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SENATE—*Wednesday, May 3, 1978*

(Legislative day of Monday, April 24, 1978)

The Senate met at 9:30 a.m., on the expiration of the recess, and was called to order by Hon. DICK CLARK, a Senator from the State of Iowa.

PRAYER

Rabbi Alex Pollack, Congregation Emanu-El, Philadelphia, Pa., offered the following prayer:

Let us pray:

Our God and God of our fathers, Thou hast taught us in Thy teachings that the Lord standeth in the congregation of the godly.

As we assemble here today to administer to the welfare of the people of our beloved country, make us worthy of Thy presence.

After a night of rest, this morning the sun rose to herald a new day. New flowers have bloomed and the plants have borne new fruit. Let us, here in these hallowed Chambers, be inspired and refreshed by the ever-renewing miracles of life and God's laws of the universe. Let us try once more to solve the problems which challenge us, feeling cleansed and reborn, ready to begin again. Let us in our deliberations remember the Biblical injunction to be ever mindful of the needs of the orphan, the widow, the sick, and the needy.

Heavenly Father, give these Senators the insight to consider tomorrow as well as today—to be able to anticipate the consequences of their decisions. May they always reflect the dignity of their office, respect the people they serve, and honor themselves by their acts as the duly elected leaders of the American people.

Guide them in Thy paths of justice and compassion. Give them the wisdom and the courage to be of unselfish service to all the people of the United States of America and the world.

Grant us all that most precious gift of all—peace—peace of mind and heart, peace with our fellow man, and peace with our God. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The second assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington D.C. May 3, 1978.

To the Senate:

Under the provisions of rule I, section 3 of the Standing Rules of the Senate, I hereby appoint the Honorable DICK CLARK, a Senator from the State of Iowa, to perform the duties of the Chair.

JAMES O. EASTLAND,
President pro tempore.

Mr. CLARK thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF LEADERSHIP

The ACTING PRESIDENT pro tempore. The Chair recognizes the majority leader.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Banking, Housing, and Urban Affairs Committee be authorized to meet during the session of the Senate today to consider the Export Import Bank Authorization Act of 1978 and housing authorization legislation for 1978.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Foreign Relations Committee be authorized to meet during the session of the Senate today to receive testimony of the Middle East arms sales proposals.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Judiciary Committee be authorized to meet during the sessions of the Senate today, and tomorrow, May 4, 1978, to consider S. 2252, the Alien Adjustment and Employment Act.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, this request has been cleared with the minority. I ask unanimous consent that the Communications Subcommittee of the Commerce, Science, and Transportation Committee be authorized to meet during the session today and Thursday, May 4, 1978, to hold hearings on authorization of the public broadcasting bill.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. This request has also been cleared with the minority. I ask unanimous consent that the Unemployment Compensation, Revenue Sharing, and Economic Problems Subcommittee of the Finance Committee be authorized to meet during the session of the Senate today to consider the President's national urban policy recommendations.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Energy and Natural Resources Committee be authorized to meet during the session of the Senate today to hold a markup session on S. 2692, the Department of Energy authorization bill.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider the nomination under new reports.

There being no objection, the Senate proceeded to the consideration of executive business.

The ACTING PRESIDENT pro tempore. The nomination will be stated.

DEPARTMENT OF ENERGY

The second assistant legislative clerk read the nomination of John Kenneth Mansfield, of Connecticut, to be Inspector General of the Department of Energy.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the nominee was confirmed.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of the nomination.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate return to the consideration of legislative business.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I have no requests for time, so I yield my time back.

RECOGNITION OF LEADERSHIP

The ACTING PRESIDENT pro tempore. The minority leader is recognized.

Mr. BAKER. Mr. President, I yield to the distinguished junior Senator from Pennsylvania.

Mr. HEINZ. Mr. President, I thank the leader for yielding.

RABBI ALEX POLLACK

Mr. HEINZ. Mr. President, it is a great pleasure for me to welcome Rabbi Pollack to the Senate this morning. His thoughts and prayers for our country, which he so beautifully expressed, are most appropriate to the current problems we face in America and around the world.

Rabbi Pollack currently fills the pulpit at Congregation Emanu-El in Philadelphia, and formerly was spiritual leader at Temple Beth Israel in Lansdale, Pa. The only one of five children to be born of Russian immigrant parents in the United States, Rabbi Pollack shares a special sense of the "melting pot" aspects of our national heritage, and one of which I know he is, as we are, extremely proud.

Equally important, Rabbi Pollack and his wife Elayne are strongly, deeply, and intimately involved in community programs and projects in the Philadelphia area, spending much time and energy to ease the burdens of their fellow men and women. Rabbi Pollack gives a great deal of his time to community groups and has served as chaplain at the State Correctional Institution at Graterford, Pa.

Rabbi Pollack is a concerned and giving person—who lives and works to bring joy and comfort into the lives of all those he touches.

I am confident that his spirit and inspiration in his prayer here today to open the Senate will touch us and be with us for many days and weeks and months to come.

SPECIAL ORDER

Mr. BAKER. Mr. President, I have no further requests or requirements for my time under the standing order.

I yield back the remainder of my time.

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Vermont (Mr. LEAHY) is recognized for not to exceed 15 minutes.

Mr. LEAHY. I thank the Chair.

TRIBUTE TO SENATORS JOHN STENNIS AND HUBERT HUMPHREY FOR THEIR WORK IN FORESTRY LEGISLATION

Mr. LEAHY. Mr. President, I would like to take this opportunity to bring to the attention of my colleagues another example of the fine leadership and initiative provided by Senator JOHN STENNIS and the late Senator Hubert Humphrey in the development of this Nation's policy for the management of our abundant forests and rangelands.

Last May 27, Senators STENNIS and Humphrey introduced the Forest and Rangeland Renewable Resources Research Act (S. 2536). This legislation is just one of many significant actions both men have taken over the years toward developing a comprehensive national forestry policy.

This legislation recognizes the growing need for Americans to become much more familiar with the ecological and economic fabric of our 1.5 billion acres of forest and rangelands. There are two points about the bill that I consider to be especially significant. First of all, it recognizes that there must be close coordination and cooperation among those people who conduct research in forestry and rangeland by providing a link between the Forest Service and the 61 forestry schools of the Nation whose research is supported in part by the McIntyre-Stennis Act. The Association of State College Forestry Research Organizations, representing the 61 forestry schools, endorsed the essential content of the rangeland renewable resources research bill at the time it was introduced.

Second, the major thrust of this bill is to improve the process of getting information from the laboratory/research stage to the application of the information in the field. This is essential to insure that we actually benefit from our research efforts.

Mr. President, I am honored to report that this bill is being considered with two related forestry bills I introduced earlier this year: the Cooperative Forestry Assistance Act (S. 2926), and the Renewable Resources Extension Act (S. 3237).

Yesterday, the House Agriculture Committee acted favorably on all three House companion bills, introduced by Congressman WEAVER last June. Senator STENNIS and Senator Humphrey's research bill was approved unanimously by the committee.

Today, the Senate Committee on Agriculture, Forestry, and Nutrition is scheduled to consider all three bills and I have every reason to expect the Senate committee to approve these bills, too.

Mr. President, I would like to take this opportunity to pay tribute to Senators STENNIS and Humphrey because few Members of this body have a record as distinguished as theirs on forestry issues.

I think their efforts have figured significantly in the spirit I see evolving in this country: That the development and use of our natural resources for economic purposes on the one hand, does not inherently conflict with our recreational and environmental needs on the other.

Senator STENNIS can, I think, best be characterized as a workhorse in the area of forestry legislation. Active both nationally and in his own State of Mississippi, he is well known for the McIntyre-Stennis Act of 1962. As a result of this important legislation, 61 State institutions as well as several private institutions currently receive grants from the Federal Government to conduct forestry research.

Since the enactment of this research program in 1962, the recognition of the importance of forestry research has grown significantly. The forest and rangeland renewable resources research bill will permit the numerous research institutions and organizations, eager to conduct forestry research but not currently eligible for the Stennis-McIntyre grants, to participate in forestry and rangeland research.

In addition to this landmark research legislation, Senator STENNIS has tirelessly worked for the adequate funding of forestry research. This kind of persistence is the key to the continuation of any policy. Without Senator STENNIS' efforts, forestry research would not have developed to the point that it has.

The late Senator Humphrey authored the landmark Forest and Rangeland Renewable Resource Planning Act of 1974, known as the RPA, and was instrumental in the passage of the 1960 Multiple Use and Sustained Yield Act, and the Wilderness Act of 1964. The RPA may be one of the most far-reaching pieces of legislation providing for the proper planning, use and conservation of our natural resources that the Congress has ever passed. With passage of the RPA, we embarked on a policy of identifying the opportunities to improve the usefulness of our 1.5 billion acres of forests and rangelands.

The research legislation introduced by Senators STENNIS and Humphrey, as well as the two bills I introduced, build on the inventory and planning framework established by the RPA. Mr. Presi- be added as cosponsors of the renewable with the tradition established by my distinguished colleagues toward the goal of managing our abundant forest and rangeland resources, to the economic as well as esthetic and environmental benefit of all Americans.

ADDITIONAL COSPONSORS

Mr. LEAHY. Mr. President, I ask unanimous consent at the next printing, that the names of the following Senators be added as cosponsors of the renewable resources legislation I introduced on February 10 of this year:

S. 2926, Senator JAMES B. ALLEN.

S. 2536, Senator JOHN C. STENNIS, Senator MURIEL HUMPHREY, Senator JAMES B. ALLEN.

S. 2537, Senator MURIEL HUMPHREY, Senator JAMES B. ALLEN, Senator ROBERT MORGAN, Senator WENDELL ANDERSON.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. LEAHY. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a brief period for the transaction of routine morning business.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(Routine morning business transacted and additional statements submitted are printed later in today's proceedings.)

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Is there morning business? If not, morning business is closed.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum, on Mr. Leahy's time and on mine.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

SPECIAL ORDER

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Idaho (Mr. CHURCH) is recognized for not to exceed 15 minutes.

THE UGANDAN CONNECTION

Mr. CHURCH. Mr. President, I strongly commend President Carter for linking our human rights goals with the other major objectives of our foreign policy. The President has embarked upon an admirable campaign to promote basic human rights for all people. This policy is in line with the basic traditions and heritage of the American people.

From the days of the American Revolution, we have believed that our country had a moral significance which transcended her military or economic power. Unique among nations of the world, the United States was created by men dedicated to a set of political and ethical principles which they believed to be universally applicable. Small wonder, then, that Santayana concluded:

> To be an American is of itself the most moral condition.

From the beginning, our republic was to be a safe harbor for liberty. Government was to be by the consent of the governed, and individuals were guaranteed certain rights, including free speech, free press, freedom of assembly, and freedom of religion. Thus, it was natural for Americans to feel a bond of sympathy and concern for foreign peoples who still suffered under tyrannical governments. During our revolution, Benjamin Franklin ventured to predict:

> Establishing the liberty of America will not only make that people happy, but will have some effect in diminishing the misery of those who in other parts of the world groan under despotism by rendering it more circumspect and enducing it to govern with a light hand.

Mr. President, that is the esssential point. Insofar as possible, American foreign policy must be made to conform to our historic ideals—the same fundamental beliefs in constitutional processes, economic justice, and popular government that once made us a beacon of hope for the oppressed and downtrodden everywhere. The fact that we are again seriously discussing the role of morality in foreign policy is an indication that we are on the way to restoring that essential balance between principle and pragmatism which has characterized American foreign policy at its best throughout our history.

In keeping with this policy, the United States has a number of options available when dealing with those nations found to be in violation of basic human rights. Congress has mandated, in the Foreign Assistance Act of 1974, that we should not supply military aid to any nation "in gross violation of human rights." I agree with this policy. Section 310 of the International Development and Food Assistance Act of 1975 amended the Foreign Assistance Act to provide that economic assistance may not be given to any country which consistently violates internationally recognized human rights. Thus, Congress has stated our general policy not to give aid to any foreign government that grossly violates the human rights of its own people. The withholding of military and economic assistance is a legitimate means of putting pressure on governments which engage in a consistent pattern of serious violations of human rights. Still, there are other instances where the United States does not provide aid but nevertheless has some leverage, which it should exercise if we are to be consistent with our basic principles.

For example, the United States rightly objects to the evils of the apartheid policies of the Republic of South Africa. These racist policies go to the very root of "human rights." The United States does not supply any military or economic aid to South Africa, and thus the aforementioned congressional directives do not apply. However, we have vast corporate and business interests in South Africa, ranging from American industries that deal with South Africa, to American banks that lend money to firms in South Africa. Senator DICK CLARK has just completed an excellent study of these business dealings with South Africa. This study, in my opinion, should be a guide to our future actions in helping to ascertain what leverage the United States can and should use to help alleviate the evils of apartheid.

Mr. President, I am also deeply disturbed by the total disappearance of human rights in Uganda. While the United States does not provide direct military or economic assistance to Uganda, it does have significant commercial and economic relations with that country. For this reason, the Subcommittee on Foreign Economic Policy of the Senate Foreign Relations Committee will conduct a set of hearings into the full ramifications of our relations with Uganda. These hearings will seek to determine whether those relations are instrumental in keeping the dictatorial regime of Idi Amin in power, and whether a breaking off of those economic ties could lead to an improved climate for human rights in Uganda.

Last May, Senator CLIFFORD CASE introduced a resolution expressing the sense of the Senate that the actions of the current regime in Uganda violates the human rights of its citizens and deserves the rebuke of the world community and the Organization of African Unity. This resolution was unanimously passed by the Foreign Relations Committee, and agreed to by the Senate by voice vote; however, the affronts to humanity continue unabated in Uganda.

Idi Amin is a cruel dictator who has wiped out thousands of lives, either to satisfy his own caprices, or to retain his tyrannical grasp on power. He brutalizes his subjects, tortures his opponents, and murders whomever his momentary whims dictate. The International Commission of Jurists estimates that at least 150,000 people have been murdered since 1971. They believe this total might actually be as high as 300,000. Other reputable sources cite a figure even higher, perhaps 350,000 Ugandans killed during Amin's reign of terror.

Despite Amin's recent attempts at improving his image through an intensive public relations campaign, tales of horror continue to come out of Uganda. Within recent weeks eight Catholic priests, including one bishop, were arrested and brutally beaten in the Masaka region. Justice Ssebuggwaawo, the president of the International Court, was the most recent prominent victim of the State Research Bureau when he was murdered in February.

I have recently met with Dr. Thomas Melady, the most recent U.S. Ambassador to Uganda. Dr. Melady has kept close watch on the regime of Idi Amin both during his tenure as U.S. Ambassador and since he left the country in 1973. Dr. Melady detailed the continuing brutalities perpetrated by Idi Amin in his recent book, "Idi Amin Dada, Hitler in Africa." He has informed me that these practices are still being carried out in Uganda.

President Carter has stated that Amin's actions have "disgusted the whole world." That may be, but the fact re-

mains that many nations have refused to criticize Amin's policies, and have refused to go along with U.S. sanctions or criticisms of Uganda.

The U.S. Congress cannot speak for other nations. But it is imperative that we reexamine the policies of our own Nation, particularly if these policies serve directly to aid and abet the regime of Idi Amin.

Mr. President, specifically there are two areas which must be explored in greater detail. First, and most important, we should look into the question of U.S. imports from Uganda, particularly coffee. Second, we must know the full extent of U.S. exports to Uganda, including the training of Ugandan technicians and the sale of equipment which might be used for persecution.

Mr. President, I believe that most Americans would probably be horrified if they realized that U.S. trade plays a major role in maintaining the regime of Idi Amin in power. Amin desperately needs foreign capital to pay his soldiers, to buy the luxury goods for his supporters, and to buy arms and weapons. Coffee exports have become an increasingly larger percentage of the total Ugandan exports. For example, in 1974, 66 percent of Uganda's total exports were coffee; in 1975, it rose to 76 percent; in 1976, it rose to 86 percent and, in the early months of 1977, coffee exports accounted for 93 percent of total Ugandan exports.

Mr. President, in 1976, coffee exports earnings brought $350 million into Uganda. The United States is the largest single purchaser of Ugandan coffee. In 1976, over one-third of Uganda's coffee exports came to the United States; which means that over $112 million U.S. dollars went into the pockets of Amin's government.

Mr. President, the earnings from the coffee sales enable Amin to purchase arms, to pay his mercenaries, and to buy luxury items for his supporters. His survival depends directly upon the sale of coffee overseas, and I stress again, that the United States is his largest customer.

In 1975 and 1976, 33 U.S. companies imported more than 242 million pounds of Ugandan coffee. This coffee was valued at nearly $158 million. The largest single customer of Ugandan coffee during 1975–76 was the Folger Coffee Co., which purchased nearly 54 million pounds at over $33 million. General Foods Corp., which makes Maxwell House, Maxim, Sanka, Uban, Freeze-Dried Sanka, Max-Pax, and Brim, purchased over 45 million pounds at nearly $29 million during that period. Saks International, Inc., a coffee distributor bought nearly 22 million pounds at over $14 million. Other major purchasers incuded the ACLI Sugar Co., Nestles Co., J. Aron and Co., and Coca-Cola Co. Foods Division.

In 1977 U.S. imports of Ugandan coffee increased. Total purchases for the first 9 months of the year were valued at $220 million. This was an increase of nearly 33 percent over purchases made during the same period of 1976.

American charter airline companies are helping Amin to export his coffee. Page Airways, based in Rochester, N.Y., not only sold Amin his executive jet a few years ago, but also flies and maintains the Stansted-Entebbi freight shuttle. Page pilots also help to fly coffee out of Uganda. Another American charter company, Seaboard World Airlines, which has offices in New York and New Jersey, has aso been involved in Uganda. In May 1977, it sent a DC–8 freighter which made 57 round trips between Entebbi and Djibouti, carrying out approximately 50 tons of coffee on each flight.

American coffee firms admit that they are concerned about the human rights policies in Uganda. However, they can also purchase coffee cheaper in Uganda than elsewhere in the world. Thus, they maintain that this coffee helps to keep the price of coffee down in the United States. This does not appear to be a valid argument. In 1976, the United States imported nearly 20 million bags of green coffee. Of this total, less than 1 million bags were imported from Uganda. This means that in 1976, the United States purchased only 4.76 percent of its coffee imports from Uganda. While the coffee business is vital to the Ugandan economy, it is not significant to the American economy or the price the American consumer pays for coffee.

In November 1977, the National Coffee Association unanimously approved a resolution deploring the "abhorrent and morally repugnant" actions of Idi Amin. They went on to declare that only the U.S. Government could ban the commercial trade with Uganda. They insisted that individual companies should not be asked to determine foreign policy. Thus, they requested the Government to "declare and implement a uniform national policy in the United States concerning trade by private and commercial interests in the United States with entities in Uganda." In effect, the National Coffee Association was requesting a policy decision from Congress.

Mr. President, it has been charged that a coffee boycott in Uganda would harm the small coffee farmers. To determine the validity of this statement, one must look at how Ugandan coffee is produced and marketed. Most of the coffee is grown in small plots by individual farmers, not on plantations. The farmers then give the coffee to the Government Marketing Board in exchange for vouchers to be redeemed at a later date. The Ugandan Coffee Marketing Board, with an office in New York, then enters into marketing agreements. It has become common knowledge that farmers can rarely redeem their vouchers. In short, Ugandan farmers are not getting a fair return for their crops. Amin's Finance Minister, Al-Hajji Brigadier Moses Al, admitted that Ugandan farmers receive only 14 cents per bag of coffee. As a result, many have turned to subsistence farming, while others resort to smuggling coffee into Kenya. Numerous individuals have already been executed for attempting to smuggle coffee out of Uganda.

Richard Ullman, in an article in the April issue of Foreign Affairs, "The United States versus Idi Amin," stresses the connection between Uganda's coffee industry and the hold Idi Amin has on power in that country:

> * * * There is a direct relationship between foreign purchases of Uganda's coffee and Amin's murderous regime. Whether he would fall from power if those purchases ceased is a question impossible to answer. Many knowledgeable persons think that he would. There is no doubt, however, that he and his closest collaborators would feel the impact on a boycott of Uganda's coffee, and feel it hard.

Mr. President, I am also concerned about U.S. exports to Uganda. In 1976, the United States exported $6.3 million worth of goods to Uganda. According to the Department of Commerce, our trade with Uganda increased in 1977 to $14.2 million. Approximately 70 percent of these exports consisted of telecommunications equipment, including shortwave radios, field telephones, and walkie-talkies, which Amin uses for military purposes. The United States has also provided Amin with numerous luxury items, including stereo equipment, passenger cars, handbags, and perfume, which Amin uses to bribe his supporters and army for their continued allegiance.

The United States has sold airplanes, helicopters, and spare parts to Uganda, A key figure in these sales has been Charles Hanner, a vice president of Page Gulfstream. Idi Amin has named him an honorary Ugandan citizen and has appointed him as his personal representative in the United States. Mr. Hanner's role in United States-Ugandan relations has not been satisfactorily explained and deserves further investigation.

There are other recent examples of American firms dealing with Amin. I am deeply concerned by a number of these cases. For example, Amin has purchased equipment for a communications satellite ground system from the Harris Corp. of Florida. This equipment was valued at over $4 million. Amin hopes to use it to broadcast his message to other African nations. Harris has also trained Ugandans in the use of this technology.

On October 15, 1977, Idi Amin's personal jet, a Grumman 5XUPF–Gulfstream II, arrived in Savannah, Ga., for maintenance. A Grumman spokesman maintained that the company was installing a tiptank system which will improve the plane's fuel capacity. He denied that they were adding any military or communications equipment, stating that this particular Grumman plant did not deal in that type of equipment. He also mentioned that the plane arrives in Savannah approximately once a year for servicing. The plane was accompanied by seven pilots who are members of the Ugandan military on permanent loan to fly Amin's private plane. It is possible that these pilots received additional training while in the United States.

A great deal of press attention has been given to the fact that a group of Ugandan police personnel were trained by the Bell Helicopter Co. at their facility in Fort Worth, Tex., in November 1977. The State Department originally announced that they had no knowledge of this training until after the initial press reports. The visas were issued under normal proce-

dures, but this incident has motivated the Department to reconsider its visa application procedures for Ugandans. One of the 24 pilots trained in Fort Worth was Babu Tabani, reputed to be one of Idi Amin's sons. These pilots were members of the Ugandan State Research Bureau, which Amin uses as an instrument of terror. While these pilots did receive their full training by Bell, their subsequent training by three subcontractors, Oakgrove Airport in South Fort Worth, Acme School of Aeronautics at Meacham Field in Northwest Fort Worth, and AVCO-Lycoming Co. in Stratford, Conn., was not approved due to the publicity received.

On December 4, the Scripps League Newspapers announced that Bell had contracted to train an additional 40 Ugandan pilots in 1978.

During 1977, Ugandans also received training at three different locations in Florida, and in Rochester, N.Y. The fact that we are assisting to train Idi Amin's military deserves greater public attention, and is proof that we need a more thorough analysis of our relations with Uganda.

Mr. President, the action Congress should take right now is to begin a full-scale investigation into our relations with Uganda. The full gamut of our relations should be studied, from our trade policies to our diplomatic exchanges. We should determine if our present policies conform to the administration's human rights position, and, if not, how these policies may be changed in an effort to stem the barbaric practices occurring in Uganda.

Mr. President, however brutal a regime may be, I believe we must deliberate with care before reaching a decision to institute economic sanctions against any country. For example, we must consider the risk that American actions may turn out to be counterproductive. There are over 100 Americans presently living in Uganda. Most of these are missionaries. They have been warned as to the possible dangers, but they have chosen to remain in Uganda. Their continued safety is naturally a matter of grave concern to us.

We must also determine whether or not economic sanctions by the United States would be effective. While coffee sales provide Amin with his major source of foreign capital, and while the United States is his major purchaser, the question remains as to whether a boycott could be made effective. Are there ways to prevent Ugandan coffee from being sold to the United States via a third country, so that Amin does not continue to receive American money indirectly?

Mr. President, these are serious and important matters that deserve the attention of Congress and the Nation. It is my hope that greater public and congressional attention to our relations with the regime of Idi Amin may help to change the cruel and inhuman practices currently taking place in Uganda. For these reasons, the Foreign Economic Policy Subcommittee of the Senate Foreign Relations Committee will soon conduct hearings into our relations with Uganda.

John de St. Jorre has written an excellent article for the New York Times magazine outlining "The Ugandan Connection." I request unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE UGANDAN CONNECTION

(By John de St. Jorre)

What do Melbourne in Florida and Stansted in England have in common, apart from their airports? A clue is Entebbe, and the answer is the "Ugandan Connection," an aerial link that makes a significant contribution to sustaining the bloody and chaotic rule of Idi Amin Dada, now entering the eighth year of his life presidency.

Stansted, an old wartime R.A.F. base, is a small airfield in rural England, some 45 miles from London. Almost every night a large American cargo plane, flown by an American crew, speeds down the runway where the Liberators and Lancasters used to lurch and sway, and heads south to the warm skies of Africa. Its cargo would excite the envy of a general trader but hardly that of a conventional airline operator. A typical load might include several cases of Scotch whisky, a consignment of Land-Rover tires, boxes of expensive perfume, boots for the Uganda Prison Service, a Mercedes-Benz (second-hand), bundles of new Ugandan bank notes printed in Edinburgh, tunics, trousers, badges and chevrons for Amin's army, aircraft parts for the Uganda Police Air Wing, and a few mournful pedigreed Hereford cows.

In the plane with the American pilots, well-paid veterans of wars, of trouble spots and of offbeat charter operations, are three armed Ugandans from Amin's feared State Research Bureau, the "Tontons Macoutes" of Uganda, and throughout the aircraft there is a pervasive aroma of coffee.

From the Melbourne Regional Airport in Florida a similar operation has been going on for much of the past year. An aircraft of Uganda Airlines has been flying in approximately twice a month and loading up with telecommunications equipment and other made-in-the-United States supplies. Its crews comprise many different nationalities, including some Americans. No flight arrives or leaves without its complement of Ugandan security guards.

This is the Ugandan shuttle, Amin's lifeline: Two converted Boeing 707's and a Lockheed Hercules C–130 ply regularly between Uganda and the West, carting raw coffee beans one way and a morally bankrupt dictator's jumbled necessities the other. The shuttle is the linchpin of Uganda's economic relationsip with the West because it is the sale of coffee, which accounts for virtually all of Amin's foreign exchange, and the provision of goods, technology and the means of transporting them that put sinew into the Ugandan leader's grasp on power.

It is this connection that an initiative in the United States Congress, which has been steadily gathering momentum since last summer, is designed to destroy. Since coming to power on a wave of popular euphoria in 1971, Idi Amin has instituted a reign of terror in a country that used to be one of the most peaceful and promising in Africa. Every precept in the human-rights canon has been violated, every appeal for moderation ignored. Reputable human-rights organizations like the International Commission of Jurists and the Nobel Prize-winning Amnesty International estimate that tens of thousands of Ugandans have been killed, scores of thousands forced into exile and hundreds of thousands brutalized under Amin's rule. While there has been an occasional exaggeration in the press, the evidence of countless witnesses, the mutilated bodies in the Victoria Nile, the crushed skulls in prison yards, and the unexplained disappearances in the night add up to an overwhelming indictment.

The Ugandan shuttle has now put the United States ahead of Britain as the single largest importer of Ugandan coffee. Coffee valued at nearly $158 million was bought by American companies in 1975 and 1976. Coffee imports for the first nine months of 1977 alone stood at $220 million, an increase of 33 percent over the same period in 1976, and they are still rising. This constitutes a small proportion of the total United States coffee imports, but to Amin it is vital. The United States accounts for roughly a third of Uganda's total coffee exports and provides Amin with the same proportion of his total foreign exchange (coffee exports to Britain provide another fifth of Uganda's foreign-exchange earnings.) American exports to Uganda, though small, are also expanding. In 1976, the total value was $6.3 million; in 1977, this figure rose to $14.2 million.

Idi Amin is a man who touches off no small amount of human passion, and a trade embargo can also become a highly charged subject. Together they can be expected to arouse considerable fervor, as the leading sponsor of the proposed boycott, Representative Donald J. Pease, a freshman Democrat from Ohio, is beginning to find out. His initiative comes at a time when public awareness of the horrors of Amin's rule is rising, when the international community is making it clearer than ever that it is not going to do anything about it, and when President Carter's emphasis on human rights as a motivating impulse of foreign policy is under scrutiny.

The commercial ties that link the United States with Uganda are now being viewed as an important weapon against Amin. These ties are considered doubly important by the anti-Amin forces because the normal government-controlled sanctions—the ending of technical and financial aid, the withdrawal of diplomatic representatives and so on—were implemented long ago. And the commercial alliances are much more extensive than is generally thought.

American businessmen are performing a number of useful functions for President Amin, who in his landlocked country surrounded by hostile or less-than-friendly neighbors, is particularly dependent on aeronautical and communications technology. Page Airways of Rochester, and its subsidiaries, Page Gulfstream and Airjet sold Amin two jet aircraft and fly the Lockheed C–130 on the Entebbe-Stansted shuttle. The American flight crews are well-paid—pilots earn more than $4,000 and flight engineers $3,000 a month—and all their living expenses are covered. They are paid by the Uganda Government from bank accounts in Switzerland and airport officials have told me, the pilots carry large amounts of cash with them in the planes to pay for fueling and landing fees (Uganda's credit rating is not high). The crews are hired on an annual contract, renewable if they choose. But, as a Page spokesman pointed out: "If they don't stick it out, we don't pay their fares home."

The key figure at Page is a supersalesman named Charles Hanner, who is vice president of Page Gulfstream. He is a familiar figure at the Ugandan mission to the United Nations and in Kampala, where, Ugandan sources report, he has established a close relationship with Amin; they say further that in 1973 he sold a Grumman Gulfstream executive jet to Amin by flying him in it to a meeting of third-world leaders in Algiers; that two years later he sold the Ugandans a Lockheed C–130 for $6 million. Hanner's name comes up with regularity when American commerce with Uganda is discussed. "He's Mister Uganda in the States," said one businessman who did not want his own name mentioned; "there's no one who

can touch Charles Hanner when it comes to dealing with the President." Amin made Hanner an honorary Ugandan citizen and appointed him his personal representative in the United States with the rank of honorary consul at large. In a telephone conversation Hanner at first denied having any connection with Uganda; later, a Page spokesman confirmed the operation but said the firm was interested in terminating it, though he conceded that it had not done so.

The two Boeing 707's in Uganda Airways' minuscule fleet were sold to Amin's Government by a Swiss company called Zimex Aviation Ltd., based in Zurich. Zimex provides crews—English, French, Irish, American and Egyptian principally—for the Boeings, and also supplies aircraft spares to the Uganda Police Air Wing.

The principal function of the Ugandan Boeing that had been appearing so frequently in Melbourne, Fla., was to ship out telecommunications equipment provided for Uganda by the Harris Corporation under a $4 million contract signed in April last year. Harris has established an earth-satellite station in western Uganda and has trained a number of Ugandans in Melbourne and Rochester in the use of communications technology. Last year, according to the manager of Melbourne Airport, Uganda Airlines flew in regularly to pick up telecommunications equipment and, when there was room, luxury goods for Amin's army and cronies.

Last October, three of the Ugandans being trained by the Harris Corporation in Melbourne asked for political asylum in the United States and were granted it. The trio were the only Christians in the 21-man group; the rest, like Amin, were Moslems from minority tribes in northwestern Uganda or from neighboring countries such as the Sudan, Zaire and Kenya. According to the refugees, 13 of this group work directly for the dreaded State Research Bureau, while four more are employed by Uganda's Ministry of Defense.

The Flight Safety International School in Vero Beach, Fla., is also training a score of Ugandans. Most of these are members of Moslem minorities and are—according to Ugandan exiles who have had contact with them—members of Amin's air force on Ugandan Government scholarships although they entered the United States as civilians. So far, the American Government has voiced no objection, though many of this group had received earlier flight training in Perth in Scotland and, in 1976, were asked to leave by the British Government when Britain broke diplomatic relations with Uganda. Another educational institution in Florida, the Embry-Riddle Aeronautical University in Daytona Beach, has one of Amin's cousins among its alumni, a man also reputed to work for the State Research Bureau.

Until recently, Bell Helicopters, in Fort Worth, was training Ugandan pilots. A dozen students were there last year, but since their departure following unfavorable publicity in the press, Bell has declared it will not consider training any more Ugandans without prior State Department permission. Bell also planned to sell three helicopters to Uganda; that deal was blocked at the last minute by the State Department, which must approve sales of military or quasi-military equipment, after Congressman Pease and Jim Mattox, a Texas Democrat, raised objections. The Ugandans by that time had already deposited more than $2 million for the purchase in a New York bank. Similarly, an attempt by Zimex Aviation of Zurich to buy another Boeing 707 on behalf of Uganda Airlines was blocked.

Most aspects of the Ugandan connection are subterranean, but one becomes more visible every day. Next door to the United States Mission to the United States on 45th Street in New York, builders are working overtime to put the finishing touches to a 15-story office building which will house Uganda's mission. Its final cost will be more than $4 million—cash, in advance—and it will be three floors higher than the United States building when it is finished.

By a curious coincidence, it is being built by another firm from Rochester, called Wilmorite Inc. Wilmorite's offices are in the same building as Page Airways but any closer organic links are denied by both firms, although several members of the Wilmot family seem to work in executive positions at both companies. A spokesman for Wilmorite indicated that he saw nothing untoward in the Ugandan-financed job. "We enjoy doing specialty buildings," he said cheerfully.

One of the reasons for this burgeoning Ugandan connection is the rising price of coffee, and there is no sign of the world's addiction to the beverage abating or of its retail price diminishing. Another American charter company, Seaboard World Airlines, which has offices in New York and New Jersey, can attest to coffee's new status. In the spring of last year, Seaboard was approached by "coffee interests" on the London commodity exchange and contracted to fly raw coffee beans out of Uganda to the Red Sea port of Djibouti. In what a spokesman of the company described as a "one-shot operation," a Seaboard DC–8 made two round trips a day between Entebbe and Djibouti throughout the month of May, shipping out 50 tons of coffee on each flight and returning empty. At that time coffee was bringing about $7,000 a ton on the London market. Ugandan coffee has been marketed in the United States for many years, long before Amin came to power, by the Ugandan Government's Coffee Marketing Board, which has an office in New York. The coffee is the robusta variety, cheaper than the high-grade arabica, and an essential ingredient for the lower-priced blends. Only about 6.5 percent of American coffee imports currently comes from Uganda, but it is used by most of the major coffee importers and roasters in the country.

In recent months, the coffee companies have come under increasing pressure from human-rights groups and the general public to stop their Ugandan purchases. Congressman Pease has published a detailed list of all the companies involved in the trade and the amount and value of their imports from Uganda. The "big five" are the Folger Coffee Company (a subsidiary of Procter & Gamble), General Foods (Maxwell House), Saks International, ACLI Sugar Company and Nestles'. At the end of November 1977, the National Coffee Association, a trade organization representing most of the major coffee companies in the United States, issued a statement reflecting these pressures and urged the U.S. Government to implement "a uniform national policy" concerning trade with Uganda.

The president of one major coffee company, Maxwell House, met State Department officials in Washington last November and urged the Government to take the lead. He was firmly rebuffed and told that it was the responsibility of each individual company to make up its own mind about whether or not it should buy Ugandan coffee.

Sources in the coffee trade say the companies are worried about violating antitrust legislation if they decide voluntarily to boycott Ugandan coffee; they say they would be accused of engaging in monopolistic practices against Uganda. Their critics, including some voices in the State Department, reply that what the coffee traders really fear is losing sales through having their prices undercut by those who might refuse to join such an embargo.

There is also controversy over what effect a trade ban might have on domestic coffee prices. Some companies believe an embargo would force prices up; others feel new sources of robusta would materialize and the worst that would happen would be a temporary dislocation. The U.S. Department of Agriculture favors the latter view. "The tight world supply situation would create some immediate difficulties for the United States. However, the overall effect on the average price of coffee to the American consumers, all other factors aside, would most likely not be very great," one official said.

Congressman Pease and his supporters have two basic aims. First, they hope to close down the Ugandan Embassy, headed by a chargé d'affaires, in Washington. The U.S. Embassy in Kampala was closed in 1973, but the Washington mission was permitted to remain open as a channel of communication with Amin. Second, they hope to cut out all trade and commercial links with Uganda through the embargo legislation they have introduced into Congress.

Their argument runs something like this. There are all too many sinners against human rights in the world but Amin's regime is exceptional, a Hitlerian monstrosity, that demands an exceptional response. Pease asserts that Amin is guilty of the crime of genocide on a massive and ever-increasing scale. He admits that the proper way of dealing with such an international criminal should be through the international community, but he feels that the United Nations is not going to take any effective action. The United States should therefore have the courage of its human-rights convictions, absolve itself of guilt by association, and take the only positive and practicable step within its power toward shortening Amin's tyranny.

Pease and his supporters are not trying to reform Amin—he is beyond redemption in their view—but to destroy him. They say they do not, as a matter of principle, like using the controversial weapon of economic sanctions but there is no alternative in this case. They believe that although a United States trade boycott will not immediately lead to Amin's overthrow, it will measurably weaken him and give hope to the thousands of Ugandans in exile and the oppressed millions at home.

The boycott legislation is aimed principally at the coffee artery. Coffee now accounts for 93 percent of Uganda's foreign exchange and, although the boycotters accept that Amin may be able to find new outlets, the sudden cutoff of his lucrative American market will constitute a damaging physical and, psychological blow. To the charge that it will be Uganda's peasant farmers—most of the country's coffee is produced on small holdings and sold through the Government-run Coffee Marketing Board—who will suffer most, the boycotters and exiles reply that the farmers already receive very little for their crops and their plight could not be much worse.

Representative Pease's campaign has steadily gathered momentum since he began to take a serious interest in the issue last summer. He now has 74 Congressmen, Democrats and Republicans, liberals and conservatives, behind him on Capitol Hill. Hearings were held in the House in February, and Senator Frank Church has taken the lead in calling for a Senate probe this spring. Religious groups, Ugandan exiles (there are more than 4,000 Ugandan political refugees in the United States), Jewish organizations and a host of human-rights committees are actively supporting Pease.

There are also indications of a popular groundswell behind the concept of tougher measures against Amin. Letters of protest to the State Department and to American companies involved in trade with Uganda have increased. Several coffee importers have been threatened with consumer boycotts if they continue to use Uganda coffee. The

literature of Amin's misdeeds has produced three serious books in as many months. The titles of these books and the background of their authors alone tell a small part of the sad tale. There is "Idi Amin, Death-Light of Africa" by David Gwyn (a pseudonym), a British civil servant who served three successive governments in Kampala and loved the country more than most. "Idi Amin Dada: Hitler in Africa" is an account by Thomas and Margaret Melady, the last American ambassador to Uganda and his wife, and finally there is "State of Blood," a chilling insider's story by Henry Kyemba, Amin's former Minister of Health. Time and Newsweek have had Amin on their covers, and even Playboy and Penthouse have found room to squeeze in Amin stories.

Pease's campaign has already had some quantifiable results. The State Department is showing greater sensitivity over visa applications by Ugandans who want to come to the United States for aviation training, and the refusal by the Government to grant licenses for the sale of the Bell helicopters and the Boeing cargo plane has made it more difficult for Amin to obtain the aircraft he needs. The coffee companies are displaying nervous symptoms; the National Coffee Association, which rarely concerns itself with politics, has publicly called upon the United States Government to take a clear stand on trade with Uganda. "The violations of human rights occurring under the Government of President Idi Amin are abhorrent and morally repugnant and have caused pressures on members of the association to desist from purchasing Ugandan coffee," it said.

There is, however, strong opposition to Pease's initiative, opposition that focuses more on his tactics than on his goal. It comes from three principal directions: blacks, conservatives and the Government. Many prominent blacks, including Andrew Young, Franklin Williams, a former Ambassador to Ghana and president of the Phelps Stokes Fund; columnist William Raspberry; Vernon Jordan of the National Urban League and Roy Wilkins, executive director emeritus of the N.A.A.C.P., have spoken out against Amin's barbarities. This represents, as Raspberry has pointed out, "not so much an about-face as an end of silence."

Nevertheless, many blacks originally felt some sympathy for Amin, who they thought had been treated unfairly by a prejudiced and sensationalist white-controlled press both in the United States and in Western Europe. Far fewer believe that today, although there is a group that still regards the issue as exaggerated and taken out of context. In the last year, Amin has flown a number of black American journalists, teachers, lawyers and other professional people to Uganda. Most of them seem to have returned convinced that he has been a victim of a pernicious propaganda campaign.

Their most articulate spokesman is Carlos Russell, a Panamanian of West Indian origin who teaches African studies at Brooklyn College. While not glossing over the internal struggle that Amin is waging to stay in power or its human cost, Russell strongly asserts that there is no reign of terror, that Amin is neither a monster nor a buffoon, and that he has widespread popular support in Uganda. I asked Russell what he thought of the International Commission of Jurists' finding that 100,000 people had been killed under Amin's rule. "Bull," was his reply.

Russell has been to Uganda twice in the last year. He went as a skeptic and returned as a convert. He writes and broadcasts extensively in the sections of the black media that still display Amin in a favorable light. Amin named an island after Russell in Lake Victoria—"Carlos Island." The Ugandan mission in Washington, when asked by Congressman Pease's office to send someone to represent Uganda's case at the Congressional hearings, selected Russell as their man.

The black caucus in Congress is not happy with Pease's embargo legislation. "We don't approve of Amin," said one member, "and we are ready to condemn him. But a trade ban is excessive and unacceptable unless it is tied to similar legislation against South Africa." Although strongly critical of Amin's conduct and prepared to go along with a tough condemnatory resolution, the caucus feels that Uganda is being unfairly singled out from a number of other transgressors against human rights.

Black Congressmen receive a fair amount of pro-Amin mail and their African friends at the United Nations tend to reinforce their view that a double standard is operating when white liberals espouse the cause of an embargo against Uganda, where the United States has few economic or strategic interests, without linking it to similar sanctions against South Africa, where those interests are manifestly entrenched. The caucus wields considerable influence in the House of Representatives' Africa subcommittee, chaired by Charles Diggs. It is here that the embargo legislation may encounter its roughest passage, though Digg's recent indictment in a kickback case may diminish his effectiveness.

Conservatives in general and businessmen in particular are opposed to the Pease boycott because they dislike the concept of using trade as a political lever unless it is clearly in the national interest—as in the case of a hostile confrontation—or the result of an internationally sanctioned initiative by the world community. Even then, as the Cuban and Rhodesian embargoes showed, economic sanctions are far from popular. This group also fears that an embargo against Uganda, launched from the floor of the Congress and motivated by a passionate concern for human rights, will open the floodgates to other trade bans—with South Africa as the next likely possibility.

The State Department is firmly against the legislation. Officials list a number of reasons why they oppose an embargo, beginning with the principle of noninterference in international trade, an argument that has legal, political and economic implications.

No nation as dependent on International commerce as the United States, it is argued, can lightly wield the sanctions weapon. Officials stress that the United States has strongly opposed trade boycotts against Israel and the oil boycott against itself by the Arabs. It has cast its veto a number of times in the U.N. Security Council to block economic sanctions against South Africa. And it has to abide by the General Agreement on Tariffs and Trade (GATT).

The case of Uganda is further regarded as a bad way to break with tradition because, in the view of some officials, a unilateral trade ban will not have much effect anyway, and in the opinion of others it is a "cheap shot" because it will not hurt American interests either. Also, it is argued, why choose Uganda? What about Cambodia, Equatorial Guinea, Chile, South Africa and so on? Finally, and perhaps most important of all, the security of the 75 American missionaries who are still living in Uganda, despite appeals by Washington that they leave, has to be considered. Amin is regarded as a dangerous man, capable of wreaking his vengeance on those captive Americans if provoked. No responsible United States Government, the State Department stresses, can ignore this possibility.

There seems little likelihood that the Administration—President Carter affirms, through a spokesman, that the State Department reflects his view—will change its mind as the pressure grows for more positive action against President Amin. The most that the Carter Administration appears to be prepared to do is to maintain the level of its condemnatory rhetoric, to monitor more strictly the "gray areas" of indirect assistance to the Ugandan Government, and to work behind the scenes as the international community gropes to find some generally acceptable way of dealing with gross violators of human rights.

The track record of human-rights issues at the United Nations is not promising. The U.N. Commission for Human Rights, which has its base in Geneva, has produced reports on violations in only three countries: Israel, South Africa and Chile. Political pressures have always blocked its working groups from tackling other situations. An attempt by the Western countries in the General Assembly last session to appoint a U.N. commissioner on human rights was shelved after a heated debate that did nothing to help a hastily submitted "Nordic resolution"—initiated by Finland but backed jointly by the other four Nordic countries—condemning Uganda and asking the Organization of African Unity and the U.N. Human Rights Commission to look into the matter. The African group opposed a debate and it was finally agreed to refer the matter to the U.N. Commission at its next meeting in Geneva. This was less than the statesmanlike compromise it was depicted to be at the time because the Commission for Human Rights already had Uganda on its agenda.

Whatever the ultimate fate of the Pease legislation may be, it is elevating the profile of the human-rights question to new and controversial levels. This is the first time that a serious move to legislate economic sanctions against a nonbelligerent state has come out of both houses of Congress. And behind Uganda looms the larger problem of South Africa, for the one thing both sides in the Ugandan debate agree on is that if the ban goes through it will make similar action against South Africa considerably easier.

The Carter Administration is in a difficult position. The President's emphasis on human rights as a major factor in the conduct of his foreign policy has aroused great expectations among many Americans, greater perhaps than he had either conceived or intended. The problem is: How can you implement such a policy in a credible and equitable manner? In some cases, as with Cambodia and Equatorial Guinea, it can be argued that the United States possesses neither stick nor carrot. But with Uganda (and, of course, South Africa) both clearly exist.

Even if Pease's embargo gets no farther than the Byzantine labyrinths of the Congress's subcommittees, he and his supporters consider they will have achieved some measure of success by raising American public consciousness about Uganda, by taking the edge off the American businessman's appetite for trade with Amin through that process, and by showing similar boycott movements in Europe that Americans also care. If, however, the embargo bills do reach the floor of Congress, the Administraiton's dilemma will be brought into much sharper focus. For, as one State Department official put it, "voting against an Amin boycott would be like voting against motherhood. No one in Congress wants to be seen doing that."

After the House hearings in February, the State Department modified its position slightly by admitting that the Pease embargo package gave it some leverage over Amin but continued to stress that the threat of economic sanctions was more effective than their implementation. The department also believes that the situation in Uganda is not as bad as it was and that time should be given to a new initiative by the United Nations Human Rights Commission to dispatch a former Nigerian Chief Justice and ex officio member of the International Commission of Jurists to make a confidential as-

sessment of the Ugandan Government's behavior. But none of this will stop the Congressional progress of Pease's boycott, halting though it is. The consensus is that once the legislation reached the floor it would sail through both houses and the fat would be in the fire. Would Jimmy Carter then cast his first veto against motherhood?

Mr. CHURCH. Mr. President, I yield to the distinguished Senator from Oregon, my good friend, Mr. MARK O. HATFIELD.

The PRESIDING OFFICER (Mr. ZORINSKY). The Senator from Oregon is recognized.

Mr. MARK O. HATFIELD. Mr. President, I rise today for the fourth time on the floor of the Senate to focus attention on this particular problem in Uganda, and this is sort of a special day for me that I have looked forward to with great anticipation. For I have had a deep longing for the day when the U.S. Senate would place on its agenda serious discussion about what our Government could and should do to help bring an end to the Hitleresque regime of the diabolical Idi Amin.

I wish today to commend our distinguished colleague from Idaho, Senator FRANK CHURCH, for his leadership in announcing hearings in the Foreign Relations Committee.

Also, this morning, I pay tribute to Mr. Jay Treadwell, the director of the Senate Food Service, for his contribution to this dialog by means of his heartening response to my request of last week that the Senate no longer buy products with Ugandan coffee beans.

Mr. President, I ask unanimous consent to have his letter printed in its entirety in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

MAY 2, 1978.

Hon. MARK HATFIELD,
U.S. Senate,
Russell Building,
Washington, D.C.

DEAR SENATOR HATFIELD: Your April 28th letter to me concerning Ugandan coffee caused us to focus on the country of origin of these products. We are currently purchasing all regular ground coffee from Weschler Coffee Company, who certify that our purchases are 100% Colombian (South American) in origin.

We had purchased two coffee products from General Foods, Sanka, a decaffeinated product, and packets of what are referred to as "International Coffees".

I have today returned the remaining stock of the International Coffees to General Foods, will discontinue its sale and will replace the Sanka with a similar product from Colombia. We will support this Uganda coffee restriction to the maximum extent.

Sincerely,

JAY TREADWELL.

Mr. MARK O. HATFIELD. Mr. President, Mr. Treadwell's letter is in response not only to a personal request made by me but is also in line with the resolution introduced by Senator WEICKER, of Connecticut, which I have cosponsored, calling for national boycott against the import of coffee from Uganda.

This particular genocide that has been conducted by Amin has had special emphasis and special focus upon the Anglican community of Uganda.

So I ask unanimous consent to have printed in the RECORD Mr. Treadwell's eloquent letter to the Episcopal bishop of Washington, the Right Reverend John Walker, suggesting that all area Episcopal Churches, and I hope all American churches, cease serving coffee from Uganda at Sunday morning coffee hours and instead make every effort to purchase products that contain Central and South American coffees.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

MAY 2, 1978.

The Right Reverend JOHN WALKER,
Bishop-Diocese of Washington, The National Cathedral, Washington, D.C.

DEAR BISHOP WALKER: The effort mentioned in Senator Mark Hatfield's letter of April 28th seems vital to me. I am in charge of the Senate foodservice facilities and met you one day when you dined in the Senator's Dining Room with Dr. Edward Elson, the Senate Chaplain.

More germaine to the point is that I am a member of the vestry at Bill Swing's church, St. Columbia. Sunday mornings throughout the year there is a coffee hour at St. Columbia for which almost $2,000 is spent annually for coffee. If other churches in the diocese have similar social hours, the annual volume is certainly large. If churches buy from General Foods (Maxwell House, for example) up to 16% of the raw coffee is from Uganda; in St. Columba's case this means money representing $320 in sales value goes to Uganda. 95% of Uganda's export revenues come from coffee which, in turn, feeds these exterminations.

I would like to suggest that, even though a small token, as an indication of our conciousness in the "Outreach" program, we discontinue serving coffee from Uganda. There are many Central and South American coffees on the market.

If I may be of help, please let me know.

Sincerely,

JAY TREADWELL.

Mr. MARK O. HATFIELD. Mr. President, Dr. Thomas Melady, the last American Ambassador to Uganda, defines the situation in the introduction to his book "Idi Amin Dada . . . Hitler in Africa:"

As the representative of the President of the United States, I had to deal with Idi Amin Dada, president of Uganda. I am pleased to say that I was the last U.S. ambassador to his government, and I hope that there will be no others. For tyrants do not change; they only become more brutal. The tortures, killings, and atrocities do not stop; they increase.

Brutal tyrants are known to lie. They do not hesitate to distort and totally fabricate circumstances. At the same time, they are cunning. They like to play with people, especially those they eventually plan to liquidate.

Tyrants are often obsessed with sex. Victims of their oppression are frequently forced to submit to personal degradation, abuse, and cruel sexual mutilation.

Finally, brutal tyrants select easily identifiable minority communities to bear the brunt of the pressures and hatreds of the majority.

These were the characterstics of the tyrant Adolf Hitler and other members of the Third Reich. And they are the characteristics of Idi Amin and his henchmen.

Mr. President, the stark truth today is that our economic policies have profound political consequences. The decision to allow market forces to govern our behavior is also a tacit decision to wield our economic leverage in support of Idi Amin.

The principle of unrestrained free trade, which under usual conditions is a prudent and logical policy, does not merit unquestioned allegiance * * * our commitment to human dignity, freedom and our abhorance of Hitler-like barbarism does merit unwavering loyalty. Human rights are violated in many areas of the globe but fortunately genocide is not so commonplace. Fitting the world's tryrants and butchers into a neat package not only serves to blur the essential distinctions between them, but it divests us of making the most difficult decisions. The reality is that terror reveals itself in degrees, and that on any contemporary scale, Uganda's plight is in a class by itself.

We must direct our condemnation in a way that considers the level of abuse and the degree to which we share responsibility in the implementation of those policies. A failure to move in the face of systematic brutality on a scale rivaled only by Hitler's Third Reich and Stalin's Russia reduces our credibility and the consistency of our human rights policy to so much rhetoric, and it serves as a symbol of a rejection of the hopes and dreams of terror stricken people around the world.

I am deeply grateful that our efforts have moved us as a body to this important juncture this morning. I trust that our resolve will further the process of exposing and ending U.S. complicity in the slaughter in Uganda.

Once again I would like to commend Senator CHURCH for his sensitivity in responding to these requests, and to the President of the United States for his sensitivity in giving support to this particular effort.

Mr. CHURCH. I thank the distinguished Senator from Oregon.

I would like to yield the remainder of my time to the distinguished Senator from Iowa (Mr. CLARK).

The PRESIDING OFFICER. The Senator from Iowa is recognized for 1 minute.

Mr. CLARK. Mr. President, in just this 1 minute I join with Senator HATFIELD in congratulating the distinguished Senator from Idaho for undertaking these hearings. I think very often the charge is made—and quite accurately—that we sometimes seem to hold a double standard in Africa, that we speak out strongly against white suppression by white minorities in South Africa, Rhodesia, and Namibia, and quite accurately so. But certainly if we have to meet any kind of consistent standard, we have to be just as interested and concerned in what occurs in terms of Africa and the rest of the world. Idi Amin is no more typical of Africa than Adolph Hitler was of Western Europe, and yet it is a unique kind of oppression that this country ought to be particularly concerned about.

I think it is particularly appropriate, and I certainly want to join as a member

of the Subcommittee on Foreign Economic Policy which Senator CHURCH chairs, in taking a particular interest in these hearings.

I think the time has come that we really pursue this and do it with an open mind, as the Senator has suggested.

Mr. CHURCH. I thank the Senator very much for his remarks.

NAVIGATION DEVELOPMENT ACT

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of H.R. 8309, the Navigation Development Act, which the clerk will report.

The legislative clerk read as follows:

H.R. 8309, a bill authorizing certain public works on rivers for navigation, and for other purposes.

AMENDMENT NO. 1833

(Purpose: To authorize certain projects for river and harbor improvements)

The PRESIDING OFFICER. Under the previous order, the Chair recognizes the Senator from West Virginia (Mr. RANDOLPH) to call up an amendment on which there will be 1 hour equally divided. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from West Virginia (Mr. RANDOLPH) proposes an amendment numbered 1833.

Mr. RANDOLPH. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 16, line 19, strike all through line 5 on page 17, and insert the following:

"TITLE IV—WATER RESOURCES PROJECTS

"SEC. 401. Sections 201 and 202 and the last three sentences in section 203 of the Flood Control Act of 1968 shall apply to all projects authorized in this section. The following works of improvement for the benefit of navigation and the control of destructive flood waters and other purposes are hereby adopted and authorized to be prosecuted by the Secretary of the Army, acting through the Chief of Engineers, substantially in accordance with the plans and subject to the conditions recommended by the Chief of Engineers in the respective reports hereinafter designated.

"SOUTH ATLANTIC COASTAL REGION

"The project for beach erosion control at Jekyll Island, Glynn County, Georgia: House Document Numbered 94–533, at an estimated cost of $3,399,000.

"The project for navigation for the Atlantic Intracoastal Waterway Bridges, Virginia and North Carolina, authorized by section 101 of the Rivers and Harbors Act of 1970 (84 Stat. 1818) is hereby modified in accordance with the recommendations of the Chief of Engineers in House Document Numbered 94–597 with respect to Hobucken, Core Creek, and Fairfield bridges at an estimated cost of $18,700,000.

"MIDDLE ATLANTIC COASTAL REGION

"The project for beach erosion control at Coney Island, Borough of Brooklyn, New York: Final report of the Chief of Engineers, dated August 18, 1976, at an estimated cost of $2,019,000.

"RAHWAY RIVER BASIN

"The project for flood control on Robinson's Branch at Clark, Scotch Plains, and Rahway, New Jersey: Final report of the Chief of Engineers, dated October 10, 1976, at an estimated cost of $11,702,000.

"The project for flood control on the main stem of the Rahway River and Van Winkles Brook, Springfield, New Jersey: Final report of the Chief of Engineers, dated October 24, 1975, at an estimated cost of $7,345,000.

"CHEHALIS RIVER BASIN

"The project for flood control on the Chehalis River at South Aberdeen and Cosmopolis, Washington: Final report of the Chief of Engineers, dated February 8, 1977, at an estimated most of $11,486,000.

"KODIAK HARBOR

"The project for navigation improvements at Kodiak Harbor, Alaska: Final report of the Chief of Engineers, dated September 7, 1976, at an estimated cost of $7,874,000.

"TERRITORY OF GUAM

"The project for flood control on the Agana River, Territory of Guam: Final report of the Chief of Engineers, dated March 14, 1977, at an estimated cost of $3,260,000.

"SEC. 402. (a) The Secretary of the Army, acting through the Chief of Engineers, is hereby authorized to undertake the phase I design memorandum stage of advanced engineering and design of the following water resources development projects, substantially in accordance with, and subject to the conditions recommended by the Chief of Engineers, in the reports hereinafter designated.

"CONNECTICUT RIVER BASIN

"The project for water supply in Massachusetts, diverting water from the Millers River Basin to Quabbin Reservoir, near Springfield, Massachusetts: Final report of the Chief of Engineers, dated September 10, 1976, at an estimated cost of $400,000.

"The project for water supply in Massachusetts, directing water from the Connecticut River Basin by way of the Northfield Mountain project to Quabbin Reservoir: Final report of the Chief of Engineers, dated September 10, 1976, at an estimated cost of $400,000.

"PUGET SOUND

"The project for navigation on the Blair and Silcum Waterways, Tacoma Harbor, Washington: Final report of the Chief of Engineers, dated February 8, 1977, at an estimated cost of $200,000.

"CHEHALIS RIVER BASIN

"The project for navigation at Grays Harbor Washington: In accordance with the final report of the Chief of Engineers, at an estimated cost of $1,000,000. This shall take effect upon submittal to the Secretary of the Army by the Chief of Engineers and notification to Congress of the approval of the Chief of Engineers.

"GULFPORT HARBOR

"The project for channel deeping for navigation at Gulfport Harbor, Mississippi, in accordance with the final report of the Chief of Engineers, at estimated cost of $1,805,000. This shall take effect upon submittal to the Secretary of the Army by the Chief of Engineers and notification to Congress of the approval of the Chief of Engineers.

"(b) The Secretary of the Army is authorized to undertake advanced engineering and design for the projects in subsection (a) of this section after completion of the phase I design memorandum stage of such projects. Such advanced engineering and design may be undertaken only upon a finding by the Chief of Engineers, transmitted to the Committees on Environment and Public Works of the Senate and Public Works and Transportation of the House of Representatives, that the project is without substantial controversy, that it is substantially in accordance with and subject to the conditions recommended for such project in this section, and that the advanced engineering and design will be compatible with any project modifications which may be under consideration. There is authorized to carry out this subsection not to exceed $5,000,000. No funds appropriated under this subsection may be used for land acquisition or commencement of construction.

"(c) Whenever the Chief of Engineers transmits his recommendations for a water resources development project to the Secretary of the Army for transmittal to the Congress, as authorized in the first section of the Act of December 22, 1944, the Chief of Engineers is authorized to undertake the phase I design memorandum stage of advanced engineering and design of such project if the Chief of Engineers finds and transmits to the Committees on Public Works and Transportation of the House of Representatives and Environment and Public Works of the Senate, that the project is without substantial controversy and justifies further engineering, economic, and environmental investigations. Authorization for such phase I work for a project shall terminate on the date of enactment of the first Water Resources Development Act enacted after the date such work is first authorized. There is authorized to carry out this subsection not to exceed $4,000,000 per fiscal year for each of the fiscal years 1978 and 1979.

"(d) Sections 201 and 202 and the last three sentences in section 203 of the Flood Control Act of 1968 shall apply to all projects authorized in this section. The following works of improvement for the benefit of navigation and the control of destructive floodwaters and other purposes are hereby adopted and authorized to be prosecuted by the Secretary of the Army, acting through the Chief of Engineers, substantially in accordance with the plans and subject to the conditions recommended by the Chief of Engineers in the respective reports hereinafter designated.

"SEC. 403. Section 7 of the River Basin Monetary Authorization and Miscellaneous Civil Works Amendment Act of 1970 (84 Stat. 310), as amended by section 48 of the Water Resources Development Act of 1974 (88 Stat. 12), is further amended to read as follows:

"'SEC. 7. (a) The project for Libby Dam Kootenai River, Montana, is hereby modified to provide that an amount not to exceed $6,500,000 is authorized for mitigation of fish losses attributed to the Libby Dam project, including the reregulating dam and any additional hydropower units that may be installed.

"'(b) Funds authorized for mitigation pursuant to subsection (a) shall be transferred to the State of Montana for construction or expansion of fish hatcheries of the State of Montana.'.

"SEC. 404. Section 181(a)(2) of the Water Resources Development Act of 1976, approved October 22, 1976 (Public Law 94–587), is amended by striking out '(A)' after 'constructed' and the following: ', and (B) unless such construction is not in conflict with the report of the Secretary of the Army, acting through the Chief of Engineers, submitted pursuant to section 85 of the Water Resources Development Act of 1974'.

"SEC. 405. Whenever the Secretary of the Army, acting through the Chief of Engineers, or the Secretary of Agriculture, acting under Public Law 83–566, as amended, submits a project to the Committee on Environment and Public Works of the Senate or the Committee on Public Works and Transportation of the House of Representatives that can be anticipated to provide benefits, more than 10 per centum of which are produced by an in-

crease in anticipated land value to a single nonpublic corporation or individual, the Secretary of the Army or the Secretary of Agriculture, as appropriate, shall, prior to the construction of such project, require that the local sponsor of such project enter into an agreement with the Secretary of the Army or the Secretary of Agriculture, as appropriate, that provides that the sponsor contributes, either prior to construction or when such benefits are realized, 50 per centum of the project's costs allocated to such benefits.

"SEC. 406. (a) The authorization of phase I engineering and design contained in section 101(a) of the Water Resources Development Act of 1976 (Public Law 94–587, 90 Stat. 2918) for flood protection for Jefferson City on Wears Creek, Missouri, is hereby terminated.

"(b) The project for flood protection for Jefferson City on Wears Creek, Missouri, as described in the report of the Chief of Engineers dated October 21, 1975, is hereby authorized at an estimated cost of $29,110,000.

"SEC. 407. Any report that is submitted to the Committee on Environment and Public Works of the Senate or the Committee on Public Works and Transportation of the House of Representatives by the Secretary of the Army, acting through the Chief of Engineers, or the Secretary of Agriculture, acting under Public Law 83–566, as amended, which includes construction of a water impoundment facility, shall include information on the possibility of failure of such facility due to geologic or design factors, the potential impact of the failure of such facility, and information on the design features that would prevent, lessen, or mitigate such possibility of failure or the impact of failure.

"SEC. 408. Section 134(a) of the Water Resources Development Act of 1976 (Public Law 94–587, 90 Stat. 2929) is amended by striking '1977' from the last sentence and inserting in lieu thereof '1985'.

"SEC. 409. The Secretary of the Army, acting through the Chief of Engineers, is authorized to investigate, study, and recommend remedial measures with respect to flood control, bank stabilization, sedimentation, and related purposes on the Homochitto and Buffalo Rivers, Saint Catherine and Coles Creeks, Bayou Pierre, and othe major tributaries draining into the Mississippi River between Bayou Pierre and the Buffalo River in the State of Mississippi.

"SEC. 410. (a) There is hereby established a Water Resources Mitigation Advisory Board (hereinafter referred to as the 'Board'), which is authorized to evaluate complaints of any existing or potential adverse impact of any proposed or existing water resources project undertaken by the Secretary of the Army, acting through the Chief of Engineers, and to make recommendations on any requested mitigation.

"(b) The Board shall be comprised of three members. One member shall be a Federal employee serving at the pleasure of the President. Two members shall be appointed by the President from the general public for terms of three years. Such public members, while attending meetings of the Board, shall be entitled to receive compensation at a rate not in excess of the maximum rate of pay for grade GS–18, as provided in the General Schedule under section 5332 of title 5 of the United States Code, including traveltime, and while away from their homes or regular places of business they may be allowed travel expenses including per diem in lieu of subsistence as authorized by law (5 U.S.C. 73b–2) for persons in the Government service employed intermittently. Anyone who has been an employee of the United States Army Corps of Engineers shall be ineligible to serve as a public member of the Board.

"(c)(1) The Board shall meet at least four times annually to review matters referred to it by any State or local public agency, the Secretary of the Army, the Committee on Environment and Public Works of the Senate, or the Committee on Public Works and Transportation of the House of Representatives. At such meetings, the Board is authorized to review all information relating to any request for mitigation of an authorized project, and to recommend changes in the project that can be achieved administratively or by appropriate legislation. Any recommendation by the Board shall include a statement evaluating the equity of the mitigation request; an estimate, if appropriate, of the cost of such alteration and the effect such cost would have on the relation of total project benefits to cost; and an explanation of how the mitigation request meets or fails to meet established national water resources policy. Recommendations by the Board are advisory and not subject to judicial review.

"(2) A copy of any recommendation by the Board under paragraph (1) of this subsection shall be transmitted to the Secretary of the Army and to the Committee on Environment and Public Works of the Senate and the Committee on Public Works and Transportation of the House of Representatives, as well as any interested State or local public agency. Following a review of any such recommendation, the Secretary of the Army shall notify the Committee on Environment and Public Works of the Senate and the Committee on Public Works and Transportation of the House of Representatives of any decision or proposal based upon such recommendation, together with a statement detailing any disagreement with the Board's recommendation.

"(d) For the purposes of this section, 'mitigation' means any change in project operations, any construction of new facilities or devices that would alleviate any anticipated or actual damages, or other adverse and definable unintended effects, or any change in requirements for local interests to provide, pay for, or share in the costs of any features of any project undertaken by the Secretary of the Army, acting through the Chief of Engineers.

"(e) The Board shall, from time to time, report to the Committee on Environment and Public Works of the Senate and the Committee on Public Works and Transportation of the House of Representatives on issues and problem areas brought before it for advisory opinions, together with any recommended changes in the procedures or practices of the Secretary of the Army, acting through the Chief of Engineers, that would alleviate such problems in future projects.

"(f) The sum of $250,000, beginning in the fiscal year ending September 30, 1978, is authorized to be appropriated each fiscal year to carry out this section.

"SEC. 411. (a) The authorization for the Victory Lake project for flood control and other purposes on the Moose River, town of Victory, Essex County, Vermont, contained in the Flood Control Act of 1936 as amended by the flood control Acts of 1938 and 1941, is hereby terminated.

"(b) The authorizations for the Lafayette Dam and Reservoir and the Big Pine Dam and Reservoir on the Wabash River, Indiana, contained in section 204 of the Flood Control Act of 1965 (795 Stat. 1081), is hereby terminated.

"(c) (1) The authorization of the Kickapoo River, Wisconsin flood control project, provided by section 203 of the Flood Control Act of 1962 (76 Stat. 1173, 1190) is hereby terminated.

"(2) The Secretary of the Army, acting through the Chief of Engineers, shall immediately undertake such modification and landscaping of the uncompleted project for safety, aesthetic, and ecological purposes as the Secretary deems necessary. Such modification shall include, but shall not be limited to, demolition and removal of the outlet control structure and the right abutment.

"(3)(i) The Secretary of the Army, acting through the Chief of Engineers, shall take no action to dispose of works and interests in lands related to the project which are under his jurisdiction for eighteen months following the date of enactment of this Act.

"(ii) If Congress, by law, has not otherwise provided for the disposal of the project lands within eighteen months of date of enactment of this Act, the Secretary of the Army, acting through the Chief of Engineers, shall immediately proceed to dispose of such lands and interests under his jurisdiction pursuant to the applicable provisions of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 484).

"SEC. 412. The section may be cited as the 'Water Supply Act of 1977'.

"(a) Because many regions of the Nation confront water shortages that can be expected to continue or to increase, and because such shortages are, in part, aggravated by a lack of any coordinated, national policy for the efficient and productive use and reuse of water, the Congress declares that there is a national interest in the development of new water supplies, on an economical basis, for domestic, municipal, industrial, and other public purposes.

"(b) (1) In carrying out a policy to encourage a more efficient use and supply of water as a way to benefit municipal, industrial, and agricultural development, wetland preservation, fish and wildlife protection, and other national purposes, the Secretary of the Army, acting through the Chief of Engineers, is authorized and directed to survey, plan, construct, and operate projects for the storage of water needed to meet present and anticipated demand, and for its transportation to regions of the Nation with present or anticipated water shortages: *Provided*, That each such project must be specifically authorized by law enacted subsequent to this Act.

"(2) The costs allocated to water supply in any project constructed as a result of the authority of subsection (a) of this section shall be repayable, with interest, by the water users over a period of not more than fifty years from the date that water is first delivered, pursuant to contracts with municipalities or other public organizations except as provided in subsection (d). Such contracts shall be precedent to the commencement of construction of any unit or stage of the project. The contracting organization shall be responsible for the disposal and sale of water surplus to its requirements, but revenues therefrom shall be used only for payment of operation and maintenance costs, interest, and retirement of the obligation assumed in the contract.

"(c) The interest rate used for computing interest during construction and interest on the unpaid balance of the costs of the project allocated to municipal water supply shall be determined by the Secretary of the Treasury, as of the beginning of the fiscal year in which construction is commenced, on the basis of the computed average interest rate payable by the Treasury upon its outstanding marketable public obligations which are neither due nor callable for redemption for fifteen years from date of issue.

"(d) The Secretary of the Army, acting through the Chief of Engineers, is authorized to recommend modified cost-sharing and repayment schedules for that portion of the water supplied under this section to a municipal system serving a rural community, whether incorporated or unincorporated, with a population of less than ten thousand, which is not part of a larger population center.

"SEC. 413. The plan for the harbor improvement at Honolulu Harbor, Oahu, Hawaii, authorized by section 301 of the River and Harbor Act of 1965 (79 Stat. 1092) is

hereby modified to delete the requirement that local interests contribute in cash, prior to initiation of construction, a lump sum amounting to 2.6 per centum of the estimated first cost of the general navigation facilities for the project, ascribed to land enhancement through deposition of dredged material.

"SEC. 414. Section 4 of the Act of July 5, 1884 (23 Stat. 147), as amended by the Act of March 3, 1909 (33 U.S.C. 5), is hereby amended to read as follows:

" 'SEC. 4. The Secretary of the Army, acting through the Chief of Engineers, is authorized to operate, maintain, and keep in repair and rehabilitate any project for the benefit of navigation belonging to the United States or that may be hereafter acquired or constructed: *Provided*, That whenever, in the judgment of the Secretary of the Army, the condition of any of the aforesaid works is such that its reconstruction or replacement is essential to efficient and economical maintenance and operation, as herein provided for, the Secretary may proceed with such work: *Provided further*, That the reconstruction or replacement does not increase the facility's scope or capacity or change the location of an existing facility: *And provided further*, That nothing herein contained shall be held to apply to the Panama Canal.'.

"SEC. 415. Notwithstanding the provisions of section 1 of the Act of June 21, 1940, entitled 'An Act to provide for the alteration of certain bridges over navigable waters of the United States, for the apportionment of the cost of such alterations between the United States and the owners of such bridges, and for other purposes' (54 Stat. 407), as amended, the Port of Houston Authority Bridge over Greens Bayou approximately 2.8 miles upstream of the confluence of Greens Bayou, Texas, and the Houston Ship Channel is hereby declared to be a lawful bridge eligible for replacement under such Act.

"SEC. 416. (a) Section 3 of the Act entitled 'An Act authorizing Federal participation in the cost of protecting the shores of publicly owned property', approved August 13, 1946, as amended, is amended by striking out '$1,000,000' and inserting in lieu thereof '$2,000,000'.

"(b) The amendment made by this section shall not apply to any project under contract for construction on the date of enactment of this Act, except in those cases where the authorized project includes periodic beach nourishment in accordance with section 1(c) of the Act approved July 28, 1956.

"SEC. 417. (a) Any resolution previously or hereafter adopted by the Committee on Environment and Public Works of the Senate or the Committee on Public Works and Transportation of the House of Representatives for review of flood control and river and harbor reports is automatically deauthorized if no funds are expended for such survey within five years following its approval.

"(b) The Secretary of the Army, acting through the Chief of Engineers, is authorized and directed to submit to the Congress, within six months of enactment of this section, a list of all existing survey studies that have an inactive or deferred status. All surveys on such list may be deauthorized within ninety days thereafter by resolution of either the Committee on Environment and Public Works of the Senate or the Committee on Public Works and Transportation of the House of Representatives.

"SEC. 418. The Secretary of the Army, acting through the Chief of Engineers, is hereby authorized and directed to make a study in cooperation with the government of the Trust Territory of the Pacific Islands for the purpose of providing a plan for the development, utilization, and conservation of water and related land resources of such territory. Such study shall include appropriate consideration of the needs for flood protection, wise use of flood plain lands, navigation facilities, hydroelectric power generation, regional water supply and waste water management facilities systems, general recreation facilities, enhancement and control of water quality, enhancement and conservation of fish and wildlife, and other measures for environmental enhancement, economic and human resources development, and shall be compatible with comprehensive development plans formulated by local planning agencies and other interested Federal agencies.

"SEC. 419. (a) In order to alleviate the critical conditions created by a natural disaster in April 1977, the Secretary of the Army, acting through the Chief of Engineers, is authorized and directed to design and construct, at full Federal expense, flood control measures including, but not limited to, levees, floodwalls, cut-offs, and other appurtenant facilities, and to provide modifications to existing flood protection structures as appropriate, at or in the vicinity of Pikeville, Kentucky, on the Levisa Fork of the Big Sandy River; Pineville, Kentucky, on the Cumberland River; and Williamson and Matewan, West Virginia, on the Tug Fork of the Big Sandy River, that the Chief of Engineers determines are necessary and advisable to afford these communities and other flood damaged localities and their immediate environs on both the Levisa and Tug Fork of the Big Sandy River and Cumberland River a level of protection against flooding at least sufficient to prevent any future losses to these communities from the likelihood of flooding such as occurred in April 1977, at an estimated cost of $100,000,000: *Provided*, That non-Federal interests shall hold and save the United States free from damages due to the construction works, and maintain and operate all the works after their completion in accordance with regulations prescribed by the Secretary of the Army.

"(b) With respect to the works authorized by subsection (a) of this section, an economic analysis of the projects is hereby waived.

"SEC. 420. When submitting any report on a project which includes benefits for recreation, the Secretary of the Army, acting through the Chief of Engineers, or the Secretary of Agriculture, under authority of Public Law 83-566, as amended, shall describe the benefits of other, similar recreational facilities within the general area of the project, and develop a unit value for recreational attendance which is consistent with the unit values used to justify existing recreation facilities.

"SEC. 421. Section 208 of the Flood Control Act of 1954 (68 Stat. 1256, 1266), as amended, is hereby further amended by adding '(a)' after 'SEC. 208.' and adding a new subsection '(b)' as follows:

" '(b) Upon request of the Governor of a State, or appropriate official of local government, the Secretary of the Army, acting through the Chief of Engineers, is further authorized to provide designs, plans, and specifications, and such other technical assistance as he deems advisable, at Federal expense, to such State or political subdivision for its use in carry out projects, for removing accumulated snags and other debris, and clearing and straightening channels in navigable streams and tributaries thereof.'

"SEC. 422. (a) The Stamford Harbor, Connecticut navigation project which was adopted by the River and Harbor Act of 1919 is hereby modified to provide that for the upcoming maintenance dredging, only, non-Federal interests shall furnish without cost to the United States an area located between the harbor's East Branch Channel and Kosciuszko Park for the disposal of the material dredged and contribute 25 per centum of the costs of constructing a dike to retain the sediments. Non-Federal interests shall also acquire all easements and rights-of-way required for construction at the site and hold the United States free of damages incurred during construction. Immediately following completion of the dredging the dike structure will be conveyed to the city of Stamford for future maintenance.

"(b) The requirements for appropriate non-Federal interests to contribute 25 per centum of the construction costs as set forth in subsection (a) shall be waived by the Secretary of the Army upon a finding by the Administrator of the Environmental Protection Agency that for the area to which such construction applies, the State of Connecticut, interstate agency, municipality, and other appropriate political subdivisions of the State and industrial concerns are participating in and in compliance with an approved plan for the Stamford Harbor area for construction, modification, expansion, or rehabilitation of waste treatment facilities and the Administrator has found that applicable water quality standards are not being violated.

"SEC. 423. The Secretary of the Army, acting through the Chief of Engineers, is authorized to perform intermittent dredging and such other work as may be required on the Yazoo River in Mississippi, from Greenwood south, to remove natural shoals as they occur, at an annual average cost of $200,000, allowing commerce to continue: *Provided*, That responsible local interests furnish assurances satisfactory to the Chief of Engineers that they will (a) provide without cost to the United States all lands, easements, and rights-of-way required for dredging and disposal of dredged materials; (b) accomplish without cost to the United States such alterations, relocations, and/or rearrangement of facilities as required for dredging and disposal of dredged materials; (c) hold and save the United States free from damages due to the dredging and disposal of dredged materials, excluding damages due to the fault or negligence of the United States or its contractors; (d) comply with the applicable provisions of the United Relocations Assistance and Real Property Acquisition Policies Act of 1970 (Public Law 91-646, 84 Stat. 1894); and (e) comply with all other Federal and State laws and regulations applicable to the dredging and disposal of dredged materials.

"SEC. 424. (a) Section 203(e) of the Water Resources Development Act of 1976 (Public Law 94-587, 90 Stat. 2946) is amended to read as follows: "The Secretary is authorized to make expenditures from the fund for the phase I design memorandum stage of advanced engineering and design for any project that meets the requirements of subsection (a)(2) of this section, if appropriate non-Federal public authorities, approved by the Secretary, agree with the Secretary, in writing, to repay the Secretary for all the separable and joint costs of preparing such design memorandum, if such report is favorable and the appropriate non-Federal authorities are able, on the basis of the report, to borrow money to pay such costs based on the security of the project or its reveneus. Following the completion of the phase I design memorandum stage of advanced engineering and design under this subsection, the Secretary shall not transmit any favorable report to Congress prior to being repaid in full by the appropriate non-Federal public authorities for the costs incurred during such phase I. The Secretary is also authorized to make expenditures from non-Federal funds deposited in the fund (as an advance against construction costs) for costs incurred during such phase I if the Secretary agrees wtih the appropriate non-Federal authorities to reimburse said costs if the report is not favorable and the appropriate non-Federal authorities are therefore not able to borrow money to pay such costs based on the security of the proj-

ect or its revenues: *Provided*, That payments by the Secretary under this subsection for phase I remibursement shall be subject to appropriations Acts.';

"(b) Section 203(g)(1) is amended by striking 'anticipated' in the first sentence and by adding at the end of the third sentence ', as determined in the agreement between the Secretary and the non-Federal authorizing';

"(c) Section 203(g)(2) is amended to read as follows:

"'(A) In consideration of the obligations to be assumed by non-Federal public authorities under the provisions of this section and in recognition of the substantial investments which will be made by these authorities in reliance on the program established by this section, the United States shall assume the responsibility for paying for all costs over those fixed in the agreement with the non-Federal public authorities, if such costs are occasioned (1) by acts of God, (2) failure on the part of the Secretary, acting through the Chief of Engineers, to adhere to the agreed schedule of work or a failure of design, or (3) are otherwise necessary to be paid by the United States to permit operation of the project in accordance with the initial determination of feasibility: *Provided*, That payments by the Secretary of such costs shall be subject to appropriations Acts.

"'(B) Any Federal funds required to complete the project pursuant to subparagraph (A)(3) of subsection (g) shall be repaid to the Treasury with interest by the non-Federal public authorities from revenues received from the sale of power. Payments shall commence following retirement of all bonds issued by the non-Federal public authorities, for the project. Interest payable under this subparagraph shall be at the rate the Federal Government must pay on such obligations at the time of payment pursuant to subparagraph (A)(3) with accrual of interest beginning after all prior bonds are retired.'; and

"(d) Section 203(h) is amended by inserting 'and (2)' after '(g)(1)' in the first sentence.

"(e) Section 203 of the Water Resources Development Act of 1976 (Public Law 94-587, 90 Stat. 2946) is amended as follows—

"(1) subsection (a)(1) is amended by striking 'in Alaska';

"(2) subsection (b) is amended by striking 'Alaska' in the first sentence; and

"(3) subsection (i) is amended by striking 'Alaska'.

"SEC. 425. The Secretary of the Army, acting through the Chief of Engineers, is authorized and directed to make a study of the possible rehabilitation of the hydroelectric potential at former industrial sites, millraces, or other types of facilities constructed in the past, and the possible conversion of such sites for use as new, small hydroelectric projects that will serve rural areas or communities. The Secretary of the Army, acting through the Chief of Engineers, is further authorized and directed to provide technical assistance to local public agencies or cooperative in any such rehabilitation at sites identified under this section, or that would qualify under the terms of this section.

"SEC. 426. (a) That those portions of the Trent River in the city of New Bern, county of Craven, State of North Carolina, bounded and described as follows, are hereby declared to be nonnavigable waters of the United States within the meaning of the laws of the United States:

"All of those tracts or parcels of land lying and being in Craven County, North Carolina, in the city of New Bern between the high water mark of Trent River as it formerly existed and the bulkhead marking the southern boundary of the lands of the New Bern Redevelopment Commission Project Numbered NCR-71, and more particularly described as follows:

"TRACT ONE

"Beginning at a point which lies south 12 degrees 12 minutes west 499.296 feet from the southwest corner of the intersection of Tryon Palace Drive and United States Highway North 70; and running thence along the former high water mark of Trent River, the following courses and distances:

"north 79 degrees 07 minutes 24 seconds west 2.65 feet;

"north 8 degrees 20 minutes east 12.45 feet;

"north 44 degrees 57 minutes west 30.00 feet;

"north 89 degrees 45 minutes west 22.00 feet;

"south 66 degrees 45 minutes west 35.00 feet;

"south 12 degrees 25 minutes west 76.00 feet;

"north 76 degrees 35 minutes west 40.00 feet;

"north 7 degrees 20 minutes east 54.00 feet;

"north 24 degrees 45 minutes east 43.00 feet;

"north 24 degrees 45 minutes west 29.00 feet;

"north 53 degrees 30 minutes west 26.00 feet;

"north 15 degrees 00 minutes east 21.00 feet;

"north 77 degrees 15 minutes west 15.00 feet;

"north 10 degrees 00 minutes east 19.00 feet;

"north 83 degrees 45 minutes west 28.00 feet;

"south 37 degrees 55 minutes west 26.00 feet;

"south 20 degrees 45 minutes west 26.00 feet;

"south 10 degrees 00 minutes west 30.00 feet;

"south 49 degrees 45 minutes west 34.00 feet;

"north 84 degrees 55 minutes west 24.00 feet;

"north 12 degrees 10 minutes east 100.00 feet;

"east 7.00 feet; north 11 degrees 00 minutes east 56.00 feet;

"north 28 degrees 15 minutes west 34.00 feet;

"north 89 degrees 35 minutes west 15.00 feet;

"south 17 degrees 40 minutes west 23.00 feet;

"south 12 degrees 45 minutes west 44.00 feet;

"north 78 degrees 30 minutes west 85.00 feet;

"south 11 degrees 00 minutes west 74.00 feet;

"south 79 degrees 35 minutes east 9.00 feet;

"south 6 degrees 30 minutes west 39.00 feet;

"north 84 degrees 35 minutes west 41.00 feet;

"north 9 degrees 35 minutes east 124.00 feet;

"north 76 degrees 50 minutes west 54.00 feet;

"south 11 degrees 00 minutes west 108.00 feet;

"south 84 degrees 00 minutes west 32.00 feet;

"north 7 degrees 30 minutes east 71.00 feet;

"north 72 degrees 00 minutes west 32.00 feet;

"north 7 degrees 35 minutes east 39.00 feet;

"north 79 degrees 50 minutes west 29.00 feet;

"south 13 degrees 20 minutes west 37.00 feet;

"south 42 degrees 50 minutes west 22.00 feet;

"north 64 degrees 15 minutes west 13.00 feet;

"south 57 degrees 20 minutes west 14.00 feet;

"north 82 degrees 15 minutes west 60.00 feet;

"north 80 degrees 00 minutes west 108.00 feet;

"north 52 degrees 30 minutes west 40.00 feet;

"north 80 degrees 50 minutes west 32.00 feet;

"north 79 degrees 00 minutes west 32.00 feet;

"north 9 degrees 30 minutes east 16.00 feet;

"north 86 degrees 00 minutes west 17.00 feet;

"south 15 degrees 15 minutes west 40.00 feet;

"north 77 degrees 00 minutes west 54.00 feet;

"south 11 degrees 10 minutes west 157.00 feet;

"south 78 degrees 35 minutes east 5.00 feet; and

"south 9 degrees 40 minutes west 87.92 feet to the outer edge of the existing bulkhead of the New Bern Redevelopment Commission;

"thence with the outer edge of said bulkhead the following courses and distances:

"south 85 degrees 59 minutes 41 seconds east 34.92 feet;

"north 48 degrees 37 minutes 43 seconds east 135.44 feet;

"south 86 degrees 14 minutes 57 seconds east 574.09 feet;

"south 41 degrees 01 minutes 58 seconds east 134.16 feet;

"south 86 degrees 11 minutes 18 seconds east 62.96 feet;

"north 48 degrees 44 minutes 56 seconds east 124.48 feet and north 79 degrees 07 minutes 24 seconds west 2.99 feet to the place of beginning, containing 2.83 acres.

"TRACT TWO

"Beginning at a point in the eastern line of Middle Street at its intersection with the former high water mark of Trent River, said place of beginning being south 9 degrees 41 minutes west 702.783 feet along the eastern line of Middle Street from the southeast corner of Middle Street and Tryon Palace Drive, and running thence from this place of beginning along the former high water mark of Trent River north 82 degrees 46 minutes 30 seconds west 12.256 feet;

"thence north 9 degrees 48 minutes east 101.36 feet;

"thence north 78 degrees 41 minutes west 36.37 feet;

"thence south 9 degrees 11 minutes west 110.69 feet to the outer edge of the existing bulkhead of the New Bern Redevelopment Commission;

"thence with the outer edge of the existing bulkhead of the New Bern Redevelopment Commission south 85 degrees 59 minutes 41 seconds east 120.50 feet to a point where the existing bulkhead intersects the former high water mark of Trent River;

"thence north 82 degrees 46 minutes 30 seconds west 72.544 feet along the former high water mark of Trent River, to the place of beginning; containing 0.09 acre.

"TRACT THREE

"Beginning at a point which is located south 80 degrees 00 minutes east 50 feet, south 9 degrees 50 minutes west 313.31 feet;

"south 5 degrees 54 minutes 24 seconds west 155.79 feet;

"south 2 degrees 08 minutes east 46.035 feet and south 6 degrees 20 minutes 48 seconds east 1.86 feet from the intersection of the southern line of Tryon Palace Drive and the center line of the Atlantic and North Carolina Railroad; and running thence from

this place of beginning with the outer edge of the existing bulkhead of the New Bern Redevelopment Commission the following courses and distances:

"South 86 degrees 41 minutes 04 seconds east 18.78 feet;

"thence south 41 degrees 08 minutes 50 seconds east 337.44 feet and south 85 degrees 59 minutes 41 seconds east 40.01 feet;

"and running thence with the former high water mark of Trent River the following courses and distances:

"north 9 degrees 34 minutes east 165.69 feet;

"north 79 degrees 25 minutes west 69.00 feet;

"north 74 degrees 05 minutes west 73.00 feet;

"north 8 degrees 58 minutes east 162.00 feet;

"north 47 degrees 30 minutes west 65.00 feet;

"south 11 degrees 20 minutes west 101.50 feet;

"north 80 degrees 20 minutes west 21.00 feet;

"north 9 degrees 50 minutes east 133.00 feet;

"north 35 degrees 45 minutes west 33.00 feet;

"north 28 degrees 20 minutes west 32.00 feet;

"north 59 degrees 28 minutes 42 seconds west 9.76 feet;

"south 2 degrees 00 minutes west 69.00 feet;

"south 9 degrees 40 minutes west 91.00 feet;

"south 89 degrees 10 minutes west 13.00 feet;

"south 20 degrees 10 minutes west 39.00 feet;

"south 47 degrees 10 minutes west 58.36 feet; and

"south 6 degrees 20 minutes 48 seconds east 1.86 feet to the place of beginning; containing 1.20 acres.

"Being that portion of the waters of Trent River which were bulkheaded and filled under permit bearing date January 16, 1970, addressed to the Redevelopment Commission of the City of New Bern, issued by the Wilmington District, Corps of Engineers, by authority of the Secretary of the Army.

"(b) The declaration in subsection (a) of this section shall apply only to portions of the above described area which are either bulkheaded and filled, or occupied by permanent pile-supported structures, plans for such work having been approved by the Secretary of the Army acting through the Chief of Engineers.

"SEC. 427. Nothing in any prior Act of Congress, committee report, or congressional document, shall be construed as requiring the State of Tennessee in connection with the mitigation of wildlife losses attributable to the West Tennessee tributaries feature, Mississippi River and tributaries project authorized by the Flood Control Act of June 30, 1948, November 7, 1966, and March 7, 1974, to furnish assurances that it will hold and save the United States free from any claims for damages resulting from such mitigation.

"SEC. 428. (a) The authorization for the Kaw Lake project, Arkansas River, Oklahoma contained in section 203 of the Flood Control Act of 1962 (Public Law 87-874) is hereby amended to authorize and direct the Secretary of the Army, acting through the Chief of Engineers, to design, construct, and provide treatment facilities and a regional conveyance system of water from Kaw Lake for the ownership, use, operation, and maintenance of non-Federal public members of the Kaw Reservoir Authority at an estimated cost of $82,000,000.

"(b) Non-Federal public members acting through the Kaw Reservoir Authority, who are benefited by the facilities to be constructed at initial Federal costs under this Act, shall repay such costs and the Federal costs of any interim maintenance of the facilities in accordance with the principles of the Water Supply Act of 1958 (Public Law 85-500): *Provided*, That the allocation and initiation of these repayment requirements shall be scheduled by the Secretary of the Army, as he determines to be equitable, considering factors such as the date of initiation and extent of usage of the facilities.

"SEC. 429. The project for flood control on Beargrass Creek in Jefferson County, Kentucky, is hereby authorized to be prosecuted by the Secretary of the Army, acting through the Chief of Engineers, substantially in accordance with the final report of the Chief of Engineers, at an estimated cost of $2,900,000. Sections 201 and 202 and the last three sentences in section 203 of the Flood Control Act of 1968 shall apply to this project. This shall take effect upon submittal to the Secretary of the Army by the Chief of Engineers and notification to Congress of the approval of the Chief of Engineers.

"SEC. 430. The Secretary of the Army, acting through the Chief of Engineers, is hereby authorized to prosecute the plan for Trimble Wildlife Area replacement, in substantial accordance with the feasibility report, dated September 1976, with such changes as may be within the discretion of the Chief of Engineers, at an estimated cost of $3,970,000.

"SEC. 431. (a) The Secretary of the Army, acting through the Chief of Engineers, is authorized to take necessary remedial measures to assure structural integrity and flood control capacity of the Trilby Wash Detention Basin (McMicken Dam) and Outlet Channel, Maricopa County, Gila River Basin, Arizona, constructed under authority of section 304 of Public Law 83-209 (67 Stat. 449) approved August 7, 1953, at an estimated cost of $7,000,000.

"(b) The Secretary of the Army, acting through the Chief of Engineers, shall make a study of such plans as he may deem reasonable and appropriate for the rehabilitation or reconstruction of McMicken Dam in Trilby Wash area at an estimated cost of $250,000.

"(c) All authority of the Secretary of the Air Force over such detention basin and channel is transferred to the Secretary of the Army.

"SEC. 432. The project for the town of Niobrara, Nebraska, as authorized by section 213 of the Flood Control Act of 1970 (84 Stat. 1824, 1829) is hereby modified to authorize and direct the Secretary of the Army, acting through the Chief of Engineers, to relocate existing Nebraska Highway Number 12 through the relocated town of Niobrara, Nebraska, with necessary connections to Nebraska Highway Number 14, at an estimated cost of $1,600,000.

"SEC. 433. The Saint Francis River Basin project, Arkansas and Missouri, as authorized by the Act of June 15, 1936 (49 Stat. 1508), is modified to require the Secretary of the Army, acting through the Chief of Engineers, to study improvements for flood control purposes in Saint Francis Lake and Floodways in Pointsett County, Arkansas, in accordance with the reconnaissance report thereon by the Corps of Engineers, dated April 15, 1977. Such study shall be transmitted to the Congress ten months after enactment of this Act.

"SEC. 434. (a) Section 8 of the Act entitled 'An Act to authorize the Secretary of the Interior to make compensation for damages arising out of the failure of the Teton Dam a feature of the Teton Basin reclamation project in Idaho, and for other purposes' (90 Stat. 1211), approved September 7, 1976, is amended to read as follows:

"'SEC. 8. (a) Beginning on December 31, 1977, and each year thereafter until the completion of the claims program, the Secretary shall make an annual report to the Congress of all claims submitted to him under this Act, listing each amount claimed, a brief description of the claim, and the status or disposition of the claim including the amount of each administrative payment and award under the Act. Such report shall not be disclosed to the public in a form which would reveal the names of the claimants and shall be maintained in such a manner as will protect the privacy of such claimants.

"'(b) Information acquired by the Secretary from or about claimants under this Act shall (1) be maintained in such a manner as will protect the privacy of such claimants and the confidentiality of information provided by such claimants, and (2) shall not be required to be disclosed under section 552 of title 5, United States Code, but shall be deemed a record which is contained in a system of records for purposes of section 552a of such title.'.

"(b) The amendments made by this section shall be effective as if enacted on September 7, 1976.

"SEC. 435. The project of Jackson Hole Snake River local protection and levees, Wyoming, authorized by the River and Harbor Act of 1950 (Public Law 81-516), is hereby modified to provide that the operation and maintenance of the project shall be the responsibility of the Secretary of the Army, acting through the Chief of Engineers.

"SEC. 436. (a) The water resources development project for Harlan County Lake on the Republican River, Nebraska, authorized by the Act of August 18, 1941 (Public Law 228, Seventy-seventh Congress), as amended, is further amended to authorize and direct the Secretary of the Army, acting through the Chief of Engineers, to replace, renovate, and upgrade the existing Federal facilities of the project, and provide for maintenance and operation of those facilities.

"(b) The work authorized by this section shall include purchase of a dredge, dredging of channels, construction of breakwaters, replacement and extension of outdated water access facilities, the performance of necessary bank stabilization and appropriate filling activities, and such other items as are identified in connection with these activities located at Gremlin Cove, Patterson Harbor, Hunter Cove, and Methodist Cove/Pheasant Point in the June 1977 report of the Army Corps of Engineers.

"(c) All work and activities authorized by this section shall be carried out at Federal expense, at a first cost presently estimated to be $4,811,100.

"SEC. 437. The Act entitled 'An Act to authorize construction of the Mississippi River-Gulf Outlet', approved March 29, 1956 (Public Law 84-455, 70 Stat. 65), as amended by section 186 of Public Law 94-587 (90 Stat. 2941), is further amended by deleting all after the colon following the phrase 'cost of $88,000,000' and substituting therefor the following: '*Provided*, That the same having been found economically justified by obsolescence of the existing industrial canal lock and increased traffic, the replacement and expansion of said lock or the construction of an additional lock in the area of the existing lock is hereby approved, said new lock to have minimum dimensions, of one thousand two hundred feet long, one hundred and fifty feet wide, and fifty feet over sills, with immediate connecting channels, thirty-six feet by five hundred feet except that width may be reduced to not less than three hundred feet between the Mississippi River and Florida Avenue if in the opinion of the Chief of Engineers such reduction is necessary to avoid unacceptably severe relocations, and that in recognition of the importance of this connection of the Nation's economy and defense, the Chief of Engineers will assure beneficial completion at the earliest possible date: *Provided further*, That the conditions of local cooperation specified in House Document Numbered 245, Eighty-second Congress, shall likewise apply to the construction of

said lock and connecting channels, except that the additional costs, as determined by the Chief of Engineers, of lands, easements, and rights-of-way acquisition and relocations of residences, industries, and utilities beyond those of the Meraux site shall be borne by the United States: *And provided further*, That such conditions of local cooperation shall not apply to the relocation, replacement, modification, or construction of bridges or to the substitution of tunnels (at a cost not to exceed $94,500,000) required as a result of the construction of said lock and connecting channels if the Secretary of the Army, after consultation with the Secretary of Transportation, determines prior to the construction of such bridges or to the substitution of tunnels that the Federal Government will not assume the cost of such work in accordance with section 132(a) of the Federal-Aid Highway Act of 1976 (Public Law 94-280); and before construction of bridges may be initiated the non-Federal public bodies involved shall agree pursuant to section 221 of the Flood Control Act of 1970 (Public Law 91-611) to (a) hold and save the United States free from damages resulting from construction of the bridges or the substitution of tunnels and their approaches, (b) subject to reimbursement as aforesaid, provide without cost to the United States all lands, easements, and rights-of-way necessary for the construction of the bridges and their approaches, and (c) maintain and operate the bridges or tunnels and their approaches after construction is completed.'.

"SEC. 438. (a) The project for navigation improvements in Mobile Harbor, Theodore Ship Channel, Alabama, approved by resolutions of the Committee on Public Works of the Senate and the Committee on Public Works of the House of Representatives dated December 15, 1970, and modified by section 112 of the Water Resources Development Act of 1976, is hereby further modified to provide that the non-Federal interests shall contribute 25 per centum of the costs of areas required for initial and subsequent disposal of spoil, and of necessary retaining dikes, bulkheads, and embankment therefor.

"(b) The requirements for appropriate non-Federal interests to contribute 25 per centum of the construction costs as set forth in subsection (a) shall be waived by the Secretary of the Army upon a finding by the Administrator of the Environmental Protection Agency that for the area to which such construction applies, the State of Alabama, interstate agency, municipality, and other appropriate political subdivisions of the State and industrial concerns are participating in and in compliance with an approved plan for the general geographical area of the dredging activity for construction, modification, expansion, or rehabilitation of waste treatment facilities and the Administrator has found that applicable water quality standards are not being violated.

"SEC. 439. Section 5 of the Flood Control Act approved August 18, 1941 (33 U.S.C. 701n), is amended by inserting at the end thereof the following: 'The Chief of Engineers is also authorized to accomplish advance measures using amounts in the emergency fund, when in his discretion local and State efforts are unable to complete emergency work for control of lava flow, in order to provide the minimum necessary protection to prevent loss of life and serious damages to improved property when such volcanic activity is reasonably imminent.'.

"SEC. 440. The Secretary of the Army is authorized to transfer funds to the relevant State agencies for the construction of fish hatcheries authorized under the Lower Snake River Fish and Wildlife Compensation Plan authorized under section 102 of Public Law 94-587 (90 Stat. 2971), the Water Resources Development Act of 1976 enacted on October 22, 1976.

"SEC. 441. The Mississippi River-Gulf Outlet, as authorized by Public Law 84-455, is hereby redesignated as the 'Allen J. Ellender Ship Channel' and any Federal law, regulation, map, or other document referring to such outlet shall be held to refer to the outlet as the Allen J. Ellender Ship Channel.

Mr. RANDOLPH. Mr. President, I ask unanimous consent that I may modify the amendment and begin on page 17, line 5, strike from there until title IV.

The PRESIDING OFFICER. The Senator has that right.

The modification is as follows:

On page 1, before line 1, strike: "On page 16, line 5, strike all through line 5 on page 17, and insert the following:" and insert in lieu the following: "On page 17, after line 5, insert the following:"

Mr. RANDOLPH. Mr. President, I ask unanimous consent that the majority leader, my colleague from West Virginia (Mr. ROBERT C. BYRD), be added as a cosponsor to amendment 1833, as modified, which I have offered at this time.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RANDOLPH. Mr. President, on behalf of our Committee on Environment and Public Works I offer this amendment to authorize 17 new projects and modifications of existing projects.

These will be carried out in the course of water resource development by the U.S. Corps of Army Engineers.

The total authorization is approximately $700 million, and the beneficial effects will cover 26 States.

Mr. President, the projects are authorized for flood control, water supply, navigation, and other useful and necessary purposes. These projects respond to various local needs, yet they are purposeful in the overall benefits to the country. I am sure they will have a usefulness to the American people when they come into being.

There is one project authorization which is of special importance to me. I do not say that it is provincial but it does have a keen interest and an understanding by those who serve in Congress from the State of West Virginia, both the majority leader, Senator ROBERT C. BYRD, and myself, and the Members of our House delegation, especially NICK J. RAHALL, who represents the district in which the project is located.

In April of last year, severe flooding occurred in southern West Virginia, eastern Kentucky, and eastern Tennessee. The Tug Fork River flooded to such an extent that two towns in West Virginia (Williamson and Matewan) were virtually destroyed. Other smaller communities were adversely affected.

The population of Williamson, is approximately 9,000 persons. The entire community and all of its business places and homes were virtually destroyed. The same is true, of Matewan, with a bridge there wiped out completely—devastation which is difficult for me to picture just in words spoken in the Senate.

I think I might tell you, if you do not know the terrain of the area, that the valley is very, very narrow. The hills, or in a sense the mountains, rise precipitously, and the problems that occur with the type of flooding that we have had really ripping the economy and the well-being of the area apart.

Many of these localities had local protection projects which were breached in this severe flooding. The corps under existing authorities could repair these facilities. However, because of the potential for such severe flooding in the future, a greater level of protection is called for. Section 419 of this bill authorizes the corps to construct in Kentucky and West Virginia those projects which will provide protection against a flood of at least the April 1978 severity.

The project authorization is for additional floodwalls and levies in both Kentucky and West Virginia and a cutoff on the Tug Fork which will straighten the course of the stream and reduce the tendency toward flooding. The estimated cost of this work is $100 million.

I ask unanimous consent that a letter from Col. George Bicher, Huntington district engineer of the corps, describing the work to be undertaken, be printed at this point in my remarks.

There being no objection, the letter and enclosure were ordered to be printed in the RECORD, as follows:

DEPARTMENT OF THE ARMY,
Huntington, W. Va., January 2, 1977.

Hon. JENNINGS RANDOLPH,
U.S. Senate,
Washington, D.C.

DEAR SENATOR RANDOLPH: In view of the keen interest in the legislation which was reported out of the Senate Public Works Committee on 16 May 1977, we have developed a brief summary sheet for the proposed flood protection plan for the Tug Fork Valley which the legislation references. A copy of the summary sheet is enclosed.

It is understood that those measures which the proposed legislation is intended to authorize for the Tug Fork Valley consists of projects specifically for the protection of Williamson and Matewan and the additional projects contained in our "Plan V." It is further understood that other projects may be added to the plan if found necessary and advisable by the Chief of Engineers.

Sincerely yours,
GEORGE A. BICHER,
Colonel, Corps of Engineers,
District Engineer.

FLOOD PROTECTION PLAN FOR TUG FORK ENVISIONED BY PENDING LEGISLATION

Pending authorization legislation initiated by the Senate Public Works Committee would authorize and direct the Corps of Engineers to design and construct a system of flood protection measures in the Tug Fork Valley. Concurrent actions by the Congress to provide initial appropriations upon passage of the authorizing legislation would allow the immediate design and initiation of construction of the two key projects (Matewan Cutoff and Williamson Levee) included in the overall plan.

The authorization would provide specifically for the design and construction of projects to protect the cities of Matewan and Williamson. It further would provide for design and construction of the projects included in the plan developed by the Corps in its planning studies. This plan, which has become known as Plan V, is one of six alternative plans considered for protection of communities in the valley. The authorization also would provide for the addition of projects for other communities which were

damaged in April 1977, if found necessary and advisable by the Chief of Engineers.

The plan envisioned by the legislation, then, would consist of seven (7) floodwall and/or levee projects, one major channel cutoff project, and one channel modification project. The proposed projects, along with their estimated design and construction costs, are as follows:

Project	Cost (July 1976 P.L.)
Buffalo Creek levee	$ 2,200,000
Fairview floodwall	10,000,000
West Williamson floodwall/levee	13,300,000
South Williamson floodwall	7,500,000
Williamson floodwall	7,700,000
East Williamson floodwall	6,800,000
Matewan cutoff	20,300,000
Matewan levee	6,600,000
Welch Channel modification	8,600,000
Total	83,000,000

Each of the floodwall and/or levee projects included above would be designed to preclude flood waters from entering damage susceptible areas within the respective communities. As a minimum, the communities would be afforded protection from all future floods ranging in magnitude up to a flood equivalent to the April 1977 flood.

The cutoff project would consist of an open cut, approximately 1,300 feet long and 300 feet deep, through the neck of a 4½ mile loop of the Tug Fork just downstream of Matewan. Tug Fork would be relocated through the cut. About six million cubic yards of material would be removed from the cut and placed in the existing streambed around the loop, thus creating flat, developable land. Dikes would be constructed across the existing channel at the upstream and downstream ends of the cut to prevent floodwaters from entering the loop area. A total of approximately 420 acres of bottomland located within the loop would be provided a high degree of flood protection.

The channel modification project proposed for Welch would be designed to improve the hydraulic carrying capacity of Tug Fork, Elkhorn Creek, and Browns Creek through that community. This project would reduce flood heights for all frequencies of floods which might occur along either of these three streams which converge in this community.

Final design of the key projects (Matewan Cutoff and Williamson Floodwall) could commence immediately upon authorization and receipt of funding. It is estimated that construction could be initiated on these two projects within 21 months of initiation of the final designs and that an additional 22 months would be required for construction of these key projects. Design and construction of the entirety of Plan V would require approximately five years.

Mr. RANDOLPH. Mr. President, the damage in southern West Virginia alone from this flooding is estimated to have cost approximately $90 million. This project is a strengthening project. It is really an economic project. It is of vital importance to the area and to the production of coal in the region.

Because of the situation in the area, we have tried from time to time, in a sense, to patch it up. That has not worked and cannot work. Now we have to have, not a timid approach, but an all-out effort to do the job.

Because of the situation existing after this flooding it would have been very difficult for the corps to have developed a favorably cost-benefit ratio for this project. The committee, therefore, waived the cost-benefit analysis on this project. This procedure is rarely used by the committee but was found to be necessary because of the extraordinary severity of this damage. This procedure will only be recommended by the committee in those future situations that are unique and necessary for solution of a problem similar to those in the Tug Valley.

Mr. President, I commend this provision and all others in this amendment containing valuable projects to the Members of the Senate. I am sure, upon careful examination, my colleagues will find these projects meritorious.

I am very glad that the majority leader (Mr. ROBERT C. BYRD) is in the Chamber as I conclude the remarks in reference to the Tug Fork, its valley, and its people, the severe damage to a whole county like the county seat, Williamson, and to nearby Matewan.

This project has had the careful consideration of the 15 members of the committee, and as to this amendment I underscore the fact that the two Senators from the State, and those from Kentucky, have been deeply involved. Senator BYRD and I know, as do the Members of our House delegation, especially the Representative from the district in which this area is included, NICK JOE RAHALL—of the need and we believe that the response will be affirmative. The project is one of merit.

Mr. President, I yield back the remainder of my time.

Mr. ROBERT C. BYRD. Mr. President, will the distinguished Senator yield to me?

Mr. RANDOLPH. I yield to my colleague the majority leader.

Mr. ROBERT C. BYRD. Mr. President, I thank my senior colleague for introducing this amendment. I thank him for his kind comments and his adding me as a cosponsor.

Mr. President, on April 11, 700 men, women, and children living along the Levisa Fork or Big Sandy River trekked by bus and train to their Nation's Capitol. Their petition, which was presented to their U.S. Senators from West Virginia and Kentucky, and to the House Members representing the areas involved, to Mr. RAHALL and Mr. PERKINS, was presented in a dignified and calm manner, characteristic of these people.

That petition can be summed up in a single sentence: We need relief from the yearly floods which ravage our homes and businesses.

In early April of last year these West Virginians and Kentuckians were inundated by a massive flood the Corps of Engineers said would probably come only once in a 500-year span.

This was little comfort.

Nine months later another flood, although less severe, again caused millions of dollars in damages.

We are talking about mountain people. They are a courageous and patient people. Today they cannot help but be a frustrated people. Their lives are haunted by what they perceive to be a bureaucratic ghost. They see a basic economic principle as a stumbling block in the way of a cherished principle: that of the pursuit of happiness.

Mr. President, this amendment would waive the cost-benefit ratio to provide flood protection for an area of our Nation that has suffered more than its share of misfortunes.

We are asking for special consideration because our Government must not be so inflexible as to be blind to a special problem. It has been said that our most pressing problem for today and for the future is that of finding a solution to our energy shortage. If this is true, and I am convinced that it is, then these Appalachian people have a unique petition. If there were famine in the land we would insure as best we could the breadbaskets of our Nation against the whims of national disaster. Likewise, the West Virginians and Kentuckians are living in the midst of an energy gold mine. Their toil, their sweat, will be essential to meeting our energy needs. The operations of businesses will be necessary to feed and clothe the army of coal miners who live in the hollows and valleys of this region.

In nearly all cases, the cost-benefit ratio for water projects is a sound formula. However, we must recognize it for what it is, a mathematical standard. We must not, in the words of one metaphor, cut off our nose to spite our face.

Mr. President, we must remember that we cannot win this energy fight by withholding reinforcements from our first line of defense in the Nation's coal field.

I urge adoption of the amendment and I again congratulate my senior colleague, the chairman of the Committee on Environment and Public Works, for his vision, his talents, his energy, and his efforts which have brought this amendment to the floor.

Mr. RANDOLPH. Mr. President, all Members will appreciate knowledge of the statement of our majority leader.

● Mr. FORD. Mr. President, the measure we are now considering includes a provision of extreme importance to my State, and I urge my colleagues to support its adoption.

This legislation authorizes additional flood protection to the people of eastern Kentucky and southern West Virginia who were victims of devastating floods in April 1977. In fact they experience floods almost every year. Under the bill, the Army Corps of Engineers is authorized to design and construct new flood control measures to prevent another disaster of similar magnitude and severity of the 1977 flood from occurring again.

Modifications to the existing flood protection structure, as determined by the corps, are authorized in the vicinity of Pikeville and Pineville, Ky., and Williamson and Matewan, W. Va.

In addition, the corps is provided authority to determine what new flood control measures are both necessary and advisable to protect these and other flood-damaged locations from the likelihood of future floods.

Mr. President, at this time I wish to get clarification from the committee of the phrase "other flood damaged localities and their immediate environs." It is my understanding that this language is intended to cover all of the flood damaged localities along these two river systems. Although towns and communities in Kentucky such as Cumberland, Baxter, Harlan, Loyall, Wallins Creek, Mid-

dlesboro, Barbourville, Williamsburg, Evarts, Betsy Layne, Allen, Martin, Prestonsburg, Paintsville, Louisa, Belfrey, Freeburn, Phelps, South Williamson, Warfield, and Beauty were not named it is my understanding that they are included within the phrase I have quoted because they were flood damaged localities. Is this correct?

Further, Mr. President, it is my understanding that the intent of this section is to expedite work to prevent future flooding as quickly as possible. The terrain of this region makes the risk great and it is important to consider the imminent threat by moving rapidly in undertaking work deemed necessary to protect the people and property in the river basins named to avoid major disasters.

The Federal outlay after the 1977 flood in Kentucky alone was about $150 million. The personal and emotional costs were tremendous, but a dollar figure cannot be determined. The emotional strain on these residents is hard for people outside the region to imagine. But consider the psychological effect that each torrential rain brings—another danger that one's home will be flooded or lives of family members lost.

Time is important and it is essential that the Corps of Engineers consider the risk of flooding that these people face with each heavy rain. To complete the flood protection measures at the earliest date possible it will be necessary to conduct environment assessments and place a top priority on awarding contracts for the work to be done.

Mr. RANDOLPH. Mr. President, I say to the Senator from Kentucky (Mr. FORD) that he is correct. It is the intention of this amendment to authorize a program of projects which will provide flood protection for those areas which are susceptible to a high degree of flooding.

I assure the Senator that the Committee on Environment and Public Works has carefully looked at this matter and that the project authorized by this section is one which will provide a degree of stability to the residents of southern West Virginia and eastern Kentucky.

Mr. FORD. I commend the committee for including authorization for this sorely needed assistance in this measure. I hope that it can soon be enacted into law so that the corps can begin to initiate action to relieve the serious and ever-present threat of floods for the people who live in this area.●

● Mr. HUDDLESTON. Mr. President, I wish to state my strongest possible support for the Emergency Flood Control Authorization for Kentucky and West Virginia that is known as section 119 of the Water Resources Act. This legislation—which I was pleased to cosponsor—was introduced as a direct result of the leadership of Senator RANDOLPH within the Senate Environment and Public Works Committee.

Section 119 would authorize the Corps of Engineers to design and construct, at Federal expense, floodwalls, levees, and other appurtenant facilities in those areas hit hardest by the repeated flooding on the Tug and Levisa Forks of the Big Sandy River and their tributaries and on the Cumberland River and its tributaries. It is my understanding that this authorization does not include any new flood control dams; it merely applies to flood control structures such as levees, floodwalls, and modifications of existing facilities.

I wish to emphasize that section 119 is not limited in its application to the communities included in the legislative language. There are a number of unnamed Kentucky communities located along the Big Sandy River and the Cumberland River that were severely damaged by the flood. The welfare of the people who live in these communities is just as important as that of residents of those communities mentioned in the legislation. I would like to make clear that the authorization contained in the legislation allows the corps to dredge, deepen, clear, and snag the Big Sandy River, including both the Tug Fork and the Levisa Fork and their tributaries and the Cumberland River and its tributaries. So I want to again make the point for purposes of legislative history. We must not forget the communities in Kentucky because they suffered just as much damage as West Virginia and Virginia communities.

I believe it is imperative that no time be lost in alleviating the potentially critical flooding conditions in this area that has received numerous Presidential declarations in the past. In anticipation of this authorization, at my request the Senate Appropriations Committee included language in the 1978 Public Works Appropriations Act directing the corps to use available funds to proceed with this work as soon as Congress approves the authorization. I quote the language:

The committee understands the emergency situation existing in portions of Kentucky, West Virginia, and Virginia which suffered one of the most disastrous floods experienced in the area on April 3-4 of this year. The committee believes it is imperative that no time be lost in alleviating the potentially critical flooding conditions in this area that has received numerous presidential disaster declarations in the past. The committee is aware that section 119 of S. 1529 would authorize funds to deal with these disasters and this legislation is currently moving through the Congress toward enactment. The committee would expect the Secretary of the Army to be alerted to this legislation so that the Department of the Army would be in a position to initiate the appropriate budget request at the earliest possible date. For its part, the committee would be willing to entertain and consider reprogramming requests or budget requests in an early fiscal year supplemental request for relief of these disastrous conditions. In addition, the committee expects the Corps of Engineers to submit to appropriate committees of the Congress within 6 months its schedule and plan for flood protection measures to be undertaken.

I would urge the corps to be ready to provide its full capability once the authorization process is completed.

Mr. President, I personally joined several of my colleagues from Kentucky in touring the flood areas of my State immediately after the floods hit last April. The devastation was tremendous. The persons whose homes were ruined will spend years and thousands of dollars trying to put their lives back together. According to the Corps of Engineers, during the past 5 years there have been 85 floods in Kentucky causing actual damages amounting to $181,858,000. It is estimated that the floods of April 4–7, 1977, caused property damages well over $100 million to 15 southern Kentucky counties and took the lives of four persons.

The large number of floods, the actual damages caused by the floods, the sociological damages to persons requiring rehabilitation or relocation show the necessity for immediate design and construction of flood control measures to prevent or reduce damages from these repeated disastrous floods.

It is so much more logical and humane to try to prevent these floods in the first place. And if it can be done through the use of floodwalls and levees and modification of existing structures then we should move with haste to do so.

This emergency flood control legislation is absolutely vital and should receive the very highest priority we can give it.●

Mr. RANDOLPH. Mr. President, how much time have I remaining?

The PRESIDING OFFICER. The Senator has used 19 minutes. He has 11 minutes remaining.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. RANDOLPH. Yes.

Mr. ROBERT C. BYRD. I ask unanimous consent, Mr. President, that the final vote on passage of this measure occur at no later than the hour of 1:30 p.m. tomorrow rather than 2 p.m. and that paragraph 3 of rule XII be waived.

Mr. DOMENICI. Reserving the right to object, might I just discuss one question with the distinguished leader? The majority manager of the bill and I have been discussing the timing. We still have 8 or 10 amendments unrelated to locks and dam 26 and the user fees. I wonder if it would be appropriate to further agree that either the Long or the Domenici amendment will be the pending business at 1:30 p.m. today so that we can assure that we will get started on that this afternoon. It gives us the assurance that we will have this afternoon and part of tomorrow.

Mr. GRAVEL. If I might suggest 1:30 or before because we may not take the full debate time on the Panama Canal amendment and then the vote could proceed. The amendment of the Senator could be the pending business after the disposition of the Panama Canal amendment. The Senator and I could make judgments on other amendments being cleared.

Mr. ROBERT C. BYRD. Is this agreeable with Senator LONG, may I ask the distinguished Senator from New Mexico, inasmuch as he mentioned Senator LONG's name?

Mr. DOMENICI. I believe it would be. He and I discussed this morning that we would get together and work out arrangements so that this afternoon there would be that principal debate and vote. He was not looking for a great amount of time.

Mr. ROBERT C. BYRD. Does the Senator from Alaska believe that also?

Mr. GRAVEL. Yes.

Mr. ROBERT C. BYRD. Mr. President, I have no objection to adjusting my request in that fashion.

Mr. DOMENICI. Might I further reserve the right to object and state to the junior Senator from Missouri what we are agreeing to now is that final passage will occur no later than 1:30 tomorrow afternoon, and that at no later than 1:30 p.m. today we will begin the amendments and debates which concern themselves with lock and dam 26 and the taxes and user fees system.

Mr. DANFORTH. And that would also include the matter of the deep draft harbors?

Mr. DOMENICI. Yes. It has a time limitation on it. It would not come up before that, but we would start with whichever one comes up first at no later than 1:30 p.m. today.

The PRESIDING OFFICER. Is there objection to any part of the foregoing request?

Mr. RANDOLPH addressed the Chair.

The PRESIDING OFFICER. Does the Senator from West Virginia have an objection to the unanimous-consent request?

Mr. RANDOLPH. I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

● Mr. BARTLETT. Mr. President, included in the Water Resources Development Act of the 94th Congress was a provision authorizing construction of local, urban flood control projects in conjunction with ongoing Federal feasibility studies. The purpose of this provision was to assure local interests that they could initiate flood control improvements with the understanding that the cost of these improvements would be assumed by the Federal Government. Unfortunately, a termination date of December 31, 1977, was written into the law.

In response to this situation, I introduced S. 1036 on March 18, 1977. In doing so, I pointed out the extreme necessity of perpetuating this important program, and later the Environmental and Public Works Committee found that the essence of this legislation should be included in S. 1529 which passed the Senate on June 22, 1977.

This provision has again been included in Senator Randolph's amendment 1833 and I would like to again thank the chairman of the Environmental and Public Works Committee and the members of the committee for their farsighted decision to allow additional time for this new statutory authority to begin operating in eligible municipalities.

As you know, without the cooperation which this provision affords, completion of flood control projects requires several years of feasibility studies and authorization efforts. After being alerted to a flood control problem, the Corps of Engineers does what is called a reconnaissance report. If this report indicates the need and potential viability of a Federal projects, the corps then proceeds with an in-depth survey report which takes 2 or 3 years. The survey report is then submitted to Congress, which then may take 2 or more years to study the project before proceeding with authorization.

Once Congress does authorize the proposal, the corps then goes into what they call phase 1 and phase 2, which is planning and design of the project. This ordinarily takes as much as 3 or more years. Finally, after all of these lengthy steps, the construction begins. The indictment of the whole system is that the actual construction is the easiest step, often taking less than 2 years.

District engineers have lived with these procedures for many years and have suffered the abuses of many people who for good reason cannot understand why a flood control project requires 10 or 15 years for completion.

Mr. President, extension of section 134(a) of the Water Resources Development Act will enable the Federal Government to participate in a cooperative effort with local units of government on the projects that the local unit has planned and implemented.

The intention of this law is not to have the corps take over every local flood control project initiated by communities across the country, but to create a situation where efforts may be coordinated on certain specific projects which the district engineer has certified.

Section 408 of Senator RANDOLPH's amendment 1833 extends the program through 1985. Approval of this extension will greatly enhance the ability of local interests to raise funds for flood control projects—including bond issues—because people will know that a solution and actual project work are imminent rather than years in the future. In addition to the highly successful pilot project on Mingo Creek in Tulsa, other potentially eligible programs have been brought to my attention. These include the Sims Bayou project and the Cypress Creek project in Houston, and an ongoing project in Enid, Okla.

Without a mutually cooperative economic incentive, which section 408 provides, local officials are discouraged from taking initiative to solve local problems. This legislation will benefit everyone involved, since protection will be afforded much sooner and at a much lower cost than going through the drawn-out process followed in normal corps procedure.

Mr. President I again thank the distinguished Senator from West Virginia and I encourage the corps to take an active part in encouraging the use of this particular section.●

Mr. RANDOLPH. Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. MARK O. HATFIELD. Mr. President, will the Senator yield for a question?

Mr. GRAVEL. Mr. President, we have the Randolph amendment before us. From my side, we have no problem with that amendment. The Senate had passed it already and I had hoped we could dispose of this amendment and go on to other amendments like that of the Senator from Oregon. Maybe the minority will indicate its preference in this regard and we can yield back our time and vote on this amendment.

Mr. DOMENICI. The Senator from Oklahoma, I think, had been waiting.

The request of the Senator from Oregon has nothing to do with the Randolph amendment; does it?

Mr. MARK O. HATFIELD. No, I have three unrelated amendments and I wondered when I could dispose of them.

Mr. GRAVEL. There would be no problem considering that amendment right after the Randolph amendment.

Mr. DOMENICI. Before we dispose of the Randolph amendment, it is my understanding that the Senator from Oklahoma wants to offer an amendment; is that correct?

Mr. ALLEN. I do not believe the distinguished Senator from Oklahoma is ready to proceed. I have an amendment that I believe has been cleared.

UP AMENDMENT NO. 1283

Mr. DOMENICI. Is that an amendment to the Randolph amendment?

Mr. ALLEN. Yes, it is.

Mr. President, I send the amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. Do the Senators yield back their time on the Randolph amendment? Under the precedents of the Senate, the amendment to the Randolph amendment is not in order until all time has been yielded back on the Randolph amendment, except by unanimous consent.

Mr. RANDOLPH. I yield back my time.

Mr. GRAVEL. I yield back the remainder of our time.

Could we withhold that request for a moment? It might be better to have some time. We do have some time on the bill but we may need that for a more controversial area.

I ask unanimous consent that the amendment of the Senator from Alabama be in order at this time, so we do not have to yield back our time in case we need it.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment will be stated.

The legislative clerk read as follows:

The Senator from Alabama (Mr. ALLEN), for himself and Mr. SPARKMAN, proposes an unprinted amendment numbered 1283 to amendment No. 1833, proposed by the Senator from West Virginia (Mr. RANDOLPH).

Mr. GRAVEL. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 41, strike out lines 19 through 21 and substitute in lieu thereof the following:

"and of necessary retaining dikes, bulkheads, embankments, and movement of materials therefore."

Mr. ALLEN. Mr. President, the Mobile area in Alabama, particularly the Port of Mobile, is growing at a steady rate, and shipping needs for the port are expected to double or triple with completion of the Tennessee-Tombigbee waterway. Commerce and industry throughout the southeast are developing rapidly, and the Southern States are anxious to accommodate that growth with good planning, in order to stimulate economic improvements for the country as a whole.

Mobile Harbor will be one of the Nation's major ports for the handling of

fuel supplies and other important commodities shipped to and from 23 States and the world. In addition to this growing demand for expanded port facilities in the Southeast, there is a great need for port facilities for deep-draft shipping; those are the principal reasons for the construction of the Theodore Channel, the locally financed adjacent industrial park, and the State docks facility.

In fiscal year 1978, $4 million was appropriated to continue the design and preconstruction planning of the Theodore Channel. The total estimated Federal cost for the project now stands at slightly over $46 million, and non-Federal interests will be contributing a current estimated total of approximately $16 million. The most recent studies show that the benefit/cost ratio for the ship channel is still impressive at 2.7 to 1. Average annual benefits total $19.6 million, and average annual costs are just $7.2 million.

There is no doubt, Mr. President, that a major port facility at Mobile is greatly needed in the Southeast, there is also no doubt that the economic benefits from this particular project will be great. Theodore Channel has attracted major new industries that will bring with them economic growth and new employment opportunities. In fact, the economic benefits of this industrialization are already being realized. To date, approximately $422 million in private capital has been expended in the industrial park. Other major investment is forthcoming. The direct consequences of this development will be the creation of new jobs, increased personal earnings, increased bank deposits, and new retail sales. The industrial development made possible by the construction of the Theodore Channel will have far-reaching benefits for the entire Southeast.

In addition to this industrial investment, public and private utilities have spent approximately $25 million for electric power, gas, and sewer systems for the industrial park. These utilities include the Alabama Power Co., the Mobile Gas Co., and the Mobile Water and Sewer Board. The State of Alabama has constructed a bridge over the proposed canal and has under construction a major artery to connect the bridge with Interstate 10. The county of Mobile has constructed roads into the park. Also, the State has spent $1 million for a railroad extension into the industrial park.

I am greatly concerned, however, that almost half the State's total remaining contribution to the Theodore Channel project is for expenses necessary to comply with Federal environmental regulations, especially spoils disposal. I believe this is an undue financial burden on the State.

Mr. President, the favorable benefit/cost ratio on this project is attributable to the number of industries it is attracting and to the economic growth and transportation savings associated with the project. But those industries are dependent on the timely and orderly completion of the Theodore Channel. Based on a recent analysis of the contracting schedule for Theodore, it will not be completed until July 1981. Earlier completion of the project would advance realization of the project's commercial and industrial benefits, currently estimated at more than $18 million annually. It would also allow earlier utilization of the channel for industries which will have completed construction of new facilities in the industrial park in advance of the current completion date. In the long run, this would benefit the consumer and would certainly also reduce the total cost of the project, inflation factors considered. In testimony before the Senate Committee on Appropriations, the Corps of Engineers stated that the Theodore Channel project could be completed by December 1980.

But, Mr. President, a major impediment to rapid completion of this project is the burden which has been placed on the State of Alabama and other political subdivisions of the State in connection with complying with environmental requirements associated with the Theodore Channel project.

The placement of dredge material has become a major issue in dredging operations for new projects, as well as maintenance of existing harbors in the United States. To handle the material resulting from the dredging of the Theodore Ship Channel, the Corps of Engineers, in coordination with the Environmental Protection Agency and with input from many Federal, State, and local agencies, as well as environmental interests, designed a plan for accommodating the spill disposal which entailed the construction of an island in Mobile Bay. This alternative was a requirement of EPA. Previous dredging projects utilized open water disposal without diking. This Federal decision requires the construction of retaining dikes, bulkheads, and embankments. Present authorization of the Theodore Ship Channel requires the local interest to fund the construction of these facilities.

This amendment provides for modifying the project for navigation improvements in Mobile Harbor, Theodore Ship Channel, in Alabama, approved for resolutions of the Committee on Public Works of the Senate and the Committee on Public Works of the House of Representatives dated December 15, 1970, and modified by section 112 of the Water Resources Development Act of 1976. It further provides for the modification of the above act to provide that the non-Federal interest shall contribute 25 percent of the cost required for initial and subsequent disposal of spoil and the necessary retaining dikes, bulkheads, and embankments needed to accomplish the construction of the project. In the legislation authorizing the Theodore Ship Channel, the Board of Rivers and Harbors stipulated that the non-Federal interest would be required to pay 5 percent of the total dredging cost of the project in order to offset the cost of transporting dredged material to the site of the island where it would be used for the construction of dikes, bulkheads, and embankments. This legislation pertains to the non-Federal cost for erosion protection for the island and the movement of materials to construct the proper dikes to retain further dredged material.

Inasmuch as the island disposal, erosion protection, and transport of material therefor are requirements of the Federal Government, this provision is offered to provide for Federal sharing in the costs.

Now, Mr. President, the Theodore Channel provision was a part of S. 1529, which was the Senate version of H.R. 5885. Both measures are now dormant and are not expected to be enacted. Accordingly, the Theodore Channel provision was originally included as a part of both the Domenici substitute amendment and as a part of the basic Gravel amendment to the House bill. I am, of course, gratified that the Committee on Environment and Public Works has seen fit to include the Theodore Channel provision and that the committee recognizes the desirability of lifting this unexpected financial burden from local government. However, I am advised that the provision as presently written in both amendments may be misinterpreted, and therefore I am offering a clarifying amendment to the Randolph amendment 1833 designed to insure that the movement of materials for bulkheads and dikes, as well as the cost of initial and subsequent disposal of spoil, will be encompassed by the provision for Federal assumption of a portion of the cost imposed in meeting Federal environmental standards. This clarifying amendment will not raise projected costs but will insure that the provision has the effect originally intended; that is, assumption by the Federal Government of at least 75 percent of environmentally required expenditures.

I have discussed this amendment with Mr. GRAVEL, Mr. DOMENICI, and Mr. RANDOLPH.

Mr. GRAVEL. I have no problem with the amendment.

Mr. DOMENICI. We have no objection.

Mr. GRAVEL. I yield back the remainder of my time.

Mr. ALLEN. I yield back the remainder of my time.

The PRESIDING OFFICER. Does the Senator from West Virginia desire to speak in opposition to the amendment?

Mr. RANDOLPH. No, I was just seeking recognition.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment of the Senator from Alabama to the amendment of the Senator from West Virginia.

The amendment was agreed to.

The PRESIDING OFFICER. The question recurs on the amendment of the Senator from West Virginia as amended. Who yields time?

Mr. BELLMON. I just have two amendments to the Randolph amendment.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the two amendments which the Senator from Oklahoma will offer as amendments to the Randolph amendment be in order at this time.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 1844

Mr. BELLMON. Mr. President, I call up amendment No. 1844.

The PRESIDING OFFICER. The clerk will state the amendment.

The legislative clerk read as follows:

The Senator from Oklahoma (Mr. BELLMON), on behalf of himself and Mr. BARTLETT, proposes an amendment numbered 1844 to the amendment of the Senator from West Virginia (Mr. RANDOLPH) numbered 1833.

At the appropriate place in the bill add the following new section:

SEC.— (a) The authorization for the Tenkiller Ferry Lake project, Arkansas River, Oklahoma, contained in the Flood Control Act approved June 28, 1938, is hereby amended to authorize and direct the Secretary of the Army, acting through the Chief of Engineers, to design, construct, and provide treatment facilities and a regional conveyance system of water from Tenkiller Ferry Lake for the ownership, use, operation, and maintenance of non-Federal public entities at an estimated cost of $100,000,000.

(b) Non-Federal public entities which use the facilities to be constructed at initial Federal costs under this Act, shall repay such costs and the Federal costs of any interim maintenance of the facilities in accordance with the principles of the Water Supply Act of 1958 (Public Law 85-500): *Provided*, That the allocation and initiation of these repayment requirements shall be scheduled by the Secretary of the Army, as he determines to be equitable, considering factors such as the date of initiation and extent of benefit and usage of the facilities.

Mr. BELLMON. Mr. President, this amendment deals with a unique situation we have in the State of Oklahoma. The eastern part of our State is blessed with many beautiful lakes built by the Corps of Engineers. Yet, right in the same area where these lakes are located are many cities and towns which have extremely serious water shortages, and their rural water districts are facing the same problem. Many of these districts and towns are so small that they cannot, on their own, build a water transportation, water distribution, or water treatment system. Therefore, even though they are situated in an area of abundant water supply, they are virtually without water. This amendment, numbered 1844, is offered to authorize the Secretary of the Army, acting through the Corps of Engineers, to build a water treatment facility and a regional transportation system at Lake Tenkiller to the communities in the Tenkiller area. The amendment requires that the entities which use the water from the treatment facility and regional transportation system reimburse the Federal Government for the cost of the project and pay interest on the money they borrow.

The Bureau of Reclamation, which plans and constructs water storage projects, currently has authority to construct a system for the distribution and treatment of the waters impounded. It makes little sense to me to have huge quantities of water stored in Lake Tenkiller and no system for distributing this water to the areas which could benefit from its use.

Mr. President, the communities surrounding Lake Tenkiller do not have the resources to undertake water treatment and distribution projects on their own but they can do it jointly.

What is needed here is a vehicle, which I believe the Corps of Engineers could well provide, to make this economically possible and to bring the water from where it is located to the places where it is needed. I believe that Members can see that it would be totally uneconomical for each community or rural water district to attempt to build an individual water treatment and distribution system on its own. It is far more efficient to establish the authority for the Corps of Engineers to plan, design, and construct a system at Tenkiller on a fully reimbursable basis. In this way, a coordinated approach to the problem can be made with a significant savings in cost and improvement in efficiency which will benefit all involved.

Mr. President, this amendment corrects what I consider to be a serious oversight in the existing authority of the Corps of Engineers. In closing, I want to emphasize that the full cost of the system plus interest would be repaid to the Federal Government by communities in the Lake Tenkiller area that participate in the development of this water treatment and distribution system.

Mr. GRAVEL. Mr. President, I have no problems with this. This is something that we are doing in other areas. If there is something we discover about it between now and the time of the conference, we can address ourselves to that with the concurrence of the Senator from Oklahoma. I am prepared to accept it.

Mr. DOMENICI. I have no problem with this amendment. I say to the distinguished Senator from Oklahoma that in the amendments that our chairman (Mr. RANDOLPH) introduced, there is a correction of the error that he describes here, in that the corps is limited in his part of the country and in other huge parts of the country from involving itself in single purpose water supply projects. We thought that, with the water shortage we have in the country, with their expertise and capacity, they ought to have the authority nationwide, so long as it is under all of the required feasibility impediments, plus the recoupment provisions.

The Senator is just quickly implementing the general language that is now in the bill by seeking its application in one area, as I understand it.

Mr. BELLMON. Mr. President, that is the case.

Mr. GRAVEL. I yield back the remainder of my time.

Mr. BELLMON. Mr. President, I need to amend the amendment as it was introduced. It should read "At the appropriate place in the pending amendment, add a new section."

The PRESIDING OFFICER. Without objection, the amendment is so amended.

Mr. GRAVEL. I yield back the remainder of my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment of the Senator from Oklahoma.

The amendment, as amended was agreed to.

AMENDMENT NO. 1845

Mr. BELLMON. Mr. President, I call up amendment No. 1845.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Oklahoma (Mr. BELLMON), on behalf of himself and Mr. BARTLETT, proposes an amendment numbered 1845 to the amendment of the Senator from West Virginia (Mr. RANDOLPH) numbered 1833:

At the appropriate place in the bill add the following new language: "In single and multiple purpose projects needed to meet anticipated demand, and for treatment and transportation to regions of the Nation with present or anticipated water shortages".

Mr. BELLMON. Mr. President, I would like to modify the amendment and I will read the new language:

On page 15, lines 5 through 7 strike the following language "needed to meet present and anticipated demand, and for its transportation to regions of the Nation with present or anticipated water shortages:" and add the following new language "in single and multiple purpose projects needed to meet anticipated demand, and for its treatment and transportation to regions of the Nation with present or anticipated water shortages:"

All this does, Mr. President, is give the Corps of Engineers the future authority to handle these projects the same way that the Bureau of Reclamation already does.

The PRESIDING OFFICER. Without objection, the amendment is so modified.

Mr. GRAVEL. I have no objection to the amendment.

The PRESIDING OFFICER. Do Senators yield back all time?

Mr. GRAVEL. I yield back the remainder of my time.

Mr. BELLMON. Before the time is yielded back, Mr. President, as our country grows, it is becoming increasingly obvious that the development of our water resources is a matter of the very highest priority. Already in many sections of the Nation, the ability to support future growth is seriously hampered by the lack of dependable supplies of potable water.

Many Government agencies have a vital role in developing and preserving our Nation's water resources. The Environmental Protection Agency, the National Oceanic and Atmospheric Agency, the Bureau of Reclamation, the Corps of Engineers, the Geologic Survey, and many others are involved.

The impoundment and storage of water is primarily the responsibility of the Bureau of Reclamation and the Corps of Engineers. Both of these agencies have done a remarkably successful job of developing water resources in the areas they serve. However, there is a serious difference in the authority between these two agencies which my amendment attempts to correct.

When the Bureau of Reclamation plans and constructs a water storage project, present law gives the agency the authority to construct a system for the

distribution and treatment of the waters impounded. The Corps of Engineers up until this time has had no such authority. The result is that in many areas of the country huge quantities of water are stored in Corps of Engineers projects and no system exists for distributing this water to the areas which could benefit from its use. Impoundments built by the Bureau of Reclamation are not limited by this handicap.

My amendment would give the Corps of Engineers the authority to include the construction of a water treatment and distribution system in the planning of future single and multiple-purpose projects. These systems would be built on a fully reimbursable basis so that there would be no ultimate costs to the U.S. taxpayers.

Mr. President, communities surrounding the Corps of Engineers projects rarely have the resources to undertake water treatment and distribution projects on their own. Further, it is totally uneconomical for each community or rural water district to attempt to build an individual water distribution and treatment system on its own. It is far more efficient to establish the authority for the Corps of Engineers to plan, design, and construct these systems on a fully reimbursable basis. In this way, a coordinated approach to the problem can be made with a significant savings in cost and improvement in efficiency which will benefit all involved.

Mr. President, this amendment corrects what I consider to be a serious oversight in the existing authority of the Corps of Engineers. There is no reason why this agency should not have the same responsibilities in dealing with water developments as the Bureau of Reclamation has historically had. This amendment will do much to meet the future water needs of a large section of our country and I urge its adoption.

The PRESIDING OFFICER. Is all time yielded back?

Mr. GRAVEL. Yes.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment, as modified, of the Senator from Oklahoma.

The amendment, as modified, was agreed to.

UP AMENDMENT NO. 1284

Mr. RANDOLPH. Mr. President, I send to the desk an amendment which I offer on behalf of the Senator from Hawaii (Mr. INOUYE).

The PRESIDING OFFICER. The Senator's original amendment is still the pending question.

Mr. RANDOLPH. This is an amendment to that amendment.

The PRESIDING OFFICER. Without objection, the amendment will be in order and the clerk will state the amendment.

The legislative clerk read as follows:

The Senator from West Virginia (Mr. RANDOLPH), for Mr. INOUYE proposes an unprinted amendment numbered 1284.

Mr. RANDOLPH. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 19, line 3, delete all through line 19 and insert the following:

SEC. 418. The Secretary of the Army, acting through the Chief of Engineers, is hereby authorized and directed to make studies in cooperation with the governments of the Trust Territory of the Pacific Islands and the Commonwealth of the Northern Mariana Islands for the purposes of providing plans for the development, utilization, and conservation of water and related land resources of such Territory and Commonwealth. Such studies shall include appropriate consideration of the needs for flood protection, wise use of flood plain lands, navigation facilities, hydroelectric power generation, regional water supply and waste water management facilities systems, general recreation facilities, enhancement and control of water quality, enhancement and conservation of fish and wildlife, and other measures for environmental enhancement, economic and human resources development, and shall be compatible with comprehensive development plans formulated by local planning agencies and other interested Federal agencies.

Mr. RANDOLPH. Mr. President, this amendment adds the Commonwealth of the Northern Marianas. It would add a study provision and that study provision is in my amendment. It would only add that area. It is a very proper amendment and I believe it should be included.

ASSISTANCE TO THE TRUST TERRITORY OF THE PACIFIC ISLANDS AND THE COMMONWEALTH OF THE NORTHERN MARIANAS

● Mr. INOUYE. Mr. President, on April 25, 1977, I introduced a bill, designated as S. 1376, that would authorize the Secretary of the Army, acting through the Chief of Engineers, to make a study in cooperation with the government of the Trust Territory of the Pacific Islands in order to promote improved planning for the management of its water and related land resources.

My bill was subsequently accepted by the Committee on Environment and Public Works and was designated as section 118 of the omnibus rivers and harbors bill passed by the Senate last summer as its version of H.R. 5885.

On January 9, 1978, the Northern Marianas achieved official commonwealth status and its government is now completely separate from that of the Trust Territory of the Pacific Islands. The intent of my amendment is simply to preserve the original purpose of the bill: The provision of prudent and timely planning assistance to the governments of both the Trust Territory of the Pacific Islands and the new Commonwealth of the Northern Mariana Islands in the development, utilization and conservation of their water and related land resources for the benefit of their people.

In this regard, I wish to bring to your attention a letter I received from Mr. Erwin D. Canham, then the Resident Commissioner of the government of the Northern Mariana Islands in support of this type of assistance for the new Commonwealth of the Northern Mariana Islands. I ask that the text of Mr. Canham's letter be printed following my statement.

(See exhibit 1.)

Mr. INOUYE. Mr. President, I urge your approval of this technical, but very worthwhile change to my bill that was previously accepted by the Committee on Environment and Public Works. I believe that this legislation is urgently needed and will be of considerable benefit both to the people of the Trust Territory of the Pacific Islands and to the citizens of the Commonwealth of the Northern Mariana Islands.

The text of the letter from Mr. Erwin D. Canham follows:

EXHIBIT 1

GOVERNMENT OF THE
NORTHERN MARIANA ISLANDS,
Saipan, Mariana Islands, April 18, 1977.

HON. DANIEL K. INOUYE,
U.S. Senate, Russell Office Building, Washington, D.C.

DEAR SENATOR INOUYE: The new Government of the Commonwealth of the Northern Marianas will be placing great emphasis on water and land resources management planning. Contacts have been established with the Army Corps of Engineers, Honolulu Branch, relative to the type of assistance the Corps can provide to the Commonwealth of the Northern Marianas in the above area. We were informed that before the Army Corps of Engineers can provide any assistance to the Northern Marianas, legislation is required.

The purpose of this letter is to request your assistance in the passage of an enabling legislation to authorize such studies. The required legislation will authorize and direct the Secretary of the Army, acting through the Chiefs of Engineers, to make a study in cooperation with the Northern Mariana Islands with particular reference to providing a plan for the development, utilization and conservation of water and related land resources. Such study shall include appropriate consideration of the needs for flood protection, wise use of flood plains, navigation facilities, hydroelectric power generation, regional water supply and waste water management facilities systems, general recreation facilities, enhancement and control of water quality, enhancement and conservation of fish and wildlife, and other measures for environmental enhancement, economic and human resources development, and shall be compatible with comprehensive development plans formulated by local planning agencies and other federal agencies.

The Government of the Northern Marianas respectfully solicits your assistance in the introduction of the above-mentioned legislation and also appropriation therefor.

Mr. Clarence Fujii at the United States Army Corps of Engineers, Honolulu Branch, Telephone Number 808/438-9218, can provide all of the required information with regards to their assistance program for the Northern Marianas and the estimate of funds required for appropriation to undertake the planning studies which will outline areas of need for development.

Thank you in advance for your assistance.

Sincerely yours,

ERWIN D. CANHAM,
Resident Commissioner.●

Mr. RANDOLPH. Mr. President, I yield back the remainder of the time.

Mr. GRAVEL. Mr. President, I move that we strike from the Randolph amendment section 424.

The PRESIDING OFFICER. Does the Senator refer to the second?

Will the Senator restate it?

Mr. GRAVEL. Yes.

I send my amendment to the desk to strike the whole section.

I send to the desk an amendment in more proper form than the one I just submitted.

The PRESIDING OFFICER. There is still a second-degree amendment pending and, therefore, without unanimous consent——

Mr. GRAVEL. I ask unanimous consent that my amendment be considered in order.

The PRESIDING OFFICER. Is there objection?

Do the Senators wish to have a second-degree amendment disposed of at this time?

Mr. GRAVEL. The amendment I just sent to the desk, I wish disposed of, yes.

If I might explain it, it is a very simple amendment.

Mr. DOMENICI. We have a parliamentary problem.

The PRESIDING OFFICER. The Senator from West Virginia has a first- and second-degree amendment pending at this juncture.

Mr. GRAVEL. I yield back all time so we can vote.

The PRESIDING OFFICER. Without objection, the question is on——

Mr. RANDOLPH. Speaking about the Inouye matter, is that correct?

The PRESIDING OFFICER. Without objection, the question is on agreeing to the second-degree amendment to the amendment of the Senator from West Virginia.

The amendment was agreed to.

UP AMENDMENT 1285

(Purpose: To strike a section which was embodied in a previous amendment)

The PRESIDING OFFICER. The amendment of the Senator from Alaska is now in order and the clerk will state the amendment.

The legislative clerk read as follows:

The Senator from Alaska (Mr. GRAVEL) proposes an amendment numbered 1285 to the amendment proposed by Mr. RANDOLPH numbered 1833:

On page 23, line 18, strike all through line 15 on page 26.

Mr. GRAVEL. I have already explained the amendment. It is language already adopted yesterday, and therefore, it is redundant in this section of the bill.

I move for adoption and yield back the time.

Mr. DOMENICI. We yield back our time. This just cures the amendment in that we adopted separate language yesterday taking the place of this section.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment of the Senator from Alaska.

The amendment was agreed to.

Mr. RANDOLPH. Mr. President, I make an inquiry of the Chair.

The PRESIDING OFFICER. The Senator will state it.

Mr. RANDOLPH. What is the present status of the amendment that I offered and the amendments thereto from the standpoint of the time which has been consumed?

The PRESIDING OFFICER. The Senator from West Virginia has 6 minutes remaining of debatable time. The Senator from New Mexico, 28 minutes remaining of debate time on the amendment No. 1833, as modified and amended.

Mr. RANDOLPH. Mr. President, I yield back the remainder of time.

Mr. DOMENICI. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to amendment No. 1833, as modified and amended.

The amendment, as modified and amended, was agreed to.

Mr. GRAVEL. I move to reconsider the vote by which the amendment was agreed to.

Mr. DOMENICI. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 1791

Mr. MARK O. HATFIELD. Mr. President, I call up my amendment numbered 1791.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Oregon (Mr. MARK O. HATFIELD) proposes an amendment numbered 1791.

Mr. MARK O. HATFIELD. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 17, after line 5, insert the following and number accordingly:

SEC. . The project for construction of navigation improvements at Chetco River, Oregon, substantially as described in the report of the Chief of Engineers dated May 2, 1977, is hereby authorized at an estimated Federal cost of $4,112,000.

Mr. MARK O. HATFIELD. Mr. President, I know the leadership is familiar with the two projects represented in amendments Nos. 1791 and 1790. They are similar in that these are two small ports along the Oregon coast which have uneven jetties. North Pacific division of the corps has recommended those jetties be evened out in order to prevent the problem of shoaling, particularly during winter periods, which brings about great danger to human life as well as property.

Mr. DOMENICI. Mr. President, will the Senator yield?

Mr. MARK O. HATFIELD. I yield.

Mr. DOMENICI. Is this project on the Chetco River?

Mr. MARK O. HATFIELD. Yes; the first one is the Chetco project, but there is a similarity between the Chetco project and the Siuslaw, which is No. 1790.

The Chetco project, which involves $4.1 million, was left out of the 1976 Water Resources Development Act. Because it was such a small project, it was thought that it would be best to take up under section 201 guidelines.

Mr. President, this project has been approved through chain of command up through the Office of the Secretary of the Army. The problem we have with the Chetco project is that it is a victim of administrative procedure that has postponed action. The Office of Management and Budget is holding these projects until the President's water policy has been established.

Mr. GRAVEL. We have no problem in accepting the Chetco navigation project. I think the Senator is moving very aggressively in that regard.

With respect to the Siuslaw project, our problem is, as the Senator says, that it has been turned down once by the Corps of Engineers. There is controversy in the corps itself as to whether or not and how it should be built.

I, for one, would be reluctant to move as aggressively on that, when we do not have a final report; but if we had no indication that there was any controversy, I think we would accommodate the Senator. Because there is controversy from a technical point of view—I am not a technician—I am reluctant to accept this amendment.

I do not think I would be doing the Senator from Oregon a favor in that regard, because that would exacerbate these technical differences rather than bringing it about in an orderly fashion.

Mr. MARK O. HATFIELD. I have a last-minute reprieve from the chief's office on this particular problem, in that the chief's office last week approved the Siuslaw project report. I am speaking now of the feasibility report.

I appreciate the Senator's concern, but I felt much freer now to raise this at this time, with the feasibility study having been approved by the chief's office, at this late hour, in order to get this accepted now on the floor. Otherwise, as the Senator realizes, this project is just a little over the limitation of section 201.

Mr. GRAVEL. Obviously, the objections I was enunciating are, in the words of a famous American, no longer operative. We have different information. Obviously, the Senator's information is more current than ours. If there is some difficulty, we can clear it up in conference.

Mr. MARK O. HATFIELD. I have only made this request conditioned upon the fact that we have the Chief's approval at this time.

Mr. GRAVEL. I think that is clear in the RECORD now. So why do we not accept the Senator's first amendment as to Chetco and vote on that, and then proceed with the other?

Mr. MARK O. HATFIELD. I thank the manager of the bill.

Mr. President, I move the adoption of amendment No. 1791, the Chetco project, and I yield back the remainder of my time.

Mr. GRAVEL. I yield back the remainder of my time.

Mr. DOMENICI. We have no objection, Mr. President.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment of the Senator from Oregon.

The amendment was agreed to.

Mr. GRAVEL. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. MARK O. HATFIELD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 1790

Mr. MARK O. HATFIELD. Mr. President, I call up amendment No. 1790.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Oregon (Mr. MARK O. HATFIELD) proposes an amendment numbered 1790.

Mr. MARK O. HATFIELD. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 17, after line 5, insert the following and number accordingly:

SEC. . (a) The authorization of phase I engineering and design contained in section 101(a) of the Water Resources Development Act of 1976 (Public Law 94-587, 90 Stat. 2918) for navigation improvements on the Siuslaw River and Bar, Oregon, is hereby terminated.

(b) The project for construction of navigation improvements on the Siuslaw River and Bar, Oregon, substantially as described in the report of the Division Engineer, North Pacific Division, dated June 16, 1976, is hereby authorized at an estimated Federal cost of $17,148,000.

Mr. MARK O. HATFIELD. Mr. President, this is the other project which we had considered in tandem with the Chetco, the Siuslaw project, about which the manager of the bill has indicated a change of heart due to a last-minute reprieve from the Chief's office.

Mr. RANDOLPH. Mr. President, will the Senator yield?

Mr. MARK O. HATFIELD. I yield.

Mr. RANDOLPH. Mr. President, it is very important for those of us in the Environment and Public Works Committee to attempt always to have the information from the Corps of Engineers; but, also, there is an equity that constantly is involved. When statements such as have been made by the able Senator from Oregon are a part of the RECORD, together with the response by the chairman of our Subcommittee on Water Resources, we are delighted to move on a project of this kind.

Mr. MARK O. HATFIELD. Mr. President, the Senator from West Virginia as well as Senator GRAVEL and Senator DOMENICI always have been most helpful. I speak not only for myself but also for all the people of Oregon when I thank them for their consideration.

I yield back the remainder of my time.

Mr. GRAVEL. I yield back the remainder of my time.

Mr. DOMENICI. We have no objection.

I say to the distinguished Senator that, yesterday, a number of projects much further down the pipeline of orderly development than this were approved. We appreciate the Senator supplying the information from the corps today.

Mr. MARK O. HATFIELD. I thank the Senator.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Oregon.

The amendment was agreed to.

Mr. MARK O. HATFIELD. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. GRAVEL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 1286

(Subsequently numbered amendment 1930)

Mr. MARK O. HATFIELD. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Oregon (Mr. MARK O. HATFIELD) proposes an unprinted amendment numbered 1286.

Mr. MARK O. HATFIELD. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 17 after line 5, insert the following and number accordingly:

The Yaquina Bay and Harbor Project, Oregon, authorized by the River and Harbor Act of 2 March 1919, as modified by subsequent Acts, is further modified to authorize the Chief of Engineers to provide for vehicular access to public use areas on lands which have accreted as a direct result of construction of the project, subject to the provision that local interests provide necessary lands, easements, and rights of way for such modification. The estimated Federal construction cost of this modification is $5,000,000.

Mr. MARK O. HATFIELD. Mr. President, I would like the manager of the bill to understand this amendment clearly, because this is one that involves a rather unique situation.

This happens to be in my home community, a fishing village on the Oregon coast. It is Yaquina Bay, which is one of our important ports.

Since the navigation improvement project was completed there in 1890, land has been accreting in the shadow of the jetties that were constructed to stabilize and maintain the entrance to Yaquina Bay. As a result, there has been a very attractive beach developed by these accreted lands south of the south jetty. To provide the access to these beaches a county road was built. But the condition of the jetty is making maintenance of this existing road virtually impossible.

This is a small village of about 6,000 people, so it is not a heavily populated area. In order to have year-round access, they would have to raise the jetty from an elevation of the present 10 feet to 18 feet for a distance of about 3,800 feet. The total cost would be about $2.2 million.

We have had about 680,000 visitors annually to this particular area. If you use the low and high values of visitor-day usage of 75 cents to $2.25, respectively, it gives an annual benefit ranging from about $510,000 to $1.5 million. That is using a 6.58-percent discount rate.

Mr. GRAVEL. Mr. President, will the Senator yield?

Mr. MARK O. HATFIELD. I yield.

Mr. GRAVEL. We have the problem that we know nothing about this project other than what the Senator is telling us right now. I think the Senator can appreciate, after his experience in this Chamber, that we, as a committee, in order to act responsibly on these things, need to have some kind of notice so that we can make some kind of inquiry. Apparently, there has been no staff contact on this at all. It undoubtedly is something very meritorious, and we would be prepared to take it to a hearing; but right now we are totally blind on it. I have spoken to my staff, and they do not know anything about it, either.

It is most difficult for us to accommodate my good friend from Oregon—as I would be happy to do, as I have illustrated with respect to the other amendments—without some advance notice and some participatory role in our capacity as a committee.

Mr. MARK O. HATFIELD. I say to the Senator that I cannot argue with the logic of his statement.

It was expected that we could deal with this matter on the appropriations measure in the Public Works Subcommittee, of which I am the ranking minority member. We expected to move in that direction. We found out only as recently as last week that we could not move in that direction, that we would have to have some formal authorization.

I have worked with the local district office on this matter. I certainly understand the point made by the manager of the bill.

It is a rather small amount; it is a rather small project. It is an improvement-type project. It does not carry with it a great deal of money. There is a lot of local involvement—$200,000.

Mr. GRAVEL. I do not question the merits of it. The Senator is so authoritative with respect to his State, that I would not question the merits at all. The Senator has to appreciate that if we are to act responsibly in a leadership role, we should have knowledge of our own as to the subject. All I can say is that we have not been contacted. I have no knowledge of it right now, and my staff has no knowledge of it; so I am in the position that I do not know what to say, other than the fact that it may have merit, but we do not know.

Mr. MARK O. HATFIELD. I understand, and I know the Senator's keen interest in all these matters and his fair mind and objectivity, and I say the same for Senator DOMENICI and all the members of the committee. I feel it is so meritorious that I wish to push it as hard as I can, but I also respect the procedures of the committee. So with assurance from the leadership that we will have expeditious hearing and handling of this matter at an early date, if I may have that assurance, I shall be very happy to withdraw my amendment.

Mr. DOMENICI. I say to the Senator from Oregon I am prepared to accept it from my standpoint. There were a number of amendments which we accepted yesterday which for one reason or another did not fit the phase I policy, which may very well not be working. But the Senator's explanation and what he will put in the RECORD on this will be as much as we know about four or five that I am

now looking at, as I review the RECORD of amendments accepted yesterday. I do not give the Senator any assurance it will remain there after conference, but from my standpoint I am prepared to accept it.

Mr. GRAVEL. I only say that this would be the first one that in my consultations with staff on the majority side we have no knowledge of at all, and maybe the minority does not have some knowledge of others that we passed on. If the Senator wishes to withdraw this amendment, I will be happy to look at it overnight and get some information so we have some inkling, as we are now flying by the seat of our pants, and if there are no problems at the corps level with it we will be prepared to go forward with it, but in the absence of that I shall have to oppose it and call for a rollcall vote.

Mr. MARK O. HATFIELD. I will then have an opportunity overnight to get additional information and have the Senate consider it tomorrow.

Mr. GRAVEL. I guarantee the Senator we will make time available from the bill so he can reoffer his amendment after we have had a chance to take a look at it.

Mr. MARK O. HATFIELD. I shall be very happy, and I appreciate the generosity of the Senator from New Mexico.

Mr. GRAVEL. I merely ask that the Senator have his staff contact our staff so we are in communication on that.

Mr. MARK O. HATFIELD. Let us withdraw it temporarily and set it aside temporarily with the idea that we will take it up tomorrow after we have had further information.

Mr. GRAVEL. I thank my colleague. He was very accommodating on the other two, and we merely want to be somewhat informed.

Mr. MARK O. HATFIELD. The Senator has been very accommodating, and I am very grateful to Senator DOMENICI also.

The PRESIDING OFFICER (Mr. ANDERSON). Does the Senator withdraw the amendment?

Mr. MARK O. HATFIELD. No.

I ask unanimous consent that it be set aside until tomorrow.

The PRESIDING OFFICER. Without objection, the amendment is set aside until tomorrow.

Mr. DOMENICI. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. GRAVEL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 1287

(Purpose: To authorize construction of a public recreation area in Indiana)

Mr. BAYH. Mr. President, I send an amendment to the desk, please.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk proceeded to read the amendment.

Mr. GRAVEL. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

Mr. BAYH. Mr. President, I thought the reading would be helpful.

Mr. GRAVEL. If the Senator feels that the reading should continue, I withdraw my unanimous-consent request.

The PRESIDING OFFICER. The clerk will continue reading.

The assistant legislative clerk concluded the reading of the amendment.

The amendment is as follows:

At the proper place in the bill insert a new section as follows:

SEC. . (a) The Secretary of the Army, acting through the Chief of Engineers, is authorized and directed to construct at Federal expense a public recreation area on the north shore of the Ohio River at or in the vicinity of Rockport or Grandview in Spencer County, Indiana.

(b) Prior to construction the Secretary of the Army, acting through the Chief of Engineers, shall enter into an agreement with appropriate non-Federal interests to the effect that such non-Federal interests shall operate and maintain such structures and facilities for public park and recreation purposes.

(c) The Secretary of the Army, acting through the Chief of Engineers, is directed to dispose of the existing undeveloped recreation lands through exchange with the Indiana-Michigan Electric Company, which will provide land suitable for recreation development.

Mr. BAYH. Mr. President, the amendment I am offering today is meant to permit construction of a boat-launching facility that the people of Spencer County, Indiana have been promised for the last 20 years. The amendment is necessary because construction of this recreational facility has been held up by a number of events beyond the control of the county's residents, and the Corps of Engineers no longer has authority to proceed with the project without explicit congressional authorization.

Let me backtrack a little, Mr. President. At the time the Congress authorized construction of the Newburgh Navigation Lock and Dam Pool on the Ohio River, the Army Corps of Engineers possessed authority, under the 1944 Flood Control Act, to build recreational facilities associated with navigational projects. Under this authority, in 1972 the Louisville District Corps began discussions with the Spencer County Parks and Recreation Board which led to plans to build a public boat-launching facility promised Spencer County for years. To make good on this promise, the corps purchased a 30-acre tract located between Rockport and Grandview, at Honey Creek, and began planning for construction of this boat launching site on the Ohio River, which is one of the county's greatest recreational assets.

These plans, Mr. President, were disrupted, through no fault of the county's residents, when the Indiana-Michigan Electric Co. announced plans for development of a new coal-fired electric generating plant at Rockport, Ind. The area acquired by the power company purchased by the corps for the boat purchased by the corps for the boat launching site.

Once these plans became known, it was obvious to all interested parties that the Honey Creek site originally purchased by the corps for recreational purposes would no longer be appropriate. Therefore, all participants went back to the drawing boards and came up with a mutually satisfactory solution. Indiana-Michigan agreed to take an option to buy an alternative site—near Grandview, Ind.—and swap this land with the parcel the corps had purchased at Honey Creek. Once again, town and county officials were assured that if they could assume responsibility for operating and maintaining the boat launching facility, the corps would make good on its earlier plans to construct the facility.

At this point, once again, events outside the local community transpired that doomed the project. Last summer, the Army counsel ruled that although the corps has been building such projects for years under the 1944 Flood Control Act, it had overstepped its statutory authority and could no longer purchase or acquire lands for recreation purposes on navigational projects for which recreational facilities have not been specifically authorized by the Congress.

The upshot of all this, Mr. President, is that, through no fault of their own, my constituents will be deprived of an important community asset unless the Congress rectifies this situation, because of a bureaucrat's ruling in Washington and the decision of a major utility to buy up local land for a powerplant. This is true despite the fact that residents of the State of Kentucky have benefited from recreational projects initiated at the same time the Spencer County project was originally planned, as part of the Neuburgh navigation lock and dam pool.

Mr. President, I submit that my constituents in Spencer County, who have negotiated in good faith with the corps for years, have had the rules changed on them in the middle of the game and are being deprived of a community resource that is rightfully theirs. I urge my colleagues to support this amendment to authorize the Corps of Engineers to proceed with the planned land swap, between Indiana-Michigan and the corps, as well as the construction of this much needed county recreational facility.

Mr. President, I appreciate the courtesy of the two managers of this very important piece of legislation in permitting the Senator from Indiana to introduce an amendment at this time.

Mr. DOMENICI. Mr. President, will the Senator yield? I have no objection. I have an emergency call for a moment, and I just wanted to comment for the minority side and say that I have no objection.

Mr. BAYH. I appreciate the thoughtfulness of our colleague from New Mexico.

Mr. GRAVEL. Mr. President, if the Senator would yield to me, I also have no objection. In fact, I think this is an unusual situation where the people in the area have a high degree of unemployment and there is a possibility of establishing a tourist industry which

would create some employment which would revitalize the economic community from the general point of view, so I want to commend the Senator for bringing this project to our attention.

I am prepared to accept it, and we will fight to keep it in conference.

Mr. BAYH. I thank my colleague for recognizing the importance of this to the citizens of southern Indiana.

Mr. GRAVEL. I yield back the remainder of my time, if the Senator will yield back his time.

Mr. BAYH. I yield.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Indiana.

The amendment was agreed to.

Mr. GRAVEL. I move to reconsider the vote by which the amendment was agreed to.

Mr. BAYH. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. GRAVEL. Mr. President, I thank my colleague and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 1288

Mr. GRAVEL. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Alaska (Mr. GRAVEL), for Mr. HUDDLESTON, offers an unprinted amendment numbered 1288.

Mr. GRAVEL. I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the proper place in the bill insert the following:

"SEC. . Section 62(c) of the Water Resources Act of 1974 is amended by striking out "$330,000" and inserting in lieu thereof "$500,000.".

Mr. GRAVEL. Mr. President, this amendment is the same amendment that we have previously cleared with the staff and the leadership for Mr. HUDDLESTON. I am merely offering it in his behalf in his absence.

I yield to the Senator from New Mexico.

Mr. DOMENICI. Mr. President, is this the amendment that would change the language "not to exceed $330,000" to a figure of $500,000?

Mr. GRAVEL. That is correct.

Mr. DOMENICI. We have not had an opportunity to review it, but it appears to be a valid request, and we have no objection.

Mr. GRAVEL. I yield back the remainder of my time.

Mr. DOMENICI. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Without objection, the amendment is agreed to.

Who yields time?

Mr. GRAVEL. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. DOMENICI. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. GRAVEL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 1289

Mr. DOMENICI. Mr. President, I send an unprinted amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from New Mexico (Mr. DOMENICI) proposes an unprinted amendment numbered 1289.

Mr. DOMENICI. Mr. President, I ask unanimous consent to dispense with further reading of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 17, after line 5, insert the following:

"Sec. . The project to increase flood control by raising the height of levees and other associated works, as part of the project for the Rio Grande River and Tributaries, New Mexico and Colorado, in the area of Albuquerque, N.M., now under consideration by the District Engineer in Albuquerque, is hereby authorized for construction at not to exceed $40,000,000."

Mr. DOMENICI. I have discussed this amendment with the manager of the bill, Mr. President. This project has been under examination by the corps for a number of years. It has to do with levees that have been heretofore constructed by the Federal Government which need adjusting because of changes in the river system and the urban development around it. This amendment would merely authorize the work which is now pending in the regional office. It is an authorized project.

Mr. GRAVEL. Mr. President, I can only tell my colleague from New Mexico that I am very happy he is pushing for a system which will create revenue to pay for some of these projects.

This project essentially is no different than some of the other projects in question. I believe we will have a chance to go over it in conference and get further information from the corps at that time. We will make adjustment as to its efficacy at that time. I am prepared to accept the admendment at this point. I yield back the remainder of my time.

Mr. DOMENICI. I yield back the remainder of my time.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

Mr. GRAVEL. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. DOMENICI. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. GRAVEL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HEINZ. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 1290

Mr. HEINZ. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Pennsylvania (Mr. HEINZ) proposes an unprinted amendment numbered 1290.

Mr. HEINZ. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered. The amendment is as follows:

At the appropriate place, insert the following:

Sec. . The Secretary of the Army, acting through the Chief of Engineers, is authorized to undertake the phase I design memorandum stage of advance engineering and design of the project for flood control in Harrisburg, Pennsylvania in accordance with alternate plan 7 as set forth in the report of the District Engineer, U.S. Army Corps of Engineers, Baltimore, entitled "Local Flood Protection Study, Harrisburg, Pennsylvania" and dated October 31, 1977.

Mr. HEINZ. Mr. President, the amendment which I offer would authorize the Secretary of the Army, acting through the Chief of Engineers, to undertake the phase I design memorandum stage of advance engineering and design of the project for flood control in Harrisburg, Pa.

Certain areas of Harrisburg have been devastated by floods over the years, particularly by Hurricane Agnes in 1972. The community has made a tremendous and commendable effort to rehabilitate those areas which have been ravaged by these floods. The flood control project which has been proposed by the Corps of Engineers for this area would give the residents of Harrisburg a feeling of security that all they have invested in their community, in their homes, and in their businesses would not be swept away by another devastating flood. I offer this amendment today in order to insure that the Federal Government provides this community with assistance in protecting itself in the future from flood disasters.

The Board of Engineers for Rivers and Harbors of the Department of Army has undertaken a detailed analysis of the need for flood control in this area and has strongly recommended the authorization of this project and have uneqivocally concluded that it is justified on a cost/benefit basis.

The initial phase I analysis which my amendment would authorize would cost approximately $850,000. This is a small step to take in order to give the residents of Harrisburg the protection and security which they deserve. For this reason, I urge my colleagues to support this amendment.

Mr. GRAVEL. Mr. President, I have no objection to the Senator's amendment. I am prepared to yield back the remainder of my time.

Mr. DOMENICI. We have no objection to the amendment of the Senator from Pennsylvania. We are prepared to accept it.

Mr. HEINZ. I thank the Senator from Alaska and the Senator from New Mexico. I am appreciative of their help for the people of Pennsylvania.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

Mr. DOMENICI. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HEINZ. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 1291

(Purpose: To authorize the construction of certain park and recreation facilities)

Mr. HEINZ. Mr. President, I send another amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Pennsylvania (Mr. HEINZ) proposes an unprinted amendment numbered 1291.

Mr. HEINZ. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the proper place in the bill insert a new section as follows:

SEC. . The Secretary of the Army, acting through the Chief of Engineers, is hereby authorized to construct public park and recreation facilities with improved access thereto, upon certain lands situated on Neville Island within the Dashields navigation pool, Ohio River, that are owned by Allegheny County, Pennsylvania, for that purpose. For such purpose, the Secretary is additionally authorized to (a) cooperate with Allegheny County, Pennsylvania, as the non-Federal interest in general conformity with the provisions of the Federal Water Project Recreation Act, approved July 9, 1965, Public Law 89–72; and (b) allow Allegheny County the fair and reasonable market value of such lands as a credit toward its 50 per centum cost-sharing contribution, notwithstanding that Allegheny County will retain title to such lands.

Mr. HEINZ. Mr. President, today I offer an amendment that will give statutory authority to the Army Corps of Engineers to accept the value of land in lieu of cash to fulfill a local sponsor's matching requirement for water recreational projects. This particular amendment is specific, in that it deals with the Neville Island Park project in Pittsburgh. In February of 1977, I received verbal assurance from the corps that they would accept the value of the land donated to Allegheny County by the Hillman Foundation as the county's matching requirement. In October of 1977, I received formal notification from the corps that they were rescinding their past decision to participate, because the corps' legal department had decided that existing language in the Flood Control Act of 1944 was too ambiguous to permit this type of arrangement, despite the fact that there has been precedent established where the corps has accepted the value of land to fulfill the matching requirement.

I would also like to bring to the attention of my colleagues the fact that Allegheny County has been working under the assumption that the Neville Island Park project was, in fact, to be realized by the citizens of Allegheny and surrounding counties, and have proceeded with architectural design and management consultation to expeditiously get this project underway. As a matter of fact, at this very moment Allegheny County is in the position to let contract in the project. The county's budget for this year includes funds to move ahead on this project.

Also, the Department of the Interior's Bureau of Outdoor Recreation has awarded the county $900,000 in discretionary funding to be used in the development of the park, the Hillman Foundation has legally transferred fee title of the property to the county at an appraised value of $1.6 million, and the corps has developed a master plan outlining their participation in the project.

The Neville Island Park project if completed, will serve as a model to future water recreational development in the three-river area. Until such time when new facilities are developed, Neville Island will be the only urban water recreational facility within a 25-mile radius of Pittsburgh.

The citizens of Pennsylvania, the officials of Allegheny County, and the Hillman Foundation have all made a commendable effort to establish a much-needed recreational facility on Neville Island. I congratulate them for their efforts and urge my colleagues to support this amendment in order to insure the success of those efforts.

Mr. DOMENICI. Mr. President, from our side, we understand the problem and have no objection to the amendment. We will be pleased to consider it.

Mr. GRAVEL. I join my colleague from New Mexico in his remarks. We are prepared to accept the amendment. I yield back the remainder of my time.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

Mr. DOMENICI. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HEINZ. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HEINZ. I thank my colleague from Alaska and New Mexico for their support.

Mr. DOMENICI. Does the Senator from South Carolina have an amendment?

Mr. THURMOND. Mr. President, my colleague (Mr. HOLLINGS) and I have an amendment. He will be here in just a minute.

Mr. DOMENICI. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 1292

Mr. HOLLINGS. Mr. President, I call up an amendment on behalf of myself and Mr. THURMOND and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from South Carolina (Mr. HOLLINGS), for himself and Mr. THURMOND, proposes an unprinted amendment numbered 1292.

Mr. HOLLINGS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the proper place in the bill insert a new section as follows:

SEC. . (a) The project for Charleston Harbor, South Carolina, is modified to authorize, and the Secretary of the Army acting through the Chief of Engineers is directed to construct a two mile extension of the Harbor Navigation Channel in accordance with dimensions to be recommended by the District Engineer, Corps of Engineers into the Wando River to the State Ports Authority's Wando River Terminal, as depicted on page 264 of House Document 94–436 which incorporates the Department of the Army's Interim Review of Reports on Charleston Harbor, South Carolina, dated October 9, 1974, at an estimated initial cost of $4,500,000.

(b) The authorization contained in section 101(a) of the Water Resources Development Act of 1976 relative to the Copper River Basin is hereby modified to include the navigation channel authorized in subsection (a) hereof, at an estimated cost of $100,000.

Mr. HOLLINGS. Mr. President, we are offering today an amendment which will enhance the ability of our Nation to serve international commerce through Charleston Harbor. This amendment will be of benefit to the people of South Carolina and of the Nation.

This amendment will authorize the construction of a short extension of the authorized channel in Charleston Harbor. This channel extension into the Wando River is intended to serve the marine terminal being constructed with State funds on the Wando River by the South Carolina State Ports Authority, our State's agency with responsibility for port development and operation.

The marine terminal on the Wando River, and the access channel which this amendment would authorize, have been subject to intensive study by the U.S. Army Corps of Engineers. These studies have provided all procedural opportunities for interested citizens and groups to fully consider and comment upon the environmental, social, economic, navigation, and other issues appropriate to such studies. These studies have examined environmental, navigation, dredged material disposal, economic and benefit-to-cost issues and have included public notices, public hearings, environmental impact statements and coordination with State and Federal agencies. A permit for the construction of the Wando River public marine terminal was issued by the U.S. Army Corps of Engineers on December 28, 1977.

Because the terminal is expected to be ready for operations in the summer of 1980, this authorization is needed now so as to allow the construction of the access channel in time to provide access to this terminal when it is ready to commence operations. Accordingly, I urge adoption of this amendment at this time.

Mr. THURMOND. Mr. President, I rise today in support of the amendment by my colleague, Mr. HOLLINGS and myself, which will authorize the construction of a navigation channel in the Wando River from the Cooper River to the site of the proposed marine terminal near Charleston, S.C.

The Charleston Harbor is a major port on the east coast serving both military and commercial traffic. Presently, the commercial port is handling over 2.9 million tons of cargo per year; shipments destined not only for the Southeast but for many ports in the mid and Western States. In order to handle this trade and the future demands on the Charleston Harbor, the South Carolina State Ports Authority received permission to construct a marine cargo terminal on the Wando River. The first phase of this terminal's construction will cost approximately $56 million, and by 1983 will serve over 700 vessels with cargo in excess of $1 billion per year.

Mr. President, on March 22 of this year I wrote the distinguished Senator from Alaska (Mr. GRAVEL), chairman of the Subcommittee on Water Resources, expressing my desire that all appropriate action be taken to insure that this 2-mile channel be constructed in order to accommodate ocean-going vessels by the early 1980's. The State of South Carolina has invested heavily in this terminal and is relying on the Federal Government to perform the customary function of maintaining navigable waters.

The existence and need of this channel has been recognized by the U.S. Army Corps of Engineers as being an integral part of the Charleston Harbor and the Wando terminal projects. In regard to these projects, the public notice, notice of public hearing, comments of the Charleston District Engineer at several public hearings, the environmental impact statement, the report of the Charleston District Engineer, and the report of the Chief of Engineers, all have given great consideration and study to this channel. The record is clear, and I urge the Senate act favorably on this amendment.

Mr. GRAVEL. Mr. President, speaking for the majority, I have no objection to this amendment.

I commend Senator HOLLINGS and Senator THURMOND for their assiduousness in working with our staff in working out a compromise. I think they are to be commended for their efforts.

Mr. President, I yield to my colleague.

Mr. DOMENICI. Mr. President, we have no objection.

I commend the Senators from South Carolina for their diligent work in arriving at a compromise. We have no objection.

Mr. GRAVEL. Mr. President, I yield back the remainder of my time.

Mr. HOLLINGS. I yield back the remainder of my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment of the Senator from South Carolina.

The amendment was agreed to.

Mr. DOMENICI. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. GRAVEL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOMENICI. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. HODGES). The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. GRAVEL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 1832

(Purpose: To establish a Commission to assess the technical, economic, and environmental feasibility of constructing a sea-level canal)

Mr. GRAVEL. Mr. President, I call up my amendment No. 1832.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Alaska (Mr. GRAVEL), for himself and Mr. MAGNUSON, proposes an amendment numbered 1832.

Mr. GRAVEL. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill add the following new section:

SEC. . (a)(1) There is hereby established a Commission to be known as the International Sea-Level Canal Study Commission, hereinafter referred to as the "Commission".

(2) The Commission shall conduct such studies and investigations as may be necessary, including onsite surveys, to update the report of the Atlantic-Pacific Interoceanic Canal Study Commission (submitted pursuant to Public Law 88-609) and to prepare an environmental impact statement in accordance with section 102 of the National Environmental Policy Act. The Commission shall, not later than three years from the date of enactment of this section, submit to the President and the Congress a report on its findings and recommendations. The Commission shall cease to exist six months after submission of such report. All records and papers of the Commission shall thereupon be delivered to the Administrator of General Services for deposit in the Archives of the United States.

(b) Studies and investigations undertaken by the Commission shall include, but not be limited to—

(A) an inventory and assessment of flora, fauna, and ecosystems of the Isthmus of Panama, including, but not limited to—

(i) potential migration of marine organisms through a sea-level canal and the potential ecological effects of any such migration;

(ii) natural or manmade barriers that might mitigate the effects of any such migration; and

(iii) other potential environmental effects of a sea-level canal;

(B) an analysis of the best techniques and equipment presently available or which could be developed to excavate a sea-level canal;

(C) the preparation of alternative designs for financing the construction of a sea-level canal; and

(D) an assessment of the economic feasibility of a sea-level canal, including, but not limited to—

(i) a study of the obsolescence of the Panama Canal;

(ii) an analysis of a sea-level canal in relation to alternative transportation modes;

(iii) an evaluation of the potential contribution of a sea-level canal to alleviate the problem of world energy shortages; and

(iv) an assessment of the impact of a sea-level canal on world commodity movements and world port development.

(c) Following receipt by the President and the Congress of the report by the Commission pursuant to subsection (a), the Council on Environmental Quality shall afford interested persons an opportunity to present oral and written data, views, and arguments respecting the environmental impact statement submitted by the Commission pursuant to subsection (a). Not later than sixty days following the receipt by the President and the Congress of such report by the Commission, the Council on Environmental Quality shall submit to the President and the Congress a report, which shall be contemporaneously made available to the public, summarizing any data, views, and arguments received and setting forth the Council's view concerning the legal and factual sufficiency of such environmental impact as the Council considers to be relevant.

(d) The President shall, not later than thirty days following the receipt by him of the report of the Council on Environmental Quality pursuant to subsection (c), transmit his finding and recommendation to the Congress.

(e) The Commission shall be comprised of six members as follows:

(A) one member appointed by the President of the Senate;

(B) one member appointed by the Speaker of the House of Representatives;

(C) one member appointed by the President; and

(D) three members appointed by the President upon recommendation for appointment by the Republic of Panama.

(f) The Chairman of the Commission shall be elected by the Commission from among its members.

(g)(1) The Commission or, on authorization of the Commission, any committee of two or more members may, for the purpose of carrying out the provisions of this section, hold such hearings and sit and act at such times and places as the Commission or such authorized committee may deem advisable.

(2) The Commission is authorized to secure from any department, agency, or individual instrumentality of the executive branch of the Government any information it deems necessary to carry out its functions under this section and each department, agency, and instrumentality is authorized and directed to furnish such information to the Commission upon request made by the Chairman.

(h)(1) Members of the Commission who are employed by the Federal Government, including Members of Congress, shall serve without compensation in addition to that received for their services as employees of the Federal Government; but they shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of the duties vested in the Commission.

(2) Members of the Commission, other than employees of the Federal Government, who are nationals of the United States, shall each receive compensation at a rate not in excess of the maximum rate of pay for GS–18, as provided in the General Schedule under section 5332 of title 5, United States Code, and shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of the duties vested in the Commission.

(3) Members of the Commission who are nationals of the Republic of Panama shall be compensated as determined by the Republic of Panama; but they shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of the duties vested in the Commission.

(i)(1) The Commission is authorized to appoint and fix the compensation of a staff director, and such additional personnel as may be necessary to enable it to carry out its functions. The Director and personnel may be appointed without regard to the provisions of title 5, United States Code, covering appointments in the competitive service, and may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates. Any Federal employees subject to the civil service laws and regulations who may be employed by the Commission shall retain civil service status without interruption or loss of status or privilege. In no event shall any employee other than the staff director receive as compensation an amount in excess of the maximum rate for GS–18 of the General Schedule under section 5332 of title 5, United States Code. In addition, the Commission is authorized to obtain the services of experts and consultants in accordance with section 3109 of title 5, United States Code, but at rates not to exceed the maximum rate of pay for grade GS–18, as provided in the General Schedule under section 5332 of title 5, United States Code.

(2) The staff director shall be compensated at a level 2 of the Executive Schedule in subchapter II of chapter 53 of title 5, United States Code.

(j) The Commission is authorized to enter into contracts or agreements for studies and surveys with public and private organizations and, if necessary, to transfer funds to Federal agencies from sums appropriated pursunt to this section to carry such such of its duties as the Commission determines can best be carried out in that manner.

(k) Any vacancy which may occur on the Commission shall not affect its powers or functions but shall be filled in the same manner in which the original appointment was made.

(l) There are hereby authorized to be appropriated not to exceed $8,000,000 to carry out the provisions of this section. Funds appropriated under this section shall be available to the Commission until expended.

Mr. GRAVEL. I yield myself such time as I may require.

Mr. President, I commend the gentlemen at the desk, who many times have put up with our idiosyncrasies, both graciously and humorously. I meant to say that some years ago.

Mr. DOMENICI. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DOMENICI. Was this amendment not pending from yesterday?

The PRESIDING OFFICER. The order was to call it up at 12 noon today.

Mr. DOMENICI. Are we going to ask for the yeas and nays?

Mr. GRAVEL. Yes, as soon as we have enough Members in the Chamber to do so. Perhaps the attendants in charge of collaring Senators can collar enough so that we will have sufficient Senators here for the yeas and nays at an opportune time.

Mr. DOMENICI. All right. We can proceed, and we will obtain the yeas and nays.

Mr. GRAVEL. Mr. President, this amendment would set up a small Commission to update very quickly—in 2 to 3 years—the interoceanic sea-level canal study that was completed in 1970. That study went from 1964 to 1970, and $22 million of taxpayers' money was spent to determine the feasibility of a sea-level canal.

At the time, that Commission examined 30 possible sites and narrowed it down to four, then narrowed it down to one, site No. 10, which is 10 miles to the west of the present Panama Canal.

In one sense, this amendment would require this Commission to update that study in terms of the economies in question, in terms of the environmental situation. In fact, when the study was completed in 1970, that is when the NEPA Act came into being. So, obviously, there was not an extensive environmental examination made.

Before the United States could be involved in any capacity, we would have to have an environmental study made. The moneys authorized in this study would go to perform that necessary environmental study. So in addition to the economics and the environmental question, there is the question of technology.

Most of the money in the prior study was spent on the possibility of nuclear excavation for the new canal area. That excavation proved politically and technically not feasible. The costs that were estimated in that study were based upon existing technology. The experience of the past, in the construction of the Suez Canal in Egypt and the French effort in the 1880's and the American effort in the early 1910 period, reached out for new technology to do the excavation.

It struck me as odd that in our appraisal of the cost of a sea-level canal, no effort was made to reach out and determine what would be the abilities and the cost of effecting the excavation through new technology. So I hope that would be one of the areas of the amendment that would be considered.

To my knowledge, this amendment is noncontroversial. It is a study that is, to some degree, independent of and irrespective of the treaty process.

It was my interest in this subject that pressed the negotiators of the treaty to include language so that there would be a joint study effort. I first brought up this matter to the subcommittee last July and have pursued it ever since. Now that the treaties are out of the way, we obviously will be seeing implementing legislation coming from the administration. That, to my mind, is extraneous to this study commission, since this study has nothing to do with the present Panama Canal, other than the fact that if the study is affirmative and we go forward with the new agreement, it would obsolete the present Panama Canal. So I hope we can secure the adoption of this amendment and move forward.

Mr. President, I ask unanimous consent to have printed in the RECORD a statement I have prepared outlining the problem with the present canal, the fact that it is obsolete and is becoming more obsolete at this time.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR MIKE GRAVEL ON SEA-LEVEL CANAL FEASIBILITY STUDY

(Charts not printed in the RECORD)

Foreign policy always starts with the question, What United States interests need to be protected? And that is the beginning point for any discussion of the Panama Canal.

There is no question that the United States has an interest in a canal at the Panamanian isthmus. But I have become convinced that our real interests lie less with the present canal than they do with the opportunity to construct a new, sea-level canal.

I have therefore joined with Senator Magnuson in offering an amendment to the Navigation and Development Act (H.R. 8309) which would authorize $8 million for the Army Corps of Engineers, in conjunction with the Department of Commerce, to conduct a three-year study to update the report of the Atlantic-Pacific Interoceanic Canal Study Commission.

The Canal Study Commission, appointed by President Johnson in 1964 to study the feasibility of constructing a sea-level canal across the Central American isthmus, issued its final report in 1970. At that time it stated that a sea-level canal is wholly feasible from a physical point of view and under reasonable assumptions could be expected to pay for itself within 60 years. The Commission further determined that the defense and foreign policy benefits of a sea-level canal are sufficiently great to warrant writing off a substantial portion of costs for those purposes.

In the eight years since the Commission issued its report it has become increasingly apparent that the present canal is rapidly obsolescing and that a sea-level canal would be not only of military and foreign policy significance, but also of great economic value. To fully appreciate this fact it is helpful to compare the economic projections made by the Commission with actual experience over the intervening years.

The most frequently heard argument against the economic viability of a sea-level canal is that the actual number of ship transits of the present canal has fallen considerably short of the Commission's potential transit forecast. There can be no dis-

puting the facts, although as I shall show momentarily, the interpretation placed upon them has been incorrect. In 1970 there were approximately 15.5 thousand transits of the canal per year. The Commission projected this figure would rise to 18.5 thousand by 1977. But in fact the number of transits declined to just over 13 thousand by 1977.

In part this discrepancy can be explained as the result of the world-wide recession which hit hard in 1974, and from which we began to emerge in only the last year and a half. But this certainly does not explain the whole picture, because even before the recession the number of transits was running noticeably below the Commission's projection. Transits also went down with the end of the Vietnam war, but this is not the whole story either.

The proper explanation becomes apparent when we look at the tonnage which has moved through the canal in the years since the Commission issued its report. As can be seen from Chart 2, the 1970 potential tonnage forecast is in fact an accurate reflection of actual experience. When the actual tonnage figures are graphed against the straight line projection of the 1970 Study, the crests and valleys are just above and just below the forecast figures. If anything, it appears that the tonnage forecast would have been too modest had it not been for the recession years 1974 to 1976.

It is obvious that where the forecasters miscalculated was on the growth of vessel size. The average vessel size in the world shipping fleet has increased at a rate much greater than expected, with the result that actual tonnage through the canal has met projections while the number of annual transits has actually declined.

This interpretation is further confirmed by comparing actual canal revenues since 1970 with the potential revenue forecast. As can be seen graphically in Chart 3, actual revenues have been running substantially above those which the Commission projected would be required to amortize the cost of a sea-level canal.

This unexpected growth in ship size revealed by comparing the Commission's economic projections with actual experience points up very starkly that the present Panama Canal is rapidly obsolescing. To see just how rapidly, it is useful to take a look at ship growth rates within recent years.

Chart 4 displays bulk carrier construction growth rates from 1950 to 1975 for those carriers over 60,000 dead weight tons (DWT)—in other words, for those ships too large to use the Panama Canal. It is readily apparent that until 1965 the number of bulk carriers too large for the canal were insignificant. But after that date large bulk carrier construction soared, such that by 1975 almost 20 percent of all bulk carriers were 60,000 DWT or larger, and hence too big to transit the canal. What is even more significant, in carrying capacity these large, new vessels represented fully 43.8 percent of the world tonnage for the bulk carrier fleet.

The situation is even more dramatic when we look at tankers. Chart 5 is a time-graph of average tanker size in the world fleet. It shows that as recently as 1960 only 2.4 percent of newly built tankers were over 70,000 DWT, and hence too large to use the canal. But by 1975 this figure had jumped to 66.7 percent, a phenomenal growth rate.

Chart 6 tells the same story in a slightly different way. It displays graphically the percent of tonnage of the world tanker fleet over 70,000 DWT. Again we see that the dramatic increase began about 1960, when the total world fleet contained only about 25 tankers too large for the Panama Canal. But by 1975 there were 900 such tankers, representing 37 percent of the total number and a walloping 76.5 percent of the tonnage.

While Charts 4, 5, and 6 relate exclusively to bulk carriers and tankers—the two types most significant in world trade—Chart 7 shows that these exponential growth rates in fact apply to the world fleet as a whole, not just to two particular kinds of vessel. As can be seen from the graph, in January 1966—a mere 12 years ago—only 10.41 percent of the world fleet tonnage was too large to transit the Panama Canal. But by January 1971 this had increased to 31.77 percent, and by January 1977 to 57.80 percent. In other words, more than half the world's tonnage is already too large for the canal.

Looked at in another way, this means that in the eleven years between 1966 and 1977, the portion of the world fleet tonnage able to use the Panama Canal has dropped from nearly 90 percent to a mere 42.20 percent. If we extrapolate this downward trend at only one-third the actual rate of the past decade, we find that by the year 2001 no more than 7.64 percent of the world fleet tonnage will be able to transit the canal.

These figures leave no doubt that the Panama Canal is in large measure already obsolete. Its value is rapidly declining as it is overtaken by advances in technology and engineering. It is not hard to imagine what the situation will be in another ten or twenty years, which is probably the shortest time in which we could expect to have a sea-level canal complete.

At present the most striking evidence of the dated character of the Panama Canal is its inability to handle economically the transhipment of Alaskan oil. By next spring Alaska's North Slope will be producing oil at the rate of 1.2 million barrels per day. Within a relatively short time this will be increased to 1.6 million barrels. Even at the lower 1.2 million barrel level, this will produce a West Coast surplus of at least 500,000 barrels per day.

There is every likelihood that these figures, as high as they are, will at least double in the next several years. The probability that large quantities of oil will be recovered from the Alaskan Gulf, National Petroleum Reserve No. 4, and other areas of Alaska, both on and off shore, is very high. According to conservative projections by the U.S. Geological Survey (USGS), recoverable reserves in Alaska may be five times as large as already demonstrated reserves.

I believe it is a conservative estimate that Alaska will be producing an additional two million barrels of oil per day within 2 to 5 years, and yet another two million barrels per day within 5 to 10 years. Figures of this magnitude are confirmed by an Atlantic Richfield Company estimate that the West Coast oil surplus could be as high as 2.4 million barrels per day in 1990.

As these Alaskan oil reserves are brought to production, a sea-level canal becomes increasingly attractive. It would require 120 million tons of canal traffic per year to move a surplus of 2.4 million barels per day through the canal. This represents almost exactly one-half of the Commission's entire potential tonnage forecast for 1990. They included in their 239 million tons per year estimate only 41 million tons of petroleum, or about one-third the volume that now appears likely to materials from Alaska alone.

If this oil and the accompanying gas is to reach U.S. markets where it is needed, it must be transported by tanker to the Gulf of Mexico and the East Coast, or else it must be moved inland by pipeline from the West Coast.

The pipeline alternative has considerable drawbacks. The nation's pipeline infrastructure for the delivery of oil and gas runs south to north, fanning out from the Gulf Coast States to serve the Midwest and Northeast. The explanation for this pattern is simple. Historically, oil and gas was discovered in the Gulf region and was moved to the nation's population and industrial center.

This infrastructure represents a $7 billion capital investment in the case of oil lines and $12.7 billion for gas lines. There is also an investment of approximately $19 billion in Gulf Coast refining capacity. If it were to become necessary in the next several years to move our energy supplies from west to east, rather than from south to north, much of this infrastrcuture would have to be replaced at capital costs much higher than the original investment.

For at least the next 2 to 3 years there is no real alternative to using the existing canal for transporting West Coast surplus oil to regions of the country which have a crude oil deficiency. But because of the inefficient lightering operations that are involved, transit charges on this route are sufficiently high that pipeline alternatives become attractive even though new pipeline investment costs would be required.

A number of such projects have been proposed to deliver surplus oil to markets in either the Central or Gulf States. (See Table 1) The most important of these are as follows:

TABLE 1.—TRANSPORTATION ALTERNATIVES, ALASKAN CRUDE WEST COAST SURPLUS (JANUARY 1977)

Project	Throughput [1]	Projected startup	Capital investment (millions)	Transport cost by route (per barrel)	
				Chicago	Houston
Trans-Guatemala	1,200	1/81	$934	$2.52	$2.16
Transmountain	165	1/79	115	2.30	.....
Northern tier:					
Phase I	600	1/81	1,630	2.78	.....
Phase II	800	1/84	[2] 118	.....	.....
Sohio: Phase I	500	1/79	472	2.29	2.06
Panama transshipment	[3]	.....	.....	2.83	2.46
Cape Horn	.....	[3]	.....	3.53	3.14

[1] Thousands of barrels per day.
[2] Incremental.
[3] Immediate.

Source: A.D. Little, Inc.

Trans-Mountain Pipeline. This is an existing line which at present carries oil east to west from Edmonton to the Vancouver area. Atlantic Richfield Company (ARCO) proposes a partial reversal of the flow to move 165 thousand barrels per day of Alaskan crude from Cherry Point in Washington to the so-called Northern Tier refineries in Montana, North Dakota, Minnesota, Wisconsin, and upper Michigan. The capacity of this line would satisfy the needs of these refineries. Capital investment costs would be a relatively minimal $115 million and transportation costs into Chicago would be $2.30 per barrel of oil. This project has, however, run into stiff environmental opposition in the State of Washington and may not get the necessary permits. Moreover, federal legislation effectively prohibiting supertankers at Cherry Point was enacted in the fall of 1977.

Northern Tier Pipeline. This proposal calls for the construction of 1570 miles of new pipe at a capital cost of $1.6 billion. It would move 600,000 barrels per day of Alaska crude from the Port Angeles area in Puget Sound to Clearbrook, Minnesota, thus serving the refineries in the Northern Tier States. It would deliver oil to the Chicago area at a cost of $2.78 per barrel. It faces environmental objections in the State of Washington at least equal to those confronting the Trans-Mountain project.

Kitimat Pipeline. This project would involve the construction of 753 miles of pipe from the town of Kitimat in British Columbia to Edmonton, Alberta. It would there inter-

connect with existing lines to serve the Northern Tier States and the upper Midwest. It would have a capacity of 525,000 barrels per day and would entail an investment of some $969 million. Transportation costs to Chicago would be $2.38 per barrel of oil. At present the sponsors of this project are inactive, but it could be revived if competing proposals fail.

Sohio Pipeline. Standard Oil Company of Ohio (SOHIO) proposed to convert to oil service existing gas lines running from Midland, Texas to Redlands, California. With the construction of an additional 219 miles of pipe, this would allow Sohio to move Alaskan crude from Long Beach to Texas at a rate of 500,000 barrels per day. This is the most economical of all the proposed pipeline projects, as it would transport the oil to Chicago for $2.29 per barrel and into Houston for only $2.06 per barrel. The Sohio project faces two major hurdles. First, the State of California has been extremely reluctant to issue the necessary permits because of concern that further degradation of air quality in the Los Angeles area might result. Second, both Federal Power Commission and California Public Utilities Commission approval are required for conversion of the existing gas lines to oil service. This approval may not be granted due to new discoveries of gas in the Mexican Yucatan. Mexico could very economically move its gas into Texas and then transport it through the existing system to California.

Trans-Guatemala Pipeline. The Central American Pipeline Company proposes to transport Alaskan crude 227 miles across Guatemala for marine delivery to the Gulf Coast. Investment costs would be $934 million for a 1.2 million barrel per day pipeline. Transportation costs would be $2.52 into the Chicago market, and $2.16 into Houston. The major drawback to this proposal is the absence of interest from the major oil companies, and the possibility that it could be interpreted as involving the export of Alaskan crude, which is currently not permitted.

To summarize, existing pipeline systems in the United States are designed to deliver oil and gas from the Gulf Coast to the Midwest and Northeast, where the nation's energy needs are the greatest. Now that our major source of domestic supply is shifting from the Gulf region to Alaska, we must either build new pipeline infrastructures at large capital costs and potentially significant environmental costs, or else we must find an economical marine delivery route that will enable us to bring Alaskan crude into Gulf Coast ports for transport through existing lines. Although a number of new pipelines have been proposed, each has severe political or financial hurdles to overcome. Moreover, even should one or two of these projects be built, their capacities would not be sufficient to handle the surplus supply of Alaskan oil expected on the West Coast ten years from now.

This set of facts, taken in conjunction with the generally positive findings of the Canal Study Commission, appear to make a sea-level canal a very attractive option. To further check this out I compared the oil transportation costs via the combined pipeline-marine routes I have just been discussing with an all marine route through a sea-level canal.

The pipeline costs vary from $2.06 to $2.78 per barrel of crude, and to be competitive transport costs through a sea-level canal would have to fall within this range. Apparently they do.

I have asked Arthur D. Little, Inc., using the same computer model from which the pipeline transport costs were derived, to calculate costs between Valdez and Houston via a sea-level canal. Here is what they found:

$1.74 per barrel for 165,000 DWT vessels.
$1.35 per barrel for 225,000 DWT vessels.
$1.31 per barrel for 265,000 DWT vessels.

To these figures must be added a reasonable toll figure, which I have calculated to be 44¢ per barrel of oil. (This compares with a toll of 27¢ per barrel of oil through the present canal.)

This means that transport costs through a sea-level canal may be preliminarily estimated to fall somewhere within a $1.75 to $2.18 range. As can readily be seen, the low end of this spectrum is 31¢ less, and the high end 60¢ less, than the respective low and high ends of the cost range for combined pipeline-marine routes.

Clearly, if these figures are sustained upon a more thorough analysis, a sea-level canal is a highly competitive alternative for transporting surplus West Coast oil. If we assume an oil surplus of only 500,000 barrels per day (the amount we definitely will have this spring), a sea-level canal would in ten years save the American public $1.3 billion as compared with the existing canal. Over a similar period of time, the savings would be $565 million when the sea-level canal is compared with the most economic of the pipeline routes, the Sohio project.

In addition to the capital investment costs for pipeline and refinery infrastructures which may be offset against the cost of construction of a canal, there are extremely important military and foreign policy values to be realized through a sea-level canal. Under agreements already entered into or soon to be concluded, much of the east coast of the United States will in the near future be dependent upon Algeria, and possibly the Soviet Union, for its natural gas supplies. Although such an arrangement is satisfactory at the present time, the desirability of long-term energy dependency on these two countries is questionable at best. The severe harm which could be done to the economy of the eastern seaboard by a cut-off of these foreign supplies is truly inestimable, but we may be certain it would run into the billions of dollars. A sea-level canal would enable us to meet these domestic energy needs with Alaskan gas, and thus provide us a great deal more foreign policy flexibility.

From a more strictly military point of view, a sea-level canal offers quite significant strategic and logistical advantages over the present canal. It would be almost totally invulnerable to long-term interruption by military attack, whereas the present locks canal can be incapacitated for as long as 2 years with relative ease. This means that the canal's important role in providing logistical support to military operations in the Pacific area would be wholly dependable. To get some sense of what this would be worth in dollar values, we may observe that since its inception in 1904 the U.S. Government has expended $5.31 billion—or approximately six times the net civilian investment in the canal—to defend the canal. These defense expenditures, as important as they are for the present locks canal, could be greatly reduced for a sea-level canal because of its invulnerability.

SEA-LEVEL CANAL—SAVINGS

[In dollars]

	Cost of transportation [1]	Total— Per day [2]	Per year	For 5 yr
Existing canal	2.46	1,230,000	448,950,000	2,244,750,000
Sea-level canal	1.75	875,000	319,375,000	1,596,875,000
	.71	355,000	129,575,000	647,875,000
SOHIO line	2.06	1,030,000	375,950,000	1,879,750,000
Sea-level canal	1.75	875,000	319,375,000	1,596,875,000
Savings	.31	155,000	56,575,000	282,875,000

[1] Dollars per barrel.
[2] At 500,000 barrels per day rate.

In addition, a sea-level canal could be transited by our aircraft carriers, which are too large for the present facility. At present, a Carrier Task Group moving from one ocean to the other must send part of its force around South America while the remainder transits the canal, only to lie idle for 10 days while the rest of the force catches up.

As an example of the strategic shortcomings and military inefficiency of the present canal, let us assume there is an emergency in the Mediterranean which calls for reinforcement from a Carrier Task Group stationed on the West Coast.

Under present conditions, the Task Group's cruiser and 15 of its destroyers would sail through the canal, reaching Gibraltar in 15 days. Meanwhile, the carrier and an additional 10 destroyer escort would steam the additional 5,000 miles around Cape Horn, not reaching Gibraltar for 25 days.

If a sea-level canal were available, the entire Carrier Task Group could reach Gibraltar in 15 days, at a savings of 47,000 barrels of fuel and $870,000. The strategic flexibility this could provide our Navy would be equivalent to adding an entire Carrier Task Group to our arsenal. In effect, this would provide us an additional $20 billion in defense capability at no extra cost to the taxpayers.

Taken together, the military and foreign policy values, the savings from retaining existing energy delivery infrastructures, and the reduced transportation costs of a sea-level canal would appear to justify such a project even in the absence of strict financial feasibility, which, as we have seen, is far from lacking.

The United States—perhaps in conjunction with other interested parties such as the State of Alaska, the international oil companies, Japan, Mexico, Venezuela, and countries on the west coast of South America—could guarantee the bonds to finance a new sea-level canal fully owned and operated by the Panamanians. It would be strictly a business arrangement with a Panamanian guarantee of access and reasonable tariffs as the only quid pro quo. This would provide Panama the economic control over her resources she demands, and would at the same time defuse the present controversy. The United States, for her part, would obtain the economic advantages already pointed out, and would achieve her ultimate goal of a defensible canal available to all at reasonable rates.

I think there can be no doubt that the advantages to the United States are sufficiently great to warrant the authorization of a further $8 million to update the comprehensive work already done by the Canal Study Commission. This update would include (1) a review of the shipping study, including an update of transportation economics; (2) a review of potential environmental effects, including the preparation of an environmental impact statement in accordance with section 102 of the National Environmental Policy Act, with special attention being given to potential ecological effects of the migration of marine organisms through a sea-level canal; and (3) a review of the 1970 engineering findings and recommendations.

Mr. GRAVEL. Mr. President, I reserve the remainder of my time, and I would appreciate a comment from my colleague from New Mexico.

Mr. DOMENICI. Mr. President, I commend the distinguished Senator from Alaska for his interest here today, as evidenced by his proposal that we proceed with dispatch to study the feasibility of a sea-level canal in Panama. I compliment him not only for the amendment and the work he has done on the floor today and on other occasions but also for his genuine interest in this area. He has examined this need for a number of years, has spent a

great deal of his time and effort in determining the economic necessity of this proposal.

However, it is with regret that I must oppose the proposal today. I will not take a great deal of time in opposing it. I merely state that I do not think this is the bill on which to do this. I do not think this is the time to do this. In another sense, I do not think it is the way to do it.

The Senator's proposal is for an American endeavor, a small commission to carry on from where the corps had left off a number of years ago.

I will state why I think all three points I have made are valid.

First of all, we have just completed the ratification of a Panama Canal Treaty; that is, treaties, both a Neutrality Treaty and a substantive transition treaty. We have yet to bring before both bodies the implementing legislation that would carry out the intentions of those treaties as required by the legislative arm of the U.S. Government. I read from page 20 of the message from the President of the United States transmitting the treaties, in particular article XII.

A SEA-LEVEL CANAL OR A THIRD LANE OF LOCKS

The United States of America and the Republic of Panama recognize that a sea-level canal may be important for international navigation in the future. Consequently, during the duration of this Treaty both Parties commit themselves to study jointly—

And although I have been reading literally I emphasize the words "both parties"—

the feasibility of a sea-level canal in the Republic of Panama.—

And continuing on literally:

And in the event they determine that such a waterway is necessary, they shall negotiate terms, agreeable to both Parties, for its construction.

Mr. President, it appears to me that here today in an omnibus waterworks bill for America it is not the right bill, considering this language, the language I have just read, it is not the right time, and certainly it might do more harm than good. If what I read as a message from the President is what the two countries have in mind then it appears to me that as we bring before the institutions, the House of Representatives and the Senate, the implementing legislation to carry out these treaties, then most obviously the subject of the responsibilities imposed on both parties to study this feasibility jointly and ultimately, if feasible, to make agreements with regard to the same, could be prejudiced by unilateral effort of the United States regardless of at this particular time how good we think or how much we think it is feasible.

So it is not with reference to the substance that I oppose the Senator, because I think he has been out front on the issue. He may have even, by virtue of his activities, been instrumental in having this kind of language that came in the message from the President with the treaties put in the message because indeed there sets a study of a few years vintage—my recollection is it was the Johnson administration—wherein the care went only so far in evaluating this and then stopped. Many things have changed since then, not the least of which are the big tankers that will have to carry crude oil from Alaska and elsewhere to America, and their time may very well have come.

But I do hope that when we vote on this, Senators will understand that a "no" vote on this will in no way, at least to this Senator's standpoint, have anything whatsoever to do with the provisions in the President's message with reference to the future relationships between Panama and America, vis-a-vis, the study, the jointly arrived at agreements, if any, if ever, but rather that they will be saying they should be evolved out bilaterally between the nations and in a different mode than a unilateral commission adopted by the Senate here today in this bill.

I reserve the remainder of my time.

Mr. GRAVEL. Mr. President, I cannot understand why my colleague would say this is a unilateral commission. It is not a unilateral commission by the Senate. Obviously this would have to be approved by the House of Representatives and signed by the President. So all parties to the administration would be involved. It is not a unilateral commission by the United States because under this commission there would be three members from Panama who would be appointed by the President. Obviously, it would be a recommendation by the Panamanian Government for the President to do this.

There is no question. You can wait for the implementing legislation if you feel this is a vital part of the implementing legislation, but I might say that when I first brought this up last July in subcommittee the same statement I heard from my colleague now is what I heard then. This may do us more harm than good. We have just been through 3 months of Panama Canal debate. A study could have been initiated last summer, and we would be well almost a year into that study. Then we would know a lot more about the technical problems involved than about all the political brouhaha and the emotionalism that has existed.

So there is no way that this will do any harm. If the acquisition of knowledge is harmful my colleague is very correct. This will do great harm to everyone concerned because all this study is going to do is go out and get some economic information, go out and get some engineering technical information, and go out and get some environmental information. I cannot see that any one of those areas are going to frighten anyone whether you are conservative or liberal or whether you are protreaty or antitreaties. The person who joins me as cosponsor in this amendment is Mr. MURPHY, the head of the Merchant Marine and Fisheries Committee in the House, the chairman of that committee and who is an outspoken opponent of the treaties.

So, if there is any possibility of doing harm, then great harm will be done because all we are going to do is acquire some knowledge. We can wait for the implementing legislation. I think everyone agrees it is going to take over a year before that legislation comes forward.

If the State of New Mexico were losing money daily as is the State of Alaska losing money daily over the obsolescence of a present Panama Canal and the fact that the Nation is suffering because we have an oil glut on the west coast of the United States, occasioned by the incompetence of Government, as it stands, maybe that does not bother people around here. But since we count the loss of money in Alaska and since some of us can perceive the unusual inefficiency that exists in our industrial society by not having this barrier breached, then I see no reason why we should continue to delay the acquisition of knowledge so that then we can make an intelligent decision in this body, in the House of Representatives, and in the governments of the world.

So I really do not understand the logic why we have to wait other than the only statement that could be made is it would do more harm than good. I put out the challenge, show me where the possibility of doing any harm exists by studying those three areas, the economics of building a sea-level canal, the environmental questions which a lot of people have concern about, and then of course, the engineering technology.

Right today the obsolescence of the canal is very, very clear. Fifty-seven percent of the world maritime fleet in tonnage cannot use the Panama Canal. If we project out into the future what has happened in the last 12 years, and if we only use a third of that experience, we see that only 7.64 percent of the world's maritime fleet will be able to use the Panama Canal that exists today. That means that we are in a situation where we are moving to a rapid degree of obsolescence.

To not recognize those simple facts, which have not been disputed and were not disputed in the extensive debate that we had on the treaties, and now to stand up and say, "Well, I think we should just wait until next year," to me is not very wise, not very provident and I do not think has any substantive reason behind it.

So I would hope the Senate will approve this commission in order that we can go into conference.

This bill is as good as any bill. We are talking about water transportation. My colleague is still very interested in water transportation and making it pay its way, and I submit if we had an effective, efficient water transportation system across the Isthmus of Panama that the efficiency and the savings of money would probably dwarf the sums he is talking about recouping with his user tax which, I think, is important.

Let me just say that many times when we are counting pennies we lose sight of the ability to focus on thousands of dollars.

So I would only hope the Senate would join me in pressing with dispatch to get this commission moving, to get this study, to get the facts to Congress so that Congress can make an intelligent decision rather than just an emotional reaction and rather than a simple reac-

tion of only delaying for no apparent reason.

I reserve the remainder of my time.

Mr. DOMENICI. Mr. President, I just want to make my point very, very simply. Again I have no criticism of the substance of making a study. I have nothing but admiration for the Senator from Alaska for pursuing this with vigor.

My point is simply this: We have just entered into a treaty with the Republic of Panama. Obviously, the message from the President of the United States relative to that indicates that a joint study is what we may do some day, and that both parties commit themselves to this joint study.

It just seems to me that that is exactly what we ought to do. I mean the countries are going to be negotiating over the existing treaty, and the Congress of the United States ought to at some point in time and if the Senator from Alaska is right that it is urgent, then obviously what I am suggesting is going to happen quickly, and that is that the two countries come together with reference to this study and how it would be run and by whom and who would share in its cost, and the like.

In one sense we could be delaying things. I do not want to make a big issue out of it. There are some Panamanians supposed to be on this commission the way it is set up. But it is not an official bilateral one, meaning the two countries getting together and saying "the time has come to study this; let us do it together. Let us agree on the kind of experts."

It just seems to me that is the way we ought to go, and not merely say, "We should decide that here at this point in time," when it is so obvious that the ultimate success, conclusion, what facts we derive from the studies, how believable they are, are going to depend totally on the good spirit existing between the two countries ab initio, from the very beginning of the evaluation to carry out the purposes of decisionmaking provided for on page 20, article XII, as I heretofore read.

Mr. President, I ask for the yeas and nays on this amendment.

The PRESIDING OFFICER (Mr. HODGES). Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. GRAVEL. I just want to respond to my colleague. I do not know what he is driving at. We have a treaty, and I claim responsibility for the language in there to make a study, and so we have had the head of Panama, who has signed this treaty, who talks of a study; the head of the United States, who signed this treaty, who talks of a study. So what more do you need

The Senator talks in terms of "Well, we do not know if the time has come between these two countries in the light of the treaty." I mean, we have the language of the treaty. The treaty has been hotly contested, not only this language, and I think every reasonable person recognizes that we need to make a study, but we are still faced with this Luddite type of logic that we have to keep waiting to make this study. Somebody is going to have to descend from heaven to tell us when to go out and make the study.

Let me say if I am the person who initiated this and who is trying to push the study forward, all the study is for is for the purpose of acquiring information, and I do not know what the reason for delay is other than for the sake of delay itself, then all I can say is if it were costing my colleague money in New Mexico—and do you know something, it is, it is costing the Senator some money because when the oil comes in through the present canal at an excessive price like $2 a barrel more, and it comes into the Gulf Coast, I am sure some of that oil works its way up to New Mexico, and you are paying more for oil than you should be paying. Maybe that does not bother the Senator, but since it is a decrease in our revenue, and the Senator's consumers have not quite alerted him to that, then, fine. But I just do not like to stand around and be party to the ignorance that does not have the brains to lean over and pick up some money, and this is really what is involved here. Once we get the facts all we are going to have to do is go forward, make the decision, lean over and pick up some money and make some money because we are wasting money when things are inefficient and incompetent, and when that happens and it costs us money it is a waste, and to not move forward to acquire the knowledge to overcome that waste, I think, is not very farsighted, and that is all I can say about it.

I am prepared to yield back my time if my colleague is.

Mr. DOMENICI. I yield back the remainder of my time.

The PRESIDING OFFICER. Does the Senator from Alaska yield back the remainder of his time?

Mr. GRAVEL. I yield back my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment of the Senator from Alaska. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Nevada (Mr. CANNON), the Senator from Colorado (Mr. HASKELL), the Senator from Hawaii (Mr. INOUYE), the Senator from Massachusetts (Mr. KENNEDY), and the Senator from New Hampshire (Mr. MCINTYRE), are necessarily absent.

I further announce that the Senator from Maine (Mr. HATHAWAY), is absent on official business.

Mr. STEVENS. I announce that the Senator from Maryland (Mr. MATHIAS) and the Senator from Kansas (Mr. PEARSON), are necessarily absent.

The result was announced—yeas 43, nays 49, as follows:

[Rollcall Vote No. 148 Leg.]

YEAS—43

Abourezk	Durkin	Hollings
Allen	Eagleton	Huddleston
Anderson	Eastland	Humphrey
Bayh	Goldwater	Jackson
Brooke	Gravel	Javits
Church	Hart	Johnston
Clark	Hatfield, Mark O.	Long
Cranston	Hatfield, Paul G.	Magnuson
Culver		Matsunaga
DeConcini		McGovern
Melcher	Pell	Sasser
Moynihan	Randolph	Sparkman
Muskie	Ribicoff	Stennis
Nelson	Riegle	Stevenson
Packwood	Sarbanes	Williams

NAYS—49

Baker	Ford	Percy
Bartlett	Garn	Proxmire
Bellmon	Glenn	Roth
Bentsen	Griffin	Schmitt
Biden	Hansen	Schweiker
Bumpers	Hatch	Scott
Burdick	Hayakawa	Stafford
Byrd, Harry F., Jr.	Heinz	Stevens
Byrd, Robert C.	Helms	Stone
Case	Hodges	Talmadge
Chafee	Laxalt	Thurmond
Chiles	Leahy	Tower
Curtis	Lugar	Wallop
Danforth	McClure	Weicker
Dole	Metzenbaum	Young
Domenici	Morgan	Zorinsky
	Nunn	

NOT VOTING—8

Cannon	Inouye	McIntyre
Haskell	Kennedy	Pearson
Hathaway	Mathias	

So Mr. GRAVEL's amendment (No. 1832) was rejected.

Mr. GRAVEL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

Th second assistant legislative clerk proceeded to call the roll.

Mr. GRAVEL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MAGNUSON. Has the Chair announced the vote?

The PRESIDING OFFICER. Yes. 49 nays and 43 yeas. The amendment was rejected.

Mr. GRAVEL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. LONG. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS-CONSENT AGREEMENT

Mr. LONG. Mr. President, I ask unanimous consent that if either the Senator from Louisiana (Mr. LONG) or the Senator from New Mexico (Mr. DOMENICI) offers an amendment on user fees and locks and dam No. 26, the amendment thereon by the other Senator be in order as a substitute therefor, be considered as before the Senate also, and that if one is agreed to, the other falls. If the Senate votes for the amendment, the one agreed to becomes a part of the bill.

I further ask unanimous consent that thereafter, it shall be in order to offer an amendment by Mr. DANFORTH relating to fees on deep-draft vessels, an amendment by Mr. ALLEN relating to LASH barges, and another amendment by Mr. ALLEN relating to the definition of inland waterways.

The PRESIDING OFFICER. Is there objection?

Mr. ALLEN. Reserving the right to object, and I shall not object. I appreciate the courtesy of the distinguished Senator from Louisiana (Mr. LONG) and the

distinguished Senator from New Mexico (Mr. DOMENICI) in propounding this unanimous-consent request. It does get us out of a parliamentary bind that would have prevented the offering of amendments, because the substitute, if agreed to as to whichever amendment was pending, would have precluded offering other amendments. This does give us an opportunity to offer our amendments. I do appreciate this request being made.

Mr. DOMENICI. Mr. President, reserving the right to object, and I shall not, I thank the distinguished Senator from Louisiana and the distinguished Senator from Alabama for helping us work this out.

It is my understanding, I say to my good friend from Louisiana, that even though the so-called Long amendment and the Domenici amendment may touch different parts of the bill, it is our intention that, indeed, as the unanimous-consent agreement states, they would be considered substitutes, one for the other, as if they did not touch different parts of the bill.

Mr. LONG. Yes. As far as this Senator is concerned, I believe we have an understanding also that, however the vote goes between the two of us, we expect to abide by it.

The PRESIDING OFFICER. Is there objection?

Mr. LONG. So that we will decide which will go first and we can settle the rest of it.

Mr. DANFORTH. Reserving the right to object, is it my understanding that the amendment of the Senator from Louisiana and the amendment of the Senator from New Mexico will both be debated at the same time?

Mr. LONG. Yes.

Mr. DANFORTH. It is my understanding that there is presently a time agreement on each of these amendments. Is it my understanding that those time agreements would then be aggregated between the two?

Mr. LONG. We could, but I think we should shorten the time.

Actually, the agreement was 3 hours on each of the amendments. I think on whichever amendment is pending we ought to take 3 hours. That would be 1½ hours for each side.

I know the Senator wants to speak to his amendment. I think we could yield him some time out of it. I think I have some time on the bill and also the time on the amendment. I think we could find time to accommodate him to speak on his amendment.

Mr. DANFORTH. Further reserving the right to object, I am very anxious to expedite matters. At the same time, I think that it is important we take whatever time is necessary to thoroughly air the subject. I think that the 3 hours has been agreed to on my amendment. I was wondering if it would be agreeable to the two Senators if I could get unanimous consent to include the debate on my amendment with respect to deep-draft harbors and ports as part of the debate on the two amendments that are subject to this agreement, and that I may have unanimous consent to charge against the time previously agreed to for my amendment that portion of my discussion on deep-draft harbors and ports, even though that amendment on deep-draft harbors and ports is not pending at the time we discuss the two amendments from the Senator from Louisiana and the Senator from New Mexico.

Mr. LONG. Is the Senator willing to settle for 20 minutes with regard to his explanation on deep-draft vessels?

Mr. DANFORTH. I will settle for 1 hour.

Mr. DOMENICI. No more than 1 hour?

Mr. DANFORTH. No more than 1 hour, equally divided.

Mr. DOMENICI. So he might be able to finish sooner, is all I am asking?

Mr. DANFORTH. I am not intending to prolong matters at all. But, at the same time, I want to make it clear that the issues on deep-draft harbors and ports and inland waterway and users fees pertaining thereto are thoroughly aired before the Senate.

I would prefer to do it at the same time we are considering the other two amendments.

Mr. DOMENICI. Would 1 hour equally divided be adequate?

I have no objection.

Mr. LONG. Then I ask unanimous consent the Senator may use some of the time on his amendment without his amendment being pending while we are discussing this.

Mr. DOMENICI. That was what he asked.

Mr. DANFORTH. That was what I asked.

Mr. LONG. I have no objection.

The PRESIDING OFFICER. Will the Senators make an expansion of the unanimous consent?

Mr. LONG. The expansion would be that the Senator from Missouri may use some of the 3 hours allotted to his amendment to debate his amendment while the other amendment is pending.

Mr. DOMENICI. Without that time being charged.

Mr. LONG. To either side.

Mr. DOMENICI. To either side that has time on the pending amendment.

The PRESIDING OFFICER. Is there objection to the unanimous consent request?

The Chair hears none. Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. LONG. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 1846

Mr. LONG. Mr. President, on behalf of myself and Senator EASTLAND, Senator EAGLETON, Senator DANFORTH, and Senator BARTLETT, I send to the desk an amendment and ask that it be stated.

The PRESIDING OFFICER (Mr. FORD). The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Louisiana (Mr. LONG), for himself, Mr. EASTLAND, Mr. EAGLETON, and Mr. DANFORTH, proposes an amendment numbered 1846.

Mr. LONG. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 2, beginning on line 6, delete all through line 17 on page 7 and insert in lieu thereof the following:

"(b) The Secretary of the Army, acting through the Chief of Engineers, is authorized and directed to replace, at Federal expense as a part of project costs authorized in subsection (a) terrestrial wildlife habitat inundated as a result of the construction of the project on an acre-for-acre basis in the respective States of Missouri and Illinois and to manage such lands as are thus acquired by the Secretary for wildlife protection purposes. The Secretary is further authorized to provide project-related recreation development on or in the vicinity of Ellis Island, Missouri, that requires no separable project lands and includes facilities such as roads, parking lots, walks, picnic areas, a boat launching ramp, and a beach, at an estimated cost of $4,000,000 to be cost shared with the State of Missouri and administered in accordance with the provisions of the Federal Water Project Recreation Act (Public Law 89–72) and undertaken independently of the navigation features of the project.

"(c) Within thirty days after the beginning of construction of the lock and dam authorized in subsection (a), the Secretary of the Army shall give notice in writing to the Secretary of the Treasury that such construction has begun, a copy of which notice shall be published in the Federal Register by the Secretary of the Treasury following receipt thereof.

"(d) The project depth of the channel above Cairo, Illinois, on the Mississippi River shall not exceed nine feet, and neither the Secretary of the Army nor any other Federal official shall study the feasibility of deepening the navigation channels in the Minnesota River, Minnesota; Black River, Wisconsin; Saint Croix River, Minnesota and Wisconsin; the Mississippi River north of Cairo, Illinois; the Kaskaskia River, Illinois; and the Illinois River and Waterway, Illinois, unless specifically authorized by a future Act of Congress.

"(e) There are authorized to be appropriated to the Secretary of the Army such sums as are necessary to carry out the provisions of subsections (a) and (b) of this section for fiscal year 1978 and succeeding fiscal years. Any funds which have been allocated to a replacement project for locks and dam 26, prior to enactment of this Act, shall be available for the project authorized in this section and shall remain available until expended.

"SEC. 103. (a) There is hereby created an Upper Mississippi River System Council (hereinafter referred to as 'Council') consisting of the Secretary of Transportation, the Secretary of Commerce, the Secretary of Agriculture, the Secretary of the Army, the Secretary of the Interior, the Administrator of the Environmental Protection Agency, the Chairman of the President's Council on Environmental Quality, and the Governors of the States of Wisconsin, Minnesota, Iowa, Missouri, and Illinois. The Secretary of the Interior shall serve as Chairman of the Council.

"(b) The Congress hereby authorizes and directs the Council to prepare a comprehensive master plan for the management of the Upper Mississippi River System in cooperation with the appropriate Federal, State, and local officials. A preliminary plan shall be pre-

pared by July 1, 1981, and take into account any appropriate recommendations in the report authorized by section 301 of this Act. The plan shall be subject to public hearings in each affected State. The Council shall review all comments presented at such hearings and submitted in writing to the Council and shall make any appropriate revisions in the preliminary plan, and shall, by July 1, 1982, submit to the Congress for approval a final master plan. Public participation in the development, revision, and enforcement of said plan shall be provided for, encouraged, and assisted by the Council. The Council shall, within one hundred and fifty days of enactment of this Act, publish final regulations in the Federal Register specifying minimum guidelines for public participation in such processes. Approval of the final master plan and any subsequent changes thereto shall be granted only by enactment of the Congress.

"(c) The master plan authorized under subsection (b) of this section shall identify the various economic, recreational, and environmental objectives of the Upper Mississippi River System, recommend guidelines to achieve such objectives, and propose methods to assure compliance with such guidelines and coordination of future management decisions affecting the Upper Mississippi River System, and include any legislative proposals which may be necessary to carry out such recommendations and objectives.

"(d) For the purposes of developing the comprehensive master plan, the Council is authorized and directed to conduct such studies as it deems necessary to carry out its responsibilities under this section, with provision that it utilize, to the fullest extent possible the resources and results of the Upper Mis sissippi River resources management (GREAT) study conducted pursuant to section 117 of the Water Resources Development Act of 1976 (Public Law 94–587) and of other ongoing or past studies. The Council shall request appropriate Federal, State, or local agencies to prepare such studies, and any Federal agency so requested is authorized to conduct any such study for the purpose of this section. Studies conducted pursuant to this section shall include, but not be limited to the following:

"(1) The Secretary of the Army shall provide for the Secretary of the Interior to undertake a study to determine the long- and short-term systematic ecological impacts of: (A) present and any projected expansion of navigation capacity on the fish and wildlife, water quality, wilderness, and public recreational opportunities of said rivers, (B) present operation and maintenance programs, (C) the means and measures that should be adopted to prevent or minimize loss of or damage to fish and wildlife, and (D) a specific analysis of the immediate and systemic environmental effects of any second lock at Alton, Illinois, and provide for the mitigation and enhancement of such resources and shall submit his report containing his conclusions and recommendations to the Congress and the Secretary of the Army.

"(2) The Council, acting through the Secretary of Transportation, is directed to immediately initiate a specific evaluation of the need for a second lock at Alton, Illinois, and the direct and indirect systemic effects and needs for such a second lock at Alton, Illinois.

"(3) Studies and demonstration programs, including a demonstration program to evaluate the benefits and costs of disposing of dredge spoil material in contained areas located out of the floodplain. Said program shall include, but shall not be limited to, the evaluation of possible uses in the marketplace for the dredge soil studies and demonstration programs to minimize the environmental effects of channel operation and maintenance activities.

"(4) Development for the Upper Mississippi River System of a computerized analytical inventory and system analysis to facilitate evaluation of the comparative environmental effects of alternative management proposals.

"(e) Guidlines developed pursuant to this section shall include, but not be limited to, guidelines for channel maintenance, minimization of dredging volumes, alternate uses of dredged material, protection of water quality, fish and wildlife protection and enhancement, wilderness preservation, and management of the wildlife and fish refuges within and contiguous to the Upper Mississippi River System.

"(f) To carry out the provisions of this section, there are authorized to be appropriated to the Council $20,000,000. The Council is authorized to transfer funds to such Federal, State, or local government agencies as it deems necessary to carry out the studies and analysis authorized in this section.

"(g) The Upper Mississippi River System consists of those river reaches containing commercial navigation channels on the Mississippi River main stem north of Cairo, Illinois; the Minnesota River, Minnesota; Black River, Wisconsin; Saint Croix River, Minnesota and Wisconsin; Illinois River and Waterway, Illinois; and Kaskaskia River, Illinois.

"(h) Except for the provisions of section 102 of this Act, and necessary operation, maintenance, and activities related to safety, no replacement, construction, or rehabilitation expands the navigation capacity of locks, dams, and channels shall be undertaken by the Secretary of the Army to increase the navigation capacity of the Upper Mississippi River System, until the master plan prepared pursuant to this section has been approved by the Congress, or unless otherwise authorized by law.

"(i) The lock and dam authorized pursuant to section 102 of this Act shall be designed and constructed to provide for possible future expansion. All new navigation projects authorized in the future or locks and dam navigation replacement projects now authorized but not under construction, initiated by the Secretary of the Army on the Upper Mississippi River north of Cairo, Illinois, and on the Illinois River north of Grafton, Illinois, shall be initiated only in accordance with the guidelines set forth in the master plan.".

On page 12, strike out lines 7 through 12, and insert in lieu thereof the following:

"(b) AMOUNT OF TAX.—The tax imposed by subsection (a) shall be in the case of a use during—

"(1) the 8 consecutive calendar quarter period beginning with the calendar quarter beginning on the effective date of this section, 4 cents a gallon,

"(2) the next following 8 consecutive calendar quarter period, 6 cents a gallon,

"(3) the next following 8 consecutive calendar quarter period, 8 cents a gallon,

"(4) the next following 8 consecutive calendar quarter period, 10 cents a gallon, and

"(5) any calendar quarter beginning after the last day of the period described in paragraph (4), 12 cents a gallon.".

On page 14, strike out lines 8 through 12, and insert in lieu thereof the following:

"(d) The amendments made by this section shall take effect on the earlier of—

"(1) January 1, 1982, or

"(2) the first day of the calendar quarter beginning after the 30th day after the day on which the notice required to be published under section 102(c) of this Act is published.

the first proposed regulations under section 4042 of the Internal Revenue Code of 1954 shall be published in the Federal Register not later than the day which is 9 months after the date of the enactment of this Act.".

On page 14, beginning on line 14, delete all through line 5, page 17, and insert in lieu thereof the following:

"SEC. 301. (a) The Secretary of Transportation and Secretary of Commerce shall undertake a study, in consultation with the Secretary of Treasury, the Secretary of Agriculture, the Secretary of Energy, the Attorney General of the United States, the Secretary of the Army, the Chairman of the Water Resources Council, and the Director of the Office of Management and Budget, and make findings and policy recommendations regarding any fuel tax imposed on inland waterways users, or alternatives or supplemental charges and on related matters. Such study shall include but shall not be limited to a consideration of the following matters:

"(1) The economic impacts on (i) carriers and shippers using the inland waterways, (ii) users, including ultimate consumers, of commodities which are transported on the inland waterways, (iii) the balance of payments of the United States based on our international trade, (iv) the existing investment in industrial plants, agricultural interests and commercial enterprises and related employment in regions of the country served by water transportation directly or in combination with other modes, and (v) future economic growth prospects in such regions including anticipated shifts of industry and employment to other areas together with an evaluation of effects on regional economics and their development, including consistency with Federal policies as set forth in other legislation.

"(2) The effects of such taxes or charges on the freight rates charged by other modes and the extent of diversion of traffic from the waterways to such other modes as both short- and long-term prospects, giving consideration to the development of alternative sources of supply and alternative modes of transportation or routing to market, and specifying the extent of such traffic diversion to modes which are shown by reliable data to be less safe than water carriers in the handling and transportation of hazardous materials or which are shown by such data to be less efficient than water carriers in the use of energy.

"(3) The effect of such charges on the level of prices of commodities shipped to waterway and competing modes, including electric power rates and the costs of energy materials to ultimate consumers.

"(4) The effects of such taxes or charges upon small business enterprises and upon industrial concentration and competition, both within the transportation industry and in any line of commerce as defined in the antitrust laws.

"(5) The requirements of the Nation to the year 2000 for transportation service and the extent thereof which, considering the inherent advantages of waterway transportation, should be provided by inland waterway carriers, together with an estimate of the expansion and improvement of inland waterway capacity necessary to meet such requirement.

"(6) The effects of waterway fuel taxes and other forms of user charges upon the achievement of the objectives of the National Transportation Policy as set forth in the preamble to the Transportation Act of 1940.

"(7) The effects of waterway fuel taxes or other forms of waterway user charges in various forms and in various amounts upon the economic feasibility of waterway improvement projects.

"(8) The effects of waterway taxes or other charges of various types and at various levels on the achievement of the expansion and improvement of the inland waterways estimated to be necessary under subparagraph 5 of this subsection or determined to be necessary by the Secretary of the Army under section 158 of the Water Resources Development Act of 1976 (Public Law 94–587).

"(9) The extent to which the Federal Government should seek to supplement Federal appropriations from general revenues for the benefit of waterborne transportation by imposition of charges upon users of the facilities for which appropriations are made.

"(10) The extent of Federal assistance to the several modes of freight transportation, including all forms of such assistance such as tax advantages, direct grants, rate adjustments for improvement purposes, assumption of pension fund liabilities, loans, guarantees, capital participation, revenues from land grants as well as provision of right-of-way operation, maintenance and improvement, together with an evaluation and comparison of the public benefits resulting from such assistance to each of the several transportation modes, in terms of adequacy, efficiency and economy of service, safety, technological progress, and energy conservation.

"(11) The comparative levels of benefits received from Federal expenditures on waterways by (i) commercial users and (ii) other users, including but not limited to users for recreation, reclamation, water supply, low flow augmentation, fish and wildlife enhancement, hydroelectric power, flood control, and irrigation purposes.

"(12) The various forms of user charges that could be established and the comparative impacts of each on the interests specified in this section.

"(13) The administrative costs of waterway fuel taxes and of alternative user charges.

"(14) The need for assistance to persons and communities, agricultural and/or industrial interests adversely impacted by user charges.

"(15) The classes and categories of waterway users upon whom fuel taxes or other user charges should be imposed.

"(16) The waterways of the United States including specifically the Great Lakes, deep draft channels, and coastal ports which should be included in any system of fuel taxes or other forms of user charges, together with the economic impact and effect on such waterways and users of such mechanism.

"(17) The disposition and application of revenues derived from taxes and other charges imposed on waterway users including consideration of trust fund mechanism.

"(b) Not later than three years after the date of enactment of this Act, the Secretary of Transportation shall transmit to Congress a final report of the study authorized by this section, together with his findings and recommendations, including necessary legislation and those of the Secretary of Commerce, the Secretary of the Treasury, the Secretary of Agriculture, the Secretary of Energy, the Attorney General of the United States, the Secretary of the Army, the Chairman of the Water Resources Council, and the Director of the Office of Management and Budget.".

Mr. LONG. Mr. President, it will be necessary, if this amendment or that of the Senator from New Mexico is agreed to, to make technical corrections, and I ask unanimous consent that either Senator may perfect his amendment in the event it is agreed to.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 1829

(Purpose: To authorize locks and dam 26, a waterways fuel tax, percentage cost recovery, and a study of the future inland navigation program)

Mr. DOMENICI. Mr. President, I call up my amendment No. 1829, which I offer as a substitute for the Long amendment.

I ask unanimous consent that the names of Senator CULVER, Senator WALLOP, and Senator ZORINSKY be added as original cosponsors of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment will be stated. The assistant legislative clerk read as follows:

The Senator from New Mexico (Mr. DOMENICI), for himself, Mr. STEVENSON, and others, proposes an amendment numbered 1829 as a substitute for amendment number 1846.

Mr. DOMENICI. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 2, beginning on line 6, delete all through line 5 on page 17 and insert in lieu thereof the following:

(b) The Secretary of the Army, acting through the Chief of Engineers, is authorized and directed to replace, at Federal expense as a part of project costs authorized in subsection (a) terrestrial wildlife habitat inundated as a result of the construction of the project on an acre-for-acre basis in the respective States of Missouri and Illinois and to manage such lands as are thus acquired by the Secretary for wildlife mitigation purposes. The Secretary is further authorized to provide project-related recreation development on or in the vicinity of Ellis Island, Missouri, that requires no separable project lands and includes facilities such as roads, parking lots, walks, picnic areas, a boat launching ramp, and a beach, at an estimated cost of $4,000,000 to be cost shared with the State of Missouri and administered in accordance with the provisions of the Federal Water Project Recreation Act (Public Law 89–72) and undertaken independently of the navigation features of the project.

(c) The channel above Cairo, Illinois, on the Mississippi River shall not exceed nine feet, and neither the Secretary of the Army nor any other Federal official shall study the feasibility of deepening the navigation channels in the Minnesota River, Minnesota; Black River, Wisconsin; Saint Croix River, Minnesota and Wisconsin; the Mississippi River north of Cairo, Illinois; the Kaskaskia River, Illinois; and the Illinois River and Waterway, Illinois, unless specifically authorized by a future Act of Congress.

(d) There are authorized to be appropriated to the Secretary of the Army such sums as are necessary to carry out the provisions of subsections (a) and (b) of this section for fiscal year 1978 and succeeding fiscal years. Any funds which have been allocated to a replacement project for locks and dam 26, prior to enactment of this Act, shall be available for the project authorized in this section and shall remain available until expended.

SEC. 103. (a) There is hereby created an Upper Mississippi River System Council (hereinafter referred to as "Council") consisting of the Secretary of Transportation, the Secretary of Agriculture, the Secretary of the Army, the Secretary of the Interior, the Administrator of the Environmental Protection Agency, the Chairman of the President's Council on Environmental Quality, and the Governors of the States of Wisconsin, Minnesota, Iowa, Missouri, and Illinois. The Secretary of the Interior shall serve as Chairman of the Council.

(b) The Congress hereby authorizes and directs the Council to prepare a comprehensive master plan for the management of the Upper Mississippi River System in cooperation with the appropriate Federal, State, and local officials. A preliminary plan shall be prepared by July 1, 1981, and take into account any appropriate recommendations in the report authorized by section 301 of this Act. The plan shall be subject to public hearings in each affected State. The Council shall review all comments presented as such hearings and submitted in writing to the Council and shall make any appropriate revisions in the preliminary plan, and shall, by July 1, 1982, submit to the Congress for approval a final master plan. Public participation in the development, revision, and enforcement of said plan shall be provided for, encouraged, and assisted by the Council. The Council shall, within one hundred and fifty days of enactment of this Act, publish final regulations in the Federal Register specifying minimum guidelines for public participation in such processes. Approval of the final master plan shall be granted only by enactment of the Congress. Changes to the master plan proposed by the Council shall require enactment by the Congress to become effective. All related activities inconsistent with the master plan or guidelines shall be deemed unlawful.

(c) The master plan authorized under subsection (b) of this section shall identify the various economic, recreational, and environmental objectives of the upper Mississippi River System, recommend guidelines to achieve such objectives, and propose methods to assure compliance with such guidelines and coordination of future management decisions affecting the Upper Mississippi River System, and include any legislative proposals which may be necessary to carry out such recommendations and objectives.

(d) For the purposes of developing the comprehensive master plan, the Council is authorized and directed to conduct such studies as it deems necessary to carry out its responsibilities under this section, with provision that it utilize to the fullest extent possible, the resources and results of the Upper Mississippi River resources management (GREAT) study conducted pursuant to section 117 of the Water Resources Development Act of 1976 (Public Law 94–587) and of other ongoing or past studies. The Council shall request appropriate Federal, State, or local agencies to prepare such studies, and any Federal agency so requested is authorized to conduct any such study for the purpose of this section. Studies conducted pursuant to this section shall include, but not be limited to the following:

(1) Secretary of the Interior shall undertake a study to determine the long- and short-term systemic ecological impacts of: (A) present and any projected expansion of navigation capacity on the fish and wildlife, water quality, wilderness, and public recreational opportunities of said rivers, (B) present operation and maintenance programs, (C) the means and measures that should be adopted to prevent or minimize loss of or damage to fish and wildlife, and (D) a specific analysis of the immediate and systemic environmental effects of any second lock at Alton, Illinois, and provide for the

mitigation and enhancement of such resources and shall submit his report containing his conclusions and recommendations to the Congress and the Secretary of the Army.

(2) The Council, acting through the Secretary of Transportation, is directed to immediately initiate a specific evaluation of the need for a second lock at Alton, Illinois, and the direct and indirect systemic effects and needs for such a second lock at Alton, Illinois.

(3) Studies and demonstration programs, including a demonstration program to evaluate the benefits and costs of disposing of dredge spoil material in contained areas located out of the floodplain. Said program shall include, but shall not be limited to, the evaluation of possible uses in the marketplace for the dredge spoil studies and demonstration programs to minimize the environmental effects of channel operation and maintenance activities.

(4) Development for the Upper Mississippi River System of a computerized analytical inventory and system analysis to facilitate evaluation of the comparative environmental effects of alternative management proposals.

(e) Guidelines developed pursuant to this section shall include, but not be limited to, guidelines for channel maintenance, minimization of dredging volumes, alternate uses of dredged material, barge fleeting, protection of water quality, fish and wildlife protection and enhancement, wilderness preservation, and management of the wildlife and fish refuges within and contiguous to the Upper Mississippi River System.

(f) To carry out the provisions of this section, there are authorized to be appropriated to the Council $20,000,000. The Council is authorized to transfer funds to such Federal, State, or local government agencies as it deems necessary to carry out the studies and analysis authorized in this section.

(g) The Upper Mississippi River System consists of those river reaches containing commercial navigation channels on the Mississippi River main stem north of Cairo, Illinois; the Minnesota River, Minnesota; Black River, Wisconsin; and the Saint Croix River, Minnesota and Wisconsin.

(h) Except for the provisions of section 102 of this Act, and necessary operation and maintenance activities, no replacement, construction, or rehabilitation that expands the navigation capacity of locks, dams, and channels shall be undertaken by the Secretary of the Army to increase the navigation capacity of the Upper Mississippi River System, until the master plan prepared pursuant to this section has been approved by the Congress.

(i) The lock and dam authorized pursuant to section 102 of this Act shall be designed and constructed to provide for possible future expansion. All other construction activities initiated by the Secretary of the Army on the Upper Mississippi River System shall be initiated only in accordance with the guidelines set forth in the master plan.

TITLE II—TAX ON FUEL USED IN COMMERCIAL TRANSPORTATION ON INLAND WATERWAYS

SEC. 201. IMPOSITION OF TAX.

(a) Chapter 31 of the Internal Revenue Code of 1954 (relating to special fuels) is amended by adding at the end thereof the following new section:

"SEC. 4042. TAX ON FUEL USED IN COMMERCIAL TRANSPORTATION ON INLAND WATERWAYS.

"(a) IN GENERAL.—Notwithstanding any other provision of law, there is hereby imposed a tax upon any liquid used during any calendar quarter by any person as a fuel in a vessel in commercial water transportation.

(b) AMOUNT OF TAX.—The tax imposed by subsection (a) shall be—

"(1) in the case of a use after September 30, 1979, and before October 1, 1981, 4 cents a gallon, or

"(2) in the case of a use after September 30, 1981, and before October 1, 1982, 6 cents a gallon, or

"(3) in the case of a use after September 30, 1982, and before October 1, 1983, 8 cents a gallon, or

"(4) in the case of a use after September 30, 1983. and before October 1, 1984, 10 cents a gallon; or

"(5) in the case of a use after September 30, 1984, 12 cents a gallon.

"(c) EXEMPTIONS.—

"(1) DEEP-DRAFT OCEANGOING VESSELS.—The tax imposed by subsection (a) shall not apply with respect to any vessel designed primarily for use on the high seas which has a draft of more than 12 feet.

"(2) PASSENGER VESSELS.—The tax imposed by subsection (a) shall not apply with respect to any vessel used primarily for the transportation of paying passengers.

"(3) USE BY STATE OR LOCAL GOVERNMENT IN TRANSPORTING PROPERTY IN A STATE OR LOCAL BUSINESS.—Subparagraph (B) of subsection (d) (1) shall not apply with respect to use by a State of political subdivision thereof.

"(d) DEFINITIONS.—For purposes of this section—

"(1) COMMERCIAL WATER TRANSPORTATION.—The term 'commercial water transportation' means any use of a vessel on any inland or intracoastal waterway of the United States—

"(A) in the business of transporting property for compensation or hire, or

"(B) in transporting property in the business of the owner, lessee, or operator of the vessel (other than fish or other aquatic animal life caught on the voyage).

"(2) INLAND OR INTRACOASTAL WATERWAY OF THE UNITED STATES.—The term 'inland or intracoastal waterway of the United States' means any improved inland waterway of the United States, as defined by section 305 of the Inland Waterway Improvement and Cost Recovery Act of 1978.

"(3) PERSON.—The term 'person' includes but is not limited to the United States, a State, a political subdivision of a State, or any agency or instrumentality of any of the foregoing.

"(c) DATE FOR FILING RETURN.—The date for filing the return of the tax imposed by this section for any calendar quarter shall be the last day of the first month following such quarter.".

(b) Section 4293 of such Code (relating to exemption for United States and possessions) is amended by striking out "chapters 31 and 32" and inserting in lieu thereof "section 4041. chapter 32,".

(c) The table of sections for chapter 31 of such Code is amended by adding at the end thereof the following new item:

"Sec. 4042. Tax on fuel used in commercial transportation on inland waterways.".

(d) The amendments made by this section shall take effect on October 1, 1979, and shall remain in effect unless superseded by a system of waterway user charges enacted as a result of the recommendations of section 301 of the Inland Waterway Improvement and Cost Recovery Act of 1978. The first proposed regulations under section 4042 of the Internal Revenue Code of 1954 shall be published in the Federal Register not later than the day which is 9 months after the date of the enactment of this Act.

TITLE III—INLAND WATERWAYS STUDY AND COST RECOVERY

SEC. 301. (a) The Secretary of Transportation (hereinafter referred to as the "Secretary"), in consultation with the Secretary of the Army, shall study—

(1) a comprehensive national program for the cost-effective management of the navigation system of the inland waterways of the United States, and

(2) establishment, maintenance, and collection of a reasonable system of user charges (using either a fuel tax, or an increase or decrease thereof, any other charge, or any combination thereof), to be paid by the commercial users of the inland waterways of the United States.

In making his study, the Secretary is authorized and directed to insure the effective coordination of and the necessary consistency between the waterways study authorized by section 158 of Public Law 94–587 and any other related executive branch studies and to take all relevant findings therefrom in making his findings and recommendations. In addition, he shall conduct public hearings, review comments presented at such hearings and those submitted in writing, and shall, no later than January 15, 1981, submit to the Congress policy recommendations for a comprehensive national program for the cost-effective management of the inland waterways of the United States and the recovery from commercial users of that percentage of the costs of such program that is considered to be reasonable. Together with his report, the Secretary shall submit proposed legislation to implement his recommendations.

(b) The study authorized by subsection (a) of this section shall include, but not be limited to, a consideration of the following:

(1) the effects of future inland waterway projects, with cost recovery, and the effects of any expansion of navigational capacity on the inland waterways of the United States on the establishment of a more balanced national transportation system;

(2) the expected level of traffic growth on the inland waterways of the United States and on competing modes of transportation, without navigational cost recovery, with the level of cost recovery provided for in this legislation, and with cost recovery over and above the levels provided for in this legislation;

(3) sites on the inland waterways of the United States where cost-effective improvements are likely to be needed by the year 2000;

(4) the economic impacts of any major navigation investments through the year 2000 on (i) carriers and shippers using the inland waterways of the United States, (ii) alternate modes that compete with carriers using the inland waterways of the United States, and the shippers using such competing modes, and (iii) the ultimate consumers of products, whether shipped on the inland waterways of the United States or not;

(5) the cost impact of user charges on businesses and farmers dependent on water transportation;

(6) factors and standards that should be considered in determining the advisability to proceed with construction of any project on the inland waterways of the United States subsequent to enactment of this Act; and

(7) the possible impact of federally financed navigational projects in requiring offsetting subsidies to competing modes.

(c) The recommendation authorized by subsection (a) of this section shall identify—

(1) those segments on the inland waterways of the United States, together with their costs, that will require major rehabilitation or expansion by the year 2000;

(2) those improvements, together with their costs, for new segments that should be added to the inland waterways of the United States by the year 2000;

(3) a cost recovery system that will provide for balance in national transportation policy and will, either on a systemwide, re-

gionwide, or project-by-project basis, provide a realistic market test of the need for projects listed in paragraphs (1) and (2) of this subsection, and which can be reasonably paid by the prospective commercial users of projects on the inland waterways of the United States; and

(4) benefit and cost factors that should be utilized hereafter in evaluating projects on the inland waterways of the United States.

(d) To carry out the provisions of this section, $8,000,000 is authorized to be appropriated to the Secretary and to remain available until expended.

SEC. 302. Except for projects under construction at the time of enactment of this Act, including the project authorized by section 102 of this Act, and necessary operation and maintenance activities, no project for replacement, construction, or rehabilitation increasing the capacity of the locks and channels on the inland waterways of the United States or to be added to the inland waterways of the United States that primarily benefits commercial navigation shall be initiated, nor shall funds be so expended, by the Secretary of the Army until the Secretary has, by regulations, established a system of user charges, including but not necessarily limited to license fees or tolls, sufficient to recover 10 per centum of the capital cost of such project, including interest, over the initial ten years of the project's operation. Notwithstanding any other provision of law, the Secretary shall initiate collection of such charges when the Secretary of the Army commences the operation of the project, and he shall deposit such charges in the general fund of the Treasury. Such charges may be established at the project or over a broader portion of the inland waterways of the United States, and, to the extent equitable and practicable, shall be distributed among users in such a manner as not to cause serious economic disruption on any segment of the inland waterways of the United States. The Secretary of the Army shall prohibit the use of such project by any commercial vessel that fails to pay such charge. This section is repealed upon enactment of any statute that either authorizes the recommendations of the Secretary required by section 301 of this title, or that rejects or modifies such recommendations.

SEC. 303. No later than January 15, 1981, and each year thereafter, the Secretary of the Treasury shall report to the Congress on the moneys received under title II of this Act during the preceding fiscal year, identifying the percentage that such moneys represent out of all moneys expended during such fiscal year by the United States for operations, maintenance, and construction on the inland waterways of the United States

SEC. 304. The Secretary of the Army, acting through the Chief of Engineers and in consultation with the Secretary of Transportation, shall within one hundred and eighty days of the date of enactment of this Act, promulgate regulations in the Federal Register to minimize congestion on the inland waterways of the United States and thereby extend the useful economic life of locking facilities on such waterways. Such regulations shall include, but not be limited to, requirements covering barge configurations, lockage priorities, traffic scheduling, and lockage aids, such as switchboats.

SEC. 305. As used in this title, the term—

(a) "inland waterway of the United States" means any improved waterway operated and maintained by the United States, the improvement to which are primarily for the use of commercial vessels other than ocean-going vessels, and does not include the Great Lakes, their interconnecting channels, and the Saint Lawrence Seaway, and

(b) "commercial users" means common, contract, or other carriers for hire and owners or operators of private shallow-draft cargo vessels.

SEC. 306. This title may be cited as the "Inland Waterway Improvement and Cost Recovery Act of 1978".

Mr. DOMENICI. Mr. President, at various points in the bill there should have been quotation marks. So that the substitute would be properly incorporated in the bill——

The PRESIDING OFFICER. Will the Senator suspend for a moment, for an inquiry from the Chair of the Senator from New Mexico and the Senator from Louisiana, in order to make the RECORD clear?

What is the understanding of the Senators as it relates to a time agreement?

Mr. DOMENICI. My understanding is that we have not actually changed the parliamentary situation. There are 3 hours, equally divided, on my amendment and 3 hours, equally divided, on the amendment of the Senator from Louisiana, with 3 hours for the junior Senator from Missouri (Mr. DANFORTH).

The PRESIDING OFFICER. Is that the understanding of the Senator from Louisiana?

Mr. LONG. It is my understanding that the Domenici amendment, which is a substitute for the Long amendment, is now pending, and the time is equally divided. I believe it should be equally divided between the Senator from New Mexico and the Senator from Louisiana, and I ask unanimous consent that that be so. That is 3 hours on this amendment.

The PRESIDING OFFICER. That is the understanding.

Mr. LONG. It was also requested and agreed, as I understand it, that during the course of this matter, the Senator from Missouri (Mr. DANFORTH) will be recognized to discuss an amendment he has pending which is relevant to these amendments, but which will not be offered until the amendments have been voted upon.

The PRESIDING OFFICER. It is, then, the understanding of the Senators that there is a total of 9 hours that could be used before any vote takes place?

Mr. DOMENICI. That is my understanding.

Mr. LONG. It is conceivable, but we are going to accommodate the Senate and reduce the time. It is generally agreed between us that a vote on the first amendment will determine a number of things which will shorten the debate thereafter.

The PRESIDING OFFICER. The Chair thanks the Senators.

Mr. DOMENICI. Mr. President, it is important that the Parliamentarian understand that if the junior Senator from Missouri desires to enter this debate and to discuss his amendment, which is not pending, the time will come from his 3 hours.

The PRESIDING OFFICER. And not from the time of the Senator from New Mexico or the time of the Senator from Louisiana.

The Senator may proceed.

Mr. DOMENICI. Mr. President, I suggest the absence of a quorum, and I ask unanimous consent that the time be charged equally against the time on the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. I yield myself 15 minutes.

Mr. President, I say to my good friend the Senator from Louisiana (Mr. LONG) that while we have a genuine difference of opinion with respect to the issue at hand, the way we have been able to work out a number of our differences and bring them to the floor of the Senate, with as little disparity between the two views as possible, is, in my opinion, a credit to the Senate as an institution.

Eighteen months ago or so, there was no real thought that we were going to impose on the inland commercial barges of America any significant tax, be it cost recovery or a tax in the nature of a fuel tax assessment.

I shall briefly explain what the bill that Senator STEVENSON from Illinois and I introduced does and then hope that Senator STEVENSON, who has worked with me diligently on this, will have some remarks of his own.

I do not want to overemphasize the fact that there have been substantial concessions made, but basically what Senator STEVENSON and I have brought before the Senate meets with the approval of the President of the United States, on the one hand, and from this Senator's standpoint begins to right a significant inequity in the American transportation system. I hope no one thinks that I had any motive other than that.

When I first got involved in this issue, I found that we had a transportation system in this country basically built around highways and freeways that the trucks of America used in terms of commerce, and we have since tried to estimate whether or not they are paying their fair share of the cost to the taxpayer of constructing those roadways. We come up with a conclusion that across America the average fuel tax on commercial trucks that use the roads, paid for out of the tax coffers of America, is somewhere around 20 cents a gallon. When you take into account the Federal, State, and other kinds of taxes, it is about 20 cents a gallon. We then know that the railroads, one of the other very important ingredients of this system, of America are in substantial financial trouble. They have been overregulated, but whatever that is that is kind of history. We took a look to see how much are they subsidized by the Federal Government.

A great to-do was made about the fact that in the West they were given land at one point in time, and we have tried to explain as best we can what the American people got in exchange for that. And it seems to us that the American taxpayer, by way of a 50-percent

freight reduction that ran right on through the Second World War and for a few years beyond that, got back more than he ever gave. So we look to today, and the best information we can find is that maybe the railroads are subsidized about 3 percent.

Then we took a look at the anomalous situation that the only transportation system in this country that was growing at an inordinate rate was the commercial inland waterway system, and we have on many occasions, and I will not burden and bore the Senate with it, put information in the RECORD as to the enormous growth that is occurring in this one mode while right alongside it in many parts of the country the alternate mode needed by many, because the inland waterways cannot serve everyone, right alongside of the inland waterways, which are growing by leaps and bounds, we found railroads that are unable to continue in operation, in our opinion, because of the position they are put in competitively when they are competing with an inland commercial system that not I, but the Secretary of Transportation, the Congressional Budget Office, and independent economists say are being subsidized to the extent of 40 percent—40 percent. Then one asks how.

We have some that take the floor of the Senate and say the inland rivers of America are there to be used and no one should interfere; they should be free.

My response to them is, indeed, that is right; indeed, the Supreme Court said that. But if you read the decision, you will find that they did not mean that if the taxpayers of America had to build locks, dams, spend hundreds of millions of tax dollars each year to dredge them and maintain them, they were to get that forever free. Therein the issue lies.

We now have before us today an authorization bill which will permit the construction of a major facility, that will cost over a half billion dollars, locks and dam No. 26, and I for one understand the significance of that facility. In fact, for anyone who doubts that it is needed and doubts its economic value, let me just give you one rather glaring commercial fact. We argued on the floor of the Senate for well over 2 months on the Panama Canal and its lock system. This particular facility that we are talking about in inland America will carry more transport to and from the American marketplace than the Panama Canal.

So today this particular amendment the Senator from Illinois and I offer says unequivocally that we authorize the construction of a new facility there. The one that is in place is old, outmoded. We say let us build a new one. But we also say that the time has come to impose on that mode of transportation, called the commercial inland transportation system, a reasonable assessment for the gratuity that has been theirs. I say reasonable. I will explain that in some detail shortly.

There will be some who say that we are charging too much, and there are others who are saying we are charging too little. Historically, to put this in perspective, the Senate by a substantial margin last year made a policy decision. The policy decision was that this gratuity and imbalance in the transportation system had to end, and we adopted a proposal here on the floor of the Senate that said 18 months from and after that bill over a period of 10 years we would begin to collect from the commercial barges of this country 100 percent of the operation and maintenance dollars that come from the general tax fund and that we would begin to collect in an orderly manner 50 percent of the general tax dollars that go into new construction to make up this system.

The rest is kind of history. The House of Representatives refused to consider that bill and passed their own. They sent to us the bill, which is now pending, to which we offer this amendment today.

In a nutshell, that particular proposal by the House of Representatives said over a period of time we will charge 6 cents a gallon for the fuel used by the commercial barges that travel these subsidized waterways. And, Mr. President, without in any way impinging or infringing upon the independence of the other body, I am pleased to say today that my bill will not do that, and I am also pleased to say that the amendment that the Senator from Louisiana put in today will not do that because both of them recognize that that is almost an insult to a system which has been subsidized the way they have and that both provide for a 12-cent fuel tax, although admittedly the propsal that I submitted would bring that 12 cents into effect quicker, and with absolute certainty and all commercial barges would begin to pay it in addition. I am pleased to say, and I believe my good friend from Illinois will confirm, that the President of the United States, who has been an advocate not only since he became President but even before that, found that this inland transportation system, this gratuity, this ever-growing construction burden on the American people, had to find some kind of user fee attached to stop its gargantuan appetite for growth in facilities.

So that any bill that only contains the 6 cents that the House provides, every Senator should know, will not be signed by the President of the United States.

Then I would add there is one other major difference between our approach and the approach of the distinguished senior Senator from Louisiana. While both of these proposals recognize that an equitable way to reimburse the taxpayers of America is to put a fuel tax on, and while both will ultimately get to the 12 cents, there is one significant thing left out of Senator LONG'S proposal. That is that there is absolutely no check on new construction in the future in terms of those who use it by paying part of its costs. That means that in the future no one will take a look at the next $0.5 billion or $1 billion or $1.5 billion, or the next time we have to go back up one of these systems and rebuild the whole system, no one will take a look at how much it is going to cost the barge owner that uses it, so there will be absolutely no economic test that will be looked at.

What we have done in our proposal is to say, "OK to the past, OK to projects that are under construction." I, for one, do that with reluctance. "OK for locks and dam 26, go ahead and put the taxpayers' dollars in it."

But then, on the next issue we say that any new construction, other than that which I have just described, the first 10 percent after that kind of facility is built, the U.S. Treasury will collect back from the users of that facility or the system 10 percent of the capital cost to the American taxpayer. But that 10 percent will be collected back in the first 10 years it is operational. That means something like at least 1 percent of the cost of construction per year for each of the first 10 years.

I would remind my colleagues that that, too, on my part is a substantial concession, on the one hand, because this institution, the U.S. Senate, said that we ought to collect back 50 percent, and while we left that up to future regulatory bodies to determine that 50 percent, in this particular bill we made no doubt about it, it will be 10 percent to be collected back in the first 10 years of operation of any new projects, so that those good Senators who want locks and dam 26 built will not misunderstand, and we do not collect back any of the capital costs for that facility. We authorize its construction.

I want to talk about the fuel tax that is in our proposal: 4 cents a gallon in the years 1980 and 1981; 6 cents a gallon in 1982; 8 cents a gallon in 1983; 10 cents a gallon in 1984; and 12 cents a gallon thereafter.

Title III of the amendment has two components: section 301 authorizes a study by the Department of Transportation, in consultation with the Corps of Engineers, an authorization of a 3-year study of a comprehensive user charge system as well as the scope anticipated for the inland waterway development between now and the year 2000.

This report, with recommendations, is due back to Congress January 15, 1981.

Section 302 of our amendment imposes the capital cost recovery on new construction, and it will remain in effect—and I want my fellow Senators to understand this—until Congress enacts the study recommendations that I have just referred to or specifically rejects those recommendations by statutory enactment.

Section 303 requires an annual report from the Treasury on the funds received under title II.

Section 304 is basically a component of the Nelson amendment, mentioned earlier that directs the corps to work on ways to improve the operations of the inland waterway system.

Section 305 is a definition section.

Section 306 is the short title.

I note that the debate is whether or not there will be any linkage of costs and recovery on capital spending. There are those who might like to make the linkage exclusively locks and dam 26.

It just so happens that that is the vehicle we have used to bring to the attention of the institution and the American people the issue that was first

raised by President Franklin Roosevelt and every President thereafter, when they sent a message to Congress asking that some kind of user fees be put on to reimburse the American taxpayers for the expenditures being made on the inland waterway system.

So the linkage is the linkage of costs and recovery of capital spending. It is not explicitly a linkage of locks and dam 26.

I am sure there are those who would like to make it only that. While I have made it clear that this bill will authorize locks and dam 26, it also has as an integral part of it the user fees I have described, both by way of capital recoupment and the fuel tax.

We all know that 10 percent ultimately may be inadequate, but I do not believe anyone can now come before us and say we do not know enough about the system as to whether it can afford the 10 percent. It appears to me that any argument that we cannot expect the commercial barges to pay 10 percent of the capital costs in the future just does not make sense.

If it is not worth that much to them, then why are we building it?

The PRESIDING OFFICER. The Senator's 5 minutes have expired. The Senator is recognized for an additional 5 minutes.

Mr. DOMENICI. I would just draw an analogy in terms of the cost, this 10-percent figure, just to convince everyone that it is certainly something that we ought to put in this bill if we intend to get a bill. The President insists on it. Let me give you an example.

If lock and dam 26 costs $430 million, and it is not covered—I repeat, I am using this only as an example, just in the event that 5 years down the line we have a comparable project.

Let us assume it cost $430 million, 10 percent cost recovery, $43 million, to be recovered in the first 10 years of operation; and let us assume that we ask that every commercial barge that used it, and only those, paid for it, and we did not spread it out over any region; the annual payment, at 6⅝ percent, would be $6,016,000 for each of the 10 years after the project opened.

On just the projected traffic alone, that adds 7½ cents alone to the cost of a ton of traffic. The annual barge rate savings and delay reduction as a result of the construction of lock and dam 26 is $73,681,000—a real savings and delay reduction of 92 cents per ton. There is not any way to figure it other than that the taxpayer, even under these recoupment circumstances, is providing 84½ cents net per ton benefit to the barge owners if and when we have another one like locks and dam 26, that we pay for, and if we have the 10-percent recoupment supplied.

We view this as a reasonable compromise on the issue of waterway user charges, one that we hope our colleagues will support.

While this amendment may fail to achieve the comprehensive user charges approach the Senate approved last June 22, and which the House sought to ignore, I believe it provides a rational, easy to administer, and responsible program for solving the issue of waterway user charges.

What does this amendment say? It says we are going eventually to charge the big barge companies about the same fuel tax that the family motorist now pays in dedicated highway taxes. And it says that when the barge companies decide they want a big new waterway project in the future, the Federal taxpayer will, in effect, pay for 90 percent of it, but the barge industry will have to pay 10 percent of the cost, although not until the project is in use. The Federal Government is not so generous as that to a family buying a house or to a small businessman or any other segment of society.

First, a tax on barge fuel would be gradually phased in, eventually reaching 12 cents a gallon in 1984. To put that in perspective, the trucking industry now pays at least 20 cents a gallon in State and Federal fuel and allocated excise taxes, all of which go directly into the Nation's highway program.

This tax would follow the House bill through fiscal year 1981, then rise gradually to a point 6 cents a gallon above the House bill. And this tax would be all that users would contribute toward the existing system, to the operations and maintenance costs of the entire inland system, to the construction cost of projects now under way, and the in-kind rehabilitation of existing projects.

The second aspect of this proposal involves a delayed recovery program to cover certain new capital costs on the inland waterways. There would be no capital recovery on projects now under way, such as the Tennessee-Tombigbee Waterway, the Red River Waterway to Shreveport, and so forth. Nor would there be any capital recovery on locks and dam 26. But on projects not yet under construction, whether authorized or not, there would be a provision for 10-percent cost recovery—but again over 10 years and after the project is opened for business.

I believe that this approach establishes a realistic policy on new waterway projects, requiring cost recovery similar to what now applies to corps water supply or hydropower projects. And I believe—which is most important—that this approach provides an incentive to the barge industry and the corps to work together to hold down costs on new projects to the most cost effective levels.

Now, what does this mean in real, dollar terms?

Assuming current interest rates, the barge industry would have to raise about $2,800,000 a year for each of 10 years after a project is agreed to repay its capital share of a $200,000,000 project. That would be a minor fraction of the cash-in-the-pockets savings provided to the barge companies by the project. If the new facility cuts the delay time for a towboat by a single hour, that savings in costs is likely to more than offset the full user charge for that use.

I am confident we may hear the argument that the barge industry cannot even afford this paltry sum. Well, if that is the argument, I would respond that it is one of two things—either it is false, or it is an admission that the project in question will not produce any real transportation benefits for the economy.

Waterways have a God-given advantage. But much of the growth in waterway traffic—unlike that provided to other modes—is due to subsidies out of the taxpayers of the Nation. Taxpayers have spent some $10 to $15 billion so far on inland waterway improvements, and were spending at the rate of close to $500,000,000 each year for new Corps of Engineers inland navigation projects, plus operations and maintenance dredging. And that does not take into account the barge-purchase program of the Maritime Administration, the administrative work of the Corps of Engineers, projects of TVA, and so on.

Not a single penny of this cost is recovered in any lock charge or other use fee.

In days when the barge industry was a small, struggling industry, this free ride may have been sound policy. But when barge subsidies are driving railroads into bankruptcy, and when the barge industry is merely offshoots of such corporations as Exxon, U.S. Steel, Cargill, Mobil, and Ashland Oil, such a free-ride policy no longer serves the national interest.

What will the users receive from this proposal? They will get a spanking new project at Alton, Ill., with the likelihood of little responsible opposition to other new projects. They will get perpetual care by the taxpayers on operations and maintenance. And they will get later rehabilitation at that capacity, if necessary.

Let me outline briefly the Domenici-Stevenson amendment.

The language of title I needs no full discussion, as it is familiar to the Members of this body. It is language that adopts the basic components of the so-called Nelson amendment for a full environmental study of the upper Mississippi River system.

Title II is the fuel tax provision, as follows:

4 cents a gallon in F.Y. 1980 and 1981; 6 cents a gallon in F.Y. 1982; 8 cents a gallon in F.Y. 1983; 10 cents a gallon in F.Y. 1984; 12 cents a gallon thereafter;

Title III of the amendment has two components. Section 301 authorizes a study by DOT, in consultation with the Corps of Engineers, on authorization of a 3-year Department of Transportation study of comprehensive user charges, as well as the scope of anticipated inland waterway development between now and the year 2000.

That report is due back to the Congress on January 15, 1981.

Section 302 imposes capital cost recovery on new construction projects at 10 percent over the initial 10 years of the operation of a project, to remain in effect until Congress enacts the study recommendations or specifically rejects them.

Section 303 requires an annual report from the Treasury Department on funds received under title II.

Section 304 is basically a component of the Nelson amendment mentioned

earlier that directs the corps to work on ways to improve the operations of the inland waterway system.

Section 305 is a definition section.

Section 306 is the title's short title.

I would note that the real issue in this debate is whether or not there will be any linkage of costs and recovery on capital spending.

The Senate last June approved a proposal to recover 50 percent of capital costs, in effect up front.

Now, we have come down so far, to a paltry 10 percent, and we still hear that it is—unfair—too much—outrageous. In fact, I was accused in the Washington Post this morning of wanting "even more," and not being "reasonable." Is not an 80-percent reduction from the Senate's June action on capital costs "reasonable?" And that does not count the reduction in operations and maintenance costs.

Yesterday, the distinguished chairman of the Committee on Appropriations argued persuasively for construction of a half billion dollar construction project, pointing out that the costs would be fully repaid by the beneficiaries. We are suggesting a mere 10-percent cost recovery, and we are told it is outrageous.

There seems to me to be an Alice in Wonderland quality to such arguments.

Mr. President, I move the adoption of our amendment.

Mr. President, I ask the distinguished Senator from Illinois if he would like to speak at this time, and I will yield to him as much time as he desires.

Mr. STEVENSON. Mr. President, I thank the Senator from New Mexico for yielding. I ask if he will be good enough to yield me 15 minutes.

Mr. DOMENICI. I yield 15 minutes to the Senator from Illinois.

The PRESIDING OFFICER. The Senator from Illinois is recognized for 15 minutes, and he may proceed.

Mr. STEVENSON. Mr. President, this controversy over user fees began, I believe, with my effort some years ago to obtain authorization of a replacement for locks and dam 26 at Alton, Ill. In the ensuing controversy over user fees, the origin of the controversy has been lost sight of. So I would first like to say a few words about the other issue that is at stake here; namely, replacement of the most critical navigation facility in the United States, and then a few words about my cooperation with my good and able friend from New Mexico, Senator DOMENICI, for the joint purpose of obtaining those locks and dam and instituting for the first time a system of user fees on the inland waterways.

Locks and dam 26 at Alton was constructed on a site that has proved unstable. The pilings are sunk into a sand foundation. There is constant shifting and periodic cracking in this dam. It is located just south of the confluence of the Mississippi and the Illinois Rivers, and the heavy waterload has pushed the dam downstream by as much as 1 inch. The lock walls have shifted vertically toward the river up to 1 foot in some places. It takes about $10 million a year just to keep this facility operating.

Theoretically, Mr. President, the existing facility can handle 73 million tons of cargo a year. Actually, the capacity is lower than that. Last year more than 60 million tons of cargo transited the facility, and it is approaching full utilization.

Traffic is projected at 85 million tons in 10 years, and even if the existing facility were in good repair and could be counted on to operate efficiently and safely, it could not handle the demand 10 years from now, at least that is not a safe assumption.

This is probably the most critical navigation facility in the United States—critical to the welfare of the region, which is the most highly developed in the United States both agriculturally and industrially, and critical to the welfare of everyone who inhabits the Middle West. A replacement is essential.

A single 1,200-foot lock, which is what would be authorized by our amendment, would have a capacity of only 86 million tons, an increase that would barely handle 1985 traffic. It is the minimum that is required, and consequently this amendment authorizes construction of a lock and dam configured in a way that will accommodate a second lock should it, as I expect, become necessary in the near future.

Mr. President, this will be the last chance we will have in this Congress to act on this proposal. For each day that we delay, the cost of replacing this anti quated, obsolescent, and increasingly dangerous and outmoded facility increases by some $10 thousand. No good purpose is served by delay, and in fact we are taking serious risks with the welfare of the Midwest, and with each day an additional increase in the cost of replacement.

The amendment which Senator DOMENICI and I have offered is a compromise. I have worked, Mr. President, with both Senator DOMENICI and Senator LONG on this matter, first with Senator LONG in the Commerce Committee and more recently with Senator DOMENICI.

The differences between our positions have narrowed to a point, now, where there is very little difference between the two, and in fact both propose, over a period of time, a fuel tax of 12 cents.

The principal difference is the inclusion within the Domenici-Stevenson amendment of a cost recovery formula. I support its inclusion because it is essential to the administration. The administration has made it clear on repeated occasions—at least twice yesterday by the Secretary of Transportation and once more today, and also by representatives of the White House—that anything else, including the House-passed bill or the proposal which I understand is to be introduced by Senator LONG, which does not include a cost recovery formula, would be vetoed.

The cost recovery formula which we have in our amendment provides only for the recovery of 10 percent of the capital cost, the construction cost, of future construction on the inland waterway system, not including locks and dam 26.

This formula would not apply to that most expensive and important facility.

Since, Mr. President, it only applies to future construction, and, takes effect after actual operation, the Senate and the House will have an opportunity to reconsider this formula before it produces any revenues. It would collect only 10 percent of new construction costs and only after actual operation of those facilities. Since the facilities ordinarily require authorization and appropriation and then construction, this formula, if it ever takes effect, will not produce revenues for some time to come. In the meantime the amendment proposes a 3-year study, and, therefore, the Congress will have an opportunity to act on this question with the benefit of a study before the formula takes effect and actually produces revenues.

The differences are narrow but they are also important. That principle of capital cost recovery is essential to the administration. Since its effectiveness is subject to reconsideration by the Congress after a study in the future it is not a principle that I find very difficult to rise above.

Mr. President, this amendment reflects concessions on all sides, and is an effort to break the impasse that threatens to prevent replacement of the locks and dam 26, and also to end the long impasse which originated in the Northwest Ordinance over the collection of user fees from the principal beneficiaries of improvements on the inland waterway system.

Under this amendment the barge industry will be required, for the first time, to contribute a portion of what the Federal Government spends to build, operate, and maintain the inland navigation system. That step is long overdue. It is a step which I have always supported.

Mr. President, I want to pay my respects to Senator DOMENICI. He has, with vision, with stubbornness, with, I think, great courage, fought asd fought for a long time now to serve the public interest—and against powerful opposition—by obtaining a system of user fees.

The amendment authorizes the new locks and dam with a single 1,200-foot lock. It also authorizes studies for the planned development and environmental protection of the upper Mississippi River.

The amendment prohibits a 12-foot channel on the upper Mississippi and its tributaries, and construction of any new navigation projects, pending the outcome of the study.

As Senator DOMENICI has mentioned, it imposes a gasoline fuel tax starting with 4 cents in 1980, in fiscal 1981, confined to commercial users of the system. That tax increases to 12 cents in fiscal 1985 and thereafter. In addition, it authorizes a 3-year study of user fees, a study to be led by the Department of Transportation, for the purpose of developing a comprehensive system of user charges for the inland waterway system.

In addition, it requires the recovery of 10 percent of the cost of new construction with, as I mentioned before, the exception of locks and dam 26.

Mr. President, that formula for recovery of the 10 percent of construction costs in the future must be imposed in

such a way as to spread these costs over the entire inland waterway system during the first 10 years the new facility is in operation so that they will not be borne unfairly or inequitably by any user or segment of the system, or any particular industry.

This compromise is sound, it is workable, and it meets the minimum requirements of the administration with respect to recovery of operating and capital expenditures for the inland wateway system. In that connection, Mr. President, I ask unanimous consent that there be printed in the RECORD at this point a copy of a letter to me from Secretary Adams, dated April 29, 1978, in which he states emphatically that this is the minimum that the administration will accept, and goes on to give the administration's reasons for its strong position.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

SECRETARY OF TRANSPORTATION,
Washington, D.C., April 29, 1978.

Hon. ADLAI E. STEVENSON,
U.S. Senate,
Washington, D.C.

DEAR SENATOR STEVENSON: I am writing to advise you of the Administration's views on legislation now pending before the Senate concerning Lock and Dam 26 and waterway user charges.

When I last wrote you on the issue of waterway user charges, it was to inform you of the President's intention to veto the House bill, H.R. 8309. We remain convinced that the 4¢/6¢ tax recommended by the House is inadequate.

The Administration would still prefer legislation recovering 100 percent of the costs of operation and maintenance, and 50 percent of the cost of new construction of the inland waterway system. This year those costs are approaching the half-billion dollar level.

In order to expedite this matter, however, we will accept the compromise substitute for H.R. 8309 that has been offered by Senators Stevenson and Domenici. This substitute offers the minimum acceptable basis from which to develop an adequate House-Senate Conference bill.

In our view, the most important elements of the Stevenson-Domenici proposal are:

(1) An adequate level of taxation implemented by a date certain. We support the Stevenson-Domenici proposal for a gradually phased-in fuel tax beginning no later than FY 1980, and reaching 12¢ per gallon by the end of FY 1984. This tax will still be proportionally much less, for example, than the dedicated highway taxes paid by the trucking industry. Based on extensive studies, we believe that this tax would impose no serious hardship for barge companies or their shippers.

(2) The principle of cost recovery. Both this Administration and the Senate have supported full recovery of operation and maintenance costs and 50 percent recovery of the cost of new construction on the inland waterway system. While we remain convinced of the correctness of our position, we are willing to postpone implementation of this level of recovery pending the outcome of a comprehensive study to be carried out by the Department of Transportation and other agencies.

In the meantime, the fuel tax discussed above should be implemented. For any projects initiated prior to the enactment or rejection of the recommendations of the DOT study, a minimum of 10 percent of capital costs should be recovered, as proposed in the Stevenson-Domenici substitute.

(3) Comprehensive planning for the inland waterway system. As the costs of the current waterway system have escalated, the need for a comprehensive review of waterway development policy has grown. The commercial waterway industry, according to a recent CBO study, receives the equivalent of 40 percent of its annual revenues in Federal subsidies in the form of free Federal waterway operation and construction; the equivalent Federal subsidy of other modes is 3 percent or less. The Stevenson-Domenici study proposal offers an opportunity to develop a coordinated approach to waterway costs within the context of a national transportation system.

This Administration very much wants to establish a fair system of waterway user charges along with the waterway improvements that are needed. However, the President has asked me to emphasize that our desire to establish this system does not mean that we will accept legislation involving insubstantial taxes which are indefinitely delayed. He has asked me to advise you that he will not sign legislation authorizing a new lock and dam at Alton, Illinois unless it establishes a *firm* time-table with an early commencement date for the implementation of a fuel tax which would recover a substantial portion of operating costs. Moreover, acceptable legislation would provide for some capital cost recovery on new waterway construction, pending Congressional enactment or rejection of the recommendations of the DOT study. The Stevenson-Domenici proposal meets these criteria as compared with other proposals that have been circulated recently in the Senate which do not, and would not be signed.

In addition the President has asked me to convey his hope that this bill will not be used as a vehicle for additional costly or extraneous amendments that could jeopardize final enactment of this needed legislation.

I hope that you will be able to support the Stevenson-Domenici substitute, and that we can finally resolve this difficult issue.

Sincerely,

BROCK ADAMS.

Mr. STEVENSON. Mr. President, the fuel tax of 12 cents in fiscal 1985 is modest. That figure was determined by reference to the average State-Federal fuel taxes now paid by the trucking industry in this region. It is the average which the trucking industry pays in State and Federal fuel taxes. The barge companies are at present exempt. By the time these barge companies are paying 12 cents they will probably still be in a cost advantage position. By then it is probable, to say the least, that their competitors, the trucks, will be paying higher taxes than that for their diesel fuel.

In addition, this 12-cent figure does not take into account the Federal excise taxes on tires, batteries, and other products which are paid by the trucking industry.

The PRESIDING OFFICER. The Senator's 15 minutes have expired.

Mr. DOMENICI. Mr. President, I yield an additional 5 minutes to the Senator.

Mr. NELSON. Will the Senator yield for a unanimous-consent request?

Mr. STEVENSON. I yield.

Mr. NELSON. Mr. President, I ask unanimous consent that Mr. Jeffery Nedelman, of my staff, be granted the privileges of the floor during the debate on the pending legislation and the rollcalls thereon.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LONG. Will the Senator yield again for the same purpose?

Mr. STEVENSON. I yield.

Mr. LONG. I ask unanimous consent that Bernard Shapiro, Larry Brown, and Dick Ruge of the Joint Tax Committee, and Doug Svendson, of the Commerce Committee staff, be granted the privileges of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENSON. Mr. President, the 12 cents, which will not be reached until 1985, is little enough. It would recover only about 50 percent of the Federal Government's annual expenditures for operation and maintenance of the inland waterways.

Mr. President, the Senate earlier approved a provision, supported by the distinguished Senator from New Mexico and also the administration, which would have required the barge industry to pay all the operating and maintenance costs for the inland waterway system, and, in addition, half of the capital cost of new construction.

This, as I say, brings down the percentage of expenditures for operation and maintenance to 50 percent, and that will not take effect until 1985, and the cost recovery formula, which is subject to reconsideration by the Congress, will not bring in more than 10 percent when it takes effect.

So we have all made concessions—the administration, the Senator from New Mexico, and myself—in the interest of rising above our differences for the sake of establishing user fees long overdue and authorizing the replacement of this most critical navigation facility. If we fail, then it is certain that legislation will be vetoed and many other projects will suffer, Mr. President. Also, transportation in this region will suffer.

The Senator from New Mexico mentioned the plight of the railroads. If they continue to be placed at a cost disadvantage, they will continue to suffer from the Federal subsidies for a competing mode of transportation and continue to go out of business. Already, there are, in this region, two railroads not only threatened, but two railroads already in bankruptcy. I refer to the Milwaukee Railroad and the Rock Island.

In conclusion, Mr. President, this amendment would assure midwestern farmers of transportation for their products at a reasonable transportation cost. In fact, it is minimal when considered in relation to the bushels of wheat, corn, and beans that are transported by this system. It would assure city dwellers a means of receiving coal and other fuels at reasonable cost for transportation. It offers equity to the American taxpayer, and it begins the process of balancing competing modes of transportation so that the waterway users no longer enjoy an advantage which threatens the viability of other vital transportation modes.

This issue has been debated for 3 years. It is our last chance in this Congress to authorize replacement of locks and dam 26. It is our last chance this year to enact user fees. It is a compromise that has the backing of the administration. It will

be signed. It should be approved by the U.S. Senate.

I thank my distinguished colleagues for yielding time.

Mr. DOMENICI. Mr. President, I yield myself an additional 5 minutes.

I would be remiss if I did not, for the record, thank and pay tribute to the Secretary of Transportation, Mr. Brock Adams, for his diligent work in analyzing the situation as it exists, the dilemma that he finds in the Midwest with reference to the railroads, and this cooperation in an effort to reach the compromise which is before us today.

I also want to comment that my good friend from Illinois mentioned the powerful opposition that exists against this user fee approach. I certainly do not want any misunderstanding of that from my standpoint. I am in no way demeaning the opposition that comes from distinguished Senators such as the Senator from Missouri (Mr. DANFORTH) and Senator LONG, because, obviously, they have constituents and interests in their State. But I think it is fair to say that the commercial barge owners have traversed this country talking about themselves as if they were little tiny business operations and that any kind of tax on them is certainly going to put them out of business. They left the impression that they were the last cause of the independent small business people of this country. I need not burden the RECORD again with the nature of the ownership.

I am not one who usually talks about bigness in business or smallness. I do not know whether big is beautiful or little is bad, but I certainly think that when you find that the major American corporations are the ones that own most of the barges, they at least should present their case from the standpoint that they are not the ma's and pa's and the one- and two-barge operators that they are trying to let the American people think they are.

Mr. HEINZ. Will the Senator yield?

Mr. DOMENICI. I have just a couple of thoughts and I shall be happy to yield. Did the Senator have a question?

Mr. HEINZ. It was a minor point. The Senator mentioned the Senator from Louisiana and the Senator from Missouri as being strongly opposed. I felt left out. I wonder if the Senator would add me to that list.

Mr. DOMENICI. I am glad to add the Senator, and also to add whatever adjectives he would like to describe the admirable way in which he has fought the battle, last time losing it, nonetheless. This time, we shall see in a few hours. I apologize for not including the Senator.

Let me say to the barge owners of this country why I think they ought to be complimented by this amendment that we have offered. What we are saying here is that if you are involved when we start planning the next Tennessee-Tombigbee, which ends up how many million dollars over the original estimate? About $1.5 billion over the early estimates—what we are saying to the commercial barge owners is:

We would not be doing that if you were part of this game, because if you were in there looking at what the Corps of Engineers is going to spend, if you were looking at the fancy plans and the excessive costs, just from the standpoint that you have to pay 10 percent of it in 10 years, we have so much confidence in your ability as entrepreneurs that we think you will cut down the waste immeasurably.

Obviously, it would appear to me as an original proponent that your ability to cut down on that kind of waste and cause us to stop building projects that we do not need would probably be more directly proportionate to an increase. Maybe it would be even better; you would be more vigilant and diligent if it were 50.

The reason I agreed to 10, so you will all know and there will be no misunderstanding about it, is not that I think it is fair, because I think 90 percent being paid by the taxpayer is still too much. But I believe we are going to have far fewer boondoggles built and far less excessive facilities built, far fewer overruns, if the barge owners that have to pay 10 percent of it are in there looking at it from the beginning. That is what impressed me about the 10 percent.

I never was worried about whether it was 10, 50, or 100. What I am concerned about is the imbalance in the transportation system, when one mode is free and subsidized to the extent that I have described on a number of occasions here, and the other modes pay their own way. I have been equally concerned that we can come up with any kind of economic study, with the so-called cost-benefit ratios that we use around here, to justify any one of these projects on the system and the taxpayer is going to pay for it. That is what I think makes the 10 percent important.

That is why I believe that the President of the United States, who wanted a recovery system built into this system, and the Secretary of Transportation, who worked diligently, accepted 10 percent. Because not only will they collect the 10 percent, but I predict it will offer a tremendous evaluation of these projects in the future as to whether or not we are going to build them just for the sake of building them, or whether they are really needed and justified.

I also want to thank a couple of other people. Then I shall reserve the remainder of my time.

The distinguished Senator from Wisconsin (Mr. NELSON) from the very beginning of this involvement of the locks and dam 26, and the whole idea of just how far we are going in using the river systems for transportation, has been out in front of everyone.

It was just my good or bad fortune to have this particular one dropped in the committee that I served on, locks and dam 26, but I certainly have no right to claim to be even among the first to be worried about this excessive growth of that gratis system, what it might do to that entire waterway system, and certainly what it is doing to the imbalance in the modes of transportation.

For his leadership on that score, I am indebted and I thank him for his appearances before the committee and the support he has given to this point.

Mr. President, the statutes of the United States contain a variety of prohibitions imposed over the years against tolls on various waterways. The legislation we have adopted today, of course, overrides the effect of those statutes.

Recently, I asked the Army Corps of Engineers to compile a list of those statutes. I ask unanimous consent that this list, which may not be inclusive of all such now-outdated prohibitions, be printed at this point in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

COMPILATION OF FEDERAL STATUTES PROHIBITING WATERWAY USE TOLLS

This country's first prohibition of waterway changes was adopted in Article IV of the Northwest Ordinance of 1787, which guaranteed rights of free navigation to residents of Ohio, Michigan, Indiana, Wisconsin, Minnesota (east of the Mississippi), and that part of Pennsylvania included in the Erie Purchase. By the Act of August 7, 1789, Congress adopted the Northwest Ordinance as U.S. law, without change. By the Act of May 26, 1790, Congress extended to the inhabitants of the Southwest Territory the "privileges, benefits, and advantages" of the Northwest Ordinance. Thus Article IV's guarantee of free navigation was granted to Kentucky, Tennessee and Alabama.

To ensure further the free waterways policy of the Northwest Ordinance, the language of Article IV was incorporated in the constitutions of many states admitted to the Union after ratification of the Federal Constitution, and Congress included that language in many enabling acts admitting new States to the Union. Those States whose constitutions incorporated the language of Article IV of the Compact of the Ordinance of 1787 are: Alabama, 1:24; Alaska, VIII:13; California, IX:2; Minnesota, II:2; Mississippi, IV:81; Missouri, 1:1; Tennessee, 1:29; and Wisconsin, IX:1. The Congressional enabling acts of admission for the following States reaffirmed the language of Article IV: Alabama, Enabling Act, March 2, 1819 (3 Stat. 492 Sec. 6); California, Act of Admission, September 9, 1850 (9 Stat. 452 Sec. 3); Illinois, Enabling Act, April 18, 1818 (3 Stat. 428–431); Indiana, Enabling Act, April 19, 1816 (3 Stat. 289–291); Iowa, Act of Admission, March 3, 1845 (5 Stat. 743 Sec. 3); Louisiana, Enabling Act, February 20, 1811 (2 Stat. 642 Sec. 3) and Act of Admission, April 8, 1812 (2 Stat. 703 Sec. 1); Minnesota, Enabling Act, February 26, 1857 (11 Stat. 166 Sec. 2); Mississippi, Enabling Act, March 1, 1817 (3 Stat. 349 Sec. 4); Missouri, Enabling Act, March 6, 1820 (3 Stat. 546 Sec. 2); Ohio, Enabling Act, April 30, 1802 (2 Stat. 174 Sec. 5); Oregon, Act of Admission, February 14, 1859 (11 Stat. 383 Sec. 2); and Wisconsin, Enabling Act, August 6, 1846 (9 Stat. 57 Sec. 3).

By the Act of March 3, 1803, Congress enacted a policy that all U.S. navigable rivers south of the State of Tennessee would remain public highways (2 Stat. at 229, 235).

In the following years, Congress frequently reaffirmed the policy that U.S. waterways should be free of tolls. For example, Congress often terminated the collection of tolls upon the transfer of non-Federal navigation facility to Federal control. The Federal Government followed this policy of immediate abolition of tolls when it took over the St. Mary's Falls Canal (21 Stat. 189, 190); privately owned improvements on the lower Monongahela River (29 Stat. 219); Cape Fear River from Wilmington to Fayetteville, North Carolina (21 Stat. at L. 475); Upper Monongahela River, Pennsylvania and West Virginia (24 Stat. at L. 318); Black River, North Carolina (24 Stat. at L. 320); Mouth of Brazos River, Texas (30 Stat. at L. 1141; Puget Sound-Lake Washington Canal, Washington (34 Stat. at L. 1108). The United States in many instances specifically prohibited tolls

on facilities that were Federal from the outset: Michigan City Harbor, Indiana (14 Stat. 73, 421–62); Des Moines Rapids Canal, Mississippi River, Iowa (14 Stat. 420); Meekers Island Lock and Dam, Mississippi River, Minnesota (15 Stat. 169, 17 Stat. 562); Galena Harbor and River, Illinois (26 Stat. 448–9); specifically prohibited tolls on non-Federal facilities improved with Federal funds but remaining under non-Federal ownership; Aransas Pass and Bay, Texas (20 Stat. 371–72, 26 Stat. 105–6, 28 Stat. 26–27, 30 Stat. 1128); Little Kanawha River, West Virginia (21 Stat. 475, 22 Stat. 199, 23 Stat. 139, 24 Stat. 319, 25 Stat. 410, 26 Stat. 440); Galveston Bay, Texas (23 Stat. 135, 26 Stat. 135, 26 Stat. 456); St. Lawrence River, New York (32 Stat. 456); and specifically prohibited tolls on non-Federal facilities to which the United States did not contribute: Mississippi River at Grand Rapids, Minnesota (23 Stat. 154); Corpus Christi and Padre Island Harbor, Texas (26 Stat. 740–1, 27 Stat. 422, 30 Stat. 1128, 32 Stat. 341); Canal from St. Lawrence River to Massena, New York (30 Stat. 904); Channels along the New Jersey Coast (34 Stat. 800); and many others. Present law forbids tolls on all improvements by non-Federal interests. See 33 USCA, Section 565.

There appear to be only two exceptions (of short duration) to this general policy. After officially taking over the Louisville and Portland Canals in 1874, the Federal Government collected $400,000 in tolls for the operation and maintenance of the canals before the Act of May 18, 1880 (21 Stat. at p. 141) provided that these canals be toll-free with operation and maintenance costs to be paid by the Treasury. Also, after purchasing the Fox and Wisconsin Rivers improvement in 1870, the United States collected tolls for its use until the Rivers and Harbors Act of 1882 (22 Stat. at p. 209) which, with its provision for a general prohibition of tolls for all navigation improvements owned by the United States, ended the collection of tolls for the use of this improvement.

The Rivers and Harbors Act of 1882 (22 Stat. 209; 33 U.S.C. (Section 5) adopted the first nation-wide prohibition of tolls and operating charges for all federally-sponsored navigation improvements. The same prohibition was adopted again in the Rivers and Harbors Appropriation Act of 1884.

Congress again enacted prohibitions of tolls and operating charges in the Rivers and Harbors Act of July 5, 1884 (23 Stat. 147) and the Act of March 3, 1909 (35 Stat. 818).

Mr. DOMENICI. Mr. President, on several occasions in the past, I have noted the excessive number of ambiguities contained in the House-passed version of the waterway user charge bill, H.R. 8309. I noted that a number of waterways and ports such as New Orleans are excluded from the tax. I noted that the House bill covers exactly 10,755.8 miles of waterways—only 40 percent of the Nation's 25,000 miles of inland waterways.

Thus, under the House bill, vast stretches of privileged inland waterways are entirely free of tax, while other areas are forced to pay. The illusion that it requires "full" recovery from the barge industry is simply that, an illusion. And it is an unfair illusion. Why should barges plying the Yazoo River go free of tax, while those on the Ohio River pay?

Barges are already using the Yellow Creek Channel of the Tennessee-Tombigbee Waterway from the Tennessee River south of highway 25. Yet the entire Tennessee-Tombigbee Waterway—all $1.8 billion worth of it—will be free of tax under the House bill. The Savannah River in Georgia would be exempt, even though the taxpayers are spending $1,300,000 this fiscal year to dredge that river for barge traffic.

I also have pointed out what I feared was the bill's ambiguity on collecting the tax, possibly creating a situation where towboats might bypass major Mississippi River ports so they can load tax-free fuel in tax-free New Orleans.

Let me give you an example. There are many 5,600-horsepower towboats on the Mississippi River. Such a towboat can push from 20 to 25 barges—carrying 28,000 to 37,500 tons of commodities—all the way from St. Louis to New Orleans and back again as far as Vicksburg, Miss., without refueling. That is a distance of 1,406 miles. If my fear had turned out to be correct, it would prove very easy for barge owners to avoid fueling in ports such as Memphis or Cairo, Ill., or Vicksburg in favor of loading tax-free fuel in New Orleans. This would also hold true on the Columbia River system, where barges could ignore fueling at other river ports in favor of tax-free fuel in Portland, Oreg.

What would this mean for other river ports? The port of Memphis sells and barge operators purchase between 7,000,000 and 10,000,000 gallons of fuel monthly for use in towboats on the Mississippi. That's about 100,000,000 gallons annually, carrying a value of $35,000,000 to $40,000,000.

As I indicated, that fortunately does not appear to be the case. But it would be mooted by adoption of the Domenici-Stevenson amendment, which includes barge traffic at New Orleans and on the Savannah River and the Yazoo in the definition of inland waterways. I ask unanimous consent that a letter to me from the Department of the Treasury on this point be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF THE TREASURY,
Washington, D.C., December 7, 1977.

Hon. PETE V. DOMENICI,
U.S. Senate, Washington, D.C.

DEAR SENATOR DOMENICI: The tax imposing section of H.R. 8309 as passed by the House of Representatives is drafted so as to prevent the type of tax avoidance which you outlined in your letter of November 4 to Secretary Blumenthal. Proposed section 4042 of the Internal Revenue Code would impose a tax "upon any liquid used during any calendar quarter by any person as a fuel in a vessel in commercial water transportation." This terminology levies the tax on the "use" of the fuel in designated areas without regard to where or when it was obtained by the vessel operator. Those who operate their vessels during a calendar quarter only on the sections of the waterways designated in the bill would pay tax on all fuel used. Those who operated on both designated and nondesignated portions of the waterways would have to determine usage on the different portions to compute tax due.

A tax which requires taxpayers to separate taxable and nontaxable uses of a product is not as easy to administer or comply with as a tax imposed on a product irrespective of how it is used. But if it is decided as a matter of public policy that tax should accrue only when a product is used in a certain way or for a certain purpose, it then becomes necessary to accept any additional work resulting therefrom as the cost of achieving the larger objective. The proposed tax on fuel used on the waterways would not be unique in this respect. Existing fuel taxes have provisions which require users to separate their fuel usage into taxable and nontaxable categories. For instance, an operator of an airplane engaged in charter work and also operated as a commuter plane may have to pay the aviation fuel tax on fuel used for charter work but not for the fuel used to run the commuter operation. (In the latter case, the tax on amounts paid for transportation of persons by air is applicable.) The shift from taxable to nontaxable use of a fuel may take place during the day and as part of a given load of fuel. A similar separation of fuel usage is required of motor truck operators who wish to obtain the advantage of the exemption or lower tax rate on fuel used to operate special equipment on their trucks when a single tank is used to fuel both the motor of the vehicle and a separate motor on the vehicle for operating the special equipment.

While we have not as yet prepared any draft regulations for the proposed tax on fuel used on the inland waterways, it is possible that they would be fairly general in form as in the case of the ones relating to the dual use of fuel from the tank of a motor vehicle. A copy of these regulations is enclosed.

Sincerely,

LAURENCE N. WOODWORTH,
Assistant Secretary.

REGULATIONS

[¶309] § 48.4041–6. Dual use of taxable liquid.—Tax applies to all taxable liquid sold for use or used as a fuel in the motor which is used to propel a diesel-powered highway vehicle or in the motor used to propel a motor vehicle, motorboat, or airplane, even though the motor is also used for a purpose other than the propulsion of the vehicle. Thus, where the motor of a diesel-powered highway vehicle or of a motor vehicle, motorboat, or airplane operates special equipment by means of a power take-off or power transfer, tax applies to all taxable liquid sold for such use or so used, whether or not the special equipment is mounted on the vehicle. For example, tax applies to diesel fuel sold to operate the mixing unit on a concrete mixer truck if the mixing unit is operated by means of a power take-off from the motor of the vehicle. Similarly, tax applies to all taxable liquid sold for use or used in a motor propelling a fuel oil truck even though the same motor is used to operate the pump (whether or not mounted on the truck) for discharging the fuel into customers' storage tanks. However, tax does not apply to liquid sold for use or used in a separate motor to operate special equipment (whether or not the equipment is mounted on the vehicle). If the taxable liquid used in a separate motor is drawn from the same tank as the one which supplies fuel for the propulsion of the vehicle, a reasonable determination of the quantity of taxable liquid used in such separate motor will be acceptable for purposes of application of the tax. Such determination must be based, however, on the operating experience of the person using the taxable liquid and the taxpayer must maintain records which will support the allocation used. Devices to measure the number of miles the vehicle has traveled, such as hubometers, may be used in making a preliminary determination of the number of gallons of fuel used to propel the vehicle. In order to make a final determination of the number of gallons of fuel used to propel the vehicle, there must be added to this preliminary determination the amount of fuel consumed while

idling or warming up the motor preparatory to propelling the vehicle. [Reg. § 48.4041-6.]

.10 Historical comment: Adopted by T. D. 6505. Amended by T. D. 6881, 4/6/66. Amended by T. D. 7461, 1/12/77, to apply uniformly the definition of "highway vehicle".

Mr. DOMENICI. Mr. President, I ask unanimous consent to have printed in the RECORD the list of corps projects under construction, as well as those not under construction. This is the list the corps will use when considering the effect of section 302 of my amendment. Projects not under construction are those where actual heavy construction has not taken place. The mere acquisition of land is not to be considered "construction."

There being no objection, the list was ordered to be printed in the RECORD, as follows:

Corps of Engineers inland navigation projects under construction

(Total estimated Federal cost ($000) October 1977 price levels)

Project:	
Bayou La Fourche and La Fourche Jump Waterway	8,530
Mississippi River Regulation Works between Ohio and Missouri Rivers [1]	154,600
Missouri River, Sioux City to Mouth [2]	438,000
Smithland Locks and Dam, Ohio River	251,000
Temporary Lock 53, Ohio River	37,200
Felsenthal Lock and Dam, Ouachita/Black Rivers	64,000
Calion Locks and Dam, Ouachita/Black Rivers	49,500
Red River Waterway, Shreveport to Mississippi River	995,000
Tennessee-Tombigbee Waterway	1,410,000
Wallisville Lake, Trinity River	28,800

Corps of Engineers inland navigation projects authorized for construction, work not initiated

(Total estimated Federal cost ($000) October 1977 price levels)

Project:	
Big and Little Sallisaw Creek Navigation, Arkansas River Basin	1,600
Coosa River Channel, Montgomery to Gadsden	520,000
Gulf Intracoastal Waterway, St. Marks to Tampa	199,000
Gulf Intracoastal Waterway, St. Petit Anse, Tigre and Carlin Bayous	3,000
Gulf Intracoastal Waterway, Rigolets Lock	14,235
Gulf Intracoastal Waterway, Seabrook Lock	22,890
Gulf Intracoastal Waterway, Vermilon Lock	22,300
Illinois Waterway Duplicate Locks	838,000
Kansas River Navigation	5 400
Mound City Locks and Dam, Ohio River [3]	297,000
Red River Waterway, Shreveport to Daingerfield, Texas	364,000
Trinity River	2,311,000
Yazoo River	140,000

[1] Training works improvements.
[2] Project essentially complete.
[3] Undergoing reevaluation.

Mr. DOMENICI. Mr. President, a major buttress to the ability of the Corps of Engineers to continue to pour hundreds of millions into the expansion of the inland waterway system, without programmatic oversight, has been the so-called 1909 act. It was this act that was the source of the locks and dam 26 litigation. The 1909 act allows navigation construction to go forward without specific authorization on anything that can be called a "replacement" project. The language of Chairman RANDOLPH'S amendment earlier today, language I sponsored last year in committee, will alter that authority in line with the administration's request. It will require affirmative congressional authorization of such "replacements" if the project's location or capacity is altered.

Mr. President, I ask unanimous consent that two lists of 1909 act projects be printed at this point in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

PROJECTS COMPLETED UNDER THE 1909 ACT

	Replaced	Capacity: Original	Capacity: Replacement	Cost of replacement
Coffeeville lock and dam, Alabama	Locks 1, 2, and 3	1—52 ft by 185 ft	1—110 ft by 600 ft	$21,597,264
Holt lock and dam, Alabama	Locks 13, 14, 15, and 16	1—52 ft by 285 ft	1—110 ft by 600 ft	28,100,000
Warrior lock and dam, Alabama	Locks 8 and 9	1—52 ft by 285 ft	1—110 ft by 600 ft	13,295,553
Lock and dam 52 (temporary lock) Ohio River, Ill		1—110 ft by 600 ft	1—110 ft by 1,200 ft[1]	10,154,518
Maryland locks and dam, Indiana, Ohio, Ky	Lock and dam Nos. 35, 36, 37, and 38	1—110 ft by 600 ft	1—110 ft by 600 ft 1—110 ft by 1,200 ft	62,623,121
Capt. Anthony Meldahl lock and dam, Ohio River, Ky	Lock and dam Nos. 31, 32, 33, and 34	1—110 ft by 600 ft	1—110 ft by 600 ft	74,153,051
Greenup locks and dam, Kentucky	Lock and dam Nos. 27, 28, 29, and 30	1—110 ft by 600 ft	1—110 ft by 600 ft	55,723,176
McAlpine locks and dam, Kentucky	Rebuilt dam—added 1 lock; utilized 1 lock	1—56 ft by 360 ft 1—100 ft by 600 ft—in use.	1—170 ft by 1,200 ft	45,564,231
Belleville locks and dam, Ohio	Lock and dam Nos. 18, 19, and 20	1—110 ft by 600 ft	1—110 ft by 600 ft	62,144,722
New Cumberland locks and dam, Ohio	Lock and dam Nos. 7 and 8	1—110 ft by 600 ft	1—100 ft by 600 ft 1—110 ft by 1,200 ft. 1—110 ft by 1,200 ft.	38,827,415
Pike Island locks and dam, Ohio	Lock and dam Nos. 9, 10, and 11	1—110 ft by 600 ft	1—110 ft by 600 ft 1—110 ft by 1,200 ft.	56,601,759
Racine locks and dam, Ohio	Lock and dam Nos. 21, 22, and 23	1—110 ft by 600 ft	1—110 ft by 600 ft 1—110 ft by 1,200 ft	63,977,804
Maxwell locks and dam, Monongahela River, Pa	Lock and dam Nos. 5 and 6	1—56 ft by 360 ft	2—84 ft by 720 ft	30,120,000
Monongahela River lock and dam No. 4, Pennsylvania	Reconstructed existing dam	1—56 ft by 360 ft 1—56 ft by 720 ft		15,200,000
Monongahela River lock and dam No. 2 (reconstructed), Pennsylvania	Replaced existing locks	1—56 ft by 362 ft	1—56 ft by 360 ft 1—110 ft by 720 ft	16,967,114
Monongahela River, Morgantown lock and dam, West Virginia.	Lock and dam Nos. 10 and 11	1—56 ft by 182 ft	1—84 ft by 600 ft	8,778,000

[1] Lock added to existing structure.

PROJECTS UNDERWAY

	Replaced	Original	Replacement	Appropriation through July 1974	Total cost
Locks and dam 26—Alton, Ill	Locks and dam 26	1—360 ft by 110 ft 1—600 ft by 110 ft	2—1,200 ft by 110 ft	$7,258,000	$383,270,000
Lock and dam 53 (temporary lock) Illinois and Kentucky.		1—110 ft by 600 ft	1—110 ft by 1,200 ft[1]	1,600,000	19,400,000
Smithland lock and dam, Illinois, Indiana, and Kentucky.	Lock and dam Nos. 50 and 51	1—110 ft by 600 ft	2—110 ft by 1,200 ft	78,188,000	192,197,000
Cannelton locks and dam, Indiana and Kentucky.	Locks and dam Nos. 43, 44, and 45	1—110 ft by 600 ft	1—100 ft by 600 ft 1—110 ft by 1,200 ft	95,465,000	99,040,000
Newburgh locks and dam, Indiana and Kentucky.	Lock and dam Nos. 46 and 47	1—110 ft by 600 ft	1—100 ft by 600 ft 1—110 ft by 1,200 ft	87,137,000	94,802,000
Uniontown locks and dam, Indiana and Kentucky.	Lock and dam Nos. 48 and 49	1—110 ft by 600 ft	1—110 ft by 600 ft 1—110 ft by 1,200 ft	81,210,000	95,806,000
Hannibal locks and dam, Ohio and West Virginia.	Lock and dam Nos. 12, 13, and 14	1—110 ft by 600 ft	1—110 ft by 600 ft 1—110 ft by 1,200 ft	74,184,000	88,825,000
Willow Island locks and dam, Ohio and West Virginia.	Locks and dam Nos. 15, 16, and 17	1—110 ft by 600 ft	1—110 ft by 600 ft 1—110 ft by 1,200 ft	58,739,000	75,815,000

[1] Lock added to existing structure.

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	Replaced	Original	Replacement	Planning funds allocated through July 1974	Total cost
Vermilion lock	Vermilion lock	1—1,182 ft by 56 ft	1—1,200 ft by 100 ft	$642,000	$10,111,800
Grays Landing lock and dam, Pennsylvania	Lock No. 7	56 ft by 360 ft	1—84 ft by 720 ft	100,000	45,800,000
Point Marion lock, Pennsylvania	Lock No. 8	56 ft by 360 ft	1—84 ft by 720 ft	75,000	29,800,000

Q. What specific projects in the budget are going forward under the 1909 Act authority? What is the total budget request for these projects? Which of these projects involve changes in location or size from the projects being replaced?

A. The projects in the FY 1979 budget, that are authorized under the 1909 River and Harbor Act are as follows:

		(1)	(2)	(3)
Smithland Locks & Dam, Ill. and Ky.	$16,400	Yes	Yes
Cannelton Locks & Dam, Ind. and Ky.	200	Yes	Yes
Newburgh Locks & Dam, Ind. and Ky.	700	Yes	Yes
Uniontown Locks & Dam, Ind. and Ky.	700	Yes	Yes
Total	18,000		

[1] Fiscal year 1979 budget.
[2] Increased size.
[3] Location change.

Mr. DOMENICI. Mr. President, on the Domenici amendment, how much time do I have remaining?

The PRESIDING OFFICER. The Chair advises the Senator that he has 12 minutes remaining.

Mr. DOMENICI. I reserve the remainder of my time.

Mr. LONG addressed the Chair.

The PRESIDING OFFICER. The Senator from Louisiana.

Mr. LONG. Mr. President, at this point, we have agreed that there will be charges on those who use the waterways for commercial purposes.

The proposed amount of tax that Mr. DOMENICI and Mr. STEVENSON recommend and the proposed amount of tax the Senator from Louisiana and his cosponsors recommend in terms of tax on fuel would be the same thing. It would be phased up to 12 cents a gallon. That is what the truckers are paying.

I do not believe anyone wants to stand here and proclaim self-righteousness, that he is suggesting one of these transportation industries has not enjoyed some kind of subsidy at some point or other. I know I do not.

I have a study here that I will have printed in the RECORD before this debate is over. I would invite anyone to read it. It points out all the different subsidies that have been provided for the railroads down through the years. They run into many billions of dollars, starting with the old land grants which created some of the biggest robber baron fortunes in America, and coming down to some of the tax breaks which we have given the railroads and the $300 million a year we are paying now to help pay costs of their pension program, and things of that sort.

We subsidized the airlines until they did not need it any longer. If they get to where they need it again, I am sure we will do it again.

I do not know of anyone who will really seriously argue on the Senate floor that what the truckers are paying, even as a tax on their fuel, or any other tax they are paying, even begins to take care of the enormous damage those trucks do, particularly those big heavy ones when they crack up these slabs, rolling up and down the highways, and using and crunching the asphalt, rolling on the asphalt roads.

So whether we are talking about the highways, the airlines, the railroads, the waterways, they have all been subsidized down through the years.

The studies by the Senator from Missouri (Mr. DANFORTH) come to the conclusion it is about even between the waterways and the railroads as to the subsidies that have been provided. We can argue about that is a fair standard. But they have all been subsidized. There is no use kidding about this. It is true.

I do not see why we should dispute that any more than we should dispute whether 12 cents is an appropriate amount of tax, since we both advocate we grant a tax, and at that level.

Now, that is a lot of tax. It works out to being twice as much as the net profit of the operators on the waterways. Twice what their net profit is, and I do not know of anyone who contends waterway operators are making any lush profits. It is an extremely competitive business. It is the kind of thing that does not require an enormous amount of investment to go into, with the result that the rates are very competitive, and we estimate that, based on revenue, they are making about 7 percent profit related to gross revenue.

That is about what the people who know something about the business inform me.

So the tax in full operation of 12 cents a gallon would run to $215 million a year, and that would be a great deal more than twice the net profit now.

How could they pay it? Well, there is only one way. They are going to have to raise their rates. They will have to increase the charge on that grain moving down the Mississippi, increases the charges on the oil they are hauling up into the Midwest, and the various other raw materials from the part of the Nation I have the honor to represent.

It will be a charge on the rates. That will mean the farmers will have more expense. So it will come out of the profit the farmer would make on his bushel of wheat, or his bushel of corn or soybeans if he is shipping it into the world market. Because, obviously, no one is going to give him more for his wheat or soybeans just because it got there by water. He will have to settle for whatever the world price is at the delivery point.

The railroads, of course, would like to see as much burden put on the waterways as they can.

It should be kept in mind, Mr. President, that we already have had a history in this country of the railroads, by monopolistic tactics and interlocking directorships and the great subsidies and favoritism that they were given in the previous century, putting the operators completely off the rivers. They just took the steamboats completely off the Mississippi, for example. We do not want to see that again. We want to see competition, but we do not want to see one competitor in an unfair advantage or imposing a burden on his opposition which completely puts the competition out of business. We want to keep it fair. We want it to be fair and even competition between them.

It is worth pointing out that there is an enormous energy saving at this time, when energy is in short supply, by moving these bulk cargoes on the waterways. In the interest of conserving our energy, we should move as much of it on the waterways as we can.

The 12-cent tax which would be phased in gradually would be twice as much as the administration was willing to settle for in the House of Representatives. The Secretary of Transportation and his people urged the House to vote for a tax bill of 4 cents as a starter and then to get it up to 6 cents and stop there. We are proposing to go twice that high.

The tax they were willing to settle for on the House side amounted to the entire net profit of the industry. We are proposing to go twice that high, and it can only be done by raising rates.

What is that going to do to the barge industry? We will have to see in time.

One of the witnesses testified in New Orleans, before a committee of which I am a member, a few days ago, about how they thought they could survive with the 6-cent tax. I did not care to give him the bad news at that point, as to whether he thought they could survive with a 12-cent tax. Obviously, they can, by raising the rates; but, when they do raise the rates, they are going to lose some of the business, and some of that will shift onto the railroads.

In addition, no matter whether it is the railroad or the barge line hauling the cargo that was previously going by barge, the farmer is going to have to pay more, and that means he will have less net return to show for it.

Insofar as one might argue about the administration's position, whether the President would veto or something of that sort, because one might take the approach that the Senator from Louisiana is offering, I point out that so far

as the date is concerned on which you start imposing the tax, that would be in conference, anyway. We can negotiate that.

The philosophy of the amendment I am offering relates to the fact that the administration has been holding locks and dam 26 hostage for this waterway user tax; and the thought is that, if we are not going to get the dam and the lock, we should not have to pay the tax until we do initiate construction of that lock and dam. It is a very vital link in the entire inland waterway system, and it will have to be replaced at some point.

The traffic is jamming up on both sides of that lock in both directions. It would be as though you had a bridge across the Mississippi River and you had traffic lines backed up a mile on both sides, and people had to wait for days to get across the bridge.

In this case, those of us who join me in this amendment feel that the tax should not go into effect until they commence construction of the lock. But since the administration wants a definite date, we would agree that if they have not been able to settle the environmental legislation by 1981 and cannot overcome the legal impediments by that time, the 4 cent tax would start on January 1, 1982. But the House bill has a date of 1979, as does the proposal of the Senator from New Mexico; so in either event, if the Senator from Louisiana and his cosponsors were successful, that would be in conference.

Now, what remains? Well, that gets us to the principal difference between the two.

Mr. DOMENICI and his cosponsors would propose that, in addition to paying a tax that exceeds the net profit of the industry by two to one, they would like to impose an additional charge on the new projects that would be undertaken. That tax is estimated by the Senator—assuming that you had about $600 million of construction—to be about $60 million a year.

I believe he indicates that at the $500 million level in construction, it would be $50 million. So he wants to put on a charge that would be about one-third in addition to what the Senator from Louisiana and his cosponsors are advocating.

Here is where I take issue with the Senator in terms of how you should raise revenue.

Mr. DOMENICI. Mr. President, will the Senator yield for a clarification?

Mr. LONG. I yield.

Mr. DOMENICI. The $50 million would be over 10 years. The Senator from Louisiana said 1 year, in his example. Ten percent collected over 10 years, not in 1 year. So a $500 million project would be subject to a taxpayer recoupment of 10 percent, but that would not be in 1 year.

Mr. LONG. I am estimating that the expenditures at this moment are running about $500 million a year. If you had the 10 percent recovery feature in effect now, it would amount to $50 million a year, in addition to the 12-cent tax.

Obviously, the Senator is talking about putting this tax on as the new locks and dams are undertaken. If he were putting this charge on locks and dam 26, there is no doubt that locks and dam 26 could carry. I do not have any doubt that that is one of the most crucial, vital crossroads on the entire inland waterway system and that locks and dam 26 could take that charge. I do not doubt that grain would still move through it, even if you put on the charge that the Senator has in mind.

When you start a new navigation project, the history has been that it does poorly in the early years. Even if it is a well-justified project, it takes somebody who is willing to shift his cargo from the railroads, where he has been doing business, over to the waterways. There is the aspect of good will in business. There is a tendency for a person to do business at the same old stand. People do not just change their way of doing business the day you build a waterway. Perhaps one business and then another business finds it can save money, and then one carrier and another tries to extend service into the area and tries to recruit some business, and over a period of time it builds up.

If you look at the payoff schedules envisaged by the Corps of Engineers, most of it happens in the years after you build up traffic. It does not occur in the early years.

The probability is that to proceed the way the Senator has in mind means, in effect, to deauthorize a lot of projects that are presently authorized by the economic benefits and the benefit-cost ratio which has been our way of doing business for many, many years.

If you are going to put a toll on a particular lock or a particular dam, the existing waterways, the Mississippi waterway and the locks that are there now, the Intracoastal Waterway and the locks that are there now, the Great Lakes and its traffic—those that are already there could much better stand the toll than could some new waterway to extend transportation into an area that had no transportation before.

For example, I see the Senator from Mississippi (Mr. STENNIS) in the Chamber. If we started out by putting this kind of charge on the Tombigbee in its infancy, it might never generate the traffic that would make it pay for itself. If you start levying the charge evenly upon all the waterways, you can raise the same $50 million, and most of the charges would come in the areas where the waterways are very well established, where they have a lot of traffic, and where they could bear the toll.

So that the approach proposed by the Senator, which suggests to me that he would be charging a toll on the new locks built, might mean that the new project would never succeed. So it would tend to have the effect of deauthorizing—taking away—the authority to build a desirable public works which had been authorized under the regular, established rules over a long period of time. That, I believe, would be a mistake.

It is the theory of the Senator from Louisiana that we are paying a great deal already. What we are proposing here amounts to about 25 percent—when in full operation—of both the maintenance and the construction cost on the waterways.

Some do not take into account that there is already a contribution being made. When you talk about cost recovery the same study of waterways, to which reference has been made that suggests a 10-percent recovery, in its own document indicated that there is already a 7-percent recovery because the States and local governments are putting up the right-of-ways and there are easements, and the contribution in kind that they are making is equal to about 7 percent of the cost of these locks and dams and channel improvements the way it stands now.

So we propose that there be a study, and it is expected that there will not be a major one of these very large multiple billion dollar, or even projects running into hundreds of millions of dollars that would be initiated during the next several years while the study is underway.

If the President wants to insist that those new projects authorized hereafter must be accompanied by some additional revenue measure, he can veto the bills and we can look at it at that point and think in terms of what the additional charge might be.

Why should we prejudice a study? Both resolutions call for a study. It is suggested that if it is an appropriate study, and both sides should have a chance to comment, as it goes along, we would have an opportunity in 1981 to look at a study, suggesting how additional revenue might be raised if indeed it should be appropriate. We could see a comparison of the various modes of transportation, particularly the railroads compared to the waterways, and suggest at that point how would be the best way to raise additional revenue if you must do it.

I submit that when you put navigation in a new area, any one of those that have been authorized but not undertaken, or some waterway to be authorized in the future, probably the worst way, in my judgment, would be to impose this kind of toll on a new waterway prior to the time it is able to generate traffic and, one might say, get off the ground and start moving.

Any new business tends to lose money its first year anyway. It usually takes several years for a business to get sufficient momentum, to be well enough organized, to attract enough customers that that business shows a profit. And the same is true, except in an even-greater degree, with regard to waterway projects.

That being the case, Mr. President, I hope that the Senate will not vote for this additional charge. The 12 percent that we both think is an appropirate tax on gasoline should be phased in and we should settle for that until the study that we both agree should be made is completed.

I reserve the remainder of my time.

Mr. STEVENSON. Mr. President, will

the Senator from New Mexico yield for a question?

Mr. DOMENICI. I am delighted to yield for a question.

Mr. STEVENSON. Mr. President, is it correct, that both of these amendments, the amendment that we are offering, and also the amendment that the distinguished Senator from Louisiana is offering, approve fuel taxes for inland waterway system users up to 12 cents over a period of years? That is the same in both, that is very close in both bills.

Mr. DOMENICI. That is correct.

Mr. STEVENSON. And both amendments also propose a study of user fees. That is correct, too; is it not?

Mr. DOMENICI. That is correct.

Mr. STEVENSON. And both have environmental studies, do they not? That is another similarity, is it not?

Mr. DOMENICI. That is correct.

Mr. STEVENSON. What remains to distinguish these two amendments? Ours has the so-called cost recovery formula, but that cost recovery formula is confined only to recovery of 10 percent of new construction costs over 10 years; is that not correct?

Mr. DOMENICI. That is correct, and that is after it is completed and open. Some of them take 7, 8, or 9 years to get built. When they are completed and open, you begin to collect 10 percent of the Federal Government's capital outlay, and I also say to the Senator that on page 15 of our amendment language is found which says the charges may be established at the project or over a broader portion of the waterways and to the extent equitable and practicable shall be distributed among the users in such a manner as not to cause serious economic disruption on any segment of the inland waterway system.

Mr. STEVENSON. Yes. And also, it is true, is it not, that this capital cost recovery formula would not apply to locks and dam 26?

Mr. DOMENICI. Absolutely. By definition it is exempt.

Mr. STEVENSON. The distinguished Senator from New Mexico serves on the Environment and Public Works Committee. Can he tell us to what projects in the future this 10-percent recovery formula will apply? If after the study Congress does not repeal it or change it—as the Senator has pointed out, it is way off in the future—there will be a study and Congress will have an opportunity to reconsider that formula with the benefit of a study. If the study indicates all the dire consequences for the barge industry, of course that would be taken into account when Congress reconsiders the formula. But let us consider what those consequences might be, just how expensive this formula is for the waterway users should in the distant future it come into effect. Can the Senator tell the Senate what the first projects are that it might apply to?

Mr. DOMENICI. Let me say to the Senator from Illinois I think his question is a good one and we will give him some examples before we are through, and we will put as complete a list as we can discern in the RECORD, but I think it is——

Mr. STEVENSON. Let me ask the Senator.

Mr. DOMENICI. Trinity River would be an example.

Mr. STEVENSON. Gallipolis in West Virginia?

Mr. DOMENICI. Yes. Vermilion.

Mr. STEVENSON. In Louisiana.

Gallipolis is estimated to cost $159 million; is that not correct?

Mr. DOMENICI. That is correct.

Mr. STEVENSON. And is not 10 percent of construction costs over 10 years the equivalent of 1 percent a year?

Mr. DOMENICI. That is correct.

Mr. STEVENSON. So Gallipolis, under this formula, if it is not repealed or otherwise changed by Congress, would cost the waterway users $1.59 million a year; is that correct?

Mr. DOMENICI. That is correct.

Mr. STEVENSON. The Senator mentioned Vermilion in Louisiana.

Mr. DOMENICI. Let us stay on Gallipolis for a moment, just to give the equity of our position. The annual barge rate savings and delay reductions as a result of that project amount to $43,700,000 a year. In other words, that is what we will be giving them when it is completed in savings and in delayed reductions for which the charge that the Senator has just described will be assessed to include them.

Mr. STEVENSON. In other words, 6, 7, or 8 years from now whenever it is completed and in operation, the entire inland waterway system will have to yield about $1.5 million per year to pay for Gallipolis?

Mr. DOMENICI. Or for a more limited area.

Mr. STEVENSON. And the estimated cost for Vermilion is $22.3 million; is that not correct?

Mr. DOMENICI. We are using a $20 million estimate, but we are close enough.

Mr. STEVENSON. Ten percent of $20 million is $2 million, so each year that will cost all of these waterway users about $200,000 a year; is that correct?

Mr. DOMENICI. That is correct.

Mr. STEVENSON. Well, Mr. President, the point of all this is to indicate that the distinguished Senator from Louisiana and the Senator from New Mexico basically are agreed on everything except the principle which is essential to this administration and that is the principle of what we call cost recovery. That means capital cost recovery, and the formula is for 10 percent of the future construction costs after the facilities are in operation over 10 years, which means 1 percent a year, and we are reduced to arguing over total additional costs to the barge interests of about $1.8 million a year in foreseeable costs, and all of this, of course, is subject to change when Congress has a study and has an opportunity to consider the effect of capital cost recovery and user fees in general on all of the competing modes of transportation, including the barge interests and the shippers and everybody else in the region that depend on the waterways.

It would be foolish for Congress to let this whole bill, with all the projects in it, including locks and dam 26, sink over $1.8 million, more or less, way off some 6 or 7 years from now when it might take effect, if after Congress considers the study it chooses to continue that formula.

I have a feeling that after this study Congress might conclude that that is not quite enough for the barges to pay, and that that may have something to do with the strenuous opposition we are encountering to this cost recovery formula, which would only produce 1 percent a year of new construction at some indeterminate time in the future after Congress had had the time to consider the effect on all the users of the inland waterways system.

Finally, Mr. President, I have taken some figures and made some calculations. I have taken these calculations from representatives of farm groups, and believe they are based on calculations of the waterway industry, on what this is going to cost farmers, because that is a matter of great concern to all of us who represent the Midwest and, in particular, to those I represent in Illinois, which is our largest farm-producing State.

I say this mindful that there is no difference, no significant difference, between Senator LONG and Senator DOMENICI on fuel taxes.

They both go up to 12 cents over a period of time. These figures estimate that the initial 4-cent fuel tax would cost about 0.4 cents per bushel, and that at its highest point in 1985 it would be 1.2 cents.

I think those figures are on the high side because of their sources, and also because I do not believe they take into account the absorption of part of these costs by the barge companies. If there was no absorption of these costs by the waterway interests I do not think they would be down here opposing this proposal as strenuously as they are.

Those figures are a small price to pay for the locks and dam, for the construction and operation and maintenance on the inland waterway system, and also for the continued viability of the railroads upon which not only the farmers but everybody else in our part of the country depend.

I might add that for the small amount we are talking about, the construction of just locks and dam 26, Vermilion, Gallipolis will cost about $613 million. This is not a large contribution for waterway users, for farmers, for consumers, for all of us to contribute to and, to the extent that we do, we, in the Middle West and all other taxpayers, will get money back.

I thank the Senator for yielding.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Did the Senator from Oklahoma wish to speak?

Mr. BARTLETT. Yes.

Mr. LONG. I believe the Senator asked me for time, and I will yield to him. How much time does the Senator desire?

Mr. BARTLETT. About 12, 15 minutes.

Mr. LONG. I yield the Senator 15 minutes.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. DOMENICI. Did the Senator from Oklahoma have any questions of me? I was going to leave for a couple of min-

utes, or was the Senator going to speak on the issue?

Mr. BARTLETT. I was going to speak on the issue.

Mr. DOMENICI. I thank the Senator.

Mr. BARTLETT. Mr. President, this may be the last time that the Senate will look at the subject of fees for users of the Nation's waterways for a long time.

The Senate passed a proposal, during the first session of the 95th Congress, which would add a substantial tax to the goods that are carried on the waterway system, and the House passed a smaller proposal which we are now considering. It appears that the debate is no longer over the imposition of the fee, but the amount. I am a cosponsor of the Long amendment.

I have opposed the imposition of a user charge because of the detrimental impact on the flow of trade on the Nation's waterway system, and the ultimate increase in cost to the consumer.

Today, I would like to express my opposition based on a slightly different effect of the user fee. The user fee, once initiated, will adversely affect the farmer, and, as all of us have become increasingly aware over the past few weeks, the farmer absolutely cannot afford to sustain further losses.

The urban congressional delegations are now aware that the farmer is at the end of the line. Continuing low prices, accompanied by ever-increasing land, equipment, fuel, fertilizer and seed costs, have combined to wipe out many young farmers. If this process continues, larger and larger numbers of farmers will be forced into bankruptcy.

The agricultural commodity is unique in our economic system, in that the producer has almost no control over the price of the product. He has no way of passing on his increased costs of production, including transportation, to the consumer. Therefore, an increase in the transportation costs will have to be absorbed by the farmer in the already extremely depressed price of his commodity.

There are certain unique effects of the user tax on the farmer. In a study prepared by the National Waterways Conference, Inc., by Marvin J. Barloon, Case Western Reserve University, it is estimated that farm commodities will bear 23.5 percent of the total tax burden of all water-transported commodities. The study also notes an extreme differential in impact between areas of the country. The tax, by its very nature, logically discriminates against the farmer who lives further from the ultimate destination of his product.

The Barloon study also notes other ways in which the water user fee will impact on the price ultimately received by the farmer after shipping. The cost of operating the waterway system is relatively fixed, in that the usage is not a significant factor in the cost of maintenance. It therefore follows that increased usage would decrease the amount of tax per commodity unit necessary to defray the cost of operating the system. Conversely, a decrease in the units being shipped would increase the per unit impact of the tax.

If the waterway system becomes less attractive because of increased costs, the remaining shippers will be required to pay an ever-increasing tax to maintain the system. This increase in tax will in turn continue to deter the usage of the system, thereby creating an ever-repeating cycle of increased taxes and decreased usage.

There is a secondary impact, resulting from the increased shipping costs, which is equally pernicious to the farmer, The railroads have already stated that they will raise their rates with the increase in shipping costs on the waterway system.

I do not, by this statement, attack the railroads. They are absolutely necessary to the movement of farm commodities, and I have fought to keep them operating my own State. The railroads are necessary to insure a well-integrated transportation system. However, competition does play a factor in these two modes of transportation, and it is only good business sense for the railroads to take advantage of an increase in water shipping rates by raising immediately their rail rates.

Mr. President, although shipping rates are highly regulated, some free market competition still exists. With the construction of the McClellan-Kerr Waterway, competing railroads reduced their shipping rates on several agricultural and nonagricultural commodities. Obviously, with an increase in shipping rates on the waterway, the railways would act in reverse by raising their rates on these competitive commodities.

Four examples illustrate the free market reaction of the railroads to the completion of the canal. In 1967, the railroads reduced their rates by approximately 6 cents on grains being shipped from Oklahoma to the gulf. This amounted to approximately $2 per ton. The result of this reduction was to delay the construction of a $5 million grain elevator at the Port of Catoosa, but because of the ever-increasing demand for shipment of grains on the canal, construction of the elevators was initiated in 1971 and is nearing completion.

In 1969, the railroads reduced rates on iron and steel being shipped from Pittsburgh and Chicago to Fort Smith and Little Rock by 40 to 50 percent.

In 1977, the railroads initiated a series of reductions between elevators in northwestern Oklahoma and southern Kansas to gulf port facilities. The reductions amounted to 4 cents per bushel.

Also in 1977, the railroads reduced shipping rates for alfalfa pellets from Oklahoma to gulf ports. This reduction amounted to approximately 40 to 50 percent of the previous rates.

An old example illustrates the situation. Prior to the construction of the Kerr-McLellan Waterway, Oklahoma oilmen relied totally on the rail shipment of pipe. Because of the more competitive rates between the eastern suppliers and such points as Houston, it was traditionally cheaper to ship Oklahoma-bound pipe with Houston as its destination point rather than directly to Oklahoma. The practice used by some was to ask for an inspection of the pipe while it passed through Oklahoma on the way to Houston, and then unload the pipe on an Oklahoma siding. The empty car would then be on its way to Houston, with the user of the pipe netting a substantial savings on shipping rates as compared to a direct shipment to Oklahoma.

My good friend and respected colleague from New Mexico has been kind enough to provide me with certain information on the movement of grain in my own State of Oklahoma. The information was prepared by the Department of Transportation, and I assume was a conscientious attempt by the Department to reflect grain movements in my State. However, I find significant deficiencies in the computer printout.

There are omissions in the data that create a distorted picture as to how agriculture commodities are actually shipped. The omissions also reflect the well-known lack of coordination and data sharing among Federal agencies.

The Department of Transportation computer printouts, which are dated, show the following information for Oklahoma:

Farm to market movement of grains

(Units are in thousands of tons)

Modes:	
Rail	1,113
Water	0
Truck	0
Percentages:	
Rail	100
Water	0
Truck	0

According to the Corps of Engineers, 1,261,000 tons of all grains were shipped during 1977 from Oklahoma points on the Kerr-McLellan Waterway. The Department of Transportation information shows no grains being shipped by water, and 1,113,000 tons being shipped by rail. This is an extremely distorted picture and an excellent example of an agency's ineffectiveness.

The Department of Transportation data are part of those used by President Carter in developing his position in support of a user tax, and I think the data are typical of the misinformation used by this administration to make many of its important decisions.

Not only should the methods used by Department of Transportation to gather this data be reviewed, but the President should then carefully reanalyze his position on waterway user fees based on a complete and accurate package of information.

The obvious fact from the figures just noted is that Oklahoma is already moving an equal amount of grain by water and rail. This is significant because the Oklahoma portion of the Kerr-McLellan Waterway has only been completed for 7 years.

The Tulsa Port of Catoosa alone shipped 465,000 tons of all grains in 1977, and it is predicted to handle at least 1,000,000 tons of grain by 1979.

The other important factor to note in these figures is that the grain was not

simply from farmers immediately adjacent to the waterway. The largest portion of this grain comes from the western part of Oklahoma, which is, at a minimum, 100 miles from the waterway. There are also regular shipments of grain from Kansas, and, on occasion, from Nebraska.

With the improved handling facilities being developed on the Oklahoma section of the waterway, this trend should only increase, unless interrupted by a high tax.

Again, it takes no extended interpolation to determine what the farmer can expect with an increase in shipping costs. The reason for the increased usage of the Kerr-McLellan Waterway is the low cost of shipping.

As you will recall, farm commodities are unique in that the farmer must absorb any increases in cost.

The American Agricultural Movement members are demanding 100 percent of parity for their products. The user fee does nothing but exacerbate the plight of all farmers, and fuels the problems which have resulted in these demands.

Mr. President, I ask unanimous consent that the study done by Marvin J. Barloon of Case Western-Reserve University be printed at this point in the RECORD.

There being no objection, the study was ordered to be printed in the RECORD, as follows:

THE PROSPECTIVE IMPACT OF COST-RECOVERY WATERWAY USER CHARGES ON THE COST OF TRANSPORTATION OF GRAINS AND SOYBEANS FROM THE UPPER MIDDLE WEST AND RELATED WATERWAY COST-RECOVERY POLICY ISSUES.

In response to the request of the officers of the Conference, I submit herewith estimates of the prospective impact of a shallow-draft waterway fuel tax on the transportation cost of grains and soybeans from the upper Middle West. The estimates appear herewith as Exhibits I through VIII.

I have analyzed two fuel tax rates, one of 42 cents a gallon and the other of 60 cents. The 42-cent rate was chosen from the estimate of officials of the U.S. Department of Transportation as the equivalent of the cost-recovery user charge provisions of Senator Domenici's proposed Amendment No. 1460 to H.R. 8309, now before the U.S. Senate, providing for use taxes or charges on commercial shallow-draft waterway transportation sufficient to recover 100 percent of Federal outlays on operation and maintenance and 50 percent of those on new construction of navigation works. The 60-cent rate is that recommended by the Association of American Railroads for 100 percent recovery of all Federal outlays on shallow-draft waterways. For reasons explained subsequently, the DOT recommendation also implies an eventual rate of at least 60 cents a gallon, and the 60-cent rate thus appears the more realistic.

SOURCES AND COMPREHENSIVENESS OF DATA

The data reported herewith are derived directly from the origin-destination studies of the Army Corps of Engineers for 1975, the latest reported.[1] The tonnages have been carefully confined to shallow-draft barging, identified in the Corps reportings as "Internal". In conformity with the terms of Amendment No. 1460, shallow-draft movements in deep-draft waters have been excluded from the calculations. To avoid over-statement of the prospective impact, a conservative estimate of fuel consumption at three gallons per 1,000 ton-miles of cargo carried has been employed.[2] All movements of grains and soybeans from origins on the Mississippi River and its tributaries north of and including the Ohio River and tributaries have been included. These estimates, therefore, may be taken as authoritative, conservative, and comprehensive.

DIFFERENTIAL IMPACT AS BETWEEN COMMODITIES, REGIONS, AND LOCALITIES

Share of Upper Middle Western Farm Crops

The impact of the fuel tax would be highly selective in its concentration on particular commodity movements and regions. On 1975 tonnages, grains and soybeans originating in the upper Middle West for carriage on the Mississippi River and its tributaries would have borne 21.5 percent of the U.S. all-commodity total tax burden. As shown in Exhibit I herewith, shallow-draft waterborne ton-miles of all commodities carried nationwide represented fuel consumpton of approximately 541.2 million gallons, and, on this volume, the 42-cent tax would have yielded a nationwide revenue of $227.3 million. Exhibit VI shows the total which would have been collected on grains and soybeans moved on the upper Mississippi River and its tributaries at $48.9 million, or 21.5 percent of the U.S. total. On all shallow-draft waterborne shipments of grains and soybeans throughout the country, the share would have been 23.5 percent of the national total.[3]

DIFFERENTIAL IMPACTS AS BETWEEN ORIGINS AND DESTINATIONS

Within the single category of grains and soybeans shipped from the upper Middle West, the impact would likewise have been very uneven as between particular origin-destination movements. It may be noted in Exhibit VII that the impact would have varied from a low of 2.1 cents per bushel on movements from the Ohio River to Tennessee River destinations to a high of 8.4 cents a bushel from the St. Paul District (the Twin Cities area) to Corpus Christi, Texas. Tonnages are presented in Exhibit IV, and it will be seen that the largest single destination is the Baton Rouge-New Orleans area. Under a fuel tax of 42 cents a gallon, the tax to this destination would have varied from 3.9 cents a bushel from the Middle Mississippi River (St. Louis) up to 6.4 cents from the Twin Cities.

Taking into account both tonnages and differential tax charges per ton, Exhibit V presents aggregate taxes by origin-destination pairs. The biggest single burden would have been borne by shipments from the Illinois River at $17.4 million and, because of smaller tonnage, the smallest by shipments from the Missouri River (mainly from Kansas City) at $0.577 million, less than 1/30 as much.

It is clear that the impact of the proposed fuel tax cannot be assessed without careful attention to the effect on particular commodities and localities.

RECOVERY OF FIXED OPERATION AND MAINTENANCE COSTS FROM DECLINING TRAFFIC

Insufficiency of the 42-Cent Rate to Meet the Domenici Standards

As between the 42-cent and the 60-cent tax rates, under the Domenici standard (Amendment No. 1460), the 60-cent rate would appear the more realistic. The amendment would recover 100 percent of Federal operation and maintenance and 50 percent of new work outlays. The initial 42-cent imposition would obviously reduce the volume of traffic. As the volume declined to something less than the 1975 tonnage, and with fuel consumption correspondingly reduced, clearly the rate per gallon would have to be raised to achieve the undiminished cost-recovery target.

Fixed Character of Operation and Maintenance Costs

With regard to waterway operation and maintenance, the costs to be recovered are almost entirely fixed, that is, they do not decline with declining tonnages. Operation and maintenance of locks and dams are principally a function of time and weather rather than of cargoes transited. Similarly, channel work is governed mainly by currents, water levels, sedimentation, and other natural factors which are independent of vessel transits.

The Office of the Chief of Engineers, U.S. Army, after appraising the cost characteristics of waterway operation and maintenance, put the matter as follows:

"This leads us to conclude that the entire Federal share of the cost of inland waterway transportation may be considered as fixed, at least for any of the ordinary purposes for which a division of costs into fixed and variable components is needed." [4]

Thus, the Federal expenditures on waterway operation and maintenance would remain virtually unchanged, while, with reduced tonnage and fuel consumption, the tax collections at 42 cents a gallon would diminish. To meet the statutory standard of 100 percent cost recovery, therefore, the tax rate per gallon would have to be increased. We shall note later the potentials for saving money on new construction.

Impact of a 20 Percent Traffic Reduction on the Tax Rate

As we have stated previously, on the 1975 traffic volume, the 42-cent tax would have raised a total of $227.3 million on all commodity movements nationwide. (Exhibit I.) Later this report will demonstrate the likelihood that this tax would reduce the movements of upper Middle Western grains and soybeans by 20 percent or more. Assuming, for purposes of illustration, that this reduction were to apply to all waterborne commodity movements throughout the country, the tax rate to recover the undiminished $227.3 million would have to be raised from 42 cents a gallon to 52½ cents. This rate, of course, would reduce traffic still more, calling for a second rate increase, and the process would continue until at some high tax rate per gallon only that traffic would remain on the rivers which was highly unresponsive to the increased cost. This could consist, for the most part, of shorter-haul movements with good backhauls, paying a rate of probably some 60 cents a gallon or more.

Illustrative Shrinkage in the Movement of Grains and Soybeans

The amount of shrinkage in response to the initial 42-cent fuel tax cannot be effectively estimated because no study has been made of the competitive response to the tax by alternative routings, such, for example, as railroad rate increases. Such a study should also evaluate the movements of all major waterborne commodities throughout the country. This report, however, omits the evaluation of competitive response and is confined to grains and soybeans from the upper Middle West. Some indication of the probable shrinkage, however, can be obtained from the accompanying exhibits with regard to this limited portion of the traffic.

From Exhibits II and VII, it is evident that the burden of the tax would be distributed as shown in Table I, following.

Footnotes at end of article.

TABLE I.—TONNAGE DISTRIBUTION OF A 42-CENT FUEL TAX AT RESPECTIVE TAX RATES PER BUSHEL OF WATERBORNE GRAINS AND SOYBEANS ORIGINATING IN THE UPPER MIDDLE WEST, 1975

Fuel tax in cents per bushel (from exhibit VII)	Affected waterborne tonnage (from exhibit II)	Percent of total tonnage
6 and over	5,483,600	17.6
5 to 5.9	1,375,900	4.4
4.5 to 4.9	12,243,700	39.2
4 to 4.4	7,159,700	22.9
3.5 to 3.9	3,226,900	10.4
3 to 3.4	311,600	1.0
Under 3	1,409,100	4.5
Total	31,210,500	100.0

Prospective Diversion to the St. Lawrence Seaway

It will be noted in the above table that the tax cost per bushel would amount to over 6.0 cents on 17.6 percent of the total tonnage, and, combining this with the next bracket, to over 5.0 cents on 22.0 percent of the total. Practically all of this originates in the St. Paul District, Chicago, or on the Illinois River for export via the Gulf. Differentials exceeding 5.0 cents and ranging up to 8.4 cents per bushel, as shown in Exhibit VII, would divert almost the entirety of these higher-taxed shipments to the St. Lawrence Seaway.

This diversion is evident from comparison with present charges. The present charge for water carriage, in the absence of a fuel or other user tax, from the Twin Cities to Baton Rouge is about 18.6 cents per bushel.[3] From Exhibit VII, we note that the tax on this movement would amount to an additional 6.4 cents, an increase to 25.0 cents per bushel. At this rate, much of the Twin Cities originations would cease to be competitive with the Seaway outlet via Duluth-Superior. The cost of shipments of grain and soybeans from Chicago and the upper Illinois River to Baton Rouge, now about 15.0 cents per bushel, would rise to about 20.0 cents. Fronting on Lake Michigan, and with the Illinois River connecting with the interior, this shipping area has much better access to the Seaway than the St. Paul District. Much of this downbound movement, too, would clearly be diverted to the Seaway.

The geographical boundary between the area tributary to the Seaway and that to the Mississippi in the St. Paul area and Chicago is now determined by the comparative outbound transportation rates as between the two outlets. Large quantities of grain and soybeans are already being shipped from Chicago via the Seaway, and the southbound movements from this city and the upper Illinois River are largely induced by the slightly higher costs associated with Seaway seasonality. Clearly, an increase in the river charge to such levels as 20.0 and 25.0 cents a bushel would move the boundary line between the two outlets southward, diverting most or all of the Chicago and northern Illinois shipments, as well as much of the tonnage from the Twin Cities area.

EXHIBIT I.—PROPOSED SHALLOW-DRAFT WATERWAYS FUEL TAX AT 42 CENTS AND 60 CENTS PER GALLON NATIONWIDE MAGNITUDES—U.S.A.

I. DATA:

A. Fuel consumption 2.9 to 3.7 gallons per 1,000 ton-miles of cargo carried.[1] For conservative estimate of total magnitude, an average of 3.0 gallons per 1,000 ton-miles is assumed in this report.

B. Internal waterborne ton-miles of cargo carried, 1975: 180,399,193,000.[2]

II. MAGNITUDES:

A. Gallons of fuel consumed: 180.4 billion ton-miles at 3 gal./1,000=541,200,000 gallons.

B. Tax revenue on 541,200,000 gallons:

1. At 42 cents/gallon: $227,300,000.
2. At 60 cents/gallon: $324,700,000.

C. Tax rate per ton-mile on 180.4 billion ton-miles:

1. At 42 cents/gallon: 1.26 mills.
2. At 60 cents/gallon: 1.80 mills.

D. Average percentage increase in shallow-draft water carriage cost:

1. Revenue per ton-mile, 1975 (ICC-regulated water carriers on the Mississippi River and Tributaries)—5.18 mills.[3]
2. Average percentage increase:
a. At 42 cents/gallon: +24.3%.
b. At 60 cents/gallon: +34.7%.

[1] The National Waterways Conference, Washington, D.C., 1976. Survey of all ICC-regulated water carriers on the Mississippi River and Tributaries reported 2.9 gallons per 1,000 ton-miles in 1975. William E. Mooz, *Energy in the Transportation Sector*. The RAND Corporation, Santa Monica, Calif., March, 1973, reported 500 Btu. per ton-mile, equivalent to 3.7 gallons per 1,000 ton-miles.

[2] U.S. Dept. of the Army, Corps of Engineers, *Waterborne Commerce of the United States*, 1975, Part 5, Section 3, Vicksburg, Mississippi, 1977.

[3] Interstate Commerce Commission, *Revenue and Traffic of Class A and B Water Carriers*, Statement No. 650, Washington, D.C., 1976.

Footnotes at end of article.

EXHIBIT II

WATERBORNE GRAINS AND SOYBEANS—UPPER MISSISSIPPI BASIN ORIGINS TO RESPECTIVE DESTINATION AREAS 1975

[In thousands of tons]

To (areas of destination)	From: (areas of origin) St. Paul District[1]	Upper Mississippi River (excluding St. Paul District)[2]	Middle Mississippi River[3]	Missouri River	Chicago	Illinois River	Ohio River and tributaries	Total
Baton Rouge-New Orleans	5,071.2	6,782.8	601.8	325.9	577.2	11,490.3	2,342.4	27,191.6
Warrior River	178.0	180.9	15.1	13.5	8.4	82.7	26.7	505.3
GIWW—East	106.8	189.6	23.4	71.5	130.2	106.3	73.1	700.9
Sabine-Neches	19.8	21.9	4.3	14.0	4.1	3.1	14.8	82.0
Galveston	29.0	63.7	1.3	None	None	13.3	38.6	145.9
Corpus Christi	26.9	7.7	None	None	4.3	8.5	37.9	85.3
Tennessee River	257.5	249.5	8.4	238.6	33.2	311.6	85.6	1,184.4
All other	255.3	247.7	32.4	164.2	91.0	414.4	110.1	1,315.1
Total	5,944.5	7,743.8	686.7	827.7	848.4	12,430.2	2,729.2	31,210.5

[1] St. Paul District includes Minnesota River and Mississippi River within Minnesota.
[2] Upper Mississippi River: Mississippi River between Minneapolis and the mouth of the Missouri River. Figures tabulated here exclude portion in the St. Paul District and are allotted to destinations on the same percentages as totals for the upper Mississippi River.
[3] Middle Mississippi River: Mississippi River between the mouth of the Missouri River and the mouth of the Ohio River.

Source: U.S. Department of the Army, Corps of Engineers, "Waterborne Commerce of the United States," 1975, Pt. 5, sec. 2, Vicksburg, Miss., 1977. Data here tabulated modified by reports of the Army Corps of Engineers, St. Paul District, St. Paul, Minnesota, 1976.

EXHIBIT III

MISSISSIPPI RIVER SYSTEM AND GULF INTRACOASTAL WATERWAY—APPROXIMATE ORIGIN-DESTINATION MILEAGES

[Waterway distances in miles]

Areas of destination	Areas of origin St. Paul District[1]	Upper Mississippi River (excluding St. Paul District)[2]	Middle Mississippi River[3]	Missouri River[4]	Chicago	Illinois River[5]	Ohio River and tributaries[6]
Baton Rouge-New Orleans[7]	1,687	1,168	1,023	1,406	1,378	1,222	995
Warrior River	1,815	1,296	1,151	1,534	1,506	1,350	1,123
GIWW—East[8]	1,751	1,232	1,087	1,470	1,422	1,286	1,059
Sabine-Neches[8]	1,953	1,434	1,289	1,672	1,644	1,488	1,261

EXHIBIT III—Continued

MISSISSIPPI RIVER SYSTEM AND GULF INTRACOASTAL WATERWAY—APPROXIMATE ORIGIN-DESTINATION MILEAGES

[Waterway distances in miles]

Areas of destination	Areas of origin						
	St. Paul District [1]	Upper Mississippi River (excluding St. Paul District) [2]	Middle Mississippi River [3]	Missouri River [4]	Chicago	Illinois River [5]	Ohio River and tributaries [6]
Galveston [8]	2,039	1,520	1,375	1,758	1,730	1,574	1,347
Corpus Christi [8]	2,229	1,710	1,565	1,948	1,920	1,764	1,537
Tennessee River [9]	1,301	926	684	1,067	1,039	883	562
All other [10]	535	535	535	535	535	535	535

[1] From Minnesota River mouth.
[2] Origin assumed midway between mouth of Minnesota River and mouth of Missouri River.
[3] From St. Louis.
[4] From Kansas City.
[5] From Peoria.
[6] From Mount Vernon, Ind.
[7] Distances to Baton Rouge.
[8] These exclude distance between Baton Rouge and New Orleans.
[9] Tennessee River midway between Guntersville and Chattanooga.
[10] The 535-mile distance here assumed for the category, "All other," is the U.S. average haul of internal waterborne grains and soybeans excluding the tons and ton-miles otherwise tabulated in exhibits II and IV.

Source: "Inland Waterways Mileages," U.S. Department of the Army, Corps of Engineers respective district offices. Compiled and published by Canal Barge Co., Inc., New Orleans, La, 1976

EXHIBIT IV

WATERBORNE GRAINS AND SOYBEANS—UPPER MISSISSIPPI BASIN ORIGINS TO RESPECTIVE DESTINATION AREAS, 1975

[In millions of ton-miles]

Areas of destination	Areas of origin							
	St. Paul District [1]	Upper Mississippi River (excluding St. Paul District) [2]	Middle Mississippi River [3]	Missouri River	Chicago	Illinois River	Ohio River and tributaries	Total
Baton Rouge-New Orleans	8,555.1	7,922.3	615.6	458.2	975.4	14,041.1	2,330.7	34,718.4
Warrior River	323.1	234.4	17.4	20.7	12.7	111.6	30.0	749.9
GIWW—East	187.0	233.6	25.4	105.1	187.7	136.7	77.4	952.9
Sabine-Neches	38.7	31.4	5.5	23.4	6.7	4.6	18.7	129.0
Galveston	59.1	96.8	1.8	None	None	20.9	52.0	230.6
Corpus Christi	60.0	13.2	None	None	8.3	15.0	58.3	154.8
Tennessee River	335.0	231.0	5.7	254.6	34.5	275.1	48.1	1,184.0
All other	136.6	132.5	17.3	87.8	48.7	221.7	58.9	703.5
Total	9,694.6	8,895.2	688.7	949.8	1,094.0	14,826.7	2,674.1	38,823.1

[1] St. Paul District includes Minnesota River and Mississippi River within Minnesota.
[2] Upper Mississippi River: Mississippi River between Minneapolis and the mouth of the Missouri River.
[3] Middle Mississippi River: Mississippi River between the mouth of the Missouri River and the mouth of the Ohio River.

Source: Calculated from tonnages of exhibit II and mileage distances of exhibit III.

EXHIBIT V

AGGREGATE WATERWAY FUEL TAX COLLECTIONS FROM WATERBORNE MOVEMENTS OF GRAINS AND SOYBEANS—UPPER MISSISSIPPI BASIN ORIGINS TO RESPECTIVE DESTINATION AREAS

[At 42 cents per gallon (equivalent to 1.26 mills per ton-mile), on 1975 ton-miles carried (thousands of dollars)]

Areas of destination	Areas of origin							
	St. Paul District [1]	Upper Mississippi River (excluding St. Paul District) [2]	Middle Mississippi River [3]	Missouri River	Chicago	Illinois River	Ohio River and tributaries	Total
Baton Rouge-New Orleans	10,779.4	9,982.1	775.7	577.3	1,002.2	17,691.8	2,936.7	43,745.2
Warrior River	407.1	295.3	21.9	26.1	16.0	140.6	37.8	944.9
GIWW—East	235.6	294.3	32.0	132.4	236.5	172.2	97.5	1,200.7
Sabine-Neches	48.8	39.6	6.9	29.5	8.4	5.8	23.6	162.5
Galveston	74.5	122.0	2.3	(4)	(4)	26.3	65.5	290.6
Corpus Christi	75.6	16.6	(4)	(4)	10.5	18.9	73.5	195.0
Tennessee River	422.1	291.1	7.2	320.8	43.5	346.6	60.6	1,491.8
All other	172.1	167.0	21.8	110.6	61.4	279.3	74.2	886.4
Total	12,215.2	11,208.0	867.8	1,196.7	1,378.5	18,681.5	3,369.4	48,917.1

[1] St. Paul District includes Minnesota River and Mississippi River within Minnesota.
[2] Upper Mississippi River: Mississippi River between Minneapolis and the mouth of the Missouri River.
[3] Middle Mississippi River: Mississippi River between the mouth of the Missouri River and the mouth of the Ohio River.
[4] None.

Source: Calculated from the ton-miles tabulated in exhibit IV at 1.26 mills per ton-mile.

EXHIBIT VI

AGGREGATE WATERWAY FUEL TAX COLLECTIONS FROM WATERBORNE MOVEMENTS OF GRAINS AND SOYBEANS—UPPER MISSISSIPPI BASIN ORIGINS TO RESPECTIVE DESTINATION AREAS

[At 60 cents per gallon (equivalent to 1.80 mills per ton-mile), on 1975 ton-miles carried (thousands of dollars)]

Areas of destination	Areas of origin							
	St. Paul District[1]	Upper Mississippi River (excluding St. Paul District)[2]	Middle Mississippi River[3]	Missouri River	Chicago	Illinois River	Ohio River and tributaries	Total
Baton Rouge-New Orleans	15,399.2	14,260.1	1,108.1	824.8	1,431.7	23,274 0	4,195.3	62,493.2
Warrior River	581.6	421.9	31.3	37.3	22.9	200.9	54.0	1,349.9
GIWW—East	336.6	420.5	45.7	189.2	337.9	246.1	139.3	1,715.3
Sabine-Neches	69.7	56.5	9.9	42.1	12.1	8.3	33.7	232.3
Galveston	106.4	174.2	3.2	None	None	37.6	93.6	415.0
Corpus Christi	108.0	23.8	None	None	14.9	27.0	104.9	278.6
Tennesse River	603.0	415.8	10.3	458.3	62.1	495.2	86.6	2,131.3
All other	245.9	238.5	31.1	158.0	87.7	399.1	106.0	1,266.3
Total	17,450.4	16,011.3	1,239.6	1,709.7	1,969.3	26,688.2	4,813.4	69,881.9

[1] St. Paul District includes Minnesota River and Mississippi River within Minnesota.
[2] Upper Mississippi River: Mississippi River between Minneapolis and the mouth of the Missouri River.
[3] Middle Mississippi River: Mississippi River between the mouth of the Missouri River and the mouth of the Ohio River.

Source: Calculated from the ton-miles tabulated in exhibit IV at 1.80 mills per ton-mile.

EXHIBIT VII

WATERWAY FUEL TAX AT 42-CENT-PER-GALLON COST PER BUSHEL OF GRAIN AND SOYBEANS (AT 33.33 BUSHELS PER TON)—UPPER MISSISSIPPI BASIN ORGINS TO RESPECTIVE DESTINATION AREAS

[In cents per bushel]

Areas of destination	Areas of origin						
	St. Pau [1] district	Upper Mississippi River [2] (except St. Paul district)	Middle [3] Mississippi River	Missouri River	Chicago	Illinois River	Ohio River and tributaries
Baton Rouge New Orleans	6.4	4.4	3.9	5.3	5.2	4.6	3.8
Warrior River	6.9	4.9	4.4	5.8	5.7	5.1	4.
GIWW—East	6.6	4.7	4.1	5.6	5.5	4.9	4.
Sabine-Neches	7.4	5.4	4.9	6.3	6.2	5.6	4.
Galveston	7.7	5.7	5.2			6.0	5.
Corpus Christi	8.4	6.5			7.3	6.7	5.
Tennessee River	4.9	3.5	2.6	4.0	3.9	3.3	2.

[1] St. Paul district includes Minnesota River and Mississippi River within Minnesota.
[2] Upper Mississippi River: Mississippi River between Minneapolis and the mouth of the Missouri River.
[3] Middle Mississippi River: Mississippi River between the mouth of the Missouri River and the mouth of the Ohio River.

Source: Calculated from the tonnages of exhibit II and the aggregate tax collections of exhibit V.

EXHIBIT VIII

WATERWAY FUEL TAX AT 60-CENTS-PER-GALLON COST PER BUSHEL OF GRAIN AND SOYBEANS (AT 33.33 BUSHELS PER TON)—UPPER MISSISSIPPI BASIN ORIGINS TO RESPECTIVE DESTINATION AREAS

[In cents per bushel]

Areas of destination	Areas of origin						
	St. Paul [1] district	Upper Mississippi River [2] (except St. Paul district	Middle [3] Mississippi River	Missouri River	Chicago	Illinois River	Ohio River and tributaries
Baton Rouge-New Orleans	9.1	6.3	5.5	7.6	7.4	6.6	5.4
Warrior River	9.8	7.0	6.2	8.3	8.1	7.3	6.1
GIWW—East	9.5	6.7	5.9	7.9	7.8	6.9	5.7
Sabine-Neches	10.5	7.7	7.0	9.0	8.9	8.0	6.8
Galveston	11.0	8.2	7.4			8.5	7.3
Corpus Christi	12.0	9.2			10.4	9.5	8.3
Tennessee River	7.0	5.0	3.7	5.8	5.6	4.5	3.0

[1] St. Paul district includes Minnesota River and Mississippi River within Minnesota.
[2] Upper Mississippi River: Mississippi River between Minneapolis and the mouth of the Missouri River.
[3] Middle Mississippi River: Mississippi River between the mouth of the Missouri River and the mouth of the Ohio River.

Source: Calculated from the tonnages of exhibit II and the aggregate tax collections of exhibit VI.

The Unsettled Question of Competitive Railroad Rates

The tabulated shipments of Exhibit VII from other origins (the upper and middle Mississippi, the Missouri, and the Ohio) are more largely rail-competitive, both to the Gulf and via east-west railroad lines to the Atlantic. Some increases in railroad rates could be expected in consequence of the fuel tax, somewhat restraining the water-to-rail diversion. On the other hand, barging charges on some movements are now too low to attract railroad competition, and the higher waterway charges consequent on the tax might well make it attractive for the railroads to capture some of this traffic with reduced rates. The probable railroad response to the waterway fuel tax has not been evaluated, and, until it is, no adequate estimate of the prospective tax-induced shrinkage can be made.

The Prospect for Rising Tax Rates on Declining Waterway Traffic

It would appear clear from the above analysis that, including both Seaway and rail diversion, the fuel tax of 42 cents a gallon would induce a shrinkage of at least 20 percent in the waterborne tonnage of grains and soybeans from the upper Middle West. Similar reductions in other commodity movements, such as coal, gasoline, fuel oil, and fertilizers, should be expected. If an all-commodity 20 percent reduction were to occur, obviously, to recover the targeted dollar amount of Federal costs would require an increase in the fuel tax rate from 42 cents to 52½ cents a gallon.

At 52½ cents, further reduction would appear inevitable, and the rate would have to be raised again. There is no way at present to determine the ultimate rate at which fuel tax revenues would catch up with Federal outlays. As a limited indication, in Exhibits VI and VIII we present impacts at 60 cents a gallon. It will be noted that, at 60 cents, the tax would range from 3.0 to 12.0 cents per bushel.

CLOSURE OF SELECTED RIVER SEGMENTS AS A MEANS OF COST RECOVERY

Waterway use taxes or user charges at the levels advocated by Senator Domenici present the Congress with the inherent linkage between cost-recovery waterway user charges and the national program of waterway maintenance and improvement. Pursuit of the cost recovery goal inescapably implies curtailment of waterway expenditures.

Let us note why this is true. The dilemma we have described of rising tax rates on declining traffic can be resolved most effectively by closing selected segments of the waterway system to commercial navigation. We have said that the Federal costs of waterway operation and maintenance are fixed. But, this is true only if all existing waterway segments are kept in operation. Federal costs of operation and maintenance can, in fact, be substantially reduced by closing selected tributary rivers and other segments to navigation. The probability is high that this would prove to be the only feasible way in which 100 percent of these costs could be collected.

The closure of higher-cost rivers carrying lighter traffic would reduce Federal outlays more than it would tax collections. Closure would thus bring Federal costs down to amounts greater than the decline in tax collections and achieve the targeted Federal cost recovery at a tax rate which, while substantially higher than 42 cents a gallon, would remain less high than if all waterways were to be kept in operation.

Illustrative River Segments Vulnerable to Closure

Should Congress enact the 42-cent tax, therefore, it would be an entirely logical accompanying step to incorporate into the legislation a statement of standards for termination of navigation on particular rivers, or, possibly, a statement of particular rivers in line for priority for closure. Promising candidates for this classification would include the Missouri, the Arkansas, the Cumberland, the Allegheny, and some reaches of the Tennessee and the upper Mississippi. A careful analysis of the responsiveness of traffic to fuel tax imposition on each of these rivers should, of course, precede such determination.

The Missouri River may be a suitable illustration. In 1975, this river carried 1.1 billion ton-miles of commercial cargo.[6] Federal outlays for operation and maintenance amounted to about $9.7 million.[7] At the U.S. average rate of fuel consumption, the tax of 42 cents a gallon on the Missouri would have yielded on the 1975 ton-mileage a revenue of only about $1.4 million. Admittedly, fuel consumption per ton-mile runs somewhat higher on this river than the U.S. average, but it is clear that Federal revenues under the 42-cent tax would fall far short of outlays for operation and maintenance.

Thus, if the Missouri were to be closed to navigation, Federal costs of operation and maintenance would be reduced substantially more than tax collections. The same action on other rivers such as those named in the preceding paragraph could bring the cost-recovery goal within sight. Cost-recovery user charges and segment abandonment are thus Siamese twins and very probably inseparable.

COST-RECOVERY AS A NONSTRUCTURAL ALTERNATIVE TO WATERWAY IMPROVEMENTS

Observations similar to those preceding apply also to new work, that is to projects for replacement and modernization of locks and dams and to waterway extensions. Recovery of 50 percent of construction outlays could be achieved only by the abandonment of the more costly projects. Such abandonment would reduce the magnitude of costs to be recovered, as in the case of operation and maintenance and bring the cost-recovery goal down to a level which could be financed by the tax collections.

Cost-Recovery as a Formula for Adverse Benefits-Cost Ratios

But, the impact would be given more direct. Taking, for example, such projects as the replacement of Locks and Dam No. 26 on the Mississippi River, the twinning of the locks on the Illinois, and the completion of the Tennessee-Tombigbee connection, the Congressional authorization and funding of such undertakings rests directly upon a favorable ratio of prospective benefits to costs.

With respect to each project, the estimated benefits consist primarily of projected tonnages of traffic over the 50-year service life (now to the year 2035 or 2040) multiplied by the transportation savings per ton. Both of these would be sharply reduced by the proposed 42-cent fuel tax, or by any user charge at this level of cost recovery, and the presently favorable economic evaluations radically impaired or reversed.

It must be emphasized that this impairment would occur even in the absence of the prospective traffic reductions we have previously considered probable. The U.S. Secretary of Transportation has recently expressed the opinion that, under a fuel tax of 42 cents a gallon, waterway traffic would continue to grow, but at a reduced rate. Let us assume for the moment that the Secretary is right.

The present economic justification of each waterway project, such as that at Gallipolis, Ohio, Locks and Dam No. 26, the Illinois River, and the Tenn-Tom, rests directly upon a projection of traffic growth over the coming 50 years in the absence of any waterway use tax or user charge. Even on the optimistic assumption that the 42-cent tax would permit some continued growth, such growth would obviously be at a much lower rate than that now projected, and, for any future year, the tonnage would be projected at a substantially lower level than that on which present economic evaluation rests. And, to this reduced tonnage projection, a lower savings per ton would be applied.

Suspension of Authorization and Funding for Reevaluation

The impact would be accentuated by still another factor. Obviously, the present benefits-cost ratios on which existing authorizations and funding programs rest would become obsolete and irrelevant. Congress could authorize new projects and fund those now ongoing only on the basis of new evaluations. Because, in its application to new construction outlays, the tax would vary considerably from year to year and because the tax rates would be rising during the phase-in period, existing shipper surveys and statistical procedures would have to be substantially revised before new evaluations could be undertaken. Adding to the time required for such revisions the evaluation period itself, unless the Congress were willing to act without meaningful evaluation, all progress toward authorization and funding of construction projects would be arrested for probably some three years or more. During this period the construction costs and interest charges against each project, to be balanced against the reduced benefits, would be substantially increased, further impairing the present economic justifications.

Cost-Recovery as a Non-Structural Relief of Lock Congestion

Finally, the effect on lock congestion merits attention. This is a critical consideration at Gallipolis, Locks No. 26, and on the Illinois River. We have noted previously the prospective diversion of grains and soybeans from the St. Paul District, Chicago, and the Illinois River to the St. Lawrence Seaway. Downbound movements from all these origins now transit Locks No. 26, and those from Chicago and the Illinois River transit the Illinois River locks as well.

Altogether, in 1975, these movements accounted for 10.5 million tons of the 54.5 million-ton total transited at Locks No. 26. If we were to add similar diversions of such commodities as coal, petroleum products, fertilizers, chemicals, and steel, there is a very real prospect that the present congestion would be eliminated as the tax rate went up, and that congestion as a justification for new work would disappear. In a very fundamental sense, the cost-recovery taxes, whether in the form of a fuel tax or otherwise, at Senator Domenici's standards is a direct alternative to expansion of lockage capacity. Under the tax, the expanded capacity would be less needed, if needed at all.

In sum, we have previously noted, with respect to recovery of operation and maintenance outlays, the dilemma of rising tax rates on diminishing traffic. The dilemma would be less critical, however, with respect to recovery of 50 percent of construction outlays. The dilemma resolves itself by the very probable disallowance, under existing benefits-cost standards, of most of the major and more costly projects now on the drawing boards. Under present standards, new work outlays to be recovered would automatically be reduced to a much lower and more easily-attained level.

CRITICAL QUESTIONS REMAINING

The Response of Alternative Modes and Routings

In conclusion, it must be emphasized that this report does not constitute an impact study. It is to be hoped that it does provide basic data from which an impact study might proceed. But, it would appear critical that some assessment be made of the competitive

response of alternative routings, in particular that of competitive railroad rates, alternative railroad routings, diversions of important commodity movements, not to railroads, but to pipelines and trucking, and, finally, of the alternative of the St. Lawrence Seaway and the probable effect on the level of Seaway tolls.

Unless such an analysis is made, the prospective impact of the proposed user charge on the volume of shallow-draft water carriage cannot be estimated. The U.S. Department of Transportation has recently advanced purported estimates as to prospective diversion. Only if the Department has identified alternative routings and estimated consequent rate changes by alternative modes can these estimates be taken as anything but preliminary and superficial.

Effect on Particular Economic Activities and Regions

It would appear reasonable that an adequate impact study would weigh the effects on certain areas of national policy. Farm income, for example, would be adversely affected by lower realized prices for farm crops and by higher costs of fertilizer and energy forms. Energy policy would be involved in higher-cost distribution of coal, gasoline, and fuel oil. Regional development is involved in such water-based economies as that of the Appalachian Region and the Ozarks. The impact on the balance of payments should be examined, particularly in the effect on the export of farm products and the competitive position of waterborne steel from the Pittsburgh and Chicago Districts confronted by foreign competition on the Gulf Coast and in the lower Mississippi Valley.

The Question of Benefit to Railroads

It would seem very important that the impact within the transportation system, itself, should be evaluated. Railroad competition has been a central consideration with regard to use taxes on the waterways. We have seen that the proposed use taxes would be very selective both regionally and as to commodities affected. Which waterborne commodities are clearly rail-competitive, and what railroads and railroad routings are involved? How much would the proposed use taxes aid these railroads and routings? What would be the adverse effect of waterway use taxes on cross-river railroads now deriving substantial revenue from rail-water and water-rail movements? In short, viewing waterway use taxes as a possible aid to the nation's railroads, how much would it help the railroads, which ones would it help, and which ones would it injure?

Transportation Charges and Rising Commodity Costs and Prices

The effect on costs and prices of commodities is clearly of concern. From 1974 to 1976, the revenue per ton-mile of the nation's Class I railroads went up by 18.4 percent.[8] That of the ICC-regulated water carriers on the Mississippi River and its tributaries increased by only 3.5 percent.[9]

It may be, of course, that railroad rates on water-adapted commodities went up less than 18.4 percent. We really do not know. Considering that water-adapted commodities are principally natural resource products (raw materials and fuels) underlying the entire superstructure of the economy, is the cost-recovery user charge a suitable mechanism for dealing with rising delivered costs of this class of goods?

At least tentative answers to these questions would appear essential to any informed decision as to cost-recovery waterway user charges or use taxes, As of the present, it would appear that, for the most part, these questions have not been systematically addressed. Until they are, no informed resolution of the question can be reached.

FOOTNOTES

[1] U.S. Dept. of the Army, Corps of Engineers, *Waterborne Commerce of the United States,* Calendar year, 1975, Part 5, "National Summaries", Section 2, Vicksburg, Mississippi, 1977.

[2] See for example: William E. Mooz, *Energy in the Transportation Sector,* The RAND Corporation, Santa Monica, California, March, 1973, estimating water carrier fuel consumption at 500 Btu. per ton-mile, equivalent at U.S. Bureau of Mines conversion factors to 3.7 gallons per 1,000 ton-miles.

The three-gallon estimate employed in this report was derived from a survey I conducted in 1975 of all ICC-regulated shallow-draft water carriers on the Mississippi River and its tributaries. Response was 100%. Consumption in 1975 was at the rate of 2.9 gallons per 1,000 ton-miles carried.

[3] For ton-miles of farm crops carried nationwide, in 1975, see: U.S. Dept. of the Army, Corps of Engineers, *Op. Cit.,* Section 3, page 96.

[4] Letter from the Office of the Chief of Engineers to The Ohio Valley Improvement Association, Inc., Cincinnati, Ohio, March 17, 1961.

[5] Clinton B. Odell, Vice President, Cargo Carriers, Inc., "Benefits from Extension of the Navigation Season", Proceedings of the Joint Conference of the Lake Carriers' Association and the Dominion Marine Association, Lake Carriers' Association, Cleveland, Ohio, February 8, 1977. The reported present charge for barging grain from Minneapolis to Baton Rouge of $6.19 per ton, or 18.6 cents per bushel, amounts to 3.67 mills per ton-mile of river distance.

[6] U.S. Dept. of the Army, Corps of Engineers, *Waterborne Commerce of the United States,* 1975, Part 2, Vicksburg, Mississippi, 1976, page 9.

[7] U.S. Dept. of the Army, *Annual Report of the Chief of Engineers on Civil Works Activities,* Vol. II, Washington, D.C., 1977, page 20–22.

[8] Association of American Railroads, *Yearbook of Railroad Facts,* 1977 Edition, Washington, D.C., 1977, page 33.

[9] Interstate Commerce Commission, *Revenue and Traffic of Class A and B Water Carriers,* Statement No. 650, Washington, D.C., respective years.

The ICC-regulated carriers on the Mississippi River and tributaries carried 40.6 percent of the total shallow-draft ton-miles moved on the Mississippi River system in 1975. From 1975 to the first six months of 1977, their revenue per ton-mile declined from 5.3 to 5.1 mills.

Mr. BARTLETT. Mr. President, there is one additional item which I would like to refer to which further reinforces the point which I am making. In 1976, the Corps of Engineers completed an analysis of rate adjustments of railroads competing with the McClellan-Kerr Waterway. This analysis clearly shows that the waterway has been beneficial to both shippers and consumers in holding down-rail shipping rates. I draw my colleagues attention to the conclusions of the report, found on page 16, which note reductions in rates or at least much lower rate increases when compared to railroads not in competition with the McClellan-Kerr Waterway.

Obviously, as the shipping rate on the waterway began to increase, the railroad shipping rates will correspondingly increase with a double impact upon all shippers and consumers.

Mr. President, I ask unanimous consent that the McClellan-Kerr Arkansas River System Rate Adjustment Analysis be printed at this point in the RECORD.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

McCLELLAN-KERR ARKANSAS RIVER SYSTEM RATE ADJUSTMENT ANALYSIS

Who is benefited when a new navigation channel is constructed? This has been the question of growing concern which characterizes most discussions on inland navigation. In an effort to establish recipients of transportation savings or reduced freight rates, the U.S. Army Corps of Engineers initiated a rate adjustment analysis for traffic utilizing the McClellan-Kerr Arkansas River Navigation System. The analysis will involve commercial commodity movements into and out of the study area.

The study area is located along the main stem of the Arkansas River and encompasses the large trade centers of Little Rock and Fort Smith, Arkansas and Tulsa, Oklahoma. The study area covers 40 counties in Arkansas and 23 counties in Oklahoma.

The origin and destination of commercial commodity movements indicate that unfabricated iron and steel products originate primarily from major steel producing states, predominately Ohio, Illinois, Pennsylvania, and West Virginia. Fabricated metal products originating in the study area were shipped world wide. The remaining commodities were transported to and from the study area originated in or destinated to 50 states and 48 foreign nations. Imports and exports for commerce in the study area drew heavily from the European common market and the expanding Japanese market.

Data for major commodity movements in the study area were generated by a field survey of firms located or operating in the area for calendar year 1971. Approximately 100 firms were canvassed to collect commodity data which included the commodity, origin, destination, volume, and rate if known, and other information made available for commodity evaluation. An examination of the raw data indicated that 590 individual commodity movements were collected. These cargo movements and commodity types were considered readily adaptable for bulk barge movement. The major commodity movements utilized in making this evaluation are presented in the following table.

COMMODITY MOVEMENTS

Cadmium.
Magnesium Ingots.
Aluminum Cable.
Aluminum Castings.
Aluminum Extrusions.
Aluminum Ingots.
Zinc Concentrate.
Zinc Residue, Furnace.
Zinc Scrap.
Zinc Slab.
Acids.
Agricultural Products and By-Products.
Aluminum Scrap.
Aluminum Shapes, Unfinished.
Aluminum Sheets.
Brass Anodes & Cathodes.
Brass Ingots.
Iron or Steel Grain Bins, K.D.
Iron or Steel Cans.
Iron or Steel Castings.
Iron or Steel Cylinders, Compressed Gas.
Iron or Steel Pig.
Iron or Steel Pipe & Fittings.
Iron or Steel Plate.
Iron or Steel Posts.
Iron or Steel Rebars.
Iron or Steel Scrap.
Iron or Steel Shapes, Unfinished.
Iron or Steel Sheet.

Iron or Steel Structural, Angles, Bars, Beams & Rods.
Iron or Steel Valves, Pressure.
Chemicals.
Fertilizers.
Plastics.
Fiberglass Articles.
Forest Products.
Coal.
Coke.
Clays.
Ore, bauxite.
Phosphate Rock.
Stone.
Boxes, Corrugated K.D.F.
Boxes, Other than corrugated K.D.F.
Newsprint.
Pulpboard, Corrugated.
Pulpboard, Other than corrugated.
Petroleum & Petroleum Products.
Rubber & Rubber Articles.
Iron or Steel Sucker Rods.
Iron or Steel Towers, K. D.

Based on the above commodity movement the US Army Corps of Engineers contracted with North Texas Traffic Bureau, Dallas, Texas, to obtain historic rail rates from 1 January 1967 to 1 February 1974. The contract was prepared in two volumes and is presented as an appendix to this evaluation. After duplicate movements and special one-time shipments were removed from the analysis, the commodity movements were reduced to 536. The specific data requirements and format requested from the contractor are presented in the following example:

EXAMPLE—COMMODITY: BEAMS. STRUCTURAL STEEL FROM HOUSTON, TEX., TO TULSA, OKLA.

Rate	Minimum weight	Date	Traffic authority or reason for change
61½¢	80M#	Jan. 1, 1967	I–2750–C, SWL 301–D.
63½		Aug. 19, 1967	X–256.
65		June 24, 1968	X–259–A.
67		Nov. 28, 1968	X–259–B.
71		Nov. 18, 1969	X–262.
75		June 9, 1970	X–265–A.
75		Nov. 20, 1970	X–265–B.
81		do	X–267–A.
84		Apr. 12, 1971	X–267–B.
70	120M#	Dec. 9, 1971	RN–A–24–1487–E, F reduced to meet truck-barge competition.
70		Feb. 5, 1972	X–281 2½ percent S.C.
70		Oct. 23, 1972	X–281–B cancels S.C.
72		Aug. 19, 1973	X–295–A.
73		Oct. 1, 1973	X–299.
74		Jan. 1, 1974	X–299.
74		Jan. 31, 1974	X–301 2.1 percent S.C.

Legends: ¢—Cents per 100 pounds; N.T.—Cents per ton of 2,000 pounds; G.T.—Cents per ton of 2,240 pounds; S.C.—Surcharge; (1)—Rate on minimum weight; (2)—Rate on excess of minimum weight; MCofC—Marked capacity of car; TC—Tank car; R–35—Rule 35 of uniform freight classification—Minimum weight on shipments in tank cars; R–35–__M—Rule 35 but not less than __ pounds.

The 536 commodity movements were utilized for this analysis. The following tabulation presents the number of specific commodity movements for each category of commodity.

NUMBER OF COMMODITY MOVEMENTS

Commodity:	Number of movements
Cadmium	1
Magnesium	
Ingots	1
Aluminum	
Cable	4
Castings	2
Extrusions	7
Ingots	12
Scrap	2
Shapes, unfinished	1
Sheets	5
Brass	
Anodes & Cathodes	3
Ingots	4
Iron or Steel	
Grain Bins, K. D	6
Cans	5
Castings	17
Cylinders, compressed gas	2
Pig	10
Pipe & Fittings	10
Plate	14
Posts	3
Rebars	5
Scrap	14
Shapes, unfinished	2
Sheet	29
Strapping	3
Structural, Angles, bars, beams & rods	29
Sucker rods	5
Towers, K. D	4
Valves, Pressure	5
Zinc	
Concentrate	5
Residue, Furnace	1
Scrap	2
Slab	32
Acids	32
Agricultural Products & By-Products	12
Chemicals	11
Fertilizers	10
Fiberglass Articles	12
Forest Products	9
Mine Products	
Coal	23
Coke	9
Clays	12
Ore, bauxite	1
Phosphate Rock	8
Stone	5
Paper & Paper Articles	
Boxes, Corrugated K.D.E	6
Boxes, other than Corrugated K.D.F.	5
Newsprint	7
Pulpboard, Corrugated	7
Pulpboard, other than Corrugated	54
Petroleum & Petroleum products	11
Plastics	9
Rubber & Rubber articles	13
Miscellaneous commodities	35

During the calendar year of 1971 an estimated 50 million tons of commercial cargo was transported to and from the study area. Railroad traffic accounted for 18.9 million tons of cargo, Highway and truck traffic accounted for 25.3 million tons of commercial cargo, waterway traffic amounted to 4.3 million tons of cargo and commercial and general aviation accounted for 1.5 million tons of commercial cargo. Of the total commercial tonnage, 5 percent or 2.5 million tons of cargo represents the survey sample and were analyzed in this study.

Evaluation of the raw data developed by the contractor, indicates that of the 536 commodity movements sampled, 29 percent or 158 individual commodity movements reflected regulated rate adjustments during the period of analysis. All the commodities which reflect rate adjustments were from the iron and steel category. Iron and steel products with long line-hauls were the primary source of rail rate adjustments.

Rate adjustments to meet highway competition were reflected in 132 specific individual commodity movements. These commodities were of the iron and steel category and amount to about 25 percent of the total sample. The rate adjustments represent approximately a 10 percent across the board decrease for these commodities. In most cases the rail rate adjustments were placed into effect in June and December 1972. The effective rate adjustments corresponds to the first complete year of operation for the navigation system. Rate adjustment proposals were filed with I.C.C. about the time that construction on the navigation system was being completed. Since iron and steel products account for approximately 22 percent of the study area's commercial cargo, the transportation savings to the national account, as a result of rail rate adjustment, could be enormous.

Twenty-six (26) individual iron and steel movements, or about 5 percent of the total sample, reflected rail rate adjustments. The shipments were extra long line-haul commodities used primarily for product fabrication. The reason presented by the railroad industry in their rate adjustment proposal to the I.C.C. was to meet waterway competition. The industries proposal was filed about the time construction was being completed on the navigation system, however, the effective dates of rail rate adjustments were during the first two years after project completion or late 1971 and early 1972. The iron and steel commodities used in this sample represents approximately 5 percent of the total tonnage for the study area. Rail rate adjustments to meet barge competition were reduced by about half of the preproject rail rate, i.e., $21.00 per net ton to $11.77 per net ton.

The following tabulations on pages 9–13 present the commodity movements which reflect rail rate adjustment to meet highway and barge competition

Further evaluation of the remaining 378 commodity movements indicates that the general rate of traffic increases for the eastern section of the United States were generally higher than for those rail rates in the study area. The table on page 14 presents general rail rate increases.

RAIL RATE ADJUSTMENT

Survey No.	Commodity	Volume Page No.	No.	Origin	Destination	Date of change	Rate before	Rate after	Reason for change
3–10	Steel grain bins	43	1	Tulsa, Okla	Kansas City, Mo	Dec. 2, 1972	0.52 cwt	0.45 cwt	Meet hwy. compt.
4–10	do	44	1	do	Kansas City, Kans	do	0.52 cwt	0.45 cwt	Do.
16–12	Storage tanks	47	1	Muskogee, Okla	New Orleans, La	June 9, 1972	1.00 cwt	0.83 cwt	Do.
17–12	do	48	1	do	Amarillo, Tex	do	0.73 cwt	0.64 cwt	Do.
10–13	Steel counter wts	50	1	Little Rock, Ark	Cleveland, Ohio	do	1.76 cwt	1.13 cwt	Do.
10–13	do	50	1	do	do	Dec. 9, 1972	1.20 cwt	1.11 cwt	Do.
25–14	Steel bailer	51	1	Sand Springs, Okla	North Little Rock, Ark	June 9, 1972	0.57 cwt	0.48 cwt	Do.
14–19	Walkway, grating	53	1	Tulsa, Okla	Houston, Tex	do	0.84 cwt	0.72 cwt	Do.
10–5	Steel casting	54	1	Dewey, Okla	do	do	0.91 cwt	0.78 cwt	Do.
17–7	do	55	1	Fort Smith, Ark	Colfay, Iowa	Sept. 9, 1972	0.90 cwt	0.85 cwt	Do.
18–7	do	56	1	do	St. Louis, Mo	do	0.71 cwt	0.66 cwt	Do.
4–12	do	58	1	Muskogee, Okla	Houston, Tex	June 9, 1972	0.78 cwt	0.68 cwt	Do.
5–12	do	59	1	do	Midland, Tex	do	0.91 cwt	0.78 cwt	Do.
11–13	do	60	1	Little Rock, Ark	Chicago, Ill	Sept. 9, 1972	0.97 cwt	0.93 cwt	Do.
7–16	do	61	1	Tonkawa, Okla	do	Dec. 2, 1972	1.08 cwt	1.03 cwr	Do.

RAIL RATE ADJUSTMENT—Continued

Survey No.	Commodity	Volume Page No.	No.	Origin	Destination	Date of change	Rate before	Rate after	Reason for change
16-17	Iron casting	63	1	Sand Springs, Okla	Dallas, Tex	June 9, 1972	0.57 cwt	0.48 cwt	Do.
17-17	do	64	1	do	Chicago, Ill	Aug. 9, 1972	1.05 cwt	1.01 cwt	Do.
18-17	do	65	1	do	Cincinnati, Ohio	June 9, 1972	1.21 cwt	1.10 cwt	Do.
18-17	do	65	1	do	do	Dec. 9, 1972	1.13 cwt	1.08 cwt	Do.
21-17	do	68	1	do	Houston, Tex	June 9, 1972	0.84 cwt	0.72 cwt	Do.
22-17	do	69	1	do	New York, N.Y	do	1.89 cwt	1.61 cwt	Do.
22-17	do	69	1	do	do	Dec. 9, 1972	1.66 cwt	1.60 cwt	Do.
3-18	do	70	1	Wheeling, W. Va	Tulsa, Okla	June 9, 1972	1.39 cwt	1.18 cwt	Do.
3-18	do	70	1	do	do	Dec. 9, 1972	1.22 cwt	1.15 cwt	Do.
2-1	Steel plates	93	1	do	Little Rock, Ark	June 9, 1972	1.25 cwt	1.05 cwt	Do.
2-1	do	93	1	do	do	Dec. 9, 1972	1.08 cwt	1.03 cwt	Do.
11-7	do	94	1	Fairfield, Ala	Fort Smith, Ark	June 9, 1972	0.90 cwt	0.74 cwt	Do.
11-7	do	94	1	do	do	Dec. 9, 1972	0.74 cwt	0.72 cwt	Do.
28-7	do	95	1	New Orleans, La	do	June 9, 1972	0.91 cwt	0.78 cwt	Do.
28-7	do	95	1	do	do	Dec. 9, 1972	0.78 cwt	0.74 cwt	Do.
25-10	do	96	1	Chicago, Ill	Muskogee, Okla	Feb. 14, 1972	21.00 nt	11.77 nt	Meet barge compt.
29-14	do	97	1	Elk Grove, Ill	Jacksonville, Ark	June 9, 1972	0.97 cwt	0.81 cwt	Meet hwy. compt.
29-14	do	97	1	do	do	Dec. 9, 1972	0.81 cwt	0.77 cwt	Do.
25-18	do	98	1	Chicago, Ill	Tulsa, Okla	Feb. 13, 1972	1.05 cwt	0.77 cwt	Meet barge compt.
26-18	do	99	1	Birmingham, Ala	do	June 9, 1972	1.04 cwt	0.87 cwt	Meet hwy. compt.
26-18	do	99	1	do	do	Dec. 9, 1972	0.87 cwt	0.83 cwt	Do.
27-18	do	100	1	Houston, Tex	do	Dec. 9, 1971	0.84 cwt	0.70 cwt	Meet barge compt.
28-18	do	101	1	Memphis, Tenn	do	June 9, 1972	0.71 cwt	0.62 cwt	Meet hwy. compt.
28-18	do	101	1	do	do	Dec. 9, 1972	0.62 cwt	0.59 cwt	Do.
31-18	do	102	1	Houston, Tex	Muskogee, Okla	Dec. 9, 1971	0.78 cwt	0.60 cwt	Meet barge compt.
32-18	do	103	1	Burns Harbor, Ind	do	Feb. 13, 1972	21.00 nt	11.77 nt	Do.
1-19	do	104	1	Granite City, Ill	Tulsa, Okla	Feb. 8, 1971	0.70 cwt	0.60 cwt	Do.
2-19	do	105	1	Indian Harbor, Ill	do	Feb. 13, 1972	1.05 cwt	0.70 cwt	Do.
3-19	do	106	1	Crescentville, Pa	do	June 9, 1972	1.81 cwt	1.56 cwt	Meet hwy. compt.
3-19	do	106	1	do	do	Dec. 9, 1972	1.01 cwt	1.52 cwt	Do.
1-2	Steel posts	107	1	Sand Springs, Okla	Chicago, Ill	Aug. 9, 1972	1.05 cwt	1.01 cwt	Do.
2-2	do	108	1	do	Houston, Tex	June 9, 1972	0.84 cwt	0.72 cwt	Do.
5-2	Steel—Rebar	111	1	do	Dallas, Tex	do	0.57 cwt	0.48 cwt	Do.
5-2	do	111	1	do	do	Dec. 9, 1972	0.48 cwt	0.45 cwt	Do.
6-2	do	112	1	do	New Orleans, La	Feb. 8, 1972	0.68 cwt	0.61 cwt	Meet barge compt.
8-2	do	114	1	do	New York, N.Y	June 9, 1972	1.89 cwt	1.61 cwt	Meet hwy. compt.
8-2	do	114	1	do	do	Dec. 9, 1972	1.66 cwt	1.60 cwt	Do.
12-1	do	129	1	Lone Star, Tex	North Little Rock, Ark	June 9, 1972	0.48 cwt	0.42 cwt	Do.
12-1	do	129	1	do	do	Dec. 9, 1972	0.42 cwt	0.40 cwt	Do.
14-10	do	130	1	Chicago, Ill	Tulsa, Okla	Feb. 16, 1972	1.05 cwt	0.70 cwt	Meet barge compt.
1-1	Sheet steel coils	131	1	Milwaukee, Wis	Little Rock, Ark	June 9, 1972	1.05 cwt	0.89 cwt	Meet hwy. compt.
1-1	do	131	1	do	do	Dec. 9, 1972	0.89 cwt	0.85 cwt	Do.
12-7	Sheet steel	133	1	Gary, Ind	Fort Smith, Ark	June 9, 1972	1.05 cwt	0.89 cwt	Do.
12-7	do	133	1	do	do	Dec. 9, 1972	0.89 cwt	0.85 cwt	Do.
13-7	do	134	1	Burns Harbor, Ill	do	June 9, 1972	1.05 cwt	0.89 cwt	Do.
13-7	do	134	1	do	do	do	0.89 cwt	0.85 cwt	Do.
15-7	do	135	1	Birmingham, Ala	do	June 9, 1972	0.90 cwt	0.74 cwt	Do.
15-7	do	135	1	do	do	Dec. 9, 1972	0.74 cwt	0.72 cwt	Do.
21-7	do	136	1	Memphis, Tenn	do	June 9, 1972	0.52 cwt	0.48 cwt	Do.
21-7	do	136	1	do	do	Dec. 9, 1972	0.48 cwt	0.45 cwt	Do.
22-7	Sheet steel coils	137	1	Kansas City, Mo	do	June 9, 1972	0.58 cwt	0.50 cwt	Do.
22-7	do	137	1	do	do	Dec. 9, 1972	0.50 cwt	0.47 cwt	Do.
23-7	do	138	1	Pittsburgh, Pa	do	June 9, 1972	1.41 cwt	1.21 cwt	Do.
23-7	do	138	1	do	do	Dec. 9, 1972	1.25 cwt	1.18 cwt	Do.
29-7	do	139	1	Gary, Ind	do	June 9, 1972	1.05 cwt	0.89 cwt	Do.
29-7	do	139	1	do	do	Dec. 9, 1972	0.89 cwt	0.85 cwt	Do.
30-7	do	140	1	Dallas, Tex	do	June 9, 1972	0.57 cwt	0.48 cwt	Do.
30-7	do	140	1	do	do	Dec. 9, 1972	0.48 cwt	0.45 cwt	Do.
12-8	do	141	1	Birmingham, Ala	do	June 9, 1972	0.90 cwt	0.74 cwt	Do.
12-8	do	141	1	do	do	Dec. 9, 1972	0.74 cwt	0.72 cwt	Do.
15-9	Steel sheets	142	1	St. Louis, Mo	Muskogee, Okla	June 9, 1972	0.73 cwt	0.64 cwt	Do.
15-9	do	142	1	do	do	July 8, 1972	0.64 cwt	0.58 cwt	Meet Barge compt.
27-9	Sheet steel	143	1	Chicago, Ill	Fort Smith, Ark	June 9, 1972	1.05 cwt	0.89 cwt	Meet hwy. compt.
27-9	do	143	1	do	do	Dec. 9, 1972	0.89 cwt	0.85 cwt	Do.
1-10	Steel sheets coils	144	1	Houston, Tex	Tulsa, Okla	do	0.84 cwt	0.70 cwt	Meet barge compt.
2-10	do	145	1	Vicksburg, Miss	do	June 9, 1972	0.82 cwt	0.70 cwt	Meet hwy. compt.
2-10	do	145	1	do	do	Dec. 9, 1972	0.70 cwt	0.67 cwt	Do.
12-10	do	146	1	Pittsburgh, Pa	do	June 9, 1972	1.43 cwt	1.23 cwt	Do.
12-10	do	146	1	do	do	Dec. 9, 1972	1.27 cwt	1.21 cwt	Do.
13-10	Sheet steel	147	1	Cleveland, Ohio	do	June 9, 1972	1.33 cwt	1.13 cwt	Do.
13-10	do	147	1	do	do	Dec. 9, 1972	1.16 cwt	1.10 cwt	Do.
23-13	Sheet steel coiled	148	1	Chicago, Ill	Fort Smith, Ark	June 9, 1972	1.05 cwt	0.89 cwt	Do.
23-13	do	148	1	do	do	Dec. 9, 1972	0.89 cwt	0.85 cwt	Do.
17-14	Sheet steel	149	1	do	Little Rock, Ark	Sept. 11, 1971	19.40 nt	9.25 nt	Meet barge compt.
19-14	Flat coils	150	1	do	do	do	19.40 nt	9.25 nt	Do.
20-14	Sheet steel	151	1	Birmingham, Ala	do	June 9, 1972	0.67 cwt	0.60 cwt	Meet hwy. compt.
20-14	do	151	1	do	do	Dec. 9, 1972	0.60 cwt	0.57 cwt	Do.
22-14	do	152	1	do	do	June 9, 1972	0.67 cwt	0.60 cwt	Do.
22-14	do	152	1	do	do	Dec. 9, 1972	0.60 cwt	0.57 cwt	Do.
26-14	do	153	1	Jackson, Miss	North Little Rock, Ark	June 9, 1972	0.52 cwt	0.44 cwt	Do.
26-14	do	153	1	do	do	Dec. 9, 1972	0.44 cwt	0.42 cwt	Do.
27-14	Coiled, rolled steel	154	1	Alton, Ill	do	Sept. 11, 1971	12.60 nt	7.68 nt	Meet barge compt.
32-14	Sheet steel	155	1	Shreveport, La	Little Rock, Ark	June 9, 1972	0.46 cwt	0.39 cwt	Meet hwy. compt.
32-14	do	155	1	do	do	Dec. 9, 1972	0.39 cwt	0.37 cwt	Do.
4-19	Hot rolled sheets	156	1	Burns Harbor, Ind	Tulsa, Okla	Feb. 13, 1972	1.05 cwt	0.70 cwt	Meet barge compt.
5-19	do	157	1	Granite City, Ill	do	Feb. 8, 1971	0.70 cwt	0.60 cwt	Meet hwy. compt.
6-19	Steel sheets	158	1	Allenport, Pa	do	June 9, 1972	1.43 cwt	1.23 cwt	Do.
6-19	do	158	1	do	do	Dec. 9, 1972	1.27 cwt	1.21 cwt	Do.
7-19	Hot rolled sheets	159	1	Youngstown, Oh	do	June 9, 1972	1.41 cwt	1.21 cwt	Do.
7-19	do	159	1	do	do	Dec. 9, 1972	1.25 cwt	1.18 cwt	Do.
27-17	Steel straping	160	1	Dallas, Tex	do	June 9, 1972	0.57 cwt	0.48 cwt	Do.
28-17	do	161	1	Memphis, Tenn	do	do	0.71 cwt	0.62 cwt	Do.
28-17	do	161	1	do	do	Dec. 9, 1972	0.62 cwt	0.59 cwt	Do.
29-17	do	162	1	Kansas City, Mo	do	Feb. 8, 1971	0.50 cwt	0.38 cwt	Do.
4-1	Steel straping beams	163	1	Alton, Ill	Little Rock, Ark	June 9, 1972	0.63 cwt	0.55 cwt	Do.
4-1	do	163	1	do	do	July 26, 1972	11.00 nt	7.68 nt	Meet barge compt.
4-8	Iron bars	164	1	Memphis, Tenn	Fort Smith, Ark	June 9, 1972	0.52 cwt	0.48 cwt	Meet hwy. comp.
4-8	do	164	1	do	do	Dec. 9, 1972	0.48 cwt	0.45 cwt	Do.
20-8	Steel beams	165	1	Minnequa, Colo	do	June 9, 1972	1.08 cwt	0.91 cwt	Do.
21-8	do	166	1	Kansas City, Kans	do	do	0.58 cwt	0.50 cwt	Do.
22-8	do	167	1	Birmingham, Ala	do	do	0.90 cwt	0.76 cwt	Do.
23-8	do	168	1	Beth, Pa	do	do	1.79 cwt	1.53 cwt	Do.
24-8	do	169	1	Houston, Tex	do	do	0.82 cwt	0.70 cwt	Do.
10-10	do	170	1	New Orleans, La	Muskogee, Ark	do	1.00 cwt	0.83 cwt	Do.
26-10	do	171	1	Houston, Tex	Muskogee, Okla	Dec. 9, 1971	0.78 cwt	0.60 cwt	Meet barge compt.
30-10	Steel angles	172	1	do	do	Feb. 13, 1972	0.78 cwt	0.60 cwt	Do.
12-12	Steel structural	173	1	Sterling, Ill	do	do	19.40 nt	11.77 nt	Do.
13-12	do	174	1	Chicago, Ill	do	do	21.00 nt	11.77 nt	Do.
14-12	Steel angles	175	1	Minnequa, Colo	do	June 9, 1972	1.00 cwt	0.83 cwt	Meet hwy. compt.
22-13	Iron rods	176	1	Birmingham, Ala	Fort Smith, Ark	do	0.90 cwt	0.74 cwt	Do.

RAIL RATE ADJUSTMENT—Continued

Survey No.	Commodity	Volume Page No.	No.	Origin	Destination	Date of change	Rate before	Rate after	Reason for change
22-13	do	176	1	do	do	Dec. 9, 1972	0.74 cwt	0.72 cwt	Do.
18-14	Steel beams	177	1	Chicago, Ill	Little Rock, Ark	June 9, 1972	0.97 cwt	0.81 cwt	Do.
18-14	do	177	1	do	do	July 26, 1972	16.20 nt	9.25 nt	Meet barge compt.
21-14	do	178	1	Birmingham, Ala	do	June 9, 1972	0.67 cwt	0.60 cwt	Meet hwy. compt.
2-16	Steel angles	179	1	do	Tulsa, Okla	do	1.04 cwt	0.87 cwt	Do.
3-16	do	180	1	Houston, Tex	do	Dec. 9, 1971	0.84 cwt	0.70 cwt	Meet barge compt.
1-18	Steel bars	181	1	Chicago, Ill	do	Feb. 13, 1972	1.05 cwt	0.70 cwt	Do.
9-19	do	182	1	Birmingham, Ala	do	June 9, 1972	1.04 cwt	0.87 cwt	Meet hwy. compt.
9-19	do	182	1	do	do	Dec. 7, 1972	0.87 cwt	0.83 cwt	Do.
10-19	Angles and bars	183	1	Kansas City, Mo	do	Feb. 8, 1971	0.50 cwt	0.38 cwt	Do.
11-19	Str steel beams	184	1	Houston, Tex	do	Dec. 9, 1971	0.84 cwt	0.70 cwt	Meet barge compt.
12-19	do	185	1	Sterling, Ill	do	Feb. 13, 1972	0.97 cwt	0.70 cwt	Do.
13-19	do	186	1	South Chicago, Ill	do	do	1.05 cwt	0.70 cwt	Do.
1-16	Steel angles	187	1	Pittsburgh, Pa	do	June 9, 1972	1.43 cwt	1.23 cwt	Meet hwy. compt.
9-18	Steel rods	188	1	Minnequa, Colo	do	do	0.95 cwt	0.80 cwt	Do.
9-18	do	188	1	do	do	Dec. 9, 1972	0.80 cwt	0.76 cwt	Do.
29-18	do	189	1	Atlanta, Ga	do	June 9, 1972	1.23 cwt	1.03 cwt	Do.
29-18	do	189	1	do	do	Dec. 9, 1972	1.03 cwt	0.98 cwt	Do.
30-18	Steel bars	190	1	Minnequa, Colo	do	June 9, 1972	0.95 cwt	0.80 cwt	Do.
30-18	do	190	1	do	do	Dec. 9, 1972	0.80 cwt	0.76 cwt	Do.
4-18	Steel sucker rods	192	1	Tulsa, Okla	New Orleans, La	June 9, 1972	1.05 cwt	0.89 cwt	Do.
4-18	do	192	1	do	do	Dec. 9, 1972	0.89 cwt	0.85 cwt	Do.
5-18	do	193	1	do	Houston, Tex	June 9, 1972	0.84 cwt	0.72 cwt	Do.
5-18	do	193	1	do	do	Dec. 9, 1972	0.72 cwt	0.68 cwt	Do.
6-18	do	194	1	do	Baton Rouge, La	June 9, 1972	0.97 cwt	0.81 cwt	Do.
6-18	do	194	1	do	do	Dec. 9, 1972	0.81 cwt	0.77 cwt	Do.
7-18	do	195	1	do	Chicago, Ill	Sept. 9, 1972	1.05 cwt	1.01 cwt	Do.
8-18	do	196	1	do	Freeport, Tex	June 9, 1972	0.90 cwt	0.76 cwt	Do.
8-18	do	196	1	do	do	Dec. 9, 1972	0.76 cwt	0.72 cwt	Do.
27-10	Steel towers, K.D	197	1	Muskogee, Okla	Shreveport, La	June 9, 1972	0.60 cwt	0.52 cwt	Do.
28-10	do	198	1	do	Fort Smith, Ark	do	0.28 cwt	0.24 cwt	Do.
31-10	do	199	1	do	Oklahoma City, Okla	Aug. 13, 1973	0.39 cwt	0.33 cwt	Do.
32-10	do	200	1	do	Topeka, Kans	Dec. 2, 1972	0.55 cwt	0.47 cwt	Do.

GENERAL RAIL INCREASES

Date effective	Ex parte increase No.	General increase	Cancels ex parte tariff
Aug. 19, 1967	X-256	Rates published in cents per 100 lbs	
		Rates not exceeding 10¢—1½¢	
		Rates over 10¢, but not exceeding 30¢—1¢	
		Rates over 30¢, but not exceeding 80¢—2¢	
		Rates over 80¢—3¢	
June 24, 1968	X-259-A	3 percent	
Nov. 28, 1968	X-259-B	5 percent	X-259-A.
Nov. 18, 1969	X-262	6 percent	
June 9, 1970	X-265-A	5 percent	
Nov. 20, 1970	X-265-B	6 percent	X-265-A.
Do	X-267-A	8 percent except from or to points in Southern territory 6 percent.	
Apr. 12, 1971	X-267-B	12 percent	X-267-A.
Feb. 5, 1972	X-281	2½ percent S.C	
Oct. 23, 1972	X-281-B	5 percent between points on and west of the Mississippi River and the Illinois-Indiana State line.	
		6 percent interterritorially	X-281.
Aug. 19, 1973	X-295-A	3 percent	
Oct. 1, 1973	X-299	1.9 percent	
Jan. 1, 1974	X-299	2.6 percent	1.9 percent.
Nov. 31, 1974	X-301	2.1 percent S.C	
Jan. 31, 1974	X-301	2.1 percent S.C	
Mar. 9, 1974	X-301-A	2.3 percent S.C	2.1 percent S.C.
Do	X-303-A	4 percent	
Mar. 16, 1974	X-299-A	2.8 percent	2.6 percent.
Apr. 1, 1974	X-301-B	2.8 percent S.C	2.5 percent S.C.
May 1, 1974	X-301-C	3 percent S.C	2.8 percent S.C.
June 1, 1974	X-301-D	3.3 percent S.C	3 percent S.C.
June 5, 1974	X-301-D	0.3 percent S.C	3.3 percent S.C.
Do	X-305	3 percent	
June 20, 1974	X-305-A	3.3 and 10 percent	0.3 percent S.C. X-301-D, and 3 percent X-305.
Apr. 27, 1975	X-310-A	7 percent	
June 20, 1975	X-313	5 percent	
Oct. 11, 1975	X-313	2½ percent	
Mar. 21, 1976	X-318	7 percent	

Rail rate for extruded aluminum transported in the study area increased about 11 percent during the 1967–1968 time frame. The same commodity increased about 13 percent for the general rate increases. During the 1971–1972 time frame the general rate increases for this commodity in the non-study area amounts to 14 percent, while rate increases in the study area increased only 3 percent. Not only were the rate increases less in pre-construction time elements, but future increases were less than general rate increases. Another example of rate adjustment was reflected in the transportation bill for zinc concentrate. During 1967 and 1968, rail rates for this commodity in the study area increased about 9 percent. However, general rate increases for this commodity amount to 16 percent during the same time element. Rate adjustments for zinc concentrate during 1971 and 1972 in the study area amounted to about 6 percent, while general rate increases for the commodity amounted to about 18 percent. These are only two examples of the study sample which reflects rail rate adjustments for regulated commodities in the study area.

The twenty-six (26) observations that reflect rail rate adjustments amount to about 193,000 short tons, with 48 specific origins and destinations. The total transportation savings generated from these observations amount to approximately $413,000. In addition to those movements previously identified as reflecting positive transportation savings, another 172,000 short tons of commodities evaluated reflect regional or implied transportation savings amounting to approximately $926,000.00. This tonnage is composed of newsprint and several nonferrous metal movements.

This group of commodities and tonnage represents only .0073 or less than one percent of the total estimated tonnage utilized or produced in the study area.

The research and study efforts were not designed to generate total study area transportation savings, but are only an attempt to determine commodities and commodity movements which respond immediately to water resource development, i.e., navigation channel.

CONCLUSIONS

1. Rail rates for specific commodities and commodity movements in the study area are lower than rail rates for the same commodities in other parts of the country for comparable distances. Data indicates that rail rate adjustments for the study area during pre-construction and post-construction time frames of the McClellan-Kerr Arkansas River Navigation System were less than for general rail rate adjustments.

2. The dramatic rail rate adjustments for iron and steel products transported to and from the study area to meet highway and barge competition reduced the transportation bill for commerce in the study area, and thereby the potential reduction in cost of goods and services in the region, the nation, and consuming foreign countries.

3. Iron and steel products are more sensitive to rail rate adjustments than other classes of commodities studied.

4. The double benefit of water transportation . . . low water rates and low water-compelled rail rates.

Mr. BARTLETT. Mr. President, I wish to stress the point that a major increase in the costs, such as the fee, or if there is to be a repayment of costs of future waterways, is going to act against the total waterway system, particularly being harmful to the new parts of our inland waterway system, making it more difficult for them to develop properly and be an important part of the transportation system of our country.

Mr. President, I reserve for the chairman the remainder of our time.

Mr. DANFORTH. Mr. President, I wonder if the Senator from New Mexico would entertain a question or two about the capital cost recovery part of his amendment.

The PRESIDING OFFICER. The Chair would inquire of the Senator from Missouri, does he wish to use time that is reserved for him?

Mr. DANFORTH. I will be happy to charge this time against the time that has been allotted to my amendments, although the question does not have anything to do with them.

The PRESIDING OFFICER. The Senator, then, will be recognized on his own time, and he may proceed.

Mr. DANFORTH. Could the Senator point out to me where the references in his amendment to the 10-percent capital cost recovery are?

Mr. DOMENICI. I will say to my good friend from Missouri that it is found on page 15 of the amendment, starting about line 10:

sufficient to recover 10 percentum of the capital cost of such project, including interest, over the initial 10 years of the project's operation.

Mr. DANFORTH. If the Senator will allow me to get a copy of his amendment, I would like to ask a question or two about it.

This is on page 15, lines 10 and 11. That provides that the capital cost of recovery will be 10 percent of the capital cost of such projects, including interest, over the initial 10 years of the project's operation.

That means that the period of recovery of this amount is 10 years?

Mr. DOMENICI. That is correct.

Mr. DANFORTH. The 10 years refers to the period of recovery, is that right?

Mr. DOMENICI. That is correct.

Mr. DANFORTH. I direct the Senator's attention to the phrase "including interest." Will the Senator explain to me on what is that interest?

Mr. DOMENICI. That is just like amortizing a loan.

Mr. DANFORTH. So it would be interest on what amount? Let us assume that a project costs $100 million. What would be the interest on that?

Mr. DOMENICI. It would be on the declining balance.

Mr. DANFORTH. Will the Senator explain that to me?

Mr. DOMENICI. The $10 million would be the amount recoverable and that $10 million would be recovered over a 10-year period.

Mr. DANFORTH. And the interest would be on what, the total value of the project, or the total amount that would be recovered?

Mr. DOMENICI. No, not at all. It would be on the $10 million.

Mr. DANFORTH. It would be on the $10 million recovered.

Mr. DOMENICI. That is correct. The equity, the formula, and how it is assessed is detailed on that first page. For example, on the first year, if $1 million would be left, $9 million would be paid over the next 10 years.

Mr. DANFORTH. At what interest rate would it be paid?

Mr. DOMENICI. That is at the Federal borrowing rate. We have inserted in the RECORD examples of what this be over a 10-year period for various percentages—4 percent, $123,000; 5 percent, $129,504; 6 percent, $135,868.

Mr. DANFORTH. Let us take that 6 percent. I do not know what the numbers mean which the Senator has mentioned.

Mr. DOMENICI. Well, that is the annual payment.

Mr. DANFORTH. That is the annual interest payment the first year?

Mr. DOMENICI. That is the total payment to amortize the 10-year $10 million debt.

Mr. DANFORTH. That would be the total principal and interest payment, is that correct?

Mr. DOMENICI. And there would be multiples of that.

Mr. DANFORTH. Let us take a project where the cost is $100 million. Will the Senator tell me after the 10 years is up how much in total would be paid? It would not be $10 million, but what would it be?

Mr. DOMENICI. If we assume 6⅝ percent, it would be $139,919 times 10. If the Senator is talking about 10 times, just make it a multiple of 10. This would be multiples which would not change. This figure is for $1 million, so if we take $100 million, in 10 years the recoupment would be $13,919,000.

Mr. DANFORTH. Would that be a combination of the principal and interest?

Mr. DOMENICI. Yes.

Mr. DANFORTH. It would be $13 million. So it would be about a 13 percent payback, is that correct, in total?

Mr. DOMENICI. Well, the Senator can say it that way. We say it our way.

Mr. DANFORTH. I just wanted to clarify what was meant by interest just for the sake of making sure we have some history on that.

Mr. DOMENICI. That is correct.

Mr. DANFORTH. Mr. President, being charged with my own time I would like to make some comments, if that would be in order.

The PRESIDING OFFICER (Mr. SASSER). The Senator may proceed.

Mr. DANFORTH. First, Mr. President, I would like to say a word about Senator DOMENICI.

Long before I came to the Senate I saw an article in the Wall Street Journal which had been written by Senator DOMENICI. The article caught my eye because it was so sound. It had to do with Federal-State relations. It was so persuasively written that I clipped that article and I gave it a great deal of thought. When I was fortunate enough to be elected to the Senate, one of the first people I wanted to meet was Senator DOMENICI.

Indeed, when I did meet him and when I got to know him, the anticipated response that I had to him was exceeded by the reality. He is indeed one of the finest Members of this body, I believe. PETE DOMENICI is bright, he is principled, he is decent, he is very able, and he is an extraordinarily tough competitor.

I think what we are going to do today, whatever the result is going to be, is a tribute to the ability and the drive of the senior Senator from New Mexico. And when we consider that he accomplished this in his first term, what a remarkable future he has. What a tremendous job he has done on so many subjects.

On the whole question of user fees, it has been a true tour de force.

The principle of free inland waterways has been a principle which has been part of our history now for some 200 years. It has been a principle which has been recognized de facto by the tradition of our country. It has been a principle which has been recognized as a matter of law by the Congress of the United States since 1884 when the Rivers and Harbors Act was passed and when Congress mandated at that time that the inland waterways would be forever free.

That principle has been in existence since the birth of this country and it is about to come to an end.

There is no doubt at all that it is about to come to an end. Whatever we think about the principle, it has been one that I have fought as hard as I can. The principle that Senator DOMENICI has established of user fees has been one that I know he believes in very deeply. He has accomplished his objective by force of his own personality and force of his own ability and his own drive.

I congratulate him for it.

From the standpoint of those of us who oppose fees on the inland waterways, this is the day of defeat; from the standpoint of Senator DOMENICI, it is a day of victory. I say that regardless of who prevails, whether the Long amendment or the Domenici amendment prevails.

Both of them impose a 12-cent-a-gallon tax on fuels used by commercial vehicles on the inland waterways.

Indeed, as Senator STEVENSON pointed out, the differences between the two approaches that are before us are very minor differences. The differences are two in number, that is all. One has to do with the timing when the fees are imposed—whether or not the fuel tax is imposed in 1979 or, at the latest, in 1982. That seems, on its face, as though it is a small difference. To my State, it happens to be a very important difference, because it has to do with the construction of locks and dam 26.

The other distinction has to do with the principal cost recovery about which considerable has already been said today. I should like to address my attention for a few minutes to these two what seem to be very minor differences and point out what one of them, at least, means to my State and why it is of more than passing interest to me.

Under the Domenici-Stevenson amendment, the fuel tax would be imposed beginning October 1, 1979. Under the Long amendment, the fuel tax would be imposed beginning January 1, 1982, or when construction has commenced on locks and dam 26, whichever comes earlier. It sounds as though it is just a minor difference in timing, since we are building toward a 12-cent-a-gallon fuel tax under both proposals. But it has great significance from the standpoint of locks and dam 26 for one simple reason. That is that locks and dam 26 is now a matter that is in litigation.

Locks and dam 26, whether or not it will ever be constructed, is a matter that is now in litigation. It is now in court. A lawsuit has been filed by the railroads and by a council of environmental groups to enjoin the construction of locks and dam 26. It is possible, I suppose, that under those lawsuits locks and dam 26 will never be built. But even assuming that this project is going to be constructed, which is an assumption I do make, even under the assumption that locks and dam 26 will be constructed, litigation is going to drag on, in all probability, not for a matter of weeks or a matter of months, but, instead, for a matter of years.

Mr. DOMENICI. Will the Senator yield?

Mr. DANFORTH. Certainly.

Mr. DOMENICI. I want to be present and listen to the Senator's argument. I have to leave the floor for 2 or 3 minutes. I wanted to explain that I have an urgent call and that accounts for my absence; otherwise, I would be here.

Mr. DANFORTH. I thank the Senator. I shall be happy to fill him in on what I said at a later time.

Locks and dam 26, as I said, is now involved in litigation. That is a very crucial point in the consideration before us. Under the Domenici amendment, the fuel tax would begin being imposed on October 1, 1979. That means, almost as a matter of certainty, that the fuel tax would be imposed before construction commences on locks and dam 26 during the pendency of litigation.

On the other hand, under the Long approach, the commencement of imposition of the fuel tax would be either on January 1, 1982, or when construction begins on locks and dam 26, whichever comes earlier.

Why the date, January 1, 1982? To satisfy the ultimatum received from President Carter. He demanded that there be a date certain and we wanted to put in a date certain. But the issue is, as a matter of necessity, will this tax be imposed during the pendency of litigation?

If it is imposed during the pendency of litigation, there will be a strong incentive for the plaintiffs in that lawsuit to drag their feet. There will be a strong incentive for the plaintiffs in that lawsuit to do everything they can to prolong litigation, because the plaintiffs in that lawsuit, particularly the railroad plaintiffs in that lawsuit, would have everything they could dream of. They would have, first of all, the imposition of the tax. Second, they would be able to thwart construction of a structure on the Mississippi River which is very beneficial to their competitors, the barges.

By contrast, if the imposition of the fuel tax begins after construction is underway, there would be an incentive for the railroad plaintiffs either to dismiss the case, maybe, or, at the very least, not resist early consideration of the case by the courts; because the sooner construction is underway, the sooner the lawsuit is wrapped up, the sooner taxes would be imposed on the competition. That is a very crucial point.

How long are we talking about in litigation? It happens that the lawyer who is actually handling the litigation was a classmate of mine in college. I asked him that question and he said it would be somewhere between 3 and 5 years before the litigation is wound up.

According to Mr. Ramsay Potts, who is the senior partner in the law firm that is handling the litigation, he projects it will be somewhere between 2 and 4½ years. Whether or not there is linkage between the imposition of the tax, as is suggested by Senator LONG's approach, or whether the tax is imposed regardless of whether construction occurs is very important from the standpoint of hastening the termination of the lawsuit. I should like to read to the Senate a couple of paragraphs from a letter that I received from Mr. Potts yesterday, in which he said the following:

> The possible result of the Court's ruling and the possible courses of action that might be taken by parties thereafter lead to the conclusion that resolution of the court case might and probably will take anywhere from two years to four and one-half years from the date of this letter, and this assumes that there will be no appeal to the Supreme Court of any U.S. Court of Appeals decision.
>
> The prospect of this delay in the litigation reinforces the need to link the effective start-up date of any tax to be imposed on the inland waterways system with the beginning of construction on Locks and Dam 26. If the Bill passed by Congress contains such linkage, then there will be pressure on the Plaintiff parties to the suit and on the Executive Department to resolve the litigation quickly so that the effective date of the tax can begin to run. Absent such linkage, there would not appear to be any pressure on the Plaintiffs in the law suit (railroads and environmental groups) to settle the litigation. Indeed, without the linkage, the opportunity to continue to delay the start-up of construction on Lock and Dam 26 would appear to be appealing since the effective starting date of the tax would be firm.

That is the No. 1 issue insofar as those of us are concerned who are interested in locks and dam 26. The point is that in the matter that is before the Senate today, locks and dam 26 has been used as the hostage for the imposition of user fees on the inland waterways.

Under the proposal of the Senator from New Mexico and the Senator from Illinois, the ransom would be paid in the form of substantial user fees without any assurance that the hostage would ever be released and with the certain knowledge that release of the hostage would be several years down the road.

That is point No. 1 that I would like to make.

Mr. DOMENICI. Will the Senator yield, just for an observation?

Mr. DANFORTH. Certainly.

Mr. DOMENICI. The Senator and I have talked about this problem a number of times. I do want to make one point with the Senator, not that it is all inclusive in terms of the litigation, but I believe I am correct that a substantial portion of the litigation involves itself around the 1909 act and the scope of its authorization in terms of replacement which, as the Senator knows, historically, the Corps, in this Senator's opinion, made a drastic mistake in thinking that because there was a lock and dam in that area, they could, without authorizing a new project, start a new one because they were just replacing one.

Obviously, just for the Senator's information, they have now committed to both bodies that they no longer construe their authority to be that broad. But, more specifically, by the authorization of this locks and dam 26 project, it appears to this Senator that that portion of the litigation is rendered rather moot.

That is not to say that the Senator's hostage theory is rendered moot. But I just wanted the Senator to know we are concerned about it. I do believe the specific authorization in this bill does, to some extent, alleviate the problem.

I also say to the Senator that if we do what he suggests, at least what I think he is suggesting, it would appear to me that there is no pressure on anyone.

The Senator mentioned two aspects, no pressure on the railroads or the environmentalists. On the other hand, if it is open ended and enough to go on, there is no pressure on the large companies, if they want, just by the rehabilitation of the existing facilities versus paying the fee for the entire inland system, which inland system is supposed to be reimbursed, not just that particular construction.

I know on that score we are not going to reach agreement. But I did want to stress that much of my view of where we are.

I thank the Senator for yielding.

Mr. DANFORTH. The fact of the matter is that the fundamental issue before the court concerns the adequacy of the environmental impact statement. It is the opinion of counsel handling that litigation that if we authorize the construction of locks and dam 26 without linkage, if we do not have the linkage of the user fee at the commencement of construction, the assessment of counsel handling this lawsuit is that instead of authorization of locks and dam 26 under the Domenici-Stevenson approach, hastening the day in which locks and dam 26 would be constructed, the Domenici-Stevenson approach would put off the day when locks and dam 26 would be constructed.

Therefore, it is the opinion of the people who believe that it is very important to construct a new locks and dam 26 that it would be better to have no bill at all than to have the Stevenson-Domenici approach.

Now, it is the belief of everybody I know—possibly there would be some environmental groups that would take the opposite view—but everybody I know, that we need a new structure, a new locks and dam 26.

This is certainly the position of those who rely on the inland waterway system, and they are anxious to get going.

We just cannot delay very many more years before we have a locks and dam 26. So I think, really, the question is, how fast can we move this thing along?

I would further say that, as a matter of basic equity, it seems to me to be grossly unfair to say, "Yes, we have held locks and dam 26 as a hostage to the imposition of substantial user fees on the inland waterways, pay us your ransom in the form of a user fee bill and we will not, in turn, release the hostage."

I think that is what is involved here.

The second difference between the two bills, and these are the only differences of any substance, has to do with the cost recovery question pending a study which will be completed in 3 years. That is the only question.

There is going to be a study. There is no doubt about that. The study is going to concern the economic impact of user fees on the inland waterways and the question is, during this period of 3 years, do we anticipate the result of that study and impose a 10-percent

cost recovery without even knowing what happens to the study?

So the issue there is, as a matter of basic fairness, is it the position of the Senate that we should have the study before we impose the cost recovery or, in turn, should we impose the cost recovery or, in turn, should we impose the cost recovery before we have the study?

Should we look before we leap, or, instead, should we leap before we look?

That is the issue, and these are the only two remaining points.

The second point, frankly, from the standpoint of the junior Senator from Missouri, the question of cost recovery in the study is not that crucial an issue from the standpoint of my constituents. But the construction of locks and dam 26 is crucially important.

If the Domenici-Stevenson approach would serve to delay the construction of locks and dam 26, which is the opinion of legal counsel that is handling this case, then I think we have done a terrible disservice to the whole economy of the inland waterway system and, certainly, a terrible disservice to my constituents who live along the inland waterway system.

Mr. President, I would now like to address the question that my amendment, which has been printed, deals with, namely, deep draft harbors and ports.

Mr. President, the bill before us relates only to the recovery of costs—capital costs and costs of operation, maintenance and repair—incurred by the Corps of Engineers on the inland waterway system. The bill in its present form does not relate in any sense to recovery of costs incurred by the Corps of Engineers in deep draft harbors and ports.

Much has been said about equity. Much has been said in debating this bill and in various items that have been placed in the record by advocates of user fees that there is a question of equity involved, that somehow it is only equitable for the taxpayer to recover the costs the Corps of Engineers incurs on the inland waterway system.

Then, in the name of equity, why do we not go further and recover the costs incurred by the Corps of Engineers not only in the inland waterway system but also on deep draft harbors and ports?

As a matter of fact, this issue has been addressed by no less than the Department of Transportation itself, because the question of user fees for deep draft harbors and ports has been faced up to a very extensive study that the Department of Transportation has made. The title of this study is "Deep-Draft Navigation User Charges, Recovery Operations, and Impacts."

The final report was published in August of 1977. The report states, among other things, the following:

> The distinction between the inland waterway and deep draft systems is somewhat arbitrary and cannot be made in terms of depth or purpose or location alone.

Then the report goes on to say:

> It would be extremely difficult to institute an inland waterway fuel tax without extending that option to the rest of the system.

So, Mr. President, what we are seeing now in the position that the Department of Transportation is taking on inland waterways is step 1 in a 2-step analysis which pertains not only to the inland waterway system but also pertains to deep draft harbors and ports.

The question has been studied thoroughly by the Department of Transportation as to the effect of user fees on the deep draft harbors and ports. What do we mean when we talk about what the Corps of Engineers is doing in deep draft harbors and ports? We are talking about the annual expenditure last year—the expenditure in 1977—of $264.9 million of the taxpayers' money on deep draft harbors and ports. This money is being spent with respect to projects in the following States: Maine, Massachusetts, Connecticut, New York, Pennsylvania, Maryland, Virginia, Florida, Alabama, Louisiana, Texas, California, Oregon, North Carolina, South Carolina, Washington, Minnesota, Michigan, Ohio, Illinois, and Indiana.

The State of Missouri is not on that list. In Missouri, we do not have any deep-draft harbors and ports, but we do happen to have a thousand miles of inland waterway system. If it is the purpose of the Department of Transportation to recover costs of what the Corps of Engineers does in the State of Missouri, why single us out for special treatment? Why pick on people of the Midwest? Why not apply the same principle to everybody? Why use the approach that the Department of Transportation apparently is using of divide and conquer, to pick off the inland waterways system today and then leave for some later day the picking off of deep-draft harbors and ports States?

Let us talk about the comparison of what the Corps of Engineers does. What does the Corps of Engineers do in capital expenditures in the inland waterways system as opposed to the deep-draft harbors and ports? What is the difference? Both require the construction of locks. The Corps of Engineers constructs locks on the inland waterway system. That is what locks and dam 26 is all about. That is what we are debating today. The Corps of Engineers also constructs locks and deep-draft harbors and ports.

Reservoirs: The Corps of Engineers constructs reservoirs in connection with the inland waterway system, also in connection with deep-draft harbors and ports.

The construction of roads and bridges: This is done with respect to both the inland waterway system and deep-draft harbors and ports.

Levies and flood walls are constructed with respect to inland waterway systems and deep-draft harbors and ports.

Pumping plants are put in place with respect to both inland waterway systems and deep-draft harbors and ports. The list goes on and on.

The question I ask the Senate is simply this: If it is so fair and so reasonable and so equitable for us to impose user fees to recover the cost of what the Corps of Engineers does on the Mississippi River, why not do the same thing on the Great Lakes? Why not do the same thing in New York Harbor? Why not do the same thing all over the deep-draft harbors and ports system? Why single out the inland waterway system? Why single out the river system? Why recover the cost of construction of a lock in the inland waterway system when you do not do the same in the deep-draft harbors and ports?

What possible logical reason is there for the distinction? What conceivable argument can be made for singling out the inland waterway system when you do not apply it to the deep-draft harbors and ports? What principle of fairness applies if you oppose a user tax on the inland waterway system and not on the deep-draft harbors and ports?

Let us take, for example, the construction of a dike. Dikes are constructed in connection with the inland waterway system. Dikes also are constructed on deep-draft harbors and ports. What happens when a dike is constructed? Land surveyors are brought in; engineers prepare plans. That is all part of the capital cost. It is going to be recovered under this bill, if Senator DOMENICI gets his way. Why not recover it for deep-draft harbors and ports as well? What is the difference between a land surveyor surveying land on the coasts of this country or on the Great Lakes of this country and the same land surveyor going into the St. Louis area and surveying?

How about excavation and dredging? What is the difference between the Corps of Engineers operating a dredge on the Mississippi River or on the Missouri River and the Corps of Engineers operating a dredge in the deep-draft harbors and ports? What is the difference? What possible principle applies?

I would like to answer from the Senate or from some of the advocates of user fees during the course of this debate.

What possible arguable difference is there between a dredge which operates in the deep-draft harbors and ports, on one hand, and a dredge that operates on the inland waterway system, on another?

Bulldozers, dump trucks, water pumping operations: What difference is there between a bulldozer operating in connection with deep-draft harbors and ports and a bulldozer operating on the inland waterway system? Why should we insist that recovery only be made for the bulldozer that operates on the inland waterway system and not on the deep-draft harbors and ports?

When piles are driven, when a foundation is installed for a dike, when concrete is laid, when heavy-duty cranes are used, when the cement trucks come in, what is the difference between the inland waterway system and the deep-draft harbors and ports?

Why are we singling out only one area for the recovery of costs, when we do not single out other areas in this bill at the same time? What is the principle of fairness? What is the possible logic behind such an approach?

Mr. President, I reserve the remainder of my time.

Mr. DOMENICI. Mr. President, I will respond very briefly to two items.

I say to the Senator from Missouri, with reference to the 10 percent recoupment and his very good explanation, that we have a study that will be coming in after it.

The Senator asks why the 10 percent, if we are going to do the study? Let me say, in all honesty, how I feel about it.

First, I have already expressed the fact that I do not think the study is going to come back with any indication that a 10-percent recoupment balances the transportation system or is equitable.

But in the first debate on this issue, and I did not bring it down this time, but I think I had occasion to show it to the Senator, the studies that have been forthcoming in the past 15 years on this issue I would think just in terms of paper would be about a foot-and-a-half to two-and-a-half-foot thick, and I guess what I am saying to the Senator is that I hope the study is proposed, be it in Senator LONG's amendment or mine, I hope it will not go the way the others have. Therefore, it appears to me that if we have a 10-percent recoupment, which I also have explained in my opinion is nothing more than a watchdog, at least the studies will be looked at very, very carefully.

On the second issue, I know of the Senator's genuine concern as to why the inland waterways and not the deep ports, and I have not studied it to the extent that the Senator has, other than to say to the Senator that the whole theory of this approach was to balance competing transportation modes and I am not aware of any competing traffic mode with reference to the deep port vessels. About the only things that compete with them at this point are airplanes. So I do not think there is anything to balance in terms of if we are subsidizing those ports we are obviously doing it for a genuine national interest and not to the detriment of another kind of competing mode of transportation which contributes to the national well-being or conversely if adversely affected by the disparity of a super subsidy on one as we have in this case.

Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator from New Mexico has 1 hour and 50 minutes remaining.

Mr. DOMENICI. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Who yields time?

Mr. LONG. Mr. President, I yield 2 minutes to the Senator from Mississippi.

Mr. STENNIS. Mr. President, I have no prepared remarks on this matter, but I have enjoyed hearing the debate on it which brings in review all these years that I have had the privilege of being on the Subcommittee on Appropriations that handles the funds about which we are talking.

By and large, 25 years later, after some of this money that I saw being spent, when an examination was had about our energy resources, conditions for having to have additional energy sources came to the front as the Nation's gravest problem to look over and see what the payoff was for a great many of these projects of water transportation that we are proposing now to tax and then charge a capital investment percentage. The very spot that we found the big returns and perhaps the best investment year after year that the Government has made for many years is in the transportation by water, the generation of power by the force of falling water, hydroelectric power, and many other constructive applications of these projects that have contributed so much to our economy, the very high level of our economy for our great Nation.

So it was revealing to me, and I wish I could make it clearer and share it with the Members who have come here more recently. My conclusion is that in my experience, at least on the Appropriations Committee, beyond sheer protection and beyond vital health matters, these funds have paid off beyond all doubt more than any that I have had anything to do with appropriating or seeing about, and I believe that is true across the board.

For emphasis, now, as we turn in another time and another era and in a crisis really with reference to energy, it is the same projects and the same investment that has done so much otherwise that is coming in now to fill the gap and be part of the foundation of our future years and decades.

So I think we better look the second time and think a long time before we go to this contributing factor. In our present energy supply and in our present economy, as to these many projects that are throughout the Nation, none have been intentionally left out. If any area happens not to have a geography that fits in with the programs, they may not be there. But across the board Congress has been fair, willing, and impartial, as have others.

So let us think a long time. Even the Long amendment puts some of these user fees on there, and I will support some of that. But this capital investment idea has no place in our present needs. I hope we will stay the hand here, even though those who would tax it are doing it in good faith, stay the hand and we will see greater days for the projects we already have as well as those to come.

Unless the Long amendment is passed, instead of the Domenici amendment, we are going to necessarily cut off for the future innumerable projects, be unable to justify them, and the Nation will suffer as well as various areas.

I thank the Senator very much for yielding to me.

Mr. LONG. Mr. President, the Senator is very welcome.

I yield to the Senator from Missouri.

Mr. EAGLETON. I thank my colleague from Louisiana.

Mr. President, I rise to speak in opposition to the Domenici substitute.

I have joined with Senator LONG, Senator EASTLAND, and my colleague from Missouri, Senator DANFORTH, in introducing an amendment which will bring about an equitable and reasonable resolution of the longstanding and intertwined issues of authorizing a replacement for locks and dam 26 on the Mississippi River and imposing waterway user charges. Our amendment would authorize such replacement locks and dam on the same terms in the same language as that approved by the House and the Senate last year. Our amendment also would impose, for the first time, waterway user charges in the form of a fuel tax which would begin at a level of 4 cents per gallon, phasing upward to 11 cents per gallon within 9 years.

When Senators review the history of this legislation and read our amendment in light of that history, they will find that we have made very substantial concessions to the demands of the administration, of those in the Senate who have been our opponents on these issues in the past and, in some cases, of those who were our allies. I intend to review the concessions we are willing to make in order to get a bill through. I also will review the elements that make up our proposal, and contrast them with the major points in the alternative proposal being urged by Senators DOMENICI and STEVENSON.

First, I want to emphasize that the locks and dam project, authorized in this bill, is a vital one not only for my State but also for all areas that use the products borne via water transportation on the Mississippi River and its tributaries. We should not lose sight of this fact in the battle over user fees.

Locks and dam 26 was built almost 40 years ago with a theoretical life expectancy of 50 years, and it has deteriorated badly. The dam was constructed on wood pilings driven in sand and there has been excessive settling and shifting of the structure. The river bed downstream has been scoured out nearly to the depth of the foundation pilings, and there is a danger of eventual collapse. The structure quite literally is sinking into the river, and it will continue to settle and crumble during the 8 to 11 years required to construct a replacement.

Its creaky condition notwithstanding, locks and dam 26 serves as the crossroads of the inland waterway system. All waterborne commerce between either the Upper Mississippi or the Illinois Rivers and any other waterway must traverse this obsolete facility. More tonnage moves through locks and dam 26 than through the Panama Canal. More than half of the tonnage downstream last year consisted of grain destined for export and much of the fertilizer used by farmers throughout the upper Midwest goes upstream through locks and dam 26. More than 80 percent of the cargo shipped through locks and dam 26 is agriculture- and energy-related.

Locks and dam 26 is too small to handle present traffic, let alone projected increases, and is a major bottleneck in

the Nation's transportation system. Last year, on the average, a tow had to wait half a day to get through locks and dam 26 and some had to wait up to 40 hours. Locks and dam 26 has one 600-foot lock and one auxiliary 360-foot lock. Its downstream counterpart, locks and dam 27, the only other lock that has to handle all of the traffic to and from both the Upper Mississippi and Illinois Rivers, has one 1,200-foot lock and one 600-foot lock. Traffic which flows with little delay through locks and dam 27 (built in 1952) stacks up at locks and dam 26. The 1,200-foot lock planned for the replacement facility will help to eliminate this bottleneck.

Various proposals have been advanced for rehabilitation of the existing locks and dam. However, extensive studies have shown that the cost of rehabilitation so nearly approaches that of replacement, with none of the benefits of longer useful life and enlarged capacity associated with replacement, that rehabilitation is not a feasible alternative.

There has been separate legislation passed by the House and the Senate authorizing a replacement lock and dam. I trust that, whatever the outcome of the dispute over user fees, we finally will see this authorization enacted and, ultimately, work begun on the replacement facility. While the locks are in Illinois, the dam across the Mississippi River touches Missouri's shores. The inadequacies of the existing facility severely handicap Missouri farmers, shippers, and the water transportation industry centered around St. Louis.

As we all know, the fate of this legislation will be determined by what we do with the waterway user charges. Our amendment addresses this issue in a very responsible fashion.

It is evident that Congress intends to impose some level of fuel tax on commercial carriers of cargo by water. It originally was my view that the House had passed a very reasonable bill in H.R. 8309, which established a tax level of 4 cents a gallon beginning on October 1, 1979, going to 6 cents a gallon 2 years later. I continue to believe that there is some risk of crippling our Nation's vital system of water transportation by going above that level of taxation, given the lack of any hard data on the economic effects of imposing such taxes.

As we approached the time for consideration of this legislation, however, it became evident that some higher level of taxation must be proposed in order to free the locks and dam project, which was being held hostage to the waterway tax. Moreover, negotiations with the Department of Transportation made clear that the administration felt the need for a higher fuel tax than that provided in H.R. 8309.

Accordingly, my colleagues and I adopted the tax level which was urged on us by the Department of Transportation; namely, 12 cents per gallon. That was what they told us they had to have, and that is what we give them in our amendment.

DOT also urged that a study be undertaken to assess the effects of the user tax and to recommend appropriate tax levels for the future. We include such a study, to be led by the Secretaries of Transportation and Commerce, in our amendment. DOT asked that provision be made to bring about an expeditious vote on the legislation based on the study recommendations. We include that. DOT asked that we accept the Nelson amendment, which provides for an environmental study of the Upper Mississippi. We include the Nelson amendment in our proposal.

In short, Mr. President, we have gone a long way to try to make peace with the administration. Politics has been described as the art of compromise, and we have shown a willingness to compromise on many points. However, there are two points on which we cannot yield.

First, we believe that the imposition of the fuel tax must be linked to some assurance that a new lock and dam is going to be built. The passage of this authorization does not give that assurance, for there is a lawsuit, now pending before the U.S. district court here in Washington, that challenges the environmental impact statement on this project. I have no way of knowing what the outcome of that suit will be, but I know there certainly is a possibility that the suit may carry on past any effective date for a fuel tax in the next 3 to 5 years.

It is evident that my constituents—and, in fact, the constituents of every Senator—are going to have to pay ransom for locks and dam 26 in the form of higher consumer prices resulting from the increased expense of water transportation. So be it. However, if we are going to pay the ransom, we at least should be assured that we are going to get the hostage. I cannot believe that Congress is going to require the American people to pay this ransom and still be left with a bottleneck on the Mississippi because the replacement project is tied up in court.

Our amendment would forestall this eventuality by setting the effective date for the imposition of the waterway tax as January 1, 1982, or the date on which the Secretary of the Army certifies that construction has begun on the new locks and dam, whichever is first. I hope that my colleagues will see that simple equity requires the inclusion of such a provision.

A second area of difference with DOT has to do with another form of ransom. The administration is insisting that no waterway project can begin without an arrangement for some form of user charges to recover a part of the cost of the project. This is a great departure from past practice. It would mean that projects that already have been authorized in various of my colleagues' States would be subjected to the same kind of ransom demand we have experienced with locks and dam 26, for the only way in which the cost recovery requirement could be waived would be through a concurrent resolution adopted by both Houses of Congress. Those of you who have hopes that necessary future projects in your State would be authorized would face the same requirement. It may be that Congress will choose to impose some form of cost recovery on future projects, but it should not be done through this scheme of holding the project for ransom. Senators who represent coastal States should recognize that the same principle of cost recovery will inevitably be applied to harbors and other facilities for deep-draft shipping.

These two issues are the major points of difference between the Domenici-Stevenson amendment and the amendment I have offered along with my distinguished colleagues. The Domenici-Stevenson amendment has been described in the press as the new "compromise" on waterway user charges. I would submit that it is not much of a compromise at all. It is an all-or-nothing proposal, which would rush us too swiftly into the business of constructing toll gates across all of our inland waterways.

I urge instead adoption of the Long-Eastland-Eagleton-Danforth amendment, which will allow a reasoned approach to the new field of waterway user charges and, at the same time, enable us finally to get moving on the long overdue replacement of locks and dam 26.

I thank my colleagues.

Mr. NELSON. Mr. President, I wonder if the Senator from Louisiana might yield me some time from either side. I wish to address myself solely to the pending amendment. I am opposed to it.

Mr. LONG. Mr. President, I ask unanimous consent that the Senator from Wisconsin be yielded 10 minutes, to be taken equally from both sides.

The PRESIDING OFFICER (Mr. PAUL G. HATFIELD). Without objection, it is so ordered.

Mr. NELSON. I believe the Senator from New Mexico is prepared to yield me time.

Mr. LONG. I asked that it be yielded jointly from the time of both the Senator from Louisiana and the Senator from New Mexico.

Mr. NELSON. All right.

Mr. President, I have not at any time, over the past 3 or 4 years, been involved in the debate on the question of user fees, and I am not involved in it now. The issue that activated my interest occurred 4 years ago, when Federal Judge Richey ruled, in a lawsuit brought before his court, that the Corps of Engineers did not have the authority to proceed to build a new locks and dam 26 under the 1909 Rivers and Harbors Act, a law which permits the corps to repair and maintain existing locks without seeking specific congressional authorization. The court simply ruled that the proposed replacement was new construction, and was without authorization. Therefore the court halted work until proper authorization was obtained.

One particular part of the Court's decision activated my interest, the question of the planned destruction of the Upper Mississippi River running from Cairo, Ill., to the St. Croix River junction and on up to the Twin Cities, Minneapolis and St. Paul. The Court held, based on internal Corps of Engineers documents,

that the corps intended, without authorization, to proceed to replace all 25 locks north of locks and dam 26, with new locks, new dams, and a 12-foot channel. It was at that point that I became involved in the issue. Shortly thereafter we designed and introduced a bill which would: First, prohibit the Corps of Engineers from proceeding to replace the locks and dams north of Cairo, Ill.; second, would prohibit the corps from proceeding with the construction of a 12-foot channel; and third, it required that a comprehensive economic and environmental study be made of the Upper Mississippi River system.

So far as I know, not a single supporter of locks and dam 26 advocates the construction of the 12-foot channel and the replacement of the 25 locks above Cairo, Ill. All the farm organizations I have talked to, the REA, and others, all say they are not interested, and for a very good reason, too: There simply is no place to dispose of 3 feet of additional spoil from the Mississippi River all the way from Cairo to Minneapolis.

The purpose of the amendment that I offer, which is a part of each of the Long and Domenici-Stevenson amendments, mandates that economic and ecological studies be made on a systemic basis to determine what, if any, further expansion should take place. This will be the first time that a comprehensive study of this kind has been made on any part of the inland waterway system, and sets a very good precedent. We all, all of us representing States that are involved in the inland navigation system, have always supported an effective, adequate operating locks and dam 26. This river, we all recognize, is a magnificent asset, and that part of the river to which this study is addressed, north of locks and dam 26, is a magnificent and valuable asset from several standpoints: It is a very important avenue of commerce, carrying agricultural products of great importance, grains down the river, fertilizers up and down the river, and it is an important source of water for industrial use. In fact, it is a vital source of municipal drinking water to the cities bordering the river all the way from the Twin Cities down to the gulf.

Furthermore, it is a very important recreational asset. Hundreds of thousands of people bordering that river, up from Cairo to LaCrosse, to Prescott, to Minneapolis and St. Paul, use that river every year for fishing, and hundreds of thousands more for boating and swimming. It is probably the most valuable and most widely used recreational asset anywhere in the Midwest, including any of the three Great Lakes that are there. Moreover, it is a fine wildlife habitat which is protected, some of it as wilderness and some of it as part of the Upper Mississippi Fish and Wildlife Refuge. So there are a large number of significant economic and recreational interests on or near that river that must be protected.

In addition, we recognize that all of these multiple uses are very important. This amendment addresses the question of evaluating the traffic on the river. What really is the optimum traffic that can be carried on that river without beginning to destroy other valuable uses of the river? Nobody knows.

Is it 70 million tons a year, 80 million tons a year, 90 million tons a year? Nobody knows the answer to that question. We should have it.

That is the purpose of the study. That is why I became involved—when I discovered that the corps was, in fact, going to take this dramatic action without authorization from the Congress at a cost, over the period of time, of $3.5 billion.

As to the amendment proposed——

The PRESIDING OFFICER. The Senator's time has expired.

Mr. NELSON. Will the Senator from New Mexico yield another 5 minutes to the Senator from Wisconsin?

Mr. DOMENICI. I will be delighted to yield an additional 5 minutes.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. NELSON. I now wish to address myself to the amendment proposed by the distinguished junior Senator from Missouri.

This amendment would impose the same fuel tax upon users of the deep water ports of the United States. The deep water ports would include all of the major deep water ports on the Saint Lawrence Seaway system, including Chicago, Milwaukee, Detroit, and so forth.

It would impose this tax based on the concept that the dredging of the ports is a cost which is a subsidy by the Federal Government.

There is no question but that it is.

Let me say for the record my sole concern respecting our respective transportation systems—air, surface, trucks, highways, and waterways—is equity and fairness. In my judgment, all modes of transportation should be treated equally. There is no argument, so far as I know, that justifies unequal treatment of the various modes of commercial profitmaking transportation in the United States.

We do not know, or we are not in agreement, what equal treatment would mean. How much subsidy do the rails get? How much subsidy do the waterways get? How much subsidy do the deep sea ports get? How much subsidy goes to the airlines, and how much to the trucks? We have never had a study of that. Both of these amendments authorize and direct that those studies be done. They should be done. Then we ought to have the courage and the commonsense to treat them all alike, every mode of transportation, whatever that requires.

If we are going to provide some subsidies to various modes of transportation, as I suspect we probably always will, then the treatment should be equal.

Wisconsin is one of the four States in the United States that is part of the inland waterway system and part of the Saint Lawrence Seaway system. Another is Indiana because across the northwest corner of Indiana runs the Illinois River and Indiana is on the lakes. The State of Illinois is also on both the seaway system and the inland navigation system. Then Minnesota is involved in the seaway system and bordering Lake Superior. Wisconsin is bordered by Lake Superior, part of the seaway system, and Lake Michigan, which is also part of the seaway system.

As to the amendment offered by the Senator from Missouri (Mr. DANFORTH), let me say that the amendment contains a flaw—not just a disabling flaw but plainly, simply, and obviously a fatal flaw.

The Senator from Missouri argues the proposition—and I am now addressing myself to the St. Lawrence Seaway——

The PRESIDING OFFICER. The Senator's additional time has expired.

Mr. NELSON. Mr. President, I yield myself another 5 minutes. The manager of the time (Mr. DOMENICI) has given me the authority to control time on the bill while he is not on the floor.

I yield myself 5 additional minutes.

The PRESIDING OFFICER. The Senator is recognized.

Mr. NELSON. As I said, this should be looked at closely. I would like to have the response of the Senator from Missouri.

This amendment does not contain just a disabling flaw, but it is a fatal flaw so far as the deepwater ports of the Great Lakes Seaway are concerned. It also contains another seriously disabling flaw because of its impracticality as applied to the ocean ports on the east coast, the west coast, and the Gulf of Mexico.

Because some fees are being charged to the inland waterway system the thrust of the argument of the Senator from Missouri is that if a fee is to be levied regardless of how much that fee may be, then a user fee in the form of this kind of a tax should be equally applied to the users of the deepwater ports on our two coasts, the gulf, and the Saint Lawrence Seaway.

What is that fatal flaw so far as the Saint Lawrence Seaway is concerned? The Saint Lawrence Seaway has 15 locks and dams. Under law the Saint Lawrence Seaway has to charge tolls for those who use the locks sufficient to recover the capital investment for building those 15 locks, for maintaining those 15 locks, for operating those 15 locks, and for repairing those 15 locks.

Those fees have been levied to do so. As a matter of fact, the fees were just raised last year again, in order to be sure that the capital investment to build those 15 locks, maintain and operate those 15 locks, and repair those 15 locks is paid for by the users. Last year, bulk cargo was 70 cents per metric ton. It is raised in 1979 to 77 cents, raised in 1980 to 99 cents.

I ask unanimous consent that this table showing the various cargo charges be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TOLLS

The toll schedule was recently renegotiated, and is to be phased in by 1980. The

tolls are designed to cover all operation and maintenance and capital recovery.

	1978	1979	1980
Bulk cargo (per metric ton)	$0.70	$0.77	$0.99
Containers (per metric ton)	.99	.99	.99
Government aid cargo (per metric ton)	.61	.66	.72
Grain (per metric ton)	.61	.66	.72
General cargo	1.55	1.55	2.15
Charge on vessel (per gross ton)	.14	.14	.14

The new rates went into effect April 1, 1978, to be phased in by April 1, 1980.

All of the tolls collected thru the Welland Canal (8 locks) go to the Canadians, and 29 percent of the tolls collected (2 U.S. locks) on Lake Ontario are U.S. dollars.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. NELSON. I ask the Senator if he will yield another 5 minutes.

Mr. DOMENICI. I am delighted to yield 5 minutes.

Mr. DANFORTH. Will the Senator yield half a minute?

Mr. NELSON. Yes.

Mr. DANFORTH. I shall be happy to see, in my amendment, that the Saint Lawrence Seaway will be exempted from it. I think the Senator is right, that that is one exception where there are user fees charged. On the rest of the deep-draft harbors and ports, of course, they are not. I would be perfectly happy to modify my amendment in accordance with the Senator's desire.

Mr. NELSON. Let me say to the Senator that I appreciate that he recognizes this is a special case because, you see, if that principle were applied to the Saint Lawrence Seaway, in order to be fair, the Senator from Missouri would have to agree to a levy of a tax high enough to capture the total capital investment from the beginning of the waterway or, at least, back to 1959, when the Saint Lawrence Seaway opened. All the construction costs have been paid for since then. In order to be fair, the Senator would have to agree to levy a tax to pay for the construction of everything on the inland waterway since 1959. That would not make it equal, of course, but at least, that would be a fair place to start. In addition, the cost of operation and maintenance of all these locks and dams, which would be a cost much higher than the Senator from Missouri would want to support.

However, I am here to make the case in behalf of the Saint Lawrence Seaway, which I think is compelling, in fact, irrefutable. I did say, though, if the Senator listened to my remarks, that I thought the flaw was fatal respecting the Saint Lawrence Seaway and disabling so far as it affects the other deep water ports on the east coast, the west coast, and the gulf, because, if for no other reason—and there are others—it is very impractical.

It may be so that the study would disclose a method of making charges for dredging. I am not sure that that is the way we want to go. I think we ought to have the study first.

There is another point. The Senator from Wisconsin, in looking at it, cannot figure out how one would administer this tax for fuel for even the ports outside of the Saint Lawrence Seaway. What happens? A ship comes down from Canada on the west coast to Seattle, to Los Angeles, to San Francisco, to San Diego, or wherever. It buys its fuel in Canada, discharges its cargo, picks up cargo at San Diego or San Francisco, Los Angeles, or Seattle, and goes back to Canada. They did not buy anything, so they would not pay any tax. That would happen with shipments from all over South America, Mexico, across the gulf: Deliver the goods, pick up whatever they are bringing back, buy no fuel, pay no tax. So we would end up where the only ones we could really get a tax from, for all practical purposes, would be that shipping which was intracoastal within the United States, putting them at a competitive disadvantage with Canadians, Mexicans, other South American countries.

I really believe that, even with the Saint Lawrence Seaway exempt, which is recognized as logical by the distinguished Senator from Missouri, I cannot see any practical way in the design of this amendment to collect those fees on the deep water ports. I am not sure in my own mind, in any event, whether it is a good idea. I would have to be persuaded that it is and that it is equitable respecting all other waterways.

Mr. President, I yield whatever time I have remaining.

Mr. DOMENICI. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DOMENICI. How much time do I have remaining on the Stevenson-Domenici amendment?

The PRESIDING OFFICER. The Senator from New Mexico has 90 minutes remaining.

Mr. DOMENICI. How much time does the Senator from Louisiana have?

The PRESIDING OFFICER. Two hours and 1 minute.

Mr. DOMENICI. I am only going to take a couple of moments at this time. I yield myself 5 minutes.

The PRESIDING OFFICER. The Senator from New Mexico is recognized for 5 minutes.

Mr. DOMENICI. I first want, once again, to thank the distinguished Senator from Wisconsin (Mr. NELSON) for the tremendous participation, knowledge, and leadership that he has exercised in this whole issue. Even though his argument about the deep seaports certainly in no way had much to do with the Stevenson-Domenici amendment, I think the Senate profited much by the knowledge that he exhibited and gave to us here today.

I do not think it should go unnoticed that the claims are made by the barge companies that any recoupment or tax on this subsidized system is the death knell; that they are gone, they are going to go broke. I guess we ought to have listened attentively as the Senator discussed the fact that, at the Saint Lawrence Seaway, we are not talking about 10 percent as we are in this bill. We are not talking about a 12-cent fuel tax imposed over a number of years, which we understand, when fully in place, will only return half the operation and maintenance costs that the corps spends of American tax dollars. That system is operating and obivously competitive and doing a job.

We heard the distinguished expert say not only did they not set arbitrarily a 10 percent recoupment of future projects or a 12-cent fuel tax; they are drawn under an agreement that says they have to pay all of the costs, recapture the construction and recapture the annual operation and maintenace. And I do not imagine that anybody is saying that that is an inoperative system or that they are noncompetitive, that we ought to cut that in half, or we ought to do what we have been doing for all the years in the past: Cut it down to nothing, zero, and subsidize it in toto.

So, while his argument specifically had to do with a technical issue that he is very informed on, I commend him for bringing up the example. That certainly ought to convince everyone that that which the Secretary of Transportation has indicated he would accept in behalf of the President, that is in this bill—10 percent in the future for new projects only, as a kind of watchdog, and a 12-cent tax which is identical with that suggested by the distinguishd Senator from Louisiana, other than at what point in time it commences and reaches its full imposition—how anyone can think that is unreasonable is beyond this Senator.

I also want to say that, for those who represent farm States with farm products, I know that there is tremendous pressure in their offices.

People are talking about adding anything to the price of grain when it is depressed, worried about it.

Let me suggest that the best economists in this country have testified almost ad nauseam in the subject that if we continue the subsidized freebie system of inland waterways, that ultimately the farmers of America are going to suffer because the railroads are just going to go out of existence in the very heartland of America where they are required to haul this grain.

We have a list of rail abandonments and if the people think they are up in the Northeast, they are mistaken. They are right in the heartland of America where they are needed to haul the grain. The reason they are being abandoned and are going out of business is because right up the road exists this free system we are subsidizing 40 percent.

The farmer says, "We don't want a half-cent or a quarter-cent a bushel now because our prices are low." There is no Senator more sympathetic to them than

this one. But the truth of the matter is that the economists that have looked at the need for a balanced system say that the time has come to end this particular giveaway, this distortion, on those who have no access to the waterways. Most of them are that kind and are not going to have any way to ship except the most expensive, whatever it is that is left over.

So I submit to those Senators who are worried about that, the answer is that the way to keep a viable system is to begin—we are not ending, we are not running anyone out of business—begin this system now with a little bit of equity and a little bit of balancing that does not exist at this particular point.

Economists who have no reason to favor one over the other, whether it is the Otto Ecksteins of Harvard, whether it is the attorney general of Florida, the many newspaper editors around this country in States served by both, who have drawn on the expert advice that has been given them by economists, transportation experts, all say the same thing.

It is just a myth, Mr. President, just absolute myth for anyone to be here concerned about whether we are going to break the barge companies, whether the barge companies are going out of existence.

That is just absolutely incredible that we would even have that as an issue. The issue is, do we want to continue to build a system free with no safeguards against overruns, excesses, against the kind of thing that says we need a new lock and dam here, so let us build it, with no one around but some formula on cost-benefit that the Corps of Engineers has to administer and run and punch into the computer that can almost justify any one of them and then build it free.

Let me summarize the status of growth and profit in these two industries and then I will reserve the remainder of my time.

The good Senator from Louisiana talked a little bit about reasonable profit and I am not here to argue what a reasonable profit is at all in these industries. But I just want to summarize one more time.

The yearly growth, yearly new growth in barge transportation, is 6 percent—6 percent.

The yearly growth rate of the rails in this country is 1 percent, in terms of freight hauled. and that is with many minuses that we are already aware of.

The barge company profits—and here again I am not one to argue whether it is right or wrong, whether they are too big or little, except that I do object to their trying to sell the argument that they are the ma and pa of the stores, the industries, when that is not so—but theirs is at least 10 percent profit.

For the railroads, the best information we can get, and it is doubtful on the high and we think it is too high, but, basically, it is about 1 percent on equity.

When we put all those together, it is just absolutely incredible that the issue here would be distorted and be based upon putting anyone out of business, charging an excessive amount to refund the taxpayers what they are putting in.

The argument, basically and simply, is that those who have had inland waterway projects constructed year after year, based on nothing more than the economic models prepared by the Corps of Engineers, just do not want any real economist looking over their shoulder. That is it. That is all our 10 percent recoupment is going to do.

It is going to say, "OK, get this project ready, get your cost estimates, get your user standards."

Then it will say, "Now, you people are going to use it," and once they have been using it free, come in, take a look.

When that happens, they are going to understand that in the first 10 years after it is built they will have to pay back 10 percent, not 100, not 50, 10 percent, with interest, 1 percent a year.

We call that the watchdog approach because they will be looking over the shoulder to see if perhaps we can fix up that old one at a little less cost.

Maybe we do not need this one to the extent of $1.5 billion. Maybe $700 million will do.

Again, I do not want to pick on projects. But I submit that the Tennessee-Tombigbee—and again we do not touch it, it will be built, it is under construction, we are not going to charge it anything other than the fuel tax that everyone pays—but I submit, a 10 percent looking over the shoulder would not have permitted a $1.4–$1.5 billion overrun on that project, and I understand overruns. I do not take the floor and demagog overruns. I understand inflation. I understand change of circumstance.

But I also understand that when the commercial user of these kinds of facilities has to do nothing but furnish the Corps of Engineers with figures on how much freight they are going to be able to deliver through that facility so they can punch it into a computer for cost-benefit, then there is no watchdog and the private sector, which is so good at that, is used not at all.

Because it is natural that they would be greedy in that situation. I do not fault them for it. But, obviously, if they have got to pay a little bit of it, when they give their estimates they may be just a little bit more realistic.

When they decide how many hundreds of millions of taxpayers' dollars are supposed to go in that, they may say, "We don't need to, we will get by with one lock." Or, "Let's spend $100 million and rehabilitate one." Or, "Do we really need to build this whole new system to serve some city as we have in the past if we are going to have to pay a little bit of the share?"

Senator DANFORTH has made an argument that concerns me. On a number of occasions he has worried me about the fact that we might slow down some of the economic growth in the area served, and that maybe—maybe—industries, maybe little companies, large companies, have expected this growth, and are therefore kind of penalized retroactively.

If I were convinced that there was going to be no real loss, I would not be here. What I am convinced of is that, if the Stevenson-Domenici amendment is adopted and in place, they can no longer count on this transportation system running wild; and their economic projections of what it will be 10, 15, or 20 years from now may have to be adjusted somewhat. I use the word "somewhat" intentionally, because it still will be the most economic, the cheapest, and the most subsidized mode of transportation in America.

One final argument: It has been said that in this day of energy shortage, somehow or other we should preserve this system, subsidized 40 percent, as indicated by the Secretary of Transportation, CBO, CRS—not the barge companies. They do not think it is that much. I did not ask the Department of Transportation. They are the ones, including CRS, who said that. We still are going to be subsidizing them substantially. There is no question about that.

They are going to grow at the most rapid pace of any around, subject only to the prudent analysis of the capacity of some of these river basins, as discussed so thoroughly by the distinguished Senator from Wisconsin, that eventually you are going to have to look at the other uses of a beautiful river system and not continue to say how many barges it will handle. Nonetheless, they are going to grow.

On energy, we have been told that we should maintain this system, which is so energy conservation oriented, the cheapest. If you look at it, at first blush you would think that motoring down a river should be a lot cheaper than motoring down a railroad track. I do not know why one would kind of intuitively think that. I did. But the fact is that, per ton mile, in terms of energy used, the railroads are cheaper than the inland waterways; because you have to go down and you have to come back, and you cannot make the river straight. So you have to follow it wherever it goes. To get from a point 100 miles downstream to 100 miles upstream as the crow flies, you have to navigate the river as the river flows. The fact is not that it will save energy as contrasted with railroads, in units that you ship. In fact, it is quite to the contrary.

The Congressional Budget Office, in the 11 reports they surveyed, estimated that the energy use for domestic water transportation generally falls in the range of 500 to 700 Btu's per ton mile, while the usual range for rail freight was 300 to 700 Btu's, and 400 to 500 Btu's for oil pipeline.

So I do not believe there is any real argument against the Stevenson-Domenici amendment, other than that after 44 years and every President since Roosevelt, we would just like to change the way of doing business a little bit—just a little bit. Basically, that is that 10 percent recoupment down the line on new projects.

I will repeat one argument: For those in the Senate who say we should wait for the study that is going to tell us what is right, I am going to repeat that this has been studied, restudied, and studied again. All the studies, in terms of a balanced transportation system, could just as well have been thrown in the waste-

basket. Whether I prevail or Senator LONG prevails, I do not want the next study coming forth to be thrown away as the others were. So if it comes down and we have this meager 10 percent on the books, it will be looked at. It will be voted on. It will be assessed. Unless you do this, and unless you take affirmative action, the 10 percent will remain the law of the land.

In that respect, too, it is significant not in terms of economics, because it is insignificant what it is going to add to the system. I defy anyone, even the barge companies, to come here and tell us it is going to break the farmer: How much that little 10 percent on one new project, which can be spread over the system or on the project itself, is going to add to freight costs. It is insignificant.

What they really do not want is to change the basic approach of having anyone other than the corps and its cost-benefit ratios, established under every President, at the encouragement of the commercial user, changed one bit.

I, for one, agree wholeheartedly with the President of the United States when he says it is time that we bring a change to this system, which costs $300 million a year in operation and maintenance and an equal amount, on an average, over the last 10 or 15 years, in capital improvements, to serve basically one mode of transportation.

I reserve the remainder of my time.

Mr. DANFORTH. I yield myself 1 minute.

Mr. President, I want to talk very briefly on the question of relative subsidies between the railroads and the barge lines.

Under the long amendment, the total Federal subsidies available to railroads per ton mile would be 1.18 mills. The total subsidies under the Long amendment for the riverways would be .90 mills per ton mile. Under the Domenici approach, the difference would be between 1.18 for the railroads and .82 for the barges.

So, under both approaches, the policy of the Federal Government would be a very heavy bias in favor of the railroads and against the barge lines.

We already made that decision; we made it last June. It is the position of the administration. We have conceded the point.

The question is not whether we are going to favor the railroads by undue subsidies. The question is how far we are going.

The PRESIDING OFFICER (Mr. MUSKIE). The Senator's 1 minute has expired. Who yields time?

Mr. LONG. Mr. President, I was not under the impression, when I asked unanimous consent, that we were going to agree to debate 6 hours on the parliamentary situation that we have at this moment.

Under the unanimous-consent agreement, we are going to have 3 hours on the Domenici amendment and 3 hours on the Long amendment; and I thought when we offered one as a substitute for the other, we would have 3 hours before the first vote, an hour and a half equally for both sides, and then we would have 3 hours on the other, if we wanted to take it, and I did not think we would.

One reason I have been asking so many times about how much time remains is that I could not understand how we could have that much time remaining.

I suggest, in view of the situation in which we find ourselves, that we both agree to debate this matter for perhaps another half hour, or perhaps even less, and then vote.

I ask the distinguished Senator from New Mexico what his reaction is to that proposal. I thought we were going to debate 3 hours on this matter. It appears that there is a misunderstanding. The Chair had this thing set up as though we were going to debate it for 6 hours.

Mr. DOMENICI. Mr. President, I do not really believe that I want to take all the remaining time, but I would not want to agree at this moment to shortening it. I would like to confer with Senator STEVENSON and a couple of other Senators. That should not take more than a few moments to discuss with them, and then I may be ready to agree with the distinguished Senator from Louisiana.

Mr. LONG. While the Senator is discussing, I will speak for a few minutes and respond to a few arguments the Senator made.

Mr. DOMENICI. Will the Senator yield for one moment?

Mr. LONG. I yield.

Mr. DOMENICI. I say to the distinguished Senator from Missouri that I do not want to spend a great deal of time talking about the subsidies he has discussed. I have a detailed analysis of my theory, which is supported by some transportation experts, indicating that the only real test of the subsidy is its impact on revenues and their rates. I know we would disagree. However, rather than going into detail, I say to the Senator that I have it analyzed, at least as to what it means in terms of that approach.

I ask unanimous consent that my statement explaining that be printed in the RECORD, and I reserve the remainder of my time.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

TON-MILE SUBSIDIES

The only real test of a subsidy is its impact on revenues—and their rates. On this basis, barge owners get a 40 per cent direct subsidy, according to the Congressional Budget Office, while competitors get 3 per cent or less.

Let me explain why a ton-mile analysis is no true test. Let us assume the subsidy is not 40 per cent, but 100 per cent, which might translate into a ton-mile subsidy of 1 cent or 10 cents, whatever. That level of subsidy means, in effect, that the service is fully subsidized, and shippers can use it for "free." The competitor may get the same ton-mile subsidy, but it only translates into 8 per cent of revenues, meaning 92 per cent of his revenues would have to be raised by rates on the shippers? Now, what effect do you think that will have on traffic?

One other point. The figures of my good friend from Missouri (Mr. DANFORTH) are basically false, because they assume an annual subsidy to the railroads of $1 billion, apparently including railroad retirement funding, which is basically a replacement for Social Security, loans to ConRail, etc.

Mr. DANFORTH. Mr. President, I should like to expound on the subsidy question, because it is so important, and in my opinion it has been so misrepresented by, for example, the Secretary of Transportation in his letter.

Subsidies as a percentage of revenue is a totally meaningless figure. It means absolutely nothing.

Subsidy as a percentage of revenue would mean that there would be a very low percent and a very high revenue generating industry which happens to be the railroads. The only meaningful measure of subsidy is how much subsidy the Federal Government is providing to move a ton of freight a mile. What is the ton mile subsidy?

We have agreed in the Long approach that the bias of the Federal Government is going to be against the barge lines and in favor of the railroads, that under the Long approach—and this is why I say the Senator has won the day, he has already won; it is just a question of how far we are going—under the Long approach the ton mile subsidy for the railroads with a 12-cent fuel tax as opposed to the barge lines will be 1.18 mills for the railroads and 0.90 mills for the barge lines. If we have in addition to that a 10-percent capital cost recovery the 0.90 is reduced to 0.82. The bias in in this bill, no matter which way we go on a ton-mile basis, which is the only revelant way to measure relative subsidies, the bias is going to be in favor of the railroads and against the barge lines.

I do not know that is a justifiable policy. It seems awfully strange to me, but I do think we are now beginning to talk about the real issue that is involved because the real issue is not recovering the taxpayers' money. If that were the real issue, then we would apply the same standard to the inland waterways as we apply to the deep draft harbors and ports, and that is not in the bill as we have it right now.

So the question is, do you help the railroads by hurting the barge lines? The question is competition between the two, and the bias of this bill and the bias of the administration is that we should do exactly that. For the sake of diverting traffic from the barge companies to the railroads, we are going to impose this tax, and the upshot of the whole thing is that the relative subsidies between railroads and barges are going to be heavy no matter which way we go, weighted in favor of the railroads and against the barges.

Mr. LONG. Mr. President, I agree with the Senator from Missouri that that is the only logical way to compare the subsidy of two different industries, that is, of transportation industries. If it is freight you are talking about the relevant comparison is how much subsidy you are giving per ton mile. If it is passenger you are talking about, then the relevant figure is how much subsidy are you giving per passenger mile. And to keep the figures any other way is to discriminate and to be unfair.

There was some points made, Mr. President, which also I believe to be in error. The Senator made the point that because the waterways had help in building locks

and dams that is destroying the railroads.

Mr. President, there is a far more efficient mode of transportation than a barge. It is far more efficient to put something in a deep draft vessel and send it around the coast than put it in a barge and go through a shallow waterway—far more efficient.

We have a railroad like Southern operating in competition with the most efficient of water transportation, and it is a healthy railroad.

The Senator made the point that when you talk about the energy savings a barge oftentimes goes empty from one place to another and goes fully loaded in one direction and sometimes empty coming back. The Senator completely ignored the fact that the railroads have the same backhaul problem for their empty cars that the barges have for their empty barges. Sometimes they have a load back and sometimes they do not. Just like in arguing that a railroad, if possible, has to lay a straight track from one point to the other, he ignored the fact that the railroads have all sorts of problems in getting from one place to another, such as natural obstacles, mountain ranges and goodness knows what. But look at the ConRail line in western New York to see how they go around in a circle to get where they want to go with it, and the same thing is true in other respects of the rail lines.

What we have proposed here and what we are agreeing to amounts not to a 10-percent cost. It is a 25-percent cost of defraying because the tax would bring in what is about 25 percent of that which the Government is spending on waterways. That is a lot more than any 10-percent cost recovery that we are talking about. In other words, if you look at the cost of maintenance and also look at the cost of the construction, you add it all together and it works out to a figure less than $600 million, and we are talking about raising $150 million a year with a 12-cent per gallon tax. That is a 25-percent cost recovery.

The system should also be given credit for 7-percent recovery now in that the local people in putting up their easements and their lands, and that type thing, for their waterways are already making, in effect, a 7-percent cost contribution.

So, Mr. President, not all railroads are in an unhealthy condition. But insofar as they have problems, I point out it is not just because they have water competition. It is because they have trains going somewhere where its a 5-man crew where a 3-man crew would be adequate, and some railroads in fact are operating a 3-man crew.

It is not quite fair to say that because they have a very expensive pension program and they have more labor than might be necessary we should plague their competitor by increasing his cost which means just the user of the service, the farmer or the person receiving the shipment, on the other hand, has to pay a great deal more because someone wanted to penalize the waterways in order to give the railroads an additional chance.

We would agree that, yes, there should be a study and you should compare all of the services and at the end of the study then should see what additional charge there should be. But as the Senator from Missouri points out, it may very well be no additional charge is justified if you compare on a fair basis what is being done for the railroads compared to what is being done for the waterways. We have voted for this railroad bill last year that provides hundreds of millions of dollars of additional subsidy for the railroads. Railroads have been subsidized from the year one in the country starting with the enormous land grants that were made for them. We passed tax bills that have provided tax advantages, which is another form of subsidy that have been directed far more toward the advantage of the railroads than others just because we thought they needed it at that particular point. They have not been ignored. And to take the view that you should penalize the waterways and the water users because the railroads are having a bad time of it overlooks the fact that a great deal of it is because of their own inefficiency. In many instances, their cars get all across the country and they do not know where they are and have lost records of where the cars are. They would be out in the West and they would not know how many boxcars or certain type cars they had in this area or the other area when efficiency and good management would insist that they keep better records of that and have better plans of their movements.

So when you have what amounts to a 25 percent tax that ought to be regarded as a user charge itself, and it certainly is, and to try to add an additional charge during a period when a study is going on strikes this Senator as being unfair.

Mr. President, therefore, I hope the amendment will not be agreed to.

Mr. DANFORTH. Mr. President, I yield myself such time as I require out of the time allotted to my amendment.

I would just like to follow up on what the Senator from Louisiana has just said. I am not opposed to helping the railroads. As a matter of fact, in the State of Missouri we have many, many more miles of track than the State of New Mexico has. I think we have about three times as much. We have three railroads that are headquartered in our State, and I am all for helping the railroads. That is how we got to 1.18 mills per-ton-mile subsidy for the railroads.

It comes in the form of the purchase of ConRail debentures and preferred stock; it comes in the form of interest and subsidies to insolvent railroads, and grants to railroads for rail continuation; it comes in the form of the Federal Government picking up railroad retirement and social security payments and various kinds of tax expenditures.

I do not even include in the 1.18 mills per-ton-mile Amtrak. Taking over, of course, passenger service was a great benefit to the railroads, but for the purpose of computing this figure I have not event included Amtrak, and still we get to 1.18 mills per-ton-mile of freight as opposed to, under the Long approach, .90 mills per-ton-mile for the waterways.

I do not mind subsidizing the railroads, but what strikes me as being very unfair is when you try to help one competitor by hurting the other, and that is exactly what is involved before us now. It is trying to help the railroads not by further subsidy of the railroads but by imposing a penalty, a tax, on the barge lines, and it will—and the DOT surveys have shown this, reports have shown this—that the effect of imposing the tax on the inland waterway system will be to—divert traffic from the inland waterway system to the rails. It is just as simple as that. That is the whole point.

It is not recovering the taxpayers' money; it is not saying why should we proved free dredging, and so on, on the inland waterways, that is not the point. That happens to be the form in which the subsidy comes for the inland waterways today.

The form that the subsidy comes in for the railroads is in the form of purchasing ConRail debentures, and so on. It is just a question of the type of subsidy that is involved, and there is a different type of subsidy involved in the inland waterway system, and what we are doing now is imposing a tax in order to, in effect, reduce the subsidy that the inland waterways are receiving.

That is the point. It has to do with relative subsidies, it has to do with diversion of traffic. It does not have to do with recovering money for the taxpayer because, as pointed out earlier, if that were the case, then the costs of dredging for the Corps of Engineers in the inland waterway system and the costs of dredging in the deep-draft harbors and ports, the costs to the taxpayer are actually identical problems.

The PRESIDING OFFICER (Mr. HATHAWAY). Who yields time?

Mr. STEVENSON. Mr. President, I yield myself 5 minutes on the Domenici-Stevenson amendment.

Mr. LONG. Mr. President, will the Senator yield? I would like to inquire whether we might agree to reduce the time in line with what I had thought we had agreed to to begin with.

Is the Senator from New Mexico in the Chamber?

Mr. STEVENSON. No, I do not believe he is in the Chamber at the moment.

I have discussed that with him. It is my understanding, and it was at the beginning, that we were to aggregate the time on these amendments and try to dispose of them both with one vote. But I would be glad to discuss that with the Senator from New Mexico.

Mr. LONG. I am not seeking to prevent the Senator from making his speech, do not misunderstand me, but I believe most of what could be said has been said, and I believe it would accommodate all if we could try to bring this matter to a vote sometime soon and get on with the business. But I thought perhaps the Senator had talked with the Senator from New Mexico and that the Senator from New Mexico is here. I beg the Senator's pardon.

Mr. STEVENSON. Mr. President, I will be happy to discuss that with the

Senator from New Mexico. I certainly have no interest in delaying this matter unnecessarily, and I agree with what the Senator from Louisiana has said about everything that could be said has been said, but I am not convinced that it is all understood.

The issues between these two amendments are narrow. They both require user fee studies; both require environmental studies, and they both provide for fuel taxes for use of the inland waterways starting at 4 cents and going up to 12 cents.

As the Senator from Louisiana has mentioned, the 12-cent tax will produce revenues of about $153 million. That under this amendment will not take effect until 1985. When it does take effect it will be much less than competing modes of transportation pay in comparable taxes, and it will only represent about half of the operating and maintenance costs for the inland waterway system.

Mr. President, the issue is narrowed down to the construction cost recovery formula in the Domenici-Stevenson amendment, which is not contained in the amendment offered by the Senator from Louisiana. That amendment requires the recovery of new construction costs in the future not to include the construction costs for locks and dam 26, and it will only take effect after the study and after the construction of future facilities. It will not take effect until they are in operation, which means it will be 6, 7, 8, 9 years before this cost recovery formula produces any revenue at all, and before that time Congress will have had an opportunity, and with the benefit of the study, to reconsider the formula.

On the basis of that study, if all of these predictions about the dire consequences for the waterway interests are true, why, Congress could repeal it. If they are not true, Congress could increase it. If it takes no action at all, only then would it be, unless of course it is reaffirmed by Congress, would it be continued.

Now, Mr. President, that 10 percent cost recovery formula over 10 years, which means 1 percent a year for 10 years, would produce, if it takes effect at some future day, approximately $1.8 million a year. That is what this whole debate is about, a difference of $1.8 million a year off in the future if Congress does not repeal it or otherwise change it with the benefit of a study.

Mr. President, for that $1.8 million a year, the users of the inland waterway system, all the people of the Midwest, would receive about $613 million in new construction, and that construction would be for locks and dam 26, the most critical navigational facility in the country, Gallipolis in West Virginia, and Vermilion in Louisiana.

To the extent that there is that recovery of about $1.8 million a year, plus the gasoline taxes, they are all benefited also, not only by the construction, but also as taxpayers. The cost to farmers, with which all of us are rightly concerned, would, as a result of the fuel tax, in 1985, when we reach 12 cents, amount to—this is on the basis of estimates by groups representing the farmers—about $1.2 billion. That is not a very high price to pay for the maintenance of the inland waterway system, the construction of these facilities, and also for the beginning of an effort to redress the competitive disadvantages and help to save the railroads from collapse, which is already true in the Midwest with the bankruptcy of the Milwaukee Road and the Rock Island.

I ask, Mr. President, why is there such a heated debate over $1.8 million a year, when there is no difference of opinion about the gasoline tax, the fuel tax, which will produce much more, or, for that matter, over the construction, which will cost some $613 million?

The PRESIDING OFFICER. The Senator's 5 minutes have expired.

Mr. STEVENSON. I yield myself 5 minutes more.

Mr. President, I have some difficulty understanding this, too. When this began, long ago, I opposed cost recovery as a percentage, an arbitrary percentage of some indeterminate future cost, because I did not believe we should legislate in the dark or delegate the revenue-raising responsibility to the executive branch, but I have made a concession; so has the administration, a large one, and so has Senator DOMENICI. I made it because Congress will have an opportunity to reconsider this formula long before it takes effect, and even if it were to take effect it would produce $1.8 million a year. That seemed to me to be a very small concession to make, in view of what is at stake.

It is the principle that matters to the administration, and it is the principle that will bring this bill down if it is not accepted by the Senate. That has been made clear beyond any doubt. It has been made clear to me in three conversations with the Secretary of Transportation and in conversations I have had with representatives of the White House, and it has been made clear by the President in conversations that he has had directly with Members of this body.

If that principle, which, as I say, may some day cost $1.8 million a year, is not accepted, then this bill will be vetoed, and I for one, Mr. President, am not going to take that possibility lightly or play "chicken" with the welfare of this region, the American Middle West, over $1.8 million, with a chance to change the formula.

That is what this debate has boiled down to, after all these years and, indeed, after a debate that has spanned many decades. It is small enough. And besides, it is about time that the principal beneficiaries of an enormous public investment in both operation and maintenance and construction begin to pay for a small part of that investment.

So I commend Senator DOMENICI once again, and once again I urge my colleagues to support our amendment.

Mr. DOMENICI. Mr. President, I yield myself 5 minutes.

First, Mr. President, I would like to yield to the Senator from Maine (Mr. MUSKIE) for purposes of a colloquy.

Mr. MUSKIE. Mr. President, I would inquire of the distinguished Senator from New Mexico regarding the coverage of his amendment. I am particularly concerned as to which waterways will be included under the definition of "inland waterways of the United States" in section 305. I understand that the Senator from New Mexico has a list of waterways to which his amendment applies.

Mr. DOMENICI. Yes, I have here a list prepared by the Corps of Engineers which describes all waterways covered by this provision. I send that list to the desk and ask unanimous consent that it be printed in the RECORD at this point.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

The following inland and intracoastal waterways of the United States are subject to this Act

Alabama-Coosa Rivers.
Allegheny River.
Apalachicola-Chattahoochee and Flint Rivers.
Arkansas River (McClellan-Kerr Arkansas River Navigation System).
Atchafalaya River.
Atlantic Intracoastal Waterway.
Black Warrior-Tombigbee-Mobile Rivers.
Columbia River (Columbia-Snake Rivers Inland Waterways).
Cumberland River.
Green and Barren Rivers.
Gulf Intracoastal Waterway.
Illinois Waterway (Calumet-Sag Channel).
Kanawha River.
Kaskaskia River.
Kentucky River.
Lower Mississippi River.
Upper Mississippi River.
Missouri River.
Monongahela River.
Ohio River.
Ouachita-Black Rivers.
Pearl River.
Red River.
Tennessee River.
White River.
Willamette River.
Amite River and Bayou Manchac, LA.
Atchafalaya Basin E–W access channels, LA.
Barataria Bay Waterway, LA.
Bayou Bonfouca, LA.
Bayou Dupre, LA.
Bayou Grosse Tete, LA.
Bayou Lafourche and Lafourche Jump WW, LA.
Bayou Plaquemine Brule, LA.
Bayou Segnette, LA.
Bayou Teche and Vermilion River, LA.
Bayou Terrebone, LA.
Black River, AR, MO.
Blackwater River, FL.
Bolles Harbor, MI.
Canaveral Harbor, FL.
Cape Fear River, NC.
Cedar Bayou, TX.
Channel from Back Sound to Lookout Bight, NC.
Chefuncte River and Bogue Falla, LA.
Clatskanie River, OR.
Clear Creek and Clear Channel, TX.
Clinton River, MI.
Coos and Millicoma Rivers, OR.
Cowlitz River, WA.
Cypress Bayou and Waterway, TX, LA.
Darien Harbor, GA.
Delaware Bay-Chesapeake Bay Waterway (VA portion), project recently classified "inactive" because Governors of the three States withdrew support. Project name reverted back to its old name, "Waterway on the Coast of VA, VA".
Double Bayou, TX.
Escambia & Conecuh Rivers, AL, FL.
Freshwater Bayou, LA.
Grand River Harbor and Grand River, MI.

Greenville Harbor, MS.
Houston Ship Channel (shallow draft segment), TX.
Intracoastal Waterway Caloosahatchee to Anclote River, FL.
Lake River, WA.
Little Calliou Bayou, LA.
Long Island Intracoastal Waterway, NY.
Manteo (Shallowbag) Bay, NC.
Matagorda Ship Channel (shallow draft portion), TX.
Memphis Harbor, TN.
Mermentau River, Bayou Nezpique and Des Cannes, LA.
Mermentau River, LA.
Minnesota River, MN.
Nanticoke River, DE, MD.
Narrows of Lake Champlain, NY, VT.
New Jersey Intracoastal Waterway, NJ.
Neuse River, NC.
Okeechobee Waterway, FL.
Old River, CA.
Pamlico-Tar Rivers, NC.
Petit Anse Tigre and Carlin Bayous, LA.
Roanoke River, NC.
Rollinson Channel, NC.
Sacramento River (Shallow-draft), CA.
Savannah River below Augusta, SC, GA.
Smith River, OR.
St. Croix River, MN, WI.
Siuslaw River, OR.
Tennessee-Tombigbee Waterway, AL, MS.
Trinity River and Tributaries, TX.
Vinton Waterway, LA.
Waterway connecting Pamlico Sound with Beaufort Harbor, SC.
Waterway from Empire, LA to Gulf of Mexico, LA.
Waterway from Intracoastal Waterway to Bayou Dulac, LA.
Waterway Norfolk, VA to Sounds of North Carolina, VA, NC.
Wicomico River, MO.
Yaquina River, OR.

Mr. MUSKIE. Is this an inclusive list of all waterways which will be covered by this amendment?

Mr. DOMENICI. Yes, it is.

Mr. MUSKIE. I am pleased to learn that. I am concerned with the potential for ambiguity in the definition, "inland waterway of the United States," at least as it applies to certain rivers in Maine which are maintained by the Corps of Engineers to support a variety of traffic including, in some cases, barge traffic. I note that no waterways in Maine are included in the list of waterways which the Senator from New Mexico has sent to the desk. So his statement that the list excludes all other waterways is reassuring. If I can prevail on the Senator from New Mexico just a bit longer, I would draw his attention to the situation on three rivers in Maine which come to mind with regard to this provision. I would like his assurance that the Fore River, the Penobscot River, and Kennebec River are not subject to the provisions of his amendment. The Corps of Engineers does occasional dredging on various portions of those rivers for a variety of reasons to support a variety of traffic including oceangoing vessels, recreational vessels, fishing vessels, and commercial barges. It is not clear to me from the information available which type of vessel provides the primary rationale for the dredging which the Corps of Engineers periodically undertakes on portions of these rivers. Is it the understanding of the Senator from New Mexico that, notwithstanding the definition of "inland waterways of the United States" in section 305, his amendment would not apply to any river in Maine?

Mr. DOMENICI. The Senator from Maine is correct. My amendment does not apply to any rivers in Maine. I appreciate his concern that this matter be clarified, so let me repeat that the list of waterways I have sent to the desk is an all inclusive list of waterways to which my amendment applies. Notwithstanding the definition in section 305, no river in Maine is covered. Further I assure him, with particular reference to the Kennebec River, the Fore River, and the Penobscot River in Maine, those rivers are not covered by the provisions of my amendment.

Mr. MUSKIE. I thank the Senator.

Mr. DOMENICI. Mr. President, have the yeas and nays been ordered on the amendment?

The PRESIDING OFFICER. The yeas and nays have not been ordered.

Mr. DOMENICI. I ask for the yeas and nays on the pending amendment.

The PRESIDING OFFICER. There are two amendments pending.

Mr. DOMENICI. I am speaking of the Domenici-Stevenson amendment. I ask unanimous consent that it be in order to order the yeas and nays.

The PRESIDING OFFICER. The yeas and nays have not been ordered on the amendment of the Senator from New Mexico. Without objection, it is so ordered.

Mr. DOMENICI. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. DOMENICI. Mr. President, I suggest the absence of a quorum, and ask that the time be taken equally from both sides.

Mr. LONG. Mr. President, if the Senator will withhold that, I would like to respond briefly to the remarks of the Senator from Illinois.

The Senator from Illinois just made a statement to the effect that we were talking about $1.8 million a year. I do not know how he arrived at that conclusion. I must admit that I was reading from some notes and other material when he mentioned that subject the first time, but I would think the Senator is off, Mr. President, by about 20 to 1.

For example, looking at the cost projected, here, of construction by the Corps of Engineers, the present rate of construction, for 1978, appears to be about $356 million a year. In 1982 it is expected to be about $533 million a year. Let us not just assume that one takes an average figure of, say, $400 million a year for construction. Once the present construction is behind us, and we go to replacing the existing locks—I am talking about replacing the existing locks that are there now, and after about 50 years those locks get to where they need to be replaced—a modern lock costs a lot of money. Those old locks are small, and any time you have to break tows up to get them through, they ought to be replaced with bigger ones. So just replacing what we have would cost a great deal more than anything projected here.

But for the sake of argument, let us assume the cost to be $400 million a year. With $400 million a year over a 10-year period alone, you would have $4 billion in construction in place. Ten percent of that is $400 million; but if you are collecting 1 percent a year, that is $40 million. That works out to be something over 20 times what the Senator is estimating in his so-called recovery proposal.

Furthermore, Mr. President, those who advocate this approach are not going to be satisfied with that, and I have not heard anyone say they would be. Here is this water resources study that was submitted to the Bureau of the Budget, and they recommended a 10-percent cost recovery, the kind of thing they say they are talking about here. When the Office of Management and Budget looked at that, what did they recommend? Not any 10 percent; they recommended 100 percent recovery of maintenance cost and 50 percent of construction cost, which works out to be about a 75-percent recovery. So you say that you will only want them to pay 10 percent, and perhaps the next year or the year after that the amount would be $1.8 million; but what you are talking about a few years down the road is being asked to pay $300 million or $400 million. This is just one step, as part of that picture.

We are willing, at this point, to say, "Yes, we will go along and pay what amounts to a 25-percent figure." If you relate it to the construction cost, it is 50 percent of the construction cost. If you relate it to construction cost plus maintenance, it is 25 percent of the overall. We are willing to say, "All right, we will agree to that; we are willing to pay that. But it is going too far to start this thing as a part of that at a time when you are initiating a study to breach this thing by saying you will have an additional 10-percent cost recovery in addition to that."

The PRESIDING OFFICER. Who yields time?

Mr. GRAVEL. Mr. President, I suggest the absence of a quorum.

Mr. DANFORTH. Will the Senator withhold that for a moment?

Mr. GRAVEL. I am happy to.

Mr. DANFORTH. Mr. President, I would like to reiterate the point which I think should be considered before the Senate votes on this matter. This is the question, is whether or not the ransom is going to depend upon the release of the hostage; whether the hostage will be released before the ransom is paid. As far as I am concerned, that is the basic difference between the Domenici-Stevenson approach and the Long approach. It is the timing of the imposition of the tax, the timing in which the tax is going to be imposed.

Under the Domenici-Stevenson approach, the tax would be imposed in October 1979. It would commence in October 1979. Under the Long approach, it would be imposed either in January 1982 or when construction is commenced on locks and dam 26, whichever comes first.

If the tax is imposed in 1979 whether or not construction takes place, the fact

is that this is going to be a tremendous incentive for the plaintiffs in a lawsuit; namely, the railroads, to drag their feet with litigation. The effect of the Domenici-Stevenson approach instead of hastening the day in which construction of locks and dam 26 will commence will be to delay the construction of locks and dam 26. This is why it is the opinion of those who are championing the cause of locks and dam 26 that it would be better to have the bill vetoed. From the standpoint of the construction of this project, it would be better to have no bill than to have a bill which imposes the tax in October of 1979. The Stevenson-Domenici approach will delay the construction of locks and dam 26.

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI. Mr. President, I suggest the absence of a quorum, with the time to be charged to me.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. STEVENSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENSON. Mr. President, I yield myself 5 minutes on the Domenici-Stevenson amendment.

It has been said that approval of this amendment might delay the construction of locks and dam 26 and that is why champions of locks and dam 26 are against it. I want to remind my colleagues who introduced this legislation to authorize the construction of locks and dam 26—and, before me, it was our Vice President, Mr. MONDALE—that is not an entirely accurate statement about "champions." I believe that there are many so-called champions of locks and dam 26 who support this amendment for the reason that it will hasten the construction of this facility. Surely, the construction of locks and dam 26 will not be hastened by the defeat of the amendment which authorizes the construction of locks and dam 26.

Also, Mr. President, the defeat of this amendment will do nothing to speed up the resolution of the litigation over the adequacy of the environmental impact statement. On the contrary, the approval of this amendment, which is the only amendment which can become law, would be a clear statement by Congress—indeed, by the Federal Government—that construction of this facility is intended to go ahead.

What is more, all the parties in interest, including those who are parties to the litigation, would, for the first time, have an incentive to end the litigation. The waterway interests have an interest in the construction of locks and dam 26. Because of the environmental protections in this amendment, the environmentalists obtain much of what they want, including a prohibition against a 12-foot channel. The other principal party in interest, the railroads, are receiving a part of what they want; namely, a system of user fees, including the principle of cost recovery. So not only would locks and dam 26 be authorized, without which it cannot be constructed, but this amendment would also give all the parties a new incentive to wind up litigation which has gone on for a long time already.

Furthermore, with a strong statement of Federal policy, the policy being to proceed with construction of this facility, the judge certainly ought to have an incentive for doing what he can to hasten the resolution of that litigation.

Mr. DANFORTH. Mr. President, will the Senator yield on that point?

Mr. STEVENSON. Yes, I yield to the Senator from Missouri.

Mr. DANFORTH. On my time.

Mr. STEVENSON. It does not matter.

Mr. DANFORTH. I should like to point out that the opinion of the Senator from Illinois is diametrically opposed to the opinion of the legal counsel of the Committee to Construct Locks and Dam 26. The opinion of legal counsel for the Committee to Construct Locks and Dam 26 is that this matter is in litigation; the litigation could last anywhere from 2 to 4½ years; but whether or not locks and dam 26 is authorized this year has very little, if any, effect and the question of linkage is the most important question. If there is no linkage and the tax is imposed in 1979, then there will be a tremendous incentive for the plaintiffs in the lawsuit—to wit, the railroads—to delay as long as they can in litigation and the effect of this will be continued delay in construction of locks and dam 26.

Mr. STEVENSON. Mr. President, in addition to all the reasons I mentioned, I neglected to mention one other, which, as was the case with the others, might not have been apparent to this lawyer or firm who, presumably, represents opponents of waterway fees. I think this should be made very clear. If the litigation does continue and it is not resolved and construction of locks and dam 26 is delayed unnecessarily, then before the cost recovery becomes effective, Congress will have an opportunity to reconsider, on the basis of the study. I should be very surprised if, when that time comes and there is no construction—the Congress would approve cost recovery it is with the full expectation of the supporters of this amendment that it will hasten construction of locks and dam 26 that we offer. This is a price that some of us are willing to pay for locks and dam 26, and if we do not get what we are bargaining for, then we shall all have—many of us, at least—some second thoughts about cost recovery.

Now, let me add a word, Mr. President, in response to what the distinguished Senator from Louisiana has said, I understand, about my arithmetic. I mentioned earlier that this construction cost recovery formula would produce, so far as we can tell, about $1.8 million a year—that is what we are arguing about—when it takes effect, if it takes effect, at some uncertain time in the future. That is based on the estimated construction cost of Gallipolis and Vermilion, La., the total construction cost of which is $159 million for Gallipolis and $22.3 million for Vermilion. That is a total of about $181 million.

Then I must point out that, instead of 10 percent a year, this is 10 percent over 10 years, so it is 1 percent of capital costs a year. That is how I come to the figure of $1.8 million.

Mr. LONG. Will the Senator yield to me?

Mr. STEVENSON. If the Senator will hear me out, I have not responded to his question yet. He raises a good point and I want to concede as much.

The Senator, as I understand it, is pointing out average construction costs for the past, saying that they may continue into the future. And he is right; they may. We do not know what they are going to run in the future. But in 1977, they are estimated to run about $277 million and for 1979 are estimated to run $356 million. This cost recovery formula would not apply to any of this construction that is already authorized, already underway. It would only be construction in the future and would only take effect after the construction and during the operation of the facility, which is why the Senator from Illinois said these; namely, Gallipolis and Vermilion—are the first to which it can apply and only when they are in operation.

The Senator makes the point that there may be other facilities off in the future, and maybe they will run at $356 million a year some day, way off in the future. I do not know.

I do not know. If they do run at the 1978 level of $356 million, new construction, after operation, then we have to revise my figure of $1.8 million and make it 1 percent of $356 million, which would produce, way off at that uncertain date, an annual capital cost recovery of $3.5 million.

So instead of the issue boiling down to $1.8 million, it would, I believe, under the Senator's hypothesis, which is not at all unreasonable, boil down to $3.5 million.

It is on that question, $3.5 million, according to my calculations, hangs Locks and Dam 26, this other construction which will cost taxpayers $613 million.

Mr. LONG. Will the Senator yield at that point?

Mr. STEVENSON. Yes.

Mr. LONG. Let me show the Senator how I would calculate the same thing.

Here is a schedule of the construction, and it is expected to gradually cost more, and the inflation would, if nothing else, make it cost more.

It is going to do that if all we do is just maintain the existing waterway because we will have to replace these locks as they get old. After they are about 50 years old, they will be replaced. Some might last longer, but somewhere between 50 and 70 years the locks have to be replaced.

I know I, for one, went through the Intracoastal Waterway System. Most locks were built starting during the war in 1940. So they still have to be replaced, not just a few, but the whole bunch, in due course.

The same thing is true of most of these others.

So if we just go beyond that, because they are already under construction, and we look at the locks that will have to be built to replace the ones there now, they will be building at least at $400 mil-

lion a year, probably $500 million a year. Just move that forward over a 10-year period and we are talking about $5 billion, and take a 1-percent annual charge on $5 billion, and that is another $50 million.

So that is just for what we would be building over the 10-year period.

So we are much more accurately talking about the problem if we are talking about $50 million a year, and perhaps even more than that after a 15-year period, than we are when we are talking about a mere $1 million.

The Senator is as far off as the number 25 is to one on the impact of what he is talking about here.

But, furthermore, those who are pressing for this 10 percent right now, what they really want, they want 75 percent cost recovery. For example, here is a study made by the National Waterway Conference where the recommendation was that a navigation ought to have a 10-percent cost recovery. The OMB recommended 100 percent of operation and maintenance and 50 percent of the construction cost, which works out to be about a 75-percent cost recovery.

So what we are talking about here is really to step up, to move, pick up speed toward what someone would like to do in terms of a 75-percent cost recovery, rather than a 25-percent cost recovery.

Mr. STEVENSON. Mr. President, first of all, none of these dams are going to be replaced if there is no one to pay for them. They are not all falling down, in bad shape. As a matter of fact, my home is several hundred yeards from one of them.

But it is true, in the future, over time, like everything else, they will wear out and have to be replaced.

Now, think about locks and dam 26. It is a bottleneck. It does not have adequate capacity. So it has to be replaced at a higher level of capacity.

But that is not true of the other locks and dams on the upper Mississippi. They have more capacity than this dam which has to serve not only the upper Mississippi River, but also the Illinois River.

Now, "new construction" does not pick up a replacement unless it is a replacement at greater capacity.

Every one of those locks and dams on the upper Mississippi can be replaced without any cost recovery at all under this formula unless the capacity is increased. Even then, as I have tried to indicate, the cost recovery under this formula, which may never take effect and will not take effect until after the Congress has had a chance to reconsider it, and then with the benefit of a study, would only produce 1 percent a year of the cost of construction of that new facility which has greater capacity.

Mr. LONG. Will the Senator yield for a moment on my time?

Mr. STEVENSON. I yield.

Mr. LONG. Even if we assume, and I do not think it is a safe assumption, that the demands of modern commerce will not require building larger locks to accommodate bigger barges and bigger tows, even if we assume that, on what basis can we assume that those who presently favor going for 10-percent cost recovery, by the time we get around to replacing those locks, even if they have the same capacity, are not going to want to pay the whole cost of replacing it rather than the excess?

Does it occur to the Senator that Mr. DOMENICI might have a successor in the Senate who thinks every bit as much in terms of more charges on the waterways than he does at this moment?

What we are talking about is something of a compromise. But those who advocate the additional 10 percent now have made it clear they want a great deal more than that. What they think about is 75 percent.

Mr. STEVENSON. It did occur to me someone might want more. Also, Mr. President, it occurred to me that some Senators, like the Senator from Louisiana and the Senator from Illinois, might want less and that we can make those decisions in the future when we know what the costs are going to be, what the impact would be, and when we had a study that made it possible for us to legislate in the sunlight.

I do not know what it should be. It sounds as though it should be a little higher than 10 percent, or 1 percent a year, not even applicable to replacement of facilities, unless there is an increase in the capacity.

With all respect to my friend and colleague from Louisiana, I do not live on the lower Mississippi; I live on the upper Mississippi where these facilities are. I go through them. It is going to be a long time before the capacity of most of those locks and dams needs to be increased.

I have some estimates that there will not be need for any replacement, certainly not a replacement of many of larger capacity, until some time in the next century.

So, Mr. President, this is a small price, indeed, a price that may never be paid, for a critical locks and dam and one that will cost taxpayers, without some contribution from its users, over $400 million a year.

The President has made his intentions clear. If this principle money is not in the bill, it will be vetoed. How that would hasten construction of locks and dam 26, I fail to see.

So, for the sake of the taxpayers, for the sake of competing modes of transportation, for the sake of all the people in this area, including the farmers, who must get their products to market, for the sake of the commercial waterway users, this amendment should be approved.

I yield back my time.

HIGH-LEVEL WATERWAY USER CHARGES— IT'S THE FARMER WHO WILL PAY

Mr. DOLE. Mr. President, I would like to express my opposition to high-level inland waterway fuel taxes that would inevitably go even higher under a cost-recovery waterway user charges edict. Senate approval of the Stevenson-Domenici amendment would have an adverse and in some ways unique impact on the Nation's farmers.

Not only are waterway user charges highly selective in concentrating on particular commodity movements and regions, but American agriculture would literally be hit coming and going.

As my colleagues know, the price the farmer receives for grain, soybeans and other farm products is largely determined by the price at seaport—that is, the export or world price—minus transportation charges for getting the farm products to port. The farmer pays those transportation costs, and because of the availability of inland barge transportation he commonly can save 10 cents or 11 cents per bushel, at present, under what other transportation modes charge. That is one of the few pluses in the American agricultural economy today.

Therefore, no matter what level of user charge is imposed, it is the farmer who is going to pay it. The farmer cannot pass the increased transportation costs on to consumers abroad because it is not the farmer who determines the export price. Even if he could increase the asking price, it is unlikely the farmer could get it—American farmers are facing tremendous competition overseas from foreign grain and soybean growers particularly.

So, Mr. President, the salient impact of high level waterway user charges on the American agricultural economy might easily have an adverse impact on the Nation's trade balance. If agricultural exports were excluded from trade balances of recent years, the Nation would be much more in the red than it is now.

This amendment means an even dimmer prospect for the individual farmer, who already is caught in a vicious and unrelenting cycle of lower prices for his commodities and higher costs of production. At the same time proponents of this amendment would decrease farm profits even more, they would also place additional transportation charges on heating oil, tractor fuel, fertilizers and numerous other goods necessary for production that are shipped on the inland waterways. The farmer, too, would pay these charges because they would be passed on to him as a consumer.

As this legislation is being debated, thousands of farmers are faced with the prospect of having to refinance bank loans or disposing of some farm assets to meet debt payments. This amendment would complicate those already unpleasant prospects for the simple reason that the value of farmland is determined by the value of crops that land can produce. A reduction in crop value means a reduction in land value—a reduction in the farmer's credit.

Members of the Senate have gone on record recently and repeatedly as acknowledging that American farmers are not economically healthy, and that they need help. I urge my colleagues at this time not to strike a blow at farmers, greater than necessary, to resolve the controversy over inland waterway user charges and locks and dam 26 replacement. The distinguished Senator from Louisiana (Mr. LONG) has proposed a reasonable compromise to achieve the goal of replacing that badly needed waterway facility at the crossroads of the Nation's inland grain movements, and to impose unprecedented charges for using the waterways. I urge the adoption of the Long amendment.

The PRESIDING OFFICER. Who yields time?

Mr. STEVENSON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. On whose time? The time to be charged equally? Is the Senator from Illinois asking that the time on the quorum call be charged to himself?

Mr. STEVENSON. I ask unanimous consent that the time be charged equally to both sides.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. LONG. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LONG. Mr. President, as I indicated to the Senator from New Mexico, I am ready to yield back the remainder of my time, if he is ready to do so.

Mr. DOMENICI. I am.

Mr. LONG. I yield back the remainder of my time.

Mr. DOMENICI. I yield back the remainder of my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment (No. 1829). On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

The PRESIDING OFFICER (Mr. LEAHY). The clerk will suspend until we have order in the Senate. Senators are unable to hear their names being called.

If Senators could cease conversations for about 60 seconds, we could have the recap and move along.

Will Senators in the well cease their conversation for just 1 minute so we may continue the recount?

The clerk will suspend until such time as the Senators from Pennsylvania and Illinois are quiet and we can go on.

The clerk may continue.

The legislative clerk resumed the call of the roll.

The PRESIDING OFFICER. The Senate has not been in order. Apparently there is some confusion as to whether Senators voted or not. I think it is because of the noise in the Chamber. The clerk will suspend entirely until such time as there is order in the Chamber.

The clerk may continue.

The legislative clerk resumed and concluded the call of the roll.

Mr. CRANSTON. I announce that the Senator from Nevada (Mr. CANNON), the Senator from Idaho (Mr. CHURCH), the Senator from Colorado (Mr. HART), the Senator from Colorado (Mr. HASKELL), the Senator from Hawaii (Mr. INOUYE), the Senator from New Hampshire (Mr. MCINTYRE), and the Senator from North Carolina (Mr. MORGAN) are necessarily absent.

I further announce that, if present and voting, the Senator from New Hampshire (Mr. MCINTYRE) and the Senator from North Carolina (Mr. MORGAN) would vote "yes."

Mr. STEVENS. I announce that the Senator from Michigan (Mr. GRIFFIN) and the Senator from Kansas (Mr. PEARSON) are necessarily absent.

I also announce that the Senator from North Carolina (Mr. HELMS), is absent to attend the funeral of a close personal friend.

The result was announced—yeas 43, nays 47, as follows:

[Rollcall Vote No. 149 Leg.]

YEAS—43

Abourezk	Goldwater	Percy
Bayh	Hathaway	Proxmire
Bellmon	Hayakawa	Randolph
Biden	Javits	Ribicoff
Brooke	Kennedy	Riegle
Byrd, Harry F., Jr.	Leahy	Sarbanes
	Lugar	Schmitt
Chafee	Mathias	Stafford
Chiles	McClure	Stevenson
Clark	Melcher	Stone
Cranston	Metzenbaum	Talmadge
Culver	Muskie	Wallop
Curtis	Nelson	Weicker
Domenici	Nunn	Zorinsky
Glenn	Pell	

NAYS—47

Allen	Gravel	Matsunaga
Anderson	Hansen	McGovern
Baker	Hatch	Moynihan
Bartlett	Hatfield, Mark O.	Packwood
Bentsen		Roth
Bumpers	Hatfield, Paul G.	Sasser
Burdick		Schweiker
Byrd, Robert C.	Heinz	Scott
Case	Hodges	Sparkman
Danforth	Hollings	Stennis
DeConcini	Huddleston	Stevens
Dole	Humphrey	Thurmond
Durkin	Jackson	Tower
Eagleton	Johnston	Williams
Eastland	Laxalt	Young
Ford	Long	
Garn	Magnuson	

NOT VOTING—10

Cannon	Haskell	Morgan
Church	Helms	Pearson
Griffin	Inouye	
Hart	McIntyre	

So amendment No. 1829 was rejected.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. LONG. I move to reconsider the vote by which the amendment was rejected.

Mr. DOMENICI. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the motion to reconsider. The yeas and nays have been ordered.

Mr. DOMENICI. I ask for the yeas and nays on the motion of the Senator from Tennessee to reconsider.

Mr. LONG. I move to lay that motion on the table.

The PRESIDING OFFICER. Is there a request for the yeas and nays?

Mr. DOMENICI. Yes.

The PRESIDING OFFICER. The yeas and nays have been ordered on the motion to table the motion to reconsider. The question is on agreeing to the motion to lay on the table the motion to reconsider. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

The PRESIDING OFFICER. The clerk will suspend. The Chair is aware of the fact that several Senators during the last roll call said they had voted and the clerk was unable to hear their votes, and apparently they were not recorded the first time around. Because of that the Chair will insist on order during the roll call and the Chair will ask the clerk to suspend so long as there is noise either in the Chamber or in the gallery. The clerk will suspend until there is order.

I would remind Senators that several Senators were not recorded the first time around when they voted because of the noise in the Chamber.

The call of the roll was resumed and concluded.

Mr. CRANSTON. I announce that the Senator from Nevada (Mr. CANNON), the Senator from Idaho (Mr. CHURCH), the Senator from Colorado (Mr. HART), the Senator from Colorado (Mr. HASKELL), the Senator from Hawaii (Mr. INOUYE), the Senator from New Hampshire (Mr. MCINTYRE), and the Senator from North Carolina (Mr. MORGAN) are necessarily absent.

I further announce that, if present and voting, the Senator from New Hampshire (Mr. MCINTYRE), would vote "nay."

Mr. STEVENS. I announce that the Senator from Michigan (Mr. GRIFFIN), and the Senator from Kansas (Mr. PEARSON) are necessarily absent.

I also announce that the Senator from North Carolina (Mr. HELMS), is absent to attend the funeral of a close personal friend.

The result was announced—yeas 49, nays 41, as follows:

[Rollcall Vote No. 150 Leg.]

YEAS—49

Allen	Gravel	Matsunaga
Anderson	Hansen	McGovern
Baker	Hatch	Moynihan
Bartlett	Hatfield, Mark O.	Packwood
Bentsen		Roth
Bumpers	Hatfield, Paul G.	Sasser
Burdick		Schweiker
Byrd, Robert C.	Heinz	Scott
Case	Hodges	Sparkman
Danforth	Hollings	Stennis
DeConcini	Huddleston	Stevens
Dole	Humphrey	Talmadge
Durkin	Jackson	Thurmond
Eagleton	Johnston	Tower
Eastland	Laxalt	Wallop
Ford	Long	Williams
Garn	Magnuson	Young

NAYS—41

Abourezk	Glenn	Nunn
Bayh	Goldwater	Pell
Bellmon	Hathaway	Percy
Biden	Hayakawa	Proxmire
Brooke	Javits	Randolph
Byrd, Harry F., Jr.	Kennedy	Ribicoff
	Leahy	Riegle
Chafee	Lugar	Sarbanes
Chiles	Mathias	Schmitt
Clark	McClure	Stafford
Cranston	Melcher	Stevenson
Culver	Metzenbaum	Stone
Curtis	Muskie	Weicker
Domenici	Nelson	Zorinsky

NOT VOTING—10

Cannon	Haskell	Morgan
Church	Helms	Pearson
Griffin	Inouye	
Hart	McIntyre	

So the motion to lay on the table was agreed to.

Mr. LONG. Mr. President, I proposed to the Senator from New Mexico that he should have offered his amendment first and that I should have offered my amendment as an amendment to his because the surviving amendment should have been the Domenici amendment. He is getting 90 percent of what he wanted. May I say that the only reason we are not now voting on the Domenici amendment is because I lost a flip of the coin as to who would offer his amendment first.

But let there be no doubt about it. The Senator from Louisiana is not entitled to claim any credit whatsoever for the amendment now being voted upon. The Senator from New Mexico (Mr. DOMENICI) made a battle for the tolls on the waterway or user charges, whatever it may be, and he is the winner. He gets 90 percent of his way here.

This bill goes far beyond what the House bill does. As far as the Senator from Louisiana is concerned, if he had his way, we would be going not one step beyond the House bill. This bill proposes twice as much tax as the House bill proposes. I expect to go to conference to support the 12 cents that Mr. DOMENICI offered. The reason mine says 12 cents is because Mr. DOMENICI's said 12 cents.

I want to make it clear that the real winner today is not the Senator from Louisiana. We have succeeded in delaying what Mr. DOMENICI wanted to have happen. It will happen but not quite as fast as he wanted it to happen. I congratulate him. He is the winner. The fact that my amendment appears to have prevailed does not diminish the fact that he has won a great victory, and I congratulate him.

Mr. DOMENICI. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DOMENICI. The pending business is the Long amendment, is that correct?

The PRESIDING OFFICER. The Senator is correct, and time on the amendmen has expired.

Mr. LONG. Mr. President, I ask unanimous consent that there be 2 minutes on each side.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. LONG. When we yielded back on our amendments, we yielded back on both of them? I do not want a lot of time. I just wonder where that ruling came from.

Mr. BAKER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BAKER. Did I understand that the order originally was for 6 hours of debate which would expire, as I calculate it, at 8:40 tonight?

Mr. DOMENICI. I believe we have, by unanimous consent, agreed to what he just stated.

The PRESIDING OFFICER. The order called for a total of 9 hours of debate.

Mr. DOMENICI. We yielded back. Mr. President, I ask unanimous consent that each of us have 2 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. I have no desire to have a rollcall vote on the pending amendment.

Mr. LONG. Mr. President, I would like to invite the Senator to join as a cosponsor of the amendment that is at the desk. I think he will vote for it, and I would like to invite him to be a cosponsor.

Mr. GRAVEL. If the Senator will yield, a lot of Members were placed in the position of voting negatively and want to be recorded in a positive fashion. I think we owe them that as a courtesy.

Mr. DOMENICI. Let me just say that my concern now is what has been expressed throughout the day. That is that we will undoubtedly adopt the amendment which will impose a 12-cent fuel tax, but my concern is that we might not get a bill because the President has indicated he wants some capital recoupment. There may be some Senators who, because of that, would desire to have a yea and nay vote on the amendment. We are all here. I do not think it will take much time. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. DOMENICI. Mr. President, I ask unanimous consent that I be added as a cosponsor of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. I ask unanimous consent that the roll call be limited to 10 minutes.

ORDER FOR RECESS UNTIL 10 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 10 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, this will be the last rollcall vote today.

Mr. DOMENICI. If it is the last one, I withdraw my request.

Mr. LONG. I yield my remaining time to the Senator from Missouri.

Mr. DANFORTH. I would like to concur in the statements made by the Senator from Louisiana.

Mr. STENNIS. Mr. President, could we have order?

The PRESIDING OFFICER. Will the Senator from Missouri suspend for a moment until we have order?

The Senator from Missouri.

Mr. DANFORTH. This is a great day for PETE DOMENICI and a great victory for him. He has succeeded, by virtue of a singular effort, in reversing about 200 years of history. We have now agreed to a Senate bill which will have a 12-cent fuel tax for commercial use of the inland waterways. This is something I have resisted, and a lot of people have resisted. The Senator has carried the day. The only issue today was timing and how it would be phased in, really peripheral issues. The main victory has been won by the Senator from New Mexico.

Mr. DOMENICI. I thank the Senator very much.

The PRESIDING OFFICER. All time has expired. The question is on agreeing to the amendment. The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from South Dakota (Mr. ABOUREZK), the Senator from Nevada (Mr. CANNON), the Senator from Idaho (Mr. CHURCH), the Senator from Michigan (Mr. HART), the Senator from Colorado (Mr. HASKELL), the Senator from Hawaii (Mr. INOUYE), the Senator from New Hampshire (Mr. MCINTYRE), and the Senator from North Carolina (Mr. MORGAN), are necessarily absent.

I further announce that, if present and voting, the Senator from New Hampshire (Mr. MCINTYRE) and the Senator from North Carolina (Mr. MORGAN) would vote "yea."

Mr. STEVENS. I announce that the Senator from Michigan (Mr. GRIFFIN) and the Senator from Kansas (Mr. PEARSON), are necessarily absent.

The result was announced—yeas 88, nays 2, as follows:

[Rollcall Vote No. 151 Leg.]

YEAS—88

Allen	Glenn	Moynihan
Anderson	Goldwater	Muskie
Baker	Gravel	Nelson
Bartlett	Hansen	Nunn
Bayh	Hatch	Pell
Bellmon	Hatfield, Paul G.	Percy
Bentsen	Hathaway	Proxmire
Biden	Hayakawa	Randolph
Brooke	Heinz	Ribicoff
Bumpers	Helms	Riegle
Burdick	Hodges	Roth
Byrd, Harry F., Jr.	Hollings	Sarbanes
Byrd, Robert C.	Huddleston	Sasser
Case	Humphrey	Schmitt
Chafee	Jackson	Schweiker
Chiles	Javits	Scott
Clark	Johnston	Sparkman
Cranston	Kennedy	Stafford
Culver	Laxalt	Stennis
Curtis	Leahy	Stevens
Danforth	Long	Stevenson
DeConcini	Lugar	Stone
Dole	Magnuson	Talmadge
Domenici	Mathias	Thurmond
Durkin	Matsunaga	Tower
Eagleton	McClure	Wallop
Eastland	McGovern	Weicker
Ford	Melcher	Williams
Garn	Metzenbaum	Young
		Zorinsky

NAYS—2

Hatfield, Mark O.	Packwood

NOT VOTING—10

Abourezk	Hart	Morgan
Cannon	Haskell	Pearson
Church	Inouye	
Griffin	McIntyre	

So Mr. LONG's amendment (No. 1846) was agreed to.

Mr. GLENN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. WALLOP. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 1293

(Purpose: To authorize projects for rivers and harbor improvement recommended by the Committee on Environment and Public Works)

Mr. GLENN. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Ohio (Mr. GLENN) for himself and Mr. METZENBAUM, proposes an unprinted amendment numbered 1293.

Mr. GLENN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place insert the following:

Sec. . Section 175 of the Water Resources Development Act of 1976 (Public Law 94–587) is hereby amended to read as follows: "The project for harbor modification at Cleveland Harbor, Ohio, is hereby authorized for construction, generally in accordance with the plan described in the report of the Chief of Engineers dated January 30, 1978, at an estimated cost of $27,600,000. Provided that such construction shall be undertaken in stages. The initial stage shall consist of construction of that element of the project to deepen and widen the East Basin, substantilly in accordance with the plan referred to in Section M of the report of the District Engineer, dated June, 1976, at an estimated cost of $18,000,000. The existing dredged material containment site known as Site 14 may be used for the containment of excavated material from such construction. Construction of the final stage shall include one or more harbor entrances, but shall not be undertaken until completion of model studies and the determination by the Chief of Engineers that such further works are engineeringly feasible, and economically justified, and environmentally acceptable, and the Chief of Engineers advises the Chairman, Senate Environment and Public Works Committee and Chairman, House Public Works and Transportation of such determination.

Mr. GLENN. Mr. President, the amendment I have sent to the desk will expedite the vital dredging work necessary to permit the Cleveland harbor to receive deep-draft ore carriers and other deep-draft commercial vessels.

Cleveland is currently the Great Lakes port which handles the largest volume of iron ore. However, the present depth of the channels prohibits the use of ore or other carriers of a greater length than 600 feet. Dredging the east channel of the harbor according to plans drawn up by the Corps of Engineers back in 1975, would permit the utilization of 1,000-foot ore carriers and represent a significant economic saving to Ohio and regional steelmakers.

Mr. President, the recent closing of steelmaking facilities in Youngstown and surrounding areas have been very much in the news. Job losses will eventually total 5,000 for that area alone. Permitting the remaining steelmaking facilities to secure ore at lower rates would enhance the competitive stance of Ohio steelmaking and preserve jobs in an already depressed economic area. Increased volume deliveries of ore to Cleveland will permit more inexpensive trans-shipment of this ore to the Youngstown and other steelmaking areas in the region.

Plans are already well underway to construct a $20 million port authority ore dock. Construction can actually begin on this needed facility once assurances are received from the corps that the dredging of the east channel will begin in the near future.

Projections of job savings in Northeastern Ohio alone reach as high as 35,000 jobs. Certainly, it is better to provide economic incentive on the Federal level to save jobs and increase the economic health of an area than to expend Federal/State and local funds on unemployment, training and other assistance programs once the jobs have been destroyed or lost.

The President has stated that we must do everything to enhance the competetive stance of the domestic steel industry. The projected improvements in the Cleveland harbor contained in my amendment will help American steel and other vital industries stay competetive, reduce our balance of payments deficit, bolster the dollar and help fight inflation—in addition we will save thousands of jobs and the direct income and tax revenues they represent.

This amendment is supported by the area's congressional delegation, the steel industry, the Port Authority of Cleveland and the city of Cleveland.

Mr. President, this amendment is an authorization amendment. It does not require any additional appropriation. It has been cleared on both sides of the aisle and I am prepared to accept a voice vote.

Mr. GRAVEL. Mr. President, I have no objection to the amendment and I yield to my colleague from New Mexico.

Mr. DOMENICI. We have no objection.

Mr. GRAVEL. I yield back my time.

Mr. GLENN. I yield back my time.

The PRESIDING OFFICER. All time on the amendment having been yielded back, the question is on agreeing to the amendment of the Senator from Ohio.

The amendment was agreed to.

UP AMENDMENT NO. 1294

Mr. DURKIN. Mr. President, I send an amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from New Hampshire (Mr. DURKIN) proposes an unprinted amendment numbered 1294:

At the appropriate place, add a new section as follows:

SEC. —. The Secretary of the Army, acting through the Chief of Engineers, is hereby authorized and directed to conduct a study, at a cost not to exceed $135,000, of the feasibility of redeveloping the hydro-electric capacity of the Jackson Mills Dam and the Mines Falls Dam at Nashua, New Hampshire. A report of this study shall be submitted to Congress not later than one year after the date of enactment of this Act.

Mr. DURKIN. Mr. President, this amendment provides for a 1-year feasibility study of redeveloping the hydroelectric capacity of Jackson Mills Dam and Mines Falls Dam on the Nashua River in Nashua, N.H. These sites, if redeveloped, might produce 5 megawatts or more of power for Nashua and the surrounding areas. The small-scale hydroprojects could translate into a savings of $1 million in oil imports, or about 70,000 barrels of oil per annum in Nashua. The sites have tremendous recreation potential, as well.

The study is to determine the best locations for the turbines at the damsites, and the best outlets for the electricity they can generate.

I understand my amendment has been cleared all the way around, and I appreciate the support of the distinguished Senator from Alaska and the distinguished Senator from New Mexico.

The PRESIDING OFFICER. Does the Senator from Alaska wish to be recognized?

Mr. GRAVEL. I have no objection, I am happy to accept it. I yield to my colleague.

Mr. DOMENICI. I have no objection.

Mr. GRAVEL. All time is yielded back.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment of the Senator from New Hampshire.

The amendment was agreed to.

UP AMENDMENT NO. 1295

Mr. ALLEN. Mr. President, I send an amendment to the desk on behalf of my distinguished senior colleague (Mr. SPARKMAN) and myself and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Alabama (Mr. ALLEN) for himself and Mr. SPARKMAN, proposes an unprinted amendment numbered 1295.

Mr. ALLEN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 7, strike out lines 20, 21, and 22 and substitute in lieu thereof the following:

"(1) Alabama-Coosa Rivers: From Claiborne, Alabama, at river mile (hereinafter referred to as RM) 72.5 to the junction with the Coosa River at RM 314.".

On page 8, strike out all that appears after line 24 down through and including line 7 on page 9 and substitute in lieu thereof the following:

"(7) Black Warrior-Tombigbee Rivers: Black Warrior-Tombigbee River from Coffeeville, Alabama, on Tombigbee River at RM 116.6 to Demopolis at RM 215.4 to Port of Birmingham RM 374–411 and upstream to head of navigation on Mulberry Fork (RM 429.6), Locust Fork (RM 407.8) and Sipsey Fork (RM 430.4).".

Mr. ALLEN. Mr. President, the provisions of H.R. 8309 providing for a tax on fuel used in commercial transportation on designated inland waterways are essentially a means adopted to defray partially the capital and maintenance costs of inland waterway improvements used by nonoceangoing commerce. Although the tax is thought by some to be moderate, it is very likely that this tax will be substantially increased in the future if the natural progression we normally see after imposition of any new tax is followed over the ensuing years.

Now, Mr. President, all of the waterways designated for coverage by the new fuel tax encompass substantial existing and planned waterway improvements in the form of dams and locks and related development financed by the Federal Government with the sole exception, Mr. President, of the Mobile and lower Alabama and Tombigbee Rivers. The inclusion of these nonfederally improved waterways in the provisions of H.R. 8309 is an aberrational deviation from the policy behind the bill which should be corrected before its enactment by the Senate.

All other waterways similarly utilized and nonfederally developed have been

excluded from coverage. Significant examples of these exclusions are the Mississippi River from its mouth to 234 river miles upstream. This exclusion recognizes quite properly that the Mississippi River, for that distance, does not benefit in any significant way from federally financed waterway improvement. Also, for example, the Columbia River in Washington and Oregon is expressly excluded from the coverage of the bill from the ocean to a distance of 192 river miles inland.

Again, Mr. President, this exclusion is entirely proper since the Columbia River for that distance has not been improved in any significant fashion by Federal expenditures. Similarly, many other important waterways which are utilized by nonoceangoing commercial traffic are excluded in their entirety from application of the tax—these waterways being characterized by and large by the absence of any substantial waterway improvements. These excluded waterways are the Pascagoula River in Mississippi; the St. Johns River in Florida; the Savannah River in Georgia and South Carolina; the Cape Fear River in North Carolina; the Roanoke River system in North Carolina and Virginia; all of the Chesapeake Bay River systems—the James, the Potomac, and the York; the Connecticut River; and the Hudson River in New York.

These river systems, Mr. President, contain a total of 1,188 miles commercially used, yet the amount of Federal expenditure in relation to the commercially usable mileage is not major. Nevertheless, notwithstanding the total exclusion of these river systems from the application of the tax, several have received material Federal capital expenditures for improvement and for maintenance and operation. Thus, the Chesapeake Bay river systems have had expended over the years $11,190,000 in capital and operating costs. The Hudson River in New York has received capital improvements over the years totaling some $33,900,000. The Savannah River has had approximately $14,500,000 expended for capital and operating costs. But the point, Mr. President, is that these expenditures—though significant—have not been a major factor in maintaining these waterways as commercial usable inland rivers. Their natural condition has largely made them available to commercial traffic.

In the same fashion, Mr. President, the Mobile and lower Alabama and Tombigbee Rivers have been used in commerce since their discovery with virtually no improvements or maintenance costs designed to enhance their traffickability. Thus there have been, so far as we know, no improvements or maintenance costs whatsoever on the Mobile River and very minimal improvements and maintenance costs on the Tombigbee River below the Coffeeville lock and dam at river mile 116.6. The lower Alabama has also received minimal improvement and minimal maintenance below the Claiborne lock and dam on the Alabama at river mile 72.5. The only federally funded work on these lower portions of the Alabama and Tombigbee Rivers has been occasional channel dredging and work required as a result of the federally funded improvements above Claiborne and above Coffeeville. Historically, substantial river traffic, with a minimum of dredging, has been able to reach points below both these dams. One example is the Alabama State dock grain elevator facility which was constructed on the Alabama River south of Claiborne before—before, Mr. President—the Claiborne lock and dam and other improvements to the north were made on that river. Barge tonnage on the Alabama amounted to 1,100,000 tons in 1967 before the federally financed improvements were completed compared with an increase in tonnage of 1,700,000 tons in 1976 after these improvements.

In summary, Mr. President, most inland waterways with substantial nonocean-going traffic which have not been substantially improved by Federal expenditures are excluded in part or entirely from the application of the river fuel tax in H.R. 8309. Many waterways which have benefited by substantial Federal expenditures have also been excluded. But, Mr. President, the Mobile and lower Alabama and Tombigbee Rivers still remain subject to the tax. These river systems should be excluded for two very clear reasons. First, these river systems do not contain significant federally financed improvements, and second, Mr. President, these river systems do not require substantial Federal maintenance expenditures. In short, it is inconsistent, illogical, and inequitable to apply the river fuel tax to the Mobile and lower Alabama and Tombigbee Rivers while permitting the exclusion of every other similar river system in the country. Accordingly, I urge the adoption of my amendment, which is technical in nature and is designed to correct a deficiency in H.R. 8309 which I do not believe the authors of the bill intended. I, therefore, urge the adoption of my amendment so that preferential tax treatment will be equitably extended to all U.S. waterways not federally improved or financed yet commercially used by non-ocean-going barge traffic.

This merely allows the Mobile River and the lower Alabama and Tombigbee Rivers to be excluded inasmuch as they have no substance.

Mr. GRAVEL. Mr. President, I have no objection to this. It is what I think is a very proper amendment. I yield to my colleague.

Mr. DOMENICI. Mr. President, I am not going to insist on a vote. But I do not share the feelings on the exclusions that are found either in the amendment that we have passed, nor with this one. I see no justification for them, but I will merely record my vote "no" if we have a voice vote.

Mr. ALLEN. I thank the Senator I appreciate his stating that he is not merely opposed to this amendment. He opposes the other amendments on the same principle.

Mr. DOMENICI. Exactly.

Mr. ALLEN. Yes.

Mr. GRAVEL. Mr. President, I yield back all time.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment of the Senator from Alabama.

The amendment was agreed to.

Mr. ALLEN. Mr. President, I move to reconsider the vote by which unprinted amendment No. 1295 was agreed to.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER (Mr. PROXMIRE). What is the pleasure of the Senate?

UP AMENDMENT NO. 1296

(SUBSEQUENTLY NUMBERED AMENDMENT NO. 1931)

(Purpose: To exempt certain barges from the tax on fuel)

Mr. ALLEN. Mr. President, I have an amendment which I send to the desk, and I ask that it be stated. I ask unanimous consent that it be made the pending business on tomorrow.

The PRESIDING OFFICER. Is there objection?

Mr. DOMENICI. Mr. President, will the Senator from Alabama yield?

Mr. ALLEN. I yield.

Mr. DOMENICI. Rather than make it the pending business for tomorrow, I will not insist on a rollcall vote. I will express my objections and reasons, and we can have a voice vote tonight.

Mr. ALLEN. I appreciate the attitude of the distinguished Senator.

I ask that the amendment be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Alabama (Mr. ALLEN) proposes an unprinted amendment numbered 1296:

On page 12, line 17, before the period insert "or to the movement by tug or otherwise of special barges, such as Lash barges, designed exclusively to carry international cargoes aboard such ocean-going vessels".

Mr. ALLEN. Mr. President, in June 1977, when the Senate passed H.R. 5885 to provide for the imposition of user charges on commercial vessels that utilize certain of our inland waterways, the report filed in support of the legislation by the Committee on Environment and Public Works and the Committee on Commerce, Science, and Transportation made it clear that such charges would not be assessed against international traffic.

In October 1977, however, the House passed a substantially different bill (H.R. 8309) which substituted an inland waterway fuel tax for the user charges approved by the Senate and instead of exempting international traffic generally, as the Senate had done, the House bill merely exempts deep draft oceangoing vessels from the proposed tax.

Apparently, the House did not appreciate the very serious effect this narrower international traffic exemption will have on that segment of the U.S. maritime industry which is heavily committed to the so-called LASH (Lighter Aboard Ship) and Seabee methods of ocean transportation, or the complicated international and financial problems it

could create for the Federal Government as well. Accordingly, the amendment I offer at this time is designed to avert these unintended and unnecessary problems for industry and Government by simply making it clear that, in the case of LASH and Seabee methods of ocean transportation, the oceangoing vessel tax exemption contained in title II of H.R. 8309 shall apply not only to fuel required to move the large mother LASH and Seabee vessels, but also to fuel required to move those vessels' complement of oceangoing barges on the inland waterways of the United States.

LASH and Seabee methods of ocean transportation are relatively new. They involve the construction and operation of large, expensive, ocean-going vessels designed to carry a complement of small LASH or Seabee barges loaded with international cargoes. The mother vessels discharge their barges into inland waterways, both here in the United States and in foreign nations, to pick up and deliver international shipments. Congress encouraged the development of these new modes of international transportation to enable U.S. Maritime companies to compete more efficiently and effectively with low-cost foreign flag cargo fleets, and in a relatively few years, the Maritime Administration invested $310 million in construction subsidies for LASH and Seabee mother vessels and barges, and it guaranteed $177 million in loans to enable U.S. companies to acquire the vessels and barges. Thus, the Federal Government and the U.S. taxpayer has a stake of roughly a half billion dollars in the ability of U.S. LASH and Seabee operators to compete successfully with foreign flag fleets.

The basic concept of the LASH and Seabee methods of ocean transportation requires LASH and Seabee barges to be discharged from their large mother ships into the inland waterways of both the United States and foreign nations to pick up and deliver international cargoes. The LASH system was originally designed in Europe, so foreign flag operators also utilize that system of ocean transportation. Consequently, their LASH barges likewise travel along the inland waterways of the United States and of other nations around the world in purely international traffic. Thus, if the United States imposes a tax or other user charge on U.S. and foreign LASH or Seabee barges whenever they use our inland waterways to pick up and deliver international cargoes for their oceangoing mother ships, other nations throughout the world will almost automatically follow suit and impose similar taxes or charges on these same barges whenever they use their inland waterways to transport international cargoes.

For example, I am advised that recently the European economic community intended to impose a new tax or user charge on U.S. LASH barges that utilize the Rhine River in international traffic. Our State and Commerce Departments vigorously protested and ultimately persuaded the EEC not to impose this new tax burden on our LASH barges whenever they travel on the Rhine River. If the United States now acts to impose a fuel tax or other user charge on European LASH barges that utilize our inland waterways in international traffic certainly we can expect European nations promptly to reinstate the Rhine River charges on our LASH barges.

In sum and substance, therefore, LASH and Seabee barges engaged exclusively in international traffic on our inland waterways must be exempted from any fuel tax or other user charge the Congress decides to impose on inland waterway operations because the imposition of such a tax would lead to a chain reaction that could easily destroy some, if not all, of our own LASH and Seabee operators. Whatever new tax burden we place on purely domestic barge operations will end there—the domestic barge operators will have to pay only that one tax. But, if we impose that same tax on LASH and Seabee barges which must also utilize inland waterways of foreign nations throughout the world, we immediately expose them to an almost endless series of taxes or user charges wherever they operate. As stated above, this could easily result in an insurmountable economic burden for this segment of the U.S. maritime industry, and it could render this new system of transportation in which the American taxpayer has invested a half billion dollars noncompetitive with other modes of ocean transportation.

I understand that both the State Department and the Commerce Department are as alarmed as I am about the consequences of any tax or user charge Congress might impose on LASH and Seabee international traffic on our inland waterways, and hopefully letters the two departments have prepared expressing their deep concern will be made available for the record before the Senate takes final action on this legislation. Certainly, the two departments have good reason to be alarmed. Imposition of such a tax on LASH barges will immediately reopen the Rhine River tax battle they recently won. They will also be confronted with other taxes on U.S. maritime operations in other sensitive areas of the world, and the Maritime Administration will have good reason to wonder about the soundness of its half billion dollar investment in LASH-Seabee vessels and barges. Recently, two large LASH operators, one on the east coast and the other on the west coast, found it impossible to continue to operate their LASH systems profitably, so they abandoned their LASH operations. Other LASH operators are experiencing financial difficulties, so plainly the imposition of first, a new Federal tax in their operations in the United States, and second, a series of new user taxes on their operations in other parts of the world, could spell disaster for both the industry and the Government in this particular area of endeavor.

I am advised that LASH and Seabee international barge traffic on our inland waterways amounts to less than 1 percent of all traffic on the waterways affected by the pending legislation. It thus seems ludicrous to run all of the serious international and financial risks I have just described solely for the purpose of extending a new user tax to this international traffic on our waterways.

In conclusion therefore, I urge the Senate, in line with its previous exemption of all international traffic from these new user charges, to accept this amendment which, in reality, applies to only a small portion of the total international traffic on our inland waterways.

Mr. MATHIAS. Mr. President, will the Senator yield?

Mr. ALLEN. I yield.

Mr. MATHIAS. Mr. President, I have an inquiry of the Senator from Alabama.

I wonder whether the Senator can tell us what percentage of the total barge traffic on the waterways is represented by the exemption which the Senator proposes.

Mr. ALLEN. No, I am sorry, I do not have that figure.

I notice, however, that in the report on this bill it states:

> The section applies only to commercial shallow draft vessels. It does not apply to recreation vessels which already pay a fuel tax, nor does if apply to international traffic.

That is already part of the bill. This merely points out that it would not apply to LASH operations as well.

Mr. GRAVEL. As I understand, it is a very small percentage. It is a very new technology development that is going on, and it has been highly subsidized by the Federal Government to this point.

Mr. DOMENICI. In its truest sense, it is between 1 percent and 2 percent. If you can properly define LASH barges and if this amendment properly defines them, that is what it would be.

Mr. MATHIAS. That is what my inquiry is: Does the amendment properly define it?

Mr. DOMENICI. That is what my objection to it is. I have indicated that I am not going to insist on a rollcall vote but will merely vote "no" on it. If the Senator desires a rollcall vote, we can do so.

I assume we would want to put it over until tomorrow, in that event.

Mr. ALLEN. Yes.

Mr. DOMENICI. I have been told that it is drawn rather broadly. As I read it, it appears that not just barges designed to be carried on oceangoing vessels might be included and that our whole notion of a user fee is not against LASH barges. It is a bill to recover costs imposed on the public to benefit barge operators.

The fuel tax would be paid by a tow boat. If the tow boat contained both latch and regular barges how would you be able to divide up the tax? Those are some of the questions and a number of others that I raised.

Mr. MATHIAS. I wonder if I could make this suggestion to the distinguished Senator from Alabama. I have no reason at this point to call for a yea and nay vote on this and cause some inconvenience to Members of the Senate. But perhaps we could lay this over and give Members of the Senate an opportunity simply to look at it and see what its impact would be particularly if it is a new technology which may grow and which may then became a significant factor al-

though it is only a very small item at the present time.

Mr. ALLEN. I have no objection to laying it over. The Senator will recall that was the original request that I made that it be the pending business on tomorrow, and it was at the suggestion of the distinguished Senator from New Mexico (Mr. DOMENICI) that I went ahead and brought the matter up at this time.

Mr. DOMENICI. And I have no objection to holding it over. I say honestly to the Senator from Alabama my reason for not wanting to hold it over and merely stating my objection in the RECORD, and I will be honest with him, I just think the bill is, by the time we finish with it, including this amendment, a bill that is very, very apt to be vetoed and the exception as drawn is apt to make it more vague and the user tax theory less effective, and there is not anyone around here who doubts where I lie on that. So I did not think it hurt that cause, and I was willing to take it to conference on that basis.

Mr. ALLEN. I am still willing to see it go to conference, but if the distinguished Senator from Maryland wishes to have it carried over until tomorrow, I certainly have no objection.

Mr. MATHIAS. If that is agreeable to the Senator.

Mr. DOMENICI. Let us do that.

Mr. ALLEN. It is entirely agreeable, and I renew my unanimous consent request that the amendment be carried over until tomorrow and that it be the pending business when the bill is laid before the Senate for consideration.

The PRESIDING OFFICER. Without objection, it is so ordered.

OUR INLAND WATERWAY SYSTEM

Mr. BAYH. Mr. President, H.R. 8309, currently pending before the Senate, would authorize construction of a badly needed, new, enlarged lock and dam at Alton, Ill. At the same time, the bill will establish, for the first time, a system of waterway user fees to partially cover expenses associated with the construction, operation and maintenance of our inland waterway system. The impetus to link these two issues stems from the fact that we are on the verge of beginning a major reconstruction and enlargement of our inland waterway system.

Over the course of our history, the American taxpayer has built and maintained 25,000 miles of inland water routes, at a cost of some $8 billion. Currecently, annual expenses for building and running this system come to about $400 million and another $3.4 billion will be needed to finish projects already under construction. An additional $4.3 billion have been authorized for proposed projects. At a time when we are trying to reduce our Federal deficit, lower taxes, and closely scrutinize Federal outlays for new and existing military and social programs, it seems to me that it was most appropriate for the Senate to raise the question of future funding for waterway expansion.

Mr. President, a full public subsidy of our inland waterway system made sense a century ago when we were bent on western expansion and our railroads, which had a monopoly over freight transport, were receiving substantial assistance through land grant programs. Today this rationale no longer obtains. With costs soaring, major replacements and expansions planned and competing modes of transportation, especially rail transit, in financial difficulty, it seems only reasonable to partially phase out full Federal responsibility for expenses associated with the inland waterway system and ask waterway users to share the costs of enlarging and operating the system.

The question before us today is which of two alternative user fee proposals we will accept. Senator DOMENICI has proposed a fuel tax of 12 cents, phased in between 1979 and 1984, as well as recovery of 10 percent of future construction costs through license fees or tolls. The fuel tax proposed by the distinguished Senator from New Mexico would recover approximately 35 percent of operation and maintenance costs of the waterway system. Senator LONG has proposed a fuel tax of 12 cents also, although he would not impose such a tax until the pending legal challenge to the Alton project is resolved, with no recovery of construction costs. Both amendments require a comprehensive study on the impact of fees on our waterway system, as well as provisions vital for environmental protection of the Upper Mississippi.

Mr. President, last summer when the Senate voted on the user fee issue, the choice before us was either a very stiff user fee, amounting to 100 percent of operation and maintenance costs and 50 percent of construction costs, or no fee at all. At that time, I voted to impose a waterway user fee because I thought that some cost sharing by the industry was in order, and the Senate should go on record as supporting user fees in principle. This proposal passed, with provisions requiring congressional review of the impact of such user fees.

Since that vote, Mr. President, my staff and I have been in touch with the many groups in my State vitally affected by this proposal. As a Senator from a State on the inland waterway system, I have considered very carefully what the impact of the various proposals would be on Indiana. As Chairman of the Senate Transportation Appropriations Subcommittee, I have also carefully analyzed the impact of the different proposals on the Nation's transportation system as a whole. Finally, I have taken into consideration the need to get construction of locks and dam 26 moving, along with the President's decision to veto this bill if no construction cost recovery features are included. In light of all these factors, I have decided that the provisions contained in Senator DOMENICI's amendment most nearly meet the test of equity, both for taxpayers and competing transportation modes, and are the only ones that can move construction at Alton. I will cast my vote accordingly.

Mr. President, even with passage of the Domenici amendment, the Federal Government will still be paying 90 percent of construction costs, which constitute the lion's share of waterway expenses, and approximately 65 percent of operation and maintenance costs. The Domenici amendment will phase in the fuel taxes over 6 years. Its construction cost recovery provisions will not apply to locks and dam 26 or projects under construction, but only projects down the road. This lead time should give the industry sufficient time to adjust to the new economic climate they will face.

In the interim, Mr. President, the Department of Transportation and the Army Corps of Engineers will study the impact of these proposals thoroughly and report back to Congress in 3 years. Further, the Domenici amendment includes certain protections against economic hardships. It specifically prohibits any user fee that will result in serious economic disruption on any segment of the inland waterway. Finally, it provides that the construction cost recovery provisions will terminate upon enactment of any statute by the Congress that either authorizes the recommendations of the Secretary, to be forwarded to the Congress, or rejects or modifies such recommendations.

Mr. President, the establishment of a system of user fees is a change in national transportation policy that appears fair and timely. Every President since Franklin Roosevelt has recommended this course of action, and 15 comprehensive studies of the issue have been undertaken by the Government since 1939. In the last 2 years, the DOT has spent a considerable amount of time and money studying the costs and benefits of such a system and the administration feels strongly that the Nation will benefit from such a system. The imposition of fees will prove DOT right or wrong. I will be following developments closely and stand ready to go back to the drawing boards if necessary when DOT reports back to us.

Mr. President, President Carter has assured me that he will not veto this bill if the Domenici amendment is adopted. Therefore, I will support Senator DOMENICI's amendment, which will permit construction of the Alton project, protect the ecosystem of the Upper Mississippi, and institute equitable cost-sharing by the waterway industry.

NOMINATION OF BENJAMIN CIVILETTI

Mr. WALLOP. Mr. President, tomorrow the Senate will take up the nomination of Benjamin Civiletti and consider that together with a rather controversial report about which I have some remarks at the desk. Contained within that is a chronology of significant events surrounding the conclusions of that report.

Mr. President, recent developments on matters related to the nomination of Benjamin Civiletti have caused many members of the Judiciary Committee and the Senate great concern. The report released in the name of the Committee (although written by one staff person and filed before the committee's members had seen it) arrived at the astonishing conclusion that, on the basis of a "complete" record, "there was no

investigation of Congressman EILBERG at the time of the telephone call to the President * * *" and that "there was no 'coverup' of any investigation simply because there was no such investigation in existence during the time in question."

As one member of the Judiciary Committee who spent many hours during the hearings on Mr. Civiletti's fitness to serve as Deputy Attorney General, I am compelled by the hearing record itself to take issue with the preposterous conclusions of the report. It is inaccurate to suggest that the hearing record is "complete" on the questions raised about the Marston dismissal. On the contrary, the White House has not yet furnished the affidavits requested by members of the committee, nor has the committee obtained important information requested of various witnesses, nor has the committee heard from many key witnesses whose presence was requested who could shed light on the details surrounding that dismissal.

Assuming for argument's sake that the conclusions of the report could be sustained (which clearly is not the case on the basis of the record) the report should not be used to obscure a more fundamental question which has not yet been sufficiently developed.

The President of the United States is this country's chief law enforcement officer. He is assisted in carrying out this responsibility by the Attorney General. Whatever details the President or Attorney General did or did not know about an EILBERG investigation is irrelevant to their broader responsibility for the fair and efficient administration of justice. It was common knowledge that a massive investigation into political corruption in Pennsylvania had been going on for more than a year. The distinguished head of the Philadelphia FBI, Mr. Neil Welsh, described that city as a "cesspool of corruption." President Carter acknowledged this when he instructed Attorney General Bell to remove David Marston, saying that Congressman EILBERG had told him that Marston was prosecuting too many democrats. For the President and his Attorney General to respond to a political request to oust a U.S. attorney where the obvious consequence would be the interruption of leadership in an office charged with routing out this widespread political corruption causes great consternation about the President's commitment to uphold the laws of the land. The question lingers: Was it or was it not an obstruction of justice?

Mr. President, inasmuch as the Senate will soon be taking up the nomination of Benjamin Civiletti, it is timely to ask unanimous consent to have printed in the RECORD, for the benefit of those who have not had an opportunity to review them, a chronology of important events surrounding the Marston dismissal and accompanying remarks.

For the reasons set out in my additional views on the Civiletti nomination as well as in the chronology and accompanying remarks set forth, I must oppose the nomination when it comes to the floor.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

CHRONOLOGY OF EVENTS LEADING UP TO THE DISMISSAL OF DAVID MARSTON AS U.S. ATTORNEY

By now, we are all familiar with the controversy surrounding the dismissal of David Marston as the United States Attorney for the Eastern District of Pennsylvania. The facts and circumstances surrounding that event were developed during the course of the hearings on the nomination of Benjamin Civiletti to be Deputy Attorney General. This area of inquiry was directly relevant to the Committee inasmuch as Mr. Civiletti was a prominent figure—the Assistant Attorney General of the Criminal Division and the Acting Deputy Attorney General—in the Justice Department at the time the so-called "Marston Affair" occurred. As a high-ranking official, Mr. Civiletti was in a position to know what criminal matters were under investigation, at whatever stage, in the Criminal Division which he headed.

It was essential to my determination of Mr. Civiletti's fitness to serve as Deputy Attorney General to assess:

(1) what information or knowledge he had about an investigation involving or related to Congressman EILBERG at either the time that the Congressman called the President and the President in turn urged the Attorney General to remove Mr. Marston, or, at any time prior to the actual replacement of Mr. Marston, in time to alert the President and Attorney General and to shield them from acting as either witting or unwitting instruments of a possible attempt to obstruct justice; and

(2) If Mr. Civiletti did not know about any such investigation, why he did not, a question that goes directly to his competence as a manager and administrator of the Criminal Division, and by analogy, the entire Justice Department.

I approached the hearings with an open mind. It would have given me great pleasure and peace of mind to conclude, after the intensive questioning, that there was no possibility of wrongdoing in the dismissal of David Marston and that Mr. Civiletti had nothing to do, either directly or indirectly, with any of the events leading up to or following that dismissal. However, the Justice Department had too much information circulating through its various sections and field offices by mid-November about Hahneman Hospital and a transaction involving one, if not two congressmen, to sustain to my satisfaction Mr. Civiletti's contention that he did not know of any such investigation. Viewing this in the alternative, if in fact he did not know about an investigation, it is quite clear that he should have known about a matter as sensitive as this one. The testimony we heard evidences an apparent breakdown in communication between line attorneys, section chiefs, deputy assistant attorneys general and the Assistant Attorney General himself, Mr. Civiletti.

I will set forth below some of the dates and events which cause me to doubt Mr. Civiletti's testimony that he simply has no recollection of any of the significant facts or information he had been told of, or about which he should have been aware, concerning Congressman EILBERG.

One last word as to the significance of this time chart. We have not, as yet, heard the complete story on the "Marston Affair" from the White House. The Attorney General testified that at the very least we should hear from Mr. Moore and Mr. Cable about the phone calls from Congressman EILBERG's office that precipitated the ouster of Mr. Marston. Because the White House has been less than forthcoming—they have refused a request for affidavits submitted by five senators on this committee—it is very difficult not to wonder whether the President might not have been aware of some of the events I am about to detail, and if he was, whether there may not be some criminal mischief afoot at the highest levels of government.

The dates below are significant because they all have one common element, that is, Hahnemann Hospital. A combination of information about Hahnemann Hospital and a transaction related thereto involving either Congressman Eilberg or his law firm (Eilberg, Corson, Abramson and Getson) surfaced on many occasions beginning in March, 1977, and intensifying by November, 1977, and becoming far more specific by December, 1977. This information was sufficiently developed in January to have raised very serious doubts in the public's mind about the propriety of the President carrying out his legal right to fire a United States Attorney at a time when it was clear that political corruption investigations were ongoing that would be disrupted by interrupting the leadership of the United States Attorney's office in Philadelphia.

KEY TO CHRONOLOGY

Editorial comments.—These comments reflect the inferences I have drawn from all the information I have reviewed.

In some cases first names have been omitted for convenience and not out of disrespect for the persons mentioned.

March 1977.—Witness Charles A. Cordial advised Special Agent Thomas Marsh, F.B.I., Washington, D.C., of Mr. Elko-Congressman Flood connection to President Shober of Hahnemann Hospital medical school in Philadelphia, Pennsylvania.

May 12, 1977.—Protected witness Deryl E. Fleming advised Special Agents Philbin and Brinkley, F.B.I.; Philadelphia, in Mr. Dowd's office, of Mr. Elko's involvement in Hahnemann Hospital project and payoffs by principals to Elko and Flood.

June 1, 1977.—Protected witness Deryl E. Fleming advised Special Agents Sackreiter and James, F.B.I., Philadelphia, in Mr. Dowd's office, of Elko and Congressman Flood involvement in Hahnemann Hospital.

May or June, 1977.—According to Mr. Civiletti's affidavit, "somebody" (probably one of his three Deputy Assistants, according to his testimony) mentioned the possibility that Congressman Eilberg might be involved in a questionable transaction.

This was brought up in the context of the grand jury reform legislation, a fact relevant in its own right, contrary to Mr. Civiletti's testimony and affidavit. Set against the background of grand jury reform, an otherwise casual comment would, in all likelihood, take on added significance, particularly to an experienced prosecutor or criminal lawyer. Congressman Eilberg is the chief sponsor of the grand jury reform legislation and also the chairman of the subcommittee before which Mr. Civiletti testified on that bill. According to an internal Department of Justice memorandum, the grand jury reform legislation is a top priority item of the Criminal Division. If Mr. Civiletti was told that Congressman Eilberg might at some time be, or in fact was under investigation, however preliminary, he would have been aware of the impact that Congressman Eilberg's reform legislation could potentially have on the draftsman himself. In other words, it is highly implausible that Mr. Civiletti would dismiss the comment so easily. Query why this "someone" thought to mention the possibility that Congressman Eilberg might be of investigative interest in the context of the grand jury reform hearings?

July 11, 1977.—Peter Smith, Assistant United States Attorney in Mr. Marston's office submitted a memorandum to Mr. Marston setting forth the facts upon which he based a recommendation that an investigation into Hahnemann Hospital should be opened. In that memo, a letter from Congressman EILBERG's law firm is listed under the category heading "Other Evidence." Marston initialed

the memo and instructed Smith to open an investigation.

August 4, 1977.—Charles Cordial indicted on obstruction of justice and perjury.

August 17, 1977.—At a meeting in his Washington, D.C. office, Mr. Baker was informed by Alan Lieberman, Assistant Attorney General in the Philadelphia United States Attorney's office, that an investigation had been started into a transaction that might involve Congressman EILBERG.

Inasmuch as this conversation occurred shortly after the Philadelphia office began its investigation, it is quite likely that Mr. Lieberman was describing a transaction involving either Congressman EILBERG or his law firm which was connected with Hahnemann Hospital.

August 18, 1977.—Mr. Baker reported the August 17 conversation to Mr. Civiletti.

The hearings did not resolve whether this was the same conversation that Mr. Civiletti had identified as having taken place in May or June.

If it was, then we know that Mr. Baker and Mr. Civiletti had an early conversation about the possibility of an investigation involving Congressman EILBERG. This would make their November 25, 1977 conversation at least a second discussion of Congressman EILBERG vis à vis an investigation.

If someone else told Mr. Civiletti about Mr. EILBERG in May or June, then this August conversation was at least the second time that Congressman EILBERG was brought to Mr. Civiletti's attention as possibly being involved in a transaction that might be the subject of an investigation. This, in turn, would make the November 25, 1977 discussion with Mr. Baker at least the third time that Mr. EILBERG was a topic of sensitive discussion with Mr. Civiletti.

August 26, 1977.—Mr. Cordial pleads guilty to obstruction of justice.

September 15, 1977.—Convicted witness Charles Cordial advised Special Agents Bird and Foster, F.B.I., Washington, D.C., of Mr. Elko obtaining federal funds for Hahnemann Hospital and agreed payoff to Mr. Elko and Mr. Fleming for their efforts in obtaining federal funds.

(Approximately) September 20, 1977.—Mr. Baker returned from Philadelphia where he met with a number of people including the Philadelphia Strike Force (Joel Friedman) and Neil Welsh, the highly respected F.B.I. Agent in charge of that office. He was "urged" by Mr. Welsh to report back to Washington that Philadelphia was a "cesspool" of corruption, that Marston was doing an excellent job, and that it was important to retain him. Mr. Baker reported this to Mr. Civiletti and to Mr. Egan.

Clearly, then, Mr. Civiletti was made aware that Philadelphia was a hot-bed of political corruption in need of conscientious prosecution of the political corruption cases. Mr. Welch's recommendation combined with Mr. Civiletti's March, 1977 recusal in the *U.S. vs. Fineman* case in Philadelphia might well have put Mr. Civiletti on notice that there might be some real merit to the information he had heard by this time at least once and possibly twice about Congressman Eilberg.

October 19, 1977.—Mr. Elko and Ms. Brislin were convicted in the West Coast Trade School Case in Los Angeles. Mr. David Hinden was the Assistant United States Attorney and prosecuting attorney on that case. Mr. Fleming testified as the principal government witness against Elko.

October 20, 1977.—Mr. Dowd flew out to Los Angeles and met with Mr. Elko and Ms. Brislin in the law offices of Mr. Alan May. Mr. Dowd raised the subject of Hahnemann Hospital as one of the areas about which he believed Elko could provide information. Mr. Dowd's source of information was Mr. Fleming, a business associate (of sorts) of Mr. Elko.

October 25, 1977.—The F.B.I. in Philadelphia, under Neil Welch's direction, opened a case on Hahnemann Hospital.

November 4, 1977.—Congressman EILBERG called President Carter urging him to remove David Marston as United States Attorney. He informed President Carter that Marston was prosecuting too many Democrats.

November 4, 1977.—Mr. Baker signed off on a request for immunity for Mr. Elko and Ms. Brislin. This was done in conjunction with Mr. Dowd's Strike Force 18 and Mr. Friedman's Strike Force in Philadelphia.

We have learned through testimony that an immunity grant requires, as a final step, the approval of the Assistant Attorney General. This is required by law, 18 U.S.C. 6003 et seq. Now, Mr. Civiletti was somehow unavailable on November 4, 1977 and according to testimony, Mr. Baker authorized these grants of immunity.

The contents of all the paperwork accompanying the request for immunity is significant. One document indicates that Mr. Fleming had said that Mr. Elko would be able to testify about Hahnemann Hospital. There is a detailed paragraph on that subject.

So we have a situation, then, where Mr. Baker has heard Hahnemann Hospital mentioned to him, or a transaction concerning Congressman EILBERG's firm, or both, in August. He again heard in September that Philadelphia was a "cesspool" of political corruption. Furthermore, according to testimony from Mr. Dowd and Mr. Baker, they met quite often, frequently bypassing the chain of command in the organized crime-strike force section. Therefore, it is possible that Mr. Dowd may have mentioned his work, and most probably his trip to California to interview Mr. Elko, to Mr. Baker. Mr. Baker, then, was reviewing immunity documents that touched upon a subject that was quite familiar to him by November 4, that is, Hahnemann Hospital. And it is not impossible that he may have made the necessary connections in his mind between Hahnemann Hospital and the transaction involving Congressman EILBERG.

There is also a curious aspect about this November 4 immunity grant. We know from Mr. Civiletti's log that he was in the Department of Justice during that day. In fact, according to Mr. Baker's records and Mr. Civiletti's logs, he had on that very morning called Mr. Baker in for a meeting. Now, this was the first time that Mr. Baker's calendar reflected a request by Mr. Civiletti to see him. Generally, they have both testified, they caught each other in passing and met informally. But this date was somewhat different.

We also have a conflict between testimony and documents on this point. Mr. Civiletti does not recall requesting a meeting with Mr. Baker. In fact, he testified that they did not meet that morning. Mr. Baker does not recall a meeting, but his log reflects a meeting at 9:35 with Mr. Civiletti. Mr. Civiletti's log shows Baker at 9:35 and is again listed at 10:00.

What did they meet about? Or what did Civiletti plan to discuss with Mr. Baker? And did Mr. Baker bring up the subject of the immunity grant at that time? None of these questions were answered to my satisfaction. One might guess, though, with as sensitive a matter as this, that Mr. Baker may well have mentioned the request for immunity to Civiletti. And even if he didn't bring it up that morning, it would still seem important enough that at some later time, Mr. Civiletti would have been, indeed should have been, briefed on the Elko-Brislin immunity.

November 4, 1977.—Mr. Elko subpoenaed to Philadelphia Grand Jury.

November 7, 1977.—Dr. Holmes of Hahnemann Hospital interviewed by F.B.I. in Philadelphia.

November 7 or 8, 1977.—President Carter calls Attorney General Bell urging Judge Bell to replace Mr. Marston because, among other reasons, Marston was prosecuting too many Democrats. According to the Attorney General's testimony, Mr. Civiletti was probably apprised of this conversation with the President shortly after it took place.

November 7, 1977.—A Philadelphia Grand Jury heard testimony from Mr. Elko.

November 10, 1977.—A Washington, D.C. Grand Jury heard from Mr. Elko.

Surely, Elko's testimony did not go unnoticed by anybody in the Justice Department. At the very least, Mr. Friedman, in Philadelphia and Mr. Dowd in Washington were aware of what was going on.

November 13, 1977.—United States Attorneys Conference in Washington, D.C. Mr. Marston met with Associate Attorney General Michael Egan. Mr. Egan told Mr. Marston about the "pressures from on high" to replace him, describing Congressman EILBERG's phone call to the President.

November 14, 15, 16, 1977.—Mr. Elko was in Mr. Dowd's office along with Assistant United States Attorney David Hinden and other F.B.I. agents. During debriefings, Mr. Elko mentioned Hahnemann Hospital and Congressman EILBERG. Somebody, either Mr. Hinden, Mr. Dowd or an F.B.I. agent showed Mr. Elko a piece of paper dated June, 1976, which detailed various job options for Mr. Elko. One notation indicated a sum of $50,000 to be paid Mr. Elko by Congressman EILBERG's law firm. The Eilberg-Hahnemann Hospital connection was discussed, though not in detail.

There is another conflict in testimony on this point. Mr. Dowd specifically denied that Mr. Elko had discussed Congressman EILBERG or Hahnemann Hospital on November 14, 15 or 16. He also had no recollection of using papers, visual aids, or diagrams in debriefing Mr. Elko. Contrast this with Mr. Hinden who was quite certain that the subject of EILBERG and Hahnemann Hospital had come up in November and that Mr. Elko had been questioned on these dates about a document which contained a reference to Congressman EILBERG's law firm.

November 25, 1977.—Mr. Baker met with Mr. Civiletti, a meeting which Mr. Civiletti does not recall but, significantly, does not deny. Mr. Baker informed him at this time that the "Eilberg case is alive" as Mr. Baker's notes reflect. In addition, Mr. Civiletti was informed of the conversation from on high to replace Mr. Marston and the fact that Mr. Marston's office was conducting an investigation into Congressman EILBERG.

This was not a casual comment. This conversation called for some direction from Mr. Civiletti as to how the Criminal Division should follow up on this possible criminal act by a congressman. Mr. Civiletti's response, to "tell Egan," is entirely unsatisfactory coming from the head of that Division.

Mr. Egan, after all, has nothing to do with the Criminal Division. His job is replacing United States Attorneys. Mr. Civiletti should have seized the reins and directed further investigation into Congressman EILBERG's call as a possible attempt to obstruct justice, in addition to alerting Mr. Egan and the Attorney General to this sensitive matter.

December 9, 1977.—Intensive discussions focusing on Hahnemann Hospital and Congressman EILBERG took place during the debriefing of Mr. Elko. These are reflected in the F.B.I. 302's taken during those sessions. The debriefing sessions continued throughout December through January 3, 1978 according to Mr. Hinden's testimony.

How does one reconcile the testimony of Mr. Hinden and Mr. Dowd? Mr. Hinden's testimony is that as early as November 14, 15 and 16, Mr. Elko was discussing Congressman EILBERG and Hahnemann Hospital. Mr. Dowd has testified otherwise; in fact, he has

said that on these dates, there was no mention of either EILBERG or Hahnemann. But this is not the only significant difference between Mr. Dowd's perceptions of the Elko debriefings and those of Mr. Hinden. Mr. Hinden testified that on December 9, intensive discussions were underway in Washington. In fact, these discussions took place in Mr. Dowd's office in the presence of F.B.I. agents. One of the subjects brought up and described in detail was Congressman EILBERG's involvement with Hahnemann Hospital, discussions which are reflected in F.B.I. 302 notes. Mr. Hinden went even further in his description of these debriefings when he said that they continued in an intensive fashion from the beginning of December until January 3, 1978.

Mr. Dowd's testimony is otherwise. According to his recollections, the first date upon which he had facts connecting Congressman EILBERG to Hahnemann Hospital was December 19.

Fortunately, this conflict in recollections can be resolved by reference to the F.B.I. 302's which were taken during debriefings of Elko at which Mr. DOWD was present if not actively participating which corroborate Mr. Hinden's testimony.

This is relevant to our inquiry into what Mr. Civiletti knew, and when he knew it, because it has a very direct bearing on Mr. Baker's notes of the November 25 meeting with Mr. Civiletti at which time he reminded Mr. Civiletti that there was no change in the status of Congressman EILBERG and that the "EILBERG case is alive."

If, as Mr. Hinden has testified, Mr. Elko had mentioned Congressman EILBERG and Hahnemann Hospital on November 14, 15 and/or 16, then it is that much more likely that there was real substance to Mr. Baker's notes that the "Eilberg case is alive." After all, by that date, the F.B.I. in Philadelphia already had an active case on Hahnemann Hospital, the U.S. Attorney's office in Philadelphia was involved in that investigation, and John Dowd's Strike Force 18 was also involved in aspects of the Hahnemann Case.

In the final analysis, Mr. Hinden's testimony makes Mr. Baker's testimony—that he discussed an EILBERG case with Mr. Civiletti—that much more believable.

This outline could most certainly be expanded to include other pertinent events during the latter part of December and in January, including, of course, the dismissal of David Marston as United States Attorney.

January, we all know, is the month in which the President held a press conference at which time he was asked about Mr. Marston and Congressman EILBERG's phone call. It was shortly thereafter that the President revised his previous posture on the Marston matter.

January was also the month in which Mr. Marston notified the Attorney General by letter (dated January 9, 1978) that principal defendants in political corruption cases were eager to have Marston removed and viewed that event as a remedy for their less than desirable lots.

We also know that Mr. Dowd briefed the Attorney General and many other individuals on January 16 on the investigation involving Congressman EILBERG, and that beginning on that day and continuing for one week, the Office of Professional Responsibility conducted a superficial investigation intended to clear the President and Attorney General of wrongdoing. The Attorney General himself testified that the in-house investigation by the Office of Professional Responsibility did not go far enough and that, at the very least, Mr. Moore and Mr. Cable in the White House should have been interviewed. While the details of all the events of December, January and February concerning the "Marston Affair" are not developed in this summary outline, that is not to say that they are not relevant to the general question—who knew what and when?

However, insofar as my evaluation of Mr. Civiletti to be the Deputy Attorney General of the Justice Department goes, the aforementioned events are the material ones. Based upon this chronology, it was my conclusion that the Department of Justice had enough information by November about an "Eilberg case" to have put the Attorney General and the President on notice that Mr. Marston's office was investigating sensitive matters surely touching upon one, if not two congressmen, both of whom had repeatedly insisted on the replacement of Mr. Marston.

A quick review of all the events that occurred prior to November 25, support my conclusion that Mr. Baker did meet with Mr. Civiletti on November 25 as Mr. Baker has testified and furthermore, Mr. Civiletti was told about the "Eilberg case" on that date.

In finding Mr. Baker's testimony more credible than Mr. Civiletti's, I am not accusing Mr. Civiletti of lying. I have said during these hearings that his memory is a highly selective one, and I will stand by that. I arrived at this conclusion after an evaluation of the most reliable evidence. In this case, I am impressed by a combination of factors including, but not limited to, Mr. Baker's personal notes and his affidavit and testimony. Because Mr. Civiletti's credibility is in doubt on the Marston matter, in addition to other reservations I already have expressed in "additional views" on Mr. Civiletti's nomination, I am compelled to oppose this nomination.

SOLAR ENERGY—A PROMISE AND A CHALLENGE

Mr. HARRY F. BYRD, JR. Mr. President, today Americans from coast to coast are holding observances of Sun Day, a celebration of the great potential of solar energy.

As a supporter of our solar energy programs, and as a cosponsor of Senate Joint Resolution 110, which established Sun Day, I am greatly encouraged by the Nation's response today.

I believe that we should look at solar energy as a promise and a challenge: A promise of almost limitless energy, free of polluting effects, and a challenge to our science and technology to make this promise a reality.

I take pride in the role which my State of Virginia has played in the development of solar energy.

Today it was announced that Ferrum College, in Franklin County, Va., will build a dormitory heated and cooled by solar energy, with the aid of a grant from the Department of Housing and Urban Development.

This is the newest of a number of major solar projects in Virginia, including an advanced solar technology building at Langley Research Center in Hampton and solar installations at Fauquier High School in Warrenton and Terraset School in Reston.

In addition, a number of private developers are including solar hot water heating in newly built homes. Approximately 50 homes in Virginia now are equipped with solar heating and cooling equipment.

At the Virginia Polytechnic Institute and State University in Blacksburg, research is going forward in the technology of using solar energy for livestock shelters and for the drying of grain.

The efforts going forward in Virginia and her sister States are of immense importance. Only through research and development, and the practical applications of the fruits of scientific work, can we make progress toward the realization of the true potential of the Sun.

Solar energy is certainly one of the most promising technologies now under development to give our Nation a greater degree of independence from high-priced foreign oil. It has the particular virtue, also, of providing a vast energy supply without damage to the environment.

So it is wholly appropriate that on this Sun Day we give the greatest possible encouragement to those in private industry and government who are working to harvest the energy from the Sun.

APPOINTMENT BY THE VICE PRESIDENT

The PRESIDING OFFICER. The Chair, on behalf of the Vice President, appoints the Senator from Oklahoma (Mr. BARTLETT) as a congressional adviser to the SALT delegation in Geneva during 1978.

TEXTILE TARIFF CUTS MEANS EXPORT OF JOBS

Mr. HELMS. Mr. President, I am pleased to join in sponsoring S. 2920, the bill offered by the distinguished Senators from South Carolina (Mr. THURMOND and Mr. HOLLINGS) to exempt textiles and apparel from tariff reductions during the Tokyo Round of Multilateral Trade Negotiations in Geneva.

The American textile and apparel industry is the largest single employer in the United States, employing over 2.3 million people, or 1 in 8 of all manufacturing employees. Of this, 17 percent are minority workers and 66 percent are female. It is the largest employer in North Carolina. Located in both urban and rural areas, this industry's continued ability to provide meaningful jobs is vital.

The survival of this industry is being threatened by rapidly increasing imports into the American market. In the period 1972–77, on a per-pound basis, imports grew at a rate three times faster than our domestic market.

The textile and apparel trade deficit has increased over 30 percent since 1973, to a negative $3.4 billion last year. These figures translate to a displacement of over 400,000 jobs in the American textile industry. In North Carolina, close to 2,500 workers have had petitions approved for adjustment assistance, ranking North Carolina the fifth highest State for petitions approved.

Even with our existing bilateral agreements, which cover some three-quarters of our textile and apparel imports, the potential import growth for 1978 is enormous. Because of a combination of factors, this year's imports could easily exceed 1977 figures by 40 percent.

A reduction of duties on textiles and apparel would only invite more textiles and apparel into the United States. U.S.

market growth is estimated at 1½ percent per year to 1983. In terms of annual growth rates, the scenario over the next 5 years could be: Domestic market, 1½ percent; quotas, 6 percent, and imports, 10 percent.

Reductions in tariffs would aggravate this already serious problem. The cuts under consideration could lead to an additional loss of 50,000 jobs directly and thousands more in ancillary industries. For this reason, they must be prevented. Textile tariff cuts are totally inconsistent with our textile trade program, for they distort the basic assumption behind the multi-fibre agreement. They are equally inconsistent with the overriding goal of this and previous administrations to reduce unemployment.

One added aspect of the importation of textile goods has been unfortunately overlooked. It is the role that the U.S. taxpayer has had in subsidizing the development of textile industries in other nations. A glance through the reports of the World Bank, the Inter American Development Bank, the Asian Development Bank, the Export-Import Bank, and the Agency for International Development have all subsidized through loan guarantees, grants, or low-interest loans, the construction of textile industries in various countries. In the case of U.S. agencies, those aids came directly from the U.S. taxpayer. In the case of the multilateral assistance agencies, in no case is the U.S. taxpayer not the largest single benefactor.

The subsidization of textile mills abroad puts the U.S. Government in a schizophrenic position. On one hand, the Federal Government taxes textile workers in North Carolina and other places and uses some of that tax revenue to help build textile plants in other nations. Then it says "We must help these countries sell their output." And so imports to the United States grow far faster than the U.S. market grows. American textile jobs decrease, and people who used to pay taxes are now on welfare rolls or other Government assistance programs. That is not good government, good politics or good economics.

I fully support S. 2920, and I pledge my best efforts toward its early Senate passage.

WASHINGTON METRO ALTERNATIVES ANALYSES

Mr. MATHIAS. Mr. President, a significant regional decision for the Washington Metrorail system was announced today in Washington. Locally elected officials at the Washington Council of Governments meeting today determined the results of a federally mandated "alternatives analyses" of the Washington regional rapid rail system after this comprehensive assessment. Their conclusion was that the entire 100-mile system, as originally adopted 10 years ago, best serves the needs of the citizens of the region and should be completed.

The success of the Washington Metrorail system has attracted attention throughout the country. Use is greater than expected. Approximately 180,000 to 190,000 people a day are riding the 23-mile Metrorail system. Most seem pleased with it except for the expected minor irritations of working the kinks out of something new. The public acceptance has been so positive that a new phenomena, the lunchtime "rush hour," has been created in the middle of the day by the "lunch bunch." Meanwhile, Metro has been minimizing transit operating costs by the elimination of bus service that competes with Metrorail. This is particularly noticeable where the citizens have the most to gain by switching to rail—in Montgomery and Prince George's Counties. In addition, the system has been essentially crime-free, thus eliminating the perceived fear of an underground subway system. By any conceivable service measure, the congressionally approved Metrorail system is clearly a success.

Even a brief examination of the Metrobus program shows that it, too, has improved lately. Costs are being stringently controlled. Ridership gains are evident where the buses have been smoothly integrated into the rail system. Service improvements in some areas are apparent. Metrobus is not perfect—but there are clear signs of progress.

We have all heard about the tremendous cost increases and delays in building the system. The vast majority of the cost increases are due to inflation and construction delays.

Some of these delays have been caused by "cost saving" decisions made by the U.S. Department of Transportation. The Department demanded a thorough reevaluation of all unbuilt links of the system in a new process known as alternatives analysis. Since the beginning of this federally mandated alternatives analysis study, it has been subjected to flurries of requests from the Urban Mass Transit Administration to change the study in midstream. Local officials reluctantly concurred in the decision to conduct this study, and insisted on a thorough reevaluation of the system to insure an analysis of the highest possible integrity that would meet all possible Federal objectives. The result was a resounding reconfirmation of a system of approximately 100 miles.

While this analysis has been going on, the costs of building it have continued to mount. We now must ask ourselves whether anything really has been gained as a result of this 17-month, federally mandated delay?

Let us take a look at the so-called 60-mile interim capital contributions agreement between local jurisdictions and UMTA. As I understand it, this agreement is to fund to operational status 60 miles of Metrorail, and partially fund the construction of other segments.

One of the components of the interim capital contributions agreement is the "part B–3" package. It is not controversial—all of the jurisdictions concurred on it 2 years ago. The formal application for these funds was submitted on September 12, 1977. Nothing has happened since then. Even though UMTA staff knew it was coming, there has been no approval of this important grant, nor has UMTA commented on it. WMATA estimates that the delay has cost approximately $330,000 each month, or about $2.5 million for the 7½ month delay to date.

WMATA has been using money reserved and committed for other projects to fund the essential construction items which had to go forward. The Authority has, therefore, lost at least $100,000 of potential interest earnings which could have been used to help fund the system.

Then, on top of all of this, there is the Glenmont, Md., route "B" debacle. In a letter to Secretary of Transportation Brock Adams dated June 13, 1977, I urged that this route not undergo alternatives analysis, since the many years of prior study and evaluation have shown it to be absolutely vital. Instead, I recommended a "thorough reevaluation of the architectural and engineering design standards."

In its report on the Department of Transportation Appropriations request of fiscal year 1977, the Appropriations conference committee required a condensed architectural and engineering analysis to be completed by October 1, 1977.

The local officials completed their report to UMTA by that date.

Although UMTA staff had fully participated in the entire study, it seems they were not able to provide the Secretary with sufficient information for him to make a decision until November 21.

UMTA was not yet satisfied, however. They hired their own consultant to evaluate the work of WMATA's consultants. This involved 3 more months of work which brought us to February 14 of this year.

Last August 12, WMATA halted final design work on route "B" in the expectation that savings of the engineering analysis on this route would be realized. The analysis did recommend certain changes that could have resulted in approximately $19 million in savings—if redesign could begin in November. It could not.

Redesign could not begin until mid-April. The costs due to this delay of 5½ months are put at a minimum of $6.9 million, or about one-third of the total design savings. However, if the analysis had not been required in the first place, the whole 2-year delay in construction would not have occurred. I am sure that this 2-year delay will cost more than $19 million. Was this reanalysis with its delays and costs necessary? Absolutely not.

We could also look at the Department's review of the Metrobus program to see how many major items such as bus garage replacement and rehabilitation programs have been delayed, also greatly increasing their costs.

We know that the cost of building the entire Metrorail system will be more than the available money from the interstate highway transfer provisions. We can expect that there will be more delays and higher costs simply because of the problems in processing grant applications through the Department of Transportation. We can expect that the administration will be recalcitrant about deciding to complete this system, despite its proven and growing success.

I wonder how we can restore a sense of financial responsibility to the Washington Metrorail system when the Department of Transportation itself is a major source of construction delays and cost increases? To eliminate this costly unnecessary redtape, I believe it may well be appropriate to direct congressional funding for this program.

I am afraid that similar problems are occurring across this Nation in other cities attempting to provide energy-efficient and full-service mass transit systems. It is indeed unfortunate that local decisionmaking is being thwarted by the Federal Department of Transportation.

Clearly, the administration lacks a commitment to solve Washington transit problems as an important component of center city revival—a program that must be a cornerstone in the President's urban policy.

SUN DAY

Mr. DOLE. Mr. President, today is May 3, designated by the Congress as Sun Day. In Washington, D.C., in Lawrence, Kans., and all across the Nation today, there will be programs extrolling the benefits of clean, safe, and environmentally acceptable solar energy. As a cosponsor of the original Senate resolution, I would again like to express my support for Sun Day.

The Sun Day celebration has involved the efforts of many people. Credit certainly should go first to Dennis Hayes, who has taken the idea from its conception to the point where it is a national observance. Credit also goes to all the States, local governments, and private groups that have lent their support and committed their resources to organizing the celebration throughout the country.

A MESSAGE TO THE GOVERNMENT

While I am sure that the celebration will be entertaining, interesting, and informative for all those who attend, I think that we in the Congress must view Sun Day from a much different perspective. For us in Congress, Sun Day represents a very serious message from the American people to their elected representatives.

The message is that the citizens want to see a real commitment to solar energy. They cannot help but be dissatisfied with the present effort within the Government to foster solar energy, and they want to see this situation changed. The question is whether the Government can rise to this new challenge.

GROWTH OF THE SOLAR INDUSTRY

Certainly we have seen a rapid growth of solar energy in the private sector, especially for heating water and for heating houses. The new solar industry shows all the creativity and ingenuity that we pride in our free enterprise system. New innovations occur almost daily, and the price of solar heating equipment continues to come down.

With the promise of new markets, we see aggressive advertising on the part of the equipment manufacturers. We see home builders offering this new option to potential buyers. We see local contractors learning the techniques of solar energy and providing the ability to adopt our existing homes to use solar energy.

But the private enterprise system can still use all the help it can get from the Government. And our role should be to foster this industry where the technology is demonstratively competitive as an alternate energy source.

THE ROLE OF GOVERNMENT

First of all, the Government can take care to see that it does not stand in the way of progress. We have in this country an enormous array of regulations that were imposed in other times, for other purposes. When these regulations stand in the way of rapid growth of solar energy, we need to review them and change them if necessary.

We have developed building codes that should be reviewed in order to adapt them to the new possibilities brought about by solar energy. We have a system of property taxes that can result in higher taxes for a person who chooses to help the country by using solar energy. The utilities now have a monopoly on our power needs and this situation also needs to be reviewed in light of the ability to put a power source on each and every house.

There are also new legal problems presented by the advent of the new technology. If I put solar collectors on my house, can my neighbor cut off my access to the Sun by building an extension on his house? The list of legal and regulatory problems goes on and on.

The second thing the Government can do is to protect consumers as this new industry matures. We need reliable standards of efficiency so that people can really decide among the many solar products that will soon be on the market. The public will also need new kinds of information that are not generally available at the present time. People need to know whether a solar heater will really save them money compared with a gas heater, or an electric heat pump. And that depends on the price of fuels in each locality. But comparison shopping implies that people have the necessary information to make intelligent choices. Getting reliable, unbiased information out to the American people is an excellent role for the Government in this new area of solar energy.

The third thing that the Government can do is to foster research on new techniques to get the price of solar energy down. While the market today is primarily limited to hot water heating and space heating, there are many more applications of solar energy, real possibilities for the future. Solar-powered air-conditioning is well on its way to being competitive with electric air-conditioners. On the other hand, electricity generated by solar power is further off in the future.

We now power satellites with the Sun, and solar electricity is used in many other applications where price is not a primary consideration. But to generate electricity for large segments of the population, we need a price that is competitive with electricity generated by coal and nuclear plants. If solar is to compete, it must be price-competitive.

Now I have confidence in our scientists and engineers and I know that new solar technologies can be competitive in the not-too-distant future. But it will take an enormous amount of R. & D. to make it happen. An excellent role for Government is to foster that research effort.

GOVERNMENT EFFORTS TO DATE

Mr. President, I think it is important to review the proper role for the Government in fostering solar energy. It is important because the performance of the Government to date has been totally unsatisfactory. True, we have an R. & D. program, but it is hardly related to the regulatory problems that solar energy presents. We are also much too late in starting a program to protect the consumer as the new markets develop.

Most of the difficulty lies with the new Department we created precisely to help solve the energy problem. The Department of Energy has yet to prove to the country that it is up to the task. In my opinion the Congress has done its share. We have shown our willingness to authorize new programs for solar energy. But we must be assisted by the DOE if those programs are to be successful. It could be, as some have argued, that the Department is new, and that it will soon get to a point where it can handle the programs it was set up to administer. I sincerely hope this is the case.

Mr. President, hopefully Sun Day will be the beginning of a concentrated effort to expand the economical use of solar energy in this country. It is a great challenge and an admirable goal for this country to be able to produce an inexhaustible supply of energy at a reasonable price. I will continue to work, as I have in the past, to foster progress toward this goal.

SUN DAY

Mr. PERCY. Mr. President, today is Sun Day. And the Sun has seen fit to shine gloriously, as if in recognition of the attention it will receive.

Today, I joined several of my colleagues at the Washington Monument to participate in the Washington Sun Day celebration. Dennis Hayes, Dick Munson, Peter Harnik, Bob Gordon, Lauren Battaglia, Joane Shorey, Chris Palmer, and all the others who worked so diligently to put this celebration together are to be commended for the educational, interesting, and entertaining schedule of events that have been planned for today. I am proud to have been asked to be a part of it.

Today we pay homage to solar energy. Tomorrow we will get back to work on it. Indeed, I hope Sun Day motivates the Congress toward more substantial and more aggressive solar energy development legislation. It is a clean, free, renewable resource, and the more of it we harness, the less oil we will have to import.

Mr. President, there are many other good reasons to use and develop solar and other renewable forms of energy. A few of those reasons are enumerated in the remarks I made earlier today. I ask unan-

imous consent that those remarks be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

REMARKS BY SENATOR CHARLES H. PERCY, "SUN DAY," WASHINGTON MONUMENT/SYLVAN THEATER, WASHINGTON, D.C., MAY 3, 1978

We are here today to express our commitment to solar energy by commemorating "Sun Day"—a national and international celebration of the sun.

I want to thank my 56 colleagues who cosponsored my Resolution that gives full Senate support to "Sun Day." And we all commend President Carter for signing the Resolution swiftly, which lent his strong support to today's activities.

As we state our dedication to solar energy, we must begin the job of making solar power a top national priority.

For hundreds of years, mankind's progress has been linked directly to harnessing and using more and more energy. We have been living with a "More-Energy-Forever" dream. But we know that the dream is now a myth.

The myth has bred energy carelessness and waste as well as arrogance and a lack of respect for the natural limits imposed by the earth's finite resource.

The More-Energy-Forever myth encouraged grand schemes aimed at controlling and exploiting the environment to suit our needs. We realize the danger of that attitude.

Solar energy, on the other hand, challenges us to ally ourselves with the natural environment. This is a more fitting and mature challenge for the future.

It is mature because we must find permanent energy solutions. Only renewable energy resources can last forever. Struggling to conform our needs to the earth's natural energy sources is much more sensible than struggling to make the earth conform to our demands.

"Sun Day" celebrates the beginning of the "Renewable-Energy-Forever" dream, with solar energy in the forefront.

The arguments in favor of solar energy are compeling. It cannot be embargoed. Its supply is unlimited. It is environmentally safe. It will create jobs.

I believe the Federal government has a responsibility to provide incentives for increased use of solar energy.

Our current commitment to solar energy is not sufficient. But we have taken some important steps. A solar tax credit is one measure that has been approved by the members of the Energy Conference Committee. It would grant homeowners as much as a $2,200 tax credit for solar energy equipment that costs $10,000.

The Congressional Solar Coalition, an informal group of Senators and Congressmen who have banded together to promote solar energy development, recently introduced eight bills aimed at providing incentives for the use of solar energy and other renewable forms of energy.

One of the most exciting aspects of the Solar Coalition's initiatives is the international use of solar energy.

In the 1950's, the United States started the "Atoms for Peace" program. It may have been one of our biggest mistakes. Nuclear energy has now become far too expensive to fuel the development of Third World nations. Since the initiation of the "Atoms for Peace" program, nuclear weapons capability has spread and the threat of further proliferation is very real. What we need now is a "Solar for Salvation" program.

The Solar Coalition has developed just such a "Solar for Salvation" program. I introduced two bills to help American firms export solar and other renewable energy technologies. Senator Cliff Case and I introduced a bill to put solar equipment on our diplomatic building abroad, especially in developing countries. I feel it is particularly important to people in developing countries because the climate and rural life styles are better suited to solar energy than power generated by huge power plants with miles and miles of transmission lines.

The solar tax credit and the Solar Coalition's efforts domestically and around the world are only first steps. What is also needed is a united, binding commitment to conservation and solar energy by millions of Americans.

I say conservation and solar because the latter is not possible without the former. If energy demand continues to grow at its current pace, by the year 2025 we will need all the solar energy we can harness, all the nuclear power plants we can build, all the coal we can mine, all the shale oil we can produce and any other source of energy we can get our hands on simply to keep pace. We will be spending so much money producing energy that we will have little capital leftover in the rest of the economy to use it.

The transition from oil and gas to renewable resources is by no means definite. The dream of More-Energy-Forever still has enough force to drive us to bankruptcy.

Unless Americans learn to conserve, our energy choices for the future will be extremely limited. We will be slaves to a bankrupting policy of all-out energy development. With conservation, we can pick our best energy future. Without it, we will be the victims of the worst.

Already there is a strong commitment across the country to solar energy's promise of environmentally safe energy independence. I am confident that today's commemoration of the importance of solar energy will build upon that commitment so that we can later look back on May 3, 1978, as the day America raised its sights to the sun.

PLANNING FOR A U.N. ALTERNATE ENERGY CONFERENCE

Mr. PERCY. Mr. President, Senator Humphrey, shortly before he died, introduced Concurrent Resolution 62 calling on the United Nations to convene a World Alternate Energy Conference in 1980. The goal of this conference, as expressed in the resolution, would be the establishment of an International Alternate Energy Commission. Senator McGOVERN reintroduced this resolution as Concurrent Resolution 71 and I have joined him in actively pushing it.

Generating sufficient momentum and international support for a major conference and the establishment of a new international agency is an extremely difficult and time-consuming process. Therefore, Senator McGOVERN and I determined that planning must begin immediately if the ideas behind this resolution are to become a reality in 1980. To this end, we have asked the Congressional Research Service to prepare a preliminary concept paper covering such items as: Ways in which the support of developing countries can be enlisted for this conference; what international and foreign agencies might provide valuable planning assistance; and what the U.S. Congress can do to assist in planning for this conference and international commission.

Mr. President, I ask unanimous consent that Senator McGOVERN's and my letter to the Congressional Research Service be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C., April 18, 1978.

Dr. GILBERT GUDE,
Director, Congressional Research Service, Library of Congress, Washington, D.C.

DEAR GIL: Senator Humphrey, in one of his last official acts as Senator, introduced Concurrent Resolution 62 (recently reintroduced by the undersigned as Concurrent Resolution 71) requesting the United Nations to convene a World Alternate Energy Conference in 1980. The goal of this conference, as expressed in the Resolution, would be the establishment of an International Alternate Energy Commission comparable to the International Atomic Energy Agency.

Since the Arab oil embargo and the subsequent five-fold increase in oil prices, many developing nations, unable to pay these prices, have had to forego their development aspirations. Those developing countries which have continued to import oil have done so at the risk of international bankruptcy as their debts to international lending institutions have mounted precipitously.

The United Nations General Assembly has discussed on innumerable occasions ways in which nations can be relieved of the high oil price burden. One possible means suggested by the General Assembly is the establishment of an International Energy Institute. The Secretary General, Kurt Waldheim, was delegated the responsibility of proposing specific functions for such an organization. He recommended that it:

Monitor resources.

Analyze and exchange information on alternative energy sources.

Advance global planning to avoid shortages in the future.

Promote cooperation between those who have financial and technological resources and those who do not.

Orient research and development towards meeting the requirements of widely differing situations.

Assist in the transfer and adaptation of energy technology.

Encourage development of indigenous or regional energy capacities.

Train personnel.

Unfortunately, little visible progress toward implementation of this idea has occurred. Moreover, while the United Nations has held very successful Conferences on Food and the Environment, and is now preparing for a Conference on Science and Technology Transfer, it has not yet convened a major conference focusing on global energy problems.

We believe that such a conference, followed by the establishment of an International Energy Commission, could have substantial benefits for both the developing and the developed world. There does not appear, however, to be sufficient momentum at this time to begin substantive planning for either a conference or an International Commission. We are hopeful that the introduction of Senator Humphrey's Resolution could provide the necessary catalyst to begin generating momentum to move these ideas into the planning stages.

Planning for such a conference and commission requires a great deal of thought. We believe that the Congressional Research Service can contribute many helpful ideas. We would like CRS to prepare a concept paper on the idea of a UN energy conference and commission.

With respect to the idea of a Conference on Alternate Energy Sources, we would like CRS to:

Examine the concept proposed in Senator Humphrey's Resolution, and analyse whether such a conference would be worth holding.

Examine past United Nations Conferences

to determine the most appropriate format for this conference.

Determine ways in which the support of LDC leaders for this conference could be enlisted.

Determine which international and foreign agencies might provide valuable planning assistance for this conference.

Determine what, if anything, the U.S. Congress could do to assist in the planning for this conference.

Determine the best process and mechanism by which American public support could be assured for this conference.

With respect to the idea of an International Energy Commission, we would like CRS to:

Examine past UN preliminary proposals for an International Energy Institute, paying particular attention to ways in which the emphasis on renewable energy technology can be strengthened,

Suggest ways in which the support of LDCs can be generated to push these UN proposals out of the preliminary planning stages.

Suggest ways in which the Congress and the relevant departments and agencies of the Federal Government may assist the United Nations in the development of these proposals.

In addition to the work done by CRS, we hope there might be an opportunity to use outside consultants under CRS guidance, especially in connection with a possible CRS workshop following the completion of the concept paper.

In carrying out this project, we should like to continue working with the Energy section and the Natural Resources section of the Environment and Natural Resources Division. Preliminary discussions have already taken place with Dr. Frances Gulick and Dr. Denis Little.

We appreciate your assistance and cooperation.

Sincerely,

CHARLES H. PERCY,
GEORGE MCGOVERN,
U.S. Senators.

POTENTIAL DISINCENTIVES TO U.S. TRADE

Mr. PERCY. Mr. President, I am deeply concerned about the President's proposals to increase greatly the tax on U.S. corporations operating abroad.

As Harvey Kapnick, chairman of Arthur Andersen & Co., pointed out recently at the 41st annual Chicago World Trade Conference, a strong international position is essential to the well-being of the U.S. economy, particularly in light of our trade and payments deficits. It is a time, as Mr. Kapnick says, when we should be encouraging the private sector, not restricting its initiatives to participate in international trade.

Mr. Kapnick questions the wisdom of tax reform proposals and other Governments regulations which act as disincentives to invest in operations abroad. I believe his points are very well taken. Today, we should be doing everything possible to increase our exports and stature in international trade. These incentives not only expand our export base, but create jobs for American workers as well, and their continuation will help us correct our trade deficit and bolster our economy.

The United States is part of an international economy. Attempts to restrict our participation in it will only serve to hurt our own interests.

Mr. President, I ask unanimous consent that a Chicago Sun-Times article of April 10 which excerpts Mr. Kapnick's remarks be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CARTER PLANS HURT EXPORTS: KAPNICK

(NOTE.—The following is an excerpt from a speech given last week at the 41st annual Chicago World Trade Conference by Harvey Kapnick, chairman of Arthur Andersen & Co., the international accounting firm with offices in 39 nations. Kapnick spoke after receiving an award for leadership and innovative contributions to world trade, national trade policies and international understanding.)

"I wish to share with you my deep concern about one of the biggest mistakes that I believe our government is making today. The Carter Administration proposed that legal entities of multinational companies domiciled in countries outside the United States be taxed as though they were on the same basis as units operating in the United States.

"Present law recognizes that such U.S.-owned subsidiaries should not be required to pay taxes until profits are remitted as dividends. Quite often profits that are not remitted are needed for the growth of a company's facilities. Now the administration proposes the elimination of such so-called deferrals and the immediate payment of taxes on foreign earnings. I believe that this amounts to the expropriation of private property abroad.

"Let me illustrate. If a developing country wishes to give industry a tax benefit to create jobs and develop the local market, I believe that nation has the same right that we claim here to give incentives to the private sector to pursue such social goals. It is a domestic question. However, we now propose to use our tax law to eliminate that foreign tax incentive, increasing the tax that the corporation pays in the United States by the amount of the incentive offered by the underdeveloped country.

"We are, in effect, expropriating that tax incentive and taking away private property without compensation, a practice which we have continually fought to prevent. This is not only morally wrong, in my opinion, it is also impractical and short-sighted to think that those foreign markets are not going to be expanded and those jobs are not going to be created in these developing countries.

"Another government regulation which tends to restrict exports and thus impacts the trade deficit is the tax treatment which we give to Americans living abroad. These individuals have very substantial added living costs in many countries in which they live. The tax cost for this relief has very little impact on our total tax revenues. However, since it is perceived to be a 'gimmick,' the issue can be used for great political benefit in the rhetoric for reform.

"But what does it actually do? Today we are seeing many jobs in large construction projects where Americans were formerly used being replaced by non-Americans. This is not, however, disastrous to the projects, since other countries which give significant incentives to those who go abroad will fill the needs for jobs on such projects.

"The disastrous aspect of this decision on the United States, however, is that today when large construction projects are being developed, they are being developed with specifications for machinery, equipment and other goods and services which are not U.S. furnished. If an engineer is American, he thinks in terms of American specifications; if he's English, he thinks in terms of English specifications; if he's French, in French specifications.

"This is the real impact on our economy, and stated in its simplest terms, the impact to save a few dollars in tax under questionable reform issues has increased and will increase our trade deficit which is part of our domestic economic problem of a falling dollar and lack of exports. Thus again government regulation is the principal cause.

"International trade and investment is the bridge from our country to the rest of the world for the private sector. It is also the most promising avenue to a more stable and peaceful world.

"There is much talk about the need for expanded human rights, which is a very appropriate philosophical concern. As we think aout human rights around the world, however, let us also ask ourselves whether the farmers in our country don't have the right to produce as much as their ingenuity and efforts can produce and whether the hungry abroad do not have the human right to food if they can buy it from our farmers. Where the ability to produce exists, but government thwarts and restricts it, government jeopardizes very real human rights.

"If we want a healthy domestic economic society, the American people will have to produce more, not less; and if we want to correct our trade and payments deficits, we will have to sell more, not less. Indeed, if we want to control the menace of inflation that threatens our society's basic values, we must demand that big government do less to restrict the initiatives of the private sector. The issues involved in international trade and investment are a good place to start."

THE TAX BURDEN OF INFLATION

Mr. PERCY. Mr. President, a recent Peoria Journal-Star article by C. L. Dancey expresses exactly my concerns about how inflation, working with our progressive tax structure, unjustly increases the taxpayer's Federal tax burden. I can well understand why taxpayers across the country are threatening a "tax revolt." Even workers who have been fortunate enough to receive wages which have kept pace with inflation have been negatively affected because our progressive tax rates take a larger bite of income without the worker's having attained any increased purchasing power. We must immediately address the problem of how to protect the average taxpayer's purchasing power and standard of living from these inflation-created tax increases.

This is one major reason I have joined five of my distinguished colleagues in introducing the Tax Reduction Act of 1978. Our proposal provides a permanent tax cut which will offset for 3 years the impact of inflation and limit the impact of higher social security taxes. Our bill will offset inflation by widening the marginal tax brackets and increasing the personal exemption, the standard deduction, the general tax credit and the earned income credit for 3 years at a fixed rate of 6 percent. Second, it will provide an income tax credit equal to 10 percent of social security taxes paid.

I believe this article captures the frustration of many middle-income taxpayers who, working ever harder in these inflationary times to maintain their standard of living, are being penalized for their productivity and contributions to their country. We owe it to them to address this problem without delay.

Mr. President, I ask unanimous consent that the Peoria Journal-Star article by C. L. Dancey entitled "The Tax Fraud—On You," published in the

March 27 edition, be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Peoria (Ill.) Journal-Star, Mar. 27, 1978]

THE TAX FRAUD—ON YOU

I've talked about it in general terms, but I never realized myself what a treadmill the trickery of the graduated income tax—combined with inflation—creates for every single working man . . . until I went through the tax tables to create an actual example.

And it stands in the path with a club to beat down any upward movement in our society for the "poor" as well as the average worker.

It's brutal and it is happening to you in some stage right now.

Let's work one from somewhere in the middle, and then take a look at where that fits you if you are on either side of that.

Let's say you make a taxable income of $12,000 and enjoy raises annually that exactly match inflation. Your costs go up—let's say arbitrarily—6 per cent a year from inflation. Your income goes up 6 per cent a year, too—inflation.

You are staying even, lucky guy!

As a single person, your taxes on that original $12,000 are-were-or-will-be about $1900 In 10 years, with an inflationary round of 6 per cent at both ends, your taxable income should reach about $21,490. Your taxes on the same basis ought to be $3,402—and you're still be just even all around. But your actual taxes on that income will really go up to $4,-974.40.

Your income and costs for the same things both go up 79 per cent over those years of inflation, but your taxes automatically go up 162 per cent.

You think that's bad? For the married couple, it's worse in a way.

Your taxable income as a married couple is or was $12,000—and your taxes then appropriately $1105. In ten years of 6 per cent inflation, your joint income goes up to $21,-490—79 per cent more in both things—and your income taxes go up to $3,283—a rise of 197 per cent. The government is skimming and inflation is dragging you below the real value of your original income. You've gone up on pure inflation, with no gain, but the government is taxing you as if you were making it in pre-inflation dollars.

You have kids? You get a break at first—and then get zipped faster.

You and your wife have two kids and start the calculation with $12,000? Okay, on that you pay $827 taxes. After inflation, again your joint income rises in ten years to that good old $21,490—and your taxes go to $2899. Your income and inflationary costs both went up 79 per cent but through the trickery of the graduated income tax, your income tax went up 250 per cent.

Your spendable income has actually gone drastically down, thanks entirely to the highway robbery of Uncle Sam's trick taxes.

Maybe over that period you did better than the inflationary figure, and your income improved as well as kept up? But how much did you have to "progress" to stay even?

This guy with the wife and two kids, when he hit $21,490 after the round of inflation should have paid (to keep everything fair and equal as it was before inflation) about $1500 ($1480.99) in taxes, instead of $2899. So, if he gets "merits" increases above inflation and actually makes progress—he has to make another $1420 over his rise to $21,490 just to catch up with the tax overcharge and get even with where he was before inflation—and that $1420 "gain" wouldn't even do it because that would put him in another bracket and raise his taxes still more . . . another $384 in fact, so he needs $23,294 to get even, but the tax on that additional $384 goes up too—he needs another $98 to pay it, and the tax on that added $98 is $28 so you still aren't even with the pre-inflation $12,000 income . . . every time you take two steps toward getting even, Uncle Sam will kick you back one.

Now, some of you are starting that cycle if you're around $12,000 in taxable family income. Others are deep into the very cycle described, and others of you who don't make that much—and pay almost no income taxes—will soon be shoved into this vicious cycle by inflation even though you are only holding your own in "spendable" income.

Those of you who are higher—or started somewhat higher—the same thing is happening to you . . . only more so because the brackets just get steeper.

And this is the reality of what's happening. Treasury figures on the actual taxes they've collected show that it really does work this way.

The higher you earn, not only the more you pay proportionately, but the proportion itself goes up and up so that federal income shows Uncle Sam getting from the very rich by far the highest take, the middle incomes paying very high, the modest incomes paying significantly, and the lower quarter of workers—plus all of the indigent—paying nothing at all . . . yet.

The tax laws are deliberately unfair by any standard . . . and inflation combined with this stair-step system makes them brutally unfair to every hardworking American trying to get even a little bit ahead.

Tax reform is badly needed, indeed, but not the mythological reform based on the fakery of the battle-cry "Soak the Rich."

They are soaked, indeed, and the figures prove it—and there aren't enough of them to carry the load. The talk about "loopholes" has been used to paper over the facts about actual tax receipts and to carry on this system for plundering the entire working middle class, unfairly, and knocking down anybody trying to move up into it.

We are told that "upward movement" is the most needed and desirable thing in our society . . . the ultimate liberal goal . . . and we're told this by the same "humanists" that designed and maintain a tax system that throws up a roadblock when anybody tries to move upwards, first from poverty and then harder and harder if he keeps trying.

It makes that most desirable upward movement incredibly difficult—and penalizes it every step of the way.

That's the reality.

We have been suckered by a bunch of con men hollering "Soak the Rich" as a cover for actually blocking the path out for those in poverty while plundering the middle class.

SENATOR PERCY RELEASES GAO REPORT ON IMPROVEMENTS IN THE DETECTION OF MEDICAID FRAUD AND ABUSE IN ILLINOIS

Mr. PERCY. Mr. President, on November 12, 1975, pursuant to information gathered in hearings by the Senate Special Committee on Aging, Senator ADLAI STEVENSON and I requested that the General Accounting Office (GAO) investigate problems in the Illinois medicaid program. In our letter, we asked GAO:

Has the Illinois Department of Public Aid (IDPA) in fact improved its system for paying Medicaid claims, strengthened its capabilities in dealing with Medicaid fraud and abuse, and developed a more effective utilization review system?

On March 10, 1978, GAO released its report, entitled, "Further Improvements Needed in Investigations of Medicaid Fraud and Abuse in Illinois." GAO found that, 3 years ago, neither the Department of Health, Education, and Welfare (HEW) nor IDPA had adequate systems for processing claims, thus contributing to a high incidence of fraud and abuse. The report states that,

Substantial progress has been made, and an organization to audit, investigate, and review such activities has been established.

Regarding HEW, GAO found that, 3 years ago,

No unit to investigate suspected Medicaid fraud and abuse or to help States develop necessary capability to investigate such activities * * * existed within HEW.

This has been corrected by the establishment of the Medicaid Fraud and Abuse Unit and Medicare Program Integrity Group.

In 1977, these units were consolidated into the Health Care Financing Administration Program Integrity Office. Since the creation of these units, considerable progress has been made in developing the capability to detect fraud and abuse in both the medicare and medicaid programs at the Federal and State levels.

Regarding IDPA, GAO found that, due to the establishment of a computerized system for detecting fraud and abuse, Illinois recovered $6 million in erroneous payments in 1977 alone.

However, although substantial progress has been made at both the Federal and State levels, GAO has made recommendations for further improvements. At the Federal level, it recommends that information on terminated providers be exchanged between medicare and medicaid. No formal system of information exchange now exists between these two programs. At the State level, it recommends that better coordination be effected between the medicaid program and the State licensing agency in order to determine whether providers' medical licenses should be revoked. In addition, GAO recommends that HEW assist IDPA in fully implementing a Medicaid Management Information System. One of IDPA's difficulties has been an inability to implement fully its planned computer processing system. Part of the delay has been caused by slow processing by HEW of relevant IDPA applications.

Fraud and abuse in the medicaid system are still problems, but, thanks to diligent congressional oversight and responsible action by HEW and IDPA, great strides have been made in solving this problem. I ask unanimous consent that the Digest of the GAO report be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

INCREASED HEW EFFORTS TO IDENTIFY MEDICAID FRAUD AND ABUSE

Almost 3 years ago GAO reported on investigations of suspected fraud and abuse in the Medicaid program, particularly in Illinois. The Department of Health, Education, and Welfare (HEW) had no unit to investigate suspected Medicaid fraud and abuse or to help States develop necessary capability to investigate such activities. GAO concluded that HEW should better coordinate its Medicare and Medicaid fraud and abuse reviews.

In May 1975 HEW established a Medicaid Fraud and Abuse Unit for evaluating States' programs. This unit had 108 authorized positions in 1977. Subsequently, this unit and Medicare's Program Integrity Group were

consolidated into the Health Care Financing Administration Program Integrity Office. This Office should improve the coordination of investigations between Medicare and Medicaid regarding the improper activities of those providing medical services—doctors, druggists, nursing homes, etc., hereafter referred to as "providers."

FURTHER IMPROVEMENTS NEEDED

GAO identified some problems which the new Health Care Financing Administration should attempt to eliminate, including

Communication to Medicare of information on providers terminated from Medicaid for improper activities;

The inability of HEW headquarters to assure that each region makes scheduled reviews of State efforts to control Medicaid fraud and abuse; and

Limited HEW evaluation of, and assistance to, Illinois' efforts to identify providers that may be involved in Medicaid fraud or abuse because HEW was building up its capabilities in this area.

FURTHER IMPROVEMENTS NEEDED IN ILLINOIS TO IDENTIFY SUSPECTED MEDICAID FRAUD AND ABUSE

Since GAO's earlier review on identifying suspected Medicaid fraud and abuse in Illinois, substantial progress has been made, and an organization to audit, investigate, and review such activities has been established.

During 1977, Illinois referred 60 providers to a U.S. attorney for prosecution, stopped 70 from participating in Medicaid, recovered $6 million in erroneous payments, and established a computerized system for identifying providers who most likely defrauded or abused the program.

GAO noted that much of the money recovered by Illinois was from payments for duplicate or other unallowable billings and most of Illinois' audit efforts pertained to payments made before December 1974.

Some erroneous payments might have been avoided had proper prepayment edits been made. Over $1.6 million in duplicate and unauthorized drug payments would have been avoided. This also would have allowed the Illinois audit staff more time to review (1) recent payments rather than those several years old and (2) unanalyzed pharmacies' payments.

FURTHER IMPROVEMENTS NEEDED IN ILLINOIS CLAIMS PROCESSING

Since April 1975 Illinois has improved its Medicaid Claims Processing System by reducing processing time for paying error-free Medicaid claims.

However, it has been slow to make the suggested improvements in GAO's prior report for:

Reducing manual processing;

Reducing computer rejects; and

Improving accountability for processed claims.

In addition, Illinois has fallen behind about 3 years in its plans to fully implement a Medicaid Management Information System to better manage its Medicaid program. This system is only partially used now.

RECOMMENDATIONS

The Secretary, HEW, should direct the Administrator of the Health Care Financing Administration to require that:

Information on terminated providers is exchanged between Medicare and Medicaid so that, as appropriate, providers are terminated from both programs; and

Each HEW regional office reviews State efforts to control fraud and abuse.

Specifically, with respect to Illinois, HEW needs to make sure that the State routinely reviews current information on all major provider groups and reviews the feasibility of coordinating Medicaid investigations of fraud and abuse with State licensing agencies to help determine if providers' medical licenses should be revoked.

In addition, HEW should assist Illinois in implementing fully a Medicaid Management Information System. Such implementation of this System should enhance Illinois' claims processing procedures and minimize payments for duplicate and other unallowable billings.

UNIVERSITY OF ALASKA ROTC PROGRAM

Mr. STEVENS. Mr. President, as my colleagues may recall last year I was successful in having my senior reserve officers training amendment included in the Defense Procurement Authorization Act (Public Law 95–79). It requires the maintenance of at least one senior ROTC unit in each State if requested by an educational institution in that State and approved by the Governor. A minimum of 40 students must be enrolled in the entire program. This also includes the students in the university's branch campuses.

Because my State was in danger of losing its only officer commissioning source, enactment of this amendment was of particular importance to Alaska. I am pleased that the University of Alaska has met the new minimum enrollment requirement and remains a part of this important program.

With its immense terrain and different climatic conditions, Alaska has proven to be an ideal training ground for military forces. The ROTC at the University of Alaska has taken advantage of these unique conditions and started a new program that is being emulated by other schools. The attached release from the university describes their "adventure training program."

I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

UNIVERSITY OF ALASKA NEWS RELEASE

FAIRBANKS.—ROTC programs in universities across the nation are now moving towards a new program pioneered by the University of Alaska, Fairbanks' ROTC unit; the outdoor skills lab or adventure training program.

The program, which began in the spring of 1977 at the UAF, evolved from the already established leadership courses, which were required of students seeking any Army commission. It was a more exciting and challenging way to learn leadership skills that were once talked about dryly in the classroom setting; skills such as skiing, mountaineering, rappeling, orienteering, marksmanship and arctic survival.

The outdoor skils lab was also a major ROTC recruitment effort for a program which was in the red and faced a sure shut-down that semester.

It opened its doors to all college students regardless of class standing, and it held the student to no commitment of working towards an Army commission. (Although some students have joined the ROTC ranks after going through the lab).

In its second year now, the lab boasts an enrollment of 60, which almost triplicates the 1977 enrollment figures and denotes the popularity of the courses.

According to Lt. Col. Charles Smelcer, professor of Military Science at the UAF, the idea of the program is to develop qualities of leadership as well as build physical and mental stamina in participants. The program also provides ROTC cadets with hands-on experience in leadership positions, and supplements Military Science classes, drills and field maneuvers.

This semester the lab started out with arctic survival on its agenda. Students were bussed to Eielson Air Force Base for lectures on the basics of survival, and the following week were taken to the Arctic Survival Area on the base, where they put into practice what they had acquired in the lectures. They tried their hand at building shelters, procuring food and water, building fires, signaling and avoiding the hazards of hypothermia, frostbite and dehydration.

Next morning the busload headed back towards civilization, and the head count was correct; all had learned to survive.

ALASKA NATIVE CLAIMS SETTLEMENT ACT

Mr. STEVENS. Mr. President, the ANCSA amendments which I am cosponsoring begins a process which I hope will lead to the resolution of a number of outstanding problems regarding the implementation of the Alaska Native Claims Settlement Act. Since its passage in 1971, the Alaska Native Claims Settlement Act has greatly influenced the lifestyles of Alaskans, both native and nonnative.

The organization of regional and village corporations pursuant to this legislation and the selection of lands by these corporations has been completed, although a number of problems have been encountered in the implementation of aspects of the legislation. The Secretary of the Interior has recently implemented a series of decisions regarding ANCSA implementation which will hopefully solve some of the problems without legislation.

However, it has become apparent that further legislation to clarify specific problems is necessary in order to speed the implementation process. The introduction of these amendments today represents the first step in a process which I hope will culminate in the passage of legislation this year which will resolve the remaining problems which have arisen during the 7 years since the passage of the Alaska Native Claims Settlement Act.

Let me make clear my feelings that these amendments represent a beginning. I understand that the Department of the Interior is also working on amendments to the Native Claims Act as a result of its recent review of ANCSA problems, and I would hope that any amendments from the Department which Congress chooses to enact could be included as a part of this amendment package. Additionally, the specific language of these amendments may require some reworking prior to final passage.

I look forward to working with the Alaska Native community, the State of Alaska, the Department of the Interior, and the Senate Energy and Natural Resources Committee to put together a sound set of amendments which will benefit all parties involved in the implementation of the Alaska Native Claims Settlement Act. The Alaska Federation of Natives has worked on these amendments over the past 18 months and has asked that the amendments be introduced as a package.

My sponsorship of these amendments does not necessarily indicate my support

for each and every amendment. Some amendments I support in concept but have reservation regarding their specific language. In other cases, such as the amendment relating to pending Alaska Native allotment applications, I am unsure whether amendatory legislation is the best approach to the problem addressed. However, I am honoring the request of the Alaska Federation of Natives to introduce all amendments together and allow the legislative process to sort out those which will eventually receive congressional support. I am aware that in certain instances these amendments deal with specific problems of individual corporations which may involve conflicting interest between these corporations and the State of Alaska.

My sponsorship of these amendments does not represent a specific commitment to the amendment as written, although I would certainly like to resolve selection problems encountered by individual corporations, if at all possible.

My final thoughts regarding this legislation involves an issue which has far overshadowed the Alaska Native Claims Settlement Act of which it was originally a part. I am referring to the congressional consideration of the Alaska d–2 lands issue which was authorized by section 17(d)(2) of the Alaska Native Claims Settlement Act.

The House of Representatives has grouped a number of nonrelated issues together as part of its d–2 legislation. In essence, the issues involving implementation of the Alaska Native Claims Settlement Act and d–2 have been thrown into the same pot. In my mind, these issues are unrelated and should be dealt with in separate pieces of legislation.

The d–2 lands issue, which deals with the establishment of new national parks, wildlife refuges, forests, and wild rivers in Alaska, is complicated enough without injecting the intricacies involved in the consideration of amendments to the Alaska Native Claims Settlement Act. I hope that the Senate Energy and Natural Resources Committee will act separately on these amendments and not tie them to its consideration of the d–2 lands issue.

I look forward to working with all interested parties in introducing a sound and well thought-out package of amendments to the Alaska Native Claims Settlement Act. The package of amendments can pass the Senate this year.

ALASKA'S D–2 LANDS

Mr. STEVENS. Mr. President, this year Congress will decide the question of final disposition of Alaska's d–2 lands. Our decision will have a profound and lasting effect not only on Alaska but on the future path of America.

Alaskans resent the imposition of massive land withdrawals at the behest of outsiders, invoking the cause of environmental protection. In the first place. Alaskans are true environmentalists and have the Nation's best record in State wilderness planning. We already have two-thirds of the Nation's wildlife refuges and 25 percent of the national parks. In the second place. establishment of these areas will not alter past environmental abuses in the lower 48. It will not provide lower 48 communities accessible wilderness areas and ultimately will deprive all Americans of vital natural resources to sustain viable economic growth.

The real question is: How should the land be utilized and what uses are to be allowed on the land? Future generations of Americans have a right to determine their own destiny rather than being subjected to arbitrary congressional action prohibiting reasonable uses of Alaska's lands.

Recently I received a letter from a young woman in my State which I believe reflects the concern of many young people who are trying to build their American dream. These people want to preserve the beauty of Alaska but they do not believe that locking up Alaska for all time is the answer. I ask unanimous consent that Donna DeNier's letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD as follows:

MARCH 10, 1978.

DEAR SENATOR STEVENS: As a young person living in Alaska I have dreams of a future where I can own land, raise a family and enjoy the outdoors. I will have to work hard for the dreams to become reality especially if the d–2 issues are accepted by Congress. Land is expensive right now, but if more acreage is tied up by the government, where will the prices go? I see only more expensive land and less access to any remaining land.

I feel your fellow congressmen fail to remember what it is like to be young, broke, and full of hope for the future. They can sit in their secure worlds, ride in their nice cars to their own homes and dictate what *my* life will become. Please remind them that there are people who have a dream and that they (the congressmen of the United States) hold the key to those dreams. The future generations depend on their attitudes and votes.

Thank you!

DONNA DENIER.

P.S. I used to be an ultra-conservative member of the Sierra Club until I suddenly realized that land can be used and taken care of at the same time. There can be effective controls over use other than shutting the doors to the forest.

STUTTERER TELLS A TALE

Mr. DOLE. Mr. President, the President's Committee on Employment of the Handicapped publishes "Disabled USA," a magazine containing current information on progress being made in the rehabilitation and placement of disabled individuals. In a recent issue, one article in particular caught my attention, for it focused on the problems and consequences of stuttering.

In this article entitled "A Stutterer Tells a Tale," the author, John M. Williams, recounts his experiences as a former stutterer. He writes of the symptoms, possible causes, and difficulties associated with this handicap. Mr. Williams also gives an historical account of stuttering, as well as current views and statistics. For instance, over 2 million Americans stutter, or roughly 1 percent of the persons in the United States. Men outnumber women stutterers 4 to 1. Finally, Mr. Williams tells of successful therapy now being carried out at several research and treatment centers across the country.

Stuttering is not classified as a severe handicap, but its effects can be devastating for the stutterer who does not learn how to live with his disability. This informative article makes worthwhile reading for all persons, and I recommend it with the belief that it will provide a better understanding of stuttering.

I ask unanimous consent that "A Stutterer Tells a Tale" be reprinted in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A STUTTERER TELLS A TALE

Two actions trouble me most about my stuttering. They are: 1) The strangled words coming from me, and 2) The hideous looks on people's faces as they listen and watch me stutter. Sometimes these looks bear pain. Sometimes sympathy. Sometimes annoyance.

As an adult stutterer, I am aware how severe a handicap it can be, particularly in job hunting. Classic stuttering symptoms are: Rapid fire repetitions of consonant or vowel sounds, especially at the beginning of words; unnaturally prolonged vowel sounds in the middle of words; and complete verbal blocks.

Some years ago while I was undergoing speech therapy, a therapist took movies of me during my various stuttering blocks. I was unaware of his actions.

When he showed them to me about a week later, he remarked "you resemble a person having an epileptic seizure." He added, "most stutterers do when they are chronic." He had worked with epileptics. Several weeks before I saw a young man go into an epileptic convulsion. I agreed with his description.

What I saw frightened and baffled me. I saw my eyes bulge and then close, my lips quiver and occasionally form a perfect "O," my forehead break into a cold sweat, my arms swaying in all directions as though they were on a string, my mouth spraying saliva in all directions, my hands shaking, my right shoulder coming up to meet my right ear. All of this and more and no words came out. (Over the years through a steady stream of speech therapy, I have been able to eliminate entirely most of these secondary symptoms associated with my stuttering.)

It is not hard, therefore, to understand why stutterers were once thought to be possessed by demons when they go through such antics to communicate. As a communicator, I am very much aware that the ability to communicate to others through language categorizes us as human beings in a human society. For through the power of speech, we distinguish ourselves from all other creatures. *Stuttering penetrates the very roots of this human distinction.*

Nothing about stuttering is as simple as it seems—for the reason that nothing about speech is as simple as it seems. It is often called, "The disorder of many theories."

Speech therapists and others have attributed a large number of reasons to the causes of stuttering. They include a broad range of organic defects, neuroses of one kind or another, social pressures, faulty learning experiences, lack of self-confidence, poor speaking patterns reinforced throughout the years, a genetically transmitted flaw, forcing a left handed person to do things right handed (this is the attributed cause for my stuttering), because someone received a terrible scare as a youth, or because a person's mind works faster than his mouth. The causes appear infinite.

Since the pressure to communicate can make stuttering worse, it has been suggested that social pressure is the most widely attributed cause for stuttering. One theory holds that children begin to stutter when they are overaware of the need to use the correct word, the correct accent, and to be

fluent. Proponents of this theory cite the fact that the Utes and Bannocks, midwest American Indian tribes, have virtually no stuttering problem. These tribes have a remarkably permissive attitude toward children's speech.

Their cousins, the Cowichans, expect children to take part at an early age in complicated rituals under the critical eyes and ears of the tribal elders. Cowichans place a high price on communications skills—and have a high rate of stuttering.

On the other hand, some theorists believe that stuttering is essentially learned behavior—a speech habit ingrained in a child as a result of certain childhood experiences and periodically reinforced during normal social intercourse. Following the successes of Ivan Pavlov and B. F. Skinner, some behaviorists are presently attempting to cure stuttering by breaking old patterns of reinforcement.

What may be the first recorded cure for stuttering is described in a Greek myth about a young prince, Battus, who beseeched the oracle at Delphi to help his stuttering. Battus was told by the oracle to sail to North Africa with an army to defeat hostile natives and never to return. Battus was victorious and became the golden tongued ruler of the Greek colony of Cyrene.

The most famous myth on stuttering concerns Demosthenes who rid himself of his stuttering problem by filling his mouth with pebbles and outshouting the turf.

Aristotle, who is thought to have stuttered, believed the stutterer's tongue was abnormally thick or hard, therefore, was too sluggish "to keep pace with the imagination."

Hippocrates blamed an excessively dry tongue and prescribed blistering substances to drain away the black bile, the root of the problem.

Galen, a second century Greek physician, who was looked upon as the supreme medical authority in Europe during the middle ages, thought that the stutterer's tongue was too cold and wet.

Celsus, a Roman physician, suggested gargling and massages to strengthen the weak tongue that caused stammering.

Francis Bacon concluded that people stuttered because of the refrigeration of the tongue. To cure the problem, he suggested a remedy of a draught of hot wine.

Some two million people, roughly one percent of the population in the United States, stutter. Many of them live in fear of that sudden, prolonged, strangling block. Many of them are chronic. Many have stuttered most of their lives. Most are male. There are at least four male stutterers to every female. Most have been embarrassed by it many times.

For me the most painful stigma I can personally associate with my own stuttering has been the extreme difficulty of finding a satisfactory job where I can achieve my fullest potential.

Many times over a dozen years, prospective employers in government, industry and in some creative and social areas, have sat in their desk chairs, praised my strengths, only to raise a hatchet and cut off my head by saying, "Mr. Williams, this is a very competitive field. In dealing with other people I find it important for our clients to feel as comfortable as possible, to feel relaxed. I am afraid with your stuttering problem this is not possible. Therefore, I am not going to hire you. I'm sure you can understand that. Meanwhile, good luck in your search."

Until very recently, most speech therapists agreed that nearly one-third of the adult stutterers could be greatly improved or cured, one-third somewhat improved and the rest were unhelpable. In the pessimism bred by these figures, they generally focused on eliminating their patients' fear of stuttering rather than the stuttering.

Today a group of therapists are attacking stuttering more aggressively, concentrating almost entirely on the physical side of the problem. They believe, "Stuttering is a series of learned motor responses and can be unlearned through training." They are teaching new ways of speaking with the aid of technological instruments. They seem to produce a large number of successes.

The Precision Fluency Shaping Program at the Hollins Communications Research Institute, Roanoke, Virginia, claims success with about 80 percent of its students. The method has been adopted by Walter Reed Medical Center as well as by speech therapists in several schools around the country.

Dr. Ronald Webster, a professor of psychology, created the program after years of making a detailed analysis of stuttering speech.

He says, "Speech is complex, so we break it down into many small, easy steps and teach these one at a time." With this method, each new skill, whether it involves breathing, voice quality, or articulation, must be learned precisely, and each one builds on the one that preceded it in a tight sequence. At first each skill is exaggerated and later toned down.

Slowing down the speech is the stutterer's most difficult task. It is also the first one Webster emphasizes, "This is essential in order to hear and work with individual components of speech; they cannot be isolated when people speak at normal tones."

Those taking the course are given stopwatches. They practice in soundproof cubicles in 20 minute stretches, learning to make syllables for a minimum of two seconds. Next they learn to breathe slowly and deeply, using their abdominal muscles. After succeeding with these exercises, they proceed to work on the skill which Dr. Webster considers most critical: Making the voice gentler at the beginning of each syllable and then raising it less suddenly than they did before.

A few years ago Dr. Webster designed a small, individual computer, referred to with affection as a *Voice Monitor*. It analyzes the gentleness of ones' voice and a green light appears when it is acceptable.

Stutterers spend six hours or more a day practicing lists of individual sounds, vowels, consonants, syllables and then words until they have made approximately 50,000 correct responses. At all times they practice on their speech onset and subsequent rise in volume.

Throughout the process the stutterers are guided by two therapists and an assistant.

"We don't cure people in the sense that we get at the cause of their stuttering, but we teach them compensatory behavior," explains Dr. Webster. "There is an awful lot still to be sorted out. . . . The voice monitor is a step in the right direction. We need to go beyond it. We need a computer system that can make a far more detailed judgment of responses, so that it can write individual prescriptions for each stutterer. We're only just getting going."

Dr. Martin Schwartz, research associate professor at N.Y.U. Medical Center, claims he has cured at least 89 percent of stutterers who have come to him. He says, "stuttering begins with a locking of the vocal cords in response to fear. The repetition and stuttering blocks are actually attempts to unlock these cords."

To prevent stuttering or stop it, he suggests stutterers inhale and exhale just before beginning to speak, then talk very slowly. He stresses that daily practice is needed to reinforce what he teaches. His course usually runs one week.

Some therapists are advocating using a metronome. The theory is that the stutterer should speak in time with the beat, first at a very slow rate and then a faster speed.

Another leading therapy is one developed by Charles Van Riper. Van Riper devised a method he calls fluent stuttering. He tells stutterers, "If you are going to stutter then learn to do it right." Since every stutterer knows that fighting a block makes it worse, he or she is told not to try to stop stuttering, but to stutter as smoothly as possible, without the spasmodic breathing, facial twitches or other muscular tensions that characterize stuttering.

About 100 years ago stutterers had their tongues cut by doctors on the theory that people stuttered because their tongues were too long. Around the early 1900's, children who stuttered were beaten. Today the chances of early prevention are rising. Research into causes, preventions and elimination of it are growing.

Employment opportunities now exist for people who stutter in business, labor, education, medicine, law, government, politics, journalism, arts, social fields, agriculture, health and other areas. Patience and perseverance are required as the stutterer moves into jobs.

By combining these qualities with ability and leadership, the community will benefit from gifted, intelligent, sensitive and aware individuals whose contributions will improve mankind as a whole.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations and a withdrawal which were referred to the appropriate committees.

(The nominations and withdrawal received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

At 3:29 p.m., a message from the House of Representatives delivered by Mr. Hackney, one of its reading clerks, announced that the House has passed the following bill, with an amendment in which it requests the concurrence of the Senate:

S. 422. An act for the relief of the First Baptist Church of Paducah, Ky.

The message also announced that the House agrees to the amendment of the Senate to H.R. 8423, an act to amend titles II and XVIII of the Social Security Act to make improvements in the end stage renal disease program presently authorized under section 226 of that act, and for other purposes, with an amendment in which it requests the concurrence of the Senate.

The message further announced that the House has passed the following bill in which it requests the concurrence of the Senate:

H.R. 11713. An act to create a solar energy and energy conservation loan program within

the Small Business Administration, and for other purposes.

ENROLLED BILL SIGNED

The message also announced that the Speaker has signed the following enrolled bill:

H.R. 1552. An Act for the relief of Oh Soon Yi.

The enrolled bill was subsequently signed by the President pro tempore.

HOUSE BILL REFERRED

The following bill was read twice by its title and referred as indicated:

H.R. 11713. An act to creat a solar energy and energy conservation loan program within the Small Business Administration, and for other purposes; to the Select Committee on Small Business.

COMMUNICATIONS

The PRESIDING OFFICER laid before the Senate the following communications, together with accompanying reports, documents, and papers, which were referred as indicated:

EC–3521. A communication from the Assistant Secretary for Conservation, Research & Education, Department of Agriculture, transmitting, pursuant to law, a report on the Nation's agricultural research, extension, and teaching activities; to the Committee on Agriculture, Nutrition, and Forestry.

EC–3522. A communication from the Secretary of State, reporting, pursuant to law, on the adequacy of insurance provided by the accredited diplomatic missions to the United States to cover loss or injury arising from the wrongful acts or omissions of the employees of such missions in the United States; to the Committee on Appropriations.

EC–3523. A communication from the Deputy Assistant Secretary of the Interior, transmitting, pursuant to law, a proposed contract with the University of Texas, Austin, Texas, for a research project entitled "Development of Environmentally Attractive Leachants"; to the Committee on Energy and Natural Resources.

EC–3524. A communication from the Assistant Secretary of the Interior, reporting pursuant to law, approval of a form of contract to defer payment of the construction charge installation due March 30, 1978, for the Truckee-Carson Irrigation District, Nevada; to the Committee on Energy and Natural Resources.

EC–3525. A communication from the Administrator, Energy Information Administration, Department of Energy, transmitting pursuant to law, a report on changes in the refiner distribution and market shares of the statutory categories of refined petroleum products; to the Committee on Energy and Natural Resources.

EC–3526. A communication from the Federal Cochairman, Four Corners Regional Commission, Department of Commerce, transmitting, pursuant to law, its tenth annual report; to the Committee on Environment and Public Works.

EC–3527. A communication from the Assistant Secretary for Congressional Relations, Department of State, transmitting a draft of a proposed amendment to the Department of State authorization bill for fiscal years 1979 and 1980; to the Committee on Foreign Relations.

EC–3528. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, an act adopted by the Council on April 4, 1978, which would authorize the Fire Chief of the District of Columbia to require and regulate the placement and maintenance of fire lanes and fire hydrants on certain private property (Act 2–187); to the Committee on Governmental Affairs.

EC–3529. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, an act adopted by the Council on April 4, 1978, which would establish the personal property tax rate for tax year 1979 (Act 2–185); to the Committee on Governmental Affairs.

EC–3530. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, an act adopted by the Council on April 4, 1978, which would order the closing of part of public alleys and the dedication of a public alley in Square 3341, bounded by Sheridan Street, N.W., North Dakota Avenue, N.W., 2nd Street, N.W. and Rittenhouse Street, N.W. (Act 2–180); to the Committee on Governmental Affairs.

EC–3531. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, an act adopted by the Council on April 4, 1978, which would amend Police Regulation 74–39, governing vending in the District of Columbia, with respect to the licensing and regulation of vendors and the operation of vending businesses (Act 2–179); to the Committee on Governmental Affairs.

EC–3532. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, an act adopted by the Council on April 4, 1978, which would order the closing of 45th Street, N.E. between Clay and Dix Streets and a part of a public alley in Square 5135 (Act 2–184); to the Committee on Governmental Affairs.

EC–3533. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, an act adopted by the Council on April 4, 1978, which would order the closing of the parts of Third and L Streets, N.W. abutting on Square 556, bounded by 3rd Street, L Street, New York Avenue and New Jersey Avenue, N.W. (Act 2–181); to the Committee on Governmental Affairs.

EC–3534. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, an act adopted by the Council on April 4, 1978, which would order the closing of a part of Virginia Avenue, S.E., adjacent to the Virginian Avenue playground at Ninth Street, S.E. (Act 2-183); to the Committee on Governmental Affairs.

EC–3535. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, an act adopted by the Council on April 4, 1978, which would amend the D.C. General Hospital Commission Act (D.C. Law 1–134) with regard to audits and procurement (Act 2–186); to the Committee on Governmental Affairs.

EC–3536. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, an act adopted by the Council on April 4, 1978, which would order the closing of the public alley system in Square 395, bounded by 8th, R, 9th and S Streets, N.W. (Act 2–182); to the Committee on Governmental Affairs.

EC–3537. A communication from the Director of Administration, Department of Energy, transmitting, pursuant to law, notice of its proposal to alter an existing system of records; to the Committee on Governmental Affairs.

EC–3538. A communication from the Chairman, Securities and Exchange Commission, transmitting, pursuant to law, a report pursuant to the Government in the Sunshine Act; to the Committee on Governmental Affairs.

EC–3539. A communication from the Chairman, National Commission on Libraries and Information Science, transmitting, pursuant to law, its sixth annual report; to the Committee on Human Resources.

EC–3540. A communication from the Chairman, National Diabetes Advisory Board, transmitting, pursuant to law, its first annual report; to the Committee on Human Resources.

EC–3541. A communication from the Acting Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to extend and amend the Rehabilitation Act of 1973, to provide for independent living rehabilitation demonstrations and other innovative programs, to improve the management and administration of programs under such Act, and for other purposes; and a draft of proposed legislation to extend the Developmental Disabilities Services and Facilities Construction Act, and for other purposes; to the Committee on Human Resources.

EC–3542. A communication from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, orders suspending deportation, as well as a list of the persons involved; to the Committee on the Judiciary.

EC–3543. A communication from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, an order suspending deportation in the case of Pun Hui Lopez, A14 154 941; to the Committee on the Judiciary.

EC–3544. A communication from the Governor of the Commonwealth of Pennsylvania, transmitting, for the information of the Senate, his veto message of a bill which makes application to Congress to call a convention for drafting and proposing that an anti-abortion amendment be added to the Constitution of the United States; to the Committee on the Judiciary.

EC–3545. A communication from the State Senator representing District IX, Senate of Pennsylvania, relating to the Governor's veto of a bill adopted by the Legislature of the Commonwealth of Pennsylvania proposing an anti-abortion amendment to the Constitution of the United States; to the Committee on the Judiciary.

PETITIONS

The PRESIDING OFFICER laid before the Senate the following petitions and memorials, which were referred as indicated:

POM—625. A resolution adopted by the 83rd Annual Convention of the Kentucky Federation of Women's Clubs relating to flood control; to the Committee on Environment and Public Works.

POM–626. A resolution adopted by the Legislature of the State of Nebraska; to the Committee on Finance:

"LEGISLATIVE RESOLUTION 237

"Whereas, the State of Nebraska has after careful consideration, study, research, and expense determined that it would make available to its employees the benefits of an unfunded nonqualified deferred compensation plan so that employees would have the opportunity to set aside monies to provide a supplement to state retirement and federal social security benefits; and

"Whereas, pursuant thereto, a plan was adopted by the state and a private letter ruling was requested from the national office of the Internal Revenue Service approving the terms of such plan; and

"Whereas, the Internal Revenue Service issued a private letter ruling with respect to the Nebraska State Employees Deferred Compensation Plan; and in reliance thereon the State of Nebraska made such plan available to its employees; and many employees have elected, on a purely voluntary basis, to participate in such plan for the express purpose of building a supplemental retirement plan; and

"Whereas, the Legislature of the State of Nebraska is of the opinion that the plan as

adopted by the State of Nebraska provides a significant and needed opportunity for the employees of Nebraska to provide a supplemental plan for their retirement; and such plan is deemed by the Legislature to be in the best interest of the employees and the taxpayers of the State of Nebraska; and

"Whereas, the Internal Revenue Service of the United States Treasury Department issued proposed regulations on February 3, 1978, which would have the effect of terminating all unfunded nonqualified deferred compensation arrangements similar to those available to the employees of the State of Nebraska.

"Now, therefore, be it resolved by the members of the Eighty-fifth Legislature of Nebraska, second session:

"1. That the Legislature of the State of Nebraska respectfully memorializes the Congress of the United States to enact legislation which will require the Internal Revenue Service to issue regulations consistent with existing Internal Revenue Service actions.

"2. That Congress enact legislation which will (a) enable states and local governments to continue established deferred compensation plans for their employees and (b) permit public agencies to establish new plans.

"3. That a copy of this resolution be forwarded to the President and Vice President of the United States, the Secretary of the Treasury, the Speaker of the House of Representatives, the Secretary of the Senate and to each member of the Nebraska Congressional Delegation."

POM–627. A resolution adopted by the City Council of the City of Philadelphia, Pennsylvania, relating to the Kiev Agricultural Exhibit in the native Ukrainian language; to the Committee on Foreign Relations.

POM–628. A resolution adopted by the Legislature of the State of New Hampshire; to the Committee on Governmental Affairs:

"HOUSE RESOLUTION No. 2

"Whereas, since 1918, Americans have paid tribute one day each year to those who have fought to preserve our peace and our nationhood. The eleventh of November has been reestablished as the observance date for Veterans Day throughout the Nation; and

"Whereas, collectively honoring the men and women who have fought to preserve our freedom, we reinforce America's strength as a free Nation; and

"Whereas, in honor of the reinstating of November the eleventh as Veterans Day, it would be fitting and proper for the U.S. Postal Service to issue a Veterans Day stamp for the 1978 observance; now, therefore, be it

"Resolved by the House of Representatives:

"That the Congress of the United States be hereby urged to have the United States Postal Service issue a Veterans Day stamp for the November 11, 1978, Veterans Day; and Be It Further

"Resolved, that a copy of this resolution be transmitted to the President of the United States Senate, the Speaker of the U.S. House of Representatives, and to each member of the New Hampshire delegation to the Congress of the United States."

POM–629. A joint resolution adopted by the Legislature of the State of Oklahoma; to the Committee on the Judiciary:

"HOUSE JOINT RESOLUTION No. 1049

"Whereas, with each passing year this nation becomes more deeply in debt as its expenditures grossly and repeatedly exceed available revenues, so that the public debt now exceeds hundreds of billions of dollars.

"Whereas, the annual federal budget continually demonstrates an unwillingness or inability of both the legislative and executive branches of the federal government to curtail spending to conform to available revenues

"Whereas, unified budgets do not reflect actual spending because of the exclusion of special outlays which are not included in the budget nor subject to the legal public debt limit.

"Whereas, knowledgeable planning, fiscal prudence and plain good sense require that the budget reflect all federal spending and be in balance.

"Whereas, believing that fiscal irresponsibility at the federal level, with the inflation which results from this policy, is the greatest threat which faces our nation, we firmly believe that constitutional restraint is necessary to bring the fiscal discipline needed to restore financial responsibility.

"Whereas, under Article V of the Constitution of the United States, amendments to the Federal Constitution may be proposed by the Congress whenever two-thirds of both Houses deem it necessary, or on the application of the legislatures of two-thirds of the several states that the Congress shall call a constitutional convention for the purpose of proposing amendments. We believe such action vital.

"Now, therefore, be it resolved by the House of Representatives and the Senate of the 2nd session of the 35th Oklahoma Legislature:

"Section 1. That this body proposes to the Congress of the United States that procedures be instituted in the Congress to add a new Article to the Constitution of the United States, and that the Legislature of the State of Oklahoma makes application and requests the Congress to prepare and submit to the several states an amendment to the Constitution of the United States, requiring in the absence of a national emergency that the total of all federal appropriations made by the Congress for any fiscal year may not exceed the total of all estimated federal revenues for that fiscal year.

"Section 2. That alternatively, this Body requests that the Congress of the United States call a constitutional convention for the specific and exclusive purpose of proposing an amendment to the Federal Constitution requiring in the absence of a national emergency that the total of all federal appropriations made by the Congress for any fiscal year may not exceed the total of all estimated federal revenues for that fiscal year.

"Section 3. That this Body also proposes that the legislatures of each of the several states comprising the United States apply to the Congress requesting the enactment of an appropriate amendment to the Federal Constitution; or requiring the Congress to call a constitutional convention for proposing such an amendment to the Federal Constitution.

"Section 4. That copies of this Resolution shall be sent by the Secretary of State to our members of Congress.

"Section 5. That the Secretary of State of this state is directed to send copies of this Joint Resolution to the Secretary of State and presiding officers of both Houses of the Legislature, the Congress and of each of the other States in the Union."

POM–630. A resolution adopted by the Legislature of the State of Nebraska; to the Committee on the Judiciary:

"LEGISLATIVE RESOLUTION 152

"Whereas, millions of abortions have been performed in the United States since the abortion decision of the Supreme Court on January 22, 1973; and

"Whereas, the Congress of the United States has not to date proposed, subject to ratification, a Human Life amendment to the Constitution of the United States.

"Now, therefore, be it resolved by the members of the Eighty-fifth Legislature of Nebraska, second session:

"1. That the Legislature respectfully petition the Congress of the United States pursuant to Article V of the United States Constitution to call a convention for the sole purpose of proposing the following article as an amendment to the Constitution of the United States. The proposed article to read as follows:

"ARTICLE —

"Section 1. With respect to the right to life, the word person as used in this article and in the Fifth and Fourteenth Articles of Amendment to this Constitution applies to all human beings irrespective of age, health, function, or condition of dependency, including their unborn offspring at every stage of their biological development.

"Section 2. No unborn person shall be deprived of life by any person, provided, however, that nothing in this article shall prohibit a law permitting only those medical procedures required to prevent the death of the mother.

"Section 3. The Congress and the several states shall have the power to enforce this article by appropriate legislation.

"2. That this application shall constitute a continuing application for such convention pursuant to Article V of the Constitution of the United States until the Legislatures of two-thirds of the several states shall have made like applications and such convention shall have been called by the Congress of the United States.

"3. That this resolution shall be submitted to the Governor for signature in the same manner as a legislative bill.

"3. An application for a convention made under this resolution shall be conditioned on (1) Congress establishing clear procedures for such convention including a limitation of the convention to the subject matter contained within this resolution and (2) provision that if such convention departs from the subject matter of this resolution that the convention be immediately dissolved.

"3. An application for a convention made under this resolution shall be conditioned on the convention delegates being selected in a manner determined by the state legislatures.

"4. That copies of this resolution, suitably engrossed, certified, and exemplified in the manner provided by law, be presented to the President of the Senate of the United States, the Secretary of the Senate of the United States, the Speaker of the House of Representatives of the United States, the Clerk of the House of Representatives of the United States, and to each Member of the Congress from the State of Nebraska attesting the adoption of this resolution by the Legislature of the State of Nebraska."

POM–631. A resolution adopted by the City Council of the City of Titusville, Florida, relating to a demographic study of Brevard County, Florida, to confirm the need for a United States Veterans Administration satellite clinic in Brevard County, Florida; to the Committee on Veterans' Affairs.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. DECONCINI, from the Committee on the Judiciary:

Improvements in Judicial Machinery Annual Report (Rept. No. 95–781).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. JACKSON, from the Committee on Energy and Natural Resources:

Robert D. Thorne, of California, to be an Assistant Secretary of Energy (Energy Technology) (Ex. Rept. No. 95–20).

(The above nomination from the Committee on Energy and Natural Resources was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any

duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. HART (for himself, Mr. McGOVERN, and Mr. PAUL G. HATFIELD):

S. 3027. A bill to provide for a program of review of State laws with regard to solar energy; to the Committee on Energy and Natural Resources.

By Mr. DURKIN (for himself and Mr. HATHAWAY):

S. 3028. A bill to amend title XVI of the Social Security Act to provide that support and maintenance furnished by a relative to a recipient of supplemental security income benefits shall not be considered income, and for other purposes; to the Committee on Finance.

By Mr. TALMADGE (by request):

S. 3029. A bill to provide a voluntary self-help program designed to assist producers of agricultural products to protect themselves against loss of production when natural and uncontrollable conditions adversely affect production and to assure consumers that producers will be able to continue to produce food and fiber; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. JACKSON (by request):

S. 3030. A bill to amend the Act of June 3, 1960 (74 Stat. 156), to provide additional authority for the Secretary of the Interior to construct the San Luis Unit, Central Valley Project, California, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. BROOKE:

S. 3031. A bill for the relief of Style Leather Company, Incorporated; to the Committee on the Judiciary.

By Mr. NUNN:

S. 3032. A bill to amend title 10, U.S. Code, to provide more efficient dental care for personnel of the Army, Air Force and for other purposes; to the Committee on Armed Services.

By Mr. LEAHY:

S. 3033. A bill to authorize and direct the Secretary of Agriculture to provide cooperative forestry assistance to States and others, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

S. 3034. A bill to authorize and direct the Secretary of Agriculture to carry out forest and rangeland renewable resources research, to provide cooperative assistance for such research to States and others, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

S. 3035. A bill to provide for an expanded and comprehensive extension program for forest and rangeland renewable resources; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. PROXMIRE (for himself, Mr. WILLIAMS, Mr. CRANSTON, Mr. RIEGLE, and Mr. LUGAR):

S. 3036. A bill to amend the Coinage Act of 1965 to change the size, weight, and design of the one-dollar coin, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. PAUL G. HATFIELD:

S.J. Res. 133. A joint resolution to authorize and request the President to issue a proclamation designating September 24, 1978, as "National Good Neighbor Day"; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. HART (for himself, Mr. McGOVERN, and Mr. PAUL G. HATFIELD):

S. 3027. A bill to provide for a program of review of State laws with regard to solar energy; to the Committee on Energy and Natural Resources.

SOLAR ACCESS BILL

● Mr. HART. Mr. President, in the last few months an impressive array of solar legislation has been introduced in both Houses of Congress designed to encourage and expand the use of solar energy. Congress has been able to play a major role in focusing the Nation's attention on the advantages of solar energy over conventional power sources, and I hope we will continue to move in this positive direction.

Whether solar energy is used to heat water or space or is converted to electricity, we must recognize that its viability as an alternative energy source ultimately depends upon direct access to the Sun's rays. Although sunlight flows unobstructed through 93 million miles of space, it is often impeded in the final few feet before it reaches the Earth. A homeowner whose solar collector is shaded by a neighboring structure may have no legal redress. A solar energy user's legal right to sunlight varies from State to State and is for the most part, undefined and unclear. A residential solar energy user may well be hindered by building codes, restrictive covenants, and municipal ordinances that prevent or discourage rooftop location of solar collectors.

The legislation I am introducing today, along with my colleagues GEORGE MCGOVERN and PAUL G. HATFIELD, will establish a program of matching Federal grants to States for the purpose of conducting solar access reviews, by which States would identify legal alternatives to assure access to direct sunlight, to promote and protect the use of solar energy devices. With the emergence of solar energy as an important and increasingly reliable alternative to oil, gas, and coal for heating buildings, the questions regarding legal access to the Sun cry out to be resolved. If they are not, the prospect of legal tangles over denied access is likely to deter both developers and homeowners from considering solar heating and cooling.

Legislative initiatives in this area have traditionally been the prerogative of State and local governments and should clearly remain so. The Federal Government can, however, provide the crucial support needed by States and municipalities that seek to press forward and address these emerging problems. The legislation I am introducing takes an important first step toward providing such support. More importantly, it gives us an opportunity to examine and evaluate legal problems before they emerge, before they become overly complex and costly to resolve.

This legislation would authorize the Secretary of Energy to make matching grants to States, the total of such grants not to exceed $10 million, for the purpose of conducting solar access reviews. The program would be voluntary and the States would have to meet guidelines established by the Secretary of Energy in order to qualify for Federal funds.

The critical question of how sunlight, upon which solar energy is dependent, is to be allocated, is just beginning to be examined. A number of States across the country have already developed solar access planning studies, but some, unfortunately, have not been able to proceed due to lack of funds. Federal grants earmarked for solar access studies would provide the boost necessary to get many of these State programs off the ground.

I believe this legislation will provide a solid foundation for the growth and expanded use of solar energy throughout our Nation.●

By Mr. DURKIN (for himself and Mr. HATHAWAY):

S. 3028. A bill to amend title XVI of the Social Security Act to provide that support and maintenance furnished by a relative to a recipient of supplemental security income benefits shall not be considered income, and for other purposes; to the Committee on Finance.

SSI AMENDMENT

● Mr. DURKIN. Mr. President, in an attempt to insure that all elderly, blind, and disabled persons in this country are provided with at least a minimum level of income, Congress in 1972 enacted the supplemental security income program. Although the program is designed to provide recipients with basic necessities to enable them to lead decent and respectable lives, the reality today is that it is extremely difficult for many to exist on the small income provided through SSI. The quickening pace of inflation will make a bad situation more difficult tomorrow. We must be sensitive to these realities, and do all that is possible to ease the burdens of those persons who must exist on a fixed income.

One of the burdens created by the present law, and not resolved in H.R. 7200, is that the already small benefit provided the elderly, blind, or disabled individual is reduced by the market value of the in-kind support and maintenance provided by his or her family. Consequently, families are discouraged from trying to help relatives who, despite supplemental income, still lack basic necessities. These families fear that their generosity will result in reduced SSI benefits for the relatives they are trying to help.

A person receiving SSI is forced to choose between the support and maintenance provided by a loving family member and vitally-needed income. What kind of society have we become that we put a dollar value on the kindness and care provided by a relative?

This bill, which I introduce today with Senator HATHAWAY, will do two things in order to resolve this problem and thus make the system a more humane and compassionate one. First, in-kind support and maintenance provided by a relative will no longer be treated as income to be credited against SSI benefits. The desire of a family to help a relative will no longer be discouraged by monetary disincentives.

Second, benefits will no longer be reduced by the full value of in-kind support and maintenance received from nonrelatives. The reason for this change is that a recipient of inkind support and maintenance cannot convert this into cash for other uses or in any way dispose of it and therefore receives less than full value. For example, to the extent that an individual pays less than fair market value for an apartment, the difference in his cost and market value cannot be freely disposed of by him. Our amendment recognizes this restriction and allows the valuation of in-kind support and maintenance to be somewhat reduced. In-kind benefits received from nonrelatives will be valued at one-third of the total SSI benefit or 75 percent of the current market value of the in-kind support and maintenance, whichever is less.

Third, a change is made so that the contribution of an individual toward a specific item of support and maintenance is subtracted from the amount by which his SSI benefits would otherwise be reduced by receipt of such support and maintenance. Currently an individual who pays nothing for an apartment whose market value is $120 a month and an individual who pays $50 a month receive equal reductions in total SSI benefits. This amendment would allow the reduction in benefits to be offset by the actual payment.

Perhaps two examples will illustrate the necessity of this amendment.

A 75-year-old woman with severe arthritis was left alone when her husband died. She decided to sell her house and purchase a trailer in which to live so that she would not have to be alone. Her daughter offered to allow her to place the trailer on a small parcel of the daughter's property without any charge. The Social Security Administration wrote the daughter asking how much she would charge for rental of the small piece of land if someone other than her mother had placed a trailer on the property. Not understanding the purpose of the question or its impact, the daughter responded that she would not allow anyone but her mother to use the land, but, if she did, she would charge $40 a month. The next week the woman received notification that her SSI check would be reduced by $40 due to the fact that the rent-free use of the small plot on her daughter's property constituted in-kind support and maintenance. The loss of this much-needed income has caused the daughter and the entire family extreme distress. Under our amendment, there would be no reduction in SSI benefits.

In another example, an 82-year-old gentleman pays $100 per month rent for an apartment, although the current market value of that apartment is $180. This man's Supplemental Security Income benefit of $177.80 is reduced by one-third, or $59.26. After the SSI benefit is reduced and he pays the $100 rent, the elderly gentleman is left with $18.54 per month for food, clothing, utilities, and personal needs. The one-third reduction in benefits occurs because the difference between rent paid and the market value of the apartment, under current SSI regulations, is deemed "income" in the form of support and maintenance. This provision serves to deprive aged, blind, and disabled of the benefits of any bargains they might strike or charity they might receive.

Under the changes we propose, the agency would determine which is less, one-third of his benefit ($59.26) or 75 percent of the current market value of the support ($60). The actual contribution made by the SSI beneficiary would then be subtracted from this amount ($59.26–$100) for a resultant loss in benefits of $0.

Mr, President, these are only two of the many examples of the inequities existing in the area of inkind support and maintenance which result in severe hardship to the elderly, blind, and disabled population forced to live on a small fixed income. I urge all my colleagues to join me in supporting this amendment in an attempt to alleviate the burdens borne by the elderly, the blind and the disabled, and to protect the integrity of our Nation's families.

I ask that the bill be printed in the RECORD.

The text of the bill follows:

S. 3028

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 1612(a)(2) of the Social Security Act is amended by striking out all which precedes clause (ii) of subparagraph (A) and inserting in lieu thereof the following:

"(2) unearned income means all other income, including

(A) support and maintenance furnished in the form of cash or its equivalent or furnished in kind, on a regular basis, and which is available for the support and maintenance of any individual (and his eligible spouse, if any); except that,

(i) in the case of any individual (and his eligible spouse, if any) receiving support and maintenance in kind from a relative (as defined in section 1614(g)), such support and maintenance shall not be included in income,

(ii) whenever support and maintenance furnished in kind is included as income, the value of any contribution furnished in kind to an eligible individual (and eligible spouse, if any) which is to be included in income for any month shall be equal to the lesser of (I) 75 percent of the current market value of such contribution, minus any expense incurred during such month by such individual or spouse in order to secure or continue to receive such contribution, or (II) 33⅓ percent of the amount of the benefit payable for such month to such individual (and eligible spouse, if any) under the provisions of section 1611(b) (including any amount payable by reason of section 211(a)(1)(A) of Public Law 93–66), minus any expense incurred during such month by such individual or spouse in order to secure or continue to receive such contribution,".

(b) Section 1612(a)(2)(A) of such Act is further amended—

(1) by redesignating clauses (ii) and (iii) as clauses (iii) and (iv) respectively; and

(2) by striking out "and the provisions of clause (i) shall not be applicable" in clause (iv) (as redesignated by this subsection).

(c) Section 1614 of such Act is amended by adding at the end thereof the following new subsection:

"RELATIVE

"(q) For purposes of this title, the term 'relative' means father, mother, grandfather, grandmother, grandchild, child, brother, sister, stepfather, stepmother, stepbrother, stepsister, stepchild, uncle, aunt, first cousin, nephew, or niece.".

(d) The amendments made by this Act shall become effective on January 1, 1979.●

● Mr. HATHAWAY. Mr. President, I am pleased to join with Senator DURKIN today in offering legislation which is a followup to my bill S. 1181 which I introduced on March 30, 1977.

This proposed bill which has been drafted in conjunction with the National Senior Citizens Law Center is designed to correct a major deficiency in the present law governing supplemental security income (SSI). Under present law, SSI benefits to aged, blind or disabled individuals are reduced by "unearned income."

Under these rules, an individual who is living in the household of another has his or her benefit reduced by one-third because of the inkind support and maintenance provided by that other person.

This provision operates to discourage the home-care of parents and relatives who are unable to care for themselves. The arbitrary application of the one-third rule encourages the dissolution of the extended family and its compassionate home care for the impersonal nursing home, purely and simply for the impact of Federal assistance.

I oppose this inequity.

The HEW Supplemental Security Income Study Group in January 1976 recommended the abolition of this provision.

I have introduced legislation to this effect.

Today, Senator DURKIN and I renew our call to end this insidious discrimination. We are reintroducing legislation and will move this provision as an amendment to H.R. 7200.

I know my colleagues will join with us to renew our pledge to family integrity and income security for the senior citizens of this country.●

By Mr. TALMADGE (by request):

S. 3029. A bill to provide a voluntary self-help program designed to assist producers of agricultural products to protect themselves against loss of production when natural and uncontrollable conditions adversely affect production and to assure consumers that producers will be able to continue to produce food and fiber; to the Committee on Agriculture, Nutrition, and Forestry.

FARM PRODUCTION PROTECTION ACT OF 1978

● Mr. TALMADGE. Mr. President, I am today introducing at the request of the administration a bill designed to permit the administration to meet its goal of a meaningful all-risk, all-county, all-producer plan for protecting producers against loss of production due to natural disaster and certain uncontrollable risks.

Mr. President, I ask unanimous consent that the bill and the accompanying letter from Secretary Bergland be printed in the RECORD.

There being no objection, the bill and the letter were ordered to be printed in the RECORD, as follows:

S. 3029

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Farm Production Protection Act of 1978".

DECLARATION OF PURPOSE

SEC. 2. It is the purpose of this Act to promote the national welfare by improving the economic stability of agriculture through

a system of protecting farmers from loss because of natural or uncontrollable conditions adversely affecting production and to provide the means for the research and experience helpful in devising and establishing such production protection.

FARM PRODUCTION PROTECTION

SEC. 3. To carry out the purpose of this Act, the Commodity Credit Corporation (hereinafter referred to as "the Corporation") is authorized and empowered—

(a) Commencing with farm production for 1980, for the purpose of determining the most practical plan, terms, and conditions of protection for agricultural production, if sufficient actuarial data are available as determined by the Corporation, to protect producers of agricultural products under any plan or plans of protection determined by the Corporation to be adapted to any such product. Such protection shall be against losses due to unavoidable or natural causes, or both, including, but not limited to, drought, flood, hail, frost, wind, winterkill, lightning, fire, excessive rain, snow, wildlife, hurricane, tornado insect infestation, animal disease, plant disease, and such other unavoidable or natural causes, or both, as determined by the Corporation. Production protection offered against loss may cover up to 90 percent of the cost of production of the product for a representative period subject to such adjustments as the Corporation may prescribe, to the end that the average cost fixed for farms in the same area, which are subject to the same conditions, be equitable between producers. In addition, the Corporation may offer where deemed practicable lower levels of protection to be selected at the option of each producer. Production protection provided under this subsection shall not cover losses due to the neglect or malfeasance of the producer, or to the failure of the producer to follow established good farming practices and appropriate conservation practices. In determining the products on which such protection is to be offered, the Corporation shall take into consideration the demands of farmers for such production protection, and the extent to which such production protection is available to commercial producers. The Corporation may refuse production protection in any county or area or on any farm not suited to the production of such product. Production protection may be offered to producer-owned and producer-controlled cooperative associations on commodities if the managerial control over the commodity insured is exercised by such association. The Corporation shall report annually to Congress the results of its operations as to each product protected.

(b) To determine the true risk premium which would be chargeable to each participant in this program based on a sound actuarial base.

(c) To determine that share of the true risk premium which shall be borne by the Corporation.

(d) To adjust and pay claims for losses, under rules prescribed by the Corporation. In the event that any claim for indemnity under the provisions of this Act is denied by the Corporation, an action on such claim may be brought against the Corporation under the provisions of section 4(c) of the Commodity Credit Corporation Charter Act: *Provided,* That no suit on such claim shall be allowed under this section unless the same shall have been brought within one year after the date when notice of denial of the claim is mailed to and received by the claimant.

(e) To issue contracts and regulations, the terms and provisions of which are binding on the contractual parties thereto.

(f) To compromise claims brought by and against the Corporation.

(g) To collect and receive insurance premiums and expend such premiums for payments of indemnities and for such other purposes consistent with this Act as determined by the Corporation.

(h) To conduct research, surveys, and investigations relating to farm production protection and to assemble data for the purpose of establishing actuarial bases for farm production protection.

(i) Under such terms and conditions as the Corporation deems consistent with sound reinsurance principles, to provide reinsurance on any products or plantation insurance provided in the Commonwealth of Puerto Rico, the Canal Zone, Guam, American Samoa, the United States Virgin Islands, and the Commonwealth of the Northern Marianas by a duly authorized agency of such Commonwealth or Territory: *Provided,* That no application for reinsurance authorized herein shall be approved, unless the Corporation shall have determined that the reinsurance deemed necessary is not available from recognized private sources at reasonable cost.

(j) To offer specific risk protection programs such as, but not limited to, prevented planting, wildlife depredation, and disease and insect infestation programs, under such terms and conditions as the Corporation may determine.

INDEMNITIES EXEMPT FROM LEVY

SEC. 4. Claims for indemnities under this Act shall not be liable to attachment, levy, garnishment, or any other legal process before payment to the insured or to deduction on account of the indebtedness of the insured or his estate to the United States except claims of the United States or the Corporation arising under this Act.

VOIDING OF CONTRACTS

SEC. 5. The Corporation may void the farm production protection provided any producer without affecting the producer's liability for premiums or waiving any right of the Corporation to collect any unpaid premiums if at any time, either before or after any loss, the insured has concealed or misrepresented any material fact or committed any fraud relating to the contract, and such voidance shall be effective as of the beginning of the production year with respect to the product on which any such act or omission occurred.

ADVISORY COMMITTEE

SEC. 6. The Secretary of Agriculture (hereinafter referred to as the "Secretary") is authorized pursuant to the Federal Advisory Committee Act to appoint an advisory committee consisting of members experienced in agricultural pursuits or insurance in keeping with the development of protection programs. The compensation of the members of such committee shall be determined by the Secretary but shall not exceed the daily equivalent of the rate prescribed for grade GS–18 in section 5332 of title 5, United States Code, while actually employed and actual necessary traveling and subsistence expenses, or a per diem allowance in lieu of subsistence expenses, as authorized by law (section 5703 of title 5, United States Code) for persons in Government service employed intermittently.

APPROPRIATION

SEC. 7. There are hereby authorized to be appropriated such sums as may be necessary to reimburse the Corporation for its net realized loss incurred under this program during each fiscal year, as reflected in its accounts and shown in its financial report of its financial positions as of the close of the fiscal year.

SEPARABILITY

SEC. 8. The sections of this Act and the subdivisions of such sections are hereby declared to be separable, and in the event any one or more sections or parts of this Act are held to be unconstitutional, the same shall not affect the validity of other sections or parts of sections of this Act.

DEFINITIONS

SEC. 9. (a) "Agricultural products" or "products", as used in this Act, shall include, but not limited to, wheat, cotton, flax, corn, dry beans, oats, barley, rye, tobacco, rice, peanuts, soybeans, sugar beets, sugarcane, timber and forests, potatoes and other vegetables, citrus and other fruits, tame hay, livestock and poultry commercially produced for food or fiber, or any other agricultural product determined by the Corporation pursuant to subsection (a) of section 3 of this Act, or any one or more of such products, as the context may indicate.

(b) "Cost of production" means variable, machinery ownership, and general farm overhead costs plus a charge for management and a charge for land as determined by the Corporation for a given area or county.

(c) "General farm overhead" includes costs for recordkeeping, utilities, general farm maintenance, personal property taxes, sales taxes, insurance, and similar items not specifically associated with a specific crop enterprise. Overhead costs are to be allocated to specific crops on the basis of the proportion of the value of total production derived from each crop.

(d) "Land charges" are to be calculated at a percentage (determined by the Corporation) of the current average price or average rental of land for agricultural purposes.

(e) "Machinery ownership" costs include charges for replacement, interest, insurance, and taxes.

(f) "Management charges" are to be allocated to products on the basis of the proportion of the value of total production derived from each product.

(g) "Production protection" means protection of producers against loss of the cost of production of products.

(h) "True risk" is the anticipated amount of loss for a given protection plan.

(i) "Protection plan" is the protection option selected by the insured.

INDEMNITIES EXEMPT FROM INTEREST

SEC. 10. Notwithstanding any other provisions of this Act, the Corporation shall not be liable or obligated to pay interest on payments or claims for indemnity authorized under this Act.

FINALITY PROVISION

SEC. 11. The facts constituting the basis for any payment under this Act, or the amount thereof, when officially determined in conformity with the applicable regulations prescribed by the Secretary or by the Corporation, shall be final and conclusive and shall not be reviewable by any other officer or agency of the Government. In case any person who is entitled to any such payment dies, becomes incompetent, or disappears before receiving such payment, or is succeeded by another who renders or completes the required performance, the payment shall, without regard to any other provision of law, be made as the Corporation may determine to be fair and reasonable in all the circumstances, as provided by regulations.

APPLICATION TO OTHER GOVERNMENTAL PROGRAMS

SEC. 12. Notwithstanding any other provision of law, no person shall be eligible to receive low yield disaster payments, emergency loans and payments, indemnity payments, or specific risk protection payments for production losses under any other program for any agricultural product in any county of any State when, under provisions of this Act, product production protection is generally offered for such agricultural product in such county and State.

PERSONS UNDER EIGHTEEN YEARS OF AGE

SEC. 13. Notwithstanding any other provision of law, no person shall be denied insurance under this Act solely on the ground that he or she is under 18 years of age if such

person (1) has a bona fide interest in a crop as an owner-operator, landlord, tenant or sharecropper, and (2) has a co-maker for the contract of insurance executed: *Provided*, That any such person who enters into a farm production protection contract shall be subject to the same legal liability and have the same legal rights with respect to such contract as any person over the age of 18 years.

TRANSFERS OF ASSETS OF FEDERAL CROP INSURANCE CORPORATION

SEC. 14. The assets, funds, appropriations, property, records, and policyholders of the Federal Crop Insurance Corporation shall be transferred to the Commodity Credit Corporation at such times as the Secretary shall direct. The rights, regulations, privileges, and powers, and the duties and liabilities of the Federal Crop Insurance Corporation, in respect to any contract, agreement, loan, account, or other obligation, shall become the rights, privileges, and powers, and the duties and liabilities, respectively, of the Commodity Credit Corporation. The provisions of the Federal Crop Insurance Act which are relevant to current regulations of the Secretary and the Federal Crop Insurance Corporation governing the program operation of the Federal Crop Insurance Corporation shall remain in effect until such regulations are revoked, superseded, amended, or modified by regulations issued pursuant to this Act. The enforceable claims of or against the Federal Crop Insurance Corporation shall become the claims of or against, and may be enforced by or against, the Commodity Credit Corporation: *Provided*, That nothing in this Act shall limit or extend any period of limitation otherwise applicable to such claims against the Commodity Credit Corporation.

OPERATING FUNCTION

SEC. 15. Program development, actuarial, loss adjustment, and such other functions related to the purposes of this Act as may be assigned by the Corporation, shall be conducted by a discrete organizational unit which shall have no duties or functions not authorized by this Act, and which shall be managed by the member of the Board of Directors of the Corporation designated as manager of the insurance program.

DISSOLUTION OF FEDERAL CROP INSURANCE CORPORATION

SEC. 16. The Secretary, representing the United States as the sole owner of the capital stock of the Federal Crop Insurance Corporation, is hereby authorized and directed to institute or cause to be instituted such proceedings as are required for the dissolution of such Corporation under United States law at such time as he deems it appropriate. The cost of such dissolution shall be borne by the Commodity Credit Corporation.

REPEAL OF THE FEDERAL CROP INSURANCE ACT

SEC. 17. Except as provided in section 113 of this Act, title V of the Agricultural Adjustment Act of 1938 (52 Stat. 72) (known as the Federal Crop Insurance Act) is hereby repealed effective December 31, 1982.

AMENDMENTS TO CHARTER ACT

SEC. 18. (a) Section 9(a) of the Commodity Credit Corporation Charter Act is amended by striking "seven" and inserting "eight" in lieu thereof.

(b) Section 10 of the Commodity Credit Corporation Charter Act is amended by adding to the second sentence after the word "experts" the words "personnel paid by the hour, day, or month when actually employed, county representatives and private insurance agents and companies".

DEPARTMENT OF AGRICULTURE,
Washington, D.C., April 28, 1978.

Hon. WALTER E. MONDALE,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Enclosed for the consideration of Congress is a draft bill known as the Farm Production Protection Act of 1978, which will permit the Administration to meet its goal of a meaningful all-risk, all-county, all-producer plan for protecting producers against loss of production due to natural disaster and certain uncontrollable risks.

This Department recommends that the bill be enacted. It is a direct result of a comprehensive study of the entire question of disaster relief. There is urgency for this enactment in this session of Congress to assure the new program is operational by the 1980 crop year when low-yield disaster provisions expire under the Food and Agriculture Act of 1977.

This bill would establish a program that would make it possible to combine the insurance provisions of the Federal Crop Insurance Act, the USDA low-yield disaster payment programs, the emergency loan programs of the Farmers Home and Small Business Administrations, and some indemnity payment programs to protect producers of agricultural products against loss of production when natural or uncontrollable conditions adversely affect yields. The Commodity Credit Corporation will be utilized to carry out the purposes of this Act and FCIC will be dissolved.

We have long recognized the need for formation of some method of providing a unified program of protection against losses due to unavoidable natural hazards. This bill could permit the accomplishment of this objective beginning with the 1980 crop year. By crop year 1982 it is projected that about $14.9 billion of protection, out of a potential of $33 billion, would be covered by the program. Cost would be comparable to the present ASCS low-yield disaster and Federal Crop Insurance programs combined. The Department estimates about $542 million would be necessary to operate the program in the first crop year of full operation. This compares to $555 million for the existing four programs. The consolidation will increase the protection available to farmers per dollar of federal outlay.

A projection of fiscal year costs is shown in the attached Exhibits I and II.

First-year coverage offered under this Act would be primarily the disaster crops—corn, grain sorghum, wheat, cotton, rice, and barley—together with 12 other programs currently insured by Federal Crop Insurance including sugarcane, sunflowers, citrus, dry beans, soybeans, oats, flax, peanuts, tobacco, raisins, sugar beets, and rye. As rapidly as actuarial data can be developed, when the bill is enacted, it would be the intent to expand nationally into all other commercially grown crops within 10 years. In addition, specialty insurance could be developed on livestock, aquaculture products, prevented planting, etc. These initially would be on an experimental basis.

At a roughly comparable expense to the current FCIC insurance and ASCS disaster payment programs, the government would offer a greater degree of coverage to a much greater number of agricultural producers with more equitable sharing of costs of the program by producers than is the case with the present disaster programs.

The Department feels this legislation would result in a cost-benefit saving to the taxpayer over present disaster, emergency loan, and insurance programs. It is more meaningful for the farmer because of the additional protection offered than compared with present programs. We view this bill as a good cooperative blend between consumer and farmer interests with benefits to both. By assuring an adequate supply of farm products, there will be less price fluctuation for consumers.

An identical letter has been sent to the Speaker of the House.

The office of Management and Budget advises that enactment of this proposal would be in accord with the program of the President.

Sincerely,

BOB BERGLAND,
Secretary.

Enclosure.

EXHIBIT I

BUDGET AUTHORITY AND OUTLAYS UNDER PROPOSED LEGISLATION

[In thousands of dollars]

	Fiscal year—						
	1978	1979	1980	1981	1982 [1]	1983	1984
Assuming passage of legislation, October 1978:							
Budget authority	61,986	[2] 269,061	153,819	141,500	147,000	[3] 433,140	[3] 539,900
Budget outlays	85,923	[2] 54,518	125,699	[3] 416,785	[3] 513,829	[3] 604,554	[3] 686,230
Increase from existing FCIC legislation:							
Budget authority		[2] 257,061	141,819	129,500	135,000	[3] 421,140	[3] 527,900
Budget outlays		[2] 35,000	106,181	[3] 397,267	[3] 494,311	[3] 585,036	666,712

[1] Starting in fiscal year 1982, additional costs for experimental pilot programs will commence. Dollars are not included in these estimates.

[2] Amended to indicate that $1,000,000 added for staffing and additional costs for regional offices. Such increase needed no later than April 1979, to have fully operational in October 1979. The total amount for development costs ($34,000,000) includes $384,000 that will be required the first 6 months of fiscal year 1980.

[3] Includes interest charges to Commodity Credit Corporation for these funds.

EXHIBIT II

BUDGET AUTHORITY AND OUTLAYS UNDER PROPOSED LEGISLATION

[In thousands of dollars]

	Fiscal year—						
	1978	1979	1980	1981	1982 [1]	1983	1984
Assuming passage of legislation, July 1978:							
Budget authority	77,986	[2] 279,377	152,700	141,500	147,000	[3] 433,140	[3] 539,900
Budget outlays	101,923	[2] 64,834	124,580	[3] 416,785	[3] 513,829	[3] 604,554	[3] 686,230
Increase from existing legislation:							
Budget authority	16,000	[2] 267,377	140,700	129,500	135,000	[3] 421,140	[3] 527,900
Budget outlays	16,000	[2] 45,316	105,062	[3] 397,267	[3] 494,311	[3] 585,036	[3] 666,712

[1] Starting in fiscal year 1982, additional costs for experimental pilot programs will commence. Dollars are not included in these estimates.

[2] Includes $192,000 for development costs that will be required the first 3 months of fiscal year 1980.

[3] Includes interest charges on Disaster Relief Fund.

SUPPLEMENTAL STATEMENT OF USDA ON THE FARM PRODUCTION PROTECTION ACT OF 1978

The Farm Production Protection Act establishes a new Federal insurance plan for farmers that will replace the four separate and overlapping insurance and disaster plans in existence now.

Present programs provide no assurance that an individual farmer will be compensated in part or all for crop losses beyond his control. The new plan will allow a farmer to purchase varying amounts of protection and will guarantee that he will be compensated for crop losses (and eventually livestock, when the plan is in full operation) that are caused by weather and other natural hazards.

About 50 percent of the premium for the basic plan available to farmers will be subsidized by the Federal government. Plans offering more complete coverage will be subsidized to a lesser degree.

Farmers may purchase the plan at their local Agricultural Stabilization and Conservation Service county office or through private insurance agents in their local community.

When fully operational, the plan is expected to cover 68 percent of United States crop acreage.

BACKGROUND

In brief the new legislation would—

Consolidate four existing Federal disaster programs into one insurance program. The four programs to be consolidated are the Federal Crop Insurance Corporation, the "low yield" disaster payment program offered by USDA's Agricultural Stabilization and Conservation Service (ASCS), some Farmers Home Administration emergency loans, and the farm disaster loan program of the Small Business Administration.

Provide farmers with a choice of three levels of protection that will roughly cover (1) out-of-pocket production expenses or (2) out-of-pocket plus some machinery ownership expenses or (3) the previous two plus a return for management and a partial return for land.

Result in lower federal expenditures than the four programs it is designed to replace.

Enlarge natural disaster protection to cover 18 crops that account for 89 percent of U.S. planted acreage.

NEED

Current disaster assistance programs need improvement. The programs overlap with some producers eligible for assistance under all four Federal programs, while others are ineligible for any assistance. Present programs are slow, cumbersome and often do not adequately compensate producers who suffer losses.

Government has a legitimate role in providing disaster protection. Agriculture is faced with more uncertainties than almost any other business enterprise. Farm income is more variable than any other national income category: it is 6 times as variable as non-farm proprietors' income. Historically, one out of every twelve acres planted is not harvested because of adverse weather or other reasons.

Disaster protection provides benefits that extend beyond the farm. Agricultural communities are made more economically stable when farmers are assured of repaying at least their cash costs, even if disaster strikes. The compensation they receive will be spent in local communities, strengthening the economy.

HOW THE FPPA WOULD WORK

The insurance would be sold by private insurance agents and at ASCS offices. Funding would be through the Commodity Credit Corporation.

Eighteen crops for which the present Federal Crop Insurance Corporation has actuarial data would be covered originally. They are wheat, cotton, corn, barley, grain sorghum, rice, sugar cane, sunflowers, citrus, dry beans. soybeans, oats, flax, peanuts, tobacco, raisins, sugarbeets and rye. These crops account for 89 percent of U.S. cropland acreage. As more actuarial experience is gained the program will be extended to other crops, livestock and to perils not covered in the original plan.

Farmers will pay a premium based on the level of protection selected, the reimbursement rate per bushel they select, and the risk involved in their operation. Premium is based on an individual farm's historical yield, and the county's weather, and other natural hazard history.

In the first year of a fully-implemented program, the estimated cost to the government for the program and administrative expenses will be $542 million annually. This is slightly less than the three-year average $555 million cost of the present Federal Crop Insurance, ASCS "low-yield" disaster and the emergency loan programs of the Farmers Home and Small Business Administrations.

When in full operation, protection offered farmers under the new program will be an estimated $14.9 billion, or more than twice the $6.4 billion protection available to farmers under the present programs. This is significantly more farm protection benefits per dollar of Federal outlay. For the first crop year of operation, 1980, the new program is estimated to carry a maximum "risk exposure" of about $9.9 billion. It would provide an all-risk, all-county protection for producers of 18 major crops. By the 1982 crop year, estimated "risk exposure" could increase to the $14.9 billion figure.

Three levels of protection will be offered to farmers on major crops with premiums higher for each level: Level A covers about 50 percent of total production costs; cash outlays for seed, fertilizer, etc. Level B covers 70 percent of production costs for major crops; variable costs plus some machinery and overhead costs. Level C covers about 90 percent of production cost; variable costs, machinery and overhead costs, and part of the costs of land and management.

These percentages of protection may vary for different types of agricultural products.

As the farmer's share of the risk increases through payment of higher premium, the government's proportionate share decreases. About 90 percent of the government participation in the premium costs will be at the A Level to help protect the out-of-pocket, variable costs of production.

EXAMPLES

Indemnity payments to farmers are determined by the established average yield for the individual farm and the program level selected by the producer. A corn farmer with an average yield of 100 bushels per acre, at the "A" level, would be guaranteed 50 bushels per acre. Suppose his actual crop yield is 40 bushels; that is, 10 bushels below the guarantee. At a price of $2.10 per bushel, the producer would receive $21 per acre for the 10-bushel loss. In addition, he would have 40 bushels to sell at market price.

Suppose this same corn farmer had elected the "B" program level of 70 percent. His guarantee was 70 bushels per acre. If his actual yield was only 40 bushels per acre, his loss would be 30 bushels per acre and his indemnity is $63 per acre. He still has his harvested crop to sell.

In the third instance, if the same corn farmer had elected the "C" program level, or 90 percent of production costs, his guarantee would be 90 bushels per acre. If his actual yield was only 40 bushels per acre, his loss below guarantee would be 50 bushels per acre, and he would receive $105 per acre, or $2.10 times 50 bushels plus the income from selling his corn at market price.

Premiums: About 50 percent of the premium costs will be borne by the government under Level "A", the minimum level of protection. A small additional subsidy is provided at the medium coverage level and no additional subsidy would be provided at the highest level of protection; the additional coverage will be sold at cost.

Rates have yet to be devised and it is difficult to give estimates, because each individual farmer's rate will vary by the per acre yield of his farm and how prone to disaster his country is according to past history.●

By Mr. JACKSON (by request):

S. 3030. A bill to amend the Act of June 3, 1960 (74 Stat. 156), to provide additional authority for the Secretary of the Interior to construct the San Luis Unit, Central Valley Project, Calif., and for other purposes; to the Committee on Energy and Natural Resources.

SAN LUIS UNIT, CENTRAL VALLEY PROJECT, CALIF.

● Mr. JACKSON. Mr. President, I introduce today, at the request of an Assistant Secretary of the Interior, a bill to amend the act of June 3, 1960, to provide additional authority for the Secetary of the Interior to construct the San Luis Unit, Central Valley Project, Calif.

Mr. President, last year the Congress authorized a 1-year extension of funding authority for the ongoing San Luis Project. We fully expected to consider additional authorizing legislation for fiscal year 1979. The President, in his budget submittal to the Congress this January, included anticipated budget authority and expenditures for the San Luis project for fiscal year 1979. On an informal basis, the Department of the Interior was contacted earlier this year by staff of the Senate Committee on Energy and Natural Resources and advised of the need for a timely submittal of this legislation to the Congress—if it was to receive full consideration. In further anticipation of an administration request, allowance was made for the requested funding, in the Committee on Energy and Natural Resources' budget report to the Senate.

Frankly, in light of the heavy legislative schedule faced by the committee, I have my doubts that we will be able to get this measure to the floor by the May 15 deadline. If not, consideration will require granting of a waiver by the full Senate. There is no excuse for either the late transmittal of the draft bill to the Congress or the need for the budget waiver. The need for the bill has been known by the administration for over a year. I note that in the letter of transmittal, Assistant Secretary of the Interior Martin urges "that the bill be approved expeditiously by the Congress." The committee will consider the bill as its schedule permits.

I ask unanimous consent that the bill and the letter of transmittal be printed in the RECORD.

There being no objection, the bill and the letter were ordered to be printed in the RECORD, as follows:

S. 3030

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the San Luis Unit, Central Valley Project, Cali-

fornia, authorized by the Act of June 3, 1960 (74 Stat. 156) is hereby reauthorized as follows:

SECTION 1. Section 1 of the Act of June 30, 1960, is amended to read as follows:

"(a) For the principal purpose of furnishing water for the irrigation of approximately 600,000 acres of land in Merced, Fresno, and Kings Counties, California (hereinafter referred to as the Federal San Luis unit service area) and as incidental thereto of furnishing water for municipal and industrial uses and providing recreation and fish and wildlife benefits, the Secretary of the Interior (hereinafter referred to as the Secretary) is authorized to construct, operate, and maintain the San Luis unit as an integral part of the Central Valley Project. The principal engineering features of said unit shall be the San Luis Dam and Reservoir, the O'Neill Dam and Reservoir, the San Luis Canal, the Coalinga Canal, the San Luis Drain, and necessary pumping plants, distribution systems, drains, channels, levees, flood works, electric transmission and distribution systems, and related facilities. The authorized engineering features are specifically described and limited to those listed in the House of Representatives and Senate Committee reports accompanying this bill and no major changes in design or capacity of such facilities shall be made in the absence of specific additional legislative authority. Further, no specific changes in the Federal San Luis service area as defined herein shall be made in the absence of specific additional legislative authority.

"(b) No facilities shall be constructed for electric transmission or distribution service which the Secretary determines can be obtained at less cost to the Federal Government on the basis of an offer of a firm 50-year contract from a local public or private agency, rather than by construction and operation of Government facilities.

"(c) The works for joint use (hereinafter referred to as joint-use facilities) with the State of California (hereinafter referred to as the State) shall be the San Luis Dam and Reservoir, the O'Neill Forebay-Afterbay, the San Luis pumping-generating plant, the Dos Amigos pumping plants, and the San Luis Canal, and such appurtenant facilities as the Secretary deems appropriate.

"(d) In constructing, operating, and maintaining the San Luis Unit, the Secretary shall be governed by the Federal reclamation laws (Act of June 17, 1902 (32 Stat. 388), and Acts amendatory thereof or supplementary thereto).

"(e) No water provided by the Federal San Luis Unit shall be delivered in the Federal San Luis service area to any water user for the production on newly irrigated land of any basic agricultural commodity, as defined in the Agriculture Act of 1949, or any amendment thereof, if the Secretary of Agriculture determines that the total supply of such commodity for the marketing year in which the bulk of the crop would normally be marketed is likely to be excessive: *Provided,* That the above restriction shall be effective only if the Secretary of Agriculture advises the Secretary of the Interior of the crops subject to such restriction at least 90 days prior to the date such crops are normally planted."

"(f) Definitions

(1) "Secretary" refers to the Secretary of the Interior, or any person whom he designates to represent and act for him.

(2) "Federal San Luis Service Area" means land, which on April 1, 1978, was included in the Panoche, San Luis or Westlands Water Districts and as of that date had been certified by the Secretary as being irrigable. Broadview Water District is also included for purposes of drainage service only. It shall also include the municipalities of Avenal, Huron, and Coalinga, California. The service area is further defined in a map contained in Committee reports accompanying this bill.

SECTION 2. Section 5 of the Act of June 30, 1960, is amended to read as follows:

"Section 5(a). The Secretary is authorized to construct, operate, and maintain only that portion of the San Luis drain extending from the Kesterson Reservoir south to Kettleman City at a capacity not to exceed 300 cubic feet per second. Said drain may be concrete lined if in the opinion of the Secretary such lining is necessary. Each San Luis Unit contractor shall repay its proportionate share of the costs of construction of said portion of the drain within 40 years from the effective date of this act, including a proportionate share of the annual costs of operation, maintenance and replacement; *Provided,* That the Secretary is authorized to transfer the responsibility for the operation and maintenance of said drain to any or all of the San Luis Unit contractors.

"(b) The Secretary may permit the use of the San Luis drain as authorized by section 5(a) for the disposal or conveyance of agricultural drainage water by individuals or water districts outside the San Luis Unit service area. Such use shall only be permitted pursuant to contracts the terms of which are consistent with section 9(c), (d) or (e) of the Reclamation Projects Act of 1939 as well as with other provisions of Reclamation Law; *Provided,* That water districts within the Federal San Luis unit service area are assured full drainage service necessary for the protection of the lands within the Federal San Luis service area. Any revenues accruing from such contracts are to be credited toward repayment of the San Luis drain.

"(c) Further construction to modify, enlarge, or extend the San Luis drain beyond that described in this subsection (a) above shall not occur until such time as: (1) the report of the Interagency Drainage Program has been completed and agreement has been reached with the State of California regarding the selection of a final point of discharge and any treatment of drainage water necessary to protect the quality of the receiving waters; (2) the Secretary has completed the necessary environmental statements on the San Luis Unit required pursuant to section 102(c)(2) of the National Environmental Policy Act of 1969; (3) the Secretary and the State have entered into an agreement for joint financing, construction, and operation, maintenance and replacement of San Joaquin Valley master drain and have established a fair and equitable method for allocating drainage capacity among participating users and for assuring repayment of such drain by all users within a reasonable period of time and in accordance with Reclamation Law; (4) the Secretary has determined and reported to the Congress the economic and engineering feasibility of completion of the San Luis drain on a master drainage plan pursuant to section 5(d) of this act, and (5) Congress has specifically authorized the modification, enlargement, or extension of the San Luis drain.

"(d) The Secretary is authorized to conduct a study jointly with the State to examine various alternative solutions for the ultimate disposal of agricultural waste water from the San Luis Unit and the San Joaquin Valley, including lands in other Federal (Central Valley Project) and State service areas in the San Joaquin Valley. The Secretary shall submit a report to the Congress no later than January 1, 1981, containing a proposal for ultimate disposal or reuse of San Luis Unit agricultural waste water, or, in the event the State has entered into an agreement with the Federal Government pursuant to section 5(c)(3) of this act, for joint construction of a San Joaquin Valley master drain, for modification, enlargement, and extension of the San Luis drain for the purposes of ultimate disposal or reuse of agricultural waste water in the San Joaquin Valley."

SECTION 3. The Act of June 30, 1960, is amended to add the following new sections and to renumber existing sections to conform:

"Section 6. (a) No further funds shall be appropriated for construction of the San Luis Unit works until such time as valid long-term contracts with all water districts within the San Luis Unit have been executed which contain the following: (1) a water service rate adequate to recover full repayment of actual operation, maintenance and replacement costs annually; (2) a rate adequate to repay an average share of the capital costs of the Central Valley Project allocated to irrigation as determined by the Secretary, which shall be subject to review and adjustment at five year intervals from the date of execution of each contract; such review may be conducted in conjunction with regularly scheduled project rate review and adjustment periods so long as the intervals do not exceed five years; (3) full repayment by appropriate water districts within the Federal San Luis Unit Service Area of such operation, maintenance, and replacement costs as incurred annually and all capital costs within 40 years of the effective date of this Act as have been or will be incurred in conjunction with construction of the distribution and drainage system, including the San Luis Drain as described in section 5(a) of this Act; (4) a provision requiring compliance with all rules and regulations now in effect or hereafter lawfully adopted by the Secretary, regarding implementation of the acreage limitation and residency requirements of the Reclamation Act of 1902, as amended.

"(b) Long-term contractual commitments for firm surface water deliveries to water districts or municipalities in the San Luis Unit shall not exceed 1.1 million acre-feet annually. In dry and critical years, delivery of such firm commitments shall be reduced in accordance with the terms and conditions set forth in the contracts between the water users and the United States.

"(c) The Secretary shall not execute any contract which commits any of the firm surface water supply as limited by subsection (b) above for the San Luis Unit, to provide service to lands outside the Federal San Luis Unit Service Area, as defined in this Act.

"(d) The Secretary may, on an interim basis, enter into contracts with water districts in the Federal San Luis Unit service area for periods not to exceed one year, for the delivery of interim or intermittent water from the Central Valley Project, *Provided* that water districts of the San Luis Unit shall not be given preference for use of such water over other water users in the Central Valley Project. Such interim contracts shall provide that:

(1) regardless of the payment capacity of the contractor, rates in such contracts shall be sufficient to recover the actual costs of operation, maintenance and replacement (including pumping power) and the average share of capital costs allocated to irrigation;

(2) after January 1, 1981, the water districts within the Federal San Luis Unit Service Area have developed a water management and conservation program, approved by the Secretary, as described in section 9 of this Act.

(3) the delivery of such interim or intermittent water does not impair the ability of the Secretary to coordinate the operations of the Central Valley Project with the operations of the California State Water Project, pursuant to any agreement which has been executed in accordance with section 8 of this Act.

"(e) No water service or repayment contract may be executed prior to—

(1) its submission to the respective authorizing committees of the Senate and the House of Representatives of the United States, for a period of 90 days in which each House is in session, provided that either committee may, by passage of a resolution, waive any remaining review days; and,

(2) the publication in newspapers of general circulation in the affected area, of a notice that the draft contract is being considered by the Secretary, and a full opportunity for all affected and interested parties to comment, in a public meeting, on the proposed contract no less than sixty days prior to its approval."

"Section 7. (a) No Federal project water may be delivered, sold or exchanged under any circumstances for use on excess lands within the Federal San Luis Unit service area which are held by one owner in excess of the acreage limitation requirements of reclamation law, unless such lands are under recordable contract.

"(b) No Federal project water delivered to the Unit may be sold, traded, or exchanged for use on lands lying outside the Federal San Luis Unit Service Area, except by the written approval of the Secretary.

"(c) No Federal project water delivered under this Act may be resold by any contractor or subcontractor at a price in excess of that under which it was delivered by the Bureau of Reclamation."

"Section 8. To the extent permitted by existing law, the Secretary shall, through his representatives, immediately initiate negotiations with the appropriate officials and agencies of the State of California, in order to coordinate the management of the Central Valley Project and the State Water Project and to develop on the basis of such negotiations, executed agreements which include water quality criteria for the Sacramento-San Joaquin Delta for the mitigation, protection, and enhancement of beneficial uses of water in the Delta, including fish and wildlife values.

SEC. 9. The Secretary, in cooperation with water users in the San Luis Unit and the State, and other irrigators or parties whom he deems advisable shall cooperatively develop a program for the most efficient use of water within the Unit and adjacent lands and may allow water users to integrate deep wells within the Unit with Federal constructed distribution systems, provided that the Secretary may not expend funds for construction of groundwater integration facilities, including deep wells, except as required solely to interconnect the two systems.

SEC. 4. Section 8 of the Act of June 30, 1960 is renumbered and amended to read as follows:

"SEC. 12(a). There is hereby authorized to be appropriated for construction of the works of the San Luis unit, including joint-use facilities, authorized by this Act, other than distribution systems and drains, the sum of $290,430,000, plus such additional amounts, if any, as may be required by reason of changes in costs of construction of the types involved in the San Luis unit as shown by engineering indexes, said sum of $290,430,000 shall, however, be diminished to the extent that the State makes funds or lands or interests in land available to the Secretary pursuant to sections 2 or 3 of this Act which decrease the costs which would be incurred if the works authorized in section 1 of this Act (including provisions for their subsequent expansion) were constructed solely as a Federal project: *Provided*, That expended funds shall not be indexed for purposes of adjusting the authorized cost ceiling to account for changes in costs of construction."

"(b) There are also authorized to be appropriated, in addition to amounts authorized in subsection (a) above, such amounts as are required for construction of such distribution systems and drains, including the San Luis drain, as are not constructed by local interests, but not to exceed in total cost, including amounts already expended by the Federal government, $342,315,000 plus such additional amounts, if any, as may be required by reason of changes in costs of construction of the types involved in the San Luis unit as shown by engineering indexes, *Provided*, That expended funds shall not be indexed for purposes of adjusting the authorized cost ceiling to account for changes in costs of construction.

"(c) There are also authorized to be appropriated, such funds as necessary to carry out Section 8 of this act, and such funds shall be non-reimbursable.

"(d) All moneys received by the Secretary from the State under this Act shall be covered into the same account as moneys appropriate hereunder and shall be available without further appropriation, to carry out the purposes of this Act."

WASHINGTON, D.C.,
April 27, 1978.

HON. WALTER F. MONDALE,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Enclosed is a bill "To amend the Act of June 3, 1960 (74 Stat. 156), to provide additional authority for the Secretary of the Interior to construct the San Luis Unit, Central Valley Project, California, and for other purposes."

The Department recommends that the bill be introduced and enacted.

Public Law 95-46 directed the Secretary of the Interior to create a task force to review and make recommendations to Congress concerning the management, organization and operation of the San Luis Unit of the Central Valley Project in California. One of the specific areas to be investigated involved "the adequacy of present levels of authorization for completing the unit and recommendations for funding such completion, such as indexing of authorization or periodic reauthorization." The enclosed bill represents the Department's position, in view of the findings and recommendation of the task force, with regard to reauthorization requirements of the Unit.

Section 1 of the bill provides authorization for a number of features and facilities now a part of the Unit but for which the task force found inadequate legislative authority. The major change is that this bill provides specific authority for the Unit to furnish irrigation water to a total of 600,000 acres whereas the 1960 Act authorized service to approximately 500,000 acres. In response to the task force findings that numerous design changes had occurred in the Unit facilities and that these changes resulted in substantial cost increases the Department's proposed bill restricts the authorized engineering features to those specifically described in the Committee Reports which will accompany the bill. Similarly, the Federal San Luis Unit Service area is defined in Section 1 of the proposed bill.

The remainder of Section 1 merely restates the original 1960 provisions except for some language changes concerning production of basic agricultural commodities on newly irrigated lands. These changes are needed to accurately reflect the present statutory framework.

Section 2 relates to the San Luis Drain. The Drain was originally authorized as part of the distribution and drainage system but over time costs have increased dramatically and new considerations concerning the Drain have arisen. The proposed bill retains the Drain as a feature of the distribution and drainage system but limits the authority of the Secretary of the Interior to construct, operate, and maintain a drain in excess of 300 cubic feet per second and then only that portion extending from Kesterson Reservoir south to Kettleman City, California.

The proposed bill provides that the Secretary may undertake future construction to modify, enlarge or extend the drain only under certain conditions. These conditions include further technical and environmental studies, execution of an agreement with the State of California for a master drain in the San Joaquin Valley and obtaining additional specific authorization from the Congress.

The Secretary is authorized to allow the use of the drain by users outside the San Luis Unit if such use does not interfere with the provision of full drainage service to districts within the Unit. The use of the drain by persons outside the San Luis Unit would be pursuant to contracts consistent with the reclamation laws.

Section 3 of the proposed bill conditions all future appropriations for construction within the San Luis Unit upon the execution of long term contracts with all districts within the Unit which contain rates adequate to recover annual costs of operation, maintenance, and replacement, and to recover within 40 years, an average share of the Central Valley Project capital costs allocated to irrigation and full repayment of distribution and drainage system costs by the districts which benefit from those systems. Those contracts would also contain provisions to require the contracting districts to comply with future rules and regulations relative to eligibility requirements for receiving Federal project water. Opportunities for public participation and Congressional review would be provided prior to the execution of any contract. Long term contractual commitments for surface water deliveries to the San Luis Unit would be limited to 1.1 million acre-feet per year under the terms of the proposed bill. Additional quantities could be delivered on an interim basis under specified conditions.

Other sections of the proposed bill provide for the initiation of negotiations between the United States and the State of California with respect to the coordination of the Federal Central Valley Project and the State Water Project. In addition, the Secretary would promote cooperative water conservaton efforts and the integrated use of water supplies. This authority, however, would not extend to Federal construction of facilities necessary to integrate ground and surface water supplies, except as required to interconnect the two systems.

Section 4 relates to the authorized appropriation levels for San Luis Unit construction. In the 1960 Act a cost ceiling of $290,430,000 was established for the main storage and conveyance features of the project such as the San Luis Reservoir and Canal, pumping plants and other major facilities. This authorization amount was made subject to indexing for inflation and remains adequate to complete the major project features. Accordingly, no increased appropriation level is provided in the bill for this purpose.

The 1960 Act treated the distribution and drainage systems to be constructed in the Unit separately and authorized appropriations of $192,650,000 for that purpose. That amount was not made subject to indexing and appropriations to date have reached that level. The proposed bill raises this cost ceiling to $342,315,000, and permits the indexing of this amount for purposes of inflation. Under both ceilings, for main features and distribution and drainage systems, indexing will be permitted only on unexpended portions of authorized funds.

On October 4, 1972, the Department of the Interior filed with the Council on Environmental Quality a final environmental impact statement on the San Luis Unit, Central Valley Project, California (FES 72-36).

That statement considered the total impacts of completing the distribution and drainage system, including the San Luis Drain, as envisioned at that time. The system contemplated in 1972 included more extensive works than are provided for in this reauthorization bill, particularly with respect to the San Luis Drain.

In subsequent litigation between the Contra Costa County Water District and the Secretary of the Interior, a stipulation and order was entered requiring a supplemental environmental impact statement to bring the original one up to date. A draft of the supplement is scheduled for completion in June 1978 and the final is scheduled for January 1979. The stipulation and order also provides that the United States and Westlands Water District may negotiate and take all necessary steps to execute and perform any contracts for the continued construction and completion of water distribution and drainage systems and groundwater integration facilities, including wells, within the District.

The clear implication is that the parties to the litigation and the court felt the original statement was adequate with respect to the above facilities.

The enclosed bill reauthorizes the Unit only insofar as construction on facilities expressly exempted from the provisions of the court order requiring the supplemental statement. Moreover, other provisions of the bill specifically condition future construction on Unit facilities, such as the Drain, on the completion of rigorous environmental reviews. Other provisions of the bill relate to contract terms and repayment which we believe do not have significant environmental implications.

Accordingly, we find that the introduction and enactment of this bill will not result in any significant environmental impacts which have not already been adequately addressed or which will not be addressed in more depth as a result of the bill's enactment and implementation.

The draft proposed bill is consistent with the task force recommendations and the Secretary's desire to continue with orderly construction and completion of the San Luis Unit. We recommend that the bill be approved expeditiously by the Congress, as additional appropriations authority is required in order for the construction program to continue in fiscal year 1979, and it is extremely important to implement the task force recommendations in order to clarify uncertainities in the original authorization, to account for changes in plans that have occurred, and to firm up repayment and other terms and conditions for completion and management of the project.

The Office of Management and Budget has advised that there is no objection to the presentation of this draft bill from the standpoint of the Administration's program.

Sincerely,

GUY R. MARTIN,
Assistant Secretary.●

By Mr. NUNN:

S. 3032. A bill to amend title 10, United States Code, to provide more efficient dental care for personnel of the Army, Air Force, and for other purposes; to the Committee on Armed Services.

● Mr. NUNN. Mr. President, I am, today, introducing a bill to change the organizational structure of the military Dental Corps in order to provide more efficient dental care for personnel of the Army and Air Force.

In 1976, the Army began to test a new organizational structure for its dental activities in which these activities were placed under a supervisory dentist who reported to the unit commander. The results indicated a substantial increase in productivity with 12,000 additional dental procedures being performed a day at lower costs and with a reduced staff than the previous organization. Unit commanders also reported their strong approval of the new organizational structure being tested.

Organizational changes that can have these kind of results should be endorsed and welcomed by military members and taxpayers. At a time when military health care is facing severe shortages and problems, I certainly applaud these efforts by the Army.

This bill will amend the current law to require the Chief of the Dental Corps in the Army be responsible for all matters related to dentistry and dental health. It will establish the Chief of the Dental Corps as the chief administrator and adviser to the Office of the Surgeon General on all matters related directly to dentistry. It will also provide direction for the command and staff relationships of dental activities at both the installation and headquarters level. The bill would also establish the position of Assistant Surgeon General for Dental Services in the Air Force.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3032

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 3040(b) of title 10, United States Code, is amended by inserting immediately after the first sentence thereof the following new sentence: "He is Chief of the Dental Corps and is responsible for making and implementing recommendations to The Surgeon General and through The Surgeon General to the Chief of Staff on all matters concerning dentistry and the dental health of the Army.".

SEC. 2. Chapter 307 of title 10, United States Code is amended by adding at the end thereof the following:

"§ 308. Dental Corps: Chief, functions

"(a) The Chief of the Dental Corps shall be an officer of that corps appointed

"(b) Under such regulations as the Secretary of the Army may prescribe, all dental functions of the Army shall be under the direction of the Chief of the Dental Corps. All matters relating to dentistry shall be referred to the Chief of the Dental Corps.

"(c) The Chief of the Dental Corps shall—

"(1) establish professional standards and policies for dental practice.

"(2) initiate and recommend action pertaining to organization requirements and utilization of the Dental Corps and dental auxiliary strength, appointments, advancement, training assignment, and transfer of dental personnel; and

"(3) serve as the advisor to the Office of The Surgeon General on all matters relating directly to dentistry.

"(d) Under such regulations as the Secretary of the Army may prescribe, dental and dental auxiliary personnel throughout the Army shall be organized into units commanded by a designated Dental Corps officer. This officer will be directly responsible to the commander of installations, organizations, and activities for all professional and technical matters and such administrative matters as prescribed in regulations.".

SEC. 3. Chapter 807 of title 10, United States Code is amended by adding at the end thereof the following:

"§ 8081. Assistant Surgeon General for Dental Services

"There is an Assistant Surgeon General for Dental Services in the Air Force, who is appointed by the Secretary of the Air Force upon the recommendation of The Surgeon General, from officers of the Air Force above the grade of major who are designated as dental officers under section 8067(b) of this title. The term of office is four years but may be sooner terminated or extended by the Secretary of the Air Force.".

SEC. 4. The tables of sections for chapters 307 and 807, title 10, United States Code, are amended by adding at the end of the respective table of sections the following:

with regard to chapter 307 add

"3081. Dental Corps: Chief, functions."

and

with regard to chapter 807, add

"8081. Assistant Surgeon General for Dental Services.". ●

By Mr. LEAHY:

S. 3033. A bill to authorize and direct the Secretary of Agriculture to provide cooperative foresty assistance to States and others, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

S. 3034. A bill to authorize and direct the Secretary of Agriculture to carry out forest and rangeland renewable resources research, to provide cooperative assistance for such research to States and others, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

S. 3035. A bill to provide for an expanded and comprehensive extension program for forest and rangeland renewable resources; to the Committee on Agriculture, Nutrition, and Forestry.

● Mr. LEAHY. Mr. President, I am introducing three forestry bills that are identical in purpose to the three forestry bills I introduced earlier this year: S. 2926, S. 2536, and S. 2537. My purpose for introducing these bills today is to bring S. 2926, S. 2536, and S. 2537 in closer conformance with the House companion bills, reported by the House Agriculture Committee on Tuesday, May 2.

These revised bills contain a number of technical amendments that do not change the basic concept of the original bills, presently before the Senate Committee on Agriculture, Forestry, and Nutrition.●

By Mr. PAUL G. HATFIELD:

S.J. Res. 133. A joint resolution to authorize and request the President to issue a proclamation designating September 24, 1978, as "National Good Neighbor Day"; to the Committee on the Judiciary.

NATIONAL GOOD NEIGHBOR DAY

● Mr. PAUL G. HATFIELD. Mr. President, today I introduce a joint resolution to authorize and request President Carter to proclaim September 24, 1978, as "National Good Neighbor Day."

One of our Nation's most priceless treasures is our heritage of being good

neighbors in time of need. Many stories account for deeds of neighborliness, ranging from those of simple courtesy to acts of bravery. Good neighbors come in all races, religious, and ages. It is only right that they should be honored.

This national day does not content itself with honoring those who are already good neighbors. It offers a chance to each of us to recommit our own lives to this goal.

Equally important, it encourages the flow of benefits to countless other Americans who should be the recipients of special attention. Many children could benefit from the guidance and help that a thoughtful, kind neighbor could provide. So, too, do many of our lonely and aged need special attention when friends and family are no longer nearby. One day of the year is not much to ask of America to honor those who make each day brighter for the less fortunate members of our society.

Former Senator Mike Mansfield held this resolution very dear. He introduced it every year and made a personal commitment to its passage.

I am delighted to be able to follow Mike's lead and sponsor "National Good Neighbor Day."

I ask unanimous consent that the resolution be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 133

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is authorized and requested to issue a proclamation designating September 24, 1978, as "National Good Neighbor Day", and calling upon the people of the United States and interested groups and organizations to observe such day with appropriate ceremonies and activities.●

By Mr. PROXMIRE (for himself, Mr. WILLIAMS, Mr. CRANSTON, Mr. RIEGLE, and Mr. LUGAR):

S. 3036. A bill to amend the Coinage Act of 1965 to change the size, weight, and design of the one-dollar coin, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

SUSAN B. ANTHONY DOLLAR COIN ACT

Mr. PROXMIRE. Mr. President, the administration has recently sent a legislative proposal to the Congress recommending that the present dollar coin be replaced with a smaller, more conveniently-sized one. Since the present coin was first introduced in 1971, it has not been widely accepted by the public primarily because of its cumbersome size. The Treasury believes that a smaller dollar coin can become a useful denomination in our coinage system. Moreover, it claims that this new coin would offer potential cost savings by replacing some of the demand for one dollar bills. The cost of producing the new dollar coin would be approximately 3 cents, compared to 8 cents for the present dollar coin, and 1.5 cents for the one dollar bill. In addition, the Treasury points out that the dollar coin would last approximately 15 years, while the dollar bill has an average life of 18 months before it is taken out of circulation. Needless to say, the Committee on Banking, Housing and Urban Affairs, which has jurisdiction over such legislation, will give serious consideration to all of the arguments for and against introduction of the coin into our coinage system. I, myself, have not made up my mind on the advisability of a new dollar coin. However, if there is to be a new one, I feel strongly that it should commemorate a real American woman.

Accordingly, Mr. President, I am very disappointed over the administration's choice of the stylized Liberty Head design to appear on the obverse side of this coin. I do not wish to denigrate this famous portraiture which first appeared on our early coins. However, I feel the administration is missing an important opportunity to recognize the women of this country by not recommending the portrait of someone who actually lived and who played an important role in changing the lives of American women.

When the Lincoln cent made its initial appearance in 1909, it marked a radical departure from accepted styling, introducing as it did for the first time a portrait on our circulating coinage. A strong feeling had prevailed against the minting of such coinage but public sentiment, stemming from the 100th anniversary celebration of Abraham Lincoln's birthday, proved stronger than the long standing prejudice.

The Thomas Jefferson nickel replaced the Liberty design and went into circulation in 1938; the George Washington quarter replaced Liberty in 1930 to commemorate the 200th anniversary of our first President; Congress authorized the removal of the Liberty design from the dime in 1946 when it commemorated Franklin D. Roosevelt; the Benjamin Franklin half dollar replaced Liberty in 1948. Franklin was subsequently removed from the half dollar in 1963 to make way for John F. Kennedy. And 8 years ago President Nixon signed into law the Eisenhower dollar coin. Since that time, the Liberty concept has remained somewhere in numismatic limbo, waiting in the wings to go on stage whenever there is a change in the cast of characters.

Mr. President, without exception, all of our circulating coins honor real Americans—individuals who have rightly earned their place in this Nation's history. The administration's suggested Liberty design is a step backwards and unworthy of the President who has spoken often of his commitment to the women of this country. He has chosen to remain with the Liberty design created by the Mint's chief sculptor who has stated:

> I have great confidence in this coin portrait. It's traditional and can't hurt anyone's feelings. The design itself goes back to 1795 and shows that we really haven't changed all that much in 200 years.

Last March I wrote President Carter and Secretary Blumenthal, urging that they reconsider their decision to go ahead with the mythical Liberty Head design and, instead, honor a real American woman on the proposed coin. I stated that more than one-half of the American electorate would be shortchanged if Congress were to authorize the Liberty design. The Secretary's indifferent response, also on behalf of the President, is a disappointment. It stated, in part, that:

> The Liberty design has been predominant on our coins until the last few decades when at historically significant opportunities, U.S. Presidents were selected for such honor.

The Secretary's reply went on to state that:

> Benjamin Franklin, who holds a quite unique position in our history, appeared on the half dollar for a time and is the lone exception to the Liberty dollar or Presidential designs.

Mr. President, I suggest to you and my esteemed colleagues that there is another great American who holds a unique position in the history of this country. I am referring to Susan B. Anthony. It was largely through her efforts that the 19th amendment was finally made part of the U.S. Constitution giving the vote—the fundamental act of political life—to American women. Known as the Anthony amendment, it was introduced in 1878 and not ratified until 1920. During that time, women were forced into 56 referendum campaigns, 480 legislative races, 47 campaigns on State constitutional conventions, 277 campaigns to get State party conventions to include it in their platforms, 30 campaigns to get Presidential conventions to adopt it in their planks and 19 successive Congresses It was a continuous chain of activity. Finally, when the dust settled and the amendment was ratified, nationwide celebrations marked the victory. Young women who helped forge the last links of that chain were not born when it began—old women who forged the first links were dead when it ended.

Mr. President, this year marks the 158th anniversary of the birth of Susan B. Anthony. The Anthony dollar coin would be a fitting tribute to the accomplishments of this remarkable American. Accordingly, I am today introducing legislation similar to the administration's proposal but recommending that Miss Anthony's portrait appear on the obverse side of the coin. This legislation is cosponsored by some of my colleagues on the Banking Committee: Senators HARRISON A. WILLIAMS, JR., ALAN CRANSTON, DONALD W. RIEGLE, JR., and RICHARD G. LUGAR.

Finally, Mr. President, I ask unanimous consent that a New York Times article concerning the efforts of Susan B. Anthony be printed in the RECORD together with the proposed legislation, and its accompanying section-by-section analysis.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 3036

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. This Act may be cited as the "Susan B. Anthony Dollar Coin Act of 1978".

SEC. 2. Section 101(c)(1) of the Coinage Act of 1965, as amended (31 U.S.C. 391(c)(1)), is amended by striking out "1.500" and inserting in lieu thereof "1.043" and by striking out "22.68" and inserting in lieu thereof "8.5".

SEC. 3. (a) The one-dollar coin authorized by section 101(c) of the Coinage Act of 1965, as amended by section 2, shall bear on the obverse side the likeness of Susan B. Anthony.

(b) Subject to subsection (a) and the limitations contained in section 3517 of the Revised Statutes, as amended (31 U.S.C. 324), the Secretary of the Treasury may prescribe such design for the one-dollar coin authorized by section 101(c) of the Coinage Act of 1965, as amended by section 2, as he deems appropriate.

SEC. 4. Section 203 of the Act of December 31, 1970 (31 U.S.C. 324b), is amended by striking out "initially" and by inserting "(d)" after "section 101".

SEC. 5. Until January 1, 1979, the Secretary of the Treasury may continue to mint and issue one-dollar coins authorized under section 101(c)(1) of the Coinage Act of 1965, as such section was in effect immediately prior to the date of enactment of this Act.

SECTION-BY-SECTION ANALYSIS

Section 1 would require that the bill be called the "Susan B. Anthony Dollar Coin Act of 1978".

Section 2 would amend existing law, section 101(c)(1) of the Coinage Act of 1965, as amended (31 U.S.C. 391(c)(1)), to provide for new specifications for the cupro-nickel clad dollar coin. The current statutory provision provides that the dollar shall be 1.500 inches in diameter and weigh 22.68 grams. This section would reduce the size of the dollar coin to 1.043 inches in diameter and to 8.5 grams in weight.

Section 3 of the bill requires that the obverse side of the coin bear the likeness of Susan B. Anthony. Otherwise it would authorize the Secretary of the Treasury to prescribe whatever design he deems appropriate for the dollar coin authorized by this Act, subject to the limitations contained in section 3517 of the Revised Statutes, as amended (31 U.S.C. 324). This section would authorize the Secretary to adopt a new design for the reverse of the new cupro-nickel clad dollar coin proposed by the draft bill in replacement of the present statutory design consisting of President Dwight D. Eisenhower's likeness on one side of the dollar coin and an eagle symbolozing the Apollo 11 landing on the moon on the reverse side of the coin (31 U.S.C. 324b).

Section 4 would amend existing law in order to enable the Secretary to continue the current Eisenhower-Apollo 11 statutory design on the 40% silver-clad dollar.

Section 5 would authorize the Secretary to continue minting the current cupro-nickel clad dollars for circulation throughout 1978. This provision would assure an orderly transition from the current dollar coin to the new smaller coin.

[From the New York Times Magazine, Apr. 1, 1945]

ARE WOMEN PERSONS?

This year marks the 125th anniversary of the birth of the militant suffragist, Susan B. Anthony. This Quaker maiden who eventually "changed the mind of a nation," was one of the outstanding women of her century—the century that freed American women from their economic and legalistic shackles.

Although she was educated in the proper Quaker manner—studying morality, humility, love of virtue, and modesty—she was not a proper Quakeress, even as a child. She was too curious. She was too logical. She was too passionate.

At 17 she left the small Massachusetts town of her birth and found a job as a school teacher in Canajoharie, N.Y. She was already a violent Daughter of Temperance, an Abolitionist, and her conviction that women were the moral and intellectual equals of men marked her as a social revolutionary even at that early age. Miss Anthony grew up in a period of social reform and represented much of the spirit of that reform.

She was five feet six inches tall, with broad shoulders. Her brown hair was thick and shiny. Her eyes were brilliant, and her lips were soft and red. In those days she was called "a fine figure of a woman"—and she was known as "the smartest woman who had ever come to Canajoharie."

She fought off proposals of marriage, for she already had begun to visualize her career as an organizer of women. Women, at that time, were perpetual minors in the eyes of the law. They existed legally through their husbands. They could be taxed, but they couldn't vote. They could earn money, but they couldn't own it. They were expected to have children, but they had no legal rights over them. And Susan B. Anthony's young soul rebelled against this inequality and the laws and traditions which maintained it.

Thus when the first woman's convention was held in Seneca Falls, N.Y., Susan attended it breathlessly. For five years thereafter she participated in all forms of women's rights demonstrations and meetings, most of which were aimed at minor reforms. She soon realized, however, that ambuscades and limited war on specific injustices were not enough—that women would have to fight for total freedom, and that the ballot was the key to that freedom.

She wrote letters, circulated petitions, begged editors for publicity. She tramped the streets, arguing with apathetic women, and women who slammed the door in her face, saying that they had husbands, thank goodness, to protect their rights. She called meetings and introduced bills into Congress and State Legislatures. She started a newspaper called Revolution, with the motto: "The true Republic—men, their rights and nothing more; women, their rights and nothing less."

The leading men of the nation shuddered to hear an unmarried female "advocate such destructive changes in the protected status of loved and cherished wives."

The women's movement, mocked censured from all sides, continued growing, led by a mature Susan Anthony, who worked at it constantly. With the Civil War, the feminine seekers after the vote fought ardently for Negro suffrage—assuming that when the former slaves received the franchise, certainly all women would too.

They were mistaken. The Fourteenth Amendment to the Constitution was passed—but women did not get the vote.

"Still another form of slavery remains to be disposed of," declared Susan E. Anthony at this time. "The old idea yet prevails that woman is owned and possessed of man to be clothed and fed and cared for by his generosity. The present agitation rises from the demand of the soul of woman for the right to own and possess herself."

At approximately this period, Susan Anthony clashed with Horace Greeley. "Miss Anthony," said Greeley at a suffragist convention, "you are aware that the ballot and the bullet go together. If you vote, are you also prepared to fight?"

"Certainly, Mr. Greeley," lashed out Susan sharply. "Just as you fought in the late war—at the point of a goose-quill."

But words could not do the trick. The Fourteenth Amendment had to be put to the test. It plainly stated that persons born or naturalized in the United States were citizens, and that no law could be passed abridging the privileges of such citizens. Susan realized that her fight depended on the meaning of the word persons. Were women persons?

She put the case to the test. In 1872 she cast a vote in the Presidential election—bullying an election board to whom she read the Fourteenth Amendment into giving her a ballot—and was arrested. Her trial was at least as famous as that of the Dred Scott case. She was denied a jury, and was forbidden to testify in her own behalf. The judge ruled that women were less than persons, that they were not citizens—and at the close of a dramatic session found her guilty and fined her $100. Said Susan: "May it please your Honor, I will never pay a dollar of your unjust penalty." She never did.

For forty years she traveled over the United States, calling women's conventions, lecturing, debating with legislators. She traveled in Europe, her reputation making way before her, and discussed women's suffrage with the crowned heads of Germany and England.

When she died at 86, hundreds of columns were written, praising her work and thought. A few smug editors said: "She was the champion of a lost cause"; "Her peculiar views on this question will soon be forgotten."

But Susan B. Anthony, who had been called both "Saintly Susan" and "Napoleon" by her disciples, could have referred to her favorite motto: "Failure is impossible." Fourteen years later, in 1920, American women were enfranchised. EDITH EFRON.

ADDITIONAL COSPONSORS

S. 2369

At the request of Mr. ANDERSON, the Senator from Ohio (Mr. METZENBAUM) was added as a cosponsor of S. 2369, the Dutch Elm Disease Control Act of 1978.

S. 2388

At the request of Mr. PACKWOOD, the Senator from California (Mr. CRANSTON), and the Senator from New Mexico (Mr. SCHMITT) were added as cosponsors of S. 2388, a bill to amend the Interial Revenue Code of 1954, to provide for the exclusion from gross income of certain employee educatonal assistance programs.

S. 2436

At the request of Mr. JAVITS, the Senator from Georgia (Mr. TALMADGE) was added as a cosponsor of S. 2436, a bill to amend the Internal Revenue Code of 1954 to provide a tax credit to employers who hire unemployed youths.

S. 2534

At the request of Mr. SCHWEIKER, the Senator from California (Mr. HAYAKAWA) was added as a cosponsor of S. 2534, the Health Maintenance Organization Act Amendments of 1978.

S. 2536

At the request of Mr. LEAHY, the Senator from Mississippi (Mr. STENNIS), the Senator from Minnesota (Mrs. HUMPHREY), and the Senator from Alabama (Mr. ALLEN) were added as cosponsors of S. 2536, a bill to authorize and direct the Secretary of Agriculture to carry out forest and rangeland renewable resources research, to provide cooperative forest resources assistance to States and others, and for other purposes.

S. 2537

At the request of Mr. LEAHY, the Senator from Minnesota (Mrs. HUMPHREY), the Senator from Alabama (Mr. ALLEN), the Senator from Kentucky (Mr. MORGAN), and the Senator from Minnesota (Mr. ANDERSON) were added as cosponsors of S. 2537, a bill to provide for an expanded and comprehensive extension program for forest and rangeland renewable resources.

S. 2647

At the request of Mr. RIBICOFF, the Senator from Rhode Island (Mr. PELL) was added as a cosponsor of S. 2647, a bill to amend title XVIII of the Social

Security Act for the purpose of including outpatient rehabilitation services among the benefits of the medicare program.

S. 2669

At the request of Mr. NELSON, the Senator from Arkansas (Mr. BUMPERS), the Senator from Idaho (Mr. CHURCH), the Senator from New Mexico (Mr. DOMENICI), and the Senator from Michigan (Mr. RIEGLE) were added as cosponsors of S. 2669, to amend the Internal Revenue Code of 1954 to provide an equitable tax structure for small and independent companies, and for other purposes.

S. 2699

At the request of Mr. JACKSON, the Senator from Arkansas (Mr. BUMPERS) was added as a cosponsor of S. 2699, a bill to amend the Act of June 27, 1960 as amended by the Act of May 24, 1974 relating to the preservation of historical and archeological data; to authorize appropriations under section 3(b) and 4(a) for the fiscal years 1979 through 1983, and for other purposes.

S. 2742

At the request of Mr. NELSON, the Senator from Idaho (Mr. CHURCH), the Senator from New Mexico (Mr. DOMENICI), and the Senator from Michigan (Mr. RIEGLE) were added as cosponsors of S. 2742, to reform the depreciation system for small business.

S. 2843

At the request of Mr. HELMS, the Senator from Utah (Mr. HATCH) was added as a cosponsor of S. 2843, the Gold Medallion Act.

S. 2926

At the request of Mr. LEAHY, the Senator from Alabama (Mr. ALLEN) was added as a cosponsor of S. 2926, a bill to authorize and direct the Secretary of Agriculture to provide cooperative forestry assistance to States and others, and for other purposes.

S. 2931

At the request of Mr. LUGAR, the Senator from Utah (Mr. HATCH), the Senator from New York (Mr. MOYNIHAN), the Senator from Ohio (Mr. GLENN), the Senator from New York (Mr. JAVITS), and the Senator from Maryland (Mr. MATHIAS) were added as cosponsors of S. 2931, a bill to increase the authorization for the urban homesteading program under section 810 of the Housing and Community Development Act of 1974, to improve coordination between the urban homesteading program and the rehabilitation loan program, and for other purposes.

S 2969

At the request of Mr. CHURCH, the Senator from Minnesota (Mr. ANDERSON), the Senator from Michigan (Mr. RIEGLE), the Senator from New Hampshire (Mr. DURKIN), the Senator from Arizona (Mr. DECONCINI), the Senator from North Dakota (Mr. BURDICK), and the Senator from Tennessee (Mr. SASSER) were added as cosponsors of S. 2969, a bill to amend the Older Americans Act of 1965 to provide for improved programs for the elderly, and for other purposes.

SENATE JOINT RESOLUTION 132

At the request of Mr. ANDERSON, the Senator from Hawaii (Mr. MATSUNAGA) was added as a cosponsor of Senate Joint Resolution 132, to establish a Presidential Commission to develop plans for a memorial to the victims of the Holocaust.

SENATE RESOLUTION 219

At the request of Mr. ROTH, the Senator from Utah (Mr. GARN) was added as a cosponsor of Senate Resolution 219, establishing a senior citizen internship program in the Senate.

AMENDMENTS SUBMITTED FOR PRINTING

DEVELOPMENT ASSISTANCE AUTHORIZATIONS, 1979—S. 2646

AMENDMENT NO. 1847

(Ordered to be printed and referred to the Committee on Foreign Relations.)

Mr. HART (for himself, Mr. CASE, Mr. MCGOVERN, Mr. HASKELL, and Mr. MCINTYRE) submitted an amendment intended to be proposed by them, jointly, to the bill (S. 2646) to amend the Foreign Assistance Act of 1961 to authorize development assistance programs for fiscal year 1979, and for other purposes.

● Mr. HART. Mr. President, I am submitting today, for myself and Senators CASE, MCGOVERN, HASKELL, and MCINTYRE an amendment to S. 2646, the development assistance authorizations for 1979. The purpose of this amendment is to encourage the administrators of the AID housing guaranty program to give consideration to the use of solar energy in financing projects which require the provision of an energy source. I am pleased to report that a similar amendment is being introduced today in the House of Representatives by Congressman JEFFORDS.

Over the years, the AID housing guaranty program has been instrumental in generating resources for improved housing and related services for poor people in developing countries. The principal activities, presently financed through the program, include the provision of electricity, water, and sewerage facilities. Taking electricity as an example, many developing countries are finding it difficult to raise the large amounts of capital which are needed to expand their electric power grids, and meet the increasing demand for electricity. The use of solar photovoltaic cells would be an ideal way to save money in the long run and give more people access to electricity. Another important need is for hot water, which could easily be provided by solar hot water heaters.

While I realize that many poor people are not now able to afford to purchase this equipment, as the costs of solar energy equipment decline and the incomes of poor people increase, they will be better able to afford these items. This amendment is designed to encourage AID administrators and leaders in developing countries to recognize the benefits of using solar energy, and begin to look at ways it can be used to meet energy needs in the homes in developing countries.

Mr. President, I ask unanimous consent that my amendment be printed in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 1847

On page 13, line 9, strike out the quotation marks and the period at the end of the line.

On page 13, between lines 9 and 10, insert the following:

"(c) In carrying out any activity under this section which requires use of an energy source, consideration shall be given to the use of solar energy, including but not limited to the use of solar hot water systems, solar heating and cooling, passive solar heating, biomass conversion, photovoltaic and wind applications, and community-scale solar thermal applications.".●

LABOR LAW REFORM ACT OF 1978—S. 2467

AMENDMENTS NOS. 1848 THROUGH 1929

(Ordered to be printed and to lie on the table.)

Mr. HATCH submitted 82 amendments intended to be proposed by him to the bill (S. 2467) to amend the National Labor Relations Act to strengthen the remedies and expedite the procedures under such act.

NAVIGATION DEVELOPMENT ACT—H.R. 8309

AMENDMENT NO. 1930

(Ordered to be printed.)

Mr. MARK O. HATFIELD proposed an amendment to the bill (H.R. 8309) authorizing certain public works on rivers for navigation, and for other purposes.

AMENDMENT NO. 1931

(Ordered to be printed.)

Mr. ALLEN proposed an amendment to the bill (H.R. 8309), supra.

AMENDMENT NO. 1932

(Ordered to be printed and to lie on the table.)

Mr. GRAVEL (for himself and Mr. MAGNUSON) submitted an amendment intended to be proposed by them to the bill (H.R. 8309), supra.

IMF SUPPLEMENTARY FINANCING FACILITY—S. 2152

AMENDMENT NO. 1933

(Ordered to be printed and to lie on the table.)

Mr. SCHWEIKER submitted an amendment intended to be proposed by him to the bill (S. 2152) to amend the Bretton Woods Agreements Act to authorize the United States to participate in the supplementary financing facility of the International Monetary Fund.

● Mr. SCHWEIKER. Mr. President, today I am submitting an amendment to S. 2152, a bill which would authorize the United States to participate in the supplementary financing facility of the International Monetary Fund.

My amendment would correct a serious deficiency in the legislation as reported by the Foreign Relations and Banking Committees by insuring that this facility would be subject to the budget and appropriations process.●

NOTICES OF HEARINGS

SUBCOMMITTEE ON ENERGY CONSERVATION AND REGULATION

● Mr. JOHNSTON. Mr. President, on Thursday, May 11, 1978, the Subcommittee on Energy Conservation and

Regulation of the Committee on Energy and Natural Resources will hold an oversight hearing on emergency sales of electric power. The hearing will commence at 9 a.m. in room 3110 of the Dirksen Senate Office Building.

Questions about this hearing should be addressed to Benjamin Cooper or James Bruce of the subcommittee staff at 224–9894.●

ADDITIONAL STATEMENTS

THOSE WHO APPEASE TERROR WILL DIE BY TERROR

● Mr. GOLDWATER. Mr. President, in today's world, the problem of terrorism is a present and ever-growing danger. It is the final denial of freedom when a small group of fanatics can hold governments hostage by acts of violence and threats. In light of this, it is disheartening to find the Government of the United States supporting terrorist guerrillas in Rhodesia. By our insistence that a small band of Soviet supported guerrillas be given a voice in the Rhodesian Government, we are in effect attempting to appease present and future threats of violence.

Mr. President, columnist Michael Novak treated this whole subject in an excellent article entitled "Those Who Appease Terror Will Die By Terror" published in the April 16 edition of the Washington Star. I ask that this be printed in the RECORD.

The article follows:

THOSE WHO APPEASE TERROR WILL DIE BY TERROR

(By Michael Novak)

The most profitable business in the world these days is terrorism.

Consider the argument that many commentators, including official U.S. spokesmen, are putting forward in behalf of 6,000 guerrillas in the pay of the Soviets on the borders of Rhodesia. "See" these respectable voices say, "we must deal with the guerrillas. Otherwise they will be nasty. They have earned the right to representation since by their terrorism they forced Rhodesia to make concessions." The short version of this pseudo-wisdom is as follows: Terrorism pays.

A mere 50 terrorists in Italy keep 50,000 troops occupied in a search for Aldo Moro. Who can doubt that in a civilized and free world terrorism pays? Faint-hearted democrats are all too willing to go far beyond the requirements of due process. They go much further. They treat terrorism as a legitimate political tool. They hope to appease its appetite. They should learn this proverb well: Those who appease terror will die by terror.

Terrorism is today even more than Hitler made it in the 1930s. It is the moral equivalent of war. Efforts to appease it cannot avail. For if terror works at one stage, it will also be invoked at later stages. If terror can win representation in a democratic government, then later terror can also bring a democratic government crashing down. Such terror will be happily financed by the Soviets.

For the Soviet Union itself has no fear of terrorism. There is no terrorism in the Soviet Union. A totalitarian regime is not threatened by terrorists. Terrorism is a threat only to democratic states and to authoritarian states that are not yet totalitarian. Totalitarian states totally eliminate it, are impervious to it. It can hurt only their enemies. No wonder terrorism has become the number one weapon in the Soviet arsenal.

So those who would appease the terrorists of Rhodesia today will tomorrow bear responsibility for the terrorism these same forces will practice then. Their goal is total mastery. They will kill any black or white, who stand in their way.

Guilty liberals, white and black, may imagine that race is the most potent moral force in the world. They are wrong. Ideology is more potent—and far more destructive—than race. Tribalism has for centuries led human beings of the same race to slaughter one another. Ideology also leads human beings of the same race to slaughter one another. Black skin will not protect African democrats from terror any more than white skin or national patriotism protected Eastern European democrats from terror in 1948.

As in Rhodesia so also in "Palestine." The government of the United States appears to be the only involved government that desires to reward the Palestine Liberation Organization with a "homeland." The Syrians do not wish to do so. The Jordanians do not wish to do so. The Egyptians do not wish to do so. Why should any responsible government in the area wish to reward a form of terror easily turned, within a decade or so, upon its own institutions?

Were the Palestinian cause represented by democratic forces, by a legitimate provisional government, by a sound economic plan—in that case, the Palestinian cause would have a wholly different political meaning. To the shame and disgrace of Palestinians everywhere, only the terrorists now speak for them. Those who think the terrorists will not become inebriates of blood will learn a bitter lesson.

The meaning of recent events in Lebanon is not that Israel is intransigent about complicity in its own destruction. The meaning is that the government of the United States has targeted its "compassion" not upon democratic forces but upon terrorists. By rewarding the PLO for terrorism the United States is blowing life into the agents of its own sworn and resolute enemy.

It is hard to see why anyone believes that terrorism can be appeased by surrendering to it. There is a government—in the USSR—immune to terror at home but willing to pay for it anywhere else. For it, instability and disruption are politically profitable. When your goal is to bring down democracies, terrorism pays.

Let no one be mistaken. We are living in a decade of appeasement. We shall reap a bloody harvest. We will suffer from it soon enough ourselves.

Pious men, innocent as doves, may underestimate the wisdom of serpents. When the bell of terrorism tolls it tolls for them. And for us all.●

THE CRIMINAL CODE REFORM ACT OF 1978

● Mr. ANDERSON. Mr. President, on January 30, 1978, this Chamber voted 72 to 15 to bring the Federal Criminal Code into the 20th century. The overwhelming margin by which we approved S. 1437, the Criminal Code Reform Act of 1978, culminated many years of debate over important philosophical and practical issues which divide persons of good judgment and are not easily resolved.

For more than a decade many Members of Congress could agree only that criminal code reform was urgently needed. For more than a decade we studied, analyzed, drafted, revised, but, in the end, never enacted.

Finally, this year, the members of the Judiciary Committee, under the leadership of Senator KENNEDY and the late Senator McClellan, reported out a bill which incorporated existing law, improvements over current law, and major reforms of the criminal justice administration system.

Recently, however, some have begun a campaign to defeat the Criminal Code Reform Act of 1978 in the House of Representatives. But reference to the actual language in S. 1437, to existing title 18, and to the Judiciary Committee's report No. 95–605 refutes the arguments of the opponents of S. 1437.

Mr. President, my staff has prepared a position paper which, I believe, demonstrates the merits of S. 1437, as passed by the Senate. In order to afford Americans, confused by the rhetoric of S. 1437 opponents, the opportunity to understand the merits of the bill and to see why it is vital for the House to concur in the Senate's recent action, I ask that the text of the position paper be printed in the RECORD.

I also ask that two letters responding to a critique of S. 1437 by Mr. Nat Hentoff be printed in the RECORD. These letters, written by Senator EDWARD KENNEDY and Americans for Democratic Action Vice President Joseph L. Raugh, Jr., appeared in the letters to the Editor column of the Washington Star on April 2, 1978, and April 10, 1978, respectively. The authors appropriately point out that Mr. Hentoff disserves the very cause of civil liberties he professes to represent. I believe the letters' timely and informative contents warrant the attention of the Senate.

The material follows:

THE CRIMINAL CODE REFORM ACT OF 1978: THE LAW, NOT THE RHETORIC

On January 30, 1978, the U.S. Senate passed, by a vote of 72–15, the Criminal Code Reform Act of 1978 (Reform Act). If passed by the House of Representatives, this recodification of 200 years of piecemeal assemblage of federal criminal statutes will represent one of the most important achievements of the 95th Congress. I supported passage of the Reform Act and sincerely hope that the House does not miss this opportunity to say "enough" to the contradictory, confusing, and frequently anachronistic provisions in existing Title 18 of the U.S. Code.

Commentators representing all philosophical persuasions recognize the urgent need for federal criminal code reform and have described the present code as "archaic," "repressive," "unfair," and "a threat to the civil liberties of every American."

No such comprehensive reform has ever been achieved before. Overall, the bill would streamline and restructure the 3,000 separate pieces of criminal legislation passed by Congress over the past 200 years. For example, a single new section would replace more than 70 confusing theft statutes. Existing statutes still make it a federal offense to interfere with the flight of Government carrier pigeons or to write a check for a debt of less than $1. The Reform Act brings the law books into the twentieth century.

Moreover, 50 perjury statutes would be reduced to three provisions, and four specifically defined states of mind (intentionally, knowing, reckless, and negligent) would replace more than 70 undefined, vague terms. Also, the legislation would harmonize and clarify scores of other legal terms to assure uniform interpretation.

Most important, the bill would provide the first comprehensive reform of federal policy of punishing convicted criminals. It would phase out both indeterminate sentencing and parole, which have been criticized by law-enforcement experts and prisoners alike as abusive and unfair, and would establish a commission to provide sentencing guidelines for judges. For the first time,

sentences would be subject to appellate review.

These major improvements over existing law did not come about overnight and, contrary to unfounded assertions, were not "railroaded" through the Senate this session.

In 1966, President Johnson attempted to meet the need for reform by establishing the National Commission on Reform of Federal Criminal Laws. Chaired by former California Governor Pat Brown, the so-called Brown Commission submitted a draft of a new criminal code, highly protective of civil liberties, to President Nixon's Justice Department in 1971. The Nixon Administration, however, rejected the majority report of the Brown Commission and submitted a very conservative version to Congress. Eventually, a bill emerged which reflected the repressive nature of the Nixon Administration's views on law enforcement. Known as S. 1, the bill drew harsh criticism from across the political spectrum and suffered a well-deserved death in the Senate Judiciary Committee.

The fight over S. 1 demonstrated how difficult enactment of criminal code reform would be. Inclusion of controversial provisions on highly divisive issues precluded acquiescence by opposing factions in the Senate Judiciary Committee and prevented any substantive action from occurring.

S. 1437, on the other hand, reflects political realities. Introduced by Senator Kennedy and the late Senator McClellan (with the late Senator Hubert Humphrey as a chief co-sponsor), the bill eliminates the controversial provisions which killed S. 1. The Reform Act returns to the Brown Commission's concern for civil liberties. Unlike S. 1, there is no expansion of the wire-tapping laws or of the death penalty. President Nixon's Official Secrets Act, elimination of the insanity defense, and authorization of a so-called "Ehrlichman defense (by which government officials excuse commission of illegal acts on grounds they were ordered by higher authority)," are also missing from the Reform Act.

The Reform Act prevailed in committee and on the Senate floor because, unlike S. 1, it reflects a compromise between liberals and conservatives. In areas of complete disagreement, potentially fatal to the urgently needed criminal code reform, existing law was maintained in new, understandable language. So, for example, in the area of wiretapping, where liberals on the committee were inclined to restrict or eliminate federal authority but where the conservatives were inclined to expand it, current law was codified. Once the Reform Act becomes law, the issue of wiretapping can, and will, be reexamined on its own merits, without jeopardizing the overall reform.

Anthony Lewis, in a November 14, 1977, New York Times column entitled "Politics of the Possible," recognized the validity of this approach to legislation:

"In effect, Senator Kennedy has come down on the side of the possible in the tactical choice presented again and again in the politics of a democracy: to accept the possible or fight for the perfect. He evidently thinks that some reform of the criminal law is better than none, especially at a time when the country is hardly in a reformist mood."

Since passage of the Criminal Code Reform Act of 1978, I have heard criticism from persons who would reject the possible and have Congress embark on a quixotic search for the perfect. Two points must be raised in response to this criticism. First, there is no chance of passing what the critics see as the "perfect" Criminal Code Reform bill. The Reform Act passed by the Senate was the culmination of 12 years of hard work aimed at achieving the best possible bill acceptable to a majority of the Members. Insistence on the "perfect" bill would destroy the liberal/conservative coalition established by Senators Kennedy and McClellan and free the faction which supported S. 1 to push once again for its version of the "perfect" bill.

The second point which must be raised in response to critics of S. 1437 is that failure to enact the Reform Act leaves the nation with the status quo. Since, in most instances, the Reform Act follows the Brown Commission's version of criminal code reform, civil libertarians who oppose the new legislation do their cause an injustice by their efforts to deny Americans the civil liberty safeguards written into the bill.

No less an authority than Alan M. Dershowitz, Harvard Law School professor and past president of the American Civil Liberties Union has stated,

"A careful comparison of (S. 1437) with existing law has convinced me that passage of the new bill would strengthen our democratic institutions and reinforce our liberty. To be sure, the bill fails to make some changes, which I and other civil libertarians have long advocated. I continue to hope, and will continue to work for, such changes. But the net effect of S. 1437 is a substantial improvement over existing law. . . . (The Reform Act) reflects a net gain for civil liberties, and it does not contain any new provisions that can truly be called repressive. . . . Considering the realities of our political institutions and of current public opinion about crime and justice, I believe that failure to enact these improvements would disserve the interest of civil liberties in the United States."

An examination of some of the controversial provisions of S. 1437 reveals their foundation in current law and illustrates how certain defenses and amendments, added by the Judiciary Committee and the full Senate, tend to improve the status quo by increasing our citizens' safeguards against potential abuse.

In February, 1978, the Minneapolis Tribune sharply criticized the Reform Act in three separate editorials. The editorials, which mention most of the provisions attacked by opponents of S. 1437, serve as a good reference for analyzing the legislation.

STRICT CONSTRUCTION DOCTRINE

According to the Tribune, the Reform Act "would increase the likelihood of abuses by departing from past practice and specifically permitting broad construction of its provisions." The concern, if true, would be entirely justified since it is basic to our criminal justice system that the accused have had fair notice that he was engaging in proscribed conduct. However, the criticism is unjustified since it ignores an amendment by Senator Cranston designed to clarify the Senate's intent that the strict construction doctrine be maintained. I supported this amendment to section 112 of S. 1437 and believe it adequately protects citizens from surprise prosecutions.

CRIMINAL ATTEMPT

The Tribune editorial takes issue with section 1001 of the Reform Act, dealing with criminal attempt. The "substantial step test" is characterized as imprecise and a "dangerous extension of existing law." This is simply untrue.

It is true that this section provides, for the first time in the federal criminal code, a general attempt provision. By doing so there will be, also for the first time, a uniform definition of what constitutes a criminal attempt under federal law. The offense of attempt is not, in itself, new. Common law decisions and state statutes long ago established that conduct which falls short of the commission of a substantive crime may nevertheless be subject to punishment as an attempt (e.g., attempted murder).

In charging a person with an attempted crime, it is important to distinguish between acts which amount to no more than mere preparation and those acts which manifest a serious dedication to the commission of a crime. The "substantial step" test is widely accepted by the courts, recommended by the prestigious American Law Institute in its Model Penal Code, and supported by numerous highly respected legal scholars. The "substantial step" test's appearance in S. 1437 results from acceptance of an A.C.L.U. amendment urging use of the test in the Criminal Attempt provision.

Furthermore, under the Reform Act, a person who voluntarily and completely renounces his prior criminal intent and abandoned the criminal effort cannot be convicted of criminal attempt. To use the Tribune's example, a person who picketed within 100 feet of a federal courthouse during (or within 30 minutes before or after) a judicial proceeding, specifically intending to influence a judicial proceeding, causing unreasonable noise, obstruction of courthouse entries or exits, or threats of bodily harm, kidnapping, or property damage, could be prosecuted for "Demonstrating to Influence a Judicial Proceeding" under section 1328. However, if the person renounced his criminal intent and abandoned his plans to picket the courthouse and "never reached the courthouse or picketed there," there could be no conviction for criminal attempt under section 1001.

CONSPIRACY

Section 1002, Criminal Conspiracy, is criticized attempt, as being an imprecise, dangerous extension of existing law. In fact, the new section on conspiracy offers a renunciation defense not now available which is aimed at preventing abuse.

The crime of conspiracy can be traced back to 14th century England. More recently, in the 1975 Supreme Court case of *United States* v. *Feola*, the Court said,

"Our decisions have identified two independent values served by the law of conspiracy. The first is protection of society from the dangers of concerted criminal activity. . . . (Second) . . . although the law generally makes criminal only antisocial conduct, at some point in the continuum between preparation and consummation, the likelihood of a commission of an act is sufficiently great and the criminal intent sufficiently well formed to justify the intervention of the criminal law."

The conspiracy section is designed to prevent abuse by requiring an overt act in furtherance of the conspiracy before prosecution is possible. The culpability level required of the person charged, i.e., that he "knowingly" agreed to engage in proscribed conduct, was recommended by the American Bar Association.

Section 1002 of the Reform Act does not address the question of when a person may become a member of a conspiracy and the extent of knowledge he must possess with respect to the identity or actions of other members in order to be liable. Instead, the Judiciary Committee and the Senate intended that these issues, for the time being, be governed by current law. Of course, defeat of S. 1437 in the House would maintain current law completely and eliminate the new "renunciation" defense.

CRIMINAL CONTEMPT

The Tribune's characterization of the criminal contempt provision, section 1331, implies that the Reform Act creates new opportunities for repressive tactics by the courts. According to the editorial, section 1331 "would make it a crime not only to disobey a court order, but also to 'resist' it, no matter what form that resistance may take."

Except for the safeguards offered to the press and others in section 1331 of the Reform Act, this provision is not new law. As noted in the Judiciary Committee's report,

this section is intended to codify existing law [18 U.S.C. § 401(3)]. The conduct element of the offense consists of disobeying or resisting a writ, process, order, rule, decree, or command of the court. The offender must be aware that he is disobeying or resisting a court writ, process, etc. In the ordinary case, this will mean that the offender has been served with, or otherwise officially notified of, the existence of the writ, process, etc. This standard is consistent with case law construing 18 U.S.C. § 401(3), in which it has been held that, while knowledge of the order and a deliberate disobedience or resistance of it are essential elements, it need not be proved that the offender had an evil intent. This policy helps assure the integrity and respect due the federal courts.

Furthermore, the Criminal Code Reform section on criminal contempt provides for two defenses not contained in current law. One provides the accused with an affirmative defense where he can show that the order, writ, process, etc. was invalid and that he took reasonable steps to appeal its validity before disobeyance or resistance. This represents an improvement over existing law under which all orders and judgments of courts must be complied with promptly. As noted by the Supreme Court in *Maness* v. *Myers* (1975):

"Persons who make private determinations of the law and refuse to obey an order generally risk criminal contempt even if the order is ultimately ruled incorrect."

Jack Landau, Chairman of the Reporters' Committee on Freedom of the Press, says that the additional defense, against unconstitutional orders, contained in section 1331 for the benefit of newsmen represents the "greatest single contribution Congress has made" to freedom of the press in his lifetime.

MAKING A FALSE STATEMENT

One provision of the Reform Act which has drawn especially harsh criticism is section 1343, Making a False Statement. The Tribune, as well as other critics, worry that no witnesses would be required to substantiate a federal law-enforcement officer's claim that a person had violated this section. "My word against yours" scenarios are repeatedly hypothesized. The Tribune editorial claims "the Senate bill would extend illegality to any false oral statement to any federal law-enforcement officer or noncriminal investigator in virtually any setting."

In fact, the provision is quite a bit more restrictive. The oral statement must be material; it must be made to someone the speaker knows to be a law-enforcement officer or noncriminal investigator acting under authority of statute, regulation, or order from the head of a government agency. Also, if the statement is not volunteered, there can be no prosecution unless the speaker was advised that making a false oral statement is an offense.

Nor does section 1343 trailblaze new law. There is a basic and general false statement provision in current Federal law 18 U.S.C. § 1001. There are, additionally, literally dozens of other specific false statement statutes scattered throughout the U.S. Code, often including within their coverage elements of fraud or theft. Note that conviction under section 1001 of existing Title 18 can bring about a 5-year sentence; conviction under proposed section 1343 results in a maximum of 2 years or 1 year, depending on the nature of the false statement.

As to "my word against yours" problems, these situations arise every day in courthouses across the country. Whether in contract disputes, personal injury cases, criminal prosecutions, or any other type of litigation, the jury has the duty to determine the veracity of the declarants. Our court system has managed to function in the past when there were only two witnesses to an event and each had a different version of what transpired. It can do so under the Reform Act.

To use the example of the Tribune, i.e., making a false statement to an Internal Revenue agent, it is true that under section 1343 a person could be prosecuted for knowingly making a false statement during a tax investigation, either by volunteering the material statement or by responding to a direct question after being warned that making a false material statement is an offense. However, the section represents an improvement over existing law. In *U.S.* v. *McCue* (1975), the Supreme Court let stand a Federal appellate court decision that acts of taxpayers in making false statements and representations to agents of the Internal Revenue Service violated 18 U.S.C. § 1001. Furthermore, under existing law, there is no requirement that the person asking the questions warn the respondent that a false material statement offered as an answer constitutes an offense under the criminal code.

MIRANDA RIGHTS

Another major concern of opponents of the Reform Act is the alleged threat of weakened cognizance of a defendant's *Miranda* rights. Accordinig to the Tribune,

"(T)he bill would weaken the rights of accused persons by making it possible for police and prosecutors to use as evidence certain confessions obtained without Miranda warning; now, the police must inform suspects of their rights before taking a confession. The bill would permit the use of illegally obtained evidence in sentencing proceedings. Neither provision has been shown necessary to effective law enforcement; both could encourage wrongful police practices."

In fact, the bill does not weaken the rights of the accused or lessen the police officer's responsibility as suggested by the Tribune. Rather, the bill carries forward the provisions of existing 18 U.S.C. § 3501. In both section 3713 of the Reform Act (Admissibility of Confessions) and section 3501 of existing Title 18, the primary issue for determining the admissibility of a confession is whether it is a voluntary confession. Both existing and proposed law says the judge should consider several factors to determine voluntariness, including whether Miranda warnings were given. Both versions specifically provide, however, that the presence or absence of any one or more of the listed factors need not be conclusive as to the voluntariness of the confession. The validity of this provision was recently sustained against a claim that it conflicted with the holding in *Miranda* v. *Arizona*.

Similarly, section 3714 of the Reform Act, Admissibility of Evidence in Sentencing Proceedings, does not permit the use of illegally obtained evidence in sentencing proceedings unless it is shown to be reliable. This provision is not new law; it carries forward, in substance, the provisions of 18 U.S.C. § 3577. These existing and proposed provisions recognize the importance of having as much information as possible before the judge when he is considering an appropriate sentence to impose. The use of reliable, though illegally obtained, evidence in sentencing proceedings has been upheld in federal appellate courts. The Supreme Court has declined to overturn these decisions.

COMPLICITY, SOLICITATION, DEMONSTRATING, AND SENTENCING

The Tribune editorialists and other critics convey additional inaccurate portrayals of S. 1437, inaccuracies which could be avoided by referring to the Reform Act, to the Committee report, and to existing law. For example, the Tribune, and others, argue that the Reform Act contains a "new" crime of complicity with a dangerous definition of "aid and abet." In fact, the language in the Reform Act tracks existing 18 U.S.C. § 2 and both provisions use the same terms to define "aid and abet."

Similarly, the new crime of criminal solicitation, needed, for example, to prosecute a person who unsuccessfully offered to pay someone to commit a murder, is not nearly as broad as suggested by opponents of the Reform Act. There must be a specific intent to cause the commission of the crime and there must be evidence strongly corroborative of that intent. This special proof requirement will make prosecution very difficult and a renunciation defense serves as an additional safeguard.

Section 1328, "Demonstrating to Influence a Judicial Proceeding," (discussed earlier in conjunction with criminal attempt) has its counterparts in both 18 U.S.C. § 1503 and in state laws. In fact, in *Cox* v. *Louisianna*, a unanimous Warren Court upheld the constitutionality of a similar statute. Moreover, since, under the Reform Act, this offense is a specific intent crime and affords the accused the "30-minute" defense, section 1328 of S. 1437 represents a significant improvement over existing law.

Sentencing provisions in the Reform Act, hailed by many as the most significant reform in the bill, draw fire from opponents for being too harsh, for placing too much responsibility in the newly created Sentencing Commission, and for abrogating Congress' responsibility for setting sentencing policies.

Sentencing provisions in the Reform Act are designed to eliminate the disparities in sentences given to persons convicted of similar crimes. Amendments accepted during debate of the Reform Act require the Sentencing Commission, the majority of whose membership must be confirmed by the Senate, to set sentence ranges for categories of offenses considering the average length of sentences actually now served. Most maximum sentences set by the Senate in the Reform Act are actually lower than present law. In addition, the Sentencing Commission is directed to insure that its guidelines "reflect the general appropriateness of imposing a sentence other than imprisonment in cases in which the defendant is a first offender who has not been convicted of a crime of violence or an otherwise serious offense."

As to abrogation of responsibilities, note that under present law, Congress' only responsibility is to set maximum sentences. The trial judge makes all additional sentencing decisions within his broad discretion. Under the Reform Act, part of the discretion exercised in the sentencing process is given to the Court of Appeals, part is given to the Sentencing Commission, and part is reserved in the judge. None is taken from Congress. In fact, Congress discharges its responsibility more fully under S. 1437. It sets broad sentencing policies in the Reform Act but not under current law.

LABOR ACTIVITY

Finally, I would like to address the contention that the Reform Act poses a threat to labor's right to picket, demonstrate, and engage in other legitimate labor activity. In addition to the provisions mentioned earlier, which do not, in fact, constitute a threat to legitimate labor activity, the sections on Blackmail, Sabotage, Extortion, Obstructing a Government Function, and Impairing Military Effectiveness are most frequently cited as inhibitions to labor activity.

First, most of the above sections are specific intent crimes, i.e., a person must have actually intended to cause the socially harmful result or he cannot be found guilty. For example, in order to be convicted of sabotage, a defendant must have actually intended to obstruct the ability of the United States to defend the country. Mere picketing in front of a military establishment is insufficient to warrant prosecution.

With respect to the crime of Obstructing a Government Function by Physical Interference, section 1302, demonstrators or picketers whose presence impairs mail delivery cannot be convicted under this provision unless they specifically intended to prevent mail delivery as part of their demonstration. Mere inconvenience suffered by the Postal Service on account of legitimate assembly is an insufficient ground on which to prosecute. Other examples of allegedly proscribed conduct under section 1302 cited by critics are equally abstract. According to former Watergate Special Prosecutor Archibald Cox, "criticism of section 1302 is, in my opinion, a forced and false interpretation which would appear plausible only to one determined to find reasons for seeking to defeat the bill."

Second, with respect to extortion, an amendment prosposed by the AFL–CIO was added to the bill to specify that the section applies not to legitimate labor activity, but only to provable extortion.

Third, an analysis of the support for S. 1437 shows that the "friends of labor" overwhelmingly voted for the Reform Act. Of the 13 Senators on the Labor Subcommittee who voted in favor of the Labor Reform Act, 11 voted in favor of S. 1437. Of the 27 most liberal Senators, as gauged by the Americans for Democratic Action (ADA), who voted on S. 1437, 25 voted in favor of the Reform Act. In December, 1977, even before the bill was amended during floor debate in response to labor concerns, the Executive Council of the AFL–CIO formally adopted a resolution supporting the Reform Act. The Executive Council of the ADA voted 79–3 to endorse S. 1437. The New York Times, The Washington Post, and the Boston Globe all endorsed the Reform Act, as did most major newspapers.

I believe that overly concerned union members have been mislead by groups demanding the "whole pie." As I noted earlier, the "whole pie" is a politically impossible goal to reach immediately in the first general criminal code reform in this nation's history. On the other hand, once the Criminal Code Reform Act of 1978 becomes law, controversial issues can be addressed and debated on their individual merits. Eventually, we might have the "whole pie."

A refusal to compromise, however, will leave us with existing law, deny us the much needed reform of our patchwork quilt of criminal laws, eliminate civil liberties protections written into the Reform Act, and encourage the conservatives who joined the Kennedy-McClellan coalition to push for their own version of Criminal Code Reform, one which will undoubtely attempt to resurrect many of the repressive provisions of the old S. 1.

U.S. SENATE,
Washington, D.C.

TO THE EDITOR OF THE WASHINGTON STAR:

Mr. Nat Hentoff's criticisms of "The Federal Criminal Code Reform Act of 1978" in the March 26 Star are replete with factual inaccuracies and distortions. Invoking the name of civil liberties, his article is actually a disservice to the cause of the liberties he professes to serve. In fact, his attacks are so wide of the mark that it is difficult to believe that he has read the provisions he attacks. Certainly, he does not appear to have understood them.

For example, Mr. Hentoff criticizes the provision of the bill dealing with conspiracy. But he fails to realize that the example he gives, although a crime under current law, would no longer be an offense under the bill; the revised conspiracy provision would have no application to peaceful demonstrations, even if the demonstrations are illegal. Similarly, in criticizing the anti-riot provision of the bill, Mr. Hentoff ignores the fact that the section is significantly narrower than current law, since federal jurisdiction would be sharply curtailed and the conspiracy offense would be inapplicable unless the riot actually occurs.

Mr. Hentoff also asserts that the bill contains "an enormous expansion of federal power." But the fact is that the bill generally carries forward the federal criminal jurisdiction already contained in current law. With one or two exceptions, the provisions which trouble Mr. Hentoff are part of existing law. Perhaps the bill is vulnerable to criticism for failing to roll back these provisions. But it is not vulnerable to Mr. Hentoff's charge of making the current problem worse.

In his haste to prove his points, Mr. Hentoff makes other serious errors as well. He completely ignores major provisions in the bill which offer important new protections for civil liberties. For example, the bill repeals the Smith Act, reduces the penalties for petty marijuana possession, and improves protections for the press against "gag" orders. It also contains a modern rape statute and expands the civil rights laws.

The basic flaws in Mr. Hentoff's attack lie in his unwillingness, or inability, to compare the provisions of S. 1437 with current law and his failure to acknowledge the major improvements that are part of the legislation. More thoughtful observers, well known as defenders of civil liberties, such as Alan Dershowitz, Louis Schwartz, and Anthony Lewis, have rejected this sort of attack from the left. Mr. Dershowitz has said that the bill "constitutes a net gain for the civil liberties of the American people."

It is sad that some who march under the banner of civil liberties are actually among the greatest obstacles to progress. Mr. Hentoff's basic complaint is that we are not building Rome today in our Federal criminal code reform legislation. But if his all-or-nothing philosophy prevails, the result is likely to be nothing for years to come—no reform at all and a continuation of the unsatisfactory and repressive state of existing law. As Alexander Hamilton wrote in The Federalist, "Guardians of liberty should not give themselves up to the rage for objection which disorders their imaginations and judgments."

EDWARD M. KENNEDY,
March 29, 1978.

STILL TIME TO PURGE THIS BILL

Criminal law reform and related aspects of law and order are too important to be left to the untender mercies of conservatives. That is why it is doubly sad, when Sen. Edward Kennedy has the courage and energy to assume a leadership role in the enactment of the Criminal Code Reform Act (S. 1437), that he is unfairly attacked for helping shepherd through the Senate a vastly improved bill that contains some provisions liberals (me included) don't like.

Nat Hentoff's article in The Star two Sundays ago is an example of just such an unfair attack.

Sen. Kennedy needs no defense from me. But I think liberals owe him a debt of gratitude for assuming the burden of an unpopular struggle to reform the criminal code and remedy the old S. 1, rather than just repeating slogans in opposition to any reform bill that's not perfect. If the House of Representatives can make even half the improvements in S. 1437 that Sen. Kennedy made in evolving S. 1 into S. 1437, there will be a new criminal code far better than anyone ever expected.

Mr. Hentoff is one of our great civil liberties writers and I was proud to join him in defending the American Civil Liberties Union against those who decried its representation of the Nazis in Skokie, Ill. But Mr. Hentoff will do more for the cause of civil liberties by lending his talents towards further improving the bill in the House than by attacking those on his side. Indeed, he agrees that some of the worst excesses of S. 1—the Official Secrets part, wire-tapping, for example—have been shunted aside. Real efforts now can bring down some or all of the repressive provisions still left in the bill.

There is one philosophical assumption underlying Mr. Hentoff's piece that must be addressed: that the mere codification of destructive provisions will make it harder to get rid of them in the future. For example, he complains bitterly of the codification of the 1968 Anti-Riot Act which resulted in the absurd Chicago Seven trial. Of course, that is an outrageous provision that never should have been passed in the first place. But I don't see how its chance of ultimate survival is enhanced simply because it's put in a different place in the U.S. code. If we can't beat that provision in the House now, let's repeal it when we can.

And, speaking of repeals, nothing should make liberals happier than finally getting rid of the obnoxious Smith Act which was the base on which McCarthyism flourished. There is a historic logic in Sen. Kennedy helping force this act off the statute books for it was his brother, President Kennedy, on the recommendation of Attorney General Robert Kennedy, who released from jail the last Smith Act defendant in federal prison.●

THE WISE USE OF CREDIT

Mr. DANFORTH. Mr. President, young people are one of America's greatest assets for the future. Therefore, it is vitally important that they have a proper understanding of the role of business, and that they have confidence in business. The work of Missouri's Consumer Credit Association has done much to advance this goal.

Three years ago, Virginia Rutledge of St. Louis (now regional education director of the association), initiated a statewide program for high school seniors to bring about their better understanding of the wise use of consumer credit. As attorney general of Missouri for the past 8 years, I know very well how important an understanding of credit is to persons who are joining the work force.

The results of this statewide essay and speaking contest have been very successful. Students throughout our State have become interested in the consumer credit industry through their independent research on the subject.

The essay contest also is sponsored by the International Consumer Credit Association, under the direction of William Henry Blake, the executive vice president.

It is fitting that the award be made during National Consumer Credit Week, and I am proud to take this opportunity to request that this year's first place essay be printed in the RECORD. It is a tribute not only to the consumer credit industry, but also to Mr. Joe Crudden, a student at St. Louis University High School of St. Louis, who was inspired by his teacher, Mr. Joseph Vitale and by what these men and women of business had to say.

The essay follows:

THE WISE USE OF CREDIT

Every family in today's society is in one way or another using credit. Whether through utility bills, or a credit card he is contributing to the United States' constantly improving standard of living. The consumer

who is able to use his credit wisely will be living his life to the fullest and, the wise use in acquiring the good things of life entails the knowledge of what consumer credit is and how it works.

Credit stimulates and supports the American economy. Without consumer credit a manufacturer of consumer goods would not be assured of the size of a market, and therefore would not engage in mass production. But, because we do have consumer credit, and the manufacturer is assured of a mass market the economies of mass production lower the unit costs of goods and services and this has led to the United States having the world's highest standard of living.

Credit also brings satisfaction and security to the American family. Once the household has a steady income, it can, using credit wisely, acquire many necessary houshold appliances that will make life easier and more convenient. Credit allows a household to immediately begin accumulating possessions which will make life more convenient and will give more time for recreational activities for the younger consumer. These many material advantages can be acquired early in life, and paid for out of future earnings. The time, drudgery, and expenses saved from these household appliances can be better utilized for better living.

There are many forms of consumer credit, each having its own advantage. There is service credit, charge accounts, bank cards, instalment credit and personal loans. Service credit is used, in some way or another, by virtually everyone. It is extended by utility companies, and we use it every time we flick a light switch, or turn the water faucet on, or use the phone, or even turn on our heat. Medical bills are also a form of service credit because we get billed at the end of the month, and it is up to our faith to pay it off. Prompt payment of utility bills is expected and delinquency in making payments affects a credit record. Charge accounts are very convenient because they allow one to walk into most any store and buy merchandise such as clothing and housewares without having to carry around abundances of cash. Bank cards are used by consumers to purchase durable and non-durable goods, and to obtain cash loans. Instalment credit must be used by practically everyone who wishes to buy any large durable good. It is used to purchase autos, household appliances, and houses. Not many people can acquire large enough savings accounts to buy a house, so instalment credit is handy to someone with a good credit record and who is in a good financial position to make a down payment on a home. A fifth and final type of credit is a personal loan which may be used to obtain cash to buy necessities and to pay for unforseen expenses. But, this is instalment credit, though it is used to buy other than durable goods, goods like vacations, pay off other bills or an education. All of these types of credit are used by consumers who wish to obtain the material, intellectual, and spiritual satisfactions of life, earlier in life when there is more of a need for them.

But despite all of the advantages which are apparent, and the many people who depend on it, consumer credit is not for everyone. Those that cannot budget and manage their family income will not benefit from it. Using credit wisely entails steady employment and only budgeting a percentage of the take home pay for credit. It is also not something that one would just go out to the corner credit agency and take out a loan. Shopping carefully has many advantages. Another essential factor in the wise use of credit is will power. Do not obtain a credit card if one cannot pass up a bargain, because it is essential that payments are on time. If one goes into a department store and comes out with a product that he did not intend to purchase he did not use his credit wisely. A last important point to remember before signing any contract is to know the finance charge, annual percentage rate and all other costs of credit, and to know all the terms of credit.

Consumer credit has been developed so people can enjoy today's luxuries today. Anyone with a good credit record, established by maintaining steady employment and always making payments on time, can go out and purchase the essentials to meet his needs whether they be luxuries or necessities. Credit is man's trust in mankind.●

THE BOOK OF GOLDEN DEEDS

● Mr. GOLDWATER. Mr. President, on May 6, the Exchange Clubs of Tucson will pay special tribute to a very special person when they bestow their Book of Golden Deeds Award on Fan Kane—a woman who has worked for almost 50 years with handicapped children throughout the Nation. Because of her distinguished services, I ask to have the award citation printed in the RECORD.

The citation follows:

THE BOOK OF GOLDEN DEEDS AWARD
RECIPIENT—1978: FAN KANE
Presented by the Exchange Clubs of Tucson

Fan Kane, born March 3, 1902, to Sall and Samuel Morgenstern, was the oldest of four children. At the age of sixteen she purchased a Steinway baby grand piano for herself with earnings from teaching the piano. She studied at the Juilliard School of Music in New York. Her brother, Dr. Morton Morgenstern, was a violinist and they gave many concerts together. It was through her brother and his associates at Johns Hopkins Hospital that Mrs. Kane was exposed to the field of medicine. In 1922 she married Marvin Kane in Cleveland, Ohio. They had two children, Mrs. David Vactor and Jud Kane. Mrs. Kane has six grandchildren and one great grandchild.

Fan Kane has worked with handicapped children for almost fifty years. She was instrumental in founding the Cerebral Palsy Foundations in Cleveland, Ohio, and the Nation of Israel. Through her untiring efforts the Cerebral Palsy Foundation of Southern Arizona came into being in 1949.

For many years Mrs. Kane had recognized a need for special handling of the high I.Q. brain-injured child. Through long experience she had become convinced that carefully selected children with high I.Q.'s could attain a great degree of physical, mental and vocational development if their treatment was individualized.

As a result of her convictions, the Fan Kane Research Fund for Brain Injured Children was founded by Mrs. Kane in 1950 and was incorporated in 1962. It is a non-profit, tax exempt organization. At the request of its first Board of Directors, it was named in honor of Mrs. Kane. It is believed to be the only fund in the world that works solely with high I.Q. brain-injured childred and sees them through their entire period of schooling, including college and beyond.

Any brain-injured child may be recommended to the Fund by an agency, physician or the child's parents. There is no criteria of race, religion, creed or place of residence. The only criteria is that in the opinion of the Fund's Medical Advisory Board, the child is potential college material and the requested help is not available from other agencies.

After a child has been accepted by the Fund, the necessary financing is provided for whatever habilitation program is indicated. These programs have included highly specialized brain surgery in the Cleveland Clinic, Columbia Presbyterian Hospital and St. Barnabas Hospital in New York City. The Research Fund is associated with the U of A Medical School, Department of Neurology, in which it established the Human Motor Laboratory. This laboratory is doing important fundamental research in the areas of neurology and muscle control.

In March, 1978, the Fund opened a program which will take specialists to Hermosillo, Sonora, and bring brain-injured Mexican children to Tucson on a regular basis. In addition there have been programs of orthopedic surgery, psychiatric counseling, physiotherapy, speech therapy, and private specialized schooling and tutoring when appropriate.

It would take a book to enumerate the children who have been helped to fruitful adult lives by Mrs. Kane and her foundation. Perhaps a few examples would be appropriate, however.

1. One of the first children to be given assistance by the Fund was a young black boy from Tucson. At the present time, many years later, the Fund is proud to be helping him earn his degree in law.

2. A blind girl whose only activity was destroying mattresses before Fan Kane found her went on to major in Russian at the University of Arizona. Later this year she will visit Moscow.

3. A young girl, a cerebral palsy victim, was not only habilitated to schooling, but graduated fourth in her class of 4,000 at the U of A. She went on to acquire a master's degree, became a special education teacher in Tucson School District One, and is now on the staff at the University.

The Fan Kane Fund makes every attempt to keep a watchful eye on the progress of its former charges, until they have reached maturity and a degree of independence. If further help is required, every effort is made to provide it. Mrs. Kane commits herself to a personal interest in each child who comes to the Fund, often giving personal therapy and counseling.

In addition to her love and concern as expressed through the Research Fund, Mrs. Kane also gives private music lessons to retarded children. She privately confides that this is the area which gives her greatest joy, but such is her modesty that even most of her close friends are unaware of this activity.

As if her activity with handicapped children was not enough, Mrs. Kane has extended her helping hand to foreign children who "just need a friend." Three such children, from Poland, Israel and Japan, lived with her for periods ranging from two to ten years.

She helped to organize Hospitality International, of which she is vice-president. This group is a civic organization in Tucson which welcomes visiting foreigners from all over the world and extends through its membership contacts with people speaking their language. The group works in collaboration with the Tucson Chamber of Commerce.

Fan Kane could have been a socialite. Instead, with selfless love she has expended her time, her money and her health in bringing hope and the opportunity to those without either. Perhaps she can be best summarized in the words of Dr. E. W. Eberling, who himself has worked as a consultant to the program for 27 years. In a recommendatory letter he said: "I can most assuredly state that many, many children who otherwise would have been consigned to a life of hopeless inactivity have been improved in countless ways and some have graduated from our own University of Arizona, and others are gainfully employed leading lives of hope and usefulness because of her efforts in their behalf."●

SMALL BUSINESS EFFECTIVE TAX RATE STUDY RELEASED

● Mr. NELSON. Mr. President, there has been a continuing controversy over the impact of the tax system on business of various sizes.

In 1975, the Senate Small Business Committee collected and published several studies on this subject by various public agencies and private parties, as follows:

Federal Trade Commission data showed that for manufacturers in five asset categories under $50 Million, effective tax rates exceeded 50 percent;

A study by Merrill Lynch, in 1974, on the basis of Securities and Exchange Commission statistics from "several hundred industrial companies," found that one out of every five firms paid an effective tax rate of 43 percent, or less;

A study by Congressman Charles Vanik indicated that the largest 100 to 150 companies paid effective tax rates of between 25 percent to 30 percent.

The materials from which these conclusions were drawn follow this statement.

(See exhibit 1 and exhibit 2.)

Mr. NELSON. In December of 1975, a formal request was made by the Senate Small Business Committee, the Joint Economic Committee and the Joint Tax Committee,* asking the Treasury Department to initiate a Government-wide study which would reconcile the differences in approaches, methods, and data bases from these studies, and hopefully to develop some generally accepted information in the area.

In February of this year, Forbes magazine obtained an unfinished draft of Treasury's work, which they summarized in an article on February 20, 1978. The article was critical of the 1375 materials and announced a conclusion that:

The larger the corporation, the *higher* its effective tax rate. (Emphasis original.)

The Forbes article states that it is based upon this Treasury study. The article compares the effective tax rates of only 4 asset categories, compared to 12 such categories used by the Treasury, as follows:

*Joint letter of December 2, 1975.

COMPARISON OF FORBES ARTICLE AND TREASURY DATA

Asset categories covered		Effective tax rates (percent)		Difference (percent)	
Forbes	Treasury	Forbes	Treasury	Points	Margin
×	$1 to $50,000	17.0	21.0	−4.0	−24
—	$50,000 to $250,000				
×	$250,000 to $1,000,000	17.0	36.0	−19.0	−112
—	$1,000,000 to $5,000,000				
—	$5,000,000 to $10,000,000				
—	$10,000,000 to $25,000,000				
—	$25,000,000 to $50,000,000				
—	$50,000,000 to $100,000,000			−1.5	
×	$100,000,000 to $250,000,000	37.4	38.9		−4
—	$250,000,000 to $500,000,000				
—	$500,000,000 to $1,000,000,000				
×	Over $1,000,000,000	43.8	28.3	+15.5	+35

Furthermore, as the chart shows, the effective tax rates figures reported by Forbes for these categories vary substantially from the final figures devcloped by the Treasury in three of the four categories, in one case exhibiting a margin of difference of over 100 percent.

The progression which the Forbes article finds in the Treasury data to support their conclusion—that effective tax rates are a simple rising slope—are not borne out by the final Treasury's figures based on taxable income and the actual tax burdens, which show roughly a bell-shaped curve.

The Treasury Department has now transmitted to the three committees concerned a new set of tables together with an extensive explanatory text.

Treasury's own statistics in their lead chart (table 1) on their face support the position taken by the Senate Small Business Committee in 1975 that the effective rates business taxes are not progressive. This table shows the tax burden on medium-sized and even smaller businesses are higher than for many of the largest businesses.

The following chart (part I of table 1) shows effective tax rates of all corporations on a world-wide-basis:

EFFECTIVE CORPORATION TAX RATES, BY WORLDWIDE TAXES PAID AND WORLDWIDE INCOME, BY VARIOUS ASSET SIZES, 1972

Asset sizes	Number of corporations	Effective tax rates (in percent)
$1 under $50,000	716,647	(1)
$50,000 under $250,000	604,393	32.9
$250,000 under $1,000,000	232,789	41.0
$1,000,000 under $5,000,000	58,267	51.8
$5,000,000 under $10,000,000	6,161	51.9
$10,000,000 under $25,000,000	3,606	51.4
$25,000,000 under $50,000,000	1,363	47.2
$50,000,000 under $100,000,000	732	45.7
$100,000,000 under $250,000,000	585	43.0
$250,000,000 under $500,000,000	247	41.4
$500,000,000 under $1,000,000,000	148	39.2
$1,000,000,000 or more	175	29.2
All sizes	1,625,113	38.8

[1] Negative percentage based upon an aggregate worldwide income (loss) figure for this category of $253,000,000.

Note: All corporations, with and without basic worldwide taxable income.

In the part II of table 1, which the Treasury believes is preferable to part I, Treasury has excluded the income of subchapter S and DISC corporations and loss firms. The resulting effective Tax rates (again on the basis of worldwide taxes paid and worldwide income) are as follows:

EFFECTIVE CORPORATION TAX RATES (EXCLUDING SUBCHAPTER S AND DISC CORPORATIONS), BY WORLDWIDE TAXES PAID AND WORLDWIDE INCOME, BY VARIOUS ASSET SIZES, 1972

Asset sizes	Number of corporations	Effective tax rates (in percent)
$1 under $50,000	235,978	21.0
$50,000 under $250,000	320,396	26.4
$250,000 under $1,000,000	149,151	36.3
$1,000,000 under $5,000,000	38,008	42.4
$5,000,000 under $10,000,000	3,989	43.4
$10,000,000 under $25,000,000	2,417	43.2
$25,000,000 under $50,000,000	928	42.5
$50,000,000 under $100,000,000	532	41.3
$100,000,000 under $250,000,000	451	38.9
$250,000,000 under $500,000,000	198	37.7
$500,000,000 under $1,000,000,000	129	34.4
$1,000,000,000 or more	164	28.3
All sizes	752,331	34.5

Again, we see the bell-shaped pattern, whether companies with losses are included or excluded from the data.

The Treasury has noted in its explanatory materials that several refinements should be made to this data, and in a letter dated April 11, 1978, we have requested that those refinements and others be performed. For example, we have suggested that the data should be processed by the computer again using 1974 data, which has recently become available. I ask that a copy of this correspondence, and attachments printed as exhibit 3.

(See exhibit 3.)

Mr. NELSON. In the remainder of its material, the Treasury Department argues that there are other factors which should be taken into consideration, such as whether "economic income" should be the basis for the study rather than "taxable income"; whether the investment credit should be treated as a subsidy, which should then be added back into income; how tax loss carryovers should be treated; the effect of municiple bond interest; and foreign tax items. The Treasury contends that its concepts of these items change the figures and the relationships involved.

However, each of these concepts is subject to wide differences of opinion. The committees concerned wish to take the time to fully analyze the pros and cons of Treasury's assertions in these matters.

A careful analysis of this material is presently going forward with an aim of publishing a final study at the earliest opportunity.

In the meantime, these statistical materials and the research of the Treasury should be available to the public. Our procedure in this matter is similar to the committee's study of the 1978 tax proposals, which was released

in draft form on February 28, 1978, with the updated and finalized committee print published on April 17.

This study is valuable because it is the first research of its kind that uses actual figures on tax liabilities from individual business tax returns. This information can be fed into the computers on magnetic tapes without identifying any of the individual firms. The three committees concerned are presently evaluating this material, examining the methodology used by the Treasury Department and making several suggestions for additional computer work, definitions, and use of up-dated materials, all of which will improve the study and advance it toward completion.

The committees would welcome any additional comments and reactions from experts in government, in business, the universities, research institutions, and from among the general public, which would help us to improve the final version of the published report.

EXHIBIT 1
FEDERAL TRADE COMMISSION[1]

EFFECTIVE RATES OF FEDERAL TAXATION MANUFACTURING CORPORATIONS BY ASSET SIZE, 1971

Asset size	Profits before Federal taxes	Profits after taxes	Effective tax rate
All manufacturing corporations	16.5	9.675	41.36
Under $1,000,000	14.975	7.30	51.25
1,000,000 to $5,000,000	17.375	8.575	50.64
$5,000,000 to $10,000,000	18.075	8.70	51.86
$10,000,000 to $25,000,000	16.325	7.95	51.30
$25,000,000 to $50,000,000	15.875	7.825	50.70
$50,000,000 to $100,000,000	16.075	8.225	48.83
$100,000,000 to $250,000,000	17.20	9.275	46.07
$250,000,000 to $1,000,000,000	17.675	9.85	44.27
$1,000,000,000 and over	16.00	10.375	35.15
Over $1,000,000,000			24.4

Sources: FTC "Quarterly Financed Report," 4th quarter, 1971, p. 11 table 5; Profit rates based on percentage of stockholders equity; except last line, testimony of Hon. Charles Vanik before the Joint Economic Committee, July 1972.

MERRILL LYNCH/SEC[2]

MERRILL LYNCH, PIERCE, FENNER & SMITH, INC.
SECURITIES RESEARCH DIVISION,
June 7, 1974.

THE IMPACT OF LOWER TAX RATES ON EARNINGS GROWTH DURING THE 1969–73 PERIOD

This is a statistical analysis only. Investment decisions should be based upon underlying fundamentals of the individual issue as given in the QRQ system.

Due to a unique set of circumstances, many U.S. corporations have been able to reduce their effective tax rates in each of the last few years. With the 10% surtax in effect, the statutory rate for corporations was 52.8% in 1969. But the surtax was reduced to 5% for the first half of 1970, and was eliminated thereafter. Congress went a step further and introduced new corporate tax incentives in 1971, including the Domestic International Sales Corporation (DISC) and the reinstatement of the investment tax credit. In the last couple of years, though, the political winds have shifted, as the 1973 Burke-Hartke Bill attempted to remove the foreign tax credit and, the House Ways and Means Committee voted to phase out one of the longest standing tax incentives, the oil depletion allowance. Because this is an election year and talk of tax reform is again in the air, we felt that this would be an opportune time to discuss the principal tax incentives available and to identify companies whose earnings have been significantly enhanced by such tax advantages.

In December of 1973, the Securities and Exchange Commission issued a guideline on the disclosure of tax rates. Effective December 28, 1973, any company whose effective tax rate is five or more points below the statutory rate must reconcile the difference and state in its annual report the impact of each tax benefit. We examined the reports of several hundred industrial companies and found that one out of every five firms is in this category, paying an effective tax rate of 43% or less. We selected the following ten companies for closer scrutiny, because they reported lower tax rates in each of the last three years.

Company	Effective tax rate (percent) 1969	1973	Recent price (May 30, 1974)
Caterpillar Tractor	47.8	38.2	$60
Del Monte Corp	51.1	38.4	20
Digital Equipment	45.7	36.8	113
Distillers Corp	46.2	38.0	38
Honeywell	51.9	41.2	68
McDonnell Douglas	51.2	37.1	16
Owens Illinois	48.3	39.4	39
Perkin Elmer	49.5	41.5	31
Philip Morris	49.5	41.9	[1] 109
Smith Kline	52.9	32.2	50

[1] Does not reflect 2-for-1 stock split effective June 3, 1974.

VANIK STUDY (1969–76)[3]

TABLE IV.—EFFECTIVE FEDERAL INCOME TAX RATES BY SECTOR, 1969–76

[168 corporations (108 largest industrial companies); U.S. tax rate on worldwide income]

	1969	1970	1971	1972	1973	1974	1975	1976
Industrials and mining	NA	NA	NA	29.2	24.8	24.8	24.3	18.8
Transportation	0	0	18.9	12.8	15.1	16.3	22.4	14.2
Utilities	41.7	36.2	29.3	36.5	18.0	14.1	4.8	8.3
Retailing	44.6	40.6	39.2	41.5	33.5	33.0	37.7	36.9
Commercial banks	31.7	27.4	31.4	14.4	9.6	11.7	11.2	8.0
Oil and gas	5.8	10.1	6.1	7.9	9.6	7.6	8.95	9.3
Average—oil companies	26.9	25.8	24.4	28.6	24.9	22.6	21.3	13.04

[1] "Small Business Tax Needs", hearings of the Senate Small Business Committee, Feb. 4, 5, and 20, 1975, p. 345.
[2] "Small Business Tax Needs", loc. cit., p. 346.
[3] "Annual Corporate Tax Study, Tax Year 1976," remarks by Representative Charles A. Vanik, Congressional Record, Jan. 26, 1978, p. 1161.

EXHIBIT 2

EFFECTIVE INCOME TAX RATES PAID BY U.S. CORPORATIONS IN 1972

PREFACE

This publication of estimated effective income tax rates paid by U.S. corporations in 1972 is an outgrowth of work initiated in December, 1975 at the joint request of the Chairmen of the Joint Economic Committee and the Senate Select Committee on Small Business. Pursuant to that request, and following a meeting among interested parties, a Steering Committee comprised of representatives of the aforementioned Committees, along with others from the Joint Committee on Internal Revenue Taxation and the Federal Trade Commission, was established to help guide the Treasury in its assembly of information, the decision having been reached that tax return data afforded the best source of income and tax measures.

Through the course of this endeavor, the Treasury staff have benefited from the exchange of views and technical assistance made possible by this arrangement. Needless to say, the Treasury is wholly responsible for the content of this report. The release of this report to the Congress and the public is made in the interest of furthering understanding of the difficulties and ultimate ambiguities in the construction and interpretation of effective tax rates.

I. INTRODUCTION

There is a persistent popular interest in "effective tax rates" paid by two classes of income taxpayers, persons and corporations. There is also widespread misunderstanding about the ambiguities of effective tax rate computation. This report is concerned only with corporation income taxes and is intended to shed light on the taxability of income, by size of corporation and by industrial class, and to set out logical rules for the construction of effective tax rates.

The data relied upon here for measures of income and of its taxability have been derived from individual corporation income tax returns selected by the Internal Revenue Service for statistical processing and for reporting in its annual publication, "Statistics of Income: Corporation Income Tax Returns, 1972." For this report, foreign income and tax items from Form 1118 not included in the IRS publication have been extracted and collated with the previously published tax return information. The asset size classification employed in this report also differs from that in "Statistics of Income." Here the total assets of a corporation as reported in its tax return, and which are the basis for size classifications in "Statistics of Income," have been adjusted by netting-out trade credit to better represent assets actually employed in its business by the corporation.

II. EFFECTIVE TAX RATES, 1972; NONFINANCIAL CORPORATIONS

An "effective tax rate" is simply the ratio of some measure of "taxes paid" to some measure of before-tax "income." Much mischief may be done in such a computation by mismatching of the numerator and denominator. The denominator, being an income measure, is generally computed on the basis of accrual rules: the "income" of a year is determined by elaborate accounting procedures which attempt to match the costs of earning the sales receipts during a year, regardless of the timing of actual revenues or expenditures. On the other hand, "taxes due" is basically a "cash accounting" concept under which only the net liability for tax due to the U.S. Treasury during a year is

customarily accounted for. If the use of the tax account to clear other years' transactions, such as refunds, is neglected, "taxes due" becomes inappropriate as a measure of tax liability generated by the "income" shown in the denominator.[2] Moreover, "income" reported and used as the denominator of an effective tax rate calculation for U.S. taxpayers is invariably worldwide income, for the Internal Revenue Code subjects to tax income from all sources, both foreign and domestic. Obviously, if only the net tax due the U.S. Treasury is shown in the numerator while worldwide income taxes is shown in the denominator, there is an overt understatement of the taxability of any taxpayer with worldwide income.

Indeed, failure to consistently match numerator and denominator is entirely responsible for the common misconception that "small businesses" pay higher tax rates than "big businesses." The following sequential presentation of various ways of computing "effective tax rates" is intended to put to rest this misrepresentation of fact.

A. Misrepresentation of effective tax rates due to improper aggregation of corporations.

In 1972 more than 1.6 million nonfinancial corporations filed income tax returns (see Row I(a) of Table 1).[3] Altogether, these nonfinancial corporations reported $75.15 billion of taxable income, as measured by the rules of the Internal Revenue Code and from all sources, domestic and foreign. In the tables, this measure of income is referred to as "basic worldwide taxable income" (BWTI). On the basis of BWTI of $75.15 billion, nonfinancial corporations owed net income tax to the Treasury, after all credits, of $29.13 billion. These figures yield an apparent effective tax rate of 38.8 percent overall, the rates ranging from infinity for the smallest size class, which reported a net loss of $253 million while owing $211 million in tax, to 29 percent for the very largest. The occurrence of "effective tax rates" computed from BWTI in excess of 48 percent, the maximum statutory rate in taxable corporate income in 1972, is a clear indication that something is amiss in this calculation. The reasons for these incongruous results are that corporations have been aggregated which do not permit comparisons of income and tax liability for the same year.

Corporations reporting losses. Large numbers of corporations, particularly those at the small end of the size spectrum, will frequently report negative taxable income (losses) in a given year. Algebraically adding negative and positive incomes produces a smaller total income in the denominator of effective tax rate calculations; indeed, as we have seen, the smallest corporations in the aggregate report more losses than gains. But, since the tax returns of loss corporations do not show the refund, or "negative tax" for the year due to the net operating loss carryback or carryover, the aggregate "tax due" in the numerator of the effective tax rate calculation is undiminished. The net result is that we have incomparable numbers in the numerator and denominator of the effective tax rate calculation that produce overstatements of apparent effective tax rates.

Corporations not subject to tax. Certain corporations may elect to be taxed essentially as partnerships under provisions of Subchapter S of the Internal Revenue Code. Some of these corporations report losses, others positive taxable incomes; but although their BWTIs are (algebraically) included in the denominator of the effective tax rates we have just reviewed, their tax liabilities are never in the numerator.[4] Their inclusion in the calculation necessarily confuses the meaning of corporation effective tax rates. Similarly domestic international sales corporations (DISCs) file income tax returns but are not, directly, subject to income tax. Instead, half their income is taxable to parent corporations. Obviously DISCs should not be included as separate corporations; rather they should be consolidated with their parents.

Result of reclassification. The dramatic effect of careful aggregation may be observed by comparing Sections I and II of Table 1. In Section II, corporations without BWTI, those electing to be taxed under Subchapter S, and DISCs have been eliminated.[5] For nonfinancial corporations, this has involved dropping nearly 900,000 corporate entities, but increasing BWTI by more than $9 billion. As a consequence, the overall effective tax rate is reduced to 34.5 percent, and the range of "effective tax rates" now begin to approximate the statutory rates prevailing in 1972, 22 percent on taxable income up to $25,000, 48 percent on the excess.[6]

B. Improving the content and better matching of numerator and denominator.

To this point, we have continued to use U.S. tax due, after credits, in the numerator of the effective tax rate calculation and BWTI in the denominator. This is clearly unsatisfactory. So long as any measure of worldwide income is used in the denominator, worldwide taxes should be included in the numerator. More importantly, the denominator in the calculation is taxable income and we are all aware that this magnitude is overtly understood for tax purposes as a device to subsidize particular economic activities engaged in by corporations—and unincorporated enterprises as well. Moreover, the tax accounts are used to clear refunds pertaining to other years' transactions, a source of distortion which must be removed.

(1) Adjustments to income (denominators):

Restoration of preferential deductions. Subsidies are provided certain specific economic activities in the form of special deductions from gross inome in arriving at taxable income. Among those available in 1972 we might list:[7]

(a) Special 5-year amortization privileges, in lieu of normal tax depreciation deductions, for childcare facilities, railroad rolling stock, rehabilitation of low- and moderate-income housing, coal mining safety equipment, and pollution control investment;

(b) Percentage depletion allowances for production of minerals, including oil and gas;

(c) A special deduction for U.S. corporations at least 90 percent of whose gross income originated in trade outside the United States, but within the western hemisphere.

Clearly, the excess of these deductions over those which would be regularly allowed in the measurement of pre-tax income is is merely an intentional understatement of taxable income. The excess of these deductions should be restored if the denominator in an effective rate calculation is to substantially represent a corporation's (or any taxpayer's) before-tax income for the year.[8]

Restoration of excluded income. Many corporations hold bonds issued by state and local governments the interest on which is exempt from tax. By law, this interest income is excluded from the holders' taxable incomes. Restoration of this exclusion to income yields a better measure of before tax income for the year.[9]

(2) Adjustments to taxes (numerators):

Foreign taxes. Under longstanding international conventions observed by the United States, foreign governments are accorded the "first chance" to tax income of U.S. corporations earned within their political jurisdictions. Mechanically, this is accomplished by requiring U.S. corporations to report as taxable income in their U.S. tax returns the income they earn abroad (but in the case of foreign subsidiaries, only when dividends are remitted to the parent), to compute U.S. tax which would be due on that income, and then take as a credit against this tax otherwise due the amount of tax paid to foreign governments.

If foreign taxes paid are less than the amount computed under U.S. tax laws, the difference must be paid to the Treasury. If foreign taxes paid exceed U.S. tax liability, the excess may be carried back or forward to other years to be credited against the U.S. tax liability, but only against the U.S. tax attributable to foreign source income. Clearly, if worldwide income appears in the denominator, worldwide taxes generated by that income, both those paid abroad and to the Treasury, should appear in the numerator.[10]

Effect of loss carryforward. In any year many corporations that had suffered a loss in prior years but were unable to secure a refund because they had insufficient taxable income in the 3 carryback years will obtain their refund by simply deducting a carryforward of unrequited losses against the otherwise taxable income of the current year. This is an eminently sensible and efficient way to accomplish the refund: it avoids the payment of all its current year's tax by such a corporation to be followed by application for a refund. Clearly, then, the deduction from this year's taxable income of a loss carryforward leads to an understatement of this year's pre-tax income and should be restored. Similarly, exclusion from tax due of the amount refunded with respect to the loss carryforward is an understatement of tax generated by this year's income; this, too, should be restored. This adjustment parallels the adjustments for current year's losses described above.

(3) Effective tax rates after adjustments.

Section III in Table 1 shows the outcome of making these necessary adjustments to the numerator and denominator of the effective tax rate calculations. On the one hand, expanding BWTI to include overt understatements and exclusions has added nearly 120,000 nonfinancial corporations to the tabulation and has increased the denominator (income) by over $9 million. On the other hand, restoration of refunds due to prior year losses and inclusion of foreign income taxes paid and deemed paid has added $9 billion to the nonfinancial corporations' numerator (taxes). As a consequence, the 1972 effective tax rate for all nonfinancial corporations becomes 40.9 percent, 6.4 percentage points higher than before. There is also apparent now a clear upward progression of effective tax rates by size of corporation.[11]

It is noteworthy that the adjustments to tax and income involved in going from Section II to III have little impact on computed effective tax rates of corporations at the low end of the spectrum but a large impact on those at the high end. This is not unexpected: smaller corporations rarely have foreign income and tax and they less frequently engage in the kinds of economic activities favored by preferential deductions or exclusions from taxable income. Their major preference (in 1972) is the $25,000 exemption from surtax which holds their effective tax rates near the 22 percent normal tax level.

The Section III figures are recommended as the best single indicator of effective tax rate because the numerators (worldwide taxes) and denominators (worldwide income) are most closely matched. However, Sections IV and V of Table 1 present separate computations of domestic and foreign effective tax rates. The domestic income effective tax rates in Section IV were derived by subtracting taxes paid foreign governments from worldwide taxes to obtain the numerator of the ratio and by subtracting foreign source income from worldwide income to obtain the denominator. This leaves in the numerator

Footnotes at end of article.

some tax attributable to foreign source income and causes the effective tax rates on U.S. income to be slightly overstated. Similarly, the foreign source income effective tax rates in Section V involve some mismatching of numerators and denominators, since the former does not include some taxes paid the U.S. Treasury with respect to some of the before-tax income included in the denominator. This causes a slight understatement of these effective tax rates. Nevertheless, the following observations are warranted:

Whether with respect to domestic or foreign source pre-tax income, effective tax rates rise with income. In the case of domestic income, the drop-off of the U.S. effective tax rate in the $1 billion and over asset class, from 40.7 in the preceding class to 37.7, is accounted for entirely by the dominance of utilities and companies with mineral income in that largest size class, as will be evident in the industry breakdowns to be reviewed below.

Although the taxability of foreign source corporate income appears to be substantially above domestic rates, 56.1 as compared with 37.8, this appearance is due almost entirely to the confounding of oil taxes and other payments to host countries. When the oil company foreign income and tax items are eliminated, the effective foreign rate is 40.0 percent, only slightly above the U.S. effective rate on domestic income.

III. EFFECTIVE TAX RATES, BY INDUSTRY

Reference has already been made to a number of causes for the departure of effective tax rates from those specified in the Internal Revenue Code. Over the years, remission of tax has been used as a means for effecting non-revenue Federal policy objectives. We have noted the several preferential deductions from pre-tax income to arrive at taxable income; when these are restored to better measure before tax income, effective tax rates fall. Additionally, two credits against income tax otherwise due that year were available in 1972. One was a 7 percent investment credit (4 percent for regulated utilities) for the purchase of certain kinds of depreciable assets; the other was a credit of 20 percent of certain expenses incurred in the employment of welfare recipients (usually unemployed mothers with dependent children), commonly referred to as the "work incentive program" (WIN). Since both these subsidies are paid via a reduction of tax otherwise due, the earning of these subsidies naturally reduces the numerator in effective rate calculations and, hence, apparent effective tax rates.

The magnitude of the effect of clearing subsidies through the tax system on computed effective tax rates among industries will depend on the degree to which the activities subsumed in the industries are favored by tax subsidies. Moreover, most of these subsidies are capital related, i.e., in the form of extra deductions connected with the acquisition and use of certain kinds of equipment, or as an investment credit for other kinds of capital equipment. Consequently, they tend to be of relatively less importance to smaller businesses, for, in any industry, small businesses are typically more labor, less capital, intensive. Tables 2 (for worldwide income) and 3 (domestic income) illustrate these differentials in tax subsidies by type of activity and size of enterprise.

In Table 2, effective worldwide tax rates for corporations in 19 industries are listed in descending order of tax rate. The highest industry tax rate, 59.4 percent, is that for corporations engaged in all stages of the petroleum and natural gas industries, except natural gas distribution; the lowest worldwide tax rate is that for banking, 19.4 percent. The low rank of banking simply reflects the magnitude of their tax subsidy in the form of artificial bad debt deductions and their institutional capacity to hold bonds yielding tax-exempt interest.

However, as noted earlier, the petroleum and natural gas worldwide effective tax rate is swollen by the ambiguous character of most of the payments they are required to pay host countries: since the host country is both the taxing power and the original owner of the mineral resources, the host country is able, under its tax laws, to extract from oil companies a share of the companies' income from oil and gas discovery that, in a property system like that of the United States, would accrue to the companies or to co-owners of the mineral rights. Under the tax laws and regulations prevailing in 1972, a large volume of these ambiguous "taxes" were regarded as shares of before-tax income paid as taxes and this had the effect of producing a 59.4 percent effective worldwide rate. Since there is no analytical basis for disaggregating oil company payments to foreign governments into those which might legitimately be called an income tax and those that represent an allocation of before-tax income to the mineral owner, we may obtain a more reasonable measure of the taxability of income in this industry under U.S. tax laws by excluding the confounding foreign items from both numerator and denominator. This is done in Table 3. Arrayed by size of effective tax rate on U.S. income, (see Table 3) petroleum and natural gas companies rank 17th among the 19 industry groups with an effective tax rate of 24.7 percent.[12]

Excepting this difference in ranking in the two tables of effective tax rates, the other industries' rankings are quite stable. "Other manufacturing," which includes the manufacture of motor vehicles, chemicals, electrical and electronic equipment, among others (See Appendix), is subject to the highest rate of tax, 41.9 percent on worldwide income, 42 percent on U.S. source income. The median industry worldwide rate of tax, 33.1 percent, was experienced by the ferrous metals group (iron mining, steel manufacture, etc.); the median tax rate on U.S. source income, 31.6 percent, was experienced by the services industries.

Banking is consistently taxed at low rates, 19.4 percent worldwide, 18.6 percent on U.S. source income.

Within industry groups, effective tax rates by size of corporation generally reveal the expected pattern: small corporations experienced lower effective tax rates than did the larger. This may be seen in Tables 2 and 3 by comparing the industry-wide effective tax rates with those in the adjoining column that represent the effective tax rates for all corporations in that industry grouping with less than $1,000,000 of assets. In Table 2 (worldwide tax rates), small corporations experienced lower effective tax rates than the industry average in each category, save ferrous metals and banking; in Table 3 (U.S. tax rates), the same condition prevails, except in banking alone.

Tables 2a and 3a present the detailed effective tax rates on worldwide and U.S. source income, respectively, by asset size of corporations. The patterns in these latter tables, due to the variance necessarily introduced by smaller numbers in the larger size classes, are far less regular. For example, in Table 3a, the 5 largest corporations in the nonferrous group experienced an 11.2 percent effective tax rate on U.S. source income because, in 1972, in addition to tax subsidies in the form of percentage depletion allowances in excess of cost (which expends the denominator), these firms earned maximum amounts of investment and WIN credits (which diminish the numerator). Smaller firms in this industry group, being less likely to both engage in mining and to make comparatively large volumes of investment in qualified property, experience lesser reductions from statutory rates.

Nevertheless, except in banking, the two smallest size classes, which overall encompass 75 percent of all corporations subject to income tax, invariably experience effective tax rates well below the industry average in any industry group. In banking the exception to this rule reflects the fact that inclusion of tax-exempt bonds in bank portfolios and the ability to form nonbanking subsidiaries that engage in equipment leasing, and hence earn investment credits, is a function of bank size.

IV. CONCLUDING AND PRECAUTIONARY COMMENTS

The effective tax rate tabulations reviewed in this report are the most comprehensive set of such computations prepared by the Treasury Department. As later years' data become available, they will be processed and published as resources permit. In this first release of such material it is appropriate to add some brief comment on comparisons between these effective tax rates and others which are published from time to time that are derived from corporations' published financial statements. It is also appropriate to conclude this report with some observations on the limitations of effective tax rates as guides to an appraisal of the characteristics of the tax system.

A. Comparisons with effective tax rates based on published financial statements.

Effective tax rates here presented have been derived from income tax returns. These will not be directly comparable with superficially similar effective tax rates computed from data extracted from financial statements published by the same corporations for the same year. The reasons for this state of affairs have to do both with measures of "taxes" in the numerator and of before-tax "income" in the denominator. We may summarize these differences as follows: [13]

(1) Consolidation rules.

The rules for consolidating subsidiaries are different for tax and financial reporting. For tax purposes, the criteria for consolidation include the requirement that only corporations chartered in the United States may be consolidated and that there be ownership by the parent corporation of at least 80 percent of the subsidiaries consolidated. For financial reporting, any corporation wherever chartered may be consolidated by another corporation if the latter corporation maintains at least 50 percent ownership of the former. In general, this means that neither the worldwide tax nor the worldwide income reported on tax returns and financial statements will be the same because the reporting entities do not correspond.[14] There is no practical way to reconcile these differences.

(2) Income measurement rules.

Since there is no set of universal rules for income measurement, even in those cases where the reporting entity is the same for both tax and financial accounting, before-tax incomes in tax returns and financial statements will differ. Accepted financial accounting principles afford one (nonuniversal) measure of before-tax income; the Internal Revenue Code another measure. Although there are many differences between tax and financial accounting rules, the most significant have to do with accounting for capital consumption—depreciation and depletion. In Section II, above, we noted that tax rules for these allowances incorporate features intended to provide a subsidy for specific kinds of investment and economic activity, and, where possible, we adjusted "taxable income" accordingly. Nevertheless, there is in many instances a remaining difference between the "adjusted income" reported here and the before-tax financial income which would be reported by the same corporations due to their use of financial accounting depreciation formulas that recover depreciable capital

Footnotes at end of article.

costs more slowly. On this account, more often than not, before-tax financial, or "book," income will exceed the "adjusted" income measure used in this report and this will raise a reconciliation issue, to which we now turn.

(3) Accounting for "taxes."

"Deferred Taxes."

When financial accounting for depreciation differs from that used for tax purposes, the accepted accounting procedure for reconciling the differnce between the two measures of before-tax income, often referred to as "normalization," gives rise to a quantity called "deferred income taxes." This item, of course, never appears in a tax return, for tax accounting merely requires the derivation of taxable income. When the method for determining the allowance for depreciation for financial accounting purposes differs from that allowed in tax accounting so that the current year financial allowance is less than that used in computing taxable income, say because financial accounting employs less "accelerated" methods and/or longer lives, then the before-tax financial income measure will exceed taxable income. Inasmuch as this difference between financial and tax accounting procedures essentially involves the time distribution of depreciation allowances which ultimately must aggregate to the same quantity, namely the cost of the depreciable assets, the difference between financial and taxable income, and hence the tax liability, must logically be treated as a "deferral" of taxable income and a corresponding tax liability generated by this year's before-tax income.[15] Thus the accepted acounting procedure requires that the amount of tax "deferred" be included with the net tax due the current year as "tax expense" the total of which when subtracted from before-tax (financial) income yields "net" or after-tax (financial) income.

If one is to compute an effective tax rate from financial statements, then, the observer must decide whether he believes the financial statement measure of depreciation is more nearly correct, in a given year, than the tax return measure of depreciation.

If he concludes the tax measure of depreciation is more nearly correct, then he should reduce before-tax (financial) income by the apparent understatement of depreciation and ignore "deferred tax." He should compute the effective tax rate from the financial statement by dividing income taxes due that year by the adjusted measure of before-tax income.

If he concludes the financial statement of depreciation is more nearly correct, he must then estimate the probability that the "deferred tax" will ever be paid, and he must adjust the numerator, and/or denominator accordingly. There are two procedures that might be used for the adjustment: one follows a cash accounting approach, the other accrual methods.

Cash accounting:

Permanent deferral: If the observer believes that the corporation will continue to replace its depreciable capital indefinitely, then he will conclude the probability of repayment of "deferred tax" is zero. In this event, under "cash accounting" rule, "deferred tax" may be ignored since it will never be repaid; and an effective tax rate would be computed by dividing the remaining tax due by the before-tax income reported in the financial statement.

Temporary deferral: If the observer believes that the corporation will experience a contraction in the near future, the "deferral" of tax reported in the current year is only temporary, for when failure to replace occurs, the relationship between financial and tax accounting depreciation allowances reverses and "deferred tax" will be repaid. It is the present value of this future payment of tax which, when added to tax due for the year, enters the numerator of an effective tax rate calculation, with financial before-tax income in the denominator. This involves some accrual procedures to account for the likelihood of future events.

Accrual accounting: Under this approach, the adjustments entail consistent accrual of tax expense for the year regardless of the form in which the tax is "paid" and corresponding adjustments to financial before-tax income.

Permanent deferral: If the probability that the tax will ever be repaid is zero, in effect the Treasury is making a nontaxable grant of the "deferred tax" to the corporation. Then this amount should be added to the reported financial before-tax income to signify the accrual of this income to the corporation during the report year. Since the tax generated by the corporation during the year is the sum of "deferred tax" plus tax otherwise due, this sum should be the quantity divided by the adjusted financial before-tax income to compute an effective tax rate. Altogether, permanent deferrals entails two transactions: generating a tax liability during the year, part of which is "paid" in the form of a noninterest-bearing IOU; the other is recognizing that the future payment of the IOU is unlikely to occur, an implicit increase in the year's income resulting from the corporation's investment in property accorded preferred tax treatment.

Temporary Deferral: In this event the observer must again compute the present value of the tax to be paid in the future. The difference between this amount and the "deferred tax" for the year is a gain to the corporation. Then the amount of this gain, which is less than the total "deferred tax" should be added to the reported financial before-tax income for use as a denominator in computing an effective tax rate. The numerator in this case, as in the case of permanent deferral above, includes both tax otherwise due and (total) "deferred tax."

(b) Other years' transactions in the current year tax account.

We have already noted that the tax account is used to clear refunds and subsidies in the form of credits in tax returns. The same usage occurs in financial accounting. However, the problems posed by this usage in financial statements are more severe because the current year's tax account will include refunds due to the carryforward of unrequited losses and credits attributable to prior years.[16] The effects of these non-current-year transactions need to be removed from the financial statement measure of tax in order to obtain the amount of tax attributable to this year's pre-tax income.

* * * * *

B. Interpretative precautions.

The divergence between effective tax rates and statutory rates and the wide disparities in tax rates experienced by corporations in different industries exhibited in this report cannot be viewed as surprising. Since 1918, when Congress enacted the progenitor of percentage depletion in order to stimulate the discovery of additional petroleum reserves because gasoline supplies were then in dangerously short supply, the income tax has been utilized as a vehicle to modify resource flows in the private sector of the economy. Some of these uses of the tax laws, like percentage depletion, have been intentional: artificial bad debt deductions have been provided to facilitate the expansion of banking services; capital gains treatment was afforded timber production as a conservation measure; the investment credit was aimed to subsidize growth of the private capital stock to increase productivity per man-hour; the WIN credit was intended to encourage the employment of welfare mothers; the Western Hemisphere Trade Deduction was intended to foster greater participation of U.S. companies in the development of this part of the world; exemption of interest paid by state and local governments is intended to enable these governmental units to borrow more cheaply; and rapid write-offs of depreciable assets have been provided to subsidize a wide range of particular kinds of investment perceived to be in the public interest, ranging from childcare facilities to pollution control equipment. Others, like intangible drilling cost deductions and similar treatment of other preproduction expenses, have crept into the tax laws inadvertently but were subsequently either sanctioned by explicit enactment or by refusal to amend the tax laws to eliminate the inadvertent preference.

(1) Implications of below statutory corporate effective tax rates.

In view of this history, it is important that the existence of low effective tax rates not be misinterpreted to mean only that some owners of corporations are not paying their fair share of tax and thereby enjoy higher after-corporate-tax rates of return. Indeed, as indicators of after-corporate-tax returns, effective tax rates are grossly misleading. If one compares the industry categories shown in Tables 2 and 3 as paying above average effective rates with those paying below average rates, he would be hardpressed in terms of general knowledge of the size, rate of growth and stockmarket status of their shares, to determine which group of stockholders was enjoying the highest after-corporate-tax rate of return. Does one suppose the stockholders of automobile, chemical, computer and electrical machinery manufacturing companies eke-out a lower after-corporation-tax rate of return than do stockholders of banks and coal companies because the latter experience less than half the effective tax rates of the former? The answer clearly is negative. Because capital owners are concerned with after-corporation-tax rates of return, not with before-tax incomes, it is after-tax rates of return that are equalized through the mobility of capital. Flows of capital between industries ensures that the only difference between high- and low-tax rate industries will be higher pre-tax rates of return in the former, lower rates in the latter. The subsidized industries will have lower pre-tax profits because their expansion in response to the subsidies they have received either depresses market prices of their output or causes them to bid-up the costs of labor and materials they use.

The variances in industry effective tax rates are thus not indicators of shareholder benefits. Rather they are crude indicators of the ways in which the tax laws have been used to influence the pattern of economic activity in the private sector. Resources have been pushed into the low effective tax rate industries and away from high tax rate industries.

(2) Effects on fairness of the tax system.

In effect, tax subsidies substitute for payments to producers they would normally receive in the form of market prices. Inasmuch as tax subsidies are in the form of tax-exempt income, they also permit taxpayers with above average incomes to escape paying their fair shares of tax. For example, because the interest on state and local bond issues is tax-exempt, the bonds sell to yield returns that are below the yields of taxable issues; this is the subsidy element of the tax preference accorded state and local bond issues. Historically, the spread between taxable and nontaxable bonds has hovered around 30 percent—if 10 percent is the yield on taxable securities, the comparable tax-exempt yield would be about 7 percent. Thus a purchaser of tax-exempt bonds pays, in this example, an "effective tax" of 30 percent, and he "pays" this tax when purchasing tax-exempt bonds no matters what his income status otherwise would be. In this sense holders of tax-exempt bonds who would be sub-

Footnotes at end of article.

ject to tax at more than 30 percent are not paying their fair share of tax.[17]

Similarly, the investment credit is a form of tax-exempt subsidy which happens to be cleared through the tax system. As such, $1 of credit is clearly worth less to a small corporation subject to tax at 22 percent than to a larger corporation subject to tax at 48 percent. For the 22 percent taxpayer, $1 of credit substitutes for a market (pre-tax) income receipt of only $1.28; for the 48 percent taxpayer, the credit substitutes for $1.92 in market income.[18] Again, in this sense, recipients of the investment and WIN tax credits fail to pay their fair share of tax.

In sum, the pernicious aspect of tax subsidies is not so much that they substitute for explicit subsidies regarded by the Congress as serving the public interest and thereby cause effective tax rates to appear low, but that subsidies provided through remissions of tax almost invariably provide subsidy benefits in nontaxable form.[19] This has two highly undesirable effects. First, in an economy such as the United States, market prices serve to value resources. Gross National Product, for example, is measured in market prices. But market prices are generally in pre-tax terms. Thus, when the government wishes to carry out a procurement or other expenditure program, the dollars it budgets must be in pre-tax terms; and this fairly measures the economic significance of the programs. However, if government carries out its programs either by the expenditure of nontaxable funds, as in the case of unemployment compensation and social security payments, or by remission of tax—a nontaxable "tax expenditure"—the budgetary impact understates the economic magnitude of the government program: if the same program that is financed by tax-exempt expenditures or nontaxable tax subsidies were financed by normal expenditure programs, the dollar cost would be properly seen to be higher. By appearing to be "cheap," tax subsidies may be overused.

Second, in a tax system that imposes progressive rates, implementation of government programs by nontaxable expenditures and tax subsidies confers benefits that are proportional to the income status of the taxpayer. Put another way, such programs enable taxpayers to legally avoid paying their fair, statutory, share of taxes to support the activities of government, including the activities subsidized.

FOOTNOTES

[1] If accounts and notes receivable exceed accounts and notes payable, the latter is subtracted from both sides of the balance sheet. In this case, the net trade credit extended is capital employed which must be financed by long-term debt and equity. If accounts and notes payable exceed receivables, the receivables are subtracted from both sides of the balance sheet. The excess of payables is then a source of finance for the remaining assets employed in the business.

[2] To illustrate the pitfalls of dealing with cash payments of tax relative to incomes that have generated tax liability, consider that many taxpayers finish paying their tax liability for a given year sometime during the first third of the succeeding year; other taxpayers overpay their tax liability during a given year and receive a refund the following year. In either case, the taxpayer's "effective" tax rate for the given year is the tax liability generated by his income for that year, divided by the year's income not the taxes actually remitted.

[3] Financial corporations, banks, insurance companies, investment companies, etc., are not reported as a group because size classifications among these heterogeneous enterprises have little meaning. In the case of insurance companies, the measure of taxable income provided in the Internal Revenue Code is so highly specialized it cannot be adjusted to reflect normal concepts of enterprise income; and in the case of investment companies, if they elect to operate as regulated holding companies and distribute currently at least 90 percent of their before tax income, they are not subject to corporation income tax. Banks (commercial and savings), on the other hand, do report income and other data which permit a sensible approximation of before tax income and corresponding tax liability. Thus, while banks are excluded from the figures reported in this section, they will be reported as an industry category in the next.

[4] Subchapter S corporations may generate corporate tax liability in connection with certain capital gain transactions, but this is invariably a trivial amount of tax.

[5] Although DISCs were excluded, they were "statistically" consolidated with their parent corporations by doubling DISC dividends reported by parent corporations. Because DISC dividends reported by parent corporations may refer to prior years, this procedure tends to understate DISC income of the parents, taxation of which is deferred, particularly in 1972 when DISC formation was rapid due to novelty of the program.

[6] Exclusion from the tabulation of corporations without taxable income for 1972 in order to maintain comparability of numerators and denominators in effective tax rate calculations has no effect on results if, and only if, tax losses are ultimately refunded. If some losses in 1972 are never requited by carry-back or forward to other years, then these losses should be detained in 1972 denominators. And if these losses were retained, the 1972 effective tax rates would be slightly elevated. Unfortunately, there is presently insufficient empirical evidence on which to base an estimate of the amounts of any year's reported losses which will not generate a refund.

[7] In addition to the preferential deductions listed which apply generally to financial and nonfinancial business, are those extra "bad debt" deductions allowed commercial banks and thrift institutions. The effect of bad debt deductions is dealt with in the following section presenting effective tax rates for banking.

[8] Due to the existence of the minimum tax on preferences, it was possible to identify the magnitudes of these excesses of preferential deductions which might be restored to income for 1972. The minimum tax generated by these preferences, if any, is already included in the U.S. tax element of the numerator. Another significant preference for which no adjustment to the income denominator could be made is the expensing of intangible drilling costs and related preferential treatment of exploration costs for other minerals activities. For these preferences the necessary data, taxpayer by taxpayer, are totally lacking in tax return records.

A case could be made that at least part of the ordinary allowances claimed for depreciation are preferential in that they are in excess of the amounts that would be required to measure income appropriately. This has been particularly documented in the case of tax depreciation allowances for real property. However, this study has generally not attempted to adjust reported deductions for tax depreciation due to the unavailability of sufficiently detailed information on the tax return. Nevertheless, preferences for "accelerated depreciation" deductions taken with respect to certain properties subject to a net lease and which are also part of the minimum tax base have been added back to taxable income.

[9] It should be noted that this mode of correction for the exclusion of tax-exempt interest exaggerates the effect of this subsidy to state and local government debt financing in reducing "effective tax rates" of holders of these securities. See discussion of this point in Section IV.

[10] Foreign income taxes restored to the numerator are those reported in Form 1118 as taxes paid and accrued and deemed paid.

[11] The high effective tax rate in the over $1 billion asset class is due to the peculiar problems associated with foreign taxes reported by oil companies. See the discussion of that industry's effective tax rate in the section following.

[12] The effective tax rate does not reflect the benefit of expensing intangible drilling costs of wells that later prove to be productive. As previously noted, the information required to adjust taxable income for this preferential deduction is not available.

[13] For a more detailed exposition of the problems in deriving effective tax rates from corporations' financial statements, see *Pitfalls in the Computation of "Effective Tax Rates" Paid by Corporations;* OTA Paper No. 23; U.S. Treasury Department (July, 1977).

[14] Note should also be taken of differences between the reporting of foreign source income. In financial reports, all income of consolidated subsidiaries is reported on the same accrual basis. In tax returns, only the foreign source income of subsidiaries chartered in the United States is presented on an accrual basis; the income of subsidiaries chartered in foreign countries is reported only to the extent "repatriated" or paid as dividends to the U.S. parent corporation.

[15] Since the preparer of a financial statement must certify the "correctness" of reported before-tax income, he is obligated to use his measure of depreciation for the year as "correct." The departure from this by the Internal Revenue Code is, from this point of view, an aberration.

[16] Problems posed by the financial accounting treatment of the investment credit should also be noted. There is no prescribed accounting standard for presenting the impact of the investment credit earned during a report year. Under one approach, the investment credit is simply treated as a "reduction of tax" in the year earned. Since the arithmetic of this procedure merely reduces the provision for income tax that is subtracted from income before-tax to derive "net income", this is called "flow-through." An alternative procedure treats the investment credit as a subsidy received from the government, the value of which is distributed over the life of the qualified investment. Provision for income tax is reduced only by the amount of the subsidy expiring during the year, not by the credit earned that year. Since this method distributes the "reduction in tax" over the life of the assets rather than all in the year the credit is earned, the procedure is called "normalization." Obviously, one needs to know how a corporation treats the credit if he is to use the "taxes" reported as the numerator of an effective tax rate calculation.

[17] In the effective rate calculations in this report, tax-exempt interest was simply added to the denominator. This procedure has the unfortunate effect of exaggerating the nontaxability of this form of income. An analytically correct way to deal with tax-exempt interest would be to include in the denominator the taxable equivalent of tax-exempt interest and include in the numerator the "implicit tax" associated with the spread between the taxable and nontaxable yields. For example, assume $10 would be the taxable yield for a security held by a bank and the tax-exempt interest it actually earns is $7. If we merely express actual taxes paid, $0, as a percentage of the actual income earned, $7, we obtain an effective tax rate of zero. But, if we add the $3 spread to $7 to derive $10 of income in the denominator and then place the $3 as an implicit tax in the numerator, we ob-

tain the correct effective tax rate, 30 percent. This analytically superior treatment of tax-exempt interest could not be used for lack of necessary data in tax returns.

[18] In the effective tax calculations, the investment and WIN credits are treated as "reductions in tax." Another way to view these credits, which are almost indistinguishable from tax-exempt cash grants, is simply to treat them as such. In this event the before-credits tax would appear in the numerator of the effective tax rate calculation, and the credits earned would be added to the denominator. The result of this alternative calculation would be a higher effective tax rate than that computed by the procedure used in this report.

[19] One recent exception to this generalization is the New Jobs Credit enacted in 1977. This credit is structured so that it enters the taxable incomes of employers (if wages do not rise) or employees, just as would an equivalent wage subsidy paid in cash by the Department of Labor.

EXHIBIT 3

SELECT COMMITTEE ON
SMALL BUSINESS,
Washington, D.C., April 11, 1978.

Mr. SEYMOUR FIEKOWSKY,
Associate Director, Office of Tax Analysis, Department of the Treasury, Washington, D.C.

DEAR MR. FIEKOWSKY: We appreciate the Treasury's cooperation in completing the Effective Tax Rate Study requested by the Senate Small Business Committee, the Joint Economic Committee, and the Joint Tax Committee.

The staff informs me that the following tabulations should be performed so that the Study can be advanced toward publication:

1. Retabulation on a condensed and expanded scale, by existing asset categories, of the effective tax rates on economic income, including loss firms, but excluding Subchapter S and DISC firms for: (1) Worldwide income and (2) Domestic income.

2. Retabulation on a condensed and expanded scale, by existing asset categories, of the effective tax rates on taxable income, after special deductions, including loss firms, but excluding Subchapter S firms and DISC. Retabulation of the above tables, but excluding loss firms.

We would also feel it desirable to have the major Effective Tax Rate tables rerun, using 1974 corporate data when it is available. The Committee staff will be pleased to continue its discussions with you on these and related matters.

Sincerely,

GAYLORD NELSON,
Chairman.

THE SECRETARY OF THE TREASURY,
Washington, April 26, 1978.

Hon. GAYLORD NELSON,
Chairman, Senate Select Committee on Small Business, Washington, D.C.

DEAR MR. CHAIRMAN: In response to your letter of April 21, I am forwarding herewith five copies of a draft of the Report on Effective Tax Rates of Corporations: 1972. The report has just been completed. In view of the current consideration of corporate tax proposals by the House Ways and Means Committee, it is necessary that the materials be released next Monday.

For this reason, I would greatly appreciate the forwarding of any comments and suggestions you and the Committee staff might provide to Acting Assistant Secretary Lubick by close of business Friday, April 28.

As soon as the availability of computer personnel permits, our staff will make arrangements with your Committee staff to furnish the additional breakdowns of loss corporations, by asset size and industry, requested in your April 11 letter. There being no feasible method for associating refunds of tax with 1972 losses, the Report excludes these cases from the final computations of effective tax rates, as the text carefully explains.

Sincerely,

W. MICHAEL BLUMENTHAL.

APRIL 28, 1978.

Hon. W. MICHAEL BLUMENTHAL,
Secretary of the Treasury,
Washington, D.C.

DEAR MR. SECRETARY: This will acknowledge your letter of April 26, 1978, enclosing the draft of the effective tax rate study and inviting our comment. We have had an opportunity to look briefly at the draft today, and appreciate the opportunity to review the Treasury Department to complete this important study.

I understand that the Ways and Means Committee mark-up will not resume until at least Wednesday, May 3. This will make it possible to insert the material in the *Congressional Record* on Monday, which is the first such opportunity to do so since the Senate is not in session today.

This would appear to accommodate the need to have the material available during consideration of relevant tax legislation in the House Committee to which you referred.

We will look forward to developing with you the further material referred to in the last paragraph of your letter. In my judgment, the study would also be improved if it were to be accompanied by a glossary of terms, including the definitions of terms such as "total income", "economic income", and "taxable income" as they relate to the study.

Sincerely,

GAYLORD NELSON,
Chairman.

TABLE 1.—INCOME MEASURES, UNITED STATES AND FOREIGN TAX LIABILITIES; FOR NONFINANCIAL CORPORATIONS FILING INCOME TAX RETURNS, BY SIZE OF ADJUSTED ASSETS; 1972

[Dollar entries in millions]

	Asset size												
	All sizes	$1 under $50,000	50,000 under 250,000	250,000 under 1,000,000	1,000,000 under 5,000,000	5,000,000 under 10,000,000	10,000,000 under 25,000,000	25,000,000 under 50,000,000	50,000,000 under 100,000,000	100,000,000 under 250,000,000	250,000,000 under 500,000,000	500,000,000 under $1 billion	$1 billion or more
I. All corporations, with and without basic worldwide taxable income:													
Number (a)	1,625,113	716,647	604,393	232,789	58,267	6,161	3,606	1,363	732	585	247	148	175
U.S. tax, after credits (b)	29,130	211	1,254	2,738	3,643	1,400	1,691	1,373	1,514	2,285	2,190	2,336	8,498
Basic worldwide taxable income (c)	75,150	−253	3,810	6,670	7,028	2,699	3,287	2,907	3,317	5,313	5,289	5,952	29,130
Effective tax rate (d)	38.8	.....	32.9	41.0	51.8	51.9	51.4	47.2	45.7	43.0	41.4	39.2	29.2
II. Corporations with basic worldwide income taxable as such (excludes subchapter S and DISC corporations):													
Number (a)	752,331	235,978	320,396	149,151	38,008	3,989	2,417	928	532	451	198	129	154
U.S. tax, after credits (b)	29,100	211	1,253	2,736	3,641	1,399	1,688	1,372	1,512	2,283	2,189	2,333	8,481
Basic worldwide taxable income (c)	84,280	1,003	4,741	7,537	8,585	3,221	3,904	3,227	3,660	5,870	5,803	6,779	29,950
Effective tax rate (d)	34.5	21.0	26.4	36.3	42.4	43.4	43.2	42.5	41.3	38.9	37.7	34.4	28.3
III. Corporations with adjusted worldwide income:													
Number (a)	871,865	300,486	357,612	162,049	41,940	4,451	2,707	1,038	593	494	203	134	159
Worldwide tax liabilities, net of U.S. investment and WIN credits (b)	38,220	269	1,348	2,811	3,725	1,443	1,761	1,454	1,638	2,632	2,538	2,985	15,620
Adjusted worldwide income	93,440	1,305	5,315	8,186	9,382	3,543	4,303	3,542	4,036	6,449	6,251	7,342	33,780
Effective tax rate	40.9	20.6	25.4	34.3	39.7	40.7	40.9	41.0	40.6	40.8	40.6	40.7	46.2
IV. Corporations with U.S. source adjusted income:													
Number (a)	871,548	300,435	357,571	161,992	41,856	4,430	2,692	1,029	579	485	199	128	152
U.S. tax liability, after investment and WIN credit (b)	29,610	268	1,347	2,808	3,696	1,419	1,719	1,391	1,533	2,313	2,218	2,374	8,521
Adjusted U.S. source income (c)	78,330	1,302	5,310	8,174	9,298	3,473	4,177	3,375	3,760	5,676	5,348	5,830	22,600
Effective tax rate (d)	37.8	20.6	25.4	34.4	39.8	40.8	41.2	41.2	40.8	40.8	41.5	40.7	37.7

TABLE 1.—INCOME MEASURES, UNITED STATES AND FOREIGN TAX LIABILITIES; FOR NONFINANCIAL CORPORATIONS FILING INCOME TAX RETURNS, BY SIZE OF ADJUSTED ASSETS; 1972—Continued

[Dollar entries in millions]

	Asset size												
	All sizes	$1 under $50,000	50,000 under 250,000	250,000 under 1,000,000	1,000,000 under 5,000,000	5,000,000 under 10,000,000	10,000,000 under 25,000,000	25,000,000 under 50,000,000	50,000,000 under 100,000,000	100,000,000 under 250,000,000	250,000,000 under 500,000,000	500,000,000 under $1 billion	$1 billion or more
V. Corporations with foreign source income:													
Number (a)	4,240	141	423	659	1,111	377	443	276	221	266	123	94	106
Foreign tax liabilities (b)	8,530.7	0.4	0.5	2.6	23.9	23.7	39.9	61.4	102.2	308.9	319.4	594.0	7,053.9
Foreign source income (c)	15,210.0	3.6	3.2	11.2	85.6	69.4	126.9	172.4	305.8	819.9	889.6	1,527.3	11,190.0
Effective tax rate (d)	56.1	11.3	14.3	23.1	28.0	34.2	31.4	35.6	33.4	37.7	35.9	38.9	63.0

TABLE 2.—EFFECTIVE TAX RATES ON WORLDWIDE INCOME, ALL CORPORATIONS WITH INCOME, AND CORPORATIONS WITH UNDER $1,000,000 OF ASSETS, BY INDUSTRY; 1972

Industry	All corporations		Corporations with under $1,000,000 of assets	
	Industry rank	Effective tax rate (percent)	Effective tax rate (percent)	Corporations included (percent)
Petroleum and natural gas	1	59.4	23.8	85.1
Manufacturing, not elsewhere classified	2	41.9	32.3	86.2
Wholesale and retail trade	3	38.8	32.0	94.9
Credit dealers, brokers, insurance agents	4	38.1	29.1	95.1
Paper and allied products	5	37.4	32.4	79.5
Communications	6	35.7	27.6	79.6
Electric, gas, and sanitary services	7	35.4	28.0	89.8
Lumber and wood products (nonfurniture)	8	34.2	32.2	87.5
Contract construction	9	33.7	28.4	95.2
Primary metals: Ferrous	10	33.1	33.2	75.7
Primary metals: Nonferrous	11	32.4	25.4	72.4
Services	12	31.6	26.5	97.5
Transportation	13	30.3	26.6	94.3
Real estate	14	28.9	26.2	94.7
Agriculture, forestry and fisheries	15	28.0	23.6	94.4
Unclassifiable businesses	16	27.0	25.4	98.8
Coal mining	17	26.7	24.7	84.3
Mining, not elsewhere classified	18	26.2	22.4	76.8
Banking	19	19.4	26.8	6.7

TABLE 2a.—EFFECTIVE TAX RATES ON WORLDWIDE INCOME, ALL CORPORATIONS WITH INCOME, BY INDUSTRY AND SIZE OF ASSETS; 1972

	Asset size												
Industry, item	All sizes	$1 under $50,000	50,000 under 250,000	250,000 under 1,000,000	1,000,000 under 5,000,000	5,000,000 under 10,000,000	10,000,000 under 25,000,000	25,000,000 under 50,000,000	50,000,000 under 100,000,000	100,000,000 under 250,000,000	250,000,000 under 500,000,000	500,000,000 under $1 billion	$1 billion or more
Petroleum and natural gas:													
(a)	3,896	1,154	1,443	718	392	60	41	31	13	16	5	4	19
(b)	6,154,972	1,234	7,169	9,435	32,160	11,957	15,689	35,676	12,693	30,385	70,566	106,697	5,821,312
(c)	10,370,000	6,460	32,363	36,108	104,081	46,976	60,184	103,280	56,873	115,072	180,802	205,800	9,424,943
(d)	59.4	19.1	22.2	26.1	30.9	25.4	26.1	34.5	22.3	26.4	39.0	51.8	61.8
Manufacturing not elsewhere classified:													
(a)	101,120	24,565	37,698	24,860	10,300	1,547	1,008	434	265	234	96	65	49
(b)	17,740,000	24,674	176,949	661,313	1,369,089	682,593	914,479	797,999	997,162	1,709,830	1,819,956	2,026,364	6,559,199
(c)	42,340,000	118,784	712,213	1,843,761	3,330,523	1,595,464	2,145,554	1,891,828	2,331,000	4,056,048	4,303,458	4,783,185	15,230,000
(d)	41.9	20.8	24.8	35.9	41.1	42.8	42.6	42.2	42.8	42.2	42.3	42.4	43.1
Wholesale and retail trade:													
(a)	302,573	84,828	139,258	62,953	13,560	1,020	570	196	90	62	18	10	8
(b)	5,600,293	75,918	569,761	1,208,577	1,208.778	322,161	333,525	283,117	192,095	243,916	181,670	227,769	753,006
(c)	14,420,000	351,246	2,119,501	3,331,895	2,904,028	756,139	799,710	641,879	464,011	574,360	442,469	560,317	1,477,513
(d)	38.8	21.6	26.9	36.3	41.6	42.6	41.7	44.1	41.4	42.5	41.1	40.6	51.0
Credit dealers, brokers, insurance agents:													
(a)	49,186	22,228	18,414	6,124	1,836	224	201	77	41	23	9	4	4
(b)	848,433	20,381	74,579	85,942	113,380	50,480	74,247	41,409	87,376	54,318	38,034	87,926	120,362
(c)	2,225,536	96,013	275,261	251,113	288,879	119,061	176,133	100,215	212,911	135,045	92,116	197,713	81,077
(d)	38.1	21.2	27.1	34.2	39.2	42.4	42.2	41.3	41.0	40.2	41.3	44.5	42.8
Paper and allied products:													
(a)	2,284	177	780	859	312	50	43	11	22	15	4	6	4
(b)	586,804	78	3,284	21,485	36,527	19,494	22,767	15,437	86,186	73,254	32,681	57,272	218,340
(c)	1,567,136	862	15,354	60,566	87,668	48,119	58,622	38,938	210,008	194,573	101,572	199,643	551,211
(d)	37.4	9.0	21.4	35.5	41.7	40.5	38.8	39.6	41.0	37.6	32.2	28.7	39.6
Communications:													
(a)	3,841	633	1,686	739	619	66	44	15	15	10	5	----	6
(b)	1,258,969	407	7,215	10,248	40,406	14,450	28,429	7,793	15,163	38,787	32,211	----	963,451
(c)	3,528,297	2,318	29,270	33,065	108,091	37,280	68,940	20,079	44,598	96,046	87,472	----	2,763,893
(d)	35.7	17.6	24.6	31.0	37.4	38.8	41.2	38.8	34.0	40.4	36.8	----	34.9
Electric, gas, and sanitary services:													
(a)	4,534	1,700	1,755	615	173	35	60	29	25	41	34	26	42
(b)	1,363,293	646	7,350	2,989	9,556	6,146	19,124	23.933	26,716	107,901	164,417	204,901	779,613
(c)	3,853,979	3,802	31,632	39,506	27,497	17,011	49,756	60,486	69,042	282,289	426,003	577,831	2,269,124
(d)	35.4	17.0	23.2	32.9	34.8	34.8	38.4	38.4	38.7	38.2	38.6	35.5	34.4
Lumber and wood products (nonfurniture):													
(a)	5,871	913	2,641	1,586	591	74	39	10	6	8	----	----	----
(b)	437,308	865	10,809	47,571	95,913	41,148	30,270	13,829	20,068	39,535	----	----	----
(c)	1,279,036	4,352	47,516	132,257	242,519	102,758	77,234	39,097	55,877	117,125	----	----	----
(d)	34.2	19.9	22.8	36.0	39.6	40.0	39.2	35.4	35.9	33.8	----	----	----
Contract construction:													
(a)	73,223	28,613	29,438	11,648	3,036	250	132	34	22	11	----	----	----
(b)	901,312	30,711	133,760	219,186	258,879	64,414	63,567	22,851	40,199	62,951	----	----	----
(c)	2,676,493	150,467	542,022	656,713	678,637	167,594	157,361	60,580	102,979	142,199	----	----	----
(d)	33.7	20.4	24.7	33.4	38.2	38.4	40.4	37.7	39.0	44.3	----	----	----

TABLE 2a.—EFFECTIVE TAX RATES ON WORLDWIDE INCOME, ALL CORPORATIONS WITH INCOME, BY INDUSTRY AND SIZE OF ASSETS; 1972—Continued

Industry, item	All sizes	Asset size: $1 under $50,000	50,000 under 250,000	250,000 under 1,000,000	1,000,000 under 5,000,000	5,000,000 under 10,000,000	10,000,000 under 25,000,000	25,000,000 under 50,000,000	50,000,000 under 100,000,000	100,000,000 under 250,000,000	250,000,000 under 500,000,000	500,000,000 under $1 billion	$1 billion or more
Primary metals—Ferrous:													
(a)	1,730	405	496	408	282	53	33	19	11	10	5	----	7
(b)	447,086	519	2,514	11,139	46,441	22,205	28,828	25,621	21,680	72,722	25,337	----	189,926
(c)	1,351,713	2,348	10,208	30,184	110,452	53,547	65,761	63,698	59,472	176,901	83,837	----	682,800
(d)	33.1	22.1	24.6	36.9	42.0	41.5	43.8	40.2	38.4	41.1	30.2	----	27.8
Unclassifiable businesses:													
(a)	2,865	2,154	487	189	29	----							
(b)	8,698	2,390	2,188	1,933	1,531	----							
(c)	32,185	9,269	7,765	8,637	3,513	----							
(d)	27.0	25.8	28.2	22.4	43.6	----							
Coal mining:													
(a)	737	177	248	196	70	19	10	10	3	----			
(b)	52,752	126	1,438	3,026	6,798	5,458	4,410	4,176	4,414	----			
(c)	197,596	577	5,655	12,315	24,831	19,836	17,651	21,656	16,723	----			
(d)	26.7	21.8	25.4	24.6	27.4	27.5	25.0	19.3	26.4	----			
Mining not elsewhere classified:													
(a)	1,863	----	752	679	248	47	21	11	----				
(b)	67,420	----	2,702	9,899	15,268	11,234	7,435	8,586	----				
(c)	257,395	----	14,121	42,058	57,260	41,272	26,299	33,279	----				
(d)	26.2	----	19.1	23.5	26.7	27.2	28.3	25.8	----				
Banking:													
(a)	17,947	----	385	832	5,787	3,774	3,528	1,578	897	601	227	117	78
(b)	1,646,672	----	1,562	3,282	76,063	100,677	157,800	133,218	134,872	220,569	182,813	152,624	483,090
(c)	8,495,566	----	4,895	13,180	365,883	530,487	869,165	697,609	675,026	1,042,793	901,414	882,036	2,512,773
(d)	19.4	----	31.9	24.9	20.8	19.0	18.2	19.1	20.0	21.2	20.3	17.3	19.2

Key: (a)=Number; (b)=worldwide tax liabilities net of U.S. investment and WIN credits; (c)=adjusted worldwide income; (d)=effective tax rate.

TABLE 3.—EFFECTIVE TAX RATES ON U.S. SOURCE INCOME, ALL CORPORATIONS WITH INCOME AND CORPORATIONS WITH UNDER $1,000,000 OF ASSETS, BY INDUSTRY; 1972

Industry[1]	All corporations: Industry rank	All corporations: Effective tax rate (percent)	Corporations with under $1,000,000 of assets: Effective tax rate (percent)	Corporations with under $1,000,000 of assets: Corporations included (percent)
Manufacturing not elsewhere classified	1	42.0	32.3	86.2
Paper and allied products	2	38.4	32.4	79.5
Credit dealers, brokers, insurance agents	3	38.3	29.0	95.1
Wholesale and retail trade	4	38.0	32.0	94.9
Communications	5	36.1	27.6	79.6
Electric, gas, and sanitary services	6	35.3	28.0	89.8
Lumber and wood products (nonfurniture)	7	34.6	32.2	87.5
Primary metals: Ferrous	8	33.7	33.2	75.8
Contract construction	9	33.4	28.4	95.2
Services	10	31.6	26.5	97.6
Transportation	11	30.1	26.6	94.3
Primary metals: Nonferrous	12	29.4	25.4	72.6
Real estate	13	28.9	26.2	94.7
Agriculture, forestry and fisheries	14	28.1	23.4	94.4
Unclassifiable businesses	15	27.7	26.1	98.8
Mining not elsewhere classified	16	25.6	22.4	76.9
Petroleum and natural gas	17	24.7	23.8	85.5
Coal mining	18	19.4	24.7	84.3
Banking	19	18.6	26.8	6.7

[1] See appendix for detailed industry categories in groupings shown here.

TABLE 3a.—EFFECTIVE TAX RATES ON U.S. SOURCE INCOME, ALL CORPORATIONS WITH INCOME, BY INDUSTRY AND SIZE OF ASSETS; 1972

Industry, item	All sizes	Asset size: $1 under $50,000	50,000 under 250,000	250,000 under 1,000,000	1,000,000 under 5,000,000	5,000,000 under 10,000,000	10,000,000 under 25,000,000	25,000,000 under 50,000,000	50,000,000 under 100,000,000	100,000,000 under 250,000,000	250,000,000 under 500,000,000	500,000,000 under $1 billion	$1 billion or more
Manufacturing, not elsewhere classified:													
(a)	101,026	24,565	37,683	24,852	10,276	1,534	1,002	429	255	228	93	62	47
(b)	15,290,000	24,674	176,244	660,443	1,359,798	669,408	889,302	764,692	921,756	1,490,247	1,546,463	1,606,829	5,182,941
(c)	36,430,000	118,784	709,889	1,840,506	3,303,413	1,557,431	2,071,128	1,789,779	2,134,216	3,497,982	3,499,338	3,688,296	12,220,000
(d)	42.0	20.8	24.8	35.9	41.2	43.0	42.9	42.7	43.2	42.6	44.2	43.7	42.4
Paper and allied products:													
(a)	2,284	177	780	859	312	50	43	11	22	15	4	6	4
(b)	521,669	78	3,284	21,465	36,523	18,810	22,530	15,378	75,360	72,670	30,312	48,620	176,639
(c)	1,357,882	862	15,354	60,475	87,460	46,370	58,014	38,387	181,414	192,972	95,916	170,936	409,722
(d)	38.4	9.0	21.4	35.5	41.8	40.6	38.8	40.1	41.5	37.7	31.6	28.4	43.1
Credit dealers, brokers, insurance agents:													
(a)	49,164	22,228	18,399	6,122	1,836	224	199	76	40	23	9	4	----
(b)	822,426	20,381	74,560	85,596	112,952	50,057	71,710	40,989	83,169	52,145	36,736	87,630	----
(c)	2,147,277	96,010	275,231	250,443	287,627	117,377	168,472	98,760	201,965	127,998	86,854	192,559	----
(d)	38.3	21.2	27.1	34.2	39.3	42.6	42.6	41.5	41.2	40.7	42.3	45.5	----
Wholesale and retail trade:													
(a)	302,511	84,828	139,258	62,923	13,545	1,013	567	195	88	61	18	9	7
(b)	5,290,425	75,841	569,760	1,207,296	1,202,369	317,498	328,907	269,661	189,843	220,127	167,395	183,030	558,698
(c)	13,920,000	350,117	2,117,564	3,327,509	2,882,017	740,177	785,031	617,861	457,985	525,114	406,158	448,136	1,267,055
(d)	38.0	21.7	26.9	36.3	41.7	42.9	41.9	43.6	41.4	41.9	41.2	40.8	44.1
Communications:													
(a)	3,841	633	1,686	739	619	66	44	15	15	10	5	----	6
(b)	1,232,402	407	7,215	10,248	40,406	14,450	28,429	7,793	13,762	38,464	31,948	----	948,321
(c)	3,413,691	2,318	29,270	33,065	108,091	37,280	68,940	20,079	40,729	92,032	86,831	----	2,694,345
(d)	36.1	17.6	24.6	31.0	37.4	38.8	41.2	38.8	33.8	41.8	36.8	----	35.2

TABLE 3a.—EFFECTIVE TAX RATES ON U.S. SOURCE INCOME, ALL CORPORATIONS WITH INCOME, BY INDUSTRY AND SIZE OF ASSETS; 1972—Continued

Industry, item	All sizes	Asset size: $1 under $50,000	50,000 under 250,000	250,000 under 1,000,000	1,000,000 under 5,000,000	5,000,000 under 10,000,000	10,000,000 under 25,000,000	25,000,000 under 50,000,000	50,000,000 under 100,000,000	100,000,000 under 250,000,000	250,000,000 under 500,000,000	500,000,000 under $1 billion	$1 billion or more
Electric, gas, and sanitary services:													
(a)	4,534	1,700	1,755	615	173	35	60	29	25	41	34	26	42
(b)	1,354,513	646	7,350	12,989	9,556	6,146	19,124	23,727	26,716	107,058	164,417	204,187	772,597
(c)	3,835,767	3,802	31,632	39,506	27,497	17,011	49,756	60,064	69,042	280,523	426,003	574,492	2,256,438
(d)	35.3	17.0	23.2	32.9	34.8	36.1	38.4	39.5	38.7	38.2	38.6	35.5	34.2
Lumber and wood products (non-furniture):													
(a)	5,871	913	2,641	1,586	591	74	39	10	6	8			
(b)	431,952	865	10,809	47,571	95,856	41,036	30,256	13,821	20,033	39,480			
(c)	1,248,761	4,352	47,516	132,257	242,087	102,434	76,850	39,044	55,710	116,733			
(d)	34.6	19.9	22.8	36.0	39.6	40.1	39.4	35.4	36.0	33.8			
Primary metals: Ferrous:													
(a)	1,727	405	496	408	281	53	32	19	11	10	5		7
(b)	390,370	519	2,514	11,130	45,459	22,204	28,503	25,009	20,281	61,842	22,768		149,985
(c)	1,157,523	2,348	10,208	30,108	108,399	53,546	64,866	60,904	55,498	152,213	76,480		530,446
(d)	33.7	22.1	24.6	37.0	41.9	41.5	43.9	41.1	36.5	40.6	29.8		28.3
Contract construction:													
(a)	73,215	28,613	29,438	11,684	3,032	250	131	33	21	10			
(b)	871,266	30,711	133,760	219,186	255,134	64,303	62,490	21,177	38,136	41,731			
(c)	2,604,656	150,467	542,022	656,396	668,216	167,152	152,765	54,633	97,644	98,851			
(d)	33.4	20.4	24.7	33.4	38.2	38.5	40.9	38.8	39.1	42.2			
Services:													
(a)	151,288	90,470	43,321	13,803	3,034	331	194	69	30	27	5	4	
(b)	1,059,348	78,803	164,799	214,528	177,509	81,642	81,849	77,600	43,842	61,430	15,470	61,876	
(c)	3,352,128	395,608	666,824	664,049	493,694	215,332	209,466	193,124	132,563	179,077	54,903	147,487	
(d)	31.6	19.9	24.7	32.3	36.0	37.9	39.1	40.2	33.1	34.3	28.2	42.0	
Transportation:													
(a)	26,521	9,864	10,518	4,630	1,077	174	122	50	29	21	17	7	13
(b)	781,512	7,360	38,693	78,065	91,698	49,223	76,922	54,164	49,504	49,979	134,060	63,360	88,485
(c)	2,593,240	39,677	180,174	247,572	245,013	128,497	192,055	150,823	148,349	149,903	371,861	188,415	550,901
(d)	30.1	18.6	21.5	31.5	37.4	38.3	40.0	35.9	33.4	33.3	36.0	33.6	16.1
Primary metals: Nonferrous:													
(a)	1,243	177	442	283	238	43	22	7	15	6			5
(b)	221,149	387	2,496	4,574	33,402	14,248	13,592	7,922	37,486	21,994			17,932
(c)	752,563	4,003	9,057	16,284	80,911	35,163	34,835	19,610	113,431	69,869			160,048
(d)	29.4	9.7	27.6	28.1	41.3	40.5	39.0	40.4	33.0	31.5			11.2
Real estate:													
(a)	133,189	31,081	65,292	29,714	6,218	499	257	82	26	27			
(b)	695,230	19,663	136,041	195,139	169,307	40,094	48,480	34,963	19,107	27,416			
(c)	2,402,425	95,309	553,351	689,793	518,543	137,291	156,492	103,653	51,681	81,442			
(d)	28.9	20.6	24.6	28.3	32.6	29.2	31.0	33.7	37.0	33.7			
Agriculture, forestry and fisheries:													
(a)	18,421	5,324	7,311	4,756	906	74	37	8		4			
(b)	177,472	7,145	21,478	48,623	47,798	15,693	13,196	7,993		10,184			
(c)	631,835	36,016	110,356	181,193	151,184	42,945	45,603	22,823		28,712			
(d)	28.1	19.8	19.5	26.8	31.6	36.5	28.9	35.0		35.5			
Unclassifiable businesses:													
(a)	2,864	2,154	487	189	29								
(b)	8,420	2,112	2,188	1,933	1,531								
(c)	30,368	7,452	7,765	8,637	3,513								
(d)	27.7	28.3	28.2	22.4	43.6								
Mining not elsewhere classified:													
(a)	1,862		752	679	248	47	21	11					
(b)	61,855		2,622	9,899	15,268	11,233	6,628	8,586					
(c)	241,699		13,778	42,058	57,260	41,269	25,104	33,276					
(d)	25.6		19.0	23.5	26.7	27.2	26.4	25.8					
Petroleum and natural gas:													
(a)	3,878	1,154	1,443	718	379	60	40	30	13	15	4	4	18
(b)	714,643	1,234	7,169	9,406	31,026	11,956	12,069	29,609	11,826	25,727	55,172	20,957	498,491
(c)	2,893,401	6,460	32,363	36,050	101,678	46,973	50,104	89,239	53,004	100,517	157,061	118,183	2,101,769
(d)	24.7	19.1	22.2	26.1	30.5	25.4	24.1	33.2	22.3	25.6	35.1	17.7	23.7
Coal mining:													
(a)	737	177	248	196	70	19	10	10					
(b)	35,739	126	1,438	3,026	6,798	5,457	4,410	4,176					
(c)	184,017	577	5,655	12,315	24,831	19,834	17,651	21,656					
(d)	19.4	21.8	25.4	24.6	27.4	27.5	25.0	19.3					
Banking:													
(a)	17,938		384	823	5,787	3,774	3,527	1,578	897	599	227	117	72
(b)	1,413,574		1,562	3,282	76,063	100,676	157,735	133,208	134,803	217,336	181,236	147,283	260,287
(c)	7,616,205		4,895	13,180	365,883	530,457	868,841	697,541	674,652	1,029,589	892,091	853,489	1,685,280
(d)	18.6		31.9	24.9	20.8	19.0	18.2	19.1	20.0	21.1	20.3	17.3	15.4

Key: (a)=number; (b)=worldwide tax liabilities net of U.S. investment and WIN credit; (c)=adjusted worldwide income; (d)=effective tax rate.

S. 2791, THE RENEGOTIATION ABEYANCE ACT

● Mr. LUGAR. Mr. President, on March 22, the Senate Banking, Housing, and Urban Affairs Committee reported S. 2791, the Renegotiation Abeyance Act of 1978. This bill dismantles the Renegotiation Board until such time as the President determines, during a national emergency, that such provisions would be in the best interests of the United States. The committee also reported out on that date S. 2790, the Renegotiation Exemption Act, which, by retroactively raising the small business exemption from the current $1 million to $5 million, effectively eliminates 58 percent of the existing filings before the Renegotiation Board.

On June 10, 13, 14, and 17 of last year, the committee held hearings on S. 1594, a bill to revise and extend the Renegotiation Act of 1951, the last temporary extension of which had expired on September 30, 1976. On September 15, a full committee markup was held and S. 2791 was ordered reported as an original bill after an amendment in the nature of a substitute offered by myself and Senator CRANSTON was adopted. S. 2790 also was ordered reported as an original bill on that date.

I am hopeful that my colleagues will have an opportunity to vote in the near future on these two important bills.

Mr. President, I ask unanimous consent that an article from the Septem-

ber 16, 1977 issue of the Washington Post concerning the committee's action on this legislation be printed in the RECORD at this point.

The article follows:

COMMITTEE VOTES END TO BOARD

(By T. R. Reid)

The Senate Banking Committee voted yesterday to abolish the Renegotiation Board, the federal agency that guards against excessive profits on space and defense contracts.

In a vote described by Sen. Richard Lugar (R-Ind.) as "a litmus test of sunset legislation," the committee accepted, by an 8–6 margin, arguments by Lugar and Sen. Alan Cranston (D-Cal.) that the board's value to the government is too small to justify the paperwork burden it imposes on business.

The committee action was a major victory for defense contractors, who have been lobbying steadily against the board since it was created in 1951 to review weapons contracts generated by the Korean war.

But the vote was a setback for President Carter, who has actively supported a contrasting bill that would extend the board's life and enhance its authority.

A bill to strengthen the Renegotiation Board was approved by a House committee last spring, and had been scheduled to come up on the House floor next week. But chances of House passage were never certain, and supporters of the House bill said yesterday they may put off the vote because of the Senate committee action.

Cranston, the second-ranking member of the Senate's Democratic leadership, said yesterday his bill to kill the board would have "a pretty good chance" of passage on the Senate floor.

But Banking Committee chairman William Proxmire (D-Wis.), who was on the losing end of yesterday's vote, told Cranston that "you won't get action on the floor; it might be filibustered." Proxmire is the chief Senate sponsor of legislation to strengthen renegotiation.

Reflecting their own uncertainty about the prospects of the Lugar-Cranston measure, the committee members yesterday approved two different bills dealing with the board.

One was the Lugar-Cranston termination bill. The other, passed as a fallback in case the first bill loses on the floor, would leave the board in a sort of limbo pending a six-month General Accounting Office study of its cost and benefit.

The measure pushed by Lugar and Cranston would put the board in "mothball" status, so that it could be reactivated by the President under emergency conditions. It would permit the board to keep operating for an indefinite period, but only to complete work on its considerable backlog of old cases.

The termination bill would cut the backlog by eliminating, retroactively, the board's jurisdiction in past cases involving firms with an annual sales under $5 million. The board says about 58 per cent of its work involves such firms.

The Renegotiation Board is a small agency (about 300 employees) that reviews federal contracts after they have been completed to gauge the contractor's final profit on the job. If the board concludes that a firm's profit on all its government work in a given year is "excessive," it can order the firm to refund the money.

In fiscal year 1976, the board reviewed $41 billion in federal contracts and recovered $40 million in profits.

Supporters of renegotiation say the board is a necessary check against profiteering in the space and defense industry, where most equipment is bought on a non-competitive basis.

They argue that Proxmire's bill, which would strengthen the board, would lead to a quantum leap in the amount of defense profits recovered by the government.

Opponents see renegotiation as a fount of red tape and government harassment that deters many firms from bidding on government contracts.

They also say that by concentrating on profits rather than costs, the board penalizes efficient, high-profit producers but passes over less efficient contractors whose profit margins are low.

The board has been the target of intense lobbying all year by large and small defense contractors. Since there is at least one defense contractor or subcontractor in almost every congressional district, the industry has been able to mount an effective person-to-person lobbying campaign.

Yesterday's committee's vote, though, surprised even the lobbyists. They had expected to have enough votes to defeat Proxmire's tightening legislation, but they did not expect passage of a bill terminating the board.

Mr. LUGAR. Mr. President, the Renegotiation Act of 1951 has been extended on a temporary basis 13 times in the past 24 years. The authority of the Renegotiation Board, which administers the act, was finally allowed to expire on September 30, 1976. Without authorizing legislation, the Board has no authority to review contracts concluded after the date. Nevertheless, the Board continues to review contracts concluded before the expiration date and, in fact, has a backlog of cases dating as far back as 1971.

I testified recently before the Senate Appropriations Subcommittee on State, Justice and the Commerce Departments during its hearings on appropriations for the Renegotiation Board. I would like to share that testimony with my colleagues. I ask that my testimony be printed in the RECORD.

TESTIMONY OF SENATOR RICHARD G. LUGAR

Mr. Chairman and members of the Subcommittee, I appreciate this opportunity to testify on the Fiscal Year 1979 appropriation of the Renegotiation Board.

Last June, the Senate Banking Committee held four days of hearings on the question of whether to extend and expand the power of the Renegotiation Board. I think that the 1008-page record of those hearings shows that they were among the most extensive and intensive reviews of the renegotiation process ever held. Representatives of the Administration, Members of Congress, Renegotiation Board Members and defense industry spokesmen all had ample opportunity to present their opinions. The General Accounting Office was asked to do the first comprehensive study of the cost to the defense industry of compliance with the Renegotiation Act, and it subsequently presented its findings. Since jurisdiction over the Renegotiation Board had just that year been transferred from the Finance Committee to our Committee, my colleagues and I had few preconceived notions about this issue and kept an open mind on the subject throughout. But I must say that the Renegotiation Board and its supporters simply failed to make a convincing case that the Board was any longer necessary in today's procurement environment, or that it could be improved to the point that it would be a useful and productive entity.

The simple fact is that the Renegotiation Board is a bureaucracy which has outlived its usefulness. During the 1950s, the Board was an important part of the procurement process, serving as a watchdog that saved the taxpayers millions of dollars. In recent years, however, it has become a superfluous and counterproductive bureaucracy, which spends more money auditing defense contractors than it collects in the form of excess profits. It also has frustrated efforts to administer our defense industrial base in an efficient and effective manner. Recent studies by the General Accounting Office, the Conference Board, and others have indicated that there are indeed significant incremental costs associated with compliance with the Renegotiation Act. For example, in the case of Hewlett-Packard, the firm most closely audited by the General Accounting Office, the costs associated with compliance amounted to one-half of one percent of renegotiable sales. If one were to assume that compliance costs on an industry-wide basis were only half that of Hewlett-Packard, the costs would still amount to over $100 million annually. This estimate excludes Justice Department and court costs, which are substantial in view of the fact that the majority of the excess profit determinations are appealed to the Court of Claims where they are heard de nova, nor does it include the annual cost of operating the Renegotiation Board itself. Based on this estimate, it is reasonable to assume that it has been costing the Government in the range of $3 to $10 for every dollar recovered by the Board in excess profit determinations over the past two years. Needless to say, our Committee felt that it did not make sense for the Govment to continue to engage in such a losing enterprise.

Mr. Chairman, I know that you have repeatedly said that you would like to see the issue of renegotiation settled by the authorizing committee and not the appropriating committee. That is precisely what the Banking Committee did at our mark-up last September. The two bills which were reported out of our Committee definitively resolve the issue of the future of the Board.

The first bill, S. 2790, would establish a floor of $5 million retroactively to September 30, 1972 in order to remove, by the Renegotiation Board's own estimate, 58 percent of the current backlog of filings. It would, however, only remove 3 percent of the aggregate dollar amount from Renegotiation Board jurisdiction. This bill would go a long way towards expediting the processing of filings, while at the same time lifting the burden of renegotiation from the shoulders of small businesses who have borne the brunt of excess profit determinations in recent years.

The other bill, S. 2791, would put the Renegotiation Board into mothballs until such time as the President feels that it would be necessary to cope with a national emergency.

These are harsh but, I feel, appropriate measures to deal with the question of renegotiation. In the age of sunset legislation and zero-based budgeting, the burden of proof was on the Renegotiation Board and its backers to demonstrate the necessity for reauthorizing this anachronistic bureaucracy. This they did not do.

Before I go on to my recommendations, there is one final point which I would like to discuss, and that is the behavior of the Renegotiation Board since losing its authorization to review new cases on September 30, 1976.

Recent actions by the Board seem to be arbitrary and capricious and in total disregard of Congressional will. I refer specifically to three actions taken by the Board under Mr. Chase's leadership.

On June 10, 1977, the day on which Chairman Chase was scheduled to testify before the Senate Banking Committee's authorized hearings, serious allegations against the Lockheed Corporation coincidentally appeared in the news media. Mr. Chase and his assistant, Mr. Driscoll, made reference to the allegations during their testimony that day, that the Navy had been charged for steel for 20 ships but Lockheed built only 12, and,

therefore, that 117.4 million pounds of steel with a value of $10.2 million were unaccounted for. Two months later, Chairman Chase issued a partial retraction of his accusations after an independently verified internal audit by Lockheed showed that the unaccounted for steel could be explained by the waste factor involved in ship fabrication and by a misreading of Lockheed books by Renegotiation Board investigators. But, of course, the damage had been done by the initial irresponsible leaks to the media. I understand a full report on this matter is due to be issued in the near future by the GAO at our Committee's request.

The other two actions which I would like to call to your attention, Mr. Chairman, are the issuances of new regulations to apply retroactively to the Board's backlog.

The first, and most onerous of those regulations, is the one which would bring Foreign Military Sales under the Renegotiation Board's jurisdiction. At the request of seven of my colleagues and myself, the GAO was asked to comment on the wisdom and propriety of this regulation. I would like to enter their report into the record at this time. Briefly, the Comptroller General concluded that while the Board has the authority on narrow legal grounds to write such regulations, he could find no precedent for their contention that the renegotiation of Foreign Military Sales had been the policy of the Board historically. Moreover, he went on to question the policy implications of claiming excess profits for the United States Treasury from sales to foreign governments in which the U.S. Government had acted as agent. The Comptroller General also questioned the legal sufficiency and equity of the retroactivity provision.

Finally, the proposed regulations which would expand the Board's authority to renegotiate contracts on the basis of segmentation of a corporate entity seem to me to be an attempt to accomplish by regulation what the Board was unable to do by legislation. S. 1594, the bill which the Banking Committee rejected at its mark-up, would have provided for segmented renegotiation. Until this issue is resolved by Congress, it would seem incumbent upon the Board to continue to operate within its present regulations and not try to do by administrative fiat what it was unable to obtain legislatively.

In conclusion, Mr. Chairman, I would like to offer the following recommendations for consideration by your Subcommittee:

(1) The Renegotiation Board ought to be instructed to expedite clearance of the remaining contracts on its backlog. Based on the 1977 Renegotiation Board Report, it would appear that the pace of clearance under Chairman Chase has slowed down rather than speeded up during the past year.

(2) Some deadline for completion of the review of the backlog ought to be imposed to encourage the Board not to drag its feet. I would think that a one-year time limitation would be appropriate, and that the review could be accomplished with the present staff and resources.

(3) In view of S. 2790, the pending legislation which would establish a $5 million retroactive floor under renegotiable business, the Board should be advised that to the extent feasible, they should clear the 97 percent of the dollar value of their backlog which encompasses aggregate contracts above that $5 million floor before reviewing those below that dollar level. This would eliminate needless effort on the part of the Board and small contractors in the event that S. 2790 is signed into law during the 95th Congress.

(4) The Board ought to be prohibited from spending appropriated funds to enforce regulations promulgated after the expiration of their authorization and applied retroactively to their backlog. I would hope that this Subcommittee would see fit to write restrictive language to that effect into the appropriations legislation, or at the very least into the Report. As the recent General Accounting Office report indicated, there is no reason for the Renegotiation Board to waste time and money trying to enforce retroactive regulations which are not only inequitable but likely to be reversed by Court review●

THE MERIT SELECTION OF FEDERAL JUDGES

● Mr. GARN. Mr. President, the junior Senator from Indiana (Mr. LUGAR) is one of the most ardent supporters of merit selection for Federal judges. He has been a leader in the effort to require merit selection for the dozens of new judgeships that will be created by the omnibus judgeship bill, and he has spoken out strongly for merit selection of not only Federal district judges but also U.S. attorneys and Federal marshalls. On January 19, 1978, Mr. Lugar introduced Senate Resolution 353 calling upon the President and Senate to work together to establish the principle and fact of merit selection among Federal judicial and law enforcement officers. I have been pleased to join Senator LUGAR as a cosponsor of this resolution and to work with him on other matters of merit selection. For example, I joined Senator LUGAR and 18 other Senators in urging the conferees on the judgeship bill to adopt the language of the House on merit selection.

Mr. LUGAR is a leader in this area and I have been pleased to join with him on many occasions to help insure that only the best men and women obtain the life tenure of a Federal judgeship. When a person obtains a position for life, and when that position has such power that others' life, liberty and property hangs upon the decisions of the judge, then it is absolutely necessary that the most competent and temperate people be appointed to the bench. I have been gratified with Senator LUGAR's interest in the current Utah experiment with merit selection; I believe Utah's merit selection panel will prove to be a model for the Nation.

Fortunately, Senator LUGAR's efforts have not escaped the attention of some members of the press, and I ask that Bob Wiedrich's column from the Chicago Tribune of April 28, 1978, be printed in the RECORD.

The article follows:

[From the Chicago Tribune, Apr. 28, 1978]

SEN. LUGAR'S FIGHT WITH A PORKBARREL

(By Bob Wiedrich)

Sen. Richard Lugar must feel like a hog caller with weak lungs as he tries to eliminate porkbarrel politics in the selection of federal judges.

Lugar is convinced that President Carter wants to do the right thing and keep his campaign promises to end political patronage on the federal bench.

But he also is persuaded that the Carter White House is scared to ruffle senatorial feathers because of the long-standing tradition that United States senators get their own way in picking the federal judiciary.

So Lugar, Indiana's junior Republican senator, believes President Carter has failed to exert the strong leadership needed to get the Senate to change its ways.

And because of that, Lugar's efforts to convince Congress to take a firm stand favoring merit selection of federal judges, marshals, and prosecutors have virtually come to naught.

Back on April 13, a joint House and Senate conference committee so watered down a merit selection proposal tied to a bill creating a batch of new federal judgeships that Lugar had to concede defeat. At least for the moment.

However, he swears that unless Congress changes its mind this session he'll be back later for another try. And meanwhile, he intends to press the Justice Department to formulate merit selection procedures that would accomplish the same end.

Specifically, Lugar wants each senator to establish a merit selection commission with a free hand to pick nominees to be presented to the President.

He also wants assurances written into the procedures that will prevent any senator from attempting to control or interfere in the commission's work.

"If a senator can control the commission's work from start to finish, the transparent political domination involved defeats the purpose of merit selection," Lugar declared.

The language of the Lugar plan was gutted when the boys from both sides of Capitol Hill got their heads together to compromise.

The proposed merit plan procedures would not have been binding on the President. But they would have conveyed the sense of Congress on the issue.

They also would have furnished the President with a lever to help him overcome hidebound Senate desires to cling to their prerogatives.

But, with its watered-down language, the Congress will only be calling on Carter to establish qualifying standards for judges instead of asking him to write procedures for their selection.

That probably means that unless Carter takes the initiative himself and flies in the face of the senatorial ire, the country will be left with the same old system of selecting its federal judges by clout.

Actually, 20 Republican senators including Charles Percy of Illinois signed a letter drafted by Lugar calling on Sen. James Eastland [D., Miss.] to support merit selection. Eastland is conference committee chairman on the omnibus judgeship bill.

The House had earlier registered a 321 to 19 vote insisting on the merit selection language which was subsequently scuttled in committee. So there is a chance, although highly unlikely, that the bill could later be rejected by the full House.

That, however, would mean sending the bill back to committee. And it is almost unreasonable to expect that to happen.

This is a congressional election year and some on Capitol Hill fear that the legal community might turn on them if they don't act expeditiously on the bill creating 140 new federal district and appellate judgeships.

All this seems quite sad for the country. It indicates that the administration and too many congressmen don't really mean what they say when they publicly declare their support for judicial merit selection.

As Lugar emphasized in introducing a resolution calling for the revised procedures last January:

"It is time to assist the President in keeping his own promise. If 140 new judges are appointed to lifetime tenures on the basis of political partisanship, any hopes for a merit judiciary will be effectively eliminated for the balance of the century."

Lugar is absolutely right. The Senate should be capable of rising above self-interest. And the President should have the guts to lend Congress a helping hand in doing the right thing.

Right or wrong, Carter already has taken the jacket for the appearance of impropriety

in the dumping of former U.S. Atty David Marston in Philadelphia.

And Carter's attorney general, Griffin Bell, put his foot in his mouth by reminding the voters that the Democrats won the election and are entitled to the political spoils of that victory.

Earlier this month, Bell told the Senate Juriciary Committee that he was as concerned as his critics about the "appearance of justice" in the Carter administration.

A good way to end that concern would be for Carter to show the Senate how to clean up its own patronage act.●

MAHON, BROWN AND THE DEFENSE BUDGET

● Mr. GOLDWATER. Mr. President, the state of the Nation's preparedness is more and more becoming a question of great concern to the American people. And I might add that we have had sufficient warning from our military leaders. However, it strikes me that not enough attention has been given to the statements and testimonies of men like Gen. George Brown, Chairman of the Joint Chiefs of Staff. Let me quote a statement he made last February in testifying before the House Appropriations Committee:

In looking back over my previous reports to you, I am struck by the fact that in nearly every area of military strength, there has been a relative decline over the years in relations to the Soviet Union. In light of the extensive growth in military capabilities of Russia, it is questionable whether what has been done is enough to assure the security and well-being of our country in the coming years. Thus, the military risk to the nation—already relatively high—would increase.

In a defense posture report to Congress, General Brown underscored his warnings with this conclusion,

Decisions and actions are required of Congress and the American people to reverse the trend of our declining military strength.

Mr. President, these warnings were treated recently in an article written for the April issue of Officer Review by Lt. Gen. Ira C. Baker, USAF (Ret.). I ask that this article be printed in the RECORD.

The article follows:

MAHON, BROWN AND THE DEFENSE BUDGET

(By Lt. Gen. Ira C. Eaker, USAF (Ret.))

Last February 8th, General George Brown, Chairman of the Joint Chiefs, appeared before the House Appropriations Committee to present his Military Posture Statement, and support the Defense Budget for FY 1979. His opening remarks included these disturbing statements: "In looking back over my previous reports to you, I am struck by the fact that in nearly every area of military strength there has been a relative decline over the years in relation to the Soviet Union. In light of the extensive growth in military capabilities of Russia, it is questionable whether what has been done is enough to assure the security and well being of our country in the coming years. Thus, the military risk to the Nation—already relatively high—will increase."

The Committee Chairman, George Mahon (D.-Texas), replied, "Congress has appropriated during your stewardship, $330.9 billion for national defense. It's rather discouraging to learn from you that this did not buy us the security we need and that the risk has increased."

This exchange brought back for me nostalgic memories over an interval of 33 years. In the Summer of 1945, the Speaker of the House, Sam Rayburn, said to Army Air Corps leaders, "You will inevitably have to close many wartime air bases. If it becomes a question of closing my base at Sherman, Texas or Mahon's base at Lubbock, close mine. Mahon is a young congressman; closing his air base might jeopardize his reelection. He is a levelheaded, hardworking member. I have put him on the very important Appropriations Committee. I have great hopes for him. He may one day be its Chairman."

Captain George Brown, only a few months before Speaker Rayburn's expression of confidence in George Mahon, had led the shattered remnant (only 6 out of 18 planes survived) of his Bombardment Group from the heavily defended Ploesti oil refineries, supplying much of the Luftwaffe's fuel. His outstanding courage and able leadership on that mission won for him the Distinguished Service Cross.

Now, 33 years later, Mahon, as Mr. Rayburn had predicted, is Chairman of the Appropriations Committee of the House and George Brown, having progressed through all the ranks on merit, is Chairman of the Joint Chiefs of Staff.

They were discussing the number one issue before the U.S. and its people, the survival of our country and its continued leadership of the Free World, now in jeopardy because of the growing power of the USSR.

General Brown's Report to the Congress on the Defense Posture of the United States, January 20, 1978, provides the factual answers to his concerns and Mr. Mahon's discouragement.

This report provides evidence that Russia exceeds the U.S. in nearly every measurement of military power and is presently, after having reached parity, spending much more than the U.S. on military forces and armaments.

It then states, "It appears that the Russians intend to have the means, both conventional and nuclear, not only to fight and survive war, but to emerge the stronger side as well. As the Soviet's military capability grows, they may be inclined to take greater risks in testing U.S. resolve."

As Brown concludes in this, his last Posture Statement, "Decisions and actions are required of Congress and the American people to reverse these trends of our declining military strength."●

THE TRIUMPH AND TRAVAIL OF THE PANOVS

● Mr. JACKSON. Mr. President, I wish to bring to the attention of my colleagues the recent story by Alan Kriegsman in the Washington Post on Valery and Galina Panov and their struggle to emigrate from the Soviet Union.

Mr. Panov was dismissed as a principal dancer in Leningrad's Kirov Ballet Co., after he applied to go to Israel. His wife, Galina Rogozina, a ballerina, was demoted and later left the company. The Panovs, after cruel harassment, and a worldwide effort on their behalf, finally were permitted to emigrate in mid-1974.

Mr. Panov has written an impressive book about his experience. As Alan Kriegsman says:

What is especially moving about Panov's ordeal, as he recounts it, is his slow, tortuous awakening to the imperviousness of the tyranny he tried vainly first to placate, then to implore and finally to escape.

I ask that the Kriegsman article be printed in the RECORD.

The articles follow:

[From the Washington Post, Apr. 30, 1978]

DANCING THE KGB TWO-STEP

(By Alan M. Kriegsman)

The story Valery Panov tells in his just-published autobiography, "To Dance," is no diatribe—it's a touching, amusing, disarmingly honest account of an artist's triumph and travail, as treasurable for its amorous episodes and backstage glimpses of ballet intrigue as for its revelations of Soviet oppression. Nevertheless, it's also trenchant proof that an artist, no matter how single-mindedly devoted to his calling, can never escape his societal role and circumstances.

Valery Panov and his dancer wife Galina were permitted to resettle in Israel in 1974 after two years of persecution. In Washington recently, Panov noted that the book was composed in those two years of enforced idleness, during which he was forbidden to dance.

"I spent my days playing tag with the KGB," he said, "and my nights writing." The resulting chronicle is a poignant reminder of the inseparability of art and politics.

In our occasional eagerness to view the arts as a "universal language," capable of erasing barriers between peoples and nations, we may be led to the fallacy that art or artists can be insulated from mundane partisan strife.

Events within recent memory, ranging from the withdrawal of a Woody Allen special from public TV a few years ago and the polemical brouhaha at this year's Academy Award ceremonies, to the spate of defections by Soviet dancers like Nureyev and Baryshnikov, the retraction of Mstislav Rostropovich's Soviet citizenship, and the Panov's emigration struggle, are illustrations to the contrary.

The fact is that the notion is refuted at every turn by the history of the arts from ancient times. Plato counseled in "The Republic," for example, that an ideal society would be wise to encourage only those musical modes conducive to such virtues as fortitude and manly vigor, and should proscribe others that might inculcate effeteness or sloth.

Throughout the ages, the arts have been pressed into service by those two most powerful agents of human divisiveness—the state and established religion. The price exacted for patronage was obsequious homage to the patron. Plays, operas and ballets, from the Renaissance to the industrial revolution, were often thinly disguised genuflections to ruling potentates or regimes. Masters and gifted renegades could circumvent such limitations and produce great works of art, some of a seditious nature, but they were the exception and did not always escape "official" wrath or vengeance.

Political or ethical content in art may be purposeful or inadvertent, authorized or clandestine, implied or explicit, but it is scarcely ever entirely absent, as the censors, book-burners and inquisitors have always been quick to demonstrate.

Sometimes a shift of cultural perspective converts the innocent to the suspect—Mozart's "Cosi fan tutte" was posthumously classified as morally degenerate by a society scandalized by extramarital finagling. Many creative spirits have plunged willfully into the fray—Beethoven, for one, whose convictions about human rights provoked his celebrated angry obliteration of Napoleon's name from the dedication of the "Eroica" symphony.

Sometimes the arts have profited from "lucky" associations; classical ballet owes much of its early advancement to the accident of Louis XIV's fondness for dancing. But there's also that long list of artists who have uprooted themselves to escape repression or vilification, as such names as Isadora Duncan,

James Joyce, Paul Robeson or Alexander Solzhenitsyn impart to mind.

What is especially moving about Panov's ordeal, as he recounts it, is his slow, tortuous awakening to the imperviousness of the tyranny he tried vainly first to placate, then to implore and finally to escape. Born in war-torn Vitebsk in 1938 to a Jewish father and a gentile mother, Panov was a teenager before he had any concept of what "being a Jew" actually meant. By the time he did, he had learned to accept it as something "shameful," best kept hidden.

His father, Matvei Shulman, who had risen from delivery boy to electrician to industrial supervisor, pretended to himself that he wasn't Jewish, but Russian, and what's more, a good Communist—in the period of Valery's crisis, he was even to denounce his son to the KGB. At one point, Panov feels constrained to say of him: "He had developed into a genuine anti-Semite who hated all Jews, including himself."

Though he was largely alienated from his father even as a child, Panov too for a long while attempted to ignore and slither past his heritage. Upon his first marriage to a young dancer, Liya Panova, he adopted his wife's name—an act he unflinchingly calls "my own solution to the Jewish problem." Only gradually did he realize the futility of self-deception, and afterward, his bond with other Jewish pariahs.

The last portion of the book is a painfully vivid but amazingly clear-eyed and unembittered résumé of the sufferings he and his second wife, Galina (who isn't Jewish), had to endure after their application for an exit visa—their dismissal from the Kirov Ballet at the height of his preeminence as the company's leading male virtuoso and character dancer, denial of any work as a dancer; the rejection and treachery by colleagues; harassment, imprisonment, threats, (e.g., to break his legs) and even an attempt at poisoning amid much else.

With the help of an international campaign on their behalf by celebrities, artists, Western statesmen and other supporters, the Panovs saw their plight ended when Soviet authorities, for whatever complex reasons of policy or expedience, allowed them to leave for Israel. In addition to the physical and emotional punishment they both had sustained, Galina also had a miscarriage shortly before their exit, spurred by the shock of the attempt to poison her husband, and the pair lost irreplaceable years in their artistic development.

Their recovery, and courageous resumption of their careers—they'll be seen in Washington at Wolf Trap in June, and will make their New York debut with the Berlin Opera Ballet in July—is a testament to the indomitability of the human spirit. But a further lesson of their lives is that there are no such things as ivory towers—not in art, not in life.●

SUN DAY 1978: A PIVOTAL MOMENT FOR THE EARTH'S FUTURE

● Mr. WILLIAMS. Mr. President, today might more aptly be called Day One of the Solar Age, for today the world celebrates Sun Day. Thanks to the determined efforts of a small but growing band of solar energy pioneers, millions of Americans—from President Carter to our Nation's schoolchildren—have set aside this day, May 3, to study the benefits and the potential of using the Sun for our energy needs. Like the enormously successful Earth Day of 8 years ago which gave everlasting strength to the ecology movement, I believe the world's first Sun Day will prove to be a pivotal moment in American history and for the future of the planet. At long last, we are launching a worldwide demand for and conversion to cheap, inexhaustible solar energy.

Sunlight is abundant, dependable, free, and available to all nations. Each day the Sun provides 10,000 times more energy than all conventional fuels combined. The sunshine which reaches our country alone provides twice as much energy as the fossil fuels currently used by the entire world. Solar energy is environmentally benign. The technology for heating water and for keeping houses warm is fully developed and commercially available. Although solar generation of electricity is not quite so far along, it is progressing rather well. In short, sunshine is everybody's favorite answer to the dilemmas of energy policy. But there is one drawback, solar energy is comparatively expensive.

This need not always be so, however, and with the United States currently paying $45 billion annually for oil imports, it will cost Americans more not to develop solar energy. What is needed now is an array of solar demonstration projects far beyond the present modest scale. We must disseminate knowledge of solar equipment and acquire broad experience with its performance and reliability. Every collector panel installed will mean a little less foreign oil coming into this country and a little less coal going into the atmosphere. Those seem like excellent reasons to start spending money—both public and private—on solar equipment.

Mr. President, in my own State of New Jersey, it has been estimated that 17 percent of the solar rays that fall on the State during one cold January day could provide enough thermal energy to heat all of the homes in New Jersey for the entire month of January. We were fortunate in New Jersey this past winter, that despite the extremely heavy snows and cold weather, we did not experience the critical shortages of natural gas and petroleum that have marked other recent winters. But the very real possibility that these shortages will almost definitely recur has seriously jeopardized the growth of certain New Jersey industries. The development of solar energy will help guarantee a supply of energy to the residential, commercial, and industrial sectors, while allowing more efficient use of fossil fuels.

Solar energy itself has already begun to produce an industry, create jobs and boost my State's economy since the design, construction, installation and service of solar equipment requires professional and technical labor.

The technology for solar thermal water and space heating is available, but its widespread implementation has thus far been inhibited by economic and educational barriers. The high initial cost of installing a solar system discourages many homeowners from considering this option. The relative youth of the solar industry and the lack of consumer education in this field are other impediments. Institutional barriers include building and land use practices which do not accomodate solar energy.

In addition, there is the problem of accommodating solar users within the current utility rate structure for gas and electricity. I am pleased that New Jersey, through its board of public utility commissioners, has recognized the rate disadvantages faced by solar customers, and most State utilities are now redesigning their rate structures to eliminate this unfair and unwise discrimination.

Solar research traditionally has been given a small allotment by both Government and industry. Total Federal funding for solar programs was less than $100,000 per year before 1972. This has improved dramatically, with a budget request of $320 million for solar programs in fiscal 1978. But this is still far less than that appropriated for other energy sources whose environmental desirability is questionable. At best it is reassuring that President Carter has ordered a review of all federally sponsored solar energy programs. So far the administration's focus on solar energy has been disappointing. The time has clearly come for a well-financed, accelerated and above all, coordinated Federal program on solar energy. I hope the administration's active participation in today's Sun Day celebrations is an indication that such a policy is forthcoming.●

THE IMPOVERISHED PHILANTHROPIST

● Mr. SCOTT. Mr. President, the May issue of Reader's Digest has an article entitled, "The Impoverished Philanthropist." It is about a postal employee residing in Richmond, Va., Thomas Cannon, who has given money to persons he believed in need and worthy, a total sum of $35,000 over the past 10 years. This, according to the article, on an annual salary of less than $17,000. Perhaps he sets an example of what an individual can do to help his fellow man even though he himself is not at the highest income level.

I would like to print the entire article in the RECORD.

The article follows:

THE IMPOVERISHED PHILANTHROPIST

(By Gerald Moore)

There are no libraries named after Thomas Cannon. He has never endowed a college or built a museum. Yet this athletically built, slightly gray, 52-year-old postal worker from Richmond, Va., has probably, in proportion to his income, given away more money to good causes than some of America's greatest philanthropists.

In the past ten years, by working hard and living frugally, Cannon has saved and then given away to deserving strangers and acquaintances about $35,000—while he earned a base salary of less than $17,000 a year. He has directly helped scores of people with his cash gifts and inspired thousands more through his good example. He is neither a sucker nor a nut, though he has been called both.

"Some people think I'm a one-man welfare department," says the energetic Cannon. "But I'm not. I give money to people because I have been blessed, both as an American and as an individual. I want to share those blessings. And I give money to set an example of concern, to reward good works, or great courage, or to help people who have struggled and are on the verge of despair."

Some examples of this philosophy in action:

One August afternoon a few years ago, two armed holdup men entered a Richmond food-stamp-distribution center, where off-duty police officer Vernon L. Jarrelle, Jr., was standing guard. In the shoot-out that followed, Jarrelle, 22, was killed, leaving his wife and baby daughter without insurance. The next day, Cannon read of Mrs. Jarrelle's plight, and sent a $1,000 check to the widow.

"I had no way of knowing what her financial position was," Cannon says. "But this was a situation where I, acting as an individual, could help immediately. She needed encouragement right then, that day, not weeks or months later."

When Cannon heard about Charles Patterson, Jr., who was making a life for his family despite a debilitating brain tumor and, indeed, had persevered to get a high-school diploma, Cannon was impressed by the man's gallantry and wrote out another check for $1,000.

Last November, Cannon read a newspaper story about a young father whose wife fell into a coma after delivering their fifth child.

Bobby Hudson was already holding two jobs trying to provide for his family. And, unless he could find a woman to help care for the children, he faced sending some of them to foster homes. Cannon sent Hudson a $1,000 check with a brief note: "This gift is motivated not only by your need, but by your impressive demonstration of devoted and and courageous fatherhood."

There is nothing naïve about Cannon's approach to good works. He recognized long ago that the needs of the world go well beyond his own small financial resources. But that did not stop him from doing what he could. "I could sit around feeling bad about the state of the world," he says, "and do nothing because the problems are so large and my income is so small. That just isn't my way. I can do a lot, by just doing it."

It was this attitude and a lot of personal discipline which first pulled Cannon out of the depths of rural Southern poverty. Born into a poor black family in Richmond, he was just three when his father died and left the family destitute. One of the few things Cannon's father left the family was an illustrated collection of Biblical stories, a book that had an early influence on Cannon.

At age 13, Cannon dropped out of school to help support his mother and himself. At 17, he joined the Navy and was assigned to an all-black battalion loading munitions ships bound for the Pacific theater. On July 16, 1944, Cannon was transferred to gunnery school. The day after he left his old battalion, two ships blew up, and 322 men he had served with were killed.

Cannon wondered why he had been saved. "I was single," he argues. "I was expendable. There were men killed who had families, who were needed. Yet, I was spared. It started me thinking." Still, Cannon had no reason to draw any hard conclusions about his good luck, until it happened again.

After the Navy, he took a job unloading sugar boats at the Richmond waterfront. "One day," he recalls, "as a load of sugar was being lifted from the hold by a crane, I started off to get a drink of water. I had taken about a dozen steps when I heard the other guys yelling. I looked up to see a several-ton pallet falling right at me. I tried to run, but tripped. The pallet hit me as I fell and knocked me down into a depression between some sugar sacks. Miraculously, I was unhurt. That was just too much to explain as mere chance. I realized someone was looking out for me; I was being saved for a reason."

Cannon decided to go back to school and, in his typically direct manner, enrolled in the eighth grade at Maggie Walker High School in Richmond. "I admit it created a little stir when I showed up for classes," he says with a chuckle. "I was 23 and the biggest kid in the class!"

At the school, Cannon attracted the attention of a teacher who was to have a major influence on his life. "After consulting with the guidance counselor, she realized I was capable of schoolwork higher than eighth grade," says Cannon. "And so she arranged for me to take a college-entrance exam. I passed, and in one year went from the eighth grade to college at Hampton Institute. That never would have happened if my teacher hadn't cared."

By this time, Cannon was married and working nights in a textile mill to support himself and his wife, Princetta, and their two children. His successful completion of the college-entrance exam made him eligible for the G.I. Bill of Rights which he regards not as payment for his military service but as a blessing bestowed on him by his country. Years later, when America celebrated the Bicentennial, he sent each state and territorial governor $50 to use at his discretion, together with a letter which read, in part: "I praise America for her many inherent virtues as a nation, and express my heartfelt appreciation to her for the many blessings which she has bestowed on me personally—not the least of which was my formal education financed by the G.I. Bill."

After college, Cannon wanted to teach art, but there were no high-school jobs available. Eventually, he entered the postal service, and later requested duty working on the postal car of a train, sorting letters. "Riding the trains at night, I had lots of time to think," he says. "I felt very deeply that I should be helping others in some way, but I hadn't found the means."

Then one night, after Cannon had been transferred to Richmond's main post office, a curious thing happened. "Several of us were working along a conveyor belt, sorting mail, and having a philosophical discussion. I said, 'As a man soweth, so also shall he reap.' At just that moment, a big manila envelope came down the belt and burst open right in front of me, spewing forth sheets of paper. And on the topmost sheet was conspicuously printed the same quote!"

Cannon's desire to help others had always been spontaneous, informal. Now, he wanted to take some direct and organized action. But what could he, only a postal clerk, do?

"It all fell into place when I recognized that money is the most powerful symbol in our culture," he says. "But properly using even small amounts, I could help people and make a powerful statement. I realized that if I earned as much as I could, lived carefully and used any extra money to help others, then my life would mean something."

"Extra" is a tricky word, of course. Some people never have any "extra," no matter how much they make. Cannon, partly because of his youthful poverty, has a very sure sense of what is necessary and what is "extra." His house is old and run-down. His car is 14 years old. He spends very little on clothes, virtually nothing on liquor and nothing at all on tobacco. "We are warm, have enough to eat and don't lack for the essentials of life," he says.

Cannon has not neglected his family to pursue his avocation. He sent both his sons to college. He tries to keep at least $2,000 to $3,000 in his savings against a family emergency, but there are few frills. Almost everything else goes to help others.

His work has not always received praise. "Some of my neighbors think I'm crazy," he says. "They tell Princetta she ought to stop me. But after 31 years of marriage, she understands what I'm doing—and why."

Other people understand, too. Recently, Cannon received the kind of letter which simply overwhelms all criticism. Written by a third-grade class in San Diego, it said: "Our country is lucky to have a citizen who cares so much for other people. We are proud that you are an American!"

A letter like that, Cannon says, is better than just about anything his money could buy.●

CELEBRATING SUN DAY

● Mr. CLARK. Mr. President, I am pleased that Americans have chosen today to celebrate the Sun and sunpower's potential to be harnessed on Earth. Often, naming national days for the celebrating of "something or other" is a waste because most people are not interested.

But, it seems to me that Sun Day is different because many Americans are excited by the prospect of using solar energy in their homes, on their farms, and in their businesses. In the lexicon of new energy sources, solar energy is the most real to the most people. Repeatedly, all across Iowa, people have told me that they are interested in solar energy, they want to know more about it and how they can use it. The interest in solar power doesn't come from one group of enthusiasts—it seems to fascinate everyone.

I think there's a reason for this—a reason that goes beyond a desire to cut down on dependence on foreign oil and even beyond the desire to cut costs. Sunpower strikes a special chord in people who are fed up with being dependent on some outside, impersonal source for the energy that is essential to their existence. In Iowa, it goes right down to our midwestern roots—our forefathers were people who moved West so that they could depend on their own efforts and the resources provided by nature to sustain themselves. Solar energy arouses an awareness in people that the potential for that kind of self-sufficiency still exists.

That is not to say that Iowans or others excited by the idea of sunpower are planning to withdraw from the modern world. But I think people want to reduce their dependence on outside sources even while knowing that they cannot cut themselves off entirely. The support for developing solar energy is more a populist political movement than a burst of enthusiasm for a new technology. It is an attempt to create a more manageable world—a less centralized society.

Iowans have long had a special appreciation for the Sun because, in one way or other, most Iowans are dependent on crops that will not grow without the Sun's rays. But Iowans are not alone in their willingness to celebrate the Sun—it is estimated that 30 to 40 million Americans in 450 communities will participate in Sun Day—and 22 nations around the world are joining in the celebration. In Iowa, activities range from solar fairs, slide shows, and solar demonstrations to a sunrise celebration and sidewalk shows. The activities will occur in every kind of place from rural areas to small towns to big cities. Of course, many Iowans will neither participate in or know of Sun Day celebrations, but interest is widespread and it is still growing.

Sun Day, of course, is only a pause to

reflect on what sunpower can do for us—a chance to spread information and enthusiasm. But the hard work of realizing sunpower's potential is already underway. In Iowa there are quite a few solar houses—many of which I have visited. Farmers have a special interest in using the Sun in new ways because agriculture is so energy intensive. Because of their familiarity with technology and their total involvement in their own operations, farmers seem especially open to innovative uses of solar energy. Already, solar energy is being used for drying grain and other crops, for heating and cooling greenhouses and milking parlors, and for heating swine and poultry houses. As the work on these processes progresses, they will become more economical and more widely available than they are now.

And that is one of the purposes of Sun Day—to see that our national commitment to solar energy remains strong. The work that has been started must continue. The commitment that created Sun Day in the first place goes much further than Sun Day itself. It is a commitment to using new technology for renewing an old freedom—a freedom from total dependence on outside sources for vital necessities. It is part of this country's heritage and the supporters of Sun Day want to make it part of this country's future.

Mr. President, I firmly believe that "letting the Sun shine in" will be good for the United States. Those of us in Congress must make sure that Government policies effectively encourage swift and steady development of solar energy—recognizing that we are supporting not only an energy resource, but a part of our national dream.●

IN CELEBRATION OF SUN DAY

● Mr. HAYAKAWA. Mr. President, I am proud to have been a cosponsor of the resolution proclaiming today, May 3, as Sun Day. The purpose of this national event is to focus public attention on solar energy. I hope it is the beginning of a new era of solar awareness, solar acceptance, and solar use.

Over 500 cities are joining the celebration with activities such as exhibits, fairs, seminars, concerts, and many, many other events. A broad coalition of consumer, labor, church, environmental, educational, and government groups are participating.

Mr. President. most people believe solar energy is limited to capturing the immediate energy of the Sun's rays. However, solar actually refers to a wide range of energy sources; wind, biomass, low-head hydro, tidal and geothermal, as well as direct solar heating and cooling. Solar water heaters, solar space heaters, windmills, highly efficient wood stoves, and other solar devices are already on the market and economically feasible. We are seeking, through Sun Day, to heighten citizen understanding of the potentials of solar energy sources, provide information on how to use solar now, and coordinate the burgeoning interest in solar into a citizen movement which will accelerate the demand for and use of solar technologies.

I am especially proud on this day that my State of California has moved into a position of leadership in solar energy. The State, with 10 percent of the people in the country, has 20 percent of the manufacturers of solar energy equipment listed by the Department of Energy. These firms are involved in all types of devices from low temperature swimming pool heaters to the most advanced high capacity photovoltaic cells. Beyond this, a number of academic groups and engineering and architect/engineer firms are engaged in exploring further new developments. These range from improved solar systems and installation methods for lower costs and greater reliability to totally new power concepts.

A California State bill was signed into law September 1977 allowing Californians to deduct 55 percent of the cost of installing solar heating devices from their State tax bills, up to a maximum of $3,000 over a 4-year period. The California Energy Commission estimates the new law might encourage the installation of as many as 170,000 solar units from 1977 to 1980. A testing and certification program should be approved by the energy commission in another month. Under this program the State would accredit certain private testing labs so they can test solar equipment. This is an exciting program as it will help perfect equipment and make information available to consumers.

We also have a program where water and space heating solar units are being installed in State parks. The first practical application of solar energy in a major industry took place in California in the form of a solar heated laundry. In addition, the new 2,500 square meter Santa Clara community recreation center in California is one of the first large buildings in the world to be both heated and air-conditioned by solar power.

Our utilities are also actively involved. Pacific Gas and Electric Co. has made an extensive commitment to solar R. & D. with a budget of $530,000 for 1977 and $650,000 this year. Southern California Edison Co. is participating in 13 solar research projects including the 10 megawatt "power tower" to be built in Barstow. San Diego Gas & Electric began their first solar project in 1973 and spent over $600,000 through 1977. Their solar budget for this year alone is $480,000. I hope that through the attention Sun Day will bring to solar energy all States will become as active as California.

Mr. President, there is a point I would like to bring up as we celebrate this day. I think we all agree that utilizing solar energy is relatively expensive; its long-range growth as a worldwide source is limited primarily by the competition from cheaper conventional fuels. I fully concur with a Washington Post editorial appearing last week. It stated the most effective way Congress can promote solar energy is to deregulate oil and gas prices. As long as controls hold these fuel prices low, solar cannot effectively compete. This idea is so very logical and simple. Yet many of the staunchest supporters of solar energy are also the most vehement supporters of continued price controls. Perhaps, because today is Sun Day, my precontrol colleagues will see the light of day and begin supporting decontrol of oil and gas prices.

Mr. President, I believe proclaiming today Sun Day offers a unique opportunity for the Nation to participate in developing energy policy. I hope that everyone will take advantage of that opportunity.●

THE INAUGURATION OF SUN DAY

● Mr. HEINZ. Mr. President, we have been rather slow in developing strategies for coping with the serious energy problems our Nation faces. Only recently have we begun to realize the implications of our dependence on foreign oil; foreign policy implications and the expense and the risk involved have forced us to search for alternate sources of energy. The Sun represents the only energy source which is inexhaustable, reliable, inexpensive, and readily available. I am happy to see that there is now general support in Washington and across the Nation for the utilization of solar energy and that May 3, Sun Day, will be a day on which Americans join together to demonstrate their commitment to securing an alternate means of fulfilling our Nation's energy needs. Sun Day will be the inauguration of a national drive to put the Sun's energy to use.

Much of the technology for harnessing the Sun's energy has been developed even though we have not yet put it to full use. Solar space and hot water heating, for example, has long been successful and warrants a continuing commitment to commercialization and marketing. It is Congress which must continue to take the lead at this point and to provide the necessary incentives to encourage businesses and citizens to meet more of their energy requirements through solar energy and to provide necessary R. & D. funds where the technology is not yet fully developed. Support for such legislation along these lines has developed and a number of important bills which I was pleased to cosponsor have been introduced.

These bills would provide financial incentives for installing solar and energy conservation equipment and measures, establish a cooperative program with developing countries to accelerate the development of rural energy technologies, promote the use of solar energy and energy conservation in Federal buildings, provide incentives for small business incentives in solar energy research and demonstration, and give a tax credit to individuals for investments in renewable energy and energy conservation. This legislation represents a concerted effort in Congress to deal with our national energy problems and to put our solar energy technology to use.

Much of this legislation is the work of members of the Solar Coalition, a group of Representatives and Senators committed to a meaningful future for solar energy. Susannah Lawrence of Consumer Action Now has provided overall coordination and leadership. The Coalition has been responsible for much of the innovative solar legislation introduced in the 95th Congress and now will

be directing its resource at getting its many proposals adopted.

Sun Day will be a celebration of our national commitment to solar energy and it serves as well as a useful reminder of our vulnerability and reliance on exhaustible sources of energy. Solar energy makes sense politically for that reason. It also makes sense environmentally. We must now continue our work to insure that it makes sense economically as well.

I hope that Sun Day—now and in the future—will make the development of improved and new technologies for energy production and conservation a reality.●

"A PLACE IN THE THE SUN"

● Mr. SCHMITT. Mr. President, an energy policy for Americans must rapidly give the citizens of this Nation the motivation, the resources, the information, and the leadership they can use to move our Nation from a time of impending energy crisis to a time of energy balance and growth. Since the rapid acceleration of the industrial revolution during the 19th century, our use of natural resources has been out of balance with the capability of the Earth and the Sun to renew those resources. The essence of the task before us is to reestablish that balance on our place in the Sun.

Today, Sun Day, is a step toward eventually attaining that goal. It reflects a positive spirit that calls on the best in the American character, the creativity, the imagination and will that met the major challenges of the last 200 years.

If the use of solar energy is combined with a strong emphasis on the efficient use of all energy, there can be no question that most of our future energy needs can be met. It is clear that to survive the present we must produce oil, gas, and coal, upon which our economy now depends. We must use these immediate resources more efficiently and with a minimum of environmental pollution. It also is clear that we must buy time for a solar future by use of other domestic energy resources. For the long-term, however, we must continue our inexorable way toward harnessing the most abundant and cleanest of our energy resources, the Sun.

Harnessing the Sun will require both terrestrial and space-based electrical power facilities as well as direct heat and light, heat stored in oceans, chemical energy from plant life and dynamic energy in wind, rivers, and waves.

The Sun's role in our energy lives increases daily:

Passive solar thermal "greenhouses" are proliferating in New Mexico and the Southwest where they can provide an average of 50 percent of the heat needed by a house in winter.

Solar energy collectors on the roofs of large new buildings and feeding heating or heating and cooling systems are becoming commonplace in this same region.

The first modern large windmill that feeds electric power into a municipal power system is in place in Clayton, N. Mex., soon to be followed in other localities throughout the country.

As research and development drops the price, the use of solar cells for the direct conversion of solar energy to electricity expands and approaches a time where they can provide much of the electricity for our homes.

The conversion of biological waste and true energy crops to energy has begun in a few localities and promises to expand rapidly over the next few years.

These few examples show that a "solar civilization" is just around the corner.

However, there may be one thing missing from the ingredients of our solar future. We may need a great and positive symbolic demonstration of solar energy, symbolic of both its esthetics and its utility. As the Eiffel Tower symbolizes the esthetics and strength of steel and the Jefferson Arch symbolizes the esthetics and rebirth of St. Louis, so could a dynamic and artistic sculpture symbolize our commitment to the Sun.

Special activities going on today all over this Nation and in many other countries are in celebration of the solar idea. It is through these activities; seminars, fairs, teachins, concerts and demonstrations that solar energy will begin to play a major role in meeting our national energy goals and enhancing our spaceship Earth.●

SUN DAY

● Mr. RIEGLE. Mr. President, today is Sun Day, a time when it is the official policy of the Government, in close cooperation with tens of thousands of private citizens, to explore and celebrate the vast potential for power that rests with the harnessing of the Sun. Many of us in the Congress have, for several years, called attention to the safe, inexpensive, and reliable resource which is shared by all nations, and is captive to the politics of none; namely, the Sun.

Yet, as I speak, Mr. President, solar energy, which has been called the centerpiece of President Carter's energy program, is only going to receive minuscule financial support from the Federal Government this year. Less than $750 million will be spent on solar energy; this contrasts sharply with the nearly $2 billion appropriated for civilian nuclear development. Since the end of the Second World War, nearly $15 billion has been spent by the U.S. taxpayer to subsidize nuclear research and development. Against this massive amount, the Government has allocated less than $1 billion, prior to the present fiscal year, for solar energy research and development. In my judgment, nuclear energy is a transitional energy form with serious and growing problems associated with its development and use. Solar, on the one hand, is clearly the key to safe, reliable and renewable energy which the United States and the world so vitally needs.

The figures mentioned earlier, Mr. President, do not even reflect the vast amounts spent for nuclear research and testing by the military; nor do they take into account the Price-Anderson guarantees on liability which go to the operators of nuclear powerplants. These plants, of course, also raise the spectre of the possible fatal nature of nuclear power should an accident occur. Private insurance companies realize this and thus refuse to insure the nuclear plants. The Government must then limit the liability of those plants by statute—and the public is forced to pay for the coverage of these risks.

What success has solar power achieved when it has been given a chance? In Japan, for example, more than 2 million buildings are equipped with solar power. In Israel, 20 percent of all homes have solar units. But here in the United States, less than 40,000 buildings have some sort of solar power unit. The President aims at establishing 2.5 million solar-heated homes by 1985, yet the Energy Industries Association believe they could exceed this goal by at least a factor of three times, if the country committed itself to this goal. Still, this would place the United States, which is becoming increasingly dependent on petroleum from foreign or difficult-to-reach domestic sources, behind the Japanese, proportionally, in the development and use of solar power. This is happening while the other major industrial powers are working to become less dependent upon oil.

Mr. President, I earlier introduced along with the senior Senator from South Dakota (Mr. McGOVERN) legislation which would allow States, by referendum or legislative action, to delay or reject the disposal of nuclear waste within their boundaries. This was a key effort to give States the power to protect themselves adequately from the radioactive wastes from nuclear powerplants—a problem we solve altogether by turning to the alternative use of solar power.

I have also introduced, and had accepted, an amendment which would have the Import-Export Bank give new emphasis to the export of solar technology and thus spur the development and installation of American made solar power facilities around the world. Approximately 60 percent of the energy used in the underdeveloped world is solar related. I want this figure to grow; I want American industry to develop that technology; I want solar power, cheap in cost, and safe from the conversion into nuclear weapons (by terrorists or hostile states) to help contribute to the solution of the American balance-of-payment problems.

The creation of a solar research station at Golden, Colo., was a step in the right direction toward reaching energy self-sufficiency. Additional sites are located around the Nation, including Michigan. A solar energy research plan in Michigan has developed comprehensive programs for energy technology transfer. The Central Solar Energy Research Corp. and my office have cooperated to present the Department of Energy with plans for a Solar Technology Institute. A final decision has not been made on whether or not to fund this Institute, and this raises the question of how serious the administration's commitment to solar development is. There appears to be little argument that the project in Michigan is valuable and a wise investment for Federal resources.

I have urged, with many of my fellow Senators, that the Philip Hart Senate Office Building be a demonstration of solar heating and cooling and thus help develop the technology that could be transferable to other public and private buildings.

I support the President's plan to encourage, through grants or tax credits, or deductions, the installation of solar heating and cooling units in homes and offices.

I support the administration's plans for the installation of solar units in Federal buildings. But I urge now, as I have done before on this floor, that more important emphasis be placed on this project, that more money be allocated, and that the program be given the highest priority within the Department of Energy.

If a large and expanding market can be created and guaranteed for the hundreds of independent entrepreneurs who are the majority of the solar heating and cooling industry, the Nation can achieve great economies of scale; solar units can become affordable by the average American citizen and businesses of all sizes; the savings of oil and gas could amount to a third of last year's consumption; and steady, productive, and well paid jobs would be created for literally hundreds of thousands of people who work in the housing and allied trades industries.

Mr. President, I applaud the efforts of the organizers and supporters of Sun Day. They offer us the best practical solution to the energy crisis, and I will continue to do all in my power to see that that practical development and use of solar power becomes the major element of our national energy strategy.●

SUN DAY

● Mr. MATHIAS. Mr. President, today is Sun Day, heralding the advent of the solar age. Earlier this year, Congress resolved that May 3—Sun Day—be devoted to campaigning for the development and exploitation of solar energy. Today, numerous festivities and educational events, celebrating the many uses of solar energy, are taking place in every State of the Union.

The popular response to Sun Day has been tremendous throughout the country. International interest runs high as well. It seems to me that this great outpouring of enthusiasm reflects man's boundless faith that by determination, adaptability, and creativity he can solve even his most serious problems.

In the Sun Day Times of May 1978, Katherine Seelman describes the energy crisis as "a challenge to human beings who have not yet learned to equitably distribute finite amounts of energy and other resources within biologically sustainable limits, during a period when the rapid depletion of traditional sources—such as petroleum and wood—and their replacement by hazardous substitutes—nuclear energy and coal—threaten world stability and the health of the biosphere." Sun Day represents one of man's attempts to surmount this challenge.

Pilot projects at home and abroad reflect increasing interest in the use of solar energy. Maryland has pioneered in this effort. The late Clarence M. Kemp of Baltimore was granted the first patent for a solar hot water heater in 1891. It is worth noting also that Solarex Corp., located in Rockville, Md., is the only manufacturer of the photovoltaic cell, a device that generates electricity from sunlight, aside from the major oil companies. Maryland Action, a statewide organization in Baltimore, has initiated a broad-based community coalition that presented two very effective citizen forums to explain the advantages of appropriate solar technology in low-income neighborhoods. In addition, the new building of the Calvert Memorial Hospital at Prince Frederick, Md., will make it the first general hospital in the country to operate with solar-assisted power and Timonium Elementary School is unique in that it is the first school in the country to have classrooms which are heated and cooled by solar energy.

Two projects in New York already demonstrate the feasibility of appropriate technology in low-income neighborhoods. Interested citizens, with the help of a task force and the Community Services Administration and in return for qualification for residency, remodeled an old tenement and retrofitted it with solar panels. These supplied 80 percent of the building's hot water needs and cut the fuel bill by $4,000 per year.

It is particularly significant that Saudi Arabia, a country so very rich in fossil fuels, spends a great deal on solar energy research and development. The new city of Jubail in Saudi Arabia will include a residential section where homes will have solar heating, cooling, and hot water. There are about 2 million solar hot water heaters in Japan, and 200,000 in Israel (serving 20 percent of the homes). France is spending $30 million a year on research and development aimed at commercializing its solar industry. And in Sweden, where half of all oil imports are used in home heating, the Government underwrites 35 percent of the cost of home solar units up to a maximum of $650. At least five major oil companies are involved in solar energy. Energy development is what oil companies know best.

No one can deny that renewable sources of energy must be developed and that solar energy has great potential in this regard. "Progress and Promise," a report by the Council on Environmental Quality, concludes that solar technologies could provide one-fourth of all U.S. energy needs by the year 2000. Says the report:

> It seems clear that the federal government—for a time—must play a strong role in furthering solar development.

More jobs and less environmental deterioration would be created per unit of solar energy than with any other source. And solar energy, of course, is sustainable for as long as the Earth remains inhabitable.

But acknowledging the problem and identifying the solution is only half the battle. The victory lies in acting on this knowledge. Sun Day will serve to hasten this victory. The efforts of the Sun Day/Solar Action Group must be applauded. Its members have worked tirelessly to make this day a success. They deserve our thanks and appreciation for establishing Sun Day as an important and memorable milestone on the road to energy independence.●

SOLAR ENERGY MEANS ENERGY INDEPENDENCE AND JOBS

● Mr. JAVITS. Mr. President, I would like to introduce into the RECORD today the text of my remarks about the importance of Sun Day, 1978. They were prepared for delivery to the Sun Day Seminar in New York City, an important event sponsored by the New York State Alliance to Save Energy, which I helped to organize, the New York Society of Security Analysts, and Consumer Action Now. The seminar was held in the auditorium of the Chase Manhattan Bank at 1 Chase Manhattan Plaza in New York City.

My remarks follow:

SOLAR ENERGY MEANS ENERGY INDEPENDENCE AND JOBS

Since the energy crisis burst onto the scene in 1973, I have been concerned at the lack of response that has been generated in the U.S. In many past crises, every segment of society worked closely together to develop necessary and often imaginative solutions to the problems of the day. But not so with the energy crisis. Up to now, the public has been apathetic at best, business has not promoted adequately new and innovative technologies, and Congress and the President have been mired in an interminable debate over a comprehensive plan to deal with this country's energy problems. And all the while, OPEC continues to levy a huge "tax" on the American public in excess oil prices, with the effect of limiting our capital for economic growth and depressing the value of the dollar.

Therefore, I am greatly encouraged by the tremendous interest Sun Day has generated throughout the country. At long last, something in conservation or alternate energy sources has caught the imagination of the American people; and that something—solar energy—is not a fanciful dream.

Solar energy is here now, with technology that is (at least for some uses) fully developed and available. Indeed, solar energy is such an obvious solution that we can only wonder why the first Sun Day was not five years ago when the OPEC countries first made clear our energy vulnerability. As one company has noted in its advertising for solar equipment: "An answer to OPEC comes up every morning."

Solar energy offers a combination of advantages unique among energy sources. The fuel is unlimited, and it is free. The technology is non-polluting, and doesn't produce dangerous wastes. Solar energy is already part of the biosphere, and its use does not introduce any heat imbalances on the earth, as might the release of heat from fossil or fission fuels. Importantly, it is available over the entire surface of the earth without the need for expensive technology to extract, refine, or deliver it; thus it is far more secure from technical or political disruption than any conventional source of energy. Its widespread use could free fossil fuels for other needs, such as industrial chemical feedstocks. Further, its deployment in the Less-Developed Countries could help meet their energy, food and development needs, while assisting in the growth of a large enough market to justify mass production in the U.S., and elsewhere.

I don't want to bore you with an endless array of statistics about solar energy, but

I think a few will be enlightening. In only one year, the solar radiation reaching the surface of the United States exceeds the total amount of fossil energy that will ever be extracted in the United States. One half of one percent of this energy is more than the highest estimate of our total annual energy consumption in the year 2000. And if only 35 percent of our building and heating needs were met by solar energy, we would be saving approximately 3,000,000 barrels of oil per day or ⅓ of our imports.

In addition to its availability, and its beneficial effect on our consumption of oil, there is another advantage to solar energy that is equally important, but gets less attention. Unlike nuclear energy or petroleum, which are highly capital intensive industries, solar energy is highly labor intensive. While centralized facilities such as power plants employ a relatively small number of highly trained personnel to run complex automated equipment, they do not offer job opportunities to the hard-core unemployed.

Decentralized technologies such as solar energy, offer far more favorable employment opportunities. For, while a sizable portion of solar equipment will be manufactured by large industrial concerns, these companies will not be installing it. Rather, it will be installed by local contractors, builders, and developers using local labor. The Federal Energy Administration has estimated that 3–4 million person years of direct jobs would be needed in solar energy development by the year 2000. Included would be jobs for carpenters, cement masons, electricians, plumbers, sheet metal workers, air conditioning and heating technicians, crane operators, welders, bricklayers, painters, electrical engineers, and so on. Indeed, solar energy utilizes a higher number of tradespeople per professional than almost any other energy source. For example, for nuclear energy the ratio is 2:1, for solar technology it is 9:1.

It has been estimated that $2 billion invested in conservation and solar power provides four times as many jobs as the same amount invested in nuclear power. Each unit of solar energy requires 2½ times more jobs to produce than the same amount of energy produced by nuclear fission. I am not advocating that we abandon the nuclear option, or any other option. But I do want to emphasize that a better mix of energy sources, with an increased emphasis on decentralized technologies, such as solar energy, will not only ease the energy crisis, but will create new employment as well.

With all of these advantages to solar energy, the question that must be asked is: Why aren't we further along yet in using this promising energy source? The answer is that substantial problems remain, problems which are in part technical and in part economic but which can be solved in their entirety if we all work together.

Perhaps the most important problem is the high initial cost of solar equipmest. Currently, public utilities absorb most of the capital costs associated with energy distribution, and recover those costs through their monthly billings to consumers. But with solar energy, it is the consumer who must bear the initial capital cost. Faced with the choice of a high outlay now with solar energy, and much smaller monthly fuel bills with conventional technology, all but the most committed enthusiast will choose the latter.

I believe there are several ways that the cost of solar energy systems can be brought down to the point where solar becomes an attractive option. The National Energy Plan, still stalled in Congress, provides tax credits to those who install solar technology. Several other bills currently before the Congress would make low cost loans available for the installation of solar equipment. Congress must get on with passing legislation to encourage the development of this type of energy—after all, through depletion allowances, tax incentives, and similar means, Congress has for years subsidized other forms of energy production, to the extent of $133.7 billion, since 1918.

But the responsibility does not rest entirely with the Federal government. States and localities must examine their tax laws to assure that a homeowner's tax assessment doesn't rise precipitously if solar equipment is installed. States must also examine their public utility laws to make sure that residential users of on-site solar energy systems are not subject to needless regulation.

Banks must examine their lending policies. Unnecessary reluctance on the part of mortgage lenders to provide funds for this new and different solar technology has been a significant restraint.

Consumer groups must come to grips with some of their basic assumptions as well. Solar energy will continue to be regarded as a somewhat exotic energy source so long as traditional fuels remain cheaper. As a Washington Post editorial last week noted: "Most of the organizations that campaign for solar solutions are also vehement defenders of price controls on oil and natural gas. The controls hold fuel prices low, which encourages waste and undercuts the new solar technology." We cannot have both cheap fossil fuel and widespread solar technology. Since fossil fuels will run out in the near future in any event, the choice should be clear.

The solar industry in cooperation with the appropriate government agencies such as DOE and HUD, must continue to develop warranty and performance standards to build consumer confidence. Equipment that does not function or cannot be serviced will destroy the market for solar energy. Indeed, in this country's one previous attempt at commercial application of solar energy, widespread use of inadequate solar hot water heaters in Florida in the 1940's and 1950's led to a negative attitude toward solar energy, this is still felt there today.

In addition to tax incentives and loan guarantees aimed at fostering the solar industry, there is another approach that has not received much attention, but which in the long run may prove most useful of all. I believe that, as solar technology develops to the point where it can replace conventional systems, we should begin to require that new construction use it to the maximum extent feasible, starting with buildings under Federal control. Right now, a significant amount of energy could be saved by the use of passive solar technology—designating buildings to make maximum use of the sun. As active systems, such as space heating, become commercially viable in the near future—and we are only talking about a very few years—their use should also be phased in by law.

I realize this is a difficult concept to implement. Innumerable local building codes would have to be revised. Systems that can be used in one part of the country might not be usable in a region with a different climate. The issue of solar access—an individual's right to have access to sunlight without having it blocked by a structure on his neighbor's property—will have to be addressed. Difficult as these problems are, we must not delay in working toward their solution. For, the sooner we move toward solar energy, the more secure will be our future. ●

THE NEED FOR GERIATRIC EDUCATION

● Mr. BURDICK. Mr. President, a recent edition of the American Association of Retired Persons News Bulletin included an article I would like to bring to the Senate's attention.

This article highlights the growing national awareness of the need for more geriatric education in our medical schools. It discusses S. 2287, a bill I have introduced in the Senate to encourage this training as well as why such education is needed. It is a succinct and informative article, and I commend it to my colleagues. I ask that it be printed in the RECORD.

The article follows:

MEDICAL STUDENTS URGE EMPHASIS ON GERIATRICS

Increased support of training and research in treatment of the aging was urged by the American Medical Student Association at its recent annual convention in Atlanta.

Despite considerable interest in geriatric medicine in at least seven western countries, there was not a single endowed chair in geriatric medicine in the entire United States until January, 1977, when the New York Hospital-Cornell Medical Center established one in New York City.

National Institute on Aging Director Dr. Robert N. Butler has repeatedly pointed out in articles and speeches that the education of physicians—both researchers and practitioners—ignores aging and age-related programs. "Geriatric medicine simply is not taught in a nation where one in 10 is elderly," Dr. Butler emphasized.

In addition to the Medical Student Association action, there have been two other instances of developing interest. One is a new Ohio law that requires that geriatric medicine be taught in state-supported medical schools, effective this year. And Sen. Quentin N. Burdick (D-N.D.) has introduced a bill (S. 2287) to authorize up to $15 million in federal grants over the next five years for geriatric training in medical schools. So far no hearings have been held.

Of the 114 U.S. medical schools, only 32 offer elective courses in geriatric medicine. In contrast, all Soviet medical schools and nurses' training facilities were ordered to begin teaching mandatory courses in geriatric medicine in January of this year, according to an American correspondent's news dispatch from Moscow. In Canada, 10 out of 16 medical schools offer geriatric training, and Great Britain, Denmark, Holland, and Israel all have geriatric training in their medical schools.

Dr. Butler has pointed out that most American practitioners realize the shortcoming of medical education in this country; 75 per cent of them said they needed special training in geriatrics when polled by the American Medical Association.

He is convinced that "the teaching of geriatric medicine is necessary to serve as a catalyst for the research that forms the basis of a good health delivery system." ●

TAX REFORM FOR SMALL BUSINESS

● Mr. RIEGLE. Mr. President, I am pleased to cosponsor two important pieces of legislation which have been introduced by my distinguished colleague from the State of Wisconsin, Senator NELSON. I believe that the reforms in Federal taxation of small business which these bills encompass are sound and sensible, and would go a long way toward easing the serious capital shortages with which these businesses are faced and providing a greater measure of basic equity in the tax treatments which they receive.

I have long been concerned about the unique problems that small businesses face in attempting to compete successfully in the American marketplace, and I fear that too often the Federal Govern-

ment, though doubtless with the best of intentions, has contributed to the difficulties experienced by small and medium-sized business enterprises. We have attempted, time and again, to aid the business community by providing capital formation and investment incentives through the tax system; yet too often it is only the largest corporations which are in a position to take advantage of those incentives. It is those same corporations which have the freest access to private capital markets. Small businesses, by contrast, are doubly penalized: They are unable to utilize many of the tax provisions which would enable them to retain earnings for investment purposes, and they are also unable, in many cases, to obtain sufficient financing at reasonable rates in external capital markets.

President Carter's tax proposals take some important strides toward resolving the capital formation problems all businesses face. Indeed, I support much of the President's package. I believe that individual and corporate rate reductions are necessary to maintain the vigor of the current economic recovery, and to stimulate increased job-creating investments by private industry.

I do not believe that the tax relief and investment incentives in the President's plan are fairly apportioned in their benefits to large and small corporations. The Small Business Committee has estimated that, under the administration proposal, 66 percent of the corporate tax savings would accrue to the 12,000 largest corporations, while a mere 3.5 percent would be allocated to the 1.5 million corporations with taxable income below $50,000. This tiny amount of aid to small businesses is vastly out of proportion to their contribution to aggregate private sector employment, output, GNP, and the overall health of the economy.

Moreover, these same small businesses, which will benefit little from the administration's tax reductions, will probably receive a disproportionately small share of the proposed investment credit for manufacturing and utility structures as well. These businesses, as I have pointed out, already are restricted in their access to private capital, but the administration plan, rather than rectifying that problem, seems likely to increase their capital acquisition problems through its awkward and ill-targeted corporate tax relief program.

One of the bills which I am cosponsoring, the Small Business Tax Reduction and Stimulation Act of 1978 (S. 2669), would reorient the corporate tax cut so as to provide equitable assistance to small, medium-sized, and large corporations. It would expand aid to small businesses by dropping the tax rates to 15 percent for the first $25,000 in earnings and 20 percent for the next $25,000. It would provide the first tax relief for medium-sized businesses since 1938, by reducing the rate to 30 percent on earnings between $50,000 and $100,000 and 40 percent on earnings between $100,000 and $150,000. Refining the graduated scale of corporate tax rates, as this legislation proposes to do, would increase the cash flow to the vast majority of American businesses, and additionally would increase the tax incentives for these businesses to expand production and increase earnings, without facing a drastic and arbitrary step-up in tax rates at certain points.

All of these reductions would be achieved by shifting 1 percentage point of the administration's proposed corporate rate reduction away from the largest corporations. This would still provide them with a substantial rate cut from 48 to 45 percent, and according to the committee's figures, would leave them with a 62.4 percent share of total anticipated tax reductions. This can hardly be viewed as prejudicial to big business, and would bring the proportionate allocation of this tax cut much more into line with prior congressional actions.

The other piece of legislation which Senator NELSON has introduced, the Small Business Simplification and Reform Act, would allow small businesses to depricate up to $100,000 worth of capital equipment over a 3-year period. The complexity of current depreciation tax law has long placed an onerous burden on small businesses; they are often unable to support the expensive legal and accounting services which would be necessary to enable them to take full advantage of the provisions. Again, I would salute the President for his efforts, as part of his proposed legislation, to simplify the rules governing depreciation.

Nevertheless, capital equipment purchases pose special difficulties for small businesses, which require special tax treatment. Straight-line, lifetime depreciation methods leave businesses vulnerable to the ravages of inflation, since the dollars returned to them over the life of the investment are gradually worth less and less, and their initial investment is never entirely recovered. Various kinds of accelerated depreciation have been proposed to deal with this problem, but by and large they end up being complex and technical, and hence overly burdensome for small businesses without the resources to cope with them. This bill S. 2742, would provide the simplest means of easing this inflation squeeze.

These two bills deal effectively with many of the problems faced by small businesses. There remains, however, one pressing area of concern which has not been adequately addressed by any of the legislation which the Congress has heretofore considered. That is the overwhelming burden of paperwork which Federal regulation of all kinds imposes on business enterprises, and which small businesses in particular are simply unprepared and unable to cope with. While I support the goals of many of these regulatory programs, I will continue to believe that we can and must find a way to implement them without overwhelming the administrative capacities of the businesses we are trying to assist. I do hope that the Congress will attend to this matter at the earliest opportunity.

I commend Senator NELSON and other members of the Small Business Committee for their work in producing this important legislation, which I am pleased to cosponsor, and I hope that it will receive serious consideration as part of the 1978 tax package.●

STUDY MISSION TO TURKEY AND GREECE—MARCH 1978

● Mr. JAVITS. Mr. President, during the Easter recess I visited Turkey and Greece, under the auspices of the Committee on Foreign Relations. On May 1, I circulated a copy of my report on this trip to the members of the commitee, in anticipation of the committee's May 2 hearing on the administration's fiscal year 1979 request for assistance to Greece and Turkey. Inasmuch as I believe that my report may be of interest to other Senators also, I ask that the text of my report be printed in the RECORD.

The text of the report follows:

STUDY MISSION TO TURKEY AND GREECE—MARCH 1978

(By Senator JACOB K. JAVITS)

Under the auspices of the Senate Foreign Relations Committee I visited Turkey and Greece during the period of March 24–30, for the purpose of discussing with the leaders of Turkey and Greece the major foreign policy affecting United States relations with those two nations. In undertaking this trip I was acutely aware of the vital strategic interests of the United States and Western Europe in the eastern Mediterranean and of the adverse effect which problems in Greek-Turkish relations was having upon U.S. and NATO interests in the region. During this same time period I also visited Israel and have submitted a separate report to the Senate respecting that portion of my trip. I was accompanied on this study mission by my Executive Assistant, Albert A. Lakeland, Jr., who assisted me with the preparation of this report.

TURKEY

I was in Turkey for the period of March 24–26 and during that period I had meetings in Ankara with Prime Minister Ecevit, Foreign Minister Okcun, Defense Minister Isik and Central Bank Governor Sadiklar. I also had discussions with U.S. Ambassador Spiers and received a detailed briefing by members of the U.S. Embassy Country Team. I visited Istanbul briefly where I had discussions on conditions there with the U.S. Consul General Houghton and met with leading members of the Turkish business community.

Introduction: The overriding issue in U.S.-Turkish relations at this time is the arms embargo enacted by the Congress in response to the misuse by Turkey of U.S.-supplied military equipment in its military operations on Cyprus in July–August 1974. This issue now colors all other issues in U.S.-Turkish relations and has become a central issue respecting the sharp disputes between Greece and Turkey over Cyprus and jurisdictional rights in the Aegean Sea.

Turkey is the eastern anchor of NATO's southern flank. Geographically, it is the "cork" which blocks the Soviet Union from direct access to the Mediterranean Sea and to Syria, Iraq and the Persian Gulf. Thus, Turkey is a nation of not only regional but of truly global strategic significance. Its defection from the western camp could have profound consequences for western Europe and for the Mideast. The ties which bind Turkey to the West have not broken but they have been strained to the danger point.

The U.S. arms embargo is the most visible factor contributing to the loosening of Turkey's ties to the West but it is not by any means the only factor at work.

Throughout the past decade Turkey's political and social institutions have been subjected to great strains. Violence, terrorism and defiance of the law have risen to acute levels, while Turkey's parliamentary system of government has been frustrated for almost a decade by the absence of a viable parliamentary majority. The political stalemate has enabled splinter, ultra nationalist and fundamentalist religious parties to exert an exaggerated influence on coalition governments. Extremism is rampant in Turkish universities, both on the left and the right, frequently venting itself in anti-American and anti-western posturing. Violence and terrorism has reached alarming proportions and tends to intimidate moderate, pro-western elements at all levels of Turkish society. The authority of the governmental structure is under increasing challenge in Turkey. This, perhaps even more than the parliamentary situation, has closely circumscribed the capacity of the Turkish government to make concessions on foreign policy issues or to undertake new initiatives domestically.

Turkey's ties with the West are largely a product of this century and have come in two stages. The first was the nationalist revolution under Kemal Ataturk after World War I which set in motion a forced-draft westernization of the new Turkish nation based in the Anatolian heartland of the former Ottoman Turkish Empire. The second stage came at the end of World War II when Turkey formally aligned itself with the United States and joined NATO.

The blurring of the Cold War dichotomy of the world into opposing U.S. and Soviet-led camps, the emergence of a vigorously self-conscious Third World and the petroleum-based beginnings of an Arab and Persian renaissance, have tugged at powerful elements in the Turkish mind.

Animosity between Turks and Russians has a long and bloody history. Fear of Soviet expansionism was the major factor in causing Turkey to join NATO and keeping Turkey there today. Control of the Dardenelles, and land access to the Persian Gulf were historic ambitions of Czarist Russia and remain prime strategic objectives of the Soviet Union. Turkey is the key to realization of both of these objectives. The Soviet Union has switched to a "soft" policy toward Turkey, seeking to gain advantage from the strains in Turkey's ties with the United States and the West. In recent years, Turkey has become the largest single recipient of Soviet economic assistance. Moreover, Moscow has promoted a very active, subtle cultural exchange program between Turkey and the Turkic "Republics" of the Soviet Union.

Nonetheless, the forces challenging Turkey's ties with the West remain disorganized and inchoate. Turkey continues to be a clearly identifiable ally of the West—politically, militarily and economically. The political and economic problems which now loom so large in Turkey's relations with the United States and Western Europe are all capable of solution, and the drift away from the West in Turkey can be arrested and even reversed in some respects, by sympathetic and imaginative policies.

Arms Embargo and Cyprus: The overriding issue in U.S.-Turkish relations at this time is the arms embargo enacted by the Congress over objections of the Ford Administration, in response to the use by Turkey of U.S.-supplied weapons in its military operations on Cyprus in July–August 1974 in contravention of the terms governing the use of U.S.-supplied military equipment. The arms embargo is bitterly resented in Turkey and has helped cast a pall over relations between the United States and Turkey of very serious proportions. Following the imposition of the arms embargo, Turkey abrogated the Defense Cooperation Agreement with the United States then in effect and suspended U.S. activities at five major defense installations not directly related to NATO. Turkey's participation in and commitment to NATO has not been directly affected by the arms embargo or the suspension of U.S. base rights in Turkey.

The arms embargo—subsequently modified to allow up to $175 million in credit sales—is embodied in Sec. 620 (x) of the Foreign Assistance Act of 1961, as amended. The language of the embargo legislation specifies the conditions of its lifting; certification by the President to the Congress that: "substantial progress toward agreement has been made regarding military forces in Cyprus . . . "; and requires the President to report each sixty days to the Congress "progress made during such period toward the conclusion of a negotiated solution of the Cyprus conflict".

Turkey disputes with great feeling considering itself a friend and ally of the United States, the appropriateness of linking its access to U.S. military equipment to negotiations between the Greek and Turkish Cypriot communities and to Turkey's role as a Guarantor Power with respect to Cyprus.

The initial Turkish intervention in July 1974 was sought to be justified by Turkey as a Guarantor Power, following an anti-Makarios coup d'etat by Greek Cypriot forces allegedly with the backing of the 'Colonels' then governing Greece by a military dictatorship advocating enosis, or union of Cyprus with Greece.

Following its initial, limited military intervention in July, Turkey in August 1974 carried out a second, major military operation which placed its armed forces in control of nearly 40% of Cyprus and which resulted in significant casualties and the flight of a reported 200,000 Greek Cypriot refugees. The second military operation, carried out under the foreboding operational title "Attila II", is what prompted the Congress to act. Turkey claims that Attilla II was prompted by the exposed flanks of the Turkish forces which made the initial intervention and the refusal of the Greek side to agree to a large demilitarized buffer zone, and by reports of bloody attacks on Turkish Cypriot villages outside the first Turkish military zone.

Upon his return to power in January 1978, Turkish Prime Minister Ecevit, in an effort to unlink the Cyprus question from the U.S. arms embargo, stated that his government would seek a negotiated solution to the Cyprus dispute without waiting for the United States to lift the embargo. Subsequently, he met in Switzerland with Greek Prime Minister Caramanlis and, on April 13, 1978, under the guidance of the Turkish representatives of the Turkish Cypriot community presented their long-awaited proposals for a Cyprus solution to Secretary General Waldheim, the United Nations mediator. Those proposals, at the time of this report, were still being evaluated by Secretary General Waldheim as to whether they constituted a sufficient basis for the reconvening under his auspices of negotiations between the Greek and Turkish Cypriot communities.

On April 6, 1978, in an appearance before the International Relations Committee of the House, Secretary of State Vance announced a new policy of the Carter Administration by requesting that the arms embargo, in Sec. 620(x), be repealed by the Congress. He further announced the scrapping of the Defense Cooperation Agreement with Turkey negotiated by the Ford Administration and the intention of the two sides to negotiate a new agreement in its place.

In arguing for repeal of the embargo Secretary Vance stated: "This is a point of principle which has had its impact both in Turkey and throughout the world—demonstrating the seriousness with which the American people view any unauthorized use of our military equipment. The point was made dramatically and effectively. Now the time has come to look forward rather than back. Continued maintenance of the embargo would be harmful to U.S. security concerns, harmful to NATO, harmful to our bilateral relations with Turkey and harmful to our role as a potential contributor to a Cyprus settlement."

Military Consequences of the Arms Embargo: The embargo has contributed undeniably to a deterioration of Turkey's armed forces and its capacity to fulfill its NATO missions. Turkey's 500,000 man ground forces make it the second largest contributor of military manpower to NATO (after the United States). The military equipment of Turkey's ground forces, as well as its air and naval forces, is rapidly becoming obsolete thereby downgrading Turkey's capability to undertake the military missions assigned to it by NATO. And it has become an issue of great concern within NATO that the reequipping of Turkey's forces—its present equipment being largely of Korean war vintage—has been significantly impeded allegedly by the U.S. arms embargo.

But, it is important to note that other factors, unrelated to the embargo have contributed importantly to the deterioration of Turkey's armed forces and their capacity to perform their NATO missions. One factor is the diversion of Turkish military equipment and manpower to Cyprus and the related costs of the Turkish occupation army there. In addition, analysts state that Turkish military doctrine, which relies heavily on the maintenance of a large tank force to defend against the threat of a Soviet tank attack, instead of the new, much cheaper and more effective anti-tank weapons, contributes materially to the obsolescence and deterioration of Turkey's military capabilities. Moreover, Turkey's domestic economic difficulties, resulting from questionable investment import and export policies of recent years, as well as the steep rise internationally of energy costs, have been important factors in limiting the modernization of Turkey's forces through the purchase of new weapons for cash from the United States and other NATO producers.

Economic Conditions: Turkey's economic situation has deteriorated significantly in recent years for a combination of reasons. The quadrupling of oil prices and the worldwide recession have had the dual effect of sharply increasing Turkey's foreign exchange expenditures while also reducing its foreign exchange earnings through exports and workers' remittances from Europe. Turkey's foreign exchange problems have been aggravated by questionable public sector borrowing and investment policies, restrictions on foreign private investment and operations, and by inadequate export policies.

In 1975 and 1976 Turkey's trade imbalance exceeded $3 billion and in 1977 the trade deficit rose to $3.9 billion. By the end of 1977, Turkey's gold and foreign exchange reserves had been drawn down to $476 million from over $1 billion at the beginning of the year. Concern over lagging debt payments caused international banks virtually to halt lending to Turkey in 1977. However, in March 1978 Turkey reached agreement with the IMF on principles which could lead to a new IMF credit agreement and which would likely result in a resumption of lending by the private banks.

It is stated that Turkey's foreign exchange difficulties have led it to rely heavily on Libya for its oil imports and that Libya has given Turkey certain concessions in terms of price and delayed payments. Some have conjectured that the Qadaffi regime in Libya seeks to use its oil relationship with Turkey to apply leverage on policy issues—primarily to promote a pan-Islamic perspective on

foreign policy matters. Thus far, there is no evidence of any significant success.

Turkey's economic problems have perhaps encouraged the Soviet Union to exploit its economic assistance role in subtle ways. Over the past few years, Turkey has become the largest annual recipient of Soviet economic assistance; presumably this is a factor in the strain in U.S.-Turkish relations caused by the arms embargo. Also, it is a switch in long term Soviet strategy toward Turkey from one of confrontation to one of economic blandishment. In the very long run an additional calculation may be at work: it has been estimated by some that by the year 2000 a majority of the population of the Soviet Union may be of Turkic extraction in view of the much faster reproduction rates of the Turkic peoples of Soviet central Asia than that of the USSR's Slavic population.

Conclusions and recommendations

1. Arms Embargo: In enacting the arms embargo the Congress intended to penalize non-compliance with the conditions restricting use of weapons supplied by the United States, restrictions which are incorporated in U.S. law and which are spelled out more specifically in international agreements signed by recipient nations. In addition, there is little doubt that most members of Congress who voted for Sec. 620(x) believed that it would serve as an effective lever to induce Turkey to negotiate an equitable Cyprus settlement. It has not worked out this way, nor is it now clear whether the arms embargo will work out that way. Indeed it is asserted in Turkey that the result will be exactly the opposite, and that continuation of the embargo will tend to move Turkey further away from the NATO alliance so long as the embargo persists.

This view is supported by Secretary Vance who has argued very recently before the House International Affairs Committee that the embargo has not really achieved its purpose—that of underscoring to Turkey and the world the seriousness with which the United States regards the breach of the agreements restricting the use of U.S. supplied weapons to self-defense within Turkey. My own view is that neither thesis can yet be considered proven.

I therefore have urged that full hearings be undertaken on the Greek-Turkish issue so that an airing of the respective points of views may enable us and the parties to come closer to some form of agreement. Also, I have considerable feeling that a continued relationship of discussion between Prime Minister Ecevit and Premier Caramanlis should be continued within an atmosphere which makes it possible. I feel that to change that situation would result in bringing an end to this dialogue. Therefore, to have full hearings will give the discussions more of an opportunity to continue than to come at this time to some firm conclusion about the arms embargo, at least the extent to which it is now applied, to Turkey.

Prime Minister Ecevit has argued that Turkey is deserving of more sympathetic treatment, not only as a NATO ally, but also on its record as a developing nation which has adhered consistently to democratic government and to free elections. There is force to Mr. Ecevit's contention.

2. Turkey's Economic Problems: Despite Turkey's current acute economic difficulties, analysts generally believe that Turkey's long term economic prospects are good if the proper development policies are adopted and implemented. The political stalement of recent years undoubtedly has contributed to a certain rigidity and some questionable biases in Turkish economic policy. Like many developing nations, Turkey has had a public sector bias in its investment policies and decisions. Moreover, there is a long history of suspicion and discriminatory treatment toward foreign private investment and business operations in Turkey. These biases, combined with an outdated tilt toward the goal of economic autarchy, have contributed materially to Turkey's economic problems. I believe that the United States, working with our NATO allies and international institutions such as the International Monetary Fund, should use its good offices toward persuading Turkey to move toward more flexible and openminded approaches particularly with respect to the terms and conditions regulating foreign private investment. Prime Minister Ecevit has indicated that his government intends to modernize Turkey's economic policies and to reexamine the conditions under which foreign private investment can be attracted and can operate in Turkey. I recommend that the United States cooperate with the Turkish government in achieving these objectives. The private sector, including foreign investment can, in my judgment, make a vital and desperately needed contribution to Turkey's export earnings.

GREECE

I visited Greece on March 28 and 29, 1978. Personally, it was a joyful occasion as it was my first visit in more than a decade. In the 1950's and early 1960's I had been a frequent visitor to Greece but, out of conscience, I did not visit Greece during the more than seven years of totalitarian rule by the Junta.

While in Athens I had a very detailed and extended conversation with Prime Minister Caramanlis, covering a wide range of issues. I had known and visited Mr. Caramanlis during his long years years of exile in Paris; this was my first opportunity to meet with him in Athens. I also had very informative discussions with Defense Minister Averoff, Foreign Minister Papaligouras, and Finance Minister Boutos. In addition, I had conversations with President of the Parliament Papaspyrou and the prominent opposition member of the Parliament, George Mavros—a former Deputy Prime Minister and Foreign Minister.

In addition to my conversations with leading Greek political leaders, I had very valuable conversations with and briefings from U.S. Ambassador McCloskey and his staff—particularly Political Counselor George Barbis, who was control officer for my visit.

It was a particular pleasure for me to be a house guest at the Residence of Ambassador McCloskey. He is a friend of many years standing and his lovely wife, Anne, once was a member of my Senate staff.

Introduction: Greece is always an enchanting country to visit because of the congenial vitality of its people, the exquisite beauty of its geography and monuments and its incredibly rich history.

It would be misleading to say that Greece has its roots in western Europe; it is western Europe that has its roots in Greece. Modern Greece has its Hellenistic roots, which have so heavily shaped western European culture. But modern Greece also has its Byzantine and Macedonian roots—which to this day exert a strong pull on Greece to look eastward toward Asia Minor, and northward to the Balkans.

The overriding objective of Prime Minister Caramanlis is to secure the role of Greece as a western European democracy. The keystone of this strategy is to achieve full membership for Greece in the European Economic Community, and continued full participation of Greece in NATO. In a sense, Caramanlis is following the pull of Greece's Hellenistic roots.

Opposition Leader, Andreas Papandreou, bitterly opposes a westward orientation for Greece and argues for a neutralist, Third World role for Greece—outside of the European Community and NATO. In a sense, Papandreou may be seen as following the pull of Greece's Byzantine and Macedonian roots.

It is against this broader background struggle for dominance of contemporary Greece that my conversations with Prime Minister Caramanlis and the others took place.

Relations with Turkey dominate the foreign policy horizon in Athens and United States-Greek relations are heavily colored by the Greek-Turkish dispute over Cyprus. United States policy respecting Cyprus is passionately criticized in Greece, as it is in Turkey. Moreover, the United States must continue a very objective policy not to be drawn more deeply into the vortex of the Greek-Turkish dispute over air and territorial rights in the Aegean Sea.

Following World War II, United States influence has been important in the political, military and economic spheres of post-war Greece, since the initiation of the Greek-Turkish aid program under President Truman. The United States continues to enjoy a high degree of prestige, popularity and influence in Greece—a trend reinforced by the presence in the United States of a substantial, industrious and vigorous Greek-American community.

But, strong undercurrents of anti-Americanism have emerged in recent years, nonetheless, fed by alleged United States support for the Junta and by alleged U.S. acquiescence in Turkey's occupation of some forty percent of the land area of Cyprus. Latent resentments against the United States are exploited and inflamed at every turn by Opposition Leader Papandreou, whose party commanded twenty-five percent of the vote in the parliamentary election of 1977.

Greece occupies a very strategic position in the eastern Mediterranean and at the southern tip of the historically volatile Balkan peninsula. Its disaffection from NATO and the West could have far reaching, adverse geopolitical consequences for the United States and the Western European democracies.

In addition to its political and strategic significance as a western democracy and member of NATO, Greece is an important factor in economic life of the eastern Mediterranean region.

Cyprus and NATO: Anger at what is perceived as the failure of the United States to prevent or redress Turkey's occupation of 40% of Cyprus has led Greece to withdraw from participation in NATO's unified command structure. Greece's participation in the non-military aspects of NATO continues and some military cooperation with NATO continues on an ad hoc basis. Moreover, the United States continues to enjoy full access to important military bases in Greece, which are important to operations in the Mediterranean. A new Defense Cooperation Agreement with the United States, initialed on July 28, 1977 after two and a half years of negotiation, has not been signed by Greece. In this connection, Greek leaders point out that, in the absence of consummation of the new DCA, the United States continues to have access to bases in Greece on the more advantageous terms of the old Agreement.

The failure of Greece to consummate the new DCA is generally attributed to a desire to make more difficult the approval by Congress of the new Defense Cooperation Agreement between the United States and Turkey. The recently announced decision of the Carter Administration to scrap the Defense Cooperation Agreement undoubtedly will have an important bearing on the future of the initialed, but unsigned DCA with Greece. But, the precise effect remains unclear at the time of the submission of this report.

On an emotional level, Greece is heavily involved in the Cyprus dispute as reflected by events both in Athens and Nicosia. Nonetheless, Greek leaders are quick to point out

that their influence over the Cyprus Government and the Greek Cypriot community is finite and far short of full control. Greek leaders have indicated their full support of a Cyprus settlement on terms which President Macharios indicated would be acceptable to him shortly before his death. In essence, this would entail acceptance of a federal, bizonal settlement, with a Turkish Cypriot zone of up to 25% of the land and a much reduced Turkish military presence in the Turkish-Cypriot zone.

The recent proposals presented to U.N. Secretary General Waldheim by the Turkish side fall far short of those terms, and the recent announcement by Secretary Vance that the Carter Administration was seeking a repeal of the U.S. arms embargo on Turkey have evoked expressions of anger and disappointment by the Greek Government. (The reaction of the Greek Opposition has been considerably more vociferous).

In the period since Turkey's military intervention in Cyprus, Greece has moved to enhance its military capabilities to a significant degree. This enhancement, combined with the deterioration of Turkey's overall military capabilities in the same period, has enabled Greece to move up to a position of rough overall military parity with Turkey in the context of a potential Greek-Turkish military confrontation. The net effect of this development, in the eyes of some observers, has been to harden the negotiating posture of both sides.

Notwithstanding their strong opposition to the idea of a repeal of the U.S. arms embargo on Turkey, Greek leaders state a preference for the United States to curtail its diplomatic efforts to promote a Cyprus solution. Moreover, Greek leaders articulate a clear desire to achieve a bilateral settlement of the Cyprus problem, and other Greek-Turkish disputes, which they regard as being in Greece's highest interest and an essential precondition to achievement of the overriding objectives of the Caramanlis Government—a democratic Greece firmly rooted in the European Community and NATO.

Aegean Problems: Greek sovereignty over the Aegean islands stretching literally to the coast of Turkey has led to the emergence of potentially explosive disputes in the field of control of air space over the Aegean and control of territorial waters and undersea mineral exploitation. Greek sovereignty over the islands is not in dispute, but the exercise of that sovereignty with respect to some aspects of control of air space, and the definition of territorial waters and the continental shelf in the Aegean is in dispute.

The international civilian aviation arrangements of 1952 assigned control of the air space over the Aegean to Greece. Greece has rejected Turkey's request to extend its own flight information region midway into the Aegean. Following the Turkish intervention in Cyprus in 1974, Greece closed the Aegean to international air traffic. It remains closed to this date and air travel between Greece and Turkey is now effected over Bulgaria. Greece bases its action on the 1952 international civil aviation agreements.

Turkey claims that Greece has transformed international air space into a "controlled zone", in contravention of international regulations and claims that Greece has abused the responsibility granted to it by the 1952 arrangements. It seeks to revise the arrangements to enable it to extend Turkey's flight information zone midway into the Aegean.

This problem is considered to be susceptible to a negotiated solution in an atmosphere of improved Greek-Turkish relations.

Sea rights in the Aegean are complicated. The Geneva Convention of 1958 gives nations the right to explore for minerals in their continental sheif; the Treaty of Lausanne of 1923 declared the Aegean to be open to the shipping of all nations. Turkey was not a signatory to the 1958 Geneva Convention. In any event, the proximity of Greek islands in the Aegean to the Turkish coast complicates the delineation of territorial waters and continental shelf rights.

The latent problems with respect to sea rights in the Aegean were brought to the fore by the Arab oil embargo of 1973 and the subsequent quadrupling of oil prices. Oil and natural gas discoveries in the Aegean have intensified the dispute respecting sea rights. The dispute was escalated when Turkey sent an oceanographic survey ship into the Aegean in the summer of 1976, evoking Greek protests and hints of retaliatory action. Greece proposed referring the matter to the International Court of Justice. Turkey refused on the grounds that it was not a signatory to the 1958 Geneva Convention, and in the apparent belief that its bargaining strength would be greater in bilateral negotiations.

Bilateral negotiations, last conducted in the Caramanlis-Ecevit meeting at Montreux, Switzerland in 1977, have produced little more than an agreement to "freeze" the current situation by mutually refraining from further exploration or exploitation activities that might endanger future negotiations.

This dispute, while of potentially explosive proportions, also appears to be susceptible to a negotiated solution in an atmosphere of improved Greek-Turkish relations.

I was impressed with the fact that Prime Minister Ecevit found it easy to talk with Premier Caramanlis, and also that he greatly appreciated the fact that in the Montreux discussions Premier Caramanlis did not raise the Cyprus issue but confined their discussions to the Aegean which was the terms of reference upon which both parties had agreed. I feel there is much hope in the regard which these two leaders have of each other, and that they are capable of repeating what took place in the late 20's between Ataturk, then President of Turkey and Venizelos, then Premier of Greece. They entered into the Ataturk/Venizelos Accord which provided a framework for three decades of peace and stability to both countries. This is an example which the present leaders have much in mind, and which is capable of being duplicated.

Public opinion in both countries is so explosive as to inhibit this kind of progress. The basic policy of the United States should be to encourage the continuance of this dialogue within a framework and under auspices which are the most promising for it. If we can do that, I believe the chances are excellent that there will be a feasible and effective result; and such a U.S. policy must be mindful of the public opinion situation in both countries.

Economic Conditions: Greece has enjoyed steady economic progress since the restoration of democracy in 1974. The Caramanlis Government actively pursues a balanced and prudent policy of economic development which appears to be successful. It actively encourages private enterprise and has created an attractive environment for private foreign investment. The enlightened economic policies of the Caramanlis regime, combined with the natural business talents and imaginative, international outlook of the Greek people, have produced a steady record of economic progress even during the period of international recession following the quadrupling of international oil prices, the fall off in tanker and other ship charters.

But, income disparities in Greece are noticeable and exceed those of many OECD nations. During their communications, the "Colonels Government" deliberately sought to increase the relative share of national income flowing to the rural sectors of the economy. This remains as the sole positive legacy of that sorry period in modern Greek history.

Negotiations aimed at full Greek membership (it now has associate status) in the European Economic Community continue on a smooth course, though not without difficulties particularly with respect to Greek agricultural products. It is anticipated that Greece's entry into the EEC may be accomplished as early as 1980.

Conclusions and recommendations

1. U.S.-Greek Relations: Close relations with Greece are important to the United States and NATO. The leadership of Greece by Prime Minister Caramanlis, and the course he has set for his country, are very much in the long term interest of freedom, peace and well being for Greece and therefore of great interest to the United States and democracies of western Europe. It should continue to be the policy of the United States to lend its support to the Caramanlis Government and to provide all feasible encouragement to the Caramanlis objectives of tying Greece firmly to the West through membership in the EEC and NATO. These institutions will provide a very important continuing framework for the achievement of lasting stability and prosperity in Greece, and the avoidance of instability and disaffection which could cause serious strategic complications for the West. The fact that Greece has land borders with three communist nations—Albania, Yugoslovia and Bulgaria—and memories of the bitter civil war provoked by Greek communists after World War II, afford no grounds for complacency, particularly in light of the present Opposition in Greece.

2. Greek-Turkish Problems: Grave problems between Greece and Turkey have a very long history and will continue to be a major complicating factor for U.S. policy. The United States cannot abdicate its responsibilities to seek amelioration of Greek-Turkish disputes, in Cyprus or the Aegean or their respective borders. The U.S. cannot be the arbiter of those disputes, however, and it must not allow its policies and interests to become hostage to particular negotiations at any one time. Rather, the United States must seek to strike an enlightened balance among interest in close bilateral relations with both Greece and Turkey.

The presence of a very high quality to leadership in Greece, in the person of Prime Minister Caramanlis, and in Turkey in the person of Prime Minister Ecevit, gives the U.S. the opportunity to pursue and facilitate just such an enlightened and balanced policy.●

FIRST BAPTIST CHURCH OF PADUCAH, KY.

Mr. ROBERT C. BYRD. Mr. President, on behalf of Mr. FORD, I ask that the Chair lay before the Senate a message from the House of Representatives on S. 422.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the bill from the Senate (S. 422) entitled "An Act for the relief of the First Baptist Church of Paducah, Kentucky", do pass with the following amendment:

On page 1, line 6, strike out "$207,740" and insert "$171,990"

Mr. FORD. Mr. President, I move that the Senate concur in the House amendment to S. 422.

The motion was agreed to.

Mr. FORD. Mr. President, I ask the majority leader if now is the time for a statement that I wish to get in the RECORD?

Mr. ROBERT C. BYRD. Yes, indeed.

EXPORT OF BANNED SLEEPWEAR

Mr. FORD. Mr. President, this morning's Washington Post carried a very disturbing article, alleging that children's sleepwear treated with Tris, a possible cancer-causing agent, is being exported. These items have already been banned for sale in the United States.

I ask unanimous consent that the text of the Washington Post article be printed in the RECORD at this point.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. FORD. Mr. President, when the Consumer Product Safety Commission voted to ban Tris-treated children's sleepwear, a number of garment manufacturers suffered a severe financial burden. In the hope of mitigating the economic losses suffered by the children's sleepwear industry, the Senate passed S. 1503, which would allow these manufacturers to present their claims for losses resulting from the Tris ban in the U.S. Court of Claims. That legislation is now awaiting consideration by the House of Representatives.

In October of last year, a very narrowly divided Consumer Product Safety Commission voted that it did not have jurisdiction to prevent the export of Tris-treated children's sleepwear. One of the witnesses who appeared before the Commission urging the CPSC to assert its jurisdiction in this area was Edith Barksdale Sloane, the director of the District of Columbia Office of Consumer Protection. Under Mrs. Sloane's leadership, the District of Columbia became the first jurisdiction in the Nation to successfully remove these banned garments from retail stores. I am pleased to see that Mrs. Sloane has continued to pursue her interest in this matter as a member of the Consumer Product Safety Commission. On April 21 of this year, Mrs. Sloane urged CPSC Chairman John Byington to set this matter for reconsideration by the Commission. In her memorandum to the Chairman, Mrs. Sloane stated:

> The export policy issue relative to TRIS-treated products is a critical one which requires an immediate decision. I believe the responsibility for a prompt and separate reconsideration of this issue by the Commission is inescapable. The social, political, economic and ethical implications of exporting products already banned by the Commission to primarily third world or developing, non-white countries demand, in my opinion, distinct and timely consideration by the Commission. In view of the time frame required by staff to assemble and assess a briefing package on an all-inclusive export policy for Commission deliberation and the overlong period that the Commission has had to decide the TRIS export issue, it is my judgment that we should address the question of exporting TRIS-treated wearing apparel exclusive of all other export issues and as early as the Commission's agenda permits.

I understand that the Commission has now decided to reconsider whether or not CPSC has the authority to prevent the export of banned children's sleepwear containing Tris. Because of the importance of this issue, I believe the Commission would be well-advised in following Mrs. Sloane's recommendation to consider this matter as soon as possible. At the present time, I do not believe that further legislation clarifying the CPSC's jurisdiction in this matter is warranted. What is needed at this time is a clear and concise decision by the Commission interpreting its own statutory authority in this area. I sincerely hope that such a statement is forthcoming from the Consumer Product Safety Commission.

EXHIBIT 1

[From the Washington Post, May 3, 1978]

TRIS-TREATED SLEEPWEAR IS EXPORTED

(By Larry Kramer)

Several manufacturers are exporting millions of dollars in children's sleepwear treated with the banned cancer-causing agent Tris in an effort to beat the expected extension of the domestic ban to overseas sales.

Meanwhile, The Washington Post has learned that some of the exported garments, which are being sold at distress prices, are returning to areas under U.S. jurisdiction. The Consumer Affairs Department of Puerto Rico confirmed late yesterday that one of the two largest department store chains on that island, New York Stores, is still selling the controversial sleepwear.

The garments being sold in Puerto Rico may be coming from Venezuela, one of the main receiving points of the recent sales from American manufacturers. It also is possible, however, that they are being directly dumped there by U.S. manufacturers.

The Consumer Product Safety Commission banned domestic sale of garments treated with Tris, a flame-retardant, a year ago after the Environmental Defense Fund filed a petition to the commission warning of the carcinogenic nature of the substance.

But last October, after considerable debate, the CPSC voted that it did not have jurisdiction to ban the export of the garments in question.

In recent weeks, however, a majority of the five-person commission has indicated plans to change that policy, and attempt to ban overseas sales as well.

And Congressman Henry Waxman (D-Calif.), said yesterday he plans to introduce legislation today that would give the CPSC a clear right to ban exports.

Lou Bates, president of Bates Nitewear, Inc., said he sold to exporters all of the $2.4 million worth of clothing that he was forced to buy back from domestic retailers under the original ban order.

"The last of it was shipped three weeks ago," he said in a telephone interview from his factory at Greensboro, N.C. Bates said he was paid "$5.50 a dozen for about 80,000 dozen garments, giving me about $400,000 for the $2.4 million worth of clothes."

He said his firm, which is family owned, was hit particularly hard by the ban because "all we sell is children's sleepwear."

Bates said he was "lucky to sell the stuff when I did," because after a news story last Sunday said the CPSC would likely vote for an export ban on May 11, "everybody began scurrying to sell the stuff. And if I still had them, I would be scurrying, too."

Bates said he made sure that all of his garments were shipped overseas." "We watched the containers be sealed, and we watched the boats sail." He said he would not allow any of the clothing to be sold to countries even bordering the United States.

Tom Meredith, comptroller of the Greensboro Manufacturing Company, said his firm also shipped about 80,000 dozen garments in recent weeks, but received only about $4.25 a dozen, "for lots that usually sell at $28–$30 a dozen."

Some of Greensboro's garments went to Venezuela, while others were sold to a local retailer who lost a court battle when he tried to sell them in the U.S., and is now trying to export them himself.

"We just decided to bite the bullet and try and sell the stuff," Meredith said. "We say that they are trying to ban exports, so we had to do what we could."

Many manufacturers, including the two North Carolina firms, are hoping for some form of relief from Congress for their losses.

Their case is based on the fact that they were originally ordered to put the substance in clothing as a fire-prevention action. But many of the manufacturers are bitter about being caught in the middle, because the mills that produced the materials for the clothing didn't get caught with the losses. The manufacturers of the clothing were ordered to buy back the existing merchandise.

Although the relief legislation passed the Senate, it is still pending in the House, and it is still unclear what relief, if any, will be granted.

Dan Livingston, vice president of Bates, said that "conservatively," $5 million worth of Tris-treated sleepwear has been exported by all U.S. firms in recent weeks. He said many of the firms are hoping the government will still reimburse them for the difference between the distress sale prices and the value of the clothing.

But Rep. Waxman said it was "unconscionable that even without a law on the books American business would export items established to be cancer-causing. Many of these same businessmen will be coming before Congress asking for special compensation. Any businessman engaged in selling abroad should forfeit his rights to such compensation."

Waxman further said he was disappointed that the "CPSC moved as slowly as it did," to go after Tris exports.

The two new CPSC members, Susan King and Edith Barksdale Sloan, expressed anger at both the overseas and Puerto Rican sales.

And a third commissioner, David Pittle, said "our troops are out now finding out where all of this clothing is going, and if it is being sold in domestic markets."

Sloan said she was "outraged," that sales were reported in Puerto Rico, where she said "such sales are clearly banned."

King agreed, saying that CPSC legal advisors informed her such sales are illegal.

Mr. FORD. I thank the majority leader.

Mr. ROBERT C. BYRD. I thank the distinguished Senator from Kentucky.

NATURAL GAS PIPELINE SAFETY AUTHORIZATION, 1979

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order No. 703, which has been cleared on both sides.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

> A bill (S. 1895) to amend the Natural Gas Pipeline Safety Act of 1968 to authorize appropriations for fiscal year 1979,

The PRESIDING OFFICER. Is there objection to the request of the Senator from West Virginia?

There being no objection, the Senate proceeded to consider the bill (S. 1895) which had been reported from the Com-

mittee on Commerce, Science, and Transportation with an amendment to strike all after the enacting clause and insert the following:

That section 15 of the Natural Gas Pipeline Safety Act of 1968 (49 U.S.C. 1684) is amended—

(1) by striking out, in subsection (a) thereof, "and" immediately after "1977,"; the following: "and $6,000,000 for the fiscal year ending September 30, 1979,"; and

(2) by striking out, in subsection (b) thereof, "and" immediately after "1977,"; and by inserting immediately after "1978" the following: ", and $4,500,000 for the fiscal year ending September 30, 1979".

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. ALLEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95–768), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE

The purpose of this legislation is to amend the Natural Gas Pipeline Safety Act of 1968 in order to provide authorizations for the Department of Transportation's (DOT) pipeline safety activities and for grants-in-aid to federally certified State natural gas pipeline safety programs for fiscal year 1979.

BRIEF DESCRIPTION

This legislation authorizes Natural Gas Pipeline Safety Act programs at a level of $10.5 million for fiscal year 1979. Six million dollars of this authorization is allocated to DOT's pipeline safety activities. The remaining $4.5 million of this authorization is provided for grants-in-aid to federally certified State natural gas pipeline safety programs.

BACKGROUND AND NEED

Congress has delegated to DOT authority to set safety standards for the design, construction, operations and maintenance of our Nation's gas and liquid pipelines. There are presently approximately 1.7 million miles of these pipelines in the United States. These pipelines transport more than half of this Nation's energy resources.

Our Nation's escalating rate of energy consumption has placed rapidly increasing demands on our pipeline systems. Last year, it was estimated that there were more than 700,000 pipeline leaks from all pipeline systems, both distribution and transmission. Fortunately, most of these leaks were minor and did not cause a serious pipeline incident. However, potentially hazardous situations do exist and require the continued close surveillance and attention of the Office of Pipeline Safety Operations (OPSO) so as to minimize the risks to the public from such hazards. A summary of gas pipeline accidents and casualties for the period 1970 through 1976, as reported to DOT, are set forth below.

CHART A

SUMMARY OF GAS PIPELINE ACCIDENTS AND CASUALTIES REPORTED DURING YEARS 1970–76 AS REQUIRED BY 49 CFR, PART 191

	Distribution					Transmission and gathering				
		Fatalities		Injuries			Fatalities		Injuries	
Calendar year	Number of failures	Employees	Nonemployees	Employees	Nonemployees	Number of failures	Employees	Nonemployees	Employees	Nonemployees
1970	676	1	20	32	170	353	1	0	8	8
1971	875	6	26	36	329	410	2	1	14	10
1972	884	2	26	32	262	409	3	3	23	13
1973	893	1	32	48	285	471	1	1	3	16
1974 [1]	1,017	1	19	31	283	460	1	3	7	13
1975 [1]	979	0	8	29	191	394	5	1	8	9
1976 [1]	1,036	3	50	66	253	543	2	8	28	19

[1] Includes data from telephonic reports to the Office of Pipeline Safety Operations (OPSO) reported pursuant to sec. 191.5. Data from telephonic reports were not included in accident/casualty data for years 1970–73.

In 1976 there were 63 deaths and 366 injuries resulting from more than 1,500 gas pipeline failure incidents which were reported to DOT by gas system operators. Although these death and injury rates are relatively low in comparison with other transportation systems, the potential for a major accident is of continuing concern to the Congress, State governments, and the pipeline industry.

The committee's hearings on S. 1895 demonstrated the need to strengthen DOT's pipeline safety activities. Despite the extensive nature of our pipeline systems, and the potential dangers inherent in such systems, OPSO, now a part of the Materials Transportation Bureau in DOT, has operated with an extremely small staff and limited funding. These limitations have forced OPSO to attempt to stretch its resources over a wide spectrum of activities. These constraints have been exacerbated due to the fact that OPSO has operated during more than 7 of its 10 year existence, and continues to operate today without a permanent director. Also, despite the significant demands placed on OPSO to monitor this extensive and complex system, many authorized personnel positions still have not been filled.

In the committee's hearings, DOT made a number of important commitments. Representatives of DOT stated that they would make a major effort to rapidly appoint a permanent director for OPSO. They further agreed to develop guidelines to provide specific guidance to the States as to what constitutes a proper State inspection and enforcement program. Also, DOT stated that within the next calendar year they would propose a formal rule for liquid natural gas facility siting. In carrying out this activity, the committee urges DOT to examine carefully the most recent voluntary standard in this area and any proposed amendments thereto, in order to assist it in deciding what further action, if any, is needed. DOT also stated it would accelerate consideration of increased regulation of highly volatile liquids. It is worth noting that the General Accounting Office stated in the committee's hearings that "from 1968 through 1976 these highly volatile liquids accounted for only 10 percent of the liquid pipeline accidents, but were responsible for 68 percent of the deaths, 56 percent of the injuries, and 32 percent of the property damage.".

In providing a 1-year authorization the committee intends to monitor closely the progress of DOT in each of these important areas. The committee also expects that OPSO will upgrade its data analysis priority setting programs. The authorization level has been raised by $1 million from the level provided in the fiscal year 1978 authorization. This increase is provided in order to assure that sufficient funding can be provided for monitoring of our pipeline systems, and to allow for greater oversight of certified State natural gas pipeline safety programs.

The planned increased Alaska pipeline activities of OPSO will be useful but should be complemented by increased activity in the rest of the pipeline program.

Federal-State cooperation in the pipeline safety area is critical. In order to facilitate these cooperative programs, however, there should be further tightening of the standards of certification in this area. In recognition of the increasing demands that have been placed on OPSO, the committee considers that the additional authorizations for this program contained in S. 1895, as amended, allow for an orderly expansion of these critical safety functions.

(Mr. FORD assumed the chair.)

THE GREAT SHIPBUILDING BAILOUT–II: THE QUESTION OF FRAUD

Mr. PROXMIRE. Mr. President, the signs are increasing that the Navy is preparing the ground for a massive bailout of the shipbuilding industry. For many months I and others have been urging the Navy and the Defense Department to resolve the shipbuilding claims mess in an orderly, businesslike way. Instead, the White House appointees in the Navy seem determined to repeat the mistakes of the past. Apparently, they can think of no other approach than to simply bailout the three large shipbuilders who have filed $2.7 billion in claims against the Government.

BAILOUTS ARE INFLATIONARY

A bailout of the shipbuilding industry will cost hundreds of millions of dollars. It will be inflationary and will contribute to higher budget deficits.

Responsibility for the shipbuilding claims mess can be divided between the shipbuilders themselves and the Navy. As I have stated many times, the Navy should pay whatever it owes to its contractors by way of claims provided the claims are substantiated by audits and provided there is legal entitlement. The bailout approach blurs over the question of how much, if anything, the Government owes.

One of the Navy's problems is that its laxity in the handling of claims has encouraged the filing of claims.

INEPTNESS IN THE NAVY'S OFFICE OF GENERAL COUNSEL

For example, ineptness and procrastination within the Navy's General Counsel's office amount to a standing invitation for shipbuilders to make false or inflated claims against the Government and are impeding the efforts of the Justice Department.

Questions of fraud in claims filed against the Navy have been raised repeatedly by high Navy officials.

THE LITTON AND LOCKHEED CLAIMS

Prior to this year two shipbuilding claims cases—involving Litton and Lockheed—were referred to the Justice Department for investigation of possible fraud.

The Litton investigation resulted in an indictment against the company, which is pending. But the Navy spent a full year investigating the matter and then wasted another 6 months before referring it to the Justice Department.

The Navy also spent at least a year "investigating" the Lockheed claim. It was finally referred to Justice in 1974. I understand the Justice Department's Lockheed investigation is nearing completion.

THE TENNECO AND GENERAL DYNAMICS CLAIMS

In the past several weeks the Navy has referred charges of possible fraud against two other shipbuilders—Tenneco and General Dynamics—to the Justice Department.

The long delays that have occurred within the Navy's General Counsel's office after the receipt of complaints of possible fraud, and the inept handling of the complaints, have complicated the task of the Justice Department and deprived the public and the shipbuilders of their right to a speedy disposition of the charges.

As the old legal maxim puts it, "Justice delayed is justice denied."

THE NAVY INVESTIGATES—ON A PART-TIME BASIS

A year ago questions of possible fraud were raised within the Navy with regard to claims filed by Tenneco's Newport News Shipbuilding Division. The General Counsel's response was to assign the matter to two attorneys in his office. The two attorneys had many other responsibilities and thus could devote only part of their time to the question of fraud.

Later in 1977 questions of possible fraud were raised within the Navy with regard to claims filed by General Dynamics Electric Boat Division. The General Counsel referred the matter to the same two attorneys, again on a part-time basis.

Weeks and months elapsed before any real efforts were made by the Navy to investigate the allegations of possible fraud.

NAVY "INVESTIGATIONS" DELAY JUSTICE

Why does the Navy's Office of General Counsel engage in these time-consuming investigations anyway?

The General Counsel does not have subpena power.

He does not have access to the shipbuilders' company records except when the Navy is involved in litigation with a company.

The General Counsel's Office cannot interview present or former employees of a shipbuilder except on a voluntary basis.

The General Counsel simply does not have the legal authority or the staff resources to conduct thorough or even constructive investigations of possible fraud.

It is doubtful whether any useful purpose is served through the half-hearted and half-baked inquiries of the Navy's General Counsel.

The appropriate agency to conduct investigations of possible fraud is the Justice Department. There is no need for two Government agencies to investigate the same facts or for one to preinvestigate it before it gets to the Justice Department. Once serious allegations are made by responsible officials the Navy's duty should be to refer them to the Justice Department without delay.

The Navy's foot dragging and apparent reluctance to move quickly are encouraging shipbuilders to file claims that are carelessly prepared, grossly inflated or intentionally deceptive.

I ask unanimous consent that the written responses to questions addressed to the Navy's General Counsel, Togo D. West, Jr. for inclusion in the record of the Joint Economic Committee's hearings of December 29, 1977, on shipbuilding claims, be printed in the RECORD at the close of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. PROXMIRE. Mr. President, I also ask unanimous consent that an article from the New York Times, April 16, 1978, written by Anthony Marro, about the problem of fraud in Federal programs, also be printed in the RECORD at the close of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

Mr. PROXMIRE. Among Mr. Marro's findings is that few agencies have taken steps to minimize the potential for fraud or to make detection easier.

The article goes on to say that according to J. Roger Edgar, head of the fraud section of the Justice Department's Civil Division, fraud in defense contracts accounts for 30 percent to 40 percent of his workload.

EXHIBIT 1

GENERAL COUNSEL OF THE NAVY,
Washington, D.C., April 13, 1978.

Hon. WILLIAM PROXMIRE,
U.S. Senate, Washington, D.C.

DEAR SENATOR PROXMIRE: You have requested that I provide you with answers to questions for inclusion in the record of the Joint Economic Committee's hearings of December 29, 1977, on shipbuilding claims.

The responses are enclosed.

Sincerely,

TOGO D. WEST, Jr.

QUESTIONS AND ANSWERS

Question 1. In your testimony concerning allegations of fraud, you said you think it is appropriate to carry out "a sound and thorough investigation to coordinate with the Justice Department and find out virtually from the outset what they think about these allegations and to get that underway," and you mentioned the possibility of an investigation by the Naval Investigative Service or the Federal Bureau of Investigation.

To the best of your knowledge has anyone in the Navy requested the Naval Investigative Service or the Federal Bureau of Investigation to investigate any of the allegations of possible violation of fraud or false claim statutes in shipbuilding claims? Without formal investigation by investigators how can you gather the evidence necessary to allow the Justice Department to decide on prosecution?

Answer. The Office of the General Counsel has on occasion turned over allegations regarding fraud and false claims to the Justice Department. Some of these allegations have required an FBI investigation, others have been investigated by the Naval Investigative Service.

Question 2. Does your office have subpoena power?

Answer. The Office of the General Counsel, Department of the Navy, does not have subpoena power.

Question 3. Does your office have complete access to company records?

Answer. The Office of the General Counsel has access to Company records during a trial before the ASBCA through discovery proceedings. This Office also has access to the voluntary submissions by Companies of their records during claims evaluation and during the application of progress payments throughout the life of the contract.

Question 4. Does your office have the authority to interview present or former company employees concerning matters affecting the allegations of possible fraud or false claims?

Answer. Company employees can be interviewed only on a voluntary basis unless the Navy is involved in ASBCA proceedings.

Question 5. What steps have you taken to protect the preservation of evidence that may exist concerning these allegations?

Answer. Preservation of evidence is handled in the same manner as in preparation for trial.

Question 6. Do you consider your office is capable of conducting an inquiry into the allegations in sufficient depth to decide whether or not a violation of Federal statutes has occurred in the shipbuilding claims?

Answer. This Office can properly evaluate the allegations based on the existing Navy evidence in order to determine whether the facts relied on in forming the allegations are accurate and complete.

Question 7. If so, how long do you expect it will be before you reach such a determination? If not, isn't the time it takes for your inquiry simply delaying the start of a formal inquiry by the Justice Department?

Answer. All evidence in these matters has been shared with the Department of Justice.

Question 8. Considering the importance of this matter, do you consider it to be an adequate allocation of resources to have only two attorneys working part time on this issue?

Answer. From time to time the assignment of attorneys has been from one to six and their time was properly distributed with the other ongoing legal problems that this office handles.

Question 9. What criteria is your office using to evaluate the allegations or possible fraud or false claims and to determine whether or not to refer them to the Justice Department?

Answer. This Office, as does the Justice Department, relies on the applicable statutes and precedents relating to these offenses.

Question 10. Have you personally read the reports of possible violation of fraud or false claims statutes made by Admiral Rickover, Admiral Manganaro or others?

Answer. I have all of the reports and have read them.

Question 11. You testified that Admiral Rickover's reports of possible fraud came to the General Counsel's Office through a

convoluted chain. What steps are you taking to expedite the processing of fraud reports? In your opinion should this convoluted chain be changed?

Answer. The process for referrals of this type is not unusually burdensome and I believe that it has not unduly affected the speed or accuracy of our deliberations. It is true, however, that the reports in question were not made directly to the Office of General Counsel.

Question 12. You stated you have not discussed the potential fraud reports with Mr. Hidalgo and that you did not think it appropriate to discuss those fraud reports with him. Since Mr. Hidalgo has been put in charge of claims for the Navy, don't you think it would have been appropriate to mention this problem to him?

Answer. I stated that I did not mention NN fraud to Assistant Secretary Hidalgo. That matter was under the responsibility of ADM Manganaro. If and when the NN claims come before Secretary Hidalgo, I will discuss with him each of the fraud or false claim analyses which, in my view, warrant his attention. It is, of course, necessary for Assistant Secretary Hidalgo or anyone else who is working out a solution to the claims problem to have a complete understanding of the nature of the claims. To that end, OGC attorneys are assigned the responsibility to investigate each claim and to communicate with those individuals seeking to resolve these claims. In that way, proper consideration is given to all allegations of fraud and/or false claims which may arise.

Question 13. You testified you have two lawyers working on a part-time basis on reports of possible fraud in connection with the Newport News and Electric Boat claims. Could you please give us a brief description of the lawyers' backgrounds; specifically, identify their experience in terms of fraud or criminal matters as opposed to their experience in civil matters.

Answer. The Office of the General Counsel's attorneys assigned to these matters have about 30 combined years of shipbuilding claims experience.

Question 14. Could you give us a brief resume of your experience in criminal and civil law; what is your experience in contract law?

Answer. Prior to my appointment, I was neither a government contracts practitioner, nor a criminal lawyer.

Question 15. Identify for the record the number of potentially fraudulent elements contained in the Newport News and Electric Boat claims which have been alleged.

Answer. I believe that the release of this type of information at this time could be prejudicial to any affirmative action the government might determine to be necessary.

Question 16. Identify the date by which you expect to be finished with your preliminary investigation of the allegations of fraud.

Answer. All materials concerning the Navy inquiry have been made available to the Department of Justice.

Question 17. As previously mentioned, you stated that it is not the function of the Navy nor of any officer in the Navy to determine the presence or absence of fraud. Is this statement consistent with U.S. Naval Regulations? Is it consistent with instructions issued by the Secretary of the Navy? What is the responsibility of personnel in the Navy with regards to fraud they suspect may have occurred?

Answer. (a) The statement is consistent with U.S. Naval Regulations. See SECNAV Instruction 4385.1B. (b) The statement is consistent with SECNAV Instructions. See SECNAV Instruction 4385.1B. (c) The responsibility of naval personnel is to report allegations to the Inspector General or the General Counsel. See SECNAV Instruction 4385.1B.

Question 18. Is the General Counsel's office authorized by statute to investigate possible violations of Federal statutes?

Answer. The General Counsel's office is authorized to investigate allegations of fraud under Navy regulations/instructions. See SECNAV Instruction 4385.1B.

Question 19. Why are you investigating the potential fraud reports prior to submitting them to the Justice Department?

Answer. It is my duty under Navy regulations/instructions (SECNAV Instruction 4385.1B). Furthermore, the Office of the General Counsel can assist that agency in our specialized area of Government Contract Law.

Question 20. You implied that the False Claims Act and statutes for fraud provide you a means to recover any monies paid for a false claim whenever you uncover fraud. Is this just your personal understanding of the Act, the opinion of the Justice Department, or a formal opinion by your office? What happens in cases where the Contracting Officer has made an independent determination of the amount owed and did not rely on the claim itself? Can the Government still pursue a false claim prosecution in that case? If not, why are independent determinations of a claim's merit not prohibited?

Answer. a. It is this office's understanding of the law. It is not contained in an opinion of the Justice Department or of this office. b. The Government can pursue a false claim even if not relied on in the Contracting Officer's decision. This view is based on the express terms of two civil statutes and four criminal statutes. These six statutes are: 31 U.S.C. § 231 which permits a suit by the Government for $2,000 plus double damages plus cost against anyone presenting a false claim; 28 U.S.C. § 2514 which provides for forfeiture of fraudulent claims against the United States; 18 U.S.C. §§ 286 and 371 providing for up to a $10,000 fine and 10 year imprisonment for anyone conspiring to defraud the Government; 18 U.S.C. § 287 providing for up to a $10,000 fine and five years imprisonment for presenting a false or fraudulent claim to the Government; and 18 U.S.C. § 1001 providing for up to a $10,000 fine and five year imprisonment for knowingly making a false statement to the Government.

Question 21. In your testimony you stated that "if we discover fraud and we don't pay out then we don't have a fraud action at all. We will not have suffered any damage." Why do you not consider the Government's cost of analyzing the false claim to represent damages?

Answer. This item can be asked for under the civil statutes previously described in response to question 20.b.

Question 22. Is it not an offense just to make a false statement to a Government agency regardless of any monetary damages which might result?

Answer. Yes, if the statement was made knowingly and willfully it would be a violation of 18 U.S.C. § 1001.

Question 23. Admiral Rickover testified that his first report of possible fraud in the Newport News claims was submitted more than six months ago. What was the result of your office's investigation of this report? What is the current status of this item?

Answer. All materials concerning the Navy inquiry have been made available to the Justice Department.

EXHIBIT 2

FRAUD IN FEDERAL AID MAY EXCEED $12 BILLION ANNUALLY, EXPERTS SAY

(By Anthony Marro)

WASHINGTON, April 15.—Fraud in Federal aid programs has grown to the point at which, some experts say, its annual cost may exceed $12 billion. But many agencies have not yet established the mechanisms to detect, let alone prevent, fraud in their programs.

That is the assessment of a cross section of prosecutors, Congressional investigators and Government officials who said in recent interviews that the Federal Government has been so negligent in monitoring its own grants that it has permitted itself to become a major victim of white collar crime.

For the most part, the fraud is occurring in programs designed to provide services, training and aid to the disadvantaged: food stamps, health care, job training and housing aid.

But it is not the classic case of the welfare mother who cheats. Much of the fraud is committed not by the poor persons receiving the benefits, but by relatively well-to-do doctors, pharmacists and businessmen who have contracted with the Government to provide services and then set out to defraud it intentionally and systematically.

There are no precise figures for the amounts lost each year because of fraud. Mark M. Richard, chief of the fraud section of the criminal division of the Justice Department, says that the mechanisms for detecting fraud in many agencies are so weak that "the data base just isn't there."

'FRAUD, ABUSE AND WASTE'

But a recent report by the Inspector General of the Department of Health, Education and Welfare estimates that at least $6.3 billion to $7.4 billion was lost through "fraud, abuse and waste" last year in that agency alone.

And on a recent seminar on white collar crime, an official of the General Accounting Office, the investigative arm of the Congress, estimated that outright fraud in Federal economic assistance programs could amount from $12 billion to $15 billion a year and perhaps as much as $25 billion a year. The current annual budget of the State of New York is $12 billion.

Largely because of attention generated by a series of dramatic Congressional hearings and a string of critical audits by the accounting office, there has been a growing awareness of the extent of such fraud.

Among the problems and weaknesses cited repeatedly by persons familiar with fraud against the Government were these:

Relatively few resources have been committed to fight the problem. The fraud section of the Justice Department's civil division, for example, has only 13 staff attorneys and three supervisors to handle a load of about 1,200 active cases and a backlog of about 4,000 referrals.

Although the great bulk of the money in these programs comes from the Federal Government, the primary responsibility for policing them is often left to state and local prosecutors, who may lack the resources and expertise, and sometimes the enthusiasm, to do it. "The fact is that the public is more concerned with so-called street crime," Mr. Richard says.

With the exception of the Department of Housing and Urban Development, which was the victim of major program frauds in the early 1970's, few agencies have redesigned their programs to minimize the potential for fraud or to make detection easier.

DIFFERENCES ON SCOPE OF OFFENSES

There is some evidence that many of those engaged in fraud do not consider it theft, or at least see it as a crime less serious than robbery or mugging.

"There's a feeling that people have that they can rip off the Government and it doesn't matter, that it isn't really a crime," says John Ols, the G.A.O. official who cited the $12 billion to $15 billion estimate. "But

the fact is that every dollar lost in this way is a dollar that doesn't go to someone who needs it and who is entitled to it."

Mr. Richard, the Federal prosecutor, says that fraud against the Government results in social costs beyond the money involved.

"It's not only a violation of law, but it's an attempt to subvert a program, and this sort of things affects us all," he said. "When someone manages to subvert a Federal program, he's done something to undermine the integrity of the system over and above the actual dollar cost."

Some evidence of the extent to which the "integrity of the system" has been subverted can be seen in the report by H.E.W., in prosecutions and civil suits by the Justice Department, in Congressional hearings and in audits by the G.A.O.

THOUSANDS COMMITTING FRAUD

Taken together, they present a picture of thousands of persons—many of them well-educated, middle-class citizens—engaged in schemes that range from penny-ante abuses of food stamp programs to alleged fraud in massive, multimillion-dollar grain deals.

They include William C. Sibert, a former employee of the Department of Transportation who was charged with embezzling some $856,000 by putting his own name on checks intended for the construction of a subway in Atlanta.

Asked by a judge how this could happen, the Federal prosecutor is said to have replied: "Your honor, he posed as a subway system."

The cases include that of a doctor who allegedly billed H.E.W. for seven tonsillectomies on the same patient; the daughter of a Civil War widow who continued to collect "widow's benefits" for two decades after her mother had died and the officials of a health plan in California who persuaded some people to sign enrollment forms by telling them that they were signing petitions to impeach Ronald Reagan, who was then the Governor.

They also include the case of William F. Wilson, a dentist in South Carolina who is now in prison after being charged with, among other things, extracting healthy teeth from poor children so that he could collect fees from a Medicaid dental plan.

"It was just awful," said Joel W. Collins, the Assistant United States Attorney who prosecuted that case. He said the dentist had been found to have billed the Government for thousands of dollars worth of work not actually performed as well as for work that was not required.

"BROKE YOUR HEART"

"There was one girl about 13 years old who only had about three teeth left in her mouth," Mr. Collins said. "Looking at her just broke your heart."

Many of the cases disclosed in recent prosecutions and investigations are far more complex and involve larger sums of money.

Item: The Federal Government is trying to recover $24 million in damages from Cook Industries, which it contends defrauded the Government on grain shipments to 32 foreign countries. The suit, which is the largest civil suit the Justice Department is pressing in a fraud case, charges the company with having shortweighted, misgraded or adulterated grain shipments.

Item: The H.E.W. report, while saying that the estimates of dollars lost through "fraud, waste and abuse" might not have been more than 5.4 percent of its total budget of $136.1 billion, nonetheless concedes that the percentage was far higher in some programs. It said, for example, that at least 24 percent of its Medicaid funds had been misspent and concluded on the basis of a preliminary and hurried investigation that "criminal prosecution potential" exists in cases involving at least 290 physicians and 245 pharmacists.

Item: After paying nearly $5 million in vocational training benefits for veterans enrolled in a "barber's school" in Puerto Rico, the Veterans Administration discovered that the bulk of the 1,000 veterans it intended to aid had never actually taken the courses and that the "school" was little more than a store-front.

The proprietor, Romanita Garcia, eventually was jailed, and the Government has since recovered about $500,000 through a civil suit. But the rest was lost in what Federal prosecutors say was a classic case of fraud, much of it going to veterans who were not taking the courses they had reported taking, and much of it going to the businesswoman who was not providing the instruction she had promised.

Many fraud cases are fairly uncomplicated, relying less on careful planning than on the assumption that the Government cannot or will not audit its expenditures.

In many of the Medicaid fraud schemes, for example, doctors simply billed the Government for services not rendered or overcharged for services that were rendered. In many of the vocational education frauds, schools, sometimes with the aid of "students" who shared their Government benefit checks, simply enrolled veterans and billed the Government for training, even though the veterans never attended classes.

Often, this has involved some collusion with persons in the bureaucracy. In its investigation of prepaid health plans in California, a subcommittee headed by Senator Sam Nunn, Democrat of Georgia, discovered an official of H.E.W. who allegedly had accepted money and a car from a contractor whose grants he had approved. And as a result of an investigation of fraud in its educational training programs last year, the Veterans Administration, according to a recent report, meted out to its employees "one suspension, two demotions, 16 reprimands, 15 admonishments and 36 counseling."

FEW INSIDE ACCOMPLICES

Virtually all of those familiar with the programs agreed, however, that outsiders did not need, and in most cases did not have, inside accomplices to help them defraud the Government.

The fraud is not confined to social welfare and economic assistance programs. Although there are no estimates of fraud in military contracts and other forms of procurement, J. Roger Edgar, the head of the fraud section of the Justice Department's civil division, estimates that fraud in defense contracts accounts for 30 percent to 40 percent of his workload.

One typical case handled by his office resulted in the Government's recovery of $600,000 from a contractor who had been accused of using scrap metal rather than new materials in the catapults that launch aircraft from the carrier U.S.S. Forrestal.

In the past, Government officials say, the public and law enforcement figures were more concerned with other crimes, particularly organized crime and narcotics and street crimes, and fraud was not perceived as a major problem.

Even where there was heavy policing of fraud programs, they said, it often focused on welfare mothers who were believed to be obtaining benefits to which they were not entitled rather than on calculated and sophisticated fraud.

According to Richard L. Thornburgh, a former head of the criminal division, the Department of Justice did not even have a strategy for dealing with program fraud before 1972 and thus failed to detect many of the schemes to defraud Federal programs that are now known to have taken place.

"ERROR" OR "ABUSE"

One reason that estimates of the amount of fraud are so vague, sources said, is that many Government officials refuse to call fraud what it is, preferring to dismiss it as "error" or "abuse."

Another is that Federal audit cycles are so long that often fraud is not detected until years after it has taken place. In the case of Mr. Sibert, who allegedly embezzled the $856,000 from the Department of Transportation, the program that the money was taken from was not scheduled to be audited until eight years later, though the applicable statute of limitations runs only five years.

"It was a fluke that we caught him," said one Federal prosecutor. "If he hadn't aroused so much suspicion by spending so much money, the statute of limitations would have lapsed before we even knew the money was gone."

According to many of the sources, the problem is not just with the agencies, but with a lack of commitment by the Justice Department.

An indication of this can be seen in the limited resources of the civil fraud section headed by Mr. Edgar. Last year, it managed to recover about $8 million through civil suits against persons accused of defrauding the Government. It won numerous other suits against persons who did not have the resources to pay.

* * * * *

"There are a lot of cases that are going to have to be handled, and I'd like to know who is going to handle them," said one recently retired prosecutor. "If you start talking about a $6 billion problem at H.E.W., where are the bodies going to come from?"

A number of prosecutors and former prosecutors agree, noting that last year H.E.W. found suggestions of fraud by more than 13,000 persons in one welfare program alone and that since then several other agencies have begun similar internal investigations.

Griffin B. Bell, the Attorney General, has said repeatedly since taking office 14 months ago that fraud against the Government is a major concern and will be a top priority of the Justice Department.

To date, he has assigned nearly 200 agents of the Federal Bureau of Investigation to audits of health care programs and has added 13 staff lawyers, at least temporarily, to the 33-person staff in the criminal fraud section headed by Mr. Richard.

Although most of those interviewed argued that many more resources would be needed at both the state and Federal level, Mr. Richard said that he believes a strong commitment has now been made.

"You're dealing with an area that has been virtually ignored over the years in deference to other priorities," he said. "We are playing catch-up ball, and it's not going to be done overnight."

HEARING NOTICE

Mr. PROXMIRE. Mr. President, the Committee on Banking, Housing, and Urban Affairs will be holding 3 consecutive days of hearings to consider S. 50—the Full Employment and Balanced Growth Act—the so-called Humphrey-Hawkins bill—on May 8, 9, and 10, 1978. The hearings will be held in room 5302 of the Dirksen Senate Office Building at 10 a.m. each day.

The witnesses scheduled to appear on May 8, 1978, are: Congressman JOSEPH L.

FISHER of Virginia, Dr. Andrew F. Brimmer, Brimmer & Company, Inc., Washington, D.C., Mr. Robert R. Nathan, Robert R. Nathan Associates, Inc., Washington, D.C., and Dr. Jack Carlson, vice president and chief economist, Chamber of Commerce of the United States, Washington, D.C. On May 9, 1978, scheduled are: The Honorable F. Ray Marshall, Secretary of the Department of Labor, the Honorable Charles L. Schultze, Chairman, Council of Economic Advisers, and the Honorable J. Charles Partee, member, Board of Governors of the Federal Reserve System. The final days of hearings on May 10, 1978, will include: Mr. Lew Foy, Chairman, National Planning and Employment Task Force, the Business Roundtable, Washington, D.C., Mr. Hugh P. Donaghue, vice president and assistant to the chief executive officer, Control Data Corp., Arlington, Va., Mr. George Hagedorn, vice president and chief economist, National Association of Manufacturers, Washington, D.C., and Mr. Arnold A. Saltzman, chairman, Seagrave Corp., New York, N.Y.

Anyone seeking additional information about the committee hearings or wishing to submit their views for the record should contact Steven N. Roberts of the committee staff at 202–224–0893.

ABOUT NEW YORK—IN THE DARKNESS 40 STORIES BENEATH THE CITY

Mr. PROXMIRE. Mr. President, we have heard a lot of criticism about New York, and I have been one of those who have criticized it.

I would like to call the attention of the Senate to impressive action by some New Yorkers that is overlooked. I would like to read briefly from a fascinating column by Francis X. Clines that appeared in the newspaper yesterday. It reads as follows:

[From the New York Times, May 2, 1978]

ABOUT NEW YORK: IN THE DARKNESS 40 STORIES BENEATH THE CITY

(By Francis X. Clines)

The work down under the city seems as impressive as the deaths there, and as granite-penned and hollowed out and dark as the deaths.

Going down into the slick darkness, the visitors are told by Sailor Kaplin that 19 sandhog workers have been killed so far tunneling 40 stories under the city, digging 13 miles down from the Bronx under Manhattan and across, through the earth, under the river, to Queens.

All this work to help the millions of living above quench their thirst by way of an immense new subterranean water passage worthy of ancient Pharaohs but actually attributable to a string of 20th-century mid-level rulers named Wagner, Lindsay, Beame and Koch.

"We remember the men of Local 14, 15, 147 and Local 3 who sacrificed their life to this job," Sailor Kaplin says, citing fellow sandhogs in a voice that stabs at the dark like his flashlight as the visitors descend in the sandhogs' elevator cage, moving faster than the water trickling down the walls of the 400-foot shaft. The men have died mostly in separate accidents—falls, fires, rock falls—and so the sacrifices have gone unnoticed up above.

The visitors—10 men and a woman who, in their yellow coveralls and hard hats, resemble aberrant moths—are breaking the routine of their own work life, which is to write down and publish various labor-union newspapers. They are trying something new, putting aside typewriters and paste pots and going out as a group from their white-collar offices around the city to see what the actual work of union people can look like. These paid poets of labor are replenishing their senses, looking for the solidarity of labor back at the work site instead of the union hall.

It's all very interesting in a big labor town like this, where some union leaders can be seen lapsing far from the lunch pail into the three-martini lunch.

The visitors' spirits are high. One man donning his plastic outfit cannot resist singing, "Look for the union label." There are Taiwan tags in some of the apparel.

Descending 40 stories under Van Cortlandt Park in the Bronx, one visitor asks how the group, which is to visit various types of labor sites, will ever top this first one for danger.

"Oh, we're going to plan a really dangerous trip next, to a public school," replies Tony Ramirez, an editor with New York Teacher.

The laughter compensates for the lost daylight, and, as eerie as the tunnel is, the visitors are quickly taking serious note that the 300 sandhogs working there are accepting three-fourths scale in hours and pay, doing round-the-clock shifts of six hours each instead of the eight hours each that were usual before the city's fiscal crisis hit.

"We had 90 percent unemployment when the job was shut down because of the crisis," says Ed Cross, a union official, recalling dollar-rich days when 1,500 sandhogs worked in the water tunnel. "At least this way four men get a job instead of three."

Matt Doherty, an editor with the state's United Teachers who is president of the visiting Metropolitan Labor Press Council, is impressed. "I've been writing the fiscal crisis so long it's a series," he says, "and here's a big part of the story—the death of workers, the sacrifice in wages."

Chick Donahue, a big sandhog with a red mustache, welcomes the visitors below with the same spirit. "This is where I make my living," he says, standing in a hole 24 feet in diameter that worms off toward the dark under Manhattan.

In the immense cold sepulcher of the sandhogs, none of the visitors' questions and concerns sounds trite. There seems no place for cynicism as a string of glowing bulbs lights a frightening granite path downtown. The word workers are quickly resorting to the likes of "awesome" in describing this deep place, which has its own two-locomotive railroad hauling cement that is poured down like an endless poultice into the earth.

The visitors' pads and pencils seem beside the point as they toil in a huge control room carved five stories high and two football fields long, lined with more than 60 openings eight feet wide to hold giant flow valves.

"I hate to ask, but where are the valves coming from?" Harry Avrutin of the Central Labor Council's Chronicle inquiries.

"Japan and Austria," a sandhog replies.

"Yeah, the foreign countries bid cheaper than the U.S.," someone says in the shadow, and there is no discussion of why.

To ride the tunnel railroad, its steamy red lights flashing off giant tinfoil strips holding back water leaks in the ceiling and walls, is to get addicted to a vision knifing blackly, perfectly ahead: You can fantasize about Peenemunde as the train bleats along, but then Sailor Kaplan, 40 years a sandhog, starts talking American history.

"Can you imagine all this going on down here and only 200 years ago there was nothing—absolutely nothing—up above," he says, speaking more or less directly beneath Lehman College. He leads the group, sloshing through puddles bow legged and as confident as Casey Stengel, and imploring "you dignitaries"—he says the word like a friendly, slow joke—to press Albany and Washington for subsidies to get the tunnel back to full-time labor.

The visitors reassure Sailor that they will not soon forget this place and the sandhogs when they ascend to their colleagues in such unions as the garment workers, the maritime workers, the paper makers, the Catholic and public-school teachers and state labor's political-action committee.

Cameras flash up at buttress-like concrete molds, and at a man working plain and hefty with a pickax.

The man from the paper makers searches the darkness for his local angle. "How many ways do you use paper in this tunnel?" he asks.

A sandhog eyes the alien worker and says, "Not much." Then he quickly adds, "But you need water, a hell of a lot of water, Pal, to make paper."

The article indicates that the men got paid three-fourths of the money they were entitled to in hours and pay doing round-the-clock shifts of 6 hours each instead of the 8 hours each that were usual before the city's fiscal crisis hit. These men are working at a sacrifice in hours, a sacrifice in pay, and doing fine work for the city of New York.

HOLOCAUST ILLUSTRATED NEED FOR GENOCIDE CONVENTION

Mr. PROXMIRE. Finally, Mr. President, briefly, on one other issue, I was glad to read last week that a tremendous number of Americans, over 100 million, had the opportunity to see at least a part of the recent television production "Holocaust."

The story dealt in part with the plight of the Weiss family, which had been in the upper class of German society prior to Hitler's antisemitic campaign. By the end of World War II, there were only two survivors: Rudi Weiss and his sister-in-law, Inga.

Inga had been married to Karl Weiss, and I found his story to be one of the most compelling in the entire saga. From a Nazi work camp, he was sent to one of the nicer ghettos because of his artistic ability. But as a member of the artist community in that ghetto, he worked in secret on paintings of the Jews who had been starved, tortured, or otherwise tormented by the Nazis. He and his fellow artists believed that what they were going through was so horrible that no one would believe it had really happened, that no one could picture how truly terrible the crime of genocide was. They had to take great care to hide their drawings, though, for fear that the Nazis would discover them and destroy both the paintings and their artists.

But they were discovered, and Karl and his fellow artists were tortured by the Nazis in an attempt to discover the location of any other paintings. But the artists refused to talk. Karl stood his ground even though two of his fellow artists died. Karl alone survived, al-

though the Nazis crushed his hands to keep him from ever drawing again.

Sent to Auschwitz, though, Karl did continue to draw pictures of the holocaust. He and his fellow artists were so dedicated to the cause of letting people know how the Jews had suffered that they were willing to give their lives if necessary.

Today, we have not forgotten the sufferings of the Jews. For all time, the Nazi holocaust will stand as a chilling testimonial to man's inhumanity to his fellow man. Indeed, shortly after World War II, several nations worked together to write the Genocide Convention, a treaty which would make the commission of genocide an international crime. I am proud that this country took a leading role in the drafting of the treaty, and I am proud that President Truman saw fit to sign it in 1948.

The fact is that some 82 countries have ratified the Genocide Convention. It was introduced and sponsored originally by the United States. We have not ratified it, and we should. It is a shame that we have not. It has been supported by every President since President Truman, and supported enthusiastically.

We have had 30 years to act on it, and we should act. I believe that this country has been a world leader in human rights, and should be proud of that role. Surely, a treaty which seeks to guarantee the most basic of all human rights is entirely consistent with our philosophy, and 30 years is too long to wait for the Senate to act on this noble treaty. I urge the Senate to ratify the Genocide Convention as soon as possible.

I yield the floor.

The PRESIDING OFFICER. The Senator from West Virginia.

ORDER FOR THE RECOGNITION OF MR. DOLE AND MR. BARTLETT; AND CONTINUED CONSIDERATION OF THE NAVIGATION DEVELOPMENT ACT ON TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow, after the two leaders are recognized under the standing order, Mr. DOLE be recognized for not to exceed 15 minutes, and Mr. BARTLETT be recognized for not to exceed 15 minutes; after which, the Senate resume consideration of the waterways bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECESS UNTIL 10:30 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the convening time for tomorrow be changed from 10 a.m. to 10:30 a.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 10:30 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance before the Senate, I move, in accordance with the order previously entered, that the Senate stand in recess until the hour

The motion was agreed to; and at 7:23 p.m., the Senate recessed until tomorrow, May 4, 1978, at 10:30 a.m.

NOMINATIONS

Executive nomination confirmed by Senate May 3, 1978:

DEPARTMENT OF STATE

Richard F. Kneip, of South Dakota, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Singapore.

DEPARTMENT OF JUSTICE

Sidney I. Lezak, of Oregon, to be U.S. attorney for the district of Oregon for the term of 4 years (reappointment).

CONFIRMATION

Executive nomination confirmed by the Senate May 3, 1978:

DEPARTMENT OF ENERGY

John Kenneth Mansfield, of Connecticut, to be Inspector General of the Department of Energy.

The above nomination was approved subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

WITHDRAWAL

Executive nomination withdrawn from the Senate May 3, 1978:

NATIONAL RAILROAD PASSENGER CORPORATION

Anthony Haswell, of Illinois, to be a member of the board of directors of the National Railroad Passenger Corporation for a term expiring July 18, 1981, vice Donald P. Jacobs, term expired, which was sent to the Senate January 26, 1978.

HOUSE OF REPRESENTATIVES—*Wednesday, May 3, 1978*

The House met at 12 o'clock noon.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

Let the beauty of the Lord our God be upon us.—Psalms 90: 17.

For the beauty of the earth,
For the glory of the skies,
For the love which from our birth
Over and around us lies:
Lord of all, to Thee we raise
This our prayer of grateful praise.

Our Heavenly Father, who has filled the Earth with the springtime of beauty and has thrown a mantle of green across the shoulder of the hills, open our eyes, we pray Thee, to see Thy gracious hand in all Thy works that rejoicing in the glory of Thy creation, we may worship Thee with joy and serve Thee with gladness. Give us the desire and the determination to bring the gift of gladness to others that with them we may bear the heat and burden of the day and offer Thee the praise of work well done.

In all of our trials and troubles help us to keep our trust in Thee that the joy of Thy spirit and the faith in our hearts may kindle joy and increase faith in the lives of the people of our country. Amen and amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate had passed with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 11504. An act to amend the Consolidated Farm and Rural Development Act, provide an economic emergency loan program to farmers and ranchers in the United States, and extend the Emergency Livestock Credit Act.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 11504) entitled "An act to amend the Consolidated Farm and Rural Development Act, provide an economic emergency loan program to farmers and ranchers in the United States, and extend the Emergency Livestock Credit Act," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. TALMADGE, Mr. MCGOVERN, Mr. ALLEN, Mr. HUDDLESTON, Mr. CLARK, Mr. DOLE, Mr. YOUNG, and Mr. HAYAKAWA to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 6782) entitled "An act to permit marketing orders to include provisions concerning marketing promotion, including paid advertisement, of raisins and distribution among handlers of the pro rata costs of such promotion."

The message also announced that the Senate disagrees to the amendment of the House to the bill (S. 1633) entitled "An act to provide for the extension of certain Federal benefits, services, and assistance to the Pascua Yaqui Indians of Arizona, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. ABOUREZK, Mr. METZENBAUM, Mr. MELCHER, Mr. BARTLETT, and Mr. MARK O. HATFIELD to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the amendments of the House to bills of the Senate of the following titles:

S. 482. An act to direct the Secretary of the Interior to purchase and hold certain lands in trust for the Zuni Indian Tribe of New Mexico; to confer jurisdiction on the Court of Claims with respect to land claims of such tribe; and to authorize such tribe to purchase and exchange lands in the States of New Mexico and Arizona; and

S. 661. An act to restore Federal recognition of certain Indian tribes, and for other purposes.

HON. SILVIO O. CONTE'S REMARKS ON EMERGENCY FARM BILL—CONFERENCE REPORT

(Mr. CONTE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CONTE. Mr. Speaker, tomorrow this body will face another special interest proposal, similar to the one that was soundly defeated a few weeks ago. The Members will again hear the cries of the farmers, who appear to be "milking" the taxpayer for all they can. We will be told that this proposal is modest as compared to the previous farm giveaway proposal. That is not hard to do, since the previous boondoggle was for a tidy $6 billion. The conferees will state that this does little more than raise the 1978 wheat target price and the cotton loan level.

In the interest of time, let me mention the cotton giveaway. This so-called compromise will guarantee the domestic cotton producers at least 48 cents per pound. But, the price of cotton has grown like a weed. After the President signed the farm bill, the price rose 7 cents per pound, or a healthy 14-percent increase, all since last October. Now they want an additional 10 cents per pound—guaranteed for the next 4 years. I suggest that this is more than keeping pace with inflation. Thus, these select farmers are getting fat at the Federal trough while the taxpayer is left threadbare.

Mr. Speaker, I wonder how many times we have to vote this special interest boondoggle down before we get the message across. I submit that we are getting tired of spinning the same yarn every other week. I trust rationality will again prevail over the highly visible special interest.

Thank you, Mr. Speaker.

FIRST CONCURRENT RESOLUTION ON THE BUDGET—FISCAL YEAR 1979

Mr. GIAIMO. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the concurrent resolution (H. Con. Res. 559) setting forth the congressional budget for the U.S. Government for the fiscal year 1979

The SPEAKER. The question is on the motion offered by the gentleman from Connecticut.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. BAUMAN. Mr. Speaker, I object to the vote on the ground that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 383, nays 4, present 2, not voting 45, as follows:

[Roll No. 273]

YEAS—383

Addabbo	Cunningham	Harrington
Akaka	D'Amours	Harris
Alexander	Daniel, Dan	Harsha
Ambro	Daniel, R. W.	Hawkins
Ammerman	Danielson	Heckler
Anderson, Calif.	de la Garza	Hefner
Anderson, Ill.	Delaney	Heftel
Andrews, N. Dak.	Dent	Hightower
Applegate	Derrick	Hollenbeck
Archer	Derwinski	Holt
Armstrong	Dickinson	Holtzman
Ashley	Dicks	Horton
Aspin	Dingell	Howard
AuCoin	Dodd	Hubbard
Badham	Dornan	Hughes
Bafalis	Downey	Hyde
Barnard	Drinan	Ichord
Baucus	Duncan, Oreg.	Ireland
Bauman	Duncan, Tenn.	Jacobs
Beard, Tenn.	Early	Jeffords
Bedell	Eckhardt	Jenkins
Beilenson	Edgar	Jenrette
Benjamin	Edwards, Ala.	Johnson, Calif.
Bennett	Edwards, Calif.	Johnson, Colo.
Bevill	Edwards, Okla.	Jones, N.C.
Biaggi	Eilberg	Jones, Okla.
Bingham	Emery	Jones, Tenn.
Blanchard	English	Jordan
Blouin	Erlenborn	Kasten
Boggs	Ertel	Kastenmeier
Boland	Evans, Colo.	Kelly
Bolling	Evans, Del.	Kemp
Bonior	Evans, Ga.	Ketchum
Bonker	Evans, Ind.	Keys
Brademas	Fary	Kildee
Breaux	Fascell	Kindness
Breckinridge	Fenwick	Kostmayer
Brinkley	Findley	Krebs
Brodhead	Fish	LaFalce
Brooks	Fisher	Lagomarsino
Broomfield	Fithian	Latta
Brown, Calif.	Flippo	Le Fante
Brown, Mich.	Flood	Leach
Brown, Ohio	Florio	Lederer
Broyhill	Flowers	Leggett
Buchanan	Flynt	Lehman
Burgener	Foley	Lent
Burke, Fla.	Ford, Mich.	Levitas
Burke, Mass.	Ford, Tenn.	Livingston
Burleson, Tex.	Forsythe	Lloyd, Calif.
Burlison, Mo.	Fountain	Lloyd, Tenn.
Burton, Phillip	Fowler	Long, La.
Butler	Fraser	Long, Md.
Byron	Frenzel	Lott
Caputo	Fuqua	Lujan
Carney	Gammage	Luken
Carr	Garcia	McClory
Carter	Gaydos	McCloskey
Cavanaugh	Gephardt	McCormack
Chappell	Giaimo	McDade
Chisholm	Gibbons	McDonald
Clausen, Don H.	Gilman	McEwen
Clawson, Del	Ginn	McFall
Clay	Gonzalez	McHugh
Cleveland	Goodling	McKay
Cohen	Gore	McKinney
Coleman	Gradison	Madigan
Conable	Grassley	Maguire
Conte	Green	Mahon
Corcoran	Gudger	Markey
Corman	Guyer	Marks
Cornell	Hagedorn	Marlenee
Cornwell	Hall	Marriott
Cotter	Hamilton	Martin
Coughlin	Hammer-schmidt	Mattox
Crane	Hanley	Mazzoli
	Hannaford	Meeds
	Hansen	Metcalfe
	Harkin	Meyner
		Michel
		Mikulski
		Milford
		Miller, Ohio
		Mineta
		Minish
		Mitchell, N.Y.
		Moakley
		Mollohan
		Montgomery
		Moore
		Moorhead, Calif.
		Moorhead, Pa.
		Moss
		Motti
		Murphy, Ill.
		Murphy, N.Y.
		Murphy, Pa.
		Murtha
		Myers, Gary
		Myers, John
		Myers, Michael
		Natcher
		Neal
		Nedzi
		Nichols
		Nolan
		Nowak
		O'Brien
		Oakar
		Obey
		Ottinger
		Panetta
		Patten
		Patterson
		Pattison
		Pease
		Pepper
		Perkins
		Pettis
		Pickle
		Pike
		Poage
		Pressler
		Preyer
		Price
		Pritchard
		Pursell
		Quayle
		Quie
		Quillen
		Rahall
		Railsback
		Rangel
		Regula
		Reuss
		Rhodes
		Richmond
		Rinaldo
		Risenhoover
		Roberts
		Robinson
		Rodino
		Roe
		Rogers
		Roncalio
		Rooney
		Rose
		Rosenthal
		Rostenkowski
		Rousselot
		Roybal
		Russo
		Ryan
		Santini
		Sarasin
		Satterfield
		Sawyer
		Schroeder
		Schulze
		Sebelius
		Seiberling
		Sharp
		Shipley
		Shuster
		Sikes
		Simon
		Sisk
		Skelton
		Skubitz
		Slack
		Smith, Iowa
		Smith, Nebr.
		Snyder
		Solarz
		Spence
		St Germain
		Staggers
		Stangeland
		Stanton
		Stark
		Steed
		Steers
		Steiger
		Stockman
		Stokes
		Stratton
		Studds
		Stump
		Symms
		Taylor
		Thompson
		Traxler
		Treen
		Trible
		Tsongas
		Udall
		Ullman
		Vander Jagt
		Vanik
		Vento
		Volkmer
		Waggonner
		Walgren
		Walker
		Walsh
		Winn
		Watkins
		Waxman
		Weiss
		Whalen
		Whitehurst
		Wilson, C. H.
		Wilson, Tex.
		Wampler
		Wirth
		Wolff
		Wright
		Wydler
		Wylie
		Yates
		Yatron
		Young, Alaska
		Young, Fla.
		Young, Mo.
		Young, Tex.
		Zablocki
		Zeferetti

NAYS—4

Collins, Tex.	Mitchell, Md.	Wilson, Bob
Davis		

PRESENT—2

Lundine	Whitten

NOT VOTING—45

Abdnor	Diggs	Oberstar
Allen	Frey	Rudd
Andrews, N.C.	Glickman	Runnels
Annunzio	Goldwater	Ruppe
Ashbrook	Hillis	Scheuer
Baldus	Holland	Spellman
Beard, R.I.	Huckaby	Teague
Burke, Calif.	Kazen	Thone
Burton, John	Krueger	Thornton
Cederberg	Mann	Tucker
Cochran	Mathis	Van Deerlin
Collins, Ill.	Mikva	Weaver
Conyers	Miller, Calif.	White
Dellums	Moffett	Whitley
Devine	Nix	Wiggins

Mr. GEPHARDT changed his vote from "nay" to "yea."

So the motion was agreed to.

The result of the vote was announced as above recorded.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the concurrent resolution (H. Con. Res. 559), with Mr. NATCHER in the chair.

The Clerk read the title of the concurrent resolution.

The CHAIRMAN. When the Committee rose on Tuesday, May 2, 1978, all time for general debate on the concurrent resolution had expired.

Pursuant to clause 8 of rule XXIII, the

concurrent resolution is considered as having been read for amendment and open to amendment at any point.

Are there any amendments?

AMENDMENT OFFERED BY MR. SIMON

Mr. SIMON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SIMON: In the matter relating to the appropriate level of total budget outlays decrease the amount by $1,696,000,000.

In the matter relating to the amount of the deficit decrease the amount by $1,696,000,000;

In the matter relating to the appropriate level of the public debt decrease the amount by $1,696,000,000;

In the matter relating to the amount by which the statutory limit on the public debt should accordingly be increased, decrease the amount by $1,696,000,000.

In the matter relating to function 350: Agriculture decrease the amount for outlays by $1,696,000,000.

Mr. SIMON (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. SIMON. Mr. Chairman and members of the committee, this amendment is a reduction of $1,696,000,000 or, roughly, $1.7 billion in the amount that will be necessary for current agricultural programs. This is a result of Congressional Budget Office estimates and estimates by the Department of Agriculture.

As far as I know, this amendment is supported by all members of the Committee on the Budget. I do not pretend to speak for all of them, but all with whom I have discussed it are in favor of it.

Mr. Chairman, this has resulted from a change in market prices that have been caused by a number of factors, one of them being some difficulties in China because of some short crops there, and the announcement on March 29 by the Vice President and the Secretary of Agriculture of an expansion of present programs.

Mr. Chairman, I know of no controversy with respect to this amendment. It does not in any way affect the additional money which the Committee on the Budget made available, $25 billion, in funds for new programs. It does not affect the $100 million for additional research. As far as I know, it is a sound and noncontroversial amendment.

Mr. LATTA. Mr. Chairman, will the gentleman yield?

Mr. SIMON. I am pleased to yield to the gentleman from Ohio.

Mr. LATTA. Mr. Chairman, the Committee on Rules just recommended out the conference report on the agriculture bill, H.R. 6782; and certainly there is going to be some additional money required as a result of the action taken by the Committee on Rules and the action taken by the other body yesterday, on this particular matter.

This bill is going to come before the House probably this week if we complete action on this budget resolution.

Mr. Chairman, I am going to ask the gentleman whether or not there is money in this bill, the way it stands right now, to cover this additional expenditure—I think it is about $740 million.

Mr. SIMON. That is correct, yes. We provide $2.5 billion for program modifications or new programs, and the $747 million means that there is still more than $1.7 billion for new programs in the budget; and this amendment in no way alters that fact.

Mr. LATTA. If the gentleman will yield further, then some reductions in agricultural research funds, extension service, and so forth, were made before the budget came down from the White House, is there adequate money to fund these services as required by statute plus normal growth costs? Plus, what might be required for inflation?

Mr. SIMON. In my opinion, there is adequate funding there to cover any of these things, including the area of research the gentleman mentioned. For example, we add $100 million over the administration request for agricultural research. I think it is a very sound addition.

But no, this reduction I am suggesting here with this amendment simply is talking about current programs, talking about market prices and how the budget is affected by those market prices.

Mr. LATTA. I thank the gentleman.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. SIMON. I will be pleased to yield to the gentleman from Maryland.

Mr. BAUMAN. It is my understanding that the committee does not deal in line items when it draws up the aggregate amounts, but only in general projections of increased costs and certain other factors.

Mr. SIMON. That is correct, although obviously when we are talking about major programs we have to consider some details.

Mr. BAUMAN. The question arises—the gentleman from Ohio touched upon it—when the President sent down the agricultural budget, he left untouched, or suggested increases, for food stamps and other welfare programs, but he cut out completely or greatly reduced things such as the soil conservation program, R.C. & D. projects, the home extension service; he cut back agricultural research, and generally reduced many good farm programs.

The obvious concern some of us have is that the gentleman's amendment may back up the President in destroying these worthwhile programs.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

(On request of Mr. BAUMAN and by unanimous consent Mr. SIMON was allowed to proceed for 2 additional minutes.)

Mr. SIMON. Many of the programs the gentleman is talking about fall under different functions than the agricultural function. Food stamps, for example, fall under income security, and that is true of some of the other programs. We include substantial increments for agriculture in this budget, and properly so. The average farmer suffered last year a drop in real income of about 11.5 percent. So, we properly are providing substantial new moneys for agricultural programs.

Mr. BAUMAN. I thank the gentleman for his explanation.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. SIMON. I yield to the gentleman from California.

Mr. ROUSSELOT. I appreciate the gentleman yielding to me. Let me understand you clearly. Even if the Agriculture conference report is approved later this week, there will still be more than $1.7 billion for new programs in the agriculture function of the budget. We can then assure the House that by supporting the gentleman's amendment, we are in no way doing damage to the potential action that we might take tomorrow relating to the conference report on agriculture?

Mr. SIMON. That is absolutely correct.

Mr. ROUSSELOT. And, Mr. Chairman, is this your understanding also?

Mr. GIAIMO. Absolutely. I think there is more than enough in this agricultural function to accommodate the action that will be taken tomorrow, and then some.

Mr. ROUSSELOT. More than enough?

Mr. GIAIMO. More than enough.

Mr. ROUSSELOT. In other words, there is even a little extra?

Mr. GIAIMO. Possibly we should reduce the agricultural function even more, but I suggest that we look at the situation later in the year before making decisions.

Mr. ROUSSELOT. Or maybe until a little later on in this debate. I appreciate both the very firm statement of my colleague from Illinois, and that of my distinguished chairman.

The CHAIRMAN. The time of the gentleman from Illinois has again expired.

(On request of Mr. SEBELIUS and by unanimous consent Mr. SIMON was allowed to proceed for 2 additional minutes.)

Mr. SEBELIUS. Mr. Chairman, will the gentleman yield?

Mr. SIMON. I will be pleased to yield to the gentleman from Kansas.

Mr. SEBELIUS. A basic concern is whether or not we are paring this too much. I just talked to Chairman FOLEY of the Agriculture Committee, and he feels that as of this moment he cannot foresee that we would need that much. However, I would like assurance from the gentleman and from the chairman that should something drastic develop, and we have taken out this amount, that the Budget Committee would look with a sympathetic eye at the problem of any new things that would come up.

Mr. SIMON. I can assure the gentleman that I happen to represent one out of every seven farmers in the State of

Illinois and I would be very sympathetic if adverse market conditions demanded that we take additional action. But in partial response to the gentleman's question of the gentleman from California, even with the conference report, that I assume will be adopted tomorrow, we will have roughly $1.7 billion in new money for programs in agriculture.

Mr. SEBELIUS. I was trying to tighten up the understanding and commitment. I thank the gentleman.

Mr. LATTA. Mr Chairman, will the gentleman yield?

Mr SIMON. I yield to the gentleman from Ohio.

Mr. LATTA. Mr. Chairman, when did it come to light that the CBO estimate was $1,696,000,000 too much? This just came to my attention this morning. When did the CBO find there was this error?

Mr. SIMON. It was April 6, I am advised by the staff, that this reestimate was made by the Congressional Budget Office. I might add that the reestimate was triggered by the March 29 announcement by the Vice President and the Secretary of Agriculture which called for a revision of all estimates, but I understand this reestimate now is supported by both the Department of Agriculture and the Congressional Budget Office.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois (Mr. SIMON).

The amendment was agreed to.

AMENDMENT OFFERED BY MRS. HOLT

Mrs. HOLT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mrs. HOLT: In the matter relating to the recommended level of Federal revenues decrease the amount by $3,179,000,000;

In the matter relating to the amount by which the aggregate level of Federal revenues should be decreased increase the amount by $10,300,000,000;

In the matter relating to the appropriate level of total new budget authority decrease the amount by $21,377,000,000;

In the matter relating to the appropriate level of total budget outlays decrease the amount by $13,039,000,000;

In the matter relating to the amount of the deficit decrease the amount by $9,860,000,000;

In the matter relating to the appropriate level of the public debt decrease the amount by $9,860,000,000;

In the matter relating to the amount by which the statutory limit on the public debt should accordingly be increased. decrease the amount by $9,860,000,000.

Mrs. HOLT (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Maryland?

There was no objection.

Mrs. HOLT. Mr. Chairman, my amendment would change the aggregate figures of House Concurrent Resolution 559.

I feel we have got to do something to stop high inflation and the rising tax burden on the people. The President is calling for restraint. Mr. Miller is calling for lower deficits. Everybody is pointing the finger at what we are doing right here in the Congress, and especially our constituents are asking for a change. I think they are very, very apprehensive.

What we must do is reduce the growth rate of Government spending. We must reduce the Government sector's burden on the economy and reduce the excessive strain on the capital markets.

Production is the remedy for inflation.

The 1979 budget recommended by the committee fails totally to address these critical needs. I think it is simply a monument to the growth of Government.

What I am trying to do today with my amendment is to provide a spending growth rate of 8 percent. This is not going to harm any program. It just limits the growth rate to 8 percent.

The committee budget is nearly 11 percent higher than the estimated 1978 outlays. The committee allows for a $19.4 billion tax reduction, which is inadequate to offset the economic damage already caused by high inflation, and rising taxes. My substitute allows for a $29.7 billion tax reduction, which would provide some real relief to the people.

My budget has a deficit of $48 billion. The committee has approved a $58 billion deficit.

I do not claim that my substitute is a cure-all for the economical problems of this Nation, but it is a start. And that is what we have got to do. This is exactly the solution Mr. Strauss is calling for.

We would check the momentum of inflation. We would move in the direction of stronger noninflationary economic expansion. As the chairman pointed out, this is a target resolution, it does no harm to any program. It does exactly what the budget act requires us to do, to exert some discipline. If we continue with the trend provided by the Committee on the Budget we will never balance the budget. My substitute does not balance the Federal budget next year, but this kind of a policy would bring us to a balanced budget within 5 years.

The tax cut is not as much as I would like it to be, but my intent is to have a tax reduction every year to provide the desperately needed relief for our people and the productive enterprises of our country, and to bring us to a sound economy at a lower level of taxation. That is the important thing. This would be done at a lower level of taxation.

The question I am asking today is do we try to balance a budget at a 25-percent tax level, or do we get back to the sounder tax level of 18 percent of our gross national product? This is really the way to start and I respectfully urge your consideration of my substitute budget aggregates.

Mr. MITCHELL of Maryland. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I rise in opposition to this amendment. The distinguished gentlewoman from Maryland (Mrs. HOLT) offered a similar amendment in the committee and it was not acceptable in the committee and I would hope that we find it not acceptable on the floor today.

What the gentlewoman wants in her substitute amendment is very, very simple: No new programs and no expansion beyond inflation in all programs.

What this means is that some programs which are in dire need to expand would be prevented from expanding.

Let me be specific and let us just look at some of the things that would happen if this amendment should prevail—and I certainly hope that it will not. Here is what we would have to eliminate from the budget:

Four hundred million dollars for title I of the Urban Rural Poverty Concentration Initiative for Elementary and Secondary School Children.

If this amendment should prevail, and I hope that it does not, we would have to eliminate $144 million in the Federal subsidy for educating handicapped children, 10 to 12 percent.

If this amendment should prevail, and I hope sincerely it does not, we would eliminate $650 million in the CETA initiatives proposed by the President.

Mrs. HOLT. Mr. Chairman, will the gentleman yield?

Mr. MITCHELL of Maryland. Mr. Chairman, I would ask the gentlewoman from Maryland (Mrs. HOLT) to permit me to conclude my statement and then I will be happy to yield to the gentlewoman.

As I was saying, we would eliminate $650 million for CETA initiatives proposed by the President in his budget and a part of that is the effort to involve the private sector in CETA programs, which is much needed.

If the amendment should prevail, and it certainly should not prevail, we would take $230 million from the 200,000 summer youth jobs.

Mrs. HOLT. Mr. Chairman, will the gentleman yield at that point?

Mr. MITCHELL of Maryland. I yield to the gentlewoman from Maryland (Mrs. HOLT).

Mrs. HOLT. Mr. Chairman, let me say that I agree that the gentleman from Maryland (Mr. MITCHELL) is a very valuable member of the Committee on the Budget.

Mr. MITCHELL of Maryland. Mr. Chairman, I yield to the gentlewoman's evaluation of me in that respect.

Mrs. HOLT. But does the gentleman agree that we are dealing in aggregates? There is absolutely no reason in the world that these figures up here would require any of the cuts that the gentleman is speaking of.

Mr. MITCHELL of Maryland. Might I respond to the gentlewoman?

Mrs. HOLT. We are speaking of aggregates and reducing taxes. If we go to zero-based budgeting I know that there are other programs that are ineffective and funds could be used for more effective programs.

Mr. MITCHELL of Maryland. I will respond to the gentlewoman. The effect

of the gentlewoman's proposal would be to cut $4.4 billion in budget authority and $2.1 billion in outlays really, and that would simply stifle any new initiatives that are proposed. I will not yield further because I would like to finish my statement, if I may.

The amendment would eliminate, for example—we could not even consider a new proposal—the entire Middle-Income Student Assistance Act, which so many Members of this House have shown an interest in. I could go down the list pinpointing areas that could be cut.

Mrs. HOLT. Mr. Chairman, will the gentleman yield again?

Mr. MITCHELL of Maryland. No; I will not at this time; I am sorry. I want to complete my statement.

Let me indicate that I, too, share a concern about the level of Federal spending. I, too, want to see the deficit reduced. I want to see Federal spending reduced, but I want to see it done in some kind of logical and rational fashion so that we do not summarily dismiss or ignore the needs of human beings.

In the colloquy yesterday I stated on the floor I would hope that the private sector would become much more expansive and much more involved, and if it does so in employment, it means we are going to eliminate some Federal spending jobs. I would hope to see the economy strengthened to the point where we do not have so many people in need, but until such time as we do see those changes take place, it is the duty and the responsibility of this body—it is the duty and the responsibility of this body—to meet those needs. In all good conscience—in all good conscience—there is absolutely no way that we can responsibly support this proposition, and I urge its speedy defeat.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mrs. HOLT, and by unanimous consent, Mr. MITCHELL of Maryland was allowed to proceed for 1 additional minute.)

Mrs. HOLT. Mr. Chairman, will the gentleman yield?

Mr. MITCHELL of Maryland. I yield to the gentlewoman from Maryland.

Mrs. HOLT. I thank the gentleman for yielding.

Does the gentleman agree that we are dealing in aggregates and that there is absolutely no reason that any good new program should not be implemented, if money can be found within the budget and in effective programs to implement that program?

Mr. MITCHELL of Maryland. All right, I will respond in the half minute I have remaining. If we cut $4.4 billion in budget authority, we cut $2.1 billion in outlays, something has got to go, and these are the programs that will probably go.

Mrs. HOLT. Will the gentleman continue?

Mr. MITCHELL of Maryland. No; I only wanted a minute.

Mr. CONABLE. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, I thank the gentlewoman for making this amendment because I think it deals with a basic issue of procedure, and it has to do with whether or not this committee is going to set fiscal policy or whether it is going to act like an adding machine without a subtract button. Quite frankly, fiscal policy should be the goal of this committee. I think the Members of this Chamber and everyone present at this time are concerned about fiscal policy, and we should reflect it in our procedures.

The papers today report the administration officially is reestimating that inflation for 1978 will now be 7 percent. We all know that bears a direct relationship to fiscal policy. The voters in every congressional district in the country are concerned with inflation, deficits, and high taxes, but unless we follow the procedure the gentlewoman from Maryland is suggesting of setting aggregates, of deciding what our overall fiscal goals are going to be, we will not be engaging in the kind of fiscal discipline that can keep our Government under control. The present method of setting the budget makes it impossible to make substantial progress on getting the deficit down, restraining inflation, and lowering the tax burdens.

First, we take last year's budget and argue about how much more each function should get. Second, by deciding function by function how much we will spend, we will have nothing but upward pressure. Every program in the Federal budget is supported by a majority of House Members; otherwise, the program would not be there.

None of us can go back to our districts and defend an action which cuts benefits for programs our individual constituents like, while other programs get big increases. The result is that we end up giving increases to everybody's programs.

By working in this way, we are never going to lower the deficit or provide meaningful tax relief. We have no fiscal policy working. We end up trying to reduce the deficit under these circumstances by reducing the size of a necessary tax cut. This seems easier than restraining spending, even though larger tax cuts can be justified as more necessary and more deserving than any single program by itself.

Now, the solution is to set the size of the budget "pie" at the outset, establish goals and I think, Mr. Chairman, we have to do that over a period of time to show a fiscal plan to the Nation, both on spending and taxing, to know where we are headed and where we want to go as a Nation.

We balance total spending with the need for tax relief by deciding at the outset what is both fair and equitable, then debate how much of the total spending pie will go to each function. Of course, the entire House will work its will on that, once we have adopted our fiscal goal. For the first time, this would force Congress to set priorities and agree that some programs, however worthy, are less important than others.

It would require difficult choices, but that is what we are paid for.

It would enable us to tell our constituencies that there was only so much money available and, therefore, they did not get all they wanted. It can be "sold" only if it is evident that the entire budget is subject to this restraint—that we are exercising fiscal discipline.

Let me say just a special word about the tax side of the equation. We have to reject the idea of a lower tax cut in order to lower the deficit. We must decide first what is a fair and sustainable tax burden. Only after we decide what is fair to collect from the taxpayers can we even think about what we should be spending. Spending should be a function of taxation, not the other way around as it is now. Taxes should be based on how much we want to spend.

Mr. Chairman, when we go to the supermarket to buy something at the store, we look in our wallets first to find out how much we can afford to spend. We should do that with the Nation's wallet as well. That is the course of fiscal discipline that ultimately will get our priorities here under control, rather than continuing as we are.

After 5 years of the budget process, we find we have greater growth in spending and taxing than we had during the 5 years prior to our enactment of the budget process. This is a terrible disappointment to those of us who support a responsible fiscal policy. Clearly, we are doing something wrong.

I think, Mr. Chairman, that we must go to dealing with the aggregates, establish the fiscal goals, and then cut the pattern to fit that cloth.

Mr. ROUSSELOT. Mr. Chairman, I appreciate the comments made by the distinguished member of the Committee on Ways and Means, who is familiar with this problem.

The CHAIRMAN. The time of the gentleman from New York has expired.

(At the request of Mr. ROUSSELOT, and by unanimous consent, Mr. CONABLE was allowed to proceed for 2 additional minutes.)

Mr. ROUSSELOT. Mr. Chairman, if the gentleman will yield, the gentleman can assure us by supporting this resolution, which includes the concept of permanent tax rate reduction and restraint in social security taxes, that the outlays are much higher than the 1978 projected aggregates.

Mr. CONABLE. Yes.

Mr. ROUSSELOT. So it is not a large cut, as my distinguished colleague from Maryland, the gentleman from Baltimore, tried to indicate. It allows for inflation and increases; does it not?

Mr. CONABLE. Yes, it does; nor does it try to cut specific programs. It establishes the overall goal on which the Congress can work its will on the programs the gentleman is concerned about.

Mr. ROUSSELOT. Mr. Chairman, if the gentleman will yield further, is it not correct that the authorizing committees will really make the final decisions be-

tween now and the resolution before us in the fall?

Mr. CONABLE. That is correct. We are dealing with aggregates only.

Mr. ROUSSELOT. The gentleman from Baltimore (Mr. MITCHELL) is persuasive enough with several of those authorizing committees. I know he has some $2 billion cuts in the defense function that could be accommodated, if need be, in this resolution. Is that not true?

Mr. CONABLE. They can, if it is the will of Congress. All we are doing is establishing an overall aggregate goal.

Mr. MITCHELL of Maryland. Mr. Chairman, will the gentleman yield?

Mr. CONABLE. I yield to the gentleman from Maryland.

Mr. MITCHELL of Maryland. Mr. Chairman, I asked the gentleman to yield so as to clarify the issue for the distinguished gentleman from California, who indicated that I might be persuasive. Now, I assure the gentleman that I cannot be omnipresent when the committees meet. Therefore, I could not protect our human service programs.

The CHAIRMAN. The time of the gentleman from New York (Mr. CONABLE) has again expired.

(On request of Mr. GARY A. MYERS and by unanimous consent, Mr. CONABLE was allowed to proceed for 2 additional minutes.)

Mr. GARY A. MYERS. Mr. Chairman, will the gentleman yield?

Mr. CONABLE. I yield to the gentleman from Pennsylvania.

Mr. GARY A. MYERS. Mr. Chairman, I thank the gentleman for yielding.

I think there is probably something more to be said about the effect of the amendment offered by the gentlewoman from Maryland (Mrs. HOLT) than is obvious to us. I think we ought to recognize the fact that what this can in fact do is give a strong signal to the private sector in this country that there is a change in attitude coming about in this Congress.

I think we already know that last year even the suggestion that there was going to be a tax cut or a rebate did in fact have a causative effect on consumer activity.

So what we have here is the possibility of taking this action in May of this year, although the actual effect of our action will not come about until next year, and by doing this we may give some signals that will in fact provide growth in the private sector prior to the effective date of this budget.

Mr. CONABLE. Mr. Chairman, I thank the gentleman for his comments.

There is no better time than now in this budget process to give the kind of signal that will be meaningful to the American people about our intentions as to the direction we want the American Government to take. This is the time for us to give a signal whether we are going to act with restraint or continue pell-mell to approve each measure as it comes up regardless of its merits and irrespective of the pattern of overall growth of Government.

Mr. GARY A. MYERS. Mr. Chairman, if the gentleman will yield further, it seems to me we should take into account the observations of many people that the stock market has already reacted on the assumption that inflation is going to increase. If we give the people the assumption that inflation is going to increase even further and we will have larger deficits, it seems to me we may cut the legs off any growth in private activity.

By acting now we have several months leadtime in which we do not change over spending and deficit beyond the current authorization, and we can still establish a causative situation, by signaling a changing attitude about our handling of our budget responsibilities.

Mr. CONABLE. Mr. Chairman, this is a critical time in the life of the Government. I hope my colleagues will join me in establishing some overall fiscal goals.

Mr. SIMON. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I believe it was William Shakespeare—and I would yield to my learned colleague from New Jersey (Mrs. FENWICK) to correct me on this—who said that the "best is sometimes the enemy of the good."

There is no question about the fact that we would all love to have a $48 billion deficit and greater tax cuts. Why, this is apple pie and cake with icing on it. It is just marvelous. The only problem with it is that it is unrealistic.

We are dealing, first of all, in aggregates. Many of us remember a year ago, when we were here until 2 a.m., arguing on the budget resolution. If we were to adopt these aggregates, there would be many "2 a.m.'s," because while there are areas in which I think some substantial cuts could be made, as soon as we start cutting defense funds, I am sure my colleague, the gentlewoman from Maryland (Mrs. HOLT), would be, if I may use the phrase, "up in arms."

Mrs. HOLT. Mr. Chairman, will the gentleman yield? I am up in arms.

Mr. SIMON. Mr. Chairman, I will yield briefly to my colleague, the gentlewoman from Maryland.

Mrs. HOLT. Mr. Chairman, I am sure the gentleman remembers that in our discussion in committee we went through this very carefully, with the help of our excellent staff. As I said yesterday, we have a wonderful staff on the Committee on the Budget. They went over all the programs.

This is not a meat ax approach, as the gentleman from Maryland (Mr. MITCHELL) said. This is an approach that has been very, very carefully thought out, and it provides for continuing current services, with some growth built in. It is only to provide a discipline to try to hold down the 11 percent growth that is built in by the Committee on the Budget.

I am sure that the gentleman from Illinois (Mr. SIMON) will agree that we had to restore money in some functions over the President's recommendation to bring it up to the current services level. Will the gentleman agree with that?

Mr. SIMON. I will agree on that latter point. I believe I am correct, though, in saying that the gentlewoman's amendment that is immediately before this House deals only in aggregates. It deals only with section 1 of the budget resolution; is that correct?

Mrs. HOLT. That is correct.

Mr. SIMON. Then we would have to modify section 2, and as soon as we start modifying section 2, we are going to have a lot of Members who will be voting for the gentlewoman's amendment and then suddenly voting against the modifications.

Mrs. HOLT. Mr. Chairman, will the gentleman yield further?

Mr. SIMON. Mr. Chairman, let me just finish this, and then I will yield once more briefly.

I happen to think that our colleague the gentleman from California (Mr. BURGENER), made a good point yesterday in suggesting that we ought to take a look at aggregates first, but I think we ought to do that in committee. I do not think the floor of the House is the place where we can start in detail going into these matters. That is precisely what we are doing here.

Mr. Chairman, let me yield briefly to the gentlewoman from Maryland at this point, and then I will take the rest of my 5 minutes.

Mrs. HOLT. Mr. Chairman, I thank the gentleman for yielding.

Will the gentleman agree that this is the purpose of the Committee on the Budget? Was this not the purpose of the Budget Act, that is, for us to try to exert some discipline on the authorizing and appropriating committees for the benefit of our constitutents?

Mr. SIMON. I agree completely that that is the function of the Committee on the Budget. The question before this House, however, is not the function of the Committee on the Budget but the wisdom of the amendment offered by the distinguished gentlewoman from Maryland (Mrs. HOLT).

Let me just add what would happen if this were to be adopted. We would have days of chaos here as we went through the series of amendments. And then ultimately we would end up with no budget resolution. I think that is the practical reality. And while this does provide some constraints, greater constraints, the reality that we have to keep in mind is that the Budget Committee reduced the request of committees for budget authority $49 billion. We reduced outlays $22 billion. And that constraint will be removed if we do not have a budget resolution.

Finally, I would point out that this resolution calls for a substantial tax cut. If we move in that direction in this body, failing to show some fiscal con-

strant, inevitably we will have monetary constraint by the Federal Reserve Board. I think Mr. Miller has made that very very clear already. So I would urge my colleagues, as appealing and as tempting as the Holt substitute is, let us be practical.

The CHAIRMAN. The time of the gentleman from Illinois (Mr. SIMON) has expired.

(On request of Mr. ROUSSELOT and by unanimous consent, Mr. SIMON was allowed to proceed for 1 additional minute.)

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. SIMON. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, the tax cut in this amendment is, roughly, about $10 billion more than the committee's. But it includes a different approach in the social security tax, which the gentleman knows now, this House unwisely passed last year. So part of that cut relates to 1979.

This is the time to address that issue, and I think more carefully than we did in committee.

Secondly, 10 percent of that tax cut is across-the-board to all taxpayers in 1979, which the committee did not take into consideration. Later, the gentleman from New York (Mr. CONABLE), a member of the Committee on Ways and Means, will try to emphasize more clearly why he thinks that should be included.

So I do not think the gentleman would want to leave the implication that it is a hugh tax cut. It basically goes to the 94 million working people across this country—130 million taxpayers across the country. And I am sure the gentleman wants to help all 94 million.

The CHAIRMAN. The time of the gentleman from Illinois (Mr. SIMON) has expired.

(By unanimous consent, Mr. SIMON was allowed to proceed for 1 additional minute.)

Mr. SIMON. Mr. Chairman, in response to my very eloquent friend, the gentleman from California (Mr. ROUSSELOT), I think we have to be practical. And the practical reality is that Mr. Miller, the Chairman of the Federal Reserve Board, is right, and he suggested we should not go as far as the Carter administration wants, in the way of tax cuts, those tax cuts to help those 94 million people that the gentleman is so eloquently talking about.

Mr. ROUSSELOT. The gentleman wants to help them, does he not?

Mr. SIMON. When we are helping them on one hand we ignore the reality that an additional tax cut is inflationary, and we are not really helping them when we move in that direction.

Mrs. HOLT. Mr. Chairman, will the gentleman yield?

Mr. SIMON. I yield to the gentlewoman 'from Maryland, if I have any time left.

Mrs. HOLT. Mr. Chairman, on that point, is it not so that Mr. Miller indicated the reason he feels that the tax cut would be inflationary is because he knows that the Congress is going to continue spending and increase the deficit? If we reduce the outlays, we thereby reduce the deficit.

The CHAIRMAN. The time of the gentleman from Illinois (Mr. SIMON) has again expired.

(On request of Mr. ROUSSELOT and by unanimous consent, Mr. SIMON was allowed to proceed for 1 additional minute.)

Mr. SIMON. Mr. Chairman, since I have the additional time, I am going to respond to my colleague from Maryland.

I think the reality is that we are simply not going to, when we get into details, come up with those figures. We are asking for chaos, ultimately, with this budget resolution, the defeat of the resolution, if we follow through on the Holt substitute. That is the practical reality.

Now I am sure I cannot convince my colleague, the gentleman from California (Mr. ROUSSELOT), in that respect.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield further.

Mr. SIMON. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, I appreciate the gentleman's yielding.

The Chairman of the Council of Economic Advisers, Charles Schultze, said yesterday that the President's $24.3 billion net tax cut, which is more than this committee includes, is not inflationary. I say to the gentleman that the tax cut in the Holt resolution is not inflationary. I agree with Mr. Schultze on this issue.

Mr. SIMON. I am surprised that my colleague, the gentleman from California, would agree with Mr. Charles Schultze.

Mr. BURGENER. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, as I look over the list of the 19 functions, these spending functions, I find, as we all do, that the interest on the national debt is moving up alarmingly fast.

I see that for fiscal year 1979—and this is not the total interest bill, Mr. Chairman and my colleagues, but just what is in this budget—we have $47 billion. That word starts with a "b"; that is "billion."

Mr. Chairman, I know that when I am out in my district and talking to my constituents or, more properly, listening to them, I tell them that we are going to spend $130 million a day for interest on the public debt; they kind of shake their heads and say, "My, my, isn't that a lot of money, but what does it all mean? What does it really relate to?"

Mr. Chairman, it is the fourth largest single expenditure in all this list of 19 functions, and it is growing very rapidly. Moreover, it has to be paid for in cash every year.

Let us put it another way. I am told that we spend about $120 million a day for imported oil. All of the oil that we import is causing us an incredible problem in our balance of payments, but it is $10 million a day less than we are spending on interest, so when we begin to put it in perspective, it becomes a very, very alarming problem.

Mr. Chairman, interest rates since 1973 is up 106 percent, from $22 billion to $47 billion.

Mr. Chairman and my colleagues, let us just take the larger categories. Let us take defense; education, training, and employment; health; income security; and interest.

Defense is up 55 percent in the last 6-year period. Health is up 163 percent, and these are just the larger spending items. Income security is up 118 percent from $72 billion to $159 billion. Education, training, and employment is up 147 percent.

Mr. Chairman, all of this indicates to me that we are putting an emphasis, quite properly, on things that are services to people in addition to maintaining what we hope is a strong defense.

However, I think what it really indicates is that our budget process is bankrupt; and until and unless we are willing to consider aggregates first and set some national goals and priorities first, we are going to go down this "wish" list ad nauseam.

Each and every one of us can make a compelling case for any one of the 19 functions, with the possible exception of interest, I suppose, which is not very exciting to anyone but the holders of instruments of public debt, but it indicates the bankruptcy of the process. It just will not work as a process of restraint.

Therefore, Mr. Chairman, I think that what we have to remember with respect to the Holt amendment is that it increases—it does not cut—it increases every single program we already have, but at a more restrained and responsible level than the committee bill.

There are people in the country, Mr. Chairman and my colleagues, who would like us to eliminate some programs.

An earlier speaker indicated that there are no new programs in the Holt amendment. Wonderful. It is about time. At least, that is what the folks in my district tell me. There are no new programs; yet, there are rather substantial increases in the ones we have.

I repeat—and I know it will be repeated many times in this long debate here today, Mr. Chairman and my colleagues—that until and unless this Committee of the Whole House and our Committee on the Budget, in particular, are willing to settle on revenues and aggregates in total at the beginning, we will never get anywhere. If we do that, then I must take my chances on selling my colleagues on my priorities and I will debate with the gentleman from Maryland (Mr. MITCHELL). He will probably prevail; he is very persuasive when he talks about the need for public service jobs, while I may want to spend the money in some other area.

However, we will both have a weapon against the vast array of special interests out there, and special interests are neither illegal nor are they immoral. They are just special interests, but the

problem ought to be identified; and we can better manage our Nation's fiscal affairs if we operate under a ceiling which we have set after proper debate, deciding, in the first instance, what spending ceiling is good for the country.

Mr. GIAIMO. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the amendment offered by the gentlewoman from Maryland basically would make a $13.3 billion cut in expenditures and a $10 billion additional tax cut. Because of the stimulus which this supposedly would generate in the economy, we would wind up with only $3 billion less in revenues.

I would like to vote for this amendment. I would like very much to increase the tax cut. I would like very much to reduce Federal spending, and I am sure that many of the people in this Chamber would like to join in this kind of an effort. But let us not delude ourselves. Let us not kid ourselves into believing that we can vote additional moneys for veterans, additional moneys for defense, additional moneys for tuition tax credits, additional moneys for agriculture, for energy, for health, for social security and income security, for general Government, and on and on, and at the same time vote for a good-sounding amendment, a wish-type of amendment, if you will, to reduce spending and reduce taxes.

My friends in the House and on the Budget Committee, the time to do these things is not today. The time to do these things is every day when we come in here and vote for every good-sounding idea that comes down the pike. Just yesterday, we voted on three suspensions costing money, and the day before, on several more. Week after week after week it goes on.

I submit that we cannot do that, and then come along with an amendment which would take $13.3 billion in expenditures out of the budget. Do the Members know what would happen if we were to take out this amount? Members will see a little demonstration of it later today. I will make a prognostication. The same people who are over here on the Republican side of the aisle talking about reducing spending will fall all over themselves to add $2.5 billion for additional defense spending. They will fall all over themselves to add approximately $1 billion for additional veterans spending; and I do not know how much, but it will be substantial, for moneys for tuition tax credits. At the same time, they will complain that the deficit is too high.

Now, if we cut $13 billion out of spending, I submit to the Members that the sacred cows in Government and in Congress will be funded one way or the other. I assure you that defense will be funded—the votes will be there. I assure you that agriculture will be funded—the votes will be there. I assure you that social security will be funded—the votes will be there. But, I suggest to the Members that the programs that will suffer and the people who will suffer will be those who need help from the Government—those who are poor, those who need health programs and educational programs and urban programs to rebuild the cities of America.

They will be the last people to get the crumbs that are left. We cannot have this type of a total cut. I suggest that the time to make these cuts is throughout the year, when we are taking up various pieces of spending legislation. Now, we did exercise restraint in the Budget Committee.

We did make cuts. As we said earlier, there were requests from the House committees for approximately $49 billion in additional budget authority and $22 billion in additional outlays, which we rejected.

The CHAIRMAN. The time of the gentleman from Connecticut has expired.

(By unanimous consent, Mr. GIAIMO was allowed to proceed for 3 additional minutes.)

Mr. GIAIMO. Mr. Chairman, conceivably we might be able to make some other cuts, but I very much doubt it. I think that this is as low as we can bring this budget in absent positive actions by Congress every day of the year in cutting spending programs, which Congress has been unwilling to do so far.

I also submit that another effect of this amendment will be this: If we were to increase the tax cut, which the gentlewoman proposes, and then if we were to take $13 billion out of spending, we would depress the economy. We would not get the needed stimulus from spending and revenues. We would not get the push that we need in the private sector. So we would be deluding ourselves. The deficit would not be the size that is suggested. It would be greater. The economy would be slowed down. Unemployment would go higher. We would, therefore, have to expend additional moneys in unemployment and welfare-type programs, because of the slowdown in the economy, and we would not accomplish the goal we wish to accomplish.

Mr. BURGENER. Mr. Chairman, will the gentleman yield?

Mr. GIAIMO. Now I yield to the gentleman from California (Mr. BURGENER).

Mr. BURGENER. Mr. Chairman, our distinguished chairman makes a most compelling case and then arrives at the wrong conclusion, I respectfully suggest. We will be prey to every special interest that the chairman has enumerated but we will have given up our weapon. The only way we are going to be able to deal with all this is in dealing with the aggregates first. That is the basic point we are talking about today.

I admit we would be better off to do that in the committee. I thank the chairman for giving the long laundry list of the programs to which we are all subject, but until we deal with the aggregates we will not deal with the problems.

Mr. GIAIMO. In the committee we do deal with the aggregates. We discussed them in our markup and we dealt with the totals. For budget authority we have a total in the neighborhood of $568 billion, for outlays a total of $501 billion, and for deficit a total of $58.1 billion. And we do try to stay within that configuration, but we do have to address ourselves to the functional totals, because that is where the money will be spent.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. GIAIMO. I yield to the other gentleman from California (Mr. ROUSSELOT).

Mr. ROUSSELOT. Mr. Chairman, I think that is exactly what the gentlewoman has done in the Holt amendment. First of all, where amendments outlays will increase about 8 percent over 1978. The gentleman from Connecticut knows that. Most of the Members of this side of the aisle support the chairman in trying to put a restraint on the increases or prevent increases in the very long list the chairman just read. We are the ones who support him on that issue. The problem is that all too often the huge spending increases come from the gentleman's side of the aisle.

Mr. GIAIMO. Will the gentleman support me this afternoon in opposing the amendment to increase defense spending?

Mr. ROUSSELOT. Yes, I will continue to resist efforts to increase expenditures.

The CHAIRMAN. The time of the gentleman from Connecticut (Mr. GIAIMO) has expired.

(By unanimous consent, Mr. GIAIMO was allowed to proceed for 2 additional minutes.)

Mr. GIAIMO. Mr. Chairman, will the gentleman from California join me in resisting the veterans' add-on?

Mr. ROUSSELOT. Let me reiterate my statement that I will continue to resist increased expenditures.

Mr. GIAIMO. The gentleman has answered the question.

Mr. ROUSSELOT. What we are talking about is aggregates—an issue the gentleman spoke to yesterday in a colloquy with Mr. MONTGOMERY of Mississippi. It was my understanding from what the gentleman from Connecticut said that the $780 million in outlays the gentleman from Mississippi (Mr. MONTGOMERY) wants are in the Veterans functional category.

Mr. GIAIMO. No. I would prefer that the gentleman from Mississippi were here to speak for himself, but I believe the gentleman from Mississippi and the Veterans' Affairs Committee feel that while we have added $1.2 billion to the President's budget in veterans' programs, the Veterans' Affairs Committee wants to add about $780 million in outlays to the function. Will the gentleman join with me in resisting that increase?

Mr. ROUSSELOT. Of course, the gentleman knows full well, we are talking about aggregates not functional categories.

Mr. GIAIMO. I am talking about dollars.

Mrs. HOLT. Mr. Chairman, will the gentleman yield?

Mr. GIAIMO. I yield to the gentlewoman from Maryland (Mrs. HOLT).

Mrs. HOLT. Mr. Chairman, I would ask the gentleman from Connecticut (Mr. GIAIMO) if it is not the truth that in

my substitute amendment that we have tried to do everything evenhandedly? There is no huge increase in defense in those aggregates as you go through the functions in the Holt substitute amendment. We have tried to hold the increases there to a very small amount. In defense we are almost in line with the chairman's mark.

Mr. GIAIMO. I do not know what your amendment does to the defense function because you have not addressed yourself to the function. You have taken $13 billion out of spending.

The CHAIRMAN. The time of the genman has again expired.

(By unanimous consent, Mr. GIAIMO was allowed to proceed for 2 additional minutes.)

Mr. GIAIMO. I will yield further to the gentlewoman but first let me say that the gentlewoman proposes to take $13 billion out of spending, but she does not say where. I submit to the gentlewoman that efforts will be made here to make sure that none of that reduction in spending comes out of the defense function.

Let me ask the gentlewoman from Maryland (Mrs. HOLT) a question. When the amendment is offered by the gentleman from New York (Mr. STRATTON) to add $2½ billion in additional budget authority to the defense function will the gentlewoman join with me in resisting it?

Mrs. HOLT. If the gentleman will join with me in support of the Holt substitute amendment I will support the gentleman's efforts there.

The gentleman is making our point that we need a device to deal with all of our special interests. The gentleman knows that everybody in this room has a special interest that they have to fight for. But I have heard the gentleman say that we need to exercise restraint. The point that I am trying to make is that we have got to start a downward trend in our Federal spending and we have got to reduce the tax rate level growth that has been growing. It will continue to grow if we continue to do as we have historically and we will be at the 25 or 26 percent level.

Mr. GIAIMO. The point is that we cannot start going down that road. We must continue to do the best we can in the Committee on the Budget, and we do, but it will not solve this whole problem today. The time to cut spending is when the defense bill comes up on the floor of the House. That will also be true of many of the other bills that will be coming up in the House.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. GIAIMO. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, I think what we are trying to say, and we tried to say it in the committee, is that the gentlewoman's substitute is a restraint on increases over 1978. It holds spending to about 8 percent. It is not correct to talk about a cut in a fiscal year that began October 1. The gentleman will admit, I am sure, that the gentlewoman's proposed budget authority and her proposed outlays are above the CBO March estimates for 1978 of $495,725 billion in budget authority and $450,972 in outlays.

Mr. GIAIMO. Of course.

Mr. ROUSSELOT. So these aggregates are a restraint on increases. This is what the gentlewoman (Mrs. HOLT) has been trying to say to my distinguished chairman.

Mr. GIAIMO. I thought that was so clearly obvious that everybody in the Chamber needed no explanation on it.

We are talking about fiscal year 1979 and not fiscal year 1978. I wish the gentleman could use his eloquence to convince the legislative committees that are addressing themselves to that at this very moment.

Mr. ROUSSELOT. I do it all the time.

Mr. GIAIMO. For instance, the 1979 amounts are being considered in the Committee on Armed Services, on which the gentlewoman from Maryland (Mrs. HOLT) serves. If you could convince them to exercise restraint, then I believe we could do it.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. REGULA. Mr. Chairman, I move to strike the requisite number of words and I rise in support of the amendment offered by the gentlewoman from Maryland (Mrs. HOLT).

Mr. Chairman, on the front page of the Wall Street Journal this morning there is an article captioned:

Relentless Rise.

Galesburg, Illinois, Finds Inflation Takes Big Toll In Costs, Frustrations.

Food, utility, housing lead 4.5 percent spurt in five years; taxes add to the squeeze.

This article tells us a good part of the story. It goes on to point out the relentless impact of inflation, where for example, people have to use their savings to pay their bills.

All we of the minority are attempting to do in this proposal is simply to restrain the level of spending. To say to the people of this Nation that we want to put the same kind of fiscal restraints on the appetite of the Government that we urge them to use in the conduct of their own lives.

President Carter gave his anti-inflation program in a speech in which he pointed out all the things that need to be done to restrain inflation, and all of the ideas had an element of holding down wages, holding down costs, and holding down prices. Today we have an opportunity to hold down the price of Government, the biggest single expense in this Nation, and yet when we are offered an opportunity for a modest reduction in the level of expenditures, a modest restraint in holding down the price of Government, we hear objections from the majority to so doing.

Our distinguished Chairman said the authorizing committees will continue to grind out large totals. There is no doubt that is true, but that is just the point. The objective of putting in budget restraints through the technique of the budget process is to establish some type of ceiling that the legislative committee will work against so that we will hold down the overall cost of Government and conform to the request of our President in inhibiting inflation.

The majority party says it has been pointed out how the Federal Government needs all the money in the various functions. I would just remind the Members that not long ago the Inspector General pointed out that in HEW there is a loss through mismanagement of $7 to $8 billion. Obviously, if we put some restraints on all of these agencies in the growth that we allow them through the budget process, they could easily find this kind of savings simply by taking the same look at their spending habits that the Inspector General has observed in HEW.

We are not saying here that we are trying to cut back on all programs. We are simply saying that the bite that Government takes at the expenditure level should be no greater than what we expect in the private sector. This proposal is about an 8-percent overall growth in the outlays or in effect in the expenditures of Government, and yet the proposal that is before this body from the majority members of the committee would allow for an 11-percent increase, very substantially greater than the cost of living. I think the Holt substitute is essential, if we are going to stimulate real growth in the economy in this Nation, if we are going to demonstrate to the people that we have called upon to help restrain inflation that we mean business. This is a modest substitute in an effort to say that Government will live by the same rules that we ask the people of this Nation to follow.

Mr. Chairman, I yield back the remainder of my time.

Mr. LATTA. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, I rise in support of this amendment primarily because it is a reduction over what the House Committee on the Budget has recommended. I prefer and will support deeper cuts. As the Members get back in their districts, they find that people are talking about Government spending, inflation, and taxes more than anything else. Now is the time to do something about all of them. As I mentioned yesterday, if this budget process is going to be meaningful—and, hopefully, it will become a meaningful procedure—we are going to have to start putting a cap on spending, and we have to start now, not sometime in the future.

The argument used here today by the Chairman, however, would make this budget process appear meaningless. He says the place to cut is in the Committee on Appropriations. Well, we had that place to cut before we had the budget process, and it did not work. All we did was pass bill after bill and hoped they added up all right at the end of the year. So we came along with a budget process with the hope that we could put a cap, a meaningful cap, on that spending be-

fore the Committee on Appropriations came forward with its work. With such a cap in place, we could put meaningful restraints on spending. Without it, we cannot. So I say to the Members we have got to support this amendment and other meaningful cuts.

Let us go back and see where we were last year on the matter of spending.

Mr. SYMMS. Mr. Chairman, will the gentleman yield for a question?

Mr. LATTA. I will be happy to yield.

Mr. SYMMS. Mr. Chairman, I just want to clarify, is this amendment talking about cuts or budget restraints in increases?

Mr. LATTA. In outlays, her amendment proposes a reduction from $500 billion to $488 billion.

Mr. SYMMS. But it is a restraint in new outlays or a cut?

Mr. LATTA. It is only a reduction in the amount that came out of the Budget Committee. It is still more than spent last year.

Mr. SYMMS. Mr. Chairman, I thank the gentlemen.

Mr. LATTA. Mr. Chairman, as I was about to explain, it is not a cut over what we had in 1978. We had a total outlay figure of $458 billion in fiscal year 1978. I did not support that figure and many Members of the House did not support that figure; but here today the Democrat majority is saying, support a figure of half a trillion dollars for fiscal year 1979.

I was amazed when the Secretary of HEW came before the committee and testified that the budget at HEW has increased $100 billion—get this, $100 billion—since 1973. Can you imagine the budget of one department of Government increasing in that short period of time by $100 billion.

Now, spending is out of control. We have to do something about it. Now is the time to do it.

As I said earlier, I much prefer a greater reduction in spending than is being proposed in this amendment. We are getting objections from the majority side on this little reduction over what the Budget Committee recommended and we would still be far above what we had in fiscal year 1978.

So, Mr. Chairman, I intend to support the amendment of the gentlewoman from Maryland.

Mr. PIKE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in somewhat reluctant support of the amendment of the gentlewoman from Maryland. I am reluctant, not because I do not think it is a good amendment, but because of my great respect and affection for the chairman of the committee and the majority of the committee who have worked so hard to come out with a package which was acceptable to the majority.

Mr. Chairman, I disagree with the gentleman from Ohio (Mr. LATTA) that we must vote for all amendments to cut this budget resolution. I am not going to vote for all such amendments. In particular, I am not going to vote for the amendment of the gentleman from California, because the gentleman does not cut defense spending, for one thing.

Mr. Chairman, I spent 14 years on the Committee on Armed Services. I firmly believe we can cut defense spending.

I am constrained to support this amendment because I think it is about the right size. I think it is about the right message to send. I think that we, in particular, on our side of the aisle have overdone, done too long and too much the business of increasing good social programs. They are good programs, but how much of any good thing can you do before you have to start considering whether you are going to pay your bills or not?

I just think we have gone too far. As I look at the state of our economy in this Nation today, to me the biggest problem that I see, and I assure you this is not a problem which is going to confront me in November, because I am not going to be running in November, but the biggest problem I see is inflation. I see it in the coal settlement. I see it in the energy bill that we are going to pass. I see it in the farm bill that is going to pass. I see it in every major issue down the road. They are all going to be inflationary.

I think that this amendment is the right message to send to the American people. It is the right size. We are not promising miracles. We cannot balance the budget overnight, but we are at least going to start to move in that direction. We are going to try to go in that direction.

I recognize the value of all the programs the gentleman from Maryland (Mr. MITCHELL) supports so eloquently—and they are good programs—but this Nation has got to begin to pay its bills. If at a time of relative prosperity in this country—and this is a time of relative prosperity in this country—we have to operate in the vicinity of a $60 billion deficit, we are not ever going to balance our budget, there is no hope for us ever to balance our budget.

I think we must turn away from saying that we do not ever have to balance our budget and we do not ever have to pay our bills.

Therefore, Mr. Chairman, I do support the amendment.

Mrs. FENWICK. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, like the previous speaker, I know how hard the chairman and the ranking minority member of the Committee on the Budget have worked, and out of respect for them it is hard for us to vote for something that they oppose.

I would like to say also that all of us were impressed, I believe, by the compelling remarks of our colleague, the gentleman from Maryland (Mr. MITCHELL). Just as those Members who speak on behalf of restraint and fiscal soundness cannot and should not be accused of indifference to unemployment and suffering, so, too, the gentleman from Maryland (Mr. MITCHELL) should not be accused of indifference to fiscal soundness.

We are all here in this House trying to serve the public good. We find ourselves approaching it in slightly different ways. That is what the discussion in this House is all about.

I am not on the Committee on the Budget, I am not on the Committee on Appropriations, I am not on the Committee on Ways and Means or any of these other committees that handle these affairs. I do not know how a tax cut will be apportioned, whether it will go more to capital gains or income taxes.

I do not know how other Members feel about these deficits, but I am frightened. I do not know how we can go on overspending like this year after year. Certainly if spending more money made any difference, if it showed any appreciable improvement, it would be folly to cut these programs, but they do not seem to work. I am in favor of the 8-percent increase in the programs for which I understand the Holt amendment allows. We cannot cut them back. An 8-percent increase is perhaps the best we can do.

Mr. Chairman, I will close by telling the Members about a letter I received. I get to my office around 6:30 each morning. Why? Because I want to read those handwritten letters that come in from the home folks. This is the letter I received. There was no "Dear Mrs. FENWICK;" he did not bother with that. This is what he said:

> Mrs. Fenwick, what the blank do you think you're doing down there? I'm a worker, and I was promised a $20-a-week raise, and I've got 5 kids and I thought this is going to make it a little better.
>
> What do you think I got in my pay envelope?

Apparently he does not get a check. he gets cash.

> What do you think I got in my pay envelope at the end of the week? $8.67 extra. Somebody made off with $11.33.

And we know who it is, Mr. Chairman, it is all of us, and we have got to stop it.

This is the way it looks from a citizen's view, and to me and perhaps to other Members who are not on these committees. Surely an 8 percent increase in each one of these good programs ought to be enough.

Is that impossible? I am sure our veterans would all be very unhappy if they had to take a cut, but if we told them they were going to get an 8 percent increase, I think they would be happy.

Mr. Chairman, let me repeat, we cannot go on forever spending like this. That is all I want to say.

Mr. MILLER of Ohio. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the Holt amendment.

We have heard philosophy here, and quite a bit of philosophy as to what is going on, how we are spending the dollars, that we are going too far in one direction, and not far enough in the other. Every person has his own particular program. So true.

I think, also, that we should look at some of the detail. And some of the detail is this: We are talking today about the budget. The subcommittees of appropriations will approve the amount of dollars they would like to have for support of their particular agencies and departments. Theoretically, it amounts to adding them up and putting in a total, then subtracting the revenue that will be coming in, and putting in a red figure.

Mr. Chairman, I want to pay a compliment to the chairman, the gentleman from Connecticut, the staff, and all of the people who have been involved in the Budget Committee work and operations. They have been doing what the public law calls for.

I believe if we had a reduction in the budget bill today then we would have the full Appropriations Committee looking at lower figures coming in from each subcommittee.

To give an example of how we are spending the taxpayers' money, we have a public law that will allow for a family in New York City to receive, under section 8 of HUD housing subsidy, $1,047 per month for a high-rise, elevator apartment. That is provided by the public law.

We speak of spending and social security. Whether we should or whether we should not have social security that is beside the point, but so many people have entered into a contract with the Government that, yes, we will have social security. But in that particular area we did nothing to correct the problem when the bill was here. What we did was raise the tax. I did not vote for it. But we raised the tax to try to solve the problem.

One of the big problems we have is that with a minimum contribution to social security people can contribute to the system while working in other retirement areas, and collect $114 a month after a lifetime contribution of only $111. The first month that they retire, they can collect $114, and every month thereafter. We did nothing to correct that.

But let me get into what I really want to convey to the Members. What do we do after we do the spending? We borrow the money.

Where do we borrow the money? It so happens that today we are borrowing $108 billion from foreign nations. I would like to give the Members just a few figures as to who owns our national debt. I asked the question in our subcommittee: What is the composition of our Federal debt, and how much is held by foreign nations? And the data for the period ending December 31, 1977, indicates the following composition of foreign debt holdings:

France, alone, $3,435 million; West Germany, $26 billion; Italy—we have heard so much about the problems that Italy has—$4.8 billion. Total in Europe, $61.609 billion which the European nations have loaned us.

We owe them that right now.

The total for Latin America is $1,425,000,000.

The CHAIRMAN. The time of the gentleman from Ohio (Mr. MILLER) has expired.

(By unanimous consent, Mr. MILLER of Ohio was allowed to proceed for 3 additional minutes.)

Mr. MILLER of Ohio. Mr. Chairman, it was a little hard for me to believe some of the figures that I read when the Treasury Department furnished them.

We have a list for Asia. India owns $774.5 million of our national debt. We owe Japan $18,633,000,000. What did we pay Japan in interest in 1977? We paid Japan $779 million. That is what we sent to Japan in interest on our national debt.

We sent to West Germany $1,435,000,000 for payment for the use of their money because they have loaned us $26 billion to cover our national debt.

Mr. Chairman, I urge support for the amendment offered by the gentlewoman from Maryland (Mrs. HOLT).

Mr. Chairman, I have a complete list of the foreign holdings of U.S. national debt which I will insert into the RECORD at this point.

The list follows:

FOREIGN HOLDINGS OF U.S. DEBT BY COUNTRY

[In millions of dollars]

Country:	Holdings
Europe:	
Austria	130.3
Belgium-Luxembourg	1,211.4
Denmark	590.4
Finland	74.6
France	3,435.2
Germany	26,001.0
Greece	75.3
Italy	4,804.1
Netherlands	2,503.3
Norway	632.7
Portugal	0.2
Spain	2.2
Sweden	2,208.6
Switzerland	7,332.7
Turkey	*
United Kingdom	12,070.6
Yugoslavia	9.0
Other Western Europe	523.2
Poland	0.6
U.S.S.R.	—
Other Eastern Europe	4.7
Total Europe	61,609.7
Canada	2,334.8
Latin America:	
Argentina	15.7
Bahamas	13.4
Brazil	2.5
Chile	0.3
Colombia	483.2
Cuba	—
Ecuador	18.6
Mexico	25.8
Panama	13.7
Peru	2.1
Trinidad and Tobago	17.1
Uruguay	0.1
Venezuela	490.8
Other Latin American Republics	146.6
Bermuda	12.6
British West Indies	4.9
Netherlands Antilles	176.7
Other Latin America	1.1
Total Latin America	1,425.2
Asia:	
China, People's Rep. of (China Mainland)	*
China, Republic of (Taiwan)	211.6
Hong Kong	201.3
India	774.5
Indonesia	128.4
Israel	9.3
Japan	18,633.1
Korea	436.7
Lebanon	*
Malaysia	244.9
Pakistan	41.9
Philippines	30.3
Singapore	699.7
Syria	—
Thailand	234.7
Middle East Oil-Exporting Countries	13,479.8
Other Asia	77.2
Total Asia	35,203.4
Africa:	
Egypt	76.1
Ghana	0.1
Liberia	—
Morocco	—
South Africa	46.8
Zaire	7.8
African oil-exporting countries	1,005.7
Other Africa	101.8
Total Africa	1,238.3

* Less than $0.2 million.

Interest payments on foreign holdings of public debt securities calendar years 1975–77

[In millions of dollars]

	1975 Interest	1976 Interest	1977 Interest
Argentina	1.5	5.5	5.5
Australia	158.5	85.5	64.5
Austria	12.0	8.5	8.0
Belgium	115.5	59.5	71.5
Canada	238.0	228.0	171.0
Denmark	15.5	18.5	40.0
France	270.0	207.5	174.0
West Germany	1,391.5	1,329.5	1,435.5
Italy	69.5	32.0	144.5
Japan	604.0	659.5	779.5
Mexico	2.0	3.0	1.5
Netherlands	174.0	121.0	131.0
Norway	20.0	27.5	36.0
Spain	*	*	*
Sweden	108.5	109.0	92.0
Switzerland	237.5	263.5	274.0
Thailand	8.5	6.5	14.0
United Kingdom	108.0	71.0	387.5
Oil producing countries	300.0	600.0	791.5
International	136.0	241.0	288.5
All other	279.0	182.0	295.5
Total**	4,250.5	4,258.5	5,205.5

*Less than $0.2 million.
**Totals may not add due to rounding.

Office of the Secretary, Office of Government Financing, March 9, 1978.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from Maryland (Mrs. HOLT).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mrs. HOLT. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 197, noes 203, not voting 34, as follows:

[Roll No. 274]

AYES—197

Abdnor	Frenzel	Montgomery
Ambro	Fuqua	Moore
Anderson, Ill.	Gammage	Moorhead, Calif.
Andrews, N. Dak.	Gibbons	Mottl
Applegate	Gilman	Murphy, Pa.
Archer	Ginn	Myers, Gary
Armstrong	Glickman	Myers, John
AuCoin	Goodling	Neal
Badham	Gradison	Nichols
Bafalis	Grassley	O'Brien
Barnard	Green	Panetta
Bauman	Guyer	Pattison
Beard, Tenn.	Hagedorn	Pettis
Bennett	Hall	Pike
Bowen	Hammer-schmidt	Pressler
Breaux	Hansen	Pritchard
Brinkley	Harsha	Pursell
Broomfield	Heckler	Quayle
Brown, Mich.	Hefner	Quie
Brown, Ohio	Hillis	Quillen
Broyhill	Hollenbeck	Railsback
Buchanan	Holt	Regula
Burgener	Horton	Rhodes
Burke, Fla.	Huckaby	Rinaldo
Butler	Hughes	Robinson
Byron	Hyde	Rogers
Caputo	Ichord	Rousselot
Carter	Ireland	Rudd
Cavanaugh	Jeffords	Ruppe
Cederberg	Jenkins	Russo
Chappell	Johnson, Colo.	Santini
Clausen, Don H.	Kasten	Sarasin
Clawson, Del	Kelly	Satterfield
Cleveland	Kemp	Sawyer
Cohen	Ketchum	Schulze
Coleman	Kindness	Sebelius
Collins, Tex.	Kostmayer	Sharp
Conte	Krueger	Shuster
Corcoran	LaFalce	Skubitz
Cornwell	Lagomarsino	Smith, Nebr.
Coughlin	Latta	Snyder
Crane	Leach	Spence
Cunningham	Lent	Stangeland
Daniel Dan	Levitas	Stanton
Daniel, R. W.	Livingston	Steers
Derwinski	Lloyd, Tenn.	Steiger
Devine	Long, Md.	Stockman
Dickinson	Lott	Stump
Dornan	Lujan	Symms
Duncan, Tenn.	McClory	Taylor
Early	McCloskey	Treen
Edwards, Ala.	McDade	Trible
Edwards, Okla.	McDonald	Vander Jagt
Emery	McEwen	Waggonner
English	McKinney	Walker
Erlenborn	Madigan	Walsh
Evans, Del.	Marks	Wampler
Evans, Ind.	Marlenee	Watkins
Fenwick	Marriott	Whitehurst
Findley	Martin	Wiggins
Fish	Mathis	Winn
Flowers	Mazzoli	Wydler
Flynt	Michel	Wylie
Forsythe	Milford	Yatron
Fountain	Miller, Ohio	Young, Alaska
	Mitchell, N.Y.	Young, Fla.

NOES—203

Addabbo	Bedell	Bonior
Akaka	Bellenson	Bonker
Alexander	Benjamin	Brademas
Ammerman	Bevill	Breckinridge
Anderson, Calif.	Biaggi	Brodhead
Annunzio	Bingham	Brooks
Ashley	Blanchard	Brown, Calif.
Aspin	Blouin	Burke, Mass.
Baucus	Boggs	Burleson, Tex.
Beard, R.I.	Boland	Burlison, Mo.
	Bolling	Burton, John
Burton, Phillip	Holland	Perkins
Carney	Holtzman	Pickle
Carr	Hubbard	Poage
Chisholm	Jacobs	Preyer
Clay	Jenrette	Price
Collins, Ill.	Johnson, Calif.	Rahall
Corman	Jones, N.C.	Rangel
Cornell	Jones, Okla.	Reuss
Cotter	Jones, Tenn.	Richmond
D'Amours	Jordan	Risenhoover
Danielson	Kastenmeier	Roberts
Davis	Keys	Roe
de la Garza	Kildee	Rose
Delaney	Krebs	Rosenthal
Dellums	Le Fante	Rostenkowski
Dent	Lederer	Roybal
Derrick	Leggett	Ryan
Dicks	Lehman	Scheuer
Diggs	Lloyd, Calif.	Schroeder
Dingell	Long, La.	Seiberling
Dodd	Luken	Shipley
Downey	Lundine	Sikes
Drinan	McCormack	Simon
Eckhardt	McFall	Sisk
Edgar	McHugh	Skelton
Edwards, Calif.	McKay	Slack
Eilberg	Maguire	Smith, Iowa
Ertel	Mahon	Solarz
Evans, Colo.	Markey	Spellman
Evans, Ga.	Mattox	St Germain
Fary	Meeds	Staggers
Fascell	Metcalfe	Stark
Fisher	Meyner	Steed
Fithian	Mikulski	Stokes
Flippo	Mineta	Stratton
Flood	Minish	Studds
Florio	Mitchell, Md.	Teague
Foley	Moakley	Thompson
Ford, Mich.	Moffett	Traxler
Ford, Tenn.	Mollohan	Tsongas
Fraser	Moorhead, Pa.	Udall
Garcia	Moss	Ullman
Gaydos	Murphy, N.Y.	Vanik
Gephardt	Murtha	Vento
Giaimo	Myers, Michael	Volkmer
Gonzalez	Natcher	Walgren
Gore	Nedzi	Weiss
Gudger	Nolan	Whalen
Hamilton	Nowak	Whitten
Hanley	Oakar	Wilson, Tex.
Hannaford	Oberstar	Wolff
Harkin	Obey	Wright
Harrington	Ottinger	Yates
Harris	Patten	Young, Mo.
Hawkins	Patterson	Young, Tex.
Heftel	Pease	Zablocki
Hightower	Pepper	Zeferetti

NOT VOTING—34

Allen	Howard	Thornton
Andrews, N.C.	Kazen	Tucker
Ashbrook	Mann	Van Deerlin
Baldus	Mikva	Waxman
Burke, Calif.	Miller, Calif.	Weaver
Cochran	Murphy, Ill.	White
Conable	Nix	Whitley
Conyers	Rodino	Wilson, Bob
Duncan, Oreg.	Roncalio	Wilson, C. H.
Fowler	Rooney	Wirth
Frey	Runnels	
Goldwater	Thone	

The Clerk announced the following pairs:

On this vote:

Mr. White for, with Mr. Mikva against.

Mr. Runnels for, with Mrs. Burke of California against.

Mr. Conable for, with Mr. Wirth against.

Mr. Ashbrook for, with Mr. Waxman against.

Mr. Cochran of Mississippi for, with Mr. Charles H. Wilson of California against.

Mr. Bob Wilson for, with Mr. Van Deerlin against.

Mr. Goldwater for, with Mr. Howard against.

Mr. Frey for, with Mr. Murphy of Illinois against.

Mr. Thone for, with Mr. Rodino against.

Messrs. BROWN of California, CARR, FITHIAN, FLIPPO, AMMERMAN, BENJAMIN, GAYDOS, and MATTOX changed their vote from "aye" to "no."

Messrs. ENGLISH, BOWEN, and HAMMERSCHMIDT changed their vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. MITCHELL OF MARYLAND

Mr. MITCHELL of Maryland. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment Offered by Mr. MITCHELL of Maryland: In the matter relating to 050: National Defense decrease the amount for budget authority by $4,800,000,000; and decrease the amount for outlays by $2,825,000,000.

In the matter relating to 370: Commerce and Housing Credit increase the amount for budget authority by $300,000,000; and increase the amount for outlays by $200,000,000.

In the matter relating to function 400: Transportation increase the amount for budget authority by $500,000,000; and increase the amount for outlays by $125,000,000.

In the matter relating to function 450: Community and Regional Development increase the amount for budget authority by $1,400,000,000; and increase the amount for outlays by $200,000,000.

In the matter relating to function 500: Education, Training, Employment and Social Services increase the amount for budget authority by $2,172,000,000; and increase the amount for outlays by $1,872,000,000.

In the matter relating to function 550: Health increase the amount for budget authority by $212,000,000; and increase the amount for outlays by $178,000,000.

In the matter relating to function 600: Income Security increase the amount for budget authority by $94,000,000; and increase the amount for outlays by $250,000,000.

Mr. MITCHELL of Maryland (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Maryland?

Mr. BAUMAN. Reserving the right to object, Mr. Chairman, I do not know whether we ought not to have the reading of all of these amendments this afternoon, in view of the false sheets that were just handed out at the doors by certain majority party members on the last Holt amendment, totally distorting its contents. If that is the kind of false information that we are going to have distributed on the floor, some sort of Democratic dirty tricks, maybe we should have all of these amendments read and find out what is truthfully in them.

Mr. Chairman, I object, and at this point I include in my remarks a copy of the smear sheet handed out on the floor during the last vote so all Members and the public will know the measure of desperation displayed by some members of the majority party.

● Mr. OTTINGER. Mr. Speaker, the Mitchell transfer resolution is one of the most important measures we will consider, and I congratulate the gentleman from Maryland on his hard work in its behalf.

The resolution seeks to transfer $4.8 billion in budget authority, $2.8 billion in outlays from the national defense category of the budget to employment and economic development programs.

We Democrats have spoken for years about reordering national priorities. This is the one opportunity to do something about it.

Certainly, it cannot be argued seriously that there is not the 1 to 2 percent fat in the defense budget that could be cut without impairing our national defense. Certainly, it is, too, that the need is clear and urgent for additional efforts to provide employment for our more than 6 million unemployed citizens.

President Carter ran on a platform and with pledges to reorder our priorities as this resolution seeks to do. The National Democratic Party has always had this principle as one of its fundamental tenets. Most importantly, though we have held this position because it does represent the most urgent need of the Nation.

The Mitchell amendment deserves our overwhelming support.●

HOLT AMENDMENT TO FIRST BUDGET RESOLUTION

Purpose: Change budget aggregates only with no indication of where spending and cuts will be made.

Cuts revenue by $10.3 billion.

Cuts spending by $13.3 billion.

Budget Committee opposes because amendment would:

Reduce GNP for 1979;

Misleading, deficit would be $55 billion rather than the Holt projection of $49 billion;

A phony procedure: a budget is made of whole cloth. You can't cut totals without touching the parts;

Holt follow-on "current services" amendment eliminates all new initiatives;

Wipe out urban initiatives;

Eliminate funding of new farm legislation;

Eliminate all expansion of ESEA Title I and other education; programs proposed by President and Budget Committee; and

Cancel Budget Committee recommendation to continue accelerated public works program at $2 billion.

The CHAIRMAN. Objection is heard.

The Clerk concluded the reading of the amendment.

Mr. MITCHELL of Maryland. Mr. Chairman, this committee just went through a very emotional experience with regard to the Holt amendment, no question about that. It shows a sharp division in this House. I think that last vote indicated the concern of many Members of the House about the problems that we confront in this Nation, a concern about taxes, a concern about the size of the deficit, and a concern about how much Government can do. I think these are all legitimate concerns.

As I indicated in my statement yesterday during the debate, I face a real dilemma and I think the Members of this House face a real dilemma. We have those concerns about spending on the one hand and we have concerns about needs, real human needs, on the other hand.

Earlier today I heard the gentlewoman from New Jersey (Mrs. FENWICK) speak and the gentlewoman was most eloquent. She talked about a situation in which a worker in her district had written to her about what a $20 pay increase meant to him—$6. That is what he gets.

But I get problems from the other side. My local paper, the News-American, recently carried a story in which it was stated the post office had advertised that there were some openings for clerks. There was a picture on the front page, a picture of 1,000 persons who filed applications for those jobs. The last man to file his application said, "It's all so futile, but I want to work so badly I am willing to stand in this line to try it anyway."

There is an industrial park outside my city. Recently when I went home, I saw a young man coming up the street. He spoke to me and said that he had walked from his house in the city to that industrial park in the county and had gone to each industry in the industrial park because he wanted a job. He was willing to make the effort, but there were no jobs for him.

So we must face this dilemma. I propose a way to at least ameliorate the dilemma.

Essentially what my amendment does is to take $4.8 billion in budget authority from the military and $2.8 billion in outlays from the military and transfer those funds over to the real areas of human need and human hurt in this country.

In my amendment I do not try to dictate to the Department of Defense as to where these cuts should be made. All I know is that they can be made without imperiling our national defense.

We have suggested several areas where cuts could be made. Military construction in NATO, in Europe, for example. There are all kinds of problems about acquiring land in Germany. Do we have to spend that money this year?

We suggested the military look at its pay absorption and maybe absorb 30 percent with a 5 percent cap on as a ceiling. That would be a cut in military spending.

In both the Army and the Air Force and in other procurement areas, there are funds for intelligence purposes. We are reducing activity in that area somewhat. Should those funds not be cut?

I do not attempt to mandate; I am simply saying there are literally hundreds of areas in which cuts can be made without hurting our military posture.

Mr. Chairman, let me point out to my colleagues what we have before us in this budget. In this instrument that we are considering today, the first budget resolution for this year, 6.3 percent of all the money goes for education, training, and social services, 2.1 percent goes to community development, but 23 percent goes to the defense function.

I respectfully suggest that that is not prioritizing.

The CHAIRMAN. The time of the gentleman from Maryland (Mr. MITCHELL) has expired.

(By unanimous consent, Mr. MITCHELL was allowed to proceed for 3 additional minutes.)

Mr. MITCHELL of Maryland. Mr. Chairman, as we go ahead in that nonprioritized fashion, with 23 percent of all the money going to the military, and as we hear about human need, what really happens when we fund the service programs in this way for so long? The answer is simple. Yesterday on the floor of the House I indicated—and I did not mean this as a racist remark; I meant it as a statement of fact—that America has put white America back to work. And it has. The economy has been able to provide jobs for white America, but it has not been able to provide jobs for black America. We do not want that kind of a situation to prevail. We are talking about an overall black unemployment rate of 15 percent.

We are talking about a rural, poor unemployment rate of 18 percent. We are talking about black teenage unemployment, 38 percent. And do the Members know what the answer has been so far to this astronomical problem of unemployment? The answer has been not to really put us back to work; the answer has been one of the most massive prison-building programs that we have ever witnessed in this country. When people are out of work they are going to do things that are antisocial and they are going to get caught and they go to jail. So we, in our infinite wisdom, decide that it is far better to spend money to build some prisons than it is to put these people to work. That is why I am asking for the transfer. Not just in terms of jobs, but in terms of education that we have niggardly funded for years. In terms of health, where we have added more money but have never really met the need. That is what I am asking for.

Mr. BEDELL. Mr. Chairman, will the gentleman yield?

Mr. MITCHELL of Maryland. I yield to the gentleman from Iowa.

Mr. BEDELL. I thank the gentleman for yielding, and I would like to ask a question concerning the gentleman's amendment.

Do I understand the amendment correctly that if this amendment were adopted, it would not change the total budget authority? It would simply change the allocation of priorities; is that correct?

Mr. MITCHELL of Maryland. That is correct.

Mr. BEDELL. In no way would the total authority of the budget be disturbed, we simply redistribute certain amounts of money in it? And do I understand the gentleman further that if this amendment were adopted, what we are simply saying to the Defense Department is that we expect them to cut out some of the waste and fat in its operation, we do not expect them to cut back on their ability, but we expect them to cut out waste of taxpayers' money; is that correct?

Mr. MITCHELL of Maryland. That is precisely what we are saying. We are indicating that we need a strong national defense but we know that there are areas in which money is spent that are just unnecessary.

It is my understanding that there is something like $82 billion in unallocated funds that have not been committed or have been committed and have not been spent. Eighty-two billion dollars. There is some waste there.

Mr. BEDELL. Will the gentleman yield further?

Mr. MITCHELL of Maryland. I yield to the gentleman from Iowa.

Mr. BEDELL. I believe I speak for most anybody who has served in the military. I think it is not very hard for us to confirm what the gentleman is saying to all of us. My experience has been that the waste has been completely obvious.

The CHAIRMAN. The time of the gentleman from Maryland (Mr. MITCHELL) has expired.

(On request of Mr. BEDELL and by unanimous consent, Mr. MITCHELL of Maryland was allowed to proceed for 2 additional minutes.)

Mr. BEDELL. Mr. Chairman, if the gentleman will yield further, in my service in the House it seems equally obvious to me that in the House we look over everything with a fine-tooth comb, and then we come to the military and we say, "Here is the key to the Treasury."

Mr. MITCHELL of Maryland. That is correct.

Mr. BEDELL. Mr. Chairman, I thank the gentleman, and I for one support the gentleman's amendment.

Mr. BEARD of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. MITCHELL of Maryland. I yield very briefly to the gentleman from Tennessee.

Mr. BEARD of Tennessee. I thank the gentleman for yielding.

Mr. Chairman, would the gentleman be willing to make the same request—while talking about defense, acknowledge there is waste—in HEW, which has acknowledged that they are losing $6, $7, $8 billion just in graft alone, not to mention the poor management?

Mr. MITCHELL of Maryland. Mr. Chairman, I will retrieve my time. We have done more than that. In a meeting with the President last week, the Congressional Black Caucus, of which I am a member, laid out a scheme to the President, where we want to go into the district to monitor the programs. I do not want abuses in those programs, and I do not want abuses in the military programs. Also, similarly, we went to the Speaker; because we realized that if needy people are to be helped, the programs must be viable.

Mr. Chairman, last year when I offered this amendment someone had the temerity to question my patriotism. I was upset about that, and for fear that it might happen again I brought a little piece of metal with me that I prize very much. It is a Purple Heart. Any Member who wants to question my patriotism because I would dare to have the audacity to cut a sacrosanct military budget, he is perfectly welcome to take this little piece of metal.

Mr. WRIGHT. Mr. Chairman, I rise in opposition to the amendment. It simply is not prudent to cut military authorizations by almost $5 billion. In great deference and respect to my friend and colleague, the gentleman from Maryland, I want to assert that I for one have no question of his patriotism. Beyond that, I have no question of his intellectual integrity nor of his dedication. The gentleman from Maryland will tell you that he and I have voted together a substantial part of the time on the Budget Committee. We have voted together for jobs. We have voted together for education. We have voted together for humane welfare. I support all of those objectives.

However, all of us have to recognize that a budget is an article of constraint. Obviously, we cannot have all we want in defense. We cannot have all we want in education. We cannot have all we want in jobs-creation programs. The Committee on the Budget has made an earnest and workmanlike effort to balance these needs. There is no reason to assume that the only way we can have a humane program of jobs and education is to reduce the defenses of the country.

Let me outline for the Members the spending trend of the 1970's, as it affects national defense and humanitarian works.

Defense expenditures have not risen as rapidly as the budget as a whole. They have risen less rapidly. In 1970 the total defense budget was about $80 billion. The budget this committee brings to us, an austere budget for the military, is $115 billion, a little less than that which the President requested.

We can calculate that gradual rise on a percentage basis, and it is not as high as the rise in the budget as a whole.

Let us ask ourselves, however, what item in the budget has risen more rapidly than any other. Income security, that whole maze of welfare programs which assist those in need, has risen several times more rapidly than the amount we allocate to the military defense of our country.

In 1970, at the beginning of this decade, income security—which includes all the social security payments, all the unemployment compensation payments, and the payments for such things as food stamps and other welfare items—was only $40 billion or thereabouts. It was about half the size of the military budget.

What has happened in the meanwhile? The military budget has risen gradually, from $80 billion to $115 billion. During that same period of time income security has risen from about $40 billion to $159 billion—almost four times the 1970 figure. Income security is the biggest item in the budget today, not the military.

Therefore, I think it would be foolhardy for us, at a time when everyone recognizes that the Soviets are moving ahead in military hardware, notwithstanding their participation in the SALT talks, to reduce our own military readiness. Russia is spending more, not less each year to build more tanks, to build more aircraft, and more submarines, to provide more missiles with greater destructive yields, in almost every way to increase its capability for aggressive warfare. At a time when we are trying desperately to hold together the NATO alliance, for us to cut by almost $5 billion the amount that this rather austere budget has made available for our military defense would be most unwise.

For that reason, I would suggest—and, indeed, urge—that members should not be vying with one another, each attempting to make this entire budget over in his own individual image. We must recognize that the task of the Committee on the Budget and the task of the Congress in this resolution is not to try to imprint the stamp and stain of each individual personality upon the budget, but to make an honest appraisal of the relative needs of the country and to try, within the limited resources available to us, to address them all responsibly.

Mr. MITCHELL of Maryland. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. Of course, I yield to my friend, the gentleman from Maryland.

Mr. MITCHELL of Maryland. Mr. Chairman, I appreciate the gentleman's yielding. I, too, have a great deal of respect and admiration for the majority leader.

I ask just one question: Can the gentleman stand in that well absolutely assured, with no doubt whatsoever, that there is no bloat, no fat, in the military budget?

Mr. WRIGHT. No, I cannot.

Mr. MITCHELL of Maryland. I thank the gentleman.

Mr. WRIGHT. Of course, I cannot say to the gentleman that I am assured and certain that there is no fat in the military budget. I dare say that there is some, just as there probably is in other programs of the Government, in spite of our best efforts to eliminate it.

The CHAIRMAN. The time of the gentleman from Texas (Mr. WRIGHT) has expired.

(By unanimous consent, Mr. WRIGHT was allowed to proceed for 1 additional minute.)

Mr. WRIGHT. By the same token, Mr. Chairman, I could not say, in all candor, to the gentleman that there is absolutely no fat nor waste in the jobs programs which he and I support. I could not say, with total assuredness, that there is no waste in the educational programs that he and I support. Consequently, it seems to me a fatuous argument to conclude that any one of these necessary activities of our society is per se bad nor that any other is sacrosanct.

If there were no fat and no waste in any single item of this budget, I think we would almost qualify for deity, and we make no pretense at that. So, I urge the Members to do the responsible thing. Avoid the temptatious efforts such as those that almost succeeded a few moments ago to try to change the entire budget process by merely juggling total figures without regard to the affect upon individual programs. Avoid the temptation of this present amendment. Try to stay as well as we can within the responsible balance of this resolution. In many ways, this is a lean budget. But I believe that it is, in general, an adequate one. The amount it includes for military readiness is by no means too high, in light of the challenges and perils that exist in the world today.

Mr. LATTA. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I would like to associate myself with the remarks just made by the majority leader, and particularly so with regard to the remarks he made about the gentleman from Maryland (Mr. MITCHELL). I have worked with him

for several years in the Budget Committee and on this floor, and certainly if I had heard anybody question his patriotism last year, I would have had those words taken down, because I have no reason to believe that he is not a 100-percent loyal American. I want to make this clear to my friend.

Let me say, I concur with the statements made by the gentleman from Texas (Mr. WRIGHT). I would like to point out that function 600, the income security function, has risen rapidly, as he indicated. From 1970, when the income security function was 22 percent of the total budget, it has gone up as follows:

In 1971, 26 percent; 1972, 28 percent; 1973, 30 percent; 1974, 31 percent; 1975, 33 percent; 1976, 35 percent; in 1977 it drops back to 34 percent; in 1978, it was estimated at 32 percent; and the same total in 1979.

Now, what has been happening during that same period of time with the defense budget? It has been going steadily downward insofar as its percentage of the total budget is concerned. In 1970, the defense budget received 40 percent of the total budget; in 1971, 35.9 percent; in 1972, 33 percent; in 1973, 30.2 percent; in 1974, 28.8 percent; in 1975, 26.2 percent; in 1976, 24.3 percent; in 1977, 24.2 percent; in 1978, estimated at 23.4 percent; and in this budget resolution, 23.1 per cent of the total budget.

So, we see what has been happening to function 050, the national defense function. Since 1970, it has gone from 40 percent of the total budget to 1979, where it is 23.1 percent. Income security since 1970 has gone from 22 percent to 32 percent in 1979.

So, I do not think that we can say that the income security function has been slighted. It has been gaining money, and sizable chunks of money. It is not being neglected in this budget. It is more than adequately—from my viewpoint—provided for in this budget resolution. For that reason, I oppose the amendment of the gentleman from Maryland to transfer $5 billion from Defense to the income security function.

Ms. HOLTZMAN. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, I rise in strong support of the transfer amendment offered by the gentleman from Maryland, which makes a very modest change in the priorities of this country. It shifts a very small amount from the military budget—only $2.8 million in outlays—to fund important social programs, including programs to create jobs, to stimulate economic development, and to aid the elderly.

It is very important that we pierce through some of the rhetoric and understand what we mean when we say "national security." How can we say we are No. 1 in national security when people are afraid to walk the streets of many of the cities of this country at night? What security do we provide for them?

How can we say we are No. 1 in national security when we have over 6 million Americans unemployed, and the statistics do not even count those who have given up hope and are no longer actively looking for work? These include white Americans as well as black. How do we deal with their anxiety? We ignore it.

Members of Congress have said that we have to face up to paying the bills. I think we need to recognize what the bills we have already paid for the consistent, persistent, and systematic ignoring of our social needs in this country by constantly fattening the defense budget to the point at which the military cannot even spend the money we give them.

Are we No. 1 in health care for citizens in the world? No. We are No. 15 in protecting the lives of children who are born in this country.

Are we No. 1 in literacy? No. We are No. 12.

Are we No. 1 in per capita gross national product? No. There are four countries in the world that do better than we do by that standard.

We are also low down on the list in terms of life expectancy for both men and women.

Is that a record we can be proud of? Of course, not. This is the price we pay. But the costs of infant mortality, the costs of illiteracy, and the costs of disease are costs that we must pay even though these costs do not appear in the budget. It is time for us to recognize these costs and it is time to do something about them in this budget resolution.

There was a question raised on the floor as to whether or not there is waste in the military budget. Mr. Chairman, it is expected that the Defense Department this year will not be able even to obligate $4 billion of its fiscal 1978 appropriation. And, if this military budget is adopted, by the end of fiscal year 1979 there will be more than $82 billion in the Defense Department's pipeline, $82 billion which it cannot spend. That $82 billion is larger than the entire defense budget in 1974.

Mr. Chairman, $30.8 billion in the defense budget is spent on procurement without any competitive bidding. Anybody can figure out the enormous waste and low quality of materiel that result from the absence of competitive bidding.

Mr. ADDABBO. Mr. Chairman, will the gentlewoman yield?

Ms. HOLTZMAN. I yield to the gentleman from New York (Mr. ADDABBO).

Mr. ADDABBO. Mr. Chairman, I urge the House adopt the Mitchell transfer amendment, because it is a logical step toward equity in the fiscal 1979 budget. We have heard and will continue to hear yelps of protest that we are undoing national defense if we adopt this measure. I would suggest to you that if the natural tendencies of some of our colleagues in the House were allowed to prevail, we would destroy the military by keeping them totally occupied trying to spend the extra money we give the services.

There is just a ton of money set aside for the Pentagon this year, more than they can properly utilize. It is interesting to note that every spring as we begin the appropriation process, we hear these outrageous claims that we are headed for military disaster because we do not spend enough on defense. Yet, every winter, we find that the services have not been able to spend all that we have given them and they are forced to put this extra money aside in the Pentagon's convenient unobligated balances fund. That fund grows and grows and grows, and yet some in the House would claim we slight the military when it comes to arming it.

We can cut $4.8 billion out of the defense budget without harming a single vital program. We can cut $4.8 billion out of the budget without disrupting a single ongoing program, not that some of them should not be disrupted. We can do this by simply reducing the unobligated balances fund by $4.8 billion. We not only can do this, we ought to do it. And we ought to go far beyond $4.8 billion when we do it.

Several years ago, we cut $7 billion from the defense budget and the Pentagon budget still had over a 2-percent growth factor. Almost every year in the nearly two decades I have served here, we have managed to cut an average of $2 to $3 billion and each year we have continued growth in the unobligated balances fund.

I find it slightly incredible that the House allows a Federal Department to maintain the equivalent of a slush fund. What is more incredible is that year by year we allow it to grow larger and larger. To give the Members some comparison, outside of the Federal budget, the single biggest municipal budget in the United States is the New York City annual budget, which runs slightly over $12 billion. You could operate the city of New York for nearly a full complete year out of the Pentagon's unobligated balances fund.

I reiterate one more time, my colleagues, that this fund can be earmarked only for what the Chiefs of Staff and the Secretary of Defense want to spend money on by reprogramming. Congress exerts little oversight on this fund and no line-item approval.

The transfer amendment we have before us now does a very simple thing. It takes nearly $4 billion plus out of the military budget and spreads it across the board for programs that have been shortchanged, because of a Federal spending crunch.

I think it is a worthwhile goal to provide additional dollars to spur small business, increase highway and mass transit programs, provide additional help to our farmers and senior citizens, and to build new housing and provide public works and CETA programs that will create badly needed jobs.

There should not be a great deal of controversy about the goals of the amendment. I would hope that all of us might agree these are worthwhile programs that are badly needed throughout America. And if that be the case, then it comes to a simple question of whether we can afford to take these dollars away from our national defense posture in order to finance these other worthwhile goals. I believe the answer to that is an overwhelming yes.

I happen to support the goals of a strong national defense. I think it is idiotic not to believe in a strong national

defense, because it was not that many years ago that diplomacy failed and the sneak attack on Pearl Harbor found the United States in a disastrously weak military posture. We must always be ready to repel attack from whatever source.

But in so preparing ourselves, we need not obligate ourselves to fiscal ruination by approving every project that our military planners can dream up. We need not give the military carte blanche to spend however and whenever they want, at whatever levels they desire. We have the obligation as Members of Congress to spend prudently for national defense and we have the obligation to say no when the Pentagon desires to spend more than is required. This year, we have a new wrinkle. We must, as a body, prepare ourselves to say no to our colleagues who would provide even more than the Pentagon believes is necessary. Since the Pentagon's requests as a rule of thumb are almost always 50 percent more than they really require, adding more than they have asked for in the beginning leaves a lot of room for judicious pruning.

To me, the Mitchell transfer amendment makes good commonsense and ought to be approved. It is a responsible amount to take away from a bloated military spending budget and to transfer to other badly needed programs. It in no way diminishes our capacity to defend ourselves. In fact, it leaves us with a Pentagon budget that retains extraordinary growth this year.

I urge you to support the Mitchell amendment.

The CHAIRMAN. The time of the gentlewoman from New York (Ms. HOLTZMAN) has expired.

(On request of Mr. ROUSSELOT, and by unanimous consent, Ms. HOLTZMAN was allowed to proceed for 4 additional minutes.)

Mr. ROUSSELOT. Mr. Chairman, will the gentlewoman yield?

Ms. HOLTZMAN. Mr. Chairman, I will yield to the gentleman from California (Mr. ROUSSELOT) as soon as I finish my remarks.

Mr. Chairman, the point that I am making, and I think the point my colleague the gentleman from New York (Mr. ADDABBO) made, is that there can be substantial savings achieved within the military budget without in any way undermining our ability to defend ourselves or jeopardizing the quality of our military preparedness. In fact, as I said before, if we could reduce the amount of procurement (now $30 billion) that is done on a noncompetitive basis we could save a great deal of money and provide a better quality of equipment for the military.

Mr. Chairman, we already have close to 30,000 nuclear warheads and weapons, but we are nonetheless spending $2.8 billion to create additional nuclear weapons in this budget.

I think that we have to recognize clearly that by continuing to starve social programs by wastefully expanding military program we will continue to create additional social costs for ourselves.

The Transfer amendment will provide funds for public service jobs, community health centers, mass transit programs, and older Americans' programs. It is an important amendment and I urge the committee to adopt the amendment.

Mr. ROUSSELOT. Mr. Chairman, I thank the gentlewoman from New York (Ms. HOLTZMAN) for yielding to me.

I was interested in the comments made by the gentleman from New York (Mr. ADDABBO) who is a member of the Committee on Appropriations, about unobligated balances in the Defense Department. Does the gentleman know that there are substantial unobligated balances in all functional categories? As a matter of fact, late today I will address that issue.

Is the gentleman saying that if we accept the amendment offered by the gentleman from Maryland (Mr. MITCHELL) that there are more than sufficient balances left in the defense category?

He has cut the defense categories, or restrained their increases in authority and outlays by roughly $4 billion and $2 billion. Does the gentleman say that there is enough in the unobligated funds to take care of that, or that it does not matter? What is the gentleman saying.

Mr. ADDABBO. If the gentlewoman will yield, there is enough with this reduction and with the Defense Department's balance.

Mr. ROUSSELOT. The gentleman is merely providing a restraint in increases over fiscal year 1978.

Mr. ADDABBO. This would be a notice to the Defense Subcommittee of the Committee on Appropriations that within this budget we can move to cut the defense budget, and spread it out and tell the Defense Department to use up the unobligated funds.

Mr. ROUSSELOT. I appreciate the gentleman explaining that. The gentleman knows that our colleague the gentleman from Maryland (Mr. MITCHELL) has redistributed those "savings in increases" throughout many categories. Why can we not apply the same technique to the other functional categories with their unobligated balances?

Mr. ADDABBO. I have not made a study of the other unobligated balances.

Mr. ROUSSELOT. The gentleman is on the Committee on Appropriations.

Mr. ADDABBO. They may be unexpended, which is different from unobligated.

Ms. HOLTZMAN. Mr. Chairman, may I regain my time?

The CHAIRMAN. The gentlewoman from New York (Ms. HOLTZMAN) has control of the time.

Ms. HOLTZMAN. Mr. Chairman, I yield back the balance of my time.

AMENDMENT OFFERED BY MR. STRATTON AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. MITCHELL OF MARYLAND

Mr. STRATTON. Mr. Chairman, I offer an amendment as a substitute for the amendment.

The Clerk read as follows:

Amendment offered by Mr. STRATTON as a substitute for the amendment offered by Mr. MITCHELL of Maryland: On page 1 line 11, strike "$568,152,000,000" and insert in lieu thereof "$570,513,000,000."

On page 2 line 20, strike "$127,439,000,000" and insert in lieu thereof "$129,800,000,000."

Mr. STRATTON. Mr. Chairman, my amendment is based on the proposition that the amendment offered by the gentleman from Maryland (Mr. MITCHELL) is the wrong way to go.

This is certainly not the time today for us to cut substantially $5 billion out of our defense effort. This is certainly not the time for us to consider the Defense Department and the defense budget as a kind of "grab bag" so that everybody can go in and haul out whatever they went for their particular specialties.

I would not quarrel with the gentleman from Iowa that there is waste in the Defense Department, as there is in every other department, but you do not eliminate waste by changing budget figures, you eliminate it by proper management.

I am not opposed to the basic objectives of the gentleman from Maryland (Mr. MITCHELL). I have supported the social programs he supports. I have been voting for them. I have a city district. As a matter of fact, and it may come as some surprise to some Members of this body especially on the democratic side of the aisle, that in the last election my opponent ran against me as a Socialist. She said I was a Socialist masquerading as a conservative because I had been consistently voting for the various programs that the gentleman from Maryland wants to increase with his particular amendment.

But my specific assignment in this House, as a member of the Committee on Armed Services, is to try to look out for the interests of our defense. Frankly, I am worried today about the defense of our country, and I do not think we have enough either in the budget that the President sent up to us in January or in the budget resolution which reduces the President's bare bones budget by another $1 billion.

Everybody is aware of the fact that since the first of January a number of things have happened which have increased the need to supply some kind of flexibility to us to protect the defense of our country. We have had the elimination of the B–1. We have had the elimination of the neutron bomb. We have had the postponement of the MX. We have had the increased Soviet and Cuban activity in the Horn of Africa. And with the amendment of the gentleman from Maryland we would be lopping $6 billion off of the defense budget—$6 billion from the money that the President sent to us in January. This is just irresponsible in today's world.

I had the opportunity a month ago, along with other members of the Committee on Armed Services, to visit the Soviet Union. We learned that they recognized that we gradually had been going down in our defense, as the gentleman from Ohio has already indicated in the figures that he read, at the same time that they have been going steadily up. Their defense budget is 39 percent of their total. They put 14 percent of their gross national product into defense,

in comparison with just 5 percent for ourselves, and they told us as we sat across the table from them in Moscow, "You people are unhappy now because you are no longer the only military power. You are vulnerable," and they say, "You had better get used to it because that is the way it is going to continue to be."

We have learned from defense experts all over the country—and I do not think there is any real argument on this—that if we want to try to keep up with the Soviets, we have got to put at least a 2-percent real growth into our defense budget. The budget that the President submitted in January was just barely 2 percent. When the Committee on the Budget knocked $1 billion out of it, they knocked it below the bare margin that we require. As a matter of fact, the President wanted to encourage NATO nations to increase their assistance to NATO, and he pledged last year to increase this year's defense budget by 3 percent.

The President promised NATO to increase defense by 3 percent. Well, we are not only going to miss out on the 2-percent figure, we are not even going to be able to give the President the right to say that he carried out his promise to increase the budget by 3 percent.

The CHAIRMAN. The time of the gentleman from New York has expired.

(By unanimous consent, Mr. STRATTON was allowed to proceed for an additional 3 minutes.)

Mr. STRATTON. Now, the amendment that I have offered, Mr. Chairman, would increase budget authority by $2.4 billion over the figures which the budget resolution contains. In other words, it would increase the President's budget by $1.4 billion. That figure happens to be exactly the figure that the Senate has already approved. It just barely gives us a budget which is 3 percent in terms of real growth over what we had last year. In other words, it prevents the President from being called a liar. It carries out his commitment of 3 percent to NATO and it gives us the flexibility we need.

The Committee on Armed Services has been forced to increase the budget in the R. & D. sector to meet the needs of our Navy. We are not building enough ships.

It is my understanding that the Committee on Appropriations also intends to add about $1 billion to the President's budget, so this very modest increase would make possible and provide flexibility for what the Committee on Armed Services has done, for what the Committee on Appropriations will be doing, and it also gets us out of the annual hassle on Defense with the Senate, and finally it meets the twin requirement of 2 percent real growth and the President's promise of 3 percent real growth.

Mr. Chairman, I do not see how we can get a better deal than that.

Mr. BRECKINRIDGE. Mr. Chairman, will the gentleman yield?

Mr. STRATTON. I yield to the gentleman from Kentucky.

Mr. BRECKINRIDGE. Mr. Chairman, I rise in support of the gentleman's amendment and his expression of appreciation for the basic objectives and purposes of the gentleman from Maryland, my friend, Mr. MITCHELL; however, I support the gentleman from New York's amendment to the amendment.

Mr. Chairman, I wish to say this, that there is an alarm spreading throughout the country—an alarm which I share with an increasing number of my colleagues on the floor of this House an alarm and a concern about the unparalelled and ominous Soviet military buildup, the balance of forces, and the state of United States and Allied security.

Soviet strategic forces threaten our deterrent forces with new systems including four new ICBM's, new ballistic attack submarines, intense ABM research and development, and operational killer satellites.

Soviet army, air and naval forces have shown massive growth in advanced tanks and infantry, artillery, mechanized vehicles, protected V3 nuclear, biological and chemical warfare versus fighter aircraft, bombers, ships and munitions and are demonstrating their aggressive drive not only against NATO, but also, with the help of its Cuban legion, in new areas of the Third World.

The response of the United States to this growing military threat has been disappointing, if not frightening. Recent decisions and budgetary proposals—including the unilateral cancellation of the B–1 bomber, slow-up of the M–X missile, substantial cutbacks in the naval shipbuilding program, and reported SALT concessions on the U.S. cruise missile use and range have added to a deepened concern and growing gloom about the adequacy of the U.S. defense posture and capabilities.

As a recently appointed member of the House Armed Services Committee I took the opportunity, during consideration of the fiscal year 1979 defense budget, to propose a minimum increase of $15 billion for fiscal year 1979 in order to prepare the United States for the emerging imbalance in strategic and conventional weapons and forces. An abbreviated statement of my views was incorporated in the committee report to the House Budget Committee as "Additional Views" wherein I urged consideration of a $15–$27 million range for the reasons outlined.

In view of the fundamental and far-reaching inadequacies of the present defense budget to meet the national security requirements presently faced by the United States, I submit these "Additional Views" into the CONGRESSIONAL RECORD for consideration by my colleagues, and urge that no effort be spared to reverse this action and to guarantee that the United States will have a military capability second to none—a capability based upon and determined by a realistic appreciation of announced Soviet intentions and geometrically expanding capabilities rather than more budgetary considerations.

During the House Armed Services Committee's considerations of the fiscal 1979 budget recommendations, I sought unsuccessfully to increase the obligational authority for the Department of Defense by $15 billion. I urge the Budget Committee to now give favorable consideration to what I consider to be a very strong case for this action.

"We have tried since the birth of our Nation to promote our love of peace by a display of weakness. This course has failed us utterly." These words are as true today as when they were first expressed by George C. Marshall, architect of our Nation's victory in World War II and champion of the peace as Secretary of State under President Truman.

Throughout the ages—and most notably during this century—history has taught that peace is more akin to strength than to weakness. Reasonable commonsense and prudence—guided by a steadfast and righteous conviction—require that any political strategy the objective of which is to guarantee peace and security must maintain the state's power in peacetime.

Winston Churchill, warning an appeasement-minded England that a determined and growing Nazi war machine would lay Europe in ruins, expressed this principle in the following way:

> Virtuous motives, trammelled by inertia and timidity, are no match for armed and resolute wickedness. A sincere love of peace is no excuse for muddling hundreds of millions of humble folk into total war. The cheers of weak, well-meaning assemblies soon cease to echo, and their votes soon cease to count. Doom marches on.

The failure to pay heed to this warning led, relentlessly, to the untold suffering of a world that laid in ruin and ashes—burying a reported 30–50 million of its peoples.

Forty years later, former Secretary of Defense, James R. Schlesinger, wrote of the present danger as follows:

> A specter is haunting Europe . . . the specter of Soviet hegemony. The specter arises from the steady expansion of the military power of the Soviet state. . . . Other margins of the Eurasian continent—Japan, Korea, the Middle East—are similarly exposed to the growing reach of Soviet military power and (the) psychological aura it increasingly conveys. . . . The underlying reality is that at no point since the 1930's has the Western world faced so formidable a threat to its survival. As then, the military balance is deteriorating. . . . A continuation of such trends over a period of years would leave the United States markedly inferior to the Soviet Union in gross military power.
>
> Clearly the philosophical and historical tradition of Western man is becoming imperiled and the danger grows with every passing year. And yet, a comparison of the budgetary and military trends of the two societies shows that it is the Soviet Union, and not the United States, which is the more determined to make the necessary sacrifices to win that "long twilight struggle" prophesized so long ago by President Kennedy.
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> Consider the following facts about U.S./U.S.S.R. Defense Budgets:
>
> First. In 1954, at the height of Western political determination, the United States allocated 12 percent of GNP for national defense. Today it has fallen to 5.2 percent and is projected by the administration at 4.8 percent in 1983.
>
> Second. The precentage of GNP to Soviet defense expenditures was between 10–12 percent in 1970, rose to 15 percent in 1975, and is now projected at 18 percent for 1980.
>
> Third. Since 1958, the Soviet Union has doubled the share of its GNP devoted to defense, while the United States has reduced its share by nearly 50 percent.

Fourth. In 1954, 65 percent of the total Federal budget was targeted for defense. Today that figure has fallen to 22 percent.

Fifth. In 1954, out of a total Federal budget of $70,890,000,000, the defense budget was $46,290,000,000. In 1979, out of a projected Federal budget of over $500.0 billion, $126.0 was allocated to defense.

Sixth. Since the SALT talks began, Soviet defense expenditures have increased more than 50 percent, both absolutely and as a share of the Soviet GNP.

Seventh. The Soviet Union is outspending the United States in total military capability by $50 billion or more a year.

Eighth. If the United States invested the same percentage of GNP to defense as the Soviet Union, the United States defense budget for fiscal year 1987 would have been between $250 and $300 billion.

Ninth. The rate of growth for Soviet defense expenditures was 10 percent between 1958 and 1970 and remained at 8–10 percent between 1971 and 1975. In an effort to increase real spending for defense, the fiscal year 1979 defense budget proposes to increase U.S. spending by approximately 1.8 percent.

Tenth. The defense budget projected by President Ford deemed necessary to guarantee our national security requirements was set at $136.0 billion. This figure was supported by the Joint Chiefs of Staff. Secretary of Defense, Harold Brown, recommended a defense budget of $131.0 billion. These figures were cut even more by the Office of Management and Budget to $126.0 and that bottom figure became the official recommended defense budget for fiscal year 1979.

Consider the following facts about United States/U.S.S.R Strategic Forces:

At present, the Soviet Union deploys 1,477 ICBM's to 1,054 for the United States, and 909 SLBM's in 82 submarines to 656 in 41 submarines for the United States. Compare this with the situation which existed in 1966 when the United States led 904 to 292 in ICBM's and 592 to 107 in SLBM's. These figures do not include qualitative Soviet improvements such as gains in accuracy, a throw weight advantage which will soon be 4 to 1, and current Soviet MIRVing rates.

Since 1973, the Soviet Union has been testing and deploying MIRVed missiles, which will be able to mount a substantially larger number of MIRVed warheads because of the larger size of the new generation missiles and their huge payloads. In addition, these warheads will be larger than their American counterparts. The SS–18 alone can carry up to ten 2-megaton warheads. The American Minuteman, by way of contrast, deploys only 3 warheads of 170 kilotons apiece (1000:1).

Since SALT I, in 1972, the United States has completed and deployed not one single major new strategic offensive or defensive weapons system. We have terminated production of Minuteman III and Poseidon missiles, but follow-on weapons have not been forthcoming. The B–1 bomber has been canceled, the MX–ICBM has been delayed for still another year, and the only ABM system that was deployed has since been dismantled. Conversely, during the same period, the Soviet Union has developed an entire new family of four ICBM's (three of which are MIRVed); a new class of missile-carrying submarines; a new SLBM (the SSN–8); and, a supersonic bomber (Backfire) capable of controlling the vital sea lanes of the North Atlantic and Mediterranean, of constituting a threat to NATO land forces and territory, and of operating against the United States. The Backfire is currently being produced at the rate of 36 to 50 per year and by the early 1980's the Soviet Union will have approximately 400 in place. For the first time, the Soviet Union will have more new strategic bombers than the United States has with its 20-year-old B–52's—a fact as unprecedented as it is ominous.

Trends in the area of civil defense are at least equally startling. The Soviet Union has reportedly spent approximately $1 billion a year over the past 20 years on civil defense, while the U.S. budget for fiscal year 1979 requests only $97 million. The Soviets have a longstanding and massive civil defense program, which has been expanded and intensified during the 1970's. This includes the hardened establishment of standby alternate power sources, and strategic industrial and foodstuff stockpiling; shelters and communication centers; the dispersal and hardening of industrial facilities; a major shelter-building program and widespread training for population evacuation.

The United States has no significant civil defense program and, compared to the Soviets, we appear to have abandoned the concept altogether. The Soviets claim that their civil defense efforts would limit fatalities from a U.S. attack to between 8 and 12 million people (against a projected U.S. loss in the range of 100–140 million). Whether this is true or not can be debated. What cannot be debated is that Soviet emphasis on civil defense constitutes a new and fourth leg in their strategic system which could be exploited tremendously in future political and military crises. The threat inherent in an alleged 72 hour evacuation capability needs no exposition.

It is entirely conceivable that the Soviet Union will have four essential and secure components in its strategic arsenal (a quadrad concept) compared to the distinct possibility that the United States will shortly be reduced to one.

In conventional forces, Soviet production rates are much higher than those of the United States in most weapons categories. They have 6.5 times more main battle tanks deployed than the United States, including 3,000 T–72's which are considered better than any tank in the current NATO arsenal. They have more than three times as many armored personnel carriers; four times as many artillery tubes; and, nearly three times as many tactical combat aircraft. Although U.S. tactical aircraft has always been considered better, the Soviets have been closing the qualitative gap as well. Finally, they have a significantly superior air defense system in Europe to that of NATO, with 3,500 air defense guns and 1,500 SAM launchers in Eastern Europe alone.

In seapower, the United States has reduced its Navy by over 50 percent in the last 10 years from 976 to 453 ships, while the Soviet Navy has registered the greatest gains in its entire history. In 1977 the Soviet Navy was estimated to have over 1,400 ships. From what was historically a coastal defense force, the Soviets have built and launched a true "blue water" capability of global proportions.

Between 1965 and 1973, Soviet "out of area" operations grew at an annual rate of 25 percent. Soviet naval incursions into the Carribbean Sea, the Indian and Pacific Oceans, and other vital waterways, constitute a direct threat to historic Western and U.S. sealanes. The Soviet capacity to support military land operations in areas such as the Middle East, Southeast Asia, and Africa, have already profoundly influenced the course of political events in those areas. Based upon their newly found maritime and sea-air logistic muscle, the Soviet Union has established a string of bases and allies throughout the Mediterranean and Indian Ocean areas which, unless arrested, will make the United States a secondary strategic power. Soviet support of the revolutionary forces in Angola and, more recently the Horn of Africa, compared to the near-complete lack of American strategic resolve, offers the most compelling recent evidence of the shift in the balance of global political power.

To permit the adverse trends of the past 10–15 years to continue would be tantamount to a conscious decision by the American people to allow the United States to become militarily inferior to the Soviet Union.

Should this continuing trend be tolerated, our national independence and free institutions will become increasingly hostage to Soviet communism in a threatening world at once more hostile and less compromising than any we have known in our lifetime.

In conclusion, it should not be forgotten that today the grand sweep of history faces us with the awesome fact that a misjudgment on our part about the nature and intentions of Soviet power—and what is necessary to confront and to neutralize that power—could well be fatal, not only for America but also for the basic values of 2,500 years of Western civilization of which we are the principle defenders.

Let us make no mistake—in today's world no one country, or coalition of countries, could assist us if we should falter or fail.

It is for the above reasons that I have recommended that the defense budget for fiscal year 1979 be increased a minimum of $15 billion over that proposed by this committee and to be increased in the amount of 10 percent per annum in real 1978 dollars over the next decade, bearing in mind the $27 billion ceiling figure proposed in Arms, Men and Military Budgets—Issues for Fiscal Year 1979, edited by Francis Hoeber, David Kassing, and William Schneider, Jr.

Mr. GIAIMO. Mr. Chairman, will the gentleman yield?

Mr. STRATTON. I am happy to yield to the gentleman from Connecticut.

Mr. GIAIMO. Mr. Chairman, I would like to clearly understand the gentleman's intent. The gentleman is adding $2.4 billion in budget authority and zero in outlays.

Mr. STRATTON. That is correct.

Mr. GIAIMO. Is it the gentleman's in-

tention to go up to the figure of the other body in the 050 function, national defense?

Mr. STRATTON. It is my intention to go up to the figure the other body approved in budget authority.

Mr. GIAIMO. But not in outlays?

Mr. STRATTON. Well, because outlays are primarily a rough estimate, nobody knows exactly what will actually be the final outlay figure. The Senate, for example, added $1.4 billion to budget authority over the President, yet at the same time they reduced outlays $1 billion below the President's budget figure.

The CHAIRMAN. The time of the gentleman from New York has again expired.

(At the request of Mr. BURLISON of Missouri, and by unanimous consent, Mr. STRATTON was allowed to proceed for 1 additional minute.)

Mr. STRATTON. Mr. Chairman, I yield to the gentleman from Missouri.

Mr. BURLISON of Missouri. Mr. Chairman, would the gentleman tell us what the additional $2.4 billion, or additional $1.4 billion, is supposed to buy? We have been talking about money figures, but we have not talked about what this additional money is going to buy.

Mr. STRATTON. Well, we do not spell out in the budget resolution what we are supposed to buy. Our committee, the Committee on Armed Services, is going to be coming out with a bill in a couple weeks that goes about $3 billion over the budget in terms of weapons and in terms of research and development.

Mr. BURLISON of Missouri. What weapons?

Mr. STRATTON. This increase was primarily because of shipbuilding. We put in a nuclear carrier, because the Defense Department has not yet agreed on what kind of carrier they wanted, so Congress itself had to act. And the only advantage we have over the rapidly expanding Soviet Navy lies in our aircraft carriers.

The Committee on Appropriations of course may have other ideas as to what other items should be added to the defense portion of our budget.

The CHAIRMAN. The time of the gentleman from New York (Mr. STRATTON) has expired.

(On request of Mr. DAN DANIEL and by unanimous consent, Mr. STRATTON was allowed to proceed for 2 additional minutes.)

Mr. DAN DANIEL. Mr. Chairman, will the gentleman yield?

Mr. STRATTON. I yield to the gentleman from Virginia.

Mr. DAN DANIEL. Mr. Chairman, let me ask the gentleman from New York (Mr. STRATTON) if it is not true that the unexpended balances which were referred to a little while ago are primarily for long leadtime items?

Mr. STRATTON. Mr. Chairman, that is absolutely correct. These include long leadtime items, and in addition we have long followed a practice, particularly when it comes to shipbuilding—and this is a practice that has always been considered prudent—of putting aside in advance all the money we are going to need to build a particular ship. It is called full funding.

Mr. DAN DANIEL. And that stretches from 5 to 7 years; is that correct?

Mr. STRATTON. That is correct.

Mr. DAN DANIEL. Is it not also true that when we authorize money for airplanes, those funds are for airframes avionics, and engines and obviously these funds must be spent in increments?

Does that not account for some of these unexpended balances?

Mr. STRATTON. Mr. Chairman, the gentleman is correct. This argument concerning the unexpended balance in defense is just as phony when my friend, the gentleman from New York (Mr. ADDABBO), uses it, as it was when our former colleague from Louisiana, Mr. Passman, used it on foreign aid. Otto was always against foreign aid until he suddenly saw the light in the middle of his career.

But in those earlier days he would constantly send around "Dear Colleague" letters which showed how much was in the foreign aid pipeline, so we did not really need any more new money for foreign aid.

This is like telling a fellow who puts $10,000 or $20,000 in the bank for his son's college education that this money is in his pipeline and so he can safely use it to repair his car or for any other purpose.

Mr. DAN DANIEL. Mr. Chairman, let me ask this: Is it not also true that a considerable sum is being requested for foreign aid this year when we have $9 billion in the pipeline?

Mr. STRATTON. The gentleman is absolutely right. The "pipeline" argument can well be used not only in foreign aid matters but in reference to some of the social programs, too. There is a good deal of money in the pipeline over there also.

Mr. Chairman, it is a phony argument, and it is particularly phony when it is used in connection with the Department of Defense.

Mr. ICHORD. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the substitute amendment offered by the gentleman from New York (Mr. STRATTON) which would set budgetary authority for national defense at the Senate Budget Committee level of $129.8 billion, $2.4 billion over the amount set by the House Committee on the Budget and $1.4 billion over the President's figure.

I fear, Mr. Chairman, that many of the Members of this body do not realize the extent to which our defense posture has deteriorated in the last several years vis-a-vis the Soviet Union. NATO is outgunned, NATO is outmanned, NATO is out-tanked.

Our strategic posture has fallen from clear superiority to that of rough equivalance. In the strategic area we still hold a technological edge, but the Russians are rapidly closing the gap. While the Soviet Union is spending from a low estimate of 20 percent to a high estimate of 60 percent more for defense than we are, we find that defense spending has decreased in this Nation as a percentage of the budget from 42 percent of the overall budget in 1964—and that was before the Vietnam buildup, I would note—to 23 percent of the overall budget today, as brought out by the gentleman from Ohio (Mr. LATTA).

Our decrease in spending as a percentage of the total budget and as a percentage of our gross national income, Mr. Chairman, does not begin to tell the story. Unlike the Soviet Union, we have a voluntary military force in this country today, and to obtain the enlistments we need we are spending 55 percent of that money in the budget for the military for compensation. This impacts severely on the dollars we have available to acquire actual hardware.

I would state to the gentleman from Missouri (Mr. BURLISON) that the Authorization Committee of the House, the Committee on Armed Services, in addition to ships, has included authorization for increased procurements in the A-7 aircraft program, increased procurements in the F-18 program, increased procurements in the F-14 program, and increased procurements for the MICV. Some of those items are going to drop out when we are approximately $3 billion over the authorization in the budget authority provided by the Committee on the Budget in the House.

I would state to my colleagues that while we unilaterally cancel the B-1 bomber, delay the deployment of the M-X, and delay the deployment of the enhanced radiation device, the Russians continue to build up the strongest military machine in the history of mankind. While the Committee on the Budget cuts the President's budget $1 billion, we witness the continued Soviet and Cuban encroachment on the continent of Africa.

We witness a deterioration of the situation in the Middle East. We witness no resolution of the key issues of SALT II. We witness a refusal of the Soviets to soften their bargaining position while we defer the neutron bomb and unilaterally cancel the B-1 bomber.

Witnesses before my committee, Mr. Chairman, are continually pondering the question: Why are the Soviets continuing to build up their military might at such a fast pace?

Mr. Chairman, like the gentleman from New York (Mr. STRATTON), I, too, traveled to Russia recently. And after my trip to the Soviet Union I have come to the conclusion, Mr. Chairman, that they are clearly heading for a war-winning survivable capability. They are following the philosophy expressed by the ancient Chinese writer, Sun Tzu, on warfare.

The CHAIRMAN. The time of the gentleman from Missouri (Mr. ICHORD) has expired.

(By unanimous consent, Mr. ICHORD was allowed to proceed for 2 additional minutes.)

Mr. ICHORD. Mr. Chairman, Sun Tzu wrote that the acme of military brilliance is to defeat your enemy without ever fighting him. Better than winning 100 battles in 100 wars.

Even if we accept the assumption, Mr. Chairman—which I am not sure is correct—that the Russians will never attack the United States because of the nuclear devastation that they will suf-

fer with an attack on their own country, I think we are headed toward a situation that, if the trend is not reversed, the President will be subject to nuclear blackmail. He will be faced with a situation of surrendering vital American interests or risking nuclear holocaust. I do not think any President, as Eugene Rostow testified before our committee, should ever be placed in that position.

So to increase our military posture, to enhance our military posture, I would state that we need these $3 billion worth of weapons system that we have authorized the Appropriations Committee to appropriate.

Mr. SIKES. Mr. Chairman, will the gentleman yield?

Mr. ICHORD. I yield to the gentleman from Florida.

Mr. SIKES. I thank the gentleman for yielding.

Mr. Chairman, I congratulate my distinguished friend, the gentleman from Missouri (Mr. ICHORD) for a brilliant statement of facts. I subscribe to what he has said. I support the Stratton substitute. I feel that it is essential to the safety of our Nation.

I presume, when the gentleman used the term "rough equivalency, in referring to nuclear weapons, that he understands, as I do, that "rough equivalency" means we know we are behind in strategic capability, but we do not know how far behind we are.

To me it is a matter of no small concern that the world realizes we are still depending upon the second generation of strategic weapons for offensive nuclear capability, while the Russians are in their fifth generation of strategic nuclear weapons. The simple fact is Russia has moved or is moving ahead of us in military power in all categories.

The Russian timetable of world domination is moving steadily forward. Military conquest in Asia—military conquest in Africa—Eurocommunism in Europe—a stalemate in the Middle East. All of this should tell us that we gradually are being isolated.

In one war after another, we have started from behind, rearmed, and overcome unbelievable obstacles. It required a herculean effort, but we did it. We can no longer start from behind, rearm, and overcome the odds. Modern wars move too fast. Before the walls close in, we must improve America's readiness in defense. What is proposed is a small start, but it is far better than the cut which the Budget Committee has proposed. It obviously is infinitely preferable to the amendment of the gentleman from Maryland which would virtually insure that we can never catch up and acquire the ability we need to defend ourselves.

Mr. ICHORD. Mr. Chairman, let me state to the gentleman from Florida that if SALT II comes out, as it looks like it will, the Russians will have the throw-weight capacity to put in the air three times the reentry vehicles we can. And I think that does make us vulnerable to a first strike in the 1985 time frame, because they are rapidly closing the gap which now prevails in accuracy. By 1985 they will have an accuracy roughly equivalent to our accuracy.

Mr. LEGGETT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise, perhaps predictably, in opposition to the Stratton amendment, and also, predictably, according to the past few years, in opposition to the transfer amendment offered by my colleague, the gentleman from Maryland.

Mr. Chairman, the Stratton amendment would increase the national defense target by $1.4 billion over the President's budget and by $2.4 billion over the resolution target that we have vigorously belabored in the House Committee on the Budget.

I, too, went to Russia with my colleagues. What one sees over there I imagine is all in the eye of the beholder.

To be sure, we were over there. We did not see much military. We saw an old destroyer from World War I, the same one which the gentleman from Virginia (Mr. DAN DANIEL) saw when he was over there about 15 years ago.

It is pretty hard to see anything in the Soviet Union when one goes over there. What we saw was the neanderthal society operating, much as the general from the Soviet Union indicated the other day when he defected, which is not 5 years and not 50 years, but an epoch behind the United States. Furthermore, I find that were they the U.S.S.R. to invade Western Europe, there is a strong probability that a large part of the Soviet Union would massively defect to the West.

That is not to disagree with the point that the Soviet Union has massive military momentum. They do.

Mr. Chairman, some wonder why they are doing what they do. When one sees, as we have seen in the Soviet Union, lettuce which sells for $11 a head and when they do not have any fresh vegetables of any degree, obviously their work program, the Humphrey-Hawkins program of the Soviet Union, is national defense.

I do not think we have to worry about any great design they have in mind. We talked to them, and they are concerned.

"Why do you the United States, encircle us?" they ask. "Why do you have 40,000 people in Korea aimed not only at North Korea but also at the Soviet Union? Why do you have the large numbers, multithousands, in Okinawa and in Japan?"

Mr. Chairman, I am not going to take the time to elucidate the balance of our encirclement. They say: "Why do you build the great blue-water navy? Why do you have carriers when we do not have any?"

They have helicopter carriers. We do not call those carriers in our U.S. Navy.

Mr. Chairman, there is a great chance that we would have a great blue-water war some time and nobody would come because we are the only ones in the world who have this tremendous capacity. There has been some talk here about the strongest military machine ever known to mankind. We do have the strongest military machine on the face of the globe, presently, in the world; but it is not owned by the Soviet Union. It is owned by the United States. We are the only ones who have this tremendous capacity.

Mr. Chairman, I would like to refer to some specific numbers and put this overall issue back into context.

Mr. Chairman, both amendments should be defeated at this time. First, and possibly the most important, is the fact that the Budget Committee recommendation for national defense is some $9.3 billion in budget authority and $10.3 billion in outlays more than the Congress provided for fiscal year 1978. This represents a significant real increase in defense programs. The committee recognizes the need for real growth in this year's defense budget and this resolution provides just that.

Second, the Budget Committee in reviewing the views and estimates of the House committees considered carefully those of the House Armed Services Committee, understanding that program changes will take place, we did propose that any increase in programs above our recommended level be offset by a corresponding decrease elsewhere in the function. The Appropriations Committee recommendation indicated the total funding level would be close to the President's budget request. Our recommendation makes a technical adjustment which recognizes that the eighth Trident submarine cannot be built in the fiscal year 1979 funding period. Essentially we are funding the President's request.

Third, as in the past 2 years, the Budget Committee has spent considerable time in reviewing the timely use of funds appropriated to the Defense Department. The GAO has just recently completed an extensive study of the unobligated balances in defense programs. One of the general conclusions resulting from this study is that in executing a program of the magnitude and complexity as the Defense Department there is certain to be appropriations not required for their original use which become available to fund alternative or new programs.

To illustrate the magnitude of this issue, the appropriations available for expenditure by the Defense Department beginning in October of this year will be approximately $198 billion. This includes the appropriations requested for fiscal year 1979, and appropriations from prior years which are not yet expended. This is a staggering sum of money for any organization to manage, even the Pentagon.

The difficulty in the management of such large sums is clearly shown by the growing amount of funds returned to the Treasury each year. In fiscal year 1975 over $600 million of prior congressionally approved appropriations were returned to the Treasury unused. In fiscal year 1976 over $1.2 billion were returned to the Treasury. In fiscal year 1977 over $1.4 billion was returned to the Treasury. During the past 3 fiscal years alone over $3.2 billion appropriated to the Defense Department for defense programs, was not used and had to be returned to the Treasury as appropriations expire.

With this history, there is clearly no need to increase defense above the budget resolution target.

Let us now get to the heart of the matter. The increase proposed by the Stratton amendment would essentially cover the cost of two major ships. A new nuclear powered aircraft carrier which has a total cost of $2.4 billion, yes, $2.4 billion and a nuclear powered aegis cruiser at a total cost of $1.3 billion—yes, $1.3 billion.

Neither of these ships were requested by the Commander in Chief of our Armed Forces. The President does not plan to request funds for another nuclear carrier and does not plan to request funds for the cruiser until fiscal year 1983.

I will discuss the general situation regarding shipbuilding and then discuss the specific problems with funding these ships at this time.

As is well known, management of the Navy's shipbuilding program is a national calamity. Everyone involved, including the Congress, can share the blame. The program has been plagued by delays and claims from the contractors now total $2.7 billion. The House Appropriations Committee in its report on the fiscal year 1978 DOD Appropriations Act noted that delays in the program equal 100 ship years. If the ships had been delivered on time we would have 24 more ships in the fleet than we do now.

The two ships in question here can only be built in one shipyard in the country. This shipyard has claims amounting to $742 million against the Navy. These claims do not include the third *Nimitz*-class carrier which is under construction without a definitized contract and the CGN–41, a nuclear-powered cruiser which is being built under court order. The Navy says that it hopes to settle these claims by late summer. If the claims are not settled, then long, difficult litigation will take place. I question the wisdom of adding two major ships to the budget until we have better visibility as to the solution to the problem.

I would remind my colleagues that based on the recommendations of President Ford and President Carter, the House of Representatives voted on March 3, 1977, to rescind funds for this same carrier by a vote of 252 to 161. Nothing in the world situation has changed to warrant reconsideration of that particular decision.

A nuclear-powered Aegis cruiser is the most expensive way to send the system to sea. The DDG–47 frigate program, which is the alternative, would provide three ships for the price of two nuclear-powered ships. The DDG–47 class, the first of which was authorized last year, with seven more planned in the latest 5-year program, is a well-thought-out program which hopefully will not be beset with the management problems associated with recent Navy shipbuilding projects. The same cannot be said for the nuclear powered cruiser.

I would like to make three last points:

The Commander in Chief has not requested nor recommended funding for these ships. An initial investment of $3.7 billion for only two ships should be agreed upon by both the Congress and the President before proceeding.

Increasing the House committee allocation simply to agree to the Senate committee allocation to avoid discussion is contrary to the tradition and spirit of our legislative process. The Senate refers to different defense items.

There are $600 to $800 million in outlays which should be included to make the amendment internally consistent. If there are no outlays in fiscal year 1979, then there is no need for budget authority.

I urge my colleagues to vote against the Stratton amendment.

Mr. DICKINSON. Mr. Chairman, I move to strike the necessary number of words. I rise in support of the Stratton amendment.

Mr. Chairman, I feel very strongly that it is time that we assessed where we are and take a reading on where we are going. We were told an anecdote in the Armed Services Committee, which I believe. The story is that not long after the Cuban confrontation in 1962 that the Special Ambassador to the United States from the U.S.S.R., Ambassador Kuznetsov, met with our Ministers to negotiate the withdrawal of the Russian missiles and nuclear arms from Cuba. If I remember correctly, Jack McCloy was our Ambassador.

At that time, the Soviet Ambassador said that we had embarrassed the Soviet Union in the eyes of the world and had forced them to alter their foreign policy in forcing the withdrawal of the ICBM's, the nuclear missiles, from Cuba. At that time he said, "But never again, never again will the United States be in a position to dictate to us our foreign policy. Never again we will be in a position where you can force us to back down."

Mr. Chairman, if Members will check the record of the level of effort and expenditures and military development of the Soviet Union vis-a-vis the United States, they will see that their ICBM's, aircraft, missiles, tanks, and men in uniform have increased while, strangely, ours have decreased.

Some of the following figures have already been used this afternoon but I would like to put them in the record. For example, the Soviets have 2,392 ICBM's; we have 1,610. In 1966, the Soviets had 0, none, not 1 nuclear submarine; we had 41. Today we still have 41, but the Soviets have 82, almost double ours. In conventional weapons and men, the Soviets continue to lead us: in main battle tanks have 6½ to 1 to us; in armored personnel carriers they have 6 to 1; in artillery they have 4 to 1; in ground troops they have 3 to 1; they have 1,725,000 deployable troops compared to our 575,000.

The disparity increases by the fact that if we draw a graph, the lines will cross with those of a couple of years back. With each passing year, the disparity increases to the point where if we continue at a constant rate we will still fall behind.

So, Mr. Chairman, I think it is incumbent upon us to assess where we are and where we are going and what our relative position and strength is, and if we do not at least—at least—put in the $2.4 billion increase that is called for by the Stratton substitute for the pending amendment, we are going to fall even further behind.

I have great respect for the Budget Committee, but they have to look at a myriad of programs and there is nobody, no other committee than ours which has the responsibility, first, or the expertise, second, to appreciate what is involved in our defense budget and to compare it with our potential adversaries.

So I would say, Mr. Chairman, this is a modest increase. While we have fallen from where, in 1968, 40 percent of our budget was for defense, today it is 23 percent and sinking. It is time we called a halt at least to the sinking part and live up to President Carter's promise to put in at least 3 percent real growth in our defense budget. This is one opportunity where the Democrats have a chance to help the President keep his promise.

So I would say: Let us support the Stratton substitute amendment, let us vote down the deletion offered by the gentleman from Maryland, and let us get on with making this a safe democracy so that we can defend the very things the gentleman from Maryland is trying to increase.

Mr. BENNETT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, it is difficult to cover all the points raised by the gentleman from California (Mr. LEGGETT) in the length of time I have and I do not want to extend my time to that extent, but I would like to refer first off to the $1 billion or so he says the Defense Department has been returning to the Treasury every year, or thereabouts. Of course that billion dollars is returned to the Treasury because there is not a line item authorization, appropriated for, which they can logically and properly spend the money for at that particular time. It is not returned because they do not have the materiel requirements or purposes on which to spend the money. It merely means the way things are locked up in legislative restrictions they cannot spend it properly or wisely; so it is returned.

Mr. Chairman, I had planned to offer transfers in the fields of foreign affairs and HEW and revenue sharing. I would like to discuss them very briefly before I go into detail on the defense aspects of this, because this does point out the fact that there is considerable waste in the budget as proposed by the Budget Committee among many things.

No one wants to cut the humanitarian aspects of HEW, but a $1.5 billion cut would seem to be reasonable as backed up by the disclosure by the Inspector General of the HEW, and backed up by the General Accounting Office audits, that "for programs involving Federal outlays in fiscal year 1977 of $136.1 billion the incidence of fraud, abuse, and waste—at a minimum—ranged between $6.3 and $7.4 billion." Cutting out of that multibillion figure an amount of

$1.5 billion would not be a drastic cut and would still leave a solid $6 billion of annual fraud and waste; and therefore the cut which I suggest would seem extremely modest.

I am not going to offer the amendment, instead, I will support the Stratton amendment because I do not want to clutter up the procedures here with too many amendments. His amendment is a much more mild amendment than I think we should have.

Mr. Chairman, as to foreign aid, the recommendation of the Budget Committee was for $10.990 billion. Surely when our country is in the dire financial situation now facing us we cannot expect that a cut of $1 billion from this field is exorbitant. For instance, the American Monitor poll of January 1978 showed, of the thousands they polled on foreign aid, that 95 percent voted against the program and that there were only 4 percent for it. The modest cut I have suggested of $1 billion in that program would not change in my opinion that feeling, and would not be felt badly by anybody.

As to revenue sharing, this was an anomalous program to begin with, since most of the local governments aided are in much better financial condition than the Federal Government. The dire consequences of Federal Government financial failure would be much more damaging to Americans than would be the local governments experiencing financial default.

Further, a recent poll by the American Monitor showed that among thousands of persons polled on this subject only 13 percent voted to continue the revenue sharing program, while 84 percent voted against it.

Mr. Chairman, I would like to address some of the things that came before our committee. First, I would like to point out that the CIA recently released a study in which it stated that the Soviets are outspending the United States on military power by approximately 40 percent, and that with regard to strategic weapons their rate of spending exceeds ours by a rate of 3 to 1.

As stated by the American Security Council:

> If one looks at the many charts in the Secretary's Annual Report dealing with the various weapons systems, he will find abundant evidence which shows the U.S. running far behind in the arms race.

The new Under Secretary for Research and Engineering, Dr. William Perry, testified before our Committee on Armed Services and said:

> Even if these budget growths are achieved, we will only be maintaining the present level of disparity.

General Brown, Chairman of the Joint Chiefs, told our committee:

> In looking over my previous reports to you, I am struck by the fact that in nearly every area of military strength there has been a relative decline over the years in relation to the Soviet Union.

Mr. Chairman, with reference to the two expensive ships which came from the subcommittee of which I am chairman, I would like to address myself briefly to them. One is a nuclear carrier. One reason why we came out for a nuclear carrier is that the Navy only expects to produce one carrier between now and the year 2000. A year's study was made on this as to whether it should be nuclear or nonnuclear. The report that came out was overwhelmingly in favor of nuclear as the most cost effective carrier that could be built. In other words, if we were going to produce two or three smaller nonnuclear carriers, they would not be as cost effective as the one nuclear carrier. There is no intention to have more than one aircraft carrier built between now and the year 2000, and that one will supplant a 40-year-old carrier.

If the gentleman from Missouri would like to have a full breakdown of all of the things here that were added up in the $2.48 billion, I have that information before me and I will be glad to leave it at the desk. It discusses the balance of the items. I will not take the time now to go into them because I have already mentioned the largest ones.

I do not think that anybody who really looks at the defense budget this year and studies it carefully can come to any other conclusion than that we have to proceed on this course of the Stratton amendment. Even if we are not already behind the Russians today, it will be only a matter of a few years before we will definitely be behind them if the present trend continues. The best deterrent against war occurring is to be prepared to fight and win, since our country has no aggressive aspirations.

Mr. SIMON. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, let me point out just a few statistics. In fiscal year 1976 we had $101 billion in budget authority for defense and we now have $127 billion in budget authority; in outlays from $91 billion to $115 billion. If this fiscal year we simply took care of the inflation factor, we would be up to $123.3 billion in budget authority, and if we were to accept the amendment of the gentleman from Maryland (Mr. MITCHELL) we would be about $700 million below that inflation figure, so that the amendment of the gentleman from Maryland in fact puts us fairly close to an increment that takes into account the inflation figure.

On waste—and I do not claim to be an expert; I am strictly an amateur, although I serve under the tutelage of our distinguished colleague, the gentleman from California (Mr. LEGGETT), on the Security Task Force of the Committee on the Budget—we now spend, for example, $5 billion a year moving equipment and manpower and furniture around this Nation. If we cut that back 10 percent, we would save $500 million, a pretty sizable sum.

There is, secondly, as far as the gentleman from New York's amendment, serious question whether it is wise—with all due deference to him and my distinguished colleague, the gentleman from Florida (Mr. BENNETT) to do as we have done and to put large amounts of money in the large-tonnage ships or to spread that influence with a great many smaller ships. Probably the course the Soviets have taken in having smaller ships is the wiser course.

On the GNP figures that are cited, of course, they are skewed grossly because the Soviets do not have anywhere near the GNP that we do. They also have China on one side. Someone else has pointed out that they are surrounded by "hostile Communist countries" while we are not. I do not know how accurate that may be, but there is some accuracy to that.

The Stratton amendment also creates deficits in the future. The gentleman from Maryland (Mr. MITCHELL) is saying somehow we have to use the political process to see that people get jobs. We use the political process to see that we have an adequate Defense Establishment, and we should. We want that. But we ought to use the political process to see that every American has the opportunity to be productive in our society, and we have not done that. That just makes good commonsense.

I would add one other factor. The amendment of our colleague, the gentleman from New York, is to a small degree inflationary because it increases demands on jobs where there are skills. My assumption is that my colleague, the gentleman from Maryland, is hitting at structural unemployment so that he increases demands for people who want to be productive and are now not. So if we want to hit at this business of inflation, here is a very practical way of doing so. I assume that my colleague, the gentleman from New York, will not agree with that.

Mr. STRATTON. Mr. Chairman, will the gentleman yield?

Mr. SIMON. I am pleased to yield to the gentleman from New York.

Mr. STRATTON. I thank the gentleman for yielding.

The gentleman has tried to put this in terms of the economy. But does the gentleman not think that perhaps we also have to be concerned about whether our defense is adequate? It is not just a question of how many people are employed. If we do not protect this country, if we do not provide an adequate defense, we will not even have the places in which our people are employed; is that not a fact?

Mr. SIMON. I would concur completely.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. SIMON was allowed to proceed for 2 additional minutes.)

Mr. SIMON. Mr. Chairman, I would concur completely with the gentleman from New York on that. I cited this inflationary factor just as incidental. If the assumption of this House is that our defenses would be impaired if we did not accept the amendment of the gentleman from New York, then we ought to support it. I do not happen to buy that assumption.

Mr. BURLISON of Missouri. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition of the Mitchell amendment. I think that we should not be taking $5 billion or any

other figure from what the President has requested or what this Budget Committee has requested for military defense. If we approve the President's request and this budget's recommendation, we will see the second consecutive year of real growth in the military budget. I think that it is essential that we move in that direction when one views what has been happening in Russian military preparedness vis-a-vis that in the United States in recent years.

Incidentally, if we do for this second consecutive year have real growth in our military budget, it will be the first time this has happened for a decade and a half.

I also, Mr. Chairman, rise in opposition to the Stratton substitute, because I think that this committee has very carefully arrived at a proper balance for our military spending and our social services programs.

Mr. Chairman, our colleagues may have noted earlier when the gentleman from New York (Mr. STRATTON) had the floor, that I asked the gentleman what the $2.4 billion increase would buy.

The first item that the gentleman mentioned was the nuclear-powered carrier, the CVN–71. That $2.4 billion confirmed what I suspected was the gentleman's intent. I think the gentleman from Florida (Mr. BENNETT) has verified that in his remarks.

Mr. Chairman, the issue of this CVN–71 has been around here for a long time. Two years ago in June of 1976 I offered on the floor an amendment to rescind the $385 million for long-lead time items for the CVN–71. Why did I offer that amendment to rescind, Mr. Chairman? Because two Presidents, President Ford and President Carter, two Secretaries of Defense, one for President Ford and also Secretary Brown, had recommended against an additional CVN carrier.

About this time, the National Security Council had just concluded a study about the direction in which our Navy power should proceed. It concluded that we needed naval power. We needed more ships. We needed dispersal. That was the emphasis. We need dispersal of our naval power around the world. We cannot get that dispersal with $2.5 billion aircraft carriers. That is the background and that is the reason for my position.

Mr. Chairman, I would submit to my friends and my colleagues that for these reasons we should first deny the amendment of the gentleman from Maryland and we should, secondly, or in reverse order as the parliamentary procedure may demand, we should also defeat the proposed amendment of my friend, the gentleman from New York (Mr. STRATTON).

Mr. STRATTON. Mr. Chairman, will the gentleman yield?

Mr. BURLISON of Missouri. I will be delighted to yield.

Mr. STRATTON. Mr. Chairman, the gentleman says that he does not like the big carriers, but as our good friend, the gentleman from Florida (Mr. BENNETT) pointed out a little while ago, when the Navy was asked to examine this question in detail and when the best available information was provided to the Navy and to us, they came up with the recommendation that the most cost-effective solution was to get a carrier big enough to carry enough planes to have an impact. And they agreed that two tiny carriers with oil-burning fuel propulsion were idiotic at a time when we are talking about serious oil shortages and the need to develop solar energy and nuclear energy to keep our oil-fired economy going.

The CHAIRMAN. The time of the gentleman from Missouri (Mr. BURLISON) has expired.

(By unanimous consent, Mr. BURLISON of Missouri was allowed to proceed for 1 additional minute.)

Mr. BURLISON of Missouri. Mr. Chairman, let me say to my friend, the gentleman from New York (Mr. STRATTON), that I did not say I do not like big carriers. I think we need the 12 carriers that we have. I think we will need additional carriers, but they will be of the configuration of the proposed CVV's which will provide for the greater dispersal of our air power at sea.

I would say also to my friend that it is not my understanding that the Navy is insisting on a new carrier and is opposing the administration in its recommendation, because I very clearly remember that when the two Presidents and the two Secretaries of Defense were opposing this new carrier, the CNO, the Chief of Naval Operations, Admiral Holloway, was right there with them and was agreeing with them.

Mr. STRATTON. Mr. Chairman, let me say to my friend, the gentleman from Missouri, that that was a year ago, and the situation has changed very drastically since then.

Mr. DELLUMS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the Stratton amendment and in strong support of the amendment offered by the distinguished gentleman from Maryland (Mr. MITCHELL).

I would like to attempt to focus on the main points of this debate, because it would seem to me that if a Member of Congress were to walk on the floor during the last 30 minutes or a citizen of our country came in and sat in the gallery during the last 30 minutes, that Member or that citizen would have thought this is the armed services authorization bill. It is indeed not that. This is the budget process.

I would submit to the Members, Mr. Chairman, that this is the most important function that we as Members of Congress engage in each year, for in adopting the budget we are charged with the profound obligation of establishing priorities for the American people as we perceive them. That is what a budget is.

As I stated on numerous occasions in the well, it is my belief that a society's values are reflected in its priorities, and its priorities are reflected in its budget. So we are here to adopt a budget, which means we are here to struggle over priorities.

Some have defined politics as a struggle over priorities, and that is why we are here today. That is what the struggle is all about.

What are the priorities? What is important to this country? Within the framework of that issue, the amendment offered by my distinguished colleague, the gentleman from Maryland (Mr. MITCHELL), is exceedingly significant.

What the gentleman attempts to do by offering his amendment is to transfer $4.8 billion from the military budget to human services programs, and in doing that he quarrels with the perceptions as established by members of the Committee on the Budget. It is an attempt to place on the floor of this Congress a proposal which challenges all of us to reach inside ourselves to determine what we perceive as important.

This is a representative form of government. The function of government is to promote the general welfare. The question is: Are we promoting the welfare of the American people with the priorities as we have recommended them in this budget?

Every time the budget comes to the floor, the military budget is perceived as sacrosanct, and we hear great stories that "the Russians are coming, the Russians are coming."

Last year there was a great hue and cry over increasing the military budget by approximately the same figures put forth by my distinguished colleague, the gentleman from Maryland (Mr. MITCHELL), something over $4 billion. The argument that was given then was that we wanted to frighten the Soviet Union by indicating our resolve to be a strong, chauvinistic, macho nation in the world, and that by increasing our military budget by $4 billion, we would frighten the Soviet Union and get the Russians to the negotiating table.

I told the Members then that thinking was absurd. I said that if we really want to frighten the Soviets to the negotiating table, why do we not just put all the money in the military budget, scare the hell out of them for 1 year, bring them to the negotiating table, negotiate a peace, and then we can get on with the business of solving the problems of the American people?

But we all know that that is not a viable option. I am certainly not going to propose that from the left, and my distinguished colleagues from the right, I think, are too frightened to propose it because it may pass, within the framework and the milieu of this body. Therefore, we must engage in a somewhat more honest approach. We have military facilities and resources, on the one hand, and difficult choices on the other. It would, therefore, seem to me that the most enlightened and articulate human beings understand that we must be thoughtful in establishing our priorities.

This amendment offered by my colleague says that we place too great a priority on war, on militarism, on being No. 1 in the world in our ability to destroy. I agree with that.

Mr. Chairman, our commitment in the world is changing, and as it changes we must change. Perhaps there was a time in my childhood when being a military power was a great thing. The world is now changing. The circumstances in the world have very little to do with how big one's bombs are. Big bombs cannot bring peace to the Middle East. Big bombs cannot reduce the price of oil. Big bombs could not bring black majority rule in Southern Africa. These are the three most important foreign policy frustrations today. They have nothing to do with how big our bombs are. The world is not becoming a place where we can throw bombs at each other. That is insane. We have the ability to destroy all life. It seems to me that if we care about the American people, if we care about our children, we should be fighting like hell to end the possibility of any war on the face of this earth. Yet we are talking about being a No. 1 military power.

The CHAIRMAN. The time of the gentleman from California (Mr. DELLUMS) has expired.

(By unanimous consent, Mr. DELLUMS was allowed to proceed for 5 additional minutes.)

Mr. BRODHEAD. Mr. Chairman, will the gentleman yield?

Mr. DELLUMS. I yield to the gentleman from Michigan.

Mr. BRODHEAD. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment offered by the gentleman from Maryland (Mr. MITCHELL).

Mr. Chairman, I rise in support of the Mitchell amendment. The amendment focuses on increasing the strength of our Nation by increasing the health and the employment opportunities of our people. As a Nation we are plagued by joblessness, high welfare rolls, and inadequate health care. I support a strong national defense, but I feel that we can have a strong defense and stronger jobs and health programs, too, by adopting the Mitchell amendment.

Mr. DELLUMS. Mr. Chairman, I am simply trying to make the point that the issues in the world are political issues, not military questions. It is not soldiering that will bring peace to the world. It is statesmanship. It is not military initiatives that will bring peace to the world. It is the moral imperative to end the insanity and to end the nuclear proliferation that will bring peace to the world. Our world is becoming smaller and increasingly interdependent. We have to try to find a way to bring peace to the world without the absurdity of increasing the military budget that each year grows and grows and grows. So this discussion should be to direct our priorities. There is only so much money and there are so many problems. Do we continue to pour money into this vast wasteland known as the military-industrial complex, the Military Establishment over in Virginia known as the Pentagon, or do we attempt to redirect those priorities and direct it toward alleviating the human misery of the American people?

I would like to comment on that. My distinguished colleague, the gentlewoman from New York (Ms. HOLTZMAN), laid the point out very clearly. I would like to underscore it. Whatever makes us insecure as a Nation will not be overcome with greater bombs and greater military capability. I would suggest that if we create greater bombs, we would create even greater instability. What makes us unstable as a people? As we move around the country, talking to the masses of people, the farmers, the coal miners, the blacks, the browns, the reds, the yellows, the young, the whites, the frustrated senior citizens, the people unemployed, they are not talking about the Soviet Union as we professionals with a myopic viewpoint out on the floor of this Congress. That is not what makes them insecure. What makes them insecure is the feeling in our communities that they cannot live without barring their homes, they bring in watchdogs, they put in security alarms. In fact, we are imprisoning ourselves because we are frightened of each other. And that is the level of insecurity that my colleague speaks to. We are insecure because we are not getting enough money to achieve the quality of life for our children. People are insecure because they know damn well if they are ill for an extended period of time they could end up wiped out from their middle-class existence and they could end up on welfare, as many other people have, because health is a significant index of people ending up on welfare, in the first place. That breeds insecurity.

Many of the problems that we have in this country have nothing to do with the Soviet Union.

What breeds insecurity? The tens of thousands of young people who have no jobs, who have lost hope and broken dreams and no aspirations, those things breed insecurity.

That is insecurity to me and to many other people because we know it is a social timebomb ticking. I would suggest that those timebombs will domestically explode a helluva lot faster than any bomb from the Soviet Union, and it is not likely that the United States and the Soviet Union will get into war in the foreseeable future.

Mr. Chairman, whom are we kidding? The insecurity lies directly with us.

Some of my colleagues take the safe position and say that we can cut out $4.8 billion by cutting waste. Perhaps we can.

However, Mr. Chairman, I stand in this well and say that we ought not tolerate any waste in any budget; but that speaks to the fact that less than 5 percent of our activity in this House deals with our constitutional responsibility to oversee the agencies and the programs.

Maybe we can stop waste. I am not here to argue waste. I am here to argue some intelligent, reasonable, purposeful priority that speaks to the concerns, speaks to the dreams, and speaks to the aspirations of the American people.

As this amendment is written, we can cut $4.8 billion. We are not going to become some second-rate military power. We have the ability to destroy all nations on Earth many years into the future. It would seem to me that this is an appropriate moment to say to the American people, "We understand your human needs and human miseries."

Mr. Chairman, I think it is the height of chauvinism, I think it is the height of cynicism, and I think it is the height of arrogance, to stand in the well of this House and say, "I know American people are suffering, but the hell with that. We have to worry about the Soviet Union."

It would seem to me, as I said before, that if we are insecure as a people, as I know we are, it has nothing to do with the Soviet Union's building bombs. It has to do with the fact that the political process was designed to establish priorities and to get us answers as to what, why, and where.

Mr. Chairman, it has been said that this is a nation of the people, by the people, and for the people. However, in reality, it is a nation of the rich, by the rich, and for the rich. Because of that we have a government designed to rip the common people off and see to it that the power goes to the corporate elite in this country.

Mr. Chairman, I ask the Members with every single bit of strength within me to support this amendment offered by my distinguished colleague, the gentleman from Maryland (Mr. MITCHELL).

The CHAIRMAN. The time of the gentleman from California (Mr. DELLUMS) has expired.

(At the request of Mr. JOHN L. BURTON and by unanimous consent, Mr. DELLUMS was allowed to proceed for 1 additional minute.)

Mr. JOHN L. BURTON. Mr. Chairman, will the gentleman yield?

Mr. DELLUMS. I yield to the gentleman from California.

Mr. JOHN L. BURTON. Mr. Chairman, I would just like to commend the gentleman from California (Mr. DELLUMS) for his remarks and to associate myself with him in strong support of the Mitchell amendment and in opposition to the Stratton amendment.

Mrs. SCHROEDER. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the Stratton amendment.

Mr. Chairman, I rise in support of the Mitchell amendment and against the Stratton amendment.

I find this a very, very unique opportunity to join two very critical issues here.

The gentleman from California (Mr. DELLUMS) is a very difficult act to follow; but I feel it is very important to speak on this subject, although I normally do not engage in this budget debate.

Mr. Chairman, I heard many prior Members talking about the trip to Russia and how fast the Russians were coming.

I want to point out to the Members that I also went to Russia, and because I am younger than earlier speakers I probably should be more worried about the Russians coming in 1985 than they are. I also feel of all the people who went to Russia on the Armed Services Com-

mittee trip if the Russians do come here, I am going to be the first one they come to get. So I am very interested from a selfish standpoint, to see they do not come.

Mr. Chairman, let me say that I really do not think that the perceptions of some of the other Members on the trip were quite the same as mine. I appreciate this opportunity to talk and tell the Committee I have not been sleeping with a night-light after seeing the "Russian buildup," referred to by prior speakers.

Furthermore, I honestly do believe in liberty. I have small children, and I want them to inherit the country that I know, not the Russia I saw.

I think many of the things I saw in Russia are dealt with by the amendment of the gentleman from Maryland (Mr. MITCHELL).

I met with many Russian dissidents striving to get out of that country. There have been many reports since my visit in the press in this country about what has been going on in Russia. It is not just Jewish "refuseniks." It is all sorts of people who are trying to get out of there.

I had a Russian man in the street answer my question, "What would happen if the Russians came over here?" by saying, "I would climb a tree because I think we are going to get trampled."

So, I do not think it is a small minority that are unhappy there. Why are these people unhappy, and why do they wish to leave? All one has to do is visit and see them lined up at 7 o'clock in the morning to get one cabbage for $11 a head, or whatever it is. Then, one gets some idea as to why they might be willing to move out if they obtain more freedoms and options.

I think what the gentleman's amendment is going to do is very important. Yes, the Russians have more military troops than we have, but if one were to visit there, one would understand why they need them. They need them because they have an awful lot of their people who would like to get out or who would like to revolt, so they have got to have more folks watching their own folks. Trust is not a big item in the Soviet Union, and they really do not understand our Government and how we assess our own taxes and trust each other.

So while our American troops can be outward looking, Russian troops must also be inward looking. In fact, the inward looking focus of their troops may be much more important.

Remember that, and remember why some of the people would like to leave Russia if they could. It is because of housing, because of consumer goods and all of these other things. It is because of jobs, which the amendment of the gentleman from Maryland directly deals with.

Now, what in the world is there in here that would be taken out if we did not vote for the Stratton amendment? Well, one of the main things, I suppose, would be the carrier. Again in this debate, we are focusing on priorities.

At the beginning of this year in the State I come from, Colorado, people were screaming and yelling because their State budget will break over a billion dollars this year. If we could get the State of Colorado to give up all their goods and services for about 2½ years, we could buy one carrier. If we could get them to do it for another year, we could get a suite of planes to put on the carrier deck. Then, if we could get them to give up another couple of years, we could get some escort ships, and finally we will have one carrier task force. If the State of Colorado would not operate for 10 years just think how much safer we would feel, knowing that there was one more carrier task force at sea.

The people of my State might be upset because their children could not go to school and they would have no health organizations, or any other services, but this begins to focus on what priorities we are talking about. This carrier in the Stratton amendment is not the only carrier task force. There are many other carriers that we still have. The question is, Do we need one more? How much are we willing to pay?

What do we get if the Stratton amendment passes. We get, in essence, 35 attack aircraft. Those are very expensive aircraft, and would probably make the B–1 bomber look like a bloody bargain. We could obtain 35 attack aircraft other ways that are cheaper like on land-based air bases. We have never looked at land-based air as an alternative to sea-based air. We will not look at the cost benefit and effectiveness ratios, if we pass the Stratton amendment.

The CHAIRMAN. The time of the gentlewoman from Colorado has expired.

(By unanimous consent Mrs. SCHROEDER was allowed to proceed for 3 additional minutes.)

Mrs. SCHROEDER. We have many alternatives. We will hear that the carrier can survive attacks. So, what if it survives if it has a hole in the deck and if aircraft cannot land on it? It floats but is no longer viable in the war scenario. There are other things in that budget that I think we could do without which are not really critical to national defense. One of the lovely things in there, on which we will have amendments later, is an item so that the Marine Commandant can have his own special jet aircraft and will not have to be humiliated by having to use one of the Navy planes.

There are many things in the $2.4 billion add on of the Stratton amendment that really are not scaring off the Russians. I think one of the things that we learn from Napoleon, a great military mind, is that if you have to measure materiel—which is what the Stratton amendment is pointing to—versus morale—which is what the Mitchell of Maryland amendment is pointing to—he felt that morale was three times more important than materiel. So, I think maybe we are really hitting this issue head on with these two positions we have before us.

I think again that we really have to look at history and that gives us guidance for our priority choices because while some civilizations have fallen from attacks without, many, many, many more have fallen from decay and decline within. So, we must meet both. We must meet both, and it is absolutely essential that we meet both.

Mr. VENTO. Mr. Chairman, will the gentlewoman yield?

Mrs. SCHROEDER. I yield to the gentleman from Minnesota.

Mr. VENTO. Mr. Chairman, I rise in opposition to the Stratton amendment and in support of the Mitchell transfer amendment.

Since the start of the cold war, this Congress has been asked to increase the defense budget yearly; and we have. Our fear of the Russians has grown faster than our fear of poverty, hunger and illiteracy—although they are the problems that daily threaten our Nation's well being. The fact is, we can build a strong defense without buying every new weapon that the military want to buy and that industry wants to build. But we don't. Instead we seem to ignore our problems at home while pursuing an arms race that no one can ever win.

A good example of our actions is provided by the case of the B–1 bomber. For the past 8 years there has been a constant battle in the House over the necessity for constructing the B–1—a plane that was, in my judgment, obsolete and unneeded. But it was not until a new weapons system—the cruise missile—was proposed that the B–1's future was ever truly drawn into question. Even after President Carter made the bold move necessary to cancel it, the sheer momentum of the project propelled the Congress into another great and dramatic debate. Indeed, despite the fact that the B–1 was shown to be inferior to the cruise missile, we almost ended up buying both.

It is much easier to approve every weapon which is proposed than to scrutinize each DOD request by asking the question: Is this weapon really needed? And we rarely do the latter. Surely, no one in this Chamber would argue that we can simply eliminate all weapons from the defense budget, and I am not here to argue that proposition. However, we must begin to restrain ourselves, and the defense budget. For too long, the proponents of higher defense spending have justified their actions by saying that it is better to err on the side of caution and increase the defense budget. But this "philosophy of more" lacks a sense of reality.

Like it or not, our budget is limited. That means we can't afford to fund every program. Thus if we, for example, choose to spend all our money on defense, we will by necessity exclude other programs from the budget. In a sense this is what we have been doing—cutting programs which benefit the country domestically while increasing the defense budget. Now is the time for us to reevaluate the rationale for doing this. The budget resolution is the vehicle to realign our priorities so that they fit the needs and desires of the American people.

It seems that we in Congress often forget that besides its domestic costs an arms race is filled with dangers. It can threaten the very national security that we are supposed to be trying to protect. When we decide to buy new and destabilizing weapons such as the MIRV, we add a destabilizing factor to the arms race which leads to another escalation and not increased security for the U.S. But proponents of a new weapon never seem to be willing to consider the negative effects of its deployment. Although I do not doubt that these things need to be balanced—for a poorly formulated policy of total unlateral disarmament could also create some instabilities—I fear that these considerations are too submerged in the decisionmaking process. If we decide today to increase the share of the budget that our military should receive, I believe that our actions will confirm the fact that Congress is unwilling, to confront the very issues of security that we are al lso concerned about.

What is the recent history with regard the budget priorities of this country—have we in effect retreated from defense commitments? What is our ability to sustain a high-level budget defense or otherwise?

This budget resolution provides in item 550, $30 billion plus, for medicare, items 600 and 700 $180 billion plus for Vets and Social Security.

That leaves remaining after interest costs of $49 billion; $240 billion.

A modest tax cut of $20 billion that then is cut to $220 billion of Federal programs and $117 billion defense outlay is 53 percent of this amount.

Without even addressing the new entitlement programs of revenue sharing or community development that were not in existence—Defense has received its share and then some over an 8-percent increase in this budget.

The Mitchell amendment, which is before us today, gives us the opportunity to say stop. It gives us the chance to determine the value of a $120 billion defense budget in relation to much sparser budgets for human services, education, and environmental protection. Every day we are asked to make sacrifices for larger military budgets, and today we can afford to sacrifice no more. We can have a credible defense and a reasonable defense budget—that is what the Mitchell amendment can offer us. It is time to realine the policies priorities of Government's budget: vote yes for the Mitchell amendment.

Mr. ROUSSELOT. Mr. Chairman, will the gentlewoman yield?

Mrs. SCHROEDER. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, I think the gentlewoman has made an excellent point. The House should be trying to do a better job, as the gentleman from Maryland (Mr. MITCHELL) is trying to do, to analyze what is proper military strength. But he has taken those same dollars and redistributed them in areas where there is substantial fraud. For example, the gentleman from Maryland (Mr. MITCHELL) would add $212 million in outlays to the health function. million in budget authority and $178 Yet, the Inspector General of the Department of HEW estimates that at least $7.4 billion was lost through fraud, abuse, and waste last year in that agency alone.

What are we going to do about that?

Mrs. SCHROEDER. If I may reclaim my time, the Black Caucus has made a great effort to stop that.

Mr. ROUSSELOT. But not in this resolution.

Mrs. SCHROEDER. This resolution is not one where one deals with fraud. There are cases of fraud in defense also. The issue before us here is priorities.

Mr. ASPIN. Mr. Chairman, I move to strike the requisite number of words.

I think that it is important to look at the two different levels on which this debate is proceeding. On the one level it is a substantive and on the second level it is symbolic. We are dealing with the Defense Department budget both as a substantive purchase of military equipment to defend the country and also as a symbol of what our commitment is to defense and what signals that sends to people in our country and in the rest of the world.

Let me start with the symbolism, because I think it has been a major point of the people who have been proposing the Stratton substitute amendment, that we need to have a higher defense spending to symbolize our resolve in the face of large and increasing defense expenditures on the part of the Soviet Union.

I think there is something to the symbolism point. I think there is something to be said that when the United States wants to achieve certain goals in the rest of the world—it would like to achieve a peace in the Middle East; it would like to encourage the government in South Korea to be more humane, more democratic; it would like to encourage other countries in the world not to develop nuclear weapons—when we want to encourage those kinds of events it is important that those countries have some kind of faith in the United States and in our defense commitment and in our ability to defend against the Soviet Union and in our ability to help those countries in their defenses against the Soviet Union should such a need arise.

What do we need to achieve that symbolism? We need I think in essence to match the Soviet expenditure in the short run which is about 2 percent real growth a year. The Budget Committee has come in with a recommendation that cuts $1 billion out of the President's budget—that is $1 billion all for the Trident submarine which we know we cannot build anyway—and it maintains a 2-percent real increase.

If we are worried about symbolism, about signals we are sending to the rest of the world, the Budget Committee is recommending a 2-percent real increase over what we spent in our 1978 budget. There is no reason to do more than that if that is the symbolism we are talking about.

Let us talk about the substance. What do we gain substantively from adding the amount the Stratton substitute amendment would add, or, for that matter, what do we lose by taking away the amount the Mitchell amendment would take away? Frankly, not very much.

It depends on what we add on and what we take away, but it is easy to imagine a Mitchell amendment which could reduce defense spending by $4 or $5 billion which would not affect defense capabilities. Let me give you just one example: Military pensions. We spend $10 billion a year on military pensions. What does that add to the defense of our country? If we took the $4 billion out of military pensions, what does that do to hurt the defense? It does not hurt very much.

Let me say that of the $10 billion we spend every year on military pensions, $6.7 billion of that goes to people who are less than the retirement age, because they can retire and receive a pension after 20 years of service, regardless of their age. So we have got $6.7 billion going to people who roughly are between the ages of 40 and 65. In other words, they have served 20 years in the service, but they have not reached the normal retirement age of 60, 62, or 65 and yet they are getting a pension that is costing us a total of $6.7 billion.

Mr. Chairman, $6.7 billion is more than the Navy is spending on new ships this year and is more than the Air Force is spending on new planes this year. So, do not tell me that you cannot take $4 billion out of the defense budget without hurting the defense of the United States.

You can also add to defense spending as the Stratton amendment does without improving the defense of the country either. I think it is debatable whether spending all that money in the Stratton amendment on one ship like a CVN adds much to the defense of this country. Certainly all of those planes that were added such as the A–7's does not do too much for the defense of our country.

The CHAIRMAN. The time of the gentleman has expired.

(On request of Mr. STRATTON and by unanimous consent, Mr. ASPIN was allowed to proceed for 2 additional minutes.)

Mr. STRATTON. Mr. Chairman, will the gentleman yield?

Mr. ASPIN. If the gentleman will let me finish then I will yield to the gentleman.

The point about all these things is that you can cut the defense budget or add to it and not affect it substantively. It depends on where you cut it or add.

I also want to say to the gentleman from Maryland (Mr. MITCHELL) that you also can add to domestic programs and not add much to their capability. I think many people are unhappy with the output that we have gotten from a lot of these domestic programs. So with reference to the transfer of $4.8 billion from the defense budget to the domestic programs, I think you can get $4.8 billion out of the defense budget without really hurting the defense of our country but I am not sure that adding $4.8 billion to these domestic programs is really going to increase the output of the domestic programs positively in very great or substantial measure.

My bottom line on the whole thing is that I come out in support of the recommendations of the Committee on the Budget, because I think the symbolism is right, and I think it roughly equates to where we want to be in terms of defense substance.

Now I yield to the gentleman from New York (Mr. STRATTON).

Mr. STRATTON. Mr. Chairman, the gentleman from Wisconsin (Mr. ASPIN) and I have had the opportunity to debate some of these issues over the weekend. As I recall, I thought the gentleman indicated very strongly that he was in support of the idea of an annual 2-percent increase in the defense budget and he believed he was going to support it. What I have difficulty in understanding now is how the gentleman can take the President's budget, which is just barely a 2 percent over last year, take $1 billion out of it and still come up with 2 percent. You cannot do that if you really believe in a 2-percent increase and want to support the President.

Mr. ASPIN. I am going now on information that I received from the Committee on the Budget. Perhaps the chairman can elucidate. But as I understand it, the 1978 numbers we are dealing with are not those that we passed last year. The numbers have been changed so we are ending up with 1978 spending levels of less than we thought they were going to be.

The CHAIRMAN. The time of the gentleman has again expired.

(On request of Mr. ROUSSELOT and by unanimous consent, Mr. ASPIN was allowed to proceed for 3 additional minutes.)

Mr. GIAIMO. Mr. Chairman, if the gentleman will yield, I do not like to interject on this subject, but I wonder if we can get some indication as to how many Members wish to speak so we can ask unanimous consent to limit debate?

Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close at 4:20 o'clock p.m.

The CHAIRMAN. Is there objection to the request of the gentleman from Connecticut (Mr. GIAIMO)?

Mr. SYMMS. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

The gentleman from Wisconsin (Mr. ASPIN) is recognized for 3 additional minutes.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. ASPIN. If the gentleman will permit me to finish then I will be glad to yield to the gentleman from California (Mr. ROUSSELOT).

Mr. GIAIMO. Mr. Chairman, will the gentleman yield for just one moment?

Mr. ASPIN. I will be happy to yield to the gentleman from Connecticut (Mr. GIAIMO).

Mr. GIAIMO. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close at 4:30 o'clock p.m.

The CHAIRMAN. Is there objection to the request of the gentleman from Connecticut (Mr. GIAIMO).

Mr. SYMMS. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. GIAIMO. Mr. Chairman, will the gentleman yield for one further request?

Mr. ASPIN. Mr. Chairman, I would prefer to finish my 3 minutes first.

The CHAIRMAN. The Chair will state that the gentleman from Wisconsin (Mr. ASPIN), has control of the time.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. ASPIN. If I could just finish my point, then I will yield to the gentleman from California.

If I may point out, if my numbers are right which I got from the Committee on the Budget, the Budget Committee's resolution is in fact 2 percent higher than the spending level of 1978.

Mr. STRATTON. If the gentleman will yield, I think we must be dealing with the new math. As a matter of fact, the Department of Defense claims that the President's budget is 2 percent over the last year, but at the same time they also claim it is 3 percent over the last year's, for the purpose of NATO, if we only look at the outlays.

Mr. ASPIN. Yes.

Mr. STRATTON. And at the same time they claim it is also $5 billion less than President Ford's projected 1979 budget. If one figures that way, one can prove anything.

Mr. ASPIN. One can, but I think the budget resolution is 2 percent over last year in budget authority and 3.7 percent over last year in outlays.

I now yield to the gentleman from California.

Mr. ROUSSELOT. I appreciate the gentleman's yielding.

Did I understand the gentleman correctly that he is not convinced that the redistribution of the $4.8 billion in authorization and $2.8 billion in outlays, as proposed by the gentleman from Maryland, is really going to be a positive contribution redistributed in those other domestic programs?

Mr. ASPIN. Yes. I have not seen any proof that adding $4 billion over there is going to add much.

Mr. ROUSSELOT. I appreciate my colleague's comment. I agree with him. I think that he has made a positive contribution with that comment. Many of us feel the same way.

Mr. ASPIN. I would like to yield to the gentleman from Maryland (Mr. MITCHELL) to give him a chance to respond.

Mr. MITCHELL of Maryland. I thank the gentleman for yielding.

If we put 275,000 more people back to work, that is a very positive contribution no matter how you slice it, and to do that we would not use up one-fifth of the $4.8 billion that we are asking for. I can give the gentleman other illustrations, if he wants.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. ASPIN. I yield to the gentleman from California.

Mr. ROUSSELOT. I appreciate the gentleman's yielding.

Experience under the fiscal year 1978 budget belies the argument that meaningful permanent jobs can be created by direct Federal spending in the name of economic stimulus. Under the 1978 revised budget figures produced by the House Budget Committee, $10.6 billion produced 1,034,000 public service and public works jobs at an annual cost of $10,251 per job.

Mr. MITCHELL of Maryland. Mr. Chairman, will the gentleman yield?

Mr. ASPIN. I yield to the gentleman from Maryland.

Mr. MITCHELL of Maryland. I thank the gentleman for yielding.

Whatever the cost is, it does not measure out to the cost of keeping 1 percent unemployment, to the tune of something like $17 billion a year. That is what we paid for 1 percent unemployment.

The CHAIRMAN. The time of the gentleman has expired.

Mr. GIAIMO. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto terminate at 4:25 o'clock p.m.

The CHAIRMAN. Is there objection to the request of the gentleman from Connecticut?

Mr. SYMMS. Mr. Chairman, reserving the right to object, I make this reservation for the point of asking, is it going to be the chairman's intention to try to limit debate and muzzle us on this very important bill on each and every amendment that comes along?

Mr. GIAIMO. Mr. Chairman, if the gentleman will yield, inasmuch as I do not like to respond to double questions, I will, however, in this case make an exception. The answer is, I do not think I am trying to muzzle anyone. I do not think I have tried to muzzle anyone in all of the years that I have been here. I just think that there is a sense of reasonableness that applies to debate, and after a point it becomes counterproductive. I estimated the number of people who were standing up and who wanted to speak briefly, and I thought we could get on with the debate and get a vote on this amendment. We have a great deal of work ahead of us here tonight if we are to complete this budget resolution. For that purpose I am trying to get a vote.

Mr. SYMMS. Mr. Chairman, I agree the chairman has been most fair and nondiscriminating on this particular issue. It seems to me as though we are ready to vote on this thing right now.

Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Connecticut?

Mr. ROUSSELOT. Reserving the right to object, I think the basic problem, Mr. Chairman, has been on this important issue. I agree with my colleague, the gentleman from California, that it is an important issue. Many of those who are someplace between the gentleman from New York (Mr. STRATTON) and the gentleman from Maryland (Mr. MITCHELL) have not yet been heard.

Mr. GIAIMO. Mr. Chairman, I renew my unanimous-consent request and would hope that it would be granted.

The CHAIRMAN. Is there objection to the request of the gentleman from Connecticut?

Mr. BAUMAN. I object.

The CHAIRMAN. Objection is heard.

Mr. CARR. Mr. Chairman, I yield to the gentleman from Minnesota (Mr. NOLAN).

Mr. NOLAN. Mr. Chairman, I rise in support of the Mitchell amendment.

Mr. Chairman, Thomas Jefferson once said, "Caring for human life and happiness, not their destruction, is the first and only legitimate object of good government," and that is what this amendment is all about.

Mr. Chairman, year after year the Defense Department is given more money than it can spend. The $5 billion we are talking about transferring can be taken from the unobligated DOD funds and put into established, workable, and needed domestic human services programs.

Passage of this amendment would also be a positive statement in support of the belief that domestic peace, happiness, and tranquility is a vital component of our Nation's security. Thomas Jefferson once said, "Caring for human life and happiness, not their destruction, is the first and only legitimate object of good government." Every year we expand our Nation's destructive capacity by expanding and developing weapons systems that threaten world peace and the survival of the world itself. The time has come for us to come to our good senses by reversing these disastrous and destructive policies and priorities. And by placing human development as our first priority. Meeting our unmet human needs is the most important thing we can do to improve our own national security by regaining the lost faith of the millions of Americans who have been cheated out of their opportunities to realize their full potential as human beings. In so doing America will also become a model and world leader for all people and all nations who believe as Thomas Jefferson did that caring for human life and happiness is what good government is all about.

Mr. CARR. Mr. Chairman, the Stratton amendment emanates from the Committee on Armed Services. The committee did not vote to offer the amendment, but discussion within the committee itself tells us that the reason we have the Stratton amendment before us today is because the Committee on Armed Services has just completed marking up the bill which busted all the budget estimates. It busted its own budget estimate before the Budget Committee.

Now, one of the reasons I am standing before the House is that the Committee on Armed Services is also genetically programed to secrecy. Through the entire markup of the authorization which we just completed, we did it in executive session, not one single solitary national secret was discussed. We marked up in secret to prevent you folks and the folks in the gallery and the folks in the press gallery from finding out what it was we were doing.

I might point out that in addition to all the add-ons that the Committee on Armed Services could not help but keep, there was one courageous budget deletion. Within a half hour of our deletion, General Slay was in the anteroom of the Committee on Armed Services; so apparently he had his representatives there. Representatives of defense contractors were there, but the American people were not there.

Now, why are we here with the Stratton amendment? Well, it is because the Committee on Armed Services ran amuck this year. It was totally unable to set priorities, was totally unable to set priorities within the national defense function.

I want to state again, Mr. Chairman, the Committee on Armed Services ran amuck this year in markup.

The authorization bill is not a national security bill. It is a security bill, all right—the bill for which the Stratton amendment seeks to create comfort in the budget resolution—it is a security, but not our national security. It is a political security bill. The authorization bill which was marked up by the Committee on Armed Services has become a pork-barrel bill. There are add-ons far beyond the nuclear carrier and the nuclear strike cruiser.

We added $16.9 million for 20 C–12 aircraft, that is the Beech King Air for the Army.

We added $200 million for 12 additional F–14's.

We added $153.9 million for 24 A7E attack aircraft in the Navy budget.

We added $141 million for 16 two-place A7D's in the Air Force budget.

I could go on down the list, and I hope you will get the list from the Committee on Armed Services for the add-ons.

I have to commend the leadership of the committee. The chairman of the Committee on Armed Services tried to hold the line, he tried to direct the Committee on Armed Services to mold their activities within the defense function, knowing there are scarce dollars; but the leadership of the committee could not muster enough votes.

I want to tell you that the eloquent gentleman from Missouri (Mr. ICHORD) made an eloquent speech which you will never know about because we were in secret. He charged that the Committee on Armed Services was making itself into a eunuch because we were just adding on and adding on and adding on and not prioritizing, not fashioning a national defense strategy or policy within reasonable spending limits.

The Committee on Armed Services just ran amuck, and the gentleman from New York (Mr. STRATTON) by his amendment seeks to come here on the floor with a $2.4 billion add-on to the budget to salve its conscience.

Mr. Chairman, I hope this House will discipline the Committee on Armed Services, not only here today, but when we consider the authorization bill on the floor, and tell the committee to go back and set some priorities.

Mr. GIAIMO. Mr. Chairman, I ask unanimous consent that all debate on the Mitchell of Maryland amendment and all amendments thereto end at 4:25 o'clock p.m.

The CHAIRMAN. Is there objection to the request of the gentleman from Connecticut?

Mr. MAGUIRE. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. GIAIMO. Mr. Chairman, I ask unanimous consent that all debate on the Mitchell of Maryland amendment and all amendments thereto end at 4:30 o'clock p.m.

The CHAIRMAN. Is there objection to the request of the gentleman from Connecticut?

Mr. MAGUIRE. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. GIAIMO. Mr. Chairman, I move that all debate on the Mitchell of Maryland amendment and all amendments thereto end at 4:30 o'clock p.m.

The motion was agreed to.

The CHAIRMAN. Members standing at the time the motion was agreed to will each be recognized for 20 seconds.

(Mr. ICHORD, Mr. DAN DANIEL, Mrs. HOLT, and Mr. STUMP yielded their time to Mr. STRATTON.)

The CHAIRMAN. The Chairman recognizes the gentleman from New York (Mr. STRATTON).

Mr. STRATTON. Mr. Chairman, I am sure I can get my point across in the time at my disposal, and I appreciate the cooperation of my colleagues in yielding their time to me.

After listening to some of the remarks that have been made in the last few minutes during this debate, one might conclude that there is no point in our having any defense at all, that if we want to save money and have lots and lots of happiness, then we ought to do away with the whole defense budget.

But if we feel that we do face a serious problem and if we want to keep up with the Soviets, this is the only way to proceed. And if we want to conduct meaningful SALT negotiations, leading from strength, we have got to increase this budget by at least 2 percent.

Despite what the gentleman from Wisconsin (Mr. ASPIN) has tried to tell us with his new math, the President's budget is in fact a bare 2 percent, and the budget resolution gives us a figure which at $1 billion less is below 2 percent. The figure my amendment offers gives us flexibility, not for the "rampant" Committee on Armed Services of the House, as has been alleged but for the Committee on Appropriations in its action as defense spending needs, and to keep us in line with the Senate.

Mr. Chairman, I urge that my substitute be approved.

(By unanimous consent, Mr. ASPIN yielded his time to Mr. GIAIMO.)

(By unanimous consent, Mr. ROUSSELOT yielded his time to Mr. BENNETT.)

The CHAIRMAN. The Chair recognizes the gentleman from Florida (Mr. BENNETT).

Mr. BENNETT. Mr. Chairman, I would like to say this is a modest proposal of the gentleman from New York (Mr. STRATTON). Actually, it is not $2.48 billion, because the Budget Committee already cut $1 billion from the President's budget. So really this is only $1.48 billion added to the Presidential budget.

I would like to say that nobody who testified before our committee gave other than primary priority to these two ships which are added, which is the expensive part of this program. That is most of the money that is being spent, the money for these two ships.

There was no dissent at all in the military on this subject. None of them testified other than supporting the strike cruiser and nuclear carrier as the important ships for us to add at this time.

The gentleman from Missouri mentioned that somebody said once that it would be good to have some numerosity among carriers so they could have dispersal. We should have some more carriers to spread around, but the regrettable fact is that we cannot afford to have added but one new carrier between now and the year 2000. The carrier we are building here will replace a ship that will be 40 years old at the replacement date.

The CHAIRMAN. The Chair recognizes the gentleman from Virginia (Mr. ROBERT W. DANIEL, JR.).

Mr. ROBERT W. DANIEL, JR. Mr. Chairman, we have heard from the opponents of the Stratton amendment how much social programs are so much more deserving than the military. About the most important social program I think we can fund is to keep the people of this country ailve and free. If that is what the Stratton amendment will enhance our chances of doing by its passage, it deserves our support.

The CHAIRMAN. The Chair recognizes the gentleman from California (Mr. LEGGETT).

Mr. LEGGETT. Mr. Chairman, I rise in support of the Budget Committee, in support of the Armed Services Committee, against the transfer amendment, against the Stratton amendment, and I remind my colleagues that this is a target resolution only. It is 9 percent in defense outlays above what we spent last year.

The CHAIRMAN. The Chair recognizes the gentleman from California (Mr. EDWARDS).

Mr. EDWARDS of California. Mr. Chairman, I rise in support of the budget transfer amendment offered by our distinguished colleague from Maryland, PARREN MITCHELL. I would like to commend the gentleman for his hard work in developing this amendment and for his commitment to addressing a thus far unmet need of our budget process—the need to establish our national priorities.

The amendment we have before us is really quite modest. What it would do is simply transfer $4.8 billion in budget authority and $2.8 billion in outlays from the military budget to a variety of programs to meet human needs.

There are many programs that would benefit from the proposed transfer amendment. It would enable us to improve the efforts of the Small Business Administration in providing direct loans to small business firms. We all know that it is these small business enterprises that are hardest hit by our troubled economy. It would allow us to improve programs for our Nation's senior citizens, to increase public services employment, and to improve low-income housing programs.

In short, it would evidence the commitment of the Congress to giving priority to the needs of our people over further expansion of an already bloated military budget.

Of particular interest to me is the proposed transfer of funds to allow for the enactment of legislation to assist communities in converting from military-related industry to civilian-oriented businesses. My own congressional district in California has a heavy reliance on defense contracting and military industry. The area surrounding my district also has a large number of military installations.

As we all know, the Department of Defense has recently announced its plans to reduce or close some 85 military installations and activities throughout the country. Several of these planned closings would occur in my own area. It is anticipated that the Department's action will eliminate some 14,600 military jobs and 8,600 civilian positions throughout the country.

Without at this time debating the merits of the Department's plan, it seems to me that this action clearly demonstrates the need for some sort of conversion legislation. The closing of a military installation or the loss of a defense contract can create a real hardship for a community that has not developed civilian-oriented business and industry. Communities thus affected need help in taking surplus military property and using it to attract private enterprise and provide employment for those whose jobs have been lost because of the military pull out. The budget transfer amendment would provide $600 million in budget authority to enable the Government to provide further assistance to communities in effecting this essential type of conversion program.

It is a good amendment. It will not impair our military capability. It will help to reduce some of the wasteful expenditures in the military budget. Most importantly, it is a first step in the long overdue reordering of our national priorities. I urge my colleagues to vote in favor of the budget transfer amendment.

The CHAIRMAN. The Chair now recognizes the gentleman from Connecticut (Mr. MOFFETT).

Mr. MOFFETT. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Maryland (Mr. MITCHELL) as a Member from a defense State, but as one who feels that we have to get the defense debate on the level; not based on fear, not based on jobs, not based on the rightwing lobby system, but on a level at which it is considered on its merits.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio (Mr. SEIBERLING).

Mr. SEIBERLING. Mr. Chairman, we have heard a lot of concern expressed about inflation, and rightly so. But the greatest engine of inflation that has ever been devised is military spending, because it produces virtually nothing that people can use yet it produces a tremendous increase in the amount of money in circulation.

If we want to do something about inflation, we should make this little bit of a gesture toward cutting this terribly wasteful and terribly inflationary kind of expenditure and put the money where it will produce some goods and services that the people need and can use.

(By unanimous consent, Mr. CARR yielded his time to Mr. GIAIMO.)

The CHAIRMAN. The Chair recognizes the gentleman from Maryland (Mr. MITCHELL).

Mr. MITCHELL of Maryland. Mr. Chairman, I do not think America is going to fight another land war at any time in the near future. I think if we fight a war we will fight a nuclear war.

We have the capacity to destroy half of this world already.

Mr. Chairman, I say to the Members, vote down the Stratton amendment and support the transfer amendment. It simply makes sense to do it.

The CHAIRMAN. The Chair recognizes the gentleman from New York (Mr. WEISS).

Mr. WEISS. Mr. Chairman, I am pleased and proud to support the amendment to the first concurrent budget resolution being offered by the gentleman from Maryland (Mr. MITCHELL).

Once again, the gentleman has demonstrated exemplary leadership in formulating and proposing the transfer amendment. His call for Congress to develop national budget priorities should be answered affirmatively by this House. The gentleman's amendment would begin to formulate those priorities by shifting funds away from wasteful and unnecessary Pentagon undertakings to badly needed employment and human services programs.

The reductions in military spending outlined in the transfer amendment show quite clearly that billions of dollars can be saved in this area without any impairment whatsoever of our Nation's capacity to defend itself from aggression. The items cited in the transfer amendment for possible budgetary cuts are in no way linked to maintenance of our national security. Instead, they represent the kind of of self-perpetuating, wholly unnecessary programs that only serve the interests of the Pentagon, not of our national defense.

The areas to which funds would be shifted by the transfer amendment are, on the other hand, vital to our Nation's

future. As the gentleman has correctly noted, a more serious potential threat to our national security lies with 7 million jobless adults and 3 million frustrated teenagers than with the visions conjured up by some of the Pentagon advocates we have heard.

The programs identified by the transfer amendment for increased budget authority and outlays are precisely those that would not only improve human services, but would also provide employment for thousands of idle Americans.

Several studies have shown that Pentagon budget increases produce far fewer jobs than would a comparable rise in funding for more labor-intensive domestic programs. I am sure that even some opponents of the transfer amendment will agree that this is indeed the case. But they will nonetheless object to the proposed change in budgetary priorities, arguing that a $4.8 billion reduction in military authorizations would create unacceptable dislocations for defense workers and local economies.

The Mitchell amendment by proposing an additional $1 billion in budgetary authority, $100 million in added outlays, for either title IX of the Public Works and Economic Development Act of 1965 or for legislation which I have introduced in the House—the Economic Adjustment Act (H.R. 10648).

That bill would facilitate conversion of defense-related industry to peaceful production by establishing a planning mechanism at the national and local levels to insure that workers affected by defense budget cuts are not displaced or left without income security.

The conversion legislation is, in many ways, a long-range companion piece to the transfer amendment. The two proposals complement one another, and each would enhance the effectiveness of the other.

The transfer amendment begins the process of reordering our spending priorities toward more humane purposes. The Economic Adjustment Act helps ensure that this process is a smooth one, with the economic and employment shifts to domestic, peaceful programs made in a nondisruptive manner.

Other areas targeted by the transfer amendment for increased budget allocations are also most beneficial to our social and economic system.

The unmet needs of older Americans would, for example, be addressed by the transfer amendment's employment and human service components. The proposal of the gentleman from Maryland would create some 90,000 jobs for low-income, unemployed Americans who are 55 years of age or older. It would also open many more senior centers, improve and expand home health services and provide special assistance to the chronically ill and disabled.

We would make significant progress toward the goals established in the Humphrey-Hawkins legislation were we to adopt the transfer amendment. The 275,000 additional jobs it would create under the Comprehensive Employment and Training Act (CETA) would move us in the direction of full employment—a direction charted by this House 3 months ago when it approved the Humphrey-Hawkins legislation.

One of the most serious problems in the district which I represent—and one of the most troubling issues facing many Members of Congress—is the Federal Government's failure to encourage and provide decent housing for our people.

The transfer amendment, by proposing a shift in emphasis from new housing construction to rehabilitation of salvageable structures, would help correct this failure and would bring us closer to the goal of adequate living quarters for every American. Because we are really speaking of a severe crisis and not an abstract irritation, it is imperative that we begin at once to make decent shelter available to as many people as possible.

Through its stress on rehabilitation and modernization rather than on time-consuming and less cost-effective construction, the transfer amendment's housing component would provide this overdue initiative.

The other domestic programs slated for budget increases by the transfer amendment are likewise meritorious efforts that deserve a larger share of Federal appropriations. Our country simply cannot afford to allocate ever-increasing portions of its wealth to projects that do not improve the living conditions of its citizens.

The United States is a strong nation—the strongest in the world. It possesses the means to deter or defeat an attack from any quarter. It is second to no nation in its military might and defense preparedness.

Unfortunately, we can make no similar boast about our country's domestic condition. The United States suffers one of the highest unemployment rates of any industrialized country. Unlike most Western nations, we have no comprehensive program of health protection and insurance. Too many of our older people languish in institutions or await the end of their lives in poverty and despair. Millions of our children face a bleak future of joblessness and semi-illiteracy. Our cities are often places where abandoned buildings line rubbled streets and where crime, drug addiction, and arson are ordinary occurrences.

What makes this situation doubly tragic is that this Nation does have the resources to erase these conditions. What is lacking is not the means but the commitment. The transfer amendment supplies the missing initiative that will lead us toward the ideals which we all espouse.

I urge my colleagues to signify their intention of making these ideals reality by voting for the transfer amendment.

The CHAIRMAN. The Chair recognizes the gentleman from New Jersey (Mr. MAGUIRE).

Mr. MAGUIRE. Mr. Chairman, I rise in support of the Mitchell amendment.

(By unanimous consent, Mr. MAGUIRE yielded his time to Mr. GIAIMO.)

The CHAIRMAN. The Chair recognizes the gentleman from New York (Mr. DOWNEY).

Mr. DOWNEY. Mr. Chairman, this is an incredibly strong country, but we are not becoming stronger if we spend more money on unnecessary defense. We are becoming less secure.

Mr. Chairman, I think the Mitchell amendment will move our security as a nation one giant step forward.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio (Mr. LATTA).

Mr. LATTA. Mr. Chairman, we have heard during this debate that we are spending more on defense, dollarwise. That is true, but as I pointed out earlier, the percentage of the total budget for defense has rapidly declined since 1970 from 40 percent of the budget to 23 percent on this date, while income security has rapidly gone up from 22 percent in 1970 to 32 percent of the budget in 1979.

Mr. Chairman, I include the following material on this subject in the RECORD at this point:

	1970	1971	1972	1973	1974	1975	1976	1977	1978 (estimate)	1979 (1st res.)	Percent change 1978–79	Percent change 1970–79
FUNCTION 050: NATIONAL DEFENSE												
Outlays (billions)	$78.6	$75.8	$76.6	$74.5	$77.8	$85.6	$89.4	$97.5	$106.1	$115.7	9	47.2
Percent of budget	40.0	35.9	33.0	30.2	28.8	26.2	24.3	24.2	23.4	23.1		
FUNCTION 600: INCOME SECURITY												
Outlays (billions)	$43.1	$55.4	$63.9	$73.0	$84.4	$108.6	$127.4	$137.0	$146.6	$159.3	7	270
Percent of budget	22	26	28	30	31	33	35	34	32	32		

The CHAIRMAN. The Chair recognizes the gentleman from Connecticut (Mr. GIAIMO), the chairman of the committee, for 1 minute to close debate on the substitute amendment.

Mr. GIAIMO. Mr. Chairman, I think it is essential to defeat the Stratton amendment. Defeating amendments like the Stratton amendment is the way we can ultimately get control over the budget.

Mr. Chairman, we have been talking about concerns for budgetary restraints and constraints here today. By holding the line on spending add-ons, whether they be in defense or in other areas of the Federal budget, we will begin to get some discipline on spending.

The argument is made that without

the amendment we will not be providing for an adequate defense. I will remind the Members that we have $129 billion in this budget for an adequate defense. I would also remind the Members that the proposed addition of $2.5 billion by the gentleman from New York (Mr. STRATTON) is for an aircraft carrier, which was rescinded by this Congress last year at the request of two Presidents, President Ford and President Carter.

This is an attempt, obviously, by the proponents of the amendment, to get the carrier back on board.

Vote down the Stratton amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. STRATTON) as a substitute for the amendment offered by the gentleman from Maryland (Mr. MITCHELL).

The question was taken; and the Chairman being in doubt, the Committee divided, and there were—ayes 22; noes 48.

RECORDED VOTE

Mr. STRATTON. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 142, noes 262, not voting 30, as follows:

[Roll No. 275]

AYES—142

Abdnor	Evans, Ga.	Montgomery
Alexander	Evans, Ind.	Moore
Ambro	Findley	Moorhead, Calif.
Andrews, N. Dak.	Flippo	Murphy, N.Y.
Archer	Flowers	Nichols
Armstrong	Flynt	O'Brien
Ashbrook	Fowler	Poage
Badham	Gammage	Price
Bafalis	Gilman	Quillen
Barnard	Ginn	Risenhoover
Bauman	Goldwater	Roberts
Beard, Tenn.	Gonzalez	Robinson
Bennett	Gore	Rudd
Bevill	Gudger	Satterfield
Biaggi	Hall	Schulze
Boggs	Hansen	Shuster
Bowen	Harsha	Sikes
Breaux	Hightower	Skelton
Breckinridge	Hillis	Smith, Nebr.
Brinkley	Hubbard	Snyder
Brown, Ohio	Huckaby	Spence
Buchanan	Ichord	Staggers
Burgener	Ireland	Steed
Burleson, Tex.	Jenkins	Stratton
Butler	Jones, Okla.	Stump
Byron	Jones, Tenn.	Symms
Carter	Kelly	Taylor
Chappell	Kemp	Teague
Clausen, Don H.	Ketchum	Treen
Cleveland	Krueger	Trible
Coleman	Lagomarsino	Vander Jagt
Collins, Tex.	Lent	Waggonner
Corcoran	Levitas	Wampler
Crane	Livingston	Watkins
Daniel, Dan	Lloyd, Calif.	Whitehurst
Daniel, R. W.	Lloyd, Tenn.	Whitten
Davis	Lott	Wiggins
de la Garza	Lujan	Wilson, Bob
Derwinski	McDonald	Wilson, Tex.
Dickinson	Madigan	Winn
Dornan	Mahon	Wright
Duncan, Tenn.	Marlenee	Young, Fla.
Edwards, Ala.	Marriott	Young, Mo.
Edwards, Okla.	Mathis	Young, Tex.
Emery	Michel	Zablocki
English	Milford	Zeferetti
Evans, Del.	Mitchell, N.Y.	
	Mollohan	

NOES—262

Addabbo	Annunzio	Beard, R.I.
Akaka	Applegate	Bedell
Allen	Ashley	Bellenson
Ammerman	Aspin	Benjamin
Anderson, Calif.	AuCoin	Bingham
Anderson, Ill.	Baldus	Blanchard
	Baucus	Blouin
Boland	Hamilton	Obey
Bolling	Hammer-schmidt	Ottinger
Bonior	Hanley	Panetta
Bonker	Hannaford	Patten
Brademas	Harkin	Patterson
Brodhead	Harrington	Pattison
Brooks	Harris	Pease
Broomfield	Heckler	Pepper
Brown, Calif.	Hefner	Perkins
Brown, Mich.	Heftel	Pettis
Broyhill	Holland	Pickle
Burke, Fla.	Hollenbeck	Pike
Burke, Mass.	Holtzman	Pressler
Burlison, Mo.	Horton	Preyer
Burton, John	Howard	Pritchard
Burton, Phillip	Hughes	Pursell
Caputo	Hyde	Quayle
Carney	Jacobs	Quie
Carr	Jeffords	Rahall
Cavanaugh	Jenrette	Railsback
Cederberg	Johnson, Calif.	Rangel
Chisholm	Johnson, Colo.	Regula
Clay	Jones, N.C.	Reuss
Cohen	Jordan	Rhodes
Collins, Ill.	Kastenmeier	Richmond
Conable	Keys	Rinaldo
Conte	Kildee	Rodino
Corman	Kostmayer	Roe
Cornell	Krebs	Rogers
Cornwell	LaFalce	Roncalio
Cotter	Latta	Rooney
Coughlin	Leach	Rose
Cunningham	Lederer	Rosenthal
D'Amours	Le Fante	Rostenkowski
Danielson	Leggett	Roybal
Delaney	Lehman	Ruppe
Dellums	Long, La.	Russo
Derrick	Long, Md.	Ryan
Devine	Luken	Santini
Dicks	Lundine	Sarasin
Diggs	McClory	Sawyer
Dingell	McCloskey	Scheuer
Dodd	McCormack	Schroeder
Downey	McDade	Sebelius
Drinan	McEwen	Seiberling
Duncan, Oreg.	McFall	Sharp
Early	McHugh	Shipley
Eckhardt	McKinney	Simon
Edgar	Maguire	Sisk
Edwards, Calif.	Markey	Slack
Eilberg	Marks	Smith, Iowa
Erlenborn	Martin	Solarz
Ertel	Mattox	Spellman
Evans, Colo.	Mazzoli	St Germain
Fary	Meeds	Stangeland
Fascell	Metcalfe	Stanton
Fenwick	Meyner	Stark
Fish	Mikulski	Steers
Fisher	Miller, Calif.	Steiger
Fithian	Miller, Ohio	Stockman
Flood	Mineta	Stokes
Florio	Minish	Studds
Foley	Mitchell, Md.	Thompson
Ford, Tenn.	Moakley	Traxler
Forsythe	Moffett	Tsongas
Fountain	Moorhead, Pa.	Udall
Fraser	Mottl	Ullman
Frenzel	Murphy, Ill.	Vanik
Fuqua	Murphy, Pa.	Vento
Garcia	Murtha	Volkmer
Gaydos	Myers, Gary	Walgren
Gephardt	Myers, John	Walker
Giaimo	Myers, Michael	Walsh
Gibbons	Natcher	Waxman
Glickman	Neal	Weiss
Goodling	Nedzi	Whalen
Gradison	Nolan	Wolff
Grassley	Nowak	Wydler
Green	Oakar	Wylie
Guyer	Oberstar	Yates
Hagedorn		Yatron

NOT VOTING—30

Andrews, N.C.	Kasten	Thone
Burke, Calif.	Kazen	Thornton
Clawson, Del	McKay	Tucker
Cochran	Mann	Van Deerlin
Conyers	Mikva	Weaver
Dent	Moss	White
Ford, Mich.	Nix	Whitley
Frey	Rousselot	Wilson, C. H.
Hawkins	Runnels	Wirth
Holt	Skubitz	Young, Alaska

The Clerk announced the following pairs:

On this vote:

Mr. Kazen for, with Mrs. Burke of California against.

Mr. White for, with Mr. Mikva against.

Mr. Runnels for, with Mr. Wirth against.

Messrs. KELLY, LEVITAS, BARNARD, and Mrs. SMITH of Nebraska changed their vote from "no" to "aye."

Mr. ASHLEY and Mr. OTTINGER changed their vote from "aye" to "no."

So the amendment offered as a substitute for the amendment was rejected.

MR. NATCHER MAKES HISTORY BY CASTING 10,000TH CONSECUTIVE VOTE

Mr. O'NEILL. Mr. Chairman, I ask unanimous consent to speak out of order for 2 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. O'NEILL. Mr. Chairman, I rise at this particular time to mention the fact that history has just been made in this Chamber. The gentleman from Kentucky, BILL NATCHER, was sworn in as a Member on January 6, 1954. He has never missed a day or missed a vote since he has been a Member of Congress.

During these years that the gentleman from Kentucky has been here, there have been 6,321 rollcalls and 3,679 quorums. The last vote was the 10,000 consecutive vote the gentleman from Kentucky has cast. This record, I believe, is unmatched by any individual in the history of the world.

(By unanimous consent, Mr. RHODES was allowed to speak out of order.)

Mr. RHODES. Mr. Chairman, I take this time to add my congratulations to those which have just been enunciated by our distinguished Speaker to the present occupant of the chair, my very good friend, the gentleman from Kentucky.

The Speaker, the gentleman from Kentucky and I, along with a few other illustrious Members of this body, came in the same Congress. I am sure it is not necessary, but in case it is, I assure everybody that I do not have a record of vote to even compare a little bit with that of the gentleman from Kentucky; but I have respect for him far beyond the great record which he has achieved.

The gentleman from Kentucky is not only one of the best members of the Committee on Appropriations, a gentleman whose work is certainly renowned, but I do not believe there has ever been in the history of this Congress a better chairman of the Committee of the Whole House on the State of the Union.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Maryland (Mr. MITCHELL).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. MITCHELL of Maryland. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 98, noes 313, not voting 23, as follows:

[Roll No. 276]

AYES—98

Addabbo	Biaggi	Brodhead
Anderson, Calif.	Bingham	Brown, Calif.
Bedell	Blanchard	Burton, John
Bellenson	Blouin	Burton, Phillip
Benjamin	Bonior	Caputo
	Bonker	Carney

Carr	Kostmayer	Richmond
Chisholm	Le Fante	Rodino
Clay	Lederer	Roncalio
Collins, Ill.	Lundine	Rosenthal
Corman	McCloskey	Roybal
Cornell	McHugh	Ryan
Dellums	McKinney	Scheuer
Diggs	Maguire	Schroeder
Downey	Markey	Seiberling
Drinan	Metcalfe	Simon
Early	Mikulski	Smith, Iowa
Eckhardt	Miller, Calif.	Solarz
Edgar	Mineta	Spellman
Edwards, Calif.	Mitchell, Md.	St Germain
Eilberg	Moakley	Stark
Evans, Colo.	Moffett	Steers
Ford, Tenn.	Myers, Michael	Stokes
Fraser	Nolan	Studds
Garcia	Nowak	Tsongas
Harkin	Oakar	Udall
Harrington	Oberstar	Vanik
Heckler	Ottinger	Vento
Holtzman	Panetta	Waxman
Jordan	Pattison	Weiss
Kastenmeier	Pease	Whalen
Keys	Rahall	Wolff
Kildee	Rangel	Yates

NOES—313

Abdnor	Delaney	Hollenbeck
Akaka	Dent	Holt
Alexander	Derrick	Horton
Allen	Derwinski	Howard
Ambro	Devine	Hubbard
Ammerman	Dickinson	Huckaby
Anderson, Ill.	Dicks	Hughes
Andrews, N. Dak.	Dingell	Hyde
	Dodd	Ichord
Annunzio	Dornan	Ireland
Applegate	Duncan, Oreg.	Jacobs
Archer	Duncan, Tenn.	Jeffords
Armstrong	Edwards, Ala.	Jenkins
Ashbrook	Edwards, Okla.	Jenrette
Ashley	Emery	Johnson, Calif.
Aspin	English	Johnson, Colo.
AuCoin	Erlenborn	Jones, N.C.
Badham	Ertel	Jones, Okla.
Bafalis	Evans, Ind.	Jones, Tenn.
Baldus	Evans, Del.	Kelly
Barnard	Evans, Ga.	Kemp
Baucus	Fascell	Ketchum
Bauman	Fenwick	Quie
Beard, R.I.	Findley	Quillen
Beard, Tenn.	Fary	Krueger
Bennett	Fish	LaFalce
Bevill	Fisher	Lagomarsino
Boggs	Fithian	Latta
Boland	Flippo	Leach
Bolling	Flood	Leggett
Bowen	Florio	Lehman
Brademas	Flowers	Lent
Breaux	Flynt	Levitas
Breckinridge	Foley	Livingston
Brinkley	Ford, Mich.	Lloyd, Calif.
Brooks	Forsythe	Lloyd, Tenn.
Broomfield	Fountain	Long, La.
Brown, Mich.	Fowler	Long, Md.
Brown, Ohio	Frenzel	Lott
Broyhill	Fuqua	Lujan
Buchanan	Gammage	Luken
Burgener	Gaydos	McClory
Burke, Fla.	Gephardt	McCormack
Burke, Mass.	Giaimo	McDade
Burleson, Tex.	Gibbons	McDonald
Burlison, Mo.	Gilman	McEwen
Butler	Ginn	McFall
Byron	Glickman	McKay
Carter	Goldwater	Madigan
Cavanaugh	Gonzalez	Mahon
Cederberg	Goodling	Marks
Chappell	Gore	Marlenee
Clausen, Don H.	Gradison	Marriott
	Grassley	Martin
Cleveland	Green	Mathis
Cohen	Gudger	Mattox
Coleman	Guyer	Mazzoli
Collins, Tex.	Hagedorn	Meeds
Conable	Hall	Meyner
Conte	Hamilton	Michel
Corcoran	Hammer-schmidt	Milford
Cornwell		Miller, Ohio
Cotter	Hanley	Minish
Coughlin	Hannaford	Mitchell, N.Y.
Crane	Hansen	Mollohan
Cunningham	Harris	Montgomery
D'Amours	Harsha	Moore
Daniel, Dan	Hefner	Moorhead, Calif.
Daniel, R. W.	Heftel	
Danielson	Hightower	Moorhead, Pa.
Davis	Hillis	Moss
de la Garza	Holland	Mottl
Murphy, Ill.	Roberts	Stump
Murphy, N.Y.	Robinson	Symms
Murphy, Pa.	Roe	Taylor
Murtha	Rogers	Teague
Myers, Gary	Rooney	Thompson
Myers, John	Rose	Traxler
Natcher	Rostenkowski	Treen
Neal	Rousselot	Trible
Nedzi	Rudd	Ullman
Nichols	Ruppe	Vander Jagt
O'Brien	Russo	Volkmer
Obey	Santini	Waggonner
Patten	Sarasin	Walgren
Patterson	Satterfield	Walker
Pepper	Sawyer	Walsh
Perkins	Schulze	Wampler
Pettis	Sebelius	Watkins
Pickle	Sharp	Whitehurst
Pike	Shipley	Whitten
Poage	Shuster	Wiggins
Pressler	Sikes	Wilson, Bob
Preyer	Sisk	Wilson, Tex.
Price	Skelton	Winn
Pritchard	Slack	Wright
Pursell	Smith, Nebr.	Wydler
Quayle	Snyder	Wylie
Railsback	Spence	Yatron
Kindness	Staggers	Young, Alaska
Krebs	Stangeland	Young, Fla.
Regula	Stanton	Young, Mo.
Reuss	Steed	Young, Tex.
Rhodes	Steiger	Zablocki
Rinaldo	Stockman	Zeferetti
Risenhoover	Stratton	

NOT VOTING—23

Andrews, N.C.	Kazen	Tucker
Burke, Calif.	Mann	Van Deerlin
Clawson, Del	Mikva	Weaver
Cochran	Nix	White
Conyers	Runnels	Whitley
Frey	Skubitz	Wilson, C. H.
Hawkins	Thone	Wirth
Kasten	Thornton	

The Clerk announced the following pairs:

On this vote:

Mr. Mikva for, with Mr. White, against.

Mrs. Burke of California for, with Mr. Runnels against.

Mr. Hawkins for, with Mr. Wirth against.

Mrs. MEYNER changed her vote from "aye" to "no."

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. CONABLE

Mr. CONABLE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CONABLE: In the matter relating to the recommended level of Federal revenues decrease the amount by $3,179,000,000;

In the matter relating to the amount by which the aggregate level of Federal revenues should be decreased increase the amount by $10,300,000,000;

In the matter relating to the amount of the deficit increase the amount by $3,179,000,000;

In the matter relating to the appropriate level of the public debt increase the amount by $3,179,000,000;

In the matter relating to the amount by which the statutory limit on the public debt should accordingly be increased, increase the amount by $3,179,000,000.

Mr. CONABLE (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. CONABLE. Mr. Chairman, allow me to express my admiration for your fine voting record. We are all very proud of you.

Mr. Chairman, I deeply regret that we are not considering aggregates. The House had a chance to consider total aggregates in the Holt amendment earlier today. This amendment gives the House another opportunity to consider the revenue aggregates that are suggested by minority members of the Budget Committee. I urge my colleagues to take advantage of this second chance.

During yesterday's debate, I described my tax cut amendment, which I am now offering. In case the Members might not have been here at that time, let me go over the outlines again.

I propose a cut which will reduce taxes $38.7 billion below the so-called current services revenue figure, and $29.7 billion below current tax policy. The difference between these two figures is the $9 billion needed to continue current tax cuts which would otherwise phase out.

The revenue figure I call for is $440.1 billion, only $3 billion below the amount contained in the resolution pending before the committee. My tax cut, however, is some $10 billion deeper than the cut in the pending resolution.

The difference between the revenue amounts is explained by the fact that the pending resolution follows the administration in assuming that inflation this year, 1978, will be only 6 percent. In light of last month's CPI, we could average no more than 4.9 percent for the remaining eight months of 1978 in order to come out at 6 percent average for the year. My amendment realistically assumes that inflation will run 7 percent for 1978.

We all understand, of course, that the mention of specific tax reduction items during today's debate or in the committee or conference reports neither guarantees nor denies permission under the budget process to enact such measures. In the matter of revenue cuts, the point of order lies only against the measure that would reduce revenues before the floor set in the second concurrent resolution. Keeping this in mind, however, let me give the Members, for purposes of illustration, an idea of the kinds of items that could be enacted within the constraints of the $38.7 billion tax cut which I am proposing.

First of all, $25 billion for Kemp-Roth or alternative individual or corporate tax cuts of similar dimension. Then, $9 billion continuation of existing tax cuts, which would otherwise expire. Then, $3.2 billion to check the growth of social security taxes, and $1 billion in tuition tax credits of some form, and $0.5 billion in miscellaneous smaller measures.

Add these up and they come to $38.7 billion.

Inflation and social security tax increases are eating into the real incomes of families. Under the implicit 5-year plan laid out by the Democrats both in the President's budget and in the concurrent resolution, taxes will grow faster than incomes over the next 5 years. Families with between $8,000 and $20,000 income in 1978 will suffer between 3 and 4 percent loss of real income by 1982 after taxes and inflation unless this trend is reversed.

My tax cut would reverse this trend. At the same time, it would help to keep the economy on an even keel.

My tax cut is $10 billion deeper than the one contained in House Concurrent Resolution 559. It is, however, about the magnitude of the cut proposed by the President several months ago. The administration still believes we need a cut in this ball park. Just yesterday, Charles L. Schultze, Chairman of the President's Council on Economic Advisers, spoke about this to the National Press Club. He said:

> We need a tax cut and we need a sizable one. Without it the recovery will be in serious danger of faltering next year.

Schultze went on to build a substantial argument for his case. He stated that although our economy today is fundamentally healthy, significant obstacles stand in the way of economic growth during 1978 and 1979.

> The rising burden of taxes on individuals—

In Schultze's own words—

> are the principal obstacle to a healthy economy in the future.

Schultze also detailed the gloomy outlook ahead without a tax reduction of substantial proportions—a slowdown in real growth, greatly increased unemployment, and a loss to the economy of about a million jobs.

The CHAIRMAN. The time of the gentleman from New York (Mr. CONABLE) has expired.

(On request of Mr. KEMP, and by unanimous consent, Mr. CONABLE was allowed to proceed for 1 additional minute.)

Mr. CONABLE. Mr. Chairman, we are often told that a tax cut would be inflationary. Schultze dismissed this contention in yesterday's speech. He felt the considerable slack in the economy at present would mean that abandoning the tax cut would have negligible impact on inflation.

What about the budget deficit? Will that not become larger if we enact a greater tax cut?

The answer, simply, is that it will not if we do not want it to. The way Congress has been operating lately, one would think there was a formal rule of the House that every time we increase taxes, we must pour the extra revenue into Government spending. That is certainly what we are seeing here today with the budget resolution. Both revenues and spending are up, and the deficit promises to be $6 billion larger than last year. But it does not have to be this way. We can cut taxes, restrain our spending impulses, and hold deficits to the levels of prior years or less.

I urge the Members to join me in voting for this tax cut, for controlled inflation, less unemployment, and a return to a Government sector of reasonable proportions.

Mr. KEMP. Mr. Chairman, will the gentleman yield?

Mr. CONABLE. I yield to the gentleman from New York (Mr. KEMP).

Mr. KEMP. Mr. Chairman, I appreciate my friend yielding and I certainly applaud his leadership on this and urge its passage.

Mr. Chairman, I rise only to make one point: The gentleman from New York (Mr. CONABLE) is on eminently strong ground when he says that inflation is not caused by increased production. If we expand the economy in real terms, we can answer the problem of both inflation and recession by restoring a healthy investment and savings and work climate in this country. The tax rate cut the gentleman envisions will restore the reward in our society to the workers and savers and lead to a gain in revenue rather than a loss.

Margaret Bush Wilson of the NAACP said recently:

> Inflation is not caused by too many people working.

We have got to get this economy growing again so we can fight inflation by putting people to work and increasing the supply of goods.

Mr. CONABLE. Mr. Chairman, I compliment the gentleman from New York (Mr. KEMP). I think everybody understands the fine work he has done in this area.

Mr. KEMP. Mr. Chairman, I believe that the alternative budget resolution offered by my colleague from New York (Mr. CONABLE) and the minority members of the House Budget Committee deserves the wholehearted support of all Members of Congress truly concerned about the economic health of our country.

I would like to address myself at this time to just two specific criticisms frequently leveled at the Republican strategy of tax rate reduction, embodied in both the Kemp-Roth Tax Reduction Act and the minority budget resolution: That it would lead to inflation and larger budget deficits.

The fact of the matter is that rising wages and prices are not a cause of inflation, but a consequence. This fundamental misunderstanding has led both Republican and Democratic administrations to make the same mistakes over and over again. Both have believed that the cure for inflation is unemployment and that the cure for unemployment is inflation. This derives from an economic concept known as the Phillips Curve.

In truth, inflation never did cure unemployment, but rather intensified it after a brief shot of stimulus. And unemployment, rather than curing inflation, actually exacerbates it by causing the economy to produce at less than its potential.

The fundamental cause of inflation is Government, through massive budget deficits which crowd-out private investors, increasing taxes which destroy incentive, costly regulations, and excessive increases in the quantity of money. The workers' efforts to stay ahead of the cost of living by attempting to increase his income and the businessman's efforts to maintain profits by increasing prices are only symptoms of the Government's actions.

Thus a tax rate reduction, as I have proposed along with 167 of our colleagues, will not be inflationary, because it will lead to an increase in incentive, employment, aftertax income, investment, savings, and output by industry. The creation of more goods and services on the magnitude I expect will mean a reduction in the price level, not an increase.

Consider this fact: when a worker is unemployed he is producing nothing, but still must consume. Although his income is reduced he will still have an income from unemployment benefits or other Government programs. Thus he will continue to take real goods and services out of the economy even though his production is zero. This is inflationary. But if this worker is employed, producing goods and services as well as consuming them, instead of having too many dollars chasing too few goods we will have the opposite: Too many goods chasing too few dollars and prices will decline.

Therefore, I believe the answer to inflation is jobs, jobs and more jobs, combined with a moderate monetary policy, reasonable regulatory policy, and a lid on Government spending.

Similarly, tax rate reduction will not lead to an increase in the deficit for approximately the same reasons. It will lead to an expansion of economic growth, the creation of millions of jobs, an increase in investment and production. Remember that not only do unemployed workers not produce goods, but they do not pay taxes either. If just one worker goes from the unemployment rolls to a productive job this will automatically reduce Government spending for unemployment benefits by roughly $5,000 while increasing its revenues by about $2,000, if he is a typical worker in manufacturing.

Furthermore, a massive reduction in tax rates as the minority has proposed would not only lead to increased tax revenues from real economic growth but would draw workers and investors out of exotic loopholes and the subterranean economy. The subterranean economy, made up of economic transactions done by cash or barter to avoid taxation, is estimated to be as much as $200 billion per year. If only a portion of these transactions can be lured back into the tax economy it would mean billions of dollars of revenue to the Government. As Mr. Peter Passell recently wrote in the New York Times, the way to eliminate tax cheating would be—

> To pare personal income taxes across the board. With Federal tax rates, say, one third lower, the incentive to break the law would be much diminished. Revenues lost thereby would, at least in part, be made up at the expense of the subterranean economy.

Therefore, I do not believe that the Republican program of tax rate reduction would contribute to either inflation or the deficit. But it would lead to millions of jobs and billions of dollars of GNP. Thus I urge support for the Conable substitute.

Mr. VANIK. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I oppose the amendment of the gentleman from New York (Mr. CONABLE). I am really astounded. For the almost 24 years that I have served in this House I have heard almost everybody on the other side of the aisle say that increased deficits cause

inflation and I have come to believe that. I have come to believe that.

I cannot understand why the gentleman from New York (Mr. CONABLE), my distinguished colleague and the ranking minority member on the Ways and Means Committee, should feel that fiscal solvency has lost its merit. I am shocked to learn that deficits do not have any effect on inflation.

I think we are going to have to look at the CONGRESSIONAL RECORD over the last 24 years and find out what has really been said on this floor year after year and in bill after bill where we were told that deficits breed inflation.

The gentleman from New York (Mr. CONABLE) would add $10 billion to the Federal deficit, money that we are going to have to go to the money markets to borrow at rising rates of interest in order to pay for tax cuts. It is incredible.

My colleague the gentleman from Texas, JAKE PICKLE, and I have a proposal which we think makes a lot of sense. That is to hold the tax bill this year to simply renewing the cuts that are expiring. It is difficult to face the American people with another huge deficit but $36 billion is infinitely better than a Conable deficit of $67 billion. We believe that a reduced deficit will be a signal to the American people and to the world that we are serious about our efforts to hold back inflation.

We believe that this will create conditions in the American economy that will create jobs because the business community and the American people have their confidence restored. We cannot compete in the world's markets as long as inflation drives us out of the world's markets, as long as inflation robs the American people of their proper buying power on the American scene. An extra $10 billion in tax cuts with borrowed money will produce dollars of even less value. The added income of a tax cut will be completely washed out by the reduced purchasing power of the dollar.

Now I will yield to my colleague, the gentleman from Texas (Mr. PICKLE), my cosponsor.

Mr. PICKLE. Mr. Chairman, I want to commend the gentleman from Ohio (Mr. VANIK) upon the statement he has made. Admittedly no one wants to take a position that would indicate that we were not for reducing the deficit or that we do not want to work against the inflationary process we are seeking in our society today. But I cannot understand that the amendments that have been offered, and those that will be offered on the floor today, can indicate that we can solve our problem by just passing a bigger tax cut. Instead of a $25 billion tax cut, or a $20 billion tax cut that the committee came up with, or a $35 billion tax cut, or, as at one time I heard people saying, on your side of the aisle a $50 billion tax cut, that could mean that much more deficit. That sounds good, but as I view it, when you are increasing the deficit by $50 billions, or whatever the sum.

Now I see that there are Members shaking their heads and saying no, that would not be inflationary. "Society never can be hurt by too many people working." We all agree with that, so we can put that argument on the back burner.

The fact is that inflation is caused in part by what we do with the deficit. It seems to me, therefore, that we must consider when we talk about tax cuts what it does to the inflationary picture of our country.

Now we have a valid disagreement. For the first time in 20 years the Republicans now say we ought to have a $30 to $50 billion tax cut, and we should pay no attention to what that would do to the deficit. On the other hand, over the years we on this side have taken the opposite position.

I think we ought to realize that when we make a recommendation, glibly though it may sound, and though they maintain that it will cure the inflationary picture if we can increase the tax cut, then all I can say is that it will also increase the deficit.

Mr. CONABLE. Mr. Chairman, will the gentleman yield?

Mr. VANIK. I yield to the gentleman from New York.

Mr. CONABLE. Mr. Chairman, let me say that it takes two to tango. It takes both sides to determine the size of the deficit through both the revenues and the outgo yet here we are talking only about the revenue side.

Let me say that following the course that seems to be suggested in the well of the House here, we would cut the tax cut back to the point where we would have a constantly increasing tax burden and then spend the additional money on the expenditure side and wind up with the same deficit with a higher level of taxation for the American people.

I am not going to apologize for suggesting lowering taxes.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. VANIK was allowed to proceed for 2 additional minutes.)

Mr. VANIK. Mr. Chairman, I would simply like to say in response to the gentleman from New York (Mr. CONABLE) that I have no intention to increase our deficit with new spending. I recommend that we reduce our borrowing, and instead of asking the banks and the people of America to loan us $67 billion, I say let us reduce that to a $36 billion request and let the private sector of our country have the benefit of entering the money markets for expansion and development with resources which would otherwise be borrowed by the Federal Government.

Mr. PICKLE. Mr. Chairman, will the gentleman yield?

Mr. VANIK. I yield to the gentleman from Texas.

Mr. PICKLE. I thank the gentleman for yielding.

I think the gentleman ought to remind the House also that what I propose is to renew the tax cut that was in existence in the 1976 bill and not go forward with another $25 billion deficit.

Mr. VANIK. That is right.

Mr. PICKLE. So, there could be that much given back—or saved—to the people. I think we should let the American people, for the first time at least in 4 years, have the feeling that we are not going to tinker with the economy every year back and forth. This happened in 1975, 1976, and 1977 under President Nixon, President Ford, and now President Carter. There comes a time when we should not use the same approach.

Mr. KEMP. Mr. Chairman, will the gentleman yield?

Mr. VANIK. I yield to the gentleman from New York.

Mr. KEMP. I thank the gentleman for yielding.

One would expect that the gentleman would start by wearing a "Win" button on his lapel, because the speech that he has given is reminiscent of those we have heard in the well before and by people who might have been on the opposite side of the fence.

Let me make the point to the gentleman, if he will listen for just a second, that the purpose of lowering tax rates is not just to throw money out into the economy, which would be inflationary, because that would expand the deficit. The purpose of lowering taxes is to encourage a healthy work and investment climate.

Mr. PICKLE. Mr. Chairman, if the gentleman will yield, I think one other point ought to be made. The proposal that the gentleman from New York has made, which was for a net tax reduction of $29.7 billion, out of that amount $25 billion would have been in income taxes and $3.2 billion in social security taxes and $1 billion would be in tuition tax credit. I say that social security and the tuition tax credit are items that have not come before this House, and we ought not to be presupposing what ought to be done about it in this particular budget motion.

Mr. CONABLE. Mr. Chairman, will the gentleman yield?

Mr. VANIK. I yield to the gentleman from New York.

Mr. CONABLE. I thank the gentleman for yielding. I am sure he understands that those are illustrative only of the sort of cuts that could be accommodated in a $38.7 billion tax cut. It is not in any way binding on the Committee on Ways and Means on which the gentleman and I both—all three gentlemen serve.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. PICKLE, and by unanimous consent, Mr. VANIK was allowed to proceed for 1 additional minute.)

Mr. PICKLE. If the gentleman will yield further, I know that. I want to say I know it is illustrative. But I do not approve of the proposed deficit of $7.5 billion in this budget resolution (for social security) by allowing for what we might do in the House. Questions about social security must go through the Ways and Means Committee first.

Mr. VANIK. I would like to reclaim my time to point out that there is no way that I see for this country to get to a balanced budget. We have moved into deficits by excess spending—but also by randomly cutting taxes which destroyed revenues. We are running our accounts today at $55 billion to $56 billon below revenues. The deficit and the $45 billion imported oil purchases have ruined the

dollar and threaten our solvency. We are not going to solve the oil problem in the near future. Our currency is depreciating at home and abroad. Imported oil price increases are inevitable within inflation. I frankly, feel it is time that we did something to turn this country around. I happen to believe that the minority and some of my colleagues of the majority are abandoning a traditional position which remains valid. Fiscal responsibility and deficit reduction are the most important Government tools we have to fight the inflation which threatens to do us in.

I urge that you look with seriousness on the need of our country to keep our accounts in balance, to keep our revenues somewhere near our needs. There is no one here who believes that we can cut $60 billion out of public spending. We try to do it in $100,000 pieces. We are not going to achieve it that way. Random irresponsible tax cuts have created as much deficit as wasteful expenditures. Federal revenues once lost are never restored and this country cannot solve any problem if it does not balance its own accounts. There is no such thing as a temporary tax cut.

I implore Members of the House on both sides of the aisle to pay some attention to the need to bring our accounts more reasonably into balance. It is going to take a real effort to show the American people that we are sincere in our efforts to fight inflation.

Mr. ROUSSELOT. Mr. Chairman, I move to strike the requisite number of words. I rise in support of the amendment.

Mr. Chairman, I am sorry that my colleague, the gentleman from Ohio (Mr. VANIK) has left. I was going to educate him.

Mr. Chairman, I rise in support of the Conable amendment which includes the concept of an across-the-board tax cut of roughly 10 percent in fiscal year 1979, a restraint on the increase in the social security tax for 1979, and I think many people are beginning to realize how unwise it was to increase that social security tax to begin with.

Now, how do we answer the question that there will not be a recoup or a return of revenue if there is a $38.7 billion tax cut? History shows it very clearly. There have been 10 Federal tax cuts in this country since 1945. In each case the revenue was recovered in less than a year, or a year's time in all 10 cases.

So we can prove historically that it is absolutely false to say that a tax cut always means a loss in revenue. That is not true. The best example was the Kennedy tax cut of 1962–64.

Let me read to you the testimony before the Joint Economic Committee on this very subject by Dr. Walter Heller, Chairman of the Council of Economic Advisers during the Kennedy administration. Now, is Dr. Heller a Republican? No.

Is he a conservative? No.

What did Dr. Heller say to our Joint Economic Committee in 1977 on this subject? Dr. Heller was asked to comment on the effects of the Kennedy tax cut. He stated, and I quote:

> What happened to the tax cut in 1965 is difficult to pin down but insofar as we are able to isolate it, it did seem to have a tremendously stimulative effect, a multiplied effect on the economy. It was the major factor that led to our running—

And I say this to my good colleague, the gentleman from Ohio (Mr. VANIK), I am sorry the gentleman is not here—

> a $3 billion surplus by the middle of 1965 before escalation in Vietnam struck us. It was a $12 billion tax cut which would be about $33 or $34 billion in today's terms, and within one year the revenues into the Federal Treasury were already above what they had been before the tax cut . . . Did it pay for itself in increased revenues? I think the evidence is very strong it did.

That is the proof, and it comes from a noted economist, Dr. Walter Heller, who is now advising this administration on its policies relating to tax matters.

Mr. DERRICK. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I will yield to the gentleman from South Carolina later, but I promised my distinguished colleague, the gentleman from New York (Mr. KEMP), that I would yield to him first.

Mr. KEMP. Mr. Chairman, I appreciate my friend's yielding.

It is true, as the gentleman in the well has pointed out, that Dr. Heller is calling for a similar tax cut today, even though we are not trying to suggest that he has endorsed the Republican proposal.

Mr. ROUSSELOT. No, we are not suggesting that. That is not what I said.

Mr. KEMP. We are suggesting, however, that Dr. Heller is calling for a significant reduction in taxes. So is the distinguished Paul Samuelson.

So there is some unanimity between the Keynesians and the non-Keynesians that the time is ripe for another significant reduction in the tax burden in order to restore economic prosperity and growth. If we are to balance the budget, we will have to restore growth and prosperity and get people to working and producing things.

That is the way to reduce inflation; we can never reduce inflation by allowing continued economic contraction, particularly in the investment climate and the work climate of America.

Mr. ROUSSELOT. Mr. Chairman, I thank my colleague for his remarks. I know the gentleman from New York (Mr. KEMP) has studied this issue very carefully for the past 4 or 5 years.

Mr. KEMP. Mr. Chairman, will the gentleman yield further?

Mr. ROUSSELOT. I yield to the gentleman from New York.

Mr. KEMP. Mr. Chairman, since the gentleman gives me so much credit, let me ask him this: Is it not true that all tax cuts are not created equally? And we must lower all the tax rates across the board to get the right economic results.

Mr. ROUSSELOT. That is correct.

The CHAIRMAN. The time of the gentleman from California (Mr. ROUSSELOT) has expired.

(By unanimous consent, Mr. ROUSSELOT was allowed to proceed for 4 additional minutes.)

Mr. KEMP. Mr. Chairman, will the gentleman yield further?

Mr. ROUSSELOT. I yield to the gentleman from New York.

Mr. KEMP. Mr. Chairman, the point that the gentleman from California (Mr. ROUSSELOT) is making and the one that was made earlier by our colleague, the gentleman from New York (Mr. CONABLE), who is the ranking minority member of the Committee on Ways and Means, is that it is the attempt of this side of the aisle to remove the bias in the tax code against work and savings and investment that now exists, and in so doing we will not lose revenues; rather, we will expand the tax base and achieve higher production and lower taxes.

Mr. ROUSSELOT. And that has been proven by history.

Mr. KEMP. Yes, it has in the sixties and the seventies as well as West Germany and Japan.

Mr. ROUSSELOT. We have had 10 tax cuts since 1945 and the revenues have been recouped within a year.

Mr. KEMP. Mr. Chairman, my point is that in the three tax cuts we have had in the last 5 years we have seen tax cuts that only redistribution the tax burden and which has exacerbated or compounded the progressivity of the tax code, thus taking away the reward for working, saving, and investing as people get moved up into higher rates. We do not want that type of tax cut. We want to remove the fundamental bias against working, investing, and saving and thus achieve real economic expansion.

Is that not what the gentleman had reference to?

Mr. ROUSSELOT. Yes, of course, you are correct. My point, however, was that all 10 of the Federal tax cuts since 1945 have been recouped within a year.

Mr. Chairman, I promised to yield to my colleague, the gentleman from South Carolina (Mr. DERRICK), a member of the Committee on the Budget. I know he is anxious to speak on this issue, because he believes in and supports tax cuts.

Mr. DERRICK. Mr. Chairman, I thank the gentleman for yielding.

I have asked the gentleman to yield just for a point of clarification.

It is rather amazing to hear this debate and the views expressed by the gentleman from California (Mr. ROUSSELOT). I say this as an admirer of the gentleman for his efforts in trying to balance the budget over the years, but now I find the gentleman is in a position of supporting a $7 billion increase in the deficit.

Mr. ROUSSELOT. No, that is not true.

Mr. DERRICK. Does this mean that we are not going to hear from the gentleman in the future on the issue of balancing the budget?

Mr. ROUSSELOT. No. the gentleman will certainly hear from me on that issue. I will speak on that issue, and he will hear from me. I will not neglect him in covering that issue.

Mr. DERRICK. But, Mr. Chairman, if the gentleman is for deficit spending, I am amazed.

Mr. ROUSSELOT. Mr. Chairman, I disagree with the gentleman's concept that there will be an add-on deficit of $7 billion. My colleague, the gentleman from Texas, said it will be some other figure, but it will be neither.

It is my belief that by the end of 1979 the very thing that happened in 1962 as predicted by the former chairman of the Committee on Ways and Means Wilbur Mills, during debate on the Kennedy tax cuts, will happen. He said as follows:

Many believe we can spend our way to prosperity. On the other hand, I am firmly convinced that if Congress adopts a tax reduction and revision bill of the type which is before this body today—

And that was very similar to that recommended by my colleague, the gentleman from New York (Mr. CONABLE)—

we can also achieve this more prosperous economy by loosening the constraints which the present Federal tax system imposes on our free enterprise system. These tax reductions will bring about a higher level of economic activity, fuller use of our manpower—

That means more private sector employment, as the gentleman knows—

more intensive and prosperous use of our plants and equipment, and with the increase in wages, salaries, profits, consumption and investment, there will be increases in Federal tax revenues.

Chairman Mills was correct then. As history has demonstrated. And I think we should support that same concept today.

Mr. CONABLE. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from New York.

Mr. CONABLE. I thank the gentleman for yielding.

I want to thank the gentleman for developing this theory. I think there is something to it. But there is something else to be said. We are not advocating deficit. There is much work left to be done. The deficit may be $1 trillion by the time this House gets through working its will. Quite frankly, I would be much more comfortable dealing with the aggregates in one vote, but now that the Holt motion has been defeated there is no other way to do it but seriatim.

The CHAIRMAN. The time of the gentleman from California (Mr. ROUSSELOT) has expired.

(By unanimous consent, Mr. ROUSSELOT was allowed to proceed for 1 additional minute.)

Mr. CONABLE. I believe that an important priority of the people of this country is the reduction in taxes. I am not going to apologize for advocating lower taxes, and I wish to advance that goal at this point in the deliberations of the House, as we consider this budget.

Mr. ROUSSELOT. I thank my colleague.

Mr. SYMMS. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from Idaho.

Mr. SYMMS. Mr. Chairman, I would like to compliment the gentleman for the point he was making, and I wish to compliment the gentleman from New York (Mr. CONABLE) for offering the amendment.

It may have been more appropriate had it been offered on May 11, Tax Freedom Day, than it is today. But I think the point is, we are trying to release people from the burden of taxation so that they can go out and work and have an incentive for it. In my district there is now a tax revolution taking place. There is a property tax limitation on the ballot. The same thing is happening in the State of California and in other Western States. This is the result of the frustrations of people who feel they can no longer benefit from their gainful employment, because they have to turn it over to some government level, some 44 percent of total earnings going to taxation at all levels. What we are trying to do is to encourage people to go back out and participate in the American dream. That is what the amendment offered by the gentleman from New York does. There is no telling what we could do if we cut back taxes. People could go to work, in the sawmills, for example. You cannot get people to work the extra shift on Saturday and Sunday, because tax rates are so high. That many people have a rather limited incentive to want to work more, produce more, thereby expand the total pie or production if you will of the entire economy.

The point has been made time and again in history that if doctors, businessmen, laboring men are taxed at a lower rate that they then will provide more medical services, goods, and services in general which could offer more hope for more Americans.

Mr. ROUSSELOT. Mr. Chairman, I would like to conclude with this statement of Charles Schultze. I do not think anybody can accuse him of being a right-wing conservative. He said just yesterday that we need a tax cut, and we need a sizable one. Without it, that recovery will be in serious danger of faltering next year. The problem of inflation is much too serious to be given second place among our priorities. The question is how do we go without fighting inflation under current economic conditions.

He then went on to explain why we need a substantial tax cut.

The CHAIRMAN. The time of the gentleman from California (Mr. ROUSSELOT) has again expired.

(On request of Mr. GIAIMO and by unanimous consent, Mr. ROUSSELOT was allowed to proceed for 1 additional minute.)

Mr. GIAIMO. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from Connecticut.

Mr. GIAIMO. I thank the gentleman for yielding.

Mr. Chairman, I want to address a question to the author of the amendment, but before I do that, I would like to get to the statement of Charles Schultze. I am sure that Charles Schultze, when he made that statement, was referring to a tax cut in the neighborhood of $10.4 billion.

Mr. ROUSSELOT. I think it was $25 billion as recommended by the President.

Mr. GIAIMO. Or $25 billion.

Mr. ROUSSELOT. Yes, $25 billion. He did not endorse the $38 billion. He does not believe we should restrain the increase on the social security tax next year. We do.

Mr. GIAIMO. If the gentleman will yield, I would like to ask a question of the author of the amendment.

The gentleman is proposing an additional tax cut of $10.3 billion over the committee recommendation. Is that right?

Mr. CONABLE. If the gentleman will yield, that is correct. However, I am assuming an inflation rate of 7 percent.

Mr. GIAIMO. I have not asked the question.

Mr. CONABLE. I am suggesting a revenue figure of $500 million above that recommended by the President.

Mr. GIAIMO. Mr. Chairman, will the gentleman yield to me so that I may pose a question?

Mr. ROUSSELOT. I am happy to yield to the gentleman from Connecticut.

Mr. GIAIMO. The gentleman from New York (Mr. CONABLE) is recommending an additional tax cut of $10.3 billion over and above what we have recommended; is that correct?

Mr. CONABLE. Mr. Chairman, if the gentleman will yield, that is correct.

Mr. GIAIMO. Does the gentleman also intend, if that additional cut were to be adopted, to reduce spending by some equivalent amount?

Mr. ROUSSELOT. Yes. We just voted on that.

Mr. CONABLE. To answer the gentleman, we have considerable in the way of spending cut recommendations still to come before this House, and it has been the decision of the majority of this House that we take these things one at a time.

Mr. GIAIMO. If the gentleman will yield further, would the gentleman recommend the additional $10.3 billion tax cut if there were no additional reduction in spending?

Mr. CONABLE. I think I probably would, in any event; but I do not believe that it is necessary for me to make that decision at this point, because of the procedures which the House adopted.

Mr. ROUSSELOT. Mr. Chairman, I will comment on that point. We just had a vote on the whole amount.

The CHAIRMAN. The time of the gentleman from California (Mr. ROUSSELOT) has expired.

(By unanimous consent, Mr. ROUSSELOT was allowed to proceed for 2 additional minutes.)

Mr. ROUSSELOT. Mr. Chairman, we had a vote on the Holt amendment, which was a reduction in spending of $12 billion; but we had people down here changing votes in the well to prevent that from happening.

Mr. GIAIMO. Mr. Chairman, if the gentleman will yield further, I recognize the desire and intention of the gentleman from New York (Mr. CONABLE) to try to reduce spending in many of the categories.

In the event that we do not get additional spending reductions, does the gentleman still think it would be wise to

have a tax cut of the magnitude which he suggests?

Mr. ROUSSELOT. Yes.

Mr. CONABLE. I think it would be wise not to yoke the American people with a tax increase which is the result of our failing to cut at least as much as my amendment requires.

Mr. GIAIMO. And the gentleman would recommend the tax cut, even if we were not to reduce spending; is that correct?

Mr. CONABLE. Yes. I could always have some hope that the administration would not spend the money.

Mr. ROUSSELOT. They have not done so this year, and now we have had a so-called shortfall in expenditures of almost $12 billion, of money which we appropriated and which the administration has not spent.

Mr. LAFALCE. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from New York.

Mr. LAFALCE. Mr. Chairman, I have a question I would like to propound to the author of the amendment.

I find the gentleman's amendment attractive, but I would not want to be identified with or locked into any one particular kind of tax cut.

Mr. CONABLE. If the gentleman will yield, the amendment does not in any way bind the gentleman to one form of tax cut as opposed to another. That is the nature of the budget process.

Mr. LAFALCE. All right. I just wanted to make that very clear, that if I were to support the gentleman's amendment, I would not be supporting or opposing any patricular kind of tax cut. We would still be able to work our will in the Committee on Ways and Means or on the House floor; is that correct?

Mr. CONABLE. Certainly I would not want to pressure the gentleman into going from the general to the particular.

Mr. WRIGHT. Mr. Chairman, I oppose this amendment. The resolution on the budget already recommends a substantial tax cut. This budget resolution contains a tax reduction in the sum of $19.4 billion. When we add to that an extension of the 1977 tax cut in the amount of some $9 billion, we get the stimulative effect on the private economy of some $28.4 billion as a result of the adoption of this resolution, as presented.

The gentleman from New York (Mr. CONABLE) would add $10.3 billion in additional tax cuts. In other words, the gentleman from New York would have us reduce taxes by a total of $38.7 billion annually below the level of early last year. That of course, is quite considerably more than the President requested. It is substantially more than the Committee on Ways and Means has recommended. It is $10 billion more than the Committee on the Budget recommends.

It is an amazement to me to contemplate how the gentleman on my left can argue consistently for raising the tax cuts by $10.3 billion, thus depriving the Government of that much revenue and adding to the deficit, and then, as most of them predictably will do, oppose the budget resolution on final passage on the ground that the deficit is too high.

That is a bit like the boy who shot his mother and father and then threw himself upon the mercy of the court on the ground that he was an orphan.

I do not expect the Republican Members, in the main, to support this resolution. They have not in the past. I wish they would. I think the responsible thing to do would be to let the House work its will, come to a resolution of these various matters, and then recognize that it is the best we can do, and support the resolution. Ultimately, we have to have a budget. If we do not have a budget, the Congress shall have lost control.

Of course, it is tempting to offer our taxpayers an additional $10 billion in tax reductions. But is it responsible? The gentleman from New York (Mr. CONABLE) indicates that even if there were no additional cuts in expenditures, he still would be for this reduction in revenues. We just simply cannot cut $10 billion of taxes coming to the Government and expect anything short of a huge increase in the deficit.

This House has behaved responsibly today. We have reduced the projected deficit today already by $1.7 billion. We came in with a resolution that projected a deficit of $58.1 billion. As a result of the amendment in the agricultural section, we have reduced that deficit to $56.4 billion. If we should adopt the Roberts amendment for veterans' programs later today, as I expect we may, we still will be within the deficit range originally forecast by the committee. But we cannot stay within that range if we should adopt the Conable amendment.

The CHAIRMAN. The time of the gentleman from Texas has expired.

(By unanimous consent Mr. WRIGHT was allowed to proceed for 2 additional minutes.)

Mr. WRIGHT. This present amendment would add $10.3 billion more. This could come to a $66.7 billion deficit, the way I figure it. I do not think this House is going to want to vote for a $66 billion deficit, and I dare say the gentlemen on my left who have been arguing for this amendment would not support a resolution that contained that big a deficit.

Mr. SYMMS. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. I will yield to my friend from Idaho (Mr. SYMMS).

Mr. SYMMS. I thank the distinguished majority leader for yielding to me. I hope we let the record show that I am on the gentleman's right, not his left.

The question I want to ask the gentleman, who comes from Texas, an oil-producing State is, If we would lower taxes on oil wells, will we get more oil or less oil produced domestically in this country? I think that is the crux of what we are talking about. It is rates.

Mr. WRIGHT. I think the gentleman is aware that the energy conference has been wrestling with that very question almost ad infinitum. I earnestly trust that they are coming to a resolution on the best way to go about it, with regard to oil and gas taxation, pricing, and incentives for exploration.

Mr. SYMMS. Will we get more or less oil if we lower tax rates on oil wells and oil producers?

Mr. WRIGHT. Well, I am not sure that it is quite that simple.

Mr. SYMMS. I agree it is not easy to answer, but it is simple.

Mr. WRIGHT. The gentleman sees many things with a simple clarity that I sometimes envy, but I really cannot share the gentleman's view of it. The problem has additional complexities that go beyond the single questions of taxation.

Mr. SIMON. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. I yield to my friend from Illinois (Mr. SIMON).

Mr. SIMON. I thank the majority leader for yielding to me. I simply want to concur with what he has had to say. I would point out that our colleague from New York (Mr. CONABLE) agrees that there will be a $3.2 billion increase in deficit.

Mr. CONABLE. If the gentleman will yield, that is not correct.

Mr. SIMON. Does not the gentleman's amendment include that kind of deficit increase?

Mr. CONABLE. No, it does not. As a matter of fact, our figures wind up within $500 million of what the President is suggesting.

The CHAIRMAN. The time of the gentleman from Texas (Mr. WRIGHT) has expired.

(On request of Mr. SIMON, and by unanimous consent, Mr. WRIGHT was allowed to proceed for 1 additional minute).

Mr. SIMON. Mr. Chairman, if the gentleman will yield further, let me just say that our House staff says it will be about a $7 billion increase in the deficit.

Let me point out one other thing that has not been mentioned that I think is very significant, and that is that a gentleman who has great concern about the economy of this country has not been mentioned, and that is William Miller, Chairman of the Federal Reserve Board. He has suggested it would be a healthy thing if we did not reduce taxes as much as the President has suggested to us—not by this kind of increment. And that is a kind of warning to this body that if we do not use some restraint ourselves in fiscal policy, then the Federal Reserve Board will have to use monetary policies to exercise those restraints.

Mrs. FENWICK. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. Of course I yield to the gentlewoman from New Jersey.

Mrs. FENWICK. Mr. Chairman, at the Banking Committee meeting the other day, when Chairman MILLER testified, he said we should skinny on the tax cut and emphasize the capital gains and fast investment writeoff and reduce the capital gains taxes. Those things need to be looked at. In other words, I think it would be a great mistake here to decide how this tax cut would be disposed of. We have a gentleman on the Ways and Means Committee who will have something to say about it.

In the aggregate, it is not how this tax cut is going to be disposed of, but cer-

tainly the tax cut is going to call for a decision whether this is going to be an income distribution or an investment tax credit structure which would benefit the economy.

Mr. SIMON. Mr. Chairman, if the gentleman would yield further, I think in the aggregate the likelihood is that any tax cut is likely to be inflationary.

Mrs. FENWICK. But those were Chairman MILLER's views.

Mr. WRIGHT. I thank the gentlewoman and the gentleman.

I would like to continue this discussion, but I think it unnecessary. The fact is that we have a tax cut built into this resolution. What the gentleman from New York proposes is probably not what the Ways and Means Committee will be likely to bring to the Congress. Therefore it seems to me it would be foolish to add another $10 billion or so to the proposed tax cut in this resolution. Whatever the exact figure may be, I think it inevitable that such action would increase the deficit by several billion dollars. And that could be inimical to our efforts to hold the line against inflation. Therefore, I urge a vote against this amendment.

Mr. KEMP. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, the debate over how much of a tax cut we ought to have in 1978 and whether or not it will increase or decrease the deficit is an extremely important debate, but unfortunately it is somewhat like trying to count the angels that can dance on the head of a pin. Really no one knows exactly what will happen if we lower the taxes on the American people, but we do know one thing—the American people know far better how to spend their own income than politicians and bureaucrats.

The gentleman from Idaho suggested if we cut taxes on production, it follows that production would increase. I agree totally. Does it not then logically follow that lower taxes results in higher production, thus increasing the revenues for Government and thereby shrinking the deficit? Parenthetically let me add all this presumes we cut the tax rates across the board on all working and saving Americans.

As I said earlier in colloquy with the gentleman from New York (Mr. CONABLE), all tax cuts are not created equal. It is not the purpose of the minority amendment offered by the gentleman from New York (Mr. CONABLE) just to cut taxes in a Keynesian sense and pump more money out into the economy so that the purchase of more automobiles and television sets might be the result.

That might be one result, but that certainly is not the purpose of our amendment. The purpose of our amendment is to reduce the bias, reduce the taxes, in other words, on production, thereby increasing the reward for workers and savers and thus expanding real economic growth and revenues while simultaneously lowering Government transfer payments.

Does it not stand to reason that if you tax a factor of production you get less of it? Today we tax production, work, savings, and output while subsidizing nonwork, debt, and leisure.

It seems to me that one of the problems that everyone in this body is having over this issue is the fact that most economic projections about tax cuts are very static in terms of the net revenue effects. In other words, most people project statically that if you cut a dollar in tax rates you will lose a dollar in revenue. But this does not take into effect what effect lower rates of taxes will have on the decision of people to save, to invest, to work, and thus increase or decrease their output.

What we are suggesting is that if you lower the tax rates on the American people you will encourage production and as a result expand the tax base and not have the disastrous revenue projections that the gentleman from Texas (Mr. WRIGHT) and the gentleman from Illinois (Mr. SIMON) have suggested.

I am simply saying that the problem is that most of the projections upon which the Treasury, the OMB and all of their econometric models base their statistics on are partial equilibrium models and this static not dynamic. They are using gross revenue loss projections, they are not net revenue projections and President Kennedy, plus all those who followed had the same advice—only President Kennedy acted against the advice of economists and prosperity increased.

What the gentleman from New York (Mr. CONABLE) is suggesting, and what I am interested in, is removing the bias, removing the impediment, removing the barriers between a person's effort and his reward. When you reward something you get more of it. We are suggesting that if we would reward, after taxes, the worker and the producer, it would lead to economic expansion, new jobs, reduced labor costs, and reduced social welfare costs, and would not have the disastrous revenue effects that have been suggested by the gentleman from Illinois (Mr. SIMON).

I cannot imagine how the gentleman from Illinois (Mr. SIMON), a student of economics, can fail to take into account the effect of tax rate reductions over the years in our own history and that of West Germany and Japan, in which there was not a net loss of revenue, but a net gain in revenue and noninflationary growth in real wages, income and profits?

Mr. SIMON. Mr. Chairman, if the gentleman will yield, I have great respect for the gentleman from New York (Mr. KEMP) and I would simply say that our staff of the Committee on the Budget has not come to that conclusion. Apparently the Chairman of the Federal Reserve Board has not come to that conclusion.

I just had a discussion with the gentleman from New York (Mr. CONABLE) and the gentleman may correct me if I am wrong, that his amendment does, in fact, call for an increase of $3.2 billion in the Federal deficit. That is a reality. I would love to believe the gentleman from New York (Mr. KEMP) is right. I just do not think he is being realistic.

Mr. KEMP. Mr. Chairman, if I may take back my time, I would simply say to the gentleman that what our minority side envisions, is a reduction in tax rates on the productive, working, saving and investment sectors of our economy that will result in net gains in revenue from an expanded wage and production base.

Recently, Otto Eckstein testified before the Committee on Ways and Means that the results of the Data Research Institute study of total elimination of the capital gains tax in America would lead to a $210 billion real increase in gross national product, 3.1 million new jobs within 3 years, and an increase of revenue to the Government, notwithstanding the $7 billion initial gross loss, a net revenue gain of $38 billion over 3 years through encouraging entrepreneurs, investors, producers and workers in our economy.

The CHAIRMAN. The time of the gentleman has again expired.

(By unanimous consent, Mr. KEMP was allowed to proceed for 3 additional minutes.)

Mr. KEMP. Mr. Chairman, what we are saying is that as you reduce the bias on the savings, the investment, the working climate of our country, you encourage it and as you encourage production you can get higher revenues from lower tax rates than you can from high tax rates and low production.

Mr. SIMON. Mr. Chairman, if the gentleman would yield, let me say that the effective corporate tax rate in the United States today is appreciably lower than it was 6 years ago or 10 years ago. Yet we do not find that that is so responsive as the gentleman suggests tax cuts are.

Mr. KEMP. I mentioned the capital gains tax, not the corporate rate, specifically because I advocate either a rollback on capital gains, or a rollover of capital gains or elimination of it altogether. I definitely advocate a reduction in all of the personal income tax rates and business tax rates to make up for the fact that all taxes have gone up and are going up daily as people and businesses have been pushed up into higher and higher tax brackets and higher levels of taxation by inflation. So either we lower the rates of taxation on the American people and enterprises or by definition we are raising taxes on them because taxes are not static, they are not set in concrete, they are going up and up and up, and unless we do something to reduce the tax burden on the American worker and saver, we are in effect raising their taxes, as I said earlier. Taxes will go up almost $400 every single year for a family of four at a mere 6 percent rate of inflation. By 1985 a family that earned $15,000 in 1965 must earn because of 6 percent inflation $60,000 to match the 1965 income of $15,000. But, the real problem is even worse because if your nominal incomes reach $60,000, your tax bracket goes from 22 percent in 1965, to 50 percent by 1985 for a net loss to the worker and the whole spirit of incentive and opportunity in the American system. That is untenable. It is intolerable. It is unnecessary, and one does not have to be a conservative or a liberal to suggest that it ought to be reduced. A liberal President, John F. Kennedy, advocated a cut in the tax rates by one-third in 1963. We did not lose revenue. A, we gained revenue, and, B, not only did we gain

revenue, we gained more in revenue from so-called wealthy Americans at the lower rates because they came out of their shelters and preferences back in productive investment.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. KEMP was allowed to proceed for 2 additional minutes.)

Mr. KEMP. I will be glad to yield just after I make one last point.

Interestingly enough, I will say to my colleagues, when President Kennedy lowered the tax rates right across the board in 1964, from 91 percent to 70 percent and thusly throughout the code down to 14 percent, the amount of income taxes paid into the Federal Govenrment by wealthy Americans of $150,000 and above, actually doubled within 2 or 3 years. In other words, as the rates were lowered, it encouraged people of wealth to take their money out of the tax-exempt security market and put it into investments and productive enterprise. The way then to "tax the rich" is to lower the rates. I think most people want to help relieve the worker today of excessive taxes and the way to help them is to encourage investment and increase their after-tax income by lowering their tax rates.

My bill would lower their tax rates significantly, more than it would lower the top rates. But I repeat everyone, everyone needs lower rates and we have got to get the unnecessarily high marginal rates down to 50 percent and the 50 percent rates down to 30 percent in order to expand the economy.

I hope someday to see the top rate no higher than 25 percent.

Mr. LEVITAS. Mr. Chairman, will the gentleman yield?

Mr. KEMP. I yield to the gentleman from Georgia.

Mr. LEVITAS. I thank the gentleman for yielding.

Let me say, first, that as the gentleman knows, I am a cosponsor of what is called the Kemp-Roth tax bill for the reasons that the gentleman has already explained. Also, I find merit in this approach because the idea was originally that of a Democratic President—which I think also gives it some support on this side of the aisle.

In addition to that, I agree with the gentleman's position on the inflationary impact of taxes in raising people into higher tax brackets. For that reason I cosponsor the legislation for indexing the income tax to remove the inflationary import on taxes.

What troubles me about this Conable amendment—and I hope the gentleman from New York can clarify this and explain this for me because I know others have some of this same concern, and I supported the Holt substitute that was offered earlier today—is that this amendment is different from the Holt amendment. I am committed to reducing the deficit. I read this amendment, and let me read it to the Members. It says in these very words that in the matter relating to the recommended level of Federal revenues, decrease the amount by $3.179 billion. Then it says further on down, in the matter relating to the amount of the deficit, increase the amount of the deficit by $3.179 billion.

The CHAIRMAN pro tempore (Mr. SLACK). The time of the gentleman has expired.

(At the request of Mr. LEVITAS, and by unanimous consent, Mr. KEMP was allowed to proceed for 3 additional minutes.)

Mr. LEVITAS. The Holt amendment had the redeeming social value of offsetting the reduced revenue with a reduction in spending. Here I am being asked to vote for an amendment which says in black and white, increase the deficit. As one who is opposed to increasing the deficit, how can I vote for such an amendment?

Mr. KEMP. Let me take my time back and yield to my friend, the gentleman from New York.

Mr. CONABLE. I thank the gentleman for yielding.

Let me say that is provided in the resolution because we have to deal with a document that is before us. If we adopted the amendment, we would then be dealing with a different document. Let me say to the gentleman I understand he accepts the theory that the gentleman in the well has so well espoused and so well described to us, but even if he could not accept that, there is a great deal of further expenditure deliberation before us in the committee. Therefore, we may very well decide to cut expenditures in some way, and if we do not, we then are faced with the Fisher amendment of 2 percent cut across the board, which would reduce the expenditures by virtually the amount of this cut. Who knows what the deficit will be by the time we get through?

We are dealing with a technical problem in the amendment before us.

Mr. KEMP. It is technical, I would say to the gentleman from Georgia, and I appreciate the gentleman's cosponsorship of my bill. Who cares whether it was Kennedy or Coolidge? It works. That is why I say it is neither conservative nor liberal. It is utilitarian, it worked in the twenties and in the sixties and it will work again—the gentlemen's support is highly valued by me as is his friendship.

But let me say one other thing. There is a subterranean economy in America today that is growing with leaps and bounds. Professor Gutman at the Baruch College in New York estimated that it is upward of $200 billion, with people dealing in fringe benefits and cash and in time off. The United Workers, God bless them, are trying to reduce the workweek without a loss of wages, because they realize they will not have to pay taxes on the wage increase they will be getting. They want fringe benefits. That is what the coal miners want, that is what the steel workers want and I do not blame them. The whole economy recognizes there is a bias against the worker, against the saver and the investor and it is time Congress acts.

By lowering the rates we are removing that bias and bringing them back into the real growth economy. The best way to shrink that subterranean economy, which is now between $200 billion and $250 billion, the New York Times editorialized on that a few days ago, is to reduce taxes across the board. It seems to me it would be a way to make available new savings and new capital that could easily finance any short-term deficit without the concern of higher interest rates, disintermediation, crowding out and/or inflation.

Mr. LEVITAS. Mr. Chairman, will the gentleman yield?

Mr. KEMP. I yield to the gentleman from Georgia.

Mr. LEVITAS. Mr. Chairman, I listened with great care, as always, to the learned explanation of the gentleman from New York (Mr. KEMP).

The CHAIRMAN pro tempore. The time of the gentleman from New York has again expired.

(At the request of Mr. LEVITAS, and by unanimous consent, Mr. KEMP was allowed to proceed for 3 additional minutes.)

Mr. LEVITAS. Mr. Chairman, what concerns me is that in the event a majority of the Members of this House do not vote with me and with the gentleman from New York to reduce additional spending by $3.179 billion and if this amendment has been adopted, is not the bottom line that we will have increased the deficit by that amount?

Mr. KEMP. No.

Mr. LEVITAS. I do not want to increase the deficit by this action. And simple arithmetic tells me that if you reduce revenues and do not reduce spending, you increase the deficit and add to inflation.

Mr. KEMP. Mr. Chairman, I will take back my time to answer that question, because apparently it is so paramount in my friend's mind, and I do want his support; but I simply say that (A) do not confuse lowering tax rates with losing tax revenues.

(B) Do not confuse it with those static econometric models that suggest a lowering of the tax rate expands deficit. And (C) The way to shrink the subterranean economy and bring people and capital back into the economy and the way to shrink unemployment, welfare costs, and unemployment expenditures is to increase the growth of the productive sector and that is our aim and that will be the result.

I think the gentleman would agree that if we remove the barriers against savings and investment and work, there would be an inflow of investment capital into this country that could easily accommodate any short-term deficit without causing inflation or "crowding out." In fact high taxes crowd out investment and that causes economic contraction which then leads to a demand for inflation. People will choose inflationary growth to no growth at all and I want to prevent that from happening.

Mr. LAFALCE. Mr. Chairman, will the gentleman yield?

Mr. KEMP. I yield to the gentleman from New York.

Mr. LAFALCE. Mr. Chairman, am I correct in understanding the amendment of the gentleman from Alexander, N.Y., that we would simply establish

outer parameters in which we could work?

Mr. KEMP. The answer is yes.

Mr. LAFALCE. So if the gentleman from Georgia was fearful that if we do not pass his amendment reducing expenditures by $3.9 billion, or the Fisher amendment, reducing expenditures by about $10 billion, then we would, within the Committee on Ways and Means and on the floor of the House, in order to keep the same deficit, if we reject say the theory that tax reductions will automatically mean greater revenues, then we could simply not enact the extent of taxes we had allowed for within this budget; is that correct?

Mr. KEMP. Mr. Chairman, I will yield to my friend, the gentleman from New York (Mr. CONABLE), to answer that question.

Mr. LAFALCE. Fine. However, we still would have the option, if we agreed to this amendment, of reducing expenditures by voting for either this amendment or the Fisher amendment.

Mr. KEMP. Yes.

Mr. CONABLE. Mr. Chairman, if the gentleman will yield, we are only a tenth of the way through the process at this point.

Mr. LAFALCE. Mr. Chairman, I want to make this clear. We would not necessarily have to adopt the recommended amendment offered by the gentleman from Amherst, N.Y., or a similar proposal regarding indexing supported by the gentleman from Alexander, N.Y., or any other alternatives. We would have the option of arguing that out, and that is important.

Mr. KEMP. Mr. Chairman, I want to relieve the gentleman's fears.

The CHAIRMAN. pro tempore. The time of the gentleman from New York (Mr. KEMP) has expired.

(On request of Mr. HUGHES and by unanimous consent, Mr. KEMP was allowed to proceed for 2 additional minutes.)

Mr. HUGHES. Mr. Chairman, will the gentleman yield?

Mr. KEMP. Mr. Chairman, I will yield to the gentleman, but first I would like to make one statement in answer to my friend, the gentleman from New York (Mr. LAFALCE).

The most heavily taxed people in the United States of America today are the people of New York State. The best thing that we can do for New York State, a State that is deeply depressed in terms of its economy and its lack of growth, particularly the cities of New York and Buffalo is to lower taxes at the Federal level, because dollar for dollar that would do more for New York State than any other single strategy, plus the fact that it would help New York State without hurting Idaho, Wisconsin, Indiana, Maine, New Jersey, or California.

We want to encourage economic growth for New York and all the United States.

Mr. HUGHES. Mr. Chairman, will the gentleman yield?

Mr. KEMP. I yield to the gentleman from New Jersey.

Mr. HUGHES. Mr. Chairman, let me say that, like my colleague, the gentleman from Georgia, I was one of the Democrats who voted for the Holt substitute.

However, I am a little puzzled at this point, because, as I understood my colleague, the gentleman from New York (Mr. CONABLE), when he proposed this particular amendment, he suggested that he would vote for this amendment whether or not there were any subsequent reductions of outlays.

Mr. KEMP. That is the gentleman's decision. That does not bind the gentleman from New Jersey.

Mr. HUGHES. I saw my colleague shaking his head yes, and I take it that he has agreed with his colleague, the gentleman from New York, in his suggestion that that would be true.

Mr. KEMP. Yes, absolutely.

Mr. HUGHES. I assumed that when the gentlewoman from Maryland (Mrs. HOLT) offered her substitute, she had a corresponding reduction in outlays, because in fact there must have been some relationship between a reduction in taxes and a reduction in spending.

Mr. KEMP. Mr. Chairman, let me take back my time and say this:

The gentlewoman from Maryland (Mrs. HOLT), the gentleman from New York (Mr. CONABLE), and many others on this side of the aisle understand that all Government spending is a tax liability on either current generations or future generations of taxpayers. All spending must be paid for in taxes now and in the future, so a reduction of Government spending reduces taxes, relieves the taxpayer, and encourages economic growth and prosperity.

The CHAIRMAN pro tempore. The time of the gentleman from New York (Mr. KEMP) has again expired.

(On request of Mr. HUGHES and by unanimous consent, Mr. KEMP was allowed to proceed for 1 additional minute.)

Mr. KEMP. So, Mr. Chairman, to continue, any time we lower Government spending we are by definition reducing the tax burden on either current or future generations. So that was the purpose of reducing spending.

Mr. HUGHES. Mr. Chairman, will the gentleman yield?

Mr. KEMP. I yield briefly for a question.

Mr. HUGHES. Mr. Chairman, I think the majority leader made the point, and a very valid point, that there is some point at which we arrive at reducing taxes.

Mr. KEMP. Yes. We are not there yet.

Mr. HUGHES. And when that happens, it then becomes counterproductive.

Mr. KEMP. Mr. Chairman, I will take my time back and say that we are not at that point yet, on the contrary the rates are so high as to be counterproductive in terms of both growth and raising needed revenues. I wonder if there is any Member in this House who still says that the Government will lose revenues by effecting a tax rate cut, other than the majority leader, the gentleman from Texas, and perhaps a few other Members. I wonder also what answer the gentleman is going to give to his constituents when he has to admit that he had a chance to lower the tax burden on his people by lowering their rates and did not do so? What is he going to answer when his people say, "My taxes went up this year by $400. Why did Congress allow it to happen?"

Mr. ULLMAN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, let me say to my colleagues that my friend, the gentleman from New York (Mr. CONABLE), who is the ranking minority member of the committee, is a very sincere and responsible Member of this House. But let me also say that there is no "free lunch," and that figures can prove almost anything. I would say to those Members who are saying that in the present economic circumstances we can pick up as much in revenue as we lose in cutting taxes that they just simply are not facing up to economic realities. Let me tell the Members that when they vote on this matter, they would be far wiser to assume that every dollar of tax reduction is another dollar of deficit.

That is exactly how the folks back home are going to interpret such action, and that is pretty close to the truth. So do not vote under the happy illusion that somehow there is going to be a feedback that is going to cover your tracks, because that is not going to happen.

Let me say, also, that those people who look back to 1964 that it really was the Johnson cut. I lived through those years. President Kennedy, before he died, could not get it passed. Under President Johnson, we were able to get it through. I supported it. Under those circumstances, where there had been a long period of economic stagnation, a lot of unused capacity, and the Nation was not moving, it was desirable at that time. But you have a totally different picture now. You have a Nation that just is coming out of double digit inflation, a Nation that is moving very aggressively. About as fast as I would want it to move, because the greatest danger in our economy today is a return to an inflationary cycle, a cyclical reaction and another recession like we had in 1974 and 1975, could occur. It happened in 1969 and 1970 before that. We must get back to economic stability. We are not going to get back to economic stability by passing a huge tax reduction on some kind of false assumption that we are going to get it all back, because it is not going to happen.

Let me say that where I come out. We have heard things and we have had the best economists testify before our committee. In my judgment, what this Nation needs today is about a $15 billion tax reduction. A net reduction in deficit of $15 billion less than the President advocates, because that is about where it would be. If you put that vote to the floor of this House and they fully understood the situation, I think that is where the House would come out. I am not going to offer that amendment, but I would like to see it here because I think that is where economically we are. The chairman of the committee did recommend a cut, and I would commend him for urging that.

Mr. GIAIMO. Mr. Chairman, will the gentleman yield?

Mr. ULLMAN. I yield to the gentleman from Connecticut.

Mr. GIAIMO. I thank the gentleman for yielding, and I want to commend the gentleman from Oregon (Mr. ULLMAN) for making a very worthwhile and necessary statement here today. I think that, given today's high budget deficit and the very real threat of inflation, it would be the height of folly to further increase tax reductions, as attractive and as palatable as they might appear to some of our constituents.

I do not think, however, that our constituents will thank us if we contribute more to the Federal deficit, and I suspect that is what would happen if we had a larger tax cut.

Mr. Chairman, as the gentleman knows, the President of the United States, back in December, recommended a $25 billion tax cut. The gentleman from Oregon and I, since then, have been very much concerned about the size of that tax cut. We have felt that the size should be less. The budget committee recommended reducing the tax cut to $19.4 billion.

I welcome the suggestions of the chairman of the Committee on Ways and Means, who thinks that the tax cut ought to be further reduced to somewhere in the neighborhood of $15 billion. I hope that in the ensuing weeks the gentleman's committee will report out that type of a tax reduction.

The CHAIRMAN. The time of the gentleman from Oregon (Mr. ULLMAN) has expired.

(On request of Mr. GIAIMO and by unanimous consent, Mr. ULLMAN was allowed to proceed for 2 additional minutes.)

Mr. GIAIMO. If the gentleman will yield further, I believe that the single most important thing that this Congress can contribute to the health of the economy this year is to reduce the Federal deficit. And with the threat of inflation, this is not the time to be having a larger tax cut, further feeding the flames of inflation and practically forcing the monetary authorities of this country and the Federal Reserve to have to tighten up on the money supply which could come about as a result of additional tax cuts.

I again thank the gentleman from Oregon (Mr. ULLMAN).

Mr. ULLMAN. I thank the gentleman for his remarks.

Mr. Chairman, let me remind the Members of this Congress that the issue out there is inflation. We are on the thin margin now of runaway inflation. Any additional stimulus may very well trigger it. When we go to the money market, another $20 billion of deficit or another $10 billion of deficit will mean that the Government will be in the money market where a crunch is already developing.

Mr. Chairman, I urge my colleagues to use good common sense and not to buy any kind of vote mathematics. Vote against this amendment.

Mr. MINETA. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the amendment of the gentleman from New York.

This perennial effort to reduce taxes this year would increase the deficit well over $60 billion. Because even if this amendment is accepted, the membership of this body would not reduce spending by a similar amount. Thus, accepting this amendment would mean accepting a deficit of intolerable size.

One of the arguments offered in support of this tax reduction is that economic activity will be increased and generate more tax revenues. However, I am afraid proponents of this amendment are overestimating this potential feedback. Most economists, most fiscal experts indicate that the best we can count on is revenue feedback of 25 or 30 percent. Thus this amendment really will be adding to the deficit more than its proponents are predicting.

Another consequence is that we would be abdicating further control to the Fed in voting for this reduction. The only policy standing in the way of double-digit inflation if we were to adopt this amendment would be a terribly restrictive monetary policy. In the end, we would do harm to the very ones we set out to help: Middle-class homeowners, business investors, and as always, those on fixed income. Interest rates could go nowhere but higher.

Believe me considerable thought and, yes, agonizing has gone into the question of the ideal size of the spending and tax package you have before you. It is not easy to fly in the face of the President and his tax package. It is never easy to resist pressure to vote for more tax reduction. But being a member of the Budget Committee is never easy. The tax package we have offered you is the result of our efforts to come up with a stimulus without exacerbating inflation. (Even so we manage to come up with twice as much social security tax relief than the amendment before you in a way which targets relief to the middle incomes and lower incomes where it is needed the most.) A delicate distinction perhaps and men of good will might honestly quibble over a few million either side. But when you vote to add $7 billion to the deficit, you're talking about a major disagreement. This is a classic case of being "too much of a good thing."

Mr. Chairman, I respect the gentleman from New York, and thank him for the constructive role he plays in the budget process. However, in this instance I must oppose this amendment. I ask all my colleagues to scrutinize this politically appealing tax cut. I am sure you will agree that its impact on the careful balance of interests represented by the committee's recommendations are the prudent course to adopt.

We are suggesting a revenue floor of $443 billion. Compared to current law that is a $28.4 billion tax cut. That will mean substantial tax relief to overburdened taxpayers, and sufficient stimulus to the economy to insure the continuation of the current recovery.

The $28.4 billion cut is comprised of two major components:

First. An extension of the 1977 temporary tax cuts—$9 billion for fiscal 1979, and

Second. Additional reductions in income and social security taxes of $19.4 billion.

While the precise shape of the tax cut will be determined by actions we take later this summer, the figures suggested by the Budget Committee will provide excellent guidelines and deserve widespread support among all of my colleagues.

Mr. FINDLEY. Mr. Chairman, I move to strike the requisite number of words.

I do so, Mr. Chairman, for two purposes; first of all, to say just a word about the debate that I have listened to with great interest and appreciation for the last hour.

About 10 years ago I began scurrying around among my colleagues trying to stir up interest in a budget control process. What we have today, I am sure, is not perfect. It does not have the teeth in it that I had hoped the budget control process would have. Perhaps the teeth will be added in later years. One of my dreams also was that it would cause this body, at least once in a while, to sit down together and talk seriously about the fundamental facets of the total Federal budget—revenues, spending, all categories—face up in one package the total budget picture.

I have been gratified to hear members of this committee talk here today about these very fundamentals. I think it represents a great step forward in our management of fiscal policy of the Nation. So, I congratulate the leaders of the Budget Committee and all others who have made possible what I think is a very excellent debate.

Second, I want to say—and there are, I suppose, some who will regard it as heresy, and before I say it I begin to wonder if I belong in the mugwump party, the Locofoco party, the barn burners, the Know-Nothings, or whatever—but I am in that rather select group that did not vote several years ago for the tax cut of $9 billion which we seek to extend as one of the noncontroversial items today.

It seemed to me when this proposal was before this body that, as we were then in an annual deficit position of $50 billion to $60 billion, I could not understand how we could justify a tax cut with another enormous deficit in prospect.

Now, I am astonished to hear almost every member of this committee talking, not whether we ought to have higher taxes in order to cover the spending, but whether we ought to have a higher level of tax cuts. I understand the gentleman from Ohio (Mr. VANIK) has recommended that we simply extend the $9 billion tax cut that would expire this coming year. I am all for him, but does that really go far enough? Why should we ever extend that cut?

I was interested to hear the argument of the majority leader, the gentleman from Texas (Mr. WRIGHT), arguing against the Conable amendment because the extra tax cut proposes would surely increase the deficit. Others have made the same argument. We cannot have it both ways. If we are going to create

deficit by means of the Conable amendment, surely the tax cut in the resolution recommended by the Budget Committee is going to contribute to deficit also. As I understand the facts, the Budget Committee is recommending a $19 billion tax cut on top of the extension of the $9 billion tax cut, or a $28 billion tax cut in all.

Now, if the majority leader views with such fright the prospect of the additional tax cut recommended by Mr. CONABLE, how can he possibly view the recommendation of the Budget Committee with confidence? He cannot have it both ways. If we are afraid of an additional tax cut out of concern for higher deficit, then we ought to turn away from the tax cut recommended by the Budget Committee. We should reject tax cuts at all levels. We should either raise taxes or cut spending, or both.

Mr. LEVITAS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I believe that the approach taken by the Kemp-Roth bill for reducing taxes as a means of stimulating the economy and fighting both unemployment and inflation at the same time through private sector investment is a proper approach, and it was in part for that reason that I supported what I considered to be an excellent substitute offered by the gentlewoman from Maryland, Congresswoman HOLT, which took into account that type of approach, but it did something else. It also resulted in a corresponding reduction of spending.

I think it is simple arithmetic which most people understand that in a single year we cannot reduce revenue without reducing spending and do anything other than increase the deficit.

I keep hearing more and more from people in all walks of life that the national debt and the growing deficits each year are one of the major problems that create this terrible situation of inflation that we have today. Inflation is our most serious economic problem and all we are doing with Federal deficits is buying fur coats today and charging them to our grandchildren. We have got to stop that trend. We have got to begin to balance the budget.

I am here today presented with an amendment by Mr. CONABLE, which reads—and the actual words are there that I am being asked to vote for and say this:

In the matter relating to the amount of the deficit increase the amount by $3,179,000,000;

In the matter relating to the appropriate level of the public debt increase the amount by $3,179,000,000;

In the matter relating to the amount by which the statutory limit on the public debt should accordingly be increased, increase the amount by $3,179,000,000.

I just find it very difficult, in seeking to reduce deficits and have a balanced budget, to be asked to vote for an amendment that directly says I am going to increase the deficit.

If we can cut the spending levels so that this proposal will not increase the current deficit I would support it. I would support it because I believe the Kemp-Roth bill, which I cosponsor and which embodies President Kennedy's successful concept at economic stimulus through a tax cut and private-sector investment, is a proper approach.

However, such an approach is not acceptable without a reduction in spending in order to avoid any further increase in the deficit and national debt.

Mr. CONABLE. Mr. Chairman, will the gentleman yield?

Mr. LEVITAS. I yield to the gentleman from New York.

Mr. CONABLE. Mr. Chairman, I quite agree it would have been far preferable for us to have adopted the Holt amendment which had built into it a reduction of expenditures as well as a reduction in revenue. However, it was not adopted, and we are forced into the position where we must try to pass the individual elements of the Holt amendment separately.

The CHAIRMAN. The time of the gentleman from Georgia (Mr. LEVITAS) has expired.

(By unanimous consent, Mr. LEVITAS was allowed to proceed for 1 additional minute.)

Mr. CONABLE. Mr. Chairman, if the gentleman will yield further, under the rules of this body, if we are going to adjust the revenue side by itself, which admittedly is not the best way to do it, we have to adjust the figures also in the aggregates that are affected by that adjustment.

Let me say to the gentleman we are only part way through the process. I am sure he has other items where he expects to accept some cuts similar to those listed in the Holt amendment. There are at least five expenditure adjustments which have a very good chance of acceptance and which would offset this revenue cut. Even after additional expenditure cuts we would need a similar amendment to the one that disturbs the gentleman so much, because we would consider each action by itself rather than as if joined in an aggregate amendment. But the gentleman is not voting for a larger deficit unless he expects everything else to stand just the way it is now. I could have avoided writing the amendment the way it is only by assuming a bigger rate of inflation, or by cutting less. The former would be dishonest and the latter would not be a net tax reduction considering the growth of the tax burden for other reasons.

Mr. STEIGER. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I suspect that if historians look back at the debate we have had today, they will not quite understand it. The world has turned upside down and it is a fascinating thing.

The debate has been a very good debate. I commend those who have participated in it. And I think it is an important debate because perhaps more than any other single kind of issue what we are going to do when we vote on the Conable amendment and those amendments that follow is we are attempting to try to portray for ourselves and our constituents our own vision in terms of where we go in this country.

That is one of the weaknesses that we have at the moment. It is difficult if not impossible for the Congress ever to have any kind of a real vision. The President can articulate a vision. This one does not have the ability, so far at least, to give us what his vision is. But the Conable amendment is the right amendment—and that is spelled r-i-g-h-t, and is not to be confused with the majority leader—it is right because it lays the foundation for what our vision is.

It is a vision that says to the American people that what we believe is that they suffer too high a tax burden and that ought to be removed from them, so that we can help to impose some discipline on this institution by virtue of having less revenue coming in by virtue of the tax cut. But it is also important, it seems to me, in terms of attempting for us to understand the kind of change that is taking place within the American political system.

As I listened with great interest and great care to my distinguished friend and colleague, the gentleman from Ohio, CHARLIE VANIK, I thought, my heavens, it is Herbert Hoover, reincarnated, a little more vigorous, and in living color and not on radio. But the argument of the gentleman from Ohio (Mr. VANIK) is that you have to be so profoundly concerned about the level of revenue that comes into the Government, and consequently the deficit, that he is apparently willing to have the Government be the beneficiary of the policies that we adopt and that those who pay for the Government, our constituents, ought not to be the beneficiaries of the decisions that we make.

That is a reverse of what I had always perceived to be the case.

So here we are in the amendment process. What the gentleman from New York BARBER CONABLE has given us, and I am saying this with all due respect to those who are worried about what it does to the deficit and what it does to stability, let me say that they have forgotten that we are only part way through this amendment process, there will be other amendments introduced and the Members will have an opportunity to vote on, and they will have the opportunity to think that by rejecting the Holt amendment we have lost the chance to deal with, not just in terms of spending, but in terms of tax reductions, and therefore we are having to go through this process step by step.

I hope they will not be so confused by the process that they lose sight of the goal because the goal is an important one and the debate is an important one.

I urge my colleagues to vote for the amendment offered by the gentleman from New York (Mr. CONABLE).

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. STEIGER. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, I believe that what is forgotten in this discussion is the fact that the Carter administration has had a so-called shortfall in the money appropriated in 1978 of almost $12 billion. The issue my colleague raised here, and was so concerned about, was that this would be an add-on of $3 billion. Let me say that

given this fact, it is entirely possible that the so-called $3 billion add-on will never occur.

Mr. STEIGER. I thank my colleague and I concur with the gentleman.

Mr. LAGOMARSINO. Mr. Chairman, will the gentleman yield?

Mr. STEIGER. I yield to the gentleman for California.

Mr. LAGOMARSINO. Mr. Chairman, I thank the gentleman from Wisconsin (Mr. STEIGER) for yielding to me and I would like to associate myself with the remarks of that gentleman.

I would also like to point out one additional thing.

I think that there is one very basic thing to this whole issue and that is who is going to spend the peoples' money? Who is going to make the decision on how the peoples' money is going to be spent. I think we often overlook that. We overlook the fact that this is money that comes out of the pockets of the taxpayers. I think they are perfectly able to make those decisions far better in a lot of cases than we are here.

Mr. Chairman, I rise in opposition to House Concurrent Resolution 599, setting targets for the 1979 budget. I do so for two reasons. First, the figures in this resolution reflect a sad misconception regarding the role of government in our society. Second, I am voting against the resolution in protest against the failure of this House to address the issue of tax indexing.

For starters, Mr. Chairman, I would think the members of the Budget Committee, my esteemed colleagues across the aisle, would be ashamed to put their names to this document. For the third consecutive year, we are looking at a budget which proposes to spend approximately $1 billion a week more than we have, I pose the obvious question: How long can we keep doing this?

The obvious reply is, not much longer. For proof, we have only to look at the bottom line of this document, the one which says we will raise the national debt from the $775.4 billion set in the last budget resolution, to $856.3 billion in this one. To service this debt, we will have to pay $47 billion in interest next year, an amount which is higher than all but 3 of the 19 functional categories in the budget.

The public debt increase, incidentally, is revealing. Although the resolution calls for a deficit of "only" $58.1 billion, the debt goes up by $80.9 billion. This discrepancy indicates the extent of the "off-budget" outlays not included in the budget totals. In fact, when you consider all the fiscal year 1979 outlays, you came up with a potential deficit approaching $100 billion. So not only are we spending far more than we have, but we are concealing the extent of our mismanagement in this document.

What is the effect of such unbridled deficit financing? Well the most immediate effect is to cause interest rates to go up. That in turn causes inflation. The Federal Government in fact has become the biggest borrower in the market, and is drying up private capital to the point that an estimated $30 billion of U.S. Government securities—half of all Federal borrowing—are being purchased by foreign lenders. In other words, we are mortgaging our country's future to foreign interests, in the process reducing our own economic independence.

Inflation, Mr. Chairman, is the No. 1 problem now facing the Nation. Our President has told us so. But he has not told us the cause of that problem, which is the Government's own fiscal policies. Since President Carter has taken office, inflation has risen from 4.8 percent in 1976 to 7 percent in 1978; and according to the latest figures, it is now bumping up against a 10-percent annual rate. Yet this budget includes another $2 billion in pork barrel projects for State and local governments under last year's public jobs program. This at a time when State and local governments nationwide are sitting on a $30 billion surplus.

No wonder we are facing a taxpayer's revolt in California and in other places.

What is the solution? Well, Mr. Chairman, I suggest one thing we can do is take another look at the Republican alternative, proposed by the gentlewoman from Maryland (Mrs. HOLT). Our proposal calls for $488 billion in outlays, as opposed to the $501 billion proposed in the majority resolution. Concurrently, we propose cutting the deficit to $48 billion. These changes, modest enough in themselves, will help reduce the pressure of inflation and start us back on the road to a balanced budget. In order to prevent adverse effects on the economy, we propose to provide a tax cut of $29.7 billion, consisting of a $25 billion cut in income taxes, a $3.2 billion reduction in social security taxes, $1 billion for a tax credit to offset college and other tuition costs, and $500 million in miscellaneous reductions.

This money would be left in the pockets of the taxpayers, giving them the choice of how to spend it or save it. Either way, it would stimulate the economy, help keep interest rates down, it would stimulate the economy, help keep interest rates down, and make capital available for the creation of new jobs in the private sector.

The second thing we could do would be to index the tax tables, so that future increases in inflation would not result in higher effective taxes. Under the current system, the Government has an obvious incentive to promote, rather than halt, inflation, because inflation drives taxpayers into higher tax brackets. The buying power of the consumer does not go up, but his taxes do. Indexing, Mr. Chairman, would end the automatic windfall which the Government reaps everytime the cost of living goes up.

In conclusion, the measure before us today is both inflationary and deceptive, promising more than it will ever deliver, and leading us down the road to eventual bankruptcy. I urge my colleagues to reject this measure, and show the public they are serious about reducing the cost of government and the rate of inflation.

Mr. LEGGETT. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, the amendment here today is a worthy subject to be considered. I think we have heard some logic that seems to justify it. But it seems to me that tax cuts are very much like business sales. We each must give our best judgment as to whether we ought to have a sale. We know very well that in the Kennedy and Johnson years we did have some very propitious times when in fact we did work this miracle where we in fact reduced our taxes and produced this phenomenon of increased revenues in the system. We had not experienced prior tax cuts. The Eisenhower years did not have this particular phenomenon—no tax cuts were effected in the fifties.

But I think we have got to keep in mind that we are not back in the Kennedy-Johnson years. We are here now in 1978 programing for 1979. We awakened the minority party back in 1974 when they were fighting inflation, and we determined that in fact the country was in a recession. We finally got Mr. Simon and some of the advisers, and the President, turned around, and so we did stimulate the economy in 1975 by reducing taxes by $10.2 billion. The next year we were not satisfied with that, and so we continued that tax reduction and reduced taxes by $16.7 billion in 1976. In the tax quarter we reduced taxes by $3.6 billion. The next year 1977 we reduced taxes by $18.5 billion. In the current year 1978 we reduced taxes by $28.2 billion, and in 1979 we project another $28-plus billion reduction under our existing budget resolution. So things are not as they were back in the docile 1960's.

We have got considerable new phenomena that are taking place, and we cannot have a sale every week. We can pick out a time sometimes and reduce our price and build up our sales volume, and in fact get rid of a lot of dead inventory, and make some dough. But we cannot have a sale every single year. What we have done is we have had a sale in 1975, a sale in 1976, a sale in 1977, a sale in 1978, and we are projecting a sale in 1979. I do not think we need to add a sale to a sale to a sale and get the magic that the minority expects to happen. I can be wrong, but that is my political and business judgment. I think that the amendment should be defeated.

Mr. KEMP. Mr. Chairman, will the gentleman yield?

Mr. LEGGETT. I yield to the gentleman from New York.

Mr. KEMP. I thank the gentleman for yielding.

I think the gentleman has made a very fine statement in talking about this issue in terms of a business lowering its price in order to expand its volume. What we are arguing is that all tax cuts are not created equally, that just cutting taxes to throw money out into the economy to stimulate consumption is not our goal. That would be in effect an increase in progressivity and thus lead to "taxflation." What we are attempting to do, and I know it is with the support of many of the Members on the majority side, is to expand the after-tax reward for working, saving, and investing. When the gentleman says things are different today, he is right: things are different today. For the first time since the breakdown of Bretton Woods and of the international

monetary system, we have got worldwide inflation operating on highly progressive income tax rates, thus "stagflation." As income goes up 10 percent, taxes in the United States go up 17 percent, so what results? Since 1965 real income has actually been dropping. As nominal incomes have gone up around 90 percent since 1965, taxes have gone up 145 percent since 1965. This destroys initiative and incentive. The point that we are trying to make is we are not trying to increase the progressivity of the Tax Code, as President Carter wants, we are trying to reduce it and thus encourage economic expansion, as the gentleman suggested happens when businesses lower their prices.

Mr. LEGGETT. I am proud of the creativeness on the minority side, and I hope you keep it up. I just think that this is the wrong time to exacerbate the American budget deficit. I think the benefits the gentleman anticipates are not going to accrue in the next fiscal year.

The CHAIRMAN. The time of the gentleman has expired.

PARLIAMENTARY INQUIRY

Mr. LEVITAS. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman from Georgia will state his parliamentary inquiry.

Mr. LEVITAS. Mr. Chairman, my parliamentary inquiry is this: Under the rules would it be in order, assuming the Conable amendment is not agreed to, for a similar amendment with different figures to be offered at a later time in the consideration of the bill, after some cuts have been made in spending areas?

The CHAIRMAN. The Chair would advise the gentleman from Georgia (Mr. LEVITAS) that a similar amendment carrying a different amount would be in order if amendments to those figures have not been agreed to.

Mr. ALLEN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I have listened with great care to this debate. It seems to me that much of the debate has been about an amendment that does not exist. There is no amendment before us for our consideration to reduce the rates, the rate of taxation, which would in turn generate business and create more revenue for the Federal Government.

The fact is this amendment assumes a result. It assumes a result that in the matter relating to the amount by which the aggregate level of Federal revenues should be decreased in the amount of $10,300 million.

Now, what this amendment says is not how we are going to decrease the deficit by that amount, but it does say this is what we are going to do. We have been arguing here as though we are talking about a specific change in the revenue code that would reduce the rates that in turn would stimulate business and business investment and as a result would yield more revenue.

Well, if you would yield more revenue, then this whole amendment is misworded, because this amendment says that in the matter relating to the recommended level of Federal revenues, decrease the amount by $3,179 million. That is not increasing it. That is not proposing any adjustment in tax rates which would decrease it; so it looks to me that we have been debating here much ado about nothing.

The only positive approach that has been made at all about what to do has been by the gentleman from Ohio (Mr. VANIK) and the gentleman from Texas (Mr. PICKLE), who have a positive approach which they say they would like to take; that is, to take the cuts in tax rates that were approved last year and extend them for this year and stop right there.

Now, that is what they said. You can take those figures that the statisticians and economists project, ask them what the end would be; but you cannot take this amendment and project what anything would be other than by the author's own statement, it would reduce or decrease the level of revenue by $3,175 million and would decrease the aggregate amount by $10,300 million.

Mr. CONABLE. Mr. Chairman, will the gentleman yield?

Mr. ALLEN. I yield to the gentleman from New York.

Mr. CONABLE. Mr. Chairman, there is a good deal of truth in what the gentleman is saying; but, of course, how else can we get across the idea of what we want in the blueprint of Government than to list this amendment the way it has been listed under the rules of the House.

I think the effect may be quite different. Of course, the whole form of the amendment is based on certain assumptions as to the size of the inflation rate and the state of the economy and, thus, there are many variables that cannot be expressed. Yet, I think that the idea is clear that we want an additional tax cut of that dimension.

We all have our own ideas of what the impact would be on our final aggregates. For instance, the impact on deficit of my amendment would be greater if we had not also assumed a more realistic inflation rate of 7 percent, in comparison to the 6 percent rate assumed by the Budget Committee.

Mr. ALLEN. Mr. Chairman, if the distinguished gentleman from New York had been in the well arguing that if we would adjust the income tax rate or the capital gains rate in a certain way, that while on paper it would look like we would be giving the taxpayers a $10,300 million tax break or cut, as a matter of fact, it would actually increase revenue.

Mr. CONABLE. We are not arguing that issue. That is up to the Committee on Ways and Means.

Mr. ALLEN. Nevertheless we have been arguing that issue now for about 2 hours.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. CONABLE).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. CONABLE. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 163, noes 239, not voting 32, as follows:

[Roll No. 277]

AYES—163

Abdnor	Forsythe	Murphy, Pa.
Anderson, Ill.	Frenzel	Myers, Gary
Andrews, N. Dak.	Gibbons	Myers, John
Archer	Gilman	Nowak
Armstrong	Goldwater	O'Brien
Ashbrook	Goodling	Oakar
Badham	Gradison	Pettis
Baldus	Grassley	Pressler
Bauman	Green	Pritchard
Beard, Tenn.	Guyer	Pursell
Boggs	Hagedorn	Quayle
Bowen	Hall	Quie
Breaux	Hammer-schmidt	Quillen
Broomfield	Hansen	Railsback
Brown, Mich.	Harsha	Regula
Brown, Ohio	Heckler	Rhodes
Broyhill	Hillis	Rinaldo
Buchanan	Hollenbeck	Risenhoover
Burgener	Holt	Robinson
Burke, Fla.	Horton	Rousselot
Burke, Mass.	Huckaby	Rudd
Burton, John	Hyde	Ruppe
Butler	Johnson, Colo.	Russo
Caputo	Kelly	Sarasin
Carter	Kemp	Satterfield
Cederberg	Ketchum	Sawyer
Chappell	Kindness	Schulze
Clausen, Don H.	LaFalce	Sebelius
Cleveland	Lagomarsino	Shuster
Cohen	Latta	Smith, Nebr.
Coleman	Leach	Spence
Collins, Tex.	Lent	Stangeland
Conable	Livingston	Stanton
Conte	Lott	Steers
Corcoran	Lujan	Steiger
Coughlin	Luken	Stockman
Crane	McClory	Symms
Cunningham	McCloskey	Taylor
Daniel, Dan	McDade	Treen
Daniel, R. W.	McDonald	Trible
Derwinski	McEwen	Vander Jagt
Devine	McKinney	Waggonner
Dickinson	Madigan	Walker
Dornan	Marks	Walsh
Duncan, Tenn.	Marlenee	Wampler
Edwards, Ala.	Marriott	Whitehurst
Edwards, Okla.	Martin	Wiggins
Emery	Mathis	Wilson, Bob
Erlenborn	Michel	Winn
Evans, Del.	Miller, Ohio	Wydler
Evans, Ga.	Mitchell, N.Y.	Wylie
Evans, Ind.	Montgomery	Young, Alaska
Fenwick	Moore	Young, Fla.
Fish	Moorhead, Calif.	
Flynt	Mottl	

NOES—239

Addabbo	Byron	Fisher
Akaka	Carney	Fithian
Alexander	Carr	Flippo
Allen	Cavanaugh	Flood
Ambro	Chisholm	Florio
Ammerman	Clay	Flowers
Anderson, Calif.	Collins, Ill.	Foley
Annunzio	Corman	Ford, Mich.
Applegate	Cornell	Ford, Tenn.
Ashley	Cornwell	Fountain
Aspin	Cotter	Fowler
AuCoin	D'Amours	Fraser
Barnard	Danielson	Fuqua
Baucus	Davis	Garcia
Beard, R.I.	de la Garza	Gaydos
Bedell	Delaney	Gephardt
Bellenson	Dellums	Giaimo
Benjamin	Dent	Ginn
Bennett	Derrick	Glickman
Bevill	Dicks	Gonzalez
Biaggi	Dingell	Gore
Blanchard	Dodd	Gudger
Blouin	Downey	Hamilton
Boland	Drinan	Hanley
Bolling	Duncan, Oreg.	Hannaford
Bonior	Early	Harkin
Brademas	Eckhardt	Harrington
Breckinridge	Edgar	Harris
Brinkley	Edwards, Calif.	Hefner
Brodhead	Eilberg	Heftel
Brooks	English	Hightower
Brown, Calif.	Ertel	Holland
Burleson, Tex.	Evans, Colo.	Holtzman
Burlison, Mo.	Fary	Howard
Burton, Phillip	Fascell	Hubbard
	Findley	Hughes

Ichord	Moakley	Scheuer
Ireland	Moffett	Schroeder
Jacobs	Mollohan	Selberling
Jenkins	Moorhead, Pa.	Sharp
Jenrette	Moss	Shipley
Johnson, Calif.	Murphy, Ill.	Sikes
Jones, N.C.	Murphy, N.Y.	Simon
Jones, Okla.	Murtha	Skelton
Jones, Tenn.	Myers, Michael	Slack
Jordan	Natcher	Smith, Iowa
Kastenmeier	Nedzi	Snyder
Keys	Nichols	Solarz
Kildee	Nolan	Spellman
Kostmayer	Oberstar	St Germain
Krebs	Obey	Staggers
Krueger	Ottinger	Stark
Le Fante	Panetta	Steed
Lederer	Patten	Stokes
Leggett	Patterson	Stratton
Lehman	Pattison	Studds
Levitas	Pease	Stump
Lloyd, Calif.	Pepper	Teague
Lloyd, Tenn.	Perkins	Thompson
Long, La.	Pickle	Traxler
Long, Md.	Pike	Tsongas
Lundine	Poage	Ullman
McCormack	Preyer	Vanik
McFall	Price	Vento
McHugh	Rahall	Volkmer
McKay	Rangel	Walgren
Maguire	Reuss	Watkins
Mahon	Richmond	Waxman
Markey	Roberts	Weiss
Mattox	Rodino	Whalen
Mazzoli	Roe	Whitten
Meeds	Rogers	Wilson, Tex.
Metcalfe	Roncalio	Wolff
Meyner	Rooney	Wright
Mikulski	Rose	Yates
Milford	Rosenthal	Yatron
Miller, Calif.	Rostenkowski	Young, Mo.
Mineta	Roybal	Young, Tex.
Minish	Ryan	Zablocki
Mitchell, Md.	Santini	Zeferetti

NOT VOTING—32

Andrews, N.C.	Hawkins	Thone
Bafalis	Jeffords	Thornton
Bingham	Kasten	Tucker
Bonker	Kazen	Udall
Burke, Calif.	Mann	Van Deerlin
Clawson, Del	Mikva	Weaver
Cochran	Neal	White
Conyers	Nix	Whitley
Diggs	Runnels	Wilson, C. H.
Frey	Sisk	Wirth
Gammage	Skubitz	

The Clerk announced the following pairs:

On this vote:

Mr. White for, with Mrs. Burke of California against.

Mr. Runnels for, with Mr. Mikva against.

Mr. Bafalis for, with Mr. Wirth against.

Mr. Jeffords for, with Mr. Hawkins against.

Mr. Kasten for, with Mr. Whitley against.

Mr. Del Clawson for, with Mr. Bingham against.

Mr. Thone for, with Mr. Nix against.

Mr. Skubitz for, with Mr. Sisk against.

Mr. Frey for, with Mr. Conyers against.

Mr. Cochran of Mississippi for, with Mr. Diggs against.

Mr. CHAPPELL changed his vote from "no" to "aye."

Mr. GONZALEZ changed his vote from "aye" to "no."

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. ROBERTS

Mr. ROBERTS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ROBERTS: Page 4, line 8, strike out "$20,711,000,000" and insert in lieu thereof "$21,730,000,000".

Page 4, line 9, strike out "$20,471,000,000" and insert in lieu thereof "$21,315,000,000".

Conform the aggregate amounts in the first section of the resolution.

Mr. ROBERTS. Mr. Chairman, my amendment would increase budget authority for veterans' benefits and services by one billion and 19 million dollars and would increase outlays by $844 million. If we are to provide nothing more than cost-of-living rate increases for veterans with service-connected disabilities to offset inflation, adopt H.R. 10173, a major pension reform bill already ordered reported by the Committee on Veterans' Affairs, and continue to provide quality medical and hospital care for veterans, we must adopt my amendment.

Let me briefly explain the problems we face if the amendment is not adopted. If we are going to solve once and for all the problem of a reduction in pension benefits every time social security benefits are increased, we must adopt H.R. 10173, the pension reform bill ordered reported by our committee. If we are going to pay pension rates at a level that will allow every pensioner to have a standard of living above the poverty level, it is essential that this bill become law. If we are going to provide some additional help for our World War I veterans, we must provide the funds to do so.

The pension reform measure we have ordered reported addresses all of these issues. The Members of the House have expressed strong support for this measure, and if enacted, the bill would cost about $853 million during the next fiscal year.

Mr. Chairman, our primary obligation is to our service-connected disabled veterans. A 6.5 percent cost-of-living rate increase for those now drawing benefits would cost about $324 million during the next year.

If we make minimum adjustments in the GI education and training program so that unemployed Vietnam veterans can get a job, we estimate it will cost some $116 million.

A 6-percent cost-of-living increase in dependency and indemnity compensation benefits for dependent parents will cost another $4 million.

The Committee has also ordered reported several bills that would provide additional benefits for severely disabled service-connected veterans totaling some $111 million.

We have also reported a bill to improve the veterans' housing program that would cost about $4 million, and a bill that would increase the burial allowance from $250 to $350.

These measures, all already ordered reported by our committee, would cost more than $1 billion and $400 million during the next fiscal year.

Finally, Mr. Chairman, my amendment would provide for an additional $287 million in budget authority and $112 million in outlays for ongoing hospital and medical care programs. With the $50 million increase already provided by the Budget Committee, this would allow for increases of $129 million for medical care, $18 million for research, $180 million for construction of medical facilities and $10 million for grants for construction of State extended care facilities above the President's proposed budget.

I do not want to mislead any Member, Mr. Chairman. Even if my amendment is adopted, we will be unable to provide full cost-of-living increases for all beneficiaries. Neither will we be able to recommend to the House other legislative initiatives the Committee on Veterans' Affairs recommended to the Committee on the Budget. My amendment is a compromise from the recommendations we made to the Budget Committee. If the amendment is adopted, it would allow us to provide cost-of-living increases to most veterans drawing benefits from the Veterans' Administration. It would allow us to adopt a meaningful pension reform bill, and it would allow us to provide a few much needed medical initiatives and maintain an adequate level of medical care which all of our veterans deserve.

If we want to do these things, we must adopt my amendment. I hope all Members will join me in this effort.

The CHAIRMAN. The time of the gentleman from Texas (Mr. ROBERTS) has expired.

(On request of Mr. SIKES, and by unanimous consent, Mr. ROBERTS was allowed to proceed for 5 additional minutes.)

Mr. SIKES. Mr. Chairman, will the gentleman yield?

Mr. ROBERTS. I yield to the gentleman from Florida.

Mr. SIKES. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I state with all sincerity that I am convinced that no Member of the Congress is doing more than is the gentleman from Texas (Mr. ROBERTS), to insure that American veterans and their families are getting the kind of treatment, the proper treatment, the square deal, that this Congress and the Nation would want them to have. I congratulate the gentleman on what he is doing. I sincerely hope his amendment will be accepted by the committee.

To deny veterans the standards which the Congress has approved, standards which today's conditions and costs obviously require, would mean a refusal to recognize an obligation long inherent in our Nation to those who have worn the uniform and accepted the risks of military service.

Mr. PEPPER. Mr. Chairman, will the gentleman yield?

Mr. ROBERTS. I yield to the gentleman from Florida.

Mr. PEPPER. Mr. Chairman, I wish to associate myself with the remarks of our distinguished dean of our delegation from Florida (Mr. SIKES), who has just spoken in strong approbation of the amendment offered by the gentleman from Texas (Mr. ROBERTS).

Mr. HEFNER. Mr. Chairman, will the gentleman yield?

Mr. ROBERTS. I yield to the gentleman from North Carolina (Mr. HEFNER).

Mr. HEFNER. Mr. Chairman, I thank the gentleman for yielding. I would like to associate myself with the remarks of the gentleman from Texas (Mr. ROBERTS).

I strongly urge that the committee accept his amendment.

Mr. Chairman, the veterans of this Nation have a special claim on their Government, although most of them have never attempted to collect on it. They

answered the call to military duty without regard for their personal safety or the sacrifices that were required of them. They went where the service sent them and did what was required. Most of these veterans returned home quietly and took their places in civilian life without fanfare. They are our neighbors and friends. They are the bankers, farmers, and clergymen in our hometowns.

But many veterans were not so lucky. They returned from the service with impairments of mind, body or spirit that prevented their readjustment. They survive with the help of monthly VA pension and compensation payments, their widows and children are also assisted, although certainly not in proportion to what they have suffered by the loss of husbands and fathers by disability or death.

Thousands more veterans, Mr. Chairman, are being treated in Veterans' Administration hospitals. I am very proud of the VA hospitals in my State of North Carolina. I know them well. I have visited and held hearings in them. Within those hospitals veterans are given medical care second to none by a skilled and dedicated staff. They are treated with the dignity and compassion they deserve.

All 172 VA hospitals across the country and our system of veterans' benefits are a matter of pride for Americans, yet we are being asked by the administration to shut down the equivalent of six hospitals—3,132 beds; cut out 53 research programs; and stop $236.5 million in construction work on nursing homes, outpatient, and domiciliary care facilities. In my State alone that means a loss of 33 beds, salary reductions of nearly a quarter of a million dollars and a financial loss of $360,000. More important, though, is the loss of facilities to care for veterans and the sinking morale in the VA medical staff.

If this crippling budget is adopted, we will be sending a message to VA hospital staffs around the country that the commitment of Congress to veterans is on the wane.

Other consequences to veterans' benefits are just as serious. Veterans in my district are incensed because the meager veterans' pensions are cut every time there is an increase in social security. The Veterans' Affairs Committee developed an ingenious pension reform bill to prevent the recurrence of this situation and to raise pensioners above the poverty level. It is now before the House but, as matters stand, there are no funds in the budget to implement this important legislation. There are no funds to provide a cost-of-living increase to help disabled veterans cope with the rising cost of living. There are no funds in this budget to update the GI home loan program nor provide reasonable burial benefits although bills accomplishing all these worthwhile goals have been approved by the Veterans' Affairs Committee

Mr. Chairman, the veterans of my State and the Nation did not let us down when they were needed. They need us now, and I am not going to let them down. I salute the distinguished chairman of the Veterans' Affairs Committee, RAY ROBERTS of Texas, and compliment him for his strong leadership. His amendment to the first concurrent budget resolution will protect and preserve this system of benefits the American people have created for veterans. I support the Roberts amendment and I urge my colleagues to do the same.

Mr. EDWARDS of California. Mr. Chairman, will the gentleman yield?

Mr. ROBERTS. I am happy to yield to the gentleman from California (Mr. EDWARDS).

Mr. EDWARDS of California. Mr. Chairman, I thank the gentleman for yielding.

I have the great pleasure of being a member of the Committee on Veterans' Affairs and have been so for many, many years. Never have I had greater satisfaction and a sense of accomplishment than under the leadership of the gentleman from Texas (Mr. ROBERTS). I am really sincere in that, and I am not one that will automatically say that because the word "veteran" is mentioned that therefore we should appropriate billions of dollars. On a number of occasions I have voted against amendments that allegedly were for the benefit of veterans, but this time I thoroughly agree with my chairman that the additional money should be spent. It is a wise investment if we are not going to close down valuable hospital units all over the country, and that will be true if we do not authorize and appropriate this additional money.

While I believe that there are many areas of our budget where reductions should be made, I do not believe we can afford to cut back on the programs we offer to our veterans. On the contrary, I feel there is a real need for new initiatives to address some of the special problems of Vietnam-era veterans.

I have introduced legislation to provide for a special program of readjustment counseling for Vietnam-era veterans. Statistics show that this group of veterans suffers too high a rate of unemployment and underemployment. Too many of them have drug or alcohol addiction problems. They have a higher than average rate of divorce and domestic problems. In short, we have not provided them with adequate assistance in readjusting to civilian life and taking a productive role in society. My legislation would help to rectify this problem—but the budget resolution we have before us does not provide the funds for this type of initiative, nor does it allow us the resources to develop job assistance programs for veterans that will really work.

Also of great concern to me is the impact of this resolution on the quality of medical care available to veterans. The budget resolution would have the result of deactivating some 3,132 hospital beds throughout the country; 600 of these would be in my own State of California. Yet, my office often receives complaints from veterans who suffer long waits for medical attention, because of inadequate facilities and staffing. I am sure that most other Members receive the same type of complaint. Clearly, we cannot afford the reductions in facilities which the budget resolution would necessitate.

I am sure my colleagues would agree with me that we have a special obligation to meet the needs of veterans with service-connected disabilities and their dependents. The committee has already reported a bill to give them a 6.5-percent increase in their compensation payments to help meet the rising cost of living. It will cost $374 million that is not in the budget resolution. The committee has also reported a pension reform bill that will insure that veterans benefits will not be reduced when social security benefits are increased. This is something the Members of this body have repeatedly called for. However, the bill will require another $850 million that is not in this resolution.

We all know that RAY ROBERTS is a fiscal conservative. He would not be proposing his amendment today if he were not convinced that our veterans badly need these additional funds. I share his conviction, and commend him on his leadership. I urge my colleagues to join with me in supporting the amendment being offered by the chairman of the Veterans' Affairs Committee.

Mr. ROBERTS. Mr. Chairman, I thank my distinguished colleagues for their kind remarks. I hope that the amendment will be agreed to.

Mr. HAMMERSCHMIDT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the amendment offered by the distinguished chairman of the Committee on Veterans' Affairs, Mr. ROBERTS.

I share the concerns of the gentleman from Texas over the ultimate fate of the veterans' benefit program if we leave intact the targets imposed on expenditures for veterans' benefits and services by the Budget Committee in House Concurrent Resolution 559.

The $20.711 billion in budget authority and $20.471 billion in outlays for veterans' benefits and services seemingly represents a substantial increase over the President's budget request for veterans. As the chairman has correctly noted, however, much of the so-called increase merely represents the correction of errors in estimating the cost of direct benefit payments for the next fiscal year.

The spendable increase authorized by the budget resolution then, is limited to $708 million for new legislative initiatives and $50 million for hospital and medical care. Mr. Chairman, this amount is not even enough to underwrite the first-year cost of H.R. 10173, the veterans' pension reform measure which so many Members of this body have enthusiastically embraced in floor statements and letters and testimony before our committee.

Cost-of-living adjustments in compensation payments to the Nation's disabled veterans and the survivors of those who died in action—two groups who have traditionally received the highest priority consideration that a grateful nation through its elected representatives can afford—may be jeopardized by the failure to approve the Roberts amendment.

Needed increases in other direct benefit payments and adjustments in still other programs will be sacrificed, be-

cause of the restrictions imposed upon expenditures for new initiatives.

Equally important, Mr. Chairman, is the need to restore the shortfalls in funding for medical care, first evident in the President's budget and continued in the budget resolution. This budget if allowed to stand will require the closing of 3,132 Veterans' Administration hospital beds and the termination of medical and prosthetic research projects in 53 VA hospitals. "1984" draws ever closer, Mr. Chairman, and it shocks me to discover that this administration is subjecting the Congress to a blatant display of "double-think" that goes beyond the imagination of George Orwell who wrote the book.

The Veterans' Administration is trying to convince us that the way to treat more sick veterans is to reduce the number of beds in VA hospitals and cut out a portion of its medical research program.

They have marshaled facts and figures to prove their thesis, and by using their peculiar brand of logic, they probably can prove that by closing down all of the 172 Veterans' Administration hospitals, the entire veteran-population will thereby be rendered disease-free.

Mr. Chairman, I regret to say that some of our colleagues seem to have bought the administration's doublethink. The distinguished chairman of the Budget Committee in responding to my earlier letter seeking adequate funding for veterans medical care, in his letter of March 8 said:

> The ability to reduce beds in VA hospitals represents a success story for which the Congress and the Veterans Administration can justly take credit.

I wonder if the gentleman also wants to take credit for the hundreds of veterans with service-connected disabilities who are turned away from VA hospitals, because there is inadequate medical staff and space for them.

There are literally hundreds of letters from these veterans and their widows in the Veterans' Affairs Committee files. They are not as neat and reassuring as the cold statistics provided by the VA. They come from flesh and blood veterans and widows. Here are a couple of examples:

From a 100-percent disabled veteran living in Brownsville, Tex.:

> . . . the VA asks the patient to wait for some 48 hours before allowing him to come in. I realize they are crowded and their staffs are overworked, that they only have a limited amount of beds. I have been in VA hospitals on some occasions before but I try to avoid going to them. I only go when I just plain have to.

Another 100-percent disabled veteran from Long Beach, N.C.:

> I have been refused admission to VA hospitals for my service connected disability and had to go to private hospitals for treatment . . .

Mr. Chairman, I hope this very small sampling will give our colleagues a glimpse behind VA rhetoric and statistics. This is their "success story." Veterans in grievous pain from emergency conditions sitting untreated for hours in admitting rooms; veterans turned away as not requiring medical care who subsequently are admitted as medical emergencies in community hospitals. Hospitalized veterans suffering unnecessary pain and anguish for lack of night-time staffing.

All this is no revelation. Veterans organizations have been telling us this for years—but even more emphatically in recent weeks. The distinguished commander in chief of the Veterans of Foreign Wars, Dr. John Wasylik, said:

> The battle lines have been drawn between veterans and their not-so-grateful government. Next year's Veterans' Administration Budget is a stinging slap to the Nation's vet- ake immediate action . . . we can be as-

The American Legion's director of and those in need of medical help.
the National Legislative Commission, Mr. Mylio Kraja writes.

> The American Legion believes the future of the Veterans Administration has reached the crossroads of its existence. National Commander Robert Charles Smith said, we believe we see an alarming lack of commitment to medical care for veterans.

The well-known and highly regarded national commander of the Disabled American Veterans, Mr. Oliver Meadour committee and certainly not known

> If ever there was a time when all DAV for being free with the taxpayers' dolows, for 25 years the staff director of erans, particularly to the Vietnam veteran and DAV Auxiliary members should act in unison to protect the VA medical system from sweeping, insensitive budget slashes, that time is right now. If we don't

sured that the Administration and its lars, sounded this call to his troops:

> Office of Management and Budget will further encroach on the scope and quality of health care we have earned the right to expect.

Mr. Chairman, these are but the highlights of the deep feeling expressed by the Nations' veterans leaders. They speak from experience. An even more experienced voice, however, seeking to be heard is the organization of physicians who are responsible for the delivery of health care to the Nation's veterans—the National Association of VA Physicians. The national president of this organization, Dr. Herbert G. Rose, a physician at the Bronx, N.Y., Veterans' Administration Hospital writes:

> You may not be aware that Veterans Administration Hospitals are in deep trouble. As physicians practicing in the VA, we feel the impact of shrinking budgets which are forcing us to deliver less than optimal medical care and services to our patients. Then Dr. Rose observes, It would be incongruous for government to renege on its pledge to veterans who earned their right to decent medical care by virtue of military service, while legislation intended to ensure such care to all citizens is about to be considered.

Mr. Chairman, the evidence is overwhelming. If the Nation's veterans are to receive the benefits and services to which they are entitled and which the Congress has repeatedly authorized, the approval of the amendment of the gentleman from Texas (Mr. ROBERTS) is essential. It will increase budget authority for veterans by $1.019 billion and outlays by $844 million. I shall vote for the amendment.

Mr. CARNEY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, one of the nicer things that has happened to me since I have been in the U.S. Congress is to serve with the gentleman from Texas, "TIGER" TEAGUE, and the gentleman from Texas, RAY ROBERTS, on the Committee on Veterans' Affairs. To those who have not served on the Veterans' Committee, I think it is different than any political committee I have ever served on. Could 90 percent of the bills that come out of the committee come out unanimously. They come out from both Republicans and Democrats and that is a rarity around here, at least on the other committees on which I serve.

Mr. Chairman, we promise the soldiers when the wars are on great things and then we soon forget them after the war.

Mr. Chairman, I rise in support of the amendment offered by the gentleman from Texas (Mr. ROBERTS).

The first concurrent resolution on the budget for fiscal year 1979, as it pertains to veterans' benefits and services, is woefully inadequate.

Although the House Budget Committee increased the VA's budget authority and outlays above the President's request, these increases are mostly "reestimates" of the cost of existing VA programs, because the Office of Management and Budget has underestimated the VA's budget.

The funding of veterans' benefits and services in fiscal year 1979 is much too low and does a grave injustice to our Nation's veterans and their families.

Therefore, Chairman ROBERTS is requesting that $1.019 billion in budget authority and $844 million in outlays be restored to the Veterans' Administration. These funds are needed for the following reasons:

First. To prevent the elimination of 3,132 beds from the VA hospital system, and the loss of 1,500 full-time jobs;

Second. To prevent the elimination of medical, prosthetic and rehabilitative research activities at 64 VA medical facilities around the country, and the loss of 245 full-time jobs;

Third. To provide funds for VA hospital construction and improvement of nursing care, outpatient, and domiciliary facilities;

Fourth. To provide cost-of-living increases for service-connected disabled veterans, for our needy—mostly elderly—veterans receiving pensions, and for our younger veterans going to school under the GI bill.

In addition, the amendment offered by Mr. ROBERTS will make room in the fiscal year 1979 budget for the enactment of a major veterans' pension reform bill, which has already been favorably reported from the Veterans' Affairs Committee. This bill, H.R. 10173, will bring veterans' pension rates above the poverty level, provide automatic cost-of-living increases in pension benefits, and make certain that veterans do not have their VA benefits reduced, because of increases in their social security benefits.

During the 7½ years I have served in

Congress, I have had more complaints about the problem of VA pensions being reduced every time social security benefits are increased, than any other single problem. Many of my colleagues have had the same experience.

The pension reform bill, H.R. 10173, would eliminate this problem. If the Roberts amendment is not agreed to, there probably will be no pension reform bill this year.

Finally, the additional funds requested by Chairman ROBERTS will provide minimum increases in veterans' medical, housing, and burial benefits—some of which have not been increased in the last 17 to 20 years.

Mr. Chairman, this amendment is offered on behalf of our Nation's veterans. There are no programs in the Federal budget more worthy than those which are designed, in the words of Abraham Lincoln:

> To care for him who shall have borne the battle, and for his widow and his orphan.

I urge the adoption of the amendment offered by my distinguished colleague, Mr. ROBERTS.

Mrs. PETTIS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I commend the able chairman of the Veterans's Affairs Committee, the gentleman from Texas, for his leadership in offering this amendment to the first concurrent budget resolution.

The budget sent to the Congress by the President, together with the budget authority and outlays recommended by the Committee on the Budget is not sufficient to provide service-connected and other disabled veterans with a minimum cost-of-living increase in compensation and pension to offset inflation. Further, Mr. Chairman, and perhaps even worse, is the budget for the veterans medical program. The administration has boasted about requesting some $355 million over its fiscal year 1978 figures. I ask all Members to take a hard look at this when compared to inflation in the Health Care Industry. The inflation rate in this industry is a minimum of 12 to 15 percent per year. Even assuming the rate in the veterans medical program is only 10 percent per year, it would take in excess of $500 million just to keep pace with this factor alone. There would be nothing left at this higher figure for real growth in terms of improved staffing to try to cut down the long waiting periods for veterans to see a VA doctor and obtain VA medications for their injuries, diseases, and other illnesses.

Mr. Chairman, I have some firsthand knowledge of what this can do to a veterans hospital. Last fall, in my district, the VA dedicated its newest medical facility—the Jerry L. Pettis Memorial Veterans Hospital in Loma Linda, Calif. Hardly before its doors were opened to the sick and disabled there were indications that because of the absence of adequate funds in the fiscal year 1979 budget request for VA medical needs, the hospital would be operated at a maximum level of 460 beds rather than at the designed capacity of 500 beds. Further, the medical research budget was to be less than originally planned. Needless to say, this came as a shock to me and to the veterans and their families who are to be served by the wonderful new facility.

Mr. Chairman, while it now appears that there will not be a loss in beds at the Loma Linda Hospital, other facilities will not be so fortunate. The only way to prevent a reduction in beds at other hospitals is to vote to support the Roberts amendment. This will provide only the absolute minimum to maintain all veterans benefits and services at an acceptable level. The veterans of this country answered the call of the American people to defend their freedom in their hour of need. For the Congress to do less than support our veterans at this time would be a breach of faith and, in my view, unconscionable.

Mr. Chairman, I urge all Members to give their support to the Roberts amendment.

Mr. GIAIMO. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the Roberts amendment to add $844 million in outlays to the budget resolution—and $844 million to the deficit—for veterans' programs. This is such a controversial, emotion-laden area that I hope my colleagues will consider carefully the facts before they vote.

First I want to emphasize that the vast majority of the Nation's 30 million veterans are taxpayers. First and foremost, they are taxpayers who are as interested as every other citizen in keeping the Federal budget deficit down. If you intend to vote for this amendment so you can claim credit for helping veterans, I trust you will also claim credit for raising the deficit by $844 million.

Now the Budget Committee has been charged with being insensitive to the needs of our veterans. Since our resolution includes program increases, exclusive of reestimates, of nearly three-quarters of a billion dollars above the President's budget, it is difficult for me to understand this argument. These critics are wrong. The Budget Committee has recommended that we use the veterans' budget to provide greater services to those veterans for whom we have a particularly great obligation; namely, service-disabled veterans and younger, newly discharged veterans having difficulty readjusting to civilian life.

With respect to entitlement programs, the resolution includes funds for cost-of-living increases in compensation and pension cash benefits, plus $500 million for new program liberalizations that the authorizing committees and the Congress may deem desirable. The Budget Committee, in its report, emphasized that our highest priorities among veterans are service-disabled veterans and newly discharged veterans still readjusting to civilian life in such basic ways as trying to find jobs. Half a billion dollars will certainly go a long way toward easing the problems of these groups.

We quite explicitly gave lower priority to the veterans pension program, which is essentially a welfare program for non-service-disabled veterans. The pension bill recently reported by the Veterans' Affair Committee is expensive—$853 million in fiscal year 1979 alone, rising to $3.2 billion above current law by 1983. The Budget Committee did not believe that the benefit increases provided in that bill of 69 percent for single veterans and 104 percent for veterans with dependents conuld be justified at this time, especially since we now have other social welfare programs such as supplemental security income, food stamps, and State programs for assisting all low-income people, including veterans. Veterans pensioners in fact may need more income than a cost-of-living increase can provide, but so could a lot of other poor people, including many veterans who did not happen to serve one day in a wartime period and hence do not qualify for veterans pensions, not to mention the millions of other nonveterans who are desperately poor. If we want to help the poor, including poor veterans, let us do it through general programs that reach them all. And I should point out that the major problems in the pension program, such as the impact of social security increases on pension benefits, could be solved in a far less costly bill.

The other area targeted for increases in this amendment is the veterans medical care area. The Budget Committee added $50 million to the President's budget, particularly for medical research, which was shortchanged in the President's budget, and for more medical staff where needed. But this amendment would seek, among other things, to prevent the President from closing about 3,100 hospital beds that are no longer needed, because of more sophisticated medical technology and shorter lengths of stays in VA hospitals. As I noted in a statement in the RECORD of April 6, these bed closures represents progress toward a more efficient system, not a reduction in service levels.

Here again, I would remind my colleagues that the VA budget is being used for general social welfare purposes rather than chiefly for service-disabled veterans. About 80 percent of the health care provided by the VA is for non-service-connected health conditions. Eighty percent. Much of this care is provided to veterans who are too poor to pay for private care. But many of these veterans are eligible for medicare and medicaid, and could get most of their care paid for under these programs. Other veterans receiving VA medical care for non-service-connected conditions have private health insurance, which could pay for substantial amounts of their care. Legislation has been proposed by Presidents Carter, Ford, and Nixon to require that their insurance companies reimburse VA for non-service-connected health care. But this legislation has hardly gotten a hearing here in Congress. So, the Nation's taxpayers, including veterans, continue to subsidize the health care of privately insured veterans.

In drawing up this resolution, we have attempted to establish appropriate priorities, both among various categories of spending and within the various categories. Our priorities among categories are such that veterans programs

receive a substantial increase above the President's budget. And our priorities within the veterans function are such that service-disabled veterans and young Vietnam-era veterans—who are hard hit by unemployment and who returned home not to be received as heroes but as people who served their Nation in an unpopular, divisive war—receive highest priority. We could not give any committee, including the Veterans' Affairs Committee, everything they asked for, in keeping with our responsibility to set priorities and to keep the deficit down.

I urge my colleagues to remember the best interests of the Nation's taxpayers and the Nation's veterans; to remember that they are most often one and the same group; and to vote "no" to the Roberts amendment.

Mrs. HECKLER. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, there are many issues which we have discussed during today's debate on the budget. Rhetoric aside, no issue has come as close to the essence of a program as the question of the treatment of veterans' benefits under this year's budget. I refer both to the pension benefits and to the medical benefits. But I wish to speak to the medical benefits issue exclusively.

The proposal made by the Committee on the Budget increases the President's request by $50 million. As a matter of fact, this sum does not meet the true medical needs of our veteran population.

During this particular year we have been honored in the VA medical system by the selection of two Nobel Prize winners from the ranks of the Veterans' Administration employees. Yet, at the same time the Veterans' Administration itself has reduced the budget for veterans medical research. It is incredible to me that the medical research program has been diminished at the same time that the Veterans' Administration has new international recognition. Why is this occurring.

Mr. Chairman, I am led to question whether or not there is a real commitment on the part of the Veterans' Administration to the continuation of a veterans medical research program. If the research program is stymied, then the veterans medical program itself will never survive. Veterans medicine has been enriched considerably by the existence of the research program which has attracted distinguished physicians and scientists. For example, in the Boston VA Hospital we were fortunate enough to lure Dr. Daniel Deykin, who was a professor of medicine at the Harvard Medical School, from the Harvard Medical School to the Boston VA Hospital, where he became chief of medicine and could continue his independent research in hematology. Dr. Deykin has received grants of $173,000 a year. Under the current internal VA regulations, Dr. Deykin could not receive a grant of more than $100,000 a year—with which he could not operate his program. What would be the end result of the curtailment of this program? The price would include the loss of bright, young researchers, who wish to work with distinguished medical leaders such as Dr. Deykin, who would not seek to serve in the future in the VA hospital system.

VA medical care is intimately tied to our research facility and is essential to the training and recruitment of the high caliber physicians and nurses who presently serve our veterans so well.

This budget does not address the true medical needs of our veterans. It seeks to curtail hospital beds, and it will ultimately curtail the research program.

Mr. Chairman, as one who has visited many VA hospitals across the country, I feel that it is essential that this Congress support the Roberts amendment, which is not all the Veteran Affairs Committee would have wished. The committee would have preferred more. However, this amendment as a fair compromise, a compromise which meets the just good minimal needs of our veterans, deserves our support.

Mr. SATTERFIELD. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I want to commend the gentleman from Texas, the Honorable RAY ROBERTS, the most able chairman of the Veterans' Affairs Committee for bringing this amendment to the floor, because it means so much to thousands of veterans, in fact, in some cases it might be a life or death matter.

I do not usually speak in favor of increases in our budget resolutions. However, as chairman of the Subcommittee on Medical Facilities and Benefits of the VA Committee I feel compelled to enunciate the importance of this amendment in terms of medical service to our veterans. I regret that underestimates by OMB and the administration, as reflected in budget requests, results in curtailing hospital beds, downgrading research and prosthetics, eliminating vitally needed staff—at a time when we need additional staff—and decreasing funds needed for construction in modernization and improving existing facilities.

One of the underlying questions before you is whether or not this House is committed to maintaining the VA medical program at or near its present level. This amendment will give this body the opportunity to acquiesce in the reduction in VA medical service contemplated by this budget resolution or to reaffirm its commitment to our veterans.

It is a simple fact that the VA medical program is a good one, but it will not continue to be a good program without sufficient staff, sufficient and effective space and equipment, or sufficient funds to provide adequate support personnel to care for sick and disabled veterans.

I have heard from numerous veterans as well as veterans service organizations who express deep concern about their fear that the long standing congressional commitment to provide medical care and treatment to our Nation's veterans may be abandoned and destroyed for the lack of sufficient funds.

The amendment offered by Chairman ROBERTS would add $287 million in vitally needed funds to the VA budget for the medical program. Although, this would increase the administration's budget request by a total of $337 million it would still leave a shortage of more than $163 million in vitally needed funds. The funds included in this amendment will provide funds to retain 3,132 beds which would otherwise be eliminated.

Now that is a reduction of 1,143,180 bed days. Let us not forget that in the past 10 years, between 1968 and 1978, we have reduced the number of operating beds by more than 21,000. During that same period the number of veterans hospitalized has risen 511,000, or 67 percent.

That reduction in beds came about through improved techniques which shortened the average length of hospitalization. But that process cannot continue indefinitely. Surely, we should continue to improve service so as to reduce the period of hospitalization for veterans. But we should not do so by arbitrarily eliminating beds and blindly setting goals which may not be realistic and which would limit the number of veterans served or the length of time they may receive hospital care.

It will also provide an additional $18.3 million for medical and prosthetic research and thus prevent the closing of research activities in 53 VA hospitals; $180 million will be provided for construction and modernization at existing medical facilities for which architectural and engineering work and other planning is now or will be completed in fiscal year 1979. Also $10 million would be provided to continue grants to States for assistance in the construction of State veterans extended care facilities.

Mr. Chairman, this amendment is vital to the continuation of our outstanding veterans medical program which has done so much for veterans and, through research, for mankind. Just this past fall the Nobel Prize in medicine for outstanding research was awarded to two VA research investigators. The results of that research, indeed all VA research, are available for the improvement of the health and well-being of all. For example, VA medical research played a significant role in eliminating the scourge of tuberculosis. Among other things, it has been a major contributor to improved therapeutic techniques in the treatment of mental disorders, in rehabilitation medicine, and in nuclear medicine. This program has been without increased funds for a period of 7 years, which means, in real terms, that it has received annual reductions due to inflation. If new funds are not provided this capacity of the VA system will be virtually destroyed.

Medical funds included in the pending amendment are a bare minimum of what is needed to maintain the medical program at an acceptable level. They have been included only after soul searching analysis with an eye to economy. To fail to support this amendment would be to breach the historic congressional commitment to provide our Nation's veterans with quality medical care for their service-incurred injuries and disabilities, as well as for those veterans who cannot afford to pay for the treatment of other injuries and diseases.

We should not forget, Congress has acted affirmatively to authorize medical care to service connected veterans as well as to non-service connected veterans on a bed available basis, upon a showing of need. If this body should feel constrained to reconsider that authority, especially the latter category, the non-service connected veteran, it should do so by direct action in the regular legislative process and not through the process involved in fixing spending ceilings in budget resolutions.

I urge adoption of the amendment.

Mr. Chairman, will the gentleman yield?

Mr. SATTERFIELD. I am happy to yield to the gentleman from Georgia.

Mr. BRINKLEY. Mr. Chairman, I wish to thank the gentleman for yielding to me. I wish to compliment him, Congressman ROBERTS, and all the members of this committee who have done so much on this bill.

I especially wish to point to two things that will be corrected by this amendment. We have seen a situation where, when social security goes up, veterans pensions go down. It is like the seesaw of our childhood, where we take a sturdy plank, put it on a block, and a child on one end goes down when the child on the other end goes up. This is not fair.

This resolution would lock in place veterans pensions even when social security goes up, and allow the veteran to get the true benefits which are due him.

The CHAIRMAN. The time of the gentleman from Virginia has expired.

(On request of Mr. BRINKLEY and by unanimous consent Mr. SATTERFIELD was allowed to proceed for 1 additional minute.)

Mr. BRINKLEY. Another item which relates more particularly to Congressman MONTGOMERY'S subcommittee deals with the World War I veterans. I know the Members will be hearing from Mr. EDGAR and others, such as Mr. ANDERSON, but I wish to go on record as saying that when the World War I veterans, or other veterans, achieve or attain the age of 80 years, they are special people, within a very special category. Therefore, we provide greater benefits to meet their greater needs. Thus, we keep the faith with the people who have themselves kept faith with their country.

Mr. Chairman, I support the amendment offered by the gentleman from Texas (Mr. ROBERTS).

Mr. HAMMERSCHMIDT. Mr. Chairman, will the gentleman yield?

Mr. SATTERFIELD. I yield to the gentleman from Arkansas.

Mr. HAMMERSCHMIDT. Mr. Chairman, I thank my distinguished subcommittee chairman of Medical Benefits and Facilities for yielding so that I might respond to those comments made earlier by Chairman GIAIMO in his floor statement as well as a letter I received by him March 8 of this year.

1. From fiscal 1968 to 1978, VA hospital beds have been reduced from 112,000 to 91,000, almost a 20 percent decrease. Over the same period, the number of patients treated increased from 762,426 to 1,273,694, an increase of over 67 percent.

The decrease of 20,000 hospital beds over the period fiscal years 1968 to 1978, or a decrease of almost 20 percent while increasing the number of patients treated by 67 percent during the same period, has a simple explanation to anyone seeking to find it.

During this same period, the VA closed 36,144 long-term or chronic mental hospital beds in its health care delivery system—fiscal year 1968: 46,973 beds; fiscal year 1977: 10,128 beds—or 77 percent of these beds. During this period, additional acute care beds were opened in replacement hospitals.

The important fact is that all the beds closed were long-term, chronic beds and an automatic spinoff would be an increase in patient turnover as most of the mental patients occupying these beds were hospitalized for a number of years. Their hospitalization cannot be measured by treatment for a few days. The increase of other patients treated during this same period is attributed to efforts by the Congress to improve the patient-to-staff ratio in the remaining acute care hospital beds and to provide more sophisticated diagnostic programs, staff, and equipment. This effort has now lost its momentum due to lack of funding over the last several years. The increase in episodes of hospital care estimated by the VA for fiscal year 1979 is attributable to the recent opening of two new hospitals rather than any improved efficiency in the existing hospitals.

2. In fiscal year 1979, with 2,000 fewer hospital beds than it operated in fiscal year 1978, the VA anticipates it will care for over 10,000 additional patients.

The Chief Medical Director has stated that if this 10,000 additional patients treated is achieved, it will have to be accomplished through increased productivity despite a real resource reduction of 1,500 employees and $32.2 million. I have trouble bringing myself to believe this will occur, and I interpret the Chief Medical Director's statement as saying he is having the same trouble.

3. From fiscal years 1968 to 1977, the average length of stay of a patient in a VA hospital declined from 55 days to 24 days. By fiscal year 1979, the VA estimates that the length of stay will further decline to less than 22 days.

The decline in the average length of stay over the past 10-year period is not attributable to the increased efficiency of the VA health care delivery system, but rather is directly attributable to the closure over the same period of 36,144 long-term chronic mental hospital beds. Most of the mental patients occupying these beds were hospitalized for a period of years as opposed to a period of days. With the closure of this large number of hospital beds, it automatically creates a dramatic shortening of the length of stay. As a matter of fact, I think the figures should be looked into in greater detail as they would indicate that the length of stay should be less than that reported by the chairman of the Committee of the Budget.

4. The funding for VA medical care will increase $355 million in fiscal year 1979 over the fiscal year 1978 appropriation, including proposed pay supplementals for fiscal year 1978. When the 6 percent pay raise anticipated by the President for Federal employees in fiscal year 1979 is included, the total increase will be about $560 million, or 11 percent over fiscal year 1978, a rate which permits real growth.

This is an amazingly naive or misleading statement. The health care industry in general is seeing inflation grow at a rate in excess of 12 to 15 percent a year. Even assuming that inflation is at a rate no more than 10 percent in the VA health care system, it would require more than $500 million for this program to just keep pace with this factor alone. This would allow for no real growth.

In the construction industry, the inflationary rate is at least this 12 to 15 percent per year if not greater. So, when the gentleman talks about an increase of $355 million, this places the veterans medical program in a position of having to take the difference between the so-called $355 million increase and the actual inflation rate from on-going activities. In other words, the program is losing ground and must cut even additional beds, employment, drugs, food, and other costs to keep apace of inflation. This, of course, causes a cut in benefits and services that can be delivered to the veterans.

Mr. PIKE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I too have very great respect for the gentleman from Texas (Mr. ROBERTS), and I have particularly great respect for him because I have watched him take some very tough positions here on the floor of the House. I know that he knows how to say "no"—sometimes. I also know, however, that it is harder to say no in even-numbered years than it is in odd-numbered years; and if anything it becomes more difficult to say no in an even-numbered year to anything that bears the label "veteran."

I hope my credentials are fair in this. I stood up for Mrs. Holt's amendment because I genuinely believed that our spending is large enough, and I genuinely believed that our deficit is too large. What are we talking about here? I heard a lot of conversation before about whether we were talking about real cuts or not. What we are talking about here is not real cuts. We are talking about the amount of the increase.

What has the Budget Committee done with the President's budget as far as veterans are concerned? It has increased the authority by $1.6 billion. It has increased the outlays by $1.2 billion. Now, we are told that that is not enough. Very frankly, I have listened to the debate, and I can count as well as the next man. I think probably the most eloquent and articulate statement was made by that great statesman from Ohio (Mr. CARNEY) when he said, "If you have got the votes, stop talking."

Well, it is very obvious to me that those who are in favor of this amendment have got the votes, but I am not going to let them vote for it unless they are prepared to admit that we have already increased the President's budget by $1.6

billion in authority; we have already increased the outlays by $1.2 billion, and here they are saying that we have to have another billion in authority, and we are going to have another $843 million in outlays.

Then, some Members are going to vote against the budget resolution because the deficit is too big. We cannot have it both ways. We cannot say that the deficit is too big; we cannot say that we are spending too much money, and still go on and on increasing the numbers. Believe me, I know that it is tough when the word "veterans" is in there. It is especially tough when the word "veterans" is in there in even-numbered years.

Mr. ROBERTS. Mr. Chairman, will the gentleman yield?

Mr. PIKE. I yield to the gentleman from Texas.

Mr. ROBERTS. Mr. Chairman, let me say first, I thank the gentleman for yielding.

I agree with the figures the gentleman is giving. He makes one omission: The President's budget only underestimated the actual cost of current law programs by $929 million, and, to a large degree, that is why we are in this mess now.

Mr. PIKE. But the Budget Committee added $1.6 billion in authority and $1.2 billion in outlays, and we did not add everything that the gentleman wanted. We never add everything anybody wants. It is just a question of how much over the budget we are going to go.

Mr. ROBERTS. If the gentleman will yield further, your increase would cover the $929 million but would not be sufficient to provide cost-of-living increases for those drawing compensation, pensions and GI benefits.

I thank the gentleman for yielding.

Mr. PIKE. I understand what the gentleman is saying.

I remember last year when at great personal and perhaps political risk the gentleman stood up and fought arm in arm with the Budget Committee against the World War I veterans' pension program. I applauded him then. I am only sorry that he now finds it necessary to go in a different direction on that issue. I would still applaud him today.

The CHAIRMAN. The time of the gentleman from New York (Mr. PIKE) has expired.

(By unanimous consent, Mr. PIKE was allowed to proceed for 1 additional minute.)

Mr. PIKE. Mr. Chairman, I want to say one other thing, however. There are two committees that are involved with veterans' affairs, and some of us do not like this but it is a fact. The Appropriations Committee also has some voice in this. We asked them what they thought was necessary for all of these medical programs that we are talking about, and they said the maximum that would be required would be $50 million and the minimum would be $25 million. We gave them the maximum that they said would be required, and I just think we have gone far enough.

Mr. ROBERTS. Mr. Chairman, if the gentleman will yield further, again I agree with everything the gentleman says. The only thing is, they started off with the assumption we were going to close down the equivalent of six 500-bed hospitals, and we do not plan to do that.

Mr. PIKE. I know the gentleman does not, and I would not be in favor of doing that either. It is just a question of how much over the budget you want to go.

Mr. WYLIE. Mr. Chairman, I rise in support of the Roberts amendment.

Mr. Chairman, first of all I would like to compliment Chairman ROBERTS for his efforts on behalf of our hospitalized veterans. He is truly a dedicated chairman.

I do not believe there are many Members of this body who are any more frugal than I am on Federal spending. However, I do not believe we should make random cuts across-the-board in every program simply because the overall budget figures are too high. I do not feel veterans' programs are in the same category as some of the social experiment programs administered by HEW. For example, one can rationally argue that many Government services should not be offered to citizens purely on the basis of residency in this country. But it is absolutely inarguable that our veterans, who paid for their benefits with years of their lives and often with their blood, deserve the best we can afford them.

And yet I see this administration, and even certain members of the Budget Committee of this body, giving more attention to the programs based on mere residency than those earned veterans programs.

I would like to point out to the gentleman from Connecticut (Mr. GIAIMO) who just spoke from the well that the administration recommended only a 2.6-percent increase in budget authority for the VA hospital and medical care system while at the same time proposing an increase of 10 percent in the health services administered by HEW.

I would like to read what I regard as some very audacious language on page 99 of the report which accompanies this budget resolution. It says:

> The committee concurs with the President's budget plans to reduce hospital beds by 3,132 to a total of 89,100 operating beds. Although beds will be reduced, the VA will serve over 10,000 additional inpatients, indicating a more efficient hospital system.

This reminds me of the old "good news, bad news" jokes. The bad news is that the administration wants to cut out 3,100 beds from the hospital system at a time when the inpatient load is expected to increase by 10,000. The good news is that if the VA hospital system survives, it will indeed become extremely efficient.

Mr. Chairman, I would like to express my disappointment in one other comment made by the Budget Committee. In denying funds for the pension bill recently voted out of the Veterans' Affairs Committee, the Budget Committee mentioned as one of its prime reasons "the existence of other social welfare programs for the entire population." I regard this as a most dangerous statement.

Reasonable men can differ as to the extent of the commitment of the Federal Government to HEW social welfare programs. Many Members of this body have long felt that welfare is not a Federal function. This is not true of veterans entitlements. The Federal Government called these veterans to arms during a time of national crisis. The Federal Government decided that they should be separated from their families, from their normal occupations, from their communities. The Federal Government sent many of them off into the unwanted misery of war, and it is the duty of this same Federal Government to care for them, and their widows, and their orphans.

There are many areas in this budget where I would support large cuts. The Veterans' Administration portion, however, is not one of them.

I ask that the Roberts amendment be supported.

Mr. ASHBROOK. Mr. Chairman, will the gentleman yield?

Mr. WYLIE. I yield to the gentleman from Ohio (Mr. ASHBROOK).

Mr. ASHBROOK. Mr. Chairman, I thank the gentleman for yielding. I tried to get my friend the gentleman from New York (Mr. PIKE) to yield. I always listen with interest to what the gentleman from New York says. Generally none of us, no matter how liberal or how conservative we are, want to increase the deficit, but quite often we make the argument that my friend the gentleman from New York (Mr. PIKE) made and that is that if you are going to increase in one area, you do not talk about the areas you can decrease. These amendments do not stand alone. Later today I am going to give the Members a chance to pick up some of this money we will add by this veteran's amendment and it will not come from any legitimate program or needed expenditure.

I would call the attention of the Members to the report of the Inspector General of HEW. According to that report, between $6.3 billion and $7.4 billion went right out the window last year due to waste, mismanagement, and fraud. And this is a conservative estimate.

As I say, I am going to give the Members a chance to vote for an amendment that will cut one-half of the amount of this waste from the HEW budget. Here is a place where anyone wishing to cut waste can do so. We should be able to transfer money that is being wasted and misused through mismanagement and fraud in the HEW to needed veterans' programs. They ought to be able to do a better job down at HEW with far less money. Let us not cut the necessary veterans' programs let us cut waste, fraud, management, and abuse in HEW.

Mr. WYLIE. I agree with the gentleman from Ohio (Mr. ASHBROOK) that there are many areas in the budget where we can support large cuts, and I agree that the area of the veterans' affairs is not one of them.

Mr. ABDNOR. Mr. Chairman, will the gentleman yield?

Mr. WYLIE. I yield to the gentleman from South Dakota.

Mr. ABDNOR. Mr. Chairman, I just want to associate myself with the remarks of the gentleman from Ohio and I too want to commend our chairman, the gentleman from Texas (Mr. ROBERTS) as a member of the committee, for the amendment he has offered. I believe it is a good amendment and it is a needed amendment, and is certainly something we ought to benefit from.

Mr. Chairman, I rise in support of Chairman ROBERTS' amendment to the budget resolution. As a member of the Committee on Veterans' Affairs, I have been able to review the budget request for fiscal year 1979 thoroughly, and I can truthfully say that it does not take a keen observer to see that Mr. Carter's budget falls painfully short of the needs of the Veterans' Administration. The Committee on the Budget has added some money, but I do not believe that it is enough to provide even adequate services and assistance.

In the past 10 years, the VA appropriations for veterans' benefits and services have increased over $9.9 billion. Employment has increased by 58,363 positions. However, when we look at the VA budget as part of the total budget, the percentage of budget outlays attributable to the VA has been decreasing over the past 4 years, from a high of 5.1 percent in fiscal year 1975 to a low of 3.8 percent in fiscal year 1979. In fact, budget authority would decrease from fiscal year 1978–79 if the President's new legislation is not enacted. If Mr. Carter's legislative proposals are enacted, there would be an increase in total budget authority of only 0.1 percent. Outlays would increase 1.8 percent if the President's legislative proposals were enacted and only 1 percent if they were not. This proposal seems quite contrary to the President's "supposed" emphasis on helping veterans, especially Vietnam-era veterans. Considering the fact that the Consumer Price Index will rise an estimated 5.8 percent, the President's proposals do not seem to hold much water.

The budget resolution for fiscal year 1979 calls for $20.711 billion in authority and $20.471 billion in outlays for veterans benefits and services. Even though this total provides for an increase of $1,637 billion in authority and $1,214 billion in outlays over the President's request, it still falls painfully short of the amount required for the VA to provide adequate services. The shortfall becomes even more pronounced when one notes that $929 million in authority and $511 million in outlays of the increases will be eaten up by "reestimates" of the current low costs of veterans' compensation, pension, and readjustment benefits because OMB had underestimated VA's actual need. Taking this fact into account, the "real dollar value" will not even cover a cost-of-living increase for those entitled under the current program. The Veterans' Affairs Committee did not feel the President's budget was adequate. The Budget Committee's recommendation is also short of actual need, so that is why I support the amendment to add $1,019 billion in budget authority and $844 million in outlays. I feel that asking for this amount requires justification, so I would like to offer a few reasons why I am supporting this proposal.

If the Congress is to provide a cost-of-living increase for service-connected disabled veterans and their eligible widows, it will cost $374 million. It will cost $4 million to provide a cost-of-living increase for eligible dependent parents under the dependency and indemnity compensation program. A cost-of-living increase for our needy veterans and their eligible dependents under the current non-service-connected pension program will total $135 million next year. That totals $513 million in cost-of-living increases in three existing programs. The budget resolution provides a net total of only $799 million for new entitlement authority. It is estimated that it would take $116 million more to strengthen the programs for veterans attending school under the GI bill. The Budget Committee says that this increase is unnecessary, yet the cost of schooling continues to rise, and we are looking at legislative proposals from other committees pertaining to education. This conclusion was reached even as the administration and many of our colleagues were calling for increased assistance to help educate our veterans. It seems as though a problem would exist here.

There has been a clamoring through the years for the Congress to revamp the non-service-connected pension program. The Subcommittee on Compensation, Pension, and Insurance toiled for an extended period and brought out H.R. 10173, which was ordered reported by the full committee on March 13. This bill is a good bill. It addresses problems which have plagued the VA pension program for years. It corrects inequities and anomalies which have come into existence through the years. More importantly, it proposes to provide a trigger device which will eliminate the pension reduction every time there is a social security increase. Accomplishing this was no easy task, considering that the committee knew it would have budget restraints. I believe that the subcommittee did an exceptional job considering the fact that the pension report the VA was to submit arrived 4 months late. In addition to the $135 million required for a cost-of-living increase, other provisions of the reform bill will cost an additional $718 million. Keeping all of this in mind, plus the fact that the administration supported pension reform, the President's budget allocated only $111 million for us to accomplish a new program.

I have spent considerable time discussing veterans programs; however, up to now, I have not even touched on the most important—hospitals and medical benefits. The administration proposes to reduce VA hospital beds by 3,132 next year. In the past 10 years, VA capacity has decreased by over 15,000 beds. This fact alone might add some credence to claims many have made that the demise of the VA hospital system is in the works. The VA hospital system is serving more patients and providing more care. The administration does not hesitate to expound this fact, yet they want to cut back. Good service and patient care just does not appear, it is reached through dedicated work. The VA has many dedicated personnel. Almost every hospital has a medical school affiliation. To continue these activities needs foresight. A small budgetary item of $18.3 million has been overlooked. This money would go for medical research.

Research is the backbone of the medical profession. It is the tool which attracts physicians. Yet, the VA research budget has been stagnate for 7 years. As a result, 9 VA hospitals have been notified to cut back their research programs, and 55 others have been proposed as site cutbacks. There seems to be an irony here. VA research has been instrumental to medical breakthroughs in many areas. The results have been most beneficial to health care throughout this country and the world. Last year, two VA doctors were awarded with Nobel Prizes for medicine. While the administration is promoting this accomplishment, they insist on reducing the very program that spawned the successful results. Another irony I find quite disturbing is the situation at the Royal C. Johnson VA Hospital in Sioux Falls, S. Dak. The VA has just completed construction of a new research facility, yet it has cited the hospital as one of those which will have its program reduced. It seems to me that priorities need to be straightened out.

Mr. Speaker, I have just touched on a few of the points which I believe require thorough explanation. If the amendment offered by Mr. ROBERTS is accepted, we will be able to continue to provide the men and women who served this Nation when they were called with the services and assistance they so richly deserve. I urge all of my colleagues to join me in supporting this amendment.

Mr. WYLIE. Mr. Chairman, I appreciate the contribution of the gentleman from South Dakota (Mr. ABDNOR).

Mr. FLORIO. Mr. Chairman, will the gentleman yield?

Mr. WYLIE. I yield to the gentleman from New Jersey.

Mr. FLORIO. Mr. Chairman, I thank the gentleman for yielding me this time and I too wish to be associated and to identify myself very closely with the remarks concerning the elimination of hospital beds, and rise in support of the amendment offered by the gentleman from Texas (Mr. ROBERTS).

Mr. Chairman, while the budget resolution has made improvements in the wholly inadequate budget request from the President for veteran and survivor benefits, this amendment is necessary if we are to provide a basic cost-of-living increase in benefits to service-connected disabled veterans and their eligible dependents, as well as a cost-of-living increase in pension benefits for our elderly veterans.

Additionally, this amendment would

provide needed budget authority to support legislation recently approved by the Veterans' Affairs Committee which would eliminate the problem of veteran or survivor pensions being reduced every time social security benefits are increased. It is estimated that this legislation, which enjoys wide support in the House, alone would cost about $718 million next year.

Finally, the amendment being offered would provide for an additional $287 million in budget authority and $112 million in outlays for on-going veteran hospital and medical care programs. This increase is necessary to reverse the severe reductions in veteran health care which would result if the President's budget requests were effected.

OMB has allowed only $6 million for all Veterans' Administration medical care programs for fiscal year 1979. OMB has directed the Veterans' Administration to eliminate 2,500 beds in VA hospitals, as well as 1,500 employees, just when our Nation has the highest veteran population at any time during its history.

Many of these hospital bed and employee reductions will severely restrict the VA's ability to provide in-patient care to all eligible veterans and dependent groups. OMB has requested that 138 existing beds at Veterans hospital in my own State of New Jersey be eliminated. This will place an additional hardship on New Jersey veterans who already find a marked shortage of VA facilities in comparison to the numbers of veterans living in the State.

The President's fiscal year 1979 budget request also eliminated the proposed Camden, N.J., Veterans' Administration hospital. The Camden facility was approved by President Ford and supported by the Veterans' Administration up until the submission of the fiscal year 1979 budget. Up until last December, under pressure from OMB, the Veterans' Administration stated that the Camden facility was necessary if Philadelphia and south Jersey veterans were to continue to receive adequate medical attention.

The amendment now being offered will insure that minimal medical and entitlement benefits for veterans and their dependents will not be eroded, and I strongly support its adoption.

Mr. BRINKLEY. Mr. Chairman, will the gentleman yield?

Mr. WYLIE. I yield to the gentleman from Georgia (Mr. BRINKLEY).

Mr. BRINKLEY. Mr. Chairman, I rise to support the amendment to the first concurrent budget resolution proposed by the distinguished gentleman from Texas, the Honorable RAY ROBERTS, chairman of the Committee on Veterans' Affairs.

I extend my personal thanks to Chairman ROBERTS for his unfailing loyalty and support as I have worked to achieve effective legislation in my role as chairman of the Subcommittee on Housing. With his support, the Subcommittee on Housing has been able to go forward with a number of bills which will improve the housing program for all eligible veterans.

As you know, the veterans' housing programs are among the few benefit programs in Government that are self-supporting, since in most instances, funds for these housing programs come from the private sector.

These are veterans' programs, such as the compensation and pension programs, however, which require substantial appropriations each year. Throughout the years, the Congress has never failed to adjust compensation and pension benefits to assure that veterans and their survivors do not pay the cruel price for inflation. These benefits are not indexed by law as are social security benefits.

It is essential that this body face the issue of maintaining modern veterans' compensation and pension programs. The full Committee on Veterans' Affairs has reported a bill, H.R. 10173, which is a major veterans' pension reform and modernization of the current program. The one thing that this bill does that is of the greatest importance to you, to me, and to our retired veteran population is to eliminate reduction of an individual veteran's pension every time that social security benefits are increased.

The bill provides an additional benefit to veterans, at age 80, which will assure that these older veterans, and in particular veterans of World War I, will have the necessary added pension to meet their needs. This reform measure will cost an additional $853 million.

I can assure you that this will be money well spent for the vast majority of recipients. There will be a handful of wealthy beneficiaries but that will be miniscule when compared with the needs of the others.

While the administration budget provides for a 5.8-percent increase in compensation rates, I noticed, last week, that the current rate of inflation will generate a 6.5 percent automatic increase in social security payments in June.

The Veterans' Affairs Committee legislation would provide a similar 6.5 percent cost-of-living increase to disabled veterans and their survivors.

In the medical area, there is a crying need for adequate funds, as requested by Chairman ROBERTS, to assure quality medical care for veterans. The proposed 3,132 hospital bed reduction is just another step in the downward spiral in which the veterans' medical programs have been caught for more than 5 years.

It is also difficult to comprehend that in the year when two Veterans' Administration employees, senior medical investigators, have received the Nobel Prize for Medicine, the agency would propose a reduction in the research program that would eliminate 53 valuable research projects.

A vote in favor of Chairman ROBERT'S amendment is a vote for a priority program. It keeps the faith with those who have faithfully served our country. It is only fair.

Mr. GUYER. Mr. Chairman, will the gentleman yield?

Mr. WYLIE. I am happy to yield to my colleague, the gentleman from Ohio (Mr. GUYER).

Mr. GUYER. Mr. Chairman, I just want to say to the Members that I recently visited veterans' hospitals, and I think that if any Member in the Chamber had the opportunity of seeing these people without legs, without arms, and with eyes that do not see, they would understand the need for this program.

So, Mr. Chairman, I want to compliment the gentleman from Texas (Mr. ROBERTS), the chairman of the full committee for his statesmanship.

I might add that in this bill there are involved World War I veterans who now average 81 years of age. They are dying at the rate of 300 a day.

I would like to close with this little poem:

If with pleaasure you are viewing
Any work a man is doing,
If you like him—if you love him,
Tell him now.
Don't withhold appreciation
Till the Parson makes oration
And he lies with cold lilies
On his brow.
For no matter how you shout it,
He won't really care about it,
He won't know how many tear drops
You have shed.
If you think some help is due him,
Now's the time to get it to him
For he cannot read a tombstone when he's dead.

Mr. WYLIE. Mr. Chairman, I thank the gentleman from Ohio (Mr. GUYER) for his contribution.

I urge my colleagues to approve the amendment offered by our chairman, the gentleman from Texas (Mr. ROBERTS).

Mr. EDGAR. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in strong support of the amendment offered by Chairman ROBERTS of Texas.

As of this date, our committee has reported 11 bills which alone cost $1.3 billion. H.R. 10173, the pension reform bill, would cost $853 million. This bill is cosponsored by more than 150 Members, and rightly so. In addition to insuring that no veteran will draw a pension below the poverty level, it will end the problem that we have all heard from veterans; when social security benefits are increased, veterans' pensions are reduced. This bill indexes the cost-of-living to the Consumer Price Index so that as the cost of living increases, so does the veterans pension. It also provides as much as $804 per year for veterans who are 80 years of age or older. This age bracket, of course, includes all veterans of World War I.

Mr. Chairman, this bill is essential, and funding levels recommended by the Budget Committee do not even finance this one piece of legislation.

As I said, we have also reported 10 other bills. Let me assure you that these bills are not far-reaching, innovative pieces of legislation. They provide such things as cost-of-living increases for service-connected disabled veterans, aid and attendance allowance for severely service-connected disabled veterans, and increases in funeral expenses for veterans which have not been increased for more than 15 years.

I would like to remind my colleagues that this request is the bare minimum. What shall we do when we consider a

cost-of-living increase for education benefits for Vietnam veterans? Maybe Congress should again ignore Vietnam veterans and say that they are asking for too much.

Again on the subject of World War I pensions. My colleague, the gentleman from California (Mr. ANDERSON) has provided us with an opportunity to cosponsor a bill to provide for a $150-a-month pension for World War I veterans. I commend him for that action. I would like to be able to stand in this well and say that we have sufficient funds in our budget to provide for $2 billion or $3 billion of appropriations and outlays for that World War I pension, but, unfortunately, in the realism of this world we cannot have everything that we want.

I believe that the World War I veterans are best served in the confines of our budget by supporting the pension reform bill.

One of my colleagues stood in the well and said that the welfare system is better served than the veterans pension system. I do not think there are many Members of Congress who want to confuse the welfare program and the veterans' pension program. I think one of the key elements of our pension reform bill is that we provide a pension that does not mandate that a veteran go on the welfare lines. It is not a growth pension. In fact, for a single veteran he would receive no more total income than $4,000. A couple would receive no more total income than $5,200, and when a veteran reached the age of 80 years, he would receive a small stipend of $4,800. Not all of that would come out of the veterans' money. The veterans pension only provides up to that ceiling, so if a veteran is already making $3,000 of social security benefits, his veterans pension is only $1,000. If he is making $3,800, his veterans pension is only $2,000 under our pension reform bill. So I urge my colleagues on both sides of the aisle to accept this amendment and let us get on to some of the other amendments and pass the budget resolution with this amendment.

Mr. Chairman, the veterans portion of the budget has been steadily decreasing in the past few years, although the veterans population has been increasing. In 1975 we devoted 5.1 percent of the budget to veterans benefits and services. This year that figure is down to 3.8 percent. Mr. ROBERTS' amendment does not ask for something extra. This amendment simply funds the much needed pension reform bill, which 150 Members have cosponsored, and basically provides cost-of-living increases for other veterans, such as those who are service-connected disabled veterans. I urge my colleagues to support it.

● Mr. TEAGUE. Mr. Chairman, I want to commend the distinguished chairman of the Committee on Veterans' Affairs, my very good friend and colleague, RAY ROBERTS, for offering his amendment to increase the funding levels for veterans' benefits and services. It is another indication of his continuing commitment to veterans and their families.

During the past 3 years, we have been faced with this same problem. In each of these years the Office of Management and Budget has grossly underestimated the budget for veterans' programs. You will recall that 2 years ago, the Office of Management and Budget failed to even request funds to provide cost-of-living increases. Each year, mainly through the leadership of RAY ROBERTS and JOHN PAUL HAMMERSCHMIDT, we have been successful in getting the necessary funds restored, and due to their leadership, we are going to pass the Roberts amendment tonight.

Mr. Chairman, my remarks will be directed at the $287 million in budget authority and the $112 million in additional outlays included in the Roberts amendment for ongoing VA medical programs. These additional funds are absolutely essential if we are to continue to maintain a quality health care delivery system for our veterans. Over the years we have developed an excellent medical system for veterans of all wars, a system now caring for many of the more than 300,000 wounded in Vietnam who suffered the most crippling injuries in the history of warfare.

The increase included in the amendment offered by Mr. ROBERTS over the President's request will provide an additional $129 million for medical care; $18 million for medical and prosthetic research; $180 million for construction of 33 much needed medical facilities, and $10 million for the construction of State extended care facilities.

Mr. Chairman, the closing of 3,132 hospital beds is unthinkable when everyone knows bed demand in most VA hospitals is increasing. According to a recent survey conducted by the agency, veterans comprise 45 percent of all American males over the age of 20 years. Many World War II veterans have reached the age where their medical needs are rapidly increasing—their average age is 59. The VA study shows that within the next 2 years, our veteran population between the ages of 65 and 70 will have doubled since 1975. If this is so, it surely does not make sense to close beds.

Unless we adopt this amendment, research now being conducted in more than 50 VA hospitals will be terminated. We cannot allow this to happen.

Mr. Chairman, many Members of the House have already addressed the major issues, and I shall not repeat what has been said. I support the chairman of the full committee. I also want to thank the very able gentleman from Arkansas, the distinguished ranking minority member of the full committee, the Honorable JOHN PAUL HAMMERSCHMIDT. No Member of this body fights harder for the veterans' hospital and medical care program than the gentleman from Arkansas. He, too, is a great leader and I commend him for his effort.

Mr. Chairman, we owe so much to the very able gentleman from Virginia, the Honorable DAVE SATTERFIELD, the chairman of our Subcommittee on Medical Facilities and Benefits. DAVE SATTERFIELD is an expert in the field of health care. In addition to his overseeing the largest health care delivery system in the Federal Government, he is the ranking member of the Subcommittee on Health and the Environment of the Interstate and Foreign Commerce Committee. Veterans throughout the country know of his ability. He is one of the most knowledgeable Members of the House, and I am grateful for his leadership.

The gentleman from Mississippi, the Honorable SONNY MONTGOMERY, chairman of the Subcommittee on Compensation, Pension and Insurance, is an established leader in behalf of veterans. I commend the gentleman for his leadership role in behalf of the Roberts amendment. BOB EDGAR is one of the most articulate Members of the House. He stands firmly for the veteran and his family. He is concerned about the well-being of our veterans and he is a tireless worker in their behalf. He is responsible for the so-called Edgar amendment that would provide additional pension benefits for veterans who reach the age of 80 years, and if this amendment is adopted, the House will have an opportunity to enact it into law.

Much credit is due to all members of our committee, Mr. Chairman, and I want each of them to know that the 30 million veterans and their dependents will be grateful for their efforts tonight in their behalf.

Finally, Mr. Chairman, I want to join my colleagues in thanking the distinguished chairman of the Committee on the Budget for the great job he has done on the proposed budget resolution. I have known BOB GIAIMO for more than 20 years. I can tell you he is a friend of the veteran. He has continued to support veterans' programs during those 20 years. He is a fair man. He is a reasonable man. His job is one I would not want because you can't please everyone. Although I support the Roberts amendment, I want to pay tribute to the very able gentleman from Connecticut and commend him for his great work on this resolution.

I urge my colleagues to adopt the amendment offered by the gentleman from Texas.●

AMENDMENT OFFERED BY MR. EMERY AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. ROBERTS

Mr. EMERY. Mr. Chairman, I offer an amendment as a substitute for the amendment.

The Clerk read as follows:

Amendment offered by Mr. EMERY as a substitute for the amendment offered by Mr. ROBERTS: In the matter relating to function 500; education, training, employment, social services decrease the amount for budget authority by $170 million; and decrease the amount for outlays by $150 million.

In the matter relating to function 550; health decrease the amount for budget authority by $680 million; and decrease the amount for outlays by $600 million.

In the matters relating to function 600; income security decrease the amount for budget authority by $170 million; and decrease the amount for outlays by $150 million.

In the matter relating to function 700; Veterans benefits and services increase the amount for budget authority by $1.020 million; and increase the amount for outlays by $900 million.

Mr. EMERY. Mr. Chairman, first of all, I would like to strongly commend the chairman of the Committee on Veterans Affairs, the gentleman from Texas (Mr.

ROBERTS), and the ranking minority member, the gentleman from Arkansas (Mr. HAMMERSCHMIDT), and others, who have recognized the tremendous need that exists in this country to maintain and improve upon veterans' services. I have been very, very disturbed in the last 2 or 3 years that there seems to be a feeling among veterans and veterans' organizations that the Federal Government is letting them down. This amendment, and my substitute, address themselves to that point: The Government and the Congress keeping the commitment that we have to the men and women who have given their lives and given their health and have dedicated themselves to our national security. That is really the issue at hand. The only difference between my substitute and the original amendment offered by the gentleman from Texas (Mr. ROBERTS) is the way we provide the funding. The amendment offered by the gentleman from Texas would provide for an increase of $1.019 billion in budget authority and an increase in outlays of $844 million. My amendment accomplishes exactly the same thing by transferring certain amounts of money from function 500, function 550, and function 600 in amounts of $1.020 billion total into veterans' function 700 in the budget authority, and a transfer of $900 million of outlays from those three functions into the veterans' function.

The amounts of money that I transfer are transferred from programs that recently the Inspector General of HEW certified were frought with waste and fraud.

Let me give you some examples:

Medicaid: fraud, $653 million.

Medicare: fraud, $15 million.

AFDC: fraud, $145 million.

Student financial aid: fraud, $236 million.

That is a total of $1,049 million in fraud alone as certified to the Congress by the Inspector General of HEW. That is less than the amount of money that the gentleman from Texas and I would add for veterans. Some of these same programs and others have been certified by the Inspector General for mismanagement, misuse, mispayments, for a total of somewhere between $2.448 billion and $3.485 billion.

The grand total of waste, fraud, mismanagement, and abuse of the various programs, that I think we all recognize are necessary and important when properly administered, is somewhere between $6.335 and $7.370 billion.

Very simply, my amendment would transfer a tiny amount of money out of the waste in these programs into the veterans' function, which many Members of this House have consistently supported as being necessary.

There is ample evidence that HEW can tighten its belt within these functions, can improve administration, and save this Congress a tremendous amount of money in the process.

So, very simply, my substitute would transfer a small amount of money of budget authority, a small amount of money in outlays from these functions into the veterans' function and we will not be changing the total budget targets for authority or outlay figures by one cent in my amendment; whereas, the gentleman from Texas would increase these by substantial amounts.

Mr. ASHBROOK. Mr. Chairman, will the gentleman yield?

Mr. EMERY. I yield to the gentleman from Ohio.

Mr. ASHBROOK. Mr. Chairman, I compliment the gentleman from Maine for the amendment. I had an amendment that should this one fail I was going to offer to cut one-half of the minimum amount of waste and fraud that was certified by the Inspector General. Under my amendment, it would have been just a reduction in overall authority.

I think the amendment of the gentleman from Maine is a very good example of pinpointing to the House where to cut and where not to cut needed vital services.

The CHAIRMAN. The time of the gentleman from Maine has expired.

(At the request of Mr. ASHBROOK, and by unanimous consent, Mr. EMERY was allowed to proceed for an additional 2 minutes.)

Mr. EMERY. Mr. Chairman, I yield to the gentleman from Ohio.

Mr. ASHBROOK. Mr. Chairman, in other words, the question will be asked, can this cut be made without cutting services and programs, and the answer is a very simple yes, if the Congress insists that those tens of thousands of employees of the Secretary of HEW, those tens of thousands of employees get off the taxpayers' backs and spend our money properly and carefully, without having all this mismanagement, fraud, and misuse.

The report says:

> The Inspector General feels that the largest source of losses can be attributed to waste resulting from deficient management practices and systems which encourage such losses.

So we are not cutting anything. We are telling them to stop the waste, fraud, and mismanagement. All of us admit the taxpayers' money is a hard commodity to come by and let us cut the easiest area, which is waste, fraud, and mismanagement, and get this message to HEW.

Mr. EMERY. As a matter of fact, Mr. Chairman, as the gentleman from Ohio (Mr. ASHBROOK) well knows, the reason the Inspector General issues reports of this nature is to inform the Congress exactly where waste and inefficiency exist. I would recommend that if the Congress is going to get any value out of these reports, then this is the proper place to make our adjustments.

If we see waste and inefficiency on one hand and we see a necessary, needed, vital program on the other hand, is it not our responsibility here on the floor of the House to make decisions to transfer money from wasteful, inefficient programs that do not do people any good, to underfunded programs that are necessary and important?

Mr. Chairman, that is exactly what this amendment does, and I thank the gentleman from Ohio (Mr. ASHBROOK), for his contribution.

Mr. GARY A. MYERS. Mr. Chairman, will the gentleman yield?

Mr. EMERY. I yield to the gentleman from Pennsylvania.

Mr. GARY A. MYERS. Mr. Chairman, I thank the gentleman for yielding.

I am not so sure that I would have structured this amendment the way the gentleman from Maine (Mr. EMERY) did. I am not sure I can support the whole idea of transfer over into this one category.

However, the gentleman does present, as does the gentleman from Ohio (Mr. ASHBROOK) as well, the question of the improper use of Federal dollars.

The CHAIRMAN. The time of the gentleman from Maine (Mr. EMERY) has expired.

(On request of Mr. GARY A. MYERS and by unanimous consent, Mr. EMERY was allowed to proceed for 3 additional minutes.)

Mr. GARY A. MYERS. Mr. Chairman, if the gentleman will yield further so that I may continue, I believe that this Congress ought to have to respond in some fashion to the charges that under the leadership of some former Members there have been literally hundreds of millions of dollars placed in these budgets in order that some special interest somewhere along the line could get $5 million or $10 million.

I have not seen one response to the suggestion that we have in effect watered out those past practices. I think if we use these sorts of add-ons that have historically occurred and then we want to increase them by a certain amount to compensate for inflation, we are on very weak ground to justify any of these budgets or appropriations to which we are being asked to respond.

I would hope that the Congress acknowledge that we have what amounts to an arbitrary add-on for this special interest or that special interest. The charge has been levied against us, and we have not answered that charge. Aside from the identified fraud and mismanagement that have been acknowledged by the administration and by this study, I think there is perhaps this type of very subtle add-on that we ought to be addressing.

Mr. EMERY. Mr. Chairman, the gentleman from Pennsylvania (Mr. GARY A. MYERS) makes a good point.

I must also point out that as to these categories I would reduce by a modest sum of money, what the greatest add-ons have been provided by the budget itself. So on top of fraud and abuse, we are ourselves adding more spending.

It seems to me that if we are going to meet our responsibility of getting a lean and mean budget and are doing a good job of combating the inefficiency we talk about every election year, this is the place where we have to address the issue. If we cannot make substantive changes in the programs themselves, at least we can send a message downtown and tell the agencies and the departments that we are watching them and we expect them to improve the administration of their programs to benefit those who are properly entitled to their services.

Of course, in this case, if we find that some of the money may have been misused and has not gone to the proper recipients as was intended, we can correct the problem in this budget resolution, and that is what my amendment would do.

Mr. Chairman, I think the amendment is worthy of support, from the standpoint of helping the veterans, from the standpoint of keeping our budget targets intact, and from the standpoint of cutting back fraud and abuse wherever we find it. I urge support for the amendment.

Mr. MONTGOMERY. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the Roberts amendment and in opposition to the Emery substitute.

Mr. Chairman, I understand what the gentleman from Maine (Mr. EMERY) is trying to do with his substitute, but I am very afraid that his substitute could endanger the Roberts amendment. The gentleman from Maine does support the veterans' programs, he will, as I understand it, support these increases, but I think his approach is wrong, and it is inappropriate for the Committee on Veterans' Affairs to support such an amendment as this.

I think the amendment offered by the gentleman from Maine (Mr. EMERY) should stand on its own merits. It should be offered separately from this Roberts amendment, and I would hope that the committee would defeat the gentleman's amendment and support the Roberts amendment.

Then, if the gentleman from Maine (Mr. EMERY) wants to offer his amendment in another fashion, certainly I think that would be the best way to do it.

Mr. Chairman, I am the chairman of the Subcommittee on Compensation, Pension, and Insurance of the Committee on Veterans' Affairs. We are very proud of our subcommittee and of the whole committee.

Most of this money we are talking about today has come out of our Subcommittee on Compensation, Pension, and Insurance. The Members told us last year they wanted a pension reform bill for the veterans and non-service-connected veterans. This is what we have brought forward to the Members, and it does cost money. Many of the Members told us they wanted us to correct the social security situation where a veteran draws a social security check and he also draws a pension check. We give him a cost-of-living increase in July automatically on the social security, and then in January, on his veteran's pension check we reduce that pension check by a like amount.

Under this bill before us today, under this amendment offered by the gentleman from Texas (Mr. ROBERTS), we correct this situation. We do not have to worry about that again after January, 1979. It does cost money. This is what the Members asked us to do.

The gentleman from Pennsylvania (Mr. EDGAR) mentioned the World War I veterans. The gentleman from California (Mr. ANDERSON) has certainly been a leader in trying to help World War I veterans, and because of him and because of the Edgar amendment, under this budget resolution we have provided the funds that we need to take care of the World War I veterans. For the World War I veterans who have reached the age of 80 and who are drawing a pension check, we raised them in most cases 135 percent. This does cost money. We only have 800,000 of these veterans left, and they are in their twilight years. A number of our veterans draw pension checks; however, but they are below the poverty level. Therefore, they are on welfare. They draw food stamps, they draw SSI and aid to dependent children. We are raising the levels from $2,300 to $4,000 for a person drawing for himself a pension check, and we are raising it to $5,200 for two or more people, and we move these people out of the poverty level. We think this will reduce the cost figures of the Federal Government in other areas, such as food stamps, SSI, and other welfare cost programs.

We think we have a good amendment. Please support the amendment. I hate to oppose the amendment offered by the gentleman from Maine, but I think this is a better way to vote against the Emery substitute and vote for the Roberts amendment.

Mrs. FENWICK. Mr. Chairman, will the gentleman yield?

Mr. MONTGOMERY. I yield to the gentlewoman from New Jersey.

Mrs. FENWICK. I thank the gentleman for yielding.

Mr. Chairman, I think all of us are concerned about veterans. I have a veterans' hospital in my district. This is a very poignant matter for all of us. I cannot vote for the Roberts amendment. The Emery amendment makes it possible to vote for the extra amount that we would like the veterans to have.

Mr. MONTGOMERY. I will say to the gentlewoman that she will have that opportunity, under the Ashbook amendment, which the gentleman mentioned he will offer. I think that is the best approach. Why endanger the Roberts amendment, which has the social security benefits which the gentlewoman, and others, have told us that they wanted? This is the best way. I urge the Members to vote down the amendment offered by the gentleman from Maine.

Mrs. FENWICK. If the gentleman will yield further, the Emery amendment would give the extra money to the veterans. The Emery amendment would cover it.

Mr. MONTGOMERY. I am not sure. It could run into problems. The gentleman is dipping into other departments that some others have an interest in.

Mr. HILLIS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the amendment offered by the distinguished chairman of the Committee on Veterans' Affairs, Hon. RAY ROBERTS of Texas.

Mr. Chairman, it is unconscionable how the medical care and research programs have suffered under the heavy hands of the Office of Management and Budget and President Carter, and I suppose the House Budget Committee should be commended for restoring much of the unneeded and unwarranted gutting of these programs. I regret, however, that the committee did not restore these programs to the funding levels recommended by the House Committee on Veterans' Affairs.

The first concurrent resolution contains only $50 million more in budget authority than the amount requested by President Carter for ongoing hospital and medical care programs. The Committee on Veterans' Affairs had requested an increase of $402 million.

Mr. Chairman, I am well aware of the needs for fiscal restraint and commend Chairman ROBERTS for adhering to conservative spending guidelines. This amendment would not restore the full cuts made. On the contrary, this amendment would restore only $287 million in budget authority for these hospital and medical programs which, together with the $50 million recommended by the Budget Committee, would permit: $129 million for medical research; $18 million for medical and prosthetic research; $180 million for construction of medical facilities; and $10 million for grants for construction of State-extended care facilities.

Mr. Chairman, the administration's budget request for fiscal year 1979 is in fact nearly the same as fiscal year 1978, despite the fact that I believe inflation has not been stopped, much less completely reversed. Indeed, the budget recommended by the House Committee on Veterans' Affairs is a barebones budget.

Mr. Chairman, if the President's budget were enacted, operating beds would be reduced by over 3,100 beds—the equivalent of closing more than six 500-bed hospitals, and who among my colleagues on either side of the aisle would be willing to have a 500-bed hospital located in their district closed, because of the lack of adequate funding by the Congress? Additionally, the President would cut $407,000 from medical research funding, despite the fact that last year the Veterans' Administration medical research program produced two Nobel Prize winners.

Another serious omission in the President's budget is the complete obliteration of the VA hospital to be built in Camden, N.J. Now, I defy anyone to find it in the budget despite Administrator Cleland's cognizance of its justification by the needs of the veterans in that area, and despite repeated assurances by the VA to our colleague, Hon. JAMES FLORIO, that indeed the Camden Hospital was not in jeopardy.

Mr. Chairman, I do not intend to limit by remarks to the decimation of medical and research programs, since other equally important functions of the Veterans' Administration will be drastically curtailed as well if the funds sought in the Roberts amendment are not restored to the VA's budget.

The proposed budget includes funds for only a 5.8-percent increase in compensation payments for service-connected disabled veterans and their widows. I submit, Mr. Chairman, we

would all welcome an annual inflation rate of 5.8 percent, but just last Friday it was announced that the consumer price index increased at an annual rate of 9.6 percent.

In testimony before the committee, officials of the Veterans' Administration admitted the amount included in the President's budget for pension reform legislation was understated which, together with the subsequent admission by OMB it had underestimated VA's needs by nearly $1 billion, means to me that the entire budget submitted was a fraud. Basically, what happened was the administration intentionally understated the true needs of the Veterans' Administration knowing full well the Congress would not forsake our veterans, and would restore these urgently needed funds.

The Committee on Veterans' Affairs has recently reported to the House for its consideration major pension reform legislation which, among other improvements, will eliminate once and for all the problem of veterans' pensions being reduced every time social security benefits are increased. This, and other important provisions in the reform bill, would alone cost $718 million next year.

Finally, Mr. Chairman, included in Roberts' amendment is $513 million for a simple cost-of-living increase. One might ask are the recipients of these benefits—permit me to enumerate them:

First. Service-connected disabled veterans and their widows;

Second. Eligible dependent parents of veterans; and

Three. Needy, mostly elderly veterans—the World War I veterans in particular.

Furthermore, there is an additional $116 million to strengthen GI bill programs.

Mr. Chairman, the percentage of budget outlays attributable to the Veterans' Administration has been steadily decreasing in recent years—from a high of 5.1 percent in fiscal year 1975 to a new low of 3.8 percent in fiscal year 1979. We must not permit this erosion to continue—is our Nation so fickle as to quickly forget the services rendered by these veterans who put their lives on the line in defense of our country? I submit the answer to this is a resounding "No." Mr. Chairman, I urge my colleagues to support the Roberts' amendment, to tell our Nation's veterans that the House of Representatives has not forgotten their dedicated service, and we will not forsake them despite the obvious signals from President Carter that we do.

Mr. CORMAN. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I rise expressly to oppose the cuts in functions 500, 550, and 600; but I must say that I have been fascinated by the almost unanimous support for socialized medicine that I hear, particularly from the left side of the Chamber.

Mr. Chairman, I have been an advocate of a national health insurance program for some time. I had not suggested socialized medicine, but if there is serious support for it, then it seems to me we ought to explore that possibility. Perhaps the place to start would be to provide for medicaid under a system similar to the care that is now offered by socialized medicine for veterans, because it does seem to have substantial support.

However, let us look at what we would be doing if we voted for the Emery amendment. We would be cutting substantially the money that goes into social services. What does that money go for? For day-care centers, for special help for severely handicapped people.

With respect to the $600 million figure previously mentioned to be cut from medicaid, of course, there has been some fraud because the Government does not deliver the health care for medicaid, and that is where most of the problem is. The GAO frequently finds problems where the Government buys goods and services in the private sector. I am enough of a free-enterprise supporter that I do not want to do away with our buying goods and services in the private sector even though there are occasional problems.

However, to say that we are not going to give health care to people who are poverty stricken and who are sick, because there has been some ripoff by a few doctors does not make much sense to me.

I am sure that it is fun to be mean and lean, and maybe we ought to do that; but let us try to find somebody to be mean and lean with besides old people and orphans who are living in abject poverty. Let us try to find somebody else to be mean to.

Mr. Chairman, I urge a "no" vote on the Emery amendment.

Mr. GARY A MYERS. Mr. Chairman, will the gentleman yield?

Mr. CORMAN. I yield to the gentleman from Pennsylvania.

Mr. GARY A. MYERS. Mr. Chairman, I thank the gentleman for yielding.

I am sure that the gentleman would not want to leave the impression that none of the fraudulent acts are directly attributable to any of the Government participants in these programs.

A number of newspapers recently have carried articles charging that in some cases Government employees have accepted kickbacks such as TVs and a host of other things.

I do not think that fraud is in the private sector only or that it concerns only the private sector.

Mr. CORMAN. No, I do not mean to imply that at all.

On the other hand, I would say that we probably get the same kind of Federal employee in the VA or in HEW. I do think that the gentleman can not find there is any difference in the quality of employees among the various agencies.

I am saying that dealing with very poor people is a difficult thing. We looked for a long time at how we might set in place a system that will reduce fraud. It is a difficult thing to do. However, let us not pretend that we can cut $1 billion out of HEW's budget and not have a severe impact on very poor people, because it is what it is going to do.

Mr. GARY A. MYERS. If the gentleman will yield further, is it not true that there is also recipient fraud as well as provider fraud?

Mr. CORMAN. Of course, there is recipient fraud.

I would point out to the gentleman that of the number of people who are on welfare, less than 5 percent are guilty of fraud. Furthermore, frequently it is because some mother did not not report the $20 she got for going out and scrubbing somebody's floor, which $20 she used to buy her kids shoes. That is fraud under the law.

Mr. ASHBROOK. Mr. Chairman, will the gentleman yield?

Mr. CORMAN. I yield to the gentleman from Ohio.

Mr. ASHBROOK. Mr. Chairman, I know my friend, the gentleman from California (Mr. CORMAN), is very earnest about making sure that the dollars get to where they are supposed to go and achieve or accomplish their purposes.

I think the gentleman knows that in his own State there is a certain amount of fraud as far as illegal aliens using MediCal is concerned.

I have a report that they deported 19 illegal aliens, and 17 of them had MediCal cards. They ran down the amount of bills paid in that year. They ranged anywhere from $500 to $600. They found out that there is a wide area of abuse. Indeed, it includes doctors and dentist. It is the private system, but the mismanagement that the Inspector General was talking about was in HEW.

I think that is the place where, in a small way, we can make a strike for some taxpayer efficiency.

Mr. CORMAN. The gentleman knows that there is mismanagement in everything GAO looks at, and we ought to continue to strive to eliminate it.

Mr. ROSTENKOWSKI. Mr. Chairman, while the amendment before us certainly has a certain charm and superficial appeal to it, analysis unfortunately shows it be without substantive merit.

The amendment of the gentleman from Maine would have the effect of penalizing the one agency of the Federal Government which has taken the lead in putting its own house in order.

Many in this Chamber know that I for one do not always agree with Secretary Califano and some of the policy positions of HEW, but on the issue of waste and inefficiency in Federal programs, Joe Califano and his Department are taking positive action now while many other agencies have yet to face the problem.

In addition to HEW aministrative initiatives, the Congress has been active in HEW program reforms. Last year, the Congress passed a bill designed to curb medicare fraud and abuse. Let us give it a chance to work.

Also, two House committees currently are developing legislation designed to control hospital costs and reduce current Federal obligations for medicare and medicaid. I hope that supporters of this amendment who are so willing to spend the anticipated savings of tomorrow today, will be equally willing to vote for the cost containment bill that will generate most of these savings.

Finally, Mr. Chairman, before we so quickly spend the savings anticipated from more efficient operations of HEW on any function such as veterans' affairs and services, should we not be assured that agencies within that function are as efficiently pursuing the elimination of abuse and the promotion of efficiency. HEW programs might not be models of economy and integrity, but I cannot support an amendment such as this until I hear of more effort to seriously tighten the operation of the massive programs within the veterans' function.

Mr. EDWARDS of Oklahoma. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, we have discussed on this floor today the necessity of choosing priorities, and the choosing of priorities is sometimes a difficult thing to do. There are many needs and the money available to meet them is limited.

But there is one area in which I have no difficulty making a decision.

When the President or the Congress decides to fight a war, this Government turns to the American people and calls forth young people to go into the service, into the military, and suffer the various risks and hardships of military service. In exchange, we make certain commitments, we offer certain inducements, we make certain pledges. Those pledges are not to guns or planes or ships but to people.

These are commitments to human needs.

Not long ago I visited the Veterans' Administration Hospital in my district and I saw how we are meeting that commitment.

The rooms are full, the wards are full, the halls are full.

The lines are long. We need not fewer beds but more.

We need not less commitment but more.

This is not a defense item in this budget; this is a social item.

This is a commitment of help to black people and white people and Indian people. To poor people. To old people. To handicapped people. And they are people with a demonstrated and very real need. An urgent and immediate need.

And for that reason I urge my colleagues to reject the Emery amendment, because it confuses issues that should not be joined, but should stand on their own. And I urge my colleagues to support the Roberts amendment. It is a good amendment that will honor this Nation's pledge to the people who have helped this Nation when we needed them.

Mr. BONIOR. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I know the hour is late, and people are tired and hungry, but I ask the Members to bear with me for a few moments. Let me start by stating that I oppose the Emery amendment, and I am undecided on the Roberts amendment.

I had an occasion a couple of months ago, like many of my colleagues here, to visit a VA hospital, one in Detroit that serves the Greater Detroit area. I went unannounced, and I talked to people who were in the lobby waiting. I found the hospital generally very clean. There was much volunteer help, rather than regular professional staff help. The people waited to see a physician or nurse or whoever they wanted to see, and the wait was not too bad. It was 40 minutes to half an hour, which is reasonably good.

In talking to some of the people in the lobby, I encountered one young man who had served in Vietnam, and was a combat veteran. I wanted to ask him some of the questions I had asked other people, but he indicated that he did not want to talk to me. About a half hour later he came up to me and said, "Are you really a Congressman?" That is often asked of me.

Well, he did open up a little bit, and he talked about his dreams at night, the difficulty he has had in not being able to sleep, screaming at night. He had two children and a wife, and could not hold a job. He said, "Do something about the psychological needs of Vietnam-era veterans. Do something about drug and alcohol abuse if you are going to do anything, if you are indeed a Congressman."

I wandered down the hall without any administrators and visited the alcohol and drug abuse clinics, and the psychiatric wards.

In talking to some of the staff people there, I found out that there were 130,000 visits in those three wards, outpatient visits, 130,000 visits last year. The staff ratio was not good. It was just tremendously out of line. There were six psychiatrists to serve those people and a handful of social workers and psychologists.

I became interested in the plight of the Vietnam-era veteran from that day, and I would like to speak to that issue, to the issue of the Vietnam-era veteran and how that relates to this budget resolution and the amendment that has been offered by the gentleman from Texas (Mr. ROBERTS).

We had 2½ million of this Nation's finest young men serving our country halfway around the world. The bloody scenes of that war which television brought into our living rooms were unpleasant enough. To have been a participant in those scenes was something else again. It is not just something where the will of our soldier was sustained by the noble cause or the country that rallied behind him. It was not that way, because as we all know it became an increasingly unpopular and bitter war. But having done their stoic duty nonetheless, they returned home at last hoping to find some peace and appreciation. This many of them did not receive and this many of them still do not receive. Perhaps they are a living reminder of the dissension and the defeat this Nation once experienced and perhaps it is only natural to put such ugly matters out of our minds.

But the one way this country in the past has demonstrated its greatness is by its compassion and generosity and recognition of problems and by imagination and will overcoming those problems. It is our Nation's duty to do this. So the soldiers having done their duty, I think it is time for us now to do our duty.

Who speaks for the Vietnam-era veteran? It is a question the media and the press have addressed since the end of the war. I cannot throw bouquets out this evening to the Congress or to the veterans organizations. I served during the Vietnam war era. There are 15 of my colleagues in the Congress who served with me. We are a very small minority.

There were 262 people who served in the World War II or Korean war who are in the Congress. The veterans' organizations—the VFW and the Legion, and those we know, as most of the veterans' organizations are, are composed of the people who served in the World War I and World War II and Korean wars or between the wars. So we have banded together, 11 of the 15 Vietnam veterans to try to do something about the plight of the Vietnam-era veteran.

I like the amendment offered by the gentleman from Texas (Mr. ROBERTS) because it adds money. It adds $1 billion. I like it because the White House study on the Vietnam veteran has not come out yet—it is expected to come out by the 10th of May—and I have a feeling if that study is not a whitewash we are going to find we need at least $1 billion to take care of the health and psychological and educational and employment needs of our veterans.

But I also like and I want to commend the Budget Committee for the language and the priorities they have set in the report. I would like to read from the report:

> The committee reaffirms its view that the Nation's highest obligations are to those veterans with service-connected disabilities and those still readjusting to civilian life.

For those who do not think there is still adjusting to civilian life to be done—and there are some who do not, some who think this was just another war—I would like to quote from a study done by John P. Wilson, a psychologist from Cleveland State University, done on a group of veterans in the Cleveland area. He reports:

> Among black combat veterans, unemployment is 48 percent; among whites, 39 percent. Thirty-one percent of black, and 22 percent of white, combat veterans are divorced. Forty-one percent of both groups have alcohol problems. Forty-five percent report poor family relationships. Fifty-nine percent of the blacks, and 67 percent of the whites, have drug problems.

So we are dealing with an issue, at least in my area where we have 130,000 veterans who are patients in VA hospitals with 6 psychiatrists, a handful of social workers and psychologists. I think that is a national disgrace.

The CHAIRMAN. The time of the gentleman has again expired.

(By unanimous consent, Mr. BONIOR was allowed to proceed for 1 additional minute.)

Mr. BONIOR. Mr. Chairman, I would ask that if this amendment is adopted, and I suspect that the Emery amendment will be defeated, and that the gentleman from Texas (Mr. ROBERTS) will have his amendment adopted, that the Committee on Veterans' Affairs would pay special attention to this problem. We cannot afford to waste the lives of these

young people who have given so much for their country, whether you agreed or disagreed with that war—and I was one who participated in that war and then disagreed vehemently with it when I got out of the service.

I ask for some compassion for these people.

Mr. Chairman, I yield back the balance of my time.

Mr. LIVINGSTON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the amendment introduced by my distinguished colleague from Texas. This is an amendment which is extremely important to me and to the First Congressional District of Louisiana.

The problem of veterans' benefits has been brought to my attention several times by my constituents, most recently by representatives of the Disabled American Veterans. They pointed out that Louisiana alone is currently due to lose 55 hospital beds, 28 in New Orleans, and 27 in Shreveport.

Two months ago, I wrote to Congressman ROBERTS in his capacity as chairman of the House Committee on Veterans' Affairs. Since Congressman ROBERTS had visited New Orleans recently I felt his understanding of my district would be beneficial.

I was pleased to hear that he, too, was quite concerned about the decline in adequate medical care for our veterans.

He said then that the committee's analysis of the budget indicated that the veterans medical program requires $408.7 million more than the President requested, and that unless these funds were provided the quality and quantity of medical care to which veterans are entitled will be reduced to an unacceptable level.

Nationally, the President's budget also cuts back on medical research and construction projects for new VA hospitals. There is a $25 million cut in research, although this year, two VA physicians have received the Nobel Prize for medicine. Their research may lead to developments which could ultimately add as much as 50 years to the normal life span of the average human being.

In testifying before Appropriations Committee hearings, a spokesman for the Veterans of Foreign Wars pointed out that the VA's portion of the Federal budget has dropped from 5.1 percent 4 years ago to 3.8 percent in the 1979 budget. Yet the number of veterans is increasing, with a current total of 29.9 million.

He also noted that, in the past 10 years, the VA has closed 15,000 hospital beds, yet the VA turns down 17 percent of those who apply for admission to VA hospitals—because of the shortage of beds.

The Roberts amendment would provide the funds necessary to provide the kind of medical care veterans deserve.

By far the largest part of the veteran population are those who served in World War II. Their average age is 58 and they are at an age when they become more likely victims of heart disease, cancer, and stroke. They will be turning to VA hospitals for help. It is high time that we in Congress, and we as American citizens recognize the needs of those who sacrificed their time and their well being in our behalf.

We must see that that help is available for Americans who have earned it, and I believe the Roberts amendment is the way to accomplish this.

I urge your support for this important amendment.

Mr. ALLEN. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the Roberts amendment.

Mr. Chairman, I appreciate full how many of the Members of this body are deeply concerned about deficit spending. I too have the same apprehension and I too want to see deficit spending closed and brought to an end. But I do not want to see our budget balanced at the expense of the widows and orphans of our young men and women who laid down their lives on the battlefield in defense of this country. I do not believe the other Members here do either.

All that the amendment offered by the gentleman from Texas (Mr. ROBERTS) would do is to do justice to those who have served their country in time of peril, and who answered the call to duty and put their lives on the line in defense of their country.

I cannot believe that this body is not going to support the recommendations of the Committee on Veterans' Affairs chaired by one of the finest Members of this body, Chairman RAY ROBERTS of Texas.

Mr. Chairman, I have had the privilege of serving as a member of that committee ever since I first came to the House of Representatives, and the gentleman from Texas, TIGER TEAGUE, and the gentleman from Texas, RAY ROBERTS, are among my most favorite Members in this Congress. Both of them you can be sure have had one primary interest; and that is to discharge their responsibilities as chairman of the Committee on Veterans' Affairs and to see to it that the veterans of this Nation are treated fairly and justly as this Nation should treat them.

They are talking now about closing down hospitals and the elimination of hospital beds. Indeed, 30 miles to the East of Nashville is a veterans' hospital in Murfreesboro, Tenn. They are talking about closing that down, and the order has already gone forward from the Veterans' Administration that this hospital is to be closed down in a matter of months, notwithstanding the fact that it has a 60- to 90-day waiting period of veterans seeking admission to that hospital. And they are talking about closing it down.

What are they going to do with them? Put them on medicaid? Is that what they are proposing to do? Instead of other veterans' hospitals, let them be put on medicaid?

Do you know that the health delivery services in the veterans' hospitals cost less than the same services delivered in the private hospitals across this Nation? We have the figures in our committee to show it. I repeat, the cost of delivering services, health services, and care to those in veterans' hospitals is substantially less than what it costs to deliver the same services in private hospitals across the Nation.

Yet if we do not maintain these veterans' hospitals, this is the only thing we can do with them, and that is to give them a medicaid card and tell them to go to a private hospital and present their card. I do not believe that we want to treat our veterans in this fashion. I appeal to the Members to do what is right in this matter and to do justly by those who have served their country, and their widows and their children, and their mothers and fathers, many of whom have lost their sons and have been left alone.

Mr. ANDERSON of California. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in strong support of the amendment being offered to the veterans' portion of the budget resolution (H. Con. Res. 559), by my friend and colleague, Chairman RAY ROBERTS.

There are many good reasons why we must act to increase the budget for our veterans. Over 30 million of them. That is how many veterans we have in this country.

One, of special concern to me today, is the cutback in Veterans' hospital beds that has been proposed by the administration. They would reduce the number of beds, systemwide, by 3,100. Our hospital in Long Beach would lose 300 beds, the single largest cutback scheduled, and a reduction of almost 20 percent. Additional bed space will be lost in both the Sepulveda and Wadsforth facilities.

I protested these reductions in correspondence to VA Administrator Max Cleland. In my March 8 letter, I told him:

> It is unfortunate, but many veterans, especially our older warriors, can afford no other hospital care except that provided by the Veterans Administration. It is vitally important that these people can be sure of having a hospital bed waiting when they are in need.

And because many of them can afford no other hopsital care, this Nation cannot afford to deny them bed space.

Our Long Beach area has an unusually large amount of older residents. Without belaboring the fact, it should be apparent to all, that these older veterans are the ones most likely to be in need of hospital care.

It would be nice if more of these older veterans could afford private hospital care. My bill, H.R. 9000, would have provided a modest supplement to most of those who served in World War I. If this proposal were enacted, and it has been cosponsored by a majority of us, the need for these beds being eliminated might not be so great.

Last year at this time, I offered an amendment which passed with 329 favorable votes, to increase the veterans' section in the budget. I did this with the hope that H.R. 9000 would soon become law. To date, it has not. I remain hopeful, that with the passage of this Roberts amendment, funds will be avail-

able for H.R. 9000 if it receives favorable action in the coming year.

And if it does not, the money being provided can still be well spent. Even the Veterans' Administration has conceded, through a high official, that given this increase in their budget, they would restore the beds that will otherwise be lost.

I hope my colleagues will support this amendment being offered by Chairman RAY ROBERTS.

Mr. GILMAN. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment offered by the distinguished chairman of the Committee on Veterans' Affairs, the gentleman from Texas (Mr. ROBERTS).

Mr. Chairman, many of our 30 million veterans have unfortunately been treated as second-class citizens, and many are being forced to live far below the poverty level. This amendment will raise their income to a decent livable level, and this amendment will prevent the closing of sorely needed veterans' hospitals and help prevent the reduction of hospital beds.

Most importantly, it would help us to provide a needed supplement for the meager income of our World War I veterans who have been so long neglected.

As has been so ably stated by my colleague, the gentleman from Mississippi (Mr. MONTGOMERY), this amendment will cost an additional $852 million. But it is an investment in America. It is an investment in the men and women who gave of themselves for our Nation. When we are talking about our veterans, we certainly can afford that additional cost.

This amendment goes above and beyond band-aids on major wounds. The fiscal year budget request presented to Congress in January for the Veterans' Administration would provide for a budget authority of $19 billion and outlays of $19.2 billion. Over half (53 percent) of the fiscal year 1979 budget's project outlays is for security programs; that is, compensation, pensions, and life insurance; approximately 30 percent goes to health care; and the remainder to readjustment (education and training), housing and other benefits.

With these additional Federal funds to the VA, we can go beyond the bare essentials of compensation, pensions, readjustment benefits, hospital and medical care, housing loans, life insurance, and burial benefits.

We can help solve the problems of our pension program; we can solve the continuing problem of social security adjustments; and it will help us provide a better quality of life for those loyal Americans who donned the uniforms of the American armed services in the Great War of 1917 and 1918.

While this budget does not go far enough, in my opinion, in providing educational benefits for those who have served, the amendment offered by Chairman ROBERTS does provide immediate, invaluable assistance for the veterans of America.

Accordingly, I urge my colleagues to carefully weigh this amendment, to consider those who have answered their call to duty and to approve this amendment.

Mr. SPENCE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the Roberts amendment. It is a known fact that there were serious deficiencies in the President's budget recommendation for veterans benefits and services. Although the Budget Committee has increased the funding levels by $1.637 billion over the amount recommended by the President, this sum had to be added because of a grossly underestimated budget.

The budget resolution contains a net total of only about $800 million in new entitlement authority. This is little more than enough to provide the basic cost-of-living increases for veterans with service-connected disabilities, pensions for permanently and totally non-service-connected disabled veterans, and increases for veterans going to school under the GI bill. I am informed these increases alone would amount to almost $800 million.

Mr. Chairman, as I understand it, the amendment would add $287 million for the hospital and medical care program. The administration has recommended the closing of hospital beds throughout the VA system, 3,132 in fact. If this recommendation is not overturned, it could mark the beginning of the end of the veterans hospital program as we know it today.

My experience has been that there are usually waiting lists for veterans to get into most VA hospitals. It is not uncommon for them to have to wait 2 or 3 hours to get prescriptions filled because of crowded conditions and inadequate staffs at some VA facilities. Oftentimes an individual must stay at the hospital an entire day for an examination. Adoption of the amendment, Mr. Chairman, will assure that adequate staffs can be added to the existing hospitals to eliminate some of the undue delays that many veterans encounter when they visit these facilities.

I would also like to say a word about H.R. 10173, a major pension reform bill which has been ordered reported by the Committee on Veterans' Affairs. Passage of this measure is necessary if we are to eliminate the problem that has been with us for so long whereby a veteran finds his pension reduced every time his social security is increased. I have already cosponsored similar legislation which would also have the effect of disregarding increases in social security payments in determining veterans pensions. I do not feel that it is right for an individual to get an increase in one benefit and have it taken away from another based on military service in defense of his country. H.R. 10173 is also essential to provide additional benefits for our older World War I veterans upon reaching age 80. Most of them are already that age.

Mr. Chairman, what we do here today will in one way or another affect every veteran throughout the country. The question is one of priorities and I simply believe that we have a stronger obligation to those who have worn their Nation's uniform. I submit that my record will leave no doubt of my commitment to fiscal responsibility but there is ample room for reductions in other areas where we throw away billions on programs which are, at best, of questionable merit. We should begin to concentrate a little more on those who have made sacrifices for all of us during our times of greatest need.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Maine (Mr. EMERY) as a substitute for the amendment offered by the gentleman from Texas (Mr. ROBERTS).

The question was taken; and on a division (demanded by Mr. GARY A. MYERS) there were—ayes 14, noes 52.

Mr. GARY A. MYERS. Mr. Chairman, I demand a recorded vote.

A recorded vote was refused.

So the amendment offered as a substitute for the amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas (Mr. ROBERTS).

The question was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. BAUMAN. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 362, noes 33, not voting 39, as follows:

[Roll No. 278]

AYES—362

Abdnor	Butler	Eilberg
Addabbo	Byron	Emery
Akaka	Caputo	English
Alexander	Carney	Erlenborn
Allen	Carr	Ertel
Ambro	Carter	Evans, Del.
Ammerman	Cavanaugh	Evans, Ga.
Anderson, Calif.	Cederberg	Evans, Ind.
	Chappell	Fary
Andrews, N. Dak.	Chisholm	Fascell
	Clausen, Don H.	Findley
Annunzio		Fish
Applegate	Clay	Fisher
Archer	Cleveland	Fithian
Armstrong	Cohen	Flippo
Ashbrook	Coleman	Flood
Aspin	Collins, Ill.	Flowers
Badham	Collins, Tex.	Flynt
Baldus	Conte	Foley
Barnard	Corcoran	Ford, Mich.
Baucus	Corman	Ford, Tenn.
Bauman	Cornell	Forsythe
Beard, R.I.	Cornwell	Fountain
Beard, Tenn.	Cotter	Fowler
Bedell	Coughlin	Fraser
Bennett	Crane	Frenzel
Bevill	Cunningham	Fuqua
Biaggi	D'Amours	Garcia
Blanchard	Daniel, Dan	Gaydos
Blouin	Daniel, R. W.	Gephardt
Boggs	Danielson	Gibbons
Boland	Davis	Gilman
Bonior	de la Garza	Ginn
Bonker	Delaney	Glickman
Bowen	Dellums	Goldwater
Brademas	Derrick	Gonzalez
Breaux	Derwinski	Goodling
Breckinridge	Devine	Gore
Brinkley	Dickinson	Gradison
Brodhead	Dicks	Grassley
Brooks	Diggs	Gudger
Broomfield	Dingell	Guyer
Brown, Calif.	Dodd	Hagedorn
Brown, Mich.	Dornan	Hall
Brown, Ohio	Downey	Hamilton
Broyhill	Drinan	Hammer-schmidt
Buchanan	Duncan, Oreg.	
Burgener	Duncan, Tenn.	Hanley
Burke, Fla.	Eckhardt	Hannaford
Burke, Mass.	Edgar	Hansen
Burleson, Tex.	Edwards, Ala.	Harkin
Burton, John	Edwards, Calif.	Harris
Burton, Phillip	Edwards, Okla.	Harsha

Heckler	Mikulski	Sarasin
Hefner	Milford	Satterfield
Heftel	Miller, Calif.	Sawyer
Hightower	Miller, Ohio	Scheuer
Hillis	Mineta	Schulze
Holland	Minish	Sebelius
Hollenbeck	Mitchell, Md.	Seiberling
Holt	Mitchell, N.Y.	Sharp
Howard	Moakley	Shipley
Hubbard	Moffett	Shuster
Huckaby	Mollohan	Sikes
Hughes	Montgomery	Skelton
Hyde	Moore	Slack
Ichord	Moorhead, Calif.	Smith, Iowa
Ireland		Smith, Nebr.
Jeffords	Mottl	Snyder
Jenkins	Murphy, Ill.	Solarz
Jenrette	Murphy, N.Y.	Spellman
Johnson, Calif.	Murphy, Pa.	Spence
Johnson, Colo.	Murtha	St Germain
Jones, N.C.	Myers, John	Staggers
Jones, Okla.	Natcher	Stangeland
Jones, Tenn.	Neal	Stanton
Jordan	Nedzi	Steed
Kastenmeier	Nichols	Steers
Kelly	Nolan	Steiger
Kemp	Nowak	Stockman
Ketchum	O'Brien	Stokes
Kildee	Oakar	Stratton
Kindness	Oberstar	Studds
Kostmayer	Panetta	Stump
Krebs	Patten	Symms
Krueger	Pease	Taylor
Lagomarsino	Pepper	Teague
Latta	Perkins	Traxler
Le Fante	Pettis	Treen
Leach	Pickle	Trible
Lederer	Poage	Tsongas
Lent	Pressler	Udall
Levitas	Preyer	Ullman
Livingston	Price	Van Deerlin
Lloyd, Calif.	Pritchard	Vander Jagt
Lloyd, Tenn.	Pursell	Vanik
Long, La.	Quie	Vento
Lott	Quillen	Volkmer
Lujan	Rahall	Waggonner
Luken	Railsback	Walgren
McClory	Rangel	Walker
McCloskey	Regula	Walsh
McCormack	Reuss	Wampler
McDade	Rhodes	Watkins
McDonald	Richmond	Waxman
McEwen	Rinaldo	Whalen
McFall	Risenhoover	Whitehurst
McHugh	Roberts	Whitten
McKay	Robinson	Wilson, Bob
McKinney	Rodino	Wilson, Tex.
Madigan	Roe	Winn
Mahon	Rogers	Wolff
Markey	Roncalio	Wright
Marks	Rooney	Wydler
Marlenee	Rose	Wylie
Marriott	Rosenthal	Yatron
Martin	Rousselot	Young, Fla.
Mathis	Roybal	Young, Mo.
Mattox	Rudd	Young, Tex.
Mazzoli	Ruppe	Zablocki
Metcalfe	Russo	Zeferetti
Meyner	Ryan	
Michel	Santini	

NOES—33

Anderson, Ill.	Green	Myers, Gary
AuCoin	Harrington	Obey
Bellenson	Holtzman	Pattison
Benjamin	Jacobs	Pike
Bingham	Keys	Rostenkowski
Bolling	LaFalce	Simon
Burlison, Mo.	Leggett	Stark
Conable	Lehman	Thompson
Early	Lundine	Weiss
Fenwick	Maguire	Wiggins
Giaimo	Moorhead, Pa.	Yates

NOT VOTING—39

Andrews, N.C.	Horton	Runnels
Ashley	Kasten	Schroeder
Bafalis	Kazen	Sisk
Burke, Calif.	Long, Md.	Skubitz
Clawson, Del	Mann	Thone
Cochran	Meeds	Thornton
Conyers	Mikva	Tucker
Dent	Moss	Weaver
Evans, Colo.	Myers, Michael	White
Florio	Nix	Whitley
Frey	Ottinger	Wilson, C. H.
Gammage	Patterson	Wirth
Hawkins	Quayle	Young, Alaska

The Clerk announced the following pairs:

On this vote:

Mr. Kazen for, with Mrs. Burke of California against.

Mr. Hawkins for, with Mr. Mikva against.

Mr. RICHMOND changed his vote from "no" to "aye."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. FRASER

Mr. FRASER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FRASER: In the matter relating to the recommended level of Federal revenues raise the amount by $108 million;

In the matter relating to the appropriate level of total new budget authority raise the amount by $435 million;

In the matter relating to the appropriate level of total budget outlays raise the amount by $363 million;

In the matter relating to the amount of the deficit raise the amount by $255 million;

In the matter relating to function 500 raise the amount for budget authority by $435 million; and raise the amount for outlays by $390 million.

In the matter relating to function 600 lower the amount for outlays by $27 million.

(By unanimous consent, Mr. FRASER was allowed to proceed for 5 additional minutes.)

The CHAIRMAN. The gentleman from Minnesota (Mr. FRASER) is recognized for 10 minutes in support of his amendment.

Mr. FRASER. Mr. Chairman, I offer a modest amendment to increase funding for job training programs for youth and for older Americans. My amendment would add a small amount of money to increase the job slots for older Americans and for some youth training programs. It would add in budget authority $435 million; outlays, $390 million, but because of increased revenues the net impact on the budget would be $255 million. This is equal to roughly 2 percent of the tax cut we were talking about in this budget resolution.

That money would be used to add some job slots for older Americans and to put the structurally unemployed young people to work. More specifically, my amendment would add to the Job Corps $45 million; to the new youth programs called YEDPA an increase in budget authority of $300 million, and to community service employment for older Americans, title IX of the Older Americans Act, an increase in budget authority of $19 million.

Mr. Chairman, one of the most important points is that the present budget resolution provides for no growth is existing programs dealing with the older Americans and for youth; no increase despite the fact that we are now budgeting the first 9 months of the Humphrey-Hawkins program, which concentrated part of its effort on the problems of the structurally unemployed. Unless we pass something like my amendment, there will be no increase to reach these people who are the victims of structural unemployment. There are 3 million people under the age of 24 who are unemployed; for nonwhite youth, the unemployment rate runs 39 percent or higher.

Let me point out what is happening to the youth.

Mr. BIAGGI. Mr. Chairman, will the gentleman yield?

Mr. FRASER. I yield to the gentleman from New York.

Mr. BIAGGI. Mr. Chairman, I congratulate the gentleman from Minnesota for introducing this amendment with special relationship to the slots for the elderly. I am chairman of the Subcommittee on Federal, State and Community Services of the Select Committee for Aging. We had a very horrible experience. We had representatives actually testify before our committee that after OMB had cut VISTA and the Peace Corps they appealed, those older citizens, and they had the money restored, but when OMB cut the RSVP program, which was the most salutary and effective program, they did not even appeal.

The fact of the matter is, they cut the jobs and slot numbers, and while we are making every effort to have them restored, perhaps under the Older Americans Act, which we will be marking up tomorrow, in the interim I congratulate the gentleman for offering this type amendment and focusing attention on the need and the advantage of providing additional moneys.

Mr. FRASER. I thank the gentleman from New York very much.

Mr. ROONEY. Mr. Chairman, will the gentleman yield?

Mr. FRASER. I yield to the gentleman from Pennsylvania.

Mr. ROONEY. Mr. Chairman, I rise in strong support of the amendment offered by the gentleman from Minnesota, Congressman FRASER, to provide for moderate increases in training and employment programs for young people and for older Americans. I commend my distinguished colleague for his leadership in proposing these increases which I believe are absolutely essential to meet the specific needs of the structurally unemployed.

Mr. Chairman, it is my opinion that the budget resolution as it currently stands is inadequate in addressing the particular employment problems faced by millions of American teenagers and elderly citizens. I feel that Representative FRASER'S amendment will go far in insuring that as we fight to reduce high unemployment, we do not leave those who most desperately need assistance along the wayside.

As chairman of the Retirement Income and Employment Subcommittee of the House Select Committee on Aging, I would like to specifically address the proposed increase for the senior community service employment program. This program represents an integral cog in the wheel of needed services and opportunities necessary to put millions of elderly Americans on the road to economic security and self-fulfillment. It seems incredible to me that while the national burden of maintaining incomes and health care for a growing number of retirees is steadily increasing, many older Americans willing and able to work are confronted with numerous obstacles preventing them from being economically self-sufficient. Considering the cost of forced idleness, the value of the title IX

senior community service employment program is indisputable.

During the 1st session of the 95th Congress, the Retirement Income and Employment Subcommitte held hearings on the senior community service employment program with a view to formulating specific recommendations to the Congress for the improvement and enrichment of the program. In the course of our hearings, testimony was heard from key Government departments involved in the title IX program, the national contractors responsible for implementing the program, as well as various organizations, and individuals interested in the growth and improvement of title IX. After hearing the testimony presented before the subcommittee on title IX, I was deeply concerned about several startling realities.

Although 10,000 new jobs in the title IX program are expected to become available in fiscal year 1978—bringing the total to approximately 47,500—the number of applicants will exceed, by far, the number of positions available. The total number of positions available under title IX in fiscal year 1978 will provide employment opportunities to less than 1 percent of the 5.4 million older Americans eligible by age and income for enrollment in the program. Most of these individuals could and would work if simply given the opportunity.

It is important to note that there are over one-half million persons presently unemployed who fall into the age category served by the title IX program. In addition, the Bureau of Labor statistics estimates that at least an additional one-quarter million persons aged 55 and over would like to work but do not seek employment because they believe that employment is not available.

The enormity of the problem of unemployed and discouraged older workers receives added meaning considering the fact that the proportion of older Americans forced to live a poverty-ridden existence is steadily rising. Approximately 25 percent of all elderly Americans—5,521,000 individuals aged 65 and over—are living on incomes near, at, or below the official poverty line—that is, under 125 percent of the poverty level. The well-publicized Louis Harris survey of national attitudes toward aging conducted in 1974 determined that 43 percent of those over 65 with annual incomes below $3,000 who were not working desired employment. For many of these people, title IX could provide the much needed opportunity to supplement their inadequate incomes and to reap the many personal benefits to be gained from useful, satisfying employment.

The fact that the existing Federal employment and training programs, such as the comprehensive Employment Training Act, do not serve the elderly, has been well documented. In fiscal year 1976, persons aged 55 and over were 2.8 percent of service recipients under CETA title I (training) and 5.1 and 5.2 percent of recipients under title II and VI (public service employment). On the average, only 4 percent of those served by CETA have been older workers. Dramatic evidence of a continuing and urgent need for a strong and expanded older worker program, title IX, tailored and operated specifically to meet the employment needs of the elderly.

I believe that the number of older workers involved in the title IX program must be greatly expanded. The program thus far has done a very admirable job in meeting the needs of thousands of low-income senior citizens willing and able to work in worthwhile community projects. I feel however, that much more can and must be done. Thousands more needy older Americans desperately need part-time work—title IX must grow to meet this need.

Mr. Chairman, as a result of testimony received by the Subcommittee on Retirement Income and Employment on the title IX program, our original recommendation was to provide nationally 90,000 part-time jobs for older Americans under this program—in other words, a doubling of the present job slot level. I feel that if this doubling cannot be achieved at the present time, then the amendment offered here today by Representative FRASER is the minimum which must be done to keep the title IX program alive and rewarding. The additional 19,000 job slots for the senior community service employment program will go far in strengthening the program and in making certain that senior citizens who are ready, willing, and able to work, are afforded the opportunity to break themselves loose from the chains of economic insecurity and despair and find fulfillment in gainful employment. I strongly support this amendment and urge its prompt passage.

Mr. FRASER. I thank the gentleman from Pennsylvania.

I would like to call to the attention of the Members this chart, which represents the tragic unemployment for young, nonwhite people in the United States. Look at the differences in employment between white and nonwhite teenagers back in 1954. There was a 5-percent difference in unemployment rates. This deals with the entire population that falls within this age group. Next, see what happens down through the years, through the last two decades. The nonwhite young people have experienced steadily increasing rates of unemployment in relation to their white counterparts. By the time we get down to 1977, the differences have reached almost 26 percent.

These young, nonwhite teenagers are experiencing a steadily increasing rate of unemployment, the reasons for which are not yet fully known. We held some hearings on this question. We asked the Labor Department and we asked the Council of Economic Advisers why this was happening. They did not know. But what we do know is that today the unemployment for these people is running over 39 percent. Measuring it in other ways, we find it is actually over 50 percent or 60 percent.

If we take just 2 percent of this tax cut and channel it to help these people and the older Americans, we can make a significant increase in the number of job slots and more nearly approach the objective we adopted in the Humphrey-Hawkins bill just a few months ago. It would be a tragedy if we raised the expectations of our people by adopting the Humphrey-Hawkins bill, and they find now that it is to be business as usual. The 2 percent of this tax cut is not an extraordinary amount to pay. If we want the same macroeconomic effect we will take the 2 percent off the tax cut and run it through the job programs and come out with exactly the same macroeconomic effect but with new opportunities for these young people. I urge the Members to support my amendment, to vote to support these young people and older Americans. It does not bust the budget. We can reduce the tax cut by 2 percent and we have the some overall effect on the budget.

Mr. MITCHELL of Maryland. Mr. Chairman, will the gentleman yield?

Mr. FRASER. I yield to the gentleman from Maryland.

Mr. MITCHELL of Maryland. Mr. Chairman, I thank the gentleman for yielding.

I too thank the gentleman for his amendment. I think we have to be very honest. What the gentleman is proposing is not going to have a massive impact. It is not going to have a massive impact on the appalling data for nonwhite employment or unemployment, but it will at least give a kind of continued signal of hope to some folks who for 23 years have been locked into that same unyielding pattern.

I think it is just wonderful that the gentleman has offered this amendment. I obviously will support it and I urge my colleagues to do the same.

Mr. SARASIN. Mr. Chairman, will the gentleman yield?

Mr. FRASER. I yield to the gentleman from Connecticut.

Mr. SARASIN. Mr. Chairman, I rise in support of the amendment offered by my colleague, Mr. FRASER, to increase the budget authority for employment opportunities under the Youth Employment and Demonstration Projects Act and the community service employment for older Americans program.

As ranking minority member of the Subcommittee on Employment Opportunities and as a member of the Select Committee on Aging, I have been in the unique position of being able to monitor both programs and to assess the needs and rates of success.

That there is a severe need in both cases is without question. The unemployment rate for our teenage Americans is unacceptably high. It is nearly 15 percent for all youth, and it is 39 percent for minority youths. Many of these youngsters are the hardcore people of our society, those who are high school dropouts, those who spend their lives on street corners engaging in activities which are unacceptable in our society. Many others, because of the poverty of their backgrounds, simply face life without hope, without the chance to become productive members of their country.

While admittedly some of the programs under the youth bill are new, evidence has already begun to be compiled. From coast to coast, I am hearing reports of the success of the entitlements

section of YEDPA. The Sarasin provision. The intense competition for pilot project grants under this particular program certainly speaks to the need to provide young people with employment and training opportunities. The Young Adult Conservation Corps already has a proven record of success, and information also indicates that the youth community conservation and improvement projects and the youth employment and training program are meeting with similar successes.

It is through programs such as these that we can best change the attitude of our unemployed and generally poor American youth. We can let them know that there is a place for them in the workforce of America, that they can control their own lives and achieve a standard of living commensurate with their individual efforts. We can turn them away from the streets and back into schools, OJT programs, and others that will be a constructive force in their life.

Many of you have expressed concern over some of the problems facing the CETA program. Don't extrapolate those to the youth programs, because the circumstances are not the same. Our youth programs do not lend themselves to substitution—largely because of the lack of skills, experience and maturity of young people. They do not arbitrarily push up wages, thereby increasing the pressures on inflation. These jobs are rarely viewed as golden opportunities to settle comfortably into a niche and never leave; they are instead viewed as a chance to learn something and then go on to something better. The vast majority of jobs under the youth programs focus on providing services that have not previously been provided either in the private sector or in the public sector, or that would otherwise not be provided because of economic conditions—such as weatherizing the homes of poor families and the elderly, transportation systems for our senior citizens and the like. While the jobs might not be competitive in this sense, the skills and work experience learned can be marketed in the private and public sectors.

The costs related to youth jobs are much less than for those under CETA programs. More important, however, is the fact that these jobs can have a direct benefit for society, both immediately and in the future. Every child we can reach might be one less poor adult we will have to support. Every teenager who gets a job might be one less than is currently engaged in crimes ranging from vandalism to personal violence. Every teenager we reach is an example to others that society is willing to work with them, to help them help themselves.

While unemployment rates for older American workers tend to be low, the figures are in no way an accurate representation of the unemployment situation for our senior citizens. Once an older worker becomes unemployed, it is nearly impossible for them to reenter the labor market. Long-term unemployment among older adults is the highest of any age group. The average unemployment period for workers 55 and older in 1977 was about 20 weeks—nearly double the job search time for our younger workers.

Long-range demographic trends, which are under close examination by my Aging Subcommittee—which is holding a series of foresight hearings—show that the number of dependent retired persons in the future could double the taxes necessary to maintain current benefit levels for the elderly population in the years 2000 and beyond. This in itself would be justification for increasing retirement age. By keeping our elderly in the job market, we avoid the choice of increased taxes or reduced retirement benefits—any of which are already inadequate for citizens living on fixed incomes.

But the overwhelming evidence that senior citizens suffer from physical and mental impairments brought about by drastic changes in lifestyle, loss of self-esteem when forced into unemployment, and increased reliance on government assistance due to loss of earning power, speaks for the obvious need to maintain and expand job opportunities for older workers.

Young people are our most creative force. Our older Americans, people whose age does not lend itself to substitution, whose financial circumstances do not place pressure on wages, have the experience and expertise from which society can only benefit. When we have what appears to be highly successful programs that abuse neither the people nor the system and that provide riches for society as a whole, it makes little sense not to provide moderate increases in the number of opportunities available. I can say to you that we all—society, the consumer, the private sector, and Government—will benefit far more by increasing participation in these programs than we will lose in revenues.

Mr. WEISS. Mr. Chairman, will the gentleman yield?

Mr. FRASER. I yield to the gentleman from New York.

Mr. WEISS. Mr. Chairman, I appreciate the gentleman from Minnesota yielding to me and I want to commend the gentleman upon his efforts in moving this amendment.

I would ask the gentleman from Minnesota (Mr. FRASER), as a member of the Committee on the Budget, is it not a fact that the Committee on the Budget in September supported this level of support for the youth employment and training program?

Mr. FRASER. The gentleman is correct. In the last budget resolution we actually provided for additional funding, but it was not used. We recognized the problem then and we ought to recognize it today.

Mr. WEISS. I thank the gentleman.

Mr. GIAIMO. Mr. Chairman, will the gentleman yield?

Mr. FRASER. I yield to the gentleman from Connecticut.

Mr. GIAIMO. In addition to the add-on for the Job Corps, youth program and older Americans program, what does your amendment do to taxes and revenue?

Mr. FRASER. It does nothing on taxes and revenue. But the point I am trying to make is that the amount of actual impact is equal to 2 percent of the proposed tax cut which is in our budget resolution. I am making the point that if we want the same macroeconomic impact we could reduce the tax cut to 98 percent of the amount in the resolution, and put the other 2 percent through these programs and end up in the same position.

Mr. GIAIMO. But the gentleman is not proposing a lower tax?

Mr. FRASER. No; I am not proposing a lower tax in this amendment.

Mr. GIAIMO. The gentleman's amendment strictly adds money to these categories?

Mr. FRASER. That is right.

Mr. DERRICK. Mr. Chairman, will the gentleman yield?

Mr. FRASER. I yield to the gentleman from South Carolina.

Mr. DERRICK. In your amendment you do not talk about 2 percent of the tax cut being used?

Mr. FRASER. I do not.

Mr. DERRICK. That is just merely a suggestion on your part?

Mr. FRASER. That is to identify the magnitude of the figures we are talking about.

The CHAIRMAN. The time of the gentleman has expired.

(On request of Mr. DERRICK and by unanimous consent, Mr. FRASER was allowed to proceed for 1 additional minute.)

Mr. DERRICK. Mr. Chairman, will the gentleman yield further?

Mr. FRASER. I yield to the gentleman from South Carolina.

Mr. DERRICK. You are suggesting that it must come from someplace and a reduction in the tax cut by 2 percent is a possibility?

Mr. FRASER. By reducing the tax cut by 2 percent we would pay for this whole program.

Mr. GIAIMO. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Minnesota (Mr. FRASER).

Mr. Chairman, the objectives of the gentleman from Minnesota (Mr. FRASER) are noteworthy. Unemployment is undeniably still too high in the groups these programs affect. Youth and older Americans continue to suffer particularly severe unemployment problems, but this is not the year to provide major increases in spending for unemployment and training assistance programs. Both are in the basic recommendations of the President and are in the recommendations of the Committee on the Budget.

We never can provide enough. I repeat, we never can provide enough. But if we are ever to get control of this deficit, if we are ever to reduce Federal spending, as we argued earlier today, we have to get control of specific programs. These are some of them.

It is not that there is not money in the budget for these programs. The President's budget has $400 million for the Job Corps; it has $198 million for older Americans employment programs; and it has $1 billion for the youth employment

programs, which the Committee on the Budget increased to $1.2 billion. That I submit is a substantial amount of money.

I would like to be able to accommodate the gentleman from Minnesota (Mr. FRASER) and support his amendment but, again, if we support every one of the requests for additional spending, what happens to the deficit? What happens to the level of expenditures? What happens to inflationary pressures? And what happens to the economy?

I plead with you, let us begin—I repeat let us begin—to get control of our spending.

In order to do so it is not enough to complain about the size of the Federal budget and the size of the deficit. We have to be able to say no to the special groups that are constantly asking for additional moneys over and above what we have voted and over and above what the President is recommending.

I repeat, it begins right here and now, tonight, and it begins on this amendment.

Vote down this amendment, I beg you.

Mr. OBEY. Mr. Chairman, will the gentleman yield?

Mr. GIAIMO. I yield to the gentleman from Wisconsin.

Mr. OBEY. I thank the gentleman for yielding.

Let me just say, Mr. Chairman, that there is no amendment that I hate more to vote against than this one. Four times in the Labor-HEW Appropriations Committee I have offered amendments to raise funding for title IX, and I have just as many amendments to raise funding for youth employment and vocational education. But we can do a lot of what the gentleman is talking about without raising the deficit this year.

There will be in the CETA program an overflow into the next fiscal year because of the inability of the local prime sponsors to commit all of their funds. There will be an overflow of at least 10 percent in those moneys. Without adopting this amendment the Labor-HEW appropriations bill can add as much as $100 million to vocational education, which will provide the kind of job training young people most desire and most respect, and we can also add a substantial amount to title IX without having to bust the budget as this amendment does. We can do almost half of what this amendment does without touching the deficit at all, and I would urge the Members to vote down this amendment because we can do it in the manner I just described.

Mr. DERRICK. Mr. Chairman, will the gentleman yield?

Mr. GIAIMO. I yield to the gentleman from South Carolina.

Mr. DERRICK. I thank the gentleman for yielding.

I would like to bring to the attention of the gentleman that the Budget Committee is not a line item committee. We have $2.7 billion in these categories: $900 million for the Summer Youth Job Corps, $400 million for the youth program, $1.3 billion, and older americans, $198 million. Surely this should give us enough flexibility in here to carry out these programs without trying to line item this $390 million.

Mr. LATTA. Mr. Chairman, will the gentleman yield?

Mr. GIAIMO. I yield to the gentleman from Ohio.

Mr. LATTA. I thank the gentleman for yielding.

I would like to join the chairman in opposing the amendment particularly because it raises the deficit by a quarter billion dollars, $255 million to be exact.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. LATTA, and by unanimous consent, Mr. GIAIMO was allowed to proceed for 2 additional minutes.)

Mr. LATTA. If the gentleman will yield further, also I am amazed to learn that they would increase revenues by $108 million. I do not know exactly how that would come about. There is already $34,090,000,000 in this resolution for function 500, of which $435 million in budget authority would be granted if this proposal goes through. In outlays there is already in the resolution $31,-429,000,000. This would add $390 million additional in outlays. In function 600 I do not know how he gets this figure, but he would subtract $27 million from the $159,339,000,000 already in the resolution, so I hasten to join the chairman of our committee in his opposition to the amendment.

Mr. PEPPER. Mr. Chairman, I move to strike the requisite number of words. I rise in support of the amendment.

Mr. Chairman, we all respect the responsibility of the distinguished chairman of the Committee on the Budget; but while they tell us about the plight of the Budget, may I ask you to consider for a moment the plight of the older people of the country. This amendment, offered by the able gentleman from Minnesota (Mr. FRASER) would only add $90 million in authorization, $80 million in outlays. It would only provide 19,000 temporary jobs for the older people of the country.

Under the program of the President, title IX of the Older Americans Act, only 47,000 older people were given part-time jobs at compensation at the minimum wage or s lightly a bove. This program is to reach 47,000 plus.

There are half a million unemployed people in this country over 55 years of age. In families the head of which is over 65 years of age in this country, the income of that family is 43 percent below the family income of families headed by people of a younger age.

There are half a million older people in this country unemployed. There are a quarter of a million that have even quit looking for a job because they are discouraged, not being able to find one.

So this amendment is not going to provide jobs for the 5 million who are eligible. Only 19,000 out of the 5 million eligible would be aided by the gentleman's amendment; but that means 19,000 people will eat better and live a little better, have a little more spirit in their hearts, a little more confidence in life.

So while we are considering the budget, I do not think it is going to have any very serious adverse effect upon the economy of this country to reach out and take those 19,000 older people, many of them already beginning to falter and lose hope, and say, "Come on, we are going to give you a part-time job. At least it will give you a little new incentive to live, a little new feeling that you are doing something for your country."

Mr. Chairman, I hope we will agree to the amendment.

Mr. WEISS. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, I fully appreciate the responsibility of the chairman of the Committee on the Budget and appreciate the fact that the gentleman has no alternative other than to take the position that he takes on this, as well as the other amendments we have been faced with today.

At the same time, Mr. Chairman, I have to question the position of some of us on this floor who have no difficulty at all in voting for amendments of a billion dollars or more when they seem to apply to those with strong political clout, as witnessed the last amendment that was on this floor and that was adopted almost unanimously.

Mr. Chairman, I happen to have the privilege of serving on the Subcommittee on Employment Opportunities of the Committee on Education and Labor. I recall just about a year ago when the President's new comprehensive youth employment legislation came down. At that time the proposal was for a $1.5-billion annual program. As recently as September of last year as the mover of this amendment, my distinguished friend, the gentleman from Minnesota (Mr. FRASER), has stated the Committee on the Budget adopted a supplemental amendment of $500 million to bring this authorization up to the $1.5-billion level. As recently as this year the Department of Labor asked the Office of Management and Budget to fund the youth employment and demonstration project at $1.5 billion, exactly what the amendment of the gentleman from Minnesota (Mr. FRASER) calls for.

Indeed, the Committee on Education and Labor asked the Committee on the Budget also to fund it at the full $1.5-billion level.

It seems to me to be pretty poor economy to cut back on employment programs for that sector of our community which everyone acknowledges is suffering the greatest amount of unemployment.

When the President of the United States ran in 1976, he suggested that one of the ways he would cure our budgetary deficit problems is to put people to work. There are 3 million young people between the ages of 16 and 24 who do not have jobs. The program that we are going to be adopting on the basis of the current budget authorization provision will put an additional 9,000 young people to work.

Mr. Chairman, this is madness. The proposal before us, as contained in the amendment itself, is relatively modest. It provides for an additional 69,000 slots for youth employment. That is a modest but significant improvement over a 9,000-job increase.

If we really care, if we really mean what we say about trying to change

priorities and directions in this country, then it seems to me we ought to pay attention to what is going on around us. The country will not stand still. Sooner or later we are going to pay for this kind of "economy," and then we will start throwing money at the problems when it may well be too late.

Mr. Chairman, I urge that the amendment offered by the gentleman from Minnesota (Mr. FRASER) be adopted.

● Mr. ROYBAL. Mr. Chairman, I rise in support of the amendment offered by the distinguished gentleman from Minnesota. I praise Mr. FRASER for his diligent efforts on behalf of the older workers.

It is my understanding that the community services employment program, better known as title IX, is providing only 45,000 jobs, while there are at least 5 million workers who qualify for the program because of age and low incomes.

Further, other Federal employment programs are not reaching the older worker. For example, only 4 percent of the CETA slots went to those workers age 55 and over. The situation is even worse for workers over the age of 65, who received less than 1 percent of the jobs.

Mr. Chairman, from my vantage point as a member of the Select Committee on Aging, I can assure you that even these dismal figures are overly optimistic. Current data does not realistically reflect the true unemployment situation of those over 65. The fact is that many of our elderly have become totally discouraged and have given up their search for employment. They face continual rejection in favor of younger workers and gradually lose hope of finding any type of employment. This is especially tragic in view of the fact that a majority of our elderly are poor or on the threshold of poverty and need employment to provide them with the basic necessities of life.

Therefore, Mr. Chairman, I stongly support my esteemed colleague's amendment to expand the budget authority and improve the outlays of the title IX program. It is my belief that this effort will have a substantial impact toward the relief of the unemployment problems facing America's older workers. I urge my colleagues to join with me in support of this amendment so that thousands of older workers can rejoin the work force and improve their quality of life.●

Mr. OBEY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I agree with everything the gentleman said, and I agree with almost everything the gentleman from Florida (Mr. PEPPER) said, but let me just repeat what I said a minute ago.

If I understand what the gentleman from Minnesota (Mr. FRASER) is doing, for instance, on the provisions in title IX for older Americans, we can take care of that without adding to the deficit. There is room in other programs within our own subcommittee to provide much of what the gentleman is talking about. The same is true for youth employment.

I simply want to say one thing to the Members who feel a genuine concern for programs of this nature. I ask them not to fall into the trap of voting for amendments like the previous amendment, this amendment, or the tuition tax credit amendment which is going to come down the line.

I say that because there will be a lot of Members in this House who will tonight vote for all those amendments and then, when the final rollcall comes along on the budget resolution they are going to vote no because the deficit is too high.

We are not going to do any of these programs any good if we load this budget up to a greater extent with the kind of programs we dearly love, because then we will give more and more Members an excuse to vote against the resolution.

Mr. Chairman, I would urge the Members to vote against this amendment.

Mr. FRASER. Mr. Chairman, will the gentleman yield?

Mr. OBEY. I yield to the gentleman from Minnesota.

Mr. FRASER. Mr. Chairman, let me make the point that it is true the Committee on Appropriations is able finally to finance some of these increases. That will be all to the good, and then this budget authority will not have to be used.

But we must concede one thing: That the increases worked out here are "peanuts" compared to those in the last amendment that was adopted and the tuition tax credit amendment that may be adopted.

Mr. OBEY. Yes, I agree with the gentleman, and I voted against the last amendment. I will vote against the tuition tax amendment also.

I will grant that this amendment may not do any harm because we can take care of a lot of it without exercising the additional budget authority given us. The harm that it does, though, is that it loads up the budget resolution and gives some Members in the House a greater reason than they had before to vote against it, and I think this resolution as it is now will have a tough time passing.

Mr. FRASER. Mr. Chairman, if the gentleman will yield further, let me make this point:

Without this amendment, the budget stands as a status quo with respect to the budget authority for jobs for these young people, and the situation remains the same.

The gentleman may be right, but at some time we have to stand up and say what we finally believe the priorities ought to be and what the expenditures should be.

This expenditure amounts to only 2 percent of the tax cut we are talking about, and we can take care of these problems and not increase the deficit.

Mr. OBEY. Mr. Chairman, let me point out that just today the chairman of the Subcommittee on Labor-HEW pledged that when the Labor-HEW bill comes to the floor after CETA is authorized, then he will agree to improvements in areas like vocational education, and youth training beyond the budget levels. We can do that without causing a problem with this particular resolution.

Mr. FRASER. Mr. Chairman, I appreciate the gentleman's comments, but I urge that the Members support my amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota (Mr. FRASER).

The question was taken; and on a division (demanded by Mr. FRASER) there were—ayes 28, noes 80.

RECORDED VOTE

Mr. FRASER. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 123, noes 265, not voting 46, as follows:

[Roll No. 279]

AYES—123

Addabbo	Ford, Mich.	Oberstar
Akaka	Ford, Tenn.	Patten
Allen	Fraser	Pepper
Ambro	Garcia	Perkins
Anderson, Calif.	Gaydos	Pressler
Applegate	Gilman	Pritchard
Baldus	Gonzalez	Pursell
Beard, Tenn.	Grassley	Quillen
Biaggi	Green	Rahall
Bingham	Hammer-schmidt	Railsback
Blouin	Harkin	Rangel
Bonior	Harrington	Reuss
Brodhead	Hollenbeck	Richmond
Brown, Mich.	Holtzman	Rinaldo
Buchanan	Howard	Roe
Burton, John	Hughes	Roncalio
Burton, Phillip	Jeffords	Rooney
Caputo	Jordan	Roybal
Carney	Kastenmeier	Russo
Carr	Kildee	Sarasin
Carter	Lederer	Scheuer
Chisholm	Le Fante	Seiberling
Clay	Leggett	Simon
Cohen	Livingston	Smith, Iowa
Collins, Ill.	Lloyd, Tenn.	Solarz
Conte	Lujan	Spellman
Corman	McCormack	Staggers
Cotter	McDade	Stark
Cunningham	Madigan	Steers
Dellums	Markey	Stokes
Derwinski	Metcalfe	Studds
Diggs	Mikulski	Van Deerlin
Dodd	Miller, Calif.	Vento
Downey	Minish	Wampler
Drinan	Mitchell, Md.	Waxman
Duncan, Tenn.	Mitchell, N.Y.	Weiss
Eckhardt	Moffett	Wolff
Edgar	Mollohan	Young, Mo.
Edwards, Calif.	Murphy, Ill.	Young, Tex.
Eilberg	Nolan	Zablocki
Fish	Oakar	Zeferetti

NOES—265

Abdnor	Burleson, Tex.	Evans, Ga.
Ammerman	Burlison, Mo.	Evans, Ind.
Anderson, Ill.	Butler	Fary
Andrews, N. Dak.	Byron	Fascell
Annunzio	Cavanaugh	Fenwick
Archer	Cederberg	Findley
Armstrong	Chappell	Fisher
Ashbrook	Clausen, Don H.	Fithian
Aspin	Cleveland	Flippo
AuCoin	Coleman	Flood
Badham	Collins, Tex.	Flowers
Barnard	Conable	Flynt
Baucus	Corcoran	Foley
Bauman	Cornell	Forsythe
Beard, R.I.	Cornwell	Fountain
Bedell	Coughlin	Fowler
Bellenson	Crane	Frenzel
Benjamin	D'Amours	Fuqua
Bennett	Daniel, Dan	Gephardt
Bevill	Daniel, R. W.	Giaimo
Blanchard	Davis	Gibbons
Boggs	de la Garza	Ginn
Boland	Delaney	Glickman
Bolling	Derrick	Goldwater
Bonker	Devine	Goodling
Bowen	Dickinson	Gore
Brademas	Dicks	Gradison
Breaux	Dingell	Gudger
Breckinridge	Dornan	Guyer
Brinkley	Duncan, Oreg.	Hagedorn
Brooks	Early	Hall
Broomfield	Edwards, Ala.	Hamilton
Brown, Calif.	Edwards, Okla.	Hanley
Brown, Ohio	Emery	Hansen
Broyhill	English	Harris
Burgener	Erlenborn	Harsha
Burke, Fla.	Ertel	Heckler
Burke, Mass.	Evans, Del.	Hefner
		Heftel

Hightower	Mathis	Satterfield
Hillis	Mattox	Sawyer
Holland	Mazzoli	Schulze
Holt	Meyner	Sebelius
Horton	Michel	Sharp
Hubbard	Milford	Shuster
Huckaby	Miller, Ohio	Sikes
Hyde	Mineta	Skelton
Ichord	Moakley	Smith, Nebr.
Ireland	Montgomery	Snyder
Jacobs	Moore	Spence
Jenkins	Moorhead, Calif.	St Germain
Jenrette		Stangeland
Johnson, Calif.	Moorhead, Pa.	Stanton
Johnson, Colo.	Moss	Steed
Jones, N.C.	Mottl	Steiger
Jones, Okla.	Murphy, N.Y.	Stockman
Jones, Tenn.	Murphy, Pa.	Stratton
Kelly	Murtha	Stump
Kemp	Myers, Gary	Symms
Ketchum	Myers, John	Taylor
Keys	Natcher	Thompson
Kindness	Neal	Traxler
Kostmayer	Nedzi	Treen
Krebs	Nichols	Trible
Krueger	Nowak	Tsongas
LaFalce	O'Brien	Udall
Lagomarsino	Obey	Ullman
Latta	Panetta	Vander Jagt
Leach	Pattison	Vanik
Lehman	Pease	Volkmer
Lent	Pettis	Waggonner
Levitas	Pickle	Walgren
Lloyd, Calif.	Pike	Walker
Long, La.	Poage	Walsh
Lott	Preyer	Watkins
Luken	Price	Whalen
McClory	Quie	Whitehurst
McCloskey	Regula	Whitten
McDonald	Rhodes	Wiggins
McEwen	Roberts	Wilson, Bob
McFall	Robinson	Wilson, Tex.
McHugh	Rodino	Winn
McKay	Rogers	Wright
McKinney	Rose	Wydler
Maguire	Rostenkowski	Wylie
Mahon	Rousselot	Yates
Marks	Rudd	Yatron
Marlenee	Ruppe	Young, Fla.
Marriott	Ryan	
Martin	Santini	

NOT VOTING—46

Alexander	Kasten	Shipley
Andrews, N.C.	Kazen	Sisk
Ashley	Long, Md.	Skubitz
Bafalis	Lundine	Slack
Burke, Calif.	Mann	Teague
Clawson, Del	Meeds	Thone
Cochran	Mikva	Thornton
Conyers	Myers, Michael	Tucker
Danielson	Nix	Weaver
Dent	Ottinger	White
Evans, Colo.	Patterson	Whitley
Florio	Quayle	Wilson, C. H.
Frey	Risenhoover	Wirth
Gammage	Rosenthal	Young, Alaska
Hannaford	Runnels	
Hawkins	Schroeder	

The Clerk announced the following pairs:

On this vote:

Mr. Hawkins for, with Mr. Shipley against.

Mr. White for, with Mr. Risenhoover against.

Mr. Runnels for, with Mr. Mikva against.

Mr. Hannaford for, with Mr. Whitley against.

Mrs. Burke of California for, with Mr. Wirth against.

Mr. COTTER changed his vote from "no" to "aye."

Mr. CAVANAUGH changed his vote from "aye" to "no."

So the amendment was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. The Chair recognizes the majority leader, the gentleman from Texas (Mr. WRIGHT).

(By unanimous consent, Mr. WRIGHT was allowed to speak out of order.)

FURTHER LEGISLATIVE PROGRAM

Mr. WRIGHT. Mr. Chairman, I take this time simply to advise Members of the continued schedule.

It is our purpose, jointly agreed to with the chairman of the Committee on the Budget, the manager of the bill, that we will consider one more amendment tonight. The Mattox amendment, we expect, will be considered, and that amendment would place a cap of 5½ percent, as requested by the President, upon all Federal pay increases for the year.

Once that is decided, that amendment, it would be our purpose for the Committee to rise.

Tomorrow the House will come in at 11 o'clock.

The first order of business tomorrow will be consideration of the conference report on the agricultural bill, H.R. 6872.

When that is completed, we will then return to the budget resolution and hope to complete that tomorrow. This may obviate any other business on the schedule tomorrow, depending upon how long it shall take.

We will not be in session on Friday.

Mr. RHODES. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. I yield to the minority leader.

Mr. RHODES. I have asked the majority leader to yield for the purpose of making an inquiry as to how long tomorrow we might expect to go.

Mr. WRIGHT. We will go hopefully until we can finish the budget resolution. Thereafter it will depend upon what hour has arrived. If there is time to take up some other legislation I think there is an appropriation that we might take up, House Joint Resolution 873.

Mr. RHODES. It is possible, I suppose, for the amendments to be so protracted that the hour might go on rather late tomorrow without the bill being completed. The purpose of my inquiry is to probe as to whether or not it is the intention of the majority to finish the bill tomorrow or whether or not—or does the pressure diminish as 6 o'clock approaches?

Mr. WRIGHT. It is the expectation of the majority that we will finish the budget resolution tomorrow.

Mr. RHODES. I thank the gentleman.

Mr. WRIGHT. Beyond that it is the intention of the majority to be vague.

AMENDMENT OFFERED BY MR. MATTOX

Mr. MATTOX. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MATTOX: In the matter relating to the appropriate level of total new budget authority reduce the amount by $255,000,000.

In the matter relating to the appropriate level of total budget outlays reduce the amount by $255,000,000.

In the matter relating to function 050: national defense reduce the amount for budget authority by $175,000,000 and reduce the amount for outlays by $175,000,000.

In the matter relating to function 920: allowances reduce the amount for budget authority by $80,000,000 and reduce the amount for outlays by $80,000,000.

Mr. MATTOX. Mr. Chairman and Members, I will try to keep my remarks very brief. I know the hour is late.

The amendment is the recommendation that has been made by the President to put a 5.5-percent cap on the general schedule for Federal pay raises.

When the Budget Committee took action there was a recommendation of 6 percent and that recommendation was put in the first budget resolution prior to the time the President made his anti-inflationary speech. He has made that recommendation and I think it would be incumbent upon us to set the example for the country. If we are not willing to bite the bullet, so to speak, within the Federal Government, I see no reason to ask the American industry or American labor throughout our county to be willing to take lower pay raises.

I think this is a reasonable approach.

The recommendation of the President will go into effect unless either body pass a simple resolution to override the recommendation. I assume that this Congress will not do that.

I think it is obvious to everyone that inflation continues to be the most serious problem affecting this nation. Our polls show it. The American people tell us so. You can look at your mail, and it will tell you.

The only place we can start is to start with this approach. This would knock $255 million out of the Federal budget. I think this is a reasonable approach.

Mr. GLICKMAN. Mr. Chairman, will the gentleman yield?

Mr. MATTOX. I yield to the gentleman from Kansas.

Mr. GLICKMAN. Mr. Chairman, I commend the gentleman for the first amendment I believe that we can use it to personalize the fight against inflation.

It is a lot to say we want to see inflation stop, but this is a way to send a message to the American people, to business, to labor, and to all groups that this Congress is willing to personalize it, to pick one area and say this is the one area we can reduce inflation. Yes, maybe we should start across the board, but that is not a practical possibility and therefore we need to start the war against inflation someplace. We have to personalize it. I think this will send a message to the American people that we mean it we want to stop inflation, and we want to begin the battle now.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. MATTOX. I yield to the gentleman from California.

Mr. ROUSSELOT. I appreciate the gentleman's yielding.

I support this amendment. I just want to clarify one thing. It is my understanding that one function, 050, relating to Federal employees is in the national defense area.

Mr. MATTOX. It is in two separate areas. It is in the general schedule employees, and the employees who are tied to the general schedule.

Mr. ROUSSELOT. The gentleman can assure us that he does not in any way touch weapons systems, or anything like that?

Mr. MATTOX. Excuse me?

Mr. ROUSSELOT. The gentleman can assure us that his amendment in no way affects weapons systems?

Mr. MATTOX. I can assure the gentleman. It only affects the 5.1-percent cap for Federal pay raises.

Mr. PRESSLER. Mr. Chairman, will the gentleman yield?

Mr. MATTOX. I yield to the gentleman from South Dakota.

Mr. PRESSLER. I thank the gentleman for yielding.

What impact will this have on congressional pay levels?

Mr. MATTOX. The budget resolution does not assume any increase at all in congressional pay levels. They are set, and it has no impact on them whatever.

Mr. PRESSLER. Is the purpose of that because the pay increase last year was high enough that actually we are ahead of inflation in congressional pay? What I am getting at here is we are asking Federal civil servants for a cut, whereas Members of Congress do not appear to be making such a cut.

Mr. MATTOX. The Federal pay raise, of course, took place last year, and it is not in 1979 budget; but if we could keep up with inflation, Congress would be getting $68,500. If we got the 5.5-percent raise in 1970 when this program went into effect. We would already be getting $68,000. Not the $57,000 we are now getting. As you can see, we have been fair to the Federal employees.

Mr. PRESSLER. That is not counting the 30-percent increase that occurred.

Mr. KETCHUM. Mr. Chairman, will the gentleman yield?

Mr. MATTOX. I yield to the gentleman from California.

Mr. KETCHUM. I thank the gentleman for yielding.

I would somewhat echo the remarks of my colleague, the gentleman from South Dakota (Mr. PRESSLER). It seems interesting that we should now lead the fight against inflation, after we have a $12,000 pay raise, and pick out one segment of society and say about those people that they have got to be the individuals. I make no brief for the large Federal bureaucracy, and I think that the President could do well to reduce the size of his staff. I did not hear him say anything about that, leading the fight on inflation, when he increased the salaries of his own people.

The CHAIRMAN. The time of the gentleman has expired.

Mr. GIAIMO. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I have great admiration for the gentleman from Texas (Mr. MATTOX). He is one of the most distinguished and hard-working members of the Budget Committee. His amendment has great merit, and I hope that it ultimately becomes enacted this summer, but I think it is premature for us to adopt it now. The amendment would target a 5.5-percent cap on Federal employees' pay raises in the first budget resolution. Let me hasten to add that there is no increase for Members of Congress. We made sure of that and took that money out of the resolution.

Mr. Chairman, we can see that the hour is getting late. The comparability survey upon which the ultimate October pay increase is based has only just been made. The President is not required to make a final decision until late August or early September. At that point Congress has its chance either to endorse the President's pay proposals, whatever they be, or adopt a full comparability increase. This is now estimated to be in the 6.4-percent range.

The first budget resolution recommended by the committee provides the funds requested in President Carter's January budget of $1,050,000,000 in budget authority and $1 billion in outlays. The resolution figures, of course, will be adjusted in the second budget resolution when the comparability survey, the pay agents' recommendations, and the President's final proposals are known.

To take action in the first budget resolution would have no effect at all on the final outcome. It would be sending an incorrect signal to the country that we were, in fact, putting a 5½-percent cap on when, in fact, no such thing would be happening and we would be merely fooling ourselves.

Let us be patient, wait for the President's action and vote down this amendment.

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. GIAIMO. I yield to the gentleman from Virginia.

Mr. HARRIS. Mr. Chairman, I would like to quote from the committee's document of last year. The Budget Committee said:

> The Committee strongly endorses the principle of comparability as an important objective underlying the Government's effort to obtain and keep an effective work force. This principle must not be sacrificed to short-range fiscal policy.

I would suppose that the committee still favors that important statement of principle.

Mr. GIAIMO. I am sure they do. I, for one, have not checked with the committee lately, but I am sure they would be in favor of the comparability principle.

Let me suggest that I think the Federal employees have a long time ago accomplished the comparability and they are doing pretty well. Let us get rid of that idea.

Mr. HARRIS. Mr. Chairman, if the gentleman will yield further, does the gentleman suggest that the comparability law is not effective and should be amended?

Mr. GIAIMO. No. I think the comparability law we voted on quite a few years ago has truly accomplished its purpose and I think Federal salaries compare very well with the private sector and I think Federal pensions are just about the loveliest thing you can have.

Mr. HARRIS. The gentleman does feel if we are going to amend the comparability law and put a cap on that the budget resolution is not the appropriate place to do it?

Mr. GIAIMO. I am going to say to the gentleman from Virginia, I am agreeing we ought to defer the imposition of this 5½-percent cap and the gentleman ought to quit while he is ahead.

Mr. HARRIS. Mr. Chairman, I cannot support any effort to place a cap on the salaries of military personnel and Federal employees and hope this House will not approve a pay cap as we consider the 1979 budget resolution (H. Con. Res. 559).

The budget resolution includes sufficient funds for a 6-percent comparability increase or higher (agencies would absorb any amount over 6 percent). The President has stated his intention to "cap" military and Federal pay at 5.5 percent even though the process of determining what the precise comparability amount should be has not yet taken place and will not be completed until August.

I believe a pay cap is wrong for several reasons:

First. A pay cap is an arbitrary wage control on one segment of workers—2 million military personnel and 1.5 million Federal employees. We cannot support the argument that a cap on these two groups will set an example for the private sector to voluntarily follow; it has never worked before, particularly since through collective bargaining private wages are more likely to keep pace with the cost of living.

Second. A pay cap violates the spirit and intent of the comparability law. Under the law, after a Bureau of Labor Statistics survey of private industry rates for positions comparable to the Federal sector, the President receives a comparability recommendation from OMB and the Civil Service Commission, after they have consulted with employee groups. The purpose of the law is to keep military and Federal salaries comparable with private wage rates. These annual adjustments are not cost-of-living raises. The framers of the comparability law designed a pay system to help the Federal Government retain and attract the best people possible, to provide salaries commensurate with private industry so that the Federal salaries could be competitive. In 1975, the Advisory Committee on Federal Pay said: "Constant resort to emergency procedure makes the whole process envisioned by the statute meaningless and the BLS survey of private industry pay a futile exercise." Quite simply, either we have a comparability pay system or we do not. Incidentally, the comparability adjustment has been "tinkered" with six times in 8 years.

Third. Capping military and Federal pay is deceptive because if we do not grant a true comparability increase this year, next year's adjustment will have to "catch up." In other words, if a 5.5 percent cap is imposed, and true comparability turns out to be 6.5 percent, as some estimate, the "missing" 1 percent will be added to next year's adjustment, making it even higher than it would otherwise be in 1980.

Fourth. The cap on white collar federal workers and all military personnel is discriminatory within the Federal Government because Federal blue collar workers and postal employees will receive different and probably higher adjustments under different pay systems. These two groups will not be subject to wage controls.

In our view, a cap on military and Federal pay is a quick-fix, politically attractive, ineffective way to curb inflation.

The battle against inflation will be won by true tax reforms, tighter control over Federal program expenditures, and more flexible Federal Reserve monetary policies.

I hope my colleagues will oppose any pay cap effort on this group of over 3.5 million military and Federal workers. Two years ago the Budget Committee affirmed comparability by stating in its report:

> The Committee strongly endorses the principle of comparability as an important objective underlying the Government's effort to obtain and keep an effective work force. This principle must not be sacrificed to short-range fiscal policy.

Mr. GARY A. MYERS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, on the question of comparability, I do not think many Members would feel that there is anything other than adjustments being made by the pending comparability; but I think in support of the Mattox amendment we ought to recognize this very last Congress lifted the burden from the Federal workers that we placed on all other workers in this country, the social security tax.

In fact, the Fisher amendment that we adopted last year actually had an increase in taxes for all other American workers. We are relieving the Federal workers of that burden once again. We cannot ignore that impact.

Also, comparability will allow them to recapture this 5½ percent, if we are not successful in watering down the amount we have here.

Mr. GONZALEZ. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I am opposed to the amendment offered by my good friend and colleague from Texas.

The amendment would not only accomplish nothing good economically; it would create tremendous harm and injustice to a whole class of decent and hardworking people, the employees of the U.S. Government.

My friend was not in Congress a few years ago, when we enacted what turned out to be selective wage and price controls.

If there is any one thing that basic economics should teach, it is the fact that wage and price controls are not workable, and that selective controls like that proposed in this amendment are not only unworkable but inequitable.

There is no reason to single out Federal employees.

It may be good politics to bait Federal employees, but that is no way to manage them; they have the same right to respect as anyone else does. They did not sign on as secondclass citizens when they joined Government work.

A selective control of this type does not set any example; it merely makes an example out of the luckless people affected by it.

If we enact this kind of cap, it will not work. If Federal employees end up being underpaid because of some gimmickry like this, we will merely end up with the phenomenon known as "grade creep"—promotions designed to bring pay into line with economic reality. Let us not invite that kind of hypocrisy into Federal management.

Anyone with experience in selective controls will tell you that for every kind of cap or limit there is a way around it—and it is no less true in the Federal Government than in private industry.

Let us not invite that kind of gamesmanship into Government.

If we stick this kind of cap on, we will not be changing anything except the morale and well-being of Government employees, who deserve better from us. It may be popular to bait people who cannot fight back, but it is not honest and it is not fair.

Why should we set a pay ceiling on Federal workers alone? Why not pick out other groups? Why not doctors or plumbers or lawyers or mechanics?

The answer is clear—it would not be right and it would not work. It makes no sense to be selective, either from an economic point of view or in terms of plain common justice.

This is not an anti-inflation amendment. It is merely an eyecatching gimmick that deserves defeat.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas (Mr. MATTOX).

The question was taken; and on a division (demanded by Mr. ROUSSELOT) there were—ayes 57, noes 106.

RECORDED VOTE

Mr. MATTOX. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 172, noes 210, not voting 52, as follows:

[Roll No. 280]

AYES—172

Abdnor	Edwards, Okla.	Rahall
Ambro	English	Regula
Ammerman	Lent	Rhodes
Anderson, Ill.	Levitas	Robinson
Andrews, N. Dak.	Lott	Erlenborn
	Lujan	Evans, Del.
Archer	Luken	Evans, Ind.
Armstrong	Lundine	Fenwick
Ashbrook	McCloskey	Findley
AuCoin	McDonald	Fithian
Badham	McEwen	Forsythe
Bauman	McHugh	Fountain
Beard, Tenn.	McKinney	Fowler
Bedell	Maguire	Frenzel
Benjamin	Mahon	Fuqua
Blanchard	Markey	Gephardt
Blouin	Marks	Gibbons
Bowen	Marlenee	Ginn
Breaux	Martin	Glickman
Broomfield	Mattox	Gore
Broyhill	Mazzoli	Gradison
Burleson, Tex.	Meyner	Grassley
Butler	Michel	Green
Carr	Mikulski	Gudger
Carter	Miller, Ohio	Hagedorn
Cavanaugh	Moffett	Hamilton
Cederberg	Mollohan	Hammer-schmidt
Clausen, Don H.	Montgomery	
	Moore	Hansen
Cohen	Moorhead, Calif.	Harkin
Collins, Tex.		Hightower
Conable	Mottl	Hillis
Corcoran	Myers, Gary	Hubbard
Cornwell	Myers, John	Huckaby
Crane	Neal	Ichord
Deaney	Nowak	Ireland
Derwinski	Panetta	Jacobs
Devine	Pattison	Jeffords
Dodd	Pease	Jenkins
Dornan	Pettis	Johnson, Colo.
Drinan	Pike	Jones, Okla.
Duncan, Oreg.	Pritchard	Kelly
Duncan, Tenn	Quie	Kemp
Early	Quillen	Keys
Kostmayer	Sharp	Vander Jagt
LaFalce	Shuster	Vanik
Latta	Simon	Volkmer
Leach	Smith, Nebr.	Waggonner
Leggett	Staggers	Walgren
Lehman	Stangeland	Walker
Rogers	Stanton	Wampler
Rousselot	Stark	Watkins
Rudd	Steiger	Wiggins
Ryan	Stockman	Wilson, Tex.
Satterfield	Stratton	Wright
Sawyer	Stump	Wydler
Schulze	Taylor	Wylie
Sebelius	Treen	Young, Fla.
Seiberling	Ullman	

NOES—210

Addabbo	Evans, Ga.	Murphy, N.Y.
Akaka	Fary	Murphy, Pa.
Allen	Fascell	Murtha
Anderson, Calif.	Fisher	Natcher
	Flippo	Nedzi
Annunzio	Flood	Nichols
Applegate	Flowers	Nolan
Ashley	Foley	O'Brien
Aspin	Ford, Mich.	Oakar
Baldus	Ford, Tenn.	Oberstar
Barnard	Fraser	Obey
Baucus	Garcia	Patten
Beard, R.I.	Gaydos	Pepper
Bellenson	Giaimo	Perkins
Bennett	Gilman	Pickle
Bevill	Goldwater	Poage
Biaggi	Gonzalez	Pressler
Bingham	Goodling	Preyer
Boggs	Guyer	Price
Boland	Hall	Pursell
Bolling	Hanley	Railsback
Bonior	Harrington	Rangel
Bonker	Harris	Reuss
Brademas	Harsha	Richmond
Breckinridge	Heckler	Rinaldo
Brinkley	Hefner	Roberts
Brodhead	Heftel	Rodino
Brooks	Holland	Roe
Brown, Mich.	Hollenbeck	Roncalio
Brown, Ohio	Holt	Rooney
Buchanan	Holtzman	Rosenthal
Burgener	Horton	Rostenkowski
Burke, Fla.	Howard	Roybal
Burke, Mass.	Hughes	Ruppe
Burlison, Mo.	Hyde	Russo
Burton, John	Jenrette	Sarasin
Burton, Phillip	Johnson, Calif.	Scheuer
Byron	Jones, N.C.	Skelton
Caputo	Jones, Tenn.	Smith, Iowa
Carney	Jordan	Snyder
Chappell	Kastenmeier	Solarz
Chisholm	Ketchum	Spellman
Clay	Kildee	Spence
Cleveland	Krebs	St Germain
Coleman	Krueger	Steed
Collins, Ill.	Lagomarsino	Steers
Conte	Le Fante	Stokes
Corman	Lederer	Studds
Cornell	Livingston	Thompson
Cotter	Lloyd, Calif.	Trible
Coughlin	Lloyd, Tenn.	Tsongas
Cunningham	Long, La.	Udall
D'Amours	McClory	Van Deerlin
Daniel, Dan	McCormack	Vento
Daniel, R. W.	McDade	Walsh
Davis	McFall	Waxman
de la Garza	McKay	Weiss
Dellums	Madigan	Whalen
Derrick	Marriott	Whitehurst
Dickinson	Mathis	Whitten
Dicks	Metcalfe	Wilson, Bob
Diggs	Milford	Winn
Dingell	Miller, Calif.	Wolff
Downey	Mineta	Yates
Eckhardt	Minish	Yatron
Edgar	Mitchell, Md.	Young, Mo.
Edwards, Ala.	Mitchell, N.Y.	Young, Tex.
Edwards, Calif.	Moakley	Zablocki
Ellberg	Moorhead, Pa.	Zeferetti
Emery	Moss	
Ertel	Murphy, Ill.	

NOT VOTING—52

Alexander	Evans, Colo.	Kindness
Andrews, N.C.	Fish	Long, Md.
Bafalis	Florio	Mann
Brown, Calif.	Flynt	Meeds
Burke, Calif.	Frey	Mikva
Clawson, Del	Gammage	Myers, Michael
Cochran	Hannaford	Nix
Conyers	Hawkins	Ottinger
Danielson	Kasten	Patterson
Dent	Kazen	Quayle

Risenhoover	Skubitz	Weaver
Rose	Slack	White
Runnels	Symms	Whitley
Santini	Teague	Wilson, C. H.
Schroeder	Thone	Wirth
Shipley	Thornton	Young, Alaska
Sikes	Traxler	
Sisk	Tucker	

Mr. BRINKLEY, Mr. HOLLENBECK, Mrs. HECKLER, and Mr. GOODLING changed their vote from "aye" to "no."

So the amendment was rejected.

The result of the vote was announced as above recorded.

● Mr. HARRIS. Mr. Chairman, the Federal budget before us today is the most important statement of economic policy that will come before Congress this year. It not only sets priorities for how and where our tax dollars are to be spent in the coming fiscal year; it should also provide a game plan for tackling the Nation's economic problems.

First and foremost, the Federal budget must address head-on the needs of the average American. Quite simply, the greatest economic problem facing Americans today is the continuing pinch of inflation on the pocketbook. I believe that most people expect and want their Government to hold down the high cost of living. The budget resolution as reported by the committee, House Concurrent Resolution 559, does not effectively deal with the problem of inflation and I cannot support it.

PUBLIC ENEMY NO. 1: INFLATION

This budget is a quick-fix hodgepodge, a miscellany of mostly old Federal programs and policies lacking a strong anti-inflation plan. Inflation averaged 6 percent during the past year. The cost of food, medical care, energy, and other basic necessities has skyrocketed in recent years. In the last 5 years, food prices in the Washington, D.C., area have risen at least 50 percent, with unusually high increases of 2.2 percent in the first 2 months of this year alone, according to the Bureau of Labor Statistics. These increases have pushed Washington-area prices up more than 11 percent above what they were a year ago. Health care costs in my area continue to escalate at a rate of 10 percent annually. A gallon of gas that cost $0.39 in 1973, cost the motorist $.62 in 1977. Home electricity bills have gone up 39 percent in the last 5 years. We cannot let this assault on the working-person's budget continue.

I think Congress should get serious about inflation. We should get serious about helping middle-income people pay their bills. We should start by cutting the proposed deficit by 50 percent. Today I am proposing a five-point program which I believe will begin a real attack on inflation, will cut the deficit by 50 percent and put the Government on the road to fiscal responsibility. My plan would accomplish this by:

First, cutting $12 billion in wasteful spending programs;

Second, calling upon our taxpayers—individual and corporate—to forego a deficit-financing $10.7 billion tax cut;

Third, enacting real tax reforms that will eliminate $7 billion of tax loopholes;

Fourth, rolling back inflationary and regressive social security taxes; and

Fifth, relaxing monetary policies to help stimulate economic growth.

These measures could cut the Federal deficit from $58.1 billion to $28.3 billion and curb the rising inflationary spiral. The Federal budget should be an anti-inflation budget. We should start now, as we set the budget for 1979.

PRUNING WASTEFUL SPENDING

Congress must begin to crack down on wasteful Federal spending. Too many programs are entrenched and automatically continue, at a higher price to the taxpayer, each year. Others result from effective special interest lobbies that make sure their bread gets buttered each year, and usually at a higher cost.

I have found a total of $13.3 billion in Federal expenditures that can be eliminated from the 1979 budget. For example, the resolution increases the President's request for agriculture an astounding 71 percent, from $7.2 billion to $12.3 billion. Included in this is $2.5 billion for emergency farm legislation which was defeated in the House by a vote of 150 to 268. I voted against this measure on April 12 because it would have added two points to the inflation rate of food prices and in the words of the President's advisers would be "one of the most inflationary actions of the Federal Government in recent years." The committee has also added $500 million to finance dairy price supports which I believe are excessive. I also support the amendment to cut $1.7 billion from current farm programs since reestimates have shown that the $2.2 billion in the bill is too high.

I cannot support the $800 million increase in questionable water construction projects which the administration did not request, nor the funds labeled as "new initiatives." Two of these "new initiatives" which I have voted against are the Aquaculture Organic Act (H.R. 9370, February 15, 1978) and the Pacific Fisheries Development Authorization (H.R. 11657, May 1, 1978). Bailouts like these to the fishing industry represent unwarranted Government largess which all too often become long-term subsidies to industries that do not need Federal assistance.

Similarly, I think we should cut at least $100 million out of the budget that goes to the shipping industry as operating subsidies. Besides already getting at least $100 million in tax breaks, the 1979 budget from the President and the committee bill continue a subsidy of $537.3 million for big shipping companies. I have consistently voted against these handouts to shipping magnates, an industry which quite frankly I think should make it on its own.

I believe that $2.7 billion can be cut from the budget for certain military equipment items that have been questioned extensively. A recent Senate study identified many items which the General Accounting Office, the Senate and House Armed Services Committees, and the Defense Appropriations Subcommittees in both Houses have pinpointed. These bodies have questioned whether these items are being competitively procured, whether they are cost effective and technically feasible. Deleting funding for these systems would not weaken our military muscle or jeopardize our national security. These items have not proved their worth under questioning by the congressional committees responsible for the Nation's defense. And I must hasten to note that even with this cut we would still have a strong $125 billion 1979 defense budget, an increase of $7 billion over last year.

One final area where I think we can make some cuts is in excessive payments to physicians, unnecessary surgery and hospital stays, and other questionable medical practices reimbursed by the medicaid and medicare programs. The Inspector General of the Department of Health, Education, and Welfare recently released his own study which details evidence of fraud, abuse, and waste in these programs. I am pleased that the Department has been bold enough to tell the public that these types of abuses and medical "overpractice" are occurring and that the Department is taking concrete steps to bring these excess payments back into line.

Finally, I am pleased that the committee has endorsed H.R. 10421, the Legislative Oversight Act of 1978, which would discipline Congress to closely scrutinize all Federal programs instead of letting them go on ad infinitum. The bill would require us to set specific program objectives for each program and would require periodic reviews to see if those objectives are being met. Currently, programs get established in response to a particular need and just grind like a millstone without anyone taking a hard look to see if the programs are still needed or whether they are meeting the purposes intended. What I am saying is that Congress must do its job in making sure programs work or getting rid of them if they do not.

TAX REFORM NOW, NOT QUICK-FIX RELIEF

Year after year, Congress is called upon to consider one-shot tax cuts to relieve inflation. What we usually end up with are shallow tax measures that fail to bring relief to the average taxpayer and continue a tax system that lacks equity and simplicity.

This year's budget resolution proposes $10.7 billion in corporate and individual income tax reductions. To put this figure into perspective, $10.7 billion in tax cuts would translate to only about $2 per week in tax savings for the average American—hardly enough to pay for a gallon of milk and a loaf or two of bread. In my view, $10.7 billion in lost revenues is an outrageous price to pay for a "tax relief" proposal that will not signficantly reduce the tax burdens of people in the middle income brackets and that will increase an already swollen Federal deficit.

A sound tax policy differs from "quick-fix" tax measures in several respects:

It protects middle income taxpayers from so-called "reforms" that provide inadequate tax relief and fail to improve the equity of the tax system;

It closes the loopholes that allow large corporations and wealthy individuals from paying their fair share of taxes; and

It decreases rather than increases, the Federal deficit by saving billions of dollars in revenues.

Congress can—and should—begin work on comprehensive tax reform immediately. By avoiding the issue entirely, the budget resolution would leave us with a totally distorted tax system that costs the U.S. Treasury billions of dollars each year. One of the reasons the taxes of the average American are so high is that the taxes on too many large corporations are too low! Basically, there are at least $7 billion in revenue-draining tax loopholes now in our laws that Congress should repeal this year: $1.2 billion lost through allowing tax credits to oil companies for "taxes" paid to foreign governments; $2.8 billion lost by allowing international corporations and domestic international sales corporations to defer taxes on their foreign-source income; $1.6 billion lost by granting a special percentage depletion allowance for oil, gas, and such "minerals" as clay and gravel; $1.6 billion lost by allowing corporations to accelerate the depreciation on business assets by as much as 20 percent.

We should no longer put up with a tax system that gives the biggest breaks to those who can most afford to pay, when we can enact valid reforms that will reduce the Federal deficit and take the pressure off the middle income taxpayers.

ROLLBACK INFLATIONARY SOCIAL SECURITY TAXES

The Congressional Budget Office estimates that the recent increases in the social security payroll tax would boost the wage-price spiral in 1979, increasing the rate of inflation by as much as one-tenth of 1 percent immediately. On the other hand, rolling back social security taxes under a plan similar to my bill H.R. 11331, could actually cut the inflation rate by more than ½ of 1 percent and stimulate employment by three-tenths of 1 percent, according to CBO figures.

Specifically, my bill would accomplish this by funding hospital insurance (medicare A) and disability insurance programs out of general revenues, rather than the social security payroll tax. Aside from reducing inflationary pressures, this proposal would result in significant tax savings for middle-income Americans. For example, under H.R. 11331, social security tax rates would be cut by one-third, giving the average family an annual savings of between $183.00 and $457.50.

The budget before us would allow $7.5 billion to begin reducing social security taxes in 1979. This is an essential step toward reducing inflation and bringing tax relief that will mean real savings to the average worker.

EASING MONETARY POLICIES

Finally, an important element of the Nation's anti-inflation plan is Federal monetary policy. More flexible Federal Reserve policies could reduce interest rates, spur more private spending and investment, produce more jobs and stimulate economic growth. By lowering the Federal deficit, we will be reducing Federal borrowing to finance the deficit, which will reduce inflationary pressures.

I am concerned, as the budget committee clearly points out, that while Federal credit programs are subject to congressional review, there is no overall, coordinated mechanism to evaluate credit activities. A central monetary oversight mechanism is needed so Congress can understand the impact of credit policies on inflation and the economy in general.

I fully concur with the Budget Committee's evaluation in the report,

> The Committee believes that the problem of uncontrolled and uncoordinated federal actions in this part of our overall fiscal policy sphere is a serious shortcoming in the congressional budget process and is convinced that the development of such a mechanism is crucial.

If, in short, we can develop a better control and understanding, we can stimulate borrowing and lending activities that will keep inflation down and still keep our economy moving.

AN ANTI-INFLATION BUDGET

My five-point anti-inflation program will establish a clear format for Congress to start working toward more stable prices and a fairer, simpler tax system. But more importantly, it will do so by significantly lowering the Federal deficit in the following ways:

How to reduce the deficit

[In billions]

Deficit in 1979 budget resolution	$58.1
Cutting wasteful spending programs	−13.3
Revenue-raising tax reform	−7.2
Eliminating expenses and inadequate tax cuts	−10.7
Decrease in deficit under Harris program	−31.2
Revised deficit	26.9

This is the start to a balanced budget by 1980—a concrete and attainable plan to cut the deficit in half and keep prices stable. When a budget resolution includes these elements, I will support it.●

● Mr. GLICKMAN. Mr. Chairman, after careful thought, I have come to the conclusion that I must cast my vote today in opposition to the amendment offered by our colleague, Mr. MITCHELL, to transfer sizable portions of the budget authority and outlays currently included in the defense function to employment and economic development programs.

I certainly appreciate the argument made by the gentleman from Maryland that the Congress has not fully exercised its role of setting priorities as provided for in the Budget Act under which we are considering this resolution. And I feel that consideration of this amendment provides us an important opportunity to debate thoroughly the priorities which this resolution sets.

However, my No. 1 priority as I consider the votes we are taking today is trying to cut back on unnecessary Government expense and to bring our budget into line. If, in fact, $4.8 billion in budget authority and $2.8 billion in outlays reserved for the Department of Defense are not needed to mantain a strong defense—and I am not totally convinced that that is the case, then we should be voting not to transfer such funds to other functions but to cut them completely from what I see as an excessive overall budget.

I might also mention that I intend to oppose the amendment which Representative STRATTON has indicated he will offer to increase by $2.4 billion the budget authority for defense contained in the resolution before us. The funding in the resolution itself was, I believe, as carefully drawn as possible, to meet present security needs and does not need that increase. There is no question that there is fat in the defense budget, and there are a considerable number of defense programs with which I do not agree for a variety of reasons. I have, for example, opposed both the B–1 bomber and the neutron bomb. I strongly feel that we need to look at the defense budget on an item-by-item basis.

Once again, I appreciate the opportunity Mr. MITCHELL has provided us to debate this issue, and I respect his convictions that we can make the kinds of transfers he proposes. I hope he is right—that we will be able to reduce our defense spending significantly in the long run. But I think we need to make changes in our defense program carefully, so that the cuts we make will save dollars without sacrificing security. And whatever changes we make should be in the nature of cuts, not transfers, until we bring our budget into line.●

● Mr. ARMSTRONG. Mr. Chairman, today the House will tell the American people whether or not it intends to heap still more taxes and inflation upon them, or whether we will at last begin to take the steps necessary to help Americans out of the vicious cost-price squeeze we have gotten them into.

Grim economic news assaults us from every side. The stock market is stumbling, and the dollar is nosediving. Our unemployment rate is the highest, and our rate of capital investment the lowest in the entire industrialized world.

The cost of living is rising faster than the ability of more and more Americans to cope with it. The consumer price index has risen 28 percent in the last 4 years, and 81 percent in the last 10.

Inflation harms all Americans, but it imposes especially severe hardships on the elderly who live on fixed incomes and on young couples who are just starting out in life.

An elderly couple that in 1973 paid an average of $19.68 each week for food and prescription drugs must spend $34.33 today. That is a 75-percent increase in less than 5 years. Not many who live on fixed incomes have been able to keep up.

Young people starting out in life are finding it harder and harder to obtain a home of their own. A house which cost less than $39,000 in 1974 costs $56,000 today. Few young people just beginning their careers can afford to pay out that kind of money.

Along with the relentless rise in prices it generates, inflation forces an inexorable increase in the tax burden of Americans. Higher nominal incomes force taxpayers into ever high tax brackets, even though their real incomes may not

have increased and might actually have declined. Americans now must spend 44 percent of their incomes on taxes of all kinds. That is nearly twice as much as they spend on food and clothing.

This basket of economic troubles must be laid squarely on the doorstep of the Federal Government, and especially on the doorstep of Congress.

The principal cause of inflation, as even the President belatedly has come to recognize, are budget deficits. Big deficits mean big inflation. The Commerce Department reported that the increase of the cost of living in March, adjusted for an annual basis, was 9.6 percent. At that rate, the prices of everything we buy will double in 7 years. Many Americans will see a lifetime of savings wiped out. Many other Americans will see their hopes for the future stunted and blighted as inflation ravages our economy.

We will choose today between a proposed budget which, with the fiscal gimmickry removed, contains an absolutely staggering deficit of $87 billion, and an alternative budget which would provide Americans with badly needed tax relief and at the same time lead to a balanced budget by 1983.

The choice could not be more clear. The President's budget, with its combined deficit of $87 bilion, comes on top of deficits of $73 and $54 billion in the 2 preceding fiscal years. And this is the third year of a recovery, when deficits should be going down, not up.

A deficit of this magnitude could send the Consumer Price Index so high that by this time next year we might all be looking back nostalgically on the gruesome figures for March.

The alternative put forward by Mr. CONABLE, on the other hand, is a balanced, reasonable 5-year plan that would reduce Federal taxes to the historic level of 18.6 percent of GNP, put an effective lid on the growth of Federal spending, and achieve a noninflationary balanced budget by 1983.

The heart of the Republican plan is the proposal drafted initially by Mr. KEMP to slash individual income taxes by an average of 33 percent, and business taxes 3 percent, over a 3-year period.

Some Members have expressed skittishness about the far more modest tax cut proposals put forward by President Carter. They should not. History indicates clearly that tax cuts of the magnitude we Republicans are contemplating will not substantially diminish Federal revenues, and very likely will increase them.

Three times in this century—after World Wars I and II and in 1962—Congress enacted a major tax cut. In each instance, the huge spur these tax cuts gave to economic activity resulted in an increase in Federal tax revenues.

The second part of the Republican program would hold Federal spending increases to an annual average of 6 percent. This fiscal discipline is essential if deficits are to be curbed and a lid put on inflation.

Limiting Federal budget increases to an average of more than $30 billion a year is not likely to impose hardships on the public sector, despite all the howling such fiscal restraint is likely to bring from certain privileged special interest groups. Nor should it deprive the American people of any necessary Government services. Federal spending has doubled in the last 6 years, without any notable increase in benefits for the American people.

Again, Mr. Chairman, the choice is clear. Either the House will vote today for bigger deficits, more taxes and more inflation, or it will take the first fledgling step down the road to fiscal sanity.

The American people will be watching how we vote.●

● Mr. FRENZEL. Mr. Chairman, I object to this budget resolution, because it is completely out of step with the American people's strong feeling that we ought to cut Government spending.

This resolution calls for an 11-percent increase in Federal spending in the 4th year of a recovery. All that extra spending can do is to increase the deficits, promote inflation, increase dependency on Federal programs, raise the overall cost of bureaucratic regulations, and of course raise the public debt. I doubt that any of us have many constituents clamoring for those unhappy results.

What has become painfully apparent over the last several years is that the Budget Act and budget process do not work. They do not work because Members of this Congress do not want them to work. Instead of providing a discipline for spending, our budget procedure provides an excuse for higher spending. Our budget committee is apparently stacked with "stimulators" who believe we must use an irresponsible fiscal policy to expand the economy when our past experience clearly shows such expansionary budgets don't do much to hold down unemployment, and are, instead, a major effect on increasing inflation.

Economists tell us that the current rate of inflation produces a tax increase for individual taxpayers of about $9 billion a year. The free-spending Congress has an extra incentive to create inflation, because inflation creates more Federal revenues. Thus the spending goes on and on.

In addition to ratifying the President's profligate recommendation of $500 billion in spending and nearly a $60 billion deficit, our Budget Committee has also recommended that we increase that budget and that deficit by $10 billion. It has done so by reducing outlay estimates in that amount even though all of us are pretty sure that that money is going to be spent this year anyway. All of which only means that we will be having a supplemental appropriation and changes in the second budget resolution. The Congress is still playing the old shell game.

I shall vote for the Republican alternative, which calls for reduced taxes and reduced spending to achieve a balanced budget by 1983. This alternative would reduce the deficit by about $10 billion this year and at the same time provide substantial tax cuts of nearly $30 billion and allow for cost-of-living increases in all Government programs. That seems to me like an easy way to save $10 billion.

The President's budget figures, which will be ratified by the Democrat majority, call for higher rates of spending and taxes and still will have a deficit of $33 billion by 1983. Republicans ask for taxes and spending at a ratio of 18½ percent of GNP. The President and Democrats in Congress are aiming at levels of over 22 percent.

That means the President and Democrat Congress want to tax the American people at rates about 20 percent above the Republican targets. Obviously there is a world of difference between economic policies of the two parties.

This budget resolution is the best indication to the American people of the willingness of each Member of Congress to represent the wishes of the people. Those who vote for the unnecessary deficit spending and taxes called for in this budget are going to have to account to their constituents for those actions.

It is obvious that we cannot balance the budget this year. To do so would cause severe disruptions in our economy which would require years to untangle. However, we have the clear responsibility to target for a balanced budget. The Republican alternative is the only way that we can do so.

Because it is wasteful, because it is contrary to the public will, and because it is inflationary, I shall vote against the first budget resolution for 1979.●

● Mr. MINETA. Mr. Chairman, I rise in support of the Mitchell transfer amendment. This effort would shift $4.8 billion in budget authority and $2.8 billion in outlays from function 050—National Defense to a range of human service programs.

The most important function of this congressional budget process is to provide Congress with a formal procedure to set priorities for Government spending and revenues. This transfer resolution serves that purpose admirably. It presents every Member of this distinguished body with an opportunity to make a clear statement of his or her priorities.

I support this amendment because it would shift extravagant and wasteful spending from the defense function into productive, underfunded job-creating programs.

Mr. Chairman, you are probably aware that this month marks the beginning of the United Nations General Assembly special session on disarmament. Member nations will focus on measures to be taken to move governments to scale back the more than $300 billion a year they spend on arms. We in this body today have an excellent opportunity to put the United States on record in support of this effort. Supporting this amendment will not only be a step forward in redirecting our national priorities toward a renewed and expanded commitment to domestic needs, but will also show the world that we intend to be leaders in an attempt to cut back worldwide military spending.

Mr. Chairman, there are domestic needs that cry out for funding. Millions of Americans are still out of work after

3 years of a recovery. Americans throughout this country are underfed, ill-clothed, poorly educated, and inadequately housed. This amendment speaks directly to those Americans. It is an amendment that asks the Members of this Chamber to step back from an unreasoning fear of the Soviet Union and confront the immediate threat of poverty. We are told endless tales of the imminent danger of military encroachment from our enemies—is there a Member on this floor who seriously believes reducing the military budget by slightly less than 2 percent will increase that imminent danger?

Yet $4.8 billion in budget authority and $2.8 billion in outlays would put unemployed Americans to work, would construct new public facilities, would begin thousands of new housing units, would support small and minority businessmen throughout the country, and would ultimately put this country on a bold new path toward a healthy society. This is an amendment that deserves the support for every Member of the House.

Mr. Chairman, in conclusion, I want to thank the gentleman from Maryland, his staff, and the many people throughout the country who have worked to put together this most important amendment.

I urge my colleagues to join me in support of this effort to address the pressing domestic needs of the country.

Thank you.

Mr. GIAIMO. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. NATCHER, Chairman of the Committee of the Whcle House on the State of the Union, reported that that Committee, having had under consideration the concurrent resolution (H. Con. Res. 559), setting forth the congressional budget for the U.S. Government for the fiscal year 1979, had come to no resolution thereon.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF CONFERENCE REPORT ON H.R. 6782, EMERGENCY AGRICULTURAL ACT OF 1978

Mr. BOLLING, from the Committee on Rules, submitted a privileged report (Rept. 95–1109) on the resolution (H. Res. 1162) providing for consideration of the conference report on the bill (H.R. 6782) to permit marketing orders to include provisions concerning marketing promotion, including paid advertisement, of raisins and distribution among handlers of the pro rata costs of such promotion, which was referred to the House Calendar and ordered to be printed.

PERMISSION FOR SUBCOMMITTEE ON SURFACE TRANSPORTATION OF THE COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION TO SIT DURING 5-MINUTE RULE TOMORROW

Mr. ROE. Mr. Speaker, I ask unanimous consent that the Subcommittee on Surface Transportation of the Committee on Public Works and Transportation, may have permission to sit tomorrow, Thursday, May 4, 1978, while the House is meeting under the 5-minute rule, in order that we may continue the markup of H.R. 11733, the Surface Assistance Transportation Act of 1978.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, can the gentleman assure us that would be the only bill under consideration?

Mr. ROE. Positively.

Mr. ROUSSELOT. Is there a deadline problem?

Mr. ROE. Yes; there is.

Mr. ROUSSELOT. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

GENERAL LEAVE

Mr. BARNARD. Mr. Speaker, I ask unanimous consent that all Members may be permitted to extend their remarks and to include extraneous material on the Roberts amendment to House Concurrent Resolution 559 which was agreed to earlier today.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

REPORT TO THE HOUSE: OUR SOLAR PROJECT READY FOR APPROVAL

(Mr. PICKLE asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. PICKLE. Mr. Speaker, on this solar energy day, I am pleased to bring good news to the 80 Members of the House who cosponsored a bill I authored, House Resolution 322, and to the 368 Members of the House which voted for this resolution on May 17, 1977.

House Resolution 322 approved a $50,000 study to determine the feasibility of using solar energy in the office buildings which we use here in Washington. This morning, Mr. George White, the Architect of the Capitol, presented the completed study to Public Works Committee Chairman HAROLD JOHNSON.

The Architect recommends that the Congress invest $3 million to install solar energy equipment on the Rayburn House Office Building and on House Office Building Annex No. 2, and predicts that we will make all this money back—and more—within 16 and 20 years.

Chairman JOHNSON and Subcommittee Chairman NORMAN MINETA have promised me that this matter will receive a full hearing in the very near future. I commend them for their cooperation and their leadership in this important project, and I commend the Architect for his careful and timely recommendation.

When I first arrived in Washington on a cold winter morning in 1963, as the new Member from the 10th District of Texas, a fellow Texan, knowing how confusing Washington streets can be to a country boy, kindly offered me a ride to work. I was sitting in the car, rubbernecking around the traffic to see as many famous sights as I could. Included on my list of things I wanted to see was the recently completed, and, I was sure, magnificent Rayburn House Office Building, named after a little giant who ruled the roost here for years and played mentor to Presidents and to most of the rest of us back home. My chauffeur, who shall remain nameless, warned me that the building really was ugly. I could not believe it. But as we drove up Independence Avenue, I looked out the window, and I had to say, "By golly, it is ugly." My driver responded, "You know, Jake, that the stones on the bottom of that building come from your district." We drove on up the street, I looked again, and I said, "You know, the closer you get the better that building looks."

Well, it has taken me 15 years, but I have finally figured out a way to make this magnificent structure even more beautiful.

Solar collectors are like this building—the closer you get the better they look. I think it is because they represent hope.

Solar energy faces two dangers today: First, that people will expect too much of it, and second, that they will expect too little of it.

The legislation I introduced at the first of last year does not expect too much and it does not expect too little. We wanted to see if we could retrofit these buildings because if we are to get anywhere in solar energy we are going to have to put it on buildings which are already here. We cannot wait around for the 1 or 2 percent of new buildings each year. But we also wanted to be sure we could do it.

Mr. White has headed a careful study of the matter, and Chairmen JOHNSON and MINETA have promised me a speedy review of this report in their committees.

The Architect has recommended we invest $3 million, which sounds like a lot of money unless you realize that the two buildings we are talking about—the Rayburn and Annex No. 2—are as big as 10 shopping centers.

It will be a marvelous thing if every Congressman can go home and say, "We use solar energy in our office buildings in Washington." It will speak louder than a thousand grant and loan programs. It will help usher in the day when every citizen can order his solar collectors from a Sears and Roebuck catalog.

As the Good Book says in James 1:22, "Be ye doers of the word and not hearers only." That is what we hope to do here.

I include the following:

BACKGROUND INFORMATION ON HOUSE SOLAR FEASIBILITY STUDY

On February 23, 1977, U.S. Rep. J. J. (Jake) Pickle (D-Tex.) introduced H. Res. 322, authorizing $50,000 for a feasibility study of

using solar energy in connection with the heating, cooling, and hot water systems of the office buildings used by the House of Representatives.

On May 3, 1977, Building and Grounds Subcommittee Chairman Norman Mineta (D-Cal.) held hearings on H. Res. 322, and on May 12, 1977, Public Works Committee Chairman Harold Johnson (D-Cal) ordered the bill reported favorably to the full House.

H. Res. 322 passed the House May 17, 1977, by a vote of 368–29.

On October 5, 1977, the Architect of the Capitol, George White, the Public Works Committee, and the House Administration Committee approved the contracts for the feasibility study. Contracts were let to Sidney A. Silver, P.E., of Chevy Chase, Maryland for the engineering study and to Professor Stanley F. Gilman of Penn State University for scientific consulting.

On May 3, 1978, the final report, with the Architect's recommendations, is turned over to Chairman Johnson and Subcommittee Chairman Mineta for action by the Public Works Committee. If approved by the Committee, this action would take the form of authorizations for appropriations to install solar collectors on the House office buildings.

The study is supported by the ad-hoc Solar Coalition in the U.S. Congress.

Cosponsors of H.Res. 322 and identical bills follow:

H. Res. 322, February 23, 1977:

Mr. Pickle, Mr. Ottinger, Mr. Rose, Mr. McCormack, Mr. Ambro, Mr. Baucus, Mr. Bedell, Mr. Brown of California, Mr. Drinan, Mr. Harrington, Mr. Jeffords, Mr. Moakley, Mr. Mottl, Mr. Richmond, Mr. Long of Maryland, Mr. Oberstar, Mr. McKinney.

H. Res. 461, March 31, 1977:

Mr. Pickle, Mr. Akaka, Mr. AuCoin, Mr. Badillo, Mr. Beard of Rhode Island, Mr. Bellenson, Mr. Blanchard, Mr. Bonior, Mr. Carr, Mr. Cleveland, Mrs. Collins of Illinois, Mr. D'Amours, Mr. Danielson, Mr. Dellums, Mr. Dicks, Mr. Downey, Mr. Edgar, Mr. Edwards of California, Mr. Florio, Mr. Ford of Michigan, Mr. Gaydos, Mr. Gephardt, Mr. Gore, Mr. Hannaford, Mr. Harkin.

H. Res. 462:

Mr. Pickle, Mr. Harris, Mr. Hollenbeck, Mr. Howard, Mr. Hughes, Mr. Hyde, Mrs. Keys, Mr. Kildee, Mr. LaFalce, Ms. Mikulski, Mr. Mikva, Mr. Moffett, Mr. Murphy of Pennsylvania, Mr. Neal, Mr. Nolan, Mr. Patterson of California, Mr. Pepper, Mr. Pease, Mr. Pressler, Mr. Pursell, Mr. Risenhoover, Mr. Rodino, Mr. Roe, Mr. St Germain, Mr. Scheuer.

H. Res. 463:

Mr. Pickle, Mr. Seiberling, Mr. Tsongas, Mr. Udall, Mr. Van Deerlin, Mr. Walgren, Mr. Waxman, Mr. Weaver, Mr. Weiss, Mr. Charles H. Wilson of California, Mr. Charles Wilson of Texas, Mr. Winn, Mr. Won Pat.

H. Res. 520, April 26, 1977:

Mr. Pickle, Mr. Carney, Ms. Holtzman.

FACT SHEET: FEASIBILITY STUDY OF USE OF SOLAR ENERGY FOR THE HOUSE OFFICE BUILDINGS

The Architect of Capitol has recommended:

I. House Office Building Annex #2: Installation of solar energy equipment to provide domestic water heating year-round, partial building heating during the winter season, and partial cooling year-round. (The House Computer Center is located in this building and there is, therefore, a need for year-round cooling.)

Estimated Cost: $1,223,800 (to which must be added 20 percent for engineering design fees and contingent and administrative costs).

Utility Cost Savings: $33,854 during first year, $2,341,700 over a 20 year period.

Estimated Energy Savings:

	Annual requirement Btu×10⁶	Solar energy savings Btu×10⁶	Percent of load
Domestic water heating	1,944.3	990.1	50.9
Building heating	8,647.0	1,126.0	13.0
Building air conditioning	4,440.0	1,541.6	34.7
Total annual	15,031.3	3,657.7	24.3

II. Rayburn House Office Building: Installation of solar collectors for domestic water heating year-round, for partial building heating during winter, and for reheating during the summer cooling season. These collectors would not be visible from the ground.

Estimated Cost: $1,186,400 (to which must be added 20% for engineering design fees, contingencies, and administrative costs).

Utility Cost Savings: $32,193 in first year, $2,227,700 over 20 year period.

Estimated Energy Savings:

	Annual requirement Btu×10⁶	Solar energy savings Btu×10⁶	Percent of load
Domestic water heating	2,592.0	1,254.8	48.4
Winter preheat	4,529.0	1,535.3	33.9
Summer reheat	1,479.4	1,171.7	79.2
Total annual	8,600.4	3,961.8	46.1

DEFENSE, RESERVE COMPONENTS AND THE FUTURE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. SIKES) is recognized for 30 minutes.

● Mr. SIKES. Mr. Speaker, for several weeks various committees of Congress have been conducting hearings on the defense budget for fiscal year 1979. At stake is the security—the future—of our Nation, its cities, and our people, whom we in Congress are here to serve.

The proposals and issues of national defense are enormously complex, yet there is a simplicity of truth that must emerge. The Congress and the public have a right to know that there are real and present dangers inherent in our national strategy on defense. These threaten our national interests—perhaps even our Nation itself.

It is a matter of grave concern that the serious nature of our defense posture and the deficiencies in the budget are not openly and candidly discussed by military personnel before the committees of Congress. Understandably, they are expected to support the administration's budget. Beyond question, most of them realize the defense budget is deficient, but they feel that they have no option but to support it. Some will say they are muzzled. They may express their personal views—but not without risk. Fortunately some have had the courage to speak the truth in their testimony. This testimony is doubly important.

Congress needs the facts if we are to properly fund the Defense Establishment. Therefore, Congress is entitled to officially hear the unconstrained, knowledgeable, and expert professional views of military witnesses before our committees, even when they differ from official budget submissions or positions of the administration. Congress cannot make correct judgments unless we are able to hear both sides of controversial issues—not just what one administration or the next may want Congress and the public to hear. The issue of national defense clearly transcends political boundaries.

Possibly part of the problem is due to the fact that at times military witnesses themselves do not know in what direction our defense program is moving. There have been too many changes and too much uncertainty. Congress must accept responsibility for some of this. We change direction, too, with or without budget restraints. Changing administrations bring changing policies in defense. Regrettably, the funding trend is now downward, particularly in procurement. There also is a steady reduction in personnel, both military and civilian. It is hard for the military to know what the defense policies are going to be 1 year from now, let alone 5 years from now. It is difficult to build constructively on this foundation.

It is also true that, while administrations do change, many of the faces underneath have remained the same. Some of those faces among the analysts and comptrollers in the Defense Department and Office of Management and Budget are those who, it is often said, "know the cost of everything but the value of nothing."

Those analysts, their negative influence on our defense posture and particularly the Reserve components, their insistence on "qualification" of even the intangibles, sometimes have turned budget preparation and the so-called total force policy into a farce, especially as the services have attempted to bring their Reserve forces up to a proper state of readiness. Sometimes they generate a statistical and administrative nightmare for the armed services.

Year after year, the Reserves are buffeted back and forth. Congress receives

glowing reports from the Defense Chiefs about the state of the Reserves, preparations for improved readiness, and the anticipated deliveries of new equipment.

Nearly every military Reserve chief has testified about his frustrations, year after year, on matters vital to Reserve readiness. And year after year we hear the same stories from the Defense Department of studies and promises for next year's budget that never seem to come true. Thus, while Defense says it is relying more on the Reserve Forces—who can do the job if properly supported—the fact is that the budget for Reserve Forces in fiscal year 1979 is down and so is their readiness. Defense is saying one thing but doing another.

The Reserve components are expected to provide a third of the Nation's early strike capability. For this task they received this year 6 percent of the defense budget. In fiscal year 1979, they are expected to receive 5 percent. The new weapons they have anticipated through the years have gone to Vietnam, to Israel, to NATO, to replace war stocks—in short, to everyone except the Reserves. Plagued with enlistment and retention problems, plus the failure of the Department of Defense to utilize all the tools offered by Congress such as bonus enlistments and educational benefits; Reserve morale has obviously suffered. The next war, if it follows recent patterns elsewhere, will be a short one. It will be necessary to stem a Russian avalanche of forces and weapons quickly or it won't be done. There won't be time to bring the Reserves up to fighting stature after the war begins. Some of the Reserve components are in excellent fighting trim. The Army is having the greater problem. The time to start insuring instant readiness was last year or the year before. The job has to be done before a war begins or it may be a wasted effort.

While changing administrations, DOD, and OMB analysts are at the grass roots of this aspect of our defense dilemma, the leadership of the Defense Department and we in Congress must take the final blame. For we let them get away with it.

There is an unmistakable trend toward the United States becoming a second-class world power—inexcusable neglect of Reserve forces, especially in the Army—defiance, direct and willful, of the intent of Congress by the Defense Department and some services of the directives of Congress and interpretations of law.

If we are to function more effectively in the budget process in Congress, we must send one fundamental message from Congress to the Defense Department, to OMB and to the administration—to stop the muzzling of military witnesses. When we send questions to a particular service—for example, to the chief of a Reserve component—Congress wants his views—not those censored, edited, and often sanitized bits of meaningless trash that we are now often receiving from DOD.

It may be that Congress must consider legislation to assure that it can, receive unedited, factual information from the services and their military personnel without fear of reprisal to the individual by either the service or OSD. If that is necessary and it appears it is, then let us get on with the preparation and passage of it. OSD is certainly entitled to present its side but not to change witness or service testimony or to muzzle military witnesses as now is occurring.

Next, I am certain many of you saw the TV documentary on readiness of our Army and the All-Volunteer Force concept. At about the same time, our colleague, Congressman BEARD came out with a study of the All-Volunteer Force made over several months.

Both of these are worthy of commendation, for behind each of them are many of the views and facts that Congress has been seeking from military witnesses, but which they are forbidden to speak. They concern issues vital to the security of this country.

Congress must secure all the facts on the All-Volunteer Force and make them known to the people of America. I am therefore proposing that the Congress itself establish a special bipartisan commission to investigate and secure the real truth on the matter. To look in depth and assure all the facts on both the Active and Reserve forces is something that cannot be delayed further.

However, this should not be used as another excuse for the Defense Department to delay improvement of the Reserve Forces by "studies" pending completion of the congressional examination.

I must also again take issue with the manner in which some services have continued defiance of the intent of Public Law 90–168, Defense directives relative to the National Guard and Reserve and several communications from Members of Congress. My office, with assistance from several military associations, has assembled a track record of the attempts and actual actions that have been directed at removing control of funds; fund management, programs and primary proponency for Guard and Reserve matters from the Reserve chiefs over the last few years. In recent months these actions have become more brazen and actual transfers have occurred reducing the authority of the Reserve chiefs and "integrating" the functions into active service commands or staff agencies.

Here, I repeat again to the Defense Department the intent of Congress that the military chiefs of the Reserve in each service are to have full responsibility and control over funds, fund management, programs, policies, systems and structures of the Selected Reserve, Ready Reserve, Standby Reserve and Individual Reserve and Retired Reserve for their respective Reserve components. It is for that reason the law has established the military Reserve chiefs as the primary advisors on Reserve affairs to their respective Chiefs of Staff. That does not include any authority to delegate the responsibility of the Reserve chiefs to another Service staff agency or command element in any service under the guise of "integration," "total force," or total army."

The Congress welcomes support from soon to be introduced to clarify existing statutes and reduce the misinterpretation and actions contrary to congressional intent that have been occurring to the detriment of our Reserves. I know already that a substantial number of my colleagues in both the House and Senate are anxious to cosponsor and support this important new legislation.

At the same time, Congress expects full support by the Defense Department and services of the Reserve chiefs and Reserve forces in attaining maximum readiness as quickly as possible. It is with pride that I point to the high example of teamwork and support between the Air Force Reserve and Guard and the Active Air Force, and the readiness that these Reserve forces report as a result. I am confident that the other services can do as well when they finally are able to put their minds to it and the Defense Department fully supports congressional intent. Action should be expedited on whatever may be needed to bring our Reserves and Active Forces up to their wartime levels of manpower, equipment and training.

Our Reserve Forces have consistently come under fire for not being ready. However, we find that reasons are generally beyond their control. In view of this criticism of the Reserves, I was surprised to learn that readiness of some Active Army elements in the United States rates but little above that of our Reserve and Guard Forces—a serious matter, that has generally not been made known to Congress.

The time for action is now—not 1980. The time for delaying actions through numerous costly and voluminous studies and delays and arbitrarily cutting by analysts is past. Congress should no longer tolerate such tactics by any military service or the Defense Department.

America's military security is in trouble due to these tactics and now is the time to deal with the sources. We must air the whole issue of the Volunteer Army, measuring quantity, quality, Reserve and Active Forces, and if it is necessary, readdress the Selective Service issue.

I urge investigation and full congressional deliberation on these matters as quickly as possible, plus action by the Department of Defense on matters within its jurisdiction without delay.●

STATEMENT ON SUN DAY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. GREEN) is recognized for 10 minutes.

Mr. GREEN. Mr. Speaker, on March 6, 1978, the House of Representatives passed House Joint Resolution 715, a resolution to proclaim May 3, 1978 as "Sun Day." I was among those who voted in favor of this measure.

I strongly supported the resolution's statement that, "a day devoted to a celebration of all solar technologies should help inform the general public, industry, and labor, and demonstrate the potential of the sun in meeting the Nation's energy needs." As a Sun Day in

New York leaflet says, "On May 3rd, the Earth will begin moving closer to the Sun." I am pleased to add that in New York, "Sun Day" is really not one day but a whole week of activities promoting solar power.

Since ancient times, men and women have been intensely aware of the Sun as a vital force in their lives. The ancients instinctively realized the Sun's tremendous energy and revered its almost mystical role in the growth of crops and the change of the seasons.

As an energy source, the Sun has largely been overlooked since the industrial revolution as electricity, petroleum, and natural gas have been exploited to meet energy requirements. Now we are discovering that the resources upon which we have been depending for so long to meet our energy needs are not as readily available and inexhaustible as we thought.

The time is at hand to look for alternative energy sources, and the search is leading us to turn toward the Sun. Like the men and women of ancient times, we are finding that one of the best energy sources on Earth is actually 93 million miles above it.

The "Sun Day" resolution officially declared that "Federal, State, and local governments should foster and encourage the further development, refinement, and utilization of solar energy technologies." I would like to briefly highlight a few of the Federal programs already available with respect to solar energy.

The Department of Housing and Urban Development, in conjunction with the Department of Energy, is offering a series of grants for the demonstration of solar heating and/or cooling projects in residential units. Solicitations for the fifth cycle of grants under this demonstration program will be issued this summer. Proposals are solicited from builders and developers wishing to install units in new or existing buildings.

Homeowners may qualify for government-guaranteed loans to install solar heating, cooling, and hot water units under the Federal Housing Administration's Insured Home Improvement Loan Program. A maximum of $15,000 is available for up to 15 years, at an interest rate not to exceed 12 percent per annum.

The Economic Development Administration is authorized to make grants which might be used for solar projects to communities with severe unemployment problems. The objective of the grant program is to stimulate employment. Solar energy is seen to be a labor-intensive industry requiring skills in job areas currently suffering from unemployment.

Individuals interested in starting or expanding small solar operations may be eligible for loans guaranteed by the Small Business Administration. While SBA has no programs aimed specifically at developing solar businessess, applicants are considered under regular loan programs. SBA will guarantee up to 90 percent of a loan, at a maximum interest rate of 9½ percent.

The National Solar Heating and Cooling Information Center was established by the Federal Government to serve as the primary source of solar information for the public. By calling the Center's toll-free number (800–523–2929), individuals can request basic information in layman's terms, the names of architects and builders in their areas specializing in solar design, detailed technical findings, listings of books and periodicals on specific subjects, and the latest information on available Government services. My district offices are also available to help 18th District residents who wish to find out more about Federal solar programs.

Legislation presently is pending in Congress to provide for greater Federal support for the development and application of solar technologies. I would like to take a few moments to report the status of some of the principal measures in this area.

In April 1977, President Carter submitted his energy program to Congress. Although both the House and Senate passed their versions of the National Energy Act last year, the bill remains tied up in a House-Senate conference committee. The function of the conference committee is to iron out the differences between the House and Senate energy bills and then send back to both Chambers a final version of the National Energy Act to be approved and sent to the President. Action on the energy bill has been delayed for several months due to disagreements among the conferees concerning natural gas pricing and certain features of the President's energy tax proposals.

A compromise solution to the natural gas pricing issue has been recommended, but the fate of the overall energy bill continues to remain in question. I recently joined with a group of 43 of my House colleagues in a letter to the House conferees on the energy bill to urge them to split off the agreed-upon provisions of the National Energy Act to send to the President's desk as soon as possible.

Among the provisions which we felt should be expedited were those relating to solar energy. As my colleagues and I stated in our letter, "Every day that we delay implementation of these provisions retards the Nation's ability to reverse our dangerous dependency on foreign oil and resulting outflow of dollars."

The conferees have agreed that homeowners at all income levels could receive loans at reasonable interest rates to install solar heating, hot water, and cooling equipment. Banks and other lenders could make solar loans at interest rates ranging from 7 to 12 percent for periods up to 15 years. The Government National Mortgage Association would be authorized to purchase the loans from commercial lenders and resell them in the secondary lending market to insure reasonable interest rates.

Another agreed-upon provision would increase by 20 percent the limits on Federal mortgage insurance for houses where solar equipment is installed. Yet another would expand the energy conservation improvements eligible for Federal home improvement loan insurance to include "active" and "passive" solar energy modifications, such as installing windows with a sunny exposure.

Under the conference agreement, both public and private nonprofit schools and hospitals would be eligible for energy conservation and renovation grants. The 3-year program would authorize $900 million for actual purchase and installation of equipment, as well as energy inspections. Another $65 million in grants would be available over 2 years to local government buildings for inspections and technical advice on what kinds of conservation measures are needed. Included in the local government program would be local libraries, nursing homes, community health centers, and orphanages.

The conference measure also would set up a 3-year, $98 million program for the Federal purchase of photovoltaic—solar electric—cells. The program is intended to spur mass production of photovoltaic devices and to drive down the price of these expensive, handmade cells. The cells would be used at remote Federal installations where conventional fuels are expensive to bring in. Under the conference agreement, the Federal Government would install solar heating and cooling equipment in Federal buildings over a 3-year period at a cost of $100 million.

The conferees also have concurred on a tax credit for residential solar devices. The credit would amount to 30 percent of the first $2,000 and 20 percent of the next $8,000 spent on the equipment. The maximum credit would be $2,200. All solar systems that provide home heating are eligible. The credit would be available for equipment installed between April 20, 1977, and December 31, 1985, in a principal residence, cooperative, or condominium.

These, then, are the highlights of the National Energy Act concerning solar energy. As I noted, the conference committee has approved all of these provisions, but their enactment is being held up by disputes over other parts of the overall bill. I intend to continue my efforts to get the conferees to move on the approved portions of the energy bill.

While the National Energy Act languishes in the conference committee, a package of solar legislation is slowly moving through Congress. The "Sun Day" resolution was part of this solar package which includes such diverse proposals as a bill to direct the State Department to install solar energy equipment on U.S. Embassies overseas and a bill to direct the Congressional Office of Technology Assessment to study the effect and feasibility of having solar energy provide 15, 30, or 45 percent of the Nation's energy production by the year 2000.

One part of the solar legislative package passed the House on Tuesday, May 2. I was among those who voted in favor of this bill, which would create a solar and renewable energy sources loan program within the Small Business Administration.

Under the bill, H.R. 11713, small busi-

nesses could receive direct or guaranteed loans through the SBA for the design, manufacture, distribution, marketing, installation, or servicing of solar energy equipment. The bill covers a wide range of products, including solar heating and cooling equipment, solar hot water systems, and solar electric cells. The measure authorizes $45 million in 90-percent federally guaranteed loans and $30 million in direct loans, which would only be provided to a business unable to obtain a guaranteed loan.

This legislation was generated by House committee hearings which discovered that small solar businesses are having trouble obtaining capital. Of the 500 solar manufacturers, 18 produce about two-thirds of the solar collectors currently being made. The Small Business Committee also found that banks have been reluctant to make loans as the proposed solar tax credit in the National Energy Act has been delayed. This delay, coupled with the public's expectation that the credit will be passed, has dampened demand. The depression in solar buying has made it even harder for small businesses to attract investment at a time when they are trying to prepare for the expected high demand when the solar credits are enacted.

Hopefully, this will provide the needed boost for large-scale implementation of solar technology across the country.

A bill in the solar legislative package is being examined by the House Committee on Banking, Finance and Urban Affairs Subcommittee on Domestic Monetary Policy. I serve as a member of the full Banking Committee.

The Domestic Monetary Policy Subcommittee last week concluded 3 days of hearings on H.R. 7800, the Solar Energy Development Bank Act. The bill would provide $5 billion for low-interest loans to residential purchasers of solar energy equipment. The loans would be administered by the Federal Solar Energy Bank.

The bill would provide Federal funds to subsidize loans through private lending institutions for solar equipment. Banks would be reimbursed for handling expenses and the difference between commercial interest rates and 3 percent, the rate at which residential and commercial owners and builders would be able to borrow for solar devices.

The subcommittee is scheduled to vote on the bill within the next few weeks. I am looking forward to studying the subcommittee's final draft and the revisions it intends to make pursuant to the testimony it received last week.

The measures I have outlined indicate that Congress is seriously examining ways in which the Federal Government can provide assistance to the fledgling solar industry and to individuals who wish to take advantage of existing technology. Certainly, the many nationwide "Sun Day" activities should provide added impetus to these efforts.

While the Federal Government can take action to encourage solar energy, the application and development of its potential ultimately rests with private initiative. In this regard, I would like to close with the pertinent observations of solar advocate Denis Hayes which appeared in a recent edition of the Washington Post "We Can Use Solar Energy Now", February 26, 1978:

While still hoping for leadership from Washington, many Americans are no longer waiting for it. With the sure instincts displayed by innumerable inventors, tinkers and entrepreneurs throughout our history, these citizens are in the vanguard of a nation that, in the years ahead, must increasingly turn toward the sun.

STUDENTS WHO TRY

The SPEAKER pro tempore (Mr. ROSTENKOWSKI). Under a previous order of the House, the gentleman from Illinois (Mr. MICHEL) is recognized for 15 minutes.

Mr. MICHEL. Mr. Speaker, the Washington Post continues its excellent series on education in Washington, D.C., schools. On Tuesday, May 2, 1978, reporter Juan Williams wrote of the good students at Eastern High School, the ones who make an effort and who are not victims of the destructive myth of "something-for-nothing" that has hurt so many of their own generation. But even these students are victims of an educational system that simply does not work.

In this article we meet a student who was graduated from Eastern with a perfect 4.0 average and who now is a C-plus student in college because his high school preparation was inadequate. We meet another student who made the honor roll 6 out of 12 semesters in Eastern and has just been told by his college instructor that he is functionally illiterate.

Mr. Speaker, who is to blame for this tragedy? When that question is asked the educational establishment, the lobbyists who have been demanding billions of tax dollars for education and the education groups are silent or else point the finger of blame at television or sunspots or fate. Before we allocate a single dollar more of Federal tax money for education we should find out who is responsible for this waste.

At this time, I wish to insert "Eastern: Poor College Training", from the Washington Post, May 2, 1978.

[From the Washington Post, May 2, 1978]

EASTERN: POOR COLLEGE TRAINING

(By Juan Williams)

"Everybody always sees the negative side of (Eastern)," said Teresa Floyd, an "A" student who may be Eastern's valedictorian this June. Her voice cracked with emotion, and she blinked as if about to cry.

"That's all they care about," she said. "People you meet in the streets, they say, 'You go to Eastern. Why do you want to go there? All they do is stay in the hall, get high. Eastern is a fashion show.' But they don't really know about Eastern other than what they hear somebody else say." Eastern, she insisted, "does have some good academic qualities. If you want to learn, you can get an education here."

Teresa Floyd is fighting what she sees as Eastern's image as a school for students who want to smoke and gamble in the halls or just play sports. Although she could have graduated last year as a junior because she already had more than the required credits, she stayed at Eastern.

This school year she wrote an essay on solar energy that qualified her as a finalist in a citywide essay contest on the 21st century. In the summer before her senior year, she worked at the Veterans Administration Hospital here in a fellowship program sponsored by the American Heart Association.

In addition to such academic success stories at Eastern, several athletes have used their playing ability to keep out of the halls and get into college. The four Chesley brothers, who began attending Eastern in 1969, have gone to college with athletic scholarships. One of them was a nominee for a Rhodes Scholarship at Boston University.

Despite these academic and athletic successes, several Eastern graduates who were hard-working, attentive students in their classes say they have found their high school education inadequate.

". . . I thought I was good when I was at Eastern," said Beverly Galloway, Eastern's 1977 valedictorian and now a freshman at Ohio Wesleyan. "I thought Eastern was good if you went there to learn. But after I was at college for a while, I realized I didn't know what other people in my classes had already learned. I had to learn study skills. I didn't know how to do a lab write-up. I don't know why they didn't teach me that. I know they must have known that, because the teachers went through labs and write-ups when they were in college."

Galloway, who graduated from Eastern with a perfect 4.0 average and now is a C plus student college, later said: "I've discussed this with my chemistry teacher because she said I needed to tell somebody because it's not good going to school and thinking you know a little bit, and you get disappointed and go through all kinds of emotional problems. I don't know what's wrong."

Gary Blake, Eastern class of '76, said he was sure he had the background to be a freshman student at Catholic University after graduating from Eastern.

"I made the honor roll 6 out of the 12 semesters I was there," he said. "I always did exceptionally well, or so I thought. But, when I took English 101 at Catholic, I was told I was almost functionally illiterate. I couldn't even write a simple composition without grammatical mistakes. And in my 12th grade year I got, I think, a B and three A's. This was in literature."

Blake still is angry.

". . . I think if the people down at the Board of Education open their eyes up and realize what they're doing to the students in D.C., the kids in D.C., they'll change the entire school system completely," he said. "It needs to be changed over-all. I've talked to people from (other states), and they're so much advanced over the students in D.C. it's a shame. And there's no reason for it.

"The parents in D.C. also pay taxes for students to get the best education, which they're not getting. If anybody on the school board has kids, I doubt if they go to D.C. public schools," he said.

All 4 of the 11 school board members with school-age children send them to city public schools, a board official said.

In the 1976–1977 academic year, 106 Eastern students had only A's and B's on their report cards despite distractions caused by students who smoke marijuana and gamble in the halls.

All of Eastern's elite—the hardworking students who ignore disturbance outside the classroom door—appear to have several characteristics in common: strong motivation from someone in their family, career goals they already have set for themselves and an

awareness of the world beyond Eastern and beyond northeast and southeast Washington.

"My sister really pushed me to do my best," Teresa Floyd said. "She told me, 'What it takes to survive is a good education so you don't have to wait for people to do things for you or ask anyone favors.'"

As the bell rings to start her Spanish class, Floyd can be found sitting in the front of the room near the blackboard. Most of the students are not in the room yet and the teacher is standing by the door urging students in the halls to go to their classes. The class will not begin for several minutes, so Floyd is reviewing exercises in her Spanish book.

NEVER CUTS CLASSES

Floyd said she rarely is absent from school and never cuts classes. In some of her classes, she said, teachers will give her special, more challenging, assignments than those being assigned to most of the class. The teachers give her the assignments to prevent her from becoming bored in classes, slowed by poor readers or discipline problems, she said.

Giving motivated students special assignments to match their drive and abilities occasionally is done with good students at Eastern. Students with poor reading abilities also are given special assignments catering to their needs. Teachers said separation of students resembles "tracking," a system in Washington schools under which students were given work according to their scores on standardized tests.

Tracking was discarded in the city school system after a suit, filed by the late Julius Hobson Sr., argued that it was an arbitrary system and made children who were not in the best classes feel they were not intelligent.

"That's not tracking," school Superintendent Vincent Reed said when asked about the practice of giving students work, the difficulty of which is based on what they can do. "It's bringing youngsters along at their own level. Everyone is being challenged because I'm sure other youngsters are moving at their level. That's ability grouping. I'm in favor of that, and I'm glad to see teachers are doing that on their own . . . Ability grouping is based on classroom performance and has nothing to do with test scores."

"I take into consideration that everybody works on their own level and at their own pace," Teresa Floyd said. "And if somebody is slower than I am then I can't blame that person . . . I notice some people are slow in reading in my class, but no one yells at them, nobody screams."

Class clowns and incessant talking by students who do not appear interested in what the teacher is doing do not bother her, she said.

"If I'm concentrating on something, then I don't hear anything that's going on around me. Because when I put my mind on something—you know—that's all I have on my mind. I block out everything else," she said.

She does not skip school on Mondays and Fridays, as do many Eastern students who consider those days part of the weekend. And in classes, she said, she constantly makes herself work, by doing extra reading, trying to know the answer to every question and checking on the teacher's work.

"Sometimes I correct the teacher's answers, you know," she said. "I do it at my desk. Just careless errors that the teacher makes all the time. A lot of people ask me why I don't go ahead and teach the class. But it's just like I be making sure he doesn't steer us in the wrong direction."

Despite the distractions, Floyd is not alone in working hard to be a good student at Eastern.

Thomasine McFaddin, one of the Eastern students who had only A's and B's on her report card last year, said that her parents "can't make me go to school, but they tell me every day how important it is. You know, it's sort of like a drilling. They tell me every day, really, how important it is, how hard life is. It really makes you think . . . where you would be without an education.

"See, like me for instance. What really motivates me to go to school is I have had a lot of jobs. Right now I work at McDonald's. I do not intend to work at McDonald's for the rest of my life. In fact, I don't intend to work there much longer," she said.

McFaddin wants to become a child psychologist. But most of her friends at Eastern already have told her, she said, that she will not achieve that goal. McFaddin said her friends think she should stay at McDonald's or at best become a nurse.

Wanda Phipps, another Eastern senior who has mostly A's on her school records, is applying to Harvard University this year.

"I think we're individuals, and I do what I want and I know what's right for me," Phipps said. "I'm going to try to stay in class and try to do my best and graduate and go to college and be one of the best contemporary novelists."

Phipps regularly submits her poetry to magazines but has not yet been published.

Eastern students who stay in class and work hard generally feel that their individualism has kept them from buckling to peer pressure and ending up in the hallways.

"I call them (the persons in the hall) 'coolies,'" said Charles Wright, an Eastern junior with a record of good grades. ". . . I was interested in being one of the boys at one time. But I realized it wasn't going to get me anywhere, and I want to achieve things. I care. Even if no one else around me cares. I've got my goals. I'm going to be a double major in political science and journalism . . ."

Wright said other Eastern students, such as the persons he calls "coolies," call him a "punk," "walking dictionary" and ask him if he is a "fag."

Ray Hammond, an assistant principal who has noticed changes in Eastern students since he came to the school in 1960, said today's good students are motivated to do well in school through their interest in jobs that pay well and will free them from financial worries, giving them a place in the world that will offer them the security they seek.

He said students of the early 1970s had no motivation to earn good grades because the social turmoil of the last 1960s made them anti-establishment and anti-school while they were in elementary school and junior high. By the time they reached high school, he said, they were not interested in good grades because they did not want to admit that, although socially aware, they had not learned the basics they should have known before high school.

The students of the early 1970s were defiant and not well-educated, Hammond said. As a result, they felt that "the world owes us" when it came to graduating, gaining admission to a good college and landing a high-paying job .

". . . The student now has finally come to realize that the job market is competitive so much so that now they feel that they'd better get in and learn as much as they can while they can," he said. "However, I feel the number is still too small because, unfortunately, we have another level of students who . . . don't know exactly what they want to do. So they're not trying to advance intellectually, they're not trying to advance economically—they just don't know what's going on."

While career goals inspire some Eastern students to earn good grades, other students are motivated enough by teen-age dreams of playing college sports to keep their grades high enough to gain admission to college.

PARENTS EXPECTED BEST

Francis Chesley, a 1973 Eastern graduate, had grades high enough to qualify for the University of Wyoming where he plays football. He is one of four brothers who won athletic scholarships after attending Eastern.

". . . If you're playing ball, you had to keep up good grades," he said, sitting in his parents' living room wearing a Wyoming football practice jersey. "You sort of see in the future yourself going to college or attaining a scholarship. So I had goals, plus my parents always expected us to do our best."

His father agrees.

". . . They (his sons) all had a goal—to make something of themselves," Walter Chesley said.

Francis Chesley said that while he was at Eastern from 1970 to 1973, athletes were given special treatment by other students and by teachers.

"If you were a good ballplayer," he said, "you had a lot of respect, you had a lot of people coming to see you and liking you and speaking to you in the halls or whatever. Maybe some of the emphasis put on sports was just a thing of being cool."

In addition to sports, Chesley said his parents motivated him to do well in school, just as several of Eastern's top academic students said their parents were behind them, urging them to succeed.

"I'd say that, in most cases, if you find a family with a very strong and together home life," Francis Chesley said, "then what they do in school or at the job or wherever might be a parallel to what they do at home. You know, it's not that this is a perfect household or nothing like that, but it is a house and it is a home, there's no question. What you do here . . . what you are taught here, your mannerisms and what you think about yourself . . . (these things) are displayed at school and any other place you are."

In the Chesley home, all the boys had to be in bed by 10 p.m. unless there was a game. At all times, until they graduated from high school, the children had to let their parents know where they were.

"I can remember when we had to be in at 9 o'clock," said Francis Chesley, "and we were in bed at 10 o'clock. I used to hear some of those other kids we used to play with out there, still hollering and whooping, and naturally you wonder what they're doing and you want to be out there, too. You don't realize your parents are acting in your best interest. You are thinking, 'Why do I have to do this?'

"You realize after you are older and become more mature that they were acting in your best interests. There's really nothing out there, 10 or 11 o'clock at night, in the dark, for a little kid. Nothing I can think of . . . That creates crime when you're out there with nothing to do and you're going to find something to do."

Chesley said that his family ate together every night and that his parents let him and his brothers know that they had high expectations of them.

"(Teachers) are going to expect a little more out of some students," he said. "I happened to be a Chesley, and they did expect a lot out of us . . . It was up to us to sort of live up to those expectations we had for ourselves and our dad had for us too."

After leaving Eastern, Chesley said, he was not accepted at one college because of low college board test scores. He said he did not feel that Eastern had prepared him to handle the mathematics and science courses he faced in college nor had it raised his reading

and comprehension abilities to a college level.

BARELY ABLE

An Eastern graduate going to college would "barely be able to compete," he said.

"(Some) courses (at college) are used to find out just where you came from and what you are interested in" to weed-out those not capable of handling college-level work, he said. "You really have to apply yourself. You really have to have some science background and some mathematical skills and, when I came out (of Eastern), I didn't have these types of skills. I wasn't prepared in that sense to go to college and be on my own. . . ."

Chesley is not the only Eastern alumnus to report that Eastern did not prepare him fully to handle freshman courses in college.

Other alumni who reported problems because of an inadequate high school education, did not want to criticize Eastern. Often they blamed themselves for not working harder, excusing what others saw is the failings of any public school in a large city. They explained that Eastern is forced to deal with students who do not want an education, students out in the halls and students who have family problems that the school must tackle before it can try teaching them anything.

George Neale, now a senior at Duke University, was second in his class at Eastern, active in student affairs and the son of the president of Eastern's parent teacher association. He is protective of the white and blue colors of Eastern.

Neale defended Eastern as a school where "you can learn . . . if you want to." He said that he has done well at Duke and that his problems there are similar to those experienced by students from private schools and public high schools in other cities. He explained that students were in the halls at Eastern because ". . . the library is only so big over at Eastern." He said other students in the halls may have half-day schedules or may be waiting through a canceled class period for the next class.

"I just hate to see people getting down on public schools," he said.

Neale said he had to work very hard at Duke in some areas to catch up with students from other high school systems in the nation.

"I don't really think I really got much out of math at Eastern," he said, "but I had a really good physics teacher . . . (I) wasn't accustomed to, you know, working four or five hours a night or something like that. (When you graduate from Eastern) you're probably not used to writing . . . I got to college, I'd never written a term paper or research paper. And that's ridiculous. So consequently I waited until my junior year (to take those courses). But they finally caught up with me. I couldn't avoid them any more." He worked hard and earned good grades despite his education's shortcoming.

Gary Blake, the 1976 Eastern graduate now attending Catholic University, said many of the top students in his class at Eastern went to college but returned home "disappointed" after a year.

"Even some of the smarter ones found out that it was much harder than they had anticipated," he said. "For the simple reason they did so well at Eastern they went to college with the notion that they had the ability to just breeze through."

Blake said part of the problem involves the minimal graduation requirements at Eastern and all other public high schools here.

NOT WHAT YOU THOUGHT

"Anytime you get out of school with just applied math, one year of biology, you've got the four years of English, no physics, no chemistry . . . it affects you in more ways than one because you don't have the education you thought you had," he said.

"And in everyday life, it cripples you for the simple reason that a lot of things in life extend from education. If you don't have a good education, you become depressed when people look at you and you can't perform well. You become unemployed . . . I think its just the entire D.C. school system. It should tighten up, force people to take algebra, some chemistry, physics, classes that are necessary in today's world," he said.

Blake, who is derisively called "college boy" by other young men in his northeast Washington neighborhood, said the low standards for public high school students here create boredom in schools. That leads students out of the classroom and into the halls, he said.

". . . There's nothing there to keep (students) in class," he said.

"I mean, the school is not a challenge, so you go outside the class to find your challenges. And while I was there you could find a number of students in the halls, not even in class . . . I went to algebra II and did very well. But that's when it stopped (at Eastern). No trigonometry was taught, and no chemistry was taught. . . . I couldn't go higher, even to give me a challenge, to make me work. So then I became bored . . ." he said.

Most of the half-dozen "A" students at Eastern who were interviewed for this article said they think they will do well with the preparation Eastern has given them. But all said they were uncertain about the quality of such an education because they have heard that high schools elsewhere are thought to be better.

"From what I've heard, the education at Wilson (a public high school in northwest Washington said to be the city's best) is better," junior Charles Wright said. "At Eastern I'm smart but, with kids over there (at Wilson), I'd like to see where I stand academically. I'd like to see what I could do over there."

SOVIET TACTICS IN WORLD CLASS CHESS: AN OMINOUS SIGN FOR INTERNATIONAL COMPETITION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. KEMP) is recognized for 5 minutes.

● Mr. KEMP. Mr. Speaker, in the world of international chess, an incident of the past year merits the attention of this Congress and the American people.

I refer to the defection to the West of Viktor Korchnoi, a leading Soviet grandmaster, and what has transpired as a result of that defection.

Needless to say, that defection—which occurred in the Netherlands about a year ago—enraged the Soviets. It wasn't solely that he had defected that enraged them. That was bad enough, but it was also that he had already qualified for the candidates matches, a series of elimination matches among the top eight players of the world, the winner of which would become the challenger to the reigning world champion, the Soviet's Karpov. Thus, Korchnoi could become the new world chess champion, defeating Karpov, a Soviet defector defeating a Soviet party-liner.

The Soviet's anguish increased this year as Korchnoi defeated all the opposition—in the quarterfinals, the semi-finals, and then the finals. They are beside themselves now, since Korchnoi is the challenger for the world title, with the Korchnoi-Karpov match slated for late spring or early summer.

The way in which the Soviets went about trying to discredit and then to defeat Korchnoi was brought out in a recent column by the nationally syndicated columnist, Prof. Jeffrey Hart of Dartmouth College. Professor Hart, who has long spoken out against the politization of international competition, makes the point that I have made to the International Olympics Committee and the U.S. Olympic Committee with respect to the Olympic Games in Moscow in 1980. That point is that the Soviets are not stupid, that they do have some finesse, that they will therefore rewrite the rules to serve their own purposes at every opportunity and then apply those rewritten rules to the cases they know they want to deal with. This gives them a public relations advantage, among those who do not know the whole story, of being able to say, each time they carry out what is truly a political act, that it really isn't political, that it's just that such-and-such a country, or athlete or reporter simply wasn't in conformity with the rules.

Professor Hart's point is well made. It is not speculation. We have had 61 years of Soviet conduct to observe. I know of no reason to assume that it is going to be any different in this regard in the 62d year or the 64th in 1980. The Soviets will continue to use international competition to their own political advantage, and they will use every technique we let them get away with to "rig" those competitions.

Professor Hart's column and excerpts from the U.S. Chess Federation 1978 Yearbook and an item from Chess Life & Review of October 1977 follow:

SOVIET CHESS: OMINOUS SYMBOL

(By Jeffrey Hart)

Not that many Americans play chess, or follow big time chess closely. Nevertheless, Soviet behavior toward Viktor Korchnoi, a chess grandmaster who defected on July 27, 1976 has implications that go far beyond the chess world.

That is, what the Soviets have been doing illuminates their attitude toward sports in general, and their likely attitude toward the 1980 Moscow Olympics in particular.

Chess experts rank Viktor Korchnoi number three in the world, behind Bobby Fischer and the Soviet champion Karpov.

While playing at an international chess tournament in Holland in 1976, Korchnoi asked for and received political asylum. One thing that enraged the Soviet government was that at the time Korchnoi had at the time qualified for the Candidates Matches—a series of elimination matches among the top eight players in the world. The winner of this becomes eligible to play Karpov. Korchnoi proceeded to mow down his opposition, advancing through the quarter-finals, the semi-finals, and the finals. Korchnoi is now the Challenger, and will play Karpov for the world title this spring or early summer.

At the present time, the Soviet authorities are doing everything within their power to make Korchnoi a non-person in the chess

world and to make his life as miserable as possible.

If a Soviet chess player loses to Korchnoi in international competition, Soviet chess authorities treat the loser like a political criminal.

The Soviet Chess Federation has moved to erase Korchnoi's name from Soviet chess history. New chess books, as well as revised versions of old ones, cannot include examples of Korchnoi's play. Chess periodicals may not publish descriptions of any games Korchnoi has played since his 1976 defection.

The editor of one of the leading Soviet chess journals, entitled "64", was a grandmaster named Petrosian. His own quarter final match with Korchnoi was not covered by "64." All that appeared were laconic statements, such as that "After Game 8, the score was Korchnoi 4½—Petrosian 3½." After losing his match to Korchnoi, Petrosian also lost his job as editor of "64."

The Soviets are doing everything they can to cripple Korchnoi for his coming world championship match against Karpov.

In chess, as in any game, you stay sharp by confronting top competition. The Soviet chess federation has moved to block Viktor Korchnoi from competing in international chess tournaments, and they have been very successful.

The Soviets have informed the organizers of such tournaments that they will look with displeasure on any invitation to Korchnoi. Tournament organizers know that if Korchnoi is present there will be no players from Russia, Bulgaria, Czechoslovakia, Hungary, etc. The organizers have caved in, and the only international tournament Korchnoi has participated in since his defection was a relatively weak one in Montreux, Switzerland.

Korchnoi is tough. Bet on him against Karpov. And bet on the Soviets to pull the same kind of thing in Moscow in 1980.

EXCERPT FROM U.S. CHESS FEDERATION 1978 YEARBOOK

The darkest cloud to color the chess sky during 1977 was the continuation of the Soviet bloc's effort to use chess as a political tool. Under strong pressure from the U.S.S.R., FIDE President Max Euwe convened an extraordinary general meeting of FIDE in Lucerne, Switzerland, during July to discuss the membership of South Africa. I have already indicated my repugnance at this affair, which resulted in the expulsion of South Africa, and at the way that Dr. Euwe handled it (*see Chess Life & Review*, October 1977, so I shall confine my comments here to reiteration of the statement made on behalf of his Western colleagues by Dr. Jungwirth, President of the Austrian Chess Federation, at the end of the Lucerne meeting: "If FIDE continues to be misused for political purposes by the U.S.S.R. then the question of human rights in the Soviet Union itself will have to be raised at the next congress."

Political pressure has also been used by the communist bloc to prevent Korchnoi from participating in strong international tournaments. Organizers know full well that if Korchnoi is invited to their tournaments there will be no players from the U.S.S.R., Hungary, Czechoslovakia, Bulgaria, etc., and thus far no organizer of a really strong event has been brave enough to invite Korchnoi. The only tournament in which he has played since his defection in July 1976 was a weak event in Montreux, Switzerland. Not even in Holland, where Korchnoi was living for the first year following his defection, has anyone had the courage to organize a strong tournament and to invite only Western and Yugoslav grandmasters. This is a sad reward for someone who has sacrificed so much for a new life in the West.

[Excerpt from Chess Life & Review, Oct. 1977]

KORCHNOI-POLUGAEVSKY: ANOTHER GRUDGE MATCH?

(By Edmar Mednis)

As I discussed in connection with the Korchnoi-Petrosian quarterfinal match, Korchnoi's heart was full of bitterness toward both his opponent and the Soviet Chess Federation. The result on his play was an even greater than normal determination and a high degree of nervousness. Only in the twelfth (last) game of that match did Korchnoi's mind appear to be completely free of extraneous matters. With what feelings does Viktor Korchnoi approach his semifinal candidates match against Lev Polugaevsky?

I believe that Korchnoi feels no particular personal animosity toward Polugaevsky. By all accounts their relationship has always been cordial. However, Korchnoi's animosity toward the Soviet Chess Federation has undoubtedly increased, and for several valid reasons. As a result of decisions made by the powers that be, the Federation has decided not only to make Korchnoi's life as miserable as possible but also to erase it from Soviet chess history. According to reliable reports, new chess books as well as revised ones may not contain examples of Korchnoi's play. Nor may current journals publish any games that Korchnoi has played since his defection on July 27, 1976. One particularly ludicrous example: An outstanding weekly chess newspaper is "64," whose founder and—until now—chief editor was Petrosian. Three of the 1977 quarterfinal matches were covered in depth by it. But not the match involving its Editor-in-Chief: no games, no reports, no analysis. If it weren't for one-liners such as "After Game 8, the score is Korchnoi 4½-Petrosian 3½" one would have thought that Petrosian had gone fishing instead of playing for the world championship. And speaking of Petrosian, something funny happened on his way to the Kremlin, soon after losing the match to Korchnoi: he lost his job as editor of "64." It was done in the usual "informative" way: no explanation, no discussion—just suddenly one week his name disappeared from the masthead. One wonders what effect such occurrences must have on Polugaevsky's nervous system.

Of course, the above actions could be considered indirect. There were also direct ones. For example, the federation informed organizers that it would look with strong displeasure at any invitation to Korchnoi to play in international tournaments. As a result, Korchnoi has had no chance to take part in tournament play at all. Or consider the behavior of the Soviet delegation at the semifinals match site. According to reports from the organizers, the Soviets have been as nasty as possible, objecting and complaining about any and everything, from specific pieces of furniture to the lighting and general practical matters. The Soviets vetoed Korchnoi's playing under the Dutch flag and under any flag at all. They informed the organizers that any direct contact with Korchnoi that can be avoided will be avoided, including the traditional handshake before each game and the joint press conference before the start of the match. An impartial observer may wonder why they are doing all this; it may well serve only to bring out increased determination in Korchnoi and increased nervousness in Polugaevsky. If Korchnoi loses, he loses only a match (unpleasant though that may be), but a loss by Polugaevsky may well be looked upon by the ruling hierarchy as an act of original sin.

In my review of Korchnoi's win over Petrosian I stated that at present only Fischer and Karpov have a fair claim of being better than Korchnoi, and nothing that has happened since has changed this view. Still, it is in order to say something on Polugaevsky's behalf. The Moscow grandmaster has been long regarded by grandmasters and chess journalists as being unable to win key games. I think this is a bum rap. It is true that Lev has not been successful in all contests, but, pray tell, who has? And his list of positive accomplishments is long: twice U.S.S.R. Champion, first-prize winner in over twenty international tournaments, a key last-round win over Portisch at the Petropolis Interzonal 1973 that set the stage for his qualification for the candidates at the subsequent playoff, a direct qualification at the 1976 Manila Interzonal, a defeat of Mecking in the 1977 quarterfinal match by 6½–5½. What is wrong with a record like that? As a matter of fact, the mid-1977 rating list of the U.S.S.R. Chess Federation ranks Polugaevsky second at 2648, behind only Karpov's 2725. Even so, taking into account all these good things about Polugaevsky, there is no question in my mind that Korchnoi is the favorite.

(Note to Reader: Korchnoi defeated Petrosian in their quarterfinal match.) ●

CHICAGO'S POLISH CONSTITUTION DAY PARADE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, on May 3 we commemorate the anniversary of the Polish Constitution of 1791, and in doing so, we celebrate and honor the deep ties between our country and the people of Poland.

These ties are rooted in the principles which were enunciated by the Constitution of May 3, 1791: Liberty, representation, and protection under law. They originated in the valiant participation of Polish soldiers and patriots in our own revolution and have been nourished by the rich gifts the Polish people have brought to our life and culture.

The Polish nation has been dedicated to the cause of human freedom and national independence throughout its long and frequently tragic history. And no nation has been a greater beneficiary of that dedication than these United States, where we owe so much in our own Revolutionary War to the gallant Polish heroes who adopted our cause as their own.

The year 1979 will mark the 200th anniversary of the death of Gen. Casimir Pulaski, the Polish patriot who gave his life in the Battle of Savannah in America's Revolutionary War for the cause of freedom. I feel it would be most appropriate for the U.S. Postal Service to commemorate his contributions with the issuance of a commemorative stamp in his honor, and I have written to the White House, the Postmaster General, and the Citizens Stamp Advisory Committee urging issuance of such a stamp. I have also introduced a bill providing for a

commemorative stamp in honor of General Pulaski.

Through adoption of the May 3 constitution, Poland transformed itself into a modern state. The Constitution was adopted at a critical time in Polish history because in 1772, the absolute rulers of Russia, Prussia, and Austria took away large sections of Polish territory. Facing possible annihilation, all forces in Poland united behind the new Constitution which was greatly influenced by the liberal movements in America, England, and France.

That Constitution paid tribute to a noble past. It was designed for a then free Poland. Yet it looked to the distant future as well as to the contemporary scene—the theme of that precious document was the love of liberty, the respect for individual freedom, and the granting of rights to the individual on the basis of equality. This Constitution was, moreover, to be the standard for all the laws and statutes of all future legislatures of Poland. Provision was made for religious freedom, for civil liberties, for personal liberty, and the guarantee of liberties by common defense.

The greatness of the May 3 Polish Constitution lies in the principle it embraced: The sovereignty of the people in the state. We Americans often take this principle for granted, for we have been reared in it as a birthright by the Founders of our great Republic. The Polish people, however, were pioneers in a Europe beset with dictatorships and the principle of absolute state sovereignty.

The natural geographic protection of oceans and friendly neighbors has allowed the United States to nurture the growth of its system of government based upon a belief in the sovereignty of the people. The Polish people have not been offered the same opportunity. But this reality does not negate the importance of this occasion. The May 3 Polish Constitution was based upon a principle that citizens of Polish ancestry living anywhere in the free world can proudly support and join in celebrating. The principle is one all nationalities can actively support. In remembering the manifesto of the Polish people, as framed in the constitutional reforms of 1791, let us salute all those who sacrificed so much for what all of us hold so dear.

In my own city of Chicago, a commemoration of the May 3, 1791, Constitution of Poland is being sponsored on Saturday, May 6, by the Polish National Alliance, and the 2-day program follows:

COMMEMORATION OF POLAND'S MAY 3, 1791 CONSTITUTION

Saturday, May 6, 1978

PROGRAM AT REVIEWING STAND

State and Madison Streets—12 Noon

Welcome: Mrs. Helen M. Szymanowicz, Vice President, Polish National Alliance, General Chairman, Poland's Constitution Day.

National Anthems: Mr. Bogdan Parafinczuk, accompanied by U.S. Naval Training Center Band, Great Lakes, Illinois.

Parade Narrator: Mrs. Helen M. Szymanowicz.

Parade Director: John Gacy.

PROGRAM AT RICHARD J. DALEY CENTER

1:30 p.m.

Welcome: Mr. Kazimierz Musielak, Commissioner District, 13, Polish National Alliance.

Invocation: The Rt. Rev. Francis C. Rowinski, Bishop, Western Diocese, Polish National Catholic Church.

Master of Ceremonies: Hon. Aloysius A. Mazewski, President Polish National Alliance; President Polish American Congress.

Remarks: Honorable James R. Thompson, Governor, State of Illinois.

Remarks: Honorable Michael A. Bilandic, Mayor, City of Chicago.

Principle Address: First Lady, Rosalynn Carter.

Benediction: Most Reverend Alfred L. Abramowicz, DD, Auxiliary Bishop, Vicar General.

Conclusion:

Sunday, May 7, 1978

Assembly for Solemn Mass: 10:00 A.M.—Holy Trinity School Hall, 1123 Cleaver St.

March to Church: 10:15 A.M.—To Holy Trinity Church, 1118 Noble Street.

Solemn Mass: 10:30 A.M.—Reverend Casimir Polinski, C.R., Pastor, Celebrant and Homilist.

Mr. Speaker, the theme of the Constitution Day Parade this year is "Poles Contribution to the World in Music and Literature," and the parade will feature marchers dressed in traditional Polish costumes as part of 43 marching units, 20 bands and drum and bugle corps, and 49 floats whose theme will be the Polish contributions to the world in music and literature.

The principal address in the program following the parade will be delivered by First Lady Rosalynn Carter, and the text of the plaque to be presented to Mrs. Carter by the Polish National Alliance follows:

PNA EMBLEM

"All power in civil society should be derived from the will of the people, its end object being the preservation and integrity of the State, the civil liberty, and the good order of the society based on equality and lasting foundation."

This quotation from Poland's Constitution of 1791 is presented to our First Lady, Rosalynn Carter in appreciation of her address at the observance commemorating said Constitution in Chicago, Ill., May 6, 1978.

THE POLISH NATIONAL ALLIANCE

Aloysius A. Mazewski, President.

Lottie S. Kubiak, Secretary.

Helen M. Szymanowicz, Vice President, General Chairman.

Mr. Speaker, on this 187th anniversary of the Polish Constitution of 1791, I am honored to join Americans of Polish descent all over this country and in my own city of Chicago as they pause to salute those who have sacrificed so much to achieve the liberty we enjoy today. Let us stand firm in defense of this precious heritage.●

ALASKA NATIVE CLAIMS ACT AMENDMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wyoming (Mr. RONCALIO) is recognized for 5 minutes.

● Mr. RONCALIO. Mr. Speaker, I am today introducing legislation to correct an inequity in the Alaska Native Claims Settlement Act of 1971 which left one group of Alaska Natives without a land base.

This group is comprised of nonresident Alaska Natives. Some of them left their homes to serve in the Armed Forces. Others left to attend high schools and colleges in other States. Still others, for economic reasons, migrated south. These Native Alaskans are scattered throughout the United States.

When Congress crafted the Alaska Native Claims Settlement Act, it dealt generously with Alaska's resident natives. The State was divided into 12 geographic regions of natives, each sharing a common heritage and common interests. Twelve regional corporations were created by the act and their boundaries specified.

At that time, nonresident Alaska Natives who qualified to be included under terms of the settlement, were an unknown quantity. Congress provided that, during the 2-year enrollment period following enactment of the act, Alaska Natives living outside the State could elect to enroll in a 13th region. If a majority of Alaska Natives, 18 years of age or older who were not then permanent residents elected to enroll in the 13th region, the Secretary of the Interior would establish the 13th region to benefit those Natives.

The nonresident Alaska Natives felt that their interests could best be protected by forming the 13th region, in order to control and direct their own affairs. They sought equity at that time and they are seeking it today.

The act provided for the 13th regional corporation to share in the cash payments from the Alaska Native fund created by the act. However, it failed to provide a land base for these Alaskan Natives to share equally in the settlement which extinguished their claims to land their ancestors inhabited for many thousands of years. Nor do shareholders of the 13th regional corporation share in the mineral wealth derived from the subsurface lands of the regional corporations. The money derived from mineral development is shared among the 12 regional corporations. This bill would not disturb that pattern.

My bill would provide a land base of 2,345,000 acres for the 13th regional corporation, which has its headquarters in Seattle, Wash. This acreage figure is based on the enrollment of 4,035 natives who are shareholders of the 13th regional corporation. This formula was developed as a means of determining a means that would enable the corporation to have land equal to that of the 12 regional corporations, whose land was determined by areas used and occupied by their ancestors, rather than on a per capita basis.

The amount of Federal land included in my bill would be an addition to the approximately 44 million acres allocated to the 12 regional corporations in the original bill. It does not seek to redistribute any of the lands the regional corporations are entitled to receive.

The nonresident Alaska Natives have

many ties to their State. They have family members living throughout Alaska from Point Barrow to the southern tip of the State. These family members are shareholders in the various regional corporations in the State. Many members of the 13th regional corporation have since returned to Alaska to live.

The people of the 134th regional corporation have no desire to disrupt the land selection patterns of the other native corporations. Nor do they intend to disrupt the State's selection rights. They are simply asking that Congress permit them to select Federal lands, once the resident natives and the State have completed their selections. They would select their land entitlement from the excess lands withdrawn by the Interior Secretary on behalf of the native village and regional corporations.

Mr. Speaker, I believe it is imperative for Congress to act now to assure that these nonresident Alaska Natives are not disinherited. Congress has before it legislation to create new units of the national parks, forests, wildlife refuges, and wild and scenic rivers systems in Alaska. This legislation is an outgrowth of the Alaska Native Claims Settlement Act which provided that Congress act by December 1978 to set aside these national interest lands for the benefit of all Americans.

It seems appropriate that Congress also consider correcting an injustice created by an oversight when the bill was enacted. The 13th regional corporation was not an entity until years after ANCSA was enacted. It was not certain at the outset that the corporation would ever come into being or, if it did, how many shareholders it might have. The corporation was only officially established 2 years ago, after a court battle determined that the voting of nonresident Natives had been incorrectly tabulated by the Bureau of Indian Affairs and that a majority did favor establishment of a 13th region.

I believe Congress should take this opportunity to deal fairly and equitably with this one group of Alaska Natives who also cherish land, as did their ancestors.●

AMENDING THE OLDER AMERICANS ACT—SELECT COMMITTEE ON AGING RECOMMENDATIONS INTRODUCED IN LEGISLATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. PEPPER) is recognized for 60 minutes.

● Mr. PEPPER. Mr. Speaker, the Older Americans Act is the principal social services legislation serving solely the needs of the elderly in this country. Since its enactment 12 years ago, it has begun to have a major impact on improving the well-being of our older citizens.

That act expires in September 1978 and the Select Committee on Aging, which I have the honor to chair, has been reviewing this law with some care over the last 10 months. The culmination of that effort came last month, when our committee unanimously adopted a set of recommendations for possible amendments to the Older Americans Act.

Today, Mr. Speaker, I am pleased to be joined by a number of my Aging Committee colleagues in introducing H.R. 12458, legislation which would implement all of those recommendations. Although markup has already begun in both the House and Senate legislative committees, I believe the introduction in bill form of the Aging Committee recommendations will serve to spotlight some of the major improvements needed in this most important statute.

The recommendations of the Aging Committee are divided into five broad areas—some general provisions, including several aimed at reducing fragmentation and duplication in Federal programs serving the elderly; recommendations affecting service titles (now titles III, V, and VII); those dealing with the employment and training and research programs; authorization levels recommended for the various programs; and several related matters not directly in the Older Americans Act.

I. GENERAL

1. Position of the Administration on Aging.

The Administration on Aging is established, according to section 201(a) of the Act, "in the Office of the Secretary," and the Commissioner who heads the Administration on Aging is to be "directly responsible to the Office of the Secretary." Moreover, "[t]he Secretary [of Health, Education, and Welfare] shall not approve any delegation of the functions of the Commissioner to any other officer not directly responsible to the Commissioner."

This careful attention by Congress to the administrative placement of AoA is not accidental. Prior to the 1973 Amendments, the Commissioner was responsible to the head of the Social and Rehabilitation Service (SRS). In order to reaffirm Congressional support for a vigorous, visible unit concerned about older people, with close access to the Secretary of HEW, the 1973 Amendments (P.L. 93-29) removed AoA from SRS and established it within "the Office of" the Secretary.

Congress actually passed a bill making the Commissioner "directly responsible to the Secretary," but this version was pocket vetoed by President Nixon.

Thus advocates of aging have watched warily as AoA was grouped, ostensibly for administrative support purposes, in the Office of Human Development Services (OHDS), headed by an Assistant Secretary. It has become clear in recent months that OHDS and its Assistant Secretary constitute a policy and planning link interposed between the Commissioner on Aging and the Secretary of HEW. Proposed regulatory changes, research and demonstration funding strategies and legislative initiatives at AoA have been funneled through the Assistant Secretary for OHDS. Until very recently, those responsible for aging programs in HEW regional offices were required to report, not to the Commissioner, but to the OHDS regional director. This led, according to informal communications with this Committee's staff to diversion of personnel resources from aging programs to other OHDS activities. Recently, OHDS has announced its intention to retain some 15 percent of AoA's research funds in order to pursue broader research goals. Even the recent HEW press release announcing the appointment of the new Commissioner on Aging reinforces this posture by referring to AoA simply as "a part of the Office of Human Development Services."

Whatever the perceived merits of such activities within HEW, Congress has reason to doubt whether they are consistent with its original intent: to have an entity which will, among other things, "provide for the coordination of Federal programs and activities related to" the purposes of the Older Americans Act. The previous Commissioner on Aging, Dr. Arthur Flemming, possessed a depth and breadth of experience—including service as HEW Secretary—which commanded respect and deference far beyond that attached to the office of Commissioner on Aging. Congress owes it to the current Commissioner, Robert C. Benedict, and his successors, but, more importantly, to older Americans themselves, to clarify and strengthen the position and its internal relationships in the Department of HEW.

The bill we introduce today, therefore provides that the Commissioner be responsible directly to the Secretary of Health, Education and Welfare in the execution of his duties under the Older Americans Act.

2. Advocacy Responsibilities. In title I of the Act, Congress declares that older people are entitled to "equal opportunity to the full and free enjoyment of" a wide range of objectives. Titles II and III then establish a Federal-State-area system of agencies designed to assist older people toward those objectives.

a. Given the relatively narrow scope of program activity and modest resources actually contained in the act's provisions, most state and local agencies have turned, with support and encouragement from AoA, to resources outside the Act in order to more adequately address the needs of the elderly in their areas. This involves not only coordination among various organizations and programs, but also persuasively bringing to the attention of those organizations and programs the unmet needs of the elderly and potential ways of helping meet those needs. In short, State and area agencies on aging have been forced into advocacy on behalf of older citizens, without explicit marching orders in the Older Americans Act to that effect.

The Aging Committee believes such advocacy efforts are not only consistent with the Act's objectives, but essential to the performance of State and area agencies' duties.

We recommend that the Act specify that State and area agencies on aging should act as advocates in behalf of the elderly in their communities, with an emphasis on the use of older persons themselves as advocates.

b. Consistent with congressional action in 1975, AoA has established under its "model projects" program a system of annual grants to states to help establish nursing home ombudsman activities. With individual annual grants of from $14,000 to $58,000 (average approximately $20,000), 49 states have been stimulated to set up some mechanism both to respond to complaints by nursing home residents and to take positive steps to improve conditions generally by working for changes in state laws and regulatory practices in the field.

This is now a discretionary program, which AoA could choose to abolish or alter drastically with complete discretion.

The Aging Committee has followed closely the development of this modest program, and evidence exists that the "payoff" measured in improvements of nursing home residents' lives, for the annual expenditure of about $1 million from AoA, has far exceeded that cost. Further, while the program as currently operated focuses upon only those elderly in nursing home settings, there is consensus that the program should also address those elderly in long-term care hospitals and adult care homes.

At a meeting in Washington in February, the National Association of Ombudsmen/Advocates for the elderly, a group composed of representatives from 39 States ombudsman programs, developed a consensus statement with respect to needed program improvements. This statement was conveyed to our Committee by the association's president and ombudsperson for Maine, through the offices of Congressman DAVID EMERY, and provides support for the changes we are proposing here.

The model projects have demonstrated the effectiveness of the citizen advocacy approach. The Committee believes that this discretionary program should be given statutory authority to assure its continued existence; that additional resources should be committed to this effort; and that there should be adequate technical support provided from the national level to maximize efforts of the state advocate programs.

Our bill recommends the inclusion in the Act of H.R. 11411, a bill to establish under title III a Long Term Care Advocacy Program. The projects under this program would be required to provide for the development and operation of statewide systems for receiving, investigating, and resolving complaints received from residents of long-term care facilities or others in their behalf, and to carry out other activities intended to enhance the quality of care in these facilities. We recommend that AoA be given authority to award these funds primarily to State units on aging, or, when most likely to achieve the program's goals, to entities other than State units on aging. Moreover, the Commissioner would be required to provide, directly or indirectly, sufficient support services to assure a uniform system for collecting and disseminating data received from advocate programs as well as providing technical assistance and training to advocate programs.

3. Section 709 of the Act states that no part of the cost of any nutrition project is to be treated as income or benefits for the purpose of any other law. In effect, this provision was designed to prevent older people who received meals and services under title VII from having their eligibility for other benefit programs affected, or having the value of the meals be subjected to taxation.

This has proven to be a reasonable concept, and there appears to be no reason to limit its application to title VII. Other programs under the Act confer benefits which also should not affect other program eligibility. In addition, the principle that modest amounts of income earned by older people in part-time work has proved to be a valuable one in the Foster Grandparent and Senior Companion programs.

We recommend in our bill that no benefit under the Older Americans Act be treated as income or benefits under any other State or federal law. In addition, wages received by older persons for work of 20 hours a week or less, should be exempt from federal or State income taxation to the extent that the wage does not exceed the applicable minimum wage then in effect.

4. Minority concerns. Congress has built into the Act in several instances an acknowledgement that persons who are old and who are members of minority ethnic and racial groups are deserving of special attention. In the words of one witness before our Subcommittee on Housing and Consumer Interests, "Phrases such as including low income and minority older people at least in proportion [to] the number of . . . older persons in the state's are . . . repeated constantly [in the Act], and yet the results are other than what the law says."

For example, AoA regulations require that area agencies award contracts to minority business entities in at least the proportion of minorities in the general population. Yet, in one recent study by an HEW regional office, not one state in the region was in compliance with this rule.

The act itself requires that all older persons have "reasonably convenient access" to an information and referral system. Minority older persons, however, often find their path to information and referral (I&R) services strewn with language and cultural barriers. Here is the account of one Spanish-speaking witness when he tested the I&R service in a city with a substantial number of Spanish-speaking elderly:

> I was making the calls in Spanish and after somebody responded I said something in Spanish and a voice on the other side of the phone said to somebody in the room, "Hey Poncho, do you speak Mex?"
>
> "Hell, no," was the answer. I could hear it . . . And then a loud click as the phone was put back on the cradle.

This and similar incidents led one Committee member to characterize "I&R" services as "insult and rejection."

The Committee has also been informed of the relatively small involvement by minority groups in training and research efforts funded under the Act; the special problems of meaningful minority participation on advisory councils at State and local levels; shorter life expectancies for minorities, which tend to limit the time for receiving benefits under any age-conditioned program; the relatively late consideration of minority elderly concerns at the 1971 White House Conference on Aging; and the absence of any minority-oriented group operating as a "national contractor" for the title IX employment program.

A special situation involves one group of minority elderly: American Indians. There is a historic and legal trust relationship between the Federal Government and many Indian tribes. The elected governments of these Indian tribes should have primary responsibility to provide and administer Older Americans Act services to their elderly tribal members.

Judging from hearings by our Subcommittee on Housing and Consumer Interests, it is clear that Indians have generally not been receiving adequate services through States to provide needed services to their elderly tribal members, nor have they had the opportunity to have an effective voice in the planning and implementation of programs under all sections of the Act. In other statutes—CETA, revenue sharing, and Community Development, for example—Congress has chosen to provide funds directly to Indian tribes from the federal level.

The law now permits the Commissioner to bypass State and area agencies and make grants directly to Indian tribes if benefits are not "equivalent to" those available to other older persons. This authority has proven inadequate. Although the Committee has received clear indications that this minimal "equivalent" standard is not being met, no tribe has even sought to invoke the bypass mechanism.

Our bill recommends that—

a. Responsibility for targeting the Act's programs—for carrying forward affirmative action steps already set out in the Act—be placed in the area agency on aging for all programs covered in the area plan (States should bear parallel responsibility where no area plan exists).

b. The U.S. Commission on Civil Rights be required to study and report to Congress on racial discrimination in federally funded aging programs.

c. For the service titles of the Act (III, V, VII), area agencies be permitted to waive any specified minimum age for eligibility, so that minority group members considered "older persons" in their communities could be served by such programs (only title VII now specifies a minimum age, 60).

d. The National Clearinghouse be directed to compile and disseminate data on the minority elderly.

e. There be created within AoA an Office of Affirmative Action and Minority Affairs, directly responsible to the Commissioner.

1. The Office would review State plans at the time they are submitted to the Commissioner to ascertain that the States' service titles are in compliance with existing law by serving minority,

Indian, and limited English-speaking individuals at least in their proportion to the PSA (or State) population.

2. If the Commissioner, in consultation with the Office, determines that an area agency on aging (or State) is out of compliance, the Commissioner would notify the agency that it has 120 days to develop a plan to come into compliance.

3. If the agency has not complied within one year from the date of notification, the authority to allocate the funds and responsibilities would revert to the State office on aging. (In single PSA States, the funds would revert to the Commissioner). The Commissioner already has the authority under section 305 to reprogram funds for activities not found in compliance.

4. The Office would develop a complaint and grievance procedure adaptable for use at the local level.

f. All parts of title IV of the Act (training, research and multidisciplinary centers of gerontology) be amended to insure closer involvement of minority group members. The Commissioner would set aside monies to assist in training minority persons who are employed or preparing for employment in fields related to the purposes of this Act, and States would actively recruit minorities. The Commissioner would set aside research funds to study minority aging issues. An emphasis would be directed toward utilizing minority researchers and institutions to conduct and implement this research whenever possible. Universities receiving funds for gerontology centers would have to demonstrate affirmative action plans for minority recruitment, enrollment and education.

g. Minority issues should be addressed specifically in any White House Conference on Aging and planning for it.

h. Funds distributed to States by formula take into account the factor of poverty, which parallels closely the factor of minority elderly.

i. In recognition of the special relationship between the Federal Government and recognized tribal organizations of American Indians, a special mechanism be enacted to authorize direct funding to such tribes for activities under the Act.

5. Reducing fragmentation and duplication. Literally scores of Federal programs provide assistance for older Americans. Unfortunately, access to the programs is blocked by conflicting eligibility criteria, bureaucratic "turf" defenses, and ignorance of benefit availability among potential beneficiaries.

a. Ironically, fragmentation and confusion exist within programs of the Older Americans Act itself. Although most have chosen to do so, States are not required to channel social services funds (title III) through the same entities as nutrition funds (title VII). As a result, nutrition projects and senior centers receiving title III funds sometimes find themselves competing for "customers," while other high-priority needs are ignored. One resulting situation was described in a recent letter to the Committee:

> In [our city], a community of 49 square miles with 144,000 individuals over 60 years of age—there are seven separate title VII projects, seven administrators, seven bookkeepers, seven nutritionists. In the most cursory estimates that have been developed by my office, we anticipate that a minimum of 10% ($106,000), could be saved by consolidating administration without affecting the service to recipients. There would be only one title VII project which would continue to serve the existing twenty-five locations and provide ethnic meals for [our city's] diverse and unique population.

The likeliest reason for this dual system in some areas is that nutrition projects existed almost everywhere in the country before the 1973 Amendments to the Act brought most area agencies on aging into being. There was reluctance in Congress to require that a popular and well-functioning program be turned over to an unknown newcomer with unproven capabilities. Nonetheless, States have gradually moved toward consolidation of titles III and VII. More than 60 percent of the nutrition money is awarded through area agencies which, by law may not deliver services directly when a reasonable alternative service provider exists. This process, however, has drained some agencies of energies better devoted to program improvement.

Commissioner Robert C. Benedict, when testifying before this Committee last summer as head of Pennsylvania's aging programs noted that his State had "managed to combine title III, title VII, title XX [of the Social Security Act], title IX, title V, and some State funds to make available to local communities for comprehensive services for the aging, but I would not want to recommend to many other people the kind of pain we had to go through to get that job done."

Title V of the Act, which funds repairs to multi-purpose senior centers, is on its face a project grant program, where every applicant is in competition for funds at the national level with every other. However, AoA is currently administering title V as a *de facto* formula grant program, by giving priority to State units on aging in applications up to a formula-based ceiling. Almost every State has responded with an application for a grant in the formula amount. This is a positive practice which ought to be explicitly legitimized.

We recommend in our bill that State units on aging be required to develop a comprehensive State plan to coordinate titles III, V and VII. Separate authorizations should be maintained. The funds from these titles, however, shall be awarded to and distributed by the State in an integrated way, directly to area agencies on aging, wherever they exist. The transition to this integrated system should be completed by the end of FY 1979, and States should be permitted to continue existing contracts with title VII projects through this period.

b. About 30% of area agencies on aging are county or city agencies. In many of the remaining 70% of cases, local governmental officials have not been consulted adequately. The National Association of Counties has brought this example to the Committee's attention:

> Georgia county commissioners . . . have voiced their concern about the way the Act is administered in their state. Many Georgia area agencies on aging, which are nonprofit, private agencies, are making public policy by allocating Older Americans Art funds without consulting county and city officials.

Similar concerns have been voiced by the U.S. Conference of Mayors' Task Force on Aging and the Urban Elderly Coalition. One way to assure closer involvement of local elected officials is to designate the unit of local government itself, as the area agency on aging. Currently the Act gives any local government with 15% of a State's population aged 60+, or 50,000 persons aged 60+, the right to be designated a planning and service area (PSA). However, the right is conditioned on the State's discretion to include more than one unit of local government in a PSA.

(1) Our bill recommends that any unit of local government meeting the standard specified in the Act (§ 304(a)(1)) which is denied status as a PSA have the right to appeal that decision to the Commissioner on Aging. In the appeal process, the State would bear the burden of justifying its decision.

(2) In all other cases, every unit of local government in a PSA should be guaranteed a seat on the area agency's advisory council, if it chooses.

c. Much of the lack of coordination flows from programs outside the Older Americans Act. Although statements in the Older Americans Act encouraging coordination with those other programs are important, they constitute only half an equation. Laws such as the Domestic Volunteer Service Act, the Comprehensive Employment and Training Act, the Urban Mass Transportation Act and many others, should themselves reflect Congressional concern in this matter.

The Administration on Aging has responsibility under section 202(a) of current law to work toward the establishment of a "nationwide network of comprehensive, coordinated services and opportunities for [older] persons" by coordinating the planning and development of Federal, State and local programs for the elderly.

(1) We recommend that section 202 (a)(11) be amended to clarify that the coordination authority for AoA extends to all federal programs.

(2) We recommend that provisions encouraging or requiring coordination with the Commissioner on Aging be inserted into appropriate legislation as it comes before Congress.

(3) As a complement to the previous recommendation, we recommend that the Commissioner be required to prepare an annual "elderly impact statement" for programs outside AoA with substantial effects on older Americans, reflecting the Commissioner's activity in working toward a coordinated approach between AoA and those other programs. Statements would be required, at a minimum, for such programs as medicare, medicaid, title XX social services, National Institute on Aging, housing under section 202 of the Housing Act, the section 504 home repair program of the Farmers Home Administration, older volunteer programs, and Senior Opportunities and Services.

(4) In view of the particularly fragmented situation in home health programs, we recommend that AoA's clearinghouse be required to compile and disseminate information of these programs.

d. Section 304(d) of the Act is aimed at encouraging the coordination of transportation services provided under other federal programs and those under the Older Americans Act. Those outside the OAA include the Rehabilitation Act of 1973, and titles VI, XIX and XX of the Social Security Act. Area and State agencies on aging are authorized to enter into agreements with agencies funded under those programs "[s]ubject to regulations prescribed by the Secretary" of HEW. Although this section was added to the law in 1975, no regulations have yet been issued pursuant to this authority.

We recommend that the Act be amended to require the Secretary of HEW to issue the regulations prescribed in section 304(d) within 90 days after the enactment of the 1978 Amendments, and to permit coordination among other HEW programs as the Secretary deems appropriate.

6. Streamlining Administration.

a. Each AAA is required, under current law, to devise a new "area plan" each year. Witness after witness has told the Committee that such an intensive process yields little from one year to the next, yet diverts substantial staff time and expense from other activities. Often funding levels to be available during the period being planned for are uncertain during the planning process.

The President has recognized some of these factors in his FY 1979 budget, in which he requests FY 1980 funding for titles III, V and VII of the Act.

The Act itself should be extended for a period long enough to permit Congress to evaluate the changes to be made in 1978. Since a White House Conference on Aging is likely in 1981, a four-year extension would allow data from that conference to be available when Congress next considers major amendments to the Act.

(1) We recommend that area plans be required only triannually, with updates in off-years to reflect resource availability and progress toward goal achievement.

(2) We recommend that the authorization period in the 1978 Amendments to the Act extend through FY 1982.

b. The ratio of State or local funds required to match federal dollars under the Act varies from title to title, and within titles. For senior center renovation under title V, the federal share cannot exceed 75 percent of the total cost. For title VII nutrition projects, up to a 90 percent federal share is permitted. Under title III, the matching ratio depends on whether an area agency exists in a planning and service area or not: in the former case, the match is 90 percent to 10 percent; in the latter it cannot exceed 75 percent to 25 percent.

The title III differentiation has been particularly harmful to rural areas, where no area agency may be appropriate, but where residents are therefore forced to raise more local funds to receive similar amounts of federal funds.

All of these requirements tend to make local accounting more difficult, and to drive local programs managers toward "creative accounting"—assigning as many costs as possible to those programs with the highest federal matching ratio.

We recommend that all funds distributed by formula to PSA's carry a matching ratio of 90 percent federal, 10 percent non-federal.

c. States administer a variety of programs under the Act—titles III, V and VII, and portions of titles IV and IX—with funds allocated to them under section 306 of the Act. Each State receives a formula-based share of funds appropriated for this purpose—$19 million in FY 1978—but not less than $200,000.

While funds under the various programs administered by the State have grown remarkably over the past few years, the amount available for administration purposes has not kept pace:

Appropriations for State and community programs and nutrition (titles III and VII)

[In millions of dollars]

	1974	1978	Increase in percent
Program funds	172.8	403.0	133.2
State administration	12.0	19.0	58.3

This has hampered State efforts to monitor area agencies' compliance in such areas as service to minority and low-income elderly, and limited States' abilities to provide much-needed technical assistance to area agencies and local service providers.

We recommend that dollars be reserved for State plan administration up to 8 percent of the amount distributed to States by formula in a given year, and that each State be guaranteed not less than 1 percent of this total amount.

d. Funds are now distributed to States by means of a formula based on a State's share of the national population aged 60 or over. States, in turn, allocate funds on the basis of formulas taking into account a wide variety of factors—population, poverty, geographic dispersal, minority concentrations, and others. Some States use different formulas for titles III and VII.

The Federal Council on Aging has recently reiterated its support for an allotment formula to States which considers poverty elderly population, along with general elderly population in allocating funds.

(1) We recommend that allotment formulas for titles III, V and VII be amended to consider poverty, as well as general elderly population.

(2) In addition, States should be required to disclose, in time for discussion and comment, the formulas it plans to use in allocating funds to sub-State areas.

7. Rural Elderly Study.

In rural areas large distances separating small numbers of people make access to services and service delivery especially difficult. Inflation and a decreasing local tax base hit the rural elderly especially hard. Although one-half of the nation's poor people and 41 percent of the nation's elderly live in rural areas, the special problems of these elderly have been largely unaddressed; hard data on rural needs and costs, on which reasonable and effective rural programs might be based, are lacking.

We recommend therefore that the Administration on Aging, under title IV Research and Development Projects, undertake a comprehensive study of the plight of America's rural elderly:

(1) To determine the needs of rural elderly with special attention given to housing, health, income, transportation and employment;

(2) To determine the problems of service access and delivery for those rural elderly at risk;

(3) To determine the unit cost of service differential between services delivered in a rural area vs. those in an urban area.

We recommend further that the Administration on Aging, under title III Model Projects, contract with at least two rural States to design a comprehensive service system for the rural elderly, including utilization of approaches, methods and techniques especially suited to rural areas; and that AoA disseminate to the relevant States through the National Information and Referral Clearinghouse for the Aging information related to comprehensive rural service delivery systems.

8. The Federal Council on Aging is an advisory panel, charged with making recommendations to the Administration and to Congress about federal policies toward aging. It is now chaired by Nelson Cruikshank, who also serves as President Carter's Counsellor on Aging. Congress clearly intended for the Federal Council to cut across the program and departmental lines, but the Council depends for logistic and staff support on the Administration on Aging. This not only hampers AoA by diverting precious resources, it restricts the independence and scope of the Federal Council.

We recommend that the Federal Council on Aging be provided a separate authorization in the Older Americans Act, and that its staff be responsible only to the Council. In addition, given the growing role of research in determining the welfare of older persons, the Director of the National Institute of Aging should be made an ex officio member of the Council.

II. SERVICE TITLES

TITLE III—STATE AND COMMUNITY PROGRAMS

9. Current law prohibits a state or area agency from delivering services directly except where State judges it "necessary to assure an adequate supply" of the service. Many witnesses have reiterated to the Committee the importance of avoiding making the area agency "just another service provider" competing for scarce program funds. Moreover, this requirement does not seem to weigh heavy on the area agencies themselves. Some 65 percent of those AAA's responding to the Committee's questionnaire spent less than 5 percent of their total budgets

providing services directly. The Committee notes that, particularly in rural areas, a shortage of other service providers might well force an area or state agency into direct service delivery.

We recommend that the current prohibition against direct services provision by area and state agencies be retained.

10. In 1975, Congress set out four "national priority services" of which State and AAA's were required to spend one-third of their title III service funds. These services were (1) transportation, (2) home (such as home health) services, (3) legal and other counseling, and (4) residential repair and renovation. AoA has interpreted the provision as requiring an area agency to address all four priority services.

Complaints have been lodged by a wide range of witnesses against this requirement. It stifles local initiative, it was said. It takes no notice of non-AoA funds being spent on the priority purposes. It simply doesn't fit some local priority lists. The General Accounting Office, in a report issued March 6, noted that the requirement "aroused resentment at State and local levels because of infringement on planning authority."

An area or State agency should not be forced to spend title III funds on transportation services, for example, if other agencies are responding adequately to that need. Also, these agencies may very well reflect local needs by concentrating on one or two of the four "national priority services," and should be permitted to do so.

In addition, area agencies, much like the Federal Government, have certain "must" items in their budgets. They are required, for example, to assure adequate information and referral services to all older people in their PSA's. Certain staff and rental costs are inescapable. The net result is that in some cases the one-third requirement constitutes, in reality, a claim on as much as one-half or two-thirds of an agency's discretionary funds.

We recommend that State and area agencies be permitted to count non-title III resources toward meeting the national priority services percentage requirement. Further, an agency's right to concentrate on fewer than all four priority services should be clarified.

11. As it has evolved, the area agency concept has been one based on the "seed money" concept. Once a local service provider delivers services to older people funded by an area agency, it is expected, that provider will see the merits of continuing the service even after the area agency withdraws its support. This has been translated by AoA into a bias against funding any service beyond three years. After that (assuming a regulatory change is approved), State agency approval is necessary to continue funding.

Some needs do not disappear after three years, and providers are becoming reluctant to accept title III funds for fear of being left to come up with funds to continue a service once a demand has been created. Moreover, other agencies are more reluctant to commit their own funds to a service if the Federal commitment carries a built-in three-year expiration date.

We recommend that area agencies be permitted to fund service providers without regard to an arbitrary time limit, so long as those services funded are consistent with needs identified in the development of the area plan.

12. For the first eight years after enactment, the Older Americans Act specifically mentioned senior centers as primary entities through which the Act's purposes were to be accomplished. In the 1973 Amendments, the importance of senior centers was recognized through the enactment of title V, but in focusing on area plans and area agencies on aging, title III lost its reference to centers.

Through hearings, workshops and staff research, the Committee has heard much about the importance of senior centers as a focal point for the delivery of a wide range of social services to the elderly. This is not meant to detract from the role of area agencies, but rather to enhance it; to add a physical, visible focal point for social services delivery within the context of the area plan for which the area agency is responsible.

We recommend that area plans be required to designate one or more focal points for social service delivery, such as a senior center; and that plans be required to promote maximum co-location and coordination of services.

13. Older person have legal problems, often questions involving public benefits (Medicare, Medicaid, SSI, Social Security, food stamps) but also including a wide variety of topics—pension rights, nursing home care, guardianship proceedings, and so forth. Coupled to these needs, older persons are also likely to be less aware of their legal rights, more reluctant to assert them in a public forum, and less experienced in dealing with lawyers.

Congressman Biaggi's amendment last year to the LSC authorization requires legal services grantees to consider the unique needs of elderly and handicapped individuals, a major step forward, but no specific level of service is required.

Congress in 1975 established "legal and other counseling" as a national priority service under title III. Although the response to this has been warm, much remains to be done. Like information and referral, and like transportation, legal services often supply leverage on the system, reaping benefits for clients far beyond the costs.

We recommend provision of a separate authorization for legal services under title III, with the bulk of the funds distributed by formula to State and area agencies on aging. Strong incentives should be included to assure the commitment of resources beyond the Act, particularly from Legal Services Corporation grantees.

14. Hearings before the Committee and available research demonstrate that the impact of personal property losses, physical injury and disrupted transportation are borne most heavily by older persons, specially the frail elderly. The Committee found instances where elderly persons waited in subzero weather only to be denied emergency food stamps during the New York snow storm last winter, while others waited in line for two days for benefits and slept in cars during the Appalachian floods last April.

The national network on aging has assumed increased responsibilities for disaster planning, outreach and follow-up under the Memorandum of Understanding between the Federal Disaster Assistance Administration and AoA. During disasters, area agencies on aging have mobilized effectively to provide emergency transportation to relief centers and medical facilities, expanded nutrition services projects (including home delivery of meals), home repair and assistance in the application for federal disaster benefits. When federal disaster assistance is curtailed in an area, legal counseling and advocacy services established under the auspices of area agencies on aging have provided liaison with federal agencies in the processing of housing and personal property loans, disaster relief grants and medical benefits for the elderly.

The available discretionary funds under model projects, section 308 of the Act have been utilized to a limited extent as a source of funding to areas in which disasters have occurred. In addition to the fact that this extends beyond the intent of the model project program, the degree of time and paperwork required for application and reporting has limited the effectiveness of these grants in responding to the immediate needs of the elderly disaster victims.

The aging network would be enabled to provide a more expedient and compassionate response in disaster situations, if additional resources were made available to area agencies at the immediate declaration of an area as a disaster under the Disaster Relief Act of 1974.

The Committee believes that the approach to this problem suggested in H.R. 8741 by Representative Mary Rose Oakar, a member of the Committee, is a thoughtful one. Under H.R. 8741 the scope of section 308 of the Act, dealing with model projects, would be expanded to include a regularized program of disaster aid. Refinements to this proposal endorsed by the Committee's Ranking Minority Member, Congressman William Wampler, also deserve inclusion.

We recommend that each State unit on aging be permitted to spend up to an amount equal to 5 percent of its allocation of area planning and social services funds for any given year, to aid elderly persons adversely affected by Presidentially declared disasters. The State unit would then be eligible for reimbursement for these expenditures by the Commissioner out of funds reserved from model project allocations. If states have not expended the full amount reserved by the last quarter of the year, the Commissioner could expend any excess for regular model project purposes.

15. This Committee has documented beyond doubt the maze of Federal programs serving the elderly, particularly

in the area of health and social services. Different older people—perhaps even the same older person over time—need a range of social and medical services. In many communities such a range of services exists, but the chronically ill and disabled elderly have limited or no access to them. Area agencies have been unable in most cases to devote enough of their scarce resources to such an intense process, involving relatively few older persons.

We recommend the inclusion in the Act of H.R. 10482, a bill to establish a program of special grants to States to establish community initiatives to assess the long-term care needs of chronically ill and disabled older persons and to insure that these services are deliverable.

The bill would enhance the Older Americans Act by building on the aging network, State units on aging, and area agencies on aging, which are mandated to establish plans for providing services to the aging population.

As envisioned in this bill, community initiatives would provide a "single-entry" program that would draw existing medical and social services into a system that would be accessible to the chronically ill and disabled elderly. These programs would be required to assess the need of individual older persons for diagnostic, therapeutic, rehabilitative, supportive, and maintenance services; develop a service plan for each individual; arrange for the most appropriate form of care; monitor and evaluate the adequacy of services; reassess needs periodically and facilitate changes in service where necessary; and undertake outreach activities.

16. For area agencies to fulfill their responsibilities under the act, they must engage in such activities as planning, coordination, pooling, and advocacy. However, there are inexorable pressures on these relatively small units (median staff size of 8.1 including clerical, according to the committee's survey) to simply manage the funds for which it is directly responsible—principally Older Americans Act funds. This hampers the achievement of the goals in the act for these funds to serve as catalysts to induce other, sometimes larger resources to flow toward older persons.

There is also a tendency to classify these less than tangle activities as "administrative overhead," and therefore something to be minimized. We believe, however, that this investment of money and staff often produces larger tangible benefits to older people than the same investment in direct service provision. For example, area agencies received $153 million in title III funds for the current fiscal year, and reported pooling resources worth some $440 million.

We recommend that Title III provide funding for planning, coordination, pooling, outreach and advocacy for area agencies on aging. These funds should support staff members whose principal duties are to advance those activities, and should be separate from administrative funds for the agency.

17. One of the activities to which Congress has assigned a high priority is the area of counseling. Most often, however, this has tended to be "crisis counseling," in which older persons are assisted in dealing with an immediate problem. Preretirement and career counseling, although permitted, have been less prominent.

We recommend that the "national priority services" definition in section 305(b)(3) be clarified to state that areas such as preretirement counseling, career counseling, psychological counseling and education counseling, should receive equal emphasis with such activities as legal and tax counseling.

18. Section 308 of the Older Americans Act provides that the Commissioner may, after consultation with the state agency, make grants for paying up to 75 percent of the cost of developing or operating statewide, regional, metropolitan, city, county, or community model projects which will expand or improve social services or otherwise promote the well being of older people. Concern has arisen over the lack of feedback to Congress of the results of these projects.

We recommend that Title III be amended to require that at the completion of each model project a report be filed with the House Select Committee on Aging, the House Committee on Education and Labor, the Senate Special Committee on Aging, and the Senate Human Resources Committee. Each report should include the purpose of the model project, the means used to carry it out, any findings and results, and the expenditures allocated for the project.

19. This Committee's report, "in Search of Security: A National Perspective on Elderly Crime Victimization," documented the fact that residential burglary is the most frequent crime against older persons. One of the recommendations in that report was a program to promote residential security for the elderly.

We recommend that Section 305(b)(4) of the Act be amended to provide for broader assistance under the residential repair and renovation programs to include construction modifications and the installation of security devices that will promote security of the elderly in their homes. Section 308(a)(1)(A) should be similarly amended.

20. Title V—Multipurpose Senior Centers

Members of the Select Committee on Aging have evidenced special concern over the potential of senior centers to better the lives of older Americans.

No funds were appropriated for any part of title V until the last Congress, when members of the Select Committee on Aging were instrumental in securing funding as part of the FY 1976 supplemental appropriations bill.

Congressman Edward R. Roybal, who serves both on the Aging Committee and on the Labor-HEW Appropriations Subcommittee, offered an amendment in that Subcommittee to include $2.5 million for title V. Then Congressman Spark Matsunaga, another Aging Committee member, successfully increased that to $5 million through a floor amendment.

When the Appropriations Committee approved $10 million for title V in the regular FY 1977 appropriation measure, Congressman William Randall, then Chairman of the Aging Committee, included $10 million more for the program in his successful floor amendment.

The FY 1978 appropriations bill contains $40 million for title V—the exact amount recommended to the House Appropriations Committee by current Aging Committee Chairman Congressman Claude Pepper earlier in the year.

This money is being used in relatively small amounts, mainly for minor renovations and alterations. Of the 549 projects funded from the first $5 million, 210 facilities became senior centers for the first time. Some 378 of those receiving grants were located in rural areas.

None of this money was spent on the mortgage insurance or interest subsidy sections of the Act.

a. There is near-universal agreement in the aging community that funds are needed not only for the costs of center facilities, now provided, but also for center operations, which now depend on other funding sources. Although many centers receive funds under titles III or VII of the Act, recognition is needed that the importance of centers is what goes on inside them, not merely the building itself. Part B of the Act, which was allowed to expire, permitted grants only for initial staffing, and limited those grants to three years.

We recommend that grants for senior centers staffing and operation be authorized. These grants should be distributed on a formula basis through state and area agencies on aging, and should not be limited to initial staffing. These funds should be available not only to fund specific services to be delivered in the center, but also to fund a core staff to operate the center itself.

b. Funds now available under title V are reserved for "acquisition, alteration or renovation" of multi-purpose senior centers. The intent was to avoid the creation of a massive "bricks and mortar" program which would far outstrip the resources of the program. Both the Committee's hearings on the subject and responses from the AAA questionnaire documented the need in some instances for relaxation of this strict prohibition against construction. Particularly in some rural areas, and on certain Indian reservations, no buildings exist which are appropriate for use as a center.

We recommend that state agencies on aging be given the authority to approve requests by area agencies on aging to fund title V applications for new construction, if the state agency finds that no suitable structure exists in a particular area to meet the need for a multipurpose senior center. In addition, sections authorizing mortgage insurance and interest subsidy should be amended to permit new construction within the funding levels approved by Congress.

c. Currently the law gives the Commissioner on Aging power to make grants to individual applicants. With the approval of Congressional leaders in both Houses, the Commissioner has administered the program as a "formula grant" program, reserving to each state a share

of the total appropriation (based on its share of the populations aged 60+). There is general agreement that the program should be made explicitly into a formula grant program. This would assure equitable distribution of funds, lessen pressure on AoA central staff, and allow states flexibility in directing senior center funds to areas most in need of them.

We recommend that the title V grant program be made explicitly a formula grant program, administered through state and area agencies on aging.

d. Sections 506 and 507 of the Act authorize mortgage insurance and interest subsidy programs intended to provide relatively larger amounts of money, on a loan basis, in those areas where other alternatives are not available. This Committee has received assurances over the past two years from AoA that these programs would be implemented, but no regulations have yet been issued.

We recommend that the Secretary be directed by law to issue regulations implementing sections 506 and 507 within 90 days after enactment. The sections should be amended to permit new construction, and the maximum amount of principal to be insured under section 506 should be increased to $1,000,000 from the present $250,000.

e. Grants are now permitted to pay costs of long-term leasing of centers only when leases cover the entire "useful life" of the facility. On the other hand, acquisition by fee simple need only assure the facility's use as a center for ten years.

We recommend that section 501 of the Act be amended to permit acquisition by leasing if the lease term is ten years or more.

21. Title VII—Nutrition

The principal recommendation regarding the nutrition program funded under title VII of the Act is that the responsibility for this program at the local level be fixed with the area agency on aging, as is already the case in more than 60 percent of the nutrition projects across the country.

In addition, other improvements are needed in this the most popular and visible program under the Act.

a. As currently constituted, the title VII nutrition program is a congregate program; it aims to bring older people together for meals, but to use that occasion to bring those persons into contact with their peers and with the social services system, so that needs beyond the simple need for a healthy meal are met.

In recent years, however, another group of older people have received increasing attention: the three to four million elderly who, for one reason or another, are homebound, either temporarily or permanently. "Meals-on-Wheels" projects have sprung up in many areas, funded either through diversion of title VII funds from the congregate program or from other private or public sources.

Our Subcommittee on Federal, State and Community Services has looked into this issue closely, with both research and hearings, and additional information was gathered at the Committee's January 6 workshop on nutrition issues.

We recommend that Congress authorize a home delivered meals program under title VII of the Older Americans Act, with authority for State units on aging to permit local transfers of home-delivered meals funds where it agrees with the area agency that the need for congregate meals in that area is more acute. The authority now in the law to reprogram congregate funds for home-delivered meals should be retained.

b. Present law requires the congregate project to serve "one hot meal per day" five or more days a week. The same provision applies to home-delivered meals. This requirement is independent of nutritional standards and does not apply to any additional meals a project might serve.

The Committee has received testimony that the requirement that the meal be "hot" may not be in the best interest of the elderly participant in at least two instances. The first is in hot climates, where most people's summer meals, particularly at lunch, are not "hot". A combination of fruit, salads, sandwiches and other nutritious foods could easily meet the standard set in the Act: that the meal supply one-third of the daily recommended dietary allowances established by the Food and Nutrition Board of the National Academy of Sciences-National Research Council.

The other situation in which a hot meal might not be appropriate is a relatively narrow one. Several home-delivered meals projects not funded by title VII provide a week's meals at a time to participants, frozen meals that are designed to be heated in the home. Although this method is probably not suited for most persons who need home-delivered meals, it could with proper monitoring be an economical, efficient way of serving some persons.

We recommend that section 806(a)(1) of the Act be amended to delete the word "hot" from the description of the principal meal to be served by a nutrition project.

III. OTHER TITLES

22. Title IX—Employment

Title IX of the Act provides part-employment in community service activities for unemployed low-income persons who are at least 55 years and who have poor employment prospects.

a. There are thousands of economically disadvantaged older Americans who strongly desire and desperately need work, not only for economic survival, but also for "self-survival." The stringent income eligibility requirements currently enforced in the title IX program preclude many senior citizens who live a marginal poverty existence from participating in this extremely beneficial employment program.

At present, the inflexibility of the title IX income test does not allow for variances in income and living standards throughout the country. Adjustments for metropolitan, non-metropolitan, urban and rural differences, as well as family size, would greatly enhance the responsiveness of the title IX program to the wide and varied income needs of elderly Americans living in different parts of the country and in different family settings. This flexibility is of particular importance in urban areas where older people living on incomes just above the official poverty line are still actually "living in poverty".

The guidelines utilized for eligibility under title XX of the Social Security Act are a model of flexibility that Title IX should follow. Title XX applicants are judged on the basis of each individual State's median income as adjusted for family size. Under Federal statute, an individual may be eligible for free services under the title XX programs if the monthly gross income of the person's family is no more than 80% of the State's median income for a family of four, adjusted by family size.

The title XX income standards provide an excellent guideline that the title IX employment program should follow in determining eligibility for enrollment. Title IX was designed specifically to benefit the economically disadvantaged older worker. In fulfilling this responsibility, title IX income eligibility requirements must allow for greater flexibility.

We recommend that the title IX income eligibility requirements be adjusted to allow for differences in income and living standards throughout the country, as well as family size. The income eligibility standards utilized under title XX of the Social Security Act should be applied as a guideline in setting more flexible eligibility requirements.

b. The unique educational and cultural disadvantages of minority groups—in particular the elderly members of those groups—require special attention and consideration. The Older Americans Act specifically states that every project in the title IX Senior Community Services Employment Program will serve the needs of minority, Indian, and limited English-speaking eligible individuals in proportion to their numbers in the State.

The current title IX national contractors enroll a representative number of minority older workers; the Committee has found that the percentages translate into very few minority persons actually employed by the program, considering the unique hardships encountered by minority older workers as they seek employment.

The Committee feels that there is a definite need for remedial action to improve the lot of the minority older person who desperately needs employment. It should be noted that minority older persons are very often suspicious of "outsiders" coming into their lives and offering promises of jobs and economic betterment. It is felt, therefore, that minority representatives and advocates in the title IX program are emphatically needed to relate to minority older workers.

We recommend in our bill that the Department of Labor take into consideration the special needs of minority older workers, and begin now to identify and work with national minority aging organizations toward including them as national sponsors of title IX projects.

c. Currently, the title IX program receives nine-month forward funding. For example, the $190.4 million Congress has appropriated for FY 1978 will be available for the period from July 1, 1978 to June 30, 1979. This particular funding cycle hinders regularity in the program and creates needless uncertainty in long-range program planning.

We recommend that Congress authorize and appropriate funds specifically for the period July–September 1979, and thereafter for 12-months periods which coincide with the Federal fiscal year.

d. In the course of its review of title IX, the Committee found definitive evidence that this older worker program has been well-managed and efficiently operated. An overall dedication to close administrative and fiscal control has been clearly demonstrated in the total operation of the title IX program.

The Committee is of the belief, however, that in order to maintain and strengthen the program's effectiveness and efficiency, specific statutory standards should be established by which the administrative operation of the title IX program can be objectively evaluated. Such objective statutory standards would provide the basis for the allocation of funds to title IX project sponsors. The criteria on which the evaluation would be based would take in consideration: (1) capacity to perform, i.e., demonstrated expertise, efficiency and proficiency in program administration, as well as planning and coordination capabilities; (2) the pursuit of innovative research and constructive implementation of research findings; and (3) previous demonstration of administrative accountability and responsibility. The implementation of such statutory standards would provide for greater objectivity in the allocation of title IX funds and greater accountability in the administration of the entire title IX program.

We recommend that specific, objective, statutory standards be adopted to govern the allocation of funds to title IX project sponsors by the Department of Labor.

e. Title IX's mandated responsibility is to foster and promote useful part-time opportunities in community service activities for unemployed low-income persons who are fifty-five years old and who have poor employment prospects. The Committe is of the opinion that the entire purpose and intent of title IX's mandate is defeated when a participant's income from the program is used in determining eligibility of benefit levels for other State or Federal benefit programs.

Considering the fact that work under title IX is currently only part-time and the wages received by older workers are too often only a minimal supplement to their already inadequate incomes, it appears senseless to disqualify title IX participants from other benefit programs simply because the wages they earn through part-time title IX employment puts them over the income eligibility limit set for other benefits. This practice also acts as a disincentive for many low-income older Americans to enroll in the title IX program since they realize their small earnings from title IX will disqualify them from receiving other desperately needed State and Federal benefits. One county office on aging in New York State estimated recently that four out of every ten persons applying for title IX employment through that office ultimately declined to participate because of the threat of losing other Federal or State benefits.

We believe that the intent of the title IX program to benefit the economically disadvantaged older worker can best be fulfilled by disregarding the income received by title IX participants when determining eligibility under other State and Federal benefit programs.

We recommend that the income received by older workers participating in the title IX program be disregarded in determining an individual's eligibility for or level of benefits under any other State or Federal program, to the extent that that income does not exceed the applicable minimum wage.

f. Testimony presented before the Committee indicated emphatically that the nationwide effort to serve employable low-income older persons should be a categorical one, i.e., designed and operated specifically for their benefit, as is the current situation with regard to the title IX, Older Americans Act, program.

As has been noted, the CETA's program performance in assisting older persons has been less than impressive, a fact borne out by the recently released Age Discrimination Study of the United States Commission on Civil Rights. The evidence to date dramatically points to a continuing and pressing need for a strong, categorical older worker program, under the Older Americans Act, tailored and operated specifically to meet the employment needs of older Americans.

The Committee strongly believes in the retention of a separate employment program, categorically designed for older workers, within the provisions of the Older Americans Act. The Committee emphatically opposes any attempt to place the title IX older worker program within another Federal employment operation. Although the Committee is not yet in a position to recommend any change in the administrative responsibility of title IX (for example, a transfer from the Department of Labor to the Administration on Aging), it is definitive in its insistence on the retention of the title IX program under the Older Americans Act.

We recommend that the title IX provantaged older worker, be retained as a gram, designed to benefit, and targeted specifically for the economically disadseparate, categorical older worker program under the Older Americans Act.

g. Although the structure of the Department of Labor and the U.S. Employment Service has impact far beyond the Older Americans Act, the Committee has observed certain practices that demand comment.

The extreme difficulties encountered by older workers seeking employment have been well-documented in testimony presented before the Committee and in numerous studies conducted by both the Federal government and private organizations. Undoubtedly, much has been done to combat age discrimination in employment. However, thousands of older workers encounter daily the frustration and agony of forced retirement and age discrimination.

The older worker specialist program within each State employment office was begun to meet this identified problem. In addition, the position of Special Assistant for Older Workers in the Office of the Secretary of Labor was established. In 1969, however, the position at the Federal level was eliminated and emphasis on the older worker specialist program at the State and local level has gradually lessened. This is particularly unfortunate in view of the findings by this Committee in the last Congress that, when older workers are referred for potential job openings, they are just as likely as younger workers to be hired.

The indication to the Committee is that there is a definite need for an older worker advocate within the Department of Labor, coordinating activities under CETA, title IX, the Age Discrimination in Employment Act, the Black Lung Program, Occupational Safety and Health Administration, etc., and the effect of all of these activities on the older American worker. Considering the large number of programs within the Department of Labor that have direct impact upon older American workers, the reestablishment of a Special Assistant for Older Workers at the Federal level, supporting and strengthening the role of the older American in our country's work force, would greatly enhance the position of this too often neglected but extremely valuable pool of human talent and resources.

Furthermore, the Committee has noted that the older worker specialist program at the State employment offices is at a low level of operation; hence, older workers are underserved and largely ignored, instead of receiving the same attention as is devoted to youth employment problems. The Committee believes that the quality of service provided the older worker would be greatly enhanced by a reinforcement and strengthening of the role of the older worker specialist program at the State level. A trained older specialist should be located in each State employment office with the single responsibility of working on training and placement of the older worker.

We recommend that the Secretary of Labor reinstate the position of "Special Assistant for Older Workers" at the highest level within the Department. In addition, the older worker specialist program at the State level should be reinforced and strengthened by insuring that a trained older worker specialist is located in each State employment office with the single responsibility of working on training and placement of the older worker.

23. Title IV—Training, Research and Gerontology Centers

This title supports training and research activities in the field of aging,

and provides funds to help establish gerontology centers where several disciplines can share information with each other and with the community in addressing various aspects of aging.

a. Under title IV–A, funds are provided to train personnel in the field of aging. In FY 1977, about 40 percent of the $142.2 million appropriated was distributed to State units on aging for "in-service" training. The remainder went to various institutions of higher education for career training. These proportions have varied ±10 percent over the past several years, at the discretion of the Commissioner.

We recommend that at least 33 percent of the funds under title IV–A be distributed to State units on aging and, at States' discretion, to area agencies on aging, according to the same formula as that used to distribute money from titles III and VII.

b. Training funds under title IV–A are now available for a variety of purposes—workshops and conferences, stipends to students, curriculum development and several others. The Committee has receive several thoughtful suggestions, however, about ways in which training grant purpose might be broadened.

We recommend that personnel training funds authorized under section 404 should be available to develop the capacity of community and junior colleges in the field of gerontology; to strengthen informal educational opportunities for older persons, such as museums and senior centers; to provide specialized training to advisory council members, particularly in advocacy, to develop skills to assist them in performing their duties under the Act; to train older persons generally to serve as their own advocates, so as to enhance their knowledge of pending legislative issues and other community concerns; and to stimulate training for minority group members in the field of genontology.

c. Special comprehensive needs of the elderly must be addressed if the Title V centers are to be truly multipurpose and not solely recreational. They include, among others, health, social, educational and psychological needs. Senior center staff may be responsible for making individual assessments of needs for older people in need of assistance, preparing an adequate plan and following through to see that the various elements are carried out. Staff members from title VII nutrition projects may have similar responsibilities.

We recommend that priority be given in allocating title IV–A funds to train the staff of title V multipurpose centers and title VII nutrition projects.

d. The Committee has been concerned for some time about education not only for older persons, but also of older persons. Life expectancy is 15 to 20 years beyond age 65, and many older people remain comparatively healthy for the major part of these years. One of the ways of enabling older persons to remain active and contributing members of our communities is through education. The Committee recognizes the worthwhile goal of making education a lifelong process.

One-fifth of those aged 65 and over today have received four or fewer years of schooling and are regarded as functionally illiterate. Only one-third of those over 65 continued in school beyond the eighth grade. Additionally, according to the Library of Congress, in 1975, among persons aged 25 to 29, 41.6 percent had some college education, while among those 55 and over only 16.6 percent had some college education.

We recommend that a grant program should be established under title IV to award grants to two and four year community colleges, state and private colleges, and universities to pay one-half the tuition costs of individuals age 60 and over who are allowed tuition-free access to such institutions.

e. For too long there has been a lack of career exploration in the area of aging. The substantial growth in number of individuals projected to be over 65 in future years has focused public attention on the shortage of manpower trained and capable of dealing effectively with an older person's needs. In time, as public sentiment is translated into new and innovative methods of meeting older people's needs, many more jobs will be created in the field of aging. Such job development is not likely to abate and will require a large cadre of skilled persons to implement effectively.

To date, the primary responsibility for recruitment and preparation of people for a career in the field of aging has been borne by our Nation's institutions of higher learning. The Committee recognizes the need to sensitize our secondary level students to the problems of older persons prior to their entrance into an institution of higher learning.

We recommend that funds under title IV–A should be made available for the establishment of programs which place secondary school students in internships with aging professionals at administrative, research, and service levels in the field of aging.

IV. AUTHORIZATION LEVELS

The following chart details the recommendations in the Committee bill regarding authorization levels for the four-year extension.

OLDER AMERICANS ACT AND DOMESTIC VOLUNTEER SERVICE ACT—RECOMMENDATIONS FOR AUTHORIZATION LEVELS

Older Americans Act	1977	1978	1979	1980	1981	1982
Title II:						
Clearinghouse	SS	SS	SS	SS	SS	SS
Federal Council on Aging	SS	SS	SS	SS	SS	SS
Title III:						
Area planning and social services	231	287	250	300.0	325	350.0
State administration						
Area agency staffing			50	75.0	100	125.0
Nursing home ombudsman	(1)	(1)	4	6.0	8	10.0
Legal services			25	30.0	35	40.0
Long-term care initiative			40	75.0	100	125.0
Model projects	SS	SS	SS	SS	SS	SS
Disaster assistance			3	3.5	4	4.5
Title IV:						
Training (A)	SS	SS	SS	SS	SS	SS
Research (B)	SS	SS	SS	SS	SS	SS
Gerontology centers (C)	SS	SS	SS	SS	SS	SS
Tuition grants for senior citizens	SS	SS	SS	SS	SS	SS
Title V:						
Grants for renovation etc	SS	SS	SS	SS	SS	SS
Mortgage insurance, interest subsidy			SS	SS	SS	SS
Staffing			SS	SS	SS	SS
Title VII:						
Congregate meals	250	275	375	450.0	500	550.0
Home-delivered meals			100	120.0	150	175.0
Commodity support	21.25	30				
Title IX: Part-time employment	150	200	(60+)400	450.0	500	600.0
Direct funds to Indian tribes			SS	SS	SS	SS
ACTION:						
RSVP	22	22	35			
Foster Grandparents	35	35	60			
Senior Companions	8	8	20			

(1) Part of model projects.

SS—Such sums as may be appropriated.

V. RELATED PROVISIONS

24. Since 1950 White House Conferences on Aging have provided a focus each decade for those concerned about our Nation's elderly to exchange information, discuss ideas, and form a consensus on policy directions for the coming years. Several resolutions have been introduced authorizing the President to convene such a conference in 1981.

We recommend that authorization for a 1981 White House Conference on Aging be included in the Older Americans Act Amendments for 1978.

25. In 1975 Congress passed, as part of the Older Americans Act Amendements of 1975, the Age Discrimination Act, which outlawed "unreasonable" age-based discrimination in most federally financed programs. Federal regulations to implement the law will take effect not later than January 1, 1979. The U.S. Civil Rights Commission was directed to study age discrimination in Federal programs and recommend to the Congress and the President how best to implement the Act. The Civil Rights Commission released its report on January 10, 1978.

The study found that "barriers . . . erected . . . between persons falling within particular age groups—especially children and older persons—and services . . . financed . . . by the Federal Gov-

ernment . . . [have] had an [are] continuing to have a serious adverse impact on the lives of children and older persons who need these services. . . ."

The Civil Rights Commission recommended a number of steps to be taken by the Executive Branch in administering affected programs, and a number of changes in the Age Discrimination Act itself to improve its value as a tool for fighting unjust discrimination on the basis of age.

At its February 2 meeting, the Aging Committee unanimously passed a resolution commending the Commission for its study, and urging prompt congressional consideration of the legislative changes recommended in the report. Draft legislation has been prepared by Chairman PEPPER embodying those changes.

We recommend that the Older Americans Act Amendments of 1978 include amendments to the Age Discrimination Act of 1975 as recommended by the U.S. Commission on Civil Rights, including narrowing the scope of "unreasonable" age discrimination, permitting age-based outreach to overcome previous age discrimination, and requiring an annual report to Congress on progress toward goals of the Act.

26. ACTION's Older Volunteer Programs

Before ACTION existed, the Retired Senior Volunteer Program (RSVP) and the Foster Grandparent Program were parts of the Administration on Aging. The creation of ACTION by executive order in 1971 drew these programs from their original agencies and transferred them to the new "volunteer" agency. In recent years, many aging organizations have suggested that one or all of these programs should be transferred to the federal agency with main responsibility for social services and the elderly, the Administration on Aging.

The Committee did not originally intend to include in this set of recommendations any mention of the Older Volunteer Programs of ACTION. However, recent events have prompted many of the Committee's members to ask that that decision be reconsidered.

Principal among these events was the Administration's FY 1979 budget request for RSVP. ACTION requested $15.4 million, or 23 percent, from the current fiscal year.

In testimony before this Committee on March 2, ACTION's Deputy Director admitted that the agency failed to appeal the original decision to cut RSVP funds within the Administration, although appeals were filed on several other cuts imposed by the Office of Management and Budget.

The reasons advanced for this failure to appeal the budget cut are unpersuasive. ACTION. argues that there were no data on which to base an appeal. We believe that it is the responsibility of the agency to develop and maintain such data, and that ACTION's failure to do so is a sad and revealing commentary on its commitment to the older volunteer programs.

Nor have Foster Grandparents or Senior Companions fared much better in FY 1979; for neither is ACTION requesting funds sufficient even to offset inflation over FY 1978 levels. The stipend for these programs, which are limited to low-income elderly, remains at $1.60 an hour, unchanged since 1968. Inflation since these has reduced that $1.60 to only 89 cents in buying power. Yet no increase is proposed in the stipend.

The Committee believes that ACTION has among its leadership many bright, compassionate people. Many of whom have expressed sincere commitment to making the older volunteer programs a high priority part of the agency's activities. Movement of the programs to other agencies, especially while human services programs are being reviewed by the Administration itself as part of the President's reorganization project, may be premature.

The Committee notes also that ACTION's new leadership has requested additional time in which to correct admitted shortcomings in the Older American volunteer programs.

We recommend that the Domestic Volunteer Service Act retain the older volunteer programs—RSVP. Foster Grandparents and Senior Companions—within ACTION. However, we further recommend that the authorization period be extended for only one year, so that Congressional Committees with oversight responsibilities can review the agency's handling of the programs over the next year and reconsider the proper placement of the programs.

Mr. Speaker, I am pleased to note that the great bulk of the recommendations I have outlined have been incorporated in one form or another in the bill being debated within the House Education and Labor Committee. I and many other members of the Aging Committee are cosponsors of that measure as well. But I believe that introduction of H.R. 12458, a comprehensive package, unanimously recommended on March 20 by the Select Committee on Aging, will promote further informed debate on this legislation to the ultimate benefit of older Americans everywhere.

Mr. Speaker, I am pleased to be joined in sponsoring this bill by the following members of the Select Committee on Aging: Mr. ROYBAL, Mr. ROONEY, Mr. BONKER, Mr. DOWNEY, Mr. FORD of Tennessee, Mr. HUGHES, Mr. SANTINI, Mrs. MEYNER, Miss OAKAR, Mr. HAMMERSCHMIDT, Mr. COHEN, Mr. WALSH, Mr. ABDNOR, and Mr. RINALDO.●

INDIAN CHILD WELFARE LEGISLATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arizona (Mr. UDALL) is recognized for 5 minutes.

● Mr. UDALL. Mr. Speaker, I am introducing today, for myself, Mr. RONCALIO, and several other Members, a bill establishing standards for the placement of Indian children in foster and adoptive homes and to develop programs and tools to prevent the breakup of Indian families.

The Senate passed a similar bill which was referred to the Committee on Interior and Insular Affairs. The Subcommittee on Indian Affairs, chaired by Mr. RONCALIO, held extensive hearings on the bill and ordered it reported favorably to the full committee with several substantive amendments.

The bill I am introducing is a clean bill incorporating the several subcommittee amendments to the Senate bill. We will use the clean bill for further markup in the full committee.

Mr. Speaker, the United States has assumed a trust responsibility to preserve and protect the Indian tribes and their resources. There is nothing that is more central to the preservation of an Indian tribe and no resource that is more vital to its future than its children. We could not more effectively and completely destroy an Indian tribe than by depriving them of their children.

Indians have had to live with the fact that their children would be taken from them and placed in faraway non-Indian homes or institutions. A task force of the American Indian Policy Review Commission investigating Indian child placements found that—

> One of the most pervasive components of the various assimilation or termination phases of American policy has been the notion that the way to destroy Indian tribal integrity and culture, usually justified as "civilizing Indians," is to remove Indian children from their homes and tribal setting. This effort began in earnest in the 1880's when Indian children were removed from their homes and sent to distant boarding schools.

The record developed by the Policy Review Commission, by the Senate Interior Committee in the 94th Congress; and by the Senate Select Committee on Indian Affairs and our own Interior Committee in the 95th Congress has disclosed what almost amounts to a callous raid on Indian children.

Indian children are removed from their parents and families by State agencies for the most specious of reasons in proceedings foreign to the Indian parents.

Indian parents are forced, at great financial and emotional expense, to chase their children from agency to agency—court to court—State to State, in a frantic effort to recover their children. Many never do.

In my own State of Arizona, the Commission's task force found that there are 54,709 Indian children under age 21. Of these, 1,039 or 1 out of every 52 Indian children are in adoptive homes. The adoption rate for non-Indian in the State is 1 out of every 220.4. There are, by proportion, 4.2 times (420 percent) as many Indian children in adoptive homes as there are non-Indian children.

In Arizona, there are 558 or 1 out of every 98 Indian children in foster care. The foster care rate for non-Indians is 1 out of every 263.6. There are, by proportion, 2.7 times (270 percent) as many Indian children in foster care as there are non-Indians.

Attached to my statement equally shocking statistics for several other States.

Mr. Speaker, in both the Indian and non-Indian world, it is axiomatic that the best interests of the child's emotional and physical well-being should be par-

amount in our considerations. It is unfortunately necessary, in many cases, for the State, acting as parens patriae, to remove a child, Indian or non-Indian, from its family and place it with another family or in an institution.

But this should be done only after diligent effort has been made to preserve the family and only when it is clear that the best interests of the child would be served by removal and placement.

But the record indicates that many Indian children are removed from their families on the flimsiest of reasons and without regard to the standards and norms prevailing in the Indian community.

The record indicates that, many times, Indian children are routinely placed with non-Indian families on the arrogant assumption that obviously the child would be better off in a non-Indian home than an Indian home.

Mr. Speaker, an Indian witness before the Commission's task force stated:

. . . I can remember (the welfare worker) coming and taking some of my cousins and friends. I didn't know why and I didn't question it. It was just done and it had always been done. . . .

It is the purpose of this bill to insure that, no longer, is it "just done". It is the purpose of this bill to protect the legitimate interest of the Indian tribe in its own children and to insure that Indian families are not routinely broken up.

The Indian population by States follows:

1. THE DEMOGRAPHY OF THE PROBLEM [1]

Because of the various recordkeeping systems of States and counties, it is difficult to obtain a picture of the full dimensions of this problem. Data is often grossly incomplete, omitting crucial information such as whether placements are made to Indian or non-Indian homes. Information is often not available on all the factors which affect the placement issue, such as private agencies.

The data in this section has been calculated on the most conservative basis possible; the figures presented therefore reflect the most minimal statement of the problem. Adoption statistics are calculated by using the child's age at adoption and projecting pattern based on available yearly placement patterns. Foster care figures are derived from the most recent yearly statistics available. All statistics are from 1973–1976 unless otherwise indicated.

Statistics are presented for those States where a significant Indian population resides.

Alaska

There are 28,334 Alaskan Natives under 21. Of these, 957 (or 1 out of every 29.6) Alaskan Native children has been adopted; 93 percent of these were adopted by non-Native families. The adoption rate for non-Native children is 1 out of 134.7. By proportion, there are 4.6 times (460 percent) as many Native children in adoptive homes as there are non-Native children.

There are 393 (or 1 out of every 72) Alaskan Native children in foster care. The foster care rate for non-Natives is 1 out of every 219. There are, therefore, by proportion, 3 times (300 precent) as many Native children in foster care as non-Native children. No data was available on how many children are placed in non-Native homes or institutions.

Arizona

There are 54,709 Indian children under 21 in Arizona. Of these, 1,039 (or 1 out of every 52.7) Indian children has been adopted. The adoption rate for non-Indian children is 1 out of every 220.4. There are therefore, by proportion, 4.2 times (420 percent) as many Indian children in adoptive homes as there are non-Indian children.

There are 558 (or 1 out of every 98) Indian children in foster care.[2] The foster care rate for non-Indians is 1 out of every 263.6. There are therefore, by proportion, 2.7 times (270 percent) as many Indian children in foster care as there are non-Indian children.

California

There are 39,579 Indian children under 21 in California. Of these, 1,507 (or 1 out of every 26.3) Indian children has been adopted: 92.5 percent of these were adopted by non-Indian families. The adoption rate for non-Indian children is 1 of every 219.8. There are therefore, by proportion, 8.4 times (840 percent) as many Indian children in adoptive homes as there are non-Indian children.

There are 319 (or 1 out of every 124) Indian children in foster care. The foster care rate for non-Indians is 1 out of every 366.6. There are therefore by proportion 2.7 times (270 percent) as many Indian children in foster care as there are non-Indian children. No data was available on how many Indian children are placed in non-Indian homes or institutions.

Idaho

There are 3,808 Indian children under 21 in Idaho. The figures on adoptions are too small to be statistically significant.

There are 296 (or 1 out of every 12.9) Indian children in foster care. The foster care rate for non-Indians is 1 out of every 82.7. There are therefore by proportion, 6.4 times (640 percent) as many Indian children in foster care as there are non-Indian children.

Maine

There aer 1,084 Indian children under 21 in Maine. Of these, 0.4% were placed for adoption during 1974–75.

There are 82 (or 1 out of every 13.2) Indian children in foster care. The foster care rate for non-Indians is 1 out of every 251.9. There are therefore by proportion, 19.1 times (1,910 percent) as many Indian children in foster care there are non-Indian children: 64 percent of the Indian children are in non-Indian foster care homes.

Michigan

There are 7,404 Indian children under 21 in Michigan. Of these, 912 (or 1 out of every 8.1) Indian children has been adopted. No data was available on adoptions by non-Indians. The adoption rate for non-Indian children is 1 out of every 30.3. There are therefore by proportion, 3.7 times (370 percent) as many Indian children in adoptive homes as there are non-Indian children.

There are 82 (or 1 out of every 90) Indian children in foster care. The foster care rate for non-Indians is 1 out of every 641. There are therefore by proportion, 7.1 times (710 percent) as many Indian children in foster care as there are non-Indian children. No data was available on how many Indian children are placed in non-Indian homes and institutions.

Minnesota

There are 12,672 Indian children under 21 in Minnesota. Of these, 1,594 (or 1 out of every 7.9) Indian children has been adopted; 97.5 percent of these were adopted by non-Indian families. The adoption rate for non-Indian children is 1 out of every 31.1. There are therefore by proportion, 3.9 times (390 percent) as many Indian children in adoptive homes as there are non-Indian children.

There are 737 (or 1 out of every 17.2) Indian children in foster care. The foster care rate for non-Indians is 1 out of every 283.8 There are therefore by proportion, 16.5 times (1,650 percent) as many Indian children in foster care as there are non-Indian children. No data was available on how many Indian children are placed in non-Indian homes or institutions.

Montana

There are 15,124 Indian children under 21 in Montana. Of these, 541 (or 1 out of every 30) Indian chidlren has been adopted; 87 percent of these were adopted by non-Indian families. The adoption rate for non-Indian children is 1 out of every 144.6. There are therefore by proportion, 4.8 times (480 percent) as many Indian children in adoptive homes as there are non-Indian children.

There are 534 (or 1 out of every 28.3) Indian children in foster care. The foster care rate for non-Indians is 1 out of every 363.5. There are therefore by proportion, 12.8 times (1,280 percent) as many Indian children in foster care as there are non-Indian children. No data was available on how many Indian children are placed in non-Indian homes or institutions.

Nevada

There are 3,739 Indian children under 21 in Nevada. The figures on adoptions are too small to be statistically significant.

There are 79 (or 1 out of every 47.3) Indian children in foster care. The foster care rate for non-Indians is 1 out of every 333.8. There are therefore by proportion, 7.0 times (710 percent) as many Indian children in foster care as there are non-Indian children. No data was available on how many Indian children are placed in non-Indian homes and institutions.

New Mexico

There are 41,315 Indian children under 21 in New Mexico. The figures on adoptions are too small to be statistically significant.

There are 287 (or 1 out of every 147) Indian children in foster care. The rate for non-Indians is 1 out of every 343. There are therefore by proportion, 2.4 (240 percent) as many Indian children in foster care as there are non-Indian children. No data is available on how many Indian children are placed in non-Indian homes and institutions.

New York

There are 10,627 Indian children under 21 in New York. The figures on adoptions are too small to be statistically significant.

There are 142 (or 1 out of every 74.8) Indian children in foster care. The foster care rate for non-Indians is 1 out of every 222.6. There are therefore by proportion, 3 times (300 percent) as many Indian children in foster care as there are non-Indian children. An estimated 96.5 percent are placed in non-Indian foster homes.

North Dakota

There are 8,126 Indian children under 21 in North Dakota. Of these, 269 (or 1 out of every 30.4) Indian children has been adopted. Seventy-five percent of these were adopted by non-Indian families. The adoption rate for non-Indian children is 1 out of every 86.2. There are therefore by proportion, 2.8 times (280 percent) as many Indian children in adoptive homes as there are non-Indian children.

There are 296 (or 1 out of every 27.7) Indian children in foster care. The foster care rate for non-Indians is 1 out of every 553.8. There are therefore by proportion, 20.1 times (2,010 percent) as many Indian children. No data was available on how many Indian children are placed in non-Indian homes and institutions.

[1] Much of this section is based on Indian Child Welfare Statistical Survey. July 1976, prepared for the Task Force by the Association on American Indian Affairs, Inc.; all data unless otherwise indicated is from this survey.

[2] Absolute minimal estimate.

Oregon

There are 6,839 Indian children under 21 in Oregon. Of these 402 (or 1 out of every 17) Indian children has been adopted. No data was available on adoptions by non-Indian families. The adoption rate for non-Indian children is 1 out of every 19.2. There are therefore by proportion 1.1 times (110 percent) as many Indian children in adoptive homes as there are non-Indian children.

There are 247 (or 1 out of every 27.7) Indian children in foster care. The foster care rate for non-Indians is 1 out of every 228.5. There are therefore by proportion, 8.2 times (820 percent) as many Indian children in foster care as there are non-Indian children. No data was available on how many Indian children are placed in non-Indian homes and institutions.

Oklahoma

There are 45,511 Indian children under 21 in Oklahoma. Of these, 1,116 (or 1 out of every 40.8) Indian children has been adopted. No data was available on adoption by non-Indians. The adoption rate for non-Indian children is 1 out of every 188.1. There are therefore by proportion 4.4 times (460 percent) as many Indian childen in adoptive homes as there are non-Indian children.

There are 337 (or 1 out of every 135) Indian children in foster care. The foster care rate for non-Indians is 1 out of every 551. There are therefore by proportion 3.9 times (410 percent) as many Indian children in foster care as there are non-Indian children. No data was available on how many Indian children are placed in non-Indian homes and institutions.

South Dakota

There are 18,322 Indian children under 21 in South Dakota. Of these 1,019 (or 1 out of every 18) Indian children has been adopted. No data was available on adoptions by non-Indians. The adoption rate for non-Indian children is 1 out of every 32.4. There are therefore by proportion, 1.6 times (180 percent) as many Indian children in adoptive homes as there are non-Indian children.

There are 832 (or 1 out of every 22) Indian children in foster care. The foster care rate for non-Indians is 1 out of every 492.1. There are therefore by proportion 22.4 times (2,040 percent) as many Indian children in foster care as there are non-Indians. No data was available on how many Indian children are placed in non-Indian homes.

Washington

There are 15,980 Indian children under 21 in Washington. Of these, 740 (or 1 out of every 21.6) Indian children has been adopted. No data was available on adoptions by non-Indians. The adoption rate for non-Indian children is 1 out of every 407. There are therefore by proportion, 18.8 times (1,900 percent) as many Indian children in adoptive homes as there are non-Indian children.

There are 559, or 1 out of every 28.9 Indian children in foster care. The foster care rate for non-Indians is 1 out of every 275. There are therefore by proportion, 9.6 times (960 percent) as many Indian children in foster care as there are non-Indian children. Eighty percent of these were placed in non-Indian homes.

Wisconsin

There are 10,456 Indian children under 21 in Wisconsin. Of these, 733 (or 1 out of every 14.3) Indian children has been adopted. No data was available on adoptions by non-Indians. The adoption rate for non-Indian children is 1 out every 251.5. There are therefore by proportion, 17.9 times (1,760 percent) as many Indian children in adoptive homes as there are non-Indian children.

There are 545 (or 1 out of every 19) Indian children in foster care. The foster care rate for non-Indians is 1 out of every 252. There are therefore by proportion, 13.4 times (1,330 percent) as many Indian children in foster care as there are non-Indian children. No data was available on how many Indian children are placed in non-Indian homes and institutions.

Wyoming

There are 2,832 Indian children under 21 in Wyoming. The figures on adoptions are too small to be statistically significant.

There are 98 (or 1 out of every 28.9) Indian children in foster care. The foster care rate for non-Indians is 1 out of every 301.6. There are therefore by proportion, 10.4 times (1,040 percent) as many Indian children in foster care as there are non-Indian children. Fifty-seven percent of the Indian children in State foster care are in non-Indian homes; and 51 percent of the children in BIA foster care are in non-Indian homes.

Utah

There are 6,690 Indian children under 21 in Utah. Of these, 328, (or 1 out of every 20.4) Indian children has been adopted. No data was available on adoptions by non-Indians. The adoption rate for non-Indian children is 1 out of every 68.5. There are therefore by proportion 3.4 times (340 percent) as many Indian children in adoptive homes as there are non-Indian children.

There are 249 (or 1 out of every 26.4) Indian children in foster care. The foster care rate for non-Indians is 1 out of every 402.9. There are therefore by proportion, 15 times (1,500 percent) as many Indian children in foster care as there are non-Indian children. No data was available on how many Indian children are placed in non-Indian homes and institutions.●

MORE SOVIET JEWS EMIGRATE, BUT PROCEDURES REMAIN UNCHANGED, HELSINKI COMMISSION STUDY SHOWS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. FASCELL) is recognized for 5 minutes.

● Mr. FASCELL. Mr. Speaker, as part of its continuing effort to monitor implementation of the 1975 Helsinki agreement, the Commission on Security and Cooperation in Europe yesterday released a special report on Soviet emigration patterns and practices. Based on a questionnaire the Commission administered to over 200 recent Soviet emigrants—whose answers were compared with those given to the same questionnaire by a larger group last year—the report provides original and important information on Soviet emigration policies during the period of the Belgrade meeting. It also comes to some interesting conclusions about those policies and substantiates the theory that Soviet authorities are the ones who decide how many of their citizens will be able to leave the country—and they do so without altering anything but the monthly quotas set for passport and visa offices. The full text of the report, excerpts of which are included below, may be obtained from the Commission on Security and Cooperation in Europe:

JEWISH IMMIGRATION

While Jewish emigration from the Soviet Union has increased dramatically in recent months—hitting its highest monthly rate in four years in March, 1978—the practices and procedures encountered by applicants for emigration from the USSR remain substantially unchanged.

Measured by arrivals of emigrants in Vienna, the flow from the Soviet Union has increased 36% in the last year (19,010 from April, 1977 through March, 1978, as compared to 13,976 in the preceding 12 months). On a ten-month basis (June–March) the rate is up by 41% (16,613 people compared to 11,741), and in the first quarter of 1978 it is 68% higher than in 1977 (5,611 instead of 3,338). For the first time since 1974 when 20,695 emigrated, more than 2,000 Soviet Jews arrived in Vienna in one month, March, 1978.

This recent growth—coinciding markedly with the duration of the Belgrade Meeting of the signatories of the Helsinki Final Act and occurring before Soviet officials cut visa fees by one-third—has not been accompanied by any apparent relaxation in long-standing Soviet obstacles to or penalties for seeking to leave the USSR. Despite their Final Act Basket III promise "to facilitate freer movement and contacts" and "to deal (with family reunification applications) in a positive and humanitarian spirit . . . as expeditiously as possible . . . (and) not (to) modify the rights and obligations of the applicant . . .", Soviet authorities continued, during Belgrade, to subject would-be emigrants to very much the same pressures as before.

This conclusion is drawn from analyzing and comparing response to a detailed Commission questionnaire administered to recent emigrants in Israel and in Italy in February, 1977 and 1978. The second survey was conducted specifically to explore the reasons for the surge in successful applicants. It found that none of the standard deterrents—interference with invitations from relatives abroad, job dismissals after application, initial refusal of exit permission, exorbitant exit fees, harassment at the border—had been significantly ameliorated.

Using the same questionnaire to which 757 post-Helsinki emigrants responded in February, 1977, the Commission on Security and Cooperation in Europe surveyed a smaller sample of Soviet emigrants—all of whom left after June, 1977—to document any changes which had occurred over the past year in Soviet implementation of the Final Act's human contacts provisions. The questionnaire was administered to 235 emigrants in Rome in the language school of the Organization for Rehabilitation Through Training (ORT) and in the same Israeli absorption centers where last year's survey had been conducted. The Commission would again like to thank ORT, the Israeli government and the Jewish Agency for Israel whose cooperation and assistance were invaluable in the realization of this project.

THE SAMPLE

The 235 who responded to the 1978 sample were remarkably similar in age, professional and geographic background to those in the previous sample. The large majority of both groups were between the ages of 20 and 59; less than one-tenth were under 20 or over 60. There was an almost equal split in professional (those who claimed they engaged in work that required some type of advanced education or training) and non-professional respondents in both the samples. The geographic distribution of the emigrants most recently surveyed also corresponded to that of last year's sampling: close to one-half came from Ukraine, close to two-fifths from the RSFSR and Moldavia, and the rest primarily from Belorussia, the Caucasus and the Baltics. There was, however, a notable decline in respondents from the Russian Republic (RSFSR) and a notable increase in the per-

centage of emigrants—98 percent compared to 89 percent in last year's survey—who listed their nationality as Jewish (in the Soviet Union, Jews are considered a separate nationality, regardless of the republic in which they were born).

One may therefore conclude that, based on these two sample surveys, increasing numbers of Jews are being allowed to leave the Soviet Union without discrimination as to age, profession or republic of origin. (The only one exception being a declining number from the Russian Republic).

THE FINDINGS

Again, the findings must be viewed in their overall context; the 235 surveyed emigrants represent only a handful of the over 12,700 Jews who left the Soviet Union between June, 1977 and February, 1978, and they cannot speak for the many who have not received exit permission. However, their answers do lead to some interesting conclusions about comparative practices during the six-month period of the Belgrade Meeting and the 19 months before it.

The answers given by the 1978 group are strikingly similar to those given by the original sample. According to professional U.S. opinion samplers, only a difference of nine per cent between the two samples may be considered "significant" given the numbers interviewed. Based upon that criterion, the major obstacles and difficulties involved in emigrating from the Soviet Union—receiving an official invitation (vyzov) from relatives abroad, experiencing discrimination while awaiting permission, being harassed at the border before leaving—were not significantly reduced even while the flow of people increased. While there was a notable increase in application-related discriminatory practices this year compared to the previous survey, and some procedural changes within different republics, none of these differences seem to conform to a noticeable pattern. Improvements in one area often meant increasing difficulties in another.

The Russian Republic (RSFSR)

Although a smaller percentage of potential applicants from the Russian Republic (RSFSR) this year had problems receiving their *vyzovs*, a smaller proportion reported being shown official instructions on emigration procedures.

The Russian Republic residents in the '78 sample generally had to wait longer than counterparts in sample '77 for exit permission once they submitted an application, and they were subject to considerably more discrimination—particularly job-related harassments—as a result of applying.

While a significantly larger share of Russian Republic "refuseniks" were refused permission only once and fewer were refused eight or more times, there was a larger percentage of four-time refuseniks among those who were finally able to emigrate.

Ukraine

In Ukraine, procedures have generally become more burdensome over the past year:

Relatively more Ukrainians reported problems in receiving their *vyzovs*.

A larger percentage of this year's sample compared to last year's experienced discrimination at their jobs.

A greater proportion of those refused in sample '78 indicated that they were refused more than once.

Moldavia

The picture which emerges from both the '77 and '78 samples is that while those in Moldavia have had to wait shorter periods for their visas, they generally have had to undergo more hardships while waiting. These problems have intensified over the past year:

A smaller percentage of Moldavians in this year's sample, compared to their predecessors, complained of *vyzov*-related difficulties.

A greater proportion received permission to leave within three months and comparatively more of those refused were refused only once.

A significantly larger percentage, however, were subject to application-related harassment at their jobs, and none were shown official application instructions.

Soviet Union (Total)

Taking the Soviet Union as a whole, procedures have largely remained as they were:

Most applicants wait up to six months for permission, although a significant number still wait a year or longer.

A larger percentage of this year's sample, however, was able to leave the Soviet Union 21 days after receiving permission compared to last year's group.

Comparatively more respondents in the recent survey either voluntarily or involuntarily left their jobs after submitting an emigration application than did last year's sample.

More "refuseniks" this year—among them, substantially more professionals than before—had their application request refused only once. There was, correspondingly, a decline in the proportion of those who were refused permission more than once.

A considerably smaller share of respondents in sample '78 wrote that they knew of family or friends who had been refused permission to emigrate than did those surveyed in 1977.

A greater proportion of former refuseniks this year compared to last also reported that they were given a reason for their refusal.

Only one respondent in the 1978 sample indicated that he had paid 700 rubles for all the required exit documents, despite an informal announcement by Soviet delegates at the Belgrade Meeting that exit visa fees would be lowered by 100 rubles (from 800 rubles—300 for the visa plus 500 rubles renouncing Soviet citizenship which all emigrants heading for Israel must pay).

Close to two-thirds of the 1978 sample still complained of the way they were treated at the border as they left the Soviet Union.

There was a general increase in emigrants' knowledge of confidence in the Helsinki accord. Almost all respondents were familiar with the accord; over one-half indicated that the accord influenced their decision to emigrate; and close to three-quarters believed that the accord made it easier for them to leave (while only 59 percent of last year's sample shared that belief).

While the respondents in sample '78 generally had more confidence in the Helsinki accord than did their predecessors, the accord has actually had only a marginal effect on the difficult procedures required of Soviet citizens before they may leave their country to rejoin family abroad. Two and a half years after the accord—pledging all states to facilitate freer movement—was signed, Soviet applicants continue to experience difficulties at each step of the application process, from: getting their invitation; knowing what to do and where to apply; living normally until they may leave; being refused—often several times; paying high exit visa fees; and undergoing humiliating treatment by officials at the border. In comparing the two sample Commission surveys, it is clear that these practices have not significantly improved but have, in some cases, worsened during the period of the Belgrade Meeting. Evidently the Belgrade Meeting—or other policy considerations—prompted Soviet officials to increase the flow of Jewish emigrants since June, 1977. From the results of the 1978 Commission survey, however, it is equally clear that the practices governing and often blocking that flow remain unchanged.

Jewish emigration from the Soviet Union (Vienna arrivals) *

[Monthly totals]

	1976–1977	1977–1978
April	1,115	1,204
May	1,120	1,193
June	1,173	1,268
July	823	1,305
August	815	1,474
September	1,030	1,622
October	1,254	1,850
November	1,542	1,543
December	1,766	1,940
January	1,245	1,761
February	1,063	1,812
March	1,030	2,038
Total	13,976	19,010

Annual totals

1970 (approximate)	1,200
1971	12,877
1972	31,903
1973	34,933
1974	20,695
1975	13,459
1976	14,216
1977	16,737

*Figures supplied by the Soviet Jewry Research Bureau of the National Conference on Soviet Jewry.●

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina, (Mr. FOUNTAIN), is recognized for 5 minutes.

● Mr. FOUNTAIN. Mr. Speaker, on count of official business, I was absent for a portion of the session of Wednesday, April 26, and for the sessions of Monday, May 1, and Tuesday, May 2. As a result, I missed several recorded votes.

Had I been present and voting, I would have voted as follows:

APRIL 26

Rollcall No. 256, the Kindness amendment to H.R. 8494, Public Disclosure of Lobbying Act of 1978, to exempt from the bill's coverage communications dealing only with the status, existence, or subject of an issue, "aye."

Rollcall No. 257, final passage of H.R. 8494, "yea." However, I would have supported the McClory motion to recommit the bill to the Judiciary Committee with instructions to report it back to the floor in the form in which it had been originally reported.

MAY 1

Rollcall No. 262, H.R. 11657, Pacific Fisheries Development Act Authorization, "yea."

Rollcall No. 263, H.R. 10392, Hubert H. Humphrey Fellowship at Woodrow Wilson International Center, "nay."

Rollcall No. 264, H.J. Res. 816, Exten-

sion of Treasury Federal Reserve Draw Authority, "yea."

Rollcall No. 265, H. Res. 1150, rule providing for the consideration of H.R. 9400, Civil Rights of Institutionalized Persons. "yea."

Rollcall No. 267, Ertel amendment to H.R. 9400, to strike the coverage for jails, prisons, and other correctional institutions, "aye."

MAY 2

Rollcall No. 269, H.R. 11713, Solar Energy Sources Loan Program, "yea."

Rollcall No. 270, H.R. 8099, Water Rights for Ak-Chin Indians, "yea."

Rollcall No. 271, H. Res. 1158, to provide that H.R. 8331, Securities Investor Protection Act Amendments of 1977, be taken from the Speaker's table, and that the Senate amendments be agreed to with an amendment, "yea."

Rollcall No. 272, H. Res. 1159, relating to a contempt citation for Claude Powell, "yea."●

AN INTERNATIONAL MONETARY FOOTNOTE: LET US EXPERIMENT WITH AN SDR CONVERSION ACCOUNT, AND STOP FLIRTING WITH INTERVENTION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. REUSS) is recognized for 10 minutes.

● Mr. REUSS. Mr. Speaker, the international monetary system continues to be plagued with problems of international liquidity and the composition of official reserves. In part, the difficulties we face today stem from the fact that the international community has not yet successfully resolved the question of what to do about the so-called dollar overhang.

The dollar overhang—a carryover from the days when the international monetary system was governed by the original Articles of Agreement of the IMF—refers to the huge quantities of dollar-denominated assets in the hands of nonresidents accumulated as a result of 25 years of U.S. balance-of-payments deficits and subsequent credit expansion through the Eurodollar market. It includes not only official holdings of dollar-denominated assets, but private holdings as well.

At the time of the Smithsonian agreement, it was widely recognized that the dollar overhang posed a serious threat to the stability of the international monetary system. Consequently, it was a matter of intense discussion by the Committee of Twenty in 1972 and 1973. In its Outline of Reform, the Committee of Twenty suggested, as a partial reform, that multiple reserve assets be eliminated and replaced with SDR's through a consolidation or substitution facility within the IMF—a proposal favored by a large number of leading international monetary experts including Edward M. Bernstein, Fritz Machlup, and Robert Triffin. However, to most economists, this reform measure made sense only in the context of some fixed par value system; under a system of cleanly floating exchange rates, official international liquidity problems cannot exist. Certainly, none of the negotiators at the Committee of Twenty meetings seriously entertained the idea of eventually adopting such a floating system. However, when floating exchange rates were widely adopted—temporarily in 1971, and more permanently in 1973—the proposal to consolidate the dollar overhang into SDR's was pushed aside as being no longer relevant.

This brings us to the second reason why problems of international liquidity and the composition of official reserves are now a matter of concern once again. As the new system of floating exchange rates has evolved, it has become apparent that most of the major industrialized countries have no intention of allowing exchange rates to float cleanly.

There is certainly much greater flexibility now than there was during the operation of the so-called adjustable peg, but it is nonetheless true that our present system is a managed floating system—and, at times, it is heavily managed. As a result, the question of the dollar overhang has become almost as immediate as it was during the time of the initial meetings of the Committee of Twenty.

A great deal of ink has been spilled over the question of the dollar overhang. In the minds of some international monetary experts, the huge demand for U.S. dollars by nonresidents which, during the period of the adjustable peg, caused the dollar to be systematically overvalued, has caused, since the time of floating, a systematic undervaluation of the dollar. And what is the reason for the systematic undervaluation of the dollar? It is this say these experts: Because of the increase in the relative economic and political strengths of countries like Germany, Japan, and the OPEC consortia, many nations are systematically adjusting their reserve holdings away from the dollar into other national currencies. These "portfolio adjustments," made in response to the changing balance of power, have been a major facor contributing to the dollar's undervaluation.

Other observers have expressed much less concern about the dollar overhang. In the first place, there is no objective way of determining whether the dollar is overvalued or undervalued under a system of floating exchange rates.

That the dollar was systematically overvalued during the time of the adjustable peg is clear, if for no other reason than that U.S. balance-of-payments deficits were a prerequisite to the growth of world international liquidity.

That the dollar is systematically undervalued now is not so clear. On a trade-weighted basis, the decline of the dollar has hardly been precipitious, having declined by only 17 percent since May 1970. And if an additional adjustment is made to take account of the different relative rates of inflation between the United States and her trading partners, the decline of the dollar in real terms has been smaller still.

Moreover, the dollar overhang is a problem only to the extent that it reflects the quantities of unwanted dollars in the hands of nonresidents. And how would one go about proving that dollar-denominated assets in the hands of foreigners are unwanted? It is not correct to assume that dollar holdings carried over from the time of the adjustable peg are necessarily unwanted now.

The proof of the pudding is obviously in the eating. It is important that we do not confuse the question of the amount of dollars foreigners want to hold with the general question of capital mobility. Changes in underlying world economic and financial conditions can cause large movements of capital from one country to another with consequent pressures on exchange rates. But these movements in no way imply that the currencies under attack are being eschewed systematically and secularly.

A careful examination of the evidence does seem to offer support in favor of those who view the dollar overhang problem as overblown. There has certainly been some move away from the dollar as a currency of denomination for private contracts in favor of a broader use of other currencies and of composite currency units, but the shifts have not been as large as many people think. The dollar is still the dominant currency and it is likely to remain so for the indefinite future.

Even official holdings of dollars have not declined by as much as many people believed would take place, though this is hardly a foolproof argument, for two reasons. First, such a massive shift out of dollars would be inconsistent with the spirit of financial cooperation that has dominated international monetary relations since the time of Bretton Woods. Second, because of the impact which official dollar sales would have on their own economies, and especially their export sectors, such a move could prove inimical to their domestic objectives.

In any event, the problems associated with international liquidity and capital mobility are posing a threat to our newly adopted system of floating exchange rates. Indeed, in recent months, floating has been adhered to more in the breach than in the observance; intervention in the last year or so, and most notably in the past few months, has been very extensive. In the minds of an increasing number of international monetary officials, such intervention is justified in order to correct for alleged inherent flows in a cleanly floating exchange rate system. More and more countries are once again entertaining the idea of reinstituting some form of par values. The widely publicized five-currency stabilization plan suggested by James Callaghan, Britain's Prime Minister, is one such scheme that is destined to receive a lot of attention at the upcoming summit meetings in Bonn in July. To my way of thinking, the Callaghan plan, and all

other exchange rate stabilization plans, constitute a step backward. Put bluntly, these schemes will not work. The economic conditions required for the smooth functioning of a system of par values do not exist currently, nor can they be recreated via such "reform" measures.

Instead, I urge the Carter administration to give support the plan, proposed by H. Johannes Witteveen, managing director of the IMF, to consolidate at least some portion of the officially held dollars into SDR's. The changed economic and political realities of the present day world economy dictate a smaller role for the dollar in the future. This is a healthy thing, and the United States should take the lead by doing what it can to insure that it proceeds in an orderly manner. The Witteveen plan constitutes a first albeit small, step in that direction. The Witteveen plan was discussed at the meeting of the Interim Committee of the IMF in Mexico City last weekend. It was tion to give support to the plan, proposed agreed that a report on the proposed plan Board for consideration by the Interim Committee at its next meeting.

There are some technical details that will have to be worked out, most notably, assurances that there would simply be an adjustment in the composition of total liquidity, and not an increase. But these matters are easily dealt with. The Witteveen plan is not a panacea, but merely a first step in the direction of reform. The United States need not worry that this proposal, or even more ambitious schemes, will reduce significantly the role of the dollar. The dollar is here to stay. At best (or at worst), its role will decline only marginally. This is constructive and healthy.

Next, I comment on a different but related matter.

On April 19, the Carter administration announced its decision to sell 300,000 ounces of gold each month for the next 6 months, starting on Tuesday, May 23. I fully support the proposed sales. In the first place, our gold holdings earn us absolutely no interest income; what is worse, we must pay storage and handling costs. Second, the proposed sales are highly desirable for the simple reason that they reduce further still gold's role in international monetary affairs.

There is, however, one disturbing feature of the Treasury's press release of April 19. The announcement read that the first sale in May would be for dollars only. It then went on to state that some future sales might be for German marks. Ostensibly, gold sales for marks would be for the purpose of supporting our intervention operations on behalf of the dollar. This is not a good idea. In my view, we should cease forthwith all foreign exchange intervention operations, except for genuine cases of disorderly markets.

It was a mistake for the United States to negotiate yet another agreement with the German Bundesbank on March 13. It was a mistake for the United States to intervene as much as it did in the weeks following that agreement. It would be a further mistake still for the United States to sell gold for German marks for the purpose of extending its commitment in support of the dollar.

It is becoming increasingly apparent that official intervention in foreign exchange markets is, itself, a source of instability. We learn so slowly.

It is also a mystery to me why our intervention operations have been conducted almost exclusively in German marks. Germany's surplus is inordinately large and inconsistent with the smooth functioning of our present floating exchange rate system. The German balance-of-payments surplus should long ago have been reduced below its current level. Moreover, in view of the fact that Germany has been able to run a surplus with even the OPEC countries, while the United States has been plagued persistently with huge oil deficits year after year, it is inconceivable to me that the United States would undertake policies designed to perpetuate and even worsen that state of affairs. But that is precisely what our intervention operations using German marks are doing: They increase the German surplus, and our U.S. deficit. There is no economic justification whatever for these actions. They ought to cease immediately.

Our gold sales ought to be conducted for dollars only. The magnitude of the sales each month are not huge—they will amount to only about $52 million each month.●

STATEMENT BY ALBERT WOHLSTETTER BEFORE HOUSE INTERNATIONAL RELATIONS COMMITTEE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Virginia (Mr. DAN DANIEL) is recognized for 5 minutes.

● Mr. DAN DANIEL. Mr. Speaker, both Greece and Turkey are vitally important to the success of NATO and the security of the Western World.

It is essential that we maintain sound relations with these two countries. Mr. Albert Wohlstetter placed this matter in proper perspective when he appeared before the House International Relations Committee on April 25. In order that all the Members may have the benefit of his thought-provoking analysis, I place his remarks in the RECORD at this point:

STATEMENT BY ALBERT WOHLSTETTER BEFORE THE HOUSE INTERNATIONAL RELATIONS COMMITTEE

I am honored by the invitation to appear before this Committee. My testimony will support President Carter's initiative to remove the embargo on the sale of arms to Turkey. My views, however, should not be attributed to any other person or agency.

There are very strong mutual interests for the United States, for Turkey and for Greece which affect their security and which in my view have been harmed by the self-destructive behavior of all the parties leading up to the embargo and by the embargo itself. All the NATO countries—not only the United States, Turkey and Greece—have an interest in restoring health to the southeastern flank of NATO. That is also of great consequence for the credibility of any American guarantee in the Middle East and for all of the countries such as Japan that are dependent on oil from the Persian Gulf.

What makes the problem an urgent one is the worsening of our position on the southern flank of NATO and especially in the eastern Mediterranean, the increase in the Soviet ability to project power at a distance, Greece's continuing to absent itself from the NATO military command structure, the increased precariousness of our own and allied reliance on oil from the Gulf area, the deterioration in the condition of the Turkish armed forces which are part of the NATO military structure, and the steady decline in our relations with Turkey.

I would like to skirt therefore all the claims and counterclaims about the rights and wrongs of Greek, Turkish or even American behavior on Cyprus. Suffice it to say, I do not think a fair and accurate picture can be drawn in simple black and white. There has been a long history of intense communal hostility and fear between the Turks and Greeks on Cyprus. Moreover the fragile and complex Accords among the United Kingdom, Greece and Turkey that were intended to establish a basis for the independence of the island, for cooperation between the communities and for protection of the rights of the minority have frequently been honored in the breach by all the parties.

Nor do I think the legal questions as to the use or misuse of U.S. arms aid present a simple issue, with an obvious answer justifying punitive action in the form of a continuing embargo. The French and British used their NATO arms in Suez. The United States used arms designated for the NATO central front in support of its airlift to the Middle East in October 1973, in ways questioned by West Germany. The Greeks as well as the Turks are armed predominantly by the United States and both, I think it is plain, have used these arms (including heavy equipment*) to protect what they regard as their legitimate rights and obligations in the long and bitter disputes in Cyprus and in the Aegean in general. The Turks point to their rights and obligations under Article IV of the 1960 Treaty of Guarantee to intervene to restore "the state of affairs created" by the Zurich Accords. The Accords establish the independence of Cyprus and defino an elaborate division between Greek Cypriots and Turkish Cypriots: of the offices of the President and Vice-President; of membership in the Council of Ministers; in the legislature, and in the civil service; the heads and deputy heads of the armed forces, gendarmerie, and police; the size and composition of these forces and of forces from mainland Greece and Turkey; the courts of justice; the voting and veto procedures and much else. There can hardly be any doubt that there were numerous violations of the Accords which altered the state of affairs they were intended to create. Nor that the coup which was engineered by the military dictatorship then governing Greece and which installed Nikos Sampson, put that

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*For example, Greek forces on Cyprus in the years leading up to the 1967 crisis included a tank unit. See Michael Harbottle, *The Impartial Soldier*, Oxford University Press, 1970, pp. 164ff.

state of affairs, and indeed the independence of Cyprus, in further jeopardy.

I am not judging Greece in this matter. Although the Accords guaranteed the independence of Cyprus, it is clear that at least a powerful terrorist minority of Greek Cypriots wanted union with Greece. And although the Accords provided for the territorial integrity of Cyprus, by the time the Accords were completed, the Turkish Cypriots who had preferred British rule plainly would have felt safer with partition or at least organization of the population into separate cantons. It is doubtful, given the intense antagonisms and suspicions, that the Accords could have been made to work. The massacres in 1963 and 1967—and the retaliations—were vivid evidence that they did not.

On such complicated disputes between two important allies I feel that the United States has best avoid the pretense that the moral or legal issues are simple black and white ones on which we can sit in judgment. Such pretense does mischief to our reputation for any balanced concern about the rule of law. I would be as deeply opposed to an embargo on arms to Greece as I am to continuance of the embargo against Turkey. We should not be asked to make a choice between Greece and Turkey. They clearly are both of key importance to our own security and to that of our allies. But also, though this is most easily forgotten, they are of key importance to each other.

I propose then to confine my principal comments to the strategic significance of Turkey and to recent claims made to this Committee that its military importance is minor for the United States and for its allies. Such claims will not sustain sober examination. They are only a symptom of the intense communal passions that tend to defeat the long term interests of those advancing the claims.

Let me first deal with the claim that new weapon technologies make the Turkish armed forces, facilities and geographical position obsolete. It has been suggested recently to this Committee that intercontinental ballistic missiles and other "sophisticated weapons" make Turkey of minor military significance. Our removal of 'ntermediate range ballistic missiles from Turkey after the missile crisis in 1962 was cited in evidence. The proposition, however, is more than doubtful. It misunderstands both the reasons for removing the IRBMs; and, more important, the complex interactions between geography and advanced technologies in general.

Soft fixed missiles like the IRBMs placed above ground in overseas bases were extremely vulnerable in the early 1960s. For that reason they were removed not only from Turkey, but from actual or planned installation in several other NATO countries: from the United Kingdom for example, and from Italy. That hardly meant, however, that the United Kingdom and Italy were or are of negligible importance to the security of the United States or to the defense of Western Europe.[1]

[1] For an analysis made before the missile crisis and before the installation of IRBMs overseas of the vulnerability of such soft IRBMs, see my article, "The Delicate Balance of Terror", *Foreign Affairs*, January 1959. For an analysis after the missile crisis of the removal of the IRBMs from Turkey, see "Controlling the Risks in Cuba" by Roberta and Albert Wohlstetter, Adelphi Paper No. 17. Today some mobile missiles, including criuse missiles, including cruise missiles, used in the theater may be less vulnerable than fixed installations far removed from the theater. Fixed installations are becoming increasingly vulnerable to precisely delivered warheads.

In general, sophisticated systems delivering nuclear warheads at intercontinental range do not and cannot replace the multiplicity and variety of weapons and forces, new and not so new, nuclear and non-nuclear, that can operate from intermediate or close-in range. And they surely do not mean that the large armed forces and concrete geographical features of allied territories, the straits, mountains and littorals that may form land, sea and air barriers to an adversary are negligible in importance for us much less for our allies. I am not depreciating the role of new technologies. My interest in them has been long term and continuing. I have chaired several committees on long range research and development for the Advanced Research Projects Agency and the Defense Nuclear Agency. However, it simply romanticises technology to suggest that ICBMs or any other sophisticated technology erase the strategic importance of Turkey or Greece.

One variant of the claim that technology has drastically outmoded the importance of Turkey has to do with the intelligence functions performed on the handful of major installations in Turkey where operations have been suspended since the embargo. Since such intelligence functions are necessarily a classified matter only a limited amount can be said responsibly in open session on this subject. I would recommend that members of the Committee who are interested in more concrete detail on these matters ask for a classified briefing. However, it is worth commenting at least briefly on the claims made before this Committee that the contribution of these intelligence bases has been exaggerated in the past and is now replaced by new satellite and sensing technologies that make these bases and the information they supply of small and steadily decreasing importance.

I believe that Secretary Brown is both better informed and sounder in stressing that these intelligence facilities are of great value, that substitutes have been only partial and that, overtime, the deficiencies resulting from their loss have become harder and harder to overcome. These facilities have provided us with information about the developments in Soviet long-range systems and also about Soviet theater systems; information not only about capabilities in being and in development, but also, as in the fall of 1973, about movements and concentrations of Soviet forces. And not only, as has been suggested, movements of interest to the Turks. This should be obvious enough on the basis of public information and common sense. But quite apart from information gathered about Soviet movements in the Straits of the Bosphorus and Dardanelles there are a large variety of Soviet naval and air operations for which Turkey's long Black Sea coast provides a unique opportunity for observation and study. Of course a good deal of this information is crucial to Turkey too, just as many of the things we do in Greece are crucial for the Greeks. That, however, illustrates the basis for alliance, the fact that there are such mutual interests. Much of what we learn from bases in Turkey is of value in the defense of Greece.

I would stress in this connection that we should not regard it as a choice, so to speak, between technology and Turkey. Many advanced and continually improved technologies can be used to great advantage from facilities in Turkey. Indeed the effective performance of the combat as well as the intelligence and other support functions in Turkey require a continuing qualitative improvement. Otherwise, many of the vital functions that Turkey can perform are simply not possible or involve excessive risk.

The value of Turkey for the United States and its NATO allies extends far beyond that of the few installations on which operations have been suspended since the embargo and which have been the subject of much of the testimony. That value proceeds in the first place from control of the exit from the Black Sea through the Straits of the Bosphorus and of the entry to the Aegean through the Dardanelles. Second, from the large number of strategically placed base facilities for combat, communications, navigation and other support functions, including many facilities besides those withdrawn from current operation. Third, from the control of the air space above Turkey. And fourth, from the Turkish ground forces themselves, which are the largest in NATO aside from those of the United States and have a well-deserved reputation for their fighting ability.

These forces, geographical positions, facilities and air space might once again be fully available to NATO. Or if the United States and Turkey continue to move apart they might be denied to NATO as well as to the Warsaw Pact. Or if these old allies move far enough apart and if as a result Turkey declines in its ability to control—without excessive risks—its air space, the straits and other strategic positions, some or all of these might become available in varied but increasing degree to the Warsaw Pact.

It matters a great deal that Turkey and the United States and NATO return to full cooperation. It is of great consequence for the defense of Greece, in particular; for the defense of NATO's southern flank as a whole and, therefore, for the NATO center; for the ability of the United States to support Israel's own self-defense or to extend credible American guarantees in support of an Arab-Israeli settlement; for protecting our own major interests and those of NATO and our other allies in the Persian Gulf.

It is usual to talk of the value of Turkey for our allied security in rather general terms. That makes it easy to dismiss its value with some vague reference to technology or the like. In the short time available, I would like to ask your indulgence if I illustrate Turkey's importance in some concrete detail.

First on the importance of Turkey to Greece: Although Defense Department spokesmen have stressed this appropriately for many years, proponents of the embargo tend to think of it, if at all, only in passing. But it should give them sober second thoughts. Turkey's participation in NATO sharply increases Soviet force requirements for Bulgarian or combined Bulgarian-Soviet attacks on Greece. Unless the Soviets simultaneously and successfully invade Turkey, Turkish control of the Dardanelles blocks the Soviets' sea lines of communication in support of their attacking forces, and makes the Soviet Mediterranean fleet vulnerable to NATO naval and air forces. F-4s based in Turkey could interdict Soviet sea movements to Bulgarian ports which are well within the combat radius of that aircraft. They can also intercept aircraft flying from the Soviet Union or Bulgaria. These actions could force the Soviets either to suppress the Turkish air attacks or move by land through a possibly recalcitrant Rumania. In either case the only invasion supply route into Greece which is not within easy artillery range of Turkish forces would require movement of forces and resuppy westward to Sofia and then south by a single track railroad and a parallel improved highway to the Greek border. That single supply line might support a maximum of about 25 Soviet and Bulgarian motorized rifle divisions.

But the Soviets like to apply force massively, if at all. Their tactical doctrine calls for concentrating enough force to achieve a

quick breakthrough, then following it with a very rapid advance against logistics and communications units behind an adversary's front. With Turkey and Greece cooperating in NATO, and denying all but this narrow invasion route, the Soviets would find it much harder to achieve the necessary local superiority. Those conditions would make an attack a much riskier adventure, and therefore one much less likely to be attempted or persuasively threatened. And, most important, Soviet force would be less likely to cast a political shadow.

Even if Turkish forces were less actively involved, they would tie down a considerable part of the Pact's strength in the Black Sea Fleet Command, and in the Balkan and Caucasus Fronts. This would be true so long as the Soviets could not be sure of Turkish neutrality. It is of critical importance for Greece then that Turkey not turn away towards neutrality; and in fact that Turkey and Greece reflect their mutual interests once more in active cooperation in NATO.

On the importance of Turkey for the whole of NATO's southern flank, and consequently for the NATO Center, Secretary Brown has been quite clear and I will not labor the point. If the flanks are neutralized by political or military action, an adversary can concentrate more massively against the Center. The defense of the Center cannot be separated from the defense of either flank.

In the defense of the Persian Gulf area, however, the potential role of Turkey deserves concrete illustration. If the Soviets can overfly Turkey at will, they can cut in half the times needed to deploy forces by air to an objective near the Gulf. (Roughly the same is true for deployments to Lebanon and Israel.) The availability of Turkish airspace drastically affects what the Soviets can do compared with what the United States can do in the Gulf area. Without substantial overflight over Turkey, the Soviets for example, might be able to bring into the area a force roughly equivalent in fire power to a U.S. mechanized division and do it in about the same time as it would take the U.S., that is, in about two weeks. With overflights unconstrained the Soviets could get there a week earlier.

For conflict in the Persian Gulf area the Turkish Straits also are plainly important. If the Soviets cannot use the Straits to resupply by sea as well as by air their forces fighting in the Gulf, they would have to rely exclusively on a massive initial airlift until they could, for example, resupply by sea from Vladivostok—a much more distant supply route. Other conceivable routes might be even longer, more complicated or more vulnerable.

In short, when one looks at the grubby details of how the contestants might fare in a struggle in such key parts of the world as the Persian Gulf or Greece, it is apparent that with the technologies available to each side the role of Turkey is likely to be of major importance. No airy references to sophisticated weapon systems should erase that importance from our minds.

Finally, a few words on the significance of Turkey for the Middle East. It would be possible to illustrate in some detail the effects of the availability to one side or the other of Turkish air space, the Straits, bases and materiel in Turkey, or the Turkish forces. The potential effect on conflict between the confrontation states and Israel is large. What I would stress in closing is that the stability of settlements now being proposed for the Middle East depends not only on the ability of the parties to defend themselves with only logistic support from outside, but also on external guarantees of possible intervention. But no guarantee is likely to be accepted if it cannot be backed up, that is, if the risks of backing it up are so large that fulfillment of the guarantee is not believable. And even if a very risky guarantee were accepted, the settlement guaranteed would very likely be unstable. The long and bitter history of the Treaty of Guarantee in Cyprus should remind us that accords and settlements do not always settle things. For the future of peace in the Middle East, Turkey has a useful role to play.

To restore the role of Turkey in the alliance we should end the embargo. The embargo in any case blocks compromise on Cyprus. The Turks will not bend to a public humiliation by a major ally. And, as Congressman Solarz of this Committee perceived, those Greeks who see Turkey only as a rival and a danger and want it weakened, will delay compromise to perpetuate the embargo. For the sake of Cyprus, and for the mutual security of our allies, including Greece and Turkey, we should at long last bring the embargo to an end.●

VIGIL FOR FREEDOM SPEECH

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon (Mr. AuCoin) is recognized for 5 minutes.

● Mr. AuCOIN. Mr. Speaker, as part of our "Vigil for Freedom," I want to detail the plight of the Solomon Alber family in Russia. Like other Soviet Jews, their only crime has been a desire for freedom.

Mr. Alber, a mathematician and physicist, was director of a computer research laboratory when he applied for emigration visas for himself and his family. As a consequence, he was demoted and his wife, Evangelina, a physician, lost her job as a pathologist.

News about the family's application refusal spread quickly in their small scientific community outside Moscow.

On June 23, 1976, the New York Times reported that Mr. Alber's son, 15-year-old Mark, had become the target of an officially inspired campaign of threats and violence. First, his fellow students began the "silent treatment." Then as the shunning wore off, the youngsters taunted him, calling him "Jew, Jew, Jew" in derisive tones. Later, Mark was beaten up twice, once into unconsciousness. Nevertheless, the police took no action, even though they apparently knew who the assailants were.

A few days later, a 3-ounce metal ball was shot through the third floor bedroom window in Mr. Alber's residence. Fortunately, neither Mark nor his 10-year-old brother, Ilya, were in the room at the time. The police dismissed the incident as a prank:

Mr. Alber says:

My children now sit at home. They are afraid to go into the street.

Stories of oppression and persecution of Jews are repeated over and over again in Russia. My own adopted "Refusenik," Polina Polonskaya, is unable to join her family outside Russia.

Like Solomon Alber and his family, Polina Polonskaya is alone, but not forgotten in her desire for something most of us take for granted—the freedom to live in peace.●

AID AND NAVY TURN DOWN REQUEST OF LIFE, INTERNATIONAL FOR TRANSFER OF U.S.S. "SANCTUARY"

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. Price) is recognized for 5 minutes.

● Mr. PRICE. Mr. Speaker, on October 27, 1977, the Honorable Parren Mitchell of Maryland introduced a bill which would permit the Navy to transfer the hospital ship U.S.S. *Sanctuary* from the U.S. Navy to Life International for use in providing medical services and training in the developing nations.

As is the custom of the Armed Services Committee, we requested reports from the Department of State and the Department of Defense at once. I have just received reports by the Agency for International Development for the Department of State and the Navy for the Department of Defense opposing the bill and the transfer of the *Sanctuary*.

On February 21, 1978 Mr. Mitchell introduced four campaign bills with nearly 100 cosponsors. In view of the large numbers of sponsors, I insert the reports from AID and the Navy in the Record at this point.

Department of the Navy, Agency for International Development,

Washington, D.C., April 19, 1978.

Hon. Melvin Price,

Chairman, Committee on Armed Services, House of Representatives, Washington, D.C.

Dear Mr. Chairman: You requested the views and recommendations of the Department of State on a bill to provide for the temporary transfer of the Hospital Ship USS *Sanctuary* (AH–17) to LIFE International for the purpose of providing health care and related services to developing nations on a nonprofit basis.

The Department of State and the Agency for International Development recommend that H.R. 9785 not be enacted since both agencies believe that the high costs of commissioning and operating the USS *Sanctuary* as a civilian hospital ship are disproportionate to the benefits which will accrue to those most in need of medical services.

The Conference Report of the House and Senate Appropriations Committees of the FY 1977 Foreign Assistance Appropriations Act requested that AID study the feasibility of refitting and operating the USS *Sanctuary* as a civilian hospital ship. Accordingly, the AID Office of American Schools and Hospitals Abroad commissioned the American Technical Assistance Corporation (a private consultant), to prepare a feasibility report which was completed in December 1976. The report concluded that it would be "inadvisable to activate the USS *Sanctuary* as a civilian operated hospital ship providing medical services abroad in view of the high cost of preparing the vessel for operation and the substantial annual ship operating expenses exclusive of medical services costs. Comparable services could be provided through land-based institutions at a lesser cost."

AID subsequently submitted the feasibility report to LIFE International, the organization promoting activation of the USS *Sanctuary* for civilian use. LIFE International had prepared its own cost estimates for refitting and operating the ship, but in view of the results of American Technical Assistance Corporation's feasibility study, AID believes LIFE's estimates are unrealistically low.

We also note that the finding of the proposed bill, that "it is the right of every human being to be free from disease and to have access to high quality health services," while a meritorious idea, may be misleading. Experience over the past 30 years has shown that the delivery of health services to the poor in rural areas cannot be achieved by fostering high quality health care in localized areas such as port cities. AID has determined that such high premium programs could only be sponsored on a limited basis and therefore would have at best a marginal impact on the health of the rural poor in developing countries. We believe that the expenditure of $6 million for rehabilitation of the ship and $25 million for its operation and maintenance over the next four years is unwarranted. For the same investment, substantial progress could be made in developing the capacity for national health planning, in determining low cost alternatives for the delivery of health care in rural areas, in training paramedicals to provide basic health services to the poor, and in the application of mass preventive measures against tropical diseases and poor sanitation. The realization of these objectives would require the expertise of trained professionals, although the involvement of volunteers as proposed by LIFE International should not disregarded.

We believe that provisions of high quality medical care to port cities is not the most effective vehicle for changing the quality of life for the poor majority in developing countries. Federal funds can be more effectively spent on projects which deliver basic health services on a larger scale.

In conclusion, AID recommends that H.R. 9785 not be enacted. The Office of Management and Budget advises that there is no objection to this report from the standpoint of the President's program.

Sincerely,

JOHN J. GILLIGAN.

DEPARTMENT OF THE NAVY,
OFFICE OF LEGISLATIVE AFFAIRS,
Washington, D.C., April 20, 1978.

Hon. MELVIN PRICE,
Chairman, Committee on Armed Services, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: Your request for comments on H.R. 9785, a bill "To provide for the temporary transfer of the hospital ship United States ship Sanctuary (AH–17) to LIFE International for the purpose of providing health care and related services to developing nations on a nonprofit basis, and to authorize funds for such purpose," has been assigned to this Department by the Secretary of Defense for the preparation of a report expressing the views of the Department of Defense.

The purpose of the bill is to require the Secretary of the Navy to transfer, without consideration, to LIFE International the hospital ship United States ship Sanctuary (AH–17) for use by LIFE International to provide health care and related services to developing nations. The transfer shall be for a period not to exceed fifteen years. To assist LIFE International refit and maintain the ship, funding has been authorized for FY–79 through FY–84.

The Department of the Navy, on behalf of the Department of Defense, is opposed to the enactment of H.R. 9785.

The United States ship Sanctuary is the last of the Navy's hospital ships and is currently berthed with the inactive fleet at Philadelphia, being retained as a mobilization asset for contingencies. This legislation does not provide assurance that the ship will be operated or maintained in a manner which would ensure its availability in the event of a national requirement. Sanctuary is a hospital ship and would be needed in wartime. Any actions which would tend to degrade the ship's capability or render it unavailable for contingencies should not be permitted.

Experience with a prior similar endeavor, USS Hope, suggests that LIFE International's intent to man the vessel with volunteers is overly optimistic and that the estimates of required funding to activate and maintain the ship are inadequate.

There is no guarantee that a volunteer crew, even if obtainable, would be qualified to operate the ship safely or maintain it to Navy standards. Further, it is questionable whether a volunteer crew could obtain Coast Guard or American Bureau of Shipping certification which is a prerequisite to obtaining proper insurance for the ship. It is not known if the maritime unions, harbor pilots, and longshoremen would properly service a ship manned by a volunteer, nonunion crew.

The legislation does not provide adequate funding to insure proper reactivation, overhaul, restoration of the hospital, or for recurring maintenance. Reliance on contributions for a venture of this scope risks unscheduled termination of the project and deterioration of the ship due to lack of maintenance funding. Although the Navy does not have a current budget quality estimate, previous studies concluded that the figure would be significantly greater than that quoted in H.R. 9785.

Finally, there is serious doubt as to whether the approach planned by LIFE International represents the one which will yield the highest benefit based upon the investment.

A December 1976 report of a study of the feasibility of refitting and operating the USS Sanctuary as a hospital ship concluded that the proposal would be inadvisable and that land based institutions could be utilized to provide the same medical services at a lower cost. The study was conducted by American Technical Assistance Corporation for the Agency for International Development.

This report has been coordinated within the Department of Defense in accordance with the procedures prescribed by the Secretary of Defense. The Office of Management and Budget advises, that from the standpoint of the Administration's program, there is no objection to the presentation of this report on H.R. 9785 for the consideration of the Committee.

For the Secretary of the Navy.
Sincerely yours,
L. O. LAITSCH,
Captain, JAGC, U.S. Navy,
Director, Legislation.●

ATONEMENT LUTHERAN CHURCH OF ONEONTA OBSERVES 75TH ANNIVERSARY

(Mr. HANLEY asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. HANLEY. Mr. Speaker, to say that communities draw strength and sustenance from the religious denominations within their purview is to repeat a platitude of American history.

Yet, there are certain communities and there are certain religious groups whose historical interdependence and common development stand as brilliant models of the benefits of church and state cooperation. Each in its own sphere, each with the individual human good as a main goal.

Such a community-church partnership is found in Oneonta, N.Y., a thriving little city on the Susquehanna River, 140 miles northwest of New York City.

The Atonement Lutheran Church of Oneonta, observing its 75th anniversary this Sunday, May 7, represents religious aspect of this special partnership.

Some perspective is necessary to illustrate this concept: During the first decade of the 18th century, Palatine Germans moved onto the New York frontier, settling along the Schoharie Creek and later in the Mohawk River Valley. In what is now Otsego County, the name of the Reverend John Christopher Hartwick stands out for his work among the colonists and his bequest which led to the founding of America's first Lutheran seminary in 1798.

Despite the deep imprint of Lutheranism in the region, no Lutheran Church existed in the growing railroad village of Oneonta at the turn of the 20th century. In late 1902, however, the Reverend J. M. Bieber of Binghamton, N.Y., indicated activities which resulted in the formation of the Lutheran Church of Atonement. A canvass of the community revealed sufficient Lutherans to begin services in the facilities of the First Baptist Church. The Tuesday evening services continued from February 3, 1903 until September of that year.

The early days of Atonement drew out the ecumenical spirit of Oneonta. The newly formed congregation held its first communion service in the Universalist Church. With the arrival of the of the Reverend Henry Manken, Jr., newly ordained at the Lutheran Seminary at Gettysburg, services moved to Sunday mornings at the lecture room of the Young Men's Christian Association. By November 1904 the nascent congregation purchased the former First Baptist Church building for its new "home."

The expansion of the Delaware and Hudson Railroad facilities in Oneonta during the first decade of the 20th century saw an influx of workers, many from Pennsylvania, to the newly incorporated city. With the added population the congregation grew, cleared its financial obligations, remodeled its structure and through the years continued to serve its own and the community's needs.

While celebrating the 25th anniversary in 1928, the congregation was instrumental in shaping Oneonta's future as an educational center when it oversubscribed its fundraising quota designed to establish Hartwick College, a Lutheran liberal arts institution, in the city. The relationship between the church and college intertwined. Profes-

sors of religion and philosophy, on several occasions, filled the pastorate of Atonement during vacancies; the congregation, on the other hand, provided the spiritual and social needs of the students, a function continued today despite Hartwick's disaffiliation from the Lutheran Church in the late 1960's. Now as in the past, Atonement also serves as the church away from home for many students of the State University College at Oneonta. From this congregation many ministers and a few missionaries have gone out to carry the gospel for the church-at-large, to the country and world.

The year 1963 marked another milestone for the Lutheran congregation of Oneonta and surrounding areas, when on February 17, a jubilant congregation dedicated its new sanctuary. Expanded to better provide for its people, the Lutheran Church of Atonement continued as it began, ecumenically serving the community. Today it houses the Head Start program for the city and surrounding towns and villages.

During this 75th anniversary year, the now established Lutheran community continues its outreach. Under the conscientious and dedicated present pastorate of the Reverend Dr. James B. Christ, the congregation pauses to review its heritage of devoted worship and faithful service while looking to the future with anticipation of continuing God's work.

Mr. Speaker, I call your attention and the attention of my colleagues to this celebration today in a true spirit of ecumenism. Though normally understood to mean a spirit of common striving among different creeds, it is apparent that Atonement Lutheran in Oneonta has realized, perhaps a bit more deeply than most that ecumenism can be a pervasive good for the social, economic, and cultural lives of its neighbors as well.

The fabric of our society and the Oneonta community in particular is stronger because of the vital thread of neighborly concern woven into it by Atonement Lutheran.●

LEAVE OF ABSENCE

(By unanimous consent, leave of absence was granted as follows, to:)

Mr. RISENHOOVER (at the request of Mr. WRIGHT), after 9 p.m. today through May 12, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. CUNNINGHAM), to revise and extend their remarks, and to include extraneous matter to:)

Mr. GREEN, for 10 minutes, today.
Mr. MICHEL, for 15 minutes, today.
Mr. GOLDWATER, for 5 minutes, today.
Mr. KEMP, for 5 minutes, today.

(The following Members (at the request of Mr. BARNARD) and to revise and extend their remarks and include extraneous matter:)

Mr. ANNUNZIO, for 5 minutes, today.
Mr. GONZALEZ, for 5 minutes, today.
Mr. BAUCUS, for 10 minutes, today.
Mr. RONCALIO, for 5 minutes, today.
Mr. PEPPER, for 60 minutes, today.
Mr. UDALL, for 5 minutes, today.
Mr. FASCELL, for 5 minutes, today.
Mr. FOUNTAIN, for 5 minutes, today.
Mr. REUSS, for 10 minutes, today.
Mr. DAN DANIEL, for 5 minutes, today.
Mr. AUCOIN, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. CUNNINGHAM), and to include extraneous matter:)

Mr. WINN.
Mr. WHITEHURST.
Mr. RUPPE.
Mr. BEARD of Tennessee.
Mr. CRANE.
Mr. DERWINSKI in three instances.
Mr. ABDNOR.
Mr. EDWARDS of Oklahoma in two instances.
Mr. STEERS in two instances.
Mr. RUDD.
Mr. HARSHA in two instances.
Mr. SAWYER.
Mr. CONTE in two instances.
Mr. MCCLORY.
Mr. BOB WILSON.
Mr. YOUNG of Florida.
Mr. RHODES.
Mr. LAGOMARSINO.
Mr. HILLIS.
Mr. ASHBROOK in three instances.

(The following Members (at the request of Mr. BARNARD), and to include extraneous matter:)

Mr. GONZALEZ in three instances.
Mr. ANDERSON of California in three instances.
Mr. MAZZOLI in two instances.
Ms. MIKULSKI.
Mr. CORRADA.
Mr. ALEXANDER.
Mr. ROSENTHAL.
Mr. TEAGUE.
Mr. WALGREN.
Mr. FISHER.
Mr. KILDEE.
Mr. PATTERSON of California in five instances.
Mr. KOSTMAYER.
Mr. ROYBAL.
Mr. BONIOR.
Mr. WEISS in three instances.
Mr. WAXMAN.
Mrs. MEYNER.
Mr. SKELTON.
Mr. DRINAN in three instances.
Mr. FARY.
Mr. CONYERS.
Mr. MAGUIRE.
Mr. MCDONALD in three instances.
Mr. DANIELSON.
Mr. SANTINI.
Mr. UDALL in two instances.
Mr. AUCOIN.
Mrs. SPELLMAN.
Mr. BRECKINRIDGE.
Mr. MINETA.
Mr. PATTEN.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 482. An act to direct the Secretary of the Interior to purchase and hold certain lands in trust for the Zuni Indian Tribe of New Mexico, and to confer jurisdiction on the Court of Claims with respect to land claims of such tribe; and

S. 661. An act to reinstate the Modoc, Wyandotte, Peoria, and Ottawa Indian Tribes of Oklahoma as federally supervised and recognized Indian tribes.

ENROLLED BILL SIGNED

Mr. THOMPSON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 1552. An act for the relief of Oh Soon Yi.

ADJOURNMENT

Mr. BARNARD. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 10 o'clock and 46 minutes p.m.), the House adjourned until tomorrow, Thursday, May 4, 1978, at 11 o'clock a.m.

EXECUTIVE COMMUNICATION ORDERED PRINTED

Executive Communication No. 4032, a report on the feasibility of the use of solar energy for House Office Buildings, which was referred to the Committee on Public Works and Transportation on May 1, was ordered printed as a House document (H. Doc. No. 95–332).

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

4049. A letter from the Assistant Secretary of Agriculture for Conservation, Research, and Education, transmitting a report on the Nation's agricultural research, extension, and teaching activities, pursuant to section 1410 of Public Law 95–113; to the Committee on Agriculture.

4050. A letter from the Director of Legislation, Department of the Navy, transmitting notice of the Navy's intention to sell two fleet ocean tugs to the Government of Mexico, pursuant to 10 U.S.C. 7307; to the Committee on Armed Services.

4051. A letter from the Director of Legislation, Department of the Navy, transmitting notice of the Navy's intention to sell two fleet ocean tugs to the Government of

Venezuela, pursuant to 10 U.S.C. 7307; to the Committee on Armed Services.

4052. A letter from the Secretary of Housing and Urban Development, transmitting the third annual report on the community development block grant program, pursuant to section 113(a) of the Housing and Community Development Act of 1974, as amended (91 Stat. 1124); to the Committee on Banking, Finance and Urban Affairs.

4053. A letter from the president and chairman, Export-Import Bank of the United States, transmitting a statement describing a proposed transaction exceeding $60 million with the Iron & Steel Co., of Trinidad and Tobago (ISCOTT), pursuant to section 2(b)(3) of the Export-Import Bank Act of 1945, as amended; to the Committee on Banking, Finance and Urban Affairs.

4054. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 2–179, "To amend Police Regulation 74–39, governing vending in the District of Columbia, with respect to the licensing and regulation of vendors and the operation of vending businesses," pursuant to section 602(c) of Public Law 93–198; to the Committee on the District of Columbia.

4055. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 2–180, "To order the closing of part of public alleys and the dedication of a public alley in Square 3341, bounded by Sheridan Street, N.W., North Dakota Avenue, N.W., 2d Street, N.W. and Rittenhouse Street, N.W.," pursuant to section 602(c) of Public Law 93–198; to the Committee on the District of Columbia.

4056. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 2–181, "To order the closing of the parts of Third and L Streets, N.W., abutting on Square 556, bounded by 3d Street, L Street, New York Avenue and New Jersey Avenue, N.W.," pursuant to section 602(c) of Public Law 93–198; to the Committee on the District of Columbia.

4057. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 2–182, "To order the closing of the public alley system in Square 395, bounded by 8th, R, 9th and S Streets, N.W.," pursuant to section 602(c) of Public Law 93–198; to the Committee on the District of Columbia.

4058. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 2–183, "To order the closing of a part of Virginia Avenue, S.E., adjacent to the Virginia Avenue playground at Ninth Street, S.E.," pursuant to section 602(c) of Public Law 93–198; to the Committee on the District of Columbia.

4059. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 2–184, "To order the closing of 45th Street, N.E. between Clay and Dix Streets and a part of a public alley in Square 5135," pursuant to section 602(c) of Public Law 93–198; to the Committee on the District of Columbia.

4060. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 2–185, "To establish the personal property tax rate for tax year 1979," pursuant to section 602(c) of Public Law 93–198; to the Committee on the District of Columbia.

4061. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 2–186, "To amend the D.C. General Hospital Commission Act (D.C. Law 1–134) with regard to audits and procurement," pursuant to section 602(c) of Public Law 93–198; to the Committee on the District of Columbia.

4062. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 2–187, "To authorize the Fire Chief of the District of Columbia to require and regulate the placement and maintenance of fire lanes and fire hydrants on certain private property," pursuant to section 602(c) of Public Law 93–198; to the Committee on the District of Columbia.

4063. A letter from the Acting Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to extend and amend the Rehabilitation Act of 1973, to provide for independent living rehabilitation demonstrations and other innovative programs, to improve the management and administration of programs under such Act, and for other purposes; to the Committee on Education and Labor.

4064. A letter from the Secretary, Railroad Retirement Board, transmitting notice of a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

4065. A letter from the Chairman, Securities and Exchange Commission, transmitting a report on the Commission's activities under the Government in Sunshine Act from March 12, 1977 through February 28, 1978, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Operations.

4066. A letter from the Comptroller General of the United States, transmitting a report on the examination of financial statements of the Export-Import Bank of the United States for fiscal year 1977, pursuant to section 106 of the Government Corporation Control Act (H. Doc. No. 95–333); to the Committee on Government Operations and ordered to be printed.

4067. A letter from the Assistant Secretary of the Interior, transmitting notice of a deferral of payment of construction charges for the Truckee-Carson Irrigation District, Nevada, pursuant to section 17 of the Reclamation Project Act of 1939, as amended; to the Committee on Interior and Insular Affairs.

4068. A letter from the Assistant Secretary of the Interior, transmitting the national urban recreation study report, pursuant to section 12 of the Land and Water Conservation Fund Act of 1965, as amended (90 Stat. 1318); to the Committee on Interior and Insular Affairs.

4069. A letter from the Secretary of State, transmitting a report on insurance coverage of diplomatic missions to the United States, pursuant to section 510(1) of Public Law 95–148; to the Committee on International Relations.

4070. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a proposed amendment to the draft State Department authorization bill for fiscal years 1979 and 1980, to authorize up to $60 million for the purpose of acquiring tin metal to contribute to the buffer stock of the International Tin Council established under the Fifth International Tin Agreement; to the Committee on International Relations.

4071. A letter from the Administrator, Energy Information Administration, Department of Energy, transmitting a report on changes in market shares for refined petroleum products during January 1978, pursuant to section 4(c)(2)(A) of the Emergency Petroleum Allocation Act of 1973; to the Committee on Interstate and Foreign Commerce.

4072. A letter from the Chairman, National Diabetes Advisory Board, transmitting the Board's first annual report, pursuant to section 436A(j) of the Public Health Service Act, as amended (90 Stat. 2650); to the Committee on Interstate and Foreign Commerce.

4073. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders suspending deportation under the authority of section 244(a)(1) of the Immigration and Nationality Act, together with a list of the persons involved, pursuant to section 244(c) of the act; to the Committee on the Judiciary.

4074. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders suspending deportation under the authority of section 244(a)(2) of the Immigration and Nationality Act, together with a list of the persons involved, pursuant to section 244(c) of the act; to the Committee on the Judiciary.

4075. A letter from the Secretary of the Army, transmitting a Corps of Engineers report on the Pilot Wastewater Management Program for San Francisco, Chicago, Detroit, Cleveland, the Merrimack River Basin in Massachusetts, and Codorus Creek in Pennsylvania; to the Committee on Public Works and Transportation.

4076. A letter from the Federal Cochairman, Four Corners Regional Commission, transmitting the Commission's 10th annual report, pursuant to section 510 of the Public Works and Economic Development Act of 1965; to the Committee on Public Works and Transportation.

4077. A letter from the Comptroller General of the United States, transmitting a report on the need for a flexible and obstruction-free system of marine approaches to U.S. ports (CED–78–107, May 2, 1978); jointly, to the Committees on Government Operations, Merchant Marine and Fisheries, and Public Works and Transportation.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ULLMAN: Committee on Ways and Means. House Concurrent Resolution 555. Concurrent resolution approving the extension of nondiscriminatory treatment with respect to the products of the Hungarian People's Republic (Rept. No. 95–1106). Referred to the Committee of the Whole House on the State of the Union.

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 10160. A bill to provide for the conveyance of title and ownership to 2.58 acres within the Bridger-Teton National Forest, Wyo., to Ben Boschetto, Jr. (Rept. No. 95–1107). Referred to the Committee of the Whole House.

Mr. PRICE: Committee on Armed Services. H.R. 11686. A bill to authorize appropriations for the Department of Energy for national security programs for fiscal year 1979, and for other purposes (Rept. No. 95–1108). Referred to the Committee of the Whole House on the State of the Union.

Mr. YOUNG of Texas: Committee on Rules. House Resolution 1162. Resolution waiving points of order against the conference report on H.R. 6782. A bill to permit marketing orders to include provisions concerning marketing promotion, including paid advertisement, of raisins and distribution among handlers of the pro rata costs of such

promotion (Rept. No. 95–1109). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ZABLOCKI (for himself, Mr. FASCELL, Mr. HAMILTON, Mr. WOLFF, Mr. BINGHAM, Mr. SOLARZ, Mrs. MEYNER, Mr. BONKER, Mr. PEASE, Mr. BEILENSON, Mr. CAVANAUGH, Mr. WHALEN, and Mr. WINN):

H.R. 12514. A bill to amend the Foreign Assistance Act of 1961 and the Arms Export Control Act to authorize international security assistance programs for fiscal year 1979, and for other purposes; to the Committee on International Relations.

By Mr. ANDERSON of California (for himself and Mr. EILBERG):

H.R. 12515. A bill to amend title 38 of the United States Code in order to provide for the payment of service pensions to veterans of World War I and for certain surviving spouses and certain children; to the Committee on Veterans' Affairs.

By Mr. ANDERSON of California (for himself, Mr. ANNUNZIO, Mr. BROWN, of California, Mr. BUCHANAN, Mr. CARNEY, Mr. CORMAN, Mr. CORRADA, Mr. DE LUGO, Mr. DERRICK, Mr. DOWNEY, Mr. DUNCAN of Tennessee, Mr. EDGAR, Mr. ENGLISH, Mr. EVANS of Georgia, Mr. FARY, Mr. FASCELL, Mr. FLOOD, Mr. GREEN, Mr. HAGEDORN, Mr. HANNAFORD, Mr. HUGHES, Mr. JACOBS, Mr. KRUEGER, Mr. LAGOMARSINO, and Mr. LEHMAN):

H.R. 12516. A bill to amend chapter 40 of title 18, United States Code, to require the addition of taggants to explosive materials for the purpose of identification and detection of such materials; to the Committee on the Judiciary.

By Mr. ANDERSON of California (for himself, Mr. LENT, Mr. LOTT, Mr. MCCORMACK, Mr. MOAKLEY, Mr. MOTTL, Mr. MURPHY of Pennsylvania, Mr. PRICE, Mr. ROBINSON, Mr. STUMP, Mr. VENTO, Mr. WHITEHURST, Mr. WON PAT, and Mr. YOUNG of Missouri):

H.R. 12517. A bill to amend chapter 40 of title 18, United States Code, to require the addition of taggants to explosive materials for the purpose of identification and detection of such materials; to the Committee on the Judiciary.

By Mr. ANDERSON of Illinois:

H.R. 12518. A bill to amend the Federal Election Campaign Act of 1971 to provide for financing of general election campaigns for the House of Representatives; to the Committee on House Administration.

By Mr. DEVINE:

H.R. 12519. A bill to amend the Social Security Act and the Internal Revenue Code of 1954 to provide that disability insurance benefits shall be financed from general revenues rather than through the imposition of employment and self-employment taxes as at present, to adjust the rates of such taxes for old-age and survivors insurance and hospital insurance purposes, to provide for reductions in the amount of such disability benefits to take account of the recipient's need as determined on the basis of his family income, to improve disability determination procedures, and for other purposes; to the Committee on Ways and Means.

By Mr. FLOWERS:

H.R. 12520. A bill to amend the Internal Revenue Code of 1954, as amended, so as to exempt subsistence allowances of law enforcement officers of the United States from Federal income taxes; to the Committee on Ways and Means.

By Mr. JENRETTE (for himself, Mr. HEFTEL, Mr. YOUNG of Alaska, Mr. HARRIS, and Mr. ROUSSELOT):

H.R. 12521. A bill to amend title 5, United States Code, to provide that certain air traffic specialists be considered as air traffic controllers for retirement and certain other purposes; to the Committee on Post Office and Civil Service.

By Mr. KASTENMEIER (for himself and Mr. DORNAN):

H.R. 12522. A bill to authorize actions for redress in cases involving deprivations of rights of institutionalized persons secured or proteced by the Constitution or laws of the United States; to the Committee on the Judiciary.

By Mr. MAGUIRE:

H.R. 12523. A bill to provide Federal assistance for State programs which provide payments on behalf of senior citizen homeowners for the purpose of paying real property tax; to the Committee on Banking, Finance and Urban Affairs.

By Mr. MEEDS (by request):

H.R. 12524. A bill to amend the act of June 3, 1960 (74 Stat. 156), to provide additional authority for the Secretary of the Interior to construct the San Luis Unit, Central Valley Project, California, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. NOLAN (for himself, Mr. BURKE of Massachusetts, Mr. CAVANAUGH, Mrs. COLLINS of Illinois, Mr. DOWNEY, Mr. EDGAR, Mr. FARY, Mr. FLOOD, Mr. GARCIA, Mr. GUYER, Mr. HARKIN, Mr. KEMP, Mr. KREBS, Mr. LEHMAN, Mr. MCCLOSKEY, Mr. MITCHELL of New York, Mr. OTTINGER, Mr. RANGEL, Mr. SIMON, Mr. TREEN, Mr. VENTO, Mr. WHITEHURST, and Mr. WINN):

H.R. 12525. A bill to amend the Internal Revenue Code of 1954 to allow handicapped individuals a deduction for certain transportation expenses; to the Committee on Ways and Means.

By Mr. PATTERSON of California:

H.R. 12526. A bill to provide for reimbursement to States experiencing high rates of insured unemployment; to the Committee on Ways and Means.

By Mr. PEPPER (for himself, Mr. ROYBAL, Mr. ROONEY, Mr. BONKER, Mr. DOWNEY, Mr. FORD of Tennessee, Mr. HUGHES, Mr. SANTINI, Mrs. MEYNER, Ms. OAKAR, Mr. WAMPLER, Mr. HAMMERSCHMIDT, Mr. COHEN, Mr. GRASSLEY, Mr. ABDNOR, Mr. COCHRAN of Mississippi, Mr. RINALDO, and Mr. MARKS):

H.R. 12527. A bill to amend the Older Americans Act of 1965 to provide for improved programs for older persons, and for other purposes; to the Committee on Education and Labor.

By Mr. ROE (for himself, Mr. FLOOD, Mr. NIX, Mr. EDWARDS of California, Mr. SKUBITZ, Mr. BUCHANAN, Mr. CARTER, Mr. COTTER, Mr. MURPHY of Illinois, Mrs. BOGGS, Mrs. BURKE of California, Mr. MICHAEL O. MYERS, and Mr. CAPUTO):

H.R. 12528. A bill to increase the authorization for the Local Public Works Capital Development and Investment Act of 1976; to the Committee on Public Works and Transportation.

By Mr. RONCALIO:

H.R. 12529. A bill to amend the Alaska Native Claims Settlement Act to provide an equitable distribution of land to the 13th Regional Corporation; to the Committee on Interior and Insular Affairs.

By Mr. RUPPE:

H.R. 12530. A bill providing for the elimination of regional preferences relating to residual fuel oil or other petroleum imports; to the Committee on Interstate and Foreign Commerce.

H.R. 12531. A bill to amend the Great Lakes Fisheries Act of 1956 in order to require the preparation of a comprehensive report concerning the conservation and management of the Great Lakes fisheries, to establish a hatchery and a fisheries monitoring program for the Great Lakes, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. STEIGER (for himself and Mr. FISHER):

H.R. 12532. A bill to amend the Internal Revenue Code of 1954 to provide that the use of the zero bracket amount will not reduce the benefits of income averaging; to the Committee on Ways and Means.

By Mr. UDALL (for himself, Mr. RONCALIO, Mr. BAUCUS, Mr. BINGHAM, Mr. BLOUIN, Mrs. BURKE of California, Mr. PHILLIP BURTON, Mr. CARR, Mr. DELLUMS, Mr. FRASER, Mr. MILLER of California, Mr. RISENHOOVER, Mr. SEIBERLING, Mr. STARK, Mr. TSONGAS, Mr. VENTO, and Mr. WEAVER):

H.R. 12533. A bill to establish standards for the placement of Indian children in foster or adoptive homes, to prevent the breakup of Indian families, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. UDALL (for himself, Mr. EVANS of Georgia, Mr. STANTON, Mr. ECKHARDT, Mr. NEAL, Mr. PREYER, and Mr. COHEN):

H.R. 12534. A bill to amend the tax laws of the United States to encourage the preservation of independent local newspapers; to the Committee on Ways and Means.

By Mr. UDALL (for himself and Mr. STAGGERS) (by request):

H.R. 12535. A bill to authorize the Secretary of Energy to enter into cooperative arrangements to contain and to reduce potential radiation exposure from residual radioactive materials, and for other purposes; jointly, to the Committees on Interior and Insular Affairs and Interstate and Foreign Commerce.

By Mr. PHILLIP BURTON (for himself, Mr. UDALL, Mr. SEBELIUS, Mr. KASTENMEIER, Mr. BINGHAM, Mr. WON PAT, Mr. DE LUGO, Mr. BYRON, Mr. TSONGAS, Mr. FLORIO, Mr. MATHIS, Mr. KREBS, Mr. LAGOMARSINO, Mr. KOSTMAYER, Mr. CORRADA, Mr. MURPHY of Pennsylvania, Mr. HEFTEL, Mr. SEIBERLING, Mr. KAZEN, Mr. WEAVER, Mr. MILLER of California, Mr. BEILENSON, and Mr. VENTO):

H.R. 12536. A bill to provide for increases in appropriations ceilings, development ceilings, land acquisition, and boundary changes in certain Federal park and recreation areas, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. BENNETT (for himself, Mr. SPENCE, Mr. BOB WILSON, Mr. EMERY, Mr. TRIBLE, Mr. MCDONALD, Mr. BYRON, and Mr. BRECKINRIDGE):

H.R. 12537. A bill to authorize appropriations for fiscal year 1979 for the Department of Energy for conservation, development, and use of naval petroleum and oil shale reserves, and for other purposes; to the Committee on Armed Services.

By Mr. BRINKLEY:

H.R. 12538. A bill to amend the Federal Civil Defense Act of 1950 to allow Federal civil defense funds to be used by local civil defense agencies for natural disaster relief,

and for other purposes; to the Committee on Armed Services.

By Mr. BRINKLEY (for himself and Mr. CARTER):

H.R. 12539. A bill to amend title 10 of the United States Code to provide essential medical and dental care to members or former members of a uniformed service and their dependents where the member or former member is entitled to retired or retainer pay or equivalent pay; to the Committee on Armed Services.

By Mr. BRINKLEY (for himself and Mrs. SCHROEDER):

H.R. 12540. A bill to provide third-class mailing privileges to Gold Star Wives of America, Incorporated; to the Committee on Post Office and Civil Service.

By Mr. BYRON:

H.R. 12541. A bill to amend section 2040 of the Internal Revenue Code of 1954 to provide that a spouse's services shall be taken into account in determining whether that spouse furnished adequate consideration for jointly held property for purposes of qualifying for an exclusion from the Federal estate tax; to the Committee on Ways and Means.

By Mr. CARR:

H.R. 12542. A bill to provide for the suspension of the sales of defense articles and services described in the transmittals numbered 78–32, 78–33, 78–34, and 78–35 which were submitted by the President to the Congress pursuant to section 36(b)(1) of the Arms Export Control Act on April 26, 1978, if the respective recipient country engages in or facilitates international aggression against another country; to the Committee on International Relations.

By Mr. ECKHARDT:

H.R. 12543. A bill to provide for assistance to certain owners of property damaged by flood waters at the Galveston Bay project at Baytown, Tex.; to the Committee on Public Works and Transportation.

By Mr. FRENZEL:

H.R. 12544. A bill to amend the tariff schedules to provide for mixed animal feeds containing soybeans; to the Committee on Ways and Means.

By Mr. GUYER:

H.R. 12545. A bill to amend section 44A of the Internal Revenue Code of 1954 to allow all qualifying individuals to take into account employment-related expenses incurred for services outside the taxpayer's household in determining the credit for expenses for certain household and dependent care services under such section; to the Committee on Ways and Means.

By Mr. HOLLAND (for himself, Mr. BROYHILL, Mr. NIX, Mr. FLOWERS, Mr. FLORIO, Mr. KREBS, Mrs. HOLT, Mr. EVANS of Georgia, Mr. EMERY, Mr. WHITLEY, Ms. MIKULSKI, Mr. WALKER, Mr. ANDREWS of North Carolina, Mr. GINN, Mr. WHITTEN, Mr. BOB WILSON, Mr. VENTO, Mr. KILDEE, Mr. MITCHELL of New York, Mr. STUMP, Mr. DELANEY, Mr. BAUCUS, Mr. CONTE, Mr. STANTON, and Mr. MCKINNEY):

H.R. 12546. A bill to amend the Trade Act of 1974; to the Committee on Ways and Means.

By Mr. JEFFORDS (for himself, Mr. BUCHANAN, Mr. GOODLING, Mr. RYAN, Mr. WOLFF, and Mr. YATRON):

H.R. 12547. A bill to amend the Foreign Assistance Act of 1961 providing that in issuing guaranties for housing projects in less developed countries, the President give preference to projects using solar energy, where feasible; to the Committee on International Relations.

By Mr. LUJAN:

H.R. 12548. A bill to amend section 330 of the Public Health Service Act to provide grants for developmental and demonstration projects relating to the provision of health services to medically underserved populations; to the Committee on Interstate and Foreign Commerce.

By Mr. LUJAN (for himself and Mr. RUNNELS):

H.R. 12549. A bill to amend the Internal Revenue Code of 1954 to provide tax incentives for investment in small corporations doing research in the area of energy development and conservation; to the Committee on Ways and Means.

By Mr. MEEDS:

H.R. 12550. A bill to authorize the establishment of the Ebey's Landing National Historical Park in the State of Washington, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. ROE:

H.R. 12551. A bill to postpone for 1 year (until January 1, 1978) the effective date of the recently enacted provision which eliminates the monthly earnings test under section 203 of the Social Security Act; to the Committee on Ways and Means.

By Mr. STUMP (for himself, Mr. DE LA GARZA, Mr. HILLIS, Mr. DON H. CLAUSEN, Mr. BAUMAN, Mr. GOLDWATER, Mr. WHITEHURST, Mr. ARMSTRONG, Mr. EDWARDS of Oklahoma, Mr. DORNAN, Mr. BURGENER, Mr. YOUNG of Alaska, Mr. HUCKABY, Mr. KELLY, Mr. BOWEN, Mr. MONTGOMERY, Mr. SANTINI, and Mr. SKELTON):

H.R. 12552. A bill to remove residency requirements and acreage limitations applicable to a land subject to reclamation law; to the Committee on Interior and Insular Affairs.

By Mr. ZEFERETTI (for himself, Mr. BADHAM, Mr. HYDE, Mr. ICHORD, Mr. KETCHUM, Mr. LAGOMARSINO, Mr. MATHIS, Mr. MCDONALD, Mr. SPENCE and Mr. WAGGONNER):

H.R. 12553. A bill to amend title 28 of the United States Code, to provide for an exclusive remedy against the United States in suits based upon acts or omissions of U.S. officers and employees routinely assigned to perform investigative, inspection, or law enforcement functions, and for other purposes; to the Committee on the Judiciary.

By Mr. HEFTEL:

H.R. 12554. A bill to amend the Internal Revenue Code of 1954 to provide for individuals a 20-percent maximum rate of income tax for certain amounts of dividends from common stock of domestic corporations; to the Committee on Ways and Means.

By Mr. MOORE (for himself, Mr. FINDLEY, Mr. FISH, Mr. FITHIAN, Mr. FORSYTHE, Mr. FUQUA, Mr. GILMAN, Mr. GLICKMAN, Mr. GOLDWATER, Mr. GORE, Mr. HIGHTOWER, Mr. HILLIS, Mr. GREEN, Mr. HORTON, Mr. HYDE, Mr. JONES of Tennessee, Miss JORDAN, Mr. LEACH, Mr. LENT, Mrs. LLOYD of Tennessee, Mr. LUKEN, Mr. MCCLOSKEY, Mr. MCKINNEY, and Mr. MADIGAN):

H.J. Res. 886. Joint resolution designating July 1, 1978, as "National Free Enterprise Day"; to the Committee on Post Office and Civil Service.

By Mr. ARCHER (for himself, Mr. BROWN of Michigan, Mrs. LLOYD of Tennessee, Mr. ROUSSELOT, Mr. MURPHY of Pennsylvania, Mr. LOTT, Mr. WINN, Mr. KEMP, Mr. MCEWEN, Mr. CLEVELAND, Mr. CEDERBERG, Mr. BROWN of Ohio, Mr. FLOOD, Mr. ABDNOR, Mr. WYDLER, Mr. JONES of Tennessee, Mr. BAFALIS, Mr. KETCHUM, Mr. RUPPE, and Mr. STOCKMAN):

H. Con. Res. 603. Concurrent resolution expressing the sense of Congress regarding the imposition of an import fee on crude oil; to the Committee on Ways and Means.

By Mr. FUQUA:

H. Con. Res. 604. Concurrent resolution disapproving proposed regulations of the Department of the Treasury requiring centralized registration of firearms and other matters; jointly, to the Committees on the Judiciary, and Ways and Means.

By Mr. KEMP (for himself, Mr. HANLEY, Mr. KELLY, Mr. TREEN, and Mr. YOUNG of Florida):

H. Res. 1163. Resolution to reaffirm the use of our national motto on currency; to the Committee on Banking, Finance and Urban Affairs.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

396. By the SPEAKER: Memorial of the Legislature of the State of Nebraska, relative to requesting that Congress call a convention for the purpose of proposing an amendment to the Constitution of the United States relative to the right of life; to the Committee on the Judiciary.

397. Also, memorial of the Legislature of the State of Nebraska, relative to deferred compensation plans for public employees; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. COHEN introduced a bill (H.R. 12555) for the relief of Russell W. Allen; which was referred to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

459. By the SPEAKER: Petition of the Local School Advisory Committee of Grant Elementary School, Salem, Oreg., relative to increasing Federal support for elementary and secondary education; to the Committee on Education and Labor.

460. Also, petition of the Planning Board of the County of Camden, Pennsauken, N.J., relative to the proposed Veterans' Administration hospital in Camden; to the Committee on Veterans' Affairs.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H. CON. RES. 559

By Mr. FRASER:

In the matter relating to the recommended level of Federal revenues raise the amount by $108 million;

In the matter relating to the appropriate level of total new budget authority raise the amount by $435 million;

In the matter relating to the appropriate level of total budget outlays raise the amount by $363 million;

In the matter relating to the amount of the deficit raise the amount by $255 million;

In the matter relating to function 500 raise the amount for budget authority by $435 million; and raise the amount for outlays by $390 million.

In the matter relating to function 600 lower the amount for outlays by $27 million.

EXTENSIONS OF REMARKS

JIMMY LILE

HON. BILL ALEXANDER

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 3, 1978

● Mr. ALEXANDER. Mr. Speaker, the fine art of knifemaking is alive and well in Arkansas in the form of one Jimmy Lile of Russellville. Jimmy has achieved worldwide fame from what once was a hobby. Recently the Associated Press in Arkansas ran a feature story on this craftsman. I commend it to my colleagues:

(By Jo Wheelan)

RUSSELLVILLE, ARK.—Knife-making, which evokes images of burly artisans sweating over backwoods forges, seems to fit Jimmy Lile, a white-haired, affable man with work-scarred hands.

Aided by two assistants in a shop just off his Russellville, Ark., kitchen, Lile, 44, earns a comfortable living, and has achieved worldwide fame from what once was a hobby.

Owners of Jimmy Lile knives include King Carl Gustav IV of Sweden and former President Richard Nixon. Two Lile creations—a Bowie knife and an Arkansas "toothpick," a long fighting knife—share a spot among the U.S. Bicentennial memorabilia.

The knife blades are ground in the Lile workshop from long, slender bars of a metal known as D2, which is mostly iron and chromium, with some carbon and molybdenum. After being heat-treated in an electric furnace, the blades are sharpened to a fine edge on hard Arkansas and Ouachita oilstone, stone so hard that diamond saws are used to cut it.

He fashions the knife handles out of ivory taken from elephant tusks, India stag antler, wood and German silver. Then come the frills: exquisitely carved tigers, quail and folio-like etchings of old-time hunting scenes.

His most recent innovation is a pocketknife that locks open and shut with a muted click. He's trying to patent it. A pocketknife with two blades that lock open and shut will be introduced in two years, he says.

Much of Lile's work is made-to-order; some he sells at handicraft shows.

Lile's cutlery sells for up to $5,500, and it can be found displayed in the showcases of nobility, concealed in the boots of law enforcement officers and airline pilots and dangling from the belts of hunters.

Nixon was given a Lile Bowie knife by the late Sen. John McClellan, D–Ark., to commemorate the completion of the Arkansas River Navigation System, a project that opened up Arkansas and Oklahoma to heavy shipping.

A friend of King Carl Gustav ordered a pearl-handled pocketknife for the Swedish sovereign.

But Lile isn't one to rest on his laurels. Out of the shop off the Lile kitchen come up to 500 knives a year.

"I call it a family operation. I try to keep it small and efficient," Lile says. He says that's why he is successful.

It wasn't always that way, though. Until eight years ago, when he became a full-time knife-maker, Lile was a teacher, coach, general contractor and construction superintendent.

He made knives during his spare time during those years. Some of those times were lean, like the time he went broke as a general contractor.

Instead of filing for bankruptcy, I paid it all back with interest—$164,000."

And he paid off his debts in the same way he financed his college education—by making knives.

His determination to repay his debts endeared him to the banks. When he needed a loan to start his knife-making venture, he had little trouble getting it.

"They knew that if they kept me alive, I'd pay them back," Lile said.●

TEXANS VIEW GAS FIGHT AS ECONOMIC "ALAMO"

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 3, 1978

● Mr. TEAGUE. Mr. Speaker, it is important for others to know and understand that many Texans will continue to fight against the so-called agreed plan which purports to deregulate prices for new gas by 1985, but would do it by extending regulations in the meantime.

I call your close attention to a forceful editorial on that subject from a recent issue of the Fort Worth Star-Telegram. The editorial was accompanied by an effective cartoon which pictured artillery—labeled "National Energy Policy"—manned by "the Northeast" and pointed directly at an Alamo style fortress—labeled "Texas Economy".

The Star-Telegram editorial:

GAS BILL COULD BE "ALAMO"

For the man on the street, the inclination may be to greet with a sigh of relief the House-Senate conference committee's agreement on a natural gas deregulation plan. The tendency is to feel that now, at least, we will have an energy program.

But that's a mistaken attitude for any man on the street, and particularly if he is on a street in Texas or one of the other gas and oil producing states.

The basis of the mistake is the assumption that just any old energy program is better than none at all. That, in turn, is based on the belief that any program would get us on the road, however haltingly, toward a solution to the nation's energy problems.

Those are false beliefs and assumptions. The Carter energy program—if enacted in full with its federal controls, allocation authority and crude oil tax—would be in essence an abandonment of the principles of free enterprise that have been the secret of this nation's prosperity. It would strip away incentives for exploration and production of energy resources while, at the same time, forcing the consumer to pay higher prices for the energy available due to the added taxes.

The long-term result of these policies would be to yield no progress toward reducing imports of foreign oil and bolstering the dwindling value of the dollar. Such progress, in the final analysis, hinges on the U.S. ability to increase domestic energy production, a point the president and his advisers seem totally blind to.

As for the natural gas portion of the plan specifically, the compromise agreement holds a special threat to Texas. It poses the enticing possibility of deregulation of new gas prices by 1985, a measure that would give incentive for new discoveries.

But it also extends price regulation, meanwhile, to the intrastate market. Texas has thrived on the unregulated gas market, which let prices rise, to be sure, but also offered the incentives necessary to assure a supply of the precious fuel adequate to meet the demands of the growing Texas economy.

Regulation in the intrastate market could mean an extension to Texas of the problems that have plagued those who for years have been depending on the controlled interstate market—insufficient supplies, loss of industry, loss of jobs.

Another joker in the gas deregulation deck is the presidential authority for allocation of supplies in an emergency. One point the man on the street must realize is that allocating fuels means allocating the industry that depends on those fuels. And allocating industry means allocating jobs.

The bill contains assurances that such allocation would be done only in cases of "genuine emergency." In practice, however, such matters tend to be handled on the basis of political expediency rather than economic necessity.

In other words, the gas—and the industry and the jobs—may be expected to flow in the direction of the most votes.

In the gas deregulation bill (actually a misnomer, since for the time being it actually regulates more gas, intrastate as well as interstate), the boost of the controlled price to $1.75 from the present $1.42 would be slightly and temporarily beneficial in stimulating production.

But the price of the short-term benefit, in terms of the long-range detriment to progress toward a real solution to the energy crisis, promises to be indeed exorbitant.

Politically, the gas agreement may be a victory for President Carter. Indeed, it seems to have been awarded to him by the conferees as a sort of birthday present one year from the date of his presentation of his energy package to Congress.

But for Texas and Texans, it may well be an economic Alamo. The best hope for the state's economic future, at any rate, would be for its representatives in Congress, its leaders at home and all its citizens to keep up the fight on the chance that it may be followed by a San Jacinto.●

COMMEMORATION OF POLISH CONSTITUTION DAY

HON. BARBARA A. MIKULSKI

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 3, 1978

● Ms. MIKULSKI. Mr. Speaker, I would like to take this opportunity to commemorate the Polish May Third Constitution of 1791. The entire history of Poland and particularly the May Third

Constitution of 1791 stand as enduring tributes to the unswerving dedication of the Polish people to the principles of freedom, justice, equality, social progress, and individual liberty. It is an unfortunate fact of history that although the Polish people have cherished freedom, tyrannical neighbors and leaders have made Polish liberty more a dream than a reality.

The citizens of Poland today are not free to practice the principles of the May Third Constitution. But it is the great triumph of the Polish people that the spirit of freedom has never died—neither in Poland nor in the lands to which Polish sons and daughters immigrated.

Americans owe much to Poland and her people. In times of national crisis Polish Americans have always responded with honor. When our founding fathers were engaged in a life and death struggle for independence and liberty, two Polish patriots were largely responsible for improving the effectiveness and fighting qualities of American troops who they trained and helped to lead.

Throughout the long history of our Nation, freedom-loving Polish immigrants have contributed their skill and hard work to make this country great. Polish immigrants brought with them their humanitarian ideals and love of liberty, they added strength and durability to our American character. Above all, they have consistently championed our Nation's freedom and have courageously defended it on battlefields throughout the world.

Cardinal Stefan Wyszynski, the Primate of Poland, symbolizes the principles set out in the May Third Polish Constitution of 1791. This great humanitarian has devoted his life to the cause of freedom for all people. The leader of Polish Catholics, Cardinal Wyszynski has defended the human rights of all men and women regardless of race, religion, or political affiliation. This man has had the courage to oppose the Communist government of Poland when he felt that it did not properly represent the interests of the people. The Primate of Poland has sought to mend relations between Germany and Poland in an effort to rid the people of ancient prejudice and hatred. Cardinal Wyszynski strongly defended the Polish Jews who have been removed from their homes and jobs by the Polish Government. At a time when the press and radio tried to poison the social atmosphere with antisemitism, the moral leader of the nation preached love.

I have recently added my voice to those who wish to nominate Cardinal Wyszynski for the Nobel Peace Prize. The 1978 Nobel Peace Prize would be a long deserved public recognition of Cardinal Wyszynski's great contribution to our world society.

As we celebrate this anniversary of the Polish May Third Constitution we must rededicate ourselves to the principles of freedom and human rights contained in this historic document. We must recognize that all peoples are imbued with certain inalienable rights and we must remain eternally vigilant to insure these rights for ourselves so this Nation may continue to serve as the symbol of hope for oppressed peoples everywhere. For the people of Poland and for other oppressed millions, a strong and free America still represents hope for freedom and justice. It is my hope that future anniversaries of Polish Constitution Day will be celebrated in a free and independent Poland.●

SUN DAY

HON. BALTASAR CORRADA

OF PUERTO RICO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 3, 1978

● Mr. CORRADA. Mr. Speaker, today, May 3, 1978, the people of the United States celebrate the day of the Sun. As Earth Day in April 1970 raised our national conscience to the grave threats to our health and well-being by the insidious pollution of our air and water, it is my hope that Sun Day will mark the beginning of a nationwide recognition of the Sun as a provider of new sources of energy.

Yet, it is equally important not only to view the Sun as another potential energy resource, but also as the most viable alternative with which we count today. The promise solar energy holds as an environmentally sound, renewable and, in the long term, economical solution to our critical energy problems, must be fulfilled by all Americans. To celebrate Sun Day means that we are actually on the way toward the realization of this promise.

It is particularly encouraging to see how quickly we have come to the realization that solar energy is a workable source for our developmental stability and growth. Today we point to solar energy industries that are already past the initial planning stages and are ready for further development and evaluation of their products. For instance, a 10-megawatt solar thermal electric generating plant is now under construction near Barstow, Calif. It is expected to be operational within the next 3 years.

Currently pending before the Congress are a number of bills dealing with and encouraging the use of solar energy and solar energy research. These range from the proposal to install a solar satellite capable of capturing the Sun's rays in space and transmitting them back to the Earth in the form of microwaves; to the promotion of solar technology use through SBA loans. In addition, the House Science and Technology Committee has increased the authorization levels for solar energy research, development, and demonstration by $134.7 million to a total of $476.2 million for fiscal year 1979. It is our hope to advance solar energy technology to the point where it will be part of our everyday lifestyle and, in this manner, lead a worldwide commitment for the further development of solar energy.

I am happy to announce that in Puerto Rico we are today unveiling a number of programs and plans to commemorate the occasion. The celebration will begin today at 10:30 a.m. with a declaration by Gov. Romero-Barceló proclaiming May 1 as Sun Day throughout the island. Under the name of "Encounter with Solar Energy" and sponsored by Green Energy, an environmentalist organization, in coordination with the Puerto Rico Office of Energy and the Environmental Quality Board, the celebrations will continue through Sunday, May 7.

Some of the initiatives announced today include the inauguration of a solar heater in the laundry facilities at La Fortaleza, the Governor's executive mansion in Old San Juan. In addition, the Center for Energy and Environment Research, under a grant from the Department of Energy, is studying the possibilities of installing a system of photovoltaic energy cells to provide for water heating facilities for their building, as well as two adjacent hospitals. The Department of Housing has determined that any future public housing construction will include solar water heating faciilties. The Puerto Rico Water Resources authority, in collaboration with the Department of Energy is constructing a windmill in Culebra, an island municipality off the coast of Puerto Rico. The windmill, which will generate 200 kilowatts of energy, is expected to deliver half the energy power required by the 750 year-round inhabitants of that small island.

Lastly, an advanced solar technology, ocean thermal energy conversion, is of great interest to Puerto Rico. With its location adjacent to the second deepest trench in the world, Puerto Rico is a perfect site for experiments in this technology. Indeed, the Department of Energy and the Puerto Rico Office of Energy have discussed the current development of this technology. I am pleased to note that the Science and Technology Committee has recommended a $62.1 million authorization for ocean thermal conversion.

Puerto Rico is an island which thrives on its tropical formation and geographic location. We have long enjoyed the economic benefits derived from our tourism trade, a trade which is the direct result of our island having been blessed by the Sun's rays. We are now committed to the development of the energy technology available from the Sun, thus continuing and expanding our search for new and more advanced sources of energy.

Our commitment toward solidifying the fragile cohesion of Puerto Rico's economic and ecological factors can only help but benefit from whatever advantages we obtain in this area.

I trust that Sun Day is not merely regarded as the heralder of a distant goal. Solar energy is no longer an impossible dream. Instead, let us record this day as one of national acceptance—not just recognition—of the fact that solar energy is here to stay.●

THE BIG CARRIER: A SURVIVABLE, PRACTICAL WEAPON

HON. G. WILLIAM WHITEHURST

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 3, 1978

● Mr. WHITEHURST. Mr. Speaker, the House Armed Services Committee will be recommending to the House inclusion of an additional *Nimitz* class nuclear powered aircraft carrier in the 1979 defense authorization bill. The case for this ship has been made in a most convincing column published today in the Wall Street Journal. John Lehman, the author of this article, "The Big Carrier: A Survivable, Practical Weapon," is former Deputy Director of the Arms Controls and Disarmament Agency. Very shortly the House will give consideration to this measure. I hope that all of my colleagues will take the time to read this article, which is as fine a statement as I have read in support of the large nuclear powered aircraft carrier.

THE BIG CARRIER: A SURVIVABLE, PRACTICAL WEAPON

(By John Lehman)

To the surprise of many, Congress is about to authorize another large aircraft carrier. How has it come to be that after enlightened administration and media defense commentators had relegated the "supercarrier" to the same fate as the horse cavalry and the battleship, a broad coalition of conservatives, moderates and liberals has emerged in support of building yet another large carrier, and of maintaining a 13-carrier force into the next century?

The reason is that the Carter administration itself has presented a compelling case to Congress in support of large carriers. In February and March of this year the administration submitted two of the most thorough and exhaustive analytical studies ever completed on naval force planning. The first submitted was the Sea-Based Air Platform study analyzing the cost-effectiveness and "survivability" of small, medium and large aircraft-carrying ships. The second was the Sea Plan 2000 study analyzing mission requirements and force levels for the U.S. Navy for the period 1978–2000.

The fact that the Carter administration successfully completed these difficult studies in less than a year and submitted them to Congress without censoring or deletions is much to its credit. That the President and his senior advisers ignored the studies completely as they submitted a drastically reduced fiscal 1979 Navy budget without a carrier, and with the shipbuilding program cut in half, is another example of the failure of the administration's decision-making process.

The overwhelming nature of the data surprised many in Congress. In the words of a former McGovernite, Sen. Gary Hart of Colorado, "It (the first study) demonstrates that the Nimitz-class carrier is individually the most effective and most survivable ship."

It also demonstrates that there is no battle advantage in going to more numerous dispersed smaller carriers. A battle group with three dispersed 30,000-ton carriers will not fare better against an attack of 60 Soviet cruise missiles than a battle group with one 90,000-ton carrier. Because of the larger carrier's massive armoring of propulsion and magazine, its greater relative compartmentalization and the structural strength necessary to handle the stress loads of catapulting and arresting 35-ton aircraft, big carriers can absorb a surprising number of hits and keep fighting. Small ships cannot.

These findings are consistent with actual experience. In World War II, U.S. aircraft carriers were struck 42 times. Five carriers, all constructed before the war began, were sunk but only one was sunk directly by enemy forces.

In 1969, nine large bombs exploded on the deck of the Enterprise, the first nuclear carrier. This was the equivalent of its being hit with at least six SSN3 Soviet cruise missiles, yet she was judged to have been able to have resumed flight operations within several hours.

Land bases in all three recent wars proved to be far more vulnerable to complete loss than carriers and at least as vulnerable to mission-interference damage. Several hundred U.S. operating air bases were completely lost in World War II. In Korea all air bases were captured by the North Koreans in the first five days. In Southeast Asia, of the dozens of major air bases constructed by the United States since 1960, not one remains in U.S. hands. By 1973 the United States had lost more than 400 aircraft destroyed and 4,000 damaged on the ground in South Vietnam.

As our foreign air bases dwindle (now fewer than 30) with little evident support for new base commitments, and with the cost of foreign bases currently running about $100 million each for rental alone, carriers may be called upon to cover a larger area of the world in the future.

An interesting finding of the Sea Plan 2000 study is that U.S. surface combatants in general and carrier battle groups in particular will become less vulnerable over the next decade and beyond. That is because the expected progress of the Soviet cruise missile, attack bomber and submarine threat will be more than matched by three U.S. developments. The first is the now-deployed F–14/Phoenix fleet air defense system, to be supplemented in the '80s by the A–18. The second is the introduction to the fleet of the Aegis air defense system for close-in defense against missiles that penetrate the fighter barrier. Third, there have been a number of important advances in antisubmarine warfare.

Perhaps the greatest contribution of the two studies was in demonstrating the capability of a 13-carrier, 600-ship navy to fight and win in areas of highest Soviet capability. These findings make it difficult to defend the Carter policy of relegating the Navy to a tertiary role in defending NATO. The ability of the carrier battle groups to prosecute a forward strategy on the NATO flanks, the northwest Pacific and the Persian Gulf and Mideast will do far more to deter Soviet adventures than a 3 percent increase in firepower or stocks in Germany.

The debate in Congress is now not whether there should be another big carrier, but which of the two competing alternatives, the 90,000-ton nuclear Nimitz class or the 65,000-ton oil-powered class, should be authorized this year. The case for nuclear propulsion is rather compelling from a military standpoint.

The Secretary of the Navy, W. Graham Clayter, argues that three smaller carriers can be got for the price of two larger. That argument would probably carry the day if the administration wanted to buy three, but it does not. Admiral Holloway, the Chief of Naval Operations, has testified that if procurement is to be only one ship, it should be the big carrier. Secretary Clayter has said that if Congress wants a big carrier he will build it "with enthusiasm." It now seems likely he will have the opportunity to do just that.

IMPROVING GOVERNMENT REGULATIONS

HON. WILLIAM H. HARSHA

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 3, 1978

● Mr. HARSHA. Mr. Speaker, last year when the Office of Management and Budget was in the process of drafting Executive Order 12044 on improving Government regulations, I submitted a series of recommendations which I felt would make the final document much more effective in eliminating needless regulations, giving the public more opportunity for comment, providing business groups better notice and avoiding harsh economic impact on small businesses.

The Executive order signed by the President on March 23, 1978, I am pleased to say, incorporates several of my recommendations in general form. I have no pride of authorship, so I am pleased that these changes were made. I believe they will be helpful to the public and to the private sector. There is one deficiency, however, on which I will comment later .

The general approach of the Executive order is desirable, for indeed we do need an established administration policy of issuing regulations only after the views of the public—and those being regulated—have been considered. And certainly we do need a review of existing regulations; a reform of the regulations development process; regulatory analysis; better notice; more specific conditions on the issuance of regulations; and specific processes for regulatory implementation. All of these are areas in which regulatory bodies in varying degrees have been, and are now, deficient.

Far too often under the existing regulatory system the public has not been able to find anybody ready to take credit for a particularly burdensome regulation. There's got to be someone who is accountable. Therefore, I urged inclusion in the final order of a provision requiring that the head of each agency "shall approve significant regulations before they are published for comment in the Federal Register." I am pleased to see that requirement is retained in the official document. In addition. the final order includes eight specific determinations the agency head must make before he signs significant regulations.

In my letter to OMB last year, I specifically urged that some provision be included which would allow publication in journals other than the Federal Register of a proposed semiannual agenda of regulations that will be reviewed for possible revision or elimination. It has always been a mystery to me why the bureaucrats think everybody outside Washington reads the "Bureaucrats Bible," which is the Register. You and I know that certainly is not the case. I commented that this agenda "should be carried in publications more likely to be seen by the public and the industries

which might be affected so more public input prior to regulatory issuance can be obtained."

While the final order does not adopt my suggestion verbatim, it does include in section 2(c)(3) on "opportunity for public participation" language authorizing agencies to send notices of proposed regulations to "publications likely to be read by those affected." That is certainly a step in the right direction.

My recommendations last year also emphasized the need for stressing elimination rather than simply review of existing regulations. While this suggestion also is not specifically adopted, the final order's section on review of existing regulations calls for review to determine "continued need for the regulation" and the "need to eliminate overlapping and duplicative regulations." That also is a step in the right direction.

The final order signed by the President, however, has a defect which I feel may have serious consequences for small businesses. When I reviewed the draft order last year, I noted that it contained a $25 million threshold on monetary damage to trigger a regulatory analysis. My view was that this level was entirely too high because while an impact of that magnitude might not impact on large businesses, it could destroy small ones. My comment concluded, "large companies have the resources to follow rulemaking proceedings, the corner drug store does not."

I regret to report that not only was my suggestion to reduce this figure to $10 million not followed, the final order increases the triggering threshold to $100 million. Background comment published in the Federal Register admits that the "most frequent criticism of the EIS criteria was that the individual industry threshold * * * was too high." Yet the order adopted, and argues for, a $100 million threshold to trigger a regulatory analysis on the basis that this amount is identical to the criterion used in the economic impact statement program. However, the background emphasizes this is a general requirement which allows each agency to propose the specific threshold level appropriate for its programs.

In conclusion, Mr. Speaker, I do commend the administration for the noble aim and general content of Executive Order 12044, and the improvements that were made in the final order. But I wish the administration would be a little more conscious of the economic problems of small businesses and how serious a financial drain they sustain in complying with Federal regulations.●

A TRIBUTE TO EDITH B. ROBINSON

HON. DALE E. KILDEE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 3, 1978

● Mr. KILDEE. Mr. Speaker, I am proud to be able to call to the attention of my colleagues in the Congress to the reunion and testimonial to be held this Sunday, May 7, 1978, in Flint, Mich., in honor of Edith B. Robinson.

Mrs. Robinson, who is 85 years old, will be honored for her many years of outstanding community service by her many friends and admirers. Her love for people led her to the position of the first Negro recreational worker hired by the city of Flint as director of the Clifford Street Community Center. She organized five homemakers clubs in Flint that have active involvement in school, church, education, politics, civic affairs, and other organizations. These clubs give annual scholarships to students. She organized the City Association of Colored Women's Clubs, the King's Daughters, the Gleaners Circle, the Thursday Afternoon Club, and several young and old singing groups. For 29 years she served as pianist and director of the choir at Mount Olive Bapist Church, and she is a founding member of First Trinity Baptist Church. She was the first woman to receive the Sojourner Truth Award from the Negro Business and Professional Women's Club of Flint.

Mrs. Robinson is an admirable example of how one dedicated person, with enthusiasm, talent, and concern, can improve the lives of many others.●

ANNIVERSARY OF THE TRADITIONAL INDEPENDENCE DAY OF POLAND

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 3, 1978

● Mr. DERWINSKI. Mr. Speaker, I would like to take this opportunity to again this year, call the attention of the Members to an important date in the history of Poland. On May 3, free Poles throughout the world will celebrate an important Polish national holiday—the Polish 3d of May Constitution Day. This is an important reminder to all, that Poland was one of the first pioneers of progressive thought in Europe.

It was on May 3, 1791, that Poland adopted a constitution that led to a reform of its internal politics and asserted its independence. But it came too late, and it could not do enough to halt the third partition of Poland in 1795 by Russia, Prussia, and Austria.

Even though the Constitution did not have time to take hold, this was one of the momentous events in Polish history. Through the years, this spirit embodied in the Polish constitution has never died in the hearts of Poles who have remained in their native land or who have migrated to other countries. The day serves as a time for remembering and honoring this proud event.

While many invasions and subsequent partitions have prevented Poland from developing her democratic ideals into a permanent independent government, setbacks have failed to break the spirit of the Polish people. Poles everywhere are confident that their future will see a flourishing Poland, inspired by her great traditions and ideals.

It is particularly fitting for Americans to pay tribute to this major contribution to democracy in the world. Even more so, we honor the event since the United States was able to build and grow on its own constitutional government, while Poland, as early as 1795, was subjected to partitions and exploited by neighboring countries. This day also serves as a reminder of the close links between this Nation and the free Poland that existed prior to the outbreak of World War II.

While their historic homeland remains under the shadow of Soviet control, the Polish people in free lands proudly commemorate this day of Polish democracy and freedom. They look forward to the time when they will truly have independence both in the national life of Poland and the individual lives of its citizens.●

POLISH CONSTITUTION DAY

HON. JAMES J. DELANEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 3, 1978

● Mr. DELANEY. Mr. Speaker, it is my sincere wish that today the Members of the House will join with the 10 million Americans of Polish ancestry in commemorating the 187th anniversary of the Polish Constitution of 1791. That noble work, closely modeled after our own, was a benchmark in the struggle of men to form governments by the consent of the governed.

Its Easter recess completed, the Polish Diet reconvened on May 2, 1791. At the time, Russia and Austria were preoccupied with a war against Turkey. This diversion afforded the Poles the opportunity to press on with the formulation of their constitutional reforms—their bill of rights—without disruption. On the morning of May 3, Stanislaus Augustus produced the draft of the new document and the overflowing crowd responded with joyful cries of "zgoda! zgoda!"

Reflecting upon the event, Baron d'Escare wrote:

In France, to gain liberty, they began with anarchy; in Poland, the nation was given liberty and independence, the respect for law, for person and property was assured, and all this without violence, without murder, solely through the virtue of the courage of the nation. . . .

Tragically, the ever wary Russian bear was not to be satiated so easily. The dictator of the day, Catherine the Great, harbored great misgivings about such democratic developments; particularly those occurring on her doorstep. She regarded the Polish reformers as "the Jacobins of Warsaw" and asserted that the new Constitution would produce "disorders analogous to those of France." The Turkish war ended soon after, giving Catherine the chance to set out after the "enemy in Poland." In a scene sadly foreshadowing events of World War II and thereafter, she ordered Russian troops to cross the frontier on April 8, 1792. Despite valiant efforts by many courageous Poles; foremost among them being Thaddeus Kosciuszko, the Polish-American hero of our own Revolutionary War; the Russian horde crushed all resistance. The

Constitution of 1791 was abolished as a "dangerous novelty" and Catherine ruled the conquered country through a puppet Confederation. Finally, in the last act of humiliation, Poland was partitioned on September 23, 1793, and lost all of her eastern provinces to the Russians.

Mr. Speaker, today, 187 years later, the nationalistic spirit and the Christian faith of the Polish people remains strong and resolute. Let us never forget the aspirations for freedom and liberty-under-law voiced by them in 1791. And let us all pray that their day of true national liberation will soon be at hand.●

JOHN GABRIEL TO RECEIVE MAN OF THE YEAR AWARD

HON. GEORGE E. DANIELSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 3, 1978

● Mr. DANIELSON. Mr. Speaker, it is my privilege to call to the attention of the House of Representatives that John A. Gabriel, of Montebello, Calif., will be awarded the Beverly Hospital Foundation's first annual Man of the Year award on May 12, 1978.

John Gabriel is truly a self-made man and is now one of the most respected and prominent residents of my congressional district. Born of immigrant Armenian parents, he started himself in the paper and cardboard recycling business long before it became either a popular or a profitable venture. Through hard work and great wisdom, he has earned remarkable success in the business world.

His efforts did not stop there, however, as evidenced by the award that he will be receiving from the Beverly Hospital Foundation. John Gabriel was selected as Man of the Year, because of his involvement with and support of Beverly Hospital in Montebello, as well as for his service to the community through many other local and areawide civic organizations and for his contribution to the business world.

John Gabriel was born in the neighboring east Los Angeles area and has spent his entire 61 years in that area—the last 30 in Montebello. He is president and chairman of the board of the Garfield Bank, Gabriel Enterprises, Gabriel Container Corp., and a number of other local corporations.

He was elected to the Board of Directors of the Beverly Community Hospital Association and still serves on that board.

John is also a past chairman of the board of the Montebello-East Los Angeles Salvation Army and the East Los Angeles Rotary Club, as well as a member of the board of the Immanuel Armenian Congregational Church and a member of Al Malaikah Shrine Temple.

I want to commend the Beverly Hospital Foundation for making an excellent choice for its first Man of the Year Award. It is well-deserved and I know that John, as well as his wife, Agnes, must be very proud.●

THE BASIC QUESTIONS

HON. MICKEY EDWARDS

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 3, 1978

● Mr. EDWARDS of Oklahoma. What kind of society do we want? How do we go about getting there? Those are the basic questions of Government and, unfortunately, the questions least asked.

Too often the Congress provides government by momentum, or government by reaction, or government by pressure. We do what we do because it is what we have been accustomed to doing. Or because we disagree with (or feel a political need to disagree with) what others in Government propose. Or because a larger, or more powerful, block of persons would have us legislate (or refuse to legislate) in a certain way.

And only rarely does somebody stand back and ask: where am I going? How do I get there?

It takes a unique individual to fill that role—a Congressman who is willing to start at ground zero and reexamine the basic assumptions of American politics "at this point in time" (to use a popular redundancy).

Our colleague from New York, JACK KEMP, has undertaken just that kind of a role. He is a man who dares to think in terms of visions of the future; who dares to start the political equation by asking: where am I going? Perhaps it is because JACK is the only Member of Congress who played professional football—and who played as a quarterback, a team leader. Football, of course, is only a game, but, like chess, it can be instructive. It is clear thinking reduced to sport: there is a goal; there are clearly delineated steps indicating how near (or far) one is to (or from) that goal; there are a great many ways of advancing toward the goal, and nobody who plays the game ever says: it can't be done. If one route of advancement is blocked, another is sought.

JACK KEMP has obviously brought those lessons to the Congress.

We have watched him put forth with unusual clarity and vigor an economic stimulus program that runs counter to the prevalent thinking not only in the dominant party, but in his own, minority, party as well. And he has so effectively espoused his program that his own party has adopted it as its own, and increasingly members of the other party are examining it as a viable new alternative.

My biases show: I have admired my colleague not for this program, because I, too, had to reexamine some of my basic economic precepts before I could embrace the system he proposes, but for a concern he and I share. It is a concern for the future of the political party we both belong to, and a conviction, first, that the party and its future is secondary to achievement of the national goal we share (I have referred to it as a goal of prosperity within a framework of maximum individual freedom), and, second, that both the survival of the political party and the attainment of the national goal depend on our party assuming the responsibility of leadership by setting forth clear alternative programs.

I am taking the liberty of sharing with my colleagues a recent speech by Congressman KEMP. It is an important speech. It contains advice that can lead us all toward that goal of maximum achievement in a free society. I hope my colleagues will read it.

A REPUBLICAN RENAISSANCE

(By Hon. Jack Kemp of New York)

Republican Renaissance? It will be nice and it's coming. But the truth is I'm not really interested, first and foremost, in a Republican Renaissance. What I'd rather have, first, is a revival of the American dream, but I don't think we can get from here to there without a revolution in the Grand Old Party.

American Dream? What am I talking about, American Dream? Americans hardly remember what it was, it's been so long since we tasted it. Was it a house with green shutters and a white picket fence, a car in the garage and a chicken in the pot? No, that was a piece of the dream, a material payoff. What we remember of the American Dream was tied up in the idea of America as the land of opportunity, the notion of boundlessness. Here was the one place on earth where you could grow and climb to the limits of your ability. You might never get there. But there was nothing man-made in the way of your try at realizing your potential. If you were born to be a first-rate carpenter or mezzo-soprano, you should be able to get there by extra effort, and if you didn't make it you'd know it was that maybe you just didn't exert yourself enough or your natural talent just wasn't enough. But at least you were better off for the attempt. What poisons that dream is when the System stands in your way, throwing up roadblocks that are really unnecessary. With all your efforts you realize that you're not going to realize your potential, not because of yourself or your ability, but the structure of society . . . that somehow government has held you back or cut you down. And you know, it's not a case of individual sacrifice for the good of all. It's the feeling that the system is so fouled up that neither the individual good nor the collective good is being served.

Somehow, you sense, your opponents are in control, and everything is Mickey Mouse. Whereas at one time, the purpose of government was to create a climate of freedom and opportunity and be the impartial referee, today, government is the competition—it's the other team and it's winning!

Democrats? Did I say Democrats were to blame? I did not. There was a time when I thought they were, but sooner or later, you have to accept the fact that Democrats have been running the show because they've been beating Republicans. When Democrats beat Republicans it is for the same reason that the Yankees beat the Dodgers or the Cowboys beat the Broncos. They're better at what they do. Once Republicans reject competition as the test of value in the political marketplace, the Grand Old Party is in real trouble. But that's what you hear from some Republicans, that Democrats beat Republicans because the poor, ignorant voters just don't know what's good for them. Democracy won't work, a lot of the vanquished GOP faithful will argue, because the voters don't want to elect the good guys. They want to elect Democrats.

Which reminds me of the "Constructive Republican Alternative Proposals of the mid-1960s. After Barry Goldwater went down to defeat in 1964, "the moderates" and the "progressives" stepped forward with a host of ideas on how to rebuild the party. I wasn't on the scene, but from a distance it looked like they were giving in to the idea that

what the voters wanted from Republicans was not more competition, but less. Republicans would try to be more like Democrats, which meant more taxes, more spending, more government standing between the individual, John Q. Public, and the American Dream. (But just a little bit less than the Democrats were offering.) Did the Democrats want to build public housing for the poor? The GOP would build public housing for the middle class. Did the Democrats want to feed the poor? Republicans would have to provide lunches for the middle class. Did Democrats want to educate the poor? Republicans would have block grants that blanket the middle-class with low-interest government loans and tax credits for Middle America's tuition.

If you stop and think about it, the Democrats are on much more solid ground. Government assistance should be for the poor, the deprived, the underprivileged. Republicans have been offering welfare for the better-off and the more well-to-do. So we shouldn't be surprised that American voters are not turned on by this idea and the GOP has continued to shrink in size. It's now a quarter century since Republicans were trusted with either house of Congres.

After all, what is the inevitable result of this political competition between Democratic and Republican Santa Clauses? It means everyone gets poorer. The "well to do" are squeezed down into the middle class, the middle class trickle down to become poor, and the poor become poorer. Everyone is squeezed as the American taxpayer is called upon to finance Democratic and Republican handouts. The American Dream of opportunity and fulfillment is crushed under a staggering burden of public debt and taxes.

Shoot Santa Clause? I didn't say that. Besides, we've tried it and it doesn't work. The Party instead has to stop worrying so much about handouts to the poor or the middle-class. It literally has to stop driving itself up the wall thinking about public spending, unbalanced budgets and federal deficits. It has to concentrate its intellectual resources and political skills on the problem of economic growth. It must commit itself to real economic expansion and the restoration of hope and opportunity.

Think about a wagon. It's a simple but forceful way of thinking about the essence of government. The wagon is loaded here. It's unloaded over there. The folks who are loading it are Republicans. The folks who are unloading it are Democrats. You need both parties. The Republicans are the party of growth. The Democrats are the party of distribution. The system works best when each party does its job. What I'm saying is that the System has been breaking down because the Republican Party has not been doing its job. Instead of loading the wagon, some Republicans have jumped away to complain about the unloading job the Democrats have been doing.

Others have argued that the unloaders have more fun, and the trouble with the GOP is that it spends too much time complaining about the unloaders when it should be in the wagon, helping them unload. Surely, it's obvious that you can't unload a wagon faster than you load it. Sooner or later it's empty, and while you're then living from hand to mouth, the unloaders will start to complain. They'll persuade the populace that since the loaders have failed, what you need is a new system of loading, perhaps one that rewards collective effort instead of individual effort, so nationalize the wagons and redistribute all the goods.

It's not enough, you see, that the Republican Party somehow survives. It's not enough that it enjoy a mild success, that more Republicans start getting elected this year than two years ago, etc. What is really necessary to the System is that the Republican Party become the dominant party in America. I mean this only in the sense that it is a party of growth and growth must dominate distribution. If, for example, I knew the 1980s would bring a string of Republican Presidents and GOP-controlled Congresses, I'd be fairly certain the Party had rediscovered its proper role, and I'd bet the decade would be one of great economic expansion and prosperity. What I think probably happens over time is that party dominance swings between growth and distribution, loading here, unloading there, as the political classes forget and rediscover their roles and as America makes it way in the world. One would imagine that the more successful the Republicans become in loading the wagon for all the people, the more Democrats will want to become loaders instead of unloaders. Some, of course, will climb into the wagon to complain about how fast the Republicans are loading, i.e., too much obscene wealth, etc. At such a point, it is the Democratic Party that must undergo a reexamination of itself.

Growth. Let's not forget that when we talk about growth, we're talking about the American Dream, about opportunity and fulfillment. This is real growth, realizing a potential.

The Democratic Party, God bless it, does not understand real growth, in the same way the Republicans are all thumbs when it comes to redistribution. Because Democrats have dominated the System for generations, their idea of growth has become the orthodox one. They picture an America, already gobbling a third of the earth's mineral resources, gobbling more. Growth is seen as the antithesis of redistribution instead of its prerequisite. Growth must be fought and prevented, according to the new Malthusians, otherwise the planet will be stripped clean to provide that handful of humanity that resides in North America a three-car garage.

This isn't Republican growth. It's what we get when Republicans aren't doing their job and the Democrats are trying their hand at growth. It's inflated growth, pumping up the wagon with public debt and printing-press money. It's not to be sneezed at, however, when the choice is inflated growth or no growth at all. The voters always seem to prefer inflationary growth to contraction. It's what we get when Republicans climb into the wagon to exhort Democrats about balanced budgets. Inflated growth means quantity growth. Real growth, the kind that must be promoted if democratic capitalism is to survive, is quality growth. Quality growth. The difference is crucial. Quantity can only grow at the expense of the planet. Quality is a boundless concept. The same number of molecules that make up an O. J. Simpson can be an all-time NFL halfback or "an also-ran", a good politician or a loser.

When the American Dream is alive, a thousand people can grow up to produce opera, broadway musicals or a "Wizard of Oz." A few generations later, with government in the way, a thousand people are born to create, but of the 100 who survive the System, too many end up making "porno." Instead of 10,000 restaurants worthy of three stars in the New York Times, we get 10,000 plastic restaurants. In so many ways, the failure of Republicanism over the last few generations has resulted in a collapse of quality and a substitution of quantity.

The golden age of Broadway and Hollywood did not wax and wane because individuals forgot how to be talented and creative. They were smothered by government, by tax rates that punished success and by regulation that blocked efficiency. Nor is there much on the record to indicate the Republican Party put up a fight to prevent this from happening. I think the American people would not be unhappy with another golden age of film, theatre, art and literature. Not necessarily bigger houses, but quality houses. Not bigger, more powerful TV sets, but quality programming. We'd get this if we encouraged real growth, not inflated growth.

These are some of the ideas behind the tax rate reduction legislation I have sponsored with my friend, Senator Bill Roth of Delaware, legislation that has been embraced by the Republican Party. It is not intended as legislation simply to "stimulate" the economy, a one-shot boost of consumption so people will buy more autos and TV sets. It is rather the beginning of a process of restoring incentives in our political economy. Removing high tax rates should not be thought of in Keynesian terms—as a stimulation of "demand" but as a removal of the barrier between effort and reward. What can be inflationary about removing the chains from the folks who are loading the wagon? As Margaret Bush Wilson puts it, "Inflation is not caused by too many people working." Yet in Keynesian terms, the basic cure for unemployment is inflation, and the basic cure for inflation is unemployment. No kidding. This is as close as the Democratic Party has come to understanding growth. Unhappily this idea of an inflation/unemployment tradeoff is one that has also infected the GOP. That day has ended, though. The Republican Party has rediscovered growth, reinvented the wheel if you will, and it will not soon forget. Instead of high tax rates on a low production base, it offers low tax rates on a high production base. The party will be rewarded at the polls by an electorate that has been patiently waiting for us to remember that oppressive tax rates are politically unpopular. By the middle of the 1980s, I believe, the highest rate on the personal income tax will be no higher than 25%.

There will be no tax at all on capital gains, and sharply reduced rates on estate taxes. Once again, people will have enough money after death to leave private legacies to churches, schools, libraries, hospitals and their children.

Good news, right? Imagine. The entrepreneurial talent, the managerial talent, the creative talent of men and women that is now boxed into mediocrity will flourish again. Real prosperity will ensue and inflation will become only a sour memory. The wagon will load up with quality goods, and instead of talking about the bankruptcy of the Social Security System, we'll find funds for expansion of better retirement benefits.

A Pollyannish dream? Nothing of the sort. This vision is not built on a wish but on hard-headed logic. I may not be an expert in "so-called" modern economics, but I know all about incentive. If we only stop doing what we have been doing to destroy ourselves by destroying incentives, we can once again thrive. We are the most free and the most educated, creative, talented, energetic, healthy people on earth, and we're now operating at less than half our potential, perhaps less than a third of potential. There's no telling what we can accomplish if only the government would get out of the way and let us load the wagon. The American Dream isn't that everyone be leveled with everyone else, but that each have the freedom and incentive to climb as high on that ladder of opportunity as possible and obtain a reward commensurate with one's effort and production.

What is the political mechanism underlying this Republican Renaissance? How does it become the dominant party? How long does it take? What will this "emerging Republican majority" look like?

Instead of Republicans becoming more Democratic, I think we'll see Republicans becoming more democratic. Voters like democracy. Democracy, you might say, is good politics. This is so trite it's almost cute. But we Republicans have to accept the absolute fact that we've become less democratic in outlook as a natural result of losing elections.

There's been a tendency, at least at certain levels of the party, to question the wisdom of an electorate that would show so little appreciation of our merchandise. In other words, how can a democracy work if the voters are too ignorant to realize what a great job we've been doing criticizing the Democrats for the way they're unloading the wagon. So we then resist ideas to broaden the franchise or expand the referendum and initiative to the national level. Winning elections does wonders for restoring a party's faith in democracy. When the Democrats were losing elections, remember, they were the undemocratic party, the party of the poll tax.

When you are even slightly undemocratic in outlook, as we have been as a party, your approach to politics becomes elitist and patronizing. For years I've been hearing fellow Republicans, usually the party theoreticians, talk about "broadening the party's base." This has a nice democratic sound to it. But the programs that flow from the idea are almost always patronizing. Blacks, for example, are assumed to be not smart enough to vote Republican, so we have to lure them into the party with goodies. How about low-interest loans for promoting black capitalism? Or, let's search out young blacks and teach them how to win local elections, and maybe 20 years from now we'll have a crop of conservative Republican blacks ready to try for national offices. Or, let's spend a few million dollars on television commercials selling the idea that Republicans are willing to talk to black people. And of course none of this ever works and the party's base never gets broadened, because blacks are smarter than GOP theoreticians. As far as they're concerned, the Democrats are the guys unloading the wagon and the Republicans are the guys in the wagon yelling at the Democrats. No contest.

The Grand Old Party must of course broaden its base. The only way this has a chance of working is if, for starters, Republicans get it into their heads that people are just as shrewd in the political marketplace as they are in the economic marketplace. If you build a better mousetrap or if you offer a superior political platform, the world will beat a path to your door. You have to advertise, naturally. The party has to broadcast that it is once again selling growth. But it has to keep the quality of the product at the center of its attention, and think of political advertising not as a propaganda tool, a device for shaping minds, but as a means of broadcasting the party's political menu. Economic growth (real, not inflated) can't lose and the Democrats know it. The idea is too powerful.

When the NAACP went for growth last fall, and came out against the Malthusian energy plan cooked up in the Carter administration, the Democrats acted as if there had been a sellout. But Republicans were just as shocked. It had not occurred to any Republican I know, and had not occurred to me, that the NAACP would be in the market for growth and the idea would sell itself. This, I'm convinced is only the first wave. There's a tidal wave coming equivalent to the one that hit in 1932, when an era of Republican dominance gave way to the New Deal. It's going to happen and happen soon, and we'll find millions upon millions of black Americans surprising themselves by voting Republican.

Not because they've been lured by handouts, but because they see in the GOP a clear shot at the American Dream, boundless opportunity and an open path to fulfillment—government barriers pushed aside. Is it crazy to suggest this? We forget that until 1932 the GOP was the home of black Americans, the party of Lincoln, of economic growth, of civil rights, of equal opportunity, and the Democratic Party was still mired in reconstruction mentality, implicit defenders of white supremacy, the Solid South and the Ku Klux Klan. FDR did not disown Dixie Democrats in 1932, but when it came to a choice between Republicans offering civil rights and Democrats offering a New Deal on economic policy, a little bit of growth and a lot of redistribution, the Democrats won.

The older black leaders, those born in the 1920s, still remember the black Republican preachers preaching furiously against the Democrats and the New Deal, promising hellfire and damnation to those who would desert the party of Lincoln. It was no use. Blacks were as smart then as they are now. Hoover offered a balanced budget and FDR offered buttered bread. Just wait. It will not be long before the Democrats are forced to preach hellfire and damnation against a tidal wave of blacks going for the GOP and growth.

What messed us all up in the Great Depression was the GOP's nationalism, perfectly exemplified by the Smoot-Hawley Tariff Act of 1930. Herbert Hoover, the Great Engineer, gave in to narrow protectionist pressures and in so doing engineered the economic contraction of the 1930s. Economic growth is not compatible with political isolation and nationalism. We can forgive Hoover on the grounds that the United States was then just beginning its role as world leader. We didn't really learn that we couldn't escape our destiny as world leaders until we were baptized at Pearl Harbor.

There would be no excusing the GOP a second time on the grounds of inexperience. While there are economic nationalists in the party, they are not really passionate advocates. The political memory of Smoot-Hawley is still fresh enough to keep us from sinning, and the awareness of a rediscovery of growth is so fresh and exciting that the party senses even the small pressures for protectionism can fade in the coming expansion.

World leadership is something more than not doing wrong. If the Republican Party is to make amends for dropping the ball in the Thirties, it has to take internationalism seriously, in all its facets. Leadership is something more than setting a good example. This, I think, was President Eisenhower's only failing as an internationalist. He wisely stitched together a series of defense alliances, but when it came to issues of internal policies of the other nations of the world, Ike was strictly hands off.

This would have been fine if the Democrats were of the same mind, but they were not. The Democrats, who do not understand how to load a wagon, were running around the world advising all the emergeng nations, the underdeveloped nations, that the best way to load a wagon is to fill it full of debt. Can we blame Democrats for wanting to aid the poor and deprived of the planet? To cook up a dozen different foreign-aid schemes, most of which did more harm than good? No.

Don't blame Democrats for advising the world on economic growth when Republicans not only had forgotten what they knew but also refused, as a matter of policy, to be of help in the internal affairs of other nations. What has it gotten us? The Third World is now up to its ears in debt, it has not yet learned how to load a wagon, and it loathes the United States for having taught it so well. No. The Republican Party has to take its show on the road. Foreign aid will take different forms. We must advise the world about economic growth and transplant the American Dream. A kind of New International Economic expansion of trade and commerce and peaceful borders.

With all this about growth and dreams, at home and abroad, I may have given the reader the impression that I think the Republican Party can have this renaissance exclusively as an advocate of growth—by removing barriers to real growth, quality growth, and by maintaining a respected currency. And I keep talking about the loading and unloading of the wagon in a way that perhaps suggests I think the GOP can only discuss loading, the Democrats only unloading. This is the kind of thinking that leads to heavy plans for party realignment: We've got to get all the loaders in the GOP, which means excommunicating anyone who exhibits any unloading tendencies. "Progressive Republicans" must be bounced in one way or another and their places taken by Dixiecrats who have left the Democratic Party. In another, more perverse, variation of party realignment, we have all the net producers join the Republicans and all the net consumers join the Democrats.

All this is so much baloney. The way I think about it, each of the two parties is obliged to offer full catering services. Government is growth and redistribution. It is loading and unloading the wagon. The Republicans can't just prepare a menu of soup to nuts and expect to be chosen over Democrats who may give inferior soup and inferior nuts, but clean up after the party and help the drunks get home. There's a mix. When I say Republicans are the party of growth and Democrats the party of redistribution, I don't have in mind a pure distinction between the two. Just that Republicans are expected to provide heavier emphasis on the meal, Democrats on the extras. The Republican Party can't get anywhere with the voters saying champagne and venison will be served, but you'll have to bus your own dishes. It can't say we'll cut your tax rates and throw your poor grandmother out into the snow because she wasn't loading the wagon. There has to be a mix and some sense of proportion. Neither party can require an ideological saliva test before granting honored membership. The Democrats are very good at this. The Republicans have got to learn. I mean we cannot only suffer progressives in our ranks, but must make sure we have enough of them so we can offer complete service. Unity doesn't require unanimity.

To put it in simplest terms, the party has to put in its bid, collectively, to not only load the wagon but unload it too. We'll cook the meal, wait the tables and wash the dishes too. The works. With this attitude, the voters will surely trust us with both the White House and Congress. For maybe a good run of 20 years or so. That would be some kind of Renaissance. Some kind of dream. Not just for Republicans, but more importantly, for Americans, for the world.

A Republican tide lifts all boats! ●

JIMMY JACKSON—AN EXAMPLE FOR TODAY'S YOUTH

HON. HAROLD S. SAWYER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 3, 1978

● Mr. SAWYER. Mr. Speaker, Grand Rapids is truly fortunate to count among its residents an extraordinary individual whose contribution to our city and its youth has been a classic example of inner strength and perseverance.

I would like to pay tribute to Jimmy Jackson. Jimmy is a graduate from Ottawa Hills High School and three-time NCAA champion for Oklahoma State University. This year Jimmy

retained his World Cup crown, and in doing so, avenged a loss to Russian super-heavyweight Sosian Andiev suffered in the 1976 Olympic games in Montreal.

Jimmy won the title despite suffering an ankle injury through the second period. He showed the strength and will to win which is an excellent example to all the Nation's youth. His victory was one of four for the American team, which fell just one bout short of upsetting the Soviets for the team championship.

His motivation and abilities are not easily surpassed. And, I am hopeful Jimmy will lead the U.S. Olympic wrestling team to victory in 1980 when they travel to Russia. His courage is noteworthy and I am proud that he calls Grand Rapids his home.●

DR. ROBERT SCHULLER, A MAN OF GOD AND A GREAT AMERICAN

HON. JERRY M. PATTERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 3, 1978

● Mr. PATTERSON of California. Mr. Speaker, Toastmasters International recently announced that they will be honoring my distinguished friend and member of the clergy, Dr. Robert Schuller. Dr. Schuller, who is the pastor of the Garden Grove Community Church, which is located in my district, will receive the "Golden Gavel" award at the 42d annual convention of Toastmasters International in August.

Dr. Schuller is an innovative theologian whose Christian message is heard weekly by an estimated 5 million persons in the United States and the world through his "Hour of Power" service. It would be correct to say that Dr. Schuller is a farsighted individual, but his vocation is rooted in the simple and infinite truths that Jesus taught the world and in His command to "Go and teach all nations."

Dr. Schuller's Christianity lies on the basic premise that there is good in all men's hearts. He uses religion as a force to annul the barriers that stand between mankind and the ultimate reality of brotherhood. In this world of varying complexities and social ills, Dr. Schuller could very well be a progenitor, whose guidance can make this troubled world less disruptive.

His first church was the rooftop of a snack bar at an Orange County drive-in theater, with a congregation of 75 persons. Today his congregation numbers 10,000. They worship in a beautiful indoor-outdoor sanctuary, and in the 14-story Tower of Hope. His services are broadcast worldwide over 145 television stations.

I have found his sermons to be stimulating and inspirational. Mr. Speaker, I am certain we can all find comfort in Dr. Schuller's message, that the teachings put forward by Jesus as solutions to the problems of life are still correct and viable in this modern world. His sermons demonstrate the identity of the human and the divine, in a manner where God's mysteries are understood in an earthly religious communion.

I invite my colleagues to join me in honoring Dr. Schuller for his many positive and exemplary contributions to our society. He is indeed a charitable person and a great American.●

W. WALLACE SMITH

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 3, 1978

● Mr. SKELTON. Mr. Speaker, it is my very great privilege to represent the city of Independence, Mo. Independence, as you may know, is the world headquarters of the Reorganized Church of Jesus Christ of Latter Day Saints. Recently there occurred a "changing of the guard" at the church. It was an event of such significance that I feel it deserves to be noted by this body.

For 20 years, the president of the Reorganized Church of Jesus Christ of Latter Day Saints was W. Wallace Smith. Mr. Smith has had an extraordinary career, traveling to all corners of the globe in service of the church. His travels have taken him to the British Isles, continental Europe, French Polynesia, Australia, New Zealand, Japan, Korea, and the Ryukyu Islands.

Last month, W. Wallace Smith stepped down as president of the Reorganized Church of Jesus Christ of Latter Day Saints. However, he will continue as president emeritus and, in light of the great energy and dedication which he has brought to his work, I am sure he will be a moving force in the church for years to come.

Mr. Smith is a grandson of Joseph Smith, Jr., founder of Latter Day Saintism. He is married to the former Rosamond Bunnell of Boise, Idaho. They have two children, Rosalee, wife of Otto H. Elser, M.D.; and Wallace B. Smith, M.D., who succeeds him as president of the church.

An active member of Rotary International Missouri, Mr. Smith is also a member of the board of directors of the State Historical Society of Missouri. He has been a member of the Independence Chamber of Commerce, and chairman of the board of trustees of the Independence Sanitarium and Hospital.

For many years, the Reorganized Church of Jesus Christ of Latter Day Saints has made a rich contribution to the quality of life in the community of Independence, the State of Missouri, the United States, and the world at large. President Emeritus W. Wallace Smith has been the driving force behind the accomplishments of the church for the past 20 years. I am sure all Members of the House join me in saluting his achievements and in wishing him an active, healthy retirement.●

SUNSHINE AMBASSADORS

HON. C. W. BILL YOUNG

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 3, 1978

● Mr. YOUNG of Florida. Mr. Speaker, this morning the Capitol steps rang with the joyful sound of a musical performance provided by the Spartones of Lakewood Senior High of St. Petersburg, Fla. This group of young people shared their special talents with many Washington visitors and Capitol Hill personnel and it was, indeed, a pleasure to present these "Sunshine Ambassadors" to the Nation's Capital.

Today is Sun Day and there are celebrations throughout America and the world. These young Americans brought Florida's special kind of sunshine to warm the hearts of all those who heard them. Musical groups from throughout the country appear on the Capitol steps from time to time, but I was told by several listeners that this performance was the best they have ever heard. I heartily agree that the Spartones are great and wanted to share this notice with my colleagues who were not able to hear them, because of pressing official business.

The Spartones' energy and vitality are symbols of what has made our Nation great and are promises of the bright future we have. There is no need to worry about the continued strength of America as long as young people like the Spartones are working hard to better themselves and share their talents with their fellow Americans. Each member is chosen by audition and must maintain a B scholastic average to remain in the group. This trip to Washington means a great deal to each student, because they have all worked long hours for this performance and have earned over $11,000 through fundraising projects to pay for this trip. After another performance in the foyer at the Kennedy Center, they will complete their sightseeing tour of Washington and will travel to Lancaster, Penn., to tour through Pennsylvania Dutch Country before returning to Florida. These students have come here to experience an important part of America's heritage and have shared an equally important part—America's youthful spirit—with us.

Today's program was selected especially for the Spartones' Washington audience. The singing (and dancing) performance was a variety of lighthearted romantic classics, ballads, and modern rock music and was accompanied by the Spartones' own sound system of piano and electric guitars. Mr. Fred R. Eshleman, the chairman of Lakewood High School's Music Department, provided excellent direction for the program.

Mr. Speaker, because this group did a lot of hard work to prepare for this performance and have earned their trip to Washington, I would like to take this opportunity to share the names of the members of this outstanding singing group—the Lakewood Spartones—with my colleagues. The Spartones includes:

Sue Zimmerman, Elizabeth Few, Cecil Salmon, Terri Harrell, Wanda Burgess, Kay Rucker, Cathy Garrigues, Kris Ingle, Deanna Schmidt, Peggy Arvanitas, Debbie Adzema, Dawne Wisner, Sandy Baker, Kim Saltz, Laura Meacham, Kim Stacy, Carol Knox, Lynn Story, Celeste Davis, Robert Webster, Ken Smith, Alan Hays, Mike Rodriquez, Jeff Davies, Ken Hanks, David Thomas, Charles Willman, Jim Rath, Kenneth Peters, Richard Sterling, Darryl Anders, Jeff Hearn, Tom Hoddinott, Robin Matson, David Hancock, Anthony Rogers, Richard Atwater, James Midkiff, Randy Williams, Alan Campbell, Barry Westmark, Jeff Bryner, and Greg Gregory. The chaperones for the trip are Mr. and Mrs. Fred Eshleman and Mr. and Mrs. L. W. Watters.●

THE GUILT OF ALGER HISS

HON. ELDON RUDD

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 3, 1978

● Mr. RUDD. Mr. Speaker, for the past 28 years it has been an article of faith among many liberal intellectuals and left-wing ideologues that Alger Hiss was innocent of perjury, for which he was convicted in 1950 and later jailed.

It is now clear from an exhaustive study of the case by history scholar Allen Weinstein, including a review of more than 30,000 pages of official documents, that the jurors "made no mistake in finding Alger Hiss guilty as charged."

Hiss was a high State Department official during the 1940's, and a close personal confidante of President Franklin D. Roosevelt. His crime was two counts of lying under oath.

The first lie was Hiss' denial that during the 1930's he was associated as a fellow Communist Party member with Whittaker Chambers, to whom he paid his Communist Party dues. Chambers had testified under oath that he, Alger Hiss, his wife, Priscilla Hiss, and his brother, Donald Hiss, were all members of the same Communist Party cell, and all worked together to promote the Communist program of the Soviet Union in the United States.

Hiss' second lie for which he was convicted of perjury was his denial that, as an active Communist Party member, he had delivered to Chambers secret and highly sensitive U.S. Government documents, in order that Chambers could turn them over to Soviet agents.

Despite the jury's guilty verdict in 1950, and the confirmation of that verdict in several appeals by Hiss all the way up to the U.S. Supreme Court, the liberal intellectual community's persistent defense of Hiss and its virulent attacks against Chambers have been a curious and disquieting phenomenon.

An excellent commentary on this phenomenon in connection with Professor Weinstein's study and book on the Hiss case has been written by Vermont Royster, the Wall Street Journal's veteran columnist and former editor.

Mr. Royster's column appeared this morning in that paper, and I would like to include it at this point in the RECORD:

[From the Wall Street Journal, May 3, 1978]

THE HISS CASE EXHUMED

(By Vermont Royster)

It was indeed hard to believe.

Here was Alger Hiss, graduate of Johns Hopkins and Harvard Law School, protege of Felix Frankfurter, clerk to Supreme Court Justice Oliver Wendell Holmes, trusted State Department official, adviser to President Roosevelt at Yalta, Secretary General for the United Nations organizing convention, president of the Carnegie Endowment, a tall, slender aristocratic looking man, soft in voice and impeccable in manner.

And here in 1948 accusing him of having been a Soviet spy in the 1930s was Whittaker Chambers, college drop-out, off-and-on journalist become Time magazine writer, reputed homosexual with a history of emotional instability, a short, pudgy man of flamboyant manner and the disheveled appearance of an unmade bed.

In 1950 a jury convicted Hiss on two counts of perjury for having denied his association with Chambers up to 1938 and that he furnished him with "secret, confidential and restricted documents, writings, notes and other papers . . . removed and abstracted from the Department of State" which Chambers said he passed on to Soviet agents.

An appeals court upheld the conviction, the U.S. Supreme Court saw no reason to review the case and Alger Hiss went to prison.

But that Alger Hiss could be guilty was something many found unbelievable at the time, and for 30 years controversy over the case has raged in books, articles and pamphlets. Hiss himself has steadily proclaimed his innocence. To many liberals it was long thought another Dreyfus case, at the least a miscarriage of justice, at the worst a deliberate conspiracy of anti-Communist witch-hunters, including the FBI and a young Congressman named Richard Nixon.

MR. WEINSTEIN'S CONCLUSION

Now a professor of history too young to have been caught up in the emotions of that time has done a massive study of the Hiss case. Ironically, he set out thinking he would prove Hiss innocent but in "Perjury" (Knopf; $20) Allen Weinstein concludes that the jurors "made no mistake in finding Alger Hiss guilty as charged."

The record in the case is so voluminous that those who would still believe Hiss can always find some contradictions in it, some point still obscure, as Victor Navasky, editor of The Nation, does in criticizing the Weinstein book. Nonetheless, it's hard to see how anyone who followed the confrontation between Hiss and Chambers before the House investigating committee and the trial at which Hiss was convicted, or who now reads Weinstein's exhaustive examination of the record, can any longer doubt that Hiss lied about his association with Chambers, self-confessed Soviet spy.

Indeed, so detailed and so thorough is Mr. Weinstein's research (he interviewed many of those involved and won access to many previously unavailable documents), you might think this would settle the controversy. But no. The Hiss case will not so easily vanish.

For it is not so much the "facts" that have kept the Hiss case a tormenting issue in the intellectual community. In the minds of many the case is now too entangled with memories of the mood of the 1930s, with the justly outraged emotions of the McCarthy era, with the rise and fall of Richard Nixon, to be ended by any simple finding of fact that Alger Hiss did such and such.

There also lingers among many intellectuals of a certain age the feeling that even if Hiss perjured himself about his Communist association he is still not "guilty" in a larger sense. As Leslie Fiedler once put it, his deeds were not treason because he acted "not for money or prestige but out of a higher allegiance than patriotism."

Thus the slow stripping away of the doubts about what Alger Hiss did merely leaves another more haunting mystery. That is the mystery of how, for such as Alger Hiss, the betrayal of his country's trust came to be thought something to be owed to another allegiance.

To find the clues to that—and to understand its consequences—it's necessary to try to recapture the mood in much of the intellectual community during the years of the Great Depression.

For many college students, academics and journalists it was a time of disappointment with the American economic system. With most of them this took the form of nothing more than the expression of radical ideas for change, something neither unusual nor un-American. For a few, and some of them among the brightest, there was the seductive appeal of communism with its beguiling promise that it somehow offered a better society.

Some among these few, and here begins the true mystery, came to think the Soviet Union, the Soviet Union of Stalin, the embodiment of all that was holy and that to serve it was their highest duty.

Inevitably some of these found their way into government service during the vast expansion under the New Deal and were given posts of trust. How it should be so I do not know, but they saw nothing wrong in betraying that trust.

In this Communist sympathy Alger Hiss was not alone. Although we shall probably never learn how many there were, they included—names now almost forgotten—John Abt, Nathan Witt, Lee Pressman, Harry Dexter White. Some, like White, who was Assistant Secretary of the Treasury and later U.S. director of the International Monetary Fund, were in the highest reaches of government.

But it was Hiss who came to stand as symbol for them all. Exposed, he was a symbol to all those who dared call it treason. He also became a symbol for those who to a lesser degree had shared that love affair with the Soviet Union. They had to believe, in the face of all evidence, that he was innocent of betrayal lest they had to say to themselves "there but for the grace of God go I."

It was this clash of symbols that sparked the horrors of the McCarthy era. Every demagogue must have a grain of truth in what he uses to arouse passions and the Hiss case gave it to Sen. McCarthy. You see, he could say there really are Soviet spies in high government office and that lent credibility to his reckless campaign of wholesale vilification. It was no accident that McCarthy did not begin his attack on "Communists in government" until 1950, the year Hiss was convicted of perjury.

In that campaign he was unwittingly aided by those in government who stubbornly denied all. We now know that Hiss in the State Department and White in the Treasury had been under internal investigation long before the explosion yet those in authority chose to "stonewall" against the attacks.

McCarthy was also aided in a more subtle way by much of the intellectual community, including those who were non-Communist liberals, which clung to the position that any investigation whatever of Communist infiltration, even with regard to espionage, was a moral outrage. That too fed the Senator's demagoguery.

Thus it was that, in Weinstein's phrase, the "demonologies and hagiographies of the opposing camps" made the McCarthy era the terrible thing it was and that it need never have been. As Earl Latham, a historian of that period, notes, "Without the Hiss case

the six year controversy that followed might have been a much tamer affair."

If the Hiss case belongs to a time long ago, its reverberations continue. In 1975, after Hiss had served his sentence, the Massachusetts Supreme Court readmitted him to the bar in a controversial decision. The downfall of Richard Nixon, his nemesis in that confrontation with Whittaker Chambers, brought him sympathetic treatment in the media. And now the Weinstein book has exhumed it all both for those who remember and those who don't.

Perhaps this renewed interest is as it should be. For imbedded in the Hiss case, quite apart from judicial findings about perjury, are enduring moral questions about duty and trust and allegiance.

The preponderance of opinion, if one can judge by reviews of this new book, now accepts the jury's verdict that Hiss did perjure himself in denying that he stole secret government papers and gave them to Chambers. What lingers is the old question whether he was, nonetheless, morally guilty.

One view is that he, and others like him, were victims of an age of innocence about communism and the Soviet Union. Arthur Schlesinger Jr., no defender of Hiss' deeds, once described the mood of the Thirties. The New Deal mind, he wrote, did have its Popular Front version of cooperation with the Communists "but this was a consequence not of the corruption of the New Deal but of its innocence."

A SHARED ILLUSION

Or as Alfred Kazin recently put it: "What is most involved in the Hiss case is the historical fact that in the Thirties communism did seem to many Americans to be 'progressive' and somehow analogous to old American hopes for a better society. That was an illusion many people shared—that many even former Communists cannot bear to forget."

As one who lived through that period I think that is an accurate description of the mood of those times. And because accepting Hiss' guilt implied renouncing all those hopes about the Soviet Union, defending him became compulsive behavior for many liberals, especially those who to some degree had flirted with the Communist siren.

When all else failed, they began to ask, What if he did steal documents and give them to Soviet spies? What were his motives? Was he not acting from strong anti-fascist beliefs? If at the time he truly believed he was serving a higher purpose than allegiance to his government, how could he be held morally guilty?

That remains Alger Hiss' last defense, all else being demolished. It was, and is, a strange defense. It makes no distinction between a person who may believe another form of government better than his own and openly proclaims it, and a person who accepts a post of trust from his country and then in the stealth of night betrays it.

How Alger Hiss, and others like him, came to that is the mystery. We can only surmise that treason, that vice of such frightful mien, needs only to be seen too oft until, familiar with her face, men will first endure and then embrace.●

A CONSTITUENT SPEAKS OUT FOR THE MENTALLY RETARDED

HON. DOUGLAS WALGREN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 3, 1978

● Mr. WALGREN. Mr. Speaker, I have recently received a letter from a young girl in my district expressing concerns for inadequate wages given our mentally retarded citizens. Her own zeal for the rights of these individuals impressed me a great deal. I would like to take this opportunity to share her correspondence with you:

DEAR MR. WALGREN: I am a concerned student from the Fox Chapel Area School District and I am female at the age of 14 and my name is Lynne Bronowicz. I attend the Dorseyville Junior High School and I am in the 9th grade. I remember when you and your wife came to our school awhile ago and you said to write to you and you would try to answer. This may seem like a long letter but please read this and respond back. I have a 16 year old retarded (mentally) brother at home. He goes to school and will go until he is 21 years of age. When he is 18 years of age, he will get social security. Now, I am not angry at that. I think that is totally great, but they have workshops and these people work there (the more skillful ones) and do a lot of work and don't get a reasonab'e amount of money. I would like to know why? I hope to go to a schooling program to help these retarded citizens and in the future will fight for their rights! I would also like to know if they would also pertain to the Equal Rights Amendment? Well, if this does, I don't think it's unfair to these people. Mr. Walgren, I hope I don't sound like a grouch but I'm fairly young and want to know about my country, city, state, and government. I would like you to please respond back to see what your answer and opinion is. Well, thank you and I hope you can read my writing.

LYNNE BRONOWICZ.

P.S. I am not a fighting female just because I wrote it in the letter. It's because people confuse my name with a boy's name everytime so I wanted to make sure. Thank you.●

FINANCIAL STATEMENT

HON. PETER H. KOSTMAYER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 3, 1978

● Mr. KOSTMAYER. Mr. Speaker, in addition to the financial disclosure statement submitted to the Clerk of the House pursuant to House Rule XLIV, I am submitting for the RECORD a statement of net worth, and income and taxes for 1977:

HON. PETER H. KOSTMAYER—STATEMENT OF NEW WORTH, DECEMBER 31, 1977

ASSETS

Cash in personal checking accounts	$481.33
Cash in savings account	34.86
Cash in Charity Fund checking account*	60.23
U.S. congressional retirement fund (contributed cost)	4,024.85
Mortgage escrow account	301.08
1972 Chevrolet Malibu	1,000.00
Condominium, Washington, D.C. (purchasing price 5-9-77)	36,990.00
Furnishing and personal property	5,000.00
Loan to Kostmayer for Congress Campaign Committee	3,317.44
Total Assets	51,209.79

LIABILITIES

Personal loan	3,317.44
Mortgage on condominimum in Washington, D.C.	34,882.32
Outstanding bills, approximate (credit card, revolving charges, etc.)	2,500.00
Total liabilities	40,699.76
Net Worth	10,510.03

INCOME AND TAX INFORMATION 1977

Gross income	50,383.60
Taxes:	
Federal	10,041.79
Pennsylvania	1,007.67
Washington, D.C.	262.61
Solebury Township, Pa. per capita and occupation tax	83.30
Total taxes	11,395.37

*NOTE.—Contributions from Charity Fund account in 1977 totaled $5,744.77.●

COMPREHENSIVE TEST BAN TREATY

HON. ROBIN L. BEARD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 3, 1978

● Mr. BEARD of Tennessee. Mr. Speaker, there have been, quite recently, a number of newspaper articles discussing the status, issues, and controversies surrounding the ongoing negotiations between the United States and the Soviet Union over the proposed Comprehensive Test Ban Treaty (CTB).

While I have taken the opportunity in the past to share by personal concerns over the ongoing CTB negotiations I would, at this time, like to share with my colleagues a paper on this subject, which I recently prepared for the House Republican Conference Research Committee's National Defense Task Force.

I have the privilege to be the task force chairman.

INTRODUCTION

One of the most important initiatives by the Carter Administration, which is presently underway, and which has failed to receive the public scrutiny it deserves, is the proposed Comprehensive Test Ban Treaty on underground nuclear testing between the United States and the Soviet Union. Such a treaty, in our view, would result in a net U.S. disadvantage vis-a-vis the strategic balance with the Soviet Union. It is doubtful that such a treaty can accomplish the political objectives the U.S. seeks and, perhaps more importantly, it is fraught with almost insuperable verification difficulties.

CONCLUSION

A Comprehensive Test Ban Treaty, without meaningful safeguards and adequate verification means, and one that did not permit controlled nuclear experiments, would produce dangerous asymmetries in U.S.-Soviet military capabilities.

(a) It would affect the reliability of our existing inventory of weapons.

(b) It would preclude the development of new systems important to our security.

(c) It would have the effect of reducing the U.S. technology lead over the Soviet Union.

(d) It would almost certainly reduce the effectiveness of U.S. nuclear laboratory compared to those of the USSR, because it is much easier for the Soviets to maintain a covert nuclear test program and keep their scientific and laboratory resources going.

(e) It would thereby enhance the Soviet ability to achieve a quick "breakout" from any such agreement.

(f) Even absent such a breakout, verification of a zero yield test ban treaty would not be possible.

(g) Finally, the political implication might in balance be far more detrimental than advantageous.

RECOMMENDATIONS

While we have serious doubts about the feasibility and practicality of a CTB, should the Carter Administration proceed to negotiate one, it must incorporate at least four essential prerequisites for minimum safeguard:

1. A Comprehensive Test Ban Treaty must permit the United States to maintain the reliability of its nuclear stockpile.

Because U.S. national technical means of detection are not adequate to verify low level nuclear threshold tests, a future CTB agreement must incorporate provisions which permit controlled nuclear experimental tests, or which do not ban tests, below the threshold level of verification. Only with such provisions can the United States guarantee that verifiable Soviet nuclear testing activities would not result in a serious asymmetry in U.S.-Soviet military capabilities.

2. Peaceful nuclear test programs are indistinguishable from other types of nuclear testing and military applications can be devised from any nuclear event. Therefore, all so-called peaceful nuclear test programs should be prohibited for the duration of a future CTB treaty, or incorporated into a provision permitting controlled experimental nuclear testing under which the United States could also conduct controlled nuclear experimental tests.

3. Any Comprehensive Test Ban Agreement between the United States and the Soviet Union must incorporate a provision permitting extensive on-site inspection of a very thorough comprehensive and even intrusive nature. Additionally, the United States must be permitted to deploy seismic detector stations not only in areas contiguous to the Soviet Union, but also in the Soviet Union itself. Even with these safeguards, however, it must be recognized that such precautions would protect against only the most blatant Soviet violations. Such safeguards would not be sufficient to verify low-level Soviet nuclear threshold testing, testing which would permit the Soviets to maintain nuclear stockpile reliability.

4. A Comprehensive Test Ban must be universal. Without a universal agreement, there would be a destabilizing uncertainty which would make a long-term test ban impossible.

ISSUES

1. As a result of a CTB, the U.S. would lose the confidence in the reliability of its nuclear warheads, and the ability to develop new ones would also be restricted. At the same time, because a total CTB, permitting no nuclear testing, is not verifiable by national technical means, the U.S. would have to depend on the good will of the Soviets to know if they would be honoring such an agreement. The nature of American society would always enable the Soviets to know whether the U.S. were abiding by the agreement. But, the U.S. would not have the same benefit vis-a-vis the Soviet Union.

2. The Carter Administration recently conceded that there is currently a wide uncertainty in current seismic test yield estimates, and there is a limited ability to discriminate between earthquakes and underground explosions.

Thus, if the Soviets timed the tests to coincide with an earthquake, which is a practical testing procedure, or merely performed their tests in seismically active regions, such tests could escape present U.S. verification means.

3. It is, of course, true that the testing of nuclear weapons beyond certain thresholds would be verifiable. But small tests, even without elaborate and extensive protective measures are not. Over the longer term these smaller tests would have significant importance to larger yield weapons. More importantly, such tests would be sufficient for the Soviets to maintain the reliability of their nuclear stockpile, and modify and adapt existing warheads for new delivery systems. While the U.S. would punctiliously observe the Comprehensive Test Ban there is no question in our minds that the Soviets would not; certainly we could not verify Soviet compliance with an agreement that permitted no nuclear testing. Thus, very dangerous asymmetries would develop. We would limit our own knowledge and confidence in weapons but the Soviets would not be similarly restrained. A very real danger would then develop because of the long range asymmetrical effect on the capabilities of the two nations.

4. From the point of view of U.S. security interests, the deterrent effect of our nuclear inventory has been an essential element in maintaining the peace. Even at a time when the Soviet Union has achieved parity with U.S. nuclear capabilities, and appears embarked on a course to achieve superiority, the potential of nuclear hostilities between the two countries remains a significant deterrent against Soviet aggression. Moreover, it must be recalled that the U.S. has undertaken security commitments to its allies, most particularly its NATO allies, which involve a commitment for the first use of nuclear weapons in the event of aggression which cannot be stemmed through conventional means. Under these circumstances it would appear that U.S. security interests would be seriously endangered in the event that the U.S. nuclear deterrent were no longer reliably to be counted upon. Quite obviously this would have serious adverse implications for U.S. alliance relationships. Particularly in view of the improbability that NATO will find it feasible to redress the conventional balance in Europe. The entire NATO security structure would be placed at risk in the absence of the deterrent effect of nuclear weapons.

5. Those advocating a CTB are generally of the view that (a) any arms control agreement between the U.S. and the USSR is advantageous in and of itself from a political point of view, and (b) a CTB would have a positive effect in reducing the prospects of nuclear proliferation. As implied above there is certainly no guarantee that a CTB would have any significant impact in terms of improving U.S.-Soviet relations. Indeed, if it were a Soviet purpose to preclude the U.S. making a maximum advantage of its technological superiority, such an agreement might over time result in a deterioration in U.S.-Soviet relations. Perhaps more significantly, the U.S. does not live in a bilateral world environment. It is thus by no means clear that a CTB would have a positive effect from the U.S. point of view upon the nation's broader political interests. For example, for U.S. allies to whom we have given security assurances, in part tied to our nuclear umbrella, the deteriorating reliability of our nuclear forces would almost certainly raise doubts concerning the efficacy of our commitments. In these circumstances rather than reduce the prospects of nuclear proliferation a CTB might have precisely the opposite effect, i.e. inducing individual states to develop their own independent capabilities in the belief that they could no longer rely upon U.S. commitments. Indeed, one possibility is that it might well permit, or even encourage, lesser powers to enter the nuclear game. Certainly they would have some reason to believe that being non-signatories they might, over time, close the gap between themselves and the super-powers.

6. It is important also not to forget that the nuclear warheads of Soviet weapons are far larger than those of the U.S. The Soviet warheads measure several megatons in size, while those of the U.S. are only measured in kilotons. Thus, the U.S. would put itself at a serious disadvantage in developing warheads for new U.S. systems, such as the MX and the cruise missile, and the cost would certainly be driven up. The Soviets, of course, have already tested the largest weapon they probably would even want to test or deploy, and the testing of lower yield weapons would lend itself to evasive measures to avoid detection. Further, cost has never been an issue for the Soviets, and they would undoubtedly spend whatever is necessary to (1) maintain the confidence level in their existing forces, and (2) develop new systems.

7. Improvements to the U.S. national technical means could reduce the probability of verifiable tests. It is generally agreed that there is a threshold, estimated from 3.0 to 5.0 Richter magnitude, above which earthquakes can be definitely distinguished from weapon explosions, but below that level we could not distinguish. This is important to note because:

a. Testing at that level is sufficient for the maintenance of the strategic stockpile; and

b. There are practical evasive testing procedures which would permit the Soviets to test weapons up to 50 kt. (e.g. a test of that size in an underground cavity, properly masked, would register no more than 3 to 5 kt. on the Richter scale and thus would be indistinguishable from earthquakes).

Even though expert opinions differ, the monitoring of the Limited Test Ban Treaty (allowing underground explosions up to 150KT) is, or may soon become, accessible to the verifications state-of-the-art. On the other hand, while there is broad agreement that militarily meaningful results can be derived from much smaller nuclear explosions, the verification by "national technical means" (i.e. from remote distances) is contingent upon further major progress in the detection instrumentation and upon the continuing accessibility of monitoring sites aggressive program to improve the U.S. contiguous to Soviet territory. Even with an monitoring capabilities, it will be several years before improvements would be properly tested.

In short, the U.S. may not have for quite a long time yet adequate means for verifying compliance in regard to very small explosions.

Another pertinent question is what we would, or could, do about suspicious events, except endless complaining. The possibility of unilateral advantages to the Soviets resulting from covert test activity could thus not be excluded.●

SUN DAY

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 3, 1978

● Mr. ANDERSON of California. Mr. Speaker, today has been proclaimed by President Carter as "Sun Day" to bring about an increased public awareness of the growing developments in solar energy. I fully supported setting this day aside when House Joint Resolution 715 was before the full House on March 6.

With today's decreasing supplies of domestic oil, and growing dependence upon foreign sources, we must strive for the development and production of new alternative resources, such as solar.

The passage of H.R. 11713 yesterday, which initiated a Small Business Administration solar loan program, is only one of many actions that this body must enact if we are to have our solar technology in full scale production.

Currently, if a person wanted to con-

vert their home to a photovoltaic system, it would cost them over $60,000. This is much lower than 10 years ago, but we still have a long way to go before it becomes economically viable for the average homeowner. In addition to the refinement of the technonolgy, the mass production of these systems is necessary to bring the cost down. But this will only happen when it becomes widely marketable. In a sense this is a nonending cycle—and unless the chain is broken, the harnessing of much solar energy will be far in the future.

At the same time, it is important for us as a nation to become more energy conscious. This means conserving our current supplies through maximizing the Sun's natural, passive heat in our buildings. Using windows with southern exposures to provide maximum light and heat, building with stone and other materials which retain heat, and insulating our homes adequately.

Mr. Speaker, the technology has been developed; now it is time for the Government and the people of this Nation to unite to bring these new forms of energy transfer into our homes, office buildings, and industry.●

WEAL CELEBRATES ITS 10TH ANNIVERSARY

HON. HELEN S. MEYNER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 3, 1978

● Mrs. MEYNER. Mr. Speaker, as one of just 18 women in the House of Representatives, I am particularly concerned with issues of special interest to women. Since we are such a small minority in Congress, we have had to look hard, over the years, for friends who share our concerns—especially those organizations who work tirelessly for the goal of greater numbers of women in decision-making roles in every sector of American life.

It is appropriate to make special note of the fact that one of these organizations—the Women's Equity Action League, or WEAL—is this week celebrating its 10th anniversary here in Washington, D.C., at its annual national conference.

There once was a time when the anniversary of an organization comprised of women and dedicated to the proposition that all persons are created equal, sex notwithstanding, was marked with nothing more than a yawn and a testimonial.

But the work of WEAL—in Government, in the professions, and "in the field"—is evidence that the time for such organizations has arrived. The impact of WEAL far exceeds the constituency which comprises it. I know this for a fact. And this is due, in no small part, to the tireless and selfless work of Ms. Eileen Thornton of New Jersey.

Eileen has been a dedicated and enthusiastic worker over the years, not only for WEAL, but for those causes and concerns that seek to effect a better world for men and women to work together for equity among the sexes.

Eileen leaves the presidency of WEAL at the beginning of next month. She also leaves a legacy that shows that she is as responsible as anyone in New Jersey, and across the Nation for promoting the valid notion that what is important to women is important to every fiber in the fabric of American life. Women's issues, she has stressed, are people's issues. Because ultimately, finally, the goal of equity for women in American life is one that will benefit all of us.

I think that there will be a better appreciation for this notion when, years from now, women will no longer constitute a tiny handful of Representatives in Congress; when women, shorn of centuries-old stereotypes, will be able to pursue careers and motherhood without a sense of guilt for emphasizing either over the other; when women's groups, aware of their sense of achievement and fulfillment of purpose, can be as much a part of history as the 19th amendment.

And when that day comes, I believe many people will be able to look back upon this week and recognize that people like Eileen Thornton and organizations like the Women's Equity Action League were there when it counted. I, for one, do not want to wait for history to be a judge. Rather, I would like to take this occasion to applaud the women and work of WEAL today.●

DO FBI INDICTMENTS REVEAL A VENDETTA?

HON. ROBERT McCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 3, 1978

● Mr. McCLORY. Mr. Speaker, the distortion involved in the current attacks against present and former high-level officials in the FBI is, in my view, destructive of the entire law enforcement segment of our society.

A recognized and perceptive columnist, who is certainly no champion of the law and order right wing, Nicholas von Hoffman, has decried the recent selection of three prominent FBI personalities whose efforts were limited to investigations of the antiwar elements of 5 or 6 years ago.

The selective nature of the indictments returned recently against L. Patrick Gray III, former Director of the FBI, and two other men who held high administrative posts in the Bureau, suggests that comparable and more egregious conduct—countenanced almost since the FBI was established—reveals a pattern which the administration should review promptly and reject.

Mr. Speaker, I am attaching hereto Mr. von Hoffman's article which appeared in the Tuesday, May 2, 1978, issue of the Chicago Tribune as follows:

THE FBI HISTORY OF LAWLESSNESS

(By Nicholas von Hoffman)

It was a rare if not unique episode. Hundreds and hundreds of present and former FBI agents gathered outside a federal courthouse to applaud three men arraigned inside on criminal charges.

Cops ordinarily cheer for the prosecutors but in this case the accused are L. Patrick Gray III, former director of the Federal Bureau of Investigation, and two other men who've held high administrative posts in the bureau.

The three have been indicted for violating the civil rights of the relatives of radical fugitives by authorizing G-men to break into their homes without warrants. Many people will conclude that there are large numbers of federal lawmen who are so contemptuous of the Bill of Rights that they find it necessary to put on public demonstrations in support of officials accused of ripping it up.

The question isn't so one-sided, however. Since the acts the three are accused of date from 1972, the demonstrating agents and the rest of us are entitled to ask why it took six years to indict these men. And why was the decision made to indict these men for acts committed against anti-war sympathizers and/or their relatives but not for some of the terrible things that were done to the civil rights of certain members of the Ku Klux Klan?

Over the years, the FBI has been involved in many, many violations of people's civil rights. That it was decided to prosecute only the violations of the triumphant anti-war political faction could lead a cynic to surmise that the crime here wasn't breaking into a house without a warrant but breaking into the wrong house without one. If Atty. Gen. Griffin Bell would like to deter agents from acting in illegal ways it would have made more sense to bring charges against law officers suspected of violating the rights of a variety of people.

As long ago as 1920 the FBI, in which the young J. Edgar Hoover was then a rising bureaucrat, was arresting hundreds without warrants, infiltrating organizations like the American Civil Liberties Union, and filling the files with political dossiers of such people as Felix Frankfurter, Jane Addams, Clarence Darrow, Pearl Buck, and John Dos Passos.

Decade after decade, the FBI routinely and ordinarily disregarded the political, social and civil rights of whoever was unpopular at the moment. Nor was any of this a secret kept tight within the FBI because an outraged officialdom would blow its stack if it ever found out. Quinn Tamm, assistant director of the FBI, confirmed the fact that many a former highly placed man in the government knew that the bureau enforced the law by lawlessness when he said:

"Every time that Mr. Hoover went before the House Appropriations Committee on off-the-record discussion, not on-the-record discussion, he told the House Appropriations Committee, then headed by Congressman [John] Rooney—everything the FBI was doing. He was proud of his black bag [burglary] jobs, wiretaps, the information he was getting. The Presidents knew about it . . ."

If FBI officials are to be indicted, why not other high officials who knew these crimes were being committed?

Obviously, indicting the scores of congressmen, senators, White House staffers, and others who knew, encouraged, and approved of FBI crime is absurd. Too many were involved. That's the point. Whatever the law books might have said, the law as it was being lived and administered permitted violating the rights of political pariahs.

After a half a century of these practices, to pick out L. Patrick Gray III, a man who served less than two years as an acting director, and dump it on him is to conceal the nature, magnitude, and the duration of what went on. It is to exculpate and turn away with deliberate blindness from the far more powerful people who approved of these activities by their knowledge of them and their silence.

Without consciously intending to, the people who decided to go after Gray are perpetrating a grand and unhappy cover-up. Prior to his reemergence onto the front page, when we last saw L. Patrick it was when

Nixon, Haldeman, and Ehrlichman were letting him twist and dangle in the wind. One such death is enough for this weak and not terribly important man.●

HOW TO HURT BLACKS IN SOUTH AFRICA: CUT OFF TRADE

HON. ROBERT E. BAUMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 3, 1978

● Mr. BAUMAN. Mr. Speaker, the recent action by the House Committee on Banking and Currency denying access to the Export-Import Bank to the Republic of South Africa is supposedly motivated by a desire to improve the welfare and political rights of blacks in that country. Just how mistaken that view is has been well illustrated repeatedly by black leaders and others in and out of South Africa. They have consistently underscored that a cutoff of trade will destroy opportunities for black employment, as well as economic and political gains for the black population.

Nothing better emphasizes the folly of this approach than an editorial in this morning's Baltimore Sun. The Sun has consistently provided extensive coverage of affairs in South Africa, both with local correspondents in the country and roving reporters who have written several series of articles. Certainly not a conservative newspaper politically, the Sun's editorial shows how a blind opposition to trade and contacts with South Africa actually hurts the blacks who live there.

Mr. Speaker, an eventual end to apartheid must come in South Africa, but I would hope that the House will reject the Export-Import Bank restrictions in order to produce real change in South Africa.

The editorial follows:

[From the Baltimore Sun, May 3, 1978]

DEALING IN SOUTH AFRICA

A certain amount of agitation against trading or investment in South Africa provides a healthy pressure against that country's hateful racial policies. Total economic boycott would do the opposite, inflict great miseries on South Africa's black majority, and starve the movement for change.

A good example is the folly of the House Banking Committee in passing an amendment to the Export-Import Bank authorization bill which would prevent that agency from extending credit guarantees to American firms for sales to South Africa. The law already prevents such guarantees to South African firms. The amendment, introduced by Representative Paul E. Tsongas of Massachusetts and supported by Representative Parren J. Mitchell of Baltimore, passed by 28 to 16. Similar action is expected in the Senate Banking Committee.

Just why this is folly was illustrated by a recent statement by Representative Mitchell, objecting to a proposed Export-Import Bank credit guarantee for a purchase by Argus, "a company from the avowed racist country of South Africa." Argus does not yet have its purchase, and may never get it.

Argus is a chain of newspapers that provide much of the information on which criticism of South African racism and brutality is based. A fairly free press, always under the threat of censorship and suppression, is the most important opposition to the Vorster regime existing in South Africa. Argus is an opposition press. One of its papers, the Johannesburg World, edited by blacks for blacks, was the source of the world's knowledge of unrest in Soweto. Last October, the government suppressed the World and jailed its courageous editor, Percy Qoboza.

When Mr. Qoboza was released in March, Argus made him Transvaal editor of the Durban Post. The Transvaal edition of the Post is more or less the World under another name. The Argus purchase in this country to which Representative Mitchell objected is a printing press intended originally for the World and now for the Post. The South African regime, deliberately, and Mr. Mitchell, unwittingly, have been trying to silence Mr. Qoboza.

The campaign for total American disinvestment from South Africa is akin to the Export-Import Bank issue. Big business in South Africa is an advocate of racial change. Multinational corporations provide the best black wages, and the economic base from which black agitation is possible. American pressure on firms to speed up black advancement helps South African blacks, but flight of all American capital would hurt them.

William Raspberry, a black columnist for the Washington Post, reported from South Africa that black opinion is divided on disinvestment. He heard "again and again . . . a virtual plea against disinvestment," from blacks fearing worse black unemployment or mass bloodshed.

Grandstanding from the safety of 8,000 miles away, as Mr. Qoboza indicated to Mr. Raspberry, is easy. But any American politician who seriously wants to help South African blacks will—at the very minimum—cease being an obstacle between Mr. Qoboza and a printing press.●

EXPLOSIVE TAGGANTS

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 3, 1978

Mr. ANDERSON of California. Mr. Speaker, today I am reintroducing legislation that can have a significant impact on the increased incidence of terrorist and other criminal bombings in our country. H.R. 11946 will phase in requirements that will utilize this Nation's expanding technology. It mandates the introduction of taggants to explosive materials that will enable their quick identification after their detonation, and their detection prior to the blast.

The benefits that will accrue to society if we can detect the presence of an explosive before it goes off is obvious. The savings in life and property should be welcomed by all.

It is also important that our law enforcement officials be able to identify the explosive after it is detonated. Today, too many criminal bombers never see the inside of a jail. They know that police are seldom able to track them down, because the bomb that they explode takes with it any clues that can be used to trace the identity of the perpetrator. It is shocking that in all cases where bombs are exploded, or discovered before they can go off, only 8 percent of the criminals are arrested.

The legislation I am reintroducing today with 38 cosponsors, should increase this figure drastically. And when it does, when the potential bomber knows that he or she may spend time in prison if the act is committed, I believe the number of people using explosive materials illegally to maim and destroy will decrease dramatically.

I invite more of my colleagues to join us in cosponsoring this legislation.

NEVER ENOUGH LIKE HIM

HON. DAVID E. BONIOR

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 3, 1978

● Mr. BONIOR. Mr. Speaker, I would like to submit for inclusion in the CONGRESSIONAL RECORD an article written by John P. Wheeler III, which appeared in the Washington Star on April 17, 1978. It is a sensitive presentation of one of the least visible yet most persistant problems faced by Vietnam veterans: Lack of recognition of their "honest service" from the the country which sent them to fight that war.

I think my colleagues will find the time taken to read this piece well spent:

NEVER ENOUGH LIKE HIM

(By John P. Wheeler III)

The death of one extraordinary man, killed ten years ago today, illuminates a principal aspect of our country's unfinished business on Vietnam.

Thomas Jay Hayes IV was my West Point classmate. We became friends in Beast Barracks in 1962, the summer introduction to the rigors of our new life. He was to become ninth in our class, a ranking cadet officer and, most significantly to me now, Chairman of the Cadet Honor Committee.

In Vietnam, Tommy led an infantry platoon. On April 17, 1968, there was enemy activity far out in his area of operations. The size of the enemy force was unclear and, it turned out, underestimated. Tommy's platoon went by helicopter to the area of contact. They were embroiled in a firefight. Tommy saved first one of his wounded men and then another by dragging them back across a rice paddy. This marked him as the target of choice. He was killed by enemy automatic weapons fire.

There was honest service in Tom's life. No country ever has enough men like him. West Point's motto is "duty, honor, country." It is a commitment to public service. Because we must entrust power with those who serve, Americans rightly expect the highest integrity in their public servants. This integrity is the object of West Point's honor code—presided over by Tom twelve years ago.

I think the war created a void into which Tom has been cast, with little or no acknowledgment of honest service rendered.

One reason for this probably is that the American public, when it dwells on the war at all, chooses to visit a large measure of the sins of the war on its military servants. But certainly the onus of the policy decisions on Vietnam should not touch the young Americans who served there.

In Tom's life, and in his death, and in the lives and the deaths of other soldiers I have known, there lay in Vietnam service both a full realization of the tragedy of the war and a fulfillment of allegiance to duty, honor, and country—a country, in the case of the Vietnam war, unable to set its moral compass yet relentlessly committing its soldiers to fight.

A large portion of those servicemen of Vietnam still find little acceptance in discussing their experiences and little affirmation of sacrifice or health in their service. There is much in their lives to heal and much to affirm.

To date West Point and the Army's senior officer schools have not been able to succeed

fully in seeking out and confronting the truths of Vietnam. For example, at the staff school at Fort Leavenworth vigorous examination of Vietnam policy and strategy, while invited by school officials, is difficult to achieve in the classroom. The same is true at West Point, where the faculty is made up of many of the Army's best young officers.

But for our country as a whole to learn from Vietnam, the Army has to succeed in the task, because the Army had one of the central roles in setting Vietnam policy.

The individuals at these institutions do recognize the importance of these issues, and Vietnam is a subject of study. But the difficulties of the faculty and students are no mystery: A person finds it hard to examine and learn from personal tragedy. One requisite for the process is time. But acceptance by others is also essential, as is affirmation of the good and the worth in the person's life. Soldiers are no exception.

Learning from Vietnam will proceed, if at all, only when our country can fully acknowledge the integrity of service and the embodiment of cherished values represented in the soldiers sent to Vietnam; and full reconciliation with our living veterans requires this same acknowledgment, perhaps as much as it needs a just resolution of veteran claims to educational, medical and work assistance.●

GREAT LAKES FISHERIES ACT

HON. PHILIP E. RUPPE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 3, 1978

● Mr. RUPPE. Mr. Speaker, today I am introducing legislation amending the 1956 Great Lakes Fisheries Act.

The legislation, while focusing specifically on fisheries management needs of the Great Lakes States, is also a first step in the resolution of a potentially explosive problem on the Upper Great Lakes. I refer to treaty Indian fishing rights as they relate to the waters of the State of Michigan.

In the 1700's and 1800's, the U.S. Government utilized treaties to secure Indian lands for settlement by non-Indians. Indian hunting and fishing rights were often a major element in those treaties.

Although Congress has not been actively involved in legislation affecting these Indian treaties in recent years, the situation which we now face on the Upper Great Lakes seems quite unique and my perception of the problem suggests that a legislative solution may well be the only appropriate answer.

The inadvertent entry of the sea lamprey to the Upper Great Lakes, along with commercial overexploitation, led in the early 1950's to the virtual extinction of lake trout in Lake Michigan and Lake Huron, and to a dramatic decline in lake trout populations in Lake Superior. This shift in the fisheries of the Upper Great Lakes virtually destroyed commercial fishing as it had existed and with it vanished the livelihood of many Indian fishermen.

With cooperation from Canada, a sea lamprey control program began in the 1950's which initially involved electric weirs to block the mouths of streams in which the lampreys spawned and eventually the use of an effective chemical lampricide.

By the late 1950's hatchery-reared lake trout were being planted in Lake Superior; the planting program expanded to Lake Michigan in the mid-1960's and Lake Huron in the early 1970's.

Although the State of Michigan participated enthusiastically in the lake trout rehabilitation program, the State in the mid-1960's also imported salmon eggs from the west coast, raised coho and king salmon for planting, and thus helped resolve the alewife problem by launching an enormously successful sport fishery.

It became apparent to the State that lake trout and salmon were mutually compatible in shaping the recreation fishery. It also became apparent to the State that the economic value of lake trout and salmon utilized for sport fishing was far greater than the value of those fish if used for commercial purposes.

As a result the State made a major shift in management emphasis. For example, having determined that gill nets used for whitefish and other commercial species indiscriminately killed lake trout, the State adopted regulations banning the use of gill nets. At the same time the State established a limited entry commercial fishery for its waters of the Great Lakes, thereby substantially reducing the numbers of commercial fishermen.

All of this change affected Indian fishermen. No longer could they readily secure commercial fishing licenses. No longer could they use their traditional gill nets. After reviewing their treaties and with encouragement from the Department of the Interior, northern Michigan Indians went to court. In 1971 they were successful before the Michigan Supreme Court in having the waters of Keweenaw Bay in Lake Superior declared exempt from State control of fishing by Indians subject to the Chippewa Treaty of 1854 (Jondreau decision). In 1976 they were again successful before the Michigan Supreme Court and secured a decision declaring that Indians subject to the Treaty of Washington of 1836 and the Treaty of Detroit of 1855 had not given up their fishing rights in the Pendills Bay area of Whitefish Bay in Lake Superior (LeBlanc decision). The effect of this second decision has been to create great uncertainty on the part of the State of Michigan as to whether it can enforce its fishing regulations on treaty Indians. For whatever reason it has not enforced those regulations pending the outcome of a Federal court case which treaty Indians are presently pursuing in western Michigan for the purpose of determining the extent of their fishing rights in the ceded waters of the Great Lakes. These ceded waters are extensive, encompassing all of the Michigan waters of Lake Michigan north of the mouth of the Grand River, all of the Michigan waters of Lake Superior east of Marquette, and the waters of Lake Huron north and west of a line running from Alpena and perpendicular to the U.S.-Canadian boundary.

Adding to the confusion are a number of other Michigan court cases including one this year related to Indian fishing in Grand Traverse Bay of Lake Mchigan where the circuit court judge ruled treaty Indians had given up their fishing rights because the waters of the bay were settled by current use (Duhamel decision). This is a finding in apparent conflict with the earlier Michigan Supreme Court determination in LeBlanc that the ceded waters had not been settled. The Michigan Court of Appeals had ruled in favor of the Indians in the LeBlanc case, but against Indians in the Duhamel case.

The Federal court case had been filed initially in 1973 by the Department of the Interior which was joined by the Bay Mills Chippewa Indians whose reservation is located adjacent to Whitefish Bay, and they were in turn joined in the suit by the Sault Tribe of Chippewa Indians, a recently organized tribe also located in the Sault Ste. Marie area. The case finally went to trial in February of this year.

Efforts have been made at negotiating a settlement between the Indians in question and the State of Michigan. However, talks were broken off in 1974 when no agreement had been reached.

As recently as 1976 I called for further negotiations hoping that they might lead to an amicable settlement, but the parties have expressed reluctance to do so pending the outcome of current litigation.

After viewing the growing confusion and increasing likelihood of confrontation I was able to secure from my colleagues on the Merchant Marine and Fisheries Committee approval to hold a hearing on the issue in Petoskey, Mich., on January 13 of this year.

Generally speaking, the hearing was a constructive one. We heard 39 witnesses and received more than 60 additional statements for the record.

Essentially, the Indian witnesses contended that they have not given up their fishing rights with the treaties of 1836 and 1855, that they are strongly conservation oriented, that their fishing has not damaged the fisheries resources of the Great Lakes, that the State has not proven Indian use of gill nets was harmful, that the numbers of fish they were taking are a very small percent of the total catch by recreation and commercial fishermen, that they do not want the State to regulate their fishing, and that they were opposed to any modification of their treaties by legislation which they would regard as abrogation.

The Department of Interior witness, the field solicitor representing the Twin Cities office of the Agency who is also an attorney for the plaintiff Indians and the agency in the Federal Court case, stated the position of the agency in support of treaty Indian fishing rights contending that the waters of Whitefish Bay were subject only to Indian control and that the treaty Indians had not given up their fishing rights in the waters of the Great Lakes ceded under the treaties of 1836 and 1855.

On the other hand, witnesses representing the Michigan Department of Natural Resources and sport fishing associations contended that Indians had given up fishing rights in the treaties, that unregulated Indian fishing was damaging fishery resources and in so do-

ing was a threat to the $250 million annual value of recreation fishing in the Michigan waters of the Great Lakes, that the solution to this perceived threat was either abrogation of the treaties or at least such other modifications of the treaties that would make Indian fishing subject to regulation by the State of Michigan.

Mr. Speaker, it is apparent to me after the most careful review of all of the issues involved in treaty Indian fishing rights in Michigan that legislation may offer the only solution which can meet the needs both of Indians and non-Indians in the utilization of the fisheries resources of the Michigan waters of the Great Lakes. When I say this I do not mean in any way to discredit the capabilities of the Federal court of western Michigan and its highly competent judge, Noel Fox. But the truth of the matter is that the Congress has more maneuvering room when it comes to proposing solutions to highly controversial problems.

However, the bill which I have introduced today is only a part of the legislative solution to the Indian fishing issue in Michgan. I intend to offer a number of amendments which will be necessary to make it an effective response to the problem.

In its initial form it addresses only one basic part of the solution and that is the substantial enhancement of the fisheries of the Upper Great Lakes so that increased Indian fishing, a key element in my overall proposal, will not cause a diminishment in the total catch by non-Indian recreation and commercial fishermen.

Included in the present bill is language providing for a very substantial research program dealing with all aspects of the Great Lakes fisheries. We need to have firm knowledge of the optimum sustainable yield of those fisheries, taking into consideration all of the basic elements related to the fisheries such as current stocks, water quality, habitat conditions, spawning success, the extent of commercial and recreation use of the various species and so on. The bill provides for a complete monitoring program for the fisheries. It also provides for a $50 million hatchery program to increase the numbers of fish in the Great Lakes to optimum levels.

I will propose for committee consideration language which takes into account past court decisions in Michigan and sets aside the waters of Keweenaw Bay and Whitefish Bay as reservation waters to be subject only to Indian control. In addition several other areas such as the waters adjacent to the Indian settlement at Cross Village, Mich., may be proposed as waters subject only to Indian regulation.

I will propose an amendment that in 5 years, and subject to substantially expanded numbers of fish in the ceded waters which will permit the commercial catch of fish surplus to the recreation fishery, that Indians be given State commercial fishing licenses to the extent that they will then make up 50 percent of the total commercial fishing licenses issued by the State. To help Indians utilize their licenses effectively a commercial fisheries training program would also be established along with a special equipment loan program to provide the boats and gear necessary for economically successful fishing effort.

During this 5 year transition to fully equipped commercial activity, a certain number of pounds of fish would be made available to Indians based on their historical requirements. The number will probably total several hundred thousand pounds of both lake trout and whitefish, and would continue to be made available to Indians on a proportionate basis after the end of the 5 year period until the number of their commercial licenses reached 50 percent of the State total.

In response to the request of the State of Michigan that management of the fisheries in the Michigan waters of the Great Lakes be subject only to regulation by the State, this legislation would provide for State management on those waters not set aside for Indian control.

Beyond these elements relating directly to fisheries, I intend to offer another amendment to establish under the auspices of the National Park Service a cultural center for those tribes to be located at Pictured Rocks National Lakeshore. Patterned philosophically after Colonial Williamsburg, the center would include a village in which historic tribal crafts and activities depicting life on the Indians would be demonstrated. This is a heritage which should not be lost to mankind.

Mr. Speaker, what I am attempting to accomplish with this legislation is the settlement of a potentially explosive problem by the development of a constructive program which will expand the fisheries of the Great Lakes to such an extent that they will accommodate both Indian and non-Indian needs without violating court determined fishing rights of Indians or abrogate the treaties of 1836 and 1855 between the Ottawa and Chippewa Tribes and the United States.

I recognize that there may be very forceful objections to this solution. There are those who desire abrogation of the treaties because they do not believe Indians should have any special rights apart from their natural rights as American citizens. My response to them has been that neither Congress nor the Carter administration will support abrogation.

There is also the question of how to determine the cost of abrogating these treaty rights, which are property rights requiring compensation.

The greatest difficulty in convincing non-Indians of the legitimacy of Indian treaty rights claims, however, seems to lie in the interpretation of the treaties by the courts. Under the standards of our Anglo-Saxon derived jurisprudence, it appears at first blush that Indians gave up all of the hunting and fishing rights in the ceded areas of Michigan under the 1836 and 1855 treaties. But the Supreme Court has taken a different perspective when the interpretation of Indian treaties is involved because, according to the court, Indians did not view issues the way non-Indians did when agreeing to treaties. The Supreme Court has said treaties should be interpreted as Indians understood them and that ambiguities in treaties should be resolved in favor of Indians. I can therefore understand why non-Indians disagree with court decisions related to the 1836 and 1855 treaties in Michigan. But given the court's interpretation of Indian rights, it is also possible to understand the outcome of those court decisions.

Mr. Speaker, I look forward in the legislative process to the development of a solution to the problem of treaty Indian fishing rights in Michigan. I believe that if we the parties come before the committee in a spirit of compromise and cooperation we will be successful in finding a solution which will be fair and just and satisfactory to all those directly involved.●

A NEW GUIDELINES APPROACH TO CONTROLLING INFLATION

HON. JOSEPH L. FISHER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 3, 1978

● Mr. FISHER. Mr. Speaker, of all the problems before the American people at this time, the one that is bugging them most is inflation, the ever-rising cost of living, which robs them day after day. Food prices, rent, electricity bills, health care, taxes—all have been increasing rapidly for the past several years and causing much pain. The cost-price escalator seems to be running one way only, and that is up. Persons receiving fixed dollar incomes, creditors generally, the unemployed and underemployed are among the big losers; most others just do not gain or gain much as higher costs eat up higher wages and salaries. Investment planning becomes chancy and lenders require high interest rates to offset the loss of repayment in cheaper dollars. In short, the whole economy is disrupted and normal business relations are made difficult.

The causes of inflation apparently lie deep in the economic structure and trace back at least a decade. The large and mistaken commitment to the Vietnam war in the 1960's plus a more laudable commitment to major improvements in education, health care, and other programs, both unmatched by appropriate policies for increasing taxes, are part of the inflation story. Skipping to the early 1970's, food prices started up rapidly because of the coincidence of poor crops in most of the major agricultural regions of the world, and then in late 1973 came the discovery of the part of the Middle East and other major oil-exporting countries that they could exercise a degree of monopoly power by restraining output and raising world prices of oil. Throughout there was a lack of sufficient monetary and fiscal discipline in this country which became impossible to exercise anyway as the American and the world economy fell into the worst slump since the great Depression of the 1930's.

In addition to these and other more immediate and identifiable causes, structural changes in the economy and

the way it performs have been creeping slowly in to make escape from the inflationary trap more difficult. The setting of prices for many industrial and other products and services came more and more under the control of influential corporations and took the name of administered price setting. Matching this phenomenon was the increasing ability of major labor unions to force higher wage settlements well beyond what could be justified on grounds of productivity improvement. Enforcement of antitrust laws against business and tougher bargaining with labor unions have been lackluster for many years and the capacity of consumers has, as always, been totally inadequate to the task of protecting themselves by restraining price and wage increases.

During the last several years, despite the slow recovery from recession, inflation has continued on apace. The slackening last year now seems to have been replaced by a resumption of an increase in most measures of costs and prices. Large economic groups, anticipating further inflation, take what steps they can to catch up and get ahead of the trend. Motivation to work in the opposite direction is weak and the country is in danger of falling into an attitude of complacent acceptance of a continuing rapid rate of inflation with each person, each unit, scrambling to take care of himself or itself. The situation is approaching the intolerable. What can be done about it?

Most persons who have been worrying about inflation and what to do have their preferred solution. I am no exception. Like most others, I reject comprehensive price and wage controls as a way of breaking the back of inflation because it would constitute a major interference in the competitive enterprise economy that has been traditional and served well for so many years. I reject this solution even though a recent nationwide poll indicated that half the people think controls would be desirable in present circumstances. Also, I think we would mess up any comprehensive control program; it would be too complicated and too distasteful for even the best of administrators to carry out efficiently. I also reject, on the other extreme, doing nothing more about the inflation problem than we have been doing. So what is the midground that I would have us occupy?

I would propose a guidelines approach, vigorously pursued, and consisting of three major parts. Guidelines have been tried before, and at the present time are not thought to be popular, but I would argue they have never been properly formulated, backed up with measures that would make them work, or done through an effective process. During the first Nixon administration, guidelines were tried along with freezes and other approaches but no single policy was pursued vigorously and consistently enough really to prove what would work and what would not.

First, as to the guidelines themselves, I would suggest they be formulated along the following lines, indicated here only in a general way. Beginning with wage and salary guidelines for the next year I would propose the adjustment be based on the increase in the cost of living during the most recent 12-month period (say 6 percent) plus an increase to recognize improved productivity of the past year (say 2 percent) minus an anti-inflation factor (say 25 percent of the first two factors or 2 percent). The net of these three factors would be a wage and salary guideline of plus 6 percent. Possibly an overall guideline of this kind would have to be articulated in terms of major sectors of the economy. In the following year the guidelines would be recalculated in the same manner so as to yield a persistent anti-inflation effort of 25 percent.

Applying such a guideline to Federal employees' pay, the only group over which the Government does have pay control now, the result would be a 6-percent increase or thereabouts for next year. This is slightly more than the 5½-percent raise recently recommended by the President. This seems both restrained and reasonable considering other recent wage settlements in the private sector including the coal miners' 9 or so percent increase.

Enforcement of the guidelines in the complete sense would be impossible because I have already rejected wage-price controls. Here I would rely on the strenuous efforts of the President, business and labor leaders, and others. More about this later. Since relatively few major wage negotiations are due to come up during the coming months, this would be a favorable time to initiate a guidelines approach.

To be credible and acceptable to wage and salary earners, there would have to be a strong effort to restrain price advances to an equivalent extent. Price guidelines would have to be worked out for the major industrial and other sectors so as to be consistent with the anti-inflation wage guidelines. In most industries, wages make up two-thirds to three-quarters of total costs.

President Carter's recently announced anti-inflation effort is commendable but it does not go far enough. It emphasizes jaw-boning and arm-twisting to get labor and business to hold wage and price increases to one-half to 1 percent for the next 12 months. Bob Strauss, probably the best jaw-boner and arm-twister in the business, has been put in charge of the effort. So far so good; but I think more is needed to provide the best chance for success. Business analyst and columnist Hobart Rowan in this morning's (April 30, 1978) Washington Post wrote:

> But the President's reliance on totally voluntary restraints and the wagging of the Strauss jawbone is likely to produce little more than a temporary euphoria.

The more that I advocate includes some other supportive measures plus a more defined process for restraining wages and prices.

The second part of my approach would consist of laying out the range of governmental and private actions and programs which would be brought to bear on the inflation problem. Many of these would be in addition to the direct efforts to obtain compliance from business and labor with the guidelines. I have in mind here a layout of the monetary, fiscal (governmental tax, expenditure, and budget measures), regulatory measures where appropriate either through Federal or State initiative, plus a large number of more specific measures that might be subsumed under headings already mentioned. What is required is the preparation of a broad anti-inflation strategy and program for consideration each year to support the direct effort to achieve compliance with the guidelines. As a part of this broad program each constituent element should be analyzed to reveal its potential for reducing inflation—a kind of inflation impact statement.

In a way, one could liken my approach to reducing and eliminating inflation to the approach contained in the version of the Humphrey-Hawkins bill recently passed overwhelmingly by the House of Representatives. This bill, you will recall, would have the Council of Economic Advisors, the President, the Joint Economic Committee, the Congressional Budget Committees, and the Congress itself decide upon objectives for reducing unemployment and then would urge the President to formulate programs and the Congress to adopt programs to achieve these objectives. The programs in no way are mandated in the bill which is essentially a guidelines kind of effort directed toward reducing unemployment. To be sure, in the version finally passed by the House, other objectives crept in, including the anti-inflation objective. But the main thrust remained to cut down on unemployment. My approach to combating inflation, therefore, has some similarity to the Humphrey-Hawkins approach to unemployment in that it sets forth guidelines, lays out a menu of actions and programs to choose from, and urges the executive and legislative branches on with the job. It would balance the efforts to reduce unemployment with an effort to reduce inflation.

The third part of my guidelines approach is concerned with the process by which the guidelines would be put into effect. Here I would borrow extensively from processes which have been worked out in the handling of major labor disputes. For example, once the wage, salary, and price guidelines have been established there would have to be an executive determination by the President that the guidelines were being exceeded. The evidence for this would be made public. Right away would begin an effort by the executive branch to bring reason and pressure to bear on the firms, unions, and others involved to change their policies to conform with the guidelines. If that failed, there might be a 30-day factfinding period during which the facts of the situation would be developed more carefully in continuous consultation with the business and labor representatives involved and made public so that all interested persons and groups could begin to learn and take some part in the anti-inflation process. If this failed to bring about agreement to change policies to conform to the guidelines, and intensive mediation period would ensue with the

Government as well as private and nonprofit mediation services made available. Further pressure would be brought to bear with the hope that the public generally would rally behind the need for mediating the problem in such a way that the guidelines could be observed. Arbitration facilities could be made available and in many instances, after the situation had developed to this point, it would be hoped that the parties to a dispute would agree to submit their cases to arbitration.

Finally, I think we should immediately explore and adopt some tax incentives or penalties to induce firms and unions to conform to the guidelines. Henry Wallich, Sidney Weintraub, Arthur Okun, and others have been sponsoring specific efforts along these lines. Generally speaking, under these proposals, a tax break would be given to or a tax penalty imposed on a firm which was breaching the guidelines. This would be accompanied by some equivalent treatment for unions. I would suggest that appropriate committees of Congress begin specific hearings on these "carrot and stick" possibilities right away.

It is quite possible that the guidelines would have to retain some flexibility in application to allow for specal situations and to make more credible the factfinding, mediating, arbitrating, incentive, and penalty kind of process I have been describing. But the flexibilities cannot be too great; otherwise the guidelines would come to mean very little. No doubt much would be learned if the approach I have been describing could be put into effect, and learned rather fast, which would instruct us as to how to revise, tighten, and improve the whole procedure.

So much for a brief sketch of my approach to trying to deal more effectively with the insidious and persisting problem of inflation. I realize that this takes us out into new dimensions of guided operation of the economy. But essentially the economy would remain free and competitive. There would be no comprehensive wage-price controls. But something more than everything as usual would be tried. Once inflation had been brought clearly under control, the guidelines approach I have been talking about would tend to revert to a standby condition. It could continue to be done, but would not require great effort because, with inflation under control, reasonable guidelines would not very often be exceeded.

To gain acceptance for this approach and to give it a chance to work, it would be necessary for the major economic sectors and interest groups to participate in the process. More than that, they should be given the opportunity to participate in formulating the process. It would represent an extension of democratic practices into the very heart of the economy, that is the wage-price setting process. And the only reason I put forward this kind of an approach is that we cannot much longer tolerate the rate and amount of inflation we have had the past several years. Something has to be tried and it seems to me that what I have been calling the guidelines approach offers much promise.●

THE FRADKINS: PRISONERS IN THE SOVIET UNION

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 3, 1978

● Mr. UDALL. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following:

Recently there has been a significant increase in the number of Soviet Jews allowed to emigrate from the U.S.S.R. While this trend is certainly a pleasant surprise in the light of past difficulties, I do not think it should be regarded as a major shift in the Soviet's policy toward emigrants.

The Soviet Government has come under criticism from the United States and other free nations as well as Jewish and other private interests all over the world for their restrictive human rights policies. One issue that has gotten particular attention is the Jewish emigration question. The U.S. Department of State has actively campaigned for more liberal emigration standards for many years. On numerous occasions it has presented lists of Jews seeking emigration permits to Soviet officials, and has expressed the interest of the U.S. Government in family reunification and emigration standards in general. Jewish individuals and organizations all over the world have petitioned the Soviet Government for a revised policy and have looked to our Government for help. I am happy to report that these efforts have achieved at least a measure of success. During the first 2 months of this year over 3,500 Jewish men, women, and children moved out to homes in Israel, the United States, or various other countries. This figure differs markedly from 1 year ago when only 2,300 visas were issued during the same time period. This trend is certainly encouraging, but I believe we should not fall into the trap of playing the numbers game when there are many other considerations at stake. It is my impression that the U.S.S.R. is making a minor concession, but that the number of recent emigrants actually represents only a small fraction of those seeking exit permission, and that the Soviet Union is continuing its basic policies toward Jews and other emigrants.

Many reports that I have received substantiate these charges. On December 14, 1977, Soviet scientist, Prof. Veniamin G. Levich reported that the recent "* * * 22 percent increase in the number of Jews permitted to emigrate does not reflect a change in U.S.S.R. policy." He went on to say that many more Jews desire to emigrate than are represented by the increase, and he reports "new and ominous" arrests have resulted in "frightening conditions" for prospective emigration applicants. In another case, six Soviet Jewish scientists have warned against interpreting the recent increase in emigration from the U.S.S.R. as a liberation of Soviet policy. They report in a letter to President Carter that there has been an increase in official anti-Semitic propaganda, that Jewish activists are being accused as spies, and that families are now forced to wait even longer for answers to their emigration applications.

In fact, we do not know how many Soviet citizens have applied for exit visas. The Soviet Union does not make this information available. Also, as Congressman GILMAN has pointed out in his recent CONGRESSIONAL RECORD article of April 26, 1978, titled "Interruption of Mail by U.S.S.R.," it is often difficult for citizens to correspond with people outside the Soviet Union. I can only guess that there are thousands of citizens that want to leave but are constantly refused permission, and are unable to solicit assistance from abroad because of the current mail situation.

Today I would like to report on the case of one family which has been brought to my attention: Daniel and Sarah Fradkin and their two children (Shosse Revolutsi No 45, Flat 140, Leningrad, U.S.S.R.). The Fradkins have been trying to emigrate since 1972. Mr. Fradkin was a mathematician, but he now works as a postman. Their application has been turned down numerous times on the grounds that he had "access to secret documents" in 1963, which is absurd not only because of the dated nature of any 1963 "secrets," but also because as a mathematician he was only involved peripherally with any problems he helped to solve. Daniel's father, Rabbi Abraham Fradkin, lives in Israel and would like to be reunited with his family.

In August of 1975 the Soviets signed the Helsinki Accords. One section of this act that is particularly concerned with human rights, the so-called Basket Three, states that signatory nations—

". . . make it their aim to facilitate freer movement and contacts, individually and collectively, whether privately or officially, among persons, institutions and organizations of the participating States . . .

In addition the Accords stipulate that persons who wish to be reunited with their families should be treated ". . . in a positive humanitarian spirit . . ." The Soviet Union has obviously not treated in a positive humanitarian spirit, nor have others in similar situations been granted these considerations. I have recently been approached by a number of Jewish citizens of this country and asked for my help in a few particularly distressing instances—the Fradkins are the latest of these cases. My dealings with the Soviets thus far have been frustrating. In one instance I wrote to the Soviet Ambassador to the United States, Anatoly Dobrynin, and my letter was neither answered nor acknowledged. I also sent a registered letter to the family whom I was trying to help. It has been over 6 months now since the letter was sent and the delivery receipt has not been returned. I must assume that the letter was never delivered. I intend to follow the same procedure with the Fradkins, and hope that I will have more success in corresponding both with Ambassador Dobrynin and the Fradkins.

This tragedy is certainly a case of human injustice. I hope that Ambassa-

dor Dobrynin will take some action when he receives my letter outlining the Fradkin's case and the unacceptable status of the Soviet's emigration policy. I believe it is ridiculous for a country that considers itself to be a civilized and progressive nation to engage in such atrocious and unforgiveable denials of basic rights to its citizens.●

LISTEN TO THE DAILY ADVANCE

HON. HELEN S. MEYNER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 3, 1978

● Mrs. MEYNER. Mr. Speaker, once again, the U.S. Department of Defense has struck an exposed nerve in New Jersey with its consideration of proposals that would drastically reduce longstanding operations at Fort Dix, Lakehurst, and at facilities near Bayonne.

How long must the Department of Defense wage a battle against its own people before it finds that it is counterproductive; before it learns that community support for a military installation is just as important a factor in the calculations for base realinements as are corollaries of cost-efficiency; before it understands that a massive base reduction in our State produces a net revenue loss for the Federal Government, because New Jerseyans do not want to relocate for something that will take them away from a place that has been home for generations?

The answer ought to be obvious, but I do not raise the point to underscore my concern; I want to illustrate, by way of an April 28, 1978, editorial in the Daily Advance of Dover, N.J., just how concerned people from throughout the State are about this latest development.

I might note that the Daily Advance does not circulate in the Fort Dix, Lakehurst, or Bayonne areas. It is simply concerned about its State and a wearying pattern of economic assaults by the Federal Government on the Northeast—no matter what administration is in power.

Because the Daily Advance is not alone in its concern and wariness, I would commend the editorial to my colleagues for reading in the hope that they, too, will understand why we in New Jersey are girding for another battle to save our installations:

OUR OPINION FORT DIX, AND SO FORTH

The other day a story came out of Dixie saying that the governor of Georgia had met with northern and mid-western congressmen.

His immortal words were: "Let's forget this North and South foolishness" and work together.

Of course, earlier in the same day he had met with southern congressmen and told them the South should create some regionalism and indicated he felt the South was being discriminated against.

While the governor of Jimmy Carter's home state was thus meeting with congressmen in one part of Washington, the Pentagon—on the very same day—was saying it was probably going to end basic training at Fort Dix, some naval reserve and engineering activities at Lakehurst Naval Air Station, plus a Army traffic unit stationed in Bayonne.

This is all part of a big plan to close or reduce operations at 85 military installations.

Naturally, the South won't lose much, if anything. In fact, it will probably gain such things as the massive basic training program which has put millions of men through Fort Dix.

We say "naturally" because this is the way it always has been in recent years: the installations and their boom to the local economy are taken away from the Northeast and given to the South.

This, of course, all sounds very familiar to us here in this area. We went through the same song and dance a few years ago when the Pentagon came within a hair's breadth of taking away Picatinny and setting up similar facilities in Maryland.

And, if we are not ever alert, we will be facing the same thing some time in the future. That's one reason the recently-formed Middle Forge Chapter of the Association of the United States Army at the arsenal is so important. One of its main aims is to bring the people of the area and the people of the arsenal together so we will never again become complacent about the impact of the arsenal on our local economy.

If the Pentagon takes away Fort Dix' basic training function it will mean a loss of at least 3,000 New Jersey jobs at the fort. A large area around the fort depends greatly on the installation and many off-the-base jobs in housing, stores, etc. will be jeopardized because a lot of customers will be moved south.

The same is true, to a lesser extent, around Lakehurst.

Both Fort Dix and Lakehurst are in the pine barrens and there aren't that many jobs in that section of the state. The military installations are even greater importance to the local populace than Picatinny is to us for there are more industries and other employers here in North Jersey.

The Pentagon, in addition, keeps throwing meaningful glances at Fort Monmouth, down near Red Bank. It has threatened a number of times, the last time very recently, to pack it in there and go south. Again, a major threat to jobs and economy in New Jersey.

Why this continued hacking away at Northeast military installations? Well, politics is the big reason. Jimmy Carter and his close advisors are mostly Southerners and down in Dixie they've been screaming "The South Will Rise Again" at parties for decades and man, they mean it. In addition, most of the key congressional committee jobs which affect the military are held by Southern politicians who have always had a way of completely overshadowing our normally prosaic New Jersey legislators. And let's not forget that this Democratic regime and ones that preceded it have not been above punishing Northeastern states which either voted for opponents in presidential elections or were slow (as New Jersey has been on several occasions) in climbing on the bandwagon until it was obvious which way the wind was blowing.

It is time for New Jersey's senators and representatives to really set up a howl, to get themselves in key spots, to become aggressive and fend off these attacks on our economy before they come instead—as they have in the past—of rushing to the barricades to defend us after the tentative decisions have been announced in the Pentagon.

A big chunk of the federal income is in the form of tax dollars out of New Jersey and the rest of the Northeast. It's time to be very selfish and demand we get our just slice of the melon.●

PARAQUAT SPRAYING OF MARIHUANA: DOES THE UNITED STATES POSSESS AN OUNCE OF COMMON SENSE?

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 3, 1978

● Mr. WAXMAN. Mr. Speaker, the Federal Government spends millions of dollars each year to stop illegal drug trafficking. Why? To protect public health, particularly the health of our teenagers.

Why then has the United States supported spraying Mexican marihuana with the highly toxic herbicide paraquat, which now exposes millions of Americans to the risk of permanent lung damage?

The paraquat program is now entering its third year. It has cost American taxpayers more than $35 million. The United States provided Mexico with 76 aircraft, trained the pilots, and provided technical experts to run the spraying equipment and to locate the marihuana fields.

All these efforts made by our Government have indeed resulted in a sinister harvest. Now 20 percent of the marihuana crossing the border from Mexico to the United States is contaminated with paraquat. HEW Secretary Califano warned that marihuana smokers in the United States currently face a serious health threat—permanent lung damage from the chemical. Paraquat poisoning may lead to the coughing of blood, difficulty in breathing, or other respiratory discomforts.

The State Department has maintained it has no official responsibility for the lung damage its program inflicts because marihuana is an illegal substance. Ethical questions must be asked when our Government cavalierly disregards the health of 15 million of our people who chose to regularly use this substance. Our own Government should never be involved in a program which creates or increases a health risk to American citizens, or those of other countries for that matter.

Federal health policy should be guided by the Hippocratic Oath physicians themselves are held to: "First, do no harm." To substitute for this something baser like "It serves marihuana smokers right" is to ignore the moral questions involved. Impersonal bureaucracies like the State Department need to be reminded that many of these users are our children.

In effect, the paraquat program shows the United States using taxpayers' money to poison the lungs of the taxpayers. As a member of the House Subcommittee on Health and the Environment, I saw a similar paradox at hearings on HEW's new antismoking campaign. I learned that at least $70 million Federal dollars will be expended on tobacco subsidies while $23 million will be expended simultaneously to discourage Americans from smoking.

When the Federal Government knowingly exposes millions of citizens to needless health risks, this leads to deep distrust of our public health programs. For years many who favored decriminalization of marihuana charged the Federal Government was more interested in harassing an unorthodox lifestyle than it was in public health. Washington's support of paraquat spraying gives credence to this cynical view regardless of how untrue the charge may be.

It is true that marihuana users, like other smokers, expose themselves to known health risks associated with inhaling tobacco or "grass." They have chosen to do so. However, the Federal Government cannot use this to justify invisible contamination of marihuana, which exposes users to risks they would not knowingly assume.

It is ironic that the Federal Government would abandon good sense in an attempt to destroy marihuana when there are abundant signs that marihuana is verging on legitimacy if not legalization in the United States. The American Bar Association and the American Medical Association called for liberalization of Federal and State marihuana laws last November. Marihuana has been decriminalized in small amounts in 10 States. The White House has started a major lobbying effort to persuade the National Cancer Institute to make marihuana widely available to alleviate the effects of cancer treatment. Research during the last 3 years has shown almost conclusively that marihuana alleviates the extreme discomfort caused by chemotherapy in cancer treatment. An FDA spokesman recently speculated that marihuana will be reclassified as a prescription drug on a par with other narcotics such as morphine.

Dr. Peter Bourne, President Carter's health advisor, announced earlier this month marihuana will be made readily available to cancer researchers within weeks.

Why is the Federal Government supporting the paraquat program at the same time it is considering making marihuana a prescription drug? I see here a bureaucracy careening through public health issues without a clear sense of purpose.

The possession and use of an ounce of common sense is long overdue. When the Federal Government pushes paraquat spraying of marihuana, it demoralizes public faith in our ability to govern wisely. When our State Department, despite the expenditure of $35 million in American dollars, says the program is an internal affair of the Mexican Government, it is as credible as a street pusher shrugging and saying: "Who me?" to a judge.

President Carter should call for a moratorium on any further U.S. support for involvement in toxic herbicide programs in foreign countries. As President Carter himself said on August 2, 1977, in his message to Congress:

Penalties against possessing a drug should not be more damaging to the individual than the use of the drug itself.●

TAIWAN AND THE "MODERNIZATION" OF AMERICA'S RELATIONS IN THE FAR EAST

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 3, 1978

● Mr. CRANE. Mr. Speaker, it is with regret and dismay that I have read the remarks of my distinguished colleague Mr. FINDLEY in a recent issue of the CONGRESSIONAL RECORD (Mar. 13, 1978, p. 6669). In those remarks, titled "Let's Modernize Our Relations in the Far East," Mr. FINDLEY has proposed that the United States unilaterally abrogate its security treaty with Taiwan, and that it downgrade its diplomatic representation in Taipei from an Embassy to the consular level. In so doing, Mr. FINDLEY has made a number of arguments which are of dubious validity, and which reflect a number of common assumptions about United States-China relations which on further analysis are not supported by the facts. I think that these arguments are sufficiently important to merit our further scrutiny.

First, Mr. FINDLEY proposes the termination, on 1 year's notice of our mutual defense treaty with the Republic of China. This proposal is justified on the grounds that the mutual defense treaty does not fit "current needs and reality," having been drafted in the distant, dark ages of 1954. "Indeed, it does no service," we are told, "to the United States or to the Republic of China to continue formally a defense arrangement which is not viable. The United States presence and commitment to Taiwan have simultaneously dwindled to the point where it is unlikely that this country would spring to the defense of Taiwan in the event of hostilities." After all, we are told, it is so easy to abrogate the treaty, since all you technically need is 1 year's notice.

These arguments, however, all miss the point. Just as with the presence of U.S. troops in Korea, the existence in force of this mutual security treaty is less important for its military potential than for its political significance. Few of us seriously anticipate, I believe, the need at any time in the foreseeable future to "spring to the defense" of Taiwan

An immediate invasion by the PRC remains unlikely, and in the event of such an invasion, the United States would have a variety of options in the way it could help the ROC defend itself. It is, however, our mutual security treaty which remains a major factor in deterring that invasion, and in the absence of that treaty little would stand in the way of the forceful submission of the ROC to Peking's authority. The treaty does serve a purpose, then. It symbolizes America's commitment to the continued existence and security of the Republic of China, and it puts the People's Republic of China on notice that in any attempt to conquer Taiwan they will be forced to deal with the United States as well. Given the continuing Sino-Soviet split, good relations with the United States ranks high on Peking's list of priorities. So long as the United States remains on record, through the mutual security treaty, that it is committed to the security of Taiwan, the PRC will be deterred from military adventures there and the ROC will be left free to pursue its own internal development.

Mr. FINDLEY's second main point is that the United States should reduce its diplomatic mission in Taipei to the consular level, while opening a legation in Peking. This, we are told, is "consistent with the policies of other nations. The United States is the only major Nation which retains full ambassadorial relations with Taiwan." In response to this I would say, first, that it is not particularly relevant whether the United States is the only major nation to retain full diplomatic relations with Taiwan. Clearly, we must be the deciders of our own policies. Beyond this, however, it is important to remember that the maintenance of full diplomatic relations between the United States and the Republic of China is the lynchpin on which the ROC's less formal relations with a host of other countries depends. While it is true that by now most other nations have transferred their embassies to Peking and have accordingly downgraded their representation in Taipei to offices in Taipei to consulates or trade offices, it is doubtful whether those offices could long survive in the absense of an American diplomatic presence. Consider the position of a Taiwan cut totally adrift from the support of any major power.

If we and the rest of the world choose to acknowledge the suzerainty of Peking over Taiwan, what legal right would we retain to resist Peking's demands. Under international law the PRC would then have the right to blockade Taiwan, to demand the withdrawal of foreign investment or the closure of residual diplomatic offices. My distinguished colleague has generously proposed the enactment of "legislation which will assure the continuity of our friendly relations with Taiwan" by providing for "continuing economic ties and military supplies while insuring the integrity of U.S. investment on Taiwan." Such legislation, we are told, "will constitute a strong reassurance to our friends on Taiwan and those in the United States who feel a special commitment to these friends. They will renew and usefully clarify our intention to continue to supply military needs on Taiwan." I would remind my distinguished colleague, however, that were the United States, by its recognition of the PRC, unilaterally to abdicate all its rights to aid Taiwan, such legislation would be no more than a dead letter—unenforceable and meaningless in an international context. I would hardly call that "strong reassurance to our friends." I would point out, moreover, that by unilaterally downgrading our embassy in Taipei to a consulate, we would be subjecting ourselves to even further pressure to close that office as well. There is historical precedent for this. Great Britain tried a similar maneuver some years ago. In addition to their consulate in Taipei, they opened a legation in Peking. Initially a

chargé d'affaires was stationed in Peking, but when the British attempted to appoint an ambassador, they were told that none would be accepted until the consulate in Taiwan was closed. In the end, the British acceded to that pressure, and the consulate was shut. Peking will clearly not accept such equivocation, and there is no reason I know of to believe that we, following the British, can get away with it either.

We have been told, finally, that, "if the United States does not have fundamental interests at stake, the commitment withers;" that "the absence of U.S. relations with this large and influential nation is an unfortunate diplomatic anomaly;" and that "the lack of formal ties between Washington and Peking inhibits their cooperation." The United States does have fundamental interests at stake in Taiwan, however: It has a solemn duty to stand beside and support its allies; it has strategic interests in maintaining Taiwan as an important link in the Free World's Pacific defense net; and it has immediate interests in Taiwan as a major and highly productive trading partner. These interests, I believe, merit an enduring commitment. I would agree that our lack of formal diplomatic relations with the PRC are a diplomatic anomaly. The world is full of anomalies, however, and I do not believe that the need to correct this one is so great that it justifies the sacrificing of our Chinese friends on Taiwan. In fact, cooperation between the U.S. and the PRC has been only minimally hindered by the lack of a full embassy in Peking. The experience of the major European nations which now have embassies in Peking has shown that their contact with the government and with current developments in China has not been significantly enhanced by the opening of full diplomatic relations. In fact, diplomatic and other personnel frequently must go to Hong Kong to find out what is happening in Peking. On the other hand, all business that needs to be transacted between the United States and the PRC today can be handled more than adequately by our current liaison office. To interact with Peking does not require the abandonment of Taiwan.

In closing, I think that this discussion should demonstrate the need for careful thinking when talking about our options on the China question. It is easy enough to say that our security treaty with the ROC is outdated and should be abrogated, that we should recognize the PRC but maintain a consulate in Taipei, and we should pass legislation to insure the continuity of our interests on Taiwan. Simple answers are always attractive but reality tends to be complex. And often, the simple answers cannot stand up to more exacting scrutiny. At the very least I would say this: The United States does have a continuing interest in the security and existence of the Republic of China, the mutual security treaty between the United States and the ROC does serve a purpose, and the United States does have a continuing commitment to the ROC. That should be the starting point for any discussion of the China question.

Let's Modernize Our Relations in the Far East

Mr. FINDLEY. Mr. Speaker, our Government should take steps in the very near future to improve our security position in the Far East. This can be accomplished by modernizing our relationship with Taiwan and strengthening our naval support position in South Korea. For reasons I shall explain, the two undertakings should occur concurrently.

The modernization I recommend in regard to Taiwan consists of these steps:

First. The enactment of legislation which will assure continuity of our friendly relations with Taiwan.

Second. The termination at a date certain after one year's notice as provided in the treaty, of our mutual defense treaty with the Republic of China, a document that was signed and ratified in a bygone era and which is now so out of date that it no longer serves as a proper instrument of U.S. national interest.

Third. The establishment of a diplomatic mission at Taipei at the consular level, the same that we have with the other island province of China, Hong Kong.

Fourth. The removal from Taiwan of the few U.S. military personnel who remain there, consisting of about 1,000 persons. Almost all of them serve in communications work assignments, which could be handled by civilians. The tiny U.S. Navy flag command which remains on the island actually commands nothing but the communications stations. Like the useless South Com in the Canal Zone of Panama, the U.S. command on Taiwan has paper value only. If an emergency should arise in the Far East, it is unthinkable that this command would be utilized. It never has been used in regard to any emergency in that part of the world, and, in my opinion, never will be.

The strengthening of our military presence in South Korea would consist of the establishment of a U.S. naval command in the southern part of the Republic of Korea to handle the critical functions of resupply by sea if required by events.

Resupply of Korean ground forces is a responsibility that takes on greater importance in light of President Carter's announced plan for the withdrawal of U.S. ground forces.

The establishment of a U.S. naval command adequate to handle this responsibility will give substance to our declaration that withdrawal of U.S. ground troops in no way lessens our defense commitment to Korea.

The policy changes I recommend for Taiwan have these advantages:

First. They can be completely unilateral by the United States, without consultation with Peking.

Second. They will constitute a strong reassurance to our friends on Taiwan and those in the United States who feel a special commitment to those friends. They will renew and usefully clarify our intention to continue to supply military needs on Taiwan.

Third. They are consistent with the terms of our treaty with the Republic of China and with the Shanghai Communique.

Fourth. They will reduce problems which now exist between the United States and the People's Republic of China.

Fifth. They are consistent with the policies of other nations. The United States is the only major nation which retains full ambassadorial relations with Taiwan.

Maintaining the credibility of U.S. defense commitments to other nations is extremely important. Should that credibility be undermined, our ability to achieve our foreign policy objectives would diminish.

To keep our commitments credible, we should regularly reassess them and determine whether they continue to meet our needs. In time, threats change and with them our ideas of how best to counter challenges to our security. We form alliances which may grow stronger or atrophy, depending upon the persistence of a threat. For, rightly or wrongly, the viability of our commitments relates directly to the degree of our self-interest involved. If the United States does not have fundamental interests at stake, the commitment withers. A commitment becomes an agreement on paper, of little value to any party to it. If, on the other hand, we have much at stake, it is important to re-evaluate how best we can defend the interests we share with others.

For example, one recent reassessment of our security needs in the North Atlantic has led to an effort to revitalize NATO. To date, however, the administration has failed to re-examine in a similarly rigorous fashion, security needs and linked commitments in the Far East. Yet, the importance to the United States of trade, territory, and waterways in the Pacific region rivals that of the North Atlantic. The Far East, therefore, merits our immediate and close attention.

Briefly, I would like to assess two U.S. security commitments to Far Eastern nations—the Republic of China and South Korea—and how current U.S. security interests mandate their reappraisal. Indeed, we should begin now to modernize our commitments to these nations to meet current U.S. requirements.

The U.S. security commitment to the Republic of China is based on the Mutual Defense Treaty of 1954. This treaty and the military presence intended to give it substance are, however, two principal obstacles to the normalization of U.S. relations with the People's Republic of China. The absence of U.S. relations with this large and influential nation is an unfortunate diplomatic anomaly. Increasingly, U.S.-P.R.C. interests in the Far East coincide. Both nations view the other as a balance to Soviet activities in the Pacific and both seek to avoid conflict on the Korean peninsula. Yet, the lack of formal ties between Washington and Peking inhibits their cooperation which is needed to assure continued stability in the Far East. Therefore, we must move to complete the process begun in 1973 with the signing of the Shanghai Communique. By this document we recognized that there was only one China and that Taiwan was a part of that China. It now remains for the United States to shift its recognition of the effective government of that one China from Taipei to Peking.

Modernization of our commitments to fit current needs and reality thus requires the abrogation of the United States Republic of China 1954 Mutual Defense Treaty. According to article X of the treaty, either party to it may terminate the pact after giving 1 year's notice to the other party. The inclusion of article X indicates the signers' recognition that circumstances may change and that the treaty may no longer meet the needs for which it was designed. Such is now the case. The U.S.-P.R.C. confrontation in Korea which led to this treaty has long since ended.

Indeed, it does no service to the United States nor to the Republic of China to continue formally a defense arrangement which is not viable. The U.S. presence and commitment to Taiwan have simultaneously dwindled to the point where it is unlikely that this country would spring to the defense of Taiwan in the event of hostilities. To continue such a commitment on paper without the intention of fulfilling it is dangerous to U.S. credibility and interests. It also misleads Taiwan into making assumptions that may not be true.

I would, therefore, recommend that the President announce in the very near future his intention to modernize our relationship with Taiwan. This will entail, on the one hand, indicating to Taiwan that he will terminate the Mutual Defense Pact at a date certain but not less than 1 year's time, there-

by abiding by article X of the treaty. During the year to come, the President would continue on his own authority to draw down U.S. troops on Taiwan, preferably by shifting them to another Pacific location. Our removal of troops from Taiwan should not be interpreted as a withdrawal from the Far East. After completing this process, the President would then act to end our diplomatic recognition of the Republic of China and to replace our embassy in Taipei with a consultant, the same level as our mission at the other island province of China, Hong Kong.

The President and Congress would further modernize our relationship with Taiwan through up-to-date legislation that defines the continuing economic and cultural ties between the United States and Taiwan. The American people have a great attachment to Taiwan. They will insist on legislation that will provide for continuing economic ties and military supplies while insuring the integrity of U.S. investment on Taiwan. Such legislation will define the new U.S. relationship with Taiwan.

Certain advanages accrue to the United States in proceeding on a unilateral basis rather than attempting to engage Peking in negotiations over declining U.S. relations with Taiwan. First, the United States would be taking steps to reorient its policy and commitments in the Far East to meet its needs. These needs include the improvement of our relations with Peking and continuing our economic ties to Taiwan. Negotiations with Peking over these issues could be complicated and even divisive. Peking has refused to negotiate an internal Chinese matter with the United States. Our unilateral action in removing this issue from negotiations, would improve our relations with Peking.

In the critical period of time during which all of this is pending, the P.R.C. will obviously realize that congressional willingness to approve abrogation of the Mutual Defense Treaty will depend, in part, upon the tenor and content of Peking's statements in regards to Taiwan. Abrogation of the treaty might not necessarily result unless there were signs that Peking would tolerate U.S. economic and military relations with Taiwan after the treaty termination.

While modernization of our relationship with Taiwan means abrogation of the Mutual Defense Treaty, in the case of South Korea it entails reinforcement of our defense commitment. U.S. strategic interests continue to lie very much with our defense of the territorial integrity of South Korea. Stability on the peninsula and the prevention of Communist expansion are critical not only to Seoul but to another U.S. ally in the Pacific—Japan.

The President has stated that he will remove U.S. ground forces from South Korea over the next few years. I am opposed to this withdrawal in light of the ongoing threat of North Korea and because of the strong deterrent effect of the U.S. presence in South Korea. We do not want a misreading of our intentions there similar to the one that provoked a war over 25 years ago. Should the President stand by his decision to remove U.S. ground forces from South Korea, he should do it only in connection with a strong U.S. effort to modernize South Korean forces and to transfer U.S. equipment to Korea. Without congressional support for this material reinforcement, he should postpone any drawdown of U.S. troops.

In addition, President Carter should initiate procedures to establish a U.S. naval facility in South Korea as an indication of U.S. support for South Korean defense. U.S. homeporting in South Korea would help offset the psychological impact of the withdrawal of a brigade as well as the appearance that we are reducing our commitment along with our presence. The existence of a U.S. naval facility in South Korea would become more important with the removal of U.S. ground forces. In the event of hostilities on the peninsula, future U.S. defense efforts would rely much more heavily on quick resupply efforts of Korean troops. Adequate resupply efforts, however, could well be impossible without an upgrading of current U.S. sea-lift capabilities to South Korea. The logistics of what will necessarily be a larger U.S. supply mission will require the upgraded naval facilities on Korea which I propose.

In addition, South Korea's own navy is the weakest link in its military capabilities opposing North Korea's. North Korea enjoys a four to one advantage in naval combatants, including a 3 to 1—advantage in missile attack craft and a 12 to 0 advantage in submarines. An enhanced U.S. naval presence in South Korea would neutralize this potential North Korean military advantage.

The termination of the U.S. Mutual Defense Treaty with Taiwan and the establishment of a U.S. naval facility in South Korea are two aspects of the modernization of our Far East commitments which U.S. security requirements mandate. We need to move decisively to refashion our defense efforts according to current strategic threats and needs or run the risk of not achieving our objectives in the Pacific.

Friday of this week I will leave for the People's Republic of China, where I will serve as chairman of the Illinois Agriculture Mission. During 2 weeks there I hope to have the opportunity to gage the reaction of Chinese officials to the recommendations I set forth here. I should add that these recommendations are entirely my own. I have not discussed them with any officials of foreign governments, other members of the mission I will head, nor with Gov. James P. Thompson of Illinois, sponsor of the mission.●

ALASKANS CONCERNED OVER FATE OF ARCTIC NATIONAL WILDLIFE RANGE

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 3, 1978

● Mr. UDALL. Mr. Speaker, one of the key issues to be addressed by the House in the upcoming debate on H.R. 39, the "Alaska National Interest Lands Conservation Act," is the future of the existing and proposed additions to the Arctic National Wildlife Range (ANWR). Established by a Public Land Order in 1960 by President Dwight D. Eisenhower's administration, the range is the home of the last remaining major caribou herd in North America. Situated on Alaska's northeastern Arctic coastal plain 75 miles east of Prudhoe Bay, the area also contains potentially favorable oil and gas bearing formations. For those Members concerned over the future of this national treasure, the following letter from biologist Donald Ross makes good reading:

FAIRBANKS, ALASKA,
March 19, 1978.

Congressman MORRIS UDALL,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN UDALL: It is not often I write a person in Congress but I am deeply disturbed and saddened by recent actions of the House Interior Committee with regard to the Arctic National Wildlife Range. I think the committee has given away too much by compromising in favor of oil instead of wildlife. I wonder if many on the committee appreciate what may be lost by allowing exploration for oil on a reported 1.2 million acres of the Arctic National Wildlife Range?

I feel it is important to place some perspective on what will be permanently lost in terms of wildlife and aesthetic values should exploration for oil be allowed on the ANWR. I have worked in arctic Alaska and am familiar with the impact of resource developments in this area. Overland winter seismic exploration is touted as producing minimal impact on surface values. In some instances all that remains of winter seismic trails in summer, assuming they pick up their garbage, is a brown streak across the tundra where the vegetation has been retarded because of snow compaction. I have also seen seismic trails and winter ice roads to exploratory wells turn into ditches because the vegetation protecting the underlying permafrost was scraped away with rapid melting and erosion the result. Damage to vegetation across the north slope of Alaska ranges from slight to severe as a result of exploration activities. The point is that some degradation of surface values would occur no matter how carefully controlled if oil exploration and development occur on the ANWR. Because of continuing exploration across the north slope of Alaska the coastal plain of the ANWR is unique in that it is the last place in Alaska and thus in the United States where a representative segment of arctic coastal habitat has been preserved virtually intact. Millions of acres in Alaska will gain a measure of protection as a result of D–2 legislation but must we sacrifice the irreplaceable values of the ANWR? The short term gain to be had from exploration for oil and probable development is in no way compensation for the permanent and irreplaceable loss to this nation of a part of our wilderness heritage.

The arctic coastal plain of the ANWR is important to many species of wildlife that would be adversely affected by human disturbances. In November polar bears travel inland as much as 25 miles to den, emerging in late March and April with cubs born in December. Denning polar bears may abandon dens in winter if disturbed. Polar bear dens have been found in the Carter and Wash Creek drainages. This area is a prime target for exploration because of the Marsh Creek anticline, a potentially favorable oil bearing formation.

Muskox have been reintroduced on the arctic coastal plain of the ANWR having been hunted to extinction in this area more than a hundred years ago. Four small groups of muskox have been slowly increasing in numbers in the last few years but they are sensitive to disturbance and their continued well being may be jeopardized by exploration for oil in the ANWR.

The arctic coastal plain of the ANWR forms a critical link in the life cycle of the Porcupine caribou herd, an international resource shared with Canada. It is across this broad expanse of tundra that Porcupine herd caribou have their calves in late May and early June. This herd is the last great caribou herd in Alaska estimated to contain 100,000 animals. Caribou from the Central Arctic herd, numbering about 5,000 animals, move eastward into the ANWR in the vicinity of the Canning River Delta during post calving movements. A few thousand caribou may remain on the north slope of the ANWR in winter.

Caribou and petroleum exploration and development do not co-exist well contrary to popular belief. Recent studies by the Alaska Department of Fish and Game have shown that only a small segment of the Central Arctic herd crosses the oil pipeline. Cows with calves and pregnant cows are more

reluctant to cross than bulls. This in effect has divided the herd with animals east and west of the Prudhoe Bay complex but none in the middle, in an area they are believed to have formerly occupied. It is probable that the Porcupine caribou herd if faced with major developments on its calving grounds would soon become a thing of the past.

These are only a few of the internationally recognized species of wildlife that depend on the arctic coastal plain of the ANWR for their survival.

In my opinion not one acre is worth adding to the ANWR if the existing Range is not protected. There is no substitute in all the D-2 legislation for the coastal plain of the ANWR. I think Interior Secretary Andrus expressed it best when he stated that the ANWR ought to be the last place we should look for oil. Apparently the committee took little stock of this view. I look to you to take positive action to insure the future protection of the ANWR. If exploration and development of the ANWR is to be allowed let it be clear that it would only be in the event of a national emergency when it may be deemed of critical importance to this country. It is certain that we are not yet so destitute for petroleum and minerals that we must allow a few to prostitute a national treasure at the expense of so many.

Yours truly,

DONALD E. ROSS,
Professional Biologist.●

NOISE EMISSION STANDARDS FOR NEW TRUCK-MOUNTED SOLID WASTE COMPACTORS

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 3, 1978

● Mr. WEISS. Mr. Speaker, I am pleased to submit the testimony of Robert Alex Baron, executive vice president of Citizens for a Quieter City, before the U.S. Environmental Protection Agency. His statement, given at a public hearing in New York City, effectively addresses the pressing problem of noise emission standards, and I commend it to my colleagues:

TESTIMONY OF ROBERT ALEX BARON

My name is Robert Alex Baron. I am a veteran of twelve years in the fight for a decent acoustic environment, and a pioneer of the noise abatement movement of the 1960s and early 1970s.

My work with the Federal government contributed to its present deep involvement in what is known as community/environmental noise.

In a sense I feel like a father of the Federal government's involvement with a noise abatement, a father who reacts in sorrow at the watered-down, elitist approach taken by the Environmental Protection Agency (EPA) in implementing its noise abatement strategy.

I sometimes feel it would be more accurate for the EPA to change its name to Industry Protection Agency (IPA).

The proposed regulations cannot be assayed without reference to the narrow definitions of the Nation's noise abatement goals as defined by the EPA.

But first allow me to agree with the EPA that garbage truck noise is indeed a serious noise source impacting millions. In 1969 in Nation's Cities I could say "Urban man has . . . lost the right to sleep undisturbed. The entire sleeping city is harassed by auto horns, emergency vehicle sirens . . . garbage trucks. The sleepers include businessmen in their hotels and motels." A Most-annoying-sound Survey conducted in New York City in 1926 placed garbage collections sixth; in 1956, under the refined phrase of refuse collection, this source made first place. Exhibit A, a New York City garbage truck noise complaint continues into 1977.

For at least half a century urban man has lost the right to sleep undisturbed because of garbage pick-up noise. If the noise maker knew this for so long, how can we now offer to allow him to continue making inappropriately excessive noise for another decade or longer?

It's as if EPA has made a conscious decision to justify its existence without antagonizing industry. What happened to the Congressional mandate that directed the EPA to promote "an environment for all Americans, free from noise that jeopardizes health or welfare?"

I shall try to show how and why EPA's approach fails to protect the public health and welfare.

First, we have EPA's narrow, obsolete interpretation of health as freedom from disease or pathology. Why didn't the EPA adopt the WHO's definition: health is not only freedom from disease, but a state of well-being? Why didn't EPA include the deleterious effect of noise on the quality of life as a factor to be weighed?

It is now recognized that disease and death from disease are the final eventuality of a series of events that can be modified by environmental factors, including noise. Prevention and healing are the new directions in medicine, not the final step of the treatment of disease and pathology. But the EPA is quite clear that the only harm it will recognize is that to hearing, as defined.

Note well the following cornerstone of EPA's thinking: ". . . it is generally assumed (although not proven) that significant adverse effects do not occur below the noise level considered safe for the purposes of hearing conservation."

It is because of this evaluation of the health impact of noise that we must endure 100 decibel subway noise, 110 decibel jet noise, the Concorde, and sleep-disturbing garbage trucks.

No wonder the EPA is hard put to describe the benefit of garbage truck noise reduction. The primary objective of the EPA is to secure beneficial noise abatement. But it finds little difficulty in developing the case for the cost of compliance. The methodology for the economics of the cost of compliance is presented in a simple, logical fashion. The yardstick is dollars, but we must not forget that the cost of compliance is a secondary consideration.

Inadvertently or otherwise, EPA has reversed its primary and secondary goals. The approach to evaluating the benefit of noise reduction is virtually incomprehensible to all except a select few specialists.

One would expect that benefits, as were the costs, would be expressed in dollars. But the EPA has arbitrarily decided it is too complex to measure the benefits of noise reduction in dollars, and instead chooses to measure them "in health and welfare terms".

I confess that I do not understand what these terms are or what they mean. The section in the background document dealing with benefits is evasive, incomprehensible, and replete with irrelevancies. I question whether most physicians or medical researchers could understand what was being said.

If sleep disturbance is a major concern, why is no reference made to the optimum goal of 35 dBA indoors? Are the descriptors L_{eq}, L_{dn}, and SEL relevant to garbage truck noise? Am I awakened by the totality of acoustic energy generated, by the totality of the acoustic energy in a given cycle, or by the 90 decibel and higher peaks?

I am fascinated as through the years I observe the theoreticians search for that Holy Grail, the perfect noise descriptor. Strange that EPA lights on L_{eq} without requiring that with it there be a maximum. What is the relationship of these descriptors to that 35 dBA optimal level? Is it illogical to expect that in the section on benefits here would be some reference relating to the final reading in the dwelling? I do not accept the contention of EPA that this is not necessary, that the only valid approach to the measurement of impact is by the use of unproven or questionable assumptions and esoteric statistics instead of attempting to evaluate the real-life experience.

If we took Sections 4 and 5 literally it would never be necessary for local or state enforcement agencies to go into the field. All they have to do is equip themselves with expensive computer banks programmed for the arbitrary averages arrived at by the theoreticians.

EPA makes no secret of its disinterest in coping with people. We are too complex for EPA. Instead, says EPA, "in this predictive analysis certain stated assumptions have been made to approximate typical, or average situations. The approach taken to determine the benefits associated with the noise is therefore statistical." EPA generously admits that individual cases or situations are cause for uncertainty.

Noise pollution is the most personal of all the pollutants. And yet the EPA, and the other government agencies such as the FAA and DOT, have chosen to remove its measurement and evaluation from the actual experience of people. Why? Because it's too complex? Or is it possible that too close an examination of actual experience would open up a can of worms that would require EPA to do more than take mincing steps towards abatement?

The noise maker gains another round by EPA's vague description of the benefit of noise reduction. How do you think a politician or administrator will react when you tell him that by causing industry to spend several millions of dollars his constituency will gain some vague benefit in health and welfare? Isn't this poor case for benefit responsible for New York City's Bureau of Noise Abatement budget of $250,000, and New York State's munificent noise budget of $50,000?

Where did the EPA get its unproven assumptions? Mostly from material prepared by men who have a non-civilian oriented outlook on the environment, men who in all sincerity believe that the only significant impact of noise is hearing loss, as defined. My interpretation of the end product of their machinations is that they see the civilians as soldiers in civilian clothing, soldiers who must endure noise stress as a norm.

EPA's bible on the effect of noise on people was prepared by a psychologist with the Central Institute for the Deaf. His reviewers were an inadequate mixture of disciplines: physics, psychology, and one physician. All the reviewers were members of CHABA, the Committee on Hearing, Bioacoustics and Biomechanics, formerly the Armed Forces Committee on Hearing, etc. To the best of my knowledge, CHABA's sponsoring agencies are the Armed Forces and NASA. Civilian agencies at the time I wrote The Tyranny Of Noise were affiliates, not sponsors. The physician who was one of the reviewers of EPA's document on the effect of noise on people is a former officer of CHABA. His concepts are highly regarded in the field of acoustics and hearing conservation. Here is some insight in how certain specialists show concern for human beings when it comes to noise. It was

at a meeting of science writers, and one of the writers asked his doctor this question: wasn't the doctor "concerned because of the additional stresses to which human beings were now being subjected, plus the new ones around the corner?" He answered that "the human being, as proven by history, has tremendous capabilities for adapting, and that he has every confidence it would adapt to noise stress."

Apparently EPA has adopted this concept, that it is the human being that must make the major accommodation, not the noise source. Shouldn't the burden of proof of freedom from harm fall upon the noise maker? Who are the mysterious "they" whose assumptions guaranteeing the maintenance of high noise levels are accepted without proof?

EPA admits it depends upon other agencies and institutions to carry out its needed researchers. Are these agencies and institutions impartial, concerned about human beings, or oriented toward industrial and military standards?

Who concocted the decibel jabberwocky that constitutes your section on noise measurement? I showed this section to practicing acoustic engineers. Here are some of their verbatim comments: "It's vague—It doesn't make sense—This was written by and for lawyers, not engineers—". One suggested this section should be completely rewritten. His rather earthy reaction to the introduction of SEL and ENI, etc., "there is enough dB crap, why more?"

It would surprise me if I were to find twelve people in the U.S. who readily understood Sections 4 and 5.

Noise control is an art, not a science. Is it valid to average loud and quiet noises? Is it valid to arrive at a building shell attenuation factor by averaging all four seasons? Is it a fact or an incomplete fact that an open window affords a decibel attenuation of 10 decibels? Is it more accurate to say that researches showing nonauditory harm are inconclusive, or that there have been too few such researches? Why is it OK to use animals to establish a relationship of noise to hearing loss, but not acceptable to use animals to establish a relationship of noise to non-auditory harm? Why is the garbage truck proposal linked to transportation? Is it really acceptable to the EPA that the 1981 truck noise standard is desirable for night-time operations outside residences? Why is so much emphasis in the section on benefits placed on how wide streets are? Why does the EPA de-emphasize the discreet event, which is what garbage noise basically is? Does the background document reveal the extremely brief peaks of noise; in other words, does the sound level meter detect all of the peaks that might cause sleep disturbance?

Isn't somebody going to be deceived when you fail to make clear the standard sound level meter will not measure the peak noise levels made during the garbage pick-up cycle?

For enforcement purposes will or will it not be necessary for local noise abatement agencies to purchase $3,000 impulse measuring sound level meters?

Why is the EPA afraid to come to grips with intrusive noise? Its descriptors are designed for pervasive noise; more or less steady-state noise found in industry more readily than in the community.

If garbage truck noise is directive, as I have been told it is, is it valid to use an energy average around all four sides of the truck?

Aren't we deceiving the public when we speak of 50 and 75% reductions in noise levels when such a reduction expressed in decibels does little to close the gap between desirable and deleterious noise levels?

A last point. Congress requires that the EPA conduct public hearings. What good are these hearings if the language of noise pollution is rendered incomprehensible to all except the elite? EPA claims it is interested in public education. It puts out lovely pamphlets showing the levels of different noise sources. How is the public supposed to relate these levels, all in dBA, to energy-averaged levels, SEL, ENI, L_{eq}, etc.?

What must be done?

Start out by re-examining your narrow definition of the public health and welfare. Think of the basic objectives of the Federal Water Act: "to restore and maintain the chemical, physical, and biological integrity of the Nation's systems." Are we human beings entitled to anything else?

Re-examine some of the platitudes and cliches that you accept as gospel truths. Is the noise problem really that complex that it may take a century to evolve a method for measuring noise? Why was I able to get the American pneumatic tool industry to introduce a first generation silenced portable air compressor with a noise reduction of 20 decibels?

Why have you held back on a realistic goal for a night-time noise source by linking it with transportation noise in general? Isolate garbage truck noise as its own particular source. The trucks that power this source must be designed for night-time use.

After twelve years of experience, I seriously question the need for decibel complexity. It is easier to design for quiet than to evolve the universal descriptor. We have been working for some 50 years on that task, isn't it time we began to question the basis on which this decibel jabberwocky is based?

Start a research program on a method for measuring and evaluating the effect of noise on people. Turn this research over to researchers who are concerned about human beings and can be proven to have no vested interest in protecting industry or the liability insurance companies.

Bring in a broad mix of disciplines. The road to protection from noise is wider than the path to hearing conservation. Hardnosed scientists and engineers and physicists may of a priesthood dictating mankind's acous- have a role to play, but it should not be that tic environment.

Unless you want to be known as the Industry Protection Agency, drop your credo that the human being can and must adjust to the machine, and not the reverse.

To conclude, it saddens me that the EPA must use hearing-oriented specialists to pontificate about the non-auditory impact of noise. It saddens me that the gurus of the impact of noise on people are limited to hard-nosed physical scientists, and military and autition-oriented psychologists. I do not question their sincerity, I do question their ability to feel concern for the civilian population.

This proposed truck-mounted solid waste compactor noise emission regulation is difficult to understand, achieves only a slight noise reduction in an inordinately long time frame, and introduces approaches and predictors that are arguably irrelevant or inadequate.

If you cannot change this regulation I suggest you seriously take upon yourselves the responsibility for providing the American public with ear plugs to reduce annoyance and also agree to pay the medical cost of taking care of the resulting ear canal inflamations. If you continue your abatement efforts at this snail's pace I respectfully suggest that you prepare for the year 2000 by mass-producing the noise survival suit now on the market.

Thank you for allowing me to express myself on this proposal and its significance.●

A TIME FOR QUIET

HON. BENJAMIN S. ROSENTHAL
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 3, 1978

● Mr. ROSENTHAL. Mr. Speaker, the roar and rumble of low-flying jetliners in the late-night and early-morning hours is one of the most unpleasant facts of life endured by those living in areas immediately surrounding many of our Nation's airports. I have introduced legislation that can provide immediate relief for millions of noise-weary citizens while a permanent solution is developed.

My legislation, H.R. 70, the Airport Noise Curfew Act, calls for the creation of a nine-member Commission to investigate the establishment of restrictions on airport and aircraft operations during normal sleeping hours and to make specific legislative recommendations to the Congress.

The need for such legislation has been clearly demonstrated by a recent survey and reported by the Town-Village Aircraft Safety and Noise Abatement Committee of Nassau County, L.I.

The report, titled "Survey of Night Restrictions on Airport Operations at Airports Throughout the World," indicates that numerous airports in the United States already have imposed limitations of one kind or another on night operations. The most important finding of the report is that such noise restrictions are both practical and essential.

The need for curfews on aircraft operations is born of necessity. Certainly the protection of the environment is of major concern—noise pollution is one of our most pressing environmental problems. But another important factor is the health and well-being of those individuals residing in the vicinity of a busy airport. The report states:

Noise can cause physiological and psychological damage to human beings, and has an adverse effect on activities such as work, recreation, sleep, communication and rest. It affects sleep and the recuperatory powers during illnesses.

The survey indicates that almost one out of every three airports answering the questionnaire reported restrictions on night flights, the average restricted hours being from 11 p.m. to 6 a.m. Half the total number have had such restrictions for 10 years or more; 68 percent of these airports stated they have restrictions on engine warmups or runups.

The cost of a curfew is minimal, there is no question of comprising safety and no new technology is needed. Curfews may cause minor inconveniences to a very few but these must be weighed against the public's right to domestic tranquility and a decent night's sleep. This is not the ultimate solution to the noise pollution problem, but it is a viable short-term answer which will provide immediate relief to those who have had to put up with the constant roar of aircraft engines.

This survey, which I am inserting below for the benefit of my colleagues, shows that the curfew alternative is a meaningful one. It reminds us that, "man

has more than a responsibility to himself alone. He is responsible for his actions and the effects of his actions." In partial fulfillment of that responsibility, I shall continue to work for the passage of the Airport Noise Curfew Act.

[From the Town-Village Aircraft Safety and Noise Abatement Committee]

SURVEY OF NIGHT RESTRICTIONS ON AIRCRAFT OPERATIONS AT AIRPORTS THROUGHOUT THE WORLD

INTRODUCTION

A most aggravating source of noise pollution is that from jet aircraft during the hours from 11 PM to 6 AM. These "sleeping hours" have a great bearing on the health of the individual.

Studies by Dr. Julius Buchwald demonstrated that a person whose dreams are continually interrupted may develop psychoses, hallucinations, suicidal and homicidal impulses and nightmarish memories. The cumulative effect of the subliminal interruptions may cause increasing irritability, anxiety and more rapid onset of fatigue.

Gerald D. Dorman, M.D., a past president of the American Medical Association agrees to the fact that the health hazard of noise is serious and says, "The sounds which bombard us day and night can be both a physical and psychological danger."

Our legislators in Washington, D.C., who have control over the Washington National Airport are aware of all of this because they have, long ago, compelled restrictions to be placed on night flights at that airport.

However, our requests for night flight restrictions locally have been turned down arbitrarily by the industry, prophesying bankruptcy and worse if such restrictions were placed on jet aircraft movements in a United States airport. Most peculiar, since for years in the past, these same airlines have operated and prospered under night flight restrictions around the world. What is so different about the same restrictions here?

The claim that scheduling times would not permit a restriction in night flights is groundless. A practical demonstration of scheduling would prove the fallacy of such a claim. The claim that passenger demand for night flights would not permit a restriction of such flights is equally fallacious. The demand for night flights originated not with the passenger but in the airline's advertising.

A restriction in night flights would not only place the airlines in a much more favorable economic position, it would also make friends where most needed—among the people surrounding the airports who would be able to get a good nights sleep.

Since there is little or no inclination from the majority of the airlines and airport operators to try to live and let live, the people have only this last recourse—federal and/or state legislation making night flight restrictions mandatory. The aviation industry must bring itself into the 20th Century. People have rights too.

WORLDWIDE AIRPORT RESTRICTIONS

	United States	Percent	Foreign	Percent
Flight and test restrictions	9	24	26	38
Flight restrictions only	1	3	9	13
Test restrictions only	15	41	8	11
No restrictions	12	32	27	38
Total	37	100	70	100

	United States and foreign	Percent
Flight and test restrictions	35	34
Flight restrictions only	10	9
Test restrictions only	23	21
No restrictions	39	36
Total	107	100

UNITED STATES AIRPORTS

Night restrictions

10 of the 37, or 27 percent of the airports answering our questionnaire reported night restrictions. The average restricted hours being from 11 P.M. to 6 A.M.

Stapleton International Airport reported that their restrictions have been in effect for the past 12 years. Three reported having restrictions for 10 years. Logan International Airport's restrictions have been in effect for the past 9 months.

		Percent
10 years or more	5	50
3 years	2	20
Less than 3 years	3	30
Total	10	100

Among the restrictions listed were: only specified runways may be used, must cross the city [½ mile distant] at 5,000 feet MSL, only FAR Part 36 aircraft accepted and no aircraft over 12,500 pounds.

Engine runup and warmup restrictions

25 or 68 percent reported restrictions on engine run-ups and/or warm-ups. The restrictions ranged from only in specified areas, only with permission, not allowed by city ordinance [Houston Intercontinental] to forbidden.

While not all operators commented, of those who did, we have selected a few that we believe show an enlightened airport management:

Bradley I.A.—Scheduling limits of arrivals and departures between 11 P.M. and 7 A.M. helps community-airport relations.

Ontario I.A.—[Even though homes encroach on the airport]—we have good cooperation with our tenants.

Stapleton I.A.—Run-ups restricted to certain areas situated so as to not bother our neighbors.

Dulles I.A. had an interesting comment—Operations at night [11 P.M. to 7 A.M.] are suspended if they become annoying.

TABLE 1.—NIGHT RESTRICTIONS AT U.S. AIRPORTS

	Restrictions A/O curfew on aircraft movements	Restrictions on engine warmups A/O runup
Fairbanks I.A., Fairbanks, Alaska		
Anchorage I.A., Anchorage, Alaska		X
Tucson I.A., Tucson, Ariz	X	X
San Francisco I.A., San Francisco, Calif	X	X
Ontario I.A., Ontario, Calif	X	X
Los Angeles I.A., Los Angeles, Calif	X	X
San Diego I.A., San Diego, Calif	X	X
Stapleton I.A., Denver, Colo	X	X
Bradley I.A., Windsor Locks, Conn		X
Miami I.A., Miami, Fla		X
Fort Lauderdale-Hollywood I.A., Fort Lauderdale, Fla.		X
Jacksonville I.A., Jacksonville, Florida		
Honolulu I.A., Honolulu, Hawaii	X	
New Orleans I.A., New Orleans La		X
Baltimore-Washington I.A., Baltimore, Md.	X	X
Logan I.A., Boston, Mass	X	X
Falls I.A., International Falls, Minn		
Muskegon County Airport, Muskegon, Mich.		
Wolf Point I.A., Wolf Point, Mont		
Billings Logan I.A., Billings, Mont	X	X
Glasgow I.A., Glasgow, Mont		
Lambert Field, St. Louis, Mo		X
McCarran I.A., Las Vegas, Nev		X
Cleveland Hopkins I.A., Cleveland, Ohio		X
Portland I.A., Portland, Oreg		X
Erie I.A., Erie, Pa		X
Philadelphia I.A., Philadelphia, Pa		
Charleston AFB/I.A., Charleston, S.C		
El Paso I.A., El Paso, Tex		X
Miller I.A., McAllen, Tex		
Houston Intercontinental Airport, Houston, Tex		X
Dallas Love Field, Dallas, Tex		
Salt Lake City I.A., Salt Lake City, Utah		
Burlington I.A., Burlington, Vt		X
Spokane I.A., Spokane, Wash		X
William P. Hobby Airport, Houston, Tex		X
Dulles I.A., Washington, D.C		

House of operation

Of those airports responding, 34 are open 24 hours a day. One is open from 6 a.m. to 10 p.m. [Miller I.A.], one from 6 a.m. to 9:30 p.m. [Falls I.A.] and one did not specify their hours of operation.

		Percent
Open for traffic 24 hours a day	34	91
Open 6 a.m. to 10 p.m	1	3
Open 6 a.m. to 9:30 p.m	1	3
Not specified	1	3
Total	37	100

Average daily operations

The average number of daily operations reported by those responding ranged from a low of 25 to a high of 1429.

		Percent
901 to 1,500	4	11
801 to 900	5	14
501 to 800	12	32
251 to 500	6	16
25 to 250	9	24
Not reporting	1	3
Total	37	100

Average night operations

Thirty or eighty-one percent reported the number of night operations which ranged from a low of 2 [Wolf Point I.A.] to a high of 200 [San Francisco I.A.].

Seven or nineteen percent did not report the number of night operations at their facility.

		Percent
151 to 200	3	8
101 to 150	1	3
51 to 100	5	14
0 to 50	21	57
Not reporting	7	18
Total	37	100

Type of aircraft accepted

The range of types of aircraft accepted at the airports responding ranged from small private aircraft up to 747's, etc. with one [Dulles] accepting the Concorde SST.

Population of area closets to airport

Of the 27 operators who answered, populations ranged from a low of 30 to a high of 2,000,000. See Table 2 for a detailed breakdown.

		Percent
0 to 5,000	8	22
5,000 to 500,000	17	46
500,000 to 2 million	2	5
Not reporting	10	27
Total	37	100

Commentary on findings at U.S. airports

The 69 U.S. airports were chosen in an effort to have a valid cross-section of facilities. While the response was 54%, a few of the largest airports are missing. There was no response from John F. Kennedy International Airport in New York and O'Hare in Chicago. Their absence, however, does not diminish the validity of this survey.

For example, the total number of operations at JFK for the month of January 1978 was 22,262 or an average of 742 per day. Four airports with heavier daily traffic did respond:

William P. Hobby, 969; San Francisco I.A., 1,000; Stapleton I.A., 1,400; and Los Angeles I.A., 1,429.

All but Hobby have night restrictions. The fact that 3 major airports, all with heavier traffic than Kennedy Airport are able to operate with night restrictions, is proof positive, that similar night restrictions can be instituted at JFK, which has 52% less daily traffic than LAX. Both receive overseas flights and are major gateways. None of the men-

tioned facilities have as heavy a population density at its borders as JFK.

It must be remembered that there is a vast difference between a curfew and night restrictions. Curfew means a general shutdown of the facility except for emergencies while night restriction generally means that either certain runways can only be used or only equipment meeting specified criteria can use the airport during the "sleeping hours", or a combination of both. While a preferential runway system is a step in the right direction and JFK does have it, no exceptions should be allowed except for emergencies. To make PRS even more effective, it should be in conjunction with a restriction as to the type of aircraft than can use an airport at night.

Population of heaviest impacted areas and distance from airport (U.S. airports)

Location, Distance, and Population

Fairbanks I.A., Fairbanks, Alaska, not given, 14,000.

Anchorage I.A., Anchorage, Alaska, .6 miles SW of city center, 50,000.

Tucson I.A., Tucson, Arizona, ¾ mile, 155 acres, 700 homes in NEF 40 contour.

San Francisco I.A., San Francisco, California, at border, 88,000.

Ontario I.A., Ontario, California, at border, not given.

Los Angeles I.A., Los Angeles, California, 800 feet, 110,000.

San Diego I.A., San Diego, California, not given, not given.

Stapleton I.A., Denver, Colorado, at border, 300,000.

Bradley I.A., Windsor Locks, Conn., not given, 10,000.

Miami I.A., Miami, Florida, ½ mile, 500,000.

Ft. Lauderdale-Hollywood I.A., Ft. Lauderdale, Fla., at border, undetermined.

Jacksonville I.A., Jacksonville, Florida, not given, not given.

Baltimore-Washington I.A., Baltimore, Md., not given, 19,050 people exposed to LDN 65 or more.

Logan I.A., Boston, Mass., at border, 50,000.

Falls I.A., International Falls, Montana, 3 miles, 1,000.

Wolf Point I.A., Wolf Point, Montana, 200 miles, 30.

Billings Logan I.A., Billings, Montana, ½ mile, 10,000.

Glasgow I.A., Glasgow, Montana, not given, not given.

McCarron I.A., Las Vegas, Nevada, at border, 1,500.

Cleveland-Hopkins I.A., Cleveland, Ohio.*

Portland I.A., Portland, Oregon, 1 mile, unknown.

Erie I.A., Erie, Penna., 300 feet, 20,000.

Philadelphia I.A., Philadelphia, Penna., 1 mile, 5,000.

Charles AFB/IA, Charleston, South Carolina, 2 miles, 350,000 in 10 mile radius.

El Paso I.A., El Paso, Texas, 1 mile, not given.

Miller I.A., McAllen, Texas, 2 miles, 52,000.

Houston Intercontiental Airport, Houston, Texas, not given, not given.

Salt Lake City I.A., Salt Lake City, Utah, 1-5 miles, 35,000.

Burlington I.A., Burlington, Vermont, at border, unknown.

Spokane I.A., Spokane, Washington, 4-5 miles, 200.

*Distance given in questionnaire was—approximately 13 miles from downtown Cleveland. Population given was 2,000,000 but also listed was a number of suburbs which indicated that there are people much closer impacted by noise from operations at this facility. ●

SOLAR ENERGY INFORMATION FOR SUN DAY

HON. BARRY M. GOLDWATER, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 3, 1978

● Mr. GOLDWATER. Mr. Speaker, over the last weekend, our colleague, Congressman MIKE MCCORMACK, was invited to deliver several public addresses on solar energy. His remarks present a realistic and encouraging picture for solar energy development, pointing out the progress that this Nation has made in solar energy research, development, and demonstration, primarily through the leadership of the Subcommittee on Advanced Energy Technologies and Energy Conservation Research, Development, and Demonstration, which Congressman MCCORMACK chairs and on which I serve as ranking minority member.

Because Members of the House may wish to benefit from the factual information and responsible perspective of his remarks, I am submitting a slightly edited version of them herewith:

STATEMENT BY CONGRESSMAN MIKE MCCORMACK

May I extend by congratulations to each of you who are here today, celebrating our accomplishments to date in solar energy research, development and demonstration, and who are here recognizing the role that solar energy applications may play in our future—as individuals, and as a nation.

Of course, mankind has been benefitting from the use of sunshine since before the dawn of recorded history—warming houses, making bricks, drying clothes and crops, raising and processing food. All of our plant and animal life depends on the sun—our crops and our trees—everything we eat requires its beneficial rays. Even our fossil fuels, our coal, oil, and gas, which originated from plant and animal life can, if one wishes, be considered as concentrated, packaged, and stored solar energy.

The wind is caused by the action of the sun warming the Earth's atmosphere, so it can be considered as indirect solar energy. Some folks think of hydroelectricity as a form of solor energy, because of the Sun'e heat, evaporating the ocean's water and causing the winds to blow the clouds to the mountains, from where the water ultimately flows into our rivers, and through the turbines at our dams.

In fact, except for nuclear energy, either fission or fusion; and geothermal energy, which is nuclear and gravitational in origin; and tidal energy, which is gravitational (caused by the sun, the earth, and the moon), all the energy we have comes, or originally came, from the sun's radiation falling upon the earth. It's no wonder, really, that sun worship was common among ancient civilizations, and that countless religions were based upon it.

However, our attention today is focused on a few special technologies for collecting or concentrating the sun's energy in such a way that we may use it to supplement our conventional sources of energy: coal, natural gas, oil, hydroelectricity, and nuclear fission.

Our nation's program for the wide-spread use of solar energy really started in 1973 in the Science Committee's Subcommittee on Energy, which I was privileged to chair. Previous to that, the NASA had used photovoltaic cells on solar panels on space satellites, but these were (and still are) very expensive. Terrestial applications of photovoltaic systems were limited to isolated, and small, facilities such as remote telephones, marker buoys, weather monitors, etc.

Windmills were common throughout the rural west early in our history. They were used for the direct pumping of water, and for small electric generators. However, they could not compete, either economically or in dependability, with the coming of R.E.A. electricity, and most were abandoned or replaced.

Solar hot water systems, with conventional rooftop solar collection panels, were common earlier in this century in Florida, and in other areas of the sun belt, but they could not compete with natural gas, economically or in dependability, so they were, in most cases, removed. They are still common in Israel and Japan, where fossil fuels are rare and expensive, and where nuclear energy provides only a portion of the energy demand.

The House of Representatives Task Force on Energy, which I chaired, recommended, in its report in 1972, among six other key points, that:

"Because of (solar energy's) continuous and virtually inexhaustible nature, Solar Energy Research and Development should receive greatly increased funding. Near term applications of solar power for household uses seem likely, and central station terrestrial solar power and satelite solar power are attractive long-term possibilities."

At that time, 1972, funding for solar energy research development and demonstration was less than $2 million per year.

Early in 1973 we initiated the Solar Heating and Cooling Research Development and Demonstration Act which became law in 1974. It established the solar heating demonstration program which has been a sparkling success, and under which we now have (or soon will have) more than 7,000 individual residences on solar energy for space heating or hot water, or both, and more than 1300 industrial facilities and commercial and public buildings on solar energy for process heat, space heating, hot water, and, in a few cases, solar energy used for cooling.

Unfortunately, an economically competitive solar powered air conditioner for individual homes has not yet been developed, and our solar cooling demonstration program is behind schedule. Therefore, in the authorizing legislation for the Department of Energy for FY 1979, we have added language to extend the solar cooling demonstration by three years, through 1982. Our plan is to install about 2,000 combined solar heating and cooling systems across the country as a part of that program, and to collect data from them, as we are now doing from part of the solar heating demonstrations, and as we will continue to do over the next five years.

We are spending a considerable amount of money on the solar heating and cooling program: last year we provided $103.9 million for this effort and this year we have recommended $106 million. The President's budget request for next year proposed cutting the program to $81 million, but my Subcommittee recommended and the Science Committee endorsed an increase instead—to $118 million—an increase of 46% over the Administration recommendation.

One of the most encouraging aspects of our Solar Demonstration Program is that it has stimulated private industry to get into the act.

This is what we wanted, as I expressed at the time, we intended to "push everyone off the diving board at the same time." In this we have been highly successful. The solar heating and cooling program has included both large and small manufacturers of solar systems, building and trade associations and numerous national and local unions. The number of industrial corporations now pro-

ducing solar equipment exceeds 350. Even more important, the private sales of solar collectors and related equipment last year were more than seven times the amount purchased through all Federal programs combined. I expect that, this year, private sales will be more than ten times those involving Federal purchases. At this point the solar heating and hot water industry has reached viability without Federal support, either direct or indirect.

Of course, we do not plan to drop the program just because of our successes to date. Last year, for instance, I sponsored legislation to provide each homeowner with a tax credit of 25% of the cost of installation of a solar system, up to 25% of $10,000, or $2,500. (My bill would have provided the same tax credit for insulation of homes, or the purchase of heat pumps or electric cars.) The concept of my proposals was included in the legislation known as the "President's Energy Bill," which is now in conference committee, although the amount of the tax credit has been reduced to a maximum of $2,200. This bill will become law, I believe, by summer, and will provide this benefit for homeowners, thus making solar heating and cooling systems economically competitive in some of the areas of the country where they are not competitive otherwise.

In addition, new legislation, which I have joined in sponsoring, would create a "Federal Solar Loan Bank" to loan money at 3% interest, to individual citizens who build a solar home or retrofit an existing home with a solar system. Such assistance will also contribute to making solar energy more economically competitive with conventional sources in certain areas of the country.

These attempts at economic stimulus and support emphasize one of the key reasons for the fact that solar energy has never been extensively used in this country. It has not been economically competitive with conventional energy sources. In addition, the "front-end", or original capital cost is high. Today, the cost of buying and installing a solar space heating and hot water system in an average existing house is about $10,000. Over a year's time it will provide about half of the energy required for these purposes. A back-up system, using a conventional energy source, will still be required. Accordingly the economic viability of solar systems (in any location) depends on the cost of conventional energy an the average yearly amount of sunshine in that location, along with the interest rate on the money that most homeowners would have to borrow to pay for the solar installation. The "Solar Loan Bank" will obviously help make solar systems more competitive.

Taking all costs and benefits of a residential solar system into account, as compared to a conventional system, and extending both over the life of the systems (10 to 20 years, depending on the system and one's assumptions) is known as "life cycle costing". Recent testimony before my Subcommittee by the Solar Energy Industries Association and by the Doctors Marjorie and Aden Meinel, who are among the solar energy pioneers, indicate that, on the average across the country, solar space heating will compete with electric baseboard heat for electricity costs above 5 cents per kilowatt-hour. From this we know that the break even cost for a house using an electric heat pump would be about 9 cents/KWH, and for a gas heated home if the cost of natural gas exceeds about $10 per million BTU. If one is serious about obtaining more accurate information for a specific solar design in a specific area, one can call the National Solar Heating and Cooling Information Center—toll free—at 800-523-2929.

Of course, our Demonstration Program will sharpen these data. In addition, some homeowners will "go solar", regardless of cost, and we will learn from them. In particular, we will learn much from all of these solar buildings—about reliability, unexpected problems, state and local laws, zoning problems, and about a homeowner's solar rights. (Can your neighbor shade your solar collectors?)

I have not mentioned what have become known as "passive solar" homes. These are homes or other buildings built with maximum insulation, the best orientation with respect to the sun, and the best design of windows, skylights, overhanging eaves, and trees and shrubbery. I believe that all new buildings should incorporate passive solar features as much as is practical.

The solar energy budget for all solar energy research, development and demonstration—which we reported from the House Committee on Science and Technology only a few days ago—totals $476 million, with an additional $53 million for bioconversion programs—$529 million in all. This is an increase of 47% over the President's request, and a 6,700% increase in five years. This includes $96.4 million for thermal electric conversion—the "solar farms" in the desert, with many square miles or mirrors to collect heat; $60.7 million for wind energy, including operation of two large wind generators, construction of several others, and dozens of small windmills; $125 million for photovoltaics, as the beginning of a massive and very aggressive ten-year program to try to bring the cost of these systems down to the point where systems providing sunshine-to-electricity, with no moving parts, may be competitive, at least in isolated areas in this country or overseas, where conventional electricity is unavailable or very expensive; $62 million for ocean thermal conversion—to attempt to build electric generators at sea or on tropical islands, using the solar heat stored in the surface waters of the tropical oceans; and $53 million for bioconversion—to develop practical systems to convert all kinds of organic materials to economically competitive fuel or energy.

One will see that this phenomenal growth in solar energy research development and demonstration, along with support for all other reasonably promising technologies for conserving energy or producing clean competitive energy, is consistent with our policy of bringing each technology to the point where commercialization can occur.

Our heavy emphasis on solar energy springs from the fact that it is clean, free, and uninterruptable. Our enthusiasm and generous fending is, I believe, justified.

However, we should not fall into the trap of overselling ourselves—or trying to oversell others on solar energy. In spite of its advantages, solar energy has very real limits. The solar energy falling on each square meter of the United States averages about 5 kilowatt hours for each 24-hour day. It may be six in the southwest and only four in Seattle, but the amount is controlled by the sun, and we cannot change it. We can concentrate it to make it hotter, but the amount of heat is permanently fixed.

The second limit is that existing collector systems for solar heating are already about as efficient—and about as cheap—as they are going to get. Except in the development of photovoltaic cells, we should not expect any dramatic break-throughs in solar technology or costs.

Finally, in spite of all its potential, solar energy cannot possibly make more than a small contribution to our national energy production capacity during this century. It cannot possibly relieve the critical necessity for a heavy reliance on clean coal and nuclear fission during this century. For instance, if we can convert 20% of all the residences in the country to solar energy for hot water and space heating and cooling, this will provide 2 % of our nation's energy requirements. 20% is 15 million residences—six times the President's goal. At $10,000 each, 15 million such residences would cost $150 billion.

An optimistic estimate of the total contribution that solar energy can make is 3% to 5% by the year 2000. I know this disappoints some solar enthusiasts, and I wish it were possible to produce more solar energy—sooner and cheaper. However, we would betray those who look to us for responsible leadership if we were to become "latter-day-sun-worshippers," ignoring the limits imposed by engineering, materials, logistics and economics, and by the sun itself. It's important to recognize that 3 to 5% of our energy production in the year 2000 will represent the equivalent of about 2½ million barrels of oil a day; oil which need not be imported, paid for, or burned. At today's prices, that's a saving of $11 billion a year—and that's a lot to celebate for solar energy.●

THREE OUTSTANDING CITIZENS

HON. GLADYS NOON SPELLMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 3, 1978

● Mrs. SPELLMAN. Mr. Speaker, this Saturday, May 6, the Prince Georges County Committee of the National Conference of Christians and Jews will honor three outstanding citizens of our community. As we all know, the National Conference of Christians and Jews carries out year-round educational programs in school-community relations, police-community relations, and human relations in education. The conference has contributed much to the improvement of interreligious understanding and the building of meaningful relations between the diverse citizens' groups of Prince Georges County. The honorees at this year's brotherhood dinner exemplify, to a remarkable degree, the ideals for which the conference stands:

Evelyn J. Bata has been a champion of equal employment opportunity and of minority and women's affirmative action programs, a designer of model programs for teenage youth, and an innovator in reform of the criminal justice system. She has served as a consultant on vocational education and has played a leading role in initiating and funding community college scholarship programs.

Jarvis Blair has labored in the garden of love and concern for her fellow citizens. Her activities range from the strings of the National Symphony to the swim kicks of the American Red Cross, from Volunteer Bureaus of America to the YMCA, day care centers, and the health and welfare needs of Prince Georges County.

G. James Gholson is a dedicated and highly respected educator who has been a pioneer in intergroup relations in Prince Georges County. As area superintendent in the northern administrative area of the Prince Georges County public schools, he has continued his innovative leadership in school and community groups which foster quality education for all students.

Mr. Speaker, I know my colleagues will join with me in offering congratulations and best wishes to these three outstanding citizens.●

ELIMINATING GENOCIDE

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 3, 1978

● Mr. DRINAN. Mr. Speaker, the recent NBC television program, "Holocaust" has caused many Americans to consider the unspeakable horror of genocide and to ask how this wholesale slaughter of the Jewish people was allowed to occur. "Holocaust" has also helped to focus on the critical question of how we can prevent in the future tragedies such as the Nazi annihilation program or the murder of the Armenians by the Turks earlier in this century.

In an essay in today's Boston Globe, first lady of the Commonwealth of Massachusetts Kitty Dukakis examines and sheds light on America's responsibility to confront our silent complicity in genocide and seek ways to eliminate this horrible crime against humanity. Writing with a grace and wisdom that have come to distinguish so many of her activities on behalf of the public good, Kitty Dukakis reminds us that our Nation must do everything in its power, including ratification of the United Nations treaty against genocide, to banish this evil.

Her article follows:

ELIMINATING THE HORROR OF GENOCIDE

(By Kitty Dukakis)

Why, in 1978, many decades after the horrible events have occurred, should we remember the extermination of six million Jews during World War II or the slaughter of a million and a half Armenians during World War I? Why should we revive the chilling memories of the Holocaust—the bodies stacked like wood, the screams of the dying, the torture, the suffering of children—so dramatically portrayed in the NBC special of two weeks ago? Why should our schools teach our children about the living nightmare of genocide?

Tomorrow, the Massachusetts Department of Education is sponsoring a statewide conference for educators, "Teaching Genocide: Why and How?" to answer some of those questions. Although there are many reasons for teaching about genocide, I believe that the single most important is to remind us that America had—and continues to have—the power to avert such tragedies.

During the 1930s, our government was well-informed about the intensifying Nazi persecution of Jews, but it did not intercede on their behalf. Severe immigration quotas blocked the entry of Jewish refugees. And, during the war few officials advocated open condemnation of the crimes and the threat of postwar punishment as a means to aid the Jews. One such official, Herbert Pell, the father of Rhode Island Sen. Claiborne Pell, warned that American silence would give the Nazis and future tyrants "the green light" to commit genocide.

Sadly enough, the world, and again our country is included, had already provided Hitler with an historical green light—by reacting so feebly to the murder of one million and a half Armenians by the Turks. As Hitler once said: "Who still talks nowadays about the extermination of the Armenians?" The US ambassador to Turkey did protest, but nothing else was done. Only the French actually attempted the physical rescue of some Armenians, saving but a handful.

So, the world lost a chance to prevent some of the deaths in the genocide of the Armenians and the Jews, but it also missed the opportunity to punish some of those responsible and thereby give sharp warning to genocidal tyrants of the future. None of the Turkish leaders responsible for the Armenian massacres was ever punished for the crimes. Contrary to popular understanding, international war crimes trials in Nuremburg after World War II did not punish all the leaders and henchmen of the Holocaust.

The purpose of recalling the world's leniency with the criminals and acquiescence in the crimes is not to fill us with guilt. Rather, the experience should teach us to recognize our responsibility for human rights everywhere, to be ever sensitive to racism and antisemitism within our own borders and to redouble our efforts to eliminate persecution throughout the world.

Genocide, sadly, is not yet something of the past. In Uganda, Cambodia, and elsewhere, tyrants continue to slaughter people simply because they have the "wrong" political beliefs, or tribal background, or religion. President Carter's recent condemnation of Cambodia and his entire human rights policy is an essential first step.

But, the President's words are only as strong and effective as the support which they command among the American people. An aroused public could move Congress to withhold foreign and military aid to governments which violate human rights. That would add immeasurably to the impact of the President's words.

The American public, however, will only exert pressure on the government if it understands the tragedies of the past and the brutalities of the present. Teaching about genocide and human rights in schools is one way to increase the awareness of children and adults.

Another way to do this would be to establish a national center to encourage the study of genocide and human rights violations. The center could train teachers and publish information for schools. I am now working to raise funds and support to establish such a center in Massachusetts.

The teaching of genocide clearly will not be easy—and the learning for our children may be even more difficult. It will probably raise more questions than it answers. Questions such as:

Why did the leaders of the world and our own country protest past genocide so little?

Why has the United States refused to ratify the United Nations treaty making genocide an international crime?

What can individuals do to prevent a repetition of these tragedies?

Answering such questions will not be easy, but the final result could be a world in which the word "genocide," coined in the 20th century, would only be found in histories.●

SUN DAY

HON. JOHN F. SEIBERLING

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 3, 1978

● Mr. SEIBERLING. Mr. Speaker, today, May 3, has been designated by Congress and President Carter as Sun Day. It is a day to call attention to the abundant and renewable energy resources which exist naturally around us—the wind, falling water, biomass, and direct sunlight. Solar energy, in the broadest sense, encompasses all of these resources, and around the country today, the potential of solar energy to generate electricity for homes, farms, and factories, and to heat and cool buildings, is being demonstrated as part of Sun Day activities.

These innovative demonstrations are intended to be educational and fun, and other planned activities will bring a festive mood to this celebration of solar energy. However, our objective in designating this day as Sun Day is serious—to point out how solar energy can help us meet our future energy needs by demonstrating and publicizing the versatility and potential of existing solar technology. The energy crisis is real, and our national economy, our national security, our health, and our environment cannot long sustain an energy policy based on the use of increasingly expensive and scarce fossil fuels.

The United States consumes 30 percent of the world's petroleum production, 19 million barrels each day. Since we produce only half this amount, we must import the rest. Last year, the United States imported $45 billion worth of petroleum, giving us the largest trade deficit in our history. For the first quarter of this year, our trade deficit was $11.2 billion, of which $9.9 billion was oil imports.

This enormous reliance on imported fuels has had a drastic impact on our domestic economy—since the Arab oil embargo in 1973, the cost of living has increased by 50 percent—and we have no way of knowing what price increase will next be proposed by the OPEC nations. We certainly cannot base our future energy policy on the uncertainties of imported fuels.

While coal is a relatively abundant fuel in this country, the supply is not inexhaustible. Moreover, the growing costs of mining it and the penalties in deaths, illness, and long-term environmental degradation which result from coal burning cast doubt on its desirability as a solution to our energy needs. Coal-burning produces carbon dioxide, and adding CO_2 to the atmosphere raises the Earth's temperature by retarding the radiation of heat into space. This greenhouse effect could increase the world's average temperature over a relatively short period of time, and have disastrous effects on the planet.

Our eastern coal contains a high proportion of sulfur dioxide, and when this pollutant builds up in the atmosphere, it is precipitated with the rain. Scientists have observed the damage of acid rain to the fish populations in North Eastern lakes, and acid rain may already be reducing forest and agriculture productivity.

The immediate effect of air quality on the public health is apparent. According to a study by scientists at the Brookhaven National Laboratory in New York, 21,000 premature deaths a year among populations east of the Mississippi River are attributable to pollutants emitted from fossil-fueled powerplants. These lives were shortened as many as 15 years from expected life spans due to heart and lung failure brought on by chronic respiratory diseases, such as bronchitis and emphysema.

The increasing costs of coal-produced electricity point up the need for renewable energy resources. Because of the

severe air pollution problems resulting from coal burning, Congress has required continuous emissions reduction technology on all new coal fired utilities and these costs will be passed on to consumers. In fact, some clean fuel derivatives of coal may be marketed at prices comparable to oil.

Nuclear power, which is often cited as the solution to our energy problems, is perhaps the most dangerous and costly way to meet our energy needs. Congress, in fact, has only begun to examine the issues of plant safety, nuclear radiation levels, nuclear waste disposal, and the potential for nuclear weapons proliferation.

Radioactive waste is a significant problem—at least 3,000 metric tons of spent nuclear fuel are now being stored at reactor sites—and an additional 17,000 metric tons are expected to accumulate in the next 10 years. Nonetheless, the Government has spent one one-thousandth as much on research for nuclear waste disposal as has been spent on nuclear power development. No one is able to predict the costs of nuclear waste disposal, and it is uncertain whether any precautions will be adequate to contain the waste as long as it is radioactive.

Initial studies indicate that there is a strong relation between exposure to radiation and the incidence of leukemia and other cancers. However, the research into safe levels of radiation exposure is inadequate—only this year has the Department of Defense initiated a study on the health conditions of Japanese survivors of the Hiroshima and Nagasaki bombings.

Although these questions remain unanswered, the Energy Research and Development Administration plans to spend half of its total research and development budget for fiscal year 1978 on nuclear research and development. That is four times the amount—$385 million—allocated for solar energy research.

Despite the crippling effects of relying on imported and scarce fossil fuels and the unsolved problems of nuclear energy, we Americans have not met the challenge of developing and promoting renewable energy resources. Japan, Israel, and many European countries have made great strides in the development and marketing of solar energy technology. Solar water heaters are installed in 2 million homes in Japan, and the solar industry is thriving in West Germany, Sweden, France, Italy, and Switzerland. Market analysts predict double digit growth in solar home hot water systems, heating and cooling units and, ultimately, in solar electric components in Europe through 1985.

As the leading industrial nation and the largest consumer of energy, the United States can and must be the leader in solar energy development. Private enterprise will eventually provide most of the development impetus and funds. But until solar systems become competitive with fossile fuel systems, the Government must furnish support and incentive both for research and promotion. Many experts argue that if we spend only a small portion of what we have spent on nuclear power development for the commercialization of solar-generated electricity, it would be commercially competitive with fossil fuel systems within 5 years. We should not postpone taking advantage of that opportunity.

Yesterday, we passed legislation to create a special loan program in the Small Business Administration to provide assistance to small solar energy and energy conservation businesses. This is an important initiative. However, Congress faces a great challenge in turning the country from dependence on scarce and polluting fossil fuels to nonpolluting, inexhaustible solar sources. According to recent research, solar energy could provide 40 percent of global energy needs by the year 2000, and 75 percent by 2025, if we pursue a policy to encourage the research, development, and marketing of solar technology. Every day, the Earth receives from solar radiation more than 10,000 times the energy that we get from conventional energy sources, such as oil. If we can only tap that enormous resource, we can insure that we and all those who live after us will have abundant energy.

It is easy to speak in support of solar energy on Sun Day. The difficult task is committing Federal resources to developing solar energy so that we will enjoy the maximum energy benefits it has to offer. I hope that as a result of Sun Day, Congress and the American people will pursue this goal with enthusiasm and responsibility.●

INFLATION: WHO IS THE REAL ENERGY?

HON. MICKEY EDWARDS

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 3, 1978

● Mr. EDWARDS of Oklahoma. Mr. Speaker, the President now admits that inflation is a serious problem so perhaps we should be encouraged that he finally understands what most concerns the American people.

Unfortunately, when he said that the battle against inflation would be waged primarily in the private sector because "it is a myth that Government itself can stop inflation," Mr. Carter clearly signaled us that his latest initiative, like so many others, is destined to fail.

Mr. Speaker, the Federal Government is now the biggest spender, borrower, employer, and regulator in the United States and has undeniably become the driving force behind the increasing rate of inflation in the U.S. economy. Consider the following statistics researched by Economist Warren Brookes.

If, as the President implied, workers are to blame for inflation, why is it that while union wages have increased slightly more than 80 percent in the 10 years preceding 1976, the taxes paid by these same workers went up almost twice as fast.

If, as the President implied, business is to blame for inflation, why is it that during those same 10 years the cost of Government increased nearly four times as fast as corporate profits?

Is the President not aware, Mr. Speaker, that the taxes buried in a gallon of gasoline are almost 10 times as big as the net profits on that same gallon? Is he not aware that the average family hands over more than 200 times as much to the Government in direct taxes of all kinds, as it contributes in net profits to supermarkets during a full year of shopping?

Mr. Speaker, between 1950 and 1976, the most powerful inflationary force has been the cost of Government, which has grown more than three times as fast as the cost of all the basic necessities of life, and is now larger than all those necessities put together.

What those in Washington have so expertly programed the consumer to forget is that buried in the price of everything we buy is that rising cost of Government, which is taken out in the form of taxes on labor, on goods, on income, on every part of the product's cost, and every stage of its distribution. Our problem, Mr. Speaker, is one of big government, and its insatiable appetite to spend the tax away more of every American's earnings.

Finally, has the President forgotten, Mr. Speaker, that the Federal Government has printed money more than twice as fast as the Nation has produced goods and services. Let us stop running from the truth, otherwise how can this Government ever hope to regain the people's confidence?

Mr. Speaker, I strongly recommend that my colleagues read the excellent editorial on the President's misguided approach to the problem of inflation which appeared in the Oklahoma Journal on April 18:

[From the Oklahoma Journal, Apr. 18, 1978]

IDENTIFYING THE CULPRIT

Of course, the President is against inflation. Who isn't? And it was generous of him to offer a decrease of one percentage point in the upcoming salary increase for federal employees as the federal government's contribution in the effort to contain inflation. There is considerable doubt that Congress and federal employee unions will permit even that gesture.

But it is clear from the President's most recent comments about inflation that the private sector—again—is about to be fingered as the culprit driving up wages and prices. It is a safe political play for administration to take. The problem with it is it isn't truthful.

If government is not the major cause of inflation, then why does government spending account for a larger share of the Gross National Product today than it did five years ago? If the federal budget is not inflationary, why has it doubled and doubled again in the last several administrations? What is the effect of repeated budget deficits in the nature of $60 billion annually on inflation?

A decade ago the federal government's own statisticians ran a study on the causes of inflation. Interestingly enough, they watched the conclusion that personal taxes were the fastest rising single item in the family's budget. Considering escalating Social Security taxes and the effect a devalued dollar has on pushing many wage earners into higher tax brackets, it may be time for a similar study.

Before any effective war can be waged, the enemy needs to be identified.●

THE UNEMPLOYMENT PROBLEM

HON. BOB WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 3, 1978

● Mr. BOB WILSON. Mr. Speaker, Mr. Charles D. Hoffman, president of Self Directed Placement of San Diego, has a unique method for solving a part of our unemployment problem. I say unique, because Chuck's methods work.

In Self Directed Placement, Chuck teaches the unemployed to get their own jobs, boosting their sense of self-esteem and worthwhileness. You really can't argue with results. According to an informal survey by a Labor Department official, he now has the best job placement percentage in the country. Over a period of 1 full year, 83 percent of his students found their own jobs in private industry, and they did it in an average of 93 hours. That is hours, not days. The average starting salary was $3.46 an hour, and the dropout rate was 10 percent.

These are startling figures for a job assistance program and bear marked tribute to Chuck's placement philosophy. A more detailed insight into the program is given in the following series of articles and I seriously recommend it to the attention of my colleagues as a possible solution to our employment problems.

The articles follow:

On November 21, 1977, the Business and Finance section of the Los Angeles Times carried an article by staff writer Margaret Kilgore. Part of the article is as follows:

To be uneducated, unskilled, out of work and perhaps have a criminal record is more than enough to destroy a person's confidence.

Enter the Self Directed Placement Corporation of San Diego, a pioneer government funded effort to give potential job seekers the attitudes and know-how to personally apply for a job and, with luck, be successful.

The corporation is headed by Charles D. Hoffman, former Vista volunteer, who mixes a fair amount of positive thinking and how-to-win friends into the short courses he teaches federal CETA (Comprehensive Employment Training Act, which governs the major federal hiring program) participants.

His suggestions, although perhaps elementary to the disciplined worker, mirror the gripes many employers have against their help.

"I tell them right off that they have to be on time whether it's work or class," Hoffman says. "If an employee is 25 minutes late every day, an employer should fire him or her. That person is unreliable."

He also teaches his classes such basics as how to use a telephone in a polite and businesslike manner, how to approach a personnel department officer by phone to ask for a job (don't give "yeah" and "nope" answers to questions); be aggressive, but be polite.

Hoffman's theory of job placement is: why use a middleman to find a job? He is critical of most federal and state job placement programs which hire a battery of job finders to search for jobs which, he says, the applicant should find for himself.

"Our philosophy is incredibly simple," Hoffman says. "We strongly believe the unemployed can be taught self job placement methods. If one can take a person with no experience, and teach that person how to be a job placement specialist, why not bypass that middleman and directly teach the applicant?"

Hoffman has incredible success. Of the 400 people who have passed through the program within the past two years, 83% have been successfully self-placed into full-time jobs in the private business sector with a later dropout rate of 10%, he says. He adds that the average placement time period is 93 hours, including 35 hours of classroom instruction.

An article in "Worklife," the U.S. Labor Department magazine says "Statistically, the program has been working well for everyone, including minority group members, young adults, older workers and clients for whom English is a second language. A program for ex-offenders already is under way." The experimental program is being considered by state officials and Hoffman hopes to interest Los Angeles County officials in it.

As the month-long class and job search program progresses, effective interviewing is covered in detail, but traditional job-related skills are minimized as a means of "selling" the interviewee to the employer. The students learn to recognize and communicate their positive personal attributes.

"At the entry level and sometimes beyond, employers hire people, not only skills," says Hoffman. "Enthusiasm, reliability and the ability to get along with others are vital. Plenty of our students who don't even meet an employer's minimum requirements are hired with a promise of training."

Self Directed Placement Corporation, a San Diego-based operation, was created four years ago by the originator of the self-directed approach, Charles D. Hoffman. This incredibly successful method is now being evaluated from Atlanta to San Francisco, from Chicago to Dallas, and in both large cities like Washington, D.C. and small, fishing and lumber coast towns like Arcada, California.

Old myths are being destroyed in the process, such as "You can't teach these people how to get a job. They simply don't want to learn," and finally, "Even if you could teach them how to help themselves, they won't; because you can't motivate them." All these myths and more are left broken by the roadside after the student goes through a self-directed placement program. People who didn't think they could help themselves, and in some cases had indeed never had any control over their own destinies, and were devoid of any confidence, have responded with great enthusiasm and realized tremendous success.●

IN COMMEMORATION OF SUN DAY

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 3, 1978

● Mr. MAZZOLI. Mr. Speaker, our country is celebrating Sun Day today.

Throughout the Nation activities are underway to educate the public to the potential of solar energy for solving our energy problems.

Sun Day observances are also designed to elicit support for expanding research, development and usage of solar energy in the United States.

The Sun is a very promising energy-source prospect. This kind of energy is nonpolluting. The supply is unlimited. It is available all over the globe. It cannot be embargoed or monopolized.

Any responsible discussion of alternative energy sources must place strong emphasis on solar energy.

I hope Sun Day marks the beginning of more aggressive solar energy research and development at all levels of government.●

SUN DAY

HON. ELWOOD HILLIS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 3, 1978

● Mr. HILLIS. Mr. Speaker, as a cosponsor of the resolution designating today, May 3, as "Sun Day," I would like to take this opportunity to express my full support for solar energy as a future source of electrical power. Throughout my career as a Congressman I have urged the support of all new sources of energy, and to further develop existing sources such as nuclear power.

It should be obvious to everyone who has studied our energy situation that the United States must rely on conventional sources of energy, such as coal and nuclear, for the next several decades. However, coal and nuclear energy, as with petroleum based fuels, all have major drawbacks. Solar energy must begin to replace these conventional sources of power as soon as possible.

Armory B. Lovins, a well-known energy analyst, has made the distinction between what he terms "soft" and "hard" energy technologies. According to Lovins, soft technologies rely on nondepletable sources of energy, such as the sun or wind. Hard technologies rely on depletable sources such as uranium or petroleum. In my opinion, the world must soon develop soft technologies on massive scales to replace now conventional hard technologies or else face major economic, social, and political disruptions. Today is dedicated strictly to solar energy, but a word should be said for the other soft technologies which, with the proper support, can join with solar to meet our future demands. Wind, tide, and geothermal energy can all be used to decrease our dependence on conventional hard technologies.

While the United States has made a beginning in the long process of conversion, from hard to soft technologies, much more needs to be done. But more importantly, for the first time in our history we are attempting to review the environmental effects of a new technology before it is is widespread use. This milestone should not go unnoticed. While solar energy is a relatively clean source of energy, there may be some environmental, health, and safety issues associated with its widespread use of which we are now unaware. However, with the proper precautions and foresight, any adverse effects of massive solar usage can be prevented.

There are numerous steps which the Federal Government can take to facili-

tate the growth of solar energy. To begin with, more Federal buildings should be equipped with solar systems. All new Federal buildings should be mandated to use solar systems whenever possible. Such a commitment by the Federal Government would boost the solar energy industry. As the volume of sales continues to grow in solar equipment, the cost per unit will decline. So long as oil is cheaper, solar energy will never gain substantially in the marketplace.

The future of solar energy is indeed bright. The advantages of using the Sun to produce energy have made solar energy internationally attractive. With the world energy demands growing much faster than the growth in population, and with the continued decline in conventional sources of energy, the need for new sources of energy is vital to our national security.

While I firmly believe solar energy will play a major role in meeting future energy demands, we must be realistic. No soft technology will be able to make major contributions for several years. We must continue to build more nuclear powerplants to meet the immediate future's demand. Our energy decisions should not be viewed in either/or terms. We need to rely on both hard and soft technologies for the coming decades.●

RAIN ON SUN DAY—PART II

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 3, 1978

● Mr. McDONALD. Mr. Speaker, yesterday I presented the first part of an article revealing the intention of "Sun Day" enthusiasts to reduce the United States to the energy consumption level of 1910, largely by the method of artificially-generated clamor demanding the replacement of "high quality energy" such as electricity by "soft" energy, such as sun-warming—even though it is well known to these people that the winter sun is simply inadequate to the task in nearly all parts of the United States.

Is Part II of this article by Dr. Susan Huck, which appeared in the May issue of American Opinion magazine, we learn of the lawyers' plot to make casting a shadow a crime, and how Cold is Beautiful. Read on.

SUN DAY PART II

The current Sun Day propaganda about employment should mention lawyers as well. One of the first Sun Day publications which fell into my hands, in the process of research, was concerned with "solar access." It seems that there was gathered together in the World Trade Center in lower Manhattan a group devoted to the legal implications of going solar. Among those present was Denis Hayes' wife Gail, a lawyer of the sort we can expect to find making the rules for us. The upshot of the conference was that, if you own a tree which casts a shadow on your neighbor's glass roof, you are in deep trouble once we go solar. They want to create a new right to solar skyspace, which will make it a tort, at the very least, to cast a shadow on your neighbor, thus depriving him of a portion of that day's ration of sunshine. Employment of a city "forrester" (Gail Hayes' spelling) coming around to execute offending trees was specifically mentioned.

Diagrams were offered to demonstrate just how low down and far apart buildings would have to be, in order not to cast shadows on each other. Naturally, there was not a villainous tree in sight. And the funny part was there was hardly anybody at the gathering who failed to notice that the Rockefellers' World Trade Center cast a shadow on the whole of lower Manhattan in the course of the day. But presumably some people's shadows will be more equal than others. Besides, the Rockefellers *are* trying to solve the energy crunch. You do believe that, don't you?

And you *do* understand that it's not the oil cartel which makes it an extravagance to heat your home. No, it is *sinful* to heat your home. Especially with abundant American coal or electricity produced from it. Need a reason? Well, the same klutzes who contend that aerosol spray cans would destroy the ionospheric ozone layer can be found feigning alarm at the release of carbon dioxide into the atmosphere by the burning of fossil fuels. Muttering arcanely of the greenhouse effect, they leave us with the impression that few more awful things could happen than that the earth's atmosphere might come to contain four hundred big parts per million of carbon dioxide, and therefore retain more of the sun's heat, increasing the average air temperature by one or two degrees Fahrenheit.

Look for the Hollywood disaster movie on the subject. Cities swept away as the polar ice caps melt, deserts marching inexorably onward, swallowing up the world's farmlands. No kidding, you can expect fiction of that nature to hit the paperback stands and the silver screen and the flickering tube soon enough.

A Worldwatcher named Flavin absolutely assured me of disaster when I asked him why a slight warming of the atmosphere and a slight increase in carbon dioxide content was regarded as so unthinkable as to require the shutting down of American industry. I reexamined his estimates and noted that plants *thrive* on carbon dioxide, and that given his estimates humans would be totally unaware of the difference. Also, an increase in average temperature of one or two degrees seemed to me a great benefit. More moisture would be evaporated from the sea and transported inland than now (that is, if it made *any* discernible difference), so the desert belts might narrow ever so slightly, the subhumid lands might grow greener (and stay green longer into winter), and Canada, Europe, the Soviet Union, and north China might be blessed with longer and warmer growing seasons and be enabled to cultivate lands further north than at present. The belt of tropical conditions would become wider, not hotter. Warmer winters, I inferred slyly, might help us scrape by on solar heating.

Somewhat unnerved at encountering a person not immediately snowed by pseudoscientific propaganda, Flavin backed away and hid behind a couple of books which, he promised, would explain all. They were interesting books. Among the disaster photos in one (*The Genesis Strategy*, by Stephen Schneider) were pictures, one hundred years apart, of a village in the French Alps. Around 1860, it had an alpine glacier in its back yard, while a century later (after a one-degree Fahrenheit rise in temperature *not* blamed upon man), the glacier has retreated way up the valley, with forests in hot pursuit. I was unable to find an explanation of how this constituted a disaster. Incidentally, while Schneider warns dourly that continued generation of electricity by the combustion of fossil fuels will warm the earth, he admits that since 1945 the Northern Hemisphere, scene of all this sinful combustion and consumption, has *cooled* ever so slightly. So, for all the Worldwatcher knows, we may have been inadvertently fending off a new Ice Age. Either that or the combustion and consumption is insignificant.

Cold is Beautiful is a peculiar hangup among these ecofreaks. I have run across it again and again. They apparently view the melting of ice as about the worst thing anyone can do. Permafrost, which is a permanent pain to people who have to deal with it, is regarded as fragile and precious and not to be disturbed. How they carried on about the Alaska Pipeline, claiming to fear that it might somehow reduce Alaska's supply of permanently frozen land! This went to such extremes that I recall reading portions of the immense "environmental impact statement" required of the Arctic Gas Company, which sought permission from the government of Canada to pipe natural gas from the arctic to North American cities. In vain hopes of getting by those determined to choke off energy supplies, the company even argued that its super-cold gas in transmission would not only preserve the precious permafrost but would actually extend it southward!

So we should not be surprised to hear the ecofreaks and Worldwatchers deplore the fact that the Arctic ice cap might fray around the edges just a tad, with a rise of one or two degrees. That would not, alas, suffice to relieve us of festering sores like New York City. Sea level, by the way, has been rising relative to land levels in northwest Europe throughout historic time, a costly business with which Europeans have nevertheless coped. The climate of Europe has, at the same time, warmed at least as much as the ecofreaks pretend to regard as disaster, bringing immense benefit to lands under ice a few thousand years ago.

In sum, then, a slight increase in atmospheric temperature and carbon dioxide content from burning fossil fuels would probably be beneficial to the earth, to its plant life, and to man. The doomsayers are just following the party line.

As for nice, clean, efficient nuclear power—put it out of your mind, unless you are prepared to fight your ruling class. One need not go very far into the literature before discovering that even "if nuclear power were clean, safe, economic, assured of ample fuel, and socially benign per se" (says C.F.R. flack Lovins) "it would still be unattractive because of the political implications of the kind of energy economy it would lock us into."

My, but he is being fastidious about his political implications! As a matter of fact, all proponents of the sun, wind, and methane-from-cung energy economy advertise that it will liberate us from the electric power company. Whereas, in the first place, that is not true—I mean, unless we want to regress back further than 1910. And, in the second place, I'd rather cough up my extravagant two dollars a day to the coal-fired electric company than go through what these folks have in mind, just in order to be half warm.

What is worrying our ruling class about nuclear power is that they don't think they can control it forever, and so they would like to stuff the genie back in the bottle. The C.F.R.'s man Lovins actually says that. He says, "I am confident that the United States can still turn off the technology that it originated and deployed," which he calls "rebottling the genie." He goes into some detail as to how pressure from above, from the ruling-class circles he is addressing, and pressure from below, from the demonstrators and perhaps even a few well-timed accidents, can stop nuclear power dead in America, in Europe, and in all our supposed client states. But he says not one word about stopping nuclear development in the Communist countries.

The point is that, at all levels above those of the supposed United States Government, a decision has been made to halt, and then reverse, the use of nuclear technology for energy production. Propaganda arguments are merely mustered in support of that decision. Lovins, in the C.F.R. journal, calls for "unilateral adoption of the soft energy path." That means a tremendous cutback on electrical energy production—a "high quality" energy which us masses don't need, and which some (such as the Soviet Union) find "threatening." These people want even industry to move away from the use of electricity, be it nuclear or derived from fossil fuels. (Remember, "the end is nigh" if we warm the earth even a teensy bit more with all that American coal.)

There is meanwhile much prattling about photovoltaics—solar cells which produce electricity directly from sunshine. It works, but it is still so horrendously expensive that it is scarcely used by anyone but government. "The cost of photo-electric cells," writes Tracy Kidder, "has already come down from $50 per watt to $15, and some researchers claim that they'll have the price down to $2 a watt within the next two years. ERDA has decreed (!) that the cells will cost fifty cents a watt by the mid-1980's, and thirty cents in the 1990's."

Well, now, one may seriously question whether anything will cost thirty cents in the 1990s; we are, after all, in the age of twenty-cent candybars. But let's look at the two-dollar figure alone. That means it would cost you a cool two hundred dollars to buy the cells to gather enough photovoltaic energy from the sun to run a hundred-watt bulb (which you wouldn't want to do if the sun were shining anyway, but let it pass). If you would like to look at color TV, you will have to invest nearly seven hundred dollars in solar cells to cover that amount of wattage. Under the circumstances, anyone with an electric iron or a toaster, each of which pulls about eleven-hundred watts, will need to invest twenty-two hundred dollars in solar cells; and, of course, to have an electric stove under the circumstances would be the act of a certifiable lunatic.

Oh yes, and those cells only work when the sun shines. To get around that, you need a basement full of batteries and gadgets. Nuff said?

But that needn't bother you. Our ruling-class polemicists have lots of ideas for getting along without high-quality energy like electricity. If you like messing with your cesspool, you'll love biogas. This is a mixture of methane and more noxious ingredients which results if you control the anaerobic decomposition or organic wastes just right. (If you don't, you have an even bigger mess than you started with.) The methane can be collected, "scrubbed" of the other noxious gases (or not, depending on your gagging reflex), and used in a cookstove.

We are told by the con men that Red China has plunged wholeheartedly into biogas and has trained millions of "technicians" to tend the communal cesspools. In India, *gobar* (dung) plants are allegedly catching on—which leads folks like Denis Hayes to issue yet another call for social revolution, since cow chips used to be free and now "the rich" have supposedly cornered the dung supply. The call to revolution is ever on Hayes' lips. Upon learning that some enterprising Mauritanians were piping and selling water, Hayes rails that they are thereby depriving children of the opportunity to participate in community life, since it used to be their chore to lug water from well to home.

Nobody expects for one moment that the staff of the Worldwatch Institute will *ever* be found tending its institutional biogas facility in order to have the means of perking ersatz coffee over the resultant methane. Humility, which they so often commend to us masses, is in extraordinarily short supply among Rockefeller-backed Worldwatchers; they are paid fatly to think about how our grandchildren should be allowed to live—if they are allowed to be born in the first place—an exercise incompatible with humility, I can tell you!

And this is all a high-level confidence game. When one considers that the geopressurized methane resources of the Gulf Coast and Gulf of Mexico have been estimated at between 24,000 quads (in "onshore reservoirs within normal drilling range," and 105,000 quads including deeper and offshore reservoirs), one realizes that there is not the *slightest* necessity for Americans to build a domestic dung industry in order to have methane. Quads, by the way, were a new one on me, too. A quad is a unit of energy equal to one quadrillion British Thermal Units. That's 1,000,000,000,000,000 B.T.U.s. The United States currently uses about 70 quads of energy annually, so at the lowest above estimate, there is enough methane alone, not even offshore, to provide all our energy needs for 343 years at the present level of consumption.

Of course, methane is hardly our only resource. But the point is that we have available more methane than the human mind can comprehend—so why are the Rockefellers and their hired guns so keen to have us piddling with communal cesspools? Is it to teach us humility, perhaps? Don't miss the point. Lovins praises "thrift, simplicity," and "humility" and casts his final arguments in treacly religiosity-without-God. We are told it will be so "ethical" to get along on what energy the sun provides us, here and now, instead of punching holes in the crust for natural gas, the sort of crude rapine which causes him to reach for his smelling salts. Author Tracy Kidder has perceived the same mood, concluding an article with the observation that solar advocates "seek only to collect the energy which nature has provided, while nuclear explorations have sought to penetrate the secrets of the sun itself . . . To the solar advocates, nuclear energy stands for an arrogant, aggressive attempt to master nature, while the solar approach is a humble, passive effort to make peace with the planet."

Western Man didn't get where he is by being humble and passive; and, bemused as we may be, thanks to our controlled mass media, I am not sure that we are so dumb as to clamor for our own destruction. And I hope that none of us want any sermons out of the Rockefellers and their minions on the subject of becoming passive, frugal, and humble, as befits the New Serf.●

SOLAR ENERGY: A YEAR LOST

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 3, 1978

● Mr. DRINAN. Mr. Speaker, as millions of Americans join to celebrate the Nation's first Sun Day today, it is fitting that Congress swiftly enact legislation which recognizes the public's growing confidence and enthusiasm in the economic potential of solar energy.

In the same manner that Earth Day served as a catalyst for the Nation's landmark environmental protection legislation of the early 1970's, so should Sun Day be remembered as a time when the Federal Government finally caught up with the American people in recognizing the promise of renewable sources of energy.

The single most important step which the House of Representatives can take to respond to this challenge would be enactment of the Solar Energy Bank Act, H.R. 7800, introduced by my colleague from North Carolina (Mr. NEAL). This legislation—enabling low-interest loans to homeowners and businesses to finance investments in solar heating—has recently been the subject of intensive public hearings before the Banking Subcommittee on Domestic Monetary Policy, where I had the opportunity to offer supporting testimony last week. The bill has enjoyed the support of the chairman of the subcommittee, the gentleman from Maryland (Mr. MITCHELL), and the chairman of the full Committee on Banking, Finance, and Urban Affairs, the gentleman from Wisconsin (Mr. REUSS).

Having introduced very similar solar loan legislation early in the 95th Congress, I especially wish to commend all three of my colleagues for their outstanding efforts in moving forward on H.R. 7800, and offer my hope that it can be marked up and brought to the House floor without delay.

Mr. Speaker, as the House considers its responsibility to recognize the historical significance of Sun Day, I highly commend to my colleagues the following commentary by the former Republican Governor of Massachusetts, Francis Sargent, as it appeared in the Worcester Telegram:

[From the Worcester (Mass.) Telegram, Apr. 28, 1978]

SOLAR ENERGY: A YEAR LOST

(By Frank Sargent)

New England joins the international observance of "Sun Day" on Wednesday. It will be a day devoted to proclaiming the great potential of solar energy.

Too bad. May 3 should have been a celebration of what we've done to make that potential a working reality.

The fault begins with Jimmy Carter, and is shared by a Congress that, a year after presentation of the Carter energy program, has done nothing but fumble it.

INADEQUATE FUNDING

The Carter solar proposal was not very impressive to start with. The best the president could suggest a year ago was a tax credit for those who could find a way to put solar energy to work. There weren't many who could—and the tax credits haven't passed anyway.

The fact is that research and development funding has been inadequate, and there is not enough know-how or technology in place today to mass produce small-scale solar units.

Further, the president himself seems to have lost what small enthusiasm he had for solar energy during the year. Instead, the president, presumably under the influence of energy czar James Schlesinger, has warmed up to the more-bang-for-a-buck nuclear energy approach.

Initially, the president called nuclear energy "a last resort." Later, he became "more favorable" to that approach, and, most recently, he has become "willing to build" some nuclear facilities and has begun saying that maybe nuclear energy "will solve many problems" in our total energy-needs picture.

Meanwhile, solar energy research has been getting the short end of the stick, with 95

percent of the federal energy research budget going into non-renewable energy sources—including nuclear breeder reactors that produce waste nobody yet knows how to deal with safely. Our ex-nuclear-engineer president seems to be turning back, not going forward.

NOT TOTAL ANSWER

Solar energy is never going to be the total answer to the energy needs of New England. Our climate makes that an impossibility.

We are talking about a supplement to more conventional energy sources.

But the difference between a major supplement—pollution-free, economical, reliable—and a lot of hot air is the difference between a full federal commitment and mere lip service.

A year ago Jimmy Carter listed solar energy, conservation, and coal as his top energy priorities, and in that order. If, by this "Sun Day," 1978, that oration had been backed by serious federal financial support, we'd have a year's experience in applying solar technology, perhaps the start of a solar-energy industry, even some dollars-and-cents savings for individual homeowners through tax credits or actual fuel-cost reduction.

Instead, on Wednesday we'll have much talk of the potential of solar energy, but we've lost a year in realizing that potential. Let's not lose another.●

SAFE BANKING ACT

HON. JOHN BRECKINRIDGE

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 3, 1978

Mr. BRECKINRIDGE. Mr. Speaker, the so-called Safe Banking Act (H.R. 9600) remains a serious threat to the future growth and development of locally owned and operated banks in rural areas despite a confused parliamentary situation and continuing lack of evidence to support its enactment. A compromise version prepared by Treasury (H.R. 12208) contains both more acceptable and less acceptable features and also must be regarded as a threat.

Certain sections of H.R. 9600 are particularly onerous, in the opinion of the Congressional Rural Caucus Executive Committee. Capital build-up in rural areas to bolster independent banking, for example, would be hamstrung by enactment of section 104 of the bill, a provision which would amend section 22 of the Federal Reserve Bank Act to place additional restrictions on loans to insiders.

Under the proposed change, all loans to an insider (including officers, directors, 5-percent shareholders, and companies controlled by that insider) would be aggregated and subjected to the bank's single borrower limit—10 percent of capital accounts. The insider would face loan limitations not imposed on the general public. Additionally, the aggregate loans to all insiders would not be permitted to exceed 50 percent of the capital and surplus for national and State member banks, and State nonmember banks would be subject to the same limitations under section 107 of the bill:

If by subscribing to shares of a new bank or new certificates of an established bank an individual would discover he has become an "insider" for purposes of cutting his business aggregate credit limits, that individual would naturally be reluctant to invest in his local bank. The reluctance would in turn encourage the takeover of small independent banks by bank holding companies which, in terms of broad policy, means concentartion of deposit control in large urban financial firms.

Despite the aggregate provision, the smallness of many rural communities and the unique character of some of the loans would make them readily identifiable in a public forum. This unwarranted invasion of personal privacy will further work to the detriment of rural banks. H.R. 12208 also fails to consider fundamental privarcy protections which are basic to a bank customer relationship.

Most of the problems identified by the Committee are adequately dealt with by H.R. 9450, legislation introduced by Congressman CLIFFORD ALLEN (D-Tenn.) which is supported by the three Federal banking agencies. If any case for a "Safe Banking" bill has been made, the provisions of H.R. 9450, with minor amendment, would appear to provide any necessary enhancement to the regulators while not affecting the viability of rural banking.

Illustrating the result of neglecting capital market problems in small town America, the rural caucus spokesman cited a hypothetical community of 10,000 with a bank having $25 million in assets and $2 million in capital accounts. The banks could only lend a total of $1 million to all its officers, directors, and 5-percent shareholders—including the companies they control—with a cap of $200,000 on the aggregate to any individual insider.

The aggregate requirement, coupled with the individual borrower limitations, could put bank management in the difficult position of choosing which will not—which will survive, with some of the most creditworthy persons in the town—local leaders on whom the bank would rely for management direction—passed over.

The Treasury treatment of loans to insiders is an improvement, but lacks important provisions especially designed to deal with the problems of smaller communities.

The Congressional Rural Caucus Executive Committee also finds both bills' financial interlock provisions—spelled out in section 203—overly restrictive. Under the present wording, interlocks between depository institutions (including banks, S. & L.'s and, credit unions) would be banned if the institutions are located within the same SMSA or in the same, contiguous or adjacent cities, towns, or villages. The prohibition fails to acknowledge that in large SMSA's containing rural areas, small institution operations frequently do not extend throughout the entire market area.

Breckinridge added that—

In some areas such interlocks are the only method whereby small depositories can acquire enough skilled board members to meet the demands of large bank holding company competition.

The additional ban in H.R. 9600 on interlocks between depository institutions and insurance companies, title companies, and appraisal companies would further cut down on the potential management pool available to independent rural banks, he added.

Forbidding a management official of a depository institution to also perform legal functions for that same institution—another aspect of section 204—fails to take into account the scarcity of attorneys in small communities. Breckinridge said:

Many small rural towns are lucky if one attorney has an office within a reasonable travel distance.

The 5-year phasein of interlock changes, he stated, is an unrealistically short period in which to implement an extremely onerous provision.

Bankers' banks—wholesale banks which are owned by bankers—would also be shortchanged by section 203. These banks—which currently operate in two States, with more planned—provide data processing services, loan assistance and other services to independent rural banks and place them in a competitive position with large money center banks. The section will hamper the development of other locally owned and operated service centers now under consideration by other rural banks.

H.R. 9600's reporting requirements regarding extensions of credit to certain insiders also fail to recognize privacy concerns in a rural community; the range of interest rates, general terms of the extensions and the aggregate amount of loans classified at the last examination are among the details which must be revealed upon request.

Weather factors can impair a borrower's repayment ability in agricultural areas and result in a classification of the loan. Publishing information on such loan classifications and uncertainty over the soundness of the center of its financial life.

TELEPHONE COMPANIES

HON. LES AuCOIN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 3, 1978

● Mr. AuCOIN. Mr. Speaker, the addition of a special, easy-to-find section in telephone directories for listing public and nonprofit human service organizations has been proposed in Oregon.

The idea deserves careful consideration, though the verdict is not in yet on whether such a listing is an effective and workable method of getting needed information to consumers. In short, more factual evidence is needed.

Nonetheless, the idea has enjoyed success in some parts of the country. Researchers tell me, for instance, that local phone books distributed by the Lincoln Telephone Co. in Nebraska have included for 20 years a number of so-called "blue pages" with civic information, parks data, points of interest, a city map, civil defense and fallout shelter listings, and a four-page health and social service directory. My understanding is that the pages are compiled by two local community service groups, and that the telephone company absorbs the costs of printing and paper for the special section.

In addition, researchers report that AT&T and local Bell operating companies have published telephone directories with special pages for human service listings and information in Missouri, New York, and Vermont.

The National Association of Regulatory Commissioners has also taken note of directory improvement ideas by including a story on the subject in its March 20 "Bulletin."

In my own State, the Public Utility Commissioner's Office is informally polling the State's telephone companies on their reaction to these directory improvement ideas. The poll is part of an effort to gauge the effectiveness and workability of the proposals. In its recent letter to the companies, the PUC said:

Many people don't use their directory to maximum advantage now and some reorganization may be in order. A brief subjective addition to telephone directories may be a valuable tool and partial solution. Please let me know your specific "green pages" proposal. Other suggestions for improvement of directory content would also be appreprlated. Ideally, this is a project which should be undertaken by the telephone industry itself on a national basis. Will telephone companies do this alone or will help from regulatory agencies be sought? Either is acceptable.

Results from Oregon's informal inquiry aren't in yet. Neither is evidence on whether the telephone book is the best place for human service listings. Even so, Oregon's efforts and others of a similar nature across the country illustrate an awareness of a laudable goal: Making telephone directories more responsive to the needs of those who use them nearly everyday.●

FIRST LADY TO PARTICIPATE IN CHICAGO'S OBSERVANCE OF THE 187TH ANNIVERSARY OF POLISH CONSTITUTION DAY

HON. JOHN G. FARY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 3, 1978

● Mr. FARY. Mr. Speaker, I would like to take this opportunity to inform my distinguished colleagues that today marks the 187th anniversary of Polish Constitution Day, for it was on this day in 1791 that the people of Poland experienced the long-awaited transition from monarchy to democracy. Celebrations in honor of this joyous occasion will take place in cities throughout the country. However, in Chicago, this year's Polish Constitution Day festivities will be greatly enhanced by the presence and participation of the First Lady, Mrs. Rosalynn Carter. In view of the President's worldwide commitment to the noble cause of human rights, I can think of no greater recognition of this day's significance than the First Lady's presence.

While we in America take great pride in having the world's oldest written Constitution, I want to point out that Poland was the second nation to adopt such a document that vests political power in the hands of its citizens. Unfortunately, the adoption of the constitution in Poland so alarmed the King of Prussia and the Czar of Russia that they felt compelled to take military action against the new democratic nation. The ensuing dismemberment of Poland is well known and serves as a constant reminder that totalitarian governments will always fear popular rule.

The United States owes a great debt to Poland. She gave us brilliant military leaders in our time of need, such as Gen. Casimir Pulaski and Gen. Thaddeus Kosciuszko who played leading roles in our Revolutionary War. She also gave us her sons and daughters who worked hard to help build this country and make it the greatest and strongest nation on Earth.

Great patriotism, willingness to tackle hard work and see it through to completion, and devotion to principles of honesty and loyalty are unique qualities that typify Polish Americans. These qualities reflect traditions of their homeland—and they have helped to make the American character richer and fuller.

May 3, 1791, may not be as well known to Americans as July 4, 1776, but I think those who respect the lessons of history will recognize that both dates symbolize the same ideals and the same passion for political freedom. They will also understand that the heritage of the Polish people and the American people have many common roots.

Mr. Speaker, I would like to thank the First Lady for taking time from her busy schedule to come to Chicago and participate in the festivities of this memorable day. Furthermore, I am confident that Mrs. Carter would join with me in reflecting on the courage of the Polish people who so richly deserve the liberty they have sought for so long. One hundred and eighty-seven years ago, the Polish people proclaimed the principle of human freedom and of human dignity and respect for the rights of the individual when they adopted the new Constitution that we are honoring here. I believe those principles still live on in the hearts and minds of the Polish people today.●

CONGRESSMAN TED WEISS OPPOSES REMOVING U.S. EMBARGO ON ARMS TO TURKEY

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 3, 1978

● Mr. WEISS. Mr. Speaker, the House may soon be considering a Carter administration proposal which, in my view, would impede efforts toward a peace settlement in a volatile area of the world.

I refer to the President's recent request that Congress terminate the U.S. arms embargo imposed on Turkey in 1975, following that nation's invasion of Cyprus. The prohibition on weapons transfers to Turkey was established then primarily because of Turkish refusal to withdraw from the territory it occupied on Cyprus.

The Carter administration now contends that Turkey will soon exhibit a more conciliatory attitude in negotiations with Greece over Cyprus. The administration argues that Turkish concessions will be encouraged through a U.S. decision to reinstate arms sales.

Mr. Speaker, I submit that the opposite scenario is more likely to unfold if we end the arms embargo. Vague pledges by Turkey of eventual withdrawal from Cyprus are not an acceptable substitute for tangible movement in the direction of a peace settlement. The arms embargo is the major lever possessed at this point by the United States to persuade Turkey to translate its stated intentions into actual policy.

Administration officials likewise maintain that a continuation of the arms embargo will jeopardize NATO strength in a crucial arena. But Congress has already modified the terms of the embargo to insure that Turkey's role in the NATO alliance is not diminished. U.S. weapons sales, guarantees, and credits considered necessary for Turkey's NATO responsibilities are permitted under the terms of the embargo.

Continuation of the partial ban on arms transfers to Turkey will demonstrate U.S. commitment to having purchasers of military hardware abide by the terms of sale. Turkey used U.S. weaponry in its 1974 Cyprus invasion in direct contradiction of a provision forbidding such offensive usage.

Maintenance of the arms embargo will likewise be consistent with the President's own policy pronouncements on restraining the international weapons trade, particularly in those parts of the globe seriously threatened by outbreaks of violence. And since Turkey has a less than satisfactory human rights record, congressional rejection of the proposal to end the embargo would also coincide with the President's commendable initiatives in encouraging greater human freedom in those nations linked to the United States through trade.

Terminating the embargo would clearly imply a weakening of United States-Greek relations. Greece has acted responsibly and consistently throughout its talks with Turkey to achieve a lasting and just settlement on Cyprus. Again equipping Turkey with weaponry that could frustrate peace initiatives on Cyprus seems a curious way of rewarding Greece for its good-faith bargaining.

For all these reasons, I consider it essential for the United States to continue its embargo on arms sales to Turkey until such time as Turkey makes a firm and irreversible commitment to withdrawal from Cyprus. I urge my colleagues to join me in voting against the termination of the embargo.●

NOTHING NEW UNDER THE SUN

HON. JOHN J. RHODES

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 3, 1978

● Mr. RHODES. Mr. Speaker, there is an old saying that there is nothing new

under the Sun. Today may well be an exception. This is Sun Day. It is the first nationwide effort to tell the American people of the potential that sunpower represents in our energy future.

Scientists estimate that 100,000 times as much solar energy falls on the Earth each year as all the present energy sources use put together. Although solar energy is considered a newcomer in relation to other fuels, primitive forms of solar power have been used for centuries. Only today does man possess the technological ability to begin the task of harnessing the Sun's rays and putting them to work for mankind.

Across the Nation, many organizations have prepared exhibits of solar equipment and will furnish information on current state of the art and possible future roles for this immense energy source.

I am proud to be a sponsor of the Sun Day resolution. I also would like to remind my colleagues that this Congress has not had a sparkling record in furthering vitally important solar research and development in this Nation. The people are leading the way with Sun Day, and I am hopeful that Congress will move out of the shade and support efforts for an orderly and accelerated development of this exciting new industry.●

NEUTRON WEAPONS

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 3, 1978

● Mr. CONYERS. Mr. Speaker, last Sunday, April 30 the Washington Post reported the development of yet another allegedly "clean" tactical nuclear weapon—the so-called "reduced residual radiation" bomb. This new weapons system surely rivals neutron weapons in dubious military value. Worse, it further illustrates the twisted logic behind the current notion of national security that is moving us toward greater acceptance of "clean" nuclear weapons as the way to fight nuclear wars without nuclear catastrophe. This notion is, of course, ludicrous.

There are a number of bizarre aspects to the escalating search within the Department of Defense for credible, "clean" tactical nuclear weapons. Much of the funding for the neutron and other nuclear weapons research and development resides in the budget of the Department of Energy—an estimated $1.5 billion. As a result, funding requests for these weapons are handled by the Subcommittee on Public Works of the House Appropriations Committee. No sooner is the neutron weapons system put aside than the war planners bring forth yet another weapons system, that like the others, is celebrated for its unique virtues on and off the battlefield. In the case of the newly announced "reduced residual radiation" bomb, its proponents argue that it is even cleaner than the neutron weapons because unlike the latter, it is principally a blast weapon that creates minimum radiation fallout.

This discussion of cleanliness in weaponry presents the ridiculous spectacle of competing claims of cleanliness for two very different kinds of weapons. Neutron weapons have been called "clean," because they carry little heat and blast, but a great deal of concentrated radiation. Now the blast bomb is being labeled "clean" on the ground that it cuts down on radiation, but raises the level of blast destruction. According to the recent Post article, the blast bomb would be used mainly to demolish structures, dig craters, or destroy mountain passes. One can only surmise that the blast bomb is "clean" to the extent that there are few or no human beings living near, on, or in the structures, the craters, or mountain passes which are the targets of their blast and/or heat and/or radiation.

I have said on more than one occasion that the military planners' campaign to sell the public on such weapons by painting them in bright and hopeful colors rather than the dull, grim, and macabre ones they actually reflect ought to be treated as one of the more dangerous kinds of public relations sophistry and manipulation that have come about in recent times.

Three weeks have passed since the uproar surrounding the President's decision to defer production of neutron weapons. The prophecies of "surrender," the end to Western civilization, capitulation to the Russians have quieted down. There is, needless to say, no dirth of tactical nuclear weapons. Nor has there been the level and depth of public discussion that the matter of the nuclear arms race ought to command.

I have come across, however, voices of reason and understanding that I want to share with my colleagues. The two articles that follow both deal with the neutron weapons issue and, more broadly, the nuclear arms race as such. The first is written by Gen. Arthur S. Collins, Jr., and is entitled, "Invitation to Nuclear War?" and appeared in the Baltimore Sun of April 26. General Collins is retired and his last assignment was as deputy commander in chief of the U.S. Army in Europe. The second article is written by Herbert Scoville, Jr., is entitled, "The Neutron Bomb's Risks Outweigh any Benefits," and appeared in the Baltimore Sunday Sun April 23. Dr. Scoville is a former Deputy Director of the CIA, Technical Director of the Defense Department's Armed Forces Special Weapons project, and is a vice president of the Arms Control Association in Washington.

I highly recommend a close reading of these articles, both of which shed much-needed light and sanity on neutron weapons and the others that are part of the nuclear arms race:

INVITATION TO NUCLEAR WAR?

(By Arthur S. Collins, Jr.)

WASHINGTON.—President Carter presented a profile in courage when he delayed the production decision on the neutron bomb. In the debate of the past few weeks the President's reported and actual decisions were branded as "frightening," "feckless," "ominous," "truly scary," and as signs of buckling under to the "flaky left" or, worse yet, the Russians.

The case made for the neutron bomb—which is a missile warhead rather than a bomb—is that it would correct the dangerous imbalance in conventional forces between the Warsaw Pact and NATO. Many believe that if the Russians launch a massed-tank attack in Central Europe the neutron weapon is the only hope for stopping it; many believe the weapon would make nuclear war less likely; others describe NATO nations as anxious to get this new weapon.

The number of uncritical and emotional assertions about the benefits the neutron bomb will bring us are surprising. Articles and editorials are way off target when they say "there are no serious arguments against the deployment of this weapon," and the President's decision is a significant step backward in European defense." This new weapons system will at best add little to NATO's defense, at worst it could lead to disaster.

Outside of the United States, there is no great enthusiasm for this weapon in NATO. While the Netherlands has been the only nation to renounce the weapon publicly, the lack of clear NATO suport indicates other nations have reservations. NATO military commanders no doubt endorse the neutron bomb, but the silence of NATO's European national leaders suggests they anticipate problems with the public and their respective governing bodies if they endorse it. It appears our NATO allies want to look the other way and let President Carter take the heat for the decision.

Failure to produce the neutron bomb is not a step backward in defense of Europe. On the contrary, it might make Europe more secure. The defensive nature of this weapon leads some to hope the neutron bomb might be used without triggering nuclear retaliation. That view is generally expressed by civilian nuclear theorists in the United States, and it is supported by some in responsible positions. Senator Nunn's statements indicate he is so inclined. But few military commanders consider this even a remote possibility.

Proponents of tactical nuclear warfare are prone to stress weapons' effects on the enemy. These proponents are not nearly as objective or explicit about nuclear effects on their own forces. NATO use of neutron weapons developed for limited employment, discrete fire techniques, and pinpoint accuracy in defense of NATO is going to draw a Soviet response with tactical nuclear weapons; there should be no fuzzy thinking on that point.

The asymmetry between Soviet nuclear weapons and the neutron bomb would be so great that the larger and less accurate Soviet weapons would be devastating to NATO forces using the small weapons. Wargames and studies have repeatedly shown that where there is careful and discrete first use of nuclear weapons, the side that initiated the nuclear attack is overwhelmed by a sudden and massive enemy nuclear response. Ask any U.S. commander what he would do if his units were hit by a few small nuclear weapons. The response would be a request for all the nuclear firepower he could get. Are the Russians likely to be more restrained in similar circumstances? Soviet military doctrine gives little evidence of concern for collateral damage, especially on hostile soil. The most likely result of NATO first use of neutron bombs would be for NATO to lose faster.

An emotional editorial in the Wall Street Journal said that the new weapon "annoys the Soviet Union. This may be true, but don't put too much stock in that; the Kremlin is easily annoyed by what the United States does. It is doubtful the Soviet mili-

tary planners are concerned about a small neutron weapon, which to them is just another nuclear weapon. If they believed NATO might break the nuclear barrier with small neutron bombs, it is conceivable they could see a military advantage for them and this might encourage them to recommend a military attack.

The perceptions of the Warsaw Pact nations other than Russia are important, too. They will be less inclined to support a Russian attack on NATO if the threat of nuclear damage to their homeland and forces is great damage to them, they might be more bomb as a nuclear weapon that will pose no great damage to them, they might be more willing to support a Russian attack. Then the uncertainty about what might happen after war comes and the nuclear barrier is broken could lead to the catastrophe no one wants to have happen. The neutron warhead could pose a threat to the security of Europe because it blurs the distinction between conventional and nuclear war for us, but not for the Russians.

The cost of the neutron bomb from development to placement in operational storage sites would be close to a billion dollars, maybe more. Since the new weapons raise the cost of defense without adding to the defense now in place, why not leave the weapons which have been an effective deterrent where they are? Then, if conventional defense of NATO is the real concern, use some of that billion dollars to provide forces in Central Europe with more of the very effective anti-tank missiles that have been developed. NATO would then be able to put up a better conventional defense and retain its current capability for a nuclear defense.

A conventional defense of NATO's Central Sector would not be easy, but with the right emphasis it could be made credible. The lessons of the last Arab-Israeli War indicate that, with new anti-tank weapons, tanks can be destroyed in large numbers and quickly. Surely NATO has done its homework based on that short, violent war in October, 1973.

In times past the countries of Western Europe have had effective reserve and mobilization systems. This was especially true of Germany. Each year more men are completing their military training and passing into the territorial forces. If these troops are properly equipped and trained for a defensive war in their own local areas, every farm, town, village, and forest of Western Europe would provide defensive strongpoints to slow down any advances. With the conventional weapons now available, what can be seen can be hit; what can be hit can be destroyed.

There are costs involved, but they are not nearly as great as those which the employment of tactical nuclear weapons would entail. NATO nations in Central Europe could survive a conventional defense, there would not be much left after a tactical nuclear war in that area.

President Carter has said that the ultimate objective with respect to nuclear weapons is to negotiate for their eventual elimination. In the years ahead, some combination of national leaders may be able to make progress to that end. This will never be easy for a U.S. president because so many members of Congress, officials in government agencies, and columnists view reluctance to approve a new nuclear weapons system as surrender to the Russians. The history of the neutron bomb would be a good case study for all; it might make some people wonder how failure to produce that weapon could be branded "ominous" and a capitulation to the Russians.

From a military point of view the President's decision was not a retreat from reality, but a facing up to reality. It was militarily sound and in the long run may prove to be the same politically.

THE NEUTRON BOMB'S RISKS OUTWEIGH ANY BENEFITS

(By Herbert Scoville, Jr.)

The rhetoric of the past few weeks would lead one to believe that without the "neutron bomb" Soviet tanks would move unscathed across the plains of Europe and that NATO defenses would collapse. Nothing could be further from the truth. In reality neutron bombs, or enhanced radiation weapons as they are politely known, are inferior military devices, which are less effective against tanks than the standard fission weapons they would replace.

The neutron bomb is being advertised as a more credible deterrent because it would be easier to decide to use it; yet if the decision is really easier, it must lower the nuclear threshold and increase the risk of starting a nuclear conflict.

Officially released information on the effectiveness of the neutron bomb shows that the "kill" radius against tanks for the enhanced radiation missile warhead is essentially the same as that for the fission weapon now in place. Thus a massed Soviet tank attack is not a practical maneuver against NATO forces today.

There is, however, one difference between the two types that makes the neutron warheads actually less effective. The area within which a tank will be destroyed by blast will be more than 4 times as great for the existing fission weapon as for its replacement. Reliance on killing a tank solely by radiation is a very dubious battlefield practice, since only the crew not the tank itself would be affected. Thus there would be no way of telling by visual observation when a tank has been put out of action. This bad feature is accentuated because a person exposed to a lethal dose of neutrons might not be incapacitated for a couple of hours and could perhaps continue to fight with his tank until it had run out of fuel or he had been replaced.

He later would become sick and die after several weeks or a month. Even if a crewman got five times the lethal dose—the exposure quoted by the Army as necessary for tank incapacitation—he might not be affected for several minutes and even might temporarily recover to fight as a kamikaze for some time.

This delayed and invisible way of killing a tank is very unsatisfactory in a battlefield situation where a field commander would like to know whether he has put a tank out of action or not. Thus if NATO really wants to have a credible capability for dealing with Soviet tank attacks, it had better rely on our existing weapons rather than this new technological toy.

It has also been argued that a neutron bomb explosion, unlike its fission counterpart, will not produce radioactive fallout on the local battlefield so that troops do not have to worry about contamination and can move in rapidly after the explosion. This is incorrect with respect to both fission and neutron weapons. It was known in 1945, at the time of Hiroshima and amply confirmed since, that when a fission weapon is exploded up in the air so that the fireball does not touch the ground (for a 10 kiloton weapon about 500 feet), there will be negligible local fallout; for years the Army has planned to explode its nuclear weapons so that fallout is not a problem. In the case of the neutron bomb, however, the large burst of neutrons that reach the ground will induce radio activity in the soil and surrounding materials and the radiation levels from this source will be high enough to interfere seriously with military operations.

The exact radiation levels in any combat area cannot be precisely forecast, since it would depend on the chemicals in the soil and surrounding materials, sodium and manganese are particularly troublesome. However, the Army admits that in a typical European situation a soldier even having the shielding protection of a tank would get 1 to 2 rads (the upper limit of permissible exposure) just passing through the area after a neutron bomb explosion. A foot soldier would get 10 to 20 times as much and could not operate safely in the area for 2 days or more. Thus the argument that the neutron bomb avoids the problems of battlefield contamination is at the very least misleading.

It is, of course, true that any nuclear explosion will cause horrendous casualties as demonstrated by Hiroshima, but the public's concern over the radiation effects of the neutron bomb is not without justification, even though its proponents try to debunk this. Radiation deaths will occur within an area of 3 square miles after a single explosion about twice the area where blast or heat will produce casualties. However, in the case of a fission weapon the areas of blast and heat kill and radiation kill are about the same. Thus with neutron bombs almost twice as many combatants and non-combatants will suffer lingering deaths as in the case when a fission weapon is used. Furthermore, long-term casualties from cancer, leukemia, or cataracts will occur over much larger areas, neutrons are much more dangerous in this respect than the gamma radiation from a fission explosion. Thus all facts point to the neutron bomb being even less humane than the already inhumane fission weapons.

A major argument for the neutron bomb has been that it will make the decision to use these nuclear weapons easier because the collaterial blast damage to cities, villages and industry will be lower than with the nuclear weapons now deployed. This eased decision making is claimed to improve the credibility of the nuclear deterrent against Soviet aggression in Europe. How this can be done without simultaneously making it more likely that nuclear weapons will actually be used in any conflict is not explained. It is hard to see how the decision to use them can be made more credible without also making its first use more probable. President Carter and military authorities have also said that once any nuclear weapon is used there is no known way of assuring that the conflict will not rapidly escalate to all-out nuclear war and result in a worldwide holocaust. Therefore the primary objection to replacing our existing nuclear weapons with their enhanced radiation counterparts is that this would increase the likelihood that any conventional war would become nuclear.

The logic supporting improved deterrence would appear faulty on several grounds. First, the use of neutron weapons will not save allied civil facilities since once the nuclear firebreak is crossed, the Soviets would undoubtedly retaliate with their larger blast-producing fission weapons and destroy the buildings in any case. Allied leaders knowing this would be reluctant to order the first use of the neutron weapon. Second, the key element deterring Soviet aggression is not so much the danger in using nuclear weapons on a Western European battlefield, but is rather the fear that any nuclear conflict will escalate to strategic levels and result in the annihilation of the Soviet Union. This escalation is not affected by what type of nuclear weapon is first employed.

Finally and most important, if the decision to use these weapons is really made easier, then the likelihood that they will actually be employed will increase. Minor conflicts or border skirmishes could more easily become nuclear because all the neutron weapons are for short range missiles and artillery deployed in forward areas.

Narrowing the current firebreak between nuclear and conventional weapons is the wrong approach to security. Instead we should be working on means to cope with tank attacks and other aggression by using

conventional weapons. Nuclear weapons should be moved back from the borders and disassociated from forward-based delivery systems to reduce pressures for their early employment.

President Carter's instincts were correct when in mid-March he first decided to cancel outright the development and procurement of all enhanced radiation weapons. Unfortunately the furor whipped up when the decision was leaked made it politically impossible to follow through, and this was changed to a deferral tied to some similar Soviet restraint. The trouble with linking a weapons program to Soviet action is that one usually gets committed to going ahead anyway with something one doesn't really want. In the 1960's we kept at considerable expense about 500 B-47 bombers in the force for several years after they were obsolete to try, without success, to persuade the Russians to scrap some of their Badger bombers. The bargaining-chip argument, however, always seems to surface when military justifications grow weak. It is hoped the "neutron bomb," which is unpopular throughout the world, and for good reason, will not be resurrected, and we can look forward to a safer, more secure existence.

BIRTH DEFECTS LINKED TO AIRPORT NOISE

HON. NEWTON I. STEERS, JR.

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 3, 1978

● Mr. STEERS. Mr. Speaker, yesterday, I introduced legislation, H.R. 12512, designed to help reduce the noise levels associated with jet traffic at Washington National Airport. My bill would require that the Federal Aviation Administration, which owns and operates National and Dulles Airports, develop a mandatory noise abatement program, taking into account various noise-reducing techniques which it requires other airport operators to use when possible. I believe that such a mandatory noise abatement program is essential at National Airport.

We are all familiar with many of the problems associated with jet noise, but I have just received a copy of an article from the Medical World News of April 3, 1978, entitled "Birth Defects Linked to Airport Noise." The article was sent to me by a constituent, Dr. Alan Kaplan, who shares my concern over the jet noise problem. While certainly the article is far from being conclusive proof that jet noise can cause birth defects, it does raise numerous serious questions which deserve careful exploration. At the conclusion of these remarks, I would like to place the text of the article in the RECORD for review by other of our colleagues who may be interested.

Jet noise in the Washington area is, Mr. Speaker, a serious problem. I am realistic enough to realize that National Airport is with us for some time to come, for better or worse. Yet in all fairness, Mr. Speaker, there are some steps which we can take which would help to minimize the noise associated with its use. We can insist upon a mandatory noise abatement program. We can insist upon a reduction in some of the flights using National by shifting them to Dulles and Baltimore-Washington International. This is not asking too much, Mr. Speaker. It is simply a request for some basic fairness in dealing with the thousands of citizens who live along the Potomac.

I hope that my colleagues will join in this effort so that we can bring about a meaningful reduction in the noise in the Potomac valley due to jet traffic.

The article follows:

[From the Medical World News, Apr. 3, 1978]

BIRTH DEFECTS LINKED TO AIRPORT NOISE

LOS ANGELES.—Babies born to mothers living near the high-noise area of Los Angeles International Airport have a higher incidence of birth defects than infants whose mothers live elsewhere in Los Angeles County.

Dr. F. Nowell Jones, a UCLA professor of psychology, analyzed more than 225,000 births during the three years from 1970 through 1972. Among the defects he found were anencephaly, spina bifida, abdominal hernia, and, more commonly, harelip and cleft palate. Though he admits his statistics do not prove that noise is responsible for teratism, he says, "The suggestion cannot be rejected out of hand." He urges "great caution in permitting the elevation of noise levels in inhabited areas until considerably more information is available." The study area included residents living wholly or partly within the approach pattern of the airport. Noise levels there were 90 db—about the intensity from a jet at an altitude of 1,000 ft. This, by comparison, is about 100 times the nighttime noise level in a suburban bedroom isolated from heavy traffic.

Blacks and whites in the study were separated to isolate genetic factors. Whites normally have a higher birth-defect rate than blacks, says Dr. Jones, with the exception of polydactylism—more prevalent among blacks and known to be genetic.

For whites living within the airport area, the defect rate was 1,190 per 100,000. But in the control area—the entire county outside the airport vicinity—the abnormal-birth rate for whites was 868 per 100,000. When polydactylism was removed from the analysis, the blacks' birth-defect rate was only 737 per 100,000 in the control area, but within the airport's vicinity it was 1,183 per 100,000—very close to the whites' level.

Dr. Jones readily points to weaknesses in his study. People in the control group may also live in high-noise areas near other airports or heavy freeway traffic, though this would bias the study against noise effects. Also, there are socioeconomic differences between blacks and whites in the airport area in comparison with the rest of the population. Whites in the airport group tended to be of average income, but blacks living near the airport were more affluent than the average black population in the rest of the county.

Air pollution was considered as a possible cause, but in several studies airport pollution levels were no higher than elsewhere in the county.

Dr. Maurice Schiff, clinical professor of otolaryngology at the University of California in San Diego and the University of Southern California and also a member of the San Diego noise control board, cited a 1966 study by W. F. Gerber, who found a relationship between noise and teratism among rats and mice. "I predicted some years ago," he says, "that we would find the same thing in human beings. But the really hard question is the proof that noise is the cause."

Dr. Jones notes other studies by John S. Horner who found a high incidence of stillbirths in the area near London's Heathrow airport, and by Y. Ando and H. Hattori, who reported low birthweights among babies born to mothers living near Osaka airport in Japan. Both studies implicated noise as causing stress to the mothers.

Speculating on how noise might stimulate teratism, Dr. Schiff says, "The real damage is probably the intensity. A sudden loud noise can stimulate adrenalin release, causing blood vessels to contract. The decrease in oxygenation can cause gross fetal abnormalities in rats and mice." He sees no reason the same situation would not hold for people.●

DENIAL OF FUNDING FOR DICKEY-LINCOLN DAM

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 3, 1978

● Mr. CONTE. Mr. Speaker, I am pleased to inform my colleagues that the appropriations Subcommittee on Public Works has taken a responsible position this morning, in deleting the funding request of the Army Corps of Engineers for the proposed Dickey-Lincoln Dam in Maine. The subcommittee, in my opinion, wisely decided to delete the funding request of $1,756,000 for this proposal, a request that I believe was both premature and unjustified. Mr. Speaker, I testified in opposition to this additional funding before the subcommittee on April 3. I stated at that time, that I felt the requested funding was unnecessary and could prove wasteful in light of the fact that the corps was requesting money for activities unrelated to the completion of the final environmental impact statement. It is the intent of the National Environmental Policy Act for the Congress to first have the benefit of the facts surrounding the proposed project before deciding on this additional funding request. In this instance, the final environmental impact statement will be published this fall. However, in requesting the additional $1.8 million, the corps appears to be disregarding this procedure. Their request, according to the corps itself, would have been for advanced engineering and design. This proposed activity has no relation to the completion of the environmental impact statement, but is the next phase of construction related activity, following the release of the environmental impact statement. The members of the subcommittee rightfully saw through this scheme and voted to save the taxpayers $1.8 million by rejecting this senseless request. I commend the Members for taking this action. I am hopeful that the full committee and the full House will concur in this rational decision.

Finally, Mr. Speaker, I hope the Members of the other body will take notice of this decision. The additional funding for this wasteful exercise is not justified by the facts. My colleagues have demonstrated this fact by denying the funding request. I trust the Members of the other body will also closely examine this request by the corps. I firmly believe that a close examination will reveal the same indisputable fact, the funding is not necessary and should be rejected. Thank you, Mr. Speaker.●

NATIONAL FORESTS

HON. LES AuCOIN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 3, 1978

● Mr. AuCOIN. Mr. Speaker, it is the role of Congress to determine how effectively our national forests will be managed. As RARE II progresses toward completion, and the demand for wood and wood products continues to increase, it is critically important that Congress be well-briefed on the various factors that contribute to effective forest management policies. Only by recognizing and understanding these factors can we hope to sustain a national forest system that provides many economic, social, and environmental benefits.

Recently, an Oregon legislative task force on forest policy completed a thought-provoking study of forest management policies in Oregon. Although the scope of the task force's study only encompassed national forests in Oregon, the findings are applicable to the national forest system as a whole.

In the light of these wide-ranging implications, I believe the task force's findings merit wider distribution. I, therefore, am inserting an article from the Oregon Journal outlining the task force's findings. I hope my colleagues will take time to study these findings.

The article follows:

[From the Oregon Journal, Mar. 25, 1978]

NATIONAL FORESTS

(By Tom Ferschweiler)

An Oregon legislative interim task force on forest policy has concluded that the U.S. National Forest Service is not growing enough timber and is not harvesting enough of what it grows.

Oregon Sen. Jack Ripper, D–North Bend, chairman of the joint interim task force, reported this week at a round table discussion for media representatives that timber withheld from harvest for the Roadless Area Review and Evaluation (RARE II) disrupts the projections of timber to be available through the next 20 years.

The task force, after 90 days of hearings throughout the state, agreed to urge quick completion of RARE II and release of lands involved but not designated as wilderness areas.

"Wilderness is not what the public thinks it is," Ripper commented. "It's misrepresented. Wilderness is for backpackers and hikers, not for the person with a camper, who wants to drive in and look at the scenery."

Motorized equipment is barred, he said, and if a fire starts in a wilderness area, it's allowed to burn.

The task force, he said, asks a return to the multiple use concept recognizing the national forests as natural resources for water, logging and recreation.

He said people in the timber areas of the West feel Congress is so far removed that it has little sensitivity about problems in Oregon.

He cited estimates that requirements for environmental statements will tie up some areas for at least 10 years, adding that some forest voices say the tie-up will last 20 years.

"We found that the Forest Service does not have good management," he said. "The federal programs never have enough money to take care of the federal land and the lands are not managed properly."

He compared federal management with private efforts and noted that "It's unbelieveable what Weyerhaeuser is doing with its super trees."

On the Forest Service side, he said, Oregon has about 345,000 acres that should be reforested. Along the Umpqua River are areas logged 17 years ago and never replanted.

"They're all grown over now with brush and hardwoods," he said. "We need heavier lobbying efforts to get more manpower and more intensive forest management practices."

Because of under-production and harvest on National Forest lands, he pointed out, the private lands are being overcut and the long-term consequence will be a reduction in available wood products.

"We recommend a departure from the nondeclining even-flow yield on the National Forest and a move to managed forests," he said.

Another recommendation would have the state revising tax schedules to encourage reforestation of private lands by people who can not expect to live to harvest the trees they plant.

Ripper said testimony received by the task force showed that controlling brush by spraying herbicides on reforested land costs $17 to $19 per acre whereas it costs $200 per acre to remove the brush by hand.

In areas cleared by hand, he went on, 70 percent of the young trees were destroyed where the herbicide did not harm them.

The data was provided by foresters from Josephine County who concluded that, if they could not use herbicides they would not reforest but would abandon the land to brush and hardwoods.

"And there is no proof," he said, "that the spray material is harmful to humans."

Ripper said mills closed recently in Drain and Reedsport and he foresees many more closures because of a lack of national forest timber.

The Oregon Department of Economic Development, he said, is getting many demands from small communities for help.●

TOWARD THE SOLAR AGE

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 26, 1978

● Mr. WEISS. Mr. Speaker, it is most appropriate for the House to be considering H.R. 11713, the Small Business Administration solar loan program, as national attention is being focused on the potential of solar energy.

May 3, 1978, will be the first Sun Day. Across the country, educational events and solar celebrations will herald the beginning of a new era in energy technology—the era of solar power.

I am proud to be playing an active role in congressional efforts to increase Federal research and development for solar power. In addition to the bill before us today, I am a cosponsor of 15 other measures involving solar energy, including the resolution designating May 3 as Sun Day.

Solar and other types of renewable energy represent the key to a future in which all nations of the world can meet their energy needs in a safe, clean, and energy cannot be depleted. Unlike nuclear power, solar, and other renewable energy technologies do not represent any environmental or public health threat. And unlike both these conventional energy forms, solar power does not require enormous capital expenditures or importation of its resource components.

The bill which we are considering today will begin to move America in the desirable direction of large-scale solar energy generation. The total package of $75 million in direct loans and loan guarantees to small businesses engaged in solar and renewable development should spur new advances in this field while enabling small enterprises engaged in renewable energy research to maintain and, hopefully, expand their efforts.

It is noteworthy that much of the work performed by the private sector in solar energy development has been carried out by small businesses, not the large energy corporations. Solar power lends itself to individualized, decentralized applications, and refinements.

I find it most encouraging and promising that small businesses have led the way into this new energy era. The SBA loan program which this bill would establish should help protect the independence of small renewable energy companies.

I am pleased, therefore, to vote in favor of H.R. 11713. I am confident that this legislation and the Sun Day activities will mark the beginning of strong Federal encouragement for renewable energy technology.●

N.J. DIVISION OF POLISH AMERICAN CONGRESS REELECTS REINHOLD W. SMYCZEK, ELECTS OFFICERS

HON. EDWARD J. PATTEN

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 3, 1978

● Mr. PATTEN. Mr. Speaker, I take great pride in calling attention to the recent reelection of Reinhold W. Smyczek of Old Bridge and Perth Amboy, N.J. as president of a most worthwhile organization, the New Jersey Division of the Polish American Congress.

The Reverend Casimir Ladzinski, pastor of St. Stephen's Roman Catholic Church, Perth Amboy, N.J., was chosen State chaplain.

Other State officers elected for year 1978–79 are: Henry P. Puchalski of Bayonne, executive vice president; Frank Bogdan of Trenton, first vice president; Jean Kozmor of Jersey City, second vice president; Peter Nowosielecki of Lodi, third vice president; William Matysek of Springfield, fourth vice president; and former Mayor Casimir Wysocki of Hackensack, fifth vice president.

Francis T. Tomczuk of Carteret, executive secretary; Mrs. Antonina Morawski of Jersey City, recording secretary; Tadeusz Karpinski of Jersey City, treasurer; Raymond Demski of Trenton, and Henry Walentowicz of Passaic, legal advisers; and John J. Wolczanski of Perth Amboy, State public relations director.

Vice presidents: Marion Morawski of Jersey City; Boleslaw Kowalski of Bay-

onne; Helen Wagner of Perth Amboy; Casimir Warchol of Colonia; Stanislaw Niemczyk of Elizabeth; Joseph Sokolowski of Trenton; Edward Kurzec of Irvington; and Joseph Plonski of Jersey City.

Directors: Zdislaw Frankowski of Jersey City; Edward Fijalkowski of West Belmar; Antonina Wozniak of Bayonne; Irene Krupska of Jersey City; Janina Lewandowska, of Jersey City; Boleslaw Kmieczk of Bayonne; Boleslaw Budzen of Passaic; Casimir Basiej of Passaic; Edward Wlodyga of Jersey City; Henrietta Kwiatkowski of Clark; Sophie Dmuchowska of Jersey City; Eva Nitera of Parlin; Jerzy Maynard of Jersey City; Klara Puchalska of Bayonne; Waclaw Kaminski of Trenton; Bernard Pilecki of Newark; Stella Pasko of Jersey City; Stanley Wolowicz of Perth Amboy; Genevefa Zagurek of Elizabeth; Magdaline Wesuski of Clark; Walter Kowal of Trenton; Edmund Nowacki of Perth Amboy; and Walter T. Kross of Morgan.●

GUN CONTROL BY BUREAUCRATIC FIAT

HON. WILLIAM H. HARSHA

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 3, 1978

● Mr. HARSHA. Mr. Speaker, Congress has wisely rejected national gun registration each time the issue has come before it. Only Congress should decide whether any form of Federal registration of firearms sales should be permitted, and it has made that decision more than once.

However, in recent days, the Bureau of Alcohol, Tobacco, and Firearms (BATF), on orders from the Carter White House, has proposed a regulation that would subject licensed firearms dealers, manufacturers, and importers to centralized Federal gun registration. Through bureaucratic edict, it proposes to establish a centralized computerized data bank to house the information it demands.

This is a serious violation of the separation of powers, and my colleagues should be alerted to the danger it poses and respond accordingly. A concurrent resolution of disapproval has already been introduced in both Houses, I urge all in this body to support that resolution.

In my most recent "Washington Report," which is sent on a weekly basis to the news media in my district, I addressed this situation in some detail. At this time, I would like to share with my colleagues that report:

"CONGRESSMAN HARSHA'S WASHINGTON REPORT"—No. 51

National gun registration legislation has been defeated in Congress 13 times in the past ten years—but the message still hasn't gotten through to the Carter Administration.

The will of the American people, as expressed through their elected representatives, has not produced the desired result for the gun control lobby, so they are now trying to get their way through bureaucratic edict.

Their hopes are riding on a regulation proposed by the Administration's politically appointed Director of the Bureau of Alcohol, Tobacco, and Firearms (BATF), which would lead to centralized federal gun registration.

The Bureau's proposed rulemaking would require the 168,000 federally licensed firearms dealers, manufacturers, and importers to place special serial numbers on each gun manufactured or imported and to submit quarterly reports to the Bureau on the disposition or sales of guns

All of this information would be fed into a centralized computerized data bank. As always, federal regulators think nothing of invading the privacy of individual Americans. The computerization of our society and the pervasive federal intrusions into every aspect of our lives increase with each passing year.

It is an outrageous violation of the separation of powers for a political appointee to circumvent the legislative process by moving to implement a program requiring federal registration of firearms. In the first place, the regulation violates the basic constitutional right of every American citizen to keep and bear arms.

I have joined in sponsoring a concurrent resolution of disapproval, instructing the Bureau of Alcohol, Tobacco, and Firearms to stop the implementation of its proposed firearms tracing program.

This action has already produced results. Hearings on the issue, to be conducted by the House Subcommittee on Crime, have been set for May 3rd and 4th.

President Carter has built what he considers a foreign policy based, however inconsistently, on preserving "human rights" around the world. Yet, through the action of the Bureau of Alcohol, Tobacco, and Firearms, he is engaged in violating the rights of law-abiding gun-owning citizens right here in our own country.

Like most federal regulatory programs, the one proposed by the BATF would be enormously costly, as well as unnecessary and unwanted.

Gun dealers, manufacturers, and importers would be forced to submit 700,000 reports each year covering 25 million to 40 million transactions. That would cost American consumers more millions for increased paperwork.

The stated purpose of the proposed regulations is to improve the tracing of firearms used in crime. And, yet, the Bureau has always expressed great pride in its existing capabilities.

The picture is all too clear. Federal bureaucrats, taking their orders from the White House, are out to impose national gun registration on Americans by avoiding the legislative process, and in so doing, circumventing the will of Congress.

Only Congress should decide whether any form of federal registration of firearms sales should be permitted. And the record of Congress is solidly and specifically against gun registration and centralized recordkeeping.

At least four amendments were offered to the so-called Bayh gun control bill in 1972, which would have required national registration of either handguns or all firearms—and each amendment failed.

The House Judiciary Committee expressed itself as well on the issue by repeatedly rejecting amendments which would have initiated some form of firearm registration.

This insidious attempt by the bureaucrats of the Administration to grab power through the rulemaking process must not be allowed to succeed. Congress must act to see that its authority is not usurped and that the will of the American people is not ignored.●

HEARTLAND'S SCHOOL OF RIDING

HON. LARRY WINN, JR.

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 3, 1978

● Mr. WINN. Mr. Speaker, imagine, if you will, a little girl who has never run or walked, yet dreams of riding a pony. Therapeutic riding programs, like Heartland's School of Riding which recently opened in Overland Park, Kans., may make her dreams come true. Moreover, it may give her a sense of achievement she has never before felt.

Heartland's School of Riding is one of the nonprofit organizations which offers horseback riding, under supervision by therapists and trained volunteers, for students with all types of disabilities. Adults as well as children who are blind, deaf, mentally retarded, emotionally disturbed, or physically handicapped may participate upon recommendation by a physician.

Therapeutic riding teaches these individuals control over their minds and bodies. It challenges them to make the greatest possible use of their abilities. It enables them to look beyond their handicaps.

With great pride, I attended the opening ceremonies of Heartland's School of Riding in April. I was very impressed with the dedication of everyone involved. Public support, however, is needed for therapeutic riding centers throughout the Nation. Consequently, I would like to bring an excellent article written by Judy Katz for the Johnson County Sun to the attention of my colleagues:

PEOPLE CARE

(By Judy Katz)

In that part of the suburbs where houses may be a quarter mile apart and stock fences have replaced ornamental iron, a few fortunate people are learning that life holds possibilities of achievement even for them.

These people, ranging in age from 4 to 62, are part of an internationally recognized program of therapeutic riding presented by the Heartland School of Riding at 12901 Nieman Road, Overland Park.

To their physicians, and parents, the therapeutic part may be important. To them, sitting on ponies and horses, the warmth, the closeness, the feel of a horse or pony is what is important.

If you have never run, imagine what it would feel like to have a pony running for you. Even with side-walkers, (people running alongside the horse to support the rider) his or her expression is enough to remind the onlooker of the old saying: "The outside of a horse is good for the inside of a man."

The Heartland School is more than just a fuzzy warm feeling, however. It is a place where programs have been tailored to meet individual physical therapy needs.

Heartlands is not just some horses and some volunteers. It is a not-for-profit corporation to which students are referred by physicians and which includes trained attention by a physical therapist and a psychologist when necessary. On horseback, students perform medically approved exercises, sharpen their perceptual skills and

forget, in the fun of being on a horse, that they are actually involved in a physical therapy program.

Riding students with all forms of disability, including physical, mental, retardation, blindness, emotionally disturbed and those with learning disabilities are accepted. The program will soon include deaf students.

Therapeutic Riding helps to teach the disabled control of mind and body. The program began in England over 30 years ago and today there are centers in England, Europe, and Australia as well as the United States.

Besides the mental and physical exercise, the program has an achievement potential that is important to persons who find only limited places where they may achieve success. To mount, to walk, to trot or even canter a horse become winning steps in lives where successes are few.

At present, there are 38 students enrolled at Heartlands. During summer vacation, there will be 75 students. Program personnel hope that someday the public schools will recognize therapeutic riding as part of the learning curriculum of special education.

Each student pays a human dignity charge of $2 per lesson and scholarships are available, funded by donations. The staff includes a trainer who has been schooled in the program, Gail Brown; a physical therapist, Tee Fitzgerald, a Shawnee volunteer who is employed by Catholic Charities; a stable manager and innumerable volunteers who range from Mrs. Matilda Chappell who raises Morgan horses in Belton to Chris McCarley, a 14-year student at Berean Christian school. The organization has a board of directors who include Mrs. Jean Baum, president and Dr. Marc Asher, Howard Boasberg, William Harsh and Tom Van Dyke. Gail Gariety, Shawnee, is the secretary. All are volunteers.

The riding lessons are given in an area donated to the organization by White Fox Manor Academy, partitioned from the large indoor track so that students will not be distracted by other riders. Stable room for the Heartland stock tack room and office space, was also donated by White Fox Manor. There is easy wheelchair access to the Heartland area.

The horses at Heartland are a special kind, although they may be any breed, any size. What distinguishes your average good, steady, calm horse from the horse that will carry a handicapped child is something that can't be predicted.

"We are in the process of selling a pony right now that I would have sworn was going to be the best of the lot," said Mrs. Baum. "That pony is sweet and good and calm but he simply did not like the training.

"On the other hand, we have a Thoroughbred hunter that is just eating up the training. He loves it, and he is going to be a great horse for our older riders. That horse ran the fields with the Mission Valley Hunt Club, yet he thoroughly enjoys walking around the ring with people close to him.

"There's just no way to tell, until we start the training, how a horse will adjust to this kind of work," she concluded.

All the horses used in the program have been donated. Such a gift is tax deductible and Heartlands is still in need of 14-15 hand horses.

Those students who are able learn how to brush and curry the horses, to adjust the special stirrups made so that the rider disengages automatically.

The forward motion of the horses, the warmth of their bodies and their muscle flow are recognized by the riders. It is for this reason that saddles are used instead of some kind of chair-saddle that would further separate the rider from the horse.

The trainers have noticed that, in some cases almost imperceptibly, the warmth of the horses have relaxed spastic muscles in legs that are tensed when the rider is mounted.

Horses are taught to obey voice commands because in some cases legs are not strong enough to signal commands. The trainer of both horses and students is Gail Brown who holds an AB in animal science from Kentucky State University and who completed special therapeutic training at the Potomac Horse Center and the Cheff Center of Therapeutic Riding, Michigan.

The therapeutic riding program is one of the few programs which enables volunteers to be in direct contact with those they serve. In fact, the contact is so close that if volunteers don't show, children don't ride.

Beginners start out with one volunteer leading the horse and two volunteers supporting him on the horse. As riding expertist improves or as disability allows, helpers may be reduced. Each child wears a specially designed belt with leather straps that provide handles for the volunteers. "The children hate to be physically supported by hands on their bodies," said one volunteer, "and this way they are not so aware of our hands." Some students need little or no physical support.

To mount, horses and ponies are stationed between concrete ramps donated by Brown-Strauss Steel, Gene Linder Welding, Stanley Landmark Lumber and Ketch McDermand. As one volunteer holds the animal's bridle, trainer Gail Brown assists the rider up the ramp and onto the horse. The horses have been trained to accept wheelchairs, braces and crutches as commonplace so that they do not shy at the shiny appliances.

Volunteers work as little or as much as they want, but they are warned that they must appear at their established time. The number of volunteers, more than any other single factor, limits the number of handicapped who may participate in the riding program. "We had to run one recent class in shifts, because some of the volunteers didn't show up," one adult said. "But it wasn't too hard on that particular class, for it meant some beginners could rest.

"Ideally, we'd like to have a whole emergency list of volunteers we could call on in such situations. They don't need to be horse knowledgeable, or even to be able to ride. We just need people who care," she said.

"People are just fantastic," said the president of Heartland's board of directors. "So many people have offered to help. For example, all the remodeling of our quarters has been done by one man, Edgar Cook of Kansas City. Dr. Cook (he's a Ph.D.) called and said he'd like to help and that man has been out here after work every night sawing and hammering away."

The 4-H Club of Stanley has taken on Heartland as a project. Last week, a basketball goal was made by the group and brought to the stables by Mr. and Mrs. Dale Jenkins. The students will use the goal to play horseback basketball. The tack room is maintained by a fund established in memorial to Mrs. Margie Stewart, who died tragically in a fire last year. Mrs. Stewart, a well known horsewoman, had worked with handicapped students and was vitally interested in the program of therapeutic riding.

"At some point in life, everyone dreams of riding a horse," said one of the adult volunteers at Heartland. "This is one place a person can feel success." Watching a child's expression as he pulled on a rein to make the horse circle, she added: "The emotional boost . . . it's incredible!"●

THE DEBATE ON RADIO LIBERTY AND ITS FUTURE

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 3, 1978

● Mr. McDONALD. Mr. Speaker, for some time a debate has been going on in the United States as to just what should be the functions of Radio Liberty and the Voice of America in the world systematic struggle for the allegiance of men's minds. In recent years, it has generally been conceded by most experts that both the Voice of America and Radio Liberty have gone a little soft in their criticism and coverage of the U.S.S.R. Certainly, the corresponding broadcasts from the Soviet Union have not gone soft on the bastion of capitalism—the United States.

In the fourth annual report for 1978 of the Bureau for International Broadcasting, on page 31, allegations were raised against one of the longstanding anti-Communist Russian organizations—the NTS (Popular Labor Alliance). The NTS was against Stalin long before America heard of the cold war and therefore its views should not be taken lightly.

Therefore, in the interest of fairness, I believe the letter addressed by the NTS to President Carter merits the serious attention of my colleagues:

APRIL 2, 1978.

DEAR MR. PRESIDENT AND MEMBERS OF CONGRESS: The Fourth Annual Report, 1978, of the BIB contains (third chapter, second section, page 31) the following paragraph:

"However, the improvement of Russian-language programming has to some degree been vitiated by unresolved tensions between two "generations" of employees—the new emigrants from the USSR, many of them former activists in the democratic movement, and the veterans engaged during the 1950s, most of whom left the Soviet Union during or before the Second World War. Newspaper accounts have called attention to the apprehension felt by new emigrants over the possible involvement with Radio Liberty programs and personnel of the so-called Popular Labor Alliance or NTS (for its Russian initials), and exile organization of anti-democratic origins".

I respectfully submit that the Chief Executive and the Congress of the United States are hereby being subjected to a misrepresentation of the facts and biased semantics, amounting to a cover-up of the real causes for the existing tensions and the 50 percent drop in listening audience.

The quoted paragraph asserts that the disagreement is between "generations" of employees: one side allegedly being represented by the new emigrants, the other—by veterans long out of touch with the USSR. Nevertheless, an independent and unprejudiced investigation would show that, in fact, new emigrants are to be found on both sides of the argument. Neither is activism in the democratic movement an exclusive characteristic of one side only.

The argument is not between "recent" versus "outdated" Soviet experience, but rather of political and ideological inclination. Essentially, it centers on the interpretation of policy guidelines, with one side (falsely labeled "new emigrants" in order to imply harmony with the opinions prevalent in the

USSR) lobbying for even further-reaching "détente", stressing a conciliatory style in programming, while the other side (equally falsely labeled "veterans") maintains the necessity of preserving some of the more vigorous approach which had distinguished Radio Liberty from the other Russian-language broadcasts such as Voice of America, BBC, Deutsche Welle, etc.

It is difficult to reconcile the Report's insistence on substantial improvements in Radio Liberty programming with the dramatic 50% decline in audience since 1974–75 (see page 23 of the Report). This decline is not the result of technical insufficiencies, as suggested, but of the very "improvements" so proudly announced. The listeners lost to RL have contributed to the increase in audience of the Voice of America from 10 to 12 millions. The reason for this preference transfer is simply that the increasing blandness of RL programs has made it pointless to struggle with jamming since programs of similar tenor can be heard without disturbance from VOA, BBC or other sources.

As for the "anti-democratic origins" of the NTS, this gratuitous and insulting label denotes either ignorance or a conscious intention to manipulate the truth. It is to be deplored that labels coined by the Soviet propaganda in its anti-NTS campaign find their way into reports made by official U.S. bodies to the President and the Congress.

The very reason for the formation of the NTS in 1930 by the younger generation of emigrants from Russia was to oppose the totalitarian régime in the USSR with ideas of liberty and human dignity. The spiritual and political fathers of the NTS are Léon Bourgeois, Charles Gide and the founder of modern sociology Emile Dürkheim in France, Heinrich Pesch, Gustav Gundlach and Oswald von Nell-Breuning in Germany. They are also the ideologicial and socioeconomical founders of the French Centrists, the Austrian Volkspartei and the European Christian Democratic Parties (among them the German, Belgian, Italian etc.). The "Soziale Marktwirtschaft" ("socially responsible market economy") theory of this school is today the cornerstone of most European policies. In the 1930's, the older emigrant community's standard reproaches to the NTS were, in fact, accusations of "republicanism, liberalism and Freemason sympathies."

The NTS was indeed critical of some Western democratic institutions of that time—in an era of the Depression, the collapse of the Weimar Republic, of colonial empires, and fascination with the "great social experiment" of Stalinism. It is disingenuous to equate criticism of the state of some Democracies in the 1930s with anti-democratic views.

At the approach of the Second World War, the NTS openly declared its stand: "Neither with Stalin, nor with Hitler, but with our people". The activity of the underground NTS groups in some 120 cities and towns of occupied Russia and among the Soviet PWs in Germany gave rise to an astounding phenomenon: the cooperation of Soviet and German secret polices in time of war. A number of NTS members were arrested by the Gestapo and SD as a result of tip-offs given by the clandestine network of the NKVD, the Soviet Gestapo equivalent. Altogether, hundreds of NTS members became Nazi death camp inmates. Many of them never came out alive. Others have disappeared in similar Soviet camps, some of them delivered to Stalin by his Western Allies.

Finally, the BIB Report refers to newspaper accounts which "call attention to the apprehension felt by new emigrants" over possible NTS involvement with Radio Liberty. To our best knowledge, there have been TWO accounts quoting ONE RL employee—immediately and gleefully reprinted in the Soviet press. This seems hardly to provide serious grounds for allegations of widespread "apprehensions".

Respectfully,

ALEXANDER N. ARTEMOFF.●

TEACHERS AND STUDENTS ON SAME LEVEL?

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 3, 1978

● Mr. ASHBROOK. Mr. Speaker, proponents of H.R. 2222, the bill which includes interns, residents, and fellows in a hospital training program as professional employees, are seemingly unaware of the drastic change the bill will make, if enacted, in the medical education process. No longer would the teachers be teachers and the students be students, but both would be on an equal bargaining level. The students would become employees entitled to collective bargaining rights. It is ironical that the Educational and Labor Committee has reported a bill that takes medical education, and medical education only, and mandates that it now be labor. Maybe this bill reflects the rationale for education and labor being consolidated into one committee. In opposing the incongruous circumstances surrounding the circumstances of this bill, there are three issues I will address today.

EXCLUSION OF GRADUATE STUDENTS IN FIELDS OTHER THAN MEDICINE

There is some confusion regarding the committee report on this bill. H.R. 2222 would apply only to individuals in professional medical training which is defined in the committee report to include individuals training in dentistry and osteopathy. The bill would exclude graduate and postgraduate students in other fields.

Graduate and postgraduate students in universities and training institutes have many common characteristics with interns and residents in graduate medical training. First, graduate assistants and residents generally receive payments from the university or teaching hospital, respectively, which are not based on the skill or function of the particular individual. Second, for both graduate assistants and residents, there is no correlation between the number of hours spent in their didactic activity and the amount of payment received. Third, the research and teaching performed by a university graduate student is a part of his learning program in the same manner as patient care is a part of the resident's learning program. Fourth, graduate students in universities and residents in teaching hospitals undertake these activities primarily as methods of education and advancement toward higher professional standing. Given these strong similarities, it seems unreasonable to differentiate, under the National Labor Relations Act, individuals in professional medical training.

In 1974, the NLRB considered the situation of persons in the physics department at Leland Stanford Junior University and ruled that these research assistants were primarily students and, therefore, not employees within the meaning of the National Labor Relations Act, a ruling similar to a previous Board decision which held graduate assistants of Adelphi University to be primarily students and not employees. In 1976, following an extensive hearing, the Board reached the same decision with regard to residents at the Cedars-Sinai Medical Center in Los Angeles. The bill before us would reverse one of these decisions without addressing the other two decisions and without attempting to distinguish between the three situations. I have concluded that H.R. 2222 seeks to draw a distinction where there is no difference, that the bill is designed to serve the private interests of a narrow segment of "employees," and that the bill should not be passed until such time as the Committee on Education and Labor gives its broad consideration to the treatment of interns, residents, graduate teaching students, graduate research assistants, and postgraduate student in academic departments. I do not believe that the payment of a stipend to a trainee should result in that trainee being treated as an employee under the National Labor Relations Act. However, if we are to treat some trainees in that manner, it seems only equitable to me that we should treat all trainees similarly, a more equitable solution. Of course, the ideal solution would be to leave to the academic community its traditional academic freedoms without the intrusion of the industrial model of collective bargaining between either faculty or administration and those still within advanced educational training.

NUMBER OF PERSONS AFFECTED

Before any Member of this House makes a final decision on the desirability of H.R. 2222, I would like to call attention to the number of individuals who will be affected by this bill. In the United States, there are approximately 58,000 individuals presently in internship and residency training programs. The National Labor Relations Act, if amended by H.R. 2222, would not apply to all 58,000 individuals. The act applies only to the private sector of our economy. Thus, individuals in proprietary hospitals and individuals in nongovernmental, not-for-profit hospitals are covered under the National Labor Relations Act. Individuals in Federal, State, county, municipal, or hospital district institutions are not covered by the National Labor Relations Act. This latter category of governmental institutions provides the training positions for roughly 25 percent of all interns and residents in training. At a maximum, therefore, the act will address, if amended, only 75 percent of the individuals in graduate medical training.

Significantly, it should be noted that residents often train at multiple institutions. This simply means that an individual who begins his training in a program sponsored by a nongovernmental, not-

for-profit hospital—which could be covered under the act—often rotates to a Government hospital, owned either by a State, county, or Federal entity which would not be covered under the act. It is absolutely unclear under this bill, how residents in a program sponsored by a private hospital would be treated for labor relations purposes during the period they are detailed to governmental institutions. Because this issue could involve the National Labor Relations Board in a significant amount of individual case findings, and for the additional reasons I have stated, I intend to oppose this bill when it comes to the floor for a vote.

ADMINISTRATIVE COMPLICATIONS OF ENACTMENT OF H.R. 2222

The bill H.R. 2222 is one of the shortest bills pertaining to labor relations that has been considered by this House. The shortness of the bill's statement, however, should not be taken to imply that the implementation of the amendment will be an administratively easy task for the NLRB. Numerous administrative problems will arise if the Board takes jurisdiction over the relationship between teaching hospitals, faculty physicians, and interns and residents. And these problems will impose a serious strain on the Board's limited resources.

Let us consider some of the difficulties the Board will encounter. First, individuals rarely undertake or complete all of the residency training at a single institution. In contemporary medical education, to obtain the strongest training program, institutions have organized cooperative or integrated training programs. Thus, one residency program may include assignments at a community, nonprofit hospital; a Federal VA hospital; a city or municipal hospital; and a second community hospital, possibly organized by a religious order. In this situation the Board will encounter numerous problems in determining which institution in such a cooperative or joint program is responsible for negotiating with the "employee."

Second, if the Board determines that individuals beginning their training in community nonprofit hospitals covered by the National Labor Relations Act, are employees of that hospital and bound by a negotiated agreement reached between the hospitals and its organized interns and residents, intergovernmental conflicts may arise when that individual attempts to impose the terms and conditions of his contract on the Federal, State, or municipal hospital to which he may be assigned.

Third, because residency programs typically last from 3 to 5 years, with an occasional program lasting longer, there is substantial turnover on an annual basis in the individuals eligible to be included in the bargaining unit. Thus, one group of interns and residents may seek recognition for collective bargaining, while the group of residents who remain to negotiate the contract are not interested in collective bargaining. One group of students may negotiate a contract with the hospital, but be unable to obtain resident approval of that contract, because the turnover in residents has led to different resident priorities and outlooks.

Fourth, as we have stated in the minority views of the committee report, some accommodation will have to be made for the teaching faculty. Under the act, the teaching physicians are presently entitled to representation, but with enactment of H.R. 2222, it would appear they would become "supervisors" and lose their rights to representation and collective bargaining. Neither this bill nor the committee report gives any direction to the Board on how to resolve this administrative morass.

Each of these four problems would pose significant administrative difficulties for the NLRB. Moreover, because solutions to these problems would acquire significant Board attention but apply to at most 40,000 to 45,000 individuals, the Board would be forced to devote a disproportionately large segment of its resources to an extremely small group of covered employees. To the best of my knowledge the officers and officials of the National Labor Relations Board are presently fully occupied with administrative matters arising under the current National Labor Relations Act. These matters affect large numbers of employees across our Nation. To add to the Board's administrative burden a significant number of problems for a relatively small number of individuals whose status is virtually transient is inappropriate. Therefore, I intend to oppose H.R. 2222 and would encourage my colleagues to do likewise.●

PIOCHE SWALLOWS A BITTER PILL

HON. JIM SANTINI

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 3, 1978

● Mr. SANTINI. Mr. Speaker, the hard rock mineral industry of our Nation is fighting a battle for survival. Unfortunately, many mining operations are losing that battle. The following feature story by A. D. Hopkins reveals some of the people and community price that is paid when a mine closes.

The price of prime Western zinc dropped from 37 cents a pound in 1976 to 29 cents in 1978. As a result, 110 miners and millers are laid off. But there is a human loss and community loss that is not revealed by these empty facts and figures.

Maybe 110 displaced employees can be lost as an unemployment statistics in Detroit, Mich. But when 110 people represent the biggest employer in the entire community and there are no other employers to offer job alternatives then such a layoff can have a devastating impact. Only the Western community's enduring spirit of perseverence offsets the debilitating consequences of the mine closing.

This is a people story—this is a town's story that is well told by Mr. Hopkins. I want my colleagues to hear it.

The story follows:

PIOCHE SWALLOWS A BITTER PILL

(By A. D. Hopkins)

Friday, March 31, was a cold, wet day in Pioche, so overcast, that a man at the bottom of Main Street couldn't see the other end of it at the top of Treasure Hill. Hailstones as big as peas beat a tatto on the office roof over J. M. Songstad, manager of the Pam American Mine and Caselton Concentrator.

It was a rotten day in more ways than one. The Pan-American, which employed 110 miners and millers, and was thus the biggest employer in the town, was closing. And this historic and colorful Eastern Nevada mining town was battening the hatches to weather another mini-recession.

"I'm heading for Lathrop Wells," said John Turley, a heavyset, whiskery man drinking coffee in the Silver State Cafe. "Right after they told us the mine would be closing, a recruiter came up here to hire. Lathrop Wells has a mine now."

What kind of mine? Turley didn't know and for the moment didn't care if it meant digging copper from open pits or diamonds a mile underground. He aimed to work there either way.

Songstad said Bunker Hill Company reopened the Pan American property in 1976 when the price of prime western zinc was 37 cents a pound. When the closure was announced March 12, the price was 29 cents. E. Viet Howard, president of Bunker Hill, blamed the prices on the imported zinc flooding the markets of the United States.

The closure will take a payroll of $150,000 a month out of the economy of Pioche.

There was a silver lining in the clouds that morning, though; Sierra Chemical Co. of Reno was reopening a kiln to turn limestone into lime for making steel, chlorine, and other chemicals. Ben Bender, purchasing agent for the Pioche operation, said Sierra tried to hire members who would be thrown out of work by the Pan American closure. But Sierra will employ only 25.

Many of the rest lined the antique bar in Bill Brown's historic Overland Hotel. Saying goodbye, cashing checks. A lot of them drew their pay at the hotel. Brown explained, "They can give us a power of attorney to collect their check every payday. Then we deduct anything they owe us and give them the rest. A lot of transient miners are good for their debts but you don't have any way of knowing. This is about the only way you can extend credit."

Brown avoids the more common term "tramp miner." Men willing to mine ad move on are necessary to the up-and-down economy of modern mining.

One miner was asked if he would be leaving that day.

"You always go that day," he said. "You try to be the first one into the next town so you can get the better jobs and the better places to stay." He didn't linger over his draft beer, draining it with two gulps. He waved goodbye over his shoulder without looking back.

But plenty of people will hang on in Pioche.

"The tourist season is starting up and that'll replace some of the good customers I've lost," said Mike Fogliani, who operates a Chevron station and garage.

Thomas Horlacher, manager of the family-owned Horlacher's Market, said, "it'll make at least a 10 percent dent in my business and as much as 25 percent. Sure it'll hurt.

"But while that would sink a lot of businessmen in other towns, it's not something we can't stand. You live here knowing it's a part of life and business in a mining town. You can get used to anything. In Pioche, we're used to recessions."

They drank a good deal of beer that morning, but nobody cried in it. Brave little town, Pioche is.●

SUN DAY

HON. ANDREW MAGUIRE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 3, 1978

● Mr. MAGUIRE. Mr. Speaker, today is Sun Day. Today we celebrate the potential of the Sun as an energy resource which can satisfy the needs of the world energy community in the future and even, in significant measure, today. It can also insure the stability of energy supply for every national economy now threatened by the growing costs and shortages of fossil fuels.

Using the Sun as an energy source has few, if any, of the problems associated with conventional energy sources:

Solar energy cannot be embargoed.

The supply is inexhaustible.

The price of the Sun's energy will never go up.

Small-scale solar technologies have no known environmental hazards.

There is no danger of a catastrophe and indeed, no hazards of any kind associated with solar energy on a small scale.

Solar technologies can with ease be developed by Third World countries as well as by fully industrialized economies.

Solar energy can be substituted for existing coal, oil, natural gas and nuclear fission technologies rapidly and with minimal socioeconomic disruption, especially if an accelerated and prudent program of solar development is initiated today.

For the near term—in the next 10 years—solar energy offers a reduced dependence upon imported oil, a healthier balance of payments and a stronger dollar. The Sun shines everywhere, and its energy takes on many forms besides direct solar irradiation. Today, about one-fifth of all the energy used around the world comes from wind power, water power, biomass and, of course, direct sunlight. More advanced solar technologies include conversion of sunlight directly into electricity, thermodynamic equilibrium cycles to heat and cool buildings with solar energy, concentrating the Sun's heat to industrial grade temperatures ranging up to several thousand degrees, and harnessing temperature differentials in the oceans.

Of these newer technologies the most promising is solar electric or photovoltaic conversion, which only a few years ago cost more than 50 times the current price. Energy from photovoltaic silicon solar cells is commercially available at around $12 per peak watt, and by 1980, this figure is expected to drop to $1 to $2 per peak watt. By 1985 costs for photovoltaic electricity in small scale applications will be less than 50 cents per peak watt and thus cost competitive with conventional energy sources.

Overall, the amount of solar energy that reaches the Earth each year is roughly 12,000 times greater than all the commercial energy used by mankind, according to Denis Hayes of the World Watch Institute. Certainly the technologies exist today for a program of aggressive solar development which will put us in range of the predictions of the President's Council on Economic Quality.

A recent CEQ report concludes that "with a strong national commitment to accelerated solar development and use, it should be possible to derive a quarter of U.S. energy from solar by the year 2000 * * *" The report further anticipates that better than half of our Nation's energy needs can be provided by solar by the year 2020. Certainly this is something to celebrate.

Today we know that aggressive solar development is needed, but recognition of the Sun as an energy resource with all of its advantages is just not enough. The Congress must take upon itself the responsibility for fashioning a solar energy development program as envisaged by CEQ.

The momentum for such an initiative has been gathering for the past several years. The Solar Coalition, a group of more than 100 members of the House and Senate, has introduced a package of eight solar related bills, and is endorsing several others. Each measure in the package tackles a different area of solar energy policy development.

The Solar Energy Transition Act sets a goal of 30 percent for conversion of the Federal Government's energy use to solar energy by the year 2000, in addition to setting in motion Federal energy policy and procurement review procedures designed to rapidly engage solar energy incentive and promotion programs nationwide.

The Solar Energy Bank Act would charter a lending institution with a $5 billion revolving fund to provide long-term, low-interest loans for solar systems.

The Foreign Mission Solar Energy Act would demonstrate solar technology on American-owned diplomatic buildings in foreign countries.

A solar global marketing survey measure would authorize the Department of Energy to ascertain the extent of overseas solar markets for U.S. made solar products.

A solar and conservation loan program within the Small Business Administration would empower the SBA to make loans to small businesses seeking to enter the solar equipment business.

A DOE bilateral program with less-developed countries in renewable energy technologies would provide support for international energy programs and foster the spirit of a world energy community between nations of "high" and "low" technological abilities.

A world solar energy conference resolution would express the sense of the Congress that the United Nations should establish a commission to facilitate the exchange of alternative energy information.

A bill that would require the Office of Technology Assessment to study the potential in the United States for converting to solar under various economic growth scenarios, including comparisons of conventional and other alternative energy sources.

The Solar Coalition has worked closely with the Committee on Science and Technology to increase the administration's proposed solar research and development budget for the Department of Energy by better than half, and the Interstate and Foreign Commerce Committee will be increasing the outreach and commercialization portions of the DOE solar budget.

These initiatives and others are the first steps in a program of international solar development. I urge my colleagues to vote in favor of these measures as they are reported out of committee.

Solar energy is indeed a way out of our current energy supply dilemma, and because it is an intrinsically "benign" technology it will be an improvement over fossil and nuclear technologies as there are no environmental or health dangers associated with using the Sun's energy on a small scale. There is a profound national interest in marshaling the solar promise into a new solar age; this is what Sun Day is all about. Because we have both the technology and the incentives required to go solar, I believe that on May 2, 2000, the United States will be well on the way to becoming a solar society.●

WHAT CAUSED INFLATION

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 3, 1978

● Mr. COLLINS of Texas. Mr. Speaker, in this morning's mail I received an interesting letter from Roy Bass who had just finished serving as the mayor of the city of Lubbock in Texas. Lubbock is a wonderful city of 185,000 people. It is represented by one of the finest Congressmen who ever served in the Halls of Congress, GEORGE MAHON. I think Roy Bass expressed the opinion of most people in west Texas.

In Congress we talk so much about the problems in this country, but the biggest problem is Congress itself. Congress is causing inflation. Congress creates the excess regulations. The best thing Congress could do would be to meet half as often and spend the other half of time going out to observe how these agencies we have created are wreaking havoc on America. The people in the grassroots of Texas understand the situation. When are we going to open our eyes to the facts of life. Read this interesting letter from Roy Bass of Lubbock:

DEAR MR. CONGRESSMAN: You don't know me from Adam's off ox. I don't live in your district, and so far as I know, there's nothing I can ever do for you, but I would appreciate your reading this as if we were shooting the breeze over coffee somewhere. My basic premise is that you and I both are really interested in the welfare and future progress of the United States.

The basic problems are inflation (caused chiefly by the Federal Government through burdensome and useless paperwork, through Federal programs which mandate local expenditures of funds from local tax sources and over which locally elected officials really have no control, through increased wages throughout the Federal structure), social

action programs (of a nature which are thoroughly desirable, grossly idealistic, always expensive, and often practically unworkable), and hypocritical activities of departments such as HUD, HEW, EPA and OSHA.

Only Congress really can slow down inflation. Two tokens of Congress' good intentions would be to cut back on wage increases to Federal employees, and to put in the Minimum Wage Law an exception so younger workers don't have to be paid the minimum wage.

I think Congress has to belly up to the fact that the United States cannot insulate everybody from all risks of life, and acknowledge that a government strong enough to do that is also strong enough to squash any and all of us like bugs. The social action programs of the Federal Government, either by accident or design (and I'm inclined to think a little bit of both) are in my opinion eroding the collective backbone of the nation, so that we see a big problem, have a big need, and think only big daddy can help us with it. The nation wasn't built on that approach to problem solution.

At the moment, HUD and similar agencies are making a big to-do about local input in designing programs. They are thoroughly hyprocritical, because the people who write the guidelines don't really have the same kinds of minority, low and moderate income, and similar inputs in writing the guidelines. OSHA, though it's doing better apparently, still seems to be beset by irresponsibility in its administration. EPA is bearing down on private business, when the Federal Government itself is one of the chief offenders in pollution of water and air. (What kind of credibility does that leave?)

Please give us programs which build self reliance, instead of reliance upon government. I'm convinced we have too much government, but I'm grateful that we're not getting as much government as we are paying for.

Respectfully,

ROY BASS, *Mayor.*●

BUREAU OF ALCOHOL, TOBACCO, AND FIREARMS PROPOSALS

HON. JAMES ABDNOR

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 3, 1978

● Mr. ABDNOR. Mr. Speaker, I am deeply concerned by the recent Bureau of Alcohol, Tobacco, and Firearms proposals for increased firearms recordkeeping which appear in the March 21, 1978, issue of the Federal Register.

In my opinion, these proposals, which would require the Nation's wholesale and retail dealers in firearms to file Federal reports annually on all transactions, are submitted under the guise of needed reforms, when in reality they are a scheme to move one step closer to Federal gun registrations. Moreover, these proposals are contrary to the Carter administration's pledge of reduced Government regulation.

For my part, I have joined in sponsoring a joint resolution which would convey to the Bureau of Firearms the message that Congress disapproves of this move toward increased Government intervention into the private lives of our citizens. I would urge my colleagues' support of this resolution so that the true sense of Congress may be heard on this vital constitutional issue.

I likewise would ask my colleagues and members of the general public who share my position on this subject to make known their views. Comments may be addressed to the Director, Bureau of Alcohol, Tobacco, and Firearms, 1200 Pennsylvania Avenue NW., Washington, D.C. 20226.

A copy of my letter to the U.S. Department of Treasury objecting to the proposals follows:

MAY 1, 1978.

Mr. RICHARD J. DAVIS,
Assistant Secretary, U.S. Department of the Treasury, Washington, D.C.

DEAR MR. DAVIS: This is to inform you of my objection to the proposed firearms regulations issued by the Bureau of Alcohol, Tobacco and Firearms.

These proposals represent an attempt to require the registration of all firearms in this country through the establishment of a national computerized central firearms registration system. This system violates the intent of Congress by exceeding the powers conferred on your Department as outlined in the Gun Control Act of 1968. Moreover, these proposals are an attempt to accomplish by regulation what Congress consistently has refused to authorize by legislation.

The excessive amount of paperwork and computerization involved, not to mention the added expenses incurred in the form of time and money, constitute a regressive regulatory reform. It also contradicts the Carter Administration's pledge of less government intervention.

Since the Bureau has never claimed to be unable to trace firearms effectively under the present system, any proposed changes should be discussed thoroughly with Congress in order to determine the appropriateness and the extent of any remedial actions.

In the meantime, these proposals should be withdrawn.

Sincerely,

JAMES ABDNOR,
Member of Congress.●

ARE INTERNS, RESIDENTS EMPLOYEES?

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 3, 1978

● Mr. ASHBROOK. Mr. Speaker, Thursday, we will be considering the bill H.R. 2222, to amend the National Labor Relations Act "to clarify the scope of its coverage" by mandating interns and residents are "professional employees" rather than "students" as the National Labor Relations Board has found in its expertise in interpreting the act. During the past week, I have been attempting to draw the attention of the Members as to the many reasons they should be opposed to this bill. Before I continue those reasons today, I would like to clarify some of the misimpressions contained in the report accompanying the bill (H. Rept. 95-980).

First, a statement that the American Medical Association (AMA) is the ultimate governing authority for housestaff programs in this country has been corrected by a statement in the RECORD of May 2, 1978, that it is not the AMA, but the liaison on graduate medical education which is the accrediting agency for graduate medical education. Second, the report on page 2 states that coverage of the NLRA will be assured to housestaff "who are engaged in nonprofit hospital medical training programs." It should be made clear that the bill does not limit coverage of housestaff in only nonprofit hospitals, but extends coverage in proprietary hospitals as well if they have a medical training program.

Third, the report on page 4 contains two sentences relating to the history of Public Law 93-360, the law which removed the exemption of nonprofit hospitals from the NLRA. Those sentences imply that Public Law 93-360 was intended to cover housestaff. It should be clear that Public Law 93-360 in no way dealt with housestaff. In this regard, the history of Public Law 93-360 shows the purpose was to remove the exemption of nonprofit hospitals from the NLRA. In consideration of that action, Senator Taft introduced a bill in the Senate setting up legislatively four units in hospitals. Rather than adopting Senator Taft's approach of legislating appropriate units, the Congress, in enactment of Public Law 93-360, left to the expertise of the Board the authority to determine appropriate units. The Congress, in enactment of Public Law 93-360, only specified in the reports accompanying the legislation that the Board not unduly proliferate units in the interest of patient care. Consequently, enactment of H.R. 2222 would be directly contrary to the legislative history of Public Law 93-360 in that: First, it would legislatively mandate units; and second, it would engage in proliferation of health care institution units.

Finally, on page 9 of House report 95-980, in "Changes Made in Existing Law," the present existing law is misstated, and the changes are not properly reflected. This is not a minor misstatement since it goes to the very basis of whether interns and residents are potential or present employees. In defining "professional employees" it is presently required under section 2(12)(b) that they must have, first, completed courses of specialized instruction, and second, perform related work under the supervision of a professional person to qualify to become a professional employee as defined in paragraph (a). Paragraph (a) refers to an "employee." However, it is obvious that most interns and residents are not preparing themselves to be professional "employees," but are preparing themselves for the independent practice of medicine, the latter concept wholly inconsistent with becoming an "employee." However, the committee report misstates existing law but actually intends to change it, by allowing them to also be preparing to qualify as a "professional person" or a professional employee. Thus, the whole thrust of section 2(12) of the NLRA defining "professional employee" is misconstrued, and such misconstruction would lend weight to the proponents' argument that interns and residents are entitled to coverage. However, since existing law requires that future professionals must be performing work

to qualify as an "employee," as in paragraph (a), which most interns and residents are not, the correct existing law supports my contention that interns and residents are not "employees," "professional employees" or in training "to become a professional employee," but are more aptly defined as "primarily students" in training to become "professional persons." Why should the NLRA be extended to those who will never be "employees"?

In opposing H.R. 2222, I want to address four issues today, issues which should convince the House that H.R. 2222 is not necessarily wanted or needed. Along with the previous factors presented in special orders and Extentions of Remarks, these additional factors should also convince the House H.R. 2222 is detrimental to continuing medical education.

OPINIONS OF RESIDENTS ON H.R. 2222

For the past 2 years interns and residents belonging to the Physicians National Housestaff Association (PNHA), have worked diligently to obtain passage of H.R. 2222, although the vast majority of their members would not be covered under H.R. 2222. PNHA presently reports having about 10,000 members, most of whom are interns and residents in State, county, and municipal institutions. These governmental institutions, like Federal institutions, are not covered under the National Labor Relation Act. Thus, this House finds itself in the unusual position of considering a bill which unaffected individuals recommend be applied to affected individuals.

In this situation, the record should clearly indicate that many residents in the institutions that would be covered under the amended act are opposed to H.R. 2222. Recently Dr. Andrew Warshaw, of the Association of Academic Surgeons, wrote a letter summarizing the findings of a survey among surgical interns and residents in teaching hospitals. The survey was undertaken in response to a challenge from the proponents of the bill. It should be noted that the poll was conducted under conditions of anonymity to promote free and honest responses and that the questions were drafted by the majority staff of our committee. In his letter, Dr. Warshaw, of the Massachusetts General Hospital in Boston, reports the following findings:

Several observations are clear from the poll: (1) "There is a definite lack of interest in the whole problem" among those polled. The response rate was about 35 percent overall. (2) "Among the 850 respondents (who may be expected to be weighted by those with strong feelings) 55 percent felt there would be an advantage to having some form of representative organization." (3) Fifty-seven percent, however, preferred to be considered primarily a student, not an employee. (4) Sixty-seven percent felt that classification as an employee would create disadvantages in their relationships with their teachers. (5) Note that the poll was taken at university teaching hospitals. These are the objects of H.R. 2222—not the municipal hospitals wherein much of the unionization impetus resides and which are excluded from the purview of the bill.

The doctor's point is a good and valid one that should be considered by each Member of this House. Those advocating the bill are not affected by it. Those affected by it do not appear to be supportive of the bill as witnessed by an extremely articulate panel of residents who appeared before our committee on April 25, 1977. Therefore, considering that the National Labor Relations Board has given long and careful study to this issue and that those affected by the bill are not supportive of its application, I would urge the defeat of H.R. 2222.

IMPACT ON COMMUNITY TEACHING HOSPITALS AND PRIMARY CARE

In 1976 the Congress enacted Public Law 94–484, the Health Professions Educational Assistance Act. Significant in that act was an explicit congressional recognition and emphasis on primary medical care training. Grant programs were established to support primary care training and capitation for medical schools tied undergraduate support to the proportion of interns and residents in primary care training. Clearly, the Congress intends to stimulate the development of primary care medicine.

H.R. 2222 may do much to undermine the congressional intent of stimulating primary care education. Graduate medical education is presently centered on a limited number of generally large, often tertiary care, teaching hospitals. The mission and resources of these hosiptals may not permit them to add significant numbers of primary care training positions. Therefore, medical schools and communities interested in responding to grants and initiatives to expend primary care medical training often must look to nonteaching hospitals as the source of new residency programs in general medicine, general pediatrics, and family practice. The introduction of a significant medical education component complicates a hospital's operation. Many of the hospitals which presently do not provide graduate medical education may be reluctant to do so. If these hospitals are to provide primary care, they must be encouraged and stimulated to offer and support such programs.

H.R. 2222 would provide a negative incentive to a nonteaching hospital interested in adding primary care residency programs, for the complications of medical education programs will be accompanied by the complication of a significant collective bargaining relationship. This labor relations complication will be sufficient to deter some hospitals from sponsoring primary care. Moreover, it will reduce the effectiveness of other incentives presently available to hospitals which seek to begin residency training with primary care education. Our nation needs primary care physicians. That need is significantly greater than the collective bargaining needs of 30,000 to 45,000 individuals whose "employee" status under this bill lasts from 3 to 5 years. Therefore, I urge my colleagues to oppose this bill and to preserve present incentives for primary care training.

INFLATIONARY IMPACT OF THE BILL

The House report which accompanies H.R. 2222 states:

Due to the fact that the bill does not authorize the expenditure of any federal funds, the Committee feels there is no direct impact on the operation of the national economy and there will be no inflationary impact.

Every Member of this House is undoubtedly aware that the President and Secretary of Health, Education, and Welfare have for over a year attempted to attain passage of a hospital cost containment act. I do not intend to argue the merits or the problems of that particular legislation now being considered in two committees of this House. I do, however, believe that the impact of H.R. 2222 will be significantly different from that described in the committee report.

The Council of Teaching Hospitals has collected data on intern and resident stipends since academic year 1968–69. In the initial year, first post-MD year, residents earned a national average stipend of $6,200. Last year, first post-MD year students earned a national average stipend of $13,145. While the increases across this 10-year period were not uniform, it should be noted that the rate of increase in first-year stipends across the 10-year period was equal to a rate of 7.8 percent compounded annually. If the 7.8-percent rate of increase persists in the coming year, stipends for first-year residents will rise an average of $1,025. On a national aggregate basis, this 7.8 percent stipend increase for interns and residents would amount to a $70 million increase in the cost of training for interns and residents.

Presumably, proponents of H.R. 2222 do not believe that a 7.8-percent stipend increase is sufficiently large, and, by implication, do not believe that a $70 million increase in the stipends paid interns and residents is sufficient. If collective bargaining is to attain greater stipend increases than those which have been paid across the past 10 years, interns and residents would receive increases substantially in excess of those the President has proposed for public employees, and greatly in excess of present increases in the gross national product or the consumer price index. Therefore, unlike the authors of the committee report, I must conclude that passage of this bill would have substantial inflationary effects.

The inflationary effect of adopting H.R. 2222 is all the more significant given the present voluntary effort to reduce the rate of increase in hospital expenditures. Hospitals not wholly committed to graduate medical education may find its inflationary impact so substantial that the hospital chooses to drop the graduate medical education program rather than to continue it. In this circumstance, passage of H.R. 2222 would have contributed to a reduction in the number of training opportunities available to graduating U.S. students. This would be most undesirable. The number of graduating U.S. students and the number of first-year positions available for them are very similar. A reduction in the number of first-year positions would either reduce the limited

number of career choices offered graduating medical students or it might, for some students, delay professional practice pending the opportunity to undertake and complete necessary graduate training. Given this undesirable adverse impact and the inflationary impact of the bill described above, I cannot support H.R. 2222.

DESTROYING THE INTERN AND RESIDENT MATCHING PROGRAM

H.R. 2222 may have a detrimental effect on the national intern and resident matching program. Interns and residents, be they employees or be they students, are not "hired" in the conventional sense of that term. Graduating medical students, for the most part, do not arrange private bargains or agreements within individual hospitals. Rather, almost all graduating students obtained their first postmedical doctor position through the national intern and resident matching program. The match is a process by which hospitals interview and rank applicants for residency training positions. Similarly, medical students rank hospitals according to their interest in the residency programs offered by the hospitals. Under an agreement that neither party will independently contract or make commitments to the other prior to the determination of the match, the rank order lists of the medical students and teaching hospitals are simultaneously analyzed by a computer. Using a standardized and established computer program, the computer compares the student preferences and hospital preferences to determine the match that will simultaneously please the greatest number of participants in the program. Upon entering the match the student has agreed to accept appointment to the program with which he has been matched; the hospital has agreed to accept the medical students with whom it has been matched. Thus, the matching program is a highly structured mechanism which provides each medical student with a fair opportunity to be considered and chosen by hospitals of his interest.

If H.R. 2222 passes this Congress, interns and residents will be defined as employees. It would not be unreasonable, given this employee status, if hospitals begin to select residents in the same manner that they presently select other hospital employees. Each hospital, looking to its economic interest, could attempt to individually locate the medical students whose residency performance are apt to give the hospital the highest return for its stipend expenditure. Such an outlook would destroy the intern and resident match, place the student under undue pressure, and change the relationship from one of an educational emphasis to one of an economic emphasis. The results would not enhance medical education or further the interests of patient care, two goals this House should espouse. Since H.R. 2222 only considers the interests of organized labor and ignores the beneficial aspects of medical education in a clinical environment, I must oppose the bill and urge my colleagues to do likewise.●

SUN DAY

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 3, 1978

● Mr. CONTE. Mr. Speaker, I would like to join my colleagues in raising the public's consciousness regarding solar energy. This day, set aside as national Sun Day, is most timely. This emphasis comes at a period when we are facing increased importation of foreign-source energy supplies, when the dollar abroad is weakening due to this excessive-and growing reliance, and when we see problems associated with our own fossil fuels, due to a range of reasons from strikes to safety concerns. Solar is the answer to many of these problems. It is inexhaustable, it does not pollute, it can be installed on the property, and so on. However, there is one additional feature associated with this exciting energy source, it is expensive. The collectors, whether it is a small panel on your roof, or the futuristic arrays of mirrors in our desert regions, are still costly as compared to other energy sources. The people who are currently installing solar equipment are doing so for environmental reasons. The technology is in existence, it works and is constantly being improved. However, the economic feasibility of these devices is still to be perfected. This is where the Congress can assist. Needless to say, there has been a spectrum of bills introduced in the Congress to address the various aspects of this issue. Yesterday, the House approved of a measure that I, as ranking member of the Small Business Committee, was pleased to support on the floor. This proposal will assist small businesses in entering this exciting and rapidly expanding energy field. This necessary proposal was facilitated when the committee learned of the actual financing that most of the present small businesses engaged in this activity, was coming from the major oil corporations. The string they attached to this financial backing is the relinquishing of the controlling interest of these small ventures to the majors. So, as the popularity of this energy source grows, so do the coffers of the major oil corporations. I was pleased that the House recognized the need to correct this, and thus gave the Small Business Administration the added emphasis required to spur them in this direction. Another proposal to assist our efforts, is the National Energy Act, which contains provisions calling for the increased utilization of solar collectors and photovoltaic devices on Federal buildings. The added demands for these products should facilitate the industry's conversion to large-scale mass production, and the corresponding decrease in the unit cost. The results will be to the benefit of everyone contemplating the purchase of this energy technology of the future. Such provisions are encouraging indications that the Congress is beginning to appreciate the benefits of advancing solar energy. Hopefully, we will redouble our efforts to encourage the mass production of these units, as well as proceed with our research and development efforts in order to further refine this technology. Hopefully, in part through the momentum that is being generated by this national effort, we will enact the legislation needed to accelerate this effort.

Finally, Mr. Speaker, I commend the efforts of the organizers of this day. Their intent in bringing the advantages of the Sun's rays to generate the power we rely on is most commendable. I trust they will not slacken their enthusiasm following this week's events.

Thank you, Mr. Speaker.●

ARMS CONTROL AND DISARMAMENT AGENCY CAN'T BE TRUSTED

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 3, 1978

● Mr. ASHBROOK. Mr. Speaker, I have grave fears about the performance of the Arms Control and Disarmament Agency. Basic American interests, interests that go to our very survival as a nation, are not being adequately represented. The Agency does not deserve our trust.

Those who downplay the Soviet military threat are in complete control. From the top—as represented by disarmament advocate Paul Warnke—on down, our arms negotiators seek a new agreement at any price.

Paul Warnke and other such liberals are convinced that we can negotiate our way to peace. They are blind to military realities and to Soviet objectives. No matter how many Soviet violations there are, they either turn their heads and pretend not to see or else defend the Russian position as not being a violation.

It is time we acknowledged the truth. The Soviet Union is presently engaged in an unprecedented arms build-up. They are rapidly moving toward military superiority in almost every important category. Unless we are prepared to make a strong commitment to our national defense, we will become a second class power.

We are already witnessing the effects of the changing military balance. The Soviet Union is now conducting revolutionary activities on a worldwide scale. No where is this more clear than in Africa, where thousands of Russian-backed Cuban mercenaries are operating. When we have expressed our concern at this outrageous behavior, the Soviets have thumbed their nose at us.

In the face of the growing Soviet military threat, our arms control negotiators have stuck their heads in the sand. Despite all evidence to the contrary, they continue to believe that the Soviets really want peace just like us. They refuse to accept that to the Soviets not even nuclear war is unthinkable.

In fact, some of our top security advisers apparently are more worried about U.S. intentions than Soviet intentions. They do not believe that our coun-

try should have arms superiority over the Soviet Union because we might misuse it.

I would like to bring to the attention of my colleagues recent remarks by Victor A. Utgoff, director of policy analysis on Zbigniew Brzezinski's National Security Council staff. In off-the-record comments to a group of weapons experts, Utgoff stated that losing superiority would "not be the end of the world * * *. Some of our advantages are fading, and in some cases, it might be to our advantage to allow U.S. superiority to fade away."

And why should not we have superiority? Utgoff says:

I suspect we would occasionally use it as a way of throwing our weight around in some very risky ways.

Incredible. Which side is this gentleman working for? Such an attitude imperils our national existence. While the Soviet Union is moving full steam ahead to become the dominant military power, some of our top advisers are worrying about a possible misuse of power by the the United States.

We need some hard-headed advocates of military superiority in our inner councils. We certainly do not need the soft-headed thinking espoused by people such as Mr. Utgoff.

Following is a column by Evans and Novak that discusses the remarks by Mr. Utgoff:

[From the Washington Post, Apr. 7, 1978]

THE UTGOFF PRINCIPLE

(By Rowland Evans and Robert Novak)

One of Zbigniew Brzezinski's key technical advisers, privately addressing fellow arms specialists over two months ago, propounded this principle: Better that this country not enjoy a clear arms superiority over the Soviet Union for fear we would sometimes misuse it.

Victor A. Utgoff, director of policy analysis on Brzezinski's National Security Council staff, thereby set off spirited debate within the small, contentious community of strategic experts. Although he complains off-the-record comments are being taken out of context, the Utgoff principle explains much about national security policy in the Carter administration.

His remarks reflect self-distrust among middle-level officials. Fearful that the United States will make no more principled use of military power than the Soviet Union, they are concerned not only about deterrence in Moscow but also self-deterrence in Washington. That mind-set among technical advisers may explain why even nontechnician Brzezinski, traditionally a hard-liner, has not escaped charges of softness toward the Kremlin.

Utgoff addressed 840 weapons experts in Monterey, Calif., Feb. 1 at a conference sponsored by the American Institute of Aeronautics and Astronautics. He refused to talk to us or give us the text of his speech. However, NSC staffers have corrected and amplified accounts given us by those present.

In no sense did Utgoff advocate unilateral disarmament. Describing the Carter administration's commitment to strategic arms control as an "article of faith," he called for "sttrategic equality . . . through adequately verifiable arms-control agreements." If that is "impossible," he advocated "whatever programs are necessary for our national security," "adding, "We'll pay whatever price it takes."

What followed, however, began to raise eyebrows: "We cannot afford to allow ourselves to drift into significant strategic inferiority," Utgoff said. But what is "significant" inferiority? He soon argued that superiority is no blessing.

Losing superiority would "not be the end of the world," he said. "Some of our advantages are fading, and in some cases, it might be to our advantage to allow U.S. superiority to fade away," Utgoff said. Why? NSC staffers told us Utgoff feels losing U.S. superiority in submarine-based missiles might induce the Soviets toward fewer land-based missiles—a highly debatable proposition.

Utgoff's speech reaches the heart of what bothers him about U.S. weapons superiority: "I suspect we would occasionally use it as a way of throwing our weight around in some very risky ways." That is the essence of self-deterrence. If we do not have mobile missiles, neutron warheads and a superior Navy, we cannot be tempted to use them.

Those attending Utgoff's speech were instructed it was strictly off the record. Nevertheless, a set of surreptitious notes soon circulated in Washington, and was read at a conference at the Army-Navy Club here March 21. While those nonverbatim notes are incomplete, they do not differ in substance from the NSC official version given us.

Utgoff, 39, holds a doctorate in electrical engineering and was known as an advocate of "minimum deterrence" as a systems analyst at the Center of Naval Analysis's before joining this administration. His newness to high-level policymaking explains what colleagues call his outrage that his speech (delivered to 840 people) leaked out. NSC officials told us Utgoff was "brainstorming," an unusual description for a prepared speech.

Nevertheless, he was back propounding the Utgoff principle March 27 in private conversation with a naval officer. While determined the United States should never be inferior. Utgoff added he equally feared being superior because it might encourage irresponsible U.S. conduct. An NSC go-between explained to us Utgoff meant that if either Washington or Moscow thought it had a strategic advantage, high-risk confrontation might result.

Utgoff's speech was not cleared by superiors and is not government policy, the NSC spokesman told us. Surely, it does not reflect the world view of Brzezinski. But as a non-expert in the mysterious world of arms control, Brzezinski depends on technicians who share the considerably different world-view of Vic Utgoff.

For Utgoff is not unique. Middlelevel officials, seared by the flame of Vietnam, cannot trust their country to handle power responsibly. They incline to Pogo's Vietnam slogan, posters of which have adorned the walls of the U.S. Arms Control Agency: "I have met the enemy and he is us" (posters of which have adorned walls of the U.S. Arms Control Agency). The Utgoff principle raises doubt whether officials carrying that national self-image can effectively negotiate with an adversary not similarly burdened.●

RHODESIA POLICY DEADEND

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 3, 1978

● Mr. LAGOMARSINO. Mr. Speaker, I would like to bring to the attention of my colleagues the folowing editorial which recently appeared in the Washington Post by Rowland Evans and Robbert Novak:

A DEAD END ON RHODESIA?

(By Rowland Evans and Robert Novak)

The newest rationale behind Carter administration preference for Soviet-supplied guerrillas instead of pro-Western moderates to run Rhodesia is fear of yet another Cuban military operation, a rationale so clearly bogus that it brings the United States near a dead end in Africa.

While the British government gently nudges closer to supporting the internal (biracial) Rhodesian settlement, the official U.S. line grew tougher last week. The agreement between white Prime Minister Ian Smith and moderate black nationalists, a feat beyond imagination a short year ago, gives hope for a Western-oriented Zimbabwe (the future name for Rhodesia) with the white minority retaining a vital role. Yet the State Department's official spokesman on March 27 branded that settlement "illegal."

Since it seems clearly in U.S. interests, why should the Carter administration denounce it? The State Department's private answer: fear of Fidel Castro's potent Africa corps, fresh from military triumphs in Angola and the Horn of Africa. Should the United States promote a moderate government for Zimbabwe, policymakers told us, the Kremlin might signal Castro to move into Rhodesia and, considering the mood on Capitol Hill, Congress would permit no U.S. response.

Yet U.S. intelligence considers a Soviet-Cuban intervention most unlikely and in no way influenced by statements out of Washington. Those few study souls at State seeking rationality in African policy recognize the Cuban threat as a ploy of policymakers headed by Andrew Young, ambassador to the United Nations.

Young's policy is geared entirely to the desires of Nigeria and the "frontline" states bordering Rhodesia. These nations have no interest in Rhodesia's white minority and are the patrons of Soviet-backed guerillas in the Patriotic Front. Thus, the United States enters a policy dead end contrary to its own interests.

But support for the internal settlement is rising among the anti-communist black nations of French-speaking Africa (reflected by Gabon's March 24 statement expressing "optimism"). Once elections install black majority government with a black prime minister in independent Zimbabwe starting in 1978, world support would move toward the moderates. The one potential obstacle: a military takeover before then. That is easier said than done. Guerilla activity is tepid. Base camps in Mozambique have been cut up by cross-border raids, and barely 1,000 guerrillas now operate within Rhodesia. So the Patriotic Front's only certain way of preventing elections would be intervention by Cuba's well-armed Africa corps.

But U.S. analysts regard such a move as most unlikely, partly because Moscow knows it would bring in the South African army (which, of course, needs no authorization from the U.S. Congress). Although outgunned and outnumbered, White South African troops handled the Cubans in Angola two years ago. This time they would attack in force.

What is truly involved in U.S. policy is not fear of Cubans so much as desire to please Nigeria and other black African states. That this is also British policy was pointed up in London during secret talks Feb. 20–23 between Foreign Secretary David Owen and the Rev. Ndabininghi Sithole, a principal black nationalist leader in the internal settlement.

While calling that settlement "a step in the right direction," Owne repeatedly expressed his need to follow "the opinion of the world." adding: 'We can't isolate ourselves from the rest of the world." By "world opin-

ion," Owen clearly meant black African opinion.

Owen pleaded with Sithole to bring in Patriotic Front Leader Joshua Nkomo, who exercises political control over the Soviet-equipped but militarily untested guerrilla army based in Zambia. Since Nkomo has little popular support inside Rhodesia, his lifelong dream of power depends on his army—not the ballot box.

On Feb. 20, Owen told Sithole that Nkomo must return for the internal settlement to be acceptable. On Feb. 21, Sithole replied with a question: "How do we get Joshua [Nkomo] to return when he says publicly he will destroy the polling booths in the country and disrupt the democratic process?" A Sithole lieutenant, Joseph Gopo, put it more graphically: "What choices are we given? Take Joshua as King or get slaughtered. He is welcome to try the slaughter." Sithole complained that "a space for Nkomo" means "not only Nkomo but the Cubans and Russians and Zambians as well."

Owen did not insist, declaring: I don't rule out accepting the internal settlement." He seemed to accept Sithole's objections to an interim British high commissioner and guerilla domination of Zimbabwe's new national army.

There is not much flexibility in Washington. A Sithole emissary visiting the State Department March 4 was informed that any settlement must be predicated on the Anglo-American proposals. When the official State Department spokesman was instructed on March 24 to put the "illegal" brand on the internal settlement, the United States reached a policy dead end, publicly rationalized by the Cuban spectre.●

SENATE COMMITTEE MEETINGS

Title IV of the Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, join committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of all meetings when scheduled, and any cancellations or changes in meetings as they occur.

As an interim procedure until the computerization of this information becomes operational the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committees scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Thursday, May 4, 1978, may be found in Daily Digest of today's RECORD.

MEETINGS SCHEDULED

MAY 5

8:00 a.m.

Agriculture, Nutrition, and Forestry

Agricultural Research and General Legislation Subcommittee

To continue hearings on the status of nonfarm, nonfood, and fiber rural development research with USDA and the State land grant system.

322 Russell Building

9:30 a.m.

Environment and Public Works

To continue markup of proposed resource protection legislation.

4200 Dirksen Building

Human Resources

To continue markup of S. 1753, authorizing funds through FY 1983 for the Elementary and Secondary Education Act, and S. 2983, authorizing funds for FY 1979 and 1980 for the National Sea Grant College Program.

4232 Dirksen Building

Judiciary

Criminal Laws and Procedures Subcommittee

To resume hearings to examine the erosion of law enforcement intelligence gathering capabilities.

S–126, Capitol

10:00 a.m.

Apprropriations

State, Justice, Commerce, the Judiciary Subcommittee

To continue hearings on proposed budget estimates for FY 79 for NOAA, National Fire Prevention and Control Administration, and on research for science and technology, Department of Commerce.

S–146, Capitol

Appropriation

Transportation Subcommittee

To hold hearings on budget estimates for FY 79 for the St. Lawrence Seaway Development Corporation, and the Research and Special Programs Directorate, Department of Transportation.

1224 Dirksen Building

Banking, Housing, and Urban Affairs

To continue markup of S. 2637, proposed FY 79 authorizations for housing programs.

5302 Dirksen Building

Energy and Natural Resources

Parks and Recreation Subcommittee

To hold hearings on H.R. 10984, to establish the Friendship Hill National Historic Site, Pennsylvania; S. 1906, to establish the Santa Monica Mountains National Park and Seashore, California; and on the following bills to designate segments of rivers for inclusion in the Wild and Scenic River System: S. 2270, 2611, and 2653, Delaware River, S. 2656, Pere Marquette River, Michigan, S. 2658, Skagit River, Washington, and S. 1234, St. Crois, Minnesota and Wisconsin.

3110 Dirksen Building

Foreign Relations

To continue hearings on proposed Middle East arms sales.

4221 Dirksen Building

Governmental Affairs

To continue hearings on S. 2640, proposing reform of the Civil Service laws.

3302 Dirksen Building

Joint Economic

To hold hearings on the employment-unemployment situation for April.

5110 Dirksen Building

1:30 p.m.

* Foreign Relations

Foreign Assistance Subcommittee

To markup S. 2846, FY 79 authorizations for security supporting assistance.

4221 Dirksen Building

2:00 p.m.

Conferees

On S. 9, to establish a policy for the management of oil and natural gas in the Outer Continental Shelf.

Until 5:00 p.m. EF–100 Capitol

MAY 8

9:15 a.m.

Governmental Affairs

Civil Service and General Services Subcommittee

To mark up H.R. 11003, to clarify the authority for employment of personnel in the White House and by the President; H.R. 3161 and S. 1163, to improve the basic workweek of firefighting personnel of executive agencies; S. Res. 244, calling for Treasury Department study of Federal retirement systems; H.R. 2931, to establish uniformity in benefits and coverage under the Federal employees' health benefits program; and S. 990, Federal Physicians Comparability Allowance Act.

S–210, Capitol.

9:30 a.m.

Environment and Public Works

To mark up proposed FY 79 authorizations for the Nuclear Regulatory Commission.

4200 Dirksen Building

Human Resources

To mark up S. 2600, to extend certain vocational rehabilitation programs and to establish a comprehensive services program for the severely handicapped.

4232 Dirksen Building

Judiciary

To resume hearings on FY 79 authorizations for the Law Enforcement Assistance Administration, Department of Justice.

2228 Dirksen Building

10:00 a.m.

Commerce, Science, and Transportation

Communications Subcommittee

To hold hearings on S. 2211, the International Maritime Mobile Satellite Telecommunications Act.

235 Russell Building

Finance

To hold hearings on taxation of Americans working abroad.

2221 Dirksen Building

Governmental Affairs

To resume hearings on S. 991, to create a separate Cabinet-level Department of Education.

3302 Dirksen Building

10:30 a.m.

Judiciary

To hold hearings on FY 79 authorizations for the Civil Rights Division, Department of Justice.

2228 Dirksen Building

MAY 9

9:00 a.m.

Agriculture, Nutrition, and Forestry

Agricultural Production, Marketing, and Stabilization of Prices Subcommittee

To hold hearings to receive testimony from Administration officials on the problems of rural railway transportation.

324 Russell Building

Judiciary

Improvements in Judicial Machinery Subcommittee

To resume hearings on S. 1314, to provide that State and Federal prisoners may petition Federal courts in a writ of habeas corpus.

2228 Dirksen Building

9:30 a.m.

Human Resources

To mark up S. 2090, extending through FY 1981 certain programs administered under the Economic Opportunity Act and S. Res. 431, proposing implementation of Senate Rule 50 relating to Senate employment practices.

4232 Dirksen Building

Judiciary
Criminal Laws and Procedures Subcommittee
To resume hearings on S. 2013, to require the additional labeling of explosive materials for the purpose of identification and detection.
5110 Dirksen Building

10:00 a.m.
Commerce, Science, and Transportation
To mark up proposed legislation authorizing funds for those programs which fall within the committee's jurisdiction, and to vote on a motion to report S. 1381, setting standards for State no-fault benefit plans to compensate motor vehicle accident victims.
235 Russell Building

Finance
International Trade Subcommittee
To hold hearings on S. Con. Res. 76, to approve proposed extension of nondiscriminatory tariff treatment (most favored nation) of products from Hungary.
2221 Dirksen Building

Foreign Relations
To mark up S. 2863, FY 79 authorizations for the Department of State, ICA, and the Board for International Broadcasting, and S. 2619, FY 1979 authorizations for the Peace Corps.
4221 Dirksen Building

10:30 a.m.
Judiciary
To resume hearings on S. 2252, the Alien Adjustment and Employment Act.
2228 Dirksen Building

2:00 p.m.
Conferees
On H.R. 5289, to establish a comprehensive natural gas pricing policy.
2123 Rayburn Building

MAY 10

9:00 a.m.
Agriculture, Nutrition, and Forestry
To hold a businessmeeting.
322 Russell Building

Agriculture, Nutrition, and Forestry
Agricultural Production, Marketing, and Stabilization of Prices Subcommittee
To continue hearings to receive testimony from Administration officials on the problems of rural railway transportion.
Room to be announced

Commerce, Science, and Transportation
Consumer Subcommittee
To hold hearings on S. 2782, to protect consumers from misrepresentative advertising of gold and silver jewelry.
235 Russell Building

*Judiciary
Citizens and Shareholders Rights and Remedies Subcommittee
To resume oversight hearings on the rights and remedies of the insurance policy holders.
5110 Dirksen Building

Select Small Business
To mark up H.R. 11445, authorizing funds through FY 1982 for the Small Business Administration.
424 Russell Building

9:30 a.m.
Human Resources
To mark up S. 2850, authorizing funds for FY 1979 and 1980 for the Older Americans Act; S. 2915, authorizing funds through FY 1981 for the Alcohol and Drug Abuse Education Act; and S. 2916, FY 79 authorizations for the Office of Drug Abuse and for drug treatment programs.
4232 Dirksen Building

Veterans' Affairs
To markup S. 2398, to extend the period of eligibility for Vietnam-era veterans' readjustment appointment within the Federal Government; H.R. 5029, authorizing funds for hospital care and medical services to certain Filipino combat veterans of WW II; and S. 2836, to amend the Veterans' Administration Physician and Dentist Pay Comparability Act.
412 Russell Building

10:00 a.m.
Appropriations
Transportation Subcommittee
To hold hearings on budget estimates for FY 79 for the Office of the Secretary of Transportation.
1224 Dirksen Building

Finance
Administration of the Internal Revenue Code Subcommittee
To hold hearings on the proposed reorganization of the twelve smallest IRS districts.
2221 Dirksen Building

Foreign Relations
To mark up S. 2646, FY 79 authorizations for development assistance programs.
4221 Dirksen Building

Governmental Affairs
To mark up S. 1785 and S. 2026, to require public disclosure of certain lobbying activities, and S. 2236, to strengthen Federal programs and policies for combating international and domestic terrorism.
3302 Dirksen Building

10:30 a.m.
Commerce, Science, and Transportation
To hold hearings on the proposed U.S.-Canada Reciprocal Fisheries Agreement.
S-128, Capitol

Judiciary
To continue hearings on S. 2252, the Alien Adjustment and Employment Act.
2228 Dirksen Building

MAY 11

9:00 a.m.
Agriculture, Nutrition, and Forestry
Agricultural Production, Marketing, and Stabilization of Prices Subcommittee
To continue hearings to receive testimony from Administration officials on the problems of rural railway transportation.
324 Russell Building

Energy and Natural Resources
Energy Conservation and Regulation Subcommittee
To hold oversight hearings on the emergency sales of electric power.
3110 Dirksen Building

9:30 a.m.
Environment and Public Works
To resume markup of proposed FY 79-80 highway legislation.
4200 Dirksen Building

Governmental Affairs
Federal Spending Practices and Open Government Subcommittee
To hold oversight hearings on Government in the Sunshine Act (P.L. 94-409), and to receive testimony on efforts to reduce the Federal paperwork burden.
1318 Dirksen Building

Human Resources
To mark up S. 2570, FY 79 authorizations for CETA.
4232 Dirksen Building

Judiciary
To resume hearings on S. 1382, to establish criteria for the imposition of the sentence of death.
2228 Dirksen Building

Judiciary
Criminal Laws and Procedures Subcommittee
To resume hearings on S. 2013, to require the additional labeling of explosive materials for the purpose of identification and detection.
5110 Dirksen Building

10:00 a.m.
Finance
Tourism and Sugar Subcommittee
To hold hearings on S. 2990, the Sugar Stabilization Act.
2221 Dirksen Building

Foreign Relations
To mark up S. 2846, FY 79 authorizations for security supporting assistance.
4221 Dirksen Building

Governmental Affairs
To continue mark up of S. 1785 and S. 2026, to require public disclosure of certain lobbying activities, and S. 2236, to strengthen Federal programs and policies for combating international and domestic terrorism.
3302 Dirksen Building

10:30 a.m.
Judiciary
To continue hearings on S. 2252, the Alien Adjustment and Employment Act.
2228 Dirksen Building

2:00 p.m.
Appropriations
Transportation Subcommittee
To hold hearings on proposed budget estimates for FY 79 for the Minority Business Resources Center.
1224 Dirksen Building

Conferees
On S. 9, to establish a policy for the management of oil and natural gas in the Outer Continental Shelf.
Until 5:00 p.m. EF-100, Capitol

MAY 12

9:30 a.m.
Human Resources
To resume markup of S. 1753, authorizing funds through FY 1983 for the Elementary and Secondary Education Act, and other pending calendar business.
4232 Dirksen Building

2:00 p.m.
Conferees
On S. 9, to establish a policy for the management of oil and natural gas in the Outer Continental Shelf.
Until 5:00 p.m. EF-100, Capitol

MAY 15

10:00 a.m.
Appropriations
Transportation Subcommittee
To hold hearings on budget estimates for FY 79 for the Department of Transportation.
1224 Dirksen Building

Judiciary
Antitrust and Monopoly Subcommittee
To resume oversight hearings on ICC's price regulation in the motor common carrier industry.
2228 Dirksen Building

MAY 16

10:00 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings jointly with the Senate Banking Subcommittee on International Finance on technology exports and research and development investments.
6226 Dirksen Building

Banking, Housing, and Urban Affairs
Financial Institutions Subcommittee
To resume hearings on S. 2096, Right to Financial Privacy Act, and S. 2293, to modernize the banking laws with regard to the geographic placement of electronic fund transfer systems.
5302 Dirksen Building

10:30 a.m.
Judiciary
To resume hearings on S. 2252, the Alien Adjustment and Employment Act.
2228 Dirksen Building

MAY 17

9:30 a.m.
Human Resources
Health and Scientific Research Subcommittee
To resume hearings on S. 2755, the Drug Regulation Reform Act.
4332 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
Financial Institutions Subcommittee
To continue hearings on S. 2096, Right to Financial Privacy Act, and S. 2293, to modernize the banking laws with regard to the geographic placement of electronic fund transfer systems.
5302 Dirksen Building

Banking, Housing, and Urban Affairs
International Finance Subcommittee
To hold hearings in connection with restrictions employed by foreign countries to hold down imports of U.S. goods.
Room to be announced

Commerce Science and Transportation
Merchant Marine and Tourism Subcommittee
To hold hearings on S. 2873, proposed Ocean Shipping Act.
235 Russell Building

10:30 a.m.
Judiciary
To continue hearings on S. 2252, the Alien Adjustment and Employment Act.
2228 Dirksen Building

MAY 18

9:30 a.m.
Veterans' Affairs
Housing, Insurance, and Cemeteries Subcommittee
To hold hearings on S. 1643 and H.R. 4341, to eliminate the requirement for inspections of the mobile home manufacturing process by the VA and S. 1556, authorizing funds through FY 81 to assist States in establishing and maintaining VA cemeteries.
457 Russell Building

10:00 a.m.
Commerce, Science, and Transportation
Merchant Marine and Tourism Subcommittee
To continue hearings on S. 2873, proposed Ocean Shipping Act.
235 Russell Building

10:30 a.m.
Judiciary
To continue hearings on S. 2252, the Alien adjustment and Employment Act.
2228 Dirksen Building

MAY 22

9:00 a.m.
Select Small Business
To resume hearings on the Federal government patent policy.
318 Russell Building

10:00 a.m.
Judiciary
Antitrust and Monopoly Subcommittee
To resume oversight hearings on ICC's price regulation in the motor common carrier industry.
2228 Dirksen Building

MAY 23

9:00 a.m.
Select Small Business
To continue hearings on the Federal government patent policy.
6226 Dirksen Building

10:00 a.m.
Energy and Natural Resources
To resume hearings on S. 499, 1500, 1546, 1787, and 2465, to designate or add certain lands in Alaska to the National Park, National Wildlife Refuge, National Wild and Scenic Rivers, and National Wilderness Preservation Systems.
3110 Dirksen Building

MAY 24

9:30 a.m.
Commerce, Science, and Transportation
Aviation Subcommittee
To hold hearings on S. 747, H.R. 8729, and H.R. 11986, proposed Aircraft and Airport Noise Reduction Act.
235 Russell Building

10:00 a.m.
Energy and Natural Resources
To continue hearings on S. 499, 1500, 1546, 1787, and 2465, to designate or add certain lands in Alaska to the National Park, National Wildlife Refuge, National Wild and Scenic Rivers, and National Wilderness Preservation Systems.
3110 Dirksen Building

MAY 25

9:30 a.m.
Commerce, Science, and Transportation
Aviation Subcommittee
To continue hearings on S. 747, H.R. 8729, and H.R. 11986, proposed Aircraft and Airport Noise Reduction Act.
235 Russell Building

JUNE 7

9:30 a.m.
Human Resources
Alcoholism and Drug Abuse Subcommittee
To hold oversight hearings on use of the drug PCP (Angel Dust).
4232 Dirksen Building

JUNE 13

9:30 a.m.
Commerce, Science, and Transportation
Aviation Subcommittee
To resume hearings on S. 747, H.R. 8729, and H.R. 11986, proposed Aircraft and Airport Noise Reduction Act.
235 Russell Building

JUNE 14

9:30 a.m.
Commerce, Science, and Transportation
Aviation Subcommittee
To continue hearings on S. 747, H.R. 8729, and H.R. 11986, proposed Aircraft and Airport Noise Reduction Act.
235 Russell Building

10:00 a.m.
Banking, Housing, and Urban Affairs
Financial Institutions Subcommittee
To hold hearings on H.R. 10899, the International Banking Act.
5302 Dirksen Building

JUNE 15

9:30 a.m.
Commerce, Science, and Transportation
Aviation Subcommittee
To continue hearings on S. 747, H.R. 8729, and H.R. 11986, proposed Aircraft and Airport Noise Reduction Act.
235 Russell Building

10:00 a.m.
Banking, Housing, and Urban Affairs
Financial Institutions Subcommittee
To continue hearings on H.R. 10899, the International Banking Act.
5302 Dirksen Building

HOUSE OF REPRESENTATIVES—*Thursday, May 4, 1978*

The House met at 11 o'clock a.m.

Rev. Robert K. Sweet, St. John's United Church of Christ, Hollidaysburg, Pa., offered the following prayer:

Almighty God, we Your children humbly approach You with our human shortcomings and pride asking for Your tender mercy toward us. May this prayer be a real experience for each of us and not just a formality as we call upon You for guidance and wisdom.

We humans are subject, O God, to believing we can settle the affairs of Government without Your spiritual guidance and each time we come back to You as little children asking for Your fatherly advice and counseling.

May each of us hear Your words at the end of the day saying. "Well done good and faithful servant, you have served My people well." Thank you God for hearing our humble prayer. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Is there objection to the approval of the Journal?

Mr. RUSSO. Mr. Speaker, I object.

The SPEAKER. Objection is heard.

The question is on the approval of the Journal.

The question was taken, and the Speaker announced that the ayes appeared to have it.

Mr. RUSSO. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 360, nays 13,

answered "present" 1, not voting 60, as follows:

[Roll No. 281]

YEAS—360

Abdnor	Drinan	Krueger
Addabbo	Duncan, Tenn.	LaFalce
Akaka	Early	Lagomarsino
Alexander	Eckhardt	Latta
Ambro	Edgar	Le Fante
Ammerman	Edwards, Ala.	Leach
Anderson, Ill.	Edwards, Calif.	Leggett
N. Dak.	Edwards, Okla.	Lehman
Andrews,	Eilberg	Lent
Annunzio	Emery	Levitas
Applegate	English	Livingston
Archer	Erlenborn	Lloyd, Tenn.
Armstrong	Ertel	Long, La.
Ashbrook	Evans, Del.	Long, Md.
Ashley	Evans, Ga.	Lott
Aspin	Evans, Ind.	Lujan
Badham	Fary	Luken
Baldus	Fascell	Lundine
Barnard	Fenwick	McClory
Baucus	Findley	McCloskey
Bauman	Fish	McCormack
Beard, R.I.	Fisher	McDonald
Beard, Tenn.	Fithian	McEwen
Bedell	Flippo	McHugh
Beilenson	Flood	McKay
Benjamin	Florio	McKinney
Bennett	Flowers	Madigan
Bevill	Flynt	Maguire
Biaggi	Foley	Mahon
Bingham	Ford, Mich.	Markey
Blanchard	Fountain	Marks
Blouin	Fowler	Marlenee
Boggs	Fraser	Marriott
Boland	Frenzel	Martin
Bolling	Fuqua	Mathis
Bonior	Garcia	Mattox
Bonker	Giaimo	Mazzoli
Bowen	Gibbons	Meeds
Brademas	Gilman	Metcalfe
Breaux	Ginn	Meyner
Breckinridge	Glickman	Michel
Brinkley	Goldwater	Mikulski
Brodhead	Gonzalez	Mikva
Brooks	Goodling	Milford
Broomfield	Gore	Miller, Calif.
Brown, Calif.	Gradison	Miller, Ohio
Brown, Ohio	Grassley	Mineta
Broyhill	Green	Minish
Buchanan	Gudger	Mitchelll, N.Y.
Burgener	Guyer	Moakley
Burke, Fla.	Hagedorn	Moffett
Burke, Mass.	Hall	Mollohan
Burleson, Tex.	Hamilton	Montgomery
Burlison, Mo.	Hammer-	Moore
Burton, Phillip	schmidt	Moorhead,
Butler	Hanley	Calif.
Byron	Hansen	Moorhead, Pa.
Caputo	Harkin	Mottl
Carney	Harrington	Murphy, Ill.
Carr	Harris	Murtha
Carter	Harsha	Myers, Gary
Cavanaugh	Heckler	Myers, John
Cederberg	Hefner	Natcher
Chappell	Heftel	Neal
Chisholm	Hightower	Nedzi
Clausen,	Hillis	Nichols
Don H.	Holland	Nowak
Cleveland	Hollenbeck	O'Brien
Cohen	Holt	Oakar
Coleman	Holtzman	Oberstar
Collins, Ill.	Horton	Obey
Collins, Tex.	Howard	Ottinger
Conable	Hubbard	Panetta
Conte	Huckaby	Patten
Conyers	Hughes	Pattison
Corcoran	Hyde	Pease
Corman	Ichord	Pepper
Cornell	Ireland	Perkins
Cotter	Jeffords	Pettis
Cunningham	Jenkins	Pickle
D'Amours	Jenrette	Pike
Daniel, Dan	Johnson, Colo.	Poage
Daniel, R. W.	Jones, N.C.	Pressler
Davis	Jones, Okla.	Preyer
de la Garza	Jones, Tenn.	Price
Delaney	Jordan	Pursell
Dellums	Kastenmeier	Quie
Derrick	Kelly	Quillen
Derwinski	Kemp	Railsback
Devine	Ketchum	Rangel
Dickinson	Keys	Regula
Dicks	Kildee	Reuss
Dodd	Kindness	Rhodes
Dornan	Kostmayer	Richmond
Downey	Krebs	Rinaldo
Roberts	Smith, Iowa	Volkmer
Robinson	Smith, Nebr.	Thompson
Roe	Snyder	Waggonner
Rogers	Solarz	Walgren
Roncalio	Spellman	Walsh
Rooney	Spence	Wampler
Rose	St Germain	Watkins
Rosenthal	Staggers	Waxman
Rostenkowski	Stangeland	Weiss
Rousselot	Stanton	Whalen
Roybal	Stark	Whitehurst
Rudd	Steed	Wilson, Tex.
Ruppe	Steers	Winn
Russo	Stockman	Wolff
Ryan	Stokes	Wright
Santini	Stratton	Wydler
Satterfield	Studds	Wylie
Sawyer	Stump	Yates
Scheuer	Symms	Yatron
Schulze	Taylor	Young, Alaska
Sharp	Treen	Young, Fla.
Shuster	Trible	Young, Mo.
Sikes	Tsongas	Young, Tex.
Sisk	Ullman	Zablocki
Sebelius	Van Deerlin	Zeferetti
Skelton	Vento	
Slack	Vanik	

NAYS—13

AuCoin	Lloyd, Calif.	Traxler
Brown, Mich.	Mitchell, Md.	Walker
Coughlin	Quayle	Wilson, Bob
Forsythe	Sarasin	
Jacobs	Steiger	

ANSWERED "PRESENT"—1

Johnson, Calif.

NOT VOTING—60

Allen	Gaydos	Runnels
Anderson,	Gephardt	Schroeder
Calif.	Hannaford	Seiberling
Andrews, N.C.	Hawkins	Shipley
Bafalis	Kasten	Simon
Burke, Calif.	Kazen	Skubitz
Burton, John	Lederer	Teague
Clawson, Del	McDade	Thone
Clay	McFall	Thornton
Cochran	Mann	Tucker
Cornwell	Moss	Udall
Crane	Murphy, N.Y.	Vander Jagt
Danielson	Murphy, Pa.	Weaver
Dent	Myers, Michael	White
Diggs	Nix	Whitley
Dingell	Nolan	Whitten
Duncan, Oreg.	Patterson	Wiggins
Evans, Colo.	Pritchard	Wilson, C. H.
Ford, Tenn.	Rahall	Wirth
Frey	Risenhoover	
Gammage	Rodino	

So the Journal was approved.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate agrees to the amendment of the House to a bill of the Senate of the following title:

S. 422. An act for the relief of the First Baptist Church of Paducah, Ky.

THE REVEREND ROBERT K. SWEET OF BEDFORD COUNTY, PA.

(Mr. SHUSTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SHUSTER. Mr. Speaker, the member of the clergy who offered the opening prayer this morning was Rev. Robert K. Sweet of Bedford County, Pa. Reverend Sweet, who is accompanied by his lovely wife Katherine, is an outstanding leader in the Bedford County area, and serves now as the minister to the St. John's United Church of Christ of Hollidaysburg and the Trinity Church of Williamsburg.

Reverend Sweet is a relative newcomer to the ministry but he brought to his profession many years of solid community service and concern about the people of Bedford County. Before entering the ministry Bob Sweet served as the chairman of the Bedford County commissioners for 8 years and as president of the Southern Alleghenies Planning and Development Commission. Now with two growing congregations he still finds time to be actively involved on the board of directors of the Salvation Army-Bedford area and project director of Old Bedford Village, a community historical project that authentically re-creates colonial life in thanking Reverend Sweet for sharing Bedford's founding.

I join the other Members of the House in thanking Reverend Sweet for sharing his devotional message with us this morning.

SUN DAY

(Mr. OTTINGER asked and was given permission to address the House for 1 minute.)

Mr. OTTINGER. Mr. Speaker, the celebration yesterday of Sun Day all over the country was a tremendous success. I started out by joining the national Sun Day organization in greeting the rising of the Sun in the continental United States, getting up at 3 o'clock in the morning, climbing with more than a thousand people up Cadillac Mountain in Maine, and witnessing the first sunrise in the country. Then, I went to New York, where I was told more than 2,500 people turned out at the United Nations, and I participated in a presentation to better than a thousand people in the securities business on the investment advantages of solar energy.

I then came back to the Lincoln Memorial in Washington, where there were literally thousands of people who heard speakers and bands playing in celebration of this important day.

In virtually every community throughout the country, similar celebrations were had and exhibits were conducted of solar energy devices. The principal purpose of the celebration was to convince the Government that its energy priority should be on solar energy rather than the high technology, high risk, huge capital cost technologies presently receiving priority—and to educate the public on the availability and feasibility of solar energy.

I do hope that the administration and the business community will get the message that what we want and can have is solar energy now.

Tremendous credit for the success of Sun Day should be given to Dennis Hayes, the coordinator and father of Earth Day several years ago; Lola Redford and Suzanna Lawrence of Conscience Action Now; and the environmental groups, large and small, throughout the land.

PERMISSION FOR COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE TO HAVE UNTIL MIDNIGHT, MAY 5, 1978, TO FILE REPORT ON H.R. 11998, HOME INSULATION SAFETY

Mr. ECKHARDT. Mr. Speaker, I ask unanimous consent that the Committee on Interstate and Foreign Commerce may have until tomorrow, May 5, midnight, to file the committee report on H.R. 11998, home insulation safety.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

REVISED INTERSTATE LAND SALES REFORM ACT

(Mr. MINISH asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. MINISH. Mr. Speaker, today I am introducing a revised and improved version of the Interstate Land Sales Reform Act. The changes, which are relatively minor, are a result of hearings which the Banking and Urban Affairs Oversight Subcommittee held on land sales in April. This bill, like its predecessor, has more than 25 cosponsors.

Mr. Speaker, something has to be done with the land sales industry. Literally millions of Americans have been defrauded or disappointed by developers who use high-pressure sales tactics to lure consumers into buying property which is often grossly overpriced. The contracts of sale which many developers use are unfair and offer little protection to buyers. Developers often close sales by promising basic services, golf courses, and swimming pools which they never provide. In many cases, developers go bankrupt, forcing lot owners to go through years of legal battles before they can even use their land.

The present Interstate Land Sales Full Disclosure Act just does not protect people. The legislation which I am introducing would strengthen the present law by preventing a number of the worst consumer abuses and by forcing developers to keep their promises. Although this bill will be very hard on shady developers, it won't affect those who already deal fairly with lot buyers.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 12222, AMENDING FOREIGN ASSISTANCE ACT

Mr. YOUNG of Texas, from the Committee on Rules, submitted a privileged report (Rept. No. 95–1110) on the resolution (H. Res. 1164) providing for consideration of H.R. 12222, to amend the Foreign Assistance Act of 1961 to authorize development and economic assistance programs for fiscal year 1979, to make certain changes in the authorities of that act and the Agricultural Trade Development and Assistance Act of 1954, to improve the coordination and administration of U.S. development-related policies and programs, and for other purposes, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 7814, FEDERAL EMPLOYEES FLEXIBLE AND COMPRESSED WORK SCHEDULES ACT OF 1978

Mr. YOUNG of Texas, from the Committee on Rules, submitted a privileged report (Rept. No. 95–1111) on the resolution (H. Res. 1165) providing for consideration of (H.R. 7814) to authorize Federal agencies to experiment with flexible and compressed employee work schedules, which was referred to the House Calendar and ordered to be printed.

THE ENERGY CRISIS MUST BE OVER

(Mr. KETCHUM asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KETCHUM. Mr. Speaker, I take this time today to inform the body that the energy crisis is now over, according to our leadership. Now, it must be over, because during the breast beating that took place after the Carter administration took office, all three of those beautiful Cadillacs, which our leaders so richly deserve, were removed and in their place were some small Oldsmobiles.

I say the energy crisis must be over, because today I see out in front three 4-door Lincoln Continentals. Maybe they are compacts.

SUN DAY SOLAR CELEBRATION LITTER A DISGRACE

(Mr. SEBELIUS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SEBELIUS. Mr. Speaker, I believe we are all well aware of the fact that there was a Sun Day celebration yesterday, but if you were with me driving through the new Potomac Park this morning, and having passed the Washington Monument, you would be sharing the shock, disbelief, and disgust that I felt as I saw the litter of beer cans and other matter disgracing our National Capital park.

After this celebration I would call on the sponsors, those who headed the celebration to see that they clean up after themselves like the Boy Scouts and the Girl Scouts do when they camp.

I intend to work on this and to introduce legislation to include our National Capital parks and the National Park Service in a provision that would require not only moral promises to be "good boys and girls and to do a good job" but to really require respect of the environment, and to see that they put up a bond or something like that. Evidently the participants were more concerned with their beer, their flute playing, and their dancing than they are in keeping our parks in the beautiful shape that they were in. I backed and cosponsored a National Sun Day. I would hope that all of us would keep in mind that the Sun is needed to keep our parks green. It cannot do that if the park is covered with trash and beer cans.

APPOINTMENT AS MEMBER TO NATIONAL COMMISSION ON NEIGHBORHOODS

The SPEAKER. Pursuant to the provisions of section 203(b)(2), Public Law 95–24, the Chair appoints as a member to the National Commission on Neighborhoods, the gentleman from Michigan (Mr. BLANCHARD), to fill the existing vacany thereon.

CONFERENCE REPORT ON H.R. 6782, EMERGENCY AGRICULTURAL ACT OF 1978

Mr. YOUNG of Texas. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 1162 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 1162

Resolved, That immediately upon the adoption of this resolution it shall be in order to consider, any rule of the House to the contrary notwithstanding, the conference report on the bill (H.R. 6782) to permit marketing orders to include provisions concerning marketing promotion, including paid advertisement, of raisins and distribution among handlers of the pro rata costs of such promotion, and all points of order against said conference report are hereby waived.

The SPEAKER. The gentleman from Texas (Mr. YOUNG) is recognized for 1 hour.

Mr. YOUNG of Texas. Mr. Speaker, from time to time I plan to yield time in this debate and I want the record to reflect that when I yield, I yield for purposes of debate only.

Mr. Speaker, I yield the customary 30 minutes time to the distinguished gentleman from Illinois (Mr. ANDERSON), pending which I yield myself such time as I may consume.

Mr. YOUNG of Texas. Mr. Speaker, this resolution provides for the consideration of the second conference report on the Emergency Agricultural Act of 1978, H.R. 6782. The resolution waives all points of order so that this important conference agreement might be considered by the entire House. This includes a waiver of section 303(a)(4) of the Congressional Budget Act because the report provides for new spending entitlement authority prior to the adoption by the Congress of the first concurrent budget resolution for the next fiscal year which begins October 1, 1978. Although the Budget Committee opposed a waiver of section 303(a)(4) with respect to the original conference report on H.R. 6782, the chairman of the Budget Committee, Mr. GIAIMO, has indicated in a letter dated May 1, 1978 addressed to the chairman of the Committee on Rules, Mr.

DELANEY, that he would not object to a waiver of section 303(a)(4) to permit the consideration of the new conference report to accompany the Emergency Agricultural Act of 1978.

The waiver also protects the conference report against points of order based on the scope of the conference agreement and the germaneness of the original Senate amendment.

As you will recall, Mr. Speaker, the Senate approved an earlier version of the conference agreement but it was rejected by the House on April 12, 1978. Subsequently, the conferees met again and reached agreement on a new conference report to accompany the bill, H.R. 6782. On May 2, the Senate approved this report by a voice vote.

Mr. Speaker, the second conference report retains the following noncontroversial provisions included in the earlier version:

It establishes a raisin marketing order program which would authorize raisin production and marketing research and development projects, including paid advertising for raisins;

It increases the borrowing authority of the Commodity Credit Corporation from $14.5 billion to $25 billion beginning October 1, 1978; and

It authorizes the Agriculture Department to encourage the use of grains to make fuel by permitting the use of diverted land for growing crops that can be blended to make gasohol.

With respect to the price support section of the bill, the conferees agreed to make the following changes in present law:

Any time there is an announced set-aside for the 1978 through 1981 crops of wheat, feedgrains, or cotton, the Secretary would be authorized to increase the target price by an amount appropriate to compensate producers for participation in the set-aside. If the target price is increased on any commodity for which a set-aside is in effect, the Secretary could increase the target price for any other commodity to such levels as he determines necessary for the effective operation of the program. Any increase made by the Secretary could not escalate the target price for future years.

The cotton loan level for the 1978 through the 1981 crops would be determined on the basis of present law, except for three technical changes, but in no case shall it be lower than 48 cents per pound.

In his testimony before the Committee on Rules, Chairman FOLEY of the House Agriculture Committee indicated to us that the Congressional Budget Office has estimated that this bill, if enacted, would increase fiscal year 1979 outlays by $700 million; which is well below the $2.5 billion ceiling recommended by the Budget Committee in the first concurrent budget resolution.

Mr. Speaker, on May 3, the Committee on Rules granted this rule on the measure by a voice vote. I urge the adoption of House Resolution 1162 so that the House may proceed to the consideration of the conference report on the bill, H.R. 6782. I reserve the balance of my time.

Mr. ANDERSON of Illinois. Mr. Speaker, I yield myself 8 minutes.

Mr. Speaker, when I look at this emergency agricultural rule and the conference report it would make in order, I cannot help but be reminded of that old favorite song, "Old MacDonald Had a Farm." There's a quack, quack here, and a quack, quack there; and when we get to the bottom line, it all adds up to a whole lot of quackery. Yes, "quackery," which Webster defines as "dishonestly claiming to effect a cure."

First of all, let us look at this simple little one sentence rule. All it claims to do is make in order a conference report on a bill which has to do with raisin marketing promotion. Well, that is a big quack to begin with since we all know from the previous incarnation of this conference report that it has to do with a whole lot more. And that explains why we need a rule on this conference report in the first place, and why the rule waives all the rules of the House: this conference report and this procedure violate so many rules that it would be too embarrassing to enumerate them. So we just fall back on the clean little phrase, "any rule of the House to the contrary notwithstanding," it shall be in order to consider this conference report.

While the earlier rule we considered on the first agricultural conference report on April 12 was worded the same, I think it should be noted that this conference report violates more rules than the earlier one: the waivers on the first conference report were necessary because the massive Senate amendment dealing with wheat, cotton, corn and other things was not germane to the House-passed raisin bill, and because the loan provisions violated section 303(a) of the Budget Act. This bill, by contrast, contains an additional, and, in my opinion, a much grosser violation of the Rules of the House in that it goes beyond the scope of what was committed to the conference by either House. To quote from Chairman FOLEY's letter of May 1 to the Rules Committee:

> . . . the report contains matter that is beyond the scope of the issues committed to the Conference Committee in that provisions of Title I apply to the 1978 through the 1981 crops of the commodity; whereas, the matter committed to Conference related only to the 1978 crop.

I say this is a grosser violation of the rules because, whereas House Rule XXVIII provides for a separate House vote on a nongermane Senate amendment in a conference report, clause 3 of that rule makes clear that extra-scope matters are flatly prohibited in a conference report. To quote from clause 3 of rule 28:

> . . . the introduction of any language in that substitute presenting a specific additional topic, question, issue, or proposition not committed to the conference committee by either House shall not constitute a germane modification of the matter in disagreement. Moreover, their report shall *not* include matter not committed to the conference committee by either House, nor shall their report include a modification of any specific topic, question, issue or proposition committed to the conference committee by either or both Houses if that modification is beyond the scope of that specific topic, question, issue or proposition as so committed to the conference committee.

Mr. Speaker, I hope this distinction between the last rule and conference report and this rule and conference report is not lost on the Members of this body. For what we are really dealing with here is a bill which was never considered by either body of Congress. In short, we are dealing with a bill which originated in a conference committee with no hearings, no report, no careful cost estimates or any of the other safeguards built into our regular legislative process. And now we are being asked to throw the House rule book out the window and accept all this on faith.

Mr. Speaker, as if this procedure were not enough of a travesty on the integrity of this body—procedural quackery of the lowest barnyard variety—we move on to the substance of this conference report which has got to qualify for the rubber ducky award of 1978 for political quackery. On the one hand we are told this bill is going to cost us a mere pittance because the administration has already indicated that it will only use this new authority in the 1978 crop year to increase the support for wheat to $3.40 a bushel. On the other hand, we are still led to believe that this is a realistic and effective solution to the agricultural emergency we have been confronting for the last few months. In examining these conflicting claims we must conclude that this is either a nothing bill or an everything bill: How is that for political quackery? You can take your pick depending on which claim you are most comfortable with.

I would suggest, however, that while modest claims are being made today about the limited plans for exercising the authority granted by this bill, at least for the 1978 crop year, the very existence of that vast new authority granted the Secretary of Agriculture under this bill to unilaterally adjust support levels should give us cause to pause before we vote. This is not a 1-year bill as the other one was; it is a 4-year bill. But more importantly, it is a blank check bill for the executive branch. Quite simply, the bill gives the Secretary of Agriculture practically carte blanche authority to increase target prices on wheat, feed grains and cotton during each of the 4 years, 1978 through 1981, with no ceiling on the level of supports, and no fiscal control by Congress over any future increases.

Whatever happened to the Congress which was going to reassert its prerogatives and reverse the trend of abdicating its powers to the executive branch? Could it be that our fears of an all-powerful executive branch have faded with the advent of a Democrat in the White House? Could it be that the prospect of a Secretary of Agriculture merrily adjusting support prices during an election year is too great a temptation to pass up?

Mr. Speaker, I do not impute ulterior or Machiavellian motives to either the authors of this conference report or the administration in power. I do, however, read this bill for what it is: A massive grant of unchecked power to the executive branch. And I think I have been as traumatized as anyone else around here over the last decade over where such an imbalance in our system can lead.

In conclusion, Mr. Speaker, I urge defeat of this rule because the rule throws too much out the window procedurally and the conference report would bring too much in the back door substantively.

Mr. FINDLEY. Mr. Speaker, will the gentleman yield?

Mr. ANDERSON of Illinois. I yield to the gentleman from Illinois (Mr. FINDLEY), a distinguished member of the committee.

Mr. FINDLEY. Mr. Speaker, the gentleman in the well like myself and many others in this House, were here last night until about 10:15, after a long day of labor, to try to put together a Budget Control Act. It seems to me that if the House approves this rule, it will indeed look ludicrous to the outside world.

It would appear ludicrous 13 hours later, after having adjourned from that long labor in trying to establish budget control, for us to adopt a rule waiving all points of order regarding the Budget Control Act.

Does the gentleman agree with me?

Mr. ANDERSON of Illinois. Mr. Speaker, the gentleman is eminently correct. There is certainly a lot of irony in the fact that on the very day we are discussing the budget resolution we are willing to waive section 303(a) of the Budget Act. I agree completely.

Mr. JOHNSON of Colorado. Mr. Speaker, will the gentleman yield?

Mr. ANDERSON of Illinois. I yield to the gentleman from Colorado.

Mr. JOHNSON of Colorado. Mr. Speaker, I want to commend the gentleman from Illinois (Mr. ANDERSON) for the remarks he made with respect to the transfer of authority from the Committee on Agricluture and the Congress to the Secretary of Agriculture. Those remarks are just in line with my own thinking and my own remarks that I intend to make later on if the gentleman's efforts to defeat the rule are not successful.

I would have hoped that the Membership would have listened to what the gentleman said, because this transfer of absolute and total authority to the Secretary of Agriculture and to the Presidency is unwarranted under any circumstances, much less during this particular time.

The SPEAKER pro tempore (Mr. TRAXLER). The time of the gentleman from Illinois (Mr. ANDERSON) has expired.

Mr. ANDERSON of Illinois. Mr. Speaker, I yield myself 2 additional minutes, and I yield further to the gentleman from Colorado (Mr. JOHNSON).

Mr. JOHNSON of Colorado. Mr. Speaker, as the gentleman has pointed out, there is no need and there is no rational justification for turning over this kind of absolute, total authority to the President or to the Secretary of Agriculture.

Would the gentleman agree with me that in the event this conference report is agreed to, we might change the title of the Secretary of Agriculture and just call him the "Sultan of Agriculture." I think that would be much more appropriate.

Mr. ANDERSON of Illinois. Mr. Speaker, I think the gentleman's descriptive term would be very apt and very correct.

Mr. Speaker, let me say in conclusion that I do not know of any major farm organization that is supporting this conference report. The farmers who were here in Washington for many weeks and those who are represented by the American Agriculture Movement, to my knowledge, do not support the purported solution contained in this conference report.

Mr. JOHNSON of Colorado. Mr. Speaker, will the gentleman yield further?

Mr. ANDERSON of Illinois. I yield to the gentleman from Colorado.

Mr. JOHNSON of Colorado. Mr. Speaker, I thought we ought to get into the RECORD the statement that the members of the conference committee received from the American Agriculture Movement, and that statement starts off as follows:

> The national delegate body of the American Agriculture Movement wants to urge the members of the Conference Committee on the Emergency Agricultural Act of 1978 "(H.R. 6782)" to not simply pass the buck to the executive branch of the government in providing the administration with the authority to raise commodity target prices.

Mr. Speaker, that is just emphasizing the point that the gentleman made.

Mr. YOUNG of Texas. Mr. Speaker, I yield 5 minutes to the distinguished gentleman from California (Mr. SISK).

Mr. SISK. Mr. Speaker, I thank my colleague, the gentleman from Texas (Mr. YOUNG), for yielding me some time to discuss this matter.

It is with a good deal of regret that I take the floor on this occasion, particularly because of what I fear is happening here.

I served as chairman of the Subcommittee on Cotton of the Committee on Agriculture. I was told at the time of my appointment by my distinguished and good friend, the gentleman from Texas (Mr. POAGE), who appointed me as chairman of that subcommittee, that probably it was the first time in the history of the American Congress that any Member outside of the Deep South had ever served as chairman of the Subcommittee on Cotton. I enjoyed those years of service, and I was dedicated to unity in the cotton industry across this Nation. I enjoyed the hospitality of my friends in the South, in the Carolinas, in Alabama, in Texas, and in other places where we had an opportunity to visit and to work.

We had generally in the past few years avoided direct confrontation. We recognized that because of differing areas from which we come, there are many different problems with which we are faced.

Today, though, for the first time we have before us an issue which is creating a serious split in a great industry in this country, and frankly, it particularly affects those people that I represent, especially western growers and growers from other Western States. I might say that there is a substantial voice in the National Cotton Council which represents the industry that feels that this is a mistake, and they recognize that in fact in all probability it will lead to serious implications in connection with the cotton industry.

I hesitate to oppose a conference report, and I certainly hesitate to oppose a rule. I had understood a couple of days ago that we had at least what was considered maybe a reasonable understanding of an alternative.

Mr. Speaker, let me say that I am not referring to any of my colleagues in the Congress but, rather, to a few less than understanding people, I think, in the industry, from some areas of the country, who came in here and twisted a lot of arms, made a lot of noise, made a lot of demands, and, as a result, of course, the situation fell apart.

All I can say to the Members is that, unfortunately, this bill is discriminatory. I would hope that the conference report will be defeated and that, in fact, the Committee on Agriculture may be able to get back together with our friends in the other body and come out with something somewhat more fair.

I, personally, even though I represent users of grain, consumers of grain—I am talking now of the cattle industry, the dairy industry, the poultry industry—am perfectly willing to support the $3.40 figure for wheat, because I understand the very serious and very grave problems of some of these people. Yet I am curious to find anything in there in connection with corn, feed grains, and rice; and, frankly, we feel strongly that the time as to 4 years with a floor in connection with the loan will very likely destroy the cotton industry in this country. I recognize we are proceeding, to some extent, on assumptions. But I think it is regrettable that we are committing the American taxpayers again to a substantial burden which may very well return us to the necessity of rigid controls and loss again of a great industry which we have built up over a period of recent years, improving the situation by virtue of the fact that we have become more competitive with artificial fibers and, in fact, there is a demand for cotton products.

Mr. Speaker, I would plead with my colleagues in the House from all sections of the country to recognize this fact and to vote down this conference report.

I am not terribly concerned about the rule. I am going to vote against the rule. I think that would be the quickest way to

handle it. The results would be the same, in either case.

The SPEAKER. The time of the gentleman from California (Mr. SISK) has expired.

Mr. YOUNG of Texas. Mr. Speaker, I yield 2 additional minutes to the gentleman from California.

Mr. KREBS. Mr. Speaker, will the gentleman yield?

Mr. SISK. I yield to my colleague, the gentleman from California.

Mr. KREBS. I thank the gentleman for yielding.

Mr. Speaker, I would like to associate myself with the remarks that my colleague just made, and I want to commend him for the leadership that he has taken on this issue. If the substitute which was offered by the gentleman from California (Mr. SISK) in the Committee on Rules had been adopted, it would have given this body an opportunity to be heard on an issue which the gentleman from California just outlined and which is of paramount importance to the cottongrowers in all of the Western States. I think it is very regrettable that the substitute was not adopted.

Therefore, as a last resort, I would urge the Members of the House to vote down the rule and later vote down the conference report and, hopefully, give the conferees another opportunity to come up with a bill that is not going to damage one segment of agriculture in the hope of helping another segment.

Mr. SISK. Mr. Speaker, I thank my colleague, the gentleman from California (Mr. KREBS), for his expression.

As I say, it is with a great deal of regret that I take the floor on this occasion because of the great unity that had existed in the cotton industry. Here we are again sowing the seeds of discord in a great agricultural industry so as to again go back and fight one another on a sectional basis, which I think is unfortunate and tragic.

Mr. ANDERSON of Illinois. Mr. Speaker, I yield 5 minutes to the gentle- from Illinois (Mr. FINDLEY).

Mr. FINDLEY. Mr. Speaker, I think it is entirely proper in these circumstances for the Members of the House to take time under the rule to talk about the bill; and ordinarily I do not feel that way because the time for the rule is supposedly set aside for a discussion of the quality of the rule itself.

Mr. Speaker, the quality of this rule is certainly subject to examination; but the fact is that there have been no hearings whatever on this conference report on either side of the Capitol. This bill is the creature of the conferees. Not one witness has been heard.

Furthermore, Mr. Speaker, as my colleague, the gentleman from Illinois, stated, to our knowledge, not one single major farm organization has expressed its approval of this conference report. I called the American Farm Bureau Federation last night to get what their position is. They stated that they are opposed to it. Moreover, as the gentleman from Illinois (Mr. ANDERSON) indicated, the agricultural movement opposes the bill, too.

As a consequence, Mr. Speaker, the discussion time we have available now as well as under the conference report, which, of course, is limited to 1 hour, must suffice as hearings on the bill. That I view as tragic.

Mr. Speaker, I think it is most unfortunate to see the House taking up a major 4-year farm bill without the advantage of testimony and the views of interested parties.

Mr. BURLISON of Missouri. Mr. Speaker, will the gentleman yield?

Mr. FINDLEY. I yield to the gentleman from Missouri.

Mr. BURLISON of Missouri. Mr. Speaker, I appreciate my friend's yielding.

Certainly he is not suggesting that it is customary to hold hearings after a conference report is agreed to, is he?

Mr. FINDLEY. I think it is customary for the Committee on Agriculture to hold hearings on a 4-year farm bill; and this did not occur.

Mr. BURLISON of Missouri. The gentleman knows, of course, even better than I do, that several weeks of hearings have been held this year subsequent to passage of the 1977 bill, looking forward to amendments to that 1977 bill, does he not?

Mr. FINDLEY. I hope someone will correct me if I am incorrect; but to the best of my knowledge, there was not one witness who testified in behalf of the terms set forth in this conference report for the feed grains, wheat, or cotton.

If the gentleman can cite one witness or one bit of testimony or one element of discussion about the terms that are now before us, I would be glad to have him give us that information.

Mr. BURLISON of Missouri. If the gentleman will yield further, I know there were a number of organizations and a number of individuals, some constituents of mine, who were here and who attended and testified during those weeks of hearings. They testified on many items and many provisions.

Mr. FINDLEY. But the question is, did they testify on the proposition that is now before the House?

Mr. BURLISON of Missouri. Yes, they did. I would not say that there was one particular witness who substantiated or supported this conference report.

Mr. FINDLEY. That certainly is the important thing.

Mr. BURLISON of Missouri. I do not know of a bill that we have ever had before this body that would comply with the guidelines which the gentleman is setting up.

Mr. FINDLEY. I would say to the gentleman—and as he is a former member of the Committee on Agriculture, he knows this as well as I do—that it is traditional for the members of the House Committee on Agriculture to have an opportunity to hear testimony on specific farm program recommendations. There is no precedent, in my memory at least, for the type of operation which we witnessed during the last 2 weeks in which a conference report, again without the benefit of testimony on its specific terms, came before this House.

Fortunately, Mr. Speaker, the House saw fit to reject the conference report then. I hope it will do the same today.

Mr. FINDLEY. The Senate has approved this conference report, and never having been a Member of that body, I do not know really how they operate. I examined the CONGRESSIONAL RECORD. The only persons who appeared to have had any role in the discussion—if discussion actually occurred, and it is not clear from the record—were Senators ALLEN, THURMOND, and TALMADGE.

The SPEAKER pro tempore. The time of the gentleman from Illinois has expired.

Mr. ANDERSON of Illinois. Mr. Speaker, I yield 3 additional minutes to the gentleman from Illinois (Mr. FINDLEY).

Mr. FINDLEY. There was no discussion beyond those Members of the Senate. There was no RECORD vote, and it is up to us in this Chamber to stand up for the interests of the farmers of the United States, because obviously only a very sectional interest was heard, if any interest indeed was heard at all, in the Senate.

In my first year in this Chamber, Orville Freeman was Secretary of Agriculture, and his initial recommendation to the Congress was a proposal that came out under the title of H.R. 1066. It proposed to reverse the role of the Legislature and the Executive, letting the Executive draw up whatever kind of farm program it wanted, giving a veto right to the Congress. This bill gives the executive branch authority over the farm programs, but it does not even reserve a veto opportunity for the Congress. This gives the Secretary enormous discretionary authority.

Now, CBO has given us an estimate, dated April 28, as to what the bill will cost, but it is a very guarded estimate. No one could possibly forecast the billions of dollars that this legislation may well cost over its 4-year term. Election year politics can do wonders in the minds of a President or a Secretary of Agriculture hunting for votes, as I learned to my pain when President Ford was in the White House.

The CBO estimate says as follows: "The extensive discretionary authority provided in the conference agreement makes it extremely difficult to cost."

And later on, "Costs could be * * * much greater than those shown below * * *"

So, there really is no reasonable, useful estimate of the cost. But, the greatest damage will not come to the American people as taxpayers. The real damage will come to the American people as the most efficient producers of food the world has ever known.

The gentleman from California (Mr. SISK) pointed out the damage that this bill will do to the competitive position of American cotton, which has pulled itself out of the doldrums after many years of difficulties from excessive government

control. This gives the Secretary enough authority to inflect the same sort of inefficiencies upon feed grains and wheat as it does upon cotton.

Mr. YOUNG of Texas. Mr. Speaker, I yield 5 minutes to the distinguished gentleman from Missouri (Mr. BURLISON).

Mr. BURLISON of Missouri. Mr. Speaker, I rise in support of this rule. There are a number of provisions in the bill that are important. The bill gives the Secretary of Agriculture the authority to raise the wheat target price from the present $3 per bushel to $3.40 per bushel, which the President has said that he will do. Certainly, $3 per bushel for wheat does not cover the cost of producing, and certainly it should be increased.

The provision with respect to cotton will mandate a minimum loan of 48 cents a pound. Certainly, there would be few in the Chamber nor few cotton farmers in the country, who would deny that the existing 44 cents a pound does not approach the cost of cotton; nor, for that matter, does 48 cents a pound. At least the cotton farmers will not lose as much at 48 cents as they will be at 44 cents.

Mr. Speaker, there has been a lot of clamor thus far, and I am sure there will be more, that this bill gives the Secretary of Agriculture too much discretion. I would say to my friends that we had an opportunity to put into law some congressional discretion just a few weeks ago and there were only 150 votes on this House floor to carry out that congressional intent. So if we are unwilling and unable to do it, I submit there is not anything drastically wrong with giving that discretion to the Secretary of Agriculture.

Mr. Speaker, the opposition to this rule and the opposition to this bill is essentially coming from those who oppose farm producers' interests and farm producers' legislation and instead basically support commodity processors and the commodity trade.

I would say to my friends that we ought to at least, as a minimum, pass this rule so we can debate the merits of these farm bill amendments.

Mr. JOHNSON of Colorado. Mr. Speaker, will the gentleman yield?

Mr. BURLISON of Missouri. I yield to my friend, the gentleman from Colorado (Mr. JOHNSON), a member of the Agriculture Commitee.

Mr. JOHNSON of Colorado. Mr. Speaker, I take issue with the gentleman's statement that those who oppose this bill are opposed to and do not recognize the plight of farmers. As the gentleman will recall, during the last debate I spoke as vigorously as I could both during the debate on the rule and on the bill. Certainly I recognize the need for revision of the 1977 Farm Act and I have advocated it for some time. I spoke against some of the features of the 1977 act which were actually discriminatory against western crops and in favor of southern crops.

But I have heard the gentleman speak before about the need for the Congress to exercise its authority and about the problems with turning over the powers of Congress to the executive branch, and that is what this bill does. I do not see why we should take the attitude that because we have not been able to agree on how Congress should exercise this congressional authority, we should therefore turn it over to the executive.

Mr. BURLISON of Missouri. Of course I stated that those who oppose the bill are "essentially" opposed to farmers' interests, but I spoke generally. I would not necessarily apply that general rule to the gentleman from Colorado, as there are exceptions to all generalizations.

Mr. ANDERSON of Illinois. Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. KETCHUM).

Mr. KETCHUM. Mr. Speaker, I thank the gentleman from Illinois (Mr. ANDERSON) for yielding me this time.

Under normal circumstances I would never take the well in opposition to a rule on the basis of the bill—only on the basis of the rule. But what we are confronted with here today is that no matter how we may debate the conference report there is no prerogative on the part of the House to offer a recommittal motion or to amend the conference report in any way.

I join my friend, the gentleman from California (Mr. SISK)—and may I say that California will lose a very great and very respected Member of Congress when Mr. SISK leaves this House—and also I join the gentleman from California (Mr. KREBS) in this, because we do come from areas that produce quantities of very high quality cotton and we do represent a unanimity all over the United States over the years where the cotton growers have come together to try to do something beneficial for our own industry.

Raising the target from 44 to 48 cents in and of itself is no big deal at this particular point.

Cotton in California is varying right now from 60 to 61 cents. What it does do, however, is to signal the rest of the world that they can go for the 48 cents and what we are going to do is to upset the cotton market again and we are going to have a glut of cotton on the market. We will be back to quotas. We will be back to set-asides and we will be back to new target prices, where we now have a stable cotton industry. I think that is what we all want.

The House, in its wisdom, in the bill did not even address itself to cotton. The Senate, on the other hand, did. The House, apparently, in conference, receded, not to the Senate position, which was, as I understand, 50 cents but compromised on 48 cents.

There is nothing magic about that figure.

The 1977 act has barely been in effect. I would beg of the Members to turn down this rule and give the 1977 act an opportunity to work.

If the Members wish to address wheat, rice, and sugar and all of the other commodities then let us go back to the drawing board and do that but I would suggest to my friends that we turn down the rule and allow the House to exercise its will rather than transferring the power to determine agricultural policy to the White House.

Mr. YOUNG of Texas. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Texas (Mr. POAGE).

Mr. POAGE. Mr. Speaker, there are a few points that I think we ought to consider and discuss at this moment.

The claim has been made that no hearings and no discussion of the farm bill took place before either House. Let me say that there were weeks of discussion.

A conference report simply cannot take a word for word excerpt from any bill. The conference must instead use some words and figures different from those used in the specific bills considered before the committee. If you had the votes to ride a bill through without any change there would not be any occasion for a conference. The conference is intended to try to get together on the ideas that have been considered in each of the Houses, and that is exactly what we did. Our committee worked for weeks trying to arrive at a proper support program for all commodities.

The Committee on Agriculture in this House did consider the question of what kind of supports we should provide for all agricultural products and we considered them week after week. We considered everything from a few cents to a few dollars.

There is nothing sacred about the figure $3.40 but it is the highest figure we understand the President will sign. The fact is that the $3.40 was well within the range of the consideration that took place day after day within the Agriculture Committee. It is completely erroneous to say that this compromise figure has not been considered by the committee. It was considered by the committee time after time along with dozens of other figures.

We are now simply trying to bring before the House something on which both bodies agree—something we hope can become law—something that will provide some help so that we can get something for the farmers of America rather than, again, giving them all of nothing.

The Senator from the State of Kansas came in and said, "Let us raise the target for wheat to $5.04." A great many of us voted with him here on the floor. Many of us, however, already suggested that we were afraid of his high figure. We feared that we were going to get nothing. And that is exactly what we took back to the farmers. We took back all of nothing. I would like to get all of something for all farmers, but if I cannot get all I am going to try to get a part of something for some farmers. And that is exactly what this bill does. In my opinion it does not do enough but I think it is clear that it is all we can get. I am for doing the possible.

We, therefore, now bring to you a conference report in which I think we all know we can get something for some farmers specifically something for the wheat farmers and everyone knows wheat farmers need help. Now, sure, it does not do anything for Illinois. Illinois grows corn and my State grows milo-maize. The conference report does not do anything for milo-maize. It does not increase the target price for cotton although many cotton farmers feel that the floor of the 48-cent loan will be helpful and it will certainly protect the Government. But I am not going to oppose a farm bill that will help a great many farmers—some in every State in the Union—simply because it does not help everyone. I am not going to oppose a proposition simply because it does not reach all of the farmers. This conference report is a good one. I wish it went further. I am going to help all I can now and hope that wheat farmers will help cotton and corn farmers when they have an opportunity.

Mr. YOUNG of Texas. Mr. Speaker, I yield 1 additional minute to the gentleman from Texas (Mr. POAGE).

Mr. POAGE. Mr. Speaker, I am glad to yield to the gentleman from Nebraska (Mr. THONE).

Mr. THONE. Mr. Speaker, I would like to associate myself with the remarks of the distinguished gentleman from Texas (Mr. POAGE). I do not think anyone in this House knows more about basic agricultural policies than the gentleman in the well.

Mr. Speaker, this is not the right way to handle this but this is the only congressional game in town. Target prices should be raised and this is the only way to get something done on this. I would hope my colleagues on this side of the aisle would accept the profound advice of the gentleman from Texas (Mr. POAGE) and vote for this rule.

Mr. POAGE. Mr. Speaker, I thank the gentleman from Nebraska. I think the gentleman is wise. Let us get a part of something when we can. Let us not ask for all or nothing. Let us take all we can get. This conference report will help. Let us take it.

Mr. ANDERSON of Illinois. Mr. Speaker, I yield 1 minute to the gentleman from Illinois (Mr. FINDLEY).

Mr. FINDLEY. Mr. Speaker, the gentleman from Texas would leave the impression that we are proceeding in the usual order here. The truth is that if the regular rules of this Chamber applied, we could not consider this conference report, because the subject matter is beyond the scope of the conference and this rule is being sought to set aside usual rules in order to make this extraordinary procedure possible.

Now, the impression was also left by the gentleman from Texas that this bill authorizes a $3.40 target price for wheat and the impression is left that is all it does. The figure of $3.40 does not even appear in the conference report. What this conference report does is to permit the Secretary of Agriculture enormous flexibility. If he decides a set-aside is necessary for wheat, the sky is the limit on the target price for wheat. He pegs the price of wheat wherever he wants it.

The SPEAKER pro tempore. The time of the gentleman from Illinois has expired.

Mr. ANDERSON of Illinois. Mr. Speaker, I yield 1 additional minute to the gentleman from Illinois (Mr. FINDLEY).

Mr. FINDLEY. Mr. Speaker, if the Secretary of Agriculture decides to peg the target price of wheat at $3.40, $4, or $5 or whatever, then under this conference report he has unlimited discretion to change the level of price support for the other commodities in this bill.

Bear in mind, this is not just a one-shot, one-year emergency bill. This bill lasts for 4 years and the best way to lay it to rest is to reject the rule. I urge my colleagues to do just that.

Mr. ANDERSON of Illinois. Mr. Speaker, I yield 1 minute to the gentleman from Kansas (Mr. SEBELIUS).

Mr. SEBELIUS. Mr. Speaker, I have to admit that for 10 years on the Committee on Agriculture I have heard my good friend, the gentleman from Texas (Mr. POAGE) remind me that 50 percent of something is more than 100 percent of nothing.

I will state that I urge the adoption of the rule; however, I will vote against the bill. I have been for 50 percent of something far too long and this time I have to stand up and get counted, even though it may cost my farmers a 40-cent increase in the target, which they need very badly. I do not know why the conference could not have stuck to a 1-year emergency change.

Mr. ANDERSON of Illinois. Mr. Speaker, I have no further requests for time. I yield myself 1 additional minute, however, to reply very briefly to the remarks made in the well a few minutes ago by my friend, the gentleman from Texas (Mr. POAGE). The gentleman from Texas seems to imply that I and others who are opposing this rule are doing so on the rather parochial grounds that there is nothing in this bill for the particular kind of agriculture that we represent. Surely, that is, in fact, the case, that I could have made such an argument. I could have said that there is nothing in this bill for the corn farmers of Illinois; but if the gentleman will go back over my remarks, the gentleman will find that I did not make that kind of argument.

I objected, rather, to the adoption of this rule because it waives all of the rules of the House of Representatives as they refer to germaneness and matters beyond the scope of the conference and the Budget Act.

It seemed to me that in giving this extraordinary grant of authority to the Secretary of Agriculture, not just for the 1978 crop year but for the next 4 years, we were abdicating the authority and the responsibility that belongs here in the Congress of the United States.

Mr. YOUNG of Texas. Mr. Speaker, I yield such time as he may consume to the distinguished gentleman from Texas (Mr. PICKLE).

Mr. PICKLE. Mr. Speaker, I thank the gentleman for yielding this time to me.

I simply want to say that I think the gentleman from Texas (Mr. POAGE) has spoken well and accurately. I think the rule and the measure should be supported, but I would hope that this body will not consider this as the final farm bill of 1978.

We should still do much more for the farmers, and I hope we can see that kind of progress develop during the year.

Mr. YOUNG of Texas. Mr. Speaker, I yield such time as he may consume to the gentleman from Texas (Mr. KRUEGER).

Mr. KRUEGER. Mr. Speaker, I rise in support of the conference report and of the rule.

Mr. YOUNG of Texas. Mr. Speaker, I yield 5 minutes to the distinguished gentleman from Mississippi (Mr. BOWEN).

Mr. BOWEN. Mr. Speaker, I take the well to comment on one aspect of the bill in particular, as chairman of the Subcommittee on Cotton of the Committee on Agriculture.

Several of the observations about the bill have been directed to that particular commodity, cotton, some on the part of my very good friend and distinguished predecessor as chairman of the Cotton Subcommittee, the gentleman from California (Mr. SISK).

I want to tell my friends from California and elsewhere that I do not believe there is any Member in this body who is more committed to maintaining the marketability of cotton in the world than I am. I have certainly worked diligently to achieve that goal and to insure that we maintain that kind of a structure for our cotton industry.

Last year, when we developed a new farm bill, we arrived at a new design for computing the loan which won the agreement of people throughout the country, certainly including California. At that time everyone agreed that the loan this year would be about 50 cents, and everyone agreed that was an excellent level for the loan.

Unfortunately, there was a brief slump in the world market last fall during the 2-week period which we had written into the legislation for determining the loan, and it caused the loan to drop to the level of 44 cents this year, which I think everybody agrees is really too low.

As a consequence, there were requests from people throughout the Cotton Belt to reexamine the mechanism for computing the loan. We did so. We discussed the matter with people throughout the industry, and one of the first things we saw we needed to do was to broaden the base for measuring the European price of cotton. To insure that cotton stayed marketable and the loan reasonable, we broadened the base from 2 weeks to 15. We restructured the mechanics of measuring the domestic level and changed it from 4 years to 3 out of 5 years, and we dropped the high and the

low years in order to smooth it out and make it more fair. At the same time we placed a floor of 48 cents under the loan.

The 48 cents is a figure that I have discussed at length with officials in USDA and with representatives of other bodies throughout this country who are expert in cotton, and I have yet to find the first one who really tells me that 48 cents is in any way going to be a barrier to the export of cotton.

The price of European cotton in recent years has in no way even come close to that level, and in no way would it cause a holdup in the export of American cotton.

Of course, our friends in California are indeed very fortunate. They are, however, very numerous in the cotton industry; there are about 4,000 of them, in comparison with 200,000 cotton farmers throughout the Nation, but I have deep respect for them, and I am just as concerned for their well-being as I am for the well-being of all cottongrowers in the country.

As I said, those 4,000 cottongrowers in California are very fortunate. They grow a premium grade of cotton, and it sells ahead of everybody else's cotton. Their shipping costs to the Far East are far less than the shipping costs of others who export cotton. In most cases our California friends are able to contract their cotton in advance, so they do not need to use the loan as much as other producers. Therefore, since they do not, in most instances, need to use the Commodity Credit Corporation loan, they, understandably—and I appreciate their point of view—do not have quite the same interest in the loan as a tool for farmers to borrow against to make a crop, since it does not play that same role in the California cotton industry.

I just want to say briefly to the Members that given the vast and continuing increases in the cost of production in farming, and particularly in cotton, which in recent years have been almost double the cost of living increases, if 48 cents as a loan floor is a fair and reasonable figure now—and I think almost everybody agrees that it is—then the constantly increasing costs of production in this country and around the world will certainly make that figure even less of a problem in the future, because the costs of production are going up and prices are going up around the world.

There is no way 3 or 4 or 5 years from now, with the growing cost of production, that a figure like 48 cents will be a problem, because simply nobody can grow cotton for that price and be able to market it at that price.

So I want to say to the Members today that in my honest opinion, as one who is very deeply committed to maintaining the exportability of our cotton crop, this is a fair and modest adjustment, that the entire bill is an effort which addresses some of our problems and gives our farmers something, but not everything they want. It is certainly not the bill that I wanted and probably not the bill that anybody wanted, but it is the best we can do this year. It is my hope that we can address this issue after this year, with more time for deliberation and reflection, and write a better farm bill.

For now, I urge my colleagues to vote for the rule and for the conference report.

Mr. YOUNG of Texas. Mr. Speaker, I thank the distinguished gentleman, the chairman of the Subcommittee on Cotton, for his remarks.

Mr. Speaker, I yield 2 minutes to the gentleman from Washington (Mr. FOLEY), the distinguished chairman of the Committee on Agriculture.

Mr. FOLEY. Mr. Speaker, really, I have been surprised to hear the manner in which this conference report has been described. It has been described by some of its opponents as if it were something enormous and complex. And, although it is 4 years in scope, it is really quite simple, a brief, simple amendment to the 1977 farm bill, which was a 4-year bill. This bill gives the Secretary discretion, when a set-aside is in effect, to adjust the target price to compensate the farmers for the diversion. It is that simple.

The rule waives points of order because the budget has not yet been adopted. However, the conference bill is well within the budget limits. The Budget Committee had no objection to it. It is not an enormously complex but rather an easily understood and desperately needed piece of legislation. I urge my colleagues to vote for the rule and support the bill.

Mr. YOUNG of Texas. Mr. Speaker, the rule presented here is precisely the rule requested by the distinguished chairman of the Committee on Agriculture. It opposes the proposed substitute which was defeated by the Committee on Rules by a vote of 11 to 2.

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. ANDERSON of Illinois. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 241, nays 148, not voting 45, as follows:

[Roll No. 282]

YEAS—241

Abdnor	Blanchard	Carney
Addabbo	Blouin	Carr
Akaka	Boggs	Cavanaugh
Alexander	Bolling	Chisholm
Andrews, N.C.	Bonior	Clay
Andrews, N. Dak.	Bonker	Collins, Ill.
	Bowen	Cornell
Annunzio	Brademas	Cornwell
Applegate	Breaux	Cotter
Ashley	Breckinridge	D'Amours
Aspin	Brinkley	Daniel, Dan
Baldus	Brodhead	Daniel, R. W.
Barnard	Brooks	Davis
Baucus	Burke, Mass.	de la Garza
Beard, Tenn.	Burleson, Tex.	Delaney
Bedell	Burlison, Mo.	Derrick
Bellenson	Burton, John	Dicks
Bennett	Burton, Phillip	Diggs
Bevill	Butler	Dingell
Biaggi	Byron	Dodd
Downey	Keys	Rangel
Eckhardt	Kildee	Regula
Edgar	Kindness	Reuss
Edwards, Okla.	Kostmayer	Richmond
Eilberg	Krueger	Roberts
English	LaFalce	Robinson
Ertel	Le Fante	Roe
Evans, Del.	Lederer	Roncalio
Evans, Ga.	Lehman	Rooney
Evans, Ind.	Levitas	Rose
Fary	Lloyd, Calif.	Rostenkowski
Fisher	Lloyd, Tenn.	Roybal
Fithian	Long, La.	Russo
Flippo	Lott	Ryan
Flood	Lujan	Santini
Florio	Lundine	Scheuer
Flowers	McCormack	Sebelius
Flynt	McHugh	Sharp
Foley	McKay	Sikes
Ford, Mich.	Mahon	Simon
Ford, Tenn.	Markey	Skelton
Fountain	Marks	Slack
Fowler	Marlenee	Smith, Nebr.
Fraser	Mathis	Solarz
Fuqua	Mazzoli	Spellman
Garcia	Meeds	Spence
Gephardt	Metcalfe	St Germain
Giaimo	Meyner	Staggers
Gilman	Mikulski	Stangeland
Ginn	Milford	Steed
Glickman	Miller, Calif.	Steers
Gonzalez	Miller, Ohio	Stokes
Gore	Mitchell, Md.	Thompson
Grassley	Mitchell, N.Y.	Thone
Gudger	Moakley	Traxler
Guyer	Mollohan	Treen
Hall	Montgomery	Trible
Hamilton	Moore	Tsongas
Hanley	Moorhead, Pa.	Udall
Harrington	Murphy, Ill.	Ullman
Harsha	Murphy, N.Y.	Vento
Hefner	Murtha	Volkmer
Heftel	Natcher	Waggonner
Hightower	Neal	Walgren
Holtzman	Nedzi	Wampler
Howard	Nichols	Watkins
Hubbard	Nolan	Weiss
Huckaby	Oberstar	Whalen
Ichord	Obey	Whitehurst
Ireland	Ottinger	Whitten
Jacobs	Patten	Wilson, Tex.
Jeffords	Pattison	Winn
Jenkins	Pease	Wright
Jenrette	Perkins	Wylie
Johnson, Calif.	Pickle	Yatron
Jones, N.C.	Poage	Young, Alaska
Jones, Okla.	Pressler	Young, Mo.
Jones, Tenn.	Preyer	Young, Tex.
Jordan	Price	Zablocki
Kasten	Pursell	Zeferetti
Kastenmeier	Quie	

NAYS—148

Ambro	Dent	Johnson, Colo.
Ammerman	Derwinski	Kelly
Anderson, Ill.	Devine	Ketchum
Archer	Dickinson	Krebs
Armstrong	Dornan	Lagomarsino
Ashbrook	Drinan	Latta
AuCoin	Duncan, Tenn.	Leach
Badham	Early	Leggett
Bauman	Edwards, Ala.	Lent
Benjamin	Edwards, Calif.	Livingston
Bingham	Emery	Long, Md.
Broomfield	Erlenborn	Luken
Brown, Calif.	Fascell	McClory
Brown, Mich.	Fenwick	McCloskey
Brown, Ohio	Findley	McDade
Broyhill	Fish	McDonald
Buchanan	Forsythe	McFall
Burgener	Frenzel	McKinney
Burke, Fla.	Gibbons	Madigan
Caputo	Goldwater	Maguire
Carter	Goodling	Marriott
Cederberg	Gradison	Martin
Chappell	Green	Mattox
Cleveland	Hagedorn	Michel
Cohen	Hammer-schmidt	Mikva
Coleman	Hansen	Mineta
Collins, Tex.	Harkin	Minish
Conable	Harris	Moffett
Conte	Heckler	Moorhead, Calif.
Corcoran	Hillis	Moss
Corman	Hollenbeck	Mottl
Coughlin	Holt	Murphy, Pa.
Crane	Horton	Myers, Gary
Cunningham	Hughes	Myers, John
Dellums		

Nowak	Rudd	Stratton
O'Brien	Ruppe	Studds
Panetta	Sarasin	Stump
Pepper	Satterfield	Symms
Pettis	Sawyer	Taylor
Pike	Schulze	Van Deerlin
Pritchard	Seiberling	Vanik
Quayle	Shuster	Walker
Quillen	Sisk	Walsh
Railsback	Smith, Iowa	Waxman
Rhodes	Snyder	Wilson, Bob
Rinaldo	Stanton	Wolff
Rogers	Stark	Wydler
Rosenthal	Steiger	Yates
Rousselot	Stockman	Young, Fla.

NOT VOTING—45

Allen	Gammage	Rodino
Anderson, Calif.	Gaydos	Runnels
	Hannaford	Schroeder
Bafalis	Hawkins	Shipley
Beard, R.I.	Holland	Skubitz
Boland	Hyde	Teague
Burke, Calif.	Kazen	Thornton
Clausen, Don H.	Kemp	Tucker
	McEwen	Vander Jagt
Clawson, Del	Mann	Weaver
Cochran	Myers, Michael	White
Conyers	Nix	Whitley
Danielson	Oakar	Wiggins
Duncan, Oreg.	Patterson	Wilson, C. H.
Evans, Colo.	Rahall	Wirth
Frey	Risenhoover	

The Clerk announced the following pairs:

Mr. Kazen with Mr. Beard of Rhode Island.
Mr. Teague with Mrs. Burke of California.
Mr. Hawkins with Mr. Allen.
Mr. Wirth with Mr. Cochran of Mississippi.
Mr. Gammage with Mr. Duncan of Oregon.
Mr. Thornton with Mr. Rahall.
Mr. Risenhoover with Mr. Wiggins.
Mr. Boland with Mr. Bafalis.
Mr. Danielson with Mr. Skubitz.
Mr. Charles H. Wilson of California with Mr. Conyers.
Mr. Whitley with Mr. Holland.
Mr. Rodino with Mr. McEwen.
Mr. Runnels with Mr. Don H. Clausen.
Mr. Gaydos with Mr. Vander Jagt.
Mr. Hannaford with Mr. Evans of Colorado.
Mr. Nix with Mr. Hyde.
Ms. Oakar with Mr. Del Clawson.
Mr. Anderson of California with Mr. Tucker.
Mr. Weaver with Mrs. Schroeder.
Mr. White with Mr. Kemp.
Mr. Shipley with Mr. Michael O. Myers.
Mr. Mann with Mr. Patterson of California.

Messrs. FRENZEL, KELLY, MURPHY of Pennsylvania, DENT, and AuCOIN changed their vote from "yea" to "nay."

Mr. KASTEN changed his vote from "nay" to "yea."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. FOLEY. Mr. Speaker, I call up the conference report on the bill H.R. 6782 to permit marketing orders to include provisions concerning marketing promotion, including paid advertisement, of raisins and distribution among handlers of the pro rata costs of such promotion, and ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of May 1, 1978.)

Mr. FOLEY (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the statement be dispensed with.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

The SPEAKER pro tempore. The gentleman from Washington (Mr. FOLEY) is recognized for 30 minutes, and the gentleman from Virginia (Mr. WAMPLER) is recognized for 30 minutes.

The Chair recognizes the gentleman from Washington (Mr. FOLEY).

Mr. FOLEY. Mr. Speaker, I rise in support of the conference report on the bill, H.R. 6782, relating to marketing orders for raisins. The conference report provides an Emergency Agriculture Act of 1978.

As you know, the conferees agreed upon and the Senate approved an earlier version of this legislation. However, that bill was rejected by the House. We went back to conference and the conferees on the part of the House and Senate have again reached agreement on a conference report to accompany the bill, H.R. 6782. That report was filed on Monday, May 1, and the Senate approved it Tuesday by voice vote. I urge the Members of the House to join in giving this measure their wholehearted support.

Mr. Speaker, the farmers are caught in a serious cost-price squeeze. Realized net farm income has declined in 1977 to $20 billion. In real terms, this is equivalent to what it was in 1971. This fact in combination with a tremendous increase in production costs has resulted in a severe cash flow and debt repayment problem for many farmers. While farm income for the early part of 1978 has shown modest improvement, conditions still remain severely depressed for many sectors of the agricultural economy.

Title I of the conference report provides that whenever a set-aside is in effect for any of the 1978 through 1981 crops of wheat, feed grains, and upland cotton—the Secretary may increase the target price for any such commodity by such amount as the Secretary determines appropriate to compensate producers for participation in the set-aside. In determining any increase, the Secretary must take into account changes in the cost of production resulting from participation in that set-aside. If the target price is increased for any commodity for which a set-aside is in effect, the Secretary may also increase the target price for any other commodity in such amount as the Secretary determines necessary. The Secretary must adjust any increase in the target price to reflect, in whole or in part, any land diversion payments for the crop for which an increase is determined.

Any increase in target prices made under this new authority for 1978 will not carry over to future years and thus will not be applicable in subsequent years as a base for adjusting for changes in the average adjusted cost of production under the 1977 farm bill.

The conferees understand that for the 1978 crop the administration intends to use the discretionary authority provided by the conference substitute solely to increase the target price for wheat to $3.40 per bushel. The administration has already announced paid diversion programs for the 1978 crops of feed grains and upland cotton which have the effect of guaranteeing participants in the program a return of 20 cents per bushel for corn and 2 cents per pound for cotton on their normal production from the planted acres.

At the time the administration announced its diversion program, it was too late in the year to include wheat since much of the crop had already been planted. The authority provided in this bill will be used by the Secretary of Agriculture to provide producers of wheat assistance comparable to that already afforded producers of feed grains and upland cotton.

While the authority for increasing target prices will affect wheat only for 1978, the conference report is a 4-year bill and the discretionary authority given the Secretary is of equal importance for producers of wheat, feed grains, and upland cotton in future years. Had this authority been included in the Food and Agriculture Act of 1977, it would have been unnecessary to provide the paid diversion programs to encourage farmers to participate in the setaside.

The conference report also changes the formula in existing law for computing the loan rate for upland cotton and provides that the loan rate would in no event be less than 48 cents per pound for each of the 1978 through 1981 crops. With respect to the change in the formula, the conference bill provides that the loan rate would be determined by first computing 85 percent of the U.S. spot market averages using 3 out of the last 5 years, dropping the highest and lowest years. Computation of 90 percent of the Northern European price quotation would then be determined by measuring a 15-week period, July 1 through October 15, rather than the current 2-week period, October 1 through October 15. When the domestic spot market computation is smaller than the Northern European computation, the domestic spot market computation would be the announced loan level.

However, when the Northern European average is the lower of the two, the Secretary of Agriculture would have the option of adjusting the loan rate upward not to exceed the domestic spot market computation.

The floor of 48 cents per pound on the cotton loan rate will provide protection to producers from any precipitous drop in prices. It is below the loan rate that was estimated for the 1978 crop at the time of enactment of the Food and Agriculture Act of 1977 and is below the market price currently expected for the 1978 crop of cotton. It is the view of the conferees that this floor should not ad-

versely affect the ability of U.S. cotton to compete in world markets.

The changes in the cotton loan formula are technical in nature. The method of computing the average U.S. spot market price and the average Northern European prices was changed in order to provide more representative periods for use in the formula. In the case of the Northern European price it gives domestic producers greater confidence that the prices used in the computation are not the subject of manipulation.

Finally, the discretion given the Secretary to increase loan rates should the average Northern European price be less than the average domestic spot market price, will enable the Secretary to adjust the loan rate if it should be necessary for the effective operation of the program.

Mr. Speaker, the conference report as rejected by the House 2 weeks ago would have increased fiscal year 1979 budget expenditures by an estimated $5.7 billion. The Congressional Budget Office has estimated that this bill, if enacted, would increase fiscal year 1979 outlays by only $700 million, a sharp reduction from the earlier figure. These outlays are within the budget ceilings recommended for agriculture by the Budget Committee to the House in the first concurrent budget resolution.

Titles II, III, and IV of the conference report retain noncontroversial provisions from the earlier version of this legislation, all of which would be effective October 1, 1978. Title II gives the Secretary of Agriculture discretionary authority to permit production on set-aside acreage of commodities to be converted into gasohol ingredients. Title III increases the borrowing authority of the Commodity Credit Corporation from $14.5 billion to $25 billion. And title IV, which is the original House-passed bill, amends the Agricultural Marketing Agreement Act of 1937 to permit raisin marketing orders to include provisions concerning marketing promotion, including paid advertisement of raisins and distribution among handlers of the pro rata cost of such promotion. The only increase in fiscal year 1979 outlays which will result from these provisions is the estimated $7,500 cost of conducting a mail referendum to determine whether raisin producers desire to amend their marketing order.

Mr. Speaker, the conference report is a modest proposal; I urge the Members to join me in support of this measure.

Mr. Speaker, I reserve the balance of my time for the moment.

Mr. WAMPLER. Mr. Speaker, I yield 5 minutes to the distinguished gentleman from Colorado (Mr. JOHNSON).

Mr. JOHNSON of Colorado. Mr. Speaker, there is no question in my mind—although there is in the minds of a number of Members of this body—but that we need to revise the 1977 Farm Act. There were serious discrepancies in that act, and we need to address ourselves to them. We made an attempt to revise the 1977 Farm Act a few weeks ago, and I spoke as effectively as I knew how. It turned out to be a very ineffective performance, but I spoke as effectively as I could about the necessity for the passage of that particular bill. Now in our eagerness to provide something for agriculture in this election year—and there is a need obviously to provide some kind of changes—we are considering an act that gives the President dictatorial authority and dictatorial power, and that is where I draw the line. Even though my farmers need some kind of aid and need some kind of revision of the 1977 act, Mr. Speaker, they do not need for us to abdicate our responsibilities.

This is not an agriculture bill. It is a transfer of power. I know that not very many Members know much about agricultural programs and laws, and even fewer of them care, but they should be aware of the consequences of the passage of this bill. This bill gives the President absolute authority in the field of agriculture with respect to the policies of wheat, feed grains, and cotton. Under the present law the President can set loan levels and determine set-asides, but this power is limited in its application by the present target price system which Congress has set in the 1977 act. This bill, a very simple bill as the chairman of the committee has described, gives the President the authority to set target prices, but this is the result of giving him this additional authority to set target prices. He has the unchecked authority to decide how much croplands will be planted, what crops will be planted, what farmers will receive for loans, what they will receive for guarantees, and he can effectively determine what market prices will be. I realize that not very many Members understand that by the passage of this act the President can effectively set market prices. The reason this is so is because there is a relationship between the loan level, the target price, and the release price. The release price is that price at which the Government releases its commodities that it holds in storage. The Government policies can determine what the market prices will be by establishing this relationship between the loan level, the market price, and the release price because the market price will effectively reflect what the release price will be. If this bill passes, the Congress will have abdicated its lawmaking authority and tell the President he can do as he pleases in agriculture.

Not very many years ago when I first came to the Congress in 1973, I heard Members on both sides of the aisle—primarily on the majority side, however—speak about the dangers of the imperial Presidency, and they talked about how the Congress had been responsible for the establishment of the imperial Presidency, and that the Congress had to take back the authority that it had effectively conveyed to the Presidency. I agreed with the Members at that time who spoke so effectively in that area, and I voted accordingly. It is disappointing, Mr. Speaker, to see the Congress returning to the position of being a lackey to the Presidency. That is a harsh term, but that is exactly what is happening today if we pass this bill.

There is not any need for us to have a Committee on Agriculture if we pass this bill. Why have a committee that reports out bills that give the President total decisionmaking power? We do not do it in any other areas. Why do it in agriculture if we do not do it in energy, taxation, defense, welfare, and transportation and the other areas of our economic and political lives? This is a dangerous piece of legislation. By giving the President total authority in agriculture, we give him the power to manipulate the prices and markets to his advantage for the next Presidential and the next congressional election. I know that we have the feeling that we need to do something for agriculture, but to do it in a blatant, cynical fashion such as this is not justified. We should retain responsibility for writing farm laws and defeat this bill.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. WAMPLER. Mr. Speaker, I yield 1 additional minute to the gentleman from Colorado.

Mr. JOHNSON of Colorado. Mr. Speaker, if we pass this piece of legislation and I recognize the impetus to pass something, we abdicate our own responsibilities and we do violence to our constitutional system.

Absolute Presidential power is unwarranted in wartime, but to grant it in peacetime is not justified and it is unwise and it is the poorest of practices in a so-called legislative body.

Mr. Speaker, let us defeat this bill today and retain the power and the right to make agricultural policy here in the Congress where it belongs, and not turn it over to the Presidency for the next 4 years.

Mr. WAMPLER. Mr. Speaker, I yield such time as he may require to the gentleman from South Dakota (Mr. PRESSLER).

⊙ Mr. PRESSLER. Mr. Speaker, I support this farm bill. I am not totally pleased with it. I was very disappointed that we lost on the farm bill recently. My office was very active in contacting Members—especially Members who were undecided on that bill. I have worked closely with the American Agricultural Movement. Those from my State have used my office as a headquarters. I very much appreciate the comments made by many of the AAM leaders regarding my office's activities, but I was sincerely and bitterly disappointed over the loss on that farm bill.

This farm bill is not satisfactory—but it seems to be the best we can get for now. I join in the remarks of some of my colleagues who have expressed similar views.

I think the time must come when we realize that the international price of wheat is basically set by the U.S. loan rate. We can set the price of grain pretty much as the Arabs set the price of oil.

We can make exceptions to those needy nations who require special breaks, but I think that for too long we have been very generous in our agricultural trade policies. I shall be saying more about that in the near future in the CONGRESSIONAL RECORD.●

Mr. WAMPLER. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Kansas (Mr. SEBELIUS).

Mr. SEBELIUS. Mr. Speaker, we are faced today with the decision of whether to give the Secretary of Agriculture, and in this case we are really talking about the President and his economic advisers, broad power to raise the target prices for wheat, feed grains and upland cotton at any time during this and the next 3 crop years.

Now, I do not think anyone will argue the fact that our Nation's wheat farmers should have an increase in their 1978 target price. Even with the tug of war with farm policy differences we have witnessed within this body over the past year, the President has indicated he would accept an increase in the target price from $3 to $3.40 a bushel. I was assured this was the case several weeks ago in personal conservation with administration officials.

Were it simply a matter of increasing the wheat target price during a time of real hardship on the part of our wheat producers, I would support this bill and vote for it. However, this is not the case and in good conscience, I cannot support this legislation because of its long-term effects. This bill is not a 1-year emergency bill, but legislation that cements in farm policy over 3 crop years.

Mr. Speaker, what this bill does is permit the Carter Administration to administer a flexible parity program but on mandatory terms rather than on the voluntary terms that were contained in the previous emergency farm bill conference report. This bill gives flexible parity to the Secretary of Agriculture and the administration rather than the farmer.

I am also concerned in regard to what this bill lacks. My motion to raise the wheat loan rate from $2.25 to $2.50 was defeated by the majority leadership. If the administration will tolerate the establishment of a floor under the cotton loan rate of 48 cents per pound, up from the present 44 cents, surely an increase in the wheat loan is justified. The refusal of the administration to raise the loan rate has very important long-term ramifications. It institutionalizes what I am afraid is a farm policy based upon the premise of cheap food based on farmer-owned, but Government-controlled, grain reserves. The current grain reserve release trigger is tied to the loan rate. Under the current program, the reserve can be released when the market price reaches 140 percent of the loan level. or $3.15 per bushel. Increasing the loan to $2.50 would have raised the release price to $3.50.

Under the current program, grain will start to trickle back into the market just when the market price recovers to levels at about the cost of production, $3.15 for wheat. In addition, the farmer will be forced to redeem his loan, usually by selling his wheat, if the price were to reach $3.94 or $2.80 for corn. Now, given the fact that the administration could accumulate more than 400 million bushels of wheat in this reserve this year, not including the administration's proposed intentions to establish another international emergency wheat reserve, it would be very difficult for the market to ever reach $4 a bushel; a price that most producers would agree is necessary in order to reverse the worst economic crisis we have had in wheat country since the days of the "Great Depression." I would like to remind my colleagues, too, that parity for wheat as of last month was $5.21.

Generally speaking, I do not believe giving such broad discretionary powers to the Executive is in keeping with the intent of the entire target price concept. I would like to point out that if no set aside were in effect for wheat, feed grains or cotton in 1979, the wheat target price would revert to the cost of production escalation formula established in the 1977 act. That target price would be $3. If the 1978 crop has a high average yield, and it is quite likely that will be the case, then the 1979 target price would be less than $3 per bushel—a very rude awakening for farmers who justly were eligible for deficiency payments based on a target price of $3.40 the previous year.

Let us carry this scenerio of new Executive authority a bit further. Say, for example, that no set aside is declared in 1979, and that very well may be the case, and wheat farmers are stuck with a $2.99 target price. Should this take place, I can assure you that in the face of increasing production costs and a price, cash flow, and credit problem that already reached crisis proportions, we will see unprecedented militancy in farm country. Farmers do not need that. We do not need that. The country does not need that.

Finally, for all practical purposes, the passage and enactment of this scaled-down version of the Emergency Agricultural Act of 1978 closes the door on any additional attempts to make meaningful amendments to the wheat, feed grain, and cotton provisions of the 1977 act. This mill will probably prevent any raise in the loan rates, enacting a cost of production escalator formula that more accurately reflects inflationary costs and improving the massive grain reserve program that is now little more than a sophisticated form of price controls.

I would also like to point out that if the administration wishes to provide incentives to encourage farmers to participate in the current set-aside program, there is existing authority for payments to farmers for the acres they set aside. It is that simple. Farmers are familiar with this approach. It has been done before in previous administrations. Farmers would know exactly how much they will receive instead of nervously waiting for several months to see what the average market price will be in order to find out if they will receive a deficiency payment or how much it will be. I believe most farmers favor preserving the integrity of the present target price concept and implementing the payments for set-aside acres rather than making target prices a political issue.

Mr. Speaker, it is with concern and regret that I am opposing this bill. I believe my colleagues are well aware of my past efforts working for legislation in behalf of the farmer-stockman. I have voted for, actively supported, and helped write the 1970, 1973, 1975, and 1977 farm bills.

In addition, the record will show I offered an amendment last year within the Livestock and Grains Subcommittee that would have increased the wheat target price to $3.50. My motion received only two favorable votes. It has taken 1 year and thousands of farmers to wake folks up around here to the fact we have a crisis in farm country.

Likewise, I urged the Ford administration to announce a significant set aside in the fall of 1976 for the coming crop. We could see at that time the kind of surplus that was building up and depressing grain prices. When the Carter administration came into office, I urged consideration of emergency farm legislation to be considered ahead of the 1977 farm bill deliberations to deal with the price, credit, and cash-flow problem that by that time had reached crisis proportions in High Plains wheat country. My colleagues may recall it was in the early spring of 1977 that we first experienced farm wives in the Halls of Congress.

I introduced bills dealing with emergency Farmers Home Administration credit, a special wheat grazing and haying program, improved Federal grain inspection, increased food-for-peace shipments, and grain alcohol research and utilization. I cosponsored the wheat and wheat foods nutrition education act. In each case, the administration and the majority leadership either opted to wait or defeated these initiatives.

During the 8-month fight to get a farm bill enacted, the administration proposed leaving the 1977 wheat target price at $2.47 per bushel. My colleagues may remember that I sent loaves of bread to every Member and urged the wearing of bread wrappers as an armband in mourning for the wheat farmer in that overall cost of the bread wrapper was more than the farmer received for a loaf of bread.

Most recently, I introduced the Flexible Parity Act of 1978, the companion bill to that introduced in the other body by Senator BOB DOLE. The legislation was cosponsored by more than 30 Members from both sides of the aisle. That bill was agreed to by our House-Senate conference committee and incorporated into the first conference report on the Emergency Agricultural Act of 1978. The flexible parity provisions would have provided the incentive for a 1-year adjustment to get our grain supply-demand back into balance and assistance to our

hard-pressed farmers. I do not wish to rehash the flexible parity debate except to say the cost estimates and information regarding the bill were just as far off base as has been the administration's reading of this entire farm crisis.

That, Mr. Speaker, brings us up to date. I would like to state that while I cannot vote for this bill for the reasons I have outlined, that I endorse titles II, III, and V of the conference report which deal with the possibility of encouraging production of agricultural commodities for conversion into industrial hydrocarbons, increased borrowing authority for the Commodity Credit Corporation, and the raisin marketing order provision.

Mr. ABDNOR. Mr. Speaker, will the gentleman yield?

Mr. SEBELIUS. I yield to the gentleman from South Dakota.

Mr. ABDNOR. Mr. Speaker, I agree in many ways that this is poor legislation, but at this late hour, our alternatives and choices are practically none. It is this or nothing.

Is it not true that at least the price of wheat, that is the target price, could go to $3.40, but it cannot under the present law?

Mr. SEBELIUS. The Secretary under our law cannot raise it to $3.40. That is true. However, the Conference overshot that and covered about everything else around the area.

Mr. ABDNOR. Mr. Speaker, if the gentleman will yield further, I believe he will agree that is the only way we can get up to $3.40.

Now, these farmers have certain fixed costs. It is going to cost so much regardless of whether they comply with the program and set aside a portion of their acreage and regardless of what the Government does on the target price. Additionally, there are costs associated with the preparation and maintenance of set-aside acres according to sound conserving practices. Both of these kinds of expenses increase the per bushel cost of production. The wheat target is just not adequate at the present time to provide the necessary incentive for compliance, and it does not look to me that we have a great deal of choice. If we are going to try to help the wheat farmers, certainly we have to support this rise in the target price, even if we do not agree with the way it is being done.

Mr. SEBELIUS. Mr. Speaker, I agree with the gentleman. It is the kind of thing where you are darned if you do and darned if you do not. I have decided not to do it.

Mr. FINDLEY. Mr. Speaker, will the gentleman yield?

Mr. SEBELIUS. I yield to the gentleman from Illinois.

Mr. FINDLEY. Mr. Speaker, the question is not all or nothing. A bill that will benefit farmers is working its way through two committees, the Committee on Agriculture and the Committee on International Relations.

The SPEAKER pro tempore. The time of the gentleman from Kansas has expired.

Mr. WAMPLER. Mr. Speaker, I yield 1 additional minute to the gentleman from Kansas.

Mr. FINDLEY. Mr. Speaker, if the gentleman will yield further, this is a bill dealing with export markets, strengthening the role of the Department of Agriculture in the expansion of markets overseas, expanding trade credit authority; so it is not a question of this or nothing. We will have an opportunity shortly down the road to vote for a good farm bill that will expand foreign markets, earn foreign exchange and build a sounder base for the health of American agriculture.

Mr. SEBELIUS. Mr. Speaker, I appreciate that; but the Secretary has already sent down word that he will not look with favor on the bill the gentleman is talking about.

Mr. FINDLEY. That is a strange reaction from the executive branch, but the executive branch should not prevail and we should not put it into law.

Mr. POAGE. Mr. Speaker, I yield 5 minutes to the gentleman from Kansas (Mr. GLICKMAN).

Mr. GLICKMAN. Mr. Speaker, it is rare that I find myself in disagreement with my colleague, the gentleman from Kansas (Mr. SEBELIUS), on farm issues, but on this bill I do.

I recognize this is not the best bill in the world, and I do not like to give the discretion to the President, discretion which we in Congress ought to have. But our administration has not really given us any choice in this matter.

I would like to address the point the gentleman from Illinois (Mr. FINDLEY) raised. The gentleman talked about the fact that in the long-range we can work toward better exporting of our crops and address matters of that kind, and he is right. But the crisis in wheat is now, because of the fact that the market price is such that there is no incentive to participate in the set-aside program to reduce production. That is the real emergency right now.

If wheat farmers do not participate in the set-aside program, they will not reduce their plantings. I may sound a little bit like a teacher now, but if they do not reduce their plantings, then the glut of wheat will continue until the next marketing year. The affect on price would be disastrous.

Corn farmers have been given administrative aid from the President by permitting them a payment. He pays them for diverting acres, but wheat farmers do not have that option.

So the problem is, unless we adopt this bill—and I grant that I am talking from a parochial interest because I represent a wheat-producing area—unless we adopt this bill to get the extra 40 cents a bushel, wheat farmers will not participate in the set-aside program. I have talked with my ASCS people in Kansas, and they tell me that the participation rate is miserable. Part of that has to do with the miserable administration coming from Washington, but part of it has also to do with the fact that there is no incentive for the farmers to participate in the set-aside program. This bill will provide that incentive. This bill will allow the farmers to set aside acreage and reduce their plantings. This bill will not directly help the corn farmers, but the administration has already helped the corn farmers by providing payments and allowing a set-aside program as to corn.

Granted, this bill does not help every other commodity, but time after time in my conversations with Members here on the floor, with people from other commodity areas, and with people from consumer areas, they tell me, "Dan, give us a bill that targets on what is needed. Don't give us that political pay-off—you know, 'you give me what I want in peanuts and I will give you what you want on wheat; you support me on corn and I'll support you on wheat.'"

Mr. Speaker, we have what we need here in this bill. This bill is targeted on the immediate needs, which primarily relate to wheat. This bill is meeting the crisis in American agriculture.

Let us not fall into a trap. I have fallen in the trap myself before, but let us not be so parochial as not to recognize that we do have a crisis when it does not affect our particular area. This bill will provide some help.

Granted, the long-term goals are to get access to world markets. We will get better marketing and better access to world markets, and we will be able in the future to provide alternative uses of grain, wheat, and other commodities. But this is our only answer now. This targets on the problem, and this assures us that we will not have such a wild flood of wheat in the next market year that we will have the same problem to deal with again in the near future.

There is one final issue in the bill I wish to discuss. We also permit the Secretary to set aside a provision for gasohol and to work toward providing alternative energy sources of that type. The Members will be interested in that. That authorization will be permitted.

But the main part of the bill is addressed to the fact that this relief is needed now in order that we may insure that farmers will sign up for the set-aside program. Under the law there is no other incentive, and the Secretary has indicated there is nothing he can do in order to get people to participate in the program.

So if we want to see some reasonable reduction in farm production and in particular wheat production and we want to see a set aside program that the President will support—and this is one that he will support—I urge the Members to vote for this bill.

Mr. PRESSLER. Mr. Speaker, will the gentleman yield?

Mr. GLICKMAN. I yield to the gentleman from South Dakota.

Mr. PRESSLER. Mr. Speaker, I want to commend the gentleman from Kansas (Mr. GLICKMAN) for his remarks. I wish to be identified with many of them, and I would like to add to them. I am glad this bill recognizes gasohol and the need for it.

Let me make this observation: Is it not true that frequently our international loan level for wheat becomes the international price? If our farmers cannot have their bill they need another bill. I understand this is not a complete solution, but it is a step forward.

It seems to me that admittedly this is the best bill we can now get. I want to commend the gentleman from Kansas (Mr. GLICKMAN) on his remarks. This bill will help the prices somewhat.

Mr. GLICKMAN. Mr. Speaker, it would be nice if we could increase the loan rate on wheat to a higher figure. I agree with the gentleman. But that is not feasible.

Mr. Speaker, this is all we have. It is a reasonable solution.

Mr. SEBELIUS. Mr. Speaker, will the gentleman yield?

Mr. GLICKMAN. I yield to the gentleman from Kansas.

Mr. SEBELIUS. Mr. Speaker, I thank the gentleman for yielding.

When the gentleman and I were together, we went to see Mr. McIntyre and Mr. Schultze, they told us $3.40 was all they could get, and further we heard them protesting the extra 4 cents on cotton. At this time I just have to go along with them on his matter.

Mr. GLICKMAN. Mr. Speaker, let me say to the gentleman that I am in full agreement with him. I do not know why they are messing around down there with a bunch of other things.

Mr. Speaker, this bill is all we can get at the present time, and I urge favorable consideration from the Members.

Mr. DE LA GARZA. Mr. Speaker, I yield 5 minutes to the gentleman from Illinois (Mr. SIMON).

Mr. SIMON. Mr. Speaker, there is concern, obviously, in the Budget Committee with this bill. It appears to be moving in the right direction. The increase in target prices I, personally—not speaking on behalf of the committee—think this is the direction we ought to be going. Target prices are good for the farmer and for the consumer. I am not wild about the set-asides, I might add. The bill increases the minimum loan rate for cotton, and it increases the Commodity Credit Corporation borrowing authority by $10.5 billion, which is already in the budget bill we have. Assuming the $3.40 target price for wheat, that would mean $699 million in outlays, which is clearly within the budget rates, since we have $2.5 billion for new initiatives.

There is some question on the part of some of the members of the Budget Committee about the amount of discretionary authority we give to the President. I would like to ask my colleague, the gentleman from Texas (Mr. DE LA GARZA), if he would answer three questions that some members of the Budget Committee have.

First, what are the limits on the administration as to how high target prices may be raised when a set-aside on any one commodity is in place?

Mr. DE LA GARZA. Mr. Speaker, if the gentleman will yield, as the gentleman has heard before, under this conference report there are no defined limits as to the increase in target rates. But the reality of the situation in which we find ourselves is that the sentiments of this administration, its public pronouncements, as a practical matter, would keep the target rates low or at low levels.

Mr. SIMON. Mr. Speaker, the gentleman has partially answered my next question, which is:

When the committee adopted this report, what were the reasonable bounds or guidelines in mind for these potential increases in target prices?

Mr. DE LA GARZA. If the gentleman will yield, the increases in target price, of course, is intended to be, roughly, in proportion to the set-aside. And, of course, the intent of the committee and the guidelines which the committee has always adhered to is to give to the farmer the highest possible return for his product within the confines of staying competitive and within the confines of the budgetary restraints which we impose and at this time are imposing upon ourselves. So as long as they remain competitive and at the same time work with the set-aside, that would be the answer.

Mr. SIMON. And then, finally, if target prices are raised for any commodity in 1 year when a set-aside is in place, would the gentleman expect the target price to be reduced the next year if the set-asides are relaxed or not used?

Mr. DE LA GARZA. Under the 1977 law, if there would be no set-aside, then the target price would drop to the level of that law, which is the law at this time providing for a cost of production adjustment, as defined in the law. So again, it all fits in. If there is a set-aside, you can work with the target price. If there is no set-aside, then we go back to what this House has already approved under the 1977 law.

Mr. SIMON. Mr. Speaker, I thank the gentleman from Texas.

I think the gentleman will find some of the Members of the Budget Committee who voted against the last farm bill, the last conference report, will vote for this one.

Mr. DE LA GARZA. I appreciate that. And if the gentleman will yield further, I would like to say that the expected cost of this legislation is certainly below the amount that the Budget Committee has in effect set aside within the Budget Committee. Is that not correct?

Mr. SIMON. Yes. We have $2.5 billion set aside for new initiatives, and the anticipated outlay here is $699 million. So we have $1.8 billion in balance, and then $10.5 billion for loan authority is included.

Mr. Speaker, if I may yield to the chairman of my committee on this subject, I would be pleased to do so.

Mr. GIAIMO. As the gentleman from Texas (Mr. DE LA GARZA) knows, we have an additional $2.5 billion in outlays in the budget which is for agricultural price support initiatives. This is an agricultural initiative. The estimated cost of this bill in fiscal year 1979 is about $700 million.

The SPEAKER pro tempore. The time of the gentleman from Illinois (Mr. SIMON) has expired.

Mr. DE LA GARZA. Mr. Speaker, I yield 1 additional minute to the gentleman from Illinois.

Mr. GIAIMO. Mr. Speaker, will the gentleman yield further?

Mr. SIMON. I yield to the gentleman from Connecticut.

Mr. GIAIMO. Mr. Speaker, this bill would consume about $700 million of the $2.5 billion estimate in the budget for agricultural initiatives.

Can the gentleman tell us what else will be forthcoming, how much we can expect this year, and how much it will cost?

Mr. DE LA GARZA. If the gentleman will yield, Mr. Speaker, as far as the raisin bill, this legislation, is concerned, that is it. There are other pieces of legislation that are being considered either in the Senate or in the House; and there will be passage in one or passage in the other.

I am afraid that I could not give the gentleman a specific figure at this time; but to my personal knowledge, the legislation that is in the works would still be within the bounds of what the Committee on the Budget anticipates giving for agriculture.

Mr. SIMON. Mr. Speaker, I thank the gentleman from Texas and my chairman.

Mr. WAMPLER. Mr. Speaker, I yield 1 minute to the distinguished gentleman from North Dakota (Mr. ANDREWS).

Mr. ANDREWS of North Dakota. Mr. Speaker, I would like to take this time to point out that our distinguished colleagues on the Committee on the Budget seemingly do not have any concept or any knowledge about agriculture and agriculture's impact on the budget.

My good friend, the gentleman from Illinois (Mr. SIMON), said he preferred the set-aside, the target price increase over a loan increase. Yet, the fact of the matter is that we are increasing the target price 40 cents. We could increase the loan price 80 cents per bushel of wheat and have less budgetary impact than this increase in the target price will have.

The discretion of which to use will be with the President. However, an increase in loan price would assure more storage on the farm.

Mr. Speaker, all I want to clear up is the misunderstanding that something is wrong with the budgetary impact of an increase in the loan price of wheat.

Mr. SIMON. If the gentleman will yield, Mr. Speaker, I think one of the things the Committee on the Budget has to consider also is inflationary impact and export impact, and the target prices are much to be preferred in the long run.

Mr. ANDREWS of North Dakota. But if my colleague also would realize, if we did increase the loan price, we would get more for our exports, which would help our balance of payments. The price of wheat in most of the world, certainly

in all of Europe, is twice its price here in the United States.

Mr. WAMPLER. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, it may seem to some of you that it wasn't too long ago that the subject of a 1978 farm bill was considered by the House. You are right. It was on April 12, 1978, that the first 1978 conference report on the 1978 farm bill was considered in the House.

What we bring you today in the form of a conference report is a mixture of many minuses and some pluses—depending on your point of view and your constituency.

For legislative purists, this conference report should be troubling. The farm bill features were attached to H.R. 6782, the raisin marketing bill in conference.

The target price provisions, the cotton loan level increase and the other amendments to the 1977 Farm Act were not "pounded out" in committee mark-up, and you have not had the advantage of voting a house bill that we could take to conference.

All the House had was a large "1978 farm bill menu" provided by the Senate and attached to the raisin marketing bill.

On the other hand, one could argue, as we did in considering the earlier version of the conference report on H.R. 6782, that the farmers need help out in the country and planting time is upon us and there is a need to act in haste.

What are some reasons for voting for this conference report?

Well, it would give to the Secretary of Agriculture another tool to more comprehensively address farm programs for wheat, feed grains, and cotton. He currently has authority to set loan levels for wheat and feed grains; he can establish land set-aside in his discretion; he can establish and operate a land diverison program.

I suppose one could say that giving discretion to the Secretary over target prices would permit him to use all his farm progam tools in a balanced fashion. He could balance what he does in wheat against what he does in feed grains. He can balance what he does in set-aside against what he does in his farmer-held grain reserves.

One can argue that the cotton provisions in this bill which add 15 weeks to the London market for determining the cotton loan level formula is a more realistic and practical approach.

Certainly there is a need to increase the borrowing authority of the Commodity Credit Corporation.

And, of course, I endorse the provisions in the conference report giving authority for the Secretary of Agriculture to encourage the production of agricultural commodities for conversion to industrial hydrocarbons.

Having said that, I can see several objections to the passage of this conference report. My good friend, Secretary Bergland, objected to the earlier version of this farm conference report—referring to it as dial-a-parity. Now, understand, we have dial-a-Bergland.

The farmers who have been visiting us in recent months object to dial-a-Bergland because, as I understand it, they are fearful that when they dial the Secretary that they will get a recording asking them to leave their number—and the Secretary may or may not call them back. Or they fear that perhaps the telephone at USDA will be out of order.

Make no mistake about it, you denied flexible parity in the hands of the farmers 3 weeks ago. Now, you are giving flexible parity authority—as the Secretary's assistant, Mr. Hjort, admitted in conference—to the Secretary. You apparently did not want to trust the farmers with this discretion, and I gather many farmers—including those in the American Agriculture Movement—distrust the USDA/OMB authority to apply or not to apply flexible parity or to set target prices.

I will list six other reasons why you might oppose this conference report:

SIX REASONS TO OPPOSE CONFERENCE REPORT ON H.R. 6782, THE REVISED 1978 FARM BILL

First. The bill gives the Secretary of Agriculture extraordinarily broad authority to increase target prices on wheat, feed grains and cotton during each of the 4 years 1978–81.

There is no ceiling on the level of supports.

There is no fiscal control by Congress over any future increases. The authority is vested in the use of Commodity Credit Corporation funds which are not subject to prior congressional appropriations control.

Combined with broad existing authority to set loans and establish set-asides and diversion payments, this bill literally gives the administration a blank check over price support spending during the next 4 years.

Second. The conference report violates House rule 28—material is included that was not within the scope of the conference—and the Budget Control Act—section 303(a) creating entitlements prior to May 15.

Third. The conference, on a straight party line vote, increased the loan levels on cotton—from 44 cents a pound to a minimum of 48 cents—but refused to adopt a comparable increase for wheat.

Fourth. The conferees, on a straight party line vote, refused to limit the authority in the bill to 1 year.

Fifth. If the 1978 target price for wheat were increased to $3.40 a bushel, as promised by administration spokesmen, the 1979 target prices would drop back to approximately $3 a bushel in 1979.

Sixth. The conference action was opposed by the American Agricultural Movement and is not supported by the American Farm Bureau Federation.

In conclusion, let me say that there are some pros and many cons to this conference report.

I am concerned that the conference report gives such broad authority to the Secretary that we in the Congress are abdicating our authority. I am surprised that the Budget Committee does not oppose such a broad grant of authority.

As a result, I do not urge your support of or opposition to the conference report. I only take this occasion to point out to you some of its pluses and minuses and hope that it will help you in deciding whether to vote for or against the conference report.

I commend the chairman for his efforts in handling this matter. He has done a fine job. However, I caution you to weigh your decision carefully in this matter.

Mr. DE LA GARZA. Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. KREBS).

Mr. KREBS. Mr. Speaker, Members of the House, I reluctantly rise in opposition to this conference report, realizing full well that the conferees on both sides of the aisle tried their level best to do whatever they thought would produce the best legislation under the circumstances.

My first concern is with the process that has been used here, and the end result, from a procedural standpoint. This legislation, no matter how one looks at it, was produced by the conferees, and the conferees alone. The 46-member committee had never had a chance to have any input into this legislation. I think this is the first defect in the conference report.

Second, and maybe I should not be concerned because this is part of "my administration," I am very much concerned about the authority that we are giving for the first time to the Secretary of Agriculture. While we have a good Secretary of Agriculture today who understands agriculture and who has served with us on the committee, and in whom I, at least, have the greatest confidence, nevertheless this may not necessarily be true in the future.

Third, the legislation before us was produced, I submit, at least to some extent as a result of pressure from farmers who descended on this Chamber for a period of 3 to 4 months, and the result is that in conference a provision was adopted which would have a serious adverse effect on cottongrowers from the Western States, specifically California and Arizona. For reasons which, in my opinion, are not explainable no matter how hard we try, the conferees saw fit to place a floor under the loan rate for cotton at 48 cents, despite the fact that a mere 7 months before the committee, after months of deliberation, arrived at a 44-cent loan rate. The net result would be that California cotton, which has been very competitive in the world market, stands a good chance of not being able to do so in the future.

What we are really basically coming back to, as I stated when the last conference report came out, is that with the best of intentions some of us are trying to help farmers in certain parts of the country, with the net result of hurting agriculture in other parts of these United States.

I urge Members to vote this conference report down.

Mr. DE LA GARZA. Mr. Speaker, I yield 3 minutes to the gentleman from Mississippi (Mr. BOWEN).

Mr. BOWEN. Mr. Speaker, I would like to say certainly that the reference to Georgia would be appropriate and to Alabama and to Tennessee and to Mississippi and to Louisiana and to the Carolinas, and to Texas and Arkansas and Missouri—in fact, everything from Texas to the Atlantic Ocean, to everybody who grows cotton in that area. As I said during my comments during the rule debate, I mentioned there were about 200,000 cottongrowers in America, and I would say that almost all of those favor this bill we have here today. I pointed out there are about 4,000 growers in California who frankly who do not care for this bill.

It is certainly not the bill I would have wanted. Personally I wanted to see higher target prices. I would like to have seen a 60-cent target price and a 50-cent loan, but we did not get it. We have the best we co ild come up with.

It has been pointed out the bill is not enough to satisfy the American Agricultural Movement and it is too much for the Farm Bureau, so maybe it is somewhere in between and is a reasonable balance. It does not satisfy those two elements, but certainly in cotton, at least, it is a very modest reform designed to provide the farmers of the country with the borrowing power to be able to make a crop. And the few cents additional we are giving them mean a great deal to them when it comes time to plant and it means a lot to them at harvest time as well. It means that many fewer dollars per bale they have got to go and try to borrow from a private banker rather than receiving from the CCC loan.

I do not see what is so shocking about the idea of having a floor under a cotton loan. We have a floor under every other loan. I was looking at the USDA's projection of costs of production for 1978, not counting land values, and I noticed that the median cost of production figures—ranging from the most efficient to the least efficient farmers in different parts of the country show that the wheat farmer in the relationship of his loan floor to cost of production is at 89 percent. The ricegrower is at 86.8 percent of cost of production. The corngrower is at 105 percent of the cost of production. The cotton loan floor of 48 cents is only 80 percent of cost of production, well below the other commodities.

It has also been pointed out for example, that some of my friends in west Texas have a lower cost of production than some others, and they plant a little later, and that this bill somehow might help some Texas farmers. I would like to point out to the Members that in no way is the loan set in this bill at a level high enough to induce production for the loan. The cheapest producers on the high plains of west Texas, compensating for the value of their seed, still are going to find it costs them 46 cents a pound to grow cotton, against a 43-cent loan floor for their type of cotton, so certainly they are not going to grow it for the loan and certainly they are not growing it to turn over to the Government. Another few cents might do it, but not a 43-cent loan, based on the standout of 43 cents.

What we have come up with is a moderate and balanced reform attempting to achieve the compromise we are always seeking, which is the movement of American cotton in world markets and at the same time providing a loan high enough to be of some value to the farmer.

I will admit we could set a loan at 20 or 35 cents or a dime and we could insure absolutely that there would never be any impediment to exportation, but we would not provide any assistance to the farmers of the Nation. So we are constantly seeking a balanced formula to help get the farmer the loan he needs, that he can use as a borrowing tool and a marketing tool, and at the same time keep the cotton marketable.

I am deeply dedicated, and I always have been during the 6 years I have served on the Committee on Agriculture, guaranteeing that American cotton will be exported. I know the value of it to our economy and our balance of payments. I know the value of it to the farmers of this Nation.

I urge the Members to support this conference report.

Mr. FINDLEY. Mr. Speaker, will the gentleman yield?

Mr. BOWEN. I yield to the gentleman from Illinois.

Mr. FINDLEY. Mr. Speaker, I am amazed to hear the gentleman's argument which sounds to me as if he is arguing for loan levels at cost of production and that is a radical departure from the gentleman's argument of a year ago in favor of loan levels based on market prices.

The SPEAKER pro tempore. The time of the gentleman has again expired.

Mr. BOWEN. Mr. Speaker, I would ask the gentleman from Texas (Mr. DE LA GARZA) if I might have 1 more minute to respond to the gentleman from Illinois?

Mr. DE LA GARZA. I yield 1 more minute to the gentleman from Mississippi (Mr. BOWEN).

Mr. BOWEN. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I would only reply to the gentleman from Illinois (Mr. FINDLEY) that I have never argued for actually putting cost of production into the machinery of our loan calculation, but since the issue has been raised from time to time that the loan will provide an incentive to people to grow for the loan, I simply pointed out various costs of production across the country so that you might see that the loan established in this bill does not provide any incentive to grow cotton for the loan.

Mr. FINDLEY. If the gentleman will yield further I would say that a year ago the gentleman made a powerful argument for the cotton section in committee in which the loan rate was based on the world market level.

Mr. BOWEN. The world market price is 70 cents, yesterday, in Liverpool. This loan is 48 cents. If you take off another dime from the Liverpool price for the shipping cost you are still a long, long way from that figure of 48 cents. We are nowhere near that 48 cents and we have not been for the last 3 years, and I see no way we can get close to it with constantly rising costs of production around the world.

The SPEAKER pro tempore. The time of the gentleman has again expired.

Mr. WAMPLER. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from California (Mr. KETCHUM).

Mr. KETCHUM. Mr. Speaker and Members, I did address myself to this particular subject during the discussion on the rule—and the main reason I discussed it during the rule was because there was absolutely no way to address the problem that we are talking about right now under this conference report. If we had an opportunity to recommit with instructions it would be a totally different problem.

I am sorry that I am not a member of the Committee on Agriculture of the House of Representatives, but I am reliably informed that at no point during the discussions this year was the subject of cotton brought up. Now I may be wrong and I am certainly subject to correction if I am, but the House version of the bill did not address itself to cotton.

Mr. DE LA GARZA. Mr. Speaker, if the gentleman will yield, the gentleman from California (Mr. KETCHUM) is not correct that cotton was not discussed.

Mr. KETCHUM. I thank the gentleman for the correction. I have to rely on the reports of my own members of the Committee on Agriculture and they have, I have presumed, reliably informed me.

The point is we have not let the 1977 act produce. We have not let anyone operate under those rules now only because they have been attacked and attacked by the American Agricultural Movement. I certainly am glad to see that there is some response to some grassroots movement, and that movement did not even direct itself to this particular subject.

I would ask the Members to turn down this conference report and let us have some hearings on the subject of cotton, sugar, rice, corn and all of the other subjects that are covered, otherwise this conference report is of no real value to the American farmers.

Mr. FINDLEY. Mr. Speaker, would the gentleman yield, and would the gentleman not agree with me it is most unfortunate that we have a 4-year farm bill for initial consideration before this body in circumstances under which we are not allowed to offer even one amendment—not even one amendment?

Mr. KETCHUM. I think it is disgraceful.

Mr. WAMPLER. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Massachusetts (Mr. CONTE).

Mr. FINDLEY. Mr. Speaker, I make a point of order that a quorum is not present.

The SPEAKER pro tempore. The

Chair will state that the Chair cannot recognize the gentleman from Illinois for that purpose at this point.

The gentleman from Massachusetts (Mr. CONTE) will proceed.

Mr. CONTE. Mr. Speaker, I rise in opposition to this conference report. Two weeks ago, we responsibly dealt with this massive special interest legislation. As my colleagues remember, that one-sided proposal would have been to the benefit of the top 5-percent of the Nation's farmers, who would have received one-third of the loot, or about $2 billion. Fortunately, reason prevailed over the highly visible lobby effort, and that proposal was defeated.

Mr. FINDLEY. Mr. Speaker, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Illinois.

Mr. FINDLEY. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER pro tempore. The Chair will state that that point of order is not in order at this point.

Mr. CONTE. Mr. Speaker, I only have 2 minutes and I hope that this time is not coming out of those 2 minutes.

PARLIAMENTARY INQUIRY

Mr. FINDLEY. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state his parliamentary inquiry.

Mr. FINDLEY. The gentleman from Massachusetts (Mr. CONTE) yielded to me, does that not put me in a position to make a point of order of no quorum?

The SPEAKER pro tempore. The Chair will state that the point of order will not be in order until the Chair puts the question.

The gentleman from Massachusetts (Mr. CONTE) may proceed.

Mr. CONTE. Mr. Speaker, now we are again faced with another potential ripoff of the overburdened taxpayer and consumers of this Nation. This special interest proposal comes to us cloaked in the same thin "gauze" as before, the the Emergency Agricultural Act of 1978. However, if one looks closely at this boondoggle, the massive giveaway is readily apparent. The beneficiary of this so-called compromise is the cotton producer of the agricultural sector. Once again we are faced with the blatant ripoff of the taxpayers from these robber barrons, who have utilized numerous public avenues to feed at the Federal trough, while the taxpayer is left "threadbare."

This latest version of the special interest legislation is just another case of the emperor's new suit of clothes. I trust my colleagues can see through this disguise and recognize that the emperor is none other han "King Cotton," the same group of jolly fellows that brought us Cotton, Inc., a few years ago.

Mr. Speaker, at that time, the House received a belly full of the financial shenanigans of the lobbying arm of the fat-cat cottongrowers. Now, we are faced with the threat of another direct price support program, amounting to a 10-percent increase for the next 4 years. Mr. Speaker, I ask, What do they want? We have already given these select producers more than we have given the Nation's wheat and grain producers.

Last year the Congress enacted a provision which has resulted in the increased price for cotton of approximately 7 cents per pound, or the equivalent of $35 per bale. This amounts to an increase of 14 percent in 1 year alone. I believe it is fair to say that these producers are receiving a hedge against inflation—thanks to Uncle Sam. Our export sales are the highest since 1973. The future for cotton producers is "fluffy white, with no end in sight." Now, fresh from being fattened up at the public trough, they are back demanding more. I submit that it is time we reject this "fringe benefit" for these pampered cotton producers.

We all have heard of the plight of the small, independent, struggling farmer over the past 4 months. Now, the "nouveau riche" cotton producers are attempting to ride the "cottontail" of this emotional issue, and get yet another giveaway. It is time we nip this in the bud, once and for all. These producers do not need the special interest provisions of the conference report we are considering. Such anticonsumer provisions as the increase in the price support program that I just mentioned, to 48 cents per pound minimum for the next 4 years; the revamping of the formula for calculating loans thus guaranteeing higher prices for the next 4 years; and finally the provision which gives the Secretary of Agriculture the discretion to revise the subsidy program, but only in one direction, upward. Once again, we are faced with the dirty work, that could not be accomplished in conference, that of killing this massive, blatant boondoggle.

I submit that it is time for these subsidy-pickin' cotton hands to be removed from the lint-filled taxpayers pocket, once and hopefully, forever.

I urge the disapproval of this report.

Mr. DE LA GARZA. Mr. Speaker, I yield 2 minutes to the gentleman from Indiana (Mr. FITHIAN).

Mr. FITHIAN. Mr. Speaker, I just want to make one observation to my friends on the other side of the aisle today. We sat through an awful lot of hearings earlier this Congress, and I repeatedly heard some friends from the other side say that the Secretary of Agriculture had all the authority that he needed to raise the target price and the loan levels. When they made these remarks they asked the American Agriculture Movement, "Don't you think that Secretary Bergland should do this?" Repeatedly throughout all those hearings we got great cheers wherever everyone assembled, even in the Cannon caucus room where they jammed the room.

I am a little surprised to hear today the concern expressed that we are granting too much authority and too much power to the administration to adjust target prices and loan levels. I find it amusing and inconsistent to hear both arguments over the period of the hearings on this legislation and this matter, and now hear these arguments.

I must say to my friends on this side of the aisle that I do have some concern about granting too much authority to the administration. I do have some concern, not on this legislation, but what it might do for us in the future dealing with other farm legislation.

Mr. Speaker, I will vote for the conference report, but I am not really entirely happy about the procedural way in which we came to the conference report, nor am I happy with the prospects of the problems we might have out ahead when we try to pass subsequent farm legislation.

Mr. DE LA GARZA. Mr. Speaker, I yield 1 minute to the gentleman from Missouri (Mr. BURLISON).

Mr. BURLISON of Missouri. Mr. Speaker, I would like to take this brief time to focus on (just one provision of the bill, the cotton section. I would submit to my colleagues that when we were acting on the 1977 bill that we did not really know what the cotton section did. We did not know what it had in it.

Now it has had time to work and we have found out. The present cotton provision requires the loan level to decline as the price of cotton declines. This is another way of saying the poorer you get, the poorer you should get. In my judgment, it is a ridiculous mechanism for giving support to cotton farmers.

What we are doing here is very modestly and very moderately increasing the present loan level from 44 cents to a mandated minimum of 48 cents a pound. The bill should be passed.

Mr. WAMPLER. Mr. Speaker, I yield 4 minutes to the distinguished gentleman from Illinois (Mr. FINDLEY).

Mr. FINDLEY. Mr. Speaker, it is certainly a sorry day for this Chamber to recognize that only a handful of Members here today are listening to the debate which will settle the fundamental question of farm program policy for the major commodities grown by this great Nation for 4 years.

The bill proposes the most extraordinary conveyance of authority to the Secretary that to my knowledge has ever been proposed, exceeding even that recommended and sought in the first year of the administration of Orville Freeman. To say that this is just a bill to get the target price of wheat up to $3.40 for this year is a most misleading statement. The sky is the limit. There is no reason on Earth if the conference bill becomes law why the Secretary could not go to $4 or $5 or $6 level for wheat. This could lead to an enormous outlay of money. If he should take that route, in consequence of a set-aside program for wheat it would also give him the discretion to raise the target prices for all feed grains and for cotton. When that happens, as I suspect it will during the 4-year life of this bill, we will find farmers once again produc-

ing, not for the marketplace, but for the enticements of Federal programs.

We will find election-year politics rearing its ugly head, with the President up for reelection responding to enormous pressures, first from this section and then from that section, beseeching the President to raise target prices, to get Government checks flooding to the countryside, doing great damage to the production system of this Nation, intruding the heavy hand of Government into the management decisions of farmers far more than at any time in the past.

Mr. FITHIAN. Mr. Speaker, will the gentleman yield?

Mr. FINDLEY. I am glad to yield to the gentleman from Indiana.

Mr. FITHIAN. Mr. Speaker, I have some of the same concerns as the gentleman from Illinois (Mr. FINDLEY). Just for a point of information, let me ask this question:

Would we not have at appropriations time the opportunity to say that in case they jumped at the price they talked about, we could address the issue then?

Mr. FINDLEY. No; because this is all backdoor financing and funded only through the back door of the Treasury Department. We would have great difficulty constructing a limitation on an appropriation bill that would have effect during the current crop year.

Mr. FITHIAN. We legislate so much on appropriations bills that I thought perhaps that would be a way of attacking the problem.

Mr. FINDLEY. I know, but we cannot affect current contracts, and once the Secretary announces a program, then, to my knowledge, the Congress has never effectively reversed that decision and denied program benefits already contracted to farmers.

So what we are dealing with here is an enormous conveyance of power.

There is an aspect of this issue that has not been mentioned up to now. Once the President gets this enormous flexibility and control over farm programs, we will have great difficulty taking it away from him. We can count on his having the authority over the 4-year life of this program, and I am sure the gentleman does not want that to happen.

Mr. DE LA GARZA. Mr. Speaker, I yield such time as he may consume to the chairman of the Committee on Appropriations, the gentleman from Texas (Mr. MAHON).

Mr. MAHON. Mr. Speaker, members of the committee who helped write the conference report on the pending farm bill have explained its contents.

The bill has many shortcomings but it provides the only opportunity at the moment to pass legislation of some assistance to agriculture. The measure will be of some assistance and I want to register my support of the conference report. Much remains to be done and I hope to have the opportunity of supporting further legislation designed to relieve the current crisis in agriculture.

Mr. WAMPLER. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Minnesota (Mr. HAGEDORN).

Mr. HAGEDORN. Mr. Speaker, this conference report represents an abject surrender of legislative authority by this body to the executive branch. First, the veto threats of the administration succeeded in defeating serious legislation aimed at alleviating the agricultural emergency. Now, they seem to have succeeded in persuading this body to turn over responsibility for achieving a solution to the White House.

This is what I call legislation by illusion. It gives the appearance of doing something, and will allow many of us to go home and tell our farmers that we have been doing our best on their behalf. It may even sincerely convince many of us that something meaningful is being done.

Basically, however, this conference agreement is giving discretionary authority to do something worthwhile to an administration that has made clear its reluctance to do this. When all is said and done, the farmer is going to be little better off on his 1978 crops than he is at this moment. We, Members of Congress, of course, can get each other to sign letters to the President and to Secretary Bergland urging them to exercise their authority, and score our brownie points with our farmers, but nothing much will be done.

In short, this bill gives us an easy out as we continue to relinquish ever more legislative authority to another branch of Government. I am almost nostalgic for the days when so many in this body spoke of an executive that had grown too powerful and that had usurped the prerogatives of Congress.

It is also interesting to note that this conference report provides literally nothing for feed grain farmers, many of whom are as hard-pressed as any other farmers. While the emergency agriculture legislation defeated last month increased 1978 loan rates to $2.25 per bushel, and allowed participation in the new flexible parity target price program, this legislation does absolutely nothing for them based on Secretary Bergland and President Carter's statements issued earlier.

My opposition to this bill, incidentally, comes despite several provisions which I consider desirable including those increasing CCC borrowing authority, and those encouraging USDA "gasohol" development efforts.

Mr. WAMPLER. Mr. Speaker, I yield 1 minute to the gentleman from California (Mr. KETCHUM).

Mr. KETCHUM. Mr. Speaker, I thank the gentleman for yielding this time to me.

I take this time only for the purpose of asking the ranking minority member a question.

We keep discussing a "bill" here. Did the Committee on Agriculture of the House indeed have a bill, or was this an amendment that came over to us from the other body?

Mr. WAMPLER. Mr. Speaker, will the gentleman yield?

Mr. KETCHUM. I yield to the gentleman from Virginia.

Mr. WAMPLER. Mr. Speaker, may I respond to the distinguished gentleman from California by saying what we have before us in this instance, as we did earlier last month when we had an earlier conference report on raisin marketing bill, H.R. 6782, which had passed the House in due course, after committee hearings. That raisin marketing bill was sent to the other body, and the other body amended it, adding what would be nongermane amendments amending the 1977 Farm Act. The Senate passed the first conference report which some of us referred to as flexible parity for farmers. The House voted down that first conference report. Immediately the chairman of the House Committee on Agriculture asked for another conference on the raisin marketing bill as amended by the Senate. Out of that second conference has come the revised, I repeat, revised conference report on the farm bill which is before us today. Thus, in both instances the first conference report on H.R. 6782 and this second or revised conference report on H.R. 6782, the House has considered a conference report on a 1978 farm bill which has never been reported out by the House committee on Agriculture and a bill which has never been considered by the House before we went to conference.

The SPEAKER pro tempore. The time of the gentleman from California (Mr. KETCHUM) has expired.

Mr. WAMPLER. Mr. Speaker, I yield 1 additional minute to the gentleman from California (Mr. KETCHUM).

Mr. KETCHUM. Mr. Speaker, if the gentleman would again respond, then I would not be totally incorrect if I were to make the statement that I had heard before, that in a reference to the bill cotton was not discussed other than in a most cursory way?

Mr. WAMPLER. If the gentleman will yield further, I will respond by saying that we held extensive hearings in consideration of the 1977 farm bill, which is now law. We did discuss cotton as we met in conference on this conference report. But, the Committee on Agriculture did not have the opportunity to report a farm bill or the cotton provisions which appear in this conference report.

Mr. KETCHUM. Mr. Speaker, I thank the gentleman for clearing this up.

Mr. KREBS. Mr. Speaker, will the gentleman yield?

Mr. KETCHUM. I yield to the gentleman from California.

Mr. KREBS. I thank the gentleman for yielding.

Mr. Speaker, I think what the gentleman would like an answer to is the following:

Has the Committee on Agriculture ever spent a single minute to mark up a bill which has any cotton provisions in it?

And the answer is "No."

Mr. KETCHUM. Mr. Speaker, I thank the gentleman. That is exactly the question I was addressing myself to.

Mr. WAMPLER. Mr. Speaker, I yield the remaining time to the gentleman from Illinois (Mr. FINDLEY).

The SPEAKER pro tempore. The gentleman from Illinois (Mr. FINDLEY) is recognized for 1 minute.

Mr. FINDLEY. Mr. Speaker, several Members here this afternoon have referred to budget impact. I am looking around, trying to find the chairman of the Budget Committee. I do not see him at the moment, or other members of the committee. But I hope they are not misled into the misapprehension that this is authority for only a modest outlay of money even this year. And I call attention to the letter of April 28, 1978, signed by the deputy director of the Congressional Budget Office, and I draw particular attention to this one sentence:

The extensive discretionary authority provided in the conference agreement makes it extremely difficult to cost . . . Costs could be somewhat less or much greater than those shown below . . .

Mr. Speaker, I urge my colleagues of the House to vote against the conference report. Do not do such mischief to the land of cotton as well as to the land of feed grain and wheat.

Mr. Speaker, I insert in the RECORD the text of the letter of April 28, 1978, from the Congressional Budget Office, to which I have made reference.

The letter is as follows:

CONGRESSIONAL BUDGET OFFICE,
Washington, D.C., April 28, 1978.

HON. THOMAS S. FOLEY,
Chairman, Committee on Agriculture,
U.S. House of Representatives,
Washington, D.C.

DEAR MR. CHAIRMAN: In response to a request from the staff of the Budget Committee, we have prepared estimates of the budget and economic impact of H.R. 6782, the Emergency Agricultural Act of 1978, as agreed to by the House and Senate conferees, April 26, 1978.

The conference agreement has the following provisions:

(1) Effective October 1, 1978, but retroactive to cover the entire 1978 crop, and for the 1979 through 1981 crops, the Secretary of Agriculture is authorized to increase the target prices for wheat, feed grains, and/or upland cotton above the formula prices contained in the Food and Agriculture Act of 1977 (P.L. 95–113). An increase for any one of these commodities is authorized when a set-aside is in effect for the commodity or if deemed necessary for effective operation of a set-aside on another commodity. The increase is to be adjusted to reflect any land diversion payments.

(2) Effective October 1, 1978, but retroactive to cover the entire 1978 crop, and for the 1979 through 1981 crops, the formula used to compute the cotton loan rate is changed to 85 percent of the U.S. spot market average prices, using three out of the past five years, and dropping the highest and lowest years. However, if the July 1 through October 15 Northern European price quotation formula is higher, the Secretary may raise the loan rate to the higher level. In any case, the minimum loan rate is $0.48 cents per pound.

(3) An optiona' program for crops grown for gasohol production is authorized, effective October 1, 1978.

(4) The authorization level for Commodity Credit Corporation borrowing authority is increased by $10.5 billion to $25 billion, effective October 1, 1978.

(5) Effective October 1, 1978, authorization for market promotion activities is added to the existing federal marketing order for raisins.

The following table presents the estimated budget authority and outlays associated with H.R. 6782. The extensive discretionary authority provided in the conference agreement makes it extremely difficult to cost. Therefore, the estimate is based on the Administration's statements of intent with regard to the wheat target price for the 1978 crop, and on the Administration's interpretation of the target price provision for the 1979 through 1981 crops. Costs could be somewhat less or much greater than those shown below, depending on exactly what the Administration chooses to do.

ESTIMATED BUDGET AUTHORITY AND OUTLAYS

[By fiscal years; in millions of dollars]

	1979	1980	1981	1982	1983
BUDGET AUTHORITY					
Function 350:					
Increase in the authorization level for CCC borrowing authority	10,500	0	0	0	0
Less: Estimated contract authority and appropriation to liquidate contract authority in CBO base	5,561	0	0	0	0
Net function 350	4,939	0	0	0	0
Function 900	−42	−22	−14	−15	−2
Net budget authority	4,897	−22	−14	−15	−2

	1979	1980	1981	1982	1983
OUTLAYS					
Function 350:					
Wheat	599	284	213	214	0
Cotton	100	88	25	30	25
Net interest (CCC)	42	22	14	15	2
Total function 350	741	394	252	259	27
Function 900	−42	−22	−14	−15	−2
Net outlays	699	372	238	244	25

In addition, the raisin marketing order amendment is expected to cost $7,500 in fiscal year 1979, primarily for a mail referendum.

TITLE I

USDA officials have confirmed that the Administration intends to increase the wheat target price for the 1978 crop to $3.40 per bushel. The CBO projection assumes a wheat set-aside program for each of the 1979 through 1981 crops. For each crop, the target price was assumed to be increased above the formula price projected under Public Law 95–113 in proportion to the assumed set-aside, but adjusted for the savings in variable cost. This interpretation of the conference agreement conforms with the Administration's interpretation.

USDA officials also confirmed that the Administration does not intend to increase target prices for the 1978 crop of feed grains, so there is no added cost in fiscal year 1979. Because the CBO projection assumes a 1979 feed grain set-aside program, there is a possibility that the Administration would raise the target price for the 1979 corn crop. Using the Administration's interpretation of the set-aside and cost adjustment factor, the 1979 crop corn target price would be $2.21 per bushel. The projected farm price for the 1979 corn crop is $2.30 per bushel, leaving a $0.09 per bushel margin between CBO's projected 1979 target and the projected market price. Therefore, no increased outlays would be incurred. No feed grain set-aside program is projected by CBO for crop years 1981 and 1982, so the adjustment factor would probably not be applied.

Loan rates for cotton were projected using the revised domestic spot price formula in the conference agreement. In the cases where the formula result fell below $0.48 per pound, the $0.48 rate was used. Net lending for cotton was projected using an equation that relates volume to the projected farm price and the loan rate.

No cotton target price adjustments were projected because CBO does not anticipate that the conditions set forth in the bill will be met.

Interest payments on increased Treasury borrowings were charged at six percent of the increased program outlays.

Because supply and demand are not expected to change in response to the provisions of the conference agreement, commodity prices are not expected to increase.

Supporting details for the wheat and cotton estimates are shown in Tables 1 through 4.

TITLE II

The gasohol provisions, which provide for a program at the discretion of the Secretary, are not expected to result in additional cost to the federal government.

TITLE III

The estimate assumes that the $10.5 billion of additional borrowing authority is fully appropriated in fiscal year 1979.

TITLE IV

The costs of the mail referendum were supplied by USDA. The costs of conducting the market promotion program will be paid for by handlers, with no additional cost to the federal government.

We would be pleased to answer any questions you may have regarding this estimate.

Sincerely,

ROBERT A. LEVINE,
Deputy Director.

TABLE 1.—H.R. 6782 (APR. 26, 1978) WHEAT SUPPLY AND DEMAND ESTIMATES

	Crop year—					
	1978	1979	1980	1981	1982	1983
Acreage harvested (million acres)	[1] 54.8	[2] 60.2	[3] 62.8	[3] 62.8	70.0	72.0
Acreage set-aside	11.0	8.6	6.0	6.0	0	0
Acreage grazed out	3.0	0	0	0	0	0
Supply (million bushels):						
Beginning stocks:						
Government stocks	375	375	375	375	375	375
Market stocks	888	704	655	630	559	635
Total stocks	1,263	1,079	1,030	1,005	934	1,010
Production	1,781	1,956	2,040	2,054	2,261	2,318
Total supply	3,044	3,035	3,070	3,059	3,195	3,328
Disappearance (million bushels):						
Domestic use	770	780	790	800	810	820
Exports	1,195	1,225	1,275	1,325	1,375	1,425
Total disappearance	1,965	2,005	2,065	2,125	2,185	2,245
Ending stocks (million bushels):						
Government stocks	375	375	375	375	375	375
Market stocks	704	655	630	559	635	708
Total stocks	1,079	1,030	1,005	934	1,010	1,083
Prices (dollars per bushel):						
Target price	3.40	3.24	3.29	3.39	3.38	3.48
Loan rate	2.25	2.25	2.25	2.25	2.25	2.25
5-mo farm price	2.84	2.90	2.90	3.00	2.90	2.85
Season average farm price	2.84	2.90	2.90	3.00	2.90	2.85

	Fiscal year—				
	1979	1980	1981	1982	1983
Government outlays (million dollars):					
Net lending	213	165	119	215	211
Deficiency payments	936	628	753	758	1,085
Disaster payments	136	143	0	0	0
Graze-out payments	23	0	0	0	0
Storage payments	81	94	94	94	94
Interest payments	10	23	23	23	23
Other	25	25	25	25	25
Total Government outlays	1,424	1,078	1,014	1,115	1,438

[1] 20-percent set-aside with a 95-percent participation rate, plus a graze-out program.
[2] 15-percent set-aside with a 95-percent participation rate.
[3] 10-percent set-aside with a 95-percent participation rate.

TABLE 2.—CBO CURRENT POLICY BASE—AS OF APR. 17, 1978; WHEAT SUPPLY AND DEMAND ESTIMATES

	Crop year—					
	1978	1979	1980	1981	1982	1983
Acreage harvested (million acres)	[1] 54.8	[2] 60.2	[3] 62.8	[3] 62.8	70.0	72.0
Acreage set-aside	11.0	8.6	6.0	6.0	0	0
Acreage grazed out	3.0	0	0	0	0	0
Supply (million bushels):						
Beginning stocks:						
Government stocks	375	375	375	375	375	375
Market stocks	888	704	655	630	559	635
Total stocks	1,263	1,079	1,030	1,005	934	1,010
Production	1,781	1,956	2,040	2,054	2,261	2,318
Total supply	3,044	3,035	3,070	3,059	3,195	3,328
Disappearance (million bushels):						
Domestic use	770	780	790	800	810	820
Exports	1,195	1,225	1,275	1,325	1,375	1,425
Total disappearance	1,965	2,005	2,065	2,125	2,185	2,245
Ending stocks (million bushels):						
Government stocks	375	375	375	375	375	375
Market stocks	704	655	630	559	635	708
Total stocks	1,079	1,030	1,005	934	1,010	1,083
Prices (dollars per bushel):						
Target price	3.05	3.09	3.18	3.28	3.38	3.48
Loan rate	2.25	2.25	2.25	2.25	2.25	2.25
5-mo farm price	2.84	2.90	2.90	3.00	2.90	2.85
Season average farm price	2.84	2.90	2.90	3.00	2.90	2.85

	Fiscal year—				
	1979	1980	1981	1982	1983
Government outlays (million dollars):					
Net lending	213	165	119	215	211
Deficiency payments	351	351	540	544	1,085
Disaster payments	122	136	0	0	0
Graze-out payments	23	0	0	0	0
Storage payments	81	94	94	94	94
Interest payments	10	23	23	23	23
Other	25	25	25	25	25
Total Government outlays	825	794	801	901	1,438

[1] 20-percent set-aside with a 95-percent participation rate, plus a graze-out program.
[2] 15-percent set-aside with a 95-percent participation rate.
[3] 10-percent set-aside with a 95-percent participation rate.

TABLE 3.—H.R. 6782 (APR. 26, 1978) UPLAND COTTON SUPPLY AND DEMAND ESTIMATES

	Crop year—				
	1978	1979	1980	1981	1982
Acreage harvested (million acres)	11.4	11.0	11.5	11.5	12.0
Acreage diverted	1.0	0	0	0	0
Supply (thousand bales):					
Beginning stocks	5,360	4,897	4,397	4,297	4,097
Production	11,569	11,000	11,500	11,500	12,000
Total supply	16,929	15,897	15,897	15,797	16,097
Disappearance (thousand bales):					
Domestic use	6,644	6,700	6,800	6,800	6,900
Exports	5,388	4,800	4,800	4,900	5,000
Total disappearance	12,032	11,500	11,600	11,700	11,900
Ending stocks (thousand bales)	4,897	4,397	4,297	4,097	4,197
Prices (cents per pound):					
Target price	52.0	54.6	57.3	60.2	63.2
Loan rate	48.0	49.5	48.0	48.2	48.0
Calendar year farm price	51.0	53.0	53.1	54.3	53.0
Season average farm price	51.0	53.0	53.1	54.3	53.0
Government outlays (million dollars):					
Net lending	150	138	97	72	100
Deficiency payments	56	84	232	326	583
Disaster payments	115	117	0	0	0
Diversion payments	56	0	0	0	0
Total Government outlays	377	339	329	398	683

TABLE 4.—CBO CURRENT POLICY BASE—AS OF APR. 17, 1978: UPLAND COTTON SUPPLY AND DEMAND ESTIMATES

	Crop year—				
	1978	1979	1980	1981	1982
Acreage harvested (million acres)	11.4	11.0	11.5	11.5	12.0
Acreage diverted	1.0	0	0	0	0
Supply (thousand bales):					
Beginning stocks	5,360	4,897	4,397	4,297	4,097
Production	11,569	11,000	11,500	11,500	12,000
Total supply	16,929	15,897	15,897	15,797	16,097
Disappearance (thousand bales):					
Domestic use	6,644	6,700	6,800	6,800	6,900
Exports	5,388	4,800	4,800	4,900	5,000
Total disappearance	12,032	11,500	11,600	11,700	11,900
Ending stocks (thousand bales)	4,897	4,397	4,297	4,097	4,197
Prices (cents per pound):					
Target price	52.0	54.6	57.3	60.2	63.2
Loan rate	44.0	46.0	47.0	47.0	47.0
Calendar year farm price	51.0	53.0	53.1	54.3	53.0
Season average farm price	51.0	53.0	53.1	54.3	53.0
Government outlays (million dollars):					
Net lending	50	50	72	42	75
Deficiency payments	56	84	232	326	583
Disaster payments	115	117	0	0	0
Diversion payments	56	0	0	0	0
Total Government outlays	277	251	304	368	658

Section 1001 of the Food and Agriculture Act of 1977, P.L. 95-113, is amended by inserting the letter "(a)" before the first sentence of that section and by adding a new subsection (b) which reads as follows:

"(b) Notwithstanding any other provision of law, whenever a set-aside is in effect for one or more of the 1978 through 1981 crops of wheat, feed grains, upland cotton, the Secretary is authorized to increase the established price for any one of such commodities by such amount as he determines appropriate to compensate producers for participation in any such set-aside. In determining any such increase, the Secretary shall take into account changes in the cost of production resulting from participation in the set-aside involved. If the established price is increased for any commodity for which a set-aside is in effect, the Secretary may increase the established price for any other

commodity in such amount as he determines necessary for effective operation of the program. The Secretary shall adjust any increase in the established price to reflect, in whole or in part, any land diversion payments on the crop for which such increase is determined.".

TECHNICAL CHANGES IN UPLAND COTTON LOAN COMPUTATION FORMULA

Item No. 1: The loan shall be determined by a computation of 85% of the U.S. spot market averages (as established in the 1977 Farm Act) using three out of the past five years, dropping the highest and lowest years.

Item No. 2: The Northern European price quotation (as described in the 1977 Farm Act) shall be determined by measuring a fifteen-week period, July 1 through October 15, rather than the current two-week period, October 1 through October 15.

Item No. 3: When the domestic spot market computation is lower than the Northern European computation, then it shall be the announced loan level (as described in the 1977 Farm Act). When the Northern European average is the lower of the two, then the Secretary of Agriculture shall have the option of adjusting the loan rate upward not in excess of the domestic spot market computation.

LOAN LEVELS UNDER 1977 FARM ACT

1978: 44.00¢ (based upon obligation to use Northern European index as the lower)

1979: 46.49¢ (est., based upon domestic price computation as the lower, using 53¢ average price for this year's crop)

LOAN LEVELS USING PROPOSED TECHNICAL CHANGES

1978: 46.76¢ (based upon domestic price computation as lower)

1979: 50.75¢ (est., based upon domestic price computation, using 53¢ average price for this year's crop)

Mr. DE LA GARZA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, first, beginning with the premise that legislation is the art of the possible, this is it. Much has been said this afternoon over the parliamentary situation. First, let me say that extensive hearings were held in both Chambers. Every member of the Committee on Agriculture met with hundreds of farmers, not only from his district, but from throughout the United States. The matter was discussed from A to Z on both sides of this Capitol. Everyone was heard who wanted to be heard. So it is not a question that we just came here with something dropped out of the sky. Hearings were held. The parliamentary situation is one which we had no control over. The other Chamber can, under the rules, attach nongermane amendments.

Now, the art of the possible, that is where we had to ask for the rule that waives that point of order. But it was not a matter of not having any hearings. It was not a matter of people not having been heard. It was not a matter of Members not having any input. Every Member had the opportunity for input.

Now I will mention something that should not even have to be discussed. But a most ingenious attack has been made on this legislation that witnesses were not heard in the conference.

Witnesses—and I regret to have to say it to my colleagues—witnesses have never been at conferences. It is not the way the rules provide. Of course, there were no witnesses at the conference committee meetings. There never are, but each Member of the House and Senate had his opportunity for input.

Last, Mr. Speaker, I would like to say something about two matters: One, there has been some mention about reelection or about the farmers applying political pressure or some sort of partisan presssure.

The farmers that are applying for help have no politics. One has his philosophic viewpoint; the other one might have still another one. The matter which was discussed in the committee and which was discussed in the conference was as bipartisan as any legislation which comes before us. The Republican side and the Democratic side worked together on the compromises, so this matter should have no bearing or no effect on what we do here today because the matter of reelection has nothing to do with the legislation we are considering today.

This movement began in Colorado by a group of farmers who needed help. They chose the time. They chose the subject. We had already passed the 1977 act, so it is not the President's reelection or my reelection or any other colleague's reelection. The time that was chosen was by the farmers themselves, and that is why we are here at this point. The farmers asked for this help.

Finally, about the authority, Mr. Speaker, what Caesar gives, Caesar can take away. Any one of my colleagues knows that a law can be signed by the President one day and that the Congress can initiate legislation the next day. Nothing is irreversible. Nothing is irretrievable. Everything is possible, and the art of the possible is to do what one can at the time he can with the tools that he has.

Mr. Speaker, that is where we are now. Now is the time. This is the tool. This is what we have.

Shall we go back, Mr. Speaker? The time for planting is gone. The cotton in my area will be helped little by this bill. It is already too high. I grow no wheat, I grow no corn; but the farmers who came to plead with me, from Nebraska, from Kansas, from the Dakotas, to whom I listened when I really had no time for them, asked for assistance. They asked for help; and it is for those people that we are doing this today, for the farmers of America. It is not going to help all of them, but it is going to help some.

That, again, is the art of legislation. If, in compromise, we can help some, then we have achieved the objective of legislation which helps some. No bill can help all. It may even hurt some.

However, Mr. Speaker, the plight of the farmer is one that cannot be put under the table. The time is past. The time to act is past. We are, in fact, a little late.

Mr. FINDLEY. Mr. Speaker, will the gentleman yield?

Mr. DE LA GARZA. I yield to the gentleman from Illinois.

Mr. FINDLEY. Mr. Speaker, did I hear the gentleman correctly to say that we have the bill here today because of the agricultural strike movement? Is this a panic reaction because of those who were on Capitol Hill the past few months?

Mr. DE LA GARZA. The gentleman continues with his ingenious argument, apparently having no facts.

This is a result of the plight of the farming community of America—from Illinois to Oregon, from Illinois to Texas, from Illinois to Vermont, and from Illinois to Maine. This is the plight of the farmer, beginning, in its center, in Illinois, the cradle of Lincoln, the cradle of the most ingenious farmers that we have.

Mr. Speaker, I would urge the Members to join with us and help the farmers of America, beginning in Illinois.

Mr. FINDLEY. If the gentleman will yield further, Mr. Speaker, I have yet to hear from one farmer from Illinois who is in support of this conference report.

● Mr. PICKLE. Mr. Speaker, I am going to vote for the conference report on H.R. 6782, the so-called Emergency Agriculture Act of 1978 but I am going to do so with reluctance and some disappointment.

I am disappointed because this incomplete bill is the only thing that we were able to salvage from what was basically a sound and effective emergency program. And I am reluctant because I am afraid that some Members may actually think that this bill will solve our farm problems this year and will try to hold this bill out as an offering of salvation to desperate farmers.

Mr. Speaker, I think that trying to pass this conference report off as an Emergency Agriculture Act is like telling a terminal cancer patient that we are giving the doctor permission to give him an aspirin—if the doctor feels like it.

After this bill passes, I hope that Congress and the administration will go back to work to seriously try to come up with a workable program this year that will help our farmers. Just because there are not 5,000 farmers standing out on the steps of the Capitol this afternoon, I hope that Members will not get the impression that farm problems have gone away. I think they have left Washington because they finally became disgusted and disillusioned with their Government. But the prospect of thousands of family farmers not being able to meet mortgage payments still exists.

I hope that the House will come back with a real emergency act that will effectively raise target prices this year: a bill that will be more than the empty shell that we are offering them today. We must get a better promise of support from the White House or the Department of Agriculture. If we knew what they would accept, then I think the Congress could set about to reach that accord if it was reasonable. Meanwhile I hope the executive department will interpret the loan prices liberally, and be as bold and as helpful as possible.●

● Mr. FRENZEL. Mr. Speaker, H.R. 6782, the revised 1978 farm bill, gives the Secretary of Agriculture unlimited authority to increase target prices on wheat, feed grains and cotton. The bill is effective through 1981.

This 4-year grant of unlimited authority may not be without precedent, but it is certainly without good sense. During that 4-year stretch, Congress would have no control of increases in the target prices. Our usual congressional appropriations scrutiny would be obviated.

Since the Department of Agriculture already has broad authority to set loan limits, set-asides and diversion payments, H.R. 6782 would give the administration total authority to do whatever it wanted in agriculture over the next 4 years. In my judgment this Congress would be wholly irresponsible to give such a broad grant of authority to any administration for such a long period.

We are told the Secretary of Agriculture intends under this authority to raise the target price for wheat to $3.40 per bushel. That is probably a good idea which many Members could support. However, even though the Secretary said this was his only intention, the conferees rejected a motion to grant this unlimited authority to the Secretary. I personally would support an increase to $3.40 per bushel, but I cannot support the almost unlimited authority to increase prices on wheat, feed grains, and cotton.

The cotton picture is most complicated. There, the conferees put a floor under the loan level of 48 cents per pound. Many elements of the cotton producing industry oppose that kind of loan floor, and there is little evidence on the record to support it as a wise policy.

This conference report is not supported by very many of the producer organizations. Specifically the Farm Bureau and American Agriculture Movement are not supporting it.

I do believe that our wheat producers need some relief, but the broad authority granted to the administration under this bill is far too much. I shall have to oppose H.R. 6782.●

● Mr. ALEXANDER. Mr. Speaker, the Nation's family farmer has some legitimate grievances. He has come in large numbers to petition his government. I do not think that either the Congress or the administration has dealt adequately with his petition. The conference report before us today, however, does make a partial response to those needs, a response which is reasonable and which the President should sign.

Since farmers began coming to Washington to make their views known, I have contended that three remedies were in order to provide for the short-term needs of the family farmer. The first is an adjustment in target prices and loan rates to reflect the cost of production to the farmer. This conference report, in effect, raises the target price on wheat to $3.40 for the 1978 crop year and the loan rate for cotton to at least 48 cents per pound. While we had hoped for more, the Secretary is given discretionary authority through the 1981 crop year to raise target prices on wheat, feed grains, and cotton when a set-aside is in effect for such commodity.

The second is a more liberal credit policy for hard-pressed farmers. Both the House and Senate have acted on such legislation and we will soon go to conference.

The third is a stepped-up export market development effort through establishment of agricultural trade offices abroad. Authorizing legislation is ready for markup and I hope the agriculture legislative committee will move expeditiously on this initiative as well. In addition, I plan to propose funding to accommodate such authorizing legislation by increasing the budget of the Foreign Agriculture Service for export development when the Agricultural Appropriations Subcommittee, on which I serve, marks up its bill later this month for fiscal year 1979.

Mr. Speaker, the problems of the American family farmer are real and they are acute. I know of one family-owned farming operation in Arkansas whose acreage planted in cotton over crop years 1974–77 dropped from 800 acres in 1974 to 325 acres in 1977. On May 1 of this year that operation qualified for a Farmers Home Administration disaster loan in excess of $100,000 to pay off debts accumulated over the last 4 crop years. That operation is as efficient as it can possibly be yet the return on the crop has not been sufficient to meet even costs.

That's just one example, Mr. Speaker. I could cite scores of others and I am sure my colleagues from throughout the farm belt can share similar occurrences.

I believe the most productive partner in our economic system deserves a fair shake. This conference report is a short-term measure of relief that deserves the support of the Congress and the President. It is pro-producer. It is pro-consumer.●

● Mr. BAUCUS. Mr. Speaker, I support the conference report on H.R. 6782, the Emergency Agricultural Act of 1978. This legislation will give the administration additional flexibility for dealing with farm problems.

I do not want to imply that I agree with the administration's handling of the current farm problem. I will continue my efforts to help farmers get better prices, but the bill we are considering today provides some necessary help for Montana wheatgrowers.

Basically, H.R. 6782 gives the Secretary of Agriculture authority to adjust target prices upward when set-aside programs are in effect. The Secretary has said that he would raise the wheat target price to $3.40 per bushel if he had the authority.

Target prices are the incentives that encourage farmers to participate in USDA programs. Farmers who reduce plantings of crops in accordance with USDA set-aside requirements are eligible for loan programs, deficiency payments and emergency disaster programs.

For this year, the administration has announced a 20-percent set-aside for wheat producers and a 10-percent set-aside for feed grain producers. These set-asides are considered necessary to prevent oversupply of grain.

All of us are concerned about maintaining adequate grain supplies for domestic and export needs. But wheat and corn stocks now are at record levels and further additions to these stocks will only depress prices to unacceptably low levels.

H.R. 6782 will let the administration adjust target prices to levels that encourage set-aside participation to achieve program goals of adequate incomes for farmers and uninterrupted supplies for consumers. The provisions of the 1977 Food and Agriculture Act are scheduled to remain in effect through 1981. The amendments to that act we are considering today will provide benefits not only this year, but throughout the life of the bill.

The $3.40 target price promised to wheat growers will encourage program participation and help wheat farmers with their cash-flow problems. The higher target price comes much closer to covering farm production costs than the current $3 level. A recent report prepared by the USDA for the Senate Committee on Agriculture shows that the average cost of production for all U.S. wheat varies from $3.37 to $3.88 per bushel.

Increased farm incomes will stimulate the economies of rural communities. Businesses in rural towns have been hurting for several years as farmers have had to curtail their purchases because of low prices. The benefits of H.R. 6782 will go not only to farmers, but to rural residents in general.

Mr. Speaker and fellow colleagues, thousands of farmers have come to Washington in recent months to tell us how badly they need better prices. This House has defeated one proposal to increase farm prices. I supported that proposal, and I would also urge my colleagues to vote for this bill which has the support of the administration and most farm groups. The interests of this Nation are best served by an agricultural program that provides decent prices for farmers.●

Mr. DE LA GARZA. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the conference report.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. FINDLEY. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 212, nays 182, not voting 40, as follows:

[Roll No. 283]

YEAS—212

Abdnor	Andrews, N. Dak.	Barnard
Addabbo	Annunzio	Baucus
Akaka	Applegate	Beard, R.I.
Alexander	Aspin	Beard, Tenn.
Allen	AuCoin	Bedell
Ambro	Baldus	Bevill
Andrews, N.C.		Biaggi

Bingham	Gonzalez	Myers, Michael
Blanchard	Gore	Natcher
Blouin	Grassley	Neal
Boggs	Gudger	Nedzi
Bolling	Guyer	Nichols
Bonior	Hall	Nolan
Bonker	Hamilton	Nowak
Bowen	Hanley	Oberstar
Brademas	Harkin	Obey
Breaux	Harsha	Ottinger
Breckinridge	Hefner	Patten
Brinkley	Heftel	Pattison
Brodhead	Hightower	Pease
Brooks	Hillis	Perkins
Brown, Mich.	Holland	Pickle
Broyhill	Hubbard	Poage
Burke, Mass.	Huckaby	Pressler
Burleson, Tex.	Ichord	Preyer
Burlison, Mo.	Jeffords	Pursell
Burton, John	Jenkins	Quayle
Burton, Phillip	Jenrette	Quie
Carney	Johnson, Calif.	Rangel
Carr	Jones, N.C.	Regula
Carter	Jones, Okla.	Richmond
Cavanaugh	Jones, Tenn.	Roberts
Chappell	Jordan	Roe
Chisholm	Kasten	Roncalio
Coleman	Kastenmeier	Rooney
Cornell	Keys	Rose
Cornwell	Kildee	Rosenthal
Daniel, R. W.	Krueger	Rostenkowski
Davis	LaFalce	Roybal
de la Garza	Latta	Scheuer
Delaney	Le Fante	Sharp
Dellums	Leach	Sikes
Dent	Lederer	Simon
Derrick	Levitas	Skelton
Dicks	Lloyd, Calif.	Slack
Dingell	Lloyd, Tenn.	Smith, Iowa
Downey	Long, La.	Smith, Nebr.
Eckhardt	Lott	Solarz
Edwards, Okla.	Lujan	Spence
Eilberg	Lundine	St Germain
English	McCormack	Staggers
Ertel	McHugh	Stangeland
Evans, Ga.	McKay	Steed
Evans, Ind.	Maguire	Thompson
Fary	Mahon	Thone
Fithian	Marlenee	Traxler
Flippo	Mathis	Treen
Flood	Mattox	Ullman
Flowers	Meeds	Vento
Flynt	Metcalfe	Volkmer
Foley	Meyner	Waggonner
Ford, Mich.	Miller, Ohio	Watkins
Ford, Tenn.	Mitchell, N.Y.	Weiss
Fountain	Moffett	Whitten
Fowler	Mollohan	Wilson, Tex.
Fraser	Montgomery	Wright
Fuqua	Moore	Yatron
Garcia	Moorhead, Pa.	Young, Mo.
Gaydos	Murphy, Ill.	Zeferetti
Gephardt	Murphy, N.Y.	
Ginn	Murtha	
Glickman	Myers, John	

NAYS—182

Ammerman	Conte	Giaimo
Anderson, Ill.	Corcoran	Gibbons
Archer	Corman	Gilman
Armstrong	Cotter	Goldwater
Ashbrook	Coughlin	Goodling
Ashley	Crane	Gradison
Badham	Cunningham	Green
Bauman	D'Amours	Hagedorn
Beilenson	Daniel, Dan	Hammer-schmidt
Benjamin	Derwinski	
Bennett	Devine	Hansen
Boland	Dodd	Harrington
Broomfield	Dornan	Harris
Brown, Calif.	Drinan	Heckler
Brown, Ohio	Duncan, Tenn.	Hollenbeck
Buchanan	Early	Holt
Burgener	Edgar	Holtzman
Burke, Fla.	Edwards, Ala.	Horton
Butler	Edwards, Calif.	Howard
Byron	Emery	Hughes
Caputo	Erlenborn	Hyde
Cederberg	Evans, Del.	Ireland
Clausen, Don H.	Fascell	Jacobs
	Fenwick	Johnson, Colo.
Clay	Findley	Kelly
Cleveland	Fish	Kemp
Cohen	Fisher	Ketchum
Collins, Ill.	Florio	Kindness
Collins, Tex.	Forsythe	Kostmayer
Conable	Frenzel	Krebs
Lagomarsino	Oakar	Steers
Leggett	Panetta	Steiger
Lehman	Pepper	Stockman
Lent	Pettis	Stokes
Livingston	Pike	Stratton
Long, Md.	Price	Studds
Luken	Pritchard	Stump
McClory	Quillen	Symms
McCloskey	Railsback	Taylor
McDade	Reuss	Trible
McDonald	Rhodes	Tsongas
McFall	Rinaldo	Udall
McKinney	Robinson	Van Deerlin
Madigan	Rogers	Vanik
Marks	Rousselot	Walgren
Marriott	Rudd	Walker
Martin	Ruppe	Walsh
Mazzoli	Russo	Wampler
Michel	Ryan	Waxman
Mikva	Santini	Whalen
Milford	Sarasin	Whitehurst
Miller, Calif.	Satterfield	Wiggins
Mineta	Sawyer	Wilson, Bob
Minish	Schulze	Winn
Mitchell, Md.	Sebelius	Wolff
Moorhead, Calif.	Seiberling	Wydler
	Shuster	Wylie
Moss	Sisk	Yates
Mottl	Snyder	Young, Alaska
Murphy, Pa.	Spellman	Young, Fla.
Myers, Gary	Stanton	Zablocki
O'Brien	Stark	

NOT VOTING—40

Anderson, Calif.	Hannaford	Schroeder
	Hawkins	Shipley
Bafalis	Kazen	Skubitz
Burke, Calif.	McEwen	Teague
Clawson, Del	Mann	Thornton
Cochran	Markey	Tucker
Conyers	Mikulski	Vander Jagt
Danielson	Moakley	Weaver
Dickinson	Nix	White
Diggs	Patterson	Whitley
Duncan, Oreg.	Rahall	Wilson, C. H.
Evans, Colo.	Risenhoover	Wirth
Frey	Rodino	Young, Tex.
Gammage	Runnels	

The Clerk announced the following pairs:

On this vote:

Mr. Thornton for, with Mr. Rodino against.
Mr. Kazen for, with Mr. Conyers against.
Mr. Rahall for, with Mrs. Burke of California against.
Mr. Gammage for, with Mr. Diggs against.
Mr. Wirth for, with Mr. Moakley against.
Mr. Skubitz for, with Mr. Bafalis against.
Mr. Dickinson for, with Mr. Del Clawson against.

Until further notice:

Mr. Hannaford with Mr. Nix.
Mr. Wirth with Mr. Patterson of California.
Mr. Teague with Mr. McEwen.
Mr. White with Mr. Markey.
Mr. Danielson with Mr. Cochran of Mississippi.
Mr. Evans of Colorado with Mr. Weaver.
Mr. Risenhoover with Mr. Vander Jagt.
Mr. Whitley with Mr. Runnels.
Mr. Mann with Mr. Tucker.
Mr. Hawkins with Mr. Charles H. Wilson of California.
Mr. Shipley with Mrs. Schroeder.
Mr. Anderson of California with Ms. Mikulski.

Mr. HILLIS and Mr. BEARD of Tennessee changed their vote from "nay" to "yea."

Mr. KEMP changed his vote from "yea" to "nay."

So the conference report was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the conference report just agreed to.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate agrees to the amendment of the House to the amendment of the Senate numbered 9 to the bill (H.R. 8331) entitled "An act to amend the Securities Investor Protection Act of 1970," with an amendment.

The message also announced that the Senate insists upon its amendment numbered 8 to the above-entitled bill.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 1895. An act to amend the Natural Gas Pipeline Safety Act of 1968 to authorize appropriations for fiscal year 1979.

PERMISSION FOR SUBCOMMITTEE ON MILITARY INSTALLATIONS AND FACILITIES OF COMMITTEE ON ARMED SERVICES TO SIT TODAY DURING THE 5-MINUTE RULE

Mr. NEDZI. Mr. Speaker, I ask unanimous consent that the Subcommittee on Military Installations and Facilities of the Committee on Armed Services may sit in markup session during the 5-minute rule today.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

PERMISSION FOR COMMITTEE ON ARMED SERVICES TO HAVE UNTIL MIDNIGHT MAY 6, 1978, TO FILE A REPORT ON H.R. 10929

Mr. PRICE. Mr. Speaker, I ask unanimous consent that the Committee on Armed Services may have until midnight Saturday, May 6, 1978, to file a report on the bill H.R. 10929.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

PERMISSION FOR REFERRAL OF H.R. 12556 FOR RELIEF OF BATAVIA TURF FARMS, INC., TO COMMITTEE ON AGRICULTURE

Mr. CONABLE. Mr. Speaker, I am today filing a bill, H.R. 12556, a bill for relief of Batavia Turf Farms, Inc. This bill

would normally go to the Committee on the Judiciary as a private claims bill. However, I ask unanimous consent under clause 4, rule XXI, that it be referred instead to the Committee on Agriculture, within whose knowledge the subject matter of the bill specifically lies.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

PERSONAL EXPLANATION

● Mr. MIKVA. Mr. Speaker, on Wednesday, May 3, 1978, I was required to be present in my district. For this reason, I was unable to be present on the floor. Had I been present, I would have voted "aye" on rollcall No. 273, to go into the Committee of the Whole; and "no" on rollcall No. 280, on the amendment to impose a cap on Federal salaries.●

FIRST CONCURRENT RESOLUTION ON THE BUDGET—FISCAL YEAR 1979

Mr. GIAIMO. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the concurrent resolution (H. Con. Res. 559) setting forth the congressional budget for the U.S. Government for the fiscal year 1979.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Connecticut.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the concurrent resolution (H. Con. Res. 559), with Mr. NATCHER in the chair.

The Clerk read the title of the concurrent resolution.

The CHAIRMAN. When the Committee rose on Wednesday, May 3, 1978, the concurrent resolution was considered as having been read for amendment and open to amendment at any point.

Are there further amendments?

AMENDMENT OFFERED BY MR. COUGHLIN

Mr. COUGHLIN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COUGHLIN:

In the matter relating to the recommended level of Federal revenues decrease the amount by $500,000,000;

In the matter relating to the amount by which the aggregate level of Federal revenues should be decreased increase the amount by $500,000,000;

In the matter relating to the amount of the deficit increase the amount by $500,000,000;

In the matter relating to the appropriate level of the public debt increase the amount by $500,000,000;

In the matter relating to the amount by which the statutory limit on the public debt should accordingly be increased, increase the amount by $500,00,000.

Mr. COUGHLIN. Mr. Chairman, this amendment, introduced on behalf of the gentleman from Illinois (Mr. CORCORAN) and myself is intended to assure the availability of $500 million for education tax credits. The figure corresponds with the Senate version of the budget resolution which, according to Congressional Budget Office figures of May 2 of this year, would accommodate either the House Ways and Means tax credit or the first year of the Roth-Packwood-Moynihan proposal in the Senate.

Mr. Chairman, I will not belabor the point. More than 252 Members of this House have sponsored one form of education tax credit legislation or another. Last fall 311 Members voted for a similar amendment to the Second Budget Resolution for 1978.

Mr. Chairman, I would not be here but for the fact that the Budget Committee has ignored that mandate of the House and failed to include in its budget resolution a provision for education tax credits.

In fact, it has specifically included very strong language in opposition to education tax credits.

Subsequent to the vote last fall, Mr. Chairman, both the Committee on Ways and Means of this House and the Finance Committee of the other body have reported bills. This amendment guarantees the opportunity of Congress to consider tax credits, along with other forms of financial aid to education.

Let me make myself very clear. This amendment does not itself address the question of higher education versus elementary and secondary education. That question is for this House in its wisdom to decide. It will accommodate the first year, with a $250 higher education credit that is in the Roth-Packwood-Moynihan bill, which would phase in elementary and secondary education at a later date. It would also accommodate the bill of the Committee on Ways and Means reported to this House. But without this amendment, there can be no tax credits for fiscal year 1979.

Mr. Chairman, a tuition tax credit for higher education provides the most simple, direct, and th most fair form of aid to the hard-pressed middle-income families that are in such desperate need of some form of relief from soaring tuition costs. It is alarming that the skyrocketing tuition costs have gone up at a rate of 57.2 percent in public colleges in the past 7 years and have priced many students out of the education market.

Mr. Chairman, we currently allow tax deductions for child care and charitable contributions to schools themselves. President Carter has proposed an insulation tax credit. Businesses are allowed deductions for employee education expenses. Why should private citizens not be allowed to keep some of their own money, their own tax dollars, to finance an education, rather than sending those tax dollars to the Government and then trying to get some of them back?

Mr. Chairman, I yield back the balance of my time.

AMENDMENT OFFERED BY MR. LUKEN AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. COUGHLIN

Mr. LUKEN. Mr. Chiarman, I offer an amendment as a substitute for the amendment.

The Clerk read as follows:

Amendment offered by Mr. LUKEN as a substitute for the amendment offered by Mr. COUGHLIN: In the matter relating to the recommended level of Federal revenues decrease the amount by $635 million;

In the matter relating to the amount by which the aggregate level of Federal revenues should be decreased, increase the amount by $635 million;

In the matter relating to the amount of the deficit increase the amount by $635 million;

In the matter relating to the appropriate level of the public debt increase the amount by $635 million;

In the matter relating to the amount by which the statutory limit on the public debt should accordingly be increased, increase the amount by $635 million.

Mr. LUKEN (during the reading). Mr. Chairman, I ask unanimous consent that the amendment offered as a substitute for the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. LUKEN. Mr. Chairman, I rise to offer an amendment to reduce the fiscal year 1979 budget by $635 million to allow tuition tax credits for eligible students attending elementary, secondary, and postsecondary schools. This amendment corresponds to the estimates prepared by the Joint Committee on Taxation that offers a 50-percent tax credit to a maximum of $150 in fiscal year 1979 to college and postsecondary vocational school students and a $100 maximum for students attending nonpublic elementary and secondary schools. The maximum tax credit for the college level students will increase to $250 in 1980.

We all know the problems of students attending postsecondary schools—college costs are skyrocketing. The victims of these soaring costs are often middle income families—families too poor to afford the costs of a college education, yet too well off for Federal assistance. Tuition tax credits would ease these burdens.

Yet it is my firm belief, and that of many others, that tuition tax credit legislation should be extended to include those attending nonpublic elementary and secondary schools. This kind of tuition tax credit plan offers parents and students alike the freedom of educational choice, without overriding financial burdens. The rising cost of education, combined with increasing taxation and inflation now deny the parent that choice, and I believe we should provide it for them for a little longer.

Parents of low- and middle-income children who attend nonpublic schools bear a heavy financial burden—almost a double educational burden. The costs of nonpublic education has been increasing substantially over recent years. At

the same time, the cost of financing the public schools are rising substantially, and taxes keep increasing to meet these costs. Therefore, parents of nonpublic schoolchildren must bear the additional burden of paying for the increasing costs of both public and nonpublic schools, although they relieve the public schools of the cost of educating their children.

Those parents who send their children to nonpublic elementary and secondary schools are not rich. An overwhelming number of these students come from lower- and middle-income families. In fact, 51.4 percent of these families have incomes below $15,000 and more than 71 percent have incomes below $25,000. These families need help if they are to continue to exercise the freedom of educational choice in their children's education.

This heavy financial burden imposed upon lower- and middle-income families is an important factor in accounting for the declining enrollment and closing of many nonpublic schools. In 1966, 13 percent of all elementary and secondary school students were enrolled in nonpublic schools, while 10 years later, only 9.8 percent of all students studied in these institutions. During the past decade the total number of nonpublic schools dropped from 19,946 to 17,950. This represents a loss of 10 percent, or nearly 2,000 schools. Any further damage to our nonpublic school system would seriously weaken our dual educational system and create a lopsided balance away from individual choice and toward Government control. I believe the status quo must be retained in our educational system.

I believe that the House has indicated its support for a full tuition tax credit bill in its disapproval of the Middle Income Students Assistance Act. Furthermore, it is essential to note that almost half of the Members have sponsored or cosponsored tuition tax credit legislation. As an amendment is expected to put elementary and secondary educational levels back into the recently reported tuition tax credit bill, I believe the time has come for the Congress to express its support for a full tuition tax credit bill.

I have heard from people of all ages and income brackets on this issue, and the message is always the same. People want tax relief and the freedom of educational choice. The taxpayers of our Nation are reaching the end of their ropes in terms of taxes and inflation. Tuition tax credit legislation represents a measure of fairness to parents and students alike who wish to send their children to the school which best fits their needs. I strongly urge my colleagues to favorably consider these points, and support my amendment.

Thank you.

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. LUKEN. I yield to the gentleman from Ohio.

Mr. SEIBERLING. I thank the gentleman for yielding.

Mr. Chairman, I would like to commend the gentleman for offering this amendment, and I would like to subscribe to everything he has said.

I was particularly pleased with the fact that he supports grants for education, as well as the tuition tax credits.

The CHAIRMAN. The time of the gentleman from Ohio (Mr. LUKEN) has expired.

(On request of Mr. SEIBERLING and by unanimous consent, Mr. LUKEN was allowed to proceed for 2 additional minutes.)

Mr. SEIBERLING. Mr. Chairman, if the gentleman will yield further, I think it is extremely important to get across to the educational community that there are those of us who feel that the time has come to help the middle-income taxpayers bear some of the tremendous cost of supporting parochial schools and other schools that are taking the burden, to that extent, off the taxpayers by relieving the tax-supported schools of the costs of educating students attending nonpublic schools. This amendment, if implemented, would not even begin to pay for the major part of the cost of nonpublic schools, but I think it is important to give them some help. I do not consider that inconsistent at all with supporting Federal aid to education. I have supported every single aid to education program, since I first became a Member of Congress, to provide grants to elementary, secondary and higher education; and I will continue to do so. I consider the Luken amendment to be not inconsistent but compatible with that position.

Mr. Chairman, I commend the gentleman.

Mr. LUKEN. I thank the gentleman for his remarks.

Mr. SIMON. Mr. Chairman, I rise in opposition to both amendments. The amendments are appealing, and I recognize that the mail we have received indicates support, just as almost any kind of gift that you are going to give to any group anywhere, any time, has that appeal. But I think we have to ask ourselves: What is good Government policy, what is our aim when we spend tax dollars in the field of education? And that is what we are doing here. If our aim, as it has been in the field of higher education up to this point, is to encourage people to go to college, then this does not meet the test because the only study I have seen indicates that it fails that test on about a 4-to-1 ratio on the use of funds.

Mr. Chairman, the second thing we should do ordinarily in this area is to try to help those who have the greatest need. Here we have to look not only at dollar needs, but at needs in the sense of encouraging people to take advantage of higher education or, in the case of the Luken amendment, of elementary and secondary education.

Mr. Chairman, let me just point out a few statistics very briefly.

In the decline in the last 8 years in attendance at our colleges and universities, a 14.5-percent decline in college attendance has come to families with incomes of less than $10,000. There has been a 16.2-percent decline in the $10,000 to $15,000 income bracket, and a 9.2-percent decline in the above $15,000 income level.

In other words, what we are doing in these proposals is assisting those who would be going to college anyway.

The squeeze is on, and those of us who face the prospect of children going to college understand the squeeze.

Mr. Chairman, median income in the last 8 years has gone up 72 percent. College costs have gone up 65 percent. The median income of families with children from 18 to 24 has gone up in excess of 79 percent; and if we could break that off among those who have children in college, it would be appreciably above 79 percent. Therefore, I do not think that reality is being faced by those who support these amendments.

Mr. Chairman, I think the other part of this which we are not facing if we adopt these two amendments is that there is in the House and in the Senate an administration bill which provides substantial assistance to middle-income families for higher education. In the House bill, for example, we take the limits off of income on the guaranteed student loan. Under the basic opportunity grant program, any family with an income of $25,000 or less is guaranteed some assistance, and some with incomes as high as $31,000 will be provided some assistance.

If the family income is $17,500 a year or less, that family will receive about four times as much assistance under the administration bill, the bill sponsored by the gentleman from Michigan (Mr. FORD) and by Senator PELL of Rhode Island, than the family will under this particular program which is being advocated here now.

If one's income is $22,500 a year or less, he gets three times as much.

The CHAIRMAN. The time of the gentleman from Illinois (Mr. SIMON) has expired.

(By unanimous consent, Mr. SIMON was allowed to proceed for 5 additional minutes.)

Mr. SIMON. To continue, Mr. Chairman, somewhere between 30 percent and 55 percent of the benefits will go to the top 20 percent, income-wise, in the United States; and that, it seems to me, is clearly not good public policy.

The other factor that we have to consider in regard to the amendment of the gentleman from Ohio is how much we ought to be providing to nonpublic schools. We ought to be providing assistance, and we are. At the present time we are providing somewhere between $20 and $50, plus tax deductions that we provide for churches, some of which assistance goes to help nonpublic schools.

We provide, on an average, $138 per pupil for the elementary and secondary school student from the Federal Government to the public schools, plus approximately $100 to $110 in tax deductions for real estate, much of which goes for education.

But we could well be in a position, if we adopt the Packwood-Moynihan proposal or some similar proposal, of spending appreciably more than the Federal level per pupil in the nonpublic schools than we do per pupil in the public schools. This strikes me as not being sound policy. Again, while there are some nonpublic schools in central city areas that need appreciably more help and ought to be given more help—and the administration has programs it is working on to provide that—but just to provide that assistance carte blanche in fact once again is helping those most who need it the least. Once again, that does not appear to me to be sound public policy.

I recognize the political realities. I recognize the probability of at least one of these amendments carrying. I suggest it is not good public policy to move in that direction, and I would urge my colleagues to think seriously about it.

Mr. HYDE. Mr. Chairman, will the gentleman yield?

Mr. SIMON. I yield to my colleague from Illinois.

Mr. HYDE. Mr. Chairman, surely the distinguished gentleman from Illinois would agree that it is good public policy to keep the parochial schools open in the city of Chicago, because I am sure he understands that if they ever closed one by one, the burden on the public school system would be insupportable. Is that not a fact?

Mr. SIMON. That is correct. I do not know if the gentleman heard me, but I said that some of the schools in the central city areas do need help. In some cases—I say this with great regret—in some cases the only quality schools that exist in some central city areas are the nonpublic schools. But, I do not think that warrants us helping schools in Wilmette and River Forest and some other areas, including the areas in the district of my good colleague from Illinois.

Mr. HYDE. I have many more areas in my district that need the help than do not, I would suggest to the gentleman. But let me ask the gentleman: Surely he can see that the private schools, the parochial schools, perform a public function and a public service in educating, and doing a superb job of educating, citizens of this country?

Mr. SIMON. There is no question about that, but does my colleague from Illinois believe it is sound public policy to provide greater Federal assistance per pupil to those students than we do for public school students?

Mr. HYDE. Not at all, if there was some way to ever achieve equality in recognizing that the children are important and not the systems, and diversity and pluralism in education is very significant to help the children, I would think that we have reached Utopia.

Mr. SIMON. I favor the diversity. I do not think this is the way we ought to be encouraging it.

Mr. LATTA. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I favor the adoption of the tuition tax credit concept because this method would help people who pay the high percentage of our taxes, who are in this middle-income bracket taxwise, and send their kids to schools of their choice. I think that for far too long we have been looking only at the low-income group in this country—and I think they need help—but have been overlooking the middle-income group—which also needs helping paying for their kids' education.

We can cite case after case after case throughout this country where a middle-income person has four or five or six kids, and is working and paying taxes, but he cannot send his own kids to school even though he is paying taxes to pay for the grants and the scholarships to which his kids are not entitled under the law. I thing this is wrong. I think his kids are entitled to an education the same as the kids for which he is paying taxes to provide.

I was amazed the other day by some figures that I saw about how this so-called middle-income group is paying more and more every year of our total tax load. Those people earning $15,898 per year, and representing the top 25 percent of the total number paying personal income tax in this country were paying 68.3 percent of the total tax load in 1970. In 1975, they were paying 72 percent of that total tax load. In 1977, it is estimated that they paid 75 percent of that total personal tax load. If they are carrying all these taxes, for heaven's sakes, they ought to be able to deduct something from their taxes in order to permit them to educate their kids.

Mr. SIMON. Mr. Chairman, will the gentleman yield?

Mr. LATTA. In one second I will be glad to yield to my friend.

We hear the argument that we are going to be taking something from the budget through this procedure. Let me say we are not going to be taking anything from the budget because it is not going to be getting into the Treasury in the first place. This is going to be a deduction from his own individual income tax return, from his or her money, before it comes here to be distributed as this Congress and the bureaucrats deem appropriate. We are going to let these people, the taxpayers, decide how they want to spend their own money for a change. This is what gives the planners and the bureaucrats discomfort. They would not get their hands on it.

Now I am happy to yield to my friend, the gentleman from Illinois (Mr. SIMON).

Mr. SIMON. Mr. Chairman, first of all we have to be aware we are increasing the deficit. To that extent clearly we all pay.

But the gentleman said about helping those middle-income people. Is the gentleman aware under the Moynihan-Packwood bill that 20 percent of all the benefits would go to those with incomes in excess of $100,000?

Mr. LATTA. We are not discussing bills. We are just discussing principle. The gentleman wants to shut it out completely. The time is in the future for discussing the various bills. The question now is whether or not we want it in or out. We can pick up a dozen bills around Congress and say x number of dollars are going to some millionaire's kids and x number of dollars should not go to some millionaire's kids. We can do that with any bill. But this is not the time to discuss this. We are discussing a principle, should it be provided for in this budget.

Mr. LUKEN. Mr. Chairman, will the gentleman yield?

Mr. LATTA. I yield to the gentleman from Ohio (Mr. LUKEN).

Mr. LUKEN. Mr. Chairman, when we are speaking of middle-income families and kids from those families, we are speaking of the overwhelming number of kids. The statistics show that 51.4 percent of these families are below $15,000 and overwhelming number, 71.4 percent are below $25,000. These are the income levels for families with children.

The CHAIRMAN. The time of the gentleman from Ohio (Mr. LATTA) has expired.

(By unanimous consent, Mr. LATTA was allowed to proceed for 1 additional minute.)

Mr. LUKEN. Mr. Chairman, if the gentleman will yield further, I merely would conclude those remarks by pointing out that these children are from families from the $15,000 level and they must be somewhere near the breaking point. For families with children the $15,000 is below the breaking point or dividing line at least in the lower middle-income bracket. As we know, the statistics show we are talking about families in the lower income bracket and who really need this assistance in order to provide them with opportunities for education and that choice in education which I think should be an American right.

Mr. LATTA. Mr. Chairman, let me reclaim my time.

Let me say we hear the argument that this tax credit would somehow or other be unconstitutional. Let me say I do not believe it would be unconstitutional. We already have in place a grant program and a loan program which permits kids in the lower income brackets to go to the schools of their choice, whether they are private or state institutions. The principle has already been established.

We also have deductions in the income tax code for churches. Those opposed to this amendment would certainly not be for taking the allowable deduction for church contribution of the present income tax code. I would hope not, I certainly would hope not.

I cannot concur with those challenging the constitutionality of this proposal.

Ms. HOLTZMAN. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to both amendments.

Mr. Chairman, I happen to believe very strongly in the importance of alternative forms of education. This is a right that is not only guaranteed by the Constitution but that is important as a matter of policy. But I think that there is

another issue that has to be considered about both these amendments, and that is the question of policy with respect to the budget. I think that the point the gentleman from Illinois (Mr. SIMON) made cannot be emphasized strongly enough.

The figures show that at the present time the Federal expenditures for a private school child are somewhere between $55 and $75 per pupil. At the present time we spend $128 per pupil for public school children. If we adopt these tax credits proposals we are going to be turning the principle of educational support on its head. The figures show that to finance the Moynihan-Packwood tax credit, we would be spending from $555 to $575 per pupil for private school children and $128 per pupil for public school children. I think that is not sound policy nor does it make any sense.

For those who are supporters of tax credits, although I do not support them, I would like to tell the members of this committee that it is my understanding that the new budget resolution can accommodate the will of the House should it decide to support tax credits. There is money in the House budget resolution for this item.

Therefore, I would say that, although I personally oppose these amendments on their merits, I also oppose them because they are redundant and unnecessary.

I would hope that the committee would recognize that despite the feelings that they may have about the desirability of tax credits, that it would be unwise, indeed, to add either $635 million or $500 million extra to a deficit when it is unneeded.

Mr. GIAIMO. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendments.

Mr. Chairman, let me try to get some perspective into this debate this afternoon. Unfortunately, I think we are debating the issue of tax credits on the merits and I submit that this is not the occasion to debate whether or not we are going to adopt tuition tax credits either for college students or for elementary and secondary school children. It may well be that this Congress will determine that there should be tax credits for tuition, but that will be decided in the Committee on Ways and Means of the House, and in the Committee on Finance of the Senate, and brought to the respective Chambers for action there.

The Budget Committee took a position against setting a priority for tuition tax credits. If you will look on page 13 of our report, where we discuss our major budget proposals on the revenue side, we state:

> The committee does not recommend enactment of the tuition tax credit.

Bear in mind that is a recommendation only of the Committee on the Budget in our system of trying to set some priorities.

Mr. CORCORAN of Illinois. Mr. Chairman, will the gentleman yield on that point?

Mr. GIAIMO. I will yield when I am through.

Further, if the Members will look on page 25 of the report they will find in the discussion on revenues, it says:

> Fifth, rejection of the college tuition tax credit proposal.

That is what we recommend.

This is report language. It is a recommendation by the Committee on the Budget and the majority thereof as to what we would hope the priorities would be. It does not have the validity of law. It is not part of the resolution. It certainly is in no way binding upon this House or the other body.

Since the time that the Committee on the Budget made its recommendations, we marked up the legislation proposed by the President of the United States. It was approved by the Committee on Education and Labor and is called the Middle-Income Tuition Assistance Act, designed to help people who need assistance. It enlarged the existing programs, basic opportunity grants, college work study, guaranteed student loans, direct loans, and others. It provided additional moneys to enable more people, and people with higher incomes, to get student assistance for their children. That was the proposal by the President. That was the recommendation of the Committee on Education and Labor. Obviously, there was much opposition to that legislation. It has not, as yet, come to the floor. It did once, I believe, under suspension, but it did not fare well. Since that time there has been much concern and much action in behalf of a tuition tax credit, both in the other body and in this body.

Since the time that we took our position in the Budget Committee, the Committee on Ways and Means of the House reported out a tuition tax credit for parents of college students—the gentleman from Pennsylvania can correct me if I am wrong—which follows the lines that he is recommending. The Budget Committee in the other body has recommended, and made provisions for, legislation which basically would follow the Moynihan-type legislation which is being seriously considered in the other body. It would provide a tax credit for parents of elementary and secondary school students, as would the substitute to the amendment of the gentleman from Ohio. So that is where we are now. The Congress is going to have to make a decision in the coming weeks as to whether or not it wants to adopt tuition tax credits. If so, the Congress also will decide whether they should apply to college students only, or to students and in elementary and secondary schools, public and private as well.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. GIAIMO was allowed to proceed for 5 additional minutes.)

Mr. GIAIMO. The Congress also will have to make a decision as to what to do with the Student Assistance Program, which the President and the Committee on Education and Labor recommended. I think in making that decision it is going to have to decide whether we want both programs. Do we want to increase the Middle-Income Student Assistance Program by $1.4 billion in budget authority and a couple hundred million dollars in outlays, to start, and at the same time undertake a tax credit which will cost $500 million or conceivably as high as $900 million if it applies to secondary and elementary as well as college students? We are going to have to make those judgments. I submit we should not make those judgments here today. It is not our business in considering the Budget Act.

Our business here today is to make sure that whatever Congress decides it will do, we have made ample provision for it in the budget.

I submit to you today that there is ample provision in the budget that we have before us to provide for either program, but probably not for both. I do not think, in any event, you would get both.

The President of the United States has made it quite clear that he is very concerned about inflationary pressures, that he would not want both programs and that one of them would have to go.

I submit to you that on the expenditure side we have $1.4 billion available should the Congress enact the Middle-Income Students Assistance Program.

I submit that the Budget Committee has targeted $443 billion in revenues. I submit that this $600 million could be accommodated within that $443 billion. That $443 billion in revenues has $1.2 billion in it for Ways and Means initiatives. There is every likelihood that the Committee on Ways and Means will report a tax bill with a smaller tax cut than we have recommended in this budget resolution. We have recommended a $19.4 billion tax cut. The Committee on Ways and Means may recommend about $15 billion or $16 billion. The Ways and Means Committee chairman mentioned that possibility yesterday. That would increase revenues by $2 billion or $3 billion above the figure which would accommodate this expenditure.

I submit that the Committee on Ways and Means undoubtedly also will work on some tax reform proposals this year which will generate revenues to the Treasury out of which this tax expenditure could be accommodated. So I submit that there is ample money on the revenue side, as my good friend, the gentleman from New York, undoubtedly knows, to accommodate this. There is no need for this amendment to be enacted to provide the additional revenues.

I am not taking a position on the merits, although I have a position personally, I am saying we do not need this amendment to provide the money for tuition tax credits. It is there already, if you can get the Congress to vote it.

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. GIAIMO. I yield to the gentleman from Ohio.

Mr. SEIBERLING. Mr. Chairman, I thank the gentleman. Having read this from the committee report, its recommendation that if we vote down both these amendments, in the light of that then the House will be, in effect, subscribing to the committee's recommendations, the retaining of policy authority in the legislature.

Mr. GIAIMO. Mr. Chairman, let me say to the gentleman, that in the over 19 years I have been in this Congress, I have learned a little bit about how to count heads. I think I know what the sentiments are in the House on tuition tax credits. I do not want to get into an argument on whether it is for colleges or for elementary and secondary or parochial or private schools.

Since we marked up our budget resolution, the Committee on Ways and Means has recommended a tuition tax credit bill.

The Budget Committee on the Senate side has recommended a tuition tax credit bill; so already, regardless of what we do on this amendment, this will be an item in disagreement which we are going to have to work out in conference with the Senate on the budget resolution.

Now, I can assure the gentleman that we could accommodate the language problem in the conference report and you would not need this kind of an amendment.

The CHAIRMAN. The time of the gentleman from Connecticut has expired.

(At the request of Mr. LATTA, and by unanimous consent, Mr. GIAIMO was allowed to proceed for an additional 2 minutes.)

Mr. LATTA. Mr. Chairman, will the gentleman yield?

Mr. GIAIMO. I yield to the gentleman from Ohio.

Mr. LATTA. Mr. Chairman, the gentleman made a statement, I do not know whether I took it like the gentleman intended it or not; but is the gentleman saying there is some fat in this budget resolution to the tune of $500 million to accommodate this one program and $650 million in the other program that has been proposed by the gentleman from Ohio?

Mr. Chairman, if the gentleman is saying that and if this fails, then I am going to offer an amendment immediately to strike out that amount.

Mr. GIAIMO. Mr. Chairman, I answered a double question yesterday, and it appears I will have to answer another one today.

I did not say there is fat in this budget, as the gentleman from Ohio (Mr. LATTA) well knows.

Mr. LATTA. That is the impression the gentleman is leaving.

Mr. GIAIMO. I would hope not.

Mr. Chairman, I think what I said clearly was that we should bear in mind two things: One is that I doubt if we will get both programs. If we get a tuition tax credit, I doubt that we are going to get all or most of the $1.4 billion that is in there for the middle-income assistance program. That is on the outlay side of the budget.

Addressing the question of "fat," I said to the Members that there is $443 billion in estimated revenues in the budget resolution. Part of that is the $1.2 billion which we usually provide for initiatives by the Committee on Ways and Means, which are properly used throughout the fiscal year. It is usually a figure of that approximate amount, and that is not fat. I suggested that this could conceivably come out of that. This could be one of the initiatives.

I said, second, that it is highly likely that the tax cuts recommended by the Committee on Ways and Means will be smaller than the $19.4 billion that the Budget Committee recommends. The chairman of the Committee on Ways and Means, the gentleman from Oregon (Mr. ULLMAN), spoke yesterday of the possibility of a tax cut somewhere in the neighborhood of $15 billion or $16 billion. That would mean there would be about $2 billion or $3 billion more in revenue.

Third, I said the Committee on Ways and Means is working on tax reforms. Tax reforms result in additional revenues to the Treasury, and these moneys gained through reform could be offset by this type of a tax expenditure.

So this is not fat, as the gentleman well knows. He knows it so well he is smiling.

The CHAIRMAN. The time of the gentleman from Connecticut (Mr. GIAIMO) has expired.

(On request of Mr. LATTA, and by unanimous consent, Mr. GIAIMO was allowed to proceed for 2 additional minutes.)

Mr. LATTA. Mr. Chairman, will the gentleman yield further?

Mr. GIAIMO. I yield to the gentleman from Ohio.

Mr. LATTA. Mr. Chairman, I have one more short question.

First, on page 13 of the committee report this language appears:

> The committee does not recommend enactment of the tuition tax credit.

Now, in view of the fact that the Senate has made provision for tuition tax credit and in view of the fact that our committee specifically says we are not recommending enactment of the tuition tax credit, would we not be in a much better position when we went to conference if we had it in here, because otherwise we could not get it out in conference?

Mr. GIAIMO. Yes, we would be, except for the fact that we would be adding $600 million unnecessarily to the deficit.

I am telling the gentleman that since we made that recommendation, our own Committee on Ways and Means has recommended a tuition tax credit bill, so that the Budget Committee position is no longer a valid one, in my opinion.

I would be perfectly willing to go to conference with the gentleman from Ohio as I will, and we can remedy the language. As I said in the beginning, that is only report language; it does not have the binding effect of law. Since we wrote this language and since we formed this majority conclusion in the Committee on the Budget, events have superseded us, as I stated, and we could accommodate ourselves not only to what I think is the will of the House and the will of the Committee on Ways and Means but also what we believe is the will of the Senate Budget Committee, since we all have a tax credit bill to be considered.

Mr. COUGHLIN. Mr. Chairman, will the gentleman yield?

Mr. GIAIMO. I yield to the gentleman from Pennsylvania.

Mr. COUGHLIN. Mr. Chairman, if the gentleman feels that way and indeed feels we cannot get both, and in view of the overwhelming vote on the budget resolution last year, would the gentleman agree to accept our amendment if we would accept a reduction on the outlay side in the equivalent amount?

The CHAIRMAN. The time of the gentleman from Connecticut (Mr. GIAIMO) has again expired.

(On request of Mr. LUKEN, and by unanimous consent, Mr. GIAIMO was allowed to proceed for 2 additional minutes.)

Mr. GIAIMO. Mr. Chairman, the gentleman from Pennsylvania (Mr. COUGHLIN) puts me in a very difficult position. He puts me between Scylla on one side and Charybdis on the other. Last year I quoted Cicero, and I am back to it again.

Mr. COUGHLIN. Let us take "Charybdis" first.

Mr. GIAIMO. I will spell that later for the reporter.

I stated that I do not want to be the judge who makes the decision as to which one of these programs is going to see the light of day. I think I stated at the beginning that we can accommodate one or the other or all of one and some of the other.

But we cannot accommodate both, moneywise, in the budget as it presently is now. We have had a discussion here which I think makes clear that we will not thwart what the gentleman wants when we get to conference. I do not think we have to pass the amendment to add $600 million which the gentleman undoubtedly wants to see passed so that he can establish the principle of being for tax credit in the budget resolution. I think the gentleman can do it without adding the $600 million.

Mr. COUGHLIN. If my good friend will yield further, that would mean, however, that the tuition tax credit would have to compete with all other programs.

Mr. GIAIMO. I will say that the tax credit will have to compete with the middle-income student assistance program and will have to compete with the administration.

The CHAIRMAN. The time of the gentleman from Connecticut (Mr. GIAIMO) has expired.

(On request of Mr. COUGHLIN and by unanimous consent, Mr. GIAIMO was

allowed to proceed for 2 additional minutes.)

Mr. GIAIMO. It will have to compete with the administration's apparent opposition to it. If I understand correctly, the President came out rather clearly against excessiveness in these educational programs, and indicated he would veto one or the other. I am not certain which; but he did not want both.

Mr. COUGHLIN. If the gentleman will yield further, if we would remove $500 million from the outlay provision and put $500 million in the reduction of revenue to provide for tuition tax credit, there would still be outlay provisions to accommodate what the gentleman wants.

Mr. GIAIMO. I understand that. I am merely saying I would oppose the reduction, and I would state to the gentleman that his proposition does not need the addition of $500 million in revenues, because if the House votes tuition tax credit, that $500 million can be accommodated within the available estimated revenues. Therefore, I argue that the gentleman's add-on is unnecessary. Obviously, we are going to have a very difficult position in conference, to put it mildly. The other body is for the tuition tax credit. Our own Committee on Ways and Means now recommends a tuition tax credit, and it is obvious that the majority of the House recommends the program. So, obviously, we are going to have to compromise this out in the other body your way.

Mr. COUGHLIN. In the face of all of that, why not include a provision now?

Mr. GIAIMO. Because that could handicap or punish other educational programs.

Mr. COUGHLIN. We are not punishing.

Mr. GIAIMO. You are going to take $500 million away from other programs.

The CHAIRMAN. The time of the gentleman from Connecticut (Mr. GIAIMO) has expired.

(On request of Mr. DELANEY and by unanimous consent, Mr. GIAIMO was allowed to proceed for 1 additional minute.)

Mr. DELANEY. Mr. Chairman, will the gentleman yield?

Mr. GIAIMO. I yield to the gentleman from New York.

Mr. DELANEY. Mr. Chairman, to sum this up, what we are interested in knowing right now is whether or not action taken here on either of the amendments will foreclose the right of the Members to vote on the tax credit. Will it foreclose?

Mr. GIAIMO. Foreclose it where?

Mr. DELANEY. Foreclose in the general body when this matter comes up.

Mr. GIAIMO. Of course not.

Mr. DELANEY. And the gentleman is not going to come in and say it is not within the budget and, therefore, oppose it?

Mr. GIAIMO. I can say to the gentleman from New York, as I just stated, when we go to conference the tuition tax credit provision is in the Senate budget committee resolution.

Mr. DELANEY. Then would it be the gentleman's recommendation that both of these gentlemen withdraw their position?

Mr. GIAIMO. I would like them to withdraw, after this colloquy, after we have made the legislative history.

Frankly, I seriously do not think that they need this amendment to add this money on the revenue side.

Mr. DELANEY. There should be an opportunity for the entire House to debate the matter.

The CHAIRMAN. The time of the gentleman from Connecticut (Mr. GIAIMO) has expired.

(On request of Mr. LUKEN and by unanimous consent, Mr. GIAIMO was allowed to proceed for 2 additional minutes.)

Mr. LUKEN. Mr. Chairman, will the gentleman yield?

Mr. GIAIMO. I yield to the gentleman from Ohio.

Mr. LUKEN. Mr. Chairman, I understand that in the colloquy before, the gentleman from Connecticut (Mr. GIAIMO) was not willing to stipulate that the money that is in the budget in the outlay provision, which is the $1.4 billion for the tuition student assistance program, could be used for the tax credits; is that not correct?

Mr. GIAIMO. That is not the problem. That is an outlay.

The problem is that the amendment of the gentleman from Pennsylvania (Mr. COUGHLIN) decreases revenues. Is that not correct? It is a revenue decrease?

Mr. LUKEN. It decreases revenues, that is correct.

Mr. GIAIMO. It decreases revenues to accommodate the $500 million in tax credits.

The question is, How do we provide for that? We cannot take that $1.4 billion and put it over there. We could just knock it out, but that would not take care of the revenue problem. It is not a matter of transference and shifting of the $632 million which the gentleman is looking for in his amendment. That would constitute a $632 million loss to the Treasury. Therefore, we have to reduce estimated revenues by $632 million; I am submitting that we could do that but I am questioning whether we should.

Mr. LUKEN. If the gentleman will yield further, if the President's bill which has already been defeated in this House rather overwhelmingly did not pass, the balance would be the same. As a matter of fact, the balance would be improved.

Mr. GIAIMO. There is no question about that.

Mr. LUKEN. It would be improved because of that $1.4 billion there and only $632 million here.

Mr. GIAIMO. There is no question about it.

Mr. LUKEN. It seems to me that the gentleman is talking about being between Scylla and Charybdis and that we are charting a dangerous course through shoals because of the way we are going and because we are waiting for the conference to work it out.

Mr. FRENZEL. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, I am heartened by the remarks of the distinguished gentleman from Connecticut (Mr. GIAIMO), who assures us that there is maneuvering room within this budget to accommodate what I think the House would like to do.

On the other hand, I cannot but be sympathetic toward the gentleman from Pennsylvania (Mr. COUGHLIN) and the gentleman from Ohio (Mr. LUKEN), who seek favorable action on their amendments, because the Committee on the Budget has been so strong in its statement within its committee report.

Mr. Chairman, it seems to me that the gentleman from Ohio (Mr. LUKEN) is correct when he says that we really have to remedy that language. Moreover, as long as we have an opportunity for a tradeoff against the grant program or in other areas, I see no reason that we do not vote on this matter today.

The House expressed its will in very strong terms on the second budget resolution last year. The vast majority of this body stood in favor of tuition tax credits at that time.

The Committee on the Budget, of course, tried to exercise its will, but found out that it probably cannot. As a result, we are faced with some very strong language in that committee report.

Because the report is so strong, Mr. Chairman, it seems to me that at this point it probably is necessary to pass the amendment. My personal preference is for the Luken amendment. The distinguished gentleman from Ohio (Mr. LUKEN) I think gives us more leeway to provide for a tax credit that we could really debate on the floor of this House which would cover perhaps each of the levels of education.

Should the Luken amendment be defeated—and I hope it is not—then I think it is the responsibility of this committee to vote for the Coughlin amendment which will give us at least some flexibility and provide for us the opportunity to debate tuition tax credits at a later time when the bill comes to the floor from the House Committee on Ways and Means.

Mr. Chairman, the idea of being foreclosed by this budget resolution, even though the chairman assures us that we have some maneuvering room, is too frightening for us to allow it to happen.

Therefore, Mr. Chairman, I urge very strongly that the Luken amendment be adopted; and in the event that it is not, that the Coughlin amendment be adopted.

Mr. GIAIMO. Mr. Chairman, will the gentleman yield?

Mr. FRENZEL. I yield to the distinguished gentleman from Connecticut, the chairman of the committee.

Mr. GIAIMO. Mr. Chairman, of course, the gentleman knows that we have given

assurances. In addition to that, he knows, even without the assurances, that we are not foreclosed by this budget resolution. He knows that this is a target resolution. This is an early estimate of what is going to happen here this summer before we adopt the binding resolution in September.

The gentleman also knows that what will foreclose him would be for his Ways and Means Committee not to report out tax credit legislation, or for it not to pass this body. He knows he is not foreclosed in any way. In addition to that, we have even given him the assurance that we will not maintain our negative position in view of the fact that the Ways and Means Committee has indicated a different direction, and this body clearly has. We cannot do any more than that except that we would like to not add additional moneys unnecessarily to the deficit.

Mr. FRENZEL. The problem is that too often we have an amount the Ways and Means Committee is probably going to want to use for other purposes. It seems to me that if the body wants to be clear and preserve its option to make a decision on whether we want tax credits or not, we have to vote on one of these amendments or both of them. The problem was that we sent the gentleman's committee into conference last year in favor of the tuition tax credits, and——

Mr. GIAIMO. The gentleman's March 15 letter of recommendation to our committee this year, if I remember correctly, was not in favor of tax credits, but against them. The gentleman does know that there was a change in his own committee; I do not have to tell him that.

Mr. FRENZEL. The committee report is, of course, on record. The Ways and Means Committee has taken a position in favor of tuition tax credit. What it seeks now is to give the body a chance to bring that bill to the floor, and at least to debate it and debate certain amendments which some Members would like to offer. If we pass this budget resolution without the Luken amendment or without the Coughlin amendment, we may not have that opportunity.

Mr. Chairman, I rise in support of the Luken amendment that will allow $635 million for tuition tax credits for students attending postsecondary, secondary, and elementary educational institutions. This amendment corresponds to the cost estimates prepared by the Joint Committee on Taxation and offers a 25-percent tax credit to a miximum of $150 in fiscal year 1979 for college and postsecondary vocational students and a $100 maximum credit for students attending nonpublic elementary and secondary schools. The postsecondary credit maximum will increase to $250 in 1980 in the Ways and Means Committee reported bill, H.R. 12050.

Tuition tax credits are designed to provide a sorely needed financial boost to students and parents burdened with heavy educational costs. A tuition tax credit boosts the opportunities of lower- and middle-income families to finance their educational choices, and at the same time, puts the decisionmaking power in the hands of the educational consumers.

Students wishing to attend private and public institutions of higher education are suffering an increasingly higher financial burden. According to College Scholarship Service figures, the average annual student cost of private higher education has increased 52 percent over the past 5 years. During the same period of time, the average annual student cost at a public college or university has increased over 55 percent. Often, the victims of these soaring educational costs are middle-income families—families too poor to afford the costs of college, but too well off to qualify for Federal financial assistance.

Unfortunately, some of the tuition tax credit amendments offered today, ignore the plight of low- and middle-income families who have children in nonpublic elementary and secondary schools. In addition to the skyrocketing costs of postsecondary education, the costs of nonpublic elementary and secondary education have increased substantially in recent years and will continue to increase. At the same time, the cost of public schools is also rising substantially, and taxes keep increasing to meet this cost. Consequently, low- and middle-income parents with children in nonpublic schools must bear the heavy burden of paying for the increased costs of both public and nonpublic schools—although they relieve the public schools of the cost of educating their children.

An overwhelming majority of children who attend nonpublic elementary and secondary schools come from low- and middle-income families. In fact, 51.4 percent of these families have incomes below $15,000. More than 71 percent have family incomes below $25,000 and fewer than 4 percent have incomes over $50,000. These lower- and middle-income families need help if they are going to be able to continue exercising their freedom of choice in educating their children.

The heavy financial burden imposed on these lower- and middle-income families is an important factor in accounting for the declining enrollment and the closing of many nonpublic schools. In 1966, 13 percent of all elementary and secondary school students in the United States were enrolled in nonpublic schools, while 10 years later 9.8 percent of all students studied in nonpublic institutions. The President's Commission on School Finance in a 1972 study, estimated that if many nonpublic schools closed, capital costs would increase from $4.7 billion to $10 billion.

During the past decade, the total number of nonpublic schools declined from 19,946 to 17,950. This represents a loss of 10 percent or nearly 2,000 schools. Any further erosion in the nonpublic school system would seriously weaken our dual educational system and create a lopsided balance away from individual choices and toward governmental control.

I urge my colleagues to support the extension of tuition relief to taxpayers whose children attend nonpublic elementary and secondary schools through the Luken amendment. Such an amendment would insure the availability of tuition relief to allow these parents the opportunity to keep a few more of their own tax dollars when they file their tax return for the previous year.

The result of this type of an amendment would not be to coax students from public education into private education, nor to give them enough incentive so they would be encouraged to change their educational lifestyles. It would, however, in the face of declining enrollments, provide for the educational consumer some semblance of freedom of choice that the consumer has had over the years under our American system. The rising costs of education now denies the consumer that choice, and I would like to provide it a little longer.

I believe that the Ways and Means Committee budget does provide more than enough room for the enactment of tuition tax credits, even though it does not include tuition tax credits as a line item. The Ways and Means Committee budget, generally, does not include line items, especially in view of its pending controversy over the dollar this amount year's projected tax cuts.

However, in view of the several attempts to provide a specific line item in the fiscal year 1979 budget for tuition tax credits, we ought to provide for what the House intends to pass and that is projected to be around $635 million. Therefore, I urge my colleagues to give full support to the Luken amendment which is merely an attempt to continue providing educational choice that has been a popular and succesful tradition in America.

If the Harkin substitute is not passed, I urge passage of the Coughlin amendment which will at least restate the intentions and that this House spelled out when we amended the budget resolutions last year.

Mr. OBEY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, first of all, what the chairman of the Budget Committee is saying is very simple. He is that the report of the Budget Committee is as out of date on this point as the original position of the Ways and Means Committee was, because the Ways and Means Committee has changed it position from the time it sent the letter to the Budget Committee. The Budget Committee, realizing that language in its report gives a mistaken impression, has tried to correct that in the best way possible, through legislative history on the floor.

Secondly, what I think needs to be pointed out is that there is no way we can do what the gentleman from Minnesota and the gentleman from Pennsylvania want to do without unnecessarily again expanding that deficit. Last night I stood on this floor and spoke against the Fraser amendment, which was offered on this side of the aisle, because it was not necessary to pass it in

order to do what the Fraser amendment was trying to do. That same thing is true on this point.

We cannot simply take $500 million out of the outlay side to balance off the $500 million in reduced revenues, as the gentleman from Pennsylvania suggested, because there is only $155 million in outlays in this resolution for this purpose. The reason for that is because the middle-income portion is forward funding, so there is no way that we can balance off 500 and 500 because, we have not got $500 million in the bill.

Mr. FISHER. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I rise in opposition to these two matters that are before us. We have considerable talent among us for debating important questions at the wrong time. Everyone, or nearly everyone, in this House favors some kind of help, relief, to families hard pressed with tuition charges.

The question is exactly how the relief should be provided. Should it be through a tax deferral arrangement? Should it be through advantageous loans and grants to low-income people? Should it be through a tuition tax credit? Some of these operate on the expenditure side of the budget and some on the revenue. But I would call to the attention of the Members the fact that we are here dealing with the budget. We do not need to settle here, and should not try to, the question of precisely how to give this kind of help.

On the expenditure side, the Budget Committee has set aside, reserved if you like, a certain amount of authorization and outlay in case we choose that route, to do it on the expenditure side of the budget. On the other hand we have also set out in the budget, the committee has, nearly $20 billion of tax cuts, a small portion of which could be for the tuition tax credit. There is plenty of room on that side.

So I would argue strongly that we not pound ourselves to pieces today on this since we do have accommodations in the Budget Committee recommendations for this help to families with tuition charges on either the expenditure or the revenue side.

My own preference—and it is not to be argued today— would be first for a tuition tax deferral system; failing that, that a loan and grant system could be arranged; failing that, probably a tuition tax credit for college people. I prefer the tax deferral or perhaps the loan approach. They come to pretty much the same thing and give much more relief for the cash crunch that families are faced with when the youngsters go to college than a $250 tax credit offers, which is just a drop in the bucket when one is faced with several thousand dollars per year of tuition charges for each youngster. So that would be my line of preference. To conclude: Nearly all of us want to provide the help. The budget does accommodate this whether we go the expenditure route or the revenue route and, therefore, it seems to me we ought to resist these two amendments at this time, preserve the budget, and then go on and debate tuition assistance alternatives in depth when the matter comes before us for substantive consideration, probably in a few weeks.

Mr. LUKEN. Mr. Chairman, will the gentleman yield for a question?

Mr. FISHER. If I have the time I will be glad to yield to the gentleman from Ohio.

Mr. LUKEN. The problem I would say to the gentleman from Virginia, a member of the committee, is the report language. I assume the gentleman did not vote for the report language which strongly excluded tuition tax credit. If the report language was as broad and open as the gentleman's statement, we would not be here on these amendments.

Mr. FISHER. If I may respond, I would expect the report language now, after this considerable exchange that we have been having, to reflect these additional views, that nearly everybody does want the relief and there are the options and we must do nothing now in the budget which would preclude any reasonable approach to the problem.

Mr. LUKEN. If we could guarantee such language we would not be having the problem.

Mr. FISHER. Of course, the budget resolution itself does not go to the detail of taxes. It just establishes an overall tax guideline. It is only a guideline in the first resolution and does not call for specifying which taxes, which cuts, which credits, and so on.

The CHAIRMAN. The time of the gentleman from Virginia has expired.

(By unanimous consent, Mr. FISHER was allowed to proceed for 1 additional minute.)

Mr. FISHER. Mr. Chairman, on the expenditure side, the rules of the budget resolution do call for somewhat more detail and we are providing that.

Mr. LUKEN. I thank the gentleman for his statement.

Mr. CORCORAN of Illinois. Mr. Chairman, will the gentleman yield?

Mr. FISHER. I yield to the gentleman from Illinois.

Mr. CORCORAN of Illinois. Mr. Chairman, to the gentleman from Virginia let me say I have respected his work on the Budget Committee in the 15 months I have served in this body. The reason we are in my view in this predicament now is precisely because of the language in the committee report. The House Budget Committee gives a clear preference for middle-income assistance in order to solve the problem of providing financial aid to middle-income families in the education of their children.

Let me ask the gentleman: Where is it in the Budget Act that the House Budget Committee has the authority to take a preference between two different approaches, two pieces of legislation which are now pending in the Rules Committee?

Where and by what authority does the Committee on the Budget have that power?

Mr. FISHER. In response to the inquiry of the gentleman from Illinois (Mr. CORCORAN) I believe it has no power to impose this in the resolution, nor is that proposed, but the customs around here are that in reports preferences of this nature can be expressed.

I would like to go on to say that when the Committee on the Budget a number of weeks ago was discussing this resolution, there was a majority preference for this expenditure route.

The CHAIRMAN. The time of the gentleman has again expired.

(On request of Mr. CORCORAN of Illinois, and by unanimous consent, Mr. FISHER was allowed to proceed for 1 additional minute.)

Mr. FISHER. Mr. Chairman, if the gentleman will yield still further, as I started to say, there was a preference and that was reflected in the language. Time has passed and I would hope that language in future reports, of the way in which our conferees would deal in the conference with the Senate, would reflect what we are now saying. And, of course, we are making a legislative record on the matter in our discussion here today.

Mr. CORCORAN of Illinois. Mr. Chairman, let me say to the gentleman that I agree with him that the committee report should not contain language stating a preference on substantive legislation. That is what has brought us to this predicament on the floor today and I would hope that in the future that the advice of the gentleman from Virginia (Mr. FISHER) would be followed.

Mr. FISHER. At the time it was discussed in the Committee on the Budget there was the preponderant view that was reflected in the report and now the Committee of the Whole House is reflecting somewhat different views.

The CHAIRMAN. The time of the gentleman has again expired.

(On request of Mr. CORCORAN of Illinois, and by unanimous consent, Mr. FISHER was allowed to proceed for one additional minute.)

Mr. CORCORAN of Illinois. Mr. Chairman, if the gentleman will yield still further, the problem before the body now is that the committee report cannot be amended.

Mr. KETCHUM. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the amendment offered by the gentleman from Pennsylvania (Mr. COUGHLIN) and the substitute offered by the gentleman from Ohio (Mr. LUKEN).

Having said that, let me tell you that I am unalterably opposed to tuition tax credits for college or elementary and secondary education. I am, however, strongly in favor of a tax deferral method, as are 17 other members of the Committee on Ways and Means.

I support the amendments and would point out that there really does not have to be any dollar figure involved, you

could put in 10 million dollars or 10 dollars and you would have had just the same effect because you would amend the report language to indicate that the House does support tuition tax credits or some method of assisting those individuals heavily impacted by educational costs.

The vote on tuition tax credits in the Committee on Ways and Means was 18 to 18 with the chairman the gentleman from Oregon (Mr. ULLMAN) abstaining.

I think it is no secret to the body that the chairman of the Committee on Ways and Means opposes tuition tax credits and he was merely trying to keep his word, a word that he gave us last December when we were discussing the social security conference report. At that time he gave us his word to hold hearings on tuition tax credits despite the fact that he opposes them.

I join him in wishing to bring that bill to the floor so that we can discuss the merits of either tuition tax credits or the tax deferral method, which I happen to think is a much better system.

Having said that, we should have a mechanism whereby the House has concurred in its language, that we are going to talk about it at all, so that when our conferees go to conference with the Senate there is no disagreement.

The Chairman, the gentleman from Connecticut (Mr. GIAIMO) discussed the fact that, we have basic aid grants in the President's program. I submit that this House turned down, rather overwhelmingly, the President's program. That is moot. It is not going to pass. The House wants to discuss some method through the tax code of assisting college students and perhaps elementary and secondary education and, in fact, the rule which the Committee on Ways and Means seeks, is one to permit two amendments, or three, one of which deals with elementary and secondary education, and one of which deals with tax deferrals.

It was further stated by the chairman that there seemed to be some compromise on the tax bill and that the amounts would be considerably less than the amount the Committee on the Budget has determined.

Do not allow yourselves to be misled by the newspapers because there is no compromise on the tax bill, despite the fact that the paper said this morning that the distinguished ranking minority member, the gentleman from New York (Mr. CONABLE) had been in conference.

Mr. CONABLE. Mr. Chairman, will the gentleman yield?

Mr. KETCHUM. I yield to the gentleman from New York.

Mr. CONABLE. I thank the gentleman for yielding.

I would like to confirm what the gentleman is now saying.

Mr. KETCHUM. The gentleman from New York (Mr. CONABLE) has not discussed a compromise with the Chairman of the Committee on Ways and Means on a tax cut bill. As a matter of fact, we have not had any meetings to mark up the tax bill for 2 weeks because we are in such disarray. Perhaps a compromise can be reached, but certainly a $9 billion tax cut, as was in the headlines this morning, means absolutely nothing. We might as well vote for the Vanik proposal, which is also a $9 billion tax cut, and we can avoid having to go to committee and discussing anything, because we would simply continue the cuts which were put in place last year.

So I would strongly urge the members of the committee to approve the substitute and the amendment so that we will have language in here. Do not quibble about the bucks, because the bucks do not mean anything in this resolution. But put the language in here so that when we go to conference, we do not have to discuss this with the Senate. The distinguished chairman of the Committee on Rules, the gentleman from New York (Mr. DELANEY) will hear us before the Committee on Rules and will bring the bill to the floor and debate it.

Mr. KOSTMAYER. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, I am reluctant to rise and contribute even more to what I think has been a worthwhile debate, but I think there are several things which should be pointed out.

I know I share with many of my colleagues a deep concern for the future of public education in our country, we must preserve its diversity, and avoid a mass exodus from the public schools to nonpublic schools. I think, in fact, that there is very ample evidence that private and parochial schools are in fact more diverse than public schools, and actually it is the public schools at the elementary and secondary level that are in fact neighborhood schools, and as such they reflect the homogeneity of the neighborhoods in which they are located. That is why, unfortunately, so many public schools, so many neighborhood schools, are largely white or largely black. Nonpublic schools, on the other hand, reach beyond the borders of a neighborhood. They attract a more varied student body. In fact, minorities now make up more than 10 percent of all enrollments in nonpublic schools.

In fact, in the city of Chicago 40 percent of all the youngsters in Catholic schools are non-Catholic. In the city of Chicago 55 percent of all of the youngsters in Catholic schools are black. In the city of New York 60 percent of all of the youngsters in Catholic schools are minority students. It seems to me that these figures, Mr. Chairman, make the point that diversity, pluralism, and variety, all important and worthwhile feature of a youngsters education are much alive in the nonpublic schools. These facts dispute the fear that people will abandon innercity schools, leaving only the very poor to be educated in the secular system.

The fact is that according to a Catholic University of America survey of parochial schools in the 10 largest cities of our country, Catholic schools today are already doing much of the educating of the very poor in the ghettos, and they are doing it at one-third of the cost of public education.

In other words, the poor and minorities are already choosing nonpublic education at their own expense. If tax relief were to give them any incentive, it would appear to be in the direction of taking more of the poor from the public system, rather than leaving the poor in the public system.

Will there be a mass exodus if the Government provides this very modest amount of tax relief? Let us consider the question. Ninety percent of the schoolchildren in this country are now educated in the public schools. The impact on elementary and secondary education by this legislation is questionable because, and now I speak to the amendment offered by the gentleman from Pennsylvania (Mr. COUGHLIN)—3 out of every 4 dollars in this legislature will go to colleges; only 25 percent of the money will go to elementary and secondary education.

Finally, during the past 10-year period when more Federal money than at any other time in our history has been used to support private higher education, it has been private and not public universities, private and not public higher education, that has suffered declining enrollment and the closing of institutions. There does not seem to be any reason to suggest the opposite would happen in the case of elementary and secondary education. In other words, we must be skeptical about these arguments which suggest this legislation will severely injure public education.

Finally, Mr. Chairman, we must ask who this legislation will help? Census studies undertaken to determine the economic status of people most affected by the legislation found that 57 percent of all nonpublic school students come from families earning between $10,000 and $25,000.

Eighty-two percent comes from families with incomes below $30,000, and 92 percent from families earning less than $40,000.

I think we have to keep in perspective that this legislation, and again I speak to the amendment offered by the gentleman from Pennsylvania is primarily designed to aid those who are going to college and when we consider the very small amount of aid we are providing to college students, it is a drop in the bucket, only a very modest drop in the bucket, compared to what a college education costs.

Furthermore, tuition tax credits would be a means of empowering those people of modest means, to make choices which only the affluent can now make.

Frankly, Mr. Chairman, I am rather intrigued by the idea of leaving money with the taxpayers and permitting them to educate their children in the way they see fit.

The CHAIRMAN. The time of the gentleman from Pennsylvania has again expired.

(At the request of Mr. MITCHELL of Maryland, and by unanimous consent, Mr. KOSTMAYER was allowed to proceed for an additional 2 minutes.)

Mr. KOSTMAYER. Mr. Chairman, I will yield to the gentleman from Maryland in just one moment.

Mr. Chairman, I know this proposal goes against the age-old approach of the educational interests in this country; but perhaps we should try something new and see how it works.

Essentially this is a tax relief measure. I do not believe it is a measure to aid religious education; rather, it is a measure which I think will benefit the taxpayers of our country.

Mr. Chairman, I yield to the gentleman from Maryland (Mr. MITCHELL).

Mr. MITCHELL of Maryland. Mr. Chairman, I just had a couple questions.

The Bilalian schools, which were formerly Muslim schools, are in operation and some of them do very well in teaching black history. There was such a school in my district. It is closed because it ran out of funds.

The gentleman would have no objection to the Bilalian school, formerly known as the Black Muslim school, benefiting from tuition tax credits?

Mr. KOSTMAYER. It is my understanding this form of aid is not directed to the schools, but rather to the parents.

Mr. MITCHELL of Maryland. Mr. Chairman, if the gentleman will yield further, yes; but if the parents choose to assist those schools, the gentleman would have no problem with that?

Mr. KOSTMAYER. It seems to me that is a judgment to be made by the parents, not entirely by the Federal Government. Essentially this is a tax relief measure which gives parents the option of providing the kind of education they want to provide to their children.

Mr. MITCHELL of Maryland. Mr. Chairman, if the gentleman will yield further, I find that same kind of reasoning would apply to the proliferation of schools that occurred in certain parts of our country when, indeed, we moved toward school desegregation.

The gentleman would have no problem with that, either?

Mr. KOSTMAYER. I have a very serious problem with it. It is my understanding that there is language in the legislation which would prohibit this aid from benefiting even in an indirect way the segregated academies in the South.

Mr. MITCHELL of Maryland. Mr. Chairman, will the gentleman yield for one or two other questions?

Mr. KOSTMAYER. I will be happy to yield.

Mr. MITCHELL of Maryland. Has the gentleman done any thorough study or does the gentleman know of any thorough study that has been done which will give us some insight as to whether or not these schools will increase their tuition costs, whether or not the schools would increase their tuition if, indeed, this tuition tax credit is granted? Has any study been done in that area?

The CHAIRMAN. The time of the gentleman from Pennsylvania (Mr. KOSTMAYER) has expired.

(On request of Mr. MITCHELL of Maryland, and by unanimous consent, Mr. KOSTMAYER was allowed to proceed for 2 additional minutes.)

Mr. KOSTMAYER. Mr. Chairman, in answer to the question of the gentleman from Maryland (Mr. MITCHELL), I have done some studying along this line.

As far as the parochial schools are concerned, as the gentleman knows, they are in very deep financial trouble. It seems to me that for them to simply turn around and raise their tuition rates if this legislation is passed would be self-defeating. It would really defeat the intent of the legislation. I would hope and I would think they would not do that.

I would not impugn their motives. I think they are sincerely interested in providing the kind of education they have been providing for so many years to so many youngsters. To raise their tuition rates if this tuition tax credit is granted would defeat the purpose of the legislation. I hope they would not do that, and I do not think they would do it.

Mr. MITCHELL of Maryland. Mr. Chairman, if the gentleman will yield further, I have no question about the sincerity of the gentleman's commitment to that end, and I am sure he is anxious to do what is right. But history has shown that there is a bunch of rascals in this country who try to take advantage of everything possible to perpetuate a system of segregation in this country. That is my concern. I think we have moved very well in this field in the South, although we have not moved as well in the North and in the Midwest.

Mr. Chairman, I have a great deal of fear about this becoming another vehicle or a pattern for the establishment of an American type of apartheid for the perpetuation of a system of segregation.

Mr. KOSTMAYER. Mr. Chairman, I can only say to the gentleman from Maryland (Mr. MITCHELL) that segregation exists in the big cities and it exists in the suburbs too. The neighborhood schools in affluent suburbs in many cases are becoming all white schools, and the schools in the inner cities are becoming all black schools. Indeed the most integrated schools in the big cities are often the parochial schools, not the public schools. Often they are 90 percent white in the suburbs and 90 percent black in the cities.

Mr. MITCHELL of Maryland. Mr. Chairman, the other side of the coin is that this will facilitate the very thing that we do not want to happen.

Mr. KOSTMAYER. My understanding is that there is language in the legislation to prevent that.

The CHAIRMAN. The time of the gentleman from Pennsylvania (Mr. KOSTMAYER) has again expired.

(On request of Mr. LUKEN, and by unanimous consent, Mr. KOSTMAYER was allowed to proceed for 2 additional minutes.)

Mr. KOSTMAYER. Mr. Chairman, let me finally say that I share very deeply the concern of the gentleman from Maryland (Mr. MITCHELL) that this legislation should not do anything at all to promote segregated academies which have sprung up in response to Federal desegregation orders in the South. I do not believe that would happen. It is my understanding there is language in the legislation that would prevent that.

Mr. Chairman, I would oppose this legislation if I thought it would have the effect of perpetuating or promoting segregation.

Mr. LUKEN. Mr. Chairman, will the gentleman yield?

Mr. KOSTMAYER. I yield to the gentleman from Ohio.

Mr. LUKEN. Mr. Chairman, with reference to the question asked by my friend, the gentleman from Maryland (Mr. MITCHELL), about these nonpublic schools to which he referred, these schools are in the inner city and the central city. I do not have the studies here, but I can speak from personal experience, because my own children have attended schools of this character.

I have also seen some statistics that show that in many of these schools where tuition is charged the population is over 50 percent minority. In many of them, certainly in those in my city—and I am certain Cincinnati is no exception—I think, as the gentleman from Pennsylvania (Mr. KOSTMAYER) suggests, it is in the nonpublic schools in the inner city and in the central city where we find the most integration as far as schools are concerned.

Mr. GOLDWATER. Mr. Chairman, I rise in strong support of the amendment offered by the gentleman from Ohio to allow tuition tax credits for students attending postsecondary, secondary and elementary educational levels.

I have supported the concept of providing some sort of relief to parents with children in nonpublic schools since coming to Congress. This concept has received broad support from all segments of society, including both major political parties; our last three Presidents, including President Carter during the campaign, and the director of educational activities of the Congress of Racial Equality.

At the outset, I would like to make it clear that I do not equate the possibility of tax credits with the demise of public education or nonsupport of public education. Public schools are not facing the threat of closure because of rising costs. Nonpublic elementary and secondary schools are suffering dramatic declines in enrollment because of increased tuition costs, and the National Center for Education estimates that by 1984 there will be 2.1 million less students enrolled in private institutions than there were in 1965. In this regard, I agree with Commissioner of Education Boyer who believes that "private education is absolutely crucial to the vitality of this Nation, and public policy should strengthen rather than diminish these essential institutions." Even President Carter, who has withdrawn his support for tax credits, has proposed doubling aid to private schools by 1980.

I believe what all this indicates is a general acceptance that there should not be a monopoly in education, and to preserve freedom of choice, private education should be accessible to more than the very rich—which I believe will be the case unless something is done to help

those on the middle and lower economic scale afford freedom of choice.

While I certainly support tuition tax credits for higher education, I also strongly support extending the credits for elementary and secondary schooling. I believe it has been correctly noted that parents are compelled by law to have elementary schooling for their children, and in some States this compulsory schooling applies to the secondary levels. However, great numbers of parents, due solely to compulsions of mind or of religious conscience, must provide nonpublic education for their children. The Supreme Court has upheld this most basic of freedoms and in my judgment, denial of this freedom through economic pressures has the same chilling affect as denying it by law.

The debate over who will benefit from tax credits has been central to the discussion of this issue, and I find it interesting that the opponents of tax credits are arguing both sides of the coin by claiming credits will harm public schools while at the same time insisting that tax credits will benefit primarily the rich. Even if this contradiction made sense, the facts refute both claims.

In recent years, Congress has asked skewed tax relief to favor lower-income families, and as a result there has been a significant tax squeeze on middle and upper-middle income families whose income is further diminished by inflation. For example, beween 1970 and 1975, middle-family costs increased by 43.6 percent while U.S. median income rose by 38.5 percent. The family in the middle simply has less discretionary income now than it had in 1970, and the average tuition costs at all institutions have jumped by an average of 50 percent. It is also pertinent to note that enrollment in all institutions by middle-income students has been decreasing, while enrollment at the ends of the economic spectrum is increasing. Moreover, in regard to the argument that the rich are not now paying their fair share and the fear that they might accrue some benefit, it is well to remember that while households earning more than $30,000 a year represent 5 percent of all households, they pay 39 percent of all taxes. Inclusion of upper income people did not prevent the establishment of the social security system, but even so, if Congress desires, tax credits can be targeted to income levels.

In regard to the contention that tax credits will inevitably harm the quality of education in public schools, according to the National Center for Education Statistics, overall annual expenditures for public education for 1976–77 amounted to $97 billion. The $900 million cost projected for tax credits is hardly a threat to that overall figure, and I have seen nothing in the way of studies and statistics which would lead me to believe that the great majority of parents will not continue to take advantage of "free" education. I have also heard it said that tax credits were devised as some way to help people avoid integration. I reject this contention on its face and in its implications. First of all, tax credits, will not be granted for attendance at schools which discriminate on the basis of race. Even so, my support for tuition relief preceded the California Supreme Court decision by several years.

Additionally there is considerable support for private education among minority leaders, since studies have confirmed that private schools are better integrated racially than the public schools serving comparable income groups. Private schools—and particularly Catholic schools—have a long and a successful record in inner cities and ghettos. One of the most successful of these schools is Holy Angels in the South Side of Chicago where about $300 is spent per pupil during the 12-month school year and pupil-teacher ratios reach 42. At this school, students typically read at or slightly below grade level, which is 1 or 2 years above median in the public schools by grade six.

I have also heard opponents claim that private educators are just waiting for tax credits to raise tuition costs. However, to me, this is not logical since, unlike public schools, the consumer has a direct bearing on costs and just as in the marketplace, if the costs are too high, the consumer simply stops buying.

In regard to tax credits instead of President Carter's grant program for middle-income college students, I would say that with tax credits you eliminate the bureaucracy and thus more money is going to education instead of to bureaucrats. For example, a survey at Duke University showed that the cost of implementing federally mandated social programs had increased from $58 per year per student in 1968 to $451 in 1975, and the Congressional Budget Office estimates that just the proposed increase in the number of Basic Education Opportunity Grants applications will increase the Government's administrative costs for that program alone by $24 million. Tax credits provide one more important benefit that grants do not. They insure privacy, while symbolically dispelling the idea of a "handout" or welfare. I also agree with the idea that the precedent of extending income transfer programs to the middle class could have serious future implications for other government transfer programs.

Finally, but by no means least, is the question of constitutionality. I fully realize that this question is debatable, but unlike other programs which have tried to provide relief. there is considerable opinion amongst constitutional scholars that tax credits will pass the test. I agree that this would be no more an abuse of the first amendment than providing property tax exemptions to houses of worship, or tax deductions for contributions to religious schools and churches. I believe the true test of constitutionality will center on the question of "entanglement with religion," and I believe the tax credit approach will pass muster since the Government will be dealing with taxpayers, not with schools.

Mr. MAGUIRE. Mr. Chairman, I am voting "present" today on amendments to the first concurrent budget resolution dealing with tuition tax credits.

I am currently assessing the options available to financially assist students, parents, and educational institutions. During this careful study, I am trying to find the most satisfactory resolution to two apparently conflicting needs. First, I have always believed that we should reform the tax system to make it more equitable, and this requires avoiding the use of credits and deductions to achieve every economic or social purpose. But second, I have a firm commitment to private education as a practical choice for parents and students in every variation of financial or family circumstance.

I do not wish, during the consideration of the general budget resolution, to prejudge these issues which will be voted on when we consider the tax and education bills which will shortly be before us.

Therefore, I am casting my vote as "present" so as not to appear to determine now my position on the best ways to resolve these issues.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio (Mr. LUKEN) as a substitute for the amendment offered by the gentleman from Pennsylvania (Mr. COUGHLIN).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. LUKEN. Mr. Chairman, I demand a recorded vote.

Mr. BAUMAN. Mr. Chairman, pending the demand of the gentleman from Ohio (Mr. LUKEN) for a recorded vote, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. Fifty-six Members are present, not a quorum.

The Chair announces that he will vacate proceedings under a call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

QUORUM CALL VACATED

The CHAIRMAN. One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to rule XXIII, clause 2, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

RECORDED VOTE

The CHAIRMAN. The pending business is the demand of the gentleman from Ohio (Mr. LUKEN) for a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 199, noes 173, answered "present" 1, not voting 61, as follows:

[Roll No. 284]

AYES—199

Akaka	Bauman	Burgener
Ambro	Beard, R.I.	Burke, Fla.
Ammerman	Beard, Tenn.	Burke, Mass.
Andrews, N. Dak.	Benjamin	Caputo
	Bevill	Carney
Annunzio	Biaggi	Carter
Applegate	Blouin	Cavanaugh
Archer	Boggs	Cederberg
Armstrong	Boland	Chappell
Ashbrook	Breaux	Clausen, Don H.
Ashley	Brooks	
Aspin	Broomfield	Cleveland
Badham	Brown, Mich.	Cohen
Barnard	Brown, Ohio	Collins, Tex.

Conable
Conte
Corcoran
Cornell
Cotter
Coughlin
Crane
Cunningham
D'Amours
Daniel, Dan
Daniel, R. W.
Delaney
Derwinski
Devine
Dingell
Dornan
Downey
Early
Edgar
Edwards, Ala.
Edwards, Okla.
Emery
Erlenborn
Ertel
Fary
Florio
Flynt
Foley
Forsythe
Fowler
Gaydos
Gephardt
Gibbons
Gilman
Goldwater
Goodling
Gradison
Grassley
Green
Guyer
Hanley
Hansen
Harkin
Harrington
Harsha
Heckler
Heftel
Hollenbeck
Horton
Howard
Hughes
Hyde
Jeffords
Kasten
Kelly
Kemp
Ketchum
Kildee
Kindness
Kostmayer
LaFalce
Lagomarsino
Latta
Leach
Lederer
Lent
Levitas
Livingston
Lott
Lujan
Luken
McDade
McDonald
McEwen
Madigan
Markey
Marks
Marlenee
Mathis
Mazzoli
Michel
Mikulski
Miller, Ohio
Minish
Moakley
Moore
Moorhead, Calif.
Mottl
Murphy, Ill.
Murphy, N.Y.
Myers, John
Natcher
Nedzi
Nolan
Nowak
O'Brien
Oakar
Ottinger
Patten
Pease
Pettis
Pressler
Price
Pritchard
Quayle
Railsback
Regula
Rinaldo
Robinson
Roe
Rogers
Rooney
Rostenkowski
Rousselot
Rudd
Ruppe
Russo
Ryan
Santini
Sarasin
Satterfield
Sawyer
Scheuer
Schulze
Seiberling
Shuster
Sikes
Snyder
Spellman
St Germain
Stangeland
Stanton
Steers
Stockman
Stratton
Symms
Thompson
Traxler
Treen
Trible
Vander Jagt
Vento
Volkmer
Walgren
Walker
Walsh
Whitehurst
Whitten
Wilson, Bob
Winn
Wolff
Wydler
Wylie
Yatron
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NOES—173

Abdnor
Addabbo
Allen
Anderson, Ill.
Andrews, N.C.
AuCoin
Baldus
Baucus
Bedell
Bellenson
Bennett
Bingham
Blanchard
Bolling
Bonior
Bonker
Bowen
Brademas
Brinkley
Brodhead
Brown, Calif.
Broyhill
Buchanan
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Butler
Byron
Carr
Chisholm
Clay
Coleman
Collins, Ill.
Conyers
Cornwell
Davis
Dellums
Derrick
Dickinson
Dicks
Dodd
Drinan
Duncan, Tenn.
Eckhardt
Edwards, Calif.
English
Evans, Del.
Evans, Ind.
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Flippo
Flowers
Ford, Mich.
Ford, Tenn.
Fountain
Fuqua
Garcia
Giaimo
Ginn
Glickman
Gonzalez
Gore
Gudger
Hall
Hamilton
Hammer-schmidt
Harris
Hefner
Hillis
Holt
Holtzman
Hubbard
Huckaby
Ichord
Ireland
Jacobs
Jenkins
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Kastenmeier
Keys
Krebs
Krueger
Leggett
Lehman
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lundine
McClory
McCloskey
McCormack
McFall
McHugh
McKay
McKinney
Mahon
Marriott
Martin
Mattox
Meeds
Metcalfe
Meyner
Miller, Calif.
Mineta
Mitchell, Md.
Moffett
Mollohan
Montgomery
Moorhead, Pa.
Murphy, Pa.
Murtha
Myers, Gary
Neal
Nichols
Oberstar
Obey
Panetta
Pattison
Pepper
Perkins
Pickle
Pike
Poage
Preyer
Pursell
Quillen
Rangel
Reuss
Richmond
Rosenthal
Roybal
Sebelius
Sharp
Simon
Sisk
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Solarz
Spence
Stark
Steed
Stokes
Studds
Taylor
Thone
Tsongas
Udall
Ullman
Van Deerlin
Waggonner
Wampler
Watkins
Waxman
Weiss
Whalen
Wiggins
Wilson, Tex.
Yates
Young, Alaska

ANSWERED "PRESENT"—1

Maguire

NOT VOTING—61

Alexander
Anderson, Calif.
Bafalis
Breckinridge
Burke, Calif.
Clawson, Del
Cochran
Corman
Danielson
de la Garza
Dent
Diggs
Duncan, Oreg.
Eilberg
Evans, Colo.
Evans, Ga.
Flood
Fraser
Frenzel
Frey
Gammage
Hagedorn
Hannaford
Hawkins
Hightower
Holland
Kazen
Le Fante
Mann
Mikva
Mitchell, N.Y.
Moss
Myers, Michael
Nix
Patterson
Quie
Rahall
Rhodes
Risenhoover
Roberts
Rodino
Roncalio
Rose
Runnels
Schroeder
Shipley
Skubitz
Staggers
Steiger
Stump
Teague
Thornton
Tucker
Vanik
Weaver
White
Whitley
Wilson, C. H.
Wirth
Wright
Young, Tex.

The Clerk announced the following pairs:

On this vote:

Mr. Eilberg for, with Mr. Wright against.

Mr. Runnels for, with Mr. Risenhoover against.

Mr. Bafalis for, with Mr. Rahall against.

Mr. Del Clawson for, with Mr. Hannaford against.

Mr. Frenzel for, with Mr. White against.

Mr. Frey for, with Mr. Breckinridge against.

Mr. Hagedorn for, with Mr. Rose against.

Mr. Mitchell of New York for, with Mr. Hawkins against.

Mr. Quie for, with Mr. Wirth against.

Mr. Steiger for, with Mr. Shipley against.

Mr. Rodino for, with Mrs. Burke of California against.

Mr. Le Fante for, with Mr. Whitley against.

Messrs. D'AMOURS, BEARD of Rhode Island, EMERY, and THOMPSON changed their vote from "no" to "aye."

So the amendment offered as a substitute for the amendment was agreed to.

The result of the vote was announced as above recorded.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania (Mr. COUGHLIN), as amended.

The question was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. FLOWERS. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 227, noes 136, answered "present" 1, not voting 70, as follows:

[Roll No. 285]

AYES—227

Ambro
Ammerman
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Applegate
Archer
Armstrong
Ashbrook
Ashley
Aspin
Bauman
Beard, Tenn.
Benjamin
Bevill
Biaggi
Blouin
Boggs
Boland
Breaux
Brinkley
Brooks
Broomfield
Brown, Mich.
Brown, Ohio
Burgener
Burke, Fla.
Burke, Mass.
Byron
Caputo
Carney
Carter
Cavanaugh
Cederberg
Chappell
Clausen, Don H.
Cleveland
Cohen
Collins, Tex.
Conable
Conte
Corcoran
Cornell
Cotter
Coughlin
Crane
Cunningham
D'Amours
Daniel, Dan
Daniel, R. W.
Delaney
Derwinski
Devine
Dickinson
Dingell
Dornan
Downey
Early
Edgar
Edwards, Ala.
Edwards, Okla.
Emery
Ertel
Evans, Del.
Fary
Florio
Flowers
Flynt
Foley
Forsythe
Fountain
Fowler
Gaydos
Gephardt
Gibbons
Gilman
Glickman
Goldwater
Gonzalez
Goodling
Gradison
Grassley
Green
Gudger
Guyer
Hammer-schmidt
Hanley
Hansen
Harkin
Harrington
Harris
Harsha
Heckler
Heftel
Hollenbeck
Holt
Horton
Howard
Hughes
Hyde
Jeffords
Johnson, Calif.
Jones, N.C.
Kasten
Kelly
Kemp
Ketchum
Kildee
Kindness
Kostmayer
LaFalce
Lagomarsino
Latta
Leach
Lederer
Lent
Levitas
Livingston
Lloyd, Calif.
Long, La.
Long, Md.
Lott
Lujan
Luken
McClory
McDade
McDonald
McEwen
Madigan
Markey
Marks
Marlenee
Marriott
Mathis
Mazzoli
Meyner
Michel
Mikulski
Milford
Miller, Ohio
Minish
Moakley
Montgomery
Moore
Moorhead, Calif.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, John
Natcher
Neal
Nedzi
Nichols
Nolan
Nowak
O'Brien
Oakar
Ottinger
Pressler
Pease
Pettis
Patten
Price
Pritchard
Pursell
Quayle
Railsback
Regula
Rinaldo
Robinson
Roe
Rogers
Rooney
Rostenkowski
Rousselot
Ruppe
Russo
Ryan
Santini
Sarasin
Satterfield
Sawyer
Scheuer
Schulze
Seiberling
Shuster
Sikes
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Spellman
Spence
Stangeland
Stanton
Steers
Steiger
Stockman
Stratton
Symms
Thompson
Thone
Traxler
Treen
Trible
Tsongas
Vander Jagt
Vento
Volkmer
Walgren
Walker
Walsh
Whitehurst
Whitten
Wilson, Bob
Winn
Wolff
Wydler
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NOES—136

Abdnor
Addabbo
Akaka
Allen
AuCoin
Baldus
Baucus
Bedell
Bellenson
Bennett
Bingham
Blanchard
Bolling
Bonior
Bonker
Bowen
Brademas
Brodhead
Brown, Calif.
Broyhill
Buchanan
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Butler
Carr
Chisholm
Coleman
Collins, Ill.
Conyers
Cornwell
Davis
Dellums
Derrick
Dodd
Drinan
Duncan, Tenn.
Eckhardt
Edwards, Calif.
English
Evans, Ind.
Fascell
Fenwick
Findley
Fish
Fisher
Flippo
Ford, Mich.
Ford, Tenn.
Fuqua
Garcia
Giaimo
Ginn
Gore
Hall
Hamilton
Hefner
Hillis
Holtzman
Hubbard
Huckaby
Ichord
Ireland
Jacobs
Jenkins
Jenrette
Johnson, Colo.
Jones, Okla.
Jones, Tenn.
Jordan
Kastenmeier
Keys
Krebs
Krueger
Leggett
Lehman
Lloyd, Tenn.
Lundine
McCloskey
McCormack
McFall
McHugh
McKay
McKinney
Mahon
Martin
Mattox
Meeds
Metcalfe
Miller, Calif.
Mineta
Mitchell, Md.
Moffett
Mollohan
Moorhead, Pa.

Myers, Gary	Richmond	Udall
Oberstar	Rosenthal	Ullman
Obey	Roybal	Van Deerlin
Panetta	Sebelius	Waggonner
Pattison	Sharp	Wampler
Pepper	Simon	Watkins
Perkins	Sisk	Waxman
Pickle	Skelton	Weiss
Pike	Solarz	Whalen
Poage	Stark	Wiggins
Preyer	Steed	Wilson, Tex.
Quillen	Stokes	Yates
Rangel	Studds	
Reuss	Taylor	

ANSWERED "PRESENT"—1

Maguire

NOT VOTING—70

Alexander	Flood	Rodino
Anderson, Calif.	Fraser	Roncalio
	Frenzel	Rose
Badham	Frey	Rudd
Bafalis	Gammage	Runnels
Barnard	Hagedorn	Schroeder
Beard, R.I.	Hannaford	Shipley
Breckinridge	Hawkins	Skubitz
Burke, Calif.	Hightower	St Germain
Clawson, Del	Holland	Staggers
Clay	Kazen	Stump
Cochran	Le Fante	Teague
Corman	Mann	Thornton
Danielson	Mikva	Tucker
de la Garza	Mitchell, N.Y.	Vanik
Dent	Moss	Weaver
Dicks	Myers, Michael	White
Diggs	Nix	Whitley
Duncan, Oreg.	Patterson	Wilson, C. H.
Eilberg	Quie	Wirth
Erlenborn	Rahall	Wright
Evans, Colo.	Rhodes	Wylie
Evans, Ga.	Risenhoover	Young, Tex.
Fithian	Roberts	

The Clerk announced the following pairs:

On this vote:

Mr. White for, with Mr. Wirth against.

Mr. Eilberg for, with Mr. Wright against.

Mr. Whitley for, with Mr. Rahall against.

Mr. Runnels for, with Mr. Breckinridge against.

Mr. Rodino for, with Mrs. Burke of California against.

Mr. Le Fante for, with Mr. Shipley against.

Mr. Badham for, with Mr. Hawkins against.

Mr. Bafalis for, with Mr. Risenhoover against.

Mr. Del Clawson for, with Mr. Mikva against.

Mr. Erlenborn for, with Mr. Flood against.

Mr. Frenzel for, with Mr. Rose against.

Mr. Hagedorn for, with Mr. Staggers against.

Mr. Mitchell of New York for, with Mr. Vanik against.

Mr. Quie for, with Mr. Teague against.

Mr. Wylie for, with Mr. Clay against.

Mr. HEFNER and Mr. BROYHILL changed their vote from "aye" to "no."

Mr. GLICKMAN changed his vote from "no" to "aye."

So the amendment, as amended, was agreed to.

The result of the vote was announced as above recorded.

Mr. GIAIMO. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. NATCHER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the concurrent resolution (H. Con. Res. 559) setting forth the congressional budget for the U.S. Government for the fiscal year 1979, had come to no resolution thereon.

LEGISLATIVE PROGRAM

(Mr. MICHEL asked and was given permission to address the House for 1 minute.)

Mr. MICHEL. Mr. Speaker, I take this time for the purpose of inquiring of the distinguished majority whip as to the program for the balance of this week and for next week.

Mr. BRADEMAS. If the gentleman will yield, Mr. Speaker, the program for the House of Representatives for the week of May 8, 1978, is as follows:

On Monday, the House meets at noon. There are no bills on the District Calendar. There are six suspensions. Votes on suspensions will be postponed until the end of all suspensions.

The suspensions are as follows:

H.R. 12481, Omnibus Territories Authorization Act;

H.R. 1920, refund excise tax on alcoholic beverages destroyed by vandalism;

H.R. 2852, refund excise tax on aerial applicators fuels;

H.R. 2984, exempt certain trailers from excise tax;

H.R. 6503, Intercoastal Shipping Act amendments; and

H. Con. Res. 583, American MIA's in Southeast Asia.

Then we will take up House Joint Resolution 873, supplemental appropriations for Small Business Administration emergency disaster loans.

On Tuesday, the House meets at noon. There will be two bills under suspension. Votes on those bills will be postponed until the end of the suspension calendar. Those two suspension bills are as follows:

S.J. Res. 4, Hawaiian Native claims study; and

H.R. 11998, insulation safety standards.

Then we will again take up House Concurrent Resolution 559, to complete consideration of the budget for the United States Government for fiscal year 1979.

On Wednesday, the House will meet at 3 p.m.

We will consider H.R. 12222, the International Development and Food Assistance Act of 1978 authorizations, under an open rule, with 1 hour of debate.

We hope also to consider H.R. 12157, to amend and extend the Export-Import Bank Act, subject to a rule being granted.

On Thursday, the House meets at 11 a.m. and will consider the following bills:

H.R. 11686, Department of Energy national security authorizations for fiscal year 1979, subject to a rule being granted; and

H.R. 7814, flexible and compressed work schedules for Federal employees, with an open rule and 1 hour of debate.

On Friday, the House will meet at 11 a.m. and will consider the following:

H.R. 11291, Fire Prevention and Control Act, with an open rule and 1 hour of debate; and

H.R. 9400, civil rights of institutionalized persons, on which the House will complete consideration.

The House will adjourn by 3 p.m. on Fridays and by 5:30 p.m. on all other days except Wednesdays.

Conference reports may be brought up at any time, and any further program will be announced later.

Mr. MICHEL. Mr. Speaker, I have one or two other questions. I assume that after we conclude business today, that we will adjourn until Monday?

Mr. BRADEMAS. Will the gentleman yield for a unanimous-consent request?

Mr. MICHEL. I yield.

ADJOURNMENT TO MONDAY, MAY 8, 1978

Mr. BRADEMAS. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. BRADEMAS. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday next.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

PERMISSION FOR COMMITTEE ON MERCHANT MARINE AND FISHERIES TO FILE CERTAIN REPORTS

Mr. BRADEMAS. Mr. Speaker, I ask unanimous consent that the Committee on Merchant Marine and Fisheries may have until midnight tonight to file certain reports. This request, I am advised, has been cleared with the minority.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

CONTINUATION OF LEGISLATIVE PROGRAM

Mr. MICHEL. Mr. Speaker, while we are not going to be meeting on Friday obviosuly, as a result of the unanimous-consent request, should Members be on notice that there will definitely be a session next Friday, that there is no way to telescope this program into 4 days?

Mr. BRADEMAS. The answer to the gentleman's question is yes.

Mr. MICHEL. Has there been any thought given to coming in any earlier than 3 p.m. on Wednesday, in view of the importance of those two pieces of legislation?

Mr. BRADEMAS. Thought has been given to that, and in view of the fact that many committees are still meeting in markup sessions attempting to meet the May 15 reporting deadline for the committees, it has been decided that the House should meet at 3 p.m.

Mr. MICHEL. I thank the gentleman.

Mr. BAUMAN. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Maryland.

Mr. BAUMAN. I just wanted to ask the gentleman from Indiana what happened to the ethics bill. I ask that every week.

Mr. BRADEMAS. It is still under consideration, and I hope that when we bring it back, there will be strong support for the bill by the gentleman from Maryland.

Mr. BAUMAN. There are so many of us waiting anxiously for the bill. I did hope that it would be on next week. We will wait until the next week.

PERMISSION FOR COMMITTEE ON INTERIOR AND INSULAR AFFAIRS TO FILE REPORT ON H.R. 12250

Mr. UDALL. Mr. Speaker, I ask unanimous consent that the Committee on Interior and Insular Affairs may have until midnight tonight to file a report on the bill H.R. 12250) the Boundary Waters Canoe Area National Recreational Area.

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

There was no objection.

APPOINTMENT AS MEMBERS OF U.S. DELEGATION OF MEXICO-UNITED STATES INTERPARLIAMENTARY GROUP

The SPEAKER. Pursuant to the provisions of section 1, Public Law 86–420, the Chair appoints as members of the U.S. Delegation of the Mexico-United States Interparliamentary Group the following Members on the part of the House:

Mr. DE LA GARZA, Texas, Chairman; Mr. WRIGHT, Texas, Vice Chairman; Mr. UDALL, Arizona; Mr. WHITE, Texas; Mr. KAZEN, Texas; Mr. ALEXANDER, Arkansas; Mr. WOLFF, New York; Mr. VAN DEERLIN, California; Mr. ROUSSELOT, California; Mr. GILMAN, New York; Mr. LAGOMARSINO, California; and Mr. RUDD, Arizona.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair desires to announce that pursuant to House Resolution 1159, agreed to on May 2, 1978, he did on May 4, 1978, make certification to the U.S. attorney for the District of Columbia as required by House Resolution 1159, of the refusal of Claude Powell, Jr., to be sworn or to take affirmation before the duly authorized Select Committee on Assassinations on February 6, 1978.

GENERAL LEAVE

Mr. WALGREN. Mr. Speaker, I ask unanimous consent that all Members be permitted 5 legislative days in which to extend their remarks and to include therein extraneous material on the Roberts amendment to House Concurrent Resolution 559, which was agreed to yesterday.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

TIME TO LOOK AT THE WEATHER

(Mr. MILFORD asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. MILFORD. Mr. Speaker, last session I introduced H.R. 8763, a bill to improve the operational weather programs of the National Oceanic and Atmospheric Administration. Following introduction of the bill, we requested the General Accounting Office to survey the work of the National Weather Service which supports the missions of other Federal agencies that need specialized weather information and services.

The results of the GAO study came as no surprise to me, Mr. Speaker, since I had suspected for a long time that the support provided by the National Weather Service to specialized users such as agriculture, forestry, marine, and aviation was inadequate. The GAO report confirmed my suspicions, and concluded that the role and responsibilities of the National Weather Service for providing specialized weather services to user agencies need to be clearly defined, and that Congress should do so by statute. The GAO also recommends that Congress should assure the availability of adequate resources to carry out those responsibilities.

The GAO report went on to recommend that formal interagency agreements between the National Weather Service and the user agencies be developed setting forth recognized user needs, and defining plans and programs to meet those needs.

The GAO report noted there is general agreement among officials of the National Weather Service as well as the user agencies that neither financial resources nor staff are presently available to NWS sufficient to provide the expanded services which user agencies presently need.

Mr. Speaker, when one considers the value of the products and services of agriculture, the fishing industry, transportation—particularly commercial and business aviation—and many other industries that are dependent upon timely and accurate weather information and forecasting, our Government appears to be "penny-wise and pound-foolish" by failing to provide adequate resources to the National Weather Service.

Yet, that is exactly what has happend, and further budget reductions and manpower cuts are planned for the forthcoming fiscal year.

Despite the growing needs of various specialized users, the budget of the National Weather Service is approximately the same, in terms of purchasing power, as it was 10 years ago, and there are actually seven fewer permanent employees on the rolls than there were in 1967. Recently, the administration advised Congress that next year the National Weather Service budget will be reduced by $1.7 million, 58 positions will be cut from its personnel ceiling, and 19 weather service stations around the country are slated to be closed. Sixteen of our colleagues testified before our committee in opposition to the proposed closing of those 19 weather stations because the services of those local weather offices are considered vital to the economy and public safety of the areas where they are located. The elimination of 58 positions will also make it more difficult for the National Weather Service to provide needed weather services efficiently.

To quote from the GAO report,

> The User Agencies, including the Bureau of Land Management, the Forest Service, FAA, and the Environmental Protection Agency, contend that the lack of staff dedicated to the specialized services has lowered the quality of NWS services.

Moreover, "both NWS and the user agencies acknowledge that staff is not available to provide the expanded services which user agencies need." In fact, there have been several instances when the Weather Service has been unable to respond to specific requests for assistance by other agencies simply because stringent personnel ceilings have made it impossible to do so.

Mr. Speaker, as chairman of the Subcommittee on Transportation, Aviation, and Weather, I have scheduled hearings on H.R. 8763 to begin toward the end of May. We will receive the testimony of officials of all interested Government agencies, as well as experts from business, industry, and the academic community. It is our purpose to attempt to determine the Nation's needs for weather services—those to the general public as well as specialized users. Among other things, we intend to explore the adequacy of the surface observing network which produces the weather data, the quality of analysis and forecasting, and the methods and timeliness of dissemination of information to the public and specialized users. In other words, we hope to find out what else needs doing that is not being done in terms of protecting the public from violent weather, and meeting the needs of various segments of the national economy for weather information. In short, we want to find out what is the potential that is not being realized, and what can be done to realize it.

Our hearings will explore questions such as why commercial aviation appears to be well served, but general aviation seems to be poorly served; why a number of agencies appear to be getting into the business of weather observation, forecasting, and dissemination of weather data despite the contrary policy set forth in Office of Management and Budget directive A–62, and despite the potential for wasteful duplication of effort; why planning and coordination among Federal agencies has fallen so far behind that almost no up-to-date interagency agreements exist; and what is the appropriate role of private meteorologists.

Our subcommittee also wants to know whether Federal-State relations are adequate and productive, and if not, how they can be improved; whether the

civilian and military weather services are fully coordinated and complementary; whether supporting meteorlogical research is adequately funded and—even more important—whether the results of that research are effectively integrated into operational programs in a timely fashion.

Mr. Speaker, remarkable progress has been made in recent years in weather observation and forecasting because of the advance of modern technology. Satellites, computers, radars, and modern research aircraft all have improved the science of meteorology. Yet every disaster survey report in recent years touches upon the thinness of manpower in the National Weather Service.

Moreover, despite the advance of technology, there are those who contend that weather services in the United States have deteriorated during the past decade. Thus, although modern technology has made great contributions and can be expected to make more in the future, there are many aspects of weather observation, analysis, and prediction that require trained manpower, and we cannot always substitute machines for men. Furthermore, while we recognize that automation can reduce manpower requirements, we should not overlook the fact that greatly expanded demands for weather services require more people to operate and maintain the various automated systems that make such services possible. For these reasons. we believe it is necessary to take a hard look at personnel ceilings and the subcommittee intends to do so during our hearings.

Mr. Speaker, it appears that there is a growing gap between what the National Weather Service is being asked tc do and what it is able to do because of limited resources. particularlv stringent personnel ceilings. I believe the time has come to restudy the entire system. and determine the best way to modify governmental policies so that the National Weather Service will be able to respond effectivelv to the many new demands for its services.

A NEW DAY AT THE FBI

(Mr. GONZALEZ asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. GONZALEZ. Mr. Speaker, on previous occasions I have talked about abuses and excesses of the FBI under its former Director. These included the systematic inclusion of inaccurate interpretations of information in FBI files on me and the wholesale collection of useless political information, among other questionable activities.

I am glad to say that a new day has dawned at the FBI. The new Director is cognizant of the need to shed past malpractices and to reform the Bureau so that it will once again live up to the enormous reputation it earned in better days.

There can be no question about the ability, the integrity, the dedication or the efficiency of the vast majority of people who work with the FBI. I am confident that Director Webster will be able to make the most of their talents.

I am hopeful, because it is clear that Director Webster wants reforms, and will get them.

I am hopeful, because Director Webster has gone to the lengths of seeing that my own files are corrected, that misleading statements about me have been ordered expunged, and has expressed his regret that this ever happened. Director Webster has shouldered his responsibility in a way that I can only express personal gratitude for, and more importantly in a way that provides genuine hope that the FBI will soon, once again, be what we once thought it was, and what we all want it to be now.

I ask consent to place a letter I received today from Director Webster, by way of completing the record on my complaint, and his action in satisfying it:

FEDERAL BUREAU OF INVESTIGATION,
Washington, D.C., April 27, 1978.

Hon. HENRY B. GONZALEZ,
House of Representatives,
Washington, D.C.

MY DEAR CONGRESSMAN: I have read your letter of April 17, 1978, wherein you expressed your displeasure with past practices of the FBI. The documents which you received from FBI files under the Freedom of Information and Privacy Acts, as you know, contained statements indicating that you had received Communist Party support during past election campaigns, according to reports received from informants. Admittedly, considering the lack of evidence that you either solicited or were even aware of such support, this information is susceptible to erroneous interpretation. I am therefore instructing that the statements in the documents made available to you be expunged from our files, consistent with the spirit and intent of the Privacy Act of 1974.

As you are aware, the provisions of that Act clearly proscribe the collection or recording of information concerning individuals unless such information is relevant and necessary to accomplish a specific purpose of this Bureau authorized by statute or Executive Order of the President. Certain statements therefore contained in the documents which have been released to you would not now be recorded by today's standards.

The unfortunate characterization of a member of your staff as reflected in FBI files is an action which I shall not attempt to defend. In fairness to your staff member, I am having this characterization removed from the document in question. I can assure you that it is not and will not be my practice to permit the injection of personal feelings or opinions in official documents when such does not advance the official mission of this Bureau.

I regret that certain practices of the past have caused you distress. I can assure you that during my incumbency as Director of the FBI I shall not countenance any practices which are at variance with the law or a sense of decency. I hope that in the future I may look forward to your support and that of other members of the Congress so that my direction of the FBI will be worthy of your approbation.

We are separately concluding our response to your Freedom of Information—Privacy Acts request for documents in our files concerning you.

Sincerely yours,

WILLIAM H. WEBSTER,
Director.

SELECT COMMITTEE ON ASSASSINATIONS TESTIMONY OF RAY FAMILY

(Mr. STOKES asked and was given permission to address the House for 1 minute and to include extraneous matter.

Mr. STOKES. Mr. Speaker, as chairman of the Select Committee on Assassinations, I believe that it is appropriate to bring to the attention of the House a matter that has arisen in the course of the investigation into the death of Dr. Martin Luther King, Jr.

James Earl Ray escaped from the Missouri State Penitentiary on April 23, 1967. From then until April 4, 1968, when Dr. King was killed in Memphis, the activities of Mr. Ray have been of prime focus in this investigation. The committee has determined the whereabouts and activities of Ray for certain portions of this period. Nevertheless, large gaps in time still exist, in which conventional investigative techniques have failed to disclose the needed information. The committee has, therefore, looked to the family of James Earl Ray for help in filling these time gaps. John Ray, his brother, and Carol Pepper, his sister, are believed to have knowledge of his activities that would be of assistance to the committee. John Ray is believed, for example, to have visited his brother the day before Ray's escape from Missouri State Penitentiary on April 23, 1967. Carol Pepper is believed to be the focal point for family communication, and she is known to have handled financial transactions for her brothers in the past.

Because of this belief, John Ray and Carol Pepper were subpenaed to appear before the select committee on April 17, 1978, and April 18, 1978. On April 17, 1978, John Ray did appear, and he did testify before the committee. Nevertheless, during the course of his testimony, Mr. Ray refused to disclose information clearly within his knowledge by systematically relying on a supposed lack of recollection to thwart and obstruct the committee's inquiry. Mr. Ray's testimony was, in effect, testimony in form only, and it constituted a clear case of contempt. On April 18, 1978, Carol Pepper also appeared and testified. Her testimony was equally evasive. Indeed, Ms. Pepper told the committee that she could not recall conversations occurring 4 hours prior to her appearing before the committee.

Mr. Speaker, it is not the committee's intent to create or pursue a vendetta against the Ray family. Our intent is simply to establish the truth for the benefit of the American people. The committee has taken great pains to insure that Carol Pepper and John Ray are aware of this fact. There was some indication expressed by John Ray that, because of the committee's interest in his testimony, his parole from prison was delayed. The committee immediately, upon being informed of this allegation, contacted Warden Wilkinson of the U.S. Penitentiary at Marion, Ill., and impressed upon him the committee's desire not to interfere in any way with Mr.

Ray's intended release. The committee wants only the truth.

The information that Carol Pepper and John Ray are believed to possess is essential to the committee's work, and their attempts to undermine our investigation must not be tolerated. During the course of the testimony of both Carol Pepper and John Ray, the committee members repeatedly cautioned them as to the consequences of their recalcitrancy and urged their respective counsel to advise them of the seriousness of their actions. Both John Ray and Carol Pepper are scheduled to reappear before the committee in order to continue their testimony. It is sincerely hoped that during the intervening time, they will choose to abandon their obstructive tack and respond to the committee's queries in a substantive manner reflective of the information which they so obviously possess.

Should Carol Pepper and John Ray continue to assert a convenient lack of recollection, the committee may have no alternative but to bring these actions either to the attention of the court for disposition under its civil contempt power or before the House for certification of contempt of Congress, as it did in the case of Claude Powell.

Mr. Speaker, in the near future I expect to report to this body our committee's recommendations as to the proper course of action. It is my sincere hope that I can report that Carol Pepper and John Ray have chosen to cooperate fully.

Mr. Speaker, I include in the RECORD a legal memorandum of the Library of Congress on evasive contempt.

EVASIVE CONTEMPT BEFORE A CONGRESSIONAL COMMITTEE

(By Kent M. Ronhovde)

"Contempt" has been said to consist of "an act of disobedience or disrespect toward a judicial or legislative body of government, or interference with its orderly process, for which summary punishment is usually exacted." Defined more broadly, it is "a power assumed by governmental bodies to coerce cooperation, and punish criticism or interference, even of a casually indirect nature." Goldfarb, *The Contempt Power* (New York: 1963), at 1. The question addressed here is whether refusal to respond in a manner considered satisfactoy to the questioning body—be it legislative or judicial—can properly be viewed as a contemptuous act, warranting coercive or punitive measures. Such "evasive contempt" must be distinguished from an unjustifiable refusal either to testify at all when called or to answer particular questions. While the context at issue here is a legislative one, i.e. evasive responses to questions propounded by a congressional committee, the paucity of case law in that setting requires substantial reference to the judicial arena where the issue has been dealt with in greater detail.

The power of the Congress to conduct investigations is inherent in the legislative process, and is broad. *Watkins* v. *United States*, 354 U.S. 178 (1957). "The power of inquiry—with process to enforce it—is an essential and appropriate auxiliary to the legislative function. It was so regarded and employed in American legislatures before the Constitution was framed and ratified." *McGrain* v. *Daugherty*, 273 U.S. 135, 174 (1927). The Congress of the United States thus has the power to investigate, to compel testimony, and to punish for contempt. The investigatory power of either House may be delegated to a committee either by the standing rules of the body or by special resolution. The issuance of subpoenas has long been held to be a legitimate use by Congress of its power to investigate. *Eastland* v. *United States Serviceman's Fund*, 421 U.S. 491, 504 (1975). And if a particular investigation is related to and in furtherance of a legitimate task of the Congress, it has been said by the Supreme Court that "[i]t is unquestionably the duty of all citizens to cooperate with the Congress in its efforts to obtain the facts needed for intelligent legislative action. It is their unremitting obligation to respond to subpoenas, to respect the dignity of the Congress and its committees and to testify fully with respect to matters within the province of proper investigation." *Watkins, supra*, at 187–188.

Contempt of Congress can be classified into two types: inherent and statutory. Congress' inherent contempt authority exists in the Congress as a necessary incident of its existence and does not require recourse to any other Branch of the Government for its exercise. *Anderson* v. *Dunn*, 19 U.S. (6 Wheat.) 204 (1821). Statutory contempt of Congress, on which focus is placed in this discussion, is derived from provisions authorizing the House concerned to direct that the contempt be certified and forwarded to the U.S. Attorney for prosecution. 2 U.S.C. 192 (R.S. § 102) and 2 U.S.C. 194 (R.S. § 104) provide:

"§ 192. Refusal of witness to testify or produce papers.

"Every person who having been summoned as a witness by the authority of either House of Congress to give testimony or to produce papers upon any matter under inquiry before either House, or any joint committee established by a joint or concurrent resolution of the two Houses of Congress, or any committee of either House of Congress, willfully makes default, or who, having appeared, refuses to answer any question pertinent to the question under inquiry, shall be deemed guilty of a misdemeanor, punishable by a fine of not more than $1,000 nor less than $100 and imprisonment in a common jail for not less than one month nor more than twelve months."

§ 194. Certification of failure to testify; grand jury action for failing to testify or produce records.

"Whenever a witness summoned as mentioned in section 192 fails to appear to testify or fails to produce any books, papers, records, or documents, as required, or whenever any witness so summoned refuses to answer any question pertinent to the subject under inquiry before either House, or any joint committee established by a joint or concurrent resolution of the two Houses of Congress, or any committee or subcommittee of either House of Congress, and the fact of such failure or failures is reported to either House while Congress is in session, or when Congress is not in session, a statement of fact constituting such failure is reported to and filed with the President of the Senate or the Speaker of the House, it shall be the duty of said President of the Senate or Speaker of the House, as the case may be to certify, and he shall so certify, the statement of facts aforesaid under the seal of the Senate or House, as the case may be, to the appropriate United States Attorney, whose duty it shall be to bring the matter before the grand jury for its action."

Section 192 is a criminal statute by which Congress invoked the aid of the Federal courts in protecting itself against contumacious conduct. The result is that a person prosecuted for this offense is entitled to every safeguard which the law accords in all other Federal criminal cases. *Russell* v. *United States*, 369 U.S. 749, 755 (1962); *Gojack* v. *United States*, 384 U.S. 702, 707 (1966). As a criminal statute it will be strictly construed. *United States* v. *Kamin*, 135 F. Supp. 382 (D. Mass. 1955).

The elements of the offense may be summarized as follows: (1) the individual questioned must have been properly "summoned as a witness by the authority of either House of Congress" (2) the witness must be called pursuant to a proper legislative purpose (3) the individual's refusal to properly respond must be upon a question which is pertinent to the subject under inquiry, and (4) there must either be willful default, or in the situation here at issue, a refusal to answer. All but the fourth element, including adequate legislative power, proper delegation to the committee and pertinent questioning will be assumed for the purposes of this discussion.

There can be no contempt of a congressional committee without a clear direction by the committee or its chairman to answer a question asked (notwithstanding objections of the witness). *Quinn* v. *United States*, 349 U.S. 155 (1955); *Emspak* v. *United States*, 349 U.S. 190 (1955). In a prosecution for refusal to answer it must be proved beyond a reasonable doubt that the refusal was deliberate and intentional. *Flaxer* v. *United States*, 358 U.S. 147 (1958). In *United States* v. *Deutch*, 147 F. Supp. 89 (D.C.D.C. 1956), aff'd 280 F. 2d 691 (D.C. Cir. 1960), rev'd on other grounds, 367 U.S. 456 (1961) the defendant was found not guilty of contempt when he answered that he did not remember and that if he did remember he would not answer in any case. The court treated the latter part of his statement as "more or less a surplusage" and added that "he may not be punished for contempt of Congress merely for stating that he does not remember." (at 92) It should also be noted that the Supreme Court has held that in prosecutions under the Federal perjury statute (18 U.S.C. 1621), that law does not permit prosecutions because of a witness' literally true but unresponsive answers to questions, even where the witness intended the questioner to be misled by the answers and even where the answers by negative implication, were false. The Court said "any special problems arising from the literally true but unresponsive answer are to be remedied through the 'questioner's acuity' and not by a federal perjury prosecution." *Bronston* v. *United States*, 409 U.S. 352, 362 (1973). While a perjury prosecution is fundamentally distinguishable from a contempt prosecution, the principle may extend to that setting to the extent that it may be imperative that the questions propounded be as specific as possible and that the questioner demonstrate as clearly as possible that the witness either directly, or through evasion, is refusing to respond.

The Supreme Court has said: "That the contumacious refusal of a witness to testify may so directly obstruct a court in the performance of its duty as to justify punishment for contempt is so well settled as to need only statement." *Ex Parte Hudgings*, 249 U.S. 378, 382 (1919). 18 U.S.C. 401 provides that a "court of the United States shall have power to punish by fine or imprisonment, at its discretion, such contempt of its authority, and none other, as—(1) Misbehavior of any person in its presence or so near thereto as to obstruct the administration of justice; . . . (3) Disobedience or resistance to its lawful writ, process, order, rule, decree, or command." Rule 42 of the *Federal Rules of Criminal Procedure* additionally provides that "a criminal contempt may be punished summarily if the judge certifies that he saw or heard the conduct constituting the contempt and that it was committed in the actual presence of the court." (It is noteworthy that Rule 37(a)(3)

of the *Federal Rules of Civil Procedure*, providing sanctions for failure to make discovery, states that "for purposes of this subdivision an evasive or incomplete answer is to be treated as a failure to answer.")

One authority states that "testimony that is obviously false or evasive has been held equivalent to a refusal to testify within the intent and meaning of a statute making it contempt for a witness to refuse to answer any legal and proper interrogatory." 17 Am. Jur. 2d Contempt § 29 (1964). Cited as support is the Supreme Court of North Carolina's conclusion that "since the power of the court over a witness in requiring proper responses is inherent and necessary for the furtherance of justice, it must be conceded that testimony which is obviously false or evasive is equivalent to a refusal to testify . . . under North Carolina statutes." *Galyon* v. *Stutts*, 241 N.C. 120, 84 S.E. 2d 822 (1954).

In *United States* v. *Appel*, 211 F. 495 (S.D.N.Y. 1913), cited with approval in *Ex Parte Hudgings*, *supra*, Judge Learned Hand said that "[i]t is indeed impossible logically to distinguish between the case of a downright refusal to testify and that of evasion by obvious subterfuge and mere formal compliance." (at 495) He proposed the following rule: "If the witness' conduct shows beyond any doubt whatever that he is refusing to tell what he knows, he is in contempt of court. That conduct is, of course, beyond question when he flatly refuses to answer, but it may appear in other ways. A court, like any one else who is in earnest, ought not to be put off by transparent sham, and the mere fact that the witness gives some answer cannot be an absolute test. For instance, it could not be enough for a witness to say that he did not remember where he had slept the night before, if he was sane and sober, or that he could not tell whether he had been married more than a week. If a court is to have any power at all to compel an answer, it must surely have power to compel an answer which is not given to fob off inquiry. Nevertheless, this power must not be used to punish perjury, and the only proper test is whether on its mere face, and without inquiry collaterally, the testimony is not a bonafide effort to answer the questions at all." (at 495–496)

In *Haimsohn* v. *United States*, 2 F.2d 441 (6th Cir. 1924) an adjudicated bankrupt appealed his contempt conviction. The Court of Appeals affirmed, quoting the language of the District Court: "The record discloses that in the course of his examination before the referee, as computed by counsel for the trustee, in answer to questions seeking to elicit information which would enable the creditors to ascertain what became of the assets of the estate he replied, 'I don't know' or words to that effect, 82 times, that to numerous questions he gave evasive answers, and the referee states that his demeanor on the whole was that of a man seeking to evade the truth rather than to honestly endeavor to aid the court and the creditors in arriving at the true condition of his estate. In fact that his conduct and his answers were such as to show on his part a disregard for the courtesy due the court and were on the whole contemptuous." (at 442) And in *In re Schulman et al*, 177 F. 191 (2d Cir. 1910), also a bankruptcy case, the court concluded: "The testimony as it appears in the record evinces a deliberate purpose to conceal the truth and prevent the trustee from becoming possessed of facts which would lead to a recovery of the missing property. The witness was being asked regarding transactions directly within his knowledge and facts which he must have known. When, therefore, he answered repeatedly, 'I don't remember,' it is obvious that he was deliberately withholding information to which the trustee was entitled. In effect his attitude was one of defiance. He did not affirmatively tell the referee to disclose the facts which would enable the trustee to follow the property, although these facts were well known to him, but his conduct produced the same result as if he had stated his purpose openly." (at 193) See also, *In re Stein*, 7 F. 169 (N.D. Cal. 1925).

In *Howard* v. *United States*, 182 F.2d 908 (8th Cir. 1950) vacated and remanded as moot, 340 U.S. 898 (1950) the appellant had been convicted of contempt in testifying evasively and falsely before a grand jury. In affirming that conviction the court said: "A wily witness who avoids the danger of a blunt refusal to answer by mere lip service to his duty and conceals the truth by the use of words may be as obstructive as his fellow of less mental agility who simply says nothing." (at 913) The court concluded that "a District Court has power to deal summarily with a witness before a grand jury who is guilty of a patent evasion equivalent to a refusal to give any material information." (at 915). Cited as authority was *Loubriel* v. *United States*, 9 F.2d 807 (2d Cir. 1926) where the Second Circuit argued that "the question is no less than whether courts must put up with shifts and subterfuges in the place of truth and are powerless to put an end to trifling . . . We have not the least doubt of the power of the District Court to punish a witness for an evasion patently put forward to avoid his duty. No doubt, since its exercise is drastic, it is to be used with caution, but at times no other means exists to prevent an entire miscarriage of justice. (at 808)

And in *Collins* v. *United States*, 269 F.2d 745 (9th Cir. 1959) the Ninth Circuit, citing a New York decision, summarized that "the power to punish for contempt can arise where from the testimony itself it is apparent that there is a refusal to give information which in the nature of things the witness should know. In such cases . . . the test is not whether the testimony was perjurious or false but whether without the aid of extrinsic evidence the testimony is so plainly inconsistent, so manifestly contradictory, and so conspicuously unbelievable as to make it apparent from the face of the record itself that the witness has deliberately concealed the truth and has given answers which are replies in form only and which, in substance, are as useless as a complete refusal to answer. *Finkel* v. *McCook*, 1936, 247 App. Div. 57, 286 NYS 755, 761." (at 750). *Collins* cited several examples of contumacious behavior held substantially equivalent to a refusal to testify: *United States* v. *Appel*, *supra* (witness could not remember what he had done with money withdrawn five days before); *O'Connell* v. *United States*, 40 F.2d 201 (2d Cir. 1930) (witness gave no information, answered only "I don't remember" or claimed a privilege against self-incrimination); *United States* v. *McGovern*, 60 F.2d 880 (2d Cir. 1932), affirming 1 F.Supp. 568 (S.D.N.Y. 1932) ("preposterous" and "unbelievable" answers to all questions concerning disposition of $380,000.00); *Schleier* v. *United States*, 72 F.2d 414 (2d Cir. 1934) ("inherently improbable" explanation of source and disposition of $10,000.00); *In re Meckley*, 137 F.2d 310 (3rd Cir. 1943), affirming 50 F.Supp. 274 (M.D. Pa. 1943), cert denied, 320 U.S. 760 (contradictory, unbelievable explanation of witness' disposition of funds and business dealings). (n. 1, at 750–751). See also, *Richardson* v. *United States*, 273 F.2d 144 (8th Cir. 1959); *Life Music Inc.* v. *Broadcast Music Inc.*, 41 F.R.D. 16 (S.D.N.Y. 1966); *In re Blim*, 5 F. Supp. 678 (N.D. Ill. 1933), reversed, 68 F.2d 484 (7th Cir. 1934); *Lang* v. *United States*, 55 F.2d 922 (2d Cir. 1932); *In re Gross*, 188 F. Supp. 324 (N.D. Iowa 1960), reversed, 302 F. 2d 338 (8th Cir. 1962).

A clear distinction must be drawn between obstructive responses designed to evade testimony which is truthful, and those which may themselves be perjurious. For it is well settled that a mere act of perjury on the part of a witness does not in and of itself, without something more, amount to contempt of a court proceeding. In order that contempt be found there "must be added to the essential elements of perjury under the general law the further element of obstruction to the Court in the performance of its duty." *Ex Parte Hudgings*, *supra*, at 382–384. The Third Circuit, in *In re Michael*, 146 F. 2d 627 (3rd Cir. 1944) elaborated on this question: "What additional element must be present then besides perjury in order to hold a witness in contempt of court? It seems to me, from an analysis of the cases, that the answers to the question or questions propounded to the witness must have a tendency to block the inquiry or to hinder the power and duty of the court in the performance of their functions . . . It seems to me the answers to the questions by the witness must have a tendency to mislead the court with respect to a material issue, by artful attempts at evasion; or a stalling of the court's inquiry by a palpable failing of memory concerning events of importance through repeated resort to 'I do not remember'; . . . or by conduct which is obstreperous or contumacious; or by answers no less, which though responsive, are yet wily and ambiguous and which by innuendo or indirection tend to shunt the focus of the inquiry." (at 631) The Supreme Court reversed in this case, distinguishing the facts from those in *Appel*, *supra*. It found that no adequate showing of an obstruction beyond perjury had been made. The Court expressed approval of the *Appel* decision, however, saying "for there the court thought that the testimony of Appel was 'on its mere face, and without inquiry collaterally, . . . not a bona fide effort to answer the question at all' " *Matter of Michael*, 326 U.S. 224, 228–229 (1945). The Court stressed that the element of "obstruction" must clearly be shown in every case the power to punish for contempt is exerted. See also, *Clark* v. *United States*, 289 U.S. 1 (1983); *Brown* v. *United States*, 356 U.S. 148 (1957). *Michael* also suggested that a court should use "the least possible power adequate to the end proposed" as was said of the congressional contempt authority in *Anderson* v. *Dunn*, *supra*, at 231. Thus perjury, while it may not of itself be punishable as a contempt apart from its obstructive tendency, "yet where it is attended with other circumstances of an obstructive tendency, inherently affecting and impeding the administration of justice, such is punishable as contempt." *United States* v. *Karns*, 27 F.2d 453 (N.D. Okla. 1928).

A New York criminal contempt statute reads:

"A person is guilty of criminal contempt in the first degree when he contumaciously and unlawfully refuses to be sworn as a witness before a grand jury, or when after having been sworn as a witness before a grand jury, he refuses to answer any legal and proper interrogatory." *N.Y. Penal Law* § 215.51 (McKinney).

The Second Circuit has held that in order to be guilty of contempt under this section a witness "need not flatly refuse to answer the questions put to him; false and evasive profession of an inability to recall, which amounts to no answer at all, is punishable as criminal contempt." *Langella* v. *Commissioner of Corrections, State of New York*, 545 F.2d 818, 823 (2d Cir. 1976), quoting *People* v. *Ianniello*, 36 N.Y. 2d 137, 142, 365 N.Y.S. 2d 821, 824, 325 N.E. 2d 146, 148 (1975). But, in line with the Supreme Court decision in *Bronston*, *supra*, New York courts have also held that a clearly unresponsive answer to a question before a grand jury, with no effective follow-up in-

quiry which could have elicited responsive and substantially binding answers, will not support a finding of contumacious evasion. *People* v. *Marinaccio*, 90 Misc. 2d 128, 393 N.Y.S. 2d 904 (1977).

Marianaccio summarized the nature of various types of evasive response found by New York courts: (1) the alleged errant replies were specious and indicative of a "distinctive intent to both mislead and obstruct the grand jury in the performance of its function" (*People* v. *McGrath*, 86 Mis. 2d 249, 257, 380 N.Y.S. 2d 976, 985); (2) the nature of the testimony was such that the record itself shows it to be false on its face without the necessity of extrinsic proof (*People* v. *Tilotta*, 84 Misc. 2d 170, 172, 375 N.Y.S. 2d 965, 969); (3) the answer was "so frivolous on its face that it does not constitute an answer at all" or "so absurd that mere inspection makes it necessary to conclude that the witness did not intend his answer to be seriously considered" (*Matter of Finkel* v. *McCook*, 247 App. Div. 57, 67 286 N.Y.S. 755, 765, affirmed 27 N.Y. 366, 3 N.E. 2d 460); (4) the responses consisted of such "persistent equivocations" as to constitute "a pattern of sophisticated evasion" (*People* v. *Renaghan*, 33 N.Y. 2d 991, 993, 353 N.Y.S. 2d 962, 963, 309 N.E. 2d 425, 426); (5) the defendants' conduct shows "beyond any doubt whatever" that he refuses to tell what he knows or that his responses are "obviously and apparently a mere effort to block the examination" (*Appel, supra*, at 495–496); or (6) so "evasive", "incredible" or "obstructive" that the replies "amount to a refusal to answer a legal and pertinent question" (*Matter of Ruskin* v. *Detkin*, 32 N.Y. 2d 293, 296, 297, 344 N.Y.S. 2d 933, 935, 298 N.E. 2d 101, 103). (at 909)

CONCLUSION

It is obvious that the power of a congressional committee to seek and obtain punishment for contempt is closely related to the investigatory power of Congress. Indeed, it has been said that, in practical terms, "the inquisitorial authority of the Congress ends at the point where a witness will be excused by the courts for refusing to obey a congressional summons to appear or to produce papers, or for refusing to answer questions posed by a member or committee of Congress." 40 *Southern California Law Review* 189 (Winter 1967). In dealing with recalcitrance in their own forum the courts have exhibited a willingness to find contempt where something short of outright refusal to respond has occurred, suggesting, for example, that a defendant's "profession of forgetfulness was not so much false testimony as a refusal to testify at all." *United States* v. *Alo*, 439 F. 2d 751, 754 (2d Cir. 1971). As discussed above, other types of obfuscation short of refusal have been found tantamount to contemptuous conduct. Analogy of the judicial decision discussed here to the congressional setting would seem appropriate.

A few notes of caution are in order however. Section 192 provides for the punishment of one who "willfully" makes default, but as to refusal to answer no intent requirement is included in the statute. A reason for this was suggested in *Deutch* v. *United States*, 235 F. 2d 853 (D.C. Cir. 1955) reversed on other grounds, 367 U.S. 456 (1961), where the court said:

"The statute uses the word "willfully" as a word of art to define the offense of failing to appear, but it does not use the word "willfully" with respect to a person "who having appeared, refuses to answer . . . " The act of refusing (as distinguished from failing) to answer is a positive, affirmative act; the result is conscious and intended. Congress recognized that a failure to appear in response to a summons could well be due to other causes than willfulness or deliberate purpose to disobey the summons or the statute; a witness might be confused as to the time or place of the hearing, or inadvertently overlook it or become ill. To decline or refuse to answer a question however, is by its own nature a deliberate and willful act." (at 854)

In order that a refusal *by evasion* be construed as "a deliberate and willful" act it may be assumed that the courts will insist on a high standard of questioning technique. As suggested by *Bronston*, if there is any substantial possibility that "the questioner's acuity" could have solved the problem of obstinacy—either by eliciting a proper response or creating a clear case of perjury—it becomes unlikely that evasive answers will be accepted by the courts as a basis for a criminal contempt conviction. Further, it is imperative that the witness be under the clear direction of the committee or its chairman to respond to the specific question posed.

While only examination of the facts of a given instance of evasive conduct can constitute a basis for prediction as to the likelihood of conviction under 18 U.S.C. 192, it would appear that there is adequate precedent for such a finding when the obstinate conduct is extreme, intentional, and obstructive of the business of a properly constituted and authorized legislative committee pursuing a proper legislative purpose.

A GOOD DEAL IN ALASKA

The SPEAKER. Under a previous order of the House, the gentleman from Vermont (Mr. JEFFORDS) is recognized for 5 minutes.

● Mr. JEFFORDS. Mr. Speaker, not since 1867, when Uncle Sam purchased Alaska from Russia for less than 2 cents an acre, have U.S. citizens had such a great opportunity as we now have during this Congress. I am talking about the opportunity to protect a great part of our wilderness heritage through passage of H.R. 39, the Alaska National Interest Lands Conservation Act.

In stark contrast to preservation efforts in the rest of the Nation, designation of new parks, refuges, wild rivers, and wilderness in Alaska will not be too complicated by people pressures and development patterns. We can start with practically a clean slate and protect unspoiled wilderness.

Moreover, we do not have to be concerned about buying lands, as the proposed conservation areas are lands that already belong to the American people. Compare this situation to the current one in California, where failure to protect complete watersheds in the Redwood National Park from the beginning is forcing us to spend millions of dollars to add new lands to the park—just to protect what we supposedly already protected when the park was created. Ironically, we now must buy back redwood lands that were once publicly owned.

On the other hand, the Alaskan conservation proposals contained in H.R. 39 give us a chance to do things correctly from the start. But we must act before it is too late to protect these special areas.

I would like to commend my colleague from Arizona, MO UDALL, and the other members of the Interior Committee for their hard work and dedication in developing this responsible piece of legislation. Mr. Speaker, I intend to give my full support to H.R. 39 and will vigorously oppose any weakening amendments. I strongly urge my colleagues to vote for this measure, because if we fail we will have committed a national error that can never be corrected.●

LEGISLATION TO AMEND THE CONTROLLED SUBSTANCES ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Tennessee (Mr. BEARD) is recognized for 10 minutes.

● Mr. BEARD of Tennessee. Mr. Speaker, earlier today, along with my colleagues Mr. WOLFF, Mr. GILMAN, Mr. MURPHY of Illinois, Mr. MANN, and Mr. GUYER, I introduced legislation to amend the Federal law relating to the possession of small amounts of marijuana for personal use. Prior to my introduction of this innovative legislation, Mr. WOLFF, Mr. GILMAN and I held a press conference to discuss why we feel this legislation is superior to both present law and the alternative of decriminalization. Mr. Speaker, I now insert in the RECORD the statements made at this press conference as well as the text of the legislation:

STATEMENT OF HON. ROBIN L. BEARD

By way of background, in March, 1977, the Select Committee on Narcotics Abuse and Control, of which I am a member and which Congressman Wolff is Chairman, held three days of public hearings on the issue of reduction of penalties for possession of small amounts of marihuana for personal use. The Select Committee heard testimony from over 30 individuals and received submissions from many others, representing both proponents and opponents of decriminalization, and amassed a record in excess of 600 pages. In May, 1977, the Select Committee issued a report entitled "Considerations for and Against the Reduction of Federal Penalties for Possession of Small Amounts of Marihuana for Personal Use" which summarized and condensed the major issues raised during the hearings.

Several months after the hearings Congressman Wolff and I began to discuss possible alternatives to the positions expressed by decriminalization proponents and opponents. In the ensuing months our two offices devoted countless hours toward the development of legislation embodying the concept that the possession of small amounts of marihuana should not subject one to the life-time stigma of a criminal record, while at the same time maintaining the position that marihuana use to any extent can be neither condoned nor encouraged by the Federal Government. The final product of this effort is the legislation we will introduce today. We have been joined by: Mr. GILMAN, Mr. MURPHY, Mr. GUYER, and Mr. MANN.

All members of the Select Committee. Mr. GILMAN, is also with us today.

Our bill would amend the Federal Controlled Substances Act of 1970 by establishing within the Department of Justice a Marihuana Pre-Trial Diversion Program. A section-by-section analysis of the bill has been available to you. But briefly, the diversion program would channel persons subject to criminal proceedings for possession of small amounts of marihuana out of the traditional criminal justice system and place them instead in an educational counseling program

stressing the dangers associated with the abuse of drugs, not only marihuana, but other drugs as well. Generally, persons would not be arrested for simple possession of small amounts of marihuana, but would instead be issued a citation. Participants would be assessed a diversion fee of between $50 and $100 to help defray the costs of the program and required to attend educational counseling sessions. Depending on the individual participant, additional treatment and counseling programs may be recommended. Completion of the diversion program would mean that all official public records relating to the offense would be destroyed and there would be no court adjudication of guilt. Participation in the program would not constitute a conviction.

The legislation is based upon two important realities: First, regardless of the resources devoted to law enforcement, no reasonable criminal sanctions will deter the majority of individuals from using marihuana in small amounts for personal recreational purposes. At the present time it is estimated that at least 15 million Americans are currently using marihuana in violation of the law; and at least 35 million Americans have violated the law by trying marihuana. Since 1970, some 2 million Americans have been arrested in the United States for unlawful possession of small amounts of marihuana. There is an unequal application of law, a lack of justice and a profound inequity in a situation where 35 million Americans have violated the law by trying marihuana, 15 million are currently using the drug, and actual law enforcement is only directed against but a small percentage of the total users.

Second, although there is no conclusive evidence that use of marihauna leads to the use of other drugs, there can be no question that users of marihauna will invariably be exposed to other more dangerous drugs, either through their peer groups or through those persons who supply them with marihuana. It is for this reason a Federal approach embodying an educational program stressing the dangers associated with other drugs, as well as the abuse of marihuana, represents a superior policy objective than maintaining the present law or simply decriminalizing the possession of small amounts of marihuana for personal use. This is particularly true with respect to juveniles and young adults who constitute the greatest portion of marihuana users and who may be more easily tempted into experimenting with drugs without any knowledge of the possible consequences.

From a medical point of view, there are conflicting studies as to the possible effects of marihauna usage. But this merely serves to underscore the fact that we just do not know what the possible effects are. Decriminalization ignores this reality; an educational diversion program offers the advantage of making users aware of the possible medical implications of marihuana, as well as other substances of abuse.

Finally, the legislation we are today proposing will not change Federal law with respect to traffickers in marihuana.

STATEMENT OF HON. LESTER L. WOLFF

The concept of a diversion program is neither new nor untested. Employment counseling and education oriented programs for offenders charged with non-violent crimes presently exist in a growing number of jurisdictions. A pioneering marihuana oriented diversion program was established in Sacramento, California, in 1973 with a grant from the National Police Foundation. This program was the subject of an impressive report by the Barristers' Club of San Francisco a year later. The State of Minnesota began operation of a diversion program in April, 1976. Cook County, Illinois, operates a program similar to the one in Sacramento, although it encompasses possession of amphetamines, depressants and hallucinogens as well as marihuana. The Juvenile Court in Nashville, Tennessee, recently initiated the Drug and Alcohol Counterattack program utilizing an educational approach stressing the dangers, of alcohol, marihuana and other psychoactive drugs. In April, 1977, the State of Mississippi decriminalized minor marihuana offenses, providing for participation in a drug education program upon a second conviction within a 2 year period.

We are not unmindful of the fact that virtually no prosecutions for simple possession of marihuana take place at the Federal level. We are aware of no prosecutions at the Federal level during the last 2½ years for simple possession, and of the reported arrests for possession and/or trafficking in marihuana in recent years, less than 1 percent have been for Federal violations. Virtually all arrests and prosecutions for the possession of small amounts of marihuana for personal use take place at the state and local government levels.

Because state laws are so often patterned after Federal law it is important that the Federal approach to marihuana use encompass the most rational and just policy consideration. We believe that the diversion program proposed by this legislation is such an approach.

We would like to emphasize at this point that upon a second offense for possession of marihuana the criminal sanctions of the present law would be in full force and effect.

It is somewhat unusual for a liberal Democrat and a conservative Republican to agree on much these days. Because we find this approach to the problem so attractive, we are hopeful that it will be able to command support from proponents and opponents of decriminalization alike.

STATEMENT BY THE HON. BENJAMIN A. GILMAN

Thank you, Mr. Chairman. I am pleased to cosponsor the Marihuana Pre-Trial Diversion Act and commend you and our distinguished colleague from Tennessee, Mr. Beard, for your joint efforts in developing an educational-counseling program for certain marihuana violators of the Controlled Substances Act prior to subjecting them to criminal sanctions. Hopefully, this proposal will assist in raising the level of consciousness among marihuana users regarding the dangerous effects of the excessive use of all drugs, including marihuana.

Clearly, the demand for marihuana among the citizens of our Nation is very extensive. An estimated 15 million citizens use marihuana and 35 million others have tried this substance. Last year, Federal, State and local drug law enforcement agencies seized 2,137,492 pounds (or 1,068 tons) of marihuana worth an estimated street value of $669 million. Last week alone, our drug law enforcement agencies seized more than 60 tons of this substance in Florida and Maine, worth an estimated $47 million, and arrested 38 marihuana traffickers. And, as you know, Mr. Chairman, just last week Columbia law enforcement authorities seized more than 1 million pounds (or over 500 tons) of marihuana. This represents the world's record confiscation of this drug, which is estimated at a wholesale price of $200 million.

These marihuana seizures clearly depict the availability of this drug to our citizens and the magnitude of its demand. Hopefully, this proposed legislation will help warn marihuana users concerning the dangers of drug abuse and hopefully, that it will serve as a model to the States regarding the need to educate the non-trafficker of marihuana prior to subjecting the violator to Federal and State criminal penalties.

Although this legislation is not a panacea for marihuana abuse, it is a step in the right direction for those marihuana users who have violated the Controlled Substances Act by first providing them with an opportunity to learn the dangers of this and other drugs. But much more work in drug abuse prevention remains in order to raise the consciousness of this Nation's citizens regarding the damaging and debilitating effects of drug abuse. The courageous statement by Mrs. Betty Ford that she has become addicted to prescribed drugs and alcohol, that she is seeking professional assistance, and that she is determined to lick the insidious effects of drug and alcohol abuse should be a constant reminder to all of us concerning the excessive use of drugs and alcohol. This Nation's school systems can and should become centers to educate, counsel and guide our youngsters and the adult population with regard to drug abuse. And, in my view, this proposed marihuana pre-trial diversion measure is a starting point in achieving that goal of raising the public's consciousness regarding the urgency to prevent and control drug abuse.

Hopefully, Mr. Chairman, this proposal will constitute one of many initiatives that are urgently needed to attack the problems of drug abuse prevention and to warn the public regarding the dangers resulting from excessive use of drugs. If this legislation can help accomplish that goal, then we will have come a long way in "winning" the "war" on drug abuse.

H.R. —

A bill to amend the Controlled Substances Act to authorize a Marihuana Pre-Trial Diversion Program in order that persons subject to arrest for the unlawful possession of small amounts of marihuana or hashish for personal use may receive drug related counseling rather than be subject to criminal prosecution pursuant to section 404(a) of such Act; and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Marihuana Pre-Trial Diversion Act".

SEC. 2. Section 404 of the Controlled Substances Act (21 U.S.C. § 844) is amended by adding at the end thereof the following new subsections:

"(c)(1)(A) The Attorney General shall establish not later than ninety days after the date of the enactment of this subsection a Marihuana Pre-Trial Diversion Program (hereinafter in this Act referred to as the 'diversion program') in order that any person eligible to participate in such program under paragraph (1)(D) of this subsection may receive drug-related counseling rather than be subject to criminal prosecution for the possession of marihuana or hashish in violation of subsection (a) of this section.

"(B) The Attorney General shall designate Federal employees as marihuana diversion officers to be responsible for the administration of the diversion program. Such officers shall receive special training to prepare them for their duties. In addition to any other duties which the Attorney General may assign to such officers in connection with such program, such officers shall supervise the case of any person who participates in such program, evaluate such person's need for counseling, and direct such person to an appropriate counseling program pursuant to paragraph (4)(A)(ii) of this subsection.

"(C) In carrying out the diversion program, the Attorney General is authorized to make grants to, or enter into contracts with, any State or political subdivision thereof and any public or private nonprofit entity for planning and carrying out counseling courses under the diversion program. Payments under this paragraph may be made in ad-

vance or by way of reimbursement, as determined by the Attorney General, and shall be made on such conditions as he determines necessary to carry out the provisions of this paragraph.

"(D) Notwithstanding any other provision of law, any person who is subject to arrest by Federal law enforcement officers solely for the possession of not more than 30 grams of marihuana or not more than 7 grams of hashish in violation of subsection (a) of this section may participate in the diversion program in lieu of criminal prosecution, unless—

"(i) such person has been convicted during the three-year period ending on the date of such arrest of violating subsection (a) of this section, any other provision of this title or title III, or any other law of the United States relating to narcotic drugs; or

"(ii) such person, during the three-year period ending on the date of such arrest, elected to participate in the diversion program or was placed on probation as provided in section 844.

As used in this paragraph, the term 'arrest' shall be deemed to include the issuance of a citation to such person under paragraph (2) of this subsection.

"(E) Where used in this Act for the purpose of differentiating between the several common cannabis derivatives,

"(i) 'marihuana' shall be defined as contained in section 102(15) of the Controlled Substances Act (21 U.S.C. 802(15)) except that such definition shall extend to all species of the plant cannabis;

"(ii) 'hashish' shall be interpreted as meaning the resin of the plant, whether in pure form or mixed with pulverized plant material or otherwise;

"(2)(A) Except as provided in subparagraph (B) of this paragraph, whenever any Federal law enforcement officer finds any person in possession of not more than 30 grams of marihuana or not more than 7 grams of hashish in violation of subsection (a) of this section, in lieu of making an arrest for such violation the officer shall issue to such person a field release citation for possession of marihuana or hashish (as the case may be). The citation shall require such person's appearance at a certain date and time before a Federal magistrate, or a State or local judicial officer specified in section 3041 of title 18, United States Code, in order that proceedings may be conducted pursuant to paragraph (3) of this subsection. Such citation shall also state the purpose of the appearance and advise such person that he or she is entitled to be represented by counsel at such appearance.

"(B) A field release citation may not be issued by any officer under subparagraph (A) of this paragraph to any person if any of the following conditions exists:

"(i) Such person has insufficient identification or the location of the residence of such person is such that it is unlikely such person will appear, as directed, before the Federal magistrate or other judicial officer.

"(ii) The officer has reason to suspect that such person is involved in any offense other than the possession of marihuana or hashish.

"(iii) A warrant is outstanding for the arrest of such person.

"(iv) Such person has a history of failing to appear in court when scheduled.

"(v) Such person has subjected the officer to physical abuse sufficient to support a charge of simple assault.

"(vi) The officer has reason to suspect that at the time of the offense such person has been operating a motor vehicle while under the influence of a controlled substance.

"(C) If the officer determines that a field release citation may not be issued under subparagraph (A) of this paragraph, the officer shall arrest such person. After such person has been fingerprinted, photographed, or otherwise identified by means of appropriate identification techniques, such person may be released upon issuance of a citation identical to the field release citation. No such citation may be issued until such person is cleared of the suspicion of having committed any other offense at the time of the arrest.

"(D) No citation may be issued to any person under subparapraph (A) or (C) of this paragraph on appropriate Federal law enforcement officer is satisfied that such person is no longer under the influence of a controlled substance or unless such person is released into the custody of a responsible individual who shall provide such person with such transportation as he or she may require.

"(3) When any person who has been arrested for the unlawful possession of marihuana or hashish, or issued a citation under paragraph (2) of this subsection, appears before a Federal magistrate, or a State or local judicial officer specified in section 3041 of title 18, United States Code, in connection with such offense, such magistrate or officer shall determine whether there is probable cause to believe that such person committed the offense for which such person has been arrested or issued a citation and, if probable cause is found to exist, determine such person's eligibility, under paragraph (1) of this subsection, for the diversion program. If such person is found by the magistrate or officer to be—

"(A) eligible for participation in the diversion program, such magistrate or officer shall explain to such person the terms of the program and offer such person the opportunity to participate in the program; or

"(B) ineligible for participation in the diversion program (or, if eligible, declines to participate therein), such person shall be remanded to the custody of an appropriate Federal law enforcement officer for proceedings consistent with applicable Federal law.

"(4)(A) Any person who elects to participate in the diversion program shall enter into an agreement (hereinafter in this section referred to as the 'diversion agreement') with an appropriate Federal law enforcement officer which provides that—

"(i) the diversion program has been explained to such person;

"(ii) such person understands that he or she shall be required to participate in the drug-related counseling program described in paragraph (5) of this subsection for a minimum of five hours and a maximum of sixteen hours during a period of not more than forty days (which period is subject to extension, upon the request of such person, by the officer in charge of such person's case);

"(iii) such person shall be assessed a fee of not less than $50 and not more than $100 to help defray the cost of the diversion program;

"(iv) such person understands that if he or she fails to complete the diversion program, such person shall be subject to arrest and criminal prosecution for the offense for which such person was arrested or issued a citation;

"(v) upon completion of the diversion program, such person may not thereafter be subject to arrest or prosecution for such offense, any charge related to such offense shall be dismissed, and there shall be no official public record of such person's arrest, or citation, or of such person's participation in the program;

"(vi) such person understands that during the three-year period following the date of such person's election to participate in the diversion program he or she shall not be eligible for a second opportunity to participate in such program;

"(vii) any statements relating to such offense that such person makes to law enforcement personnel or any other persons administering or connected with the diversion program during such person's consideration for and participation in the program may not be used against such person in the event of any prosecution for such offense;

"(viii) such person understands the rights which he or she has under the Speedy Trial Act of 1974 and agrees that any period of delay resulting from such person's election to participate in the diversion program shall be excluded in computing the time within which an information for such offense must be filed or within which the trial for such offense must commence; and

"(ix) such person understands that his or her failure to complete the diversion program shall subject such person to arrest and prosecution under applicable law for the offense for which participation was granted;

"(x) such person consents to participate in the diversion program as outlined in the agreement;

"(xi) the Attorney General may prescribe additional terms of the diversion agreement not inconsistent with the terms required by the paragraph.

"(B) After signing the diversion agreement, such person shall be—

"(i) assessed by the magistrate, or the State or local judicial officer specified in section 3041 of title 18, United States Code, the diversion fee required by paragraph (4)(A)(iii) of this subsection; and

"(ii) instructed by an appropriate Federal law enforcement officer to appear at a certain date and time before the marihuana diversion officer responsible for the supervision of such person's case, at which time such person shall pay to the officer the diversion fee.

If the officer assigned to receive the diversion fee determines that such person is financially unable to pay the fee in a lump sum, the officer shall determine a reasonable payment schedule.

"(C) A nonpublic record of any agreement signed by any person under subparagraph (A) of this paragraph shall be retained by the Department of Justice for a period of three years solely for the purpose of use by such Department and the courts in determining whether or not, in subsequent proceedings, such person is eligible for participation under this section in the diversion program. If any such person completes the program, the nonpublic record of the agreement shall be expunged and destroyed three years after the date such person completed the diversion program.

"(5) The diversion program shall offer to any eligible person a drug-related individual and group counseling program designed to—

"(A) impress upon any such person the serious implications of the abuse of marihuana, other psychoactive drugs and alcohol, both from the standpoint of the individual and the standpoint of society;

"(B) determine to what extent such person may be an abuser of marihuana or other psychoactive drugs or alcohol and to what extent adverse emotional, medical, family, or social conditions may have contributed to such person's abuse of such drugs.

"(C) recommend and refer, as may be appropriate, such person into other treatment or counseling programs designed to cope with problems associated with such person's abuse of marihuana, other psychoactive drugs or alcohol.

"(D) emphasize the dangers of operating a motor vehicle while under the influence of psychoactive drugs and alcohol.

"(6)(A) Any person who has elected to participate in the diversion program.

"(i) shall be deemed to have completed the program after attending all the required counseling sessions and paying the diversion fee and, if other treatment or counseling programs are recommended pursuant to

paragraph (5)(C), initiating such other treatment or counseling program.

"(ii) who fails to complete the diversion program shall be subject to arrest and prosecution under applicable law for the offense for which participation was granted.

"(B) Whenever any person completes the diversion program, any charge related to the offense for which such person was arrested or issued a citation shall be dismissed, as provided in the agreement required by paragraph (3)(A) of this subsection. Dismissal under this subsection of any such charge shall be without court adjudication of guilt, but a nonpublic record thereof shall be retained by the Department of Justice for a period of three years solely for the purpose of use by the courts in determining whether or not, in subsequent proceedings, such person qualifies under this subsection for the diversion program. If any such person completes the program, the nonpublic record of the dismissal shall be expunged and destroyed three years after the date such person completed the diversion program. Neither such dismissal nor the election of any person to participate in the diversion program shall be deemed a conviction for purposes of disqualifications or disabilities imposed by law upon conviction of a crime (including the penalties prescribed under this part for second or subsequent convictions) or for any other purpose.

"(C) Whenever any person completes the diversion program, there shall be expunged from all official records (other than the nonpublic records to be retained by the Department of Justice under paragraph (4)(C) of this subsection or subparagraph (B) of this paragraph) all recordation relating to such person's arrest or citation, participation in the diversion program, and dismissal of charges pursuant to this subsection.

"(D) Any person who completes the diversion program shall be restored, in the contemplation of the law, to the status such person occupied before such person's arrest (or citation) and participation in such program. No such person shall be held thereafter under any provision of law to be guilty of perjury or otherwise making a false statement by reason of such person's failure to recite or acknowledge such arrest or citation, or information, or participation in such program in response to any inquiry made of such person for any purpose.

"(d) There is established in the Treasury a fund which shall be available to the Attorney General without fiscal year limitation, in such amounts as may be specified from time to time in appropriation Acts, to enable him to defray the operating costs of the diversion program established under subsection (c)(1) of this section. There are authorized to be appropriated from time to time such amounts as may be necessary to provide the sums required for the fund. There shall also be deposited in the fund amounts, as authorized by appropriation Acts, received by marihuana diversion officers as diversion fees under subsection (c)(4)(B) of this section.

SEC. 3. To the extent practicable, the Attorney General shall take the necessary action to apprise the States and political subdivisions thereof of the Marihuana Pre-Trial Diversion Program and to encourage the States and political subdivisions thereof to establish similar programs. The Attorney General shall report to the Congress, on a fiscal year basis, on the operations of the Marihuana Pre-Trial Program and the extent to which the States and political subdivision thereof have established similar programs.

SEC. 4. Section 404(b)(1) of the Controlled Substances Act (21 U.S.C. § 844(b)(1)) is amended by adding at the end thereof the following new sentence: "This subsection shall not apply with respect to any eligible person who elects to participate under subsection (c) of this section in the Marihuana Pre-Trial Diversion Program."●

TEACHING OR BABYSITTING

The SPEAKER. Under a previous order of the House, the gentleman from Illinois (Mr. MICHEL) is recognized for 15 minutes.

Mr. MICHEL. Mr. Speaker, the recent installment of the Washington Post series on education in a Washington, D.C., high school ends with the sad words of a teacher:

It's just the job is getting more difficult, the rewards are fewer and the pains increasing.

The teacher is speaking about her daily experience teaching English in Eastern High School. Students come in as late as they want and cannot be punished or turned away because of school board regulations. Many students do not bother to come in on Fridays and Mondays because they consider those days to be part of their weekend. Between 50 and 75 percent of this teacher's students simply do not show up at all. Students cannot read, will not write, will not pay attention, wander in the hallways, smoke marihuana in the school, enter the teachers' lounge at will, interrupt classes to joke and talk with friends. Teachers do not teach—they babysit.

This is education, Washington style. But it is not limited to Washington. It is happening all across the Nation. Who is responsible for this atrocity—and that is what it is, the mental genocide of a major part of the school population—who is responsible? No one seems to know and the beat goes on.

At this point, I want to insert in the RECORD "Teaching, It's 'a Little Harder', Every Year," from the Washington Post, May 3, 1978.

[From the Washington Post, May 3, 1978]

TEACHING: IT'S "A LITTLE HARDER" EVERY YEAR

(By Juan Williams)

Three minutes after the bell rang to begin the first period of classes at Eastern High School, students were still walking into Catharine Thomas' 10th grade English class. Two girls were talking to Thomas at her desk while boys in the back of the room cracked jokes. Outside, the second-floor hallway was crowded with students, some late for classes, others preparing to cut a class.

"Okay, okay, let's start," Thomas said, walking to the blackboard.

Most of the students were not yet settled into their seats and the class already was five minutes late. As she looked over the class, Thomas saw that about eight of the 30 students were either cutting class or not in school at all. Most of the students sitting before her were wearing their coats because they were afraid that the coats would be stolen if left in a hallway locker.

Almost all of the boys were sitting in a cluster at the rear of the classroom, jiving and joking, while the girls sat up front, some of them talking. Thomas ignored the mumbling and talking. Her mind was on the students in this 10th grade class who could not read the assignment she had written on the board. To do the assignment, students had to read the paragraphs she had written there and form a sentence that summarized the main idea of the paragraph.

Not wanting to embarrass the poor readers, Thomas decided that she would not call on them. On other days, she said, she prepares for them separate assignments tailored to their reading level.

"* * * It seems like every year I have to fight a little harder to motivate my classes, to get them going the way I think they should, Thomas said later. "I have to put out a lot of energy with these kids we're getting now who can't read. I always have to come up with an alternative assignment * * * I'm the one that has to write up all that stuff * * * It's not like I have a lesson bank and I can just pull it out. It is something I have to do * * * All of that is a headache."

Thomas, a teacher at Eastern for 4½ years, generally is described by students and other teachers as hardworking and as someone who cares about her subject, English, her students and the school. But Thomas says she will leave the District of Columbia school system in two or three years.

"I guess my patience is wearing thin," she said. "Maybe the kids are becoming more troublesome, or maybe I'm getting more picky. It's just that I don't think my patience can last. . ."

Thomas is among several Eastern teachers who find their job a trying and sometimes irritating experience. Teaching a class at Eastern is like a juggling act, according to the teachers. The trick is to keep from losing sight of the ideals of education in the face of the school's serious reading problem, distractions caused by students in the halls and the complexities of having to deal with students who come to school with emotional or financial problems that demand the attention of a social worker rather than a teacher.

Teachers must perform daily without being able to draw on the kind of respect once shown by students for teachers. "Do what the teacher tells you because the teacher knows best" is a sentiment lost in the wake of school board policies implemented in the 1960s, teachers believe.

New rules passed then by the board changed the atmosphere in school by giving students the right to dress as they wished and by limiting when and how often a school could expel, suspend or otherwise discipline a student, several teachers said. Further aggravating the situation, teachers said, was the board's decision to increase the elective course offerings—thus decreasing the number of courses students must master for graduation.

STUDENTS ASSERTIVE

In the new atmosphere, students often have interpreted policies protecting their rights to mean they can do whatever they want, teachers said. At Eastern, many students have no qualms about walking into teachers' lounges, formerly the teachers' sacred preserve. Teachers are fighting to keep their lounges and soda machines as their own.

"The question today," said Wayne Paige, a drafting teacher at Eastern, "is—should education be an adversary relationship, (that is) education as an autocratic structure or education as a democracy? Are children here to learn democracy? If so, they've learned it very well, because everyone here is on equal footing. There are sorts of checks and balances. Teachers have rights, students have rights, everyone has their rights. The checks and balances are there, and they weren't there before. The student used to have to abide by the teacher's word, right or wrong."

Jeanne Davenport, an English teacher at Eastern almost 20 years, said students now "think they are more free to do things I would never dream of doing (as a student)." She attended Dunbar High School when Dun-

bar was the elite high school for Washington blacks.

"There is a familiarity that they feel they have with all teachers," she said. "Maybe it's because they think they're totally grown up and they can say anything that they want to."

As the bell rang for teacher Catharine Thomas' second-period class, several girls were standing around her in the front of the classroom. She repeatedly told them they would be late for their next class. One of her students in the second-period class, ran in and yelled, "I'm a sick man, Mrs. Thomas, give me some help."

"Sit down," she told the boy before again reminding the girls to go to their next class. Another student came in, waving an assignment at Thomas, telling her to look at it right away.

"Just wait a minute," she told him, but he pushed through the girls still around Thomas and stood next to her, talking about his paper.

"None of them (students) have any patience," Thomas said later. "Whatever they want you to do, you've got to do it, no matter what else is going on."

As Thomas' second-period class began—again five minutes late—she was interrupted by a booming loud-speaker announcement from the principal's office. In the back of the class, a boy used the interruption to shout across the room to a friend. They began a loud conversation, that other students joined.

ABSENTEEISM NOTED

As Thomas quieted the class after the announcement, she saw that about 10 students were absent out of the 30 registered for the class. She later said that her classes usually are 50 to 75 percent smaller than the number of students registered because of class-cutters and absentees. Between 15 and 20 percent of Eastern's students are absent daily, so about 270 to 360 of the school's 1,800 students are not in school on an average day.

In thee second-period class most of the boys again were seated in the back and spent much of the period joking with each other.

As Thomas worked with the class, finding topic sentences for paragraphs, she saw two girls turn to each other to discuss a flyer advertising a disco dance.

"Please put that away and pay attention," Thomas said after a few minutes. The gir.s said nothing and faced forward. One continued reading the flyer. She then tapped another girl on the shoulder and gave her the flyer to read.

"The fact that (the flyer) eventually got put away is an achievement," Thomas said later, "because (in some clases) it would never have moved."

Meanwhile, the boys in the back of the room continued talking. They stopped only when they were called on to read and when they began picking up their books and bags to leave.

As Thomas continued calling on students to read the paragraph and summarize it, one young man interrupted to ask for a bathroom pass. She gave him the pass.

As Thomas turned back to the class, she began having more problems finding someone to read the paragraph on the board. She had been calling on students in the order in which they were sitting, but now she began looking around the room for volunteers. Finally she picked a young man and told him to read, but he said he did not understand what she was doing.

"I'll explain something two or three times," Thomas said later "but if the student isn't listening and asks me again—and they do it all the time—that really burns me up. I always (explain) it twice but, five minutes later after everybody has started doing the work, somebody will raise their hand and say, 'What are we supposed to be doing?' That irks me."

This time Thomas didn't explain the work to the young man. She called on one young man talking in the back of the class. He pretended not to hear her but, when she called his name again, he turned to her with a look that said, "Are you talking to me?"

CLASS INTERRUPTED

As the young man with the bathroom pass returned, a student in the hall stuck his head in the door and started talking to a friend in the class. Thomas told him to get out and tried to continue with the class. But the young man did not leave until he had finished making arrangements to meet his friend later.

"There ought to be more rules," Thomas said later. "It distresses me when I'm in here trying to get something done with my kids and . . . kids are in the halls. Downstairs, kids are sitting in the auditorium. Go down on the basement level and there is a gang of kids just standing there smoking. That irks me. That tells me that these people aren't supposed to be out there. They're supposed to be in class.

". . . There ought to be hall sweeps," she said, "and just say anybody caught in the halls without a pass is suspended. They can't do that (because of board of education rules). But I think they've got to do something, even if it means holding kids up in class a little bit longer than usual just to get those halls cleared."

Almost unanimously, Eastern's teachers and administrators agree that the school board should give the schools more power to discipline students.

"I'm not saying let's crack down on every kid," said H. Abraham McGill, an assistant principal at Eastern, "I'm saying the kids have to know we're serious about being a good school."

Teachers and administrators said the school has to become stricter to create a learning atmosphere for all students and especially to help students from lower-income families whose parents are not familiar with the prerequisites of academic success—good grades, high SAT scores and a good college.

"Teachers may be the only professionals and college graduates (the students) ever meet," Wayne Paige said. "Most of these kids don't have someone at home who knows the ropes, how to get into college, how to take that test and, most important how to push the kids to achieve, to tell them why school is important. . . ."

In explaining their position, teachers and administrators at Eastern cite school board regulations prohibiting teachers from closing their classroom doors to students, no matter how late a student comes to class. The regulation, aimed at insuring that a student can enter class if he wants to, contributes to the late start of most classes, according to teachers. Students know they can straggle into the room without fear of missing the class or being handed any major punishment, teachers said.

HOMEWORK LIMITED

As Thomas' second-period class ended, she gave the class a small homework assignment. Thomas said students usually fail to do large homework assignments.

". . . You give them homework, and they don't turn it in," she said. She estimated that 40 percent of her students do not do homework. "I've told my first-period class, 'You know, you kids are doing me a favor by not doing your homework. The sooner I get these papers (corrected) the sooner I can relax.' And they said, 'Oh, well, you're welcome.' "

In the next class, Thomas was forced to teach amid the outbursts of a young man who was teasing girls and became the center of jokes among the boys in the back of the room.

"That's my typical pain in the neck," Thomas said later. "That child is just a nuisance, and I've talked with his mother. And every day he comes in here and says he'll be so glad when he can get out of this class. . . ."

Thomas said she does not have many severe discipline problems in the classroom. She said students who talk or are inattentive cannot be forced to become involved in a class. Students sometimes curse at her under their breath, she said. But most will not repeat the words when she asks them what they mumbled at her.

Cheating is another major problem, Thomas said. Although it was not evident on the day a reporter visited the class, Thomas estimated that 50 percent of her students will cheat if given the opportunity.

"I know I have this one boy," she said. "Whenever I give a test I have to bring him up front because he has 'eye-itis.' But then, some of them, they'll try to cheat and still fail and that's the pathetic part . . . They can't even do that right . . . If you don't know the material well enough to cheat then you never knew it at all.

". . . Which is why," Thomas added, "when I give a test, unless somebody is being killed outside, I'm not going to go out that door."

Thomas said that most of the students who do not pay attention, who cheat and who disrupt class seem to have family problems.

"The job is getting harder and harder because of the kids who have problems in addition to educational problems, problems in their home situation that make them unbearable . . . And they are in my class for me to deal with."

PROBLEMS AT HOME

Students who are poor and have family problems or emotional troubles are a frequent source of trouble at Eastern, according to teachers and administrators, because they do not have the mental stability necessary to sit in a classroom and learn.

According to teachers, administrators and counselors, such students come to school to escape problems at home and sometimes regard school as a place to earn attention by disrupting classes, withdrawing and becoming poor students or hanging out in hallways with friends.

Other students who come from poor backgrounds and broken homes—many Eastern students come from single-parent families or live with their grandparents—find that they lose interest in school as stress increases in their home life, according to Eastern counselor Nellie Grant.

Grant said she recently helped a male student whose mother had become mentally ill. The woman was spending the family's welfare check on liquor, leaving her two sons to pay for rent and food from the money they earned working at a fast-food restaurant. Then the student's older brother quit working and, feeling the pressure of trouble at home, ran up a $400 long-distance phone bill with a former girl friend.

The Eastern student's brother then began using drugs and quit his job, Grant said leaving the 17-year-old to face a house full of problems and an ill mother.

"Every day we see students who are working under the worst kind of pressure," Grant said. "You wouldn't believe some of the situa-

tions these children try to work their way through. And lots of times they won't come to anyone for help because they're embarrassed. They'd prefer to quit school or just tell you they don't want to come anymore before they'd tell you what's wrong."

As Catharine Thomas' seventh-period journalism class began, only seven of the 15 students enrolled in the class were present. Thomas said attendance drops in the afternoon when some students decided to skip their last few classes. On Mondays and Fridays an unusually large number of students cut classes, Thomas said, because they regard those days as part of the weekend.

Thomas said she has had trouble all year with her journalism class because the students cannot read or write very well. They do not want to write and are looking forward to getting out of the class, she said.

"They (the students) just aren't interested," she said. "That's a problem in all the classes, but it is worse in an elective like this because they say the computer put them here and they don't want to do all that writing."

INTEREST LACKING

"Today the kids are not as interested in learning," said teacher Davenport, who has been at Eastern about 20 years. "That kind of dulls the teaching experience because they are not interested . . . It's almost to the point where you could be doing anything up here and they'd accept it. They wouldn't care . . ."

Biology teacher Nancy Cooksey said teachers today must motivate students to get their attention before they can teach anything. During the civil rights movement of the 1960s, she said, she could motivate her predominantly black students by appealing to their political awareness and asking them to learn as much as they could to prepare themselves to change a racist world.

"We only have so many microscopes," Cooksey said. "In the 60s, I could appeal to them to leave the microscopes in good shape because the black community would need them in the future . . . Their little brothers and sisters would have to use them when they were through. That doesn't work anymore."

Some Eastern administrators agree with teachers that the distinguishing characteristic of Eastern students in 1978 is an absence of interest in learning.

"Eastern has the staff and the facilities to educate students," said assistant principal McGill, who taught math at Eastern for 11 years before taking his current position last semester. "But the students aren't asking much of us or themselves, and we have no way to make them work."

What is important to the students, McGill said, are graduation and extracurricular activities they will remember after they leave Eastern. "The students don't want this school to be any more than what it is," McGill said. "It's a place where they can graduate, see their friends and be on one of the teams."

Although teachers, such as Thomas report that more is being demanded of high school teachers than ever before, the teachers and their union are drawing increasing criticism for a relatively high pay scale and generous benefits package that continue to grow despite the school system's problems.

For example, both school Superintendent Vincent Reed and Eastern's acting principal, Gloria Adams, feel that the Washington Teachers' Union has burdened the school system with some mediocre teachers because of its success in demanding what Reed and Adams see as a long, bureaucratic procedure for the firing of any teacher. That complex procedure, which the two say is full of hearings and time-consuming paper work, is supposed to protect teachers against unjust firing. But in practice, they said, it makes administrators shy about moving against an incompetent teacher unless the teacher does something outrageous in the classroom.

Constant criticism of their union, their pay and benefits, coupled with the low regard some people have for the city's public schools, has left many teachers feeling vilified.

"A JOB" TO SOME

"It took me a while to realize," said John Warren, the school board member representing Eastern's area, "that everyone who works in the school system is not interested in improving it. For many people, the school system represents a job. It doesn't represent a commitment. It's not the days of Mary McLeod Bethune and that whole struggle. That's not it.

"Many of the people who teach today—and there are some good ones—many of them came through college with me. They didn't do anything in college. They hung out . . . played cards, plagiarized papers and cheated on exams. They did the minimum and slid through with a C or 2.5 (grade point average) or whatever the minimum was to get out. So they go into the classroom and pull out the book and look at the table of contents, and some of them can't read or talk themselves. That's why we've got to tighten up the requirements for certification," he said.

Reed complained that the teachers' union is seeking too many contractual stipulations in current negotiations with the school board. Reed cited one contract clause that would limit the number of PTA meetings teachers must attend. He said teachers should feel that going to such meetings is part of their job.

"We have a small group of teachers that are less than desirable," Reed said. "They are not improving the attitude of the children.

"But most teachers are doing an outstanding job of dealing with social problems kids bring to school," he said. "Inner-city teachers combat social and educational problems that suburban teachers never face. My hat is off to our teachers. It is amazing what they get out of kids."

UNION ROLE DEFENDED

William Simons, president of the Washington Teachers Union, said Reed and several previous superintendents have blamed the union for the school system's troubles. Simons said his union is trying to limit formal meetings between parents and teachers because in the past those meetings always have been rushed and parents have been reluctant to talk about their children in a classroom filled with other parents.

The union favors phone calls and private meetings between parents and teachers, Simons said.

"For anyone (in the school system) to take the attitude that the union is an outside organization," Simons said, "that's for the birds. We're in business to do what we can to improve the school system. If superintendents realized that and used their resources to the maximum, we would not have had to change superintendents every two years.

After her final class of the day, Thomas picked up a few wads of paper left in the room. Her room is cleaned only once a year, at Christmas, she said. Budget cutbacks have limited the number of janitors, and she makes a special request each month to have the room swept. There is nothing she can do about the mouse in the room.

Sitting down after the school day, she said that troublesome students are not the only reason she often leaves Eastern tired and despairing. She complained of older teachers opposing younger teachers and controlling the chairmanship of departments. Thomas said many faculty members also refuse to share books, which are in short supply at Eastern. No new books have been ordered for the last two years because of budget limitations, but some are expected next year.

"I've gone home with the attitudes of the people (at Eastern)," she said, "and my husband has said things to me and I've practically tried to bite his head off. He's told me, 'If that's your Eastern attitude, leave it in the car, don't bring it in the house.' And I wonder, do you take your frustrations home and lash off at your kids? It's just the job is getting more difficult, the rewards are fewer and the pains are increasing."

THE BIG CARRIER: A SURVIVABLE, PRACTICAL WEAPON

The SPEAKER. Under a previous order of the House, the gentleman from Florida (Mr. CHAPPELL) is recognized for 5 minutes.

● Mr. CHAPPELL. Mr. Speaker, all of us in this Chamber remember the day, exactly 14 months ago, when the House voted to rescind funds for construction of a fifth *Nimitz*-class nuclear carrier. On March 1 of last year, the Appropriations Committee—by a one-vote margin—agreed to scrap CVN–71, in favor of a "paper tiger"—a conventional "midi-carrier" that was not at that point even on the drawing board.

I said at the time the cut was nonsensical, both strategically and economically. Even the Navy confirmed that the acknowledged superiority of the *Nimitz*-class carriers was essential to our naval defense, and the evidence of the preferability of nuclear power was overwhelming. The nominal dollar savings of conventionally fueled vessels are negated by the effectiveness of nuclar models—by most estimates, about three times the offensive "punch" of the smaller, conventional carriers.

I was therefore heartened to read in this morning's Wall Street Journal a report of the work that has been continuing in the Congress to offset the mistake we made 14 months ago. Mr. Speaker, I speak with both hope and assurance when I say that the nuclear-powered *Nimitz*-class carriers have not been relegated to the same fate as the horse cavalry and the battleship. The idea is very much alive and well, and those who are truly concerned about the viability of our national security will continue to work toward the best proven means of ensuring that security. For the interest and edification of my colleagues, I am pleased to submit the entire Wall Street Journal article, written by reporter John Lehman. I would commend it as worthwhile reading for all of us in this body.

[From the Wall Street Journal, May 3, 1978]

THE BIG CARRIER: A SURVIVABLE, PRACTICAL WEAPON

(By John Lehman)

To the surprise of many, Congress is about to authorize another large aircraft carrier. How has it come to be that after enlightened administration and media defense commentators had relegated the "supercarrier" to the same fate as the horse cavalry and the battleship, a broad coalition of conservatives, moderates and liberals has emerged in support of building yet another large carrier, and of maintaining a 13-carrier force into the next century?

The reason is that the Carter administration itself has presented a compelling case to Congress in support of large carriers. In February and March of this year the administration submitted two of the most thorough and exhaustive analytical studies ever completed on naval force planning. The first submitted was the Sea-Based Air Platform study analyzing the cost-effectiveness and "survivability" of small, medium and large aircraft-carrying ships. The second was the Sea Plan 2000 study analyzing mission requirements and force levels for the U.S. Navy for the period 1978–2000.

The fact that the Carter administration successfully completed these difficult studies in less than a year and submitted them to Congress without censoring or deletions is much to its credit. That the President and his senior advisers ignored the studies completely as they submitted a drastically reduced fiscal 1979 Navy budget without a carrier, and with the shipbuilding program cut in half, is another example of the failure of the administration's decision-making process.

The overwhelming nature of the data surprised many in Congress. In the words of a former McGovernite, Sen. Gary Hart of Colorado, "It (the first study) demonstrates that the Nimitiz-class carrier is individually the most effective and most survivable ship."

It also demonstrates that there is no battle advantage in going to more numerous dispersed smaller carriers. A battle group with three dispersed 30,000-ton carriers will not fare better against an attack of 60 Soviet cruise missiles than a battle group with one 90,000-ton carrier. Because of the larger carrier's massive armoring of propulsion and magazine, its greater relative compartmentalization and the structural strength necessary to handle the stress loads of catapulting and arresting 35-ton aircraft, big carriers can absorb a surprising number of hits and keep fighting. Small ships cannot.

These findings are consistent with actual experience. In World War II, U.S. aircraft carriers were struck 42 times. Five carriers, all constructed before the war began, were sunk but only one was sunk directly by enemy forces.

In 1969, nine large bombs exploded on the deck of the Enterprise, the first nuclear carrier. This was the equivalent of its being hit with at least six SSN3 Soviet cruise missiles, yet she was judged to have been able to have resumed flight operations within several hours.

Land bases in all three recent wars proved to be far more vulnerable to complete loss than carriers and at least as vulnerable to mission-interference damage. Several hundred U.S. operating air bases were completely lost in World War II. In Korea all air bases were captured by the North Koreans in the first five days. In Southeast Asia, of the dozens of major air bases constructed by the United States since 1960, not one remains in U.S. hands. By 1973 the United States had lost more than 400 aircraft destroyed and 4,000 damaged on the ground in South Vietnam.

As our foreign air bases dwindle (now fewer than 30) with little evident support for new base commitments, and with the cost of foreign bases currently running about $100 million each for rental alone, carriers may be called upon to cover a larger area of the world in the future.

An interesting finding of the Sea Plan 2000 study is that U.S. surface combatants in general and carrier battle groups in particular will become less vulnerable over the next decade and beyond. That is because the expected progress of the Soviet cruise missile, attack bomber and submarine threat will be more than matched by three U.S. developments. The first is the now-deployed F–14/Phoenix fleet air defense system, to be supplemented in the '80s by the A–18. The second is the introduction to the fleet of the Aegis air defense system for close-in defense against missiles that penetrate the fighter barrier. Third, there have been a number of important advances in antisubmarine warfare.

Perhaps the greatest contribution of the two studies was in demonstrating the capability of a 13-carrier, 600-ship navy to fight and win in areas of highest Soviet capability. These findings make it difficult to defend the Carter policy of relegating the Navy to a tertiary role in defending NATO. The ability of the carrier battle groups to prosecute a forward strategy on the NATO flanks, the northwest Pacific and the Persian Gulf and Mideast will do far more to deter Soviet adventures than a 3% increase in firepower or stocks in Germany.

The debate in Congress is now not whether there should be another big carrier, but which of the two competing alternatives, the 90,000-ton nuclear Nimitz class or the 65,000-ton oil-powered class, should be authorized this year. The case for nuclear propulsion is rather compelling from a military standpoint.

The Secretary of the Navy, W. Graham Clayter, argues that three smaller carriers can be got for the price of two larger. That argument would probably carry the day if the administration wanted to buy three, but it does not. Admiral Holloway, the Chief of Naval Operations, has testified that if procurement is to be only one ship, it should be the big carrier. Secretary Clayter has said that if Congress wants a big carrier he will build it "with enthusiasm." It now seems likely he will have the opportunity to do just that.

(NOTE.—Mr. Lehman, former deputy director of the Arms Control and Disarmament Agency, is president of Abington Corp., a Washington-based consulting firm.) ●

PROGRESS ON PROVIDING SPECIAL PROGRAMS IN THE BIOMEDICAL SCIENCES

The SPEAKER. Under a previous order of the House, the gentleman from Florida (Mr. PEPPER) is recognized for 5 minutes.

● Mr. PEPPER. Mr. Speaker, I am pleased to say that on March 31 H.R. 10736, a bill which provides for enrichment programs in the basic sciences for disadvantaged secondary school students, passed the Subcommittee on Elementary and Secondary Education of the Committee on Education and Labor as an amendment to title I of the Elementary and Secondary Education Act. This legislation, now incorporated in H.R. 15, evolved over the last 2 years from my initial introduction of three bills in the 94th Congress which were designed to meet two serious problems—the glaring underrepresentation of students from disadvantaged backgrounds in biomedical careers, and the maldistribution of health care professionals in our country which results in the near inaccessibility of physicians and other health personnel in many rural and inner-city areas.

I am pleased to have been joined by Ms. SHIRLEY CHISHOLM and Mr. EDWARD ROYBAL as primary sponsors of this legislation, as both my distinguished colleagues have their own special interests in education and a notable concern for those students who traditionally have been shut off from further advancement into various careers. As I have mentioned, our legislation will enable these students to develop skills, motivations, and confidence early in their educational lifetimes so that future options, such as entry into a biomedical profession, are not foreclosed.

I would like to point out, Mr. Speaker, that two amendments which were adopted in subcommittee are in line with the intent of the original legislation, and I accept them. Very importantly, the criteria of "economically disadvantaged" was defined as that level of family income which is half the national median income or less. This is slightly over the poverty level, and it makes eligible a broader range of economically disadvantaged students than is permitted under programs which utilize a poverty level cutoff point. We all are aware that this is in accord with the administration's posture of extending Federal assistance to families of slightly higher incomes.

A second committee amendment requires the Commissioner of Education to give special consideration to a grant application that proposes to offer a project to students of a school or schools located in a health manpower shortage area, or in a rural area. This will assure that projects will be offered in a diversity of geographic settings and in areas which may reap the most benefit in terms of expanded health awareness and returning health care professionals.

As a final note, I would like to call the Members' attention to the fact that Senator MURIEL HUMPHREY is the sponsor of companion legislation in the Senate (S. 2612), and it is my understanding that the Subcommittee on Education, the Arts and Humanities of the Senate Human Resources Committee is scheduled to mark up title I of the Elementary and Secondary Education Act this Friday, May 5. I am very grateful for Senator HUMPHREY's support, and I certainly will urge favorable consideration of this legislation in the other body. ●

UNITED STATES-UGANDA RELATIONS

The SPEAKER. Under a previous order of the House, the gentleman from Texas (Mr. MATTOX) is recognized for 5 minutes.

● Mr. MATTOX. Mr. Speaker, yesterday the distinguished senior Senator for Idaho, FRANK CHURCH, directed his Senate colleagues' attention to the subject of Uganda. As a long-time admirer of the Senator's personal integrity and sense of direction in foreign policy matters, I commend him for his insights into one of today's most conscience disturbing problems.

Idi Amin has flaunted his terror and torture of innocent people before the world. True, there are other "affronts to humanity" in other countries, but nowhere in the world do we find so vicious a terrorism so devoid of reason, and yet,

at the same time so dependent on American commerce.

A peaceful civilization is being mugged in the streets of the world community. We cannot withhold our help—so easy to give in the case of Uganda—because other crimes are being committed elsewhere. A rescue effort should never be delayed simply because we cannot rescue everybody at the same time in the same way. Thank God we live in a country that can be moved by its heart as well as its head. As Senator CHURCH put it:

> Insofar as possible, American foreign policy must be made to conform to our historic ideals—the same fundamental beliefs in constitutional processes, economic justice, and popular government that once made us a beacon of hope for the oppressed and downtrodden everywhere. The fact that we are again seriously discussing the role of morality in foreign policy is an indication that we are on the way to restoring that essential balance between principle and pragmatism which has characterized American foreign policy at its best throughout our history.

I particularly want to thank the Senator for his formal announcement yesterday of soon-to-be-scheduled hearings on United States-Uganda relations. The hearings are to take place in the subcommittee he chairs on Foreign Economic Policy of the Senate Foreign Relations Committee.

Senator CHURCH's efforts now are by no means the first manifestation of his personal involvement in attempts to improve conditions in that country. Since early November of 1977 he has been a source of council and assistance in efforts to stop the training of Amin's pilots in Texas and other parts of the country.

As these hearings take place and more is known about United States commercial relations with Uganda we will have a better chance to make sound decisions based on sound information.●

SECRETARY OF COMMERCE JUANITA M. KREPS ANNOUNCES PUBLIC WORKS ECONOMIC DEVELOPMENT PROGRAMS TO PROVIDE NEEDED ASSISTANCE TO SMALLER COMMUNITIES AND COUNTIES AS THEY ADJUST TO EXTRAORDINARY GROWTH CREATED BY ENERGY RESOURCE DEVELOPMENT

The SPEAKER. Under a previous order of the House, the gentleman from California (Mr. JOHNSON) is recognized for 5 minutes.

● Mr. JOHNSON of California. Mr. Speaker, I was delighted to be present this morning when the distinguished Secretary of Commerce the Honorable Juanita M. Kreps announced here at the Capitol the details of President Carter's energy impact assistance program.

I found her comments and the President's program to be extremely interesting and to contain some very well thought out proposals.

Under leave to extend my remarks, I include the statement made by Mrs. Kreps at today's news briefing for Members of Congress:

When he announced the National Energy Plan last year, President Carter pledged that no State, community or Indian tribe would bear more than its fair share of the burdens of meeting our energy production goals.

Today, the President is announcing from Denver his proposals to provide needed assistance to the small towns and rural counties facing extraordinary growth as a result of energy resource development.

These proposals stem from a review conducted by a Presidential task force under the leadership of the Department of Energy which included Federal agencies and affected States, communities and tribes. Governor Rockefeller was a leader in this effort. Governor Carroll, Governor Lamm and other Western Governors also gave of their time and their first-hand experience. Congressional leaders who are with us today, together with Senator Hart who is with the President in Denver, also contributed greatly to the program.

Over the long run, new energy development in Appalachia and the West can bring renewed growth and employment. In the short run, however, the rapid, uncertain, and uneven influx of population overwhelms these rural places. Affected communities lack the capacity to anticipate and provide public facilities, services, and housing.

The President's program consists of the following elements:

1. States and tribes will receive grants and loan guarantees through the Commerce Department's Economic Development Administration to implement a comprehensive strategy to build State, local and tribal capacity, to prevent and mitigate energy impacts and to provide financial assistance to communities for public facilities and services.

Each year, $15 million in Federal funds will support approximately $300 million in guarantees and $135 million in Federal grants will be available for planning and financing facilities and serivces.

2. As Secretary of Commerce, I will work with the Appalachian Regional Commission, the appropriate Federal Regional Councils, the Department of Agriculture and other Departments to coordinate existing Federal programs with the proposed new program. New resources will not be substituted for existing ones. Federal agencies will also cooperate with State and local representatives as members of joint teams to assess impact problems and needs.

This is a capacity building program to provide needed assistance during a period requiring rapid adjustment and State leadership. It is a "sunset" program in that a fixed term of Federal commitment is envisioned. It provides for a declining share of Federal financial aid for a period not to exceed five years. We believe that this will be adequate to assure that necessary state laws and local planning and management capacities will be in place to handle future requirements.

The proposal reflects the concept of State-Federal partnership, a vital dimension of the President's urban policy. It is a program that recognizes the special authorities, resources and responsibilities of other levels of government and of private sector energy development firms. The States will have considerable flexibility in implementing State-developed strategies.

The Commerce Department's resources—especially EDA and the Title V Commissions—have been used to address energy boom problems as well as long-term economic decline. This new program reflects our experience with the Coastal Energy Impact Program and is responsive to recommendations of the White House Conference on Balanced National Growth and Economic Development.

This is a problem that has been growing for a good many years. It is one that has brought community and environmental blight when it should have brought better living conditions for the families of these areas. This Administration is proposing a timely, prudent and flexible response. President Carter, Secretary Schlesinger and I are committed to helping States meet these community and housing needs through shared responsibility. I am hopeful that the appropriate leaders of Congress will support this measure and speed this needed assistance.●

EXPLANATION OF BILL ON THE CREDITING OF SOCIAL SECURITY BENEFITS FOR THE SELF-EMPLOYED

The SPEAKER. Under a previous order of the House, the gentleman from Florida (Mr. GIBBONS) is recognized for 5 minutes.

● Mr. GIBBONS. Mr. Speaker, I have today introduced a bill that corrects an injustice in the social security system.

IRS reports to the Social Security Administration the amount self-employed persons designate on their income tax returns as self-employed income even though such persons may not have paid the applicable self-employment social security tax. The self-employed person thus receives credit toward social security benefits even if he has not made the required contribution. A random sample conducted by GAO of individual taxpayers whose accounts IRS had classified as uncollectible disclosed that about 13.6 percent of the individuals were self-employed and were liable for paying the self-employment social security tax.

Both IRS and the Social Security Administration are aware that: First, self-employed persons receive benefit credits even though they do not pay their social security taxes; and second, the statutes do not provide for adjusting a person's social security records for nonpayment of social security taxes and are silent on whether a person should receive benefit credits if he has not paid his social security taxes. Neither agency, however, has proposed legislation to clarify the matter.

This bill would cure this inequity by amending section 205(c) of the Social Security Act (42 U.S.C. 405(c)) to prohibit a person from receiving credits toward social security benefits if he has not paid the require tax on self-employment income.●

FEDERAL INFORMATION CENTERS

The SPEAKER. Under a previous order of the House, the gentleman from California (Mr. JOHN L. BURTON) is recognized for 5 minutes.

● Mr. JOHN L. BURTON. Mr. Speaker, today I am introducing a bill which gives specific authority to the Administrator of General Services to establish and regulate the Federal information centers. I am pleased that the chairman of the Committee on Government Operations (Mr. BROOKS), and the ranking minority member of the Committee on Government Operations (Mr. HORTON), have joined me in cosponsoring this legislation.

GSA operates Federal information centers in 38 major cities across the country today. Citizens visit or telephone the

centers to learn the Government agency to which they should address their questions or problems. Center personnel can answer some questions directly from a large variety of reference materials kept at hand.

Many areas have toll-free tie lines so that citizens can reach the centers by telephone. About half of the U.S. population can call at no extra charge.

The centers received over 8 million inquries in 1977. GSA estimates that the centers will receive 8.8 million inquiries during 1978.

The appendix to the U.S. budget for fiscal year 1979 states under General Services Administration—general activities that the present activity is financed from Federal agency reimbursements to the GSA appropriation. They are the 17 agencies to which the greatest number of inquiries are addressed.

The Federal information centers were begun in 1966 on a pilot basis. However, they do not have the permanent authorization which the legislation we propose gives. The bill specifically authorizes appropriations for the centers beginning with fiscal year 1980.

GSA is planning to add about 22 new centers plus increased toll-free telephone coverage so that much more of the population will have this service readily available. The total estimated cost for fiscal year 1980 would be approximately $7 million. This has been confirmed by the Congressional Budget Office, which also projects the fiscal year 1984 cost to be about $9.1 million.

The proposed bill has the endorsement of the administration. Except for some technical changes, it follows the language that the administrator transmitted to the Speaker on March 23. I am planning early hearings on the bill by the Government Activities and Transportation Subcommittee.

I hope that Members of the House will want to join us in support of this legislation.●

VIEWS ON THE "TRANSFER AMENDMENT"

The SPEAKER. Under a previous order of the House, the gentleman from Connecticut (Mr. DODD) is recognized for 5 minutes.

● Mr. DODD. Mr. Speaker, yesterday the House voted on an amendment to the first budget resolution introduced by my colleague, Mr. PARREN MITCHELL of Maryland. Mr. MITCHELL's amendment would have transferred $4.8 billion in budget authority and $2.8 billion in outlays for national defense to domestic economic and social programs. The House, wisely I believe, defeated the amendment.

Having voted against the "transfer amendment," I would like to take this opportunity to share with you my reasons for doing so.

Let me say at the outset that I am in basic agreement with the philosophy behind the "transfer amendment," like my colleague Mr. MITCHELL, I recognize that the strength and security of our Nation depends more on the economic and social well-being of all Americans than on the size of the defense budget. Unemployment, urban decay, and crime are among the greatest threats to the security of the United States.

I also share Mr. MITCHELL's view that there is nothing sacrosanct about the defense budget. This year's defense budget, like budgets in years past, has been trimmed down without any adverse effect on the ability of our Armed Forces to perform their assigned missions.

My disagreement with the "transfer amendment" is thus not in its intended effect, but rather in the manner defense funds would be transferred to domestic programs. I do not believe across-the-board cuts in any budget program are a proper way of reallocating priorities and funds. The "transfer amendment" would have shifted $4.8 billion in budget authority from national defense programs to domestic programs, but the amendment did not address the crucial question of what specific programs would be affected. One can convincingly argue that cuts in the defense budget and increases in employment, education, and economic development programs are needed. But the transfer of such a significant amount of money without specifying exactly what programs or weapons systems would be affected would be an irresponsible act of Congress. Also, the amendment would require no improvement in the operation of these domestic programs, it would simply throw more money into them.

If cuts are to be made in the defense budget, they should be targeted to specific projects which Congress decides are inefficient, unnecessary or actually destabilizing to our national defense. Increased funding for domestic programs should be treated the same way. Once we identify the steps necessary to bring down the employment level (especially teenage and minority unemployment), or ways to retard the growth of urban decay, then we should increase funding for those programs.

My colleague from Minnesota (Mr. FRASER) did just that yesterday by offering an amendment to add $436 million in budget authority and $391 million in outlays for employment and social services programs. This money would have created more than 100,000 jobs—mostly for youth and minority youth—in the Job Corps, the youth employment demonstration program, and the older Americans program. I supported Mr. FRASER, and voted for his amendment. Disappointingly, it did not pass.

However, Mr. FRASER's approach was the right one. Seeing a need, he advocated increased funding for specific programs which would fill that need.

Finally, I would like to add that the Budget Committee, under the chairmanship of my fellow Representative from Connecticut, Mr. GIAIMO, has very carefully considered the funding levels for each section of the fiscal year 1979 budget and recommended a $1 billion cut in the defense function from the President's request. I feel that the budget committee has made as many cuts in the defense budget this year as it could without jeopardizing our defense needs. A massive transfer of money from one part of the budget to another without specific justifications would subvert a budget process Congress instituted just 4 years ago.●

PERSONAL EXPLANATION

Mr. OTTINGER. Mr. Speaker, yesterday evening, I was unavoidably away from the Chamber and missed three rollcall votes as follows:

On rollcall No. 278, an amendment to the Budget Act to increase certain veterans' pension benefits, had I been present I would have voted "aye." I have always supported adequate veterans' pension benefits, and this amendment contained the substance of legislation I have repeatedly introduced providing that veterans' pension benefits not be reduced as a result of social security increases. It is very important this inequity be corrected, and I hope this budgetary provision will make it possible at long last to end it. The amendment also provides for needed cost-of-living increases to pensioners and makes some long overdue provision for World War I veterans. Fortunately, the bill carried overwhelmingly, 362 ayes to 33 noes.

On rollcall No. 279, had I been present I would have voted "no." This amendment would have provided badly needed budget authorization for additional funding of education, training, and employment programs. If we are to give meaning to the Humphrey-Hawkins bill we recently passed, these additional funds to put people to work are essential.

On rollcall No. 280, had I been present I would have voted "No." This amendment sought to decrease the budget by placing a 5.5-percent limit on Federal salary increases. In my opinion, it is inequitable, foolish, and improper to hold Federal salary increases below the inflation rate. It destroys the principle of comparability that we have struggled to maintain, undermines morale, and prevents the Government's ability to hire and keep able people.

CONGRESSMAN BRADEMAS PRAISES PRESIDENT CARTER ON SIGNING OF WHITE HOUSE ARTS AND HUMANITIES CONFERENCES BILL

(Mr. BRADEMAS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. BRADEMAS. Mr. Speaker, I am delighted that President Carter yesterday signed into law the bill creating a White House Conference on the Arts and White House Conference on the Humanities.

Under this legislation a nationwide conference on each of these subjects will be held in Washington, D.C., in late 1979, each to have been preceded by similar meetings in every State at which delegates would be selected and proposals drafted for consideration at the national conferences.

These White House conferences can provide effective opportunities for artists and scholars, members of State and local governments, representatives of business and labor, spokesmen for our cultural in-

stitutions and knowledgeable persons from a diversity of backgrounds to discuss and debate the important issues confronting the cultural life of our country.

Mr. Speaker, that President Carter has given the conferences his support and that in his budget proposal for fiscal year 1979 he has asked for significant increases in funds for the National Endowments for the Arts and the Humanities demonstrate the President's serious commitment to strengthening the arts and humanities in American life.●

PERSONAL EXPLANATION

(Mr. BRADEMAS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. BRADEMAS. Mr. Speaker, I insert at this point a statement regarding several recorded votes I missed on Monday, May 1, 1978, and an indication of how I would have voted had I been present. The first three votes came on motions to suspend the rules and pass the bill, and I note, Mr. Speaker, that a vote of two-thirds of those present and voting is required for passage under this procedure. The votes are as follows:

Rollcall No. 262, a vote on a motion to suspend the rules and pass H.R. 11657, Pacific Fisheries Development Act Authorization. The motion was agreed to by a vote of 326 to 23. I was paired for this motion and had I been present, would have voted in favor of it.

Rollcall No. 263, a vote on a motion to suspend the rules and pass H.R. 10392, to establish a Hubert H. Humphrey Fellowship in Social and Political Thought at the Woodrow Wilson International Center for Scholars at the Smithsonian Institution. The motion failed to carry by a vote of 219 to 137. I was paired for this motion, and had I been present, would have voted in favor of it.

Rollcall No. 264, a vote on a motion to suspend the rules and pass House Joint Resolution 816, to extend the authority of Federal Reserve banks to buy and sell certain obligations. The motion was agreed to by a vote of 278 to 77. I was paired for this motion and had I been present, would have voted in favor of it.

Rollcall No. 265, a vote on House Resolution 1150, providing for consideration of H.R. 9400, Civil Rights of Institutionalized Persons. The resolution was agreed to by a vote of 320 to 20. I was paired for this resolution and had I been present, would have voted in favor of it.

Rollcall No. 267, a vote on an amendment offered by Mr. ERTEL of Pennsylvania, to H.R. 9400, Civil Rights of Institutionalized Persons, to strike coverage under the bill for jails, prisons, and other correctional institutions. The amendment was agreed to by a vote of 227 to 132. I was paired against this amendment and had I been present, would have voted against it.●

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. RISENHOOVER (at the request of Mr. WRIGHT), for today, on account of official business.

Mr. CORMAN (at the request of Mr. WRIGHT), after 3:45 p.m. today, on account of official business.

Mr. RHODES (at the request of Mr. MICHEL), on account of medical reasons.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. GARY A. MYERS), to revise and extend their remarks, and to include extraneous matter to:)

Mr. JEFFORDS, for 5 minutes, today.

Mr. BEARD of Tennessee, for 10 minutes, today.

Mr. MICHEL, for 15 minutes, today.

(The following Members (at the request of Mr. WALGREN), to revise and extend their remarks, and to include extraneous matter to:)

Mr. ANNUNZIO, for 5 minutes, today.

Mr. GONZALEZ, for 5 minutes, today.

Mr. CHAPPELL, for 5 minutes, today.

Mr. PEPPER, for 5 minutes, today.

Mr. MATTOX, for 5 minutes, today.

Mr. JOHNSON of California, for 5 minutes, today.

Mr. GIBBONS, for 5 minutes, today.

Mr. JOHN L. BURTON, for 5 minutes, today.

Mr. DODD, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. STOKES, and to include extraneous matter notwithstanding the fact that it exceeds two pages of the CONGRESSIONAL RECORD and is estimated by the Public Printer to cost $986.

(The following Members (at the request of Mr. GARY A. MYERS), and to include extraneous matter:)

Mr. COLLINS of Texas in two instances.

Mr. STOCKMAN.

Mr. BURGENER.

Mr. SCHULZE.

Mr. WINN.

Mr. GILMAN in two instances.

Mr. THONE.

Mr. FINDLEY.

Mr. RUDD.

Mr. HYDE.

Mr. KEMP.

Mr. GRASSLEY.

Mr. MCKINNEY.

(The following Members (at the request of Mr. WALGREN), and to include extraneous matter:)

Mr. BALDUS in two instances.

Mr. CARNEY.

Mr. FARY.

Mr. BAUCUS in two instances.

Mr. ANDERSON of California in three instances.

Mr. GONZALEZ in three instances.

Mr. SANTINI.

Mr. SIMON.

Mr. OTTINGER.

Mr. FRASER.

Mr. CHAPPELL in two instances.

Mr. WAXMAN.

Mr. LEHMAN.

Mr. DANIELSON.

Mr. RODINO.

Mr. ROSENTHAL in two instances.

Mr. GAYDOS.

Mr. MCCORMACK.

Mr. WEISS.

Mr. TEAGUE.

Mr. LEDERER.

Mr. AUCOIN.

Mr. NOLAN.

Mr. MAGUIRE.

Mr. SEIBERLING.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 1895. An act to amend the Natural Gas Pipeline Safety Act of 1968 to authorize appropriations for fiscal year 1979; to the Committee on Interstate and Foreign Commerce.

ENROLLED BILL SIGNED

Mr. THOMPSON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 6782. An act to provide emergency assistance to producers of wheat, feed grains, and upland cotton, and for other purposes.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 422. An act for the relief of the First Baptist Church of Paducah, Ky.

ADJOURNMENT

Mr. WALGREN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 40 minutes p.m.), under its previous order, the House adjourned until Monday, May 8, 1978, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

4078. A letter from the Secretary of the Treasury, transmitting the annual report of the National Advisory Council on International Monetary and Financial Policies for fiscal year 1977 (H. Doc. No. 95–320); to the Committee on Banking, Finance and Urban Affairs and ordered to be printed.

4079. A letter from the president and chairman, Export-Import Bank of the United States, transmitting a statement describing a proposed transaction involving nuclear facilities with the Korea Electric Co. (KECO), pursuant to section 2(b)(3)(iii) of the Export-Import Bank Act of 1945, as amended (88 Stat. 2335; 91 Stat. 1210); to the Committee on Banking, Finance and Urban Affairs.

4080. A letter from the Director of Administration, Department of Energy, transmitting notice of a proposed change in an existing records system, pursuant to 5 U.S.C. 552a (o); to the Committee on Government Operations.

4081. A letter from the Secretary of the Interior, transmitting the annual report for fiscal year 1977 on the Federal helium program, pursuant to section 16 of the Helium Act of 1960 (Public Law 86–777); to the Committee on Interior and Insular Affairs.

4082. A letter from the Deputy Assistant Secretary of the Interior, transmitting a copy of an application by the Rainbow Municipal Water District of Fallbrook, San Diego County, Calif., for a loan under the Small Reclamation Projects Act, pursuant to section 4(c) of the act; to the Committee on Interior and Insular Affairs.

4083. A letter from the Deputy Assistant Secretary of the Interior, transmitting a copy of an application by the Glenn-Colusa Irrigation District of Willows, Glenn and Colusa Counties, Calif., for a loan under the Small Reclamation Projects Act, pursuant to section 4(c) of the act; to the Committee on Interior and Insular Affairs.

4084. A letter from the Deputy Assistant Secretary of the Interior, transmitting a copy of a proposed contract with the Colorado School of Mines, Golden, Colo., for a research project entitled "Improved Skip Designs, Instrumentation, Development, and Field Verification," pursuant to section 1(d) of Public Law 89–672; to the Committee on Interior and Insular Affairs.

4085. A letter from the acting president, Overseas Private Investment Corporation, transmitting the Corporation's annual report for fiscal year 1977, pursuat to section 240A (a) of the Foreign Assistance Act of 1961, as amended (83 Stat. 818); to the Committee on International Relations.

4086. A letter from the Chairman, Federal Trade Commission, transmitting the statistical supplement to the Commission's report on cigarette labeling and advertising for the year 1975, pursuant to section 8(b) of the Federal Cigarette Labeling and Advertising Act, as amended (84 Stat. 87); to the Committee on Interstate and Foreign Commerce.

4087. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting reports concerning visa petitions approved according certain beneficiaries third and sixth preference classification, pursuant to section 204 (d) of the Immigration and Nationality Act, as amended; to the Committee on the Judiciary.

4088. A letter from the Secretary of Transportation, transmitting a draft of proposed legislation to revise the laws relating to the Coast Guard Reserve; to the Committee on Merchant Marine and Fisheries.

4089. A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to entitle the Deputy Assistant Secretary of Commerce for Communications and information to receive compensation at the rate now or hereafter prescribed by law for level V of the Executive Schedule; to the Committee on Post Office and Civil Service.

4090. A letter from the Comptroller General of the United States, transmitting a report on the operational effectiveness and readiness of the Navy S–3A antisubmarine warfare aircraft (PSAD–78–89, May 4, 1978); jointly, to the Committees on Government Operations, and Armed Services.

4091. A letter from the Mayor of the District of Columbia, transmitting his response to the Comptroller General's report (FPCD–77–71) entitled "Federal and District of Columbia Employees Need To Be in Separate Pay and Benefit Systems," pursuant to section 736(b)(3) of Public Law 93–198; jointly to the Committees on Government Operations, the District of Columbia, and Post Office and Civil Service.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MURPHY of New York: Committee on Merchant Marine and Fisheries. H.R. 39. A bill to designate certain lands in the State of Alaska as units of the National Park, National Wildlife Refuge, Wild and Scenic Rivers and National Wilderness Preservation Systems, and for other purposes; with amendment (Rept. No. 95–1045, Pt. II). Referred to the Committee of the Whole House on the State of the Union.

Mr. BOLLING: Committee on Rules. House Resolution 1164. Resolution providing for the consideration of H.R. 12222. A bill to amend the Foreign Assistance Act of 1961 to authorize development and economic assistance programs for fiscal year 1979, to make certain changes in the authorities of that act and the Agricultural Trade Development and Assistance Act of 1954, to improve the coordination and administration of U.S. development-related policies and programs, and for other purposes (Rept. No. 95–1110). Referred to the House Calendar.

Mr. MOAKLEY: Committee on Rules. House Resolution 1165. Resolution providing for the consideration of H.R. 7814. A bill to authorize Federal agencies to experiment with flexible and compressed employee work schedules (Rept. No. 95–1111). Referred to the House Calendar.

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 12481. A bill to authorize appropriations for certain insular areas of the United States, and for other purposes; with amendment (Rept. No. 95–1112). Referred to the Committee of the Whole House on the State of the Union.

Mr. JOHNSON of California: Committee on Public Works and Transportation. H.R. 12098. A bill authorizing appropriations to the Secretary of the Interior for services necessary to the nonperforming arts functions of the John F. Kennedy Center for the Performing Arts, and for other purposes; with amendment (Rept. No. 95–1113). Referred to the Committee of the Whole House on the State of the Union.

Mr. DANIELSON: Committee on the Judiciary. H.R. 11370. A bill to authorize an appropriation to reimburse certain expenditures for social services provided by the States prior to October 1, 1975, under titles I, IV–A, VI, X, XIV, and XVI of the Social Security Act; with amendment (Rept. No. 95–1114, Pt. I). Ordered to be printed.

Mr. REUSS: Committee on Banking, Finance and Urban Affairs. H.R. 12157. A bill to amend and extend the Export-Import Bank Act of 1945; with amendment (Rept. No. 95–1115). Referred to the Committee of the Whole House on the State of the Union.

Mr. STAGGERS: Committee on Interstate and Foreign Commerce. H.R. 11998. A bill to amend the Consumer Product Safety Act to establish an interim consumer product safety rule relating to the standards for flame resistance and corrosiveness of certain insulation; with amendment (Rept. No. 95–1116). Referred to the Committee of the Whole House on the State of the Union.

REPORTED BILLS SEQUENTIALLY REFERRED

Under clause 5 of rule X, bills and reports were delivered to the Clerk for printing, and bills referred as follows:

Mr. UDALL: Committee on Interior and Insular affairs. H.R. 12250. A bill to designate the Boundary Waters Canoe Area Wilderness, to establish the Boundary Waters Canoe Area National Recreation Area, and for other purposes; with amendment (Rept. No. 95–1117, Pt. I). Referred to the Committee on Agriculture for a period ending not later than May 8, 1978, for consideration of such provisions of the bill as fall within the jurisdiction of that committee pursuant to clause 1(a)(13), rule X, and ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BENNETT (for himself, Mr. SPENCE, Mr. BOB WILSON, Mr. EMERY, Mr. TRIBLE, Mr. MCDONALD, Mr. BYRON, and Mr. BRECKINRIDGE):

H.R. 12557. A bill to authorize appropriations for fiscal year 1979 for the Department of Energy for conservation, development, and use of naval petroleum and oil shale reserves, and for other purposes; to the Committee on Armed Services.

By Mr. BRODHEAD:

H.R. 12558. A bill to amend the Internal Revenue Code of 1954 to allow certain individuals whose employers make contributions to pension plans a deduction for their contributions to certain individual retirement savings plans; to the Committee on Ways and Means.

By Mr. BROWN of California (for himself, Mr. DE LA GARZA, Mr. FOLEY, and Mr. TEAGUE):

H.R. 12559. A bill to establish a research and development effort resulting in the commercialization of native latex rubber; jointly, to the Committees on Agriculture and Science and Technology.

By Mr. BURGENER (for himself, Mrs. SPELLMAN, Mr. RYAN, Mr. SHARP, Mrs. BURKE of California, Mr. ROE, Mr. GREEN, Mrs. COLLINS of Illinois, and Mr. SIMON):

H.R. 12560. A bill to provide for a national program of screening of newborn infants for metabolic disorders that could retard brain development; to the Committee on Interstate and Foreign Commerce.

By Mr. CONABLE (for himself, Mr. DUNCAN of Tennessee, Mr. ARCHER, Mr. STEIGER, Mr. GIBBONS, Mr. WAGGONNER, and Mr. PICKLE):

H.R. 12561. A bill to amend the Internal Revenue Code of 1954 to allow a retirement savings deduction for persons covered by certain pension plans; to the Committee on Ways and Means.

By Mr. CONABLE (for himself and Mr. VANDER JAGT):

H.R. 12562. A bill to amend the Internal Revenue Code of 1954 to allow States to deny unemployment compensation payable to individuals on the basis of services performed as substitute teachers; to the Committee on Ways and Means.

By Mr. ECKHARDT:

H.R. 12563. A bill to amend the Magnuson-Moss Warranty-Federal Trade Commission Improvement Act to extend the filing date of a study of rulemaking procedures under section 18 of the Federal Trade Commission Act; to the Committee on Interstate and Foreign Commerce.

By Mr. EVANS of Georgia:

H.R. 12564. A bill to amend section 218 of the Social Security Act to require that States having agreements entered into thereunder will continue to make social security payments and reports on a calendar-quarter basis; to the Committee on Ways and Means.

By Mr. GIBBONS:

H.R. 12565. A bill to amend the Social Security Act to make the payment of social security benefits based upon reported self-employment income conditional upon payment of the self-employment tax due with respect to such income; to the Committee on Ways and Means.

By Mr. GRADISON (for himself, Mr. ANDERSON of Illinois, Mr. BAUCUS, Mr. BROWN of Michigan, Mr. HARRINGTON, and Mrs. PETTIS):

H.R. 12566. A bill to amend the Internal Revenue Code of 1954 to provide for automatic cost-of-living adjustments in the income tax and withholding rates; to the Committee on Ways and Means.

By Mr. HANSEN:

H.R. 12567. A bill to amend the Federal Reserve Act to provide that the chairman and vice chairman of the Board shall continue to serve until their successors are designated and have qualified; to the Committee on Banking, Finance and Urban Affairs.

By Mr. HARKIN (for himself, Mr. NOLAN, and Mr. SIMON):

H.R. 12568. A bill to require that domestic banks semiannually report to the Secretary of the Treasury the amount of each loan to and investment in any foreign country which is found to engage in consistent patterns of gross violations of internationally recognized human rights; to the Committee on Banking, Finance and Urban Affairs.

By Mr. HYDE:

H.R. 12569. A bill to amend title I of the Omnibus Crime Control and Safe Streets Act of 1968 to provide for the recapture of unused proceeds of certain grants; to the Committee on the Judiciary.

By Mr. LAFALCE:

H.R. 12570. A bill to prevent inequities in the administration of income determinations pertaining to low-rent housing; to the Committee on Banking, Finance and Urban Affairs.

By Mr. LEGGETT (for himself, Mr. FORSYTHE, and Mr. TRIBLE) (by request):

H.R. 12571. A bill to amend the Fishery Conservation Zone Transition Act in order to give effect to the Reciprocal Fisheries Agreement for 1978 between the United States and Canada; to the Committee on Merchant Marine and Fisheries.

By Mr. MIKVA (for himself, Mr. COCHRAN of Mississippi, Mr. MURPHY of Pennsylvania, Mr. NOLAN, and Mr. RYAN):

H.R. 12572. A bill to correct inequities in certain sales representatives practices, to provide protection for certain sales representatives terminated from their accounts without justification, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. MIKVA (for himself and Mr. VOLKMER):

H.R. 12573. A bill to abolish certain Federal regulatory agencies and to cause the self-destruct of certain Federal regulatory agencies or their successor agencies after a specified period of time, and for other purposes; jointly, to the Committees on Government Operations, and Rules.

By Mr. MINISH (for himself, Mr. ADDABBO, Mr. AKAKA, Mr. ANNUNZIO, Mr. EILBERG, Mr. FARY, Mrs. FENWICK, Mr. FLORIO, Mr. GONZALEZ, Mr. HANLEY, Mr. HARRINGTON, Mr. HOLLENBECK, Ms. HOLTZMAN, Mr. HUBBARD, Mr. HYDE, Mr. MITCHELL of Maryland, Mr. NEAL, Mr. PATTEN, Mr. RICHMOND, Mr. RODINO, Mr. ROE, Mr. ST GERMAIN, Mr. SIMON, Mrs. SPELLMAN, and Mr. VENTO):

H.R. 12574. A bill to revise the Interstate Land Sales Full Disclosure Act; to the Committee on Banking, Finance and Urban Affairs.

By Ms. OAKAR:

H.R. 12575. A bill to encourage the investment in, and installation of, solar heating and cooling devices in private homes, apartment complexes, and business establishments through low-interest, long-term loans guaranteed by a solar energy user assistance program, as a practical energy alternative to fossil fuel sources; to the Committee on Banking, Finance and Urban Affairs.

By Mr. PRICE (for himself and Mr. BOB WILSON) (by request):

H.R. 12576. A bill to provide for the advance payment of station housing allowances for members of the uniformed services assigned overseas; to the Committee on Armed Services.

By Mr. ROONEY:

H.R. 12577. A bill to amend the Federal Railroad Safety Act of 1970 to authorize additional appropriations, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. WAGGONNER (for himself and Mr. FRENZEL):

H.R. 12578. A bill to amend the Internal Revenue Code of 1954 to make certain technical changes; to the Committee on Ways and Means.

By Mr. WALSH:

H.R. 12579. A bill to amend the Public Buildings Act of 1959 in order to restore the Pension Building in Washington, District of Columbia, to house the Museum of Building Arts, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. WHITEHURST:

H.R. 12580. A bill to authorize the Federal Home Loan Bank Board to allow Federal savings and loan associations to issue graduated payment and reverse annuity mortgage instruments; to the Committee on Banking, Finance and Urban Affairs.

By Mr. WYDLER (for himself, Mrs. CHISHOLM, Mr. CONABLE, Mr. LENT, Mr. MCEWEN, Mr. ROSENTHAL, Mr. SCHEUER, and Mr. WALSH):

H.R. 12581. A bill to extend the authority of the Secretary of the Treasury to make loans under the New York City Seasonal Financing Act of 1975 for a period of 3 years; to the Committee on Banking, Finance and Urban Affairs.

By Mr. WYDLER (for himself, Mr. AMBRO, Mr. KEMP, Mr. LENT, Mr. WALSH, and Mr. ZEFERETTI):

H.R. 12582. A bill to prevent Federal enforcement of racial quotas; to the Committee on the Judiciary.

By Mr. JOHN L. BURTON (for himself, Mr. BROOKS, and Mr. HORTON):

H.R. 12583. A bill to authorize the permanent establishment of a system of Federal Information Centers; to the Committee on Government Operations.

By Mr. ROGERS (for himself, Mr. PREYER, Mr. SCHEUER, Mr. WAXMAN, Mr. FLORIO, Mr. MAGUIRE, Mr. MARKEY, Mr. OTTINGER, Mr. WALGREN, and Mr. CARTER):

H.R. 12584. A bill to amend the Public Health Service Act to revise and extend the authorities under that act relating to health services research and health statistics and to establish a National Center for Health Care Technology, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. JACOBS (for himself, Ms. KEYS, Mr. BRINKLEY, Mr. CLEVELAND, Mr. CRANE, Mr. GINN, Mr. GRASSLEY, Mr. GUYER, Mr. ICHORD, Mr. KINDNESS, Mr. NICHOLS, Mr. RISENHOOVER, Mr. SEBELIUS, Mrs. SPELLMAN, Mr. TUCKER, Mr. WHITE, and Mr. WHITEHURST):

H.J. Res. 887. Joint resolution to amend the Constitution of the United States to provide for balanced budgets and elimination of the Federal indebtedness; to the Committee on the Judiciary.

By Mr. MOORE (for himself, Mr. STRATTON, Mr. STUMP, Mr. WAMPLER, Mr. WATKINS, Mr. WHALEN, Mr. WHITEHURST, Mr. WHITTEN, Mr. WYLIE, Mr. YOUNG of Florida, Mr. YOUNG of Texas, Mr. ALEXANDER, Mr. ALLEN, Mr. ANDREWS of North Dakota, Mr. ARCHER, Mr. ARMSTRONG, Mr. BALDUS, Mr. BARNARD, Mr. BEDELL, Mr. BLANCHARD, Mr. BRECKINRIDGE, Mr. BRINKLEY, Mr. BROOMFIELD, Mr. BUCHANAN, and Mr. BURGENER):

H.J. Res. 888. Joint resolution designating July 1, 1978, as "National Free Enterprise Day"; to the Committee on Post Office and Civil Service.

By Mr. MOORE (for himself, Mr. MARKEY, Mr. MARTIN, Mr. MATHIS, Mr. MATTOX, Mr. MINETA, Mr. MURPHY of Illinois, Mr. NEAL, Mr. NOWAK, Mrs. PETTIS, Mr. POAGE, Mr. PRESSLER, Mr. PRITCHARD, Mr. PURSELL, Mr. QUIE, Mr. QUILLEN, Mr. REGULA, Mr. RINALDO, Mr. RUPPE, Mr. SARASIN, Mr. SAWYER, Mr. SHARP, Mr. SHUSTER, Mr. SKELTON, and Mr. STANGELAND):

H.J. Res. 889. Joint resolution designating July 1, 1978, as "National Free Enterprise Day"; to the Committee on Post Office and Civil Service.

By Mr. DERWINSKI:

H. Con. Res. 605. Concurrent resolution calling upon the President to direct the U.S. Ambassador to the United Nations to use all means at his disposal to obtain action by the General Assembly terminating the observer status of the Palestine Liberation Organization; to the Committee on International Relations.

By Mr. EVANS of Georgia:

H. Con. Res. 606. Concurrent resolution disapproving proposed regulations of the Department of the Treasury requiring centralized registration of firearms and other matters; jointly, to the Committees on the Judiciary and Ways and Means.

By Mr. QUIE:

H. Con. Res. 607. Concurrent resolution disapproving proposed regulations of the Department of the Treasury requiring centralized registration of firearms and other matters; jointly, to the Committees on the Judiciary, and Ways and Means.

By Mr. MOAKLEY:

H. Res. 1166. Resolution to amend the Rules of the House of Representatives to provide that a committee cost estimate will not be required to be contained in a committee report if such report contains a cost estimate prepared by the Congressional Budget Office; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CONABLE:

H.R. 12556. A bill for the relief of Batavia Turf Farms, Inc.; to the Committee on Agriculture (referred by unanimous consent).

By Mr. PHILLIP BURTON:

H.R. 12585. A bill for the relief of Efren Segovia Hunter; to the Committee on the Judiciary.

By Mr. DUNCAN of Tennessee:

H.R. 12586. A bill for the relief of Samuel M. Yelton; to the Committee on the Judiciary.

SENATE—*Thursday, May 4, 1978*

(Legislative day of Monday, April 24, 1978)

The Senate met at 10:30 a.m., on the expiration of the recess, and was called to order by Hon. HERMAN E. TALMADGE, a Senator from the State of Georgia.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

God of all grace, our fathers trusted in Thee and learned that of Thy faithfulness there is no end. We would like to see the distant scene, the result of all our striving, but must be content with one step at a time. Shed Thy light upon our pathway. Keep us at tasks too hard for us, that we may be driven to Thee for strength. Keep us from hostility, vindictiveness, resentment, and all the degenerative diseases of political life. Spare us from fretfulness and self-pity. Open our eyes to the simple beauty all around us and our hearts to the goodness and nobility people hide from us because we do not try enough to understand them.

In a world such as this we do not ask that Thou wilt keep us safe but that Thou wilt keep us true to truth and faithful to Thee.

We pray in His name who went about doing good. Amen

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., May 4, 1978.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable HERMAN E. TALMADGE, a Senator from the State of Georgia, to perform the duties of the Chair.

JAMES O. EASTLAND,
President pro tempore.

Mr. TALMADGE thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF LEADERSHIP

The ACTING PRESIDENT pro tempore. The Senator from West Virginia.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

BILL DOWNS

Mr. ROBERT C. BYRD. Mr. President, it was with much sadness that I learned this morning of the death of Bill Downs, a highly respected Washington journalist.

Mr. Downs had a varied and exciting career during his more than four decades as a newsman. It included work on newspapers in his native Kansas City, domestic and foreign reporting for United Press International, and network broadcasting assignments ranging from the Battle of Stalingrad to coverage of the issues of ecology and natural resources.

I came to know Bill Downs through his attendance at the news conferences I hold each Saturday, although, of course, he was preceded to my office by the outstanding reputation he earned over his many years as a reporter.

I extend my sympathy to his wife and family, and to his many colleagues who had the privilege to know and work with him.

COMMITTEE MEETINGS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Banking, Housing, and Urban Affairs Committee be authorized to meet during the session of the Senate today to consider housing authorization legislation for fiscal year 1979.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

REPUBLICAN DECLARATION ON NATIONAL SECURITY AND FOREIGN POLICY

Mr. BAKER. Mr. President, on Tuesday of this week the Republican conference unanimously adopted a policy statement on national defense and foreign policy. I believe it is an important statement on these issues by the loyal opposition; that it is a responsible effort to suggest intelligent and reasonable debate in the public forum on issues of prime national importance; and, I believe, is the exercise of highest political responsibility.

I commend the Senator from Texas (Mr. TOWER), whom I asked to serve as chairman of a special ad hoc committee charged with the task of formulating this statement, and the members of his committee, Senators GARN, DANFORTH, GRIFFIN, HEINZ, and PEARSON, as well as the other Republican members of the Foreign Relations Committee, Senators CASE, JAVITS, and PERCY, who coordinated carefully with the preparation of this statement, and the other Republican members of the Senate Armed Services Committee, Senators THURMOND, GOLDWATER, SCOTT, BARTLETT, and HELMS, who contributed much as well. I am pleased, Mr. President, to ask unanimous consent that this report be printed in the RECORD following my remarks.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. (See exhibit 1.)

Mr. BAKER. I would note in deference to the Public Printer that only the body of the report is submitted for the RECORD and that the appendix and supporting data attached to the statement adopted by the conference have been omitted.

EXHIBIT 1

U.S. SENATE REPUBLICAN DECLARATION ON NATIONAL SECURITY AND FOREIGN POLICY

Consistent with the bipartisan spirit that has characterized American foreign policy since World War II, the minority party should not engage in needless partisan carping or succumb to the temptation to politicize the difficulties which might confront any administration in its pursuit of world peace and stability. Having acted with restraint, however, we should not be deterred from articulating growing national concern over the current state of that policy and what is seen as a mounting threat to America's national security. To do less would be a dereliction of duty.

In the national security arena we are deeply troubled by the changing trends in the military balance and the growing Soviet military threat to the United States posed by these unfavorable trends.

Recent national surveys show a deepening concern by the American people over Soviet power and behavior and rising skepticism about the future adequacy of U.S. defenses to deal with this growing threat. We share this concern and believe it is time to speak out.

The military posture of the United States cannot be considered in the abstract, but must be viewed in a geo-strategic and geo-political context. We do not arm for ambitious self aggrandizement. That the U.S. has no desire to extend its suzerainty to other parts of the globe is apparent to the informed and fairminded. Confronted as we are, however, by a powerful adversary whose goals are incompatible with our own and who, judged by its actions, appears bent on imposing its social and economic system on the world, it is necessary to maintain our defense perimeters consonant with our defense responsibilities. This requires a credible American military presence in and close cooperation with friendly states in many parts of the world. We do not inflict our presence on the unwilling, but maintain it in countries whose perceptions of their national interests make such accommodations desirable to them.

We arm, then, to deter aggression against ourselves and others and to ensure our own national security and freedom of normal political and economic intercourse in the world community. We arm to foster a climate in which peoples everywhere can aspire to self determination and have some reasonable hope of realizing that dream. Within this context it behooves us to consider Soviet actions with insight and objectivity.

There have been setbacks in Soviet diplomatic and military policy. They failed in Greece, Berlin and in the Cuban missile crisis. They were thwarted in Indonesia and thrown out of Egypt and Somalia. They have an inefficient agriculture system, growing consumer dissatisfaction and serious economic problems. Their European allies may be unreliable and they face a troublesome dissident movement at home. Some analysts have speculated that some or all of these factors might force the Soviet leadership to slow down its ambitious foreign policy and its military buildup. Others have maintained that once the Soviets reached nuclear parity with the United States the pace of their arms buildup would slacken.

Unfortunately, Soviet setbacks and problems are no cause for euphoria because the Soviet leadership is not restrained by failure abroad or serious domestic problems at home. They unrelentingly continue their arms buildup while probing for new opportunities abroad. This Soviet conduct will, of course, endanger the prospect for world peace and the reduction of tensions unless strong resolve is exhibited by the U.S. to meet this challenge. The current lack of resolve exhibited by the Carter Administration does not sugar well for the cause of peace.

The Soviet Union continues to be the major threat to peace and stability in the world. Despite talk of détente, we believe the Carter Administration incorrectly interprets the intentions of the Soviet Union and its commitment to achieve conventional military and nuclear superiority to secure wide-ranging geo-political goals. Statements by top Administration officials indicate that they believe the Soviets merely seek strategic parity with the United States and that the Soviets regard the possibility of nuclear war as unthinkable.

We believe the Carter Administration has failed to understand adequately and communicate to the American people the nature of the Soviet threat. We must agree with those analysts who believe that:

The Soviet leadership still holds power and resolve in high esteem.

The Soviets may now believe that nuclear war in some form is not unthinkable and have never ruled out the possibility of winning a nuclear conflict.

Military superiority, not equality, is the goal of Soviet planning.

One scholar of Russian affairs recently wrote that:

"(Soviet doctrine) spells the rejection of the whole basis on which the U.S. strategy has come to rest: thermonuclear war is not suicidal, it can be fought and won, and thus resort to war must not be ruled out . . .

"The strategic doctrine adopted by the USSR over the past two decades calls for a policy diametrically opposite to that adopted in the United States by the predominant community of civilian strategists: not deterrence but victory, not sufficiency in weapons but superiority, not retaliation but offensive action."

The Carter Administration appears to view Soviet intentions as it would like to see them. However, decisions affecting the security of the free world cannot be based on wishful thinking, but must be influenced by the hard realities of Soviet behavior.

As Soviet military power continues its unprecedented growth, America's military strength is being degraded by Presidential decisions to unilaterally cancel major weapons systems without seeking reciprocation from the Soviet Union.

When President Carter took office more than a year ago, the United States was respected as the leader of the free world.

Our relations with the Soviet Union were stable and we were close to an equitable strategic arms limitation agreement.

Our NATO and Far Eastern allies looked upon us as a reliable partner and our military arsenal was being strengthened to meet growing global challenges. In the Middle East our step-by-step diplomacy had won the respect and confidence of both the Arabs and Israelis and significant progress had been made toward a permanent settlement of that ancient dispute.

In 15 short months of incoherence, inconsistency and ineptitude, our foreign policy and national security objectives are confused and we are being challenged around the globe by Soviet arrogance.

The policy of human rights advocacy is in the best American tradition; but pragmatism in our international relationships is the keystone of an effective foreign policy. This Administration has failed to handle the situation with adequate sensitivity and skill.

In Africa, Moscow poured one billion dollars in arms into Ethiopia and Soviet officers directed the combat operations of more than 17,000 Cuban troops against Somalia. The Carter Administration's feckless handling of the Ethiopian-Somalia conflict opened the way for the Soviets to carry out their naked geo-political power play. This imposing Soviet presence in the Horn of Africa, coupled with their presence in Iraq, creates a pincer movement around our vital sources of Middle East oil and threatens the sea lanes over which it is delivered. Encouraged by their successes in Ethiopia and Angola, further Soviet aggression is mounting in southern and central Africa.

In the Middle East, the delicate and sensitive peace moves are stalled.

In Italy, the Communists already have a substantial voice in the government. The growing influence of Eurocommunism could have a destabilizing effect in Spain and Portugal and put even greater pressure on U.S. relationships with our other NATO allies.

Despite the profound historical, strategic and economic shifts these Eurocommunist successes would imply, the Carter Administration has timidly failed to use the marginal influence it might have in forestalling the presence of communists in the governments of major western powers.

In the Far East, as the Administration begins withdrawal of ground forces from South Korea, Japan and other Pacific nations contemplate the significance of a diminished American presence and influence in the western Pacific. Even Peking can hardly conceal its apprehension for what they perceive as our growing weakness and irresolution.

Senate Republicans have a higher responsibility to the American people than to remain silent while an inexperienced and inept leadership is compromising America's ability to defend itself. As the voice of the minority party in the Senate we object to patterns of conduct that, if continued, could lead to disaster. It is our duty and responsibility to offer constructive alternatives and initiatives consistent with our perceptions of the national interest. In that spirit, we offer this U.S. Senate Republican Declaration on United States National Security and Foreign Policy.

The Soviet military and diplomatic challenge

Although we believe that a rough strategic balance still exists between the United States and the Soviet Union, we are deeply disturbed that the Soviet strategic buildup has continued far beyond those levels necessary for defensive purposes. The Soviet expansion and modernization of conventional forces in recent years far exceeds U.S. efforts. Coupled with President Carter's unwise defense decisions, which are actually degrading the U.S. strategic posture, this buildup will soon subject the United States and the free world to a serious nuclear imbalance.

Americans who advocate unilateral steps on our part toward disarmament, however honestly motivated, proceed from premises based on perceptions of the Soviets that we believe are dangerously naive and unrealistic. We believe the time has come for the U.S. to measure the Soviet Union by its actions and not by its words.

The Soviet arms buildup is distinguished by the fact that it is across the board. No aspect of the Soviet military posture has been neglected. As the United States has reduced its manpower levels, the Soviets have increased theirs. While the U.S. Navy continues to be reduced in numbers, the Soviet Navy is expanding rapidly. While the U.S. delays the MX, its new intercontinental ballistic missile (ICBM), terminates the B–1 bomber and postpones the enhanced radiation weapons, the Soviets continue to develop and deploy the Backfire bomber and a new generation of more accurate ICBMs with throw-weights far exceeding the U.S. Minuteman. In defense spending, the Soviets continue to outstrip the United States. The USSR has developed adequate to highly sophisticated capabilities in civil defense, continental air defense, anti-ballistic missile systems (ABM), chemical warfare and satellite killers.

The Soviets continue to move ahead on a broad scale with ambitious research and development (R&D), extensive production facilities and ongoing deployment. Too frequently the U.S., for a variety of reasons, does not deploy critical systems which have undergone development, leaving us with an aging and increasingly obsolescent military posture.

Let us remember the following facts of Soviet history:

The Soviet Union is the most insatiate colonial power in the modern world. Her conquests are legion.

In 1939 the Soviets seized Latvia, Lithuania and Estonia.

The occupation of eight European countries by the Red Army during and after World War II enabled Moscow to impose communist governments in every nation of Eastern Europe.

From 1945–48 the Soviets exerted strong pressure against Berlin and Greece. President Truman's courageous action saved both from falling under Moscow's domination and led to the Marshall Plan and the creation of NATO.

In the 1950's the Soviets edged their way into Indonesia and during the Nasser regime in Egypt established a major presence there.

In 1953 Soviet and East German forces crushed a workers' uprising in East Germany.

In 1956 Soviet tanks crushed the Hungarian revolt.

In 1961 Soviet and East German forces built the Berlin Wall which to this day represents the bankruptcy of Communist totalitarianism more than anything else.

After Castro announced he was a Marxist and a Communist, the Russians attempted their most daring move of the post-war era by introducing nuclear missiles into Cuba in 1962. America acted quickly and courageously. President Kennedy, with the strong support of the American people and backed by overwhelming nuclear and naval superiority, forced the Soviets to remove their missiles from Cuba and the world was spared a nuclear confrontation. Many experts believe the Cuban confrontation marked the beginning of the current Soviet military buildup.

After the Czech people had won important freedoms from their government in 1968, the Soviets brutally crushed the movement with

tank forces and enunciated the Brezhnev doctrine.

Starting in 1970, the time when most experts agree the Soviets began to approach strategic parity with the United States, Moscow became much more strident in its political and military adventurism. In the last eight years the Soviet Government, either directly or by using its Cuban surrogates, has become the provocateur of revolution and instability through highly disciplined and well-armed clandestine infrastructures in many underdeveloped countries. The list of its recent and current involvement continues to grow.

The Soviets were the major arms supplier to the North Vietnamese Communists.

They assisted through supplies and Cuban surrogates the successful seizure of power in Angola by anti-western Marxist forces.

There is clear evidence that the Soviets and Cubans now have military advisors in Mozambique assisting Rhodesian guerrilla forces.

The Soviet Union has established a permanent presence in Ethiopia by sending military personnel to assist Ethiopian and Cuban forces fighting against Somalia.

The Soviets have brazenly established a military and naval presence in the strategic Horn of Africa and the Indian Ocean. This gives them the geomilitary capability to interdict the vital sea lanes to U.S. and western petroleum sources in the Middle East.

The Soviets are the major arms supplier to Cuba and Peru in the Western Hemisphere.

The Soviet Union is the major arms supplier to Syria, Iraq, South Yemen, Libya and the PLO (indirectly through pro-Soviet Arab States) in the most politically explosive area of the world.

THE CHANGING MILITARY BALANCE

Strategic forces

We believe America stands at the nuclear crossroads. The unquestioned strategic superiority held by the United States from 1945–1970 no longer exists. An unprecedented buildup of Soviet strategic weapons continues with the trends becoming less favorable to the United States each year.

Since 1972 the Soviets have:

Deployed four new ICBMs, the SS–16, SS–17, SS–18 and the SS–19;

Built and deployed over 100 new supersonic intercontinental Backfire bombers. Production continues at the rate of at least two or three per month;

Deployed the Delta I and Delta II SLBM submarines. A Delta III is currently undergoing sea trials;

Improved the targeting and accuracy capabilities of their ICBM forces with significant improvements on the two heaviest missiles, the SS–18 and SS–19;

Developed and tested a satellite killer;

Exceeded the U.S. effort in research, development, test and evaluation (RDT&E), weapons procurement and other defense investments every year since 1969. In 1977 that effort was 75 percent larger than the American program.

The pace of Soviet strategic programs is unprecedented. Dr. Fred Iklé, a former director of the United States Arms Control and Disarmament Agency, believes that American intelligence has a habit of consistently "underestimating the dimensions and progress of Soviet weapons programs . . ." Dr. Iklé also raises the possibility that Soviet missile accuracy may soon equal or surpass U.S. strategic systems.

"Today, they have more missiles and larger ones, and a far more vigorous program for replacing and upgrading their . . . missile forces. Thus they are also catching up—and may perhaps surpass us—in the kinds of strategic weaponry where we are still ahead: in numbers of missile warheads, the survivability of forces, and missile accuracy."

Should the Soviets equal or surpass the U.S. technological lead, they will have achieved undisputed nuclear superiority. Their missiles will then have considerably more throw-weight, carry more multiple independently retargetable reentry vehicles (MIRVs) and be just as accurate as the U.S. ICBM force.

The Soviet strategic and military buildup greatly troubled President Ford. He moved to counter it by ordering production of the B–1 bomber, accelerating development of the MX missile and a much needed increase in the defense budget.

Unfortunately, since taking office, President Carter has reversed most of Mr. Ford's decisions. The Carter actions will do nothing to arrest the Soviet trends and will, in fact, place key elements of the U.S. strategic TRIAD (manned bombers, sea-based ballistic missiles and land-based ICBM's) in serious jeopardy in the early 1980's.

President Carter and Secretary Brown have twice delayed development of the MX missile thereby postponing its initial operating capability (IOC) from 1983 to 1987.

The President cancelled production of the B–1 bomber. He disregarded most expert findings which demonstrated the need for a new supersonic penetrating bomber. In making his B–1 decision, Mr. Carter placed a higher premium on cost than on mission superiority; he did not get from the USSR any quid pro quo.

President Carter opted for the cruise missile over the combined new penetrating bomber-cruise missile system proposed by the Ford Administration. The cruise missile system was not designed as a substitute, but as a complementary system for the manned penetrating bomber. It may be susceptible to new and improved Soviet defenses in the 1983–1987 time frame when it is scheduled for deployment.

The Carter defense decisions, unless reversed, could be disastrous to the United States within a few years.

If the Soviets are allowed to achieve strategic superiority, the United States and the free world can expect Soviet diplomatic blackmail, increased adventurism around the world and added pressures upon the countries providing essential raw materials to the industrialized nations.

If development and deployment of new systems for the U.S. TRIAD continues to be delayed or terminated by Mr. Carter, the TRIAD will progressively lose its deterrent capability. Unfortunately, all three legs of the U.S. TRIAD will approach either obsolesence or serious vulnerability in the 1983–1987 time frame.

The B–52 is a subsonic and aging weapon system with a diminishing capability to penetrate an improving Soviet air defense system that is already the strongest in the world.

The U.S. Polaris and Poseidon SLBM (submarine-launched ballistic missile) submarines will approach the end of their effective useful life in the mid 1980's. Our present SLBM system was not designed nor does it have a hard target-kill capacity.

While the Trident submarine is currently scheduled for deployment in this time frame, the delays experienced to date will have the effect of reducing the number of missiles the U.S. will have at sea.

The U.S. ICBM force will be highly vulnerable to Soviet ICBMs in the early to mid 1980's, especially as Soviet missile accuracy improves. Some experts estimate that only a small percentage of the U.S. ICBM force would survive a surprise Soviet attack.

The United States does not maintain an adequate continental air defense. Although our air defense forces are superbly trained and ready, the number of aircraft is grossly insufficient to cope with the rapidly expanding Soviet bomber threat.

Naval forces

The Soviet Navy now represents a serious military challenge to the United States and the West. The overall naval balance still favors the U.S. by a slim margin despite the numerical advantage held by the USSR.

The Soviet Navy, under the long-time command of Admiral Sergei Gorshkov, has developed into a worldwide, blue water force capable of challenging the U.S. anywhere on the high seas. Admiral James L. Holloway III, the U.S. Chief of Naval Operations, recently stated that "the most dramatic development since the early 1960's in over-all Soviet strategy has been the evolution of its Navy."

As the largest nation on the Eurasian land mass, the Soviet Union's main lines of communications (LOC) are overland. The Soviet Union is basically independent of foreign natural resources and her major allies are adjacent to her own borders. Thus, the Soviet Union does not need a blue water navy for national defense, national survival or to protect the shipment on the high seas of raw materials and finished goods essential to her economic existence. What then is the role of this new Soviet blue water Navy?

Under Admiral Gorshkov's leadership and with generous funding from the Soviet hierarchy, the Soviet Navy has developed the ability to operate worldwide and to conduct a wide range of naval operations. They have built a global electronic intelligence system, the world's largest submarine and merchant fleet and are building a fleet of helicopter and aircraft carriers.

The Soviet Navy has been used increasingly by the Soviet leadership to implement its global political strategy. Naval backing supported their involvement in Egypt, Angola, Somalia, Ethiopia and South Yemen. They now have a naval presence in the Indian Ocean, the Caribbean, the North Atlantic, the South China Sea and the Baltic. The Soviet fleet in the Mediterranean is a most successful and effective projection of naval power.

We are very concerned about the growing ability of the Soviet Navy to interdict the shipment of Middle East oil to the industrialized nations of the world. Soviet ships maintain a continued presence adjacent to the petroleum LOCs in the Mediterranean, the Indian Ocean, the Persian Gulf and off the West Coast of Africa.

The President's proposals for the Navy call into question the Administration's commitment to a Navy that can protect American interests on a worldwide basis. The Administration's long awaited naval study, entitled *Sea Plan 2000*, was recently completed and forwarded to the Congress, Option 1, the lowest of the force alternatives examined by the study, was described by the Secretary of the Navy as a "high risk option with a low degree of flexibility, with minimum capability across the range of naval tasks." The Chief of Naval Operations, Admiral Holloway, personally testified before the Senate Armed Services Committee that this lowest option is one that would "require this country to alter its national strategy from a forward strategy to something less than that." On the day following its submission, President Carter announced a new five-year shipbuilding program *which is lower than option I in the Sea Plan 2000 study*. While the Ford Administration had proposed to build 157 ships from FY 1979 to FY 1983, the Carter Administration is proposing *only 70*. This revised plan portends reductions in our future naval force levels that will inevitably require a redefini-

tion of U.S. Naval strategy. This plan, if approved by Congress and adhered to for the prescribed number of years, will fundamentally alter the role of American sea power in the mid 1980's and beyond. In making this decision, the President flatly rejected the recommendations of his Secretary of the Navy and the Chief of Naval Operations.

Historically, U.S. Naval Forces have served to:

Maintain stability by forward deployed forces.

Contain crises by providing flexible forces which afford wide latitude in their application to regions where stability may be threatened or lost.

Deter and fight a global war when necessary.

Were global war to erupt, U.S. Naval Forces would be required to defend the sea lines of communication, reinforce our allies overseas, apply pressure to the Soviet Union through offensive naval operations, and provide the vital hedge against numerous political and military uncertainties. Under the Carter Administration's proposals, however, the U.S. Navy would be limited to a much narrower role of defending the sea lines of communications and resupplying U.S. and allied forces.

We submit that this retreat from a forward naval strategy would make it impossible for the United States to retain the confidence of our NATO and Pacific allies. The fiscal year 1979 defense budget was advertised as a "NATO BUDGET," but the Administration has set the stage for a future naval force that will clearly be inadequate to sustain our commitments to the Alliance.

We believe that the Carter Administration's plans for the U.S. Navy will set the stage for Soviet naval superiority in less than a decade.

NATO and the conventional balance

As our NATO allies look around them, they have serious cause for concern. They see an offensive Warsaw Pact with a superior conventional capability and the Soviet Union with conventional forces superior to the United States. They see the growing political influence of communist parties in Western Europe and a new American administration making unwise defense decisions.

If these perceptions deepen, our allies may become increasingly convinced that their future security lies in making unilateral accommodations with Moscow. A second but less viable option for them would be to build their own cruise missiles and replace or acquire their own nuclear forces—in short, to go their own way in defense.

We support the President's emphasis on the NATO Alliance. His plan to increase U.S. conventional forces in Europe and the transfer of a U.S. Army brigade to the North German plain are timely actions.

At the same time, however, we question other actions by President Carter that will adversely affect NATO.

President Carter has postponed production of the enhanced radiation weapons. His handling of this critical decision has deeply dismayed our NATO partners and is reported to have dismayed SHAPE (Supreme Headquarters, Allied Powers Europe).

In making this decision the President again got nothing in return. We believe he should have insisted on a reduction in the number of Soviet tanks deployed against the NATO Alliance since the enhanced radiation weapons were intended to be a major anti-tank weapon.

Some of our NATO allies have committed themselves to a real defense budget increase of 3 percent. They are disturbed that Mr. Carter's FY 1979 defense budget reflects an increase of only 1.8 percent.

They are deeply concerned over the proposed cruise missile concessions made by Mr. Carter in the SALT negotiations. The 600 km range limitation on the ground launched cruise missile (GLCM) and the sea launched cruise missile (SLCM) makes those systems essentially useless for our NATO allies, because a cruise missile with a 600 km range cannot reach many critical targets.

Under the cruise missile provisions of the three-year protocol now being considered by the Carter Administration, the U.S. cannot give its NATO allies anything denied to itself. Thus, if the U.S. is bound by a 600 km range limitation, it cannot provide ground or sea launched cruise missiles with longer ranges to NATO countries.

Western Europe is deeply concerned over the continued expansion of Soviet naval power and the growing inability of allied naval forces to assure control of the seas, especially those areas surrounding the northern and southern flanks of NATO.

Our NATO allies are justifiably concerned over the growing disparities in the European theater nuclear balance. SALT I did not limit Soviet intermediate range ballistic missiles (IRBM), and they are not being negotiated in SALT II. Meanwhile the Soviets are now deploying their mobile SS-20 IRBM, which, along with their older IRBMs, is creating a dangerous nuclear imbalance for Western Europe. They are deploying improved weapons systems and tactical aircraft in the forward areas of the Warsaw Pact. The Soviet Navy continues to extend its power in the Mediterranean, the North Sea and the Baltic area.

The overall balance between NATO and Warsaw Pact conventional forces clearly favors the Eastern Bloc. The Warsaw Pact holds significant advantages in ground force personnel, tanks, armored personnel carriers, heavy mortars and artillery. The U.S. and NATO hold the advantage in helicopters. The Warsaw Pact remains the most formidable offensive military organization in the world.

Two other factors affecting the conventional balance in Europe between NATO and the Warsaw Pact are the preponderant Soviet advantage in chemical warfare and the serious deficiencies which exist in U.S. airlift capability.

General George Brown in his posture statement described the USSR as "better prepared to engage in chemical warfare than any other nation; [with] formidable offensive and protective capability." Conversely, he described the U.S. as "currently marginally prepared to survive chemical attacks; [and] not prepared to conduct sustained chemical operations."

In any conventional conflict in Europe, U.S. airlift capability will be a major factor in the outcome especially in the early stages.

America's airlift capability has critical limitations. There is a program underway to correct this shortcoming, but when completed it will not fill the total need. We believe this schedule should progress at a faster rate.

In summary, the conventional military balance clearly favors the Soviet Union and the Warsaw Pact. With each passing year the balance becomes less favorable to the United States and the NATO Alliance.

National security expenditures

We believe the American defense budget must be determined by the threat facing us and cannot be arbitrarily subordinated to other areas of public spending. Weakness, not strength is what tempts aggression. America should have learned that bitter lesson in the years before World War II and the Korean War. In real terms, after adjustment for inflation, we spend less on our defense posture today than we have for many years. Unfortunately, that spending is too low.

For FY 1979 Secretary of Defense Harold Brown recommended a budget of $130 billion total obigational authority (TOA). The President allowed a budget of $126.1 billion in TOA and $115.2 billion in outlays.

The Ford projection for FY 1979 under the five-year defense program called for a defense budget of $134.4 billion in TOA and $120.8 billion in outlays. Thus, President Carter has cut defense TOA by more than $8 billion and outlays by almost $6 billion. With the Soviets outspending the U.S. by nearly 40 percent and with a momentum in the defense program typified by Soviet deployment and U.S. nondeployment of new systems, we submit that these cuts will not only turn out to be false economy, but will seriously and adversely affect U.S. national security by the mid 1980's.

While increased spending for defense is required to maintain the strength and credibility of America's strategic and conventional deterrents and to support an enhanced research and development program, the defense budget, like all other areas of Federal spending, should be subjected to continued rigorous scrutiny to reduce and eliminate waste, duplication, or programs not clearly justified in terms of our defense needs. Given the current dangerous international environment and the need for the United States to devote more resources to defense, we cannot afford the luxury of waste or duplication in our defense programs.

The provision in the first concurrent resolution on the budget as passed by the Senate to add funds in budget authority for new military programs above the level of the President's budget request for FY 1979 is a step in the right direction which we support. A real growth of at least 3 percent in our defense spending will help us keep pace with the 4 percent growth that the Soviets have achieved for the past decade without fueling a new arms race.

The declining role of American senior military leaders

It is axiomatic in our society that civilian authorities should make foreign policy and should determine the military role in the implementation of that policy. It is an undisputed constitutional principle that the military must be subject to civilian control and to the authorization and oversight processes of the Congress. Prudence dictates, however, that once the roles and missions of the armed forces have been determined by the civilian authorities, great weight should be given to professional military judgment. The counsel of the Joint Chiefs of Staff is particularly vital in the selection of weapons systems, our overall capability to meet the broad spectrum of the Soviet threat, and the adequacy of our forces to support foreign policy objectives.

We see overriding evidence that the Carter Administration is attempting to reduce the role of the Joint Chiefs of Staff in the military decision-making process. Under reorganization plans and studies now underway in the Department of Defense, we see a return to the disastrous "Whiz Kid" approach, whereby systems analysts, most with no military experience, will exercise dominant influence over weapons systems used by the military.

We see further evidence that the influence of the Joint Chiefs of Staff in the decision-making process, whereby operational requirements for their respective services are determined is eroding. As a matter of fact, the experienced views of the military have already been ignored by Mr. Carter in several decisions affecting America's future security, including strategic arms development and naval strength. In light of past decisions and ongoing efforts to reduce the role of the Joint Chiefs in the military decisionmaking process, we must unfortunately conclude that President Carter disregards the views of this nation's senior military officers more than any President in recent history.

THE CARTER FOREIGN POLICY

We are deeply concerned over the foreign policy of the Carter Administration at a time the world is undergoing rapid change and the free nations face unprecedented challenges.

It is evident that no one, including the President, is in control of the foreign policy process. Frequent and serious differences of opinion and outright contradiction emanating from the President, his national security advisor, the Secretary of State and our U.N. Ambassador have left the distinct impression that the U.S. does not speak with a single voice. The recent confusion over linkage or the absence thereof between SALT II negotiations and Soviet intrusion into the Horn of Africa is a case in point.

The perception of American resolve and reliability held by our allies and adversaries is seriously deteriorating. Some key allies are becoming increasingly disturbed over the credibility of the American commitment as they watch Mr. Carter cut back on important areas of defense spending; and negotiate a SALT agreement perceived detrimental to their interests.

We are deeply concerned that the Soviets perceive the Carter Administration as weak, ineffective, soft in critical negotiations and unwilling to resist Soviet adventurism.

The Carter foreign policy is a patchwork quilt without continuity. It is frequently changed at a whim with a glaring absence of toughness and firmness.

The President is attempting to substitute motion and imagery for substance, as evidenced by his last two trips abroad, neither of which was necessary or prudent.

The President frequently comments impulsively on critical foreign policy positions in press conferences and public meetings. All too often these "instant policies" must either be retracted or carefully qualified. Often major policies are publicly disclosed before the affected countries are even consulted.

President Carter's numerous meetings with Heads of State have often been counterproductive because of poor preparation, timing and execution. Presidential summit meetings with leaders of other governments should be held only when necessary and with a reasonable chance for success.

The SALT II negotiations

Two Republican Administrations conducted negotiations for strategic arms limitations with a precision and care designed to assure the security of the United States. However, the current strategic arms limitations talks (SALT) are being conducted under vastly changed conditions from the overall military balance of power that existed in 1972 when the SALT I treaty was signed.

Since the ratification of SALT I, the Soviets have deployed entirely new systems for each leg of the Soviet TRIAD. On the other hand, the United States has not deployed any new strategic weapons systems during this period.

We are skeptical about the overblown rhetoric by the Administration as to the details and achievements of an agreement. We are concerned that the Administration views the agreement now being negotiated as better than none at all. In other words, the conclusion of a treaty has become an end unto itself.

Soviet strategic objectives at Geneva are clear. The Soviet concept—that advantages achieved in nuclear weapons are translatable into political influence—demonstrates a rejection of American theories of deterrence. Their emphasis on planning for civil defense, air defense and an active ABM system indicates that, unlike the U.S., the Soviets plan to limit damage in a nuclear exchange. This forces us to conclude that the prospect of nuclear war may well have become an acceptable risk to them.

We believe that a SALT treaty should meet rigorous standards. First, such a treaty, because it goes to the very core of the deterrence of nuclear war, must preserve the present strategic balance in a way that leaves no doubt in the perception of both adversaries and allies that real equality exists. Second, it should be clear in every respect that compliance can be adequately verified. These are valid objectives against which the treaty should be examined by the U.S. Senate and the American people.

Let us, therefore, review the negotiations to date.

In March 1977, Secretary Vance went to Moscow with President Carter's comprehensive proposals for SALT II. The President publicly announced these proposals before Mr. Vance presented them to the Soviets. Therefore it surprised no one that Mr. Brezhnev bluntly rejected the proposals and sent Secretary Vance home empty-handed. Under these strained circumstances, the Carter Administration dropped the comprehensive proposals and began to make significant concessions, some of which were made independent of the SALT negotiations.

B–1 bomber

Notwithstanding the vital importance of the B–1 in arms control negotiations, President Carter unilaterally cancelled production of the B–1 strategic bomber without asking or getting anything in return from the Soviets. The B–1 and MX decisions convey the impression to the Soviets that the Carter Administration will not take the necessary steps to maintain nuclear parity with the Soviet Union. The authoritative Jane's "All the World's Aircraft" referring to this decision stated;

". . . 1977 might be recorded as the year in which the seeds of defeat for the Western Powers were sown. . . . It is therefore vital for all peoples to understand that the fragile coexistence maintained for a generation by balanced East/West military power is being allowed to slip inch by inch from our grasp. . . . The Soviet Union has . . . fought uncompromisingly to restrict U.S. deployment of both the B–1 and the cruise missile. Its leaders must be surprised beyond belief that the U.S. President has disposed of the B–1 without asking any Soviet concession in return."

MX Missile

President Carter and Secretary Brown have delayed, for a second year, full-scale development of the MX missile. This, too, was done outside the SALT negotiations.

ICBMs

Recently, the Secretary of Defense conceded that, in the early to mid 1980s, the U.S. land-based missile force will be highly vulnerable to a Soviet first strike. This growing vulnerability is caused by an ongoing Soviet program to improve their missile forces through significant throw-weight increases, by MIRVing their missiles and by continuing to make dramatic accuracy improvements. It is also caused by continuing indecision about U.S. programs, such as the MX.

President Carter's SALT negotiators originally hoped to reduce this vulnerability by placing a limit of 150 on the number of Soviet heavy missiles, a limit of 550 on the number of MIRVed missiles and a limit on flight tests of ICBMs. During the course of negotiations, however, the Carter Administration has dropped each of these demands; and the Soviets will be allowed to deploy up to 308 heavy SS–18 missiles. A DOD spokesman admitted late last year that the expected agreement will not reduce the Soviet first strike technical capability. The agreement will also do nothing to inhibit the accuracy of any Soviet missiles now being deployed.

We believe the President's concessions regarding Soviet heavy missiles are a serious mistake.

Backfire

In the bargaining process, the Carter Administration has accepted the long-standing Soviet demand that the Backfire not be counted in SALT. The Backfire bomber has the operational capability to attack most of the United States and therefore, undeniably has an intercontinental utility as a nuclear strike system. U.S. negotiators have apparently ignored the clear capabilities of the Backfire in exchange for Soviet promises that the bomber will not be deployed against the Continental United States in a threatening way.

Cruise Missile

The United States, in the last five years, has given high priority to cruise missile technology. While the cruise missile is still in development and all of its potential uses not fully proven, the technological lead the U.S. enjoys is substantial. However, in negotiating the cruise missile provisions, this U.S. lead may be negated.

During the period of the three-year protocol, ground (GLCM) and sea-launched missiles (SLCM) will be limited to a range of 600 kms and air-launched cruise missiles (ALCM) will be limited to a 2500 km range. As a result of Administration concessions, restraints on MIRVed systems will limit the number of B–52s that can carry the ALCM.

The Soviets have stated in Pravda their demand that any restrictions on cruise missiles in the three-year protocol must be carried over into future agreements. An extension of the limitation on the ranges of air, sea, and ground-launched cruise missiles beyond the three-year protocol period would effectively negate the technological advantage we now enjoy.

Continued improvements in Soviet air defenses, which are not restricted in SALT II, could further degrade the effectiveness of the ALCM limited to a 2500 km range. Furthermore, we would be giving up valuable options for theater nuclear, conventional interdiction and anti-ship applications by limiting ground and sea-launched cruise missile ranges. This cannot be reconciled with the Administration's failure to insist on limiting the Soviets' 3000 km range mobile MIRVed SS–20.

We oppose restrictions on our flexibility to share cruise missile components or their design with our NATO allies.

Verification

A recent report submitted to the Congress by the Administration demonstrates overall less confidence on the verifiability of the SALT II agreement than was previously anticipated. In this report, the chief SALT negotiator, Ambassador Paul Warnke, describes the agreement as adequately verifiable to the extent that Soviet cheating would not substantially alter the strategic balance without detection. Such a standard for verification is ambiguous and unacceptable. We must have adequate verification to assure our national security.

Middle East

The syndicated columnist, Joseph Kraft, in his column appearing in the Washington Post on February 12 summed up the Carter Administration performance in the Middle East most succinctly:

"But because he is more a moralist than a strategist, because he cares more about cordial relations than diplomatic outcomes, Carter is not nearly as effective as he seems to think in personal diplomacy. The chances for peace in the Middle East after his latest encounters are where they stood before he met with Sadat and Begin.

"Unfortunately, the President does not realize that he performed in a pedestrian way. He seems to think he is a terrific whiz at personal diplomacy. And sadder still, none of those around him have the strength to tell him that in foreign policy, as in so many

other matters, he would be far better off if he delegated authority to others."

When President Carter took office he inherited the substantial achievements of the Nixon and Ford Administrations in laying a basis for a permanent peace in the Middle East. The Soviet Union's military influence had been expelled from Egypt. Its influence on the negotiating process, as evidenced by the Sinai II agreements, had been virtually eliminated. But the policy launched by the Carter Administration from this auspicious platform just fifteen months ago, has now reached an apparent impasse, and once again the Soviet Union may make an effort to gain control of the Middle East negotiations. On October 1, 1977 the Carter administration issued an extremely ill-advised joint declaration with the Soviet Union purporting to establish "principles" to govern a Middle East settlement under U.S.-Soviet cochairmanship of a reconvened Geneva Conference. Publication of the hastily drafted joint declaration met with almost universal consternation in the United States, Israel and Egypt.

The ill-conceived statements by President Carter concerning a "Palestinian Homeland", and an alleged overture to the PLO itself in the summer of 1977, appeared to tilt the United States to the establishment of a PLO state on the West Bank. Such a state would be as great a threat to its Arab neighbors as to Israel.

Now the Administration has maneuvered itself into a totally unnecessary disagreement with Israel over the way to translate President Sadat's historic peace mission to Jerusalem into specific terms for a peace agreement. The Administration has sought to press Israel to make ultimate concessions before substantive negotiations begin. In connection with the Sinai II agreement, the United States pledged to try to coordinate its policies respecting peace negotiations and activities in the United Nations with Israel. This has not been done.

The United States should take Israel at its word that everything including the settlements, is negotiable. And, the Administration should pay at least as much attention to the establishment of "preconditions" to negotiations as it does to alleged Israeli "inflexibility."

The record of the Carter Administration with respect to the achievement of a Middle East peace has fallen woefully short of the grandiose goals it set for itself. The failure of Middle East policy—as in so many cases—is largely attributable to a seemingly never-ending series of gaffes, miscalculations, imprecisions, indecisions and indiscretions of word and action.

We do not underestimate the seriousness of the challenge of bringing the parties of the Middle East to a just and lasting peace agreement. In pursuing the objective of a Middle East peace we believe the following principles should govern the conduct of United States diplomacy.

(a) The commitment of the United States to the preservation, security and integrity of the State of Israel as a matter of United States national interest and as a moral imperative.

(b) The maintenance and enhancement of American friendship with the moderate Middle Eastern Arab states, particularly Saudi Arabia, Egypt and Jordan.

(c) We are in accord with the views of those moderate Middle East Arab governments and of Israel which wish to prevent the Soviet Union from exercising dominant influence in the Middle East, or casting a veto in the peace negotiating process.

(d) The United States should cooperate with its Arab friends and allies in the Middle East and with Israel as they continue to try to achieve a lasting peace. We must assure President Sadat that his dramatic breakthrough is appreciated, through an American commitment to assist Egypt in its economic development, and to encourage those steps that will lead to a settlement of the outstanding issues between Egypt and Israel.

(e) Preservation of the U.S. mediation role in the pursuit of an overall peace agreement so as not to inhibit subagreements between individual states along the road to a final comprehensive settlement.

(f) We believe that equal weight should be given in the implementation of U.N. Resolution 242 to both the call for "secure and recognized boundaries" and to the call for Israeli withdrawal from "occupied territories."

Africa

Of all the activities by the Soviet Union outside its own borders, its actions in Africa provide the clearest demonstrations of the hypocrisy of Moscow's attempts to portray itself as a peace-loving nation concerned about the oppressed peoples of the world. The adventurism and intervention, far from its own borders in an area of the world posing no threat to the Soviet Union and having only limited strategic value to the USSR, reinforces the doubts about Soviet intentions toward the non-communist nations of the world.

The Soviet Union has taken advantage of tribal, racial and regional disputes and the understandable African reaction to the colonialism of the 19th century to forge its own brand of 20th century colonialism with Cuban rifle-bearers.

During the past two years, the flow of Soviet arms to Angola and Ethiopia raises serious doubts that the equipment is being supplied merely to help the host government. The numbers are far in excess of what was needed to assist Ethiopia in defending her borders against the Somalis. More recently, the Soviets have been helping the Ethiopian government prepare for a new campaign against the long-simmering rebellion in Eritrea. They backed one tribal faction against two other groups in Angola, and provided a general to direct Ethiopian battles against the Somalis.

These and other past interventions make a mockery of the Soviet claims that they are supporting downtrodden peoples.

The Soviets are acting as an imperial power, taking advantage of legitimate African nationalism when it suits their purpose and helping crush it in others, especially if it sees gain for themselves in the form of bases or influence.

Recent reports indicate that large supplies of Soviet-built equipment, including tanks and planes, are being shipped into Mozambique for possible use in the Rhodesia fighting. This increases the danger that once again the Soviets will be pouring gasoline on the fires of another conflict.

Yet at each stage in these developments, many American officials were reluctant to believe that anything more than a temporary intrusion was involved. They professed hopes that the Cubans and Soviets might withdraw after giving major assistance to their allies.

Some Carter Administration officials seem unwilling or unable to recognize or acknowledge that the Soviets and Cubans have and will continue to exploit situations of opportunity in Africa wherever and whenever they can. Indeed, the U.S. Ambassador to the U.N. has described the Soviet-financed Cuban forces in Africa as a "stabilizing force."

What is needed is willingness by the Administration to take a hard, cold and clear-eyed look at the situation.

Legitimate African nationalism should not be confused with communism or Marxism. And at the same time, militancy should not be confused with right.

The Administration must do some tough thinking about making use of the U.S. diplomacy and leverage.

What we have seen so far are Administration statements on Africa coming out of two sides of more than one mouth. One day there is linkage between the Soviet involvement in the Horn of Africa situation, the next day there is not. One week there is tough talk about building up our military strength, two weeks later we hear of cutbacks in ship construction for our navy, and the shelving of the neutron bomb production. But we do not see signs of any determined effort to make clear to the Soviets that their continued interventions in Africa will have an adverse impact on a wide range of our relationships, not just SALT.

The Soviet's trouble-making in Africa, as well as in the Middle East and other trouble areas, cannot help but affect the attitude of the American people when it comes to relationships which are more day-to-day than SALT negotiations—such as decisions on allowing exports of sophisticated technology, trade credits, and other items the Soviets and Cubans want from the West.

The Administration has appeared more concerned with placating the most militant common denominator in disputes such as Zimbabwe (Rhodesia) and Namibia (Southwest Africa) than with letting the moderates work out a solution themselves.

The Administration talks about majority rule but brushes aside a settlement accepted by black African leaders in Rhodesia who have the support of a majority of blacks within Rhodesia.

Instead of trying to build upon agreements and accommodations forged through patient negotiations, the Administration is more inclined to listen to the drummers of violence.

The Administration should stiffen its backbone against those who seek power through violence and intimidation. Uganda is a case in point. It should make it clear that American sympathy for those who have been denied self-rule does not extend to support for those who wish to carry out a power struggle because they have more guns than followers and common sense.

The U.S. long has supported majority rule in southern Africa. It supports a speedy and peaceful transition and safeguards for the rights of the minorities. As the U.S. civil rights record shows at home, there is a basic feeling that minorities of whatever color, tribe or origin are entitled to legal protection.

The Administration must continue to make these principles clear, whether in Uganda, the Central African Republic, Rhodesia or South Africa.

It is in the interests of the Africans themselves to try to assure the protection of their own minority tribal and political groups and to realize that if one group is discriminated against—as happened in the past—others may be treated the same way. It also makes economic common sense, for uncounted African jobs could be lost if the demands of the more militant elements are met and skilled white, Asian and perhaps even the growing number of African technicians and middle class workers are frightened into leaving, resulting in the collapse of the economic infrastructure. The goal of an equitable multi-racial society would benefit all groups.

The United States stands for basic decency and the fulfillment of the human potential in an open society. This applies to Rhodesia where moderate black leaders have emerged and the elements of a peaceful transition have been negotiated. This applies to South Africa, where the process and thinking will be deeply affected by the way the blacks, whites and coloreds see how events unfold in Rhodesia.

The African hopes of ending white minority rule in South Africa are not going to be helped by a replay of the Congo tragedy in Rhodesia.

The situation throughout the continent of Africa reflects growing uncertainty and instability, with the increasing danger of more bloodshed.

It is time for the Administration to speak frankly about what the Soviets are doing and their adverse impact on the Africans themselves in the long run. Unless the Administration is willing to stop putting the best gloss on the worst leaders and interventionalists, and start seeing and describing the situation more realistically, there is little hope that it can even begin effectively to promote democratic principles and peaceful change throughout Africa.

The issues at stake are complex, not just the tangibles of rich mineral resources and the Soviet efforts to enhance their strategic positions and power on the flanks of important routes to the West, but also the intangibles themselves—of the Africans achieving a better life without exchanging one form of tyranny for another, of letting their own new societies evolve without wounds inflicted by large numbers of imported weapons.

So far, this Administration has shown little ability to deal with these complexities. It can start by seeing things as they are.

Cambodia

The situation in Communist Cambodia today is perhaps the most brutal and inhumane in existence. More than one million Cambodians are believed to have died since the Communist regime came to power after the collapse of the Democratic government in April 1975. Most deaths are attributable to starvation, exhaustion, or execution. It is a closed regime, with little contact with the outside world.

Surprisingly, there has been little public attention to the atrocities taking place in Cambodia. After months of silence, the Carter Administration finally released a statement in April 1978 calling it the "worst violation of human rights in the world today." Yet, no action has been taken to help alleviate the situation.

At the minimum, the United States Senate should officially express its condemnation of the disregard for basic human rights of the Cambodian people by the Communist government. The Senate should call upon the President to take effective measures to register the deep concern of the American people—particularly about the executions in Cambodia—and the President should immediately call for international cooperation to bring an end to the atrocities in that nation.

Cuba

Cuba has become the major exporter of Soviet-instigated revolution and imperialism in Africa. Cuba is also the base for Soviet naval war ships steaming within 60 miles of the American mainland in the Gulf of Mexico. Soviet pilots regularly fly reconnaissance missions from Cuban air bases. Despite these provocative and militarily threatening acts, the Carter Administration has embarked on a series of moves designed to normalize relations with Cuba.

At the present time, Castro has stationed nearly 40,000 combat troops, military and civilian advisers, and medical technicians in 17 African countries. In Angola, about 19,000 Soviet-backed Cuban troops, plus 4,000 Cuban technicians, are shoring up the Marxist government in Luanda. Nearly 17,000 Cuban troops, led by Soviet officers, have been engaged in Ethiopia where Soviet dominance in the Horn of Africa will put the oil routes of the West in peril.

During the past 15 months, the Administration has removed restrictions on Americans traveling to Cuba; opened fishing rights negotiations; lifted the ban on spending of dollars by U.S. visitors to Cuba; opened a diplomatic mission in Havana and permitted Cubans to do likewise in Washington; and permitted the Cuban foreign trade minister to visit Washington.

While gaining all of these concessions beneficial to Cuba, Castro has stated that he would like to further improve relations with the United States but that any change depends on the U.S. lifting entirely the economic boycott.

We see no benefit to the United States in oneway concessions to Cuba which improve that country's economy and bolster its ability to assist communist aggression. Castro should be told plainly that the United States is not interested in improving relations as long as he continues to use his Soviet-equipped army as a Moscow surrogate in Africa or anywhere else in the world.

China

Recognizing the historic breakthrough by a Republican Administration in the establishment of a more rational relationship with the People's Republic of China, normalization of diplomatic relations with the PRC remains a difficult issue for the United States. Although the Peking–Moscow relationship may be damaged beyond repair, rapprochement cannot be ruled out.

It would be highly detrimental to the United States if the world's two largest communist nations once again became close allies because it would free the Soviet Union to concentrate more of its diplomatic and military efforts on the NATO alliance without having to worry about the China border. Thus, because the Soviet Union is a common adversary and a growing military threat to both the U.S. and the PRC, advantages do accrue to the United States from improved relations with Peking.

We believe that the best way to improve America's relationship with the PRC is to be an effective counter balance to the Soviet Union, both strategically and in Western Europe. As long as the U.S. remains strong militarily and resolute in its diplomacy, we believe the PRC will not feel compelled to make an accommodation with Moscow. If, however, the military balance continues to shift toward Moscow and if the Carter Administration continues its irresolute posture in foreign policy, we can expect the PRC to become wary of the U.S. and seek to repair its relationship with the Soviet Union. The political and military impact of such rapprochement on the United States, Western Europe and Japan would be immeasurable.

The United States has a specific legal and political commitment to the people of Taiwan. While the United States may seek to improve its relationship with the People's Republic of China, it must be done in a way that will prevent a military solution and which will preserve in the world respect for America's commitments to its friends and allies. We are unalterably opposed to turning over the 19 million people of Taiwan to the People's Republic of China.

Korean Troop Withdrawal

Mr. Carter's decision to withdraw all U.S. ground forces from Korea is a mistake. American ground forces in Korea support our own security interests in the Western Pacific and demonstrate our continuing commitment to our Asian allies. They are the primary force which keeps North Korea dictator Kim Il Sung from sending his army back across the 38th parallel.

The President's withdrawal decision was made in late January 1977 after Mr. Carter had been in office for only one week. There is every reason to believe that the decision was not carefully reviewed and studied by the National Security Council and the State Department. Obviously, the Joint Chiefs and other senior military officers were not consulted and the military and strategic factors were not considered. Substantive consultation with American allies in Asia, especially Korea and Japan, did not occur in such a short time.

We are deeply concerned that the withdrawal conveys the wrong message to Japan. That government must now question the future role of the United States in Asia.

The late Senator Hubert Humphrey seriously questioned Mr. Carter's decision:

"In my estimation, what the President hopes to avoid in Korea—the potential of another ground war in Asia—will only be enhanced by his withdrawal policy."

We believe there is no substitute for the American presence.

Latin America

The Carter approach to Latin America has only two identifiable tenets, rapprochement with Cuba and ratification of the Panama Canal Treaties. Unfortunately, both issues reflect the flawed foreign policy of the Carter Administration, because the Cuban overtures are untimely, and the canal treaties will not solve long range, serious problems in Latin America.

While selectively moralizing on human rights and pursuing an inconsistent nuclear export policy, President Carter has failed to comprehend either the present importance or emerging potential of our Latin American neighbors. In the context of a multitude of complex relationships, it was naive at best to believe that ratification of the Panama Canal Treaties would, in itself, solve the problems that go to the heart of our relationship with a continent in varying stages of transition from developing to developed.

The United States must discontinue policies that appear to consider the Latin American nations as wayward dependents, and must recognize the need to establish relationships in Latin America based on mutual respect and mutual self-interest.

Terrorism

For the past decade international terrorists have killed and maimed thousands of men, women and children, most of whom never had the remotest association with the professed political objectives of the terrorists. An incalculable amount of private and public property has been destroyed. Civilized and conscientious governments have spent millions of dollars to protect their citizens and property. People throughout the world—including U.S. citizens—must now always be cognizant and wary of potential and capricious terrorist attacks. We are increasingly apprehensive that the Carter Administration has failed to provide the leadership expected of the United States in the worldwide struggle against terrorists.

The Carter Administration's definitive policy guidance document on terrorism, Presidential Review Memorandum (number 30), consists of two pages which concern themselves with little more than a reshuffling of the already existing bureaucracy set up in 1972 to deal with terrorism. The State Department's Office for Combating Terrorism, which has been widely criticized as inadequate in terms of authority, intelligence, information and operational capabilities, has been delegated no new authority and remains functionally inadequate.

For the past three decades United States leadership in the world has been underpinned by the humanitarian and democratic principles that are the foundation of our system of government as well as by our military and economic strength. Our country needs now to signal to the civilized nations of the world that it is prepared to lead a decisive movement against terrorism. President Carter has not provided that leadership.

Issues Facing the International Economic System

The critical situation facing the international economic system has significant repercussions on our political and security relations with the rest of the world.

The decline of the dollar reflects the concerns of the international money markets

about uncertainties respecting the commitment of the U.S. to address meaningfully its major economic issues, inflation, structural unemployment, seriously adverse balance of payments and heavy chronic budget deficits.

The termination of the Bretton Woods international monetary system has created disarray, causing near anarchy among the world's currencies. It is vital that a new international system be developed to succeed Bretton Woods. But we have had only short-term panaceas and no solutions from the Carter Administration.

In addition, strong efforts must be undertaken by the United States to alleviate this country's dependence upon foreign energy supplies. These efforts must be appropriate and balanced and should include conservation and domestic production incentives.

The U.S. must strengthen rather than weaken export incentives for the products of America's farms and factories. We should adopt a balanced Federal budget at the earliest possible time and substitute for the Carter Administration's fuzzy and confusing economic policy, actions that will reverse the ruinous rate of inflation, which in early 1978 reached projected double-digit levels. This rate of inflation is ruinous to the American family and is destroying confidence in America within the international financial community.

While protectionism will be counterproductive and needs to be avoided, we must act vigorously to insist on fair trading practices and reciprocity by other nations. We must use the statutory levers we have (e.g., Antidumping and Countervailing Duty Acts) to persuade other nations to alter their predatory trade tactics, while concurrently accelerating the multilateral trade negotiations now underway in Geneva in order to open further the markets of our trading partners.

We need a commitment by the Administration to a national export policy which will establish a business environment congenial to the serious promotion of exports especially by small business and agriculture. Tax policy must support, not hinder, export promotion. An expanded Export-Import Bank better equipped to handle the complex financing demands of our modern economy is also a necessity. It is imperative that Federal government policy regarding agricultural exports be consistent and secure and that it does not necessarily tamper with market forces and restrain exports for short-term purposes.

The United States economy, as well as that of the other industrialized countries, is also suffering from a lack of adequate markets for its exports of goods and services. To develop and broaden these markets, as well as for world stability, the U.S. and the other industrialized countries, in conjunction with the international financial and developmental institution, should undertake measures that will stimulate economic growth in those developing countries where there exists the potential for significant market expansion.

Such measures would also help address the problems resulting from the present recycling of the OPEC financial surpluses, which has failed to generate the necessary policies needed to restore effectively to the oil importing developing countries the purchasing power which they have had to forgo in uneconomic oil payments.

U.S. SENATE REPUBLICAN DECLARATION ON NATIONAL SECURITY AND FOREIGN POLICY

While we would wish that all peoples and all countries of the world could be relieved of the burden and the expenses of ever-growing military forces, we believe that the United States must never allow the Soviet Union to become the undisputed number one military power in the world. We must maintain a posture of military parity with the Soviets by reversing the current trends.

As Republicans we believe the U.S. must do the following:

National security

(1) End the Carter Administration policy of unilateral concessions. In what has become a frightening pattern of giving up key U.S. weapons systems for nothing in return, President Carter has delayed production of critical weapons systems without getting anything in return from the Soviet Union. His inept handling of the enhanced radiation weapon has caused great concern in the NATO capitals.

(2) Proceed with full-scale development of the MX missile when feasible.

(3) Establish defense budgets at a level necessary to meet the Soviet threat.

(4) Proceed with an all-out effort to counter the Soviet satellite-killing capability.

(5) Enhance the five-year naval shipbuilding program to maintain or strengthen the future naval balance of power with the Soviet Union.

(6) More rapidly improve U.S. airlift capability.

(7) End the annual cutbacks in U.S. military manpower levels.

(8) Proceed to develop a follow-on penetrating bomber in order to maintain the viability of the American TRIAD.

(9) Proceed to remedy the glaring deficiencies in NATO's defenses as proposed by the new NATO Task Forces which are drawing up the first long term defense plan for the Alliance.

SALT negotiations

(1) Concessions to the Soviets regarding their heavy missiles and their concomitant throw-weight advantage must be offset by comparable concessions by the Soviet Union.

(2) The U.S. should not agree to inadequate km range limitations for the air-launched, sea-launched and ground-launched cruise missiles. Inadequate ranges will degrade those systems to the point where their effectiveness will be in serious doubt.

(3) The U.S. should not, as it is trying to improve the effectiveness of NATO, agree to withhold cruise missiles and technology from its NATO allies.

(4) The Backfire bomber must be included in the SALT negotiations.

(5) We must have in SALT II verification assurances strong enough to protect our national security.

Foreign policy

(1) In strategic arms and force reduction negotiations the Administration should reflect the legitimate concerns of our NATO allies over intermediate range weapons systems such as the SS-20 deployed by the Soviets as well as conventional disparities.

(2) In negotiating restrictions on nuclear weapons testing, the United States should not commit itself to any test ban which is not verifiable or which would prevent the United States from maintaining confidence in the reliability of its weapons stockpile.

(3) The American role in the Middle East must be marked by balance, not by publicized posture statements that create the impression the U.S. is trying to dictate terms to one side or the other. We must consider the impact of our actions on the internal political climate of the nations affected and the extent to which they may delay settlement through perceptions of American partiality in elements of dispute. The Administration must reaffirm our commitment to the survival of Israel and strengthen our friendship with the moderate Arab Middle Eastern Governments, including Egypt, Saudi Arabia and Jordan. We believe that equal weight should be given in the implementation of UN Resolution 242 to both the call for "secure and recognized boundaries" and for Israeli withdrawal from "occupied territories."

(4) The Administration should abandon its rigid insistence on the inclusion of Soviet supported armed guerrillas in the establishment of a black majority government in Rhodesia. We believe that the settlement negotiated between the black moderate leaders and the Smith government should be given a chance. Throughout all of Africa the Carter Administration should be more concerned with pro-Western forces and less inclined to support radical movements.

(5) At a minimum, the United States should officially express its condemnation of the disregard for basic human rights of the Cambodian people by the Communist government.

(6) Continued normalization of relations with Cuba should be stopped until Mr. Castro ends his widespread adventures in Africa.

(7) We believe the United States should continue to develop its relationship with the People's Republic of China. This, we believe, can be done without severing our relationship with the government of Taiwan.

(8) President Carter should reverse his decision to withdraw U.S. ground forces from South Korea.

(9) The Carter Administration must formulate a cohesive and coherent global foreign policy strategy designed to protect the interests of the United States and the free world. Our approaches to regional crises must be considered in strategic context.

(10) The U.S. must reestablish its credibility as the leader of the free world and the NATO Alliance. Cloaked in tough rhetoric, singular unwillingness to act skillfully to avert crises neither installs confidence in our friends nor diminishes the aggressiveness of the Soviets.

(11) High priority must be given to contingency planning for foreseeable international crises with due consideration to crisis avoidance rather than post-crisis reaction. Military planning must be compatible with and supportive of our foreign policy objectives.

We sincerely commend thoughtful consideration of this Republican Declaration to the American people, the Congress, and the President. It is our conviction that the critical observations we make are valid. We believe that our suggestions relative to the formation and implementation of national policy are a constructive contribution to the quest for national security and world peace.

Although individual Republican Senators reserve the right to disagree with some of the specifics of this declaration, its general substance and objectives reflect the views of the members of the Republican Conference.

Mr. BAKER. Mr. President, I yield the remainder of my time under the standing order to the distinguished Senator from Kansas (Mr. DOLE).

The PRESIDING OFFICER (Mr. PAUL G. HATFIELD). Under the previous order, the Senator from Kansas (Mr. DOLE) is recognized for not to exceed 15 minutes plus the remaining time of the Senator from Tennessee.

TIME FOR PROGRESS IN MIDDLE EAST NEGOTIATIONS

Mr. DOLE. Mr. President, it is gratifying that Israeli Prime Minister Menachem Begin's visit to Washington this week ended on a positive note, commemorating as it did the 30 years of friendship and diplomatic relations between the United States and Israel.

The creation of an independent State of Israel on May 14, 1948, occurred in the midst of tension and uncertainty in the Middle East, not unlike that which exists today. The primary goals then, as now, were the territorial security of the Jewish nation, and the political stability of the entire region. It can be said that now, three decades later, the prospects for achieving these goals are substantially more encouraging.

The Senator from Kansas believes that the desire for peace in the Middle East is strong among all responsible parties in the area, and the opportunity for progress in reaching a settlement is at hand. But time grows short, and difficult obstacles remain. We cannot afford to jeopardize peace prospects by laying all the blame for delay at the doorstep of any one nation, nor would that be a realistic approach to the current situation. A stable solution to remaining problems—political jurisdiction over the West Bank and Gaza Strip, future status for Israeli settlements, provisions for Palestinian refugees and compensation for Jewish refugees from Arab lands—will necessarily require equivalent flexibility on the part of Israel, Egypt, and the Arab nations alike.

Unfortunately, the meandering policies of the Carter administration have not contributed significantly to that stability, particularly in recent weeks. Only 6 weeks ago, Prime Minister Begin's visit to Washington ended in frustration as President Carter asked for further negotiating concessions on the part of Israel. More recently, the administration's proposal of an arms sales "package" for Israel, Egypt, and Saudi Arabia has served to irritate all three nations. And only this week, contradictory White House statements on the framework for a Middle East settlement has confused the participants, as well as observers here in the United States. One expects that the President himself may not be sure just what his position on an Israeli withdrawal from the West Bank is, despite his efforts to accommodate all viewpoints.

BALANCED APPROACH

For the United States to continue to play a useful role in nurturing a settlement of Middle East differences, it is vital that our efforts be skillful, balanced, and consistent. There is no room for amateurism or inconsistency if our positive influence in the peace process is to continue.

Furthermore, our approach must reflect insight and sensitivity to the practical realities of the situation. In my opinion, this does not involve a public declaration of support for a Palestinian homeland. This does not necessitate an invitation to the Soviet Union to reenter the diplomatic picture. And this does not entail careless accommodation of Arab or Egyptian demands, which leads to unrealistic illusions on their part. Yet, all of these policies have been expounded by the President within recent months.

Instead, I believe the Carter administration should carefully reflect upon the contributions which the Israeli Government has already made to the peace effort, and demonstrate more sensitivity toward the points of our basic policy disagreements, such as the future status of the West Bank, Gaza Strip, and the Golan Heights. In addition, our Government must be willing to ask for reciprocal contributions toward peace from Egyptian and Arab leaders, so that no one nation need feel intimidated by the call for sacrifice and concessions.

CONFRONTING ARAB AND EGYPTIAN INTRANSIGENCE

It is relatively easy for the United States to place the blame for the present negotiations stalement on the shoulders of those with whom we have the most influence. But that is neither realistic nor fair. A major disadvantage of this approach is that it tends to harden the positions of other parties, at the same time that it alienates our traditional allies. And peace seems more distant as a result.

The Senator from Kansas nominated President Anwar Sadat along with Prime Minister Menachem Begin for the Nobel Peace Prize last November. The Egyptian leader's initiative at that time was a historic step toward direct communications among the parties. But at the same time, it must be remembered that Egypt has not made many substantive concessions in her own policy positions, toward a settlement of remaining differences. The Arab Nations have likewise refused to show any willingness to compromise, and continue to insist upon complete Israeli withdrawals from the West Bank and Gaza Strip, and the establishment of a Palestinian State. And of course, it was Egypt which actually suspended negotiations with Israel last January leading to the current impasse.

In order to regain our image as an even-handed, fair-minded influence for peace in the area, the President is going to have to make it clear to Mr. Sadat that we will not agree to "run interference" for Egypt in efforts to get the peace talks started again. We will not agree to allow the Egyptian Government to fall back into the pattern of talking only to American mediators and leaving it to Americans to put pressure on Israel. Such a role by the Carter administration can only result in hardening of the Egyptian position, and may even "damage and delay the peace process," as Israeli Defense Minister Ezer Weizman suggested in March.

It is not our intention or our desire to alienate Egypt and the Arab States, by ignoring their own interests in a Middle East settlement. All interests must be taken into account if a common ground is to be reached. What we must not do, however, is to shelter Mr. Sadat or Arab leaders from certain realities—that they must be willing to talk over their differences directly with Israel, and make reciprocal sacrifices for the the purpose of a settlement. By fostering illusions on these points, we serve only to frustrate the movement toward peace.

POLICY TOWARD ISRAEL

Peace negotiations will necessarily require continued flexibility by all parties. For her part, Israel, has been forthcoming in her willingness to meet antagonists halfway on outstanding issues. Prime Minister Begin has made it eminently clear that, at the bargaining table, "everything is negotiable except the destruction of the State of Israel." Mr. Begin's own proposals for a peaceful resolution of the West Bank problem—including local autonomy for Arab communities—deserves fair and thoughtful consideration by the administration. For, if the United States does not lend a sympathetic ear, neither Egypt nor the Arab States can be expected to give the proposals responsible consideration.

And yet, the Begin peace proposal has now become the subject of the latest policy contradiction emanating from the White House. In an interview published over the weekend, President Carter was quoted as saying:

> My belief is that a permanent settlement will not include an independent Palestinian nation on the West Bank. My belief is that a permanent settlement will not call for complete withdrawal of Israel from occupied territories. My belief is that a permanent settlement will be based substantially upon the home rule proposal that Prime Minister Begin has put forth.

Publication of the President's remarks led to a frantic meeting Sunday between our Ambassaor to Egypt and the Egyptian Foreign Minister, after which the Foreign Minister commented that—

> The ambassador assured me specifically that the United States does not consider Begin's plan for the West Bank a good basis for a settlement, because it does not provide an opportunity for the Palestinian people to participate in the determination of their own future.

Sadly enough, this appears to be another in a series of efforts by the Carter administration to be all things to all parties. The only result is confusion and doubts among all the participants.

By avoiding any temptation to reject Israeli peace proposals out of hand, and by reaffirming the U.S. commitment to the survival and territorial integrity of Israel, President Carter can help preserve the good will and cooperative relationship between our two nations. The spirit of cooperation between Israel and the United States is essential to the ultimate achievement of a Middle East settlement, from which all parties can benefit.

LOOKING AHEAD

After the low point in United States-Israeli relations which followed Prime Minister Begin's frustrating visit with President Carter last March, we now have the opportunity to restore and strengthen the cooperative relationship between our two nations. That, in itself, will be critical to the prospects for resumption of talks between the parties in the Middle East. Rather than attempt to dictate preconditions for resuming the negotiations to Mr. Begin, President Carter should reaffirm our basic commitments to Israel's welfare and lend his efforts in the days ahead toward bringing all parties back to the discussion table. Conditions for a final settlement should be established there, rather than ahead of time in Washington or Cairo.

Unfortunately, the President's arms sales "package" for the Middle East has

complicated matters. Even if the proposed sales to Israel, Egypt, and Saudi Arabia would be beneficial to long-range stability in the Middle East, the timing and method of presentation has been inept. The current sensitive stage of Middle East conditions is not receptive to a large influx of major weapons purchases. And the effort to tie these arms proposals together serves only to obscure the critical military and political factors that should be examined in detail for each of these separate proposals.

In what the Washington Star referred to last week as "a kind of legislative squeeze play," Israel is being asked to accept a condition of arms-linkage as part of our fulfillment of a commitment made to her 3 years ago. Despite speculation that the President might have dropped his insistence on a "package deal" when he formally submitted his proposals to Congress last Friday, Secretary of State Vance on Sunday reiterated the "package" notion: that if only one portion of the arms sale triad is approved by Congress, the entire proposal will be withdrawn. It is this Senator's belief that our attention and energies must remain focused on achievement of a responsible Middle East settlement as the first priority, and arms sales might best be postponed until that goal has been reached.

In the meantime it is vital that the United States retain a balanced and persuasive role in the mediation process, and not attempt to dictate terms to either side. If we do, our credibility and influence will vanish, and prospects for a solution to age-old Middle East problems will also disappear.

As one who feels that the time for an equitable Middle East solution is at hand, I hope that the President will encourage all parties to begin talking with each other, and listening to each other once again.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a brief period for the transaction of routine morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

(Routine morning business transacted and additional statements submitted are printed later in today's RECORD.)

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum on the time that was reserved for Mr. DOLE.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, without prejudice to Mr. BARTLETT, I ask unanimous consent that the Senate go into executive session to consider the one nomination under "New Reports."

Mr. BAKER. Mr. President, reserving the right to object, and I shall not object, I only wish to advise the majority leader that the single nomination under "New Reports" is cleared for consideration and confirmation on this side. We have no objection.

There being no objection, the Senate proceeded to the consideration of executive business.

The PRESIDING OFFICER. The clerk will state the nomination.

DEPARTMENT OF ENERGY

The second assistant legislative clerk read the nomination of Robert D. Thorne of California to be an Assistant Secretary.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. ROBERT C. BYRD. I move to reconsider the vote by which the nomination was considered and confirmed.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of the nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate return to the consideration of legislative business.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE CALENDAR

Mr. ROBERT C. BYRD. Mr. President, how much time remains under the control of Mr. DOLE?

The PRESIDING OFFICER. Five and a half minutes.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order No. 704.

The PRESIDING OFFICER. Without objection, it is so ordered.

APPROPRIATIONS FOR ADMINISTRATIVE EXPENSES OF THE UNITED STATES RAILWAY ASSOCIATION

The Senate proceeded to consider the bill (S. 2508) to amend the Regional Rail Reorganization Act of 1973 to authorize additional appropriations for the United States Railway Association, which had been reported from the Committee on Commerce, Science, and Transportation with an amendment to strike all after the enacting clause and insert the following:

That section 214(c) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 724 (c)) is amended by (1) inserting "the preceding sentence of" immediately after "appropriated under"; and (2) inserting at the end thereof the following: "For the fiscal year ending September 30, 1979, there are authorized to be appropriated to the Association, for such purposes, not to exceed $27,200,000. Sums appropriated under the third sentence of this subsection shall remain available until expended.".

Mr. BAKER. Mr. President, I wonder if I could reserve only long enough to say that this item is cleared also on our calendar. We have no objection to the technical amendment. Or to passage of the bill as amended.

UP AMENDMENT NO. 1297

(Purpose: To provide that the term of office of the nongovernmental members of USRA's Board of Directors would carry over until a successor has been appointed and qualified)

Mr. ROBERT C. BYRD. Mr. President, I send to the desk a technical amendment and ask that it be stated.

The PRESIDING OFFICER. The clerk will state the amendment.

The legislative clerk read as follows:

The Senator from West Virginia (Mr. ROBERT C. BYRD), for the Senator from Nevada (Mr. CANNON), proposes unprinted amendment numbered 1297.

Mr. ROBERT C. BYRD. I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 2, immediately after line 10, insert the following:

SEC. 2. Section 201(e) of the Regional Hall Reorganization Act of 1973 (45 U.S.C. 711 (e)) is amended by adding at the end thereof the following: "Each nongovernmental member of the Board of Directors of the Association may continue to serve as such a member, notwithstanding the expiration or termination of his term, until his successor is appointed and qualifies.".

Mr. ROBERT C. BYRD. Mr. President, I send to the desk a statement by Mr. CANNON explaining the technical amendment, and ask unanimous consent that it be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

STATEMENT BY SENATOR CANNON

The technical amendment to Section 201 (e) of the Regional Rail Reorganization Act of 1973 provides that the term of office of the nongovernmental members of USRA's Board of Directors would carry over until a successor has been appointed and qualified. In the past, USRA has been faced with the

problem of maintaining a statutory quorum of six directors including a minimum of three nongovernmental directors following the expiration of a director's term. The amendment would extend a director's term and preserve a quorum until a successor is properly installed. It would not alter the existing provision of Section 201(e) that an individual appointed to fill a vacancy occurring prior to the expiration of any term of office shall be appointed for the remainder of that term.

While the amendment does not preclude the resignation of a director at any time, it reflects the Committee's concern about the ability of the USRA Board to conduct its business unless a quorum is maintained. Further, the amendment establishes a legislative standard which is hoped will facilitate the uninterrupted functioning of the USRA Board.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95–769), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed to the RECORD, as follows:

PURPOSES OF THE LEGISLATION

This bill authorizes $27,200,000 to the U.S. Railway Association (USRA) for administrative expenses for fiscal year 1979, as requested by USRA and in the President's budget.

BACKGROUND AND NEEDS

The USRA was created under title II of the Regional Rail Reorganization Act of 1973. Planning and financing responsibilities that were given the association were designed to permit it to accomplish the restructuring of the Penn Central and six other bankrupt railroads in the Northeast and Midwest. The restructured system, which went through a preliminary system plan and later a final system plan, is now being operated by the Consolidated Rail Corporation; ConRail.

The USRA has responsibility for providing funds to ConRail so that it can rehabilitate and improve the facilities transferred to it by the estates of the bankrupt railroads and must monitor the need for and use of these funds. Appropriations of $2.026 billion have been made for this purpose. The second major responsibility of the Association is to represent the Government in the litigation that has been initiated by the estates concerning the value of the assets transferred to ConRail. USRA's third continuing function is the monitoring of loans to other railroads which qualified for assistance under the original RRR Act.

The Association's requirements for both litigation support and financial monitoring have increased substantially over the original estimates for fiscal year 1978. In the litigation support area, additional concentrated field work in asset valuation will require increased expenditures and additional costs are expected to occur as a result of the special court's ruling which requires consideration of alternative valuation methodologies.

Furthermore, a higher level of funding for fiscal year 1979 administrative expenses is necessary to carefully monitor ConRail's continued financial needs, as well as those of the Delaware & Hudson Railway Co., and the Missouri-Kansas-Texas Railway Co.

As of September 1976, the Association's staff had had very little experience with ConRail monitoring and that which it did have was gained during a period when ConRail was not only meeting the goals set forth in the final system plan but exceeding them. Likewise, the Delaware & Hudson Railway Co. appeared to be enjoying reasonably good operating results. The situation today is vastly different; both ConRail and the Delaware & Hudson are experiencing considerable difficulty in achieving the results which they themselves had forecast less than 1 year ago. These developments necessitate an increase in the Association's financial oversight activities and require a greater percentage of its budget to be devoted to these responsibilities.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill passed.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDER OF PROCEDURE

Mr. ROBERT C. BYRD. Mr. President, the distinguished Senator from Alaska will utilize the time remaining that is under the control of Mr. DOLE. I ask if that is all the Senator needs.

Mr. STEVENS. I am happy to use it, if necessary.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that I may yield my time to Mr. STEVENS. in the event that he needs my time in addition to the time remaining under Mr. DOLE's control.

The PRESIDING OFFICER. Without objection. it is so ordered.

Mr. STEVENS. I am grateful to the distinguished majority leader.

ALASKA AND THE AMERICANS FOR ALASKA

Mr. STEVENS. Mr. President, I want to speak extemporaneously, without time really to prepare, about an ad that is in this morning's Washington Post. It is entitled "Alaska: The UnLock Bill." It is signed by a number of distinguished Americans. I intend to send a copy of this statement to those people who signed the ad, because I think they ought to know that their names have been signed as a national organizing committee to a false and misleading advertisement, published in one of the leading newspapers of the country.

This ad contains absolutely false assertions concerning the Alaska lands bill that is pending in the House of Representatives. It comes at a time just prior to the consideration by the House Rules Committee of a rule to bring H.R. 39 to the floor.

For instance, one of the statements in bold face print in this ad is that 90 percent of Alaska will be open for oil production if H.R. 39 becomes law as will 96 percent of the lands with favorable potential for oil.

Mr. President, 90 percent of Alaska is now open. We have in Alaska the great Mount McKinley National Park, we have Glacier Bay National Monument, we have Katmai National Monument, large military reservations and the former naval petroleum reserve No. 4; it is now the National Petroleum Reserve. Those areas are not open for petroleum exploration now by private industry, and H.R. 39 would not make them so. As a matter of fact, H.R. 39 would add some 75 million acres to the national wilderness system. There are only 15 million acres of land in the whole United States in the wilderness system now, and this bill would create 75 million acres of wilderness in Alaska.

Alaska has 375 million acres. That 75 million acres alone is obviously one-fifth of Alaska. That is at least 20 percent of Alaska that would not be open to oil and gas development, and it is an absolute falsehood to state that 90 percent of Alaska would be open to oil production if H.R. 39 becomes law.

I am extremely disturbed that a public relationships group would prepare an ad like this and have distinguished Americans lend their names to it—and they are distinguished Americans. One of them is the wife of our former President, Lyndon Johnson, another is the former Governor of the State Washington; another one is Henry Cabot Lodge, former candidate for Vice President. Certainly, they could not have those facts available to them. Yet the Americans for Alaska, who have their headquarters in Maryland, certainly know that the statement that is printed in the paper this morning is not true.

We have a situation where two-thirds of the wildlife refuges in the United States are in Alaska right now, 25 percent of the national park lands, and nearly 20 percent of the national forest lands. This ad would lead the signers to believe that, if they support H.R. 39, the enactment of that bill would open Alaska to development and H.R. 39 has for its purpose exactly the opposite purpose; that is, to close Alaska to development.

One part of this ad says:

Alaskan land area two and a half times larger than California will be open for development if the Interior Committee bill becomes law.

That is an absolute lie. I am shocked, absolutely shocked, that the distinguished Americans whose names appear in that ad would permit their names to be printed in connection with it.

I have met with some of them. I have written to them. I am extremely disturbed regarding the committee they support. I have no argument about their supporting this committee as America for Alaska. That is their constitutional privilege to do so. If it is not now illegal, I intend to submit an amendment regarding false ads like this to the lobbying bill when it comes before this body. It is high time that people who place ads in newspapers, on the radio or on television, or distribute material in connection with legislation pending before Congress that is false, be held to answer in the courts for that action.

I think we need to know who prepared this ad. I intend to ask the Secretary of the Interior if any member of the In-

terior Department, which is so consistently lobbying for H.R. 39, prepared any portion of that ad because this is one of those things that has disturbed me most in the whole consideration of this Alaska lands situation.

H.R. 39 is not going to help Alaska. It will kill our potential for tourism. It will turn over one-fifth of our land to reservations for the elite, wealthy people of this country, not the people who are normal tourists, not those who normally go to national parks, but to the effete, rich backpacker who wants millions and millions of acres of wilderness.

Mr. President, five times the amount of the wilderness that exists in all the other 49 States is what they want in my State, in one bill.

We have underway an aquaculture and stream restoration program that will be impaired by the enactment of this legislation. The only thing that is involved in this bill that is pending before the House that would provide an unlocking mechanism would be a most cumbersome procedure whereby the Secretary of the Interior, would have to make extensive findings which would then be submitted to the Congress for approval.

All of that for a little prospector to go out on public land and look for minerals. It will take an act of Congress to allow for a permit to look for minerals on these lands in Alaska if this bill becomes law.

But the thing that infuriates me most is that the two provisions printed in bold face print, which I take it led many of the people who signed this ad to sign it, indicate that H.R. 39 is for the purpose of opening Alaska to development, and would open Alaska, 90 percent of Alaska, it says, to oil production.

A falsehood like that should not be permitted to go without comment. As I say, I intend to send a copy of my comments here on the floor to each person who signed that ad.

I also intend to find out if there is a way to call Mr. George S. Wills, who apparently, is executive director of Americans for Alaska, and ask him to explain to the Congress of the United States why that committee known as Americans for Alaska is making false statements in connection with the consideration of a bill that is so important to Alaska.

I cannot express with any greater clarity the absolute revolting character of that ad in view of its falsehood.

I thank the minority leader and the majority leader for their courtesy and the Senator from Kansas for yielding me his time.

I see my colleague here. I am happy to yield to him with regard to this matter if he wishes to comment.

Mr. GRAVEL. I do.

I can understand the Senator's wrath over this advertisement. I saw it, also, and I was absolutely thunderstruck with the misrepresentation that the title and, obviously, the advertisement alluded to.

It is an interesting situation when conservationists and, unfortunately, some very illustrious people who I think, to some degree, sometime do come out and try to cast themselves as growthers. We do not even try to do that for our own State. We are concerned over what they would call a very organized growth pattern.

I do not think anybody in high office in Alaska runs around the country inviting people to come and visit. If they want to live in Alaska, fine. If they do not want to, that is fine, too.

But to characterize themselves by inuendo, pushing us to an even further edge of what would be, I think, a moderate position, which is the position we hold on this subject, I think is gross misrepresentation.

So I can understand the Senator's wrath in that regard. I share it. I hope this will begin to put some people on notice that a lot of these ridiculous representations that are made are not going to go unchallenged.

I thank my colleague for yielding.

Mr. STEVENS. I thank my colleague from Alaska.

Mr. President, it is my understanding that the gentleman who is executive director of this Americans for Alaska is the same gentleman that handled the public relations account for Crown Central Petroleum that wanted to build a refinery on Chesapeake Bay, which we all remember. It is a very interesting thing that he suddenly turns up organizing an environmental group, talking like an environmental group, but hiding behind the facade of being for development of Alaska in support of H.R. 39.

I have never seen a more duplicitous ad in my life.

Mr. GRAVEL. My colleague may remember, when we were in the legislature we once had a very unusual situation, it was characterized that when we get a good hunting dog, the dog will hunt with anybody.

I think these people may have found themselves a good hunting dog.

Mr. STEVENS. That is very apt.

I thank the majority leader for his time.

NAVIGATION DEVELOPMENT ACT

Mr. GRAVEL. Mr. President, what is the pending business?

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of H.R. 8309, which the clerk will state by title.

The assistant legislative clerk read as follows:

Calendar No. 459, H.R. 8309, an act authorizing certain public works on rivers for navigation, and for other purposes.

The Senate resumed the consideration of the bill.

The PRESIDING OFFICER. The pending question is on amendment No. 1931 by the Senator from Alabama (Mr. ALLEN).

Mr. GRAVEL. Will the Senator from Alabama yield to the Senator from Virginia so we can engage in a brief colloquy?

Mr. ALLEN. I yield such time as the distinguished Senator may need.

Mr. HARRY F. BYRD, JR. I thank the Senator from Alabama.

Mr. President, first let me say I supported the amendment offered by the Senator from New Mexico (Mr. DOMENICI) when that was defeated, and I am sorry it was.

I supported the amendment then offered by the Senator from Louisiana (Mr. LONG).

My opposition, if there is opposition, if I do oppose this bill, is not based on the concept of the Domenici proposal. I favor that.

Before determining how to vote, I do want to ask two questions of the distinguished manager of the bill, the able Senator from Alaska (Mr. GRAVEL).

No. 1, when the bill came to the Senate, what was the total amount of tax funds which would be authorized by this legislation?

Mr. GRAVEL. In point of fact, we sort of had a pile-up because last year the Senate passed a bill and that bill had in it projects totaling $1.2 billion.

So when we talk of the bill that came to the Senate this time we had the bill that came from the House with locks and dam 26. We passed a bill last year that had locks and dam 26, and that was $1.2 billion. So we have the bill that came over from the House plus the bill we passed last year, which would probably be about $1.2 billion to $1.5 billion.

Mr. HARRY F. BYRD, JR. But the bill that was actually brought to the Senate—how much money was in that?

Mr. GRAVEL. About $1.2 billion.

Mr. HARRY F. BYRD, JR. How much has been added by the Senate?

Mr. GRAVEL. The total up to now is about $2.4 billion. Included in that is what we have added in terms of additions to the river basin authorization, and that addition is about $300 million.

Of the amount of $2.4 billion, $700 million is river basin authorization. That absolutely is not in addition to the $2.4 billion, because these $2.4 billion amounts will then appear in future river basin authorizations. There is sort of a duplication here in the arithmetic that takes place.

So if one really wants to look at what the net would be, what we probably have on the platter right now would be $1.7 billion. We came to the floor with $1.2 billion, but in that we had $400 million of river basin authorization.

Mr. HARRY F. BYRD, JR. But the total actually is $2.4 billion?

Mr. GRAVEL. Yes, $2.4 billion. Of that, you have $700 million, which is a duplication. The figures are added twice.

Mr. HARRY F. BYRD, JR. That was in the original bill at one point?

Mr. GRAVEL. In the original bill was $400 million.

Every year, we have to pass a reauthorization for all the ongoing projects of the Corps of Engineers, and that is what this is. That also includes authorizations that was passed individually.

I have always questioned this procedure. It is the way they do their bookkeeping. I do not think it is the clearest way to do it.

Mr. HARRY F. BYRD, JR. I thank the Senator from Alaska.

Mr. DOMENICI. I say to the Senator

from Virginia, in no way intending to disagree with my good friend from Alaska, that this bill is very complicated. What we have done on the floor is this: We have had some 39 amendments. It is very hard to state with precision. I would put it this way: If we look at last June's bill, and that did include the lock and dam, we were at about $1.2 billion. Our best estimate of what we have done with additions that have been accepted on the floor is that it is now about $2.5 billion, approaching $2.6 billion. There are a number of provisions that have relieved local governments of cost obligations which we can do nothing but estimate.

In other words, there was a situation in which the local use was going to pay a share, but untoward circumstances, in their opinion, would indicate that we should relieve them of that. Those are substantive law changes that do not carry a dollar figure with them but which, obviously, eventually will cost substantial money.

In my opinion, we are somewhere around $1.2 billion to $1.4 billion over last June's bill, which did include the rivers and harbors requirement and the locks and dam 26.

Mr. HARRY F. BYRD, JR. That is very helpful to the Senator from Virginia. I thank the Senator from New Mexico.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. ALLEN. I yield.

UNANIMOUS-CONSENT AGREEMENT

Mr. ROBERT C. BYRD. Mr. President, this request has been cleared on the other side of the aisle.

I ask unanimous consent that following the final vote today on H.R. 8309, the Senate go into executive session to consider the nomination of Benjamin R. Civiletti; that if a final vote on this nomination is not reached today, this nomination be temporarily set aside until Tuesday, May 9; that on that day, this nomination again be made the pending business, following the final vote on the Coleman nomination.

I also ask unanimous consent that on May 9 there be a 3-hour limitation on the Civiletti nomination; that the time be equally divided between Mr. EASTLAND and Mr. THURMOND; that at the conclusion of that time, there be a vote on the nomination.

Provided, further, that during the 3-hour time limitation, all motions to recommit, appeals, and votes thereon be in order.

I make the request as in executive session.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. ROBERT C. BYRD. I thank the distinguished Senator from Alabama for his courtesy.

NAVIGATION DEVELOPMENT ACT

The Senate continued with the consideration of H.R. 8309.

Mr. ALLEN. Mr. President, last evening the distinguished Senator from Maryland (Mr. MATHIAS) suggested that he might wish to ask for the yeas and nays on the pending amendment. He is not in the Chamber at this time.

In addition, we are seeking to obtain acceptance of the amendment by the two managers of the bill.

In that state of affairs, Mr. President, I ask unanimous consent that the amendment may be laid aside temporarily, to be brought up later this morning.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

AMENDMENT NO. 1930

The question occurs on the amendment of the Senator from Oregon.

Mr. MARK O. HATFIELD. Mr. President, I believe that we had laid aside my amendment temporarily on yesterday. I should like to call it up at this time, if I would be proper to do so.

The PRESIDING OFFICER. The amendment is now before the Senate.

Mr. MARK O. HATFIELD. Mr. President, I ask unanimous consent to amend my amendment to strike the figure "$5,000,000" and insert in lieu thereof "$2,200,000." and then I will explain.

The PRESIDING OFFICER. Is there objection to the modification? The Chair hears none, and the amendment is so modified.

Mr. MARK O. HATFIELD. Mr. President, yesterday, I laid aside temporarily this amendment relating to an access road at the Yaquina project on the Oregon coast, in order to give staff more time to examine the merits of this proposal. My amendment would permit the corps to participate in providing improved vehicular access to a popular public beach created by the existing jetties. The existing county road is washed out almost yearly due to the deteriorated condition of the jetty. The apparent least-expensive means for solving this problem is to raise the existing south jetty at the project high enough to protect the road which is parallel to and just south of the jetty. This modification of the jetty is not intended to be a major rehabilitation for navigation purposes, but a simple increase in its height in order to allow it also to serve, in effect, as a levy.

In the amendment I offered yesterday, I proposed a figure of $5 million. After discussing this matter with staff, I have concluded that it is appropriate and fitting for the county to pay the full costs for construction and maintenance of that access road as well as for all the recreation facilities intended to be provided at the beach if the corps will simply provide security for the road by raising the jetty height.

Thus, I have amended the amendment to reduce the figure to $2.2 million, which is the figure given to us by the corps for the specific purpose of merely raising the height of the jetty.

Mr. GRAVEL. Mr. President, I thank the Senator from Oregon for giving us the time to work out an accommodation and a compromise on this proposal. Obviously, we had the opportunity to check with the corps.

The Senator's modification is reflective of what would be a proper approach to the problem. With great enthusiasm, I accept his amendment and will fight for its survival in conference.

Mr. DOMENICI. Mr. President, I have no objection to the amendment and will accept it on our side.

Mr. GRAVEL. Mr. President, I yield back the remainder of my time.

Mr. MARK O. HATFIELD. I yield back the remainder of my time .

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment, as modified.

The amendment, as modified, was agreed to.

Mr. MARK O. HATFIELD. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. GRAVEL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MARK O. HATFIELD. Mr. President, I thank the leadership on both sides for their very considered judgment and their grateful help in these amendments that I have offered, and I express this satisfaction and gratitude to both of them.

Mr. DOMENICI and Mr. GRAVEL addressed the Chair.

The PRESIDING OFFICER (Mr. HODGES). The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I ask unanimous consent that Catherine Bruner, of Senator HAYAKAWA's staff, be accorded the privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 1298

Mr. GRAVEL. Mr. President, I send to the desk a series of technical amendments and ask unanimous consent that they be considered en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Alaska (Mr. GRAVEL) proposes technical amendments, unprinted amendment numbered 1298, en bloc.

Mr. GRAVEL. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

(1) Intended to be proposed to the amendment offered by Senator Gravel to the Randolph amendment No. 1833. Strike "page 21" and insert in lieu thereof page 26.

(2) Unprinted amendment No. 1278 is amended by striking:

"At the end of the bill, insert the following:

SEC. . Section 208 of the Flood Control Act of 1954 (68 Stat. 1256, 1266) as amended, is hereby amended by striking out "$250,000" and inserting in lieu thereof "$500,000".

Mr. GRAVEL. Mr. President, I move the adoption of the amendment.

Mr. DOMENICI. We have no objection to the adoption of the amendment.

The PRESIDING OFFICER. Do Senators yield back their time?

Mr. DOMENICI. Mr. President, I yield back our time.

Mr. GRAVEL. Mr. President, I yield back our time.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

AMENDMENT NO. 1931

(Purpose: To exempt certain barges from the tax on fuel)

Mr. ALLEN. Mr. President, I call up my amendment which was temporarily laid aside and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Alabama (Mr. ALLEN) proposes an amendment numbered 1931.

On page 12, line 17, before the period insert "or to the movement by tug or otherwise of special barges, such as Lash barges, designed exclusively, to carry international cargoes aboard such ocean-going vessels.".

UP AMENDMENT NO. 1299

(MODIFICATION OF AMENDMENT NO. 1931)

Mr. ALLEN. Mr. President, I send a modification to the desk and ask that it be stated.

The PRESIDING OFFICER. The modification will be stated.

The assistant legislative clerk read as follows:

Strike all after the word "insert" in line 1 and add the following:
"Or to the movement by tug of exclusively LASH (Lighter-aboard-ship) and SEABEE ocean-going barges released into the inland waterways by their LASH ocean-going carriers solely to pick up or deliver international cargoes."

Mr. ALLEN. Mr. President, in June 1977, when the Senate passed H.R. 5885 to provide for the imposition of user charges on commercial vessels that utilize certain of our inland waterways, the report filed in support of the legislation by the Committee on Environment and Public Works and the Committee on Commerce, Science, and Transportation made it clear that such charges would not be assessed against international traffic.

In October 1977, however, the House passed a substantially different bill (H.R. 8309) which substituted an inland waterway fuel tax for the user charges approved by the Senate, and instead of exempting international traffic generally, as the Senate had done, the House bill merely exempts deep-draft oceangoing vessels from the proposed tax.

Apparently the House did not appreciate the very serious effect this narrower international traffic exemption will have on that segment of the U.S. maritime industry which is heavily committed to the so-called LASH (Lighter Aboard Ship) and Seabee methods of ocean transportation, or the complicated international and financial problems it could create for the Federal Government as well. Accordingly, the amendment I offer at this time is designed to avert these unintended and unnecessary problems for industry and Government by simply making it clear that, in the case of LASH and Seabee methods of ocean transportation, the oceangoing vessel tax exemption contained in title II of H.R. 8309 shall apply not only to fuel required to move the large mother LASH and Seabee vessels, but also to fuel required to move those vessels' complement of oceangoing barges on the inland waterways of the United States.

LASH and Seabee methods of ocean transportation are relatively new. They involve the construction and operation of large, expensive oceangoing vessels designed to carry a complement of small LASH or Seabee barges loaded with international cargoes. The mother vessels discharge their barges into inland waterways, both here in the United States and in foreign nations, to pick up and deliver international shipments. Congress encouraged the development of these new modes of international transportation to enable U.S. maritime companies to compete more efficiently and effectively with low cost foreign-flag cargo fleets, and in a relatively few years, the Maritime Administration invested $310,000,000 in construction subsidies for LASH and Seabee mother vessels and barges, and it guaranteed $177,000,000 in loans to enable U.S. companies to acquire the vessels and barges. Thus, the Federal Government and the U.S. taxpayer has a stake of roughly a half billion dollars in the ability of U.S. LASH and Seabee operators to compete successfully with foreign-flag fleets.

The basic concept of the LASH and Seabee methods of ocean transportation requires LASH and Seabee barges to be discharged from their large mother ships into the inland waterways of both the United States and foreign nations to pick up and deliver international cargoes. The LASH system was originally designed in Europe, so foreign-flag operators also utilize that system of ocean transportation. Consequently, their LASH barges likewise travel along the inland waterways of the United States and of other nations around the world in purely international traffic. Thus, if the United States imposes a tax or other user charge on United States and foreign LASH or Seabee barges whenever they use our inland waterways to pick up and deliver international cargoes for their oceangoing mother ships, other nations throughout the world will almost automatically follow suit and impose similar taxes or charges on these same barges whenever they use their inland waterways to transport international cargoes.

For example, I am advised that recently the European Economic Community intended to impose a new tax or user charge on U.S. LASH barges that utilize the Rhine River in international traffic. Our State and Commerce Departments vigorously protested and ultimately persuaded the EEC not to impose this new tax burden on our LASH barges whenever they travel on the Rhine River. If the United States now acts to impose a fuel tax or other user charge on European LASH barges that utilize our inland waterways in international traffic certainly we can expect European nations promptly to reinstate the Rhine River charges on our LASH barges.

In sum and substance, therefore, LASH and Seabee barges engaged exclusively in international traffic on our inland waterways must be exempted from any fuel tax or other user charge the Congress decides to impose on inland waterway operations because the imposition of such a tax would lead to a chain reaction that could easily destroy some, if not all, of our own LASH and Seabee operators. Whatever new tax burden we place on purely domestic barge operations will end there—the domestic barge operators will have to pay only that one tax. But, if we impose that same tax on LASH and Seabee barges which must also utilize inland waterways of foreign nations throughout the world, we immediately expose them to an almost endless series of taxes or user charges wherever they operate. As stated above, this could easily result in an insurmountable economic burden for this segment of the U.S. maritime industry, and it could render this new system of transportation in which the American taxpayer has invested a half billion dollars noncompetitive with other modes of ocean transportation.

I understand that both the State Department and the Commerce Department are as alarmed as I am about the consequences of any tax or user charge Congress might impose on LASH and Seabee international traffic on our inland waterways, and hopefully letters the two departments have prepared expressing their deep concern will be made available for the record before the Senate takes final action on this legislation. Certainly, the two departments have good reason to be alarmed. Imposition of such a tax on LASH barges will immediately reopen the Rhine River tax battle they recently won. They will also be confronted with other taxes on U.S. maritime operations in other sensitive areas of the world, and the Maritime Administration will have good reason to wonder about the soundness of its half billion dollar investment in LASH-Seabee vessels and barges. Recently, two large LASH operators, one on the east coast and the other on the west coast, found it impossible to continue to operate their LASH systems profitably, so they abandoned their LASH operations. Other LASH operators are experiencing financial difficulties, so plainly the imposition of first, a new Federal tax in their operations in the United States, and secondly, a series of new user taxes their operations in other parts of the world, could spell disaster for both the industry and the Government in this particular area of endeavor.

I am advised that LASH and Seabee international barge traffic on our inland waterways amounts to less than 1 percent of all traffic on the waterways affected by the pending legislation. It thus seems ludicrous to run all of the serious international and financial risks I have just described solely for the purpose of extending a new user tax to this international traffic on our waterways.

In conclusion therefore, I urge the

Senate, in line with its previous exemption of all international traffic from these new user charges, to accept this amendment which, in reality, applies to only a small portion of the total international traffic on our inland waterways.

Mr. President, in connection with the exemption of oceangoing Lash and Seabee barges carrying exclusively international cargoes from domestic waterway user fuel tax:

First. The Senate bill, as originally passed, exempted all "international traffic." The House bill exempts "deep draft" oceangoing vessels. This amendment simply extends the House exemption to oceangoing barges carried aboard deep draft oceangoing vessels to transport exclusively international cargoes.

Second. The reason international traffic and oceangoing vessels must be exempted is that taxation of foreign vessels in our waters will lead to multiple reciprocal or retaliatory foreign taxes on U.S. vessels that use inland waterways in foreign nations throughout the world—the Rhine River tax, for example.

Thus, while domestic barge operators would be subject to only the U.S. tax, U.S. Lash barges would be exposed to both the U.S. tax and a series of foreign taxes on their inland waterway operations.

Third. The purpose of the Domenici waterway tax is to recover Federal tax expenditures for waterway improvements. But imposition of the tax on U.S. Lash barge international traffic endangers the Federal construction subsidy—mortgage guarantee investment of roughly one-half billion dollars in the new Lash-Seabee system.

Approximately seven U.S. companies invested in the new Lash system with Federal support since 1968. Already, two of those companies—Prudential Lines on the east coast and Pacific Far East Lines on the west coast—have discontinued all Lash operations because of serious financial losses and inability to compete with low-cost foreign operators.

Imposition of the U.S. tax and a series of retaliatory foreign taxes on U.S. Lash barge operations would seriously endanger the remaining five companies, at least two of which are also experiencing adverse economic conditions (Lykes and Waterman).

Fourth. Currently Lash and Seabee barge operations on U.S. inland waterways equal less than 1 percent of all barge traffic. There is little likelihood of any substantial increase. Indeed, as stated above, the U.S. Lash industry has suffered serious adversities and its share of the traffic has been decreasing (with the failure of Prudential and Pacific Far East Lines).

Fifth. The State and Commerce Departments strongly support this amendment, but their letters, in response to your request for comments, have been blocked by DOT.

The PRESIDING OFFICER. Is there objection to the modification?

Without objection, the amendment is so modified.

Mr. GRAVEL. Mr. President, last night I agreed to this amendment, and I still do. I think that this is a sector of our economy that needs to be aided.

There have been a couple of firms that have already gone broke in this area, and we will receive certainly retaliation when these same barges get to foreign waterways. In fact, our Government fought very hard to have them excluded from a similar type tax on the Rhine River, and we just won that victory.

So, coming off that victory to now go into a situation where we now add a tax to it I think would be very deleterious to our economic interests abroad.

That is why I think there is a good rationale for this.

Mr. ALLEN. I thank the distinguished Senator from Alaska.

Mr. DOMENICI. Mr. President, I commend the Senator for improving the amendment. It obviously narrows its scope of application. I will not insist on a rollcall vote. But I truly believe this kind of exception or exemption needs hearings, and if the bill is vetoed, which I have every hope it will be, then I certainly would hope that the Senator from Alabama would bring us evidence and I think the subcommittee would want to have some amount of hearings on this so that we could clearly understand it and know its scope.

Mr. ALLEN. I assure the Senator that that course will be followed.

Mr. President, inasmuch as I stated Mr. MATHIAS was considering whether he wished to ask for a rollcall vote or not, I am advised that he does not desire a rollcall vote. So we will be able to vote at this time.

I yield back the remainder of my time.

Mr. DOMENICI. I yield back the remainder of our time.

The PRESIDING OFFICER. All time having been yielded back, the question, then, is on agreeing to the amendment as modified.

The amendment, as modified, was agreed to.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the acceptance of the amendment be set aside and that we have not a rollcall vote but let us vote on it so I can be recorded "no" orally.

The PRESIDING OFFICER. Is there objection? If there is no objection, then the Senator from New Mexico (Mr. DOMENICI) will be noted as voting against the amendment.

The Senator may make that request informally, but the voice vote does not reflect who votes for or against a measure.

Mr. DOMENICI. I think the Chair has properly stated it, and if there is no objection to the Chair's interpretation of my request that will satisfy me.

The PRESIDING OFFICER. The record should reflect then that the amendment was agreed to as modified and that the Senator from New Mexico has indicated a negative vote and he was among those voting in the negative.

Mr. ALLEN. The amendment, as modified, having been agreed to, I move to reconsider the vote by which the amendment was agreed to.

Mr. DOMENICI. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ALLEN. I thank the distinguished Senator from New Mexico and the distinguished Senator from Alaska.

Mr. DOMENICI. Mr. President, how much time do I have? Is there time remaining on the bill? I want about 4 minutes, if I could have time.

The PRESIDING OFFICER. There is time remaining on the bill. The Senator from New Mexico has 146 minutes remaining, and 5 minutes are yielded.

Mr. DOMENICI. Mr. President, I do not intend to use anything but 3 or 4 minutes. I thank the Chair.

As I understand it, my distinguished colleague, the floor manager, is going to propose one additional amendment or reconsideration of it that will probably require a vote, and then we will vote on final passage.

So I shall take a few moments to express my views about this bill and what has transpired.

Mr. President, I note that yesterday afternoon, after the defeat of the Domenici-Stevenson amendment, most Senators voted for the imposition of the fuel tax as proposed by the Senator from Louisiana, and I, too, joined in that, but I do not want any misinterpretation of where I stand and what that vote meant.

At that point, obviously there was no alternative other than to begin to impose this 12-cent fuel tax as conditioned in that proposal.

But I urge the defeat of this bill. When the first day of this bill's consideration had concluded, the Senate had added some 39 amendments, with a cost to the taxpayers, as we calculated it, of about $1.499 billion, and that sum fails to include innumerable additional financial burdens not spelled out in the bill, such as several provisions relieving local governments of cost obligations, and the like.

Yesterday, we added some additional ones, perhaps in the neighborhood of $1 billion or so, bringing the effort to somewhere around $2.5 billion, about twice the cost of the bill adopted last June by the Senate and reported to the Senate by the Committee on Public Works.

With few exceptions, these amendments, at least in my opinion, fail to meet the minimum criteria for an orderly review by the committee or, for that matter, in some instances it appears even for orderly review by the Corps of Engineers.

So it seems like we have got a serious problem. Either the policy we had adopted will not work or we have decided to adopt it, and when urgent requests are made on the floor, not to follow it. In many cases it seems we are just willing to throw some Federal dollars in large amounts at problems. I am not critical of any Senator who has brought such amendments to the floor, because they are obviously stating a rather significant need. But I think as we look across America there are many, many needs, and we just have used this bill to try to solve many of them that have been improperly considered and have not been given adequate attention.

Aside from the user charge amendment, which would have produced rev-

enues, however modest, to the taxpayer, I believe it is really ironic that the only amendment which we defeated was one that would have cost nothing, excepting, of course, the amendment by my good friend from Alaska, and I understand we may reconsider it, and I will say now from what I understand his amendment to be, I would support that one when he brings it back up on Panama.

I know that some of my colleagues find the phrase "pork barrel" offensive, and I do not like to use it. But whether it is a word that is liked by many or not, that is how the public surely will perceive out actions over the past 2 days.

The exercise, of course, will all be for naught. The President, in my opinion, has no choice but to veto this bill on two grounds: one, an inadequate user charge; and, second, more than adequate, excessive, spending and "pork," if that is the appropriate word.

I certainly will urge the President to veto it when the bill comes out of conference. By imposing severe new costs on the economy and the taxpayers at a time when the public considers the fight against inflation as our most serious problem in the national priority, this bill will not carry broad public support.

Just for a moment, turning to the issue of user charges, I have somewhat mixed emotions. While many perceive that the Domenici-Stevenson amendment was my effort, after winning, to extract a pound of flesh from the barge industry, I hope that that view will vanish on reflection. Aside from the difficulty in considering any tax that takes effect in 12 years or substantially in that period, there is a fundamental difference on cost recovery. I am sorry we lost, but I think we showed that after a veto we have a strong base upon which to build a workable system, reasonably workable system, of user charges.

I certainly would invite the President to develop his own proposal, if that which was encompassed in the Domenici-Stevenson proposal is not what the administration desires. Possibly there is a different way, and even a more effective way.

We all understand ours was developed in compromise. Nonetheless, as we viewed it, it seemed it would have a significant impact upon the situation that we were trying to correct.

President Carter and Secretary Adams, working with those of us who support their position in this respect strongly, still have an opportunity in this Congress to improve it and to balance the transportation system.

If the so-called hostage must be expanded from locks and dam 26 to billions of dollars in other projects, water projects, some of which have been unstudied, some studied thoroughly, so be it. The hostage has just become a little bit bigger, as I see it, than locks and dam 26, and thus the hostage will be equally as effective, if not more so, than the singular project called locks and dam 26.

This is, in my opinion, an issue that will not go away, and a fight that must be carried on until it is successfully concluded.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from New York.

UP AMENDMENT NO. 1300

(Purpose: Modification of the project for Kinzua Dam and Allegheny Reservoir on the Allegheny River to allow the Chief of Engineers to accept land from Cattaraugus County, N.Y.)

Mr. MOYNIHAN. Mr. President, I rise with two specifics in mind, which I would take the liberty of addressing to the distinguished managers of this legislation, and then I would like to offer a more general statement and ask some questions of my friends and colleagues from Alaska and New Mexico.

Mr. President, the first matter is a small one, a technical matter, that has to do with the law having been somewhat changed. The Corps of Engineers is at this moment precluded from taking part in the development of a small recreational project on the Allegheny Reservoir behind the Kinzua Dam in Cattaraugus County on the southern tier of New York State.

Allegheny Reservoir, for the purposes of those interested in such matters, is on the Allegheny River, a small watershed at that point which rises in Lake Chautauqua. Lake Chautauqua and the Allegheny River are a source of the Ohio River. As a matter of fact, the French made their way from the Great Lakes and Lake Erie through the Lake Chautauqua and Allegheny system down to what became Pittsburgh.

I believe the managers of the bill are familiar with this amendment on the Kinzua Dam recreational project. I recognize that this restores a previously existing arrangement, and they are prepared to accept it. Am I correct?

Mr. GRAVEL. The Senator is correct.

Mr. MOYNIHAN. I thank the Senator so much and welcome him to explore the southern tier one day.

I particularly welcome the Senator from New Mexico, who would not only be well received in our part of the world, but will see that while we do not have everything in New York State, we do have enough water.

Mr. DOMENICI. That would be something rare for us.

Mr. MOYNIHAN. The Senator would be most welcome.

Mr. President, the other matter I would like to bring up is——

Mr. DOMENICI. Is the Senator offering that amendment?

Mr. MOYNIHAN. I would like to offer that amendment, and I send to the desk this unprinted amendment.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from New York (Mr. MOYNIHAN) proposes an unprinted amendment numbered 1300.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the proper place in the bill insert a new section as follows:

SEC. . The Project for Kinzua Dam and Allegheny Reservoir on the Allegheny River in Cattaraugus County, New York as authorized by the Flood Control Act of June 22, 1936 (49 Stat. 1570) and amendments to the Flood Control Act of June 22, 1936 (52 Stat. 1215), as amended are hereby modified to authorize the Secretary of the Army, acting through the Chief of Engineers, and in cooperation with Cattaraugus County, New York, to construct public park and recreational facilities with improved access thereto in accordance with the requirements of section 4 of the Flood Control Act of 1944, as amended (16 U.S.C. 460d), on lands adjacent to the project that are acquired and held by Cattaraugus County for recreational use by the general public, and to permit Cattaraugus County to include the value of such lands as part of its contribution toward the development of such facilities.

Mr. GRAVEL. Mr. President, if the Senator will yield for a moment, what he is asking for is no more than what other Senators have asked for, and we have agreed to it. I want to commend him for pressing for proper recreation for his area. That State is so populated that if there is an area that cries out for recreation, it is a State like New York, and we are prepared to accept the amendment.

Mr. DOMENICI. We are prepared to accept the amendment.

Mr. MOYNIHAN. I thank the distinguished Senator from Alaska and the distinguished Senator from New Mexico.

The PRESIDING OFFICER. Do the Senators yield back all their time?

Mr. MOYNIHAN. I yield back all my time with respect to this amendment.

Mr. GRAVEL. I yield back my time.

Mr. DOMENICI. I yield back my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment of the Senator from New York.

The amendment was agreed to.

Mr. MOYNIHAN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. GRAVEL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 1301

Mr. MOYNIHAN. I thank the Chair.

I have a larger matter to raise here which has to do with the singular situation of the State of New York and the Erie Canal.

Unhappily, not a generation ago, in the infinite dreariness of the bureaucratic mind, it was renamed the New York State Barge Canal, and that prefaced its decline. Once people no longer recognized what it was—the Erie Canal—they ceased to do anything about it.

But, to my knowledge the New York State barge canal system is the only operating barge canal system built, owned, and operated by a State government without Federal support of any kind. It is a legacy, if you will, of the fact that New York State was the first State to build a canal into the Middle West. Indeed, the whole world of internal waterways which we have been discussing here begins with the Erie Canal.

Now many people know, and I will presume on the patience of my friends just long enough to say, that the grand-

father of Henry James gave the oration in Albany on the occasion of the opening of the canal. It began a great expansion of internal waterways, such that by 1860, the Senator from Alaska and the Senator from New Mexico might be interested to know, the tonnage of inland waterway shipping in the United States exceeded that of the British merchant marine.

There has always been a great interior system of waterways, and the earliest waterway was the Erie Canal. However, in the peculiar situation in which New York has been placed over the years, the Federal Government came along and began assuming responsibilities in these matters for other regions and other States. New York never asked that the same be done for it, so that today New York subsidizes waterways throughout the country without enjoying any direct benefit. Other modes of transportation along great sea-level route or near sea-level route across the Mohawk Valley of New York, from the Hudson River to the Great Lakes, share the canal's lack of Federal support. We have a near bankrupt railroad, and a portion of the Interstate Highway System which New York built on its own and for which it will be paying tolls into the last decade of this century. The great Interstate Highway System itself is free elsewhere; New York, however, contributed its tax payments to its construction.

It is not to be wondered that we are in economic difficulties. So, Mr. President, as a matter of equity, I send to the desk an unprinted amendment which authorizes the Secretary of Transportation to make grants to assist States in financing up to 100 percent of the annual cost of operation, maintenance, and rehabilitation of any inland or intracoastal waterway of the United States which is not operated and/or maintained by the Corps of Engineers.

It is my understanding that this actually refers to only one major inland waterway, the Erie Canal.

The PRESIDING OFFICER. The clerk will state the amendment.

The assistant legislative clerk read as follows:

The Senator from New York (Mr. MOYNIHAN), for himself and Mr. JAVITS, proposes an unprinted amendment numbered 1301.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 12, insert the following:

"(27) New York State Barge Canal System: 527 mile system which includes: the Erie Canal between the Federal Lock at Troy, New York and its confluence with the Niagara River at Tonowanda, New York, a distance of 348 miles; the Champlain Canal between Lock No. 1 at Waterford, New York and its confluence with Lake Champlain at Whitehall, New York, a distance of 63 miles; the Oswego Canal between its junction with the Erie Canal at Three Rivers, New York and Oswego Harbor on Lake Ontario, a distance of 24 miles; and the Cayuga-Seneca Canal between its junction with the Erie Canal at Montezuma, New York and one branch through Lake Cayuga to Ithaca Inlet and the other through Seneca Lake to Montour Falls, New York, an aggregate distance of 92 miles."

and, on page 18 add the following new Title after line 15,

"TITLE IV

"SEC. 401(a) The Secretary of Transportation is authorized in accordance with this Act and on such terms and conditions as he may prescribe to make grants to assist states in financing up to 100 percent of the annual costs of operation, maintenance and rehabilitation of any inland or intracoastal waterway of the United States as defined in Sec. 4042 of Chapter 31 of the Internal Revenue Code of 1954, which is not operated and/or maintained by the U.S. Corps of Engineers. Such grants shall be in lieu of actual operation and maintenance by the Corps of Engineers and made to the Governor or Governors of the state or states within which the affected waterway is located, upon their application for such grants.

"(b) There is authorized to be appropriated to carry out this Title, not to exceed $15 million each year for fiscal years ending on or after September 30, 1979."

Mr. GRAVEL. Mr. President, I ask unanimous consent that my name be added as a cosponsor of this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRAVEL. I do that in response to what I think is a very justified request.

I do, however, plead with our colleague from New York that he withdraw this amendment at this time, and that we be permitted, in committee, to move with all alacrity to hold hearings on this subject, because every word the Senator has just uttered is the truth and nothing but the truth, and as a matter of fact, he has been very moderate in the case he has been making.

The Erie Canal is one of the great benchmarks of the American transportation system, and certainly was one of the major touchstones launching us into the age of industrial civilization and the responsible position we occupy in the world today. It was through a hiatus of history, I think, that it was recognized that this was such a good endeavor that the Federal Establishment moved out and took up the responsibility for the rest of the Nation, and left the Erie Canal to itself. At the time it was so unsurpassedly successful as a financial venture——

Mr. MOYNIHAN. Quite so.

Mr. GRAVEL (continuing). That nobody wanted to disturb that situation. But it has fallen on hard times with the advent of the railroads and highway transportation. That does not mean it has not played and cannot continue to play a meaningful role.

However, I think it is such an unusual request that we need time to deal with it; so, if the Senator will accommodate us, I can assure him we will support this burgeoning role he is laying on our committee in looking out for the waterways of New York, and we will sustain him in every respect.

Mr. MOYNIHAN. Mr. President, this is most generous of the Senator from Alaska. Does the Senator from New Mexico wish to join in this colloquy?

Mr. DOMENICI. Indeed, I do. I want to say to our colleague from New York that I do hope he will withdraw the amendment, because I believe he has raised a very, very good point, and I can tell him that, to the extent that I as ranking Republican member of this subcommittee remain so, the issue will be given very serious consideration. I think it points up not only the inconsistency of the overall system we have been describing here for the last few days, but it also points out that we may very well be discriminating against a State like New York in favor of others, for no just reason. It is just an accident of timing and history, and it could very well be that the Erie Canal should have been a part of the inland waterway system, and been maintained as the others are maintained.

I would also say that the Senator points up the fact that we certainly need some way of reimbursing the general taxpayers; and as I understand it, to the extent that it has functioned, its users and the State have been paying for its operation and maintenance to this point in our history. If we are going to add it to our system, I hope it will be done after study, and that when that is done, those who use it, as well as the other waterways, will begin to pay their fair share of the operation and maintenance costs, in which case it certainly ought to be a part of that system.

Mr. MOYNIHAN. The junior Senator from New York is most gratified by the characteristically generous response of both managers of the bill. I would like to say that I do not think I could have been emboldened to this effort were it not for the leadership of the Senator from New Mexico in saying that the users of these waterways must pay for them. If we are going to pay for them, as I think we should be doing, then the reciprocal undertaking of the Federal Government in maintaining and operating waterways applies as well. I particularly thank the Senator from New Mexico for his undertaking. I also thank the distinguished Senator from Alaska.

Mr. President, under the circumstances I ask unanimous consent that my amendment and that of Senator JAVITS be withdrawn.

The PRESIDING OFFICER. Without objection, the amendment is withdrawn.

Mr. MOYNIHAN. Mr. President, I have one other matter about which I can be very brief. I have a statement which I would like to submit for the RECORD, rather than try the patience of the distinguished managers of this bill. It has to do with the pressing need for rehabilitation of urban water supply systems.

It is not just a question of the needs of the urban governments involved, but also very much a question of the conservation of water. The first studies of this issue in the Eastern United States were made at the Maxwell School of Syracuse University in the 1950's, under the distinguished leadership of Dean Guthrie Birkhead, then a professor, who discovered that we have the leakiest water systems in the world, and that there was enormous waste of water going on, as well as enormous waste of money.

The question is, then, what will we do about this?

There is no Federal assistance, but it seems to me there ought to be in the East as there is in the West.

I am putting in this statement to put the committee on notice and set the Senate on notice that I would like to raise this matter in the context of the national water policy that will be received from the President.

Mr. President, there is a pressing need for the rehabilitation of urban water supply systems which does not qualify for Federal grants. This is a unique situation; the Bureau of Reclamation pays 50 percent of the capital costs of irrigation water developments for western farms, while the Corps of Engineers funds up to 100 percent of the costs for flood control and navigation projects, and matches State funds for water recreation construction on a 50–50 basis. By the user fee provisions of the Navigation Development Act, in fact, there will still be a substantial Federal subsidy of the costs of inland water transportation.

I do not wish to dispute the merits of these projects; indeed, it is appropriate that the Federal Government extend aid to navigation, flood control, irrigation, and recreation. I wish only to note that urban water supply problems are too often ignored in a Federal policy that seems to emphasize construction and rural improvement rather than preservation and urban repair.

The large urban areas of our Nation often contain the oldest, most inefficient, and most overtaxed water supply systems still in existence. In New York City, for example, two water tunnels attempt to serve the needs of 8 million people. These tunnels are 60 and 40 years old, respectively; neither has ever been closed for inspection or repair, and both together are not sufficient for the efficient and reliable supply of the current demand for water. The third city water tunnel, commenced in 1970 at an estimated total cost of $3 billion with the purpose of modernizing the city's water system, has been left stranded midway to completion. The fiscal crisis has rendered the city unable to pay its construction costs, and no aid from the Federal Government has yet been forthcoming.

What is needed here, it seems, is a real Federal commitment to water conservation, for that is precisely what water supply rehabilitation seeks to achieve. Conservation through rehabilitation and the application of nonstructural alternatives, so crucial to sound water management, had not been included in our current policy. At the present time, the Bureau of Reclamation and the Corps of Engineers expend billions of dollars per year to expand their programs in irrigation, flood control, navigation, recreation, and beach preservation, among others. Since 1972, the Government has annually spent over $2 billion on these programs, and preliminary 1977 figures put that expenditure at $3.5 billion. These expenditures include no aid to water supply systems, however; though urban areas may receive loans for rehabilitation of their water systems, they have not been eligible for grants outright. In fact, no loans have ever been made for single purpose water supply projects. This seems grossly unfair, and only perpetuates the problems our cities have faced in the past.

I want to emphasize that I am talking about the rehabilitation of existing water supply systems; I am not arguing for increased Federal support of new systems. I am not asking the Federal treasury to subsidize urban growth; I am only urging that this serious problem be given the attention it deserves.

It is my understanding that the distinguished chairman of the Environment and Public Works Committee introduced an amendment yesterday that would permit Federal participation for single purpose water supply projects. I would ask the floor manager if my understanding is correct.

Mr. GRAVEL. Yes, this would be the policy.

Mr. MOYNIHAN. Would this amendment permit Federal assistance for urban water supply rehabilitation projects such as New York's third city water tunnel?

Mr. GRAVEL. Yes.

Mr. MOYNIHAN. What portion of the capital costs for this project could the Federal Government support and what form would this support take?

Mr. GRAVEL. One hundred percent with repayment by the users of the water.

Mr. MOYNIHAN. I thank the distinguished floor manager. This is a beginning, but I think we should go farther. I intend to introduce the concept of grants for urban water supply rehabilitation when the President's national water policy comes before us.

Mr. President, I thank the managers of the bill for their courtesies.

AMENDMENT NO. 1932

(Purpose: To establish a commission to assess the technical, economic, and environmental feasibility of constructing a sea-level canal)

Mr. GRAVEL. Mr. President, I call up my amendment No. 1932 and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Alaska (Mr. GRAVEL), for himself and Mr. MAGNUSON, proposes an amendment numbered 1932.

Mr. GRAVEL. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

SEC. . (a)(1) There is hereby established a Commission to be known as the International Sea-Level Canal Study Commission, hereinafter referred to as the "Commission".

(2) The Commission shall conduct such studies and investigations as may be necessary, including onsite surveys, to update the report of the Atlantic-Pacific Interoceanic Canal Study Commission (submitted pursuant to Public Law 88–609) and to prepare an environmental impact statement in accordance with section 102 of the National Environmental Policy Act. The Commission shall, not later than three years from the date of enactment of this section, submit to the President and the Congress a report on its findings and recommendations. The Commission shall cease to exist six months after submission of such report. All records and papers of the Commission shall thereupon be delivered to the Administrator of General Services for deposit in the Archives of the United States.

(b) Studies and investigations undertaken by the Commission shall include, but not be limited to—

(A) an inventory and assessment of flora, fauna and ecosystems of the Isthmus of Panama including, but not limited to—

(i) potential migration of marine organisms through a sea-level canal and the potential ecological effects of any such migration;

(ii) natural or manmade barriers that might mitigate the effects of any such migration; and

(iii) other potential environmental effects of a sea-level canal;

(B) an analysis of the best techniques and equipment presently available or which could be developed to excavate a sea-level canal;

(C) the preparation of alternative designs for financing the construction of a sea-level canal; and

(D) an assessment of the economic feasibility of a sea-level canal, including, but not limited to—

(i) a study of the obsolescence of the Panama Canal;

(ii) an analysis of a sea-level canal in relation to alternative transportation modes;

(iii) an evaluation of the potential contribution of a sea-level canal to alleviate the problem of world energy shortages; and

(iv) an assessment of the impact of a sea-level canal on world commodity movements and world port development.

(c) Following receipt by the President and the Congress of the report by the Commission pursuant to subsection (a), the Council on Environmental Quality shall afford interested persons an opportunity to present oral and written data, views, and arguments respecting the environmental impact statements submitted by the Commission pursuant to subsection (a). Not later than sixty days following the receipt by the President and the Congress of such report by the Commission, the Council on Environmental Quality shall submit to the President and the Congress a report, which shall be contemporaneously made available to the public, summarizing any data, views, and arguments received and setting forth the Council's view concerning the legal and factual sufficiency of such environmental impact as the Council considers to be relevant.

(d) The President shall, not later than thirty days following the receipt by him of the report of the Council on Environmental Quality pursuant to subsection (c), transmit his finding and recommendation to the Congress.

(e) The Commission shall be comprised of six members as follows:

(A) one member appointed by the President of the Senate;

(B) one member appointed by the Speaker of the House of Representatives;

(C) one member appointed by the President; and

(D) three members appointed by the President upon recommendation for appointment by the Republic of Panama.

(f) The Chairman of the Commission shall be elected by the Commission from among its members.

(g)(1) The Commission or, on authorization of the Commission, any committee of two or more members may, for the purpose of carrying out the provisions of this section, hold such hearings and sit and act at such

times and places as the Commission or such authorized committee may deem advisable.

(2) The Commission is authorized to acquire from any department, agency, or individual instrumentality of the executive branch of the Government any information it deems necessary to carry out its functions under this section and each department, agency, and instrumentality is authorized and directed to furnish to the extent permitted by law such information to the Commission upon request made by the Chairman.

(h)(1) Members of the Commission who are employed by the Federal Government, including Members of Congress, shall serve without compensation in addition to that received for their services as employees of the Federal Government; but they shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of the duties vested in the Commission.

(2) Members of the Commission, other than employees of the Federal Government, who are nationals of the United States, shall each receive compensation at a rate not in excess of the maximum rate of pay for GS–18, as provided in the General Schedule under section 5332 of title 5, United States Code, and shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of the duties vested in the Commission.

(3) Members of the Commission who are nationals of the Republic of Panama shall be compensated as determined by the Republic of Panama; but they shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of the duties vested in the Commission, notwithstanding any other provision of law.

(i)(1) The Commission is authorized to appoint and fix the compensation of a staff director, and such additional personnel as may be necessary to enable it to carry out its functions. The Director and personnel may be appointed without regard to the provisions of title 5, United States Code, covering appointments in the competitive service, and may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates. Any Federal employees subject to the civil service laws and regulations who may be employed by the Commission shall retain civil service status without interruption or loss of status or privilege. In no event shall any employee other than the staff director receive as compensation an amount in excess of the maximum rate for GS–18 of the General Schedule under section 5332 of title 5, United States Code. In addition, the Commission is authorized to obtain the services of experts and consultants in accordance wtih section 3109 of title 5, United States Code, but at rates not to exceed the maximum rate of pay for grade GS–18, as provided in the General Schedule under section 5332 of title 5, United States Code.

(2) The staff director shall be compensated at a rate equal to that for level 2 of the Executive Schedule in subchapter II of chapter 53 of title 5, United States Code.

(j) The Commission is authorized—

(1) to enter into contracts or agreements for studies and surveys with public and private organizations and, if necessary, to transfer funds to Federal agencies and to agencies of the Government of the Republic of Panama from sums appropriated pursuant to this section to carry out the purposes of this Act;

(2) to use voluntary and uncompensated services and to accept, hold, administer, and utilize gifts in order to carry out the purposes of the Commission; and

(3) to employ non-United States citizens or nationals, notwithstanding any other provision of law.

(k) Any vacancy which may occur on the Commission shall not affect its powers or functions but shall be filled in the same manner in which the original appointment was made.

(l) In addition to the studies and investigations provided for in subsection (b) of this section, the United States members of the Commission shall conduct a review and assessment of alternative routes for the construction of a sea-level canal, such review and assessment to include an evaluation of potential routes both within and outside the Republic of Panama. The United States members shall, not later than one year from the date of enactment of this section, submit to the President and the Congress a report on their findings and recommendations.

(m) There are hereby authorized to be appropriated $8,000,000 to carry out the provisions of this section. Funds appropriated under this section shall be available to the Commission until expended.

Mr. GRAVEL. Mr. President, this amendment is at the suggestion of some of my colleagues. It is somewhat like the amendment which was introduced yesterday and which was defeated by the Senate by six votes.

This amendment provides for a study on breaching the continent at several locales in Central America. Hopefully, we could go forward with this study to make a determination of this matter.

The Commission which is created here would have to report the results of that study to the Congress in 1 year.

Another facet is the Commission would be composed of both Americans and Panamanians, since this was the more likely route. That study would go on if the selection, after a 1-year period of time, indicates that it should be in Panama. If not, obviously we would move to another location in the effort to complete this study.

I just feel that the figures I have developed over time with respect to the possible results of this study could amount to hundreds of millions of dollars in savings to the American consumer. That, of course, is exactly the same motivation my colleague from New Mexico had in fighting for the user fees, to have greater justice and greater efficiency for the American people. That is exactly the same motivation as here. The results may be absolutely fantastic if the figures I have in mind are borne out.

Mr. DOMENICI. Mr. President, I might ask the Senator from Alaska if he wants the yeas and nays on this amendment.

Mr. GRAVEL. I think we should have them. We had a negative vote on this issue yesterday. I think the RECORD would be marred if we do not have a yea and nay vote.

Mr. DOMENICI. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. GRAVEL. Mr. President, I ask for the yeas and nays on passage also.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. DOMENICI. As I understand it, other than this amendment and passage, there is no other business pending.

Mr. GRAVEL. That is correct.

Mr. DOMENICI. Let me ask this question of the Senator: Yesterday we voted on something similar to this amendment. My concern at that time was in no way directed at whether or not there is justification to have this kind of study, but, rather, as it related to the treaty which the United States of America has with the Panamanians.

As far as this study is concerned, and as far as it relates to any studies that would directly involve Panama, is it my understanding that Panamanians would be on the Commission?

Mr. GRAVEL. Yes, there would be.

Mr. DOMENICI. Second, is it my understanding that as to that kind of study, this amendment permits the President to see that it is carried out jointly between the United States and Panama. As to that we are not doing it all by ourselves but, rather, in implementation of the message he sent up on the treaty?

Mr. GRAVEL. Very much so, both on the part of the administration and on the part of the Government of Panama.

Mr. DOMENICI. That leaves open the issues which would have to be negotiated between the two countries if we ever got to the point of negotiating.

Mr. GRAVEL. Exactly. The information would come back to the Congress, to the American people, and to the Panamanian Government. We could look at the results and act accordingly.

Mr. BROOKE. Mr. President, I am going to oppose this amendment not because I oppose a sea-level canal study but because I believe this to be an improper vehicle for this review. A study is to be part of the implementing legislation accompanying the treaties and should be treated in that context. Furthermore, I must insist on seeing an administration justification for funding of this order of magnitude.

Mr. DOMENICI. I have no objection. Mr. President, I yield back the remainder of my time.

Mr. GRAVEL. Mr. President, I yield back the remainder of my time.

Mr. ROBERT C. BYRD. Mr. President, if the Senators will yield back their time on the bill also, would not the vote occur on the bill immediately back to back?

Mr. GRAVEL. That is correct.

The PRESIDING OFFICER. If there are no further amendments.

Mr. DOMENICI. Mr. President, I yield back the remainder of my time.

Mr. GRAVEL. Mr. President, I yield back the remainder of my time.

Mr. DOMENICI. Mr. President, I wanted to ask the Senator from Alaska about the conferees.

Mr. GRAVEL. We can work that out after the final vote.

Mr. DOMENICI. We can do that today, however?

Mr. GRAVEL. Yes.

Mr. DOMENICI. At least, he agrees that we will ask for a conference?

Mr. GRAVEL. Yes; I will have a few comments to make after the vote also.

Mr. DOMENICI. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DOMENICI. There will be time to discuss the conferee situation after the vote on passage?

The PRESIDING OFFICER. That is correct. That would be the appropriate and proper time to do so.

All time has been yielded back. The question is on agreeing to the amendment of the Senator from Alaska. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Nevada (Mr. CANNON), the Senator from Colorado (Mr. HASKELL), the Senator from Colorado (Mr. HART), the Senator from Hawaii (Mr. INOUYE), the Senator from Louisiana (Mr. LONG), the Senator from New Hampshire (Mr. MCINTYRE), and the Senator from North Carolina (Mr. MORGAN) are necessarily absent.

I further announce that, if present and voting, the Senator from North Carolina (Mr. MORGAN) would vote "nay."

Mr. STEVENS. I announce that the Senator from Kansas (Mr. PEARSON) is necessarily absent.

The result was announced—yeas 63, nays 29, as follows:

[Rollcall Vote No. 152 Leg.]

YEAS—63

Abourezk	Eastland	Moynihan
Allen	Glenn	Muskie
Anderson	Gravel	Nunn
Baker	Hansen	Packwood
Bartlett	Hatfield,	Pell
Bayh	Mark O.	Percy
Bentsen	Hatfield,	Randolph
Biden	Paul G.	Ribicoff
Byrd, Robert C.	Hathaway	Riegle
Chafee	Heinz	Roth
Chiles	Hodges	Sarbanes
Church	Hollings	Sasser
Clark	Huddleston	Sparkman
Cranston	Humphrey	Stennis
Culver	Jackson	Stevenson
Curtis	Johnston	Stone
Danforth	Kennedy	Talmadge
DeConcini	Magnuson	Wallop
Dole	Mathias	Williams
Domenici	Matsunaga	Young
Durkin	McGovern	Zorinsky
Eagleton	Melcher	

NAYS—29

Bellmon	Griffin	Nelson
Brooke	Hatch	Proxmire
Bumpers	Hayakawa	Schmitt
Burdick	Helms	Schweiker
Byrd,	Javits	Scott
Harry F., Jr.	Laxalt	Stafford
Case	Leahy	Stevens
Ford	Lugar	Thurmond
Garn	McClure	Tower
Goldwater	Metzenbaum	Weicker

NOT VOTING—8

Cannon	Inouye	Morgan
Hart	Long	Pearson
Haskell	McIntyre	

So Mr. GRAVEL's amendment (No. 1932) was agreed to.

Mr. GRAVEL. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. MAGNUSON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER (Mr. NUNN). Are there further amendments?

If there be no further amendments to be proposed, the question is on the engrossment of the amendments and third reading of the bill.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read a third time.

● Mr. BAKER. Mr. President, I want to take this opportunity to commend the senior Senator from New Mexico (Mr. DOMENICI) for his management of the Water Resources bill for the Republicans during the last 3 days.

The effort has required hard work and preparation as well as a considerable degree of patience and perseverance. Over 50 amendments have been considered during debate on this bill on various projects and issues. The Senator has consistently been well prepared and well staffed to serve the interests of his constituents, his colleagues, and the Nation as a whole.

But Senator DOMENICI in addition to these general management responsibilities has brought to the Senate, through his advocacy of waterway user charges, a central philosophical issue which has caused us all to consider the basic framework of navigation project authorizations. I believe the exercise has been healthy for the Senate.

While the Senator's proposal failed on a close vote, his effort did result in the adoption of a fuel charge which will help defray the substantial Federal expenditures for operation and maintenance of the inland waterway system. And the concept of user charges has been commended for further study and evaluation which will indicate the need for future action to increase industry participation in the operation, maintenance, and improvement of the system which forms so vital a part of its resources.

I want to personally extend to the Senator my appreciation for his hard work on this issue and his patient management of the Water Resources bill.●

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Mr. WILLIAMS may proceed for 1 minute on a matter that has been cleared on both sides.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senate is not in order. The Senator from New Jersey will please withhold his comments until there is order.

The Senator from New Jersey.

SECURITIES INVESTOR PROTECTION ACT AMENDMENT

Mr. WILLIAMS. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on H.R. 8331.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the House agree to the amendments of the Senate Numbered 1 to 7 inclusive, to the bill (H.R. 8331) entitled "An Act to amend the Securities Investor Protection Act of 1970."

Resolved, That the House agree to the amendment of the Senate Numbered 9 to the aforesaid bill with an amendment as follows:

In lieu of the matter proposed to be inserted by the said amendment, insert:

AMENDMENT TO THE SECURITIES EXCHANGE ACT OF 1934

SEC. 18. (a) Section 11(a)(3) of the Securities Exchange Act of 1934 (15 U.S.C. 78k (a)(3)) is amended by striking out "May 1, 1975" and inserting in lieu thereof "February 1, 1978" and by striking out "May 1, 1978" each place it appears and inserting in lieu thereof "May 1, 1979".

(b) The amendment made by subsection (a) of this section shall be effective as of May 1, 1978.

Resolved, That the House disagree to the amendment of the Senate numbered 8 to the aforesaid bill.

UP AMENDMENT 1302

Mr. WILLIAMS. Mr. President, I move that the Senate concur in the amendment of the House to the amendment of the Senate numbered 9, with the following amendment which is at the desk.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

The Senator from New Jersey (Mr. WILLIAMS) proposes unprinted amendment numbered 1302.

The amendment is as follows:

In the House Amendment to the Senate Amendment numbered 9 strike out "May 1, 1979" and insert in lieu thereof "February 1, 1979".

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from New Jersey.

The motion was agreed to.

Mr. WILLIAMS. Mr. President, I further move that the Senate insist on its position on Senate Amendment No. 8.

The motion was agreed to.

NAVIGATION DEVELOPMENT ACT

The Senate continued with the consideration of the bill.

Mr. DOMENICI. Mr. President, I ask unanimous consent that Mr. STAFFORD have 30 seconds prior to final passage.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE OPPORTUNITIES FOR SMALL HYDRO

Mr. STAFFORD. Mr. President, even though the Nation continues to struggle toward a national energy policy, we fail to make full utilization of the potential of retrofitting hydroelectric generators at existing dam sites.

It has been estimated that as much as 56,600 megawatts of power could be added to our national supply by retrofitting power turbines at existing dam sites. That would nearly double present hydropower production, and it would do it without building a single new dam anywhere in the Nation. In New England alone, the Army Corps of Engineers has identified 3,000 potential hydroelectric sites at existing dams.

Such development would save 727,000 barrels of oil per day, producing 7½ times the energy savings associated with

the President's goal of solar heating for 2½ million homes by 1985.

Unfortunately, this hydro opportunity is not being grasped as effectively as it could be. The Department of Energy is in the process of developing a program for feasibility studies, but that program will effectively prevent communities from studying the hydropower potential at any Federal dams.

That effort, therefore, must be made by the Federal agencies themselves. It is for that reason that I have urged that $2,800,000 be appropriated in fiscal year 1979 so that the Corps of Engineers can make such studies.

This is a sound business investment. Every hydro project we build or expand produces revenues back to the Treasury.

Chairman RANDOLPH's amendment yesterday contained language I submitted last year that was approved by the Senate as part of H.R. 5885. It authorized the Corps of Engineers to provide technical assistance to public groups and cooperatives in retrofitting electric generating power at existing dams and old industrial sites. It is a sound approach. I believe it will help to encourage a more effective use of hydropower.

I commend the chairman for including this provision in his proposal.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the Senator from Oklahoma have 30 seconds.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BELLMON. Mr. President, the United States is blessed by the existence of four sometimes complementary but often competing systems of transportation. Our highway system, which links every community in the country is probably the finest on the face of the Earth. Our system of airways and airports provides rapid, dependable transportation and communication between cities and regions. The Nation's railway system was once our Nation's principal communication and transportation link and it still provides invaluable services.

Perhaps a system which is the least understood and yet which plays an increasingly vital role in movement of freight is the Nation's waterways. In my own State of Oklahoma, the development of the McClellan-Kerr navigational system which has been opened during this decade is proving to be a tremendous asset. During calendar year 1977, the actual tonnage carried was 9.1 million tons. This is almost 150 percent of the 6.6 million tons which had been projected when the project was planned. In addition, the tonnage for 1978 through the month of March is running well ahead of the similar period in 1977.

This rate of traffic development far exceeds expectations and is likely to continue to grow as new facilities along the waterway are developed to enhance freight handling.

At the same time the waterways in the country are prospering and growing important, the Nation's railways are experiencing difficulties sometimes of catastrophic proportions. Again, in my own State of Oklahoma hundreds of miles of railroad trackage has been takenup over the last two decades and at least one of our mainline railroads is in such serious financial difficulty that a Government guaranteed loan has been required to keep it in operation.

One of the basic reasons for difficulty of our rail system is the unfair tax burdens which it is called upon to bear. This is particularly true when it is realized that the Nation's waterway system, a major competitor of the railroads, has been built completely with Federal funds and is operated and maintained at no charge to the waterway users. This is a patently unfair arrangement and one which is virtually certain to assure the continued economic instability of the Nation's railway system unless changes are made.

The needed changes can come in either of two forms. The first, and one which is already been undertaken to a degree is for the Federal Government to provide heavy subsidies to the operators of the Nation's railroads in areas where barge competition is significant. In my judgment, such a system of subsidies would be impossibly difficult to administer over the long run and would be likely to hamper the competitive forces which are necessary in our free enterprise economy.

The second, and to me far more desirable approach, is for the Congress to enact a system of waterway user fees. Such a system would remove at least a part of the competitive advantage which barge operators now enjoy and give other modes of transportation a more equitable opportunity to compete.

While the establishment of the user fee system will be difficult and while it is impossible to know at the outset precisely the rationale for right user fees which will both assure the taxpayers a fair return on the huge investment that has been made in the Nation's waterway system and at the same time produce competitive equivalency, I feel a start must be made. It has now become obvious that the terms of S. 1529 were inappropriate, but the concept was good. Experience may prove the user charges of H.R. 8309 will also need adjustment, after a few years of experience. However I am convinced that the legislation is a step in the right direction.

In addition to producing a more equitable climate for competition, the imposition of waterway user fees will serve as a moderating influence on future demands for the authorization and construction of additions to the Nation's waterway system. In the past, there has simply been no economic restraint on waterway users in the demands they have made for further construction on the Nation's waterway system. The realization which is certain to follow the passage of H.R. 8309 that at least a portion of future costs will be paid by waterway users should serve to diminish the demand for economically unsound developments. With the U.S. Treasury paying the full bill, there is no end to the demands which the future is likely to bring for waterway development. Imposition of user fees should induce a higher degree of responsibility in these programs.

Mr. President, the senior Senator from New Mexico, Mr. DOMENICI, has performed a real miracle in bringing about the development and passage of this legislation. Throughout the consideration of this legislation, he has displayed the willingness to work out meritorious compromises, an unfailing instinct for finding a path through the jungle of obstacles which have been raised by his opponents, and a genius for knowing when and how to advance his cause. I commend him for the skill and perseverance which has made possible the enactment of this bill.

Users of our Nation's waterway system as well as consumers and taxpayers will be helped by this legislation. Waterway users will benefit because the imposition of a reasonable user fee will help assure the continued operation, maintenance, and development of the Nation's waterway system. Consumers will benefit by the more economic movement of freight which will result from a viable and competitive transportation system for raw materials and manufactured goods which are the life blood of our Nation's economy.

Mr. PERCY. Mr. President, yesterday, in an effort to resolve the long-standing controversial issues of user charges and the construction of locks and dam 26 near Alton, Ill., two compromise proposals to amend H.R. 8309 were introduced. One proposal was presented by Senators DOMENICI and STEVENSON, the other by Senator LONG.

My overriding concern was that the construction of a new locks and dam 26 begin as soon as possible. While I saw merit in both amendments, I voted for the Domenici-Stevenson proposal. However, I voted for the Domenici proposal with some reservation. I felt the fuel tax in the Long amendment was an inadequate charge to place on waterway users. After failure of this amendment, I voted for the Long amendment.

The strategic positioning of locks and dam 26 on the Mississippi River makes both national and international trade dependent on its efficient operation. An estimated 10 million tons of grain are loaded, inspected, and moved through locks and dam 26 from Illinois-based grain facilities each year, with 80 percent of this grain destined for foreign markets. However, the present locks and dam near Alton, Ill., cannot adequately handle all this traffic on the Mississippi River. It is not uncommon for barges to experience 5 to 6 day delays getting through the present locks.

We need a new locks and dam 26 badly—we cannot continue experiencing 5- to 6-day costly delays at locks and dam 26. These delays are costing barge companies up to $200 a day and are jeopardizing our agriculture export agreements. The extra cost of the Domenici-Stevenson amendment to those depending on this waterway is minor compared to the expense these delays are causing.

I was convinced by repeated statements by the President and the Secretary of Transportation that the President would veto any legislation that could possibly come out of the House-Senate

conference committee on H.R. 8309 if the Senate did not adopt a capital cost recovery provision. Such a provision was included in the Domenici-Stevenson compromise, but not in the Long compromise.

Despite the fact that the Senate bill does establish for the first time a reasonable and fair fee-system for those who us our inland waterways, I am assured that the President will veto the bill leaving us with the alternative of overriding the veto or passing a bill with a capital recovery provision.

Mr. RANDOLPH. Mr. President, I ask unanimous consent to proceed for 60 seconds.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. RANDOLPH. Mr. President, the water resources bill that now will come before the membership for final vote has been developed in the Committee on Environment and Public Works. I am very earnest in my commendation of the two Senators who have handled that bill in the Senate—the chairman of the Subcommittee on Water Resources, the Senator from Alaska (Mr. GRAVEL), and the Senator from New Mexico (Mr. DOMENICI), the ranking member of the subcommittee. They handled the bill not in any partisan vein but in an effort to counsel together.

The leadership of Senator GRAVEL of Alaska, chairman of our Subcommittee on Water Resources was most helpful in bringing this legislation to the Senate floor and obtaining its passage in this body today. Senator DOMENICI of New Mexico, the ranking minority member of the subcommittee was also valuable and instrumental in developing legislation of value to the Nation. I commend both of these Senators for their work and for their diligence.

I must also commend the other members of the Committee on Environment and Public Works for their activities on this legislation. Senators MUSKIE, BENTSEN, BURDICK, CULVER, HART, and MOYNIHAN made substantial contributions as did Senators STAFFORD, BAKER, MCCLURE, CHAFEE, and WALLOP. I commend all members for their diligence and nonpartisan attitude while the committee addressed this important water resources development legislation.

I would also like to thank the members of the staff who spent many hours developing the hearings and preparing the legislation for Senate action. I would like to particularly thank John Yago, Baily Guard, Richard Harris, Hal Brayman, Ann Garrabrant, and Lee Rawls for their work on this important and meaningful legislation.

SEVERAL SENATORS. Vote! Vote!

Mr. DOMENICI. Mr. President, I ask unanimous consent that I may proceed for 30 seconds.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. I thank the chairman of the full committee.

I must state that the bill as it was presented did have a great deal of thought behind it. It was considered thoroughly. But I remind Senators that we have added about $1.3 billion in new projects, many of which have not cleared the committee. Because of that, plus the fact that we have not made the requisite changes in the inland water system, this Senator is going to vote against the bill on that basis.

Mr. GRAVEL. Mr. President, I will make extensive comments after the vote.

I thank the Senator from West Virginia for his comments.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Nevada (Mr. CANNON), the Senator from Colorado (Mr. HART), the the Senator from Colorado (Mr. HASKELL), the Senator from Hawaii (Mr. INOUYE), the Senator from New Hampshire (Mr. MCINTYRE), and the Senator from North Carolina (Mr. MORGAN) are necessarily absent.

On this vote, the Senator from New Hampshire (Mr. MCINTYRE) is paired with the Senator from North Carolina (Mr. MORGAN). If present and voting, the Senator from New Hampshire would vote "nay" and the Senator from North Carolina would vote "yea."

Mr. STEVENS. I announce that the Senator from Kansas (Mr. PEARSON) is necessarily absent.

The result was announced—yeas 80, nays 13, as follows:

[Rollcall Vote No. 153 Leg.]

YEAS—80

Abourezk	Gravel	Moynihan
Allen	Griffin	Muskie
Anderson	Hansen	Nelson
Baker	Hatfield, Mark O.	Nunn
Bartlett	Hatfield, Paul G.	Packwood
Bayh	Hathaway	Percy
Bellmon	Hayakawa	Randolph
Bentsen	Heinz	Ribicoff
Bumpers	Hodges	Riegle
Burdick	Hollings	Sarbanes
Byrd, Robert C.	Huddleston	Sasser
Case	Humphrey	Schweiker
Chiles	Jackson	Scott
Church	Javits	Sparkman
Clark	Johnston	Stafford
Cranston	Kennedy	Stennis
Culver	Laxalt	Stevens
Curtis	Long	Stevenson
Danforth	Lugar	Stone
DeConcini	Magnuson	Talmadge
Dole	Mathias	Thurmond
Durkin	Matsunaga	Tower
Eagleton	McClure	Wallop
Eastland	McGovern	Williams
Ford	Melcher	Young
Garn	Metzenbaum	Zorinsky
Glenn		
Goldwater		

NAYS—13

Biden	Domenici	Proxmire
Brooke	Hatch	Roth
Byrd, Harry F., Jr.	Helms	Schmitt
Chafee	Leahy	Weicker
	Pell	

NOT VOTING—7

Cannon	Inouye	Pearson
Hart	McIntyre	
Haskell	Morgan	

So the bill (H.R. 8309) was passed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. GRAVEL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDER FOR FURTHER PERIOD FOR ROUTINE MORNING BUSINESS AND RECOGNITION OF SENATOR BARTLETT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, after the managers of the bill have completed their work on the bill, there be a further period for the transaction of routine morning business to last until 1 p.m. today and that Mr. BARTLETT be first recognized under that order.

The PRESIDING OFFICER. Without objection, it is so ordered.

NAVIGATION DEVELOPMENT ACT

The Senate continued with the consideration of the bill.

Mr. GRAVEL. Mr. President, I shall be very brief.

This is a much expanded bill and we had a lot of disappointments and also realized a lot of aspirations of different Members.

The characterization of "pork barrel" I think is unfortunate, because so often we have heard that in the past when we deal with public works, talking about these kind of projects. I would rather not think in terms of what is an often used cliche "pork barrel," but think in terms of capital improvements that we are making to our waterway system which hopefully will permit that system to bring goods and services to the people of this great Nation more cheaply and more efficiently.

I also hope that we will appreciate the many requests of Senators who come in the Chamber to ask that a Federal project park be designated and to put up money so they can make a recreational facility. Having numerous recreational facilities around the Nation adds a quality of life to the experiences that we enjoy. So these are not bad things. This is what has made our Nation great.

We had the Senator from New York step forward and talk about the Erie Canal. The Erie Canal was the foundation for our industrial empire and the might this Nation has today.

The Mississippi, in its ability to handle the cargo, and the Allegheny rivers, and all the river systems in this country, that is the reason why we have the greatness we have today in the economic arena.

So I would hope we would not characterize our efforts to continue to contribute to the capital base—and that is what we are taking about—the strength of this country, which is our capital base, and that is what these moneys go for.

It may appear to the uninitiated that it was somewhat disorderly. But let me just say that when the bureaucracy is not responsive to permit us in the Congress to be orderly, then some disorderliness does occur.

So I want to say this bill we passed is a landmark in the projects. Maybe not all of them will stay in as the conference goes forward, but I think enough of them will stay in to recognize that this is a landmark piece of legislation.

It is a landmark for another reason. Who would have thought that 2 or 3 years ago or a year ago we would have been able to pass through the Senate—and I think pass with sufficient momentum—so that there will now be proper taxation with respect to the utilization of our waterway system, and I think one person above all else can take credit for that accomplishment, and that is my colleague, the minority manager on the committee, the Senator from New Mexico (Mr. DOMENICI). I think he has probably labored harder and with more dedication than I have seen any other Member labor and give of his time.

There is no political benefit to him in New Mexico for this. This is the kind of work that a person takes up and does, he has to pay his dues as a policymaker because he feels it is morally right, and in this great body, and as a leader in this Nation. So I want to commend my colleague for what he has done in that regard.

It has not been an easy fight. The fight is not over. I have been happy to at times lend my assistance to him as best I could do.

So I want to commend him and encourage him to go forward; that the war is not won, but I would say the major battle determining the outcome of the war has been won, because what he succeeded in doing is getting the principle accepted and a decent start on a system of taxation which seemed well-nigh impossible 2 or 3 years ago.

So I think for that I can pay him no greater respect and no greater homage, because it was a labor of love and no other aspect to this.

Let me just say also, Mr. President, if it were not for the diligence and leadership of the chairman of the full committee, the distinguished senior Senator from West Virginia (Mr. RANDOLPH) that we probably would not be standing here with this kind of a project, this kind of a bill.

So I want to thank him for his leadership, his great, what I characterize as his great, approach to the problems, ala Henry Clay, to be able to bring people together, to reason and push and bring about the most unusual accomplishment. So I am most respectful and most grateful for his leadership which has brought us to where we are today.

I want to thank the other members of the subcommittee, Senators MUSKIE, BENTSEN, BURDICK on the majority side, and Senators MCCLURE and WALLOP, particularly Senator WALLOP, who has really devoted a lot of time in fashioning this bill with his presence and a lot of time in tedious committee meetings.

I am most grateful to the staff, both on the majority side and on the minority side.

I just say to my colleague that we have our disagreements, but it is upon these disagreements that we meld together what I think will be an unusual accomplishment by the time it passes both Houses of Congress and is signed by the President. We are only half way there. So I will encourage my colleague from New Mexico to work as assiduously as he has in the past, and I think we will see unusual rewards come of that.

Mr. DOMENICI. Mr. President, will the Senator yield for just two moments? I want to thank four people in particular for their diligent effort: Secretary of Transportation Brock Adams, who has been most helpful and diligent in his pursuit of what I believe he perceives to be a more balanced transportation system; Terrence L. Bracy, Assistant Secretary for Congressional and Intergovernmental Affairs; Susan Williams, Director of Congressional Relations, and Bill Bonvillian, of the Congressional Relations staff of the Department of Transportation.

Mr. President, I want to say just one additional thing, talk about one additional person for just a couple of moments. The distinguished chairman of the full committee, Senator RANDOLPH, as we all know, holds this committee together. It is not partisan when it comes to the major issues of this country and as they concern themselves with public works, public works need, waterway and waterway needs, rivers and river systems, and I particularly appreciate the fact that while he concerns himself with the problems of the country, he also very diligently concerns himself with the problems of his constituents, as they relate to this committee, and in possible ways of helping them through serious problems. I think we have seen that many times in the committee, and we saw it on the floor of the Senate in the past couple of days, and for that I commend him both as to his general statesmanship in behalf of the overall Nation and for carefully attending to his own constituents.

I understand the only official work we have left is to appoint the conferees.

Mr. GRAVEL. Yes.

Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make technical and clerical corrections in the engrossment of the Senate amendments to H.R. 8309.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRAVEL. Mr. President, I ask unanimous consent that 200 copies of the bill, as passed, be printed for use of the Committee on Environment and Public Works.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRAVEL. Mr. President, I move that the Senate insist on its amendments to H.R. 8309 and request a conference with the House, and that the Chair be authorized to appoint conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer (Mr. NUNN) appointed Mr. GRAVEL, Mr. RANDOLPH, Mr. LONG, Mr. TALMADGE, Mr. MOYNIHAN, Mr. DOMENICI, Mr. STAFFORD, Mr. MCCLURE, and Mr. DANFORTH conferees on the part of the Senate.

Mr. GRAVEL. Mr. President, I would only like to thank one other person, and that is the distinguished majority leader who, through his leadership, was able to get this bill to the floor through a labyrinth of a calendar, and we are most grateful to him not only for that but, of course, for what he has been able to do for his own constituency in that leadership.

Mr. ROBERT C. BYRD. Mr. President, the distinguished Senator from Alaska (Mr. GRAVEL) is very kind and charitable. I thank him, and I want to compliment him for the splendid job he has done in managing this difficult and very important bill through the Senate.

I also want to compliment his counterpart on the other side of the aisle, Senator DOMENICI.

The Senate has for the first time recognized the need for commercial users of our our waterways to help pay for the upkeep of these water highways.

Although there were opposing views as to how this should be accomplished, we resolved those differences in our time-honored tradition of vigorous debate and the vote of the majority of this body. Although Senator DOMENICI was on the losing side of that vote, he accepted the verdict with all the good grace which has so endeared him to his colleagues in this body.

I also wish to commend the very able chairman of the Environment and Public Works Committee, my colleague from West Virginia, Senator RANDOLPH, for his great contributions to this legislation, and to all the legislation which comes from his committee.

I think the Senate is in the debt of the managers of this bill. They have performed a service for the Senate and for the Nation, and I hope that their views will prevail as much as possible in conference.

FURTHER ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the period for routine morning business last for 15 minutes, after which the Senate will go into executive session.

The PRESIDING OFFICER. Without objection, it is so ordered.

SALT II: COMPARED TO WHAT?

Mr. BARTLETT. Mr. President, by what standard shall the Senate evaluate a new Strategic Arms Limitation Treaty (SALT II)? Some would have us compare concessions made by the United States with concessions made by the Soviet Union. Others would have us compare America's strategic position under SALT II with the consequences of having no agreement at all. And some will compare the final SALT II agreement with previous SALT proposals. All, of course, will be attempting to evaluate the impact in light of the goals SALT II, or SALT III, or SALT IV are supposed to achieve.

An excellent summary of those goals is to be found in Public Law 92–448, the joint resolution approving the interim agreement on strategic offensive arms (SALT I). This joint resolution, approved on September 30, 1972, places

the weight of both Houses of Congress behind these goals:

(1) A stable international strategic balance.

(2) The principle of United States-Soviet Union equality.

(3) The maintenance under present world conditions of a vigorous research and development and modernization program as required by a prudent strategic posture.

(4) Mutual decreases in the production and development of weapons of mass destruction so as to eliminate the threat of large scale devastation and the ever-mounting costs of arms production.

Stability, equality, mutual confidence, limitations on destructiveness, and cost reductions are the goals set out in this act of Congress which formalized SALT I and set the stage for SALT II.

Mr. President, I ask unanimous consent that the full text of Public Law 92–448 be printed at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. BARTLETT. The joint resolution also endorsed the earlier declaration of basic principles of mutual relations between the United States of America and the Union of Soviet Socialist Republics signed on May 29, 1972. Public Law 92–448 quoted directly from the declaration, including the following:

Both sides recognize that efforts to obtain unilateral advantage at the expense of the other, directly or indirectly, are inconsistent with these objectives, and

The prerequisites for maintaining and strengthening peaceful relations between the United States of America and the Union of Soviet Socialist Republics are the recognition of the security interests of the parties based on the principle of equality and the renunciation of the use or threat of force.

The incorporation of these parts of the declaration of basic principles into the joint resolution reflected the keystone of the spirit of detent; namely, the maintenance of strategic nuclear parity by international agreement in order to remove Soviet-American competition from the realm of nuclear weapons. Both sides were supposed to recognize that the risks of nuclear war and the costs of an arms race were too great to justify either side seeking strategic nuclear superiority. Under SALT I, both sides recognized the existence of an "interim" parity; under SALT II, they were expected to codify a more lasting parity.

SALT I provided only "interim" parity, not simply because it was to be of short duration, but mainly because it applied unequal restrictions to the two superpowers.

SALT I limited the United States and the U.S.S.R. to the number of missiles and submarines they had operational or under construction. The Soviet Union would not reveal how many they had. The United States had 1,054 intercontinental ballistic missile (ICBM) launchers operational, none under construction. The Soviets had, according to U.S. sources, 1,527 land-based missile launchers operational and an additional 81 under construction. Thus, the ceiling on Soviet ICBM's was 1,608, the ceiling on the United States, 1,054.

SALT I permitted the United States and the Soviet Union to trade pre-1964 heavy ICBM's for new submarine launched ballistic missiles (SLBM), on a one-for-one basis up to a limit, provided in an attached protocol, of 710 ballistic missile launchers on 44 submarines for the United States and 950 ballistic missile launchers on 62 modern submarines for the Soviet Union. The United States had 656 SLBM's operational then, as now, and would have to give up its 54 Titan II missiles to reach the 710 SLBM ceiling. The Soviet Union was required to dismantle its SS–7's and SS–8's on a one-for-one basis for all submarine launched missiles over 740. To achieve a SLBM force of 950, the Soviet Union would have to reduce its land based missile force to 1,398. To achieve 710 SLBM's, the United States would have to cut its ICBM's to 1,000.

In 1972, the United States had 41 ballistic missile submarines (SSBN's), none under construction. The U.S.S.R. had 25 operational and 18 under construction, or 43 permitted under SALT I. If pre-1964 ICBM's were traded for SLBM's, the United States was allowed 44 ballistic missile submarines, the Soviet Union 62. The Soviet Union today has 62 ballistic missile submarines deployed and more under construction.

Because the Soviet Union had a larger number of ballistic missiles, and because those missiles were larger than American missiles, the actual restrictions placed upon the two superpowers favored the Soviet Union. The "Interim Agreement" was justified on the grounds that American missiles, with their greater accuracy and with a more advanced multiple independently targeted reentry vehicle (MIRV) program, had sufficient technological superiority to balance superior Soviet numbers and size. However, Congress demanded equality in the famous "Jackson Amendment" which became part of Public Law 92–448. Congress understood that application of advanced technologies would be easy for the Soviet Union, because of the size of their missiles and that weight and size and costs could prevent the United States from always maintaining a technological superiority over the Soviet Union sufficient to counter Soviet numerical superiority.

In recognizing that the United States must have equal access to numbers if necessary, the Congress already was aware that the Soviet Union was capable of major investment in research and development. The Soviets now continue to amaze everyone with the breadth and depth of their effort. Despite the often clumsy inefficiency of their Socialist economy, sheer magnitude of effort and concentration on military technology have permitted the Soviet Union to modernize its missile forces at an incredible rate.

Since SALT I was negotiated, the Soviet Union has greatly modernized the very systems whose numbers were limited in SALT I. At SALT I, much of America's concern was with the massive SS–9 heavy land based ballistic missile which if MIRVed, said Secretary Laird, could threaten the U.S. Minuteman force. Since then, the Soviet Union has developed and deployed four new ICBM's. Two of these will be sufficiently capable and deployed in sufficient numbers to threaten our Minuteman force without the help of the others. And, as we aproach SALT II, we see that an additional four new intercontinental ballistic missile types are being developed.

Although it is the Soviet ICBM force which causes the United States to fear Soviet development of a disarming first strike force, the Soviets have not neglected their submarine launched ballistic missiles. Since SALT I was concluded, the Soviets have developed the SS–N–8, the SS–N–X–17, the SS–N–X–18, and two modifications of the SS–N–6, and may have another new SLBM under development. The long range of the newest SLBM's makes it possible for them to fire their missiles from home ports in the Soviet Union and hit targets in the United States. The United States will not have this capability for several years.

In 1972, the new Yankee class ballistic missile submarines of the Soviet Union were only 4 years old. Nevertheless, the Soviet Union has deployed the Delta I, II, and III SSBN's since SALT I, while the United States suffers delays in its efforts to produce the Trident submarine to replace its aging Polaris and Poseidon submarines. And now the Soviet Union is reported to have a new SSBN, the Typhoon class. under development.

In ICBM's, SLBM's, and missile submarines, the Soviet Union is now in a position to move quickly beyond the limits of SALT I if the present extension of that agreement is terminated. The United States has no programs which would permit it to do the same.

The United States is not in a good position to "break out" of SALT I, because it had faith that a SALT II agreement would make that unnecessary. However, a SALT II agreement which substitutes for substantial American effort to keep pace with the Soviets may not now be possible.

In 1974, President Ford concluded the Vladivostok understanding which called for a more formal agreement based upon an overall ceiling of 2,400 strategic delivery vehicles including ICBM's, SLBM's, and, for the first time, bombers. In addition, each side would be limited to 1,320 MIRVed vehicles, but they would be free to exchange ICBM's for SLBM's or bombers. The United States assumed that deployment of the B–1 bomber and development of the air launched cruise missile would balance the Soviet's ICBM superiority, and that the "freedom to mix" land based missiles for sea based missiles and bombers would encourage the Soviet Union to adopt a broader based Triad rather than continue to refine the disarming first-strike capability of its large and numerous ICBM's.

Vladivostok might have provided the basis for a SALT II agreement compatible with the goals of Public Law 92–448 had the Soviet Union not insisted that its own Backfire bomber not be included under the overall ceiling and that American bombers with cruise missiles be counted as MIRVed systems.

American air-launched cruise missiles

are not reentry vehicles and because of their slow speed and the slow speed of the bombers that carry them are not first strike weapons. Acceptance of the Soviet position would have created a strategic asymmetry which would have permitted the Soviet Union to maximize its disarming first strike capability while limiting U.S. efforts to deploy more survivable forces. Soviet insistence on these unequal and destabilizing concessions prevented further progress on SALT II under the Ford administration.

In an effort to break the SALT deadlock, but recognizing the increasing Soviet ICBM threat, President Carter put forth two new SALT II proposals in March of 1977. The first approach, the so-called comprehensive proposal, sought to lower the overall ceiling on strategic forces to 1,800 or 2,000, lower the MIRV ceiling to 1,100 or 1,200, limit MIRVed ICBM's to 550, restrict heavy ICBM's to 150, and severely restrict development of new or upgraded ICBM's. Air launched cruise missiles would have a range limitation of 2,500 kilometers and all ALCM's with a range over 600 kilometers could be carried only on heavy bombers. Because of the advance of Soviet ICBM modernization, it is doubtful that the comprehensive proposal could have prevented the U.S. Minuteman force from becoming vulnerable in the mid-1980's, but it could have reduced the overall strategic advantages which the Soviet Union is gaining from its increasingly superior land based missile force.

Recognizing the possibilities within the original Vladivostok agreement, the President also put forth a "Deferral Option" which proposed concluding an agreement with a 2,400 overall ceiling and a 1,320 MIRV ceiling, but without settling the Backfire or cruise missile issues. They would be excluded.

The harsh Soviet rejection of both March proposals caused the Carter administration to make new concessions in order to keep the negotiations going. The resulting package will probably be the basis of a final SALT II treaty.

The Soviet Union and the United States have agreed to reduce the overall ceiling to between 2,160 and 2,250, ALCM carrying heavy bombers will count under a 1,320 MIRVed ceiling, but only 1,200 to 1,250 MIRVed ballistic missiles are allowed and only 820 MIRVed ICBM's. The Soviet Union will be allowed to keep all of their 308 modern heavy intercontinental ballistic missiles (ICBMs), but can deploy no additional heavy ICBM's. Additional restraints on cruise missiles and intercontinental ballistic missile modernization will be placed in a protocol and guidelines for SALT III negotiations will be established.

Whether the final SALT II proposal will be acceptable is not certain. One thing is clear however. The final document will reflect a series of major U.S. concessions in the face of both growing Soviet capabilities and unilateral disarmament measures by the United States. The cancellation of the B–1, the termination of the Minuteman production line, reductions in strategic spending, delays in Trident and MX—all of these will change the standards by which the proposed SALT II agreement is judged. Terms which were acceptable in 1972, or 1974, or even 1977, may be totally unacceptable in 1978.

Out of the SALT II negotiations, the world has come to perceive American strategic weakness. The entire world is aware of the increasing vulnerability to Soviet attack of the American Minuteman missile force. This will become critical in the mid-1980's. Many are aware that the number of U.S. ballistic missile submarines deployed will also dip in the same period as Polaris submarines are retired and Trident submarines are delayed. And no one doubts that America's manned bomber force of lumbering B–52's will have great difficulty penetrating against the massive, modern Soviet air defenses of the eighties. Assurances by the Carter administration that air launched cruise missiles can compensate for nearly all of these deficiencies in the American Triad can hardly be reassuring when they see the United States accepting severe limitations on ALCM's and ALCM carriers at SALT II.

With or without a SALT II agreement, the United States appears worse off for the effort. This was not the goal of Public Law 92–448.

EXHIBIT 1

F. SALT AGREEMENTS

(1) JOINT RESOLUTION ON INTERIM AGREEMENT

(Public Law 92–448 [H.J. Res. 1227], 86 Stat. 746, approved September 30, 1972)

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the Congress hereby endorses those portions of the Declaration of Basic Principles of Mutual Relations Between the United States of America and the Union of Soviet Socialist Republics signed by President Nixon and General Secretary Brezhnev at Moscow on May 29, 1972, which relate to the dangers of military confrontation and which read as follows:

"The United States of America and the Union of Soviet Socialist Republics attach major importance to preventing the development of situations capable of causing a dangerous exacerbation of their relations . . ." and "will do their utmost to avoid military confrontations and to prevent the outbreak of nuclear war" and "will always exercise restraint in their mutual relations," and "on outstanding issues will conduct" their discussions and negotiations "in a spirit of reciprocity, mutual accommodation and mutual benefit," and

"Both sides recognize that efforts to obtain unilateral advantage at the expense of the other, directly or indirectly, are inconsistent with these objectives," and

"The prerequisites for maintaining and strengthening peaceful relations between the United States of America and the Union of Soviet Socialist Republics are the recognition of the security interests of the parties based on the principle of equality and the renunciation of the use or threat of force."

SEC. 2. The President is hereby authorized to approve on behalf of the United States the interim agreement between the United States of America and the Union of Soviet Socialist Republics on certain measures with respect to the limitation of strategic offensive arms, and the protocol related thereto, signed at Moscow on May 26, 1972, by Richard Nixon, President of the United States of America and Leonid I. Brezhnev, General Secretary of the Central Committee of the Communist Party of the Soviet Union.

SEC. 3. The Government and the people of the United States ardently desire a stable international strategic balance that maintains peace and deters aggression. The Congress supports the stated policy of the United States that, were a more complete strategic offensive arms agreement not achieved within the five years of the interim agreement, and were survivability of the strategic deterrent forces of the United States to be threatened as a result of such failure, this could jeopardize this supreme national interests of the United States; the Congress recognizes the difficulty of maintaining a stable strategic balance in a period of rapidly developing technology; the Congress recognizes the principle of United States-Soviet Union equality reflected in the antiballistic missile treaty, and urges and requests the President to seek a future treaty that, inter alia, would not limit the United States to levels of intercontinental strategic forces inferior to the limits provided for the Soviet Union: and the Congress considers that the success of these agreements and the attainment of more permanent and comprehensive agreements are depndent upon the maintenance under present world conditions of a vigorous research and development and modernization program as required by a prudent strategic posture.

SEC. 4. The Congress hereby commends the President for having successfully concluded agreements with the Soviet Union limiting the production and deployment of antiballistic missiles and certain strategic offensive armaments, and it supports the announced intention of the President to seek further limits cn the production and deployment of strategic armaments at future Strategic Arms Limitation Talks. At the same time, the Senate takes cognizance of the fact that agreements to limit the further escalation of the arms race are only preliminary steps, however important, toward the attainment of world stability and national security. The Congress therefore urges the President to seek at the earliest practicable moment Strategic Arms Reduction Talks (SART) with the Soviet Union, the People's Republic of China, and other countries, and simultaneously to work toward reductions in conventional armaments, in order to bring about agreements for mutual decreases in the production and development of weapons of mass destruction so as to eliminate the threat of large-scale devastation and the ever-mounting costs of arms production and weapons modernization, thereby freeing world resources for constructive, peaceful use.

SEC. 5. Pursuant to paragraph six of the Declaration of Principles of Nixon and Brezhnev on May 29, 1972, which states that the United States and the Union of Soviet Socialist Republics: "will continue to make special efforts to limit strategic armaments. Whenever possible, they will conclude concrete agreements aimed at achieving these purposes"; Congress considers that the success of the interim agreement and the attainment of more permanent and comprehensive agreements are dependent upon the preservation of longstanding United States policy that neither the Soviet Union nor the United States should seek.

THE PROPOSED ARMS SALE TO THE MIDDLE EAST

Mr. BARTLETT. Mr. President, in the recent past, I have often found myself at odds with our administration's programs for defense and foreign affairs. However, I agree with President Carter's proposed package sale of sophisticated military aircraft to Israel, Egypt, and Saudi Arabia. I support the sales agreement because of the considerable merit

I find in the terms of the plan; merit which should have the beneficial effects of improving conditions for a Mideast peace settlement while strengthening the military status of the U.S. friends in the Middle East, whose cooperation is vital for the protection of American strategic interests in that part of the world.

The individual terms of the proposed sales agreements, after several years of negotiations, have been smartly orchestrated into a proposal, which as a unit will help provide for the legitimate defense requirements of Israel, Egypt, and Saudi Arabia. This will enhance each state's confidence in its own security, allowing each more freedom to pursue a peaceful settlement to a conflict which has thus far frustrated efforts of conciliation.

Furthermore, this effect will be achieved without seriously altering the balance of power in the Middle East. Israel will retain a dominant military posture, stronger than during any time since her creation 30 years ago. The pending sale of 15 F–15's to supplement the 25 other F–15's already sold to Israel, and 75 F–16's, together with her excellent pilots and experienced ground crews, will guarantee continued Israeli air superiority.

The sale of 50 F–5E's to Egypt is intended to provide for short-range defense against possible aggressive acts from neighboring Libya. There is little reason to suspect that these aircraft, because of their design capabilities, could ever mount a serious offensive threat directed at the homeland of Israel. Egypt requires the F–5E's to replace their rapidly decaying force of Mig 21 fighters, whose effectiveness has been drastically curtailed since 1975 when the Soviet Union cut off all military aid.

Additionally, the sale of military aircraft to Egypt, our first military sales to that country in 20 years, will demonstrate to the people of that nation that the United States is willing to assist in helping to provide for Egypt's security needs. Further, it will be a tangible sign by our Government that we intend to support efforts toward a Mideast peace agreement.

Mr. President, the primary points of concern over the administration's package relate to the sale of 60 F–15's to Saudi Arabia. Indeed, it is this very provision that I consider most important, and strongly urge its approval.

There is little doubt as to the legitimacy of the Saudis' request to purchase a significant force of our F–15's. They presently have an obsolete collection of British-built Lightnings. These aircraft have long outlived their usefulness as a modern tactical fighter. The Saudi Air Force is required to defend a sparsely populated area, a third the size of the continental United States, under which resides the world's richest oil rserves. The F–15, with its sophisticated radar system, wide ranging capability, and considerable firepower, present the perfect air defense weapon system for Saudi Arabia.

To those who fear the hostile direction of Saudi F–15's toward Israel, I would address the following remarks: Saudi Arabia has taken an increasingly moderate posture toward Israel. They actively demonstrated a desire to avoid conflict with Israel when they withdrew land forces stationed in Syria and Jordan in 1976. From all apparent sources, they wish to maintain this position.

Furthermore, under specific agreements in the terms of the sale, the Saudis would be prohibited from stationing the F–15's at Tabuk, or extending use of the planes to other Arab countires. The threat of the United States withholding technical support for this sophisticated weapons system would serve to sufficiently restrain the Saudis should they move to change their entrenched policy of moderation. In addition, the effective transferral of F–15's to another state could not be accomplished without American simulators and logistical support.

The fact remains that the Saudis have ready cash to purchase the plane of their choice, and will do so whether we approve this sale or not. The French will have their Mirage 2000, roughly the equivalent of the F–15, ready to begin delivery in the early 1980's. Sweden also produces a similar advanced tactical aircraft. The question then becomes: Since thte Saudis will possess a sophisticated tactical fighter, would it not be in the best interests of the United States, as an active participant in Mid-Eastern affairs, to have those fighters reside in part under our own aegis?

Finally, the matter of redoubled Soviet efforts to regain some of their lost influence in the Middle East concerns me greatly. This concern becomes particularly significant in the light of recent CIA reports that the Soviet Union may not possess the energy self-sufficiency that we once suspected. The report suggests that by the mid-1980's, the Soviet Union might require imports of up to 3.5 million barrels of oil per day. This factor, combined with the considerable Soviet military presence in South Yemen, Iraq, and Ethiopia suggest several frightening scenarios which could materialize in the next decade.

The recent installment of a radical military regime in Afghanistan, via a Soviet-backed coup, further clarifies Soviet intentions in the Middle East. Having prepositioned themselves in South Yemen, Ethiopia and Iraq, the Soviets have already achieved a pincer effect, which could one day threaten Saudi Arabia and its petroleum resources. Need I remind any of my colleagues of the devastating implications this might have on our national security?

The presence of a healthy defensive force of F–15's in Saudi Arabia would be a significant deterrent to any Soviet-backed incursion into oil-rich Saudi Arabia. The fighters would be particularly effective against the Soviet Backfire bomber, whose area presence would threaten the productive capacity of major oil suppliers to the United States and otherwise halt shipping in the Persian Gulf and a major portion of the Indian Ocean.

In short, it appears that the administration's intent to sell tactical fighter aircraft to Israel, Egypt, and Saudi Arabia is based upon sound judgments designed to provide for the defensive requirements of all parties involved: for Israel, clear air superiority will be preserved; for Egypt, the reasonable opportunity to defend it self from a preponderant buildup of Soviet military material in Libya; and for Saudi Arabia, the air defense it needs to insure some measure of security for its vast oil reserves.

Beyond defense, this package sale should allow these Mid Eastern powers easier access to the bargaining table. Any significant alteration of this package in the direction of, or away from, a particular State, would seriously impair the bilateral, even-handed negotiating relationship with which the United States is currently favored.

Mr. President, I fully support the terms of the administration's arms sales package, and recommend its approval.

DR. EDWIN W. MONROE, A REMARKABLE NORTH CAROLINIAN IN HEALTH AFFAIRS

Mr. HELMS. Mr. President, I hope Senators will have a moment to read an article about Dr. Edwin W. Monroe, who is vice chancellor for health affairs and professor of medicine at East Carolina University, Greenville, N.C.

Aside from the fact that Ed Monroe has long been a very special friend of mine, he has my deep admiration and respect for his remarkable achievements in promoting and expanding health care and medical education in eastern North Carolina.

The Raleigh News & Observer, in a feature article on April 16, used the headline: "ECU's Key Man in Division of Health Affairs." The article, in fact, designated Ed Monroe as the newspaper's "Tar Heel of the Week."

Mr. President, I ask unanimous consent that the aforementioned article be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ECU'S KEY MAN IN DIVISION OF HEALTH AFFAIRS

(By Jerry Allegood)

GREENVILLE.—When Edwin Monroe was deciding whether to join East Caroline University's efforts to expand medical education, ECU Chancellor Leo W. Jenkins warned him the job would be personally demanding.

Recently, Jenkins said, he admonished Monroe that he owed it to himself to reduce the number of meetings he was attending.

Jenkins recounts the two incidents some 10 years apart to point out Monroe's support for the university's health programs. Since Monroe failed to heed the first warning, Jenkins said, his commitment has never waned.

GUIDED GROWTH

Working in several administrative positions, Monroe has guided the growth of ECU's health-related services from a handful of programs into a separate division which is training about one of every 10 students on the Greenville campus.

Monroe, 51, played a key role in ECU's successful drive for a four-year medical school. While Jenkins served as a general in the controversial battles, Monroe was a tactician, preparing the facts and figures to support the school's case.

A native of Laurinburg, Monroe had a private practice in internal medicine in Greenville for 12 years before joining ECU in 1968 as director of the Institute for Life Sciences and Community Health.

HEALTH NEEDS

The institute was established upon the recommendations of consultants who were studying the area's health care needs in connection with ECU's attempt to establish a two-year medical school.

It was designed to set up continuing education programs for health professionals, establish new degree programs and bring together other necessary support for medical education.

Why would an established physician leave private practice for the tumult of public education and politics? Monroe said the major reason was the same one that attracted him to Eastern North Carolina.

"When I finished my residency I wanted to go where I might make some difference in the health care people were getting," he said.

"As far as influencing the availability of medical care was concerned, it seemed that I could do more in this position (with the university) than if I stayed in private practice."

He also said he felt that with his knowledge of Eastern North Carolina he would be in a better position to meet the responsibilities than a total stranger.

Despite his knowledge of the state and the warning by Jenkins, Monroe said he still was not prepared for the fierce opposition to ECU's efforts.

"I was fairly naive about that," he said. "I had no idea that the people who felt opposed to the concept of a university health sciences center would be as totally opposed as they were."

NOT PERSONAL FIGHT

The conflict eventually put him at odds with many of his colleagues, including people he knew as fellow medical students at the University of North Carolina at Chapel Hill. But, he was quick to point out, "It never got personal. It was a philosophical disagreement."

Monroe said one of the most rewarding surprises was the degree of interest and commitment of ordinary people to the university's goal. Once he saw that, he said, he never doubted ECU would one day be turning out doctors.

"You see things differently once you get outside the big cities and the power structures," he said. "We had groups, organizations asking how they could help. Everything from civic clubs and farm groups to church groups.

"It's not dramatic but I think that's the real story behind the medical school—the kind of support all across the state these people provided I don't believe we would have made it if that had not existed."

FAMILY SUPPORT

Monroe said he personally could not have made a contribution without support from his wife, Nancy, and daughter, Martha, who put up with the countless meetings, speaking engagements and work at home.

He gets away from the work by golfing with his wife, one of their favorite pasttimes, and by reading two or three books (historical fiction and Westerns are favorites) a week.

Monroe was influenced in his pursuit of a medical career by his father whose close friend was a family doctor. He said his father, the late Robert A. Monroe, encouraged his children to get a good education and to follow careers that were people-oriented.

After receiving his undergraduate degree at Davidson College in 1947, Monroe continued his medical education at UNC School of Medicine when it was a two-year program, then at the University of Pennsylvania, the Medical College of Virginia and as an intern at N.C. Memorial Hospital in Chapel Hill.

GROWTH AT ECU

After Monroe came to ECU, the Institute for Life Sciences evolved into the School of Allied Health and Social Professions and eventually into the Division of Health Affairs, which he has headed as vice chancellor since 1971.

During his service as dean and vice chancellor, the branch added programs in physical and occupational therapy, medical records, environmental and community health, correctional sciences, and speech and hearing rehabilitation.

Last fall the school began a program that allows deaf and hearing-impaired people to attend regular classes with students.

Jenkins, who calls Monroe a "close colleague and confidant," said his vice chancellor worked for a wide spectrum of medical courses.

EFFORTS NOTED

"He was a major factor in our continuing efforts to improve our school of nursing which now offers a master's degree," Jenkins said. "I believe we can say the school is second to none because Ed always insisted on excellence."

Besides his involvement with ECU programs, Monroe serves as president and a director of the Eastern Area Health Education Center (E-AHEC), an organization of hospitals and schools which provides training in health-related fields.

E-AHEC is one of nine centers administered by the Office of Community Health Services at UNC-Chapel Hill.

With Jenkins planning to retire in July and the medical school taking shape in the form of new faculty, students and buildings, an era may be ending at ECU.

Monroe acknowledged that some of the frustrations of his work have been removed with the establishment of the school, but he said it still must be developed.

"You don't stand still just because the door is open," he said. "You've got to move on through the door.

"There is still a heck of a lot to be done."

THE GOLD CLAUSE FREEDOM IN PERSPECTIVE

Mr. HELMS. Mr. President, there has been a good deal of writing on Public Law 95–147, the measure that contains a provision making enforceable in the courts, obligations denominated in gold or currency measured in gold.

Most recently the Money Manager newspaper printed an article by Prof. Miroslav Kriz entitled, "Gold Clauses in Contracts; Now That They Are Legal, Will They Find Acceptance?"

Dr. Kriz illustrates the problems facing the world today because of the lack of a stable currency—any stable currency—that would serve as a reasonable store of value and measure of value. He points out, for example, that the SDR or Special Drawing Rights of the International Monetary Fund are used today as a means of determining tolls for the Suez Canal because of the need for some stability. The SDR, however, is not tied to any firm standard, but to the relative values of 16 currencies; all inflating at varying rates.

Dr. Kriz states it this way, "And since the components are depreciating, the SDR itself is a depreciating asset. It cannot provide a stable medium for storing international reserves. The nongold private units of account cannot render life easier for those who have to make, or receive, future payments in currencies."

Just as the U.S. dollar was divorced from a fixed commodity standard and stopped acting as a form of discipline against irresponsible Federal fiscal and monetary policies, so too is the SDR a "money" without backing. Kriz states, "the device of assigning the SDR the value of a basket of currencies eliminates any automatic mechanisms for disciplining the managers of international money."

Mr. President, I ask unanimous consent that the Professor Kriz's article be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

GOLD CLAUSES IN CONTRACTS: NOW THAT THEY ARE LEGAL, WILL THEY FIND ACCEPTANCE?

(By Miroslav A. Kriz)

As the dollar has fallen in terms of several other key currencies and as the price of gold has risen, the question arises whether gold clauses as well as value-maintenance clauses not involving gold that became legal once again in the U.S. last October may really find acceptance.

Almost 45 years ago Congress ruled—by joint resolution of June 5, 1933 after President Roosevelt had earlier suspended the gold standard—that contracts requiring payment or repayment in gold coin of the U.S. "of or equal to the present standard of weight and fineness" were unenforceable.

The Supreme Court by a 5–4 decision upheld the constitutionality of the joint resolution, and in the late '30's it extended the joint resolution's provisions to contracts in one or more currencies of foreign countries. In recent years, it was also doubtful that clauses linking payments to the SDR, the International Monetary Fund's Special Drawing Right, could be enforced if used in private contracts.

As of Dec., 1974, Americans were again given the right to own gold. But Congress said nothing about making gold clauses legal again in future contracts. The Treasury saw no reason why U.S. businessmen should not be able to deal in securities containing multicurrency obligations—providing for payment in dollars or foreign currencies—that were offered in international markets, and it favored clarification of the standing of the SDR in private contracts.

But it opposed repeal of the gold prohibition. In 1975, the Treasury explained its reluctance to repeal the joint resolution in a memorandum to Sen. Jesse Helms (R-N.C.) who had championed the legalization of gold clauses. Repeal, it said, might create the impression that it intended to restore a monetary role for gold.

It took two years before the Treasury reversed its posture as it became unmistakably clear that Congress wanted the repeal. It rationalized its turnaround on the ground that, as the result of the repeal, gold would be treated like any other commodity. The gold-clause restoration came about in a roundabout way—as part of a relatively routine piece of legislation that allowed the Treasury to make interest-bearing deposits with commercial banks. Unlike tax and loan accounts, such deposits were previously interest-free.

The gold-clause freedom applies only to obligations entered into after Oct. 28, 1977, the effective date of the legislation. Apart from contracts in one or more currencies. Americans can thus use gold clauses as well as the SDR and other nongold value-maintenance instruments.

But will value-maintenance clauses come to be used? To answer the question, the first step is to describe what is a veritable labyrinth of clauses starting with nongold instruments, which are of two kinds, units of account devised by governments and private units of account worked out for use on international bond markets.

The most publicized governmental instrument is the SDR. It is a unit of account for bookkeeping transaction between the IMF and member governments. It is also an official reserve asset, although only SDR 9½ billion, worth today about $10½ billion, are now in existence. None are likely to be created because of the explosion of international liquidity in dollars and in gold as several governments have upvalued monetary gold stocks at market-related prices (France, Italy, South Africa, Mexico) and others are expected to follow this year.

When the SDR was devised in 1969, it was defined as 0.888671 grams of gold, which was equivalent to the gold content of the U.S. dollar before its devaluation in August, 1971. The abandonment in August, 1971 of what had remained of the dollar convertibility into gold and the subsequent floating of currencies led, effective July 1, 1974, to a redefinition of the SDR as equal to the value of a basket of stated amounts of 16 currencies. This redefinition was made by an administrative decision of the IMF, to be periodically reviewed by the Fund's board. Under the second amendment to the IMF Charter, which is expected to be ratified this year, the SDR—no longer defined in terms of gold—will be determined by the authority of the Fund, with decisions taken by 70 percent of the total voting power. An 85 percent majority will be required to change the principle of valuation for the SDR.

There is a ferment of activity to substitute the SDR for units based on gold used in multilateral treaties governing international transportation by air, sea and rail, international telecommunication and postal services. Among these units are the Germinal franc, the Poincare franc, the U.S. dollar of 1934, etc.

Suez Canal tolls are expressed in the SDR. Newly established regional development banks (Asian, Islamic, Nordic) have adopted the SDR. Three SDR-denominated bonds have been issued privately for a total of SDR 140 million. Rumors circulate that some OPEC governments are favoring a switch from dollars to SDRs to price oil. Others are opposed to it.

Even before the advent of the SDR, the European Economic Community has had a unit of account expressed in gold, equal to the gold content of the dollar before its devaluation in 1971. But, as decided in 1975, this gold unit is to be replaced gradually by a unit based on a basket of members' currencies. Today, the practice is involved and confusing: The gold unit for budget and tariffs, "green" units for farm products, a basket unit for coal and steel, and a unit to settle the books among central banks that still tie their currencies together in the "snake."

In this catalogue of official units of account, mention should also be made of the transferable ruble devised in 1963 by Russia for the countries in its orbit—a unit with an official gold content of 0.987412 grams of gold, equivalent to that of the Russian ruble. The transferable ruble is not convertible into gold, the Russian ruble or any other currency, and its is not clear to what extent, if at all, it provides protection against exchange rate fluctuations.

Among private units of account, the European Unit of Account, which dates back to 1961 and was until 1970 the only unit of account used to denominate international bonds, is based on gold (equivalent to the pre-devaluation dollar). Its relation to each of the "reference" currencies in which bonds may be denominated is also indirectly (via the so-called central rates) expressed in gold.

Originally, there were 17 "reference" currencies, then nine and now only five as the Irish pound began to float and thus lost the status of "reference" currencies. The value of the unit will only be changed in terms of gold if all the "reference" currencies have changed their central rate with an absolute (unweighted) majority in the same direction. It will then follow the majority in the same proportion as the least-changed currency of the majority.

If all the "reference" currencies should float independently and thus lose their status of "reference" currencies, the unit would be tied to the last "reference" currency to renounce its central rate.

Other private units of account do not involve gold. The European Currency Unit, introduced in 1970, is fixed in terms of the currencies of the six original members of the European Economic Community. The European Composite Unit is a basket unit consisting of the sum of fixed amounts of the currencies of nine EEC members. The Arab Currency-Related Unit consists of 12 currencies of the largest Arab oil producers and of regional financial centers.

This enumeration sounds impressive, but the units of account have played a small role in international bond issues. Bonds denominated in such units were issued in 1975 in an amount equivalent to $601 million or 6% of total issues, their alltime peak. In 1976, they amounted to the equivalent only of $128 million, or less than 1% of the total. In 1977, they were even more insignificant.

Among the reasons why the basket-determined units of account remain unused in private contracts and international bond issues is their complexity.

But other flaws are even more decisive, and they apply to the SDR itself—the SDR that official propaganda wants to make us believe will be the inchpin of currency values. For the IMF's method of valuation of the SDR as well as that of other units of account based on grouped currencies takes no account of world-wide inflation.

Except for the Swiss franc, which is not a constituent currency for the SDR as well as for other units of account, and except partly for the German mark, all currencies are today depreciating in terms of goods and services they command domestically. And since the components are depreciating, the SDR itself is a depreciating asset. It cannot provide a stable medium for storing international reserves. The nongold private units of account cannot render life easier for those who have to make, or receive, future payments in currencies.

Furthermore, as noted earlier, the SDR as it is today is an administrative creature of the IMF; and it is to be "flexible", not "frozen"—"flexible" as it may be valued from time to time by the IMF.

Finally, the device of assigning the SDR the value of a basket of currencies eliminates any automatic mechanisms for disciplining the managers of international money.

Thus, the breakdown of the par value system based on gold and the de facto disappearance of an internationally recognized official price of gold, which is to be followed by its disappearance legally under the amended IMF statutes, have given rise to an entirely new situation in world money arrangements, conditions and outlook, at least the outlook as presented in official pronouncements.

In a regime of floating change rates, the basket valuation of currencies may well be the most practicable. But while the governments have accepted the SDR as the unit of account for the purposes of the Fund, it does not follow that they have accepted the SDR for purposes unconnected with the Fund.

Thus, only a small number of Fund members have pegged their currencies to the SDR, and they are unwilling to adopt the SDR as a unit of account in international treaties governing transportation, telecommunications and postal services. Some treaties, particularly those relating to financial obligations, provide for reconsideration of the unit of account if a change is made by the Fund in the valuation of the SDR or in other circumstances.

As to nonmembers of the Fund that are contracting parties to a treaty under which the SDR is adopted as a unit of account, they have succeeded in insisting on alternative arrangements. Thus, there are organizations in international transportation and other areas that have adopted the SDR but have retained the gold franc as a unit for valuing the currencies on nonmembers of the Fund.

This solution has been criticized because the use of two units destroys the uniformity that is the object of adopting a unit of account. For this reason, some organizations prefer a solution that does not involve the SDR in the hope that some single unit can be found that will be accepted by all contracting parties.

Technically, it may be added, it is possible to go easily from a gold franc or any unit of account expressed in gold to currency via the SDR so long as the SDR is defined in terms of gold, as is still the case today. But with a basket-determined SDR, new problems will arise, in courts and in intergovernmental relationships.

The discovery that the SDR may be even more unreliable instrument of measuring value than the dollar has had a sobering effect on the governments of oil-producing countries. An index related to prices of the manufactured goods that constitute the main part of their purchases from the outside world might be a better—though technically more difficult—way to get what they want.

This month, Kuwait proposed to include gold in the basket of currencies for the purpose of calculating oil prices. The basket would consist of 10% in gold, 20% in Persian Gulf currencies and 70% in the U.S. dollar, Japanese yen, German mark, Sterling and the French franc.

It may come to be realized that a still better way would be to index both the price of oil and the unspendable proceeds from oil exports in gold.

There will be disenchantment with the SDR if one or several currencies will be faring better than the general run. There will be disenchantment with the SDR if gold does better than the SDR.

Evidently, an internationally recognized official price of gold has now disappeared de facto, and it is to disappear legally under the amended IMF statutes. Each IMF member is to be authorized to apply the exchange arrangements of its choice and will have unilateral freedom to change them. These arrangements may include maintenance of a value in terms of the SDR or of another denominator selected by the government other than gold. The use of gold as a denominator is, therefore, the only exchange arrangement that will be prohibited. As gold is to cease to have an official value, the exchange value of a currency could not be maintained in terms of the fluctuating price of gold in the market.

But the prohibition, under the amended IMF statutes, to maintain the value of a currency in terms of gold for the purpose of exchange arrangements does not prevent a government from defining the value of its currency and applying this definition for domestic purposes not involving exchange transactions.

Thus, governments can value monetary

gold stocks at market-related prices, as already noted.

Governments can also value gold at a stipulated price—which will, however, be a nonofficial price—for such purposes as the application of gold-value clauses under domestic legislation. This, indeed, is the view of the IMF's General Counsel, Joseph Gold.

The argument may be advanced that, under the gold clause, the domestic currency is being valued in relation to other currencies on the basis of gold even if no exchange transaction is involved, for the method of valuation would be for international as well as domestic purposes.

But this view can be countered on the ground that exchange arrangements are not involved and that there is thus no implicit international valuation of the currency. The value attributed to the currency for domestic purposes in terms of gold does not represent its value in exchange arrangements.

Whatever the legal controversies may be, the fact is that there are intergovernmental treaties containing gold clauses, private contracts containing gold clauses, and bonds containing gold clauses. In France, there are several state bonds endowed with gold clauses. The grandfather is Pinay 3½%, now succeeded by Pinay 4½%. The 3½% bond was exempt from income tax, its capital value was linked to the Napoleon gold coin, and it was free of inheritance tax.

In 1973, it was replaced by the Pinay 4½%, with freedom from inheritance tax abolished but the gold link kept. Its twin issue, the 7% 1973, is linked to the value of the franc as expressed in gold and, if this were abolished, to the ingot. Recently, the Napoleon-linked bond was increased faster in value than the bond indexed to the gold franc or, eventually, the ingot.

In the U.S., not that the dollar has no gold parity, gold clauses as they come to be used will provide for payment of an escalated or de-escalated amount of dollars reflecting the free market price of gold at the time of payment.

In retrospect, the present situation is comparable to conditions during 1862–1879. The difference is that, before 1879, the government eventually intended to return to the gold standard while this is not true today.

For the time being, it appears unlikely that gold clauses will be used to any noticeable extent in the U.S. For one thing, bonds denominated in dollars are still acceptable to investors. Only if governments or businesses were unable to sell dollar-denominated bonds would bonds endowed with gold clauses stage a comeback.

Additionally, gold-clause contracts will not come to be used in regulated industries. For instance, in some states life insurance policies apparently might be issued with premiums and benefits payable in gold, but this could not be done in practice since reserves must be held in dollars.

Only when governments are no longer able to exercise reasonable control over the value of currency will people use value-maintenance clauses.

In Sen. Helms' view, "use of gold-clause contracts will be a clear warning that people are tired of irresponsible government monetary and fiscal policies. If gold clauses begin to be widely used, it will be time for government to restore integrity of the dollar."

Restoration of the legal right to use gold clauses may best be regarded as a first practical step toward giving effect to the proposal by Friedrich von Hayek, Nobel Prize winner in 1974, for allowing people to choose between currencies so that good could drive out bad.

Whether furher steps in this process will lead toward a new currency defined in terms of a basket of commodities or toward renewed use of gold to help stabilize currencies domestically as well as internationally, nobody can tell today.

But it is imperative that we begin to think about something more helpful and more reliable than baskets of depreciating national monies. For anything less radical the game is not worth the candle.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

EXECUTIVE SESSION

The PRESIDING OFFICER (Mr. DECONCINI). Under the previous order, the Senate will now go into executive session to consider the nomination of Benjamin R. Civiletti. The nomination will be stated.

NOMINATION OF BENJAMIN R. CIVILETTI

The assistant legislative clerk read the nomination of Benjamin R. Civiletti, of Maryland, to be Deputy Attorney General.

Mr. SCOTT. Mr. President, I am not representing the committee in speaking, but I am a member of the committee. Since the managers are not here I would like to just make a very brief statement.

I intend to vote for the confirmation of Mr. Civiletti. During a poll of the members of the committee, I did vote in favor of reporting it. I do that because even though I have some reservations, it seems to me that unless we have very definite and strong views, we should permit the President to select his Cabinet and his sub-Cabinet officers and give the Presidential nominee the benefit of the doubt.

My concern, however, relates to the report.

In the beginning, the title indicates, "Mr. EASTLAND, from the Committee on the Judiciary, submitted the following report." It is a report as if it is made by the committee. The committee, of course, could make a report on the Civiletti nomination, but it goes into a whole lot of other matters. It commences by saying:

> The committee, having under consideration the nomination of Benjamin R. Civiletti to be Deputy Attorney General reports favorably thereon and recommends that the nomination be confirmed.

To me, that would be a sufficient report because that is all we did.

Then the second paragraph talks about his nomination. As we read on it speaks of the 17 days of testimony relating to the Marston firing as U.S. attorney for the district of Philadelphia. It speaks of Bert Lance and Tongsun Park. It speaks of Congressman EILBERG.

While these matters did come before the committee, the committee made no decision with regard to any matter other than that Mr. Civiletti should be favorably reported.

I understand this is a report which was prepared by a staff member. Certainly, it was not approved by the committee. I am not aware of it having been approved by any Senator. The committee made no findings. There was no vote with regard to Mr. Marston. There was no vote with regard to Mr. EILBERG. There was no vote with regard to the Hahnemann Hospital situation.

The committee just did not make these decisions which are mentioned in the report. Frankly, I think the report ought to be referred back to the committee with instructions to report back the nomination of Mr. Civiletti favorably but without a report.

We read on page 2:

> The record is extensive and complete on this subject.

I am not sure that any member of the committee knows everything that happened in this Philadelphia situation. I am not sure that any member of the committee knows the part, if any, that Mr. EILBERG played in the firing of Mr. Marston. I do not believe we have those facts nor have we ever had them.

It says:

> The evidence is clear—

Well, that is the opinion of a staff member who prepared this report, not the opinion of the committee.

Then, "Finally, it is clear that Mr. Civiletti had nothing to do with this matter. It was not in his area of responsibility."

Mr. Civiletti was Assistant Attorney General in charge of the Criminal Division. I should think that he would have had jurisdiction, general supervisory jurisdiction, over everything that happened in the Criminal Division of the Department of Justice. So, in my own judgment, it was within the area of his responsibility as the Assistant Attorney General in charge of the Criminal Division.

Then it says, "From all the evidence, it appears to the committee"—This is a phrase that disturbs me, "From all the evidence, it appears to the committee."

The committee made no decision, the committee had no vote. There was nothing that appeared to the committee to indicate the thinking of the committee. I should suspect that the membership of the committee had a different point of view. I do not believe anybody was authorized to speak for the committee. I believe the committee would disagree on that.

The conclusion says:

> The committee in open, public session, by a vote of 10 aye, 2 nay, agreed that Benjamin R. Civiletti was qualified to serve as Deputy Attorney General. The final recorded vote of the committee was 15 aye, 2 nay. The committee recommends that he be confirmed by the U.S. Senate to serve in such capacity.

That is entirely correct. It is the only thing that is correct in this report purporting to be the report of the committee.

There are separate views. There are separate views by Senator MATHIAS, the Senator from Maryland. That is his personal point of view. There are personal views by the Senator from Wyoming (Mr. WALLOP). Again, these are his personal views. I have no quarrel with any-

body, whether it be Senator MATHIAS or Senator WALLOP, expressing their personal views. But when somebody, especially a member of the staff, purports to speak for the committee, there is something wrong.

The Senate should not depend upon the staff to write the reports without reviewing them and approving them. The Senate Committee on the Judiciary did not clear the Department of Justice of any wrongdoing in the Marston affair, they did not pass upon Congressman EILBERG, they did not pass upon Mr. Lance. Frankly, I should be ashamed to sign my name to such a whitewash as this report is. But, to my knowledge, nobody, no Senator, approved it.

I may well vote for the confirmation of Mr. Civiletti. It is my present intention to do so. But I think that this report is a discredit to the Senate, to have a staff member prepare a report and then bring it before the Senate as if it were a report of the committee, when it was not and is not a report of the committee.

I yield the floor, Mr. President.

Mr. THURMOND. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. WALLOP. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WALLOP. Mr. President, I ask unanimous consent that Pat Hoff of my staff be granted the privilege of the floor throughout debate and votes on the Civiletti nomination.

The PRESIDING OFFICER. Without objection it is so ordered.

Mr. WALLOP. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. THURMOND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THURMOND. Mr. President, I move that the nomination of Mr. Benjamin R. Civiletti be recommitted to the Committee on the Judiciary, with instructions to report it back favorably forthwith, but without any report.

The PRESIDING OFFICER. The question is on agreeing to the motion.

The motion was agreed to.

The PRESIDING OFFICER. The Senator from Mississippi is recognized to report the nomination.

Mr. EASTLAND. Mr. President, I report favorably from the Committee on the Judiciary the nomination of Mr. Benjamin R. Civiletti.

The PRESIDING OFFICER. The nomination will be stated.

The assistant legislative clerk read the nomination of Benjamin R. Civiletti, of Maryland to be Deputy Attorney General.

The PRESIDING OFFICER. The question is on the nomination.

Mr. SARBANES. Mr. President, I rise in strong support of the nomination of Benjamin R. Civiletti to be Deputy Attorney General of the Department of Justice of the United States. I know of no one better qualified than he, by intelligence, integrity, experience, and commitment to the rule of law, to carry out the responsibilities of the office to which he has been nominated.

Ben Civiletti and I have known one another for nearly 20 years. We first met while serving as law clerks to Federal Judges in Baltimore. Subsequently we both worked in the Baltimore law firm of Venable, Baetjer, and Howard. There, Ben spent 12 years in civil and criminal litigation of all types, and for 6 years prior to his appointment last year to be the Assistant Attorney General in charge of the Criminal Division of the Justice Department he served as head of the firm's litigation department, supervising the work of some 20 trial lawyers.

Following his clerkship with Federal District Judge Calvin Chesnut in 1960–61, and before he joined the Baltimore law firm of Venable, Baetjer, and Howard in 1964, Ben Civiletti served with distinction as an Assistant U.S. Attorney for the State of Maryland. Last year he returned to public service when he assumed the office of Assistant Attorney General of the United States in charge of the Criminal Division. In that capacity he has demonstrated again and again the independence of judgment, the strength of character and the fidelity to the public interest that are the distinguishing features of a superior public servant.

He is an outstanding attorney and a remarkable person. He has had a distinguished career in the practice of law, both in private practice and in public service. At the heart of his achievements lies a profound appreciation of the importance of our legal system to the well-being of our society. Ben Civiletti's work is characterized by a certain dedication to that system: To seeing that our citizens are assured of the liberties and rights which the Constitution and our laws guarantee to them; and to seeing that our laws are faithfully enforced against those who would break them, so that our common interests as a society may be protected. In all respects Ben Civiletti is superbly qualified to carry out the responsibilities of the Deputy Attorney General of the U.S. Justice Department, and I strongly support the confirmation of his nomination.

The PRESIDING OFFICER. The question is on the nomination.

Mr. SCOTT. Mr. President, I hope that each Senator who cares to speak on this matter will be afforded the opportunity to do so before a vote occurs. I know there are a number of Senators who wish to speak. It was my understanding that there was some agreed date, some agreed time, for the vote.

I ask the Senator from Wyoming if that is accurate. Is there some agreement as to when the vote will take place?

Mr. WALLOP. Mr. President, under the unanimous-consent agreement——

Mr. ROBERT C. BYRD. May I help the Senator with the answer?

Mr. WALLOP. Yes.

Mr. ROBERT C. BYRD. The answer is that there will be a vote next Tuesday, if the nomination is not disposed of today.

Mr. SCOTT. Mr. President, I have no desire to do any further speaking at all on this matter, but I do know that a number of Senators wanted to be heard. That is why I was attempting to stop the question from being put at this time.

Mr. ROBERT C. BYRD. I thank the Senator, because there may be Senators on both sides who would want to make statements.

I suggest that the respective cloakrooms get the word out to Senators, to see if any Senator wishes to speak on this nomination this afternoon. If no Senator indicates that he wants to speak on this nomination this afternoon, the Senate could dispose of it. If they want to speak, we will know, and we will make arrangements to stay in session until they can be heard.

I thank the Senator for yielding.

Mr. THURMOND. Mr. President, I ask unanimous consent that James Lockemy, of my staff, and Emory Sneeden, of the staff of the Committee on the Judiciary, have the privilege of the floor during the consideration of this matter and the vote thereon.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WALLOP. Mr. President, there are several Members who, to my knowledge, desire to speak on this matter, and we will contact them.

I have a number of points in opposition to this nomination which I wish to raise.

I understand that the Senator from Virginia wishes to be yielded to for a speech on another matter at this time. Is that correct?

Mr. HARRY F. BYRD, JR. I would appreciate it.

Mr. WALLOP. How much time does the Senator desire?

Mr. HARRY F. BYRD, JR. Ten minutes.

Mr. WALLOP. Mr. President, I yield to the Senator from Virginia for 10 minutes, without losing my right to the floor.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. HARRY F. BYRD, JR. I thank the Senator from Wyoming.

The PRESIDING OFFICER. Does the Senator from Virginia wish to be recognized as in legislative session?

Mr. HARRY F. BYRD, JR. I ask unanimous consent that I may be recognized as in legislative session.

The PRESIDING OFFICER. Without objection, the Senator from Virginia is recognized as in legislative session.

FOREIGN AND DEFENSE POLICY: INDECISION AND CONFUSION

Mr. HARRY F. BYRD, JR. Mr. President, I am deeply concerned about the current direction of the foreign and defense policies of the United States.

Confusion, doubt, and irresolution seem to be the themes of our present policies.

Indeed, I am sometimes driven to wonder if the United States today has any foreign policy at all.

The most recent sequence of events to give me concern is the handling of the enhanced radiation warhead, better known as the neutron bomb. This weapon is esssentially defensive in nature, and its production and possible deployment were planned to offset a huge superiority in tanks which the Warsaw Pact nations have built in Europe.

Some European governments, notably the West German, had difficulty about accepting the American neutron bomb because of domestic opposition generated by socialists in their own country. Active reassurance from the Carter administration was required to bring the West German Government to take the political risk of agreeing to the weapon.

The U.S. position was that the neutron weapon was needed, if not as a force in place, then at least as leverage in bargaining to reduce the Russian-Warsaw Pact threat to Western Europe.

But just as the West Germans were signaling acceptance of the neutron weapon, leaks from the administration indicated that the President had changed his mind and would probably cancel production. Needless to say, shock waves went through Western Europe.

Shortly afterward the President officially issued an announcement attempting to placate all sides by deferring production and keeping his options open.

The results of this apparent vacillation seem to me most unfortunate. NATO has been made to appear weak, the United States seems indecisive and confused, allied governments are left out on a limb supporting an American weapon which lacks full American endorsement.

All of this has taken place without extracting a single concession from the Soviet Union, where the news of our shifting positions must have made pleasant reading indeed.

Were this an isolated incident, its significance and potential impact might not be too damaging. Unfortunately, the neutron bomb issue is but one of several in which the United States has unintentionally acquired an image which, if not downright weak, is at least blurred.

For example, in arms control, the United States appears to be making major concessions to win a SALT agreement with the Russians. The relatively strong position taken by our negotiators in March of 1977, which was rejected by the Soviets, has been eroded considerably by acceptance of higher throw-weight levels and limitations on cruise-missile range.

Despite the recent, somewhat conciliatory speech by Chairman Brezhnev, the Soviets still adamantly maintain that if there is to be any progress toward agreement, it must be the United States which makes further concessions.

Further, outside of the SALT negotiations, President Carter has cancelled or slowed down the very programs which had been initiated to counter the continuing Soviet strategic buildup. The B–1 bomber was cancelled and the MX missile has twice been slowed with the effect of delaying that program almost 4 years.

Meanwhile, President Carter has initiated a withdrawal of U.S. troops from South Korea, without the slightest sign of a lessened threat from North Korea. This withdrawal could give the wrong message to friend and foe alike.

Moreover, the President's plan will not save money. In fact, he has asked the Congress for an additional $800 million for military equipment for South Korea.

Under heavy pressure from the Congress, the President has slowed the planned withdrawal. While I believe this is a wise decision, the effect of the sequence of events—first a hasty decision to withdraw, then a slowdown under pressure—again gives the impression of vacillation.

While vacillating on the neutron bomb and South Korea, and granting concessions in strategic weapons, the administration is also urging a reduction in our planned level of naval forces.

This is a major risk. The United States is a maritime nation, a trading nation, one which depends for its survival and prosperity upon the free movement of goods over the oceans of the world. That means that we must have guaranteed access to the sealanes, and such a guarantee can only come through naval strength.

In recent years the Soviet Union has engaged in a massive maritime buildup, a force increase unparalleled in history. It is posing a clear threat to American command of the seas.

Surely this is the wrong time to downgrade the naval forces so essential to our security. It is true that major ships are costly, but such costs must be measured both against significance of the Russian threat and against the skyrocketing budgets of our domestic programs.

It is significant, in this context, to note that the Department of Health, Education, and Welfare's own Inspector General has found $7 billions was misspent by HEW in 1977 through waste, mismanagement, and fraud. That squandered $7 billion would have brought a lot of needed seapower.

In Africa, the United States has refused to support the moderate Rhodesian coalition, based on an agreement between whites and black leaders after years of conflict. This settlement would lead to black majority rule by the end of this year.

Instead of endorsing this settlement, our State Department, at the urging of the U.S. Ambassador to the United Nations Andrew Young, continues to insist on inclusion in the new government of Rhodesia of Soviet-backed guerrilla terrorists based outside their own country and conducting armed assaults upon it.

This policy seems to me especially wrong headed in view of the extensive and growing Soviet and Cuban penetration in Africa.

On April 10, the Subcommittee on Intelligence of the Senate Armed Services Committee, of which I am chairman, conducted a briefing by officials of the intelligence community on the problem of Russian and Cuban influence in Africa.

I was alarmed and shocked by the degree of this Soviet-Cuban activity.

There are Communist military personnel, mostly Russian and Cuban in 18 countries of central and southern Africa.

Cuba has nearly 40,000 military personnel in Africa; and Russian military equipment has been flown into Ethiopia and Angola faster than the local forces can utilize it.

Russian fighter aircraft have been sent to Ethiopia and Russian tank deliveries to that country exceed 400. Soviet military aid commitment to Ethiopia approaches $1 billion.

In Angola, tons of Russian military hardware are on the docks of Luanda, and Soviet or Cuban advisers are found at every level of government.

Elsewhere in Africa, Soviet equipment has been delivered to various so-called liberation movements and self-styled revolutionary regimes, with either Russians or Cubans training the recipients in its use.

Two nations friendly to the United States, Rhodesia and South Africa, are surrounded by nations which have within their borders Russian and Cuban military personnel.

The United States, in my judgment, is playing into the hands of the Communists by refusing to accept the agreement worked out by Rhodesian Prime Minister Ian Smith and the three moderate black leaders of that nation.

Russia and Cuba have taken advantage of every opportunity to demonstrate that they will assist and encourage those who will submit to their political aims. The United States, on the other hand, too often has treated unfairly those who are friendly to us, sometimes even penalizing proven allies.

In reviewing all these developments in defense and foreign affairs, I am in no way advocating that the United States put on the badge of world policeman. That is not the issue today.

The real issue is whether this administration has the determination to insure that our vital interests are protected around the world, and that our Nation is prepared to carry out the responsibilities of a great power and the leader of the West.

Vacillation and indecision do not denote leadership.

Vacillation and indecision do serve to confuse our allies—and the American people.

I do not question the motives or the sincerity of conviction of the President and his advisers. But I think that their judgment on many internationally important issues is open to challenge.

There is a reasonable middle ground between trying to police the world and retreating into isolation. So far, the administration has not shown that it has been able to find that middle ground.

We have made it clear that the United States has no territorial aspirations or imperial designs.

Now it is time for this Nation to make

it equally clear, to friend and foe, that we are prepared to play our important role in the world and to insure our survival and prosperity.

NOMINATION OF BENJAMIN R. CIVILETTI

The Senate continued with the consideration of the nomination.

The PRESIDING OFFICER. The question is on the nomination.

Mr. HARRY F. BYRD, JR. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

TIME-LIMITATION AGREEMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the time for debate on the Civiletti nomination on next Tuesday be reduced from the 3 hours that was provided for in the order previously entered to not to exceed 2 hours.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, Senators who wish to make statements this afternoon may do so. I find from my cloakroom that we have no Senators on this side of the aisle who wish to make statements.

ORDER THAT VOTE ON CIVILETTI NOMINATION OCCUR AT 12:15 P.M. TUESDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the vote on the Civiletti nomination be again revised in this manner.

Provided that on Tuesday next at the hour of 10 a.m. the Senate resume consideration of the Civiletti nomination and that a vote occur on the nomination at 12 o'clock noon on Tuesday.

The PRESIDING OFFICER. Is there objection?

Mr. THURMOND. Mr. President, we have no objection.

Mr. WALLOP. Mr. President, will the majority leader make that not later than 12?

Mr. ROBERT C. BYRD. That the vote is to occur no later than 12 o'clock noon, with the time equally divided between Mr. THURMOND and Mr. EASTLAND.

Mr. McCLURE addressed the Chair.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. McCLURE. Mr. President, reserving the right to object, I wonder if I might ask the majority leader if he would recognize that the authorizing committees have only 1 more week to report authorizing legislation, and we are having a desperate time getting enough time and enough Senators in committee meetings to get those matters out, and when we have a major debate in the morning and particularly if we have votes before noon it makes it almost impossible.

Mr. ROBERT C. BYRD. Would a vote in the afternoon help Senators?

Mr. McCLURE. It certainly would help. It makes it difficult because there will be some Members who wish to participate in that debate who either must forgo the opportunity to be in the debate or forgo the opportunity to be in committee working on authorizing legislation.

Mr. ROBERT C. BYRD. Any Senator who wants to speak will have the rest of this afternoon to speak. There are no Senators on my side, I am advised.

We could set the vote at 12:15 p.m. on Tuesday, and that would allow committees to meet until 12. Would that be agreeable?

Mr. McCLURE. I understand. It is certainly preferable, in my mind, to have it occur earlier. I do not object on that basis, but we do have that problem.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the vote occur at 12:15 p.m. on Tuesday on the Civiletti nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I yield the floor. I hope Senators who have statements on the Civiletti nomination will be prepared to make them this afternoon.

ORDER FOR RECESS UNTIL 9 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 9 a.m. tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WALLOP. Mr. President, I rise in opposition to the nomination of Benjamin R. Civiletti to be Deputy Attorney General of the United States.

I do so with reluctance, but on the basis of some of the most extensive confirmation hearings the Senate has conducted on nominees for positions within the Department of Justice.

The hearings were protracted, awkward, often hostile, always faced with a reluctant Department of Justice and a reluctant nominee who were unwilling to cooperate with the committee to determine the nature and extent of certain problems which had arisen within the Justice Department and during the course of time during which Mr. Civiletti had been in charge of the Criminal Division of the Department of Justice.

Sadly, the hearings were rarerly participated in by members of the majority party, indeed by members of the minority party. The entire record of those hearings is still not printed, is still not available. The hearings did not, in fact, conclude with the consent of those who would have pursued the rest of the problems that had arisen during Mr. Civiletti's tenure in the Department and during the course of the hearings.

The problem, as I see it, Mr. President, was that Mr. Civiletti had been for some considerable period of time, for a year, in the public domain, as it were, acting in the Department of Justice. Had he been a nominee from the private world, his record of public service would not have been at issue. But inasmuch as he had been it became an issue, and a legitimate issue, for the scrutiny of Senators and scrutiny of the committee, I would like at this time to bring out some of the grave concerns that I find attendant to this nomination.

Mr. Civiletti's record as Assistant Attorney General of the Criminal Division and then Acting Deputy Attorney General reveals that he has been involved in or responsible for a number of important, indeed, controversial areas. During the hearings, he was carefully questioned about his role in the Korean investigation, the Helms case, the status of the Law Enforcement Assistance Agency and its reorganization; the FBI cases, the Lance investigations—or failure to investigate—and the dismissal of David Marston as U.S. attorney for the eastern district of Pennsylvania.

This latter concern drew, perhaps, the most focus of the press and the public. But, nevertheless, these other areas of concern reflect specifically on the nominee's qualifications to be Deputy Attorney General, the No. 2 man in the Justice Department of the United States.

Many of the conclusions I have come to as a result of the lengthy hearing process are unsettling, and it is for that reason that I feel compelled to vote against the nomination of Mr. Civiletti.

My opposition vote is not directed to Mr. Civiletti's prowess as a lawyer. Indeed, in that regard I was impressed by his skillful responses and his sharp legal mind. I do not question his legal abilities, and have so stated throughout the arduous process. I do, however, question the nominee's credibility. This seemingly endless selective memory has caused me to doubt his credibility insofar as his affidavit and testimony go in the Marston matter.

Mr. Civiletti claims to have no recollection of a meeting with Mr. Baker on or around November 25 and has absolutely no recollection of Mr. Baker's having discussed with him an "Eilberg case." Mr. Baker's affidavit, testimony, and personal notes all indicate that a meeting did in fact take place on November 25, as which time Mr. Baker informed Mr. Civiletti that the "Eilberg case is alive"—and that is taken directly from his notes. Both Mr. Baker and Mr. Civiletti have dismissed this as an insignificant conflict which is simply incapable of resolution. They have downplayed the significance of their inconsistent "recollections."

I maintain, however, that what we are presented with is much more than a mere conflict in memories. We have a contemporaneously executed document—Mr. Baker's notes—which expressly state that on November 25, the date at the top of the document, Mr. Baker spoke to Mr. Civiletti about the Eilberg case being alive—a notation which is check-marked by Mr. Baker. That note is extremely telling, especially when read in light of

all of the other evidence of an investigation concerning the Congressman centering on Hahnemann Hospital circulating around the Department of Justice beginning in May of 1977, developed in much greater detail by November and in greater depth still by December. All of the pieces of this puzzle, when meshed together, tend to bolster the credibility of Mr. Baker's statement that he did tell Mr. Civiletti about an Eilberg case on November 25. In turn, this raises a very serious question about Mr. Civiletti's credibility which lingers on and troubles me deeply, to say the least.

I also have some real doubts as to Mr. Civiletti's sensitivity. His handling—or should I say his admitted neglect in handling—the Lance case has demonstrated this lack of sensitivity—a sensitivity, I might add, that was not lacking in the testimony as yet unavailable to the Senate in the second volume of the hearings record, presented by Attorney General Bell.

We know by Mr. Civiletti's own testimoney that he did not think it his duty to advise or counsel the President about the chilling effect that his continued visibility with the President might have. We also know that he has been insensitive to the complaints of the three-attorney panel who have been working on the Lance case. I will get into greater detail on this in just a few minutes.

I truly question whether Mr. Civiletti appreciates the fundamental need of our system of justice—the need to apply the laws of the land even-handedly so that no person is above the law. On this point I need refer only to the Helms case, in which Mr. Civiletti applied a misdemeanor statute, 2 U.S.C. 192, to a set of facts that have more recently given rise to felony charges in related ITT cases. On top of that, his own interpretation of the statute in the statement of facts for the Helms trial differs in totality from his interpretation of its application before this committee—in other words, the standard to which he himself would have been held had he been guilty of any such charges. One has to presume they would have applied and will apply differently to any Member or any nominee or any witness before the committees of the Senate, or, indeed, of Congress, providing they are nominees or witnesses in agreement with the administration. And that troubles one; it has to. I doubt seriously that Mr. Civiletti fully appreciates the meaning of the equal administration of justice. By his actions in the Helms case, I am left with the impression that maybe, after all the impressive rhetoric is peeled away, we do have a double standard of justice in this country—and for me that is a rather disquieting thought.

Finally, and perhaps the principal reason for my opposition to this nomination, is the question of Mr. Civiletti's competence as an administrator. I have repeatedly said that his abilities as a lawyer are not in doubt. The Deputy Attorney General, however, is much more than a lawyer. This person holds the second highest administrative post in the Department of Justice. It is therefore essential to the Department to have a person who has a strong background as an effective administrator. I am not satisfied that Mr. Civiletti is the competent administrator that the Justice Department deserves. Let me cite but a few examples that have come out during these hearings:

First of all, there is a remarkable lack of communication up and down the chains of command in the Justice Department. We have learned that Mr. Civiletti as Assistant Attorney General in the Criminal Division was unaware of many things that were going on in the various sections of that division. For example, he was completely unaware of the extraordinarily broad authority that was being exercised by some line attorneys. Mr. Dowd granted a virtual "pardon"—and I use that word with absolute awareness of what it implies—in the form of a letter agreement granting immunity to Mr. Deryl Fleming, a principal Government witness against Mr. Elko and persons knowledgeable about corruption in Pennsylvania. Mr. Dowd did this unbeknownst to his superiors in the Criminal Division, and without a clear understanding of the authority pursuant to which he was acting.

This was such a broad grant of immunity that the judge in the Elko and Brislin trial in California did not believe its existence, could not accept the fact that such an immunity grant had been given, challenged the defense attorneys when they brought it up, required that the immunity grant be read, and expressed, as a judge and as a court, astonishment at the depth and breadth of this so-called grant of immunity, amounting to nothing less than a pardon.

Mr. Civiletti clearly should have had better communications with his deputy assistants, section chiefs, and line attorneys. Yet, when questioned on this lack of communication and the expansive authority being exercised by attorneys within the Criminal Division, he would not acknowledge the need for providing standards for the granting of immunity, instead of the willy-nilly process that existed in the Criminal Division under his leadership.

Second, another example of Mr. Civiletti's lack of supervision and apparent lack of communication with his division's attorneys, to the detriment of the Department, concerns Mr. Baker's authorization for a grant of immunity to Mr. Elko and Ms. Brislin on November 4. We know that by statute the Assistant Attorney General is authorized to sign off on requests for immunity. Only in his absence may the ranking Deputy Assistant Attorney General so act. Somehow, on November 4, Mr. Baker, who is not even the Acting Assistant Attorney General, signed documents requesting immunity for Elko and Brislin.

What is so curious and troubling about this? Quite simply, we have a situation where we know that Mr. Civiletti was in the Department of Justice during that day. In fact, according to both Mr. Baker's and Mr. Civiletti's logs, he had on that very morning called Mr. Baker in for a meeting. Of course, this is also troubling because it presents a conflict in testimony. Mr. Civiletti does not recall specifically requesting a meeting with Mr. Baker. He testified that they did not meet that morning. Mr. Baker does not recall a meeting, yet his log reflects a meeting at 9:35 with Mr. Civiletti. Mr. Civiletti's log indicated that Mr. Baker saw him at 9:35 and Baker's name is again listed at 10 o'clock that morning.

(Mr. SARBANES assumed the chair.)

Mr. WALLOP. If Mr. Civiletti was in the Department of Justice on that day, why did he not sign off on the immunity as he is obliged to do by law? An even more troubling question is why, in a matter as sensitive as this one in which one and possibly two Congressmen were involved, did not Mr. Civilett's Deputy Assistant Attorney General, Mr. Baker, brief him on this grant of immunity? One answer is clear: Mr. Civiletti delegated too much authority without requiring his subordinates to account to him for their actions. His failure to monitor the important activities of his staff members indicates to me that his managerial skills are lacking.

Third. In respect to LEAA, Mr. Civiletti indicated in testimony that he had delegated almost full responsibility for planning the reorganization of that Agency to one of his staff assistants. In so doing, he has had precious little to do with that extremely important division of the Department of Justice. Such a broad delegation of responsibility would not be so bad if Mr. Civiletti was kept informed and participated to some extent in reorganization and administration of LEAA. However, his testimony is that he knows very little about that agency, despite the fact that under Judge Bell's reorganization of the Department, the Deputy Attorney General is primarily responsible for it. As Acting Deputy Attorney General, Mr. Civiletti should have been playing an active role in reshaping and administering LEAA, an agency within the Department that receives more than $600 million annually.

When inquiries were made as to why funds appropriated by the Congress were effective "impounded" by the administration there was no answer. I would suggest that impounded funds were significantly at issue in the last administration under President Ford. The majority party in those instances seems to have yet again another double standard, a standard by which this administration is allowed to impound funds and to operate an agency of the Government in violation of the Vacancy Act. And yet in the previous administration, the same group of people were always harping on it, crying that the process of appropriations lay with the Congress and the duty of the executive branch was to spend as appropriated by the Congress.

Fourth. Again in the Lance case, Mr. Civiletti's failure to supervise the three attorney panel lends credence to my conclusion that he simply is not an effective administrator and that there is very little communication about some very important matters in the Criminal Division and the Department of Justice in general.

Indeed, those three attorneys in the

Lance case have complained publicly as to the ongoing presence, visibility, and comments of the President of the United States with regard to his friend Bert Lance, and the difficulty it adds to their job in trying to bring about a satisfactory conclusion to the investigations by the grand jury and other investigations which are underway at this moment in time.

These are but a few of the reasons why I cannot vote for Mr. Civiletti. Before going into more detailed discussion of two areas in need of serious attention—the Marston dismissal and the Lance investigations—I have some general thoughts to share on these hearings.

There has been criticism for dragging out the Civiletti hearing. This criticism is, I believe, unwarranted. These hearings have produced—both directly and indirectly—a number of constructive results.

First. We have been told that an Administrator will be named for the LEAA after more than a year during which time Mr. Gregg has served as Acting Administrator in defiance of the Vacancy Act.

Second. The FBI has interviewed Mr. Frank Moore, Mr. William Cable and the President in connection with the dismissal of David Marston.

Third. The House Committee on Standards which is investigating the Korean influence-buying scandal, got the necessary assurances from Mr. Civiletti's testimony that Mr. Park would be indicted if he perjured himself before them. In keeping with assurances of full cooperation with Congressional committees, the Justice Department finally turned over the "O'Neill" documents last week.

Why, in the interest of spirit and cooperation, those documents were held for such a long time remains an unanswered question which, frankly, does little to dispose of the rising suspicion in this country that the Department of Justice is the Department of Political Justice.

Fourth. The Attorney General has testified that he will advise the President as to the consequences of his public statements and high visibility with Mr. Lance.

It is to be hoped as well that the Attorney General will carry that counsel to others on the White House staff.

Fifth. The FBI case has taken on a new dimension which assures us that, in respect to that matter, even the highest level employees may be held accountable for their alleged misconduct. This is absolutely essential if our people are to believe that there is but one standard of justice.

Sixth. The Department of Justice will carefully examine its policies on the granting of immunity. The department will hasten its efforts to promulgate guidelines for the exercise of prosecutional discretion, the lack of which has enhanced the image of justice by double standards over the last year.

I think it fair to say that the Department of Justice and the American people will benefit from these changes.

Let me turn my attention now to the two areas most troubling for me.

Questions about the facts and circumstances surrounding the dismissal of David Marston remain unanswered—who knew what and when?

The plain fact is that neither I nor any member of the minority ever challenged the right of the Attorney General to fire Mr. Marston because he was a Republican; we questioned whether that was the reason why he was fired, or whether some other more sinister reason may have been at the root. That question remains unanswered and lies on the table begging for resolution.

The in-house investigation conducted by the Office of Professional Responsibility into the Marston dismissal was superficial both in scope and in depth. Nobody on the President's staff was interviewed. No follow-up questions were asked to resolve the inconsistencies in the affidavits. There remains a very unsettling discrepancy between Mr. Baker's affidavit and Mr. Civiletti's affidavit—a conflict which troubles me because it is but another example of Mr. Civiletti's highly selective memory. A very real conflict exists between the testimony of Mr. Dowd and Mr. Hinder which also has a bearing upon Mr. Civiletti's credibility on this matter.

Unfortunately for Members of the Senate, the second volume of the hearing record is not yet available, so that Members cannot see for themselves the conflicts between sworn testimony offered to the committee.

The very independence of the Shaheen investigation is questionable. Mr. Dowd testified that he briefed many of the Justice Department officials who subsequently provided affidavits on the basis of that briefing.

Even the Attorney General found this to be somewhat startling, and it accounts for the striking similarity in the language of those documents.

In addition, Mr. J. Philip Jordan, the Assistant to the Attorney General and one of the people who gave an affidavit, made the decision to excise extremely important portions from those documents and statements. We later learned that this was done to protect none other than the Department of Justice itself and its own idea of reputation and not, as was stated by that Department, the ongoing investigations that may have been referred to within those affidavits.

Finally, despite a request by five members of the Committee on the Judiciary for affidavits from Messrs. Moore, Cable, Powell, Jordan, and Linder from the White House staff, concerning whatever information they had about the Marston dismissal, no such information has been forthcoming from the White House to date.

Indeed, one can only draw the conclusion that executive privilege, and no other reason, stands in the way of the Senate of the United States and the public of America from finding the real truth behind these unsettling questions. In light of these and a host of other revelations about the circumstances of the Marston dismissal, it has become apparent that the Department of Justice is incapable of conducting an impartial investigation in this case because it touches upon its highest officials and, possibly, the White House.

One other deeply troubling aspect of the Shaheen investigation concerns both its scope and the diligence with which it was carried out. When Mr. Baker, Mr. Dowd, Mr. Shaheen, Mr. Civiletti, and others went to Philadelphia to inquire or to search for the truth in the matter as to whether or not there was an investigation involving Congressman EILBERG or involving high members of the elected bodies of the United States, they did not even open one drawer, not one little peek did they take at the files. They came back, having done nothing more, really, than simply waste the taxpayers' money on a trip designed to gild that lily, designed to provide the gilding that was later provided, essentially in the same fashion, by the recently withdrawn report of the Committee on the Judiciary. Nobody looked. Nobody wanted to know whether, indeed, there was, in fact, an ongoing investigation of consequence.

The issue, Mr. President, as to whether or not the President and the Attorney General knew in detail how much involvement there was of Representatives EILBERG, FLOOD, and others is really superfluous. It has nothing to do with the more fundamental question. It was common knowledge and had been common knowledge for over a year that a significant investigation at every Federal level was ongoing into the matter of political corruption in Pennsylvania. The mere fact that a request from a political person, who might well have been involved in an investigation, that was acted upon without further inquiries is question enough in the minds of everyone as to the dedication of the President and Attorney General who are charged with the delivery of our law and order system.

In the Lance investigation, conflicts of interest exist at the top levels of the Department of Justice and in the White House. In both the investigations now, there are virtually no people untouched—virtually no people untouched—by the breadth and scope of these investigations. The President is a close personal friend of Mr. Lance and one cannot quarrel with that. The job of the Presidency is a complicated and a lonely job, but it was never described as being easy.

The Attorney General has recused or disqualified himself from some aspect of this case dealing with the National Bank of Georgia and the Calhoun Bank. Mr. Civiletti's testimony with regard to the investigations into Mr. Lance's conduct has been particularly disturbing. From the time that Mr. Flaherty left the Department of Justice until only a few weeks ago, Mr. Civiletti had neither supervised nor participated in the Lance investigations. The three attorneys who were previously reporting to Mr. Flaherty have been functioning virtually without supervision by Mr. Civiletti or anybody else in the Department of Justice. And to this date, we do not know yet if Mr. Civiletti has taken the active and responsible role so desperately needed in the Lance case.

And time, Mr. President, marches on. The statute of limitations on many of those matters is running. The clock is running on and some of the possible charges that could possibly have been brought can no longer be brought. Yet, in view of the Attorney General's disqualification from the case, we know that Mr. Civiletti, who was responsible for these investigations, has not taken the interest he is charged with, even as acting Deputy Attorney General.

To compound the problem, Mr. President, it has been reported that the three-attorney panel has complained about the President's visibility with Mr. Lance and the public displays of affection while the grand jury process was going on in Atlanta. And this conduct is certainly enough to prejudice the case, in one way or the other—either to the discredit and the unfortunate increase of the judicial process on Mr. Lance, or the opposite—with the chilling effect that it would have on witnesses, prosecutors, and others who have the legal duty to participate and cooperate with those investigations who might shy away from offending the President's friend.

Mr. Civiletti's testimony has been that he had no legal duty to advise the President of the United States as to the chilling effect his actions might have on the administration of justice. Indeed, the Attorney General found that he, himself, had been remiss in failing to counsel the President. Yet, Mr. Civiletti made, at no moment, any admission that he could rethink the posture that he stated before the committee.

Indeed, he refuses to recognize a public, moral, or even a private or professional obligation in these matters. The American people can only be left with the already discomforting thought that the process of justice is reserved for the meek.

An impartial, nonpartisan, special prosecutor is required in these cases by the President's own standards. The President, the Attorney General, and Mr. Civiletti have all supported legislation which would trigger the appointment of a special prosecutor to investigate all allegations of misconduct in cases involving the President and the Cabinet, among others.

In a message to the Congress endorsing S. 555, a bill which has already passed this body and which has as cosponsors three distinguished members of the Judiciary Committee, as well as many other Members of the Senate, President Carter said that a special prosecutor is needed in certain cases to eliminate all appearances of high-level interference with sensitive investigations and prosecutions.

"The American people," to quote the President, "must be assured that no one, regardless of position, is above the law."

That was just a year ago, Mr. President, in a message to the Congress.

The President gave his support to temporary special prosecutor legislation that would extend to alleged misconduct by the President, Vice President, members of the Cabinet, and White House staff members. This approach, he said, "will eliminate all appearances of high-level interference in sensitive investigations and prosecutions." Expanding on the President's remarks, then Acting Assistant Attorney General John M. Harmon, told the Committee on Governmental Affairs on May 3, 1977, that in the shadow of Watergate:

> The appearance of justice is almost important as justice itself. The perception of the American people that justice is done is all important, and for that reason we are here to support the principles underlying the special prosecutor provision of the bill.

Harmon went on to say that under the terms of S. 555, the Public Officials Integrity Act of 1977, the Attorney General would be required to apply to a court for the appointment of a special prosecutor when he determines that a pending investigation or any resulting prosecution "may so directly and substantially affect the political or personal interests of the President or Attorney General or the interests of the President's political party as to make it inappropriate in the interest of the administration of justice for the Department of Justice to conduct such investigation."

I suggest the President and the Attorney General's commitment for this concept has waned in the past 12 months. If S. 555 were already law, the Attorney General would be hard pressed not to appoint a temporary special prosecutor to investigate allegations against former Budget Director Bert Lance and the so-called Marston affair. Attorney General Bell's own testimony on the Marston matter underscored the need for a special prosecutor. He said:

> If I can't make the Justice Department have the appearance of justice then I've failed. That's what bothers me so much about the Marston case. I felt like the Marston case set back a year what I had been trying to do, which was to restore the confidence of the American people in the Dept. of Justice.

Under the guidelines of S. 555, the appointment of a special prosecutor would be triggered in two instances: First, when certain high-ranking executive department officials are alleged to have violated a Federal criminal law and second, when a conflict of interest exists—that is, when the outcome of an investigation or prosecution may directly and substantially affect the political or personal interests of the President, Attorney General, or Presidential party.

Both principles apply in the Lance investigations. Conflicts of interest exist at the top levels of the Justice Department and at the White House. The President is a close personal friend of Mr. Lance. The Attorney General has recused or disqualified himself from certain aspects of the case. That is sufficient reason to trigger the appointment, but the argument becomes even more compelling when one considers that Acting Deputy Attorney General Benjamin Civiletti had not, until several weeks ago, and under pressure from this committee, met with the attorneys who were conducting the investigation. How can the public believe the Justice Department is conducting a serious, impartial investigation when the man responsible for that investigation is not even in contact with the attorneys doing the actual work?

In the David Marston case, the conflict of interest rule would clearly trigger the appointment of a special prosecutor. The President and Attorney General have been involved in the case from the beginning. It appears there is no one left in the upper levels of the Department to investigate the events that led to the dismissal of Marston as U.S. attorney for the eastern district of Pennsylvania. The in-house investigation conducted by the Office of Professional Responsibility was superficial. There was no cross-examination of those who took affidavits. No attempt was made by Mr. Michael Shaheen, director of OPR, to resolve the inconsistencies, particularly between Mr. Russell Baker and Mr. Civiletti on whether he was informed of an investigation involving Congressman JOSHUA EILBERG on November 25.

The thoroughness and independence of that investigation is in doubt. Furthermore, the purpose for the investigation is still unclear; the committee received astonishing divergencies in the testimony of various people from within the Justice Department as to the purpose, meaning and consequences of the Shaheen investigation.

The investigation took but 8 days from the beginning to the end.

One can suppose that the conclusion was drafted at the commencement of the proceedings and the proceedings were but the gilt on the lily.

Mr. Dowd testified, as I stated before, that he had briefed most of those people that gave affidavits. The Attorney General's assistant made the decision to excise it. If the Attorney General was astonished by that as his testimony before the committee indicates, then I suggest that the report was conceived and conducted not to find out what happened, but to protect the Department of Justice itself and that the appearance of justice is mitigated.

Given these facts, I cannot help but believe that these are types of circumstances the cosponsors of S. 555 envisioned when they supported that legislation.

Even without the enactment of that bill, which has already passed the Senate, yet remains for perhaps what are now obvious reasons in the House without action, the Attorney General has the power under title 28, United States Code, section 543 to appoint a special attorney when the public interest so requires.

I do not see how the Attorney General, in good faith, in good keeping with his previous commitment to this principle, would fail to appoint a temporary special prosecutor.

It is under the authority and using the guidelines set out in S. 555 that I asked the Attorney General to view the facts in a professional way, in a nonpolitical way, in a nonpartisan way, in an impartial way, and endorse the concept and cooperate in the appointment of a special prosecutor on these matters.

Mr. President, several journalists

across the country have expressed their concern about the Lance investigations and the dismissal of David Marston. I would like to read a sampling of the nationwide cries for a special prosecutor to independently investigate these matters.

It will be seen, as I go through these, that they represent the breadth of the American political spectrum.

Mr. Tom Wicker, on March 28, in his New York Times column entitled "In The Nation," wrote primarily about the Korean investigation and then explored the need for a special prosecutor. In view of the length of his column, I will excerpt from it at this point:

Meanwhile, however, priority treatment in the House and passage of either bill—

(He was talking about S. 555 or H.R. 9725, which are similar bills.)

Meanwhile, however, priority treatment in the House and passage of either bill late last year or early in 1978 would have had at least one useful result. It would have required appointment of a special prosecutor in the tangled case of who knew what and when about investigations pending under David Marston, the U.S. Attorney in Philadelphia before he was fired by Mr. Carter and Mr. Bell.

Now that there are allegations that Bert Lance actually carried on private banking business while he was the Carter Administration's Cabinet-level budget director, that case, too, probably would have required Mr. Bell to seek a court-appointed special prosecutor. Under both S. 555 and H.R. 9705, he would have no choice but to do so when high-level executive branch officials are the targets of investigation, or when the political or personal interests of the President, the Attorney General or the President's political party are at stake.

Mr. President, I ask unanimous consent to have printed in the RECORD the Tom Wicker column from the March 28 New York Times, entitled "A No Priority Bill."

There being no objection, the column was ordered to be printed in the RECORD, as follows:

A NO-PRIORITY BILL

(By Tom Wicker)

The so-called "Koreagate" scandal concerning South Korean influence-buying in Congress has been under investigation by the Justice Department for more than two years. Congressional committees have been looking into these allegations for about 15 months. The net result so far is the indictment of one former member of the House, Richard T. Hanna of California, who has just pleaded guilty to a conspiracy count to escape trial on the more serious charge of bribery.

The Justice Department has talked without much enthusiasm of the possible indictment of three or four other former representatives. In a television interview, Leon Jaworski, the House Ethics Committee's special investigator did say on Feb. 5 that "perhaps two dozen" current members of the House might have violated its ethics code and that "a few" might be criminally liable. In practice, however, nothing much seems to be coming of Mr. Jaworski's investigation either.

Would better results—either more indictments or a plausible showing that no more are warranted—have been obtained if the House had passed legislation providing for a special prosecutor empowered to make a no-holds-barred investigation of Koreagate? Everybody officially involved says no; but here is the chronological record that invites the question:

In July 1976, before the Korean scandal became public, the Senate passed a bill providing for a *permanent* special prosecutor to act in high-level investigations where the Attorney General might have a conflict of interest or loyalty. In September 1976, a House subcommittee approved a bill for a *temporary* special prosecutor to act only in specified instances. But the 94th Congress adjourned before either of these measures became law.

On May 3, 1977, long after the Korean connection hit the headlines, President Carter called for a temporary special prosecutor bill; his nominee for Attorney General, Griffin Bell, had approved the concept on Jan. 11 at his confirmation, but neither linked the idea to the Korean investigation. When the Senate enacted such legislation (S. 555) on June 27, 1977, it nevertheless contained a provision offered by Senator Don Riegle of Michigan specifically authorizing the prosecutor to investigate the Korea matter.

By Oct. 20, 1977, the responsible subcommittee of the House Judiciary Committee had approved a temporary special prosecutor bill of its own (H.R. 9705); it was similar to the Senate provision except that it contained no authorization for an investigation of Korean influence-buying charges.

On Jan. 23, 1978, James R. Mann of South Carolina, the subcommittee chairman, wrote Chairman Peter Rodino of the Judiciary Committee seeking "full committee consideration early this session" for H.R. 9705. So far, however, the Judiciary Committee has not taken up the bill, Chairman Rodino and other committee sources say consideration will not come before May.

Approval and House passage, they predict, will follow, but by the time the Senate and the House bills are reconsiled in conference, even if authorization for a Koreagate investigation should be retained, nothing could be done that would affect any current members' prospects for reelection next November. Mr. Rodino insists the long delay has been the product, solely of his committee's full schedule of other business, and says he supports the idea of a temporary prosecutor.

Meanwhile, however, priority treatment in the House and passage of either bill late last year or early in 1978 would have had at least one useful result. It would have required appointment of a special prosecutor in the tangled case of who knew what and when about investigations pending under David Marston, the U.S. Attorney in Philadelphia before he was fired by Mr. Carter and Mr. Bell.

Now that there are allegations that Bert Lance actually carried on private banking business while he was the Carter Administration's Cabinet-level budget director, that case, too, probably would have required Mr. Bell to seek a court-appointed special prosecutor. Under both S. 555 and H.R. 9705, he would have no choice but to do so when high-level executive branch officials are the targets of investigation, or when the political or personal interests of the President, the Attorney General or the President's political party are at stake.

Unless the Senate authorization of a Korean investigation should survive, however, neither measure would require appointment of a special prosecutor when members or officers of Congress are being investigated. In part, that is because the Attorney General is assumed to have no potential conflict in regard to the legislative branch; witness the recent indictment of Representative Charles Diggs, a Democrat. Unfortunately, the fruits of the Justice Department's Koreagate investigation do not offer much support for this theory.

Mr. WALLOP. Mr. President, in the March 8 Los Angeles Times ran a column written by Dorothy J. Samuels and James A. Goodman, entitled "The Marston Affair Needs A Special Prosecutor." I will read the gist of that article:

The Marston affair is not going to fade away—no matter how fervently Benjamin Civiletti may wish it would—for it is symptomatic of a problem that has afflicted this country for as long as politics have played a role in our justice system.

For the past year Civiletti has served as chief of the Justice Department's criminal division and he moved to center stage in the current controversy on being nominated as deputy attorney general, the No. 2 job in the department. As a result, Civiletti and his involvement in the Marston case have been scrutinized by the Senate Judiciary Committee in confirmation hearings that began two weeks ago and continue even now.

His major problem stems from the inability of the Justice Department to satisfactorily account for its actions in the dismissal of David Marston, the U.S. attorney in Philadelphia—a Republican. It was this political identity that made his removal important to the Justice Department of a Democratic Administration, for such replacements are considered routine when power changes hands in Washington.

However, as it turned out, at the time the Justice Department began taking action to fire Marston, he was engaged in an investigation of Rep. Joshua Eilberg (D-Pa.) for alleged mishandling of federal funds.

The question is, did Civiletti and other high-ranking Justice Department officials know about the probe before they embarked on the procedure that led to the ouster of Marston? If so, the issue at stake might be more than politics and no less than obstruction of justice, a crime made all too famous by Watergate.

The department conducted an internal investigation that cleared Atty. Gen. Griffin B. Bell of any wrongdoing, but the inquiry drew heavy criticism for being woefully incomplete.

Meanwhile, Civiletti told the Senate committee that he had "no knowledge of any investigation relating to or concerning in any way Joshua Eilberg, conducted or being conducted by the U.S. attorney's office in Philadelphia.

However, Russell P. Baker Jr., former top aide to Civiletti in the criminal division and now the acting U.S. attorney for Baltimore, swore in an affidavit to the Justice Department's internal investigators and in a statement before the Judiciary Committee that he twice mentioned Eilberg's name to Civiletti as someone who might be implicated in Marston's probe.

Mr. President, the article goes on at some length. It concludes by saying:

The Carter administration's credibility has been damaged badly by the Marston affair. Must another crisis break before Congress institutes a mechanism designed to hold our government officials accountable?

Mr. President, I ask unanimous consent that the entire article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE MARSTON AFFAIR NEEDS A SPECIAL PROSECUTOR

(By Dorothy J. Samuels and James A. Goodman)

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Civiletti may wish it would—for it is symptomatic of a problem that has afflicted this country for as long as politics have played a role in our justice system.

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However, Russell P. Baker Jr., former top aide to Civiletti in the criminal division and now the acting U.S. attorney for Baltimore, swore in an affidavit to the Justice Department's internal investigators and in a statement before the Judiciary Committee that he twice mentioned Eilberg's name to Civiletti as someone who might be implicated in Marston's probe. Then, on Tuesday, Sen. Malcolm Wallop (R-Wyo.) revealed that the department had apparently censored a section of Baker's affidavit that told of FBI praise for the work of Marston. He described the action as "outrageous."

The Republican members of the Judiciary Committee, hammering away at such inconsistencies, have sought to expand the confirmation hearings into a full probe of the role of other officials in the Marston matter. Why have they chosen such a back-door approach?

The problem is that the Marston affair is being handled—as usual on Capitol Hill—along party lines. The ranks of the Democratic leadership have joined on this issue and despite the distress that citizens feel about the politics of justice exhibited in the Marston affair, no committee of the heavily Democratic Congress has been willing to investigate.

To be sure, the Republicans' motive in pressing for a full airing of the facts surrounding Marston's dismissal is not merely good citizenship. The party's heroes during Watergate were, let us remember, very few. Yet this should not detract from the fact that the Republicans on the Judiciary Committee are raising important questions about Administration conduct in Marston's ouster.

In addition, the Republicans may use the Civiletti hearings as means of pushing for the appointment of a special prosecutor, just as the appointment of special prosecutor Archibald Cox was tied to the confirmation of Atty. Gen. Elliot Richardson at the height of Watergate.

That would be a step in the right direction, because the country should have some mechanism for the appointment of a special prosecutor whenever a political crisis calls for one. Legislation that would provide such an arrangement has already passed the Senate as the Public Officials Integrity Act of 1977.

Unfortunately, the bill would give an attorney general considerable discretion in determining whether an allegation is serious enough to warrant a special prosecutor. It also has other shortcomings. For example, a special prosecutor would not be mandated to handle cases involving past abuses by intelligence-gathering agencies.

Even the modest reforms that would result from the enactment of the bill have been jeopardized by stalling in the House of Representatives. That chamber's version has floated around the Judiciary Committee since October, and it appears that the panel will delay action until it is too late in the session for floor consideration. Some have attributed the slowdown to fear by House members that an amendment tacked onto the Senate version might force the attorney general to appoint a special prosecutor to investigate the Korean influence-buying scandal in Congress.

The Carter Administration's credibility has ben damaged badly by the Marston affair. Must another crisis break before Congress institutes a mechanism designed to hold our government officials accountable?

Mr. WALLOP. Mr. President, on March 20, in the New York Times, columnist William Safire wrote an essay entitled "Bert—I'm Proud of You," in which he finally concludes that a special prosecutor should be appointed for the Lance cases. I will read part of this article and ask that it be printed in the RECORD. It reads:

After promising the Senate under oath that he would not engage in banking activities, and after taking the oath of office, as Jimmy Carter's most powerful Cabinet member, Bert Lance broke his promise and dishonored his oath. He met two men in the Metropolitan Club in Washington, D.C. last spring to discuss the takeover of a company that owned a dozen banks in Washington and New York.

So says the Securities and Exchange Commission, in charging that Bert Lance and a collection of Washington wheeler-dealers, Carter fund raisers and Arab sheiks—including the former head of the Saudi Arabian C.I.A.—violated Federal securities laws which are on the books to prevent investors from being cheated.

* * * * *

At Justice, conflicts of interest abound. The Attorney General, Atlanta's Griffin Bell, owns 2.000 shares of stock in Lance's old bank, But—Ben Civiletti tells us at his confirmation hearings—has not recused himself from other Lance decisions. The United States Attorney in Atlanta is such an obvious Carter political debtor that he has had to take his office out of the case after publicly denouncing a potential witness against Lance. The Associate Attorney General, Michael Egan, was a partner of Lance's in Modern Fibers Corporation.

Nor is that all: Mr. Civiletti, the putative Deputy Attorney General, is the handpicked former correspondent lawyer of Charles Kirbo, Lance's local Atlanta protector and Griffin Bell's senior law partner. Mr. Civiletti has told the Senate with a straight face that he saw no danger of any grand juror in Atlanta being influenced in any way by publicity of the President of the United States appearing in that city arm-in-arm with the target of a grand jury investigation.

3. The White House. Mr. Carter's continued closeness to Mr. Lance—house guest and favorite fund raiser—has enabled the Arabs' most effective agent to style himself as "special envoy of the President" complete with black diplomatic special-privilege passport X-000065.

I might add, parenthetically, Mr. President, that on of the benefits of the hearings conducted by th Judiciary Committee was that that passport has at last been revoked.

Mr. President, I ask unanimous consent that the entire portion of Mr. Safire's column, "Bert—I'm Proud of You," of March 20, 1978, in the New York Times, be printed in the RECORD.

There being no objection, the column was ordered to be printed in the RECORD, as follows:

BERT—I'M PROUD OF YOU

(By William Safire)

WASHINGTON.—After promising the Senate under oath that he would not engage in banking activities, and after taking the oath of office as Jimmy Carter's most powerful Cabinet member, Bert Lance broke his promise and dishonored his oath: He met two men in the Metropolitan Club in Washington, D.C., last spring to discuss the takeover of a company that owned a dozen banks in Washington and New York.

So says the Securities and Exchange Commission, in charging that Bert Lance and a collection of Washington wheeler-dealers, Carter fund raisers and Arab sheiks—including the former head of the Saudi Arabian C.I.A.—violated Federal securities laws which are on the books to prevent investors from being cheated.

Bert Lance and his partners have signed a consent decree, not contesting the S.E.C. charges. And what will Bert's punishment be, for misleading the Senate, abusing the power of his public trust, and breaking the securities law? Only this: He and his friends are directed to give back the money they have bilked from unsuspecting investors, and Bert has promised he will not break that particular law any more. End of Draconian punishment of the President's Best Friend.

This farce is typical of the special treatment given Mr. Lance by the S.E.C., the Department of Political Justice, and the White House. Consider:

1. The S.E.C. The Enforcement Division's Stanley Sporkin, who strikes terror in the heart of corporate executives, has been dillydallying for 10 months on his Lance investigation. Since Jan. 1, when "Rick" Sharp took over Branch One, the probe's publication date has been repeatedly pushed back.

If Mr. Sporkin's men had been on the job, the full report of the Lance doings would have been issued, and restrictions put upon his activities, before the long-planned takeover attempt. The S.E.C. is expected to slam the barn door next week with great rhetorical fervor, but if this week's wrist-slap is any indication, Mr. Lance will be able to laugh at S.E.C. "enforcement."

2. The Department of Political Justice. The Lance case—such as it is, after more statutes of limitations have been allowed to run—is under the jurisdiction of the Namaroto Trio, which has failed to play its song to the chief of the criminal division since Dec. 9, when Deputy A. G. Peter Flaherty ran away to run for Governor of Pennsylvania.

No special grand juries have been empaneled in Washington, New York or Chicago, where some of the activities sent to

Justice for prosecution by the Controller's Office took place. Only in Atlanta, where ol' Bert will get the friendliest treatment.

At Justice, conflicts of interest abound. The Attorney General, Atlanta's Griffin Bell, owns 2,000 shares of stock in Lance's old bank, but—Ben Civiletti tells us at his confirmation hearings—has not recused himself from other Lance decisions. The United States Attorney in Atlanta is such an obvious Carter political debtor that he has had to take his office out of the case after publicly denouncing a potential witness against Lance. The Associate Attorney General, Michael Egan, was a partner of Lance's in Modern Fibers Corporation.

Nor is that all: Mr. Civiletti, the putative Deputy Attorney General, is the hand-picked former correspondent lawyer of Charles Kirbo, Lance's local Atlanta protector and Griffin Bell's senior law partner. Mr. Civiletti has told the Senate with a straight face that he saw no danger of any grand juror in Atlanta being influenced in any way by publicity of the President of the United States appearing in that city arm-in-arm with the target of a grand jury investigation.

3. The White House. Mr. Carter's continued closeness to Mr. Lance—house guest and favorite fund raiser—has enabled the Arabs' most effective agent to style himself as "special envoy of the President" complete with black diplomatic special-privilege passport X–000065.

Some questions not likely to be asked at the next Carter press conference: Did Mr. Lance, while in office and secretly negotiating the purchase of bank stock, do anything wrong? Did you approve of his tipping off bankers about a new Federal Reserve chairman before that news was publicly released? Does Mr. Lance have your permission to call himself your "special envoy"—and if not, why does he carry that diplomatic passport? Has Mr. Lance ever discussed the Mideast with you, and espoused the cause of his Saudi and Abu Dhabi partners?

I hate to be a Johnny One-Note, but few others seem to care. The double standard has never flown higher. If banker Lance were named B. B. Rebozo, or fund raised Jack Stevens were named Maurice Stans, then editorials would thunder and the Senate would demand—as the price of confirmation of the Deputy Attorney General—the appointment of a non-partisan special prosecutor.

Mr. WALLOP. Mr. President, the Pittsburgh Press on May 2 had an editorial entitled the "Marston Case, Cont."

All across this country, Mr. President, the cry goes on for justice to be satisfied, for the American people to be reassured that this administration and this Department of Justice do care that justice be served. This editorial is short, and I shall read it:

The Marston affair grows curiouser and curiouser.

The latest fishy development is a "report by the Senate Judiciary Committee."

It claims that when Democratic Rep. Joshua Eilberg phoned President Carter last Nov. 4 to urge him to fire David Marston as U.S. attorney in Philadelphia, Mr. Eilberg was not under investigation.

The claim, if true, could be important. It would indicate that Mr. Carter, who agreed to speed up Mr. Marston's removal, did not unwittingly involve himself in obstruction of justice.

Unfortunately for the White House, which would like to forget the name Marston, there are queer aspects to the "committee report."

For one thing, it is the handiwork of one staff member. For another, it was released before any senator read it. For a third thing, the Republican members of the committee didn't even know the "report" was being concocted, and they are hopping mad.

GOP Sens. Malcolm Wallop and Strom Thurmond question the document's conclusion that an investigation of Rep. Eilberg was not under way when he telephoned Mr. Carter. Sen. John Heinz calls the report a "whitewash," and Sen. Richard Schweiker says it "contains outright falsehoods."

The facts are that the FBI had opened a file on Mr. Eilberg and had agents out asking questions about him when he called on President Carter to get rid of Mr. Marston. Thus it is clear that the "committee report" is misleading when it speaks of no investigation.

Meanwhile, the U.S. Justice Department, which is supposed to be conducting an impartial investigation of the Marston-Eilberg matter, has "welcomed" the curious "report." That's some impartiality!

It is not clear just why such extraordinary efforts are being made to cover up the case.

Perhaps it is because a Democratic Congress and Democratic White House don't want a thorough airing of why the president fired a GOP prosecutor who was on the trail of a Democratic congressman.

If any case ever cried out for a special prosecutor, this one does. The Joshua-Jimmy chat about canning David should not end with a phony "report" that no senator had a hand in.

Mr. WALLOP. Mr. President, Mr. William Raspberry, writing in the Washington Post on Monday, March 13, had a column entitled "Carter's Dilemma on Marston: An Original Act of Candor." That begins with the words:

As with Nixon and Watergate, the intriguing question for Jimmy Carter in the David Marston affair is not merely: What did the President know and when did he know it? It is also: What should the President have admitted, and when should he have admitted it?

Fortunately for President Carter, there is plenty of important news to draw our attention away from Marston: The economy, the Middle East, the miners' strike, the canal treaties.

We are seeing our way through, I might again add parenthetically, a few of those, Mr. President, and maybe this is the reason why the calls for special prosecutors are rising again in the country.

Raspberry continues:

But not much front-page attention was paid to Watergate, either, during the early months, except for Carl Bernstein and Bob Woodward. And there remains the possibility that Carter, like Nixon, could find himself mixed up in some needless obstruction-of-justice situation.

The question presupposes that he already had failed to do what he should have done last November when he first got the call from Rep. Joshua Eilberg (D-Pa.) urging him to "expedite" the replacement of Marston, the Republican U.S. attorney in Philadelphia. It's clear, in retrospect, that the President should have found out why Eilberg was so interested in getting rid of Marston before he passed that request to Attorney General Griffin Bell.

Had he done that, Carter might have discovered that Eilberg was a probable target of a Marston investigation, in which case he doubtless would have stayed clear of the whole mess.

But having made the initial error, what should he have admitted, and when? Any hope that he wouldn't have to admit anything at all was dashed when, at his Jan. 12 news conference, he was asked why he was dumping Marston.

He tried to finesse his response with a remark that he has "only recently learned about the U.S. attorney named Marston . . . one of hundreds of U.S. attorneys in the country." The message he apparently hoped to convey was that while Marston's removal in favor of a yet-unnamed successor might not have been in strict keeping with his campaign pledge to keep such appointments out of politics, it was, at worst, a routine political matter.

But as he conceded after reporters refused to let go, the "only recently" remark was misleading. He had known about Marston even before Eilberg's November call and had talked to Attorney General Bell about the matter.

What more should he have conceded, and when?

"Look," Carter might have said, if it were true, "When Eilberg asked me to expedite Marston's removal, I had no idea that Eilberg himself was a possible target of a Marston investigation. I'd better not say any more just now until I have a chance to look at the whole matter in view of the questions you are raising."

But it wasn't true. He did say, at that Jan. 12 news conference, that "as far as any investigation of members of Congress, however, I am not familiar with that at all, and it was never mentioned to me."

That wasn't true, either, as Carter admitted in a statement—the "Shaheen report"—during a subsequent in-house Justice Department inquiry. What he said then was that he had learned that Eilberg "was of investigative interest" a few minutes before the Jan. 12 news conference, when congressional liaison Frank Moore told him.

Having virtually admitted that he lied in his Jan. 12 statement, perhaps that was the time to make a clean breast. He didn't and the thing rolls on, the latest revelation being that the Shaheen report itself was doctored before its public release, excised of those portions that either made Marston look good or gave evidence of prior White House knowledge of what was going on.

Now suppose it turns out that Eilberg was in more serious trouble than Carter ever imagined: Wouldn't that set the president up as having contributed, successfully or otherwise, to an attempted obstruction of justice?

We shouldn't forget that what did Nixon in was not that he participated in, or even that he knew about, the Watergate break-in. What got him was his participation in the after-the-fact attempt to cover it up.

The problem for Nixon was that there never seemed to be an appropriate time to come clean, after he had made the initial bad judgment. Even with the benefit of hindsight, I cannot say with any assurance when he should have made a clean breast of things. A few days after the break-in? Just after his reelection? Ten months later when James McCord started to sing?

And so with Carter. The fact that he, presumably, has no particular interest in what happens to Eilberg is beside the point. The danger for him is that his original lack of candor, which he has so far found no appropriate time to correct, could ensnarl him in an obstruction of justice.

What should he have admitted, and when should he have admitted it? Is now too late?

(Mr. SARBANES assumed the chair.)

Mr. WALLOP. Mr. President, the Committee for Public Justice whose address is 22 East 40th Street, New York, N.Y., put out a paper called Justice Department Watch. In a press release of the

31st of January, 1978, even before the Senate Judiciary Committee began hearings, they charged that the Justice Department investigation of the Marston affair was inadequate and called for a special prosecutor.

The press release is as follows:

CHARGE JUSTICE DEPARTMENT INVESTIGATION OF MARSTON AFFAIR INADEQUATE; CALL FOR SPECIAL PROSECUTOR

The Justice Department's Office of Professional Responsibility—the unit created after Watergate to police the conduct of Justice Department employees—lacks the authority, independence and resources required to guard against abuse. The charge is made in the February issue of Justice Department Watch, a newsletter published by the Committee for Public Justice, a civil liberties organization co-chaired by Lillian Hellman and Orville H. Schell.

According to Justice Department Watch, the Office of Professional Responsibility, which makes recommendations to the Attorney General, having no disciplinary or prosecutorial authority of its own, "has proved to be a toothless watchdog, incapable of policing Justice effectively. A miniscule unit within the Department, the Office of Professional Responsibility does not have the manpower to conduct thorough initial investigations of its own into allegations of wrongdoing. Instead, the Office often relies on information provided by the agency under investigaiton, clearly not the technique best suited to getting at the truth."

The Committee for Public Justice cites the Office of Professional Responsibility's review of the facts surrounding the dismissal of Philadelphia U.S. Attorney David Marston as the latest example of the shortcomings of the unit's investigative practices.

"Because of the close relationship between the Office of Professional Responsibility and the Attorney General, we question the appropriateness of Bell's decision to assign the Office of Professional Responsibility to investigate the matter of whether either he or President Carter knew or had reason to know that Congressman Joshua Eilberg might be of investigative interest to the Justice Department when responding to his request that David Marston's dismissal as U.S. Attorney be 'expedited'.

"In any event, the Office of Professional Responsibility did not conduct a thorough investigation before issuing its statement exonerating Bell and Carter in the matter. The inquiry consisted of taking statements of Bell, Carter and 10 other Justice Department officials. These individuals were not pressed on the apparent inconsistencies in their stories. Nor did the Office bother to question Congressional liaison Frank Moore or even Congressman Eilberg, clearly two central figures in the affair. Under the circumstances, and given all the yet unanswered questions surrounding the Marston dismissal, the Office of Professional Responsibility's conclusions seem highly premature and irresponsible.

"Only an independent inquiry into the Marston dismissal can clear the air. The Committee for Public Justice therefore calls for a Special Prosecutor to conduct such an investigation and also continue the investigation of official corruption in Pennsylvania, which Marston began, free from political considerations. The Committee further calls for complete overhaul of the Office of Professional Responsibility and creation of a mechanism independent of the Attorney General to conduct internal inspection of the Justice Department.

By appointing a Special Prosecutor, Carter can begin to halt erosion of public confidence in the Administration's commitment to removing politics as a consideration in the investigation and prosecution of official misconduct."

Mr. President, I have some reflections on the dismissal of Mr. Marston and some reflections on Mr. Civiletti's fitness to serve, and the troubling events of the many weeks of hearings.

Uncomfortable feelings remain in the hearts and minds of many who feel that the White House, the Department of Justice, and almost recently the committee itself, have not cooperated in trying to get out all the facts and all the events surrounding the dismissal of David Marston.

If nothing was wrong, there was no reason not to say so with a simple, honest explanation. If something was wrong it should have been brought out, brought out into the open, and dealt with thoroughly and forthrightly. Frankly, as a layman sitting on the Judiciary Committee, I expected members of the Justice Department to be professional and to have high moral standards; to be willing to admit, where warranted, that certain events may have adequately not, where warranted, been investigated and that a mistake may have been made or, to announce that an investigation has been so completely done and so openly conducted that no doubts could remain in the hearts and minds of Americans.

The sad thing about all of this is that that was not the attitude of the members of the majority party on the committee. It surely was not the attitude of the Justice Department officials who, to a man, sang the song that they would give the committee whatever the committee asked for, and then resolutely relied on the majority position on that committee not to provide information that was requested; not to open the books any more than was absolutely and publicly dragged out of them; not to cooperate with the inquiry that was being made in good faith but to stonewall it, to put every possible complication in the way of it; not to testify forthrightly and willingly; in all honesty, to display steely arrogance, on the whole, to surround the whole questioning with an air of hostility, an unfortunate air of self-righteousness and martyrdom that was not justified by the conduct of the inquiry.

It could have been over more quickly. It really could have been over. I wish to God that it was over, and these issues had been laid to rest. But it could have been over in a couple of weeks. It could have been over right away, had they forthrightly gone at the matter and conducted their own investigation in public.

But it was not done. So I would say again that if there was something wrong, they should have admitted that there was something wrong, admitted that they were human, that they would do better in the future, and put into place mechanisms to avoid that kind of happening from reoccurring. I would have been more than satisfied with that.

If there was nothing wrong, how happy the American people would be right now, if they could look at all the evidence that has been put out and know in their hearts that the administration cared, not for politics when it came to justice, but about justice itself. It would have been a happy day. It could still be a happy day, if the Justice Department and the President would take time to go after the affairs that are in question.

Sadly, this country should no longer need calls for special prosecutors. Yet under the circumstances there is really no choice. Sadly, this country no longer needs to have the statements bandied about in the press that a coverup of some kind is going on or is possible, even. But that, I am afraid, will remain the case. It will remain the case, and the case will be enhanced by the confirmation of Benjamin Civiletti. And with regard to his own fitness to serve as Deputy Attorney General, President Carter left quite an impression on this Nation when he called for the best leaders this country could produce. I am certain he was talking about the best human beings for the particular positions, and the best performance, and the highest standards out of those human beings when they were in those positions.

In my book, the best are not necessarily infallible. Anybody can err every now and again, but it takes special traits to recognize an error, and to try to correct them.

As far as I am concerned, I am afraid Mr. Civiletti has not manifested this ability, the ability to admit error, the ability to admit that things might be conducted in a way different from the way in which they have been, to admit that things may have been conducted in an awkward and unseemly fashion.

During the hearing, Mr. Civiletti demonstrated a rigid posture of righteousness, an attitude which would not permit him to acknowledge his own mistakes or problems existing within the Department of Justice. Throughout the breadth and extent of those hearings, not at one moment did he willingly admit to a shortcoming within that Department. Yet, we have seen that in the Marston case, and we have seen it in the Lance matter.

You know, there was another symbolic event in the administration of justice which gave great hope to the country. I confess to having been thrilled by it. You may recall that there was a moment when the Attorney General, after being sworn in, marched down and threw open the doors of the Justice Department, a symbolic act welcomed all over America—welcomed by me; I naively at the time felt that perhaps the conduct of justice was not going to be partisan, would not be and could not be. I went down with the Judiciary Committee shotly after it was organized, and had breakfast in the Department of Justice, and listened to one member of the committee after another, liberals, conservatives, Democrats, and Republicans, saying in high spirits and great faith that when it comes to justice, there must be no partisanship, and that the interests of justice cannot be served in a partisan way.

I believed that, and I believed that

symbolic gesture of throwing open the doors. It seemed to me that it said to America that their leaders are approachable, that they no longer live behind great bronze doors and they no longer live behind facades and walls of administrative concrete that prohibit the truth from getting to the public. You know, sadly, those doors—I do not even know whether they are still open or not, but symbolically they are shut. Symbolically they are closed tight in the face of America, and we are being shown that there is a double standard for justice.

I am troubled by this, because the country should feel comfortable about approaching their Deputy Attorney General and their Attorney General.

I am not so naive as to suppose that Mr. Civiletti will not be confirmed, but I would like them to believe that they could approach him. I would like them to believe that he would make himself available as one human being to another, rather than as an unyielding, inflexible public servant whose posture is that the Justice Department can do no wrong.

Oh, what a sad thought, that the Justice Department has not got human beings in it, that it can do no wrong.

Of course, it can do wrong. It is, in fact, peopled with humans, the kinds of humans the President talked about in his book, "Why Not the Best?" Heaven help us, they are not living up to that standard, though they could. It is not too late to strive for that goal. Maybe after this process is over it will have had some kind of cathartic effect on the Justice Department and the way it works. Maybe we will be able to rely on it.

I have found the Justice Department to be one of the major disappointments of my tenure in the Senate, not because there was a political man fired, as I think that is well within the rights of a President when he takes office, but because of all of the other circumstances and events surrounding his ouster.

It was not just Marston; it was not just Lance. It was also the Korean influence-buying investigation, the fact that we could never get an answer as to whether or not there was a connection between the President's sudden change of pace in the Korean withdrawal and the simultaneous announcement that Tongsun Park would come to this country under a different set of circumstances.

I also recall in probing on the Korean investigation, we never really got very satisfactory answers as to why the Justice Department, even under the previous administration, had allowed Tongsun Park to leave the country; why, when the grand jury proceedings were underway over here, the Attorney General and Mr. Civiletti himself went to London while Mr. Park was over there, to conduct conversations, as they said, at the highest level.

Guess what? Mr. Park left London where we had an extradition treaty which could have gotten him back on any of several counts, not all of which came in the closing moments of the grand jury proceedings. By the time the sealed indictment against Mr. Park had been issued, Mr. Park was gone from London and was in Korea, a country with whom we have no extradition treaty.

Can one draw the conclusion that there was a warning given? Yes, one can draw that conclusion, and in the absence of any reason to suppose otherwise that remains a troubling question.

The standards with regard to the misdemeanor charge of failing to cooperate with a congressional investigation different as applied to Mr. Helms differs radically from its interpretation before that committee. Day after day, I tried to get a grasp on how it could be applied in the Helms case and in one way yet interpreted quite differently before the committee. The interpretations were poles apart; they did not relate. We were left with questions which were unanswered, legal and philosophical questions. Yet the standards do not match, and again, we are faced with double standards of justice.

With regard to the new procedure which was implemented to avoid the kinds of problems which occurred in the Marston dismissal, a procedure for notifying high Justice Department officials, the President, and members of his staff of sensitivity investigations of Members of Congress or officials of Government—Mr. Civiletti's feeling was that it would do very little toward changing the process and letting people know. He testified that this procedure probably wouldn't have helped in the Eilberg-Marston situation. The very people who have been embarrassed by the circumstances and the procedures which were in place when these unfortunate affairs took place, might well again be under the circumstances according to Mr. Civiletti's mind. So what have we accomplished? Very little. The possibility that the same appearance of obstruction of justice could arise again is a real specter; it is there.

The Attorney General has suggested that they would work still harder on those. He is naive, I think, to suppose that people who are chairmen of committees, committees before whom the administration has bills important to their conduct of affairs, are not the kind of people who would trigger alarm bells when they are near or around the center of political controversy and investigation of wrongdoing. It just flies in the face of credibility.

We can accept that if we could be assured that the process would change, and that it would not be possible for these same kinds of mysterious, murky charges to arise on the horizon again. But, sadly, that is not what has come from these hearings.

With regards to what nearly happened—and I welcomed the decision to call back the report, though nevertheless it floats on the horizon, it will not disappear, it has been printed and it was a public document for a short while—there are certain minor events of major consequence I would like to address.

Mr. President, I hope that at some moment the Judiciary Committee might see fit to adopt a rule which would eliminate the necessity for dealing with reports in this manner. I think the distinguished chairman was most gracious and most sensible in withdrawing the report. I appreciate very much the move that he made in accommodating the members of the minority who were unsettled by the conclusions in that report.

The report is in the public arena now and requires just a few comments, because it discussed numerous controversial topics which were not before the committee at the time the vote was cast and drew conclusions which would normally, had they been adopted, have triggered a dissenting view. My own additional views were not addressed to this report. The report is no longer before the Senate, and I think that is well and good. But for the purpose of clarifying the record, I should like to discuss several arguments which have been recently advanced. I presume that the gracious gesture on the part of the distinguished chairman is not, in any way, defied by this discussion of other conclusions, because they are conclusions that have been drawn and may be referred to in the future even though the report has been withdrawn.

So, from a rhetorical standpoint, I should have to say that, on the basis of the record, the argument that the Marston dismissal is complete is not correct. On the contrary, the Judiciary Committee has yet to receive the FBI 302 files that were requested of Mr. Dowd and the White House has not yet voluntarily produced affidavits requested by me and others regarding the Marston dismissal As long as those bits of testimony are not there, the record can scarcely be considered complete.

The witness list was incomplete. Only a handful of the witnesses requested actually testified before the committee. In addition, the committee agreed, at the time it favorably reported the Civiletti nomination, to hold hearings on a motion recommending to the Attorney General that he appoint a special prosecutor to fully investigate both the Marston matter and the Lance investigation. That is a matter still pending before the Judiciary Committee and one on which, I trust and assume, action will be forthcoming. Had it been resolved, the matter would not be still before the Committee on the Judiciary as a motion for a special prosecutor. In view of the fact that this is pending committee business, the argument that has been made by some that the record is complete is obviously incorrect.

Finally, the argument that the record is complete suggests that there was no wrongdoing in the dismissal of David Marston. Such a contention, if left standing, might be potentially damaging to known, ongoing FBI investigations into possible obstructions of justice in this matter. So we should not conclude at this premature date that there was no wrongdoing. That is a matter now for the prosecutors, for the FBI, and for the Department of Justice itself to discover through their ongoing probes.

It also has been argued that Mr. Civiletti had nothing to do with this matter

and that it was not within his area of responsibility. The hearing record does not sustain that argument. The inquiry into the facts and circumstances surrounding the dismissal of David Marston as U.S. attorney was directly relevant to the committe's inquiry into his qualifications to serve as Deputy Attorney General. At the time the so-called Marston affair occurred, as a high ranking official who had frequent access to the Attorney General, Benjamin Civiletti was in a position not only to know what criminal matters were under investigation, but also to direct an investigation into the matters where the facts so warranted.

Furthermore, it is not yet clear that Mr. Civiletti had nothing to do with this in light of the still unresolved conflict between his testimony and the affidavit he rendered and Mr. Baker's testimony and the affidavit that he rendered. It is to be recalled that Mr. Baker testified as to a November 25 meeting with Mr. Civiletti and his notes of that meeting, which say the EILBERG case is alive, are a matter of record. Mr. Civiletti does not recall this meeting, but, significantly, does not deny that it took place. Even the Attorney General admitted the problems caused by the lingering doubt by this testimony and affidavits.

The argument has also been advanced that from all the evidence. Congressman EILBERG did not begin to be involved significantly in the investigation until December 19. Mr. President, this is simply not borne out by the record of the hearing. Mr. Hinden, the assistant U.S. attorney in Los Angeles, testified that, on November 13 or 14 or 15, Mr. Elko discussed the involvement of Congressman EILBERG in the Hahnemann Hospital investigation. The sad thing is that this is still in the second unprinted volume of the report and undoubtedly will not be available to Senators prior to voting.

Mr. Elko was asked about a piece of paper indicating that he received $50,000 from the EILBERG law firm. Mr. Hinden testified that Mr. Elko went into much greater detail on this, beginning on December 9 and continuing through January 3 of 1978. He confirmed this to the committee by reference to FBI 302's in his possession. Arguments to the contrary are misleading, because they rely on the late December 19 date mentioned by John Dowd and exclude any reference whatsoever to these earlier dates.

At any rate, Mr. President, this matter is now before us and it has to cause the public concern.

The administrative responsibilities of the Deputy Attorney General are undeniable. In fact, in all probability, these are far greater than the legal duties.

The administration of the Criminal Division under the guidance and tutelage of the Assistant Attorney General, Benjamin Civiletti, has been woefully inept. The worst problem about it is that it has been inept in the most significant areas that that division has been involved in as far as a public concern goes.

There is a problem, too, that is, as yet, unresolved, and that is the diffusion of the participants in this whole affair, the dispersal of them around and about the country. The record, if looked into, will indicate that secretaries have changed jobs, that other people involved as heads of strike forces are being considered for U.S. attorney's jobs, a Deputy Assistant Attorney General has been appointed, that the general group who had been working so carefully on these rather intensive ongoing investigations of political corruption has been disbanded.

That, of all the other facts, will require a significant effort on the Department of Justice's part to reassure this public, this America, that State of Pennsylvania, that they will not cease the efforts that were underway, and, more than anything else, a public statement from the Department of Justice that equal fervor in matters of political corruption, regardless of whose party they may touch, will be of high priority. They should be of high priority.

Wiretap evidence collected in the ongoing cases in the district court in Pennsylvania indicated that there was some degree of assurance—these are public records and part of the hearing record—some degree of reassurance that if we only got the new administration in, these prosecutions would be impeded. The public needs better and the public, I trust, will demand better.

I do not think these calls for a special prosecutor will disappear. I do not think that these matters will stay in the shadows forever. The public really does not need another attack on its faith in the system of justice. That is where, above all, they need to know that whether we are a friend of the President or a friend of the janitor, that justice will treat us the same.

One last area. I would like to read for the RECORD an article which appeared in the Chicago Sun-Times, February 19. 1978, with regard to two bankers and two standards of justice which I think is pertinent in this matter because it underscores my deepest fears of a double standard of justice in America.

The article was by Lisa Myers entitled "Two Bankers, Two Standards of Justice."

GREENSBORO, N.C.—Edwin Duncan Jr. is a convicted felon facing three years in federal prison. Bert Lance is a budding television commentator who jets around the globe on a diplomatic passport.

Both are Southern country bankers who overdrew their checking accounts by hundreds of thousands of dollars. The big difference is in the way the government treated them.

Edwin Duncan Jr., is a convicted felon facing three years in prison. Bert Lance jets around the globe on a diplomatic passport. Both overdrew funds from banks they ran. Why are they being treated differently? Lisa Myers of The Sun-Times Washington Bureau explores this question.

It's time for our government leaders to respect the law no less than the humblest citizen, so that we can end, once and for all, a double standard of justice. I see no reason why bigshot crooks should go free and the poor ones go to jail.—Jimmy Carter, acceptance speech for the Democratic presidential nomination, July 15, 1976.

In the case of President Carter's best friend and former budget chief, the U.S. controller of the currency ruled that the overdrafts were "unsound banking practice" but didn't warrant criminal prosecution. For Duncan, whom the White House press secretary, Jody Powell, once referred to as "some jerk from North Carolina," they constituted a misapplication of bank funds—a criminal offense.

Duncan's lawyers say that's "unequal justice." They are appealing their client's conviction.

The U.S. attorney who prosecuted Duncan said if it were his decision, Lance would be going to jail, too. "If Mr. Lance were to have done what he did in my district, he would have been prosecuted," said H. M. (Mickey) Michaux. "It's a violation of the law."

The striking parallel between the Lance and Duncan cases provoked a Justice Department official, who fears to be identified, to call it "a classic example of the double standard of justice that haunts this country."

Duncan was president and chairman of the Northwestern Bank of Wilkesboro, N.C., a bank founded by his family. Under his aggressive leadership, the bank grew to the fourth largest in the state, with assets of more than $1 billion. Lance was president and chairman of the Calhoun (Ga.) First National Bank, which was founded by the family of his wife, LaBelle, and grew rapidly under his stewardship.

Over a period of years, both made a habit of writing checks they didn't have enough money in their accounts to cover—in effect, giving themselves interest-free loans. In Duncan's case, the overdrafts exceeded $257,000. In the case of Lance and his relatives, the balloon checks went as high as $40,000. Both eventually covered all the overdrafts.

Michaux, a Carter appointee and the first black U.S. attorney in the South, readily acknowledged, "The similarities gave me problems." In fact, when the controller issued his report on Lance, Michaux contacted the Justice Department to ask what he should do about Duncan, who had just been indicted.

"I asked whether it would cause any problems in our prosecuting a nonentity in light of circumstances surrounding this renowned individual," he told The Sun-Times. "I wanted to save any embarrassment to anybody"—namely, he made clear, President Carter and Atty. Gen. Griffin B. Bell. As Michaux hoped, the Justice Department authorized him to proceed as he saw fit.

Now, Duncan's lawyers are appealing the case on grounds their client was discriminated against. They argue that what's legal for Bert Lance is legal for Edwin Duncan. "We mustn't permit prosecution in one instance and not in another," said defense attorney Jack Floyd.

To support the appeal, Floyd plans to cite the controller's report and excerpts from Carter's press conferences. In defense of Lance, Carter told reporters in August: "There has been no evidence of either illegalities or unethical conduct that was contrary to the normal practices that exist in the banking circles in our country."

Defense lawyers contend in a trial brief, "That the same government should prosecute a citizen for practices which are indistinguishable from those pronounced legal is fundamentally unfair."

Government prosecutors say it doesn't matter what Carter said. "Jimmy Carter can't change the law," said Allen Gwyn, assistant U.S. attorney.

This opinion is shared by U.S. District Court Judge Hiram Ward, who presided over the Duncan case. "We've learned from the Nixon case that even the President of the United States cannot authorize anyone to violate the law," Ward said in refusing to allow the defense to enter documents relating to Lance during the trial.

And to let Duncan go just because Lance is free would be absurd, Michaux asserted, adding, "There are some drug dealers in New York who aren't in jail, but that doesn't mean we should let go those in this district."

Michaux also pointed out that while there are many similarities between the two cases, they aren't identical. Lance's checks were debited to his account, thereby showing an overdraft. Duncan's weren't. The bank computer was programmed to spit out Duncan's checks when they came in. Then they were kept in a secretary's desk drawer, sometimes for weeks at a time, before being posted. "Lance had an identifiable obligation," Michaux said. "Duncan didn't."

Court records show Duncan echoed Lance's arguments that overdrafts are an "ordinary banking practice," that they didn't hurt the bank, that they were "a great convenience to the general public."

Like Lance, Duncan also had a penchant for depositing his bank's money in interest-free correspondent accounts in other banks and then securing personal loans from those banks.

During the trial, a Federal Bureau of Investigation agent testified that Duncan had "compensating balances" in 11 banks, meaning interest-free deposits of the Wilkesboro bank's money were a condition of his personal loans. Michaux said Duncan wasn't prosecuted for that practice, which banking experts say is illegal, because "we already had him on enough."

In a separate trial, Duncan was convicted of bugging Internal Revenue Service agents, a charge Michaux said was "incidental" to the misapplication case.

On Lance, the controller's report found that there was a quid pro quo between interest-free deposits by three banks controlled by Lance and $1.6 million in personal loans to the Georgian, his wife and business cronies. If the Justice Department determines in an ongoing investigation that any of the banks were injured by Lance's use of their funds, the former budget director could face criminal charges for misapplication of bank funds.

A senior Justice Department official said it will be two to three months before a decision is made on whether to prosecute Lance on any of the charges of financial misconduct that drove him from his government post.

I point out, parenthetically, that 2 or 3 months have since passed, and no decision other than civil decisions have been made.

Among the practices being examined are the overdrafts that Lance's patron, Carter, declared both ethical and legal.

In the meantime, Lance remains an intimate of the President and a folk hero in Georgia. And when he's not around the White House, he's traveling the globe trying to put together multibillion-dollar bank deals, or raising money for the Democratic Party.

Although on a much smaller scale, Duncan, too, has something of a following. When he returned to his Piedmont mountain home town of Sparta, N.C., after his conviction, his many friends turned out a big welcome, just as Lance was feted by his Calhoun neighbors after leaving Washington. Duncan's townsmen presented him with a plaque: "To Edwin Duncan Jr., for outstanding contributions to Alleghany County."

"Duncan's just a likable guy," said Bryant Hackney, a reporter who covered the trial for the Greensboro Daily News. "They feel about him the way Calhoun feels about Lance. The problem is that their man is going to jail."

Mr. President, I will conclude this portion of my remarks in opposition to the nomination of Benjamin Civiletti by saying that I do not think that his confirmation by the Senate will in any way diminish the public's perception of a double standard of justice. Indeed, I am sad to say, I think it may well enhance it.

By bringing out these points, a review of personal standards of conduct at the Justice Department under the scrutiny of the press will hopefully occur so that in the future these are not the standards by which the Department of Justice will operate. I wish to God that it is going to be so, but I remain skeptical enough that I will have to remain in opposition to this nomination.

Mr. WEICKER. Mr. President, I oppose the nomination of Benjamin Civiletti to be Deputy Attorney General.

On January 25, 1977, in casting my vote against the confirmation of the nomination of Griffin Bell to be Attorney General of the United States, I stated the following:

With the Nation still plagued by a perception of unequal justice in America, it is vital that the country's chief law enforcement officer not be chosen from among a President's pals or politicos.

The Attorney General, above any other appointed official, must be an individual who not only is impervious to the political and personal demands of a President, but also appears impervious as well.

Although I am concerned by Mr. Bell's mediocre record on civil rights, my opposition to his nomination is based on the urgent necessity to correct in style and substance the widely held belief that there are two standards of justice in the United States.

The American people are tired of watching brothers, campaign managers, law partners, and old friends sprinting the inside track to the Justice Department. The truth that has been gained over the past several years is not much good unless we act on it. Unfortunately, more often than not, blindfolded Justice has not been holding scales, but rather the President's hands.

This ended with the appointment of Edward Levi—a brilliant lawyer, educator, and free spirit. With the nomination of Griffin Bell, how soon these lessons are forgotten.

It may be said of Mr. Bell and President Carter, with no slight to either man, that when viewed in light of recent history, extending their old, personal, political friendship into the office of Attorney General perpetuates rather than dispels the image of old, personal, political justice.

That is the end of the statement I made on the occasion of Griffin Bell's confirmation vote on January 25, 1977.

On June 27, 1977, with one of the pieces of Watergate reform legislation before the Senate, the Senator from Texas (Mr. BENTSEN) offered an amendment to that legislation. I now am reading from the RECORD of June 27, 1977, which both describes the amendment and Senator BENTSEN's views of that time, which I think would be fair to state represented the view of this Senator and many others on the floor. I now read verbatim from the RECORD:

Mr. BENTSEN. This amendment would preclude someone who had held a major political office in the campaign of a President from being appointed as Attorney General or Deputy Attorney General. It is really time that we depoliticize the Justice Department. It is simply time to end what seems to have become the nearly standard practice of Presidents appointing as Attorney General the principal leaders of the political campaign in which they were elected. This has been done time after time and has become ingrained in the political system. We have had some obvious examples of men who have managed a successful Presidential campaign and were immediately appointed to head the Justice Department. I am pleased to see that President Carter and President Ford departed from that practice.

Then Senator BENTSEN goes on to say:

The conduct of some of the recent officials of the Department is too fresh in the minds of the public and too deeply etched on the members of the bar to be passed with a bromide that "the next President will not let it happen."

It is time to assure the American people that law enforcement decisions will not be determined by partisan politics, either Democratic or Republican.

I believe my amendment will be a major step to deal effectively with the problem of politicization of legal posts within the Justice Department. It will insure the Department's capacity to administer justice evenly. It will help restore the people's perception of the impartiality of the justice that is administered.

The partisan orientation in recent years of those responsible for supervising the Nation's legal affairs seems extreme. If justice is to be impartial it must, in the beginning, be nonpartisan. It should not be run or even given the appearance of being run, by people who march to a drum beat emanating from the political advisors of any President or his party.

Decisions as to whether cases are prosecuted or dismissed, whether appeals are taken or settled, must not depend on political influence.

Mr. President, this amendment will further restore public faith in the administration of justice. I believe it is worthy of the Senate's continuing support. I would hope the distinguished floor manager of the bill would agree and that we can further remove politics from our judicial system.

I have discussed this matter with the majority manager of the bill, the distinguished Senator from Connecticut, and with the minority manager of the bill, the distinguished Senator from Illinois, and it is my understanding that they are ready to accept the amendment.

With that, I will withhold the remainder of my time, subject to their comments.

Mr. RIBICOFF. Mr. President, I believe that the amendment offered by the distinguished Senator from Texas is a good amendment, and I accept it, as manager of the bill. I believe it is acceptable to the ranking minority member.

The comments made on that particular date by the distinguished Senator from Texas (Mr. BENTSEN) I think eloquently described the feeling that many of us in this Nation shared, both on this floor and outside this Chamber. We had come through years of excessive politics in the administration of justice. We had come through years where justice, far from being applied evenhandedly, had been applied in a special way according to the power of one's presence, be that power economic, political, or personal. And indeed the Nation was looking forward to that type of individual in the administration of justice who was best personified by Attorney General Levi.

The misgivings which I cited in January 1977, the perceptions of unequal justice as referred to in the amendment of the distinguished Senator from Texas, have all come to full flower once again

in the administration of the Justice Department by Griffin Bell and by his subordinate, Mr. Civiletti.

I now shall read to my colleagues a statement that was made before the Appropriation Subcommittee on State, Justice, Commerce, and the Judiciary, just last week. It was made on behalf of a group of Justice Department officials who had all served on the original task force appointed by Attorney General Levi to investigate allegations of wrongdoing within the Federal Bureau of Investigation.

The task force members were Mr. William Gardner, 8 years at the Justice Department, who presently is chief of the Criminal Section of the Civil Rights Division; also included in that task force and a part of the group for which Mr. Gardner spoke was Mr. Richard Johnston, 4½ years at the Justice Department, an attorney in the Criminal Section of the Civil Rights Division; Stephen Horn, 4½ years a Justice Department attorney in the Criminal Section of the Civil Rights Division; and Mr. Paul Hoeber, now an attorney in the District of Columbia, who was in private practice prior to being hired for the task force, and worked 18 months at the Justice Department on the Civil Rights Special Task Force investigation.

I now read Mr. Gardner's statement because I think it very definitely gets to the qualifications of Mr. Civiletti to enjoy this post for which he seeks confirmation before this body.

Mr. Gardner speaks to the committee:

Mr. Chairman, Members of the Subcommittee: Until last December 6, I was head of the Department of Justice Task Force investigation into allegations that FBI agents had utilized illegal investigative techniques in their search for Weatherman fugitives. On that date, we refused to participate further in the investigation, citing the Attorney General's handling of it. Soon thereafter, I was contacted by staff for one of the members of this Subcommittee and asked to relate the circumstances that led to our refusal to participate further in the investigation. I declined on the ground that I did not want any public comments I might make to jeopardize any additional investigation or prosecution resulting from it.

After the Department announced the conclusion of the investigation on April 10, I was again asked to explain in what respects the investigation had been misconducted. Because the criminal investigation had been completed, I agreed to do so. I will also attempt to correct certain misstatements that have been made about the case recently, particularly by the Attorney General. I have taken particular care to ensure that my statement avoids reference to any grand jury testimony; contains nothing that would prejudice the pending conspiracy prosecution here in the District of Columbia; and sufficiently protects individuals who were under investigation but were not prosecuted.

Following completion of the New York Grand Jury investigation in January 1977, the task force prepared a 336 page prosecutive report and submitted it to the Attorney General in March. In that report, we recommended the indictment of four former and four then-present Bureau officials. We also recommended the continuation of the investigation before a District of Columbia Grand Jury.

The recommended prosecutions involved charges of wiretapping, mail theft, break-ins or black bag jobs, perjury, and false statements to a government agency. The wiretapping, mail theft, and black bag jobs began in 1970 and continued until at least November of 1974. Of the officials recommended for indictment three were squad leaders who supervised at times as many as 40 to 50 agents; four were Special Agents in charge of divisions of several hundred agents; and one was an Assistant Director in charge of almost 2,000 agents.

Contrary to the Attorney General's testimony here on April 19, these officials can hardly be described as "low level people." I would like to emphasize that these recommendations for prosecution concerned individuals at the supervisory level and above, and with one exception no one at those levels was offered or granted immunity. Contrary to what the Attorney General implied here on April 19, the grants of immunity to street agents, which were necessary to obtain essential testimony, in no way made the prosecutive decisions in this investigation more difficult.

I find the failure to approve these prosecutions, thereby preventing the truth from coming out, particularly egregious in light of the Attorney General's testimony before you on April 19 that prosecution on the supervisory level was "as high as they are prepared to go." First of all, field supervisors in the Bureau are important officials who exercise considerable responsibility. Moreover, as I said, only three of those recommended for prosecution were field supervisors; the other five were top ranking Bureau officials, four Special Agents-in-Charge and an Assistant Director. It was our insistence on prosecuting those "higher-ups" that was one of the primary causes of the dispute with the Attorney General.

As I mentioned earlier, our March report also recommended pursuing the investigation at the Headquarters level before a District of Columbia Grand Jury. Our primary reasons for convening that grand jury were threefold. One purpose was to determine whether any perjury or obstruction charges were warranted in connection with representations to the Church Committee that black bag jobs in domestic cases ended in 1968. The second was to strengthen and develop the case we had already made against the highest ranking Bureau officials who had authorized black bag jobs in New York in late 1972 and early 1973. The third was to determine the responsibility of all other Headquarters officials in approving or acquiescing in all the illegal activities we had uncovered in New York. With the New York phase of the investigation complete, this process was the logical culmination of the entire investigation.

The crux of the dispute between the Task Force and the Attorney General, Senators, was not the level of the officials involved. It was the fact that there were viable prosecutions against so many figures. The Attorney General recognized this in stating many times that he had to manage the Bureau, but couldn't do it with their officials on trial so often. We were not the only ones to see the conflict between running the Bureau and prosecuting its officials: even Mr. Civiletti remarked to me following one meeting with the Attorney General that he couldn't understand why there were so many calls for a special prosecutor in the Korean investigation when it was this case in which one was needed.

It is worth pointing out that in a nine-hour meeting with Mr. Civiletti on Saturday, April 2, 1977, in which we went over each proposed count against eight targets of the New York grand jury, he concluded that the eight cases should be presented to the grand jury for indictment, although not all at the same time. Mr. Civiletti in our early meetings with him was constantly supportive of our recommendations, the facts behind them, and our efforts. Unfortunately, the Attorney General was adamantly opposed to so many cases. Mr. Civiletti then began urging us to accept the reality of the situation and recognize that, given the Attorney General's views against prosecuting FBI officials, as well as the public and private pressures he felt against prosecution, we would not be permitted to file all the indictments warranted by the evidence.

The Attorney General's opposition to prosecutions was reflected in his public and private undermining of our efforts. We were in the unique position as federal prosecutors of having our one indictment and investigation as a whole publicly questioned by our superior. A letter write-in campaign was encouraged and the impression was given that decisions would be made by referendum. The Director of the FBI, a subordinate Department official, was permitted to speak out publicly against the Kearney indictment, and it became known that the Attorney General had met privately for 30 minutes with a ranking FBI official against whom he knew there was a prosecutive recommendation pending. I had never seen that kind of conduct in almost 8 years with the Department.

The net effect of these events was to make it virtually impossible for us to convince witnesses and potential defendants that we were serious about prosecuting the Headquarters officials found to be involved in the illegal activities. We could not secure the cooperation of witnesses because we could not make credible representations that they must either be fully forthcoming or face the definite threat of criminal prosecution.

Privately, the undermining of our efforts to arrive at the overall truth was reflected in such actions as the totally inexplicable decision not to prosecute the Assistant Director of the Bureau's New York office for perjury. The recommendation to bring this indictment was part of the original report submitted in March 1977. The sad fact is that the initiative to get this man to change his testimony was solely the Attorney General's—not the Assistant Director's. Our constant efforts to get this indictment filed lasted almost nine months until our withdrawal—during all of which time Mr. Civiletti expressed—to me—his opposition to this one-sided, prosecution-solicited recantation.

The impact of the Attorney General's decision to avoid at all costs a perjury indictment of an FBI official—which, amazingly, he presented to the Assistant Director in a rare and doubtless unprecedented personal imploring—was devastating to our investigation of Headquarters officials. That is, we had considerable evidence and testimony from operatives in the field offices indicating guilty knowledge and conduct on the part of certain Headquarters officials, who were in a position to implicate further the highest ranking officials not only in authorization for illegal activities, but also in coverups, perjury, and false statements. These Headquarters officials, when we sought to interview them, flatly denied culpability. The Attorney General's refusal to allow us to employ the sanction of a perjury prosecution had the net effect of nullifying any leverage we possessed to pry the truth from these officials.

This private undermining of the investigation was reflected in still another facet of it, having to do with our discovery that wiretapping, bugging, and break-ins continued through 1974. Our efforts to resolve the question of who may have been responsible for authorizing these illegal activities were effectively thwarted by the refusal to prosecute those supervisory officials who were clearly implicated by the street agent testimony but who had relied on their 5th

Amendment privilege in refusing to discuss these activities.

But this was not the end of the matter. In 1975, during the House Judiciary Committee's requested GAO audit of the Bureau's New York office, a file that had been the subject of many of the 1974 break-ins and one illegal bug was selected for audit. Our evidence indicated that the official in charge of all domestic intelligence work in the New York office had ordered that GAO *not* be informed of the 1974 activities. But he too refused to testify about this incident. We were never convinced that this official had acted on his own—nor was the Attorney General for that matter—and we had some circumstantial evidence pointing at Headquarters officials. When it became apparent in August of 1977 that this official was not going to be prosecuted, we recommended that disciplinary action be used as a tool with which to identify the higher-ups ultimately responsible. Even this was refused, however, and now any prosecution has been precluded by the referral for administrative action. Thus, the investigation was hampered in its search for the highest official responsible for covering up from Congress the true extent of the Bureau's use of illegal investigative techniques. To conclude the investigation of the Bureau's cover-ups by referring it back to the Bureau only illustrates how little we have learned from recent history.

The final point I would like to make, Senators, deals with what I described earlier as the Church Committee cover-up—hiding from the Congress the nature and extent of recent intelligence agency abuses. Our problems in finding out who deceived the Church Committee were even more serious than those described in the GAO matter.

This is because the Headquarters section which had the most contact with and knowledge of what the field offices were doing, was responsible for answering questions in an internal survey which led to the preparation of the statement to the Church Committee denying that domestic black bag jobs took place after 1968. Incredibly, it was this Headquarters section that in the fall of 1972 ran the program in the FBI training school at Quantico instructing agents on Weatherman squads how to do black bag jobs. But, again, we were effectively thwarted in our efforts to make this case because there were absolutely no inducements to compel the truth from those Headquarters officials we knew were knowledgeable. We couldn't represent they would be prosecuted if they didn't cooperate, in light of the public perception that the investigation was "stalled," and it was equally apparent that a perjury prosecution was not a likely sanction.

So what we were in effect told, Senators, was that we had a job to do, but we wouldn't be given the tools, such as perjury prosecutions, with which to do it. I certainly know of no other Department investigation conducted with these restraints. We were hamstrung, in effect. It would have been far more above-board to have said from the beginning that there will be only one prosecution in this case than to permit the crippled investigation that followed. It hurt the Bureau, it hurt the Civil Rights Division, and, most importantly, it reflected adversely on the integrity of the Department of Justice by illustrating that we have one easy set of rules for our own, but far higher standards for others.

That was Mr. Gardner's opening statement.

During the course of the questioning he responded as follows to one of the questions:

What was the final straw that led to the resignation by the task force last December?

Mr. GARDNER. There was no real final straw, but rather the culmination of nine months of effort to get the Attorney General to make prosecutive and other decisions in regard to the case.

Our recommendations for prosecution of FBI officials based on the New York Grand Jury investigation had been pending since March. In late August and early September, we submitted memoranda based on the District of Columbia Grand jury inquiry, which incorporated our earlier recommendations and which requested authorization to prosecute and to target for prosecution particular FBI officials. In these memoranda, we explained our view that these steps were necessary if we were to reach a final determination of the truth in the matters under investigation and if we were to be able to prosecute the FBI officials responsible for the wrongdoing uncovered.

We were then in the unfortunate position of having to wait for a response from the Attorney General. We waited through September; we waited through October. Finally, at a November 22 meeting with the Attorney General, he announced his strategy, which I had heard for the first time on a Sunday talk show some days earlier, of awaiting the outcome of the Kearney case before deciding whether to bring further prosecutions. At that time, I asked to be reassigned from the case.

Mr. Civiletti suggested a period of reflection, followed by a meeting with the Attorney General at which the Task Force could explain their reasons for withdrawal in some detail.

Mr. Civiletti then met with the Task Force. We explained to him again that we sought decisions on our recommendations made in August. We said three months was long enough to wait. He stressed to us that we had a duty to meet with the Attorney General and convey to him orally our reasons for our recommendations about prosecutions and the carrying out of the investigation. We agreed.

That meeting was never held. Instead, on December 6, Mr. Civiletti met with the Task Force. He informed us of the Attorney General's response to our memoranda and recommendations. In brief, the Attorney General was inclined to seek only one indictment, which has since been filed, and not inclined to indict any other FBI officials.

That meant that there would be no other prosecutions of FBI officials, either in the field or at Headquarters, for involvement in the FBI's use of bag jobs.

There would be no prosecutions of FBI officials for the wiretapping and mail opening discovered during the investigation.

There would be no prosecutions for perjury committed during the course of the investigation.

There would be no prosecutions of FBI officials for bag jobs, wiretaps, or mail openings conducted after L. Patrick Gray left the Bureau.

There would be no prosecutions of FBI officials for the false representations made to the GAO in 1975.

There would be no prosecutions of FBI officials for the FBI's failure to inform the Church Committee of the domestic bag jobs conducted after 1968.

Now, Mr. President, I have tried to give the background in the matter before us by citing specific quotes from the Senate's history. I see no reason to further amplify upon the danger of a double standard of justice, as has been so eloquently done by the distinguished Senator from Wyoming (Mr. WALLOP) because, believe me, that subject matter was on every tongue throughout this country only a few short years back, and it was the object of much legislative scurrying about, both in this Chamber and on the other side of the Capitol. Everybody understood that there had to be an equality of justice under law a few years ago.

Everybody understood that you could not politicize or you should not politicize the Department of Justice. Everybody understood that you should not have a double standard of justice. Everybody understood, a few years ago.

Here it is 1978. References to the politicization of the Justice Department have already been set forth on this floor here this afternoon. But here, in its lowest and most clear-cut form, is the example of what we talk about when we talk about a double standard of justice.

What if you removed the word FBI from everything that has been stated here today? Just remove that. I cited this to you as a hypothetical case history, that dealt with some Senator, some Congressman, or some citizen of this land. Or a President or an Attorney General. There is not one person in this Chamber or one person outside of it who would not be yelling, "Coverup, coverup," and delving back into our Watergate experiences of only a few years back.

What makes Mr. Civiletti's involvement in this whole affair as culpable as that of the Attorney General, if not more so, is that he was intimately involved with all aspects of the case, and with the reasoning that dictated the tactics of this particular task force. And, indeed, he agreed with those tactics and that reasoning, and he agreed with those indictments. Yet when the slightest pressure came from above, he did not have the guts to stand up to it, either in the sense of his job security or his politics or, most important, in the sense of the facts of the case.

I believe that Mr. Civiletti's confirmation would only further sensitize a Department already too sensitive to passing fancies and too insensitive to enduring values. We have enough politics in the Justice Department. What we need is less politics and more justice. We will not get that with Mr. Civiletti. He is less interested in doing what is right than in doing what his boss wishes. If we want to have an Attorney General who is a politician, we need as his Deputy someone who is more an enforcer than a politician. If we want to have an Attorney General whose instinct is to go with the tide, then we need as his Deputy a person able to stand strong against the wave which would erode the structure of this country. Mr. Civiletti has already proven he is not such a person.

I do not believe in Mitchell justice. I do not believe in Bell justice. I do not believe in Civiletti justice. I believe in the American system of justice. That is a system that has been unsurpassed in the history of the world to determine innocence or guilt.

Yet nobody, the American people included, has any faith in it whatsoever. But the least faith of all is shown by those charged with the responsibility of administering it. Only for one brief moment, when Edward Levi was Attorney

General of the United States, did we see how important that office can be to bringing into reality the principles on which this country was founded; and that inspired great deeds and great acts.

The four men who gave this testimony before our subcommittee last week—that took enormous courage, confronting the Attorney General, the Department of Justice, and the FBI. It is not exactly what one might term an exercise in job security, nor is it likely to make you popular at home.

You see, I think that is what is really up for the decision on the floor of the Senate: The quest for popularity, the quest for political advantage, and the quest for convenience and for an easy answer.

That has been the history of this Nation within the Justice Department for the last decade. And it is the destruction of something which maybe will not affect each one of us standing here, but it certainly will give to our children something far less than that which we inherited.

Mr. Civiletti's actions when his time of testing came left a great deal to be desired. It is great to be a U.S. Senator, to be an Attorney General, to be a Deputy Attorney General. Believe me; in the terms of staff, in the terms of your office, in the terms of the publicity attendant upon these particular positions, it is a very enjoyable job. But every now and then comes the moment to make decisions which are tough and disagreeable, and that is, in my opinion, what they are being paid for, both in the coin of prestige, the coin of power, and the coin of dollars.

What are the lines by James Russell Lowell?

> Then it is the brave man chooses
> While the coward stands aside,
> Till the multitude make virtue
> Of the faith they had denied.

The name of the song is "Once To Every Man And Nation."

Once to every man and nation. That opportunity presented itself to Mr. Civiletti as I have described to my colleagues here this evening, and when the opportunity presented itself, he chose not to side with the brave, but rather with the employer, with the party in power, with the popular sentiment in this country.

I note the emptiness of this Chamber this evening. It was not so when the names Mitchell and Kleindienst and Mardian and others were before us. Then there was a high standard that was to be applied to those positions and to the power which those positions represented.

Believe me, the politics of a few years back in the Justice Department, before the advent of Mr. Levi, had nothing on the politics of the Justice Department of today under Griffin Bell and Benjamin Civiletti.

But I am not naive, to this extent: I understand the wheeling and dealing that goes on. I have not even agreed on the aspects of those who dispute the nomination on the basis of the Marston case. I was not the one who made the campaign promise that U.S. attorneys would not be chosen on the basis of politics, but rather on the basis of legal qualifications. I did not say that. That was said by the incumbent President. And I think it is safe to assume he might well have been elected, on the basis of the narrowness of his margin, it just might have given him the votes of those who were looking toward that approach to justice in this country.

And I think those people safely assumed that whoever he appointed as Attorney General would carry out that policy.

But the country is going to survive the political machinations of small people. It can do that. And as worried as I am about this aspect of the Civiletti case, that is not what really grabs me. What the Nation cannot survive is to have its system of justice, its Constitution, made secondary to the conveniences, to the political aspirations, to the whims, of those charged with preserving its Constitution and its system of justice.

What should Mr. Civiletti have done presented with these facts? He should have walked into the room with these four men and confronted the Attorney General and said, "If keeping my job depends on keeping quiet, or subverting the investigation, or seeing these men of integrity leave, then you have my resignation." Give that added pressure to see that justice was done.

I have been appalled as to what the reaction has been to the action of these four men insofar as various commentaries of my friends in the media. There has not even been an answer by Griffin Bell to that statement made last week. Some spokesman sort of dismissed it as being a matter of judgment within the Department. Some spokesman. Mr. Bell has never responded to that statement—a statement not by a Republican Senator, not by somebody from off the street, not by a public interest group, but by four members of the Justice Department, with a quarter century of service between them in that Department, who risked their jobs to make it.

But that is not as important any more, to hear the professionals speak in relation to activities, as it is to have some sort of a hot gossip tidbit or some sort of a partisan charge. These things overgrab the headlines.

I do not risk anything making a statement on this floor. Neither does any other Senator. Somebody can write an article in a newspaper and, believe me, nobody's job is dependent on it. Their jobs are. What they said was plain and simple, and I will say it in my words—I am not speaking for them—obstruction of justice. It is an obstruction in which Benjamin Civiletti was as much a part as the Attorney General. Yet we are to take this man and appoint him to the second highest position in our system of justice, and on the basis of how we have already seen him react to crises say that we are certain he will act better in the future.

I cannot make that kind of a judgment in light of the facts. This is not speculation we are talking about here.

I said it 4 years ago and I will repeat it here: I do not know what some people thought that exercise was all about 4 years ago. I am sure there are those who thought it had something to do with Richard Nixon. I repeatedly said throughout the investigation and after it was over it was not Richard Nixon. It was the attempted destruction by many individuals of our system of Government.

There were principles, there were concepts, which were on trial, which were being tested. That is what was important. One of those principles and concepts was that there is going to be a quality of justice in this land, that the Justice Department is not going to be used for politics, that, indeed, when Government uses the full force of the law upon one of its smallest citizens the rest of us are going to stand on behalf of that individual. All that was involved.

Believe me, with the exception of an ethics code for the House and Senate, with the exception of a Senate Committee on Intelligence, and few other mechanical changes, nothing has changed, and nothing proves that more than the matter before us today.

We do not have a special prosecutor, as such. That legislation basically went aglimmering. I truly believed at the time that probably that experience that the Nation had gone through was sufficient to assure that no legislation was really needed. I am not so sure. I think it is very much needed. I think a special prosecutor is very much needed. I think it is needed in this case right here which I have cited. I think it is needed. I think a special prosecutor is needed on the Korean matter. I think a special prosecutor is needed on the Marston matter.

As a result of Mr. Bell's and Mr. Civiletti's decisions of several weeks ago we are to truncate an investigation that clearly involved itself with the most explicit forms of lawbreaking. Their actions made it impossible to discover the truth about those illegal acts.

I have heard many words over the past week about, "How can you expect these men," referring to the FBI agents against whom these allegations lay, "to know all the ins and outs of the law?"

We were referring to wiretapping. We were referring to breaking and entering. We were referring to perjury. We were referring to mail opening.

These were not some things which would be very difficult for anyone to understand, whether or not they were a member of a law enforcement agency. They are pretty clearcut in the sense of their magnitude when it comes to any list of crimes.

And yet, because of the agency involved, we are going to give every conceivable excuse rather than to take the action necessary to establish the law as supreme in this country.

The greatest danger facing the Nation today is that we are moving from a Government of laws—that hardly needs to be spoken to most of my colleagues in this Chamber who are lawyers—to a Government of men. How ironic it is that we sit here with this nomination in the light of the performance of this

man and his superior just 3 days after May 1, Law Day, U.S.A. Law Day.

What laws? Those interpretations of Messrs. Civiletti and Bell? Is that the law of the United States of America? Was it the law when Mr. Mitchell tried it?

Every time we get into the definition of law and order in this country today, somehow, the picture that is painted evolves around some dastardly crime committed by a member of our minorities in some dark alley in the city; some black with a knife at the throat of some old lady in a dark alley—naturally, the woman is white; some Hispanic raping some young teenager—naturally, she is a middle-American; all this taking place in the dark alleys of an American city. That is the picture of the breakdown of law and order as we hear it most of the time.

We never hear about a plush office in Washington, D.C., with a white Attorney General of the United States or a Deputy Attorney General doing a number, not on flesh and blood, but on the laws of this Nation, which are the Nation's flesh and blood.

If you are going to cry for one broken body in an alley, then at least you ought to have some sympathy for the life of your own country. I know that is more difficult to appreciate. It is not a broken bone; it is not blood. It does not present a ghastly picture which can be in black and white on the front page of a newspaper, it is that intangible. But it is that very intangible which made the Nation great, or at least, the belief in it.

In effect, what we are now saying is not that it is not so in fact, but that we believe it is not so and that we accept that it is not so, and those who espouse those principles are naive and they are idealistic, and they are really not with it.

At what point did we start to disregard the Constitution of the United States? At what point did we say it was no good? At what point did we say it is unworkable?

I shall tell you what point: When all of a sudden all of us had to live by it. That is when it became unworkable. It was great when we could recite it; it was great when we could teach it to the other person.

But all of a sudden, a great number of people wanted to share in its benefits? Then it became a very difficult piece of paper, with some very difficult concepts indeed. As most of us know, when people are shown it, they will not sign it; they say, well, that is communistic.

Well, it is difficult, it is very difficult to live up to, no question about it. None of us has even come close to doing it. But what we ought to do is at least try. Not just accept life as usual in Washington, D.C., now that "x" number of our departed friends around here are writing their novels, we will just go right back to the way it used to be. Just change the names, just change the party.

No. No. Everybody keeps on saying post-Watergate morality. There is no post-Watergate morality. There is some pretty strong gossip and the rest of it that have become the preoccupation of this country. But never mind the morality. It is not there; it is business as usual.

You see, that, in essence, was what those men relied on. Everybody said, how could they ever put those things on tape? How were they going to do these things? Because they truly believed that even if it were found out, nobody would care; that is why. There is your explanation. And they were damned near right.

Because now you are seeing it. It is out there in the open at the same time it is happening, and nobody cares. They were early by about 4 or 5 years. That is what it was. They were early, ahead of their time.

Maybe those are things that somebody else is going to accept, but I am not. If anything, we are certainly going to be consistent on this score.

I have had no kudos. It has been well publicized to my colleagues in this Chamber when I talk about equal justice. Boy, would I like to see the type of investigation taking place now that took place 4 years ago.

In any event, I think it is clear that, in the light of this particular aspect of Mr. Civiletti's career to date, he falls far short, not of the ideal—none of us will ever match up to that—but in trying to achieve the ideal. That much I do demand from any appointee. Not the low road, not the acceptance that, indeed, we recognize the corruption that is within us and within our institutions, so we are willing to have a part of it in the discussion of our duties. More than anything else, it is the state of our spirit that is going to determine the state of the Union.

I understand the difficulties that confront this country, in terms of inflation and in terms of energy and in terms of foreign policy. But all of these will be resolved as long as there is the spirit to resolve them; not just any old resolution, but the best resolution. Part of that spirit, all over this country now, is that portion of the American spirit that believes in its institutions; that when you say equal justice under law, it is equal justice under law; when you talk about the absence of partisanship in our Justice Department, there is no partisanship in our Justice Department.

It is very difficult, in the light of these examples that have been presented here today and in the light of what this body is doing within itself, in the light of what Mr. Lance is doing for himself, to have that kind of belief. If the most powerful of us, if the most educated of us, if the best housed of us are unwilling to obey the law, why should anyone else? Are we all waiting for the example to be set by the poorest of America? Are we all waiting for the example to be set by the uneducated in this country, by the ill-housed, by those without a job? These are the ones that we usually catch in our law and order definition. Are we waiting for them to set the example while the rest of us do our thing unabated?

It will never happen. We cannot spend enough money in this Chamber to achieve law and order unless we go ahead and set the example from the top.

I remember during the course of the investigations of several years ago when the matter of Mr. Nixon's taxes came up. I had a visit from my old law professor, Mortimer Kaplan, from the University of Virginia. He described to me how in this Nation we had visitors from all over the world who come to find out why our tax system operates as efficiently as it does. They come here expecting to find some system of computers, some personnel organization that is unique to the operation. Instead, they go away understanding that the success of our system is that it is self-enforcing—self-enforcing—that each one of us as an American citizen does the job of upholding law and order in the sense of paying taxes.

What do we think happens when Numero Uno does not go ahead and declare or pay his?

It goes right down the line. Indeed, the statistics show that for several years following, we had our greatest delinquencies insofar as tax payments were concerned. It was not the amount he did not pay. It was the example he did not set.

I think the time is now to present ourselves in the course of our own conduct, regardless of what our leadership role is, whether we are Senators, businessmen, labor leaders.

Just a few comments and I shall conclude.

What kind of a country? Just how are we going to have law and order when businessmen are going their way abroad, distributing bribes and saying, "Well, it's part of the local custom."

Since when did the morality of a bribe depend on whether it is domestic or international?

Then we have the later event with the coal strike and the Taft-Hartley law—law, underlined—law, not the Taft-Hartley policy. The President invokes the Taft-Hartley law and then refuses to enforce it so much so that the courts throw the Government out of court.

So we see that it cuts across all of our society, not just political, but labor and business.

But the greatness of this country will always be that it will stand for the rule of law, even when it is our ox being gored. And believe me, each one of us will have that ox gored more than once in the course of our lifetime.

But that assumes that there is going to be a body of law that governs the standard of behavior and it is not going to be something to be applied or not applied, depending on the whims of those charged with the responsibility of enforcing the law.

That is what Mr. Bell did. That is what Mr. Civiletti did or did not do.

I could not believe when I stood up here a few minutes ago and I reread the statement as to why I did not vote for Griffin Bell, a statement made over a year ago. The same exact words I would now use in light of what the experience has been. Then it might have been speculative, but now we know.

With the Nation still plagued by a perception of unequal justice in America, it is vital that the country's chief law enforcement officer not be chosen from among a President's pals or politicos.

The Attorney General, above any other

appointed official, must be an individual who not only is impervious to the political and personal demands of a President, but also appears impervious as well.

Although I am concerned by Mr. Bell's medicocre record on civil rights, my opposition to his nomination is based on the urgent necessity to correct in style and substance the widely held belief that there are two standards of justice in the United States.

Who is going to speak up for the American justice system if nobody benefits from it?

Do we not know that it will end up with a few Senators and a few attorneys general and a few Presidents who say: "Hooray for the American system of justice," and everybody sitting there holding their noses when we say it.

So we do not do anybody favors by waving the flag and reciting the words. We had better have the deeds in this day and age to back it up.

Do we think there is anybody out there that does not feel we have a little political justice going on in the Justice Department?

In the light of this FBI matter and the Marston matter, do we think anybody does not think there is a little political justice going on in the Senate because of rather incomplete ethics investigations?

We are not going to live very long in that dreamworld. It is coming down around our ears.

I suppose I should be delighted with Mr. Bell and Mr. Civiletti, that now will be up there as living targets for the Republican Party for the election year, 1978, and beyond.

Well, I am not. I am not delighted at all. I would as soon they would be out of there and the quality of a Levi in there, but we cannot go ahead and make an issue in the campaigns ahead.

I really did not get involved in this matter until the testimony of Mr. Gardner and his associate last week. The only sense of failure I felt was nothing to do with me personally, but with the fact that four men of their caliber and integrity could take the risks they did to tell the truth to the American people of the country and be dismissed by the media, with a comment by a spokesman for the Attorney General of the United States; and then to see some of the more astute members of the media sit on a television show and one of them say, "I don't know the facts, but they and Senator WEICKER are wrong." It is very interesting.

To use that tremendous journalistic precision and say that they are a bunch of flakes over at the Civil Rights Division of Justice, or the GAO, that is really great in the face of some very precise and very knowledgeable and very hard-hitting truths.

This job is not the job of myself, or a WALLOP, or any number of Senators on the floor. Invariably, it will be the job of the American people. It is going to be resolved by a special prosecutor. It is not going to be resolved by a particular attorney general or a vote of the U.S. Senate. It is not going to be resolved by a Watergate, or any of the novels ensuing therefrom.

It will be resolved by the American people. When they want equality of justice under law, they will get it.

I remember very clearly—and I could view this as an outsider, out of office—blaming a few Southern Senators for the fact that there was no civil rights legislation.

Boy, that was a great excuse for all of us as Americans who were not pushing for any civil rights legislation.

When we wanted it, we got it.

So there is no excuse any more on the issue of justice. If America truly wants it, it is going to get it. If, on the other hand, it wants to carve it like an ice statute in whatever shapes it desires within a particular generation, it will get that.

But understand this: The day is going to come when it will be your child or your grandchildren who will stand before the bar of justice in this country. It will not be a Mitchell. It will not be an FBI agent. It will not be somebody from the ghetto of the city. It will be your son; it will be your daughter. And you had better pray that that justice is independent, that that justice is nonpolitical, that that justice has courage to stand alone, if necessary, on behalf of what is right.

Think of it in those terms—not the justice that is meted out to somebody else but the justice that is going to be meted out to you; and then, believe me, you will want to have the highest caliber of mind and the greatest of courage.

I yield the floor, Mr. President.

Mr. WALLOP. Mr. President, I genuinely want to compliment the Senator from Connecticut for a stirring and eloquent speech, but less for the stirring quality and the eloquence than for the thoughts he has expressed today.

I share his sadness that the Members of the world's greatest deliberative body—as we are wont to call ourselves—has seen fit not to deliberate, not to come and challenge their own feelings or their own intentions as to how they will vote on this nomination, by listening to the arguments that are made here today, by referring to the hearing record of the committee. It appears by their absence that they have their minds made up.

I suppose the Senator from Connecticut knows that, and I know that; and it is sad that in a matter of great interest to this country, we are refusing to deliberate.

I say to my colleague that the words he has spoken will not disappear and the dream he dreams will not go away. The yearning for nonpolitical justice in this country, for a majority party, be it Democrat or Republican, that has as much interest in the sins of itself as it does the opposition, will not go away. It is out there.

The Senator has given us a message of hope. I have no hope, sadly, that his words or my words will do more than affect a vote or two. I suspect that the nomination will go through as ordered.

But maybe—just maybe—within the words he has spoken today, within the hearts and thoughts of others, are the seeds of a different way of going, a trail with a fork in it. Going up the mountain, there is always a top, regardless of which trail you take. Maybe the Senator from Connecticut has pointed us to a shorter path to the top of the mountain, and for that I thank him.

Mr. WEICKER. I thank my distinguished colleague.

● Mr. HEINZ. Mr. President, I rise today to speak on a matter of the gravest nature. We have before us on the floor today the nomination of Mr. Benjamin R. Civiletti to be Deputy Attorney General. The post he is being considered for will place him in a position of directing what has been called the largest law firm in these United States, that is the Department of Justice. It was with this thought in mind that the Senate Judiciary Committee held extensive hearings into Mr. Civiletti's qualifications to hold such an august post. Given the nature and importance of this position we can ill afford to have it tainted by even the slightest breath of scandal or controversy. Such controversy has already arisen, and it is for this reason that I ask my colleagues to recommit Mr. Civiletti's nomination to the Senate Judiciary Committee.

The focal point of this controversy involves a subject with which we are all familiar. That is, the dismissal of David Marston, former U.S. attorney for the eastern district of Pennsylvania. A significant portion of the hearings on Mr. Civiletti's nomination was devoted to what was intended to be a comprehensive and conclusive investigation into the facts and disparities surrounding Mr. Marston's removal. Unfortunately the Committee report that has been released does not provide us with such a comprehensive and conclusive investigation. I seriously question whether it can be considered as such. It is stated on page 2 of the report that:

> From all the evidence, it appears to the committee that there was no investigation of Congressman EILBERG at the time of the telephone call to the President, and that Congressman EILBERG did not begin to be involved significantly in the investigation until December 19, 1977, well after the telephone conversation. There was no "coverup" of any investigation simply because there was no such investigation in exsitence during the time in question.

In my mind, the conclusions in the report are clearly not sustained by the hearing record. There are numerous inconsistencies and the fact situation remains unsettled. What is more alarming and even less palatable is the fact that the full committee did not see the report, and was not given an opportunity to review or consider said conclusion. Without that review by the members of the committee we lack their collective reflections or judgment, rather we have only an unsubstantiated opinion rendered by the staff of that committee. To move forward on this matter without proper consideration being rendered by our colleagues on that committee would be to obviate the purpose of having a committee report.

Until this controversy has been laid to rest and until the onus or irregularity

can be removed from this nomination, I feel it is imperative that we exercise our senatorial duty and refuse to approve this nomination.●

Mr. WALLOP. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. HUDDLESTON). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The following occurred during Mr. WALLOP's remarks.)

Mr. WALLOP. Mr. President, I understand the distinguished majority leader would like to state a unanimous-consent agreement. Without losing my right to the floor or having it interrupt my speech, I am happy to yield.

Mr. ROBERT C. BYRD. I thank the Senator.

ORDER FOR CONSIDERATION OF H.R. 130 AND SENATE RESOLUTION 219 TOMORROW

TIME-LIMITATION AGREEMENTS

Mr. ROBERT C. BYRD. Mr. President, as in legislative session, I make the following unanimous-consent request which has been cleared with the minority: That at the conclusion of the remarks by the two leaders on tomorrow under the standing order, the Senate proceed to the consideration of the dealer day in court bill, H.R. 130, an act to provide for the protection of franchised distributors and retailers of motor fuel and to encourage conservation of automotive gasoline and competition in the marketing of such gasoline by requiring that information regarding the octane rating of automotive gasoline be disclosed to consumers—there is a time limitation agreement entered into on that bill—provided, that tomorrow the bill be considered only through titles I and II; that no amendments to title III be in order tomorrow; that at no later than 12:30 p.m. the dealer day in court bill be temporarily laid aside until next Tuesday; that upon the laying aside of that bill tomorrow the Senate proceed to the consideration of Senate Resolution 219, establishing a senior citizen internship program, with a time agreement thereon of 30 minutes on the bill to be equally divided between Mr. ROTH and Mr. PELL; that on an amendment by Mr. CURTIS there be a limitation of 30 minutes duration to be equally divided between Mr. CURTIS and Mr. PELL, and that Mr. CURTIS be recognized at the time the bill is laid before the Senate to call up his amendment; that there be a vote up or down on the Curtis amendment; provided further, that on an amendment by Mr. ALLEN there be a 20-minute time limitation to be equally divided between Mr. ALLEN and Mr. PELL, and that final passage occur no later than 2:30 p.m. tomorrow, with paragraph 3 of rule XII being waived; provided finally, Mr. President, that the dealer day in court bill, H.R. 130, come back before the Senate on next Tuesday upon the disposition of two nominations; to wit, Mr. Coleman and Mr. Civiletti.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The text of the agreement on Senate Resolution 219 is as follows:

Ordered, That on Friday, May 5, 1978, at no later than 12:30 p.m., the Senate proceed to the consideration of S. Res. 219 (Order No. 682), a resolution establishing a senior citizen internship program in the Senate, and time for debate on an amendment to be offered by the Senator from Nebraska (Mr. CURTIS) shall be limited to 30 minutes, to be equally divided and controlled by the mover of such and the manager of the resolution, and debate on an amendment to be offered by the Senator from Alabama (Mr. ALLEN) shall be limited to 20 minutes, to be equally divided and controlled by the mover of such and the manager of the resolution.

Ordered further, That on the question of agreeing to the said resolution, debate shall be limited to 30 minutes, to be equally divided and controlled, respectively, by the Senator from Delaware (Mr. ROTH) and the Senator from Rhode Island (Mr. PELL).

Ordered further, That the vote on the question of agreeing to the resolution shall occur no later than 2:30 p.m., Friday, May 5, 1978.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished Senator for his courtesy in yielding.

Mr. WALLOP. I thank the distinguished majority leader.

Mr. ROBERT C. BYRD. Mr. President, I think I am safe in saying, if the Senator will yield further, that there will be no more rollcall votes today.

Mr. WALLOP. Mr. President, I appreciate that. I am trying now to find out which other Senators care to make comment, so we can probably bring this to a conclusion very shortly.

Mr. ROBERT C. BYRD. I thank the Senator.

I imagine there will be rollcall votes tomorrow.

Mr. WALLOP. This is commonly known as a bed check.

Mr. ROBERT C. BYRD. Well, I suppose when one speaks of the bed, he speaks of paradoxes. One goes to it with reluctance and leaves it with regret.

Mr. WALLOP. With the greatest regret.

(Conclusion of earlier proceedings.)

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate now return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there again be a period for the transaction of routine morning business, with statements therein limited to 15 minutes each, and the period not to last more than 30 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE HOUSE

ENROLLED BILLS SIGNED

At 10:34 a.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the Speaker has signed the following enrolled bills:

S. 422. An Act for the relief of the First Baptist Church of Paducah, Kentucky;

S. 482. An Act to direct the Secretary of the Interior to purchase and hold certain lands in trust for the Zuni Indian Tribe of New Mexico, and confer jurisdiction on the Court of Claims with respect to land claims of such tribe; and

S. 661. An Act to reinstate the Modoc, Wyandotte, Peoria, and Ottawa Indian tribes of Oklahoma as federally supervised and recognized Indian tribes.

The enrolled bills were subsequently signed by the Acting President pro tempore (Mr. TALMADGE).

At 11:55 a.m., a message from the House of Representatives delivered by Mr. Hackney, one of its reading clerks, announced that the House agrees to the amendment of the Senate numbered 1 to 7 inclusive, to the bill (H.R. 8331) to amend the Securities Investor Protection Act of 1970; that the House agrees to the amendment of the Senate numbered 9 to the bill with an amendment in which it requests the concurrence of the Senate; that the House disagrees to the amendment of the Senate numbered 8 to the bill; that the House insists upon its amendment to the amendment of the Senate numbered 9, and insists on its disagreement to the amendment of the Senate numbered 8 to the bill; requests a conference with the Senate on the disagreeing votes of the two Houses thereon; and that Mr. STAGGERS, Mr. ECKHARDT, Mr. METCALFE, Mr. CARNEY, Mr. MOSS, Mr. DEVINE, and Mr. BROYHILL were appointed managers of the conference on the part of the House.

At 3:25 p.m., a message from the House of Representatives, delivered by Mr. Hackney, one of its reading clerks, announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 6782) to permit marketing orders to include provisions concerning marketing promotion, including paid advertisement, of raisins and distribution among handlers of the pro rata costs of such promotion.

The message also announced that, pursuant to the provisions of section 203(b)(2), Public Law 95–24, the Speaker has appointed Mr. BLANCHARD as a member to the National Commission on Neighborhoods.

ENROLLED BILL SIGNED

The message further announced that the Speaker has signed the following enrolled bill:

H.R. 6782. An Act to provide emergency assistance to producers of wheat, feed grains, and upland cotton, and for other purposes.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, May 4, 1978, he presented

to the President of the United States the following enrolled acts:

S. 422. An act for the relief of the First Baptist Church of Paducah, Kentucky;

S. 482. An act to direct the Secretary of the Interior to purchase and hold certain lands in trust for the Zuni Indian Tribe of New Mexico, and to confer jurisdiction on the Court of Claims with respect to land claims of such tribe; and

S. 661. An act to reinstate the Modoc, Wyandotte, Peoria, and Ottawa Indian Tribes of Oklohoma as federally supervised and recognized Indian tribes.

PETITIONS

The PRESIDING OFFICER laid before the Senate the following petitions and memorial, which were referred as indicated:

POM-632. A joint memorial adopted by the Legislature of the State of Idaho; to the Committee on Agriculture, Nutrition, and Forestry:

"HOUSE JOINT MEMORIAL No. 19

"Whereas, the production of sugar beets and of beet sugar is important in the State of Idaho and makes significant contributions to the State's economy; and

"Whereas, legislative and administrative actions taken thus far have not been adequate to restore the needed stability to sugar markets for domestic procedures; and

"Whereas, sugar beet producers and beet sugar processors are not receiving prices for their product which allow them to remain in business on a profitable basis; and

"Whereas, the loss of sugar beet growing and beet sugar processing would have serious repercussions in the economy of the State.

"Now, therefore, be it resolved by the members of the Second Regular Session of the Forty-fourth Idaho Legislature, the House of Representatives and the Senate concurring therein, that we respectfully request and urge the Congress of the United States to consider and enact legislation to insure the continued existence, stability and profitability of the total domestic nutritive sweetener industry, and that the President sign and administer such legislation.

"Be it further resolved that the Clerk of the House of Representatives be, and he hereby is, authorized and directed to forward copies of this Memorial to the President of the United States, Jimmy Carter, the Secretary of Agriculture, Robert Bergland, the President of the Senate and the Speaker of the House of Representatives of Congress, and the Congressional delegation representing the State of Idaho in the Congress of the United States."

POM-633. A joint memorial adopted by the Legislature of the State of Idaho: to the Committee on Commerce, Science, and Transportation:

"HOUSE JOINT MEMORIAL No. 18

"Whereas, the National Highway Traffic Safety Administration (NHTSA) of the United States Department of Transportation has proposed fuel economy standards for new model year 1980-81 light trucks weighing less than 8,500 pounds (gross vehicle weight rating); and

"Whereas, NHTSA proposes that said light trucks achieve a fleet average fuel economy of at least 19.2 mpg in 1980 and 20.5 mpg in 1981; and

"Whereas, these proposed standards will apply to all light duty vehicles including public utility trucks, rescue vehicles, delivery vans, many types of farm vehicles, pickup trucks, four-wheel drive vehicles, and most types of vans; and

"Whereas, the people of the State of Idaho are particularly dependent on these vehicles for their livelihood, especially in farming, ranching, construction, and small and large business; and

"Whereas, testimony given at public hearings on these proposed standards indicates that the standards are not now technologically feasible or economically practical; and

"Whereas, if these standards are promulgated, the only light trucks which might be available would be too small and too light to meet the needs of Idaho agriculture and business; and

"Whereas, these proposed standards could work a hardship on the consuming public as well as have a serious economic impact on the state and national economies.

"Now, therefore, be it resolved by the members of the Second Regular Session of the Forty-fourth Idaho Legislature, the House of Representatives and the Senate concurring therein, that we oppose the promulgation by NHTSA of the proposed fuel economy standards for new model year 1980-81 light trucks, vans, and utility vehicles.

"Be it further resolved that the Chief Clerk of the House of Representatives be, and he is hereby authorized and directed to forward copies of this Memorial to the Honorable Jimmy Carter, President of the United States, the Honorable Brock Adams, Secretary of the Department of Transportation, the President of the Senate and the Speaker of the House of Representatives of Congress, and the Honorable Senators and Representatives representing the State of Idaho in the Congress of the United States."

POM-634. A concurrent memorial adopted by the Legislature of the State of Arizona; to the Committee on Energy and Natural Resources:

"SENATE CONCURRENT MEMORIAL 1003

"Whereas, in 1902, Congress enacted a Reclamation Act, 32 Stat. 388, to provide irrigation systems for farmlands in the arid West; and

"Whereas, section five of such Act prescribed a limitation of one hundred sixty acres owned by an individual farmer eligible to receive irrigation water from a reclamation project; and

"Whereas, section five of such Act limited sales of such land to bona fide residents residing in the neighborhood of such land; and

"Whereas, such limitations have been only sporadically enforced by the United States Department of the Interior; and

"Whereas, because of the lack of enforcement of such law, many people have acquired legitimate interests in land and water in excess of authorized limits; and

"Whereas, the Department of the Interior, under court order, has proposed regulations which would strictly enforce the limitations in the future and force persons holding excess lands to dispose of them in a manner and to persons dictated by the Department; and

"Whereas, under the proposed regulations, an owner of excess land would be forced to sell it for a price well below its true market value; and

"Whereas, under the proposed regulations, an owner of excess land would be prohibited from even leasing back such lands after disposition; and

"Whereas, because of inflation and the state of commercial agriculture, one hundred sixty acres is an unrealistic limitation on agricultural holdings to the point of being arbitrary and capricious; and

"Whereas, many reclamation statutes provide exceptions to the acreage limitations and such lack of uniformity may raise constitutional questions; and

"Whereas, reclamation systems on Indian reservations contain no such limitation even though most of such land is under long-term lease to non-Indians; and

"Whereas, strict application of the limitations at this late date will be clouded by litigation for years to come; and

"Whereas, across-the-board application of the acreage limitation does not take into consideration substantial economic variations depending on the crop grown, the type of soil, the length of the growing season, the elevation and latitude of the land, the salinity of the water and many other factors; and

"Whereas, the original purposes of the acreage limitation to distribute the benefits of reclamation projects, promote family farms and preclude speculation underwritten by Federal investments are now largely obsolete, moot or nugatory; and

"Whereas, imposition of the residency requirement, not enforced since the Omnibus Adjustment Act of 1926, 44 Stat. 636, would work great hardship on many people who have developed alternative life-styles in reliance on Federal policy; and

"Whereas, in the State of Arizona nearly thirty thousand acres of land would have to be transferred to comply with the proposed regulations; and

"Whereas, the appearance of unpredictability of Federal policy may and the application of the proposed regulations would severely affect the marketability of all reclamation lands.

"Wherefore your memorialist, the Senate of the State of Arizona, the House of Representatives concurring, prays:

"1. That the Congress of the United States amend the Reclamation Act of 1902 to eliminate the acreage and residency limitations contained in section five of such Act.

"2. That, as an alternative to eliminating the acreage limitation, the Congress of the United States amend such Act to revise the acreage limitation substantially upward and to authorize acreage equivalency provisions to include consideration of farm economics, the cost of operation and viable farm sizes for all crops in all areas affected by the Act.

"3. That the Secretary of State of the State of Arizona transmit copies of this Memorial to the President of the United States Senate, the Speaker of the United States House of Representatives and to each Member of the Arizona Congressional Delegation."

POM-635. A joint memorial adopted by the Legislature of the State of Idaho; to the Committee on Finance:

"HOUSE JOINT MEMORIAL No. 20

"Whereas, the Internal Revenue Service, U.S. Department of Treasury, has filed notice of intent to promulgate rules and regulations relating to public employee deferred compensation plans; and

"Whereas, the rules are intended to change the Internal Revenue Service position on public employee deferred compensation plans to the extent that contrary to prior Internal Revenue Service rulings, if a public employee chooses to have payment of some portion of his current income deferred and paid in a later year, the amount will be treated as received in the earlier taxable year; and

"Whereas, deferred compensation, as a principle, has been clearly established by congressional action and has been made available to the majority of American workers: and

"Whereas, over twenty-five states and hundreds of local government jurisdictions have adopted, pursuant to statute, deferred compensation plans for public employees; and

"Whereas, the public employer through these plans can offer encouragement of voluntary savings for retirement, help ease pressure on the Social Security System and qualified public pension systems, and enhance its

employee fringe benefit package at no additional cost to the public employer; and

"Whereas, some Idaho local governments are operating deferred compensation programs for the benefit of their employees; and

"Whereas, the State of Idaho has enacted legislation to make available deferred compensation plans for its public employees; and

"Whereas, the Internal Revenue Service regulations may adversely impact over 40,000 Idaho public employees, their public employers and thereby the citizens of the State of Idaho.

"Now, therefore, be it resolved by the members of the Second Regular Session of the Forty-fourth Idaho Legislature, the House of Representatives and Senate concurring therein, that we respectfully urge the Congress of the United States to act to prevent the proposed Treasury Department regulations from becoming effective, to maintain the integrity of public employee deferred compensation plans, and to encourage their operation.

"Be it further resolved that the Chief Clerk of the House of Representatives be, and he is hereby authorized and directed to forward copies of this Memorial to the President of the Senate and the Speaker of the House of Representatives of Congress, and the honorable congressional delegation representing the State of Idaho in the Congress of the United States."

POM—636. A joint memorial adopted by the Legislature of the State of Idaho; to the Committee on Governmental Affairs:

"HOUSE JOINT MEMORIAL NO. 17

"Whereas, the United States Forest Service, established in 1905 within the Department of Agriculture, was created and designed to serve the interests of the public through the management of the forest resources of this nation; and

"Whereas, over the span of nearly three-quarters of a century, members of the agricultural community have participated with the Forest Service in beneficial use of forest lands, including grazing of livestock and harvesting of timber in ways which contribute to a sound economy and a wise management of resources; and

"Whereas, a long tradition of operation through the Department of Agriculture should not be disturbed without a significant demonstration that the existing organizational structure has failed to serve the public interest; and

"Whereas, proposals are now under consideration which would transfer the Forest Service to the Department of Interior or other possible umbrella agency and interrupt the history of service and progress which has served the people of the State of Idaho and of this Nation.

"Whereas, we find that the existing structure has served well for nearly seventy-five years, and we encourage the Congress to carefully consider this history of service and accomplishment.

"Now, therefore, be it resolved by the members of the Second Regular Session of the Forty-fourth Idaho Legislature, the House of Representatives and the Senate concurring therein, that we urge the Congress and the President to reject proposals for the transfer of the Forest Service from the Department of Agriculture.

"Be it further resolved that the Chief Clerk of the House of Representatives, be, and he is hereby authorized and directed to forward copies of this Memorial to the President of the United States, Jimmy Carter, the Honorable Secretary of the Department of Agriculture, Robert S. Bergland, the Honorable Secretary of the Department of Interior, Cecil D. Andrus, the President of the Senate and the Speaker of the House of Representatives of Congress, and the honorable congressional delegation representing the State of Idaho in the Congress of the United States."

POM–637. A resolution adopted by the Legislature of the State of Nebraska; to the Committee on the Judiciary:

"LEGISLATIVE RESOLUTION 152

"Whereas, millions of abortions have been performed in the United States since the abortion decision of the Supreme Court on January 22, 1973; and

"Whereas, the Congress of the United States has not to date proposed, subject to ratification, a Human Life amendment to the Constitution of the United States,

"Now, therefore, be it resolved by the members of the Eighty-Fifth Legislature of Nebraska, second session:

"1. That the Legislature respectfully petition the Congress of the United States pursuant to Article V of the United States Constitution to call a convention for the sole purpose of proposing the following article as an amendment to the Constitution of the United States. The proposed article to read as follows:

"ARTICLE —

"Section 1. With respect to the right to life, the word person as used in this article and in the Fifth and Fourteenth Articles of Amendment to this Constitution applies to all human beings irrespective of age, health, function, or condition of dependency, including their unborn offspring at every stage of their biological development.

"Section 2. No unborn person shall be deprived of life by any person, provided, however, that nothing in this article shall prohibit a law permitting only those medical procedures required to prevent the death of the mother.

"Section 3. The Congress and the several states shall have the power to enforce this article by appropriate legislation.

"2. That this application shall constitute a continuing application for such convention pursuant to Article V of the Constitution of the United States until the Legislatures of two-thirds of the several states shall have made like applications and such convention shall have been called by the Congress of the United States.

"3. That this resolution shall be submitted to the Governor for signature in the same manner as a legislative bill.

"3. An application for a convention made under this resolution shall be conditioned on (1) Congress establishing clear procedures for such convention including a limitation of the convention to the subject matter contained within this resolution and (2) provision that if such convention departs from the subject matter of this resolution that the convention be immediately dissolved.

"3. An application for a convention made under this resolution shall be conditioned on the convention delegates being selected in a manner determined by the state legislatures.

"4. That copies of this resolution, suitably engrossed, certified, and exemplified in the manner provided by law, be presented to the President of the Senate of the United States, the Secretary of the Senate of the United States, the Speaker of the House of Representatives of the United States, the Clerk of the House of Representatives of the United States, and to each Member of the Congress from the State of Nebraska attesting the adoption of this resolution by the Legislature of the State of Nebraska."

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. LONG, from the Committee on Commerce, Science, and Transportation, without amendment:

S. 3040. An original bill to amend the Rail Passenger Service Act to extend the authorizations of appropriations for an additional fiscal year, to provide for public consideration and implementation of a rail passenger service study, and for other purposes (Rept. No. 95–782).

By Mr. PELL, from the Committee on Rules and Administration, with an amendment:

S. 1029. A bill to authorize the Smithsonian Institution to construct museum support facilities (Rept. No. 95–783).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. DECONCINI (for himself and Mr. HASKELL):

S. 3037. A bill to provide for the administration of the Internal Revenue Code of 1954 without regard to certain Revenue Rulings relating to the definition of the term "employee"; to the Committee on Finance.

By Mr. WILLIAMS:

S. 3038. A bill to amend title XVIII of the Social Security Act to provide coverage, under the supplementary medical insurance program, of certain lenses and illumination aids for individuals suffering from severe limitation of central visual acuity and of the services of an optometrist in prescribing such lenses and aids; to the Committee on Finance.

By Mr. GARN:

S. 3039. A bill for the relief of H. F. Mulholland and the estate of John Oakason; to the Committee on the Judiciary.

By Mr. LONG (from the Committee on Commerce, Science, and Transportation):

S. 3040. A bill to amend the Rail Passenger Service Act to extend the authorizations of appropriations for an additional fiscal year, to provide for public consideration and implementation of a rail passenger service study, and for other purposes; original bill reported and placed on the calendar.

By Mr. BAKER:

S. 3041. A bill to amend the act creating the Indian Claims Commission to repeal the provision limiting the activities of Commissioners during the 2 years following their terms of office; to the Select Committee on Indian Affairs.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. DECONCINI (for himself and Mr. HASKELL):

S. 3037. A bill to provide for the administration of the Internal Revenue Code of 1954 without regard to certain Revenue rulings relating to the definition of the term "employee"; to the Committee on Finance.

OCCUPATIONAL STATUS AND TAX TREATMENT OF REAL ESTATE AGENTS

Mr. DECONCINI. Mr. President, the bill I am introducing today on behalf of myself and Senator HASKELL is intended to suspend certain IRS rulings regarding the occupational status and tax treatment of real estate agents until the Congress has an opportunity to decide upon a general policy in this area.

As you know, Mr. President, the classification of persons as employees or independent contractors poses some of the knottiest issues in the administration of the Tax Code. Historically, common law definitions have been controlling on these issues. But the application of traditional precepts has become more and more complicated and burdensome with the rapid differentation of economic structure characteristic of a dynamic modern society. Consequently, existing policy is excessively ambiguous and complex, having evolved in a more or less ad hoc fashion from agency rulings and litigation. The need for statutory intervention is now widely conceded.

Accordingly, both the Senate and conference reports accompanying the Tax Reform Act of 1976 recommended a staff study of the whole problem with a view to framing a comprehensive and workable legislative remedy. At the same time, the committee urged the IRS "not to apply any changed position or any newly stated position which is inconsistent with a prior general audit position in this general subject area to past, as opposed to future, taxable years until the requested staff study has been completed." The conference report containing this language was adopted September 13, 1976. Since that date, the IRS has suspended rulemaking in this area.

The problem, however, is that a few months—on April 12, 1976, to be exact—prior to the conference report's adoption, the Service issued two classification rulings affecting the tax status of realtors. It was clearly the intent of the Congress, Mr. President, that further rulings of this sort be held in abeyance until the general problem is resolved. The Service, though, has been adamant in its contention that this directive does not apply until after the conference report was adopted in September, even though the Senate committee report, which was filed June 10, 1976, contained identical language. It hardly seems fair to single out realtors in this way for special and adverse tax treatment.

The impact of this reclassification, Mr. President, has been terribly disruptive to the real estate industry. Unanticipated tax liabilities have been visited upon both the newly reclassified "employer" and "employee." Thus, for example, the "employer" may now be retroactively liable for payroll taxes. Moreover, as a result of this change, the same income may be subject to double taxation. As independent contractors, sales personnel are liable for self-employment taxes, commonly referred to a "SECA," and for quarterly estimated income tax payments. Yet it frequently happens that, after reclassification, the individual receives no refund for these prior taxes.

Mr. President, the General Accounting Office has recently completed investigation of this overall problem at the instance of the Joint Committee on Taxation. Comments on the GAO report are now being solicited and the joint committee is expected to make its recommendations known shortly. I support this attempt to find a reasonable and comprehensive solution to this perplexing issue, but it is unlikely that the Congress will be able to complete action on the matter in the near future. Hence the pressing need for prompt passage of the measure I am now introducing.

My bill would simply require the IRS to extend its suspension on further rulemaking in this domain back to January 1, 1976, the effective date of the Tax Reform Act of 1976.

The effect would be to return the tax treatment of realtors to the status quo ante Revenue Rulings 76–136 and 76–137. Thus, whether a salesperson is an employee or independent contractor would, under this bill, continue to be determined in accordance with long standing judicial precedent and well established Treasury guidelines. The real estate industry has operated under these rules since the early 1950's and should be allowed to continue to rely on those principles until such time as Congress enacts general legislation on the entire question.

Mr. President, I ask unanimous consent that a statement by Senator HASKELL and the text of the bill be printed in the RECORD.

There being no objection, the statement and bill were ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR HASKELL

Today I join with Senator DeConcini in the introduction of S. 3037, a bill to provide for the administration of the Internal Revenue Code of 1954 without regard to certain Revenue Rulings relating to the definition of the term "employee."

The issue of whether an individual is an employee or an independent contractor has been controversial for quite some time. Cases have been decided based on the common law test of whether or not one individual has control over another individual in a work relationship. The comon law test is codified in the Internal Revenue Code.

The test is by no means clear, however; cases have been decided in all different directions. Therefore, the Joint Committee on Taxation has been assigned the task of studying the area for clarification, and finding a better method of implementing the law. In its task, the Joint Committee requested that the Comptroller General of the United States direct the General Accounting Office to study and report on the problems with the administration of taxes on self-employment income.

On November 21, 1977, the Comptroller General presented the report to the Chairman of the Joint Committee, with the GAO recomendations. GAO recommended that, "where separate business entities exist, some degree of control to protect the image of the manufacturer, supplier, or prime contractor should be allowed without necessarily creating an employer/employee relationship under the common law." The GAO stated some new tests which might sharpen the picture in this area.

GAO also recommended that in order to "avoid unnecessary burdens on those businesses that elect to or must obtain the services of independent contractors," that the Internal Revenue Code be amended to provide that, "absent fraud, IRS cannot make retroactive employee determinations in those cases where businesses (1) annually obtained a signed certificate from the persons they classify as self-employed stating that they meet all separate business entity criteria; and (2) annually provided the IRS the name and the employer identification number of all such certificate signers."

These recommendations were suggested to alleviate the situation which now exists where taxpayers who cannot prove that their so-called "employees" paid their income and social security taxes must pay the taxes which as employers they should have withheld and then sue in Federal District Court. They cannot go to the U.S. Tax Court on these issues because they involve excise taxes. And, although the employees may have paid their income taxes the IRS will not give out its computer information to help determine whether these so-called "employees" have paid their taxes and therefore, the extent of the employer's outstanding liability. The GAO found that social security taxes are frequently collected twice on the same income in these situations.

As can be seen, there is a definite need for clarification in this area for all industries. Given the administrative practices of the IRS, and the study of the Joint Committee, I sympathize with the real estate industry. In this industry, the IRS has overturned its position of 25 years by revenue ruling. This has caused havoc for realtors and has led to situations where real estate firms have been forced into bankruptcy because of the burdens of fighting the IRS. A realtor involved in an independent contractor-employee debate might be in a situation where only 30 percent of the people who have had work relationships with the individual for the past three years can be found. As noted earlier, the IRS will not reveal the information on whether or not these people paid their taxes—and then assess the employer a deficiency for the unpaid amount. If people have been relying on a published position for 25 years, think it has been correct, and then have the rug pulled out from under them by the IRS, I think they deserve some relief.

It is Congress' duty to legislate—not the IRS. When the Joint Committee makes its final recommendations for legislation, Congress will act. Hopefully the study will be completed soon and there will be relief in this area for all industries faced with this problem.

In the meantime, the test of whether or not an individual is an independent contractor or an employee should be decided by the common law test of control.

S. 3037

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, the application of sections 3121, 3306, and 3401 of such Code to real estate salespeople shall be determined—

(1) without regard to Revenue Rulings 76–136 and 76–137 (and without regard to any other regulation, ruling, or decision issued on or after December 1, 1975 reaching the same result as, or a result similar to, the result set forth in such Revenue Rulings); and

(2) with full regard to the rules (including the rules contained in Treasury Mimeograph 6566) in effect before Revenue Rulings 76–136 and 76–137.

By Mr. WILLIAMS:

S. 3038. A bill to amend title XVIII of the Social Security Act to provide coverage, under the supplementary medical insurance program, of certain lenses and illumination aids for individuals suffering from severe limitation of central visual acuity and of the services of an optometrist in prescribing such lenses and aids; to the Committee on Finance.

MEDICARE COVERAGE

● Mr. WILLIAMS. Mr. President, I am today introducing legislation to provide for medicare coverage of special low-vision lenses and their accompanying

illumination aids for legally blind individuals.

It has been estimated that the majority of legally blind persons who have some usable sight, approximately 80 percent of the blind population, can be helped by low vision aids. Although low vision lenses, which are not conventional eyeglasses, cannot restore total vision, they can often substantially improve an individual's remaining sight by concentrating magnification on a specific portion of the visual field. Because of the relative complexity of these lenses, the examination, fitting, and training in their use is very time consuming, and thus often places the cost of low-vision services beyond the means of many elderly and disabled individuals. The average cost of services per person is approximately $250, and the expenses involved in obtaining the more complex aids can be much higher.

Through the Vocational Rehabilitation Act and the Rehabilitation Act of 1973, Congress authorized Federal funds to State vocational rehabilitation agencies and State commissions for the blind to assist handicapped persons in preparing for and obtaining employment. Under this program, low vision services can be provided to a person having a vocational objective. In addition, disabled social security beneficiaries and disabled and blind SSI recipients under 65 who can be considered for vocational services are referred to State rehabilitation agencies with the cost of these services paid for by the Federal Government.

Although Congress made two attempts in 1972 and 1973 to fund rehabilitation programs for older citizens who were not eligible for vocational rehabilitation, both bills were vetoed by President Nixon. Thus, there is the large pool of elderly and disabled social security beneficiaries who are not considered suitable candidates for employment training and therefore often cannot get low-vision services through these State agencies. For this reason, I feel it is necessary and appropriate to cover low-vision care under the medicare program.

The cost of this coverage will be minimal. Because of the shortage of low-vision clinics across the country, such services are unfortunately limited at this time. A generous cost estimate for medicare coverage in the first year is $3.3 million, with the costs rising to perhaps $5 to $7 million in succeeding years. I believe that this is, indeed, a low price to pay to enable our elderly and disabled citizens to gain the advantages of better sight and a greater measure of independence.

Mr. President, we should not refuse low-vision services to a significant portion of our population when we routinely provide such assistance for many of our younger citizens. The modest investment proposed by this legislation is a most worthwhile and humane application of the principles embodied in the medicare program, and I urge the Senate's consideration of this measure.●

By Mr. BAKER:

S. 3041. A bill to amend the act creating the Indian Claims Commission to repeal the provision limiting the activities of Commissioners during the 2 years following their terms of office; to the Select Committee on Indian Affairs.

INDIAN CLAIMS COMMISSION

● Mr. BAKER. Mr. President, I send to the desk for introduction and appropriate referral a bill which is identical to H.R. 9945 introduced in the House by Congressman JIMMY QUILLEN of Tennessee's First Congressional District.

Briefly, this bill would remove the clause from the act creating the Indian Claims Commission which prohibits the employment of Commissioners in areas related to Commission affairs for 2 years after separation from the Commission.

The Indian Claims Commission will expire in September of this year thus removing the possibility of potential conflicts of interests and thereby obviating the need for this provision. The Commissioners, whose service will terminate with the disestablishment of the Commission, will be unnecessarily handicapped in pursuing careers utilizing their expertise and experience unless this section is amended.

I hope the introduction of this legislation will expedite consideration of this matter in the Senate.●

ADDITIONAL COSPONSORS

S. 1393

At the request of Mr. BAYH, the Senator from Maryland (Mr. MATHIAS) was added as cosponsor of S. 1393, a bill to protect the rights of institutionalized persons.

S. 2596

At the request of Mr. NELSON, the Senator from Michigan (Mr. RIEGLE) was added as a cosponsor of S. 2596, a bill to amend title 44, United States Code, to establish a system for the management and disposal of the official records of the President.

S. 2691

At the request of Mr. WILLIAMS, the Senator from West Virginia (Mr. RANDOLPH) was added as a cosponsor of S. 2691, a bill to provide for the furnishing of congregate housing services under the U.S. Housing Act of 1937.

S. 2883

At the request of Mr. HOLLINGS, the Senator from Kentucky (Mr. FORD) was added as a cosponsor of S. 2883, the Public Telecommunications Financing Act of 1978.

S. 2920

At the request of Mr. HOLLINGS, the Senator from Alabama (Mr. ALLEN), the Senator from Mississippi (Mr. EASTLAND), the Senator from Kentucky (Mr. FORD), the Senator from Wyoming (Mr. HANSEN), the Senator from Utah (Mr. HATCH), the Senator from Maine (Mr. HATHAWAY), the Senator from North Carolina (Mr. HELMS), the Senator from New Hampshire (Mr. MCINTYRE), the Senator from North Carolina (Mr. MORGAN), the Senator from Rhode Island (Mr. PELL), the Senator from Tennessee (Mr. SASSER), the Senator from Alabama (Mr. SPARKMAN), the Senator from Mississippi (Mr. STENNIS), and the Senator from South Carolina (Mr. THURMOND) were added as cosponsors of S. 2920, a bill to amend the Trade Act of 1974.

SENATE JOINT RESOLUTION 129

At the request of Mr. CHAFEE, the Senator from Wisconsin (Mr. PROXMIRE), and the Senator from California (Mr. HAYAKAWA) were added as cosponsors of Senate Joint Resolution 129, a joint resolution directing the Architect of the Capitol to halt construction of the extension to the Dirksen Office Building and providing for the conversion of the site of such extension into a public park to be known as the Philip A. Hart Park and an underground parking garage for tourists and visitors to the Capitol.

AMENDMENTS SUBMITTED FOR PRINTING

VETERANS AND SURVIVORS' INCOME SECURITY ACT—S. 2384

AMENDMENT NO. 1934

(Ordered to be printed and referred to the Committee on Veterans' Affairs).

Mr. DECONCINI submitted an amendment intended to be proposed by him to the bill (S. 2384), a bill to amend title 38 of the United States Code in order to provide a security pension program for non-service-connected disabled veterans of a period of war who are in need, for surviving spouses of veterans of a period of war who are in need, and for surviving children of veterans of a period of war who are in need; to provide for annual automatic cost-of-living adjustments in the security pension program; to prevent reductions in security pension benefits solely attributable to cost-of-living increases in social security benefits, and for other purposes.

● Mr. DECONCINI. Mr. President, today I am introducing an amendment to S. 2384, the security pension program for non-service-connected disabled veterans. The amendment establishes and helps fund the development of a national cemetery in Arizona.

Veterans organizations in my State have attempted to have a cemetery built in Arizona for several years. The State's only national cemetery, located in Prescott, is now closed.

Under the national cemetery regional plan, the closest burial place for Arizona veterans is Sante Fe, N. Mex. Recent studies and commonsenses are clear that survivors are adverse to burial sites for their loved ones beyond a 75-mile radius of their residence. Distances in excess of that make periodic visitations difficult and, in some cases, almost impossible if the survivor is elderly or infirm.

The State of Arizona authorized the development of a parcel of land to be used for a veterans' cemetery. This legislative initiative establishes Arizona as only the third State having an active program of this nature, being preceded only by Maine and Maryland. The intent was to have the site established as a national cemetery for the burial of veterans and their dependents.

The site meets all the criteria required by the national cemetery guidelines. The

veteran population in Arizona is growing very rapidly, already standing in excess of 300,000 persons. More than half of these veterans live in close proximity to the proposed site.

My amendment will authorize the Veterans' Administration to acquire by donation, purchase, condemnation, or otherwise, the land held in trust by the State of Arizona for the Veterans Memorial Cemetery for the purpose of building and maintaining a national cemetery. It authorizes an expenditure of $1 million a year for 3 years beginning October 1, 1978.

Veterans groups in Arizona and the State government of Arizona have shown more than a little interest in this project. They have spent years in planning and in fundraising for the time when Arizona veterans may be laid to rest in peace and dignity in a suitable place near their loved ones.●

DISTRICT OF COLUMBIA CONGRESSIONAL REPRESENTATION—HOUSE JOINT RESOLUTION 554

AMENDMENT NO. 1935

(Ordered to be printed and to lie on the table.)

Mr. GARN submitted an amendment intended to be proposed by him to House Joint Resolution 554, to amend the Constitution to provide for representation of the District of Columbia in Congress.

NOTICES OF HEARINGS

FEDERAL HABEAS CORPUS

● Mr. DECONCINI. Mr. President, on April 20, 1978, I announced that an open public hearing would be held by the Subcommittee on Improvements in Judicial Machinery of the Committee on the Judiciary on S. 1314, a bill to amend title 28, United States Code, to provide that State prisoners and Federal prisoners shall not be denied Federal habeas corpus relief on the ground that such prisoners were previously afforded a full and fair opportunity to litigate their claims, and for other purposes.

The room for this scheduled hearing has been changed from room 2228, Dirksen Senate Office Building to room 4200, Dirksen Senate Office Building, commencing at 9 a.m. on May 9, 1978.

Those who wish to testify or submit a statement for inclusion in the RECORD should communicate as soon as possible with the Subcommittee on Improvements in Judicial Machinery, 6306 Dirksen Senate Office Building, Washington, D.C. 20510.●

ANTITRUST HEARINGS ON RATE COMPETITION IN THE TRUCKING INDUSTRY

● Mr. KENNEDY. Mr. President, I wish to announce that the Subcommittee on Antitrust and Monopoly will be conducting additional oversight hearings on freight rate competition in the motor carrier industry on May 8, 15, and 22.

I anticipate that these final 3 days of hearings will conclude this phase of the subcommittee's investigation of the trucking industry. The schedule is as follows:

Monday, May 8: Regulatory practices and procedures of the Interstate Commerce Commission; witnesses include officials and present and former employees of the Commission.

Monday, May 15: Shipper attitudes toward collective ratemaking; witnesses include representatives of major shipper organizations, including the National Industrial Traffic League, Transportation Association of America, American Farm Bureau, CURRENT, and the National Small Shipments Traffic Conference, as well as representatives of individual firms that are heavy users of truck transportation.

Monday, May 22: Collective ratemaking: Summary and overview: Witnesses include Chairman Michael Pertschuck of the Federal Trade Commission, and Economists Dr. Jesse Friedman, Friedman Associates, Washington, D.C., and Dr. James C. Miller of the American Enterprise Institute for Public Policy Research.

All hearings will begin at 10 a.m. in room 2228 of the Dirksen Senate Office Building.●

ADDITIONAL STATEMENTS

GOVERNOR REAGAN ON THE MIDDLE EAST

● Mr. LAXALT. Mr. President, one of the greatest pleasures of my public career was to serve as national chairman of Ronald Reagan's campaign for the Presidency in 1976.

In a recent speech in Chicago, in classic Reagan style, he once again demonstrated qualities of sensitivity in relation to the Middle East situation. There he made clear that Israeli settlements on the West Bank are not illegal; castigated the Carter administration for inviting the Soviets back into Middle-Eastern negotiations; and reminded the Arabs of their responsibility for providing a Palestinian homeland.

Mr. President, for the edification of my colleagues, I ask that the text of Governor Reagan's remarks before the bonds for Israel dinner on April 10, 1978, be printed in the RECORD. The remarks follow:

EXCERPTS FROM REMARKS BY THE HONORABLE RONALD REAGAN

We meet tonight in what is possibly a different mood or atmosphere than was anticipated when this dinner was originally planned. Only a short time ago, President Sadat made his historic journey to Jerusalem seeking peace for that troubled area we call the Middle East. It raised the hope of all who cherish peace. For the first time, since the birth of Israel as a nation, an Arab state—indeed the largest of the Arab states—declared its acceptance of the right of that nation to exist.

It was a time of near euphoria and those who planned this dinner had every right to think we would meet tonight in an atmosphere of celebration. Sadly, that euphoria has been replaced by an uneasiness, a fear that possibly the tanks and guns will talk again, as they have in the past, drown out the voices crying for peace.

To Americans, the Middle East is not just another of the world's trouble spots where we are concerned lest a misstep (perhaps even by ourselves) will trigger World War III. Our interest and involvement are much more deeply rooted than that. Our very heritage is built around and founded upon the Ten Commandments of Moses as well as the Sermon on the Mount. It has been said that man, over all the time of recorded history, has concocted more than four billion laws. None have improved upon or added one thing to those Ten Commandments.

In his book tracing the roots of our American heritage, Dr. Russell Kirk quotes one of our founding fathers—the son and grandson of Protestant ministers who came here to worship freely in the faith of their fathers. When this nation, which he helped to create, was only 25 years old, John Adams said, "I will insist that the Hebrews have done more to civilize man than any other nation. If I were an atheist and believed in blind eternal fate, I should still believe that fate had ordained the Jews to be the most essential instrument for civilizing nations."

As our country grew, people from every corner of the world—those who had a special love for freedom—brought that love, their energy, their skill and talent to this land. Human nature being what it is, they also brought ancient hates and prejudices as well, and in our melting pot there were ugly moments when the old animosities surfaced. Nevertheless, there came to be a new breed we called American. There was always someone to write an "Abie's Irish Rose"; to point out that tolerance of each other was not good enough; that we must take pride in our differences. Now we all know that our diversity is part of the greatness of America.

Many Americans—perhaps some here tonight—may be surprised to know there is no treaty, no paper or parchment bearing a pledge between the governments of Israel and the United States. There is only a deep-seated and widely held feeling of moral obligation on the part of the American people; an unwritten—but nonetheless binding commitment by the United States to the sacred rights of the children of Israel to have a homeland.

Tonight, as we gather here, Americans of all faiths are disturbed by the seeming vacillation of our government. It is not our government's place to court extremists and propose their inclusion at the conference table. Nor should our government be imposing or even advancing conditions upon which a peace agreement in the Middle East must be predicated. And, it is an error of enormous proportions to invite, as we have, the Soviet Union back into participation in the Middle East deliberations.

Whatever else anyone may say, the Nixon-Kissinger diplomacy removed that influence. If they had not, there would have been no peace overtures by President Sadat.

There is an evil influence throughout the world. In every one of the far-flung trouble spots, dig deep enough and you'll find the Soviet Union stirring a witches' brew, furthering its own imperialistic ambitions. If the Soviet Union would simply go home, much of the bloodshed in the world today would cease.

As a result of removing them from the Middle East, the United States was in a position to be helpful. We had the trust of Israelis and Arabs alike. The United States did not go in as judge or arbitrator but rather as "amicus curiae"—friend of the court—and both sides trusted in our fairness. That no longer seems to be the case.

It is essential that we restore Israel's confidence that we are dedicated to its right to continue as a nation in peace and freedom. Both sides must be reconvinced that we will stand by, willing to be helpful in arriving at a peaceful settlement—when our help is requested. We will not impose a settlement on either Israel or the Arab states.

At the moment, we are guilty of contribut-

ing to a great and persistent distortion of history by suggesting that resolution of the Palestinian refugee problem is the sole responsibility of Israel. No one can deny that the refugee problem must be solved and all of us have sympathy for a people who have lived for decades in a no man's land. But, it's time to expose the myth that the refugees are people driven from their homes, displaced by the creation of the State of Israel and that Israel therefore must bear full responsibility for their plight and provide a homeland for them.

A look at history will reveal the unfairness of such a view. Prior to World War I, there was no Palestine in the usual sense of a state or entity within prescribed borders. The name was applied to an area occupied by Turkey and inhabited by both Jews and Arabs. In 1920, the allied powers gave Great Britain a mandate over that occupied territory and two years later this was confirmed by the League of Nations. The mandate also provided for fulfillment of the 1917 promise that Britain would establish a homeland for the Jewish people. Britain would also protect the civil and religious rights of the Arabs.

The mandated territory of Palestine extended from the Mediterranean eastward to Iraq and north from Egypt to Syria and Lebanon. Palestinians were known as such, used Palestinian passports and were Christian, Hebrew and Muslim.

About two years after the League of Nations' action, Britain named the grandfather of the present King of Jordan as Emir of that part of Palestine lying east of the Jordan river. They declared it to be a reserve for the resettlement of the Arabs once the boundaries of Israel were determined. Zionists were asked not to migrate East of the Jordan indicating that the Jewish homeland would be created west of the river. That request was complied with.

Then, in 1946, Britain unilaterally created—by a simple piece of paper—the Kingdom of Jordan. It encompassed the 80 percent of Palestine lying east of the Jordan. Later, Israel became a nation west of the Jordan and, taking up something less than 20 percent of Palestine because the West Bank and the Gaza strip remain part of the Palestine mandate confirmed by Article 80 of the U.N. Charter (which provides that Palestines, Christian, Jewish and Muslim have the right to live there).

Israel has never tried to annex the West Bank and the present administration in Washington is dead wrong when it says Israel's West Bank settlements are "illegal". Another U.N. resolution (242) negotiated in 1967 makes it plain that Jewish and Arab Palestinians have a right to settle there until Jordan and Israel between them decide on "secure and recognized borders."

Menachem Begin made a proposal to President Sadat calling for self-rule by Arabs on the West Bank with Israel providing security. There would then be a review of the situation at the end of five years.

The Carter administration praised this proposal. But that was four months ago. Now the President finds it unacceptable. It is another of the vacillations which are all to characteristic of this administration's foreign policy. It is wrong for the administration to place the responsibility for the refugee problem on Israel alone. It is another example of the mythology surrounding this issue. The Palestinian refugees were not driven from their homes and into exile. They chose to flee Israel, fearing the Arab would carry out their threat of "death to the Israelis" and they as Arabs would be slaughtered as traitors if they remain in Israel. The Arab states made use of their plight in their hostility toward Israel.

No one denies the refugee problem must be resolved, but it is unreasonable and unjust to make it anything but a 20% Israeli and 80% Jordanian problem. One thing is certain: none of the Arab states is any more willing than Israel to say the solution should be a new and separate nation of Palestine.

But, this is an issue to be negotiated by Israel and the Arab states. The best and most helpful thing we can do is to stand by, meanwhile keeping the Middle East free of Soviet influence. That, I'm afraid, will require more will and determination than this administration has displayed in these last several months. It does not reassure our friends nor discourage our enemies when we cancel the B–1 bomber, stop production of our Minuteman missiles, withhold funds for the M X mobile missile and show a lack of resolve about producing and displaying what could be the most effective deterrent weapon yet conceived—the neutron bomb. It comes the closest to meeting that most important requirement of a deterrent to war; a weapon so effective it might never have to be used.

But our problem is not just one of weaponry. The world sees us still immobilized by what has been called the Vietnam syndrome, flogging ourselves for involvement in a quote "immoral war" unquote. Some would have us believe we supported a corrupt, undemocrated regime against the legitimate effort of the Vietnamese people to free themselves. They continue to spread this false doctrine even though the commanding General of the North Vietnamese has now written a book in which he reveals the so called rebels, (the Viet Cong) were in truth regulars in the North Vietnamese army and the goal from the first was conquest. There is nothing wrong with arguing about whether we should or should not have been in Vietnam, but let the argument be based on truth. Whether it was right or not for us to do so we went to the aid of a small nation that sought to defend its freedom against the onslaught of a neighboring country bent on naked aggression.

There are too many today in our State department, too many counseling the President and too many in Congress who seem to have learned all the wrong lessons from Vietnam. When they declare "never again" they mean we must never again oppose Communist aggression. When they say "never again" they really mean the right side won that war. If Israel had subscribed to such a belief in its own situation there would be no Middle East problem—because there would no longer be an Israel. The lesson we should have learned from the Vietnam war is that never again will we ask our young men to fight and die in a war we have no intention of winning.

The real immortality of the Vietnam war is that we did exactly that. We all hate war, we want peace in the world and hope and pray there can be an end to bleeding away the lives of our finest young men on beach heads, deserts and jungles. But, sadly, we realize there are things—those things we value most in civilization for which men have always been wishing to die if need be. The Israelis have shown they understand this. They proved it in the sands of the Sinai on the Golan Heights and, yes, in a place called Entebbe.

For us to suggest that Israel fall back to borders which leave potential enemies within artillery range of its very heartland is dishonest unless we are willing to offer an iron clad guarantee. An implied assurance is not good enough. Tens of thousands of Vietnamese who relied on such assurance are now wasting away in concentration camps.

But now let us look at what must be done here at home if we are to be capable of helping a friend and ally. In the dark aftermath of WW II when American military and industrial power was all that stood between the free world and darkness, Pope Pius XII said, "the American people have a genius for great and unselfish deeds. Into the hands of America God has placed an afflicted mankind." Those words are as true today as when they were first spoken. Whether we like it or not the responsibility for insuring mankind's right to live in dignity and freedom is ours.

The Soviet Union is building the most powerful military machine ever devised. While we are determined to prevent a war, they are preparing to win one. Are we going to close our eyes and minds as we did almost a half a century ago when the thunder of hobnailed jackboots echoed on the wind foretelling the inhumanity, the slaughter of the innocents that followed?

Are we hearing also "the hollow tapping of Neville Chamberlain's umbrella on the cobblestones of Munich?"

Let us this time understand that war can be prevented if only we will recognize our own strength. The Soviet Union cannot possibly match us in an arms race. We only have to make them understand that our people will, as a young President said we would a few years ago, "bear any burden, pay any price." We must make those who represent us in Washington know that we are unwilling to be second to any nation in our ability to defend ourselves.

But it will do us little good to build military hardware if the economic system which has been the miracle of the world is eroded away by a government which shows little understanding of the magic of the marketplace.

We are taxing away almost half the earnings of the people—44 cents out of every dollar earned, for redistribution to the unproductive and to pay for a multitude of agencies and bureaus that harass us with tens of thousands of unnecessary regulators. Government required paperwork has created an unproductive administration overhead that adds hundreds of billions of dollars to the price of the things we buy. Government grows beyond the consent of the governed, feeding on taxes that are almost confiscatory.

Under the name of consumerism free enterprise is becoming far less free. In the name of environmental protection ownership and property rights are being reduced and even eliminated. And, profit has become a dirty word blamed for many our social ills. It is time to raise our voices proclaiming that profit, property rights and freedom are inseparable and we can't have the third unless we continue to be entitled to the first two.

There are roughly 71 million of us working and earning in private enterprise, supporting ourselves and our dependents. We also support 83 million Americans who are totally dependent on tax dollars for their year 'round living. We are told our national debt is more than $750 billion and that the proposed $500 billion budget contains another $60 billion deficit. Actually, the government employs bookkeeping methods that would be declared illegal for any corporation. This is done to hide the fact that our real federal debt is measured in trillions of dollars, not billions.

Time is running out for us. The path of history is littered with the bones of dead empires. If we are to follow we'll have no decades or centuries for leisurely decay and disintegration. The barbarians in today's world are combat-lean and hard, hungry for all we've created. They talk of the brotherhood of man but they would destroy the God of Moses and extinguish with an evil darkness a light man has been tending for 6,000 years.

But we are still an industrial giant of enormous power. We are a people with the

capacity to perform great and heroic deeds. Our friends in the world are watching to see if we have the will to pledge that strength to the preservation of freedom; to say, that we will shoulder the responsibility of free world leadership; to say that Israel is and will continue to be a trusted ally among the world's free nations.●

OLDER AMERICANS ACT AMENDMENTS OF 1978

● Mr. CULVER. Mr. President, I am pleased to join Senator CHURCH in cosponsoring S. 2969, the Older Americans Act Amendments of 1978. Since its enactment in 1965, the Older Americans Act has become the major focal point of the Federal Government's efforts to provide employment opportunities, congregate and home-delivered meals, multipurpose senior centers, and a variety of other essential services for the elderly. Congress has periodically reviewed and expanded our assistance to senior citizens over the last decade, and this year's reauthorization offers another opportunity to improve and enhance the Act's programs.

Mr. President, as the result of extensive hearings over the past few years, the Select Committee on Aging has formulated what I consider to be realistic, vital amendments to the Older Americans Act. One of the most important services offered is the title VII nutrition program, which currently serves roughly 450,000 meals per day. Roughly 85 percent of the title VII's $250 million are used for congregate sit-down meals at churches or senior centers in which the elderly benefit not only from a hot meal but also a chance to visit with their friends. I believe there are few things the Federal Government can do that are more important than providing these deserving individuals with well-balanced meals at least once a day, and we must at least continue our congregate meals program at a significant level.

Unfortunately, it is estimated that some 3 to 4 million elderly Americans are confined to their homes and are unable to take part in such congregate meals. Often these home-bound senior citizens are unable to regularly cook nutritious meals for themselves. Though the current law provides funds for home-delivered meals, some 15 percent of the title VII funds, the present allowance serves little over 60,000 meals a day, and falls far short of the demand.

I have received numerous communications from responsible Iowa officials in support of the concept of a special authorization earmarked for mobile meals. And without home-delivered meals and related homemaker services, it is clear that thousands of our senior citizens have to be institutionalized and are forced to give up their homes. The bill I am cosponsoring today recognizes the vital role mobile meals can play for many of the aged who are confined to their homes, by creating a special authorization and increased funding for home-delivered meals.

This legislation also contains a significant new Federal commitment to providing legal services for our senior citizens. The existing Legal Services Corporation was created by Congress in 1974 as an independent agency to provide legal assistance to the poor. This program has been very successful, but has not fully met the elderly's urgent need for legal help. Limited funding and resources have prevented the Legal Services Corporation from reaching many eligible individuals. And there are millions of senior citizens whose social security benefits and other limited income place them just above the eligibility level for these services. Similarly, while the Older American Act's model projects offering legal advice have met a real need, many areas have not been covered by these services and the funding has been uncertain at best.

The very livelihood of many elderly persons depends upon social security and medicare, and their complex regulations and payment schedules can perplex even trained specialists. The disability qualifications, retroactive benefits criteria, and medicare appeal procedures are highly technical. Proper legal advice can be invaluable in protecting pension rights while minimizing errors or unreasonable delays. And this says nothing about food stamps, supplemental security income, veterans benefits, housing assistance, or a variety of State and local programs, which also may require legal assistance from time to time.

To exercise their rights in certain areas of tax law, the elderly must cope with special Federal income tax deductions as well as various property tax relief provisions adopted by numerous States. Senior citizens often have a special need for legal help with age discrimination in employment or credit, or drafting or updating a will. All of these tasks are in addition to the more typical demand for legal counsel on contractual matters, transfers of property, or injury-recovery actions.

A related provision of these amendments to the Older Americans Act authorizes grants to States for creation of an ombudsman program for elderly nursing home residents. The statewide ombudsman office would receive, monitor, investigate, and resolve complaints made by or on behalf of senior citizens living in nursing homes. While the vast majority of nursing home residents are well-cared for, abuses and unfair treatment sometimes occur, and tragic instances of serious neglect have been well documented. This ombudsman network would help to protect the health, safety, welfare, and rights of such residents.

Another valuable amendments in S. 2969 would authorize funding for limited construction of multipurpose senior centers when it is impossible to acquire, renovate, or alter existing structures for use as senior centers. These multipurpose centers have become the focus in many areas of a wide variety of services for the elderly, including congregate meals, medical assistance, recreational activities, counseling services, information and referral, and other supportive services. While the emphasis would remain on converting existing structures to such centers, this limited construction option can be especially useful in rural areas where suitable facilities may otherwise be unavailable.

A simple provision in this legislation to expand the eligibility of the title IX senior community service employment program could yield broad benefits for countless elderly citizens whose social security income places them just above the present income guidelines. This program, administered by the Department of Labor, offers part time, public service jobs to low-income citizens aged 55 and older. Presently some 37,000 persons are employed through this program in such positions as forestry aides, teacher aides, secretaries, home health aides, and helpers in supportive services. All too often the talents and abilities of senior citizens are underestimated and underutilized. The official U.S. poverty guideline is meager by any standard, and this amendment to raise the eligibility level to 125 percent of the poverty level would let many senior citizens participate in this employment program.

Finally, Mr. President, this bill includes an authorization for a White House Conference on Aging in 1981. Previous White House Conferences on Aging in 1961 and 1971 resulted in some of our most basic legislative achievements for the aged, including medicare and the Older Americans Act itself. It seems especially fitting that we now commit ourselves to convening this Conference on Aging in 1981, mindful of the progress we have made to date for our senior citizens, and of the work that remains to be done.

Mr. President, if we are to continue to improve the well-being of today's deserving senior citizens, and prepare for the increasing numbers of those aged 65 and older, then I believe we must enact these appropriate and much-needed amendments to the Older Americans Act.●

TANSTAAFL

● Mr. GARN. Mr. President, a few days ago, two of my constituents paid $1,000 of their own money to make a clear and cogent statement against the silly idea that we can all subsidize each other through governmental action. I can do no more than ask that my colleagues be allowed to read this message in the RECORD.

The message follows:

TANSTAAFL

After the War of the Almonds, the Land of Kulumar was the richest and most powerful of all.

Its fields were bountiful and its graneries were full.

Its flocks were fat and sleek.

The Kulumese were proud and productive. They worked and they rejoiced in the highest standard of living known.

Sire, the Generous, surveyed all this plenty and said: "Surely a country as rich as Kulumar should provide food and housing and garments for our less fortunate. I will ask the Lawmakers to levy a tax on the workers to provide this."

And the Lawmakers, each of whom hoped one day to become sire, levied the taxes.

Later then they said: "Time hangs heavy upon these unfortunate nonworkers. Let there also be free circuses for those who do not work. And let there be soft hassocks and

free food and wines for those who watch the circuses."

And the Lawmakers levied more taxes on the proud and productive workers.

When the workers of Kulumar heard of the free circuses, the soft hassocks, and the food and wines, and then figured their now monstrous taxes, they said: "That is for us."

The farmers left the fields. The shepherds abandoned their flocks. The weavers laid down their shuttles. The blacksmiths cooled their forges. All the Kulumese were watching the free circuses.

Plenty turned into scarcity. No longer was there abundant food. Garments were hard to come by. The Kulumese did not even have camel chips to heat their tents.

Prices rose and rose. And the Lawmakers raised Lawmakers' salaries and workers' taxes again and again. (Those were the only things they knew how to do.)

Misery and gloom replaced joy and pride throughout the land.

And Sire, the Generous, who was well-intentioned, went to the Wise Man of the Mountain and said: "Wise One, I have tried to give the good life to my people. But they no longer want to work. Food and goods are scarce. Prices outrageous, taxes are even more so. Give me a solution."

And the Wise Man of the Mountain replied in Kulumese: "Tanstaafl."

Which translates to: "There Ain't No Such Thing As A Free Lunch."●

EXIMBANK AND KOREA

Mr. STEVENSON. Mr. President, I have today received notification from the Eximbank of its intention to extend a direct credit of up to $732,100,000 to the Korea Electric Co. for 75 percent of the U.S. goods and services intended to be acquired by that company for two nuclear facilities. In addition, the Bank proposes to guarantee up to $97,000,000 of private financing for these exports.

Some months ago I indicated that if the South Korean Government failed to cooperate with the investigations of the Senate and House Ethics Committees into efforts by Korean nationals to influence Members of the Congress, I would move to block this concessionary financing. Since then, the Korean Government has been cooperating. Both committees have received the testimony of Tongsun Park, and the cooperation continues. The effort to obtain information from additional Korean nationals has been complicated, however, by an erroneous news report and a statement by former Ambassador Porter which implied that the Executive Office of the President of the Republic of Korea had been subjected to surveillance by U.S. intelligence services.

Mr. President, the erroneous news story indicated that the South Koreans had acquiesced in congressional demands for testimony by a Korean official. In fact, the committees are not asking for "testimony," which would entail a violation of the Vienna Convention, nor have the Koreans ever acquiesced in any such request. The Senate Ethics Committee has sought Korean cooperation in the form of face-to-face communication with certain Korean nationals. Far from seeking a violation of the Vienna Convention, we seek cooperation in its spirit and out of mutual interest and friendship. It is my impression that the House committee concurs in this approach.

As for the implication of Ambassador Porter's comments, that matter was once investigated by the Senate Intelligence Committee on which I serve. There is no basis for the implication, and Ambassador Porter has now confirmed as much. I am hopeful that these misleading and inflammatory suggestions can be put to rest and that the climate will then be more propitious to continued Korean cooperation so that we can wind up these investigations after having done everything possible to determine the facts and make recommendations for appropriate action.

My hopes were revived by a recent conversation with the Korean Ambassador to the United States. His Government is aware of the cooperation we need, and the movement continues toward a mutually acceptable arrangement.

Mr. President, since this subject has been complicated by events beyond the control of the Koreans, and movement is, nonetheless, continuing in a spirit of cooperation toward an arrangement which could produce communications in an acceptable form, I will not attempt to prevent Ex-Im financing of this large transaction. It could seem at this point an act of ingratitude and retard our progress. But let there be no mistaking our intent: The integrity of the Congress is more important to the Nation than a cash sale, and I sense a sharp opinion in the Congress that military assistance would have to be reconsidered if our efforts to cooperate were not received in the same spirit by the Republic of Korea. I reiterate my most earnest request to the Korean Government—that it facilitate our investigations so that this matter may be put behind our countries and their relationship restored to one of full mutual benefit and friendship.

FINANCIAL STATEMENT

● Mr. CASE. Mr. President, the following is a combined statement for my wife and myself of our assets and liabilities at the end of 1977 and income as reported in our 1977 income tax return. This is my 16th such report.

ASSETS

Cash in checking and savings accounts (after provision for Federal income tax for '77), approximately	$70,000
Life insurance policies with the following insurers (currently providing for death benefits totaling $153,500): U.S. Group Life Insurance, Aetna Life Insurance Co., Conn. General Life Ins. Co., Conn. Mutual Life Ins. Co., Travelers Insurance Co., Continental Assurance Co., Equitable Life Assurance Soc., Provident Mutual Life Ins. Co. of Philadelphia.	
Cash surrender value	59,963
Retirement contract with Federal Employees Retirement System (providing for single life annuity effective January 3, 1979 of $45,996 per annum). Senator Case's own contributions to the Fund total, without interest	62,711
Annuity contracts with Teachers Insurance and Annuity Association and College Retirement Equities Fund. As at 12/31/77 these contracts (estimated to provide a life annuity—10-year Guaranteed Period—effective January 1979 of $1,815) had an accumulation value of	15,705
Securities as listed in Schedule A	435,027
House in Washington, D.C. (original cost plus capital expenditures)	67,817
Tangible personal property in Rahway and Washington, estimated	15,000

LIABILITIES

None.

INCOME AS REPORTED IN 1977 INCOME TAX RETURN

Senate salary and allowances, $55,432, less estimated expenses allowable as income tax deductions of $4,891 (actual expenses considerably exceed this figure)	50,537
Dividends and interests on above securities and accounts	29,298
Net long term gain	2,373

SCHEDULE A

Securities

Bonds and Debentures of the following, at cost (aggregate market value somewhat lower)	94,732
	Principal Amount
American Telephone & Telegraph Co.	11,000
Cincinnati Gas & Electric Co.	4,000
Consolidated Edison Co. of N.Y.	5,000
Consumers Power Co.	5,000
General Motors Acceptance Corp.	17,000
Mountain States Tel. & Tel. Co.	5,000
N.J. Bell Tel. Co.	22,000
N.Y. City Debentures	20,000
South Western Bell Tel. Co.	5,000
Toledo Edison Co.	5,000
Stocks (Common, unless otherwise noted) at market	340,295
Corporation:	*No. of shares*
American Natural Gas Company	200
Chubb Corporation	1,000
Consolidated Edison Co. of N.Y. $5 Pfd.	50
DuPont	40
General Electric Company	340
General Motors Corp.	420
Household Finance Corp.	550
International Business Machines Corp.	160
Investors Mutual, Inc.	2,760
Kenilworth State Bank	41
Marine Midland Corp.	563
Merck & Company, Inc.	400
Morgan, J. P.	44
National Community Bank, N.J.	600
Reynolds Industries	100
Tri-Continental Corp.	2,053
Tri-Continental, $2.50 Pfd.	1,000
United Counties Trust Co.	1,471
Warner-Lambert Pharmaceutical Company	600
Wisconsin Gas Company	40

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TRIBUTE TO EDWARD S. ANGELL, RHODE ISLAND'S SMALL BUSINESS MAN OF THE YEAR

● Mr. PELL. Mr. President, in honor of National Small Business Week, the Small Business Association hosted a series of events in Washington to honor outstanding members of the small business community from across the country. Small business award winners were selected by SBA district offices in each State and invited to Washington to attend events which focused on the im-

portance of small business to our national economy.

The Rhode Island Small Business Man of the Year for 1978 is Edward S. Angell, president of L. Sweet Lumber Co., Inc., in Providence, R.I. Mr. Angell was selected on the basis of his business' continued success over the past 92 years, and his professional acumen and community service efforts. His venerable company, which employs 20 persons, was established on May 1, 1885, at its present location and has maintained a high level of integrity and performance throughout its existence.

Mr. Angell is a graduate of Bryant College, class of 1948, and succeeded his father to the presidency of this family business in 1972. He is a past president of the Rhode Island Lumber Dealers' Association and a past director of the New England Retail Lumber Dealers' Association. His service record in religious and civic activities is lengthy and commendable, including serving as senior warden of Christ Church in Lincoln, R.I., as director and trustee of the Cumberland-Lincoln Boys Club, and membership on the board of the Nickerson Settlement House. Mr. Angell and his wife are the parents of seven children, including a son who is carrying on the family tradition by working in his fathers' business.

Mr. Angell's initiative and success is representative of the thousands of other small business men and women in Rhode Island who provide jobs and services which are vital to Rhode Island's economy. I am delighted to join in the tribute to Mr. Angell on the occasion of this well-deserved honor, and I wish him continued success in the future.

At the same time, Mr. President, I am mindful of the particular problems confronting the small business community throughout the country, problems which are too often overlooked by the Congress. In taking this opportunity to recognize the immense contributions of small business establishments nationwide, I urge my colleagues to give the problem of small businesses the attention they deserve during the coming months in Congress.●

ABILITY COUNTS FOR HAWAII'S DIANE LIN

● Mr. MATSUNAGA. Mr. President, Diane Lin, an outstanding young citizen of the State of Hawaii, was recently awarded fourth prize in the national "Ability Counts" essay contest sponsored by the President's Committee on Employment of the Handicapped. The annual contest for high school students is designed to foster increased interest in the challenges which confront handicapped people. The theme of this year's contest was "Awakening of the New Minority."

Miss Lin, a Honolulu high school student, is here in Washington this week with the other prize winners to attend the annual meeting of the President's Committee and accept her award. I wish to commend the State councils of the American Federation of Labor and Congress of Industrial Organizations, for providing funds for the winner's trips to the Nation's Capital, and the Disabled American Veterans, which sponsored a get-acquainted reception for the winners. No doubt, their efforts will contribute to increased understanding of the problems which handicapped people face in their places of work.

In her essay, Miss Lin focused on physical and attitudinal barriers she observed during a memorable wheelchair survey. With the thought that my colleagues will find it of interest, and as a means of publicly congratulating Diane Lin, I ask that her essay be printed in the RECORD.

The essay follows:

AWAKENING OF THE NEW MINORITY

(By Diane Lin)

A light tap on my elbow prompted me to turn around and face the decrepit mendicant in his wheelchair. I was touched by the pathetic air of relinquishment in his eyes. But short of funds, I turned away. Mental images of the wheelchair-bound Lowell Grant flashing through my mind sharply contrasted with the character I just encountered. Vigorously independent, Mr. Grant runs his own wheelchair repair business, engages in numerous community activities, and gears his life toward helping other handicapped people. He personifies the new image of the handicapped in this "Awakening of a New Minority."

The expression "Awakening of a New Minority", however, conveys an erroneous situation. With one out of every seven persons in this world handicapped,[1] countless others temporarily handicapped, and all of us vulnerable to some handicap later on in life, the handicapped are statistically not a minority, but a majority. Neither are they to be tagged as "new" for they have been with us since the dawn of man. In actuality, the "Awakening" is a Renaissance of new handicapped awareness. Handicapped participants like Mr. Grant who have "emerged", landmark legislation as the 1975 Education for All Handicapped Children Act, the new Handi-Van transit system, accessible modern buildings, City-initiated handicapped recreation programs, and increased media coverage all attest to this "awakening."

However, there exist obstinate, rock-ribbed barriers that stymie the Awakening's progress. First is the lack of unity among the handicapped. Recently, the blind and the wheelchair-bound clashed on the issue of dropped curbs. Curbs are necessary markers, indicating roadways for blind pedestrians, and at the same time, barriers to the wheelchair-bound. Many curbs were dropped before the discrepancy was brought to attention. At considerable cost, the dropped curbs were remade with a deeply imprinted cement design detectable by a cane. Much time, money, and effort would have been conserved had the blind and wheelchair-bound factions conferred on the issue. According to Mr. Protheroe, a coalition would be an effective consolidating factor. Within the coalition, the various handicapped factions will retain their individuality; the distinction will be the increased cooperation and compromise among the different interests. This fully-staffed handicapped organization, working on handicapped concerns through enlightening research, education, and lobbying, can exercise political clout and greatly further handicapped needs.

A wheelchair survey conducted at two major shopping centers was an exhausting safari for there were few ramps, too few elevators, far too many stairs, and only one handicapped toilet stall (with handrails missing). Denied by inaccessibility from riding a monorail, my wheelchair-bound peer protested in disappointment, "It's not fair."

The new Federal building, supposedly one of the most well-planned and accessible buildings in Hawaii, leaves its two ramps unused because they are too narrow and lack guard rails—an incredible error in design and a most expensive oversight. A comprehensive building code with accessibility specifications to aid remodeling and prevent costly errors can help hurdle architectural barriers.

Too many times, potentially far-reaching legislation is left on the wayside for lack of enforcement. Tom Akamu labels the 1973 Rehabilitation Act a "paper tiger." In trying to locate an enforcement agency in Hawaii, he discovered there was none. Resolution of discrimination complaints is left solely to a San Francisco-based agency! Active monitoring of affirmative action plans are needed to prevent employment discrimination before it happens.

The fourth and most inflexible barrier is attitudes. In reply to our inquiry about handicapped bathroom facilities during a wheelchair survey, a salesgirl confessed, "I never did pay much attention to those kind of things." Unfortunately, it is a reoccurring fault of human nature to ignore others' needs and concerns unless one is directly affected. In the course of our survey, one passerby's lips curled in distaste as she stared at the legs of my "crippled" friends. "Wonder what's wro ig with them?" she mouthed icily to her companion. There were altogether too many staring people avoiding us and too many salespeople who shrugged us off as a "bother." From these personal experiences, I can only conclude that ours is still a hostile society to the handicapped and that public exposure of the handicapped has been long overdue.

What else can be done to overcome the barriers and accelerate this "Awakening"? First, mainstreaming of high school age handicapped children into able-bodied classrooms would promote awareness through daily interaction. Hawaii School for the Deaf and Blind authorities agree that high school students are more mature, receptive, and in the case of handicapped students easier to accommodate.

Second, two educational seminars held to expose employers to handicapped capabilities were met with great success in Hawaii. A continuation of such seminars where employers are able to talk with and learn from handicapped and able-bodied authorities on handicapped employment would advance equal opportunity employment ideals. Extensions of such educational seminars to specific groups such as parents and able-bodied classmates of the handicapped could generate healthier attitudes.

What we need is to apply the first definition of the noun "handicap" as listed in the American Heritage Dictionary to our lifestyles. A handicap is "a race or contest in which advantages or compensations are given different contestants to equalize chances of winning." With a totally accessible and receptive society perceptive in its dealings with the handicapped, so indeed should life become like such a contest where everyone has an equal chance to win.●

[1] World Book Encyclopedia.

SOME UNSAVORINESSES OF SALT

● Mr. HATCH. Mr. President, we here in the Senate have recently concluded the long debate over the Panama Canal Treaty, and by the slimmest of margins, 68 to 32, ratified a treaty that I did not feel was in the best interests of the United States. In the coming weeks and months we will consider still more important matters concerning the foreign policy of our Nation. Already the administration has presented the Congress with the controversial sale of planes to

both Arab nations and Israel. I am sure that we will have to decide in a short time whether or not we will lift the arms embargo against Turkey.

While all of these other issues are of grave importance to the United States, they quickly pale in view of the new strategic arms limitations agreement that is being negotiated in Geneva. This is an issue of monumental significance to the American people, in fact to the people of the entire world. It is an issue that may change the course of history, and may in fact determine the fate of the ideology that man should be guaranteed basic freedoms in life.

In yesterday's Washington Star a column appeared, written by John P. Roche, entitled "Some Unsavorinesses of SALT." Mr. Roche speaks of the difference between the two negotiating nations, philosophy, with respect to negotiating the treaty itself. He states:

There are some basic considerations that provide perspective on the issues. The first and most important is the difference in premises between Washington and Moscow. We want a treaty to minimize the risk of nuclear war; the Soviets want a treaty to minimize the risk of our winning a nuclear war.

Nothing is more paramount in the minds of the Soviet negotiators in Geneva. Many observers of the SALT negotiations have humorously described the Soviet negotiating position of being one that takes the stance "What's mine is mine; what's yours is negotiable." This is no longer funny; it has become the truth and the fact is that we have done nothing to prevent it from becoming the truth.

Mr. Roche has made some salient points in his article and I would call them to the attention of my colleagues in the Senate. I ask that this column be printed in the RECORD.

The column follows:

SOME UNSAVORINESSES OF SALT

(By John P. Roche)

The average citizen reading about our Strategic Arms Limitations Treaty (SALT) negotiations with the Soviets must wonder if he has been accidentally shipped through time to an early Christian council arguing the nature of the God-head. The arguments are extraordinarily intricate and the debate quasi-theological, with each side assuming—fully in the tradition of the Christian Fathers—the other is out to pull a fast one.

However, there are some basic considerations that provide perspective on the issues. The first and most important is the difference in premises between Washington and Moscow. We want a treaty to minimize the risk of nuclear war: the Soviets want a treaty to minimize the risk of our winning a nuclear war.

They can be the most forthcoming negotiators in history when, as in 1972, they agreed to cut back ballistic missile defense systems—where we had at least a five-year technological headstart. They will, I'm sure, be glad to freeze development of hunter-killer satellites, theirs are operational; ours on the drawing board.

When they spot a major area of U.S. strategic vulnerability, they move firmly to capitalize on it. Consider the dispute over the character of their new Backfire bomber. If it is deemed "strategic," then each plane must be considered a nuclear delivery vehicle charged against the ceiling of 2,400 accepted by the U.S. and U.S.S.R. at Vladivostok in November 1974. Thus if the 85 Backfires currently operational are "strategic," the Soviets should deactivate 85 missiles.

The Backfire is an elegant plane with a range of about 5,000 miles and a speed maximum two and a half times the speed of sound (Mach 2.5). It is equipped with air-to-surface missiles which have a range of 450–500 miles at Mach 3 and could carry nuclear warheads. Backfire has allegedly been equipped with cones for aerial refueling.

But is it "strategic"? Moscow says "No!" Why? Because they don't plan to employ it in a strategic mode. Gosh, thanks a lot. Besides, they add, it couldn't make it to the United States and back without refueling. They don't point out it could, without refueling, make it from a Soviet base to our east coast and, with no layover, to Cuba.

But American negotiators are extremely reluctant to push the Backfire issue. I suspect their rationale is right out of "Alice in Wonderland."

To put it starkly, we have no air defense system. While the U.S.S.R. has deployed over 2,500 interceptors and well over 10,000 surface-to-air missiles (including the new SA–10 which hits Mach 5), we have practically eliminated the SAMs which once sat around cities and have some aging F–106s as our "flying coast guard." A while ago when some Soviet snoops were overflying Atlantic naval maneuvers, the Air Defense Command had to draw on Phantom F–4 fighter-bombers to engage in counter-surveillance.

In short, once we admit that the Soviet Union, like ourselves, has a strategic air command, our nakedness becomes inexcusable. The President of the United States could, I suppose, distribute the World War II training manual on what to do when your unit is strafed by a Japanese Zero: (from memory) "Take cover and fire well ahead of the aircraft. One well-aimed bullet has brought down a plane!" There would be a brawl in Congress over whether the risk really exists or has been invented by mad cold warriors and over who is to blame.

All in all, a messy prospect. Let's take a dive and consider the Backfire just a "heavy medium bomber." This seems to be the logic accepted by the President in current SALT talks.

I have limited my discussion to Backfire because it symbolizes so much of the asymmetrical "bargaining" that has been going on in the SALT talks. A decision that Backfire is not strategic gives the Soviets three discrete victories: first, they don't have to decommission 85 existing missiles (plus two a year—the estimated Backfire production). Second, they know and we know the Backfire is a strategic weapon, a freebee above the Vladivostok limit. Third, except for radar to provide warning of its arrival, we have no air defense system against the plane and predictably nothing will be done to remedy this gap in our defenses.

Politicians share with doctors the ability to bury your mistakes and there is a vast vested interest in covering up this strategic miscalculation. Backfire is therefore defined as a heavy medium bomber not to be employed in a strategic capacity. If you don't believe Cy Vance and Paul Warnke, ask Andrei Gromyko. He hasn't told a serious lie since 1972 when he promised Chairman Kissinger the Soviets would never encourage an Arab attack on Israel.●

ENERGY IMPACT

● Mr. DOMENICI. Mr. President, I am heartened to learn that President Carter and his administration have finally recognized the need, especially in our Western States, for a program to deal with energy impacts.

I have long been concerned about this problem and have worked for legislation to alleviate the hardship. I also want to acknowledge Senator GARY HART'S support for this program. He deserves much credit for bringing legislation before the Senate and I am pleased to be able to work with him on this important matter in the committee.

Earlier today, the Secretary of Commerce announced that the administration was forwarding an energy impact proposal to the Congress. I understand that at about the same time the President himself was to make a similar announcement during his tour of the western region. Personally, I welcome the administration's attention to this problem and wish Mr. Carter could take time to examine firsthand what is happening to New Mexico.

The small towns of Gallup and Grants, for example, are located at the gateway of the largest uranium find in the United States. In addition, there is a great deal of coal development.

In any event, these towns illustrate how difficult it is for small communities to deal with the mushrooming population extracting energy resources to serve the rest of the United States. Although the official population of Gallup, for example, is about 16,000, the actual number of people now exceeds 20,000 because of the rapid and recent energy-related growth. The town needs water wells, schools, roads, hospitals, and a wide variety of public facilities to cope with the population boom. But a water well alone costs $800,000 to drill, not to mention the vast costs of these other facilities. Unfortunately, the population booms in Gallup and Grants have not been accompanied by a tax boom, so citizens are trying to cope with big town problems on small town budgets. Frankly, they cannot. And the Federal Government should not expect them to.

The Federal Government must make some assistance available to these boom towns, and it should be in the form of hard cash, not long-term loans and loan guarantees. The grants should be flexible and they should be for the infrastructure—the wells, schools, roads, and other facilities which are needed—and not just for planning. In most of these communities, the problems have been studied to death. These mayors need money to solve today's problems, not just a plan 2 years from now to solve the problems of 1990. There is a time for planning and a time for action, and while there is still a need to recognize and cope with tomorrow's problems, the need for immediate action is even greater.

Personally, I would prefer a program which operates separately. Too often these programs force a community to go to one Federal agency to pay for a water well, a second to pay for roads, a third for housing, and so on. The result is that a mayor is caught in a bureaucratic maze. I do not want to see that happen to the people who are least able to cope with the Federal bureaucrats. Gallup and Grants, N. Mex.; Guenthner, N. Dak.,

and other small communities do not have the sophisticated grantsmanship of a Boston, Philadelphia, or New York. What they need is a simple, flexible program, not a tangled web of forms and programs.

Mr. President, the rest of the United States is looking to my State of New Mexico and her neighbors to pick up the slack in energy production as our imports of Middle Eastern oil drop off. We are being expected to carry even more of the burden of running this country, even though we already carry much of the load through our oil and gas production. If the other States are serious, they must help us deal with the problems which expansion of the coal, uranium, oil shale, and other industries will create.

I am very happy the administration has agreed to come forward with a long overdue program. So far, we have only a general description of what they intend to offer, but I for one look forward to a close analysis of the bill when it is introduced. Hopefully, the Committee on Environment and Public Works will be holding hearings on the legislation next week, so the Senate itself can move promptly.●

PRESIDENT CARTER PROPOSES ENERGY IMPACT LEGISLATION

● Mr. RANDOLPH. Mr. President, this morning I was privileged to participate in a press briefing at which Secretary of Commerce Juanita M. Kreps announced a proposed program of the President to assist States, communities, and Indian tribes who are affected by the rapid growth of energy resource development.

We were joined by Senator QUENTIN BURDICK, chairman of our Subcommittee on Regional and Community Development; Senator MALCOLM WALLOP, a concerned member of the Committee on Environment and Public Works; Representative HARLEY O. STAGGERS, chairman of the House Committee on Interstate and Foreign Commerce; Representative HAROLD T. JOHNSON, chairman of the House Committee on Public Works and Transportation; and Representative JOHN PAUL HAMMERSCHMIDT, a member of the House Committee on Public Works and Transportation.

President Carter made a simultaneous announcement of the program in Denver, Colo., accompanied by Senator GARY HART, a member of our committee and an early sponsor of legislation in this area.

I am very gratified to have worked with Gov. John D. Rockefeller IV of West Virginia, and with the White House and the Department of Commerce in developing the legislation which the President has now endorsed. This proposal can be very helpful to West Virginia, and I vigorously support it. I will join in its introduction within days.

The Committee on Environment and Public Works has scheduled a hearing on this proposal for Wednesday of next week, and I hope that we can consider this bill before May 15.

While I prefer a somewhat larger program than that recommended by the President, something on the order of the $200 million our committee recommended to the Senate Budget Committee, that and other details will be addressed when the bill is actually considered.

This energy impact assistance legislation will help the coal-mining communities of West Virginia. It will provide housing, water supply and sewerage, and other needed public facilities and services where these needs result from energy development.

The proposed bill will help keep the benefits of coal and other energy development where they belong—helping to strengthen the community and the local economy. Not only will the legislation aid these areas in managing the growth and other impact of energy development, it will also help them plan for the time when the mines may be phased out, and to diversify their economy.

Combined with the section 306 energy-related housing assistance program contained in the major energy bill now in conference—a program I sponsored—this new proposal will have strong benefits for West Virginia communities.

Mr. President. I ask that the statement of Secretary Kreps and a description of the proposed legislation be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

STATEMENT BY SECRETARY OF COMMERCE JUANITA M. KREPS

When he announced the National Energy Plan last year, President Carter pledged that no State, community or Indian tribe would bear more than its fair share of the burdens of meeting our energy production goals.

Today, the President is announcing from Denver his proposals to provide needed assistance to the small towns and rural counties facing extraordinary growth as a result of energy resource development.

These proposals stem from a review conducted by a Presidential task force under the leadership of the Department of Energy which included Federal agencies and affected States, communities and tribes. Governor Rockefeller was a leader in this effort. Governor Carroll, Governor Lamm and other Western Governors also gave of their time and their first-hand experience. Congressional leaders who are with us today, together with Senator Hart who is with the President in Denver, also contributed greatly to the program.

Over the long run, new energy development in Appalachia and the West can bring renewed growth and employment. In the short run, however, the rapid, uncertain, and uneven influx of population overwhelms these rural places. Affected communities lack the capacity to anticipate and provide public facilities, services, and housing.

The President's program consists of the following elements:

1. States and tribes will receive grants and loan guarantees through the Commerce Department's Economic Development Administration to implement a comprehensive strategy to build State, local and tribal capacity, to prevent and mitigate energy impacts and to provide financial assistance to communities for public facilities and services.

Each year, $15 million in Federal funds will support approximately $300 million in guarantees and $135 million in Federal grants will be available for planning and financing facilities and services.

2. As Secretary of Commerce, I will work with the Appalachian Regional Commission, the appropriate Federal Regional Councils, the Department of Agriculture and other Departments to coordinate existing Federal programs with the proposed new program. New resources will not be substituted for existing ones. Federal agencies will also cooperate with State and local representatives as members of joint teams to assess impact problems and needs.

This is a capacity building program to provide needed assistance during a period requiring rapid adjustment and State leadership. It is a "sunset" program in that a fixed term of Federal commitment is envisioned. It provides for a declining share of Federal financial aid for a period not to exceed five years. We believe that this will be adequate to assure that necessary state laws and local planning and management capacities will be in place to handle future requirements.

The proposal reflects the concept of State-Federal partnership, a vital dimension of the President's urban policy. It is a program that recognizes the special authorities, resources and responsibilities of other levels of government and of private sector energy development firms. The States will have considerable flexibility in implementing State-developed strategies.

The Commerce Department's resources—especially EDA and the Title V Commissions—have been used to address energy boom problems as well as long-term economic decline. This new program reflects our experience with the Coastal Energy Impact Program and is responsive to recommendations of the White House Conference on Balanced National Growth and Economic Development.

This is a problem that has been growing for a good many years. It is one that has brought community and environmental blight when it should have brought better living conditions for the families of these areas. This Administration is proposing a timely, prudent and flexible response. President Carter, Secretary Schlesinger and I are committed to helping States meet these community and housing needs through shared responsibility. I am hopeful that the appropriate leaders of Congress will support this measure and speed this needed assistance.

ENERGY IMPACT ASSISTANCE PROGRAM

SUMMARY

The President announced today a new, five year energy program to assist inland states, communities, and tribes planning for and mitigating the adverse impacts of rapid growth from energy resource development.

The program would provide $150 million per year in assistance for grants and loan guarantees divided as follows:

$15 million per year in planning grants to states and communities.

$120 million per year for the establishment of state revolving funds which in turn may make grants, loans, and loan guarantees to impacted communities.

$15 million per year to be used to guarantee loans to states at an interest rate equal to the average municipal borrowing rate. It is estimated that this $15 million will provide $250–$300 million in loan guarantees for states, tribes and communities.

This five year program will provide a total of $675 million in grants to states and tribes, and up to $1.5 billion in loans guaranteed by the Federal government.

This program will be administered by a new unit within the Economic Development Administration of the Department of Commerce. This new office will provide a single contact point for states, local and tribal governments seeking Federal assistance either under this new program or existing Federal programs.

In addition to providing funding assistance, the President's proposal will also provide:

A guaranteed voice for states, localities, and tribes in Federal decision-making affecting their jurisdictions;

Better and more timely information concerning Federal decisions related to energy resource development;

Federal participation with state, local and tribal governments to assess more fully the needs for facilities and services in areas which will be experiencing energy development;

The institutional capacity at the state level in order to plan for decisions relating to energy resource development (e.g., siting, permitting, impact prevention and mitigation).

Eligibility for this program will be based upon projections of the number of energy impacted areas within a state and the severity of the impacts. The program will be targeted to those states which are or will be experiencing the majority of energy impacts.

In his announcement the President recognized that the Congress had already tentatively approved an energy impact assistance program, directed primarily at housing. This provision, adopted as Section 306 of the coal conversion bill, would establish a planning and housing impact assistance program under the Farmer's Home Administration. While the Administration believes that the new proposal announced today will provide broader, more flexible authority for states to tailor impact assistance programs to meet specific energy needs, the President stated that he would not object to a decision by the Congress to fund the Section 306 program. Any appropriations made for the 306 program, however, would reduce the funding available under the new inland energy impact assistance program commensurately.

BACKGROUND

In the National Energy Plan, the President recognized that the burdens of meeting the Nation's need for alternatives to oil and natural gas would fall heavily on certain regions of the country, particularly the Western and Appalachian states. To ensure that no one state, community, or Indian tribe suffered as a result of energy development, the National Energy Plan called for a review of existing Federal assistance programs to determine their adequacy in meeting the needs of communities impacted by rapid development of energy resources.

The review was conducted under the leadership of the Department of Energy in consultation with the Department of Commerce and 12 other Federal agencies and offices, Governors, and other representatives of state and local government and Indian tribes. The review concluded that existing Federal programs, even with modification, will not adequately meet the needs of the communities and tribes.

The National Governors Association's Impact Assistance Subcommittee, chaired by Governor Richard Lamm, contributed significantly to this review as did a July 1977 report from the Secretary of Commerce, and hearings chaired by Senator Hart over the last year. This joint task force completed and forwarded its report to the President in March. The analysis and the recommendations contained in the Energy Impact Assistance report formed the basis for the President's proposal.

THE PROGRAM

The new program is designed to build state, tribal and local capacity to manage and finance rapid growth from energy development. State and tribal efforts to mitigate energy impacts of communities in the past have varied significantly. While the proposal requires major state and tribal commitments, it also gives states and tribes major program authority. Incentives are available to encourage cost sharing by industry as well. After the fifth year, states and tribes will be expected to have developed the necessary institutions and funding sources to continue aid to impact communities and/or to avoid adverse impacts without Federal funds.

Federal funds made available through Commerce's Economic Development Administration will enable recipients to:

1. Finance state, areawide, local and tribal planning, growth management, facility siting, other capacity building and preparation of impact prevention and mitigation measures.

2. Finance state level financing mechanisms which:

(a) Guarantee financing of public facilities and services need for older development, using Federal funds as necessary reserves for leveraging other public and private funds;

(b) Finance development activities directly through loans when capital markets or legal restrictions inhibit conventional financing; and/or

(c) Complete financing of projects with grants when the full costs cannot be amortized.

3. Borrow funds at reduced interest rates to provide guarantees of local obligations.

State and tribal responsibilities will include the following:

1. States will be required to provide gradually increasing matching funds, starting at zero in the first year and increasing to $75 million in the fifth year. Appropriate matching requirements will be established for Indian tribes.

2. States and tribes will submit overall impact mitigation plans to the Commerce Department. These plans will (a) identify community needs (b) describe the planned use of the funds, and (c) indicate how industry will participate in financing impact mitigation.

3. At their discretion, Governors may cooperate through the Title V Regional Commissions to develop common solutions for interstate impacts and related regional problems.

Under the proposal, funds will be allocated to the states based on criteria which will include:

1. The projected level of new energy production and related employment;

2. The level of state, local and private investment in impact mitigation;

3. The per capita unit costs of public infrastructure by region; and

4. Previous use of the assistance funds.●

THE VESTED INTERESTS BEHIND THE ENERGY CRISIS

● Mr. HATCH. Mr. President, seldom have I seen an article that so thoroughly exposes what really goes on behind the facade. In the May issue of Harper's the editor, Lewis H. Lapham, provides a list of the numerous different groups that benefit from the "energy crisis" and the high price of oil. After listing the beneficiaries of the "energy crisis" in the private sector, Mr. Lapham points out that their stake in the crisis dwindles "almost into insignificance when compared with the advantages that accrue to the Federal Government." Mr. Lapham's article is one of the most elegant exposés of all time. Most of the things we have heard on the floor of the Senate and in committee about energy can never again be said with a straight face. My hat is off to Mr. Lapham, and I ask that his article be printed in the RECORD.

The article follows:

THE ARABIAN OIL BUBBLE

(By Lewis H. Lapham)

In the newspapers lately, as well as in the journals of refined policy opinion, I notice that the promoters of the "energy crisis" have shifted the emphasis of their spiel. Instead of talking so much about the failing supplies of hydrocarbons in the world, they have been making more ado about the infamous OPEC cartel. Perhaps this because in recent months enough information has leaked through the myth-making apparatus of the press to cast doubt on the predictions of the earth's insolvency.

The world market at the moment wallows in a glut of crude oil, and every few weeks yet another renegade economist or research institute mentions the abundance of oil and gas reserves. But even the economists who project a condition of surfeit as opposed to one of scarcity quickly recover their sense of patriotic alarm and go on to talk about the sinister conspiracy in the Middle East. About the omnipotence of the cartel all the authorities agree. On Wall Street the bankers sigh and accommodate themselves to the inevitable dominion of the cartel as if it were an obligation pressed upon them by David Rockefeller or the Downtown Association.

The politicians in Washington talk about foreigners extorting ransom from the American people, and President Carter raises up both a bureaucracy and a national energy plan to protect the innocence of American enterprise from the capricious despotism of an indolent Arab. This catechism has been so often repeated, not only by government officials and oil company presidents but also by newspaper columnists and the grand viziers of American foreign policy, that it has acquired the sanctity of dogma. Were it not for the high price of oil in the Persian Gulf, so runs the antiphon in the sacred text, the United States would regain its confidence, restore its credit, rescue its currency, and go forward to its appointment with manifest destiny.

The apparition of an OPEC cabal, unfortunately, has as little substance to it as does the companion stage effect of a world emptied of all its heat and light. The consensus of conventional alarm reminds me of what Stewart H. Holbrook, writing in *The Age of the Moguls*, said about Teddy Roosevelt's theatrical belaboring of the mammoth trusts: "[He] knew a good safe menace when he saw it."

The belief in the cartel's omnipotence serves so many domestic interests that I often wonder what the American managerial class would do without it. If the cartel was everything that people said it was, I would expect to find bankers selling their Long Island estates and moving to Switzerland; I would expect to hear of admirals convening press conferences and leaking to Congressmen confidential documents showing that the United States Navy no longer could guarantee the hegemony of the oceans. I also would expect an atmosphere of anxiety and haste. But instead of this I find people muttering about "the Arabs" and worrying about the regulated price of natural gas, as if they had all the time in the world to consider the fine points of social equity. In Washington the politicians and federal bureaucrats go about the business of commissioning opulent architecture, and in New York nobody thinks to object to the design of yet another glass office building on the ground that it might be wasteful of energy. The dreamlike character of the crisis suggests that to the American managerial class the OPEC cartel subsumes all the ambiguity of human existence into the convenient abstraction sometimes known simply as "them." The working class achieves the same result with diatribes against "the big shots," "the government," or "Octopus Oil."

Before going further with this speculation, I probably should explain that I was raised within the bosom of the American oligarchy. Various members of my family have been in various sectors of the oil business since the 1890s, and as I have listened to them talk

about their troubles over a period of thirty years, I have understood that the business suffers from a condition of chronic glut. There is always too much oil and gas in the world, and so the problem is always the same—how to restrain the trade. Nobody makes any money unless he can figure a way to control either the production, the distribution, or the price of oil.

Old John D. Rockefeller achieved his purpose with hired bullies and a talent for monopoly. His successors, most of them far more timid individuals who have inherited the stewardship of the American hierarchies, take an administrative rather than an entrepreneurial view of the world. Whether employed by banks and corporations or as functionaries within the federal government, they like to think of themselves as gentlemen. They have no particular fondness for colossal profits, which tend to frighten them and to interfere with their affectation of conspicuous frugality. They aspire instead to serve the institutional machinery, to retain those privileges accumulated on their behalf by their primitive forefathers. They look with disfavor upon too much prosperity. Prosperity implies ferment, in the economy as well as in politics; the subsequent disorderliness encourages people to think and to take risks, and this in turn leads downward into the abyss of social change. Although they admire old Mr. Rockefeller's accomplishments, they deplore his methods, and so they prefer to achieve the same result in more decorous ways, either with federal regulation and environmental reform or with a devout belief in such happy accidents of fate as the exhaustion of the earth's resources and the advent of the OPEC cartel.

I will try to be more specific. Having begun to doubt the immaculate conception of the Muslim cabal, it occurred to me some months ago to wonder what would happen if the cabal lowered the price of oil. For all practical purposes the cartel revolves around Saudi Arabia, which produces about 8.4 million barrels a day and has reserves sufficient for another 150 years of extravagant use. The Saudis produce so much oil at so low a cost (30 cents a barrel) that they establish the price of oil in the world market. The spot price, Arabian Light Crude, F.O.B. Ras Tanura, is currently $12.60 a barrel. But what if the Saudis chose to sell a barrel of oil for $6? Certainly they could afford to do so. Money is hardly a scarce commodity in their society; their kings and princes often have said that they would prefer to hold the oil in the ground. If not the Saudis, who then benefits from the high price of foreign oil?

Obviously the question is a political one. When a product sells for at least forty times the cost of its production, I assume that the price no longer has much to do with textbook economics. Over a period of several weeks this winter I raised the question with a number of people in New York and Washington, who have a financial interest in sustaining the fiction of perfidious Araby. Without exception they looked upon the possibility of a break in the Saudi price as being destructive of their own interests. Although they thought that the United States as a whole would benefit from a cheaper price, they could foresee nothing but panic and confusion among their institutional confederates in the Department of Energy, the State Department, the international banks and oil companies, even the charitable foundations and the environmental organizations. Or, in the words of an investment banker familiar with the mechanics of oil and gas deals:

"If you ask me that question on the record, then I have no choice but to say, 'Yes sir, we have a terrible energy crisis, and the Arabs are awful people.' Off the record I can tell you that we have no crisis, and that the Arabs are doing us a service. If they cut the price, people would start going out of windows."

Like the other people to whom I put the same question, he offered a partial but fairly impressive list of American interests that find it convenient to languish under the tyranny of the OPEC cartel. As follows:

1. The international oil companies. Ever since OPEC quadrupled its price in 1973 the energy companies have reported steady gains in both income and government subsidy. The Saudis make the market price, and by so doing they perform the function of the old Texas Railroad Commission.

2. The financial institutions, primarily the banks and the insurance companies that underwrite explorations as well as the construction of pipelines, tankers, ports, and refineries. The investment of large sums of money calls forth correspondingly large commissions and fees. Without the OPEC cartel the Alaska pipeline might not have been built in such expensive haste. The pipeline cost $8 billion, and much of the money was paid to American corporations.

3. Any company, institution, or syndicate that has invested substantial sums in the development of exotic fuels or alternative energies. As has been noted, to the Saudis it doesn't make much difference whether they sell a barrel of oil for $12 or $6. But to anybody who hopes to make a profit by extracting energy from shale, tar sands, uranium, or liquefied natural gas (all of which imply production costs equivalent to between $10 and $20 for a barrel of oil) the guarantee of a high market price presents itself as a *sine qua non*.

4. The environment movement. If the Saudis lowered the price of oil, the stock market probably would rise and money would find its way into equities and into the hands of the citizenry. As every environmentalist knows, the citizenry cannot be trusted. People who believed themselves suddenly affluent would go around buying vulgar consumer goods with which to desecrate the landscape. The high price of foreign oil inhibits not only the building but also the conception of industrial development on too large and too indecorous a scale. It contains the suburbs, stalls the construction of highways and chain stores, obstructs the restoration of cities.

5. The sutlers and camp-followers selling their goods and services in the Persian Gulf. The Pentagon sells arms; the banks and financial institutions arrange expensive financing; other people sell real estate, computers, and political influence. The Bechtel Corporation last year undertook to supervise the construction of a port city in Saudi Arabia for $20 billion, which gives a fair measure of the scale of the enterprise. In 1977 the United States reported a trade deficit of $26 billion, most of it attributed to the $42 billion paid for foreign oil. Even so, the United States reported a favorable balance of payments with Saudi Arabia.

6. The coal industry and its union. President Carter's energy plan recommends a conversion of oil-fired plants to coal, but if fuel oil were to become less expensive than coal, then the miners, no matter what their new contract says, could look forward to an extended period of unemployment.

7. Consultants and energy specialists with a fixed investment in what they have said. Together with their attendant data banks and research institutes they offer advice, information, and analysis (much of it is useless except in the papier-mâché world of contrived crisis to both government and the energy companies).

8. "The crisis industries." The arms merchants and the alarmist factions of the media have a considerable interest in preserving the belief that the United States wobbles on the precipice of defeat. Without the apparition of an insidious cabal they would have trouble selling their lines of goods to the Congress and the Book-of-the-Month Club. The cabal thus contributes to the well-being of the defense industry and its associated unions as well as to the circulation of the *New York Times*.

9. Politicians. The energy debate dwells on unknowable mysteries and thus bears a fortunate resemblance to a debate about the existence of God. The politicians can wax eloquent on a subject about which they need know nothing. Their theological discussions allow them to avoid or postpone the temporal matters of race, poverty, crime, and justice.

10. Exporters of manufactured goods. The weakness of the dollar, brought about in part by the imbalance of payments, gives an advantage to American goods competing against the exports of Western Europe and Japan.

11. The art markets. The high prices paid for furniture and paintings (as well as for coins, sculpture, houses in East Hampton, et cetera) presume a rising rate of inflation. If the cartel collapsed, the oligarchs who bestow tax-exempt gifts on museums and universities would lose not only the advantage of immense deductions but also the corresponding sense of their own worth.

The interests enumerated in the foregoing list all belong predominantly within the private sector of the economy. They dwindle almost into insignificance when compared with the advantages that accrue to the federal government. The specter of a cabal, and of the sudden darkness that would descend on the United States if the Arabs were to embargo their shipments of light, supports the government's discovery of "an energy crisis" and lends credence to the need for a huge bureaucracy through which the government can award the political dispensations of money and fuel. The Saudis now hold currency reserves estimated at more than $60 billion. Of this sum about $30 billion has been invested in U.S. government notes (Treasury bills and bonds), and another $20 billion has been invested in Eurodollars or in the paper offered by American corporations.

The arrangement constitutes an ingenious variation on the old colonial trade. The money leaves the private sector of the American economy (i.e., gets taken out of the hands of the spendthrift and irresponsible natives), passes through the wastes of the Arabian desert (enriching the caravan of middlemen, brokers, consultants, arms dealers, et cetera), and so returns to Washington. Thus does the government use the supposedly infamous cartel to finance its debt, manage the transfer of wealth within its own society, and impose savings on the American people. If the triangular trade happens to increase the rate of inflation, well, from the government's point of view, inflation also has its uses. Citizens give over more of their money in taxes, and the increased uncertainty in the economy calls forth demands for more bureaucracy with which to protect the innocent tribes from the rapacity of such imperial agents as Octopus Oil and the OPEC cartel. The Saudis invest their money in the United States as a form of Danegeld. The splendor of their tribute stills the voices of doubt and conscience. It also buys the protection of the American military machine against the possibility of reckless aggression from Israel and the Soviet Union. To the Saudis, who apparently take as liberal-minded a view of religion as does President Carter, the United States stands as a bulwark not only against atheism and Communism but also against the forces of social change.

I concede that the government might not know exactly how or why all these pleasant things get done. If too many people took the

trouble to wonder how the system works, they couldn't play their parts within it. To imagine an American conspiracy would be as foolish as to believe in the vast powers of the OPEC cartel. As noted earlier, I don't think of the American oligarch as a rapacious man; I think instead of a man perpetually anxious, of Joseph Conrad's "flabby white devils" in Brussels sending Kurtz to look for ivory at the headwaters of the Congo. I think of men who don't want to make trouble, who would make a deal if necessary with any retired whore or fledgling dictator who offered them a concession in a bordello or the television rights to the making of a coup d'état. Give them their percentage and promise them peace in their time, and they will smile and bow and sing a national anthem.

The decay of American enterprise clearly cannot be discussed at the Council on Foreign Relations, much less in the newspapers, and so the crisis must be blamed on somebody else, preferably a foreigner. Enter the damnable Arabs. The media find this convenient partially because they also stand within the American oligarchy and partially because they cannot bear to make princes of darkness of figures so obviously bourgeois as government bureaucrats and the presidents of oil companies. How much more satisfying to both the aesthetic and the theological sense, to imagine a Satanic Arab in a robe, wandering the world in a 747, sipping sweet coffee, fondling French women or small boys, playing baccarat for enormous sums while toying with the vague notion of destroying Western civilization. To the economic intellectuals, the Arab cabal appears as a deus ex machina. It explains the otherwise inexplicable conundrums of the international economy, and it redeems, as if by an act of God, all previous theories and predictions that have been proven so fatuously wrong.

Best of all, the invention of a cabal makes a trivial melodrama of what otherwise might be perceived as the terrifying prospect of a world increasingly crowded with nuclear weapons and populated by people who are angry, poor, ignorant, and hungry. If everything is a crisis, then nothing is a crisis; and the more enormous it can be made to seem, the less needs to be done about it. The American oligarchy can postpone the difficult business of thinking about what would happen if the supply of Middle Eastern oil suddenly was to become unavailable, and it can reduce the complexity of history to the size of a commodity speculation. In the meantime, the aura of crisis flatters the vanity of all concerned. The managerial class has lost so much self-esteem in the past generation that it must be pleasant for people to imagine themselves once again in the presence of momentous events.

Just as the mythmaking about the Arab cartel obscures the nature of the understanding between the United States and Saudi Arabia, so also does it obscure the nature of the partnership between Octopus Oil and the federal government. The gigantic institutional and financial combinations, in both the public and private sectors of the economy, honor one another's interests and recognize one another's prejudices as universal laws. From what I have read of the Saudi princes, they appear to have much in common with the moneyed oligarchs in New York and with the feudal bureaucrats in Washington. None of them likes to take risks. If the possibility of intellectual freedom threatens the safety of Islam, so does the emergence of unregulated markets threaten the banks and the government agencies. The weakness of the dollar discourages expansion in the domestic economy and reduces the pressure of competition from abroad. If the stock markets atrophy, and if the common people can be made to see that their venturesome impulses bring them nothing but debt and taxes, then perhaps they will come to feel grateful for the protection of their institutional overlords.

As Saudi Arabian wealth becomes increasingly necessary to the American economy, I expect that it will lead to the further degradation of those people who think of money as an elemental force of nature. I sometimes wonder what it must be like for an American civil servant or foundation official, earning even as much as $75,000 a year, to spend his days tagging along behind a Saudi prince. What self-defeating fantasies of political and sexual conquest must trouble the poor fellow's thoughts while riding the evening train to Oyster Bay.

The contrived mechanism of the Arab ascendancy constitutes a bear raid on the American economy and the democratic idea. As with all bear raids, the advantage falls to the already rich. The available wealth accumulates in a small number of fabulous hoards—with the Saudi royal family, the international financial institutions, the federal government. Measured over a short period of years, the lack of enterprise sustains the illusion of peace. But what happens when the capitalist princes can think of nothing else to do with their barbarism except to turn it inward, upon themselves? The sheen of money, like the ornamental engraving on Renaissance cannon, deceives them into thinking that they can escape the savagery of war.●

MISSING PERSONS ON CYPRUS

● Mr. KENNEDY. Mr. President, in the current preoccupation with military and political issues related to Turkey and Cyprus, there is a tendency to forget the human tragedy that still prevails on the island. But regular reports from the field serve to remind us that the humanitarian issues on Cyprus—refugees, missing persons, human rights issues—continue to be a central obstacle in achieving any real progress on Cyprus.

A report in today's New York Times focuses on one of the more tragic humanitarian problems which have plagued Cyprus since the massive Turkish invasion of 1974—the issue of missing persons. Several thousand Cypriots, both Greek and Turkish, are still missing since the violence and military invasion nearly 4 years ago. The needless pain and anxiety this uncertainty has caused for countless families remains a source of bitterness and friction that inevitably complicates efforts to resolve other problems on Cyprus.

As chairman of the former Subcommittee on Refugees, I have repeatedly urged greater action on this important humanitarian issue. In the early days, some progress was achieved in the exchange of prisoners, but little was attained then or since on securing information on persons missing subsequent to the Turkish invasion—despite the efforts of the International Committee of the Red Cross.

I realize that the administration, along with the United Nations and the International Red Cross, have made strong efforts over the past year to make progress on the missing persons issue. Yet, despite these efforts, the fate of thousands of men remains unknown, and the problem festers.

Mr. President, the missing persons on Cyprus cannot be forgotten if real progress is to be achieved in resolving the Cyprus problem. This fact is underscored, in the simplest of human terms, by today's report in the New York Times by correspondent Nichalos Gage. I ask unanimous consent that it, along with an excerpt from a Subcommittee on Refugees report which I released in 1976, be printed in the RECORD.

The article and excerpt follows:

[From the New York Times, May 4, 1978]

UPROOTED GREEK CYPRIOTS YEARN FOR WORD OF MISSING PERSONS

(By Nicholas Gage)

LARNACA, CYPRUS.—The last time Yiannoula David saw her husband was on Aug. 21, 1974, when Turkish soldiers rounded up all the men and boys in her village of Asha in northern Cyprus and took them away. Along with her husband, Frangopoulos, her sons David and Haralambos, who were then 14 and 15 years old, were also taken. Mrs. David and her two smallest children were herded with the other village women to a secluded part of the village.

Later that night, when Mrs. David was allowed outside to bring food to her children, she saw her sons gathered with the younger men inside the village coffee house. She asked if she could bring coats for them, and a Turkish soldier told her that if no officer saw him, he would let her sons go back with her.

Today, like many of the 200,000 Greek Cypriots who became refugees during the Turkish invasion in 1974, Mrs. David, who is 43, and her four children are living in a refugee settlement outside Nicosia. And like nearly every one of the refugees, she is waiting with dwindling hope for news of one of the 2,000 Greek Cypriots who disappeared during the invasion and after. Of the 150 men and boys, some as young as 11, who were taken from her village, 87 have not been heard from.

WE JUST EXIST

"We don't live here, we just exist," she said, gesturing at the cell-like cement rooms of the home, one of 1,500 identical attached houses in the refugee settlement. "The most important thing is to find out about my husband, but every day I dream about going home."

Home and missing family dominate the conversation of most of the 6,000 refugees who live in this camp, one of about 10 refugee settlements built by the Government.

The corrugated tin roofs of the houses are topped by box-like constructions that are solar heaters, to heat water. Each family has planted a garden outside the door and some have completely landscaped their tiny square of front yard with walkways of stones and even arbors of grape vines. Rabbits and chickens flourish behind the houses, and there is a modern version of the traditional coffee house for the men, looking more like an American coffee shop with its plate glass windows. There is also a church.

Children of the settlement can buy ice cream from the neighborhood vendor, and as they skip rope and play soccer in the streets they seem as happy as children anywhere. But many of them, like Mrs. David's youngest son, Panayotis, who was 10 during the invasion, are still troubled by nightmares.

"He saw our neighbor, a man of 35, shot in the street," Mrs. David said, while her son looked out the window and pretended not to listen. "I myself buried four men who were lying dead."

A gap-toothed woman dressed in black came up holding the hand of a girl of about 7. The woman was Paula Dimitriou, also from

Asha, and the little girl was her daughter, one of 10 children.

LITANY OF RUMORS

Mrs. Dimitriou was wearing mourning clothes for her son Giorgiou, who was 18 years old when the family fled the village and went to hide in a river bed. Outside the village they were found by Turkish soldiers, and Giorgiou, who had his little sister in his arms, was shot in the hip. The soldiers loaded the rest of the family into a Land-Rover, and one of them fired another shot at Giorgiou, but as the vehicle drove off his parents heard him shouting, "Mother, Father, I'm alive!"

When Mrs. Dimitriou saw a foreign visitor writing down the name of her son in a notebook, a spark of hope rose in her and she burst into tears. "He is fair-haired, like you," she cried. "Only a little bit taller. Perhaps you can go back there and find them. Perhaps they'd let me go with you."

Each refugee in the settlement has a litany of rumors and crumbs of information about loved ones. Mrs. David said: "A Turk who lived in a village next to ours told a cousin of mine that my husband was alive. He said the men taken from our village were being used to build the airport at Ercan. He said in January of 1975 that my husband had eaten two times at his house."

When asked if she still believed that her husband was alive, Mrs. David hesitated and then said, "We always hope."

Other Greek Cypriots are less hopeful about the fate of the 2,000 missing. Although the Cypriot Government presses for an accounting, most Greek Cypriots feel the 2,000 are dead, killed by Turkish Cypriots nursing grudges from previous confrontations with the Greeks on the island.

Turkish Cypriot authorities do not discourage such beliefs. They say there are no Greek Cypriots in their area other than those already identified as living in Greek enclaves, and they note that 2,300 Turkish Cypriots were killed by Greeks during the decade before the invasion.

APPEAL BY RED CROSS

The International Committee of the Red Cross and Secretary General Kurt Waldheim of the United Nations have both tried to form investigating commissions to determine the fate of the missing, but neither has succeeded so far.

Meanwhile, refugee families like the Davids are rebuilding their lives. After the disappearance of the men, the Davids were taken to Pergamos, a Turkish village, and released. They slept for a month in an empty school house in Larnaca, then lived for another month in the forest at Akhna without even tents to protect them from the winter weather. From there they were crowded with 30 other people into an old Turkish house outside Nicosia, without water or electricity. Finally, they came to the house they now occupy, in the first major settlement built for the refugees.

The David children remember the date vividly—March 1, 1976, a year and a half after they left their village.

The four rooms of bare concrete are stark but immaculate. There is an oilcloth-covered table near the door piled with boxes of stockings and underwear that Mrs. David now sells to fellow refugees to supplement her income. Her husband had traveled selling such merchandise from a truck, and now his former suppliers allow Mrs. David to buy some stock on credit.

The David's basic income is the $80 a month that they receive from the Committee for Missing Persons, plus the $37 a month that they get from the Cypriot Government. The oldest son, David, now 19, also contributes by working in an appliance repair shop, but he uses every spare moment to study German in hope of taking advantage of a scholarship to a West German university that has been offered him.

Haralambos, 18, who has tacked pictures of American pop singers as well as Greek saints over his bed, attends an American school near the refugee settlement, and his dream is to go to the United States.

Mrs. David said that when they were driven out of their home they lost $26,500 that was hidden in one of the closets—money that her husband had collected to buy new stock.

"But we're not as badly off as some," Haralambos said, glancing at the children playing outside the window. "There are 10 families in this settlement from our village alone who are waiting for news of missing persons. Chrystalla Englezou, whose house is just behind ours, lost her husband, her three sons and her son-in-law. Now she lives here with her daughter and her daughter's little boy, who's only 6. He can't even remember his father anymore."

MISSING PERSONS

(Excerpt from "Crisis on Cyprus: 1976," Subcommittee on Refugees Study Mission Report)

One of the most troublesome humanitarian problems on Cyprus is the fate of hundreds of missing Cypriots. Progress was achieved early in the exchange of prisoners, but little has been attained in terms of securing information on those persons still missing subsequent to the Turkish invasion and occupation of the island. This, despite the effective work of the Tracing Agency of the International Red Cross in developing an extensive file and documentation on missing persons.

By all accounts—and as reported in the Subcommittee's Study Mission report in October 1974—the Turkish army conducted widespread and systematic arrests and detainment of Cypriot-Greek men, both during and after the invasion. Most of the Cypriot-Greeks now missing and unaccounted for, date from this period. Their whereabouts is of particular concern, because evidence exists, in several dozen cases, that they were seen alive long after their detainment and, in some instances, after other prisoners were released.

Although detailed information on individual Cypriot-Greeks listed as missing has been transmitted to Turkish authorities by the International Red Cross—a total of some 2,700 Cypriot-Greeks by name—Turkish officials have stated flatly that they hold no further prisoners, and they have offered no information on the fate of the missing. In conversations with high-ranking Cypriot-Turkish authorities in Nicosia, the study team was told that while "some information" was no doubt available on some missing Cypriot-Greeks, there was no sense of urgency in providing it "since they were all dead." These officials emphasized that during the violence and fighting many civilians were killed and summarily buried, and there simply was no easy way to obtain further information.

However, this fails to take into consideration the Red Cross documented cases involving persons seen since the violence ended, and since the ceasefire was implemented. When such cases have been pursued, information has resulted. One celebrated case recently involved a Cypriot-Greek judge known to have been taken into custody by the Turkish military, because it was noted by International Red Cross officials on the scene at the time. After consistently denying it had any information, the Cypriot-Turkish administration subsequently acknowledged, upon investigation, that the judge had indeed been arrested, but was later shot to death. How many more such cases, and how much similar information, could be developed upon investigation is difficult to determine without the cooperation of the Cypriot-Turkish administration. Given the lack of progress on this issue, and the fact that documentation files have been completed on all known cases, Swiss officials from the Tracing Agency of the International Red Cross closed their operation in Nicosia in October, turning all files over to Cypriot authorities and the United Nations.

The Third Round of Intercommunal talks in Vienna in August 1975, officially took note of missing persons problem, its final communique stating:

"Although both sides again affirmed that they were not knowingly holding undeclared prisoners-of-war or other detainees, it was agreed mutually to extend full facilities for searches in response to information given by either side."

To date, however, the Cypriot-Turkish authorities have made no facilities available for searches for the missing, despite the extensive information provided to them.

Although most Cypriot-Greeks have reluctantly come to the conclusion that most, if not all, of the missing are probably dead, their family members still believe they have a right to know the fate of their relatives who were in the hands of Turkish military authorities. It has become a serious political issue on Cyprus, and one that threatens to exacerbate tensions and derail negotiations, unless some gesture is made in responding to the legitimate concern over missing persons on Cyprus.●

APPOINTMENTS BY THE VICE PRESIDENT

The PRESIDING OFFICER. The Chair, on behalf of the Vice President, pursuant to Public Law 86–420, appoints the Senator from Alaska (Mr. GRAVEL) to the Mexico-United States Interparliamentary Conference, to be held in Washington, D.C., June 5–10, 1978.

The Chair, on behalf of the Vice President, appoints the Senator from New Jersey (Mr. WILLIAMS) and the Senator from New York (Mr. JAVITS) to the 31st Assembly of the World Health Organization, to be held in Geneva, Switzerland, May 8–26, 1978.

The Chair, on behalf of the Vice President, appoints the following Senators as congressional advisers to the United Nations General Assembly Special Session on Disarmament, to be held in New York City, N.Y., May 23–June 28, 1978: The Senator from Rhode Island (Mr. PELL), the Senator from Ohio (Mr. GLENN), the Senator from New York (Mr. JAVITS), the Senator from Kansas (Mr. PEARSON), and the Senator from Illinois (Mr. PERCY).

The Chair, on behalf of the Vice President, purusant to Executive Order 12053, signed by the President on April 14, 1978, appoints the Senator from Iowa (Mr. CULVER) and the Senator from Maryland (Mr. MATHIAS) to serve on the National Commission on the International Year of the Child, 1979.

ASIA TODAY

Mr. HAYAKAWA. Mr. President, in the Wall Street Journal for May 2, 1978, there appears an editorial from the Asian edition of the Wall Street Jour-

nal, commenting on the enormous contrast between the unrest, the slaughter of innocents, as well as political opponents. The border clashes and continuing civil war, and the economic misery characterizing the Communist regimes of Vietnam and Cambodia contrast tragically with the steady rise of economic development, education and technology, and the growing political freedom in such free-enterprise nations as Thailand, Malaysia, Singapore, Taiwan, and South Korea.

Mr. President, I ask unanimous consent that this editorial be placed in the RECORD at this point.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

ASIA TODAY

Three years after the Communist conquest of Indochina, Asia is facing an irony. Today the victors in Vietnam and Cambodia are engaged in a vicious border war reminiscent of the fighting the world prayed had ended three years ago. And the regime in Phnom Penh is prosecuting its special form of genocide against its own people. But while this is going on, the non-Communist nations in Asia, enjoying greater peace and independence than at any time in decades, are participating in the world's economic recovery and looking forward to further gains.

There can be no joy for other nations, either in Asia or the West, in the pain the people of Vietnam and Cambodia are now suffering. Two recent reports from the border area—by Nayan Chanda of The Far Eastern Economic Review and Tiziano Terzani of Der Spiegel—attest eloquently to both the horror and the bitterness of the fighting there. In addition, the conflict in Indochina today holds real potential dangers for other Southeast Asian nations, particularly Thailand and Malaysia.

And behind the fighting, of course, loom the shadows of the world's two major Communist powers, China and Russia. China is backing Cambodia with arms and political support. Peking's moves appear to be largely defensive against a growing Russian presence in Vietnam. Moscow, however, seems to be not only supporting the Vietnamese, but egging them on in a conflict that is inevitably extending the suffering on both sides of the border and sapping Vietnam's ability to reconstruct its own war-ravaged economy. To the disappointment, if not the surprise, of the rest of the world, the Russians seem ever incapable of seizing the peace.

How sharply these events contrast with what is happening elsewhere in Asia! Thailand, Malaysia, Singapore, Indonesia, the Philippines, Hong Kong, Taiwan and South Korea have their problems, of course. Not all of them are entirely free countries, and they all face severe economic hurdles. But by and large their people are enjoying liberties only dreamed of by their brethren living under Communist rule. And, we believe partly as a result of their freedom, their economies are continuing to outperform those of the Communist nations. Indeed, these societies, by dint of hard work and an entrepreneurial spirit unencumbered by ideology, are recording startling economic growth and closing the gap with the West and Japan. And although some are more successful than others, it is an article of national policy in every one that their gains be shared by the poor as well as the rich.

At the same time, Asia's free-enterprise nations are forging a new partnership with the industrial powers of the West and Japan. Indeed, the end of America's involvement in Vietnam spelled anything but a Western retreat from the rest of Asia. As Saigon was falling to the Communists, U.S., European and Japanese banks were moving in with massively stepped-up support for Southeast Asia's biggest nation, Indonesia, during a time of economic crisis. In the past three years, South Korea, Taiwan, the Philippines, Indonesia, Singapore, Malaysia and Thailand have all launched bold new development projects in joint enterprises with Japanese and Western multinational firms. These schemes have often been accompanied by hard bargaining over who would receive how much of the profits. But in the end, agreements have been struck which both sides feel they can live with.

Too, Asian nations are increasingly looking to each other as important business partners. South Korea and Japan are already assessing the accommodations that will have to be made in the 1980s in view of Seoul's extraordinary strides toward industrialization. To the south, the five members of the Association of Southeast Asian Nations are working towards building an economic community that will link their economies in a meaningful and mutually beneficial way. These steps will take time, but the initiative is a significant one.

Increasingly self-confident, Asia's free-enterprise nations are shunning any role they might have had in the past as set pieces in a U.S. containment of China. In the past four years, Malaysia, the Philippines and Thailand have opened diplomatic relations with Peking. Indonesian officials are pondering unfreezing their diplomatic ties with China, and Singapore's prime minister, Lee Kuan Yew, has made an important journey there. Southeast Asian nations are also displaying an open-minded attitude toward Hanoi. Thailand, Malaysia and the Philippines have gone so far as to open diplomatic relations (Indonesia has had an inactive embassy in Hanoi), and others are at least exploring trade. Right now, some Southeast Asian nations probably have warmer relations with Peking and Hanoi than Hanoi and Peking have with each other.

China itself is embarking on one of the most important changes of the past three years. New leaders who rose to power following the deaths of Mao Tse-tung and Chou En-lai in 1976 are sensing a need for the nation to speed development if it is to achieve the egalitarian goals of its revolution. They are shedding some of the Maoist ideologies and charting a more pragmatic course, one that will be less scornful of an economic partnership with nations that don't necessarily share a common political system. Although still concerned over China's support of pesky Communist parties throughout the region, other Asian nations and those in the West are encouraged that, in the past three years, China seems more concerned with exporting useful goods rather than revolution.

So all-in-all it's an ironic peace that has been emerging during the past three years in Asia. It's a peace that offers tremendous opportunities for everyone with a stake in the region. But it is yet a fragile peace, and the ironies are something to think about—lest the victors in the Indochina war that ended on April 30, 1975, lock themselves out of the peace or—worse—turn it, with Russian help, into a tragedy for themselves and others.

CAREER INFORMATION FOR GRADUATING STUDENTS

Mr. STEVENS. Mr. President, every year the education and scholarship program of the Americanism and Children and Youth Division of the American Legion publishes an excellent booklet entitled, "Need a Lift?" The portion of the booklet which I think is of particular value to our Nation's graduating high school seniors deals with sources of career information. It is my belief that students are more likely to continue their education if they are informed about the various careers available to them.

This helpful publication is available for 50 cents from the American Legion, National Emblem Sales, Post Office Box 1055, Indianapolis, Ind. 46206.

Mr. President, I ask unanimous consent to have printed in the RECORD the list of sources of career information from the American Legion pamphlet.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

SOURCES OF CAREER INFORMATION

The National Association of Trade and Technical Schools, 2021 L Street, N.W., Washington, D.C. 20036, has available free upon request, an updated Directory of over 400 accredited trade and technical schools and the courses being offered. Schools are listed geographically with a career cross-reference.

The National Home Study Council, 1691–18th Street, N.W., Washington, D.C. 20009, will mail upon request, a directory of accredited private home study schools and the subjects offered by the schools.

The Association of Independent Colleges and Schools has many member schools who offer general work or service, and funded scholarships to eligible students—subject to the controls of the Association. Some member schools also offer work-study programs. For a list of the approximately 500 AICS schools and for further information, please write to the Guidance Department, Association of Independent Colleges and Schools, 1730 M Street, N.W., Washington, D.C. 20036.

State private school associations have been established in most states to provide information concerning schools, details of course offerings, schedules, tuition and fee payments. For further information and address of your state association, contact your school counselor.

Accounting Administration, Economics & Statistics, U.S. Department of Agriculture, Economic Management & Support Center, Personnel Division, Room 1459–S, 14th & Independence Ave., S.W., Washington, D.C. 20250.

Accounting, Amer. Inst. of Certified Public Acc'ts. Attn: Mrs. Beartice Sanders, 1211 Avenue of the Americas, New York, N.Y. 10036.

Accounting, Assoc. of Independent Colleges & Schools, 1730 M Street, N.W., Washington, D.C. 20036.

Accounts Receivable Clerk, Hospital Financial Management Assoc., 666 North Lake Shore Drive, Chicago, Illinois 60611.

Admitting Officer, Hospital Financial Management Assoc., 666 North Lake Shore Drive, Chicago, Illinois 60611.

Advertising, American Association of Advertising Agencies, 200 Park Avenue, New York, N.Y. 10017.

Advertising & Communications, Fashion Institute of Technology, 227 West 27th Street, New York, New York 10001.

Advertising Design, Fashion Institute of Technology, 227 West 27th Street, New York, New York 10001.

Aeronautical Technology, Academy of Aeronautics, LaGuardia Airport Station, Flushing, New York 11371.

Aerospace Engineering, American Institute of Aeronautics and Astronautics, Director of Students Programs, 1290 Avenue of the Americas, New York, New York 10019.

Agricultural Engineering, American Society of Agric. Eng., Box 410, St. Joseph, Mich. 49085.

Agricultural Management, Farmers Home Administration, U.S. Department of Agriculture, 14th & Independence Avenue, S.W., Washington, D.C. 20250.

Agriculture, Office of Personnel, U.S. Dept. of Agriculture, 14th & Independence Avenue, S.W., Washington, D.C. 20250.

Agricultural Marketing Service, U.S. Department of Agriculture, Personnel Division, Room 1726–S, 14th & Independence Avenue, S.W., Washington, D.C. 20250.

Agricultural Research Service, U.S. Department of Agriculture, Personnel Division, Room 560, Center Building, 1 Hyattsville, Maryland.

Agricultural Stabilization & Conservation Service, U.S. Department of Agriculture, Personnel Division, Room 4752 S, 14th & Independence Avenue, S.W., Washington, D.C. 20250.

Agronomy, The American Society of Agronomy, Inc., 677 South Segoe Road, Madison, Wisconsin 53711.

Air Conditioning, Refrigeration and Heating, Lincoln Technical Institute, Inc., 10 Rooney Circle, West Orange, New Jersey 07052.

Aircraft (A&P) Mechanic, Braniff Education Systems, Inc., P.O. Box 45174, Dallas, Texas 75245.

Air Transport Rating, Braniff Education Systems, Inc., P.O. Box 45174, Dallas, Texas 75245.

Animal Husbandry, National Association of Animal Breeders, Inc., 512 Cherry Street, P.O. Box 1033, Columbia, Missouri 65201.

Anthropology, American Anthropological Association, 1703 New Hampshire Avenue, N.W., Washington, D.C. 20009.

Apparel Industry, Fashion Institute of Technology, 227 West 27th Street, New York, New York 10001.

Appliance Service Technician, Association of Home Appliance Manufacturers, 20 North Wacker Drive, Chicago, Illinois 60606.

Appliance Service Technician, Practical Schools, 1650 Babbitt, Anaheim, California 92805.

Apprenticeship, Bureau of Apprenticeship and Training, U.S. Department of Labor, 601 D Street, N.W., Room 5000, Washington, D.C. 20213.

Archaeology, Society for American Archaeology, 1703 New Hampshire Avenue, N.W., Washington, DC 20009.

Architecture—

Careers: American Institute of Architects.

Schools: Association of Collegiate Schools of Architecture.

Registration: National Council of Architectural Registration Boards.

Junior Colleges: Association of Student Chapters/AIA.

Accreditation: National Architectural Accrediting Board, 1735 New York Avenue, N.W., Washington, DC 20006.

Astronomy, American Astronomical Society, 211 FitzRandolph Road, Princeton, New Jersey 08540.

Audiology, American Speech and Hearing Association, 9030 Old Georgetown Road, Washington, DC 20014.

Audit Clerk, Hospital Financial Management Association, 666 North Lake Shore Drive, Chicago, Illinois 60611.

Auto Mechanics, Lincoln Technical Institute, Inc., 10 Rooney Circle, West Orange, New Jersey 07052.

Automotive Engineering, Land, Air, Sea and Space, The Society of Automotive Engineers, Inc., 400 Commonwealth Drive, Warrendale, Pennsylvania 15086.

Avionics, Academy of Aeronautics, LaGuardia Airport Station, Flushing, New York 11371.

Bacteriology and Microbiology, American Society for Microbiology, 1913 I Street, N.W., Washington, DC 20006.

Baking Industry, American Bakers Association 2020 K Street, N.W., Washington, D.C. 20006.

Banking, the American Bankers Association, 1120 Connecticut Avenue, N.W., Washington, D.C. 20036.

Barber, National Association of Barber Schools, Inc., 338 Washington Avenue, Huntington, West Virginia 25701.

Barber, National Barber-Styling Career Center, 3839 White Plains Road, Bronx, New York 10467.

Body and Fender Repair, Lincoln Technical Institute, Inc., 10 Rooney Circle, West Orange, New Jersey 07052.

Bookkeeper, Hospital Financial Management Association, 666 North Lake Shore Drive, Chicago, Illinois 60611.

Boys' Clubs, Recruitment & Placement Service, Boys' Clubs of America, 771 First Avenue, New York, N.Y. 10017.

Bricklaying, Brick Institute of America, 1750 Old Meadow Road, McLean, Virginia 22101.

Business, National Business Career Center, 3839 White Plains Road, Bronx, New York 10467.

Business and Administration, American Assembly of Collegiate Schools of Business, 760 Office Parkway, Suite 50, St. Louis, Missouri 63141.

Business Office Manager, Hospital Financial Management Association, 666 North Lake Shore Drive, Chicago, Illinois 60611.

Business Schools, Assoc. of Independent Colleges and Schools, 1730 M Street, N.W., Washington, D.C. 20036.

Camp Fire Girls, Camp Fire Girls, Inc., 4601 Madison Avenue, Kansas City, Missouri 64112.

Carpentry, United Brotherhood of Carpenters and Joiners of America, 101 Constitution Avenue, N.W., Washington, D.C., 20001.

Cartography, American Congress on Surveying and Mapping, 210 Little Falls Street, Falls Church, Virginia 22046.

Central Air Conditioning and Heating, Practical Schools, 1650 Babbit, Anaheim, California 92805.

Chamber of Commerce Management, American Chamber of Commerce Executives, 1133 15th St., N.W., Suite 620, Washington, D.C. 20005.

Chemistry, American Chemical Society, Educational Activities Department, 1155 Sixteenth Street, N.W., Washington, D.C. 20036.

Chemistry, Community Relations, The B.F. Goodrich Company, 500 South Main Street, Akron, Ohio 44318.

Chiropractic, Foundation for Chiropractic Education and Research, 3209 Ingersoll, Des Moines, Iowa 50312.

Chiropractic, International Chiropractors Association Education Commission, 741 Brady Street, Davenport, Iowa 52808.

Church Occupations, National Council of the Churches of Christ in U.S.A., Professional Church Leadership, 475 Riverside Drive, Room 770, New York, N.Y. 10027.

Serra International, Catholic Priestly and Religious Vocations, 22 W. Monroe Street, Chicago, Illinois 60603.

Synagogue Council of America, 432 Park Ave., South, New York, N.Y. 10016.

Clerical, Assoc. of Independent Colleges and Schools, 1730 M Street, N.W., Washington, D.C. 20036.

Club Management, Club Managers Assn. of America, 7615 Winterberry Place, Washington, D.C. 20034.

Coal Industry, Education Division, National Coal Association, Coal Building, 1130 17th St., N.W., Washington, D.C. 20036.

Commercial Air Conditioning and Refrigeration, Practical Schools, 1650 Babbit, Anaheim, California 92805.

Commercial and Domestic Air Conditioning, Heating and Refrigeration, Education Dynamics Institute, 2635 North Decatur Boulevard, Las Vegas, Nevada 89108.

Community Organization, United Way of America, 801 North Fairfax Street, Alexandria, Virginia 22314.

Computer Programming, American Federation of Information Processing Societies, Inc., Headquarters, 210 Summit Avenue, Montvale, New Jersey 07645.

Computer Programming, Empire Technical Schools, Inc., 576 Central Avenue, East Orange, New Jersey 07018.

Computer Programming and Technology Control Data Institute—HQA02J, Corporate Headquarters, 8100 34th Avenue South, Box O, Minneapolis, Minnesota 55440.

Construction Opportunities, Associated General Contractors of America, Construction Education Division, 1957 E Street, N.W. Washington, D.C. 20006

Cosmetology, National Beauty Career Center, 3939 White Plains Road, Bronx, New York 10467.

Court Reporting, Lincoln Technical Institute, Inc., 10 Rooney Circle, West Orange, New Jersey 07052.

Crime and Delinquency, National Council on Crime and Delinquency, Continental Plaza, 411 Hackensack Avenue, Hackensack, New Jersey 07601.

Crop Science, Crop Science Society of America, Inc., 677 South Segoe Road, Madison, Wisconsin 53711.

Customer Engineering for Electric Typewriters, Empire Technical Schools, Inc., 576 Central Avenue, East Orange, New Jersey 07018.

Dairy Industry, Dairy Research, Inc., 6300 North River Road, Rosemont, Illinois 60018.

Data Processing, American Federation of Information, Processing Society, Inc., 210 Summit Avenue, Montvale, New Jersey 07645.

Demography, The Population Association of America, Inc., P.O. Box 14182, Benjamin Franklin Station, Washington, D.C. 20044.

Dental Assistans, American Dental Assistants Assn., 211 East Chicago Avenue, Suite 1230, Chicago, Illinois 60611.

Dental Hygiene, American Dental Hygienists' Assn., 211 East Chicago Ave., Suite 1616, Chicago, Illinois 60611.

Dental Laboratory Technology, National Association of Dental Laboratories, 3801 Mt. Vernon Avenue, Alexandria, Va. 22305.

Dentistry, American Association of Dental Schools, 1625 Massachusetts Ave., N.W., Washington, D.C. 20036.

Dentistry, Division of Career Guidance, Council on Dental Education, American Dental Association, 211 East Chicago Avenue, Chicago, Illinois 60611.

Diesel, Lincoln Technical Institute, Inc., 10 Rooney Circle, West Orange, New Jersey 07052.

Dietetics, The American Dietetic Association, 430 N. Michigan Ave., Chicago, Illinois 60611.

Display and Exhibit Design, Fashion Institute of Technology, 227 West 27th Street, New York 10001.

Domestic Refrigeration, Practical Schools, 1650 Babbitt, Anaheim, California 92805.

Draftsman, Public Relations Staff, 1–101, General Motors Corporation, Detroit, Michigan 48202.

Draftsman, Lincoln Technical Institute, Inc., 10 Rooney Circle, West Orange, New Jersey 07052.

Driving Occupations, American Trucking Associations, Inc., Educational Services, 1616 P Street NW., Washington, D.C. 20036.

Drycleaning and Laundry, The Registrar, International Fabricare Institute, P.O. Box 940, Joliet, Illinois 60434.

Ecology, Ecological Society of America, Department of Biology, Rutgers University, Camden, New Jersey 08102.

Electronic Data Processing, American Federation of Information Processing Societies, Inc., 210 Summit Avenue, Montvale, New Jersey 07645.

Electronic Data Processing Management, Hospital Financial Management Association, 666 North Lake Shore Drive, Chicago, Illinois 60611.

Electronics, Bell & Howell Schools, Administrative Offices, 209 West Jackson Boulevard, Chicago, Illinois 60641.

Electronics, Lincoln Technical Institute, Inc., 10 Rooney Circle, West Orange, New Jersey 07052.

Electronics, United Electronics Institute, Administrative Offices, 3947 Park Drive, Louisville, Kentucky 40216.

Electronics—TV and Sound Repair—C.B. Technicians, Practical Schools, 1650 Babbitt, Anaheim, California 92805.

Energy, American Gas Association, 1515 Wilson Boulevard, Arlington, Virginia 22209.

Engineering (Consulting), American Consulting Engineers Council, 1155 Fifteenth Street, N.W., Washington, D.C. 20005.

Engineering, Engineers' Council for Professional Development—Guidance, 345 East Forty-Seventh Street, New York, New York 10017.

Engineering, National Society of Professional Engineers, 2029 K Street, N.W., Washington, D.C. 20006.

Engineering, Public Relations Staff, 1–101, General Motors Corporation, Detroit, Michigan 48202.

English, Occupational Outlook Service, U.S. Department of Labor, 441 G Street NW., Room 2916, Washington, D.C. 20212.

Entomology, Entomological Society of America, 4603 Calvert Road, College Park, Maryland 20740.

Fashion Buying & Merchandising, Fashion Institute of Technology, 227 West 27th Street, New York, New York 10001.

Fashion Design, Fashion Institute of Technology, 227 West 27th Street, New York, New York 10001.

Fashion Illustration, Fashion Institute of Technology, 227 West 27th Street, New York, New York, 10001.

F.B.I., Federal Bureau of Investigation, Department of Justice, Washington, D.C. 20535.

Federal Civil Service Careers, Job Information Center, Washington Area Office, U.S. Civil Service Commission, Washington, D.C. 20415.

Fine Arts, Fashion Institute of Technology, 227 West 27th Street, New York, New York 10001.

Fire Protection Engineering, Society of Fire Protection Engineers, 60 Batterymarch Street, Boston, Massachusetts 02110.

Flight Engineer, Braniff Education Systems, Inc., P.O. Box 45174, Dallas, Texas 75245.

Floristry, Society of American Florists, 901 North Washington Street, Alexandria, Virgina 22314.

Food and Nutrition Service, Food and Nutrition Service, U.S. Department of Agriculture, Employment and Employee Relations Branch, Room 711 GHI, 14th & Independence Avenue, S.W., Washington, D.C. 20250.

Food Chain Retailing, National Assn. of Food Chains, 1725 Eye Street, N.W., Washington, D.C. 20006.

Food Inspection, Animal & Plant Health Inspection Service, U.S. Department of Agriculture, Personnel Division, Room 3434 South, 14th & Independence Avenue, S.W., Washington, D.C. 20250.

Food Service Careers, Natl. Institute for the Foodservice Industry, 120 S. Riverside Plaza, Chicago, Illinois 60606.

Food Service Management, Educational Institute of the Hotel, and Motel Association, Stephen S. Nisbet Building, 1407 South Harrison Road, Michigan State University, East Lansing, Michigan 48823.

Food Technology, Institute of Food Technologists, Scholarship Center, 221 North LaSalle Street, Chicago, Illinois 60601.

Foreign Agricultural Service, U.S. Department of Agriculture, Personnel Division, Room 5627-S, 14th & Independence Avenue, S.W., Washington, D.C. 20250.

Foreign Language, Occupational Outlook Service, U.S. Department of Labor 441 G Street N.W., Room 2916, Washington, D.C. 20212.

Foreign Service, Department of State, Board of Examiners, Washington, D.C. 20520.

Forester, Society of American Foresters, Wild Acres, 5400 Grosvenor Lane, Bethesda, Maryland 20014.

Forest Products, Wood Industry Careers Program, National Forest Products Assoc., 1619 Massachusetts Ave., N.W., Washington, D.C. 20036.

Forest Service, U.S. Department of Agriculture, Personnel Division, Room 910 RPE, 14th & Independence Avenue, S.W., Washington, D.C. 20250.

Funeral Directors, National Funeral Directors Association, 135 West Wells Street, Milwaukee, Wisconsin 53203.

Gemology, Gemological Institute of America, 1660 Stewart Street, Santa Monica, California 90406.

Geography, The Association of American, Geographers, 1710 Sixteenth Street, N.W., Washington, D.C. 20009.

Geological Sciences, American Geological Institute, 5205 Leesburg Pike, Falls Church, Virginia 22041.

Geophysics, American Geophysical Union, 1909 K Street, N.W., Lower Level, Washington, D.C. 20006.

Geophysics, Society of Exploration Geophysicists, P.O. Box 3098, Tulsa, Oklahoma 74101.

Girl Scouting, Girl Scouts of the U.S.A., Human Resources Department, 830 Third Avenue, New York, New York 10022.

Grain Inspection and Weighing, U.S. Department of Agriculture, Federal Grain Inspection Service, Personnel Division, 14th and Independence Avenue, S.W., Washington, D.C. 20250.

Health Fields, National Health Council, Inc., 1740 Broadway, New York, New York 10019.

Home Economics, American Home Economics Association, 2010 Massachusetts Avenue, N.W., Washington, D.C. 20036.

Horticulture, American Association of Nurserymen, 230 Southern Building, Washington, D.C. 20005 (send stamped, self-addressed envelope).

Hospital Accountant, Hospital Financial Management Association, 666 North Lake shore Drive, Chicago, Illinois 60611.

Hospital Administration, American College of Hospital Adm., 840 North Lake Shore Drive, Chicago, Illinois 60611.

Hospital Admitting Clerk, Hospital Financial Management Association, 666 North Lake Shore Drive, Chicago, Illinois 60911.

Hospital Controller, Hospital Financial Management Association, 666 North Lake Shore Drive, Chicago, Illinois 60611.

Hospital Financial Management, Hospital Financial Management Association, 666 North Lake Shore Drive, Chicago, Illinois 60611.

Hotel and Motel Administration, Educational Institute of the Hotel and Motel Association, Stephen S. Nisbet Building, 1407 South Harrison Road, Michigan State University, East Lansing, Michigan 48823.

Illuminating Engineering, Illuminating Engineering Society, 345 East 47th Street, New York, N.Y. 10017.

Insurance Clerk, Hospital Financial Management Association, 666 North Lake Shore Drive, Chicago, Illinois 60611.

Interior Design, Fashion Institute of Technology, 227 West 27th Street, New York, New York 10001.

Internal Revenue, Accounting, Law, Law Enforcement, Treasury Enforcement Agent: Contact local address listed in yellow pages of your telephone book.

Jewelry Design, Fashion Institute of Technology, 227 West 27th Street, New York, New York 10001.

Journalism, The Newspaper Fund, Inc., P.O. Box 300, Princeton, New Jersey 08540.

Journalism, The Society of Professional Journalists, Sigma Delta Chi, 35 East Wacker Drive, Chicago, Illinois 60601.

Landscape Architect, The American Society of Landscape Architects, 1750 Old Meadow Road, McLean, Virginia 22101 (Send label or self-addressed envelope).

Law, American Bar Association, Information Services, 1155 East 60th Street, Chicago, Illinois 60637.

Law Enforcement, Law Enforcement Assistance Administration, U.S. Department of Justice, Washington, D.C. 20531.

Law Librarian, American Association of Law Libraries, Secretary, 53 West Jackson Boulevard, Chicago, Illinois 60604.

Librarian, American Library Association, Office for Library Personnel Resources, 50 East Huron Street, Chicago, Illinois 60611.

Life & Health Insurance, American Council of Life Insurance, Education Services, 277 Park Avenue, New York, N.Y. 10017.

Loss Prevention/Security, Empire Technical Schools, Inc., 576 Central Avenue, East Orange, New Jersey 07018.

Machinists, National Machine Tool Builders Association, 7901 Westpark Drive, McLean, Virginia 22101.

Management, Assoc. of Independent Colleges & Schools, 1730 M Streets, N.W., Washington, D.C. 20036.

Manufacturing, Manufacturing Chemists Association, Education Activities Committee, 1825 Connecticut Avenue, N.W., Washington, D.C. 20009.

Marine Science and Technology, Marine Technology Society, 1730 M Street, N.W., Washington, D.C. 20036.

Marketing, Sales & Marketing Executives Int'l., Career Education Division, 380 Lexington Avenue, New York, N.Y. 10017.

Material Handling, The Material Handling Institute, Inc., 1326 Freeport Road, Pittsburgh, Pennsylvania 15238.

Mathematics, Occupational Outlook Service, U.S. Department of Labor, 441 G Street N.W., Room 2916, Washington, D.C. 20212.

Mathematics Teacher, National Council of Teachers of Mathematics, 1906 Association Drive, Reston, Virginia 22091.

Medical Laboratory:

Certified Laboratory Assistant, Medical Laboratory Technician, Medical Technologist, Histologic Technician, Cytotechnologist, Nuclear Medicine Technologist, Specialist in Blood Banking, Technologist in Chemistry, Technologist in Hematology, Technologist in Microbiology. ASCP Commission for Medical Laboratory Personnel, ASCP Board of Registry, P.O. Box 4872, Chicago, Illinois 60680.

Medical Record Administrator, American Med. Record Association, 875 N. Michigan Ave., Suite 1850, Chicago, Illinois 60611.

Medical Record Technician, American Med. Record Association, 875 N. Michigan Ave., Suite 1850, Chicago, Illinois 60611.

Medical Record Transcriptionist, American Medical Record Association, 875 N. Michigan Ave., Suite 1850. Chicago, Illinois 60611.

Medical Secretary/Transcription, Empire Technical Schools, Inc., 576 Central Avenue, East Orange, New Jersey 07018.

Medicine, American Medical Association, Careers, 535 N. Dearborn Street, Chicago, Illinois 60610.

Menswear Design and Marketing, Fashion Institute of Technology, 227 West 27th Street, New York, New York 10001.

Metallurgy, American Society of Metals, Metals Park, Ohio 44073.

Mortgage Banking, Mortgage Bankers Associations of America, 1125 Fifteenth Street, N.W., Washington, D.C., 20005.

Morticians, National Foundation of Funeral Services, 1600–1628 Central Street, Evanston, Illinois 60201.

Music, Music Educators National Conference, 1902 Association Drive, Reston. Virginia 22091.

Music Therapy, National Association for Music Therapy, Inc., P.O. Box 610, Lawrence, Kansas 66044.

National Park Service, Department of the Interior, Career Employment, National Park Service, Washington, D.C. 20240.

Naval Architecture and Marine Engineering, The Society of Naval Architects and Marine Engineers, 74 Trinity Place, New York, N.Y. 10006.

Nurse Anesthetist, American Assn. of Nurse Anesthetists, 111 E. Wacker Drive, Suite 929, Chicago, Illinois 60601.

Nursing, National League for Nursing, Inc., 10 Columbus Circle, New York, New York 10019.

Nursing-Practical, National Association for Practical Nurse Education and Service, Inc., 122 East 42nd Street, New York, New York 10017.

Nursing-Professional, American Nurses' Association, 2420 Pershing Road, Kansas City, Missouri 64108.

Occupational Therapy, American Occupational Therapy Assn. Inc., 6000 Executive Boulevard, Suite 200, Rockville, Maryland 20852.

Oceanography, Marine Technology Society, 1730 M Street, N.W., Washington, D.C. 20036.

Optometric Assistant/Technician, American Optometric Association, Paraoptometric Program, 7000 Chippewa, St. Louis, Missouri 63119.

Optometry, American Optometric Ass'n., Career Guidance, 7000 Chippewa St., St. Louis, Mo. 63119.

Osteopathic Medicine, American Osteopathic Ass'n., Office of Education, 212 E. Ohio St., Chicago, Ill. 60611.

Packinghouse Worker, Amalgamated Meat Cutters and Butcher Workmen of North America, 2800 North Sheridan Road, Chicago, Illinois 60657.

Paleontology, The Paleontological Society. Attn: Dr. Walter C. Sweet, Department of Geology, Ohio State University, 155 South Oval Drive, Columbus, Ohio 43201.

Paperhanging, United States School of Professional Paperhanging, 16 Chaplin Avenue, Rutland, Vermont 05701.

Paper Industry, American Paper Institute, 260 Madison Avenue, New York, New York 10016.

Park Police, Department of the Interior, National Park Service, National Capital Region, 1100 Ohio Drive, S.W., Washington, D.C. 20242.

Pathologist, Intersociety Committee on Pathology Information, 9650 Rockville Pike, Bethesda, Maryland 20014.

Pattern Making Technology, Fashion Institute of Technology, 227 West 27th Street, New York, New York 10001.

Payroll Clerk, Hospital Finance Management Association, 666 North Lake Shore Drive, Chicago, Illinois 60611.

Petroleum Engineering, Society of Petroleum Engineers of Aime, 6200 North Central Expressway, Dallas, Texas 75206.

Pharmacology, American Society for Pharmacology and Experimental Therapeutics, Inc., 9650 Rockville Pike, Bethesda, Maryland 20014.

Pharmacy, American Association of Colleges of Pharmacy, Office of Student Affairs, 4630 Montgomery Avenue, Suite 201, Bethesda, Maryland 20014.

Photography, Fashion Institute of Technology, 227 West 27th Street, New York, New York 10001.

Physical Therapist, American Physical Therapy Association, 1156 15th Street, N.W., Washington, D.C. 20005.

Physical Therapist's Assistant, American Physical Therapy Association, 1156 15th Street, N.W., Washington, D.C. 20005.

Physics, American Institute of Physics, 335 East 45th Street, New York, New York 10017.

Physiology, The American Physiological Society, 9650 Rockville Pike, Bethesda, Maryland 20014.

Plant Quarantine & Pest Control, Animal & Plant Health Inspection Service, U.S. Department of Agriculture, Personnel Division, Room 3434–S, 14th & Independence Avenue, S.W., Washington, D.C. 20250.

Plastering, National Plastering Industry's Joint Apprenticeship Trust Fund, 1000 Vermont Avenue, N.W., Washington, D.C. 20005.

Podiatry, American Podiatry Ass'n., 20 Chevy Chase Circle, N.W., Washington, D.C. 20015.

Powered Sports Equipment Repair, Practical Schools, 1650 Babbitt, Anaheim, California 92805.

Power System Engineering, University of Illinois, 112 Engineering Hall, Urbana, Illinois 61801.

Printing Industry, Education Council of the Graphic Arts, Inc., 4615 Forbes Ave., Pittsburgh, Pa. 15213.

Process Measurement & Control, Process Measurement & Control Section (SAMA), 370 Lexington Avenue, New York, New York 10017.

Professional Chefs and Cooks, The Culinary Institute of America, Placement Office, North Road, Hyde Park, N.Y. 12538.

Property and Liability Insurance, Insurance Information Institute, 110 William Street, New York, New York 10038.

Psychiatry, American Psychiatric Association, Joint Information Service, 1700 18th Street, N.W., Washington, D.C. 20009.

Psychology, American Psychological Ass'n., Education and Training, 1200-17th St., N.W., Washington, D.C. 20036.

Public Accounting, National Society of Public Accountants, 1717 Pennsylvania Avenue, N.W., Washington, D.C. 20006.

Public Health, Parklawn Personnel Office, Parklawn Building, 5600 Fishers Lane, Room 4-35, Rockville, Maryland 20852.

Public Relations, Public Relations Society of America, Career Information Service, 845 Third Ave., New York, N.Y. 10022.

Purchasing Management, National Association of Purchasing Management, Inc., 11 Park Place, New York, New York 10007.

Radio, National Assn. of Broadcasters, 1771 N Street, N.W., Washington, D.C. 20036.

Real Estate Principles and Practices, Education Dynamics Institute, 2635 North Decatur Boulevard, Las Vegas, Nevada 89108.

Recreation, National Recreation & Park Association, 1601 N. Kent Street, Arlington, Virginia 22209.

Reservations/Ticketing, Braniff Education Systems, P.O. Box 45174, Dallas, Texas 75245.

Respiratory Therapy, American Association for Respiratory Therapy, 7411 Hines Place, Dallas, Texas 75235.

Retail Meat Cutter, Amalgamated Meat Cutters and Butcher Workmen of North America, 2800 North Sheridan Road, Chicago, Illinois 60657.

Roadbuilding, American Road and Transportation Builders Association, 525 School Street, S.W., Washington, D.C. 20024.

Rubber Industry, Community Relations, The B.F. Goodrich Company, 500 South Main Street, Akron, Ohio 44318.

Rural Electrification, Rural Electrification Administration, U.S. Department of Agriculture, Personnel Division, Room 4072-S 14th & Independence Avenue, S.W., Washington, D.C. 20250.

Safety Professional, American Society of Safety Engineers, 850 Busse Highway, Park Ridge, Illinois 60068.

Sales and Marketing, Sales and Marketing, Executives-International, Career Education Division, 380 Lexington Avenue, New York, N.Y. 10017.

Science, Scientific Manpower Commission, 1776 Massachusetts Avenue, N.W., Washington, D.C. 20036.

Science, Occupational Outlook Service, U.S. Dept. of Labor, 441 G St., N.W., Room 2916, Washington, D.C. 20212.

Science Teaching, Nat'l. Science Teachers Ass'n., 1742 Connecticut Avenue, N.W., Washington, D.C. 20009.

Secretarial, Lincoln Technical Institute, Inc., 10 Rooney Circle, West Orange, New Jersey 07052.

Secretary, Assoc. of Independent Colleges & Schools, 1730 M Street, N.W., Washington, D.C. 20036.

Shorthand Reporting, National Shorthand Reporters Ass'n., 2361 South Jefferson Davis Highway, Arlington, Virginia 22202.

Social Science, Occupational Outlook Service, U.S. Department of Labor, 441 G Street, N.W., Room 2916, Washington, D.C. 20212.

Social Security Administration, College Relations Officer, Employment Branch, 6401 Security Boulevard, Baltimore, Maryland 21235.

Social Work, National Association of Social Workers, Social Work Career Information Service, 1425 H Street, N.W., Suite 600, Washington, D.C. 20005.

Soil Conservation, Soil Conservation Service, U.S. Department of Agriculture, Personnel Division, Room 6219, S. 14th & Independence Avenue, S.W., Washington, D.C. 20250.

Soil Science, Soil Science of America, Inc., 677 South Segoe Road, Madison, Wisconsin 53711.

Speech Communication, Speech Communication Association, 5205 Leesburg Pike, Falls Church, Virginia 22041.

Speech Pathology, American Speech and Hearing Association, 9030 Old Georgetown Road, Washington, D.C. 20014.

Statistics, American Statistical Assn., Suite 640, 806 15th St., N.W., Washington, D.C. 20005.

Student Research Participation, U.S. Energy Research and Development Administration, Oak Ridge Associated Universities, P.O. Box 117, Oak Ridge, Tennessee 37830.

Surveying, American Congress on Surveying and Mapping, 210 Little Falls Street, Falls Church, Virginia 22046.

Systems Analyst, Hospital Financial Management Association, 666 North Lake Shore Drive, Chicago, Illinois 60611.

Teaching Blind Children, Association for Education of the Visually Handicapped, 919 Walnut Street, 4th Floor, Philadelphia, Pennsylvania 19107.

Teaching Retarded Students, Nat'l. Assn. for Retarded Citizens, 2709 Avenue E East, P.O. Box 6109, Arlington, Texas 76011.

Television, National Assn. of Broadcasters, 1771 N Street, N.W., Washington, D.C. 20036.

Textile Design, Fashion Institute of Technology, 227 West 27th Street, New York, New York 10001.

Textile Technology, Fashion Institute of Technology, 227 West 27th Street, New York, New York 10001.

Tool and Die, Natl. Tool, Die & Precision, Machining Association, 9300 Livington Road, Washington, D.C. 20022.

Traffic Management, Academy of Advanced Traffic, Inc., One World Trade Center, Room 5457, New York, New York 10048.

Translators, American Translators Association, P. O. Box 129, Croton-on-Hudson, New York 10520.

Travel Agent, Braniff Education Systems, Inc., P.O. Box 45174, Dallas, Texas 75245.

Truck and Bus Mechanics, American Trucking Associations, Inc., Educational Services, 1616 P Street, N.W., Washington, D.C. 20036.

Trucking, American Trucking Associations, Inc., Educational Services, Supervisor Education Section, 1616 P Street, N.W., Washington, D.C. 20036.

Trucking Industry, American Trucking Associations, Inc., Educational Services, 1616 P Street, N.W., Washington, D.C. 20036.

United States Air Forces Academy, Director of Admissions Liaison, USAF Academy, Colorado 80840.

U.S. Air Force Careers, Educational Opportunities, Air Force Opportunities, Box A, Randolph AFB, Texas 78148.

U.S. Air Force Community College (CCAF) Air Force Opportunities, Box A, Randolph AFB, Texas 78148.

U.S. Air Force Nurse, Air Force Opportunities, Box A, Randolph AFB, Texas 78148.

U.S. Air Force ROTC, Air Force ROTC, Advisory Service, Maxwell AFB, Alabama 36112.

U.S. Department of the Army, Commander, U.S. Army Recruiting Command, Attn: USARCASP-D, Ft. Sheridan, Illinois 60037.

U.S. Army ROTC, DCSROTC, U.S. Army Training & Doctrine Command, Fort Monroe, Virginia 23651.

U.S. Army Woman's Army Corps, Commander, Attn: USARCASP-D, Ft. Sheridan, Illinois 60037.

United States Coast Guard Officer, United States Coast Guard Academy, Director of Admissions, New London, Connecticut 06320.

United States Marine Corps Officer, Headquarters, Marine Corps, (Code MRRE-3), Washington, D.C. 20380.

United States Merchant Marine Officer, Admissions Officer, U.S.M.M. Academy, Kings Point, N.Y. 11024.

United States Military Academy, Director of Admissions, United States Military Academy, West Point, N.Y. 10996.

United States Navy Officer, Commander Navy Recruiting Command, Department of the Navy, 4015 Wilson Boulevard, Arlington, Virginia 22203, NROTC (Code 314).

Navy Nurse (Code 315).

Officer Candidate School (Code 312).

Enlisted Programs (Code 33).

Veterans Administration, Personnel Office of any VA Hospital or Regional Office, or Veterans Administration, Office of Personnel (054), Washington, D.C. 20420.

Veterinarian, American Veterinary Medical Association, 930 North Meacham Road, Schaumburg, Illinois 60196.

Veterinarian, Animal & Plant Health Inspection Service, U.S. Department of Agriculture, Personnel Division, Room 3434-S, 14th & Independence Avenue, S.W., Washington, DC 20250.

Vocational Rehabilitation Counseling, National Rehabilitation Counseling Association, 1522 K Street, N.W., Suite 1110, Washington, D.C 20005.

Watch Repairing, American Watchmakers Institute, Box 11011, Cincinnati, Ohio 45211.

Welding, American Society, 2501 N.W. 7th St., Miami, Florida 33125.

Welding and Welding Technology, Hobart School of Welding Technology, Trade Square East, Troy, Ohio 45373.

Youth Services, Boy Scouts of America, Professional Recruiting, North Brunswick, New Jersey 08902.

CHALLENGES TO HUMAN RIGHTS IN CHILE

Mr. KENNEDY. Mr. President, while encouraged by some recent events in Chile, we cannot afford to close our eyes to the serious human rights problems which remain in that country.

In 1973, U.S. policy failed to differentiate between democracy in Chile—which has prevailed for 168 years—and the dictatorship and repression which took its place. The Nixon administration had relentlessly opposed the democratically elected socialist government of Salvador Allende, acquiesced in its brutal overthrow, and supported the military Junta of General Pinochet.

In 1978, 5 years later, there are tentative signs of liberalization in Chile, and the United States and the international community must redouble their efforts to encourage an end to repression and a return to democratic rule. We have a solid base to build upon:

The widespread public revulsion to the mass jailings, tortures, executions, and dismantling of democracy in Chile after 1973;

Our response in the Congress, terminating military assistance and supply to Chile in 1976;

The personal commitment of President Carter, beginning with the Presidential campaign, to restoration of human rights and democracy in Chile; and

The concrete actions of the Carter administration, including joining in U.N. censure of the Chilean junta's human rights violations, receiving democratic opposition leaders Eduardo Frei and Clodomiro Almeyda, opposing multilateral aid which could shore up the junta, investigating the 1976 assassination of Orlando Letelier and his associate Roni Moffitt, and Ambassador Landau's constructive efforts in Santiago.

With international pressure has come growing opposition within Chile to military rule. I welcome indications of growing cooperation among all the democratic parties of Chile, and I note significant elements within the armed forces which favor the return of democracy.

At the grassroots level, Christian democrats, popular unity supporters, and Democratic independents work together on behalf of the "disappeared" political prisoners and for the restoration of trade union rights and university autonomy. There is movement toward a grand consensus in Chile—a belief shared by the political parties, labor, and student movement, the church, and thousands of Chilean democrats that human rights, freedom, and democracy can and will return to Chile.

Of course, General Pinochet can be expected to try to deflect these foreign and domestic pressures. This was evident when he lifted the state of siege and abolished the dreaded DINA (National Intelligence Directorate)—only to establish the CNI (Center for National Intelligence) in its place and to continue to rule by executive decree. The secret police remains virtually intact; so do the government's powers of arrest and imprisonment without due process.

Another example of Pinochet's tactics came last January, when he called a "referendum" to reject U.N. condemnations—only to cite the 75 percent favorable results from a terrorized electorate as proof of support for continuation of his military rule for at least another 10 years.

More welcome developments are Pinochet's announcement that 12 Christian democratic leaders exiled to the interior in January are now free to return to their homes, and more importantly his decision to release all political prisoners from jail and declare an amnesty. But only 224 persons are expected to be affected by the amnesty, in contrast to 1,800 political prisoners estimated by Amnesty International to be presently held or unaccounted for in Chile. According to Chilean church estimates, up to 1 million Chileans have fled their country since the military coup. The much applauded recent amnesty still requires those eligible to apply through the Ministry of Interior and to sign a pledge not to engage in politcal activity.

If the Government of Chile wishes to be believed, let it invite impartial organizations such as Amnesty International and the OAS Human Rights Commission to investigate directly whether or not political prisoners continue to be held incommunicado in that country.

Let it document that the alleged common crimes were more than a coverup for political retribution against the hundreds, possibly thousands of prisoners and detainees not covered by this amnesty.

Pinochet promised U.S. Secretary General Waldheim that he would explain what happened to the "disappeared" polictical prisoners whose brave relatives entered the Santiago office of the United Nations last June and pleaded to know what happened to their husbands, brothers, and children. Let us see him carry through on that promise, and explain why 1,500 other political prisoners remain unaccounted for.

The resignation of Gen. Manuel Contreras Sepulveda last month and the extradition of Michael Vernon Townley to the United States are also important developments. Contreras was a key aide and political intimate of Pinochet, and served as head of DINA, when former Ambassador, Foreign, and Defense Minister Orlando Letelier was murdered in September 1976 in Washington. Townley is suspected, along with the Chilean Armando Fernandez Larios, of having entered the United States under an alias, with official Chilean passports, and having conspired in Letelier's assassination on orders from DINA.

The administration should be commended for its insistence on pursuing the murderers of Letelier, over the prolonged resistance of the Pinochet regime. Regardless of who is involved, we cannot tolerate political assassination in Washington—or contribute to it in other parts of the world.

Let the investigation not rest until Townley and Fernandez tell what they know and until the obligations of justice are discharged to Letelier and Moffitt.

Let Pinochet accept responsibility for the illegal activities of his secret police, in the United States, and elsewhere, and call an immediate halt to such activities.

A front-page Washington Post story of Monday, April 17, misleadingly entitled "Chile Takes Steps to Liberalize Rule," spotlights some of the steps General Pinochet is taking to improve his

image and to distract world and internal public opinion for the continued repression of his regime. Contrary to the headline, I would like to quote two paragraphs from the heart of the story that remind—and caution—all of us of the continuing framework of repression in which the "liberalization" is to be seen:

While substantive reforms have been either announced or carried out, much of the repressive state apparatus remains. The lifting of the state of siege theoretically gives civilian courts greater power to scrutinize repressive police and military activities and ends the government's right to banish critics.

A state of emergency remains in force, however, allowing the government to hold anyone for up to five days without charge. Union elections, strikes and collective bargaining are still forbidden.

Political parties are still outlawed and a Chilean caught handing out pamphlets criticizing the government still faces arrest and stiff sentences "under national security."

In fact when we look at the "liberalization" and "concessions" of the Pinochet, what do we find?

A general amnesty which is not general at all. There is no mention of the "disappeared" political prisoners who remain unaccounted for; no mention of the thousands who are in political exile, who must apply on an individual basis to return and who must sign a pledge not to engage in political activity.

A lifting of the state of siege and its replacement by a new state of emergency which now allows Pinochet to arrest anyone without a warrant for up to 5 days. No Pinochet decree prevented prolonged detention and torture before. What reason is there to suppose it will be different now?

A so-called lifting of the curfew which, nonetheless, prohibits the circulation of any motorized vehicles during curfew hours.

A promise of a further plebiscite for Pinochet's "authoritarian democracy," when political party and labor union rights are still proscribed.

Whatever their substantive worth turns out to be, it appears clear that General Pinochet is making concessions designed not to shorten, but to prolong his authoritarian rule. International pressure and the large-scale internal movement for a return to genuine democracy have forced Pinochet to maneuver, but not to abandon his refusal to permit a return to civilian rule at least until 1988.

Against all this, the friends of Chile face the question of what more can they do to further the course of human rights and democracy in that unhappy country. Three levels of effort are vital:

First, continued international pressure, in which other countries join the United States in denying military aid and supply to Chile, as well as denying economic assistance which supports the regime instead of serving the people. This pressure, including moral and political support of the democratic forces in Chile, will yield increasing results as it already has begun to in recent months. In this connection, I am disturbed by the administration's recent approval of $38 million in Commodity Credit Corporation credits for Chile. Although these CCC credits finance nongovernmental wheat sales, it would have been much wiser for the United States to loan this much money on the basis of substantial human rights movement in Chile.

I am now consulting with the administration to insure that this action will not be misunderstood, or repeated in the absence of further progress. Let us not lose this opportunity to make a critical difference in the lives of the Chilean people—and to demonstrate that the United States can be an effective force for human rights in Latin America.

Second, denial of back-door economic support, for example, the private loans of hundreds of millions of dollars to Chile by leading U.S. banks—undercutting the suspension of official assistance—especially Bankers Trust, Chemical Bank, Citicorp, First Chicago, Morgan Guaranty, and Wells Fargo.

This shocking banking behavior was recently documented by Isabel Letelier and Michael Moffitt of the Transnational Institute—and should be stopped by the Congress if it is not ended voluntarily by the banks. I will cosponsor legislation to require full bank disclosure of all loans to countries, including Chile, where our foreign aid has been cut off for human rights reasons.

Third, denial of back-door military and technological support, such as supply of military equipment to Chile under spurious civilian labels or through third countries, or supply of computers which can be used by the Chilean police apparatus.

Cynthia Arnson and Michael Klare, of the Institute of Policy Studies, have documented the continuing delivery of U.S. military equipment to Chile, including aircraft engines, transport planes, naval search radars, and high-explosive artillery shells, in violation of the spirit if not the letter of military cutoff provisions of the Arms Export Control Act of 1976. As a sponsor of this provision, I will pursue effective action by the administration and the Congress to put a stop to back-door military and technological support of Chile.

I request unanimous consent that a report on the Letelier investigation by John Dinges, the study of bank loans to Chile by Isabel Letelier and Michael Moffitt, and the study of arms supply by Cynthia Arnson and Michael Klare, be inserted at this point into the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

PINOCHET AGAINST THE WALL IN LETELIER INVESTIGATION

(By John Dinges)

SANTIAGO.—The search by U.S. investigators for those who planned and paid for the Washington, D.C., car-bomb assassination of Chilean exile leader Orlando Letelier has after one-and-a-half years finally narrowed down to Santiago, the Chilean secret police and President Augusto Pinochet.

The spotlight was turned on the Pinochet government in mid-February when the U.S. State Department made a blunt request that Chile produce two of its officials for questioning, then revealed the contents of the diplomatic notes to the press, along with some of the evidence linking the two men to the 1976 assassination.

The disclosures gave journalists here enough leads to begin digging, and even the pro-Pinochet daily El Mercurio filled its front pages with incriminating revelations encircling Pinochet tighter and tighter in his own Watergate scandal.

So far the mysterious actors involved in the complicated "Chilean connection" include a young secret police officer described by his neighbors as "a good boy," an American citizen with a record for right-wing commando operations against the previous leftist government and a Foreign Ministry official who issued official passports under false name to undercover agents then died of a bullet wound a year later under suspicious circumstances.

The Pinochet government said it would cooperate with the investigation, but officials at the Foreign Ministry and the Diego Portales presidential headquarters were obviously squirming on the horns of a dilemma: if they should cooperate too effectively the evidence made available to U.S. investigators would almost certainly incriminate secret police at the highest level and perhaps reveal participation of General Pinochet himself; if they tried to stonewall—block the investigation with an impenetrable series of denials—the government risked an official diplomatic break with the United States and the prospect of setting off a chain reaction of diplomatic breaks and sanctions with key European trading partners.

FIRST STEPS

The U.S. government at first disclosed only that it wanted two men interrogated on the Letelier case according to a sealed list of questions sent to Chile. The men were identified as Juan Williams Rose, 28, and Alejandro Romeral Jara, 26, both military officers who allegedly visited the United States in 1976 about a month before Letelier died when a remote-control bomb blew up his car on September 21, a short distance from the Chilean embassy in Washington, D.C.

One of the two men—who other investigators have said are agents of the Chilean secret police known at the time as DINA—allegedly met with "one of the persons believed to be responsible for the murders," a covering letter accompanying the U.S. request added.

It was not the first time that the Pinochet regime has been accused of involvement in Letelier's murder, but this time the judge and prosecutor in the case are from a U.S. District Court—the same Washington, D.C., court that pursued the Watergate break-in from burglary to the forced resignation of Richard Nixon.

The procedure, called "letters rogatory," is common in country-to-country criminal prosecutions, but was extremely unusual in the Letelier case because the persons asked to be interrogated were alleged to be government officials. The Washington Post, which broke the story February 22, citing diplomatic sources in Washington, said "the request could be seen as a clear indication that the investiagtors believe persons high in the Chilean government had advance knowledge of the Letelier assassination plan."

After announcing it would cooperate, the government began to drag its feet and U.S. government officials in Santiago and Washington began to prod with the carefully-timed release of new information and leaks.

The Chilean Army, Navy and Air Force disclaimed having Williams and Romeral on active or past duty lists. The government added that the names were not in the secret police either, or anywhere in the national

registry. "Civilly, they don't exist," the spokesman said, but he admitted "they might have been using other names."

OFFICIAL PASSPORTS

Th U.S. Embassy usually tight-lipped about matters involving diplomatic exchanges with the Chilean government disclosed that on Aug. 17, 1976, the Foreign Ministry had sent a letter on Romeral's and Williams' behalf requesting visas for them to the United States. Because the two men were sponsored by the Chilean government and had official passposts, no other identification was required, and the U.S. Consulate issued A-2 visas, which are reserved for officials traveling on government business.

The Foreign Ministry when asked about the passports, refused to comment.

A few days later pictures of the two men named as Williams and Romeral were released to the Washington Star and reprinted March 4 by El Mercurio. An El Mercurio staff person recognized the picture of Juan Williams as that of an American living in Chile named Michael Townley, whom the staffer had seen in Santiago just a few weeks before.

Townley's picture was printed alongside the Williams' picture and seemed identical. Persons who know Townley described him as an adventurer who bragged about his involvement in right-wing subversion against the government of Pres. Salvador Allende in 1972 and 1973. He is also an expert in radio and electronics equipment. He told an acquaintance, who talked to LP, that he had carried out a raid on an electric substation in 1973 and operated a clandestine radio from his car during an October 1972 national strike against Allende.

El Mercurio emphasized in its front page report that Townley is a U.S. citizen suspected of links with the CIA and not a member of the Chilean Armed Forces.

The government admitted the passports might have been issued and recommended that the Supreme Court initiate a special investigation of the "passport irregularities."

The second picture had also been recognized but Chilean journalists who had the information did not dare publish it. Reason: Army officers had leaked to them that the man named as Romeral was really Capt. Armando Fernandez Larios, whose present assignment was to the Maipu School of Intelligence of the National Information Center—Chile's dreaded secret police.

As a result, Fernandez name was first published in the Washington Post, then picked up from wire service stories and printed in Chile. El Mercurio said it had confirmed the information with a "reader" and printed a military academy picture of Fernandez alongside the picture identified as Romeral. Again, the similarity between the two pictures was unmistakable. Reporters who went to Fernandez' family home were told by neighbors that Captain Fernandez was a "good boy."

The government has remained aloof, but time is running out in which it must explain to the U.S. some thorny questions: who were the men to whom the two passports were issued, and what higher government official or department requested passports for them; what happened to the passports after the men returned to Chile (Chilean law requires that passports be retained at the point of entry and returned to the Foreign Ministry); what was their "official" mission to the United States in August 1976 a few weeks before Letelier was killed.

THE KEY WITNESS

One of the persons who could have answered many of those key questions, or give the names of other officials who had the answers, was Guillermo Osorio, the Foreign Ministry's director of consular affairs in 1976. U.S. officials disclosed that Osorio signed the letter to the U.S. Consulate asking that visas be extended to Romeral and Williams. He also presumably signed the passports.

But Osorio is dead, an alleged suicide victim.

At the time of Osorio's death, Oct. 22, 1977, Santiago newspapers said he died of a heart attack, but Foreign Ministry colleagues and Santiago diplomats were told the death was suicide.

The death is still under investigation, however, and Osorio's relatives have told reporters they are suspicious because of the mysterious circumstances surrounding the death and the investigation. Osorio was a successful diplomat who had recently been informed of an impending appointment to an ambassador's post and was not noticeably depressed in the days before the alleged suicide. The relatives also point out that Osorio was in the company of two high Army officers a few hours before he died. The death occurred in Osorio's bedroom in his home about 3:30 p.m.

After he died, the relatives said, two high officials came back to the home to supervise the handling of the body, and one of the officers requested that the autopsy—an automatic requirement according to Chilean law for violent deaths—be omitted.

Other sources said the officers were Gen. Manuel Contreras, former head of the secret police, General Forestier, head of the joint chiefs of staff and Gen. Enrique Valdes Puga (then a colonel), the undersecretary of Foreign Relations and number two man in the Foreign Ministry. All three officers are known to represent the hardest right-wing line in the military and the government. Contreras, who headed the Directorate of National Intelligence at the time of the Leterlier assassination, was named by U.S. columnist Jack Anderson as the man who masterminded the killing.

FOLLOWING THE CLUES

Anderson's column, based on sources in the investigation, was the first hint that the United States investigators had firm evidence—names and dates—about the trips by DINA agents to the U.S. in 1976, presumably to plan the murder. The column was published in September 1977 about a month before Osorio's death.

The Letelier case, from the investigative reporter's point of view, is best described using the allegory of the blind man and the elephant: depending on which part of the vast beast one's hand is guided to touch, the key to the mystery could be the U.S. Central Intelligence Agency, the anti-Castro Cuban exiles trained and financed by the CIA for many years and now seeking support from anticommunist government such as Chile, the Chilean Army or the Chilean DINA apparatus, known to conduct a network of international anti-exile operations.

So far the key break in the investigation seems to have been the CIA contacts with the Cuban-exile community in Miami, Florida. The Cuban operatives have told the CIA, according to Washington investigators, that a Cuban terrorist team was hired by the Chilean DINA in early 1976 to assassinate Letelier and that a remote control bomb was placed under Letelier's car and detonated by a radio device as he and two companions were driving to work September 21.

The Cubans' leads allowed the FBI to trace the DINA contact agents back to Santiago, and a search of consulate visa applications produced the evidence proving the two men had official passports and were traveling as official government agents.

The evidence released by the United States so far links the assassination plot firmly to the Chilean government, the only question remaining is how high did approval for the Letelier operation go.

WHAT WAS THE MOTIVE?

But the mystery is far from explained. One of the knottiest questions for an observer of the Chilean scene since the Junta came to power is the motive for killing Letelier. True, he was the only Chilean exile leader with ready access to the incoming Carter administration and had been influential in stopping millions of dollars in credits to Chile.

But the spectacular rush-hour bombing on a busy Washington, D.C. thoroughfare a few hundred yards from the Chilean embassy using remote control detonating equipment pointed the finger almost too obviously at Pinochet. The damage already caused to the Pinochet government by Letelier's death in dashing all possibility for a rapprochement with Carter seems to far outweigh the damage Letelier was doing as an exile gadfly.

ANOTHER MYSTERY

Why has the United States waited so long to make its move linking the assassination officially to the Chilean government? It was learned here that the records search at the U.S. Consulate took place almost a year ago. The names and the official link to the government were either learned or confirmed in that operation, yet not disclosed until last month.

Instead, FBI investigators or persons with access to the investigation leaked to the press the content of Letelier's briefcase retrieved from the bombed car. The resulting stories by conservative U.S. columnists created an image of Letelier as a paid Cuban or Russian agent because of letters mentioning regular payment of funds to him from Cuba.

Since many of the key figures in the worldwide Chilean exile organization have their headquarters in Cuba and enjoy the public support of Castro, it was hardly unusual for Letelier to be receiving funds from Chileans in Cuba. But the stories served to distract attention from the Chilean connection and create a plausible motive for anti-Castro Cubans to want Letelier dead.

The briefcase phase of the investigation had all the earmarks of coverup and—more seriously—collusion in the coverup from well-placed U.S. intelligence officials.

Peruvian Hunger Strikers Curtail Demands

LIMA.—Up to a hundred persons are still holding out in their demand to the Peruvian government for reinstatement in their former jobs as they continue a hunger strike, now in its seventh week.

Presently the government is only willing to lift charges against the strikers—accused of trying to take their own lives—and to review their cases individually in the Ministry of Labor.

In a critical state of health, the strikers—some of whom have lost 40 pounds—decided to take no liquids as of March 15 if their demands, now reduced to the rehiring of all those on the hunger strike, are not met by that time. "We will go out of here alive to our jobs or go out dead," one of the strikers said.

Between January 28 and February 7, strikers occupied a number of church buildings, but within two weeks they were all arrested and taken to a police hospital or barracks. Their original demands were:

The reinstatement of over 4,000 workers fired last July under a decree law promulgated in response to a national work halt;

The dropping of charges against labor union leaders;

And general political amnesty for political prisoners, exiles, and deportees (*Cf. LP, Feb. 16, 1978.*)

Human Rights, Economic Aid and Private Banks: The Case of Chile

(By Isabel Letelier and Michael Moffitt)

Private U.S. banks have lent almost a billion dollars to prop up the Chilean economy at the very time U.S. government and multilateral loans to Chile were stopped because of continuing human rights violations. Chil-

ean repression could continue only because the Chilean government did not need to depend upon U.S. government or international lending agencies for economic assistance.

Private multinational banks have, in effect, been financing the Pinochet dictatorship since 1976. While most governments have reduced or eliminated economic and military assistance to Chile because of the junta's human rights violations, the tremendous increase in private bank loans has made it possible for the junta to ignore international criticism and still have access to unlimited financial resources. Thus the lending operations of private multinational banks based in North America and Western Europe have directly circumvented the stated official policies of Chile's major creditors.

Most governments have reduced or eliminated assistance to Chile because of the junta's massive human rights violations. The Chilean junta has managed to ignore these pressures because private multinational banks were simultaneously funneling loans to Chile at unprecedented rates. These private bank loans have now far surpassed public assistance as Chile's major source of external financing. Utilizing new and previously unpublished data, we have demonstrated that the massive inflow of private bank loans since 1975 has made it possible for the junta to thumb its nose at the international human rights campaign and still receive massive inflows of resources from abroad. In 1977, when "human rights" became the new watch-word of U.S. foreign policy, more American dollars flowed to the Chilean government than ever before. There has been remarkably little discussion of the conflicts between the officially stated human rights policies of the U.S. government and the behavior of private U.S.-based corporations and banks. In June 1977, Pinochet rejected $27.5 million in U.S. economic assistance which the State Department temporarily held up to obtain human rights concessions, because he was confident that private banks would ultimately provide the loans.

In 1976, when the U.S. Congress put a $27.5 million ceiling on future assistance to Chile, private bank loans to Chile increased more than 500 percent over the previous year to $520 million.

Total private loans skyrocketed again to $858 million in 1977.

In 1978, borrowing from private foreign sources will reach nearly $1 billion.

U.S. private banks have provided $927 million of the approximately $1.5 billion of Chile's total private borrowing since 1973.

By 1978, private creditors will account for over 90 percent of Chile's total borrowing.

Clearly, in the case of Chile, there is a direct conflict between the freedom of private enterprise and the international efforts to restore the human rights to a country which enjoyed them for so long. It is a fact that in mid-1976, at a time when the human rights movement was becoming most effective in reducing the flow of resources to the junta, private banks began to loan on a large scale to the Chilean government—which gave the junta a green light to go on violating human rights. Freed from international pressure, Pinochet has acted with impunity attempting to solidify and enhance his rule. While exercising all of the traditional levers which governments and international organizations have used effectively to influence the human rights situation in Chile, it has become necessary to broaden and deepen worldwide awareness of the unseemly flow of private dollars to finance the Chilean dictatorship with the same vigor.

TABLE II

SELECTED PRIVATE MULTINATIONAL BANK LOANS TO CHILEAN GOVERNMENT SINCE 1974 (IN MILLIONS OF U.S. DOLLARS)

Date, amount, government agency, and leader of bank group:

April, 1975, $53.= (bonds), CORFO (Development Corp), Salomon Brothers (U.S.).

May, 1976, $125.00, Central Bank, Bankers Trust Co. (U.S.).

June, 1976, $5.0, Central Bank, First Wisconsin (U.S.).

October, 1976, $25.0, ECA (agriculture), Libra Bank (U.K.).

December, 1976, $21.0, Central Bank, Sudamerikanish (Federal Republic of Germany).

January, 1977, $10.0, CORFO, Morgan Guaranty Trust (U.S.).

February, 1977, $10.0, Min. Obras Pub. (Transportation), Banque Nationale de Paris (France).

March, 1977, $41.0, CORFO, Various sources.

March, 1977, $10.0, CORFO, Morgan Guaranty Trust (U.S.).

March, 1977, $10.0, CORFO, Bank of Nova Scotia (Canada).

April, 1977, $55.0, CAP (steel), Bankers Trust Co. (U.S.).

April, 1977, $21.0, Central Bank, Deutschbank (FRG).

April, 1977, $30.0, ECA, Citibank (U.S.).

May, 1977, $10.0, CORFO, Bank of Nova Scotia (Canada).

May, 1977, $2.0, NA, Manufacturers Hanover Trust (U.S.).

June, 1977, $75.0, Central Bank, First Chicago (U.S.).

June, 1977, $42.0, ENAP, Various sources.

June, 1977, $12.0, D. G. Metro, Banque Nationale de Paris (France).

June, 1977, $100.0, CODELCO (copper), Chemical Bank (U.S.).

July, 1977, $5.0, CORFO, Marine Midland (U.S.).

August, 1977, $3.0, Lan Chile (airline), Bank of America (U.S.).

September, 1977, $2.5, CAP, First Inter-American Corp.

September, 1977, $42.0, ENAP (petroleum), Citicorp (U.S.).

December, 1977, $12.0, Disputado de las Condes (copper), Anthony Gibbs Bank (U.K.).

January, 1978, $125.0, Central Bank, Wells Fargo Bank (U.S.).

April, 1978, $210.0, Central Bank, Morgan Guaranty Trust.

(Loans made in currencies other than U.S. dollars were converted to dollars at exchange rates prevailing at the time of transaction.)

U.S. STEEL EQUIPS CHILE'S MILITARY—DESPITE EMBARGO

(By Cynthia Arnson and Michael Klare)

One and a half years after Congress passed a comprehensive embargo on military sales to Chile, that country's armed forces are still receiving U.S. arms, ammunition, and military equipment. Recent deliveries of U.S. goods have included aircraft engines, transport planes, naval search radars, and high-explosive artillery shells. These items are reaching the junta with the foreknowledge, consent, and cooperation of U.S. officials charged with implementing the Congressional ban. In certain "grey areas" where the law does not specifically exclude U.S. exports, government and industry officials have gone out of their way to facilitate the delivery of military hardware to the Chilean forces, including the police Despite all that has been said about promoting human rights abroad, the Carter Administration has failed to take action to halt the continuing flow of military goods to one of the hemisphere's most brutal dictatorships.

When Congress voted an extended ban on arms deliveries to Chile in 1976, following reports of the widespread arrest, torture, and disappearance of opponents of the Pinochet regime, it obviously intended the embargo to be all-inclusive. Section 406 of the Arms Export Control Act of 1976 stipulates that:

(1) No military or security supporting assistance and no military education and training may be furnished under the Foreign Assistance Act of 1961 for Chile; and no credits (including participation in credits) may be extended and no loan may be guaranteed under the Arms Export Control Act with respect to Chile. No delivery of any such assistance, credits, or guaranties may be made to Chile on or after the date of enactment of this section.

(2) No sales (including cash sales) may be made and no export license issued under the Arms Export Control Act with respect to Chile on or after the date of enactment of this section.

This provision would seem to suggest that on June 30, 1976—the date of enactment of Section 406—Chile became ineligible for all forms of U.S. military aid and sales. In practice, however, this has not been the case. Chile received over $57 million worth of U.S. arms in 1977, and will probably receive a comparable amount in 1978.

In attempting to find an explanation of these deliveries in light of the 1976 ban, human rights advocates have discovered that Section 406 did not cover all military transfers to Chile, and that U.S. officials have used a variety of loopholes to ensure a continued flow of military hardware to that nation's armed forces.

Consider: in September, 1977, nine months after Jimmy Carter entered the White House and fifteen months after the passage of Section 406, the Department of Defense awarded a contract to the Chamberlain Manufacturing Company of Elmhurst, Illinois, for production of metal parts for artillery cartridges. The cartridges are to be filled with high explosive plastic, and will ultimately be used as ammunition for 106 mm. recoilless rifles ordered by Chile in 1974. Guns of this sort, according to the authoritative Jane's Infantry Weapons, can be used "for both anti-tank and anti-personnel roles."

When asked to explain this apparently illegal sale, Pentagon officials came up with the following story . . .

In 1974, at the same time that it purchased $35.8 million worth of recoilless rifles, Chile placed an order of $47.5 million for ammunition. Because of a bureaucratic logjam, however, the Pentagon did not invite bids from contractors until two years later, in late 1976. Not until September, 1977, was an actual contract awarded.

Since the original agreement with Chile was signed in 1974, long before Congress passed a comprehensive ban on Chilean arms purchases, the 1977 contract with Chamberlain did not violate the law. True, the three year delay did seem a bit excessive, but hardly unusual in a business where long "lead times" between order and delivery are common. The particular ammunition involved, we were told, is composed of six or seven parts, each of which has to be contracted for separately. Months of negotiations over prices and specifications take place between the Pentagon, the State Department, private companies, and the Chilean Embassy.

The Chamberlain order, we discovered, represents but a tiny fraction of the backlog of "pipeline" items that are stil being delivered to Chile. Any weapon or other product ordered and paid for by Chile prior to June 30, 1976, is considered to be "in the pipeline," and thus exempt from the ban. According to Defense Department documents, that backlog once stood at $120 million, and included such items as A–37 and F–5 aircraft, rifles, explosives, police gear and spare parts.

The original Senate version of Section 406 included a ban on the delivery of all such pipeline items to Chile. No such provision was passed in the House, however, and the pipeline cut-off did not survive the House-Senate conference. Nonetheless, all arms agreements between the United States and other nations stipulate that Washington can cancel any deal when it is in the "national interest" to do so. Pipeline items to Ethiopia, for example, have been cut off on this

basis, but the Carter Administration has refused to take such action in the case of Chile.

Indeed, the Pentagon just asked Congress to approve funds for the deployment of a six-man "Defense Field Office" in Santiago, ostensibly to facilitate the delivery of outstanding pipeline equipment. Although these officers are forbidden by statute from providing anything but technical advice, their presence in Chile has obvious political implications. In the words of one high-ranking Pentagon official, "We want the Chileans to realize that they are our friends and allies; we want to preclude a Peruvian-type situation where they start buying arms from the Russians." Apparently, the Administration places greater emphasis on maintaining close relations with the Chilean military than it does on carrying out any of its promises to disassociate the United States from human rights violators abroad.

Although the flow of pipeline items will presumably end when all pre-1976 orders have been filled, no such cut-off is in sight for another arms conduit to Chile—the sale of "grey area" equipment via the Commerce Department.

"Grey area" items are products which have a civilian as well as military use but are not considered front-line munitions. Examples are military transport planes, air traffic control equipment, sporting guns, and some police gear. Although such hardware can play an important role in military and police operations—particularly in an underdeveloped country like Chile—they are not on the U.S. Munitions List and are thus licensed by the Commerce, not the State Department. Because Section 406 of the Arms Export Control Act refers only to sales of items on the Munitions Control List, Chile is eligible to receive a wide range of military-capable hardware through normal commercial channels.

Evidence of grey area sales is difficult to collect, largely because the Commerce Department refuses to divulge "propriety" information on private sales abroad. Research suggests, however, that the Chilean military is receiving substantial quantities of U.S. hardware through such channels.

In 1976, for instance, the Carabineros, Chile's paramilitary police force, received four "Metro-II" transport planes from Swearingen Aviation Corporation of San Antonio, Texas. According to Jane's All the World's Aircraft, the Metro is an all-weather, pressurized airliner powered by two Garrett-AiResearch TPE-331 turboprop engines. It can carry up to 20 passengers, or an equivalent amount of cargo. Since turboprop aircraft of this type are not on the Munitions Control List, they do not fall under the 1976 embargo, even though they could be used to transport troops, or conceivably, political prisoners.

The junta has received other U.S. aircraft through commercial channels. According to DMS Incorporated, a private marketing service, the Chilean Air Force received two Beech Model-90 King Air executive-type transports in 1976. Powered by two Pratt and Whitney of Canada turboprop engines, the King Air can carry 8–15 passengers.

In some cases, "commercial" hardware is reaching the Chilean military through other countries which use American components in domestically-produced military systems. Brazil, for instance, has sold ten T-25 "Universal" trainer aircraft to the Chilean Air Force, and eight more are on order. Produced in Sao Paulo by the Sociedade Construtora Aeronautica Neiva Ltd., the "Universal" is powered by a U.S. Avco-Lycoming 10-540 piston engine. Under U.S. law, such "third country" sales of military equipment that incorporate American components are subject to the same constraints applying to direct U.S. military exports; since, however, piston engines like the 10-540 are not on the Munitions List, no action was taken to halt the T-25 sale to Chile.

The decision as to whether a given piece of equipment is civilian or military is made jointly by the State Department and the Pentagon, under a process known as Commodity Jurisdiction. In certain instances involving the "third-country transfer" of U.S. equipment to Chile, government officials have actively advised private companies on how to get an item off the Munitions Control List. Using extremely narrow—and definitive—criteria in assigning military designations to certain equipment, the Carter Administration has actually facilitated the delivery of gray area items to Santiago.

In 1976, for example, the Cutler-Hammer Company of Deer Park, Long Island, asked the State Department's Office of Munitions Control (OMC) for permission to sell six AN/APS-128 Sea Patrol Airborne Search Radar to a Brazilian firm, for installation on aircraft destined for Chile. The AN/APS-128 is an advanced search radar capable, according to Jane's All the World's Aircraft, "of detecting a fishing trawler at more than 50 nautical miles distance in rough seas." According to government documents, the radar was to be installed in EMB-111M "Bandeirante" patrol planes being produced by Embraer (Empresa Brasileira de Aeronautica) for the Chilean Navy. The planes are to be used, according to Jane's for "sonar searches, shipping surveillance, anti-smuggling patrol, and transport of cargo and personnel."

Since the AN/APS-128 was self evidently a military item (the "AN" prefix is a standard Pentagon designation for military electronics), the State Department rules that its delivery to Embraer for Chile-bound aircraft was not permissible. Rather than allow this decision to stand by itself, however, the OMC began to consult with the Department of Defense and Cutler-Hammer on how a "civilianized" radar could be developed that would escape the ban on military transfers. After some tinkering with the AN/APS-128's circuits, Cutler-Hammer came up with a "new" radar that no longer qualified as a "military" item.

Based on the Pentagon's determination, the State Department ruled in early 1977 that the new radar (still called the AN/APS-128 in Embraer literature) was not a Munitions List item and that there was no legal impediment to its use on Chile-bound aircraft. "Subsequently," the State Department reported in a letter to Congressman Tom Harkin, "the manufacturer made application with the Department of Commerce to export the radar under the provision of the Export Administration Act of 1969. In April, 1977, a license was issued with our concurrence in support of an essentially commercial transaction."

U.S. officials knew from the beginning that the ultimate end-user of the Cutler-Hammer radars shipped to Brazil would be the Chilean Navy. They also knew what was forbidden in the Arms Export Control Act regarding Chile, and what technical manipulations needed to be made in the radar to make the sale comply with the precise letter of the law. The government rather than halting the radar sale, chose to volunteer its help in enabling Cutler-Hammer to circumvent what Congress surely intended as a complete and unconditional ban on arms deliveries to Chile.

Such a predisposition in Chile's favor is also evident in the sale of computers. In April, 1975, for instance, the Commerce Department issued a license for the sale of an IBM Model-370/145 computer to the University of Chile in Santiago, which was then, as now, under direct military control. Many refugees have charged that the DINA—Chile's notorious secret police—was using the University's computer center to process data on political suspects, and even to select victims for torture and assassination.

But even if there existed the officials will to curb certain exports to Chile, there is little, if any, indication that such a policy would take hold with private U.S. companies. Referring to the Chile cut-off, one international representative of an aircraft firm stated, ". . . we're competing in a world-wide market—we're all fighting for the same piece of business—and we're being hamstrung by our own government, which is absolutely destroying our capacity to sell. We're losing South America at a furious rate." Another international marketing representative commented, ". . . it doesn't make any difference to us who we're selling to; we don't get involved in political decisions."

This attitude, coupled with the lack of resolve on the part of government officials to implement what Congress intended to be an all-inclusive ban on military sales to Chile, suggests a continued flow of military goods to the repressive Pinochet regime. If the Carter Administration's human rights policy is to be taken seriously, there must be not only stricter enforcement of existing sanctions against Chile, but further Congressional action to close all loopholes allowing the delivery of "grey area" items to the Chilean military.

Mr. KENNEDY. Finally, Mr. President, I just want to give assurance to the other Members of the Senate of my continuing commitment to follow this issue closely and do all that I possibly can, as a Member of the Senate, to exercise the influence of Congress and to urge the administration take steps to bring about the restoration of democracy in Chile.

Of all the countries of the world, perhaps the United States bears more of a responsibility for the loss of democracy in Chile, the tragic series of events in that country, because of our constant meddling and our constant interference in the affairs of that nation.

We saw a series of actions taken by the United States, both in military assistance and economic assistance, to help establish a regime that was really based upon terrorism and torture.

Many democratic leaders of that country, who had long association with the United States, who were strong allies and friends of the American people, were summarily thrown into jail and subjected to the cruelest kinds of torture that have been known to mankind.

I must say that ultimately, after three attempts by the Senate of the United States to terminate the military assistance program, we were able to get, as a matter of Administration policy, an ending of military assistance to Chile. Much of the aid and assistance that we were providing in the immediate period prior to the breakdown of democratic institutions was used by the Pinochet regime against people who had been longtime friends, allies and supporters of the United States and of the American people, and whose only crime had been in believing and sharing in the same fundamental principles as did the American people.

All of us remember the debates on the floor of the Senate when it was argued that we should not interfere in the inter-

nal affairs of that country, and the argument was being put forward that if we did terminate military assistance we were interfering in its internal affairs.

As I stated at that time, and as I state again this evening, that is really putting the cart before the horse. It was clear that our military assistance would be used against the citizens of Chile, and that we were very much involved in perpetuating a regime that had turned its back on the democratic processes and on the rights and liberties of its people.

The economic assistance tragically continues which, in so many instances, is being used to perpetuate in power those particular forces and those particular interests which we state are alien to our own traditions and our own basic and fundamental principles.

But those of us—and I think I speak for the majority of the Senate—who overwhelmingly supported the termination of military assistance, and certainly those in the Senate who want to terminate the economic assistance which is used not to improve the lives of the people of Chile but to perpetuate repression, are going to exercise every bit of influence we can to see that such support is terminated.

We are heartened by the strong statements of the President of the United States, and we are heartened by the steps that have been taken to indicate to the Pinochet regime our abhorrence of its violation of basic human rights and liberties.

We are encouraged by the steps that have been taken. But let us take meaningful steps, Mr. President. Let us not see partial steps that are not used to bring about a restoration of democracy or restoration of human rights and human liberties in that country, but are only used to keep the baying dogs away from the door.

Let us not get ourselves in the position where we become effusive in our praise of those partial steps—the fundamental purposes of which are not to bring the restoration of democracy but to halt or delay the day when the restoration of democracy will be the inevitable destiny of a proud people, who have experienced 168 years of democracy, and whose record in terms of commitment to democracy in the hemisphere is virtually unparalleled.

So, Mr. President, I welcome the opportunity to make these few remarks here this evening to indicate to our friends who continue to be denied their human rights, and who stay in jails many miles from where we are this evening, that their cause is not forgotten; that it still is the cause of those of us who are committed to the restoration of democracy; and to say to our friends, who are the real patriots of Chile, who continue to speak out and to familiarize the American people with the continued injustices in Chile, that we salute those individuals, those brave people, including Mrs. Letelier and Mr. Moffitt. We pledge to them and to the millions of freedom-loving people in Chile that we will all work toward the restoration of democracy in that proud country.

THE APRIL SPURT IN INFLATION

Mr. PROXMIRE. Mr. President, the Bureau of Labor Statistics reported today that we have had the worst inflation this past month, in April, that we have had at any time in 3½ years in wholesale prices of finished goods, which we have had testimony before the Joint Economic Committee is probably the best index we have of inflation, certainly on the wholesale price level. The level rose by 1.3 percent in April. That means that in the past 3 months we have had an increase at an annual rate, therefore, of 12 percent in wholesale prices. These are likely to be reflected in consumer prices in the near future.

I would hope that the Members of Congress will become as sensitive about this as the members of the general public are becoming, and will understand the tremendous threat that inflation carries for this country in many respects.

I raise this point tonight, Mr. President, because just this morning, in the Banking Committee, we marked up the housing bill, and amendment after amendment was accepted, increasing the cost of that housing proposal far above both the President's program and the budget resolution. As a matter of fact, one amendment alone would increase obligational authority between $10 billion and $15 billion. I hope when that bill comes to the floor, the Senate will consider the fact that we are living in an extraordinarily inflationary period, and that while we would like to have that housing—and I for one certainly would—nevertheless we have to make choices, and this program as reported would "bust the budget" in a very substantial way.

I ask unanimous consent to have printed in the RECORD an article entitled "April Price Spurt Biggest In 3½ Years," written by Lance Gay and published in today's Washington Star.

There being no objection, the article was ordered to be printed in the RECORD as follows:

[From the Washington Star, May 4, 1978]

APRIL PRICE SPURT BIGGEST IN 3½ YEARS

(By Lance Gay)

The Labor Department today reported a 1.3 percent increase in wholesale prices last month, the largest increase in more than 3½ years.

Adding to the Carter administration's concerns about inflation, wholesale food prices soared 1.9 percent in April—an increase shoppers could eventually encounter on supermarket shelves.

The 1.3 percent increase in the Producer Price Index compared with a 0.6 percent increase in March and a 1.1 percent rise in February. Since April 1977 wholesale prices have risen 7 percent.

If the April acceleration were to continue, it would mean a 15.6 percent increase in wholesale prices over a year—more than double the administration's 6.75 to 7 percent projection for inflation this year. But government economists are counting on volatile food prices to turn down later this year, moderating the pace of inflation.

The government said that last month's acceleration was due to price increases for consumer foods and durable goods, especially jewelry. About three-tenths of the increase resulted from greater jewelry costs, which the government said reflected the increased price of gold.

In the category of finished goods—those processed and ready to be sold to retailers—prices advanced for consumer foods 1.9 percent last month. This was more than the 0.8 percent increase recorded in March, but less than the 2.9 percent rise in February.

Prices rose for fresh and dried fruits and vegetables, dairy products and miscellaneous processed foods. Prices for beef, veal, processed fruits and vegetables also continued to increase, but at a lesser rate than in March, while prices for milled rice and refined vegetable oil turned down.

Among durable goods, prices rose 2.8 percent in April following a 0.6 percent advance in March. This was due to the increases in jewelry, but prices also gained for passenger cars, floor coverings, household furniture and appliances.

Costs for non-durable goods rose 0.4 percent—about the same as the advances in that category since October. The largest increases last month came in leather and rubber footware, tires and tubes, sanitary papers and health products. But, following two months of declines, prices for gasoline and home heating oil turned up last month.

In the category of intermediate materials—materials that have been partially processed—prices rose 0.5 percent. This was much less than the 0.8 percent advance in March and the 0.9 percent increase in February and January.

The deceleration in this category was attributed to a modest increase in prices for foods and feeds, with the government reporting a marked reversal in prices for animal feeds. On the other hand, prices of flour and confectionary materials rose much more from March to April than they did in the entire first quarter of the year.

The index for intermediate materials excluding foodstuffs increased 0.5 percent—about the same as the March increase but less than increases reported in February and January. Prices increased more than in March for steel mill products, foundry and forge shop materials, motor vehicle parts, paper and cement.

After declining in March, higher prices were registered for asphalt roofing, gypsum products, mixed fertilizers, industry chemicals and diesel fuel. On the other hand, prices declined for liquefied petroleum gas, coke, electric power, nonferrous mill shapes and glass containers.

In the category of crude materials—those products entering the wholesale market—the index rose 2.5 percent. This was more than the 1.6 percent reported in March for crude materials but less than the 3.2 percent advance in February.

Prices for crude food and feed advanced 3.7 percent, almost twice as much as the 1.8 percent boost in March. Prices for grains and fresh and dried fruits and vegetables rose much more than in the previous month, and live poultry and raw sugar prices turned up following March decreases.

But the price of oilseeds and cattle rose less than in March, and fluid milk and hog prices turned down. For the fourth consecutive month, green coffee prices declined.

Among non-food crude items, raw cotton prices declined after three successive months of increases, and wastepaper prices fell for the third consecutive month. Prices for hides and skins decreased while prices for nonferrous and ferrous scrap rose.

The April increase put the producer price index at 191.4, meaning that goods costing $100 in the base statistical year of 1967 now cost $191.40.

NAZI MINDSET SHOWS NEED FOR GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, although it has been several weeks since "Holocaust" was aired on television, I feel that several of the points raised in that show were of such importance as to merit repetition. Genocide is not an easy crime to visualize, and the death of six million people is really beyond most people's comprehension.

The antisemitic hysteria which swept Germany during the Hitler era is one of the most compelling arguments in behalf of the Genocide Convention. The Nazi leadership directed all of its hostility at a minority group within the country, a hostility which grew so intense that the Nazis started on a program of systematic extermination of the Jewish race. Six million Jews were exterminated in history's most horrifying example of genocide.

Even the insinuation that a person was of Jewish descent was treated with the gravest of seriousness by the Nazis. In the film itself, Dorf, a Nazi officer, had to go to great pains to defend himself from the charge that he may have had some Jewish blood. As did many Germans, he had to undergo rigorous background investigations. A person with Jewish blood was in grave danger of losing his life.

There were in fact indications during the film that Dorf had indeed been related to a Jew. And certainly in his youth he had been friends with Jews, as his family had long been friends with the Weisses, the principal Jewish family in the film.

But as a Nazi officer, Dorf became one of the main agents in the holocaust itself. At one point, he even raised his own gun and shot down several Jews during an execution. A man who had had no real bitterness toward the Jews prior to Hitler's rise to power became caught up in the mindset of the Nazi rhetoric, a mindset which called for the extermination of the Jewish race.

The Genocide Convention was drafted in the hope of keeping such a mindset from ever again carrying outs its genocidal policies. It would make the destruction, in whole or in part, of a racial, national, religious, or ethnic group a crime under international law. I applaud the intent of this treaty, and I am ashamed that even though President Truman signed the treaty in 1948, the Senate has yet to ratify it. Every President since Truman has pleaded with the Senate to ratify the convention, the support for this treaty has been bipartisan. I urge the Senate to ratify the Genocide Convention as soon as possible.

ORDER FOR RECESS FROM CLOSE OF BUSINESS TOMORROW UNTIL 10 A.M. ON MONDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business tomorrow, it stand in recess until the hour of 10 o'clock a.m. on Monday.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene tomorrow at 10 o'clock a.m. by unanimous consent. After the two leaders or their designees have been recognized under the standing order, the Senate will proceed to the consideration of H.R. 130, Calendar Order No. 670, which is referred to as the petroleum marketing bill. There is a time limitation on that bill. On tomorrow, only titles I and II will be considered; no amendment to title III will be in order.

At no later than 12:30 p.m. tomorrow, the bill (H.R. 130) will be laid aside until Tuesday, May 9. There will be rollcall votes on amendments to H.R. 130 during the morning, but once it is laid aside no later than 12:30 p.m., the Senate will then take up Senate Resolution 219, Calendar Order No. 682, the senior intern bill.

At the time the Senate goes on that bill, Mr. CURTIS will be recognized to call up an amendment. There is a time limitation on the Curtis amendment of not to exceed 30 minutes, and under the order there will be a vote up or down on the Curtis amendment, so I am sure that will be a rollcall vote.

There is another amendment specified in the order, that being Mr. ALLEN's amendment. At no later than 2:30 p.m. tomorrow the Senate will vote on Senate Resolution 219, so I see prospects for two or three or more rollcall votes tomorrow.

The Senate will not be in session late tomorrow.

RECESS UNTIL 10 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in recess until 10 o'clock tomorrow morning.

The motion was agreed to; and at 5:38 p.m. the Senate recessed until tomorrow, Friday, May 5, 1978, at 10 a.m.

CONFIRMATION

Executive nomination confirmed by the Senate May 4, 1978:

DEPARTMENT OF ENERGY

Robert D. Thorne, of California, to be an Assistant Secretary of Energy (Energy Technology).

The above nomination was approved subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

EXTENSIONS OF REMARKS

WISCONSIN SUPPORT FOR THE BOUNDARY WATERS WILDERNESS ACT

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1978

● Mr. FRASER. Mr. Speaker, despite the wealth of lakes located in Wisconsin's beautiful northwoods, approximately 10,000 Wisconsin residents travel to the wilderness lakes of the Boundary Waters Canoe Area each year. Wisconsin visitors constitute 7 percent of all BWCA users; more than 70 percent of these visitors choose to explore the BWCA by paddling a canoe, hiking, snowshoeing, or cross-country skiing. That so many people from Wisconsin come to the BWCA to seek a nonmotorized wilderness experience is testimony to the unique appeal of the area: It is the Nation's only lake-land canoe wilderness.

Legislation that would enhance the wilderness protection afforded the BWCA while respecting the economic needs of northern Minnesotans has been developed by my colleagues PHIL BURTON and BRUCE VENTO. The Burton-Vento bill, H.R. 12250, was reported from the House Interior Committee on April 10. It could reach the floor within the next few weeks.

The March 30 edition of the Milwaukee Journal contained an editorial endorsement of the Burton-Vento bill which reflects the substantial stake Wisconsin residents, as well as countless other Americans, have in the future of the Boundary Waters Canoe Area. I commend the article to my colleagues' attention:

PRESERVING A SPLENDID WILDERNESS

At long last, legislation to preserve Minnesota's superb Boundary Waters Canoe Area (BWCA) appears to be emerging from the legislative wilderness. A compromise bill, which seems acceptable, is expected to be considered and then endorsed by a House Interior Subcommittee next week.

The boundary waters area is immense—a million acres of wilderness lakes and forests along the Minnesota-Canadian border. It is the second largest unit in the National Wilderness Preservation System. It contains the largest virgin forests remaining in the eastern half of the United States.

Yet, despite its nominal wilderness status, the BWCA remains plagued by conflicts. Portions have been logged, off and on, for 75 years (there now is a temporary moratorium on cutting). Powerboat use has marred the tranquility of some of its mirror lakes. Resumption of snowmobiling, now banned, threatens its winter peace. Mining interests eye the land.

The compromise, proposed by Reps. Bruce Vento (D-Minn.) and Phillip Burton (D-Calif.), should guard this national treasure against such intrusion while offering fair, new opportunities for commerce and motorized recreation in the huge Superior National Forest outside the wilderness boundaries.

Specifically, the Vento-Burton compromise would maintain existing wilderness boundaries, with some minor additions. It would set up a national recreation area outside

the BWCA for logging and motorized recreation. It would ban logging and mining in wilderness portions.

Powerboating would be allowed on 13 lakes around the edge of the wilderness, but not in it—with the exception of two lakes on which motor use would be phased out by 1984. To compensate logging companies for loss of BWCA timber, they would be allowed to harvest timber outside the area.

It is a reasonable compromise. After the expected subcommittee approval, it faces rough rapids in the full House Interior Committee and on the House floor. It deserves to weather both tests, intact.●

VOLUNTEER ACTIVIST AWARD PRESENTED

HON. CLAUDE PEPPER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1978

● Mr. PEPPER. Mr. Speaker, I want to call the attention of my colleagues to a notable event that recently took place here in Washington. A few days ago, in a ceremony at the headquarters of the Organization of American States, the National Volunteer Activist Award was presented to the Marion County, Fla., Task Force on Child Abuse. The award is given by the Germaine Monteil Foundation, through the National Center on Voluntary Action.

As we are now beginning to recognize, child abuse has long been one of the most sadly ignored problems in our communities. Fortunately, that is no longer the case in Marion County, Fla. Many dedicated and concerned people from all over the county, under the fine leadership of Mrs. Lois Graw of Ocala, have put together the Marion County Task Force on Child Abuse, with the objective of bringing this scourge out of the closet and seeking to conquer both its causes and its tragic effects.

Last November, the task force sponsored a conference on child abuse. The support and participation was overwhelming—over 300 persons had to be turned away. Participants included over 400 representatives from the Florida State Department of Health and Rehabilitative Services, the Marion County Health Department, the County Mental Health Association, Central Florida Community College, "Vision", and numerous other civic and professional groups. I was privileged to address the conference, and I was considerably impressed with the tremendous concern from throughout the community.

The Marion County Task Force on Child Abuse—one of the first of its kind—is helping to set a model for other communities throughout Florida and around the country. I am enormously proud of the work they are doing, and I can think of no more deserving recipient of the National Volunteer Activist Award. I offer my sincerest commendations to Mrs. Graw and the many other committed people on the Task Force. Their devotion and their continuing efforts are helping to ensure that no Marion County child will ever again be the victim of torture, neglect, and brutality.●

THE 75TH ANNIVERSARY OF TUNA CANNING INDUSTRY

HON. LES AuCOIN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1978

● Mr. AuCOIN. Mr. Chairman, the year 1978 marks the 75th anniversary of the tuna canning industry in the United States and I feel it is timely to pay more than passing note of this event since many of my constituents depend upon this industry for their livelihood.

Although the industry traces the early days of its founding to southern California, I am reminded by one of the Northwest's food processing pioneers, John S. McGowan, vice president of Castle & Cooke Foods, and president of Bumble Bee Seafoods, a division of Castle & Cooke, Inc., that major developments in the industry also can be attributed to the endeavors of Oregonians.

It is a matter of record that Bumble Bee was launched in 1899 when seven canneries, operating at the mouth of the Columbia River, joined forces as the Columbia River Packers Association. Their target was the chinook salmon, for years a favorite food of Pacific Northwest Indian tribes living along the great river and a commodity which the Hudson's Bay Co. had shipped to England and Australia in large wooden barrels preserved with salt.

For 30 years the Columbia River Packers Association knew only success with no marketing problems until the Depression of 1929. Until then the firm had never gone out aggressively to sell its pack, preferring to sit back and wait for customers to come in.

As the depression deepened, the Columbia River Packers Association found its warehouses overflowing, so management transferred a young man named Thomas F. Sandoz from his production job to the marketing division with sales as his primary goal.

Sandoz, with 8 years sales experience before joining Columbia River Packers in 1928, became the first man in the firm ever to call on customers. He startled his bosses by selling 17 carloads in the East, all for cash, and he also began building a better relationship with the trade.

Made sales manager in 1938, Sandoz sold most of each year's pack before it ever went into cans, yet Columbia's growth was pretty much limited unless it could find something else for its people to market.

That "something else" as it turned out, was swimming right off the Oregon coast, less than a day's sail from the cannery at Astoria. It was albacore, the prized white-meat of the tuna family, and its 1938 "discovery" by salmon fishermen who had gone beyond their usual limit, revolutionized Columbia River Packers' operations.

Albacore were out there in tremendous schools. Tuna, unlike salmon, are unique because of their abundance and widespread distribution in the world's oceans.

They also are high-speed travelers. Tuna tagged off Baja, Calif., have been found, 175 days later, at Midway Island, halfway acros the Pacific. The fast fish are also extremely sensitive to water temperature, constantly racing through the ocean to follow the changing warm surface currents.

Now that they had been found in large numbers off the Oregon Coast, Columbia River packers wanted to capitalize on this doorstep discovery.

Within a year, in 1939, Columbia River packers opened the first tuna cannery in the Northwest, adjacent to its salmon facility at Astoria. Acceptance of the new product under the Bumble Bee label was immediate. Since that time, the tuna canning industry has grown to become the single largest U.S. fisheries industry with canneries in Oregon contributing to the total U.S. tuna pack which in this diamond jubilee year, will amount to over 30 million cases worth more than $850 million.

Today, the canned tuna industry has an estimated $1 billion impact on the Nation's economy and employs over 30,000 persons directly with additional thousands in related industries. The product is found in more than 30 percent of all American homes. It is firmly established in the American diet because it is recognized as a delicious, economic and convenient source of complete protein and essential vitamins and minerals.

The State of Oregon takes its place among this country's leaders in the production of food and other agricultural products, with nearly half the State, or about 30 million acres, thickly forested and leading the Nation in the production of forest products. Oregon is also a leader in the production of berries, pears, cherries, filberts, walnuts and vegetables, with a total of nearly 30,000 farms, many of them worked by the same family for over a century. It is a further tribute to our great state and her people to be among the three States responsible for the major contributions to the great success of the tuna canning industry over the past 75 years.●

THE 116TH ANNIVERSARY OF CINCO DE MAYO

HON. JOHN G. FARY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1978

● Mr. FARY. Mr. Speaker, on Friday, millions of Mexicans and Mexican Americans will celebrate the 116th anniversary of one of Mexico's greatest triumphs—the Battle of Cinco de Mayo, where on May 5, 1862, patriotic Mexican forces exhibited their love of freedom by repelling the invading French force of Napoleon III, thus striking a resounding blow for the cause of Mexican independence.

Collapse of the Mexican economy in 1861 led to the suspension of Mexican payments on debts to several foreign nations, including France, England, and

Spain. Protesting this suspension of payments, the creditor countries established a triple alliance and sent a combined land and naval force to Vera Cruz, Mex., demanding settlement of the debts in question. The English share of the force consisted of 700 marines and the Spanish share only 300 since those nations were interested only in a perfunctory display of force in support of their demands. But the French Government had something else in mind, a fact made evident by the landing of 4,500 troops at Vera Cruz in January of 1862.

When President Juarez of Mexico announced to the representatives of the triple alliance that he would recognize only the claims of the holders of bonds that had been adjusted by formal conventions, the Spanish and English representatives recognized the rights of Mexico and called off their troops. Only the French failed to come to an agreement and revealed their true colonialist intentions by invading the country, heading straight for the capital city. On the way, they were joined by Mexican forces hostile to the democratic government of President Juarez.

On May 5, 1862, the French invaders attacked the Mexican defensive emplacements at Pueblo. Three times the French infantry swept forward and three times fell back, maimed and battered by Mexican shot and shell. When the French swung about, heading for Guadalupe, word was sent to the defenders of Guadalupe to hold fast and they complied. Once again repulsed, the French retired in confusion and the battle was over. Mexico had triumphed.

The battle of El Cinco de Mayo was not conclusive in and of itself. Reinforcements were mustered in France and dispatched to Mexico. The French invaded again and this time captured Mexico City, driving out the Juarez government and placing the Austrian Archduke Maximilian as Emperor of Mexico.

But delay in obtaining this result, stemming from Mexican success in the battle of El Cinco de Mayo, made this adventure long and expensive for the French. Napoleon's hopes for gaining important commercial advantages fell before the weight of European public opinion, now admiring of Juarez and the courageous Mexican army.

Maximilian's regime in Mexico proved too fragile for the intense hopes and aspirations of independence-minded Mexicans, for on May 14, 1867, Maximilian finally surrendered and made way for a new dawn in Mexico's history.

The bravery exhibited by Mexican soldiers on "El Cinco de Mayo" has never been forgotten in Mexico or here in the United States. That bravery is evident in the contributions made by Mexican Americans in our own Armed Forces. During World War II and the Korean war, more Mexican Americans earned the Congressional Medal of Honor (17) and other decorations for bravery than any other single ethnic group. And more recently, during the Vietnam war, the valor displayed by the same ethnic group was again shown as additional Congressional Medals of Honor were awarded.

Mr. Speaker, I am proud to say that in my own Fifth Congressional District, I have two of the three largest Mexican American communities in the Chicago area. To them and to those of us who recognize the significance of this great day, El Cinco de Mayo symbolizes the courage and love of freedom that enabled Mexican patriots to triumph over a foreign power that sought economic advantage at Mexico's expense. I am confident that my colleagues will join me and our Mexican and Mexican American friends in paying tribute to the valor and patriotism of those who fought and died on El Cinco de Mayo.●

SUN DAY—A FEW THOUGHTS ABOUT THE FUTURE OF SOLAR ENERGY

HON. MAX BAUCUS

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1978

● Mr. BAUCUS. Mr. Speaker, Americans should be encouraged by recent congressional action in the area of solar energy. Congress has done more than just declare today Sun Day. It is actively seeking ways to promote use of solar energy. I think the 95th Congress can take credit for elevating solar power to a place among our top energy priorities.

Our national energy crisis is real. Another Arab oil embargo could cause far more disruption in our way of life than we experienced in the winter of 1974. Our increasing dependence on foreign oil is largely responsible for our trade deficit, which is a severe threat to our economic well-being.

We must find and develop other sources of energy besides fossil fuels, which are running out, and nuclear power, which is beset by problems, most notably waste disposal.

Sunlight is safe. The supply is not declining. There are many ways to use it—from relatively simple water heaters that many homeowners can afford to giant solar satellites costing billions of dollars.

But the Federal Government cannot develop solar power on its own. Congress can create the climate to encourage use of solar energy, but the private sector must seize the opportunity to develop the technology.

The biggest disadvantage of solar power now is its cost. I believe we can make the hardware affordable to all if American industry attacks the problem with the imagination, dedication, and the money that has resulted in so many things never even dreamed of by our grandparents becoming part of our daily lives.

Thus I am particularly pleased by House approval Tuesday of a bill, of which I was a cosponsor, that would create a solar and renewable loan program within the Small Business Administration (SBA).

We found that while small businesses are taking the lead in development of solar equipment, many have nearly exhausted their capital resources. Yet SBA has consistently refused to loan money to these firms because of fears that solar technology is too risky.

This bill will set SBA straight. Solar power technology is viable and should not be discriminated against.

Last year I introduced a package of three bills entitled "The Solar Energy for Homes Acts." These bills would alter requirements of several Federal housing loan programs to permit them to finance purchase and installation of solar equipment.

I introduced these bills for a very simple reason. A number of builders complained to me that various Federal loan programs precluded the use of solar heating and cooling equipment in homes. This concerned me because solar technology is rapidly improving and can already substantially reduce fuel and electricity costs to homeowners. Although such equipment is expensive, its cost is declining while the prices of fossil fuels and electricity are rising. Homeowners using Federal loan programs should have the option of installing solar heating and cooling systems.

One of these bills is now law. It explicitly provides that money loaned under Farmers Home Administration housing loan programs may be used for solar equipment.

The second bill is included in the National Energy Act that is now being considered by a House-Senate conference committee. It allows limits on housing loan programs under the jurisdiction of the Department of Housing and Urban Development to rise by up to 20 percent to cover the extra costs of solar equipment.

The third bill would allow the Veteran's Administration to increase a veteran's loan guaranty eligibility by up to 20 percent of the value of his home to finance purchase and installation of solar energy systems. That bill is still being considered by the Veterans' Affairs Housing Subcommittee.

In the meantime, the committee has introduced legislation establishing a revolving loan program to assist veterans in purchasing and installing solar energy systems. The bill authorizes $750,000 for the program and permits loans of up to $5,000. Loans would be made at the VA rate of interest without regard to the $33,000 maximum direct loan limit and without any charge against a veteran's entitlement.

Tuesday I testified in support of this bill before the subcommittee. While it does not go as far as my veterans' bill, I think the subcommittee's bill is a definite improvement over the present situation.

However, I did urge the subcommittee to conduct a complete examination of ways that VA loan programs can be adapted to finance cost-effective alternative energy systems on a routine basis, beyond the limits of a special loan program. I think there is a need for the type of broad change in the VA program proposed in my bill, as I hope the demonstration loan program will show.

I have also been a sponsor of numerous other bills to promote the use of solar energy. They include:

A bill to provide for a research, development and demonstration program to determine the feasibility of collecting solar energy in space for transmission to Earth where it can be used to generate electricity. While these satellites are surely controversial, in view of our present energy situation we need to take a careful look at all reasonable solutions.

A bill to direct the Secretary of Commerce to carry out a global market survey with respect to American-made solar energy technology.

A bill to authorize the Secretary of State to implement solar energy and other renewable energy projects in certain buildings owned by the United States in foreign countries.

A bill to establish a Solar Energy Development Bank to provide long-term, low-interest loans for the purchase and installation of solar energy equipment in commercial and residential buildings in the United States.

A resolution to study the feasibility of installing solar energy equipment in the House Office buildings.

A bill to authorize the inclusion of solar energy research, development and demonstration programs in certain agricultural programs.

A bill to provide for incentives for the commercial application of solar energy, energy conservation and renewable resource equipment and devices in homes, neighborhood and community structures, small businesses and facilities owned or occupied by nonprofit organizations.

A bill to promote the use of energy conservation, solar energy, and total energy systems in Federal buildings.

A bill to facilitate the transition from energy technologies that use depletable energy sources to solar energy technologies.

I have also supported tax incentives for homeowners installing solar equipment. These provisions were approved in different forms by both the House and Senate as part of the National Energy Act. I am confident that these measures will be included in the final law.

We, in Washington, have at last recognized the potential benefits of sun power as a clean and virtually unlimited source of energy. I hope Americans will take advantage of it whenever possible in their homes and businesses.

Anyone who has watched a sunrise knows that glowing orange orb rising into the sky is a thing not only of great beauty, but of immense power. That power warms our earth, lights our days, and provides the energy to raise all living things. We can make it do more.●

OIL BLACKMAIL

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1978

● Mr. ROSENTHAL. Mr. Speaker, I have joined a majority of my colleagues on the House International Relations Commitee in introducing a resolution of disapproval to block the President's all-or-nothing package of aircraft sales to the Middle Last.

The element of the President's proposal that troubles us most deeply is his plan to sell 60 F–15 fighter-bombers to Saudi Arabia. This plane, the most advanced of its type in the world today, far exceeds the Saudis' legitimate military needs and threatens to upset the delicate balance of power in that volatile part of the world. Presence of those 60 advanced fighters—50 percent more than the administration is willing to sell the Israelis—would transform Saudi Arabia into a frontline confrontation state in the Arab-Israeli conflict.

The Saudis have hired a public relations firm and launched a massive lobbying effort to make sure they get all the planes they want.

Of course, no one would seriously consider selling the Saudis such sophisticated and lethal weapons were it not for a weapon they already possess—the oil weapon. Lurking behind this whole sorry story is the threat of another Arab oil embargo led by the Saudis like the one they imposed in 1973–74.

Anyone who says there is no linkage between the F–15 and oil just is not paying any attention to what is going on. In two major interviews published in the past week, Saudi Oil Minister Sheikh Ahmad Zaki Yamani warned that American refusal to sell the F–15 is bound to affect Saudi attitudes toward key issues such as oil and support for the dollar.

What does Sheikh Yamani really think? What does he say to the Saudi technocrats, intellectuals, and college students who will be the next cadre of Saudi statesmen and managers? What does he say to American journalists?

To answer these questions, I am inserting into the RECORD today a transcript of questions submitted by the audience and the answers provided by Sheikh Yamani following Sheikh Yamani's lecture at Riyadh University entitled "Rules of the Petroleum Game." The questions and answers were published in the Jedda newspaper 'UKAZ, dated April 22, 1978, and republished in this country April 27 by the Foreign Broadcast Information Service of the U.S. Government. The second item is Sheikh Yamani's interview with two Washington Post reporters in Riyadh published May 2.

I strongly urge my fellow Members to read and consider the statements—and threats—of the Saudi Oil Minister, Sheikh Yamani:

RULES OF THE PETROLEUM GAME

Question. I had the impression that the "petroleum game" meant the use of oil—among other things—for political purposes and that such use was restricted to the Palestinian Arab problem; that is, its use as a means of political pressure in order to neutralize the Western world's support for Israel. But Your Excellency's reference to the fact that the Islamic bloc owns 70 percent of the world's oil reserves made me understand that this game could also be a good tool if used positively and systematically in the service of Islamic causes. Is this belief or conclusion correct?

Yamani. Yes, the conclusion or belief is undoubtedly correct, and we want the Islamic countries to support Islamic causes because when the Moslems of the world unite under one banner the world will submit to them. But the Western world will do all it can to divide the Moslems, especially if it feels the effects this great power that Islam possesses. I, as a Moslem, do not believe that God has bestowed the Islamic nation with this vast wealth without a divine purpose. We pray to God that he may give us success in this objective.

Question. Is petroleum being used as a source pressure to influence the political decisions of many countries in the service of Arab interests? If not, why not?

Yamani. I believe that petroleum is a political power and weapon and that it was used several times in a manner serving Arab interests. It was used in 1973 not to punish the Western countries but as a means of drawing the attention of Western opinion to two factors: First, that the world is in need of the Arab nation and, second, that there is an Arab-Israeli problem. We have succeeded in this and public opinion in the West and the United States now knows that it needs the Arab nation and that there is an Arab-Israeli problem. It has begun to understand the details and implications of this problem.

We also used petroleum, in accordance with our political thinking, at the Ad-Dawhah [OPEC] meeting in order to let the West know not only that it needs the Arabs, but also that it can depend on them as an effective power. We succeeded in this as well. In fact, despite all the criticism we heard following the Ad-Dawhah conference, both at home and abroad, it has been proved to the Arab nation that the Saudi attitude led to a radical change in U.S. and European public opinion and served the Arab cause.

Question. Is petroleum power superior to financial power in the game of international relations?

Yamani. I wish my colleague [finance minister] Shaykh Muhammad Aba al-Khayl were with us in order to share in answering this question. Perhaps this should prompt the university's administration to invite his excellency to talk about the financial game.

In fact, petroleum is an important political weapon, but it is not absolutely superior to the political power of the financial weapon, a weapon that the Kingdom of Saudi Arabia possesses. Unfortunately I am not familiar with the way this political power is currently being used. His Excellency brother Muhammad Aba al-Khayl is the one who can talk to you about this power which, if used in an organized way, would definitely add to our strength, God willing. I hope this will be so.

Question. I would like Your Excellency to explain the role the 10 Ramadan [October] war played in enabling the oil-producing countries to gain control over their petroleum and to fix a suitable price for it.

Yamani. This is a very important question. Some Arab quarters believe that had it not been for the Ramadan war the oil-producing countries would not have been able to increase their prices, and we would not have plunged into the oceans of wealth we now enjoy. This is wrong. Two months before the Ramadan war we notified the oil companies that we would increase our oil prices sharply. A committee—which I had the honor to chair—was set up in order to negotiate with the oil companies. We met in Vienna, but God decreed that war should break out during the meeting. Those negotiating on behalf of the oil companies were afraid of upsetting the countries they represented. Somehow, in a manner that is still a mystery to me, they were able to make us fix the prices of our oil. Then we set a date for another meeting in Kuwait in order to establish a suitable price for oil. Later the Arab

countries agreed to meet in order to decide how to use oil as a means of pressure in the service of the Arab cause. We decided that since the majority of us would meet in Kuwait in order to decide on oil prices, we should also discuss at the Kuwait meeting the Arab decisions on oil. We met there for these two purposes and adopted our decisions. Therefore, there was no connection between what was being rumored and what was being done.

Nevertheless, the turmoil that occurred in the oil markets as a result of the great reduction [in oil production], undoubtedly enabled us to adopt another decision in Teheran to increase oil prices further.

Question. How great a loss have Saudi Arabia and the United States incurred as a result of the drop in the value of the dollar?

Yamani. With regard to the United States, it is the first to benefit from the drop in the value of the dollar. What is happening now is an American policy aimed at improving the U.S. balance of payments with regard to other industrial states, such as Japan and West Germany. Its objective is also to absorb the surplus interest on oil funds.

As for Saudi Arabia, it has undoubtedly lost a great deal because of the drop in the value of the dollar. But if we look at the drop from the point of view of the amount of oil we sell, then the outlook is different. Should we link prices to special drawing rights or to the currencies by which we import—the currencies of 11 countries which we established and called the second "Geneva basket"? We will not be able to calculate profit and loss until we make calculations backdated to 1976 or 1975. This is a matter in which I do not wish to indulge. But the loss for us Saudis lies in the fact that, first, we obtain our income in dollars at the rate of $12.70 per barrel. We used to convert these dollars to Saudi riyals at the rate of 3.51 riyals to the dollar and spend accordingly to pay wages, various contracts and other things in the kingdom.

Now, despite the fact that we have tried to reduce the value of the riyal as much as possible to make it compatible with the dollar rate, a gap still exists. The dollar rate is now 3.44 riyals. This difference, although small, when multiplied by the amounts we spend at home, allows us to see the magnitude of the first loss.

As for the second loss, it lies in the contracts we conclude with Japan, West Germany, Britain, Switzerland and other countries whose currency rates have increased. We receive dollars, which we then convert into the currencies of those countries, and thus our financial commitments increase by 16 or 20 or 25 percent, according to the country from which we import. This is the second loss.

The third loss is one that occurs on paper. Most of our investments are in U.S. dollars. If the dollar loss is temporary and will be recouped once the dollar rate goes up once again—we believe that the dollar will go up once again—it is in our interest not to take any action that may cause a further fall in the dollar rate. This explains the attitude of Saudi Arabia that you hear about regarding the question of the dollar. It is a sound attitude despite the great loss and despite the fact that it contradicts the attitude of the other oil-producing countries. But it is an attitude that stems from Saudi interest.

Question. Will you please tell us what stage the negotiations between the Kingdom of Saudi Arabia and the companies owning the Aramco Company have reached, and what is the future outlook for this public utility after the government has taken control of it? Will it become a public institute like other institutes?

Yamani. In fact the negotiations have been concluded and we took control of all Aramco facilities in January 1976. Financial arrangements have likewise been completed. But the control agreement has not yet been signed. I hope that it is now in its final stages. The establishment of a national petroleum company to replace the Aramco Company is also in its final stages. It will not be an institution but, God willing, a national company operating on a commercial basis.

Question. Regarding the world oil market, it is estimated that there will soon be a surplus of 3 billion barrels a day [as published]. Is the Kingdom of Saudi Arabia suffering from a cash surplus because it is unable to use all the amounts that accumulate as a result of the kingdom's large volume of production? What prevents the kingdom from reducing production, thus realizing the two objectives of protecting oil prices on the world market and conserving the oil underground rather than selling it for money which is decreasing in value daily because of the drop in the dollar?

Yamani. In fact, if we apply the principle of supply and demand and link it to prices, our supply of oil, as a result of adhering to oil prices and not giving any discounts as some countries do, automatically leads to reducing our production. Production in the kingdom has indeed dropped in accordance with this golden economic rule. It is now 7.5 million barrels instead of 8.5 million barrels [presumably daily]. There has actually been a reduction in Saudi production, as the originator of this question, brother 'Abd ar-Rahman Khalaf, wishes.

Question. I understand from Your Excellency that oil will not be used against Moslems. But I believe that Your Excellency is aware that accusing fingers are being pointed—alleging that oil is being used against Moslems—I mean the oil of Moslems. For example, Israel is using Iranian oil against the Arabs, and the Philippines receives oil despite the fact that it is trying to uproot Islam and Moslems from its country. What is the kingdom's attitude toward this problem in particular and OPEC's attitude in general?

Yamani. I don't think that the claim that oil is being used against Moslems is true. We have recently heard an implicit threat by Iran against Israel—that it would cut off oil supplies to it if Israel does not act less arrogantly. This is a serious threat to Israel. As for the question of the Philippines, its consumption of oil is small and it can import that amount from many other countries because its situation differs from that of Israel, which is located in the midst of our Arab and Islamic group. Israel is now trying to import oil from Mexico, which is a distant country, and thus its transportation expenses would increase greatly.

Question. In his recent speech at the opening of the meeting of the Board of Governors of the Arab Bank, His Royal Highness Prince Fahd said that Saudi Arabia will balance its production in order to conserve it for our coming generations. Does this mean that the kingdom will reduce its production?

Yamani. Saudi production has reached very high levels. His royal highness' statement has clarified this matter very precisely. He stressed that the interests of future generations must be taken into consideration despite all the pressures to which we might be subjected.

Question. The dollar crisis is worsening daily. Will it remain so or will measures be taken to curb this crisis?

Yamani. I have said in response to other questions that I believe that the United States itself planned what is happening now. The reason for this is that the U.S. balance of payments has changed to its disadvantage and that foreign trade is now in favor of Japan, West Germany and other countries. Japan is refusing to lift barriers in the face of foreign imports. Therefore, the United States, by reducing the value of the dollar, is making U.S. goods competitive with Japanese goods in all parts of the world. It is also setting up barriers against Japanese goods so that they will not enter U.S. markets easily. The value of the yen has increased as it is; therefore, after some time the situation will readjust itself once the balance of payments becomes balanced or closer to being balanced, which in turn will normalize the dollar.

Japan and West Germany call for checking the drop in the value of the dollar and try from time to time to make the United States change its policy. The United States usually responds more with words than action. It recently decided to sell some of its gold reserves in order to rectify the situation; nevertheless it is still buying and storing large quantities of oil. This leads to weakening the balance of payments and to a further drop in the dollar. The situation is still ambiguous. I believe the real solution will come through rectifying the foreign trade situation, in which case the United States will be able to rectify the dollar situation without using it as a means of pressure.

Question. It has been reported in some U.S. newspapers that the United States is preparing to train an army to protect oil interests in the Arab gulf. Will this happen as a reaction to any Soviet move?

Yamani. God only knows. I do not think that the United States would prepare an army just to protect oil interests against some Soviet move, because such a move would mean a world war. The U.S. Army is already capable of protecting oil interests, but such a measure would lead the Arab oil-producing countries to adopt a national attitude, as happened during the October war. This is another eventuality that would lead to a military or nonmilitary move by the United States. In any case, present conditions do not warrant our further discussion of this matter. We hope that the problem will be solved without a confrontation of this kind.

Question. In case the dollar continues to fall and the United States decides to devalue it, in Your Excellency's opinion, what is the best way out of this dilemma? Is it increasing oil prices or linking these prices to other currencies, such as the Japanese or German, and why?

Yamani. In the past we linked oil prices to the dollar; then we changed this and linked them to a group of currencies which we called "the first Geneva basket." This currency basket included the dollar. Then we excluded the dollar and set up a second basket which we called "the second Geneva basket," consisting of 11 currencies with which we import from abroad. Then we went back to the dollar once again. In 1975 we decided to link prices with Special Drawing Rights [SDR], but then again we suspended our decision and went back to the dollar. In fact this is a double-edged weapon. If we link ourselves to a group of currencies and the dollar goes up, then we lose. And if we stick to the dollar and its value goes down, then we lose. Therefore, our actions must be wise and calm. Furthermore, Saudi dollar investments are subject to other burdens and considerations that may be different from those of the rest of the oil-producing countries.

Question. You said that great efforts need to be exerted for a whole generation at least before an economically viable substitute for oil is found. What does this mean?

Yamani. A generation in fact is meant to represent 25 years, but I cannot be sure in the present circumstances. We now expect that after 25 years we will have reached such an advanced technological state that we will

be able to rely on new energy sources other than oil. But the matter depends on radical changes in our outlook, our methods of action and our style of work.

Question. Since everything is bound to come to an end, will you please tell us about substitutes for oil? The kingdom depends on oil revenues and should the oil be exhausted—God forbid—we would have budget deficits in all sectors.

Yamani. Yes, God is going to permit [the oil to be exhausted]. Oil will be exhausted because we produce it. Every barrel that leaves this country will not come back. Oil is going to be exhausted and, in my opinion, it represents industry, mining, agriculture and manpower. Technology and science are the real wealth. Without technology we will remain as we are—a poor, underdeveloped state suffering from all the problems we are suffering now.

Question. If an oil-producing country stops producing oil, how serious is the impact?

Yamani. Very serious. Some countries cannot stop producing. For example, if Kuwait stops, life there would come to a halt.

This is because the gas used for electricity and water distillation is the gas that comes out with the oil. The same thing applies to Saudi Arabia. We cannot reduce our production below the level of the gas we need, especially if major industries are established in the kingdom. Nevertheless, the gas project which we have begun implementing is, God willing, about to be completed. This project will provide the gas we need for energy for industry as well as for export, depending on how much we can increase or decrease production without jeopardizing our use of it as a political weapon.

Question. In Your Excellency's talk about the front of producing countries you spoke about various changing factors, such as the volume and quality of production, political tendencies and the sea lanes for oil exports—all of which could be a source of disagreement when a certain strategy needs to be laid down for the petroleum game. Can Your Excellency throw light on three additional factors and discuss their impact and dimensions in this game; namely, increasing or fixing production, increasing or pegging oil prices, and payment in dollars or other currencies?

Yamani. Regarding fixing or increasing production, we have fixed it. This has now led to checking the decline in world oil prices because we have both fixed production and pegged the prices. We have shouldered the burden of reducing production alone. Other countries, like Nigeria, Algeria and Libya, reduce their prices from time to time, but we turn a blind eye to this. When Kuwait also wanted to do so we agreed with it, because the kingdom is a big state and can endure this. We also reduced prices at times, but we resorted to increasing production at one time in order to prevent an excessive increase in oil prices following the Ad-Dawhah conference. However, we did so calmly and within narrow limits. This is because relations with OPEC are far deeper than our relations with any other quarter and our interests are closer and bigger.

As for increasing or pegging the price of oil, I do not believe that the price of oil is now likely to increase, because prices are currently dropping and there is a surplus in world production. As for pegging prices, this we have done even though other countries are not doing the same.

As for payment in dollars or in other currencies, payment must be in dollars. We must distinguish between the use of the dollar as a means of payment and as a means of pricing. I sell a barrel of oil at $12.70 and cannot use other currencies such as the mark or the yen because, otherwise, the following would happen: First, it would lead to a sharp drop in the dollar; second, it is almost impossible to find another currency as large as the U.S. dollar—a currency large enough to accommodate the demands of world oil transactions. No other country would accept the use of its currency in oil transactions. If, for example, we were to use the yen, the Japanese prime minister would come to us in Riyadh and beg us to change our decision because it would shake the Japanese economy. The use of the yen as a means of payment is unimaginable. People who understand currency matters understand this and know that it is impossible.

I can see that there are more than 50 questions yet to be asked, and if I have to answer them all it would take us long hours. However, the large number of questions should encourage me to meet with you again. Peace and God's blessings be upon you.

YAMANI LINKS F15s TO OIL, DOLLAR HELP

(By Peter Osmos and David B. Ottaway)

RIYADH, SAUDI ARABIA.—Saudi Oil Minister Sheikh Zaki Yamani warned yesterday that a refusal by Washington to sell F15 jet fighters to his country would have an adverse effect on Saudi Arabia's present oil production policy and support for the U.S. dollar.

In an interview, the soft-spoken Saudi oil strategist said, "We place great importance and significance on this transaction. We feel we badly need it. It's for our security. It is to defend Saudi Arabia.

"If we don't get it, then we will have a feeling you are not concerned with our security and you don't appreciate our friendship," he said.

The Saudis have been expressing their concern privately to Americans, but this is thought to be the first time a high official has publicly warned of the possible consequences of the failure of the F15 deal.

While asserting that Saudi oil production and dollar policies are based first on economic considerations, Yamani said that U.S. failure to supply the aircraft would certainly diminish "the amount of [Saudi] enthusiasm to help the West and cooperate with the United States."

Yamani's comments on the proposed sale of 60 F15 fighters to Saudi Arabia were delivered without a hint of rancor. But in the past, as in the case of the 1973 oil embargo, the Saudis gave warning signals in a similarly guarded manner.

Comments by Yamani and other senior Saudi officials leave no doubt that, as Yamani put it, the plane sale is regarded here as a "test" of "the first importance" for the "special relationship" between the United States and Saudi Arabia.

Yamani said that Saudi Arabia's continuing willingness to support the dollar at enormous cost to his own country depended in some measure on this special relationship. If it were upset, he said, so too would be the Saudi attitude toward the continued backing of the U.S. currency.

"We prefer right now to stay with the dollar. We don't want to further deteriorate the value of this currency. But this doesn't mean we are not going to change our position," he said.

Despite heavy pressure from most other oil exporting countries, Saudi Arabia continues to support the pegging of oil prices to the U.S. dollar, thus helping maintain the value of the American currency. In addition, it has been investing billions of its surplus oil dollars in U.S. banks and industry—in effect recycling American energy costs.

Yamani pointed out, as he often has in the past, that Saudi Arabia has no need to produce as much oil as it does today and could finance its ambitious economic development program with an output of only 5 million barrels a day instead of the present 8 million.

In fact, he said, his country was losing money by producing so much oil to meet Western needs instead of leaving it in the ground where its value appreciates much faster than any dollar investment. Referring to the loss of revenue due to such high production paid for mostly in dollars, Yamani said, "It is on the whole not a pleasant thing to do."

Asked whether Saudi Arabia's level of oil production could be effected by the congressional decision on the F15 jet sale, Yamani said, "I am not ruling out completely any linkage."

The United States is counting on a substantial boost in Saudi production to meet its ever growing energy consumption.

In Washington and other Western capitals, Yamani is seen impecably dressed in three-piece suits from the best international tailors. But here in his plush office at the Petroleum Ministry, he was garbed in the simple, traditional long-flowing gown and headdress worn by the Saudi men.

Yamani said he had just been forced to cancel a trip to Washington because of the press of work. But he said that he felt the Carter administration "fully appreciates" the importance of the plane sale and of the overall Saudi-U.S. partnership. He noted nonetheless an imbalance in the weight each country seems to attach to the special relationship.

"From our side, it is developing without any restrictions and at a very great speed. I don't think it is developing in the same manner and speed from your side," he remarked.

He said he would like the United States to do more in providing technology to Saudi Arabia, spurring its development and helping it solve its financial problems.

"We need especially your help to bring peace to this area and I should put much emphasis on this," he said in a reference to the Arab-Israeli hostilities.

One matter that is unlikely to be affected by the outcome of the plane sale controversy is the Saudis' progressive takeover of the huge Arabian-American oil Company (Aramco), which produces about 98 percent of all Saudi oil.

Yamani said that his government planned to buy out the last 40 percent of Aramco still held by four American oil firms "very soon" and that it was only a question now of finishing up "homework" on the establishment of a national oil company.

When that occurs, Aramco will cease to exist. Its senior staff will be transferred to the new Saudi company and a firm will be set up by the American oil companies to "help" the Saudis, he explained. Americans, he said, will perform the functions they have in the past, "except make policy. In matter of fact, this is what is happening now."●

PRESIDENT'S COMMITTEE HONORS HANDICAPPED AMERICANS

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1978

● Mr. FINDLEY. Mr. Speaker, today the President's Committee on Employment of the Handicapped presented the Presi-

dent's trophy honoring the handicapped American to James D. Jeffers.

Mr. Jeffers lives in Chatham, Ill., and works in Springfield, the hometown of Abraham Lincoln. He has carried out the Lincoln spirit in devoting his life to help clear the way so that handicapped persons receive opportunities for having full and meaningful lives. That is the right of every American. Mr. Lincoln would be proud of Jim Jeffers.

When Mr. Jeffers served as the first executive director of the Architectural Transportation Barriers Compliance Board here in Washington, he took the lead in getting the Federal Government to overcome architectural barriers in its buildings so that those who are handicapped could have access to their Government. While serving on Illinois Gov. Richard Ogilvie's staff he coauthored the Illinois Equal Opportunities for the Handicapped Act of 1971. That act protects the disabled from discrimination in employment, housing, and in financial and property transactions.

Mr. Jeffers has been a paraplegic since an automobile accident while he was attending high school. Yet he has allowed no obstacle to stand in his way. By accepting the award, Mr. Jeffers symbolizes in the most practical way that, given a reasonable chance, handicapped persons can make some of the most valuable contributions to American life.●

TURKISH ARMS EMBARGO

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1978

● Mr. GILMAN. Mr. Speaker, yesterday I voted against the action taken by the Committee on International Relations to repeal the current arms embargo against Turkey. By a vote of 18 to 17, the committee agreed to an administration request to lift the congressionally imposed ban on arms sales to that nation. This embargo, as you recall, was legislated after Turkey violated U.S. laws by using American supplied weapons for offensive purposes in its August 1974 invasion and occupation of Cyprus.

Unfortunately, the Cyprus crisis remains unresolved. The adverse consequences of a continuation of the current unrest increases with each passing day. In my opinion, the United States must continue to use the influence and leverage provided by the embargo to insist that the violation of our law is ended with the removal of the Turkish troops in Cyprus.

In October 1975, I voted with the majority of the Congress in passing legislation to partially lift the embargo against Turkey. It was our hope that such action would encourage Turkey to reach a settlement on the Cyprus question. As a result of that action, we have permitted military sales totaling $125 million in fiscal year 1976, $125 million in fiscal year 1977, $175 million in fiscal year 1978, and an administration request of $175 million for fiscal year 1979.

As we have seen, the objectives of the Congress in partially lifting the embargo have not been realized. Yet this new effort to completely repeal the embargo has been undertaken despite the lack of any substantial progress toward a settlement on Cyprus.

As stated by the New York Times in its April 9, 1978, editorial, this action to repeal the embargo as argued by Secretary of State Vance—

Is thus urging the Congress to join him in betting that once the American restrictions are removed, the Turkish government of Prime Minister Ecevit will be able to make large concessions that could not be made while the limits remain . . . the bet may be a bad one.

In an earlier editorial on March 31, 1978, the Times correctly pointed out that:

Strong sentiment continues in Congress that Turkish concessions are necessary before normal military relation can resume. That sentiment is justified. Turkey broke United States law and violated the spirit of its alliance when it used American weapons to expel Greek Cypriots from their homes and farms. Having made its point, Ankara should now pull back.

The editorial continued by pointing out that—

the Turkish occupation force is the central issue in contention, the first moves must come from Ankara.

By voting to maintain the embargo, I am not seeking punitive or discriminatory action against Turkey and I am not questioning her strategic importance or association with NATO. What I am seeking is that Turkey live up to the responsibilities required of all good allies and full partners in the defense of the free world.

When this legislation is brought to the floor of the House for consideration and final passage, I urge my colleagues to reconsider the action taken in the Committee on International Relations to lift the arms embargo against Turkey. The lifting of this embargo will remove the major incentive for Turkey to respond. I urge a retention of the current embargo.

For my colleagues' information, the complete text of the New York Times editorials follows:

[From The New York Times, Apr. 9, 1978]

TAKING A CHANCE ON TURKEY

Secretary of State Vance told Congress last Thursday that if only it would lift its restrictions on shipments of American arms to Turkey, the Turks and Turkish Cypriots would put forward new proposals for a Cyprus settlement. He may be right. But the issue is not whether there will be new proposals. Rather, it is whether the proposals will move Turkish troops back from the 40 percent of Cyprus they now occupy to a zone more nearly proportional to the 18 percent of the island's population that is Turkish. Secretary Vance is thus asking Congress to join him in betting that once the American restrictions are removed, the Turkish Government of Prime Minister Ecevit will be able to make large concessions that could not be made while the limits remain.

The bet may be a bad one. In Turkey's politics, no time is a good time for conceding territory to Greek Cypriots. And Mr. Ecevit's position seems less strong now than it did when he returned to office last Jan. 1. In Parliament he has been able to govern without the votes of ultranationalists. But in the streets extremists continue their campaigns of violent intimidation that have taken more than 100 lives this year. There is no reason to think that Mr. Ecevit himself does not want to be generous so as to remove the Cyprus problem from his crowded agenda. But in the prevailing political climate, concessions that are even remotely acceptable to the Greek Cypriots may be impossible. And once American pressure is removed, Mr. Ecevit will have even less reason to take political risks.

Secretary Vance emphasized the strains that the limits on arms shipments impose on Turkish politics and Turkey's links to NATO. But he glossed over the comparable strains on Greek politics, and Greece's links to NATO, if removal of the restrictions is not accompanied by a satisfactory outcome on Cyprus. Greece is no less important to NATO's southern flank than Turkey. Any bargain that "saves" Turkey for the alliance at the cost of losing Greece would be hollow indeed. And if, as is likely, Congress should refuse to ease the limits on Turkey, the Administration's present approach risks alienating both countries.

Turkey's spokesmen decry what they see as an American tilt toward Greece, and they say that they only want Americans to be "even-handed." Yet in the present Cyprus situation, removing the arms limits would amount to a tilt toward Turkey. So long as Ankara's troops remain where they are on the island, Congress should retain the only leverage it has.

[From the New York Times, March 31, 1978]

THE WAY BACK FROM CYPRUS

Since 1974, when Turkish troops, using American weapons, occupied two-fifths of the island of Cyprus, relations between Ankara and Washington have been sour. Congress has limited the flow of additional arms until Turkey pulls back its forces; successive Turkish Governments have refused to define their conditions for withdrawal under such pressure. Both the United States and Turkey will end up losers if no way can be found to break out of this bind. Turkey could point the way by revealing its proposals for a Cyprus settlement.

Turkey's invasion was scarcely unprovoked. The 18 percent Turkish minority on Cyprus had never been well treated by the Greek majority. And in July 1974, a coup brought to power a hard-line Greek-Cypriot faction that seemed likely to take even less account of Turkish-Cypriot rights. Although the insurgent regime lasted only a few days, that was long enough to precipitate Ankara's invasion.

Ankara has reacted to the limit on arms sales—$175 million this year—by sharply restricting American use of NATO facilities in Turkey. Under steady pressure from Greek-Americans, Congress has remained firm. But the Ford Administration strongly deplored the Congressional restrictions as harmful to NATO—and thus caused the Greek Government to curtail its military cooperation with NATO. The Carter Administration has tried to straddle the issue. It has continued discussions for a defense agreement that would substantially increase American military aid to Turkey. But it has implied that it would not conclude the agreement until there had been progress on Cyprus. Early this month, Secretary of State Vance was explicit: Wash-

ington would not move, he told Congress, until it had examined proposals for Cyprus promised by Turkey's new Prime Minister, Bulent Ecevit.

More intolerable "linkage," responded Mr. Ecevit—and this time from the Administration, not merely from Congress. He countered with reverse linkage: no Cyprus proposals until the heat is off. That message, and subsequent hints that Turkey might withdraw its half-million men from NATO's command and even sign a nonaggression pact with Moscow, caused a high-level American delegation to hurry to Ankara this week to attempt to set things right.

That won't be easy. Strong sentiment continues in Congress that Turkish concessions are necessary before normal military relations can resume. That sentiment is justified. Turkey broke United States law and violated the spirit of its alliance when it used American weapons to expel Greek Cypriots from their homes and farms. Having made its point, Ankara should now pull back. Greek Cypriots—and Greece—realize there can be no return to the old arrangements on Cyprus. They acknowledge that Turkish Cypriots should enjoy nearly complete autonomy, including a territorial zone of their own, but one roughly proportionate to the size of the Turkish-Cypriot population.

There is every reason to believe that both Prime Minister Ecevit and the Turkish military leadership would like to pull back. Because the Turkish occupation force is the central issue in contention, the first moves must come from Ankara. Since the issue continues to be the most explosive one in Turkey's politics, such a move would be painful. But Mr. Ecevit is in a strong parliamentary position; unlike his predecessor, he does not depend upon ultranationalists for his majority.

Turkish disassociation from NATO would be costly to the United States. But it is the Turks who should calculate the benefits of full participation in NATO; it is they who face the risks of weakened ties to the West. Meanwhile, those who would support NATO by lifting the restrictions on arms to Turkey should remember that Cyprus is just as emotion-wrenching an issue in Greece. It would not strengthen the alliance to appease Turkey at the expense of turmoil in Greece.●

LAND USE ALREADY CONTROLLABLE

HON. CHARLES E. GRASSLEY

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1978

● Mr. GRASSLEY. Mr. Speaker, we are continually hearing about how developers in the private sector are responsible for removing vast amounts of agricultural land from production. However, in my opinion, too often we overlook the effects of decisions of units of government at all levels on taking agricultural land out of use.

For example, everyone is aware that the placement of water and sewer lines around a town or city, to a great degree, dictates where development will occur. To further illustrate the point, a recent project announcement from the Farmers Home Administration in the U.S. Department of Agriculture approving a loan application in the comments section stated:

The loan will be used to purchase agricultural land and develop an industrial site. The project will help to attract private business enterprises which will alleviate unemployment in the trade area."

Mr. Speaker, I am very concerned about the removal of land from the production of agricultural commodities, especially its effects on family farmers and those who are trying to get started in farming, but my concern is more a fear of Government policies that promote industrial and residential development of prime agricultural land than fear emanating from private development.

Recently, an article by Frances de Buhr appeared in the opinion section of the April 13 edition of the Mason City Globe Gazette in which she expressed in a concise and commanding fashion many of the same concerns I have just stated. In order that I might share this article with my colleagues, the text of her opinion follows:

LAND USE ALREADY CONTROLLABLE

(EDITOR'S NOTE.—The following commentary is a transcript of remarks made by Frances de Buhr at the third public hearing of the Cerro Gordo Land Preservation Policy Commission.)

(By Frances de Buhr)

I represent no group. I am here because I have noticed in the paper that you wanted input from private citizens. Having listened to the legislature debate a land-use policy and having read in the newspaper the procedures you are attempting to follow, I have a couple of questions to ask.

It seems to me as I observe the development of Iowa land, there are no new developments that haven't been made possible by decisions by some unit of government to extend water and sewer beyond the existing city limits. The junior college was taken east of town. Water and sewer was provided by a unit of government. The city limits were extended, and now the Zoning Commission will decide how that land is to be developed between here and there.

West of town, first the fairgrounds had water and sewer extended. Now Armour and the hospital are being built west of town with the promise that water and sewer would be provided. The roads already existed. The city limits were extended, thereby guaranteeing the protection of fire and police.

I haven't seen any unscrupulous land developers developing agricultural land whose actions weren't preceded by a decision meted out by a unit of government! Federal funds have assisted state and city and county decisions for development. No private citizen has gone out and developed agricultural land west, east, north or south of Mason City who wasn't following in the steps of a unit of government extending water, sewer, roads and police protection.

Why are you asking for citizen input? Do you want suggestions for some superstructure or commission overseeing federal and state and county and city decisions? These units of government are the ones making the decisions. Not I. Not you. Not even our Zoning Commission. They simply decide who is going to develop the rest of the land once water, sewer, roads and police protection are provided.

I followed the charts that Mr. Williams (Spencer Williams of Iowa State University Extension Service) showed us and I have no objections to the suggestions, but we don't decide who develops the land. The units of government decide. Then it becomes a very political issue as to how the rest of the land is going to be developed. I ask myself if I am being led on a wild goose chase being asked for input.

I come back to the fact that I don't represent an area of government except as my vote counts in the city elections, and it seems to me that maybe we are being asked to set up another huge bureaucracy to play around with what is left once the unit of government decides to extend the facilities necessary for development.

I close by quoting last night's (March 15) editorial in the Globe-Gazette. "Zoning is honored at least as often in the breach as in the observance." It goes on to ask how we are going to curb this proliferation of globbling up of Iowa's valuable farm land.

Well, it would seem to me that if federal government funds were cut off tomorrow in the form of loans and in the form of grants for water and sewer, we wouldn't have to worry about any further development of Iowa land beyond agricultural means.●

SEVENTY-FIVE PHILIPPINE JESUITS PROTEST FRAUD IN THE RECENT REELECTION OF PRESIDENT MARCOS

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1978

● Mr. DRINAN. Mr. Speaker, I attach herewith a statement issued by 75 Jesuit educators and churchmen in the Philippines. The first signature on this protest is the Very Reverend Joaquin G. Bernas, S.J., provincial of the Jesuit Order in the Philippines. Other signers include the former provincial, Father Francis X. Clark, S.J., and Bishop Francisco F. Claver, S.J. Virtually all of the other signers have been associated with the Ateneo University in Manila.

All of the signatories are Filipino citizens; they protest the widespread irregularities in the recent elections in the Philippines. The letter states that at this time "there are no effective legitimate avenues of justifiable protest" and that, as a result, President Marcos is requested to create an independent investigative group to look into the conduct of the elections. The letter of the Filipino Jesuit leaders also requests that President Marcos drop the charges of the many people seized in a mass arrest of the protesters in a demonstration held on April 9, 1978, to protest the illegalities in the election.

The statement, which was denied publication in the press in Manila, follows:

APRIL 16, 1978.

His Excellency FERDINAND E. MARCOS,
President of the Philippines,
Malacanang Palace, Manila.

MR. PRESIDENT: We the undersigned Filipino citizens are convinced:

1. that widespread irregularities, some of them violative of human rights, characterized the last elections in the Metro Manila area;

2. that the widespread irregularities substantially affected the outcome of the last elections in the Metro Manila area;

3. that therefore the protest march held last April 9, 1978, was a justifiable form of protest;

4. that therefore the mass arrest of the protestors was violative of human rights;

5. that the political climate now is such that there are no effective legitimate avenues of justifiable protest and that, for as long as this climate continues, recurrent disturbances will endanger the nation and the welfare of the people.

We therefore ask, in the name of the human and Christian values sacred to our nation:

1. that you create an independent investigation body, other than the COMELEC, with sufficient authority to look into the conduct of the last elections and to recommend appropriate action;

2. that you open up effective legitimate avenues of protest;

3. that the charges against those who were arrested in connection with the April 9 protest march be dropped.

We have written this letter in our own name and in the name of the many voiceless, especially the poor, who have suffered from these injustices, and we offer it in the spirit of true reconciliation among our people.

Signed:

Joaquin G. Bernas, S.J., Elmer A. Romero, S.J., Ramon Mores, S.J., Samuel C. Dizon, S.J., Vicente San Juan, S.J., E. P. Hontiveros, S.J., Mateo A. Sanchez, S.J., F. X. Clark, S.J., Bienvenido, F. Nebres, S.J., Antonio B. Lambino, S.J., C. Silverio, S.J., Arsenio C. Jesena, S.J., J. Diaz, S.J., D. Macalam, S.J., Agustin L. Nazareno, S.J., Sim Sunpayco, S.J., O. A. Millar, S.J., H. Maceda, S.J., J. Mario Francisco, S.J., Pedro C. Sevilla, S.J., Al Nudas, S.J., Victor R. Salanga, S.J., Ando Macalinao, S.J., Santiago A. Gaa, S.J., Sulpicio Quipanes, S.J., Rey Ocampo, S.J., Atilano Quidlat, S.J., Placido Que, S.J., Juan E. Montenegro, S.J., Benigno A. Mayo, S.J., Catalino G. Arevalo, S.J., Francisco F. Claver, S.J., Luis E. Pacquing, S.J., Francisco Demetrio, S.J., Renato V. Jimenez, S.J., William P. Klintworth, S.J., and Ramon Prudencio S. Toledo, N.S.J.

Jose C. Blanco, S.J., Tim Ngodcho, S.J., T. M. Ofrasio, S.J., Raphael de Ocampo, S.J., Ruben M. Tanseco, S.J., Alexander C. Benedicto, S.J., Walter L. Ysaac, S.J., Faustino G. Refuerzo, S.J., Mon H. Taroy, S.J., Danilo M. Madrazo, S.J., Joe Vibar Nero, S.J., Antonio S. Samon, S.J., Vic Ibabao, S.J., William J. Schmitt, S.J., Alberto V. Ampil, S.J., John N. Schumacher, S.J., Florencio R. Cuerquis, S.J., Vitaliano R. Gorospe, S.J., Jose R. de Leon, S.J., Raul J. Bonoan, S.J., C. O. Lim, S.J., Nicomedes T. Yatco, S.J., Edmundo M. Martinez, S.J., Will H. Kreutz, S.J., Rodolfo A. Malasmas, S.J., Dennis Ma. C. Rago, S.J., R. Javellana, S.J., Ruben G. Reyes, S.J., F. Ll. Ramirez, S.J., Vicente Marasigan, S.J., Frank Lynch, S.J., Nemesio S. Que, N.S.J., Ludovico M. Eduave, N.S.J., Nick Luna, N.S.J., Solito Barana, N.S.J., Ted Butalid, S.J., Antonio J. Ledesma, S.J., and Miguel Ma. Varela, S.J.●

EXPLANATION FOR ABSENCE

HON. ALVIN BALDUS

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1978

● Mr. BALDUS. Mr. Speaker, colleagues, I rise to explain that I was unable to be in attendance at sessions of the House on Monday, May 1, Tuesday, May 2, and the beginning of session today, May 3, because I was in North Dakota attending funeral services for my mother-in-law, Mrs. Anna Lokken Reiten.

I would also like to express my appreciation to the distinguished gentleman from Iowa, Representative NEAL SMITH, for the ability which he demonstrated in assuming the floor management responsibilities for me on H.R. 11713, solar energy sources loan program. I would further like to thank Representative BERKLEY BEDELL of Iowa for his excellent statements on the floor in support of the bill, and to commend the whole House for passing this legislation by such an overwhelming margin.●

RICHMOND PUBLIC SCHOOL CELEBRATES 50TH ANNIVERSARY

HON. RAYMOND F. LEDERER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1978

● Mr. LEDERER. Mr. Speaker, over the last 50 years, the Richmond Public School located at Belgrade and Ann Streets in my congressional district in Philadelphia has served the community and has provided an education to countless thousands of Philadelphia's children. The school will be celebrating its 50th anniversary on May 25 and 26, and I think it fitting that as the Representative from this congressional district, I bring the inspiring story to the Members of this House.

The history of the Richmond School goes back to 1846, when the first school was erected. This section of Richmond, sometimes called Port Richmond, originally the name of a tract of land on the township of Northern Liberties, adjoining the Delaware north of Ball Town and south of Point-to-Point is the home of this famous school. The name of Richmond was derived from the two county seats in the vicinity—the Richmond Lodge, which in 1808–09 belonged to the Fox family. It was incorporated as a district on February 27, 1847, a year after the school was erected, under the title of "The Commissioners and Inhabitants of the District of Richmond, in the County of Philadelphia." It extended along the Delaware River to a point some distance northwest of the upper end of Petty Island; then northwest nearly to the point where Frankford Creek makes its most southerly bend; then southwest to Westmoreland Street; northwest along the same to Emerald Street, southwest along the same to a lane running from Frankford Turnpike to Nicetown Lane; along the Frankford Turnpike to the north boundary of Kensington and down the same to Gunner's Run and along the stream to the Delaware River. The area was 1,163 acres. It became part of the city in 1854.

Mr. Speaker, indeed this area is rich in history. Richmond School was the 40th school in the city system. The original price of the structure was $7,597.93, a bargain for the education return on the investment.

The present structure was erected in April of 1929 and was part of district 7 which now is district 5 of the Philadelphia school system. The cornerstone of the present building was in place in 1928; 50 years this May.

Mr. Speaker, Richmond School is more than an educational institution—it is part of the history and culture of the Port Richmond area. The school is the representation of the strength of the Port Richmond area and its citizens, most of whom have lived there for all of their lives. It is a unique school, with a unique history and a unique spirit. The pride that our people have for their school is a source of real strength to all the residents of the city.

The graduates of the Richmond School have gone on to serve their city, State, and Nation in both war and peace. Many of these graduates have distinguished themselves in service of their community and all have been good citizens.

Someone once said, "the purpose of education was to teach people to deal with their fellow human beings." The history of the Richmond School as witnessed by their graduates proves that education of the highest order has been the goal of this school.

Yes, Philadelphia has real problems like most big cities—yet, because of the community devotion exhibited by the residents of Port Richmond to their school, I am quite confident the challenges we face as a city can be met.

Mr. Speaker, may I extend my sincere congratulations to all the residents of the Port Richmond area on this anniversary of the Richmond School. May I also extend these congratulations to Mr. Irving Rosen, principal of the school and to Mrs. Phil Carroll, president of the Home School Association and to all the distinguished members of the association. Additionally, may I express my personal pride for the opportunity these wonderful people have given me to represent them in this august body.●

PLIGHT OF PAVEL PERETZOVICH ABRAMOVICH—A TRAVESTY OF JUSTICE

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1978

● Mr. LEHMAN. Mr. Speaker, I wish to call attention to the plight of Pavel Peretzovich Abramovich who wishes to emigrate from the Soviet Union to Israel. Mr. Abramovich, a respected electronics engineer, applied for permission to go to Israel in 1971 and has been repeatedly refused.

The courage and endurance which Mr. Abramovich and his family have revealed is a lesson to us all. It is courageous that Mr. Abramovich now openly lists his occupation as a Hebrew teacher, unremarkable in any place but the

Soviet Union where it is impossible to obtain textbooks, training, or the official recognition accorded teachers of other foreign languages. Pavel Abramovich is one of a small group of heroic figures, the Hebrew teachers of Moscow, who are self-taught and dedicated to a future in Israel.

Pavel has publicly renounced his Soviet citizenship, claiming instead, Israeli citizenship. He has sent appeals to the United Nations Human Rights Commission, issued press statements, and has been arrested on several occasions for protesting the treatment of Soviet Jews. His home has been repeatedly searched and personal property confiscated.

Pavel has now been threatened with the familiar charge of "parasitism," an example in "Catch-22" logic, despite the fact that he has been earning his own income by teaching. This pattern of harassment begins with the first application for an exit visa. The loss of livelihood, the curtailment of mail, the harassment of being searched, arrested, and finally tried for "parasitism" and sentenced to years in labor camps or prisons is this kind of persecution endured by those who wish only to leave Russia and live in Israel.

The willingness of Pavel Peretzovich Abramovich and other Soviet Jews to stand up and to resist Soviet violation of the Helsinki accord, and to endure the hardships resulting from this choice of conscience, should move those of us who are not bound by such constraints to speak out against this travesty of justice. Our action on behalf of Soviet Jews can only give them strength to persevere until freedom has been achieved.●

DEPARTMENT OF JUSTICE HISTORY

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1978

● Mr. RODINO. Mr. Speaker, recently the Attorney General of the United States, the Honorable Griffin B. Bell, gave the "Sonnet Lecture" before Fordham Law School. The title of the lecture was "The Attorney General: The Federal Government's Chief Lawyer and Chief Litigator, or One Among Many?"

It is a thoroughly well-researched, well-articulated history of the Department of Justice and its role as the Government's chief legal voice. It points up some disturbing facts. Judge Bell is to be commended for his inciteful look at the problem and his desire to bring stability to Federal law.

I would like to take this opportunity to share the Attorney General's remarks with my colleagues:

THE ATTORNEY GENERAL: THE FEDERAL GOVERNMENT'S CHIEF LAWYER AND CHIEF LITIGATOR, OR ONE AMONG MANY?

I became Attorney General with fixed expectations about the Department of Justice. Despite its size and recent history I expected to find a strong Department with a clear understanding of its place in the nation's government and a confident vision of its future.

After only a few weeks on the job I began to question my expectations. Now, well into my second year, I believe I fully appreciate the realities of the Department of Justice.

The truth is that the Department of Justice is strong. But it is a strength born solely of the outstanding individuals who comprise it. The Department as a whole draws little strength or stability from a clear conception, either within the Department or elsewhere, of the role that the Department should play in our Federal government. Least of all is there a clear course charted for the future of the Department.

As Attorney General I am unavoidably caught up in several great issues: the investigation of Korean influence-buying in Congress, the investigation of past abuses in the Federal Bureau of Investigation, the national effort to develop a response to the influx of undocumented aliens, and several others. But these headline-grabbing issues will pass, many to become mere footnotes to history. As much as possible without short-changing sensitive matters of the immediate moment, I am focusing on the Department of Justice as a whole—past, present, and future. It is my firm belief that clarifying the position and role of the Department of Justice in the order of government is of first importance to the long-range interests of the nation.

Tonight I want to share some of what I have learned about the Department, some of my perceptions of its current problems, and some tentative views on its proper place in our system.

The Department of Justice today has 54,528 employees, including 3,806 attorneys (2,008 in the Justice Department and 1,798 in the United States Attorneys Offices). About 92% of our attorneys are involved in the trial and appeal of lawsuits. The other 300 attorneys supervise divisions or offices, render legal advice, consult with Congress or other departments and agencies regarding legislation, and—to a quite limited extent—draft and interpret rules and regulations.

Shortly after I took office, the President asked me to determine the total number of lawyers in the Government and their functions. I learned that such information had not been gathered in several years, so we started an inventory of every department and agency in the Government. We discovered 19,479 lawyers who are performing "lawyer-like" functions—litigating, preparing legal memoranda, giving legal advice, and drafting statutes, rules and regulations. These lawyers are distributed throughout the departments and agencies, and practically no agency is too small to have its own "General Counsel."

Some of the 15,673 Federal lawyers in Government agencies outside the Department of Justice are handling litigation themselves; some are involved in direct support of the Justice Department's litigation efforts. Others are involved in other administrative law functions within their agencies. About one-fourth of all the Federal government's lawyers, 5,247[1] to be exact, are in the Department of Defense and the military services where they administer a totally separate court-martial system under the Uniform Code of Military Justice.

Although I am the chief legal officer in the Executive Branch, I have learned that I have virtually no control or, direction over the lawyers outside the Department of Justice, except indirectly in connection with pending litigation.

I. HISTORY OF THE DEPARTMENT

It may come as a surprise to many of you, as it did to me, to learn that the Department of Justice is little more than a century old. For over eighty years the nation had only an Office of the Attorney General. This fact alone, and the reasons for it, go far to explain the absence of strong traditions and clearly defined roles to undergird the present Department.

The first Congress created the Office of Attorney General in the Judiciary Act of 1789, at the same time it created the federal court system. The Act called for "a meet person, learned in the law, to act as Attorney General for the United States," but gave him little power. He was to do nothing more than represent the United States before the Supreme Court and, upon request, to give opinions on matters of law to the President and heads of departments. Congress also clearly intended the Attorney General to rank below the heads of the three departments—War, Foreign Affairs, and Treasury—which existed at the time. First, it ranked the Attorney General behind them for succession and protocol purposes. Whereas the salary for the heads of departments was set at $3500, that of the Attorney General was only $1500. And, whereas the department heads were given ample staff and quarters, the Attorney General received nothing beyond his salary—no funds for office rent, clerk hire, stationery, postage, candles, oil for lamps, or coal for a heating stove. The Attorney General was required to pay all expenses out of his own pocket.

Historians have discerned two motives behind Congress' treatment of the Office of Attorney General. The first was frugality; the new nation was unsound financially and Congress had to cut corners wherever possible. But the second and important motive for our purposes was fear of a strong Attorney General. Those early representatives vividly remembered the tyranny that could result from strong central enforcement of laws, and they hesitated to create machinery in the executive branch that possibly could serve as an engine of oppression. Nowhere was this concern more evident than in the arrangement for the enforcement of penal law and the representation of the federal government in civil litigation at the trial level. The Judiciary Act gave the Attorney General no role in either matter, vesting both powers exclusively in the thirteen United States Attorneys, then called district attorneys, who were totally independent of the Attorney General.

The first Attorney General, Edmund Randolph, made his first report to the President in 1791. In it he sought redress of the very handicaps that Congress had intentionally placed upon him. He requested authority to participate in litigation in the inferior courts, in order to have some input into making the records in cases which he eventually would have to argue in the Supreme Court. He requested authority to supervise the district attorneys, because they already had shown tendencies toward uneven enforcement of the laws. And he requested a clerk to help him with the simple mechanical chores of his office. President Washington endorsed all three requests and transmitted them to Congress—where they got nowhere.

The congressional snub of Randolph's recommendations in 1791 established a pattern that was to persist for decades. Seven Attorneys General has succeeded Randolph before Congress in 1818 finally appropriated funds for the hire of a clerk. Despite renewed recommendations by President Jackson in 1829 and 1830, by President Polk in 1846, and by President Pierce in 1854, it was not until 1861—a full 70 years after the first request by Randolph and Washington—that Congress finally gave the Attorney General some measure of authority over the district attorneys.

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[1] Including 3,739 in uniform.

The congressional opposition to these requests by successive Administrations illustrates the persistence throughout much of the nineteenth century of the fear of a strong Attorney General. As the federal government grew its legal business grew along with it. There were periodic attempts by some Administrations and some members of Congress to gain support for the idea of a centralized law department to handle that legal business. The unfailing reaction of Congress to each new increment, however, was to create a law officer, usually known as a Solicitor, in the department generating the legal issues and put him in control of the resulting litigation with no duty to answer to the Attorney General. The first Solicitor was created in the Treasury Department in 1820. The next fifty years witnessed a steady stream of such officers—Solicitors for the Navy, for the War Department, for the State Department, for the Post Office, for Internal Revenue.

As for the Attorney General, the Congress was perfectly willing to add piecemeal to his duties, for instance placing him on the Patent Board making him a member of the Sinking Fund Commission—whatever that was, and rerouting Executive Clemency petitions from the State Department to him. But Congress refused to authorize any enlargement of his legal domain. And it was careful to keep the Attorney General's staff just large enough—some would say too small—to assist him with his already assigned duties, so there was no chance of his augmenting his power by asserting de facto control over legal business where Congress had refused him de jure authority. In fact, in debates over how to handle new increments of federal litigation, those who opposed the creation of a law department invariably cited the overworked state of the Attorney General as proof that the new business could not be lodged with him.

At some point, of course, the fear of centralized authority had to dissipate as the memories of legal oppression from the old world receded and the federal government increased in power without becoming more prone to abuses of the states or individuals in the process. Added to that development was a growing belief that centralization of the legal activity of the federal government would be more efficient and thus cheaper than the system of Solicitors and relatively independent district attorneys. That system had effectively broken down under the continuing press of new business in the 1860s, resulting in the hiring of numerous outside counsel at considerable expense.

The conjunction of these two threads—acceptance of the idea of centralization, and a desire for economy—helped to create the Department of Justice in 1870. The debates in Congress at the time evidence a third reason for the move: the need to insure that the federal government spoke with one voice in its view of and adherence to the law. Senator Jenckes of Rhode Island, in explaining the proposal to the Senate, addressed himself to the existing Solicitors and expressly spelled out this purpose:

"I need not dwell upon the manner in which these officers have performed their duties. I have no doubt they have performed them to the best of their ability and honestly in every case. But we have found that there has been a most unfortunate result from this separation of law powers. We find one interpretation of the laws of the United States in one Department and another interpretation in another Department. . . ."

* * * * *

". . . It is for the purpose of having a unity of decision, a unity of jurisprudence, if I may use that expression, in the executive law of the United States, that this bill proposes that all the law officers therein provided for shall be subordinate to one head."

The act establishing the Department of Justice sought to remedy the problem of divergent executive branch legal views by giving the Attorney General supervision over the several departmental solicitors as well as the district attorneys and any outside counsel employed on behalf of the United States. The position of Solicitor General was created as an assistant to the Attorney General, as were two positions of Assistant Attorney General. The act also gave the Attorney General and the Department of Justice control of all criminal and civil litigation in which the United States was interested.

On its face the fact of 1870 seemed to presage preeminence for the new Department of Justice and a new era of economy and harmony in the legal business of the federal government. But two serious oversights by Congress at the time effectively doomed from the outset this attempt to consolidate and rationalize the federal legal activity. First, Congress failed to repeal or modify the statutes establishing the various solicitors as independent legal officers and defining their duties. The 1870 act did state that they now were subject to "supervision" by the Attorney General, but that is a vague term and the solicitors continued to claim their same pre-1870 powers and independence. The second oversight greatly compounded the difficulties caused by the first. Congress gave the new Department no building or other quarters where all of the attorneys under the Attorney General's supervision could concentrate their offices. The solicitors stayed in the buildings housing their old departments, where they were subject to continuing supervision by the heads of those departments rather than their nominal new boss, the Attorney General.

Congress was exhibiting a curious ambivalence about the role of the Attorney General and the Department of Justice, appearing to give them total control over the nation's legal business on the one hand but failing to take action necessary to make that control effective on the other. Within five years of creating the Department of Justice, Congress took three steps that showed it had not been serious about centralizing all legal activity under the Attorney General. In 1871 and 1872 it created two new Assistant Attorney General positions but expressely assigned them to the Interior and Post Office Departments where they were subject to supervision by the heads of those departments rather than the Attorney General. And in 1874 Congress re-enacted all of the old laws defining the roles of the solicitors, with no attempt to modify their powers so as to subject them to more effective Attorney General control.

The creation of the first independent regulatory agency, the Interstate Commerce Commission, in 1887, with the express Congressional intent that it not be under the control of the President or the Executive Branch, added a new dimension of what Congress intended the role of the Department of Justice to be. There is some evidence that the Commission handled most of its cases in the lower courts from the beginning, and that it cooperated with the Solicitor General in the presentation of its cases to the Supreme Court. In any event, in 1910 President Taft sent a special message to Congress recommending that all litigation affecting the government be under the control of the Department of Justice and specifically objecting to the practice of the Interstate Commerce Commission in employing its own attorneys who, "while subject to the control of the Attorney General, act upon the initiative and upon the instructions of the Commission." After a vigorous debate in Congress—centering largely on whether the Department of Justice would have authority to second-guess the Commission on the merits—Congress enacted legislation allowing the Commission to intervene as a party and, as such, to be represented by its own attorneys. Justice Department attorneys could therefore oppose the Commission's attorneys in court, and indeed, that has happened on a number of occasions, although the Commission and the Solicitor General have cooperated to file joint briefs in the Supreme Court in most cases.

During most of the pre-World War I period, however, the Attorney General was nominally the head of all federal legal activity, but the solicitors and their offices retained their actual independence. The Labor, Commerce, and Agriculture Departments were created, each with its own solicitor. And at the Attorney General's suggestion the two Assistant Attorneys General in the Post Office and Interior departments were made Solicitors in acknowledgment of their real independence from him.

There was one bright spot for the Attorney General during this period. In 1886 the last vestige of the earlier concern with downgrading the Attorney General was removed when the Attorney General was restored to the fourth rank among Cabinet positions for protocol and succession purposes. Previously it had ranked behind all other heads of departments, even those created after the Office of Attorney General.

At the outset of World War I many new agencies were created in the federal government to meet the emergency situation. Following the lead of the older departments, these agencies all insisted on their own legal counsel and authority over their own litigation. Their demands created enough confusion that the question of the lack of centralized litigating authority was brought to President Wilson's personal attention. The result was an Executive Order under which all solicitors and other law officers were directed to submit to the Attorney General's authority, and the Attorney General's legal opinions were made binding on all executive departments. But this Executive Order was promulgated under an act giving the President temporarily expanded powers for the war effort and it expired along with the act six months after the armistice. The predictable result was an almost immediate return to the status quo ante, with all solicitors and other legal officers reasserting their independence from the Attorney General.

In 1920, the Interstate Commerce Commission attorneys were granted statutory authority to appear for the Commission "in any case in court." Later that same year, the United States Shipping Board was given the right to employ attorneys to "represent the board in any case in court." Soon a Veterans Bureau was established, and its attorneys were given control over all veterans' litigation.

Before long, different parts of the government again were making different interpretations of the same laws and again taking inconsistent positions before the courts. In 1928, the Attorney General in his Annual Report likened the situation to that which existed prior to the creation of the Department of Justice in 1870. He noted that only 115 of the 900 [2] legal positions in the executive departments and agencies in Washington were even nominally under this control. The Attorney General recommended that serious consideration again be given to con-

[2] Compared to 3,806 of the 15,740 Federal civilian lawyers today.

solidating all legal activities under the chief law officer of the Government.

A few months into his Administration, President Franklin Roosevelt issued an Executive Order centralizing all litigating authority in the Department of Justice and giving the Attorney General the exclusive right to supervise United States Attorneys. Roosevelt's action, like that of the Congress in 1870 and President Wilson in 1918, resulted from a perception that decentralized control of the government's legal affairs had led to chaos and excessive expense.

Roosevelt's effort met the same fate as the two before it. The trend away from centralized responsibility started again almost immediately. The National Labor Relations Board was established in 1934 and the Securities and Exchange Commission in 1935, and both were given the power to conduct their own litigation. The cycle of disintegration and reform had continued.

The exceptions to centralized litigation authority which were created during the next 35 years mostly involved new independent regulatory agencies, although one Executive Department, the Department of Labor, also received some independent litigating authority. Agencies such as the Federal Communications Commission, Federal Power Commission (now Federal Energy Regulatory Commission), Federal Maritime Commission, Atomic Energy Commission (now Nuclear Regulatory Commission), and the Equal Employment Opportunity Commission, were granted at least some degree of independent litigating authority. Since about 1969–70, new grants of independent litigating authority have literally seemed to explode, with authority not only going to independent agencies such as the Consumer Product Safety Commission, the Commodities Futures Trading Commission, and the International Trade Commission, but also some Executive Branch agencies such as the Environmental Protection Agency. Today some 31 separate Federal government units have or exercise authority to conduct at least some of their own litigation.

II. THE PRESENT

The basic statutory scheme today is the same as in 1870: except as otherwise authorized by Congress, the conduct of litigation in which the United States, an agency or officer thereof is a party, or is interested, is reserved to officers of the Department of Justice, under the direction of the Attorney General. The problem is the number of exceptions authorized by Congress. Professor John Davis has aptly characterized the situation as follows:

". . . a continuing effort by Attorneys General to centralize responsibility for all government litigation in Justice, a continuing effort by many agencies to escape from that control with respect to civil litigation, and a practice by Congress of accepting the positions of the Attorneys General in principle and then cutting them to pieces by exceptions."

Prosecution of all criminal violations is controlled by the Department of Justice, and I do not understand that authority to be seriously challenged, but there is no consistent or rational statutory scheme applicable to agencies in civil litigation. The curious patchwork of civil litigation authority cannot be explained in terms of a congressional conception of the role of the Justice Department. Some grants of separate litigating authority seem to have been enacted simply because of loud and persistent complaints from the agencies seeking such authority. Others seem designed to increase the control of particular Congressional committees or subcommittees over particular agencies or programs. Neither a Congressional body which works closely with an agency, nor the agency itself, wants the Justice Department making decisions counter to their desires. Feifdoms have been created, and the Justice Department's efforts to ensure uniformity in Government litigating postures can constitute a real threat to them.

Some recent grants of independent litigating authority have occurred in strange ways. For example, the litigating authority of the Federal Trade Commission was significantly enlarged in 1973 by an amendment tacked onto the Trans-Alaska Pipeline Authorization Act on the floor of the Senate by Senator Jackson, thereby avoiding veto.

I recognize that Congress intended some regulatory agencies and government corporations to be independent of the Executive Branch and the President. The independence has extended to independence from the Department of Justice in legal matters, including litigation. The price of such independence is high, as it can and sometimes does result in two sets of government lawyers opposing each other at taxpayer expense. More importantly, it requires the Judicial Branch to decide interagency disputes that might be resolved more easily and better through the mediation of the Department of Justice.

I do not favor the independence of these regulatory agencies and Government corporations in legal matters. I think it is unseemly for two Government agencies to sue each other. It requires the Judicial Branch to decide questions of Government policy, a role never envisioned by our country's founding fathers. It is time-consuming and expensive. I believe it would be possible to preserve the independence of these bodies even if they were represented by the Justice Department. Such a system would be more efficient and would reduce the amount of judicial intrusion into intra-government disputes. The Department of Justice can exercise a review and supervisory function in an effort to bring uniformity to Government legal positions and still recognize the independence of the regulatory agencies' enforcement efforts.

My predecessors as Attorney General have shared my view that the Justice Department should represent the regulatory agencies. To date, however, Congress has been willing to pay the price of independent litigating authority for those agencies.

If separate litigating authority is going to continue for independent regulatory agencies and government corporations, then we should at least devise a rational system for the conduct of such litigation. One agency's case often will affect other regulatory agencies or Executive Branch departments. At the least, an agency should be required to alert the Justice Department in such cases so that the views of the Executive Branch can also be presented to the Court. If a case could affect the entire Government, such as an employment discrimination claim or a Freedom of Information Act complaint, the Justice Department should have control of the litigation rather than the single agency which is party to the case. The position taken by a single agency on a question of general concern should not bind the entire Federal government.

It is my view that the Justice Department should represent all Executive Branch departments and agencies. The Department must, of course, work closely with its clients in a cooperative effort, recognizing the peculiar expertise and abilities of agency lawyers and delegating authority to agency lawyers in certain circumstances, but always retaining final control in the Justice Department.

A study of federal legal offices in 1955 found that the absence of lines of authority from agency general counsels to the Attorney General contributed to the diversity of legal positions in the Federal Government. The report of that study strongly supported centralized litigation authority in the Department of Justice.

President Carter last August directed his Reorganization Project to study the way the Government's lawyers are used, stating that he considers "the effective use of legal resources to be a vital part of . . . [the] Administration's effort to improve the performance of the Federal Government. . . ." The President hopes that better use of these resources will enable the Federal government better to comply with its own rules and regulations and thus prevent unnecessary litigation and administrative delay. The President stated that he also hoped to improve the procedures for conducting government litigation in order to ensure more uniform application of the law.[3]

III. THE FUTURE

The President's Reorganization Project is completing its study and will forward its recommendations to the President in the next few weeks. This seems a particularly appropriate time to discuss the proper role of the Department of Justice in the future.

It is clear that the Solicitor General must continue to perform his current function of representing all the Executive Departments and the independent regulatory agencies. As counsel for the Federal Government, the Solicitor General is responsible for presenting cases to the Supreme Court in the manner which will best serve the overall interests of the United States. He is also responsible for deciding whether lower court decisions adverse to the Government should be appealed, and whether the Government should file *amicus curiae* briefs in cases to which it is not a party. During the past Term, the Government filed or supported petitions for writs of certiorari in 107 cases, 76% of which were granted. That percentage should be compared to the percentage of all petitions granted—6%. This reflects the Solicitor General's careful screening of the Government's cases, and his skillful advocacy in presenting the Government's views in an accurate and balanced manner. Last year was not exceptional—over the past decade, the Supreme Court has reviewed only 6–10% of the cases presented to it, but taken 60–70% of the Government's cases.

The United States is involved in about one-half of the cases decided on the merits by the Supreme Court each year. The Solicitor General's overview of all these cases is critical to avoiding inconsistencies in the Government's positions. His responsibility to the entire Government helps him avoid litigating a significant legal issue with Government-wide impact in a case which, because of its factual or procedural context, is a poor vehicle. An agency often does not see this broader picture—vindication in the pending case is often more important than the long-range interests of the United States. Solicitor General Erwin Griswold made that point in this way:

"The Solicitor General's client in a particular case cannot be properly represented before the Supreme Court except from a broad point of view, taking into account all of the factors which affect sound government and the proper formulation and development of

[3] In addition to studying the proper allocation of litigation authority, the President's Reorganization Project is examining several other issues that touch on the future role of the Justice Department. These include the flow of information between Government lawyers, the hiring and retention of lawyers, and their training.

the law. In providing for the Solicitor General, subject to the direction of the Attorney General, to attend to the 'interests of the United States' in litigation, the statutes have always been understood to mean the long-range interests of the United States, not simply in terms of its fisc, or its success in the particular litigation, but as a government, as a people."

The Solicitor General's screening function is an aid to the Supreme Court itself because of the large volume of cases filed there. The Court recognizes and supports this role. Chief Justice Burger sent a letter to Congress in 1971, on behalf of a unanimous Court, in response to a Congressional inquiry whether the Securities and Exchange Commission should be empowered to conduct its Supreme Court litigation independently of the Solicitor General's office. The Chief Justice noted the Solicitor General's "highly important role in the selection of cases to be brought here" and predicted that diluting the Solicitor General's authority would very likely increase the workload of the Supreme Court.

The various Solicitors General have been careful in the exercise of their authority, and the Office is well-respected by other departments and agencies for its expertise, independence, and objectivity. Although Congress has authorized several agencies[4] independently to file petitions for a writ of certiorari in certain categories of cases, such separate petitions have been relatively infrequent, presently averaging one or two a year. The Solicitor General's Office recognizes that control over the Government's litigation is not intended to transform the Department of Justice into a super-agency sitting in judgment on the policy decisions of other departments or agencies. With a few notable exceptions, such as the antitrust and the civil rights laws and the Freedom of Information Act, Congress has committed elsewhere the primary responsibility for most of the policy decisions in the Government.

It is my belief that all 3,800 lawyers in the Justice Department can perform with the same degree of independence, objectivity and litigation expertise as the twenty attorneys in the Solicitor General's office. Agency lawyers are enmeshed in the daily routine of a specific Government agency, and cannot be expected to litigate cases with the broad perspective and objectivity that ensures proper representation of the best interests of the entire Government, and therefore the people. Justice Department lawyers have the perspective and objectivity, but they must take care not to interfere with the policy prerogative of our agency clients. An agency's views should be presented to a court unless they are inconsistent with overall Governmental interests, or cannot fairly be argued.

Agency lawyers are often experts in their own regulatory and enforcement programs and statutes, and are often deeply involved in their agency's programs. Justice Department lawyers and United States Attorneys are litigation experts, and perform a critical function in translating the agency's programmatic expertise into effective briefs and arguments for judges who deal with an almost bewildering variety of cases and problems involving the Federal Government.

I recognize that our lawyers must better utilize the expertise of our client agencies. Since taking office I have recognized that we need to improve onr day-to-day working relationships with other agencies. We have taken new steps to ensure advance consultation with client agencies before cases can be settled, and to ensure that our client agencies are properly informed of the progress of pending cases. In short, we have tried to develop a new sensitivity to treating our client agencies as any private lawyer would treat a client. To help nurture this sensitivity, we are devising a new system of evaluating the performance of our lawyers which will include consideration of comments from the agencies they have represented.

We are considering other steps to more effectively and better serve our client agencies. A number of agencies feel that the Justice Department has not devoted sufficient effort to affirmative enforcement of their programs because of the demands of an increasingly heavy civil defensive caseload. One way to meet this problem may be the establishment of a group of attorneys who would litigate only affirmative agency cases.

Overburdened and strained resources continues to be a problem for the Justice Department, just as it was during our early history. We are examining ways to better manage the resources we have, including a better system of dividing civil cases between Washington and the field. We also have to work with our client agencies to make the most effective use of our attorneys. For example, every case does not need an agency lawyer in the field, an agency lawyer in Washington, a Justice Department lawyer in Washington, and an Assistant United States Attorney to review and agree to the filing of each pleading. More sensible delegations of responsibility simply have to be worked out. As a first step we are considering significantly increasing the authority of United States Attorneys to settle monetary claims against the Government without first getting approval from Washington. In keeping with our concern for the views of our client agencies, however, if the client agency objects to the proposed disposition we will require review of the matter at a supervisory level of the Justice Department in Washington.

I would like to speak for a moment to another issue related to the Justice Department's role of representing agencies in litigation. I believe Justice can and should play a greater role in pre-litigation counseling of other departments and agencies.

After all, one of the principal functions of a lawyer is to "keep all clients out of court"—that is, to advise him or her how to accomplish objectives without leaving him or her vulnerable to suit. This legal counsel role for government agencies is now generally performed by their own general counsels. Functioning as a lawyer independent of the agency, the Department of Justice can provide the agency a dispassionate view of legal problems associated with policy objectives. Moreover, as chief litigator for the government, the Department is able to apply the knowledge and experience it gains in that arena to anticipating potential legal difficulties presented by agency activities.

A good example of how that experience has been put to use is in the area of agency affirmative action efforts. The Department has probed this complex area of the law through its experience in formulating a position in the *Bakke* case, as well as in representing the Department of Commerce in extensive litigation over the minority business enterprise provision of the Public Works Employment Act of 1977. By gaining familiarity with the issues common to all affirmative action programs we are able to advise of potential legal problems. Thus, the experience gained in filing a brief *amicus curiae* on behalf of the United States and representing the Department of Commerce might be utilized in advising the Department of Defense or representing the Labor Department.

Because the Department has become familiar with potential problems in the affirmative action area, I have brought those questions to the attention of the various departments and have offered the services of the Department in advising them on the establishment of such programs. For example, the Department has taken the position that an affirmative action program is legally justified if necessary to remedy the effects of past, public, and private discrimination. Articulation of such a purpose will aid a court in evaluating the legality of a program if it is later challenged. Moreover, we can advise agencies how to tailor their programs to accomplish their remedial objectives. In this way we hope to establish a uniform position throughout the government, to enable agencies to better accomplish their goals and to avoid litigation.

The Freedom of Information Act is another example of a set of legal principles and public policies which pertain to all federal activities and which should be interpreted and respected throughout the government with a fair degree of uniformity. There is a clear need for effective governmentwide coordination to avoid conflicting interpretations by various Government agencies. In 1977 the Justice Department consulted with other federal agencies over 400 times on Freedom of Information Act questions not then in litigation, and we feel these efforts make an important contribution to securing a uniform application of the law.

Since 1789, the Attorney General has been charged by statute with responsibility for providing the President and the heads of departments with his opinion on questions of law. With regard to the President, this responsibility was extended in 1870 to the giving of the Attorney General's "advice" as well as his opinion on legal questions.

Most opinions are rendered on questions that will not ultimately be resolved by the courts in litigation. Attorneys General have traditionally declined to render formal legal opinions on questions then in litigation. These opinions of the Attorney General are generally regarded as authoritative within the Executive Branch, and they may often have the salutary effect of avoiding litigation by acting as a check on Executive conduct that may not be in accord with the law.

Historically Attorneys General have personally approved and signed their opinions. Until 1950, preparation of those opinions was vested generally in the Solicitor General or the Assistant Solicitor General. In 1950, the latter position was abolished and the opinion preparation function was transferred to what is now the Office of Legal Counsel, headed by an Assistant Attorney General. In addition to preparing his formal legal opinions, that office, acting for the Attorney General, renders legal advice and opinions to the Executive Branch and agencies on a daily basis under the same rules as are followed with respect to formal opinions of the Attorney General.[5]

[4] These include the Federal Communications Commission, Nuclear Regulatory Commission, Interstate Commerce Commission, Federal Maritime Commission, Maritime Administration, and Secretary of Agriculture (under the Packers and Stockyards Act and Perishable Commodities Act). Additionally, the Tennessee Valley Authority has in some cases represented itself before the Supreme Court.

[5] Formal opinions of the Attorney General have been published in the past. We are now preparing for publication the first volume which will contain the separate opinion letters and memoranda of the Office of Legal Counsel as well as the formal Attorney General opinions.

The increased complexity of our society and the Government's relationship to it over the past several decades is reflected in the opinion-giving functions performed by the Attorney General and his subordinates. Today, the subject matter encompassed by that function is as broad as the activities of the Government itself. It is not an overstatement to say that, in this complex society, the need for sound legal advice in advance of Governmental action has become particularly acute. There is no substitute for doing something right the first time.

Another important objective—and one perhaps more difficult to achieve—furthered by the opinion function is ensuring that the many diverse agencies of Government speak with one voice on the many legal issues that cut across the responsibilities of more than one department or agency. In the past, the reconciling of inter-agency disputes regarding questions of law arising in litigation has often not taken place until specific cases are brought to the attention of the Solicitor General after a decision by a federal district court on the question involved. Where no litigation is involved, the opinion function may serve and has served to harmonize diverse legal opinions and to ensure that the Government acts legally.

As we examine what the role of the Department of Justice should be in the future, we must consider the fact that the past several years have seen a frequent voicing of the idea of an "independent" Attorney General. This concept encompasses the entire Department of Justice and contemplates some kind of formal measures to insulate it from Executive Branch pressures in carrying out its law-defining and law-enforcing responsibilities. The currency of this "independence" movement is partly due to the Watergate experience. Many people called not only for a cleansing of the Department but for the removal of the potential for abuse forevermore. In 1976, President Carter made the subject a part of the national debate by proposing during his campaign that the Attorney General be appointed for a term of between five and seven years, with removal occurring only upon Congressional and Presidential approval.

Discussions about the role of the Attorney General and his need for independence from policy matters are not new to the political scene. From the inception of the office of Attorney General, in the Judiciary Act of 1789, there has been ambiguity about the role, and disagreement about the independence, of the Attorney General. The Judciary Act described the functions of the office in terms seemingly without relation to the policy-making, politically-rooted tasks of the rest of the Executive Branch:

". . . to prosecute and conduct all suits in the Supreme Court in which the United States shall be concerned, and to give his advice and opinion upon questions of law when required by the President of the United States, or when requested by heads of any of the departments, touching any matters that may concern their departments."

The opinion-giving responsibility of the Attorney General was for "questions of law" only. Moreover, President Washington's letter to Edmund Randolph urging him to become Attorney General, indicates he was seeking a skilled, neutral expounder of the law rather than a political adviser:

"The selection of the fittest character to expound the laws, and dispense justice, has been the invariable object of my anxious concern. I mean not to flatter when I say that considerations like these have ruled in the nomination of the attorney general of the United States, and that my private wishes would be highly gratified by your acceptance."

Notwithstanding those noteworthy independent beginnings, our attorneys general soon came to know the tensions created when the independence of their deliberations came in contact with the policy preferences of the Presidency. Senator George H. Williams, who was later to become Attorney General himself, related such a clash during the controversy in 1830 over the national bank:

"Consulting with his Attorney General [President Jackson] found that some doubts were entertained by that officer as to the existence of any law authorizing the Executive to [designate certain banks to be depositories of U.S. funds], whereupon Old Hickory said to him, 'Sir, you must find a law authorizing the act or I will appoint an Attorney General who will.' "

This tension between the Attorney General's role in dispassionately defining the legal limits of execution action, or in steering the course of litigation, and the Presidential desire to receive legal advice facilitating certain policy decisions, has occurred in modern Administration as well.

In 1940, President Roosevelt determined to provide the British with 50 destroyers in exchange for long-term leases on British territory in the Western Hemisphere. However, the United States had in 1939 proclaimed its neutrality, which potentially barred such an exchange. As a result, three legal questions were posed to then-Attorney General Robert H. Jackson:

(1) Could the President acquire the leases by an executive agreement between himself and the British Prime Minister, or must the agreement be submitted to the Senate as a treaty? (2) Did the President have the authority to dispose of the 50 destroyers, and if so, on what conditions? (3) Did the statutes of the United States forbid delivery of such war vessels by reason of the belligerent status of Great Britain?

Although each of these issues was difficult, Jackson answered each in the affirmative in an opinion issued on August 27, 1940, and the exchange was made. But a respectable, though by no means unanimous, body of legal opinion in the United States thought that Jackson had gone too far in accommodating the law to the exigencies of politics.

A somewhat different account of limited independence of an attorney general is reported in Francis Biddle's account of the internment of Japanese in World War II. Biddle, Attorney General under Roosevelt, stated that at the time of the internment proposal he thought the program "ill-advised, unnecessary, and unnecessarily cruel." However, he did not so advise the President, and the Justice Department subsequently defended the action successfully before the Supreme Court. Biddle explained that he "was new to the Cabinet, and disinclined to insist on my view to an elder statesman [Secretary of War Stimson] whose wisdom and integrity I greatly respected."

A final illustration of the pressures on an attorney general when a President seeks a legal opinion on a course of action he deems to be necessary took place during the 1962 Cuban missile crisis. President Kennedy had determined to take some action, but there was concern whether Soviet ships bearing arms to Cuba could be stopped and searched, since a blockade is normally considered an act of war. The question posed to Attorney General Robert Kennedy was whether the ship searches could be denominated a "quarantine," and thus be a lawful defensive measure short of war. Because of time pressures, the opinion was hammered out in oral discussions between Justice and State Department lawyers. Notwithstanding grave questions of constitutional and international law, the opinion was favorable to the President's wishes.

This is due in part to the multi-faceted nature of the Attorney General's job. The Attorney General has a variety of responsibilities: to prosecute violations of federal law, to represent the United States in judicial proceedings, either as lawyer for client agencies and departments or as amicus in cases of national importance, to provide legal opinions on questions submitted by other departments and agencies, to provide requested comment on pending legislation, to propose and steer Justice Department legislation through the Congress, and to advise the President on the appointment of federal judges and prosecutors. These tasks and responsibilities require varying degrees of contact and coordination with the Executive Branch on the one hand, and independence from the Executive Branch on the other. Thus, the independence of the Attorney General has only a general, and uneven, tradition to support it, and a complexity that resists easy resolution.

The Executive Branch inevitably encounters legal questions arising out of its policy formulation and implementation alternatives. As a matter of good government, it is desirable generally that the Executive Branch adopt a single, coherent position with respect to the legal questions that arise in the process of government. Indeed, the commitment of our government to due process of law and to equal protection of the laws probably requires that our executive officers proceed in accordance with a coherent, consistent interpretation of the law to the extent that it is administratively possible to do so. It is thus desirable for the President to entrust the final responsibility for interpretations of the law to a single officer or department. The Attorney General is the one officer in the Executive Branch who is charged by law with the duty of advising the others about the law and of representing the interests of the United States in general litigation in which questions of law arise. The task of developing a single, coherent view of the law is entrusted to the President himself, and by delegation of the Attorney General generally. That task is consistent with the nature of the office of Attorney General.

Moreover, with a few rather significant exceptions, the Attorney General is removed from the policy-making and policy implementation processes of government, and this is especially true when he deals with legal questions that arise in the administration of departments other than his own. It makes sense to assign the task of making definitive legal judgments to an officer who is not required, as a general matter, to play a decisive role in the formulation of policy. Such an officer enjoys a comparative advantage over policymakers in the discharge of the law-giving function.

Therefore, some have suggested that the independence of the Attorney General should be increased and secured institutionally, within the limits imposed by the Constitution. It has been suggested that an executive order could be issued that would endorse the concept that the Attorney General must be free to exercise independent judgment in his litigating function and in his counseling function, subject only to the constitutional prerogatives of the President. Such an Order could provide that the Attorney General's opinions on questions of law, as opposed to questions of policy, would be binding in

certain circumstances. It could establish removal procedures that would require the President to justify the removal of an Attorney General because of differences of opinion over questions of law. It might also include an expiration provision, terminating the Order on the inauguration of President Carter's successor, but the order could be a model for future administrations. I haven't reached any conclusions as to whether I would recommend to President Carter that he issue such an Executive Order. However, as we discuss and decide the future role of the Department of Justice, careful consideration must be given to this problem.

In the Bakke case and in some other instances, I have played an important role as a buffer between our truly independent litigating lawyers in the Department of Justice, including the Solicitor General and his staff, and other government officials outside the Department of Justice. In these specific instances, I think I have been successful in preserving the independent positions taken by our Justice Department lawyers. A refined definition of the Attorney General's role in such disputes is something that is clearly needed as we decide our charter for the future.

I have mentioned a number of important questions tonight that deserve careful consideration as we re-examine what the role of the Attorney General and the Department of Justice should be in the future. Although our client is the Government, in the end we serve a more important constituency: the American People. As the President seeks to make our increasingly complex Federal Government more responsive to the needs of the people, we must improve the performance of the Government's lawyers, including the Department of Justice. I hope we can do that in part by developing a clear concept of just what the role of the Attorney General, the Justice Department, and indeed, the Government lawyer, should be.

We covered a lot of history tonight. I don't know if you've been as fascinated listening to the history of the Department as I have been in researching it and telling the story. I must share one little tidbit with you as an aside. I was very pleased to learn that the Attorney General when the Department of Justice was created, A. T. Akerman, was from Georgia. I admit that I subsequently discovered that he was born in New Hampshire, but he moved to Georgia at an early age and grew up there. While that rather significant fact doesn't have much to do with tonight's speech, it was an important discovery for an amateur Georgia historian. His lack of fame in Georgia is no doubt the result of his having been appointed Attorney General by President Grant shortly after what we in the South sometimes call the War of Northern Aggression.●

THE CARTER IMMIGRATION POLICY—AN INSIDER'S OPINION

HON. CLAIR W. BURGENER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1978

● Mr. BURGENER. Mr. Speaker, the President's proposals for dealing with the illegal alien problem were an utter disaster when they were put forward last year. The President's suggestion for a wholesale amnesty for illegal aliens has spurred the entry of a never-ending stream of illegals into this country. This flood, if not stopped, threatens to sap our country of many millions of dollars of fraudulently-collected benefits under various programs. Mr. Richard W. Walker, a constituent of mine and a 6-year veteran criminal investigator with the U.S. Immigration and Naturalization Service, recently offered his assessment of the Carter administration's illegal alien policy in an article in the San Diego Tribune.

I commend this article to my colleagues for the excellent inside look it takes at a difficult problem as viewed by one who must cope with this problem every day.

I commend Mr. Walker's candor, and should I find his forthrightness is rewarded in the same fashion General Singlaub's was, I plan to battle this administration tooth and nail in his behalf.

AN IMMIGRATION MAN SPEAKS OUT

(By Richard W. Walker)

I have been employed for the last six years with the U.S. Immigration and Naturalization Service as a criminal investigator.

The recent request of Immigration and Naturalization Commissioner, Leonel Castillo, to the Attorney General regarding short-term action to reduce the number of illegal aliens to a "mere fraction of the current number" parallels in its logic the Carter administration's alien package now pending in Congress. A close examination of these proposals reflects that they will not stem the flow of illegals into the United States, nor is there going to be any concerted effort by this administration or the Castillo leadership to stop that flow.

Castillo's proposal to hire 500 new Border Patrol officers for the next three years is needed. However, even if deployed solely along the 2,000 mile unfenced southern border of the United States, this increased personnel will not create a substantial new obstacle to illegal entry. This is not to demean the heroic efforts of our Border Patrol officers. The present Chula Vista, Calif., Border Patrol Sector now apprehends as many as 1,000 illegals per day. Being caught once only means that the alien will have to try again until he eventually succeeds. The Border Patrol now apprehends no more than one out of every three illegal entrants.

Increased enforcement of the service's antismuggling effort is needed, but only as one aspect of the enforcement program. The present increase of anti-smuggling activity to the near abandonment of any emphasis on other investigative enforcement activity is a "sop" being tossed to the American public in the name of enforcement of the immigration laws. Remove every alien smuggling ring from operation and the tide of humanity will continue without hesitation. The expressed commitment to the anti-smuggling effort in conjunction with proposals for increased enforcement of labor, safety, and wage law violations by employers who habitually hire illegal aliens is laudable. However, as isolated programs they are aimed at the exploiters of illegal aliens, not illegal aliens themselves. Remove the illegal alien and you remove the source of exploitation.

The present I&NS leadership must be described as anti-enforcement. Service officers have been ordered to use the term "undocumented alien" instead of "illegal alien," despite the fact that the former term is a misnomer. There are "illegal aliens" who are documented and "legal aliens" who are undocumented. Criminal investigators have been told to drop the public use of the word "criminal" from their official job title established by the U.S. Civil Service Commission. Exclusive of alien smuggling, what enforcement occurs in the interior cities of the United States occurs in spite of and not because of any support from the president and commissioner Castillo. Nowhere in the Castillo or Carter proposals is any mention of increased efforts at removal of the millions of illegal aliens presently in the United States.

Castillo proposes a stepping up of the naturalization applications of legal resident aliens so that they may more quickly immigrate immediate family members and delay the present periods of required departure for illegal alien family members already in the United States in violation of law. This proposal is clearly aimed at rewarding those who have violated both United States criminal and administrative law. In conjunction wtih the administration's proposal to create various new categories of non-deportable aliens, the president and commissioner Castillo have provided the long sought key to law enforcement. Illegal activity can be reduced to a "mere fraction" by simply legalizing that activity.

Castillo proposes raising the ceiling on legal immigration from Mexico from 20,000 per year, the maximum quota limitation possibility for every other country in the world, to 50,000. What justification is there for considering such a privilege for Mexico? Do the remainder of the world's countries not contain persons equally desirous and qualified to immigrate to this country? Under present laws, this country accepts a half million new legal immigrants per year, far more than any country in the world. There is no quota limitation on the numbers of spouses, minor children, and parents of United States citizens who may immigrate.

Practical support for family planning in Mexico and increased economic investment in Mexico as proposed by Castillo may be welcomed by some in that country. However, coming from an administration that appears unable to curb domestic inflation, or decrease unemployment, especially among blacks, such efforts would surely make an insignificant dent in the economic and population problems of that country. At present, 40 percent of Mexico's population is unemployed or underemployed. At the present birthrate that country will double its present 65 million population in the next twenty years. A time bomb is ticking across our southern border that will not be stilled by the location of a few new factories in the interior of Mexico.

No other country in the world would tolerate such blatant violation of the integrity of its borders. A physical barrier, a fence, must be constructed along the southern border of this country and secured by as many border personnel as are necessary. Until our borders are secure, no program will succeed. Serious consideration must be given to a counterfeit-resistant national identity card. Remarkably, the government which now documents its population from cradle to grave in the form of Social Security Cards, drivers licenses, welfare, medical, and food stamp cards, etc. is reluctant to recommend national identification as proof of the right to re-

ceive all of those benefits. There must be a commitment to the enforcement of the immigration laws presently in existence. This means an increased efforts to remove illegal aliens presently in the United States.

The "knowing" employment of illegal aliens must be made a criminal violation with penalties severe enough to deter such activity. If such proposals are not acceptable to the American population, then a new Immigration and Nationality Act is needed. Service policy as set by the present leadership and judicial interpretation have emasculated the law to the point where the immigration controls of this country can only be termed as hypocritical and chaotic.●

MARYLAND DOES NOT NEED A MARXIST

HON. ROBERT E. BAUMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1978

● Mr. BAUMAN. Mr. Speaker, my good friend Pat Buchanan has a remarkable ability to articulate the views of many Americans on many issues. He has done so for many Marylanders who have been dismayed to learn that the University of Maryland is considering the appointment of an avowed Marxist as head of the Department of Government and Politics.

I have taken the time to read some of the writings of the professor in question and have found him to be not only a militant Marxist but a radical activist seeking coverts to a political and economic philosophy that most Americans find totally objectionable. In one of his writings he openly attacks the Christian religion.

While such views may not be popular, anyone should have the right in this country to express his thoughts. But there is certainly no obligation on the part of the taxpayers of Maryland to hire and pay for this kind of person in a major academic post at our State university.

I have urged Dr. Wilson Elkins, president of the university, to veto this possible nomination. Let the professor get his own soapbox without Maryland taxpayers footing the bill.

The article follows:

MARYLAND NEEDS A MARXIST?

(By Patrick J. Buchanan)

WASHINGTON.—The University of Maryland has just nominated an avowed Marxist socialist to chair the department of government and politics. The professor is Bertell Ollman, a 42-year-old scholar of impressive credentials, an avowed Marxist, but no Communist. Or so he contends; and the usual progressive forces are circling the wagons in support of his appointment.

Can a man be both an exponent of academic freedom and an opponent of Ollman's nomination. The answer, simply, is yes.

Academic freedom is nothing more than the freedom of a scholar to inquire, to study, to teach, in the arena of his acknowledged expertise. It is not a constitution right. It is a privilege, conferred upon the academic community by the larger society. It does not exempt any professor from discrimination on the basis of ideological or political views.

As a state school, Maryland University should be responsive to the citizens who subsidize its operations. For the university to plant this Marxist on the top rung of its department of government is to kick its benefactors in the teeth. And the taxpayers have every right to kick back at budget time.

As anticipated, the busybodies of the American Association of University Professors parachuted into the conflict. In a letter of surpassing arrogance—one Jordan Kurland of the association penned this epistle to Maryland's Gov. Blair Lee: "Fundamental to academic freedom . . . is the principle that the appointments of professors should not be influenced by their political views but should be based on their academic qualifications as scholars and teachers."

Nonsense. A Catholic university should discriminate in its philosophy department against any professor found speaking up for abortion on demand. A Baptist school has every right to fire a closet socialist teaching a materialistic view of life. And no Jewish college is under any obligation to retain or tolerate anti-Semites in the faculty or student body.

Of late our academicians, like my brother journalists, have come to see themselves as a new priestly class in the secular society—free to carp, criticize and condemn with impunity from their privileged sanctuaries of the college campus and the city room. Yet when roasted politicians respond in kind, suggesting that some of our academics and journalists are political imbeciles who can't park a bicycle straight, we are invariably treated to pious lectures about the First Amendment and academic freedom.

If Ollman were up for chairman of the department of chemistry, his political views would be of no relevance. But that is not the case. He is an individual with an ideological slant on history, economics and politics abhorrent to the majority of Americans. And there is no obligation on the part of Marylanders to subsidize the propagation of his political faith at their state university.●

THE PUBLIC INTEREST LOBBY

HON. BILL CHAPPELL, JR.

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1978

● Mr. CHAPPELL. Mr. Speaker, all of us, drowning in the daily flood of incoming mail, are subjected several times per hour with pleas not to succumb to this or that—or all—so-called "special interests." It's difficult to pick up the editorial page of any newspaper or magazine without finding reference to those same "special interest" groups. With all of the words being generated about such entities, I have come to recognize that it is a broadly used title, but not a very meaningful one. Even though I have been bombarded with warnings about the nefarious objectives and overwhelming power of the "special interests," I have yet to see the term defined consistently.

What indeed is a "special interest"? Or, more to the point, what—really—is its counterpart, the so-called "public interest"? Other than the vague idea that the difference between "special" and "public" interests is sort of like that between black hats and white hats in a TV western, nobody seems to be able to pinpoint just what a special interest is. or for that matter, who.

A recent essay in Newsweek, by writer Tom Bethell, explored the possibilities of what all those journalists and commentators are talking about when they refer to the "powerful special interests." I was both entertained and enlightened by the author's thoughts on the subject, and I wanted to share his words with my colleagues.

THE "PUBLIC INTEREST" LOBBY

(By Tom Bethell)

From time to time we are told that the "special interests" exercise an undue influence over our lives. President Carter has used the phrase often. So has Common Cause, a Washington-based "citizen's lobby." Journalists have sometimes taken up the refrain. In a New York Times column early this year entitled "Does the System Work?" James Reston suggested that the answer might be no because of the threat posed by "special-interest lobbies."

Special interests are often contrasted with something called "the public interest," which is always spoken of highly. Why special interests are bad and the public interest is good is not immediately apparent. It has puzzled Sen. Mark Hatfield of Oregon, for one. He said in a Senate debate last year: "I hope the sponsors [of campaign-financing legislation] will identify who they think are special interests. Furthermore, I hope they will define for us what they mean by the term 'public interest.' And I hope they will show us where the two are inconsistent." He received no reply.

Jimmy Carter is not the first President to sound the "special interest" alarm. Theodore Roosevelt invoked the phrase; and after him Woodrow Wilson and Harry Truman. Roosevelt had in mind such capitalists as J. P. Morgan and John D. Rockefeller, who admittedly succeeded in cornering a disproportionate share of the wealth. Over the years, the phrase seems to have maintained the same meaning. For instance, Woodrow Wilson said that "the business of government is to organize the common interest against the special interests." President Carter would have substituted the word "people's" for "common."

NO PAT PHRASES

Who, then, are the special interests? I sought a definition from Common Cause, which has specialized in criticizing special interests. "It's hard to put it in a pat phrase," a spokesperson told me. "Basically, it's business, labor and professional groups. Anything not in the public interest." That seemed to embrace almost everyone except children. Certainly Rockefeller would have been surprised to learn that 40 years after his death, "labor" would be perceived as a special interest.

I requested a clarification from David Cohen, the president of Common Cause. He reassured me that labor was indeed a special interest. "There is a plethora of special interests," Cohen added. "Education can be a special interest, health can be a special interest. It has come to mean people who advocate *specific* interests, usually with great skill, resources and money."

The suggestion is that when people are concerned enough to organize themselves around *particular* issues, that interest is not a legitimate one because it amounts to a self-interest. It is not surprising, however, that

most people are so organized because most people are paid by one boss to work in one specific field—for example, making automobiles, or selling them. In this respect they are to be contrasted with public-interest lawyers, who are collectively financed by small donors and given a vague mandate to "reform" society.

UNDUE INFLUENCE?

The charge that the special interests are unduly influential might be true if the number of beneficiaries of legislation they influenced were small. But they are not. Consider the automobile. It is estimated that one out of six workers in the country has a job in some way dependent on the automobile. Or oil—an oft-criticized "special interest." The six largest oil companies have 14.3 million shareholders, who, compared with John D. Rockefeller's tightly held trusts, constitute an enormously broadened oil interest. It should not be surprising that such constituencies as these find a sympathetic ear in Congress.

What is surprising is that the far smaller public-interest lobbies should have succeeded in putting the vast majority on the defensive. They have done this by appearing in the guise not of self-interested lobbyists but of disinterested "reformers," roaming all over the political landscape to seek out "conflict of interest," which, by default, they alone define. We should bear in mind that such people have a "vested interest" in persuading us that "the system doesn't work."

One result of their endeavors is that "politics" gets a bad name. The competition for legislative favor among special-interest groups is almost a definition of politics. Resolution of these competing interests calls for compromise. Thus, politics is "the art of compromise." But now this art is often identified with corruption. By contrast, the public-interest advocate is virtuously tagged "uncompromising," as though that were the only moral posture. It is well to remember that an uncompromising person can be disdainful of the interests of others.

Politics deserves a better press than it gets. Sen. S. I. Hayakawa made this point well in a debate last year: "Disgusted with politicians," he said, "some people from time to time yearn for government without politics. Sometimes, to their dismay, they get it, as in Soviet Russia, Poland and North Korea, where the political process has been abolished."

Public-interest groups want to minimize or abolish the influence of special-interest groups in the political arena. Common Cause's favorite cause, the public financing of Congressional elections would have this effect. Candidates would be financed with public money—pure and untainted. In fact, candidates would be financed roughly in the same way that Common Cause is financed. Donations from groups would be replaced by donations from individuals—that is, taxpayers. This change would undoubtedly make politicians more responsive to the goals of the reformers.

POWER SHIFTS

We should bear in mind that reforms do not eliminate power, they merely reform it, to give the word its root meaning of "reshape." "There's no question that we're trying to shift some power relationships around," Cohen candidly admitted, although he did not go so far as to say that he was trying to channel power in his direction.

That would be the practical effect, however. Public-interest groups have a "special interest" in reforming society. The public interest vs. the special interests is not a contest between righteousness and corruption. It is simply a power struggle. A comparatively small clerical class of bureaucrats, professors and public-interest lawyers stands to gain even more power than it already has—at the expense of "the special interests," which is to say, you and me.●

OUR NATION'S "FIGHT FOR INDEPENDENCE" CHRONICLED IN MY AMERICA ARTICLES BY ED SALT, AWARD-WINNING YOUNGSTOWN, OHIO, JOURNALIST

HON. CHARLES J. CARNEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1978

● Mr. CARNEY. Mr. Speaker, as you will recall, I recently commented on the fine series of articles discussing the greatness of our Nation which were forwarded to me by Mr. Ed Salt.

At that time, I inserted the first article of this award-winning series in the CONGRESSIONAL RECORD. I am pleased to present another of Mr. Salt's articles today. This article, "Fight for Independence, Part I," is the first of 13 articles which chronicle the beginnings of our Nation. I believe that these timely and informative articles deserve the attention and consideration of all of us.

[From the Boardman News, July 7, 1977]

FIGHT FOR INDEPENDENCE, I—"MY AMERICA"

(By Ed Salt)

Two hundred years ago the United States of America celebrated its first birthday. But there was no assurance that it would celebrate its second.

The actual fight for independence began with the battles of Lexington and Concord, Mass., on April 19, 1775. Fighting would continue for six and a half years, and nearly two more years would elapse before the Treaty of Paris formally ended the war in the fall of 1783.

While the war began at Lexington and Concord, the feud between colonists and the Mother Country had been going on for many, many years.

Early in colonial history, England, as she did in other parts of her empire, sought to protect British business and industry. Colonies could furnish the Mother County with all kinds of raw materials, but they were limited in what they could manufacture and where they bought their supplies.

In 1651 Parliament decreed that no goods could be shipped to England, Ireland, or to English colonies except in English, Irish or colonial ships manned primarily by subjects of the English commonwealth.

There was a loophole in this provision, however. Colonial ships could take material from the colonies and sell to other countries, then buy supplies there to bring back to the colonies.

Third, it was a serious blow of the rum industry, particularly in New England, which used large quantities of molasses to manufacture rum. It also hit the New England and middle colonies which exported huge amounts of fish, flour, lumber and horses to the French, Dutch and Spanish West Indies, receiving "hard cash" and molasses in return.

Another effect was that it promoted smuggling, and smuggling became a big business all along the Atlantic coast. It became so important that in 1775 the British government ordered writs of assistance to be used in Massachusetts.

Under these writs, customs officials could call on local authorities to enter warehouses and private homes without search warrants, to look for smuggled goods. Within a few years writs were used in Boston to seize illicit cargoes. One of the largest was a cargo from Holland valued at 10,000 British pounds (roughly $50,000 in American money).

Needing more money for the royal treasury, Parliament, in 1764, adopted the Sugar Act which imposed duty on sugar imported from the French West Indies. This strangled trade between the colonies, mainly those of New England, and the French West Indies. It also imposed a tax on foodstuff and lumber, and contained provision for strict enforcement.

The next year Parliament approved the Stamp Act which required a government stamp on all legal documents, newspapers and licenses to help support British troops which were "protecting the colonists."

Colonial protests were bitter and reaction violent. Stamp distributors were the targets of demonstrations. Some stamp distributors were hung in effigy, some were forced to resign and some had to flee for their lives. Stores of tax stamps were destroyed.

Sons of Liberty clubs were organized and soon there was a network of them throughout the colonies. These groups erected Liberty Poles in various places as rallying places and as symbols of their resistance to British acts.

Massachusetts proposed an intercolonial congress to take action against the Stamp Act. The protests, demonstrations and resistence affected business between the colonies and the Mother Country.

Early in 1766, when London merchants realized the value of their exports to the American colonies had dropped about 15 percent, they petitioned Parliament to repeal the Stamp Act. Its repeal was given royal approval less than a year after it was enacted.●

LEAA AND THE FINGERPRINT MACHINE

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1978

● Mr. HYDE. A few weeks ago, Cissi Falligant, an extremely capable reporter for the Suburban Trib, a suburban newspaper in my district, called my attention to a serious situation.

Since September 1972, an extremely sophisticated $1.3 million fingerprint identification machine, purchased with Law Enforcement Assistance Administration funds, has been sitting unused and crated in the Illinois Bureau of Identification in Joliet.

When the $1.3 million grant was awarded to Illinois, the State committed $451,000 to pay 31 people to convert the State's 1.1 million fingerprints into the computer.

If things had proceeded as planned, Illinois would have been one of three law enforcement agencies in the world to own what criminologists call the most sophisticated fingerprint identification equipment in the world. In addition to Illinois, Scotland Yard and the Royal Canadian Mounted Police own such a system. If the system were in full operation in Illinois, it would save $500,000 a year by reducing the necessary number of fingerprint technicians.

Why is the Illinois machine sitting idle and crated in Joliet?

The reason is quite simple, and no doubt similar instances have happened in other States. The $1.3 million grant was applied for by Illinois Governor Ogilvie's administration which also committed $451,000 in State funds to run the machine. The funds were received from LEAA in late 1972 and conversion began in early 1973.

A new Governor, Daniel Walker, took office in 1973 and would not honor the commitment made by his predecessor. The current Governor, James Thompson, is faced with the problem of finding a use for the equipment which, in inflated 1978 figures, represents a loss of $2 million.

My office, with the very capable assistance of Judiciary Committee Counsel Tom Boyd, has been working with the State of Illinois and LEAA in an attempt to place the machine elsewhere. I am confident that a solution will be found.

However, I am concerned about why it happened in the first place. There apparently has been little effective LEAA monitoring of such grants for equipment. I should point out that under the block grant concept, designed to maximize local control, there is purposely a lack of Federal interference once the grant grant is awarded.

Nevertheless, a costly and wasteful situation developed in Illinois which could have been prevented by carefully-drawn language amending the Omnibus Crime Control Act.

I am introducing such an amendment today. An analysis follows:

1. Section 1 adds a new paragraph to section 519(1) of the Omnibus Crime bill of 1968, which lists materials contained in an annual report by LEAA to the President and to Congress. The new paragraph mandates that LEAA include with that report a description of equipment costing $100,000 or more, as well as its current use status.

2. Section 2 provides, in effect, the penalty section of the bill. It gives LEAA the authority to require a State Planning Agency to refund the "federally assisted part" of the cost of any equipment purchased through LEAA which has not been placed in use within one year after the stated date for the commencement of such use. Furthermore, the State is required to update its status throughout the "useful life" of the machinery. "Federally assisted part" is referenced because the funds which contribute to the purchase of the item may not come from LEAA while still coming from the federal government. A State should not be permitted the loophole of juggling these funds to keep from technically falling under this legislation.

3. Section 3 adds a new paragraph nineteen to section 303(a) of the current law. Section 303 lists information which must be included in the annual State plan outline submitted to LEAA. To make certain the State divulges the status of equipment costing $100,000, his new paragraph requires that the State make assurances to LEAA that the equipment has been put to practical use within the time period stated.

Because of the absence of such language, it is impossible to determine how widespread the problem really is; $1.3 million in taxpayers' money is now lost to the State of Illinois. Are there similar situations throughout the country? LEAA does not know.

I urge my colleagues to check with their State planning agencies and determine if equipment purchased with LEAA funds is being properly utilized, or is sitting idle. And I invite my colleagues to join me in cosponsoring legislation designed to prevent a similar waste of tax dollars in future LEAA expenditures.●

RECENT IRS ACTION FINANCIALLY CRIPPLING TO SELF-EMPLOYED

HON. HERBERT E. HARRIS II

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1978

● Mr. HARRIS. Mr. Speaker, since the Internal Revenue Code was enacted in 1954, the classification of whether a person was self-employed for tax purposes has been determined by law. After 1975, the Internal Revenue Service began making this determination by issuing new tax rulings that reclassified many self-employed individuals as employees, and demanded that they pay back taxes for the years they were allowed to file as independent contractors.

This reclassification has resulted in staggering tax assessments—and often double taxation—for many self-employed persons. If allowed to continue, it could easily force millions of individuals, including real estate agents, beauticians, barbers, door-to-door salespersons and gas station operators, out of business or into the bankruptcy courts.

I believe that these IRS rulings reflect a drastic reversal of more than 20 years of Treasury policy on the taxation of independent contractors, not to mention a dubious interpretation of the Internal Revenue Code.

RELIEF NEEDED NOW

On May 1, 1978, I introduced H.R. 12451, a bill to revoke for 2 years IRS rulings that would reclassify certain independent contractors as employees. The bill would prevent the IRS from applying new or duly-stated positions regarding the classification of independent contractors are inconsistent with general audit practices in effect as of December 31, 1975.

This legislation will relieve self-employed persons from arbitrary and unfair IRS audits that have threatened the collapse of many small businesses in the past 3 years. Without this bill, self-employed individuals could be assessed retroactively for payroll, unemployment, withholding, and social security taxes, meaning that they would have to pay the same taxes twice on the same income—once as an employer and once as an employee. We cannot and should not let this happen. H.R. 12451 will provide the relief many independent contractors need now in order to stay in business.

CONGRESS—NOT THE IRS—SHOULD DETERMINE WHO IS SELF-EMPLOYED

In response to the IRS rulings proposed after 1975, House and Senate conferees on the Tax Reform Act of 1976 recommended that Congress study the issue of who may file as self-employed for Federal tax purposes and resolve any ambiguities in the present law. Until this study is completed, I believe that self-employed individuals must be protected from arbitrary interpretations of the present law by the IRS. My bill will provide an interim solution by waiving any rulings dealing with the classification of independent contractors that conflict with those practices in effect as of December 31, 1978, and prevent the IRS from changing these practices for another 2 years.

I feel that H.R. 12451 will provide Congress the time needed to complete the study on the tax treatment of the self-employed, and allow us to give full and complete consideration to this important policy matter. A major change in tax treatment such as this should be decided by Congress and not the IRS. I urge my colleagues to support this legislation.

H.R. 12451 follows:

H.R. 12451

A bill to disregard, for the purposes of certain taxes imposed by the Internal Revenue Code of 1954 with respect to employees, certain changes since 1975 in the treatment of individuals as employees

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the period beginning on January 1, 1976, and ending on December 31, 1979, the determination of whether any individual is an employee for the purposes of chapters 21 (relating to the Federal Insurance Contributions Act), 23 (relating to the Federal Unemployment Tax Act), and 24 (relating to the collection of income tax at source on wages), of the Internal Revenue Code of 1954, shall be made under audit practices and regulations which are not inconsistent with the practices and regulations in effect December 31, 1975.●

FOREIGN TAKEOVER PRECEDES PULLOUT

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1978

● Mr. GAYDOS. Mr. Speaker, at a time when it seems everyone is rushing to welcome foreign investors to the United States with open arms I would hope some pause long enough to consider what can happen through the takeover of an American firm.

The following "letter to the editor," which appeared in the April 26 edition of the Daily News, McKeesport, Pa., cites an example. It describes the plight of the Copperweld Corp. plant in Glassport, Pa., a plant which is an economic mainstay of that community. Three years ago Copperweld Corp. was taken over by Societe Imetal of France. Today, its Glassport plant is in danger of a shutdown or a drastic cut in production and employment.

The letter follows:

THE READERS EXPRESS THEIR VIEWS

COPPERWELD PROBLEM

I am writing in reference to the recent Business Mirror column by Michael L. Geczi, "U.S. Investment Policy Reaping Big Dividends."

We in Glassport are not particularly enthralled by Mr. Geczi's celebration of the $210 million invested in a 67 percent share of "Pittsburgh's Copperweld Corp." by Societe Imetal of France. We are certain that Mr. Geczi is convinced that throwing hundreds of millions of dollars across oceans is good business. It enhances the bottom line of most corporations, therefore it is good for most people. No so Mr. Editor.

In the case of Copperweld, a brief history is in order. The Copperweld Corp. was founded in the mid 1920's in Rankin, Pa. It soon outgrew that facility. The company moved to Glassport in 1928, moving into the evacuated facilities of Glassport Ax and Tool Co. The company did prosper! It paid its first dividend in 1935, some seven years after moving to Glassport. The dividends have continued every year.

Somehow over the years, without the help of Le Baron De Rothschild (Societe Imetal), this factory in Glassport did provide the funds to procure a steel mill in Warren, O., which dwarfed the size of the parent plant in Glassport. A fine wire plant was established in Oswego, N.Y. A structural tubing plant. A capital investment in the Glassport plant resulted in "Alumoweld," an aluminum clad wire which found an immediate market world wide.

The result was Copperweld international with wire drawing facilities in Japan, Spain, Brazil and everywhere in the world the wire is needed. All this expansion and growth generated by a small plant (maximum 600 employees) in Glassport. So astounding a growth could not escape notice. Enter Le Baron De Rothschild and Societe Imetal. A tenure offer was made, the battle enjoined.

The workers in the Glassport plant, the Warren plant, and other citizens of the area who held Copperweld shares, were asked to hold on to their shares. In the name of patriotism and company loyalty the good folks passed up a chance for a good solid profit. They did take up the flag to do battle with the Baron, in hopes of fending off a foreign takeover.

They mounted buses, marched on Washington, a congressional panel was convened in what was described in the Wall Street Journal as a "firehall in a grimey mill town." In attendance were federal officials, state officials, county officials, company officials, union officials, all joined in a common cause . . . a lost cause. We had amassed an army of Don Quixotes to go against Baron Rothschilds' wind mills. The results inevitable—the monied wind mill cast us into the mire. . . .

What has happened to this former American Company and in particular the Glassport Bimetallics plant should be of interest to Mr. Geczi who celebrates these foreign takeovers.

The Glassport plant is now in dire danger of shutdown. According to officials, the plant is obsolete, utilities too high, labor costs prohibitive, domestic market slow, competition fierce, etc., etc., etc. May we note the men working in the plant did not cause its obsolesence. The Copperweld products suffered management neglect for years.

We are told this is all happening in the name of hard business facts—The facts are a profitable plant is being closed for lust of more and bigger profits. The questions of morality or patriotism are never brought up in these decisions.

These questions must be asked. When these corporations invest American money and technology in unstable third world countries, are we to send our children to defend their property? When an American company builds massive oil tankers in Japan, mans them with Taiwanese sailors, with an Italian captain, under a Liberian flag, are American boys on American ships committed to protect them? It is time the corporative heads in their glass-walled offices ponder these questions. Perhaps the halls of Congress and the Senate as well as the White House should begin to ring with debate about these questions. . . .

Mrs. ARLENE SCHINOSI,
Mrs. MYRNA REYNOLDS,
Glassport.

THE NEED FOR QUIET IS AN INTERNATIONAL CONCERN

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1978

● Mr. ROSENTHAL. Mr. Speaker, many countries around the world have recognized that their citizens have a right and a need to be free from the disruption to their lives which is caused by the continual roar of aircraft engines, particularly during the normal sleeping hours. It is at such times when the need for peace and quiet is essential for the health and well-being of the public.

For this reason, many foreign airports have instituted night restrictions on aircraft operations. Curfews have been imposed on both night flights and runup and warmup tests. These are the findings of a survey conducted by the Town-Village Aircraft Safety and Noise Abatement Committee of Lawrence, N.Y. In yesterday's RECORD, I inserted that portion of the committee's report which deals with curfews imposed at our domestic airports. Today I would like to follow up with the results relating to foreign airports.

The report states that 37 percent of the airports have restrictions now in effect on both flight and test operations; 14 percent have flight restrictions only and 13 percent have test restrictions only. As in the case of U.S. airports, the typical restricted hours are from 11 p.m. to 6 a.m. Several of the airports surveyed commented that they had taken additional steps to reduce the effect of noise from low-flying aircraft on the surrounding populace. For example, Tegel International Airport in Berlin, Germany, reported that it has installed soundproof windows in all buildings in their approach and takeoff sectors.

These findings lend support to my legislation, H.R. 70, the Airport Noise Curfew Act, which would establish a nine-member commission to investigate the establishment of curfews on night flight operations. The report concludes that night restrictions are a feasible short-term answer to the growing noise pollution problem. Until such time as all aircraft are manufactured according to established specifications for the reduction of noise, curfews may help to alleviate this problem which is so disturbing to the emotional and physical well-being of those living near airports.

Noise is truly an international concern, and airports both here in the United States and abroad have shown that night restrictions are an effective solution. I am inserting below the second portion of the study on night restrictions. I trust my colleagues will find it as informative and impressive as the first:

SURVEY OF NIGHT RESTRICTIONS ON AIRCRAFT OPERATIONS AT AIRPORTS THROUGHOUT THE WORLD

A total of 183 airports were sent questionnaires with replies received from 70 for a return of 38% (Table 3).

Of those airports answering, the results are as follows:

	Number	Percent
Flight and test restrictions	26	37
Flight restrictions only	10	14
Test restrictions only	9	13
No restrictions	25	36
Total	70	100

The average duration of night flight a/o test restrictions are from 11 P.M. to 6 A.M.

Night restrictions on flight operations go into effect as early as 9 P.M. at two facilities [Stockholm-Arlanda and Copenhagen] and as late as 1:30 A.M. at Bremen EDDW International Airport in Germany.

At Dusseldorf I.A., take-offs are forbidden between Midnight and 7 A.M. and landings between 1 A.M. and 7 A.M.

Kristiansand I.A., in Norway, has mandatory noise abatement restrictions in effect during the entire time it is open for traffic, namely, Monday through Friday from 7 A.M. to Midnight and on Saturdays and Sundays from 7 A.M. to 10:30 P.M. This airport has its nearest population [5–6,000] about 10½ miles from its borders.

Specific restrictions range from specific take-off procedures, propeller driven aircraft only, use of specified runways, restrictions on the number of jet operations, no transit flights, only with special authorization, only noise certified aircraft to emergencies only. At Manchester I.A., in England, the only aircraft allowed to use the airport between 11 P.M. and 7 A.M. are those who do not exceed 102 PNdB. Their daytime noise limit is 110 PNdB.

Night flight restrictions have been in effect from 1957 [Belize I.A., Belize, Honduras] to 1975 at Helsinki-Ventaa I.A. in Helsinki, Finland.

	Number	Percent
Over 10 yr	9	25
5 to 10 yr	12	33
2 to 5 yr	8	22
Not given	7	20
Total	36	100

ENGINE RUN-UP AND WARM-UP RESTRICTIONS

Many of the airports have regulations that call for the use of mufflers on engine run-ups and only in specified areas of the airport that are farthest from the closest population areas. At some airports, run-ups require special permission from the airport director. At most airports, warm-ups are restricted as to length of time.

35 or 50 percent of airports responding reported restrictions on engine run-ups a/o warm-ups.

HOURS OF OPERATION

Of those facilities responding, 56 or 80 percent are open for traffic 24 hours a day, seven days a week. One, Alice Springs I.A. in Australia, is normally open only during daylight hours but is available for 24 hour operation.

At Montreal Dorval I.A., Canada, turbojets are only accepted between 7:05 A.M. and 10:55 P.M. with propeller driven aircraft accepted 24 hours a day.

The normal hours of operation at Hong Kong I.A. are from 6:30 A.M. to Midnight. If a carrier wishes to use the facility between Midnight and 6:30 A.M., a written request must be made to the Director of Civil Aviation before Midnight and the reasons for such a request must be fully explained. This regulation has been in effect for many years and reiterated in 1972.

The average hours of operation of those

airports not open 24 hours a day is from 6 A.M. to 11 P.M.

	Number	Percent
Open 24 hr a day	55	79
Other	14	20
Not specified	1	1
Total	70	100

AVERAGE DAILY OPERATIONS

The number of operations at the airports responding ranged from a low of 19 to a high of 900.

	Number	Percent
500 to 900	7	10
100 to 499	49	70
1 to 99	14	20
Total	70	100

AVERAGE DAILY NIGHT OPERATIONS

65 or 93% reported night operations that ranged from a low of 1 to a high of 85. Two were closed down completely at night.

	Number	Percent
61 to 90	3	4
31 to 60	6	9
0 to 30	61	87
Total	70	100

TYPE OF AIRCRAFT ACCEPTED

The type of aircraft accepted ranged all the way from small private planes up to B747's etc., with 2 [Bahrain I.A. and Bordeaux I.A.] accepting Concorde's.

51 or 73 percent accept all types of aircraft but Piarco I.A., Winnipeg I.A., and Lagos/Murtala Muhammed specifically noted "all except Concorde".

16 or 23 percent of the airports responding said they were not equipped to accept the larger aircraft.

1 respondent did not specify types of aircraft accepted.

It should be noted that while no question was specifically asked about Concorde, this should not be taken as an indication that all respondents are either equipped to, or necessarily willing to, accept the Concorde.

POPULATION OF AREA CLOSEST TO AIRPORT

Sidney [Kingsford-Smith] I.A. reported the population close to the airport as 3,000,000.

Dacca—1,000,000 to the north, 25,000,000 to the south. Heavy populated area all around.

12 airports or 17 percent are surrounded by populations ranging from 200,000 to 600,000.

23 or 33 percent are surrounded by populations ranging from 10,000 to 77,000.

15 or 21 percent are surrounded by populations ranging from 1,000 to 10,000.

8 or 11 percent are surrounded by populations of less than 1,000 with 4 reporting less than 100.

12 or 17 percent of the airports did not report population data.

	Number	Percent
Over 1,000 000	2	3
200,000 to 600,000	12	17
10 000 to 77 000	22	32
1,000 to 10,000	15	22
Less than 1,000	8	11
Not reporting	11	15
Total	70	100
Distance of populated areas to airport:		
At boundary	13	19
¼ to 12 mi	47	67
Not given	10	14
Total	70	100

GENERAL COMMENTS RECEIVED

Maiquetia I.A., La Guaira, Venezuela, open 24 hours a day, with average daily traffic at 180, and 11 night operations, indicated that by government decree, there is a land use program in effect.

Nairobi I.A. in Nairobi, Kenya reported no residential areas close to flight paths, yet they have a restriction on engine run-ups [not more than 50 percent power at all times]. They are open 24 hours a day with an average of 100 daily operations and 16 night operations.

Oslo I.A., Fornebu, Norway commented that they work closely with a community noise abatement committee and the carriers. They have a night curfew between 11:30 P.M. and 6 A.M. They also allow no engine run-ups or warm-ups between 10 p.m. and 8 A.M.

Bangkok I.A. Bangkok, Thailand reported that night restrictions are planned for the near future. They have a population of 40,000 within 5 Km. of the airport.

Berlin Tegel I.A., Berlin, Germany reported that the population around their airport is also affected by operations at Schoenefeld Airport in East Berlin, and that they have installed sound proof windows in all buildings in their approach and take-off sectors.

Dusseldorf I.A., Dusseldorf, Germany with a population of 9,000 at their border is working to get land use restrictions enacted.

Aeroport Francios de Valier, Port Au Prince, Haiti, normally closed from 10 P.M. to 6 A.M., commented that if they ever open for night traffic, they will consider night restrictions.

Bahrain I.A. State of Bahrain commented that the approach to their main runway is over the sea, but because of noise curfews in Europe and the Far East, all their mainline scheduled traffic arrives and departs at night. Other than Singapore I.A. [85 night operations], Bahrain has the second highest amount of night operations [60]. It should be noted that Bahrain is, at present, a terminus for Concorde from London.

Melbourne I.A., Tullamarine, Victoria, Australia reported that land under the approach paths is clear of residential developments for 4½ miles execpt south of the airport where it is clear for only 2½ miles.

Alice Springs Airport, Northern Territory, Australia indicated that they are separated from the nearest town, population of 10, by 9 miles and a range of hills. The land around the airport was purchased by the government for a dust eradication project and will exclude building on the property.

Dacca IA is going to be shifted 5 miles NE of persent site. Restrictions will be considered, if necessary, after new facilities open.

Essendon Airport has a noise abatement committee with representatives of the community, town planners, airport authority and airlines.

TABLE 3.—NIGHT RESTRICTIONS AT FOREIGN AIRPORTS

	Flight restrictions, night hours	Engine warm-up A/O run-up restrictions
Coolidge IA, St. John's Antigua		
Jan Smuts IA, Johannesborg, Republic of South Africa		
Dr. Albert Plesman IA, Curacao, Netherlands, Antilles	X	X
Princess Beatrix IA, Aruba, Netherlands, Antilles		
Bahrain IA, State of Bahrain		
Melvourne IA, Tullamarine, Victoria, Australia		X
Perth IA, Perth, Western Australia		X
Alice Springs IA, Northern Territory, Australia		
Sidney [Kingsford-Smith] IA, Mascot, N.S.W., Australia	X	X
Essendon Airport, North Essendon, Australia	X	X
Santa Maria IA, Snata Maria, Azores, Portugal		
Nassau IA, Nassau, Bahamas		
Dacca IA, Tejgaon, Dacca-15, Bangladesh		X
Calgary IA, Calgary, Alberta, Canada		
Winnipeg IA, Winnipeg, Manitoba, Canada		X
Toronto IA, Toronto, Ontario, Canada	X	
Montreal [Dorval] IA, Dorval, Providence of Quebec, Canada	X	X
Edmonton IA, Edmonton, Alberta, Canada		
Hong Kong IA, [Kai Tak], Kowloon, Hong Kong	X	X
Eldorado IA, Bogota, Columbia, S.A	X	
Ernesto Cortissoz IA, Barranquilla, Columbia		
Copenhagen Airport, Kastrup, Denmark	X	X
Birmingham IA, Birmingham, United Kingdom		X
Manchester IA, Manchester, England	X	X
Luton IA, Luton, Bedfordshire, England	X	X
Bole IA, Addis Ababa, Ethiopia		
Helsinki-Vantaa IA, Helsinki-Vantaa-Lento, Finland	X	X
Bordeaux IA, Merignac, France		
Berlin Tegel IA, Berlin, Germany	X	X
Cologne/Bonn IA, Cologne/Bonn, Germany	X	X
Bremen [EDDW] IA, Bremen, Germany	X	X
Dusseldorf IA, Dusseldorf, Germany	X	X
Frankfort/Main IA, Frankfort, West Germany	X	X
Munich-Rien IA, Munich, Germany	X	X
Nurnberg IA, Nurnberg, Germany	X	
Flughaffen-Hamburg IA, Hamburg, Germany	X	
Stuttgart IA, Stuttgart, Germany		
Timehri IA, East Bank Demorara, Guyana		
Aeroport Francois Du Valier, Port au Prince, Haiti	X	
Belize IA, Belize, Honduras	X	
Dublin IA, Dublin, Ireland	X	X
Shannon IA, Limerick, Ireland		
Ben Gurion IA, Ben Gurion Airport, Israel	X	
Napoli Airport, Napoli, Italy		
Leonardo DaVinci, Roma-Fiumicino, Italy	X	
Osaka IA, Osaka, Japan	X[1]	X
Nairobi IA, Nairobi. Kenya		X
Singapore [Paya Lebar], Singapore, Maylasia		
Rotterdam IA, Rotterdam, Netherlands	X	X
Christchurch IA, Christchurch, New Zealand		X
Las Mercedes IA, Managua, Nicaraqua		
Lagos/Murtala Muhammed, Ikeja, Nigeria		
Bergen IA, Bergen Norway		
Oslo IA, Fornebu, Norway	X	X
Kristiansand IA, Kjevic, Norway	X	X
Stavanger Airport, Sola, Norway		
Tocumen IA, Republic of Panama	X	X
Puerto Rico IA, San Juan, Puerto Rico		X
Khartoum Airport, Democratic Republic of Sudan		
Stockholm-Arlanda IA, Stockholm, Sweden	X	
Zurich IA, Zurich, Switzerland	X	X
Aeroport de Geneve, Geneve, Switzerland	X	X
Basel-Mulhouse, Basel, Switzerland	X	X
Bangkok IA, Bangkok, Thailand		X
Piarco IA, Piarco, Trinidad		
Maiquetia IA, LaGuaira, Venezula		
Pago Pago IA, American Samoa		
Edinburgh Airport, Edinburgh, Scotland	X	X
Vancouver IA, British Columbia, Canada	X	X
Schiphol Airport, Schiphol Airport, Netherlands	X	

[1] Normally closed at night.

TABLE 4.—POPULATION OF HEAVIEST IMPACTED AREAS AND DISTANCE FROM AIRPORT—FOREIGN AIRPORTS

	Distance	Population
Jan Smuts Airport, Johannesborg, Republic of South Africa	1 km	30,000.
Coolidge IA, St. John's, Antigua	4 mi	5,000.
Dr. Albert Plesman Airport, Curacao, Netherlands Antilles	6 mi	2,000 homes.
Princess Beatrix Airport, Aruba, Netherlands Antilles	½ nmi	15,000.
Bahrain IA, State of Bahrain	2 mi	Not given.
Melbourne Airport, Tullamarine, Victoria, Australia	2½ mi	10,000.
Perth Airport, Perth, Western Australia	At border	30,000.
Alice Springs Airport, Northern Territory, Australia	9 mi	10.
Sydney (Kingsford-Smith) Airport, Mascot, NSW, Australia	At border	140,640.
Essendon Airport, N. Essendon, Australia	do	20,000.
Santa Maria Airport, Santa Maria, Azores, Portugal	Not given	1,500.
Nassau IA, Nassau, Bahamas	do	400.
Dacca IA, Tejgaon, Dacca-15, Bangladesh	At border	1/25 million.
Calgary IA, Calgary, Alberta, Canada	3 mi	Not given.
Winnipeg IA, Winnipeg, Manitoba, Canada	At border	500,000.
Toronto IA, Toronto, Ontario, Canada	do	77,000.
Montreal [Dorval] IA, Dorval, Province of Quebec, Canada	do	200,000.
Edmonton IA, Edmonton, Alberta, Canada	12 mi	15,000.
Vancouver IA, British Columbia, Canada	3 mi	43,500.
Copenhagen Airport, Kastrup, Denmark	Not given	Not given.
Hong Kong [Kai Tak] IA, Kowloon, Hong Kong	¼ mi	200,000.
El Dorado Airport, Bogota, Columbia, South America	3 nmi	500,000.
Ernesto Cortissoz Airport, Barranquilla, Columbia, South America	Not given	Not given.
Birmingham Airport, Birmingham, United Kingdom	5.5 nmi	250,000.
Manchester IA, Manchester, England	At border	40,000.
Luton IA, Luton Bedfordshire, England	do	25,000.
Bole IA, Addis Ababa, Ethiopia	3 km	200,000.
Helsinki-Vantaa Airport, Helsinki-Vantaa-Lento, Finland	do	40,000.
Bordeaux IA, Merignac, France	(1)	5,000.
Berlin Tegel Airport, Berlin, Germany	Within	200,000.
Cologne/Bonn Airport, Cologne/Bonn, Germany	4–5 nmi	2,000.
Bremen EDDW Airport, Bremen, Germany	2 nmi	600,000.
Dusseldorf Airport, Dusseldorf, Germany	At border	9,000.
Frankfort/Main Airport, Frankfort, West Germany	2 nmi	53,000.
Munich-Rien Airport, Munich, Germany	2 mi	61,000.
Nurnberg Airport, Nurnberg, Germany	7 km	1,000.
Flughaffen Hamburg Airport, Hamburg, Germany	Not given	Not given.
Stuttgart Airport, Stuttgart, Germany	do	Do.
Timehri IA, East Bank Demorara, Guyana	2 mi	20.
Aeroport Francois Du Valier Port Au Prince, Haiti	6 mi	4,000.
Belize IA, Belize, Honduras	½ mi	600.
Dublin Airport, Dublin, Ireland	2 mi	35,000.
Shannon Airport, Limerick, Ireland	1 mi	7,000.
Ben Gurion IA, Ben Gurion Airport, Israel	2–4 mi	250,000.
Napoli Airport, Napoli, Italy	2 km	200,000.
Leonardo Da Vinci, Roma-Fiumicino, Italy	5 km	13,000.
Osaka IA, Osaka, Japan	Not given	Not given.
Nairobi IA, Nairobi, Kenya	do	Do.
Singapore IA, [Puya Lebar], Singapore, Malaysia	3–4 mi	60,000.
Rotterdam Airport, Rotterdam, Netherlands	1 km	750.
Schiphol Airport, Schiphol Airport, Netherlands	At border	Not given.
Christchurch IA, Christchurch, New Zealand	1½ mi	Do.
Las Mercedes IA, Nanaqua, Nicaragua	5 mi	15,000.
Lagos/Murtala Muhammed, Nigeria	1–2 km	50,000.
Bergen Airport, Bergen, Norway	Not given	300.
Oslo IA. Fornebu, Norway	8 km	Not given.
Kristiansand Airport, Kjevic, Norway	17 km	5–7,000.
Stavenger Airport, Sola, Norway	13 km	15,000.
Tocumen IA, Republic of Panama	3 mi	10,000.
Puerto Rico IA, San Juan, Puerto Rico	½ nmi	8,000.
Stockholm-Arlanda Airport, Stockholm, Sweden	3 mi	50.
Zurich Airport, Zurich, Switzerland	500 meters	45,000.
Aeroport de Geneve, Geneve, Switzerland	4–5 km	20,000.
Basel-Mulhouse, Basel, Switzerland	2 nmi	20,000.
Bangkok IA, Bangkok, Thailand	5 km	40,000.
Piarco :A, Piarco, Trinidad	Not given	50.
Maiquetia IA, LaGuaira, Venezuela	800 meters	5,000.
Pago Pago IA, American Samoa	½ mi	2,800.
Edinburgh IA, Edinburgh, Scotland	¾ mi	Not given.
Khartoum Airport Democratic Republic of Sudan	Within	3,000.

[1] Center of city, 7 miles.

PAC'S AND PUBLIC FINANCING

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1978

● Mr. LEHMAN. Mr. Speaker, I am including in the RECORD an editorial which appeared on April 22 in the Miami Herald.

I share the Herald's concern about the interaction of campaign contributions and congressional decisionmaking. Political action committees are proving to be just a more sophisticated form of influence buying.

Public financing of congressional campaigns would eliminate this danger of undue influence. Members of Congress would be freed from the unseemly obligations that accompany large contributions. They would instead be able to concentrate on doing their best for all their constituents and for the country as a whole.

The editorial follows:

CAMPAIGNS MUSTN'T RUN WITH PAC

The rapid growth of corporate "Political Action Committees" (PACs) bears watching. Just since 1974, they've proliferated to 566 from 89, and their contributions to candidates in 1976 topped $6.7 million.

The corporate PACs are modeled after similar groups maintained by many of the nation's labor unions. Those union PACs actually contributed slightly more money during the 1976 campaign, but the corporate PACs have been growing much faster, with 58 new ones thus far this year alone.

Some observers believe the growth of corporate PACs may be a good thing. At least their contributions are aboveboard, unlike some past corporate practices of giving secretly or disguising contributions as honoraria for speaking appearances by favored congressmen.

But the explosive growth of corporate PACs could prove to be too much of a good thing. As a Common Cause spokesman notes, the money PACs give "is of an investment nature; they're investing in power."

Even House Speaker Tip O'Neill—not noted for his dedication to reform—has expressed concern. "I worry about this Congress if the PACs keep going crazy like this," he declared shortly after the PACs ganged up to help kill public financing of election campaigns.

We share the concern over the role that contributions play in congresssional decision-making, whether the PACs giving the money are corporate or union.

Moreover, the concern grows as we see evidence that the PACs of all kinds are becoming more sophisticated in channeling their funds to congressmen whose committee assignments place them in a position to do the donor some good.

The remedy, as we see it, is twofold: For now, complete disclosure of all contributions is a must. For the long run, public financing of congressional campaigns should be tried.

Public financing will cost taxpayers some money, but it may well turn out to be a bargain compared with government by PAC.●

OBITUARY FOR THE HONORABLE WILLIAM STEVENSON, FORMER MEMBER OF THE HOUSE

HON. ALVIN BALDUS

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1978

● Mr. BALDUS. Mr. Speaker, I would like to take this opportunity to honor the memory of one of our former colleagues, the Honorable William Stevenson, who represented the Third District of Wisconsin in this Chamber from 1941 to 1949, and who died recently at the venerable age of 86.

Although I never had the privilege of knowing Mr. Stevenson personally, I feel a special kinship with him, for he represented the same district that I now represent. I am familiar with his record and his reputation and I can assure you that Wisconsin—and the country—has lost a noble citizen.

A former teacher, school principal, lawyer, and district attorney, Mr. Stevenson served his community and his State with integrity and diligence for almost half a century. He served as a Member of this Chamber during the most turbulent years in the Nation's history. Mr. Stevenson was a solid and unassuming man, who preferred the certainty of quiet achievement to the lure of public applause. In 1949 he retired to private practice in the community he had served so long.

There is neither room here nor need to list all of Mr. Stevenson's contributions as a public servant. His value to his community and his State may be measured in part by the number of friends and neighbors and former colleagues who now mourn his passing.●

SOME FACTUAL INFORMATION ON SOLAR ENERGY

HON. MIKE McCORMACK

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1978

● Mr. McCORMACK. Mr. Speaker, I am inserting herewith in the RECORD factual information on congressional accomplishments with respect to solar energy, and to provide the Members with facts that may be of value in reporting to constituents, or in making speeches or answering questions about our progress on, and the prospects of solar energy.

Again this year, the Committee on Science and Technology has taken the lead

in maintaining unusual aggressive, but fiscally and technologically responsible, solar energy research, development, and demonstration programs, providing maximum feasible support for each solar energy technology.

This year, the administration requested only $341.5 million for solar energy research, development, and demonstration fiscal year 1979—an actual reduction in existing programs. (In addition, the administration requested $26.9 million for bioconversion programs and $28.4 million for solar commercialization and solar installations on Federal buildings.)

The Science and Technology Committee has increased the authorization levels for solar energy research, development, and demonstration by $134.7 million (and bioconversion by $25.7 million) as shown below.

SOLAR ENERGY RESEARCH, DEVELOPMENT AND DEMONSTRATION

[In millions of dollars]

	Fiscal year 1974 actual obligations	Fiscal year 1978 estimated obligations	Fiscal year 1979 admin. auth. req.	Science and Technology Committee action	Total committee auth.
Heating and cooling including agriculture and industry process heat	3.3	106.3	81.1	+36.5	117.6
Thermal electric production	1.7	107.8	96.3	+.1	96.4
Wind energy	1.2	37.6	40.7	+20.0	60.7
Photovoltaics	1.4	78.8	76.1	+49.2	125.3
Ocean thermal conversion	0	36.5	33.2	+28.9	62.1
Other programs	0	10.8	14.1	0	14.1
Total solar energy	7.6	377.8	341.5	+134.7	476.2
Bioconversion	.2	23.9	26.9	+25.7	52.6

You will see that there has been phenomenal growth in all solar energy research, development and demonstration programs—6,700 percent in just 5 years; and a 43 percent increase this year over the administration's request. This is consistent with committee and congressional policy to bring energy technologies to the point where commercialization can occur, when and if it is economically competitive.

Some highlights of progress on solar energy research, development and demonstration, as initiated by the Science and Technology Committee, are listed below.

1. Solar Heating and Cooling: The solar heating and hot water phase of the Solar Heating and Cooling Demonstration program is already a sparkling success, of which we can all be proud. More than 7,000 individual residences are now equipped (or being equipped) with solar heating or solar hot water systems or both, and more than 1,300 industrial facilities and commercial and public buildings are (or soon will be) on solar energy for process heat, space heating, hot water, and, in a few cases, solar energy used for cooling.

Testing and monitoring of these demonstration units will continue during the next 5 years, and additional emphasis will be placed on developing solar cooling systems. We expect to bring at least 2,000 combined solar heating and cooling demonstration units on the line during this period, provided that reliable and competitive solar cooling systems for individual residences can be developed.

The President has called for installing solar systems in 2.5 million residences by 1985. Our goal should be to have 15 million residences equipped with solar heating, hot water and cooling by the year 2000. This will provide the equivalent of about one million barrels of oil per day, about 2% of total energy consumption at that time.

If we assume the average installed cost of solar units to be $10,000 per residence, the total investment for 15 million residences will be $150 billion. At today's world price of oil, the potential savings in full will be worth about $5.5 billion per year.

2. Thermal Electric Production: A 10 megawatt solar thermal electric generating plant is now being constructed near Barstow, California. It will be in operation within three years.

If we can get twenty 50 megawatt thermal electric power plants on the line by the year 2000, they will generate electricity at the rate of 1,000 megawatts, when the sun is shining.

If the cost goals can be met, the twenty generating plants would require an investment of about $1.3 billion. Their energy contribution would be the equivalent of about 15 thousand barrels of oil per day with potential fuel savings worth $100 million per year.

3. Wind Energy. Wind energy is created as a result of the sun's interaction with the atmosphere. A 100 kilowatt wind generator has been operating at Sandusky, Ohio for many months and a new 200 kilowatt generator has just gone into operation at Clayton, New Mexico. A 2 megawatt installation is under construction at Boone, North Carolina. Several other large wind generators will be in operation soon and many small wind generators are being tested.

If we can get 100 very large (2 megawatts each) and 100,000 small (1 kilowatt each) wind generators in operation by the year 2000, they will produce the equivalent of about 5 thousand barrels of oil per day, having a potential fuel savings worth $35 million per year. If cost goals are met, the total cost for these machines would be about $500 million.

4. Photovoltaics: This technology involves arrays of solar cells, which convert sunlight directly into electricity, (such as are used for "solar panels" on space satellites). Technical options that are now being developed include single-crystal flat plate arrays, concentrating systems and advanced material/thin film arrays.

A photovoltaic irrigation experiment using a flat plate system is operating successfully in Mead, Nebraska and a grant for a photovoltaic system has been awarded to Mississippi Community College in Blytheville, Arkansas.

The goal of our new photovoltaic bill (HR 10830) is to achieve an annual production of 2,000 peak megawatts of generating capacity within ten years. If this can be accomplished at competitive costs, then the system may grow to 20,000 peak megawatts on line by the end of the century, at a cost of roughly $20 billion (1978 dollars). The energy thus produced would be the equivalent of about 200 thousand barrels of oil per day, which at today's prices is worth about $1 billion per year.

5. Ocean Thermal Energy Conversion: This technology is focused on the development of floating power plants for converting ocean thermal energy to electricity, for either transmission to on-shore utility grids or for shipboard production of energy intensive products such as hydrogen, ammonia and aluminum. We hope to have several such systems in operation before the end of the century, and we expect OTEC to make a measurable contribution to our nations energy production during the next century.

6. Bioconversion: Projects are underway in direct combustion of wood residues, and in gasification and liquefaction of various organic materials. If by the end of the century we can convert 50% of our waste materials into liquid and gaseous fuels or into usable heat, this will be equivalent to about one million barrels of oil per day, worth about $5.5 billion per year.

To summarize:

With continued generous funding for solar energy research, development and demonstration, we may, if we are extremely fortunate, produce 3% to 5% of our total energy demand from solar energy, including bioconversion, by the year 2000. This is equivalent to about 2.5 million barrels of oil per day. At todays price of $15 per barrel delivered, the contribution of solar energy in the year 2000, will at today's prices be worth almost $14 billion per year.

Solar won't solve our energy problems during this century, and even optimistic projections for solar production won't reduce the critical demand for clean synthetic fuels from coal, and expanded nuclear energy production.

Nevertheless, the contribution that solar energy can make is worth celebrating, and we should continue with the aggressive support for solar energy research, development and demonstration, as set forth in the solar programs established by the Committee on Science and Technology.●

ANTOINETTE SLOVIK

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1978

● Mr. TEAGUE. Mr. Speaker, Members will recall that there is pending before the Subcommittee on Administrative Law and Governmental Relations of the Committee on the Judiciary a bill, H.R. 9114, which proposes to pay the sum of $70,000 to Antoinette Slovik, the widow of private Eddie Slovik who was executed in World War II for desertion. This measure has been endorsed by the President in a press conference and the Veterans' Administration has formally approved the proposal.

For those of us who are opposed to this matter on philosophic as well as other bases, the compilation which the Veterans' Administration has made at my request showing the amount of money Mrs. Slovik would have received if Pri-

vate Slovik's national service life insurance had been paid at the time of his death and the amount she would have received from death compensation and dependency and indemnity compensation is more than of casual interest. By a strange coincidence, the $70,000 authorized by H.R. 9114 is $909.27 less than that which she would have received if Private Slovik's service had been honorable and he had died under honorable conditions. The report provided me by the Veterans' Administration is as follows:

Showing the amount of money Mrs. Slovik would have received if Private Slovik's National Service Life Insurance had been paid at the time of his death and the amount she would have received from Death Compensation and DIC.

With regard to insurance, if he had died under circumstances that would have resulted in the payment of his National Service Life Insurance policy, his widow, Antoinette Slovik, would have received $14,925.00 as of March 1978.

The figure of $14,925.00 is based on the following:

Date of Death: January 31, 1945.

Birthday of Widow: March 13, 1915, making her 29 years old at the time of Private Slovik's death.

Law requires payments to be made in monthly installments of $37.50 each for life with 267 installments guaranteed. As of March 1978, 398 installments would have come due. Lump sum payments were not authorized at that time.

The calculations for Death Compensation and DIC are as follows:

Had Private Slovik died in service in line of duty, his widow would have been entitled to the following benefits:

Death Compensation: January 1, 1945 to December 31, 1956—$10,264.00.

Dependency and Indemnity Compensation: January 1, 1957 to February 28, 1978—$40,050.27.

Public Law 90–631, effective December 1, 1968, amended Chapter 35, Title 38, to include educational benefits for widows of veterans who died in service. Private Slovik's widow would have been entitled to receive the following amounts:

Chapter 35 Educational Benefits: December 1, 1968 to January 31, 1970—$1,820; February 1, 1970 to November 30, 1971—$3,850; total, $5,670.

The above benefits totaled $55,984.27.●

NEBRASKA MOTHER OF THE YEAR

HON. CHARLES THONE

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1978

● Mr. THONE. Mr. Speaker, on April 19, 1978, one of Nebraska's truly outstanding women, Mrs. Lucy Nevels, of Lincoln, was named the Nebraska Mother of the Year. She has led such an exemplary life that I submit to you the testimony of one of her children, Mrs. Mary Nevels Clark, which was read on behalf of the five Nevels children to their mother in a very emotional award ceremony in Lincoln:

I am pleased that we have an opportunity this morning to share with you some of the thoughts and feelings that the Nevels children, Judy, Fred, Paul, Lucy and I have about our mother. Everything about her centers around the fact that she is a giving lady. She always expresses her concern and love for others by her involvement in people and institutions within the community. Mother believes that caring is an everyday thing and that people are more important than anything else in the world. She always finds something good in everyone—even those who others feel are totally hopeless and impossible people.

Mother is a woman of few words. By her example she taught us valuable concepts on which to build our lives. Some of the values that she instilled in us as children were as follows:

1. First and foremost she taught us to take pride in ourselves and by doing this we not only respect ourselves, but we have a respect for others.

2. Mother demonstrated how to strive and persevere—that there is never a mountain that cannot be climbed and that one must accept the challenges of climbing that mountain in life, even if we are unsure of how we will get there.

3. She taught us the value of prayer. Mom showed us how to talk to God and to depend on him to assist us through life.

4. She pointed out the value of institutions such as marriage, the church and school—that these are tools to help us live a happier and better life.

5. Mother is not afraid to make decisions and stand by them, therefore we also learned to be decisive by the example she set for us.

At this point, I would like to make some comments about our mother in the Nevels home. Not only is our mother successful within the community but she is a very successful parent. She and my father are very supportive of us.

Mother is a good listener; we can always go to her and discuss our problems. In fact, when we were children sometimes we would all talk at the same time. Mother would listen quietly and attentively.

Mother was never afraid to discipline us. She and my Father always stood together in decisions about us. Consequently, there was consistency, continuity and stability in our home.

The last point that I will make about mother is that she has achieved to a great extent the goals that many people are striving for today—a sense of identity and purpose in life.

Because of the honor you have bestowed upon our Mother, you have truly given us an opportunity to express to our mother why we love and respect her so much.●

CITIZENS' PROPERTY TAX RELIEF ACT OF 1978

HON. ANDREW MAGUIRE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1978

● Mr. MAGUIRE. Mr. Speaker, yesterday I introduced the Senior Citizen's Property Tax Relief Act of 1978.

The years after retirement should be a time of security and comfort, but many older Americans find themselves on a fixed, limited income, which provides just enough money for them to afford the bare necessities of living from one day to the next. In most cases as income decreases, tax liability also decreases. However, property taxes, rather than decreasing in magnitude, increase as property values are driven up by inflation. As a result, senior citizens who have resided in their houses for many years, but do not possess sufficient funds to pay property taxes, may have to sell their homes. This situation could be improved by implementing a property tax relief program.

The legislation I introduced yesterday would permit senior citizens to pay their property taxes from the equity in their homes, built up over many years of faithful mortgage payment.

Under this act, the Federal Government would pay local property taxes for the elderly as they become due. In exchange, a lien would be placed against up to 90 percent of the homeowner's equity. These payments would amount to interest-free loans which would be repaid from the estate of the senior citizens or upon sale of the property prior to death. Under this system, the only cost to the Federal Government would be the imputed interest on the loan. In addition, there would be small administrative costs accepted by the several States.

The approach embodied in this program has numerous advantages. It achieves the desired end of property tax relief through leveraging Federal expenditures many times over. It is voluntary for the States and for the individual participants. No State is obliged to adopt such a program, although most States have already adopted some property tax relief for their elderly citizens. This bill was not written with the intention of replacing existing State programs.

On the contrary, I hope that this program will provide a nationwide supplement to State programs, at a minimum cost to both the State and Federal governments. Senior citizens would remain free to sell their homes if they wish. But now the option to continue life in the home they have worked so hard to buy will be available without unreasonable or impossible sacrifice.

The low cost and simplicity of such a program are self-evident. That such a program could allow senior citizens the freedom to retain their property in spite of high property taxes should demand attention from any member with concern for the aged.●

G. KEITH FUNK HONORED BY BOY SCOUTS OF AMERICA

HON. RICHARD T. SCHULZE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1978

● Mr. SCHULZE. Mr. Speaker, it gives me great pleasure today to present to you and my colleagues the accomplishments of one of my constituents, G. Keith Funk. On May 17 Mr. Funk will receive the Silver Antelope Award of the Boy Scouts of

America, in recognition of his outstanding service to this organization.

The Valley Forge Council, Boy Scouts of America, placed Mr. Funk's name into nomination for the Silver Antelope Award due to his many years of dedicated service to all phases of Scouting. Mr. Funk's Boy Scout service ranges from troop committee, then to the district level, where he was a sustaining membership enrollment chairman; district commissioner; nominating committee chairman, and district committee member for many years.

At the council level he served as president of the Valley Forge Council for 3 years, 1973 through 1975. He also served as nominating committee chairman, has been on the activities committee, has been chairman of the national jamboree committee, chairman of the scout show committee, chairman of the camping committee and camp development committee, council project sales chairman, and is currently serving as an executive board member, and chairman of the major gifts committee.

Mr. Funk's involvement was not limited to the local level, as he contributed his time and efforts to the regional and area levels of scouting also. He has helped on the trust fund committee of Pennsylvania, 1975–76; chaired the finance session at the northeast regional meeting in 1977; pioneered the use of Cub day camp facilities in Scouting and the expansion of camp use in other councils. In addition, he was Valley Forge Council chairman for the National Jamboree in Idaho in 1969. Nationally, he has served on the national local council finance committee, served as council chairman for a project for six councils in an experimental project for council financing; and is the Valley Forge Council's national council representative.

Mr. Funk's civic activities do not end with the Boy Scouts of America. He has served on the administrative board and as finance chairman of Haws Avenue Methodist Church. In business in the Philadelphia area since 1946 Mr. Funk was recently honored by his peers at the Water Quality Association Convention by induction into the Water Quality Hall of Fame, the organization's highest award. In addition he is a member of the Rotary Club of Norristown, a past president of the Norristown Jaycees, a special gifts chairman for the United Way, and for 8 years a member of the Central Montgomery Chamber of Commerce.

The Boy Scouts of America will honor G. Keith Funk at their national meeting in Phoenix, but I would like to honor him here. Mr. Funk has lent his time and his efforts to many civic projects in the Fifth District of Pennsylvania. His contributions have been immeasurable. Webster defines community as "a unified body of individuals." A community is more than that—it is people working together, sharing and caring about each other. G. Keith Funk exemplifies the best elements of community spirit, and it gives me great pleasure to pay tribute to him here today.●

STUPENDOUS STEIGER

HON. DAVE STOCKMAN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1978

● Mr. STOCKMAN. Mr. Speaker, I would like to call to the attention of my colleagues an important editorial that appeared recently in the Wall Street Journal. Entitled "Stupendous Steiger," the editorial gives just and deserved praise to our brilliant and able colleague from Wisconsin (Mr. STEIGER) for the capital gains amendment he currently has pending before the Committee on Ways and Means.

Mr. Speaker, the Steiger amendment is not just an ordinary mark-up offering that we can entrust the green-eyeshade boys from Treasury to assess in the conventional categories—such as revenue gains and losses, distributive impact, and so forth. As the Journal notes:

The Steiger amendment is not one tax provision among many, but the cutting edge of an important intellectual and financial breakthrough.

The basis for this plaudit is obvious: the Steiger amendment represent a stark departure from the tired, ragged, intellectually threadbare Keynesian assumptions which have informed the tax and economic policy debate in the country for more than a decade.

Mr. Speaker, the great economic achievements of this country are attributable to a climate which encouraged risk-taking, innovation, superior performance and the promise of extraordinary rewards for extraordinary accomplishments. For more than a decade these vital incentives for individual ingenuity and enterprise have been systematically eroded by tax changes and Government expenditure growth. The net effect has been a drastic reordering of the rewards system in American society. When we tax nearly 40 percent of national income, we can only expect one result: less production in every sense—quantity, quality, utility, innovativeness—because income is the reward for production. And when we in turn redistribute nearly half of that extraction from producers to nonproducers via transfer payments we get precisely what we pay for—mounting rolls of nonproductive, dependent citizens.

Mr. Speaker, so long as we permit Keynesian taxing, spending and redistribution programs to anesthetize the fundamental rewards structure of our society, all the pump-priming, stimulative deficits in the world will not restore our economy to full employment. The empirical evidence for this proposition is already clear and unchallengeable for anyone who cares to examine the evidence. Since the trough of the recession in 1975, we have chalked up more than $250 billion worth of stimulative deficits. And yet by nearly consensus admission, the failure to inject another round of $60 to $70 billion of deficit stimulus into the economy in fiscal year 1979—will result in a renewed recessionary tailspin. Do we really wants to transform the greatest and heretofore strongest economy in the free world into a deficit junkie?

Mr. Speaker, the gentleman from Wisconsin has stepped into the breach just in time. He does not propose to repair a decade long accumulation of damage in one fell swoop. But he starts on the critical margin. By reducing the tax rate on capital gains by one-half, his amendment would unleash a torrent of pent-up risk capital which has been cycling around the stagnant economic waters of treasury bills and municipal bonds for years waiting for a signal from Congress. If there is any single step we could take in this Congress to restore the vanishing vitality of the U.S. economy, it would be to adopt the Steiger amendment post haste.

The editorial follows:

[From the Wall Street Journal, Apr. 26, 1978]

STUPENDOUS STEIGER

Rep. William Steiger of Wisconsin, a slight, youthful 39-year-old Republican, has shaken the earth, causing convulsions in the Carter administration, a titanic struggle in the business world and the rapid aging of House Ways and Means Chairman Al Ullman.

What Mr. Steiger did, in all innocence, was propose an amendment to Mr. Carter's tax package. The amendment cuts back the tax on capital gains to where it stood in 1968, before President Nixon was talked into boosting it and hitting it with minimum-tax provisions. Because there are 37 members of the committee and only 12 Republicans, it hardly seemed likely the Steiger amendment could walk, much less fly. But a nose count on both sides turned up at least seven Democrats favoring the amendment. That gives Mr. Steiger 19 votes, a majority, with additional members undecided and potential converts.

The Carter tax package, already reeling from other setbacks, has been stopped in its tracks by the Steiger amendment. Mr. Carter wants to raise, not lower, the capital gains rate. Soaking the rich investor is such an article of faith among liberal tax "reformers" that they are likely to vote against any bill with the Steiger amendment, without even listening to the arguments that have persuaded a majority of Ways and Means. So the tax bill, originally scheduled for mark-up on May 3, has been put off for a week or more. The chief purpose of this delay is to stop Mr. Steiger by trying to horse-trade away some of his 19 votes.

The key to Mr. Steiger's sudden success is one argument: A lower tax on capital gains will raise more money, not less, for the government. The Treasury of course calculates that the rate cut would lose money, handing it out to rich investors. But the Treasury insists on using "static analysis," which calculates the effects of tax cuts by making the convenient but plainly silly assumption that nothing else in the economy changes as a result of different tax rates. Others work with "dynamic analysis," trying to calculate the feedback effects from the rate cuts themselves; often they argue that some kind of tax cuts will increase total revenues.

With most taxes, you have to argue about the possible dynamic effect. But on the capital gains tax it is written in black and white: In 1968, the last year of the lower capital gains rate, the tax pulled in $7.2 billion in revenues. In 1969, at the higher rate, the tax took in $4.8 billion. After a decade, it is only now getting back to the 1968 level, and in inflated dollars.

So Mr. Steiger is asking the liberals

whether they want to cut off their nose to spite their face. Are they really so intent on soaking the rich investor they want the government to give up money in the process? Understandably, the "tax reform" legions are running for cover.

We are prepared to argue that the Steiger amendment would not only boost the revenues from the capital gains tax itself, but would give the economy a powerful shove and boost revenues from other taxes as well. The 1969 change effectively cut in half the jackpot for high-risk capital investment. Reversing that move would double the jackpot and send the economy onto a real growth path.

This prospect of growth is spawning new political coalitions as well. Los Angeles Mayor Tom Bradley, a black liberal Democrat, has testified on Mr. Steiger's side, seeing that higher rewards for risk would boost the young electronics companies in his city. Black bankers and energy groups, seeing that favorable capital gains treatment helps rising enterprises, are pushing hard in a new, unusual alliance with the U.S.. Chamber of Commerce.

Meanwhile, the Business Roundtable and the National Association of Manufacturers stand silent, tempted to throw in their lot with Ralph Nader and Jimmy Carter against Mr. Steiger. Big Everything does not relish competition from young upstarts. It prefers tax boondoggles like the Domestic International Sales Corporation, an export-subsidy scheme with no economic justification but of considerable help to multinationals that can hire hordes of lawyers to figure out its provisions.

So the battle is brewing. It remains to be seen whether Mr. Steiger—perhaps with help from Ways and Means minority leader Barber Conable, who also recognizes that a cut in the capital gains rate would boost revenues—can hold together 19 votes against the inevitable temptations of log-rolling. Everyone should know that the Steiger amendment is not one tax provision among many, but the cutting edge of an important intellectual and financial breakthrough.●

SUCCESS

HON. LARRY WINN, JR.

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1978

● Mr. WINN. Mr. Speaker, earlier this spring, I ran across an essay in an Ann Landers column which was written by an outstanding Kansan, but which, through the years, has been misquoted and falsely attributed to several other famous authors.

In 1904, Bessie Anderson Stanley, the mother of our distinguished senior judge of the U.S. district court in Leavenworth, Kans., Arthur J. Stanley, Jr., entered a 100-word essay in a nationwide essay contest on "Success." She won the first prize of $250 and generously offered to share the award with her husband who had urged her to submit the essay in the first place.

Since then, Mrs. Stanley's essay has been printed in various journals and has been misquoted in such publications as Ladies Home Journal, the Wall Street Journal, the Christian Science Monitor, and the Masonic News Digest. Among others, it has been falsely attributed to Robert Louis Stevenson and Ralph Waldo Emerson.

It was with great pride that I read of the true authorship of the essay in the recent Ann Landers column. Joining Ms. Landers in setting the record straight, I would like to share Mrs. Stanley's words with my colleagues. I believe it holds special meaning for us all.

The column follows:

ANN LANDERS

DEAR READERS: I promised to print "at some later date" the original, ungarbled version of the definition of Success as it was written in 1905 by Bessie Anderson Stanley. The author's son, Arthur J. Stanley Jr., a senior judge of the U.S. district court in Leavenworth, Kans., has provided documentation from the Kansas State Historical Society that his mother is indeed the author.

When I first printed the essay in 1966, a reader said it was by Ralph Waldo Emerson. Subsequently, 28 people wrote to say THEY had written it and wanted credit. With pleasure (and a sigh of relief) I set the record straight.

SUCCESS

(By Bessie Anderson Stanley)

He has achieved success who has lived well, laughed often and loved much; who has enjoyed the truth of pure women, the respect of intelligent men and the love of little children; who has filled his niche and accomplished his task; who has left the world a better place than he found it, whether by an improved poppy, a pretty poem, or a rescued soul; who has never lacked appreciation of earth's beauty or failed to express it; who has always looked for the best in others and given them the best he had; whose life was an inspiration; whose memory a benediction.●

THE SNAIL DARTER, A HEALTHY HABITAT AND YOU

HON. JOHN F. SEIBERLING

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1978

● Mr. SEIBERLING. Mr. Speaker, on Monday, the Washington Post's op-ed page contained two excellent articles dealing with environmental issues. I am offering them for inclusion in the RECORD following these remarks.

The first of the articles, "Our Habitat—and Our Survival," by Jeff Wheelwright discusses the significance of the controversy between the TVA and the Endangered Species Act's protection of a small fish known as the Snail Darter. The article points out that this fish requires a shallow, pure, fast, wide, gravelly river and that there used to be dozens of rivers of that description in the Southeastern United States, but by the time this fish was discovered in 1973, dams, channelization, and pollution had reduced its habitat to a 17-mile stretch of the Little Tennessee River. Mr. Wheelwright also notes, "by no coincidence at all, that 17 miles also provides the finest trout fishing in the entire region."

The controversy arises because if the TVA completes the last of its 68 dams on the Little Tennessee River system, the Snail Darter's habitat, and with it the Snail Darter, will be lost forever. Thus the Darter's plight is a warning light about a disappearing habitat.

The writer points out that "If we continue to strip nature of its diversity, we shall some day pay a very high price." He states that already in this century the world has lost 70 species of mammals, 50 of birds, and that the rate of extinction among higher species animals is running at the rate of 1 per year. He stated further that it is estimated that 20 percent of the animal and plant forms alive today will not be alive by the year 2000. He says that habitat destruction is the direct cause of most extinctions. The continued spread of deserts, the clear-cutting of rain forests, the sterilization of land by parking lots and eroded timberlands also diminish the land's ability to grow food, to protect us against disease, and to moderate our climate. Allowing marginal species like the Snail Dater to become extinct is moving us one more notch toward our own extinction.

The other article, "A Clean Environment—a Healthy Economy," by Gregory A. Thomas, argues quite persuasively that environmental protection and a healthy economy are not incompatible. On the contrary, by adding a new type of productive activity, investments in environmental quality create new industries and new jobs. In fact, according to Mr. Thomas, it is the failure to abate pollution that robs the economy of output, robs crop land and forest land of substantial yields, robs people of their health and a portion of their economically productive years and destroyed recreational opportunities.

That does not mean that Government should not help industry pay for the added direct costs of installing pollution controls. On the contrary, it should, and I and other Members of Congress have introduced bills to provide such assistance. However, the point is that, the question of healthy environment or healthy economy is not an "either-or" issue but a question of finding a reasonable balance.

The articles follow:

[From the Washington Post, May 1, 1978]

OUR HABITAT—AND OUR SURVIVAL

(By Jeff Wheelwright)

South of Knoxville, in the last undammed stretch of the Little Tennessee River, the snail darters are preparing to spawn. While the males flash their courtship colors in the fast, shallow water, the females are nuzzling the gravel bottom, searching for places to lay and cover their eggs. When the young darters hatch later this spring, they will float downstream through the unfinished gates of the Tellico Dam. If those gates should ever be closed, the snail darter will become extinct.

But because this three-inch fish is protected by the Endangered Species Act, it has so far managed to frustrate all efforts by the Tennessee Valley Authority to complete its Tellico project. The Supreme Court is now considering the TVA's appeal. Meanwhile, anti-darter forces are drafting amendments to the act itself. They would like to establish a Cabinet-level committee with the power to exempt public works like Tellico.

In effect, that committee would have the power to decide that the snail darter is less important than the dam, and that the fish may reasonably be consigned to extinction. Such adjudgment would set a dizzying biological precedent, because for the first time in history man's foreknowledge of an extinction would establish his complicity.

Always before—as in the case of the passenger pigeon—the extinction of a species has come as a rude surprise. We'll know what we're doing to the snail darter.

The case for preserving endangered species rests on several lines of argument. There are speculative arguments (their rare genetic material may contain the cure for cancer) and moral arguments (we are the guardians of all earth's creatures). But there is a third reasoning, based on cold self-interest: If we allow marginal species like the snail darter to become extinct, we promote the day of our own extinction. It is simply a question of preserving habitat.

All living things, from the lowliest fish to the most advanced human, need a supportive habitat, a place in which life can safely develop. In the darter's case, the need is highly specific. The fish requires a shallow, pure, fast, wide, gravelly river. There used to be dozens of rivers of that description in the southeastern United States, and it is believed that many of them harbored populations of snail darters. But the species was only discovered in 1973; by then the modern order of dams, channelization projects and pollution had reduced its habitat to a 17-mile stretch of the Little Tennessee. By no coincidence at all, that 17 miles also provides the finest trout fishing in the entire region.

The point is not that the TVA was wrong to have built its 68 dams on the Little Tennessee River system. The point is that a unique combination of natural elements will be lost forever if the last dam is completed. In this sense, the darter's plight is an indicator, a warning light above a disappearing habitat.

How would the loss of this fish and its ecosystem promote our own extinction? In itself, it would and could not. We are the most resilient, resourceful species on earth. We are capable of adapting to the most inhospitable of environments. We do not need the Little Tennessee, as beautiful as it is. But as part of a worldwide pattern, this small loss would be ominous.

The rate of extinctions among the higher mammals is running at one per year. Already in this century the world has lost 70 species of mammals, 50 of birds and untold numbers of reptiles, fish, insects and plants. It is estimated that 20 percent of the animal and plant forms alive today will not be alive by the year 2000. Each of these premature extinctions marks the disappearance of a special habitat; habitat destruction is, in fact, the direct cause of most extinctions.

What do we mean by habitat destruction? We mean the spread of the deserts in Africa, the clear-cutting of the rain forests in Asia and South America, the homogenization of the landscape in the United States. Deserts and eroded timberlands and coast-to-coast parking lots cannot kill us directly, of course. But those sterile places, increasing as fast as we do, cannot grow food for us, at a time when we need more and more food, they cannot protect us effectively against disease or epidemics, nor can they help regulate our climate. If we continue to strip nature of its diversity, we shall some day pay a very high price.

These and other dark thoughts I entertained while driving recently on the Connecticut Turnpike. Approaching Bridgeport I smelled smoke. Near the waterfront, an industrial dump was burning. It projected onto the city a steady stream of acrid fog, as if from a giant firehose. Within seconds my eyes were smarting and my ears and throat hurt.

The biological history of Bridgeport passed before me. I saw, in the 17th century, the big animals disappear: the wolves, panthers and elk. As Bridgeport grew over the years from a settlement to a town, and from a town to an industrial city-state, I saw the passing of smaller species: the bobcat and the otter, the passenger pigeon and, quite possibly, unknown cousins of the snail darters. The people stayed on, as did their tough urban minions: the English sparrows, the crab grass and the stray dogs.

That history did not upset me; I'm not such a bleeding-heart as all that. But now, though clear of the fumes, I had a steady headache, and that *did* upset me. If one minute's exposure can do this, I thought, what would an hour's do? How long could I, one of the invincible species, have survived in that habitat? By the time the last animal becomes extinct, those of us who remain will be walking about in spacesuits.

[From the Washington Post, May 1, 1978]

A CLEAN ENVIRONMENT, A HEALTHY ECONOMY

(By Gregory A. Thomas)

In its April 5 editorial "Cleanliness, at a Price," The Washington Post held that more environmental protection and more economic activity are both worthy social gains, but ones that, unfortunately, counteract each other. To arrive at that conclusion, The Post asserted, correctly, that (1) expenditures to protect environmental quality are increasingly relative to other economic activity and (2) the productivity of labor is not growing as fast as it used to. Then, whimsically, it inferred that (3) the former must be the cause of the latter. Since the "standard of living" (an economic index that measures only the amenities that money can buy) depends in some fashion upon such productivity, The Post fears that environmental quality may, in time, jeopardize our material well-being.

Viewed from that angle, pollution control is found to adversely affect the economy like other specified crimes against property, including "holdups, shoplifting, and . . . embezzlement." To avoid the taint of having consorted with the criminal element, The Post explains its past support for environmental legislation as having been based upon moral, not economic, justification.

The Post is astute on one point: Environmental quality relates much more directly to the quality of life than do conventional economic measurements such as "standard of living" or "gross national product" or even "productivity." To that extent, it is fair, if not particularly informative, to treat environmental protection as a moral issue.

But there is more to it. The substantial increase in investments in environmental quality does have a marked effect on the economy. But The Post is mistaken in believing that the effect is a reduction in economic output. Quite the contrary. By adding a new type of productive activity, these expenditures stimulate the economy while shifting the mix of goods and services the economy produces. These expenditures buy important, even essential, benefits to both our economic and physical lives. They create new industries and new investment opportunities. Demonstrably, they create new jobs.

Most important, investments in pollution controls avoid unnecessary and wasteful claims against nature's bounty. If pollution control has an analogue in crime, the relationship is the diametric opposite of that suggested by The Post. It is the failure to abate pollution that robs the economy of output, robs crop land and forest land of substantial percentages of their yield, robs human beings of their health and a portion of their economically productive years, embezzles everyone of recreational opportunities lost by polluted waters or destroyed wilderness.

The fundamental mistake in economic analysis that The Post makes is one of confusing productivity of any particular factor of production with performance of the economy as a whole. Let's give The Post its thesis that a shift of economic activity in the direction of pollution control lowers labor productivity. If so, it means that the ratio of labor to gross national product is increased. Is that undesirable?

Three basic inputs that result in economic output are labor, resources (particularly energy) and capital. Hardly a day passes but what The Post itself provides additional evidence of the increasing shortage of two of these inputs: energy and capital. In fact, reduction in energy inputs has been singled out by President Carter as the highest domestic priority. Capital scarcity has precipitated equally grand responses such as the president's proposal, in the guise of tax reform, to greatly extend the investment credit. In sum, our national economic policies are calling for a substantial increase in the productivity of scarce energy and capital resources. At the same time, reduction of unemployment is a third high-priority domestic political program aimed at improving the nation's economic well-being: National policy is calling for an increase in labor inputs into the economy.

Pursuit of these objectives simultaneously should bring about exactly the phenomenon that The Post notes in its editorial—namely, a lowering of the productivity of labor while the GNP continues to grow. That will be a consequence of not only the recent and sizable investments in environmental pollution, but of a myriad of federal economic programs aimed at producing exactly that result. Nor does it presage economic gloom or reduced economic well-being. Quite the contrary. It is probably the strategy most likely to keep the economy vigorous.

The future portends even greater changes. It is becoming plain beyond dispute that desirable increases in GNP will be sustainable in an increasingly resource-short world only if we succeed in shifting the mix of goods and services away from those that are resource-intensive and toward those that, like communication, education and good health, are not. That does not mean that we will be worse off. It just means that we will be different off.●

IF U.S.A. CONTINUES TO PLAY "AIRPLANE CHICKEN" EVERYBODY LOSES

HON. JIM SANTINI

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1978

● Mr. SANTINI. Mr. Speaker, I cannot support the diplomatic ploy of airplane "chicken" that is presently being advanced by the administration. It is not fair, it is not logical, and would appear doomed to legislative demise.

Three years ago this country promised the state of Israel that in return for its withdrawal from the Sinai these planes would be sent. Now the administration proposes to offer a "tit for tat" arrangement that was not part of the original U.S. commitment. So much for fairness.

If logic has any place in these international machinations I would like to be able to point to a specific quid pro quo in return for our commitment to arm one of Israel's potential adversaries.

Given the present state of Mideast negotiations, it would seem to me that most Members of Congress would be willing to consider military assistance to any Arab nations that had advanced tangible

proof in the form of a treaty commitment that we would not find these war planes doing battle with each other in the near future. In the absence of such an agreement, what is the sense or sanity in peddling these planes.

Continuing our intrusion into logic, if there be some sub rosa quid pro quo for the sale to the Saudis and the Egyptians then we legislators should be provided with something more than an edict on which to base our own resolve. As yet, no tangible explanation has surfaced.

Finally, there ought to be some expectation of legislative success when proposals of this magnitude are advanced. What is the legislative prospect here? Why are we leaping to push the irresistible force against the immovable object?

Maybe the rhyme and reason for all of this will become clear in the course of our legislative pursuits. But until those reasons become known I am forced to deal with the all or nothing gauntlet that has been passed down Pennsylvania Ave.

At this time I must reject the entire proposal.●

SOCIAL SECURITY FACT SHEET

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1978

● Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for May 3, 1978, into the CONGRESSIONAL RECORD:

SOCIAL SECURITY FACT SHEET

These are some questions that people frequently ask about social security:

How big is the social security system? Social security taxes constitute about ¼ of all federal taxes on individuals and about ¼ of all federal tax revenues. The money spent for social security represents ¼ of all federal outlays. About 34 million people receive $7.4 billion in benefits each month. These include 21.5 million retired workers and their dependents, 7.6 million widows, widowers, children and aged parents, and 4.9 million disabled workers and their dependents.

What happens to the money collected for social security? The money collected is used only to pay the benefits and administrative expenses of the program. Any money not immediately needed for these purposes is required by law to be invested in government securities. The money derived from social security taxes is placed in four trust funds. About 72¢ of each social security dollar goes for retirement benefits, 15¢ for hospital benefits under Medicare and 11¢ for disability benefits. Only 2¢ goes to pay administrative costs.

Is social security only for older people? No. In addition to its well-known retirement benefits, the program provides cash benefits for dependents of retired workers, for survivors of deceased workers and for disabled workers under age 65 and their dependents. It also provides health benefits for aged people and for those with severe, long-term disabilities.

Is social security a pension plan? No. The basic purpose of social security benefits is to furnish a partial replacement of earnings which are lost to a family because of death, disability or retirement in old age. In line with this purpose, the social security law provides that these benefits are to be withheld if no loss of income occurs. Thus, social security is more like an insurance plan than a pension plan. Also, Medicare helps pay medical expenses for people aged 65 and over and for people who have been receiving disability benefits for two years or more. The standard pension plan may not provide such medical benefits.

Is social security a savings plan? No. Even a savings plan that has been in effect for years will not provide nearly as much in survivors or disability benefits as may be payable under social security in the event of a worker's death or disability. In addition, social security benefits are protected against inflation by a cost-of-living escalator.

Is social security a pay-as-you-go system? Yes. Current taxes pay current benefits, with the trust funds serving as contingency reserves. In this respect, social security is not like private insurance which must build up reserves to protect against the possibility of having no future participants. A private insurance plan must have sufficient funds on hand to be able to pay all obligations. However, social security is assured of continued income. Its financing is sound as long as its income is sufficient to meet program costs as they fall due.

Who makes sure that social security is fiscally sound? Several groups, both public and private, monitor social security. The General Accounting Office, the Congress, the Library of Congress, the Board of Trustees and a blue-ribbon panel of private citizens (the Advisory Council) all share responsibility for assuring that the program is meeting all existing and projected needs.

How can we be sure that social security is soundly financed? Social security is a "contract between generations." The financing of the program will continue to rest on the commitment of government to use its taxing power to meet program obligations.

What is the present dispute over social security financing all about? The dispute is about the extent to which social security taxes should be reduced by using general revenues to fund a portion of social security obligations. Some Congressmen favor ⅓ general revenue financing. Others want to retain the payroll tax to finance the retirement system, but remove Medicare and/or disability insurance from the program.

How compulsory is social security coverage? Nine out of ten gainfully employed workers in the country must be covered by social security. The workers not covered are federal, state and local government employees.

Why are government employees not covered? There are legal problems in a compulsory federal tax levied on state and local government employees. As a result, coverage for these employees is voluntary and only about 70 percent of them have chosen to participate. Federal employees are not covered because the federal retirement system was already well-established when the social security law was passed. However, the mandatory coverage of all government employees is being seriously studied today. Congress will probably act on this issue when the studies are completed.●

BANKRUPTCY IS NOT THE SOLUTION FOR NEW YORK CITY

HON. STEWART B. McKINNEY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1978

● Mr. McKINNEY. Mr. Speaker, the question of whether the Federal Government should provide financial assistance to the city of New York has once again become a topic of debate on Capitol Hill. After extensive hearings were held on this issue by the Economic Stabilization Subcommittee, a bill was sent to the full Banking Committee which provides for $2 billion in loan guarantees over a 15-year period. That bill was reported out yesterday with overwhelming support on a vote of 32 to 8.

Still, many of our colleagues have not had the opportunity to study the nature of New York's problem in depth as our committee has. A frequent question that I have been asked is, "Why not let New York declare bankruptcy and start over?"

This morning's Wall Street Journal contained an article which explains in simple terms why bankruptcy is not a practical solution. To help the House achieve a better understanding of my reasons for supporting Federal loan guarantees for New York City, I request unanimous consent to include that article in the RECORD:

[From the Wall Street Journal, May 4, 1978]

WHY BANKRUPTCY WON'T CURE THE BIG APPLE

(By W. Bernard Richland)

To come at once to the heart of the matter: In order to advocate that New York City go into bankruptcy it is necessary that one know practically nothing about bankruptcy and less about the city government. Suggesting bankruptcy as a cure for the city's fiscal ills makes about as much sense as proposing decapitation as a cure for headache.

"In fact, the city would be further along towards recovery than it is today if it had filed for the protection of bankruptcy back in 1975, when these columns were almost the only voice advising it to. Whatever the trauma, by today it would at least have a balanced budget, the lack of which remains the essence of the problem."

Thus spake The Wall Street Journal in an editorial earlier this year. The theme has been repeated since and will doubtless be reiterated as the city's labor negotiations get down to the pinch.

That "the city would be further along towards recovery" of course assumes recovery from suicide. The "trauma" which is ticked off so blithely is spelled "disaster." What overwhelming importance a "balanced budget" purchased at such a price is to anyone but a bookkeeper is left undescribed.

Consider: The two major factors usually pointed to as standing in the way of a "balanced budget" are annual debt services on city bonds outstanding ($2 billion) and annual city pension contributions ($1.4 billion). But it is very doubtful that either would or could be affected by bankruptcy. For the fact is that under Chapter 9 of the Bankruptcy Act and under the Constitution as construed by the United States Supreme Court, federal municipal bankruptcy can take place only if, as, when and to the extent authorized by the legislature of the state in which the municipality is located.

The state legislature, in turn, is limited in its authority by the constitution of the state. And there's the rub. For as far as city pension contributions are concerned, the New York constitution forbids any impairment or diminution of state and local government pension rights and benefits. As for debt service on city bonds, the same constitution as conclusively construed by New York's highest court compels payment of principal and interest come hell or high water, saving only, as that court indicated, "a nuclear Armageddon."

Nor is that all; for there are nasty practical problems for a city which dives into the murky darkness of the uncharted waters of Chapter 9. Immediately upon the filing of a petition under Chapter 9 all "claims" (which in New York's case would number in the hundreds of thousands) against the city are stayed; they become unenforceable. Now that would surely help balance the budget. But . . . suppliers of goods and services to the city—its schools, its prisons, its hospitals, its firehouses, its police stations, etc.—stuck with uncollectible bills for which they can't even assert claims, would simply stop supplying supplies and providing services, except for cash on the barrelhead.

No food, no coal, no oil, no medical supplies, no gasoline for police cars, fire engines and chauffeured limousines, no yellow pads, no pencils, no red ink, no nothing.

No enterprise, however small, can exist and operate without a line of credit. New York City, less than any other institution, can live on a cash basis; it simply cannot be done as a physical, practical matter. Each semimonthly payday the city must come up with $120 million for its regular city staff and board of education payroll. And that is only part of its monthly, semimonthly, weekly, daily cash requirements. If its credit vanishes, as it must upon the filing of a Chapter 9 petition, the city will die, not with a whimper, but with a Bang.

The notion that because Chapter 9 authorizes the federal court to provide for the issuance of preferred "certificates of indebtedness" current cash needs could be met by such means assumes that banks would be willing to lend vast sums of money on such certificates. Don't believe it.

Bank lawyers would quickly advise their clients of the very shaky basis of preferential treatment for particular city securities. Nor could city pension funds be seized for such purposes, for they simply don't belong to the city. It would be unthinkable for any employee represntative on a city pension board to vote to liquidate pension fund holdings to buy such "preferred" paper of a bankrupt city.

A comparatively minor point: The complexity of bankruptcy proceedings on such a scale is unimaginable. The swarm of creditors, claimants, lawyers, accountants; the paper-generating process; the motions in court by the thousands and tens of thousands . . . and more, more, more, unto sheer madness. All of this points to the unattainable objective of a plan for the adjustment of debts approved by two-thirds of the total amount of all claims and 50 percent of the number of such claims.

Imagine the wildest scenario and still it is impossible to overstate the turmoil, the misery, the crazy mob scene.

The city will teeter on the thin edge of disaster. But, praise the Lord and pass The Wall Street Journal, the budget will balance.●

SPENDING OUR CHILDREN'S FUTURE

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1978

● Mr. COLLINS of Texas. Mr. Speaker, A great deal has been said in recent years about the ever increasing public debt. While I am pleased to see that more and more of our colleagues share my concern over the $721 billion that is the national debt, I think it is unfortunate that very little—if anything—is ever said about the total, overall amount that the United States is obligated to pay.

I commend to my colleagues' attention the following estimates, prepared by the National Taxpayers Union, which show that our real national debt is $9 trillion. This estimate accounts for the total debts, liabilities (actuarial and contingent), plus fiscal commitments of the U.S. Government as of February 1978. Estimates are based upon an annual U.S. Treasury report to Congress.

PUBLIC NOW INDEBTED $9 TRILLION

DEBT OR LIABILITY ITEM	Billion
Public Debt: Money borrowed by the Federal government. (*Bureau of the Public Debt total as of 31 Jan. 78*)	$ 721
Accounts, Payable: Deposit fund liability accounts, checks outstanding, deferred interest, etc.	80
Undelivered Orders: Payment due for things ordered. Also includes commitments against appropriations	332
Long Term Contracts: Contracts placed by the federal government which have not yet been fully performed, nor paid.	15
Loan and Credit Guarantees: Contingent liabilities for low-rent housing, rural electrification, farm loans, maritime loans, urban renewal, Export-Import Bank, small business loans, student loans, mass transit, foreign military sales, etc.	5,900
Insurance Commitments: Contingent liabilities for crop insurance, student loan insurance, crime, flood, mudslide, riot insurance, FDIC, nuclear accident indemnity, etc.	209
Annuity Programs: Unfunded liabilities or actuarial deficits in approximately 68 federal retirement or pension plans. Includes Military Retirements, Civil Service, Railroad Retirement, VA Compensation, etc. Also includes Social Security System with a $5.3 trillion actuarial deficit as of 30 Sept. 1977.*	1,733
Unadjudicated Claims, International Commitments, and other Financial Obligations: Claims pending against the Federal government, funds pledged to foreign nations, and other miscellaneous commitments.	43
Total "Taxpayers Burden"	9,033

* Deficit based on estimates before enactment of Social Security Amendments of 1977 (Public Law 915-216) on 20 Dec. 1977. Current deficit figure unclear until final Congressional action.

This is the real amount that the taxpayers of this country will be called upon to pay. Thus when the Federal Government reports a national debt of $721 billion, it is only reporting $1 out of every $9 that is a contingency debt.

In order to put this $9 trillion into perspective, it is important to note that this is more than four times the value of all goods and services the Nation will produce this year—some $2 trillion worth. Looked at from another perspective, the total value of all property in the United States (land, houses, personal goods, et cetera) is only $5.7 trillion. The Federal Government has now endorsed away the entire wealth of the country and then some. Every taxpayer in the country is responsible for $150,550 of these obligations.

If Government debts continue to grow, it can mean nothing but disaster. Each new deficit increases inflation which in turn causes still greater deficits, causing still more inflation. The Office of Management and Budget has predicted that a continuation of present budget trends would lead to an annual budget deficit of $700 billion by the end of the century.

We are only just now beginning to feel the consequences of our overwhelming public debt. The inflation we experience is bad, but the brunt of today's extravagance will never be fully felt by this generation. It will be suffered in full by our children and our children's children. I agree with Thomas Jefferson, when he said:

> One generation has no right to incur debts for another.

Will our children be able to afford houses when inflation has driven mortgage rates so high that none can afford them? Will our children be able to afford anything at all as the Federal Government takes over half of their income merely in order to meet minimum payments on the public debt?

In 1950, the share of income absorbed by the Government came to only 25.8 percent. But in the intervening years, the Government share of national wealth has grown enormously: 29.9 percent in 1955, 33.1 percent in 1960, 39.1 percent in 1970, 44 percent in 1975. If present trends continue, the Federal Government will absorb over 60 percent of all income by the year 1990.

The time has come to stand up and ask ourselves what we are doing to future generations. For Congress and the President to refuse to balance the budget and keep spending like there is no tomorrow, is to insure that for our children there will be only the poverty of a socialized nation.●

NEW EMPLOYMENT POLICY NEED

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1978

● Mr. SIMON. Mr. Speaker, some days ago the New York Times, on its editorial page, contained an article by Gar Alperovitz and Jeff Faux of the National Center for Economic Alternatives, which suggests strongly that we should target our economic stimulus in the United States so that it really hits those areas with high unemployment.

I have been concerned for some time that we have overplayed the general economic stimulus—as I frankly think the President's tax package does—rather than moving in on structural unemployment and pockets of unemployment in certain areas.

And we continue to treat unemployment as though it is a temporary phenomenon in our country. It is not, and the sooner we come up with a solid, sub-

stantial, permanent program to give people an alternative opportunity for contributing to our society if private sector employment is not available, the sooner we will have a generally healthier economy.

The political process can solve the problem of unemployment. The political process can solve the problem of inflation. The question is whether we want to use the political process to do that.

[From the New York Times, Apr. 15, 1978]

"FULL EMPLOYMENT," WITH A DIFFERENT FOCUS

(By Gar Alperovitz and Jeff Faux)

WASHINGTON.—Since the Employment Act of 1946, the United States has defined overall economic objectives in strikingly national terms. The Humphrey-Hawkins legislation, which calls for a reduction in the national unemployment rate to 4 percent by 1983, continues this perspective.

We have become so used to the national focus that we rarely notice that the worthy objective embodied in the term "full employment" is a very generalized abstraction. It implies a statistical average that often fails to address the wide disparity in economic conditions among American localities.

We live in communities, not continents. With a national unemployment rate of 6.3 percent in January (the most recent comprehensive data available), in Youngstown, Ohio, the rate was 8 percent; in New York City, it averaged 10.5 percent; Johnstown, Pa., had an unemployment rate of 12.9 percent; Alaska as a whole averaged 12.5 percent.

Elsewhere, in boom towns of the South and West, the problem is excessive growth. In January, Oklahoma City had a 3.2 percent unemployment rate; Wyoming as a whole averaged 3.8 percent.

Were we to achieve national "full employment," declining communities of the Northeast, upper Midwest and elsewhere might benefit very little. In fact, Federal policies which seek to stimulate growth and investments through general tax reductions have a tendency to encourage businesses to invest *out* of such areas.

As a way out of this dilemma, we suggest that we substitute the goal of *community* full employment for the goal of national full employment. Our national unemployment target would then become an aggregate achieved by building from the locality up, instead of the reverse, as is now the case.

This precise definition of community full employment is debatable. As a beginning point, we might apply the Humphrey-Hawkins goal of 4 percent unemployment by 1983 to the specific towns and cities of the nation. Some might argue that we should apply the Democratic Party platform's 3 percent adult goal by 1980 to local communities.

Irving Bluestone, vice president of the United Auto Workers, in recent testimony before a House of Representatives committee, suggested that we begin the experimenting with a few "full employment communities," and Senator Howard M. Metzenbaum, Democrat of Ohio, will soon introduce legislation to this effect. Such legislation could become an important first step in developing policies in the new direction.

Setting local criteria for national economic goals would not mean that the economy would be frozen in the patterns of the later 1970's. A floor below which local unemployment would not be allowed to sink is perfectly consistent with population shifts. There are jobs—and there are good jobs. When business is booming in Phoenix and wages are rising, people in Detroit will still be tempted to move. But, under a policy of community full employment, they would not be forced to do so.

Making the health of local economies a priority will require us to bring "jobs to the people," as some analysts put it. So-called locational tax incentives to encourage businesses to invest in specific areas are one way to attempt to do this—though an exceedingly inefficient one according to Government studies.

Geographic targeting of public procurement, a significant departure implied in the President's new urban policy, is a more promising approach. Congressional Budget Office studies show further that a policy of accelerated spending on public goods would be a much less wasteful way of stimulating the overall economy than tax reductions. This approach could be combined with targeting to achieve community full employment.

An effort to stabilize the economies of local communities would mean purchasing more of needed public goods such as rails, mass transit, pollution control and solar-energy installations. We will spend money for all of these, in any event, over the coming years; it should be done in an accelerated way that helps communities now in distress. This would also help us break our national fixation with containing current Government spending in the hope—it is illusory—that this alone can control inflation.

Fortunately, targeting jobs in specific depressed towns and cities is inherently less inflationary than generalized stimulative policies; it puts money directly into economies that by definition have excess labor. Since new jobs in failing local economies also reduce welfare, crime and other social costs—and simultaneously improve the local tax base—they also help reduce the inflationary burden of local taxes.

It will not be easy to conform overall economic policy to local needs. Nor can it be accomplished overnight. Yet mayors, local taxpayers, local unions, local small businesses, local environmental activists and many others have much to gain by doing so.

This grouping includes the vast majority of Americans. Were it to seize the initiative on economic matters, the common local needs of our communities—rather than the statistical continental averages—might begin to define national priorities.●

FIRST CONCURRENT RESOLUTION

HON. NEWTON I. STEERS, JR.

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1978

● Mr. STEERS. Mr. Speaker, I voted yesterday in support of the Federal civil servant and against Mr. MATTOX's amendment which would have had the effect of limiting comparability pay increases for all Federal employees to not exceed 5.5 percent.

In the strongest possible terms, I emphasize my support for the fight against inflation. Many legitimate efforts have been made in this Congress to do just that. For instance, H.R. 2768, the Government Economy and Spending Reform Act of 1977, is a case on point. That bill, of which I am a cosponsor, was designed to establish a procedure for a zero-base review of governmental programs every 5 years to insure that they are justifiable in the sense that the benefits derived from them exceed and surpass the cost of subsidization. Such a goal, if attached to every final action of the Congress, would in itself be a gigantic stride in the right direction to controlling inflation in the American economy.

However, what we were asked to vote for in the Mattox amendment to the first concurrent resolution of the budget was little, if anything, more than a symbolic and politically expedient effort to both reduce inflation and Federal expenditures. Symbolism does indeed have its place in the halls of Congress. However, to make the Federal civil work force a scapegoat for the ills of the state of the economy is unacceptable and unrealistic.

The Mattox amendment would have targeted a reduction of $255 million in budget authority and outlays. I point out to my distinguished colleagues in the House that direct compensation benefits of civilian employees in the executive branch is estimated to be $51.1 billion for fiscal year 1979. A reduction of the size requested in the Mattox amendment would be so miniscule in terms of percentage that it could not have had any detectible impact on the rate of inflation.

In urging my colleagues to continue opposition to such amendments, I remind them of the purpose of the comparability concept: to attract and retain the very best civilian work force in the Federal Government through competitive and commensurate salaries with those of private industry. Recent statistics released from the Federal Bureau of Labor Statistics clearly indicate that the private sector pay raises for the first 3 months of this year averaged 9.9 percent for the first contract year and 7.3 percent for the life of the contract. The average for 1977 was 7.8 percent for the first year and 5.8 percent for the life of the contract. These figures are obviously indicative of the competitive salary increases in America's private industry with which 5.5 percent would be clearly out of line.

I commend my colleagues for their farsightedness in rejecting the Mattox amendment.●

A NEW INTERNATIONAL ECONOMIC ORDER?

HON. RICHARD NOLAN

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1978

● Mr. NOLAN. Mr. Speaker, during the 1930's, the Western world's economy collapsed, leading to economic depression, political turmoil and World War II. After the war, the United States played a major role in reshaping an international monetary and economic policy to provide a framework for stable world trade.

But the international economic order put together by the United States has now come unglued. Times have changed since 1945 and it would probably be futile, if not impractical, to attempt to stick the old policies back together again.

The current problems have been clearly analyzed by Sidney Lens in an

article entitled, "The Sinking Dollar and the Gathering Storm," which appeared in the May 1978 issue of the Progressive. Mr. Lens also suggests what he believes to be the only way to build a new international economic order: "the formation of a genuine international compact" in which human needs are considered first. I believe the ideas expressed by Mr. Lens deserves serious consideration.

The article follows:

THE SINKING DOLLAR AND THE GATHERING STORM

(By Sidney Lens)

Imagine the turmoil if Pennsylvania were to stop selling goods to New Yorkers because it already had too many New York dollars, and no way to get rid of them. Factories would close, workers would lose jobs, banks would call in loans. The crisis would pervade the whole economy.

No such thing happens, of course, because under the single sovereignty of the United States, all of us—including Pennsylvanians—must accept the dollar as legal tender; the law says so. And we must pay our debts, or the courts will declare us bankrupt and seize our property. There is a certain discipline in our internal economic order that promotes stability and encourages growth.

That kind of discipline, however, does not exist in the international economic order. There is no true United Nations, with a body of laws and the power to enforce them. What has held the world economy together for most of the past century—to the extent that it has been held together—was first a Pax Britannica that lasted until World War I, and then a Pax Americana that has dominated the years since World War II. For decades the pound sterling, backed by gold and a strong British economy, was so stable that all nations accepted it as the world medium of exchange, and the British navy was so awesome that other nations rarely challenged British policies on free trade or on division of the world's colonial riches.

From 1945 to 1971, all of the "free world" nations similarly accepted the stable U.S. dollar, worth one-thirty-fifth of an ounce of gold, as the yardstick by which value was gauged. The American economy flourished as none ever had before, and it was buttressed by the most formidable military machine ever known. Virtually every nation outside the communist bloc found it expedient to follow the economic lead of the United States.

But the dollar, like the pound of the 1930s, has foundered. In terms of gold, it is worth only one-fifth of what it was only six years ago; in terms of domestic purchasing power, it is worth half of what it was in 1965. Charles Schultze, chairman of President Carter's Council of Economic Advisers, says the fall of the proud dollar is a problem "but not a catastrophe." It seems obvious, however, that what is at stake is the "free world" economy and its political alliances, and that we may soon confront the sort of international disorder that wracked the planet in the 1930s, when neither Britain nor the United States was able to impose discipline on Germany, Japan, and Italy.

The symptoms of the crisis are, in some respects, bizarre. In the last dozen years the United States has exacted from its allies a sort of reverse lend-lease. It rang up ever-increasing balance-of-payments deficits to pay—in part—for such military adventures as the Vietnam war and for the worldwide network of U.S. military bases. In settlement of those deficits, central banks of foreign nations were flooded with dollars which—until mid-1971—were redeemable for gold. But since 1971, when the dollar was divorced from gold, these gluts of U.S. currency can only be redeemed for American goods. And there is no way America's trading partners can absorb enough U.S. imports to use up their accumulated dollars.

In fact, U.S. capitalism has found an ingenious method of milking its allies: It runs up a trade deficit every year by importing far more than it exports—last year $27 billion more—and it hands its allies pieces of paper called dollars, which are really just IOUs backed by nothing. Thus, Germany Japan, and other industrial nations are awash in dollars of tenuous value. Central banks are holding more than 125 billion such dollars, which are, for all practical purposes, no longer exchangeable for valuables (such as food or machinery) but actually constitute a huge American debt. Many experts believe the United States will never pay this debt, just as Britain and France never paid their World War I debts to the United States.

America's allies—particularly Germany and Japan—find themselves in a peculiar dilemma: While they don't want dollars, they must accept them, because otherwise their foreign trade would drastically decrease and their economies collapse. And these allies have a vital stake in keeping the dollar strong; when it declines, they must raise prices for their exports and lose vital markets in the United States.

An example: If a Volkswagen cost 16,000 marks when one dollar was worth four marks, an American could buy the German automobile for $4,000. But if the dollar slumped to one for two marks (its present value), the same car would have to cost $8,000 in the United States, and would be driven from the market by the Ford Pinto or the General Motors Chevette. Since the American market plays a decisive role in international trade, Germany needs a strong dollar to keep its own economy from faltering.

The oil-producing nations also have an interest in keeping the dollar strong; they are paid for petroleum in that currency. When the dollar falls in value from one for four marks to one for two marks, the $14 they get for a barrel of oil buys only half as much German steel. This is so serious a problem for OPEC members that there have been discussions, especially in Kuwait, of tying the price of oil not to the dollar but to a "package" of currencies, including the mark and the yen. If this were done, Americans would pay substantially more for their energy, with devastating consequences to the U.S. economy and that of the whole "free world."

Compounding this instability is the mounting debt load carried by the less developed countries (LDCs). As of 1972, the non-oil-producing LDCs owed $83 billion to private banks and international lending agencies; by 1976, that total was $179 billion, and by the end of this year it will be $235 billion. A substantial portion of these loans can not be repaid because the countries involved simply do not have the money. Of every four dollars now owed, one goes to liquidate previous loans; by 1980, that portion is likely to be two out of every four.

The problem is not that LDCs will go bankrupt and that the Pentagon will send in the Marines to auction off, say, the government house in Zaire or the pyramids of Egypt. There is no danger that the International Monetary Fund (IMF) or the multinational banks (which increased their loans to LDCs to $30 billion as of the end of 1976—fifteen times what they were nine years earlier) will let any "friendly" LDCs go under. If a country can't pay, the banks and IMF simply ply it with more loans—to pay off previous ones.

There are two difficulties, however, with this sleight-of-hand exercise: One is that as a condition of the loan, the recipient nation must agree to keep its doors open to multinational corporations' investments and trade even if that runs counter to the nation's interests. The LDCs would, of course, be better off if they could establish native industries owned by themselves and plan orderly development based on the needs of their own people rather than on the needs of foreign companies headquartered in New York or Amsterdam. Those foreign companies care little about the internal market (except for a small middle-class market); they concentrate, instead, on exports that further pauperize the host countries.

LDCs which rely on foreign loans invariably forfeit their autonomy From 1950 to 1970 for example U.S. firms added $1.7 billion to their holdings in four Andean countries—Chile Peru, Bolivia, and Venezuela—primarily to increase production of such export commodities as copper, tin, and oil. But in the same period, these multinationals repatriated $11.2 billion to the United States, leaving a net loss to those countries of $9.5 billion When the repatriation of profits, interest payments on $61 billion in foreign debt, shipping costs, and trade deficits are added up, Latin America suffered a drain of $7.1 billion in 1976. The $22 billion in U.S. investments thus intensified the continent's crisis.

The second difficulty for harried LDCs is that they must agree to "austerity" as the price for being temporarily bailed out The financiers, private and public, demand that the LDC loan recipient reduce spending on such "frills" as schools, roads, hospitals, and health clinics; that they cut or eliminate subsidies for bread or rice; that they "hold the line" on wages—in sum that they lower living standards and increase unemployment if they want more loans.

In 1976, when President Anwar Sadat tried to implement the IMF demand that Egypt abolish subsidies for food and fuel, riots erupted and almost 800 people died. Last year, Peru—which could not meet $700 million in payments due on a $5 billion loan—was offered a $105 million credit by the IMF. The condition, as usual, was "austerity"—budget cuts, a wage freeze, price increases on necessities. When the Peruvian government tried to carry out this mandate, it encountered demonstrations and a general strike.

In this untenable situation, the non-oil-producing LDCs have no choice but to insist either that the loans be canceled or that there be an international agreement to raise the price of the raw materials they sell to advanced countries—or both. The industrial nations, with the United States in the vanguard, have, of course, been resisting these pressures If they continue to do so, there is increasing likelihood of more revolutions in the Third World (and secessions from the Pax Americana), or of outright repudiation of the debts.

These alternatives pose serious difficulties for the international financiers. As of 1976, American banks alone held $50 billion in LDC paper, and the thirteen largest U.S. banks earned profits of $886 million—about half of their total profits—on their two-thirds share of this business. Suppose that $5 billion or $10 billion or $20 billion of that loan portfolio should default: American bankers would have to write off those loans, and to maintain their liquidity they would have to call in their loans to U.S. corporations, thereby causing a serious industrial cutback—and unemployment—at home. On the other hand, if the LDCs are allowed to raise prices on bauxite, sugar, and other commodities, the cost of producing aluminum, cereals, and other products will also increase. There does not seem to be a comfortable solution.

A few nations are benefiting from the present crisis—the OPEC members, especially Saudi Arabia and Iran. Oil prices have more than quadrupled in five years, and these countries are accumulating wealth at a rate that would put Nineteenth Century American robber barons to shame. It is generally agreed that the twelve OPEC members

will have $250 billion in foreign reserves by 1980.

But what can they do with the money? Some is invested in the economic infrastructure and industrial plant of their nations. Some goes for conspicuous consumption of luxury goods. Quite a bit is spent for arms purchases from the United States—purchases that the Carter Administration can not or will not terminate for fear of suffering a retaliatory increase in petroleum prices.

But billions of dollars are left unspent each year, and the only place to put them—since they obviously can not be invested in the Soviet bloc and since the OPEC states do not have the industrial wherewithal to invest in developing countries—is in the West.

That provokes other problems and other sources of world friction. The United States wants to receive petro-dollars from OPEC states to absorb part of the U.S. balance-of-payments deficit. But it certainly does not want those funds used to buy out General Motors or Exxon or the Chase Manhattan Bank. Nor does it want too many oil dollars placed in bank accounts to be withdrawn at will; a sudden withdrawal would cause a run on those banks.

So far, the oil countries have been persuaded to put a major share of their surplus funds in special *nonmarketable* U.S. Treasury bills. This allows petrodollars to be recycled with the least impact while easing, to some extent, the U.S. balance-of-payments problem. The difficulty is that the added funds ultimately find their way into private banking channels and, through those big banks, into the world economy as loans, including loans to LDCs. It is a vicious circle, and nobody knows how to break out of it.

What we do know is that the international economic order fashioned under the *Pax Americana* grows more fragile day by day, and that the political stability it has sustained for two decades is also crumbling. We have what Michael Hudson, a perceptive writer who used to work for Chase Manhattan and Continental Oil, calls a "global fracture": Instead of a reasonably disciplined global system, it threatens to fragment into regional or even national entities. The commitment to free trade is being abandoned, and the new cry is for protectionism. The foundation of the postwar international money system—the dollar—is "floating," mostly floating downward, with severe consequences for world trade.

The United States is not totally helpless in this state of affairs: It still can exert important levers of power—its military forces, its great industrial potential, its enormous purchasing capacity, and, not least, its position as the world's leading exporter of grain. As a CIA report put it in August 1974, "The U.S. now provides nearly three-fourths of the world's net grain exports, and its role is almost certain to grow over the next several decades." Despite this immense power, however, American leverage is declining; it no longer suffices to enforce the discipline of Pax Americana.

In these circumstances, the nations of the world are bound to seek realignment. The Common Market nations of Western Europe, for instance, would like to make a deal with the Arab countries that would reduce their dependence on the United States. And it is quite possible that Japan may once again try to establish an Asian community of nations encompassing China and separate from Washington's "free world."

At the same time, the United States is striving for a new world banking system that would transfer the dollar "overhang" (along with the LDC debt and the British debt) from one central bank to another—but never allow the debt to come back to the debtor for redemption. In this way, the debts would become "world assets": In effect, they would be canceled and everyone would start over again at square one. Obviously those who hold dollars, sterling, or LDC paper are not overly enthusiastic about this approach.

All of the banking measures and political maneuvers are clearly only stopgaps. The basic reality is that the Pax Americana has run its course but that no alternative has emerged to exert the kind of discipline needed if the international economic order is to remain at even keel.

Unless the nations of the world choose to resolve their problems in a futile war that will destroy them all, the logic points inexorably to the formation of a genuine international political compact—one that encompasses international planning to husband dwindling world resources and divide income and wealth equitably among people and nations. Without a world plan in which the motivation for economic development is human need rather than corporate profit, the present crisis will endure.●

TRIBUTE TO JAMES K. BISHOP

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1978

● Mr. OTTINGER. Mr. Speaker, I am pleased to announce that James K. Bishop of New Rochelle, N.Y. has been selected as this year's recipient of the New Rochelle YMCA "Outstanding Citizen Award." Mr. Bishop will receive this award at the New Rochelle YMCA annual dinner and meeting on Monday evening, May 8 at the Beach and Tennis Club in New Rochelle.

Heading this year's selection committee are Mr. Thomas Fanelli, Sr., president of the New Rochelle YMCA and Ms. Evelyn Haas, second vice president and chairperson of the public relations committee for the New Rochelle Y.

In selecting Mr. Bishop as this year's recipient, Ms. Haas stated:

It is not often that we find a man, such as James K. Bishop, who has continued to give of himself for the benefit of the Greater New Rochelle Area over such a sustained period. Mr. James K. Bishop is a director, vice president and general manager of Plunkett-Webster Lumber Co., Inc., and has been a resident of New Rochelle since 1936. In the 42 years that James K. Bishop has served our greater New Rochelle area, his leadership has been felt in such widely diverse areas as director of the New Rochelle Community Chest and its president from 1961 to 1962, chairman of the Agency Relations Committee from 1962–64 and is currently a member of a United Way of Westchester Agency Evaluation Team.

Mr. Bishop is a past member of the President's Advisory Board of the College of New Rochelle. He has served as a member of the executive board of the Hutchinson River Council of Boy Scouts, beginning his scout activities as a troop leader and serving as vice president of the council from 1959–1963, and chairman of the Special Council Study Committee from 1960–1961. Mr. Bishop also was a member from 1942–1967 of the New Rochelle Lions Club where he served as president from 1948–1949. He served the New Rochelle school district from 1962 to 1970 and was the president of the school board from 1964–1970. The New Rochelle Day Nursery selected Mr. Bishop to serve on its board of directors and elected him president in 1972 through 1974. Three additional current personal involvements take what free time Mr. Bishop may have from his business and personal life; serving as trustee of the New Rochelle Boys Club, vice president of the New Rochelle Development Council and member of the New Rochelle YMCA President's Advisory Committee.

In continuing to outline Mr. Bishop's areas of community involvement, Ms. Haas pointed to Mr. Bishop's membership in the Men's Club of the Holy Family Church, the New Rochelle Knights of Columbus and the New Rochelle Hospital Medical Center. "We feel," Ms. Haas stated, "that this year's recipient possesses and executes the level and quality of sustained leadership that has and will continue to help mold the quality of life in the greater New Rochelle area."

Mr. Thomas Fanelli stated:

The community as a whole owes Mr. James Bishop a most sincere thanks for his efforts on their behalf. It is the distinct pleasure of the New Rochelle YMCA on behalf of the greater New Rochelle area to recognize Mr. Bishop for his truly outstanding service to the greater New Rochelle area.●

WHAT THE PRESIDENT AND CONGRESS MUST DO TO STOP INFLATION NOW

HON. ELDON RUDD

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1978

● Mr. RUDD. Mr. Speaker, the American people have known for a long time that inflation is our Nation's No. 1 problem.

Now that the President has acknowledged the problem—a necessary beginning before the Federal Government can work to stop inflation—what do the President and Congress proposed to do about it?

To his credit, the President has promised to veto bills passed by Congress that he considers to be inflationary. As a Member of Congress who has consistently voted against such bills, but which have nonetheless been passed by the majority, I recognize that the President will need to exercise that veto often if he keeps his promise to the American people.

STOP FEDERAL DEFICITS

I am cosponsoring legislation to end Federal deficits and require a balanced Federal budget (H.J. Res. 188).

Congress must stop enacting, or the President must veto, legislation that will put the Federal budget over anticipated tax revenues. The estimated level of next year's Federal budget is already about $575 billion, which will add another $70 billion or $80 billion deficit to our $777 billion national debt.

This national debt has to be financed by the Federal Government each year. This is done by selling U.S. Treasury notes and issuing bonds, which takes dollars out of circulation that would otherwise be available for investment in job-creating economic expansion, and individual and corporate borrowing to generate other economic growth.

Interest alone on the Federal Government's current national debt is $55.4 billion a year, the fourth highest item in the entire Federal budget. This is more than the Federal Government spends to support all research and development, agriculture, health programs, and most other efforts.

This annual interest on the national debt costs each and every taxpayer an average of $423.22 per year, which does nothing to pay off the principal that keeps going up as Congress indulges in more and more vote-buying deficit spending.

I hope for passage of House Joint Resolution 188 to stop this deficit spending But realistically I recognize that this will not happen until the liberal majority in Congress has been replaced by fiscally responsible legislators who will not approve every program demanded by interest groups seeking a larger share of the people's earnings through Federal programs.

If Congress will not be responsible, and stop deficit spending that causes inflation, the President will have to honor his promise to the American people by wielding a heavy veto stamp on inflationary legislation, no matter what it is.

There are other cures for inflation that the President and Congress must support.

END GOVERNMENT OVER-REGULATION

Government regulation of business has increased immensely in recent years, imposing a burden on taxpayers who must fund the regulatory agencies, on consumers who must pay higher prices because of production cost increases, and on businessmen who must absorb at least some of the increased costs.

This avalanche of Government regulations keeps pouring out of Washington on a daily basis.

Studies at the University of Washington in St. Louis have estimated that the cost imposed on the American people by Federal regulation totaled at least $65.5 billion in 1976, $79.1 billion in 1977, and is estimated to cost $96.7 billion this year and $102.7 billion in 1979.

Again, these Government-mandated cost increases are generally passed on to the consumer in the form of higher prices, and are therefore a principal cause of inflation.

I am sponsoring several proposed bills to cut down on Federal over-regulation. They include bills for a congressional limit and review of all agency rules and regulations (H.R. 7955), to limit Federal "affirmative action" requirements relating to employment (H.R. 11620), to limit the Federal government's right to limit use of saccharin (H.R. 4977, H.R. 5508, H.R. 7317) or meat preservatives (H.R. 11626), and to stop unnecessary government requirements governing the use of medically-safe drugs and medications (H.R. 6611).

I oppose many of the administration's proposals which will lead to increased Federal regulation and control of our lives. These include the following:

A new proposed Consumer Advocacy Agency; involving the Federal Government in new areas of debtor-creditor regulations and the construction of hospital facilities; expanding the regulatory jurisdiction of such agencies as the Federal Trade Commission, Food and Drug Administration, Equal Employment Opportunities Commission, Environmental Protection Agency, and Occupational Safety and Health Administration.

I also oppose the proposed multi-million dollar gun control registration scheme of the Bureau of Alcohol, Tobacco and Firearms. I have sponsored legislation (H. Con. Res. 578) to disapprove these proposed BATF regulations. They are inflationary, and a violation of Constitutional rights of law-abiding citizens.

LIMIT GOVERNMENT SOCIAL PROGRAMS

Medicare, medicaid, the Federal food stamp program, and other Government social programs are examples of special programs that have an inflationary impact.

Whatever their social merits, these programs which were designed to aid the poor and the elderly have resulted in higher costs for everyone. This happens because the programs make more money available for doctors' bills and food without doing much to increase the number of doctors or the amount of food production. Also, doctors generally charge the maximum fee allowed when bills are paid through medicare or medicaid.

I believe that the Federal Government must reduce and restrict these programs to the truly needy, to reduce their inflationary impact. In addition, I opposed the recent $227 billion social security tax increase, which was the largest and most inflationary single tax increase in our Nation's history.

The Federal Government should stop trying to redistribute the people's income with every new or enlarged program, especially in the welfare area. These programs are tremendously inflationary, and discourage self-reliance and work which are the cornerstones of our productive enterprise system.

STOP INCREASING PUBLIC EMPLOYMENT

Congress must stop transferring employment from the private to the public sectors through increased public employment programs.

Legislation such as the Comprehensive Employment and Training Act (CETA), the Humphrey-Hawkins bill, and others are creating vast new nonproductive Government jobs, and are highly inflationary.

The taxes of working Americans pay for these programs, which are often competing with private industry jobs that generate products and taxes.

ENCOURAGE PRIVATE SECTOR JOBS CREATION

I am cosponsoring legislation (H.R. 2589) to provide increased tax incentives for individual investment and expansion by private industry, to create more economic growth and jobs in the productive private sector of our economy.

This Jobs Creation Act, coupled with a needed tax cut for individual citizens and business to encourage economic growth, would be one of the most positive acts that Congress could take to stimulate additional Government revenue and stop inflation.

STOP CATERING TO ORGANIZED LABOR BOSSES

Some of the most inflationary legislation considered by the current Congress has been demanded by the bosses of organized labor.

The administration and the majority in Congress went along with the labor bosses' demand for the largest increase in the minimum wage in our country's history, an increase from $2.30 an hour to 3.35 an hour over a 3-year period. This will have a staggering inflationary impact on our economy, forcing up prices in every area.

Congress refused to accept my amendment exempting young people between the ages of 16 and 19 from the minimum wage. This would have provided millions of young people with needed employment, instead of pricing them out of the labor market and creating more reason for them to be frustrated with our system. My Youth Opportunities Act, to exempt young people from this unreasonable minimum wage (H.R. 8649) is still pending before Congress.

Other inflationary legislation demanded by organized labor which I oppose includes the so-called common situs picketing bill, cargo preference, and bills to apply the Davis-Bacon Act, requiring payment of the prevailing union wages on all Government contracts, to professionals, engineers, and others.

STOP TAX INCREASES

I oppose all efforts by the administration and Congress to increase taxes to discourage energy use, rather than creating incentives to increase energy production.

Increased energy taxes are highly inflationary, and completely contradict the President's stated opposition to legislative or regulatory acts that will increase costs and prices for the American people.

I support an energy program aimed at encouraging new energy exploration and development, rather than one that will impose a host of new taxes upon the citizenry. The taxes proposed in the administration's energy package would cost the people a minimum of $100 billion per year by 1985.

The administration should also stop lending its support to legislation making it more difficult to mine coal, develop nuclear power, transport energy supplies, and produce Outer Continental Shelf oil and gas. All these Federal Government restrictions will stop our goal of energy independence, and are inflationary.

In other tax areas, I support policies designed to promote capital investment such as the elimination of double taxation of corporate dividends, reduction in capital gains taxes, increasing the investment tax credit, liberalized depreciation, and so forth.

These changes in our tax code will help fight inflation by increasing the ratio of investment to Gross National Product, which is already less in the United States than half of that in countries such as Japan.

I oppose increased taxes on investment income by treating it the same as ordinary income or through raising the alternative tax.

These are just additional revenue grab schemes by the Federal Government, which only serve to increase the power and budgets of the Federal bureaucracy, rather than fight inflation and the size of Government.

CAN INFLATION BE DEFEATED?

I believe that inflation can be defeated, if the Federal Government will adopt these anti-inflationary proposals and not try to avoid or shift the burden for positive action.

The President asked the American people and business to assume their own responsibility by putting a lid on wage and price increases. This is all well and good.

But the people are not likely to take this challenge seriously if the Federal Government does not itself take the lead in fighting inflation. The people cannot be expected to trust the administration's sincerity along these lines if the President's anti-inflation program is only rhetoric.

Instilling trust in his anti-inflation intentions can be accomplished by the President quite easily. He must stop trying to sell as "austere" and "lean" a Federal budget that provides for 70,000 more Federal employees than the previous year's budget, and that contains sizable increases for most programs and agencies.

The American people have always carried the burden of inflation. They are not responsible for it. It is up to the President, Congress, and other Government leaders to end inflation through action such as that I have recommended and supported.●

PROFITABLE AND NONPROFITABLE DRUGS

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1978

● Mr. WAXMAN. Mr. Speaker, the House Subcommittee on Health and the Environment, of which I am a member, will soon be reviewing proposals to revise the drug section of the Food, Drug and Cosmetic Act. One purpose of such a rewrite is to speed up the approval of new drugs, so that the patient population in the United States is not deprived of treatments available abroad which would be beneficial.

Another issue which must be addressed in any revision of our drug law is the need for incentives to develop medications for small patient populations. There are some diseases, such as Huntington's disease, which are devasting to body and mind, yet drug companies cannot afford to develop and market helpful medications for the small number of persons suffering from this disease. To me it seems inhumane that persons who can be helped are ignored and deprived of suitable medical care because their numbers are so small. Statistically they are small in number but their suffering is great.

The fear of losing one's mind and control over one's body are among the worst fears an individual with Huntington's disease must face. Huntington's disease is a hereditary and terminal brain disorder which begins at middle age, and its symptoms may lead to a deterioration which takes 10 or 20 years. Each child of a parent with Huntington's disease has a 50–50 chance of inheriting the disorder. There is no way of knowing who has inherited the gene for Huntington's disease until the symptoms appear. Most tragic of all, people who have a parent with the disease may have to wait until they are middle aged to know if they have been spared.

I would like to close my remarks by reprinting in the CONGRESSIONAL RECORD an article by Dr. Melvin H. Van Woert, which appeared in the April 20 issue of the New England Journal of Medicine. Dr. Van Woert emphasizes how Federal incentives to drug companies could improve the marketability of drugs developed for small patient populations, such as victims of Huntington's disease. All of us will have to familiarize ourselves with this issue before voting on the administration's new drug proposals, and this article will be particularly instructive.

The article follows:

PROFITABLE AND NONPROFITABLE DRUGS

In reaction to the thalidomide tragedy, Congress enacted the Kefauver-Harris amendments to the Food, Drug and Cosmetics Act in 1962 that considerably increased the number of preclinical and clinical tests required by the Food and Drug Administration (FDA) before release of a drug for marketing. The Kefauver-Harris amendments have had profound effects on the development of new drugs. Over the years since 1962, the consumer has been protected from potentially dangerous drugs that might have reached the marketplace under the FDA legislative acts of 1906 and 1938. However, the consumer protection has not been gained without adverse consequences. A major complaint of physicians as well as the pharmaceutical industry is FDO overregulation, which has led to an unnecessary delay in the introduction of new drugs in this country. This drug lag, in addition to recent controversial decisions by the FDA on issues such as saccharin and phenformin, has led both Joseph A. Califano, Jr., Secretary of Health, Education and Welfare, and Senator Edward M. Kennedy (D.-Mass.), chairman of the Health and Scientific Research Subcommittee, to call for further legislation to improve the decision-making processes of the FDA. The main objective of current legislative proposals is to ensure that new safe drugs reach the market sooner and dangerous ones are withdrawn more quickly.

Another major problem, aggravated by the FDA amendments of 1962, has received insufficient attention and should be given a high priority in the formulation of new legislative proposals. The increased cost of documenting drug efficacy and safety under present FDA regulations has progressively diminished the number of diseases that the pharmaceutical companies are willing to provide drugs for. The decision by a pharmaceutical company to develop a new drug is based on several economic and scientific factors, including the basic scientific discoveries that justify preliminary synthesis and testing of a new compound, the need for a drug in a particular disease, the scientific aptitude of the company's research staff and, of crucial importance, the anticipated potential market for the drug.

Pharmaceutical companies must choose projects on the basis of the net profit that might reasonably be expected if the drug research is successful. A safe and efficacious drug may not be financially rewarding for several reasons: the time and expense of fulfilling the requirements of the FDA to obtain marketing rights—i.e., approval of a New Drug Application (NDA)—may be prohibitive; the costs of legal liability for clinical drug testing may be excessive; the number of potential patients who would benefit might be small, or the drug might be useful only in limited doses for unusual acute emergency situations; and the inability to patent a drug or the anticipated time for its development may be too long to permit a sufficiently profitable return before the patent expires. The cost of the first two factors mentioned has increased excessively during the past 15 years.

At present the development of a drug from initial discovery of a scientific lead to the time of product marketing takes an average of seven to 10 years and an investment of $12 to $15 million. In this economic climate, advances in basic scientific knowledge that could be translated into successful new therapy of diseases are carefully sorted and evaluated by pharmaceutical manufacturers for cost of research and development versus size of market and profit. Only ventures deemed potentially lucrative can be accepted as appropriate projects for a pharmaceutical company's research division. Potential research projects involving drugs for uncommon or nonprofitable diseases are discarded. As the cost of meeting FDA marketing requirements increases, the scope of research interests of the pharmaceutical industry diminishes. This point has recently been well documented by the Commission to Combat Huntington's Disease and Its Consequences in its testimony presented before a Senate appropriations subcommittee. The Commission concluded that the drug companies do not believe there is sufficient profit in finding cures or producing medicines to combat relatively rare diseases and therefore do little research on these diseases. This point of view was confirmed by Jim Russo, spokesman for the Pharmaceutical Manufacturers Association

A closely related problem is the manufacture of drugs of limited commercial value, also known as service drugs. Such a drug has usually been shown to be efficacious and safe in preliminary clinical investigations, but is considered not to be sufficiently profitable by pharmaceutical companies to market because anticipated sales volume is too limited to compensate for the costs of obtaining FDA approval, producing and marketing or because the drug is not patentable. The progressively increasing FDA regulations, which require extensive and expensive toxicity, teratogenicity and carcinogenicity studies in addition to multiple clinical trials, have increased the number of drugs that fall into this category. As stated by Dr. M. E. Trout, vice-president and director of medical affairs, Sterling Drug, Incorporated, New York City, ". . . it is no secret that such products [service drugs] are not being developed any more because of the tremendous expense of both basic and clinical research.

A case in point is the use of the investigational drug combination L-5-hydroxytryptophan (L-5HTP) and carbidopa in the treatment of certain rare types of a neurologic symptom known as myoclonus. Myoclonus consists of uncontrollable jerky muscle movements at unpredictable times because of various types of brain damage. This drug combination has been safely and successfully used by several investigators to treat patients with myoclonus for over four years, and further development of this therapy is needed to make it available to all patients who might potentially benefit from it.

In a recent study of 18 patients with intention myoclonus, 11 derived 50 per cent or greater improvement from L-5HTP and car-

bidopa therapy. In some patients the response has been dramatic, enabling them to walk and take care of themselves for the first time since the onset of their illness. Because L-5HTP is not patentable and is considered a drug of little commercial value, there are no existing mechanisms either to continue treating patients who are benefiting from it or to initiate national clinical trials to evaluate further its overall efficacy and safety. The problem is not scientific but a matter of economics. The carbidopa, which is an essential part of therapy, is provided by Merck Sharp and Dohme Research Laboratories.

However, L-5HTP has to be purchased from a biochemical supply house in powder form at a cost that is too high for most patients or clinical investigators. The cost could be greatly reduced, and the quality improved, if L-5HTP was produced by a pharmaceutical company. This predicament has been presented to various pharmaceutical companies, the Pharmaceutical Manufacturers Association, the FDA and the National Institutes of Health (NIH), none of which have been able to solve this problem. Although all have agreed that there is a need for the development of service drugs, there is no formal mechanism by which this development can be accomplished at present.

This is not an isolated example of this problem. In 1956, J. M. Walshe, of Cambridge, England, discovered that penicillamine was an effective treatment for patients with Wilson's disease. Penicillamine changed Wilson's disease from a fatal disease to one that is curable in about 90 per cent of patients. Several years after Dr. Walshe's momentous discovery the manufacturer of penicillamine decided to discontinue its production because the anticipated financial return was too meager. Fortunately, this decision was reversed after Dr. I. H. Scheinberg, of Albert Einstein College of Medicine, presented the problem to the public press. It is ironic that penicillamine has now been found to be extremely valuable for therapy of cystinuria, heavy-metal intoxications, rheumatoid arthritis and certain collagen diseases, in addition to Wilson's disease; none of these applications would have been discovered without the perseverance of Drs. Walshe and Scheinberg.

One has to wonder how many other drugs of little commercial value would have been found to have wider uses; including therapy of more common disorders, if they had not been rejected by the marketing departments of pharmaceutical companies. Dr. Walshe continues to struggle against the vicissitudes of pharmaceutical research for rare disorders. In 1969, he discovered that triethylene tetramine (trien) was an effective substitute for those patients who could not tolerate penicillamine because of severe adverse effects such as a nephropathy. Dr. Walshe has had to purify and encapsulate trien in his own laboratory over the years because he has been unable to persuade any pharmaceutical company to undertake its production. In a letter to the editor of the *British Medical Journal* he states, "Meantime the question arises as to what will happen to these patients should I retire the scene or should a product license not be issued. Are they to be allowed to die of a readily treatable disease because no one is prepared to supply, or worse still is permitted to produce, the necessary medication?"

How can the development of new drugs in nonprofitable diseases be encouraged without sacrifice of the medical profession's commitment to the demonstration of both safety and efficacy before approval for marketing? If one examines the position of the three parties involved, the obvious conclusions are that new legislation is needed.

NIH. Most of the resources of NIH are directed toward research-oriented projects that would generally exclude the manufacture and development of new drugs. During the past few years, coincident with increased funding, the National Cancer Institute has supported the costs of manufacture, demonstration of safety and effectiveness and supplying of new anticancer drugs that are not developed by industry because the type of cancer afflicts only a small number of people. Usually, toward the end of development, when many or all of the studies necessary to achieve marketing approval have been accomplished at NIH expense, the particular drug is made available to the highest bidder for marketing. Unfortunately, at present, only the National Cancer Institute has sufficient funds to perform this service.

Pharmaceutical companies. The pharmaceutical industry is a competitive business, and profits are essential for survival. One cannot expect the pharmaceutical companies to jeopardize their business or to be irresponsible to stockholders by spending large sums of money on unprofitable drugs. Before 1962 drugs of little commercial value were more frequently developed and marketed as public-service drugs because the financial costs were much less. The incentives were improvements of corporate and public image. The present cost of drug development has greatly reduced the appeal of these incentives.

FDA. The FDA is a regulatory agency and has no control over the types of drugs developed. There is no legislative mandate or financial resources to initiate, foster or shape the course of drug research.

Since private and governmental institutions are no longer responsive to the needs of all patients, federal legislation is needed to correct this situation. It is to be hoped that new FDA legislative proposals currently being considered in Congress will examine this problem. One of a number of legislative solutions could be enacted to make drug research and development more responsive to scientific advances in uncommon as well as common diseases.

For one thing, the federal government could subsidize appropriate pharmaceutical companies to develop drugs of limited commercial value. This support is analogous to the use of government contracts for research in the space field, drug abuse and cancer research.

Secondly, the National Cancer Institute has recently been able to develop anticancer drugs of limited commercial value. With adequate funding other NIH institutes could carry out a similar function in their areas of interest. However, it might be argued that NIH lacks the necessary experience and expertise required for the most efficient development of new drugs. The proposed New Drug Regulation Reform Act recently introduced by the Administration provides for a National Center for Clinical Pharmacology, which would be empowered to carry out the development and testing of certain drugs. This proposal assumes that once developed and tested, nonprofitable drugs could be manufactured and marketed by private industry.

Thirdly, pharmaceutical companies developing drugs of limited commercial value could be given a tax advantage.

Fourthly, the patent laws might be changed to provide longer patent protection and exclusive licensing for drugs of limited commercial value. This type of incentive would probably be adequate for only a small fraction of these drugs.

Fifthly, a pool of resources could be organized and administered by the Pharmaceutical Manufacturers Association—analogous to the assigned risk pool of automobile insurance. All pharmaceutical companies would agree that important scientific advances with major therapeutic implications for the less common diseases should be developed for the public good, and the cost of this development could be equitably distributed among the member pharmaceutical companies.

Sixthly, a national pharmaceutical company could be set up as part of NIH to consolidate the present governmental drug-development activities in cancer, vaccines and tropical-parasitic-disease drugs, as well as other drugs of limited commercial value.

Finally, an interagency organization consisting of representatives from the FDA and NIH could take on the responsibility of resolving the peculiar problems involved in the development of drugs of limited commercial value. Such an interagency organization could be a central source of information on drugs of limited commercial value, identify specific areas in which new drugs are needed and encourage research in these areas, encourage pharmaceutical companies to develop certain drugs by government contract or easing of clearance requirements for NDA approval, coordinate clinical trials, gather data on safety and effectiveness for submission of NDA and make available expensive drugs of limited use.

The pharmaceutical industry is well equipped to develop and market new medicines. However, legislative reforms are desperately needed to afford all patients the benefits of their expertise.

(*Note added in proof*: Since this article was written, Cambrian Chemical, Ltd., Croydan, England, has started synthesizing triethylene tetramine.)

MELVIN H. VAN WOERT, M.D.,
Mount Sinai School of Medicine,
NEW YORK, N.Y.●

DEAR CBS, THERE IS AN ANSWER TO MIDDLE CLASS BACKLASH

HON. JACK F. KEMP
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1978

● Mr. KEMP. Mr. Speaker, on April 17 the CBS Evening News presented an excellent report on the "Backlash of the Middle Class." The gist of this report was that the middle class is being squeezed by high taxes and inflation to the point where it fears for its own survival. Simple desires, which up until recently seemed easily within reach of any middle class family—a house, a college education for their children, a dignified retirement—now seem out of reach. Here is the report:

CBS EVENING NEWS WITH WALTER CRONKITE
(Roger Mudd substituting)

MUDD. With a two-day extension, this is the deadline for the annual ritual of paying income taxes. In particular, it's a ritual of the middle class, which often sees itself as paying for both the loopholes of the rich and the charity of the poor, while benefiting from neither. Bruce Morton describes its predicament tonight in the first of three reports on the economic Backlash of the Middle Class.

President FORD [In 12/20/77 speech]. We are in danger of creating an entirely new class in America—the middle class poor.

BRUCE MORTON. A lot of middle class Americans go further. They think that's already happened.

Unidentified WOMAN. I—Used to be that I was afloat. Now I'm drowning. Now I am really drowning.

LEO MEYER [Flight superintendent]. Every time you turn around, there's a new tax

here, a tax there. And I think the people are just getting fed up with all the taxes.

DAN BARBER [Electrical engineer]. It's frustrating. You would expect, as you work longer and longer and work harder over the years, you'd be able to not only just keep meeting your bills, but live a little more comfortably. And it doesn't seem to be happening. It's always the same struggle, and you're always falling just a little bit further behind.

HAZEL ROLLINS [School administrator]. We have no more power than the poor.

REV. EUGENE LYNCH [Pres., Queens citizens group]. We think that we are as poor, in many instances, as people who have less financial possibilities—assets.

JOHN KEELEY [Printer]. The poorer class, they're on food stamps and what-not, and I don't—I don't envy them a bit. I—Anything they can get under those conditions, they're certainly deserved. But the middle class is the one that takes the rap for it.

MORTON. Is the middle class' pain real? The first question is: who is the middle class? There is no standard definition. Forty percent of the people in a CBS News/*New York Times* poll thought of themselves as middle class. Statistically, half the families in the country earn $15,000 a year or less. The middle class is probably the next group, the 42 percent of families earning from 15-to-30 thousand a year. How are they doing?

DENNIS JACOBE [Economist]. I'd say they're more—much worse off than they have been in the last few years, basically as a result of the interplay between inflation and taxes.

MORTON. Jacobe cites examples. Say a family of four, earning $15,000 a year, gets a 10 percent raise—$1,500. Increased federal income tax, increased Social Security tax, inflation, if it stays at six-and-a-half percent, will leave a genuine raise of only $157—one percent instead of ten. A $30,000 family getting a 10 percent—$3,000—raise will do even worse. Actual raise: $168—one-half of one percent. And if that family gets another 10 percent raise next year, Jacobe says they'll actually end up $50 in the red.

Joseph Wislocky of El Segundo, California, in other words, has a point.

JOSEPH WISLOCKY [Engineer]. I make more money today than I ever made. And I find that at the end of the week, I have less money.

MORTON. Not all economists agree with Jacobe. But they do agree that as inflation has pushed middle income families into higher income brackets, taxes have taken a bigger share of their income. They are paying more than they used to. Lower income families, because of changes in the tax law, are paying less.

RUDOLPH PENNER [American Enterprise Institute]. If you just combine the income tax and the Social Security payroll tax that they pay, the average tax rate's gone up roughly a quarter.

QUESTION. A quarter of a percent, or . . .

PENNER. No, no, I mean by about 25 percent.

MORTON. And the objects of middle class desire—the elements of the American dream—are more expensive now. A new car costs over 40 percent more than it did 10 years ago, an average $6,100 today.

In 1983, if inflation continues at six-and-a-half percent, the car will cost $8,900. A new house—87 percent more than 10 years ago at $54,000. 1983 projections: $79,000. A year at a private college averages $4,900 today; 7,100 in 1983. Sliding back or just hanging on, the middle class is hurting. The boom times of the '50s and '60s are over. And along with economic woes, the middle class feels another grievance: the quality of life is declining, and middle class Americans feel powerless to do anything about it.

Pat Troll is a Queens, New York, housewife, the mother of five children. She's famous for her crumb cake. But she is also these days putting in a lot of hours as a community activist, because she doesn't think she gets her money's worth for what she pays her government in taxes.

PAT TROLL [Housewife]. We've had a few experiences with the police here with broken windows and things like that, and they just say there's nothing they can do. That's infuriating to me. Why am I paying taxes, then? Get lost and I'll save some money. I think we're closer to the poor than anybody realizes, and we have a great deal in common with them.

QUESTION. What?

TROLL. Very little voice in what's happening to us, basically.

MORTON. A look at that middle class powerlessness and the anger it generates in our next report.

Mr. Speaker, the actual case is worse, because not only the middle class but everyone is squeezed, frustrated and taxed to the point of marginal rebellion.

The problem with the CBS story, however, is that it leaves the impression there is no solution to the dilemma. There is: Lower the tax rates, across the board, for everyone, permanently, and then use the surplus revenues that will be generated by increased production to reduce them again and again until we get them down to 25 percent at the top and 4 percent at the bottom. This policy aimed at economic growth instead of income redistribution, aims at a bigger pie for all, so that we can restore the promise of the American dream to all Americans, the promise that if one strives and succeeds there will be a reward commensurate with effort. As I said, I believe that the first step on this road is a dramatic reduction in tax rates across the board, not just for the middle class but for all Americans. This will restore incentive and increase the reward for work, production and investment while gaining revenues for needed Government spending programs.

The Roth-Kemp Tax Reduction Act, which presently has 168 cosponsors, is a program which can help restore the American dream and do so without abandoning the social progress we have made thus far. I am optimistic and I suggest that if we can adopt the Roth-Kemp program the future of the middle class and the future of all Americans will be considerably brighter than the people interviewed by CBS think it is.

Three or four times in this session of Congress, I and other Members, particularly Mr. CONABLE of New York, and Mrs. HOLT of Maryland, have attempted to lower the taxes on the American people right across the board so people can spend and invest more of their own hard-earned money for the goals they deem important.

While we have come close, we have continually been frustrated by the majority Democratic Party and this administration who are advocating more taxes and more deficits as a strategy for America. Indeed the vote today on tax credits for education tuition would not have been needed had the majority party not frustrated our attempts to lower all tax rates and provide relief for all the American people with no loss of revenue for the Government. I commend CBS for telling this story and add my commentary to do justice to the whole story and to give some hope to the people that there are some Members of Congress who understand the problem and are doing something about it. We will not give up till we restore incentive to the economy and put the American dream back together for all the people.●

TOWN'S ADMIRATION FOR PRESIDENT TRUMAN

HON. JIM MATTOX

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1978

● Mr. MATTOX. Mr. Speaker, 4 days from now we will observe the birthday of Harry S Truman, without a doubt one of this country's greatest Presidents. In recognition of this, I would like to submit into the RECORD an article from the Mesquite Daily News which describes one town's admiration for President Truman.

On November 21, 1945, just 7 months after he assumed office, the citizens of a small community just east of Dallas, Tex., named their town after Mr. Truman. Such an act nowadays would seem a bit premature, considering how our Presidents have fared in the polls, but the citizens of what is now Mesquite, Tex must have recognized in Harry Truman a quality which set him above most politicians. Truman's candor, simplicity, and honesty have in years since projected him into the forefront of America's greatest men, and for these reasons it is not surprising that the citizens of this area identified so strongly with him.

Mr. Speaker, Truman, Tex., is there no more, but I think this little bit of history, this act of patriotism on the part of the men and women of Mesquite, deserves to be recognized and preserved as testimony to how admired Harry S Truman was, and still is.

An article follows:

[From the Mesquite (Tex.) Daily News
June 17, 1977]

SOME HERE STILL REMEMBER TOWN NAMED AS SALUTE TO PRESIDENT

TRUMAN IS NOW A PART OF NORTH MESQUITE

(By Kaye Harte)

With a bottle of milk, Mrs. E. H. Hopkins, secretary treasurer of the community's improvement committee, officially christened Truman, Texas, on Wednesday, Nov. 21, 1945.

Mrs. Hopkins kept clippings and records from that time in a scrapbook which exists today. She still lives in the house, reported to be more than 100 years old, where a reception took place after the dedication ceremony and which was the location for meetings of the improvement committee.

Dr. Sam Scothorn of Dallas, who owned land in Truman, circulated the petition that called for the community to be named in honor of the new president. The community of some 200 was called by at least six other names before becoming Truman, including Chitling Switch, Thin Gravy, Deanville, North Mesquite, and Mesquite Tap.

The boundaries of Truman, Texas were described as follows:

"Commencing at a point 6-10th of a mile east of the intersection of Highway 80 and Gus Thomasson Road and proceeding in a northerly direction for a distance of 6-10th of a mile, thence east along a line which includes the J. B. Galloway property for a dis-

tance of one and 2-10th miles which includes both the L.P. Harris property and the P. W. Martin property, thence westward for a distance of one and 2-10th miles which includes the Walter R. Hailey property, thence in a northerly direction a distance of 6-10th of a mile, which includes the Hiram Lively property, to the point of beginning."

Erected for the ceremony was a huge sign which read:

"Truman, Texas Dallas City Limits 7 Miles."

Mrs. Hopkins christened the sign with a bottle of milk because she said the community had many residents who were Baptists. The dedication was held outside the Hopkins home with Dr. Sam Scothorn as master of ceremonies. Dr. Scothorn read a letter of congratulations from the mayor of Dallas, Woodall Rogers, as well as from the Dallas fire and police chiefs. Dallas Postmaster J. Howard Payne read a telegram from President Truman as follows: "I am deeply conscious of the honor which the new community in Dallas County is according me in giving my name to the town of Truman. I send my hearty congratulations and warmest personal greetings to all of the townspeople." Harry S. Truman.

Truman, Texas, had no post office, therefore requests for letters to receive Truman postmarks could not be met. The first mail in Truman was delivered by Jack McDonald, who was a champion cross-country bicycle rider, and marked RFD.

At the dedication, Mr. Evelyn Berry, the postmaster in Mesquite, read letters of congratulations all over Texas. County Judge Al Tempton gave a speech praising the President.

Included in the reception committee were Deputy Sheriff Tim O. Williams, Walter P. Hailey, and Harry S. Cohen. Tom Dean, a local pioneer who was born and raised on the site of the ceremony, was introduced, as was A. W. Lander. After the ceremony the group was invited to the home of Mrs. Hopkins for sandwiches and cake.

The Hopkins home was the meeting place for the community improvement committee which consisted of John N. Price, chairman, Silas M. Hart, vice-chairman; Brady Dickson, B. C. Thompson, W. M. Morris, Dr. Sam Scothorn, and Mrs. E. H. Hopkins. The committee appointed other persons to oversee almost every facet of community life.

Also prominent in planning community affairs was the unofficial mayor, E. C. Cogburn. He organized a yearly covered dish picnic and furnished watermelons for the event. Mrs. Emitt Evans, wife of the late Mesquite City Council member and daughter of Mrs. Hopkins, recalls that she and her husband were introduced as newlyweds at one of those picnics and also remembers meeting State Representative T. H. McDonald, then the new Mesquite School superintendent, at such a gathering.

During the time of Truman's heyday only two or three houses existed between the community and Mesquite. In Truman, The Trading Post, owned by E. C. Cogburn, was the stop for a bus line which called the place Mesquite Tap.

Other businesses in Truman were Richardson Lumber Camp, a Gulf Service Station owned by Brady Dickson, a Texaco Service Station owned by Mr. and Mrs. S. M. Hart, W. Hailey's Blacksmith Shop operated by J. B. Justis, and the Hopkins' grocery store.

This small community received an enormous amount of national acclaim at the time of the dedication. "Time" magazine featured the story as did a publication called "Pathfinder." Stories of the ceremony and photos appeared in the Dallas Morning News, The Dallas Times Herald, and The Texas Mesquiter (now The Mesquite Daily News.)

Postmaster Payne, a member of the Bonehead Club of Dallas, asked members of the improvement committee to the club's December 7 meeting. S. M. Hart and Dr. Scothorn said they and others would attend. An invitation was also given by the Boneheads for Truman, Texas to annex the city of Dallas.

Thus, Truman, Texas enjoyed a brief time of glory and was then taken into Mesquite city limits.●

THE HISTORICAL CASE FOR TAX RATE REDUCTION

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1978

● Mr. KEMP. Mr. Speaker, for a long time I have been making my case for tax rate reduction based upon the successful Kennedy-Johnson tax cuts of the early 1960's. In the course of this debate, however, I may have given the impression that the Kennedy experience is the only example in history of a tax rate reduction which led to higher revenues for the Government. In fact, history is quite clear on this point, not only in the United States but in other countries as well. In every case in which excessively high marginal tax rates were reduced, the ensuing expansion of production and employment led to an increase in Government revenues and economic prosperity.

FRANCE

In 1920 France imposed a steeply progressive income tax—in the name of tax reform. It was so steeply progressive, in fact, that it became known as the sucker's tax—to be paid only by those who could not escape it.

As the Government became more adept at enforcing the tax, the French economy contracted amid steady inflation, culminating in the 1924 financial crisis. Total Government revenues, measured in prewar francs, were only a bit higher between 1920 and 1925 than they had been in 1913, when there was no income tax. The crisis ended in 1926 when the leftwing Herriot government fell and was replaced by the center-right Poincare government, which announced a new tax law just one week after taking power, on August 3.

The highest rate of general income tax was cut from 60 percent to 30 percent. The rates of inheritance and estate taxes were cut, and at the same time made less steeply graduated. The annual transmission tax on securities was lowered by about 40 percent.

The franc stabilized, the economy revived, and in the first year of the reform, tax revenues jumped dramatically, from 5.4 billion prewar francs to 7 billion. In the 6 months from July to the end of 1926, the franc soared on the foreign exchange market, from 2 cents to 4 cents on the dollar.

ITALY

Although Mussolini is known to history as a Fascist, in the early years of his regime, his government behaved more like laissez-faire liberals. This was due to the influence of the minister of finance, De Stefani. In his book, "Fascism and the Industrial Leadership in Italy, 1919–1940," Prof. Roland Sarti has said of De Stefani:

De Stefani's program was coherent. It was inspired by a laissez-faire philosophy which, in principle, was totally acceptable to business. Public enterprise was to give way to private initiative wherever possible. Public controls over production were to be abolished. Restrictions in the scope of governmental action would make it possible for the government to reduce and reform the bureaucracy, thereby gaining greater administrative efficiency and lowering operating costs. The reduction of public expenditures was to be accompanied by fiscal reforms, which was to increase governmental revenue by the parodoxical device of actually lowering tax rates and simplifying tax laws. De Stefani's rationale was that unrealistically high tax rates and complicated tax laws reduced revenue by encouraging widespread cheating and by making it virtually impossible for government officials to verify tax returns.

Among the reforms was the outright abolition of the income tax. The result was that the economy boomed, the treasury's revenues increased, and the lira appreciated steadily. By 1924 Mussolini's Fascist party was able to win a two-thirds majority in the national legislature. Not until the mid-1930's did Mussolini begin to move heavily into government control of the economy and raise taxes.

GREAT BRITAIN

The income tax was first imposed in Great Britain in 1799. Thereafter, under the pressure of the Napoleonic Wars, the rates rose rapidly, as did the national debt. Yet despite the fact that the income tax was producing one fifth of Britain's tax revenue in 1815—about 15 million pounds—and its debt has risen to the astronomical sum of 900 million pounds, Parliament abolished the income tax in 1815. Yes, abolished, the income tax.

Then, as now, the cries of the "fiscal experts" were loud. It was said that the debt would crush the economy and that tax rates must remain high in order to pay it off.

But what happened was that the abolition of the income tax set off a 60-year economic expansion in Great Britain which, by the end of the century, had significantly reduced the debt in both absolute and relative terms. Over the same period the interest rate on government bonds dropped steadily, attesting to the wealth of savings created by the low taxes and great prosperity raising the real standard of everyones' income.

The British Empire ultimately waned not by the devastation of World War I, but by a reversal of its traditional low tax and free trade policies of the 19th century. Since 1914 high taxes, socialism, and protectionism have been the hallmarks of British economic policy and the tax rates today are essentially what they were in 1914–15; that is, 83 percent on ordinary income and 98 percent on investment at about $40,000.

GERMANY

Following World War II tax rates in Germany were at extremely high levels. The 50 percent marginal tax rate began at only $600 of income and the highest tax rate, 95 percent, began at $15,000. By 1948 these high tax rates, combined with massive inflation and price controls, had

led to a severe economic crisis in Germany.

Into this crisis stepped Ludwig Erhard, one of the great economic leaders of all time. Nor only did he abandon all wage and price controls, with a single stroke, but he began a process of tax reduction in Germany that continued for a quarter of a century. He did so by steadily raising the income level at which high marginal tax rates began. In 1948 he increased the threshold for the 50-percent bracket from $600 to $2,200, and the threshold for the 95-percent bracket from $15,000 to $63,000. A year later the 50-percent bracket was pushed up to $5,000; in 1953 it was pushed up to $9,000 and the top rate reduced to 82 percent.

By 1955 the highest rate had been reduced to 63 percent on incomes above $250,000 and the 50-percent bracket did not begin until one was earning $42,000.

This systematic reduction in tax rates fueled a massive economic boom which increased revenues so much that Germany was able to establish a system of social insurance for both the unemployed and the aged which is among the most generous in the world. All without inflation and in direct contrast to the Keynesian advice West Germany received from the American State Department.

JAPAN

The situation in Japan after World War II was very similar to that in Germany: high tax rates and a destroyed economy.

However, beginning in 1950 the Japanese begin to adopt a program of tax rates reduction. Marginal tax rates on both individuals and businesses have been cut almost every year since 1950. As each of these tax cuts generated new economic activity and higher revenues to the government, they fueled new tax cuts and the process continued until Japan's economy has become one of our most fiercest competitions.

THE UNITED STATES

Long before the Kennedy tax cuts of the 1960's there was ample evidence from American history that tax rates reductions would lead to higher tax revenues. The most important example is from the 1920's.

The Republican Party took control of the White House and the Congress in 1920 by promising a return to normalcy. A primary aspect of this "return to normalcy" was a reduction in high wartime tax rates, which went as high as 63 percent. Andrew Mellon, Secretary of the Treasury, led the campaign for lower tax rates. In his book, "Taxation: The People's Business," he wrote:

The history of taxation shows that taxes which are inherently excessive are not paid. The high rates inevitably put pressure upon the taxpayer to withdraw his capital from productive business and invest it in tax-exempt securities or to find other lawful methods of avoiding the realization of taxable income. The result is that the sources of taxation are drying up; wealth is failing to carry its share of the tax burden; and capital is being diverted into channels which yield neither revenue to the Government nor profit to the people. . . . Experience has shown that the present high rates of surtax are bringing in each year progressively less revenue to the Government. This means that the price is too high to the large taxpayer and he is avoiding a taxable income by the many ways that are available to him. What rates will bring in the largest revenue to the Government experience has not yet developed, but it is estimated that by cutting the surtaxes in half, the Government, when the full effect of the reduction is felt, will receive more revenue from the owners of large incomes at the lower rates of tax than it would have received at the higher rates.

Thereafter the Congress reduced tax rates every year from 1921 to 1925, lowering the highest tax rate from 63 to 25 percent and the lowest tax rate from 4 to 1½ percent. This led to an enormous economic boom in the United States, no inflation and a reduction of the National debt.

CONCLUSION

This brief survey, I believe, shows quite clearly that sound tax rate reductions lead to enormous economic growth and an accompanying increase in revenue to Government without inflation. Getting people into private enterprise jobs and producing new goods and services is not inflationary and we should start now.●

ED KELLY CITES THE MANY SPLENDORED CONTRIBUTIONS OF THE ELEVATOR UNION IN WESTERN NEW YORK

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 4, 1978

● Mr. KEMP. Mr. Speaker, last weekend it was my great pleasure to address the members of Local 14, International Union of Elevator Constructors, and their ladies on the occasion of this AFL–CIO organization's diamond jubilee in Buffalo.

Few of the people we represent and, I think, few of us in the Congress really understand and appreciate the quiet but essential service these skilled union members contribute to the convenience and quality of our daily lives, as well as our community. This shortcoming, in part, has been remedied by Ed Kelly, my friend and veteran labor columnist of the Buffalo Evening News. He records the really magnificent efforts they make in so many ways to western New York.

At this point, Mr. Speaker, I wish to add Mr. Kelly's recent column on the Elevator Constructors Union to my remarks and commend Local 14 members and their leadership of Paul Tachok and Don Winkle on behalf of a grateful community and country.

ELEVATOR UNION GETS BIRTHDAY LIFT

(By Ed Kelly)

Which area AFL–CIO union helps move the most Western New Yorkers each day?

If you answer the bus drivers' union, or the railroad union, or the airline union, you're wrong.

The correct answer is the union whose members install, repair and maintain the hundreds of passenger elevators and escalators in our office and apartment buildings, department stores, banks, hospitals, terminals, manufacturing plants and a host of other structures.

In fact, according to Don Winkle, business agent of Local 14 of the International Union of Elevator Constructors, the elevators and escalators his 150 members keep in good running order transport more Western New Yorkers than all the area's bus, rail and air lines combined.

The members of Local 14 are pretty proud of this little-recognized contribution their services make to the economic and social functioning of the community.

But what has them especially prideful these days is the fact that their local union is going to have an historic birthday very soon—its 75th.

The predecessors of today's Local 14 members, who called themselves at the time the Elevator Constructors Union of Buffalo, applied in May 1903 for a charter with the International Union of Elevator Constructors, then two years old. The Buffalo workers got their charter and a year later, in 1904, their international union joined the AFL.

The 42-year-old Don Winkle—who's spent 18 of those years as an officer of Local 14, the last six as business representative—likes to point out that the skills required for membership in his union are many and varied.

Elevator constructors, he says, must combine the crafts of the electrician, rigger, ironworker, sheet metal worker, carpenter, plumber and pipefitter.

Every elevator and escalator in this area, notes Winkle with pride, has been installed by members of Local 14. Besides ordinary installations, they've also put in the elevators in the state observation tower and the Cave of the Winds, both in Niagara Falls, as well as those in the Robert Moses Power Project.

Local 14's members also have installed dumbwaiters, the lifts that raise portions of the performing areas in Kleinhans Music Hall and Niagara County Community College; hospital automatic cart lifts, moving walks, man-lifts and home stair-inclinators.

Other unusual installations by Local 14 members:

The former "pigeon hole" parking lift that stacked autos at Court and Franklin Streets; the hydraulic systems that raised Nike missiles from their underground nests to launch position; the automatic equipment that opens and closes the water gates in the Kinzua Reservoir in nearby Pennsylvania; the Brunswick Automatic pin-setters that went into area bowling alleys in the late 1950s and early 1960s.

And in March 1976, after firefighters were unable to reach two window washers trapped outside the seventh floor of the new City Court Building, it was members of Local 14 who pulled off the rescue.

Local 14's jurisdiction covers the eight counties at this end of the state, explains Winkle, and its craftsmen work for 16 elevator companies, chief among them Otis, Westinghouse, Dover, Haughton and Gallagher.

The collective bargaining that determines the fringe benefits and work rules of all AFL-CIO elevator constructors is conducted at the national level by the international union. However, wages are fixed locally, Winkle says, and those of the Local 14 members are set at the average of the rates enjoyed by the four highest-paid area craft unions.

Local 14 will celebrate its diamond jubilee with suitable pomp at a 6:30 p.m. dinner party April 29, with Congressman Jack Kemp, R-Hamburg, principal speaker.

There's one big birthday present Local 14 is hoping for.

It's an okay from Washington that will permit Buffalo to proceed with construction of the Main Street light rail rapid transit system—plans for which, according to Winkle, call for the installation of 29 escalators and 30 elevators in stations along the line.●

SENATE—*Friday, May 5, 1978*

(Legislative day of Monday, April 24, 1978)

The Senate met at 10 a.m., on the expiration of the recess, and was called to order by Hon. JOHN MELCHER, a Senator from the State of Montana.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

God of grace and God of glory, we bring to Thee the stress and strain of these testing times, praying that our jaded spirits may find in Thy presence the peace of green pastures and the refreshing springs of the water of life. We would pray before we work, while we work, and after we work that all of life may be offered upon the altar of sacrificial service. Inspire, guide, and strengthen all of us in the ministry of public affairs that we may match vast needs with mighty deeds.

We pray in the Redeemer's name. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., May 5, 1978.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable JOHN MELCHER, a Senator from the State of Montana, to perform the duties of the Chair.

JAMES O. EASTLAND,
President pro tempore.

Mr. MELCHER thereupon assumed the chair as Acting President pro tempore.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

RECOGNITION OF LEADERSHIP

The ACTING PRESIDENT pro tempore. The Senator from West Virginia.

ORDER TO RESUME CONSIDERATION OF CIVILETTI NOMINATION AND TO VOTE ON TUESDAY, MAY 9, 1978

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent, as in executive session, that on Tuesday next the debate of the Civiletti nomination resume at 12 o'clock noon with a vote in relation thereto to occur at 2 o'clock p.m.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER TO RESUME CONSIDERATION OF COLEMAN NOMINATION ON TUESDAY, MAY 9, 1978

Mr. ROBERT C. BYRD. Mr. President, if the Coleman nomination has not been disposed of one way or another on Monday, I ask unanimous consent that when the Senate convenes on Tuesday, immediately after the prayer, it resume consideration of the Coleman nomination, and that if that nomination has not been disposed of by 12 o'clock noon on Tuesday, it be temporarily set aside until after the Civiletti nomination has been disposed of at 2 p.m. that day, at which time the Senate resume its consideration of the Coleman nomination.

Mr. DURKIN. Reserving the right to object, and I will not, as to the Coleman nomination, I think we can be through with that by noon on Tuesday, if the Senator wants to schedule that vote prior to the vote on the Civiletti nomination.

Mr. ROBERT C. BYRD. We will try.

Mr. DURKIN. But I have no objection.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I again thank the Senator for yielding.

I thank the Chair.

Mr. President, as in executive session, I ask unanimous consent that the final vote on the nomination of Lynn R. Coleman to be General Counsel of the Department of Energy take place immediately following the vote on the Civiletti nomination on Tuesday.

The ACTING PRESIDENT pro tempore. Is there objection? Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I do not have any requests for time on my side.

The ACTING PRESIDENT pro tempore. The Senator from Tennessee.

Mr. BAKER. Mr. President, I have no requirement for my time under the standing order. I am happy to yield first to the Senator from Wyoming.

The ACTING PRESIDENT pro tempore. The Senator from Wyoming.

PRIVILEGE OF THE FLOOR—H.R. 130

Mr. HANSEN. Mr. President, I ask unanimous consent that the following members of the staff of the Committee on Energy and Natural Resources be granted the privilege of the floor during the consideration of and votes on H.R. 130, the Petroleum Marketing Practices Act: Benjamin S. Cooper, James T. Bruce, Dan Dreyfus, Marjorie Gordner, Fred Craft, Tom Imeson, Ted Orf, Carol Sacchi, Judy Foley, Rose Fillingane, and Peggy Kimbrough; and I also ask unanimous consent that Claire Engers, of Senator DURKIN's staff, be accorded the privilege of the floor during the consideration of this legislation.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I now yield to the Senator from Kansas the remainder of my time.

EL CINCO DE MAYO

Mr. DOLE. Mr. President, el cinco de Mayo or the fifth of May, is a very important day in the history of our great neighbors to the south. Each year in Mexico and in various communities throughout the United States, this day celebrates a great Mexican victory over the French in 1862.

Mr. President, this holiday is not to be confused, however, with Mexican independence day—the 16th of September—which commemorates the day in 1810 when Martin Hidalgo, a parish priest, issued a ringing declaration of Mexico's freedom from Spanish rule.

Let us look briefly at Mexican history in the 19th century in order to understand more fully the significance of the Battle of Puebla. After emancipation from Spanish control in 1822, Mexico experienced many difficulties. Changes of government were often accompanied by bloodshed and violence. Several European nations continued to cast greedy glances upon the struggling nation.

A great number of self-exiled Mexican conservatives informally assembled at the French court and appealed successfully to the imperialistic intentions of Napoleon. Napoleon acceded to their wishes, occupying the Mexican port of Vera Cruz with the aid of the British and Spanish. Their pretext was the collection of debts and the restoration of order to assure the safety of their numerous citizens plying commercial and mining trades throughout Mexico. The large force of French, Spanish, and British arrived in Vera Cruz in December 1861. At that time, the United States was deep in the throes of the Civil War, which made support of the Mexican Government impossible, even against such a clear transgression of the spirit and letter of the Monroe Doctrine.

SPANISH AND BRITISH WITHDRAW

Dissension quickly developed among the European allies. The British and Spanish sought to limit their operations to collecting debts and occupying the port of Vera Cruz according to the terms of the convention. The French on the other hand, showed a disposition to meddle in Mexican internal affairs, and

demanded exorbitant financial compensation and unreasonable concessions of the Mexican Government.

The final break came on April 9, 1862, when the British and Spanish commanders, committed to peaceful arbitration and settlement, opposed the French position which called for a march on the capitol with no attempt to negotiate with the Juarez government. The Spanish and British forces immediately withdrew, but the French commander undaunted, requested more troops from his homeland. The Mexican Government, meanwhile, struggled to prepare itself for war. Benito Juarez had the strong backing of the Mexican press, which in an attempt to regenerate the war-weary spirit of the Mexican people, called upon the citizens to amass and defend their homeland. Their cry of "To arms, citizens! 1862 will be the corollary of 1812!" resounded throughout Mexico.

THE BATTLE OF PUEBLA

On April 27, 1862, the French Army of 6,000 men under the command of Gen. Charles Lorencez left the town of Orizaba on the Mexican coast to begin the march on Mexico City. The French general, having been assured that he would meet with only token resistance as he advanced, moved completely toward Puebla. He transmitted his conviction to the French minister of war in Paris:

We are so superior to the Mexicans in race, in organization, in discipline, in morality, and in elevation of feeling, that I beg your excellency to be so good as to inform the emperor, at the head of 6,000 soldiers that I am already master of Mexico.

On May 4, the French reached a point of 14 miles south of Puebla where they were informed that the Mexican Army, under the command of Gen. Ignacio Zaragoza, a hero of the Mexican Civil War, would make a stand to defend Puebla. Fortified in Puebla, the general waited with an army of 4,000 ex-guerrillas, armed with obsolete guns bought from the British and originally captured from the first Napoleon at Waterloo in 1812.

On the evening of May 4, Lorencez called a council of war to form his plan of attack. Instead of relying on the advice of his Mexican generals, who advised him to attack the south where the approach was open and unfortified, he decided to approach the city from the northern side, where it was guarded by the Cerro de Guadalupe, a steep hill crowned by a fortified convent and further protected by the fort of Loreto which was lodged behind and below the convent. For 24 hours General Lorencez lingered before the fort, hoping that the enemy would advance to give battle on the open field, but his wish was denied. After 2 days, he ordered his army to break camp and retreat to Orazaba where he immediately petitioned the French Government to send reinforcements and seige supplies.

The repulse at Puebla was as unexpected by the Mexicans as by the French. In his report to the Mexican Minister of War, General Zaragoza stated:

The French army fought with great bravery; the commander-in-chief conducted the attack incompetently. The national arms have been covered with glory * * * I can state with pride that not once, during the long struggle which it sustained, did the Mexican army turn its back on the enemy.

SIGNIFICANCE OF CINCO DE MAYO

Mr. President, to the Mexicans, and Americans of Mexican descent, the battle of Cinco de Mayo symbolizes the defeat of the French empire and their nation. The defenders of Puebla are honored as champions of freedom, self-determination, and independence. Those who fought on the fifth of May personify the ideal of devoted sacrificial love of country, as they chose to pit themselves against fatal odds rather than support those of their countrymen who sought to deliver Mexico into the hands of the foreign invaders.

In Puebla, the Mexicans for the first time took the stand against the invaders and succeeded without foreign assistance of any kind in soundly beating a superiorly trained and equipped army. Thus, Cinco de Mayo became a symbol of the victory of the human spirit over all military odds and demonstrated that unity could be achieved among a people that had been torn with internal dissension for almost half a century. The drama that unfolded at Puebla is the source of a strong sense of national consciousness and national pride among the Mexican people.

Mr. President, in honor of the Mexican people and in memory of the brave men who fought so valiantly at Puebla, I take great pleasure in extending greetings and warmest best wishes to the Republic of Mexico and to all Mexican-Americans during this 116th anniversary of El Cinco de Mayo.

COMMITTEE MEETING

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Banking, Housing, and Urban Affairs Committee be authorized to meet during the session of the Senate today to continue markup of the housing authorization legislation for fiscal year 1979.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

PETROLEUM MARKETING PRACTICES ACT

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now proceed to the consideration of H.R. 130, which the clerk will state by title.

The legislative clerk read as follows:

A bill (H.R. 130) to provide for the protection of franchised distributors and retailers of motor fuel and to encourage conservation of automotive gasoline and competition in the marketing of such gasoline by requiring that information regarding the octane rating of automotive gasoline be disclosed to consumers.

The Senate proceeded to consider the bill which had been reported from the Committee on Energy and Natural Resources with an amendment to strike all after the enacting clause and insert the following:

That this Act may be cited as the "Petroleum Marketing Practices Act."

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TITLE I—FRANCHISE PROTECTION

DEFINITIONS

(1)(A) The term "franchise" means any contract—

(i) between a refiner and a distributor,

(ii) between a refiner and a retailer,

(iii) between a distributor and another distributor, or

(iv) between a distributor and a retailer, under which a refiner or distributor (as the case may be) authorizes or permits a retailer or distributor to use, in connection with the sale, consignment, or distribution of motor fuel, a trademark which is owned or controlled by such refiner or by a refiner which supplies motor fuel to the distributor which authorizes or permits such use.

(B) The term "franchise" includes—

(i) any contract under which a retailer or distributor (as the case may be) is authorized or permitted to occupy leased marketing premises, which premises are to be employed in connection with the sale, consignment, or distribution of motor fuel under a trademark which is owned or controlled by such refiner or by a refiner which supplies motor fuel to the distributor which authorizes or permits such occupancy;

(ii) any contract pertaining to the supply of motor fuel which is to be sold, consigned or distributed—

(I) under a trademark owner or controlled by a refiner; or

(II) under a contract which has existed continuously since May 15, 1973, and pursuant to which, on May 15, 1973, motor fuel was sold, consigned or distributed under a trademark owned and controlled on such date by a refiner; and

(iii) the unexpired portion of any franchise, as defined by the preceding provisions of this paragraph, which is transferred or assigned as authorized by the provisions of such franchise or by any applicable provision of State law which permits such transfer or assignment without regard to any provision of the franchise.

(2) The term "franchise relationship" means the respective motor fuel marketing or distribution obligations and responsibilities of a franchisor and a franchisee which result from the marketing of motor fuel under a franchise.

(3) The term "franchisor" means a refiner or distributor (as the case may be) who

authorizes or permits, under a franchise, a retailer or distributor to use a trademark in connection with the sale, consignment, or distribution of motor fuel.

(4) The term "franchisee" means a retailer or distributor (as the case may be) who is authorized or permitted, under a franchise, to use a trademark in connection with the sale, consignment, or distribution of motor fuel.

(5) The term "refiner" means any person engaged in the refining of crude oil to produce motor fuel, and includes any affiliate of such person.

(6) The term "distributor" means any person, including any affiliate of such person, who—

(A) purchases motor fuel for sale, consignment, or distribution to another; or

(B) receives motor fuel on consignment for consignment or distribution to his own motor fuel accounts or to accounts of his supplier, but shall not include a person who is an employee of, or merely serves as a common carrier providing transportation service for, such supplier.

(7) The term "retailer" means any person who purchases motor fuel for sale to the general public for ultimate consumption.

(8) The term "marketing premises" means, in the case of any franchise, premises which, under such franchise, are to be employed by the franchisee in connection with the sale, consignment, or distribution of motor fuel.

(9) The term "leased marketing premises" means marketing premises owned, leased, or in any way controlled by a franchisor and which the franchisee is authorized or permitted, under the franchise, to ployment in connection with the sale, consignment or distribution of motor fuel.

(10) The term "contract" means any oral or written agreement. For supply purposes, delivery levels during the same month of the previous year shall be prima facie evidence of an agreement to deliver such levels.

(11) The term "trademark" means any trademark, trade name, service mark, or other identifying symbol or name.

(12) The term "motor fuel" means gasoline and diesel fuel of a type distributed for use as a fuel in self-propelled vehicles designed primarily for use on public streets, roads, and highways.

(13) The term "failure" does not include—

(A) any failure which is only technical or unimportant to the franchise relationship; or

(B) any failure for a cause beyond the reasonable control of the franchisee.

(14) The terms "fail to renew" and "nonrenewal" means, with respect to any franchise relationship, a failure to reinstate, continue, or extend the franchise relationship—

(A) at the conclusion of the term, or on the expiration date, stated in the relevant franchise;

(B) at any time, in the case of the relevant franchise which does not state a term of duration or an expiration date; or

(C) following a termination (on or after the date of enactment of this Act) of the relevant franchise which was entered into prior to such date of enactment and has not been renewed after such date.

(15) The term "affiliate" means any person who (other than by means of a franchise) controls, is controlled by, or is under common control with, any other person.

(16) The term "relevant geographic market area" includes a State or a standard metropolitan statistical area as periodically established by the Office of Management and Budget.

(17) The term "termination" includes cancellation.

(18) The term "commerce" means any trade, traffic, transportation, exchange, or other commerce—

(A) between any State and any place outside of such State; or

(B) which affects any trade, transportation, exchange, or other commerce described in subparagraph (A).

(19) The term "State" means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, American Samoa, Guam, and any other commonwealth, territory, or possession of the United States.

FRANCHISE RELATIONSHIP; TERMINATION AND NONRENEWAL

SEC. 102. (a) Except as provided in subsection (b) and section 103, no franchisor engaged in the sale, consignment, or distribution of motor fuel in commerce may—

(1) terminate any franchise (entered into or renewed on or after the date of enactment of this Act) prior to the conclusion of the term, or the expiration date, stated in the franchise; or

(2) fail to renew any franchise relationship (without regard to the date on which the relevant franchise was entered into or renewed).

(b)(1) Any franchisor may terminate any franchise (entered into or renewed on or after the date of enactment of this Act) or may fail to renew any franchise relationship, if—

(A) the notification requirements of section 104 are met; and

(B) such termination is based upon a ground described in paragraph (2) or such nonrenewal is based upon a ground described in paragraph (2) or (3).

(2) For purposes of this subsection, the following are grounds for termination of a franchise or nonrenewal of a franchise relationship:

(A) A failure by the franchisee to comply with any provision of the franchise, which provision is both reasonable and of material significance to the franchise relationship, if the franchisor first acquired actual or constructive knowledge of such failure—

(i) not more than 120 days prior to the date on which notification of termination or nonrenewal is given, if notification is given pursuant to section 104(a); or

(ii) not more than 60 days prior to the date on which notification of termination or nonrenewal is given, if less than 90 days notification is given pursuant to section 104 (b)(1).

(B) A failure by the franchisee to exert good faith efforts to carry out the provisions of the franchise, if—

(i) the franchisee was apprised by the franchisor in writing of such failure and was afforded a reasonable opportunity to exert good faith efforts to carry out such provisions; and

(ii) such failure thereafter continued within the period which began not more than 180 days before the date notification of termination or nonrenewal was given pursuant to section 104.

(C) The occurrence of an event which is relevant to the franchise relationship and as a result of which termination of the franchise or nonrenewal of the franchise relationship is reasonable, if such event occurs during the period the franchise is in effect and the franchisor first acquired actual or constructive knowledge of such occurrence—

(i) not more than 120 days prior to the date on which notification of termination or nonrenewal is given, if notification is given pursuant to section 104(a); or

(ii) not more than 60 days prior to the date on which notification of termination or nonrenewal is given, if less than 90 days notification is given pursuant to section 104 (b)(1).

(D) An agreement, in writing, between the franchisor and the franchisee to terminate the franchise or not to renew the franchise relationship, if—

(i) such agreement is entered into not more than 180 days prior to the date of such termination or, in the case of nonrenewal, not more than 180 days prior to the conclusion of the term, or the expiration date, stated in the franchise;

(ii) the franchisee is promptly provided with a copy of such agreement, together with the summary statement described in section 104(d); and

(iii) within 7 days after the date on which the franchisee is provided a copy of such agreement, the franchisee has not posted by certified mail a written notice to the franchisor repudiating such agreement.

(E) In the case of any franchise entered into prior to the date of the enactment of this Act and in the case of any franchise entered into or renewed on or after such date (the term of which is 3 years or longer, or with respect to which the franchisee was offered a term of 3 years or longer), a determination made by the franchisor in good faith and in the normal course of business to withdraw from the marketing of motor fuel through retail outlets in the relevant geographic market area in which the marketing premises are located, if—

(i) such determination—

(I) was made after the date such franchise was entered into or renewed, and

(II) was based upon the occurrence of changes in relevant facts and circumstances after such date;

(ii) the termination or nonrenewal is not for the purpose of converting the premises, which are the subject of the franchise, to operation by employees or agents of the franchisor for such franchisor's own account; and

(iii) in the case of leased marketing premises—

(I) the franchisor, during the 180-day period after notification was given pursuant to section 104, either made a bona fide offer to sell, transfer, or assign to the franchisee such franchisor's interests in such premises, or, if applicable, offered the franchisee a right of first refusal of at least 45 days duration of an offer, made by another, to purchase such franchisor's interest in such premises; or

(II) in the case of the sale, transfer, or assignment to another person of the franchisor's interest in such premises in connection with the sale, transfer, or assignment to such other person of the franchisor's interest in one or more other marketing premises, if such other person offers, in good faith, a franchise to the franchisee on terms and conditions which are not discriminatory to the franchisee as compared to franchises then currently being offered by such other person or franchises then in effect and with respect to which such other person is the franchisor.

(3) For purposes of this subsection, the following are grounds for nonrenewal of a franchise relationship:

(A) The failure of the franchisor and the franchisee to agree to changes or additions to the provisions of the franchise, if—

(i) such changes or additions are the result of determinations made by the franchisor in good faith and in the normal course of business; and

(ii) such failure is not the result of the franchisor's insistence upon such changes or additions for the purpose of preventing the renewal of the franchise relationship.

(B) The receipt of numerous bona fide customer complaints by the franchisor concerning the franchisee's operation of the marketing premises, if—

(i) the franchisee was promptly apprised of the existence and nature of such complaints following receipt of such complaints by the franchisor; and

(ii) if such complaints related to the condition of such premises or to the conduct of

any employee of such franchisee, the franchisee did not promptly take action to cure or correct the basis of such complaints.

(C) A failure by the franchisee to operate the marketing premises in a clean, safe, and healthful manner, if the franchisee failed to do so on two or more previous occasions and the franchisor notified the franchisee of such failures.

(D) In the case of any franchise entered into prior to the date of the enactment of this Act (the unexpired term of which, on such date of enactment, is 3 years or longer) and, in the case of any franchise entered into or renewed on or after such date (the term of which was 3 years or longer, or with respect to which the franchisee was offered a term of 3 years or longer), a determination made by the franchisor in good faith and in the normal course of business, if—

(i) such determination is—

(I) to convert the leased marketing premises to a use other than the sale or distribution of motor fuel,

(II) to materially alter, add to, or replace such premises,

(III) to sell such premises, or

(IV) that renewal of the franchise relationship is likely to be uneconomical to the franchisor despite any reasonable changes or reasonable additions to the provisions of the franchise which may be acceptable to the franchisee;

(ii) with respect to a determination referred to in subclause (II) or (IV), such determination is not made for the purpose of converting the leased marketing premises to operation by employees or agents of the franchisor for such franchisor's own account; and

(iii) in the case of leased marketing premises such franchisor, during the 90-day period after notification was given pursuant to section 104, either—

(I) made a bona fide offer to sell, transfer, or assign to the franchisee such franchisor's interests in such premises; or

(II) if applicable, offered the franchisee a right of first refusal of a least 45-days duration of an offer, made by another, to purchase such franchisor's interest in such premises.

(c) As used in subsection (b)(2)(C), the term "an event which is relevant to the franchise relationship and as a result of which termination of the franchise or nonrenewal of the franchise relationship is reasonable" includes events such as—

(1) fraud or criminal misconduct by the franchisee relevant to the operation of the marketing premises;

(2) declaration of bankruptcy or judicial determination of insolvency of the franchisee;

(3) continuing severe physical or mental disability of the franchisee of at least 3 months duration which renders the franchisee unable to provide for the continued proper operation of the marketing premises;

(4) loss of the franchisor's right to grant possession of the leased marketing premises through expiration of an underlying lease, if the franchisee was notified in writing, prior to the commencement of the term of the then existing franchise—

(A) of the duration of the underlying lease, and

(B) of the fact that such underlying lease might expire and not be renewed during the term of such franchise (in the case of termination) or at the end of such term (in the case of nonrenewal);

(5) condemnation or other taking, in whole or in part, of the marketing premises pursuant to the power of eminent domain;

(6) loss of the franchisor's right to grant the right to use the trademark which is the subject of the franchise, unless such loss was due to trademark abuse, violation of Federal or State law, or other fault or negligence of the franchisor, which such abuse, violation, or other fault or negligence is related to action taken in bad faith by the franchisor;

(7) destruction (other than by the franchisor) of all or a substantial part of the marketing premises;

(8) failure by the franchisee to pay to the franchisor in a timely manner when due all sums to which the franchisor is legally entitled;

(9) failure by the franchisee to operate the marketing premises for—

(A) 7 consecutive days, or

(B) such lesser period which under the facts and circumstances constitutes an unreasonable period of time;

(10) willful adulteration, mislabeling or misbranding of motor fuels or other trademark violations by the franchisee;

(11) knowing failure of the franchisee to comply with Federal, State, or local laws or regulations relevant to the operation of the marketing premises; and

(12) conviction of the franchisee of any felony involving moral turpitude.

(d) In the case of any termination of a franchise (entered into or renewed on or after the date of enactment of this Act), or in the case of any nonrenewal of a franchise relationship (without regard to the date on which such franchise relationship was entered into or renewed)—

(1) if such termination or nonrenewal is based upon an event described in subsection (c)(5), the franchisor shall fairly apportion between the franchisor and the franchisee compensation, if any, received by the franchisor based upon any loss of business opportunity or good will; and

(2) if such termination or nonrenewal is based upon an event described in subsection (c)(7) and the leased marketing premises are subsequently rebuilt or replaced by the franchisor and operated under a franchise, the franchisor shall, within a reasonable period of time, grant to the franchisee a right of first refusal of the franchise under which such premises are to be operated.

TRIAL FRANCHISES AND INTERIM FRANCHISES; NONRENEWAL

SEC. 103. (a) The provisions of section 102 shall not apply to the nonrenewal of any franchise relationship—

(1) under a trial franchise; or

(2) under an interim franchise.

(b) For purposes of this section—

(1) The term "trial franchise" means any franchise—

(A) which is entered into on or after the date of enactment of this Act;

(B) the franchisee of which has not previously been a party to a franchise with the franchisor;

(C) the initial term of which is for a period of not more than 1 year; and

(D) which is in writing and states clearly and conspicuously—

(i) that the franchise is a trial franchise;

(ii) the duration of the initial term of the franchise;

(iii) that the franchisor may fail to renew the franchise relationship at the conclusion of the initial term stated in the franchise by notifying the franchisee, in accordance with the provisions of section 104, of the franchisor's intention now to renew the franchise relationship; and

(iv) that the provisions of section 102, limiting the right of a franchisor to fail to renew a franchise relationship, are not applicable to such trial franchise.

(2) The term "trial franchise" does not include any unexpired period of any term of any franchise (other than a trial franchise, as defined by paragraph (1) which was transferred or assigned by a franchisee to the extent authorized by the provisions of the franchise or any applicable provision of State law which permits such transfer or assignment, without regard to any provision of the franchise.

(3) The term "interim franchise" means any franchise—

(A) which is entered into on or after the date of the enactment of this Act;

(B) the term of which, when combined with the terms of all prior interim franchises between the franchisor and the franchisee, does not exceed 3 years;

(C) the effective date of which occurs immediately after the expiration of a prior franchise, applicable to the marketing premises, which was not renewed if such nonrenewal—

(i) was based upon a determination described in section 102(b)(2)(E), and

(ii) the requirements of section 102(b)(2)(E) were satisfied; and

(D) which is in writing and states clearly and conspicuously—

(i) that the franchise is an interim franchise;

(ii) the duration of the franchise; and

(iii) that the franchisor may fail to renew the franchise at the conclusion of the term stated in the franchise based upon a determination made by the franchisor in good faith and in the normal course of business to withdraw from the marketing of motor fuel through retail outlets in the relevant geographic market area in which the marketing premises are located if the requirements of section 102(b)(2)(E) (ii) and (iii) are satisfied.

(c) If the notification requirements of section 104 are met, any franchisor may fail to renew any franchise relationship—

(1) under any trial franchise, at the conclusion of the initial term of such trial franchise; and

(2) under any interim franchise, at the conclusion of the term of such interim franchise, if—

(A) such nonrenewal is based upon a determination described in section 102(b)(2)(E); and

(B) the requirements of section 102(b)(2)(E) (ii) and (iii) are satisfied.

NOTIFICATION OF TERMINATION OR NONRENEWAL

SEC. 104. (a) Prior to termination of any franchise or nonrenewal of any franchise relationship, the franchisor shall furnish notification of such termination or such nonrenewal to the franchisee who is a party to such franchise or such franchise relationship—

(1) in the manner described in subsection (c); and

(2) except as provided in subsection (b), not less than 90 days prior to the date on which such termination or nonrenewal takes effect.

(b)(1) In circumstances in which it would not be reasonable for the franchisor to furnish notification, not less than 90 days prior to the date on which termination or nonrenewal takes effect, as required by subsection (a)(2)—

(A) such franchisor shall furnish notification to the franchisee affected thereby on the earliest date on which furnishing of such notification is reasonably practicable; and

(B) in the case of leased marketing premises, such franchisor—

(i) may not establish a new franchise relationship with respect to such premises before the expiration of the 30-day period which begins—

(I) on the date notification was posted or personally delivered, or

(II) if later, on the date on which such termination or nonrenewal takes effect; and

(ii) may, if permitted to do so by the franchise agreement, repossess such premises and, in circumstances under which it would be reasonable to do so, operate such premises through employees or agents.

(2) In the case of any termination of any franchise or any nonrenewal of any franchise

relationship pursuant to the provisions of section 102(b)(2)(E) or section 103(c)(2), the franchisor shall—

(A) furnish notification to the franchisee not less than 180 days prior to the date on which such termination or nonrenewal takes effect; and

(B) promptly provide a copy of such notification, together with a plan describing the schedule and conditions under which the franchisor will withdraw from the marketing of motor fuel through retail outlets in the relevant geographic area, to the Governor of each State which contains a portion of such area.

(c) Notification under this section—

(1) shall be in writing;

(2) shall be posted by certified mail or personally delivered to the franchisee; and

(3) shall contain—

(A) a statement of intention to terminate the franchise or not to renew the franchise relationship, together with the reasons therefor;

(B) the date on which such termination or nonrenewal takes effect; and

(C) the summary statement prepared under subsection (d).

(d)(1) Not later than 30 days after the date of enactment of this Act, the Secretary of Energy shall prepare and publish in the Federal Register a simple and concise summary of the provisions of this title, including a statement of the respective responsibilities of, and the remedies and relief available to, any franchisor and franchisee under this title.

(2) In the case of summaries required to be furnished under the provisions of section 102(b)(2)(D) or subsection (c)(3)(C) of this section before the date of publication of such summary in the Federal Register, such summary may be furnished not later than 5 days after it is so published rather than at the time required under such provisions.

ENFORCEMENT

SEC. 105. (a) If a franchisor fails to comply with the requirements of section 102 or 103, the franchisee may maintain a civil action against such franchisor. Such action may be brought, without regard to the amount in controversy, in the district court of the United States in any district in which the principal place of business of such franchisor is located or in which such franchisee is doing business, except that no such action may be maintained unless commenced within 1 year after the later of—

(1) the date of termination of the franchise or nonrenewal of the franchise relationship; or

(2) the date the franchisor fails to comply with the requirements of section 102 or 103.

(b)(1) In any action under subsection (a), the court shall grant such equitable relief as the court determines is necessary to remedy the effects of any failure to comply with the requirements of section 102 or 103, including declaratory judgment, mandatory or prohibitive injunctive relief, and interim equitable relief.

(2) Except as provided in paragraph (3), in any action under subsection (a), the court shall grant a preliminary injunction if—

(A) the franchisee shows—

(i) the franchise of which he is a party has been terminated or the franchise relationship of which he is a party has not been renewed, and

(ii) there exist sufficiently serious questions going to the merits to make such questions a fair ground for litigation; and

(B) the court determines that, on balance, the hardships imposed upon the franchisor by the issuance of such preliminary injunctive relief will be less than the hardship which would be imposed upon such franchisee if such preliminary injunctive relief were not granted.

(3) Nothing in this subsection prevents any court from requiring the franchisee in any action under subsection (a) to post a bond, in an amount established by the court, prior to the issuance or continuation of any equitable relief.

(4) In any action under subsection (a), the court need not exercise its equity powers to compel continuation or renewal of the franchise relationship if such action was commenced—

(A) more than 90 days after the date on which notification pursuant to section 104(a) was posted or personally delivered to the franchisee;

(B) more than 180 days after the date on which notification pursuant to section 104(b)(2) was posted or personally delivered to the franchisee; or

(C) more than 30 days after the date on which the termination of such franchise or the nonrenewal of such franchise relationship takes effect if less than 90 days notification was provided pursuant to section 104(b)(1).

(c) In any action under subsection (a), the franchisee shall have the burden of proving the termination of the franchise or the nonrenewal of the franchise relationship. The franchisor shall bear the burden of going forward with evidence to establish as an affirmative defense that such termination or nonrenewal was permitted under section 102(b) or 103, and, if applicable, that such franchisor complied with the requirements of section 102(d).

(d)(1) If the franchisee prevails in any action under subsection (a), such franchisee shall be entitled—

(A) consistent with the Federal Rules of Civil Procedure, to actual damages;

(B) in the case of any such action which is based upon conduct of the franchisor which was in willful disregard of the requirements of section 102 or 103, or the rights of the franchisee thereunder, to exemplary damages, where appropriate; and

(C) to reasonable attorney and expert witness fees to be paid by the franchisor, unless the court determines that only nominal damages are to be awarded to such franchisee, in which case the court, in its discretion, need not direct that such fees be paid by the franchisor.

(2) The question of whether to award exemplary damages and the amount of any such award shall be determined by the court and not by a jury.

(3) In any action under subsection (a), the court may, in its discretion, direct that reasonable attorney and expert witness fees be paid by the franchisee if the court finds that such action is frivolous.

(e)(1) In any action under subsection (a) with respect to a failure of a franchisor to renew a franchise relationship in compliance with the requirements of section 102, the court may not compel a continuation or renewal of the franchise relationship if the franchisor demonstrates to the satisfaction of the court that—

(A) the basis for such nonrenewal is a determination made by the franchisor in good faith and in the normal course of business—

(i) to convert the leased marketing premises to a use other than the sale or distribution of motor fuel,

(ii) to materially alter, add to, or replace such premises,

(iii) to sell such premises,

(iv) to withdraw from the marketing of motor fuel through retail outlets in the relevant geographic market area in which the marketing premises are located, or

(v) that renewal of the franchise relationship is likely to be uneconomical to the franchisor despite any reasonable changes or reasonable additions to the provisions of the franchise which may be acceptable to the franchisee; and

(B) the requirements of section 104 have been complied with.

(2) The provisions of paragraph (1) shall not affect any right of any franchisee to recover actual damages and reasonable attorney and expert witness fees under subsection (d) if such nonrenewal is prohibited by section 102.

RELATIONSHIP OF THIS TITLE TO STATE LAW

SEC. 106. (a) To the extent that any provision of this title applies to the termination (or the furnishing of notification with respect thereto) of any franchise, or to the nonrenewal (or the furnishing of notification with respect thereto) of any franchise relationship, no State or any political subdivision thereof may adopt, enforce, or continue in effect any provision of any law or regulation (including any remedy or penalty applicable to any violation thereof) with respect to termination (or the furnishing of notification with respect thereto) of any such franchise or to the nonrenewal (or the furnishing of notification with respect thereto) of any such franchise relationship unless such provision of such law or regulation is the same as the applicable provision of this title.

(b) Nothing in this title authorizes any transfer or assignment of any franchise or prohibits any transfer or assignment of any franchise as authorized by the provisions of such franchise or by any applicable provision of State law which permits such transfer or assignment without regard to any provision of the franchise.

TITLE II—OCTANE DISCLOSURE

DEFINITIONS

SEC. 201. As used in this title:

(1) The term "octane rating" means the rating of the antiknock characteristics of a grade or type of automotive gasoline as determined by dividing by 2 the sum of the research octane number plus the motor octane number, unless another procedure is prescribed under section 203(c)(3), in which case such term means the rating of such characteristics as determined under the procedure so prescribed.

(2) The terms "research octane number" and "motor octane number" have the meanings given such terms in the specifications of the American Society for Testing and Materials (ASTM) entitled "Standards Specifications for Automotive Gasoline" designated D 439 (as in effect on the date of the enactment of this Act) and, with respect to any grade or type of automotive gasoline, are determined in accordance with test methods set forth in ASTM standards test methods designated D 2699 and D 2700 (as in effect on such date).

(3) The term "knock" means the combustion of a fuel spontaneously in localized areas of a cylinder of a spark-ignition engine, instead of the combustion of such fuel progressing from the spark.

(4) The term "gasoline retailer" means any person who markets automotive gasoline to the general public for ultimate consumption.

(5) The term "refiner" means any person engaged in—

(A) the refining of crude oil to produce automotive gasoline; or

(B) the importation of automotive gasoline.

(6) The term "automotive gasoline" means gasoline of a type distributed for use as a fuel in any motor vehicle.

(7) The term "motor vehicle" means any self-propelled four-wheeled vehicle, of less than 6,000 pounds gross vehicle weight, which is designed primarily for use on public streets, roads, and highways.

(8) The term "new motor vehicle" means any motor vehicle the equitable or legal title to which has not previously been transferred to an ultimate purchaser.

(9) The term "ultimate purchaser" means, with respect to any item, the first person who purchases such item for purposes other than resale.

(10) The term "manufacturer" means any person who imports, manufactures, or assembles motor vehicles for sale.

(11) The term "octane requirement" means, with respect to automotive gasoline for use in a motor vehicle or a class thereof, imported, manufactured, or assembled by a manufacturer, the minimum octane rating of such automotive gasoline which such manufacturer recommends for the efficient operation of such motor vehicle, or a substantial portion of such class, without knocking.

(12) The term "model year" means a manufacturer's annual production period (as determined by the Federal Trade Commission) for motor vehicles or a class of motor vehicles. If a manufacturer has no annual production period, the term "model year" means the calendar year.

(13) The term "commerce" means any trade, traffic, transportation, exchange, or other commerce—

(A) between any State and any place outside of such State; or

(B) which affects any trade, transportation, exchange, or other commerce described in subparagraph (A).

(14) The term "State" means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, American Samoa, Guam, and any other commonwealth, territory, or possession of the United States.

(15) The term "person", for purposes of applying any provision of the Federal Trade Commission Act with respect to any provision of this title, includes a partnership and a corporation.

(16) The term "distributor" means any person who receives gasoline and distributes such gasoline to another person other than the ultimate purchaser.

OCTANE TESTING AND DISCLOSURE REQUIREMENTS

SEC. 202. (a) Each refiner who distributes automotive gasoline in commerce shall—

(1) determine the octane rating of any such gasoline; and

(2) if such refiner distributes such gasoline to any person other than the ultimate purchaser, certify, consistent with the determination made under paragraph (1), the octane rating of such gasoline.

(b) Each distributor who receives automotive gasoline, the octane rating of which is certified to him under this section, and distributes such gasoline in commerce to another person other than the ultimate purchaser shall certify to such other person the octane rating of such gasoline consistent with—

(1) the octane rating of such gasoline certified to such distributor; or

(2) if such distributor elects (at such time and in such manner as the Federal Trade Commission may, by rule, prescribe), the octane rating of such gasoline determined by such distributor.

(c) Each gasoline retailer shall display in a clear and conspicuous manner, at the point of sale to ultimate purchasers of automotive gasoline, the octane rating of such gasoline, which octane rating shall be consistent with—

(1) the octane rating of such gasoline certified to such retailer under subsection (a)(2) or (b);

(2) if such gasoline retailer elects (at such time and in such manner as the Federal Trade Commission may, by rule, prescribe), the octane rating of such gasoline determined by such retailer for such gasoline; or

(3) if such gasoline retailer is a refiner, the octane rating of such gasoline determined under subsection (a)(1).

(d) The Federal Trade Commission shall, by rule, prescribe requirements, applicable to any manufacturer of new motor vehicles, with respect to the display on each such motor vehicle (or representation in connection with the sale of each such motor vehicle) of the octane requirement of such motor vehicle.

(e) No person who distributes automotive gasoline in commerce may make any representation respecting the antiknock characteristics of such gasoline unless such representation fairly discloses the octane rating of such gasoline consistent with such gasoline's octane rating as certified to or determined by such person under the foregoing provisions of this section.

(f) For purposes of this section, the octane rating of any automotive gasoline shall be considered to be certified, displayed, or represented by any person consistent with the rating certified to, or determined by, such person—

(1) in the case of automotive gasoline which consists of a blend of two or more quantities of automotive gasoline of differing octane ratings, only if the rating certified, displayed, or represented by such person is the average of the octane ratings of such quantities, weighted by volume; or

(2) in the case of gasoline which does not consist of such a blend, only if the octane rating such person certifies, displays, or represents is the same as the octane rating of such gasoline certified to, or determined by, such person.

(g) The foregoing provisions of this section shall not apply—

(1) to any representation (by display at the point of sale on by other means) of any characteristics of any automotive gasoline other than its octane rating; or

(2) to the identification of automotive gasoline at the point of sale (or elsewhere) by the trademark, trade name, or other identifying symbol or mark used in connection with the sale of such gasoline.

(h) Any display or representation, with respect to the octane requirement of any motor vehicle, required to be made under any rule prescribed under subsection (d) shall not create an express or implied warranty under State or Federal law that any automotive gasoline the octane rating of which equals or exceeds such octane requirement—

(1) may be used as a fuel in all motor vehicles of the same class as that motor vehicle without knocking; or

(2) may be used as a fuel in such motor vehicle under all operating conditions without knocking.

ADMINISTRATION AND ENFORCEMENT

SEC. 203. (a) The Federal Trade Commission shall have procedural, investigative, and enforcement powers, including the power to issue procedural rules in enforcing compliance with the requirements of this title and rules prescribed pursuant to the requirements of this title, to further define terms used in this title, and to require the filing of reports, the production of documents, and the appearance of witnesses, as though the applicable terms and conditions of the Federal Trade Commission Act were part of this title.

(b(1) The Environmental Protection Agency shall, to the extent practicable—

(A) conduct field testing of the octane rating of automotive gasoline in connection with any other testing of such gasoline it conducts under other provisions of law; and

(B) certify the results of such testing to the Federal Trade Commission.

(2) The Federal Trade Commission may enter into interagency agreements with the Environmental Protection Agency and such other agencies of the United States as the Commission determines appropriate for the purpose of assuring enforcement of the provisions of this title in a manner which is consistent with—

(A) minimizing the cost of field inspection and related compliance activities; and

(B) reducing duplication of similar or related field compliance activities performed by agencies of the United States.

(c)(1) Not later than 6 months after the date of the enactment of this Act, the Federal Trade Commission shall, by rule, prescribe and make effective—

(A) a uniform method by which a person may certify to another the octane rating of automotive gasoline; and

(B) a uniform method of displaying the octane rating of automotive gasoline at the point of sale to ultimate purchasers.

(2) Effective on and after the effective date of the rule prescribed under paragraph (1), any person—

(A) shall be considered to satisfy the requirements of subsection (a) or (b) of section 202, as the case may be, only if such person complies with the requirements established pursuant to paragraph (1)(A); and

(B) shall be considered to satisfy the requirements of section 202(c) only if such person complies with the requirements established pursuant to paragraph (1)(B).

(3) The Federal Trade Commission may, by rule, prescribe procedures for determination of the octane rating of automotive gasoline which varies from that prescribed in section 201(1). In prescribing such rule, the Commission—

(A) shall consider—

(i) ease of administration and enforcement, and

(ii) industry practices in the distribution and marketing of automotive gasoline; and

(B) may permit adjustments in such octane rating to take into account the effects of altitude, temperature, and humidity.

(4) The Federal Trade Commission may, by rule, prescribe and make effective a method of determining the octane rating of automotive gasoline which consists of a blend of two or more quantities of automotive gasoline of different octane ratings if the Federal Trade Commission finds that the method prescribed more accurately reflects the octane rating of such blend than the weighted-average method set forth in section 202(f)(1). Effective on and after the effective date of such rule, any person shall be considered to satisfy the requirements of section 202(f)(1) only if such person utilizes the method prescribed in such rule (in lieu of the method set forth in section 202(f)(1)).

(d)(1) Except as provided in paragraph (2), rules under this title shall be prescribed in accordance with section 553 of title 5, United States Code, except that interested persons shall be afforded an opportunity to present written and oral data, views, and arguments with respect to any proposed rule.

(2) Rules prescribed under subsection (c)(3) and section 202(d) shall be prescribed on the record after opportunity for an agency hearing.

(3) Section 18 of the Federal Trade Commission Act (15 U.S.C. 57a) shall not apply with respect to any rule prescribed under this title.

(e) It shall be an unfair or deceptive act or practice in or affecting commerce (within the meaning of section 5(a)(1) of the Federal Trade Commission Act) for any person to violate subsection (a), (b), (c), or (e) of section 202, or a rule prescribed under subsection (d) of such section. For purposes of the Federal Trade Commission Act (including any remedy or penalty applicable to any violation thereof) such a violation shall be treated as a violation of a rule under such Act respecting unfair or deceptive acts or practices; except that for purposes of section 5(m)(1)(A) of such Act, the term "or knowledge fairly implied on the basis of objective circumstances" shall not apply to any viola-

tion by any gasoline retailer of the requirements of section 202(c) or (e).

RELATIONSHIP OF THIS TITLE TO STATE LAW

SEC. 204. To the extent that any provision of this title applies to any act or omission, no State or any politicial subdivision thereof may adopt, enforce, or continue in effect any provision of any law or regulation (including any remedy or penalty applicable to any violation thereof) with respect to such act or omission, unless such provision of such law or regulation is the same as the applicable provision of this title.

EFFECTIVE DATES

SEC. 205.(a) Section 202(a)(1) and 203(b) shall take effect on the first day of the first calendar month beginning more than 6 months after the date of the enactment of this Act.

(b) Subsections (a)(2), (b), (c), and (e) of section 202 shall take effect on the first day of the first calendar month beginning more than 9 months after such date of enactment.

(c) Rules under section 202(d) may not take effect earlier than the beginning of the first motor vehicle model year which begins more than 9 months after such date of enactment.

TITLE III—PROHIBITION OF SUBSIDIZATION OF PETROLEUM MARKETING WITH PROFITS MADE IN UPSTREAM OPERATIONS

FINDINGS

SEC. 301. (a) Congress finds that unfair competition in the marketing of motor fuels occurs whenever costs associated with the marketing of motor fuels are recovered from other operations of the petroleum industry, allowing the finished product to be sold at subsidized prices. Such subsidies most commonly occur when integrated oil companies use profits from crude oil and natural gas production or from the refining of crude oil to cover below normal or negative returns earned from motor fuel marketing operations.

(b) Congress finds that independent oil marketers are unable to survive predatory subsidized pricing at the marketing level by integrated oil companies when all of an independent's income comes from his marketing operations.

(c) Congress finds that subsidized pricing by integrated oil companies is inherently predatory and is reducing competition in the petroleum industry, and that such subsidized pricing, if it continues unabated, will threaten the survival of many independent marketers and ultimately will threaten the consuming public.

PROHIBITION OF SUBSIDIZATION

SEC. 302. It shall be unlawful for any person engaged in commerce, and, in the course of such commerce, who engages in the exploration for, production of, or the refining of crude oil, or in the wholesale distribution of petroleum products; and who also markets petroleum products, through itself or any persons owned or controlled by such person; to subsidize any of his motor fuel marketing operations.

AVAILABILITY OF PRICE AND DISCOUNT DATA

SEC. 303. (a) Any person engaged in commerce, who in the course of such commerce is engaged in the marketing of petroleum products and one or more of the other activities set forth in section 302 of this title, shall make available upon request, to any person purchasing petroleum products for resale who can demonstrate to a court of competent jurisdiction cause for belief that there has been a violation of section 302 the transfer price at which each petroleum product is transferred to each level of operation in the marketing of petroleum products. Transfer prices made available must show information relevant to the market area which serves as the basis for the complaint.

(b) Any person engaged in commerce, who in the course of said commerce is engaged in the marketing of petroleum products and one or more of the other activities set forth in section 302 of this title, shall make available, upon request, to any person purchasing petroleum products for resale who can demonstrate cause for belief that there has been a violation of section 302, the cost of, amount and the nature of all discounts, rebates, allowances, services, or facilities connected with the handling, sale, or offering for sale of any petroleum product which are provided to each level of such person's marketing operations and to the local market area of the complainant.

JUSTIFICATION OF PRICE DIFFERENCES

SEC. 304. (a) Any difference between the transfer price of any motor fuel of like grade and quality and the sales price to any person who purchases for resale, at the same level of distribution, including any discounts, rebates, allowances, services, or facilities granted any of a supplier's own marketing operations in excess of those provided to any person who purchases for resale, at the same level of distribution, may be justified only by making due allowance for differences in the costs of sale or delivery resulting from the differing methods or quantities in which such petroleum products are transferred or sold.

(b) Any difference in transfer or sales prices shown to result from a good faith effort to meet an equally low price of a competitor, as covered in section 2(b) of the Clayton Act (15 U.S.C. 13 et seq.), shall not be violative of section 302.

(c) Any difference in transfer or sales prices shown to result from a promotional effort to enter initially a new market area shall not be violative of section 302 if that subsidization ceases no more than 60 days subsequent to the initial market area entry of the defendant.

JURISDICTION AND BURDEN OF PROOF

SEC. 305. (a) Upon proof being made before any court of competent jurisdiction on a complaint under this section, that any person subject to the requirements of section 302 has in the course of such commerce transferred any motor fuel to any level of an integrated marketing operation at a transfer price less than the sales price at which such product or one of like grade or quality is offered to any person who purchases for resale, at the same level of distribution; or that such integrated marketing operation has received discounts, rebates allowances, services, or facilities in an amount greater than those granted to any person who purchases motor fuel for resale, at the same level of distribution; the burden of rebutting the prima facie case thus made by showing justification shall be upon the person charged with a violation. Unless justification shall be affirmatively shown, such person shall be found in violation of section 302.

(b) It shall be presumed for the purposes of proving violation of section 302 that a defendant's cost of motor fuels of like grade and quality and of carrying out any marketing function are the same as those of a complainant. Such presumption shall be rebuttable under section 304.

ENFORCEMENT

SEC. 306. (a) Any person found in violation of section 302 shall be liable for a civil penalty of not more than $5,000 for each violation.

(b) Whenever it appears to the Secretary of Energy that any person has engaged in or is about to engage in acts or practices in violation of subsection (a), the Secretary of Energy may request the Attorney General to bring a civil action to enjoin such acts or practices, and upon a proper showing, a temporary restraining order or a preliminary or permanent injunction shall be granted without bond. The court may issue mandatory injunctions commanding any person to comply with any provisions of section 302 or 303.

(c) Any person suffering injury because of any act or practice which constitutes a violation under subsection (a) may bring a civil action for appropriate relief, including an action for a declaratory judgment or writ of injunction and actual and exemplary damages in an amount equal to three times the damages suffered as a result of such violation. Any such action must be brought within 18 months of the occurrence of the alleged violation.

(d) The court may, unless the plaintiff's action is frivolous, direct that costs, including reasonable attorney and expert witness fees, be paid to the plaintiff. If the court does determine that the plaintiff's action is frivolous, the court may direct that costs, including reasonable attorney and expert witness fees, be paid by the plaintiff.

DEFINITIONS

SEC. 307. For the purposes of this part:

(a) "To subsidize" means to support financially a particular petroleum marketing or distribution function (retailing or wholesaling) or localized component of that function with funds or services received from petroleum-related sources other than such petroleum marketing or distribution function or from other geographic operations of such function.

(b) "Owned or controlled" means having actual or legal power or influence over another person, but does not include any such power or influence arising solely through a franchise or ownership or control of less than 50 percent of any company.

(c) "Motor fuel" means gasoline and diesel fuel of a type distributed for use as a fuel in self-propelled vehicles designed primarily for use on public streets, roads, and highways.

The ACTING PRESIDENT pro tempore. The time for debate on this bill is limited to 2 hours to be equally divided and controlled by the Senator from Wyoming (Mr. HANSEN) and the Senator from New Hampshire (Mr. DURKIN), with 1 hour on any amendment, 30 minutes on any debatable motion or appeal, 20 minutes on any point of order, and with only titles I and II in order to be considered today.

The Senator from New Hampshire.

Mr. DURKIN. Mr. President, I yield myself 5 minutes.

Mr. President, today thousands of honest and hardworking retail gasoline station dealers are doing business with large oil companies under contracts which may be arbitrarily canceled or terminated. These dealers, who have built up small businesses through investing their own time and money, may find their contracts canceled simply because a company chooses to end the franchise relationship.

The bill being considered today will bring fairness and equity to the business relationship between dealers and oil companies. This bill will benefit dealers by bringing much-needed protection to this one-sided relationship. Also, consumers can expect an advantage from the continued service provided by these dealers and the competition they create in the gasoline marketplace.

Mr. President, I am not suggesting that all oil companies use unfair business practices, although there is a poten-

tial for abuse and some abuse has occurred. In fact, we have been helped in committee not only by the cooperation of the dealers but by the cooperation of some of the oil companies who want to see effective franchise protections in place as soon as possible.

But dealers and oil companies have recognized the need for such protection. In fact, even during the months the Senate Energy Committee has been considering the bill, stations have been closed down and dealers put out of business.

"Dealer day in court," as the bill is popularly referred to, is aimed at halting the steady decline in the numbers of small businessmen who can continue to compete in the retail gasoline marketplace.

The Petroleum Marketing Practices Act, also known as the "dealer-day-in-court" bill, was ordered reported by the committee on energy and natural resources on March 22, 1978. Titles I and II of the bill the committee reported are essentially the same as the bill which passed the House of Representatives on April 5, 1977, by a vote of 404 to 3.

Mr. President, before I get into title I, this is a very real problem. Since the embargo, there have been approximately 35,000 small-business people, hardworking gasoline dealers, gasoline station owners, whose gasoline stations have been closed. Some of these people received absolutely no notice. A man in my home city of Manchester, N.H. who came down here and testified before the Judiciary Committee last year had a longstanding relationship with one of the major oil companies. He read in the paper that they were terminating his franchise. After all the years that John Warren had done business with the particular oil company in question, he read in the paper that his gas station was going to be closed and his franchise terminated.

This is what we are after, these cases. Since we have been deliberating this bill just on the Senate side, a half-dozen hardworking small-business men and women have been put out of business in my home city of Manchester, N.H.

That is why we have to move. That is why we have to rectify these longstanding abuses. That is why we have to bring some equity into the relationship which, by its very nature, is weighted on the side of the oil company. We have a major oil company on the one hand and we have a ma and pa gas station, a small-business gas station, on the other hand. Inherently, that relationship is unfair, inasmuch as the small businessmen and businesswomen are no match for the economic concentration, the economic might, the economic leverage of the major oil companies. We have many speeches given here on the Senate floor; we have a Small Business Committee, which does an excellent job. But this is a bill that is going to immediately help small-business gas station owners in States—I say to my good friend from Alabama (Mr. ALLEN), it is going to help the small businessmen in Alabama; it is going to help the small businessmen in the Presiding Officer's State of Montana; I say to my good friend, Senator HANSEN it is going to help the small businessmen in Wyoming. It is going to help small businessmen all over the country.

Of all the efforts to help small business, I cannot think of one that will have more immediate impact on the essence of our small business community, the gas station owners and operators all across the country—not just in my home State. God knows, it will help in my State. It will help all across the country.

TITLE I

Mr. President, title I of the bill establishes minimum Federal standards governing the termination and nonrenewal of franchise relationships for the sale of motor fuel.

The title establishes protection for franchises from arbitrary or discriminatory termination or nonrenewal of their franchises. A franchisor is prohibited from terminating during the term of the franchise agreement and from failing to renew at the expiration of the term, unless the termination or nonrenewal is based upon a ground specified or described in the legislation and is executed in accordance with the notice requirements of the legislation.

There will be no more John Warrens who read in the paper the first notice of the termination of their franchise, reading in the local paper that they are no longer desired by the franchisor.

The notification requirements of the legislation mandate 90 days advance notice of termination on nonrenewal of a franchise in most cases. Less than 90 days notice is permitted if such shorter notice is reasonable under the circumstances. One hundred eighty days notice is required if the termination or nonrenewal is based upon the withdrawal of the franchisor from marketing of motor fuels in the market area. In the case of withdrawal from a market area, the governors of the affected States must be notified and informed of the plans for such withdrawal.

The provisions of title I are enforceable by private civil action in U.S. District Court. Money damages and injunctive relief are authorized. The legislation places on the franchisor the burden of proving compliance with all statutory requirements.

The bill preempts State law in the subject areas in which the Federal legislation deals.

The Committee on Energy and Natural Resources amended title I of the House-passed version—dealing with franchise protection—in four relatively minor ways.

First. Protection of "debranded" firms: title I of the H. R. 130 defines a franchise in terms of a "trademark" and, therefore, does not offer protection to unbranded jobbers or retailers. Since the basic reference date for allocation controls, May 15, 1973, numerous retailers and distributors have lost the use of refiner trademarks previously granted by their suppliers. These "debranded" firms would also have been denied the protection under title I even though many have continuously maintained the supply agreements with their suppliers that previously existed under a refiner trademark. The committee expanded the coverage of title I to include these "debranded" firms so as to permit them a measure of supply assurance for the future.

The effect of this change is merely to permit supply agreements which, despite subsequent withdrawal of a trademark, have existed continuously since May 15, 1973, to be treated as franchises for the purposes of title I.

Second. Clarification of consignee definition: under the House-passed bill, a distributor includes a person or his affiliate "who receives motor fuel on consignment for consignment or distribution to his own motor fuel accounts."

Many of the committee were concerned that a consignee might be treated as a distributor under H.R. 130 with respect to some accounts but not with respect to others. Rather than attempt to delineate a means of making this distinction as to ownership or control of the accounts, the committee chose to treat a consignee as a distributor regardless of whether the account is that of the consignee or of the supplier.

Third. Supply agreements: a small number of franchisees who market motor fuel are operating under contracts which do not reflect the actual gallonages which the franchisor is supplying the franchisee. For a variety of reasons, the written contracts never have been revised to reflect the actual volume sold. The committee adopted a third change to insure, unless a compelling reason to the contrary is shown, that supply protection under title I would be based on actual volumes supplied under the established pattern of business rather than on gallonages specified in contracts that never reflected or no longer reflect the supply practices of the parties to the contract.

Fourth. Notice of market withdrawal to Governors of affected States: Testimony before the committee indicated that rural areas are the most vulnerable to market withdrawal by major refiner-supplies. Readily available supplies of gasoline are crucial to the way of life and success of commerce in rural parts of the Nation. The committee felt that whenever a supplier is planning a withdrawal from a marketing area, the Governor of affected States shall be notified as early as possible.

The bill was therefore amended by the committee to afford the Governors of affected States advance notice of a franchisor's plans to withdraw from marketing of motor fuel through retail outlets in a relevant geographic market area. The committee expects that this provision will give the States adequate time to arrange for alternate sources of supply in the event of withdrawal of a major fuel supplier.

The ACTING PRESIDENT pro tempore. The Senator's 15 minutes have expired.

Mr. DURKIN. I have talked slower than I thought.

Mr. President, I yield myself 5 more minutes.

The ACTING PRESIDENT pro tempore. The Senator from New Hampshire.

Mr. DURKIN. Mr. President, with respect to the question of withdrawal, even though the provision is primarily directed at the rural areas, what we are seeing develop here across the country is that the withdrawals are not just limited to rural areas anymore.

Withdrawals are impacting on urban areas as well as rural areas, because I think we see here a shift in emphasis. The majors, their oil depletion allowance having been cut back, their transportation being more regulated, we see that the major oil companies are moving into the retail market. It is something that the Congress is going to have to follow rather closely to make sure we do not witness a new set of abuses.

The withdrawal problem is a problem, particularly in rural areas, but also it is becoming more of a problem in some fairly heavily urbanized areas.

Title II of the House-passed bill requires the testing of automotive gasoline by refiners to determine its octane rating and the certification of this octane rating by suppliers and distributors. The Federal Trade Commission is to promulgate a regulation relating to the display of octane ratings and the Environmental Protection Agency is authorized to undertake field samplings and testing of octane. The committee made no amendment to the House-passed version of title II.

Although, personally, I have some questions as to whether title 2 is needed at all.

Although I think that the EPA should spend more time adequately testing those phony figures they promulgate with respect to automobile mileage estimates, I also think that the Federal Trade Commission has their hands full grappling with what we have already given them. While I have the feeling that gas pumps will have to be made out of high-grade titanium steel to support all the things that will have to be hanging off them, the Senate Energy Committee did not make any changes in title 2 of the House bill.

I do think there are a lot more important areas the EPA should be involved in, like toxic substances and the chemicals that are being introduced into our society at an alarming rate. But, nonetheless, the Senate Energy Committee did not tailor or alter title II of the House bill.

The major difference between the bill reported by the Committee on Energy and Natural Resources and the House-passed bill is the inclusion in H.R. 130 by the committee of a title III offered by Senator DOMENICI addressing the issue of motor fuel pricing.

Title III as reported by the committee prohibits the subsidization of motor fuel marketing operations with funds or services derived from other petroluem-related operations. The prohibition applies to individual establishments at any level of motor fuel distribution, including establishments operated by refiners or distributors of motor fuel.

Mr. President, I know in the Senator's State and my State, all across the country, we have the beginning effort of the majors to move into the retailing. They want to control the industry as they control the production and transportation. And what will happen?

They move in and if they are company-owned stations, they sell gasoline—retail—at a cheaper price than the small independent business around the corner can buy it from the refiner or the distributor. I think their grand design is to force all the small businessmen out; to subsidize the company-owned stations unfairly, and force every small businessman out of business.

When they completely control the retain market, then they will charge, literally, what the traffic will bear.

I should point out here that nowhere in the consideration of this bill is there any implication that this is a precursor, or that this is greasing the skids, or making it easier in any way, for Dr. Schlesinger to decontrol the price of gasoline. I know there are plans afoot. Dr. Schlesinger wants to decontrol natural gas, decontrol gasoline. But in no way is this bill a precursor or part and parcel of any attempt to deregulate gasoline—at least on my part, and I know of several others who feel the same way.

The ACTING PRESIDENT pro tempore. The Senator's 5 minutes have expired.

Mr. DURKIN. I yield myself 5 additional minutes.

Title III provides for access to financial information, including transfer prices, discounts, rebates, allowances or other services, by any person who can demonstrate cause for belief that subsidization has occurred.

For purposes of this title, it is presumed that if an integrated motor fuel marketer discriminates in the price charged to his customers compared to what he charges his own internal marketing operation, then he has violated the antisubsidization provision. A complainant may also introduce into evidence his own costs of doing business, and it will be presumed that those costs are identical to the defendant's cost of doing business.

The burden of proof is on the defendant to rebut the presumption of subsidization using any of several defenses available to him, such as a meeting competition defense, cost justification for price differentials, and an initial promotional effort defense.

The provisions of title III are enforceable by private civil action or by the Attorney General. Each violation would be subject to a civil penalty of up to $5,000, injunctive relief, and could result in actual and exemplary damages in an amount equal to three times the actual damages—a certain disincentive to subsidization.

Mr. President, the issue of title III has been a controversial one. The House-passed bill contains no provision which deals with the pricing of motor fuel.

The committee in attaching a title III to H.R. 130 recognized that suppliers of motor fuel have other options besides franchise termination or nonrenewal to put pressure on independent marketers. Franchise protection is adequately addressed in title I of the bill.

Even if Federal standards governing motor fuel franchise tenure contained in title I are enacted, suppliers still possess tremendous leverage to discriminate against marketers by virtue of their control over the price of the fuel which is available. Every Member of Congress has boxes of mail from independent retail dealers and wholesale distributors claiming price discrimination by their suppliers.

The percentage of the gasoline market controlled by refiner-direct outlets is still small, about 12 percent. However, the most recent communication on this issue to the committee by the Department of Energy, a letter dated March 20, 1978, made the following points:

The volume of gasoline sold by all (major and nonmajor) refiners to their open and lessee retail dealers declined 11 percent from 1972 to 1976, while refiners increased their sales to all other classes of gasoline marketers.

The volume of gasoline sold by all refiners through their salaried retail outlets increased by 69 percent from 1972 to 1976.

The volume of gasoline sold by small refiners (those with refining capacities under 175,000 barrels per day) through their salaried retail outlets increased by 86 percent from 1972 to 1976.

The number of salaried retail outlets of refiners with capacities in excess of 100,000 barrels per day increased by 27 percent from 1974 to 1976, with five of those refiners increasing the number of their salaried retail outlets by 70 percent over those 2 years.

The trend—and it does not take too sophisticated an analysis to detect this trend—toward more refiner-operated outlets and fewer independent retail dealers is clear from the available data. These trends were considered sufficient reason by the committee to legislate in the area. The title III reported is the result.

The ACTING PRESIDENT pro tempore. The Senator's time has expired.

Mr. DURKIN. I yield myself 5 additional minutes.

As I said earlier, it is a problem. The majors are going into the marketing of fuel, and they can force the ma and pa gas station out of business.

If they can drive the independent small-business men and women all over this country who are running these gas stations out of business, then the friendly oil company, the friendly majors, will control everything from the wellhead—to the transportation of oil, to the retail marketing of oil. Now they are buying Montgomery Ward, and they probably will sell you the seat covers for the car. They are trying to buy insurance companies, and they will probably sell you insurance for the car. We have a situation in which, all the way from the wellhead to your steering wheel, you are forced to do business with the same friendly oil octupus.

Mr. President, this is a complex bill that attempts to address a problem which has been part of the public debate on energy since 1973. It has been literally years since the first dealer-day-in-court bill was introduced in the U.S. Congress. If my memory is correct, I think it was

Senator Philip Hart, about 15 years ago, who started down this road.

It is time that Congress took action. I hope the Senate will vote today or tomorrow in favor of this measure, which is equal to the task, and which is something we have all wished to accomplish for so long.

It may well be years before Congress is this close to enactment of legislation dealing with the problems of independent retail and wholesale motor fuel dealers. I hope the Senate will vote legislation today which is equal to the task we all wish to accomplish.

Mr. President, I reserve the remainder of my time.

Mr. JACKSON. Mr. President, I take considerable pleasure in supporting H.R. 130, the Petroleum Marketing Practices Act. To appreciate the significance of this legislation, it must be considered title by title, for H.R. 130 is a package of solutions to three important problems.

First, the need for title I of H.R. 130 is best understood by stepping into the shoes of the typical local franchised service station operator. More likely than not, he is a lessee dealer, meaning that his franchisor owns the service station from which he operates. In addition, the franchisor, by definition, owns or controls the trademark posted at the station and sewed on the dealer's uniform. Furthermore, the franchisor is usually the exclusive supplier of motor fuel to the dealer.

In short we have an independent small businessman who must negotiate with an oil company for his trademark, the lease on his premises, and his supply of product. It is difficult to imagine a greater disparity in bargaining power in the marketplace.

The result is predictable. The franchisors have dictated the terms of the franchise agreements and even imposed marketing policies on the dealers that are against their own economic interests. If the supplier wants the dealer to operate 7 days a week, 12 hours a day, he has the leverage to require it. If the franchisor does not want certain products sold in the dealership, he has the leverage to remove them. What is the basis for this leverage? The franchisors hold the ultimate weapon—the threat of arbitrary termination or nonrenewal of the franchise, leaving the dealer with no station, no product to sell, and the trademark insignia ripped off his uniform.

The purpose of title I is to eliminate this arbitrary disenfranchisement, to establish fair and reasonable conditions under which a franchisor is permitted to terminate the franchise or to fail to renew it.

As one would expect, the gasoline dealers across the country support title I. And just as important, most of the oil companies also support title I. One might ask why the oil companies would willingly accept a restraint on their contractual powers? The answer is simple—State legislatures, reacting to the pleas of disenfranchised dealers, enacted State dealer protection laws. The patchwork of these State laws has become a serious encumbrance on the franchisor-gasoline suppliers, so much so that they are willing to accept the restrictions of title I in return for uniformity of laws across the Nation. And I believe the oil companies recognize that title I is fair to franchisor and franchisee alike.

But do not for a moment think that the coincidence of interests among the various factions, and that the strong vote of 404 to 3 in the House for title I, resulted in easy movement through the Congress. It has not been that easy. Many individuals, in particular, Charles Binsted of the National Congress of Petroleum Retailers, deserve credit for literally years of work to construct this compromise package that effectively addresses a serious national problem.

In summary, I ask my colleagues in the Senate to consider and adopt the dealer protection provisions of title I.

Second, let me say a few words about title II which provides for octane disclosure at the gasoline pump and consumer information on the octane needs of automobiles. This is, I think, a noncontroversial title. The committee did not amend the House-passed version at all. Nevertheless, it is an important piece of legislation. Upon enactment of this title, any motorist who drives into a gasoline station will have the following information at his disposal:

First, he will find the actual octane rating of the gasoline, based on a uniform national standard, displayed at the pump. At present, there is no uniform national standard and it is not required to be disclosed at every pump.

Second, he will also find displayed on his automobile the manufacturer's recommended octane rating for his particular automobile.

The result is that motorists can assure themselves that they are not overbuying octane, a practice that unnecessarily costs the consumer extra money. In addition, matching automobiles to the correct gasoline, based on octane number, will save energy. High-octane gasoline requires more energy to produce than low-octane gasoline.

The Federal Trade Commission and Environmental Protection Agency will test the octane ratings posted at the pump and enforce the provisions of this title. In short, Mr. President, the appeal of title II is compelling and I urge my colleagues to adopt it.

In addition, Mr. President, I strongly supported the inclusion of a title III in the version of H.R. 130 reported by the Committee on Energy and Natural Resources. The enactment of effective legislation to address the problems faced by independent retailers and distributors of motor fuel is the responsibility of the 95th Congress. The committee bill, including title III, is an attempt to carry out that responsibility.

The problems of these independent businessmen, required as they are to compete with the largest corporate entities in the world, have been before the Congress for many years. We are close to enactment of fundamental legislation establishing minimum Federal standards governing the tenure of franchise relationships.

In my view, it would be a tragedy if the Congress let this opportunity pass without enactment of legislation which fully addresses the problem of independent gasoline dealers. Such legislation must deal with the ability of suppliers of motor fuel to use price to discriminate against independent dealers.

It is for this reason that I chose to support Senator DOMENICI when he offered the version of title III contained in the committee bill.

It is obvious to anyone who has kept track of his mail, let alone the statistics published by the Department of Energy, that the independent gasoline dealers in this country are in trouble. Over 35,000 independent gas stations closed between 1972 and 1976. During the same period the volume sold through outlets operated directly by refiners has increased by 69 percent.

The gasoline market has totally changed since the pre-embargo period. The fundamental cause of change in the system has been the disappearance of surplus, low-cost domestic petroleum. The history of the U.S. petroleum industry prior to the embargo is a history of attempts to manage chronic overproduction domestically. The oil companies responded to an environment of continuing crude oil surplus by encouraging the creation of a vast, loosely controlled system to market the refined products produced from their crude oil. The resulting glut of gasoline insured a ready supply of low-cost product and a proliferation of retail establishments designed to move fuel to the consumer quickly. Growth in income and automobile ownership insured that demand for the product would keep pace with the ability to supply it.

The oil embargo of 1973 signaled an end to the period of cheap, plentiful gasoline and rising demand. From now on it is clear that there will be increasing competition among refiners, distributors, and retailers for the revenue available from the sale of the gasoline and diesel fuel produced in domestic refineries or imported from abroad.

Historically, integrated refiners have generally not required the "downstream" sectors of their business to produce significant profits. Crude oil and, in some cases, refining profits have compensated for low profitability in marketing. Future profit opportunities in all sectors of the business are now far different. The likely prospects for the immediate future are a loosening of Federal controls on marketing and refining, but continuation of intervention by governments—our own and those of other oil-producing countries—in the pricing and therefore the profitability of crude oil production. These policies will increase pressure to make petroleum marketing in general, and motor fuel marketing in particular, yield far more competitive returns than they have in the past.

The struggle among refiners, distributors and retailers for profits from the distribution of motor fuel is a long way from being an equal one. Refiners exercise almost total control over the supply and price of fuel.

Moreover, there is no effective legal remedy for an independent marketer

when predatory pricing policies are implemented by a supplier who has his own direct outlets. The Robinson-Patman Act does not clearly prohibit price discrimination involving direct outlets. A refiner or distributor supplier is free to charge his own company-operated outlets a lower effective price for fuel—and thus to subsidize prices offered through those outlets—relative to prices charged other independent businessmen in arms-length transactions.

The committee's bill attacks subsidization directly. It is one of several possible approaches to the problem. I do not claim that it is the best approach, only that the Senate ought to go to conference with a strong provision addressing price discrimination. If we are silent on this issue, we will be ignoring the most serious problem the dealers will face in the coming years. We will have done much less than we should to insure that a vigorous, independent, competitive gasoline marketing industry is in existence when the present period of transition in the energy situation has passed.

Mr. DURKIN. Mr. President, I yield 30 seconds to the Senator from Ohio.

Mr. METZENBAUM. Mr. President, I commend the leadership of the distinguished Senator from New Hampshire, who has put so much into this legislation. He has worked arduously in order to remedy a problem that exists in this country. I think all of us owe him a great debt of gratitude for his efforts in this particular legislation as well as in many others.

Mr. HANSEN. Mr. President, today we are considering legislation that can only be characterized as special interest legislation. This legislation is designed to protect certain businesses at the expense of other business and the consumer.

Our balance of trade deficit shows that America is failing to compete in the world markets. This deficit cannot be blamed solely on our oil imports. Look at Japan, which imports every drop of oil that they use, and yet has a huge surplus in its balance of trade. There must be another reason for this deficit. That reason is the failure to increase productivity in the American workplace. This lack of increase in productivity is also one of the major causes of inflation.

The effect of title I of this legislation is to protect inefficient operations and keep them from going out of business. This will not only victimize the consumer, for it is he who ultimately subsidizes this inefficiency, but will victimize other small businesses as well.

I ask unanimous consent to print in the RECORD a letter from the Wyoming, Colorado, and New Mexico Petroleum Marketers Association.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(See exhibit I.)

Mr. HANSEN. Mr. President, while title I discussed above is mildly anticompetitive, title III is nothing short of disastrous to the consumer. By giving any dealer a cause of action against his supplier, and by reversing the burden of proof, we would prevent anyone from offering lower prices to the consumer. Facing the prospect of certain and costly litigation, no one would dare offer competition in the marketplace. Such an analysis of this legislation is supported by comments that were received from both the Department of Justice and the FTC.

Mr. President, I ask unanimous consent that letters from the Department of Justice and the Federal Trade Commission be printed in the RECORD at this point.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(See exhibit 2.)

Mr. HANSEN. Mr. President, I shall quote very briefly from the letter from the Department of Justice:

> The fundamental assumptions of this bill continue to be that lower retail prices for gasoline are not in the public interest when generated by integrated rather than non-integrated firms, and that restricting the behavior of integrated firms will promote rather than impede competition. As we indicated in our letters to you of December 6, 1977 and March 28, 1978, our analysis of the evidence currently available does not suggest that such low prices are having anticompetitive effects in the retail motor fuel market.

The Department of Justice goes on to say:

> In addition, as we have indicated previously, we believe that limiting the pricing flexibility of integrated firms could significantly impede the functioning of competition in the motor fuel market, thereby potentially increasing the cost of those products to consumers. By exposing integrated oil companies to the substantial risk of lengthy and expensive litigation, prior proposals have sought to discourage such firms from reducing their prices. In our view, the end result of such constraints could well have been a system of "cost plus" pricing, with consumers having to bear the effects of a continuous upward price spiral. The prospect of such effects and the absence of any evidence justifying their costs compelled our opposition to the enactment of prior draft versions of this bill. Unfortunately, the instant proposal does not eliminate the causes of our prior concern.

One other aspect of this legislation needs to be explored. I understand that amendments may be offered to this legislation to amend the laws for gathering energy information. Such an amendment would be neither necessary for nor relevant to this legislation.

The Energy Committee currently is studying the energy information question. The conferees on the coal conversion conference committed the committee to bring this question up in connection with the DOE authorization bill this year, and the staff is currently examining several proposals. Mr. Lincoln Moses, Administrator of the Energy Information Administration of the Department of Energy, has submitted a comment to us on one such proposal and I ask unanimous consent that it be printed in the RECORD.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(See exhibit 3.)

Mr. HANSEN. Mr. President, given the fact that the committee is considering this question and that it has no particular relevance to this bill. I hope that my colleagues will point me in opposing any such amendment.

EXHIBIT I

H.R. 130: PETROLEUM MARKETING PRACTICES ACT

The Colorado, Wyoming and New Mexico Petroleum Marketers Associations represent over 800 independent petroleum distributors, jobbers, commission agents, and LP gas dealers. Through these independent wholesalers, we also represent in excess of 3,500 service station operations.

The main purpose of our Association is to protect the small independent petroleum marketers, all of whom are independent businessmen, from all unjust exactions, whether governmental, regulatory or supplier caused.

The proponents of H.R. 130 continuously fail to understand that the "franchise protection" clauses of Title I of the bill so severely limit the jobber's control of his property and business that, in our opinion, it borders on illegal interference in the jobber/wholesaler's right to conduct his independent business in a free, legal and orderly fashion. In short, Title I gives a service station dealer legally-sanctioned squatter's rights on a portion of someone's else's independent business, and will drastically hinder the jobber/wholesaler's chance of survival. (Title II and Title III, if deemed significant, should be handled by separate legislation.)

Perhaps the failure to recognize this stems from the lack of a true understanding of the unique reasons a jobber acquires outlets in the first place.

A jobber is essentially a wholesaler of petroleum and related products—primarily gasoline, diesel fuel, heating oil, tires, batteries and accessories. Much of his income is derived from distributing these products to service stations where they will be sold to the consuming public. In years past, he has decided (often with the encouragement of his supplier) to expand his business through the ownership or long-term leasing of retail outlets (service stations) to enhance the profitability of his company.

This is entirely different from the person who invests in independent apartment houses, warehouses, etc. In those cases, the owner predicates his investment on a certain gross return. He charges the resultant rent on a flat basis, collects it and is little concerned with who the tenant is, so long as his property is not damaged and the rent is paid when due. These are simple operations where each can be inspected and evaluated on separate bases.

The jobber, on the other hand, does not expect to make money merely from the ownership of the station. (If ownership of a service stations was a truly attractive business investment, more dealers would be buying them, rather than pursuing "franchise protection.") To the jobber, the business value of his investment lies in the fact that it increases the number of gallons of product he distributes.

The service station is not an investment separate from or in addition to his wholesale business—it is an integral part of that wholesale business. The jobber did not make the station investment to be an arm's length landlord. On the contrary, he made it as an adjunct to his total company's wholesale operations.

It was for these reasons he surrendered himself to many long-term financial commitments. He therefore must be able to immediately change a dealer operation (regardless of whether a dealer is good or bad) to reflect economic and business conditions that are dictating alternate methods of operation of the station to better realize sufficient total earnings, so these long-term commitments can be adequately honored.

Because the successful operation of an outlet (whether dealer, salaried or consign-

ment) has a direct influence on the end result of the jobber's total business venture, the jobber is very selective of which mode of operation he chooses at any given point in time for each separate location. Furthermore, he must, because of the volatile nature of the marketplace, be able to maintain complete flexibility in order to respond to subsequent market and economic conditions by changing these modes.

We must recognize that the jobber outlet operation is a far cry from a typical "Chicken Delight" franchise.

This type of legislation is destroying the independent petroleum jobber/wholesaler industry. The uncertainties thus created reduce the negotiability of his business to a most dismal level—including his ability to attract additional long-term financing.

This type legislation (and the uncertainties) are greatly reducing the opportunities for dealer individuals with limited capital to go into business for themselves. This type legislation (and the uncertainties) are mandating a massive conversion to self-serve.

It is the considered opinion of the Colorado, Wyoming and New Mexico Petroleum Marketers Associations that H.R. 130 is a blight on the freedom of independent enterprise, and we respectfully submit it should be defeated in its entirety.

Respectfully submitted,

RICHARD F. BARTLETT,
Executive Vice President.

EXHIBIT 2

DEPARTMENT OF JUSTICE,
Washington, D.C., May 3, 1978.

Hon. CLIFFORD P. HANSEN,
U.S. Senate,
Washington, D.C.

DEAR SENATOR HANSEN: This is in response to your letter of April 14, 1978, to the Attorney General, requesting the views of the Department of Justice on the amended version of Title III of the proposed "Dealer Day In Court" legislation recently adopted by the Senate Committee on Energy and Natural Resources.

As you note in your letter, this amended version of Title III is similar in most respects to the version of this legislation which we reviewed in our letter to you dated December 6, 1977. Section 301 of the recently adopted version of this bill contains a congressional finding that unfair competition in petroleum marketing can occur when any firm can use profits earned at another functional level of the petroleum industry to "subsidize" low prices at the retail level. In order to prevent such practices, section 302 would prohibit any person engaged in commerce, in the course of such commerce, who also engages in exploration, production, refining, or wholesale distribution from subsidizing any of his motor fuel marketing operations. Section 307 defines the offense of subsidization as "supporting financially" a petroleum marketing or distribution function with funds or services received from other petroleum related sources. Section 303 requires all firms operating at more than one level in the petroleum industry to make the transfer prices between each level of the firm's petroleum functions available to any person, if that person can demonstrate that sufficient cause exists to believe that the multi-function firm has violated section 302. This section also requires the disclosure of the amount and the nature of all discounts, rebates and allowances among the various levels of any multi-function firm's operation in similar circumstances.

This version of Title III differs from previous drafts in two important respects. First, section 305 would establish a rebuttable presumption that a defendant's cost of motor fuels of like grade and quality and of carrying out any market function are the same as those of a complainant. Under this section, a complainant could presumably establish a prima facie case by providing that a multi-level firm was selling any given type of motor fuel at a price below that of the complainant. The multi-level firm could refute this prima facie case if it established either that it paid a lower price for its supplies of the type of motor fuel in question under the terms of section 304, or that its costs of carrying out the market function in question were in fact lower than those of the complainant. Second, in addition to providing for a cost justification defense, section 304 would now allow the differences between an integrated firm's transfer price and the costs of a non-integrated competitor to be defended on the ground that such differences represent either a good faith effort to meet an equally low price of a competitor, or that they result from a promotional effort to enter a new market, provided that subsidization ceases within 60 days of the initial market area entry.

Section 306 would provide a number of enforcement mechanisms including civil penalties of $5,000 per violation, actions for injunctive relief brought by the Attorney General at the request of the Secretary of Energy, and injunctive and treble damage relief brought in a U.S. District Court by a party injured by violation of this Title. The current section 306 would also eliminate the criminal penalties contained in the earlier draft, a change which seems clearly appropriate in light of the vague nature of Title III's prohibition against "subsidization" of retail operations.

Your letter requests the Department's views on this proposed legislation and, in particular, on whether or not the language of Title III would make that provision applicable to "intrastate" companies. Because this version of Title III is in most respects identical to the version of Title III reviewed in our letter to you of December 6, 1977, this letter is limited to an analysis of differences between that bill and the current version of Title III and the jurisdictional issue raised in your letter.

The fundamental assumptions of this bill continue to be that lower retail prices for gasoline are not in the public interest when generated by integrated rather than non-integrated firms, and that restricting the behavior of integrated firms will promote rather than impede competition. As we indicated in our letters to you of December 6, 1977 and March 28, 1978, our analysis of the evidence currently available does not suggest that such low prices are having anti-competitive effects in the retail motor fuel market.

In addition, as we have indicated previously, we believe that limiting the pricing flexibility of integrated firms could significantly impede the functioning of competition in the motor fuel market, thereby potentially increasing the cost of those products to consumers. By exposing integrated oil companies to the substantial risk of lengthy and expensive litigation, prior proposals have sought to discourage such firms from reducing their prices. In our view, the end result of such constraints could well have been a system of "cost plus" pricing, with consumers having to bear the effects of a continuous upward price spiral. The prospect of such effects and the absence of any evidence justifying their costs compelled our opposition to the enactment of prior draft versions of this bill. Unfortunately, the instant proposal does not eliminate the causes of our prior concern.

In an effort to ameliorate one of the unnecessarily anticompetitive features of prior versions of this bill, the latest proposal would permit a defendant in a Title III proceeding to avoid liability if he could establish either that his low price was made in good faith to meet an equally low offer made by a competitor or, under certain circumstances, that that price resulted from a promotional effort to enter a new market. Presumably, this change would permit a person subject to the prohibitions of Title III to respond competitively to a pricing challenge in a particular locality.

However, the salutary purpose of the addition of a "meeting competition" defense would be more than offset by the anticompetitive effects of the addition of section 305(b). That section would provide a rebuttable presumption, for the purpose of proving a violation of section 302, that a defendant's cost of motor fuels of a particular grade and quality and of carrying out marketing functions are the same as those of a complainant. This presumption is designed to facilitate the comparison of costs and prices necessary to determine whether price discrimination has in fact occurred.

But, this presumption extends the concept of price discrimination far beyond its origins in the Robinson-Patman Act, since it would encompass the comparison of transactions involving totally unrelated sellers. In contrast, the Robinson-Patman Act limits such comparisons to different sales by the same seller. While the limited comparison of the Robinson-Patman Act might be justified on the assumption that any single firm may be capable of supplying two similar firms in similar transactions at about the same cost, this assumption alone would not be sufficient to support the comparison authorized by section 305(b). Indeed, this section could only be justified if any two firms would incur roughly the same costs supplying any two purchasers in totally unrelated transactions. We do not believe that the facts support this assumption.

The anticompetitive impact of section 305(b) becomes clear when this provision is taken together with the provisions of section 305(a) placing the burden of proving any defense on the defendant, and the lack of any requirement, similar to that found in the Robinson-Patman Act, that a potential plaintiff establish that the effect of a difference in price may be to substantially lessen competition or to injure competition with any person who grants or receives the benefit of that discrimination. The effect of this proposal would be, in essence, to forbid any multi-function firm from undercutting the price of any non-integrated firm anywhere in the country, unless the multi-function firm were confident that it could justify that reduction to a court's satisfaction. This reduction in the pricing flexibility of multi-function firms would lead to the same problems which prompted us to oppose earlier versions of this proposal.

In your letter you also requested our views as to whether or not Title III, as presently phrased, would apply to "intrastate" firms. The jurisdictional language of Title III, contained in section 302, forbids "any person engaged in commerce . . . in the course of such commerce . . ." to subsidize his motor fuel marketing operations. This language is similar to the jurisdictional language of many of the provisions of the Clayton Act including § 2, § 3, and § 7 of that Act.[1]

In interpreting this language in the context of the Clayton Act, courts have consistently held that by using this language rather than the broader language of the Sherman Act, Congress must have intended to restrict the applicability of these statutes more narrowly than the Sherman Act. Thus, courts have refused to apply the "affecting commerce" test of the Sherman Act in Clayton Act cases to reach intrastate firms whose actions produce significant effects on inter-

[1] 15 U.S.C. §§ 13, 14, and 18.

state commerce.[2] As a result, while the precise limits of the jurisdictional reach of Title III, as presently phrased, are unclear,[3] it is likely that Title III, as presently phrased, would not apply to the actions of a wholly intrastate firm, even if those actions significantly affected interstate commerce.[4]

For these reasons, the Department of Justice opposes enactment of the draft Title III as attached to your letter of April 14, 1978.

The Office of Management and Budget has advised this Department that there is no objection to the submission of this report from the standpoint of the administration's program.

Sincerely,

PATRICIA M. WALD,
Assistant Attorney General,
Office of Legislative Affairs.

FEDERAL TRADE COMMISSION,
Washington, D.C., May 4, 1978.

Hon. CLIFFORD P. HANSEN,
U.S. Senate, Committee on Energy and Natural Resources, Washington, D.C.

DEAR SENATOR HANSEN: In your letter of April 14, 1978 to Chairman Pertschuk, you requested that the Commission's Bureau of Competition comment upon Title III of the April 10 amended version of H.R. 130, the "Dealer Day in Court" legislation, as reported by the Senate Committee on Energy and Natural Resources, S. Rep. No. 95-731. We have commented on earlier versions of this Title by letters to you of December 7, 1977 and March 3, 1978.

OVERVIEW

In our view, enactment of Title III, as presently constituted, would be a mistake. Ostensibly the legislation is aimed at protecting the viability of independent gasoline marketers and preserving the benefits which consumers derive therefrom. In actuality, however, Title III's near-term protection of so-called branded independent dealers from perceived price discrimination may accelerate, in the longer run, the downstream integration of major refiner suppliers into direct ownership and control of retail outlets. Furthermore, Title III will lead to less flexibility and movement in prices and margins and will deprive consumers of the benefits of much of the price and service competition that presently exists, particularly in the area of intra-brand competition.

Title III may also have an adverse effect on the viability of so-called independent refiner/marketers. This latter group—the true independents—is the segment of the industry that has traditionally been the source of the greatest innovation in marketing techniques and has long been, particularly prior to the complexities of the present price control and allocation regulations, the acknowledged leader in price competition. In addition, Title III is confusing and complicated and will lead to time-consuming recordkeeping and litigation which may sap any remaining competitive vigor in the gasoline marketing industry. The accounting complexities inherent in any enforcement of the legislation raise serious doubts about Title III's workability—a point we emphasized in our prior communications regarding other versions of Title III.

The plight of the branded independent dealer is, of course, of substantial public concern. The integration of major refiners downstream into dealer operations through company owned and operated outlets could well enhance the majors' ability to translate their market power into higher prices. On the other hand, the majors' operation of heavily advertised nationwide chains of franchised dealers—particularly as exemplified in the 1960's and early 1970's—was unnecessarily inefficient and costly, and those costs were generally passed on to the consumer. The apparent decision by major refiners to reduce the number of franchised dealers and to otherwise control the costs of downstream operations is, on the whole, a healthy development. Care must be taken, however, to see that the consequent cost savings are passed on to the consumer and that the major refiners do not attain undue market shares in direct retailing operations. One way to ensure against the latter is to undertake measures to preserve the viability of the truly independent segment of the business as a counterpoint to the majors.

MECHANICS

Although the mechanics of Title III are not entirely clear, we understand that it will work in approximately the following fashion. Any person who claims to be injured by subsidization may bring a civil action (§ 306(c)). To prevail, the plaintiff must demonstrate that the defendant markets petroleum products through owned or controlled (but not simply franchised) outlets and also either explores for, produces or refines crude oil or distributes petroleum products wholesale (§ 302, 307(b)). The plaintiff must also demonstrate that the defendant has "support[ed] financially a particular petroleum marketing or distribution function (retailing or wholesaling) or localized component of that function with funds or services received [i] from petroleum-related sources other than such petroleum marketing or distribution function or [ii] from other geographical operations of such function" (§ 307(a)). The plaintiff evidently is not required to demonstrate that the defendant's marketing or distribution function as a whole or its localized component is actually unprofitable, only that it is "supported financially."

If the plaintiff "can demonstrate to a court of competent jurisdiction cause for belief that there has been a violation," then the defendant must make available to the plaintiff a list of the transfer prices, discounts, rebates, allowances, services and facilities which the defendant has offered in the plaintiff's market area (§ 303). (It is unclear whether an injured party can also obtain this transfer price and other information through court action prior to actually filing a complaint.) To establish a prima facie case, the plaintiff need only show a difference between his purchase price and his supplier's internal transfer price or in the amount of discounts, etc. received (§ 305(b)). The defendant's motor fuels and marketing costs are rebuttably presumed to be the same as the plaintiff's (§ 305(b)).

Although the plaintiff must prove injury to himself and establish a causal nexus between the violation and the injury (§ 306(b)), the plaintiff evidently need not demonstrate any adverse effect upon competition. The defendant has three possible affirmative defenses: cost justification (§ 304(a)), good faith meeting of competition (§ 304(b)), and a sixty-day exemption for "a promotional effort to enter initially a new market area" (§ 304(c)).

IMPACT ON CONSUMER PRICES

One of the most immediate and objectionable features of Title III is its likely enhancement of prices at the pump. Whether or not it is actually "subsidizing" marketing operations with profits made in marketing operations in other geographic areas or in crude or refining operations, the partially or wholly integrated firm will be reluctant to run the risk of suit. To the extent that its internal transfer prices have been less than its prices to non-owned or controlled wholesalers or retailers, the internal prices may well be raised and passed through to the consumer. This phenomenon could occur even though the lower prices were never intended to be predatory and were not likely to substantially harm competition.

ELIMINATION OF PRICING FLEXIBILITY

Another likely result of Title III is to impose a rigidity in pricing practices. Refiner/marketers will be less likely to grant discounts or selectively change prices in anticipation of increasing market share. This phenomenon will particularly impede independent refiner/marketers whose pricing practices have frequently provided the only stimulus to price competition in marketing. Despite the "meeting [but, presumably, not beating] competition" defense, firms will be effectively inhibited from freely responding to actual or perceived market forces. Barriers to geographic expansion and downstream entry will be erected. The 60-day promotion defense is much too short and limited to "initial market area entry" to effectively mitigate these barriers.

EQUAL COSTS RESUMPTION AND COST JUSTIFICATION DEFENSE

One of the more questionable provisions in Title III is the presumption that the plaintiff's and the defendant's motor fuel costs and costs of carrying but any marketing function are the same. The public record in this area is replete with evidence that motor fuel costs vary substantially from region to region, from time to time, and from quantity to quantity. The record also indicates that wholesaling and, even more so, retailing may differ widely in costs of operation. For instance, a refiner-owned high volume station may be far less costly to operate per gallon than a low volume branded independent retail outlet operating under that refiner's brand. Advertising, other ancillary services offered, credit cards, etc., will all affect the costs of wholesale and retail operations.

As with earlier versions of Title III, the accounting complexities involved in proving a violation would make the basic approach of this Title largely unworkable. The presumption that the plaintiff and the defendant incur the same costs in marketing motor fuel will not avoid litigation of this complex question because the cost comparability issue will invariably be raised by the defendant.

As a practical matter, at least, the theoretical availability of a "cost justification"

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[2] *See, e.g.*, U.S. v. American Building Maintenance Industries, 422 U.S. 271 (1975). In that case the United States Supreme Court specifically noted that although Congress amended § 7 of Clayton Act in 1950, it did not see fit to change the jurisdictional language of that section. Thus, the Court in that case concluded that Congress must have been satisfied with prior interpretations of that language limiting its applicability to firms actually engaged in interstate commerce. On the basis of this rationale, that Court would probably view any use of this language in new legislation as intended to achieve the same result.

[3] For example, it is not clear whether a complaint purchasing fuel from a multifunction firm in an intrastate transaction could invoke the protection of Title III where the subsidized retail outlet was in another state. *See* Moore v. Mead's Fine Bread Co., 348 U.S. 115 (1954) (holding the price discrimination provisions of § 2(a) applicable where either of the sales was made in the course of interstate commerce, but relying expressly on the language of that statute requiring that result). However, since few integrated firms produce, refine and market significant quantities of oil solely within any one state, this may be a theoretical concern.

[4] *See, e.g.*, U.S. v. American Building Maintenance Industries, *supra* note 3, *and* Gulf Oil Corp. v. Copp Paving Co., Inc., 419 U.S. 186 (1974).

defense is of little consolation to the refiner/marketer. In traditional Robinson-Patman litigation, such a defense is normally so costly and time-consuming to prepare that it is seldom pursued and even more rarely successful.

EFFECT UPON DOWNSTREAM INTEGRATION

One unfortunate irony is that Title III may eventually lead to the very result it is principally aimed against—further integration by the majors into company-owned retail operations. Given Title III's inhibition upon the pricing and marketing flexibility of the dual distributor, as well as the accompanying record-keeping burdens and ever-present threat of suit, the major company may choose to accelerate its conversion to all company-owned retailing. At present, major refiners are willing to forego more rapid conversion to controlled outlets because the price differential charged branded independent outlets adequately compensates for the direct retailing revenue foregone by such refiners. Were the differential to dry up, refiners would have the incentive to invest the capital necessary to market as much refined product as possible through controlled outlets to the exclusion of branded independent retailers. To the extent that Title I will limit the pace at which a refiner can convert branded independent outlets to company-owned outlets, the refiner may construct de novo company-owned outlets instead.

CONCLUSION

In sum, there are so many mechanical complexities and competitive problems associated with Title III that a different legislative or administrative solution should be developed.

I hope the foregoing comments are of assistance to you. If I can be of further help, please do not hesitate to call on me.

Very truly yours,

ALFRED F. DOUGHERTY, Jr.,
Director, Bureau of Competition.

EXHIBIT 3

COMMUNICATION FROM ENERGY INFORMATION ADMINISTRATION

EIA is prepared to collect the FRS under ESECA 11(d) authority without the legislation of Section 303. That language would have sweeping adverse consequences on EIA's ability to collect statistical information from many of its respondents. Gas station operators, individual householders and small business men furnish energy data of great importance in policy formation and assessment. Such respondents should not be asked to cooperate and, at the same time, be told that their responses will be individually accessible to the Department of Justice, etc. Moreover, when they are so informed, it chills their responsiveness, inducing delay and high non-response rates.

EIA believes that 303 should be dropped on the basis of EIA's firm commitment to collect FRS under ESECA 11(d).

STATEMENT

Introduction

The Energy Information Administration (EIA) under the law has two kinds of information gathering and dissemination responsibilities. One of these is to support regulatory, enforcement and adjudicatory Federal activities within and outside the Department of Energy. The other function is to provide information for the support of policy formation and, more generally, to provide a solid factual basis for understanding the energy situation in its many dimensions, including exploration, development, production, transportation, processing, distribution, sales, prices, costs, profits, reserves and so forth.

Both these purposes are central to EIA's mission. The regulatory process generally calls for access to information on an individually disaggregated case basis. Statistical-analytical processes typically do not call for access to individually disaggregated data; by their nature, statistical processes address aggregate questions. (However, effective data collection and analysis for general statistical purposes does sometimes require maintaining individually identifiable records for follow-up validation, for drawing samples, for longitudinal studies and for other like needs.)

EIA unreservedly accepts responsibility to gather information for both purposes: support to regulation and enforcement; and statistical support to the policy and information processes of the Government and the public; both lines of activity have been clearly mandated by the Congress.

In carrying out these duties we note that there is a natural tension between these two purposes.

Where information is collected for the purpose of possible prosecution, the respondent is necessarily cautious. He is in a defensive position. He is inclined to delay, to seek review, perhaps by his counsel or his accountant; he is likely to produce guarded or slanted responses. Experience shows that under these conditions "estimated" responses are more common; missing elements in returns are more common; revisions to previous estimates are more common. Finally, litigation may cause delay and may encourage respondents to send in minimal data in order to litigate the degree of compliance that is legally necessary.

Thus, maximum support to the regulatory process encumbers the statistical/analytical/policy informing process.

On the other hand, maximum support to the statistical function, obtainable perhaps under a statute like that which governs activities of the Bureau of the Census, provides little support to the regulatory function.

It is clearly desirable to find a way of serving both functions well, not slighting either to facilitate the other.

Before addressing that question more closely it is worthwhile to review Federal experience in coping with this problem of trade-offs between the two purposes.

Background from other agency experience

Two of the Federal Trade Commission's bureaus nicely illustrate the same problem. The Bureau of Economics operates, among other things, the Line of Business reports, essential to understanding concentrations and profits within particular industrial sectors. That Line of Business reporting system is intended to promote understanding of particular industries, otherwise strongly obscured by the cross-industry aggregation of revenues and outlays in the operating statements of conglomerates. The product of the Line of Business reporting system is the ability to follow profitability, concentration and, by inference, the competitive status of particular industries, not individual companies. Although the information has been furnished by individual companies, the product is an understanding of whole industries. A second bureau in the Federal Trade Commission is the Bureau of Competition. Its program is, doubtless, informed by industry-wide statistics like those coming from the Line of Business reports. But to perform its enforcement and prosecutorial functions the Bureau of Competition must have individually identifiable company data.

With legal authority, the Federal Trade Commission forbids the Bureau of Economics to release individual respondent data from the Line of Business survey to the Bureau of Competition or any other part of the Commission.

By law, the Bureau of the Census is forbidden to release individual respondent data to any Federal agency, even to the Congress.

By regulation, the Bureau of Labor Statistics has declined to disclose individual respondent data to other Federal agencies except for statistical, analytical or survey design work.

Such provisions in law and practice have favored the acquisition of timely and accurate Government statistics, serving the public interest in that way, while obstructing certain particular avenues to facts which might aid in prosecutions, albeit such access, too, would serve the public interest. These provisions in the law grew from experience; they stand as strong evidence that a single statistical system which serves either of these purposes aggressively must serve the other only weakly.

Energy information administration experience with trying to operate a dual purpose single system

The first example somewhat predates the establishment of the Energy Information Administration but bears squarely on its present work. The Form 40 of the Federal Power Commission was, for a period of some years, tied up in litigation at the appellate level. During that entire time the data on the Form 40 was unavailable to the Federal Power Commission or anyone else for statistical purposes.

The second relates to the conditions under which EIA's Financial Reporting System could be pretested. This complicated form, calling for thousands of individual data items from the major oil company respondents, could not responsibly be thrust upon the industry without first being pretested to see whether it would actually work. In order to conduct a pretest it was necessary to secure—without first going through the courts—the cooperation of some of the oil firms. EIA approached eight of the major firms and seven of them agreed to make the investment of time and energy necessary to try out our form, with a view to perfecting the many deficiencies which would, undoubtedly, appear in the pretest. Then one of these firms (Exxon) asked that it receive assurance from our General Counsel that the information that they furnished in this pretest would not be used against them in any proceeding but would only be used for the purposes of developing the form. They made this a condition of their cooperation. EIA approached both the Administrator of the Economic Regulatory Administration (ERA) and the Chairman of the Federal Energy Regulatory Commission (FERC) and, in each case, secured their consent to provide this assurance with regard to test data. Their reasons were the same as ours. It was desirable to get the form pretested without first testing the whole idea in court.

The third item from recent experience relates to the representations at the recent Department of Energy hearing on the subject of Confidentiality. There a number of firms, both large ones and small ones, expressed their opposition to the sharing of statistical data wtih regulatory agencies. A number of them also indicated their resolve to test this in court, should sharing be instituted.

The fourth instance relates to EIA–8, the survey of retail gasoline merchants. We have had severe problems with non-response. To some extent this is due to defects in the form. To some extent the non-responses result from alarming articles published in some of their trade newsletters, which indicate—truthfully—that these forms can be accessed by ERA and used to prosecute violations of regulations. As a matter of fact, it is exceedingly doubtful that ERA would wish to make such use, but we are not able to assure the retailer, on our own authority, that the replies will be held confidential from individual scrutiny and application against respondents.

The last item of recent experience relates to the refusal of the Bureau of Labor Statistics to give to us a list of retail gasoline stations in the United States, from which we would draw a sample to assess conditions in the market. Refusal was based on our inability under the law to protect the list from

disclosure to any other part of the Department of Energy. The Chief of the Bureau of Labor Statistics regarded such potential wide dissemination, not under our control, as giving inadequate security to the list of names and addresses which they had obtained from voluntary respondents and jeopardizing their future relationships with State sources of information. We take these five recent experiences as indicating strongly that the statistical-analytical policy supporting function of a statistical system is jeopardized by using that same system to provide effective support to the regulatory and adjudicatory purposes.

Mr. HANSEN. Mr. President, I ask unanimous consent that Kathryne Bruner, of Senator HAYAKAWA's staff, and Nolan McKean, of my staff, be accorded the privilege of the floor during consideration of and any voting on this measure.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. HANSEN. Mr. President, I yield such time as may be required to the distinguished senior Senator from Oregon.

The ACTING PRESIDENT pro tempore. The Senator from Oregon is recognized.

Mr. MARK O. HATFIELD. I thank the Senator for his courtesy.

Mr. President, I wish to use 6½ minutes.

Mr. President, I find myself in a rather curious predicament with respect to the legislation before the Senate today, since I was a cosponsor of the Senate bill 743, sponsored by the Senator from New Hampshire (Mr. DURKIN) which was a Senate companion bill to the bill passed by the House of Representatives which we are now considering.

My reason for doing so was my strong support of title I, which would establish basic rules governing the franchise relationship between buyers and sellers of gasoline. In my judgment, these rules are solerly needed, particulary with gasoline decontrol under consideration to protect communities and gasoline distributors and retailers from arbitrary termination of supply. Too often, I have heard from dealers in Oregon whose supply is threatened. Rural areas are particularly vulnerable and such would be eased under title I.

Indeed, Mr. President, title I as adopted by the committee is an excellent provision. It should be enacted into law, and my view toward gasoline decontrol will be influenced by the outlook for its age.

The predicament in which I find myself is that I found it necessary to oppose this legislation in committee because of the adoption of the amendment which is now title III. Title III attempts to deal with the issue of subsidization of retail outlets owned by integrated oil companies or by distributors. As noted by the Department of Justice, and I am quoting from a letter commenting only upon title III as adopted by the committee, date May 2, 1978:

The fundamental assumptions of this bill continue to be that lower retail prices for gasoline are not in the public interest when generated by integrated rather than nonintegrated firms will promote rather than impede competition. As we indicated in our letters to you of December 6, 1977 and March 28, 1978, our analysis of the evidence currently available does not suggest that such low prices are having anticompetitive affects in the retail motor fuel market.

In addition, as we have indicated previously we believe that limiting the pricing flexibility of integrated firms could significantly impede the functioning of competition in the motor fuel market, thereby potentially increasing the cost of these products to consumers.

The Federal Trade Commission is equally adamant in its opposition to title III. Its Bureau of Competition advises us that:

In our view, enactment of title III, as presently constituted, would be a mistake. Ostensibly the legislation is aimed at protecting the viability of independent gasoline marketers and preserving the benefits which consumers derive therefrom. In actuality, however, title III's near-term protection of so-called branded independent dealers from perceived price discriminations may accelerate, in the longer run, the downstream integration of major refiner suppliers into direct ownership and control of retail outlets. Furthermore, title III will lead to less flexibility and movement in prices and margins and will deprive consumers of the benefits of much of the price and service competiton that presently exists particularly in the areas of intrabrand competition.

According to the FTC:

In addition title III is confusing and complicated and will lead to time consuming recordkeeping and litigation which will sap any remaining competitive vigor in the gasoline marketing industry. The accounting complexities inherent in any enforcement of the legislation raise serious doubts about title III's workability.

Mr. President, I have no quarrel with the goals of the sponsors of title III. But I must take issue with the manner they have chosen, particularly when the agencies with responsibilities in the antitrust area weigh in so heavily against it.

Senator HANSEN has already quoted a letter to the same effect from the Justice Department.

The Senator from Arkansas (Mr. BUMPERS) and I have introduced amendment 1809 to H.R. 130, which will be considered at the appropriate time. It is my hope that my colleagues will support this proposal, providing a thorough study of the subsidization issue by the Departmen of Energy, in consideration with the Justice Department and the Federal Federal Trade Commission. With adoption of this amendment, I believe we can enact dealer day in court legislation quickly and fairly.

Mr. President, I ask unanimous consent that a copy of amendment 1809 and the letters from the Department of Justice and the Federal Trade Commission be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF JUSTICE,
Washington, D.C., March 22, 1978.

Hon. CLIFFORD P. HANSEN,
Member, Senate Committee on Energy and Natural Resources, U.S. Senate, Washington, D.C.

DEAR SENATOR HANSEN: This responds to your letter of February 10, 1978, to the Attorney General, requesting the views of the Department of Justice on a proposed amendment to Title III of the pending "Dealer Day in Court" legislation offered by Senator Jackson.

Section 302 of the proposed Title III is intended to prevent integrated oil companies from increasing their share of retail marketing of gasoline at the expense of independent dealers. The operative language of that section prohibits any "major market shareholder" from expanding its retail market share by limiting the percentage of motor fuel produced by such firms that can be marketed through affiliated marketing outlets to the highest percentage of such fuels marketed through affiliated retail outlets in any year from 1972 to 1976. "Major market shareholder" is defined as a refiner that is neither an "independent refiner" or a "small refiner." Independent refiners are refiners that obtain more than 70 percent of their refinery input from nonaffiliated producers and that market and distribute "a substantial volume" of such fuels through independent marketers. "Small refiners" means any refiner whose total capacity, including all affiliates, does not exceed 175,000 barrels per day.

The Secretary of Energy is given the power to prescribe regulations that will establish when a violation of the prohibition against market share expansion is significant enough to warrant enforcement actions and to force firms violating these terms to make compensating reductions in their market shares in the next calendar year. Presumably the Secretary will also have the power to determine what constitutes "a substantial volume" of motor fuel in the definition of an independent refiner.

Section 303 of the proposed amendment is intended to prevent integrated oil companies from using discriminatory pricing tactics to lower the profits of independent gasoline retailers. This is accomplished by prohibiting any "dual distribution marketer" from selling a substantial volume of motor fuel at retail prices which do not recover the adjusted transfer or purchase price of that fuel plus the cost of operating the retail outlets in question. "Dual distribution marketer" is defined as any person whose primary commercial activity involves the sale or distribution of refined petroleum products on both the wholesale and retail levels. For the purposes of this section the transfer cost is presumed to be equal to the price charged by the dual distribution marketer to similarly situated independent retail outlets, unless the difference in price is justified on the basis of differences in costs, availability on proportionally equal terms to all purchasers, or a good faith effort to meet the equally low price of a competitor. Each of these justifications in drawn from the Robinson-Patman amendments to the Clayton Act ("Robinson-Patman Act") and presumably they are to be interpreted in the same manner as they have been under that act.

The remaining substantive provisions of the proposal provide for enforcement by injured parties or the Attorney General, § 304; permit private parties to obtain declaratory judgment, injunctive, relief, actual and exemplary damages and attorney's fees, § 304 (b); delineate the relationship between this proposal and other laws, § 305; and provide the Secretary of Energy with the power to investigate, report, and promulgate necessary rules and regulations, § 306.

While the stated purpose of this bill is to preserve competition in the motor fuel retail market, the effect of the bill would be to limit both the incentives and the ability of certain firms to serve consumers at lower prices. By limiting integrated firms to a predetermined retail market share, section 302 would limit the integrated oil companies' incentives to reduce their retail motor fuel prices since these firms would be prohibited from obtaining the principal

benefit of that strategy, expanded market shares. Ironically the effect of this requirement would be to reduce competition among integrated firms by prohibiting such firms from expanding their market shares, even at the expense of other integrated firms.

Similarly, by prohibiting retail affiliates of integrated oil companies from setting any price for motor fuels below their fully distributed costs, section 303 would, in certain circumstances, limit the ability of such firms to enter new markets or attract new customers. Without the ability to price at or above marginal cost, such firms might not be able to sell at low enough prices to induce large volume customers to switch their patronage from other marketers. The absence of such potential competition would tend to rigidify prices at unnecessarily high levels. Marginal cost pricing might also be desirable where the dual distribution marketer is forced to minimize its losses on a bad service station investment.

In addition to these restrictions on competition among existing integrated firms, this proposal would prohibit the creation of new integrated firms and prevent all firms that have not yet achieved vertical integration from ever expanding in that manner, even where significant economies would result. As a result, the market shares of existing vertically integrated oil companies would be protected from the threat that the entry of a new vertically integrated oil company would present. Since each integrated firm knows that all of its integrated rivals are also limited to their historic market shares, none of those firms would fear a loss of part of its market share to the others or to a new entrant. Thus, another incentive for competition among integrated firms would be eliminated. If integration does result in significant economies, these firms, absent competition from equally efficient rivals, could set their prices at the same level charged by the less efficient nonintegrated firms and pocket the resulting windfall profits. As a result, consumers would be forced to pay higher prices for motor fuels and the integrated oil companies would earn windfall profits.

Each of these constraints on pricing behavior will limit the ability of firms subject to the proposal to compete with each other and with the independents on the basis of price. Since competition provides consumers with quality products and services at the lowest possible price, preserving the price flexibility and the threat of new entry necessary to obtain these objectives is presumptively in the interest of our "fundamental national economic policy."[1] Any proposal that would limit this ability creates a situation that is on its face in conflict with the policies of the antitrust laws. The Department of Justice believes that such proposals can only be justified where the benefits of the proposal clearly outweigh the potential costs to society caused by a reduction in competition.

As the Department has indicated in previous letters reviewing proposed legislation on this topic, under certain circumstances it may be possible for an integrated oil company to "subsidize" integrated marketing activities, thereby leading to the exclusion of independent marketers. If this exclusion affected a substantial number of independent firms, the long run cost of gasoline to consumers could be increased if entry barriers were high and competition among surviving integrated firms inadequate. Where such behavior appeared both likely and capable of success in the long run, the Department has indicated that it would support a narrowly drawn legislative proposal that remedied the market defect that created this problem, provided that remedy did not unnecessarily distort competition in other areas. However, as noted above, the Department has always believed that both the costs and benefits of such a proposal must be carefully weighed in order to insure that the approach adopted does not itself do more damage to competition than it prevents.

In addition to assessing the effects of this proposal on competition, the Department believes that this balancing test requires consideration of the need for the provision, the extent to which the proposal is tailored to remedy the defect in question, and the administrative feasibility of the proposal. The remainder of this letter will analyze each of these factors.

1. THE NEED FOR THE PROPOSAL

As noted above, the Department believes that in certain circumstances it may be possible for dominant firms to reduce prices and drive their smaller competitors out of the market with resulting damage to competition. For example, where an international cartel of scheduled service airlines introduced low cost fares between this country and various cities in Europe that the Department believed to be likely to eliminate the charter airlines, the primary source of price competition in that market, and where the traditional hostility of many European governments to these low fare forms of service would have prevented any new entry if these existing firms were eliminated, the Department acted to prevent the damage to competition those fares created.[2]

Unlike the above case, however, here there is no credible evidence of a threat to the long run competitive viability of independents as a class. Indeed, the Department notes that available statistics indicate that the volume of retail sales by independents has actually increased in recent years. As we noted in our letter of December 6, 1977 to Senator Jackson reviewing a prior version of this bill, according to Department of Energy figures, the independents' share of retail sales of motor gasoline had increased from 25.9% as of June 1972 to 29.2% as of June 1977.

Moreover, DOE statistics also indicated that large integrated refiners increased the percentage share of gasoline they sold to independents from 84.4 in June 1972 to 85% in October 1977 While these aggregate figures obviously do not reflect the many cases of individual hardship that occur in this market, as in all competitive markets, they clearly dispute current notions of injury to the independent sector due to predatory tactics on the part of integrated oil companies. It is also worth noting that both the Department of Justice and the Federal Trade Commission are conducting in depth inquiries to determine whether, as this legislation assumes, integrated oil companies have upstream monopoly power at the refining or production levels. The International Oil Investigation currently being conducted by the Department of Justice is examining potential restraints of trade in international crude oil markets, and the FTC's Exxon case is directed towards an examination of possible restraints of trade in refinery operations in the eastern United States.

If these inquiries establish an absence of such power, then the "trend" which concerns the proponents of this bill could not result from internal "subsidization." On the other hand, if a problem is found to exist at production or refining levels, remedies should be addressed directly to the source of those problems. This is especially true given the apparent absence of downstream structural problems.

The goal of the antitrust laws has always been to preserve the competitive structure of the marketplace in order to provide consumers with adequate supplies of motor fuels at reasonable prices rather than to guarantee the profitability of individual firms incapable of surviving in such a competitive environment. Accordingly, the Department does not, at this time, believe that currently available evidence indicates a need for this proposal.

2. THIS PROPOSAL IS OVERLY BROAD

One of the major conceptual problems with this proposal is its concern with the largely theoretical effects of a subsidization rather than with causes of the "subsidization" problem. Because this proposal does not attempt to identify the source of the economic power that might be used by the integrated oil companies to subsidize their retail operations, this proposal views any form of vertical integration as inherently suspect. As a result, many forms of vertical integration that do not fit the worst case model assumed by the drafters of this bill are prohibited or severely penalized. For example, the definition of a "dual distribution marketer" subject to the price discrimination provisions of section 303 would clearly include an independent jobber that purchases all of its supplies from nonaffiliated refiners but distributes part of those supplies through affiliated service stations and resells part to independents. However, such a firm could rarely, if ever, possess the type of excess economic power necessary to subsidize its retail outlets, since that firm, like the independent retailers, would be at the mercy of its integrated suppliers. To subject these firms to the harsh requirements of section 303 would be unfair, and would, ironically, impose significant burdens on relatively small and independent businessmen. Until this proposal can identify the source of excess economic power that might be used to subsidize marketing operations, there can be no assurance that the terms of this or like proposals will not be drawn too broadly, resulting in unnecessary discrimination against independent businessmen operating partially integrated firms that lack the excess economic power this proposal seeks to limit.

Another example of the overly broad manner in which this proposal has been drafted is the duplicative nature of the prohibitions of sections 302 and 303. To the extent that the price discrimination provisions of section 303 prohibit integrated firms from subsidizing their retail outlets, the provisions of section 302 limiting the market shares of integrated firms would appear to be unnecessary. Presumably, without the ability to engage in the price discrimination condemned by Section 303, integrated firms would be without the power to enlarge their market shares at the expense of nonintegrated marketers, except by more efficient operations. Section 302 therefore exists only to impose additional burdens on integrated firms and to preclude those firms from realizing the legitimate advantages of vertical integration, and not to protect the consumer. As a result, independent service station owners would obtain an unfair competitive advantage, and consumers would be forced to pay higher prices for motor fuels because of reduced competition and increased inefficiency in the oil industry.

3. THE ADMINISTRATIVE FEASIBILITY OF THE PROPOSAL

Up to this point we have analyzed this proposal on the implicit assumption that its terms could be readily ascertained and that those provisions could be enforced in a meaningful way. In fact, the Department believes that several of the concepts used in this proposal are so vague as to preclude reasonable administrative interpretation. A clear example of the administrative problems associated with any after the fact judicial review of marketing decisions is provided by the provision of section 303 requiring all dual distribution marketers to set motor

[1] Carnation Co. v. Pacific Westbound Conference, 383 U.S. 213, 218 (1966).

[2] *See* Comments of the United States Department of Justice before the CAB on Agreement No. 26858 R1 through R5.

fuel prices that recover both the adjusted transfer price of the fuel and the cost of operating the station. It may be impossible to attribute service station operating costs to any particular grade of motor fuel since those overhead costs are incurred regardless of the mix of fuels sold. In addition, many service stations offer accessories such as tires, batteries, lubricants and replacement parts that must also pay their share of that station's overhead. As a result, any administrative allocation of these joint costs to individual products will be inherently arbitrary.

Because of the arbitrary nature of this allocation process, the agency enforcing this proposal would in all probability be required to assign those costs to all products on a pro rata basis. This will force the service station to charge more for some products than it would in a competitive environment, and less for others. As a result, the efficiency with which scarce resources are allocated among consumers would be reduced, and the total price of these products to consumers would rise.

Other problems created by imposing these pricing controls include the excessive litigation they would promote and the effect of that litigation on the pricing behavior of the regulated firms. Since any price reduction by an integrated firm could potentially subject that firm to both administrative action and judicially imposed sanctions including actual and exemplary damages on a class action basis, not to mention the litigation costs associated with those procedures, it is likely that any firm subject to this proposal would, to avoid such costs, constrain some price reductions even if the firm believed that they satisfied the requirements of the law. Obviously that kind of pricing restraint would not be of benefit to consumers.

For these reasons, the Department of Justice oppose enactment of the draft Title III as attached to your letter of February 10, 1978.

Time has not permitted determination of the relationship of this report to the Administration's program.

Sincerely,

PATRICIA M. WALD,
Assistant Attorney General.

[Views on Original Jobbers Title III]

DEPARTMENT OF JUSTICE,
Washington, D.C., December 8, 1977.

Hon. CLIFFORD P. HANSEN,
U.S. Senate,
Washington, D.C.

DEAR SENATOR HANSEN: This responds to your letter of November 21, 1977, to the Attorney General, requesting the views of the Department of Justice on a proposed Title III to be added to H.R. 130.

Section 301 of the proposed Title contains a congressional finding that unfair competition in petroleum marketing can occur when firms operating on more than one functional level in the petroleum distribution chain recover costs incurred at one level from revenues associated with another level and sell finished petroleum products at "low" or "subsidized" prices. The section singles out the utilization by integrated petroleum firms of profits earned on crude oil and natural gas production to cover "below normal" returns on marketing and finds that this "unfair" practice is resulting in a reduction of competition in the petroleum marketing industry, threatening the continued viability of many independents and ultimately the consuming public.

Section 302 prohibits petroleum firms from "subsidizing" product marketing from the proceeds of other levels of their operations. Section 303 requires multi-function firms to maintain and make available to their customers who can demonstrate cause for belief that there is a violation of Section 302 the transfer prices between each level of the firm's petroleum functions, and to make available to such customers "the cost of [or?] amount" and the nature of discounts, rebates, and allowances among the various levels of operations of the firm.

Section 304 provides that differences between the transfer price and the sales price to purchasers at the same level and similar differences in discounts, rebates, etc., may be justified "only by making due allowances for differences" in costs resulting from the methods or quantities in which products are transferred or sold. Section 305 establishes a prima facie presumption that any difference in transfer prices or allowances and prices or allowances to third parties on the same level of distribution is unlawful and requires that the person maintaining the difference demonstrate to the satisfaction of a court that a cost justification exists.

Section 306 establishes several methods of enforcement including (1) civil penalties of $5,000 per violation, (2) criminal penalties of $5,000 for each willful violation, (3) at the request of the Secretary of Energy or his designate, and (4) injunctive and treble damage relief brought in a U.S. District Court by a party injured by a violation of the Title. Section 307 and Section 308 contain definitions of subsidization and ownership and control.

As stated in our letter to Chairman Jackson of October 20, 1977, concerning Title III as then contained in S. 743, it is the position of this Department that under the assumption that subsidization of "downstream" activities of integrated petroleum firms will now or in the future lead to the permanent elimination of independents and to higher prices to consumers than would exist with a viable independent sector, certain narrowly drawn legislative remedies might be appropriate for the purpose of insuring the long-run maintenance of competition in petroleum marketing. We cautioned, however, that such legislation should be adopted only after a careful analysis of the actual facts underlying claims of harm to competition arising from "subsidization", and cautioned further that any statutory remedies be carefully tailored to alleviate the specific competitive evils found to exist.

The public's interest in preserving competitive markets derives from the fact that competition is the public's best assurance that the prices it pays are the lowest consistent with the maintenance of an efficient distribution system. If, in the name of competition, legislation is enacted which has the effect of preventing distributors from reacting to the competitive pressures of the marketplace, then the benefits of maintaining competition largely will have been dissipated. Laws which permit firms to charge lower prices to consumers only after detailed and lengthy proceedings before federal courts and limit such justifications to differences in costs can encourage a "cost plus" pricing mentality and create "ratchet-effect" in which only cost increases and not decreases are passed on to the public. These practices are characteristic of regulated sectors of the economy such as airlines and trucking, and not of those with healthy competition.

We thus find ourselves reluctantly compelled to disagree with several of the assumptions underlying the congressional "findings" contained in Section 301. First, the draft legislation appears to assume that low prices, whether or not in some sense "subsidized" by revenues from other functions of a firm, are contrary to the consumers' welfare. Of course, the contrary is normally the case. Consumers are benefited by low prices for particular products. It is only when low prices are predatory and thus can lead to permanent elimination of substantial numbers of competitors in markets where entry barriers are high that consumer could be injured over the long run. This is because the short-term benefit of low prices would be more than offset by above competitive prices in the long term.

Secondly, the legislation assumes that prices are appropriately set only by reference to the seller's costs. In fact, of course, in a competitive environment prices are set by the interaction of both supply and demand. Particularly in industries where many products are jointly derived from a single input, for instance where many types of products are derived from a single barrel of crude oil, costs are appropriately allocated to different products and different markets on an unequal basis, with greater amounts being shifted to those consumers for whom the value of the product is greater. Moreover, in the petroleum industry, prices are cyclical, with gasoline prices at their highest during the summer months, and heating oil reaching its peak during the winter. Similarly, there may be regional variations in petroleum products reflecting different levels of demand, e.g., gasoline sales in Florida higher in winter than summer. Any legislation which made these regional and seasonal variations unlawful by establishing the principle that pricing differences may be based only on cost differences and not demand differences could thus radically change the nature of petroleum pricing practices.

Finally, we are at present not convinced that the complained of pricing practices, to the extent that they exist, have injured the independent petroleum sector. While we recognize that the number of retail gas stations has sharply decreased in the last several years, the most recent statistics appear to demonstrate that the independent sector of the petroleum industry has remained healthy. According to the latest Department of Energy figures, in June 1972, large integrated refiners provided 74.1 percent of motor gasoline while in June 1977, that percentage had decreased to 70.8 percent. The same report states that in June 1972, large integrated refiners sold 84.4 percent of their motor gasoline to independent marketers. In June 1977, that percentage had increased to 85 percent although branded lessee dealers had lost some market share to independent jobbers. Consequently, if integrated refiners were subsidizing their downstream operations with upstream profits, the result may simply have been to transfer to the consuming public excess profits which may have been earned by the integrated firms in petroleum production without any loss in the viability of the independent sector of the petroleum industry. If such is the case, we do not see how the public at large has been injured.

We believe that Section 302's prohibition on "subsidization" of one petroleum distribution function is extraordinarily vague and could lead to cost plus pricing. In this context, the definition of "subsidize" contained in Section 307, "to support financially" petroleum wholesaling or retailing "with funds or services received from petroleum related sources", is extraordinarily vague. Moreover, subsidization does not necessarily depend on the existence of a difference between a transfer price and a sale price. Thus, the cost justification defense in Section 304 may not be a complete defense to an alleged violation of Section 302. Further, since Section 301(a) voices congressional concern over "below normal" returns on marketing operations of major firms, one quite reasonable interpretation of Section 302 would prohibit any firm from earning a lesser return on any function than on the function having the highest profit rate prior to the enactment of the statute, and/or earning a rate of return which was less than the industrywide rate of return for that function. That is, a fair reading of the statute would not require

proof of an actual cash flow from one function to another, but would simply require a showing that a firm "tolerated" low returns from one function in the light of higher returns from other functions.

Section 302 appears to presume that rates of return should be and remain similar throughout a normally functioning enterprise. Given the various product, functional, and geographic markets in which an integrated petroleum firm may operate, it would be quite extraordinary if the returns from each functional sector were the same. Moreover, if the prohibition of Section 302 were read to include "subsidization" of petroleum operations in one region from those in another, this section would prevent firms from attempting to meet competition in given markets or maintain relatively lower prices in locations where costs were unusually high.

Identifying illegal "subsidization" (with funds or services) presents very substantial cost and benefit allocation problems. For example, to what extent should corporate advertising on behalf of a major integrated oil company be construed as product advertising on behalf of its marketing sector? What proportion of this corporate advertising should be charged as an expense to a marketing operation? Courts would have to become regulatory agencies compelled to determine a "rate base" and level of return for each functional sector. However, unlike traditional rate regulation in which agencies prevent price increases which raise profit levels above the permissible target, courts in this instance would have to mandate companies to increase their gasoline prices to the prescribed uniform rate of return.

For the reasons set out in our discussion of the findings under Section 301, we believe that the language of Sections 304 and 305 which establishes presumptive illegality for any difference between a transfer price and a third-party sales price has extraordinarily anticompetitive potential. Unlike this proposal, a prima facie case under the Robinson-Patman Act, which governs discriminations in sales prices among competing purchasers, requires a showing not only that there is a price discrimination, but that, in fact, in the situation alleged, the price discrimination may tend to lessen competition. Moreover, the Robinson-Patman Act provides that differences in price may be justified not only by differences in cost, but also by the needs of the seller to meet competition. Such a "meeting competition" defense is notably absent from the proposed Title III. The lack of a requirement that a potential adverse impact on competition be shown means that the existence of a transfer price to a company-owned outlet in California could lead to a violation of the Title simply because it was lower than the direct sales price to independent retailers in Maine even though there would be absolutely no potential impact on competition. The lack of a "meeting competition" defense also means that a person covered by the Title would be unable to respond competitively to a pricing challenge in a particular locality.

In sum, we believe that enactment of Title III would be anticompetitive, not procompetitive. Its major purpose appears to be the protection of the market positions of individual petroleum distributors and not the protection of competition. We agree with the goal of preventing increases in concentration which jeopardize the ability of small firms to keep the markets "honest" by providing the services desired by the public at competitive prices. However, enactment of proposed Title III would frustrate the ultimate objective; it would maintain a superficially competitive market structure, but one with pricing behavior legislated to be that of concentrated oligopoly.

For these reasons, the Department of Justice opposes enactment of the draft Title III as attached to your letter of November 21, 1977.

The Office of Management and Budget has advised this Department that there is no objection to the submission of this report from the standpoint of the Administrations' program.

Sincerely,

PATRICIA M. WALD,
Assisant Attorney General.

[Views on Original Jobbers Title III]

FEDERAL TRADE COMMISSION,
Washington, D.C., December 7, 1977.

Hon. CLIFFORD P. HANSEN,
U.S. Senate, Committee on Energy and Natural Resources, Washington, D.C.

DEAR SENATOR HANSEN: By letter of November 21, 1977 you asked for the views of the Federal Trade Commission on a proposed amendment of H.R. 130. The amendment in question would add to that bill a Title III to prohibit subsidization by upstream profits of sales of petroleum products at retail by vertically integrated companies which are wholesale suppliers of those products. Chairman Pertschuk has referred your request to me because the proposal raises issues which the Commission may in the future be called upon to decide in an adjudicatory capacity in connection with the ongoing administrative litigation in Exxon Corporation et al., D.8934. Accordingly, the views expressed herein are those of the Bureau of Competition, and do not necessarily represent the views of the Commission or of any individual Commissioner.

The Bureau of Competition has recently considered the questions raised by legislation similar to the proposed Title III in conjunction with testimony on H.R. 130 before the Subcommittee on Energy and Power of the House Commerce Committee. As originally introduced in the House, H.R. 130 contained a Title III which addressed the perceived problem that vertically integrated marketers of automotive gasoline can unfairly compete against independent marketers by subsidizing retail sales made by their marketing subsidiaries. It would have proscribed retail sales of gasoline by dual distribution marketers at prices which were insufficient to recover the cost of the gasoline and the costs of operating the retail outlet. In testimony before the Subcommittee on Energy and Power. Owen Johnson, my predecessor as Director of the Bureau of Competition, suggested that the accounting complexities involved in proving a violation of such a prohibition appeared to make the basic approach of Title III unworkable. He suggested that some form of vertical divestiture of marketing operations by integrated companies be studied as a simpler and more effective solution to the problems caused by the existing system of dual distribution.

The proposed new Title III addresses essentially the same problem as the original Title III, and in my view suffers in large part from the same fundamental defect. Accordingly, my comments will deal principally with this basic issue and will not focus on the specific technical provisions of the proposed amendment.

The proposal prohibits vertically integrated marketers of petroleum products from "subsidizing" retail sales with upstream profits. Violation of its provisions would give rise to two causes of action—one on behalf of private parties who suffer a "legal wrong" by virtue of the violation, and one on behalf of the Government.

In order to demonstrate that a violation of the proposed law resulted in a "legal wrong," a private party presumably would be required to prove that it had suffered competitively in some geographic and product market as a result of the violation. And to prove the existence of subsidization in any product market, it would be necessary to allocate the offending company's costs of production, refining and transportation to each product it sells. It is probable, therefore, that the complexity of the accounting procedures necessary to establish a private cause of action would substantially inhibit private enforcement of the proposed Title III.[1]

Government enforcement would in some cases stand on a different footing. In some instances an integrated company might subsidize all or part of its marketing activities to such an extent that it suffers a net loss or below-normal profit for that entire segment of its business. When this occurs, it may be possible to prove subsidizing by separating the aggregate cost of producing and refining all products from the total cost of all marketing activities, without allocating costs among individual products. Although it is probably not now feasible to accomplish even this more limited accounting objective, it is possible that such a result will be facilitated by the Department of Energy's present proceeding to institute the Petroleum Company Financial Reporting System (FRS) mandated in the Department of Energy Organization Act.[2] The Bureau of Competition has urged DOE to develop a reporting system which will make such calculations possible.[3]

Thus even to the extent that legislation such as the proposed Title III might in part be workable and effective, enactment of such legislation prior to the development of a data-gathering system for the petroleum industry sufficient to allow its orderly enforcement would be unwise. Experience gained by DOE in formulating FRS and examination of the data gathered pursuant to it would be invaluable in connection with any such legislation.

Absent such a system, legislation like the proposed Title III cannot address the problems of verticle integration with industry-wide uniformity or with certainty that the rules established are fair and adequate.[4]

I hope these views are of assistance to you and the Committee. For your information I have attached to this letter the testimony of former Bureau Director Owen Johnson concerning the original Title III. If I can be of further help, please do not hesitate to call on me.

Very truly yours,

ALFRED F. DOUGHERTY, Jr.,
Director of Competition.

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[1] In one respect, private enforcement of the proposed new Title III may present accounting complications beyond those of the original Title III. One difference between the two provisions is that the original, where applicable, would prohibit only below-cost sales, while the proposed new Title III proscribes subsidization (as defined in section 307). Subsidization might be deemed to be present when upstream profits are sufficiently large to allow retail sales which are above cost but below the going rate of return on capital invested in similar retail enterprises. Calculation of this rate presents yet another complication of proof of violation of the proposed provision.

[2] Pub. L. No. 95–91, Section 205(h), 91 Stat. 565 (1977). Section 205(h)(3) requires DOE to adopt a reporting form which is, to the extent practicable, consistent with the uniform accounting practices mandated for oil and gas production by the Securities and Exchange Commission pursuant to the Energy Policy and Conservation Act. *See* 42 U.S.C. Section 6383 (1970). The SEC standards apply only to oil and gas production.

[3] The standards which are ultimately adopted probably will not—and indeed, perhaps could not—require a system sufficiently detailed and precise to allocate costs among individual petroleum products.

[4] An alternative remedy which has been suggested—vertical divestiture—would avoid such problems because it would, in effect, be self-enforcing.

[Views on Jackson Title III]

FEDERAL TRADE COMMISSION,
Washington, D.C., March 3, 1978.

Hon. CLIFFORD P. HANSEN,
U.S. Senate, Committee on Energy and Natural Resources, Washington, D.C.

DEAR SENATOR HANSEN: In your letter of February 10, 1978 to Chairman Pertschuk, you requested that the Federal Trade Commission comment on a proposed new Title III amendment to H.R. 130, the "Dealer Day in Court" legislation. The proposed new Title III is intended to curb the possibility that major integrated petroleum companies will take over the retail marketing of motor fuel (gasoline and diesel fuel) and to prohibit such companies from subsidizing selected retail outlets to the detriment of non-integrated independent marketers. Your request has been referred to me because the proposal raises issues which the Commission may in the future be called upon to decide in an adjudicatory capacity in connection with the administrative litigation in *Exxon Corp., et al.*, D. 8934. Accordingly, the views expressed below are those of the Bureau of Competition, and do not necessarily represent the views of the Commission or of any individual Commissioner.

In a letter to you dated December 7, 1977, the Bureau of Competition commented on an earlier version of Title III to H.R. 130. The proposed new version of Title III is aimed at the same problems as former proposals, i.e., the problem of major vertically integrated petroleum companies subsidizing their own retail sales in order to compete against non-integrated motor fuel marketers. The new proposal would deal with this problem in two ways: (1) Section 302 would forbid major integrated petroleum companies from expanding the percentage of volume of gasoline and diesel fuel which they can sell through their own retail outlets over a base period percentage; and (2) Section 303 would prohibit any supplier who sells gasoline and diesel fuel to independent businessmen and to its own direct outlets from "subsidizing" its own direct outlets. Subsidization would be indicated if the wholesale cost of the fuel plus the cost of operating the direct outlet were greater than the direct retail price.

Under the new proposal, the volume of motor fuel marketed by integrated petroleum companies would be monitored by the Department of Energy. Enforcement of both sections would be by the courts through an action initiated by any person who could show injury as a result of a violation of either section or by a challenge on behalf of the Government.

Section 302 of the proposed new Title III places a cap on the downstream integration of the major refiners in retailing. That integration has been occurring as the result of the phasing out of refiner-franchised outlets and the creation of refiner-owned or controlled outlets. To some extent, at least, the franchised outlets being eliminated may have been uneconomic units whose continued existence would have tended to increase costs and prices generally to consumers. Insofar as the proposed Section 302 would prevent this process from continuing its normal course, there may be some detriment to consumers, assuming that at least a portion of the savings attributable to elimination of uneconomic units would otherwise be passed on to consumers.

Another disadvantage of Section 302 is its potential for dulling retail competition between major refiners to the extent that such competition may presently exist. By rigidifying the percentage of a major refiner's marketing activity that may be done through refiner-owner or controlled outlets, Section 302 may discourage that refiner from attempting to expand its market share vis a vis other majors. The refiner may view the use of refiner-owned or controlled outlets as the only cost-effective means of attempting to enter new geographic areas or expand its position in present areas. If the refiner, under Section 302, could lawfully create such new outlets only by decreasing the number of outlets or volume of business done through such outlets in other geographic areas, the refiner may simply forego the contemplated market entry for expansion. The consumer will lose whatever advantages such competition might have entailed.

A third problem we see with Section 302 is in terms of its workability. Because market conditions do not always change at the same time and to the same degree in different regions of the country, the major refiner having different percentages of owned (or controlled) versus uncontrolled outlets in those regions may have great difficulty planning its operations so that the nationwide percentage for owned (or controlled) outlets established in the 1972–76 base period is not exceeded, or is not exceeded by an "insubstantial" amount. Even assuming that the Department of Energy can adequately define the concept of insubstantiality, the refiner will still have to wrestle with the uncertain impact on the subsequent year's operation if a technical violation inadvertently occurs in a prior year.

The accounting complexities involved in proof of a violation of Section 303 of the proposed new Title III would make the basic approach to Section 303 just as unworkable as earlier versions. Under Section 303, the price of motor fuel at direct retail outlets would have to be no less than the wholesale cost of the fuel plus the cost of operating the direct retail outlet. Unlike earlier versions of Title III, Section 303 attempts to shift the burden involved in showing cost factors related to the operation of the direct outlet to the motor fuel supplier. This, however, does not solve the problem of the accounting complexities.[1] The Department of Energy's present proceeding to institute the Petroleum Company Financial Reporting System (FRS) still represents the best alternative for developing a reporting system which will make such calculations possible.

In my view, some form of vertical divestiture by integrated petroleum companies should be studied as a possibly simpler and more effective solution to the problems caused by the existing system of dual distribution. Such a study would focus on the source of subsidization, whether from crude production, refining, or some other part of vertically integrated petroleum companies, in order to frame suggested legislative solutions. Divestiture legislation could itself take many different forms. It should be carefully drafted in light of the varying size and degree of vertical integration and self-sufficiency of the affected companies.

With some form of divestiture, present law would be capable of preventing the dangers to which Title III is addressed. Divestiture could be fashioned to require marketing to operate independently. Then one could focus on the price of sales of motor fuel of like grade and quality to different purchasers without looking at operating costs. Section 2(a) of the Robinson-Patman Act could be utilized by the Government and by injured private parties to prosecute illegal price discrimination practices.

Section 2(a), as it presently exists, cannot be applied to the dual distributor that both supplies its own direct retail outlets and sells to non-integrated independent marketers. A violation of the statute will be found only when at least two sales transactions take place.[2] There is legislative history[3] and several court decisions[4] to support the assertion that intra-firm transfers, whether within a single corporation or between a parent corporation and its subsidiary, do not constitute sales under Section 2(a) of the Robinson-Patman Act unless the subsidiary is held out as a separate entity or is dealt with at arm's length. One court has come to a contrary conclusion, holding that deliveries of gasoline by a supplier to its company-owned service stations were sales for the purposes of the Robinson-Patman Act where such stations competed with an independent service station plaintiff.[5]

I do not believe that non-integrated motor fuel marketers will obtain relief from the dual distribution-discrimination problem under present law. Thus, some form of vertical divestiture, if adequately studied and appropriately drafted, may well be a better solution than the proposed new Title III because of the problems with the Title III proposals outlined above and in my letter to you of December 7, 1977.

I hope these views are of assistance to you and the Committee. If I can be of further help, please do not hesitate to call on me.

Very truly yours,

ALFRED F. DOUGHERTY, Jr.,
Director, Bureau of Competition.

On page 79, beginning on line 4, strike out all through the end of the bill and insert in lieu thereof the folowing:

TITLE III—STUDY OF SUBSIDIZATION OF MOTOR FUEL MARKETING

SEC. 301. (a) The Secretary of Energy, in consultation with the Commissioner of the Federal Trade Commission and the Attorney General and other agencies as he deems appropriate, shall conduct a study of the extent to which refiners and other suppliers of motor fuel subsidize the sale of such motor fuel at retail or wholesale with profits obtained from other operations.

(b) Such study shall examine—

(1) the role of vertically integrated operations in facilitating subsidization of sales of motor fuel at wholesale or retail;

(2) the extent to which such subsidization is predatory and presents a threat to competition;

(3) the profitability of various segments of the petroleum industry;

(4) the impact of prohibiting such subsidization on the competitive viability of various segments of the petroleum industry, on prices of motor fuel to consumers and on the health and structure of the petroleum industry as a whole; and

(5) such other matters as the Secretary considers appropriate.

(c) The Secretary shall report the results of the study required by this section, together with such recommendations for legislative action and such statistical evidence as he deems appropriate to the Congress on or before the expiration of the eighteenth month after the date of enactment of this section.

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[1] As a matter of litigation strategy, the plaintiff, whether it be the Government or a private party, in an action brought under this proposed new Title III would still have to engage in the same discovery and analysis of operating costs to refute the supplier's analysis as would be necessary under the previous proposals.

[2] *Bruce's Juices, Inc.* v. *American Can Co.*, 330 U.S. 743, 755 (1947).

[3] *See* Hearings Before House Comm. on the Judiciary on Bills to Amend the Clayton Act, 74th Cong., 1st Sess. 211, 229 (1953) (comments of H.B. Teegarden, author of the Patman Bill).

[4] *Brewer* v. *Uniroyal, Inc.*, 498 F. 2d 973 (6th Cir. 1974); *Brown* v. *Hansen Publications, Inc.*, 1974–1 Trade Cas. ¶ 74,981 (D. Az. 1974); *Reines Distribs., Inc.*, v. *Admiral Corp.*, 256 F. Supp. 581 (S.D. N.Y. 1966).

[5] *Mississippi Petroleum, Inc.* v. *Vermont Gas Sys., Inc.*, 1972 Trade Cas. ¶ 73, 843 at 91, 535 (S.D. Miss. 1972). *See also, Danko* v. *Shell Oil Co.*, 115 F. Supp. 886 (E.D. N.Y. 1953).

UP AMENDMENT NO. 1303

Mr. METZENBAUM. Mr. President, I call up my amendment which is at the desk.

The ACTING PRESIDENT pro tempore. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Ohio (Mr. METZENBAUM) proposes an unprinted amendment numbered 1303.

Mr. METZENBAUM. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The amendment is as follows:

On Page 74, strike all of section (b)(1) and insert in lieu thereof—

"(b)(1) The Environmental Protection Agency shall—

(A) conduct field testing of the octane rating of automotive gasoline, comparing the tested octane rating of gasoline at retail outlets with the octane rating posted at those outlets;

(B) certify the results of such tests and comparisons to the Federal Trade Commission; and

(C) notify the FTC of any failure to post the octane rating discovered in the course of such field testing."

Mr. METZENBAUM. Mr. President, the purpose of my amendment is to clarify the enforcement responsibilities under the octane disclosure requirement. Section 203, as now written, provides the Federal Trade Commission with general enforcement responsibility to enforce compliance with the requirement of title II. Subsection (B) of section 203 provides that the Environmental Protection Agency shall, to the extent practicable, conduct field testing of the octane and certify the results of such testing to the Federal Trade Commission.

Enforcement costs will be minimized if it is clear that the Environmental Protection Agency has the responsibility, unqualified by the "extent practical" language, to test the octane rating and report the results. The Environmental Protection Agency presently collects gasoline samples from retail establishments to test the lead content of the gasoline. It has a nationwide inspection system with trained inspectors and equipment to test gasoline. If these responsibilities were to fall on the Federal Trade Commission because of the ambiguity in the language, enforcement costs of this title would be substantially increased. The Federal Trade Commission has no such inspectors nor the equipment or expertise to test the contents of gasoline.

The language should also be clarified to indicate that this reporting responsibility includes reporting whether the octane rating was, in fact, posted and the number of the rating posted. This information will be on the gasoline pump. The inspector need only make a clerical notation when collecting the same for testing. This simple act will alleviate any need for the Commission to hire inspectors to go to retail gasoline outlets to collect the information.

In light of the Environmental Protection Agency's existing inspection and testing program, title II will be less expensive to enforce if the responsibility for inspecting retail establishments and testing the gasoline is given to the Environmental Protection Agency without qualification.

It is my understanding that both the majority and minority have given their approval to this amendment.

Mr. DURKIN. Mr. President, I have taken a look at the amendment, and I understand it was recommended by the Federal Trade Commission during consideration of the bill by the House

I understand that the amendment is cosponsored by my senior colleague, Senator MCINTYRE, who is also a cosponsor of the proposed legislation we are dealing with today, and who also has put a considerable amount of time and effort into this matter, even before I became a Member of the Senate.

I commend the Senator from Ohio. His amendment would alleviate one of the problems I referred to earlier, the fact that the FTC already has its hands full. While I personally believe that the EPA spends too much time on certain problems when they should be watching what toxic substances are being dropped into our waterways, then they should be doing something about those phony mileage ratings they post for all the automobiles, and when they should be much more aggressive with respect to the pollution levels that the autos are emitting, I am nevertheless happy to accept the amendment.

Mr. HANSEN. Mr. President, I have no objection to this amendment. It may preclude some duplication of effort on the part of separate Government agencies, since EPA is already testing octane ratings.

Mr. President, I think the amendment has merit and I yield back the remainder of my time.

Mr. METZENBAUM. I yield back the remainder of my time.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Ohio.

The amendment was agreed to.

Mr. METZENBAUM. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. DURKIN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. METZENBAUM. I thank the distinguished Senator from New Hampshire and the distinguished Senator from Wyoming, my colleagues, and I appreciate working with them.

Mr. MARK O. HATFIELD Mr. President, I ask unanimous consent to call up at this time the amendment of the Senator from Arkansas (Mr. BUMPERS) and myself to title III, and that that amendment become the pending order of business on this "dealer day in court" bill.

The PRESIDING OFFICER (Mr. DECONCINI). Is there objection? Without objection, it is so ordered.

AMENDMENT NO. 1809

Mr. MARK O. HATFIELD. I call up amendment No. 1809.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Oregon (Mr. MARK O. HATFIELD), for himself and Mr. BUMPERS, proposes an amendment numbered 1809:

On page 79, beginning on line 4, strike out all through the end of the bill and insert in lieu thereof the following new title III.

The amendment is as follows:

On page 79, beginning on line 4, strike out all through the end of the bill and insert in lieu thereof the following:

TITLE III—STUDY OF SUBSIDIZATION OF MOTOR FUEL MARKETING

SEC. 301. (a) The Secretary of Energy, in consultation with the Commissioner of the Federal Trade Commission and the Attorney General and other agencies as he deems appropriate, shall conduct a study of the extent to which refiners and other suppliers of motor fuel subsidize the sale of such motor fuel at retail or wholesale with profits obtained from other operations.

(b) Such study shall examine—

(1) the role of vertically integrated operations in facilitating subsidization of sales of motor fuel at wholesale or retail;

(2) the extent to which such subsidization is predatory and presents a threat to competition;

(3) the profitability of various segments of the petroleum industry;

(4) the impact of prohibiting such subsidization on the competitive viability of various segments of the petroleum industry, on prices of motor fuel to consumers and on the health and structure of the petroleum industry as a whole; and

(5) such other matters as the Secretary considers appropriate.

(c) The Secretary shall report the results of the study required by this section, together with such recommendations for legislative action and such statistical evidence as he deems appropriate to the Congress on or before the expiration of the eighteenth month after the date of enactment of this section.

Mr. MARK O. HATFIELD. Mr. President, I understand there will be no action on this amendment until Tuesday next, and I reserve my comments on the amendment until that time, when it will be the pending order of business under my unanimous-consent agreement.

I suggest the absence of a quorum.

The PRESIDING OFFICER. On whose time? To whose time is the quorum call to be charged?

Mr. MARK O. HATFIELD. I ask unanimous consent that the time for the quorum call not be deducted from either side.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the pending measure now be laid aside and that the Senate proceed to the consideration of the next item under the order without any time being charged.

The PRESIDING OFFICER. Without objection, it is so ordered.

SENATE SENIOR CITIZEN INTERNSHIP PROGRAM

The PRESIDING OFFICER. Under the previous order, the bill (H.R. 130)

will be temporarily laid aside until Tuesday, May 9, 1978, and the Senate will now proceed to the consideration of Senate Resolution 219, which will be stated by title.

The assistant legislative clerk read as follows:

A resolution (S. Res. 219) establishing a senior citizen internship program in the Senate.

The Senate proceeded to consider the resolution which had been reported from the Committee on Rules and Administration with an amendment—to strike all after the resolving clause and insert the following:

That (a) each Senator is authorized to employ for not more than fourteen consecutive days each year during the month of May a senior citizen intern to serve in his office in Washington, District of Columbia.

(b) To be eligible to serve as a senior citizen intern an individual shall certify to the Secretary of the Senate that he has attained the age of sixty years, is a bona fide resident of the State of his employing Senator, and is a citizen of the United States.

(c) Each senior citizen intern shall receive compensation at an annual rate not exceeding $18,079. Whenever an order of the President pro tempore of the Senate is issued under authority of section 4 of the Federal Pay Comparability Act of 1970, such maximum annual rate shall be increased by the same percentage as is prescribed in such order for specified positions and, as so increased, adjusted to the next higher multiple prescribed in such order.

(d) Each senior citizen intern shall be paid, in lieu of reimbursement for the actual cost of transportation in traveling from and to the place of his residence and Washington, District of Columbia, and for per diem expenses while so traveling, an amount not exceeding an amount computed under the following table for traveling to Washington, District of Columbia, and returning to the place of his residence:

Round trip distance in miles from residence to Washington, District of Columbia (as computed by standard highway mileage guide)

	Reimbursement rate per mile
Not more than 750	$0.19
More than 750 but not more than 1,500	.18
More than 1,500 but not more than 2,000	.17
More than 2,000 but not more than 3,500	.16
More than 3,500 but not more than 4,500	.15
More than 4,500 but not more than 5,000	.14
More than 5,000 but not more than 6,000	.13
More than 6,000 but not more than 7,000	.12
More than 7,000 but not more than 8,000	.11
More than 8,000 but not more than 10,000	.10
More than 10,000	.09.

SEC. 2. Compensation and payments under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the employing Senator.

SEC. 3. The Committee on Rules and Administration is authorized to prescribe such rules and regulations as it determines necessary to carry out this resolution.

RECESS UNTIL 12 NOON

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess until 12 noon without the time being charged against either side.

There being no objection, the Senate, at 11:10 a.m., recessed until 12 noon; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. ALLEN).

APPOINTMENT BY THE VICE PRESIDENT

The PRESIDING OFFICER (Mr. ALLEN). The Chair, on behalf of the Vice President, appoints the Senator from Missouri (Mr. DANFORTH) as a Congressional Adviser to the SALT delegation in Geneva during 1978.

The PRESIDING OFFICER. The Chair, acting as the Senator from Alabama, suggests the absence of a quorum. The clerk will please call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROTH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

SENATE SENIOR CITIZEN INTERNSHIP PROGRAM

The PRESIDING OFFICER. The pending business is Senate Resolution 219. The time for debate is limited to 30 minutes on the resolution to be equally divided between the distinguished Senator from Delaware (Mr. ROTH) and the distinguished Senator from Rhode Island (Mr. PELL); 30 minutes on the Curtis amendment to be divided between Mr. CURTIS and Mr. ROTH; and 20 minutes on the Allen amendment to be divided between Mr. ALLEN and Mr. ROTH, with the final vote to occur on the resolution not later than 2:30 this afternoon.

Who yields time?

Mr. ROTH. Mr. President, I yield myself time for an unanimous-consent request that Mrs. Jo Anne Ross of my staff be granted the privileges of the floor during the debate and vote on Senate Resolution 219.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROTH. I wish to thank my distinguished colleagues Senator PELL, chairman of the Senate Committee on Rules and Administation, and Senator HATFIELD, the ranking minority member of that committee, for their efforts in steering my resolution through the Rules Committee. Their leadership on this measure has made an invaluable contribution toward recognizing the importance of participation by America's elderly in government.

Senate Resolution 219 which has the support of 33 cosponsors, would provide the means for establishing a Senate senior citizen intern program that would make this participation a reality. For the past 5 years I have sponsored a congressional senior citizen intern program with Members of the House of Representatives. This program was originated in 1973 by Congressman "Ed" Beister—retired, Congressman BUD HILLIS, and myself as a Member of the Senate. We sponsored a total of 11 interns for a 2-week period in May. Each year the program has become more successful, and participation has increased substantially. When this year's program begins, on Monday, 100 Members of Congress, including Senators ANDERSON, BENTSEN, BROOKE, CASE, CHILES, DECONCINI, DOLE, GARN, HATFIELD, HEINZ, HOLLINGS, MCCLURE, MATHIAS, PACKWOOD, STONE, TOWER, WILLIAMS, and myself will sponsor 146 senior citizen interns. The costs of this program have been absorbed by each Member's staff allowance.

I have been particularly encouraged by the interest shown by Members of the Senate this year. Many Members have expressed their desire to sponsor a senior intern, but unfortunately, because of budget limitations, have been unable to do so. In those offices where past participation has been possible, the intern program has been an unqualified success. Accordingly, I would like to give all Members of the Senate and senior citizens from all over the country the opportunity to participate.

This resolution would authorize each Senator to employ one senior citizen intern to serve in his Washington office for 2 weeks each year during the month of May. The intern would be paid an amount not to exceed $350 per week for the 2-week period and would be reimbursed for the cost of transportation in traveling to and from his or her home and Washington, D.C. in an amount not to exceed the mileage rate computed under a table by the Standard Highway Mileage Guide. The money needed to finance this program would come from the contingent fund of the Senate. The maximum allotment for the program if every Senator participated and authorized the maximum salary and transportation expenses would be $106,000 per year.

The purpose of the senior citizen intern program is to provide senior citizens with the opportunity to develop a better understanding of congressional operations, legislative activities, and senior citizen programs, and to communicate this information to other citizens in the State. Attendance at committee hearings, agency briefings and visits in congressional offices provide senior citizens an opportunity to learn how their Government operates, particularly as it relates to America's elderly. Members of Congress also benefit from the program by gaining a better insight into the concerns of older Americans.

This year's congressional senior citizen intern program will include briefings on the legislative process, pending legislation related to the elderly, the Administration on Aging, housing, nursing homes, physical fitness, consumer problems, national senior citizens organizations and visits to the White House and ACTION.

In order to qualify to be a senior intern, a person must be 60 years of age or over, a citizen of the United States, and must live in the State which the sponsoring Senator represents.

This resolution provides that the Committee on Rules and Administration is authorized to prescribe rules and regulations that it deems necessary for this program. While this resolution would establish a senior citizen intern program in the Senate, I hope that it will remain feasible to work closely with Members

of the House of Representatives as we have in the past. Congressman HILLIS has introduced a similar resolution in the House and it is actually our intent to continue with a joint congressional senior intern program.

I am very pleased that Members of the Senate have shown so much support for this program. This, I believe, is an example of the increasing awareness on the part of the Congress of the tremendous capabilities of older Americans.

Mr. President, I urge the adoption of this resolution to establish an official program in the Senate which recognizes the importance of participation by America's elderly in government.

The cosponsors of this resolution are Senators ANDERSON, BENTSEN, BROOKE, CLARK, CHILES, DURKIN, HART, HASKELL, HEINZ, KENNEDY, MATHIAS, RIEGLE, SPARKMAN, STONE, TOWER, WILLIAMS, HATHAWAY, HUMPHREY, LEAHY, MATSUNAGA, DANFORTH, DOMENICI, HATFIELD, METZENBAUM, PELL, DECONCINI, HAYAKAWA, THURMOND, CHURCH, GRAVEL, LAXALT, JAVITS, and GARN.

● Mr. WEICKER. Mr. President, as we consider Senate Resolution 219, I would like to share with you my experiences as sponsor of the Connecticut senior intern program.

Ninety-two senior citizen leaders from Connecticut boarded buses in Hartford in March of 1973 to begin a trip to Washington as the first senior citizen interns ever to come to Capitol Hill. Since 1973, 575 Connecticut senior citizens have participated in this program of weeklong internships designed to provide seniors with the knowledge necessary to deal more effectively with problems they encounter in their Connecticut communities.

The results have been encouraging. In Connecticut, today, the interns provide a network for the flow of information to other seniors. The individuals who have participated have a common bond as a result of their experience which translates into a common purpose in Connecticut: to insure that the senior citizens of the State have the best information available about how to provide services and answers to questions and problems to all the senior citizens of Connecticut. To accomplish this the senior interns serve on community boards, as advisers to area agencies on aging, as municipal agents for aging, and recently past interns formed a senior intern club which will help the flow of information across the State.

The participants are leaders in aging activities in Connecticut. They are chosen to participate by a selection committee, independent of my office or any political influence, chaired by Mother M. Bernadette, O. Carm., former State commissioner on aging and presently president of the National Council on Aging. This cooperation from State officials in the field of aging, as members of the selection committee and the program advisory committee, insures that the best qualified people participate in the program.

What is also tremendously important about this program is the funding process. Connecticut businesses, unions, civic organizations, and concerned individuals donate funds to cover the cost of the program's budget. Outside of time and services provided by my staff, no Federal funds are used to offset the costs of the program. Connecticut residents have demonstrated their awareness of the needs of our older citizens, and their generosity in supporting the senior intern program proves this.

In 1976, the Connecticut senior intern program was incorporated as a nonprofit tax-exempt company dedicated, according to its by-laws:

To giving Connecticut residents over the age of 60 an opportunity to experience * * * an in-depth study of our Federal Government * * * in Washington, D.C. * * * and to charge such senior citizens with the responsibility of sharing their experience with other senior citizens of Connecticut.

Almost as important as the goals outlined above are the benefits we in Washington gain from our contact with the senior citizens. By "we" I mean myself, my staff, and many of you in this Chamber who have been kind enough to meet with the interns. Their spirit and enthusiasm, their knowledge and experience are an inspiration. The program acts as a constant reminder of the contributions these individuals have made to our society, but more importantly of the contributions they continue to make.

Mr. President, for the information of my colleagues, I ask unanimous consent that a copy of a recent schedule for the Connecticut senior intern program be printed at this point in the RECORD.

There being no objection. the material was ordered to be printed in the RECORD, as follows:

1978 SCHEDULE: CONNECTICUT SENIOR INTERN PROGRAM, INC., APRIL 10 THROUGH 14

Day, location, and activity:

Monday, April 10:

2:30 p.m., Arrive—Quality Inn, 415 New Jersey Avenue, N.W. Phone: 638–1616.

5:30 p.m., Quality Inn, Depart for O'Donnell's Restaurant.

6:00 p.m., O'Donnell's, Dinner.

7:15 p.m., Short night tour of Washington.

Tuesday, April 11:

7:30 a.m., Dining Room, Quality Inn, Breakfast.

8:30 a.m., Meet bus—depart Quality Inn for Russell Building.

9:00 a.m., 457 Russell, Introduction by Bob Santy of Sen. Weicker's staff.

9:45 a.m., 457 Russell, Mr. Dave Affeldt, Chief Counsel, Senate Committee on Aging.

11:00 a.m., 457 Russell, Mr. Larry Lane, Director of Public Policy, American Association of Homes for the Aging.

12:00, G–219–221 Dirksen, Lunch.

2:00 p.m., 6226 Dirksen, Ms. Margery Collins, Associate Director, National Council on Aging.

3:00 p.m., 6226 Dirksen, Senator S. I. (Sam) Hayakawa (R.-Calif.).

4:00 p.m., Depart Dirksen Building for Quality Inn.

5:30 p.m., Depart Quality Inn for Hammel's Restaurant.

6:00 p.m., Hammel's Restaurant, Dinner.

7:00 p.m., Depart Hammel's for Ford's Theater.

7:30 p.m., Ford's Theater, "The American Dance Machine."

Wednesday, April 12:

7:30 a.m., Dining Room, Breakfast.

8:30 a.m., Depart Quality Inn for Cannon House Office Building.

9:00 a.m., 340 Cannon.

9:15 a.m., 340 Cannon. Congressman Ronald Sarasin (R.-5th-Ct.).

10:00 a.m., 340 Cannon, Congressman Stewart B. McKinney (R.-4th-Ct.).

11:15 a.m., 340 Cannon, Congressman Anthony (Toby) Moffett (D.-6th-Ct.).

11:30 a.m., Depart Cannon Building for Club II Restaurant.

12:00 Club II, Lunch.

2:00 p.m.–5:00 p.m., Afternoon Free.

6:30 p.m., Quality Inn, Meet bus—Depart for Blackie's Restaurant.

7:00 p.m., Blackie's, Dinner.

Thursday, April 13:

7:30 a.m., Dining Room, Breakfast.

8:30 a.m., Meet bus—Depart Quality Inn for Russell Building.

9:00 a.m., 457 Russell, Ms. Sue Irving, Staff of Senator Ribicoff.

10:00 a.m., 457 Russell, Ms. Jane Shure, Public Information Officer, National Institute on Aging.

11:00 a.m., 457 Russell, Senator Lowell Weicker, Jr. (R., Ct.).

12:00, S–120 Capitol, Lunch: Guest speaker—Mr. Robert C. Benedict, Commissioner, Administration on Aging, Office of Human Development Services.

2:00 p.m., 457 Russell, Mr. John Riley, Director, Congressional Liaison Division, Social Security Administration.

4:00 p.m., 457 Russell, Senator John Glenn (D.-Ohio).

4:30 p.m., Depart Russell Building for Quality Inn.

6:00 p.m., Congressional Room, Quality Inn, Dinner.

8:00 p.m., Congressional Room, Quality Inn, Meeting of Senior Interns.

Friday, April 14:

7:00 a.m., Dining Room, Breakfast.

7:30 a.m., Depart Quality Inn for White House.

8:00 a.m., White House, Tour.

8:45 a.m., White House (Family Theater), Mr. Nelson Cruikshank, Counsel to the President on Aging.

10:30 a.m., Action Agency, 806 Connecticut Ave., Mr. Jack Kenyon, Action.

12:30 p.m., Congressional Room, Quality Inn, Lunch.

1:15 p.m., Depart for Connecticut.

(All gratuities are taken care of by the Senior Intern Program, Inc.) ●

AMENDMENT NO. 1827

(Purpose: To require the presence of 25 Senators to transact business)

Mr. CURTIS. Mr. President, I seek the floor in my own right, and I call up my amendment numbered 1827 and I ask the clerk to read it.

The PRESIDING OFFICER. The clerk will please state the amendment.

The legislative clerk read as follows:

On page 3, following line 17, insert a new section as follows:

Rule V of the Standing Rules of the Senate is amended by adding at the end thereof the following new paragraph:

"4. (a) No debate, motion, or other transaction of business shall be in order during any session of the Senate unless at least twenty-five Senators are present on the floor of the Senate.

"(b) It shall be the duty of the Presiding Officer to maintain a continuous count of the number of Senators present on the floor of the Senate during sessions of the Senate. If, at any time, the number of Senators present is less than twenty-five, the Presiding Officer shall immediately suspend the proceedings of the Senate and such proceedings shall not be resumed until at least twenty-five Senators are present.".

Mr. CURTIS. Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. CURTIS. Mr. President, I yield myself 10 minutes.

The PRESIDING OFFICER. The Senator is recognized for 10 minutes.

Mr. CURTIS. Mr. President, the objective of this amendment, to require that 25 Senators must be on the floor to transact business, is to bring back, at least in a measure the traditional role and the necessary role of the U.S. Senate as a deliberative body.

Mr. President, I want all those who read the RECORD and who may be listening to realize that Senators do not absent themselves from the Chamber in order to take naps or to play golf. Our program is not properly arranged here. Committees are going on, other duties call Senators to their offices. Constituents request that they go downtown with them to call on departments because we live in a day when an agency of Government is an agency of oppression.

Now, Mr. President, we have too many things going on because we have neglected the debate here. There are many times that a proposal is offered, and it may be in the nature of an amendment, that I am convinced would carry if there was anyone here to listen to it.

I believe there are other times when proposals are accepted which, if the Senators had been here to hear the questions asked about it, the arguments against it, they would have rejected.

Mr. President, the passage of this rule change will cause a change on the part of the leadership. The leaders are in charge of the Senate. If not, why not?

Mr. President, we will have better laws if we have better debate. Oh, how discouraging it is, not for the Senator from Nebraska but for other Senators, to prepare something that they believe in very deeply, they get some time to debate, and there is no one present to listen to them.

As I said a minute ago, it is not because the Senators are off taking a vacation. Not at all. It is because we are following the wrong priorities.

What is the purpose of the U.S. Senate? It is to enact legislation. How do we do that? In this Chamber, after debate, and unlimited debate. That should be the first priority of a Senator's time.

Let us not have anyone say, "I don't have time to attend the debates." When the writers of the Declaration of Independence declared that all men were created equal, they, of course, were referring to equal political rights. But that utterance was true in more ways than we realize.

Our Creator has given to every man equal time. Every human being has 24 hours in a day, no more and no less. Some people are not given 26 hours and some only 22 hours. We have the time; it is a question of priorities.

And, Mr. President, I know what will happen. The powers that control the majority in this body will pass the word out, "We do not want this amendment," and so I will be voted down by absentees. Well, I have had some defeats; I can stand another one. But what I want to say to you is that that is the process by which we legislate here.

Also, I would like to stress, Mr. President, that quorum calls in this body are a total waste of time and a waste of the taxpayers' money. My guess is that historically a quorum call was for the purpose of getting Senators here for the transaction of business. Now it is for just a little vacation spot. It takes a few minutes to call a quorum; there will be no votes while that is going on, so we come in and answer and we go out.

I do not know what it costs an hour to run the Senate, but it costs a lot of money. The dollars, however, are not the important thing. It is the way we do business. Here we are, voting on tax matters that involve the well-being of our whole economy, and no one is here to hear what is said. At other times, we vote on the environment, and militant enthusiasts have cozened committees into writing a harsh bill. It is not decided by reason and debate and discussion. Somebody says, "Oh, this is for the environment," so the absentees come in and vote for it. Another bill comes up, and the word goes out, "This is for youth," so everybody votes for it. Who is against youth? The only way they can tell the difference is to be here and hear the debate.

Mr. President, it has been my hope that this amendment would not be necessary, that the leadership would so organize the program of the Senate that we would return to being a deliberative body. But while I believe that all Senators should be here while we are in session all the time, and while I believe that it would be a good thing if we always had 51 Senators, a full quorum. here, I am also convinced that to have 25 here would greatly improve the product of the Senate. It would mean that when other people engaged elsewhere come in, there would be 25 people here who had been involved in the debate that they could go to and be brought up to date as to what has taken place and what the issue is.

Where do they get that information now? Not from any elected officials. They may get it as a matter of party discipline. Individually I love every one of my Democratic colleagues, but one political party has controlled the Senate for almost half a century with just two brief periods of interruption, and it has drifted into a neglect of the debates. Sixty-two Senators of the majority party have created 55 chairmanships. Many of them are doing excellent work, but some of them also have staffs that are thinking up more and more programs to put on the people.

Mr. President, we should be here in the Senate. That is the first priority.

Mr. President, how much of my first 10 minutes do I have left?

The PRESIDING OFFICER (Mr. NELSON). The Senator from Nebraska has 6 minutes remaining.

Mr. CURTIS. I will use 1 more minute, and reserve the 5.

Mr. President, this amendment will not in any way detract from or injure the pending resolution. I expect to vote for the resolution. To add an amendment on it cannot hurt it at all. Sometimes even a desirable amendment is rejected from a bill because it causes trouble in conference. But an amendment to our own rules does not go to conference. So it is my hope that the distinguished author of the resolution will accept the amendment, and that the bill as amended can pass.

I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. ROTH. Mr. President, I yield myself 2 minutes in opposition to the amendment.

I would say to the distinguished Senator who has offered this amendment that I have a great deal of sympathy with and in many ways support what he is trying to do. I think that it is or should be a matter of grave concern to all of us that too often the number of Senators on the floor is limited, and for that reason important legislation or important amendments do not get the careful debate to which they are entitled.

I point out to the distinguished Senator from Nebraska that I had that happen to me just a week ago in the consideration of the budget resolution, when I offered an amendment that would have permitted, among other things, the President's proposed tax relief to be considered during the coming year.

My amendment failed, I think in part, because many Senators on the other side did not recognize, because they were not able to be here, that it would have adopted what the White House would have supported.

But I just wish to make the one statement that I think the problem the Senator points up is an extraordinarily important one, but one that perhaps should be considered by special resolution, and I would urge that it be brought up at a time when we have the full Senate, or at least a quorum, on the floor to consider it.

Mr. CURTIS. Mr. President, will the Senator yield?

Mr. ROTH. I have very little time.

Mr. CURTIS. This Senator has lived his 3 score and 10, or a little more, and I just cannot wait that long. Furthermore, there is no chance to get reported out a special resolution.

The PRESIDING OFFICER. Who yields time?

Mr. ROTH. I yield such time as the distinguished majority leader desires.

Mr. ROBERT C. BYRD. Mr. President, I applaud the distinguished Senator from Nebraska for the thought which he has given to this amendment. I wish that at least 25 Senators could be present on the floor of the Senate at all times. When I say at all times, that is exactly what I mean, because the amendment says:

> No debate, motion, or other transaction of business shall be in order during any session of the Senate unless at least twenty-five Senators are present on the floor of the Senate.

We could not have any debate, we

could not have any morning business, unless 25 Senators were present. Committees must obtain unanimous consent to meet during the session of the Senate after the first 2 hours. Adoption of this amendment would greatly inconvenience members of the committees when they are attempting to meet deadlines and report out bills and resolutions. It would straitjacket the Senate. It would make it virtually impossible for the Senate to operate and complete its work and conduct the people's business, if 25 Senators have to be present.

I have had four school groups out here this morning, for example. They are my constituents. They will be voters one of these days. There are teachers and parents in those groups. I have to go out and see them and have my picture taken with them, with each of the youngsters, and sign autographs, and in many instances with the teachers and the parents as well.

To say that a Senator can be ubiquitous as well as loquacious is stretching the imagination. It is impossible for a Senator to be out on the Capitol steps, meeting with the school groups, downtown representing his constituents at an agency, in his office meeting with agency people or constituents, in committees doing the people's business, and also be on the Senate floor—all at the same time. If I ever saw an amendment that would hamstring and straitjacket the leadership in its efforts to move the legislative program forward, this is it.

So, Mr. President, with all those compliments, I urge the Senate to vote the amendment down.

The PRESIDING OFFICER. Who yields time?

Mr. CURTIS. Mr. President, I yield myself 3 minutes.

Mr. President, we are gaining ground. A year ago when I presented this amendment the distinguished majority leader rose in his eloquence and sat out there with Webster and Lane and all the great constitutional lawyers in the past and said it was unconstitutional. Today he says it will interfere with having his picture taken with schoolteachers.

Mr. ROBERT C. BYRD. And the Senator would not want to interfere with that. [Laughter.]

Mr. CURTIS. No. But we are never in session more than 8 hours a day and there are 24 hours in a day.

Mr. ROBERT C. BYRD. Never in session more than 8 hours? The Senator really does not mean that.

Mr. CURTIS. Well, on an average.

Mr. ROBERT C. BYRD. But the Senator said never. Do not ever say never.

Mr. CURTIS. All right. [Laughter.]

Mr. President, this not a joking matter. It is a question of priority. I believe the first priority of the Senate is to perform their legislative function. I believe when performing that function the open debate is of first priority.

Besides, this evil is a self-perpetuating evil. If the Members are not here, there are too many staff people who are thinking up legislation to create more programs, to take more time, to hold more hearings that bring in more constituents to complain about the programs.

There is not enough time to do everything, but it is important that we establish some priorities. As a matter of a workable proposition, it would not be difficult at all.

Mr. ALLEN. Will the Senator yield?

Mr. CURTIS. In just a second.

At the present time, it would require about 10 Senators from the minority. That could be arranged without any hardship. There are never more committees than 28 Senators could operate and still keep tab on what is going on.

With their great numbers over there of 62, it would not hurt them to have 15 Senators here. The idea that it is unworkable, that it would hamstring, is nonsense. It is purely a question of priority or whether we want to downgrade this Senate, that at one time was the greatest deliberative body in the world, to a group of marching people who come in and ask the leader how to vote or ask somebody else.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. CURTIS. I yield my remaining time to the Senator from Alabama.

Mr. ALLEN. I merely want to propound a question to the Senator. I support the amendment, but I wonder if it would not be more practical—in view of the fact that at the start of a day's session it takes 11 Senators to ask for the yeas and nays, and the Senator has noticed many, many times that there is a delay of 10 or 15 minutes in getting the 11 Senators on the floor to properly request the yeas and nays—I wonder if the Senator might consider modifying his amendment to require 11 Senators to be on the floor rather than 25. I believe that would be more practical, even though I will support his amendment as it is.

Mr. CURTIS. I appreciate the suggestion. I do not think it is hardly enough. But I would rather have half a loaf than no part of a loaf. I will amend my amendment to the resolution if the majority leader will accept it and urge support of the amendment.

Mr. ROBERT C. BYRD. The distinguished Senator states a big "if," may I say.

Mr. CURTIS. Why is the Senator opposed to Senators hearing what is going on here?

Mr. ROBERT C. BYRD. Not at all. I sit in my office and listen to the Senator from Nebraska day after day and his dulcet tones come over the intercom in my office. One can scarcely tear me away from the office when I listen to him. The school kids have a problem getting me out on the steps because I have my ear glued to the intercom listening to the eloquent and able Senator from Nebraska.

Now, as to the unconstitutional argument——

The PRESIDING OFFICER. The time has expired.

Mr. ROBERT C. BYRD. I guess I do not have any time.

The PRESIDING OFFICER. The Senator has no time. There are 5 minutes remaining but the time of the Senator from Nebraska has expired.

Mr. ROBERT C. BYRD. Do I have 5 minutes?

Mr. ALLEN. Will the Senator yield so I may make a comment?

The PRESIDING OFFICER. There are 9 minutes remaining to the opposition.

Mr. ROBERT C. BYRD. So I have time.

Now, Mr. President, as to the Constitution, the Constitution provides that at any time—any time—someone wants a rollcall vote one-fifth of those present can get it. It also provides that a majority of each House shall constitute a quorum to do business.

A quorum of the Senate is 51 today. Any time the distinguished Senator from Nebraska wants to utilize the rights that are his under the Constitution, all he needs to do is suggest the absence of a quorum. He can object to that quorum call being called off and he will then not only have 25 Senators present, he will have at least 51.

Mr. CURTIS. Will the Senator yield at that point?

Mr. ROBERT C. BYRD. Now, Mr. President, if we want to change the Constitution, let us offer a constitutional amendment. I suggest that the Senator offer a constitutional amendment. Of course, it will take two-thirds of the Senate to adopt that.

Yes, I yield.

Mr. CURTIS. The Senator knows that the quorum calls as carried out here do not bring in 51 Senators for the debate. They come in and are recorded and go out.

Mr. ROBERT C. BYRD. How does the Senator expect to keep 25 here, then, by his amendment?

Mr. CURTIS. Then it is necessary to have 25 here or the Presiding Officer must suspend business. You will have to get your 15 here or you cannot do business and I guarantee there will be 10 on this side.

Mr. ROBERT C. BYRD. And the Presiding Officer will have loaded upon him the inordinate burden of constantly sitting there as a mathematician, using a computer, watching Senators come in that door, go out that door, come in that door, go out that door, come in that door, go out that door, and say, "We now have 25, we have 26, we have 23, we have 25, we have 24." It would be unworkable and intolerable.

The Senator said the opposition argument was nonsensical. If I ever saw an amendment that was nonsensical, this is it par excellence.

Mr. CURTIS. To those who do not want to restore the Senate as a deliberative body, it is nonsense. It is the same sort of nonsense as a proposal that was batted around here at the first of the year that we have a non-Senator as a Presiding Officer. The Senate is going downhill and it has been, at a rapid pace, in the 95th Congress.

Mr. ROBERT C. BYRD. Mr. President, I believe I have the time. I yield to the Senator from Alabama.

Mr. ALLEN. I shall just take 1 minute. I have enjoyed so much the distinguished majority leader's dramatic presentation of his argument. I will say that if the Members of the Senate had known that this dramatic appeal was going to be

made, we would have had our 25 Senators here.

Also, I make the comment that, as the distinguished majority leader admonished the distinguished Senator from Nebraska never to say "never," he violated his own admonition in that very sentence, because he was saying "never" at that time.

Mr. ROBERT C. BYRD. Mr. President, the distinguished Senator from Alabama, as usual, in his inimitable way, has pointed to the error that was made by the distinguished—or, I should say, undistinguished—majority leader.

Mr. President, I do not think we really need to waste any more time on this amendment. I do ask unanimous consent that the Senator from North Carolina (Mr. HELMS) have 5 minutes at this point.

How much time do I have?

The PRESIDING OFFICER. The Senator from West Virginia has precisely 5 minutes remaining.

Mr. ROBERT C. BYRD. Mr. President, I wonder if the distinguished Senator from Nebraska would be willing to include in his amendment that, once a quorum is established, the doors of the Senate be locked, that no Senator be allowed to leave, and that he be present in this Chamber at every minute, every instant that the majority leader is here?

Mr. CURTIS. I do not think that is worthy of a reply.

Mr. STEVENS. Reserving the right to object, Mr. President, to the unanimous-consent request of the majority leader concerning extra time for my good friend from North Carolina, and I do not intend to object, I should like to point out that the timetable for today was very closely set in order that we might accommodate the desires of some Senators who have appointments tonight. I hope that the 5 minutes my good friend gets will be accommodated sometime later on in the day.

Mr. HELMS. I shall take less than 5 minutes.

Mr. ROBERT C. BYRD. I yield whatever time I have to the Senator from North Carolina.

The PRESIDING OFFICER. The Senator from North Carolina is recognized for 4 minutes.

Mr. HELMS. I ask that the Chair notify me after 2½ minutes.

TAX FREEDOM DAY IS TOMORROW MAY 6

Mr. HELMS. Mr. President, it is now over 4 months into the year, but Americans will not start working for themselves for 1978 until tomorrow. All this year, the American taxpayers will have been working to pay their taxes. In other words, it will take the average American until May 6 of this year to earn enough money to pay his share of the cost of government.

The Tax Foundation, an organization that publishes some outstanding analyses of tax issues, has calculated that taxes on all levels will consume the output of the average working American for the first 4 months and 6 days of 1978. Thus, "Tax Freedom" day will be tomorrow, May 6.

In recognition of this day of light and liberation that will dawn tomorrow, I will shortly move that the Senate stand in recess for 1 minute to honor the struggling, downtrodden, exploited, and neglected American taxpayer. During the money, it is fitting and proper that the Senate of the United States honor its sole supporter and generous benefactor, the American taxpayer.

The magnitude of the tax take is sufficient to make many citizens regard it as confiscatory and unconscionably high. Taxes are indeed too high. They discourage initiative. They encourage unemployment. They make savings and investment unattractive and they reward consumption and indebtedness.

Since the Federal Government began taxing income, the rates have grown bit by bit, but they have grown until the total bite is of massive proportions.

Today, the Federal Government alone takes from the American taxpayers 20 or 30 or 40 percent, or more, of their earnings—using the coercive power of government.

Mr. President, a million dollars is more than the average worker earns in a lifetime. It is almost twice what the average American wage earner will earn in his lifetime. Yet, if the Senate started today and debated just an hour on every million dollars of Federal expenditures for next year's $500 billion budget, the Senate would be debating the 1978 budget until the end of May in the year 2035. If the Senate debated 24 hours a day, 365 days a year, it would take 57 years and 25 days to debate next year's budget at $1 million per hour.

In 1977, total taxes collected by State, local, and Federal Government approached $600 billion. That represents 38 percent of personal income; up from 35 percent of personal income in 1967, up from 31 percent in 1957.

The Tax Foundation calculated Tax Freedom Day by adding all Government tax receipts. The foundation did not include receipts as a result of sales of Government property or of Government services.

What the Tax Foundation also did not calculate is the portion of added income taken from people each year by the tax of inflation. That is harder to calculate and they stick with the hard figures on the tax bills.

The officials I contacted at the Tax Foundation were quick to point out that if the Federal Government did not shift the burden of their expenditures to additions of Federal debt, the bill would be a lot higher. It would be $50 or $60 billion higher.

As we know, that addition to the Federal deficit is translated into an addition of federally imposed inflation, an insidious and destructive "tax." Inflation will hit workers, and it will also "tax" the elderly, and all those who do not pay formal taxes because of limited incomes.

The Tax Foundation not only calculated that the Tax Freedom Day would occur on May 6 this year, they also calculated the tax bite as a percentage of the workday. Their publications point out that the taxes we pay to Federal, State, and local government are equal to the first 2 hours and 45 minutes of everyone's 8 hour work day. One hour, 46 minutes goes to the Federal Government, 59 minutes for State and local governments.

It is shocking to me that taxes today take more from the family budget than some of the basic necessities of life. The average wage earner for an American household works 1 hour and 28 minutes for housing and household operations. Food and beverages for the household take 1 hour and 4 minutes.

If we add the time spent for clothing, the Tax Foundation estimates that the sum is just about equal to taxes. In other words, the average household wage earner works as hard and long to support his Government as he does to provide the basic necessities of life for his family.

Mr. President, I ask unanimous consent that an article from Monthly Tax Features, entitled "May 6 is Tax Freedom Day—2 Days Later," be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MAY 6 IS TAX FREEDOM DAY—2 DAYS LATER

TAX BITE IN 8-HOUR DAY HITS 2 HOURS 45 MINUTES

"Spring will be a little late this year," laments the song-writer. So will Tax Freedom Day, echoes the Tax Foundation. Two days later than last year, according to that non-profit research organization's calculations.

May 6 marks the day in 1978 when the average American stops working to support all levels of government and begins to hang on to the fruits of his labors. This year, each citizen will spend more than one third of the year working to pay his share of the total 1978 U.S. tax bill: $644.4 billion, up $70.8 billion from 1977. Federal taxes claim $415.4 billion while state and local taxes claim $229.0 billion.

From another perspective, taxes take a 2-hour and 45-minute bite from any given eight-hour working day: 1 hour 46 minutes for the Federal government; 59 minutes for state and local governments.

Taxes take more of our income than any other item in the family budget, including housing and household operations (1 hour 28 minutes) and food and beverages (1 hour 4 minutes), Tax Foundation researchers point out.

"Tax Freedom Day may be a little later perhaps," might be an appropriate response from the harried taxpayer, "but better late than never."

The table below gives details of the 1978 tax bite in the eight-hour day.

Tax Bite in the Eight-Hour Day 1978

Item	Hours and minutes
Taxes, total	2 hours 45 minutes
Federal	1 hour 46 minutes
State and local	59 minutes
Food and beverages	1 hour 4 minutes
Housing and household operation	1 hour 28 minutes
Clothing	23 minutes
Transportation	41 minutes
Medical care	30 minutes
Recreation	19 minutes
All others[1]	50 minutes
Total	8 hours

[1] Includes consumer expenditures for items such as personal care, personal business and private education; and savings.

Source: Tax Foundation estimates as of April 1, 1978.

Mr. HELMS. Mr. President, I now move that the Senate stand in recess for 1 minute in honor of the beleaguered American taxpayer.

Mr. ROBERT C. BYRD. Will the Senator withhold his motion and yield?

Mr. HELMS. Yes.

Mr. ROBERT C. BYRD. He has not cleared this motion to recess with the leadership first. Will he do that in accordance with what is the established practice and custom around here?

Mr. HELMS. Certainly, and of course I respect the position of the distinguished majority leader.

Mr. ROBERT C. BYRD. He will have my cooperation on this, but not now. Will he do it a little later today?

Mr. HELMS. Will the Senator be willing to state the time? I accommodated the proposed 1-minute recess in the time allotted to me, I say to the majority leader.

Mr. ROBERT C. BYRD. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. Approximately 1 minute and 30 seconds.

Mr. ROBERT C. BYRD. Mr. President, I move, on behalf of Mr. HELMS, that the Senate stand in recess for 1 minute and 30 seconds.

The PRESIDING OFFICER. The question is on agreeing to the motion. All those in favor will signify by saying yea; those opposed, say nay.

The PRESIDING OFFICER (in his capacity as the Senator from Wisconsin). Nay.

The PRESIDING OFFICER. The nays appear to have it.

Mr. HELMS. I appeal the ruling of the Chair.

The PRESIDING OFFICER. That is not a ruling of the Chair that is appealable.

Mr. HELMS. I ask for the yeas and nays, Mr. President.

Mr. ROBERT C. BYRD addressed the Chair.

Mr. HELMS. The Chair has acted improperly, perhaps in jest, but improperly nonetheless.

Mr. ROBERT C. BYRD. If the Senator will allow me, I shall try to get us out of this.

Mr. President, I ask unanimous consent, in order to avoid a rollcall vote on this motion, that the previous vote be vitiated on the motion to recess.

The PRESIDING OFFICER. Is there objection? The Chair hears none. Without objection, it is so ordered.

Let the Chair say that the reason the Chair voted nay on that question is that he did not want this motion to prove that this certainly, conclusively, is not a deliberative body. That is the reason this Member objected as a representative of the State of Wisconsin.

Time has expired on the amendment.

RECESS FOR 1 MINUTE

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess for 1 minute to prove nothing, just that it stands in recess, but on behalf of the Senator from North Carolina.

There being no objection; the Senate, at 12:39 p.m., recessed until 12:40 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. NELSON).

SENATE SENIOR CITIZEN INTERN PROGRAM

The Senate continued with consideration of the resolution.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Nebraska. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from South Dakota (Mr. ABOUREZK), the Senator from Delaware (Mr. BIDEN), the Senator from Arkansas (Mr. BUMPERS), the Senator from North Dakota (Mr. BURDICK), the Senator from Nevada (Mr. CANNON), the Senator from Missouri (Mr. EAGLETON), the Senator from Mississippi (Mr. EASTLAND), the Senator from Kentucky (Mr. FORD), the Senator from Montana (Mr. HATFIELD), the Senator from Maine (Mr. HATHAWAY), the Senator from Minnesota (Mrs. HUMPHREY), the Senator from Hawaii (Mr. INOUYE), the Senator from Louisiana (Mr. JOHNSTON), the Senator from Louisiana (Mr. LONG), the Senator from Washington (Mr. MAGNUSON), the Senator from Hawaii (Mr. MATSUNAGA), the Senator from South Dakota (Mr. MCGOVERN), the Senator from New Hampshire (Mr. MCINTYRE), the Senator from North Carolina (Mr. MORGAN), the Senator from Georgia (Mr. NUNN), and the Senator from Illinois (Mr. STEVENSON) are necessarily absent.

I also announce that the Senator from Idaho (Mr. CHURCH) is absent on official business.

I also announce that the Senator from Alaska (Mr. GRAVEL) is absent because of illness.

I further announce that, if present and voting, the Senator from Idaho (Mr. CHURCH), the Senator from Minnesota (Mrs. HUMPHREY), the Senator from Washington (Mr. MAGNUSON), and the Senator from New Hampshire (Mr. MCINTYRE) would each vote "nay."

Mr. STEVENS. I announce that the Senator from Oklahoma (Mr. BARTLETT), the Senator from Oklahoma (Mr. BELLMON), the Senator from Massachusetts (Mr. BROOKE), the Senator from New Mexico (Mr. DOMENICI), the Senator from Utah (Mr. GARN), the Senator from Michigan (Mr. GRIFFIN), the Senator from Nevada (Mr. LAXALT), the Senator from Kansas (Mr. PEARSON), the Senator from Pennsylvania (Mr. SCHWEIKER), the Senator from Virginia (Mr. SCOTT), the Senator from Texas (Mr. TOWER), and the Senator from Wyoming (Mr. WALLOP) are necessarily absent.

I also announce that the Senator from Maryland (Mr. MATHIAS) is absent on official business

The result was announced—yeas 16, nays 48, as follows:

[Rollcall Vote No. 154 Leg.]

YEAS—16

Allen	Hayakawa	Schmitt
Chiles	Heinz	Thurmond
Curtis	Helms	Zorinsky
Hansen	Lugar	
Hatch	McClure	
Hatfield, Mark O.	Melcher	
	Packwood	

NAYS—48

Anderson	Goldwater	Randolph
Baker	Hart	Ribicoff
Bayh	Haskell	Riegle
Bentsen	Hodges	Roth
Byrd, Harry F., Jr.	Hollings	Sarbanes
	Huddleston	Sasser
Byrd, Robert C.	Jackson	Sparkman
Case	Javits	Stafford
Chafee	Kennedy	Stennis
Clark	Leahy	Stevens
Cranston	Metzenbaum	Stone
Culver	Moynihan	Talmadge
Danforth	Muskie	Weicker
DeConcini	Nelson	Williams
Dole	Pell	Young
Durkin	Percy	
Glenn	Proxmire	

NOT VOTING—36

Abourezk	Garn	Matsunaga
Bartlett	Gravel	McGovern
Bellmon	Griffin	McIntyre
Biden	Hatfield, Paul G.	Morgan
Brooke		Nunn
Bumpers	Hathaway	Pearson
Burdick	Humphrey	Schweiker
Cannon	Inouye	Scott
Church	Johnston	Stevenson
Domenici	Laxalt	Tower
Eagleton	Long	Wallop
Eastland	Magnuson	
Ford	Mathias	

So Mr. CURTIS' amendment (No. 1827) was rejected.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the amendment was rejected, and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Who yields time?

AMENDMENT NO. 1798

Mr. ALLEN. Mr. President, I call up my amendment.

The PRESIDING OFFICER. The amendment will be stated. The assistant legislative clerk read as follows:

The Senator from Alabama (Mr. ALLEN) proposes an amendment numbered 1798:

Amend S. Res. 219 by striking section 2 and inserting in lieu thereof the following:

SEC. 2. Compensation and payments under this resolution shall be paid from and charged against the clerk-hire and travel allowances of the Senator employing such senior citizen intern.

Mr. ALLEN. I yield myself such time as I may require.

Mr. President, this amendment is very simple, and I shall not detain the Senate long.

It does not interfere in any way with the program set up under the resolution.

The resolution, however, provides for a new program, with new expenditures, and the committee report estimates that the expenditure will be approximately $106,000.

It would set up a senior citizen intern program allowing one senior citizen of a Senator's State to come to Washington, have their transportation expenses paid and per diem while in travel status—computed at about 17 or 18 cents a mile—and then to be paid approximately $50

a day during the time they are here, for not to exceed 14 days.

This is in addition to the programs that already exist for clerk hire and expense allowances for staff. All that the amendment does is to say that these expenses shall be paid out of a Senator's allowance for clerk hire and for expense.

I am somewhat surprised that the distinguished sponsor of the bill, Mr. ROTH, who we all know stands for economy, trimming the Federal programs, and reducing appropriations, and other sponsors of the resolution come forward with a brandnew program added to all other programs existing in the Federal bureaucracy and in the Senate at an added expense of $100,000 a year. Maybe that is small as we consider Federal expenditures but it is symbolic, Mr. President.

Last year the distinguished Senator from Kentucky (Mr. HUDDLESTON), who was in charge of the legislative appropriations bill, did a very fine job of cutting some legislative expenses, and he cut off the CONGRESSIONAL RECORD list that Senators had had where they could send 100 subscriptions of the CONGRESSIONAL RECORD to constituents. That was eliminated. The Congressional Directory, a very fine publication, was cut down from annually to biannually. The free haircuts, we have heard so much about through the years for Senators, were eliminated. Senators now pay $3.50 for a haircut and 50 cents for a shine. I just point out these minor economies that have taken place.

Now under this resolution, as written, we are retrogressing, we are going backward; and I think we should avoid that appearance. This amendment does not eliminate the program. Senators have adequate allowances for clerk hire and for expenses of travel. This would just require a Senator, if he wants to avail himself of this program, to pay for these expenses out of the very liberal allowances he already has and not create another ongoing program.

I am somewhat surprised that some of the sponsors of this resolution are coming in with a new program of this sort.

So the amendment would not destroy the program which many Senators object to as is, but it would require a Senator to pay these expenses out of allowances that he now has.

I believe the amendment should be agreed to, and I ask for the yeas and nays.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. ALLEN. I yield.

Mr. ROBERT C. BYRD. Mr. President, I compliment the distinguished Senator from Alabama on his amendment and on the argument that he has just presented in support of his amendment. I wish to be a cosponsor of the amendment.

The PRESIDING OFFICER. The Senator from Alabama has asked for the yeas and nays.

Mr. ALLEN. I withdraw that request for the moment.

Mr. ROBERT C. BYRD. He yielded to me though, first, and where was I? Anyhow, I want to be a cosponsor of the Senator's amendment.

Mr. ALLEN. I thank the Senator and I ask unanimous consent that the distinguished majority leader be added as a cosponsor. I appreciate that.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I hope the amendment will carry the day because I agree with him that we are going to add on another program that the cost of that program should come out of our clerk hire.

Mr. ALLEN. Yes.

Mr. ROBERT C. BYRD. I assume that most Senators have enough clerk hire to allow for a senior citizen to be added to the office as an intern. I have often wondered what the definition of a senior citizen was. I have wondered also if a good many senior citizens in this country do not resist the appellation of senior citizen. I see in the report here that under this legislation to be eligible to serve as a senior citizen intern the individual has to certify to the Secretary of the Senate that he has attained the age of 60 years. So I now find that I am a senior citizen.

I thank the Senator for allowing me to respond.

Mr. ALLEN. I thank the majority leader.

Mr. SCOTT. Mr. President, will the distinguished Senator yield to another senior citizen?

Mr. ALLEN. I yield.

Mr. SCOTT. Mr. President, I appreciate the Senator yielding, and I ask that my name be added as a cosponsor to his amendment.

Mr. MARK O. HATFIELD addressed the Chair.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. ALLEN. I yielded to the distinguished Senator from Virginia.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. SCOTT. Mr. President, I support the amendment of the distinguished Senator from Alabama. It seems to me that it is a good amendment. I think sometimes we limit our discretion too much, but here we are giving each Senator the opportunity of employing a senior citizen, but it comes out of the overall clerk hire allowance allocated to his office.

Mr. ALLEN. Under the amendment.

Mr. SCOTT. Under the amendment, the amendment does. I feel that is where it should come and the discretion rests with the distinguished Senator where it should rest, and I commend the distinguished Senator.

Mr. ALLEN. I thank the Senator and I ask unanimous consent that the name of the distinguished Senator from Virginia (Mr. SCOTT) be entered as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ALLEN. I yield.

Mr. MARK O. HATFIELD. I appreciate the Senator yielding.

Senator ALLEN presented an amendment which I think on the surface sounds very reasonable and I would certainly, I think, probably have supported it if I had not looked into the matter a little more deeply.

I wish to say that I believe if this amendment is adopted we might as well kill the whole program. It effectively eviscerates the whole intent of the program, and let me explain why. If we are to take the cost and the payments for these senior citizen interns out of clerk hire, that means they have to be paid on the same regular basis as any other employee of a Senator's office is paid.

Let me give you an example of what I mean. This is for a 2-week period of time. Let us assume that the intern comes for, say, the period from May 7 to May 21. This is the period set forth that it would be the same time for all offices. That intern who came for May 8 to May 21 would have to put all the expenses up front. That person would have to put the transportation and all the living expenses of room and board while here up front, because that person could not be paid until June 5, after the period of time this intern had served, meaning simply that that person could not go home with those bills and the bills and expenses unpaid.

If we stay with the resolution as Senator ROTH had introduced it, which I enthusiastically support, it would mean simply that the payment for the expenses while they are here could be made on the last day. So they could go back to their hotel or their rooming house, pay off their bills for their expenses while here, and then go on home.

So let me just point out very carefully here. I have gone through this detail with the disbursing office of the Senate to get clearly in mind exactly what the application would be of the Allen amendment. We are for this kind of a program. Let us bear in mind that there are going to be only a few who are wealthy enough and independently wealthy enough to come here with their own up-front money for the total period of time that they will be in the intern program of 2 weeks.

If we want to broaden this so that people, who are not independently well off but have qualifications to do so, can take advantage of this then I think we have to vote down the Allen amendment. If we are looking at this from a total budgetary picture, I think we have to weigh that against the advantages that will come to each of our offices and I think collectively to the Senate by having the perspective and dimension of this senior citizen group.

If we want to be pushed against the wall on this, I would much rather see the clerk hire reduced by a given amount in order to maintain a separate kind of financial account for the interim program. But I want the Senate to clearly understand if we adopt the Allen amendment I think, for all practical purposes, we restrict this program to independently well-off people, or we are going to find that people are not going to be able to take advantage of it at all.

Mr. President, I speak in support of Senate Resolution 219 and urge that it be passed, unchanged from the form reported by the Rules Committee.

As presently drafted, Senate Resolution 219 will provide a superb opportunity to acquaint older Americans with the workings and nuances of Congress. Senior citizens are specially affected by much of the social and economic legislation we enact each year. For their viewpoints to be heard in a forthright and effective fashion, they must understand how the legislative process works. Senate Resolution 219 is an important educational means to that end. Properly utilized, the senior citizens internship will serve to amplify the voice of our older Americans. As one Senator who believes that for too long that voice has been muffled, I welcome this chance to begin rectifying the situation.

The distinguished Senator from Alabama has offered an amendment to this resolution. He proposes that funds paid to senior citizen interns be drawn from the clerk hire allotments available to each Senator. On its face, the amendment appears to have favorable consequences. Surely it would save money for the taxpayers because instead of creating a new charge upon the contingent fund it would require that Senators pay these interns from existing resources. While I can appreciate the appeal of such argument, I nevertheless reject it. Passage of this amendment will effectively kill the senior citizen internship program. It will cause delays and economic hardships to be visited upon the interns, most of whom do not have ample economic resources or sponsoring organizations. If the amendment is passed, the interns would be forced to lay out from hundreds to thousands of dollars of personal funds before receiving their delayed reimbursements. Many qualified and bright people could be eliminated from participation in the program for such economic reasons alone.

It is also predictable, Mr. President, that forcing Senators to rely upon the clerk hire allowances will mean that few offices can afford to participate in the internship program. Therefore, if we enact this amendment, the program we want will be all but neutralized.

Although passage of the resolution in its present form creates a new draw upon the Treasury, I regard it as a small and reasonable price to pay for the enormous benefits which would be realized by the senior citizens of this country. An organized, established internship program is clearly important to them and is in the best interest of the Congress as well. For these reasons, I must oppose any amendment that would weaken the resolution. The Allen proposal would have precisely that effect. Because I so strongly see the merits of the program envisioned by this legislation, I urge that the amendment be defeated and that the resolution be enacted as it presently stands.

Mr. ALLEN. Mr. President, in answer to what the distinguished Senator says, if you will observe section 3, the Committee on Rules and Administration is authorized to prescribe such rules and regulations as it determines necessary to carry out this resolution. So the very same method of payment could be provided that the distinguished Senator talks about. This amendment does not prevent that. All it does is to charge that payment not against a new program created here but to charge it against the Senator's allowances that he already has. The Rules Committee can make the very same provisions that the Senator says he would like to have in this resolution.

Mr. MARK O. HATFIELD. Mr. President, will the Senator yield?

Mr. ALLEN. Yes.

Mr. MARK O. HATFIELD. Let us make the record clear; I want to be sure everybody understands. Clerk hire is a law, it is not under the rules of the Senate. Clerk hire is a law. Therefore, anybody who is going to be paid under clerk hire has to be paid under the provisions of the law, and it is not a matter of discretion for the Rules Committee to make a slight adjustment.

Therefore, I reiterate that the Rules Committee is not empowered at this time to make some rule adjustment, because the clerk hire under which this would be required to be made under the Allen amendment is a law that states the methods and procedures to be followed.

Mr. ALLEN. Well, the clerk hire fund, all it does is set the amount. The Rules Committee can provide for payment in a certain fashion, and if the Senator feels that that is not correct, another way to get at it would be to have an amendment to the resolution stating that anything paid out under this program would still be charged against the Senator's allowances.

But there is no need of creating another, a new, program to charge against the Senator's allowance.

The PRESIDING OFFICER (Mr. SASSER). The time of the Senator from Alabama has expired.

Mr. PELL. Mr. President, the purpose of this proposal is not only to bring the interns here and give new dimension to each Senator's work, but it is also to bring attention to our senior citizens. This is why they have been singled out this way. I recognize that many of us have had intern programs for a long time. I know that in my office I have had almost 1,000 young people go through it, for varying periods of time, with no reimbursement.

I recognize this is a problem, and Senator HATFIELD touched on it. But as to how it can be paid for, what group would underwrite the expenses if the intern cannot do it himself or herself, is another question. But in this case I think the suggestion of Senator ALLEN would pretty well wipe out the whole bill or the purpose of the proposal.

At this time I would defer to the sponsor of the bill, Senator ROTH.

Mr. ROTH. I thank the Senator from Rhode Island.

I would just like to reemphasize what the senior Senator from Oregon has stated. I think there are special reasons why we should provide these funds for this program. Let me start out by saying that I recognize that I am in an unusual position, but I feel so strongly that it is important that we recognize the need of better communication between the senior citizens and their Government that I think the slight increase in funds that may result from it is well worth the price.

I would point out that undoubtedly it will be substantially less than the $106,000 because many of us have in the past sponsored this program out of clerk hire and would expect to be doing it pretty much the same, whether we actually use this program or the other, and it would not mean additional cost.

There are two reasons why I think it is important from the standpoint of the senior citizens: One is the matter discussed by Senator HATFIELD, and that is the fact that the senior citizens, in contrast to the young interns, are many times not in a position to finance their own stay in Washington.

I have also been a supporter of and have hired many interns from colleges and even high schools in the summertime. Of course, usually parents and other means are available to finance that program. But, unfortunately, many senior citizens are not in that happy position. This provides an opportunity for rapid reimbursement so that before they leave they secure the funds and are able to pay the hotel bills and other costs incurred.

Let me repeat there are two reasons financially, I think, for doing this: One, the quick reimbursement, and the other is the fact that a number of Senators have said to me in the past that they were unable to participate, and they would like to do so. Because we are a nation in which there is an increasing number of senior citizens, I think it is extremely important that we provide better means of communication, and I have found that this program has been of tremendous service to me and the people, the senior citizens, of Delaware.

For that reason, Mr. President, I would urge the defeat of the amendment.

Mr. MARK O. HATFIELD addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. MARK O. HATFIELD. Mr. President, may I have 1 minute?

Mr. PELL. I yield to the Senator from Oregon.

Mr. MARK O. HATFIELD. I would like to have just 1 minute. I have just called the Disbursing Office once again to confirm my understanding of how payments are handled.

Mr. Malstrom of the Disbursing Office has just reconfirmed my understanding, and that is that the Rules Committee only has control of payments from the contingency fund, but that the clerk hire fund, both in terms of amounts and procedures, is set by statute and, therefore, in this circumstance the Rules Committee would not have authority to make any adjustments for accelerating the time frame of payment under clerk hire.

So I just want to make the record clear again that the Disbursing Office has affirmed my understanding that if we go with the Allen amendment we will

be locked into the situation which would, in effect, negate the whole purpose of the program.

Mr. ALLEN. Mr. President, will the Senator yield?

Mr. MARK O. HATFIELD. I yield.

Mr. ALLEN. Does that same timetable apply as to per diem payments?

Mr. MARK O. HATFIELD. I understand, in talking to the disbursing office previously, that per diem cannot be disbursed under the same provisions because under the Senator's amendment, coming under clerk hire, it would have to be paid strictly on the basis that we pay any other employees.

Mr. ALLEN. That is not the question.

The PRESIDING OFFICER. All time under the amendment has expired.

Mr. ALLEN. Mr. President, I ask unanimous consent for 2 additional minutes on the amendment.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. ALLEN. I asked the Senator from Oregon the question the per diem payments, the expense payments for travel, those are not covered by the clerk hire provisions; that comes at a different time. The Senator knows when he puts in an application for reimbursement for travel he does not have to wait until a particular time. That is paid promptly, as soon as they can service it and send it back; is that not correct?

Mr. MARK O. HATFIELD. On the transportation, we have a chart on transportation costs, on the averages.

Mr. ALLEN. That would have to wait until the end of the month.

Mr. MARK O. HATFIELD. It would have to be advanced by the intern.

Mr. ALLEN. I know, but it would be paid just as quickly as the travel expense which had been taken, would it not? You do not have to wait for that on your salary. You do not have to wait for your salary time to get your reimbursement for travel.

Mr. MARK O. HATFIELD. Reimbursement could occur, yes.

Mr. ALLEN. Yes; so that would enable him to have that much to spend, in some cases around $300.

Mr. MARK O. HATFIELD. The amount is correct. The travel, the per diem, could be paid as the Senator outlines it.

Mr. ALLEN. Yes.

Mr. MARK O. HATFIELD. But when you are talking about the cost of living expenses coming out of clerk hire that would then have to be paid at the time of the next payment.

Mr. ALLEN. The cost of living is not provided for in the amendment, if the Senator will read it. It is not required in the amendment, it is not even in the resolution. No per diem is paid under the resolution for time spent here. It is paid for travel up here.

Mr. MARK O. HATFIELD. I think the Senator has to recognize that the purpose of the provision is to cover the expenses, and that is the whole idea, to cover the expenses.

Mr. ALLEN. On per diem there is no such thing in the resolution.

Mr. MARK O. HATFIELD. We may argue semantics, but the purpose under the resolution is to cover the living expenses of the intern while here in Washington. That is the whole idea behind it.

Mr. ALLEN. I call for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Alabama. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from South Dakota (Mr. ABOUREZK), the Senator from Delaware (Mr. BIDEN), the Senator from Arkansas (Mr. BUMPERS), the Senator from North Dakota (Mr. BURDICK), the Senator from Nevada (Mr. CANNON), the Senator from Missouri (Mr. EAGLETON), the Senator from Mississippi (Mr. EASTLAND), the Senator from Kentucky (Mr. FORD), the Senator from Montana (Mr. PAUL G. HATFIELD), the Senator from Maine (Mr. HATHAWAY), the Senator from Minnesota (Mrs. HUMPHREY), the Senator from Hawaii (Mr. INOUYE), the Senator from Louisiana (Mr. JOHNSTON), the Senator from Louisiana (Mr. LONG), the Senator from Washington (Mr. MAGNUSON), the Senator from South Dakota (Mr. McGOVERN), the Senator from New Hampshire (Mr. McINTYRE), the Senator from Georgia (Mr. NUNN), the Senator from Illinois (Mr. STEVENSON), are necessarily absent.

I also announce that the Senator from Idaho (Mr. CHURCH) is absent on official business.

I also announce that the Senator from Alaska (Mr. GRAVEL) is absent because of illness.

I further announce that if present and voting, the Senator from Minnesota (Mrs. HUMPHREY) and the Senator from Idaho (Mr. CHURCH) would each vote "nay."

I further announce that, if present and voting, the Senator from New Hampshire (Mr. McINTYRE) and the Senator from Washington (Mr. MAGNUSON) would each vote "yea."

Mr. STEVENS. I announce that the Senator from Oklahoma (Mr. BARTLETT), the Senator from Oklahoma (Mr. BELLMON), the Senator from Massachusetts (Mr. BROOKE), the Senator from New Mexico (Mr. DOMENICI), the Senator from Utah (Mr. GARN), the Senator from Michigan (Mr. GRIFFIN), the Senator from Nevada (Mr. LAXALT), the Senator from Kansas (Mr. PEARSON), the Senator from Pennsylvania (Mr. SCHWEIKER), and the Senator from Texas (Mr. TOWER), are necessarily absent.

I also announce that the Senator from Maryland (Mr. MATHIAS), is absent on official business.

Mr. ALLEN. Regular order, Mr. President. Regular order.

The result was announced—yeas 37, nays 31, as follows:

[Rollcall Vote No. 155 Leg.]

YEAS—37

Allen	Hollings	Randolph
Byrd, Harry F., Jr.	Huddleston	Ribicoff
	Jackson	Schmitt
Byrd, Robert C.	Leahy	Scott
Chafee	Lugar	Sparkman
Chiles	Melcher	Stafford
Curtis	Metzenbaum	Stennis
Dole	Morgan	Talmadge
Glenn	Moynihan	Thurmond
Hansen	Muskie	Weicker
Haskell	Nelson	Young
Hatch	Percy	Zorinsky
Helms	Proxmire	

NAYS—31

Anderson	Goldwater	Packwood
Baker	Hart	Pell
Bayh	Hatfield, Mark O.	Riegle
Bentsen		Roth
Case	Hayakawa	Sarbanes
Clark	Heinz	Sasser
Cranston	Hodges	Stevens
Culver	Javits	Stone
Danforth	Kennedy	Wallop
DeConcini	Matsunaga	Williams
Durkin	McClure	

NOT VOTING—32

Abourezk	Eastland	Laxalt
Bartlett	Ford	Long
Bellmon	Garn	Magnuson
Biden	Gravel	Mathias
Brooke	Griffin	McGovern
Bumpers	Hatfield, Paul G.	McIntyre
Burdick		Nunn
Cannon	Hathaway	Pearson
Church	Humphrey	Schweiker
Domenici	Inouye	Stevenson
Eagleton	Johnston	Tower

So Mr. ALLEN's amendment (No. 1798) was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. ALLEN. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROTH. Mr. President, I will just take 30 seconds of the time of the Senate. I thank my distinguished colleague, the chairman of the Committee on Rules and Administration (Mr. PELL) and the Senator from Oregon (Mr. MARK O. HATFIELD), the ranking minority member of the committee, for their efforts in steering this resolution through the Rules Committee. I think the program is an important one and provides an invaluable means of providing better communication between the senior citizens and the Congress.

I yield the floor.

● Mr. PELL. Mr. President, Senate Resolution 219 would establish a senior citizen internship program for the Senate under which each Senator would be authorized to appoint one such senior intern for a 2-week period during May of each year.

The Rules Committee reported the resolution with an amendment (in the nature of a substitute) which would:

First. Authorize the number of days as "not to exceed 14 consecutive days" which would offer the latitude to a Senator of fewer days if desired.

Second. Add the word "bonafide" resident to give the Senator greater control in selecting only legal residents of his State, and include "and as a citizen of the United States" in order to eliminate any prospect of selecting an individual whom we could not by law compensate otherwise.

Third. Include the words "at an annual rate not exceeding" in the compensation authority to allow the Senators the latitude of setting a lesser rate of compensation for those interns whose lodging costs would be lower or nonexistent, and whose meal expense would be lower; that is, an individual who could commute or who would be residing with friends or relatives.

Fourth. Increase the compensation rate to $18,079 per annum which translates to $50.21 per day. This would sufficiently compensate those senior citizens who would find it difficult to locate adequate lodging for a reasonable cost and eat properly as well. If provision was made for suitable housing and meals otherwise, the rate of compensation could be set at a lower rate.

Fifth. Add language which would give the President pro tempore authority to increase the maximum compensation rate by the same percentage of increase accorded all other rates in a cost-of-living increase.

Sixth. Authorize an amount in lieu of actual transportation cost and per diem while traveling that would be determined in accordance with a mileage table included in the resolution. This table is essentially the same table used to determine the dollar value of trips authorized for Senators when the consolidated office allowance was established. To this has been added 5 cents per mile to cover the normal per diem allowance.

The program would be funded from the contingent fund of the Senate. The maximum amount which could be paid to any intern for the full authorized 2-week period would be $703.07, or a total maximum possible cost of $70,307 if all 100 Senators should participate. The Senate Disbursing Office advised the committee that it estimates the maximum total possible cost for travel and per diem expense while traveling would be $34,926,56, for an overall total possible cost of approximately $105,233.56. The Disbursing Office compiled the following table for the committee, and I ask that it be set forth in the RECORD at this point.

The table follows:

Table of maximum cost

At $18,079 per annum ($50.2194 per day):

Compensation	$703.07
Times	100
Total	70,307.00
Transportation and per diem	34,926.56
Total cost	105,233.56
	or
	106,000.00

● Mr. CLARK. Mr. President, I want to express my full support for Senate Resolution 219, which establishes a senior citizen internship program in the Senate. I joined Senator ROTH as a cosponsor of this resolution, and I am very pleased that the Senate Rules Committee, on which I serve, acted favorably upon it.

The concept that underlies a senior citizen internship program is a wonderful one—that of bridging the gap between older Americans and the Federal Government.

The program is a true learning endeavor, in which we as Senators gain a better insight into the needs and views of senior citizens, while they are exposed to the operations of Senate offices, of Senate committees, and of Federal agencies. Therefore, both Senators and older Americans have much to gain through the senior citizen internship program.

Senate Resolution 219 would allow each Senator to employ one person for 2 consecutive weeks in May. That person would be an individual who is 60 years of age or older and a resident of the State of the Senator who employs him or her. The senior interns would be paid at a rate of about $50 per day and would also be reimbursed for travel expenses.

I sincerely hope that the Senate approves Senate Resolution 219. That action would not merely allow us to expand an already successful program—it would also serve to send a message to older Americans across the Nation that the U.S. Senate values their wisdom and experience.

Mr. BENTSEN. Mr. President, I am delighted to support this proposal to develop a senior citizen intern program for the Senate. Last May, I was one of eight Senators who had the privilege of participating in this program on an ad hoc basis. It was an enlightening experience for all concerned and I was convinced at that time that the program should be expanded and made available to all Members of the Senate.

Last year's interns, John Oden of Port Arthur and Bob Gibbons of Fort Worth, were active participants in the everyday activities of my office. They had an invaluable opportunity to meet with the leaders of both congressional committees and Federal agencies which deal with problems of vital concern to those 65 and over.

This year I have chosen Mrs. Bess Rogers of Nacogdoches and Mr. Jack Hooper of Pasadena, Texas, as interns for the program to begin this May. I know they will find the experience of coming to Washington and getting a real life taste of the legislative process to be useful in their work with senior citizen groups in Texas.

The senior citizen intern program will benefit all involved—the interns, the Members of the Senate, their staffs, and the relevant Federal agencies and congressional committees.

Based on my own experience with this program, I know that it will be of value to all Senators and I urge the adoption of this resolution today.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment, as amended.

The committee amendment, as amended, was agreed to.

The PRESIDING OFFICER. The question in on agreeing to the resolution, as amended.

The resolution (S. Res. 219), as amended, was agreed to.

Mr. ALLEN. Mr. President, I was going to suggest the absence of a quorum. There may be some Senators who want a yea-and-nay vote. I suggest the absence of a quorum.

Mr. PELL. I do not ask for the yeas and nays. I do not think the sponsor of the resolution does. A voice vote is acceptable.

The PRESIDING OFFICER. Does the Senator from Alabama ask that the vote be vitiated?

Mr. ALLEN. Yes. If there is no request for a yea-and-nay vote, I withdraw the request.

The PRESIDING OFFICER. What is the pleasure of the Senate?

Mr. PELL. Mr. President, I would suggest we vote on the resolution, as amended by Senator ALLEN, by voice vote.

The PRESIDING OFFICER. We have voted by voice vote, unless the Senators wish to vitiate the vote.

Mr. PELL. There is no desire on our part.

Mr. ALLEN. Will the Chair put the question again? I think many did not understand the question being put. Will the Chair put the question again? I ask unanimous consent.

The PRESIDING OFFICER. Does the Senator ask unanimous consent that we vitiate the vote so we may vote again?

Mr. ALLEN. Yes.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The question is on agreeing to the resolution, as amended.

The resolution, as amended, was agreed to, as follows:

That (a) each Senator is authorized to employ for not more than fourteen consecutive days each year during the month of May, a senior citizen intern to serve in his office in Washington, District of Columbia.

(b) To be eligible to serve as a senior citizen intern an individual shall certify to the Secretary of the Senate that he has attained the age of sixty years, is a bona fide resident of the State of his employing Senator, and is a citizen of the United States.

(c) Each senior citizen intern shall receive compensation at an annual rate not exceeding $18,079. Whenever an order of the President pro tempore of the Senate is issued under authority of section 4 of the Federal Pay Comparability Act of 1970, such maximum annual rate shall be increased by the same percentage as is prescribed in such order for specified positions and, as so increased, adjusted to the next higher multiple prescribed in such order.

(d) Each senior citizen intern shall be paid, in lieu of reimbursement for the actual cost of transportation in traveling from and to the place of his residence and Washington, District of Columbia, and for per diem expenses while so traveling, an amount not exceeding an amount computed under the following table for traveling to Washington, District of Columbia, and returning to the place of his residence:

Round trip distance in miles from residence to Washington, District of Columbia (as computed by standard highway mileage guide)	*Reimbursement rate per mile*
Not more than 750	$0.19
More than 750 but not more than 1,500	.18
More than 1,500 but not more than 2,000	.17
More than 2,000 but not more than 3,500	.15
More than 3,500 but not more than 4,500	.15

More than 4,500 but not more than 5,000	.14
More than 5,000 but not more than 6,000	.13
More than 6,000 but not more than 7,000	.12
More than 7,000 but not more than 8,000	.11
More than 8,000 but not more than 10,000	.10
More than 10,000	.09

SEC. 2. Compensation and payments under this resolution shall be paid from and charged against the clerk-hire and travel allowances of the Senator employing such senior citizen intern.

SEC. 3. The Committee on Rules and Administration is authorized to prescribe such rules and regulations as it determines necessary to carry out this resolution.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. ALLEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, there will be no more rollcall votes today. I ask unanimous consent that there now be a period for the transaction of routine morning business for not to extend beyond 1 hour, with statements therein limited to 10 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

ENROLLED BILL SIGNED

The ACTING PRESIDENT pro tempore (Mr. MELCHER) announced that on today, May 5, 1978, he signed the following enrolled bill, which had previously been signed by the Speaker of the House of Representatives:

H.R. 6782. An act to provide emergency assistance to producers of wheat, feed grains, and upland cotton, and for other purposes.

REPORTS OF COMMITTEES

The following reports of committes were submitted:

By Mr. JACKSON, from the Committee on Energy and Natural Resources, with amendments:

S. 2821. A bill to authorize $8,868,000 for grants to the government of Guam for construction of public facilities, and for other purposes (Rept. No. 95–784).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. MOYNIHAN:

S. 3042. A bill for the relief of Mary Jo Natividad and Regina Natividad; to the Committee on the Judiciary.

By Mr. DECONCINI (for himself and Mr. ABOUREZK):

S. 3043. A bill to amend the Act of December 22, 1974 (88 Stat. 1712) relating to the Navajo and Hopi Indian Relocation Commission; to the Select Committee on Indian Affairs.

By Mr. DURKIN:

S. 3044. A bill to amend title IV of the Higher Education Act to establish a system of student tuition advances to be repaid as an income tax imposed by the Internal Revenue Code of 1954, and for other purposes; to the Committee on Human Resources.

By Mr. ALLEN (by request):

S. 3045. A bill to amend the Farm Credit Act of 1971 (85 Stat. 583) to extend the term for production credit association loans to producers or harvesters of aquatic products; to the Committee on Agriculture, Nutrition, and Forestry.

STATEMENT ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. MOYNIHAN:

S. 3042. A bill for the relief of Mary Jo Natividad and Regina Natividad; to the Committee on the Judiciary.

MARY JO AND REGINA NATIVIDAD

● Mr. MOYNIHAN. Mr. President, I am today introducing a bill for the relief of Mary Jo and Regina Natividad.

These two girls are natives of the Philippines, and reside in New York State with their maternal aunt and her husband, Dr. and Mrs. John Phelan. Dr. and Mrs. Phelan have provided full support and parental guidance to the girls, and have adopted both of them.

As both girls are over the age of 14, they will not qualify as adopted children of the Phelans for purposes of receiving first preference status in obtaining permanent residence visas. Without this legislation, an extremely long delay, with resulting hardship for the Phelans and for these girls, would certainly result. As the natural parents of Mary Jo and Regina are unable to care for them, and as the Phelans will soon complete adoption proceedings for them, and have made them, in every way, members of the Phelan family, the passage of this legislation seems to me an appropriate humanitarian move. I ask unanimous consent that the text of the bill be printed in the RECORD.

An identical bill is being introduced in the House of Representatives today by Representative BRUCE CAPUTO, in whose district the Phelans reside.

There being no ojection, the bill was ordered to be printed in the RECORD, as follows:

S. 3042

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Mary Jo Natividad and Regina Natividad may be classified as children within the meaning of section 101(b)(1)(F) of the Act, upon approval of petitions filed in their behalf by John M. Phelan and Jane J. B. Phelan, citizens of the United States, pursuant to section 204 of the Act: *Provided,* That the natural parents or brothers or sisters of the beneficiaries shall not, by virtue of such relationship, be accorded any right, privilege, or status under the Immigration and Nationality Act.●

By Mr. DECONCINI (for himself and Mr. ABOUREZK):

S. 3043. A bill to amend the act of December 22, 1974 (88 Stat. 1712) relating to the Navajo and Hopi Indian Relocation Commission; to the Select Committee on Indian Affairs.

NAVAJO-HOPI SETTLEMENT ACT AMENDMENT

● Mr. DECONCINI. Mr. President, my distinguished colleague from South Dakota, Senator ABOUREZK, and I are introducing a bill to amend Public Law 93–531, the Navajo-Hopi Settlement Act.

The Navajo-Hopi Settlement Act was originally designed to resolve the Navajo-Hopi joint-use area land dispute. The act established a three member Relocation Commission to administer the required relocation of tribal members. Currently, the members of the Commission serve on a part-time basis, and are reimbursed for their work at the rate of a GS–18. For calendar year 1977, the three members of the Commission averaged approximately $30,185 each in Government salaries. The Commission is authorized by the act to expend up to $500,000 for its expenses which include, not only the Commissioners' salaries, but include staff salaries, travel expenses, and office operations.

The purpose of this bill is to increase the efficiency of the Commission and its staff, and to permit the Commission to fulfill its primary responsibility of relocation in an expedited manner. Three goals would be accomplished by: First, requiring that members of the Commission devote full time to Commission business; second, establishing the full-time pay rate at the level of GS–15; and third, increasing the authorization for Commission expenses to $1,000,000.

By requiring a full-time Commission, each member will have sufficient time to meet with members of both tribes to describe the relocation process called for by law, and to explain the benefits that are available to relocatees. Continuous communication by the Commissioners will help to allay any fears or animosity that may be experienced by affected tribal members.

I believe that by establishing the Commissioners' salaries at the rate of a GS–15, we will accomplish the dual purpose of fairly and adequately remunerating the Commissioners and also keeping those salaries at a reasonable level. At the same time, the increase in authorization for the Commission will allow it to continue the task of voluntary relocation at a quickened pace. The Commission has received over 1,000 applications for voluntary relocation which will require a staff expansion to process the applications in a reasonable time.

Mr. President, we believe these proposed changes to be most desirable and urge our colleagues to give them serious consideration. I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3043

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 12(e) of the Act of December 22, 1974 (88 Stat. 1712, 1717) is amended to read as follows:

"(e) Members of the Commission serving on or after 90 days from the date of enactment of the Navajo and Hopi Indian Relocation Commission Amendments of 1978 shall devote full time to their employ-

ment with the Commission and shall be compensated at the rate of GS–15 under the General Schedule contained in section 5332 of Title 5 of the United States Code and shall be reimbursed for travel, subsistence, and other expenses incurred by them in the performance of their duties. No member of the Commission, while serving as a member of the Commission, may engage in any other employment (whether as an employee or as a self-employed individual), or hold any other position for which he or she is compensated in an amount in excess of his or her actual expenses in connection therewith."

(b) Section 12(g) of the Act of December 22, 1974 (88 Stat. 1712, 1717) is amended by deleting the figure "GS–18" therein and inserting, in lieu thereof, the figure "GS–15".

(c) Section 25(a)(5) of the Act of December 22, 1974 (88 Stat. 1712, 1723) is amended by deleting the figure "$500,000" therein and inserting, in lieu thereof, the figure "$1,000,000".

(d) The Navajo and Hopi Indian Relocation Commission is authorized, subject to the approval of the appropriation Committees of the House and of the Senate, to utilize not to exceed $400,000 of the appropriations otherwise available to them for the fiscal year ending September 30, 1978, for the administration and operations of the Commission under the Act of December 22, 1974 (88 Stat. 1712).

(e) This Act may be cited as the "Navajo and Hopi Indian Relocation Commission Amendments of 1978".●

By Mr. DURKIN:

S. 3044. A bill to amend title IV of the Higher Education Act to establish a system of student tuition advances to be repaid as an income tax imposed by the Internal Revenue Code of 1954, and for other purposes; to the Committee on Human Resources.

TUITION ADVANCE FUND ACT

Mr. DURKIN. Mr. President, today I am introducing legislation to correct a longstanding abuse of Federal education loans. It is a major issue that was discussed in my two campaigns for the U.S. Senate in New Hampshire, and is being discussed even more today.

My bill would remove the burden of college tuition placed on parents by creating a Government trust fund to make direct loans to students. The loans, up to a maximum of $5,000 a year for 3 years, would be repaid through the Internal Revenue Service in small yearly income tax payments, thereby eliminating one of the major problems with today's loan programs.

The cost of sending a child to college has risen by more than 77 percent in the last 12 years. The average cost of tuition, room, and board at a nonpublic institution of higher education is more than $19,000 over 4 years, and still rising. The costs at taxpayer supported colleges have also risen considerably to the point where it now costs an average of $2,500 per year to cover education expenses for students at these schools.

Federal loan and grant programs have been a partial solution to the problem of increasing education expenses, but have not been enough to keep up with the costs. Many of these programs have not even been available to students in middle-class families because the family income was supposedly too high. We all know that the financial burden on these families is great, too great, and as a result they may not be able to offer their children the opportunity of higher education.

My proposal, which was introduced in the House of Representatives by Congressman MICHAEL HARRINGTON, works simply. It authorizes the Commissioner of Education to make advances of funds to students to cover the costs of tuition and certain other related expenses up to a limit of $5,000 annually, to undergraduates in their sophomore, junior, or senior years. In other words, these would be students who have shown commitment to completing their education. Also, the students will have to be attending an eligible institution, one which has allowed only reasonable increases in its student enrollment and, more importantly, reasonable increases in its charges to students.

The repayment method in my bill is as unusual as the payment method. People throughout the country are extremely concerned, and rightfully so, about the number and amounts of stundent loan defaults which have occurred in traditional Federal student loan programs. For instance, many students, by declaring bankruptcy soon after graduation, have been avoiding repaying sizable Federal education loans.

Under the system I propose, this abuse will not be possible. My bill provides that students repay the money advanced to them during their working lifetime through the Federal income tax system. A tax will be imposed by the Internal Revenue Service on the students' earnings of no greater than 2 percent of his or her adjusted gross income each year until the amount borrowed plus a surcharge of 50 percent of that amount is repaid. Repayments begin in the calendar year after the recipient of the loans ceases to be a full- or half-time student. No penalty is imposed for accelerated payments, and if the student has not repaid the principal plus 50 percent surcharge by the age of 65, repayments end.

The money collected by this method is a tax, and, as such, is not avoidable by declaring bankruptcy, as are other Federal student loans. Under my program, abuses under the present system would end.

Two other aspects of the proposed re payment plan are of note. Students with an annual income of less than $5,000 during their repayment period will not be taxed during the years their income is under that level. This will reduce the pressure on students who are not immediately upon graduation able to earn a large salary. Also, married couples filing joint Federal income tax returns where only one spouse is a tuition advance recipient will be taxed on one-half of their combined adjusted gross income.

A version of this repayment method has been used successfully for several years at outstanding private universities. The plan has the enthusiastic endorsement of many presidents of private and public institutions of higher learning. The New York Times, in an editorial earlier this week, enthusiastically supported the proposal. I ask unanimous consent that the editorial, dated May 4, 1978, be printed in the RECORD at this point.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the New York Times, May 4, 1978]

A BOLD PLAN FOR TUITION AID

Faced with ever-rising tuition costs, now up to $7,000 a year at the most expensive private colleges, parents have been pressuring lawmakers for help. The response contemplated by Congress—a few hundred dollars in tax credits or direct grant relief—is bound to leave middle-income families unsatisfied. Yet to offer them much more would require serious cuts in other Government programs. That is why the bold approach to college aid put forward by Representative Michael Harrington and Boston University's president, John Silber, is so welcome.

Their proposal, dubbed the Tuition Advance Fund (T.A.F.), is based on the idea that higher education is a long-term investment whose cost can be repaid from the enhanced lifetime earnings of recipients. Under the plan, the Federal Government would provide up to $5,000 a year to students, who would have to pay the money back after graduation. Repayment, limited to 2 percent of annual earnings; would be collected along with income taxes. Unlike current student loan programs, defaults would be rare. The Internal Revenue Service would be in charge of enforcing repayment, and bankruptcy would not wipe out the obligation.

Naturally, those with high incomes would pay back the advance quickly, while those with modest incomes might continue to pay all their working lives. A physician with an annual income of $100,000 would pay back $2,000 a year; a school teacher who makes $15,000 would send in $300. But in every case, the tuition barrier to college would be lowered, and the burden largely transferred from parents and taxpayers to the students themselves.

The tuition advance concept is not new, but the Harrington-Silber plan adds a number of twists that should satisfy critics of earlier versions. State university partisans have argued that this kind of Federal student aid would give state legislatures an excuse to withdraw support from public education. To prevent this from happening, state systems would lose all T.A.F. funds if public expenditures per college student fell below current levels. By the same token, parents might worry that colleges would take advantage of the program by raising fees. To remain eligible, however, schools would be required to keep tuition charges from increasing faster than the rate of inflation.

The Harrington-Silber plan is not perfect. The ceiling on tuition and the floor on public funding would be difficult to administer and inequitable in impact. A university attempting to upgrade its facilities, for example, might be hampered by not being able to raise tuition. And the public funding requirement would have an uneven impact because states differ greatly in their current financial commitment to higher education.

Perhaps more important, the T.A.F. plan as presented contains a substantial hidden subsidy. Students would simply be required to pay back one and one-half times the amount originally advanced—a surcharge that would fall short of the interest cost of the Federal Government of borrowing the needed funds. To be fiscally sound, T.A.F. would have to levy more than the contemplated surcharge and insist on a more expeditious replayment schedule.

None of these objections, however, should

obscure the virtue of the tuition-advance idea. It would avoid expensive aid programs, which in effect tax some members of the middle class to pay for the education of the children of other members of the middle class. A generous tuition advance plan would be fair to students, parents and taxpayers.

Mr. DURKIN. Mr. President, the bill I am introducing is one that I have been discussing for several years. Many people in New Hampshire gave it enthusiastic support when I proposed it during my election campaigns. I am extremely pleased to see now that so many others have come to see the wisdom of it.

Too many students are being denied the education they deserve and need in today's complex society because of the incredibly high costs of education. This bill will help to end that denial. I seek the support of my colleagues, and ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3044

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Tuition Advance Fund Act".

SEC. 2. Title IV of the Higher Education Act of 1965 is amended by adding immediately after part C thereof the following new part:

"PART D—TAX COLLECTABLE TUITION ADVANCES TO STUDENTS IN INSTITUTIONS OF HIGHER EDUCATION

"STATEMENT OF PURPOSE AND AUTHORIZATION OF APPROPRIATIONS

"SEC. 451. (a) It is the purpose of this part to authorize the Commissioner to establish a program for the making of advances to cover costs of tuition and other education-related expenses to students at institutions of higher education and to provide for the referral to the Secretary of the Treasury for collection under the Internal Revenue Code of 1954 of those obligations which are in repayment status.

"(b)(1) There is hereby established in the Treasury a trust fund which shall be available, without fiscal year limitation, to the Commissioner for purposes of this part. There shall be deposited in such fund amounts appropriated pursuant to paragraph (2) and all amounts collected pursuant to section 5 of the Internal Revenue Code of 1954.

"(2) There is authorized to be appropriated, for each fiscal year beginning on or after the effective date of this part, to the fund established by paragraph (1) an amount sufficient to fulfill the purposes of section 452 of this Act, not to exceed $4,500,000,000 adjusted by the inflation adjustment factors established by the Commissioner under section 454(b)(2). Such authorization shall not apply to any fiscal year which is more than two fiscal years after the fiscal year (hereinafter referred to as the 'break-even year') in which the income from the unused portion of such fund plus the amount collected pursuant to section 5 of such Code for such break-even year exceeds the amount necessary to fulfill the purposes of section 452 of this Act for such break-even year.

"ELIGIBILITY OF STUDENT BORROWERS AND TERMS OF OBLIGATIONS

"SEC. 452. (a) An advance shall be made by the Commissioner under the provisions of this part only to a student—

"(1) who has not successfully completed a program of undergraduate education and is thirty-five years of age or younger:

"(2) who is enrolled in such a program at an eligible institution, has successfully completed the first year of such program, and is in good standing as determined by the institution; and

"(3) who is carrying at least one-half the normal fulltime academic workload as determined by the institution.

"(b) No advance made under this part to any student for any academic year shall exceed $5,000, adjusted by the inflation adjustment factors established by the Commissioner under section 454(b)(2) or the allowable tuition and expenses, whichever is less. The aggregate unpaid principal amount for all such advances made to any student shall not at any time exceed $15,000, adjusted by the inflation adjustment factors established by the Commissioner under section 454(b)(2).

"(c)(1) An advance made under this part shall be evidenced by a note or other written agreement which—

"(A) is made without security and without endorsement;

"(B) provides for disbursement of the proceeds of the advance by check, payable to the institution at which the advance recipient is in attendance, requiring endorsement by such recipient;

"(C) provides that the portion of such proceeds allocable to nontuition expenses described in subsection (d)(2) shall be paid by such institution to the advance recipient upon presentation of satisfactory evidence to the institution that such portion shall be used for such expenses;

"(D) provides for repayment in accordance with section 5 of the Internal Revenue Code of 1954 during the period in which such student is in repayment status;

"(E) provides for repayment of the total principal amount of advances under this part plus an amount equal to 50 per centum thereof, subject to the limitations contained in paragraph (2);

"(F) entitles the advance recipient to accelerate without penalty repayment of the whole or any part of the advances, plus an amount equal to 50 per centum thereof, in accordance with regulations prescribed by the Commissioner; and

"(G) contains such other terms and conditions, consistent with the provisions of this part, as may be required by the Commissioner and agreed to by the borrower.

"(2) For purposes of this subsection and section 453, an advance recipient shall be deemed to be in repayment status from the beginning of the first calendar year which begins after such recipient ceases to carry at an eligible institution at least one-half the full-time academic workload as determined by the institution and certified to the Commissioner until the earlier of (A) the beginning of the calendar year in which such borrower will become sixty-five years of age, or (B) the date on which the total principal amount of advances made to the borrower, plus an amount equal to 50 per centum of the total of such advances, is paid in full.

"(d) For purposes of subsection (b), the term 'allowable tuition and expenses' means—

"(1) the tuition charged by the eligible institution at which the borrower is enrolled plus

"(2) an amount determined, in accordance with regulations prescribed by the Secretary as necessary to cover education-related expenses such as transportation, room, board, and materials, but not exceeding $1,000.

"COLLECTION PROCEDURES

"SEC. 453. (a) The Commissioner shall, not later than January 1 of each year, certify to the Secretary of the Treasury for each borrower in repayment status on such date an amount equal to the sum of the total principal amount of advances made to such borrower plus an amount equal to 50 per centum of such total minus the sum of any amounts collected pursuant to section 5 of the Internal Revenue Code of 1954. A copy of such certification with respect to a borrower shall be sent by the Commissioner to such borrower.

"(b) Any borrower who receives a notice of certification under subsection (a) and who believes such notice to contain an error of statement or omission, or asserts a debt for which the borrower is not obligated or to which he desires to raise a defense or excuse, shall file an objection thereto with the Commissioner within sixty days after receipt of such notice. The Commissioner shall, within thirty days of receipt of such an objection, affirm, adjust, or withdraw such certification and send notice thereof to the borrower and to the Secretary of the Treasury. Such decision shall be reviewable by an appropriate district court of the United States as a final agency decision.

"DEFINITION

"SEC. 454. (a) The term 'eligible institution' means an institution of higher education as defined in section 1201 (a)—

"(1) which has not, except under circumstances certified by the Commissioner as vital to the mission and purpose of such institution, increased undergraduate enrollment—

"(A) by more than 2 per centum in any academic year beginning after the enactment of this part; or

"(B) by more than 10 per centum in all the academic years beginning after such enactment;

"(2) which not imposed any excess charges in any academic year beginning after the date of enactment of this part, except under circumstances certified by the Commissioner as vital to the mission and purpose of such institution.

"(b)(1) For purposes of subsection (a)(2), the term 'excess charges' means any amount charged by an eligible institution for tuition which exceeds the tuition charged by such institution in the academic year which ends in the calendar year preceding the calendar year in which this section is enacted (hereinafter referred to as the 'base tuition') plus an amount equal to the sum of—

"(A) such base tuition adjusted by the inflation adjustment factors determined under paragraph (2), plus

"(B) in the case of eligible public institutions, an amount not to exceed 10 per centum of such base tuition.

For purposes of applying subparagraph (B), no additional amount of tuition at any eligible public institution shall be taken into account unless the Commissioner determines that such additional amount is available to such institution to carry out its educational purposes.

"(2) The Commissioner shall prescribe a schedule for the calculation of inflation adjustment factors for purposes of paragraph (1) for each academic year beginning after enactment of this section which shall be based upon the increase in the consumer price index as determined by the Secretary of Commerce for the calendar year preceding the calendar year in which such academic year ends.".

SEC. 3. (a) Part I of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to tax on individuals) is amended by redesignating section 5 as section 6 and by inserting after section 4 the following new section:

"SEC. 5. TAX IMPOSED FOR REPAYMENT OF FEDERAL TUITION ADVANCES.

"(a) IMPOSITION OF TAX.—In addition to the other taxes imposed by this chapter,

there is hereby imposed on the includible adjusted gross income of every Federal tuition advance recipient in repayment status for the taxable year a tax equal to the lesser of—

"(1) the amount equal to the applicable percentage of such includible adjusted gross income, or

"(2) the sum of the aggregate amount payable on all Federal tuition advances of such recipient plus an amount equal to 50 percent of such aggregate amount payable.

For purposes of paragraph (2), the aggregate amount payable on any such advance shall be determined as of the last day prescribed by law for filing the return of tax imposed by this chapter for the taxable year.

"(b) APPLICABLE PERCENTAGE.—For purposes of subsection (a), the applicable percentage with respect to any Federal tuition advance recipient in repayment status shall be determined in accordance with the following table:

[In percent]

	Annual income of recipient					
	Up to $5,000	$5,000 to $10,000	$10,000 to $15,000	$15,000 to $17,500	$17,500 to $20,000	$20,000 and above
Total Tuition Advance Fund obligation:						
Up to $3,750	0	2	2	2	2	2
$3,750 to $5,250	0	2	2	2	2	2
$5,250 to $6,750	0	2	2	2	2	2
$6,750 to $8,250	0	2	2	2	2	2
$8,250 and up	0	2	2	2	2	2

"(c) DEFINITIONS.—For purposes of this section—

"(1) TUITION ADVANCE.—The term 'tuition advance' means any advance made pursuant to part D of title IV of the Higher Education Act of 1965.

"(2) TUITION ADVANCE RECIPIENT IN REPAYMENT STATUS.—The term 'tuition advance recipient in repayment status' means for any taxable year any individual for whom a certification has been received by the Secretary pursuant to section 453(a) of the Higher Education Act of 1965 and has not been withdrawn pursuant to section 453(b) of such Act.

"(3) INCLUDIBLE ADJUSTED GROSS INCOME.—The term 'includible adjusted gross income' means—

"(A) in the case of a single individual, the adjusted gross income of such individual,

"(B) in the case of married individuals filing a joint return under section 6013, where both spouses are tuition advance recipients, an amount equal to the adjusted gross income of such individuals,

"(C) in the case of a married individual filing a separate return, or a married individual filing a joint return under section 6013 where the spouse of such individual is not a tuition advance recipient, the greater of—

"(i) the adjusted gross income of such individual, or

"(ii) an amount equal to ½ of the sum of the adjusted gross incomes of such individual and such individual's spouse.

"(d) SPECIAL RULES.—

"(1) TAX TREATED AS INCOME TAX.—For purposes of this title, the tax imposed by subsection (a) shall be treated, under regulations prescribed by the Secretary, as an income tax imposed by this chapter.

"(2) MARITAL STATUS.—For purposes of this section, marital status shall be determined under section 143.

"(3) CERTIFICATION BY SECRETARY OF ADVANCE AMOUNT REPAID.—The Secretary shall certify to the Commissioner of Education the amount of tax paid under subsection (a) for the taxable year with respect to each tuition advance recipient in repayment status."

(b) (1) The table of sections for such part I is amended by striking out the item relating to section 5 and inserting in lieu thereof the following:

"Sec. 5. Tax imposed for repayment of Federal tuition advances.

"Sec. 6. Cross references relating to tax on individuals."

(2) Subsection (a) of section 6012 of such Code (relating to persons required to make returns of income) is amended by striking out "and" at the end of paragraph (6), by striking out the period at the end of paragraph (7) and inserting in lieu thereof "; and", and by adding at the end thereof the following new paragraph:

"(8) Every individual who, at the close of the taxable year, is a Federal tuition advance recipient in repayment status (as defined in section 5(c)(2)).".

(3) Subsection (a) of section 3402 of such Code (relating to income tax collected at source) is amended before the period in the third sentence by inserting "and to reflect an additional amount of tax to be deducted and withheld by reason of the tax imposed by section 5".

(c) (1) The amendments made by this section shall apply to taxable years ending on or after the first day of the first calendar year beginning after the date of the enactment of this Act.

(2) The amendment made by subsection (b) (3) shall apply to wages paid on or after the first day of the first calendar year beginning after the date of the enactment of this Act.

SEC. 4. For the purpose of section 17 of the Bankruptcy Act, any tax imposed by section 5 of the Internal Revenue Code of 1954 shall be deemed to be a tax which became legally due and owing by the bankrupt to the United States within three years preceding bankruptcy.

SEC. 5. The Secretary of the Treasury and the Commissioner of Education shall, not later than January 15 of each year, submit to the Committee on Ways and Means of the House of Representatives and to the Committee on Finance of the Senate any recommendations for changes in the rates or methods of collection of the taxes imposed by section 5 of the Internal Revenue Code of 1954 that may be necessary to insure the continued solvency and availability of the trust fund established pursuant to section 451(b)(1) of the Higher Education Act of 1965.

By Mr. ALLEN (by request):

S. 3045. A bill to amend the Farm Credit Act of 1971 (85 Stat. 583) to extend the term for production credit association loans to producers or harvesters of aquatic products; to the Committee on Agriculture, Nutrition, and Forestry.

FARM CREDIT ACT AMENDMENT

Mr. ALLEN. Mr. President, I am introducing today at the request of the Governor of the Farm Credit Administration, legislation to amend the Farm Credit Act of 1971 to extend the term for production credit association loans to producers or harvesters of aquatic products.

Ordinarily, these short-term loans are made for a period of 7 years for regular agricultural production. There is a special need, however, for an extended repayment period for those engaged in commercial fishing.

The Governor of the Farm Credit System requested that this period be extended to 15 years for producers or harvesters of aquatic products—that is, fish.

Increasing importance has been placed on mariculture and aquaculture as resources for protein. In addition, the United States has now extended its offshore limit to 200 miles, and consequently, fishermen need longer maturity loans to purchase larger, more versatile and more sophisticated vessels to cope with the increased demand for fish protein and to be able to compete with the fishing fleets of other nations. This authorization is vital at this point in time to enable our fishermen to compete with the Russians and Japanese, who now virtually monopolize the industry, particularly in Alaskan waters.

Mr. President, this legislation will be of great assistance to the commercial fisherman on the east and west coasts of our Nation. Loans to commercial fishermen began with the Farm Credit Act of 1971. It is now time to amend that legislation to accommodate our commercial fishing industry by extending the repayment period from 7 to 15 years.

The Farm Credit System is now mobilized in support of this legislation and stands ready to implement it as soon as it becomes law.

I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3045

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Farm Credit Act of 1971 is amended by inserting in the first sentence of section 2.4, after the words "seven years", the following: "fifteen years if made to producers or harvesters of aquatic products)".

ADDITIONAL COSPONSORS

S. 2413

At the request of Mr. WEICKER, the Senator from Utah (Mr. GARN), the Senator from Oregon (Mr. MARK O. HATFIELD), the Senator from North Carolina (Mr. HELMS), the Senator from Idaho (Mr. MCCLURE), and the Senator from Vermont (Mr. STAFFORD) were added as cosponsors of S. 2413, a bill to prohibit exporting of U.S. goods to Uganda.

S. 2414

At the request of Mr. WEICKER, the Senators from South Dakota (Mr. McGOVERN and Mr. ABOUREZK) were added as cosponsors of S. 2414, a bill to prohibit the importation of Ugandan coffee into the United States.

S. 2669

At the request of Mr. NELSON, the Senator from Vermont (Mr. LEAHY) was added as a cosponsor of S. 2669, a bill to amend the Internal Revenue Code of 1954 to provide an equitable tax structure for small and independent companies, and for other purposes.

S. 2742

At the request of Mr. NELSON, the Senator from Vermont (Mr. LEAHY) was added as a cosponsor of S. 2742, a bill to reform the depreciation system for small business.

S. 2956

At the request of Mr. JAVITS, the Senator from New Hampshire (Mr. McINTYRE) was added as a cosponsor of S. 2956, a bill to amend section 1682A of title 38, United States Code, to eliminate the State matching requirement under such section in connection with the program of accelerated payment of educational assistance allowances provided for in such section.

S. 2978

At the request of Mr. McCLURE, the Senator from North Carolina (Mr. HELMS) was added as a cosponsor of S. 2978, a bill to amend the Occupational Safety and Health Act of 1970 to prohibit restrictions on work rules in locations in which there is hunting, fishing, or shooting sports, and for other purposes.

S. 3007

At the request of Mr. DOLE, the Senator from Nebraska (Mr. CURTIS) was added as a cosponsor of S. 3007, a bill to disregard, for purpose of certain taxes imposed by the Internal Revenue Code of 1954 with respect to employees, certain changes since 1975 in the treatment of individuals as employers.

SENATE CONCURRENT RESOLUTION 79

At the request of Mr. McCLURE, the Senator from North Carolina (Mr. HELMS), the Senator from Alaska (Mr. GRAVEL), the Senator from Pennsylvania (Mr. SCHWEIKER), the Senator from Georgia (Mr. NUNN), and the Senator from Oregon (Mr. PACKWOOD) were added as cosponsors of Senate Concurrent Resolution 79, disapproving proposed regulations of the Department of the Treasury requiring centralized registration of firearms and other matters.

AMENDMENTS SUBMITTED FOR PRINTING

COLLEGE OPPORTUNITY ACT OF 1978—S. 2539

AMENDMENT NO. 1936

(Ordered to be printed and to lie on the table.)

Mr. CRANSTON (for himself, Mr. STAFFORD, Mr. THURMOND, Mr. TOWER, Mr. RANDOLPH, Mr. DeCONCINI, and Mr. CHILES) submitted an amendment intended to be proposed by them, jointly, to the bill (S. 2539) to amend the Higher Education Act of 1965 to improve the basic educational opportunity grants program, and for other purposes.

VETERANS COST-OF-INSTRUCTION HOLD-HARMLESS AMENDMENT

● Mr. CRANSTON. Mr. President, I am submitting today an amendment to S. 2539, the College Opportunity Act of 1978, which would provide relief for institutions now participating in the veterans cost-of-instruction program. Joining with me in introducing this legislation are Senators STAFFORD, THURMOND, TOWER, RANDOLPH, DeCONCINI, and CHILES.

This amendment proposes to amend section 420 of the Higher Education Act of 1965, as amended, to provide that certain institutions now participating in the veterans cost-of-instruction (VCI) program do not suffer loss of eligibility as a result of declining enrollments between now and the end of the program's authorization. Currently, the program is authorized through fiscal year 1979, but would be subject to a general extension provision for an additional year.

BACKGROUND AND HISTORY

Mr. President, the VCI program, which I originally authored in the Education Amendments of 1972—Public Law 92-318—was designed to provide incentives and supporting funds for colleges and universities to recruit veterans and to establish special programs and services necessary to assist veterans in readjusting to an academic setting, especially educationally disadvantaged veterans. Institutions which meet the requirements of the program are entitled to payments for each of certain categories of veterans enrolled in an undergraduate program. It is important to understand that the VCI program is a program of payment to institutions for which services are provided to veterans; no payments are made to individuals.

In 1974, in conjunction with the Higher Education Act Amendments of 1974—Public Law 93-380—a series of amendments which I offered, along with Senators STAFFORD, MATHIAS, JAVITS, and RANDOLPH, were enacted to make it more feasible for smaller institutions of higher learning to establish VCI programs, to provide for a "hold-harmless" formula, and to set maximum and minimum grant awards that would result in a more equitable distribution of funds.

During the 94th Congress, I sponsored S. 2651, the "Veterans Cost-of-Instruction Extension Act." The provisions of this measure were incorporated into S. 2657, the Education Amendments of 1976, which eventually became Public Law 94-482. These provisions extended the authorization of the program through fiscal year 1979 and made a number of improvements in the program, including a "delimiting date discount" provision which prevented a massive number of schools from losing eligibility for the program as a result of the delimiting date for GI bill educational assistance under title 38, U.S.C., which first took effect on May 31, 1976.

DESCRIPTION OF AMENDMENT

Mr. President, as I noted, the purpose of this amendment is to afford protection through the end of the program's authorization to certain institutions now participating in the program. This amendment would allow an institution to remain automatically eligible for a continued VCI award if it has a ratio of decline in veteran enrollment equal to no less than the national decline in veteran enrollment from the period of time since it first became eligible until the present. The Veterans' Administration estimates that veteran enrollment nationwide is down approximately 34 percent since fiscal year 1976. This means, for example, that if a school which was first eligible for the program in 1976 has a decline in veteran enrollment of 32 percent, the school would automatically remain eligible for funding for the forthcoming academic year.

However, because we recognize that some schools have suffered greater declines than others—particularly high-cost institutions—the amendment also provides that for a school which does not meet the enrollment decline ratio, the institution would remain eligible if the Commissioner of Education determines that it is making reasonable efforts to continue to recruit, enroll, and serve veterans. In making this determination, the Commissioner would take into consideration the extent to which the school falls short of the ratio. Thus, an institution which had a decline in enrollment greater than the national average could continue to be eligible if the Commissioner finds, on the basis of evidence submitted by the school, that it is continuing efforts to meet the education needs of veterans. However, no school which has such a decline would be automatically eligible.

NEED FOR AMENDMENT

Mr. President, this amendment is necessary because at present the eligibility of institutions is based on increasing or maintaining a particular level of veteran-student undergraduate enrollment—first, a level at least 10 percent greater than the previous year; second, a level which represents at least 10 percent of all students in attendance and which is not less than the previous year; or third, if the school has established eligibility for 1 year, a level which is no less than the previous year or is at least the minimum number to qualify under first or second, above. Consequently, decline in GI bill veterans' enrollment which began in 1976 has impacted adversely on VCI schools. Although the Office of Education has not yet developed accurate statistics on the impact, it is estimated that without this amendment as many as 600 institutions—or approximately 50 percent of those which participated in the program last year—will lose funding as of June 30, 1978.

The following is a breakdown indicating the number of participating institutions since the inception of the program:

School year 1973–74	1,070
School year 1974–75	1,009
School year 1975–76	1,206
School year 1976–77	1,237
School year 1977–78	1,120

For the coming school year 1978–79, $23.7 million will be available for the program. This amount, which is forward

funded, will be spent regardless of how many schools are eligible because the program allocates available dollars proportionately.

CONCLUSION

Mr. President, since the beginning of the VCI program, I have monitored its activities carefully. I believe it has done much to assist veterans in their academic pursuits—largely because of the dedicated efforts of many VCI coordinators. Nevertheless, thousands of Vietnam-era veterans still suffer serious readjustment and employment problems. We must continue to attack these problems vigorously and on all fronts.

That is one reason why I believe we must continue to provide for the continuation of the program where it is of demonstrated effectiveness.

A second reason for continuing the program is that the GI Bill Improvement Act of 1977 contained a provision I authored to authorize the Administrator of Veterans' Affairs to consult with the Commissioner of Education regarding a possible transfer of the VCI program from the Office of Education to the VA. If the Commissioner of Education and the Administrator of the VA agree that a transfer is in the best interests of veterans, such a transfer would be authorized. Currently, the VA is conducting a feasibility study of the merits of any transfer. Although I don't know what the recommendations of the study will be, I believe that until some future administrative structure is determined, the integrity of the program should be preserved so that whatever decisions are made with respect to its administration, its future—beyond 1980—the responsible agency can determine the need for the program and its future structure. In this regard, this amendment would also insert this "hold-harmless" provision into section 310 of title 38, U.S.C., since in the event that a transfer is agreed to, the provisions of section 420 of the Higher Education Act would be repealed and the provisions of section 310 of title 38—inserted by the GI Bill Improvement Act of 1977—would become effective.

I want to make clear, Mr. President, that this program should be the subject of close scrutiny between now and the expiration of its authorization. I believe the mission of the program—to serve the educational needs of veterans, particularly those who are educationally disadvantaged — remains significant. Moreover, substantial thought must be given between now and the expiration of the authority in 1979 as to how the purposes of the program could continue to be served.

I ask unanimous consent that the text of the amendment be printed at this point in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 1936

On page 3, after line 26, insert the following new section:

SEC. 4. (a) Section 420(a) of that Act is amended by adding after paragraph (3) the following new paragraph:

"(4) With respect to any academic year beginning on or after July 1, 1978, and ending on or before September 30, 1980, each institution which has qualified for payment under this section for the preceding year shall be entitled during such period, notwithstanding the provisions of paragraph (1)(A), to a payment under this section if—

"(A) the number of persons referred to in paragraph (1) equals at least the number which bears the same ratio to the number of such recipients who were in attendance at such institution during the first academic year in which the institution was entitled to payments under this section as the number of such recipients in all institutions of higher education during the academic year for which the determination is made bears to the number of such recipients in all institutions of higher education for the first such academic year; or

"(B) in the event that clause (A) of this paragraph is not satisfied, the Commissioner determines, on the basis of evidence presented by such institution, that such institution is making reasonable efforts, taking into consideration the extent to which the number of persons referred to in such paragraph (1) falls short of meeting the ratio criterion set forth in such clause (A), to continue to recruit, enroll, and provide necessary services to veterans.".

(b) Clause (1) of section 310(b) of the GI Bill Improvement Act of 1977 (91 Stat. 1446) is amended by inserting at the end of subsection (a) of the new section 246, which was conditionally added to title 38, United States Code, by such clause, a new paragraph as follows:

"(3) With respect to any academic year beginning on or after July 1, 1978, and ending on or before September 30, 1980, each institution which has qualified for payment under this section for the preceding year shall be entitled during such period, notwithstanding the provisions of paragraph (1)(A), to a payment under this section if—

"(A) the number of persons referred to in paragraph (1) equals at least the number which bears the same ratio to the number of such recipients who were in attendance at such institution during the first academic year in which the institution was entitled to payments under this section as the number of such recipients in all institutions of higher learning during the same academic year for which the determination is made bears to the number of such recipients in all institutions of higher learning for the first such academic year; or

"(B) in the event that clause (A) of this paragraph is not satisfied, the Administrator determines, on the basis of evidence presented by such institution, that such institution is making reasonable efforts, taking into consideration the extent to which the number of persons referred to in such paragraph (1) falls short of meeting the ratio criterion set forth in such clause (A), to continue to recruit, enroll, and provide necessary services to veterans.".

(c) The amendments made by this section shall be effective with respect to payments to which institutions are entitled as of June 30, 1978.●

NOTICES OF HEARINGS

SUBCOMMITTEE ON MONOPOLY AND ANTICOMPETITIVE ACTIVITIES

● Mr. NELSON. Mr. President, the Subcommittee on Monopoly and Anticompetitive Activities of the Select Committee on Small Business will resume hearings on Government patent policy on May 22 and 23. They will begin at 9 o'clock in the morning each day. The hearing on May 22 will be in room 318 of the Russell Senate Office Building and on May 23 in room 6226 of the Dirksen Senate Office Building. These hearings will explore the history, legal basis and implications of Institutional Patent Agreements (IPA's).

Witnesses will be announced at a later date.●

SUBCOMMITTEE ON CIVIL SERVICE AND GENERAL SERVICE

● Mr. SASSER. Mr. President, I wish to announce that the business meeting of the Subcommittee on Civil Service and General Services to consider Senate Resolution 244, H.R. 2931, S. 990, H.R. 11003, H.R. 3161 and S. 1163 previously scheduled for Monday, May 8, has been rescheduled for Tuesday, May 9 at 9:15 in S–210 in the Capitol.●

ADDITIONAL STATEMENTS

THE BIG CARRIER

● Mr. HARRY F. BYRD. Mr. President, the Congress must make decisions this year which will affect the future structure and capability of our Navy.

One of these decisions is whether our Navy should have another large aircraft carrier, and an additional decision is whether that carrier should be nuclear or conventionally powered.

The May 3 Wall Street Journal carried an excellent article concerning this matter written by Dr. John F. Lehman. I ask that the article be printed in the RECORD.

The article follows:

THE BIG CARRIER: A SURVIVABLE, PRACTICAL WEAPON

(By John Lehman)

To the surprise of many, Congress is about to authorize another large aircraft carrier. How has it come to be that after enlightened administration and media defense commentators had relegated the "supercarrier" to the same fate as the horse cavalry and the battleship, a broad coalition of conservatives, moderates and liberals has emerged in support of building yet another large carrier, and of maintaining a 13-carrier force into the next century?

The reason is that the Carter administration itself has presented a compelling case to Congress in support of large carriers. In February and March of this year the administration submitted two of the most thorough and exhaustive analytical studies ever completed on naval force planning. The first submitted was the Sea-Based Air Platform study analyzing the cost-effectiveness and "survivability" of small, medium and large aircraft-carrying ships. The second was the Sea Plan 2000 study analyzing mission requirements and force levels for the U.S. Navy for the period 1978–2000.

The fact that the Carter administration successfully completed these difficult studies in less than a year and submitted them to Congress without censoring or deletions is much to its credit. That the President and his senior advisers ignored the studies completely as they submitted a drastically reduced fiscal 1979 Navy budget without a carrier, and with the shipbuilding program cut in half, is another example of the failure of the administration's decision-making process.

The overwhelming nature of the data surprised many in Congress. In the words of a former McGovernite, Sen. Gary Hart of Colorado, "It (the first study) demonstrates that the Nimitz-class carrier is individually the most effective and most survivable ship."

It also demonstrates that there is no battle advantage in going to more numerous dis-

persed smaller carriers. A battle group with three dispersed 30,000-ton carriers will not fare better against an attack of 60 Soviet cruise missiles than a battle group with one 90-000-ton carrier. Because of the larger carrier's massive armoring of propulsion and magazine, its greater relative compartmentalization and the structural strength necessary to handle the stress loads of catapulting and arresting 35-ton aircraft, big carriers can absorb a surprising number of hits and keep fighting. Small ships cannot.

These findings are consistent with actual experience. In World War II, U.S. aircraft carriers were struck 42 times. Five carriers, all constructed before the war began, were sunk but only one was sunk directly by enemy forces.

In 1969, nine large bombs exploded on the deck of the Enterprise, the first nuclear carrier. This was the equivalent of its being hit with at least six SSN3 Soviet cruise missiles, yet she was judged to have been able to have resumed flight operations within several hours.

Land bases in all three recent wars proved to be far more vulnerable to complete loss than carriers and at least as vulnerable to mission-interference damage. Several hundred U.S. operating air bases were completely lost in World War II. In Korea all air bases were captured by the North Koreans in the first five days. In Southeast Asia, of the dozens of major air bases constructed by the United States since 1960, not one remains in U.S. hands. By 1973 the United States had lost more than 400 aircraft destroyed and 4,000 damaged on the ground in South Vietnam.

As our foreign air bases dwindle (now fewer than 30) with little evident support for new base commitments, and with the cost of foreign bases currently running about $100 million each for rental alone, carriers may be called upon to cover a larger area of the world in the future.

An interesting finding of the Sea Plan 2000 study is that U.S. surface combatants in general and carrier battle groups in particular will become less vulnerable over the next decade and beyond. That is because the expected progress of the Soviet cruise missile, attack bomber and submarine threat will be more than matched by three U.S. developments. The first is the now-deployed F-14/Phoenix fleet air defense system, to be supplemented in the '80s by the A-18. The second is the introduction to the fleet of the Aegis air defense system for close-in defense against missiles that penetrate the fighter barrier. Third, there have been a number of important advances in antisubmarine warfare.

Perhaps the greatest contribution of the two studies was in demonstrating the capability of a 13-carrier, 600-ship navy to fight and win in areas of highest Soviet capability. These findings make it difficult to defend the Carter policy of relegating the Navy to a tertiary role in defending NATO. The ability of the carrier battle groups to prosecute a forward strategy on the NATO flanks, the northwest Pacific and the Persian Gulf and Mideast will do far more to deter Soviet adventures than a 3% increase in firepower or stocks in Germany.

The debate in Congress is now not whether there should be another big carrier, but which of the two competing alternatives, the 90,000-ton nuclear Nimitz class or the 65,000-ton oil-powered class, should be authorized this year. The case for nuclear propulsion is rather compelling from a military standpoint.

The Secretary of the Navy, W. Graham Claytor, argues that three smaller carriers can be got for the price of two larger. That argument would probably carry the day if the administration wanted to buy three, but it does not. Admiral Holloway, the Chief of Naval Operations, has testified that if procurement is to be only one ship, it should be the big carrier. Secretary Claytor has said that if Congress wants a big carrier he will build it "with enthusiasm." It now seems likely he will have the opportunity to do just that.

(NOTE.—Mr. Lehman, former deputy director of the Arms Control and Disarmament Agency, is president of Abington Corp., a Washington-based consulting firm.)●

POLITICAL HARASSMENT OF PUERTO RICAN FARMERS

● Mr. DOLE. Mr. President, it has been brought to my attention that farmers in the Commonwealth of Puerto Rico may be the targets of political harassment. I would ask that the facts be fairly presented, and if unfair political pressures are being brought to bear, that they cease immediately.

I had the personal pleasure in January 1977, of visiting with many agricultural leaders in San Juan, P.R., during the 48th annual meeting of the National Council of Farmer Cooperatives. We discussed the important role that farmer cooperatives have played in American agriculture.

One of the national council's major members cooperatives, Cooperativa Cafeteros de Puerto Rico, was then a key economic link in the Puerto Rican farmers' marketing and farm supply chain. This farmer-owned cooperative provided its members with strong, viable markets for their farm products. They worked in close harmony with officials of the Government of Puerto Rico to market coffee, one of the farmers' major cash crops. In my discussions with Governor Carlos Romero Barcelo, we reiterated the critical importance of cooperatives in the Puerto Rican agricultural economy.

I am dismayed now to hear that government sanctions are being brought against this largest of Puerto Rico's farmer cooperatives. Within 2 weeks of my visit to Puerto Rico in January 1977, the Puerto Rican Department of Agriculture arbitrarily and apparently without public hearings, reduced the margins provided the cooperative for handling green coffee from $6.15 per hundredweight to $3 per hundredweight.

This stripped the cooperative of critically needed revenue. Then, 6 weeks later, the government abruptly cancelled the long-standing coffee handling and marketing contract with the farmer cooperative. Almost immediately, the Puerto Rican Department of Agriculture received orders not to pay any bills to the farmer cooperative, an outstanding sum that eventually amounted to some $1.5 million. At the same time, I am told, the Government of Puerto Rico ceased buying farm supplies from the cooperative, and increased competition for the cooperative by setting up its own coffee receiving stations, and selling its own farm supplies below cost.

Two points concern me most gravely about this matter Mr. President. One is that any elected government would bring sanctions against a farmer-owned cooperative, merely because that cooperative's political views might not coincide with the government. But even more important is the report that such government actions are being financed with U.S. Federal funds provided by the U.S. Department of Labor for implementation of the Comprehensive Employment and Training Act.

The Government of the United States has many laws and policies indicating strong support for farmer cooperatives and this action seems to be inconsistent, if not directly contrary to that policy.

Mr. President, I personally deplore the very thought of political sanctions being levied against a cooperative organization, whose very purpose for being stems from efforts to improve the economic well-being of family farmers.

I think that because of our affiliation and support of Puerto Rico, this matter is of great concern to all Americans.●

PRELIMINARY NOTIFICATION PROPOSED ARMS SALES

● Mr. SPARKMAN. Mr. President, section 36(b) of the Arms Export Control Act requires that Congress receive advance notification of proposed arms sales under that act in excess of $25 million, or in the case of major defense equipment as defined in the act, those in excess of $7 million. Upon receipt of such notification, the Congress has 30 calendar days during which the sale may be prohibited by means of a concurrent resolution. The provision stipulates that, in the Senate, the notification of proposed sale shall be sent to the chairman of the Foreign Relations Committee.

Pursuant to an informal understanding, the Department of Defense has agreed to provide the committee with a preliminary notification 20 days before transmittal of the official notification. The official notification will be printed in the RECORD in accordance with previous practice.

I wish to inform Members of the Senate that two such notifications were received on May 2, 1978.

Interested Senators may inquire as to the details of these preliminary notifications at the offices of the Committee on Foreign Relations, room S-116 in the Capitol.

The notifications follow:

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., May 2, 1978.

Mr. WILLIAM RICHARDSON,
Dr. HANS BINNENDIJK,
Professional Staff Members, Subcommittee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR SIRS: By letter dated 18 February 1976, the Director, Defense Security Assistance Agency, indicated that you would be advised of possible transmittals to Congress of information as required by Section 36(b) of the Arms Export Control Act. At the instruction of the Department of State, I wish to provide the following advance notification.

The Department of State is considering an offer to a Northeast Asian country tentatively estimated to cost in excess of $25 million.

Sincerely,

ERNEST CRAVES,
Lieutenant General, USA, Director, Defense Security Assistance Agency.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., May 2, 1978.

Mr. WILLIAM RICHARDSON,
Dr. HANS BINNENDIJK,
Professional Staff Members, Subcommittee on Foreign Assistance, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR SIRS: By letter dated 18 February 1976, the Director, Defense Security Assistance Agency, indicated that you would be advised of possible transmittals to Congress of information as required by Section 36(b) of the Arms Export Control Act. At the instruction of the Department of State, I wish to provide the following advance notification.

The Department of State is considering an offer to a Northeast Asian country tentatively estimated to cost in excess of $25 million.

Sincerely,

ERNEST CRAVES,
Lieutenant General, USA, Director, Defense Security Assistance Agency.●

COACH DICK MOTTA

● Mr. McCLURE. Mr. President, Dick Motta, the coach of the Washington Bullets, is the pride of this community, and rightfully so. It is almost impossible to reside in the Nation's Capital and not get excited over this team which overcomes seemingly insurmountable odds to remain in the playoffs.

The people of Idaho also have an interest in the team's fortunes this year. Like our neighbors in Utah, Idahoans take pride in the fact that Coach Motta's formative years were spent in our part of the country. At Grace, Idaho, Motta coached the high school team to an enviable 63–13 record.

That was only the beginning of a career studded with incredible achievements. As Ken Denlinger noted in the Washington Post this week, Motta's former team, the Chicago Bulls, was once down by 6 points with 10 seconds left—and won by 10 in overtime. Now, that is due as much to coaching genius as to playing ability.

If any further proof were needed of Motta's good sense, it lies in the fact that he returns in the off season to Idaho where he owns a country store in Fish Haven on Bear Lake.

Mr. President, I would like to include a biography of Dick Motta, as published in Hoop Magazine, in the RECORD.

His biography follows:

COACH DICK MOTTA

Dick Motta stopped growing before he had an opportunity to become the basketball player he dreamed of being, but right now he stands very tall in a sport of giants—as one of only seven coaches whose teams have won more than 400 games in the National Basketball Association.

Only Red Auerbach, Red Holzman, John Kundla, Gene Shue, Larry Costello and Tom Heinsohn have celebrated more NBA victories than Motta, the small-town boy who made good in big cities all over the country.

Motta's coaching stock soared last season, his first with the Bullets, because he shunned all the stereotype labels pinned on him at Chicago, changed his philosophy and despite constant changes in personnel, guided the Bullets to the sixth best record in the league.

His teams at Chicago were a reflection of Motta's personality when he came into the league in 1968: aggressive, determined, deliberate and, yes, arrogant. The Bulls scrapped and battled their way to four straight 50-victory seasons, but at the end collapsed amidst personality conflicts and contractual hassles.

Motta jumped out of the frying pan into the fire when he came to the Bullets to succeed the popular K. C. Jones, whose contract was not renewed after his team finished with a 48–34 record. The pressure was immense.

The team started slowly. Changes were made. The players gave in a little and the coach did the same. With the club floundering, Motta installed rookie Larry Wright as his playmaker. A few days later General Manager Bob Ferry acquired Tom Henderson in a trade with Atlanta and the team went on to challenge Houston for the Central Division title, falling just a victory short.

"I think this was the best year this team could have possibly had," Ferry said. "We had a new coach, a new system and we brought along two excellent rookies (Mitch Kupchak and Wright). They're both going to be starters in this league for a long time.

"One reason we hired Motta was because he is a good teacher. In the past our rookies didn't get the playing time or develop as quickly as I had hoped."

"We're going to be better this year," Motta says. "We had a lot of adjustments last season, a lot of new players, new plays and a new coach. We got off to a horrible start, but we came back. I'm really looking forward to this season."

Nothing has ever come easy for Motta, who grew up as the son of a truck farmer in little Midvale, Utah. He was cut from his high school team in what he still calls "the biggest disappointment of my life."

His first coaching job was at Grace Junior High in Idaho and after two years in the Air Force he moved up to Grace Senior High where his teams compiled a 63–13 record.

The next methodical step was Weber Junior College. After a 22–2 season, the school became a state college and Motta stayed on to post a 122–31 mark and attract the attention of the Chicago Bulls, who surprised NBA observers by naming Motta their coach.

After much turmoil the first two years, Motta took command and directed the Bulls to four straight 50-victory seasons. Following the 1970–71 season, he was named NBA Coach of the Year. His eight-year mark in Chicago was 356–300.

The 45-year-old Motta lives in Gabrills, Md., with his wife Janice and their children Kip (18), Jodi (15) and Kirt (9). During the summer months, the family returns to Idaho where they own a country store in the tiny town of Fish Haven.●

UNITED STATES-JAPAN TRADE RELATIONS

● Mr. RIBICOFF. Mr. President, our colleague, Senator S. I. HAYAKAWA, recently gave a speech in San Francisco covering United States-Japan trade relationships. It is a most perceptive, wise, and interesting speech. It is worthy of consideration by all of us. I also commend this speech for serious consideration by our Trade Representative and Secretary of Commerce. I ask that it be printed in the RECORD.

The speech follows:

KEYNOTE SPEECH BY U.S. SENATOR S. I. HAYAKAWA

Thank you Mr. Fillerup, Ambassador Togo and Counsul General Amau. It is really a great pleasure to come here today to talk about United States-Japan trade relationships.

Perhaps I should start by recounting some of my adventures and observations when I went to Japan for a short time in January. I met an enormous number of people there, from the Prime Minister on down. The people at the Ministry of Agriculture, I must say were a little bit defensive. Perhaps they didn't want to hear my advice about agricultural exports. But they were very cordial and they gave me much valuable information. Anyway, the adventure was an important one from which I learned a great deal.

I know that we in California value highly the Japanese market and Mr. Fillerup has already given you some of the statistics which show how important that market is to the United States. We have good reason in California to be proud of our record. But what we really need to do is to push more products in Japan, including more of our agricultural products, meat, and so on.

The Japanese are putting up some resistance and I would like to talk a little about the nature of that resistance. The United States and Japan recently arrived at a trade agreement, in spite of some resistance on the part of the Japanese. It wasn't really a great agreement. We raised the quota of hotel beef from 1,000 tons to 10,000 tons a year and many American sneered at that as being practically nothing at all. But the importance of such a concession on the part of the Japanese is that it is a first step. And the importance of the visits of so many Americans, from Ambassador Strauss on through a number of Senators, including myself, is that we called sharply to the attention of the Japanese public the enormously one-sided trade relationship that exists now as a big problem. It is a problem that will sour the relationship between our two countries unless we both do something about it. So, as I say, the trade agreement was not much, but it was a start.

Now, protectionism in Japan, especially in agricultural matters, has raised the cost of living for the Japanese people enormously. It is interesting that only 20% of Japan's imports are manufactured products, which is a remarkable figure for a highly industrialized country. The balance represents imports of raw materials and food, which is a very strange state of affairs.

One example of the result of this protectionism is evident when you measure the price of a kilo of beef in terms of the number of hours you have to work in order to buy it. Someone figured out that it takes eight hours and 20 minutes in Tokyo, on an average salary or working man's pay, to buy one kilo—eight hours and 20 minutes for 2.2 pounds of beef!

In Europe, the cost of steak varies from one hour and 46 minutes in Copenhagen up to two hours and 41 minutes in Rome. Even that is pretty expensive. I figured, while I was sitting here before I started to speak, that if you belong to one of the well-paid AFL building trades, it would take you about 25 minutes to buy a kilo of beef.

The Japanese themselves claim that the high price of beef is due to what amounts, practically, to a conspiracy among the Japanese beef producers, rurally-oriented politicians, and government bureaucrats who restrict imports while keeping the market price high. This is a problem.

Incidentally, representatives of rural constituencies in Japan have more than their proportionate share of power because they haven't gone through the redistricting that we've gone through in the United States. The result is that constituencies with diminishing populations remain just as strong as they ever were, with a disproportionate amount of political power.

Another important thing about meat in Japan, especially beef, is that it is not part of the traditional Japanese diet. In many middle class and lower middle class homes,

they rarely have beef at all. They have pork somewhat more often and chicken quite often. As a matter of fact, of course, eating meat at all until fairly recently was against the Buddhist religion and, therefore, was not a part of the natural diet.

The first real attempt, I understand, to get the Japanese to eat meat was in the Sino-Japanese War of 1894–95 and in the Russo-Japanese War of 1904–05 in which they had a conscript army. And when you have a conscript army, you can feed them anything you like, and change their food habits. That's one of the advantages of conscription. But even those experiences were not as important as the U.S. occupation after World War II. That had an enormous impact. There was a very large occupation force and the Americans wanted beef and the Japanese learned to eat beef too. So there is a rising demand for beef, but at the present cost of beef there is no way for the average family to get it.

Another curious fact is this. You know McDonald's is there with their Golden Arches, spreading all over Japan—and that reminds me of an important little story. In 1974, around October of that year, I was on a plane between San Francisco and Fresno and I sat next to a man who was very proud of the fact that he had a McDonald's franchise in Fresno. He was very proud of his connection with the whole big operation and he said, "Do you realize that by the end of 1974, we're going to have 100 outlets in Japan?" I thought, what a terrible revenge for Pearl Harbor.

By this time, they have many more than 100 outlets, I'm sure. But what's happening of course is that a generation of young people has learned to like hamburgers and, as they grow up and start making money on their own, they are going to be demanding more and more beef. Therefore, the present high price level for beef cannot be long sustained.

Now, why this enormous protectionism in Japan against foreign citrus fruit, foreign meat, foreign all sorts of things? Well, as I had it explained to me by people in the Agriculture Ministry, a number of people in Japan, including the people who were talking to me, feel that Japan is a very tiny little country with limited room and limited natural resources. In case of a national emergency, they fear that they won't be able to feed themselves. Therefore, they feel the need for self-sufficiency, at least in some kinds of food. One result is that they subsidize rice producers, including extremely insufficient rice producers. The government buys rice from them at a very high price to keep them in business, then sells it at an enormous loss to get it to the consumer at a price he can afford. So, as someone put it, the government takes a bath on both transactions.

After hearing about this at some length, I was having dinner with the Minister of Agriculture and the head of the Parliamentary Agriculture Committee and I said, "After all I've heard about the price of rice in Japan and how much the government loses on every transaction, an idea occurs to me. Why don't you just grow rice as a hobby and give it up as a business? . . . and we'll sell you all the rice you can ever use, right from California—at one third of the price you are now paying for it."

The Ministry of Agriculture smiled and said, "No, no, one *sixth* of the price."

Well, that's the situation.

As I say, the Japanese—at least many Japanese—at least in their own eyes are a poor little nation with limited resources. But in the eyes of the rest of the world—driving around in Datsuns, Kawasakis, and so on—they think of Japan as a big, big, powerful nation. This perception of what Japan is, really indicates a peculiar sort of dissonance in the interpretation of Japan. So long as that psychology persists among the Japanese—of Japan as a helpless little nation with few resources—it's hard to do much about it.

I tried to keep saying to them, "What about England? That's a little island with limited resources, but they have learned to relax about the fact and they import all the food they want from Australia, New Zealand, Canada, the United States, France, Germany, Italy, Spain and Scandanavia, and so on. Why don't you relax? Be like the British and just manufacture industrial products in order to buy all your food. If the British can relax with the situation, why can't you?"

Well, they told me they are not ready for that yet and they continue to be a little bit nervous. That is the basis, I think, of their protectionist point of view. It has to be overcome.

Now, how is it going to be overcome? Well, I think that is going to come from two sources. The average Japanese consumer knows that food is high-priced because of all the trade restrictions and all the kinds of monopoly that farm people have arranged for themselves, and also because of the limited number of imports they are allowed to have. So what is beginning to develop—and I hope the Ambassador may elaborate on this because I know so little about it—is, I am told, that there is beginning a women's consumer movement that is beginning to raise a considerable hell about the high price of beef and many other things. They want to see a change. Thus, it is hoped that the consumer movement in Japan will bring pressure to bear to change those protectionist practices as regards agricultural products.

Another source of resistance to this protectionism is the Keidanren, an association of big business and big manufacturers and exporters. That outfit, the Keidanren, has a very enlightened view of Japan's position on the world. They realize that Japan is a powerful industrial nation, with a lot of weight to throw around. They also realize very profoundly that the fact that the United States has a $7 to $8 billion trade deficit is not going to do Japan any good in the long run. As a result, they are the people who actively encourage trade with the United States and other countries.

It is interesting to talk to some of the executives. The people at Honda Motors, for example, have their own ships to send their automotive products abroad. But the ships have to come back and in order that they will not come back empty, I understand that they fill them up with California agricultural products and beef cattle. But the people at Honda, I am told, are really quite concerned about the trade imbalance and they are trying to do their share to solve it.

Other executives that I've talked to said they always travel to the United States on Pan American, rather than Japan Air Lines, to help the trade balance problem. That's awfully nice of them, I would say.

Of course, tariffs and quotas are the primary impediment to our exports. In addition, as you know, the Japanese distribution system is cumbersome in the extreme. To the uninitiated it seems to do little more than add to the cost of merchandise and prevents the seller from coming face to face with the end users. I don't think we are going to change this system overnight. The opening of Japan's economy will require not only government decisions, but lots of decisions from lots of corporations and individuals.

There are some very important ways in which American businessmen themselves are at fault for permitting this trade imbalance to exist. I know that many of you here have strong representation in Japan and are working very hard at selling goods there. But this is not, as Mr. Angel pointed out, the general case. The Japanese have sent market researchers to the United States to find out what we want in automobiles, motorcycles, cameras, television sets, and so on. They have done research, research, research on the American consumer. Then they send their products over here and no wonder they sell Hondas and Datsuns and Toyotas like crazy. As one of the motor companies says, "You asked for it. You got it." That really does represent the enormous market research effort by the Japanese.

We in America have not done the same thing about finding out what the Japanese people want in the various cities and villages all over Japan where we ultimately have to sell our merchandise. Perhaps a few companies have done so, at best.

There is one simple thing about the Japanese as a market that is very important. They are small people. They're the right human size. So, whether you're selling refrigerators or golf clubs or automobiles, size has to be taken into consideration.

As an example, when my mother came from Japan and visited our house in Mill Valley (California), she looked at our refrigerator—just a normal size Sears-Roebuck refrigerator—and said in awe, "What a huge refrigerator!" She had never seen a refrigerator that large and asked, "What do you do with all that room?" Well, when I went to Japan and visited her house and saw her refrigerator, I could understand. For a family size refrigerator, hers looks like the tiny little refrigerators they have in hotel rooms, or the office refrigerators in which we keep some club soda for emergencies. That's the kind of refrigerator they operate with in Japan.

If you are going to sell refrigerators and all sorts of other domestic appliances to the Japanese, you have to take into consideration the size of the people, the size of their homes, the size of their apartments, and what they can use in that context.

Let's talk about automobiles, I don't know of an American manufacturer yet who has built a car with right-hand drive. It would seem to be a relatively simple thing to do. But every time I bring it up, somebody says, "Well, it's the market. It isn't big enough to warrant it." Well, when I was in Japan, I visited Nissan Motors, the people who make Datsun automobiles. They said to me, "Why can't Americans build for the different world markets, including our own, and introduce a car with the right-hand drive?" There would be a good market in Japan, the Nissan people told me, for a big American luxury car with a right-hand drive I said perhaps it isn't worth it to make that change for such a small market. The Nissan people laughed and told me that Nissan has a special model for Denmark because Denmark has special laws governing automobiles. And they buy 300 a year. It's worthwhile changing their model on the assembly line for those 300. Well, perhaps that's the difference between a country that has to export to survive and a country like our own that can survive without exporting.

If we are going to survive, from now on we've got to export. We've got to take this market seriously. We've got to take the peculiar needs of various markets into consideration.

I'd like to talk a little bit about Kikkoman soy sauce. I don't think we've had an operation from American sources in Japan which parallels the Kikkoman effort in the United States. You know, of course, that Kikkoman is distributed nationally now. You can find Kikkoman in practically any supermarket in

most states of the Union. There are a few where it hasn't reached yet.

At the beginning, their only market was the Japanese-American population of the American west coast. But they also realized that, as the Nisei grew up and became acculturated, they would sell less and less to them, so they had to go to a larger market.

The important thing about soy sauce and the fact that it is selling so greatly in this country is the remarkable fact that soy sauce is not part of the American diet. It is not part of ordinary kitchen equipment in any time, like prepared mustard, for example. Nevertheless, it is being sold all over the country. In other words, they had to change a whole bunch of consumer habits just to get them to buy it at all.

What is soy sauce? For most people in the United States, it's something you run into in a Chinese restaurant where it's referred to as bug juice. But now it is sold widely, and how did they do it? Well, they started in 1957 and they did serious research and they made certain policy decisions. One of the important policy decisions was that they had to define Kikkomen soy sauce as something deeply American. So they had television commercials over and over again showing people putting soy sauce on their hamburgers and soy sauce on their steak, and so on until, somehow, they managed to create the impression that everybody uses soy sauce on their hamburgers after all. Well, they kept at it and kept at it and they worked one area at a time with intensive market research. Gradually, over the decades, as you know, soy sauce—Kikkoman—has been very, very successful.

But have we done anything like this in Japan? Have we sold them anything that the Japanese don't eat now, but would eat if we really went after them?

To get back to meat, here we are complaining about the fact that we're not selling enough meat in Japan and the one man that we have to represent the American meat industry in Tokyo I met. When I met him, he had only been in Japan three weeks and he's the first representative of the industry to be permanently posted in Japan. And he hadn't learned Japanese yet. We should have had people in the meat industry working on Japan since 1950, at least, but we haven't. So instead of forcing the Japanese system to change, America should think of items to sell in Japan.

I've thought of the peculiarities of Japanese trade. You know, the Japanese are constantly visiting each other and every time they visit, they take a present along. You see in the airports and in railroad stations—all over Japan—counters and counters of elaborately wrapped cookies and biscuits and manju and seaweed—the edible seaweed that is called nori, which we call carbon paper in our family. You also see melons that they sell as gifts. The individual melons, handsome, beautiful melons, each costing about $10 or $12—for one melon! No one ever buys them for themself. They buy them to give as presents. That present-giving habit we can exploit from the agricultural point of view. Here we are, producing beautifully processed almonds, smoked almonds etc. We produce processed fruits, dried fruits, raisins, prunes, dried pears, dates, apricots, etc., etc. Why not put them up in attractive gift packages—attractive, that is, to the Japanese artistic taste—to use as presents?

This may not seem like much of a market, but the more I've seen of Japan, the more impressed I am with the number of presents that people give. Surely that must add up. But the important thing is to advertise in Japan to have people bring each other elaborate presents beautifully packaged, of American walnuts, American almonds, American prunes, etc.

There was a fascinating story in the Los Angeles Times the other day about the attempt of the Japanese to survey their own businesses to find out what they wanted to buy from the United States. Forty-five hundred companies were asked to name ten items they wished to purchase from the United States. From the 600 or so firms that responded, 5,000 requests came in to purchase various items. The items they wanted amounted to about 3,000 altogether. They included fish products, processed foods, furniture—and, of course, you've got to remember people's sizes when you sell them furniture—clothing, hand tools, tires, computers, business machines. They wanted jewelry, and, by gosh, that's an important one. There's a huge luxury market in Japan. The Japanese have more darn dough.

They wanted machine tools, medical equipment and, remarkably, they wanted to buy toys. Now the Japanese produce an enormous number of toys, but they still want more. They want, among other things, used cars—even with the left-hand drive, I guess. But the one item that fascinated me is that they want cat and dog hides. Apparently, out of cat hide they make strings for the samisen, the musical instrument that sort of resembles a banjo. And if you get a really perfect samisen string, with no flaws in the cat skin from which it's made, the newspaper story said you can sell that string for as much as $833. Well, my gosh, this gives you a new view of your cat, doesn't it?

One of the responses to this questionnaire distributed among Japanese industry was this: Foreign businesses have not been making the effort to find these markets. That was the conclusion from the survey.

Let me end up with a couple of observations. The income tax system for Americans working abroad is unfair to Americans. It restricts the ability of companies to send people there. And this—our own governmental tax policy—puts a limitation on the expansion of our trade.

We have an enormous surplus of crude oil coming from Alaska. For reasons unknown to me, the Department of Energy decided that we cannot sell it to Japan. Now, getting rid of our Alaskan oil and sending it directly to Japan by a very short route would be an enormous advantage. It would cost less than the oil Japan is buying from the Middle East with the long sea route. Japan could feel more relaxed about its own future security if they knew that they had a constant and steady supply of oil from a friendly nation like the United States.

Why aren't we selling our oil to Japan? We could diminish our trade imbalance immediately by a very, very considerable sum. But we're not doing that.

Finally, let me point out that there are 20,000 Japanese businessmen in New York City alone—20,000 just in one city, never mind Chicago, Los Angeles, San Francisco, and so on—20,000 in New York City. They are selling all kind of things: automobiles, cosmetics, textiles, musical instruments, fashion items, jewelry—all sorts of things. There are 1,000 American businessmen in Tokyo. And if there is a trade imbalance, that is part of the answer. Those 20,000 Japanese businessmen in New York City have taken the trouble to learn English before they came here. I don't know how many of the 1,000 Americans in Tokyo speak Japanese. I would guess that it is few.

Anyway, these are some of the problems and it's fascinating to think about them. It's fascinating to see the future possibilities of changing the situation that lie in the hands of people like you.

Thank you very much.●

DOUBLE STANDARD AGAINST SO-CALLED DOUBLE DIPPERS

● Mr. GOLDWATER. Mr. President, so much of a furor has been raised lately about the so-called practice of double dipping or, to put it plainly, retired military people getting jobs with companies or with the Government, that I think it is time to take a look at another side that might make the picture a little more complete.

To begin with, where can a bureau of our Government, particularly in the technical fields, and where can manufacturers, find better trained, better equipped men and women to serve them than those who have retired from the service? Remember, these are not men and women in their seventies. These are men and women generally in their late forties or early fifties who have many productive years left.

Now, I have long faulted the military for allowing people to get out at these young ages and maybe we will correct it, but that is beside the point. They have been getting out and they have been taking jobs with the Government and with industry.

But is this the only side to this rather well-publicized coin? No. Let's look at another one.

People come to Washington to serve in the House of Representatives or in the Senate. Some of them stay a long, long time. Others stay a relatively short time and then are either defeated or retire, but do they go home? No. Many of them, not the majority, but many of them stay and find employment either with companies to represent them or with legal firms which can use the contacts that the former Member of the Congress has developed through his years serving on committees while up there.

It is virtually impossible to find out how many of these former Members of Congress are gainfully employed today in matters affecting the Government, and let me make it clear, I hold nothing against them for this. I do know, offhand, that in 1977, there were at least seven former Members who were representing foreign countries.

But I want to get into this matter of the so-called double dipper to show how unfair this whole thing has been to the military person. For example, there is a recent Comptroller General's ruling governing attendance at industrially sponsored social events with active duty officers present which has really gone beyond the bounds of propriety, in my opinion.

It has reached the point where many of these former military men associated with industry are reluctant to talk to old friends who are on active duty, even on purely social conditions. These laws, which are so extreme that they require

a 3-year loss of retired pay and impose a lifelong criminal selling ban in certain cases, are clearly discriminatory against regular military officers and impose a double standard on this limited group of former Federal employees.

Now, I am referring to section 801 of title 37, United States Code, and section 281 of title 18, United States Code.

Section 801 prohibits the payment of retired pay for 3 years after retirement to retired regular officers who are engaged in selling supplies or war materials to the Department of Defense, the Coast Guard, the Environmental Science Services Administration, or the Public Health Service. In effect, a retired military officer loses his retired pay for 3 years if he engages in selling this material to the Government.

Section 281 bans any retired officer of the Armed Forces from selling anything to the Government through the Department in whose service he holds a retired status. This means a retired naval officer is forever prohibited from selling to the Navy. Or a retired Army officer cannot sell to the Army.

Now, Mr. President, when most people talk about the "double dipper" law, they are referring only to section 5532 of title 5, United States Code. This is the dual compensation law, which reduces the retired pay of former officers of the uniformed services.

But few people have ever heard of the much more stringent restrictions against retired officers in sections 801 and 281. And, may I remind you that those sections apply only to retired officers of the regular services. They do not have general application throughout the Government.

Why, I ask, are retired regular officers set aside from everyone else in the Federal Government? They are certainly not the only category of Government personnel involved in budgeting, contracting, and purchasing decisions. Almost all branches of the executive bureaucracy do that.

Why are there no similar statutes as sections 801 and 281 applying to former Secretaries of Defense, Army, Navy, et cetera, or to former political employees heavily involved in contractor selection and dollar allocation?

Oh, I know there is a public filing requirement applicable to former civilian employees as well as former military officers under which reports must be filed with the Department of Defense identifying employment with a defense contractor. But this is a reporting statute only. It does not impose a total ban on employment with a defense contractor or take away the retirement pay of a former civilian official merely because he goes to work in his field of experience. And why no such statutes for civil servants or elected officials out of office, or retired judges, or even the fellow career retired reserve officers?

Why is the man in uniform or formerly in uniform, legislated as untrustworthy in retirement when no one else is? The answer that is continually heard is that retired regular officers are still Federal officers, subject to recall, and as such cannot be involved in anything relating to selling to the Defense Department.

Well, I have to say that many of the men and women out of uniform wonder, if they are supposed to still be Federal officials, what are their responsibilities and duties? They have none of the authority of a Federal official.

Let us look at a silly situation. A man can lose his retired pay under section 801, even worse, go to jail under section 281 if he so much as sells a case of beer to the PX at any military establishment or a case of Coke to a Public Health Service facility. Their employment opportunities, in my opinion, are unduly limited. I do not think any regular or retired Army or military person believed or understood years ago that their post-retirement opportunities would be so severely limited by law.

These questions, Mr. President, raise a very serious point because, what the people, who criticize the military man who retires and goes to work for Government or industry overlook, is that they comprise a very, very small percent, probably less than 1 percent of the total corporate personnel.

If a man has the ability, the ambition and the desire to work, why should he be penalized just because he once wore a uniform?

Why should not the man who once wore the toga of a Congressman be denied employment opportunities in a similar situation, but they are not?

To sort of button this whole argument up, I ask that an article appearing in the Congressional Quarterly of September 17, 1977, entitled "Where They Are Now: Ex-Members of Congress: Some Go Home, Many Don't," be printed at this point in my remarks along with "Laws Particularly Applicable to Retired Regular Officers," and "Decision of Comptroller General Holding That Sale of Beer to PX is Prohibited to Retired Military Officer."

The material follows:

WHERE THEY ARE NOW: EX-MEMBERS OF CONGRESS—SOME GO HOME, MANY DON'T

They have scattered to meet their respective fates—jail for one, hospitals for two with health problems, businesses or law practices in their home states for others.

But the majority of the defeated members of the 94th Congress are still within blocks of Capitol Hill, working in the federal bureaucracy or in Washington law offices whose business depends on the actions of the federal government.

Of the 39 members defeated in 1976, 21 still work in Washington. Most are in law firms and lobbying jobs, but four got appointments in the Carter administration.

Not all members who left the Hill have done so against their wishes. But even a number of those members who retired have stayed in Washington to lobby, teach or—in a few cases—take jobs in Congress. (Box, p. 1971)

One defeated member, stripped of the trappings of office, remained on Capitol Hill. Garner Shriver (R Kan. 1961–77) is the $40,080 a year minority staff director and legal counsel for the Senate Veterans' Affairs Committee.

Shortly after taking the job in March, Shriver told Capitol Hill News Service his main reason for accepting it was that "additional time working in Washington improves my retirement annuity." Shriver, 65, will get pension increases for each year he remains in a government job, although he must retire when he is 70.

The 16-year veteran of Congress said he did not have Potomac fever and eventually would return to Kansas. "It's just that there are particular advantages [to staying in Washington] at this point in time," Shriver said.

ADMINISTRATION JOBS

The four former members who landed jobs in the Carter administration were:

Gale W. McGee (D Wyo. 1959–77), U.S. representative to the Organization of American States;

Edward Mezvinsky (D Iowa 1973–77), U.S. representative to the United Nations Commission on Human Rights;

Patsy T. Mink (D Hawaii 1965–77), assistant secretary of state for oceans and international environmental and scientific affairs;

J. Edward Roush (D Ind. 1959–69, 1971–77), director of regional and intergovernmental operations for the Environmental Protection Agency.

One who sought but never found employment in the administration was Joseph P. Vigorito (D Pa. 1965–77).

In June, Vigorito lamented to *The Washington Post* that despite his early support of President Carter and relentless searches for an administration job, "I just can't get into the White House at all. Those 25-year-olds at the White House—they don't ever return your calls."

Vigorito, a certified public accountant rejected the idea of setting up a private business as "too much of a grind." He was hired in September to teach accounting at Georgetown University in Washington.

LEGAL AND HEALTH PROBLEMS

Far removed from the Washington scene was Andrew J. Hinshaw (R Calif. 1973-77), who began serving a jail sentence Aug. 5 of one to 14 years. Hinshaw was convicted of crimes committed when he served as county assessor in Orange County, Calif.

Another former member with legal problems was Henry Helstoski (D N.J. 1965-77), who has been charged with accepting bribes in return for introducing legislation. Helstoski's case has not come to trial.

And one former member who ran afoul of the law is practicing law in Washington. Allen T. Howe (D Utah 1975-77) was convicted of sex solicitation in 1976 and received a fine and suspended sentence.

Two former members with health problems were Tim L. Hall (D Ill. 1975-77) and Otto E. Passman (D La. 1947-77). While recuperating from a recent gall bladder operation, Hall has been receiving calls from people urging him to run for office again. Passman, who had difficulty in his recovery from surgery in June, is now under strict orders from his doctor to take it easy.

Although several former members said they might run for public office again, only two have become candidates. Bella S. Abzug (D N.Y. 1971-77) sought the Democratic nomination for mayor of New York City and lost in the Sept. 8 primary. Ken Hechler (D W.Va. 1959-77) has announced he will run for his former House seat. Hechler is keeping a visible profile by hosting a daily talk show and writing a weekly newspaper column in West Virginia.

Two others who have stayed in Washington nevertheless sound relieved that they are no longer in public jobs. For James W. Symington (D Mo. 1969-77), leaving Congress was "a release from a kind of bond-

age," while Burt L. Talcott (R Calif. 1963-77) called it "exciting to be free."

But another former member who stayed in Washington for a lobbying job was having trouble with his new freedom. John Y. McCollister (R Neb. 1971–77) said he could not find enough to do to fill his "discretionary time" at night and on weekends.

WHAT THEY ARE DOING

Following is a list of senators and representatives who lost in 1976 and how they have been spending their time since leaving Congress. Unless otherwise noted, the former members were defeated either in primary or general elections for their own seats.

References. Official returns, 1977 Weekly Report, p. 491; 1976 Special Election Report, 1976 Weekly Report, pp. 2749-2872; 1976 Almanac pp. 823, 829.

SENATORS

J. Glenn Beall (R Md. House 1969-71; Senate 1971-77), 50. Beall returned to the presidency of Beall, Garner, Screen and Geare Insurance Co. in Cumberland, Md. He is considered a possible gubernatorial candidate in 1978.

Bill Brock (R Tenn. House 1963–71; Senate 1971–77), 46. Brock was elected Jan. 14 as chairman of the Republican National Committee.

James L. Buckley (Con-R N.Y. 1971–77), 54. Buckley is director and a member of the executive committee of a New York City investment firm. He does a radio commentary for Westinghouse Broadcasting three times a week and for National Public Radio once a week.

Vance Hartke (D Ind. 1959–77), 58. Hartke has opened a law firm in Washington, D.C., which specializes in international law.

Gale W. McGee (D Wyo. 1959–77), 62. McGee was nominated by President Carter to serve as permanent U.S. representative to the Organization of American States. He was confirmed by the Senate March 17 and receives $52,500 a year.

Frank E. Moss (D Utah 1959–77), 65. Moss has opened a general law practice in Washington, D.C.

Joseph M. Montoya (D N.M. House 1957–64; Senate 1964–77), 61. Montoya is head of Joseph Montoya Enterprises, a Santa Fe real estate firm which has been constructing apartment houses in New Mexico. He also maintains a small private law practice.

Robert Taft Jr. (R-Ohio House 1963–65, 1967–71; Senate 1971–76), 60. Taft rejoined the Cincinnati law firm of Taft, Stettinius and Hollister and divides his time between Cincinnati and the firm's Washington, D.C., office.

He registered in April as a lobbyist for the Taft Broadcasting Co., for Sisters of Charity of Cincinnati in connection with claims the sisters have against the People's Republic of China, and for Werner Von Clemm on behalf of private legislation. In May Taft registered for the Special Committee for Workplace Product Liability Reform of Washington, D.C.

John V. Tunney (D Calif. House 1965–71; Senate 1971–77), 43. Tunney is practicing law in Los Angeles.

REPRESENTATIVES

Bella S. Abzug (D N.Y. 1971–77), 57. Abzug, defeated for the Democratic Senate nomination, announced her candidacy for mayor of New York City on June 1. She lost in the Sept. 8 primary.

Alphonzo Bell (R Calif. 1961–77), 62. After an unsuccessful bid for the Republican Senate nomination, Bell has returned to the presidency of Bell Petroleum in Los Angeles.

Donald D. Clancy (R Ohio 1961–77), 56. Clancy is an attorney in the Cincinnati law firm of Lindhorst and Dreidame. He is considering another try at elective office and will be deciding in the fall.

John B. Conlan (R Ariz. 1973–77), 46. Conlan, defeated for the Republican Senate nomination, has joined the Washington, D.C., law firm of Jenkins, Nystrom and Sterlacci which specializes in administrative government work. He is considered a potential 1980 senatorial candidate should Sen. Barry Goldwater (R) retire.

Marvin L. Esch (R Mich. 1967–77), 50. Esch, defeated for the Senate, is director of public affairs in the Washington, D.C., office of U.S. Steel.

William J. Green (D Pa. 1964–77), 39. Green, defeated for the Senate, has joined the Washington, D.C., office of the Philadelphia law firm of Wolf, Block, Schoor and Solis-Cohen. He has been spending his time between the firm's two offices.

Tim L. Hall (D Ill. 1975–77), 52. Hall is recuperating from a recent gall bladder operation. He has done some substitute teaching, but is spending most of his time reading and researching material on Abraham Lincoln. He is living in Dwight, Ill., and hopes to eventually write a book on Lincoln.

Philip H. Hayes (D Ind. 1975–77), 37. Hayes, defeated for the Democratic Senate nomination, has returned to practicing law in Evansville. This fall he will moderate a public affairs program for a local educational television station.

Even members who voluntarily left Congress apparently still like life in the capital.

Charles A. Mosher (R Ohio 1961–77), for instance, taught graduate courses on science policy and technology in Congress at George Washington and American Universities in the first few months following his retirement.

He gave up teaching, as well as several advisory jobs such as serving on the board of Common Cause, to become executive director of the House Science and Technology Committee this fall.

Another retiree staying close to Capitol Hill is Gilbert Gude (R Md. 1967–77), who earns $36,000 a year as director of the Library of Congress' Congressional Research Service.

Thomas M. Rees (D Calif. 1965–77) is spending most of his time in Washington as a partner in the law firm of Brownstein, Zeidman, Schomer and Chase, which also has offices in Los Angeles. One change noted by Rees after leaving Congress was no longer having "to listen to some hysterical person who calls me about an issue that I care nothing about," he told CQ.

Others such as Wayne L. Hays (D Ohio 1949–76) returned to their home states. Hays went back to his farm near Belmont, Ohio. He also serves as chairman of the board of the Citizens National Bank of St. Clairsville, Ohio.

Leonor K. Sullivan (D Mo. 1953–77) left her duties as chairman of the House Merchant Marine and Fisheries Committee and has settled in St. Louis, where she is sorting her congressional files for donation to St. Louis University. She is also working on a scholarship fund in her name at the university, which aids women majoring in political science. Also in St. Louis is William L. Hungate (D Mo. 1964–77). Hungate practices law and teaches a class in congressional politics at the University of Missouri at St. Louis. Hungate, who served on the House Judiciary Committee during its impeachment proceedings against former President Nixon, is also teaching a seminar on impeachment.

Thomas N. Downing (D Va. 1959–77) is practicing law in Newport News, Va.

Ken Hechler (D. W.Va. 1959–77), 62. Hechler, defeated for the Democratic gubernatorial nomination and for re-election as a write-in, announced on election day last year that he will try to regain his seat. He has been lecturing at Marshall University and Morris Harvey College on films, political science and journalism. Hechler is also hosting a one-hour daily talk show on WWHY in Huntington and writes a weekly newspaper column for the Gulf Times in Sophia, W.Va.

Henry Helstoski (D N.J. 1965–77), 52. Helstoski was indicted last year on charges that he solicited and accepted bribes in return for introducing bills to delay deportation of Chilean and Argentinian aliens who were living illegally in the United States. The trial has been postponed pending a ruling by the U.S Court of Appeals in Philadelphia as to whether legislation introduced by a congressman can be used as evidence. A provision of the Constitution protects members of Congress from prosecution for actions in Congress.

Andrew J. Hinshaw (R Calif. 1973–77), 54. Hinshaw, convicted last year on charges of bribery, petty theft and misappropriating public funds, began serving a one-to-14 year jail term Aug. 5.

Allan T. Howe (D Utah 1975–77), 49. Howe has opened a law firm in Washington, D.C.

Albert W. Johnson (R. Pa. 1963–77), 71. Johnson has returned to Smithsport and has opened a private law firm. According to his wife, they have spent much of the time in Florida visiting their son and just relaxing. She said Johnson's return to private life was "like being a star on stage and suddenly having no more parts."

Ray J. Madden (D Ind. 1943–77), 85. Madden lives in an apartment one block from the Capitol. He commutes regularly between Washington, D.C., and Indiana University in Bloomington where he is organizing his congressional papers. He is considering lecturing at colleges and writing a book about his 34 years in Congress.

John Y. McCollister (R Neb. 1971–77), 56. McCollister, defeated for the Senate, is the manager of the government affairs office of the Washington, D.C. office of Firestone Tire and Rubber Co.

Edward Mezvinsky (D Iowa 1973–77), 40. Mezvinsky was appointed July 15 by President Carter to serve as the U.S. representative to the United Nations Commission on Human Rights. He was sworn in Aug. 4.

Mezvinsky has just completed work on a book, A Term to Remember, which will be published in the fall. He said the book deals with his four years in Congress, focusing on behind-the-scene activity during the Nixon impeachment proceedings. Beginning in September, Mezvinsky and his wife will co-host a weekly community affairs television show in Washington, D.C.

Patsy T. Mink (D Hawaii 1965–77), 49. Mink, defeated for the Democratic Senate nomination, was nominated by President Carter to serve as assistant secretary of state for oceans and international environmental and scientific affairs. She was confirmed by the Senate March 23 and receives $50,000 a year.

James G. O'Hara (D Mich. 1959–77), 51. O'Hara, defeated for the Democratic Senate nomination, is associated with the Washington, D.C., law firm of Patton, Boggs and Blow. He is also serving as chairman of the Judicial Council of the Democratic National Committee.

O'Hara, like some other long-time members of Congress, sometimes has trouble remembering he no longer is in office. He told CQ that he still has the urge to "jump up and say something" while attending committee hearings on the Hill. But he noted that the urge is diminishing as time goes by.

Otto E. Passman (D La. 1947–77), 77. Passman has been released from the hospital, and is recuperating from a serious illness. He is living in Monroe, La., and has no definite plans.

Ron Paul (R Texas 1976–77), 42. Paul returned to his former profession as an obste-

trician and gynecologist in Lake Jackson, Texas. He is secretary of labor in the Conservative Caucus's "shadow cabinet" which monitors the activities of the Carter administration, and writes a monthly public affairs newsletter to volunteers, supporters and contributors of his 1976 campaign.

Peter A. Peyser (R.N.Y., 1971–77), 55, Peyser, defeated for the Republican Senate nomination, has been consulting with corporations and labor organizations on employee pension plans. He was nominated by Gov. Hugh L. Carey (D) to serve on the New York State Public Service Commission, but later withdrew his name. Peyser also has been lecturing at New York City colleges on his experiences during last year's Republican senatorial primary campaign. Peyser, who switched to the Democratic Party in April is considering running for the House again in 1978.

J. Edward Roush (D Ind. House 1959–69; 1971–77), 56. Roush was appointed by the administrator of the Environmental Protection Agency as director of the Office of Regional and Intergovernmental Operations at $39,600 a year.

Garner E. Shriver (R Kan. 1961–77), 65. Shriver is minority counsel of the Senate Veterans' Affairs Committee and receives $40,080 a year.

James V. Stanton (D Ohio 1971–77), 45. Stanton, defeated for the Democratic Senate nomination, is a partner in the Washington, D.C., law firm of Ragan and Mason which specializes in corporate law. He registered in January as a representative of the Republic of Korea but resigned in June.

Among the clients Stanton represents are the Greater Cleveland Growth Association, Ohio Board of Regents, New York Yankees, American Shipbuilding Co., First Colony Farms, Glass Packaging Institute, Seacoast Products Inc. and Sun River Properties Inc.

Alan Steelman (R Texas 1973–77), 35, Steelman, defeated for the Senate, has no definite plans but told Congressional Quarterly that he is considering "business opportunities" and "will probably go into business for himself."

He recently represented a group of investors trying to purchase the Oakland Athletics baseball team and move it to Washington, D.C. Steelman has just finished a documentary on Congress for possible sale to public television, and, as a Woodrow Wilson Visiting Fellow, will be doing some college lecturing in the fall.

Sam Steiger (R Ariz. 1967–77), 48. After an unsuccessful bid for the Senate, Steiger has retired to his ranch near Prescott, Ariz.

James W. Symington (D Mo. 1969–77), 49. Symington, defeated for the Democratic Senate nomination is a partner in the Washington, D.C., law firm of Smathers, Symington and Herlong. He is chairman of the Foreign Students Service Council of Greater Washington, a nonprofit group that organizes seminar programs, funded by the State Department, for foreign university students in the United States. Symington said he has written some articles and is working on a book on his congressional service.

Burt L. Talcott (R Calif. 1963–77), 57. Talcott, who remained in the Washington, D.C., area, is executive vice president of the American Consulting Engineers Council. The council acts as an information clearinghouse for practicing consulting engineers and firms.

Richard F. Vander Veen (D Mich. 1974–77), 54, Vander Veen has returned to Grand Rapids and is practicing law. In February Vander Veen registered as a lobbyist for Citibank of New York City.

Joseph P. Vigorito (D Pa. 1965–77), 58, Vigorito, who lives in McLean, Va., is teaching accounting at the Georgetown University School of Business in Washington, D.C.

Laws Particularly Applicable to Retired Regular Officers

Prohibited Activities

1. Claims

A retired Regular officer of the Armed Forces may not, within 2 years of his retirement, act as agent or attorney for prosecuting any claim against the Government, or assist in the prosecution of such a claim, or receive any gratuity or any share of, or interest in, such a claim in consideration for having assisted in the prosecution of such a claim, if such claim involves the Military Department in whose service he holds a retired status. Nor may a Regular retired officer at any time act as an agent or attorney for prosecuting any claim against the Government or assist in prosecution of such claim, or receive any gratuity or any share of, or interest in, such claim in consideration for having assisted in the prosecution of such claim, if such claim involves any subject matter with which he was directly connected while on active duty (see 18 U.S.C. 283).

2. Selling

a. A retired Regular officer is prohibited, at all times, from representing any person in the sale of anything to the Government through the Military Department in whose service he holds a retired status (see 18 U.S.C. 281).

b. "Payment may not be made from any appropriation, for a period of three years after his name is placed on that list, to an officer on a retired list of the Regular Army, the Regular Navy, the Regular Air Force, the Regular Marine Corps, the Regular Coast Guard, the Environmental Science Services Administration, or the Public Health Service, who is engaged for himself or others in selling, or contracting or negotiating to sell, supplies or war materials to an agency of the Department of Defense, the Coast Guard, the Environmental Science Services Administration, or the Public Health Service." (Sec. 37 U.S.C. 801(c) as amended October 9, 1962, P.L. 87–777, formerly 5 U.S.C. 59(c)). [Note: The Environmental Science Services Administration was abolished on October 3, 1970, and its functions were transferred to the National Oceanic and Atmospheric Administration.]

c. For the purpose of this statute, "selling" means:

(1) Signing a bid, proposal, or contract;

(2) Negotiating a contract;

(3) Contacting an officer or employee of any of the foregoing departments or agencies for the purpose of:

(a) Obtaining or negotiating contracts,

(b) Negotiating or discussing changes in specifications, price, cost allowances, or other terms of a contract, or

(c) Settling disputes concerning performance of a contract; or

(4) Any other liaison activity with a view toward the ultimate consummation of a sale although the actual contract therefor is subsequently negotiated by another person.

Decision of Comptroller General Holding That Sale of Beer to PX Is Prohibited to Retired Military Officer

From 38 Decisions of the Comptroller General 470 (1959):

To Commander R. A. Wilson, Department of the Navy, January 6, 1959:

Your letter requesting a decision concerning the matter of forfeiture of retired pay in the case of Lieutenant Commander Ronald Anthony, United States Navy, retired (file No. 349918), in the circumstances stated below, was forwarded here approved by the Military Pay and Allowance Committee, Department of Defense, under submission No. 365.

It is stated that Mr. Anthony was retired effective July 1, 1957, as a lieutenant commander of the Regular Navy and it appears that on or about August 19, 1957, he accepted employment with the Hoffman Cigar Company of Norfolk, Virginia. The record indicates that during the first five weeks of such employment, Commander Anthony attended an advertising and promotion training school at Newark, New Jersey. Thereafter and until about June 11, 1958, Commander Anthony's duties on behalf of the Hoffman Cigar Company appear to have been in the field of sales promotion.

In that connection, the record shows that Commander Anthony, in a letter dated April 21, 1958, advised the Judge Advocate General of the Navy that he was employed "in the capacity of Salesman for Budweiser Beer" and that "Approximately 30 percent of my time I call on Navy Officers' Clubs, CPO Clubs, Navy Exchanges and Welfare and Recreation Centers on different ships." In a subsequent letter, dated June 13, 1958, Commander Anthony further advised the Judge Advocate General of the Navy that the term "Salesman" which he had used in his letter of April 21, 1958, was inaccurate and that he should have stated that he was "a sales-promotion and public relations man"; that he had not sold any beer to the Navy, that he worked for a straight salary and did not receive a commission and that his "infrequent calls on Officers' Clubs, CPO Clubs, and Navy exchanges were to promote good will" and "maintain good public relations." Commander Anthony further stated in his letter of June 13, 1958, that he had "no direct connection with the actual selling or negotiating for sale."

Mr. Ralph M. Hoffman, President of Hoffman Cigar Company, advised the Judge Advocate General of the Navy concerning Commander Anthony's duties, in a letter dated June 11, 1958, in pertinent part as follows:

Mr. Anthony also performed duties as Military Representative to maintain good will, promote displays and advertise.

He also offered advice in planning ships' parties, which were held ashore. This included advice in hiring of waiters, selecting caterers, orchestras and other incidentals which contributed good will toward purchases of Budweiser Beer.

Mr. Hoffman further stated in his letter that "Mr. Anthony's duties in no way required him to sell or negotiate sales of products to the U.S. Navy. All sales made to the Navy afloat were made on bid through the Navy Purchasing Office, or directly to the Ship's Welfare Officers. These sales were made entirely by our Sales Manager." The letter of June 11, 1958, from Mr. Hoffman concludes with the statement that, "Mr. Anthony has been reassigned, so that his duties do not include any possibility of selling, contracting or negotiating to sell to Departments of the Navy."

The propriety of Commander Anthony's activities as an employee of the Hoffman Cigar Company while concurrently receiving retired pay as a retired commissioned officer of the Regular Navy also appears to have been specifically called to the attention of the Department of the Navy in an anonymous letter, dated May 23, 1958, signed "Interested Parties," and in which it was stated that "Mr. Anthony uses his influence and prestige as a recently retired Naval Officer to sell his products to Ships, Stations and Service Clubs," and that he "has gone so far as to induce Commanding Officers friendly to him to write letters directing their ships' Recreation Council to buy and use Mr. Anthony's product after the Council had voted and contracted for a rival beer."

As pointed out in your letter, Commander Anthony's right to receive retired pay as a retired commissioned officer of the Regular Navy, effective from the date of his retirement on July 1, 1957, during the period that he has been employed by the Hoffman Cigar

Company is restricted by the limitations prescribed in the statutory provisions which are codified in 5 U.S.C. 59c and 10 U.S.C. 6112 (b).

Section 59c, Title 5, U.S. Code, 1952 Ed., Supp. V, provides as follows:

No payment shall be made from appropriations in any Act to any officer on the retired lists of the Regular Army, Regular Navy, Regular Marine Corps, Regular Air Force, Regular Coast Guard, Coast and Geodetic Survey, and Public Health Service for a period of two years after retirement who for himself or for others is engaged in the selling of or contracting for the sale of or negotiating for the sale of to any agency of the Department of Defense, the Coast Guard, the Coast and Geodetic Survey, and the Public Health Service any supplies or war materials.

Section 6112(b), Title 10, U.S. Code (70A Stat. 381)—derived from provisions formerly contained in 34 U.S.C. 883—povides as follows:

If a retired officer of the Regular Navy or the Regular Marine Corps is engaged for himself or others in selling, or contracting or negotiating to sell, naval supplies or war materials to the Department of the Navy, he is not entitled to any payment from the United States while he is so engaged.

The several questions presented in your letter will be considered separately and in the order stated therein.

Question 1

Does the phrase "engaged in selling, contracting or negotiating to sell [for the sale]" apply to a contract for personal services between a retired officer and (a) a person whose business is the manufacture and/or sale of the proscribed articles when the officer has no personal connection with sales or promotion of sales, (b) a person when the officer's duties provide that he contact the trade for the purpose of promoting good will which will result in sales to be effected by other employees or agents of the employer?

Although the phrase in question appears in a slightly different form in 5 U.S.C. 59c from that contained in 10 U.S.C. 6112(b), the nature of the activities which are encompassed in both instances seems quite clear, namely, all activities the direct purposes of which are to "sell" any supplies or war materials to any agency of the Department of Defense, etc., in the case of 5 U.S.C. 59c, and naval supplies and war materials to the Department of the Navy in the case of 10 U.S.C. 6112(b). In the circumstances above set forth under part (a), involving a contract of employment for personal services between a retired officer and a person whose business is the manufacture and sale of the proscribed articles "when the officer has no personal connection with sales or promotion of sales," it reasonably may be concluded that the phrase referred to would not be for application.

The statutes manifestly are directed at preventing favoritism and preferential treatment in purchases and contracts for supplies and materials by prohibiting retired officers from engaging in sales and related activities with the Department concerned. Considering that purpose, activities calculated to induce the purchase of supplies and materials, even though the mechanical acts of actually consummating sales or negotiating sales or contracts for sales may be done by another person, must be viewed as coming within the scope of the statutes and hence as subjecting the retired officer concerned to the prohibition prescribed in 5 U.S.C. 59c or 10 U.S.C. 6112(b), as applicable in the particular case. That is so even though the actual purchasing officers be different from those with whom the retired officer deals if the latter in fact have the authority to determine, or occupy a position that would substantially influence, the selection of the supplier or of the brand of supplies and materials that may be purchased. Activities undertaken to effect sales are prohibited even though no actual sales or contract may be made.

The activities set forth in part (b), question 1, in which it is stated that the retired officer's duties "provide that he contact the trade for the purpose of promoting good will which will result in sales to be effected by other employees or agents of the employer," must be viewed as coming within the scope of the phrase above referred to and hence, as subjecting the officer concerned to the prohibition prescribed in 5 U.S.C. 59c or 10 U.S.C. 6112(b), as applicable in the particular case. Question 1 is answered accordingly.

Question 2

Does the phrase "while so engaged" limit the forfeiture of retired pay to only those days or parts thereof in which the officer is actually "engaged in the sale" as construed under Question 1 above?

The phrase "while so engaged" is contained in subsection (b), section 6112, Title 10, U.S. Code, under the heading "Pay: officers; withheld while employed by certain contractors." In an extremely narrow view it might be considered that an officer who engages for himself or others in "selling, contracting or negotiating to sell," is so "engaged" only during the actual period of time required in the signing of a particular contract or in the performance of some particular act directed towards accomplishing that specific purpose. Such a view might then lead, as indicated in the question presented, to the conclusion that where an officer devotes on a certain day, only ten minutes of his time to sales activities, then only ten minutes of that particular day would fall within the area covered by the provisions of 10 U.S.C. 6112(b). It seems obvious, however, that the exact moments which mark the beginning and end of any particular sales activity, generally cannot be accurately and definitely established. Moreover, aside from the difficulties of attempting to prorate the hours, or even minutes of any particular day, between sales activities and nonsales activities, there would also arise the further question as to what extent sales activities should be attributable to Sundays, holidays, vacation days and other periods of absences during which the retired officer concerned would otherwise continue in receipt of retired pay. The provisions of 10 U.S.C. 6112(b)—(and the same holds true with respect to the provisions of 5 U.S.C. 59c)—may not be accorded such a strained construction, since those provisions are clearly directed toward the complete elimination of all aspects of favoritism toward or undue or improper influence on the part of retired military personnel in connection with sales, or contracting to sell or negotiating to sell to the Government—a possibility which immediately arises upon the employment of a retired officer of the uniformed services by a civilian company and which continues unabated throughout the entire period such employment relationship continues in existence. The legislative history of the act of July 22, 1935, 49 Stat. 490, 34 U.S.C. 13, from which the provision was derived, amply supports that view. Question 2 is answered in the negative.

Question 3

Does the phrase "for a period of two years after retirement" in the Act of August 7, 1953 limit the period of prohibition to the two years commencing on the effective date of retirement except as to Navy and Marine Corps officers covered under Title 10 U.S.C. 6112(b)?

This question is answered in the affirmative.

Question 4

What is the congressional intent as to the meaning of the phrases "supplies or war materials" as found in the Act of August 7, 1953, and "naval supplies or war material" as contained in the Act of August 10, 1956?

The legislative history of the provisions of 5 U.S.C. 59c (act of August 7, 1953, section 1309, 67 Stat. 437), does not disclose what was intended to be covered by the phrase "any supplies or war materials" as used in that act. Nor does the legislative history of the provisions of 10 U.S.C. 6112 (b) disclose the precise intent of the phrase "naval supplies or war materials" contained therein. The words "naval supplies or war materials" have been interpreted to include almost any conceivable item. For example, pocket combs and soft drinks have been held to constitute "naval supplies" within the meaning of the latter statute. (See JAG: II:2:JAG:mks of 5 March 1956; JAG: II: RB: mmt of 15 September 1949, pub. in CMO 3–1950, 98). In the absence of some limitation in the law, we find no basis for reaching a different conclusion than that expressed by the Judge Advocate General and since the term "any supplies" contained in 5 U.S.C. 59c is at least as broad as the term "naval supplies" found in 10 U.S.C. 6112(b), we must conclude that any article of tangible personal property purchased by the Department of Defense, etc., or by the Department of the Navy, respectively, is within the purview of the statutory provisions in question. However, personal and professional services have been held to be an exception—see B–12238, November 7, 1940, to the Secretary of the Navy. Question 4 is answered accordingly.

Question 5

What are agencies of the Department of Defense?

In the comments which appear in your letter under question 5, reference is made to the decision of the United States Supreme Court in the case of Standard Oil Company v. Johnson, 316 U.S. 481 (1942), in which it was held that Army Post Exchanges are arms of the Federal Government and integral parts of the War Department. In that connection, the following point is raised by you.

Can it be said, however, that any sale to a post exchange or a ship's store, which have some of the characteristics of a department store in the display and sale of civilan consumptive goods, constitutes a sales of supplies to an agency of the Department of Defense? Your office has distinguished between officers messes, closed and officers messes, open. In the instant case, construing the facts most strictly against the officer, sales, if any, were to officers' clubs, C.P.O. clubs, Navy exchanges, and similar organizations.

The Department of Defense is composed of (1) the Department of the Army, the Department of the Navy, and the Department of the Air Force and (2) "all other agencies" created under section 171, 171a, 171c–1711, 411a, 626 and 626c, Title 5, U.S. Code. See 5 U.S.C. 171b. Inasmuch as the Department of the Navy is a part of the Department of Defense, a sale to any integral part of the Navy would also constitute a sale to an "agency" of the Department of Defense.

Commissioned Officers' messes (open or closed) are operated as an integral part of of the Navy. In the same manner, Chief Petty Officers' messes and enlisted men's clubs—established for the purpose of promoting and maintaining the well being, morale, and efficiency of enlisted personnel—also are operated as integral parts of the Navy. Navy (post) exchanges, ships' stores activities and other organizations and clubs, including welfare and recreational centers which are either established and created through the use of appropriated funds or which are maintained from the profits indirectly derived from the use of appropriated moneys, properly are to be considered as official activities and instrumentalities functioning under official

supervision of the Department of the Navy. Therefore, sales to such activities of the Department of the Navy would lie both within the scope of the provisions of 5 U.S.C. 59c, regarding sales to any "agencies" of the Department of Defense, and the provisions of 10 U.S.C. 6112(b), concerning sales to the Department of the Navy. By Article 1975, Navy Regulations 1948, the Secretary of the Navy provides for the establishment and maintenance of recreation funds and delegates to the Chief of Naval Personnel the authority and responsibility for regulating such funds through commanding officers who, we understand, detail officers to Recreation Councils to administer them. Hence Navy officers, under Navy Regulations, handle and are responsible for the recreation funds which, it is understood, are obtained from the profits of ships' stores, Navy exchanges, other authorized activities, and similar nonappropriated fund sources. Recreation funds are under the administrative control of the Navy Department and no person has any interest therein. Hence, the conclusion appears to be warranted that a recreation fund is an integral part of the Navy within the meaning of 5 U.S.C. 59c and 10 U.S.C. 6112 (b). See opinion of the Judge Advocate General of the Navy in Navy CMO No. 4–1949, p. 81, holding that a Navy recreation fund derived from nonappropriated moneys is a Federal agency under the Federal Tort Claims Act, 60 Stat. 842; *Standard Oil Co.* v. *Johnson*, 316 U.S. 481; and 5 U.S.C. 411a (a). Compare *Roger* v. *Elrod*, 125 F. Supp. 62 and the cases there cited. Question 5 is answered accordingly.

Specifically responding to the closing comments in your letter, you are advised that, based on the information presently available in Commander Anthony's case, we are of the view that during the 5-week period he was attending a training school his status did not come within the purview of the above-cited statutory provisions. For the period thereafter, until on or about June 11, 1958, when it appears that he was reassigned to other duties, the nature of his employment would appear to place him within the scope of the prohibitions in 5 U.S.C. 59c and 10 U.S.C. 6112(b) and, on the present record, we must conclude that he is not entitled to retired pay for that period.●

CINCO DE MAYO, A DAY TO REMEMBER

● Mr. DECONCINI. Today is cinco de-Mayo, Mr. President, a day which commemorates the bravery of the Mexican people. Today is a glorious day for our neighbors to the south, and for our own Mexican American citizens living in the State of Arizona, which I represent, as well as the rest of the Southwest.

It was 116 years ago on May 5, 1862, that the great Battle of Puebla was won under the brilliant leadership of Gen. Ignacio Zaragoza. Though greatly outnumbered in manpower and artillery, General Zaragoza and his troops defeated the Army of Napoleon III, one of the most powerful armies in the world. This famous event took place on the outskirts of the city of Puebla, which to this day stands as an historical monument to the never-ending struggle of nations against foreign domination.

Cinco de Mayo is not only observed by Mexico and its people, but also by Mexican Americans living all over this country. The celebration of Cinco de Mayo is enjoyed by all of us, Mexican descent or not. The rich cultural heritage and traditions of Mexico, the pride of its people, are all embodied in our observance of this chapter in Mexican history. I ask that you join me in this tribute and share in the celebration of Cinco de Mayo, a great day for Mexico and its people.●

SBA DESERVES CREDIT

● Mr. SASSER. Mr. President, this week, May 1 through May 6, has been set aside by Executive order of the President to honor the Small Business Administration on the occasion of its 25th anniversary. The growth of SBA over the past quarter of a century indicates the vitality of the free enterprise system and the American way of life. The pattern of partnership between the Small Business Administration and the business community sets a good example for the whole of the Federal Government to follow.

The Small Business Administration was formed in 1953 and is unique among Federal agencies for having a direct pipeline to the client. The Agency is decentralized, with direct assistance programs being mostly carried on by more than 100 field offices. The work force at the Small Business Administration is actually smaller than it was 10 years ago, although the work load has increased substantially. The number of employees on June 30, 1968, was 4,377. On February 28 of this year it was 4,341.

The Small Business Administration provides an array of services for small businesses which share certain common needs. Whether it is a family-owned farm, a "mom and pop" grocery or a highly specialized technological firm, small businesses must have credit on reasonable terms; they need management and technical assistance to keep up with the complexities of modern life; and, when disaster strikes, small businesses may need special financial help to recover.

The Small Business Administration provides these services and more. SBA's procurement assistance program assures opportunities for small businesses to bid on their fair share of Federal contracts. The Small Business Investment Co. program supplies venture capital and long-term financing to small firms for expansion and modernization. Businesses owned by women or members of minority groups qualify for a special loan program designed to increase the number of entrepreneurs from these groups.

The impact of small business on the economy of the United States is substantial. According to statistics, in fiscal year 1977 SBA approved a total of 31,712 business loans for $2.8 billion—an increase of 5,766 loans and approximately $945 million over the previous year. During that same period, SBA assisted small businesses in acquiring Federal prime contracts, set-aside contracts and subcontracts totaling $17,526.4 billion.

I congratulate the Small Business Administration on the progress it has made in its first 25 years of championing the cause of small business owners, who, according to 1972 statistics, contribute 43 percent of the gross national product and create jobs for more than half the workers in private business. I look forward to working with SBA on the development of policies which will stimulate the future growth of America's small businesses.●

STATUTORY REFERENCES TO REORGANIZATION PLAN NO. 1 OF 1978

● Mr. RIBICOFF. Mr. President, on April 20, 1978, the Governmental Affairs Committee voted 10 to 0 to report favorably Reorganization Plan No. 1 of 1978. In order that the precise intent of Congress in accepting the plan be understood, the committee asked the Congressional Research Service to prepare a set of statutory footnotes. These statutory references have been concurred in by the Office of Management and Budget. I am submitting the statutory references today for printing in the RECORD.

The material follows:

PRESIDENT'S REORGANIZATION PROJECT,
Washington, D.C. May 3, 1978.

Hon. ABRAHAM RIBICOFF,
Chairman, Committtee on Governmental Affairs, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: I wish to respond to your request for concurrence by the Office of Management and Budget in the attached statutory references relating to Reorganization Plan No. 1 of 1978 prepared by the American Law Division of the Congressional Research Service.

We have received the material and the Office of Management and Budget agrees with your assessment that the references accurately describe the statutory intent of all sections of Reorganization Plan No. 1.

Sincerely,

HARRISON WELLFORD,
Executive Associate Director for Reorganization and Management.

CONGRESSIONAL RESEARCH SERVICE,
Washington, D.C.

REORGANIZATION PLAN NO. 1 OF 1978

Prepared by the President and transmitted to the Senate and the House of Representatives in Congress assembled, February 23, 1978, pursuant to the provisions of Chapter 9 of Title 5 of the United States Code.

EQUAL EMPLOYMENT OPPORTUNITY

Section 1. Transfer of Equal Pay Enforcement Functions.

All functions related to enforcing or administering Section 6(d) of the Fair Labor Standards Act, as amended, (29 U.S.C. 206 (d)) are hereby transferred to the Equal Employment Opportunity Commission. Such functions include, but shall not be limited to, the functions relating to equal pay administration and enforcement now vested in the Secretary of Labor, the Administrator of the Wage and Hour Division of the Department of Labor, and the Civil Service Commission pursuant to Sections 4(d)(1); 4(f); 9; 11(a), (b) and (c); 16 (b) and (c) and 17 of the Fair Labor Standards Act, as amended, (29 U.S.C. 204(d)(1); 204(f); 209; 211 (a), (b), and (c); 216 (b) and (c); and 217; and Section 10(b)(1) of the Portal-to-Portal Act of 1947, as amended (29 U.S.C. 259). (Note 1.)

Section 2. Transfer of Age Discrimination Enforcement Functions.

All functions vested in the Secretary of Labor or in the Civil Service Commission pursuant to Sections 2, 4, 7, 8, 9, 10, 11, 12, 13, 14, and 15 of the Age Discrimination in Employment Act of 1967, as amended, (29 U.S.C. 621, 623, 626, 627, 628, 629, 630, 631, 632, 633, and 633a) are hereby transferred

to the Equal Employment Opportunity Commission. All functions related to age discrimination administration and enforcement pursuant to Sections 6 and 16 of the Age Discrimination in Employment Act of 1967, as amended, (29 U.S.C. 625 and 634) are hereby transferred to the Equal Employment Opportunity Commission. (Note 2.)

Section 3. Transfer of Equal Opportunity in Federal Employment Enforcement Functions.

(a) All equal opportunity in Federal employment enforcement and related functions vested in the Civil Service Commission pursuant to Section 717 (b) and (c) of the Civil Rights Act of 1964, as amended, (42 U.S.C. 2000e–16 (b) and (c)), are hereby transferred to the Equal Employment Opportunity Commission. (Note 3.)

(b) The Equal Employment Opportunity Commission may delegate to the Civil Service Commission or its successor the function of making a preliminary determination on the issue of discrimination whenever, as a part of a complaint or appeal before the Civil Service Commission on other grounds, a Federal employee alleges a violation of Section 717 of the Civil Rights Act of 1964, as amended. (42 U.S.C. 2000e–16) provided that the Equal Employment Opportunity Commission retains the function of making the final determination concerning such issue of discrimination. (Note 4.)

Section 4. Transfer of Federal Employment of Handicapped Individuals Enforcement Functions.

All Federal employment of handicapped individuals enforcement functions and related functions vested in the Civil Service Commission pursuant to Section 501 of the Rehabilitation Act of 1973 (29 U.S.C. 791) are hereby transferred to the Equal Employment Opportunity Commission (Note 5). The function of being co-chairman of the Interagency Committee on Handicapped Employees now vested in the Chairman of the Civil Service Commission pursuant to Section 501 is hereby transferred to the Chairman of the Equal Employment Opportunity Commission. (Note 6.)

Section 5. Transfer of Public Sector 707 Function.

Any function of the Equal Employment Opportunity Commission concerning initiation of litigation with respect to State or local government, or political subdivisions under Section 707 of Title VII of the Civil Rights Act of 1964, as amended, (42 U.S.C. 2000 e–6) and all necessary functions related thereto, including investigation, findings, notice and an opportunity to resolve the matter without contested litigation, are hereby transferred to the Attorney General, to be exercised by him in accordance with procedures consistent with said Title VII. (Note 7.) The Attorney General is authorized to delegate any function under Section 707 of said Title VII to any officer or employee of the Department of Justice.

Section 6. Transfer of Functions and Abolition of the Equal Employment Opportunity Coordinating Council.

All functions of the Equal Employment Opportunity Coordinating Council, which was established pursuant to Section 715 of the Civil Rights Act of 1964, as amended, (42 U.S.C. 2000 e–14), are hereby transferred to the Equal Employment Opportunity Commission. (Note 8.) The Equal Employment Opportunity Coordinating Council is hereby abolished.

Section 7. Savings Provision.

Administrative proceedings including administrative appeals from the acts of an executive agency as defined by Section 105 of Title 5 of the United States Code) commenced or being conducted by or against such executive agency will not abate by reason of the taking effect of this Plan. Consistent with the provisions of this Plan, all such proceedings shall continue before the Equal Employment Opportunity Commission otherwise unaffected by the transfers provided by this Plan. Consistent with the provisions of this Plan, the Equal Employment Opportunity Commission shall accept appeals from those executive agency actions which occurred prior to the effective date of this Plan in accordance with law and regulations in effect on such effective date. Nothing herein shall affect any right of any person to judicial review under applicable law.

Section 8. Incidental Transfers.

So much of the personnel, property, records ad unexpended balances of appropriations, allocations and other funds employed, used, held, available, or to be made available in connection with the functions transferred under this Plan, as the Director of the Office of Management and Budget shall determine, shall be transferred to the appropriate department, agency, or component at such time or times as the Director of the Office of Management and Budget shall provide, except that no such unexpended balances transferred shall be used for purposes other than those for which the appropriation was originally made. The Director of the Office of Management and Budget shall provide for terminating the affairs of the Council abolished herein and for such further measures and dispositions as such Director deems necessary to effectuate the purposes of this Reorganization Plan.

Section 9. Effective Date.

This Reorganizattion Plan shall become effective at such time or times, on or before October 1, 1979, as the President shall specify, but not sooner than the earliest time allowable under Section 906 of Title 5 of the United States Code. (Note 9.)

NOTE 1

The Equal Pay Act bars discrimination on the basis of sex in the payment of wages by employers subject to the Fair Labor Standards Act of 1938, as follows (29 USC 206(d)):

"(d)(1) No employer having employees subject to any provisions of this section shall discriminate, within any establishment in which such employees are employed, between employees on the basis of sex by paying wages to employees in such establishment at a rate less than the rate at which he pays wages to employees of the opposite sex in such establishment for equal work on jobs the performance of which requires equal skill, effort, and responsibility, and which are performed under similar working conditions, except where such payment is made pursuant to (i) a seniority system; (ii) a merit system; (iii) a system which measures earnings by quantity or quality of production; or (iv) a differential based on any other factor other than sex: *Provided*, That an employer who is paying a wage rate differential in violation of this subsection shall not, in order to comply with the provisions of this subsection reduce the wage rate of any employee.

"(2) No labor organization, or its agents, representing employees of an employer having employees subject to any provisions of this section shall cause or attempt to cause such an employer to discriminate against an employee in violation of paragraph (1) of this subsection.

"(3) For purposes of administration and enforcement, any amounts owing to any employee which have been withheld in violation of this subsection shall be deemed to be unpaid minimum wages or unpaid overtime compensation under this chapter.

"(4) As used in this subsection, the term 'labor organization' means any organization of any kind, or any agency or employee representation committee or plan, in which employees participate and which exists for the purpose, in whole or in part, of dealing with employers concerning grievances, labor disputes, wages, rate of pay, hours of employment, or conditions of work."—June 25, 1938, c. 676, § 6, 52 Stat. 1062; June 26, 1940, c. 432, § 3(e), (f), 54 Stat. 616; Oct. 26, 1949, c. 736, § 6, 63 Stat. 912; Aug. 12, 1955, c. 867, § 3, 69 Stat. 711; Aug. 8, 1956, § 2, 70 Stat. 1118; May 5, 1961, Pub. L. 87–30, § 5, 75 Stat. 6; June 10, 1963, Pub. L. 88–38, § 3, 77 Stat. 56.

The administration and enforcement of the Act have been the responsibility primarily of the Secretary of Labor and the Administrator of the Wage and Hour Division of the Department of Labor, with the Civil Service Commission bearing the responsibility with regard to most Federal employees. The Plan provides that all of the functions relating to the enforcement and administration of the Act performed by these parties are transferred to the Equal Employment Opportunity Commission (EEOC) and specifies that these functions (insofar as they relate to enforcement and administration of the Act) include, but are not limited to, the following: the submission of an annual report to Congress (29 USC 204(d)(1)); the administration of the Act with regard to Federal employees and the negotiation of an enforcement agreement with the Librarian of Congress with regard to Library employees (29 USC 204(f)); the exercise of subpoena powers in the conduct of hearings and investigations (29 USC 209); the conduct of on-site investigations (29 USC 211(a)); cooperation with State and local agencies (29 USC 211(b)); the regulation of recordkeeping by covered employers (29 USC 211(c)); the instigation of administrative or judicial proceedings to remedy violations of the Act (29 USC 216(b) and (c) and 29 USC 217); and the issuance of administrative regulations under the Act (29 USC 259). The cited statutory authorities whose functions relating to the administration and enforcement of the Equal Pay Act are transferred to the EEOC are as follows:

"(d)(1) The Secretary shall submit annually in January a report to the Congress covering his activities for the preceding year and including such information, data, and recommendations for further legislation in connection with the matters covered by this chapter as he may find advisable. Such report shall contain an evaluation and appraisal by the Secretary of the minimum wages and overtime coverage established by this chapter, together with his recommendations to the Congress. In making such evaluation and appraisal, the Secretary shall take into consideration any changes which may have occurred in the cost of living and in productivity and the level of wages in manufacturing, the ability of employers to absorb wage increases, and such other factors as he may deem pertinent. Such report shall also include a summary of the special certificates issued under section 214(b) of this title.".

As amended Apr. 8, 1974, Pub. L. 93–259, 5b (b), 88 stat. 60.

29 USC 204(f)—

(f) The Secretary is authorized to enter into an agreement with the Librarian of Congress with respect to individuals employed in the Library of Congress to provide for the carrying out of the Secretary's functions under this chapter with respect to such individuals. Notwithstanding any other provision of this chapter, or any other law, the Civil Service Commission is authorized to administer the provisions of this chapter with respect to any individual employed by the United States (other than an individual employed in the Library of Congress. United States Postal Service, Postal Rate Commission, or the Tennessee Valley Authority). Nothing in this subsection shall be construed to affect the right of an employee to bring an action for unpaid minimum wages, or unpaid overtime compensation, and liquidated

damages under section 216(b) of this title"—As amended Apr. 8, 1974. Pub. L. 93-259, §§ 6(b), 24(c), 27, 88 Stat. 60, 72, 73.

29 USC 209—

"For the purpose of any hearing or investigation provided for in this chapter, the provisions of sections 49 and 50 of Title 15 (relating to the attendance of witnesses and the production of books, papers, and documents), are made applicable to the jurisdiction, powers, and duties of the Administrator, the Secretary of Labor, and the industry committees."—June 25, 1938, c. 676, § 9, 52 Stat. 1065; 1946 Reorg. Plan No. 2, § 1, eff. July 16, 1946, 11 F.R. 7873, 60 Stat. 1095.

29 USC 211 (a),(b), and (c)—

"(a) The Administrator or his designated representatives may investigate and gather data regarding the wages, hours, and other conditions and practices of employment in any industry subject to this chapter, and may enter and inspect such places and such records (and make such transcriptions thereof), question such employees, and investigate such facts, conditions, practices, or matters as he may deem necessary or appropriate to determine whether any person has violated any provision of this chapter, or which may aid in the enforcement of the provisions of this chapter. Except as provided in section 212 of this title and in subsection (b) of this section, the Administrator shall utilize the bureaus and divisions of the Department of Labor for all the investigations and inspections necessary under this section. Except as provided in section 212 of this title, the Secretary of Labor shall bring all actions under section 217 of this title to restrain violations of this chapter.

"(b) With the consent and cooperation of State agencies charged with the administration of State labor laws, the Administrator and the Secretary of Labor may, for the purpose of carrying out their respective functions and duties under this chapter, utilize the services of State and local agencies and their employees and, notwithstanding any other provision of law, may reimburse such State and local agencies and their employees for services rendered for such purposes.

"(c) Every employer subject to any provision of this chapter or of any order issued under this chapter shall make, keep, and preserve such records of the persons employed by him and of the wages, hours, and other conditions and practices of employment maintained by him, and shall preserve such records for such periods of time, and shall make such reports therefrom to the Administrator as he shall prescribe by regulation or order as necessary or appropriate for the enforcement of the provisions of this chapter or the regulations or orders thereunder."—June 25, 1938, c. 676, § 11, 52 Stat. 1066; 1946; Reorg. Plan No. 2, § 1, eff July 16, 1946, 11 F. R. § 7873, 60 Stat. 1095; Oct. 26, 1949, c. 736, § 9, 63 Stat. 916.

9 USC 216(b) and (c)—

"(b) Any employer who violates the provisions of section 206 or section 207 of this title shall be liable to the employee or employees affected in the amount of their unpaid minimum wages, or their unpaid overtime compensation, as the case may be, and in an additional equal amount as liquidated damages. Action to recover such liability may be maintained against any employer (including a public agency) in any Federal or State court or competent jurisdiction by any one or more employees for and in behalf of himself or themselves and other employees similarly situated. No employee shall be a party plaintiff to any such action unless he gives his consent in writing to become such a party and such consent is filed in the court in which such action is brought. The court in such action shall, in addition to any judgment awarded to the plaintiff or plaintiffs, allow a reasonable attorney's fee to be paid by the defendant, and costs of the action. The right provided by this subsection to bring an action by or on behalf of any employee, and the right of any employee to become a party plaintiff to any such action, shall terminate upon the filing of a complaint by the Secretary of Labor in an action under section 217 of this title in which restraint is sought of any further delay in the payment of unpaid minimum wages, or the amount of unpaid overtime compensation, as the case may be, owing to such employee under section 206 or section 207 of this title by an employer liable therefor under the provisions of this subsection.

"(c) The Secretary is authorized to supervise the payment of the unpaid minimum wages or the unpaid overtime compensation owing to any employee or employees under section 206 or 207 of this title, and the agreement of any employee to accept such payment shall upon payment in full constitute a waiver by such employee of any right he may have under subsection (b) of this section to such unpaid minimum wages or unpaid overtime compensation and an additional equal amount as liquidated damages. The Secretary may bring an action in any court of competent jurisdiction to recover the amount of the unpaid minimum wages or overtime compensation and an equal amount of the unpaid minimum wages or overtime compensation and an equal amount as liquidated damages. The right provided by subsection (b) of this section to bring an action by or on behalf of any employee and of any employee to become a party plaintiff to any such action shall terminate upon the filing of a complaint by the Secretary in an action under this subsection in which a recovery is sought of unpaid minimum wages or unpaid overtime compensation under sections 206 and 207 of this title or liquidated or other damages provided by this subsection owing to such employee by an employer liable under the provisions of subsection (b) of this section, unless such action is dismissed without prejudice on motion of the Secretary. Any sums thus recovered by the Secretary of Labor on behalf of an employee pursuant to this subsection shall be held in a special deposit account and shall be paid, on order of the Secretary of Labor, directly to the employee or employees affected. Any such sums not paid to an employee because of inability to do so within a period of three years shall be covered into the Treasury of the United States as miscellaneous receipts. In determining when an action is commenced by the Secretary of Labor under this subsection for the purposes of the statutes of limitations provided in section 255(a) of this title, it shall be considered to be commenced in the case of any individual claimant on the date when the complaint is filed if he is specifically named as a party plaintiff in the complaint, or if his name did not so appear, on the subsequent date on which his name is added as a party plaintiff in such action."

As amended Sept. 23, 1966, Pub. L. 89-601, Title VI, § 601(a), 80 Stat. 844; April 8, 1974, Pub. L. 93-259 §§ 6(d)(1), 25(c), 26, 88 Stat. 61, 72, 73.

29 USC 217—

"The district courts, together with the United States District Court for the District of the Canal Zone, the District Court of the Virgin Islands, and the District Court of Guam shall have jurisdiction, for cause shown, to restrain violations of section 215 of this title, including in the case of violations of section 215(a)(2) of this title the restraint of any withholding of payment of minimum wages or overtime compensation found by the court to be due to employees under this chapter (except sums which employees are barred from recovering, at the time of the commencement of the action to restrain the violations, by virtue of the provisions of section 255 of this title)."—June 25, 1938, c. 676, § 17, 52 Stat. 1069; Oct. 26, 1949, c. 736, § 15, 63 Stat. 919; 1950 Reorg. Plan No. 6, §§ 1, 2, 15 F.R. 3174, 64 Stat. 1263; Aug. 30, 1957, Pub. L. 85-231, § 1(3), 71 Stat. 514; July 12, 1960, Pub. L. 86-624, § 21(c), 74 Stat. 417; May 5, 1961, Pub. L. 87-30, § 12(b), 75 Stat. 74.

29 USC 259(b)(1)—

"(a) In any action or proceeding based on any act or omission on or after May 14, 1947, no employer shall be subject to any liability or punishment for or on account of the failure of the employer to pay minimum wages or overtime compensation under the Fair Labor Standards Act of 1938, as amended, the Walsh-Healey Act, or the Bacon-Davis Act, if he pleads and proves that the act or omission complained of was in good faith in conformity with and in reliance on any written administrative regulation, order, ruling, approval, or interpretation, of the agency of the United States specified in subsection (b) of this section, or any administrative practice or enforcement policy of such agency with respect to the class of employers to which he belonged. Such a defense, if established, shall be a bar to the action or proceeding, notwithstanding that after such act or omission, such administrative regulation, order, ruling, approval, interpretation, practice, or enforcement policy is modified or rescinded or is determined by judicial authority to be invalid or of no legal effect.

"(b) The agency referred to in subsection (a) of this section shall be—

"(1) in the case of the Fair Labor Standards Act of 1938, as amended—the Administrator of the Wage and Hour Division of the Department of Labor;

"(2) in the case of the Walsh-Healey Act—the Secretary of Labor, or any Federal officer utilized by him in the administration of such Act; and

"(3) in the case of the Bacon-Davis Act—the Secretary of Labor."—May 14, 1947, c. 52, § 10, 61 Stat. 89.

NOTE 2

The Age Discrimination in Employment Act (29 USC 621-634) makes it unlawful for most employers, labor organizations, and employment agencies to discriminate on the basis of age against individuals who are between the ages of forty and seventy. 29 USC 623, 631. The prohibitions of the Act extend to State and local governments, but do not cover employers with fewer than twenty employees. 29 U.S.C. 630(b). In 1974 the Act was amended to bar discrimination on the basis of age in Federal employment as well. 29 USC 633a.

With respect to private employers, employment agencies, and labor unions, administration and enforcement of the Act have been the responsibility of the Secretary of Labor. The Secretary has had the power to conduct compliance investigations, to require the keeping of pertinent records, to administratively supervise the payment of any amounts owed as the result of past discrimination, to seek judicial relief in any court of competent jurisdiction, and to bring suit in Federal district court to enjoin the unlawful discrimination or to prevent the shipment in interstate commerce of any goods produced in violation of the Act. Prior to instituting such remedial actions, however, the Secretary has been required to try to effect voluntary compliance through informal methods of conciliation, conference, and persuasion, 29 USC 626 (a) and (b):

§ 626. Recordkeeping, investigation, and enforcement.

Attendance of witnesses; investigations, inspections, records, and homework regulations.

"(a) The Secretary shall have the power to make investigations and require the keeping of records necessary or appropriate for the administration of this chapter in accordance with the powers and procedures provided in sections 209 and 211 of this title."

Enforcement; prohibition of age discrimination under fair labor standards; unpaid minimum wages and unpaid overtime compensation; liquidated damages; judicial relief; conciliation, conference, and persuasion.

"(b) The provisions of this chapter shall be enforced in accordance with the powers, remedies, and procedures provided in sections 211(b), 216 (except for subsection (a) thereof), and 217 of this title, and subsection (c) of this section. Any act prohibited under section 623 of this title shall be deemed to be a prohibited act under section 215 of this title. Amounts owing to a person as a result of a violation of this chapter shall be deemed to be unpaid minimum wages or unpaid overtime compensation for purposes of sections 216 and 217 of this title: *Provided*, That liquidated damages shall be payable only in cases of willful violations of this chapter. In any action brought to enforce this chapter the court shall have jurisdiction to grant such legal or equitable relief as may be appropriate to effectuate the purposes of this chapter, including without limitation judgments compelling employment, reinstatement or promotion, or enforcing the liability for amounts deemed to be unpaid minimum wages or unpaid overtime compensation under this section. Before instituting any action under this section, the Secretary shall attempt to eliminate the discriminatory practice or practices alleged, and to effect voluntary compliance with the requirements of this chapter through informal methods of conciliation, conference, and persuasion."

Civil actions; persons aggrieved; jurisdiction; judicial relief; termination of individual action upon commencement of action by Secretary.

"(c) Any person aggrieved may bring a civil action in any court of competent jurisdiction for such legal or equitable relief as will effectuate the purposes of this chapter: *Provided*, That the right of any person to bring such action shall terminate upon the commencement of any action by the Secretary to enforce the right of such employee under this chapter."

Same; notice to Secretary; timeliness; conciliation, conference, and persuasion.

"(d) No civil action may be commenced by any individual under this section until the individual has given the Secretary not less than sixty days' notice of an intent to file such action. Such notice shall be filed—

"(1) within one hundred and eighty days after the alleged unlawful practice occurred, or

"(2) in a case to which section 633(b) of this title applies, within three hundred days after the alleged unlawful practice occurred or within thirty days after receipt by the individual of notice of termination of proceedings under State law, whichever is earlier.

"Upon receiving a notice of intent to sue, the Secretary shall promptly notify all persons named therein as prospective defendants in the action and shall promptly seek to eliminate any alleged unlawful practice by informal methods of conciliation, conference, and persuasion."

Statute of limitations; reliance in future on administrative rulings, etc.

"(e) Sections 255 and 259 of this title shall apply to actions under this chapter."—Pub. L. 90–202, § 7, Dec. 15, 1967, 81 Stat. 604.

The Secretary has also been required to defer action for a period of sixty days in instances in which a remedy for the alleged discrimination may be obtained by a State agency under State law (29 USC 633(b)):

§ 633. Federal-State relationship

Limitation of Federal action upon commencement of State proceedings.

"(b) In the case of an alleged unlawful practice occurring in a State which has a law prohibiting discrimination in employment because of age and establishing or authorizing a State authority to grant or seek relief from such discriminatory practice, no suit may be brought under section 626 of this title before the expiration of sixty days after proceedings have been commenced under the State law, unless such proceedings have been earlier terminated: *Provided*, That such sixty-day period shall be extended to one hundred and twenty days during the first year after the effective date of such State law. If any requirement for the commencement of such proceedings is imposed by a State authority other than a requirement of the filing of a written and signed statement of the facts upon which the proceeding is based, the proceeding shall be deemed to have been commenced for the purposes of this subsection at the time such statement is sent by registered mail to the appropriate State authority."—Pub. L. 90–202, § 14, Dec. 15, 1967, 81 Stat. 607.

Other functions performed by the Secretary pursuant to the Act have been to prepare and approve an appropriate notice to be posted by employers, employment agencies, and labor organizations (29 USC 627), issue "necessary and appropriate" rules and regulations to carry out the Act (29 USC 628), establish such "reasonable exemptions" to the Act "as he may find necessary and proper in the public interest" (29 USC 628), and make an annual report to Congress (29 USC 632):

§ 627. Notices to be posted.

"Every employer, employment agency, and labor organization shall post and keep posted in conspicuous places upon its premises a notice to be prepared or approved by the Secretary setting forth information as the Secretary deems appropriate to effectuate the purposes of this chapter."—Pub. L. 90–202, § 8, Dec. 15, 1967, 81 Stat. 605.

§ 628. Rules and regulations; exemptions.

"In accordance with the provisions of subchapter II of chapter 5 of Title 5, the Secretary of Labor may issue such rules and regulations as he may consider necessary or appropriate for carrying out this chapter, and may establish such reasonable exemptions to and from any or all provsions of this chapter as he may find necessary and proper in the public interest."—Pub. L. 90–202, § 9, Dec. 15, 1967, 81 Stat. 605.

§ 632. Annual report to Congress.

"The Secretary shall submit annually in January a report to the Congress covering his activities for the preceding year and including such information, data, and recommendations for further legislation in connection with the matters covered by this chapter as he may find advisable. Such report shall contain an evaluation and appraisal by the Secretary of the effect of the minimum and maximum ages established by this chapter, together with his recommendations to the Congress. In making such evaluation and appraisal the Secretary shall take into consideration any changes which may have occurred in the general age level of the population, the effect of the chapter upon workers not covered by its provisions, and such other factors as he may deem pertinent."—Pub. L. 90–202, § 13, Dec. 15, 1967, 81 Stat. 607.

All of the above functions are transferred by Reorganization Plan No. 1 of 1978 from the Secretary to the EEOC. In addition, the Secretary has had the authority pursuant to the Act to conduct an education and research program concerning the needs and abilities of older workers in the employment market (29 USC 622), to make a study of factors giving rise to involuntary retirement and report his finding and recommendations to the President and the Congress (29 USC 624), to contract for technical assistance when necessary (29 USC 625), to cooperate with State, local, and other organizations to effectuate the purposes of the Act (29 USC 625(b)), and to provide technical assistance to employers, labor organizations, and employment agencies (29 USC 625(b)):

§ 622. Education and research program; recommendation to Congress.

"(a) The Secretary of Labor shall undertake studies and provide information to labor unions, management, and the general public concerning the needs and abilities of older workers, and their potentials for continued employment and contribution to the economy. In order to achieve the purposes of this chapter, the Secretary of Labor shall carry on a continuing program of education and information, under which he may, among other measures—

"(1) undertake research, and promote research, with a view to reducing barriers to the employment of older persons, and the promotion of measures for utilizing their skills;

"(2) publish and otherwise make available to employers, professional societies, the various media of communication, and other interested persons the findings of studies and other materials for the promotion of employment;

"(3) foster through the public employment service system and through cooperative effort the development of facilities of public and private agencies for expanding the opportunities and potentials of older persons;

"(4) sponsor and assist State and community informational and educational programs.

"(b) Not later than six months after the effective date of this chapter, the Secretary shall recommend to the Congress any measures he may deem desirable to change the lower or upper age limits set forth in section 631 of this title." Pub.L. 90–202, § 3, Dec. 15, 1967, 81 Stat. 602.

§ 624. Study by Secretary of Labor; reports to President and Congress.

"The Secretary of Labor is directed to undertake an appropriate study of institutional and other arrangements giving rise to involuntary retirement, and report his findings and any appropriate legislative recommendations to the President and to the Congress." Pub. L. 90–202, § 5, Dec. 15, 1967, 81 Stat. 604.

§ 625. Administration.

"The Secretary shall have the power—"

Delegation of functions; appointment of personnel; technical assistance.

"(a) to make delegations, to appoint such agents and employees, and to pay for technical assistance on a fee for service basis, as he deems necessary to assist him in the performance of his functions under this chapter;"

Cooperation with other agencies, employers, labor organizations, and employment agencies.

"(b) to cooperate with regional, State, local, and other agencies, and to cooperate with and furnish technical assistance to employers, labor organizations, and employment agencies to aid in effectuating the purposes of this chapter."—Pub. L. 90–202, § 6, Dec. 15, 1967, 81 Stat. 604.

The education and research program and the study of involuntary retirement are not affected by the Reorganization Plan, but the other cited functions, to the extent they are related to age discrimination and enforce-

ment, are transferred from the Secretary to the EEOC.

With respect to age discrimination in Federal employment, administration and enforcement of the Act have been the responsibility of the Civil Service Commission (CSC). The CSC has had the authority to issue pertinent regulations, review agency programs for compliance, create a means for processing complaints, impose "appropriate" remedies, obtain, and publish progress reports from each agency, consult with interested groups, and establish "reasonable exemptions" where age is found to be "a bona fide occupational qualification necessary to the performance of the duties of the position" 29 USC 633a(b):

Enforcement by Civil Service Commission and by Librarian of Congress in Library of Congress; remedies; rules, regulations, orders, and instructions of Commission; compliance by Federal agencies; powers and duties of Commission; notification of final action on complaint of discrimination; exemptions; bona fide occupational qualification.

"(b) Except as otherwise provided in this subsection, the Civil Service Commission is authorized to enforce the provisions of subsection (a) of this section through appropriate remedies, including reinstatement or hiring of employees with or without backpay, as will effectuate the policies of this section. The Civil Service Commission shall issue such rules, regulations, orders, and instructions as it deems necessary and appropriate to carry out its responsibilities under this section The Civil Service Commission shall—

"(1) be responsible for the review and evaluation of the operation of all agency programs designed to carry out the policy of this section, periodically obtaining and publishing (on at least a semiannual basis; progress reports from each department, agency, or unit referred to in subsection (a) of this section;

"(2) consult with and solicit the recommendations of interested individuals, groups, and organizations relating to nondiscrimination in employment on account of age; and

"(3) provide for the acceptance and processing of complaints of discrimination in Federal employment on account of age.

The head of each such department, agency, or unit shall comply with such rules, regulations, orders, and instructions of the Civil Service Commission which shall include a provision that an employee or applicant for employment shall be notified of any final action taken on any complaint of discrimination filed by him thereunder. Reasonable exemptions to the provisions of this section may be established by the Commission but only when the Commission has established a maximum age requirement on the basis of a determination that age is a bona fide occupational qualification necessary to the performance of the duties of the position. With respect to employment in the Library of Congress, authorities granted in this subsection to the Civil Service Commission shall be exercised by the Librarian of Congress."

Civil actions: Jurisdiction; relief.

"(c) Any person aggrieved may bring a civil action in any Federal district court of competent jurisdiction for such legal or equitable relief as will effectuate the purposes of this chapter."

Same; notice to Commission; time of notice; Commission notification of prospective defendants; Commission elimination of unlawful practices.

"(d) When the individual has not filed a complaint concerning age discrimination with the Commission, no civil action may be commenced by any individual under this section until the individual has given the Commission not less than thirty days' notice of an intent to file such action. Such notice shall be filed within one hundred and eighty days after the alleged unlawful practice occurred. Upon receiving a notice of intent to sue, the Commission shall promptly notify all persons named therein as prospective defendants in the action and take any appropriate action to assure the elimination of any unlawful practice."

Duty of Government agency or official.

"(e) Nothing contained in this section shall relieve any Government agency or official of the responsibility to assure nondiscrimination on account of age in employment as required under any provision of Federal law."—Pub.L. 90–202, § 15, as added Pub. L. 93–259, § 28(b)(2), Apr. 8, 1974, 88 Stat. 74.

All of the Civil Service Commission functions pursuant to this standard are transferred by the Reorganization Plan to the EEOC.

NOTE 3

As originally adopted, Title VII of the Civil Rights Act of 1964 (42 USC 2000e et seq) barred discrimination in employment on the basis of race, color, religion, sex, and national origin, but did not apply to Federal employment. In the "Equal Employment Opportunity Act of 1972" Congress amended Title VII to bar discrimination on the same basis in Federal employment. 42 USC 2000e–16; P.L. 92–261, Sec. 11 (1972). Responsibility for administration and enforcement of the nondiscrimination provisions with regard to Federal employment was vested not in the EEOC, as was the case with all other parties covered by Title VII, but in the Civil Service Commission. 42 USC 2000e–16(b). This locus of responsibility coincided with the CSC's role in administering the policy of equal employment opportunity in Federal employment pursuant to Executive Order 11478. 34 F.R. 12985 (Aug. 12, 1969), as amended by E.O. 11590, 36 F.R. 7831 (April 27, 1971).

Pursuant to Title VII, as amended, the Civil Service Commission has had the responsibilities of enforcing the nondiscrimination provisions of the Act with respect to Federal employment through "appropriate" remedies, issuing "necessary and appropriate" rules, regulations, orders, and instructions, annually reviewing and approving national and regional equal employment opportunity plans submitted by each covered agency, reviewing and evaluating the operation of each covered agency's equal employment opportunity program, obtaining and publishing at least semiannually progress reports from each covered agency, and consulting and obtaining the recommendations of interested parties with respect to equal employment opportunity. 42 USC 2000e–16(b). The CSC has also served as an appellate body with respect to decisions or orders of covered agencies on complaints of discriminations. 42 USC 2000e–16(c).

All of these functions are transferred by the Reorganization Plan to the EEOC. The statutes describing the CSC's functions with respect to equal opportunity in Federal employment are as follows (42 USC 2000e-16 (b) and (c)):

Civil Service Commission; enforcement powers; issuance of rules, regulations, etc.; annual review and approval of national and regional equal employment opportunity plans; review and evaluation of equal employment opportunity programs and publication of progress reports; consultations with interested parties; compliance with rules, regulations, etc.; contents of national and regional equal employment opportunity plans; authority of Librarian of Congress.

"(b) Except as otherwise provided in this subsection, the Civil Service Commission shall have authority to enforce the provisions of subsection (a) of this section through appropriate remedies, including reinstatement or hiring of employees with or without back pay, as will effectuate the policies of this section, and shall issue such rules, regulations, orders and instructions as it deems necessary and appropriate to carry out its responsibilities under this section. The Civil Service Commission shall—

"(1) be responsible for the annual review and approval of a national and regional equal employment opportunity plan which each department and agency and each appropriate unit referred to in subsection (a) of this section shall submit an order to maintain an affirmative program of equal employment opportunity for all such employees and applicants for employment;

"(2) be responsible for the review and evaluation of the operation of all agency equal employment opportunity programs, periodically obtaining and publishing (on at least a semiannual basis) progress reports from each such department, agency, or unit; and

"(3) consult with and solicit the recommendations of interested individuals, groups, and organizations relating to equal employment opportunity.

The head of each such department, agency, or unit shall comply with such rules, regulations, orders, and instructions which shall include a provision that an employee or applicant for employment shall be notified of any final action taken on any complaint of discrimination filed by him thereunder. The plan submitted by each department, agency, and unit shall include, but not be limited to—

"(1) provision for the establishment of training and education programs designed to provide a maximum opportunity for employees to advance so as to perform at their highest potential; and

"(2) a description of the qualifications in terms of training and experience relating to equal employment opportunity for the principal and operating officials of each such department, agency, or unit responsible for carrying out the equal employment opportunity program and of the allocation of personnel and resources proposed by such department, agency, or unit to carry out its equal employment opportunity program.

With respect to employment in the Library of Congress, authorities granted in this subsection to the Civil Service Commission shall be exercised by the Librarian of Congress."

Civil action by employee or applicant for employment for redress of grievances; time for bringing of action; head of department, agency, or unit as defendant.

"(c) Within thirty days of receipt of notice of final action taken by a department, agency, or unit referred to in subsection (a) of this section, or by the Civil Service Commission upon an appeal from a decision or order of such department, agency, or unit on a complaint of discrimination based on race, color, religion, sex or national origin, brought pursuant to susbection (a) of this section, Executive Order 11478 or any succeeding Executive orders, or after one hundred and eighty days from the filing of the initial charge with the department, agency, or unit or with the Civil Service Commission on appeal from a decision or order of such department, agency, or unit until such time as final action may be taken by a department, agency, or unit, an employee or applicant for employment, if aggrieved by the final disposition of his complaint, or by the failure to take final action on his complaint, may file a civil action as provided in section 2000e–5 of this title, in which civil action the head of the department, agency, or unit, as appropriate, shall be the defendant."—Pub. L. 88–352, Title VII, § 717, as added Pub. L. 92–261, § 11, Mar. 24, 1972, 86 Stat. 111.

NOTE 4

As indicated in note 3 (*supra*), the authority of the Civil Service Commission with respect to administration and enforcement of section 717 of the Civil Rights Act of 1964 is transferred to the EEOC by section 3(a) of the Reorganization Plan, including the power to hear appeals by Federal employees from agency determinations on their complaints of discrimination. Section 3(b) of the Plan would permit the EEOC to effect a delegation of this adjudicative function to the Civil Service Commission in certain limited circumstances, namely, "where as a part of a complaint or appeal before the Civil Service Commission on other grounds, a Federal employee alleges a violation of Section 717 . . ." For example, employees in the classified civil service may not be discharged, suspended (for more than 30 days), or reduced in grade "except for such cause as will promote the efficiency of the service." Any adverse actions of this nature may be appealed to the Civil Service Commission. See, 5 U.S.C. 7501, 7512, 7701. Under section 3(b) of the Plan, the Civil Service Commission could, as the delegate of the EEOC, make the "preliminary determination" as to issues of discrimination under section 717 as a part of these proceedings. The responsibility for making the final administrative determination on Title VII discrimination issues in such cases would remain with the EEOC.

NOTE 5

Section 501 of the Rehabilitation Act of 1973 (29 U.S.C. 791) establishes the Interagency Committee on Handicapped Employees, co-chaired by the Secretary of Health, Education, and Welfare and the Chairman of the Civil Service Commission and consisting of such other members as the President may select. By Executive Order 11830 (40 F.R. 24111), the Secretary of Defense, Secretary of Labor, Administrator of Veterans Affairs, Administrator of General Services, and Chairman of the Federal Communications Commission were appointed to the Committee. Section 501(a) defines the functions of the Committee as follows:

"(1) to provide a focus for Federal and other employment of handicapped individuals, and to review, on a periodic basis, in cooperation with the Civil Service Commission, the adequacy of hiring, placement, and advancement practices with respect to handicapped individuals, by each department, agency, and instrumentality in the executive branch of Government, and to insure that the special needs of such individuals are being met; and (2)) to consult with the Civil Service Commission to assist the Commission to carry out its responsibilities under subsections (b), (c), and (d) of this section."

On the basis of such review and consultation, the Committee is to make periodic recommendations to the Civil Service Commission for needed legislative and administrative changes which are to be transmitted by the Commission to appropriate Congressional committees.

The Civil Service Commission is charged by section 501(b) with reviewing annually the affirmative action program plans submitted by the Federal departments and agencies and, after consultation with the Committee, to approve those plans that "provide sufficient assurances, procedures and commitments to provide adequate hiring, placement and advancement for handicapped individuals." In consultation with the Committee, the Civil Service Commission is directed by section 501(c) to make recommendations to the Secretary of Labor with respect to policies and procedures that the States shall be encouraged to adopt for the hiring, placement, and advancement of handicapped individuals under State vocational rehabilitation, veterans' programs, and similar programs for the handicapped. At the end of each fiscal year, the Civil Service Commission is required by section 501(d) to report to Congress concerning "the practices of and achievements in hiring, placement, and advancement of handicapped individuals" in the Federal departments and agencies and the effectiveness of required affirmative action plans and make appropriate legislative recommendations. That report is also to contain the Committee's evaluation of the Commission's performance in carrying out its responsibilities under the Act.

NOTE 6

As indicated in note 5 (*supra*), section 501(a) of the Rehabilitation Act of 1973 provides that the Chairman of the Civil Service Commission is to serve with the Secretary of the Department of Health, Education, and Welfare as co-chairman of the Interagency Committee on Handicapped Employees.

NOTE 7

The 1972 Amendments to Title VII retained the basic scheme of the prior law requiring the EEOC to process a charge of employment discrimination through investigation and conciliation but expanded its powers, in cases involving discriminatory practices by private sector employers, by authorizing the Commission to bring suit where conciliation fails. 42 U.S.C. § 2000e–5(f). At the same time, Title VII coverage was extended to State and local governments, governmental agencies, and political subdivisions but the EEOC was not authorized to bring suit against these governmental employers—that authority was given to the Attorney General in cases referred to him by the Commission. 42 U.S.C. § 2000e–5(f). The 1972 law also amended the existing provision regarding the Attorney General's authority to bring "section 707" suits charging a "pattern or practice" of discrimination. That authority, which had been vested exclusively with the Attorney General, was to be shared concurrently with the EEOC for two years and thereafter transferred (effective March 24, 1974) to the EEOC except where the defendant is a State or local government. 42 U.S.C. § 2000e–6(c).

Thus, although the Department of Justice lost its authority to bring pattern or practice suits under Title VII against private employers, it retained jurisdiction to institute such actions against State and local government employers subject to the Act. Accordingly, the Department of Justice took the position that the Attorney General was fully empowered, under the 1972 Amendments to Section 707 to initiate pattern or practice cases on his own against State and local government employers. This interpretation of the 1972 amendments was upheld in *U.S.* v. *City of Milwaukee* (E.D. Wisc. 1972).

However, other courts have held under section 707(e) that this residuum of pattern or practice authority in the Attorney General is dependent upon referral by the EEOC after completion by that agency of the same procedures specified by the Act for processing charges of discrimination in the private sector. *U.S.* v. *Fresno Unified School Dist.*, 412 F. Supp. 392 (E.D. California 1976); *U.S.* v. *Board of Educ. of Garfield Heights School Dist.*, 13 F.E.P. Cases 1142 (N.D. Ohio 1976); *U.S.* v. *Pima Co. Community College Dist.*, 409 F. Supp. 1061 (D. Ariz. 1976). Thus, before the Attorney General could bring suit, the EEOC would be required to give notice to the employer of an unlawful employment practice charge; make an investigation to determine whether "there is reasonable cause to believe that the charge is true;" and if such cause is found, attempt to resolve the dispute "by informal methods of conference, conciliation, or persuasion." 42 U.S.C. § 2000 e-5(b). If the alleged discrimination occurred in a State or locality that has a law forbidding the same practice, the Commission would be required to defer the charge for 60 days to permit action by the appropriate State or local agency. 42 U.S.C. § 2000e–5(c), (d). The Department of Justice appealed these holdings where possible, and argued that the congressional intent of the 1972 amendments was clearly to empower the Attorney General to bring pattern and practice suits independently in the public sector.

The full text of Title VII section 707 as amended in 1972 is as follows:

§ 2000e–5. Enforcement provisions—Power of Commission to prevent unlawful employment practices.

"(a) The Commission is empowered, as hereinafter provided, to prevent any person from engaging in any unlawful employment practice as set forth in section 2000e–2 or 2000e–3 of this title."

Charges by persons aggrieved or member of Commission of unlawful employment practices by employers, etc.; filing; allegations; notice to respondent; contents of notice; investigation by Commission; contents of charges; prohibition on disclosure of charges; determination of reasonable cause; conference, conciliation, and persuasion for elimination of unlawful practices; prohibition on disclosure of informal endeavors to end unlawful practices; use of evidence in subsequent proceedings; penalties for disclosure of information; time for determination of reasonable cause.

"(b) Whenever a charge is filed by or on behalf of a person claiming to be aggrieved, or by a member of the Commission, alleging that an employer, employment agency, labor organization, or joint labor-management committee controlling apprenticeship or other training or retraining, including on-the-job training programs, has engaged in an unlawful employment practice, the Commission shall serve a notice of the charge (including the date, place and circumstances of the alleged unlawful employment practice) on such employer, employment agency, labor organization, or joint labor-management committee (hereinafter referred to as the "respondent") within ten days, and shall make an investigation thereof. Charges shall be in writing under oath or affirmation and shall contain such information and be in such form as the Commission requires. Charges shall not be made public by the Commission. If the Commission determines after such investigation that there is not reasonable cause to believe that the charge is true, it shall dismiss the charge and promptly notify the person claiming to be aggrieved and the respondent of its action. In determining whether reasonable cause exists, the Commission shall accord substantial weight to final findings and orders made by State or local authorities in proceedings commenced under State or local law pursuant to the requirements of subsections (c) and (d) of this section. If the Commission determines after such investigation that there is reasonable cause to believe that the charge is true, the Commission shall endeavor to eliminate any such alleged unlawful employment practice by informal methods of conference, conciliation, and persuasion. Nothing said or done during and as a part of such informal endeavors may be made public by the Commission, its officers or employees, or used as evidence in a subsequent proceeding without the written consent of the persons concerned. Any person who makes public information in violation of this subsection shall be fined not more than $1,000 or imprisoned for not more than one year, or both. The Commission shall make

its determination on reasonable cause as promptly as possible and, so far as practicable, not later than one hundred and twenty days from the filing of the charge or, where applicable under subsection (c) or (d) of this section, from the date upon which the Commission is authorized to take action with respect to the charge."

State or local enforcement proceedings; notification of State or local authority; time for filing charges with Commission; commencement of proceedings.

"(c) In the case of an alleged unlawful employment practice occurring in a State, or political subdivision of a State, which has a State or local law prohibiting the unlawful employment practice alleged and establishing or authorizing a State or local authority to grant or seek relief from such practice or to institute criminal proceedings with respect thereto upon receiving notice thereof, no charge may be filed under subsection (b) of this section by the person aggrieved before the expiration of sixty days after proceedings have been commenced under the State or local law, unless such proceedings have been earlier terminated, provided that such sixty-day period shall be extended to one hundred and twenty days during the first year after the effective date of such State or local law. If any requirement for the commencement of such proceedings is imposed by a State or local authority other than a requirement of the filing of a written and signed statement of the facts upon which the proceeding is based, the proceeding shall be deemed to have been commenced for the purposes of this subsection at the time such statement is sent by registered mail to the appropriate State or local authority."

Same; notification of State or local authority; time for action on charges by Commission.

(d) In the case of any charge filed by a member of the Commission alleging an unlawful employment practice occurring in a State or political subdivision of a State which has a State or local law prohibiting the practice alleged and establishing or authorizing a State or local authority to grant or seek relief from such practice or to institute proceedings with respect thereto upon receiving notice thereof, the Commission shall, before taking any action with respect to such charge, notify the appropriate State or local officials and, upon request, afford them a reasonable time, but not less than sixty days (provided that such sixty-day period shall be extended to one hundred and twenty days during the first year after the effective day of such State or local law), unless a shorter period is requested, to act under such State or local law to remedy the practice alleged."

Time for filing charges; time for service of notice of charge on respondent; filing of charge by Commission with State or local agency.

(e) A charge under this section shall be filed within one hundred and eighty days after the alleged unlawful employment practice occurred and notice of the charge (including the date, place and circumstances of the alleged unlawful employment practice) shall be served upon the person against whom such charge is made within ten days thereafter, except that in a case of an unlawful employment practice with respect to which the person aggrieved has initially instituted proceedings with a State or local agency with authority to grant or seek relief from such practice or to institute criminal proceedings with respect thereto upon receiving notice thereof, such charge shall be filed by or on behalf of the person aggrieved within three hundred days after the alleged unlawful employment practice occurred, or within thirty days after receiving notice that the State or local agency has terminated the proceedings under the State or local law, whichever is earlier, and a copy of such charge shall be filed by the Commission with the State or local agency."

Section 5 of the reorganization plan transfers "any" functions of the commission in this area to the Attorney General, including the investigation, conciliation, and deferral of pattern or practice cases against State or local governments under section 707 of the Act.

NOTE 8

The Equal Employment Opportunity Council was established by the 1972 amendments to Title VII of the Civil Rights Act of 1964 (42 U.S.C. § 2000e–14). It is composed of the Secretary of Labor, the Chairman of the Equal Employment Opportunity Commission, the Attorney General, the Chairman of the Civil Service Commission, and the Chairman of the United States Civil Rights Commission, or their respective delegates. The Council is responsible for: "developing and implementing agreements, policies and practices designed to maximize effort, promote efficiency, and eliminate conflict, competition, duplication and inconsistency among the operations, functions and jurisdictions of the various departments, agencies and branches of the Federal Government responsible for the implementation and enforcement of equal employment opportunity legislation, orders, and policies."

The Act also requires the Council to report annually to the President and to Congress on its activities, and to make recommendations for legislative or administrative action. Section 6 of the reorganization plan would abolish the council and all functions performed by it would be transferred to the EEOC.

NOTE 9

Section 906 of Title V of the *United States Code* provides that, unless a later date is specified by the plan, a reorganization plan is to take effect "at the end of the first period of 60 calendar days of continuous session of Congress after the date on which the plan is transmitted to it unless, between the date of transmittal and the end of the 60 day period, either House passes a resolution stating in substance that that House does not favor the reorganization plan." Adjournments of more than three days are excluded in the computation of the 60 day period.●

CHAMBERLAIN IN THE WHITE HOUSE

● Mr. McCLURE. Mr. President, the forced resignation of Maj. Gen. John Singlaub in retaliation for what he intended as off-the-record remarks about President Carter's foreign and defense policies should make us pause and wonder where our country is headed in international affairs. The Carter administration began with blunders, not the least of which was the appointment of Andrew Young to be Ambassador to the United Nations; and it is still stumbling along, making matters worse.

Since World War II, our country has had a proud, and generally unbroken, tradition of bipartisanship in foreign policy. But since World War II, we have never had such bubble-headed direction of our country's course in matters that touch upon our national survival. That is why I believe the time has come to speak frankly about our plight, as did the distinguished British columnist, Peregrine Worsthorne in the London Sunday Telegraph of April 16. His assessment of the first year of the Carter administration is trenchant and chilling, and I ask that it be printed in the RECORD.

The newspaper article follows:

[From the London Sunday Telegraph, April 16, 1978]

A CHAMBERLAIN IN THE WHITE HOUSE

(By Peregrine Worsthorne)

The lightweight Jimmy Carter was elected President of the United States because the American people, disgusted by Nixon's Washington, wanted their next leader to have had as little experience of government as possible. (This made about as much sense as if the White Star Company had reacted to the sinking of the Titanic by putting a captain who had never been to sea in charge of its next ocean-going liner.) As a result, the most powerful nation in the world, on whom this country has become totally dependent, is now led by a fumbling amateur.

Before the Second World War such immature behaviour would have been regarded as typically American. Europeans simply assumed then that the American Constitution, the whole emphasis of which was to weaken executive power—a reaction against George III, that earlier orge of the American imagination—was such as to preclude great statesmen. The idea of Europe's ever depending on the United States was regarded as wholly inconceivable, since a democracy of that sort, incapable of breeding a ruling class, was thought bound to be erratic and jejune.

After 1945, of course, this patronising view soon gave way to one of great respect, as Washington was seen to be rising so magnificently to the cold war challenge. Nineteenth-century doubts about the United States' capacity for international leadership were replaced by a wholly new confidence, which culminated in the hero-worshipping of President Kennedy. For about a quarter of a century Europeans slept happily at night, secure in the knowledge that a new breed of American professionals were in charge of the world.

During my adult life that has been the prevailing view, which visits to Washington always confirmed, even in the worst days of the Vietnam war. But increasingly the old doubts are beginning to revive. The more one learns about what went on in Washington during the L.B.J.-Nixon years, the less reassuring the set-up begins to seem. And the current Carter reaction against those years is even more disturbing, since a reign of innocent fools is far more dangerous than a reign of cynical knaves.

One writes as an erstwhile pro-American of long standing, who was even prepared to forgive the Eisenhower-Dulles letdown of Britain at the time of Suez. So important did the Anglo-American alliance seem then that it was not difficult to overlook one aberration. My pro-American gratitude at that time was so firmly based in general, thanks to the Second World War, Marshall Aid, Korea, the Berlin blockade, that no single disappointment could be expected to shake it.

But the United States today has no comparable reserves of trust, built up by past success, on which to call, since its recent record is incomparably less impressive. There is scarcely a name in the present American foreign policy set-up which commands respect, and several—Andrew Young, for one—which do the opposite. As for the President himself, nothing in his style or manager gives the slightest cause for confidence. To my mind, a foreign affairs speech by Mr. Brezhnev invariably sounds more realistic, more statesmanlike, than the inconsistent and often contradictory pronouncements of Jimmy Carter.

So when the United States shows signs of insanity, as it does in Southern Africa, and of incorrigible bungling, as it has over the neutron bomb, there is far less disposition, or reason, to give her the benefit of the doubt. It could be—perish the thought—that these policies are not just aberrations from a fundamentally sound foreign policy—as was the case at Suez—but much more like the tip of a veritable iceberg of misconceptions and follies. Eisenhower, after all, had proved himself a statesman, with a profound goodwill towards the interests of this country. But Jimmy Carter has done nothing of the kind. It could well be that when he adopts policies which show no understanding at all of British or Western European interests this is what he intends to do.

Rhodesia is very much a case in point. To the United States it is a faraway country about which Mr. Carter knows absolutely nothing. His knowledge of that part of the world—or of anywhere else outside Georgia—is on a par with Neville Chamberlain's of Czechoslovakia and Eastern Europe. In these respects the two men are horribly similar, both bounded by parochial horizons—Georgia as against Birmingham—with the same kind of willingness to dogmatise on a basis of ignorance, and the same kind of single-mindedly ignorant proneness to appeasement.

As a result, the Carter Administration, dragging Dr. Owen behind it, is determined to destroy the black-white internal settlement in Rhodesia and to bring about revolutionary conditions in South Africa itself, wholly regardless of the consequences of such evil courses on the economic life, and security, of Western Europe. If it succeeds in this endeavour, it will be the beginning of the end of the Western alliance, since vital European interests will have been sacrificed.

The spectacle is truly shocking. Short of sending in tanks, the Americans are doing everything else to bully the white South Africans, and the internal Rhodesian leaders, into surrender. What Mr. Carter is prepared to do to get his way in Southern Africa is scarcely less unprincipled than what Mr. Brezhnev was prepared to do in Eastern Europe. When the true dimensions of this outrage become apparent, there will be a Right-wing backlash against the United States of a ferocity which will make the Left-wing revulsions over Vietnam seem puerile.

The truth is, of course, that by maladroitly over-reacting to the Communist threat in Asia in the 'Sixties and 'Seventies, and no less maladroitly underreacting to it in Africa now, the United States has succeeded in arousing distrust about its leadership across the whole political spectrum in Western Europe, since the Carter Administration is proving itself just as shockingly unacceptable to the hawks as its predecessor was to the doves.

Compared with Southern Africa, the American muddle over the neutron bomb may be relatively unimportant, but here again there is the same pattern. Under Nixon it was the European peace establishment that lost confidence in Uncle Sam. Now it is the war establishment which is up in arms. No leading State of a great alliance can afford to provoke and outrage successive sections of opinion one after the other.

So perhaps the pre-war generation was correct after all in refusing to rely on the United States. When even pro-American Europeans are compelled to reach this conclusion—as increasingly they are—then surely the time has come for something to be done about it. In fact, the obvious reaction, which may well be long overdue, is for Western Europe to look more and more to its own defences and its own interests, if need be in defiance of the U.S. Such a world could well be intensely dangerous, but even this could be a blessing in disguise. Without the shelter of the American umbrella, Europe might once again find the will—after decades of decadence—to be true to its own destiny.●

WARPLANE SALES

Mr. TALMADGE. Mr. President, I ask that an article written by Mr. Robert Keatley and Ms. Karen Elliot House entitled "Israel, Saudi Arabia and the F–15" which appeared in the May 4, 1978, Wall Street Journal be printed in the RECORD.

Mr. President, this is the best analysis I have read of the proposed sale of advanced warplanes to Saudi Arabia, Egypt, and Israel. I hope my colleagues will find time to read this analysis prior to making any final decision on this controversial sale of American-made warplanes.

The article follows:

[From the Wall Street Journal, May 4, 1978]

ISRAEL, SAUDI ARABIA AND THE F–15

(By Robert Keatley and Karen Elliott House)

There are certain constants to American Mideast policy, whatever the vagaries of the day may be.

One is dedication to Israel's survival and security, notably by providing more than $10 billion worth of economic and military aid since the 1973 Middle East war. This basis purpose endures even when political differences between Washington and Jerusalem are sharp and testy—as they are now—about ways to pursue peace.

Another unavoidable, and increasingly important, goal is to improve relations with the Arab world surrounding Israel. This is especially true regarding Saudi Arabia, which has lurched from feudalism toward financial superpower status due to petroleum and petrodollars.

But these goals can often seem contradictory. And contradictions haven't been more apparent than now as the Carter administration tries to sell Saudi Arabia 60 F15 fighter-bombers despite strenuous Israeli—and much congressional—opposition. These aircraft are part of a 200-plane package which also includes new jets for Egypt and Israel itself.

Yet the contradiction may be more perceived than real. It can be argued that selling all the aircraft would not only serve America's broad interest but also the narrower ones of Israel as well. And though it seems slightly zany to seek peace by shipping more warplanes into a volatile and war-prone region, a push toward tranquility could be one result. At minimum, letting the Saudi sale go through could be less dangerous for both Israel and the U.S. than possible effects of blocking it.

That naturally isn't the way Israel views things. It sees the sale as a direct and grave threat to its own security, providing a potential Arab foe some of the world's most dangerous weapons. "These are killing machines, not washing machines," notes Israeli Foreign Minister Moshe Dayan. The deal would "pose an unprecedented threat to Israeli bases and cities," argues the influential American Israeli Public Affairs Committee (AIPAC), the chief spokesman for Israeli causes on Capitol Hill. ". . . It is very, very dangerous. This is our opinion," stresses Prime Minister Menachem Begin.

For Saudi Arabia, though, the issue is quite different. The Saudis consider the sale—promised since 1975 by two Presidents—as a basic test of whether their friendship with the U.S. and their policy of Mideast moderation is worth anything. The Saudis contend they've helped restrain both oil-price radicals and Arab political radicals (at some risk to themselves), and now want Washington to honor its promises in return.

TO FEND OFF LEFTISTS

And they insist the planes aren't sought to attack Israel, but to fend off leftist threats from such sources as Iraq and Yemen. Argues Saudi Ambassador to the United States Ali A. Alireza: The planes are needed because his country "possesses 25% of the world's proven oil reserves and has a special responsibility to itself and to the free world to assure the protection of this strategic resource."

The issue is now before Congress, which has till May 28 to vote on the sales plan. Unless both houses say no to some part of it, the administration can go ahead with the entire package; a single chamber can't block sales nor can Congress amend the White House program. Mr. Carter seemed to beat a tactical retreat last week when he conceded Congress must act on four separate deals which constitute his 200-plane Mideast package. However, aides insist the President sticks to his all or nothing approach; if planes for either Saudi Arabia or Egypt are blocked, the White House won't let any sales go forward—which would deny Israel 75 modern aircraft it says it must have.

The present skirmishing in Congress could lead to a compromise—such as even more planes for Israel—but Mr. Carter insists the Saudi relationship is too important to endanger by canceling the F15 sale.

(The package has always included four separate sales. These are the 60 F15s for Saudi Arabia for $2.5 billion; 50 F5s for Egypt at $400 million; plus 75 F16s and 15 more F15s—to go with 25 already on hand for Israel at $1.9 billion. The Egyptian sale has aroused limited opposition because even Israeli supporters see merit in boosting President Anwar Sadat's prestige and because the F5s involved have little offensive capability.)

The official U.S. rationale is to meet security needs of Mideast friends so they'll talk peace rather than make war. "None of these governments will have the confidence necessary to make the hard decisions for peace if its people feel that their security is inadequate," the State Department has told a skeptical Congress.

But there are other cogent, if more complex, reasons. Much involves future Saudi policies about oil and dollars, plus that country's willingness to cooperate with the U.S.

One reason the world oil market has a production glut and stable (however high) prices is because Saudi Arabia produces a daily three million barrels or so more than necessary to finance its own defense and development In the Saudi view this is a favor which helps keep Western economies from crumbling; energy costs would zoom if Saudi output were slashed. It is also self-serving, of course. Saudis are paranoiac about communism and want a strong West as the first line of their own defense against Soviet gains in the Mideast. They also need Western industry healthy enough to supply their import needs.

Even so, some influential Saudis close to King Khalid want production cuts. They argue the extra oil would be more valuable if left in the ground for future sales, rather than exported now. They say there's no reason why Saudi Arabia should exchange so much petroleum for paper dollars it doesn't really need, especially as the buck doesn't buy what it once did.

As Ambassador Alireza notes, "Saudi Arabia has consistently supported the retention of the U.S. dollar as the pricing medium for oil"—a policy which has braked the dollar's decline of recent months. But there are hints this might change if the F15 deal falls through, though change would probably not come abruptly.

Moreover, the Saudis might stop bankrolling Mideast peace efforts quite as freely. They have doubts about the Sadat initiative—still the Arab world's most promising move—and could halt it by cutting the subsidy which keeps Egypt (barely) afloat. Similar payments help make Jordan moderate and let the Syrians keep a political distance from Moscow even as Soviet arms pour in. Thus, while Mr. Sadat is the Arab catalyst in the peacemaking effort, Saudi Arabia still supplies the essential grease.

These are things the Congress must weigh as the aircraft sale is pending—higher oil prices which would weaken Western economies and the U.S. dollar, plus more lost momentum in the search for peace. Both would damage American interests at a time when Washington already has an excess of problems with Russians, Cubans, Africans and others. And to create new problems, the Saudis wouldn't have to turn vindictive, just a bit less cooperative.

That could harm Israel. It needs an industrial West, particularly the U.S., strong enough to provide arms and aid; the Jewish state is years away from self-sufficiency. Moreover, it needs Western states with the political desire as well as the economic ability to help out, something which could erode if Israeli lobbying seemed partly responsible for putting Saudi conservatives into power. This would weaken Israel security far more than the existence of 60 warplanes in nearby Saudi Arabia, a large but military vulnerable state which so far shows no signs of wanting war with anybody. (Saudi Arabia did provide peripheral support in the 1973 war, but Israel's military analysts have said they might launch a preemptive attack on Saudi airbases if war breaks out again.)

NARROWER ISSUE

But there is also a narrower security issue which is often glossed over: The Saudis are determined to buy new aircraft somewhere, no matter what the U.S. does about past promises.

". . . Since the kingdom's obsolescent (fighters) must in any event be replaced, Saudi Arabia would be forced to consider alternatives, including the purchase elsewhere of existing sophisticated aircraft and the possibility of helping to finance the development by someone else of advanced aircraft comparable to the F15s," Ambassador Alireza has warned Congress.

Elsewhere is France, Paris has offered to sell 60 F1 Mirage fighter-bombers to Saudi Arabia, with deliveries to start this summer (the first F15 would not arrive till late 1981 under the American deal). It has also offered coproduction in Egypt of the new F2000 model, provided the Saudis fork over perhaps $1 billion for research and agree that at least 125 planes will be bought for Arab use. Unlike the F15s, these could be freely transferred among Arab combatants in wartime as several Arab states are or will become familiar with French technology, while the only other Mideast state able to use F15s is Israel. American laws and technical controls can enforce this.

This means Israel could block sale of 60 American planes to Saudi Arabia, only to have at least 185 French planes take their places—all of which would be better bombers than the F15, which is designed mainly as an air defense weapon.

This is why American officials find many arguments against the Saudi sale, such as those from AIPAC lobbyists, so irritating. They claim the anti-Saudi pitch is false and deliberately misleading, and—if successful—would damage broad American economic and diplomatic interests.

And, they add, the controversial Saudi sale in the long term could pose less of a security threat to Israel itself than would some distasteful alternatives which seem all too likely if Congress votes down the deal.

(NOTE.—Ms. House, a member of the Journal's Washington bureau, covers foreign affairs. Mr. Keatley, based in New York, is the Journal's foreign editor.)

EUGENE ROSTOW FAULTS CARTER ADMINISTRATION DEFENSE BUDGET AS INADEQUATE IN CONCEPTION AND AMOUNT

● Mr. GOLDWATER. Mr. President, in the wake of Major General Singlaub's resignation because of his differences with the defense policies of the Carter administration, I have come across an excellent analysis of the administration's defense budget by former Under Secretary of State Eugene Rostow. I find it most interesting that the criticisms made by now Professor Rostow are even more all-encompassing than the views expressed by General Singlaub. The big difference is that Professor Rostow does not have to resign.

Mr. President, Mr. Rostow delivered his warning as to the inadequacies of the proposed defense budget in testimony delivered before the Senate Budget Committee on March 1 in his capacity as an officer of the Committee on the Present Danger.

In his statement, Professor Rostow emphasized that his group emphatically disagrees with the apparent belief of the administration that we have to do no more than keep the military balance between us and the Soviet Union from getting any worse than it is. In fact, as Mr. Rostow points out, the budget does not even meet the administration's stated goal of maintaining the status quo. He adds:

"It therefore fails both as a diplomatic signal and as a security measure."

Speaking for the Committee on the Present Danger, Professor Rostow warns:

"The Administration's budget proposals would leave the Soviet Union's military effort still growing more rapidly than ours, thus further increasing their lead in many important categories of military strength.

In short, the Committee on the Present Danger has "concluded that the budget proposals of the administration are inadequate both in conception and in amount."

Mr. President, this is not a pretty picture. It is not a popular message to convey, especially at a time when many people want to forget war and preparations for war.

But, like Professor Rostow, I can recall the late 1930's, when this country was an isolated country, not equipped for war.

We have an understandable desire to be at peace. But what is going to prevent this from happening? I suggest that we have not had a nuclear war because of the threat of the massive deterent ability that we have maintained throughout the years, which the Soviet Union is now in the process of exceeding.

So I join with Professor Rostow in support of a highly defensive weapons program because I feel very deeply that unless we are ready for war, we are going to get into it.

Mr. President, I applaud Eugene Rostow and the Committee on the Present Danger for the work they are doing and hope that their warning on meeting the Soviet challenge will be heeded by the American people.

Mr. President, I ask that the statement presented by Professor Rostow be printed in the RECORD.

The statement follows:

U.S. SENATE,
COMMITTEE ON THE BUDGET,
March 1, 1978.

STATEMENT PRESENTED BY EUGENE V. ROSTOW, CHAIRMAN, EXECUTIVE COMMITTEE, COMMITTEE ON THE PRESENT DANGER

Speaking for the Executive Committee of the Committee on the Present Danger, I welcome your decision to hold this meeting, and thank you for inviting us. Nothing could be more useful to the nation now than a serious public discussion about the nature of Soviet policy and the problems it poses for us. As we said in our first public statement, on 11 November 1976, the principal goal of our Committee is to help promote such a discussion, "based on a disciplined effort to gather the facts."

Our subject here is the Defense Budget proposed by the Administration for Fiscal Year 1979. Meeting the Soviet challenge has political, economic, and social dimensions of great importance, as Secretary of Defense Harold Brown said in his Annual Report. But none of these problems can be dealt with unless we restore military stability in the Soviet-American relation. I shall therefore confine myself to that set of issues.

The broad theme of our statement is that the course of events has thrust a grave responsibility upon the Congress. We believe that prudent and resolute action by this session of the Congress, substantially increasing the Administration's Defense Budget, could mark one of the finest hours in its long and glorious history.

I.

There is much with which we agree in the general approach of Secretary Brown's Annual Report, although we strongly disagree with some of his analyses and recommendations. The Soviet Union *is* "our principal national security problem," as he says, and "the main objective of our collective security system must be the maintenance of an overall military balance with the Soviet Union." But Secretary Brown seems to suggest that we have to do no more now than keep the situation any worse than it is. We emphatically disagree. As our Committee said on 11 November 1976, our objective should be to "restore an allied defense posture capable of deterrence at each significant level and in those theaters vital to our interests." We are convinced that that deterrence is in jeopardy today. There is a consensus that if present trends continue we should soon be in a situation of military inferiority that might tempt the Soviet leaders to follow a policy of political coercion backed by a creditable threat to use force.

There is no harmony between the words and the music of the Administration's budget. The Administration's proposals do not meet the implacable arithmetic of the problem. The budget does not meet the Secretary's stated goal of maintaining the status quo. It therefore fails both as a diplomatic signal and as a security measure. It simply isn't enough to restore our deterrent strength, both strategic and conventional. Moreover, it fails the most important test of a Defense Budget: to give us full confidence in our ability to protect our na-

tional interests in peace. The Administration's budget proposals would leave the Soviet Union's military effort still growing more rapidly than ours, thus further increasing their lead in many important categories of military strength.

The Executive Committee of the Committee on the Present Danger has therefore concluded that the budget proposals of the Administration are inadequate both in conception and in amount. Unless Congress increases this budget substantially—for research and development, for strategic weapons, for naval vessels, and for our ready theater forces and their equipment—our security position will continue to erode, and our foreign policy to decline in influence.

II.

The evidence on which our conclusions rest is marshalled in our study, Trends in the U.S.-Soviet Military Balance: A Present Danger, which will be released shortly, as well as in our earlier statements.

There should no longer be any real dispute about what is happening. The Brookings Institution has recently said that "with each passing year it has become more difficult to explain the continuing momentum in the Soviet military build-up." Foreign Affairs, reviewing the Hoeber-Schneider Study, Arms, Men, and Military Budgets, 1978, calls the book "a straightforward hard-line approach to the military balance" and notes that its argument "acquires more plausibility with each year of the Soviet military build-up." And the British Defense White Paper, issued last week, concludes that the Soviet military posture and the continuing rate of growth of its military forces cannot be explained or justified by considerations of defense:—almost the same words the Committee on the Present Danger used on 11 November 1976. President Carter publicly stated the same view last May with regard to the Soviet military position in Europe.

The debate of the last five years on these problems has moved into a new phase. Every qualified study of the issue—and there are now many—reaches approximately the same conclusion. And American public opinion is becoming alert to the danger. The danger arises from the imperial policy of the Soviet Union, based upon and backed by military power which is already at least equivalent to that of the United States and its Allies, and is growing at a far greater rate. The pressures of that policy are visible wherever there is an opportunity for the expansion of Soviet influence—in Asia and Africa, in Europe and South America, and on the high seas.

The Secretary of Defense says he does not understand why the Soviets are engaged in a military build-up on this scale. Sun Tzu, the great Chinese writer on war, provides the classical answer to the Secretary's question. It is the acme of military skill, Sun Tzu wrote, "to subdue the enemy without fighting,"—far better "than a hundred victories in a hundred battles."

III.

The government is in a strange mood, a mood which reminds me of the "thirties," when we and the British hesitated between action and inaction until it was too late to prevent World War II.

Many people realize that the danger is increasing, but dimly, as they recognize figures in a nightmare. We put names to such figures while we dream. But we cannot accept them as real when we wake up. Despite all that has happened, many people do not yet quite believe that Soviet military power exists, and is being used to promote political ends. They are somnambulists, still bemused by lullabies of détente.

This time we must not wait for a new Pearl Harbor to arouse us. The risks of such a course are too grave to be contemplated. In this situation of incipient crisis, we should follow one of Parkinson's most perceptive laws—his observation that the success of a policy is measured by catastrophes which do not happen. The budget proposed by the Administration does not meet Parkinson's standard.

We appeal to you, and through you to the Congress, to seize the opportunity for leadership which events have thrust upon you. Our plea, Mr. Chairman, is that you stir the nation to wake up from its prolonged dream, and face the world as it is. We can conceive of no step we could take to improve our national health and security more valuable than a decision to raise this budget prudently, substantially, and with determination.

If the Secretary of Defense is wrong in his assessment of the present situation, we may well face the prospect that the Committee on the Present Danger identified in its 1976 statement: "Our alliances will weaken; our promising reapprochment with China could be reversed. Then we could find ourselves isolated in a hostile world, facing the unremitting pressures of Soviet policy backed by an overwhelming preponderance of power. Our national survival itself would be in peril, and we should face, one after another, bitter choices between war and acquiescence under pressure."

Since the main purpose of this Hearing is discussion, I thought this opening statement would be most useful to you if I set out four axioms of policy, and then a series of critical questions designed to bring out the principal weaknesses of the budget, viewed in the light of those axioms.

Our first axiom, as our Committee said on 11 November 1976, is that "there is still time for effective action to ensure the security and prosperity of the nation in peace." Since then sixteen months have gone by. We and our Allies, together with other nations threatened by the Soviet Union, have more than enough power to contain and confine Soviet ambitions—but only if we lead the coalition, and organize its potential for concerted diplomacy and peaceful deterrence.

Secondly, the goal of our strategic forces should be to prevent the Soviet use or the plausible threat to use nuclear weapons in world politics. Unless strategic deterrence is firm, conventional force deterrence has little credibility. In view of the size, the sophistication, and the rate of growth of Soviet nuclear forces in recent years, it will take a considerable and prompt increase in the budget to restore the adequacy of our second-strike capability, the heart of our deterrent. As Secretary Brown rightly remarks, we cannot base our nuclear weapons policy on the assumption that the Soviet military build-up has been "motivated by considerations either of altruism or of pure deterrence." The adequacy of our second-strike capability is now in doubt; our second-strike capability will become inadequate unless present trends are sharply reversed. This conclusion requires action by the Congress to sustain Minuteman III production capability; to press ahead with Trident; to reverse the delays and to speed up the development of MX; to increase expenditures for research and development in a number of related fields, particularly the ominous problem of killer-satellites; and to assure that all elements of a penetrating bomber-missile-tanker force will be modernized.

Third, strategic nuclear deterrence and stalemate, important as they are, would be of no use to us if they became a license for continued Soviet expansion through the use of conventional forces or proxy forces. Even in the period of our nuclear monopoly, and then of continued nuclear superiority, we had to cope with Soviet probes in Iran, in Greece and Turkey, in Berlin, in Korea, in Cuba, in Indo-China, and in the Middle East. As our nuclear advantage diminishes, these probes can be expected to increase in importance. It follows, we believe, that our theater forces must be improved.

Finally, we must face the ambiguity which has plagued our foreign policy since Vietnam: What is our defense establishment for? Does it exist only to repel invasions of the United States? To protect our national interests abroad as they are defined by the Charter of the United Nations, the Truman Doctrine, or the treaties and other commitments made during the Administrations of Presidents Truman and Eisenhower? Or do we have defense forces in order to achieve and maintain a flexible and dynamic balance of power, adapted to the realities of a changing world?

By way of a start towards an answer to this question, I should offer as my fourth axiom the definition of our national security interests in the first Statement of the Committee on the Present Danger:

"The process of Soviet expansion and the worldwide deployment of its military power threaten our interest in the political independence of our friends and allies, their and our fair access to raw materials, the freedom of the seas, and in avoiding a preponderance of adversary power.

"These interests can be threatened not only by direct attack, but also be envelopment and indirect aggression. The defense of the Middle East, for example, is vital to the defense of Western Europe and Japan. In the Middle East the Soviet Union opposes those just settlements between Israel and its Arab neighbors which are critical to the future of the area. Similarly, we and much of the rest of the world are threatened by renewed coercion through a second round of Soviet-encouraged oil embargoes."

At a later point in that statement, the Committee added:

"Soviet expansionism threatens to destroy the world balance of forces on which the survival of freedom depends . . . Without a stable balance of forces in the world and policies of collective defense based upon it, no other objective of our foreign policy is attainable."

In short, we are convinced that a definition of the United States' national interest confined to the industrialized democracies is insufficient. Beyond the obvious major components of the balance of power—Canada, Western Europe, Japan, and a few other countries—additional areas of the world will be significant to our security, depending upon circumstance and context. None can be excluded a priori from the purview of our concern.

Secretary of Defense Brown's Annual Report seems to agree with this approach. We shall continue to oppose aggression in Korea, he says, and maintain all our treaty commitments in the Pacific Basin. He recognizes that Soviet control of the Persian Gulf "could destroy the cohesion of NATO and perhaps NATO's ability to defend itself." And he points out that comparably significant contingencies could develop in many other regions of the world. We welcome this clear and realistic definition of our problems.

The first and most fundamental question I should like to pose about the Administration's presentation of its Defense Budget concerns the perception of the national interest on which it is based. Despite what the Secretary said about the balance of power, the importance of our alliances, and the necessity for dealing with dangerous contingencies elsewhere in the world, do not the actions proposed derive in fact from a Europe-centered defense plan?

The Report of the Secretary of Defense and other statements by Administration spokesmen agree, for example, that we have

a vital national security interest in keeping Japan independent, and allied to us. In a recent speech in Los Angeles, the Secretary took pains to clarify this point by reiterating that all our security commitments in the Pacific are in force as the bedrock of our policy—those with Japan, South Korea, Taiwan, the Philippines, and Australia and New Zealand.

But the Chief of Naval Operations has testified in Congress that in the event of trouble in the Atlantic, he could not guarantee the sea lanes beyond Hawaii. And the budget before you proposes a further reduction in the Navy, at a time when perhaps the most important diplomatic signal we could give would be an urgent naval building program. What does the budget proposal imply?

Similarly, the budget contemplates a withdrawal of our ground troops from South Korea, despite the fact that Japan would be in deadly peril if South Korea came under hostile control. What conceivable advantage to us can there be in withdrawing conventional forces from South Korea even before the two Koreas have made peace? If we have no conventional forces there, does President Carter intend to rely on nuclear weapons in the event of a North Korean attack? What conclusions would Japan, or for that matter China, draw from the fact of an American ground force withdrawal from South Korea?

If we conclude that the budget does not rest on the hidden assumption of a Europe-only policy, then how can we reconcile what is said with what is done? How can the United States expect to protect its national interests in world politics as they are defined by our treaties, by our interests, by the geopolitical realities of the world, and by the course of events from a position of growing inferiority in many areas and many categories of strength, and a position of overall inferiority which will soon be unmistakable unless our policy turns a sharp corner?

The Secretary of Defense acknowledges that Soviet military strength has been increasing steadily for more than fifteen years at a rate of something like 3% or 4% a year in real terms, although other experts put the figure at about 5%; that it exceeds our own in many categories, and that it presents a grave problem for us in several areas vital to our interests. In a speech last September, he said that we "will not be outgunned," and that we will restore effective strategic and conventional force deterrence, and adequate mobile forces to deal with brush fire conflicts. The experts are arguing whether the budget proposed by the Secretary of Defense would achieve in real terms the announced figure of a 3% increase or the actual 1.8% increase in Total Obligational Authority.

They are arguing also whether this small increase will go to added muscle—the procurement of weapons—or will be absorbed largely in things like the pay of troops and pensions. But even an increase of 3% could not overcome the present disequilibrium both in nuclear and in conventional arms, and also keep up with a Soviet rate of growth of about 4% or 5% a year. Secretary Brown concludes that Soviet defense efforts now exceed our own by a margin between 20% and 40%. Other experts put the figure as high as 60%. That margin will not be narrowed, let alone closed, by the Administration's budget.

The problem of reconciling the Administration's goals and proposals with this grim arithmetic becomes even more acute when one examines particular sectors of the budget.

Let me illustrate the point in the critically important area of nuclear weapons. We have considerable evidence about the Administration's policy towards nuclear weapons from what has been said and leaked about the SALT negotiations; from what has been done already to B–1, other weapons programs, and research; and from what is proposed in the budget before you. Our statement of last July, Where We Stand on SALT, together with a Supplemental Analysis prepared by Paul Nitze, summarize our thinking on this subject. They are included in the package of materials I request permission to add to the record.

As you will recall, there is a certain asymmetry of numbers in the SALT Interim Agreement which expired last fall. The Soviet Union was allowed to have more and larger missile launchers than we because we thought we would stay ahead in MIRVing and in accuracy.

Four fundamental and adverse developments have taken shape since 1972, when the SALT Agreement was signed. The Soviets have made extremely rapid progress in MIRVing their missiles. Since their missiles have more throw weight than ours, this raises the first problem—how many warheads are they deploying per missile? What is the destructive power of each warhead? And what is the accuracy of these warheads, and what will it be in the future?

The second great change since 1972 is that the Soviets have made some of their ICBMs mobile, despite what the Senate was told on that subject when SALT I was ratified. The President has said that the Soviet Union is already deploying mobile ICBMs. The experts agree that it is in a position to deploy them on a large scale and quickly.

Third, recent reports of Soviet progress in anti-satellite satellites—killer satellites—threaten our chief means of intelligence, communications and control. There is no need to underscore the importance of this development.

Fourth, we must note the significance of the Soviet civil defense programs. Even if imperfect, these programs reduce the effectiveness of our deterrents.

These four developments alone—and there are others—transform the problem of strategic deterrence. And they make it more necessary than ever, agreement or no agreement, to preserve the adequacy of our second-strike capability, the indispensable element in any policy of stable deterrence in the world.

The Secretary of Defense has conceded that the Soviet rush forward in strategic weapons—both in numbers and in technology—may make our ICBMs vulnerable in the near future to a first strike. This will not mean the end of deterrence, he argues, because we can always respond from our submarines against Soviet cities. This is of dubious comfort at a time when we have fewer missiles and smaller warheads; when Soviet missiles are or can be mobile, while ours are still fixed and undefended; when we have unilaterally declined to maintain our advantage in bombers, the only area in which we have an advantage. The threat to blow up Soviet cities would be less than credible if the Soviets had enough weapons left in reserve to blow up our cities after their first strike and our second strike, and still possessed substantial enough reserves to dominate the postwar world.

No President of the United States should ever be put into the position of having to choose between holocaust and the surrender of vital American interests.

This prospect underscores the importance of the President's B–1 decision. It was the area in which we could have moved most quickly to redress the imbalance. There have been disquieting recent reports about the vulnerability of the B–52/cruise missile combination. Above all, the B–1 would have given the President greater assurance of precious time, hours not minutes, to handle the crises that will almost certainly arise.

Finally, let me say a few words about the appropriations addressed to the defensive posture of the NATO forces, which Secretary Brown characterizes as "increasingly precarious."

First of all it should be made clear that the Resolution of the North Atlantic Council last May did not call for a real increase of 3 percent in allied forces, but an increase of "at least 3 percent in real terms." The flexibility of the Resolution was intended to permit those allies in positions of special difficulty to meet the common danger as best they could, but to permit the stronger allies, like West Germany and the United States, to do more, if necessary. The Administration's budget proposals can be deemed to satisfy even the 3 percent target of the Resolution only by some acrobatic interpretations of its figures.

Secondly, what is proposed by the budget cannot be considered to resolve the NATO problem posed by the Soviet build-up in and near Europe without early recourse to nuclear weapons. The analysis is quite as gloomy if one assumes a prompt recourse to nuclear weapons—a risk which it is of course an object of our policy to minimize. These conclusions are confirmed by the Report last year by Senators Nunn and Bartlett, by the recent statement of the International Institute for Strategic Studies in London, and by the British Defense White Paper issued last week.

This growing disparity between NATO and Warsaw Pact forces is particularly dangerous today in light of the deteriorating nuclear balance. Two recent studies of the balance of forces in the European theater stress the importance of more accurate and lower-yield nuclear weapons in the Soviet arsenal, and in Soviet doctrine. The use of these weapons could defeat and neutralize Allied forces in Europe without destroying the cities and industrial base of the area.

The real problem of the Administration's budget proposals with regard to NATO runs deeper than the assumptions it makes about tanks, antitank weapons, and the number and types of planes and artillery pieces available. Those proposals are addressed to the Central Front in Germany. Many experts believe that the Soviets will strike towards Hamburg one day, and present us with difficult problems indeed. That may of course happen. But I regard the risks of a strategy of envelopment as much greater—a strategy that would utilize Mediterranean positions and opportunities, or Norway, or Iceland, or Africa, as a way to cut the lifeline between Europe and the United States, and thus gain a position of dominance in the entire area of Europe, Africa, and the Middle East—the classic heartland which has long been the central theme of strategic thought. To deal with risks of that magnitude, a much broader policy is required than an adequate defense of the Central Front: a strategy which is based upon a much more active diplomacy, more naval and air power, and above all a much wider field of vision.

You will notice that I have not here attempted to attach numbers or even orders of magnitude to our plea for substantial increases in defense spending in FY 1979. What we are proposing today is that you recognize the problem, find that the Administration's proposals are inadequate to deal with it. and that you ask the Administration to study it thoroughly and come back with more reasonable proposals.●

THE 150TH ANNIVERSARY OF HENRI DUNANT'S BIRTH

● Mr. RIBICOFF. Mr. President, May 8, is the 150th anniversary of the birth of Henri Dunant, the Swiss humanitarian who founded the International Red Cross and who was the first recipient of the Nobel Peace Prize. This is a fitting occasion to honor the vision of this great man. He saw the Red Cross not only as a vehicle for disaster relief but also as an organization which could unite people of different political, religious, and economic backgrounds through a shared commitment to humanitarianism. Dunant's vision lives on in the increasing numbers of volunteers to the Red Cross' worthy endeavors and May 8 is observed as World Red Cross Day in recognition of the success that Mr. Dunant's organization has achieved.

Mr. Dunant had another vitally important vision in addition to the Red Cross. Even before the work of Theodor Herzl brought attention to Zionism, Henri Dunant advocated the formation of a Jewish State in the Homeland of the Jewish people. His pioneering role in Israel's history was crucial in the process of achieving support for the notion of a Jewish State.

Unfortunately, the organization Mr. Dunant founded—the Red Cross—does not recognize as an official symbol the Magen David Adom, the Red Star of David, which has long been a source of strength and reassurance to the people of Israel and those of the Jewish faith throughout the world. Thus, the state he foresaw has been deprived of a full acceptance by the service organization which was Mr. Dunant's other great ideal. This condition exists despite the fact that the Magen David Adom and the Red Cross already cooperate fully in all matters involving their services in the Middle East.

To correct this inequity, Operation Recognition has been formed as a worldwide effort to gain international recognition of the Magen David Adom by the Red Cross. Just as we in the Senate are directing our attention to this matter, civic leaders and elected officials in over 35 nations are today holding special meetings and making similar calls to their parliaments. As honorary cochairman of Operation Recognition, I am privileged to be associated with this humanitarian effort and to remind my colleagues that the time has come for the International Committee of the Red Cross to recognize the Magen David Adom as an official symbol. The symbols of the Red Cross will not enjoy complete international respect until this step is taken.●

HAWAIIAN CIVIC CLUBS VOICE STRONG SUPPORT FOR NATIVE CLAIMS STUDY COMMISSION

● Mr. MATSUNAGA. Mr. President, on October 20, 1977, this body gave its unanimous approval to Senate Joint Resolution 4, jointly introduced by the senior Senator from Hawaii, Mr. INOUYE, and myself to establish a 15-member Federal Commission to study the historic claims of Native Hawaiians. Senate Joint Resolution 4 has recently been favorably reported by the House Committee on Interior and Insular Affairs and is now awaiting House floor action.

During the recent convention of the State Association of Hawaiian Civic Clubs, in Hilo, Hawaii, the 2,000 delegates adopted a resolution supporting Senate Joint Resolution 4 and expressing the gratitude of the association to all of those who are working to establish the proposed commission. The adoption of such a resolution by the civic clubs is particularly meaningful because the Hawaiian Civic Clubs were founded by Prince Jonah Kuhio Kalanianaole, a nonvoting, territorial delegate to Congress who is still remembered as one of Congress most beloved members. Prince Kuhio was the author of the first statehood resolution introduced in Congress and was the principal architect of the Hawaiian Homes Commission Act. The civic clubs which he founded are today still helping Native Hawaiians preserve their traditional culture and values.

With the thought that my colleagues will find the association's resolution of interest, and because they deserve the thanks of the Hawaiian Civic Clubs for their understanding and appreciation of the needs of Native Hawaiians, I ask that the text of the resolution be printed in the RECORD.

The resolution follows:

A RESOLUTION SUPPORTING U.S. SENATE JOINT RESOLUTION NO. 4 OF THE HAWAIIAN NATIVE CLAIMS SETTLEMENT COMMISSION

Whereas, in the year 1893, the United States Minister accredited to the sovereign and independent Kingdom of Hawaii, acting wholly without the authority or knowledge of the Congress or the President, unlawfully conspired with a small group of non-Hawaiian residents of that Kingdom including citizens of the United States, to overthrow the indigenous and lawful government of Hawaii; and

Whereas, in pursuance of such conspiracy, the United States Minister and the naval representative of the United States, also acting without authority, caused Armed Forces of the United States to be put ashore and deployed in support of the overthrow of that indigenous and lawful government; and the United States Minister thereupon extended diplomatic recognition to a provisional government formed by the conspirators without the consent of the people or of the lawful government of Hawaii, which provisional government was sustained solely by the Armed Forces of the United States; and

Whereas, on December 18, 1893, in a message to the Congress, President Cleveland did report fully and accurately on these illegal actions, which statement acknowledged that "by an act of war, committed with the participation of a diplomatic representative of the United States and without the authority of the Congress, the government of a feeble but friendly and confiding people has been overthrown", that "a substantial wrong has thus been done with a due regard for our national character as well as the rights of the injured people requires that we endeavor to repair", and that "the United States cannot fail to vindicate its honor and its sense of justice by an earnest effort to make all possible reparation"; and

Whereas, a claim for repair or these wrongs to the Hawaiian people was presented to the Government of the United States of America by Queen Liliuokalani, the lawful monarch of Hawaii, and on July 15, 1893, a petition for redress was also presented by the Hawaiian Patriotic League, representing Aboriginal Hawaiians; and

Whereas, in 1898, Hawaii was annexed to the United States, and by such annexation, among other things, the United States acquired ownership of vast landholdings that has been common property of the Aboriginal Hawaiians prior to the overthrow of their indigenous government; and

Whereas, some eighty-four years now passed without the wrongs done Aboriginal Hawaiians having been repaired; and

Whereas, the Senate of the United States has enacted S.J. Res. 4, a joint resolution establishing the Hawaiian Native Claims Settlement Study Commission and for other purposes to provide a remedy for the wrongs done said Aboriginal Hawaiians; and

Whereas, S.J. Res. 4 is now before the House of Representatives of the United States of America for its consideration; now, therefore, be it

Resolved by the Association of Hawaiian Civic Clubs in convention assembled in Hilo, Hawaii, that the convention hereby declares that a wrong has been committed against the Aboriginal Hawaiians, which the United States is obligated to remedy and that the convention assembled does fully endorse and support the concept and purport of S.J. Res. 4 of the United States Senate designated to remedy the wrongs committed by the United States of America against the Aboriginal Hawaiians; and

Be it further resolved by this convention that it extends its sincere appreciation and gratitude for the work done to establish the Aboriginal Hawaiian Native Claims Settlement Study Commission by United States Senator Daniel K. Inouye, United States Senator Sparky M. Matsunaga, United States Member of Congress Daniel K. Akaka, Member of Congress Cecil Heftel former United States Senator Hiram L. Fong; and former Member of Congress Patsy T. Mink.

Be it finally resolved by this convention that the President of the Association of Hawaiian Civic Clubs be, and is hereby directed to transmit a copy of this resolution to James E. Carter, President of the United States, the Honorable George R. Ariyoshi, Governor of the State of Hawaii, United States Senator Daniel K. Inouye, United States Senator Sparky M. Matsunaga, Member of Congress Daniel K. Akaka, Member of Congress Cecil Heftel, former United States Senator Hiram L. Fong, and former Member of Congress Patsy T. Mink.

Submitted by: Hawaiian Civic Club of Honolulu.

Referred to: President's Committee.

Action: Adopted as amended.●

THE DAWN OF THE SOLAR AGE

● Mr. MORGAN. Mr. President, people all over the world are celebrating the dawn of the solar age. The prospect of increased reliance upon solar energy is indeed something well worth celebrating. Solar energy offers a solution to some of mankind's most pressing problems. It offers us a way to achieve energy independence without depleting our nonrenewable resources and without ruining our environment. I would like to welcome the dawn of the solar age with a few remarks about the promise of solar energy.

Solar energy has several unique advantages over other sources of energy. Unlike oil, gas, coal, or uranium supplies, the Sun cannot be monopolized by any producer's cartel or hostile government or self-interested labor union or irre-

sponsible litigants or bands of terrorists. In an age of increasing centralization, solar energy offers the welcome promise of decentralizing a major part of our energy supply. Even the oldest wisdom of our political tradition tells us that centralized power is likely to be subject to abuse. Where power is of necessity centralized, it must be checked and balanced. Yet the ultimate survival of our system of limited government depends upon our ability to avoid centralization. The centralization of energy systems has thrust decisions upon our Government that it is ill suited to make. A solar economy offers us the opportunity to reverse this trend of centralization.

Solar energy also provides a welcome alternative to the increasingly unfavorable tradeoffs we face between energy development and protection of the environment. For unlike coal and nuclear power, solar energy has a benign environmental impact. It neither pollutes the air nor leaves toxic wastes.

Unlike the sources of energy we depend upon now, solar energy is a renewable resource. Until the Sun burns out, we will have solar energy. Once we make the initial investment in solar collectors, the fuel is free and unlimited.

The development of solar energy could have impressive economic benefits as well. Solar energy offers us the opportunity to revitalize small business, provide badly needed unskilled and semiskilled jobs in construction, and improve the property tax base upon which local governments depend.

A successful solar energy strategy can build upon and revitalize the two industries in our country that are still made up of small independent producers—housing construction and agriculture. The housing industry will prosper in the solar age because it is in the best position to modify existing houses and to build solar devices into new houses. The farm economy will benefit as we begin brewing alcohol fuels from farm crops that catch and store the rays of the sun. At a time when our farm economy is in deep trouble, converting the solar energy stored by plants into liquid fuels is a possibility that we must aggressively pursue.

Increased reliance on solar energy can reduce our dependence on foreign energy supplies. Today we import over $40 billion worth of foreign oil. This sum represents an enormous drain on our resources. Developing solar energy would keep this money in the United States where it can provide jobs and economic improvement for our people.

A major barrier to accelerated solar development is the structure of credit. Tapping solar energy is an investment that yields returns continuously for many years into the future. Given the unique nature of the costs and benefits of solar energy, I think we should seriously look at the possibility of establishing long-term, low-interest loans for solar conversion. Extended credit programs have kept the small farmer in business and provided millions of Americans with the opportunity to own their own home. A program of long-term, low-interest loans or loan guarantees for solar systems could, in a similar manner, stimulate small business, help millions of homeowners hold down energy costs, and meet our national energy goals all at the same time.

Solar energy today is put at a competitive disadvantage with conventional fossil fuels and nuclear power because of price controls, hidden subsidies, and unaccounted environmental costs. Despite this disadvantage, solar energy is already economically viable for many uses and in many areas. If the true costs of the fuels we use were ever reflected in their price, solar energy would be even more attractive. At a time when the prices of all the fuels we use are rising rapidly, the prices of solar systems are falling daily.

The prospects for solar energy are bright. I think the biggest barrier to an accelerated conversion to solar energy is simple inertia, ignorance, and indifference. Here the Government has a vital role to play in disseminating information, changing archaic building codes, and providing demonstration and research money.

Each Member of the Senate has a role to play in spreading information and developing legislation to accelerate the transition to the solar age. I feel that application of solar energy to the problems of rural housing has not progressed as far as it should. Because I feel that solar energy shows special promise for rural energy needs, especially in rural housing, the Subcommittee on Rural Housing, of which I am chairman, will hold hearings in June on solar energy and rural housing. I am hopeful that these hearings will provide us with greater insight into the special needs and problems which confront rural areas in converting to solar energy.●

S. 743. THE PETROLEUM MARKETING PRACTICES ACT

● Mr. DECONCINI. Mr. President, after careful consideration of the provisions of S. 743, the Petroleum Marketing Practices Act, I can confidently support title I of the bill to protect franchised retailers and title II to protect consumers. These provisions are well-drafted, incisive measures that will give significant protections to the rights of station operators and the consuming public.

I am unable, however, to give my support to title III of the bill, which in my opinion is an inadequate solution to a complex market situation. I am convinced by the arguments of my colleagues who support title III that a potential threat to the independent retailers exists. Statistics from the Department of Energy quoted in the committee report do raise the red flag that vertically integrated oil companies at least have the ability to drive out the independents with discriminatory retail pricing.

Whether that is now occurring and whether the provisions of title III will prevent the situation has yet to be proven conclusively. I find, instead, the arguments of the Department of Justice more persuasive. Petroleum retail marketing, they argue, is more complicated than the "cost-plus" analysis assumptions of title III would suggest. Factors other than production costs that affect retail prices are not taken into account in the defenses provided in section 304 of title III.

The term "subsidization" is not precise enough to attack the real problem of predatory pricing without also stifling competitive pricing that can be met by the independents. Consumers will not benefit in such a situation, but will be prevented from enjoying lower fuel prices.

Title III also does not address a problem that has been brought to my attention by several franchised dealers in Arizona. It is the converse of the discriminatory pricing problem addressed in title III. That is, the major refiners may be charging more to their own retailers than they are to independents in order to cover the costs of national advertising, credit card operations, and other national marketing costs. While this problem may not exist in all areas of the country, it suggests that title III may not be based on a sufficient analysis of the dealer-distributor relationship that is needed.

For these reasons, I support the Kennedy amendment to title III. It is a rational approach that recognizes the problem, and recognizes that a more thorough analysis is necessary to construct an appropriate response. I favor the provision of the amendment that would restate the congressional intent that information gathered in the study would be shared with other agencies. This is merely a restatement of provisions that have already been enacted. This information could be obtained by other agencies under their own subpena powers without this provision. Thus the only effect of this provision is to economize Government resources.

Mr. President, for these reasons I support titles I and II of S. 743 but I cannot support the committee version of title III.●

ENERGY-SAVING BUILDING DESIGN

Mr. CLARK. Mr. President, several months ago, I put an article in the RECORD outlining the problems encountered by an Iowan who built an energy-efficient house.

Yesterday, another Iowan, Ray A. Wiley, Sr., brought to my attention the work of his son on developing building standards for energy-efficient buildings. I was impressed to learn that the standards developed by Mr. Wiley's son—Ray Wiley, Jr.—have resulted in a cut of 83 percent in the energy consumption of an average subdivision home and heating bills of only $30 per year.

Having just celebrated Sun Day, most of us are aware of the exciting potential of solar energy, but we should not ignore the equally exciting potential of saving energy through energy conservation-conscious building design. In terms of the overall costs of building a home, the building standards proposed by Mr. Wiley create only a reasonable additional cost—a cost which can be made up easily in lower fuel bills. It is important that all of us in Congress and in the administration recognize that there are many

parts to the solution we seek for our energy problems. Making houses and other buildings more energy efficient is one of those parts. I ask that the following article describing Mr. Wiley's work in energy-saving building design and construction be included in the RECORD following my remarks.

The article follows:

[From the Des Moines Tribune, Jan. 2, 1978]

ENERGY-SAVING DESIGNER
(By Denise Caringer)

A former Des Moines man has developed building standards in use in Eugene, Ore., that cut an average subdivision home's energy consumption by 83 per cent and have resulted in electric heating bills estimated at $30 a year.

The standards, say Ray Wiley, Jr., an architect and engineer now living in Eugene, easily can be applied to midwestern buildings as well.

Wiley, 45, is a graduate of Roosevelt High School here and Iowa State University in Ames. His father, Ray Wiley, Sr., lives at 1334 Forty-second St.

Wiley has his own firm, Ray A. Wiley Architects and Engineers, and is a consultant to the Eugene Water and Electric Board which, along with several other Pacific Northwest utility companies, is promoting the standards.

Wiley says he specializes in energy-efficient design—a subject he began pursuing about 10 years ago.

"I became concerned that we were running out of finite energy resources". . . . I felt we were really squandering our energy and needed to tighten up everywhere," he said in a telephone interview.

Wiley heard about work done in Arkansas by some engineers and a mechanical contractor who had developed an energy-saving home.

REVISED, ADAPTED

"I picked up on what they were doing, extensively revised it and adapted it for the climate of the Pacific Northwest," he said.

The standards call for insulation of R38 in ceilings, R18 in walls and R19 in floors.

The thickness of insulation required to achieve that numerical "R" rating varies with the product, because some materials are more efficient than others, Wiley noted.

"To give you an example, for Fiberglas batting, which is commonly used, a six-inch batt has an R19 rating, so 12 inches would give you the R38," he said. "If Fiberglas insulation were blown in, it would take 8¾ inches to give you an R19 rating."

In addition, the standards call for less window area, limiting total window space to 8.7 per cent of the total floor area when metal frames are used and 10 per cent when wood frames are used.

"And most important," says Wiley, "we require a vapor barrier in walls which retards the flow of water vapor from within the house into the structure itself."

PLASTIC SHEETING

The vapor barrier is plastic sheeting that goes on walls, ceilings and floors before they are finished.

"It's like living in a plastic bag, but there is adequate fresh air, because some air does seep in around windows and doors," Wiley said.

Keeping water vapor inside the home and keeping it from seeping into walls is important in two ways, says Wiley.

"First, in most houses water vapor can migrate into the wall and cause damage by making the insulation wet," he says, "And wet insulation breaks down and isn't effective."

Second, he says, there is energy in such water vapor.

"By keeping the vapor inside the home, we figure we are picking up 20,000 BTUs per day of surplus energy."

Wiley says his standards are "much tighter than anything I've seen in use elsewhere. We're talking about a very tight house, tightly sealed with an effective vapor barrier continuous throughout the walls, ceilings and floors."

Several homes have been built to his standards in Eugene. And the energy use of four of them has been monitored carefully.

"We have three meters in each of those houses—separate meters for space heating, water heat and for the total energy use so we can determines what is required to run the space heating equipment," he says. "On four houses in the eight-month period ending in November, the average energy use was 888 kilowatt hours, which is a very, very low figure.

"We are estimating that for a full year, the homes would use 2,500 kilowatt hours, compared with 15,000 kilowatt hours of electric energy to heat the same size home built to conventional standards."

What that boils down to according to Eugene's electric rates is a total of just $30 to heat the energy-efficient homes for a full year, based on electric rates in Eugene, he says.

One reason the homes are such energy-misers, says Wiley, is that they gain and retain most of their heat from such sources as the persons living in the house, and appliances, such as stoves, hot water heaters and refrigerators.

"We have figured that in these homes, only about 25 per cent of the energy to heat the house has come from the furnace," he says. "Seventy-five per cent is coming from those other sources."

STILL WARM

To illustrate that, Wiley said that one couple living in these new homes left for a three-day weekend, turning off the furnace and leaving on only the refrigerator and the hot water heater.

"They figured the house would be somewhat cold when they got back, but they knew it wouldn't freeze up," Wiley said. "When they got back, though, they found the house was 72 degrees inside—exactly what the temperature was when they left home."

Wiley says the standards apply equally well to commercial buillidings and are not costly to incorporate in a project, he said.

"For an average tract home, the additional cost of building to these standards is $750," he says.

And, Wiley says he believes that if the standards are "taken to the ultimate—with even more insulation and an even better vapor barrier—we could design a home that wouldn't need any heating system at all."

But what about updating older homes?

Wiley, who lives in a 10-year-old house, says extra insulation can be added, as well as double-glazed windows.

VAPOR BARRIER PAINT

And while tearing out floors, walls and ceilings to apply the plastic sheeting isn't realistic, Wiley says a vapor barrier still can be applied to walls and ceilings in the form of a special paint.

The paint, made by Glidden, is a special vapor barrier paint and has a latex base.

"It's an inexpensive, effective way to put vapor barriers on inside walls," he says.

In addition, vapor barriers can be created. In existing homes through use of some vinyl wallpapers and by applying three coats of urethane to wood panelling.●

HOLOCAUST MEMORIAL DAY IN ILLINOIS

Mr. PERCY. Mr. President, over the past few months, Americans have once again been learning about the horrifying and tragic acts committed by the Nazis during World War II.

Although more than a generation has passed since the world was first shocked by the murder of 6 million Jews, it remains essential that we not forget the cruelty, bigotry, and racism of the Nazis. It is a grim reminder of the need for constant vigilance in protecting basic human rights. As the oft-quoted philosopher George Santayana has said:

Those who cannot remember the past are condemned to repeat it.

Two weeks ago, millions of Americans watched the 4-day, 9-hour television broadcast of "Holocaust." It depicted the agonizing destruction of one Jewish family caught in the tidal wave of hatred and prejudice that engulfed practically all of Europe.

It was not pleasant to watch the reenactment of the concentration camps, the mass executions, and the herding of innocent people into gas chambers. But it is important that the story be told.

It is particularly important that we remember the Holocaust at a time when the American Nazis are receiving national attention with their proposed march in Skokie, Ill. Having seen this vivid portrayal, we can better understand the devastating impact such a march would have on this community which includes many survivors of the concentration camps.

I firmly oppose the proposed march through Skokie, and I support the townspeople in pursuing to the fullest extent possible their legal remedies to prohibit this offensive display. I have also joined with others in Illinois who have called for a peaceful counterrally by all religious and ethnic groups to express abhorrence of Nazi beliefs and to affirm our faith in the democratic system.

Yesterday in Illinois, Governor Thompson proclaimed Holocaust Memorial Day in honor of the martyrs and heros of the Holocaust, including those who spoke out against the Nazi genocide and sheltered and aided Jews at the risk of their own lives. It is important that we show our respect for those who suffered during those horrible times. We must never stop remembering. I will sponsor, together with Senator DANFORTH, a suitable permanent memorial day to be proclaimed by Congress and Presidential resolution.

Mr. President, I ask unanimous consent that the text of Governor Thompson's proclamation be printed in the RECORD.

There being no objection, the proclamation was ordered to be printed in the RECORD, as follows:

The Holocaust of World War II resulted in the death of six million Jews—one out of every three Jews then living in the world—and the destruction of countless communities which had been the traditional centers of Jewish piety, scholarship and culture.

The events of the Holocaust years—the Nazis' calculated and systematic program of extermination as well as the heroic resistance of European Jewry—were the subject of a recent TV series. Jewish communities around the world seek to keep alive the memory of the martyrs and heroes of the Holocaust, including those righteous men and women of all faiths and nations who courageously spoke out against the Nazi genocide and sheltered or aided Jews at the risk of their own lives.

Remembrance is the theme of Yom Hashoah, Holocaust Memorial Day, commemorated annually by the Jewish community and occurring this year on May 4th.

Although more than three decades have passed since the liberation of the death camps by Allied troops, the profound implications of the Holocaust have yet to be realized. Wherever bigotry, racism and hate are directed at any religious, racial or national group, the memory of the Holocaust heroes is affronted.

In recognition of the need to keep alive the memory of the martyrs and heroes of the Holocaust and in recognition of our determination that such horrors shall never recur, I, James R. Thompson, Governor of the State of Illinois, proclaim May 4, 1978, HOLOCAUST MEMORIAL DAY in Illinois and urge all of our citizens to commemorate the occasion in keeping with its solemnity and importance.

INTERNATIONAL JOURNALISTIC FREEDOM

Mr. PERCY. Mr. President, I have introduced an amendment to the Foreign Relations Authorization Act, calling for action in support of international journalistic freedom. The amendment reads as follows:

(a) Congress finds that—

(1) news dissemination and the free flow of information across national boundaries are vital to international understanding and to healthy relations among nations; and

(2) recurring and reliable reports strongly indicate that in many countries foreign journalists are subject to governmental harassment and restriction, including the denial of access to legitimate news sources, the imposition of censorship, detention, or incarceration, and explusion.

(b) It is therefore the sense of Congress that the President should—

(1) advise the appropriate officials of any foreign government engaging in such harassment and restriction that the United States considers the mistreatment of foreign news correspondents a significant and potentially damaging factor in overall relations of the United States with such country; and

(2) raise in appropriate international forums the issue of the treatment of foreign news correspondents with a view toward gaining multilateral support for the legitimate rights of such correspondents.

(c) Not later than January 20, 1979, the President shall transmit to the Speaker of the House of Representatives and the chairman of the Senate Committee on Foreign Relations a report describing fully and completely actions taken pursuant to subsection (b) of this section.

The mistreatment of foreign news correspondents has reached epidemic proportions in recent years, and therefore the support of nations which respect press freedom should be brought to bear on behalf of the legitimate rights of foreign correspondents.

To many persons in the United States, the harassment and restriction of foreign correspondents is almost totally unknown. Such mistreatment does not often reach the headlines; in fact, it is seldom reported in this country, particularly when it only involves correspondents of other nationalities.

Moreover, more press attention in the past 2 years has been accorded to the mistreatment by governments of the editors and reporters of their own nations than of foreign reporters. The crackdown of the South African Government on many journalists and their publications was widely covered in the United States.

To show the extent of hostile action against foreign news correspondents, I will list about 25 incidents of the last 2 years. I have not sought to "manage" the list by having reports specifically from each region, or to balance these reports between countries. These are simply typical examples of harassment which indicate the scope of the problem:

A law was passed in Tanzania creating a domestic news agency with the authority to determine what correspondents of the transnational news services may transmit.

Czechoslovakia tried to restrict Western stories about dissidents by tying approval of correspondents' visa requests to agreement not to contact dissidents.

Plainclothes police in Prague sprayed an irritant substance into the faces of Reuter's Pierre Requette and AFP's Philippe Debeusscher after forcibly preventing them from speaking with Dr. Jiri Hajek of the Charter 77 human rights group. The authorities replied to Reuter's protest that the police action was justified, that the journalists were intervening in Czechoslovak internal affairs.

Czechoslovak police ordered Paul Hofmann of the New York Times off a train bound for Vienna, held him incommunicado for 2 hours and confiscated his notebooks and documents. He said that customs men had become alarmed because they found in his luggage a statement attributed to Alexander Dubcek. When released, Hofmann had to walk 3 kilometers into Austria, carrying heavy luggage.

In Angola, authorities announced that foreign journalists may transmit only "official news" in the "precise form" published in the government newspaper or broadcast on government radio.

Laotian authorities arrested and later expelled the last resident Western journalist in the country, John Everingham, part-time correspondent of the BBC and the Far East Economic Review. Police seized his photo library of 10 years' work and confiscated all his cameras, books, documents, and personal papers.

Ross Munro, Peking correspondent of the Globe and Mail to Toronto, was expelled after his articles on human rights in China were published.

Nigeria expelled John Darnton of the New York Times while he was covering the trial of Fela Anikulapo-Kuti, a controversial singer. Mort Roseblum of AP said in a magazine article that the last Reuter correspondent in Nigeria had been put in a dugout canoe, without his passport, and headed toward neighboring Benin.

Rhodesia refused to renew the work permit of BBC correspondent Brian Barron after he reported a massacre in that country.

In East Germany, U.S. free-lance writer Leslie Collit was taken from a train and detained while border guards confiscated 90 pages of his notes and two tape recordings.

President Idi Amin of Uganda told the OAU foreign ministers that Uganda had taken steps to regulate the free entry of "imperialist and Zionist press media agents."

The Government of India published a white paper on the misuse of mass media by the Indira Gandhi regime. During that period, it said, the Information Ministry decided that the reporter of any foreign newspaper would be held responsible for any objectionable material on India published by his paper and could be deported. Seven foreign correspondents were expelled. The press gallery in parliament was then open only to foreign correspondents "about whose friendly attitude there was absolutely no doubt."

A Moroccan journalist, Mustapha Bziouit, was imprisoned in Algeria without charges or trial.

Argentina arrested and imprisoned journalists from Germany, Chile, Paraguay, and Uruguay. A Uruguayan writer was arrested and imprisoned in Chile.

A Yugoslav correspondent was arrested and imprisoned in Libya. Yugoslavia deported a Danish radio correspondent after he covered an attempted demonstration in Belgrade by a group of Jewish women from the West.

Robert Toth of the Los Angeles Times was arrested and expelled from the Soviet Union after interviewing a scientist who claimed a breakthrough in telepathy. George Krimsky of the AP was expelled from the U.S.S.R. after the Soviet press charged that he was a CIA agent and a violator of currency regulations. Peter Osnos of the Washington Post was warned by the Soviet Foreign Ministry that his "anti-Soviet" articles could bring "certain consequences."

Arnold Zeitlin of the AP was expelled from the Philippines.

A Paris-based AP correspondent, Michael Goldsmith, was beaten unconscious personally by Emperor Jean-Bedel Bokassa of the Central African Empire and jailed for a month.

I belive that these incidents must be taken seriously if news dissemination and the free flow of information across national boundaries are to be upheld in the world. It is my strong feeling that the United States should make it known to appropriate officials of foreign governments engaging in such harassment and restriction of reporters that we consider the mistreatment of foreign news correspondents a significant and potentially damaging factor in the overall

relations between the United States and such countries.

I believe further that the United States should raise in appropriate international forums the issue of the treatment of foreign news correspondents with a view to gaining multilateral support for the legitimate rights of such correspondents.

This is the essence of the amendment I have offered to the Foreign Relations Authorization Act. I would welcome the support of my colleagues.

THE OTHER HOLOCAUST—IN ARMENIA

Mr. PROXMIRE. Mr. President, I should like to point out that April 23 was the 63d anniversary of another holocaust, one which occurred in Armenia. This holocaust has received only limited publicity, which may lead people to conclude that relatively few people were killed.

Nothing could be further from the truth, and indeed the genocide which occurred in Armenia is one of the most devastating in history. In 1919, by some accounts half of the total Armenian population or 2 million was wiped out by Turkish troops. The remainder were either deported or fled the country.

This sort of mass killing is yet another piece of evidence for the importance of the Genocide Convention, which would make such acts an international crime. Clearly, the Turkish intent was to destroy the Armenians, and they nearly succeeded. Luckily, though, many Armenians survived, and have lived to tell us today what a horrible crime genocide is.

The Genocide Convention would make the destruction, in whole or in part, of a racial, national, ethnic, or religious group an international crime, and certainly the slaughter of the Armenians would qualify as genocide. President Truman signed this treaty in 1948, and for 30 years now, it has been awaiting the action of the Senate. Presidents Eisenhower, Kennedy, Johnson, Nixon, Ford, and Carter have all pleaded with the Senate to ratify the treaty, and I hope that the Senate will finally respond this year. I urge the Senate to ratify the Genocide Convention as soon as possible.

I ask unanimous consent that an article which appeared in the April 23 edition of the Los Angeles Times by Cathleen Decker about the genocide which occurred in Armenia be reprinted in full immediately following my remarks.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Los Angeles Times, Apr. 23, 1978]

THE OTHER HOLOCAUST: ARMENIANS RECALL HORROR OF SLAUGHTER BY TURKS

(By Cathleen Decker)

Leon Roubinian sat with tears in his eyes, trying to recount to surrounding adults and children an oft-told story of death—in this century's other holocaust.

"It's just so hard to talk about," the 76-year-old San Francisco resident said. But then the words tumbled out, and he described watching hundreds of Armenian men, women and children—among them his mother, sister and 40 relatives—shot, clubbed or stabbed to death in a five-year rampage by Turkish troops.

When it was all over in 1919, from 600,000 to 1.2 million Armenians out of a total population of 2 million were murdered; the remainder were deported or fled to neighboring countries.

And Sunday, gathered with 4,000 others on the eve of the 63rd anniversary of the purge's first day, Roubinian said there is one thing he still does not understand:

"Why?"

The crowds gathered at Montebello's Bicknell Park to memorialize the massacre provided a study in contrast—while an old man knelt weeping, slumped against a pillar of a monument to the Armenian dead, small children nearby laughingly played games. Still others sat silently, remembering the relatives many of them lost.

But for all, hostility and sadness ran deep. This anniversary, especially, brought a special sorrow—comparison of their relatively unknown massacre with the well-documented Jewish holocaust.

"This was nothing less than the holocaust," said Agnes Babayan of Glendale, whose grandmother was killed in Armenia. "It makes you want to cry even harder when no one's heard about them."

"We are fighting to let people know we exist and have this kind of sorrow," Lucy Mkhasi-Gevorkian of Hollywood said.

Others spoke bitterly of the limited publicity the Armenian massacre has received and lashed out at the Turkish government, which historically has denied that mass killings took place.

"Forty-seven members of my father's family died," Arminee Kaprelian said. "How can they deny it happened?"

Roubinian, his voice rising in anger, asked, "If it (the Armenian murders) had been a news item then, would the Jewish massacre have happened?

"The big powers were silent," he said sadly. "A whole nation was killed and it was 'never mind.' "

During the daylong gathering at the park, mourners filed past Boy Scout and schoolgirl honor guards to view the bouquets that ringed the monuments. As the day wore on, the mood became increasingly somber. For some, the anger welled up.

"They tell us to let bygones be bygones," said one man near the monument. "Well, we can't."

ORDER FOR RECOGNITION OF SENATOR HARRY F. BYRD, JR., AND SENATOR MORGAN ON TUESDAY, MAY 9, 1978

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Tuesday next, after the prayer, the distinguished senior Senator from Virginia (Mr. HARRY F. BYRD, JR.) be recognized for not to exceed 15 minutes, and that he be followed by Mr. MORGAN for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE CALENDAR

Mr. ROBERT C. BYRD. Mr. President, there are three measures on the calendar that have been cleared for passage by unanimous consent.

I ask unanimous consent that the Senate proceed to the consideration of Calendar Orders Nos. 707, 708, and 710.

The PRESIDING OFFICER. Without objection, it is so ordered.

PRAISE OF U.S. DELEGATION TO BELGRADE CONFERENCE

The concurrent resolution (H. Con. Res. 549) praising the U.S. delegation to the Belgrade meeting of the conference on security and cooperation in Europe for its efforts on behalf of human rights, and urging the President to continue to express U.S. opposition to repressive actions and to violations of basic human rights which are contrary to the Helsinki accords, was considered and agreed to.

The preamble was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95–773), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

EXCERPT

BACKGROUND

On June 15, 1977, a preparatory conference convened in Belgrade to establish the framework for the meeting of the Conference on Security and Cooperation in Europe. At the beginning of the preparatory meeting, the Congress adopted House Concurrent Resolution 249 which expressed the sense of the Congress that the Conference be structured in a way that would provide for full presentation and consideration of violations of the Helsinki Accords of 1975 including the human rights provisions of Basket Three of the Accords.

During the Conference, which began on October 4, 1977, and concluded March 8, 1978, the delegations representing the United States and the Western European nations consistently pursued the question of violations of the accords, and particularly the human rights provisions, in spite of the opposition of the Soviet Union and its Eastern European allies. The treatment of dissidents in the Soviet Union, Czechoslovakia, and other nations was of special concern during the Conference. Due to this opposition of the Soviet Union and its allies, the Final Statement issued on the conclusion of the Conference made no recommendations regarding violations of Basket Three.

PURPOSES OF THE RESOLUTION

The resolution first would express the gratitude of the Congress for the "determination and vigor" of the members of the delegation of the United States in pursuing compliance with the human rights provisions of the Accords and for bringing violations of these provisions to the attention of the Conference and the public.

Secondly, the resolution would urge the President and officials of the executive branch to express strongly the opposition of the United States to repression and to violations of the Helsinki Accords.

The resolution would then urge the President and appropriate executive branch officials to use all feasible bilateral contacts with the Soviet Union and other Eastern European nations to emphasize that the Accords require observance of human rights.

COMMITTEE ACTION

House Concurrent Resolution 549 passed the House of Representatives on April 10, 1978. The resolution was referred to the Committee on Foreign Relations on April 11, 1978. The Committee on Foreign Relations

met to consider the resolution on April 28, 1978, and ordered the resolution reported favorably to the Senate without opposition.

COMMITTEE COMMENTS

The committee fully concurs that the delegation, led so ably by Ambassador Goldberg, deserves the expression of gratitude provided in the resolution. Further, the committee would like to express its appreciation for the cooperation of the entire delegation with the committee.

Despite the substantial opposition and criticism of the position of the United States, the delegation did not relent. The deep concern of the United States was repeatedly and effectively demonstrated to the Conference and the world.

The committee would also like to state its support of the provisions of the resolution urging the President and the executive branch to continue to express the opposition of the United States to repression and violations of human rights and to emphasize through bilateral contacts the importance of compliance with the Helsinki Accords.

TERRORISM IN ITALY

The resolution (S. Res. 419) to express the sense of the Senate on terrorism in Italy, was considered and agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

Whereas the growing threat of international terrorism has manifested itself again in the kidnaping of Aldo Moro, a former Prime Minister of Italy and head of the Christian Democratic Party, by the Red Brigade in Italy;

Whereas the Red Brigade in Italy has been responsible for a campaign of terror over the last year in which it has inflicted widespread loss of life and injury on dozens of prominent Italian citizens—officials, Members of Parliament, judges, journalists, educators, and others;

Whereas such acts of terrorism continue to threaten the safety and well-being of citizens of not only Italy but of all nations and cause a direct threat to the very foundations of democratic government; and

Whereas the Government of Italy deserves our support in the difficult position in which it finds itself as a result of this kidnaping: Now, therefore, be it

Resolved, That the Senate voices its shock and condemnation of this new abhorrent act of terrorism by the Red Brigade in Italy.

SEC. 2. It is the sense of the Senate that the Government of Italy deserves the solid support of the United States and of all democratic and freedom-loving peoples in its efforts to deal with this tragic crisis and to preserve the democratic society and institutions in Italy which are so important to Italy's role in the western alliance.

SEC. 3. It is further the sense of the Senate that the President should instruct the Permanent United States Representatives to the United Nations to press for consideration of the subject of terrorism in all appropriate forums and to sponsor proposals aimed at finding solutions to this very urgent problem.

SEC. 4. The Secretary of the Senate is directed to forward a copy of this resolution to the President and the Ambassador of the Government of Italy to the United States.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95–774), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD as follows:

EXCERPT

PURPOSE OF THE RESOLUTION

The purpose of this Senate resolution, which was introduced as a result of the kidnapping of former Italian premier Aldo Moro, is to express the sense of the Senate on terrorism in Italy—specifically to condemn this recent terrorist act and to declare Senate support for the Italian Government in dealing with terrorism and preserving democratic institutions. The resolution also calls upon the U.S. Ambassador to the United Nations to press for action on the subject of terrorism in all appropriate U.N. forms.

BACKGROUND

The following excerpt from Senator Dennis DeConcini's floor statement introducing this resolution sets forth the rationale for it:

"I submit a resolution reflecting the sentiment of this body and the American people as a whole to the recent kidnapping of Aldo Moro and the assassination of his five bodyguards.

"This blatant and brutal act of terrorism, Mr. President, should make all civilized mankind shudder. Violence can never be condoned; but senseless, brutal violence like this simply has no justification, no redeeming dimension, and serves no purpose except to remind us that too many mentally unstable individuals inhabit the nether world of extremist politics. The so-called Red Brigade which claims 'credit' for this despicable act promotes no political cause, certainly no cause that sane and humane men and women, regardless of their philosophy, would associate with. They are nothing more than a group of malcontents who camouflage their criminality in political words.

"Aldo Moro is the former premier of Italy, and is president of the Italian Christian Democratic Party. He is among the most respected political figures, not only of Italy, but in the world today. His record of service and devotion to the Italian people is matched only by his dedication to the principles of world peace. It is sad, indeed, that this fine man should now be held by men and women incapable of any but the crassest sentiments.

"The American people cannot stand idly as this tragic drama unfolds without expressing their own sense of outrage at the atrocity. Equally important, the American people should express their hopes and their prayers that Mr. Moro will be returned safely. For in this act of savagery, we see an ugly symbol of our times. It is, fortunately, only a small facet of our civilization, but one that we must nonetheless fear and, eventually, extirpate."

This resolution is supported by the executive branch as shown in the following letter from Mr. Douglas J. Bennet, Jr., Assistant Secretary of State for Congressional Relations:

DEPARTMENT OF STATE,
Washington, D.C., April 3, 1978.

Hon. JOHN SPARKMAN,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Your letter of March 23 requested coordinated executive branch comments on Senate Resolution 419, "to express the sense of the Senate on terrorism in Italy," submitted by Senator DeConcini on March 20, 1978.

I am pleased to inform you that the executive branch finds the resolution entirely appropriate.

The Office of Management and Budget advises that from the standpoint of the Administration's program there is no objection to the submission of this report.

I hope the above will be useful to you and the members of the committee.

Sincerely,

DOUGLAS J. BENNET, JR.,
Assistant Secretary for Congressional Relations.

COMMITTEE ACTION

On April 4, 1978, the committee heard public testimony delivered by the Hon. Heyward Isham, Director, Office for Combatting Terrorism; and Chairman, Executive Committee on NSCSCC Working Group on Terrorism in support of this resolution.

On April 28, 1978, the Committee on Foreign Relations met in open session and voted, by voice vote without dissent, to report the resolution favorably without amendment.

BEEF IMPORT ACT OF 1978

The Senate proceeded to consider the bill (H.R. 5052) providing for the temporary suspension of duty on photographic color couplers and coupler intermediates, which had been reported from the Committee on Finance with an amendment to strike all after the enacting clause and insert the following:

That this Act may be referred to as the "Beef Import Act of 1978".

SEC. 2. Section 2 of the Act of August 22, 1964, entitled "An Act to provide for the free importation of certain wild animals, and to provide for the imposition of quotas on certain meat and meat products" (78 Stat. 594; 19 U.S.C. 1202 note) is amended to read as follows:

"SEC. 2. (a) It is the policy of the Congress that:

"(1) The aggregate quantity of the articles specified in items 106.10 (relating to fresh, chilled, or frozen cattle meat) and 106.20 (relating to fresh, chilled, or frozen meat of goats and sheep (except lambs)) of the Tariff Schedules of the United States which may be imported into the United States in any calendar year beginning after December 31, 1964, should not exceed 725,400,000 pounds; except that this quantity shall be—

"(A) increased or decreased for any calendar year by the same percentage that estimated average annual domestic commercial production of these articles in that calendar year and the two preceding calendar years increases or decreases in comparison with the average annual domestic commercial production of these articles during the years 1959 through 1963, and

"(B) adjusted further in accordance with the provisions of paragraph (3).

"(2) The aggregate quantity of the articles specified in items 107.20 (relating to beef sausages, in airtight containers), 107.25 (relating to certain other sausages), 107.40 and 107.45 (both relating to cured or pickled beef and veal), 107.48 (relating to corned beef, in airtight containers), and 107.52, 107.55, and 107.60 (all relating to certain other prepared or preserved beef and veal) of the Tariff Schedules of the United States which may be imported into the United States in any calendar year beginning after December 31, 1978, should not exceed the

average annual imports of these items during the years 1973 through 1977; except that this quantity shall be—

"(A) increased or decreased for any calendar year by the same percentage that estimated average annual domestic commercial production of beef and veal in that calendar year and the two preceding calendar years increases or decreases in comparison with the average annual domestic commercial production of beef and veal during the years 1973 through 1977, and

"(B) adjusted further in accordance with the provisions of paragraph (3).

"(3) The quantities referred to in paragraphs (1) and (2), as increased or decreased in accordance with the procedures therein described, shall be adjusted further for any calendar year beginning after December 31, 1978, by multiplying such quantities by a fraction, the numerator of which is the average annual per capita supply of domestic commercial cow beef during the 10 calendar years preceding such calendar year, and the denominator of which is the average annual per capita supply of domestic commercial cow beef in that calendar year (as estimated) and the preceding calendar year. For the purposes of this paragraph, the phrase 'domestic commercial cow beef' means that portion of the total domestic commercial cattle slaughter designated by the Secretary of Agriculture as cow slaughter.

"(b) The Secretary of Agriculture, for each calendar year after 1964, shall estimate and publish—

"(1) before the first day of such calendar year, the aggregate quantity prescribed for such calendar year by subsection (a)(1) as adjusted in accordance with the provisions of subsection (a)(3),

"(2) before the first day of each calendar quarter in such calendar year, the aggregate quantity of the articles described in subsection (a)(1) which (but for this section) would be imported in such calendar year,

"(3) before the first day of such calendar year, the aggregate quantity prescribed for such calendar year by subsection (a)(2) as adjusted in accordance with the provisions of subsection (a)(3), and

"(4) before the first day of each calendar quarter in such calendar year, the aggregate quantity of the articles described in subsection (a)(2) which (but for this section) would be imported in such calendar year.

In applying paragraphs (2) and (4) for the second or any succeeding calendar quarter in any calendar year, actual imports for the preceding calendar quarter or quarters in such calendar year shall be taken into account to the extent data is available.

"(c)(1) If the aggregate quantity estimated before any calendar quarter by the Secretary of Agriculture pursuant to subsection (b)(2) is 110 percent or more of the aggregate quantity estimated by him pursuant to subsection (b)(1), and if there is no limitation in effect under this section with respect to such calendar year applicable to the articles described in subsection (a)(1), the President shall by proclamation limit the total quantity of the articles described in subsection (a)(1) which may be entered, or withdrawn from warehous, for consumption, during such calendar year, to the aggregate quantity estimated for such calendar year by the Secretary of Agriculture pursuant to subsection (b)(1).

"(2) If the aggregate quantity estimated before any calendar quarter by the Secretary of Agriculture pursuant to subsection (b)(2) is less than 110 percent of the aggregate quantity estimated by him pursuant to subsection (b)(1), and if a limitation is in effect under this section with respect to such calendar year applicable to the articles described in subsection (a)(1), such limitation shall cease to apply as of the first day of such calendar quarter. If any such limitation has been in effect for the third calendar quarter of any calendar year, then it shall continue in effect for the fourth calendar quarter of such year unless the proclamation is suspended or the total quantity is increased pursuant to subsection (d).

"(3) Notwithstanding any other provision of this section, the total quantity of the articles described in subsection (a)(1) which may be entered, or withdrawn from warehouse, for consumption, during each six-month period after December 31, 1978, beginning on the first day of January or on the first day of July, shall not exceed an amount equal to 54 percent of the aggregate quantity most recently estimated by the Secretary of Agriculture—

"(A) under subsection (b)(1) if a limitation under this section applicable to such articles—

"(i) is in effect on the first day of the six-month period and remains in effect during that period, or

"(ii) takes effect during the six-month period, and

"(B) under subsection (b)(2) if a limitation under this section applicable to such articles—

"(i) is not in effect on the first day of the six-month period, or

"(ii) ceases to be in effect during the six-month period.

"(4) If the aggregate quantity estimated before any calendar quarter by the Secretary of Agriculture under subsection (b)(4) is 110 percent or more of the aggregate quantity estimated by him under subsection (b)(3), and if there is no limitation in effect under this section with respect to such calendar year applicable to the articles described in subsection (a)(2), the President shall by proclamation limit the total quantity of the articles described in subsection (a)(2) which may be entered, or withdrawn from warehouse, for consumption, during such calendar year, to the aggregate quantity estimated for such calendar year by the Secretary of Agriculture pursuant to subsection (b)(3).

"(5) If the aggregate quantity estimated before any calendar quarter by the Secretary of Agriculture under subsection (b)(4) is less than 110 percent of the aggregate quantity estimated by him under subsection (b)(3), and if a limitation is in effect under this section with respect to such calendar year applicable to the articles described in subsection (a)(2), such limitation shall cease to apply as of the first day of such calendar quarter. If any such limitation has been in effect for the third calendar quarter of any calendar year then it shall continue in effect for the fourth calendar quarter of such year unless the proclamation is suspended or the total quantity is increased under subsection (d).

"(6) Notwithstanding any other provision of this section, the total quantity of the articles described in subsection (a)(2) which may be entered, or withdrawn from warehouse, for consumption, during each six-month period after December 31, 1978, beginning on the first day of January or on the first day of July, shall not exceed an amount equal to 54 percent of the aggregate quantity most recently estimated by the Secretary of Agriculture—

"(A) under subsection (b)(3) if a limitation under this section applicable to such articles—

"(i) is in effect on the first day of the six-month period and remains in effect during that period, or

"(ii) takes effect during the six-month period, and

"(B) under subsection (b)(4) if a limitation under this section applicable to such articles—

"(i) is not in effect on the first day of the six-month period, or

"(ii) ceases to be in effect during the six-month period.

"(7) The Secretary of Agriculture shall allocate the total quantity proclaimed under paragraph (1), and any increase in such quantity pursuant to subsection (d), among supplying countries on the basis of the shares of the United States market for the articles described in subsection (a)(1) such countries supplied during a representative period. The Secretary shall allocate the total quantity proclaimed under paragraph (4), and any increase in such quantity pursuant to subsection (d), among supplying countries on the basis of the shares of the United States market for the articles described in subsection (a)(2) such countries supplied during a representative period. Notwithstanding the preceding sentences, due account may be given to special factors which have affected or may affect the trade in such articles. The Secretary of Agriculture shall certify such allocations to the Secretary of the Treasury.

"(d) The President may suspend any proclamation made under subsection (c), or increase the amount of any total quantity proclaimed under such subsection, if—

"(1) during a period of national emergency declared under section 201 of the National Emergencies Act of 1976, he determines and proclaims that such action is required by overriding national security interests of the United States, or

"(2) he determines and proclaims that the supply of articles of the kind to which the limitation would otherwise apply will be inadequate, because of a natural disaster, to meet domestic demand at reasonable prices.

Any such suspension shall be for such period, and any such increase shall be in such amount, as the President determines and proclaims to be necessary to carry out the purposes of this subsection. The effective period of any such suspension or increase made pursuant to paragraph (1) may not extend beyond the termination, in accordance with the provisions of section 202 of the National Emergencies Act of 1976, of such period of national emergency, notwithstanding the provisions of section 202(a) of that Act.

"(e) The Secretary of Agriculture shall issue such regulations as he determines to be necessary to prevent circumvention of the purposes of this section.

"(f) All determinations by the President and the Secretary of Agriculture under this section shall be final.".

SEC. 3. The Secretary of Agriculture shall study the regional economic impact of imports of meat described in section 2 of the Act of August 22, 1964 (78 Stat. 594; 19 U.S.C. 1202 note) and report the results of his study, together with any recommendations (including recommendations for legislation, if any) to the Committee on Ways and Means of the House of Representatives and to the Committee on Finance of the Senate not later than December 31, 1979.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

The title was amended so as to read:

An Act to impose quotas on the importation of beef in order to assure an ade-

quate supply of quality beef at stable prices for the American consumer.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95-777), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

I. SUMMARY

H.R. 5052 as it passed the House would suspend temporarily the duty on photographic color couplers and coupler intermediates. The substance of H.R. 5052 as it passed the House has been enacted as a provision of Public Law 95-206. The committee amendment, the Beef Import Act of 1978, is in the nature of a substitute and is designed to achieve the following objectives:

To stabilize U.S. beef and veal production and prices at levels adequate to provide a fair return to domestic producers of beef and veal;

To insure U.S. consumers of beef and veal adequate supplies at reasonable, stable prices; and

To provide reasonable access to the U.S. market for imported beef and veal.

Under present law, the Meat Import Act of 1964, limits are set on imports into the United States of unprocessed beef and veal.[1] The President must impose quotas on these articles for a calendar year when imports for the year are estimated by the Secretary of Agriculture to be 10 percent more than an adjusted base quantity. This adjusted base quantity is determined by multiplying a base quantity (725,400,000 pounds) times the ratio which estimated average annual domestic beef and veal production for the current and 2 preceding years bears to average annual domestic beef and veal production during 1959-63. Thus, this adjusted base quantity increases in any year when domestic beef and veal production is estimated to increase and decreases when such production is estimated to decline. The quota is equal to this adjusted base quantity.

The President may suspend a quota or increase the quota above the adjusted base quantity if the President determines (1) overriding economic or national security interests require the action, (2) supplies of beef and veal will not meet domestic demand at reasonable prices, or (3) trade agreements have been entered into which assure the policy of the act will be carried out.

The committee amendment would modify the Meat Import Act of 1964 in the following manner:

(1) *Unprocessed beef and veal.*—The present adjusted base quantity under the Meat Import Act for unprocessed beef and veal would be further adjusted by a countercyclical factor based on per capita U.S. commercial cow beef production. The countercyclical factor is the ratio of average annual per capita U.S. commercial cow beef production during the 10 years preceding the year under consideration to estimated average annual per capita U..S commercial cow beef production during the year under consideration and preceding year. Under present law the import limitation varies directly with U.S. production of beef and veal, so that as U.S. production increases, so does the import limitation, and vice versa. This tends to exaggerate the cyclical extremes of U.S. beef and veal production and prices. The application of the countercyclical factor will cause the limitations on imports to vary inversely with U.S. production of beef and veal, so that as U.S. production decreases (and prices increase), import limitations will be liberalized, and vice versa. This should help stabilize prices and production responses thereto.

(2) *Processed beef and veal.*—A new adjusted base quantity for processed beef and veal would be established. It would equal a base quantity, the average annual imports of those articles during 1973 through 1977, adjusted in a similar manner as is the base quantity for unprocessed beef and veal under present law. Under the bill, this adjusted base quantity would then be further adjusted by the same countercyclical factor as employed with respect to unprocessed beef and veal under the bill. Applying limitations to imports of processed beef and veal should close "loopholes" existing in the present law whereby the limitations of the present law, which applies to unprocessed beef and veal only, were avoided by processing the meat outside of the United States and importing it into the United States outside the quota.

(3) *Imposition and removal of quotas.*—The President would be required to impose quotas on imports of unprocessed beef and veal or processed beef and veal, respectively, for any calendar year in which annual imports of that type of beef and veal are estimated by the Secretary of Agriculture to be more than 10 percent above the respective estimated adjusted base quantities as further adjusted by the countercyclical factor. The quotas would be equal to the adjusted base quantities as further adjusted by the countercyclical factor. The President could suspend or increase the quotas only if (1) he declares a national emergency under the National Emergencies Act of 1976 and determines the suspension or increase is necessary for overriding national security interests, or (2) he determines the quota amount is inadequate to meet domestic demand at reasonable prices as the result of a natural disaster. Since import limitations will now vary countercyclically with U.S. production, there is less need of Presidential discretion to suspend or increase the limitations set by law.

(4) *Spacing of imports.*—No more than 54 percent of the annual quota amount, or estimated annual imports in the absence of a quota being in effect, could enter the United States in any calendar half beginning on January 1 or July 1 of any year. This will space imports more evenly throughout the year, reducing price instability caused by short term major fluctuations in imports.

II. GENERAL EXPLANATION

H.R. 5052, as it passed the House, provided for the temporary suspension of duty on photographic color couplers and coupler intermediates. The substance of H.R. 5052 as it passed the House has already become law (Public Law 95-206). The committee amendment to H.R. 5052 is in the nature of a substitute, and consists of the substance of S. 2095, a bill to enact the Beef Import Act of 1978, with amendments. The committee amendment to H.R. 5052 would modify the Meat Import Act of 1964 (78 Stat. 594; Public Law 88-482, enacted on August 22, 1964).

PRESENT LAW

The Meat Import Act.—The Meat Import Act of 1964 provides under section 2(a) that the aggregate quantity of fresh, chilled, or frozen beef and veal (Tariff Schedules of the United States (TSUS) item 106.10)) and meat of mutton and goats (except lambs) (TSUS item 106.20) which may be imported into the United States in any calendar year beginning after December 31, 1964, should not exceed an adjusted base quantity. Imports of beef and veal are the significant imports of the imports covered. Provision is made that this base quantity (725,400,000 pounds) shall be increased or decreased for any calendar year by the same percentage that estimated average annual domestic commercial production of these articles in that calendar year and the 2 preceding calendar years increases or decreases in comparison with the average annual domestic production of these articles during the years 1959 through 1963, inclusive.

A 10-percent overage is allowed, so that only when imports are expected to exceed the adjusted base quantity level by 10 percent are quotas triggered. The quota is the adjusted base quantity. Each year the Secretary of Agriculture is required to publish in the Federal Register the estimated quantity that would trigger the imposition of quotas under the law, and quarterly, the quantity of meat that, but for the law, would enter the United States in such calendar year.

If the Secretary's estimate of imports exceeds the trigger level, the President is required by law to proclaim quotas on imports of meats subject to the law. The quota proclamation may be suspended or the total quota quantity increased if the President determines and proclaims pursuant to section 2(d) of the act that—

(1) such action is required by overriding economic or national security interests of the United States, giving special weight to the importance to the Nation of the economic well-being of the domestic livestock industry;

(2) the supply of articles of the kind described will be inadequate to meet domestic demand at reasonable prices; or

(3) trade agreements entered into insure that the policy set forth in the act will be carried out.

Section 2(d) further provides that any such suspension shall be for such period, and any such increase shall be in such amount, as the President determines and proclaims to be necessary to carry out the purposes of section 2(d).

Operation of the Meat Import Act.—When imports reach levels that threaten to trigger the quotas under the Meat Import Act, that act and section 204 of the Agricultural Act of 1956 (70 Stat. 200; 7 U.S.C. 1854), which authorizes the President to negotiate agreements with foreign governments to limit imports into the United States of agricultural commodities and products, are used in conjunction with each other to forestall the imposition of quotas. Since it is advantageous to the exporting countries to ship quantities approaching the trigger levels for the Meat Import Act quotas and at the same time not exceed the trigger levels lest quotas be imposed reducing the shipments to the adjusted base quantity, exporting countries have been receptive to negotiating voluntary restraint levels under section 204 which would not exceed the trigger levels under the Meat Import Act. No country wanted another country to take unfair advantage and have a disproportionate share of the total quota, and each country prefers to fill a known quota in the way it finds most advantageous to itself. The provision of section 204 which allows the President to impose regulations governing

[1] Limits are also set on imports and sheep (except lamb) meat under this law. Imports of these meats are minimal compared to imports of beef and veal or U.S. production of beef and veal. When referring to beef and veal in describing the operation of the present law, it will be assumed that this reference also includes goat and sheep (except lamb) meat.

imports from countries which have not entered into agreements if agreements have been concluded with countries accounting for a significant part of world trade, encourages all supplying countries to agree to restraint levels or face unilaterally imposed restrictions.

In the 12 full years that the Meat Import Act has been in effect, actual meat imports have exceeded the adjusted base quantity nine times and have exceeded the trigger level five times (but only barely in three of these five instances). In six instances the President proclaimed the required quotas, but in five of those instances (in the years 1970–74) he simultaneously suspended them in view of "overriding economic interests", and in the sixth instance (1976) he increased the quota level, again in view of "overriding economic interests," to a level equal to the trigger level. Voluntary restraints were negotiated with most of the major exporting countries in 5 of these years (1970, 1971, 1972, 1975, and 1976).

COMMITTEE AMENDMENTS

The committee amended H.R. 5052 by striking the language of the bill as it passed the House and adding the substance of S. 2895, the Beef Import Act of 1978, as amended by the committee.

The committee amendment to H.R. 5052 amends the Meat Import Act of 1964 (78 Stat. 594; Public Law 88–482) in the following manner:

(1) *Unprocessed beef and veal.*—The present adjusted base quantity applicable to fresh, chilled, and frozen beef and veal (and small amounts of goat and sheep meat) under the Meat Import Act would be adjusted by a countercyclical factor: The ratio of average annual per capita U.S. commercial cow beef production during the 10 years preceding the year in question to estimated average annual per capita U.S. commercial cow beef production during the year in question and preceding year. (The quantity resulting from the application of the countercyclical factor to the adjusted base quantity is hereafter referred to as the countercyclical quantity.) The factor is termed countercyclical because its application to the adjusted base quantity under present law would cause limitation on imports to vary inversely with U.S. production of beef and veal, whereas under present law this limitation varies directly with such production.

(2) *Processed beef and veal.*—Imports of processed beef and veal are now unlimited. Under the bill, a limitation would be established on annual imports of the processed beef and veal articles covered by the following TSUS item numbers: 107.20 (relating to beef sausages in airtight containers); 107.25 (relating to certain other sausages); 107.40 and 107.45 (both relating to cured or pickled beef and veal); 107.48 (relating to corned beef in airtight container); and 107.52, 107.55, and 107.60 (all relating to certain other prepared or preserved beef and veal). The base quantity established is the average annual imports of the covered articles during 1973 through 1977. This base quantity for processed beef and veal would be adjusted in a manner similar to that for the base quantity for fresh, chilled, and frozen beef. First, it would be increased or decreased for any calendar year by the same percentage that estimated average annual domestic commercial production of beef and veal in that calendar year and the two preceding calendar years increases or decreases in comparison with the average annual domestic commercial production of beef and veal during the years 1973 through 1977, inclusive. Then the same countercyclical factor applied to the adjusted base quantity for unprocessed beef and veal would also be applied to the adjusted base quantity for processed beef and veal, i.e., the ratio of the average annual per capita domestic commercial cow beef production during the 10 calendar years preceding such calendar year to the average annual per capita domestic commercial cow beef production in that calendar year and the preceding calendar year. (The quantity resulting from the application of the countercyclical factor to the adjusted base quantity is hereafter referred to as the countercyclical quantity.)

(3) *Estimates by the Secretary of Agriculture.*—Under the bill as reported out by the committee, the Secretary of Agriculture would be required to estimate and publish for each calendar year, before the beginning of such calendar year, the aggregate countercyclical quantity of unprocessed and processed beef and veal, respectively, provided for under the bill. Also, before the first day of each calendar quarter in such calendar year, the Secretary would be required to estimate and publish the aggregate quantity of unprocessed and processed beef and veal, respectively, which would be imported in such calendar year but for the limitations under the bill.

(4) *Imposition and removal of quotas.*—Under the bill, if the estimate of annual imports of unprocessed beef and veal made by the Secretary quarterly equals or exceeds 110 percent of the estimated annual countercyclical quantity of such articles, then the President is required to limit by proclamation the total quantity of such articles which may be imported to an amount equal to the countercyclical quantity. A similar rule applies with respect to processed beef and veal, so that if the estimate of annual imports of quarter indicates that the 110 percent trigger of the estimated annual countercyclical quantity, then the President must limit imports of these articles to the estimated annual countercyclical quantity.

A limitation on imports of unprocessed beef and veal described above ceases to apply for any calendar quarter in which an estimate of the Secretary of Agriculture with respect to that type of meat made before the quarter indicates that the 110 percent trigger level will not be reached. A similar situation pertains to limitations on processed beef and veal. An exception to this rule under the bill exists when a proclaimed limitation on imports has been in effect for the third calendar quarter; in this case, the limitation must continue for the fourth calendar quarter even if imports in excess of the trigger level have not been estimated, unless the quota is suspended or increased under other authority in the bill.

Under the bill, the President would have authority to suspend or increase the proclaimed limitation only if (1) he declares a national emergency under the National Emergencies Act of 1976 and determines the suspension or increase is necessary for overriding national security interests, or (2) he determines the countercyclical amount is inadequate to meet domestic demand at reasonable prices as the result of a natural disaster. Any suspension may continue for the period, and any increase can be in such amount, as the President determines and proclaims is necessary to carry out the purposes of the suspension or increase, except that the effectiveness of a suspenion or increase pursuant to a national emergency cannot extend beyond the termination of the national emergency under the provisions of the National Emergencies Act of 1976.

(5) *Spacing of imports.*—In addition to the annual limitations on imports of unprocessed and processed beef and veal provided in the bill, a limitation is placed on the amount of imports of either category which may be imported in any calendar half. A calendar half is the 6-month period beginning on January 1 or July 1 of any year. The limitation provided is that no more than an amount equal to 54 percent of any annual limitation in effect may be imported in any calendar half. If no limitation is in effect for a calendar half, or one in effect ceases to be effective in the calendar half, then the bill provides that no more than an amount equal to 54 percent of the Secretary's estimate of annual imports may be imported in any calendar half.

(6) *Distribution of imports among supplying countries.*—The bill continues the prior law's provision requiring the Secretary of Agriculture to allocate the total quantity of imports of unprocessed beef and veal permitted under a proclaimed limitation among supplying countries on the basis of their respective shares of imports of unprocessed beef and veal during a representative period. A new requirement to allocate in a similar manner any imports of processed beef and veal permitted under a proclaimed limitation is added by the bill. In both instances of allocation, the Secretary can give due account to special factors which have affected or many affect trade in the articles concerned.

(7) *Study of regional impact.*—The bill directs the Secretary of Agriculture to study the regional impact of imports of both unprocessed and processed beef and veal. The Secretary is to report the results of his study, together with any recommendations, to this committee and to the Committee on Ways and Means of the House not later than December 31, 1979.

REASONS FOR CHANGE

The production of beef and veal is cyclical. In the late 1960's and early 1970's per capita consumption of beef and veal increased despite rising prices and competition from other meats, fish, and poultry. The growing demand for beef caused an expansion of the national herd. Cattlemen were optimistic and the industry producing beef and veal (cow-calf operations, feedlot operators, slaughterers and processors) prospered.

In 1973 per capita consumption of beef declined about 5 percent. Cattle prices began to decline in the face of oversupply. In 1976, prices were only 5 percent higher than those received at the outset of the period of herd expansion in 1967. The cost of production of beef, however, had nearly doubled between 1967 and 1976.

As the result of low prices, climbing costs of production, and an oversupply of cattle, producers began to liquidate herds. In 1976, production of beef and veal reached an all time high of 27 billion pounds. These high levels of production continued in 1977 and the early part of 1978.

Prices have recently increased and it appears that the herd liquidation phase of the cycle has about run its course. Higher prices can be anticipated for the next several years.

The effects of the large variations in beef and veal production and prices is severe on both U.S. beef and veal producers and consumers. Testimony received at the committee's hearing on beef imports in February 1978, indicate that it is generally agreed that the domestic beef industry as a whole has been seriously hurt in the past 3 or 4 years. Faced with low prices and sharply rising costs, many producers, large and small, were forced out of the industry or went deeply into debt to ride out the cycle. Further, with prices remaining low, a massive herd liquidation has occurred, and with a record slaughter of cows, a period of sharply rising prices is in store for the consumer.

Imports play an important role in the cattle cycle Over the last five years, imports of the meat covered by the provisions of this

bill have accounted for about 6 to 7 percent of U.S. consumption of all beef and veal, and 15 to 20 percent of the total U.S. processed beef supply, the fastest growing segment of the beef market. Under the present law, however, limitations on such imports vary directly with U.S. production of beef and veal. This means that as U.S. production decreases and prices increase in response to a steady demand, the limitation on imports under present law decreases, so less imports are permitted within the quota. When U.S. production increases and prices drop, imports within the quota amount increase. This situation with imports contributes to amplifying the swings in the cattle cycle which results in consumers periodically paying very high prices and producers periodically suffering severe losses which causes many of them to leave the industry.

The committee amendment, by use of a countercyclical factor based on per capita U.S. commercial domestic cow beef production, would tend to remove the destabilizing effect of imports under the present law on the U.S. market. Under the bill, any limitation proclaimed by the President would permit more imports in times of low U.S. production and rising prices, thus increasing U.S. supply and having a price retarding effect beneficial to consumers; less imports would enter in times of high U.S. production and falling prices, thus decreasing U.S. supply and having the effect of maintaining U.S. prices to avoid severe losses to domestic producers. For example, estimates have been made projecting that for 1979 the countercyclical quantity under the committee bill may be as much as 25 to 30 percent greater than the corresponding limitation under present law. Added stability in the beef and veal industry should provide an economic climate which encourages investment in cost-reducing technology, improvements in productivity, better breeding stock, pasture improvements, better machinery and equipment, and better veterinary programs. Because of increased efficiencies which can be attained by the domestic industry in a more stable price and production environment, improvement in the quality, certainty of supply, and price of beef will benefit the consumer.

The countercyclical factor of per capita U.S. commercial cow beef production was selected for several reasons. While imports are competitive with all domestically produced beef and veal, they are most directly competitive with domestic cow beef. Thus, the factor addresses itself to available quantities of similar type products. Also, it is believed by the committee that cow beef production is the best indicator of the specific stage of the cattle cycle, as it is much less subject to temporary phenomenon which may for a limited time affect such factors as prices. As the best reflection of the particular stage of the cattle cycle, it is the best indicator of production trends, both long and short term. Further, the use of a per capita element in the countercyclical factor contributes to a degree of stabilization of supplies to consumers.

The ratio of a 10-year moving average to 2 current years was selected because the 10-year period is the approximate length of a cattle cycle, and the use of 2 current years identifies the point reached in the current cycle.

In considering this bill, the committee was careful to take into account any impact on consumers or inflation which enactment of the bill may have. In the opinion of the committee, any short-term impact on consumers and inflation resulting from a reduction in imports in any one year under the bill is more than offset by the generally stabilizing and beneficial aspects of the bill over time for consumers and producers.

In ascertaining the impact of the bill on consumers and inflation, it would be extremely misleading to apply the limitation formula of the bill to any year in isolation, especially any year prior to the bill taking effect. Such application would yield only the short-term effect which a one-time reduction in imports would have on an unstable, unprepared market, made so in part by the nature of annual import levels under the present destabilizing meat import laws. Further, such a comparison would not allow for any U.S. production response. If the countercyclical formula had been in effect for the whole decade, it may have tempered the cycle and stabilized the market, thus avoiding excessive domestic production and exaggerated shortages, and thus reducing any effect, even short term, of a reduction in imports.

The White House Council on Wage and Price Stability, taking the longer-term perspective, has estimated that a complete elimination of beef imports would raise the price of food by 0.7 percent. This should correspond to an increase in the CPI of perhaps 0.14 percent. Should this bill become law and even if it reduced imports by one quarter in any year, this would only increase the CPI by about .04 percent.

The committee has received information from many of the Nation's leading livestock economists to the effect that they consider the bill as reported out by the committee to be pro-consumer and anti-inflationary. In fact, as indicated earlier, some estimates have been made showing that the countercyclical quantity for imports in 1979 under the committee bill would be 25 to 30 percent higher than the corresponding quantity permitted under the present law.

The committee bill places a limitation on imports of processed beef and veal for the first time. This is done to close "loopholes" which have occurred under the current law and to forestall circumvention of the purposes of this bill. In order to avoid present limitations which apply only to imports of unprocessed beef and veal, supplying countries in the past have shipped unprocessed beef and veal to U.S. foreign-trade zones for minimal processing and then shipment to the United States. Further, foreign processed beef and veal compete with the product produced by U.S. processors, and thus tend to reduce the need of the U.S. processor for domestically produced beef and veal; permitting it to enter unregulated would tend to defeat the purpose of the bill, i.e., stabilizing the U.S. market.

The committee bill would space the imports of both the unprocessed and processed beef and veal over the calendar year by dividing each calendar year into halfs. During each of these 6-month periods, no more than 54 percent of the specified amount of imports could enter the United States. Imports have shown a tendency to vary considerably from calendar quarter to calendar quarter. A large influx of imports can cause market disruption and considerable problems for individual producers in their marketing plans. Spacing imports in the manner provided by the bill will reduce the likelihood of this while still maintaining adequate flexibility for importers to secure needed supplies at particular times throughout the year.

The committee believes that if the benefits of a countercyclical approach to beef and veal imports are to be secured for both the domestic producer and consumer, the approach must be applied at both extremes of the cattle cycle. Under present law, the President is given broad discretion to suspend any limitations on imports. The committee bill would limit this discretion and place reliance on the countercyclical nature of the limitation formula to accomplish the objectives of the bill. Under the bill, the President could suspend or increase the amount of the quotas only during periods of true emergency, i.e., if (1) he declares a national emergency under the National Emergencies Act of 1976 and determines if the suspension or increase is necessary for national security, or (2) he determines the quota amount is inadequate to meet domestic demand at reasonable prices as the result of natural disaster.

The committee is concerned that imports of beef and veal may enter through relatively few ports in substantial quantities and may therefore have a more pronounced economic impact on the regions around such ports than on the rest of the country. The bill would require the Secretary of Agriculture to explore this situation and report the results of his study, with any recommendations, to this committee and the Committee on Ways and Means of the House, by December 31, 1979.

ORDER FOR CONSIDERATION OF COLEMAN NOMINATION ON MONDAY, MAY 8, 1978

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Monday, after the two leaders or their designees have been recognized under the standing order, the Senate go into executive session to consider the Coleman nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

FOUNDERS DAY AT VOORHEES COLLEGE, APRIL 27, 1978

Mr. THURMOND. Mr. President, one of the outstanding institutions of higher learning in my State is Voorhees College. Located in Denmark, S.C., it was founded in 1897 to offer a college education to promising black students who otherwise would have been unable to obtain one. Voorhees is still predominantly black, but it has an open admissions policy and subscribes to the admirable credo that "poverty, race, weak school preparation, and limited opportunity must not be allowed to prevent young men and women from realizing their potential."

These are not the best of times for predominantly black colleges. They are caught up in the same financial crisis in which all our colleges and universities are involved, and the competition for good faculty and students, with many older and wealthier institutions conducting energetic recruitment programs, has grown ever more keen. Nonetheless, Voorhees College and others like it have maintained their commitment to excellence and are looking confidently ahead. The present challenge of maintaining their position in American education is as nothing when compared with the original challenge, which they so admirably surmounted, of achieving this position.

I had the pleasure of attending a portion of the Founders' Day ceremonies at Voorhees College on April 15. On that occasion, a distinguished alumnus of Voorhees, Mr. George B. Thomas, gave the main address. Mr. Thomas is the

area superintendent of the Montgomery County Public Schools in Maryland, so he can speak with insight and authority on the subject of education. I found his remarks, entitled "It is a Time for Excellence in our Black Colleges," to be not just informative but inspiring. They reflect his deep affection for Voorhees College and set forth some practical ideas on how to make its future even more successful than its past. In the belief that these remarks will be of interest and value to my colleagues, I ask unanimous consent that they be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

IT IS TIME FOR EXCELLENCE IN OUR BLACK COLLEGES

(Address by Dr. George B. Thomas)

It is with great pleasure and humbleness that I return to Voorhees today and share in these founder's day activities which commemorate the creation of this fine institution. My roots are planted deeply in this school and I am proud to say, that out of the five institutions I have attended—receiving degrees from three of them—Voorhees is the most precious to me and is my first and lasting love. For whatever success I may be experiencing in life today, I have always credited that achievement to Voorhees because it is here, during the late 1940's, where I received my firm foundation; it is here where I developed a sense of self-worth, a sense of dignity, and the confidence that I had the ability to succeed in life. This self-realization didn't just happen by chance. It happened because Voorhees, true to the mission set by Miss Evelyn Wright in 1897, was being propelled by dedicated people who were determined to bring out the best potential in students. I can vividly remember the caring teachers who spent countless hours helping us to deal with what appeared to be strange and seemingly unsolvable problems. It was the likes of the Moore's, the Marshall's, the Sheldon's, the Booker's, and many others who gave constant support, encouragement, and built the faith that success will come from hard work and perseverance.

There are hundreds of other sons and daughters of Voorhees, and some of them are here today, who I am sure can attest to the fact that were it not for the inspiration, encouragement, and training they received at this institution they would not be enjoying the degree of success they are having today.

We can all be justifiably proud of Voorhees and our other predominantly black colleges because their records of achievement are well documented and exemplified by the many graduates who are doing outstanding work in virtually every professional and career field in America. To verify this assertion all one has to do is pick up any copy of Ebony magazine and quickly peruse the section on "Speaking of People," which highlights successful careers, and you will find that our black institutions are well represented.

I did not choose my theme today, "It is a Time for Excellence in Our Black Colleges" to imply or leave impressions that these schools of higher learning do not presently have excellent educational programs when measured on some national average. They may or may not, but I do not feel qualified to deal with that kind of rating. My primary aim is to emphasize and drive home the point that the survival of our black institutions, I do believe, is dependent upon the quality of education and the relevance of programs they provide for students NOW and in the FUTURE. The strive toward excellence in every aspect of a school's operation and the attainment of high quality programs in every department will bring credibility to an institution and create the type of confidence level needed to attract continued support to our black colleges.

One might ask the question: Would not many of our black colleges be programming for their own demise or certain failure if they set standards so high that through selectivity or failure rate, the schools could no longer serve those students who have never had opportunities to discover their talents and experience success? I say the answer to that question is, no! No, because our black institutions have always found means of measuring up to the task of helping young people with educational deficits to meet the standards set for them. This is what must be done; we must raise our expectations and the expectations of our students; and at Voorhees we must continue to maintain the mission established by Miss Wright, 81 years ago, when she struggled to open her school with a bell and 14 chairs. Miss Wright's dream was to design a school to prepare young people to live and work successfully in the present day society. The present day society which our students now live is growing increasingly complex, and futurists tell us that future shock changes will continue to impact their lives with ever increasing frequency. Therefore, Miss Wright's mission is still applicable today! We do not need to change the characteristics of the student population in our black colleges, what we need is excellent management and academic programs that will expose students to educational experiences that will prepare them to compete with their peers across the nation.

The mission of Voorhees College in this regard is still a viable one, and I am glad to be serving on its Board of Trustees which has repeatedly reaffirmed its faith, support, dedication, and efforts to the continuation of this institution. When I first came on the Board in 1971, it was during a time of financial crisis—not too dissimilar from our most recent experiences. The Board of Trustees, the administration, the faculty, students, alumni and patrons didn't become dismayed at that time, but redoubled efforts and kept their eyes on the mission. We must do the same now. It is interesting to note, in 1971 the Board officially endorsed an important mission statement for the college, which reads thus: "Voorhees College is committed to the concept that the conditions of poverty, race, weak school preparation, and limited opportunity must not be allowed to prevent young men and women from realizing their potential. To that end, the college maintains an open admissions policy and an educational program designed to assist young persons according to their ability." The current Board has shown a commitment to see that the college survives to see that mission accomplished with excellence.

You might ask the question: Who has the responsibility of providing for or who is accountable for achieving excellence in our black colleges? The answer is: all persons and every group who have an interested relationship with these institutions are responsible. Boards of trustees, presidents and administrative staffs, faculty members, alumni and patrons, and students—all have accountable and significant roles to play in helping these institutions achieve maximum efficiency in carrying out their missions of developing competent individuals who can live and work successfully in our present day and future society. Let me take a few minutes to briefly touch upon a few general responsibilities and their importance for each group:

1. Board of trustees must set meaningful, attainable goals and policies that form the basis for establishing sound educational programs. Then, the Boards must demand performance that guarantees that policies are executed and programs are managed and implemented in ways that will insure efficient operations and that the test of high quality for instruction and learning be met.

2. Presidents and administrative staffs of our black colleges have the responsibility of exemplifying thoughtful and wise educational leadership. They should provide positive, definitive directions for the institutions and set them on courses with clear goals and objectives including performance criteria with indicators to assist in evaluating accomplishments. They are accountable for seeing that programs, activities and practices are in keeping with the goals, policies and missions established by Boards of Trustees. School administrators must also set healthy, dynamic tones for the whole college-communities and administer with so much skill and efficiency that the operation of these institutions demand respect and can readily withstand the tests of any assessment, evaluation, audit, or accrediting team or association.

3. Faculty members in our black colleges undoubtedly have the most challenging responsibilities of any educational institution in this country. As is true for any college, faculty members obviously are responsible for the delivery of educational services in ways that will help students develop knowledge and skills. The responsibility to synthesize and interpret rest on all teachers at every level in all types of educational institutions, but the teachers in our predominantly black colleges often have the added challenge of providing compensatory education for many students who come to their doors educationally disadvantaged because of deprived economic, social, and cultural conditions. They must often remedy the shortcomings of their students previous education and spend a large share of their limited time and resources on the residual task of attempting to fit 5 or 6 years of formal education into 4. That is why I feel these teachers are in the most significant and critical positions to make excellence become a reality in the educational program and to shape the individual student to become fully developed according to his or her ability.

As previously stated, black colleges can be proud that history shows that teachers in black colleges have done their jobs well and they have to show as proof the vast majority of black leaders and professional job holders in this country as having been educated in black colleges. That is why we must not succumb to those voices which claim that black colleges have outlived their usefulness in light of integrated predominantly white colleges in recent years. But, I wish to be clearly understood that I firmly believe that quality integrated education is the best thing that has happened in education to have a positive impact on the total American society; therefore, this effort should continue in both white and black colleges. The points I am attempting to make are:

(1) It does appear that the black college is the only arena where the teachers are able to successfully address themselves to the basic skills needs of many black youngsters; therefore, it is still the most imposing arsenal for black skill development available to black youth; (2) these schools still are places that can serve as role models for what black Americans can become; they still provide the most sizable "image model" for the black population; and (3) after "Roots," the black colleges are still the primary institutions for maintaining the black culture. Nevertheless, our teachers must still come to grips with

the fact that our students are destined to enter a world that is much different than it was 20 years, even 10 years ago. Black students are entering a world of work today, unlike the pre '60's, where virtually no doors are barred based on race or other factors, but the ticket to a job is an excellent academic background that must often be evidenced by results on competitive examinations and/or effective performance in job interview sessions. This, then, is an important responsibility of faculty members—to get graduating students ready to compete successfully in a highly competitive society with an ever present high rate of unemployment. True, young blacks can now enter jobs and rise up through the ranks where they were once excluded, but jobs are few and they can only do so if their credentials are excellent.

The U.S. Labor Department just last week reported that even though the overall unemployment rate showed some improvement at 6.2 percent, that there was a disappointing, significant rise in black unemployment to 11.4 percent—almost double the overall rate! While schools and colleges cannot be held totally responsible for this dismal picture of unemployment among blacks, our schools, kindergarten thru grade 16 must assume some responsibility for equipping these students with salable and marketable skills.

4. Alumni and patrons are sorely needed to support the black colleges. Their financial, moral, and participatory support is critically needed. Alumni in particular should maintain close involvement with the policy making and decision-making bodies in the schools. There really is no excuse for any alumnus not to belong and participate, at least financially, in local and national alumni organizations. The alumni have important and lasting stakes in their institutions and they should work hard to support all the college's endeavors, and demand that they offer no less than high quality educational programs for young people.

Alumni can do much to enhance the prestige and image of their colleges through the achievements and positions they hold in life. I like to think of Alumni as report cards on display for their institutions because what alumni are and what alumni do are true reflections of the institutions from which they graduated.

Of course, almost all small and private schools are faced with tight and stringent financial situations. Therefore, alumni and patrons should support these institutions to the limit of their abilities so as to avoid the terrible waste of potentially productive individuals if these black colleges were forced to close.

5. Students have the primary responsibility of discovering who they are, what their gifts and talents are, and to waste no time getting on with the task of developing their academic knowledge and skills as well as inculcating sound principles that will lead to the development of positive attitudes and appealing personal qualities that are often keys to successful living.

For the student the future is now! What can be achieved today, must not be delayed until tomorrow—there is no time to lose.

Students must learn to work hard, persistently, and relentlessly, and relentlessly to achieve to the maximum of their abilities—always realizing that anything that is worthwhile is not likely to be accomplished easily.

Students should, once they decide upon a career, strive to be the very best in that field. I would like to give an encouraging paraphrase of a challenge once used by the late Dr. Martin Luther King, Jr.: "If it falls your lot to be a school teacher, go on out and teach school like Michael Angelo painted pictures; teach school like Beethoven composed music; teach school like Shakespeare wrote poetry; teach school like Jesus Christ taught his disciples; teach school so well that all the hopes of heaven and earth will have to rise and say, 'there lived a great school teacher who taught his pupils well'."

Students must set their standards high and strive for excellence in all endeavors, forever remembering that they are preparing for entry into an ever increasingly competitive, complex, technological, and multi-national society where those with the best knowledge and skills will be the winners.

Students must keep looking on the bright side of life; they must not accept failure, no matter how difficult the task; they must keep the faith; they must keep saying, "I will overcome, I will succeed, I will be somebody, and success is mine!"

Yes, it is a time for excellence in all our black colleges and we all have roles to play in helping our own beloved school, Voorhees, reach and maintain that degree of excellence which will ensure a long and surviving future. We must accept this as our responsibility . . . and I wish to leave you with a passage called "Challenge" by an unknown author:

"Every Man has within him the ability to do great things.
"His touchstone is challenge.
"No matter what his field of endeavor, a man must measure himself against the demands of his world.
"To rise to the challenge . . . ultimately this is the reason men build bridges, climb mountains, and do a thousand other things that manifest personal achievement and satisfaction."

The Challenge is Ours! Let's keep the dream of Miss Elizabeth Evelyn Wright alive.

COMPUTER BRAKES FOR SCHOOLBUSES

Mr. THURMOND. Mr. President, on March 27, 1978, the South Carolina General Assembly passed a concurrent resolution memorializing the Congress of the United States to pass H.R. 10562 and extend the moratorium for 121 computer brakes for schoolbuses.

On behalf of the junior Senator from South Carolina (Mr. HOLLINGS) and myself, I ask unanimous consent that this resolution be printed in the RECORD following these remarks.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

H. 3790

Whereas, 121 computer brakes have been ordered on all trucks and buses by the National Highway Safety Administration; and

Whereas, the action by the National Highway Safety Administration was premature and the brakes were ordered before adequate testing; and

Whereas, many problems and accidents have occurred directly related to malfunction of these brakes; and

Whereas, a moratorium was declared on all buses and this moratorium will expire on April 1, 1978; and

Whereas, the Secretary of Transportation recently declared a moratorium on trailer brakes; and

Whereas, Representative Dan Marriott has introduced H.R. 10562 that would extend the moratorium for buses; and

Whereas, schoolbuses should not be subjected to unsafe brakes until the computer brakes are perfected.

Now, therefore, be it resolved by the House of Representatives, the Senate concurring:

That Congress is hereby memoralized to pass H.R. 10562 and extend the moratorium for 121 computer brakes on schoolbuses.

Be it further resolved that a copy of this resolution be sent to the South Carolina Congressional Delegation, Secretary of Transportation, Director of the National Highway Safety Administration, and Representative James Howard, Chairman, House Public Works Committee.

NATIONAL GUARD ASSOCIATION OF SOUTH CAROLINA

Mr. THURMOND. Mr. President, during the 1978 conference, the National Guard Association of South Carolina unanimously accepted a position statement supporting reinstatement of the draft. The Association Conference was held in Columbia, S.C., April 21–23, 1978.

A resolution which was approved on April 23, 1978, states in part:

The South Carolina National Guard Association * * * supports and recommends the reinstatement of the compulsory military draft so as to require all able-bodied persons to serve, if needed, in our Nation's military forces or some other alternative form of national service.

This resolution was transmitted to me by letter on April 27, 1978, by the secretary of the National Guard Association of South Carolina.

Mr. President, I would like to take this opportunity to commend the South Carolina National Guard and the Guard in other States for the valuable service these men and women are rendering our Nation. National Guard readiness has always been high. They know what the job is and how to get it done. Further, the Guard adds a significant weight to our defense structure at only 20 percent of the cost of active units.

The National Guard represents the Minuteman in the finest tradition, the citizen who constantly stands militarily prepared, not only to fight when necessary, but also to deter a would-be enemy from attacking us. We are fortunate to have such dedication among our people, and they will always have my support and interest.

Mr. President, I ask unanimous consent to have the transmittal letter of April 27, 1978, and the resolution of April 23, 1978, approved by the National Guard Association of South Carolina, inserted in the RECORD at the conclusion of my remarks.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THE NATIONAL GUARD ASSOCIATION
OF SOUTH CAROLINA,
Columbia, April 27, 1978.

Hon. STROM THURMOND,
U.S. Senate, Senate Office Building, Washington, D.C.

DEAR SENATOR THURMOND: The inclosed resolution was unanimously accepted as a position statement by the National Guard Association of South Carolina during the 1978 conference. This conference was held in Columbia, South Carolina, 21–23 April 1978.

Should you have any questions after your review of this resolution please contact me at 1225 Bluff Road, Columbia, S.C. 29201, telephone 748-4266.

Respectfully,

JOHN A. SHULER,
Major, Ord C, SCARNG, Secretary.

RESOLUTION

Whereas, the quality and quantity of personnel eligible for, and seeking, enlistment in both the active and reserve components of the military forces have significantly declined since the abolishment of the draft.

And Whereas, the membership of the South Carolina National Guard feels that it is essential to the security and defense of our Nation that the numbers and quality of those joining our military forces, both active and reserve component, must be increased and improved.

Now therefore, be it resolved by the South Carolina National Guard Association that it supports and recommends the reinstatement of the compulsory military draft so as to require all able bodied persons to serve, if needed, in our Nation's military forces or some other alternative form of National service.

THE GREAT ICE CREAM SWINDLE

Mr. MORGAN. Mr. President, one of the great things about our Nation is ice cream. I daresay that we have the best ice cream in the world. I have heard this mentioned by a good number of world travelers, both domestic and foreign.

Our ice cream is something we prize. Ice cream is one of the few commodities that has yet to be dominated by the giant monopolies. Every State has regional ice creams. Many small cities and towns have dairies that manufacture local specialty ice creams and products.

It is hard to find a man, woman or child in America who does not like ice cream. The wide variety of brands and flavors available to us is proof enough of its universal appeal. That variety is also proof of the vast difference in individual preferences. Ice cream is one subject on which everyone very definitely has an opinion, based on the most reliable authority of all—his or her own taste buds.

For that reason, it is difficult for me to understand why the Department of Agriculture is considering a new program of market grades for ice cream. There are many problems vital to the well-being and future of the American family farmer and many nutritional deficiencies of our population crying for government attention and action. But ice cream grading is not one of them. There is no justification, in my opinion, for USDA to spend its precious time and the taxpayers' dollars on an area of no demonstrated need, with no nutritional or economic benefit to anyone, except possibly to the Government testers and graders who would be hired to administer the program.

I believe that during my 6-year tenure as attorney general of North Carolina I earned a reputation as a "consumer advocate," I assembled one of the first, and most effective, State consumer protection agencies in the Nation. We investigated every sort of flim-flam scheme and unfair trade practice known to man, but never in my memory did we get a complaint about the quality of ice cream. And I feel certain that had the consuming public been very concerned about this matter, we would have heard from them. We heard from them on just about everything else at one time or another.

A number of Government actions have been taken during the past year to assure consumers a quality ice cream product. In the Food and Agriculture Act of 1977, Congress established a quality standard for ice cream. USDA subsequently issued regulations authorizing use of a USDA seal of quality on ice cream meeting this standard. The Food and Drug Administration withdrew an earlier proposed action which would have permitted the use of alternative ingredients which could have resulted in an inferior product. And FDA's ingredient labeling requirements for ice cream become mandatory next year, providing consumers full knowledge of what is contained in one of their favorite foods.

These programs assure consumers that they will continue to get ice cream the way they have known it in the past. They enable USDA to underwrite the quality of ice cream for plants that elect to undertake and pay for a quality program. And they provide the information consumers need to make intelligent buying decisions.

The additional grading program proposed by USDA is, at best, unnecessary. At worst, it could be confusing and counterproductive to the interests of dairymen across the Nation, and to ice cream producers and consumers.

It would assure quality by subjective factors which vary greatly among individuals. It could put a "premium" label on heavier bodied, higher fat ice cream, which would run counter to current nutritional needs. It would impose inordinately high costs to small dairies and place them at a further competitive disadvantage with large national dairies. In the end, the additional cost of this grading program would be passed on to consumers.

Ice cream is not like other foods for which grade standards currently are used—butter, cheese, eggs, poultry, meat, fruits, vegetables, and so forth. Ice cream is a fabricated product, containing a wide range of fruits, nuts, candies, sweeteners, and other ingredients which defy standardization. The Government has never before graded a product with the wide range of "manufactured" characteristics found in ice cream. My dairy friends also tell me that conditions of freezing and thawing are critical in judging ice cream and would seriously impair the usefulness of grading in channels of commerce.

There are many needed services which USDA can and should be providing for farmer and consumers. USDA does a disservice to itself and to the American people by squandering its limited resources on activities such as the development of grade standards for ice cream.

USDA currently is in the "discussion draft" stage, but has announced its plans to issue the standards as proposed rulemaking about May 15. Now is the time to request USDA to reconsider its plans and use its scarce technical resources in ways that would be more productive in furthering the legitimate interests of the American people. I urge my colleagues to join me in bringing congressional concern to the attention of Secretary Bergland, asking his help in reordering the priorities of his Department in this time of most urgent need for the food and agricultural sector of our economy.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. METZENBAUM). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 10 A.M., MONDAY, MAY 8, 1978

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that if there be no further business to come before the Senate the Senate stand in recess until the hour of 10 a.m. on Monday morning next.

There being no objection, at 2:12 p.m. the Senate recessed until Monday, May 8, 1978, at 10 a.m.

SENATE—*Monday, May 8, 1978*

(Legislative day of Monday, April 24, 1978)

The Senate met at 10 a.m., on the expiration of the recess, and was called to order by Hon. KANEASTER HODGES, JR., a Senator from the State of Arkansas.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Eternal Spirit, we come to Thee once more because Thou art ever our refuge and our strength. Before we talk to one another we would be still and know that Thou art God—whose name is love, whose nature is compassion, whose word is truth, whose spirit is goodness, in whose service is perfect freedom. Enter our lives now and work in and through us Thy will for this Nation. And in all we do may we advance the long-sought kingdom on Earth which encompasses all men and all nations in the pure bonds of justice and truth.

We pray in His name who rules from above. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., May 8, 1978.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable KANEASTER HODGES, JR., a Senator from the State of Arkansas, to perform the duties of the Chair.

JAMES O. EASTLAND,
President pro tempore.

Mr. HODGES thereupon assumed the chair as Acting President pro tempore.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I have no requests for time.

The ACTING PRESIDENT pro tempore. The Senator from Alaska.

Mr. STEVENS. I have no request, but I would like to reserve the leadership time for a short while until I ascertain when the minority leader will arrive.

Mr. President, I yield back the minority leader's time.

COMMITTEE MEETINGS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the International Operations Subcommittee of the Foreign Relations Committee be authorized to meet during the sessions of the Senate today, May 8, and tomorrow, May 9, to hear witnesses on the international narcotics control programs.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent, that the Banking, Housing, and Urban Affairs Committee be authorized to meet during the session of the Senate today to hold a markup session on the housing authorization for fiscal year 1979 and to hold hearings on the Humphrey-Hawkins bill.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate today to hold a markup session on the fiscal year 1979 Department of Energy authorization.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet during the session of the Senate today and tomorrow, Tuesday, May 9, 1978, to hold markup sessions on the annual military procurement authorization bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent the the Committee on the Judiciary be authorized to meet on tomorrow, Tuesday May 9, 1978, to hold a markup session on the fiscal year 1979 Justice Department authorization and other related authorizations.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE SESSION—NOMINATION OF LYNN R. COLEMAN

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now go into executive session to consider the nomination of Mr. Lynn R. Coleman, of the District of Columbia, to be General Counsel to the Department of Energy.

The clerk will report the nomination.

The second assistant legislative clerk read the nomination of Lynn R. Coleman, of the District of Columbia, to be General Counsel of the Department of Energy.

Mr. METZENBAUM. Mr. President, it is with deep regret that I stand here on the floor of the Senate today to oppose the nomination of my President of Lynn Coleman to be General Counsel of the Department of Energy.

I wish that it were not so, I have indicated personally to the President my hope that the nomination of Lynn Coleman might be withdrawn, and it is not with a sense of pleasure or enthusiasm that I stand here as a Democrat to oppose the nomination of a Democratic President.

But, Mr. President, the facts leave no alternative. Approximately 1 year ago President Carter called on Congress and the American people to help solve the national energy crisis. Speaking to the Congress, the President stated, and I quote:

> We must work together even more closely, for we have to deal with the greatest domestic challenge our nation will face in a lifetime. We must act now—together—to devise and to implement a comprehensive national energy plan to cope with a crisis that otherwise could overwhelm us.

He called on us to attack the problem as the "moral equivalent of war."

Now, Mr. President, we are asked to vote on the nomination of Mr. Lynn Coleman to the position of general counsel to the Department of Energy. I have opposed this nomination almost from the beginning for a number of specific reasons. But, in the main, I am opposed to this nomination because it has a direct bearing on our ability to develop and implement a national energy plan that will do the job and win the support and confidence of the American people.

For the past 12 years, Lynn Coleman has represented the oil and natural gas industry as an attorney for Vinson and Elkins, John Connally's Houston-based law firm that has more than 240 lawyers. For the past year, Mr. Coleman has also been a registered lobbyist for the Houston Natural Gas Corporation, an energy conglomerate with holdings in gas, oil, uranium and natural gas transportation facilities.

Now the Senate is asked to confirm this man, who has been closely associated with the oil and gas interests throughout his professional career, to the extremely sensitive post of general counsel at DOE. As general counsel, Mr. Coleman would be asked to make numerous decisions that would directly affect the very interests with which he has been associated for so long. As general counsel, he would be in charge of the DOE's entire legal division. He would be responsible for decisions about which oil and gas companies to prosecute in cases involving consumer overcharges. He would decide how to allocate his staff to enforce laws requiring competition in the energy industry. He would be the chief legal adviser in questions involving Federal legislation affecting oil, gas, coal, nuclear, solar and other energy-related companies. In short, Mr. Coleman would have his hand in every piece of the legal pie at the Department of Energy.

Mr. President, this nomination goes far beyond the narrow issue of whether Lynn Coleman is a competent attorney. No one has questioned his integrity or legal skills, and I do not do so now. We must question whether Mr. Coleman is the best man for the position of general counsel. In my view, he is not.

Can the American people ever believe that this man, who has represented the oil and gas industry throughout his professional career, will now suddenly represent the public interest over the special interests of gas and oil companies? The American people are not convinced that a real energy crisis exists. Recent public opinion polls have shown that many people believe the energy shortage has been exaggerated. Many others feel that the monopolistic oil and gas companies have withheld supplies in order to create shortages and to raise prices. The public is skeptical, if not downright cynical, that an energy crisis exists at all. A recent Gallup poll indicated that only 4 out of 10 Americans believe the energy crisis is real. Other polls have consistently shown that over half of the American people do not know that the United States is currently importing fully half of its oil from foreign countries, mostly from the OPEC nations which staged the embargo in 1973.

The conclusion is obvious: In spite of the President's plea last year, in spite of numerous statements he and Secretary Schlesinger have made to the press, in spite of the fact that Congress has spent a great part of its time for the past year and a half on developing a national energy plan, the American people simply remain unconvinced that an energy crisis exists at all.

Mr. President, we need credibility for the Department of Energy. It is the foundation for anything that the DOE will ever accomplish. The DOE cannot operate effectively if the people don't trust its officers. But, the nomination of Lynn Coleman will not create confidence and trust in the Department of Energy. Instead, it will raise numerous suspicions that Mr. Coleman's decisions are designed, either directly or indirectly, to

benefit the oil and gas industry. It will undermine all of our efforts to develop a credible, believable, effective energy program.

What has Mr. Coleman done to allay those suspicions? Almost nothing. He has met just the bare minimum of the laws requiring disclosure of those connections with the oil and gas industry which may create conflicts of interest. He has signed an agreement with the White House that will only prevent him from taking part in three "personal" clients, eight of the very largest of Vinson and Elkins' clients, and 20 others that have compliance matters pending before the Department of Energy. But this list represents only the tip of the iceberg. It does not begin to cover the full range of the oil and gas interests that Mr. Coleman and Vinson and Elkins have represented or those which have a direct stake in the policies that the DOE establishes. Both Common Cause and Congress Watch have criticized the list submitted by Mr. Coleman as totally inadequate.

According to that list, those clients listed as "substantial" Vinson and Elkins clients are defined as clients accounting for three-fourths of 1 percent of the firm's billings. Vinson and Elkins undoubtedly has many other clients that have a "substantial" interest in DOE's policies, but which do not meet this extremely restrictive criterion. Many well-known clients, including Exxon, Texaco, Shell, Mobil, Amerada Hess, and Union Oil, are excluded from disclosure under that definition agreed to by Mr. Coleman and Robert Lipshutz, the White House counsel, Mr. Coleman may not believe those companies are substantial enough to be listed as clients which may create conflicts of interest, but they certainly are substantial enough for me, and my opinion is that they are substantial enough for the American people. We still do not know the full scope of Vinson and Elkins clients. We still do not know the full number of oil and gas and coal companies which Mr. Coleman and his law partners have represented.

But we do know, Mr. Prsident, that Vinson and Elkins is a major law firm with significant connections throughout the oil and gas industry. Vinson and Elkins has the reputation as one of the two or three top legal firms in the entire oil and gas field. It is regarded as a firm that not only represents individual clients, but one that represents the entire industry in major cases. A former founding member, David Searls (now deceased) was general counsel for the Gulf Oil Corporation in the late 1950's, at the same time that Ben Harper, another Vinson and Elkins partner, was general counsel for the Pure Oil Co.

Certain Members of the Senate and certain outsiders have said, "Well, lawyers often represent clients and that does not necessarily mean they are committed to the client's point of view. Sometimes a man can be a plaintiff's lawyer and sometimes a defendant's lawyer. Sometimes a lawyer acts as a prosecutor in a criminal case, and sometimes he represents a defendant, and you cannot really say that because a lawyer has represented a client, therefore he becomes somehow tainted."

Mr. President, that is not the issue in this case. In this instance, Mr. Coleman is part and parcel of the industry because Vinson & Elkins is totally a part and parcel of the oil and gas industry. This is not a law firm that on some days is representing the Sierra Club and on some days is representing some consumer group. This is not a law firm that is on both sides of many issues. This is a law firm that is totally dedicated to representing the oil and gas industry; and Mr. Coleman is an important partner of that law firm.

His friends, his peers, all of the people with whom he associates, when they call from Houston, Tex., and call him as the general counsel of the Department of Energy, will be talking to one of their friends. And the question must be, "Will Ralph Nader's telephone calls or Lee White's from the Consumer Federation as a former member of the FTC be able to reach Lynn Coleman in the same manner that John Connally or some of the other partners of Vinson & Elkins will?" I doubt it much, Mr. President.

Many people have asked me, "Where is the smoking pistol? Where is the hard evidence that ties Lynn Coleman to these companies?" Mr. Coleman's connections with the oil and gas industry are not simple and direct. They are many and varied. It is like a spider's web, which stretches across the whole range of oil and gas and coal and banking and construction equipment and gas transportation interests. As surely as a spider's web catches a fly, these connections will capture Mr. Coleman. Mr. Coleman's ties to such a wide range of energy interests will cause many people to ask whether any specific decision was made by Mr. Coleman to benefit a particular friend or a former client of his former law partners. It will be virtually impossible for Mr. Coleman to avoid this charge of favoritism, for everything he does will have an effect on a segment of the energy industries which he has represented or which his present law partners will continue to represent. In many other cases, Mr. Coleman will become embroiled in charges of conflict of interest.

In some cases, the Department of Energy will be dealing with a small company. It will have to do with a sectional issue. But the decision made in connection with that small company, which may have no connection with Vinson & Elkins, may have a major impact upon a host of clients of Vinson Elkins and a host of clients of Lynn Coleman.

So when people ask, "Where is the smoking pistol?", I must respond with a question of my own—"Where do you draw the line? At what point does a tie, a connection, a friendship become a conflict of interest?"

Do we have to have a situation where we find someone is on the payroll of a particular company, and then goes on the Government payroll and stays on that company payroll, before we find a conflict of interest? Or do we, as reasonable men and women, look at the total picture and ask, "Isn't there a conflict of interest?" Do we not have to ask, "How, out of 315,000 attorneys in the whole country, did they reach down and pick out Mr. Lynn Coleman?"

Let us take a look at Lynn Coleman's ties with the oil and gas industry in just one specific set of connections. First Mr. Coleman has testified that he has been an attorney for the Texas Eastern Gas Transmission Corporation. Texas Eastern was originally organized by Mr. Coleman's law firm, Vinson & Elkins, and I am told that Vinson & Elkins partners were the largest stockholders for a time. But that is not Mr. Coleman's only connection with Texas Eastern. Hearings held by the Senate Subcommittee on Budgeting, Management and Expenditures in April 1974 revealed the interlocking ties; most are still pertinent. The chairman of Texas Eastern Gas Transmission Corp. is Mr. George Brown. Mr. Brown, according to published public records such as Moody's and Standard & Poor's, is also head of Brown and Root, which is an oil and gas production and refining construction company.

Mr. Brown is also director of Halliburton & Co., which is the holding company covering many other oil and gas construction and special services, including insurance. At that time Mr. Brown had also just resigned from his directorship with the Louisiana Land & Oil Exploration Corp. I should also point out that Texas Eastern at that time had just acquired the La Gloria Oil & Gas Co., which is an oil producer. So here we have a gas pipeline that is now moving into the oil and gas production business.

Another director on Texas Eastern's Board is Mr. Herbert Frensely, who was also president of Brown & Root and the Halliburton Corp.

So now we have Mr. Coleman acting as a principal attorney for the Texas Eastern Corp., which has on its board of directors at least two men who are tied with oil and gas production companies, gas pipeline companies, and oil and gas industry construction equipment interests.

Obviously, Mr. President, it does not take long for the spider to spin its web. But we still have much further to go.

Both Mr. Brown and Mr. Frensely are also on the board of directors of the First City Bankcorp. The First City Bankcorp. of Texas is a major Houston bank holding company with $56 billion in assets, which is closely tied to the oil and gas industry. According to its quarterly statement for the third quarter of 1977, that holding company had an estimated $650 million in loans to the oil and gas industry. In its 1976 annual report, First City Bankcorp. declared its financial interest in the oil and gas industry with the following statement:

A significant portion of the commercial business is, not surprisingly, related to the oil and gas industry and its support indus-

tries. This portion is approximately 40 percent at First City National Bank of Houston, 45 percent at the Midland National Bank, 35 percent at Corpus Christi Bank and Trust, and generally lesser percentages at other banks. Both First City National Bank of Houston, which is recognized as a pioneer in fashioning loans using oil and gas reserves as collateral, and the Midland National Bank, located in the oil-rich Permiam Basin, maintain specialized petroleum and mineral departments whose staff combine banking, business and petroleum engineering expertise in administering loan portfolios.

Petroleum and related loans grew by more than 20 percent last year. Contributing to this expansion was a new emphasis in lending to the increased number of companies headquartered in the Southwest that have entered or expanded coal mining and marketing activities.

In another section of that same annual report, First City Bankcorporation gave an explicit example of how its interests are affected by Federal regulations, such as those Mr. Coleman would be involved with as general counsel. According to the report:

Despite continued diversification of Texas industry, petroleum remains a prominent sector. Texas continued to lead the Nation in the production of oil and gas, and remained the leader in proved reserves . . .

There was a modest pickup of drilling activity in 1976 . . . programs to lessen U.S. dependence on imported oil should spur further activity in the period ahead.

Mr. President, I quote this information from the First City Bankcorporation annual report because it demonstrates how integrally involved that bank and holding company is with oil and gas interests. Now I would like to describe Mr. Coleman's connection with that organization.

The chairman and chief executive officer of the First City Bankcorporation is James A. Elkins, Jr., whose father was the senior chairman of the Bankcorporation's board and the senior partner in the law firm of Vinson, Elkins, Weems & Searls (now Vinson, Elkins, Searls, Connally & Smith). Although Mr. Elkins is not a partner, that law firm—Mr. Coleman's law firm—represents First City Bankcorporation.

J. A. Elkins, Jr., is also a director of Eastern Airlines, a major purchaser of petroleum products, and a director of the Cameron Iron Works, an international producer of oil, gas, and power generation equipment and products.

Mr. Coleman is also connected to the First City Bankcorporation through John Connally, the former Secretary of the Treasury, who is the leading partner in Mr. Coleman's law firm, Vinson & Elkins.

Let us not overlook the fact that law firms do well and the partners in those law firms do well when their clients do well. The relationship between First City Bankcorporation and Vinson and Elkins is not an unimportant detail relating to Mr. Elkins' concern and involvement with the oil industry.

I would like to take this moment to summarize where we stand, because the story becomes even more complicated. So far I have demonstrated that Mr. Coleman is a partner at Vinson and Elkins, which represents the First City Bankcorporation of Texas, and which has one leading partner, Mr. Connally, on the board of directors of that bank holding company, and which has "blood" ties to that bank through J. A. Elkins, Jr.

Perhaps it would help to compare these relationships to a family—one big, happy family that makes its money in every facet of the oil, gas, coal, and equipment industry. Mr. Coleman may not be a brother to First City Bankcorporation, but he is certainly equal to a first cousin.

But, to continue the metaphor, Mr. Coleman also has many other relatives in the oil and gas industry. They would be second cousins. The connecting link is on the board of directors of the First City Bankcorporation.

Who are the members of that board? In 1976, those members included Randall Meyer, president of the Exxon Corporation of America, one of the largest oil companies in the world. Another member of the board is Mr. W. A. Wright, the retired chairman and chief executive officer of Exxon, U.S.A. Another member of that board is Alfred Glassel, Jr. who is also the director of the El Paso Natural Gas system. Still another board member is Mr. H. B. Keck, who is a director and president of the Superior Oil Co.

The point I am making is this: Mr. Coleman works for the law firm which represents First City Bankcorporation. His law firm is integrally in the financial interests of that bank holding company. He has represented interests for that bank holding company. And each one of the members of the bank board of directors have other connections with the oil and gas industry. For example, one of Mr. Coleman's own law partners at Vinson and Elkins, John E. Kolb, is a director at the Superior Oil Co. So, Mr. Coleman is tied to Superior Oil Co. both through Mr. Kolb and through his firm's association with Mr. Keck, who is a member of the board at First City.

If some of this sounds complicated, if some of this sounds as if it is just a totality of involvement, it is only because that is the fact. There is no drawing of a line where Mr. Coleman separates himself from the oil and gas industry. He is not just like any other lawyer who represents just a client. Mr. Coleman is a part of a law firm that is so tied in to the oil and gas industry that it is impossible to provide any separation. It is not just that he has represented some clients who have oil and gas interests.

Mr. Coleman also has connections with other oil companies through his legal partnership. One Vinson & Elkins partner, A. Frank Smith, is also a director of Austral Oil Co., the company that Mr. Coleman represented before the Federal Power Commission in an effort to obtain a departure from cost-based pricing.

Cost-based pricing means if you maintain cost-based pricing it helps the public and the consumer. If you can have a departure from the cost-based pricing, which the FTC has gone to, it means the pricing will go up to the American people, and the gas companies will make more money.

Another partner is Rush Moody, director of the Vinson & Elkins Washington office, where Mr. Coleman worked. Mr. Moody is a director of the Tipperary Co., a multimillion-dollar gas, oil, and liquefied natural gas producer in Midland, Tex. Still another connection is that of Marvin K. Collie, a Vinson & Elkins partner who is a member of the board of the First National City Bank of Houston, the bank holding company's flagship bank.

Mr. President, I must ask the question again—where do you draw the line? We are being asked here to confirm Mr. Coleman to the extremely sensitive post of General Counsel to the Department of Energy, even though he has professional ties throughout every facet of the oil and gas industry in every nook and corner. We cannot assume that Mr. Coleman is ignorant of these connections. That would stretch credibility too far. Mr. Coleman certainly knows which persons are on the boards of the bank and oil companies. If he does not know, then he would never have gained his reputation as an astute and skillful lawyer.

Yes, I am sure that Mr. Coleman knows that Mr. Wright of Exxon sits across the conference table during First City Bankcorporation board meetings from John Connally, Mr. Coleman's law partner. Surely Mr. Coleman is aware that when members of the boards of companies that are involved in oil production, gas production, oil distribution, construction equipment for oil and gas, pipeline companies and oil and gas company financing get together in one room, they will talk about their interests. Mr. Coleman is not the black sheep of that family. He is not just an unknown cousin, one who has plugged away doing his job without recognition. Quite the contrary. He has been a rising star through his association with the gas and oil industry.

Those companies would like nothing better than to have Mr. Coleman acting as the General Counsel to the Department of Energy. It would be extremely difficult, if not impossible, for Mr. Coleman to ignore the phone calls he receives from his oil and gas company friends down in Texas. But will he be equally accessible to a public interest group which is trying to keep consumer prices down? I seriously doubt that he would.

I believe that Mr. Coleman's long association throughout his professional career with the oil and gas industry will create tremendous problems for the Department of Energy. Every decision he makes must be examined and every decision he makes will again lead to the credibility gap.

I have spent a considerable amount of time detailing Mr. Coleman's extensive ties to the oil and gas industry, because that is one of the central issues facing us as we consider this nomination.

During the course of the day and through the morning, I shall address my-

self to other issues concerning Mr. Coleman's nomination. But the basic issue is, can Mr. Coleman truly separate himself from the oil and gas industry he has represented for so long? I do not think he can. Can Mr. Coleman now throw off the mantle of the oil and gas interests and represent the consumer interests? I do not think he can.

Senators JACKSON and CHURCH expressed serious reservations about the Coleman nomination, although they voted in committee to report this nomination to the floor. I think it is important that we introduce into the record their statement from the committee's report:

> Whether this administration, or any administration, can win acceptance and support for its energy policies depends in the final analysis on public perceptions of and confidence in the men and women who are formulating and advocating those policies. The general counsel is one of the four principal officers of the Department of Energy. He should be an active participant in the important regulatory an policy decisions on energy. To be effective he must have the confidence of the many interests affected by his decisions. He must not only be fair and impartial but also be perceived as fair and impartial.
>
> The question is whether Mr. Coleman, despite his obvious ability and concern about conflict of interest problems, can establish and maintain public credibility and confidence as general counsel in light of his prior association with a law firm heavily involved in energy industry representation.

Mr. President, I am also opposed to this nomination because it violates President Carter's pledge to close the "revolving door" between Government agencies and the industries they regulate. As a candidate, Mr. Carter strongly criticized the "sweetheart arrangements" between oil and gas companies and the regulatory agencies in the Federal Government. Speaking in St. Petersburg, Fla., during the 1976 campaign, Mr. Carter stated:

> There is a sweetheart arrangement between regulatory agencies and the industries they are supposed to be regulating. It doesn't take long before the consumer is forgotten. There is no way to tell where the Federal energy agency stops and the oil industry begins.

In another statement before the Democratic platform committee, Mr. Carter, the candidate stated:

> The sweetheart arrangement between regulatory agencies and the regulated industries must be broken up and the revolving door between them should be closed.

But the Coleman nomination contradicts those statements. According to the agreement he has signed with the White House, Mr. Coleman will be allowed to take part in all Department of Energy decisions after his first year—even those that involve the personal clients and the Vinson and Elkins clients listed in the White House agreement. At the end of Mr. Coleman's tenure with DOE, he will be allowed again to represent clients before departmental proceedings after only 1 year. While this meets the legal minimum, it shows a lack of sensitivity to the basic problem—establishing credibility for the Department of Energy.

In a letter that Mr. Coleman has circulated to the Members of the Senate, he has indicated that that period is 2 years, not 1 year. I do not know whether it is 1 year or 2 years, although the best information that I have states a limitation of 1 year, but it is really quite immaterial whether it is 1 year or 2 years. That is not the determinant. If he goes back into that same industry and knows he is going back, he can afford to be off for 2 years, because he will be the expert in the field; he will be the acknowledged leader. And he will be following a host of other persons who have done the same thing, who have come from the industry being regulated and gone back, after they became a Government regulator, into that same industry, usually earning far more money for the balance of their lives.

Under this agreement, whether it be 1 year or 2 years, Mr. Coleman will be allowed to take part in DOE decisions affecting oil and gas companies that he may be personally representing only 1 year later. The public will rightfully ask: did he make a favorable decision knowing that he would soon be representing that company? At this time Mr. Coleman may have no such intentions, but we have no safeguard to prevent it from happening and Mr. Coleman certainly has not addressed himself to the subject, except to indicate that he will not commit himself not to go back into the industry.

A 1-year or 2-year "breathing period" is much too short for the sensitive post of General Counsel.

This is just one example of the insensitivity that the administration has shown to the public demand for credibility in the Department of Energy. Secretary Schlesinger has attempted to lightly dismiss the ties that Mr. Coleman has to the oil and gas industry. Speaking on November 15, 1977, to the American Petroleum Institute, Mr. Schlesinger stated:

> Of late, I have heard much of a law firm called Vinson and Elkins and we have nominated for the post of General Counsel of the Department of Energy Lynn Coleman of that firm. Let me say about the Coleman nomination that when the day comes in this country that in the quest for purity mere personal rectitude is not sufficient and we move on to higher standards, such as guilt by association, we will come to a sad pass.

Mr. President, I believe that Secretary Schlesinger's remarks demonstrate a complete insensitivity to the serious questions of favoritism and conflict of interest raised by the Coleman nomination. Mr. Schlesinger need only look at the record of how many other governmental employees have come from the industry, come back into the Government to be regulators and then left the Government to go back into that same industry.

Mr. Coleman's long-standing ties with the oil and gas industry will raise continuing questions about his fairness and impartiality as General Counsel. These considerations are not merely incidental. They are not secondary. They strike to the heart of the questions of how we can pass new energy legislation that can win the support and confidence of the American people.

The Department of Energy has not gained the confidence of the American people. The American people doubt that there is an energy crisis. The American people do not believe the facts and figures they get from the Department of Energy, and neither do those of us who are in Congress if we look at the backup material.

The public has a right to be concerned about issues of favoritism in our Federal energy agencies. Anyone who follows those agencies knows that their track record is very poor. Time and again they have been found guilty of misusing billions of dollars. Last July, the task force on compliance and enforcement issued a report that was sharply critical of the Federal energy agency, one of the predecessors of the Department of Energy. That task force was chaired by an outsider, not by the Department of Energy, Stanley Sporkin, a man who has won a reputation as a hard-hitting regulator at the Securities and Exchange Commission. Let me read a few passages from the Sporkin report to demonstrate how widespread the problems of fair and equitable enforcement have been in the FEA in recent years:

> The FEA's enforcement program has historically been ineffective without either the commitment or direction to do the job that, in retrospect, was clearly required. With a lack of a single-minded sense of purpose and commitment from the highest levels of the agency, the enforcement program has floundered and moved from crisis to crisis with few real successes. under each administrator, the agency's enforcement resources were reprogrammed time and again to satisfy a real or imagined crises-of-moment when it should have been comprehensively addressing the more fundamental problems in the industry it was required to regulate.

Mr. President, that is just the beginning. Let me continue with further quotes from the Sporkin report:

> Overcharges to the consuming public, possibly amounting to billions of dollars, have yet to be recovered. During the early years of the refiner program, only one or two auditors were assigned to some of the major refiners with global operations and billions of dollars in corporate sales. Even today there are entirely inadequate audit resources and no lawyers assigned on a fulltime basis to any of the major refiners . . .

Still another quote:

> The public legitimately expected that violative conduct, particularly by industry leaders, would be detected by vigorous and competent investigative work and that appropriate remedial and compensatory action would be taken. Unfortunately, these public expectations have been largely unfulfilled even though our nation's consumers—particularly during the crisis of the 1973–74 oil embargo—may have been victimized. Unfortunately, while industry giants may have been engaging in substantial violations of our national energy laws, FEA enforcement objectives have, for

the most part, not been directed toward bringing the full brunt of the Federal Government's resources to bear on the violators.

The Sporkin report also addressed the role of the legal counsel at FEA in enforcing these overcharges involving billions of dollars. As the report stated, the General Counsel's office failed to step in and vigorously enforce laws and only served to create more confusion. Again, I would like to quote from the report:

No realistic time limits are set for counsel's review, or, where deadlines have been established, they often cannot be met. On those occasions where counsel feels pressed because a matter has lingered too long in his office, files are often returned to the auditor. . . . This exercise in administrative "ping pong" ultimately paralyzes not only the enforcement process but also those who are charged with its administration.

To make the enforcement program effective, counsel must abandon its detached role and be afforded an opportunity to participate in the creative pride associated with developing and presenting a case. This can be best accomplished by having attorneys play integral roles in the development of individual enforcement actions at their incipient stages.

Mr. President, as the Sporkin report shows, the position of General Counsel is an extremely important position. His decisions will affect thousands of employees within the Department of Energy. He will be in a position to decide cases involving billions of dollars The question is how Mr. Coleman would make those decisions as General Counsel. Would he resort to a game of administrative "ping-pong," as previous Administrators have? Will he refuse to take an active leadership role to enforce laws against the giants in the oil and gas industry who are guilty of overcharging customers to the tune of billions of dollars?

Mr. President, we are also dealing with the public perception. Will the public believe that Mr. Coleman is doing all he can to enforce the laws against the oil and gas industry fairly and equitably? Will the public believe that Mr. Coleman will weigh their needs equally with the interests of the oil and gas companies who Mr. Coleman has represented in the past?

I believe the Coleman nomination will raise these serious questions and many others. Mr. Coleman may perform his duties as General Counsel with the highest standards of integrity, but the public will remain skeptical of his actions. Mr. President, we do not need more questions for the Department of Energy. We do not need to raise more suspicions. Instead, we must appoint men and women of the highest caliber who have demonstrated their commitment to the public interest We cannot accept on faith alone that Mr. Coleman will fully represent the public interest. We cannot ignore past problems of favoritism and illegalities within the Federal energy agencies. We have established a new Department of Energy to help solve the Nation's energy crisis. We must do everything possible to get that agency off to a good start, and the first step should be by appointing men and women who are not tainted by their past associations with the oil and gas industry they will regulate

Mr. Coleman's nomination simply does not meet that standard. It does not fill the bill. Mr. Coleman has personally represented many oil and gas companies. His law partners are on the boards of oil companies and bank holding companies that finance major oil and gas ventures. His law firm is regarded as one of the most prominent in the entire oil and gas field. I believe that confirming Mr. Coleman to this post would be a disservice to the Department of Energy, to the American people, and to the Congress, which is trying to develop a workable national energy program. I urge my colleagues to join me in sending this nomination back to committee for further consideration.

Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. METZENBAUM. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. METZENBAUM. Mr. President, on behalf of Senator JACKSON, I ask unanimous consent that the following staff persons be allowed the privilege of the floor during the debate regarding the nomination of Lynn R. Coleman to be General Counsel of the Department of Energy: D. Michael Harvey, Grenville Garside, and Patricia L. Chapman.

On behalf of myself, I ask unanimous consent that James Phillips and Tom Hall be granted the same privileges.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BENTSEN. Mr. President, I rise in support of Lynn Coleman's nomination for the position of General Counsel in the Department of Energy.

If we follow the logic of my friend who has just commented we can forget about having doctors in NIH and we can forget about having lawyers in the Department of Justice and we could go on on-the-job training until we achieved some kind of a level of competence to discharge the responsibilities.

So I rise in support of Lynn Coleman's nomination to the position of General Counsel in that Department.

I submit that he is clearly qualified for this position. I have yet to hear a good, sound, or justifiable reason why it should be denied to him.

Mr. President, to the extent that we make Lynn Coleman a martyr to the cause of implied but clearly unsubstantiated conflict of interest, we do a great disservice both to Mr. Coleman and I think to this country of ours. We shall prejudice the ability of this and future administrations to recruit well-qualified and talented individuals to the top-level positions of Government if there is to be pillory such as this.

Lynn Coleman's nomination has been pending now for over 7 months. His entire professional career is a matter of public record. His background and his character have been examined by a legion of investigators just out to try to find some good reason to oppose this nomination.

Lynn Coleman has emerged from this scrutiny without a shadow of a doubt being cast on his competence and his integrity. No one has presented a shred of evidence to suggest that Lynn Coleman is anything but a first-class lawyer of impeccable integrity and reputation. Even his harshest critics acknowledge that he is a man of talent and integrity who seeks only to serve his nation in the area of his professional expertise.

Have we come to the point that we think that anyone who takes a job in Government is just going to vote his pocketbook? Have we come to the point in the Senate where we believe that people here just vote for their economic interests personally, that they are not capable of rising above that, that integrity no longer stands for anything in this country but every person is a suspect?

I think we can all agree that if Lynn Coleman were nominated as General Counsel for any department other than Energy his appointment would be universally acclaimed.

Lynn Coleman's nomination, however, is obviously controversial. Let us weigh these arguments levelled against Mr. Coleman and determine whether they constitute sufficient cause to reject him for the position to which he has been nominated.

When the trivia and the rhetoric are cleared from the docket, it becomes apparent that Lynn Coleman is being charged on two counts: guilt by association and accusation by innuendo.

The case against Mr. Coleman, though, has not been made very effectively, because it cannot be made effectively. Opponents of the Coleman nomination quote on occasion from the minority views of Senators JACKSON and CHURCH appended to the committee report on the Coleman hearings. The opponents have neglected to include the first operative sentence of the report, which I shall now read into the RECORD.

We concur in the majority view that Mr. Coleman is qualified to serve as General Counsel of the Department of Energy.

To oppose Mr. Coleman's nomination as General Counsel for the Department of Energy, one must accept the insinuation that the nominee has sinister motives in accepting this appointment, an assertion that flies in the face of all available evidence.

It is maintained, quite accurately, that for the past 13 years Lynn Coleman has been employed by a major Texas law firm, Vinson & Elkins, with important clients in the field of energy. It is maintained, accurately, that Mr. Coleman has represented some of these clients before the bar.

It is implied, without any basis for the inference, that this professional ex-

perience means that Lynn Coleman will become some kind of a fifth column within the DOE; that he is being implanted by some evil force to act as an advocate of energy producers to the detriment of the consuming public and the administration's energy plans.

One of Mr. Coleman's most valuable assets, his familiarity with energy matters and legislation, the thing that ought to be most in his favor, is used as a club to flail his nomination. The basic issue in dispute, Mr. President, is the question of the competence and integrity in Government. That is what we are looking for in these people that we ask to come down here and serve, often at a great financial cost to themselves.

I assume that opponents of the Coleman nomination wish to see a lawyer with Mr. Coleman's proven ability and integrity, but without his familiarity in the field of energy, nominated as the General Counsel of the Department of Energy. Such a "pure" individual, with a little on-the-job training for a year or two, could presumably come to grips with the duties of the General Counsel and could be counted on to be "neutral" in energy matters.

Mr. President, we do not have that kind of time. We have some serious energy problems in this country that are having to be addressed every day.

I submit that it is naive to assume that ignorance yields "pure" or impartial policy decisions. Too often, ignorance produces uninformed decisions, and we have had enough of those around here.

I submit that the Department of Energy needs a General Counsel who will get to work without spending that year familiarizing himself with energy matters.

We have established and acknowledged the fact that Lynn Coleman handled energy cases for Vinson & Elkins. Mr. Coleman has provided a detailed description of each and every case on which he worked and that is a matter of public record.

The record, Mr. President, belies the statement made by opponents of this nomination that "at no time has Mr. Coleman ever represented the interest of the consumers and the public." That is hogwash. The record also refutes the inference that Mr. Coleman has earned his livelihood by representing the interests of major oil firms, clients of Vinson & Elkins, before the bar. The fact of the matter is that Lynn Coleman has never represented major oil companies in court. Most of his experience, prior to 1970, was in representing either independent producers or pipelines, that are frequently in opposition to other sectors of the petroleum industry.

The fact of the matter is that his efforts on behalf of small Montana producers, against the Montana Power Co. and some of the interstate pipelines, has won him the endorsement of the late Senator Lee Metcalf in the Senate, and I do not know of any stronger representative of consumers in this Senate than was the distinguished Senator Lee Metcalf.

The fact of the matter, Mr. President, is that Lynn Coleman spent most of the period from 1973 to 1976 representing the Commonwealth of Puerto Rico in energy matters and frequently opposed the interests of the large oil companies.

The fact of the matter is that opponents of the Lynn nomination insinuate that, by representing energy clients in the courtroom, he has sacrificed his personal objectivity and his integrity. I submit, Mr. President, that that is a charge that is without any basis in fact.

It is unfair to Mr. Coleman. It is totally inconsistent with the precepts of American jurisprudence.

Finally, Mr. President, the case against Lynn Coleman rests on the second shaky pillar of conflict of interest, of what his future intentions might be. It is, of course, impossible to make a charge without imputing the integrity of Mr. Coleman.

It has been established beyond any reasonable doubt that Lynn Coleman is a man of integrity. He has made an exceptional effort to ease any doubts about his ultimate intentions in accepting this appointment. He went down and signed an agreement with the White House that goes beyond the already stringent standards established to put an end to this revolving door aspect of Federal employment and return to private industry.

I will tell you what this fellow has done. He has undertaken a commitment not to appear for a period of 2 years on behalf of any part in any matter that would have been under his official responsibility in DOE. Now, to the best of my knowledge, that is unique in the annals of government service. If someone else has done that, I do not know of it. I think that is an exceptional thing this man has done.

You know, it would appear, Mr. President, that about the only way Lynn Coleman could satisfy some of his critics on the issue of conflict of interest or future intentions would be to go down and sign an agreement to the effect that he will never return to the private legal practice that involves any aspect of energy law. Now that, I submit, would be an unwarranted, unjustified demand for a talented lawyer not yet 40 years of age.

It is precisely the sort of demand that would serve to discourage young people with ability from accepting Government service.

There is no good reason to assume that Lynn Coleman has base motives in accepting this appointment. There is no good reason to infer that Lynn Coleman can be bought. There is no good reason to judge Lynn Coleman guilty until he proves himself innocent. Indeed, Mr. President, if the long process of Lynn Coleman's Senate confirmation demonstrates anything it is that the nominee we are considering today is a man of honesty, ability, and integrity. There is simply no evidence to supply a contrary conclusion.

In conclusion, Mr. President, let me refer briefly to the argument that the Senate rejection of Mr. Robert Morris for the Federal Power Commission 5 years ago provides a sound precedent for rejecting Mr. Coleman's nomination.

Well, if you look at it there is precious little similarity between the two cases. I voted against the appointment of Mr. Morris. He had represented one major oil company for 15 years. Mr. Coleman, on the other hand, has represented a variety of energy, mostly small producers, independents, the Commonwealth of Puerto Rico.

His experience has been in the energy law. It has not been in the service of a single company, much less a major oil producer.

I also think it is interesting to note that Mr. Coleman, if confirmed by the Senate, will be the only high-level official in the Department of Energy with practical courtroom experience in energy law.

I believe that the Department and the Nation will benefit from Lynn Coleman's background, his experience, his proven record of ability and integrity.

Mr. President, Lynn Coleman is intellectually qualified, and he is professionally qualified to be the General Counsel of the Department of Energy. He represents precisely the sort of private sector asset that must be effectively utilized in Government service. Even his harshest critics acknowledge that his personal integrity and competence are beyond reproach. There is no good reason to question his motivations in accepting this position, or to delay any longer in provident Senate confirmation.

I agree entirely with the conclusion of the Energy Committee which thoroughly examined the question of potential conflicts of interest in the Coleman nomination:

> Under the circumstances, Mr. Coleman has taken satisfactory steps to avoid conflicts or the appearance of conflicts. In the final analysis * * *

And this is really what it is all about—

> In the final analysis the integrity of individuals involved is the ultimate assurance that the public interests will be protected in situations of this nature. Mr. Coleman's integrity is unquestioned.

Mr. President, I ask unanimous consent that Mr. Edward Knight and Mr. Gary Bushell be allowed the privileges of the floor during the debate on this nomination.

The PRESIDING OFFICER (Mr. ALLEN). Without objection, it is so ordered.

Mr. METZENBAUM. Mr. President, would my good friend from Texas yield for questioning?

Mr. BENTSEN. Yes, I yield for a question.

Mr. METZENBAUM. The Senator from Texas indicated that Lynn Coleman's nomination was supported by the late distinguished Senator from Montana, Lee Metcalf. As a matter of fact, I had spoken with Senator Metcalf before he passed away and I gained a contrary impression from him, indicating that he did not expect to vote for his confirmation.

But if the Senator from Texas has some information with which I am not

familiar, I would appreciate being advised by him as to that.

Mr. BENTSEN. I will be very happy to. I will develop the information for the Senator from Ohio.

Mr. METZENBAUM. All right. Because at this moment I think, to the best of my knowledge, that while the late Senator from Montana thought well of the work of Mr. Lynn Coleman in the case that he handled in Montana, my recollection was that he had indicated to me that if the matter came to a vote, he would vote in opposition to confirmation.

As I say, if I am wrong, I would like to be apprised by the Senator from Texas to that effect.

Mr. BENTSEN. I shall be very pleased to do so.

Mr. METZENBAUM. I thank the Senator.

I also wish to state that at a later point in the day I shall address myself to the question of some of the cases which Mr. Lynn Coleman handled, and the issue as to whether or not they were on the side of the public or whether they were directly in accordance with his relationship with the oil and gas industry. But this morning I would like to respond to some of the points made by the distinguished Senator from Texas concerning the confirmation of the nomination of Mr. Morris and the relationship of that matter to the matter before us at this time.

Mr. President, I have stated before—and permit me to state again—that my—opposition to Mr. Coleman's confirmation as General Counsel of the Department of Energy is not based on any questions I have about Mr. Coleman's competence or his personal integrity.

In his testimony before the Committee on Energy and Natural Resources, Mr. Coleman gave repeated assurances that he would perform his duties at DOE without reference to his prior role as an advocate for the interests of the oil and gas industry. I see no reason to doubt that these promises were made sincerely.

And as to his competence, the very fact that he was retained by this powerful industry—an industry that can afford to hire the very best in legal talent—is persuasive evidence of his professional abilities as an attorney.

In short, Mr. President, my reasons for opposing this confirmation have nothing to do with Lynn Coleman as an individual. Rather, my opposition is grounded in my conviction that the American people cannot and should not be asked to put their faith in a national energy program administered by former—and quite likely future—employees of the energy industry.

Officials of the Department of Energy will be faced in the next few years with difficult and controversial decisions that will touch the lives of all Americans. There must be no question whatever of conflicts of interest on the part of those officials and there must be no reason for the public to believe that special interests have undue access to the process of decisionmaking.

Mr. President, on June 13, 1973, the Senate considered and rejected President Nixon's nomination of Robert H. Morris to serve on the Federal Power Commission. Mr. Morris, a highly regarded San Francisco attorney and a Democrat, had represented the Standard Oil Co. of California for 15 years prior to his nomination to the FPC. His professional focus had been on natural gas matters involving the FPC as well as nonregulatory gas problems.

As is the case with Mr. Coleman, no Senator raised questions about Mr. Morris' integrity. No Senator suggested that the views of a lawyer must necessarily reflect those of a long-term client. No Senator maintained that Mr. Morris was a creature of the oil industry.

But, Mr. President, the issue that was decisive to a majority of this body in the Morris case is the same one that I find most troublesome in the case of Mr. Coleman. It was and is whether the public interest is served by placing a person with strong ties to a powerful industry in a position to make decisions that vitally affect the future of that industry. The Senate decided in the Morris case that it was not. I believe that we should reach the same conclusion with regard to Mr. Coleman.

During the debate on the Morris nomination, Senator MAGNUSON, who led the opposition to confirmation, made an eloquent statement in which he pointed out that the issues confronting the Senate in this matter went far beyond narrow considerations about the suitability of a particular individual for a particular position.

"The public is legitimately skeptical," Senator MAGNUSON said, "toward regulatory agencies where important positions are assumed from the industries to be regulated. If public confidence is to be restored in the fair dealing and integrity of government during these troubled times, there would seem to be no better way to begin than with conflict-of-interest free appointments to Federal offices."

"The Senate," he continued, "should serve notice on the President that it expects revision of his criteria for the selection of nominees to all regulatory agencies. Now, more than ever, the Senate should not be asked to confirm appointments to regulatory agencies which appear to have been designed as rewards for politically supportive industries or other special interest groups. Instead, the Senate should be asked to confirm nominees who have demonstrated competence and commitment to the public interest."

In that same debate, the late Senator Phillip Hart addressed the same issue with the clarity, the insight, and the directness that were so central to the profound respect he inspired among those of us who were fortunate enough to know him and to work with him.

"Surely we have learned," Senator HART stated, "that one item that Government, public business, is short of is credibility. I am suggesting that this nominee could be the wisest, most resourceful public utility lawyer in America. And when he goes on the Power Commission, he might be the most objective and discerning pro-public voice. But that commission is going to have to come up with decisions that will displease enormous segments of the community in this country, and we hope the public will believe that such decisions are compelled because of overriding public necessity. We are going to have an extremely tough job selling it if the voice we put on now has been the voice of Standard Oil of California for the last 10 or 15 years."

Mr. President, another powerful voice in the Morris debate was that of our distinguished colleague from South Carolina, Senator HOLLINGS. His comments on that issue are directly relevant to the nomination before us today. He stated:

> Regulatory commissions derive their power and authority directly from Congress. Hence, as members of Congress, we would be remiss in our duties if we did not oversee regulatory activities to ensure that they continue to serve the objectives we have set. The philosophy and background of the nominees confirmed by the Senate as Federal Power Commissioners is of overriding importance in effectuating or in frustrating these objectives. The Federal Power Commission was established with a strong mandate to protect the consumer from market powers of the energy industry. The commission must assume the responsibility of assuring adequate supplies of energy at the lowest reasonable price to the consumer.
>
> If it is to achieve this goal, it must have members who will look with critical objectivity at the requests of industry. If public confidence is to be restored in the fair dealing of government during these troubled times, there would seem to be no better way to begin than with conflict-of-interest-free appointments to the Federal Power Commission.
>
> Therefore, I urge rejection of Mr. Morris' nomination.

Mr. President, on June 7, 1973, the Washington Post published an editorial on the Morris nomination entitled "the wrong man for the FPC." Once again, that editorial is directly relevant to the issues surrounding Mr. Coleman's confirmation.

The Post commented on the Morris case as follows:

> Regulatory agencies frequently fall captive to the industries that they are supposed to regulate. But even by the regrettable standards of that tradition, the present state of the Federal Power Commission is extraordinary. The chairman is a New Hampshire lawyer who, in his private practice, was counsel to a gas utility. One member is a lawyer from a Texas firm that specializes in representing gas and oil interests.
>
> Two other members are Republicans from Capitol Hill, one of them a retired Illinois Congressman and the second a senator's former administrative assistant. Among the four there is none who can properly be called a critic of the industry, or a spokesman for its customers.
>
> The fifth seat on the commission is vacant. Last December the President nominated Robert H. Morris, a San Francisco lawyer who has spent much of his career representing Standard Oil of California. Several senators

have carried on a long delaying action against confirmation of Mr. Morris. But now his nomination is about to come to the Senate floor. The question is not whether the industry's view deserves representation within the FPC. It is whether any other view is to be represented. Mr. Morris' integrity and competence are not in question. But at a time when public confidence in the federal government is not high, the Senate would make a grievous error in awarding still another seat on the FPC to a lawyer who, in his private career, spoke for the oil and gas industry.

The industry might usefully ask itself whether its own interests are really served by this crude tactic of excluding all dissent from the commission. Over the next several years, the federal government is going to have to make a series of hard decisions regarding prices and taxation of gas and oil. These decisions will be political. They will reflect voters' impressions as to whether they are being treated fairly. It is something of an understatement to say that currently the oil and gas industry does not enjoy any great degree of public trust and affection.

I would like to reread that sentence from the Washington Post editorial because if it was true then it certainly is true today.

It is something of an understatement to say that currently the oil and gas industry does not enjoy any great degree of public trust and affection.

The industry might consider whether anyone will put much credence in the findings and rulings of an FPC dominated by lawyers who, before coming to Washington, worked for the gas and oil companies. The Senators ought not have much trouble answering that question. The proper course for the Senate is to reject Mr. Morris' nomination.

And finally, Mr. President, I want to share with my colleagues the comments made by the senior Senator from Indiana on the Morris case. Once again, they go to the heart of my objections to confirmation of Mr. Coleman.

Mr. BAYH. Mr. President, I have determined to oppose the nomination of Robert Morris to the Federal Power Commission because of a deep conviction that our regulatory commission can best serve the public if they are composed of a broad spectrum of opinion and backgrounds.

Nothing has been brought forth to cast doubt on the integrity of Mr. Morris. Indeed, my opposition to his confirmation is not a reflection on his ability or honesty. Rather it is a reflection on the broader issue of how regulatory commissions should be structured and how commissions should be selected.

It is in this context that the words of the distinguished chairman of the Commerce Committee (Mr. MAGNUSON) are so appropriate. Quoting from the chairman's additional views in the committee report on the nomination:

The public would have more confidence in the commission whose membership reflected independence and commitment to the public interest.

Without impugning Mr. Morris' motives or integrity, the public would fairly be skeptical of the open-mindedness of a commissioner who served ably as counsel to Standard Oil of California for 15 years in matters where the public interest could be vastly different than that of Standard Oil.

Since there are many able persons who could serve on the FPC whose prior experience would not engender public skepticism, I am satisfied that Senate should make clear its desire to have a nominee who would definitely bring balance to a commission which is heavily represented by commissioners sympathetic to industry interests. The public has a right, to which we should be sensitive, to expect the FPC, and all regulatory bodies, to have a reasonable balance so that the public interest can be adequately served.

Mr. President, it is true that in the Morris case they were talking about one commissioner out of five. In the Coleman case we are talking about the General Counsel for the Department of Energy. It is not a group of men. Maybe that makes the case even that much stronger.

Mr. President, I believe that the Morris nomination presented the Senate with the same kind of choice we now face with regard to Mr. Coleman.

There was no reason to question Mr. Morris' integrity. Nor is there with Mr. Coleman.

There was no reason to question Mr. Morris' professional competence. Nor is there with Mr. Coleman.

But Mr. Morris' nomination represented something more to the Senate and to the public than the narrow issue of his personal qualifications as a nominee. And the same is true of Mr. Coleman.

That something more is the question of whether or not this Nation can afford to permit its energy policy to be made by long-standing advocates of special interest positions. I submit that if we do so—if we rely on the energy industry to provide key personnel for Government—then we will sacrifice that credibility with the American public to which Senators MAGNUSON, HART, HOLLINGS, BAYH, and others referred so forcefully in the debate on Mr. Morris.

Mr. President, we will be faced in the next few years with energy decisions of direct, personal importance to each and every American. Those decisions will be difficult. They will often be controversial. They will demand sacrifice by the people.

In rejecting the Morris nomination, the Senate sent a message to the administration the the revolving door between Government and industry must be closed. That message may have been received, but its true meaning has not taken hold.

I hope that in 1978, the Senate will see its way clear to send that message once again. I urge the Senate in the strongest terms to reject the Coleman nomination.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

TIME LIMITATION AGREEMENT—S. 2727

Mr. ROBERT C. BYRD. Mr. President, as in legislative session, I ask unanimous consent that at such time as S. 2727, the amateur athletic activity measure, is called up before the Senate, there be a time limitation thereon as follows: 1 hour for debate on the bill, equally divided between Mr. CANNON and Mr. PEARSON; 30 minutes on any amendment; 20 minutes on any debatable motion, appeal, or point of order if such is submitted to the Senate; and that the agreement be in the usual form.

The PRESIDING OFFICER. Is there objection? Hearing no objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, as in legislative session, it is hoped that this measure can be brought up this afternoon at around 3 o'clock if the debate on the nomination should lag, so it is possible that the Senate can complete action on this bill today.

RECESS UNTIL 12 NOON

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess until 12 noon today.

There being no objection, the Senate, at 11:35 a.m., recessed until 12 noon; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. ALLEN).

The PRESIDING OFFICER. The Chair, acting as the Senator from Alabama, suggests the absence of a quorum. The clerk will please call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. DURKIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. CHILES). Without objection, it is so ordered.

NOMINATION OF LYNN R. COLEMAN

Mr. DURKIN. Mr. President, last fall when I first heard of the nomination of Lynn R. Coleman to be Chief Legal Officer of the new Department of Energy, I was surprised and confused. Surprised that a lawyer whose professional career has been devoted to representing oil and gas interests would be nominated to such a key public office. And confused because, quite frankly, I expected more from an administration which had promised in 1976 to close the revolving door between industry special interests and the Government agencies which regulate these interests.

Mr. Coleman's professional experience as a lawyer consists of 12 years with the Houston-based law firm, Vinson & Elkins, where Mr. Coleman represented some of the Nation's largest oil and gas firms. He has also been a registered lobbyist for oil and gas companies for the past 5 years. Recently he lobbied for Houston Natural Gas Corp. on the pend-

ing natural gas pricing legislation and authored an amendment which clearly serves the interests of the gas industry.

I want to make clear at the outset that my opposition to the Coleman nomination is no way based upon the nominee's integrity or competence, which I believe are entirely acceptable. But Mr. Coleman's past experience—and his utter lack of experience representing consumer or nonindustry interests—is only one of the reasons why this nomination deserves to be rejected by the Senate. What perhaps is more important, are the questions Mr. Coleman's past experience raise in terms of his would-be position at the Department of Energy:

Has Mr. Coleman adequately eliminated conflicts of interests with past corporate clients?

Does Mr. Coleman's past record mean that as DOE General Counsel, he will have to remove himself from so many cases that he will in effect be crippled to act on important cases?

Has Mr. Coleman demonstrated the sound judgment and objectivity necessary to overcome his past record of industry service?

Does Mr. Coleman have the confidence and credibility of the American people so that his actions as DOE General Counsel will be unquestioned?

Mr. President, every Member of this body should carefully consider the answers to these questions before reaching a decision on the Coleman nomination. As the new General Counsel at DOE, Mr. Coleman will be in a key position to influence the future energy policies and actions of the U.S. Government. This nomination deserves our close scrutiny and consideration.

The Department of Energy presently has pending before it 33 cases involving Vinson & Elkins: 20 compliance matters, 7 cases before the Office of Exceptions and Appeals, 5 lawsuits against the agency, and 1 request for interpretation.

As part of an overall agreement to comply with conflict of interest statutes, particularly section 606 of the Department of Energy Administration Act, Mr. Coleman has agreed to disqualify himself from his firm's 33 cases presently pending before DOE. Mr. Coleman has also agreed to disqualify himself from cases before DOE involving Vinson & Elkins for at least the first year of his tenure as General Counsel. Mr. Coleman also intends to disqualify himself from cases involving Vinson & Elkins clients that Mr. Coleman formerly represented on an extensive basis. These clients include Commonwealth Oil and Refining Corp. and Houston Natural Gas Corp. Finally, Mr. Coleman has said he will disqualify himself from DOE cases involving "regular and substantial" Vinson & Elkins clients. These firms include many large oil and gas firms like Texas Eastern Tranmission Co., and Occidental Petroleum.

This complex and cumbersome procedure to insulate Mr. Coleman from conflicts of interest will clearly inhibit his performance as DOE General Counsel. In addition to all his other duties, Mr. Coleman will have to keep a track record of exactly which cases he can and cannot participate in. And he will constantly be faced with the question, "should I or shouldn't I?", as new DOE cases develop. This will not be an easy or part-time task since DOE presently has over 3,000 cases pending before it. Ironically this tremendous backlog is due in part to the delay and confusion caused by the controversy surrounding Mr. Coleman's nomination.

The cases Mr. Coleman will not disqualify himself from are probably more significant than the above cases in which he will not participate. This is because, as complex and comprehensive as they may seem, the steps Mr. Coleman has taken to eliminate conflicts of interest are simply not adequate. Mr. Coleman's disqualification from cases involving Vinson and Elkins clients he represented on an extensive basis leaves room for many potential conflicts of interest. For example, during the past 5 years Mr. Coleman has represented numerous oil and gas firms that do not fall under this disqualification, including Exxon, Union Oil, Belco Petroleum, American Petrofina Exploration Co., Northwest Pipeline Co., Tricentral Oil U.S., and Transocean Oil Co.

The clear conflict that will exist when Mr. Coleman involves himself in a DOE proceeding involving any of these companies will only serve to increase public distrust and cynicism about Mr. Coleman's objectivity and judgment, and, more importantly and more devastatingly, it cannot help but to increase public distrust and cynicism about the Department of Energy and about the President's energy plan.

There is no way that it cannot increase the public distrust and cynicism that is beginning to manifest itself in the recent polls reflecting the performance of the White House. There is no way, if this Senate confirms Mr. Coleman, that the American public will believe that the U.S. Senate is serious about its commitment to solve the energy crisis in an impartial, objective, and reasonable manner.

Mr. Coleman's potential for conflicts of interest, however, does not end here. Many Vinson and Elkins clients are not "regular and substantial" clients, and under the present agreement Mr. Coleman will not disqualify himself from cases involving these clients. Some of these firms are among the largest corporations in the United States: Exxon, Mobil Oil, Shell, Texaco, Union Oil, Amerada, and Aminoil.

We are not talking about ma and pa stores; we are not talking about small business people. We are not talking about little, one-horse operations. We are not talking about independent drillers; we are not talking about wildcatters. We are talking about some of the largest corporations in the world. I just want to repeat: Exxon, Mobil Oil, Shell, Texaco, Union Oil, Amerada, and Aminoil.

We have a situation where Mr. Coleman is not going to disqualify himself from some cases, but he is going to disqualify himself from another set of cases. If he has been truthful with us, he is going to end up disqualifying himself from so many cases that that Department of Energy General Counsel is going to become an honorary position. He is going to be about as effective as a city greeter.

We have heard a lot about Government reform, and we hope that the commitment to reform maintains itself. But how can we talk about reform, on one hand, and talk about asking the American public to pay $150 billion in increased taxes in the President's tax portion of the energy bill on the other? How can we ask the people to make substantial sacrifices in converting to coal, when we are thinking about confirming an oil company lawyer? How can we ask the people to make substantial sacrifices by adding storm windows, insulation, and other conservation measures? How can we ask the American people to do all these things and have any faith in us? It is bad enough that they will not have any faith in the Department of Energy, but how can we expect that they will have any faith in the U.S. Senate if the Senate goes along with this misguided nomination?

I submit, Mr. President, that we shall all be weighed in the balance on this nomination. We shall all be weighed in the balance when the electric rates continue to go up. We shall all be weighed in the balance when the home heating oil prices go up. We shall all be weighed in the balance when deregulation of natural gas, if it ever does emerge—and let us hope this latest compromise does not—we shall all be weighed in the balance when they move to decontrol the price of gasoline, which is important not just to my area of the country, but important to every motorist in the country.

How can the American public, how can the people sitting in the galleries, and the areas they represent—how are they going to go back home with any confidence in the Senate? They came down here today, probably on a school vacation, a trip to see their Government in action. How are they going to have any confidence in the U.S. Senate, how are they going to have any confidence in the White House, how are they going to have any confidence in the Department of Energy, if we take an oil company lawyer, as capable as he may be, and put him in the second most key position in the Department of Energy? How are they going to have any confidence that the energy policy has their interest in mind, has their concerns in mind? How, are we going to ask those people to sacrifice when we have an oil company lawyer representing, as general counsel, an agency that is supposed to be regulating the oil industry and the energy industry on behalf of the people of this country, on behalf of the consumers?

That is too much to ask. I submit that every American that hears about this nomination, every American that hears about this debate will wonder what hap-

pened to the candidate Carter who appeared before the Democratic National Committee Platform Committee. He made a solemn promise that he was going to end the revolving door between the regulators and the interests they are supposed to regulate.

This nomination is not ending the revolving door, this is giving the revolving door another hefty shove. The American public is not going to be fooled by pious pronouncements, followed by failure to deliver when the nomination comes before us.

I do not know why this nomination is before the Senate now. The President had an opportunity to stop it. The Coleman nomination died a peaceful death when we adjourned sine die last year. Many of us urged the President not to renominate Mr. Coleman. With all the law schools in this country and all the graduates they are putting out, there must be some other lawyer in this country, some other bright, honest lawyer in this country that is not dripping with oil. Why do we have to go to an oil company and get an oil company lawyer to regulate the Department of Energy or to act as general counsel of the Department of Energy?

Mr. President, the answers to these questions, I hope, are obvious. They are obvious to everybody who watched his paycheck disappear into an oil barrel last winter. These answers are obvious to everyone who watched his paycheck disappear into his gasoline tank. These answers are obvious to everyone who has watched the fuel adjustment surcharge wreck his retirement years. These answers are obvious to the people who fell for the Redi Kilowatt ads and have electric heat in their houses. Their electric bills now are higher than their mortgages Their electric bills are higher than their property taxes.

These people know the answer that we are having so much trouble seeing today. These people are not going to be fooled. These people are going to hold us accountable, and rightly; they should.

Mr. President, it is clear that, by approving this nomination, the Senate will be increasing rather than alleviating the public cynicism that, so far, has crippled our Nation's efforts to try to resolve some of our energy problems. It is going to increase the public alienation. We do not have to go out and hire Pat Caddell to do a poll to tell us the American public is becoming more and more alienated every day. Why are they being more alienated every day? It is because of nominations like this.

Look what has happened down at the Department of Energy. Dr. Schlesinger is not going to be satisfied until he has a breeder reactor in every closed gas station in America, and 40,000 gas stations have closed in the last 3 or 4 years. The Department of Energy has become a captive of the big oil and gas interests, a captive of the breeder reactor gang. If we confirm this nomination, we are going to be accelerating that trend. We are going to be increasing the alienation. We are going to be increasing the public cynicism.

I just came back from New Hampshire, where I spent the weekend. It was a beautiful, sunny day in New Hampshire this morning. I hated to come back. The people in New Hampshire—and the people all across this country—are restless. The people are frustrated. The people are looking to us to solve some of their problems.

How? How can we take even the finest oil company lawyer in the whole world, if he is that, and confirm his nomination as General Counsel to the Department of Energy? Mr. President, by confirming this nomination, we are standing up and we are joining Dr. Schlesinger in thumbing our noses at the American public. I do not believe they are going to tolerate it. I think we are going to see some surprises in November. I think we are going to see some surprises in the spring of 1980, and I think we are going to see some surprises in the fall of 1980, if we continue to go down this path, if we continue to ignore the public interest.

We have a special negotiator for inflation. We have a special negotiator for imports. We have a special negotiator for everything but commonsense.

Everybody in America, every cab driver in New York City, knows that if you want objective rulings coming out of the Deparment of Energy, you do not appoint an oil company lawyer as General Counsel.

I only hope that the U.S. Senate has the depth of vision and the common understanding of the problem that every cabdriver in New York has.

Mr. President, for 6 months the Energy Committee carefully reviewed Mr. Coleman's record. We found nothing in Mr. Coleman's background that indicates any commitment to consumers or the public interest. While Mr. Coleman has demonstrated competence in energy matters, especially serving the special interests as an attorney and a lobbyist, and while he may meet statutory requirements regarding conflicts of interest, his appointment raises serious doubt, serious questions, about the relationship between Government agencies and the industries which they are supposed to regulate.

We all know they are not regulating them. They have never regulated them. But this administration was supposed to be different. The leader of this administration slept in houses all over America. telling us there was going to be a different emphasis, "if I am sworn in as President of the United States." This administration promised the American public a lot more. The trouble is, we are hearing more but enjoying it less. This is true not just in New Hampshire but all across the country.

This administration set a high standard, set the highest standard possible. Yet, we have the nomination of an oil company lawyer being sent up twice by this administration to serve as General Counsel to the Department of Energy.

It is an old argument. I spent 5 years as insurance commissioner in the State of New Hampshire. Prior to that time, you had to be an insurance man in order to be insurance commissioner. People said, "If you don't understand all the nuances, if you don't understand all the problems"—and that same rationale is being applied here today.

You do not have to be an oil company lawyer to understand the problems of the consumers who cannot pay for last year's oil. You do not have to be an oil company lawyer to be bright, intelligent, honest, hard working, industrious, dedicated to the real interests and the real needs of the American public, the senior citizens, the small business people, the average working family all across this country. You do not have to be an oil company lawyer, any more than I had to be an insurance man to serve as insurance commissioner in the State of New Hampshire. I thought that rationale was dead. I thought that rationale had been buried. I thought that rationale had made that last trip to San Clemente.

I am more and more concerned that the old saw is like a Ray-O-Vac battery. It seems to have nine lives. Every time you stamp it out, it pops up again somewhere. It just jumps out of another hole at you. But the American public is not being fooled. The American public is a lot wiser than we are an awful lot of the time.

Mr. President, though many members of the Energy Committee shared some of these concerns, this nomination was reported on February 9, 1978, I think some of the members who voted to report this nomination believed Mr. Coleman when he said he was going to cut off his ties to his past associates, cut off his ties to the oil and gas industry. But then what happens? Common Cause goes down to the Federal Election Commission and, lo and behold, what do they find? Mr. Coleman gave $725 to a political action fund, after the Senate committee had recommended that his nomination come to the floor; after he sat in the hearing room and told us, time and time again, that he had been born again. He told us that he was a new man, that he was going to be a consumer, that he was going to cut off his ties with the oil and gas crowd.

Then we find out that in a supreme act of arrogance or ignorance—and you can have it either way—he turns around and gives $725 to a political action fund which gives political contributions to—guess who? They do not give political contributions to consumer advocates. They do not give any political contributions to public interest research groups. They do not give any political contributions to anyone except those who very ably and aggressively represent a view that is supported by the oil industry.

I am not saying that the oil industry does not have the right to contribute to Members of the Senate or Members of the House. It is fine, so long as it is done in accordance with the law. There is no indication here that there has been any violation of the law. Unlike the lady of

the scales across the way in the Supreme Court, legislators are not supposed to be blindfolded. Legislators are supposed to know whom they are hurting and whom they are helping.

Every interest, whether it is a senior citizen in New Hampshire who is having trouble with last year's oil bill or whether it is an oil and gas interest in Texas, has a right to have his or her voice represented in the Halls of Congress. That right is protected by the Constitution, as it should be.

But here is a man in Mr. Coleman who slides through the committee by the skin of his teeth. After that, you would think he would be sensitive enough to take his name off the automatic payroll deduction system that he says they have down at the law firm for the political action fund. You would think he would have the perceptiveness to do that.

In any event, what we are faced with is a man who, after the Senate committee reports his nomination to the Senate floor, turns around and makes a political contribution to a political action fund which traditionally has supported candidates who have a better appreciation of the oil companies' interests and the oil companies' needs than the needs of consumers.

If anyone had any doubt before about Mr. Coleman's fitness for this position, that action should lay it to rest. That compels the U.S. Senate to turn down this nomination.

Either we should pass a resolution today that we are not going to make any more glowing statements about ending the revolving door between the regulated and the regulator, or we should turn down this nomination. We are going to help the revolving door by confirming Mr. Coleman. We are going to have a more comprehensive program for revolving doors, a 14-point program for accelerating, improving, and making more efficient revolving doors. Either we should do that or we should end the revolving door, and we should return Mr. Coleman so that he can represent, full-time, the interests of his clients, which happen to be, fore the most part, oil and gas interests.

Mr. President, I think we have heard this before. This is not a new situation. It was not so long ago—in fact, it was 1972—that the same problem with the revolving door relationship and the accompanying allegations of conflict of interest were generated with respect to the nomination of Robert Morris to be the Federal Power Commission. No one questioned Mr. Morris' integrity or his competence. But many Senators were apprehensive that Mr. Morris, having represented the Standard Oil Co. of California for 15 years, would not adequately represent the public interest with such an industry background and orientation.

The U.S. Senate voted, 51 to 42, to recommit the Morris nomination. I hope that established a precedent. I hope the Senate is not going to get caught in a dual standard. Are we going to have one set of standards when it is a Republican President and a Democratic Senate, and a different standard when it is a Democratic President and a Democratic Senate? If we are, that is not going to be lost on the American public, either. If we are going to have one standard when we have a Republican President and turn down his nominee to the Federal Power Commission because he was closely identified with the oil and gas industry, then how can we today fail to reject the nomination of Mr. Coleman?

To do otherwise is not only increasing the activity of the revolving door, but it is setting a dual standard. It is again a dual standard that the American public will not ignore.

What is right when we have a Democratic President and what is right when we have a Republican President should not change. If it was right, and I was not here in 1972 to vote on Mr. Morris, but if it was correct in 1972, to recommit Mr. Morris' nomination because he was so closely identified with the oil and gas industry, or particularly, Standard Oil of California, then it is right to turn this nomination down today. The fact that the nomination was made twice by a Democratic President should have no impact on us.

Last week we had many people on their feet screaming about the gentleman being appointed to the Board of Directors for Amtrak. Mr. Frank Neel. They thought this was awful. They thought this was packing the Amtrak Board because Mr. Neel is an independent. There was a great hullabaloo last week with a couple of our colleagues on how Mr. Neel's nomination should be turned down because he was an independent. As I said then, I invite them to join in opposing this nomination today. The Senate I think wisely confirmed Mr. Neel. Mr. Neel is a distinguished citizen from Thomasville, Ga. He is an air-conditioning contractor. He is a senior citizen, and senior citizens need some representation on the Amtrak Board. It is a vast market that Amtrak has not yet tapped. As I said then, if Mr. Neel can get the air conditioning working on the Amtrak cars, he will do more for Amtrak and Amtrak consumers than all of us have done to date.

Mr. President, before I yield, I shall read a statement:

> The sweetheart arrangement between regulatory agencies and regulated industries must be broken up and the revolving door between them should be closed.

That is not the statement of anyone other than President Carter. The President made that statement in 1976 before the platform committee of the Democratic National Committee. I do not know what has changed since then. I hope it is not a case of a politician who promises change and does just the opposite as soon as he gets sworn in.

But it does disturb me that that statement could be made in early 1976, and then in 1977 and in 1978, the President would send a nomination of an oil company lawyer up to the Senate and ask that that person be confirmed as General Counsel.

I have talked about personnel policies at the Department of Energy. Dr. Schlesinger was nominated one of the 10 sexiest men in America last year by the National Association of Secretaries. I find it inconceivable in an agency headed by one of the 10 sexiest men in America, that out of 726 supergrade positions in the Department of Energy, only 10 are occupied by women. As with most of the nominations that have come to the Senate, this looks like continuing a men's club at the Energy Department. It seems to me there are approximately 27 appointments that require confirmation by the Senate. Where are the women? We heard a lot of statements in the campaign about how it is time to get women in Government, now it is time to get more women active and time to get more women in responsible Government positions.

Was that another statement like the revolving door statement made before the Platform Committee? Was that like the faults of my brother Elks written on the sand? These are questions, Mr. President, that the American public is asking in every Elks Club, in every Rotary Club, in every country club, and over every back fence in America. These questions are going to be continued to be asked as long as we have nominees like Mr. Coleman before us.

Mr. President, I realize this is an uphill battle. It is pretty tough to beat the oil and gas industry. Someone said to me recently, "Should we nationalize the oil and gas industries?" And I said: "No; I think this is a mistake. If we could just nationalize Congress, I think the other problems would take care of themselves."

Mr. President, it is an uphill battle when you are fighting the oil and gas industry. It is an uphill battle when you are fighting the White House. It is even more an uphill battle when you are fighting both the White House and the oil and gas industry.

But I urge most strongly and most sincerely that if we want the American public to have any confidence in what we are doing here, that we reject this nomination and return it to committee.

Mr. PROXMIRE. Mr. President, I commend the distinguished Senator from New Hampshire and I certainly agree with his very strong, explicit, and convincing argument appealing to the Senate to reject the nomination of Mr. Coleman.

Mr. President, I, too, oppose the nomination of Lynn Coleman as General Counsel for the Department of Energy.

I was surprised last September when a New York Times article revealed that administration officials were considering Mr. Coleman for this important post. I was surprised because I assumed that the administration would take special pains to insure that its appointments to the new Department of Energy could not be open to charges of conflict of interest—or even the appearance of conflict of interest.

One of the major criticisms made of Federal energy policy in the past is that it has been disproportionately influenced by the oil and gas industry. My col-

leagues may remember that the most intractable credibility problem of the old Federal Energy Office was that it was permeated with former oil and gas industry employees. At the height of the Arab oil embargo, more than 100 former oil industry employees had been hired by the Federal Government's chief agency with responsibility for dealing with that national emergency.

I am convinced that one reason why many Americans were never convinced of the seriousness of our energy problems, even in the midst of the embargo crisis, is that the influence of the domestic energy industry had clearly been extended into the Nation's highest energy councils. At a time when the oil and gas industry was the one group that stood to benefit from energy shortages, this situation seriously undermined the Government's credibility with American consumers. By the time of the Ford administration, the climate of influence was such that Jack Anderson questioned whether the regulatory system could be run more favorably to the oil and gas industries even if the president of Exxon himself were in charge of its operations.

I had hoped that this situation would change under President Carter's administration. During his campaign for the Democratic nomination, candidate Carter promised to end "revolving door" exchanges between Government and industry, between those who regulate and those who are subject to regulation:

> The sweetheart arrangement between regulatory agencies and regulated industries must be broken up and the revolving door between them should be closed.

It was because of this promise and because of President Carter's clear understanding of the need to restore credibility to the Federal Government's energy efforts that I was surprised to read the Times article revealing that Lynn Coleman was being actively considered for this post. On September 8 of last year I wrote to Energy Secretary James Schlesinger and urged him to recommend against this nomination. At that time I noted that the first major battle in the war to save energy and forge a national consensus on energy policy was the credibility battle. The nomination of an oil and gas industry lobbyist to be the chief legal officer of the Department of Energy was no way to begin this essential undertaking.

Mr. President, I am very disappointed that neither Secretary Schlesinger nor President Carter accepted my arguments and that today the Senate is being asked to give its consent to the appointment of yet another in a long line of energy industry advocates to a high post in the executive branch of government. I strongly advise that the Senate withhold its consent in this case.

When the Senate is considering a Presidential nomination, especially close attention must be paid to the nominee's past record. The Senate must ask if the nominee is competent. Is he or she a person of integrity? Is there an indication that the public interest will be served? Will the nominee be free from conflict-of-interest situations in the course of his or her duties?

Lynn Coleman is competent. He is a man of integrity. In no way does my opposition to his nomination stem from any suspicion of wrongdoing. In fact, all of us who have opposed the Coleman nomination have gone out of our way to note that this man is, able and honest. Unfortunately, what he is not is a candidate in the public interest who can bring a fresh and objective view to bear on our national energy needs. For more than a decade his honest competence has been dedicated to the service of the oil and gas interests, not the American public.

Over 12 years ago Lynn Coleman joined the Texas law firm of Vinson & Elkins, a company with long-standing ties to the domestic energy industry. During his years of service with Vinson & Elkins, Mr. Coleman has actively represented numerous oil and gas industry clients at various levels of the Government: before the Federal Power Commission, before the Federal Energy Administration, to the Congress, before the courts and in an advisory capacity. But during those years of service he has never represented the public interest. In 12 years as a practicing attorney with Vinson & Elkins, Lynn Coleman has never represented an exclusively consumer interest position against the oil and gas industry. On the other hand, he has on numerous occasions been an effective advocate for anticonsumer causes. The minority view included in the report on this nomination list several such instances:

> Representing Austral Oil Co. before the Federal Power Commission the nominee argued against the concept of cost-based natural gas pricing. In another case, he represented Transocean Oil in an attempt to resist FPC attempts to obtain gas reserve data. In other cases, representing pipelines and producers, he argued that unpaid "phantom" taxes be included as a cost of service to be reimbursed by consumers and challenged an FPC decision against such inclusion. He challenged an FPC refund order and supported the circumvention of FPC regulations by gas producers who ultimately were required to repay overcharges to consumers of about five cents per thousand cubic feet.

Several Senators who have spoken out in favor of this nomination have expressed the opinion that this kind of involvement in energy issues provides precisely the kind of experience that we need in an Energy Department official. Mr. Coleman has made this argument on his own behalf, stating that his experience as an energy industry lawyer has only enhanced his knowledge of energy and sharpened his judgment without in any way compromising his independence and objectivity. At his November 9 confirmation hearing Mr. Coleman outlined his view of the lawyer's role:

> My concept of being a lawyer is based on a long tradition in this country: You advise or represent your client as an independent professional, making careful analysis of the facts and the law, giving sound practical advice and when in litigation, forcefully and fairly advocating his case.

The implication here is that a lawyer is a detached, unbiased, and independent professional, a "hired gun" if you will, who readily moves from issue to issue, from one side of an argument to another, making the best case for whatever client he represents.

Mr. President, I do not believe that something magic happens when a law school graduate is admitted to the bar. The prospective candidate does not suddenly transcend human nature into some rarefied estate of eternal objectivity on the day he becomes a bona fide lawyer. A lawyer's outlook, like anyone else's is shaped in part by experience. If Lynn Coleman's experience as an attorney had been more varied on energy issues, then I might be prepared to accept his argument that he had managed to maintain a high degree of objectivity. But that just is not the case. His record of involvement in energy cases has been one-sided. While he has represented different energy firms in different kinds of cases, the bottom line remains the same: He has consistently represented the interests of energy companies. He has been an advocate for the oil and gas industry, not an opponent, except in certain instances where one energy company might differ with another on a particular case. He has never represented the specific interests of consumers against the energy industry. He cannot lay claim to any semblance of balance in his record of legal service on energy matters. That is the reason the Consumer Federation of America's Energy Policy Task Force has urged the Senate to defeat this nomination. As CFA has noted, it is not too much to ask that the Department of Energy's chief attorney "be a person with at least some identifiable sympathies and compatibilities with consumer needs and protection. At least someone with a neutral background toward consumers is to be expected. Yet Mr. Coleman is on the record neither sympathetic nor neutral. He comes from the very industry against whose excesses he is supposed to protect consumers. It is simply inappropriate to put forth his name as General Counsel for the Energy Department."

The Consumer Federation of America's opposition to this nomination is not simply the isolated concern of a Washington-based organization. It is shared by a number of my constituents back home in Wisconsin who have read about the issue in their local newspapers. On March 3, I received a letter from the secretary of the Burnett County Democratic Party expressing her organization's concern about the Coleman nomination. I would like to read Ms. Arline Soderbeck's letter at this point because I think it is a good example of the kind of credibility problem which results from the administration's decision to nominate an industry lobbyist to high office in the Department of Energy:

> FEBRUARY 27, 1978.
>
> DEAR SENATOR PROXMIRE: We note with deep and grave concern the action taken by the Senate Committee in approving the nomination and the recommending of attorney Lynn Coleman as Chief Counsel for the Energy Department. We Democrats of Burnett County feel that confirmation by the full Senate would be counter-productive and therefore not in the best interests of the consuming public.
>
> The reason for our determined objection to Mr. Coleman's becoming Chief Counsel is

that he is oil monopoly oriented and thus would not and more likely could not perform without prejudice toward the oil cartel.

The Democrats of Burnett County are becoming more and more aware, as are many others throughout our land, that the so-called oil crisis is more the device of the oil industry to escalate prices to reap greater profits than to alert us to the need for conservation.

To confirm the above assertion, one needs only to read the annual reports of the various oil and gas companies to their stockholders. They are brazen in their secretive pronouncements of their vast resources and reserves. Yet, on television and other media their constant repetition of shortages and dwindling supplies tends to lead us to conclude that our intelligence has been insulted by the incessant harping of crisis. It also gives us the notion that we have been had by the apparent sweetheart arrangement of the Carter administration and the oil industry.

We take pride in Burnett County for being more than just Jack Pine Savages or Country Bumpkins. We will anxiously await the Senate's verdict.

Sincerely,

ARLINE M. SODERBECK,
Burnett County Democratic Party Secretary.

Mr. President, I think that this letter exemplifies the nature of the suspicion and resentment that occur when the Government continues to pack its energy agencies with personnel who have been strong advocates for the oil and gas industry.

In addition to his lack of consumer credentials, Mr. Coleman also faces the problem of continually having to avoid conflict-of-interest situations in the exercise of his official duties as General Counsel. Here we have a man who has been a consistent and effective advocate for the very industry which his new position would require him to regulate and prosecute. It is inconceivable to me that this nominee will be able to avoid both the reality and suspicion of conflict-of-interest without seriously compromising his effectiveness as General Counsel.

During the Senate hearings on this nomination Senator METZENBAUM called forth the perfect image for describing the difficulties which Mr. Coleman is going to have in the course of his work. Senator METZENBAUM suggested the need for a big scoreboard over the General Counsel's desk which would keep a running tab on those cases from which Lynn Coleman would have to disqualify himself.

Mr. Coleman has already agreed to disqualify himself from acting in his capacity as General Counsel in the following areas:

First. Any matter now pending before the Department of Energy in which the firm of Vinson & Elkins has an interest.

Second. For at least 1 year Mr. Coleman will not involve himself in any case in which Vinson & Elkins may appear as counsel.

Third. For at least 1 year he will not involve himself in any matter affecting the following clients whom he represented personally while an attorney with Vinson & Elkins: The Commonwealth of Puerto Rico; Commonwealth Oil Refining Co.; and Houston Natural Gas Corp.

Fourth. For 1 year he will not participate in any matter affecting "regular and substantial" clients of Vinson & Elkins, defined as those clients who accounted for in excess of three-fourths of 1 percent of billings over a 3-year period ending in 1976. This includes the following nine clients:

Texas Eastern Transmission Corp.; American General Insurance Cos.; Quintana Petroleum Corp.; Royal Globe Insurance Co.; Traveler's Insurance Co.; Commonwealth of Puerto Rico; First Mortgage Co. of Texas; First City Bancorporation of Texas, Inc.; and Occidental Petroleum Corp.

Fifth. Finally, Mr. Coleman has agreed to disqualify himself from acting on any other case in which he sees a potential for actual or apparent conflict-of-interest.

Mr. President, in agreeing to the restrictions on his activity which I have just noted, Lynn Coleman is disqualifying himself right off the bat from acting on cases affecting nearly 30 different groups which are now or in the future may come before the Department of Energy. Even if one of these former clients were to become involved in a highly important issue, one in which the national interest would require the attention of the appointed legal officer of the Energy Department, Mr. Coleman would have to disqualify himself. Mr. President, I suggest that this is just an untenable situation for any General Counsel. In my judgment the restrictions on Mr. Coleman should be even tighter than they are. I completely agree with Common Cause's position that the 1 year disqualification is too short a time. True, the 1 year "cooling off" period does comply with the letter of the law. But I do not feel that the law itself adequately protects the American public against the potential for conflict-of-interest. The period of disqualification should be extended to cover the duration of the nominee's service with the Energy Department.

Furthermore, I do not think that the "three-fourths of 1 percent" standard for determining which clients of Vinson & Elkins fall under the "regular and substantial" category is adequate. It leaves out such Vinson & Elkins clients as Exxon, Union Oil, Amerada Hess, and Continental Oil. As noted in the minority report on this nomination, "Three-fourths of 1 percent over a 3-year period in a law firm of 240 lawyers runs into extraordinary sums of money." Mr. Coleman should disqualify himself from cases involving any of the Vinson & Elkins clients represented by his former partners before the Department of Energy in regulatory or policy matters.

Some Senators may feel at this point that I am not being fair; that I have put Lynn Coleman in a "damned-if-he-does, damned-if-he-doesn't" situation. I disagree. The President of the United States has put Mr. Coleman in that situation by submitting his nomination to the U.S. Senate for approval. The fact is that Mr. Coleman cannot avoid getting caught between the rock and the hard place. It is a problem inherent in the nomination itself, and the main reason why I am opposed to this appointment. Either Lynn Coleman performs the legitimate responsibilities of General Counsel and repeatedly finds himself in a conflict of interest, or else he avoids the conflicts of interest and finds himself unable to perform his duties on a free and independent basis. He just cannot win. And a nominee who cannot win should never be appointed to a job as important as this one in the first place. Mr. Coleman is a round peg. The Office of General Counsel is a square hole. There is nothing wrong with round pegs, and I rather like square holes, but the two just do not fit together well. Let us not join together what the public interest would keep asunder.

Mr. President, in conclusion I want to call my colleagues' attention to a similar nomination which came before the Senate just a few years ago, the nomination of Robert Morris to the Federal Power Commission. I remind the Senate of that occasion because the circumstances of the Morris nomination were virtually identical to those which I have cited with regard to Lynn Coleman's nomination.

When Robert Morris' nomination was submitted to the Senate, no Senator questioned his integrity. No one doubted his competence. Like Lynn Coleman, Robert Morris had become intimately acquainted with the legal aspects of energy issues through his work as an attorney, in his case with the prestigious San Francisco law firm of Pillsbury, Madison, and Sutro. For 15 years he had represented Standard Oil of California in various legal capacities. He had appeared before the Federal Power Commission on numerous occasions to argue the case of this particular major oil company. Yet President Nixon appointed him to be a commissioner of a Government agency charged with responsibility for regulating his former client, and other energy companies, in the public interest.

Everyone agreed then, and I would certainly agree now, that the domestic energy industry has legitimate interests which must be taken into account and represented before the Federal Government. But that is not the issue. The issue is whether or not the interest of the general consuming public will also be given an impartial hearing. In 1973 the Senate rejected the nomination of Robert Morris by a vote of 51 to 42. It was the opinion of the Senate that a man who had served the interests of a major oil company for a decade and a half would not be able to serve the American people objectively. It was simply not a credible expectation to hope that any individual can change the mental orientation of nearly 15 years by taking on an adversary role vis-a-vis his former clients.

Mr. President, I hope the Senate will refuse to confirm Lynn Coleman today for the same reasons it withheld its consent from the Morris nomination in 1973. The President has called upon us to regard our energy crisis as the moral equivalent of war. I do not think it too much to ask that he send us nominations of individuals, who at least will

point their guns in the right direction. They have been trained on America's consumers long enough.

I urge the Senate to reject the nomination of Lynn Coleman to be General Counsel for the Department of Energy.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. BAYH). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. METZENBAUM. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. METZENBAUM. Mr. President, this morning we talked about Mr. Coleman's closeness with the oil and gas industry. I would like to now speak to another example to illustrate how closely this man is tied in with the Nation's natural gas interests.

Late last summer, intrastate gas pipelines in Texas and Oklahoma had a real problem on their hands—a problem they still have not solved. Reacting to the bull market for intrastate natural gas supplies, they had contracted with producers for more gas than they could sell their intrastate consumers. I do not know the exact dimensions of the surplus at that time. However a recent Federal Energy Regulatory Commission (FERC) staff survey placed the surplus at 1 billion cubic feet of gas a day in the early part of this year. An outlet for this surplus, of course, was in the 60-day emergency sales program, whereby FERC permits the intrastate pipelines to sell gas to interstate customers at negotiated prices which are often half again as much as the going interstate price.

But the 60-day sales program was not enough to satisfy their needs. That program has its strictures, such as a requirement that either the source of the gas to a given customer or the user of the gas be changed every 60 days. The industry needed something more workable than that to significantly diminish the surplus. So one company—Houston Natural Gas Corp.—found a solution. Houston Natural—which had a surplus of at least 83 billion cubic feet in the winter of 1976 and 1977—the amount of gas it made available for emergency sales to both intrastate and interstate customers—proposed legislation to remove the strictures of the 60-day sales program and give the exempted sales a permanent, statutory base.

Late last July, Mr. President, the House Ad Hoc Committee on Energy approved just such an amendment. It was adopted in the waning moments of the committee's consideration of H.R. 8444, the omnibus energy bill. An inquiry by my staff determined that the amendment was drafted by Lynn Coleman, acting in his capacity as a registered lobbyist for Houston Natural Gas. During Senate hearings, Mr. Coleman confirmed that he had drafted the amendment. The amendment was sponsored in the Ad Hoc Committee by the distinguished gentleman from Texas, Mr. ECKHARDT, who envisioned it for something entirely different—a solution to the problem of excess capacity on intrastate pipelines. As you know, Mr. President, Mr. ECKHARDT is one of the most respected Members of the House. He is equally respected by the Members of this body. His integrity is beyond question, and his political courage is exemplary.

Nonetheless, I fear that Houston Natural Gas misled Mr. ECKHARDT as the full import of the amendment it persuaded him to introduce. After numerous readings of the amendment and discussions with gas experts at FERC and elsewhere, it has become abundantly clear that the amendment would give intrastate gas pipelines the potential to sell their surplus gas to interstate consumers at exorbitant prices. Worse still, it could encourage intrastate pipelines to continue buying up producer surpluses and brokering them in the interstate market. Even though the House bill provides the same ceiling price for both interstate and intrastate sales at the wellhead, it is doubtful that producers would alter their longstanding preference to sell to intrastate pipelines whenever they can. They can sell to the intrastate lines on a short-term basis, but, with few exceptions, must tie up their gas for long periods of time—15 years or more—when they deal in interstate commerce. Thus the Coleman amendment carves out a preferential treatment for intrastate pipelines, Mr. President. They get the best of both possible worlds—a dumping ground for their surplus gas without coming under Federal rules relative to long-term contracts and other requirements that apply in the interstate market.

Incidentally, as was to be expected, Mr. ECKHARDT, once he became aware of the problem, acknowledged that the amendment holds the potential for abuse, and he has agreed to modify it in conference to remove the abusive potential. That does not absolve Mr. Coleman.

However, what is pertinent to our discussion is Mr. Coleman's actions as a paid lobbyist for a special interest group and the anticonsumer implications of those actions. It is the question we raised before about his ability to shift gears, and it also relates to the fact that Mr. Coleman has indicated that he was one of the few people around these halls lobbying on behalf of the natural gas industry who was actually lobbying for continued regulation of the gas industry. But that is only part of the story, because, with the Coleman amendment, continued regulation of natural gas actually plays into the hands and the economics of the Houston Natural Gas Co. So, although he would attempt to wear a special kind of white hat in saying that he was around the Halls of Congress lobbying for continued regulation of the natural gas industry, that tells us only half the story. The whole story is that were he successful in getting the Coleman amendment through as it came from the House, and were we to continue regulation, his client, Houston Natural Gas, would have been one of the major beneficiaries and would have had a special kind of relationship because it would not have then been subject to the Federal regulations that other carriers would have been subjected under the law.

Can we expect Mr. Coleman—or anyone else—to divorce himself from the mental framework that made him such a successful gas industry lobbyist in the first place? I think not.

I would not raise this issue, Mr. President, if Mr. Coleman's work for Houston Natural Gas involved the mere pursuit of routine special interest advantages, such as securing pipeline right-of-way or matters of that import.

But the Coleman amendment—which now comprises section 414(b) of the House energy bill—has far greater implications—implications that conflict significantly with the public interest. Let us look at the details of the amendment and assess how it might operate.

The Coleman amendment significantly broadens the 60-day emergency sales authority authorized under FERC's rulemaking authority. It authorizes any intrastate pipeline to sell natural gas to, or transport gas on behalf of, any interstate pipeline without making the intrastate line "subject to regulation under the Natural Gas Act or as a common carrier under any provision of Federal or State law. * * *"

Unlike the 60-day sales program, sales under the Coleman amendment could be continuous and permanent. In addition, no emergency is required before these sales can be made. Terms and conditions will be set by the commission, except that the prices for such sales must be "fair and equitable." That means a substitution of this language for the "just and reasonable" price standard of the Natural Gas Act which is presently in the law. The new language opens a pandora's box, Mr. President. The courts have interpreted "just and reasonable" to mean that suppliers must justify any increments over a cost-based price. Who knows how they would interpret the "fair and equitable" standard? Would a "fair" price be what the market would bear, that is, the price necessary to induce the intrastate pipeline to make the sale? I do not know, but I would prefer to stick with the time-tested, court-tested formula of "just and reasonable" pricing.

What is Mr. Coleman's justification for his amendment? I will cite it for you, and I think it is very misleading. When my staff first contacted Mr. Coleman last fall, he told them that the amendment was designed to allow Houston Natural Gas to transport Mexican gas to the Northeast without bringing the company under the FERC regulation. But that can be accomplished by the provisions of the Senate bill which merely drop the authority for the intrastate pipelines to "sell" in such situations and leave in the word "transport." The Senate provision facilitates a Mexican sale while guarding against the type of brokerage situation made possible by the Coleman amendment.

During his confirmation hearing before the Senate Energy Committee last November 30, Mr. Coleman said there was no potential for abuse because of the provision allowing FERC to set terms and conditions of the sales. From a public

interest standpoint, however, FERC's track record in administering the kind of sales authority already on the books has been miserable. According to a recent General Accounting Office report on emergency sales:

> The result of the manner in which the Commission regulated its emergency purchase provisions was that some intrastate pipeline companies avoided price and other regulations of the Commission while they also dealt in the interstate market. Thus the intrastate companies enjoyed the best of both worlds.

The report added that:

> The prices paid for emergency purchases have been allowed to rise so that, in effect, there has been price deregulation of this facet of the interstate market. Some intrastate sellers have used the emergency purchase provisions to deal extensively in the interstate market without Federal regulation and have commanded higher prices for their product than would normally be allowed.

The report also pointed out that emergency gas had been used for low-priority uses—actions that it deemed "counterproductive to national conservation policies." Another problem it cited was that all users, not just the low-priority ones, shared in bearing the extra cost of this high-priced gas, which sold for as much as $3.04 per million Btu's. A million Btu's is roughly equivalent to a thousand cubic feet, so we are talking about a price of $3.04 per thousand cubic feet.

Houston Natural Gas Corp. has been a big seller of emergency gas, Mr. President, and thus it could be safely assumed that the company would take significant advantage of the Coleman amendment. In the winter of 1976–77, the company's emergency sales amounted to 83 billion cubic feet, according to its 1977 annual report. Prices averaged $2.15 per million cubic feet, according to a compilation of individual sales reports the company filed with FERC. That is a gross of some $178 million. Company income before interest expense and income taxes increased from $201 million in the year ending July 31, 1976, to $235 million in the year ending July 31, 1977.

In summary, Mr. President, Mr. Coleman sought to induce the House of Representatives to accept a narrow special interest amendment that clashes—and clashes hard—with the public interest. The amendment is clearly more beneficial to his client than Mr. Coleman would have us believe. He thinks FERC would prevent abuses, but how can we be sure?

It is true that the leadership of that agency has changed for the better in the months since the abuses of the emergency sales program were committed. Mr. Charles Curtis, the new chairman, has a record of commitment to the public interest. He is considering changes that would curb the abuses of the emergency sales program. Nonetheless, we cannot pass legislation on the basis of our assessment of the quality of present regulatory agency appointees. A good commission today may be a bad one tomorrow.

The Coleman amendment is bad legislation, Mr. President. His authorship of that amendment does not commend Mr. Coleman for the office he seeks. I hope each of my colleagues will consider the implications of this amendment before voting on the Coleman nomination.

Mr. President, at this time, I ask unanimous consent that a letter from Common Cause, addressed to each of the Senators, dated April 19, 1978, an editorial from the St. Petersburg Times of December 19, 1977, and a letter from the Energy Policy Task Force, dated April 27, 1978, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

COMMON CAUSE,
Washington, D.C., April 19, 1978.

DEAR SENATOR: The Senate is shortly expected to consider the nomination of Lynn Coleman to be General Counsel of the Department of Energy.

Common Cause strongly opposes this nomination. The nature of the General Counsel's job at the Energy Department is such that it clearly should not be filled by someone whose professional career has been so intimately involved with the oil and gas industry.

The critical position of General Counsel touches virtually every aspect of the DOE. That is why it is subject to Senate confirmation. In addition to playing a major role in the formation of the programs and policies of the DOE, the General Counsel is responsible for such matters as making litigation decisions, drafting legislation and interpreting statutes. The Senate has the responsibility for making sure that the person holding this highly sensitive position is free from real and apparent conflicts of interest and is independent of those interests over which he or she has enforcement and policy responsibility.

Nothing in Mr. Coleman's record indicates independence from the oil and gas industry. For the last twelve years, he has represented oil and gas interests as an attorney with the Houston-based law firm of Vinson and Elkins. During 1977 he lobbied the Congress on behalf of the Houston Natural Gas Corporation as a registered Washington lobbyist.

A recent Gallup Poll shows that only 4 in 10 Americans believe the energy crisis is very serious. Of those surveyed, one of the main reasons cited for their disbelief was that the oil companies were manufacturing a "phony crisis". With the American people skeptical about the existence of an energy problem and strongly suspicious of the energy companies, the credibility of the DOE is extremely important to the establishment of an effective energy policy.

Mr. Coleman's nomination was reported out of the Energy and Natural Resources Committee on a divided vote. In addition, even some Senators who voted for Mr. Coleman expressed concern about his ability to function credibly as General Counsel. Chairman Henry Jackson and Senator Frank Church, who supported Mr. Coleman in committee, stated ". . . We voted to report Mr. Coleman's nomination to the Senate with some reservations about his ability to function effectively as General Counsel and doubts as to whether the Department's interests are furthered by having, for its chief lawyer, one who has been so closely associated with the energy industry interests." S. Exec. Report. No. 95–15, 95th Cong., 2d Sess. 19 (1978).

These reservations and doubts go to the heart of the problem. We simply do not believe it is realistically possible for Mr. Coleman to establish in a publicly credible way his ability to be independent on energy policy matters.

The stakes here are high. Much of the attitude of the American people toward the new Energy Department will be determined by the people who are placed in high positions of responsibility. The Senate has an affirmative obligation to confirm for General Counsel of DOE a person who is not only technically competent but who will help to build public confidence in the new Department and in the fairness of our country's energy policies. Since Mr. Coleman does not meet this standard, we urge you to vote against his confirmation.

Sincerely,

DAVID COHEN,
President.

[From the St. Petersburg Times, Dec. 19, 1977]

APPEARANCE OF CONFLICT

President Carter's efforts to restore confidence in the federal government after the moral disaster of the Nixon Administration are not helped by his nomination of Texas oil lawyer Lynn R. Coleman to become the new Energy Department's general counsel.

Coleman is a member of the large Houston-Washington law firm of Vinson & Elkins. He describes his practice since 1973 as "principally" energy-related. He is an able lawyer of unquestioned integrity.

Persuasive as Carter is, even the President would have a hard time convincing most Americans that Coleman is the best lawyer in the United States to make sensitive decisions involving billions of dollars, consumer interests and the oil companies.

Last week's news would make that job impossible in Florida. After first refusing to disclose to the Senate his firm's oil-company clients, Coleman later supplied a list of 20 firms. One of the firms turned out to be Aminoil U.S.A., previously named Signal Oil & Gas Co., one of the daisy chain companies that overcharged Florida Power Corp. $8.5-million in a 1973 oil scandal. The money was paid by customers of Florida Power in their electricity bills. There is nothing to suggest that Coleman had anything to do with that ripoff. We don't think he did. But neither do we think he is the best person to persuade Aminoil or Florida Power customers that the Energy Department has made the fairest possible decisions in the case.

Sen. William Proxmire, D-Wisconsin, has compared the Coleman case to that of Robert Morris, a Richard Nixon nominee to the Federal Power Commission in 1973. Morris was an able and gifted attorney. But for 15 years he had been a member of a San Francisco law firm whose chief client was Standard Oil of California. The Senate rejected Morris' nomination 51–42 because the majority felt that he had been too close to the oil industry for too long to serve on the power commission fairly and effectively.

For President Carter, the problem with the Coleman nomination is that it gives the appearance of the same old kind of operation in Washington when oil company lawyers came to the capital, passed through the revolving door of the government and returned to improved law practices representing the oil companies, or some other special interest. That cozy arrangement may not break any laws. But the people have a very hard time telling when the officials collecting their public salary are representing the public interest or their past and future special-interest clients.

Coleman's efforts to avoid the gray area of ethical conduct could create a paradoxical effect. During his confirmation hearings, Coleman promised the Senate he would abstain from enforcement and compliance cases involving the 20 oil companies represented by Vinson & Elkins. He also would disqualify himself "from any matter now pending befor the Department of Energy" in which Vinson & Elkins served as counsel.

One consumer group has complained that Coleman might have to disqualify himself from such a large number of cases that the public interest would suffer. It said that Coleman's disqualification would leave decisions to subordinates held over from the Nixon and Ford administrations, whose foot

dragging created many of the issues facing the department.

That may be a factor, but it is second to the major question: That, in a time when the public already is disbelieving about the very existence of an energy crisis, the appointment of an oil-company lawyer to a sensitive post in the Energy Department will corrode further the public's trust in fairness of decisions made by that department.

ENERGY POLICY TASK FORCE,
Washington, D.C., April 27, 1978.

DEAR SENATOR. The nomination of Lynn Coleman for General Counsel of the Department of Energy will soon come before the Senate for approval. The Energy Policy Task Force of the Consumer Federation of America, a broad based coalition of consumer, labor, public power, farm and urban organizations, as well as the undersigned individuals, have grave reservations about the appropriateness of Mr. Coleman for that job.

Enclosed is a detailed analysis documenting our objections to the Coleman nomination. The real issues raised by Mr. Coleman's appointment, as presented in our analysis, relate to conflicts of interest. It is our strong opinion that the chief legal advisor and regulator of any agency should not be selected from the community being regulated. This belief has particular merit for the Department of Energy, which is charged with regulating the nation's most influential and powerful private sector—the energy industry.

The nomination of Mr. Coleman, a partner in the Houston-based firm of Vinson and Elkins, which has significant client interests in the energy industry, obviously creates the kind of inherent conflicts of interest which our comments are designed to prevent. Moreover, under the conflict of interest provisions of the DOE Organization Act and other federal and professional conflict of interest rules, Mr. Coleman could be required to withdraw from so many matters that he would be crippled in his ability to supervise properly DOE's enforcement actions against energy companies.

Mr. Coleman is obviously an able and talented person who could well serve the Carter Administration in any number of high level jobs; but they should not be positions which involve the regulation of the industry with which he has been so closely associated.

We urge you to oppose the Coleman nomination for the reasons contained in this letter and in the enclosed, more detailed analysis.

Sincerely,

ELLEN BERMAN,
Director, Energy Policy Task Force.
WILLIAM W. WINPISINGER,
Int'l. President, International Association of Machinists and Aerospace Workers.
A. F. GROSPIRON,
President, Oil, Chemical and Atomic Workers International Union.
TONY T. DECHANT,
President, National Farmers Union.
HOWARD PASTER,
Legislative Director, International Union, United Auto Workers.
JAMES F. FLUG,
Director and Counsel, Energy Action Committee.

ENERGY POLICY TASK FORCE ANALYSIS OF LYNN COLEMAN NOMINATION AS GENERAL COUNSEL OF THE DEPARTMENT OF ENERGY

The Energy Policy Task Force's opposition to Mr. Coleman's confirmation as General Counsel of the Department of Energy is not aimed at his character or competence. Instead, it relates to the fact that he has been an active advocate for energy industry clients and, as a consequence, cannot perform effectively in a governmental position requiring him to regulate and prosecute the very industry whose self interests he has been advocating. The specifics behind our opposition are presented below.

I. MR. COLEMAN'S APPOINTMENT IS INAPPROPRIATE AND HE WILL LACK THE CREDIBILITY NECESSARY TO PERFORM PROPERLY

It is no secret that the Nixon/Ford Administration was less than an enthusiastic enforcer of the various statutes under which petroleum prices and supplies are regulated. Under the Carter Administration, the Federal Energy Administration (FEA) launched a major study of FEA's regulatory past. The study, conducted by Stanley Sporkin, recounted numerous deficiencies at the Nixon/Ford FEA. FEA undertook to remedy these deficiencies through a new and substantial enforcement program. This program has been continued in the new Department of Energy (DOE).

The DOE official most responsible for carrying out this new enforcement program (as well as the continuing day-to-day enforcement responsibilities of DOE) will be its General Counsel. He or she will have to make such decisions as which companies to prosecute, whether to prosecute, resources needed to achieve sucessful enforcement, whether to settle cases—the panoply of complicated and difficult decisions which confront any key government enforcement official.

In addition to being the chief enforcer for DOE, the General Counsel also will play a significant policy role. Typically, General Counsels of government agencies are not confined to strictly legal functions. Rather, they are active participants in decisions on new legislation and other policy questions in which their agencies are involved.

It would seem obvious that the man or woman selected for this position should be completely without bias, or an appearance of bias, toward the energy industry—the community regulated by DOE. Mr. Coleman simply cannot meet such a standard.

From what we have been able to glean from Mr. Coleman's Senate testimony, his presentations to the Senate Energy Committee and various Senatorial staff analyses, it is fair to conclude that Mr. Coleman has been an extremely active advocate on behalf of the industry his General Counselship would require him to regulate and prosecute. This advocacy has not even been restricted to the courts, but has included lobbying the Congress, as well. For example, Mr. Coleman has personally represented before the Federal courts or the Federal Power Commission (now the Federal Energy Regulatory Commission) such energy companies as Austral Oil, United Gas Pipeline, Murphy Oil, Transocean Oil, Houston Natural Gas, and Texas Eastern Gas.

Federal Power Commission (FPC) and court matters included arguing against the concept of cost based natural gas pricing, resisting an FPC decision that "phantom" (unpaid) taxes not be included as a cost of service, supporting the circumvention of FPC regulations by gas producers which resulted in overcharging consumers about 5 cents per mcf, challenging an FPC refund order, and resisting FPC attempts to obtain reserve gas data.

Mr. Coleman's lobbying efforts included work for Houston Natural Gas to make permanent the FPC's temporary emergency rates for sales from intra to interstate pipelines.

There are, so we are advised, numerous other examples of Mr. Coleman's lobbying and litigating endeavors for big and small energy companies.

The point is that this is not the record of a person with a fainthearted involvement in the energy industry. Nor is it the record of a "hired gun" whose personal views might differ substantially from the case he or she presented in a courtroom. It is instead the record of an individual with strong ties to the energy industry, who appears to have a conviction in the industry's viewpoint on a number of highly controversial issues. Such a person is not appropriate as a key official responsible for regulating, making decisions or prosecuting or determining policies concerning that industry. Indeed, Mr. Coleman's appointment is unfortunately reminiscent of the 1975 Nixon nomination of Robert H. Morris to the Federal Power Commission, which we strongly opposed and which was fortunately rejected by the Senate. Senate opposition to Mr. Morris was led by Senator Warren Magnuson, who said of Morris:

". . . that the Senate is again asked to accept, for an independent agency with vast power over an industry which affects vital national interests, yet one more nominee whose professional career has been dedicated to the furtherance of the private interests of that industry."

Senator Magnuson's commentary is applicable to Mr. Coleman's nomination. It is difficult for us to distinguish between these two nominations. The issues are the same. Like Mr. Morris, Mr. Coleman's career is too closely tied to the industry he would be charged with regulating.

The result of all this is that DOE's General Counsel will rightly or wrongly lack necessary credibility. If Mr. Coleman makes a decision or takes an action apparently favorable to energy interests, his motives or judgment will rightfully be questioned. And even where he makes an apparently pro-consumer decision, his doing so will be subject to challenge by its victims as an example of Mr. Coleman being forced to bend over backwards to live down his past. In other words, each major action in which Mr. Coleman will be involved is fraught with real potential for intensive controversy. This is something neither DOE nor the public can afford.

In assessing the appropriateness of Mr. Coleman's appointment, it is also noteworthy that the specific legislative functions of DOE on which the General Counsel provides advice and representation include, among others, (1) energy resource applications, (2) research and development, (3) environment, (4) competition and consumer affairs, (5) nuclear waste management, (6) conservation and (7) power marketing. The competition, consumer affairs function calls for "promotion of competition in the energy industry and . . . protection of the consuming public in the energy policymaking processes . . ."

Mr. Coleman, quite obviously, lacks the neutrality necessary for providing advice and representation on most of these functions; and certainly those relating to protection of consumers and fostering competition. As noted previously, there is no question that Mr. Coleman will play an active policy and advisory role in all DOE functions.

The Energy Policy Task Force recently participated in a major rulemaking proceeding at DOE. The General Counsel's Office was a constant forceful participant in all aspects of that proceeding, including policy questions. And, indeed, the General Counsel should be a key policymaker. The problem is that Mr. Coleman's background renders him unsuitable for such a role, not that the role itself is improper.

DOE has regulatory authority and responsibility over the nation's most powerful economic sector—the energy industries. In regulating and prosecuting companies within that sector, and in carrying out other functions as well, DOE is acting as protector of the American consumer. We do not think that it is too much to ask that the agency's chief attorney be a person with at least some identifiable sympathies and compatibilities with consumer needs and protection. At least, someone with a neutral background toward consumers is to be expected. Yet, Mr. Coleman is on the record neither sympathetic nor neutral. He comes from the energy industry from which he is expected to protect con-

sumers. It is simply inappropriate to confirm him as General Counsel.

II. MR. COLEMAN HAS CONFLICTS OF INTEREST WHICH LEGALLY AND ETHICALLY WILL PREVENT HIM FROM FULFILLING HIS RESPONSIBILITIES

Although we believe that the foregoing arguments are compelling, there are even more reasons why Mr. Coleman's nomination should be opposed. These reasons stem from the conflict of interest provision contained in the Department of Energy Organization Act. Specifically, under §606 of that Act:

"(a) For a period of one year after terminating any employment with any energy concern, no supervisory employee shall knowingly participate in any Department proceeding in which his former employer is substantially, directly, or materially involved, other than in a rulemaking proceeding which has a substantial effect on numerous energy concerns.

"(b) For a period of one year after commencing service in the Department, no supervisory employee shall knowingly participate in any Department proceeding for which, within the previous five years, he had direct responsibility, or in which he participated substantially or personally, while in the employment of any energy concern."

While there is some ambiguity as to whether paragraph (a) technically applies to Mr. Coleman, since he was not hired as an employee by an "energy concern", it is our view that both paragraphs do apply to him—and, since the intent of paragraph (a) is in keeping with the ethical standards set forth by President Carter for appointments, we expect that it will be presumed that Mr. Coleman is bound by that paragraph's strictures.

Assuming this to be so, and since Mr. Coleman was a partner in his old firm and, therefore, privy to and ethically involved with all of the firm's clients, Mr. Coleman will be barred for one year from participating in any proceeding other than a generally applicable rulemaking in which his old firm and preexisting clients are involved. Mr. Coleman's old firm certainly has significant client interests among "energy concerns". The intensified enforcement program begun at FEA and continuing at DOE is likely to involve both Mr. Coleman's old firm and the firm's continuing clients.

If Mr. Coleman were to be only a staff attorney, the problem would not be so great. He could recuse himself and perhaps be effectively isolated from involvement. But he is to be General Counsel. He must make decisions on resources needed, targets of enforcement, assignment of personnel, policies on settlement or prosecution, etc. If he must recuse himself, say, when the responsible attorney in his office asks for the assignment of more attorneys to a case from which he is barred, or for other assistance such as more contract funds for experts, additional resources which might require the approval of other DOE components or perhaps the Office of Management and Budget or diversion of selected staff, he might just as well not be appointed in the first instance.

Further problems arise for Mr. Coleman as a consequence of the authority of the Secretary of DOE to interevene into Federal Energy Regulatory Commission (FERC) proceedings. Presumably such intervention will be handled by the General Counsel—in Mr. Coleman's case, a person with much prior FPC/FERC involvement on behalf of natural gas pipelines and producers. In view of DOE's stringent conflict of interest provision, Mr. Coleman will not be able to participate in many decisions on whether to intervene or the matters in which DOE actually does intervene.

That these concerns are not frivolous is highlighted by a common litigation practice involving energy companies joining together in a single effort against the government. For example, Mr. Coleman's firm, representing two energy industry clients, recently joined in a brief to the Supreme Court (*American Public Gas Association* v. *Federal Energy Regulatory Commission*, No. 77-695), on which such companies as Exxon, Hess, Tenneco, Amoco, Atlantic Richfield, Cities Service, Gulf—to name only a few—also were represented. It can be anticipated that a more effective DOE regulatory program would bring about similar joint efforts, since many new prosecutions or rules are likely to affect many companies, which, if past practice is any guide, will then combine in opposition. The odds are that Mr. Coleman's old firm and clients will be a party to such efforts. It is thus possible that Mr. Coleman may wind up barred from involvement in implementing many new rules or in all or most of DOE's (or FERC's major enforcement actions.

In addition, many targets of DOE regulation or prosecution may be represented by Vinson and Elkins and present Mr. Coleman with any number of disqualification situations.

III. CONCLUSION

So far, Presidential appointments to the Department of Energy have generally included people who are lacking in the inherent conflicts possessed by Mr. Coleman. Deputy Secretary John O'Leary and Economic Regulatory Administrator David Bardin are two good examples of senior DOE officials of high calibre who are not from "energy concerns". Had they been, we would have opposed their nominations. But they were not, nor are most of the other senior DOE appointments. What such appointments demonstrate is that there are available for DOE General Counsel many qualified individuals who are not tainted by a post intimate association with "energy concerns."

The American people should not be asked to accept a General Counsel whose substantive decisions are constantly questioned. Nor should they accept a General Counsel who must be constantly on guard for ethical conflicts during his first year in office, and for whom such conflicts could prove literally paralyzing in number and effect.

A stepped up enforcement program against energy companies is promised and needed. Consumer energy interests, completely neglected in the prior Administration, need representation. Mr. Coleman is not the person for such tasks.

Mr. METZENBAUM. Mr. President, I also ask unanimous consent that a letter to each of the Senators dated May 1, 1978, from Public Citizen, a part of Congress Watch, be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

PUBLIC CITIZEN,
Washington, D.C., May 1, 1978.

DEAR SENATOR: Public Citizen opposes the nomination of Lynn Coleman for General Counsel of the Department of Energy, and urges you to vote against the nomination when it comes before the Senate for approval. It should be defeated for two reasons.

First, Mr. Coleman's extensive representation of oil and gas companies as a partner in the large Houston-based law firm of Vinson & Elkins places him in the category of "revolving door" nominations that candidate Jimmy Carter pledged to stop. As the Democratic nominee, President Carter told the Public Citizen Forum on August 9, 1976 that "there has been a kind of 'revolving door' between the industry being regulated and the regulatory agency itself. I would like to stop that if I am elected." On January 27, 1978, Public Citizen wrote Robert Lipshutz, Counsel to the President, pointing out that Mr. Coleman, in his October testimony before the Senate Energy Committee, had refused to disclose the names of 20 clients with compliance matters pending before DOE. We urged Mr. Lipshutz to require that Mr. Coleman disclose all oil and gas clients that either he or his firm had represented in the last four years. In response, Mr. Coleman has, in fact, revealed the identity of the firm's major clients, clients whom it is representing before DOE, and clients whom Mr. Coleman has represented personally. The record now shows clearly that Mr. Coleman has been an active member of the oil and gas community. He has not only represented their interests as a lawyer in litigation and administrative proceedings before courts and government agencies, but has also registered as a lobbyist to protect or enhance their economic well-being. In addition, according to the April 30 Washington Post, he has donated hundreds of dollars to a political action committee set up to support the election of persons who generally back the oil industry.

Since the DOE General Counsel will be frequently called upon to help shape DOE energy policy, the Senate should send this nomination back to the President and insist that this important office be filled with someone unassociated with the promotion of the energy industry. It is a big country and a big government, and surely there is (a) a lawyer competent to be DOE general counsel who is not so totally affiliated with companies to be regulated and (a) a place somewhere else in the federal government for someone of Mr. Coleman's skills.

Second, confirmation of Mr. Coleman would place him in an untenable position given the impossible combination of his past associations and of the conflict-of-interest provisions of the DOE Organization Act. He would not be able, for example, to act on any of the 20 matters now pending before DOE involving Vinson & Elkins as counsel. He would not be able to act on any future matter involving Vinson & Elkins as counsel unless he had been on the job for at least a year and his action would not present, in his opinion, potential for either an actual or apparent conflict-of-interest. A similar standard would apply to his acting on any matter involving such significant energy concerns as Commonwealth Oil, Houston Natural Gas, Quintana Petroleum, or Occidental Petroleum.

These broad and necessary restrictions suggest that he will be forced to delegate his responsibilities to others in a significant number of situations in order to avoid violating the letter or spirit of these restrictions. This defeats the constitutional responsibility of the Senate to advise and consent to the appointment of a full-time General Counsel at DOE, since Mr. Coleman can only conscientiously serve part-time. The Department of Energy needs and deserves a General Counsel who need not excuse himself so frequently from the consideration of actions which have the potential for an apparent conflict-of-interest.

For these reasons, Public Citizen urges you to oppose this nomination, and give the President the opportunity to nominate an individual whom consumers, not just producers, of energy can confidently expect to carry out the full responsibilities of this office.

Sincerely your,

MARK GREEN,
Director.
DAVID MOULTON,
Staff Attorney.

Mr. METZENBAUM. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DURKIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DURKIN. Mr. President, we could talk all day, we could talk all week about the nomination of Lynn Coleman to be General Counsel of the Department of Energy. But I think it boils down to just one issue: Do you, during the moral equivalent of war, go out and hire someone from the enemy camp to be general counsel of a department that is supposed to regulate the oil and gas industry on behalf of the consumers? It is so fundamental a proposition that it does not require citation, but ironically there is precedent.

Back in 1972, when President Nixon sent up the nomination of Robert Morris, who had a 15-year association with the Standard Oil Co. of California, the Senate, in a vote of 51 to 42, rejected the nomination of Mr. Morris because of his inextricable ties with the oil and gas industry.

The question remains: Do we have a dual standard? Does the United States have a dual standard? Does the democratically controlled U.S. Senate have one standard when a nominee's name is sent up by a Republican President and a different standard when a nominee's name is sent up by a Democratic President?

Mr. President, this concern is not shared by just a few diehards on the Senate Energy Committee and other Members of the Senate. I ask unanimous consent to have printed in the RECORD an editorial published in the Concord Monitor, Concord, N.H., of March 25, 1978.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

LAWYER HAS TIES TO OIL GIANTS

President Carter has nominated a Washington, D.C. lawyer with close ties to the nation's oil and natural gas giants to be general counsel to the new Department of Energy.

After more than five months of hearings and investigation, the Senate Energy Committee only recently approved the nomination of Lynn R. Coleman to one of the four top jobs in the new department and sent a recommendation to the full Senate that he be confirmed.

But a vigorous minority on the Committee, including Sen. John A. Durkin. D-N.H., is opposing Coleman's nomination on grounds that he cannot divorce himself from his long association with an industry he would be called upon to regulate, and for which he was a registered lobbyist.

The President's nomination of Coleman was puzzling from the outset. When he was running for office in 1976, he said: "The sweetheart arrangement between regulatory agencies and the regulated industries must be broken up and the revolving door between them should be closed."

Coleman is a Washington partner in the Houston-based law firm of Vinson & Elkins, of which former treasury Secretary John B. Connally also is a partner.

We fail to see how the Carter administration can expect the nation's oil and natural gas consumers—which means virtually the entire U.S. public—to have confidence in its choices for top government posts when it proposes a nominee of Coleman's background to regulate the industry with which he has been so closely associated throughout his professional career.

There is no question about Coleman's ability or personal integrity. And he told the Senate Energy Committee he would not participate in any departmental decisions affecting his former clients.

But a skeptical public has heard this before, only to see government agencies tilt in favor of the oil and natural gas industries at the expense of the consumer.

If Coleman were to become general counsel to the Energy Department, his decisions and legal advice well could be objectively based upon his intimate knowledge of the workings of the industry. But no matter how scrupulous he was to avoid conflicts of interest, he always would be suspect.

President Carter's credibility already is tattered because of what is perceived to be the gap between his campaign promises and his performance from the White House.

Neither he nor the nation can afford the further loss of public confidence that would result if the Senate confirmed Coleman.

We hope the president can see that there is no way Coleman can avoid the appearance of a conflict of interest. Mr. Carter should withdraw the nomination. Failing that, the Senate should reject it.

Mr. DURKIN. Mr. President, here is the situation: A very well respected newspaper—not just in New Hampshire but also in New England and throughout the ranks of the print media throughout the country—the Concord Monitor, which is published in our State capital, is well recognized for its excellence in journalism, not just in New England, not just in New Hampshire, but all across the country as well. It is a paper that does not devote editorials to nominees or editorials with respect to the oil and gas industry as a matter of course, although its circulation is in an area that I represent, an area that has been victimized for the last 15 years by Federal energy policy.

When oil was $1.50 a barrel, they would not let us buy it. We could not import it. We could not bring it into New England. We could not get an oil import quota when it was $1.50 a barrel. Now, when it is $14 a barrel, we can buy all we can afford, and in many cases we are being forced to buy much more than we can afford.

The Concord Monitor, in its editorial of March 25, 1978, expresses its skepticism. I quote:

We fail to see how the Carter administration can expect the nation's oil and natural gas consumers—which means virtually the entire U.S. public—to have confidence in its choices for top government posts when it proposes a nominee of Coleman's background to regulate the industry with which he has been so closely associated throughout his professional career.

Then the editorial continues:

There is no question about Coleman's ability or personal integrity. And he told the Senate Energy Committee he would not participate in any departmental decisions affecting his former clients.

But a skeptical public has heard this before, only to see government agencies tilt in favor of the oil and natural gas industries at the expense of the consumer.

That states the problem about as succinctly and as eloquently as it can be stated. But going beyond that editorial, this administration set a higher standard; this administration was not going to repeat the mistakes of the past. This administration was going to set the highest standard. This administration was going to end this.

Earlier today, I repeated the exact quotation from President Carter's statement when he appeared before the Democratic National Committee Platform Committee, prior to his nomination. He said he was going to end sweetheart relationships between the regulated and the regulators. He was going to end the revolving door between the regulated and the regulators.

But I am afraid this nomination does not end it. This nomination breathes new life into the revolving door. This nomination gives the revolving door another spin.

Where does it end? You and I know where it ends. We are going to end up—you and I, the energy consumers in this country—paying through the nose. Everybody in America knows this. That is the reason why the public is so fed up. I hope we are not blind to what all our constituents realize every month as they get their electric bill, every month as they get their oil bill, every week or every few days as they go to the gas station and watch their paycheck disappear into the gas tank, into the oil barrel, or into their electric meter.

This is not going to be lost on the people all across the country. This is not going to be lost on the people of New Hampshire.

Why is it something that is so evident, so obvious to our hard-pressed consumers? Why is it not so obvious or equally obvious to the administration and to the Senate?

As I said before, even though Mr. Coleman had inextricable entanglements with the oil industry, he promised the committee he would break those commitments, break the past associations, put on a new hat and represent the hard-pressed consumer. But then after his nomination is reported out of committee, through arrogance or ignorance or inadvertence, he turns around and $725 of his money ends up in a political action fund which generally goes to support candidates who are appreciative, shall we say, of the problems faced by the oil producers.

This leads to a bigger question, Mr. President. Does this administration have an energy policy? One begins to wonder as he sits on the Energy Committee. Let us just go back a few months. We have "the moral equivalent of war" speech, we have the coal conservation bill, one of the five bills of the National Energy Plan.

Just take my area of New Hampshire and northern New England. We are supposed to switch to coal. We are the most heavily dependent in the United States on OPEC oil. We are supposed to switch to coal. We are supposed to switch to alternative forms of energy. We are supposed to switch to wood, waterpower, solar power, and coal. What happens? We cannot get the coal in northern New England. An occasional ship carrying

coal can make it in Portsmouth Harbor if it does not fall apart on the way in. You can fly in coal on some of the C5A's if you put the wings back on them. But unless we rehabilitate the railbeds we are not going to get coal in New England, we are not going to get coal in New Hampshire, and we cannot meet the grand design of the April 20 comprehensive energy program.

What happens? The Senate adopts an amendment of mine to provide $100 million in authorization to rebuild the railbeds so we can haul the coal. We get to the conference committee last fall and there is opposition to the rail amendment. All of a sudden there is opposition to the rail amendment. Where does that opposition come from? From none other than our bird-loving, pipe-smoking Secretary of Energy.

He opposes the amendment. His people are opposing the very amendment that will enable us to carry out the grand design and convert to coal.

Another program I was personally involved in is the $330 million program to revitalize hydroelectric power, low dam, low head hydro for low dam, small-scale hydropower.

Through the efforts of Representative OTTINGER and other Members of the House of Representatives there was a provision in the House bill. The Senate adopted my amendment in the Senate bill. We got to conference, and here we are, an area most heavily dependent upon OPEC oil in the country with an abundance of water power. It is one of the few things that New England has plenty of. If you think back the industrial revolution started in New England, started on water power, started with grist mills, started with all the belts that ran the machinery. My home city was the biggest textile capital in the world at one time, mostly on water power. But who opposes the amendment to provide the funds for low-head hydroelectric power? None other than our same old friend, our pipe smoking, bird watching Secretary of Energy.

In fact, I think the record will show that the last time the Secretary of Energy had any interest in New England was when an unusual bird flew south, the arctic gull, Ross's gull, never heretofore to be seen this far south, showed up on New Hampshire's 17-mile coastline, quite a phenomena.

I think that gull might have well been a prophet about what the Federal energy policy was going to do to New England. I think that arctic gull, that had never been seen that far south before, knew that the Federal energy policy is going to turn New England into a wasteland if we do not make some changes.

But who showed up to see the gull? Who showed the first and only known interest in New Hampshire and New England? Our pipe-smoking, bird-loving, bird-watching, Secretary of Energy.

But at that time, of course, that was when he was in the Ford administration. That was when he was Secretary of Defense. We all know that President Ford fired him and then he showed up in Ronald Reagan's camp and then he became the all-purpose adviser to Ronald Reagan. When Ronald Reagan went down the tubes in Kansas City, our friend shows up in Plains, and is the father of what has been billed as the 113-point comprehensive program to solve our energy crisis.

Let us take a look at this year's solar budget of this administration. The Secretary of Energy's budget came up to the committee and it, believe it or not, reduced the amount of money being spent for solar demonstrations. We all saw on TV all the hoopla that the Secretary of Energy had on Sun Day, but the fact remains that this administration, the Department of Energy, reduced the amount of money for demonstration of solar energy.

We are not going to get solar energy in this country, we are not going to get it in New England where we need it, until you drive down the street and see someone on your block or your street who usually has a reputation in the community for good sense who has a solar installation on the roof. That is when solar energy is going to start to move in this country. We have to have those demonstration programs. Yet the Department of Energy, believe it or not, reduced the money for solar energy demonstrations.

Then another aspect of this grand design, this comprehensive program, calls for switching to coal, and if we can fly it in we still have severe environmental problems with respect to sulfur in coal. There is the technology and there is the expertise to have the sulfur taken out of coal at the mine site. It can be shipped as coal, it can be burned as coal, and it can be preheated, burned as oil in industrial boilers and utility boilers, and it does not have the SO_2 problem which is one of the major environmental problems with coal. There was a program to do this.

We called the Department of Energy today and they do not know what has happened to the program. They are confused. They do not know what has happened to the program.

So I would have to ask, and I think every Member of this body ought to start asking, is there an energy policy in this country or is it done with mirrors? Is there an energy policy and is there a commitment to an energy policy or is this just a set of rehashed, reworked campaign speeches?

Last December the conference, the energy conferees, completed action on the utility reform bill, completed action on the coal conversion bill, completed action on the conservation bill, and yet they languish in committee because you have to have a comprehensive program, you have to have part 4, the natural gas bill.

Well, we all heard about the natural gas bill. They brought the negotiations down to the White House, and I hope the people in the galleries realize that the President gave the oil and gas industry everything but the furniture in the Oval Office to get a compromise. The compromise that came up at Christmas I affectionately called it the moral equivalent of mugging the consumer on Christmas Eve. That was only going to cost $20 billion.

The latest compromise is going to cost $50 billion. Who is going to pay for it? Who is going to pay the $50 billion? Well, folks, you will realize when you get home who is going to pay the $50 billion. You are going to pay for it. You are going to pay for it for the rest of your lives.

Then we have the energy taxes. It was billed as part 5 of the 113-point program, the 113-point comprehensive energy program, which was the biggest tax increase in the history of the Republic, a $150 billion tax increase. Talk about inflation.

We have a special counsel now for inflation. I happened to see him on "Issues and Answers" yesterday. He said he really did not have a program. He had some ideas, was going to try to talk—you know, a hungry dog talked a pork chop out of the other dog's mouth, but he did not really have much of a program.

I suggest we ought to have a program. We ought to kill that energy tax program. We ought to give that a quiet, dignified burial. We ought to give a quiet. dignified burial to the natural gas compromise, and we should have passed 3 months ago the coal conversion bill, and the utility reform bill, and the conservation bill.

I wonder now, every week when I go home and people talk to me about electric rates, and I try to explain to them that there is a bill languishing in conference, and it is very, very difficult really to explain to them why Congress has not enacted those three bills. We have to have those three bills. But those three bills were supposed to provide a healthy dose of Chanel No. 5, if you will, to the disguised parts 4 and 5 which cannot stand the light of day. There is no way to disguise the aroma coming from those two parts of the package.

So I wonder, and I hope the press starts wondering, is there an energy bill? Is there an energy policy? Or is this just another set of reworked, recycled, rejuvenated campaign speeches?

We hear about phase 2 of the national energy program. Well, I hope they give more thought to it than they game to phase 1 , and I hope the American taxpayers will give it more thought than they gave to phase 1.

I am concerned. Mr. President, about the Department of Energy. Secretary Schlesinger is forcing us to go down the road where there will be no option but to go the nuclear route.

Look at the present budget, over $600 million for the breeder reactor on top of $450 million last year, and there is just about the same amount of money in there for solar that President Ford spent on WIN buttons. Where are the priorities? Where are the policies? Where are the commitments to the policies?

I think the President, in this nomination, provides food for thought. With Dr. Schlesinger, I think it is becoming apparent—I think it has been apparent for some time—that Dr. Schlesinger's grand design is to put a breeder reactor in every closed gas station in America.

There is no other explanation for his opposition to the alternative energy sources, opposition to hydropower, opposition to rehabilitating the railbeds so that they can haul coal. There is no other conclusion that can be drawn but that he is trying to stop production of coal, that he is trying to prevent the adoption of alternative sources of energy; he is trying to prevent the utilization of gasification, the liquefaction of coal, so that fairly soon this country has no other alternative but to go camping on a nuclear site just as he did a few years ago.

I think it is time that the press started asking questions such as: Does Dr. Schlesinger speak for, are his pronouncements the pronouncements of, this administration? If so, we all ought to be alarmed. If not, it is time that the President reined him in because we cannot sit back in silence much longer and explain Dr. Schlesinger's statements and say, "Well, they are not really the statements of the President; they are not really the policies of this administration," because time is running out. The sands are dropping, and we will have no conclusion but to consider that the statements and the grand design of Secretary Schlesinger are the policies of this administration, if the President does not speak up, does not rein in Dr. Schlesinger and, once and for all, clearly articulate to this country just what the energy policies of this administration are.

Every day is like New England's weather. It was beautiful when I left New Hampshire this morning, a beautiful, sunny day. You fly down here and it is raining. Well, if I had stayed in New England, you know, the weather changes up there rather frequently. That is one thing we say, "Do not worry about the weather. In 15 or 20 minutes it will change."

Well, that has been the track record so far of Dr. Schlesinger. Every time he runs into opposition his statements change. Some of the positions of the administration, the Department of Energy, why, I sometimes think they are written on the same paper that bookies use that can self-destruct almost immediately.

There is no coherence, there is no consistency, and the American public knows it.

So, Mr. President, add to this the nomination of Lynn Coleman, and what conclusion do we have? The conclusion is that the Department of Energy has become the captive of the oil and gas interests and has become the captive of those who want to put breeder reactors into every gas station that used to exist in America.

That concerns me, and that should concern all of us, because, let us look at the appointments. I think it is 27 people who have to be confirmed by the Senate. Never mind the promise that we were going to end the revolving door and the sweetheart relationships. Everybody in America knows that the regulatory agencies in Washington have been seduced by those they are supposed to regulate. Every grammar school kid in America knows that.

They are offered change, we are offered change. It was going to be a new outlook; it was going to be a new policy here. It was going to be the highest possible standard. They said, "We are going to end the revolving door, end the sweetheart relationships." This administration imposed the highest standards on itself.

Then, what do we find? We find an oil company lawyer being nominated twice as general counsel of the Department of Energy. That is not even meeting the old standard, let alone the new standard that was promised to the American people.

(Mr. GLENN assumed the chair.)

Mr. DURKIN. Take a look at the appointments. How many women? We heard more campaign promises about putting women in responsible Government jobs. Well, of the ones that require Senate confirmation, we have not seen many women. I think two. Two names out of 27 have been women.

Let us take a look at that octopus called the Department of Energy. There are 726 supergrade positions. Of 726 supergrade positions, only 10 were filled by women the last I knew, and the last we checked was in the past 2 or 3 weeks.

That is an abysmal record. That does not even match the effort of the Nixon administration. There is a lower percentage of women in key positions today than even in the Nixon administration.

So what we have, or what I am afraid we have, is the assumption that the American public will forget. Mr. President, they are not going to forget. They are getting daily reminders at the gas station. They are getting a monthly reminder when the oil bill comes. They are getting a monthly reminder when the electric bill comes. They are not going to forget.

There is no way we are going to generate support in the populace for an effective energy package without the confidence of the American public. We cannot just ask them to draw their wagons in a circle and wait until the crisis blows over. We are going to need the support of the American public if we are going to begin to solve this problem. It will not be solved in my lifetime or yours, but we have got to start making a coherent beginning. The energy crisis is not going to be solved easily or in short order, but it will never be solved if we do not have the confidence of the American public. I submit that nominating and confirming an oil company lawyer as General Counsel of the Department of Energy will erode what little confidence the American public has in us.

It is bad enough that they do not have any confidence in the Department of Energy. It is bad enough that the polls show that their confidence in the Oval Office is dropping. The polls show that public confidence in the Oval Office is coming down as fast as the Graf Zeppelin did. That is bad enough. But we have an obligation to this institution. We have an obligation to the U.S. Senate. How can we expect the Amercan public to have any respect for us? How can we expect the American public to have any confidence in us, if we just blindly confirm whatever name is sent up?

How can we explain to the American public the double standard? In 1972 a Democratically controlled Senate turned down the nomination of President Nixon because he was an oil man. Are we going to establish a dual standard today or tomorrow, and confirm an oil company man as General Counsel of the Department of Energy, just because his name was sent up by a Democratic President? That is not going to be lost on the American people. We are not going to fool the American people; how in God's name can they have any respect for our judgment?

Now we hear that part of the "new design," part of the "grand design, phase 3," or phase 4 or whatever it is—it changes every day, and it is hard to keep track of the numbers—now we hear that the only thing that can save the country is an oil import fee. An oil import fee of $5 to $7 a barrel on oil. That is going to have the effect of a declaration of economic warfare on New England and my home State, because, as I said, we could not buy the oil, Federal energy policy would not let us buy oil when it was a dollar and a half a barrel, but now when it is $14, and then you add a $5, $6, or $7 import fee, what is that going to do to the price of gasoline? What is that going to do to the price of heating oil? What is that going to do to the price of electricity?

It is not going to discover one ounce of energy. It is not going to produce one additional ounce of energy. But it will be a signal. It will be a signal to the OPEC countries that the traffic will bear another $5 or $6 or $7 a barrel. It is like sending them an engraved invitation to raise the price of oil. We are just saying the American public is willing to pay another $5 or $6 or $7 a barrel more for oil. We ought to give the oil import fee a quiet, dignified burial the day that proposal comes up.

Let us take a look at oil policy. There is a glut of oil on the world market, and we are spending the taxpayers' dollars, my dollars and your dollars, to build a strategic oil reserve. A good idea; a little inadequate when it was sent up here, because the area most dependent on imported oil is New England, and they were not going to put a strategic oil reserve deposit in New England. I guess we were just supposed to pray when it turns cold.

But we know the Shah of Iran has got to sell oil to keep his war machine going, and so he can buy the planes from us. The other OPEC countries have to keep selling oil to us and around the world, or their economies will falter. But do we use a common, ordinary device known as sealed bids? No. Would you not think we would have used sealed bids in using those tax dollars to buy oil for the strategic oil reserve? Would you not think we would have used sealed bids to play the OPEC nations off one against the other, and sow a few seeds of discontent in the

Let them bid against one another. That would be putting a crimp in the ranks of the cartel members?

OPEC cartel. But, no, we do not do that. The Department of Energy goes out and uses your tax dollars to pay the highest possible price, and then they talk about an oil import fee of $5 or $6 or $7 a barrel, which is a signal to OPEC to raise it some more, because the traffic will bear another $5 or $6 or $7 a barrel.

That is some energy policy. The President has the authority to set up an oil import board, and not let the big oil companies, the major oil companies negotiate. Now they negotiate. Talk about sweetheart deals; they negotiate the price that you and I are going to pay for oil, and they get a fixed percentage of whatever the price is. There is no incentive to hold down prices. The incentive is to let the price rise as high as it can, because they have a flat percentage of a fixed amount.

Talk about sweetheart deals; that is the sweetheart deal of all sweetheart deals. That is the "Sweetheart of Sigma Chi" when it comes to sweetheart deals.

Mr. METZENBAUM. Mr. President, will the Senator yield for a question?

Mr. DURKIN. In just a couple of seconds. I have to return to the energy markup.

I say it is time the President used the authority we gave him to set up an oil import board to negotiate with OPEC countries, and then let the oil companies distribute it. That has worked in Canada; it has worked in the Maritime provinces, and it can work here, if the administration has the determination to make it work. There is no reason why we should be held hostage. There is no reason why we should not be playing one of the OPEC countries off against the others, and bring the prices down.

Sealed bids for the strategic petroleum reserve and the oil imports under the law would do more to bring down and stabilize the price of oil than any of the President's current proposals would.

I will be happy to yield to the Senator from Ohio for a question.

Mr. METZENBAUM. The Senator from New Hampshire has been very much involved in the entire energy question for certainly the last 16 months, and doubtless before that, as well. The Senator serves on the Energy and Natural Resources Committee and has had the opportunity to participate in the confirmations of persons named to the Department of Energy, and probably as much as any other Member of the Senate has been an astute observer of the policies of this administration with regard to energy.

Would the Senator give me his views as to whether he has seen any evidence on the part of the Department of Energy, from the top to the bottom, evidencing their interest and concern about the American consumer, the American people, or would the Senator agree with me that when the policies have been made they have been first concerned about the oil industry and the natural gas industry, and then, as an afterthought, with the American people?

Mr. DURKIN. I think that is a fair question. It is distressing, and I find it distressing to have to answer yes to that question.

What we have today in the Department of Energy, I believe, is a clear and present danger to every consumer in America. The Department of Energy is an item of inflation which will impact on every American family, not just on my people in New Hampshire who have been paying very high prices. I think the Department of Energy literally practices the trickle down theory. Give everything you can to the oil and gas interests, give everything you can to the breeder reactor gang, and somehow, in some way, it is going to trickle down to the average working family; it will trickle down to senior citizens on fixed income; it will trickle down to the small businessman.

It is distressing to say that, in the first place, there does not seem to be any coherent policy, and, in what few policies there are, there does not seem to be any commitment in those policies. The only day in and day out clearly discernible policy is: When in doubt take care of the oil and gas interests, when in doubt take care of the breeder reactor gang, and let the American public fend for itself.

It is free enterprise, in Dr. Schlesinger's view of his responsibility as Secretary of Energy, free enterprise for the handicapped, free enterprise for widows, free enterprise for senior citizens, free enterprise for small businesses, free enterprise for the less fortunate, but a Government handout and Government welfare for the oil and gas industry.

As I have said time and time again, it is time we had welfare reform. It is long overdue in this country. If we can get the oil companies off welfare, if we can get the breeder reactor gang off welfare, it will be a significant accomplishment, a bigger accomplishment than we have had to date in this session, I am sorry to say.

I think the President ought to reconsider the 113-point program. The press fell for that, the 113-point program. Every point was a centerpiece, a 113-point program with 113 centerpieces. Imagine a furniture store that only sold centerpieces. They would be in bankruptcy court. The American public will be in bankruptcy court with this energy bill. I think the President ought to admit that he was lulled by Jim Schlesinger and admit, "We are scrapping the natural gas bill. We will pass the three that we have and then we will give some thought, some consideration, to it, and when we send up the next plan we will consult with the Secretary of the Treasury, Mr. Blumenthal."

They put that plan together under a blanket. They would not tell anyone what was in that plan. It was a super secret, comprehensive plan. They did not tell Secretary Blumenthal. They did not tell anyone. They talked to each other. This was a James Schlesinger production, pure and simple. The President fell for it. That is understandable in his first few months in office. I would hate to be called to account for all the mistakes I made during the first few months after I was sworn in.

I think the American public would have more respect for him, and I believe he would go up in the polls, if he walked into the press room down there and said, "You know, I have been giving it a lot of thought. We made a mistake in the natural gas bill. We made a mistake with that tax bill. I am asking the Congress to pull them down and pass the three bills" that we completed action on last December.

Mr. METZENBAUM. Does the Senator have an opinion as to whether the President's polls would go up if we had a new quarterback for the national energy plan?

Mr. DURKIN. I think it is becoming more and more obvious that 99 percent of the problems with the President's energy bill can be laid at the door of Dr. Schlesinger.

Mr. METZENBAUM. I share the view of the Senator from New Hampshire.

Mr. DURKIN. We are hearing vibrations out of the White House that they are beginning to realize that Dr. Schlesinger handed them, instead of a comprehensive program, a bag full of cats and tried to call it an energy package. I think if the President returned Dr. Schlesinger to the private sector it would do a lot for the President's confidence and it would do a lot for America's confidence in the President. I think he should call a halt to the tax bill and to the natural gas bill. He made a mistake.

I remember when I was in law school here at Georgetown. John Kennedy said he made a mistake at the time of the Bay of Pigs and the American public rallied behind him. The American public showed their increased confidence in a man who was willing to admit that he made a mistake.

I think this President would experience a similar uplift if he was to tell the American public, "We made a mistake. We rushed. We had an arbitrary deadline, April 20. The deadline became more important than the bill. We hustled to get it. TV cameras were set up ready to grind, with joint sessions of the House and Senate, all that hoopla. We rushed and we made a mistake, because of a self-imposed, arbitrary deadline."

The Senator from Ohio knows that. Let us think back for a moment. Talk about whistle blowers, I wonder where Mr. Knudsen is now. When asked to conduct a study with respect to our oil and gas reserves, he is the one who came back on April 7, 1977, and said, "There is a 40-year supply of gas at a production cost of $1 per mcf."

The trouble is, that projection came on the eve of the great speech saying that we are running out of natural gas and we have to convert to coal, even though coal has a severe environmental impact.

So I think with the American public, and, I am sure, the President's standing with the Senate, would be increased markedly if he put Dr. Schlesinger out to pasture and said parts 4 and 5 of the energy bill, the natural gas bill and the energy taxes, were the wrong medicine at the wrong time for the wrong patient.

I am not optimistic that we shall see that.

Mr. METZENBAUM. Will the Senator yield?

Mr. DURKIN. Yes, I yield. I have to go to a committee meeting.

Mr. METZENBAUM. I want to point out to the Senator that his comments were, in part, addressed to the Department of Energy and the question of American credibility with respect to the national energy plan. I think it is fair to say that Lynn Coleman will probably be confirmed because of a combination of political circumstances. I think it is also fair to say, and I ask the distinguished Senator from New Hampshire if he does not agree, that, in spite of his being confirmed, it will not help the President's standing with the American people. It will not lend credence to the energy shortage. It will only add to the continuing doubts that the American people have had as to the seriousness of the problem and to pluck this one lawyer out of 315,000 directly from the oil and gas industry and put him into the Department of Energy will only add to the President's problems, only lessen his standing with the American people.

I wonder whether the Senator from New Hampshire has found, as I have found, that there have been articles written about the Lynn Coleman nomination across the breadth of this land—in St. Petersburg, Fla.; Dayton, Ohio; Concord, N.H.; in the New York Times; in the Washington Star, and a host of other areas. With no exception, I have not found one word supporting the appointment of Lynn Coleman to be general counsel for the Department of Energy.

I ask the distinguished Senator from New Hampshire, who has also been very attentive and very concerned with this issue, whether or not he has seen any place any word, any article, written by any group or any newspaper or public media body, indicating support for the appointment of Lynn Coleman as general counsel of the Department of Energy?

Mr. DURKIN. It seems to me that the Oil City News had an editorial supporting him. I forget the date. Other than that, I have not heard of any editorial support or any support from those who are concerned.

The point here is that, you know, we had a President that promised change. He promised a new standard. Now, what are we to believe? Is it the story of the politician that promises change, and he does, just as soon as he gets sworn in? Or are we to believe the statements that this was going to be a new wave, was going to be a new horizon, was going to be a new era?

This is the era that eliminated the pomp and circumstance, elminated the yachts. But I submit that the turning of the Department of Energy, or the legal department of the Department of Energy, over to an oil company lawyer is going to cost a lot more than a fleet of Sequoias.

Everybody in America could buy a Sequoia with what that natural gas compromise is going to cost them between now and 1985. Everybody, on their front lawns, could have their own version of the Sequoia—everybody—with what that natural gas bill is going to cost between now and 1985.

It concerns me. We are not going to solve this problem, we are not going to solve the energy crisis, without the support of the American public. And this does nothing but alienate more and more people, more and more taxpayers, more and more energy consumers, more and more citizens—not just in New England, which is the energy wasteland right now. If we do not solve the problem in New England, we shall be before the Energy Committee trying to make it a national park or wilderness area. We have to solve the energy problem. We have to come up with alternative sources of energy. We have to make sacrifices.

The days of "cheap and easy" are gone. But to make these tough decisions and get the support of the American public, they have to have confidence in the agencies that are supposed to be regulating the special interests on their behalf. I think this nomination is a gigantic step backward and erodes much of the confidence. And God knows, there is not that much confidence in Government today. I think we rank just below the trash collectors. I do not know if there is anyone below us.

The U.S. Senate or individual Senators are not going to rise much in the polls, either, if we look the other way. We have a greater obligation. As Democrats, we have a greater obligation to speak out. People say, why do you say these things? Why do you speak up like this? You are embarrassing a Democratic President. I think it is just the other way around.. We have a greater obligation to speak up as Democrats, because he is a Democratic President. Dr. Schlesenger is his appointee. Our obligation is greater to the American public because we are Democrats, and, as Democrats, we cannot just fold our tents and walk away when a nomination comes up from the White House.

I am not optimistic. We have about the same odds as General Custer had that morning at the Little Big Horn. It is tough enough to beat the oil industry, but it is virtually impossible to beat the oil industry when they have the White House with them. You have the Exxon symbol and you have the symbol of the Executive Office. It is an uphill battle.

I just hope that the American public realizes why we are making this fight, realizes why we are taking this intiative. It is because, if we continue down this road, if the Department of Energy continues to be a halfway house—halfway from the oil industry and halfway back to the oil industry—if the Department of Energy is going to be a halfway house, we are never going to convince the American public that its policies and its programs are needed.

Mr. President, I yield the floor.

Mr. METZENBAUM. Mr. President, in the St. Petersburg Times of March 26, 1978, appears this statement:

Stumping in West Palm Beach not long before the 1976 Florida primary, Jimmy Carter encountered a voter who wanted to know what he thought of the "oil-gas conspiracy."

"There's a sweetheart arrangement between regulatory agencies and the industries they are supposed to be regulating," Carter said. "It doesn't take long before the consumer is forgotten. There is no way to tell where the federal energy agency stops and the oil industry begins."

He promised to close "the revolving door" through which people frequently move back and forth between jobs in industry and related government agencies.

The article is particularly apropos to the Lynn Coleman nomination.

I ask unanimous consent that the entire article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the St. Petersburg Times, Mar. 26, 1978]

ENERGY COUNCIL NOMINATION CONTINUES TO DRAW OPPOSITION

(By Martin Dyckman)

WASHINGTON.—Stumping in West Palm Beach not long before the 1976 Florida primary, Jimmy Carter encountered a voter who wanted to know what he thought of the "oil-gas conspiracy."

"There's a sweetheart arrangement between regulatory agencies and the industries they are supposed to be regulating," Carter said. "It doesn't take long before the consumer is forgotten. There is no way to tell where the federal energy agency stops and the oil industry begins."

He promised to close "the revolving door" through which people frequently move back and forth between jobs in industry and related government agencies.

A wise man, it's said, changes his mind often; a fool, never. In that same campaign, Carter uttered a terse "Keep it!" when a mayor in Broward County asked what he'd do with the Panama Canal.

Two years later, the U.S. Senate's debate over the Panama Canal treaties is postponing what promises to be an uncomfortable showdown concerning Carter's "revolving door" rhetoric.

Last fall, he chose Lynn R. Coleman, a 38-year-old Texas lawyer, to be general counsel of the Energy Department.

Coleman is, by consensus, an intelligent, capable and honest man politically moderate if not actually liberal.

And there's no question that he knows a great deal about what the Energy Department deals with. That's the problem.

Coleman has spent most of his career representing oil and gas companies. That's his specialty, and a specialty of the house to which he belongs: the 240-member Houston law firm of Vinson & Elkins that numbers former Treasury Secretary John B. Connally among its partners.

Because of this, Coleman's nomination languished in the Senate Energy Committee for months until limping out on an 11–6 vote Feb. 9. Had only Democrats been voting, it would have failed on a tie, 5–5 Republicans voted 6–1 for the Democratic nominee.

Most nominations that are eventually approved have much stronger support in committee.

The committee vote so sufficiently assured hard debate on the Senate floor that Coleman's confirmation was put off until after the Panama Canal issue is settled.

Chairman Henry M. Jackson, D-Wash., voted for Coleman but warned he might change his mind if he decides Coleman would have to disqualify himself so frequently as to be handicapped in his role as top lawyer for energy.

The battle goes on backstage while the canal holds center stage.

Five Democratic senators who oppose Coleman sent a "Dear Colleague" letter last Monday urging the rest of the Senate to oppose Coleman's confirmation.

The five, who had all expressed their opposition earlier or had voted it in committee,

were William Proxmire, Wisconsin; Wendell R. Anderson, Minnesota; James Abourezk, South Dakota; Howard M. Metzenbaum, Ohio, and John A. Durkin, New Hampshire.

Coleman's confirmation "would seriously jeopardize efforts by the Administration to develop a credible national energy plan that can win public support and confidence," they said. "We do not question Mr. Coleman's personal integrity or his legal skills. However, we strongly believe that his nomination will undermine efforts to develop public trust and would be a major disservice to the Department of Energy and to the American public."

The five senators attacked, as insufficient, Coleman's public agreement with the White House to disqualify himself in certain types of cases. It would apply, they said, only to Energy Department matters affecting "the eight largest Vinson & Elkins clients, three 'personal' clients, and 20 others that involve compliance matters. It does not restrict him from participating in numerous other cases involving such major client firms as Exxon, Texas Eastern Transmission Co., Belco Petroleum, American Petroleum and others . . .

"The Department of Energy would virtually need to keep a scorecard to know whether Mr. Coleman's participation in decisions involves potential conflicts of interest . . . Where will the line be drawn?

"In addition, Mr. Coleman will be allowed to represent clients before the (Energy Department) only one year after he has left the department. Although this meets the legal minimum, it is not a long enough period for such a sensitive post . . ."

The five senators noted that under similar circumstances the Senate voted 51 to 42 on June 13, 1973 to reject Robert Morris, a California lawyer, also known as a liberal Democrat, for membership on the Federal Power Commission. The case against Morris was that he had represented Standard Oil of California for 15 years, though he had left that account behind when he quit a large firm to establish his own practice.

There are some differences in the cases. Morris' opponents stressed that the commission already had four "industry" members and he would make the fifth, ending what one called the "last clear chance" to seat a consumer representative on the board. Coleman, however, will in theory be only an adviser to Energy Secretary James Schlesinger.

But there are similarities between the Morris defense and Coleman's.

". . . I am personally satisfied," Carter wrote to Metzenbaum last November, "that (Coleman's) representation of these interests has increased his knowledge without in any way decreasing his objectivity."

Morris' defenders said essentially the same.

Then, it was a Democratic Senate dealing with a Republican president's appointment. (The law obliged President Nixon to pick a Democrat or independent for the vacancy.) Now, it is a Democratic Senate about to pass judgment on a Democratic president's appointment and campaign promises.

One wonders what Jerry Brown would be saying at West Palm Beach in February 1980.

Mr. METZENBAUM. Mr. President, at this time, I ask unanimous consent to have printed in the RECORD an editorial published in the Dayton Daily News, entitled "The Wrong Man." The editorial, dated December 5, 1977, leads off:

President Carter's choice for top lawyer in the new Department of Energy is little short of bizarre.

It concludes with this line:

Mr. Carter can do better than this. If he does not decide to himself, the Senate shouldn't hesitate to require him to.

Mr. President, I ask unanimous consent that the entire editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Dayton Daily News, Dec. 5, 1977]

THE WRONG MAN

President Carter's choice for top lawyer in the new Department of Energy is little short of bizarre, and Sen. Howard Metzenbaum (D–Ohio) is right: If the nomination is not withdrawn, the Senate should decline to appoint Lynn Coleman as general counsel to DOE.

Mr. Coleman has been associated for 12 years with a Houston law firm whose clients include several major oil firms. He put in four years as Washington lobbyist for the Houston Natural Gas Company.

The Energy Department need not be staffed with sworn foes of the energy companies, but it should not be staffed by the companies and their associates, either. This is particularly crucial in the department's opening years, when its ability to advise a balky Congress and lead a skeptical public must be established.

It may well be, as Mr. Coleman says, that he has taken a number of public-interest positions on energy questions, but it is doubtful he would be able to do his job at DOE even if his counsel was the purest. His recent associations would require that Mr. Coleman, to avoid possible conflicts of interest, disqualify himself from participation in many of the legal tangles the new department is likely to find itself in.

Mr. Carter can do better than this. If he does not decide to himself, the Senate shouldn't hesitate to require him to.

Mr. METZENBAUM. Mr. President, I ask unanimous consent to have printed in the RECORD an article written by Jack Anderson, published in the Washington Post of February 16, 1978, entitled "Interest Conflict Charged at DOE."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

INTEREST CONFLICT CHARGED AT DOE

(By Jack Anderson)

President Carter assaulted the oil conglomerates last year with the same results he could have expected if he had pelted the Washington Monument with snowballs.

For the President never backed up his words with the action that would demonstrate he meant what he said. Despite his brave rhetoric, he continued to follow the bipartisan tradition of upholding oil privileges.

His criticism of the oil industry had scarcely faded from earshot when Robert Strauss appeared quietly at his side, ostensibly as his trade ambassador. But White House sources tell us no one does more whispering in Carter's ear than the suave Strauss. He speaks the oil language, with a soft Texas accent.

Then the President selected Lynn Coleman, another amiable Texan, to run the Energy Department's legal staff.

The general counsel is in a unique position to influence energy policy. Yet Coleman came out of Houston, a city spawned by oil fortunes. He was a law partner of ex-Treasury Secretary John Connally, the darling of the oil industry. Coleman refused to give the Senate a list of the firm's clients, but we can report it represents the giants of oildom, including Exxon, Mobil, Shell, Texaco and Union Oil.

We can also reveal that his law firm not only litigates but lobbies for its oil and gas clients. Coleman was a registered lobbyist himself. Nor did the firm merely represent oil companies; it got into bed with them.

One partner is a director of Tipperary Co., a $19.2 million oil and gas firm in Texas. Another partner is on the board of Austral Oil, a company that tried to win a backdoor price deregulation case a few years ago.

Coleman's law partners are also involved in several interlocks with First City Bankcorp of Texas, the big Houston holding company that often bankrolls the oil industry. John Connally, for one, is a director of the huge multibillion-dollar holding company. He sits on the board with representatives of such oil consortiums as Exxon, Superior and Quintana.

An alarmed Sen. Howard Metzenbaum (D-Ohio) has raised conflict-of-interest questions in a private letter to Senate Energy Chairman Henry Jackson (D-Wash.). "Mr. Coleman's long-standing ties with the oil and natural gas industry will raise continuing questions about conflicts of interest and favoritism within the new Energy Department," wrote Metzenbaum.

Footnote: Coleman told us that he disagrees with Metzenbaum's criticism. He said he has represented many small companies against larger ones. He also told us that he's confident the Senate will approve his nomination.

Auto Crackdown—The Federal Trade Commission is quietly preparing to subpoena a mass of documents from the Big Three automakers, a dredging operation intended to uncover evidence of possible price rigging.

The commission wants to determine whether General Motors, Ford and Chrysler have grown too fat and inefficient, thus restraining competition in the auto market. The investigators will also examine why GM's lead in announcing price increases is blindly followed.

Because the auto troika pack a big political wallop, the inquiry is highly sensitive. The commissioners, therefore, must approve each subpoena personally before it is issued.

The commission has also requested information from such foreign importers as Toyota, Volvo, Fiat, Volkswagen, Mazda, Renault and British Leyland. They have been asked whether they have encountered any barriers in entering the U.S. market, what factors affect their prices, repairs and marketing strategies and what would be the ideal size for an efficient auto manufacturer.

If the commission concludes that the Big Three are stifling competition, it could move to break them up. General Motors, for example, could be ordered to divest its Chevrolet division.

The auto companies are expected to challenge the subpoenas, thereby precipitating a legal battle that could drag on for years.

Mr. METZENBAUM. Mr. President, I ask unanimous consent to have printed in the RECORD an article published in the Philadelphia Inquirer of December 6, 1977, entitled "The Senate's Quandary: Two Sets of Ethics."

There being on objection, the article was ordered to be printed in the RECORD, as follows:

[From the Philadelphia Inquirer, Dec. 6, 1977]

THE SENATE'S QUANDARY: TWO SETS OF ETHICS

(By Aaron Epstein)

WASHINGTON.—Four years ago Democrats in the Senate led a rebellion that rarely occurs in Congress. They succeeded in rejecting a presidential nomination to a regulatory agency—president Richard M. Nixon's appointment of Robert H. Morris to be a member of the Federal Power Commission. (FPC).

They acknowledged that Morris, a San Francisco lawyer, was an able advocate and a man of integrity. But they argued that he

had one critical problem which, in their minds, disqualified him:

For 15 years, Morris represented the Standard Oil Co. of California—a giant in an industry regulated by the FPC.

The identical issue has arisen in President Carter's nomination of Lynn R. Coleman to be general counsel to the new Energy Department and leaving many Senate Democrats torn between loyalty to the President and to the principle they espoused four years ago.

They agree that Coleman, like Morris, is a lawyer of ability and integrity. But Coleman, like Morris, has battled for the causes of oil and gas companies before regulatory agencies, in the halls of Congress and in the courts.

Coleman's confirmation had been considered a sure thing, but Sen. Howard Metzenbaum (D., Ohio), leader of the opposition, now believes that "the possibility of stopping the nomination is increasing substantially . . . there's a snowball effect.

"I just don't believe the American people will ever understand this administration proposing an attorney who has been an oil and gas attorney being chief counsel in the Energy Department, no matter what his philosophical bent might be," said Metzenbaum, a member of the Senate Energy Committee.

Coleman's links to oil and gas company causes are numerous.

He has been a lobbyist for the Houston Natural Gas Corp. and has worked closely with his friend, Rep. Bob Eckhardt (D., Tex.), on aspects of energy legislation. Eckhardt, considered a pro-consumer member of two house energy subcommittees was among those who recommended Coleman for the federal post.

Coleman, 38, has personally represented numerous pipeline companies, natural gas producers and oil refiners as a lawyer since 1965 for the huge Houston law firm of Vinson & Elkins. The firm represents still other large companies in the energy field, Continental and Union oil companies among them, and is well connected to influential political leaders.

Coleman has been a partner in Vinson & Elkins since 1972. A year later he established the firm's Washington office. The firm's best-known partner is John B. Connally, the former Texas governor and secretary of the treasury, who is regarded as a possible Republican presidential candidate in 1980.

Vinson & Elkins formed a political fund last year called the National Good Government Fund. The fund has contributed $2,000 to Carter, $2,000 to Eckhardt, $4,500 to the Democratic Congressional Dinner Committee and $6,000 to the Republican National Committee, among other donations.

Coleman's background and connections were sufficient to convince a few senators to oppose him immediately. Sen. William Proxmire (D., Wis.), for example, labeled Coleman's nomination "a serious mistake."

Recalling his opposition to Morris, Proxmire characterized Coleman as "yet another nominee whose professional career has been dedicated to the furtherance of the private interests of (the energy) industry."

On the other side, Sen. J. Bennett Johnston Jr. (D., La.), who cast his vote against Morris four years ago, told his colleagues on the Senate Energy Committee:

"To attack this man because he has been in a firm that represented oil and gas people is, in my view, McCarthyism of the very worst sort.

"And if we are going to start playing that game, then I think we ought to go back and examine all the other nominees that we have confirmed without a ripple."

Eckhardt, who also supported Coleman's appointment before the Senate committee, said, "It would have been a terrible pity had Brandeis not gone on the Supreme Court because he had a corporate practice, particularly in antitrust."

Coleman himself said he would sever all relations with Vinson & Elkins if he gets the Energy Department job and would promote the public interest as forcefully as he worked for the oil and gas companies.

Under the federal conflict of interest law, he would have to disqualify himself, for at least one year, from Vinson & Elkins cases and clients that come before the Energy Department.

"That means we'll need a scoreboard to find out which cases he can get involved in and which he can't" Metzenbaum complained. "I don't want a person in there who is—I won't say one-legged—but who can't handle the job 100 percent capacity."

Coleman said Vinson & Elkins is involved in only 3 percent of the lawsuits and less than 1 percent of other matters at the Energy Department. He insisted that he would use his knowledge of the energy business to make fair competent decisions but, no matter what he does, "there is not anything I can do to keep somebody from saying, Well, this fellow used to represent the companies. . . ."

A more immediate quandary for Coleman is his failure to disclose everything the Senate Energy Committee wants to know about Vinson & Elkins. He gave the names of dozens of its present and former energy clients but said that there are 20 cases involving compliance with federal energy regulations that his firm considers confidential.

"Coleman called me and said he'd disclose those matters to us but only for our own use," Metzenbaum said, "but I said no, it should be made public."

Mr. METZENBAUM. Mr. President I ask unanimous consent to have printed in the RECORD an article published on the front page of the St. Petersburg Times, dated December 16, 1977, entitled "U.S. Nominee's Firm Linked to Oil-Price Company."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the St. Petersburg Times, Dec. 16, 1977]

U.S. NOMINEE'S FIRM LINKED TO OIL-PRICE COMPANY

(By Patrick Tyler and Martin Dyckman)

WASHINGTON.—The nominee to the chief lawyer's post in the Energy Department is a partner in a law firm with a close relationship to an oil company named in the alleged Florida Power Corp., oil-pricing swindle.

If confirmed, Lynn R. Coleman could apparently advise the government on legal actions against the oil company, without violating his conflict-of-interest agreement with the Carter Administration.

The relationship of Coleman's law firm to Aminoil U.S.A. Inc. surfaced Thursday when the Senate Energy Committee released the names of 20 energy companies represented by the Houston- and Washington-based firm of Vinson & Elkins. These 20 firms have regulatory problems with the Energy Department.

One of the prestigious firm's notable partners is ex-Treasury Secretary John B. Connally.

Another partner is Texas lawyer Lynn R. Coleman, nominated by President Carter in September as general counsel for the Energy Department.

Coleman had initially refused to disclose his firm's oil-company clients, saying his firm had invoked attorney-client confidentiality. He later acquiesced, apparently because nondisclosure "would cause him to have that much less support in the Senate," in the words of Sen. Howard M. Metzenbaum, D-Ohio.

Metzenbaum is trying to defeat Coleman's nomination, but the 38-year-old oil-industry specialist has thus far survived conflict-of-interest challenges in two rounds of confirmation hearings before the Senate committee. He is expected to easily win confirmation next month.

The Energy Department regulates the oil industry and Coleman is a registered lobbyist for oil and gas firms.

Among the names of firms Coleman disclosed to the Senate committee earlier this week is Aminoil U.S.A. Inc., which has changed names twice since the hectic days of the Arab oil embargo.

In 1973, the company's name was Signal Oil Gas Co., and its executive vice president collected more than $500,000 in commissions on fuel sales to Florida Power.

Signal was one of the links in the so-called "daisy chain" of companies that transferred the ownership of fuel bound for Florida Power as many as four times on each transaction. Those increased sales allowed excess profit-taking that could amount to $8.5-million in overcharges, federal investigators say:

These overcharges were ultimately passed on to Florida Power's 665,000 customers as "fuel adjustment" charges on monthly electric bills, allowed by the Florida Public Service Commission.

Aminoil's assistant corporate counsel, Tom Smith, said Thursday that "Vinson & Elkins has been closely associated with this company and its predecessor companies since I came here in 1957, back to the Burmah (Oil & Gas) days and the Signal days."

"There is a tremendous relationship back and forth," Smith said.

However, Smith said, after conferring with Vinson & Elkins' Houston office, "They (the firm) have never had anything to do with the Florida Power matter and I don't expect them to."

Smith said he knows "15 to 20" Vinson & Elkins attorneys on a personal basis and another 20 casually, but, he said, he does not know Coleman: "Lynn Coleman hasn't had anything to do with us."

Coleman has not returned reporters' phone calls for several weeks.

During Coleman's confirmation hearings, the Senate committee released the Administration's agreement with Coleman setting forth the terms under which he would abstain from "enforcement" and "compliance" cases involving oil companies represented by Vinson & Elkins.

Under the agreement, Coleman would disqualify himself "from any matter now pending before the Department of Energy . . . in which Vinson & Elkins has appeared as counsel."

If, as Aminoil official Smith says, Coleman's firm is not representing Aminoil in the Energy Department's investigation of the alleged Florida Power fuel swindle, Coleman could conceivably participate in department decisions to bring legal actions against the alleged daisy-chain oil companies.

A spokesman for the Energy Department could not say late Thursday whether Coleman could participate in such enforcement decisions without violating the conflict-of-interest agreement.

"I talked to Coleman and he wants to stay as far removed from any of these cases as he can," said public affairs spokesman Carl Gustin.

However, at least one consumer group challenged Coleman's appointment on the ground that Coleman might be forced to disqualify himself too often.

James F. Flug, director of the Energy Action Educational Foundation, told Senate Energy Committee members that Coleman's constant disqualification due to oil-industry

ties would leave decisions to subordinates, some of whom contributed to the foot-dragging reputation of previous administrations.

The Energy Department spokesman also said that Coleman did not compile the list of 20 oil companies turned over to the Senate. When Coleman turned over the names, he asked the Senate committee not to disclose the list but to "retain this information for the use of the committee."

However, when the committee released the list Thursday, staff officials said they were following standard practice.

The findings of the three-year federal investigation into the Florida Power case are now in the hands of U.S. Justice Department officials, who will determine whether the oil and utility executives should be prosecuted under criminal, not civil, statutes. The oil-pricing issue is also the subject of a multimillion-dollar lawsuit in federal court in Tampa.

However, the Energy Department still holds the power to bring administrative charges against the oil companies and require millions of dollars in restitution to Florida Power and its customers.

And Coleman, as the chief legal adviser to Energy Secretary James R. Schlesinger, could substantially influence decisions on penalties, fines and refunds.

The scope of the Florida Power fuel-overcharge scandal broadened suddenly in late summer, shortly before the Energy Department inherited the much-criticized enforcement program of the now-defunct Federal Energy Administration (FEA).

The St. Petersburg Times reported in August that Florida Power's former board chairman, Angel P. "Joe" Perez collected $193,255 in "finder's fees" from the Florida Power fuel consultant Perez hired in 1971.

The consultant, 72-year-old Ray Granlund of Houston, was a vice president of the oil company Coleman's law firm represented. Granlund retired from Signal Oil & Gas in 1969. However, Granlund remained a Signal consultant during the following years, including the years he worked as a Florida Power consultant for as much as $1,750 a month.

Granlund is suspected of masterminding the alleged daisy-chain conspiracy and of distributing $3.5-million in "commissions" he made on Florida Power fuel-oil transactions to the oil and utility executives who allegedly helped to operate the daisy chain.

Granlund, Perez, Aminoil, and more than a half-dozen other oil firms were named in the multimillion-dollar lawsuit filed in U.S. District Court in Tampa by Florida Power's current management Sept. 19.

Mr. METZENBAUM. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial published in today's Federal Times—actually, dated next week, 1 week in advance, May 15, 1978—entitled "Double Standard."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From Federal Times, May 15, 1978]

DOUBLE STANDARD

As Senator Metzenbaum recently observed, Energy Department officials seem to apply a double standard when considering candidates for key jobs.

Energy secretary James R. Schlesinger, for example, has endorsed President Carter's nomination of Texas lawyer Lynn R. Coleman as Energy Department general counsel. To bar Coleman on the basis of his career-long defense of oil and gas company clients would be "guilt by association," Schlesinger told the American Petroleum Institute last November.

But Vinson and Elkins, Coleman's Houston-based law firm, has done more than merely represent the energy industry in battles before federal regulatory commissions and the courts.

As Sheila Hershow reports on page 5, the firm also has set up a generous campaign contribution kitty to be used for gifts to members of Congress who are in a position to influence energy legislation. And Coleman has worked as a registered lobbyist for the Houston Natural Gas Corporation, an energy conglomerate.

Meanwhile, Schlesinger has been less eager to put former Federal Power Commission economist and whistleblower David S. Schwartz back on the federal payroll. Schwartz, an outspoken public interest advocate, was recently turned down for an Energy Department appointment after a job interview in which an official suggested that hiring this "top flight" applicant would be like "signaling to the petroleum industry that we are ready to do battle."

Federal Energy Regulatory Commission chairman Charles B. Curtis feels a similar "concern" about rehiring the "brilliant . . . and almost uniquely qualified" Schwartz for the deputy director job he may have been forced out of three years ago. Schwartz has been "a rather visible" supporter of the public interest point of view, Curtis told *Federal Times* last week.

Senator Metzenbaum said in response that "any suggestion" that a federal regulator can be "too strong an advocate of the public interest is almost a contradiction in terms."

We think Senator Metzenbaum has a telling point there.

Indeed, we think there is good reason to believe that Schwartz should be rehired and Coleman's nomination given serious second thoughts.

Mr. METZENBAUM. Mr. President, I do not intend to hold the floor much longer today, but I want to conclude with a short letter that was addressed to me not by a consumer group, not by an environmental group, but by a group associated with the oil industry.

I have received a letter from the National Association of Texaco Wholesalers, Inc., located in Atlanta, Ga. Because they are in the oil industry and because they share the same concerns that some of us have indicated we have with respect to this appointment, I think it important that the letter appear in the RECORD in its entirety. The letter reads:

DEAR SENATOR METZENBAUM: I just wanted to congratulate you and thank you for a position you had taken on the nomination of Mr. Lynn R. Coleman as General Counsel in the Department of Energy. As a spokesman for an association of small oil marketers since 1973, I consider such an appointment to be in extreme conflict with the goals and purposes of our regulatory agencies.

Your philosophy on this important question is in complete agreement with that of Mr. Carter when a candidate, as you will note from the attached copy of a statement that appeared in the September 1976 issue of Nation's Business.

We certainly appreciate the fact that you see important matters such as this as they really are.

Sincerely,

FRED B. CAUSEY,
Executive Director.

Mr. President, I have spoken for several hours on the floor of the Senate today with respect to my opposition to the nomination of Lynn Coleman to be General Counsel to the Department of Energy. I mentioned, in colloquy with Senator DURKIN, that I expect that the nomination will be confirmed. But the confirmation of the nomination of Lynn Coleman to be General Counsel of the Department of Energy will not make it right, regardless of the number of votes Mr. Coleman may receive in his support.

The nomination never should have been made; and when it was made and after it was made, it should have been withdrawn. There is no logic, there is no reason, there is no justification to make Lynn Coleman, spokesman and advocate and lobbyist for the oil and natural gas industry, the General Counsel for the Department of Energy. Whether his nomination is or is not confirmed will not make it right.

Tomorrow, I will address myself further to this nomination. I think it is a travesty that the Senate has to be given the responsibility and obligation to pass on this kind of nomination.

This is no assault upon the man's integrity, no assault upon his legal ability. But certainly there is a very real question as to whether it will help the President's national energy plan and—probably the more basic question—whether or not it will restore the confidence of the American people in their Government. That confidence is low enough, and we need not exacerbate the problem by appointing a man such as Lynn Coleman, with his background, to hold the important position of General Counsel to the Department of Energy.

Mr. CANNON. Mr. President, what is the pending business?

The PRESIDING OFFICER. The pending business is the nomination of Mr. Coleman.

Mr. CANNON. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMATEUR SPORTS ACT OF 1978

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 705.

The PRESIDING OFFICER. The bill will be stated by title.

The second assistant legislative clerk read as follows:

A bill (S. 2727) to promote and coordinate amateur athletic activity in the United States, to recognize certain rights for United States amateur athletes, to provide for the resolution of disputes involving national governing bodies, and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Commerce, Science, and Transportation with amendments as follows:

On page 3, line 24, strike "between" and insert "among";

On page 4, line 15, strike "Act" and insert "the Act";

On page 5, line 8, after "place" insert "in the United States";

On page 5, line 21, strike "event,";

On page 5, line 22, strike "program" and insert "event";

On page 6, line 7, strike "(A)";

On page 6, line 10, strike "and (B) any amateur athletic competition used to qualify United States amateur athletes for such competition;";

On page 8, line 2, strike "manages" and insert "manager";

On page 8, line 6, strike "avalable" and insert "available";

On page 8, line 15, strike "athleties" and insert "athletic";

On page 8, line 17, strike "persons" and insert "individuals";

On page 9, line 3, strike "Pan American" and insert "Pan-American";

On page 9, line 19, strike "bodies, and" and insert "body, or";

On page 9, line 19, strike "organizations" and insert "sports organization";

On page 11, beginning with line 14, insert the following:

MEMBERSHIP IN THE CORPORATION

SEC. 206. Section 106 of the Act, as redesignated by section 201 of this Act, is amended by—

(a) inserting "(a)" immediately before "Eligibility" therein; and

(b) adding at the end thereof the following new subsection:

"(b) In its constitution and bylaws, the Corporation shall establish and maintain provisions with respect to its governance and the conduct of its affairs for reasonable representation of:

"(1) amateur sports organizations recognized as national governing bodies in accordance with section 201 of this Act;

"(2) amateur athletes who are actively engaged in amateur athletic competition or who have represented the United States in international amateur athletic competition within the preceding 10 years;

"(3) amateur sports organizations which conduct a national program or regular national amateur athletic competition in two or more sports which are included on the program of the Olympic Games or the Pan-American Games on a level of proficiency appropriate for the selection of amateur athletes to represent the United States in international amateur athletic competition; and

"(4) individuals not affiliated or associated with any amateur sports organization who in the Corporation's judgment represent the interests of the American public in the activities of the Corporation."

On page 12, line 20, strike "206" and insert "207";

On page 14, line 11, after "sign," insert "symbol,";

On page 14, line 15, strike "jurisdiction," and insert "jurisdiction";

On page 14, line 19, strike "provisions" and insert "provision";

On page 15, line 1, strike "defendant" and insert "defendants";

On page 15, line 6, strike "attorney" and insert "attorney's";

On page 15, line 12, strike "contribution" and insert "contributions";

On page 15, line 15, strike "Pan American" and insert "Pan-American";

On page 15, line 18, strike "207" and insert "208";

On page 16, line 8, strike "208" and insert "209";

On page 16, line 16, strike "Pan American" and insert "Pan-American";

On page 16, line 17, strike "competitions" and insert "competition";

On page 16, line 18, strike "corporation and insert "Corporation";

On page 16, line 21, strike "209" and insert "210";

On page 18, line 10, strike "deemed" and insert "considered";

On page 18, line 16, after "or" insert "involving";

On page 18, line 17, strike "to participate";

On page 18, line 18, after "official" insert "to participate in amateur athletic competition,";

On page 18, beginning with line 21, strike through and including line 25, and insert in lieu thereof the following:

"(4) demonstrates that it is autonomous in the governance of its sport, in that it independently determines and controls all matters central to such governance, does not delegate such determination and control, and is free from outside restraint, and demonstrates that it is a member of no more than one international sports federation which governs a sport included on the program of the Olympic Games or the Pan-American Games;

On page 19, line 10, after "trainer," insert "manager,";

On page 19, line 15, strike "for participation";

On page 19, line 17, after "officials" insert "to participate in amateur athletic competition,";

On page 20, beginning with line 17, strike through and including line 24, and insert the following in lieu thereof:

"(9) provides for reasonable representation on its board of directors or other such governing board for any amateur sports organization which, in the sport for which recognition is sought, conducts, on a level of proficiency appropriate for the selection of amateur athletes to represent the United States in international amateur athletic competition, a national program or regular national amateur athletic competition, and ensures that such representation shall reflect the nature, scope, quality, and strength of the programs and competitions of such amateur sports organization in relation to all other such programs and competitions in such sport in the United States;

On page 21, line 18, after "criteria" insert "relating to amateur status which are";

On page 21, line 21, after "demonstrates" insert a comma and "if it is an amateur sports organization seeking recognition as a national governing body,";

On page 22, line 21, strike "one" and insert "1";

On page 22, line 24, strike "If, at the end of such extension, the national governing body has not complied with such requirements, the Corporation shall revoke the recognition of such national governing body." and insert the following in lieu thereof:

If, at the end of extension period referred to in subparagraph (C) of this paragraph, the national governing body has not complied with such requirements, the Corporation shall revoke the recognition of such national governing body.

On page 23, line 16, strike "Act" and insert "title";

On page 24, beginning with line 12, strike through and including line 17, and insert the following in lieu thereof:

"(4) promptly review every request submitted by an amateur sports organization or person for a sanction (A) to hold an international amateur athletic competition in the United States; or (B) to sponsor United States amateur athletes to compete in international amateur athletic competition held outside the United States, and determine whether to grant such sanction, in accordance with the provisions of subsection (b) of this section;

On page 25, line 13, strike "persons" and insert "individuals";

On page 25, line 14, strike "persons" and insert "individuals in amateur athletic activity";

On page 25, beginning with line 22, strike through and including page 27, line 6, and insert the following in lieu thereof:

"(b) As a result of its review under subsection (a)(4) of this section, if a national governing body does not determine by clear and convincing evidence that holding or sponsoring an international amateur athletic competition would be detrimental to the best interest of the sport, the national governing body shall promptly grant to an amateur sports organization or person a sanction to—

"(1) hold an international amateur athletic competition in the United States, if such amateur sports organization or person—

"(A) pays to the national governing body any required sanctioning fee, if such fee is reasonable and nondiscriminatory;

"(B) demonstrates that—

"(i) appropriate measures have been taken to protect the amateur status of athletes who will take part in the competition and to protect their eligibility to compete in amateur athletic competition,

"(ii) appropriate provision has been made for validation of records which may be established during the competition,

"(iii) due regard has been given to any international amateur athletic requirements specifically applicable to the competition,

"(iv) the competition will be conducted by qualified officials,

"(v) proper medical supervision will be provided for athletes who will participate in the competition, and

"(vi) proper safety precautions have been taken to protect the personal welfare of the athletes and spectators at the competition, and

"(C) submits to the national governing body an audited or notarized financial report of similar events, if any, conducted by the amateur sports organization or person; or

"(2) sponsor United States amateur athletes to compete in international amateur athletic competition held outside the United States, if such amateur sports organization or person—

"(A) pays to the national governing body any required sanctioning fee, if such fee is reasonable and nondiscriminatory;

"(B) submits a letter from the appropriate entity which will hold the international amateur athletic competition certifying that—

"(i) appropriate measures have been taken to protect the amateur status of athletes who will take part in the competition and to protect their eligibility to compete in amateur athletic competition,

"(ii) appropriate provision has been made for validation of records which may be established during the competition,

"(iii) due regard has been given to any international amateur athletic requirements specifically applicable to the competition,

"(iv) the competition will be conducted by qualified officials,

"(v) proper medical supervision will be provided for athletes who will participate in the competition, and

"(vi) proper safety precautions have been taken to protect the personal welfare of the athletes and spectators at the competition; and

"(C) submits a report of the most recent trip, if any, to a foreign country which the amateur sports organization or person spon-

sored for the purpose of having United States amateur athletes compete in international amateur athletic competition.

On page 30, line 16, after "United States" insert "and sanction the sponsorship of international amateur athletic competition held outside the United States";

On page 30, line 23, strike "that sports organizations conducting amateur athletic competition which is limited to a specific class of amateur athletes (such as high school students, collegiate students, members of the Armed Forces, or similar groups or categories) shall have jurisdiction over such competitions" and insert "for that amateur athletic competition specified in section 206 of this title";

On page 32, line 12, after "unless" insert "it can be shown by clear and convincing evidence that";

On page 33, line 11, strike "section" and insert "sections";

On page 33, line 15, after "compliance" insert "with the requirements of sections 201(b) and 202 of this title";

On page 35, line 18, strike "(A)" and insert "'(A)";

On page 35, line 19, strike "sections" and insert "section";

On page 35, line 20, strike "(B)" and insert "'(B)";

On page 36, line 16, strike "sections" and insert "section";

On page 37, line 5, strike "by" and insert "of";

On page 38, line 21, strike "him to comply" and insert "compliance";

On page 39, line 16, strike "decision" and insert "decision";

On page 39, beginning with line 18, insert the following:

"SEC. 206. Any amateur sports organization which conducts amateur athletic competition, participation in which is restricted to a specific class of amateur athletes (such as high school students, college students, members of the Armed Forces, or similar groups or categories), shall have jurisdiction over such competition.".

On page 40, line 20, after the period, strike through and including line 25, and insert in lieu thereof the following:

As used in this section, the term "training centers" means sites selected by the Corporation for use in furthering amateur sports development, research, and education across a broad range of sports, including the collection, analysis, and dissemination of technical sports information.

On page 41, beginning with line 21, insert the following:

(e) The Secretary shall conduct a feasibility study to determine the cost of, need for, and most appropriate means of providing continuing funding to the Corporation for the construction and operation of training centers and sports medicine research facilities. The Secretary shall submit to the Congress the results of the study, together with his recommendation, within 6 months after the date of enactment of this Act.

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Amateur Sports Act of 1978".

TITLE I—DECLARATION OF POLICY

FINDINGS

SEC. 101. The Congress finds that—

(1) amateur athletic activity plays an important role in American society by serving as a source of recreation, contributing to the improvement of physical and mental health, providing for public entertainment, and acting as a national unifying bond;

(2) amateur athletic activity, including competition, is valuable in the development of an individual's character, promotes integrity and the pursuit of personal excellence, and contributes to physical fitness and well-being;

(3) amateur athletic competition between athletes of the United States and those of other nations provides a valuable exchange of cultural and personal ideas and fosters improved international understanding;

(4) it is in the best interest of the United States to encourage and support public participation in amateur athletic activity, including providing opportunities for amateur athletes to develop their skills and compete in national and international competition;

(5) the full potential benefits of amateur athletic competition have not been realized because existing amateur athletic organizations in the United States are fragmented, are not bound by a common purpose, and are unable to coordinate their efforts;

(6) amateur athletes have often been denied the opportunity to participate in athletic events because of the inability of amateur athletic organizations to resolve their differences;

(7) organized amateur athletic competition is conducted through the use of facilities of interstate commerce or is an activity which affects interstate commerce; and

(8) international amateur athletic competition involving citizens of the United States is conducted through the use of facilities of foreign commerce and is an activity which affects commerce between the United States and other nations.

PURPOSE

SEC. 102. The Congress declares that it is the purpose of this Act to—

(1) encourage participation in amateur athletic activities by citizens of the United States;

(2) coordinate the development, financing, and conduct of amateur athletic activity and improve the cooperation among various amateur athletic organizations by expanding the authority of the United States Olympic Committee to serve as the coordinating body for amateur athletic activities;

(3) protect the rights of amateur athletes to participate in amateur athletic competition; and

(4) provide a mechanism to insure that the right to govern a particular sport is awarded to the most representative and capable amateur sports organization.

TITLE II—OLYMPIC COMMITTEE REORGANIZATION

TITLE ADJUSTMENTS

SEC. 201. The Act entitled "An Act to incorporate the United States Olympic Association", adopted September 21, 1950 (36 U.S.C. 371 et seq.), hereinafter in this title referred to as "the Act", is amended as follows:

(a) The first section of the Act is amended by striking out "That the following persons, to wit:" and inserting in lieu thereof the following:

"TITLE I—CORPORATION

"SEC. 101. The following persons, to wit:".

(b) Each section of the Act is amended by striking out "corporation" each place it appears and inserting in lieu thereof "Corporation", in each such place.

(c) Section 2 of the Act is redesignated section 102, and sections 3 through 12 of the Act are redesignated as sections 104 through 113, respectively.

PRINCIPAL PLACE OF BUSINESS OF THE CORPORATION

SEC. 202. Section 101 of the Act, as amended by section 201 of this Act, is further amended by amending the last sentence shall maintain its principal offices and national headquarters in such place in the United States as is determined by the Corporation, and may hold its annual and special meetings in such places as the Corporation shall determine.".

DEFINITIONS

SEC. 203. The Act is further amended by inserting immediately after section 102 of the Act, as redesignated by section 201 of this Act, the following new section:

"SEC. 103. As used in this Act, the term—

"(1) 'amateur athlete' means any athlete who meets the eligibility standards established by the national governing body for the sport in which the athlete competes;

"(2) 'amateur athletic competition' means a contest, game, meet, match, tournament, regatta, or other event in which amateur athletes are permitted to compete;

"(3) 'amateur sports organization' means a not-for-profit corporation, club, federation, union, association, or other group organized in the United States which sponsors or arranges any amateur athletic competition;

"(4) 'Corporation' means the United States Olympic Committee;

"(5) 'international amateur athletic competition' means any amateur athletic competition between any athlete or athletes representing the United States, either individually or as part of a team, and any athlete or athletes representing any foreign country;

"(6) 'national governing body' means an amateur sports organization which is recognized by the Corporation in accordance with section 201 of this Act; and

"(7) 'sanction' means a certificate of approval issued by a national governing body.".

OBJECTS AND PURPOSES OF THE CORPORATION

SEC. 204. Section 104 of the Act, as redesignated by section 201 of this Act, is amended to read as follows:

"SEC. 104. The objects and purposes of the Corporation shall be to—

"(1) establish national goals for amateur athletic activities and encourage the attainment of those goals;

"(2) coordinate and develop amateur athletic activity in the United States in order to foster productive working relationships among sports-related organizations;

"(3) exercise exclusive jurisdiction, either directly or through its constituent members or committees, over all matters pertaining to the participation of the United States in the Olympic Games and in the Pan-American Games, including the representation of the United States in such games, and over the organizations of the Olympic Games and the Pan-American Games when held in the United States;

"(4) obtain and select for the United States, directly or by delegation to the appropriate national governing body, the most competent amateur representation possible in each competition and event of the Olympic Games and of the Pan-American Games;

"(5) promote and support amateur athletic activities involving the United States and foreign nations;

"(6) promote and encourage physical fitness and public participation in amateur athletic activities;

"(7) assist organizations and persons concerned with sports in the development of amateur athletic programs for amateur athletes;

"(8) provide for the swift resolution of conflicts and disputes involving amateur athletes, national governing bodies, and amateur sports organizations, and protect the opportunity of any amateur athlete, coach, trainer, manager, administrator, or official to participate in amateur athletic competition;

"(9) foster the development of amateur athletic facilities for use by amateur athletes and assist in making existing amateur athletic facilities available for use by amateur athletes;

"(10) provide and coordinate technical information on physical training, equipment design, coaching and performance analysis;

"(11) encourage and support research, development, and dissemination of informa-

tion in the areas of sports medicine and sports safety;

"(12) encourage and provide assistance to amateur athletic activities for women; and

"(13) encourage and provide assistance to amateur athletic programs and competition for handicapped individuals.".

POWERS OF THE CORPORATION

SEC. 205. Section 105 of the Act, as redesignated by section 201 of this Act, is amended to read as follows:

"SEC. 105. (a) The Corporation shall have perpetual succession and power to—

"(1) serve as the coordinating body for amateur athletic activity in the United States;

"(2) represent the United States as its national Olympic committee in relations with the International Olympic Committee and the Pan-American Sports Organization;

"(3) organize, finance, and control the representation of the United States in the competitions and events of the Olympic Games and of the Pan-American Games, and obtain and select, either directly or by delegation to the appropriate national government body, amateur representation for such games;

"(4) recognize eligible amateur sports organizations as national governing bodies for any sport which is included on the program of the Olympic Games or the Pan-American Games;

"(5) facilitate, through orderly and effective administrative procedures, the resolution of conflicts or disputes involving any amateur athlete, coach, trainer, manager, administrator, or official, national governing body, or amateur sports organization;

"(6) sue and be sued;

"(7) make contracts;

"(8) acquire, hold, and dispose of such real and personal property as may be necessary for its corporate purposes;

"(9) accept gifts, legacies, and devises in furtherance of its corporate purposes;

"(10) borrow money to carry out its corporate purposes, issue notes, bonds, or other evidences of indebtedness therefor, and secure the same by mortgage, subject in each case to the laws of the United States or any State;

"(11) provide financial assistance to any organization or association, other than a corporation organized for profit, in furtherance of the purposes of the Corporation;

"(12) approve and revoke membership in the Corporation;

"(13) adopt and alter a corporate seal;

"(14) establish and maintain offices for the conduct of the affairs of the Corporation;

"(15) publish a newspaper, magazine, or other publication consistent with its corporate purposes; and

"(16) do any and all acts and things necessary and proper to carry out the purposes of the Corporation.

"(b) The Corporation shall adopt and may amend a constitution and bylaws not inconsistent with the laws of the United States, except that the Corporation may amend its constitution only if it—

"(1) publishes in its principal publication and in the Federal Register a general notice of the proposed alteration of the constitution, including the substantive terms of the alteration, the time and place of the Corporation's regular meeting at which the alteration is to be decided, and a provision informing interested persons that they may submit materials as authorized in subparagraph (2); and

"(2) gives to all interested persons, prior to the adoption of any amendment, an opportunity to submit written data, views, or arguments concerning the proposed amendment for a period of at least 30 days after the date of publication of the notice in the Federal Register.".

MEMBERSHIP IN THE CORPORATION

SEC. 206. Section 106 of the Act, as redesignated by section 201 of this Act, is amended by—

(a) inserting "(a)" immediately before "Eligibility" therein; and

(b) adding at the end thereof the following new subsection:

"(b) In its constitution and bylaws, the Corporation shall establish and maintain provisions with respect to its governance and the conduct of its affairs for reasonable representation of:

"(1) amateur sports organizations recognized as national governing bodies in accordance with section 201 of this Act;

"(2) amateur athletes who are actively engaged in amateur athletic competition or who have represented the United States in international amateur athletic competition within the preceding 10 years;

"(3) amateur sports organizations which conduct a national program or regular national amateur athletic competition in two or more sports which are included on the program of the Olympic Games or the Pan-American Games on a level of proficiency appropriate for the selection of amateur athletes to represent the United States in international amateur athletic competition; and

"(4) individuals not affiliated or associated with any amateur sports organization who in the Corporation's judgment represent the interests of the American public in the activities of the Corporation."

USE OF OLYMPIC DESIGNATIONS

SEC. 207. Section 110 of the Act, as redesignated by section 201 of this Act, is amended to read as follows:

"SEC. 110. (a) Without the consent of the Corporation, any person who—

"(1) falsely or fraudulently represents to be a member or a representative of the Corporation or of one of its constituent organizations for the purpose of soliciting, collecting, or receiving money or material:

"(2) wears or displays the emblem of the Corporation for the purpose of inducing the mistaken belief that such person is or has been a member or a representative of the Corporation or of one of its constituent organizations; or

"(3) uses for the purpose of trade, to induce the sale of any goods or services, or to promote any theatrical exhibition, athletic performance, or competition—

"(A) the emblem of the International Olympic Committee, consisting of five interlocking rings;

"(B) the emblem of the Corporation, consisting of an escutcheon having a blue chief and vertically extending red and white bars on the base with five interlocking rings displayed on the chief;

"(C) any other Olympic trademark, trade name, sign, symbol, or insignia made or colored in imitation of, or confusingly similar to, the emblem, trade name, or any trademark of the International Olympic Committee or of the Corporation; or

"(D) the words 'Olympic', 'Olympian', 'Olympiad', 'Citius Altius Fortius', or any combination, simulation, or confusingly similar derivative thereof tending to cause confusion, to cause mistake, to deceive, or to falsely suggest a connection with the Corporation or any Olympic activity;

shall be liable in a civil action by the Corporation for the remedies provided in subsection (c) of this section. However, any person who actually used, or whose assignor actually used, such trademark, trade name, emblem, sign, symbol, insignia, or words for any lawful purpose prior to September 21, 1950, shall not be deemed forbidden by this section to continue such use for the same purpose and for the same goods to which such trademark, trade name, emblem, sign, symbol, insignia, or words had been used lawfully prior to September 21, 1950.

"(b) The district courts of the United States shall have original jurisdiction and the courts of appeal of the United States shall have appellate jurisdiction of all actions arising under subsection (a) of this section, without regard to the amount in controversy or to diversity or lack of diversity of the citizenship of the parties.

"(c) When a violation of any provision of this section is established in any civil action arising under this section, the Corporation shall be entitled to—

"(1) obtain injunctive relief upon such terms as the court considers reasonable to prevent a violation or threatened violation of this section;

"(2) recover the profits which the defendant accrued as a result of such violation;

"(3) recover any damages sustained by the Corporation; and

"(4) recover costs of the action, including, at the discretion of the court, the amount of reasonable attorney's fees.

"(d) The Corporation may authorize contributors and suppliers of goods or services to use the trade name of the Corporation as well as any Olympic trademark, symbol, insignia, or emblem of the International Olympic Committee or of the Corporation in advertising that the contributions, goods, or services were donated, supplied, or furnished to or for the use of, approved, selected, or used by the Corporation or United States Olympic or Pan-American team or team members.".

ANNUAL REPORT

SEC. 208. Section 113 of the Act, as redesignated by section 201 of this Act, is amended to read as follows:

"SEC. 113. The Corporation shall, on or before the first day of June in each year, transmit simultaneously to the President and to the Congress a detailed report of its operations for the preceding calendar year, including an accounting of the financial status of the Corporation and a comprehensive description of the activities and accomplishments of the Corporation during the preceding year. The report may include recommendations for additional legislation or other action which the Corporation considers necessary or desirable for attaining its objectives. Copies of the report shall be made available to interested persons at a reasonable cost.".

ATHLETE'S OPPORTUNITY TO PARTICIPATE

SEC. 209. Title I of the Act, as amended by this Act, is further amended by adding at the end thereof the following new section:

"SEC. 114. In its constitution and bylaws, the Corporation shall establish and maintain provisions for the swift and equitable resolution of disputes involving the opportunity of an amateur athlete, coach, trainer, manager, administrator, or official to participate in the Olympic Games, the Pan-American Games, world championship competition, and any other amateur athletic competition which may be designated by the Corporation.".

NATIONAL GOVERNING BODIES

SEC. 210. The Act, as amended by this Act, is further amended by adding at the end thereof the following new title:

"TITLE II—NATIONAL GOVERNING BODIES

"SEC. 201. (a) For any sport which is included on the program of the Olympic Games or the Pan-American Games, the Corporation is authorized to recognize as a national governing body an amateur sports organization which files an application and is eligible for such recognition, in accordance with the provisions of subsection (b) of this section. The Corporation shall recognize only one national governing body for each sport for which an application is made and approved. Prior to the recognition of a national governing body under the authority granted

under this title and in accordance with the procedures and requirements of this section, the Corporation shall hold a hearing open to the public on the application for such recognition. The Corporation shall publish notice of the time, place, and nature of the hearing. Publication shall be made in a regular issue of the Corporation's principal publication at least 30 days, but not more than 60 days, prior to the date of the hearing.

"(b) No amateur sports organization is eligible to be recognized or is eligible to continue to be recognized as a national governing body unless it—

"(1) is incorporated under the laws of any of the several States of the United States or the District of Columbia as a not-for-profit corporation having as its purpose the advancement of amateur athletic competition, and has the managerial and financial capability to plan and execute its obligations;

"(2) submits an application for recognition, in such form as the Corporation shall require, as a national governing body and, upon application, submits a copy of its corporate charter and bylaws and any additional information as is considered necessary or appropriate by the Corporation;

"(3) agrees to submit, upon demand of the Corporation, to binding arbitration by the Amercian Arbitration Association in any controversy involving its recognition as a national governing body, as provided for in section 205 of this title, or involving the opportunity of any amateur athlete, coach, trainer, manager, administrator or official to participate in amateur athletic competition, as provided for in the Corporation's constitution and bylaws;

"(4) demonstrates that it is autonomous in the governance of its sport, in that it independently determines and controls all matters central to such governance, does not delegate such determination and control, and is free from outside restraint, and demonstrates that it is a member of no more than one international sports federation which governs a sport included on the program of the Olympic Games or the Pan-American Games;

"(5) demonstrates that its membership is open to any individual who is an amateur athlete, coach, trainer, manager, administrator, or official active in the sport for which recognition is sought, or to any amateur sports organization which conducts programs in the sport for which recognition is sought, or to both;

"(6) provides an equal opportunity to amateur athletes, coaches, trainers, managers, administrators, and officials to participate in amateur athletic competition, without discrimination on the basis of race, color, religion, age, sex, or national origin, and with fair notice and opportunity for a hearing to any amateur athlete, coach, trainer, manager, administrator, or official before declaring such individual ineligible to participate;

"(7) is governed by a board of directors or other such governing board whose members are selected without regard to race, color, religion, national origin or sex, except that, in sports where there are separate male and female programs, it provides for reasonable representation of both males and females on such board of directors or other such governing board;

"(8) demonstrates that its board of directors or other such governing board includes among its voting members individuals who are actively engaged in amateur athletic competition in the sport for which recognition is sought or who have represented the United States in international amateur athletic competition in the sport for which recognition is sought within the preceding 10 years and that the membership and voting power held by such individuals is not less than 20 percent of such membership and voting power held in that board of directors or other such governing board;

"(9) provides for reasonable representation on its board of directors or other such governing board for any amateur sports organization which, in the sport for which recognition is sought, conducts, on a level of proficiency appropriate for the selection of amateur athletes to represent the United States in international amateur athletic competition, a national program or regular national amateur athletic competition, and ensures that such representation shall reflect the nature, scope, quality, and strength of the programs and competitions of such amateur sports organization in relation to all other such programs and competitions in such sport in the United States;

"(10) demonstrates that none of its officers are also officers of any other amateur sports organization which is recognized as a national governing body;

"(11) provides procedures for the prompt and equitable resolution of grievances of its members;

"(12) does not have eligibility criteria relating to amateur status which are more restrictive than those of the appropriate international sports federation; and

"(13) demonstrates, if it is an amateur sports organization seeking recognition as a national governing body, that it is prepared to meet the obligations imposed on a national governing body under section 202 of this Act.

"(c)(1) Except as provided in paragraph (2), any amateur sports organization which on the date of enactment of this title is recognized by the Corporation to represent a particular sport shall be considered to be the national governing body for that sport. Such an organization is exempt for a period of 2 years from the date of enactment of this title from meeting the requirements of subsection (b) of this section, and during the 2-year period shall take the necessary actions to meet such requirements if it desires to retain its recognition. After the expiration of the 2-year period, such an organization shall continue as the national governing body for that sport unless the Corporation determines that such organization is not in compliance with the requirements of subsection (b) of this section, in which event the Corporation shall—

"(A) suspend the recognition of such national governing body;

"(B) revoke the recognition of such national governing body; or

"(C) extend the 2-year period for not longer than 1 year, if the national governing body has proven by clear and convincing evidence that, through no fault of its own, it needs additional time to comply with such requirements.

If, at the end of the extension period referred to in subparagraph (C) of this paragraph, the national governing body has not complied with such requirements, the Corporation shall revoke the recognition of such national governing body. Any such national governing body aggrieved by the Corporation's determination under this subsection may submit a demand for arbitration in accordance with section 205(c) of this title.

"(2) Notwithstanding the provisions of paragraph (1), the Corporation may suspend or revoke the recognition of a national governing body during the 2-year period if such suspension or revocation is for the same reason as the Corporation could have revoked or suspended such national governing body prior to the date of the enactment of this title.

"(d) Within 61 days after recognizing an amateur sports organization as a national governing body, in accordance with subsection (a) of this section, the Corporation shall recommend and support in any appropriate manner such national governing body to the appropriate international sports federation as the representative of the United States for that sport.

"SEC. 202. (a) For the sport which it governs, a national governing body is under duty to—

"(1) develop interest and participation throughout the United States and be responsible to the persons and amateur sports organizations it represents;

"(2) minimize, through coordination with other amateur sports organizations, conflicts in the scheduling of all practices and competitions;

"(3) keep amateur athletes informed of policy matters and reasonably reflect the views of such athletes in its policy decisions;

"(4) promptly review every request submitted by an amateur sports organization or person for a sanction (A) to hold an international amateur athletic competition in the United States; or (B) to sponsor United States amateur athletes to compete in international amateur athletic competition held outside the United States, and determine whether to grant such sanction, in accordance with the provisions of subsection (b) of this section;

"(5) allow an amateur athlete to compete in any international amateur athletic competition conducted under its auspices or that of any other amateur sports organization or person, unless it establishes that its denial was based on evidence that the organization or person conducting the competition did not meet the requirements stated in subsection (b) of this section;

"(6) provide equitable support and encouragement for participation by women where separate programs for male and female athletes are conducted on a national basis;

"(7) encourage and support amateur athletic sports programs for handicapped individuals and the participation of handicapped individuals in amateur athletic activity;

"(8) provide and coordinate technical information on physical training, equipment design, coaching, and performance analysis; and

"(9) encourage and support research development, and dissemination of information in the areas of sports medicine and sports safety.

"(b) As a result of its review under subsection (a)(4) of this section, if a national governing body does not determine by clear and convincing evidence that holding or sponsoring an international amateur athletic competition would be detrimental to the best interest of the sport, the national governing body shall promptly grant to an amateur sports organization or person a sanction to—

"(1) hold an international amateur athletic competition in the United States, if such amateur sports organization or person—

"(A) pays to the national governing body any required sanctioning fee, if such fee is reasonable and nondiscriminatory;

"(B) demonstrates that—

"(i) appropriate measures have been taken to protect the amateur status of athletes who will take part in the competition and to protect their eligibility to compete in amateur athletic competition,

"(ii) appropriate provision has been made for validation of records which may be established during the competition,

"(iii) due regard has been given to any international amateur athletic requirements specifically applicable to the competition,

"(iv) the competition will be conducted by qualified officials,

"(v) proper medical supervision will be provided for athletes who will participate in the competition, and

"(vi) proper safety precautions have been taken to protect the personal welfare of the

athletes and spectators at the competition, and

"(C) submits to the national governing body an audited or notarized financial report of similar events, if any, conducted by the amateur sports organization or person; or

"(2) sponsor United States amateur athletes to compete in international amateur athletic competition held outside the United States, if such amateur sports organization or person—

"(A) pays to the national governing body any required sanctioning fee, if such fee is reasonable and nondiscriminatory;

"(B) submits a letter from the appropriate entity which will hold the international amateur athletic competition certifying that—

"(i) appropriate measures have been taken to protect the amateur status of athletes who will take part in the competition and to protect their eligibility to compete in amateur athletic competition,

"(ii) appropriate provision has been made for validation of records which may be established during the competition,

"(iii) due regard has been given to any international amateur requirements specifically applicable to the competition,

"(iv) the competition will be conducted by qualified officials,

"(v) proper medical supervision will be provided for athletes who will participate in the competition, and

"(vi) proper safety precautions have been taken to protect the personal welfare of the athletes and spectators at the competition; and "(C) submits a report of the most recent trip, if any, to a foreign country which the amateur sports organization or person sponsored for the purpose of having United States amateur athletes compete in international amateur athletic competition.

"SEC. 203. For the sport which it governs, a national governing body is authorized to—

"(1) represent the United States in the appropriate international sports federation;

"(2) establish national goals and encourage the attainment of those goals;

"(3) serve as the coordinating body for amateur athletic activity in the United States;

"(4) exercise jurisdiction over international amateur athletic activities and sanction international amateur athletic competition held in the United States and sanction the sponsorship of international amateur athletic competition held outside the United States;

"(5) conduct amateur athletic competition, including national championships, and international amateur athletic competition in the United States, and establish procedures for the determination of eligibility standards for participation in such competitions, except for that amateur athletic competition specified in section 206 of this title;

"(6) recommend to the Corporation individuals and teams to represent the United States in the Olympic Games and the Pan-American Games; and

"(7) designate individuals and teams to represent the United States in international amateur athletic competition (other than the Olympic Games and the Pan-American Games) and certify, in accordance with applicable international rules, the amateur eligibility of such individuals and teams.

"SEC. 204. The Corporation may review all matters relating to the continued recognition of a national governing body and may take such action as it considers appropirate, including, but not limited to, placing conditions upon the continued recognition of the national governing body. The district courts of the United States shall have authority to enjoin the commission of any act of a national governing body which is inconsistent with the requirements of sections 201 (b) and 202 of this title. The Corporation shall have standing to apply for an injunction, except to the extent that the conferral of such standing is inconsistent with the Constitution of the United States.

"SEC. 205. (a)(1) Any amateur sports organization or person which belongs to or is eligible to belong to a national governing body may seek to compel such national governing body to comply with the requirements of sections 201(b) and 202 of this title by filing a written complaint with the Corporation. Such organization or person may take such action only having exhausted all available remedies within such national governing body for correcting deficiencies, unless it can be shown by clear and convincing evidence that those remedies would have resulted in unnecessary delay. The Corporation shall establish procedures for the filing and disposition of complaints received under this subsection. A copy of the complaint shall also be served on the applicable national governing body.

"(2) Within 30 days after the filing of the complaint, the Corporation shall determine whether the organization has exhausted its remedies within the applicable national governing body, as provided in paragraph (1) of this subsection. If the Corporation determines that any such remedies have not been exhausted, it may direct that such remedies be pursued before the Corporation will further consider the complaint.

"(3)(A) Within 90 days after the filing of a complaint under paragraph (1) of this subsection, if the Corporation determines that all such remedies have been exhausted, it shall hold a hearing to receive testimony for the purpose of determining if such national governing body is in compliance with the requirements of sections 201(b) and 202 of this title.

"(B) If the Corporation determines, as a result of the hearings conducted pursuant to this subsection, that such national governing body is in compliance with the requirements of sections 201(b) and 202 of this title, it shall so notify the complainant and such national governing body.

"(C) If the Corporation determines, as a result of hearings conducted pursuant to this subsection, that such national governing body is not in compliance with the requirements of sections 201(b) and 202 of this title, it shall—

"(i) place such national governing body on probation for a specified period of time, not to exceed 180 days, which it considers necessary to enable such national governing body to comply with such requirements, or

"(ii) revoke the recognition of such national governing body.

"(D) If the Corporation place a national governing body on probation pursuant to this paragraph, it may extend the probationary period if the national governing body has proven by clear and convincing evidence that, through no fault of its own, it needs additional time to comply with such requirements. If, at the end of the period allowed by the Corporation, the national governing body has not complied with such requirements, the Corporation shall revoke the recognition of such national governing body.

"(b)(1) Any amateur sports organization may seek to replace an incumbent as the national governing body for a particular sport by filing with the Corporation a written application for such recognition. Such application shall be filed (A) within the 1-year period after the final day of any Olympic Games, in the case of a sport for which competition is held in the Olympic Games or in both the Olympic and Pan-American Games; or (B) within the 1-year period after the final day of any Pan-American Games, in the case of a sport for which competition is held in the Pan-American Games and not in the Olympic Games. If two or more organizations file applications for the same sport, such applications shall be considered in a single proceeding.

"(2) Any application filed under this subsection shall be filed with the Corporation by registered mail. The Corporation shall establish procedures for the filing and disposition of applications received under this subsection. A copy of any such application for recognition shall also be served on the applicable national governing body. The Corporation shall inform the applicant for recognition that its application has been received.

"(3) Within 180 days after receipt of an application filed under this subsection, the Corporation shall conduct a formal hearing to determine the merits of the application. The Corporation shall publish notice of the time and place of such hearing in a regular issue of its principal publication at least 30 days, but not more than 60 days, prior to the date of the hearing. In the course of such hearing, the applicant and the national governing body shall be given a reasonable opportunity to present evidence supporting their respective positions. During such hearing, the applicant amateur sports organization must establish by a preponderance of the evidence that it meets the criteria for recognition as a national governing body under section 201(b) of this title, and that—

"(A) the national governing body does not meet the criteria of section 201(b) or 202; or

"(B) it more adequately meets the criteria of section 201(b), is capable of more adequately meeting the criteria of section 202, and provides or is capable of providing a more effective national program of competition, than the national governing body in the sport for which it seeks recognition.

"(4) Within 30 days of the close of the hearing required under this subsection, the Corporation shall—

"(A) uphold the right of the national governing body to continue as the national governing body for its sport;

"(B) revoke the recognition of the national governing body and declare a vacancy in the national governing body for that sport;

"(C) revoke the recognition of the national governing body and recognize the applicant as the national governing body; or

"(D) decide to place the national governing body on probation of not to exceed 180 days, pending the compliance of the national governing body, if such national governing body would have retained recognition except for a minor deficiency in one of the requirements of section 201(b) or 202 of this title.

If the national governing body does not comply within the prescribed time period, the Corporation shall revoke the recognition of the national governing body and either recognize the applicant as the national governing body, or declare a vacancy in the national governing body for that sport.

"(5) Within 61 days after recognizing an amateur sports organization as a national governing body, in accordance with this subsection, the Corporation shall recommend and support in any appropriate manner such national governing body to the appropriate international sports federation as the representative of the United States for that sport.

"(c)(1) The right to review by any party aggrieved by a determination by of the Corporation under the requirements of this section or section 201(c) shall be to any regional office of the American Arbitration Association. Such demand for arbitration shall be submitted within 30 days of the determination of the Corporation. Upon receipt of such a demand for arbitration, the Association shall serve notice on the parties to the arbitration and on the Corporation, and shall

immediately proceed with arbitration according to the commercial rules of the Association in effect at the time of the filing of the demand, except that—

"(A) the arbitration panel shall consist of not less than three arbitrators, unless the parties to the proceeding mutually agree to a lesser number;

"(B) the arbitration hearing shall take place at a site selected by the Association, unless the parties to the proceeding mutually agree to the use of another site; and

"(C) the arbitration hearing shall be open to the public.

"(2) The arbitrators in any arbitration are empowered to settle any dispute arising under the provisions of this Act prior to making a final award, if mutually agreed to by the parties to the proceeding and achieved in a manner not inconsistent with the constitution and bylaws of the Corporation.

"(3) Each contesting party may be represented by counsel or by any other duly authorized representative at the arbitration proceeding. The parties may offer any evidence which they desire and shall produce any additional evidence as the arbitrators believe necessary to an understanding and determination of the dispute. The arbitrators shall be the sole judges of the relevancy and materiality of the evidence offered. Conformity to legal rules of evidence shall not be necessary.

"(4) The arbitrators shall have the authority to issue subpenas to compel the attendance and testimony of witnesses and the production of documents, if the arbitrators reasonably believe them to be necessary or advisable for a better understanding of the dispute. In case of contumacy or refusal to obey such a subpena, the district courts, upon, petition of the arbitrators, shall have jurisdiction to issue to such person an order requiring compliance with such subpena. Failure to obey such an order is punishable by such court as a contempt of court.

"(5) All decisions by the arbitrators shall be by majority vote unless the concurrence of all is expressly required by the contesting parties.

"(6) Final decision of the arbitrators shall be binding upon the involved parties, if such award is not inconsistent with the constitution and bylaws of the Corporation.

"(7) The hearing may be reopened, by the arbitrators upon their own motion or upon the motion of any contesting party, at any time before a final decision is made, except that, if any contesting party makes such a motion, all parties to the decision must agree to reopen the hearings if such reopening would result in the arbitrators' decision being delayed beyond the specific period agreed upon at the beginning of the arbitration proceedings.

"(8) The district courts of the United States shall have jurisdiction to enforce decisions of the arbitrators. Such action may be brought by any party to the final decision.

"SEC. 206. Any amateur sports organization which conducts amateur athletic competition participation in which is restricted to a specific class of amateur athletes (such as high school students, college students, members of the Armed Forces, or similar groups or categories), shall have jurisdiction over such competition.".

FINANCIAL ASSISTANCE

SEC. 210. (a) The Secretary of Commerce (hereinafter in this section referred to as the "Secretary") is authorized to award grants to the Corporation to assist in the development of amateur athletics in the United States. The Corporation may apply to the Secretary for funds available under this section, and shall use such funds consistent with the provisions of the Act. The Secretary shall approve any application which meets the requirements of this section, and award grants to the Corporation, in a total sum not exceeding—

(1) $18,000,000 to finance the development and operation of any programs approved by the Corporation and consistent with the provisions of this Act; and

(2) $12,000,000 to finance feasibility studies to assist in determining appropriate locations for training centers, to finance the administration and operation of such centers, and to finance an information retrieval service for the analysis and dissemination of sports medicine information. As used in this section, the term "training centers" means sites selected by the Corporation for use in furthering amateur sports development, research, and education across a broad range of sports, including the collection, analysis, and dissemination of technical sports information.

(b) Each application for funds available under this section shall be in such form as the Secretary provides and shall contain provisions to assure that such funds are disbursed in accordance with the provisions of this section. For the purpose of review or audit, the Secretary shall have access to any books, documents, papers, and records which are relevant to any grant received under this section.

(c) Consistent with the purposes of the Act, the use of the funds available under this section shall be at the full discretion of the Corporation, except that not more than 20 percent of such funds may be provided to organizations which are not members of the Corporation.

(d) There are authorized to be appropriated to the Secretary not to exceed $30,000,000 in fiscal year 1979, such sums to remain available until expended.

(e) The Secretary shall conduct a feasibility study to determine the cost of, need for, and most appropriate means of providing continuing funding to the Corporation for the construction and operation of training centers and sports medicine research facilities. The Secretary shall submit to the Congress the results of the study, together with his recommendations, within 6 months after the date of enactment of this Act.

Mr. STEVENS. Mr. President, I ask unanimous consent that Mary McAuliffe and Donna de Varona, of the Commerce Committee staff, be granted the privileges of the floor during the consideration of S. 2727.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CANNON. Mr. President, is there a time limit on the bill?

The PRESIDING OFFICER. There is 1 hour on the bill, 30 minutes on amendments, and 20 minutes on motions or appeals.

Mr. CANNON. I yield myself 10 minutes.

Mr. President, the Senate presently has before it legislation that is designed to promote the best interests of amateur sports in the United States and to help coordinate our Nation's amateur sports programs by developing a rational and logical sports structure and fostering a spirit of compromise and good will among our amateur sports organizations. S. 2727, the Amateur Sports Act of 1978, is the product of many hours of discussion, negotiation, and above all compromise among the various members of our Nation's amateur athletic community.

S. 2727 and the entire issue of amateur sports, when compared to the other issues facing the Senate, is certainly not a burning national matter. However, amateur athletics has become an integral and vital factor in the social, physical, and moral fabric of American society. For millions of Americans of all ages and backgrounds sports represents one of the most enjoyable and rewarding leisure activities. For millions more, athletic accomplishments represent an inspirational stimulus that can have a significant impact on their everyday lives.

Unfortunately, many times our amateur sports programs are hindered and the ability of our amateur athletes stymied by the fragmented and disjointed nature of our amateur sports organizations. There is no clear policy or direction in amateur sports and a result, conflicts arise among various amateur sports organizations regarding which group best represents a particular sport or a particular athlete's interests. On occasion, these disputes have gone beyond the amateur sports community and effected all of us, both passive spectators and active participants. A good example that comes to mind, is the controversy that surrounded the U.S.A./U.S.S.R. basketball series in 1973 where there was serious doubt whether our best athletes would be allowed to represent the United States because of jurisdictional disputes. Ultimately, however, the real victim of these organizational squabbles is the individual athlete who either has been denied the opportunity to participate in athletic competition or forced to train and compete under conditions that were less than ideal.

In order to determine the best method by which to correct the jurisdictional problems facing amateur sports, in 1975 the President's Commission on Olympic Sports was established. In January 1977, the President's Commission issued its final report regarding the major problems facing amateur athletics and recommendations for the resolution of those problems. The major recommendation of the Commission was the need for establishing a central sports organization that would coordinate all amateur sports activities in the United States. S. 2727 attempts to incorporate the recommendations of the Commission by means of redrafting the Federal charter of the U.S. Olympic Committee.

In S. 2727, the Senate has an opportunity to bring to an end the jurisdictional disputes and arguments among amateur sports organizations and to help reverse the trend of declining performances by U.S. athletes that result from poor organization and lack of adequate training facilities. Specifically, the legislation is designed to encourage and provide better opportunities for participation in amateur athletics for U.S. citizens. In this regard, the bill has three primary goals.

First, the bill restructures the U.S. Olympic Committee so that it can serve as the coordinating body for the development of amateur athletic activity in the United States. In support of this effort, the legislation authorizes a one-time Federal authorization of $30 million to the U.S. Olympic Committee—$18 million to aid the USOC in fulfilling

the requirements of the act and $12 million for the development and operation of training centers for U.S. athletes.

Second, the bill provides a mechanism by which the right to govern a particular sport is awarded to the most representative and capable amateur sports organization. In this regard, the bill provides procedures for the recognition of national governing bodies, the duties and responsibilties of national governing bodies and the resolution of disputes between amateur sports organizations through binding arbitration.

Finally, the bill provides for the protection of amateur athletes to participate in amateur competition by recognizing certain rights for amateur athletes. The U.S. Olympic Committee is directed to establish and maintain provisions for the swift and equitable resolution of disputes involving the opportunity for an amateur athlete to participate and compels a national governing body to submit to binding arbitration over any controversy involving the athlete's opportunity to participate.

I take this opportunity to thank Senator STEVENS for the amount of time and effort he has put into this legislation. Senator STEVENS chaired 2 full days of hearings in October and conducted numerous informal meetings with various members of the amateur sports community. He should be commended for his understanding of the complex nature of amateur sports and his patience in dealing with the diverse and oftentimes conflicting views of the amateur sports community.

In closing, Mr. President, I emphasize that S. 2727 is the product of many hours of discussion and negotiation and represents, as nearly as possible, a consensus of all organizations participating in the effort to encourage broad participation in amateur athletic activities. The legislation is a delicate balance of views and positions of the various amateur sports organization and has forced each group to give a little in the spirit of compromise.

Mr. President, I reserve the remainder of my time.

Mr. STEVENS. Mr. President, I thank the distinguished Senator from Nevada and chairman of the Commerce Committee for his generous remarks.

We bring to the Senate today legislation which represents over 3 years of preparation. Beginning with the creation of the President's Commission on Olympic Sports (PCOS), an in-depth investigation of amateur sports organizations in this country was undertaken. The Commission concentrated on those 32 sports which make up the calendars of the Pan American and Olympic games. The purpose of the study was to determine what factors impede the United States from fielding its best teams in international competition. Every major amateur sports organization in the country contributed to the effort, including the U.S. Olympic Committee, the Amateur Athletic Union (AAU), the National Collegiate Athletic Association (NCAA), the National Federation of State High School Associations, the Athletes' Advisory Council of the U.S. Olympic Committee, the Association of Intercollegiate Activities for Women (AIAW), and others.

Amateur sports organizations in this country have sprung up over the years in response to an ever-increasing interest of Americans to engage in athletic pursuits. The development of programs has varied with each organization. Schools and colleges conduct programs which include a broad range of sports, whereas other organizations concentrate on one sport or one aspect of a sport. The Amateur Athletic Union, on the other hand, has acted as the administrator for eight sports.

A national governing body (NGB) manages each sport. In general, in the past, some national governing bodies have been undemocratic in the administration of their sport, often failing to equitably represent in their governance the voice of athletes, of women active in the sport, and of organizations which conduct competition in the sport at a level capable of producing athletes to participate on an international level. As a result, members of those NGB have been frustrated by the bureaucracy which controls them. Some organizations have refused to affiliate with a national governing body. This has created confusion with respect to lines of authority. Similarly, policies and programs which operate across the spectrum of the sport have been fragmented.

The different interests of the various sports organizations, together with the unclear jurisdictional divisions, have generated struggles for power. In an attempt to preserve power or gain advantage over a rival organization, occasionally some amateur sports organizations have often used athletes as pawns, denying them the opportunity to participate in an event sponsored by the rival organization. Much time and money has been spent in court battles to resolve these disputes. Most unfortunate, however, is that athletes, for whom these programs have been designed, have found themselves unable to exercise personal control over their athletic careers. Athletes are not responsible for the jurisdictional disputes, and cannot resolve them. But, unfortunately, some amateur sports organizations recognize that athletes are, indeed, a key third ingredient to any disagreement, able to frustrate the success of an event if they are not permitted to compete.

The President's Commission recognized the need for a unifying force. It favored establishing a vertical sports structure with the U.S. Olympic Committee as the coordinating body. Requirements were set forth for national governing bodies to meet in order to be recognized as the NGB for a sport. These criteria included the democratic and autonomous governance of a sport, protection of an athlete's right to compete, agreement to submit to binding arbitration in the event of a dispute, and support and encouragement for participation in the sport for women and the handicapped. In addition, the national governing bodies would be required to provide for 20 membership and voting power of active or recently active amateur athletes on their governing boards. Such direct participation by athletes would insure that their vote is represented in the policies promulgated by the national governing bodies. This bill, S. 2727, the "Amateur Sports Act of 1978," incorporates those concepts. Additionally, the bill provides that any national governing body which fails to meet any of its criteria for recognition may be challenged to do so, or challenged to be replaced as the national governing body.

These requirements significantly increase the obligations of the national governing body, and should guarantee that NGB programs and policies are coordinated and that the NGB equitably represent its membership.

At the same time, the bill expands the charter of the U.S. Olympic Committee to recognize its new power as the coordinating body for amateur sports in this country. While such power is nonmandatory for those sports organizations which are not members of the USOC, it is intended to serve as the authority for the Olympic Committee to encourage amateur sports organizations to establish lines of communication so that a spirit of cooperation, rather than confrontation is fostered. The USOC should be supportive in the efforts of amateur sports organizations to settle differences. It should encourage sports groups to concentrate on providing quality programs and quality leadership for this Nation's amateur athletes. One of the most important functions of the revitalized USOC is to promote and encourage physical fitness and public participation in sports.

This legislation is not a bill merely to assist Olympic and "elite" athletes. Far from it. I am hopeful that with the new goals and directives for both the Olympic Committee and the national governing bodies it will be easier for all Americans to find programs and facilities through which they can further their athletic interests.

To assist the Olympic Committee with its new goals, the bill provides for a one-time Federal authorization of $30 million; $18 million is earmarked for use by the Olympic Committee in connection with its expanded responsibilities and in furtherance of the objects and purposes of this act, and $12 million is for the support of training centers and a sports medicine program.

The training centers will be open to athletes selected by a national governing body. These athletes can either be novice competitors or the more seasoned athletes. While attending the center, the athlete's expenses will be covered by the the Olympic Committee. Training centers concentrate on improving an athlete's skill while providing the most sophisticated coaching, equipment and sports medicine information available.

The $18 million designated for use by the Olympic Committee for administrative purposes will, among other things, be used to assist the national governing bodies in expanding opportunities for the beginner as well as world class athlete, and for providing for full-time paid administrators for national governing bodies so that the sports can be effectively planned, organized, and administered. Additionally, the money will be used for

developing and disseminating publications, training aids, films and other audio visual aids to be used by coaches and athletes. Many national governing bodies are presently underdeveloped and financially unable to provide adequate programs, not to mention general information to the general public. Programs will be developed so that their membership and financial support can be expanded.

Some individuals and organizations have expressed concern about the athlete's rights section contained in this version of the Amateur Sports Act. An earlier version of the bill included a substantive provision of athlete's rights. This provision met with strong resistance by the high school and college communities. Ultimately, the compromise reached was that certain substantive provisions on athlete's rights would be included in the USOC Constitution, and not in the bill.

As reported, S. 2727 makes clear that amateur athletes, coaches, trainers, managers, administrators, and other officials have the right, which will be guaranteed in the Olympic Committee Constitution, to take part in the Olympic games, the Pan-American games world championship competition, and other competition designated by the Olympic Committee.

The committee understands that under the terms of the compromise, other competitions now being designated by the Olympic Committee are international competitions involving an official national team selected, sponsored, and organized by an NGB, as well as certain domestic competitions used to qualify athletes for the international events discussed above.

Athletes are to be encouraged that this is a positive step forward. For the first time, their rights to compete in amateur athletic competition are legislatively being recognized S. 2727 acknowledges that athletes must be given an opportunity to decide what is best for their athletic careers. This decision needs to be made in conjunction with the athlete's school or club, taking into consideration the commitments which the athlete has made to that organization. However, the decision should not be dictated by an arbitrary rule, which restricts for no real purpose in its application an athlete's opportunity to compete.

Further, as differences between amateur sports organizations are settled, athletes may no longer be used as pawns by one organization to gain advantage over another. The committee feels that S. 2727, by establishing guidelines for the amateur sports community, will bring about a resolution of those controversies which have so long plagued amateur sports. With the coordinating efforts of the Olympic Committee, the vertical structure which S. 2727 promotes, and a cooperative attitude on the part of amateur sports organizations, athletes should, in the future, realize more opportunities to compete than ever before.

This bill represents a consensus in the amateur sports community. At the annual meeting of the U.S. Olympic Committee House of Delegates on April 15 of this year, this bill was unanimously supported by all organizations in attendance. Those amateur sports organizations include the Amateur Athletic Union (AAU), the National Collegiate Athletic Association (NCAA), the National Association of Intercollegiate Athletics, the Athletes' Advisory Council, the Association for Intercollegiate Athletics for Women (AIAW), the National Federation of State High School Associations, the National Junior College Athletic Association, and the Armed Forces.

Concern has been expressed by some amateur sports organizations concerning provisions in the bill which they perceive to be unclear. In an attempt to clarify these provisions for legislative history, I will now direct my remarks to those sections of the bill.

Question has been raised by some of the national governing bodies as to the relationship of their authority to sanction international amateur athletic competition and the jurisdiction of certain organizations to conduct restricted competition, referred to in section 206 of the amended USOC charter. It is the intent of the committee that if such organizations conduct or sponsor international amateur athletic competitions, they must obtain the sanction of the appropriate national governing body. I am offering an amendment which clarifies this point. At the same time, I wish to state that it is not the intent of the committee, nor my intent in offering the amendment, to change the prevailing practices, which vary from sport to sport, with respect to sanctioning of regular in-season scholastic or collegiate competition.

I wish also to clarify the committee's intent with respect to one other sanctioning issue. On page 9 of the committee report, it is stated that a national governing body could refuse or deny its sanction to an organization which sets itself up in competition with an existing national governing body, if the competing organization refuses to seek membership in the national governing body or pursue its remedies under section 205 of the amended USOC charter. This language is intended to refer to a national organization regularly sponsoring, as does the national governing body, "open" or "unrestricted" competition on a national or international basis, as distinct from an organization of high schools or colleges—or its members—which sponsors competition only for its constituents, and as distinct from some other kind of organization not conducting open competition on a national or international level.

Because of a change in the international rules relating to the Olympic Committee's responsibility to field athletes for the Olympic and Pan-American games, I am offering an amendment to delete the word "select" from those sections of this bill which apply to that authority of the Olympic Committee. It is understood that the Olympic Committee obtains and selects these athletes in conjunction with the appropriate national governing body.

Finally, the bill permits a national governing body to deny a sanction to hold international amateur athletic competition in the United States, or to sponsor U.S. athletes to compete in international amateur athletic competition held outside the United States, if the NGB determines that holding or sponsoring such competition would be detrimental to the best interests of the sport. The committee feels that such denial could occur where the reasonably promulgated rules of the NGB, established in accordance with sanctioning standards of the bill, are violated by that competition. For example, a rule prohibiting the use of steriods could be found to be reasonable, under the standard requiring that adequate safety precautions have been taken for a meet in question.

As part of its criteria to be eligible for recognition, a national governing body is required to have the financial capability to plan and execute its obligations. It is the intent of this provision that an NGB should be able to establish that it is able to perform the functions of the U.S. representative for the sport in this country to the international amateur sports federation recognized by the International Olympic Committee.

I hope all members of the Senate will support us in voting favorably on this bill. Adoption of this legislation, I believe, will mark a new era in the history of amateur sports in this country. This bill, which does not differ significantly from the current Olympic Committee Constitution, should insure that a meaningful assembly of amateur sports organizations will exist for this Nation's athletes. I firmly believe it will put to rest some of the athletes' rights disputes which might otherwise have loomed in the future. Additionally, the effort of putting such a piece of legislation together has inspired groups to open new lines of communication, put aside their old differences and look to the future. I am confident it can be a bright one.

I would like to recognize the great encouragement and asisstance we have received with the development of this bill. Many organizations and persons have had to make extreme sacrifices so that this legislation could stay on track. I think the athletes, particularly, deserve special thanks and recognition for the part they have played so that a consensus could be reached. The Olympic Committee, too, has shown strong leadership in working with its members and encouraging them to work for development of this legislation.

Mr. President, I ask unanimous consent to include in the RECORD at this time remarks made by Anita De Frantz, member of the Athletes' Advisory Council, at the annual meeting of the Olympic Committee's House of Delegates in April. Her statement to the delegates, I believe, typifies the true spirit of cooperation that went into the makeup of this bill.

I also ask unanimous consent to place in the RECORD at this point an article

that is entitled "Duebill" that appeared in the current issue of Sports Illustrated under the title "Scorecard." It is in the May issue.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

STATEMENT OF ANITA DE FRANTZ OF THE ATHLETE'S ADVISORY COUNCIL TO THE USOC HOUSE OF DELEGATES

I wish to address this gathering on the issue of the proposed changes to the athletes' rights section of the USOC Constitution which you will shortly be asked to resolve by vote. I feel this is necessary because it may seem curious to you that the Athletes' Advisory Council is proposing an amendment which has the effect of limiting the rights of athlete's currently guaranteed by the USOC Constitution.

I, and the athletes I represent, believe that athletes have an absolute right to compete. To have the opportunity to give one's best effort in an athletic competition free from arbitrary control or sanction is a birth right which cannot be altered by a mere stroke of a pen.

However, history has demonstrated that this right to compete has not been considered absolute. Indeed, history shows a tendency to limit this right. At this time, I wish to share with you the history that brings the AAC to offer the proposed amendment to the USOC Constitution.

As you may know, the President's Commission on Olympic Sports ("PCOS") completed its work in January 1977. The PCOS presented a report which described the amateur athletic effort in the United States as being marred by dogfights between competing athletic organizations. The Report of the President's Commission went on to document horror story after horror story in which athletes were denied—by one organization or the other—the right of an athlete to compete. No single organization had a monopoly in this regard. All this contributed to the decline of performances by American athletes—both in domestic and international competition. Among the recommendations of the PCOS was a proposal for legislation which would contain a so-called Bill of Rights for athletes. The PCOS further recommended that the USOC restructure itself in a vertical structure which would incorporate all amateur sport organizations.

The United States Olympic Committee responded to the various recommendations of the PCOS by reorganizing itself along the lines called for in the Report to the President and by revising its own Bill of Rights for athletes to make it even stronger than the version then contained in its Constitution. That strong version—which seeks to protect the right of any amateur athlete representing the United States to compete in any international amateur athletic competition—was adopted by the USOC House of Delegates at its Quadrennial Meeting in Colorado Springs last year. However, the beneficial effects of the PCOS's recommended vertical structure could not be accomplished without the participation of all amateur sports organizations in the USOC.

Federal legislation which incorporated the recommendations of the PCOS (including an athletes' rights section) was proposed and is currently under consideration in the Senate. Again, however, in order to achieve the goals of the legislation, the participation of all sports organizations is necessary.

Starting in the fall of 1977, a series of Hearings concerning the proposed legislation were held before the Senate Commerce Committee. In addition, a number of meetings of interested parties were held with Senator Stevens—chief architect of the proposed legislation. During these sessions, it became obvious that the one stumbling block preventing the necessary accord was the refusal of the school-college community (but principally the NCAA) to accept any proposed version of an athletes' rights section that would recognize the right of an athlete to compete—free of arbitrary control—in international amateur athletic competition.

In the interest of achieving the major thrust of the proposed legislation, the Athletes' Advisory Council—at its meeting on January 28–29, 1978—voted to offer a compromise to the NCAA at a meeting scheduled to be held in New York the next day. That compromise—which was presented to the NCAA—called for the athletes recommending to Senator Stevens that the Athletes' Rights section of the proposed bill (i.e., Title III of § 2036) be dropped from the bill in return for assurances from the NCAA (a) that the NCAA would not oppose the remaining legislation and (b) that the NCAA would rejoin the USOC and thereby become subject to the terms of the Athletes' Rights provisions of the USOC Constitution. Counsel for the NCAA expressed his opinion that this proposed compromise appeared viable but insisted that before the NCAA would rejoin the USOC, certain changes be made in the Athletes' Rights section of the USOC Constitution. In addition, counsel stated that he could not give the requested assurances at that time. Counsel for the NCAA did, however, give his personal commitment to our AAC chairman—Ed Williams—that he would communicate with the AAC concerning the status of the requested assurances and that communication would be open and candid.

The AAC, as part of its commitment to effectuate the compromise, submitted the proposed Constitutional changes which are now before you. This was done in a letter dated February 14, 1978 to Dr. Tenley Albright, Secretary of the USOC—a copy of which you also have.* The USOC Executive Board, at its meeting in Chicago on February 18–19, voted to recommend that the House of Delegates approve these changes with the understanding that the changes would become effective only upon reaffiliation of the NCAA to the USOC and secondly, with the understanding that the NCAA would assure us, the athletes, that the NCAA would not oppose the federal legislation. A summary of the key dates with regard to the consideration of § 2036 (now § 2727)—and in particular the Athletes' Rights section—is also attached.

It is clear that the amendments before you (set forth in the letter to Dr. Albright dated February 14) weaken the current athletes' Rights section contained in the USOC Constitution. However, it is important to note that the right to seek redress through arbitration and the courts for a denial of the right to compete by a member of the USOC (and in some instances by a non-member) is preserved. In that regard, please refer to pages 3 and 4 of the February 14 submittal letter to Dr. Albright. Because the right to arbitrate a denial by a member of the USOC of the right to compete in a "protected competition" is preserved (as well as a non-protective competition in some circumstances) and because the Athletes' Advisory Council recognizes the need for amateur sports in this country to move forward in this country in a unified way, we urge you to accept these proposed changes so that the one last impediment to the NCAA's proposed reaffiliation announced this morning can be removed.

We must work together. In this regard, the athletes have learned full well the need to compromise—as we did on January 30 and as we do today.

*Attached.

I must add one footnote to this report. Earlier, I had suggested that we all could learn from history. Certainly the athletes have. The athletes are concerned with the history of the NCAA in its treatment of athletes which appears unchanged even today as the NCAA rejoins the USOC. Quite frankly, we feel that the NCAA gave little more than lip service to the concerns of the AAC once the AAC had agreed to submit the proposed changes to the Constitution.

The promise of candid and open communication was never fulfilled. Despite repeated requests for the assurances which the NCAA was to give as its part of the compromise, the athletes received nothing but reports from Senator Steven's office that the NCAA would continue to oppose the legislation unless additional changes in the legislation were made. Fortunately, Col. Miller recognizes the athletes as an important and necessary constituency and kept us informed as best he could. Nonetheless, we are painfully aware of what we consider to be a great reluctance by the NCAA to communicate openly and candidly on matters of obvious mutual concern.

Despite this treatment by the NCAA, the AAC did not withdraw the proposed constitutional changes. The USOC needs our acceptance of the proposed constitutional changes in order to assure the reaffiliation of the NCAA and achieve the unity of effort required for a first class amateur sports program in this country. We urge you to accept them as well. Our comfort in putting forth these amendments—which weaken the Athletes' Rights section—is derived from the continued good faith and concern for the athletes as shown by Col. Miller and the officers of the USOC. Our hope and faith must therefore be based on a future of reasoned and understanding administration of amateur sports in this country.

DUE BILL

An amateur sports law has been a long, expensive, contentious time in coming. This week, when Senate Bill S. 2727 reaches the Senate floor, with a do-pass recommendation from the Commerce Committee, it will have in its lineage years of hearings, volumes of records of NCAA-AAU battles (Arbitrator Theodore Kheel once said amateur sports feuds were more difficult to settle than the toughest labor disputes), dozens of prior bills and a presidential commission's recommendations.

In essence, S. 2727 would broaden the U.S. Olympic Committee's charter to enable it to serve as a Central coordinating body for all the sports in the Olympic and Pan-American Games. This legislation would empower the American Arbitration Association to settle questions of athletes' rights and hassles between groups seeking recognition as national governing bodies in specific sports. The bill also contains a list of reforms that national governing bodies such as the AAU must make to retain membership in the USOC and includes a one-shot federal appropriation of $30 million. Of this, $18 million is to go to the sports governing bodies for development programs and $12 million to the USOC for Olympic training centers and a desperately needed sports-medicine program.

Passage is probable. The lobbying powers of the high school associations and the NCAA, which can be formidable—rest assured that your Congressmen return the calls of university presidents and athletic directors—will not be unleashed against S. 2727 so long as a number of promises are kept.

As the bill took shape in committee, the NCAA opposed it. One NCAA attorney repeatedly told Senator Ted Stevens (R., Alaska) that he would suggest improvements but even if they were incorporated, the NCAA would still fight the bill. "Our members will countenance no more federal intervention," said NCAA Executive Director Wal-

ter Byers. The touchiest issue was athletes' rights. The NCAA feared disruption of its programs if athletes were free to wander off to China the week of the NCAA finals. For their part, athletes insisted that a guarantee in law was necessary to correct a continuing train of abuses and to make it clear to unreconstructed officials (Byers being one) that athletes must not be pawns in jurisdictional squabbles.

After a series of strained meetings, the athletes' representatives agreed to deletion of that section of the bill defining athletes' rights, and the NCAA agreed to rejoin the USOC (it had left in a huff in 1972) and thus become subject to USOC constitutional provisions for athletes' rights (even these had to be watered down to suit the NCAA). That done, the NCAA announced it will not oppose the bill.

Now the sponsors—Senators Stevens, Richard Stone (D., Fla.), Jim Pearson (R., Kan.), John Culver (D., Iowa) and Howard Cannon (D., Nev.) and Representatives Norm Mineta (D., Calif.), Jack Kemp (R., N.Y.), Robert Michel (R., Ill.) and Ralph Metcalfe (D., Ill.)—must guide this delicately balanced plan through a Congress that is always ready to tack on leaden amendments. "I know the American people are behind a strong amateur sports program," said Senator Stone last week on his way to a White House meeting. "I hope now to convince the Administration, which has been neutral, that this is the best possible start." If Stone wins President Carter's support, passage will be virtually assured. Then, from all those who have gone before, such as John Kennedy, Douglas MacArthur, Kheel, Archibald Cox and Gerald Ford, we will surely hear a faint and weary but gratified cheer.

Mr. STEVENS. In closing, Mr. President, it is a privilege, a real privilege, for a minority member to be permitted by a committee to be so deeply involved in one piece of legislation. It was my privilege to serve as a member of the President's Commission on Olympic Sports.

The prior chairman of the Commerce Committee, my good friend from Washington, Senator MAGNUSON, and our new chairman, Senator HOWARD CANNON of Nevada, have been most courteous and most cooperative in permitting me to pursue the interest that was developed as a member of that Commission.

I have had some very excellent assistance: Mr. Tim Lynch, who has worked for the majority in the consideration of this in assisting Senator CANNON; and Mary McAuliffe and Donna de Varona, who are here with me today.

I would also like to recognize my former staff member and former staff member of the Commerce Committee, Gary Johansen, who also served as an adviser to the President's Commission on Olympic Sports. He has gone on to other employment now with the Federal Elections Commission, but he had a great deal to do with working out the consensus that is represented by this bill today.

Mr. CANNON. I ask unanimous consent that the committee amendments be considered and agreed to en bloc, and that the bill as thus amended be considered as original text for the purpose of further amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. I ask unanimous consent, Mr. President, that Patty White of Senator HAYAKAWA's staff be accorded the privilege of the floor during the consideration of this measure.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

UP AMENDMENT NO. 1304

(Purpose: To authorize the Administrator of the General Service Administration to transfer property to the United States Olympic Committee)

Mr. HASKELL. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. Who yields time?

Mr. CANNON. Mr. President, I think there is time on this amendment.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Colorado (Mr. HASKELL), for himself and Mr. HART, proposes an unprinted amendment numbered 1304.

On page 42, immediately after line 4—paragraph—

Mr. HASKELL. I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 42, immediately after line 4, insert the following:

"TRANSFER OF PROPERTY

"SEC. 212. Notwithstanding the provisions of the Federal Property and Administrative Services Act of 1949, as amended, the Administrator of General Services is authorized to transfer excess real property to the United States Olympic Committee without compensation. The Committee may accept and shall administer such property in the furtherance of amateur athletic activities. If any such property ceases to be utilized by the United States Olympic Committee for the conduct of such activities, it shall be returned to the United States, to be utilized or disposed of as the Administrator of General Services shall determine.".

Mr. HASKELL. Mr. President, the amendment which my distinguished colleague from Colorado (Mr. HART) and I are introducing would make the U.S. Olympic Committee (USOC) an eligible recipient for excess Federal facilities to be used as regional training centers in preparing U.S. athletes for the Olympics. The amendment would also provide that the property would revert to the U.S. Government when it is no longer used actively for Olympic training purposes. With the closure of a number of military bases nationwide, this amendment would permit the former military gym facilities, track areas, barracks, food service, and medical facilities to be used as Olympic regional training facilities—without any additional cost to the taxpayer or to the USOC.

The U.S. Olympic Committee has a critical need for a small number of regional training facilities carefully situated throughout the Nation. Under the current Federal property disposal procedures, based on the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 484), excess Federal property can be reused by a variety of Federal, State, and local public agencies without cost for such purposes as public park and recreation, education, health, wildlife conservation, public airport, and historic preservation. Unfortunately, the U.S. Olympic Committee is not a public agency and is not eligible to receive excess property without this amendment. The Olympic Committee and the communities affected by military base realinements cannot afford to pay commercial/industrial fair market value for these facilities to be used for athletic training purposes.

The proposed amendment would merely make the Olympic Committee eligible, as though it were a public agency, to receive and use excess Federal property. The amendment would not confer any priority preference to the Olympic Committee in the redistribution of excess Federal property. The conveyance of these athletic, sports medicine, and training support facilities to the USOC would not represent a further cost to the taxpayer.

A case example highlighting the need for this amendment in behalf of the U.S. Olympic Committee is at the former Ent Air Force Base in Colorado Springs. A year ago, the city of Colorado Springs arranged an equal value trade for 11 acres of land at the former Ent AFB with the Air Force for a new office site outside the city. The equal value exchange could not include 4 acres in the middle of the Ent property. The basic Ent facilities were donated by the city of Colorado Spring to the Olympic Committee as a training center under the leadership of former Olympic decathlon champion, Bob Mathias. The facilities in the 4-acre heart of the center have been used under permit from the Air Force as barracks and a small sports medicine facility. Unfortunately, the value of the land itself—not the three buildings on the site—has been appraised at over $900,000 for commercial/residential purposes. The General Services Administration has been forced to ask this fair-market value for the 4 acres. The city and the Olympic Committee simply cannot afford the commercial value in order that the 4 acres and the surrounding facilities can be used for Olympic training purposes. Without the 4 acres, the entire Ent site will not be useable as an Olympic training center. The problem can be readily resolved by making the U.S. Committee eligible to receive and use excess Federal property.

Mr. President, it is my understanding that this amendment is acceptable to the distinguished managers on both sides of the aisle, and I therefore yield the floor.

Mr. CANNON. Mr. President, may I ask the Senator, it is a fact that under the present definition of who is eligible to receive property, this organization could not receive excess Government property, and this amendment would merely permit them to do so, and, at such time as it is no longer used for this purpose, it would revert, then, to the

U.S. Government, to be disposed of by the GSA under their normal procedures; is that correct?

Mr. HASKELL. The distinguished Senator is absolutely correct.

Mr. CANNON. And this is a part of an existing military base that is no longer used for that purpose?

Mr. HASKELL. That is my understanding. There might be other areas, of course, also.

Mr. CANNON. Mr. President, I am willing to accept the amendment.

Mr. STEVENS. Mr. President, I think the Senator from Colorado has raised a very interesting and worthwhile point that should be pursued, and I think this is a good time to authorize it. It has very limited but I think worthwhile application.

Mr. HASKELL. I thank the Senator.

Mr. STEVENS. I yield back the remainder of my time.

Mr. CANNON. I yield back my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Colorado.

The amendment was agreed to.

UP AMENDMENT NO. 1305

(Purposes: (1) To require an amateur sports organization wishing to conduct or sponsor international amateur athletic competition to obtain a national governing body's sanction; (2) To remove the obligation of selection of particular athletes from the exclusive jurisdiction of the United States Olympic Committee; and (3) To make technical amendments to the bill as reported)

Mr. STEVENS. Mr. President, I send to the desk the three amendments that I mentioned in my opening statement, and ask for their immediate consideration, en bloc.

The PRESIDING OFFICER. The amendments will be stated.

The assistant legislative clerk read as follows:

The Senator from Alaska (Mr. STEVENS) offers, en bloc, unprinted amendments numbered 1305.

Mr. STEVENS. Will the clerk read them, so that Senators will know what we are offering?

The assistant legislative clerk read as follows:

On page 39, line 23, immediately after "competition.", insert the following: "If such an amateur sports organization wishes to conduct international amateur athletic competition to be held in the United States, or sponsor international amateur athletic competition to be held outside the United States, it shall obtain a sanction from the appropriate national governing body.".

On page 30, line 14, strike "in the United States".

On page 7, line 11, strike out "and select".

On page 9, line 8, strike out "and select".

On page 40, line 2, strike "210" and insert in lieu thereof "211".

On page 9, line 18, strike "or".

On page 9, line 23, strike "such".

Mr. STEVENS. Mr. President, some of these are technical amendments. The three principal amendments I did address in my opening statement, and I believe they have been cleared with the distinguished chairman of the committee and are acceptable.

Mr. CANNON. The Senator is correct. The amendments are acceptable, and I yield back my time.

Mr. STEVENS. I yield back the remainder of my time.

The PRESIDING OFFICER (Mr. ALLEN). All remaining time having been yielded back, the question is on agreeing to the amendments en bloc.

The amendments, en bloc, were agreed to.

The PRESIDING OFFICER. Who yields time?

Mr. CANNON. Mr. President, if there are no further amendments——

The PRESIDING OFFICER. Are there amendments at the desk Senators might wish to call up? The Chair recognizes the distinguished Senator from Michigan (Mr. GRIFFIN). Who yields time?

Mr. STEVENS. I yield such time as the Senator from Michigan may need for his presentation.

Mr. GRIFFIN. Mr. President, as a one-time athlete—a long time ago—and as a legislator, I have had a longstanding interest in amateur sports.

My initial legislative effort in this field was prompted by a dispute between the NCAA and the AAU in 1968. At that time, I introduced a bill, S. 2836, which would have provided for an athletes' bill of rights.

Since then I have been interested in various legislative initiatives aimed at resolving problems associated with amateur sports in this country and with our representation in the olympic games and other international competitions.

The distinguished minority whip (Mr. STEVENS) has worked long and hard to bring this legislation to the floor. I applaud his efforts. While the bill may not be a perfect solution, certainly it represents an improvement over the existing situation.

There is one point which I would like to have clarified.

In my State approximately 20 high schools regularly schedule games in football, basketball, and other sports with Canadian high schools. I do not believe this is unique. I am sure that similiar situations exist with respect to high schools in other States that border Canada and Mexico.

Based on the language in some portions of the bill, it might appear that before approval by a national governing board would be required before such a high school international game could be played. It is my understanding that sanctioning of regular inseason high school and college competition is not now required, and that it is not the intention of the committee by this bill to change that practice. Is that correct?

Mr. STEVENS. Mr. President, with the permission of the chairman of the committee, let me state, as I did in my opening statement, that it is not the intent of those of us on the committee, or mine as sponsor of the bill, to change the prevailing practices, which vary from spot to spot with respect to sanctioning of league in-season scholastic or collegiate competition. I understand the Senator's reference is to that type of prevailing practice, with regard to sanctioning league in-season scholastic or collegiate competition. We have no intention of changing that.

Mr. GRIFFIN. As the Senator from Alaska realizes, it is not unusual for a high school in northern Michigan to play a football game with a high school in Canada. This is a regular and ordinary occurrence. In some situations, there may even be leagues established. In any event, it is a form of international competition. But, as I understand it, this is not the kind of international competition that would be governed by this bill.

Mr. STEVENS. I am delighted that the Senator from Michigan raised that question with me. As he probably knows, the Canadians are our southern neighbors and we do go south from Alaska, our high schools do, to Whitehorse and other towns in Canada for similar competitions. There is no intent in this bill to change the existing practices.

Mr. GRIFFIN. I thank the distinguished Senator from Alaska.

UP AMENDMENT NO. 1306

(Purpose: To encourage participation by handicapped individuals in athletic competition)

Mr. STEVENS. Mr. President, I call up an amendment on behalf of the Senator from Iowa (Mr. CULVER).

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Alaska (Mr. STEVENS) on behalf of the Senator from Iowa (Mr. CULVER) proposes an unprinted amendment numbered 1306:

On page 8, line 18, after "individuals insert ", including, where feasible, the expansion of opportunities for meaningful participation by handicapped individuals in programs of athletic competition for able-bodied individuals".

Mr. STEVENS. Mr. President, I want to state that both Senator CULVER and Senator STONE have been very diligent in their pursuit of the objectives of the President's commission's recommendations. They served on that commission also. I am offering this amendment on behalf of Mr. CULVER to clarify the U.S. Olympic Commission's responsibility to encourage programs of competition for handicapped and disabled athletes. This responsibility is currently a feature of S. 2727 as one of the expanded purposes of that organization's Federal charter.

Senator CULVER's amendment would make it clear, as the President's Commission intended, that this responsibility include integrating athletic opportunities for the handicapped into regular ongoing sports programs wherever this is feasible. I believe that this is consistent with the thrust of the President's Commission's recommendations with the goals of this legislation by the committee and those of us who have met with so many members of the amateur athletic community.

I am willing to accept this amendment. I am hopeful, on behalf of the committee, the Senator from Nevada will also accept it.

I ask unanimous consent that a statement by Senator CULVER explaining his amendment be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

STATEMENT BY SENATOR CULVER

This amendment to the Amateur Sports Act is intended to clarify the obligation of the United States Olympic Committee to encourage improved athletic opportunities for athletes with physical or mental handicaps. S. 2727 already makes clear that this task shall be one of the purposes of the USOC, as they are enumerated in its Federal Charter. I believe that it is important to acknowledge that these opportunities should not be limited to programs open only to handicapped athletes and segregated from the mainstream of organized atheletic competition. In addition, it is important to expand opportunities for the handicapped to participate meaningfully in athletic events now available only to able-bodied persons.

The President's Commission on Olympic Sports concluded in its 1977 report that athletics are an effective means for all individuals significantly to improve the quality of their lives. Yet, it is extremely difficult for the handicapped to use athletics positively to enrich their lives. Public attitudes reflecting ignorance, apathy or lack of awareness of the needs of handicapped athletes are the major problem.

There are a number of ways to redirect these misconceptions while at the same time providing the handicapped with an equal opportunity to participate in sports and recreation. By way of example, individual swimming events are often begun by the sound of a gun. Deaf athletes, for obvious reasons, are excluded from competition—although they may otherwise be excellent swimmers—and desire the kind of competition that only comes from organized sports activities. By only slightly modifying the existing rules to use a synchronized visual signal as well as a sound signal there would be shared and equal opportunity for all.

Additionally, where separate events for the handicapped are desirable, there is often no reason why they should not and could not be scheduled to coincide with regularly scheduled events.

Obviously there are a variety of ways that the handicapped can be included in sports events. I have provided just illustrative examples. I would like to point out that this amendment does not require by law any particular formulas such as I have mentioned. It does, however, place on the United States Olympic Committee (USOC) an obligation to play a leadership role in looking more aggressively at the problems encountered by the handicapped when entering sports events. This obligation was acknowledged by the USOC in hearings held earlier on this bill. Therefore, I believe that this is an amendment for which there is a wide recepetivity and which will reinforce an existing obligation and accelerate the rate of progress by which the needs of the handicapped are given constructive expression.

Mr. CANNON. Mr. President, the amendment is acceptable.

The PRESIDING OFFICER. Is all time yielded back?

Mr. CANNON. I yield back the remainder of my time.

Mr. STEVENS. I yield back the remainder of my time.

Mr. GRIFFIN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. Does the Senator wish to suggest the absence before approval of the amendment?

Mr. GRIFFIN. I withdraw the suggestion.

Mr. STEVENS. Mr. President, I have yielded back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back on the amendment. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. CANNON. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. STONE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Who yields time to the Senator from Florida?

Mr. CANNON. I yield 5 minutes to the Senator from Florida.

The PRESIDING OFFICER. The Senator is recognized for 5 minutes.

Mr. STONE. I thank the Chair.

Mr. President, I am very pleased to rise in support of S. 2727, the Amateur Sports Act of 1978. This bill is evolved from the recommendations of the President's Commission on Olympic Sports on which Senators STEVENS and CULVER and I served and from S. 2036 which we introduced in August of last year.

This proposed legislation reflects the testimony received at hearings held by the Senate Commerce Committee and hundreds of hours of discussions we have had with athletes and amateur sports organizations whom the bill directly affects. We have made every effort to fashion Federal legislation which has broad support so that it may truly promote and encourage greater public participation in amateur sports.

There are several recent indications that our endeavors have been worthwhile. Last month, at its annual meeting, the U.S. Olympic Committee (USOC) and its members formally and unanimously endorsed S. 2727. At the same time, the National Collegiate Athletic Association (NCAA), which resigned from membership in the USOC in 1972, participated in efforts to broaden the authority of the USOC and was readmitted to the Olympic Committee. In addition, the Association for International-Collegiate Athletics for Women (AIAW) was admitted to the USOC for the first time and now may enjoy the benefits of USOC membership.

I believe that the amateur sports community has finally come to the realization that past disputes have wasted athletes' time and talents and threatened athletes' rights to participate in important competition. This country's lack of success in amateur sports is not due to any shortage of talent or lack of resources. Our problem stems from a failure to encourage physical fitness and better athletic programs.

The Amateur Sports Act of 1978 provides the structure to insure cooperation and interaction among amateur sports organizations in order to increase athletic opportunities and maximize performances.

The bill has three main parts. The first restructures the USOC so that it can serve as the coordinating body for amateur sports. To assist the USOC in fulfiling its new position, the bill authorizes a one-time expenditure of up to $18 million. Another $12 million is authorized for the operation of training centers for amateur athletes and for the development of a sports medicine program.

Second, the bill sets forth criteria with which sports national governing bodies must comply, and provides for the prompt settlement of disputes through binding arbitration.

Third, it requires the USOC in its constitution to provide for the protection of an athlete's right to compete. This represents a compromise reached by the sponsors of this bill and the amateur sports community. The original version of the Amateur Sports Act, S. 2036, included a substantive provision on athlete's rights. The bill as reported, however, represents a positive step forward for amateur athletes and their handlers. For the first time, they will have their rights to participate recognized in legislation. Given the support of the USOC and a cooperative attitude on the part of its members, which this bill seeks to promote, athletes should have more opportunities to compete, and fewer hindrances, than ever before.

Mr. President, section 113 of the act requires the U.S. Olympic Committee to report annually to the President and Congress on its operations for the preceding year. I would like to make it clear that section 113 does not express the intent that the Federal Government may interfere with the internal affairs of the U.S. Olympic Committee. The purpose of requiring the USOC to make an annual report is so that we may understand clearly the impact of this legislation on amateur sports, particularly in the important areas of athletes' rights to compete and the resolution of disputes between amateur sports organizations.

Although the act does not specify what should be contained in the Corporation's annual report, it is my understanding that the authors of the act intend that, a minimum, the report should contain the following information:

First, a listing of the membership of the U.S. Olympic Committee;

Second, a listing of the national governing body recognized for each sport, together with a list of challenges to the recognition of such national governing bodies;

Third, the language of the provisions in the U.S. Olympic Committee's constitution and by-laws regarding an athlete's opportunity to compete, together with an evaluation by the U.S Olympic Committee as to the degree of success of such provisions in insuring the opportunity for participation by amateur athletes; and

Fourth, a description of its expenditures under section 211 of this act.

May I ask the Senator from Alaska

(Mr. STEVENS) if what I have just stated is in fact the intent of the authors?

Mr. STEVENS. I will state to the Senator from Florida, who, as I have said, has been very active in considering this legislation, that he is absolutely correct. The U.S. Olympic Committee has indicated its willingness to include such information in its annual report to the President and to the Congress.

Mr. STONE. I firmly believe that this legislation will be of great benefit to amateur sports in America. It will assist in the development of new athletic programs for women and disabled citizens, and in the improvement of other programs which are curently inadequate. If our people have greater opportunities to compete in athletics at the grassroots level, America's performance at the international level will be second to none.

The PRESIDING OFFICER. Who yields time?

Mr. CANNON. Mr. President, if there are no further amendments I am prepared to yield back the remainder of my time.

Mr. STEVENS. Mr. President, I yield to the Senator from Michigan such time as he wishes to ask some questions. I say to the distinguished Senator from Nevada, I do not know whether they will lead to amendments or not.

Mr. GRIFFIN. I thank the Senator from Alaska.

Mr. President, I have receive a number of letters from coaches and other sports figures in my State concerning this legislation. Among them is a letter from Ted Kjolhede, an old friend who also is director of athletics at Central Michigan University.

After expressing a good deal of general concern about the bill and possibilities for abuse, he focused on some specific sections of the bill. In his letter he made comments or raised questions with respect to specific sections and I would appreciate it if the distinguished Senator from Alaska, the principal sponsor of the legislation. would listen to each such comment or question and then respond. I believe such an exercise would help to establish a constructive legislative history.

For example, Mr. Kjolhede refers to section 102(3) and asks:

> Does this mean a blanket approval to participate in any and all amateur athletic competition? I am concerned about maintaining equity on the collegiate scene. We have scheduling limitations, for good and just reasons, and if an affluent athlete or one who can "hook o.ito" some foreign amateur team, were to be able to gain an unfair advantage over his American colleagues—this would give me concern.

Mr. STEVENS. We understand his concern, and there has been some change in the sections. The purpose of this bill is to provide a coordination of the activities on the international scene and those here in this country which would have an impact on that. There is, however, and I think this comment applies not only to this question, but to the next question that I understand the Senator from Michigan will ask——

Mr. GRIFFIN. Which relates to 102(4).

Mr. STEVENS. That is right. We have on page 39 a section 206, which states this:

> Any amateur sports organization which conducts amateur athletic competition, participation in which is restricted to a specific class of amateur athletes (such as high school students, college students, members of the Armed Forces, or similar groups or categories), shall have jurisdiction over such competition.

So I think that we have preserved the jurisdiction of the school community over their own competition, which is what I understand to be his concern.

Mr. GRIFFIN. Then Mr. Kjolhede points to section 203(5) and asks this question:

> Does all international amateur athletic competition involving an American citizen mean that said citizen is representing the United States; for example, university teams and individual athletes?

Mr. STEVENS. We preserve the existing situation, as I have stated. They must obtain a sanction from the national governing body. There is no change in that, as the Senator's friend would understand the circumstances there.

Mr. GRIFFIN. With respect to section 204(1), he makes this comment:

> I do not feel that we are ready and willing to have the Corporation "establish national goals for amateur athletic activities," and so forth. For example, we may or may not agree with a possible goal of "beat Russia and East Germany in the Olympic Games"—the means to accomplish this may not be palatable with our philosophy of amateur athletics.

That seems to be an expression, more or less, of concern about what could happen under the bill.

Mr. STEVENS. He is referring to a redesignation of the existing act of the U.S. Olympic Corporation. As I understand it, he is referring to the amended section 104, which says,

> The object and purposes of the Corporation shall be to establish national goals for amateur athletic activities and encourage the attainment of those goals.

That is, I think, a philosophical comment. The U.S. Olympic Committee is, after all, made up of all of those organizations that are involved in amateur athletics in the country. They have a democratic procedure for setting those goals. What this bill does is continue that USOC power, strengthen it in a coordinating fashion, but it intentionally does not take unto the Federal Government any of the formulation of the goals for amateur athletics. They will be made up by the house of delegates of the U.S. Olympic Committee when they meet annually.

I think that if he would pursue the philosophy of both the Commission and this bill as approved by the committee, he will see that we have, again, strengthened the democratic procedures of the amateur athletic U.S. Olympic Committee and not stated any philosophical goals which amateur athletics must pursue.

Mr. GRIFFIN. Mr. Kjolhede points to section 204(9), which allows the corporation to accept gifts, legacies, and devises in furtherance of its corporate purposes, and wonders what kind of guidelines would be associated with this section; what kinds of "carrots" will be extended? What kind of leverage will be used?

I think I understand the concern. It is altogether possible, I suppose, that a wealthy donor could make gifts to the corporation and attach certain conditions. There seems to be nothing to prevent that. Could such a donor direct or move the corporation in particular directions?

Mr. STEVENS. Well, this corporation really, again, is controlled by its members and cannot act except after approval of its house of delegates at its annual meeting. It just had its annual meeting in April.

I would say that it is a fear that many of us have that there could be that type of development, but so long as we have both the vigilance of those people who are members of that house of delegates and a continued oversight by Congress of the activities of the U.S. Olympic Committee and its powers pursuant to this new revised structure, as this bill contemplates, I do not see how that could happen. We do not have any carrots in this bill that could give anybody any extra power. We do have some funds in order to assist in providing facilities and to assist in providing funds to support athletes. But the athletes are to be selected by the national governing bodies.

I think that we have done our best to preserve the autonomy of the individual organizations throughout the amateur athletic community.

Mr. GRIFFIN. The point made by the Senator from Alaska that impresses me the most is that the Corporation and its operation under this legislation will be subject to the oversight jurisdiction of Congress. It is important, I believe, that if Congress passes this bill and establishes such a Corporation, there be oversight in the future to see that such abuses do not in fact develop.

The PRESIDING OFFICER (Mr. ZORINSKY). All the time of the Senator from Alaska has expired.

Mr. CANNON. I yield to the Senator from Alaska.

Mr. GRIFFIN. I thank the Senator from Nevada for making time available in order that the Senator from Alaska may comment further.

Mr. Kjolhede also refers to section 205(11), and expresses concern about possible "intrusion" by uninformed bureaucrats.

Mr. STEVENS. No one from the Federal level.

Mr. GRIFFIN. I ask the Senator to take a look at section 205(b–1, b–2).

Mr. STEVENS. The Senator's constituent asks about checks and balances to guard against the Corporation amending its constitution to take on a more authoritarian role than the one Congress has intended.

Again, that constitution can only be amended through the action of the House of Delegates, the members of whom are elected by these national governing bodies and those organizations in the amateur sports community that are entitled to vote in that body.

By virtue of what we are doing, the NCAA, in fact, has made application to go back into the U.S. Olympic Committee. We see now a consolidation and move toward a general area of consensus so far as the athletic community in the country is concerned, brought about, I think, by the knowledge that something has to be done to assist a community to raise the funds necessary to modernize its structures and to encourage the development of athletes.

Senator LONG's amendment to this bill requires a study as to what kind of financing that will be; but clearly that financing will not be available so long as there is open warfare between these organizations and there is not a spirit of competition.

In addition, I point out that any changes they make in their constitution must be reported to the President and to the Congress annually.

Mr. GRIFFIN. I believe the report to the President and to Congress is important.

Mr. STEVENS. And put in the Federal Register. So that your constituents would have it available.

Mr. GRIFFIN. Mr. Kjolhede points also to sections 201(b) (7), (8) and (9), and makes this comment:

> Here my concern is that by being too "conscious" we may end up with everyone being represented but with a Governing Body which has far less expertise than might otherwise have been the case. All of the "interest" groups cannot be guaranteed a membership slot without a good deal of inefficiency.

Mr. STEVENS. I called attention of the Senator's constituent to the information set forth in page 7 of the conference committee's report. We do hope for a reasonable representation on the governing boards for athletes. We have urged that women be included, that the athletes themselves be included, that the handicapped be included. We know that it cannot be a quota formula. We did not specify a quota formula. We said "reasonable representation." I think that is all we can do at this time.

Mr. GRIFFIN. I thank the Senator from Alaska for his patience. Mr. Kjolhede also refers to section 202(a) (2) and says:

> This is very good philosophy . . . who will insure that this "spirit of the law" is followed?

Mr. STEVENS. I say to the Senator from Michigan, with respect to the comment as to who will assure that this spirit of the law is followed, that I have never seen a commission such as the one that was put together in the President's Commission on Olympic Sports. Its members have come to Washington at their own expense to pursue this. The USOC annual meeting is pursuing a general philosophy that was developed in that Commission.

I am sure that those of us on the committee who continue to have jurisdiction over this oversight on an annual basis will continue to pursue the philosophy that Congress and the Commission intended to be followed.

Mr. GRIFFIN. Mr. Kjolhede also expressed some concern about how the governing body will be staffed. He strongly recommends that a good many of the staff positions be filled by persons close to the interscholastic and intercollegiate scene, since that is where the strength of American amateur athletics, for the most part, is developed.

I realize that the Senator from Alaska will not do the staffing. But for the record and for the purpose of the legislative history, I wish to endorse his recommendation. Certainly, the expertise that is developed on the college campuses should be drawn upon heavily in staffing this new corporation. I hope that will be the case.

I thank the Senator from Alaska very much.

Mr. STEVENS. In the commission were Bud Wilkinson; Capt. Micki King Hogue, who is at the Air Force Academy and is an instructor there and is well known in the amateur sports community; and Dr. Ernest Vandeweghe, a Californian, who has been very active in collegiate activities and has a very outstanding son on the basketball team out there. So very outstanding athletes are involved in it, too, as well as collegiate athletes.

I think his worries are well expressed. But we have done our best to guarantee that the philosophy of this newly structured U.S. Olympic Committee will be tuned in on the desires of the sports community in the collegiate and the high school world.

Mr. GRIFFIN. Since I still have the floor, I wish to pay my respects also to the distinguished Senator from Kansas (Mr. PEARSON), who has provided leadership in this field over a long period of time. He has taken a keen interest in past disputes between the NCAA and the AAU, and I know of his efforts to develop legislation to cope with the situation. I hope this time the effort will meet with success.

Mr. PEARSON. Mr. President, will the Senator yield to me for about 3 minutes?

Mr. GRIFFIN. Yes.

Mr. PEARSON. I thank the distinguished Senator from Michigan for his kind and thoughtful remarks.

Mr. President, I commend the members of the Commerce Committee, who have worked diligently on this piece of legislation, and the members of the commission, to whom the distinguished Senator from Alaska has made reference, who also, with unusual diligence, brought forth the recommendations upon which this bill was drafted.

Mr. President, 4 years ago I brought legislation to the Senate similar to the bill which is presently under consideration today. At that time, legislation was deemed necessary because of the problems stemming from the organization of amateur sports, both internationally and at the domestic level, and the lack of funds for the development of amateur sports in the United States. To a large extent these problems still persist. Although the bill, S. 3500, the "Amateur Athletic Act of 1974," passed the Senate by a sizable margin, it was not acted upon by the House. Nevertheless, our efforts did lead to the creation of the President's Commission on Olympic Sports. The bill before us today, S. 2727, the "Amateur Sports Act of 1978," is based upon the recommendations and findings of that Commission.

This bill is a very sound bill, I believe it directly attacks the heart of the problems in amateur sports—lack of organization, lack of leadership, jurisdictional squabbles, and unresponsive national governing bodies. This bill achieves its goal with as little Federal intrusion as possible. By recognizing the U.S. Olympic Committee as the coordinating body for amateur sports and by establishing certain prerequisites for the recognition of national governing bodies, this bill guarantees a sports structure which will be responsive to the needs of this Nation's amateur sports community.

Perhaps the most important feature of this legislation, for those who are fearful of Government intrusion, is that S. 2727 avoids the creation of any new Federal boards to oversee amateur sports. Instead, the "Amateur Sports Act of 1978," looks to the existing U.S. Olympic Committee to assume the responsibility for coordinating amateur sports.

Mr. President, in its report the President's Commission on Olympic Sports found that U.S. sports organizations are fragmented, not bound by common purpose or any effective coordinating system. As a result, the United States has failed to achieve its full potential in amateur athletics. The time has come for sports organizations to work together to enhance amateur sports. The bill before us today will facilitate that through improved organization and coordination. I urge my colleagues to join in support of S. 2727.

Mr. CANNON. Mr. President, if there are no further amendments, I am prepared to yield back the remainder of my time.

Mr. STEVENS. Mr. President, will the Senator yield?

Mr. CANNON. I yield.

Mr. STEVENS. Mr. President, the Senator from Iowa (Mr. CULVER) has also indicated to me his interest in the report. I have a letter from him expressing his desire that the U.S.O.C. report to Congress include information on the U.S.O.C. efforts to improve sports opportunities for participation by athletes with physical or mental handicaps. As a member of the President's Commission, Senator CULVER initiated our inquiry into the question of athletic opportunities for the handicapped. I ask consent that Senator CULVER's letter be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C., May 8, 1978.

Hon. TED STEVENS,
Russell Senate Office Building, U.S. Senate, Washington, D.C.

DEAR SENATOR STEVENS: I know that you share my interest, as a result of our service on the President's Commission on Olympic Sports, in expanding opportunities for sports participation by athletes with physical or mental handicaps. As the Commission's final report made clear, programs for these athletes make important contributions to their physical well-being and their desire to share meaningfully in the full range of life's activ-

ities. The report also made clear that disabled athletes have many of the problems—although to a greater extent—faced by all sports organizations, such as inadequate funding and facilities. In addition, these athletes must overcome a unique problem of public attitude. As the Commission's final report put it, "the majority of citizens are individually and collectively unaware of the real needs and desires of the handicapped in sports."

I believe that S. 2727 offers us the chance to address the problems of both substance and perception. The proposed legislation, which is a revision of the bill which you, Senator Stone, and I introduced last August, retains two sections directly relevant to handicapped athletes. The purposes of the U.S.O.C. are expanded to include encouragement of, and assistance to, programs and competition for handicapped athletes. In addition, the language of the bill assigns to national governing bodies the responsibility to support programs for handicapped athletes within their individual sports.

I believe it would be useful to the accomplishment of these objectives and to the general enlightenment of both those of us in Congress and the public as a whole if the steps taken by the U.S.O.C. and its members are publicly reported. I hope that the legislative history of S. 2727 will record that as part of its reporting requirement, the U.S.O.C. is expected to enumerate the steps it has taken or plans to take to encourage special programs for handicapped athletes, to include them in ongoing programs of competition for the able-bodied, and to remove procedural or regulatory barriers to fuller athletic participation by these individuals.

I know that as the principal sponsor of S. 2727 you will be playing a leading role in its consideration on the Senate floor and I appreciate very much your assistance on this matter.

Sincerely,

JOHN C. CULVER.

Mr. STEVENS. Mr. President, I believe that Senator CULVER's suggestion is a good one. U.S.O.C. officials have assured us that they are eager to work toward the expansion of opportunities for handicapped athletes and are formulating plans to effect that assistance. The record should reflect that the Senate is very interested in learning the specific steps taken to fulfill this important responsibility.

Mr. President, I ask unanimous consent that an executive summary from the President's Commission on Olympic Sports, together with the names of the commissioners and the commission staff, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

EXECUTIVE SUMMARY

Said Baron Pierre de Coubertin, founder of the modern Olympic Games, "The most important thing (in the Olympic Games) is not to win but to take part, just as the most important thing in life is not the triumph but the struggle. The essential thing is not to have conquered but to have fought well."

Having observed conditions in this country and around the world which prevent athletes from achieving this Olympic ideal, the President's Commission on Olympic Sports recognizes that it can have little or no direct influence over some of the factors prohibiting such achievement. For example, it notes with deep regret the declining ability of the nations of the world to separate sport from politics. The Commission deplores the actions of governments which deny an athlete the right to take part in international competition and calls upon world sports leaders to take whatever steps are necessary to eliminate this misuse of the Games, Games originally intended to allow individual athletes to experience the thrill and satisfaction that comes from the pursuit of excellence.

While a nation's success in international sports competition is not indicative of the merits of its ideology—despite some countries' attempts to convince us otherwise—it surely tells us much about the vigor of that nation's sporting populace and the cohesiveness of its organization. Success reflects on the ability of a sports system to permit individual athletes to reach the limits of their potential.

While the U.S. may lag behind other nations in certain areas of sports development, with the result that our success in the international arena has been declining, it is not too late to change. The internal problems peculiar to the American sports system are the ones over which this Commission can have a positive, direct influence, regardless of the actions the international community may take to preserve or destroy the notion of individual athletic achievement.

In similar contests, the United States has been preeminent, a splendid example being massive victory in the race to the moon. That challenge, too, called for imaginative marshalling of resources, a fine combination of skill and courage.

In international sport, however, American performances are deteriorating. Against athletes from nations for whom Olympic medals are as precious as moon rocks, U.S. competitors seem to have steadily diminishing chances of success. In fact, America's active sporting populace is that of a rather small country, isolated within a larger, more passive society. "Fifty million adult Americans never exercise, and degenerative diseases associated with obesity and physical inactivity have reached the epidemic stage," reports the President's Council on Physical Fitness and Sports.

America's weakness in sport is not lack of talent, for it has awesome talent which has kept the country's Olympic performances respectable. And it is certainly not lack of resources, although it is clear to this Commission that potential sources of financing have not been tapped and that facilities and knowledge have not been used to their greatest advantage. No, it is precisely America's great strength in the exploration of space which is our weakness in sport: organization. U.S. sports organizations are fragmented, not bound by common purpose or any effective coordinating system. No clear policy or direction in amateur sports, physical education or physical fitness can be or has been maintained. Incessant organizational squabbles waste time and talent and threaten the fundamental rights of athletes to take part in the most challenging competition for which they are qualified. Feast and famine exist side by side. Men's college athletic opportunities are extensive and rewarding while those for women or non-school athletes are sparse and the experiences often embittering. Valuable research in sports medicine is often ignored because there is no effective means of putting findings to practical use. Inconsistent amateur codes unfairly hamstring many athletes' development.

Yet the division and rivalries among American sports organizations do not need to exist. They represent no inherent conflicts in the interests of the athletes or the people of the United States.

CENTRAL SPORTS ORGANIZATION (CSO)

To enable these various groups to combine for the common purpose of advancing American sporting achievement and encouraging a greater share of our people to lead active lives, the President's Commission recommends the institution of a new central sport organization (CSO), founded on the organizational structure of the United States Olympic Committee (USOC) and calculated to achieve a truly unified sports system.

There are five prime needs:

A means to settle organizational disputes over the right to be the recognized national governing body (NGB) in a sport;

A means to induce all organizations with significant national programs in a sport to belong to the NGB so that their activities can be coordinated;

A means to guarantee an athlete's right to compete;

A means to finance amateur sports more effectively; and

A central policy-making forum to identify U.S. sports problems and effect solutions.

In addition, these needs must be met by building on the existing system and taking into account the views of the American public, the President, the Congress and the existing international and domestic sports organizations.

Thus, the Commission recommends an amendment to Public Law 805, the USOC Charter, to create an essentially new body, composed only of national governing bodies (NGBs), offering them sizable financial opportunities but requiring them to become both better organized and more open to the interests in each sport. The charter of this new organization would be subject to review by Congress every six years.

The completely new USOC is proposed as the highest congress of representative, vertically integrated American Sports system, with appropriate checks and balances built in. Each NGB will send a maximum of five representatives, at least one of whom must be an athlete representative, to an annual Congress. The initial Congress will elect officers and adopt a constitution and bylaws. The Congress will elect a small Board of Directors (maximum of fifteen members) at least 20% of whom must be athlete representatives. The Board will be the major policy-making body of the CSO. Non-sports people should be encouraged to serve both on the Board and throughout the organization. The Board will establish standing committees as appropriate, conduct necessary administrative reviews, and allocate funds. Terms of board members will be staggered and limited. In ensuing years, the Sports Congress will conduct its necessary business and amend its constitution and by-laws to meet current requirements.

The Commission's recommendations, if implemented, will cause the dispute between the Amateur Athletic Union (AAU) and the National Collegiate Athletic Association (NCAA) and other dispute this Commission has uncovered to be solved. The recommendations will accomplish organizational overhaul of the NGBs while preserving the freedom of sportsmen and sportswomen to map their own destiny. Power blocs which have crippled the USOC in the past will be eliminated. Athletes' rights will be more adequately guaranteed, and funding of amateur sports will reach across the whole system rather than remain confined to a few niches of affluence.

NATIONAL GOVERNING BODY CRITERIA

By recommending fifteen guidelines for NGBs, to be implemented by legislative action, the Commission has rejected a regulatory or controlling posture for the federal government.

What are the most important criteria? Each NGB must be separately incorporated. Autonomy for each sport is the intent of the Commission, based on the premise that wrestlers can best decide what is good for wrestling, track and field participants for track and field. Other criteria decree that no organization may have greater than 20 percent representation in more than one NGB and that all NGBs must be open to fair and

equitable representation of constituent groups. Also, athletes selected by athletes must have 20 percent of the vote in each NGB.

The Commission's intent is the institution of vertically integrated NGBs. This means that each NGB should be composed of elected individuals and/or representatives elected or appointed from all the national organizations involved in a sport. Some NGBs will be more efficient through strictly organizational representation; others will benefit from having only individual representation; some will benefit from both.

There also should be established a hierarchical structure, whether regional, statewide or functional for each NGB. Ultimately, these regional, functional and/or state-wide NGB elements should elect their representation to the national level.

RESOLVING FRANCHISE DISPUTES

Crucial to the formation of the CSO is an effective means of settling organizational disputes over the right to govern a sport in this country. International sports federations reserve the right to name their representatives in a given country, but traditionally refuse to enter "domestic squabbles," accepting as the franchise holder the body certified by the National Olympic Committee. The USOC, however, has been unwilling to take assertive action because the contending groups often have had strong voices within the USOC itself. Thus, franchise challenges have had no fair hearing before any organization and have boiled on through years of rising antagonism. The result: repeated threats and punishments to athletes for representing their country in international competition, and the development of suspicious, uncooperative attitudes by administrators of many sports organizations.

The Commission, in studying proposed mechanisms, has observed the USOC's willingness to use unbiased arbitration to solve these disputes. Accordingly, the Commission recommends Public Law 805 be amended to require binding arbitration by the American Arbitration Association (AAA) in disputes involving franchise challenges or allegations that an NGB is not meeting the abovementioned criteria. The law should clearly set the criteria to be met by an organization seeking to win NGB certification. Challenging organizations will be measured against incumbent NGBs on how well criteria are met. In some cases, the challenger may request affiliation with the incumbent and, having been denied what the challenger views as equitable representation, may submit the claim to arbitration. The proposed process is significantly stronger and fairer than the mechanism in the current USOC Constitution.

All the criteria are identical to those which must be met for membership in the central sports organization. Given the widespread respect for the AAA and the interest of most of the U.S. amateur sports community in resolving these disputes fairly, the Commission believes its recommendations can be swiftly implemented.

ATHLETES' RIGHTS

The essential psychological ingredient in any world class athlete is the drive to excel in the toughest possible competition. To frustrate that urge is to make meaningless a competitor's sacrifice and dedication. That institutions charged with advancing athlete's careers should instead stymie them seems unconscionable. Yet recent history is filled with such events. American high school and college students have lost their eligibility to compete in chool sports because they have represented the nation in international competition, even when taking part would not have interfered with their academic, personal or athletic interests. Athletes have been prevented by the NGB from competing in their sport simply because it was sponsored by a rival organization. All organizations, it seems, are capable of unreasonably violating an athlete's right to participate in unrestricted competition. It is also clear that, regardless of promises to reform, abuses continue.

Current law is confused. No statute specifically guarantees an athlete the right to compete; NGB's (as private associations) and school associations are subject to legal scrutiny, but the standards applied are not always rigorous.

In the case of institutions of higher learning, notably NCAA universities, the Commission finds that the colleges and universities have chosen to give the power to determine whether a student-athlete competes in a non-school competition to the NCAA central headquarters and its committees. The Commission finds this delegation of authority to be inconsistent with the notion, agreed to by most Americans, that local people can best deal with local problems. The Commission finds that college presidents, athletic directors, and an athlete's teachers and coaches are in a far better position to determine whether an athlete's participation in an non-school competition will materially interfere with his or her academic, personal and athletic interest at the school. The Commission recommends that college presidents and their agents at the university reassume that right to make these decisions. The Commission further recommends that NCAA central headquarters act is an advisory capacity to inform inquiring colleges and universities of any potential danger to the amatuer athlete who chooses to compete in a non-school event.

In the case of high schools the situation is similar. The self-appointed or self-elected state association for high school athletics decides for parents or guardians whether an athlete can compete in a non-school competition or even, in some states, whether he or she may attend a sport camp in the summer when school is not in session. The Commission urges parents or guardians of student athletes to reassert their right to determine whether their child may compete in the Pan American Games or other international competition. In exercising this right, the Commission strongly recommends that the teacher(s), coach and principal participate in the parent's decision and that the state federation act in an advisory capacity only.

To encourage colleges, universities and parents to assert the aforementioned right, and to protect an athlete's right to take part in unrestricted competition, the Commission recommends passage of two pieces of legislation: one to set down explicitly the only legitimate bases upon which any organization may limit an athlete's entry into competition, and another to amend Public Law 805 to require AAA resolution of any athletes' rights case involving NGBs which are members of the CSO.

FINANCE

Tales of the financial needs of amateur sports are rife. If this country wishes to continue to broaden its participation base and to compete effectively internationally, amateur sports must be better funded across the board, not just in the school/college community, although many schools and colleges today are cutting back in the underdeveloped, primarily Olympic, sports.

The Commission has found that unless U.S. amateur sports organizations become better organized and managed, there is little hope for additional financial support from the private sector. Many corporate executives perceive amateur sports to be fraught with jurisdictional disputes and managerial incompetence. The potential for private sector funding of amateur sport is bright, however, if the perceived organizational and managerial weaknesses are rectified. Corporations and labor working together will consider "broken-time" payments, return on investment marketing initiatives, and altruistic contributions to amateur sport and athletes.

Government initiatives may also depend on how well amateur sports puts its organizational and managerial house in order. Among the Commission's recommendations are the following government initiatives: (1) commemorative Olympic coins; (2) the use of the federal tax form to make a contribution (not a check-off) to amateur athletics; (3) an excise tax on admissions to professional sporting events; (4) a modified lottery system, using the states which presently have lotteries; (5) "broken-time" payments for federal employees to put them in the same status as Armed Services athletes; (6) the reordering of priorities in existing federal programs to build facilities for the most needy amateur sports, or failing that, direct appropriations for facilities; (7) high-denominational commemorative stamps, with the proceeds going to amateur sports; and (8) amendments to the tax code to allow special credits or deductions for an athlete or an athlete's parents who sustain the burden of preparation for elite competition.

Congress must implement some of these recommendations if the U.S. is to continue to attain the twin goals of broad-based participation and winning medals. Implementation of the Commission's recommendations in public sector financing will have a stimulating effect on private sector financing. Some of the alternatives recommended will yield more funds than others, and should be combined in the most effective and feasible way to meet the financial requirements of amateur sports.

The Commission has found that the estimated one-time requirement for funding is $215 million, with an annual requirement of $83 million divided among administration, competition expenses, facilities and development needs.

The Commission recommends that the CSO contain several standing committees to provide direction on the specific issues involved in funding amateur sports. It expects the individuals involved to be prominent in various professions; they should be sports enthusiasts but not directly from the sports organizations, except perhaps in the area of allocations for sports development. Presidential assistance in initiating a unified public and private sector effort to reach these financial goals is necessary for success.

AMATEURISM

There is a widespread perception among Americans that it is unfair for U.S. amateur athletes to compete against state-subsidized professionals from other countries. The hard reality is that the International Olympic Committee—preferring to keep the Olympic movement unified, rather than uniform—will not suspend state-supported athletes. Thus, the Commission studied assorted codes, both international and domestic, with two questions in mind: (1) are they fair? (2) are they unnecessarily strict? Examination showed great variation from sport to sport in what an athlete may do or accept and still retain his or her eligibility. Incredibly, some domestic NGBs and other organizations enforce stricter rules than those required by the international federations. The Commission believes that an amateur athlete should be able to accept all sports-related revenues, except those offered for competition itself. There is little the United States can do unilaterally to bring uniformity and reason to the varying requirements of the international federations, but the CSO should be charged with working to bring domestic bodies into conformity with the regulations of international federations and to work to-

ward further liberalization of international codes as appropriate.

WORLD CLASS ATHLETES

The Commission, through detailed study of each of the 30 Olympic sports, has noted some recurring problems, basic reasons why our best athletes are less often the best in the world. In contrast to other successful systems, the U.S. has little in the way of early identification and encouragement of talent in a range of sports. Coaching is often haphazard and unscientific. Facilities for many sports are lacking—for example, there is only one Olympic-size speed skating rink in the country—and access to those we do have is sometimes difficult, especially for women and non-school athletes.

We have little tradition for selecting national teams or national coaches, except those named a short time before the Olympics or other international competition. It often costs athletes a great deal to train and compete; and clubs, the weakest link in our development system, are desperately in need of funds. Participation in sport may hurt an athlete's career when it is not seen as valuable by employers. Often it is not. A dedicated athlete's family life is strained in a society which expects to see financial reward follow hard work. Many sports attract little media coverage and, consequently, the public develops little hope for or interest in U.S. performance in them.

To attack these problems, the Commission would urge the CSO to consider creating national training centers and sports institutes. High priority must be given to coordinating development programs through all levels of each sport. The club system must be strengthened, to mesh with school sports programs. National teams in appropriate sports must be started. More sports should be introduced in the schools. Finally, high, clear standards should be developed for coach, judge and official certification.

SPORTS MEDICINE

Careful, capable application of medical knowledge in sport is absolutely critical to any successful program, whether national or local. There are 17 million athletic injuries every year in the United States, indicative of the enormous potential for harm through poor medical care.

Good research *is* being done in the United States. The difficulty lies in transmitting the results to coaches and athletes. As is the case with sport organizations, there is no central coordinating body for the application of sports medicine research, simply a number of fine medical associations pursuing their own specialties.

The Commission proposes that a standing committee of the CSO be established to serve as a national forum and clearinghouse for research, clinical application, information and education. Certainly a nation that has accomplished so much in medical research can afford to devote a portion of its energies to assuring its athletes the benefits of such research.

THE HANDICAPPED IN SPORTS

Good programs do exist in many sports and at all levels for the physically and/or mentally handicapped. However, these programs are outside the mainstream of American athletics, and most receive limited support and minimal visibility.

The Commission has found that barriers to development of sport opportunities for this significant segment of the American populace (approximately 35 million handicapped individuals) bears a striking resemblance to those existing in most sport programs for so-called "able-bodied" athletes. Differences are only in degree, with attitudes and perceptions of the American public toward the words "handicapped" or "disabled" presenting the major contrast.

Consistent with the belief that all individuals should have the opportunity to participate according to their interests and abilities, the Commission recommends corrective actions aimed at recognizing, supporting and assisting the disabled and handicapped in sports.

The CSO should create a permanent standing committee on the Handicapped in Sports to act as an advocate in securing funds, ensuring that adequate facilities are available, encouraging exposure and providing competitive opportunities. This standing committee could also act as a clearinghouse for the dissemination of information regarding programs and competitive opportunities for the handicapped.

The CSO should also encourage NGBs to incorporate into their development programs opportunities for handicapped groups to sponsor programs in the sport and to afford handicapped athletes, coaches and administrators a meaningful role in the governance of the sport.

The Sports Medicine Committee should encourage research in areas connected with the handicapped and sports and, in conjunction with the standing committee on the Handicapped in Sports, disseminate the results of such research.

WOMEN IN SPORTS

In recent years the role of women in society has undergone radical change. In the midst of that upheaval has been the issue of the role of women in all aspects of sports—competition, coaching and administration. Despite improvements being made in all areas of sport, opportunities for women still fall short of what is wanted and needed.

Women continue to suffer from a lack of well-structured, varied programs. Also badly lacking are funds for those programs, access to facilities and proper representation in the decision- and policy-making process in organizations conducting sport programs. Contributing to the historic neglect of women's needs, and pervading all aspects of the women's sports picture, is the attitude of the general public toward female athletes.

Progress is being made, however. The increasing numbers of women interested in taking part in sport—and society's growing acceptance of this interest—have led to more opportunities for women athletes, particularly with the passage of Title IX of the Education Amendments Act of 1972. The Commission wholeheartedly supports the non-discrimination intent of Title IX. It recommends that the CSO give high priority to the many issues concerning women in sports.

Specifically, national sports policy in this area might include establishment of a program to educate the general public to effect a change in attitude toward women in athletics. The CSO should also support the establishment of programs to provide women with careers and opportunities to participate in sports. These might include, for example, grants, loans, scholarships, clinics and seminars.

POTENTIAL MILITARY ROLE IN AMATEUR ATHLETICS

In many countries, the military plays a prime role in developing elite athletes. A number of elite athletes in past years have come from the U.S. military. However, U.S. military contribution to sport has declined precipitously in the last 10 to 15 years for several reasons. One is the constant scrutiny of the Defense budget for activities unrelated to the military mission. Another is the advent of the voluntary military.

The U.S. Armed Forces do not view development of world class athletes as part of their basic mission. While the Commission does not wish to change this, it does advocate an examination of the extent to which more military support for sport would be consistent with the U.S. military mission and existing statutes. Specifically, it would seem beneficial to both athletes and the services to use athletes in service recruiting efforts, to promote the concept of a voluntary military. Athletes, coaches and trainers—using their talents in clinics, lectures and tours—would certainly be effective in improving the services' public relations and morale, and would bring other tangible and intangible benefits to the Armed Services.

The Commission also recommends creation of a single office in the Department of Defense to be charged with coordinating all sports activities, and with setting policies and priorities for the entire Armed Forces sports program. This can be done quickly by Executive Order.

IMPLEMENTATION

While recommendations proposed by a commission are implemented by others, they often act as a catalyst for action. The commission's ideas, concepts, and conclusions set the structure of debate for those who must consider and act on their findings. Also, through an advisory commission, the harsh light of public attention and pressure can focus on an issue or problem, often leading to needed and meaningful change prior to submission of the final report.

This Commission believes that a permanent agent in the White House, such as the Domestic Council or its successor, should be designated to continue as point of contact between amateur athletics and government during the implementation process. In a similar manner, the President's Council on Physical Fitness and Sports might also be employed as an "in house" expert in areas of amateur athletics and to serve as a point of liaison between the central sports organization and elements of the federal government.

The report calls for specific actions by several of the major departments of the government which do not require new legislation. To more carefully consider the impact of these recommendations, the Commission suggests that each department or agency concerned be requested to determine the steps that should be taken to implement the recommendations of the Commission.

The Commission is confident that the individuals and groups responsible for the administration of amateur sport programs will be deeply involved in the government's implementation of the Commission's recommendations. However, the PCOS believes it more important that a panel be formed of concerned but unbiased citizens to promote public involvement in actions requiring governmental approval, and also in those involving such elements of the private sector as the business community. Finally, the role of the Congress will be crucial to implementation of the intent of the Commission's report. Areas as diverse as amendment to Public Law 805, creation of a Bill of Rights for Athletes, and possible changes to public laws governing the programs of various federal agencies will all require legislative action. In addition, appropriate Congressional committees could, in the course of their normal oversight function, assist in implementing those recommendations not requiring legislation.

In creating the central sports organization described earlier, it is the Commission's recommendation that the Congress consider creation of a temporary joint executive-legislative committee to ease implementation. The committee should be small, composed of individuals from private life. Each member should have knowledge of the Commission's work, and they should not be full or part-time employees of any amateur sports organization. A currently competing world class athlete should be a member of the committee, and appropriate funds should be au-

thorized for the conduct of committee business.

The main work of the committee should be to act as a catalyst in creation of the CSO. No later than one year after it is formed, the committee should be required to convene the first CSO convention, during which delegates would be asked to adopt a constitution and bylaws for the new organization.

Amateur sports must become better organized, better managed and better funded if the United States wishes to broaden participation and perform better in international competition. Implementation of the Commission's recommendations will accomplish these goals.

PRESIDENT'S COMMISSION ON OLYMPIC SPORTS

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Donna de Varona, W. Michael Elliott, Dr. Barbara E. Forker, Captain Micki King Hogue, Dr. Jerome H. Holland, Lamar Hunt, Rafer L. Johnson, Dr. James A. McCain, Howard K. Smith, William A. Toomey, Dr. Ernest Vandeweghe, Willye White, Charles "Bud" Wilkinson.

U.S. Senators: J. Glenn Beall, Jr., John C. Culver, Ted Stevens, Richard (Dick) Stone.

U.S. Representatives: Jack Kemp, Ralph H. Metcalfe, Robert H. Michel, Norman Y. Mineta.

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Assistant to the Executive Director, Bridget A. Reilly.

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Director of Research, Kent A. Maxfield.

Research Sports Analysts: Carol A. Armstrong, Malcolm B. Bund, Eliza C. Finkenstaedt, *Arthur M. Hill, II, Monty Hoyt, Carolyn J. Levitt, Mark V. Reed.

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Administrative Manager, Lois R. Finkelstein.

Assistant to the Administrative Manager, Jerrold Glass, Brook Langston.

The PRESIDING OFFICER. Does the Senator from Nevada yield back his time?

Mr. CANNON. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and the third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

S. 2727

An act to pomote and coodinate amateur athletic activity in the United States, to recognize certain rights for United States amateur athletes, to provide for the resolution of disputes involving national governing bodies, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Amateur Sports Act of 1978".

TITLE I—DECLARATION OF POLICY

FINDINGS

SEC. 101. The Congress finds that—

(1) amateur athletic activity plays an important role in American society by serving as a source of recreation, contributing to the improvement of physical and mental health, providing for public entertainment, and acting as a national unifying bond;

(2) amateur athletic activity, including competition, is valuable in the development of an individual's character, promotes integrity and the pursuit of personal excellence, and contributes to physical fitness and well-being;

(3) amateur athletic competition between athletes of the United States and those of other nations provides a valuable exchange of cultural and personal ideas and fosters improved international understanding;

(4) it is in the best interest of the United States to encourage and support public participation in amateur athletic activity, including providing opportunities for amateur athletes to develop their skills and compete in national and international competition;

(5) the full potential benefits of amateur athletic competition have not been realized because existing amateur athletic organizations in the United States are fragmented, are not bound by a common purpose, and are unable to coordinate their efforts;

(6) amateur athletes have often been denied the opportunity to participate in athletic events because of the inability of amateur athletic organizations to resolve their differences;

(7) organized amateur athletic competition is conducted through the use of facilities of interstate commerce or is an activity which affects interstate commerce; and

(8) international amateur athletic competition involving citizens of the United States is conducted through the use of facilities of foreign commerce and is an activity which affects commerce between the United States and other nations.

PURPOSE

SEC. 102. The Congress declares that it is the purpose of this Act to—

(1) encourage participation in amateur athletic activities by citizens of the United States;

(2) coordinate the development, financing, and conduct of amateur athletic activity and improve the cooperation among various amateur athletic organizations by expanding the authority of the United States Olympic Committee to serve as the coordinating body for amateur athletic activities;

(3) protect the rights of amateur athletes to participate in amateur athletic competition; and

(4) provide a mechanism to insure that the right to govern a particular sport is awarded to the most representative and capable amateur sports organization.

TITLE II—OLYMPIC COMMITTEE REORGANIZATION

TITLE ADJUSTMENTS

SEC. 201. The Act entitled "An Act to incorporate the United States Olympic Association", adopted September 21, 1950 (36 U.S.C. 371 et seq.), hereinafter in this title referred to as "the Act", is amended as follows:

(a) The first section of the Act is amended by striking out "That the following persons, to wit:" and inserting in lieu thereof the following:

"TITLE I—CORPORATION

"SEC. 101. The following persons, to wit:".

(b) Each section of the Act is amended by striking out "corporation" each place it appears and inserting in lieu thereof "Corporation", in each such place.

(c) Section 2 of the Act is redesignated section 102, and sections 3 through 12 of the Act are redesignated as sections 104 through 113, respectively.

PRINCIPAL PLACE OF BUSINESS OF THE CORPORATION

SEC. 202. Section 101 of the Act, as amended by section 201 of this Act, is further amended by amending the last sentence thereof to read as follows: "The Corporation shall maintain its principal offices and national headquarters in such place in the United States as is determined by the Corporation, and may hold its annual and special meetings in such places as the Corporation shall determine.".

DEFINITIONS

SEC. 203. The Act is further amended by inserting immediately after section 102 of the Act, as redesignated by section 201 of this Act, the following new section:

"SEC. 103. As used in this Act, the term—

"(1) 'amateur athlete' means any athlete who meets the eligibility standards established by the national governing body for the sport in which the athlete competes;

"(2) 'amateur athletic competition' means a contest, game, meet, match, tournament, regatta, or other event in which amateur athletes are permitted to compete;

"(3) 'amateur sports organization' means a not-for-profit corporation, club, federation, union, association, or other group organized in the United States which sponsors or arranges any amateur athletic competition;

"(4) 'Corporation' means the United States Olympic Committee;

"(5) 'international amateur athletic competition' means any amateur athletic competition between any athlete or athletes representing the United States, either individually or as part of a team, and any athlete or athletes representing any foreign country;

"(6) 'national governing body' means an amateur sports organization which is recognized by the Corporation in accordance with section 201 of this Act; and

"(7) 'sanction' means a certificate of approval issued by a national governing body.".

OBJECTS AND PURPOSES OF THE CORPORATION

SEC. 204. Section 104 of the Act, as redesignated by section 201 of this Act, is amended to read as follows:

"SEC. 104. The objects and purposes of the Corporation shall be to—

"(1) establish national goals for amateur athletic activities and encourage the attainment of those goals;

"(2) coordinate and develop amateur athletic activity in the United States in order to foster productive working relationships among sports-related organizations;

"(3) exercise exclusive jurisdiction, either directly or through its constituent members or committees, over all matters pertaining to the participation of the United States in the Olympic Games and in the Pan-American Games, including the representation of the United States in such games, and over the organization of the Olympic Games and the Pan-American Games when held in the United States;

"(4) obtain for the United States, either directly or by delegation to the appropriate national governing body, the most competent amateur representation possible in each competition and event of the Olympic Games and of the Pan-American Games;

"(5) promote and support amateur athletic activities involving the United States and foreign nations;

"(6) promote and encourage physical fitness and public participation in amateur athletic activities;

"(7) assist organizations and persons con-

*Consultant.

cerned with sports in the development of amateur athletic programs for amateur athletes;

"(8) provide for the swift resolution of conflicts and disputes involving amateur athletes, national governing bodies, and amateur sports organizations, and protect the opportunity of any amateur athlete, coach, trainer, manager, administrator, or official to participate in amateur athletic competition;

"(9) foster the development of amateur athletic facilities for use by amateur athletes and assist in making existing amateur athletic facilities available for use by amateur athletes;

"(10) provide and coordinate technical information on physical training, equipment design, coaching, and performance analysis;

"(11) encourage and support research, development, and dissemination of information in the areas of sports medicine and sports safety;

"(12) encourage and provide assistance to amateur athletic activities for women; and

"(13) encourage and provide assistance to amateur athletic programs and competition for handicapped individuals, including, where feasible, the expansion of opportunities for meaningful participation by handicapped individuals in programs of athletic competition for able-bodied individuals.".

POWERS OF THE CORPORATION

SEC. 205. Section 105 of the Act, as redesignated by section 201 of this Act, is amended to read as follows:

"SEC. 105. (a) The Corporation shall have perpetual succession and power to—

"(1) serve as the coordinating body for amateur athletic activity in the United States;

"(2) represent the United States as its national Olympic committee in relations with the International Olympic Committee and the Pan-American Sports Organization;

"(3) organize, finance, and control the representation of the United States in the competitions and events of the Olympic Games and of the Pan-American Games, and obtain, either directly or by delegation to the appropriate national governing body, amateur representation for such games;

"(4) recognize eligible amateur sports organizations as national governing bodies for any sport which is included on the program of the Olympic Games or the Pan-American Games;

"(5) facilitate, through orderly and effective administrative procedures, the resolution of conflicts or disputes involving any amateur athlete, coach, trainer, manager, administrator, official, national governing body, or amateur sports organization;

"(6) sue and be sued;

"(7) make contracts;

"(8) acquire, hold, and dispose of real and personal property as may be necessary for its corporate purposes;

"(9) accept gifts, legacies, and devises in furtherance of its corporate purposes;

"(10) borrow money to carry out its corporate purposes, issue notes, bonds, or other evidences of indebtedness therefor, and secure the same by mortgage, subject in each case to the laws of the United States or of any State;

"(11) provide financial assistance to any organization or association, other than a corporation organized for profit, in furtherance of the purposes of the Corporation;

"(12) approve and revoke membership in the Corporation;

"(13) adopt and alter a corporate seal;

"(14) establish and maintain offices for the conduct of the affairs of the Corporation;

"(15) publish a newspaper, magazine, or other publication consistent with its corporate purposes; and

"(16) do any and all acts and things necessary and proper to carry out the purposes of the Corporation.

"(b) The Corporation shall adopt and may amend a constitution and bylaws not inconsistent with the laws of the United States, except that the Corporation may amend its constitution only if it—

"(1) publishes in its principal publication and in the Federal Register a general notice of the proposed alteration of the constitution, including the substantive terms of the alteration, the time and place of the Corporation's regular meeting at which the alteration is to be decided, and a provision informing interested persons that they may submit materials as authorized in subparagraph (2); and

"(2) gives to all interested persons, prior to the adoption of any amendment, an opportunity to submit written data, views, or arguments, concerning the proposed amendment for a period of at least 30 days after the date of publication of the notice in the Federal Register.".

MEMBERSHIP IN THE CORPORATION

SEC. 206. Section 106 of the Act, as redesignated by section 201 of this Act, is amended by—

(a) inserting "(a)" immediately before "Eligibility" therein; and

(b) adding at the end thereof the following new subsection:

"(b) In its constitution and bylaws, the Corporation shall establish and maintain provisions with respect to its governance and the conduct of its affairs for reasonable representation of:

"(1) amateur sports organizations recognized as national governing bodies in accordance with section 201 of this Act;

"(2) amateur athletes who are actively engaged in amateur athletic competition or who have represented the United States in international amateur athletic competition within the preceding 10 years;

"(3) amateur sports organizations which conduct a national program or regular national amateur athletic competition in two or more sports which are included on the program of the Olympic Games or the Pan-American Games on a level of proficiency appropriate for the selection of amateur athletes to represent the United States in international amateur athletic competition; and

"(4) individuals not affiliated or associated with any amateur sports organization who in the Corporation's judgment represent the interests of the American public in the activities of the Corporation.".

USE OF OLYMPIC DESIGNATIONS

SEC. 207. Section 110 of the Act, as redesignated by section 201 of this Act, is amended to read as follows:

"SEC. 110. (a) Without the consent of the Corporation, any person who—

"(1) falsely or fraudulently represents to be a member or a representative of the Corporation or of one of its constituent organizations for the purpose of soliciting, collecting, or receiving money or material;

"(2) wears or displays the emblem of the Corporation for the purpose of inducing the mistaken belief that such person is or has been a member or a representative of the Corporation or of one of its constituent organizations; or

"(3) uses for the purpose of trade, to induce the sale of any goods or services, or to promote any theatrical exhibition, athletic performance, or competition—

"(A) the emblem of the International Olympic Committee, consisting of five interlocking rings;

"(B) the emblem of the Corporation, consisting of an escutcheon having a blue chief and vertically extending red and white bars on the base with five interlocking rings displayed on the chief;

"(C) any other Olympic trademark, trade name, sign, symbol, or insignia made or colored in imitation of, or confusingly similar to, the emblem, trade name, or any trademark of the International Olympic Committee or of the Corporation; or

"(D) the words 'Olmypic', 'Olympian', 'Olympiad', 'Citius Altius Fortius', or any combination, simulation, or confusingly similar derivative thereof tending to cause confusion, to cause mistake, to deceive, or to falsely suggest a connection with the Corporation or any Olympic activity;

shall be liable in a civil action by the Corporation for the remedies provided in subsection (c) of this section. However, any person who actually used, or whose assignor actually used, such trademark, trade name, emblem, sign, symbol, insignia, or words for any lawful purpose prior to September 21, 1950, shall not be deemed forbidden by this section to continue such use for the same purpose and for the same goods to which such trademark, trade name, emblem, sign, symbol, insignia, or words had been used lawfully prior to September 21, 1950.

"(b) The district courts of the United States shall have original jurisdiction and the courts of appeal of the United States shall have appelate jurisdiction of all actions arising under subsection (a) of this section, without regard to the amount in controversy or to diversity or lack of diversity of the citizenship of the parties.

"(c) When a violation of any provision of this section is established in any civil action arising under this section, the Corporation shall be entitled to—

"(1) obtain injunctive relief upon such terms as the court considers reasonable to prevent a violation or threatened violation of this section;

"(2) recover the profits which the defendant accrued as a result of such violation;

"(3) recover any damages sustained by the Corporation; and

"(4) recover costs of the action, including, at the discretion of the court, the amount of reasonable attorney's fees.

"(d) The Corporation may authorize contributors and suppliers of goods or services to use the trade name of the Corporation as well as any Olympic trademark, symbol, insignia, or emblem of the International Olympic Committee or of the Corporation in advertising that the contributions, goods, or services were donated, supplied, or furnished to or for the use of, approved, selected, or used by the Corporation or United States Olympic or Pan-American team or team members.".

ANNUAL REPORT

SEC. 208. Section 113 of the Act, as redesignated by section 201 of this Act, is amended to read as follows:

"SEC. 113. The Corporation shall, on or before the first day of June in each year, transmit simultaneously to the President and to the Congress a detailed report of its operations for the preceding calendar year, including an accounting of the financial status of the Corporation and a comprehensive description of the activities and accomplishments of the Corporation during the preceding year. The report may include recommendations for additional legislation or other action which the Corporation considers necessary or desirable for attaining its objectives. Copies of the report shall be made available to interested persons at a reasonable cost.".

ATHLETE'S OPPORTUNITY TO PARTICIPATE

SEC. 209. Title I of the Act, as amended by this Act, is further amended by adding at the end thereof the following new section:

"SEC. 114. In its constitution and bylaws, the Corporation shall establish and maintain provisions for the swift and equitable resolution of disputes involving the oppor-

tunity of an amateur athlete, coach, trainer, manager, administrator, or official to participate in the Olympic Games, the Pan-American Games, world championship competition, and any other amateur athletic competition which may be designated by the Corporation.".

NATIONAL GOVERNING BODIES

SEC. 210. The Act, as amended by this Act, is further amended by adding at the end thereof the following new title:

"TITLE II—NATIONAL GOVERNING BODIES

"SEC. 201. (a) For any sport which is included on the program of the Olympic Games or the Pan-American Games, the Corporation is authorized to recognize as a national governing body an amateur sports organization which files an application and is eligible for such recognition, in accordance with the provisions of subsection (b) of this section. The Corporation shall recognize only one national governing body for each sport for which an application is made and approved. Prior to the recognition of a national govering body under the authority granted under this title and in accordance with the procedures and requirements of this section, the Corporation shall hold a hearing open to the public on the application for such recognition. The Corporation shall publish notice of the time, place, and nature of the hearing. Publication shall be made in a regular issue of the Corporation's principal publication at least 30 days, but not more than 60 days, prior to the date of the hearing.

"(b) No amateur sports organization is eligible to be recognized or is eligible to continue to be recognized as a national governing body unless it—

"(1) is incorporated under the laws of any of the several States of the United States or the District of Columbia as a not-for-profit corporation having as its purpose the advancement of amateur athletic competition, and has the managerial and financial capability to plan and execute its obligations;

"(2) submits an application for recognition, in such form as the Corporation shall require, as a national governing body and, upon application, submits a copy of its corporate charter and bylaws and any additional information as is deemed considered necessary or appropriate by the Corporation;

"(3) agree to submit, upon demand of the Corporation, to binding arbitration by the American Arbitration Association in any controversy involving its recognition as a national governing body, as provided for in section 205 of this title, or involving the opportunity to participate of any amateur athlete, coach, trainer, manager, administrator or official to participate in amateur athletic competition, as provided for in the Corporation's constitution and bylaws;

"(4) demonstrates that it is autonomous in the governance of its sport, in that it independently determines and controls all matters central to such governance, does not delegate such determination and control, and is free from outside restraint, and demonstrates that it is a member of no more than one international sports federation which governs a sport included on the program of the Olympic Games or the Pan-American Games;

"(5) demonstrates that its membership is open to any individual who is an amateur athlete, coach, trainer, manager, administrator, or official active in the sport for which recognition is sought, or to any amateur sports organization which conducts programs in the sport for which recognition is sought, or to both;

"(6) provides an equal opportunity to amateur athletes, coaches, trainers, managers, administrators, and officials to participate in amateur athletic competition, without discrimination on the basis of race, color, religion, age, sex, or national origin, and with fair notice and opportunity for a hearing to any amateur athlete, coach, trainer, manager, administrator, or official before declaring such individual ineligible to participate:

"(7) is governed by a board of directors or other such governing board whose members are selected without regard to race, color, religion, national origin or sex, except that, in sports where there are separate male and female programs, it provides for reasonable representation of both males and females on such board of directors or other such governing board;

"(8) demonstrates that its board of directors or other such governing board includes among its voting members individuals who are actively engaged in amateur athletic competition in the sport for which recognition is sought or who have represented the United States in international amateur athletic competition in the sport for which recognition is sought within the preceding 10 years, and that the membership and voting power held by such individuals is not less than 20 percent of such membership and voting power held in that board of directors or other such governing board;

"(9) provides for reasonable representation on its board of directors or other such governing board for any amateur sports organization which, in the sport for which recognition is sought, conducts, on a level of proficiency appropriate for the selection of amateur athletes to represent the United States in international amateur athletic competition, a national program or regular national amateur athletic competition, and ensures that such representation shall reflect the nature, scope, quality, and strength of the programs and competitions of such amateur sports organization in relation to all other such programs and competitions in such sport in the United States;

"(10) demonstrates that none of its officers are also officers of any other amateur sports organization which is recognized as a national governing body;

"(11) provides procedures for the prompt and equitable resolution of grievances of its members;

"(12) does not have eligibility criteria relating to amateur status which are more restrictive than those of the appropriate international sports federation; and

"(13) demonstrates, if it is an amateur sports organization seeking recognition as a national governing body, that it is prepared to meet the obligations imposed on a national governing body under section 202 of this Act.

"(c)(1) Except as provided in paragraph (2), any amateur sports organization which on the date of enactment of this title is recognized by the Corporation to represent a particular sport shall be considered to be the national governing body for that sport. Such an organization is exempt for a period of 2 years from the date of enactment of this title from meeting the requirements of subsection (b) of this section, and during the 2-year period shall take the necessary actions to meet such requirements if it desires to retain its recognition. After the expiration of the 2-year period, such an organization shall continue as the national governing body for that sport unless the Corporation determines that such organization is not in compliance with the requirements of subsection (b) of this section, in which event the Corporation shall—

"(A) suspend the recognition of such national governing body;

"(B) revoke the recognition of such national governing body; or

"(C) extend the 2-year period for not longer than 1 year, if the national governing body has proven by clear and convincing evidence that, through no fault of its own, it needs additional time to comply with such requirements.

If, at the end of the extension period referred to in subparagraph (C) of this paragraph, the national governing body has not complied with such requirements, the Corporation shall revoke the recognition of such national governing body. Any such national governing body aggrieved by the Corporation's determination under this subsection may submit a demand for arbitration in accordance with section 205(c) of this title.

"(2) Notwithstanding the provisions of paragraph (1), the Corporation may suspend or revoke the recognition of a national governing body during the 2-year period if such suspension or revocation is for the same reason as the Corporation could have revoked or suspended such national governing body prior to the date of the enactment of this title.

"(d) Within 61 days after recognizing an amateur sports organization as a national governing body, in accordance with subsection (a) of this section, the Corporation shall recommend and support in any appropriate manner such national governing body to the appropriate international sports federation as the representative of the United States for that sport.

"SEC. 202. (a) For the sport which it governs, a national governing body is under duty to—

"(1) develop interest and participation throughout the United States and be responsible to the persons and amateur sports organizations it represents;

"(2) minimize, through coordination with other amateur sports organizations, conflicts in the scheduling of all practices and competitions;

"(3) keep amateur athletes informed of policy matters and reasonably reflect the views of such athletes in its policy decisions;

"(4) promptly review every request submitted by an amateur sports organization or person for a sanction (A) to hold an international amateur athletic competition in the United States; or (B) to sponsor United States amateur athletes to compete in international amateur athletic competition held outside the United States, and determine whether to grant such sanction, in accordance with the provisions of subsection (b) of this section;

"(5) allow an amateur athlete to compete in any international amateur athletic competition conducted under its auspices or that of any other amateur sports organization or person, unless it establishes that its denial was based on evidence that the organization or person conducting the competition did not meet the requirements stated in subsection (b) of this section;

"(6) provide equitable support and encouragement for participation by women where separate programs for male and female athletes are conducted on a national basis;

"(7) encourage and support amateur athletic sports programs for handicapped individuals and the participation of handicapped individuals in amateur athletic activity;

"(8) provide and coordinate technical information on physical training, equipment design, coaching, and performance analysis; and

"(9) encourage and support research, development, and dissemination of information in the areas of sports medicine and sports safety.

"(b) As a result of its review under subsection (a)(4) of this section, if a national governing body does not determine by clear and convincing evidence that holding or sponsoring an international amateur athletic

competition would be detrimental to the best interest of the sport, the national governing body shall promptly grant to an amateur sports organization or person a sanction to—

"(1) hold an international amateur athletic competition in the United States, if such amateur sports organization or person—

"(A) pays to the national governing body any required sanctioning fee, if such fee is reasonable and nondiscriminatory;

"(B) demonstrates that—

"(i) appropriate measures have been taken to protect the amateur status of athletes who will take part in the competition and to protect their eligibility to compete in amateur athletic competition,

"(ii) appropriate provision has been made for validation of records which may be established during the competition,

"(iii) due regard has been given to any international amateur athletic requirements specifically applicable to the competition,

"(iv) the competition will be conducted by qualified officials,

"(v) proper medical supervision will be provided for athletes who will participate in the competition, and

"(vi) proper safety precautions have been taken to protect the personal welfare of the athletes and spectators at the competition, and

"(C) submits to the national governing body an audited or notarized financial report of similar events, if any, conducted by the amateur sports organization or person; or

"(2) sponsor United States amateur athletes to compete in international amateur athletic competition held outside the United States, if such amateur sports organization or person—

"(A) pays to the national governing body any required sanctioning fee, if such fee is reasonable and nondiscriminatory;

"(B) submits a letter from the appropriate entity which will hold the international amateur athletic competition certifying that—

"(i) appropriate measures have been taken to protect the amateur status of athletes who will take part in the competition and to protect their eligibility to compete in amateur athletic competition,

"(ii) appropriate provision has been made for validation of records which may be established during the competition,

"(iii) due regard has been given to any international amateur athletic requirements specifically applicable to the competition,

"(iv) the competition will be conducted by qualified officials,

"(v) proper medical supervision will be provided for athletes who will participate in the competition, and

"(vi) proper safety precautions have been taken to protect the personal welfare of the athletes and spectators at the competition; and

"(C) submits a report of the most recent trip, if any, to a foreign country which the amateur sports organization or person sponsored for the purpose of having United States amateur athletes compete in international amateur athletic competition.

"SEC. 203. For the sport which it governs, a national governing body is authorized to—

"(1) represent the United States in the appropriate international sports federation;

"(2) establish national goals and encourage the attainment of those goals;

"(3) serve as the coordinating body for amateur athletic activity in the United States;

"(4) exercise jurisdiction over international amateur athletic activities and sanction international amateur athletic competition held in the United States and sanction the sponsorship of international amateur athletic competition held outside the United States;

"(5) conduct amateur athletic competition, including national championships, and international amateur athletic competition in the United States, and establish procedures for the determination of eligibility standards for participation in such competitions, except for that amateur athletic competition specified in section 206 of this title;

"(6) recommend to the Corporation individuals and teams to represent the United States in the Olympic Games and the Pan-American Games; and

"(7) designate individuals and teams to represent the United States in international amateur athletic competition (other than the Olympic Games and the Pan-American Games) and certify, in accordance with applicable international rules, the amateur eligibility of such individuals and teams.

"SEC. 204. The Corporation may review all matters relating to the continued recognition of a national governing body and may take such action as it considers appropriate, incuding, but not limited to, placing conditions upon the continued recognition of the national governing body. The district courts of the United States shall have authority to enjoin the commission of any act of a national governing body which is inconsistent with the requirements of sections 201(b) and 202 of this title. The Corporation shall have standing to apply for an injunction, except to the extent that the conferral of such standing is inconsistent with the Constitution of the United States.

"SEC. 205. (a)(1) Any amateur sports organization or person which belongs to or is eligible to belong to a national governing body may seek to compel such national governing body to comply with the requirements of sections 201(b) and 202 of this title by filing a written complaint with the Corporation. Such organization or person may take such action only after having exhausted all available remedies within such national governing body for correcting deficiencies, unless it can be shown by clear and convincing evidence that those remedies would have resulted in unnecessary delay. The Corporation shall establish procedures for the filing and disposition of complaints received under this subsection. A copy of the complaint shall also be served on the applicable national governing body.

"(2) Within 30 days after the filing of the complaint, the Corporation shall determine whether the organization has exhausted its remedies within the applicable national governing body, as provided in paragraph (1) of this subsection. If the Corporation determines that any such remedies have not been exhausted, it may direct that such remedies be pursued before the Corporation will further consider the complaint.

"(3)(A) Within 90 days after the filing of a complaint under paragraph (1) of this subsection, if the Corporation determines that all such remedies have been exhausted, it shall hold a hearing to receive testimony for the purpose of determining if such national governing body is in compliance with the requirements of sections 201(b) and 202 of this title.

"(B) If the Corporation determines, as a result of the hearings conducted pursuant to this subsection, that such national governing body is in compliance with the requirements of sections 201(b) and 202 of this title, it shall so notify the complainant and such national governing body.

"(C) If the Corporation determines, as a result of hearings conducted pursuant to this subsection, that such national governing body is not in compliance with the requirements of sections 201(b) and 202 of this title, it shall—

"(i) place such national governing body on probation for a specified period of time, not to exceed 180 days, which it considers necessary to enable such national governing body to comply with such requirements, or

"(ii) revoke the recognition of such national governing body.

"(D) If the Corporation places a national governing body on probation pursuant to this paragraph, it may extend the probationary period if the national governing body has proven by clear and convincing evidence that, through no fault of its own, it needs additional time to comply with such requirements. If, at the end of the period allowed by the Corporation, the national governing body has not complied with such requirements, the Corporation shall revoke the recognition of such national governing body.

"(b)(1) Any amateur sports organization may seek to replace an incumbent as the national governing body for a particular sport by filing with the Corporation a written application for such recognition. Such application shall be filed (A) within the 1-year period after the final day of any Olympic Games, in the case of a sport for which competition is held in the Olympic Games or in both the Olympic and Pan-American Games; or (B) within the 1-year period after the final day of any Pan-American Games, in the case of a sport for which competition is held in the Pan-American Games and not in the Olympic Games. If two or more organizations file applications for the same sport, such applications shall be considered in a single proceding.

"(2) Any application filed under this subsection shall be filed with the Corporation by registered mail. The Corporation shall establish procedures for the filing and disposition of applications received under this subsection. A copy of any such application for recognition shall also be served on the applicable national governing body. The Corporation shall inform the applicant for recognition that its application has been received.

"(3) Within 180 days after receipt of an application filed under this subsection, the Corporation shall conduct a formal hearing to determine the merits of the application. The Corporation shall publish notice of the time and place of such hearing in a regular issue of its principal publication at least 30 days, but not more than 60 days, prior to the date of the hearing. In the course of such hearing, the applicant and the national governing body shall be given a reasonable opportunity to present evidence supporting their respective positions. During such hearing, the applicant amateur sports organization must establish by a preponderance of the evidence that it meets the criteria for recognition as a national governing body under section 201(b) of this title, and that—

"(A) the national governing body does not meet the criteria of section 201(b) or 202; or

"(B) it more adequately meets the criteria of section 201(b), is capable of more adequately meeting the criteria of section 202, and provides or is capable of providing a more effective national program of competition, than the national governing body in the sport for which it seeks recognition.

"(4) Within 30 days of the close of the hearing required under this subsection, the Corporation shall—

"(A) uphold the right of the national governing body to continue as the national governing body for its sport;

"(B) revoke the recognition of the national governing body and declare a vacancy in the national governing body for that sport;

"(C) revoke the recognition of the national governing body and recognize the applicant as the national governing body; or

"(D) decide to place the national governing body on probation of not to exceed 180 days, pending the compliance of the national governing body, if such national governing body would have retained recognition except for a minor deficiency in one of the requirements section 201(b) or 202 of this title.

If the national governing body does not comply within the prescribed time period, the Corporation shall revoke the recognition of the national governing body and either recognize the applicant as the national governing body, or declare a vacancy in the national governing body for that sport.

"(5) Within 61 days after recognizing an amateur sports organization as a national governing body, in accordance with this subsection, the Corporation shall recommend and support in any appropriate manner such national governing body to the appropriate international sports federation as the representative of the United States for that sport.

"(c)(1) The right to review by any party aggrieved by a determination of the Corporation under the requirements of this section or section 201(c) shall be to any regional office of the American Arbitration Association. Such demand for arbitration shall be submitted within 30 days of the determination of the Corporation. Upon reecipt of such a demand for arbitration, the Association shall serve notice on the parties to the arbitration and on the Corporation, and shall immediately proceed with arbitration according to the commercial rules of the Association in effect at the time of the filing of the demand, except that—

"(A) the arbitration panel shall consist of not less than three arbitrators, unless the parties to the proceeding mutually agree to a lesser number;

"(B) the arbitration hearing shall take place at a site selected by the Association, unless the parties to the proceeding mutually agree to the use of another site; and

"(C) the arbitration hearing shall be open to the public.

"(2) The arbitrators in any arbitration are empowered to settle any dispute arising under the provisions of this Act prior to making a final award, if mutually agreed to by the parties to the proceeding and achieved in a manner not inconsistent with the constitution and bylaws of the Corporation.

"(3) Each contesting party may be represented by counsel or by any other duly authorized representative at the arbitration proceeding. The parties may offer any evidence which they desire and shall produce any additional evidence as the arbitrators believe necessary to an understanding and determination of the dispute. The arbitrators shall be the sole judges of the relevancy and materiality of the evidence offered. Conformity to legal rules of evidence shall not be necessary.

"(4) The arbitrators shall have the authority to issue subpenas to compel the attendance and testimony of witnesses and the production of documents, if the arbitrators reasonably believe them to be necessary or advisable for a better understanding of the dispute. In case of contumacy or refusal to obey such a subpena, the district courts, upon petition of the arbitrators, shall have jurisdiction to issue to such person an order requiring compliance with such subpena. Failure to obey such an order is punishable by such court as a contempt of court.

"(5) All decisions by the arbitrators shall be by majority vote unless the concurrence of all is expressly required by the contesting parties.

"(6) Final decision of the arbitrators shall be binding upon the involved parties, if such award is not inconsistent with the constitution and bylaws of the Corporation.

"(7) The hearings may be reopened, by the arbitrators upon their own motion or upon the motion of any contesting party, at any time before a final decision is made, except that, if any contesting party makes such a motion, all parties to the decision must agree to reopen the hearings if such reopening would result in the arbitrators' decision being delayed beyond the specific period agreed upon at the beginning of the arbitration proceedings.

"(8) The district courts of the United States shall have jurisdiction to enforce decisions of the arbitrators. Such action may be brought by any party to the final decision.

"SEC. 206. Any amateur sports organization which conducts amateur athletic competition, participation in which is restricted to a specific class of amateur athletes (such as high school students, college students, members of the Armed Forces, or similar groups or categories), shall have jurisdiction over such competition. If such an amateur sports organization wishes to conduct international amateur athletic competition to be held in the United States, or sponsor international amateur athletic competition to be held outside the United States, it shall obtain a sanction from the appropriate national governing body.".

FINANCIAL ASSISTANCE

SEC. 211. (a) The Secretary of Commerce (hereinafter in this section referred to as the "Secretary") is authorized to award grants to the Corporation to assist in the development of amateur athletics in the United States. The Corporation may apply to the Secretary for funds available under this section, and shall use such funds consistent with the provisions of the Act. The Secretary shall approve any application which meets the requirements of this section, and award grants to the Corporation, in a total sum not exceeding—

(1) $18,000,000 to finance the development and operation of any programs approved by the Corporation and consistent with the provisions of this Act; and

(2) $12,000,000 to finance feasibility studies to assist in determining appropriate locations for training centers, to finance the administration and operation of such centers, and to finance an information retrieval service for the analysis and dissemination of sports medicine information. As used in this section, the term "training centers" means sites selected by the Corporation for use in furthering amateur sports development, research, and education across a broad range of sports, including the collection, analysis, and dissemination of technical sports information.

(b) Each application for funds available under this section shall be in such form as the Secretary provides and shall contain provisions to assure that such funds are disbursed in accordance with the provisions of this section. For the purpose of review or audit, the Secretary shall have access to any books, documents, papers, and records which are relevant to any grant received under this section.

(c) Consistent with the purposes of the Act, the use of the funds available under this section shall be at the full discretion of the Corporation, except that not more than 20 percent of such funds may be provided to organizations which are not members of the Corporation.

(d) There are authorized to be appropriated to the Secretary not to exceed $30,000,000 in fiscal year 1979, such sums to remain available until expended.

(e) The Secretary shall conduct a feasibility study to determine the cost of, need for, and most appropriate means of providing continuing funding to the Corporation for the construction and operation of training centers and sports medicine research facilities. The Secretary shall submit to the Congress the results of the study, together with his recommendations within 6 months after the date of enactment of this Act.

TRANSFER OF PROPERTY

SEC. 212. Nothwithstanding the provisions of the Federal Property and Administrative Services Act of 1949, as amended, the Administrator of General Services is authorized to transfer excess real property to the United States Olympic Committee without compensation. The Committee may accept and shall administer such property in the furtherance of amateur athletic activities. If any such property ceases to be utilized by the United States Olympic Committee for the conduct of such activities, it shall be returned to the United States, to be utilized or disposed of as the Administrator of General Services shall determine.

Mr. STEVENS. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. CANNON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. CANNON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a brief period for the transaction of routine morning business with statements limited therein to 10 minutes each with the period not to extend beyond 30 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

EXECUTIVE MESSAGE REFERRED

As in executive session, the Presiding Officer laid before the Senate a message from the President of the United States submitting the nomination of Maj. Gen. CJ Le Van, U.S. Army, to be lieuteant general, which was referred to the Committee on Armed Services.

REPORT ON THE ADMINISTRATION OF THE NATIONAL SICKLE CELL ANEMIA, COOLEY'S ANEMIA, TAY-SACHS, AND GENETIC DISEASES ACT—MESSAGE FROM THE PRESIDENT—PM 175

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report, which was referred to the Committee on Human Resources:

To the Congress of the United States:

I transmit herewith the First Annual Report on the Administration of the National Sickle Cell Anemia, Cooley's Anemia, Tay-Sachs, and Genetic Diseases Act, prepared by the Department

of Health, Education, and Welfare in accordance with the requirements of Section 1106 of the Public Health Service Act.

JIMMY CARTER.

THE WHITE HOUSE, *May 8, 1978.*

PRESIDENTIAL APPROVAL

A message from the President of the United States announced that, on May 8, 1978, he had approved and signed the following act:

S. 1617. An act to establish a program of ocean pollution research, development, and monitoring, and for other purposes.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. CANNON, from the Committee on Commerce, Science, and Transportation, with an amendment:

S. 2380. A bill to amend the Intervention on the High Seas Act to implement the protocol relating to intervention on the high seas in cases of marine pollution by substances other than oil, 1973 (Rept. No. 95–785).

By Mr. CANNON, from the Committee on Commerce, Science, and Transportation, with an amendment and an amendment to the title:

H.R. 11232. An act to authorize appropriations to carry out the Standard Reference Data Act (Rept. No. 95–786).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. BUMPERS:

S. 3046. A bill to amend the Mineral Leasing Act of 1920, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. JOHNSTON:

S. 3047. A bill to amend subtitle A of the Consolidated Farm and Rural Development Act in order to expand the coverage of such subtitle to rural areas in any city or town having a population of 20,000 inhabitants or less rather than 10,000 inhabitants or less; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. HELMS:

S. 3048. A bill for the relief of Ricardo A. Kostner and Clina Kostner; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. BUMPERS:

S. 3046. A bill to amend the Mineral Leasing Act of 1920, and for other purposes; to the Committee on Energy and Natural Resources.

COAL PIPELINE ACT OF 1978

● Mr. BUMPERS. Mr. President, our Nation is looking increasingly to its coal mines for the energy it needs. Among the many difficult questions about coal production and utilization which Congress has examined of late is the question of the best method of transporting coal from the mine to the point of consumption. Coal slurry pipelines have been little used in the United States as compared with some industrialized countries. Nevertheless, the technology for pumping a mixture of water and finely-pulverized coal through long-distance pipelines has been advanced to the point where coal pipelines appear to offer an attractive alternative to other existing transportation modes. Still, there are many complex policy issues which must be resolved before coal pipelines are likely to have any real impact on the movement of coal nationwide.

Today I am introducing S. 3046, a bill which amends the Mineral Leasing Act of 1920. My purpose in doing so is to begin the process of examining these unresolved issues in the Senate. Similar legislation is moving through the House of Representatives but in this Congress the Senate has not yet undertaken to consider the potentialities and difficulties associated with legislation encouraging development of coal pipelines on an interstate basis.

The Office of Technology Assessment has recently completed a study ("A Technology Assessment of Coal Slurry Pipelines", March 1978) at the request of Senators JACKSON and MAGNUSON and Representative HARLEY STAGGERS. This study is a highly informative effort to encompass all the major policy questions which have emerged from the debate in the 94th Congress as to whether or not coal slurry pipelines should receive the power of eminent domain to enable them to compete with railroads in moving coal to market.

All of the issues addressed in the OTA study are highly pertinent, for example:

Do slurry pipelines represent a less costly way to move coal?

Will development of coal slurry pipelines adversely affect the health of the railroad industry in such a way as to jeopardize the quality or cost of service to remaining shippers?

What will be the impacts of water use for coal slurry pipeline development?

How does water law affect the viability of coal slurry pipelines and how might Federal or State authority be affected by legislation?

What present Federal or State environmental protection laws are relevant to potential adverse impacts of railroads or slurry pipelines?

What present Federal or State laws are applicable to local acquisition for a coal slurry pipeline right-of-way?

What would be the direct consequences of and alternatives to granting coal slurry pipelines eminent domain powers under Federal as opposed to State law?

I believe it is time to explore the policy implications of these and other related issues surrounding coal slurry pipeline development. The bill I am introducing today grants the power of eminent domain to coal slurry pipelines; provides that a certificate of convenience and necessity must be issued by the Secretary of the Interior as a prerequisite to the construction of such a pipeline; provides that only a carrier holding a certificate of public convenience and necessity from the Secretary of the Interior may exercise the power of eminent domain; and provides that such pipelines will be subject to the same regulations by the Interstate Commerce Commission as are other pipelines. This act specifically does not, in any way, affect existing State, Federal or interstate compact jurisdiction over water resources.

Hearings on S. 3046 will be held on May 17th and on May 25th at 10 a.m., in room 3110, Dirksen Senate Office Building. Further information can be obtained by calling Mr. Norman Williams at 224–5249.

Mr. President, I ask unanimous consent that the text of S. 3046 be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3046

A bill to amend the Mineral Leasing Act of 1920, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Coal Pipeline Act of 1978".

DEFINITIONS

SEC. 2. As used in this Act, the term—

(a) "carrier" means any carrier of coal by coal pipeline that is subject to any of the provisions of this Act;

(b) "Secretary" means the Secretary of the Department of the Interior;

(c) "right-of-way" includes necessary land or other property for the location of pipelines, pumping stations, pressure apparatus, tanks or other stations, equipment, or appurtenances required for the proper operation of a coal pipeline or pipelines; and

(d) "control" means the power to exercise control by whatever means; and any person who (1) is a director of a carrier or of any other person, or (2) owns in excess of 5 per centum of the voting stock (or any like evidence of participation) of a carrier or of any other person shall be deemed to have the power to exercise control of such carrier or other person, as the case may be.

RIGHTS-OF-WAY ON FEDERAL LANDS

SEC. 3. Subsection 28(a) of the Mineral Leasing Act of February 25, 1920, as amended by the Act of November 16, 1973 (87 Stat. 576), is further amended by inserting the word "coal," between "natural gas," and "synthetic".

EMINENT DOMAIN

SEC. 4. (a) Except as provided in subsection (b), when any carrier cannot acquire by negotiation the right-of-way required to construct, operate, and maintain any proposed coal pipeline or pipelines, such carrier may acquire the same by the exercise of the power of eminent domain in the district court of the United States for the district in which such property is located or in the courts of the State in which such property is located.

(b) The power of eminent domain shall not be exercised to acquire (1) lands owned by the United States or by any State, or (2) lands held in trust by the United States for an Indian or Indian tribe.

(c) Nothing in this Act shall be construed to permit the United States, the Secretary, or a coal pipeline operator to acquire any right to use or develop water through the exercise of the power of eminent domain.

CERTIFICATION OF PUBLIC CONVENIENCE AND NECESSITY

SEC. 5. (a) The power of eminent domain granted pursuant to this Act may be exercised only by a carrier holding a certificate of public convenience and necessity issued by the Secretary of the Interior. The Secretary is authorized to issue such a certificate if the Secretary finds, with respect to the particular project of the carrier as to which said power

is sought, that the project is in the national interest and provides the capacity necessary to fulfill the requirement of a common carrier of coal, as determined by the Secretary. In addition to other factors customarily considered in determining common carrier status in the case of pipeline common carriers, the Secretary shall consider contracts for the carriage of coal which are in existence or proposed as of the date of the application for certification and may also consider such contracts for such carriage as may reasonably be anticipated, at the time of issuance of the certificate, to be entered into after such date. In determining the size of the pipeline to be certificated, the Secretary shall take into account the resultant cost to ultimate consumers of services or products affected by such transportation.

(b) In making the findings required in (a) of this section the Secretary shall consider and made findings on the extent to which the project—

(1) would help meet national needs for coal utilization, considering, among other matters, alternate routes or means of transportation of coal and the relative costs of such alternative routes or means;

(2) may be impeded or delayed unless granted the power of eminent domain;

(3) involves disruption to the environment, as compared with disruption from other routes or modes of transportation or other methods of utilization of the coal resources involved;

(4) considers the balance between the energy needs of the area to be benefited by the project and the water requirements and other impacts on the area from which the coal is to be transported;

(5) would be likely to impair the financial integrity of other common carrier modes of transportation or the level or type of transportation services any such mode is able to offer. In making the finding under paragraph (5), the Secretary shall take into account, and include in the record, the recommendations of the Secretary of Transportation and the Interstate Commerce Commission under section 6(e);

(6) will be likely to result in lower rates for the transportation of coal than would be in effect if such coal were transported by a common carrier by railroad under part I of the Interstate Commerce Act; and

(7) would unduly impact on the surface and ground water at the point of destination and disposal of such water on the environment.

The Secretary's findings as to whether a project is in the national interest shall be based on the record as a whole taking into consideration each of the criteria set forth in this subsection.

(c) The Secretary shall require as a condition of issuance of a certificate of convenience and necessity under this Act that any pipeline for which such certificate is issued be constructed, operated, and maintained as a common carrier as provided in the Interstate Commerce Act. Any violation of such condition shall be enforced as provided in such Act, and nothing in this paragraph shall be construed to limit, impair, or otherwise affect any provision of such Act.

(d)(1) No carrier certified under this Act shall transport any coal mined by it or under its authority or which it may own in whole or in part, or over which it may have any control, direct or indirect: *Provided, however,* That the carrier shall not be prohibited from owning such coal after it is mined and before it enters the pipeline in order to achieve transportation and storage economies through blending and commingling of coal acquired from several coal producers or for several coal users; *Provided further,* That the carrier may own the coal during shipment if the Secretary determines that such arrangement facilitates the achievement of transportation and storage economies and is in the public interest.

(2) The prohibition contained in subsection (d)(1) shall not apply to the construction, ownership, and operation of a feeder line for the purpose of gaining access to a coal pipeline by any person who would otherwise be ineligible if—

(A) the carrier has declined a formal request to construct, own, and operate the feeder line;

(B) the owner of the feeder line will operate the line as a common carrier for any excess capacity in the feeder line; and

(C) the Secretary has determined that an exemption from subsection (d)(1) is in the public interest.

(3)(A) No certificate of public convenience and necessity may be issued to any carrier which controls, is controlled by, or is under common control with any person which uses or will use coal transported by the carrier or which supplies coal to the pipeline and (B) no carrier granted the power of eminent domain under this Act may control, be controlled by, or be under common control with any such person.

(4) The penalties and enforcement provisions of section 8 shall not apply to this subsection, but whenever, on the basis of any information available to it, the Interstate Commerce Commission finds that any carrier or other person is in violation of paragraph (1) or (3)(B), it shall notify such carrier or other person. If such violation extends beyond the thirtieth day after the date of such notice, the Commission shall, after notice and opportunity for hearing, issue an order requiring such carrier or other person to comply. Failure to obey any such order shall be subject to the same penalty as provided for in section 16(8) of the Interstate Commerce Act (49 U.S.C. 16(8)).

(e) No certificate of public convenience and necessity may be issued to any person engaged as a common carrier in interstate transportation of coal by any mode unless such person enters into a compact with the Secretary within two years from the date of enactment of this Act providing means whereby rights-of-way across the lines of such person may be acquired by a carrier on terms customarily employed with reference to other types of pipeline. Any Federal court of competent jurisdiction may entertain a suit by an interested party to enforce the provisions of such compact.

(f) If the Secretary determines, in the course of the consultations and findings required by subsection (b) or the hearings required by section 6 that the project right-of-way may be utilized for additional uses compatible with operations of the project line, the Secretary may, in his discretion, require as a condition to the grant of a certificate of public convenience and necessity that the particular project right-of-way be subject to such compatible uses.

(g) The Secretary shall require the additional use described in subsection (f) only if he by rule—

(1) finds—

(A) the additional use is a compatible use, and

(B) conditioning the issuance of the certificate upon the availability of the right-of-way for the additional use is in the public interest, and

(2) establishes reasonable provisions for the payment of compensation for the additional use to the person otherwise entitled to the exclusive use.

(h) The Secretary shall not approve an application for a certificate of public convenience and necessity for a coal pipeline which proposes to use underground water (whether groundwater or other subsurface waters) for the purpose of transporting coal, if the source of such underground water is located west of the 100 meridian west longitude, unless—

(1) the United States Geological Survey has conducted a comprehensive study which demonstrates that the use of such underground water source over the life of the coal pipeline, and considering the cumulative effect of any other coal pipelines using the same underground aquifer as a source of water, will not cause a significant adverse impact on the quality and quantity of the water table in surrounding areas or adjoining states, and

(2) regardless of the findings of the United States Geological Survey's study, the applicant has obtained any and all permits or authorizations for the use of any surface or underground water required by the State or States having jurisdiction over the surface waters to be used, or having a valid legal interest in the underground waters to be used and beneath whose lands the underground aquifer lies constituting the source of the underground water to be used.

PROCEDURE

SEC. 6. (a) Applications for a certificate of public convenience and necessity under this Act shall be filed with the Secretary pursuant to such regulations as it may prescribe. Each carrier applying for a certificate shall reimburse the Secretary for administrative and other costs incurred in processing the application as the Secretary shall prescribe.

(b) A certificate authorized by section 5 may be issued only after public notice and public hearings in accordance with this section.

(c) The carrier shall publish, in accordance with regulations promulgated by the Secretary, a notice that it has filed an application for a certificate of public convenience and necessity under this Act in a newspaper of general circulation in each country in which the project will be located. The notice shall, among other things, specify to the greatest extent practicable the land which would be subject to the power of eminent domain.

(d) The Secretary shall publish in the Federal Register a notice of the receipt of each application under this Act.

(e) Upon the receipt of an application for a certificate of public convenience and necessity with respect to a particular project, the Secretary shall request the Secretary of Transportation and the Interstate Commerce Commission to make recommendations with respect to the impact of the proposed project on other modes of transportation. The Secretary of Transportation and the Interstate Commerce Commission shall submit such recommendations to the Secretary within six months after the date of the Secretary's request.

(f) The Secretary shall hold at least one public hearing in each State in which the project involved will be located. Any interested person may present relevant material at any hearing. After all hearings in each State are concluded, the Secretary shall hold at least one public, formal adjudicatory hearing in accordance with the provisions of section 554 of title 5, United States Code, in the District of Columbia at which the Secretary of Energy and the Environmental Protection Agency shall, and other Federal, State, and local agencies may, participate.

ANTITRUST REVIEW

SEC. 7. (a) The Secretary shall not issue any certificate pursuant to section 5 of this Act unless it has received the advice of the Attorney General of the United States and the Federal Trade Commission that such action would not restrain trade, further monopolization, substantially adversely affect competition, or otherwise create or maintain a situation in contravention of the antitrust laws. The issuance of a certificate under this Act shall not be admissible in any way as a defense to any civil or criminal

action for violation of the antitrust laws of the United States, nor shall it in any way modify or abridge any private right of action under such laws.

(b)(1) Nothing in this section shall be construed to bar the Attorney General or the Federal Trade Commission from challenging any anticompetitive situation involved in the operation of a coal pipeline.

(2) Nothing contained in this section shall impair, amend, broaden, or modify any of the antitrust laws.

(3) As used in this section, the term "antitrust laws" includes, but is not limited to, the Act of July 2, 1890, as amended; the Act of October 15, 1914, as amended; the Federal Trade Commission Act (15 U.S.C. 41 et seq.); and sections 73 and 74 of the Act of August 27, 1894, as amended.

ENFORCEMENT AND PENALTIES AND JUDICIAL REVIEW

SEC. 8. (a) At the request of the Secretary, the Attorney General may institute a civil action in the district court of the United States for the district in which the affected operation is located for a restraining order or injunction or other appropriate remedy to enforce any provision of this Act or any regulation or order issued under the authority of this Act.

(b) If any carrier shall fail to comply with any provision of this Act, or any regulation or order issued under the authority of this Act, after notice of such failure and expiration of any period allowed for corrective action, such person shall be liable for a civil penalty of not more than $5,000 for each and every day of the continuance of such failure. The Secretary may assess and collect any such penalty.

(c) Any person who knowingly and willfully violates any provision of this Act, or any regulation or order issued under the authority of this Act, or makes any false statement, representation, or certification in any application, record, report, plan, or other document filed or required to be maintained under this Act shall, upon conviction, be punished by a fine of not more than $10,000, or by imprisonment for not more than six months, or both.

(d) Whenever a carrier violates any provision of this Act, or any regulation or order issued under the authority of this Act, any director, officer, or agent of such corporation or entity who authorized, ordered, or carried out such violation shall be subject to the same fines or imprisonment as provided for under subsection (c) of this section.

(e) Petitions for judicial review shall be filed in the court of appeals of the United States for the circuit in which the pipeline's originating point of coal transportation is located.

CONSTRUCTION OF LAW

SEC. 9. (a) In granting a State water permit or authorization to a pipeline granted a certificate of public convenience and necessity under this Act any State may, to effectuate a legitimate State public interest, condition pursuant to State law the water rights of such pipeline. The State may limit or terminate the right of a pipeline to transport water for coal pipeline use if so required by such conditions.

(b) Nothing in this Act, including the exercise of the power of eminent domain authorized by this Act, shall be construed—

(1) as affecting in any way any law, regulation, or rule of law governing appropriation, use or diversion of water, or as affecting any Federal, State, or private right to water; or a granting a right to the use of water to any carrier holding a certificate of convenience and necessity issued pursuant to this Act; or as superseding or modifying any State law, regulation, or rule of law governing the acquisition and administration of water rights so as to excuse any person from compliance with such law, regulation, or rule of law in acquiring or maintaining water rights necessary in connection with the operation of a coal pipeline;

(2) as expanding or diminishing Federal or State jurisdiction, responsibility, or interest in water resources development or control;

(3) as displacing, superseding, limiting, or modifying any interstate compact or the jurisdiction or responsibility of any legally established joint or common agency of two or more States or of two or more States and the Federal Government;

(4) as superseding, modifying, or repealing existing laws applicable to the various Federal agencies which are authorized to develop or participate in the development of water resources or to exercise licensing or regulatory functions in relation thereto; or

(5) as diminishing in any manner the authority of a State to grant or deny water use or establish or place terms or conditions regulating or limiting such use in any water permit or authorization, which authority such State would have in the absence of this Act.

REGULATIONS

SEC. 10. The Secretary is authorized to promulgate such rules and regulations as he deems necessary to carry out the purposes of this Act.

UNDERGROUND CONSTRUCTION

SEC. 11. All coal pipelines subject to this Act shall, to the maximum extent practicable, consistent with environmental protection, safety, and good engineering and technological practices, be buried underground and on all rights-of-way replace on the disturbed areas sufficient topsoil, so that a vegetative cover can be reestablished at least equal in extent of cover as that which sustained the natural vegetation in the area.

RELATIONSHIP TO INTERSTATE COMMERCE ACT

SEC. 12. Except where otherwise provided by this Act, the provisions of part I of the Interstate Commerce Act (24 Stat. 379) as amended (49 U.S.C. 1–40) shall be applicable to coal pipelines subject to this Act.

SPECIAL COMPACTS

SEC. 13. Subsequent to the passage of this Act, no person shall engage in the transportation of coal by pipeline without first obtaining a certificate of public convenience and necessity under sections 5 and 6 of this Act unless such person enters into a compact with the Secretary within two years from the date of enactment of this Act providing means whereby rights-of-way across the lines of such person may be acquired by a carrier on terms customarily employed with reference to other types of pipeline. Any Federal court of competent jurisdiction may entertain a suit by an interested party to enforce the provisions of such compact.

APPLICABILITY TO EXISTING PIPELINES

SEC. 14. This Act shall not be applicable to the line or route or operations of any carrier of coal by coal pipelines which was in bona fide operation on January 1, 1978.

SEPARABILITY OF PROVISIONS

SEC. 15. If any provision of this Act, or the application of such provision to any person or circumstance, shall be held invalid, the remainder of this Act, and the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.●

By Mr. JOHNSTON:

S. 3047. A bill to amend substitle A of the Consolidated Farm and Rural Development Act in order to expand the coverage of such subtitle to rural areas in any city or town having a population of 20,000 inhabitants or less rather than 10,000 inhabitants or less; to the Committee on Agriculture, Nutrition, and Forestry.

● Mr. JOHNSTON. Mr. President, today I am introducing a bill to raise the population ceiling for the Farmers Home Administration's community facilities loans from 10,000 to 20,000, the limit for housing loans administered by that agency.

In Louisiana, I am told that there are a number of towns with populations greater than 10,000 but less than 20,000 that do not qualify for these loans under current policy. However, because of their limited tax base, these towns have been unable to obtain commercial funds for a number of needed projects. These small municipalities have also been unable to compete with larger units for other Federal funds, for example programs sponsored by the Economic Development Administration.

While I realize that raising the ceiling will increase competition for a very limited amount of funds, I believe that these small towns have need going unmet. For this reason, as well as for consistency's sake, I hope that the Agriculture Committee will carefully consider this change when FmHA programs are reviewed.●

ADDITIONAL COSPONSORS

S. 2573

At the request of Mr. HELMS, the Senator from Mississippi (Mr. EASTLAND), the Senator from Texas (Mr. TOWER), and the Senator from Alabama (Mr. ALLEN) were added as cosponsors of S. 2573, a bill to limit the jurisdiction of the Supreme Court and other courts of the United States to enter any order restricting voluntary prayer in any public school.

S. 2895

At the request of Mr. BENTSEN, the Senator from Mississippi (Mr. STENNIS), the Senator from Colorado (Mr. HART), the Senator from Missouri (Mr. DANFORTH), and the Senator from North Carolina (Mr. HELMS) were added as cosponsors of S. 2895, a bill to amend the Meat Import Act of 1964.

S. 2929

At the request of Mr. HELMS, the Senator from Utah (Mr. GARN) and the Senator from Utah (Mr. HATCH) were added as cosponsors of S. 2929, the Taxpayers' Bill of Rights Act.

AMENDMENTS SUBMITTED FOR PRINTING

GRAZING FEE MORATORIUM OF 1978—H.R. 9757

AMENDMENT NO. 1937

(Ordered to be printed and to lie on the table.)

Mr. BUMPERS submitted an amendment intended to be proposed by him to the bill (H.R. 9757) to impose a moratorium on any increase in the public lands grazing fee for the 1978 grazing year, and for other purposes.

LABOR LAW REFORM ACT OF 1978—S. 2467

AMENDMENTS NOS. 1938 THROUGH 1971

(Ordered to be printed and to lie on the table.)

Mr. LUGAR submitted 34 amendments intended to be proposed by him to the bill (S. 2467) to amend the National Labor Relations Act to strengthen the remedies and expedite the procedures under such Act.

AMENDMENTS NOS. 1972 THROUGH 1981

(Ordered to be printed and to lie on the table.)

Mr. THURMOND submitted 10 amendments intended to be proposed by him to the bill (S. 2467), supra.

NOTICES OF HEARINGS

DIPLOMATIC IMMUNITY

● Mr. SPARKMAN. Mr. President, the Committee on Foreign Relations will hold a hearing at 10 a.m. on May 24 in room 4421 of the Dirksen Senate Office Building. Five bills concerning diplomatic immunity, H.R. 7819, S. 477, 478, S. 1256, and S. 1257, will be considered.

Any person wishing to testify should advise the Chief Clerk of the Committee on Foreign Relations, Abner Kendrick.

ADDITIONAL STATEMENTS

ETHICS COMMITTEE NOTICE: ALL SENATORS, OFFICERS, SENATE CANDIDATES AND SOME SENATE EMPLOYEES MUST FILE FINANCIAL DISCLOSURE STATEMENTS ON OR BEFORE MAY 15, 1978

● Mr. STEVENSON. Mr. President, on behalf of the Select Committee on Ethics, I give this additional notice to Senators, officers, candidates for the Senate and Senate staff that financial disclosure statements must be filed on or before May 15, 1978.

New rule 42 of the Standing Rules of the Senate requires you to file a Public Financial Disclosure Report (Form A) between January 1, 1978 and May 1, 1978, if you were a Senator for 61 days or more; an officer or employee of the Senate for 61 days or more compensated at an annual rate in excess of $25,000; an employee of the Senate designated under rule 49 to handle campaign funds; or a candidate for the Senate.

Old rule 44 requires you to file a Confidential Statement of Financial Interests Report (Form B) and a Public Statement of Contributions and Honoraria Report (Form C) if in 1977 you were a Senator for 90 days or more; an officer or employee of the Senate for 90 days or more compensated at an annual rate in excess of $15,000; or a candidate for the Senate.

Forms for these filings were sent to all Senators, employees, officers, and candidates; however, additional copies may be obtained through the Ethics Committee, 113 Carroll Arms, 224–2981.●

ETHICS COMMITTEE NOTICE: FILING OF OUTSIDE EMPLOYMENT REPORTS

● Mr. STEVENSON. Mr. President, on behalf of the Select Committee on Ethics, I give additional notice that rule 45, paragraph 3, requires all Senate officers and staff engaged in outside business or professional activity or employment for compensation to file with their supervisor on May 15, 1978, a report of each activity or employment.

Senators and staff are further advised that, under the "definitions" provisions of rule 49 of the Senate Code of Official Conduct, agreed to April 1, 1977, and which took effect April 2, 1977, the outside employment report requirement now applies, not only to persons whose salary is disbursed by the Senate, but also to any officer or employee of the Government detailed for service in a Senate office and any other individual whose full-time services are utilized for more than 90 days in a calendar year by a Member, officer, or employee of the Senate in the conduct of official duties. In other words, the new rule on this matter requires any detailed Government employee, educational fellow, or full-time volunteer to file a report of his or her personal service activity or employment for compensation.

It is the responsibility of each individual to file the report with the supervisor at the time his or her Senate office employment detail or assignment starts—if there is outside employment to report—at the time outside employment starts and anew on May 15 of each year.

I further advise the Vice President, Senators, and officers of the Senate that rule 45 requires them as supervisors to review these reports and to take such action as is necessary for the avoidance of conflict of interest or interference with duties to the Senate.

Staff are reminded that they must file a new report in mid-May, if they have outside service or employment activity, even if they have filed one previously. Staff who have no such activity or employment need not file a report.

Forms for making this report have been sent to all supervisors. Additional forms may be obtained through the Ethics Committee, 113 Carroll Arms, 224–2981.●

THE RENEGOTIATION BOARD

● Mr. MATHIAS. Mr. President, Congress is again confronted with the issue of the Renegotiation Board. The Board's authorization expired in September of 1976, and it is now working only on the backlog of cases which developed over the last few years of its existence.

In June 1977 Board Chairman Goodwin Chase, while testifying before the Senate Banking, Housing, and Urban Affairs Committee, told the committee that:

> I have been disturbed to see how the Board has been dealing. It has offended my sense of propriety and shown me that to continue such excesses would surely erode if not cripple our free enterprise system.

Chairman Chase went on to say that:

> The Renegotiation Board as it has been directed to function in the past is a disgrace to the American people.

It could not have been said more precisely.

I have to be fair to Mr. Chase. He made those statements in support of reforms that were billed as the cure for the Board's ills. This reform bill, however, was fairly defeated in the Banking Committee, after the most complete and careful exposition of renegotiation since the Board was created in 1951.

It is imperative that we reaffirm the wisdom of the committee. I am going to continue to do all I can to insure such a result.

I pointed out Mr. Chase's earlier comments because, in spite of his low opinion of the performance of the Board under the expired law, he and the rest of the Board are choosing to court further disgrace by keeping the Board alive. It seems to me that a Government official who believes that his operation has the potential to "erode" and "cripple our free enterprise system" would welcome the orderly elimination of that operation.

Instead, the Board is making new demands on the public purse. It asks for a 15-percent increase in funds for fiscal year 1979 though it has accomplished less than ever. As Congressman PETE MCCLOSKEY has pointed out, the Board spent more money than ever in 1977 but reached a 10-year low in the amount of work it did.

Chairman Chase has tried to promulgate new regulations, to be applied only retroactively, that would take profits from companies that sold goods to foreign governments. This seems to me to be the height of folly. Why should American taxpayers subsidize audits for foreign nations? The embarrassment of an excess profits determination on a foreign sale, discovered years after the fact, could do untold damage to good international relations. That would be a brand-new kind of "disgrace" for the Renegotiation Board.

I argued last June that the Board was an anachronism and an albatross around the necks of American taxpayers. Subsequent events only confirmed that view. The General Accounting Office found Hewlett-Packard's estimate of its administrative cost of preparing the renegotiation filing forms to have been substantially correct. Even the most conservative extrapolation of that $160,000 per year cost across the spectrum of companies filing for the Board would make the annual administrative cost something like $100 million. It is probably as high as $300 million.

The Renegotiation Board cannot be salvaged. And it should not be. Commonsense demands that we recognize this fact. An agency with such a dismal past has no future.

The American people have reached the breaking point. They will no longer tolerate a bloated bureaucracy and wasteful Government spending.

Last year at this time, Louis Harris & Associates asked a group of taxpayers this question:

As far as you (and your family) are concerned do you feel you have reached the breaking point on the amount of taxes you pay?

The response was an anguished and overwhelming "yes." Seventy-two percent of those polled said they had reached the breaking point on taxes. Since then the situation has gotten worse. We may not actually have a taxpayers' revolt on our hands, but we are dangerously close to one.

The Renegotiation Board is a vivid example of Government waste. Congress has the opportunity and the responsibility to put the Renegotiation Board in mothballs and eliminate this drain on the American taxpayer.

I strongly recommend that course. The alternative would give a green light to Federal excesses that we can no longer tolerate.●

INTRODUCTION BY SENATOR JOHN GLENN TO ACCOMPANY A SUMMARY OF A COMMON CAUSE STUDY ON CONGRESSIONAL OVERSIGHT OF FEDERAL TAX EXPENDITURES

● Mr. GLENN. Mr. President, Common Cause has recently completed a study entitled "Gimme Shelter," which examines the degree and quality of congressional oversight of what are commonly known as tax expenditure provisions. Tax expenditures are comprised of special credits, exemptions, deductions, deferrals, and exclusions which have the effect of reducing revenues which the Federal Treasury would have collected under the "normal" income tax structure. The study shows that oversight by the Congress and its tax writing committees of tax expenditures, which are expected to amount to $136 billion in revenue lost in fiscal year 1979, is woefully lacking.

Among other things, the study found that 90 percent of the tax expenditure provisions have been enacted on a permanent basis and are not subjected to regularized review, over $161 billion in revenue loss between 1971 and 1976 was due to tax expenditures which were not subjected to a recorded vote either in committee or on the floor of either House, and that more than half of the existing tax expenditure provisions during that period were either not subject to any congressional hearings or only superficially dealt with.

The findings of this study reaffirm the concerns which I have had concerning the lack of review of tax expenditures and the lack of coordination between the authorizing committees and the tax committees concerning activities affected by both. In order to help remedy this situation I have sponsored a proposal to subject all Federal tax expenditure provisions to the systematic termination and review procedures of the "Sunset" process presently incorporated in S. 2, the Program Evaluation Act of 1978.

Unfortunately, this proposal, although included in S. 2 as introduced, was removed during committee markup. S. 2 is presently before the Senate Rules Committee. Hopefully, the committee will schedule a markup and favorably report out this extremely important and beneficial legislation at the earliest possible time.

I hope that when the Rules Committee reports out S. 2 that it will reinstate the tax expenditure title. If not, I intend to offer an amendment to do so when the bill is on the floor. S. 2 has the potential for substantially upgrading the performance of the Government. However, I believe that the "Sunset" proposal is deficient unless it applies equally to tax expenditures as well as to direct expenditures. To my mind this is essential if we are to get a handle on what has become the most uncontrolled and fastest growing part of the Federal budget system—tax expenditure provisions.

Sunset legislation, which includes tax expenditures, would subject them to periodic review at the same time as the direct Government expenditures falling within the same functional categories.

The review itself is neutral. After careful review, tax incentives might be increased, decreased, eliminated, or remain the same. But the most important factor is that incentives would finally be reviewed for effectiveness to see that they are doing the job for which intended. If effective and working well, continue or increase; if not, alter to do the job better, or eliminate. That just makes commonsense.

This process could be extremely beneficial in determining whether there are inconsistencies or duplications between related tax expenditures and direct expenditures and whether one or the other should be increased, decreased, reauthorized at the same level, or terminated. The Common Cause study found that there is almost no coordination between tax writing committees and the authorizing committees concerning areas which both directly affect. Moreover, the study found that information which Federal agencies have concerning areas affected by tax expenditures is similarly not communicated to the Ways and Means and Finance Committees.

In sum, I believe the Common Cause study to be an important contribution to aid us to better understand the present oversight procedures relating to tax expenditure provisions. I wholeheartedly recommend that my colleagues carefully read this study.

Mr. President, I ask that a summary of the study be printed in the RECORD following my remarks.

The study follows:

SUMMARY OF A COMMON CAUSE STUDY OF THE REVIEW OF TAX EXPENDITURES BY THE CONGRESSIONAL TAX COMMITTEES

People want government to work efficiently and effectively. They also want it to work within its fiscal limitations. Since the way tax dollars are spent is important, the President's $500 billion FY 79 budget will be closely examined in Congress in the coming months.

There is another $136 billion of federal spending that will be largely overlooked, however. It amounts to 20% of the total that the federal government is likely to spend in the next fiscal year. It was not part of President Carter's budget and will not be appropriated by Congress. It is called the tax expenditure budget and is made up of tax credits, deductions, and other tax subsidies.

Tax expenditures are incentives provided through the Internal Revenue Code for certain kinds of private activities or to aid taxpayers in certain circumstances. These incentives can take the form of tax credits, tax deductions, exclusions from income, tax deferral, or special rates of tax. They are the functional equivalent of direct spending programs in that the money lost through tax expenditures is not available for other federal programs. They are the operational equivalent of entitlement programs in that persons and corporations that meet certain criteria automatically qualify.

Some tax expenditures are controversial. Calling them loopholes, their opponents raise arguments of costly ineffectiveness and inefficiency. But there are some tax expenditures that are accepted with little or no argument. For example, there are few, if any, opponents to the tax-free status of veterans' pensions or welfare payments.

Common Cause examined the hearing records of the House Ways and Means Committee and the Senate Finance Committee, and the floor debates on tax bills considered during the 92nd, 93rd, and 94th Congresses. Our purpose was not to make judgments on the merits of particular tax expenditures, but rather to determine the thoroughness of Congressional oversight and evaluation of existing tax expenditures and to examine the process by which new tax expenditures are enacted.

Our findings support the wisdom of the theory on which many interest groups have acted for some time: getting a tax benefit is better than getting a grant or loan from the government, because once a tax benefit is enacted, there is a minimal chance of oversight and an even smaller chance that the benefit will be taken away.

Nearly ninety percent of the items in the tax expenditure budget as of January 1, 1978 are permanent and do not have to be reauthorized periodically. As a result, oversight occurs at the whim of the tax committees. If a tax expenditure is by chance chosen for oversight, the bulk of the witnesses who appear to testify on it are those who benefit from it. The tax committees generally do not hear from agencies of government which are operating direct spending programs in analogous policy areas to see if the conditions which prompted the tax expenditure in the first place still exist. Nor do the tax committees make any attempt to determine from either the agencies or the other substantive committees of Congress that write the programs if the tax expenditure complements or conflicts with direct spending programs.

Because these programs are run through the tax system, they are not subject to the institutional checks and balances of Congress that apply to direct spending programs. They do not require the approval of the Appropriations Committees, which means that tax expenditures are not scrutinized twice by Congress in the same way that direct spending programs are.

Given the existing undisciplined process of writing tax laws, it is not surprising that tax expenditures are multiplying in number and getting more expensive each year. The tax expenditure budget has grown even faster that the budget for direct outlays over the past decade. Since 1968, direct spending outlays have increased by 180%; the tax expenditure budget increased by 209%.

In addition to reducing the amount of revenues available to the federal government and either adding to the deficit or freezing out money for other worthy programs, tax expenditures often result in an upside-down welfare program—the richer the taxpayer, the greater the benefit he, she, or it receives.

FINDINGS

Since nearly 97% of the dollars spent in the tax expenditure budget can continue to be spent indefinitely and can even increase without any Congressional action, oversight of this budget is especially important. We found that neither the Senate Finance nor House Ways and Means Committee carries out a systematic or responsible evaluation of tax expenditures. Items in the tax expenditure budget continue year after year without either committee determining that the particular tax expenditure is effective, efficient, or wise in light of other government priorities. Specifically, we found that during the six year period from 1971 through 1976—

Over $161 billion was spent in tax expenditures without a single vote of approval or disapproval appearing on the public record by any member in a tax committee, much less any Member on the House or Senate floor; and

38 of 86 tax expenditures were not addressed by a sing.e witness before the Senate Finance Committee while the Ways and Means Committee did not hear testimony on 25 tax expenditures during the same period.

In those cases where hearings on certain tax expenditures were held, other deficiencies were apparent. The bulk of testimony received by the committees came from witnesses with pecuniary interests in the continuation or expansion of the tax expenditures on which they testified. A disproportionate amount of testimony was given by trade associations and businesses. We found that during the six year period from 1971 through 1976—

Private commercial interests comprised 65% of all witnesses before the Senate Finance Committee and 45% of all the witnesses before the Ways and Means Committee;

Citizen groups represented 4% of the witnesses before the Senate Finance Committee, and 12% before the Ways and Means Commitee;

Research organizations, academics, and other experts accounted for 10% of the witnesses before the Senate Finance Committee, and 17% of the witnesses before the Ways and Means Committee; and

Only 14 witnesses before the Senate Finance Committee and 13 witnesses before the Ways and Means Committee represented federal agencies other than the Treasury Department, although these agencies are likely to have valuable information on the activities which tax expenditures affect.

Although scores of existing tax expenditures were not subject to oversight hearings, Congress and its tax committees did not hesitate to create new ones. We found that:

16 new tax expenditures were enacted between 1971 and 1976, and

Only 2 tax expenditures were repealed, while 3 more failed to be reauthorized.

Although 16 new tax expenditures were enacted, many had been proposed. While the Ways and Means Committee proposed 16, the Senate Finance Committee, in addition to approving 10 new tax expenditures previously adopted by Ways and Means, also proposed another 15 new tax expenditures for a total of 25.

We found a sharp contrast between the Ways and Means Committee and Senate Finance Committee in the number of times each has proposed increasing or decreasing specific tax expenditures. Between 1971 and 1976, the Senate Finance Committee proposed increasing specific tax expenditures in 39 instances, while it proposed decreasing them in only 12; the Ways and Means Committee proposed increasing specific tax expenditures in 27 instances, and decreasing them in 27.

In the three major tax bills enacted during 1971–1976—the Revenue Act of 1971, the Tax Reduction Act of 1975, and the Tax Reform Act of 1976—we found that in each case the Senate Finance Committee version would have increased tax expenditures more than the bill as reported by the Ways and Means Committee. This was especially apparent in the Tax Reform Act of 1976, in which revenue losses for fiscal years 1977–1981 due to increases in tax expenditures would have been $39.7 billion in the Senate Finance Committee version compared with $14.4 billion in the Ways and Means Committee version.

The Senate Finance Committee, in fact, turns out to be one of the biggest spenders of government tax dollars. Senate floor amendments tend to follow the "big government spending" lead provided by the Senate Finance Committee. Of 43 amendments offered on the Senate floor in 1971–1976 to increase tax expenditures, 37—or 86%—passed. By contrast, of the 45 amendments offered to decrease tax expenditures, 33—or 73%—failed.

The low public visibility of the tax expenditure budget is a major reason for Congressional negligence in this area. The public would never tolerate such blatant neglect of direct spending programs by Congress.

Furthermore, tax subsidies are thought by many—including, apparently, the Senate Finance Committee—to be "free". While no money is appropriated for them, they are certainly not free. Tax dollars not collected because of tax privileges must be made up by other taxpayers. For example, if a family requires $100 a week to pay its bills, and one member is not required to contribute, the remaining members must contribute larger amounts of money so that the $100 is collected.

Congress and its tax writing committees have done an irresponsible job of monitoring the tax expenditure budget. Mechanisms must be put in place that will assure oversight and accountability. Currently, almost all of the tax expenditure budget is permanent. The tax committees are under less pressure than any other Congressional committees to take their oversight responsibilities seriously.

And because of the unique status of tax legislation, if the tax committees do not conduct oversight, there is no other forum in Congress to fill that void. Tax legislation is not subject to the checks and balances inherent in the two-step authorization and appropriation process. Once a tax expenditure is enacted—or authorized—the spending can begin and can increase without control. No further action by anyone but taxpayers is necessary.

RECOMMENDATIONS

Our study shows that the existing tax-writing process is arbitrary and undisciplined. Minimal oversight occurs, and when it does, hearings are stacked with those who benefit by the tax expenditures. No attempt is made to coordinate tax expenditures with other federal programs and policies. Three key recommendations result from these findings.

First, tax expenditures must be subject to a Sunset process. The study endorses the Glenn-Muskie-Jackson amendment to S. 2, the Program Evaluation Act of 1977, which would provide periodic termination of tax expenditures in order to force Congress to evaluate and consider total federal efforts—tax expenditures and direct spending programs—within similar policy areas.

Second, the tax committees must seek information about tax expenditures from federal agencies operating direct spending programs in analogous policy areas. The Glenn-Muskie-Jackson amendment mandates this coordination by requiring the appropriate federal agencies to comment on relevant tax expenditures as they come up for review by Congress.

Third, the Appropriations Committees and standing committees of the House and Senate with jurisdiction over direct spending programs should also review tax expenditures affecting their program areas. S. Res. 326, introduced by Senator Edward Kennedy, would help make the tax-writing process more rational by requiring tax expenditure legislation reported from the Senate Finance Committee to be referred to the standing committees with jurisdiction over analogous spending programs and the Senate Appropriations Committees.●

CURRENT U.S. POPULATION

● Mr. PACKWOOD. Mr. President, I wish to report that, according to U.S. Census Bureau approximations, the total population of the United States as of May 1, 1978, is 218,653,489. In spite of widely publicized reductions in our fertility levels, this represents an increase of 1,748,167 since May 1 of last year. It also represents an increase of 77,515 since April 1, 1978, that is, in just the last month.

Over the year, therefore, we have added more than enough people to fill the city of Houston, Tex.●

DEFENSE COMMITMENT TO IRAN

● Mr. SPARKMAN. Mr. President, on November 14, 1977, an interview with the Shah of Iran appeared in Newsweek magazine. In that interview the Shah said that Iran has "a crucial bilateral agreement with the United States which stipulates that, after consultation, the United States is obligated to come to our assistance if attacked by a Communist or Communist-inspired country." The magazine, in a footnote, indicated that State Department officials "said the language was standard for defense treaties of that period and that congressional approval of the U.S. response would be required." Following this article, on November 23, I wrote a letter to Secretary of State Vance, which I ask to have printed in the RECORD at this point.

The letter follows:

NOVEMBER 23, 1977.

Hon. CYRUS R. VANCE,
Secretary of State,
Washington, D.C.

DEAR MR. SECRETARY: In the November 14, 1977 issue of Newsweek magazine the Shah of Iran is quoted as making the following statement:

"It seems to me that most Americans, including congressmen, are not aware that we have a crucial bilateral agreement with the U.S. which stipulates that, after consultation, the U.S. is obligated to come to our assistance if attacked by a Communist or Communist-inspired country."

Is the United States party to any international agreement with Iran to which the United States "is obligated" to come to Iran's assistance in the event of an attack by a communist country?

In that article, an anonymous State Department official is quoted as saying that "Congressional approval of the U.S. response would be required." Is this the position of the Department?

I appreciate your clarifying this matter.

Sincerely,

JOHN SPARKMAN,
Chairman.

Mr. President, on December 16 I received a reply, which I also ask permission to print in the RECORD.

The reply and enclosures follow:

DEPARTMENT OF STATE,
Washington, D.C., December 16, 1977.

Hon. JOHN SPARKMAN,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Secretary Vance has requested me to reply to your letter of November 23 concerning the comment of the Shah in Newsweek which you quoted.

The Shah was apparently referring to the bilateral Agreement for Cooperation with Iran which was signed on March 5, 1959. Indentical agreements were signed with Pakistan and Turkey at the same time.

You will recall that following the revolution in Iraq in 1958, which resulted in the overthrow of the Iraqi monarchy, the new Iraqi regime withdrew from the Baghdad Pact. At a meeting in London in July 1958 the remaining members of the Baghdad Pact—the U.K., Pakistan, Iran and Turkey—agreed to continue the defense organization which was later renamed the Central Treaty Organization, or CENTO as it is more commonly known. In a joint declaration of July 28, 1958, the United States agreed to cooperate with the CENTO nations and to enter "into agreements designed to give effect to this cooperation." This London Declaration was the genesis of the 1959 bilateral agreements.

Article I of the 1959 Agreement reads as follows:

"The Imperial Government of Iran is determined to resist aggression. In case of aggression against Iran, the Government of the United States of America, in accordance with the Constitution of the United States of America, will take such appropiate action, including the use of armed forces, as may be mutually agreed upon and as is envisaged in the Joint Resolution to Promote Peace and Stability in the Middle East, in order to assist the Government of Iran at its request."

The reference to the Joint Resolution in the article quoted above makes its clear that the Agreement relates only to "aggression from any country controlled by international communism" (Section two of Public Law 85-7).

I have enclosed for your convenience copies of the 1959 Agreement, the London Declaration and the Joint Resolution.

The principal United States obligation in the 1959 Agreement is to take appropriate action which is "in accordance with the Constitution of the United States of America" and "mutually agreed upon . . ." This formulation clearly avoids any implication of automaticity or disregard for the constitutional responsibilities of the Congress.

With regard to the Agreement's reference to the use of armed forces, as being among the possible forms of action that might be considered appropriate, I wish to reaffirm the position of this Administration that the United States should not go to war without the collective judgment of the Congress and the President. As you know, we are committed to meaningful implementation of the procedures established by the War Powers Resolution of 1973 in responding to emergency situations.

Sincerely,

DOUGLAS J. BENNET, Jr.,
Assistant Secretary for Congressional Relations.

[Treaties and other international acts series, 4189]

COOPERATION AGREEMENT BETWEEN THE UNITED STATES OF AMERICA AND IRAN

(Signed at Ankara March 5, 1959)

(Agreement of cooperation between the Government of the United States of America and the Imperial Government of Iran.)

The Government of the United States of America and the Imperial Government of Iran,

Desiring to implement the Declaration in which they associated themselves at London on July 28, 1958; [1]

Considering that under Article I of the Pact of Mutual Cooperation signed at Baghdad on February 24, 1955,[2] the parties signatory thereto agreed to cooperate for their security and defense, and that, similarly, as stated in the above-mentioned Declaration, the Government of the United States of America, in the interest of world peace, agreed to cooperate with the Governments making that Declaration for their security and defense;

Recalling that, in the above-mentioned Declaration, the members of the Pact of Mutual Cooperation making that Declaration affirmed their determination to maintain their collective security and to resist aggression, direct or indirect;

Considering further that the Government of the United States of America is associated with the work of the major committees of the Pact of Mutual Cooperation signed at Baghdad on February 24, 1955;

Desiring to strengthen peace in accordance with the principles of the Charter of the United Nations; [3]

Affirming their right to cooperate for their security and defense in accordance with Article 51 of the Charter of the United Nations;

Considering that the Government of the United States of America regards as vital to its national interest and to world peace the preservation of the independence and integrity of Iran;

Recognizing the authorization to furnish appropriate assistance granted to the President of the United States of America by the Congress of the United States of America in the Mutual Security Act of 1954,[4] as amended, and in the Joint Resolution to Promote Peace and Stability in the Middle East; [5] and

Considering that similar agreements are being entered into by the Government of the United States of America and the Governments of Turkey and Pakistan, respectively,

Have agreed as follows:

ARTICLE I

The Imperial Government of Iran is determined to resist aggression. In case of aggression against Iran, the Government of the United States of America, in accordance with the Constitution of the United States of America, will take such appropriate action, including the use of armed forces, as may be mutually agreed upon and as is envisaged in the Joint Resolution to Promote Peace and Stability in the Middle East, in order to assist the Government of Iran at its request.

ARTICLE II

The Government of the United States of America, in accordance with the Mutual Security Act of 1954, as amended, and related laws of the United States of America, and with applicable agreements heretofore or hereafter entered into between the Government of the United States of America and the Government of Iran, reaffirms that it will continue to furnish the Government of Iran such military and economic assistance as may be mutually agreed upon between the Government of the United States of America and the Government of Iran, in order to assist the Government of Iran in the preservation of its national independence and integrity and in the effective promotion of its economic development.

[1] TIAS 4084; 9 UST 1077.

[2] British Command 9429, Miscellaneous No. 5 (1955).

[3] TS 903; 59 Stat. 1031.

[4] 68 Stat. 832; 22 U.S.C. § 1751 note.

[5] 71 Stat. 5; 22 U.S.C. §§ 1961–1965.

ARTICLE III

The Imperial Government of Iran undertakes to utilize such military and economic assistance as may be provided by the Government of the United States of America in a manner consonant with the aims and purposes set forth by the Governments associated in the Declaration signed at London on July 28, 1958, and for the purpose of effectively promoting the economic development of Iran and of preserving its national independence and integrity.

ARTICLE IV

The Government of the United States of America and the Government of Iran will cooperate with the other Governments associated in the Declaration signed at London on July 28, 1958, in order to prepare and participate in such defensive arrangements as may be mutually agreed to be desirable, subject to the other applicable provisions of this agreement.

ARTICLE V

The provisions of the present agreement do not affect the cooperation between the two Governments as envisaged in other international agreements or arrangements.

ARTICLE VI

This agreement shall enter into force upon the date of its signature and shall continue in force until one year after the receipt by either Government of written notice of the intention of the other Government to terminate the agreement.

Done in duplicate at Ankara, this fifth day of March, 1959.

For the Government of the United States of America:

FLETCHER WARREN

For the Imperial Government of Iran:

General HASSAN ARFA

[Treaties and other international acts series 4084]

DECLARATION RESPECTING THE BAGHDAD PACT BETWEEN THE UNITED STATES OF AMERICA AND OTHER GOVERNMENTS

(Signed at London July 28, 1958)

1. The members of the Baghdad Pact [1] attending the Ministerial meeting in London have re-examined their position in the light of recent events and conclude that the need which called the Pact into being is greater than ever. These members declare their determination to maintain their collective security and to resist aggression, direct or indirect.

2. Under the Pact collective security arrangements have been instituted. Joint military planning has been advanced and area economic projects have been promoted. Relationships are being established with other free world nations associated for collective security.

3. The question of whether substantive alterations should be made in the Pact and its organisation or whether the Pact will be continued in its present form is under consideration by the Governments concerned. However, the nations represented at the meeting in London reaffirmed their determination to strengthen further their united defence posture in the area.

4. Article 1 of the Pact of Mutual Cooperation signed at Baghdad on February 24, 1955 [1] provides that the parties will cooperate for their security and defence and that such measures as they agree to take to give effect to this co-operation may form the subject of special agreements. Similarly, the United States in the interest of world peace, and pursuant to existing Congressional authorization, agrees to co-operate with the na-

[1] British Command 9429, Miscellaneous No. 5 (1955).

tions making this Declaration for their security and defence, and will promptly enter into agreements designed to give effect to this co-operation.

Made and signed at Lancaster House, London, on the twenty-eighth day of July, 1958, in five copies.

For the United States of America
JOHN FOSTER DULLES
For Iran
M EGHBAL
For Pakistan
FIROZ KHAN NOON
For Turkey
A. MENDERES
For the United Kingdom of Great Britain and Northern Ireland
HAROLD MACMILLAN

[Public Law 85–7]

JOINT RESOLUTION TO PROMOTE PEACE AND STABILITY IN THE MIDDLE EAST

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President be and hereby is authorized to cooperate with and assist any nation or group of nations in the general area of the Middle East desiring such assistance in the development of economic strength dedicated to the maintenance of national independence.

SEC. 2. The President is authorized to undertake, in the general area of the Middle East, military assistance programs with any nation or group of nations of that area desiring such assistance. Furthermore, the United States regards as vital to the national interest and world peace the preservation of the independence and integrity of the nations of the Middle East. To this end, if the President determines the necessity thereof, the United States is prepared to use armed forces to assist any such nation or group of such nations requesting assistance against armed aggression from any country controlled by international communism: *Provided,* That such employment shall be consonant with the treaty obligations of the United States and with the Constitution of the United States.

SEC. 3. The President is hereby authorized to use during the balance of fiscal year 1957 for economic and military assistance under this joint resolution not to exceed $200,000,000 from any appropriation now available for carrying out the provisions of the Mutual Security Act of 1954, as amended, in accord with the provisions of such Act: *Provided,* That, whenever the President determines it to be important to the security of the United States, such use may be under the authority of section 401 (a) of the Mutual Security Act of 1954, as amended (except that the provisions of section 105 (a) thereof shall not be waived), and without regard to the provision of section 105 of the Mutual Security Appropriation Act, 1957: *Provided further,* That obligations incurred in carrying out the purposes of the first sentence of section 2 of this joint resolution shall be paid only out of appropriations for military assistance, and obligations incurred in carrying out the purposes of the first section of this joint resolution shall be paid only out of appropriations other than those for military assistance. This authorization is in addition to other existing authorizations with respect to the use of such appropriations. None of the additional authorization contained in this section shall be used until fifteen days after the Committee on Foreign Relations of the Senate, the Committee on Foreign Affairs of the House of Representatives, the Committees on Appropriations of the Senate and the House of Representatives and, when military assistance is involved, the Committees on Armed Services of the Senate and the House of Representatives have been furnished a report showing the object of the proposed use, the country for the benefit of which such use is intended, and the particular appropriation or appropriations for carrying out the provisions of the Mutual Security Act of 1954, as amended, for which the funds are proposed to be derived: *Provided,* That funds available under this section during the balance of fiscal year 1957 shall, in the case of any such report submitted during the last fifteen days of the fiscal year, remain available for use under this section for the purposes stated in such report for a period of twenty days following the date of submission of such report. Nothing contained in this joint resolution shall be construed as itself authorizing the appropriation of additional funds for the purpose of carrying out the provisions of the first section or of the first sentence of section 2 of this joint resolution.

SEC. 4. The President should continue to furnish facilities and military assistance, within the provisions of applicable law and established policies, to the United Nations Emergency Force in the Middle East, with a view to maintaining the truce in that region.

SEC. 5. The President shall within the months of January and July of each year report to the Congress his action hereunder.

SEC. 6. This joint resolution shall expire when the President shall determine that the peace and security of the nations in the general area of the Middle East are reasonably assured by international conditions created by action of the United Nations or otherwise except that it may be terminated earlier by a concurrent resolution of the two Houses of Congress.

Approved March 9, 1957.

Mr. President, this response, I believe, did not directly address the questions raised in my letter. Accordingly, on March 3 I addressed a second letter to the State Department. I ask that this letter be printed in the RECORD at this point.

The second letter follows:

MARCH 3, 1978.

Hon. DOUGLAS J. BENNET, Jr.,
Assistant Secretary for Congressional Relations, Department of State, Washington, D.C.

DEAR MR. BENNET: Thank you for your letter of December 16, 1977 responding to my November 23, 1977 letter to Secretary Vance.

In answer to the first question that I raised, you indicate that the 1959 Agreement with Iran "avoids any implication of automaticity. . . ." I am not entirely clear, however, in what ways this commitment differs from those contained in United States Mutual Security Treaties since those treaties also imply no "automatic" military response on the part of the United States. What, specifically, is the functional difference in the commitment contained in each? Is the United States committed to do anything under its mutual securities treaties it is not committed to do under this agreement?

The Department's position regarding my second question is somewhat ambiguous. Is it, to repeat, the position of the Department of State that "congressional approval of the U.S. response would be required"?

Finally, you refer in your letter to Public Law 85–7, the "Middle East Resolution." Does the Administration construe that resolution as authorizing the introduction of the United States armed forces into hostilities?

Sincerely,

JOHN SPARKMAN,
Chairman.

Mr. President, I have as yet received no response to this letter. I was somewhat surprised to find, however, that the ambiguity in the administration's position runs as deep as it does. On April 21, 1978, the Washington Post reported that the Secretary of the Air Force announced that the United States has "a tacit obligation to back up" Iranian forces if the Soviet Union should invade that country. I ask permission to insert the text of this article in the RECORD.

The article follows:

U.S. HAS "TACIT OBLIGATION" TO AID IRAN, AF HEAD SAYS

(By George C. Wilson)

The United States has "a tacit obligation to back up" Iranian forces if the Soviet Union should invade that country, Air Force Secretary John C. Stetson said yesterday.

He added that the "collective wisdom" in the United States "would suggest that we would come to their defense," Stetson said, calling the U.S. obligation to Iran "a good deal more than moral."

"Whether it's an absolute commitment," advised the secretary, who visited Iran and other countries in the area last week, is a question for the international lawyers to settle.

A State Department official said calling the U.S. obligation to defend Iran "tacit" represented an unusually strong expression for an administration official to use.

After Stetson's press conference, Pentagon officials sought to soften the impact of the secretary's remarks about going to the aid of Iran by stressing he was giving his personal views. These Pentagon officials added that the United States has no treaty that "automatically" requires it to defend Iran.

A 1958 agreement of cooperation includes the United States and Iran as signatories, but Congress would have to approve before any forces could be committed to Iranian defense.

Asked whether there was a growing threat to Iran from the Soviet Union, Stetson said, "The threat is reduced to the extent" that the Soviets perceive any attack would be unwise. He said a vacuum of power in the Persian Gulf area would be an invitation for the Soviets.

In that context, Stetson said Saudi Arabia not only needs the 60 F15 fighter planes President Carter wants to supply but "quite likely" will need more aircraft. The Air Force secretary termed the 60 F15s a "drop in the bucket" considering the size of the country the Saudis have to defend and the value of their resources.

The Carter administration is preparing a military force that could go to war quickly in the Persian Gulf. Stetson said the Air Force will contribute to that force. Planning is in the preliminary stage, but the force is expected to include one Marine and two Army divisions with a total of about 100,000 troops.

Mr. President, a commitment by the United States to defend a foreign country is made by treaty, not by an executive agreement entered into by the President alone. Forty-two countries are now parties to mutual security treaties with the United States. Iran, although a country with which we share many common interests, is not one of them.

I look forward to receiving the Department of State's reply to my letter of March 3.●

SALUTE TO ISRAEL

● Mr. MATHIAS. Mr. President, this is an important year of commemoration and celebration, not only for Israelis, but for Americans as well. Thirty years ago we participated together in the creation of the State of Israel. Today, we join in rejoicing in Israel's continu-

ing existence, despite the many forces arrayed against her. America is bound to Israel's past, her present, and, indeed, to her future existence and security.

It is important to remember and to reemphasize what binds our two peoples together in these difficult times. Our common goals and interests must not be forgotten. We have in Israel, a constant friend and ally in the Middle East. Israel has in the United States, a supporter whose ultimate commitment has not wavered since that difficult May day in 1948 when this tiny democracy became, once more, a proud member of the family of nations.

In celebrating the past, we must not neglect the future. This is a time of hope. Perhaps at no time since 1948 has Israel been closer to the possibility of real peace with her neighbors. An Egyptian President has walked on the soil of Israel in search of peace. An Israeli Prime Minister has traveled to Egypt in search of the same goal. This year, therefore, we celebrate not only the past, but we declare our faith in the possibility of a secure and peaceful future for Israel.●

JAMES R. CALLOWAY

● Mr. JACKSON. Mr. President, I wish to say a few words about James R. Calloway, who recently retired as chief counsel and staff director of the Senate Committee on Appropriations.

In my years in this Senate, I have observed few staff members who have performed their duties as conscientiously and as capably as Jim Calloway.

I first had the opportunity to observe his work as a member of the old Senate Committee on Government Operations, where Jim Calloway served as chief counsel and staff director. At that time, I was impressed with his competence, loyalty, and dedication.

He brought the same qualities to his service as head of the Appropriations Committee staff—a post requiring hard work and the ability to understand complex issues as well as the ability to work smoothly with Members from both sides of the aisle.

I am certain, Mr. President, that all Members of the Senate would agree with me that Jim Calloway not only met these exacting standards but exceeded them. The Senate has indeed been fortunate in having his valued services for nearly 30 years.

As the majority leader said recently, we take pride in Jim Calloway's accomplishments because they reflect honor upon the Senate. We will miss his loyal presence, his good humor, his keen advice, and his administrative skill.●

IN MEMORY OF FORMER CONGRESSMAN J. HARDIN PETERSON SR.

● Mr. CHILES. Mr. President, a few days ago a fine gentleman, a good friend and a great legislator, former Congressman J. Hardin Peterson Sr., passed away. In his memory I would like to offer some thoughts and observations, for I know others in the Senate share with me deep respect for him and appreciation for his outstanding public service.

Mr. Pete, as he was best known, was born in Batesburg, S.C., moving to Lakeland, Fla., with his family 75 years prior to his death at age 84. He was a lawyer and continued to drive his car to the office every day until last October when he became ill and had to retire.

He left Lakeland for Washington in 1933, the midst of the depression, having been elected to the U.S. House of Representatives by a margin of only 117 votes. He came to Washington to represent a district stretching from Marion County in north central Florida to the Dade County line in south Florida, one of the country's largest congressional districts. With population growth six congressmen now represent this same area.

When Mr. Pete entered Congress, the depression was at its worst. Banks were closing, the unemployed were standing in bread lines and there was deep-seated fear that this country might not recover. Under President Roosevelt's leadership he joined in shaping the eventual recovery.

Another momentous contribution came as a member of the House-Senate conference committee where he had a hand in shaping the GI bill of rights.

But he was probably most proud of the Everglades National Park. After gaining the chairmanship of the old Public Lands Committee, now called the Interior and Insular Affairs Committee, he set about the creation of the Everglades National Park and was successful. In the years since, millions of Americans have enjoyed that wonderfully preserved parkland.

A man who can testify to Mr. Pete's outstanding work in Congress is Millard Caldwell, now 81, who served in Congress with him from 1933 to 1941. In a newspaper story Caldwell was quoted calling Mr. Pete:

> A man who had excellent judgment and the courage to stand up to his decisions. Yet I don't think he ever had an enemy in his life.

Caldwell, Governor of Florida from 1945 to 1949, offered Mr. Pete a seat on the State supreme court but was turned down.

A man of his word, Mr. Pete quit Congress after 18 years. He had promised in his first campaign that if elected, he would not stay longer than his predecessor, and he did not though he was in no danger from the voters.

Mr. President, I was privileged to grow up in Lakeland, where Mr. Pete's influence was felt, to practice law in the same firm in the late 1960's and to learn from him about law, politics, and decency. He left a lasting impression on me, and I know he did on all those who were fortunate enough to come in contact with him. We will miss him.

And while we offer our sympathies at this time to the lady to whom he was married for 62 years, Christine, we must also express appreciation for her strength, companionship, and support that contributed so greatly to Mr. Pete's performance of public service.●

CUBAN RELATIONS

● Mr. CURTIS. Mr. President, over the years, the government of Fidel Castro has treated the United States with unmitigated hostility, rebuffing friendly overtures made by some American public officials, and finally engaging in full-scale war in the interest of Soviet expansion in Africa. I was correspondingly disturbed to learn that a group of Cuban musicians, the Grupo Moncada, was scheduled to perform in a Senate hearing room at the invitation of a Member of this body.

It is possible to do a good many inadvised things in the name of "good will," and this invitation seems a case in point. To think that staging a performance by Cuban musicians will bring the two nations closer together is absurd, and at the same time constitutes an attempt to gloss over a number of issues which, both from a diplomatic and a humanitarian point of view, we cannot justify overlooking.

Particularly disturbing is the origin of the name of the musical group. I am advised that the Grupo Moncada takes its name from the Moncada Garrison battle in Santiago de Cuba (Oriente) Province on July 26, 1953. This was the first significant encounter between Castro's group and the government; Castro's guerrillas reportedly entered the garrison through the infirmary and proceeded to shoot a number of patients in that facility. Both the heinous nature of the incident and our entertainment of a group whose name celebrates it are unconscionable and an affront to humanity.

It has become a cliche to speak of Communist "slavery"; yet no other word fully does justice to the conditions under which the Cuban people, who exercise none of the personal freedoms we consider basic to existence, are forced to live. We should not forget that the very government that sends us the Grupo Moncada holds an estimated 30,000 to 50,000 political prisoners under conditions which have been condemned by virtually all the international human rights organizations.

Nor can we forget that on the international level, since seizing power Castro has been trying to undermine American interests and spread communism throughout the world, first through covert revolution and more recently through open warfare.

Furthermore, there should be no confusion in anyone's mind about the status of the Grupo Moncada. Its members are not merely a group of private citizens who decided to go on a trip abroad; under Castro, travel of this nature is simply not permitted. Rather, it is the policy of Communist countries to use art as a political tool, and to send performers abroad in the context of political goals. Furthermore, only individuals who adhere most closely to the party line—the most fervent Communists—who receive permission to take part in such trips. And, as if their proven dedication were not enough, they are coached in advance on the "spontaneous" answers they are to provide about living conditions in their

country. Such visitors, they are for all intents and purposes agents of their nation's government.

Of all times that could have been chosen to exchange friendly chatter with representatives of Fidel Castro the present seems particularly inappropriate. We should think twice about making friendly overtures when Soviet-armed Cuban soldiers are forcing the Angolan people to submit to a Communist government they want to have no part of; and when other Cuban soldiers are fighting in the Horn of Africa to procure for the Soviet Union a significant strategic advantage over the United States. It is not an appropriate moment, in other words, at a time when Cuba is devoting a large part of its resources to an armed war by proxy against the United States.

If Members of this body truly want to foster good will with the Cuban people, I submit that there are far more effective ways of doing it. They can speak out loudly and often for the release of the thousands of political prisoners decaying in Cuban jails, and call out for greater respect of human rights by the Castro Government. They can look beyond Cuban public relations' frills like the Grupo Moncada and try to understand the grim reality of today's Cuba. For the millions living under Castro's oppression, that would surely be far more meaningful.

Mr. President, nothing about this performance disturbs me more than the site at which it will be held. As this is not the time for such a meeting. I feel very strongly that a Senate room is not the place for it. Within these buildings we carry out our oath to uphold the interests of our country; thus it is totally inappropriate to host representatives of a government actively undermining American interests within those very buildings.

I understand, Mr. President, that this so-called Grupo Moncada was delayed in New York and the scheduled performance in the Dirksen Senate Office Building did not occur today. I would certainly hope that the Senate will take appropriate action to insure that it never occurs.

Members of the Senate cannot control the State Department's actions in granting visas to groups like the Grupo Moncada. But we can certainly prevent our official facilities from being used as a platform by groups such as these to propagate the myth of Cuba as a happy and flourishing paradise.●

FOREIGN POLICY AND FOREIGN RELATIONS

● Mr. SPARKMAN. Mr. President, each year since becoming Chairman of the Senate Foreign Relations Committee, I have come before this body to discuss the Nation's foreign policy and foreign relations; to look at where they have been, where they are and where they might be headed.

Political statements reflected in the media easily could lead one to believe otherwise, but in viewing the overall U.S. world position, I find the situation mildly encouraging. Although we have several specific and very serious foreign policy problems, our foreign relations with the world in general are good. Taking the broad overview, I sense a feeling of confidence, optimism, and even enthusiasm about solving those outstanding policy problems.

The Mideast is not on the brink of war. Africa is in a state of flux, and though there are gravely disturbing tendencies on the continent, none directly affect the security of the United States today. Relations with the Soviets, China and the rest of the socialist world have been much worse in the past. Our relationship with the Kremlin is better than coldly civil, and there are indications our relationship with Peking is slowly warming.

Economic matters are the main points of friction between the United States, Japan, Europe, and the Third World. This is much less ominous in the short term than direct threats to our national security.

At home, in almost every nook and cranny of America, our citizens are more concerned with economics and local problems than the state of the United States of America vis-a-vis other nations.

Today, the deep wounds of the Watergate/Vietnam era are healing smoothly. The Bicentennial celebration, along with a lack of serious international strife directly affecting the United States, has contributed to a reaffirmation of our faith in ourselves and our Nation. Surveys actually show that confidence in our institutions is up strongly and there is less cynicism and suspicion among the electorate, particularly the young, than just 40 months ago.

LIMITS AND LIGHT

We have a President who, possibly to his chagrin, has rapidly learned the awesome leverage and the frustrating limits of the military, technological, commercial and diplomatic powers of the United States. At the same time, he has rekindled the torch that for two centuries has guided the way for America's impressive influence in the world: Our dedication to those truely revolutionary concepts that the individual should have rights, that the individual should have clearly stated and broad freedoms and that the individual should have control over his or her pursuit of happiness.

I do not mean to be a Pollyanna. There are numerous areas in the world where trouble could disrupt this view, and I will discuss some of them.

NO IMMINENT CRISIS IN DANGEROUS WORLD

Recent public arguments, however, just do not face the underlying fact of international life for the United States today, which is that neither at home nor abroad is there a deep and imminent crisis which mortally threatens our national security.

After many years, we have stepped back from the precipice, and now it is time to look at the world as it is now constituted and plan for the future on a rational basis. The world of today, I might add, is much different than that of the postwar cold-war era. It is much different than during the Vietnam war, it is much more complex and much more dangerous in many ways.

Since 1950 the placecards for 69 new nations have been set on international conference tables. A new generation of leaders, many of them young, confident, sophisticated, and well schooled in the arts of governing and the importance of technology have filled their assigned chairs. The dark cloud of nuclear proliferation has spread across the continents. Conventional weaponry of unbelievable killing power has entered and poisons the international body politic. Communications advances have dramatically brought much of international relations from behind the dark screen of diplomacy out onto the bright television screen at dinnertime.

While military power remains a yardstick of national security and strength for most countries, economic power in the eyes of many leaders is within inches of being equally important.

Unfortunately, as these new developments have entered the litany of international relationships, traditional problems stay with us.

EUROPE

Eastern Europe, for instance, diverse and divided as it is, still remains under the domination, for the most part, of the Soviet Union, which apparently continues to build an ever-stronger military establishment at home and stationed in those nations behind the somewhat rusting Iron Curtain.

While we should continue to express our indignation at the repression of human rights in the Soviet sphere's nations, there are other pressing concerns. How can we mutually reduce the East's and West's military machines in Europe and, as they are reduced, maintain the appropriate NATO strength vis-a-vis the Warsaw Pact? The increasing expenditure of scarce financial resources to maintain these massive military machines has been a significant factor in the unbalanced and sputtering economic malaise that has afflicted all of Europe.

Overall, however, our relations with East and West Europe are proceeding reasonably well. From our point of view, the advances toward democracy in Portugal, Spain, and Greece are encouraging and should be nurtured.

One lost-festering and dangerous division within NATO, the Greece-Turkey disagreements over Cyprus and the Aegean Sea, has taken what one hopes to be a turn toward resolution with the statements by leaders in both countries that they intend to solve their dispute without the need for greatly increased external pressure. This volatile situation must be watched closely since recent developments indicate the road to reconciliation may be rocky, indeed.

AFRICA

Africa is a continent replete with diplomatic contrasts. Military confrontations in the western Sahara, Chad, and also the Horn of Africa have opened old wounds. Once again African Arabs have been locked in battle with African blacks. This situation is further complicated by the changing tides in the Mideast quagmire, the disappointment felt by a number of sub-Sahara African governments once it became obvious that increased petroleum prices would not be followed by significantly increased aid from the oil-rich Arab states and a new activist U.S. policy toward Africa.

These factors have begun to change the complexion of African nations' voting patterns in international organizations where their votes often can determine the outcome. Pivotal African votes are beginning to be somewhat less tied to radical national ideologies and more tied to economic self interests and broader international issues. It is in our own self interest to pay attention to Africa. It is an area of increasing diplomatic importance. Militarily, however, it is an area where we should not get involved directly.

Black Africans continue to express a single-minded opposition to apartheid in South Africa, and they support the concept of majority rule in all southern Africa, including Rhodesia/Zimbabwe, South-West Africa/Namibia, and South Africa itself.

Change in southern Africa is inevitable. It is fueled by the push of history. The U.S. policy to encourage peaceful change which will result in economically strong nations devoted to full freedoms for all people living in the area is appropriate.

One of the more interesting factors in southern Africa, all too often overlooked, is that independent Botswana, which borders the three nations mentioned above, is a thriving democracy based on a free and multiracial society. Botswana is a shining example of the theory that a peaceful solution of southern Africa's problems does exist.

I applaud President Carter's decision to visit Nigeria, which now is the most important oil-producing state in sub-Sahara Africa. Nigeria seeks slow but steady improvement in its relations with the United States and at the same time is moving back toward a freely elected government and return to civilian rule by 1979.

ASIA

In South Asia, the return of India to democratic rule is extremely encouraging as is similar movement in Sri Lanka.

Turning further east, our relations with China continue to be stable and no major change is foreseen in the immediate future as the new leadership in Peking concentrates on internal policies. I continue to believe that our long-term interest is to find a method of normalizing our relations with the People's Republic of China without harming the Republic of China on Taiwan.

Vietnam is another major nation that we must come to terms with. Our recent experience there has, of course, been unfortunate. President Carter has said he will be willing to negotiate with Hanoi if it will act in good faith on the problem of accounting for MIA's and the return of all known MIA bodies. Thus, I would urge the Socialist Republic of Vietnam to cooperate fully on the MIA issue and resolve this impasse. Vietnam's insistent call for aid remains a problem that, I am confident, is solvable if the MIA issue and a political understanding are settled first.

While battles between the Cambodians and Vietnamese are serious incidents that must be closely watched, the most pressing military situation for the United States in Asia is the 25-year-old problem on the Korean peninsula.

Although relations with South Korea during this past year were traumatized by allegations of human rights violations and the on-going Tongsun Park investigation, it is vital that our two nations remain close allies and that South Korea remain militarily and economically strong. I can understand the administration's logic in wanting to reduce the U.S. military presence in Korea, but I believe we must be very careful about pulling out troops and the timing and conduct of any reductions. I applaud President Carter's recent decision to slow down his withdrawal plan.

The situation in neighboring Japan also must be carefully considered. Japan, the industrial giant of the East, is at one time our keen commercial contender and our closest Pacific partner. To a large extent, we are as interdependent as veins and arteries. The economic connection is the heart of our relationship. A strong, secure, healthy, and cooperative Japan is one key to our mutual economic strength as well as a major factor in the world's economic structure. Therefore, the moves by our chief trade negotiator Robert Strauss and by Premier Fukuda's cabinet to begin to rationalize the trade relationship, grossly imbalanced in favor of Japan, indicates to me that strength will be maintained on both sides of the Pacific. It will not be easy. Both nations are burdened with high domestic unemployment and slow industrial growth related, in part, to the rather weak recovery from the recession/inflation anomoly of the early 1970's.

Yet, both nations are fortunate that the man in the middle of these negotiations, former Senate Majority Mike Mansfield, has an abundance of the requisite political skills and sensitivities to ease us through this troubled period.

PANAMA AND CUBA

Clearly, the two most significant outstanding issues in the Western Hemisphere are the resolution of the Panama treaties question and our relations with Cuba.

The long, thorough, and useful debate on the Panama Canal treaties culminated in the historic final Senate vote on Tuesday, April 18, in which a 23-year process was set in motion which eventually will place the direct control of the vital Canal in the hands of the Panamanians with adequate assurances that the waterway will continue to remain open for the United States and all nations to use.

The final outcome of this effort, of course, will not be known for many years. Yet, the Senate with its affirmative vote has at least set the stage for an improvement in our relations with Latin America and all the developing nations which looked upon the U.S. relationship with Panama as being a carryover from an earlier era which, in their view, was not necessarily savory.

Now that the Panama question is out of the way, we must turn our attention to Cuba.

The Organization of American States has, in effect, lifted its embargo against trading with Cuba. During the last Congress, some small steps were attempted which would have lifted a portion of the U.S. embargo. These failed. In the past few months, Fidel Castro has, almost weekly it seems, been entertaining delegations from the United States, and there now are operating so-called special interests sections in each nation's capital which are a low-level of diplomatic interchange.

As these tentative moves were made, however, Cuba literally poured thousands of troops into several African nations. Reportedly, one-quarter of Cuba's army is camped on African soil. The Cuban military are the primary reason the Angolan regime of Augistino Neto has been able to stay in power in the face of a sometimes violent civil war. Other Cuban troops supported Ethiopia in its battles with Somalia. The Soviets have been playing a mischievous role in these troop movements, both encouraging them as a destabilizing effort to reach their own African ends and simultaneously financing the Cubans. I should note here, however, that the troops were willingly sent by Cuba after the nations involved asked for them.

So Cuba's African connection is the most obvious stumbling block to renewing full U.S. relations. In the background, but still important, is the outstanding question of U.S. expropriation claims for property nationalized by the Castro Government shortly after it came to power in 1959.

It is my hope that these issues which divide us can be resolved. "If we can have relatively normal relations with the gargantuan Soviet Union 5,000 miles away, why can't we have similar relations with a liliputian nation only 90 miles off our coast?" is a question that has become a cliche. Yet, it is more relevant today than ever. Only through some measure of normalization can we hope to have any real influence on what Cuba does in Africa, or anywhere else for that matter. The question is like the chicken-and-egg—which comes first—normalization or influence?

THE SOVIET UNION

Our relations with the Soviet Union range from delicate to normal, to strained to blustery to magnaminous to hard-nosed. They zig and zag and are up or down, depending on the matter being discussed and the viewpoint of the person doing the discussing. Soviet policy toward the United States is almost a mirror image, up and down, zigging and zagging. At the moment, unfortunately the image is blurred and many of the doomsayers are predicting that this blurring is the beginning of another period when frictions will increase, tensions will rise cold war rhetoric will fire new fears. We undoubtedly do have serious disagreements with the Soviets over new issues, such as human rights, old issues as the conflicting claims of world domination and arms questions.

These disagreements are a dangerous problem for us and for the world. The Soviet Union is the only nation that poses a viable physical threat to U.S. national security. A dramatic heating-up of the cold war when unforeseen events in the Mideast, Africa, Europe, and China could push us back toward the bring of confrontation is what the more

pessimistic commentators tell us is over the horizon. They also fear what appears to be a dramatic increase in Soviet military strength and adventurism through the use of Cuban troops as their surrogates in Africa.

I hope that some of the current hardening of positions means that the two nations are getting closer to a SALT treaty and that the posturing on non-SALT issues is in large part the beginning of an attempt to sell the treaty on both sides of the Atlantic; that it is an attempt to show the bargaining was hard and each side was strong.

We must remember that in the past year, all problems that have arisen between the two nations notwithstanding, compared to earlier troublesome periods we have been able to get along reasonably well. Certainly the environment has been much different than that of the 1950's and 1960's. Here is another example of our foreign policies being more in conflict than our relations.

It is surprising to me that the need for an agreement limiting strategic nuclear arms is not universally recognized. Maybe the fact that our homeland, with the exception of Pearl Harbor, has been spared the devastation caused by both world wars makes us more complacent about the prospect of strategic warfare. One question asked frequently by some observers is: "Why do we need or want a SALT agreement?" Remembering past years of unchallenged nuclear superiority, some feel that the United States could and should reestablish its former nuclear preeminence. Others doubt the need for regulation of the strategic balance in an agreement when both sides already have more than ample nuclear power to inflict unacceptable damage on each other—a war with no winners. Still others believe that it is unwise to negotiate with our strongest potential enemy on a matter so vital to our national security.

Negotiations to limit strategic arms became possible only when both sides possessed rough equivalence in nuclear weaponry. A real or perceived weakness would be seen as translating into unequal bargaining power and, in turn, an inequitable and therefore undesirable agreement. Thus, were the United States to devote its vast and superior technical resources to recapturing its nuclear superiority, it would merely initiate a new phase of the arms race, spurring the Soviet Union to match us weapon for weapon. We simply cannot escape the fact that neither the United States nor the Soviet Union would permit the other to gain nuclear superiority, irrespective of the overwhelming size of its own stockpile.

In the nuclear world of the superpowers, enough is never considered enough, if the other side has more.

Thus, we are left with two prominent alternatives. We can engage in an indefinite arms competition producing additional and more destructive weapons or we can seek to halt the competition and to begin the process of gradual reduction of the strategic arsenals through negotiations leading to an equitable and adequately verifiable agreement: Equitable to both sides if the agreement is to endure, adequately verifiable to enhance confidence that the agreement is being observed.

True, a SALT agreement is an agreement with a potential adversary, and we must not view it as the path to everlasting peace, but rather as a means of creating a stable strategic balance so as to lessen the risk of a nuclear war which might destroy mankind.

TEST BAN

A comprehensive test ban could serve to reinforce our efforts to achieve strategic arms limitation. In addition, a comprehensive ban on nuclear weapons explosions would fulfill a pledge made on numerous occasions to our nations of the world. It would reinforce the efforts to halt the spread of nuclear weapons to still more nations.

This point was made strongly by India's Prime Minister Morarji Desai following extensive talks with President Carter. Prime Minister Desai suggested that the nuclear weapon states should agree upon "a treaty to ban all tests. Only then they would have the moral right to ask other nations not to go in for any tests."

The atmosphere surrounding U.S. and Soviet relations, for all its problems, in 1978 looks to be considerably brighter than that of 1948 when we faced the Berlin crisis or 1962 the Cuban Missile crisis or 1967 and 1973 when war in the Mideast threatened to spread.

HUMAN RIGHTS

No discussion of our relations with the Soviet Union would be complete without reflection on President Carter's overall human rights policies. Our actions in Congress regarding the rights of citizens in all the socialist bloc predate Mr. Carter's election by many years. But the current policy of speaking out, buttressed by the declarations contained in the Helsinki accords, adds a new and controversial dimension to the topic. I have criticized some of the administration's actions and approved others over the past year. The policy was conceived and implemented hastily and mistakes were made. The administration was charting new trails. But maybe more by happenstance than by planning, over the months a rationality has shaped the policy: Be strong where you can be effective and be cautious where strength can be counter-productive. That means an uneven application of pressure on friend and foe. It is a classic case of using pragmatism to attain desired ends.

Frankly, I disagre with those who believe that we should apply the same standards to everyone. We cannot. It would not work. We must remember that the policy is aimed more at helping those who can be helped abroad than proving our own moral rectitude or flexing bloated muscle.

There have been successes in some eastern European nations, in some Latin American nations, in some Asian nations. Quite importantly, human rights has become a topic firmly etched into the international agenda. There are abominations which have been untouched: Thousands massacred in Uganda, thousands more in Cambodia, to name only two. But for those thousands of others who still would be repressed, there is new life and new hope. That, I contend, is a sign of success.

MIDEAST

At this point, I do not have a great deal to say about the Middle East situation, except that here too I see the possibility that optimistic leanings can overcome pessimistic fears.

President Anwar Sadat's peace initiative was imaginative and much needed. As in the past, today I praise his effort. The Israelis and the Egyptians now have an opening which did not exist before to eventually bring real peace to the area. But, it is apparent that both sides must give more and immediate peace is but a dream. There are too many other players on the Mideastern stage. I believe an evenhanded "facilitator" role is appropriate for the United States.

In summary, from the perspective I have outlined, it is obvious that the United States faces serious current foreign policy decisions. They will affect the way our foreign relations will evolve during the next decade or two. They are important. There are wide differences of opinion on how they should be resolved. The healthy debate that has followed from these differences, at first glance, makes it look as if our foreign relations are in trouble. That is where I see things from another angle. I sincerely believe our foreign relations are good. We can call, write and travel to—and can trade or otherwise deal with—virtually any nation in the world on a rational and mature basis. No nation today directly threatens the very fiber of our society.

So now I would like to change from discussing the topics that are choice items on headline writers' front page menus to items that are not as newsworthy, but are crucial to maintaining good future foreign relations.

CONSULTATION

One significant unreported story is the changing tenor of the process by which the executive branch consults with the legislative branch of Government.

Since the Carter administration came to town, the foreign policy consultation process has worked well, with only a few glaring exceptions. One was the unexpected inclusion of the Soviet Union in the Mideast negotiating process before the Sadat visit to the Knesset.

In my opinion, the Carter administration has made a determined effort to keep the Congress informed of movement on important policy issues. Often this has occurred very early in the policy formulation stage. These actions are as they should be because the Constitution mandates the Senate have a strong advice and consent role in policy creation.

That said, it also is important to clearly state that Congress is not mandated a role in making foreign policy, although there have been obvious times when it has assumed such a mandate, and rightly so in most instances. But, Congress, as I have so often noted, is mandated to help the President "shape" foreign policy by working in partner-

ship with the President. By that I do not mean that Congress or the President should just "bow down." There must be comity between the two branches.

The old saying about "he who does not read history is forced to repeat it" must be kept in mind by the Carter administration in its consultation with Congress on the SALT question. Although many in Congress may disagree with one or more aspects of the issue, none of us wants to see a change such as a lack of consultation with the Senate become a focal point for the debate on a SALT treaty. Let the debate take place on the issues—after the Senate has made its input during the negotiating process.

In my over 40 years of experience in foreign relations matters on Capital Hill, I have become a firm believer that good foreign policy is not usually possible when each branch competes for headlines at the expense of the other. When the consultation process works right, there are fewer headlines since major confrontations are avoided. Differences of opinion, of which there are many in foreign policy, are ironed out or at least an understanding is reached. In this atmosphere neither branch is co-opted, each performs its constitutional responsibility.

The activities of the Foreign Relations Committee are a case in point. Last year the committee reorganized, creating a stronger subcommittee structure so that more issues could be examined in keeping with the increased complexity of the times. The committee and the subcommittees held 147 open and 50 closed hearings and briefings during the year, an average of 1.1 meetings per day of Congress actually sitting in session. The topics ranged from arms control to Zimbabwe to AID.

CONGRESSIONAL INVOLVEMENT

I am particularly pleased with the new approach in general, but in reviewing the activities of the committee, I am troubled by a trend that has not been adequately recognized as a potential danger. Congress, as a body, is becoming too involved in the daily decisionmaking process. This is at the expense of its constitutional role of shaping long-term national policy which has the backing of the electorate. The reason for being so absorbed in the day-to-day policy process is understandable. It is an inevitable reaction to past abuses by the executive branch and neglect by previous Congresses.

Yet, in this period of international transition, the United States and the world will be faced with new and, as yet, ill-defined issues of great importance.

Congress should spend more time taking a long view of history—charting national policy for the long pull—than dealing with administrative nuts and bolts. Too much time is devoted to determining how much relief aid or missiles should be allocated to this country or that and not enough time to writing a coherent policy for assistance to the needy or a statute which clearly spells out a national arms sale policy. Unfortunately, there is not nearly as much political sex appeal or media attention in looking into the future as there is in conflict over specific short-term projects. Too often, our workload tends to reflect the subject matter of current headlines.

BASIC QUESTIONS MAY NOT BE ASKED

I fear that many basic questions that must be asked and answered will not be addressed seriously because they cannot command mass attention—even though they will directly affect our future and our children's future.

These questions, in fact, should be aired not only in Congress, they should be the topic of a full well-structured national discussion that will bring forth ideas of the executive branch, academia, the business, social, political, civic communities, public and private schools, minorities, women—the full breadth of American society. The discussions should take place in the home, school, church, public and private meetings. The views of other nations and peoples should be sought publicly inasmuch as a world with direct dialing to scores of countries, instant communications through transistor radios and satellites and daily Concorde flights is really a very small place indeed.

Here are a few of the broad topics and several specific questions:

TRADE

One. Domestic issues have international ramifications. International issues have domestic fallout. This is no more true than in the economic arena where floating, sinking, rising, bobbing and weaving currencies affect the price of the goods we sell and buy, the price of brads, bread and boards. There is a limit to the number of protective fences we can throw up around our borders to keep out goods and services that undersell those produced at home. Eventually, with overprotection, other nations will react and erect so many counterprotective barriers against our goods that we will be in worse shape than before.

How much protection is enough?

Do we really believe in the free marketplace as we so often preach?

What, in short, should our trade policy be?

These are pocketbook questions that are felt by us all, yet most of the discussion of these topics has not included most of the people. I believe it is possible to bring these complicated questions to life, giving the background clearly so that an intelligent and interesting national discussion can help the Nation as a whole shape policy.

AID

Two. The developing or poorer nations have proclaimed that one of their priority projects is to bring about a new world economic order. There have been endless demands, proposals, counterdemands, counterproposals and some stopgap actions. Over the last 24 months or so it has become clear that "new world economic order" is a code phrase for the transfer of technology, scientific and business information, plus economic muscle from the rich nations to the poor. In other words, the developing nations want "to get a piece of the action." The prevailing logic of the rich nations has been to gradually expand the present economic system to include the poor nations, but to be very careful about wholesale transfer of technology, information and economic muscle.

Frankly, I have been leery about tinkering with the economic system. It already is overloaded and strained. Yet, while I believe it is vital for us to protect our current interests, at the same time, I worry about the future. The poor nations have basic resources we so often need to build the products our technology has created. Also, it is the poor nations that can, under the right circumstances, become the new markets we need to maintain our trade and our economic strength. But, if they are poor, they cannot buy from us. If we do not have new markets, we cannot, or would not, buy the raw materials the poorer nations have to offer. It is another chicken-and-egg situation.

There were many reasons for the Marshall plan after World War II. One was to rebuild the European markets for our products, and the Marshall plan worked well in that regard. I do not believe all the advantages and disadvantages of helping developing nations increase or stabilize the prices of their commodities, as many wish, have been thoroughly enough discussed. I know they have not been the topic of widespread public debate.

Would such moves mean investing in future markets which could help us in the long run, or would these plans not be in our interests?

Has the time come for something akin to the Marshall plan for some or all poor nations?

ARMS

Three. In another area, the United States and the Soviet Union are the Hertz and Avis of the arms trade. Partially, this results from the smaller nations following the larger powers' definition of national security in terms of military muscle. The developing nations purchase of both crude and sophisticated weapons have helped employment in the United States, softened our balance of payments deficit, lowered the unit cost of some armaments purchased by the Department of Defense for U.S. security purposes and have made us a few friends abroad. On the other hand, the world's potential for wars has greatly increased, which could affect our future security. So, there are obvious pluses and minuses in the arms trade.

I wonder, however, if the time has not come for us to take a new look at what the arms trade means to the national security of the United States, for other major powers and smaller nations.

Fourth. An administration study claims:

> If present trends in world hunger, population growth, environmental degradation, energy shortages, resource depletion, nuclear weapons proliferation and armed conflict continue unabated, the world by the end of this century could become increasingly unstable, suffer economic stagnation and be a much more dangerous place in which to live.

An argument is being made by many observers, muted as far as the public is concerned, that the erosion of oil re-

serves, the slow but apparently steady crumbling of certain biological and environmental systems that support life on Earth and an ever-increasing population is leading to a global insecurity about future food availability, inflation and even greater unemployment. In a series of hearings conducted by the Foreign Relations Committee on future policy and in a declassified CIA report, we learned, for instance, that minor fluctuations in weather over a period of time could lead to food pressures which, in turn, could lead to war.

We are as interdependent ecologically as we are economicaly. If the international monetary system is harmfully skewed through actions ranging from bad policy to terrorist activities, individual and national security will be threatened. If the international ecological system is degraded past some unknown critical point, by bad policy or terrorist activities, civilization as we know it could be radically and degeneratively altered.

Now, I don't believe we can eliminate the military concept of national security. It is relevant and it is much discussed. Unfortunately, in a world where might all too often is the only justification for right, it cannot be ignored. But we as a people must realize that the world has changed much more than most of us have been aware. And a new definition of national security is needed.

President Carter, for instance, is right. There is an energy crisis, and it is not just the skyrocketing price of oil. We have not prepared for the 15 or so years hence when the downturn is projected for worldwide petroleum production.

WAR AND PEACE

This background sets the stage for a series of important unanswered questions:

If it is not possible to separate the international spread of nuclear power for peaceful purposes from the spread of weapons grade nuclear materials, what are the trade-offs in our efforts to control proliferation? Is our policy the most prudent, forcing a search for other renewable energy sources, or are we sowing the seeds of a future energy famine?

What do the people of the world really want from their lives?

Is it possible that the huge outpourings of emotion that showed deep flowing desires for peace on the part of the Egyptians and the Israelis after Sadat's brave initiative for peace can be translated to other areas of conflict?

Are we at a stage in civilization's progress where the glories of war have lost their glamor or are we not yet there?

What do U.S. citizens want? Are we willing to sacrifice for the future or is today's security more important?

What should be the major negotiations of the next decade? What major initiatives might we take or should we encourage others to take? What new concepts in international relations should be brought into the spotlight?

We need imagination, leadership and innovative thinking if the public at large is to be included in discussions of these and other questions which would have a profound effect on policies which may radically change our lives. There are many ways this effort could be mounted; I would like to suggest a few:

ADMINISTRATION AGENDA

The administration could develop and make public—

First. A list of the world's major problems as seen from the U.S. perspective.

Second. A list of the major issues outstanding between the United States and the nations with whom we deal—where we disagree and where there seems to be movement toward agreement.

Third. A projection of what today's and tomorrow's leaders in those nations might be expected to think about the issues.

Fourth. An outline of a comprehensive foreign policy for the next decade, which could be a framework for public discussion.

CONGRESSIONAL AGENDA

Next year the Congress might convene an ad hoc group of interested Members and staff to coordinate a series of hearings in the appropriate committees, or a combining of committees for specific hearings which cross jurisdictions. These hearings could be scheduled so they do not conflict with each other. Their theme could be centered on these questions:

First. What should be the overall goals of U.S. foreign policy as seen from the United States and abroad? Should we strive to make the world safe for democracy, for diversity or for both?

Second. How should we translate these goals into understandable concepts which would be accepted by the U.S. public and those abroad?

Third. How should the U.S. Government, in an era of rapid and dramatic domestic and international change, be organized to reach U.S. foreign policy goals?

Fourth. How should international institutions be organized in a new electronic environment where information and images instantaneously can hurtle through the ether into TV screen and radio loudspeakers in 150 nations simultaneously, exciting the minds and the stomachs of the needy and the needed? This speed is counterweighted by the glacial slowness of traditional governments, locked in bureaucratic processes and mentalities of the bygone days, slowing progress and betraying the people they should represent.

I strongly believe that the time has come when we must again step back and ask the very basic questions about ourselves, our Nation, our world and what we, as a country, should be doing to make our lives, our Nation, and our world better.

This is my current view of the Nation's foreign policy and foreign relations, where they have been, where they are, and where they might be headed.●

A VICTORY FOR THE AMERICAN CATTLEMAN AND THE AMERICAN CONSUMER

Mr. BENTSEN. Mr. President, last Friday the Senate passed my beef import bill, H.R. 5052, which will correct the serious inequities in the Meat Import Act of 1964 which have been detrimental to the American consumer, the cattlemen, and importers.

The Senate action represents a significant victory for ranchers and consumers throughout the Nation. I urge the House of Representatives to approve this bill immediately.

Mr. President, I would like to briefly describe the background to this important legislation.

On April 19, the Senate Finance Committee, by a vote of 13 to 1, approved my original bill S. 2895 with some modifications and ordered the bill reported as H.R. 5052. The fact that a substantial number of Senators of both parties, representing a full spectrum of philosophical approaches to international trade and consumer issues, voted for the bill clearly demonstrates that the Senate's countercyclical beef import formula is a balanced proposal which will protect the interests of consumers, importers, and cattlemen.

The American housewife has been faced with cyclical beef prices over recent years, particularly for hamburger meat. Our bill will help moderate this "roller coaster" effect and in the future would help prevent the sharp upswings in beef prices that we are now experiencing. This is of particular importance to lower and middle income families.

Greater stability in the beef market will result in lower prices to consumers over the long run, a sure, reasonable market for imports, and a fair rate of return to ranchers.

The Nation's leading livestock economists—from Cornell University, Oregon State, Purdue, Iowa State, and Texas A. & M.—have stated that this bill is pro-consumer and anti-inflationary. For example, estimates of the western livestock information project indicate that for 1979 the adjusted base quota for beef imports under our formula may be as much as 28 percent greater than the adjusted base quota under existing law. Prof. Herrel de Graff of Cornell University in Ithaca, N.Y., states:

> The countercyclical proposal of H.R. 5052 will definitely work in the short-run interests of the cattle producer and in both the short-run and long-run interests of the consumers.

Mr. President, S. 2895 has 27 cosponsors from all sections of the Nation. Democratic cosponsors include Senators McGOVERN, STONE, CHILES, ZORINSKY, BURDICK, PAUL HATFIELD, ANDERSON, CHURCH, MATSUNAGA, FORD, GRAVEL, DeCONCINI, ALLEN, CLARK, STENNIS, and HART. Republican cosponsors include Senators CURTIS, HANSEN, DOLE, WALLOP, TOWER, BARTLETT, YOUNG, LAXALT, McCLURE, HELMS, and DANFORTH.

Mr. President, H.R. 5052, will add stability to the domestic cattle market and assure the U.S. consumer high quality beef at reasonable prices. The proposal was formulated as a result of extensive testimony received at the February 27 Senate Finance Committee hearings on this issue.

Under the formula in present law, beef imports are increased as domestic cattle production increases and beef imports

are decreased as domestic production decreases. This is a completely counterproductive approach which contributes to an extremely unstable cattle market with consumers periodically paying very high beef prices. The existing formula is detrimental to both cattlemen and consumers.

This bill will help moderate the boom and bust cycle in the cattle industry by allowing increased imports during periods of high prices and reducing imports during periods of depressed prices. This countercyclical control of imports will add stability to cattle prices and will help prevent inflationary beef prices during periods of domestic beef shortages.

I do not believe that anyone can question the fact that the domestic beef industry as a whole has been seriously hurt in the past several years. Imported frozen boneless beef has been allowed to capture 15 to 20 percent of the total U.S. processed beef supply during a period of liquidation in our domestic market. This it not fair to our domestic producers and it is not fair to our consumers who will pay for liquidation of U.S. cattle in skyrocketing prices in future months.

Tens of thousands of cattlemen and feedlot operators went bankrupt during the last several years during periods of rising beef imports. Some ranchers bought cow-calves at $400 a head and were forced to sell at $125 a head. There were instances where cattlemen lost $20,000 on just 200 cows. Bankrupt ranchers were forced to break leases, sell used equipment and were in debt for prepaid feed.

The International Trade Commission has stated:

> Virtually all parties to the investigation agreed that cattlemen have been in financial difficulty in recent years as costs have increased, herds have been liquidated, and beef and veal have been in oversupply. (November, 1977 Report, page x).

We must reduce the historical cyclical fluctuations in cattle production and prices. A countercyclical formula will help stabilize profits to ranchers at levels that are reasonable for consumers. In particular, this approach will help moderate beef prices for the American housewife at times of domestic beef shortages.

Mr. President, even a small increase in imports can have a very negative effect on cattlemen during periods of overproduction. This is particularly true of smaller cattlemen. Added stability in the cattle industry would be particularly beneficial to smaller, family-owned farms and ranches, which are less able to withstand the upswings and downswings of the cattle cycle than larger corporate operations with ready access to financial markets. Many cattlemen have been caught in a cost-price squeeze and have been victimized by serious drought. This has led to bankruptcy for smaller ranchers.

Added stability in the cattle sector would provide an economic climate to encourage investment in cost-reducing technology, improvements in productivity, better breeding stock, pasture improvements, better machinery and equipment, and better veterinary programs.

Under this legislation, all forms of beef and veal would be subject to a countercyclical beef import formula which is based on per capita supplies of domestic cow beef. The new quota for unprocessed beef would be computed as follows: the adjusted base quota as calculated under the 1964 meat import law would simply be multiplied by a new fraction based on per capita commercial cow beef production. The numerator of this new fraction would be a 10-year moving average of per capita domestic commercial cow beef production. The base period is the 10-year period prior to the year under consideration. The denominator of this new fraction would be the average of 2-year per capita cow beef production. It includes the year previous to and an estimate of the year under consideration.

Mr. President, at this point in the RECORD I ask unanimous consent to insert several tables illustrating how the committee's formula would work for both unprocessed and processed beef.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

QUOTAS UNDER H.R. 5052 FOR UNPROCESSED CATTLE, GOATS AND SHEEP

$$A = 725.4\left(\frac{B}{C}\right)\left(\frac{D}{E}\right)$$

Annual quota for imports of fresh, chilled and frozen beef = (725.4 million) × [Average domestic commercial production of fresh, chilled and frozen beef in the calendar year and 2 previous years ÷ Average domestic commercial production during 1959–63] × [Average annual per capita supply of domestic commercial cow beef during the 10 calendar years preceding such calendar year ÷ Average annual per capita supply of domestic commercial cow beef in that calendar year (as estimated) and the preceding calendar year]

Quota computed under existing law | Countercyclical adjustment added by H.R. 5052

QUOTAS UNDER H.R. 5052 FOR PROCESSED BEEF AND VEAL

$$A = \text{base}\left(\frac{B}{C}\right)\left(\frac{D}{E}\right)$$

Annual quota for processed beef and veal = (Average annual imports of processed beef and veal during 1973 through 1977) × [Average annual domestic commercial production of beef and veal in that calendar year and 2 previous years ÷ Average annual domestic commercial production of beef and veal during the years 1973 through 1977] × [Average annual per capita supply of domestic commercial cow beef during the 10 calendar years preceding such calendar year ÷ Average annual per capita supply of domestic commercial cow beef in that calendar year (as estimated) and the preceding year]

Base | Regular adjustment | Countercyclical adjustment

Mr. BENTSEN. Currently, imports of unprocessed beef and veal are limited under the Meat Import Act of 1964. The President must impose quotas for a calendar year when annual imports for that year are estimated to be 10 percent more than a base quantity which is increased when domestic beef and veal production increases and decreased when production declines. The quota is this adjusted base quantity.

The President may suspend a quota or increase the quota above the quota level if the President determines: First, overriding economic or national security interests require the action; second, supplies of beef and veal will not meet domestic demand at reasonable prices; or third, trade agreements have been entered into which assure the policy of the act will be carried out.

The Finance Committee agreed to modify present law as follows:

First. Unprocessed beef and veal. The present quantity under the Meat Import Act would be further adjusted by a countercyclical factor: The ratio of average annual per capita commercial cow beef production during the 10 years preceding the current quota year to estimated average annual per capital commercial cow beef production during the current quota year and preceding year.

Second. Processed beef. A new quota for processed beef would be imposed. It would be equal to the average annual imports during 1973 through 1977, adjusted in the same manner as is the base quantity for unprocessed beef under present law, and then further adjusted by the same countercyclical factor as for unprocessed beef.

Third. Imposition of quotas. The President would be required to impose quotas on imports of unprocessed beef and veal or processed beef and veal, respectively, in any case where estimated annual imports of that type of beef and veal are more than 10 percent above the estimated countercyclical quota amounts. The President could suspend or increase

quotas only if he declares a national emergency under the National Emergencies Act of 1976 and determines the suspension or increase is necessary for national security, or he determines the quota amount is inadequate to meet domestic demand at reasonable prices as a result of natural disaster.

Fourth. Six-month limit. No more than 54 percent of the annual quota amount could enter the United States during the first 6 months of the year or during the last 6 months of the calendar year.

In addition, the committee agreed to direct the Secretary of Agriculture to study the regional impact of imported processed and unprocessed beef and veal. The Secretary would report to Congress his findings and recommendations for avoiding disproportionate import effects within 1 year of the effective date of the act.

Some of the Nation's leading livestock and agricultural economists who believe that H.R. 5052 will help moderate inflation include:

Prof. Herrel de Graff, Cornell University, Ithaca, N.Y.;

Prof. Gene Futrell, Iowa State University, Ames, Iowa;

Prof. Donald Farris, Texas A. & M., College Station, Tex.;

Prof. David Petritz, Purdue University, West Lafayette, Ind.;

Prof. Ludwig Eisgruber, Oregon State University, Corvallis, Oreg.; and

James W. Riley, Rahway, N.J.

Mr. President, at this point in the RECORD I ask unanimous consent to insert a copy of the statements of these economists in support of this proconsumer and procattlemen legislation.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

STATEMENT OF ECONOMISTS IN SUPPORT OF H.R. 5052, BEEF IMPORT ACT OF 1978

GENE FUTRELL

(Professor of Economics, Iowa State University)

A countercyclical formula "would be a positive factor in controlling inflation in the U.S. economy . . . A countercyclical beef import quota would have definite anti-inflationary effects during periods of cyclically low domestic beef production."

DONALD E. FARRIS

(Professor of Agricultural Economics, Texas A. & M. University)

"The direct result of passage of this bill would be to automatically increase the Meat Import Quota when U.S. production of hamburger type beef is down. This potentially larger supply of beef imports would tend to hold beef prices down in periods of short domestic supply and not be inflationary."

DAVID PETRITZ

(Department of Agricultural Economics, Purdue University)

"The existing Meat Import Act, Public Law 88–482, could contribute to significantly higher beef prices over the next five years . . . the proposed countercyclical provision would alleviate the limitation on beef imports and allow an increase at a time when domestic production on a per capita basis will be the lowest in nearly ten years (100–110 pounds)."

HERRELL DE GRAFF

(Professor of Agricultural Economics, Cornell University School of Agriculture, Ithaca, New York)

The countercyclical proposal of H.R. 5052 will definitely work in the short-run interests of the cattle producer and in both the short-run and long-run interests of the consumer. The consumer might be pleased with the price depressing effects of short-run increases in imports but this would only work in the consumer interest for two or three years whereas if we want to rebuild cattle numbers and domestic beef production we should definitely protect the producer from the price depressing effects of short-run increases in imports. Beef is the number one food product in this country (in terms of consumer expenditures) and if we want continued abundant supplies of beef we must encourage our domestic cattle industry.

STATEMENT OF GENE FUTRELL

(Professor of Economics, Iowa State University)

The concept of a countercyclical adjustment in the U.S. beef and veal import quota is economically sound in my opinion. It would more nearly satisfy both producer and consumer objectives in this area, compared with present legislation and would be a positive factor in controlling inflation in the U.S. economy. It would greatly reduce the potential and need for administrative intervention to restrain or increase imports during periods of significant variation in domestic supplies. Such intervention in one form or another has been frequent under present legislation.

The present meat import law compounds the variability in beef supply over the period of the cattle or beef production cycle. Since import volume is tied directly to the volume of domestic output, oversupply problems are accentuated when domestic production is cyclically large; and relative shortages of beef are accentuated when domestic output is cyclically low.

An import formula that varied import volume inversely with the level of domestic production would add a degree of stability to beef supplies and to the beef industry. It would moderate the cyclical variations in total beef supply and in beef and cattle prices. The impact on the cattle industry would be beneficial through reducing the tendency to over-expand the basic herd following periods of comparatively small supplies and by tempering herd liquidation in response to depressed price and profit conditions in the industry.

The impact on consumers should also be highly positive. Although supplies and prices of beef would still reflect change in cattle numbers and domestic production, total supplies would show less variability over time. A countercyclical beef import quota would have definite anti-inflationary effects during periods of cyclically low domestic beef production. Upward pressure on prices of beef would be lessened, and this would impact upon all food and on total consumer expenditures. When domestic production was at a cyclically high level, beef supplies would likely be large enough to force prices moderately lower so that there would be no inflationary effect and with a price dampening impact more likely.

In my opinion, there are no compelling reasons to exclude processed, cooked and preserved meat items from the meat import law; modifications should be made to include these products in the quota formula.

ESTIMATES OF THE LEVEL OF THE MEAT IMPORT QUOTA UNDER A REVISED FORMULA IN 1979 AND 1980

(Donald E. Farris, Professor of Agricultural Economics, Texas A. & M.)

The beef import formula in H.R. 5052 would amend the Meat Import Act of 1964 to include a countercyclical import quota. Cow slaughter is used as an indicator of the specific stage of the cattle production cycle. The modified quota formula adjusts the current formula by a ratio of a ten-year moving average of per capita commercial cow production to the average of the current and the previous year's level of per capita cow production. The ten-year moving average approximates the length of the cattle cycle and introduces the cyclical aspects of domestic production into the quota formula. The two-year average updates the quota formula based on the current stage of the cattle cycle.

Our estimates using projected commercial cow slaughter provided by the Western Livestock Information Project indicate that the proposed formula revision would allow a significant increase in imports during the build up phase of the cattle cycle; an increase of 28 percent in 1979 followed by a 45 percent increase in 1980. The effect would be to hold down cattle price increases while U.S. production is low relative to earlier periods.

Consumers would benefit from prices which are expected to be lower than those expected under the present quota system. Cattle producers would gain in terms of price stability. Lower cattle prices during the build-up phase of the cattle cycle would tend to dampen the cycle and insure more stable U.S. production.

TABLE 1.—ESTIMATES OF THE ADJUSTMENT TO THE 1964 QUOTA FORMULA USING WESTERN LIVESTOCK MARKETING INFORMATION PROJECT PROJECTIONS OF COW SLAUGHTER

Year	Commercial cow slaughter (1,000 head)	Carcass weight (pounds)	Commercial cow beef production (million pounds)	Per capita cow beef production (pounds)	10-yr moving average (pounds)[1]	2-yr moving average (pounds)[2]	Adjustment factor
1976	10,619	487	5170.6	24.1	17.44	24.95	0.70
1977	9,864	495	4665.7	21.5	17.98	22.80	.79
1978	7,800	495	3861.0	17.7	18.43	19.60	.94
1979	5,000	495	2475.0	11.3	18.50	14.50	1.28
1980	6,000	495	2970.0	13.4	17.90	12.35	1.45

[1] For 1976 the 10-yr moving average covers 1966–75.
[2] For 1976 the 2-yr moving average covers 1975 and 1976.

Sources: Livestock and Meat Situation, USDA–ESCS LMS–220, April 1978, Edward Uvacek, Western Livestock Information, project, Texas A. & M. University, estimates dated Feb. 1, 1978.

STATEMENT OF PROF. DAVID PEIRITZ

(Department of Agricultural Economics, Purdue University, West Lafeyette, Indiana)

The existing Meat Import Act, Public Law 88-482, could contribute to significantly higher beef prices over the next five years.

The current law relates imports of fresh, frozen or chilled beef to domestic beef production during the previous two years and an estimate of current production. Existing law thus allows larger imports when domestic production is high and prices are low and restricts imports when production is low and prices are high.

Because of beef herd liquidation during the previous 3 years domestic beef production, particularly non-fed and cow beef, is likely to decline sharply during 1978 and the forthcoming 3 years. Under the formulation of Public Law 88-482 meat imports will be reduced until at least 1982. As a result, substantially higher beef prices may result because consumers will not be able to substitute lower priced imported lean beef in place of domestic beef. The effect will be particularly large on those who depend on ground and processed beef.

The proposed countercyclical provision would alleviate the limitation on beef imports and allow an increase at a time when domestic production on a per capita basis will be the lowest in nearly ten years (100-110 pounds).

Within a four year period per capita beef production is expected to decline by nearly 30 percent.

STATEMENT OF LUDWIG EISGRUBER

(Professor and Head of the Department of Agricultural and Resource Economics, Oregon State University, Corvallis, Oregon)

The legislation (HR 5052) currently being considered and relating to a counter-cyclical meat import law deserves the Senate's most positive consideration. Conceptually, this proposed legislation is far superior to the existing law, both from the point of view of the producer as well as the consumer. The existing law aggrevates the effects of the cattle cycle: It allows more imports when prices are already low—thus disadvantaging producers further; and it reduces imports when beef prices are high and thus raising prices higher—much to the disadvantage of the consumer. The proposed legislation would have the opposite effect, thus contributing to more stable beef prices over time.

The proposed legislation has one particularly desirable aspect from the point of view of the low to medium-income consumer, who is dependent upon reasonably priced hamburger. Since much of the imported beef falls in the hamburger category, and since the proposed legislation would permit more imports when domestic beef prices are high, the hamburger-oriented (low and medium income) consumer is expected to be the primary beneficiary of the modified import law, as hamburger prices can be expected to rise less than they would otherwise.

From a professional economist's point of view, the proposed legislation is innovative, and it is without question superior to existing import laws, both as they relate to meat as well as other commodities and products.

STATEMENT OF JAMES W. RILEY

(Merck & Co., Rahway, New Jersey)

A shift to a countercyclical base for determining beef imports would be beneficial to consumers and cattlemen alike. Currently, imports of beef tend to magnify the U.S. cattle cycle by declining as the U.S. beef herd is being expanded and relatively small amounts of beef are being marketed and increasing when the U.S. cattle herd is being reduced and relatively large amounts of beef are being marketed. In short, imports tend to reinforce instability in the market place of the cow cycle and heighten price movements for suppliers and consumers of beef.

The shift to a countercyclical base for beef imports would be deflationary generally and especially for the lower income folks who consume relatively large amounts of hamburger. As the U.S. cow herd is expanded, the price impact is very heavy on hamburger and lower price beef cuts because the cows kept for breeding would typically end up as hamburgers. If the beef imports would increase at this time, they would offset this impact (possibly even lower prices) because imports are mainly of the hamburger class. Similarly, as the U.S. cow herd is reduced, the increased amounts of beef coming to market are culled cows and increase the amount of hamburger. If the beef imports would be reduced at this time, their place would be taken by U.S. beef and, because of the general increase in availability of beef (as well as hamburger), the reduction of imports would not seriously impact prices. Overall, therefore, a countercyclical base for beef imports would lead to generally lower prices—again especially for hamburger—and moderate price movements over the cow cycle.

A word concerning the Senate Finance Committee's formula for beef imports. It is unlikely that any formula will fit any cow cycle perfectly—there are just too many variables. However, this formula does fit the general problem well and, for some reason it should fail in the future, adjustments to it could be made. The important point at this juncture is to eliminate the current method that highlights the cow cycle and tends to lead to higher prices for consumers and difficult cow management for cattlemen.

ADDITIONAL COSPONSORS

Mr. BENTSEN. Mr. President, I ask unanimous consent that the names of the Senator from Mississippi (Mr. STENNIS), the Senator from Colorado (Mr. HART), the Senator from Missouri (Mr. DANFORTH), and the Senator from North Carolina (Mr. HELMS) be added as cosponsors of S. 2895, a bill to amend the Meat Import Act of 1964, and the House bill which was finally amended and passed.

The PRESIDING OFFICER. Without objection, it is so ordered.

DEPARTMENT OF ENERGY REGULATIONS AND REGIONALISM

Mr. BENTSEN. Mr. President, I want to register my strong objection to any administrative action by the Department of Energy that would unfairly favor one region of the country at the expense of the rest of the Nation. What I am referring to is the report that DOE is preparing to propose changes in its entitlements program, which was set up to equalize costs of crude oil to refineries. This proposal will not help U.S. consumers as some people believe. It will only take from the pockets of one group of consumers and give to others, with the Nation as a whole no better off.

I have seen a copy of the draft proposed amendments to the entitlements program, and it is obvious that these amendments represent nothing more than administrative retreat in the face of the growing trend toward aggressive, assertive regionalism in this country. The Department of Energy is preparing to bow before the interests of the Northeast and New England, and will ask the rest of the country to pay the cost of meeting these demands. This may be politically expedient, but it is bad policy and it is inherently unfair.

The current entitlements program equalizes crude costs by forcing refineries using cheap domestic "old oil" to purchase entitlements currently valued at about $2.20. On the other hand, those refineries that have to use expensive imported oil receive entitlements or subsidies. In 1976, however, this complex program was made even more complicated by allowing a 30-percent entitlement for imports of foreign residual oil used primarily on the east coast. At the same time domestic refineries were penalized, through a halving of their entitlement rights, for making residual fuel oil for the east coast.

Now it appears the 30-percent subsidy we give importers of foreign residual fuel oil—an incentive to become more dependent on foreign refiners—is not enough. It seems the Northeast does not like paying utility bills any more than Texans do. So the 30-percent entitlement is to be raised to a full 100 percent.

Mr. President, there is only one way to finance this increased subsidy: by raising prices on other domestically refined products, like gasoline. Under the entitlements program what is given to one refinery and its customers must be paid by other refineries and their customers.

All customers will pay a part of this new subsidy, but a disproportionate share of the burden will fall on those consumers in States that are high per capita consumers of gasoline. Texas, due to the great distances that must be traveled by the average resident to do his work or shopping, ranks fourth in per capita gasoline use behind Wyoming, Nevada and New Mexico. Interestingly enough New York ranks 51st, New Jersey 42d, Massachusetts 47th, and Connecticut 43d. These are the same States that would stand to benefit from a change in the proposed entitlements program. This is regionalism in my book.

Mr. President, this proposal is especially disturbing in light of a number of the announced policies of this administration. One of the most important was the pledge to bring this country a fair energy policy—one that did not seek to favor one region of the country over another. I have supported and worked for this goal. However, I have been less than optimistic over the chances for success, especially as I considered the impact of the oil and gas user's tax, 37 percent of which would have been paid by Texans. Current proposals on entitlements now give me even less reason to be optimistic about an equitable energy policy.

The administration has also promised to simplify the rules and regulations that pour out of Washington at such an alarming rate. The entitlements program was an obvious candidate for elimination or simplification, since it is widely recognized as one of the most complex set of regulations ever established. This complexity makes it difficult to administer and almost impossible to follow. In fact,

one of the most attractive features of the crude oil equalization tax is that it would eliminate the entitlements program. But instead of elimination or simplification the administration will apparently propose to complicate even further the entitlements regulations.

Mr. President, the administration is committed to reducing our growing and alarming balance of payments deficit. The new Department of Energy has touted its dedication to this goal by working to lessen our dependence on foreign oil and imported crude products. Although we will differ on how that goal should be achieved, I would hope we could agree on one point: we should not make it easier to use imported oil. That was the premise behind the President's national energy plan and that premise will be sacrificed if the entitlements program is changed as reported.

Mr. President, I want to lower energy costs as much as anyone, but I believe we should work on this together, as a nation. The importance of solving our energy problems is growing more obvious every day, but so is the necessity of programs that will work for the whole country, not just one region.

TIME LIMITATION AGREEMENT—S. 2802, TRUTH IN LENDING SIMPLIFICATION AND REFORM ACT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at such time as Calendar Order No. 662, S. 2802, the truth in lending bill, is called up and made the pending business before the Senate there be a time agreement thereon as follows: 2 hours on the bill to be equally divided between Mr. PROXMIRE and Mr. BROOKE; 1 hour on any amendment in the first degree; 30 minutes on any amendment in the second degree, debatable motion or appeal; and 20 minutes on any point of order if such is submitted to the Senate for its consideration; and that the agreement be in the usual form.

The PRESIDING OFFICER. Without objection, it is so ordered.

The text of the agreement follows:

Ordered, That when the Senate proceeds to the consideration of S. 2802 (Order No. 662), a bill to amend the Truth in Lending Act to facilitate compliance by simplifying the requirements imposed under that act, to facilitate administrative enforcement of that act, and for other purposes, debate on any amendment in the first degree shall be limited to 1 hour, to be equally divided and controlled by the mover of such and the manager of the bill, debate on any amendment in the second degree, debatable motion, or appeal shall be limited to 30 minutes, to be equally divided and controlled by the mover of such and the manager of the bill, and debate on any point of order which is submitted or on which the Chair entertains debate shall be limited to 20 minutes, to be equally divided and controlled by the mover of such and the manager of the bill: *Provided*, That in the event the manager of the bill is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or his designee: *Provided further*, That no amendment that is not germane to the provisions of the said bill shall be received.

Ordered further, That on the question of final passage of the said bill, debate shall be limited to 2 hours, to be equally divided and controlled, respectively, by the Senator from Wisconsin (Mr. PROXMIRE) and the Senator from Massachusetts (Mr. BROOKE): *Provided*, That the said Senators, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, debatable motion, appeal, or point of order.

ORDER FOR RECESS UNTIL 9:30 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 9:30 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXTENSION OF AUTHORIZATION FOR THE FEDERAL ELECTION COMMISSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order No. 712.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (S. 3025) to authorize appropriations for the Federal Election Commission for fiscal year 1979.

The PRESIDING OFFICER. Is there objection to the request of the Senator from West Virginia?

There being no objection, the bill was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 319 of the Federal Election Campaign Act of 1971 (2 U.S.C. 439c) is amended—

(1) by striking out "and" after "September 30, 1977,", and

(2) by inserting after "September 30, 1978" a comma and the following: "and $8,624,000 for the fiscal year ending September 30, 1979".

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95–780), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE OF THE BILL

This bill would authorize appropriations for the Federal Election Commission for the fiscal year ending September 30, 1979, in the amount of $8,624,000. This is an increase of $812,500 above the $7,811,500 authorization provided the Commission for the fiscal year ending September 30, 1978. The Commission received an appropriation for the fiscal year ending September 30, 1978, of $7,305,000.

FEDERAL ELECTION COMMISSION

The Federal Election Commission was established pursuant to the Federal Election Campaign Act Amendments of 1974 and 1976 (Public Law 93–443 and Public Law 94–283).

The Commission is comprised of the following offices or divisions: Commissioner, Staff Director, General Counsel, Audit, Disclosure, Data Systems, Information and Administration.

Commissioners Office.—The FEC is composed of six voting Commissioners and two ex officio members representing the Secretary of the Senate and the Clerk of the House of Representatives. They are responsible for administering, implementing, interpreting and enforcing the Federal Election Campaign Act of 1971, as amended. The Commission has exclusive primary jurisdiction with respect to the civil enforcement of the act.

These offices are currently operating with 20 permanent personnel, and have requested no additional personnel. The fiscal year 1979 budget authorization request for this office is $723,000, a $20,000 increase over fiscal year 1978.

Office of the Staff Director.—The Staff Director serves as the Commission's Executive Officer, and is responsible for directing and evaluating Commission activities, including planning, personnel and operations. In the past year, the Office of the Staff Director has overseen the realignment of major divisions of the Commission to facilitate operations. In addition, the Office of Planning and Management was created within the Staff Director's Office to provide management support for program and budget development.

This office is the only one seeking a decrease in staff and funds for fiscal year 1979. The fiscal year 1979 authorization request for this office is $376,000, a $2,000 decrease from fiscal year 1978. Twelve permanent personnel positions are requested for fiscal year 1979, a decrease of one temporary position from 1978.

Office of the General Counsel (OGC).—As the Commission's legal counsel, the General Counsel is responsible for coordinating and implementing the enforcement of the law which includes handling complaints or MUR's (Matters Under Review) and representing the Commission in litigation. The Office of the General Counsel also prepares draft regulations and Advisory Opinions for review and approval by the Commission. This office currently operates with 72 permanent personnel positions, including 25 lawyers.

The Commission authorization request for OGC is $1,675,000—an increase of $272,000 over fiscal year 1978.

Audit Division.—This division is responsible for the Commission's audit and public financing functions. The Audit Division also assists candidates and committees in attaining voluntary compliance through on-site review of their recordkeeping and reporting systems.

The great majority of the Audit Division's resources in 1977 were devoted to statutorily mandated audits in connection with public funding of the 1976 Presidential election. The division also performs "audits by referral" on matters referred to them by the Office of General Counsel and the Disclosure Division, and "random" audits of entities required to file disclosure reports with the Commission.

The division currently operates with 37 permanent personnel and a budget of $760,000. The Commission's authorization request for this division for fiscal year 1979 is $1,108,000, an increase of $348,000 over fiscal year 1978. An addition of 5 permanent and 4 temporary personnel is also requested.

Disclosure Division.—The Division is composed of the Public Records branch and 5 branches which monitor compliance with the disclosure and limitation provisions of the act. The Public Records branch has maintained a "storefront" office which aids persons in gaining access to the various reports filed with the Commission.

The five branches of the Disclosure Division which monitor the accuracy of disclosure reports are the Senate Branch, the House Branch, the Presidential Branch, the Party-Related Branch, and the Non-Party Related Branch. Each of these divisions is responsible for identifying reporting discrepancies and obtaining voluntary compliance. They also make recommendations to the Audit Division or the Office of General Counsel for further action, if necessary. In January, the Commission decided to take these five branches out of the Disclosure Division and reconstitute them as a separate division called Reports Analysis.

The Disclosure Division is currently operating with 50 permanent and 28 temporary personnel positions, and a budget of $1,290,000. This office will not need additional personnel in fiscal year 1979 and had requested a budget of $1,307,000, an increase of $17,000 over last year.

Division of Data Systems Development.—This division has primary responsibility for the oversight of the Commission's automatic data processing (ADP) contract, and assists other divisions of the Commission in the use of computer services.

The programs under the Data System Division's direct control include operations, liaison with other divisions, training and analysis, and systems development. These programs provide for general computer programming, scheduling and analysis, and training of FEC staff in computer use. They also include such developmental programs as Public Financing, Automated Filings, and indexing of Commission minutes. The total request for operation of these programs is $452,000 for fiscal year 1979.

Office of Information Services: This office's responsibility is to insure that requirements of the Act and policies of the Commission are accurately and promptly transmitted to all candidates, political parties, and interested parties. Its information specialists handle telephone inquiries, publish a newsletter (The Record), and a series of campaign guides. Also included within this office are the press office and the National Clearinghouse for Information on the Administration of Elections. The Clearinghouse provides information to election officials on the Federal, state and local levels, and contracts research projects in the area of election administration.

This division currently operates with 22 permanent personnel and a budget of $1,157,000. The Commission requests a budget for this Division of $1,252,000 for fiscal year 1979. No increase in personnel is requested in fiscal year 1979.

Office of Administration.—This office is responsible for equipment rental, procurement and contracting, space rental, supplies, budget management and personnel matters. Overhead expenses of all divisions, such as telephones, typewriters, utilities, etc. are borne by the Administration Division. This division currently operates with 18 permanent and 1 temporary personnel positions, and a budget of $1,352,000.

The Commission's fiscal year 1979 request for this division is $1,731,000, an increase of $379,000, and an increase of 3 permanent personnel positions.

On September 15, 1977, the Commission submitted to the Senate a request for authorization of $8,624,000 for fiscal year 1979, representing an $812,500 increase over its fiscal year 1978 authorization of $7,811,500.

COMMITTEE ACTION

On March 15, 1978, the Committee on Rules and Administration received testimony from the Commission with respect to its authorization for fiscal year 1979. Additional information was submitted at the request of committee members and staff for the consideration of the committee. Several meetings were held between committee staff and staff of the Commission to obtain further information and clarify initial Commission responses.

In presentation before the Committee on Rules and Administration, the Commission indicated that adherence to the budget submitted by the Administration would cause the Commission to make reductions in a number of programs and functional areas that would have an adverse impact on the ability of the Commission to implement the Act.

Specifically, the Commission testified that it would be faced with an inability to implement significant phases of its audit policy, should the OMB request of $8.224 million be upheld by the committee. Audits of multicandidate committees with receipts and expenditures of $100,000 or less would be reduced from 8 percent to 5 percent of all filings in that category. The Division's audit capability for matters referred by the General Council and Reports Analysis Division would be reduced from 50 to 36 audits. Independent expenditure filer audits would be reduced from 15 to 13 audits. Computer support for the Division would be curtailed.

The Commission further testified that any cut in its $8,624 million request would seriously impair its ability to prepare for the 1980 Presidential campaign, the public financing aspects of which begin January 1, 1980.

The committee is particularly concerned about the completion of audits from the Presidential campaign of 1976, and trusts that the Commission will make every effort to complete its work on all audits from the 1976 campaign at the earliest possible time.

The committee also probed into issues raised by various press accounts of the Commission's operations. According to FEC responses to these reports, the committee believes that the Commission has overcome some of the problems associated with its handling of the 1976 Federal election campaigns, and will operate more efficiently during coming Federal elections.

The record before the committee indicates that the Commission would be unable to discharge its responsibilities properly unless the full FEC request were granted for fiscal year 1979.

Of particular interest to the committee was the Commission's testimony that the Commission had reached a funding plateau and, in the absence of additional legislative responsibilities, does not anticipate that future requests would increase dramatically.

The committee is willing to abide by the Commission's assurances concerning future funding, and grant its full authorization request for the coming fiscal year. In doing so, the committee acknowledges the special and sensitive nature of the Commission's activities, and wants to do whatever it can to shield the Commission from undue pressures. However, the Committee on Rules and Administration notes that pending legislation, such as S. 926 and H.R. 11315 would not if enacted, provide additional legislative responsibilites for the Commission and, therefore, looks to fiscal year 1979 as the end of substantial FEC budgetary increases.

ORDER TO INDEFINITELY POSTPONE SENATE RESOLUTION 404

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Calendar Order No. 685, Senate Resolution 404, a resolution disapproving Reorganization Plan Numbered 1 of 1978, be indefinitely postponed.

Mr. STEVENS. There is no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE MEETING ON THURSDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Environment and Public Works Committee be authorized to meet during the sessions of the Senate on Thursday, May 11, and Friday, May 12, to consider the Federal Aid Highway Act, the Endangered Species Act, the Natural Diversity Act, energy impact assistance legislation, and other committee business.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. It is my understanding that does not go beyond the 15th. It is the 11th and 12th.

CAMBODIAN HOLOCAUST CAN NO LONGER BE IGNORED

Mr. DOLE. Mr. President, it is encouraging to see, at last, a certain amount of attention in the public media to the modern horrors of Cambodia. For 3 years, since the Communist regime came to power in April of 1975, virtually no sustained attention to the gross violations of human rights was to be found in the major newspapers of this country.

Ironically, a reawakened national interest in the circumstances of Jewish persecution in Nazi Germany seems to have helped focus appropriate disgust in this country upon the brutal conditions that exist within Cambodia. The analogy is useful in several ways, for it reminds us of the consequences of silence, as well as the extent of brutality which totalitarian regimes are capable of imposing.

Last week, Jack Anderson's column carried reports in some detail about the atrocities underway in Communist Cambodia, which were gleaned from our own intelligence sources. Yesterday, the Washington Post carried a particularly thoughtful account of the Cambodia carnage, and the responsibility which the free world bears to help alleviate the situation. The author, Mr. Smith Hempstone, suggested that the one avenue of influence may be through the Communist Chinese, who extend a certain amount of aid and political support to the Cambodian regime.

SEEK CHINESE COOPERATION

Recognizing this, I believe the President should instruct his national security adviser, Zbigniew Brzezinski, to make this a priority matter for discussion during his forthcoming visit to Peking later this month. The concern of the free world about human rights violations in Cambodia should be stressed, along with our belief that the Chinese Government bears some responsibility for moderating the corrupt and inhumane government which relies upon it for support.

In the meantime, the Senate should proceed with appropriate action condemning the Communist Cambodian regime and calling upon the President to take whatever steps are available to help relieve the situation. Toward this end, I have proposed Senate Resolution 323, which awaits attention in the Senate Foreign Relations Committee.

Mr. President, I ask unanimous consent that the article appearing in the Washington Post on Sunday, May 8, by Smith Hempstone, be printed in the RECORD at the conclusion of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE NEED TO BEAR WITNESS TO CAMBODIA'S HOLOCAUST

(By Smith Hempstone)

An estimated 120 million Americans recently spent 9½ hours watching a four-part NBC "docudrama" detailing the inhuman persecution of Europe's Jews by the Nazis.

A haunting theme running through the portrayal was the indifference of men of good will elsewhere to the fate of the Jews. Some who knew or suspected what was happening didn't care; others simply refused to believe the evidence.

The question on many lips after "Holocaust" was this: Could the extermination of a helpless people take place again without the world rising up in righteous indignation? The answer demonstrably is that it could. Indeed, while we drink our Sunday coffee, another holocaust is taking place today, this time in Cambodia. But it is not chic to be Cambodian, there is no Khmer lobby in Washington, and the public outcry against this policy of genocide is not, shall we say, deafening.

Not a dissident sparrow can fall in Chile, Brazil, South Korea, Iran or South Africa—all ruled by right-wing authoritarian regimes—without touching off a cacophony of indignant accusation and ideological handwringing. But hundreds of thousands of Cambodians can be murdered by a faceless Marxist regime, or simply worked to death in the paddles, without eliciting so much as a peep of disapproval from the Rev. William Sloane Coffin or Jane Fonda.

The campuses of America roiled with protest in 1970 when U.S. troops, at the invitation of the Cambodia government, attacked North Vietnamese units using that country as a sanctuary and staging area. But the draft is a thing of the past, and there are no chanting demonstrators to protest the autogenocide of the Cambodian people by Communist Party leader Pol Pot, who makes Caligula look Jeffersonian when it comes to concern for human rights.

It is true that President Carter on April 21, three years after the fall of Phnom Penh and nearly 16 months after his inauguration, finally got around to castigating Cambodia as "the worst violator of human rights in the world today."

But where was the president for the previous year, when Cambodians were dying by the tens of thousands? Did it really take him that long to learn of "abuses that include mass killings, inhuman treatment of the supporters of the previous government . . . the total suppression of recognized political and religious freedoms, as well as deprivation of food and health care"? Or did he have to see "Holocaust" to be reminded of the "obligation of every member of the international community to protest the policies of this or any nation which cruelly and systematically violates the right of its people to enjoy life and basic human dignities"?

And is that where it stops? Will the president say no more? Will the Congress do nothing? Will we not try to persuade those with influence over Cambodia, particularly the Chinese, to urge the Cambodians to alleviate the slaughter?

Nobody, including Mr. Carter, knows how many people have died since Phnom Penh, abandoned to its fate by its U.S. allies, fell to the Communist Khmer Rouge on April 17, 1975.

Western newsmen are not allowed into the death camp known as "Democratic Kampuchea." Cambodia permits only nine nations (eight of them Marxist; the exception is Egypt) to maintain embassies in Phnom Penh. And diplomats assigned to these missions, with the sole exception of the Chinese, are virtually prisoners in their embassies. They are not allowed to travel or to speak to nongovernment Khmers, and their meals are brought to them by truck every day.

It is nearly as difficult and far more dangerous to try to leave Cambodia than to enter it. Border areas have been depopulated to a depth of 25 miles and mined, with patrols shooting on sight anyone found near the frontier. Charles H. Twining Jr., the State Department's principal Cambodia-watcher, estimates that only 1 out of every 5 Cambodians who try to flee survives.

In such a closed society, projections about the number who have died necessarily are based largely on reports by the 15,000 refugees and defectors who have managed to reach Thailand. Refugee accounts always have to be treated with caution: By definition, refugees are prejudiced against the regime, and can only have known what went on in a specific place at a certain time (by the same token and for the same reason, some Americans in the 1930s refused to believe what Jews who escaped Nazi Germany said was going on there).

But the pattern and dimensions of this tragedy are reasonably clear. It appears certain that between 500,000 and 2 million Cambodians, out of a total population of 7 million have been executed, starved, or worked to death, died of disease or been killed while trying to flee over the past three years (600,000 others died during the war, many of them victims of American bombing).

Let us be more charitable to Pol Pot than he deserves. Let us assume the refugees' tales are exaggerated. Take the low figure of 500,000 dead. That means 1 out of every 14 Cambodians has lost his life over the past three years.

If one day Cambodia should again become free, and some Khmer should ask why so many remained silent in the face of this act of genocide, it will not be good enough to say, as some did about the extermination of the European Jews, "I never knew."

In the days immediately after the fall of Phnom Penh, before the curtain of silence fell over Cambodia, Sydney Schanberg of The New York Times wrote a gripping, eyewitness account of the expulsion of "perhaps 4 million" Cambodians from the cities into the countryside. Neither the sick, the halt, the lame nor the blind were spared this death march, wrote Schanberg, whose account later was confirmed by another eyewitness, the Rev. Francois Ponchaud, author of "Cambodia, Year Zero":

"No one has been excluded. Even the very old, the very young, the sick and the wounded have been forced onto the roads. Some clearly will not be strong enough to survive.

"Hospitals jammed with wounded were emptied, right down to the last patient. They went limping, crawling on crutches, carried on relatives' backs, wheeled on their hospital beds."

Like the Jews of "Holocaust," the people of Phnom Penh, its population down from 2 million to 20,000 after the exodus, were not being marched off for delousing and a shower. Their Via Dolorosa led into the jungle, where they were to be put to work without tools, medicine or supplies, carving out new collective farms. Those who could not keep up were clubbed to death by their guards, or left to die of hunger and thirst beside the trail.

Those who survived the death marches found a life of endless toil on low rations awaiting them, with death the penalty for deviation. It was not just Lon Nol's officer corps and their families, the plutocracy, the intelligentsia or even the bourgeoisie who were murdered, although these, of course, were the first to go. It was anyone who had had the slightest connection with the previous regime, down to the rank of private, anyone who was too old, young or frail to be of service to the state, anyone with enough backbone to protest or question what was happening.

Some Americans find it difficult to believe the enormity of the Cambodian disaster because it seems to have so little logic behind it. What is to be gained by murdering simple people guilty of no crime other than that of having been at the wrong place at the wrong time.

Pol Pot and Deputy Prime Minister Ieng Sary, who are married to sisters, are French-educated Marxists, xenophobes with an abiding hatred for everything Western and everyone associated with the royal or republican regimes, millennialists who seek to create a new, purified Khmer man, freed of the taint of capitalist corruption. And if a million or two people have to die in the process of making human reality conform to their own distorted abstraction, so be it. After all, they have the examples of China and the Soviet Union to guide them in such matters.

Some Americans who are prepared to concede that something unpleasant has been going on in Cambodia these past three years excuse their lack of protest on the ground that nothing can be done to prevent it.

It is true that neither the United States in particular nor the West in general has much influence with Pol Pot's regime, which refuses to accept even humanitarian aid. But Peking does have a certain amount of leverage in Phnom Penh, and the Chinese ought to be publicly urged to use it to ease the reign of terror.

Beyond this, there is the matter of bearing witness. One may not be able to triumph over evil, but one need not remain silent in its presence. President Carter might speak up more than once on the subject. He might instruct Andrew Young to walk out of the United Nations General Assembly whenever the representative of "Democratic Kampuchea" rises to speak. At every time and in every available forum, those who speak for the United States could call on the conscience of the world to condemn those who commit such atrocities. Finally, Congress, as the Canadian House of Commons already has done, might adopt a motion of protest against the policies of this Southeast Asian tyranny.

Perhaps none of this would save lives. But if we do not do something, if we do not try, it will be stark evidence that we still have not learned the lessons of the Holocaust.

MAY 6, TAX FREEDOM DAY

Mr. DOLE. Mr. President, very quickly to another matter.

May 6 was "Tax Freedom Day." That is the day that an individual starts working for himself. Up until now, Americans have been working to cover their 1978 tax bills.

According to the Tax Foundation, Inc., an American worked 126 8-hour days to pay their 1978 Federal, State, and local taxes. Last year, Americans only had to work 124 days. This fact shows the growing tax bite that Americans have been subjected to. Over the years, the average Americans expends 2 hours and 45 minutes on the job just to pay his taxes. Of this, 1 hour and 46 minutes goes to the Federal Government and 59 minutes to State and local governments. It is incredible that the Federal tax rates imposed on the American people take more of their productive efforts than required to pay for food or housing.

TAX REVOLT

America is on the edge of a tax revolt. In many States this year, are initiatives which would constitutionally limit the amount that a State could tax its citizens. This growing discontent shows the frustrations that Americans experience with our tax system.

This year, the administration has recommended a half a trillion dollar budget. The Federal deficit will be in the neighborhood of $60 billion. Inflation is approaching double digit levels. Americans have to wonder when they will be able to reap the fruits of their labor.

TAX INDEXING

The Senator from Kansas believes that one of the ways to stop the inexorable bite of the Federal Government is to enact tax indexing and to curb runaway government spending.

There is no tax reform that is more important to achieve, easier to accomplish, fairer in its impact than tax indexation. Government must not be allowed to profit by the inflation it creates. Tax indexation would require the Congress to show the political courage to vote for the tax increases required to finance the new programs and expanded budget it authorizes, which no doubt is one of the unspoken reasons why the idea of indexation has met with such resistance.

Unless the Congress acts to adopt rational and sane taxing and spending programs, I venture to say that "Tax Freedom Day" will come a little later next year.

KURDISH SITUATION PROVES NEED FOR GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, there are many compelling reasons why the Genocide Convention should be ratified by the U.S. Senate. I have spoken many times of the genocide which is today occurring in Cambodia and Uganda, and of course all of us are only too aware of the vicious extermination of 6 million Jews by the Nazis during World War II. The Genocide Convention represents an effort by many of the nations of the world to stamp out the atrocious crime of genocide, and the treaty itself would make the commission of genocide an international crime.

But surely one of the most compelling of all arguments for passage of the Genocide Convention is that genocide could reoccur in the future. Recently the Washington Star carried an article on the moving story of the Kurdish leader Gen. Mulla Mustafa Barzani. The Kurds number several million, and live in the mountains of Iraq, Iran, Syria, and Turkey. For years, the Kurds fought to establish their own homeland in Iraq, but their rebellion was quashed when U.S. support was cut off in 1975.

It is difficult for Americans to imagine what life would be like without a land to call our own. It is easy, though, for the Kurds and General Barzani to imagine such a life. General Barzani lived in the Iraqi mountains in a small town named Barzan. In 1931, Barzan was surrounded by Iraqi troops and destroyed. Since then the town of Barzan has been leveled 14 times. Today, General Barzani lives in the United States with the knowledge that his many relatives are scattered through Iran and Iraq in "relocation centers."

Iraqi authorities have attempted to disperse the Kurdish populations to the south of Iraq where they can be watched and gradually assimilated into the local society. In many cases families have been broken up. Former resistance fighters have been identified and killed. What is happening is no less than an attempt to extinguish a cultural identity.

Without on the spot information it is impossible to determine if the killings are isolated or systematic. We do not know if genocide, as defined by the Genocide Convention, is occurring. But we do know that an entire cultural and ethnic population is being persecuted and that the United States bears part of the responsibility.

I ask unanimous consent that the article from the Washington Star, which was written by Lynn Rosellini, be printed in full immediately following my remarks.

The PRESIDING OFFICER (Mr. GRAVEL). Without objection, it is so ordered.

(See exhibit 1.)

Mr. PROXMIRE. I would also like to take this opportunity to remind the Senate that the Kurdish situation is vivid evidence of the need for the Genocide Convention. This treaty has been before the Senate now for 30 years. For 30 years, ever since President Truman signed the treaty, every President has pleaded with the Senate to ratify the Genocide Convention. Eisenhower, Kennedy, Johnson, Nixon, Ford, and most recently President Carter have all given their support for the treaty. I urge the Senate to ratify the Genocide Convention as soon as possible.

[EXHIBIT 1]

[From the Washington Star, Apr. 18, 1978]

THE LAST BATTLES OF GEN. MULLA MUSTAFA BARZANI, WHO PLAYED BY DIFFERENT RULES

(By Lynn Rosellini)

Not long ago, a friend of Gen. Mulla Mustafa Barzani urged the legendary Kurdish revolutionary to write his memoirs. "No," the friend recalled Barzani saying. "If I had succeeded, it would have been different. If I had accomplished something for my people, it would be different. But I am a failure."

He is an old man, now. Instead of a mountain camp stool in Iraq, he is perched on a green Spanish modern sofa in a suburban Virginia living room. Instead of a curved dagger, he wears a silver Longines. His soldier's uniform has been replaced by a neat gray business suit.

"I didn't bring my uniform over here," Barzani is saying in Kurdish, through an interpreter. "That's my uniform for fighting. I didn't come here to fight."

For 40 years, Mulla Mustafa Barzani led the Kurdish fight for autonomy against Iraq. After the revolt collapsed in 1975, he came to the U.S. for cancer treatment at the Mayo Clinic. Now Barzani is living quietly in the Washington area, filling his days with neighborhood strolls, visits to shopping centers, chats with journalists or State Department visitors, and chemotherapy treatments.

"It is dull, compared to the life I had," Barzani is saying. "But my age and sickness are factors, too." To his left on the sofa is his son, Masoud. Local Kurds, fearing that Iraqi agents may kill Barzani, have kept his home address secret, so the interview is taking place at the home of Kurdish Democratic Party leader Mohammed Dosky, who nervously instructs: "Don't mention what the car looks like."

At 75, Barzani is still fierce-looking, with dark eyes, shaggy brows and flashing gold teeth. But beneath the fearsome exterior, friends say that he is bitter and discouraged. Which is not surprising, given the broken promises and betrayals that have plagued Barzani and the Kurds.

The approximately 2 million Kurds are an ethnic minority centered in mountainous northeastern Iraq and spilling over into adjacent areas of Iran, Turkey and the Soviet Union. For years, they have tried to establish a Kurdish homeland in northern Iraq, against the efforts of lowland Iraqis to bring them under centralized control from Baghdad.

But when U.S. aid was withdrawn in early 1975, the Kurdish rebellion collapsed. And when Barzani is asked now about the biggest mistake of his career, he replies without hesitation: "My judgment about the American government that betrayed us."

Barzani was 14 years old when his eldest brother was hanged in 1917 in Musil, in what is now Northern Iraq, for fighting against the Ottoman Empire. "Once he was executed," says Barzani, who was the youngest of five brothers, "I took his place. My job was to contact Kurdish leaders under the Ottoman Empire."

In those days, Barzani lived with his family in Barzan, a sheep-raising community of about 1,000 persons in the Iraqi mountains. In 1931, Iraqi troops surrounded the village, and for the next 45 years, Barzani led Kurdish rebels off and on in fights against them. During that time, he was periodically exiled, sometimes to southern Iraq, sometimes to Iran, and once to Russia. Fourteen times, he returned to Barzan and found it destroyed.

"They burned the village. There was nothing left," Barzani recalls. Unsmiling, with his hands folded neatly in his lap, he is answering question in monosyllables, without elaboration. But when talk turns to his exodus to Russia, where he fled following the collapse of the short-lived Kurdish republic in 1947, Barzani brightens.

"We walked for 52 days, from Iran," he says. "We had to fight the Irani army and the Turkish army. Some days, you would spend one day going forward and then discover troops, and have to spend a day going back.

"We couldn't go straight," he says. Pointing to the front door, Barzani offers an example. "For instance, you'd want to go to the door to get out, but there would be troops there. So we'd go through the window. We walked 400 miles. Along the way, we had nine battles. In every one of them we defeated our enemies. Only three of our people were killed, out of 530. There was a lot of hardship. There was not enough to eat. When we got to Russia, all of our hope was on the day we would come back."

Barzani returned to Iraq in 1958, after dictator Karim Kassem overthrew the monarchy. Kassem had promised Barzani equal treatment for Kurds. "But their treatment of Kurds was no different than the others," Barzani says bitterly. "Kurd workers were kicked out of the oil companies. Many officers were executed and jailed."

In 1963, Barzani apparently was deceived again. The Ba'athist party told him that if they suceeded in overthrowing Kassem, they would release Kurdish political prisoners. In turn, Barzani agreed to release his own prisoners. But following the overthrow, although the Kurds immediately kept their promise, the central government did not.

"Don't you think we should stop releasing prisoners, since they broke their word?" several Kurds asked Barzani.

"No," said Barzani, in what has become a legendary reply. "I have given my word. If the Arabs do not release their prisoners, they will be revealed throughout the entire world as deceitful."

Of course, the world little cared what the Arabs did—even when, according to Barzani, they executed 100 Kurdish prisoners. "They requested me to send a delegation to Baghdad," he says. "I did. And they were jailed."

How did Barzani feel? "Of course, I got a bad impression of them," he says. "I didn't have that much faith in them to begin with. But I thought, at least they'd do something simple like this."

"Sure, I feel bitter. But when a thief goes to steal something, all you can say is, 'They are like that.' What can I say? When an executioner goes to execute someone, this is the way they are. So what can you do?"

But the biggest disappointment came 12 years later. At the request of the Shah of Iran, the U.S. in 1972 began covertly feeding arms and other aid to the Kurds. At one point, Barzani said, a Kurdish delegation met in Washington with U.S. officials and were promised military aid until they achieved autonomy.

But three years later, the Shah withdrew his support from the Kurds, and the U.S. went along. Iraq then launched a massive offensive, wiping out the rebel troops.

Barzani sent an emotional cable to then-Secretary of State Henry Kissinger, urging him to take some sort of diplomatic action. But according to Barzani, Kissinger did not even reply.

"I thought of them (Americans) exactly as the Iraqi's," says Barzani. "That nobody keeps their promises. I had thought that the American people had always stood up for the rights of small nations. If it wasn't for my faith in America—there were other alternatives. It wouldn't have ended up this way."

Barzani, Masoud and Dosky are sitting now at a window table at a restaurant near the house. After his lengthy reminiscences, Barzani seems tired, picking silently at his food and gazing out at squirrels on the lawn. His wives, children and grandchildren are scattered in relocation centers in Iraq and Iran (there are 30,000 Kurdish refugees in Iran today). He will probably never see them again.

"It's hard," he says of the separation. But he does not intend to seek favored treatment for himself or them: "I don't think I'm better than other Kurds who are separated from their families." And although Barzani says that 5,000 Kurdish guerrillas continue to fight in Iraq, the rebellion, at the moment, seems all but dead. State Department officials, who admire Barzani personally, say there is little the U.S. can do for the Kurds.

In fact, it's almost as if everyone has been playing by a different set of rules than Barzani all these years. "He has this extraordinary dignity," said one former State Department official, "that doesn't fit in with this century."

Barzani says he begrudges no one. "But you've heard me talk for the last couple of hours," he says. "You tell me." He peers across the table at his interviewer.

"Do you think it's right?"

ORDER FOR CONSIDERATION OF S. 2802 ON WEDNESDAY

Mr. ROBERT C. BYRD. I ask unanimous consent that on Wednesday, after the two leaders or their designees have been recognized under the standing order, the Senate proceed to the consideration of Calendar Order No. 662, S. 2802, Truth in Lending.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, tomorrow the Senate will convene at 9:30 a.m. After the prayer, Mr. HARRY F. BYRD, JR., and Mr. MORGAN will be recognized, each for not to exceed 15 minutes. This cuts out the standing order for the recognition of the two leaders.

After the two orders for the recognition of Senators, the Senate will go into executive session by unanimous consent to resume the consideration of the Coleman nomination.

At 12 noon, the Coleman nomination will be laid aside and the Senate will resume its consideration of the Civiletti nomination.

There is a time agreement on the Civiletti nomination, and at 2 o'clock p.m. the vote will occur with respect to the Civiletti nomination, and that will be followed by the vote with respect to the Coleman nomination.

On the disposition of the two nominations, the Senate will return to legislative session and resume the consideration of H.R. 130, the dealer's day in court bill, with amendments to title III in order. Rollcall votes are expected to occur during the afternoon on amendments and on motions in relation to H.R. 130. It is anticipated that the Senate will complete action on H.R. 130 tomorrow.

RECESS UNTIL 9:30 A.M.

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the order previously entered, that the Senate stand in recess until the hour of 9:30 tomorrow morning.

The motion was agreed to; and at 4:14 p.m. the Senate recessed until tomorrow, Tuesday, May 9, 1978, at 9:30 a.m.

NOMINATIONS

Executive nominations received by the Senate May 8, 1978:

IN THE ARMY

The following-named office to be placed on the retired list in grade indicated under the provisions of title 10, United States Code, section 3962:

To be lieutenant general

Lt. Gen. C. J. Le Van, [redacted] (age 55), Army of the United States (major general, U.S. Army).

HOUSE OF REPRESENTATIVES—*Monday, May 8, 1978*

The House met at 12 o'clock noon and was called to order by the Speaker pro tempore (Mr. WRIGHT).

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. WRIGHT) laid before the House the following communication from the Speaker:

MAY 8, 1978.

I hereby designate the Honorable JIM WRIGHT to act as Speaker pro tempore for today.

THOMAS P. O'NEILL, JR.,
Speaker of the House of Representatives.

PRAYER

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

Draw near to God and He will draw near to you.—James 4: 8.

Eternal Father, in whose presence our spirits find peace and by whose power our hearts are strengthened, stimulate our thinking, direct our speaking, and motivate our doing that we may lift our decisions into the light of Thy spirit and do our deeds in the life of Thy precepts. Grant unto us purity of heart, clarity of mind, and greatness of spirit that we may be more than a match for the movements of our modern mood. In these troubled times when humanity is torn by stress and strain and strife help us to fully and faithfully do our best for our country and leave the results to Thee, to whom be glory for ever and ever. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Chirdon, one of his secretaries, who also informed the House that on May 3, 1978, the President approved and signed a joint resolution of the House of the following title:

H.J. Res. 649. Joint resolution to authorize the President to call a White House Conference on the Arts, and to authorize the President to call a White House Conference on the Humanities.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced

that the Senate had agreed to a concurrent resolution of the House of the following title:

H. Con. Res. 549. Concurrent resolution praising the U.S. delegation to the Belgrade meeting of the Conference on Security and Cooperation in Europe for its efforts on behalf of human rights, and urging the President to continue to express U.S. opposition to repressive actions and to violations of basic human rights which are contrary to the Helsinki accords.

The message also announced that the Senate had passed with amendments in which the concurrence of the House is requested a bill of the House of the following title:

H.R. 5052. An act providing for the temporary suspension of duty on photographic color couplers and coupler intermediates.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 2508. An act to amend the Regional Rail Reorganization Act of 1973 to authorize additional appropriations for the U.S. Railway Association.

The message also announced that the Vice President, pursuant to Public Law 86-420, appointed Mr. GRAVEL as a member, on the part of the Senate, of the Mexico-United States Interparliamentary Conference, to be held in Washington, D.C., June 5 to 10, 1978.

LEGISLATION RELATING TO ANNUITIES FOR CIVILIAN FACULTY AND STAFF OF UNIFORMED SERVICES UNIVERSITY OF THE HEALTH SCIENCES

(Mr. WAGGONNER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WAGGONNER. Mr. Speaker, I am introducing a bill relating to the tax treatment of annuities purchased for the civilian faculty and staff of the Uniformed Services University of the Health Sciences (USUHS).

The Uniformed Services University was established by Congress in 1972 to train medical personnel for the uniformed services. The legislation provides that—

(C)ivilian members of the faculty and staff shall be employed under salary schedules and granted retirement and other related benefits prescribed by the Secretary of Defense so as to place the employees of the University on a comparable basis with the employees of fully accredited schools of the health professions within the vicinity of the District of Columbia.

Tax deferred annuities under IRC 403 (b) are available to the faculties of these Washington, D.C., area schools, as well as to similar educational institutions throughout the United States. The Internal Revenue Code expressly allows State, local, and private educational institutions to provide this benefit for their employees, but since it does not refer to Federal institutions, this benefit is not presently available to USUHS personnel. This legislation will make clear our intention to provide comparable treatment for the USUHS faculty.

PRIORITIES MUST BE ASSESSED

(Mr. BRINKLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BRINKLEY. Mr. Speaker, one way to deal with inflation is to cut all programs, good and bad, by a certain number of percentage points. However, I think there is a better way than acting arbitrarily without regard to merit.

It seems to me that we have the responsibility to assess priorities and then pick and choose between high and low ones.

The district I represent places high importance on defense. As a product of my district, it is not surprising that I also attach great importance to a strong defense posture. Of course, within that posture, I seek to eliminate waste, seek to minimize directions I feel are in error—such as NATO, where bigness is not better. I wholeheartedly support mutual and balanced force reductions between the Warsaw Pact nations and the North Atlantic Treaty Organization.

The district I represent emphasizes education, and I support it fully. I would resist a meat ax approach in this area as well.

The district I represent believes in the work ethic, and prefers our Government paying an individual for doing something rather than paying individuals for doing nothing. So do I.

The district I represent believes in fair play, as I do. It does not seem fair to single out Government workers even as an example. Their cost-of-living increases reflect the result of inflation, and are catchup devices and are not proximate causes of inflation.

On the other hand, we can completely eliminate or halve low priority projects. We should not usurp local responsibilities as we did with the pothole bill and such as we do in many areas of welfare. We should deal with foreign nations in our self-interest, for we cannot buy lasting friendship. Charity does begin at home.

COMMUNIST TAKEOVER IN KABUL

(Mr. SIKES asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SIKES. Mr. Speaker, the capital of Afghanistan, Kabul, was rocked with revolt last week. The President and many of the leaders were killed and a new Communist regime has seized power. The leader is a member of the previously outlawed Communist Party. The Soviet Union was first to recognize the new regime. It extends their influence to one more country. Unfortunately, most nations which go Communist do so through revolution and bloodshed. One way or another, the Communists take what they want. The world stirs a little uneasily, then looks the other way.

Afghanistan shares borders with Red China and with Russia. The country also shares borders with India, Pakistan, and Iran. It is the latter situation which may be disturbing in future years. Russia may now be in position to use Afghanistan as a staging area, using Afghans or guerrillas for incursions into countries which generally have been friendly to the United States. Pakistan and Iran have particular reason to be apprehensive about the politics of this land of fierce hill tribesmen which frequently has been at odds with its neighbors. Afghanistan is a sword thrusting deep into their borders.

The previous Afghan tradition was to welcome support from various countries and to seek improved relations with all. Russia will be quick to cement the standing of the new government with money and weapons. The fact remains, another nation has slipped behind the Iron Curtain. People do not vote themselves into communism. They never have an opportunity to vote themselves out.

What will Washington do? Nothing. It is too late. We might have done something to help prevent it, but we did not.

PETE ROSE REACHES 3,000-HIT MARK

(Mr. GRADISON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GRADISON. Mr. Speaker, last week the House paid tribute—and properly so—to the remarkable record of our colleague from Kentucky, BILL NATCHER, on the occasion of his 10,000th consecutive vote. Today I would like to call attention to another achievement which just took place in my district: Pete Rose's 3,000th hit.

The 3,000-hit plateau in major league baseball stands as a mark of highest achievement. To fans and players alike, the 3,000-hit club is a standard of baseball excellence and a true measure of superstar status. It takes a unique combination of ability, consistency, and endurance to attain this level of athletic distinction. In 102 years of organized major league baseball, only 12 men have reached the 3,000-hit level—Ty Cobb, Henry Aaron, Stan Musial, Tris Speaker, and Willie Mays, just to name a few. Last weekend at Riverfront Stadium in Cincinnati, Ohio, Pete Rose, a native Cincinnatian, joined the 3,000-hit club as its 13th member.

At age 37, and in his 16th major league season, Pete Rose has reached the 3,000-hit mark younger than most of the stars who made it before him. When one stops to consider what sort of yearly performance it takes to attain the 3,000-hit mark, it is staggering. To reach this hitting plateau, a player must average 140 hits for 22 seasons. When one notes that only 19 batters in the history of the major leagues has even played 22 seasons, the enormity of the task can be appreciated.

Now consider the case of Pete Rose. In his 16th season, he has reached the 3,000-hit mark sooner in his career than any player in baseball history. Over his 15-plus seasons, he has averaged 198 hits a year. This total includes 9 seasons of more than 200 hits, which ties the major league record, held by Ty Cobb. His career also includes 3 National League bat-

ting titles, 1 Most Valuable Player Award, 1 World Series Most Valuable Player Award, and 11 All-Star appearances at 4 different positions. His 0.311 lifetime average ranks him among the leaders in active players. His totals in hits, singles, doubles, and at bats rank him among the top 10 players ever in the National League.

Pete Rose has made a tremendous contribution to the game of baseball. His love of the game, enthusiasm for the sport, and desire to excel have made him one of the most exciting players ever to take the field. Few baseball players have worked harder to perfect their skills more rigorously than Pete Rose. His achievements over the past 16 seasons serve to illustrate how desire and motivation are the very foundation of athletic greatness. I know I join all baseball fans when I offer to Pete Rose my heartiest congratulations and best wishes for continued success.

FIRST ANNUAL REPORT ON THE ADMINISTRATION OF THE NATIONAL SICKLE CELL ANEMIA, COOLEY'S ANEMIA, TAY-SACHS, AND GENETIC DISEASES ACT—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Interstate and Foreign Commerce:

To the Congress of the United States:

I transmit herewith the First Annual Report on the Administration of the National Sickle Cell Anemia, Cooley's Anemia, Tay-Sachs, and Genetic Diseases Act, prepared by the Department of Health, Education, and Welfare in accordance with the requirements of Section 1106 of the Public Health Service Act.

JIMMY CARTER.

THE WHITE HOUSE, *May 8, 1978.*

CALL OF THE HOUSE

Mr. ASHBROOK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 286]

Alexander	Collins, Ill.	Gonzalez
Allen	Conyers	Hagedorn
Ambro	Corman	Hammer-schmidt
Anderson, Ill.	Cotter	Hanley
Andrews, N.C.	Cunningham	Harrington
Applegate	Davis	Harsha
Archer	de la Garza	Heckler
Armstrong	Dellums	Heftel
Ashley	Dent	Hillis
Baucus	Dicks	Holland
Bedell	Diggs	Holtzman
Bellenson	Dodd	Jenrette
Boggs	Drinan	Kasten
Breckinridge	Early	Kazen
Burke, Calif.	Eilberg	Kildee
Carney	Evans, Ga.	Livingston
Cederberg	Fish	Long, Md.
Chisholm	Foley	Lujan
Clausen, Don H.	Ford, Tenn.	McKinney
Clawson, Del	Fountain	Maguire
Clay	Frey	Mann
Cochran	Garcia	Mathis
Meeds	Gilman	Mathis
Meyner	Pike	Stark
Michel	Pritchard	Steed
Mikulski	Pursell	Steiger
Milford	Quie	Symms
Minish	Quillen	Teague
Mollohan	Rahall	Thone
Moorhead, Pa.	Rangel	Thornton
Moss	Rhodes	Traxler
Mottl	Risenhoover	Tucker
Murphy, Ill.	Roberts	Udall
Myers, Michael	Rodino	Ullman
Nedzi	Roncalio	Wampler
Nichols	Runnels	Watkins
Nix	Santini	Whitehurst
Nolan	Sarasin	Whitley
Oakar	Seiberling	Wiggins
Patterson	Shuster	Wirth
Pepper	Sisk	Young, Mo.
	Skubitz	

The SPEAKER pro tempore. On this rollcall 311 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER pro tempore. Pursuant to the provisions of clause 3(b) of rule XXVII, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4 of rule XV.

After all motions to suspend the rules have been entertained and debated and after those motions, to be determined by "nonrecord" votes have been disposed of, the Chair will then put the question on each motion on which the further proceedings were postponed.

OMNIBUS TERRITORIES AUTHORIZATION ACT

Mr. PHILLIP BURTON. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 12481) to authorize appropriations for certain insular areas of the United States, and for other purposes, as amended.

The Clerk read as follows:

H.R. 12481

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

GUAM

SECTION 1. (a) There are hereby authorized to be appropriated to the Secretary of the Interior such sums as may be necessary for grants to the government of Guam for the construction of public facilities and the maintenance of essential services.

(2) The Secretary may place such stipulations as he deems appropriate on the use of funds appropriated pursuant to subsection (a)(1) hereof, which are not consistent with any stipulations placed on the use of such sums by any other Act of Congress.

(3) Grants provided pursuant to this section and not obligated or expended by the government of Guam during any fiscal year will remain available for obligation or expenditure by such government in subsequent fiscal years for the purposes for which the funds were appropriated.

(4) Funds provided under paragraph (a)(1) may be used by Guam as the matching share for Federal programs and services.

(5) Authorizations of moneys to be appropriated under this subsection shall be effective on October 1, 1978.

(b) The government of Guam in carrying out the purposes of this Act or Public Law 95–134, may utilize, to the extent practicable, the available services and facilities of agencies and instrumentalities of the Federal Government on a reimbursable basis. Reimbursements may be credited to the appropriation or fund which provided the services and facilities. Agencies and instrumentalities of the Federal Government may, when practicable, make available to the government of Guam upon request of the Secretary such services and facilities as they are equipped to render or furnish, and they may do so without reimbursement if otherwise authorized by law.

(c) The Act of November 4, 1963 (77 Stat. 302), to provide for the rehabilitation of Guam, and for other purposes, is hereby amended as follows:

(1) in the first sentence of section 3, delete the comma after "United States" and delete the words "with interest as set forth below," and

(2) after paragraph (c) of section 3, delete the last paragraph before section 4 and insert in lieu thereof:

"All amounts heretofore withheld from sums collected pursuant to section 30 of the said Organic Act as interest on the amounts made available to the government of Guam pursuant to this Act shall be credited as reimbursement payments by Guam on the principal amount advanced by the United States under this Act."

(d) Section 30 of the Organic Act of Guam (64 Stat. 384, as amended, 48 U.S.C. 1421h), is amended by adding at the end thereof the following: "Beginning June 30, 1978, and annually thereafter, the foregoing sums shall be covered into the treasury of Guam on the basis of the total amount of such duties, taxes, and fees as the Governor of Guam, with the concurrence of the government comptroller of Guam, estimates will be collected in or derived from Guam during the fiscal year beginning on the following day. As soon as practicable after the close of each fiscal year, the Secretary of the Treasury shall determine the total amount of such duties, taxes, and fees that were actually collected in or derived from Guam during such fiscal year. If the amount covered into the treasury of Guam pursuant to the estimate exceeds the actual amount determined by the Secretary of the Treasury, then such excess amount shall be deducted from the amount next covered into the treasury of Guam pursuant to this section. If the amount covered into the treasury of Guam pursuant to the estimate is less than the actual amount so determined, then the Secretary of the Treasury shall as soon as practicable transfer the difference to the treasury of Guam.".

(e) Section 205 of the Act entitled "An Act to authorize certain appropriations for the territories of the United States, to amend certain Acts relating thereto, and for other purposes" (Public Law 95–134) is amended by striking out "$25,000,000: *Provided*" and inserting in lieu thereof "$35,000,000: *Provided*, That $10,000,000 of such sum is not authorized to be appropriated prior to October 1, 1978. Health care needs shall include goods and services provided to maintain and operate the Medical Center of the Marianas: *Provided further*".

TRUST TERRITORY OF THE PACIFIC ISLANDS

SEC. 2. For rehabilitation and resettlement of Bikini Atoll and Kili Island, Trust Territory of the Pacific Islands, there is hereby authorized to be appropriated $15,000,000 (December 1977 prices) plus or minus such amounts, if any, as may be justified by reason of ordinary fluctuations in construction costs as indicated by engineering cost indexes applicable to the types of construction involved. Authorizations of moneys to be appropriated under this section shall be effective on October 1, 1978.

NORTHERN MARIANA ISLANDS

SEC. 3. (a) For the construction of the Saipan Permanent Power Station for the Northern Mariana Islands, there is hereby authorized to be appropriated for fiscal year 1979 $12,000,000 (December 1977 prices) plus or minus such amounts, if any, as may be justified by reason of ordinary fluctuations in construction costs as indicated by engineering cost indexes applicable to the types of construction involved.

(b)(1) The government of the Northern Marianas in carrying out the purposes of this Act, Public Law 95–134 or Public Law 94–241, may utilize, to the extent practicable, the available services and facilities of agencies and instrumentalities of the Federal Government on a reimbursable basis. Reimbursements may be credited to the appropriation or fund which provided the services and facilities. Agencies and instrumentalities of the Federal Government may, when practicable, make available to the government of the Northern Marianas upon request of the Secretary such services and facilities as they are equipped to render or furnish, and they may do so without reimbursement if otherwise authorized by law.

(2) Any funds made available to the Northern Mariana Islands under grant-in-aid programs by section 502 of the Covenant to Establish a Commonwealth of the Northern Mariana Islands in Political Union With the United States of America (Public Law 94–241) or pursuant to any other Act of Congress enacted after March 24, 1976, are hereby authorized to remain available until expended.

(3) Any amount authorized by the Covenant described in paragraph (2), or by any other Act of Congress enacted after March 24, 1976, which authorizes appropriations for the Northern Mariana Islands, but not appropriated for a fiscal year is authorized to be available for appropriation in succeeding fiscal years.

(c) Notwithstanding the provisions of Public Law 95–113, the Secretary of Agriculture is authorized upon the request of the Governor of the Northern Mariana Islands, acting pursuant to legislation enacted in accordance with sections 5 and 7 of article II of the constitution of the Northern Mariana Islands, for the period in which said legislation is in effect, (1) to exempt any individual who is a member of a household otherwise eligible to participate in the food stamp program from participation in the food stamp program as a member of that or any other household and (2) to establish such income standards of eligibility as determined by the Governor of the Northern Mariana Islands, acting pursuant to legislation enacted in accordance with sections 5 and 7 of article II of the constitution of the Northern Mariana Islands, to be suited to the economic and social circumstances of the Northern Mariana Islands. This authority exists for the calendar year 1978 and remains in effect through September 30, 1980.

(d) The Secretary of the Treasury is authorized and directed, upon the request of the Governor of the Northern Mariana Islands, acting pursuant to legislation enacted in accordance with sections 5 and 7 of article II of the constitution of the Northern Mariana Islands, to detail to the Northern Mariana Islands such employees of the Internal Revenue Service as may be required, without reimbursement or other cost to the government of the Northern Mariana Islands, to administer and enforce the provisions of section 601, 603, or 604 of the Covenant To Establish a Commonwealth of the Northern Mariana Islands in Political Union With the United States of America (Public Law 94–241; 90 Stat. 263, 269) and in order to administer and enforce the collection of any payroll tax or other tax measured by income that may be in force in the Northern Mariana Islands pursuant to section 602 of such Covenant. This authority shall continue until such time as the Governor of the Northern Mariana Islands, acting pursuant to legislation enacted in accordance with sections 5 and 7 of article II of the constitution of the Northern Mariana Islands, requests the Secretary of the Treasury to discontinue the administration and enforcement of such taxes. The administration and enforcement of such taxes by the government of the Northern Mariana Islands shall begin on January 1 of the year following the year in which such Northern Mariana Islands law is enacted.

VIRGIN ISLANDS

SEC. 4. (a) There is hereby authorized to be appropriated to the Secretary the sum of $1,000,000 for each of the five fiscal years beginning with fiscal year 1979, to be paid to the government of the Virgin Islands for the purpose of promoting economic development in the Virgin Islands. The Secretary shall by regulation prescribe the types of programs for which such sums may be used.

(b)(1) There are hereby authorized to be appropriated to the Secretary of the Interior such sums as may be necessary for grants to the government of the Virgin Islands for the construction of public facilities and the maintenance of essential services.

(2) The Secretary may place such stipulations as he deems appropriate on the use of funds appropriated pursuant to subsection (b)(1) hereof, which are not inconsistent with any stipulations placed on the use of such sums by any other Act of Congress.

(3) Grants provided pursuant to this section and not obligated or expended by the government of the Virgin Islands during any fiscal year will remain available for obligation or expenditure by such government in subsequent fiscal years for the purposes for which the funds were appropriated.

(4) Funds provided under paragraph (b)(1) may be used by the Virgin Islands as the matching share for Federal programs and services.

(5) Authorizations of moneys to be appropriated under this subsection shall be effective on October 1, 1978.

(c) Section 28(b) of the Revised Organic Act of the Virgin Islands is amended to read as follows:

"(b) Subparagraph (A) of section 7652 (b)(3) of the Act of August 16, 1954 (68A Stat. 3) is amended to read as follows:

"'(A) No later than June 30, 1978, and annually thereafter, there shall be transferred and paid over to the government of the Virgin Islands from the amounts so determined a sum equal to the total amount of revenue estimated to be collected in the fiscal year commencing the following day, such estimate to be made by the Governor of the Virgin Islands, with the concurrence of the government comptroller of the Virgin Islands. The moneys so transferred and paid over shall constitute a separate fund in the treasury of the Virgin Islands and may be expended as provided by the laws of the Virgin Islands for the expenditure of funds generally. As soon as practicable at the close of each fiscal year, the government comptroller of the Virgin Islands shall certify the total amount of revenue actually collected by the government of the Virgin Islands during such fiscal year. If the amount transferred and paid over pursuant to the estimate exceeds such actual collections, then such excess amount shall be deducted from the amount next transferred and paid over pursuant to the first sentence hereof. If the amount transferred and paid over pursuant to the estimate is less than such annual collection, then the Secretary of the Treasury shall as soon as practicable transfer and pay over the difference to the government of the Virgin Islands.' ".

AMERICAN MEMORIAL PARK

SEC. 5. (a) The Secretary, acting through the Director of the National Park Service, is authorized and directed to develop, maintain, and administer the existing American Memorial Park (hereinafter in this section referred to as the "park"), located at Tanapag Harbor Reservation, Saipan. The park shall be administered for the primary purpose of honoring the dead in the World War II Mariana Islands campaign.

(b) The Secretary is authorized and directed to the maximum extent feasible to employ and train residents of the Mariana Islands to develop, maintain, and administer the park.

(c) The Secretary shall provide for interpretive activities at the park, for which he is authorized to seek the assistance of appropriate historians to interpret the historical aspects of the park. To the greatest extent possible, interpretative activities shall be conducted in the following four languages: English, Chamorro, Carolinian, and Japanese.

(d)(1) Notwithstanding any provision of law to the contrary, no fee or charge shall be imposed on any permanent resident of Guam or the Northern Mariana Islands for entrance or admission into the American Memorial Park.

(2) Notwithstanding any provision of law to the contrary, no fee or charge shall be imposed on any United States military personnel or dependents of such personnel for entrance or admission into the American Memorial Park.

(e) The Secretary shall transfer administration of the park to the government of the Northern Mariana Islands at such time as the Governor, acting pursuant to legislation enacted in accordance with sections 5 and 7 of article II of the constitution of the Northern Mariana Islands, requests such a transfer. All improvements, including real and personal property, shall thereupon be transferred without cost to the government of the Northern Mariana Islands and thereafter the full cost of development, administration, and maintenance for the park shall be borne by the government of the Northern Mariana Islands except as provided in subsection (F).

(f) For the development, maintenance, and operation of the park (but not for any acquisition of land or interests in lands), there is hereby authorized to be appropriated the sum of $3,000,000 effective October 1, 1978. Amounts appropriated pursuant to this subsection shall remain available until expended.

(g) Nothing contained in this Act is intended to alter or diminish the authority to exercise the five-year option contained in article VIII of Public Law 94–241.

GUAM NATIONAL SEASHORE

SEC. 6. (a) In order to conserve and protect outstanding natural and scenic values on the island of Guam there is hereby established the Guam National Seashore (hereinafter in this section referred to as the "seashore"). The seashore shall consist of the area as generally depicted on the map entitled "Boundary Map, Guam National Seashore", numbered P–09–80,001–A and dated May 1978, which shall be on file and open to public inspection in the offices of the National Park Service, Department of the Interior. Following ninety days notice to the Committee on Interior and Insular Affairs of the House of Repesentatives and to the Committee on Energy and Natural Resources of the Senate, the Secretary may make minor revisions of the boundary of the seashore by publication of a revised map in the Federal Register.

Within the boundaries of the seashore established under this section the Secretary is authorized to acquire lands and waters and interests therein by donation, purchase with donated or appropriated funds, exchange, or transfer. Except for property deemed by the Secretary to be essential for visitor facilities, access, or administration of

the seashore, acquisition by the Secretary of improved property (including sufficient land to protect the improvements) and agricultural land existing as of January 1, 1978, the Secretary shall be restricted to acquisition of easements to protect and maintain existing land use.

(c) The Secretary shall administer property acquired under subsection (b) in accordance with this Act and with the laws generally applicable to units of the National Park System, including the Act of August 25, 1916 (39 Stat. 535) and the Act of August 21, 1935 (49 Stat. 666).

(d) The Secretary is authorized and directed, to the maximum extent feasible, to employ and train residents of Guam or of the Northern Mariana Islands to develop, maintain, and administer the seashore.

(e) Within three years from the date of enactment of this Act, the Secretary shall transmit to the committees named in subsection (a) the general management plan for the seashore consistent with the purposes of this section. The plan shall be jointly developed by the Secretary and the government of Guam.

(f) Pursuant to the plan developed under subsection (e), the Secretary shall seek to enter into an agreement with the government of Guam as to the role and responsibilities of the National Park Service and the territorial government in protecting, operating, and managing the seashore.

(g) The Secretary shall provide technical assistance to the government of Guam for the development and management of the proposed Guam Territorial Seashore Park.

(h)(1) Notwithstanding any provision of law to the contrary, no fee or charge shall be imposed on any permanent resident of Guam or the Northern Mariana Islands for entrance or admission into the Guam National Seashore.

(2) Notwithstanding any provision of law to the contrary, no fee or charge shall be imposed on any United States military personnel or dependents of such personnel for entrance or admission into the Guam National Seashore.

(i) Effective October 1, 1978, there is authorized to be appropriated $10,000,000 for acquisition of land and interests in land and $500,000 for development to carry out the purposes of this section.

WAR IN THE PACIFIC NATIONAL HISTORICAL PARK

SEC. 7. (a) In order to commemorate the bravery and sacrifice of those participating in the campaigns of the Pacific theater of World War II and to conserve and interpret outstanding natural, scenic, and historic values and objects on the island of Guam for the benefit and enjoyment of present and future generations, the War in the Pacific National Historical Park (hereinafter in this section referred to as the "park") is hereby established.

(b) boundaries of the park shall be as generally depicted on the drawing entitled "Boundary Map, War in the Pacific National Historical Park, Guam" numbered P-24-80,-000-B and dated March 1978, which shall be on file and available for inspection the offices of the National Park Service, Department of the Interior. Following ninety days notice to the Committee on Interior and Insular Affairs of the House of Representatives and to the Committee on Energy and Natural Resources of the Senate, the Secretary may make minor revisions of the boundary of the park by publication of a revised map in the Federal Register.

(c) Within the boundaries of the park, the Secretary may acquire lands and interests therein by donation, purchase with donated or appropriated funds, exchange, or transfer.

(d)(1) Except for property deemed by the Secretary to be essential for visitor facilities, or for access to or administration of the park, any owner or owners of improved property on the date of its acquisition by the Secretary may, as a condition of such acquisition, retain for themselves and their successors or assigns a right of use and occupancy of the improved property for noncommercial residential purposes for a definite term not to exceed twenty-five years, or in lieu thereof, for a term ending at the death of the owner, or the death of his or her spouse, whichever is the later. The owner shall elect the term to be reserved. Unless the property is wholly or partially donated, the Secretary shall pay to the owner the fair market value of the property on the date of such acquisition, less the fair market value on such date of the right retained by the owner.

(2) The Secretary may terminate a right of use and occupancy retained pursuant to this subsection upon his determination that such use and occupancy is being exercised in a manner not consistent with the purposes of this section, and upon tender to the holder of the right of an amount equal to the fair market value of that portion of the right which remains unexpired on the date of termination.

(3) The term "improved property", as used in this subsection shall mean a detached, noncommercial residential dwelling, the construction of which was begun before January 1, 1978 (hereinafter in this section referred to as a "dwelling"), together with so much of the land on which the dwelling is situated, the said land being in the same ownership as the dwelling, as the Secretary shall designate to be reasonably necessary for the enjoyment of the dwelling for the sole purpose of noncommercial residential use, together with any structures accessory to the dwelling which are situated on the land so designated.

(e) Other points on the island of Guam pertinent to this legislation may be identified, established, and marked by the Secretary in agreement with the Governor of Guam.

(f) The Secretary shall administer property acquired in accordance with the laws generally applicable to the management of units of the National Park System.

(g) The Secretary is authorized to seek the assistance of appropriate historians to interpret the historical aspects of the park. To the greatest extent possible, interpretative activities will be conducted in at least two of the following three languages: English, Chamarro, and Japanese.

(h) The Secretary is authorized to enter into negotiations with the Secretary of Defense for the berthing and interpretation of a naval vessel of World War II vintage which shall be accessible to the public on the island of Guam.

(i) Within two years from the date of enactment of this Act, the Secretary shall develop and transmit to the committees named in subsection (b) a general management plan for the national historical park consistent with the purposes of this section.

(j) The Secretary is authorized and directed, to the maximum extent feasible, to employ and train residents of Guam or of the Northern Mariana Islands to develop, maintain, and administer the park.

(k)(1) Notwithstanding any provision of law to the contrary, no fee or charge shall be imposed on any permanent resident of Guam or the Northern Mariana Islands for entrance or admission into the War in the Pacific National Historical Park.

(2) Notwithstanding any provision of law to the contrary, no fee or charge shall be imposed on any United States military personnel or dependents of such personnel for entrance or admission into the War in the Pacific National Historical Park.

(l) For the purposes of the park established under this section, effective October 1, 1978, there are authorized to be appropriated such sums as may be necessary but not to exceed $16,000,000 for the acquisition of lands or interests in lands and $500,000 for development.

VIRGIN ISLANDS NATIONAL PARK

SEC. 8. (a)(1) The first paragraph of section 1 of the Act of October 5, 1962 (76 Stat. 746; 16 U.S.C. 398c), is amended by adding a comma after the words "adjoining lands, submerged lands, and waters" and inserting "and Hassel Island located in Saint Thomas Harbor and adjoining lands, submerged lands, and waters,".

(2) Such section 1 is further amended by inserting immediately before the last paragraph, the following:

"HASSEL ISLAND

"The area known as Hassel Island in Saint Thomas Harbor consisting of approximately 135 acres, together with such adjoining lands, submerged lands, and waters as the Secretary of the Interior deems appropriate, but the boundaries shall not, in any event, extend beyond 100 yards from the mean high water mark of the island.".

(b) Section 2 of such Act is amended by—

(1) inserting "(a)" after "SEC. 2.";

(2) adding at the end of the first sentence the following: "In acquiring such lands, up to 6.6 acres, the Secretary may, when agreed upon by the landowner involved, defer payment or schedule payments over a period of ten years and pay interest on the unpaid balance at a rate not exceeding the current prevailing commercial rate."; and

(3) adding the following at the end thereof:

"(b) The Secretary is authorized and directed to the maximum extent feasible to employ and train residents of the Virgin Islands to develop, maintain, and administer the Virgin Islands National Park.

"(c) Subject to continued protection and use of Hassel Island for park and recreation purposes and such other conditions as the Secretary may deem appropriate, the Territory of the Virgin Islands may, within but not after five years after the date of the enactment of this subsection, by duly enacted legislation acquire all interests of the United States in Hassel Island by reimbursing the United States in an amount equal to the amount actually expended by the United States for the acquisition of lands and interests in lands and for the costs of construction of permanent improvements, if any.

"(d)(1) Except for property deemed necessary by the Secretary of the Interior for visitor facilities or administration of the park, any owner or owners of improved property on Hassel Island on the date of its acquisition, may retain for themselves a nontransferrable right of use and occupancy of the property for noncommercial residential purposes, for twenty-five years, or, in lieu thereof, for a term ending at the death of the owner or the owner's spouse, whichever is later. The owner shall elect the term to be reserved. The Secretary shall pay to the owner the fair market value of the property on the date of such acquisition, less the fair market value on such date of the right retained by the owner. The authority of the Secretary to acquire the property commonly known as the Royal Mail (hotel) by condemnation shall be suspended for ten years from the date of enactment and the Secretary shall acquire such property only with the consent of the owner or owners thereof, if such owner or owners agree, in writing, within ninety days after the enactment of this subsection to grant to the United States the right of first refusal to purchase such property at a purchase price not exceeding the fixed value of said property on July 1, 1978.

"(2) As used in subsection (d)(1), 'improved residential property' means a single-

family dwelling, the construction of which began January 1, 1977, together with such lands as are in the same ownership and appurtenant buildings located thereon.

"(3) The Secretary may terminate a right of use and occupancy retained pursuant to subsection (d)(1) upon his determination that such use and occupancy is being, or may be, exercised in a manner inconsistent with the purposes for which they were included within the park and upon tender to the holder of such right of the amount equal to the value of that portion of the right which remains unexpired on the date of termination.".

(3) Section 3 is amended by inserting "(a)" immediately after "SEC. 3." and by adding the following new subsection at the end thereof:

"(b)(1) Notwithstanding any provision of law to the contrary, no fee or charge shall be imposed on any permanent resident of the Virgin Islands for entrance or admission into the Virgin Islands National Park.

"(2) Notwithstanding any provision of law to the contrary, no fee or charge shall be imposed on any United States military personnel or dependents of such personnel for entrance or admission into the Virgin Islands National Park.".

(4) Section 4 is amended to read as follows.

"SEC. 4. Effective October 1, 1978, there are authorized to be appropriated such sums as may be necessary for the acquisition of lands and interests in lands within the Virgin Islands National Park. For purposes of this section, acquisition of land on Hassel Island shall be deemed to be acquisitions qualifying for payment under the provisions of paragraph (2) of the Act of June 10, 1977 (Public Law 95–42; 91 Stat. 210). In addition to such sums as may have heretofore been appropriated for development of public facilities within the Virgin Islands National Park, effective October 1, 1978, there are authorized to be appropriated not more than $1,000,000 for restoration and rehabilitation of historic structures and for development of public facilities on Hassel Island: *Provided*, That not more than $500,000 of such amount may be paid to the Territory of the Virgin Islands for its use in furthering projects undertaken pursuant to the Land and Water Conservation Fund Act, the Historic Preservation Act, or other comparable programs upon the transfer of title to the United States of all properties held by the territory on Hassel Island.".

(5) Section 2(c) of the Act entitled "An Act to authorize the establishment of the Virgin Islands National Park, and for other purposes" (70 Stat. 940; 16 U.S.C. 398) is amended by adding the following sentence at the end thereof: "Notwithstanding the acreage limitations and boundary designations contained in this section, the Secretary may, for administration as part of the park, also acquire, with the consent of the owner or by donation, real and personal property which is not within the defined boundaries of the park.".

AUTHORIZATIONS TO REMAIN AVAILABLE

SEC. 9. Any amount authorized by this Act or by the Act entitled "An Act to authorize certain appropriations for the territories of the United States, to amend certain Acts relating thereto, and for other purposes" (Public Law 95–134; 91 Stat. 1159) but not appropriated for a fiscal year is authorized to be available for appropriation in succeeding fiscal years.

TECHNICAL AMENDMENTS

SEC. 10. Section 501 of the Act entitled "An Act to authorize certain appropriations for the territories of the United States, to amend certain Acts relating thereto, and for other purposes" (Public Law 95–134; 91 Stat. 1159) is amended—

(1) by inserting ", notwithstanding any provision of law to the contrary," after "it is hereby declared to be the policy of the Congress"; and

(2) in subsection (a) by striking out "Notwithstanding any provision of law to the contrary, any" and inserting in lieu thereof "Any".

The SPEAKER pro tempore. Is a second demanded?

Mr. DON H. CLAUSEN. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from California (Mr. PHILLIP BURTON) will be recognized for 20 minutes, and the gentleman from California (Mr. DON H. CLAUSEN) will be recognized for 20 minutes.

The Chair recognizes the gentleman from California (Mr. PHILLIP BURTON).

Mr. PHILLIP BURTON. Mr. Speaker, I yield myself such time as I may consume up to 10 minutes.

Mr. Speaker, we have before us H.R. 12481, an authorization bill for various offshore areas of the United States, including the Virgin Islands, Guam, the Northern Mariana Islands, and the Trust territory of the Pacific Islands. This bill contains a number of provisions, one of which authorizes some $15 million for rehabilitation and housing for the Bikini people in the Marshall Islands.

About 30 years ago, the U.S. Government, in order to conduct a series of some 32 thermonuclear tests over a 10-year period, moved the Bikini people off their atoll, and since that time these people have been moved from place to place. Their population is currently scattered throughout various islands in the Marshall Islands. One hundred or so persons returned prematurely to Bikini Island in the Bikini Atoll because the U.S. Government had announced that the island was safe for civilian habitation.

It has been discovered since that time that the island cannot be considered clean and used as a site for permanent resettlement, and hence this authorization is needed.

Additionally, in H.R. 12481, we authorize the establishment of three parks or seashores in Guam, and the Northern Mariana Islands, and an addition to the Virgin Islands National Park.

The properties in the Virgin Islands include all of the island known as Hassel Island in St. Thomas Harbor. For some many years, there has been an interest in adding this to the Virgin Islands National Park. Both of the current owners are willing to have their properties included in a national park and we have authorized the same.

In Guam we have a proposal that is No. 2 on the National Park Service list of desirable parks. This would authorize the establishment of the war in the Pacific National Historical Park to commemorate the dead of World War II.

In the Northern Mariana Islands we have authorized three or four items. As you know, the Northern Marianas are the newest member of the American family. We authorized first the construction of a powerplant in the amount of $12 million. The people of the Northern Marianas have been using for many years a borrowed old naval barge as a source of power, and we felt it very important in order to induce the kind of private sector investment that is needed to have the power source be stabilized. We propose to do it in this manner.

We similarly authorize, subject to the request of the Northern Marianas Government, that the IRS administer and enforce their tax laws, a matter that I think will go a long way in assuring that the revenues due the Northern Marianas Government will be received.

We next give to the Northern Marianas Government, consistent with the thrust of the covenant, an opportunity to make their own judgment with reference to food stamps and the eligibility therefor. Right now under the covenant the Northern Mariana Islands residents are all entitled to food stamps under the exact conditions under which the people in Detroit and New York are entitled to food stamps. In discussing this with the legislature and the Governor, both the Republicans and the Democrats suggested they may not want to go forward with the food stamp program, or if they do they might want to reduce the bonus value, or they might want to attach other conditions that are more consistent with some of the cultural and economic realities of life in the Northern Marianas.

Mr. Speaker, this legislation was reported out of committee unanimously.

Mr. DON H. CLAUSEN. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, I rise in support of H.R. 12481. Today, this body has the good fortune to act upon innovative legislation—legislation which represents years of cumulative legislation experience in dealing with America's offshore problems. We are indebted to the chairman of the Subcommittee on National Parks and Insular Affairs, Mr. PHILLIP BURTON, whose astuteness in recognizing the deplorable conditions in America's overseas possessions and sensitivity to the plight of their inhabitants, is largely responsible for the perceptive provisions of the bill. Briefly, let me explain some of the more important aspects of this comprehensive legislation.

Guam is still recovering from the devastating effects of Typhoon Pamela in 1976. Estimates on reconstruction costs are continuously rendered out of date due to soaring inflation, especially in transportation costs. To assist in rehabilitation and to update Guam's antiquated infrastructure, section 1 authorizes such sums as may be necessary, effective October 1, 1978, for grants to the Government of Guam for the construction of public facilities and the maintenance of essential services. Moreover, Public Law, 95–134, which authorized $25 million for health care needs in Guam, is increased to $35 million, thereby correcting earlier cost estimates which are no longer valid.

Section 2 authorizes $15 million, effective October 1, 1978, for the rehabilitation and resettlement of Bikini Atoll and Kili Island, Trust Territory of the Pacific Islands. Hazardous radiation levels, resulting from former U.S. nuclear tests and only recently detected, threaten the health and welfare of people living on some of Bikini's islands. Expeditious

action must be taken to eliminate further risk.

Saipan, the most populous island in America's newest Commonwealth, is totally dependent upon an antiquated power barge, built over 35 years ago and on loan by the U.S. military to the Government of the Northern Marianas. Section 3 authorizes $12 million, effective October 1, 1978, to construct a new power facility essential to the economic growth on Saipan. Additionally, in order to preserve island culture and to stimulate economic growth, H.R. 12481 authorizes the Secretary of Agriculture, upon gubernatorial request pursuant to commonwealth legislation, to modify the regulations governing the food stamp program in the Northern Mariana Islands.

In consonance with comparable Federal legislation now in force in Guam and the Trust Territory of the Pacific Islands, section 4 authorizes $1,000,000 commencing in fiscal year 1979 and for 4 years thereafter for the purpose of promoting economic development in the Virgin Islands. Moreover, such sums as may be necessary for the construction of public facilities and the maintenance of essential services are authorized for the Virgin Islands. This authorization permits the replacement of health care facilities in St. Thomas, St. John, and St. Croix.

Under section 5, the Secretary of the Interior, acting through the Director of the National Park Service, is authorized $3 million, effective October 1, 1978, to develop, maintain, and administer the American Memorial Park located at Tanapag Harbor, Saipan. The park's primary purpose is to honor the dead in the World War II Mariana Islands campaign.

In order to conserve and protect outstanding natural and scenic values on the island of Guam, section 6 establishes the Guam National Seashore. The Secretary of the Interior shall administer the Seashore and is authorized $10 million for land acquisition and $500,000 for development. Similarly, in commemoration of the bravery and sacrifice of those participating in the campaigns of the Pacific Theater in World War II and to conserve natural, scenic and historic values, section 7 establishes the War in the Pacific National Historical Park. The Secretary of the Interior will administer the park and is authorized $16 million for land acquisition and $500,000 for development.

Section 8 directs the Secretary of the Interior to acquire Hassel Island in St. Thomas Harbor, Virgin Islands, consisting of approximately 135 acres for park and recreational purposes. Effective October 1, 1978, there are authorized such sums as may be necessary for land acquisition and $1,000,000 for restoration of historic structures and for development of public facilities.

Mr. Speaker, H.R. 12481 is a bipartisan attempt to correct some of the problems confronting U.S. citizens living in the offshore areas. In this bill, we demonstrate legislative responsiveness, not yielding the initiative to an administration, bureaucratically impaled on the horns of indecision. H.R. 12481 is frugal in cost when compared to the social and economic problems it will overcome; I urge my colleagues to render their full support.

Mr. PHILLIP BURTON. Mr. Speaker, if the gentleman will yield, I am advised by the Committee on Ways and Means that some members of that committee are disturbed about the authority that we have in the bill for the IRS to collect taxes in the Northern Marianas. I would like to convey publicly, and I believe it is good to have it on the record, that if there is any one provision that our committee was pleased about, it is that we were able to get the Governor and the Legislature of the Northern Mariana Islands, at least unofficially, and we hope it will be officially, to agree to let the IRS collect those taxes. We felt it would give the private investor a sense of security that those taxes would be subject to the same ground rules as they are generally here on the mainland. We also think, this procedure will increase the revenues collected.

I think that this is one of the typical dilemmas we have with the executive department where we have those who follow this area with interest, know that this is the best, the most conservative and the wisest approach for both the Northern Mariana Islands and the American taxpayers.

I would ask the gentleman from California (Mr. DON H. CLAUSEN) if the gentleman would not agree to my representation?

Mr. DON H. CLAUSEN. Mr. Speaker, for the record I want to state to the gentleman from California (Mr. PHILLIP BURTON) that I agree with the gentleman.

The SPEAKER pro tempore (Mr. HEFNER). The time of the gentleman has expired.

Mr. DON H. CLAUSEN. Mr. Speaker, I yield myself 1 additional minute.

Mr. Speaker, I will state for the record that the gentleman from California (Mr. PHILLIP BURTON) has stated the situation correctly. I did participate, along with the gentleman from California (Mr. LAGOMARSINO) and other members of the committee, in the exchange that took place between the governor and the members of the Northern Mariana Legislature where they specifically expressed their concern, and their request of us to see that the tax collection machinery would utilize the IRS, as stated by the gentleman from California (Mr. PHILLIP BURTON).

Mr. PHILLIP BURTON. Is it not a fact that there is no one today in the Northern Mariana Islands who has the necessary experience in tax collection or enforcement?

Mr. DON H. CLAUSEN. That is correct.

Mr. PHILLIP BURTON. Is it not further a fact that this addition to the American family started its government on January 9, and that we merely are trying to provide a service to see that business investment is encouraged and that people are treated decently in connection with the collection and enforcement of tax laws? I would like to note further, I will say to the gentleman, that I think it is outrageous that one part of the executive branch does not know enough facts about the real situation to take action with reference to this matter.

Mr. DON H. CLAUSEN. I will further state that in addition to the fact that they do not have the talent and level of competence among their people, as I stated, to handle this complex tax collection machinery, we also stated during the course of the session that if and when the competence is developed, it would be our view that should they petition the U.S. Government to withdraw from that kind of administration procedure, we would acquiesce in their request.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. PHILLIP BURTON. I yield myself 1 additional minute.

May I ask the gentleman further, under the Northern Mariana covenant and under the language and terms of that covenant which was overwhelmingly approved, it was affirmed that all U.S. executive agencies would work to assist the Northern Mariana Islands in their entry into the American family.

I would like to note also for the record that the IRS was under a mandate to cooperate and sent out only one person, who found the situation to be so impossible that he was among those who privately told me, "Congressman, I can't possibly train enough people. I am one person. I alone cannot possibly train them in this short time span to enable them to collect their taxes in an orderly manner."

Mr. DON H. CLAUSEN. The gentleman is correct.

Mr. PHILLIP BURTON. I hope this person does not get fired for telling me the truth privately, but he happened to be out there.

Mr. ROSTENKOWSKI. Could I solicit an opportunity from the gentleman from California to make some observations with respect to the legislation?

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. PHILLIP BURTON. I yield 2 minutes to the gentleman from Illinois (Mr. ROSTENKOWSKI).

Mr. ROSTENKOWSKI. I thank the gentleman.

Mr. Speaker, I dislike very much disagreeing with my good friend and colleague, the gentleman from California. However, I would like to point out to the House of Representatives that there is one provision in the legislation which has been questioned by the Treasury Department. As the Members are all aware, the IRS and the Department of the Treasury fall under the purview of the Committee on Ways and Means, and I honestly do not know whether or not they would find it objectionable, had they had an opportunity to look it over.

Mr. PHILLIP BURTON. Mr. Speaker, will the gentleman yield?

Mr. ROSTENKOWSKI. I yield to the gentleman from California.

Mr. PHILLIP BURTON. If the IRS had complied with our mandate of a couple of years ago to send a number of people out there who would be on the

spot, they would be working with some of the facts at their disposal rather than out of absolute ignorance.

Mr. ROSTENKOWSKI. I am not aware of the mandate mentioned by my good colleague, the gentleman from California (Mr. PHILLIP BURTON), but I am constrained to raise several points about the legislation. One is that the provision of the bill permits the Governor of the Northern Mariana Islands to require that the IRS administer and collect the taxes in the Northern Marianas, but provides no budget authorization for these IRS activities. Second, I understand that no hearings on the bill were held, nor was there an opportunity for the IRS and Department of the Treasury to review the legislation.

My basic point in this colloquy is to suggest that perhaps there could be a delay of the bill with the possibility of having the IRS, the Treasury, and other interested persons make some comments. I understand, Mr. Speaker, that the IRS, the OMB, and the Department of the Treasury at this time oppose this provision because they have not had an opportunity to review the legislation. I am not discussing or debating the merits of the legislation. I am sure that the gentleman's committee did an indepth study of this. I do not know about the mandatory provisions of several years ago, but I just raise these points because there has been a question of jurisdiction here with respect to the Committee on Ways and Means, and the fact that the IRS feels that there is no budget authorization for the proposed IRS activities.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. PHILLIP BURTON. I yield myself 2 additional minutes.

Given the terms of the covenant, the only way to set in motion the mechanism for IRS collection is the mechanism we have in the bill. It is the only way to do it, because in the covenant we authorize the people in the government of the Northern Marianas Islands to collect their own taxes.

There are 14,000 people in the Northern Marianas Islands. I do not know what kind of a massive increase in personnel the IRS is going to need to process the tax returns of about 1,800 people and several American business organizations.

I hope that add-on to the massive workload of the IRS is not so overwhelming that they might be able to absorb the cost of gathering and enforcing taxes to something less than 2,000 taxpayers.

My interest and concern are as follows: the Northern Marianas Islands are now part of the United States. American businessmen must be encouraged to invest, hence the powerplant so that they have stable power and hence a tax collection system in which they will have some confidence.

Mr. DON H. CLAUSEN. Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. LAGOMARSINO), a member of the committee.

Mr. LAGOMARSINO. Mr. Speaker, I rise in support of H.R. 12481. This legislation follows the precedent established last year wherein the Congress assumed the initiative of attending to the urgent needs of America's offshore areas. Our farsighted and well-informed subcommittee chairman, Mr. PHILLIP BURTON, once again has moved out in front of the administration in prescribing remedies for America's territories to correct some of the injustices that have plagued them for years. This mini territorial omnibus bill does not break new sod. The problems are old—only the solution is new.

For example, the distinguished Delegate from Guam, Mr. WON PAT, has championed for years the establishment of a National Seashore and a Pacific Historical Park in Guam. Moreover, ever since Typhoon Pamela struck in 1976. he has lamented the piecemeal attempts on the part of the administration to rebuild Guam's infrastructure—in most cases, they represented belated efforts whose financial impacts were gobbled up by galloping inflation while awaiting the ponderous Washington bureaucracy to act. H.R. 12481 provides a mechanism wherein quick response to territorial emergencies is now possible.

And our distinguished Delegate from the Virgin Islands, Mr. RON DE LUGO, has long advocated economic development assistance programs to assist the small businessman and help diversify the Virgin Islands' economy. This bill provides such a measure. Also, he has frequently informed members of the subcommittee of the pressing requirement for modern health care facilities in the Virgin Islands, H.R. 12481 addresses this dilemma too.

Lastly, I wish to call your attention to a crisis situation in the Pacific—one of which you are undoubtedly aware, considering its broad coverage in the Nation's leading papers—that is, the conditions under which some of the people in the Bikini Atoll are currently living. These islanders are constantly exposed to harmful and potentially lethal radiation resulting as an aftermath from America's nuclear tests in the Pacific. Something must be done—now—to eliminate this hazard to America's wards. This bill, H.R. 12481, contains the financial authorization to tackle the problem.

Mr. Speaker, this bill is inspired legislation. It is innovative without being extravagant. It is imaginative, yet prudent. It is a commonsense approach in meeting America's territorial obligations. Accordingly, I urge unanimous passage of H.R. 12481.

Mr. DON H. CLAUSEN. Mr. Speaker, I yield 2 minutes to the gentleman from South Dakota (Mr. PRESSLER).

Mr. PRESSLER. Mr. Speaker, I rise in support of H.R. 12481. I wish to express my particular support of the section of the bill containing $15 million for rehabilitation and resettlement of Bikini Atoll and Kili Island because of the hazardous radiation levels from past nuclear tests.

I would like to point out to the House that there are U.S. servicemen who were in that area and who have not received similar consideration. For example, Ken Marshall of Sturgis, S.Dak., was involved in these tests while serving in the Army, and he has symptoms similar to those of some of the islanders. However, he has received no aid from our Government.

I would hope the passage of this bill will set an example to our Government and to this Congress in order to take care of some of the servicemen who suffer from similar symptoms. These are servicemen who served in the Army; those who are currently living are in their fifties or sixties. It seems that we are caring for resettlement and caring for people in this area while overlooking some of the needs of many of the veterans in our own society.

I particularly cite a case, on which I have worked a great deal, of a soldier who was in this area during the nuclear tests and who has developed symptoms similar and almost identical to those of some of the islanders about whom we have heard in the hearings on this bill and on the floor today.

Mr. Speaker, I hope that this Congress will not forget these U.S. servicemen.

GENERAL LEAVE

Mr. PHILLIP BURTON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill under consideration.

The SPEAKER pro tempore (Mr. HEFNER). Is there objection to the request of the gentleman from California?

There was no objection.

Mr. PHILLIP BURTON. Mr. Speaker, I have no further requests for time.

Mr. DON H. CLAUSEN. Mr. Speaker, I have no additional requests for time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California (Mr. PHILLIP BURTON) that the House suspend the rules and pass the bill, H.R. 12481, as amended.

The question was taken.

Mr. VOLKMER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 3 of rule XXVII and the Chair's prior announcement, further proceedings on this motion will be postponed.

REFUND EXCISE TAX ON ALCOHOLIC BEVERAGES DESTROYED BY VANDALISM

Mr. WAGGONNER. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1920) to amend section 5064 of the Internal Revenue Code of 1954 to provide for refund of tax on distilled spirits, wines, rectified products, and beer lost or rendered unmarketable due to fire, flood, casualty, or other disaster, or to breakage, destruction, or other damage (excluding theft) resulting from vandalism or malicious mischief while held for sale, as amended.

The Clerk read as follows:

H.R. 1920

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) so much of section 5064 of the Internal Revenue Code of 1954 (relating to losses caused by disaster) as precedes subsection (c) is amended to read as follows:

"SEC. 5064. LOSSES RESULTING FROM DISASTER, VANDALISM, OR MALICIOUS MISCHIEF.

"(a) PAYMENTS.—The Secretary, under such regulations as he may prescribe, shall pay (without interest) an amount equal to the amount of the internal revenue taxes paid or determined and customs duties paid on distilled spirits, wines, rectified products, and beer previously withdrawn, which were lost, rendered unmarketable, or condemned by a duly authorized official by reason of—

"(1) fire, flood, casualty, or other disaster, or

"(2) breakage, destruction, or other damage (but not including theft) resulting from vandalism or malicious mischief,

if such disaster or damage occurred in the United States and if such distilled spirits, wines, rectified products, or beer were held and intended for sale at the time of such disaster or other damage. The payments provided for in this section shall be made to the person holding such distilled spirits, wines, rectified products, or beer for sale at the time of such disaster or other damage.

"(b) CLAIMS.—

"(1) PERIOD FOR MAKING CLAIM; PROOF.—No claim shall be allowed under this section unless—

"(A) filed within 6 months after the date on which such distilled spirits, wines, rectified products, or beer were lost, rendered unmarketable, or condemned by a duly authorized official, and

"(B) the claimant furnishes proof satisfactory to the Secretary that the claimant—

"(i) was not indemnified by any valid claim of insurance or otherwise in respect of the tax, or tax and duty, on the distilled spirits, wines, rectified products, or beer covered by the claim; and

"(ii) is entitled to payment under this section.

"(2) MINIMUM CLAIM.—Except as provided in paragraph (3)(A), no claim of less than $250 shall be allowed under this section with respect to any disaster or other damage (as the case may be).

"(3) SPECIAL RULES FOR MAJOR DISASTERS.—If the President has determined under the Disaster Relief Act of 1974 that a 'major disaster' (as defined in such Act) has occurred in any part of the United States, and if the disaster referred to in subsection (a)(1) occurs in such part of the United States by reason of such major disaster, then—

"(A) paragraph (2) shall not apply, and

"(B) the filing period set forth in paragraph (1)(A) shall not expire before the day which is 6 months after the date on which the President makes the determination that such major disaster has occurred.

"(4) REGULATIONS.—Claims under this section shall be filed under such regulations as the Secretary shall prescribe."

(b) The table of sections for subpart E of part I of subchapter A of chapter 51 of such Code is amended by striking out the item relating to section 5064 and inserting in lieu thereof the following:

"Sec. 5064. Losses resulting from disaster, vandalism, or malicious mischief."

(c) The amendments made by this section shall apply to disasters (or other damage) occurring on or after the first day of the first calendar month which begins more than 90 days after the date of the enactment of this Act.

The SPEAKER pro tempore. Is a second demanded?

Mr. FRENZEL. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Louisiana (Mr. WAGGONNER) will be recognized for 20 minutes, and the gentleman from Minnesota (Mr. FRENZEL) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Louisiana (Mr. WAGGONNER).

Mr. WAGGONNER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 1920 provides for repayments by the Treasury of the excise taxes and customs duties on distilled spirits, wines, rectified products, or beer held for sale, if these products are lost or ruined by fire, flood, casualty, or other disaster, or vandalism.

Alcohol excise taxes are payable before the products are shipped by the producer. As compared with the taxes on other products, the prepaid excise taxes on alcoholic beverages constitute a high portion of the costs of the product in the hands of wholesalers or retailers. In some cases, more than half the cost of distilled spirits may represent taxes. Thus, if alcoholic products held for sale are destroyed after taxes have been paid, a large portion of the loss will be attributable to prepaid taxes which cannot be passed on to consumers.

Under present law, the Treasury can pay the tax amounts to the merchant only if the loss results from a "major disaster" as declared by the President. The Ways and Means Committee has concluded that there are other events which likewise can result in substantial losses of alcoholic products. For this reason, the bill expands the events which permit tax refunds to include uninsured losses caused by fire, flood, casualty, other disasters, or vandalism. However, theft losses are not covered.

To avoid imposing serious administrative burdens on the Internal Revenue Service, the bill requires that the tax payment claimed on account of any single disaster must be at least $250, except in the case of loss from a "major disaster" as declared by the President.

Mr. Speaker, I urge the adoption of this bill.

● Mr. DRINAN. Mr. Speaker, I rise in opposition to H.R. 1920, which provides an excise tax refund to liquor distributors and merchants when their stocks are destroyed by vandalism or malicious mischief.

This legislation would provide an unprecedented, half-million dollar subsidy each year to an industry which, by all indications, is already thriving. By the industry's own admission, H.R. 1920 would reduce by more than 50 percent the premiums which liquor dealers must pay for casualty loss insurance.

The Treasury Department has opposed this legislation under both the Ford and Carter administrations, stating that it would be extremely difficult to administer, that it created considerable potential for abuse, and that private industry—rather than the Federal Government—should be responsible for insuring its own inventories against reasonable losses. I should remind my colleagues that existing Federal law generously provides for the refund of excise taxes on liquor products when losses are sustained as the result of a officially-declared disaster.

Moreover, the only witness to testify in favor of this bill was a lobbyist representing 816 independent liquor distributors which stand to gain direct financial benefit from its enactment. There was not a shred of evidence presented to the subcommittee that casualty insurance for liquor distributors has been unavailable, or that liquor distributors have not been able to turn a healthy profit under existing tax law.

Mr. Speaker, H.R. 1920 would set a troublesome precedent by relieving a single industry of the responsibility of obtaining its own commercial insurance. The legislation is bad politics and bad public policy, and I urge its defeat.●

Mr. FRENZEL. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 1920, which would amend the Internal Revenue Code of 1954 to authorize the refund of Federal excise taxes, or customs duties, imposed on distilled spirits, wine, rectified products, and beer lost or destroyed as a result of disasters or vandalism occurring in the United States.

Mr. Speaker, the bill, quite simply, expands the definition of "disasters." At the present time, one can only recoup these taxes in the case of a major disaster. Quite obviously, people who have paid these taxes are subjected occasionally to minor disasters, and the loss is just as complete as it is in the major disaster.

Under present law a refund of the excise taxes or customs duties imposed on distilled spirits, wine, rectified products, and beer is allowed if these items are lost or damaged as a result of a Presidentially declared major disaster. H.R. 1920 removes the major disaster requirement and authorizes the refund of such taxes or customs duties where the loss or damage is at least $250, and results from casualty, disaster, vandalism or malicious mischief—but not theft—occurring in the United States. As under present law, the lost or damaged product must be held and intended for sale at the time of the disaster.

The $250 requirement is not applicable to damage resulting from a Presidentially declared major disaster.

The bill requires claims to be filed within 6 months of the date of the loss. In addition, the claimant has to furnish the Treasury Department with satisfactory proof that he will not be indemnified for the loss and that he is otherwise entitled to the payment. In the case of Presidentially declared major disasters, the 6-month filing period starts on the day the President determines the disaster to have occurred.

H.R. 1920 allows taxpayers, who have suffered losses, to receive refunds and I urge its enactment.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. WAGGONNER. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The ques-

tion is on the motion offered by the gentleman from Louisiana (Mr. WAGGONNER) that the House suspend the rules and pass the bill (H.R. 1920), as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

REFUND EXCISE TAX ON AERIAL APPLICATORS FUELS

Mr. WAGGONNER. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2852) to amend the Internal Revenue Code of 1954 to exempt certain agricultural aircraft from the aircraft use tax, to provide for the refund of the gasoline tax to the agricultural aircraft operator, and for other purposes, as amended.

The Clerk read as follows:

H.R. 2852

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. REFUNDS TO BE MADE TO AERIAL APPLICATORS IN CERTAIN CASES.

(a) ENTITLEMENT OF AERIAL APPLICATORS TO REFUND OF GASOLINE TAX IN CERTAIN CASES.—Subsection (c) of section 6420 of the Internal Revenue Code of 1954 (defining use on a farm for farming purposes) is amended by redesignating paragraph (4) as paragraph (5) and by inserting after paragraph (3) the following new paragraph:

"(4) CERTAIN FARMING USE OTHER THAN BY OWNER, ETC.—In applying paragraph (3)(A) to a use on a farm for any purpose described in paragraph (3)(A) by any person other than the owner, tenant, or operator of such farm—

"(A) the owner, tenant, or operator of such farm shall be treated as the user and ultimate purchaser of the gasoline, except that

"(B) if the person so using the gasoline is an aerial applicator who is the ultimate purchaser of the gasoline, subparagraph (A) of this paragraph shall not apply and the aerial applicator shall be treated as having used such gasoline on a farm for farming purposes."

(b) ENTITLEMENT OF AERIAL APPLICATORS TO REFUND OF SPECIAL FUELS TAX IN CERTAIN CASES.—The second sentence of subsection (c) of section 6427 of such Code (relating to use for farming purposes) is amended to read as follows: "For purposes of this subsection, if fuel is used on a farm by any person other than the owner, tenant, or operator of such farm, the rules of paragraph (4) of section 6420(c) shall be applied (except that 'liquid taxable under section 4041' shall be substituted for 'gasoline' each place it appears in such paragraph (4))."

(c) CONFORMING AMENDMENT.—Subparagraph (A) of section 6420(c)(3) of such Code is amended by striking out "except that" and all that follows down through the semicolon at the end of such subparagraph (A).

SEC. 2. EFFECTIVE DATE.

The amendments made by the first section of this Act shall take effect on the first day of the first calendar quarter which begins more than 90 days after the date of the enactment of this Act.

The SPEAKER pro tempore (Mr. DUNCAN of Oregon). Is a second demanded?

Mr. CONABLE. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Louisiana (Mr. WAGGONNER) and the gentleman from New York (Mr. CONABLE) will be recognized for 20 minutes each.

The Chair recognizes the gentleman from Louisiana (Mr. WAGGONNER).

Mr. WAGGONNER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 2852 modifies the procedure for obtaining refunds of Federal excise taxes on aviation fuels used for agricultural spraying and crop dusting.

Present law imposes excise taxes of seven cents per gallon on gasoline and special fuels used by civil aviation. As in the case of gasoline and highway fuel taxes, the excise taxes are refunded if the aviation fuel is used for farming purposes.

Under this farming-purpose exemption, the operator of the crop duster, who paid the tax, may not claim the refund or credit. Instead, the owner, tenant, or operator of the farm on which the gasoline or other fuel is used is entitled to claim the refund or credit. The aircraft operator must provide the farmer with sufficient information for the farmer to claim the refund or credit. The costs of supplying this information to the farmer frequently exceed the farmer's refund or credit.

This bill permits the operator of the crop duster, and not the farmer, to claim the refund or credit for excise taxes on aviation fuels used for farming purposes. Accordingly, these taxes will no longer be costs of the operator to be passed on to farmers.

Mr. Speaker, I urge the adoption of H.R. 2852.

Mr. DUNCAN of Oregon. Mr. Speaker, I ask the gentleman whether we are talking about the airport and airways user tax here. Is this the excise tax we are talking about?

Mr. WAGGONNER. No, it is not. This bill relates to aviation fuel excise taxes, not to the aircraft use tax.

Mr. DUNCAN of Oregon. This is the regular excise tax, and this is not the airport-airways tax.

Mr. WAGGONNER. That is correct, although the revenues from both taxes go into the airport and airway trust fund.

Mr. DUNCAN of Oregon. The money goes into the trust fund.

Mr. Speaker, I would like to say to the gentleman that I support this bill. It has always seemed to me to be a rather ridiculous procedure by which to get an exemption for agriculture by handling it in this particular fashion.

I would like to ask the gentleman, however, if his committee has considered amending the Internal Revenue Code with respect to these taxes in an effort to introduce equity in a couple of other areas. One that I recall particularly involves an industry that has grown and developed in my State. It involves helicopter logging. The proceeds of the airport-airways user tax are to go to the development of airports, of navigational aids, and to the maintenance of the airways.

These particular people do not use the airports and do not use the navigational facilities. Indeed, they seldom, if ever, even penetrate the navigable airspace. Yet, the Internal Revenue Code has persisted in levying a tax for a specific purpose, a user tax, against a class of people who are not users.

I am curious to know whether the gentleman's committee has considered amelioratory legislation of this kind, if they have such under consideration; and whether we may reasonably expect such a bill to come before the House in the near future.

Mr. WAGGONNER. The Committee on Ways and Means has been aware, as has been the gentleman from Louisiana, of the interest of the gentleman from Oregon (Mr. DUNCAN) in these matters. The gentleman has talked with me and with other members of the committee about aviation excise taxes relating to logging operations which, more often than not, are remote. Certainly the gentleman has properly described these circumstances.

The committee has talked about this situation. I think I can speak for a majority of the committee in saying that it is considered to be an inequity. The committee has had discussions about the matter and has already taken note of this particular problem.

The question of the trust fund is to be reviewed next year. I can assure the gentleman that this matter will be reviewed, and it does cry for equity.

Mr. DUNCAN of Oregon. If the gentleman will yield further, Mr. Speaker, I would just like to say that I personally have no objection to user taxes. I think there are certain Government operations that properly ought to be funded by those persons who draw a special benefit from the expenditure of those funds, as distinguished from an ordinary taxpayer.

However, I see absolutely no equity whatsoever in exacting user charges from those who do not use those facilities.

Mr. Speaker, I thank the gentleman for his response, and I commend the Members' attention to this problem. I shall be pursuing it further.

Mr. WAGGONNER. Mr. Speaker, I yield such time as he may consume to the gentleman from Texas (Mr. PICKLE).

Mr. PICKLE. Mr. Speaker, I thank the gentleman for yielding.

First, let me say to the gentleman from Oregon (Mr. DUNCAN) that the question of the user tax did appear in the bill as originally introduced by me and some 30 or 40 other Members of the House. We questioned very seriously whether there should be a user's tax on gasoline in situations where a crop-duster or aerial applicator was involved.

Actually, they do not use the highways or very little. Most likely, they land on the farmer's own farm or ranch or private strip.

A very small amount of that could be actually applied against a so-called user's tax. At the same time, the administration or the Treasury felt that there was some question about it because they wanted a further study made to

see exactly how much it would amount to and whether we should change the user's tax application.

In view of the request to look at this matter further, along the line which the gentleman from Louisiana (Mr. WAGGONNER) mentioned, we withdrew that part of the bill.

So, this bill does not apply to users tax at all, only to the gasoline tax. I hope, like the gentleman from Oregon, that the next time we have a chance to review this aspect, that might be considered.

Mr. DUNCAN of Oregon. If the gentleman will yield further, there are these two categories of taxes, that is correct. And that is why I prefaced my remarks with the inquiry of whether the bill dealt with excise taxes or users taxes. There are several categories.

In the logging industry, for example, I have absolutely no objection. Indeed, I think all operators should pay both taxes, the excise tax and the user tax, when they are in fact using the facilities of the FAA; of the U.S. Government. But, just as crop dusters maintain low altitudes and land in farmer's fields, so those who are engaged in helicopter logging or the use of helicopters as aerial cranes never pentrate navigable air space. They operate from helipads which they construct themselves and use no navigation or approach services. They just are not users of the facilities.

Mr. PICKLE. I understand the point the gentleman is making.

Mr. Speaker, all this bill really does is transfer the right to claim the refund from the individual farmer to the crop duster. The farmer does not have to pay the tax, but the tax that could be claimed would be claimed by the duster and not the farmer. It saves a great deal of bookkeeping. That was the purpose of this entire legislation. The refund to the average farmer would be so small on a 100-acre tract that he would not get but $1.50. In order to avoid that kind of bookkeeping, they felt that this bill would be in order. I certainly recommend that the legislation be passed.

Mr. Speaker, thus, I rise in support of H.R. 2852 that would amend the Internal Revenue Code of 1954 to provide for a refund of the gasoline tax to the agricultural aircraft operator. Under present law, gasoline and special fuels used in noncommercial aviation are subject to excise taxes totaling 7 cents per gallon. Present law provides exemptions from these taxes in certain cases including farming. These refunds also apply where the gasoline or other fuel is used on the farm by someone other than the owner, tenant, or operator such as a crop duster. However, in order to get this refund, the owner, tenant, or operator must know exactly how many gallons of fuel were consumed over his particular farm so that he can then claim the excise tax credit. The cost of making individual determinations and of supplying each farmer with information adequate to obtain a credit or repayment of taxes paid by the aircraft operator frequently exceeds the applicable result.

All this bill does, is make the applicable excise tax repayment or credit directly to the agricultural aircraft operators in place of the farmers. This cuts out a lot of complicated bookkeeping. The amount that an individual farmer would have collected is not that large—for example the refund per acre would be 1.4 cents or $1.40 for a 100-acre farm. This is less than a penny and a half an acre. This is hardly worth the necessary paperwork. However, for the crop duster who is spraying many farms it is worthwhile and easily calculated since he knows exactly how many gallons of fuel he used. Fuel used in going to and from the farm is not included in the refund.

All this bill is doing is giving to the crop sprayer the refund that the farmer is already entitled to on the gasoline tax for the gasoline used in crop dusting the farms. This is a necessary service to the farmer and the person who buys the gasoline, it seems to me, should be entitled to the exemption.

Mr. WAGGONNER. Mr. Speaker, I reserve the balance of my time.

Mr. CONABLE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 2852, a bill to amend the Internal Revenue Code of 1954 to provide that refunds of the taxes on gasoline and special fuels shall be made to aerial applicators in certain cases.

H.R. 2852 would permit aerial applicators who perform farming operations to receive the refund of the Federal gasoline tax attributable to their agricultural-related activity. Under current law farmers are entitled to a refund for gasoline used in farming operations but it does not extend to third parties—crop dusters—hired by farmers to perform limited service on their property. Often the farmers entitled to claim the refund fail to do so. This is usually because of the relatively small size of the refunds eligible to some farmers. Consequently it is equitable to permit the aerial applicator to claim the refund for the excise tax on gasoline attributable to farming operations.

The committee endorsed the action of the Subcommittee on Miscellaneous Revenue Measures in eliminating the provision in the bill which would have exempted agricultural aircraft from the annual registration fee. The annual fee contributes to the maintenance of civil aviation facilities. A decision to alter the annual registration fee for agricultural aircraft requires a more substantive policy judgment than the committee was ready to make without further study.

Mr. Speaker, I urge the Members to join me in supporting H.R. 2852.

Mr. BURGENER. Mr. Speaker, will the gentleman yield?

Mr. CONABLE. I yield to the gentleman from California (Mr. BURGENER), who was, I believe, an original sponsor of this measure.

Mr. BURGENER. Mr. Speaker, I thank the gentleman from New York for yielding.

Mr. Speaker, I want to express my appreciation to the gentleman from Texas (Mr. PICKLE) and to all the members of the Ways and Means Committee for bringing out this bill. We did, indeed, appear before the committee to testify and brought key representatives of the agricultural aviation industry in to testify in favor of this legislation.

This bill does not change in any way any moneys due the Federal Government. It merely changes the category of the persons who may apply for the refund. The gasoline must be used for farming, but this says the people who purchase and use the gasoline are quite properly the ones who may apply for the refund. Any minor loss of revenue to the Government—and it will be very minor—is quite properly money to which the Government has no legal claim under current law and under the bill.

● Mr. GOLDWATER. Mr. Speaker, I rise in support of H.R. 2852. My good friend, the gentleman from Texas (Mr. PICKLE), is to be commended for putting his tremendous energy behind this legislation. I first introduced a comparable bill to the one before us today, back in 1975, and 2 years ago I appeared before the Ways and Means Committee to argue in its behalf. Throughout this procedure, Mr. PICKLE was our shining light, and this bill is a tribute to his leadership and strong interest in American agriculture.

Much of what I would like to say today was included in a statement I made 2 weeks ago on the NASA authorization bill, which contained an authorization for agricultural aviation research and technology.

However, I want to point out again how important it is for this Congress to do everything possible to encourage the use of agricultural aircraft in the production of food and fiber. America's leadership worldwide in growing and distributing food is vitally linked to our ability to provide aerial application of seeds, fertilizer, and pesticides.

As far as the use tax is concerned, agricultural aircraft joins general aviation in paying the 7 cents per gallon, which goes into the aviation trust fund. But, agricultural aviation receives very little, if any, benefit from the tax. In fact, during the preparation of the so-called "Cost Allocation Study Group, Working Paper No. 5," by the Department of Transportation, it was pointed out that agricultural aircraft use the Federal system less than one-half of 1 percent of the time. Yet, about 4 percent of the total tax being paid by all of general aviation is paid by agricultural aviation.

Mr. Speaker, as Mr. PICKLE and the Ways and Means Committee have indicated, the law clearly recognizes the need for an exemption on gasoline tax for farming purposes. Nevertheless, the aerial applicator pays this tax with only a fraction being refunded to individual farmers. This creates a serious inequity that can only be redressed by Congress.

In a hungry world, America is providing the technology, and most important, the humaneness, in bringing an end to starvation and malnutrition. Agricultural aircraft will play an incredibly major role in this noble cause, and I ask my colleagues to vote for this bill which gives added encouragement to the effort.●

● Mr. ALEXANDER. Mr. Speaker, I rise in support of H.R. 2852, legislation

that will allow cropduster aircraft operators, rather than farmers, to claim the refund provided for aviation fuels used for farming purposes.

While present law recognizes an exemption for gasoline used on a farm for purposes, the crop duster aircraft operator must pay the excise tax and only the farmer can claim the refund or credit for crop dusting operations. Under current law as a rule, the crop duster operator passes on the cost of the tax to the farmer who then files for a tax refund or credit.

H.R. 2852 will permit aircraft operators to claim the refund directly and the excise tax will no longer be a cost item that could be passed on to the farmer.

An estimated 65 million gallons of aviation fuel are used for agricultural purposes each year. Arkansas' 200 agricultural aircraft operators use 4 million gallons of aviation fuel annually.

This legislation will simplify the claiming of the refund for aviation fuel used for farming purposes and will benefit the more than 3,000 agricultural aviation operators in the United States who treat, seed, and fertilize our farmland.

As the sponsor of similar legislation, H.R. 2957, I urge my colleagues to support this needed revision.●

Mrs. SMITH of Nebraska. Mr. Speaker, I want to take this opportunity to express my unqualified support for H.R. 2852, an excise tax exemption for agricultural aircraft.

Present law recognizes a fuel tax exemption for fuel used on a farm or for farm purposes. But due to a technical oversight in the Tax Code, cropdusters must pay the excise tax and only farmers can claim the refund for crop dusting operations. As a general rule, the cropduster passes the cost of the tax to the farmer who then files for the tax refund or credit. Still, only a fraction of the total tax being collected from the aviators is being refunded to the farmers. In other words, this complex tax refund system is adding production costs to the farmer's operation.

H.R. 2852, and an identical bill which I cosponsored, H.R. 5302, would remedy this situation by permitting the aircraft operators to claim the refund directly. Thus, the excise tax will no longer be a cost item to be passed on to the farmer.

In addition to eliminating an extra cost factor for farming, H.R. 2852 insures that agricultural spray operations will not be forced to pay for a service they never enjoy. Under present law, agricultural aircraft join general aviation in paying a 7-cents-per-gallon tax on fuel. These tax revenues go into an aviation trust fund to maintain civil aviation facilities. Agricultural aircraft receive little, if any, benefit from the tax because these cropdusters use the Federal system less than one-half of 1 percent of the time. Yet 4 percent of the total tax being paid by all of general aviation is exacted from cropdusters.

Congress should be anxious to promote the use of efficient aircraft in the production of food and fiber. America's worldwide leadership in food production is strongly linked to the aerial application of fertilizers and pesticides. We must remove cost barriers and unreasonable accounting techniques to encourage sound farming practices.

Mr. CONABLE. Mr. Speaker, I have no further requests for time, and yield back the balance of my time.

Mr. WAGGONNER. Mr. Speaker, I have no further requests for time, and yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Louisiana (Mr. WAGGONNER) that the House suspend the rules and pass the bill H.R. 2852, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The title was amended so as to read: "A bill to amend the Internal Revenue Code of 1954 to provide that refunds of the taxes on gasoline and special fuels shall be made to aerial applicators in certain cases.".

A motion to reconsider was laid on the table.

EXEMPTION OF CERTAIN TRAILERS FROM EXCISE TAX

Mr. WAGGONNER. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2984) to amend the Internal Revenue Code of 1954 to exempt from the excise tax imposed on trailers any trailer designed to be used with a light-duty vehicile for farming purposes or for transporting horses or livestock.

The Clerk read as follows:

H.R. 2984

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. EXCISE TAX EXEMPTION FOR CERTAIN TRAILERS DESIGNED TO BE USED WITH LIGHT-DUTY VEHICLES.

(a) IN GENERAL.—Section 4063(a) of the Internal Revenue Code of 1954 (relating to exemptions from motor vehicle excise taxes) is amended by adding at the end thereof the following new paragraph:

"(8) CERTAIN TRAILERS USED FOR FARMING OR FOR TRANSPORTING HORSES OR LIVESTOCK.—The tax imposed under section 4061(a) shall not apply in the case of any trailer or semitrailer, or any chassis or body for any trailer or semitrailer, which is—

"(A) suitable for use with a vehicle having a gross vehicle weight of 10,000 pounds or less (as determined under regulations prescribed under section 4061(a)(2)), and

"(B) designed to be used for farming purposes (determined in accordance with section 6420(c)) or for transporting horses or livestock.".

(b) FLOOR STOCKS REFUNDS.—

(1) IN GENERAL.—Where, before the day after the date of the enactment of this Act, any article made exempt from taxation by reason of the amendment made by subsection (a) has been sold by the manufacturer, producer, or importer and on such day, is held by a dealer and has not been used and is intended for sale, there shall be credited or refunded (without interest) to the manufacturer, producer, or importer an amount equal to the tax paid by such manufacturer, producer, or importer on his sale of the article, if—

(A) claim for such credit or refund is filed with the Secretary of the Treasury or his delegate before the first day of the tenth calendar month beginning after the day after the date of the enactment of this Act based upon a request submitted to the manufacturer, producer, or importer before the first day of the seventh calendar month beginning after the day after the date of the enactment of this Act by the dealer who held the article in respect of which the credit or refund is claimed; and

(B) on or before the first day of such tenth calendar month reimbursement has been made to the dealer by the manufacturer, producer, or importer in an amount equal to the tax paid on the article or written consent has been obtained from the dealer to allowance of the credit or refund.

(2) LIMITATION ON ELIGIBILITY FOR CREDIT OR REFUND.—No manufacturer, producer, or importer shall be entitled to credit or refund under paragraph (1) unless he has in his possession such evidence of the inventories with respect to which the credit or refund is claimed as may be required by regulations prescribed by the Secretary of the Treasury or his delegate under this subsection.

(3) OTHER LAWS APPLICABLE.—All provisions of law, including penalties, applicable with respect to the taxes imposed by section 4061 of the Internal Revenue Code of 1954 shall, insofar as applicable and not inconsistent with paragraphs (1) and (2) of this subsection, apply in respect of the credits and refunds provided for in paragraph (1) to the same extent as if the credits or refunds constituted overpayments of the tax.

(c) DEFINITIONS.—For purposes of subsection (b)—

(1) The term "dealer" includes a wholesaler, jobber, distributor, or retailer.

(2) An article shall be considered as "held by a dealer" if the title thereto has passed to such dealer (whether or not delivery to him has been made) and if for purposes of consumption title to such article or possession thereof has not at any time been transferred to any person other than a dealer.

SEC. 2. EFFECTIVE DATE.

The amendment made by subsection (a) of section 1 shall apply with respect to articles sold on or after the day after the date of the enactment of his Act.

The SPEAKER pro tempore. Is a second demanded?

Mr. DUNCAN of Tennessee. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Louisiana (Mr. WAGGONNER) will be recognized for 20 minutes, and the gentleman from Tennessee (Mr. DUNCAN) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Louisiana (Mr. WAGGONNER).

Mr. WAGGONNER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 2984 modifies an exemption provided in present law from the 10-percent manufacturers excise tax imposed on sales of certain trailers or semitrailers, in the case of trailers or semitrailers designed for farming purposes or for transporting horses or livestock.

Under present law, the exemption applies only if the trailer itself has a gross vehicle weight of 10,000 pounds or less, and only if it is suitable for use with a towing vehicle with a gross weight of 10,000 pounds or less.

In the case of trailers designed for farm purposes or for transporting horses or livestock, this bill eliminates the first requirement, which is based on the maximum loaded weight of the trailer. This

requirement is eliminated because although farm or horse trailers often are built with heavy-duty axles, such trailers usually carry loads of less than 10,000 pounds. For this reason, the Ways and Means Committee concluded that farm or horse trailers should be eligible for the exemption provided to light-duty trailers.

This bill does not affect the second requirement to the exemption, that the trailer must be suitable for use with a towing vehicle with a gross vehicle weight of 10,000 pounds or less.

Mr. Speaker, this bill removes an unintended restriction and complication which has arisen under present law. I urge its adoption.

Mr. DUNCAN of Tennessee. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 2984, legislation to amend the Internal Revenue Code to exempt from excise taxes, trailers designed to be used with a light-duty vehicle for farming purposes or for transporting horses or livestock, of which I am sponsor, along with Mr. PICKLE of Texas.

In 1971, we amended section 4061 of the Internal Revenue Code to basically exempt the majority of farm and ranch trailers characterized as gooseneck trailers which are suitable for use with light-duty trucks. It was our intent at that time to exempt all but three axle trailers of this configuration. However, because of very technical regulations, revenue rulings, and revenue procedures, the Internal Revenue Service is now seeking to tax these trailers based upon elaborate engineering axle data. Therefore, in my opinion, the intent of Congress has been thwarted.

The result of the IRS's interpretations of the present law is that trailers designed to haul feed to cattle, sheep, horses, et cetera, are exempt from taxation, but trailers designed to haul the same livestock to market are taxable. These trailers are not customarily used to transport animals over great distances, and the requirement that they be suitable for use with light-duty trucks seems sufficient to differentiate these trailers from larger commercial trailers used in long distance and commercial hauling.

The trailers in question are manufactured by a relatively small number of producers in some 38 States. Approximately 15,000 people are employed in this industry. A large number of these manufacturers are presently involved in disputes with the IRS with regard to both section 4061(A)(2) and section 4063. The strained and technical limitations which IRS is seeking to impose do not lend themselves to simple and logical interpretations in such a small industry which does not have precise engineering standards or specifications.

Another problem with the present law and IRS's interpretation of it involves the fact that IRS does not have sufficient personnel to enforce the payment of the tax by all manufacturers. For example, trailers similar to those manufactured and sold by the above described producers, which can be called legitimate producers, are also manufactured in small welding shops all over the country by marginal manufacturers who may build only two or three trailers a year. These producers often pay no tax at all. The result is that legitimate producers, who are paying the tax, are put at a competitive disadvantage with these marginal producers who manage not to get "caught."

The removal of farm and ranch trailers from what IRS now contends to be a category of taxable vehicles would benefit both the trailer manufacturing industry and the agricultural industry since the excise tax, being 10 percent, must be passed on to the consumers. This bill would also eliminate the discrimination which currently exists between the tax treatment of trailers designed to haul feed, seed, and fertilizer to and on the farm and those designed to haul live animals. H.R. 2984 would also eliminate an exasperating, time consuming, relatively expensive, and extensive dispute between legitimate producers and the IRS over the meaning of "gross vehicle weight."

In closing, Mr. Speaker, I would like to remind my colleagues that this body passed this same legislation October 24, 1976. Unfortunately, there was not sufficient time left in the 94th Congress to see the bill through the Senate Finance Committee and the full Senate. I hope the majority of my colleagues will again see fit to pass this bill here in the House.

Mr. WAGGONNER. Mr. Speaker, I yield such time as he may consume to the gentleman from Texas (Mr. PICKLE).

Mr. PICKLE. Mr. Speaker, we are considering today a bill that passed last Congress on a voice vote. This bill is basically to clear up confusion over the IRS's interpretation of a 1971 bill that we all thought exempted farm and ranch trailers from the excise tax. Instead this is not the case, and I think that it is important to note that the bill does offer a new taxation approach. The bill is a bill to clarify and to mandate the original intent of the 1971 law.

In 1971, Congress amended section 4061 to basically exempt the majority of farm and ranch trailers that are characterized as gooseneck trailers, copies of pictures of same are attached hereto, that are suitable for use with light-duty trucks. The original intent of Congress would have exempted all but three-axle trailers of this configuration. Previously, in approximately 1965, Congress passed the amendment in section 4063(a), exempting trailers designed "to haul feed, seed, or fertilizer to and on the farm." However, because of very technical regulations, revenue rulings, and revenue procedures, Internal Revenue is now seeking to tax gooseneck trailers based upon elaborate engineering data concerning axles, which are derived from the technical nature of the temporary regulations with respect to the 1971 amendments. Therefore, the original intent of Congress, being to exempt light-duty trucks and the trailers which they pull, has been frustrated by these revenue procedures.

In addition, the Internal Revenue Service is making a very strained and limited interpretation of the terms "to and on the farm" under the present section 4063(a), such that, in fact, they are taxing 100 percent of the vehicles that would otherwise fall in this category. They are interpreting this section such that by the elimination of the preposition "from" the Revenue Service contends that this exemption is restricted to vehicles that are not equipped with highway lights, springs, or brakes. This again is a very strained interpretation of section 4063, and the sole purpose for both of these strained constructions seems to be to subvert the original intent of Congress on each exemption.

The result of these interpretations is, therefore, that trailers designed to haul feed to cattle, sheep, horses, and so forth, are exempt, but trailers designed to haul the same livestock to market are, Internal Revenue contends, taxable. We contend that no useful purpose is served by limiting exempt trailers to those under 10,000 pounds gross-vehicle weight. These livestock and equipment trailers used by farmers and ranchers are not customarily used to transport animals over great distances, and the requirement that it be suitable for use with light duty trucks seems sufficient to predicate the exemptions of these trailers used primarily by farmers and ranchers going to and from market, as opposed to the larger commercial trailers used in long distance and commercial hauling.

The trailers in question, denominated as gooseneck trailers, are manufactured by a relatively small number of producers in approximately 38 States, who employ approximately 15,000 workers. A large number of these manufacturers are presently involved in disputes with the Internal Revenue Service with regard to both section 4061(a)(2) and the section of 4063 above described. The strained and technical limitations which I.R.S. is seeking to impose, do not lend themselves to simple and logical interpretations in such a small industry which does not have precise engineering standards or specifications.

A corollary problem is the fact that Internal Revenue does not have the personnel to enforce the payment of the tax by all manufacturers, and, in fact, trailers similar to those manufactured and sold by the above-described producers, which we shall call legitimate producers, are also manufactured in small welding shops throughout the United States by marginal manufacturers who may build only two or three trailers per year. As a result of the lack of Internal Revenue Service personnel, these small, marginal manufacturers often pay no excise tax at all, and, in fact, they do not comply with any Federal regulations with which the larger producers must comply. The result of this shortage of personnel in Internal Revenue Service, and the lack of uniformity in the collection and enforcement of this tax has the effect of placing the legitimate manufacturers, who are required to pay the excise tax, as Internal Revenue presently contends, at a competitive disadvantage, and there is no relief for these legitimate manufacturers. The removal of this very technical and strained 10,000 pound limitation, and the clarifica-

tion under 4063(a), which this bill would effectuate, would correct this present situation entirely.

The removal of farm and ranch trailers from, what Internal Revenue Service presently contends to be, the category of taxable vehicles, would benefit both the trailer manufacturing industry; and the agricultural industry in general, since the excise tax, because of the amount thereof, being 10 percent, must in effect be passed on to consumers. The present repeal bill would also eliminate the discrimination that exists between trailers designed to haul feed, seed, and fertilizer to and on the farm, under the strained intepretation of Internal Revenue Service, and those trailers designed to haul live animals, and the bill would further eliminate an exasperating, time consuming, relatively extensive and expensive dispute between the legitimate producers and the Internal Revenue Service over the meaning of "gross vehicle weight," under the repeal bill and the temporary regulations enacted in 1971.

The proposed amendment, sponsored by Congressman PICKLE, would exempt all farm and ranch trailers suitable for use with light-duty trucks from manufacturers excise tax. It would eliminate technical and strained interpretations to which Internal Revenue Service is presently indulging. The present law exempts, as stated above, agricultural trailers which are primarily designed to haul feed, seed, and fertilizer to and on the farm. This is described in section 4063, IRC. Under section 4061 light-duty trucks, that is, those having a gross vehicle weight of 10,000 pounds or less, are nontaxable, as are trailers suitable for use with these light-duty trucks also having a gross vehicle weight rating of 10,000 pounds or less. However, agricultural trailers, which are designed and used to transport livestock and equipment to, from, and on the farm and ranch operations, are exempt from excise tax only if the trailers have a gross vehicle weight rating of 10,000 pounds or less, and are suitable for use with light-duty trucks. The proposed amendment would eliminate this latter requirement under the temporary regulations enacted after the 1971 repeal under 4061, and would retain only the requirement that the farm or ranch trailer be suitable for use with a light-duty truck.

It is estimated by the industry that the revenue loss as a result of this amendment would be only approximately $1,430,000 annually. The types of trailers which would be exempt by this proposed amendment include gooseneck trailers, designed, suitable for use and, in fact, totally used with light-duty trucks as classified by the Internal Revenue Service, and are used for the purposes of hauling cattle and other livestock, farm and ranch equipment, horses, grain, and other produce.

Mr. DUNCAN of Tennessee. Mr. Speaker, I have no further requests for time and I yield back the balance of my time.

Mr. WAGGONNER. Mr. Speaker, I have no further requests for time and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Louisiana (Mr. WAGGONNER) that the House suspend the rules and pass the bill H.R. 2984.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

INTERCOASTAL SHIPPING ACT AMENDMENTS

Mr. MURPHY of New York. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 6503) to amend the Intercoastal Shipping Act, 1933, and for other purposes, as amended.

The Clerk read as follows:

H.R. 6503

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first section of the Intercoastal Shipping Act, 1933 (46 U.S.C. 843), is amended by inserting "(1)" immediately before "The term"; and by adding at the end thereof the following:

"(2) The term 'general increase in rates' means any change in rates, fares, or charges which will (A) result in an increase in not less than 50 per centum of the total rate, fare, or charge items in the tariffs per trade of any common carrier by water in intercoastal commerce; and (B) directly result in an increase in gross revenues of such carrier for the particular trade of not less than 3 per centum.

"(3) The term 'general decrease in rates' means any change in rates, fares, or charges which will (A) result in a decrease in not less than 50 per centum of the total rate, fare, or charge items in the tariffs per trade of any common carrier by water in intercoastal commerce; and (B) directly result in a decrease in gross revenue of such carrier for the particular trade of not less than 3 per centum.".

SEC. 2. The second paragraph of section 2 of the Intercoastal Shipping Act, 1933 (46 U.S.C. 844), is amended—

(1) by striking out *"Provided,"* and inserting in lieu thereof the following: *"Provided,* That no general increase in rates or general decrease in rates shall take effect before the close of the sixtieth day after the day on which such general increase in rates or general decrease in rates is posted and filed with the Commission: *Provided further,"*; and

(2) by inserting "or sixty days" immediately after "thirty days" in the second proviso thereto.

SEC. 3. Section 3 of the Intercoastal Shipping Act, 1933 (46 U.S.C. 845), is amended—

(1) by inserting "(a)" immediately before "Whenever" at the beginning of the first paragraph thereof;

(2) by amending subsection (a) (as so designated by paragraph (1)) by—

(A) striking out "complaint" each place it appears therein and inserting in lieu thereof "protest";

(B) striking out the colon after "practice" and inserting in lieu thereof a period; and

(C) striking out the proviso and inserting in lieu thereof the following:

"The Commission shall not order a hearing pursuant to this subsection, on its own motion or upon protest, unless the Commission publishes in the Federal Register the reasons, in detail, why it considers such a hearing to be necessary and the specific issues to be resolved by such hearing. For purposes of facilitating the administration of this Act, the Commission shall, within one year after the effective date of this sentence, by regulation prescribe guidelines for the determination of what constitutes a just and reasonable rate of return or profit for common carriers by water in intercoastal commerce. After the regulations referred to in the preceding sentence are initially prescribed, the Commission shall from time to time thereafter review such regulations and make such amendments thereto as may be appropriate.";

(3) by inserting "(b)" immediately before "Pending" at the beginning of the second paragraph thereof;

(4) by amending subsection (b) (as so designated by paragraph (3)) by—

(A) inserting ", except as provided in subsection (c)," immediately before "from time to time" in the first sentence thereof;

(B) striking out "four months" and inserting "one hundred and eighty days" in lieu thereof in the first sentence thereof;

(C) striking out "and decide the same as speedily as possible" at the end of the last sentence thereof; and

(D) inserting at the end thereof the following new sentences:

"Notwithstanding any other provision of law, the Commission shall complete such hearing under this section within sixty days; the initial decision resulting therefrom, if any, shall be submitted in writing to the Commission within one hundred and twenty days; and the Commission shall issue a final decision thereon within one hundred and eighty days. The sixty-day, one hundred and twenty-day, and one hundred and eighty-day periods referred to in the preceding sentence shall each begin on the day on which such rate, fare, charge, classification, regulation, or practice first takes effect or, in the case of suspended matter, shall begin on the day on which such matter would have otherwise gone into effect. However, the Commission may, in its discretion and for good cause, extend the time period or suspension period for a period of not more than sixty days, if three or more Commissioners agree to such an extension. If such extension is granted, the Commission shall report in writing to Congress within ten days from the granting of such extension together with—

"(A) a full explanation of the reasons for the extension,

"(B) the issues involved in the matter before the Commission,

"(C) the names of the personnel of the Commission working on such matter, and

"(D) a record of how each Commissioner voted on the extension.

If a final decision is not issued by the Commission within the one hundred and eighty-day period, or by the end of any extension period, such rate, fare, charge, classification, regulation, or practice shall, for purposes of this section, thereafter be deemed to be just and reasonable. However, if the Commission finds that it is unable to issue a final decision within such period or within such extension due to delays which are directly attributable to the proponent of such rate, charge, classification, regulation, or practice, the Commission may disapprove such rate, fare, charge, classification, regulation, or practice, upon the expiration of such period or extension. This provision shall not preclude any remedies available pursuant to section 22 of the Shipping Act of 1916. Notwithstanding any other provision of law, in providing a hearing for the purposes of this Act, it shall be adequate to provide an opportunity for the submission of all evidence in written form, followed by an opportunity for briefs, written statements, or conferences of the parties. Any such conference may be chaired by an individual Commissioner, an administrative law

judge, or any designated employee of the Commission.";

(5) by adding at the end thereof the following new subsection:

"(c)(1) Notwithstanding any other provision of this section, the Commission may not suspend—

"(A) any tariff schedule or service which extends to any additional port, actual service at the rates of the carrier involved for similar service already in effect at the nearest port of call to such additional port; or

"(B) the operation of that portion of any changed rate, fare, or charge representing an increase or decrease of 5 per centum or less and filed as part of a general increase in rates or a general decrease in rates, except that the aggregate of such changes exempt from suspension shall not exceed 5 per centum during any period of twelve consecutive months; nothing in this subparagraph shall be construed as establishing a presumption that any increase or decrease in excess of 5 per centum is not just and reasonable, or that any increase or decrease less than 5 per centum is just and reasonable.

"(2) If the Commission finds, as a result of any proceeding under this section with respect to a general increase in rates, that any unsuspended portion of the increase is not just and reasonable, the Commission shall order the carrier involved to refund to any person who was charged on the basis of such general increase an amount equal to that portion thereof found to be not just and reasonable plus interest on such amount computed on the basis of the average of the prime rate charged by major banks, as published by the Board of Governors of the Federal Reserve System, during the period to which the refund applies.".

SEC. 4. Section 4 of the Intercoastal Shipping Act, 1933 (46 U.S.C. 845a) is amended by changing the period at the end thereof to a colon, and inserting thereafter the following: "Provided further, That upon such finding of unjustness or unreasonableness in a proceeding instituted by a complainant pursuant to the provisions of section 22 of the Shipping Act, 1916, the Commission shall direct full reparation to the complainant of the difference between the charge collected and the just and reasonable rate, fare, or charge, plus interest on such amount computed on the basis of the average of the prime rate charged by major banks, as published by the Board of Governors of the Federal Reserve System, during the period to which the reparation applies.".

SEC. 5. This Act shall take effect ninety days after enactment.

The SPEAKER pro tempore. Is a second demanded?

Mr. McCLOSKEY. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from New York (Mr. MURPHY) and the gentleman from California (Mr. McCLOSKEY) will each be recognized for 20 minutes.

The Chair recognizes the gentleman from New York (Mr. MURPHY).

Mr. MURPHY of New York. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 6503, as amended, which amends the Intercoastal Shipping Act, 1933, in a manner that will bring about more expeditious conclusion of those regulatory proceedings ordered by the Federal Maritime Commission pursuant to that act and also in a manner that will impose a carefully circumscribed degree of limitation on the Commission's power to suspend the effective date of general changes—both increases and decreases—in common carrier freight rates. Common carriers by water providing service between the U.S. mainland and the domestic noncontiguous communities of the United States—primarily Guam, Hawaii, Puerto Rico, and the Virgin Islands, and in respect to certain carriers, the State of Alaska—are subject to economic regulation, as authorized by Congress in the 1933 act.

There is a need for reducing regulatory delay through more timely completion of proceedings by the Commission which, in the case of the Pacific coast-Hawaii trade, has one general rate increase proceeding pending decision since 1973. If the act is to serve the purpose of protecting the rights of shippers and receivers of goods, the Congress must insure that the regulatory agency renders decisions as to the lawfulness of rates, charges, and practices in a more expeditious manner. The committee in reporting the bill has required that the Commission issue all decisions within 180 days from the scheduled effective date of the changed rate, fare, charge, classification, or regulation.

Section 4 of the 1933 act empowers the Commission to determine, prescribe, and order enforced, just and reasonable maximum or minimum rates and charges; therefore, in the event that a carrier files a general increase in rates that may be in part unlawful, the earlier the Commission determines that to be the case and orders a reduction in the increase the earlier the shipping public receives the benefit of such reduction.

The committee in addition to providing for statutory time-limits for progression and completion of proceedings before the FMC has also made compliance with those time-limits easier of attainment by requiring carriers to file general tariff changes on not less than 60 days advance notice, thus providing a more adequate period of time in which to determine whether a hearing is necessary; by requiring the Commission to publicly justify the basis on which it orders a hearing and the issues to be resolved thereby; and by authorizing the Commission to use expedited procedures where appropriate in lieu of formal evidentiary proceedings.

The 1933 act presently requires that carriers file all tariff changes on a date not less than 30 days in advance of the scheduled effective date of the change. Also, the Commission is authorized without limitation to suspend the effective date of any change for a maximum four month period. Therefore, in the event that this suspension power is exercised a total of 150 days have lapsed before the carrier may begin applying and collecting the tariff change. The increase in revenues denied to the carrier during the suspension period are never recovered and as such represent a substantial financial penalty applied to the carrier before any finding of unlawfulness. This is especially punitive since common carriers serving the domestic noncontiguous trades—who receive no operating or vessel construction subsidies; who have no operating authority certificate providing protection from the entry of new competitors to the trades; and who are not permitted to collectively make rates with their competitors—are faced with unprecedented capital requirements for replacement of vessels and associated equipment. If the shipping public is to have efficient and lowest possible cost transportation service, carriers and their investors must continue to provide the required investment capital. (A container vessel delivered in 1970 at $21,000,000 cost $65,000,000 in 1978.)

The bill modifies section 3 of the 1933 act in a manner that eliminates the potential for automatic use of the suspension power by the Commission, subject to certain important limitations or reservations; namely, only that portion of any changed rate or charge filed as part of a general change in rates and representing a change of 5 percent or less is free of suspension, and the aggregate of such changes to individual rates or charges exempt from suspension cannot exceed 5 percent during any period of 12 consecutive months. With the bill's requirement for 6 days advance filing notice and no suspension, with limitations, the practical result of this modification of the Commission's suspension power is to make possible an effective date for an annual general rate increase of 5 percent at a date 90 days earlier than would be the case if the increase were suspended under existing law.

In undertaking to evaluate the potential impact of this modification on the economies of the affected domestic noncontiguous communities, one must bear in mind that the bill applies only to those common carriers by water providing surface transportation for goods in interstate commerce between U.S. mainland points and points in the domestic noncontiguous states and territories of the United States and thus does not affect: Carriage by air and by those vessels in the foreign commerce, those operating under ICC freight rates, and those operated on a contract or proprietary basis.

In addition to requiring more timely conclusion of those regulatory proceedings undertaken by the FMC pursuant to the 1933 act, the practical effect of H.R. 6503 is to make possible an effective date for one 5 percent general rate increase per year at a date 90 days earlier than would be the case if the increase were suspended under existing law, which clearly will have a minimal impact on the economies of the noncontiguous communities. For example, freight charges assessed by FMC regulated common carriers serving the territory of Guam in 1976 totaled $25,706,000. A general increase in rates of 5 percent would, therefore, cause an increase in charges of $1,285,300 per annum or for the 90 day period only $321,325 which when related to the $293,000,000 value of Guam's trade demon-

strates the minimal economic impact of this feature of the bill.

My motion to suspend the rules includes an amendment which is not printed in the reported bill. This amendment reduces from 7 to 5 percent the maximum amount of any general change in rates that can become effective during any period of 12 consecutive months without being the possible subject of a suspension. As reported by the committee, the bill provided for the percentile cap of 7 percent but in response to concern expressed by certain members with constituencies in the domestic noncontiguous communities, the committee has agreed to the reduction to 5 percent.

Mr. Speaker, H.R. 6503 was unanimously reported out by the Committee on Merchant Marine and Fisheries, and we believe that we bring a very carefully considered and balanced bill to the House and, therefore, urge its passage at this time.

Mr. McCLOSKEY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I join in support of H.R. 6503, which seeks to improve the performance of the Federal Maritime Commission in regulating the domestic offshore trades. I have serious questions about the need for an FMC at all and have introduced legislation to abolish it entirely, which I hope the chairman will consider at an early date as part of our hearings on closed conferences and shippers councils. But while our committee is considering the broader nature of that issue it is appropriate to insure as best we can that the FMC or a predecessor authority, if that comes to pass, be required to conduct its proceeding in an efficient and expeditious manner.

A basic purpose of the bill is to reduce regulatory delay. It does this by requiring the FMC to reach final decisions on matters presented to it regarding the domestic trade within 180 days. Recognizing that this time frame could probably not be met if existing merchanisms were utilized, several tools are provided which will help the Commission meet this deadline.

The first requires carriers to file general rate increases or decreases 60 days before they are to go into effect. This changes present law which only requires 30 days advance notice. The purpose of the change is to provide the Commission and potential protestors with advance notification of pending rate adjustments. Both, then, will have an adequate opportunity to analyze the information which is required to be submitted with the rate filing and, thus, be capable of establishing a reasonable case for a challenge before an actual hearing is ordered.

Second, the bill seeks to end frivolous challenges by requiring the Commission to publish in the Federal Register the detailed reasons why a hearing is necessary. Before a hearing may be ordered a protestor must establish that it will suffer substantial injury if the rate is to go into effect and that it will likely prevail on the merits. The hope is that hearings, therefore, will only be necessary in cases where there are concrete and legitimate issues of fact or law to be resolved. The hearing process is not to be used as an exploration ground to determine if there might be some grounds to dispute the rate adjustment which has been filed.

Third, the bill provides an added range of additional informal procedures which may be utilized to replace the full evidentiary hearings which now result in weeks, months, or even years of delay. The bill specifies that briefs, written statements or informal conferences of the parties may be used in many cases to supplant the full evidentiary hearings now utilized.

A final tool is a requirement in the bill that the Commission promulgate rate of return and profit guidelines within one year after the effective date of the act. This is designed to require the promulgation of regulations regarding such issues as when depreciation is to be determined, what are appropriate accounting periods and what types of equipment may be part of the rate base. This is intended to insure that the same complicated and controversial issues will not have to be argued and rededicated every time a hearing is held. Instead, these matters can be resolved through appropriate rulemaking procedures.

Another major purpose of the bill is to alter the authority of the Commission to suspend pending rate adjustments. It prohibits the suspension of general rate increases or decreases of five percent or less. Because these rates adjustments are general, across the board, and limited to 5 percent, their immediate application should not seriously disadvantage any shipper. The bill does provide, however, that if such a general rate adjustment is subsequently found unlawful, the portion determined to be unlawful plus any interest thereon is to be repaid by the carrier to those who have been overcharged.

In other than general rate increases or decreases, that is, for specific rate adjustments or general rate adjustments of more than five percent, the bill extends the present suspension period from 120 to 180 days. Since individual shippers may suffer more substantial harm in these cases, the suspension period is extended to 180 days. This extension also makes the suspension period run during the same period in which the Commission is required to make a decision. Therefore, these adjustments, if challenged, must be found lawful before they can ever go into effect.

In summary, this bill takes significant steps to improve the regulation of our domestic waterborne commerce. It provides a fair balance between the interests of shippers and carriers and should benefit all parties concerned. I ask that all Members join me in supporting this bill.

Mr. MURPHY of New York. Mr. Speaker, I yield such time as he may consume to the gentleman from North Carolina (Mr. JONES).

Mr. JONES of North Carolina. Mr. Speaker, I want to commend the distinguished chairman from New York for his leadership in bringing this much-needed measure to the floor. We have heard a great deal recently aobut the unresponsiveness of Government and the burden of its regulatory activities and consequently it is encouraging to see this type of regulatory reform measure which undertakes to improve the work of one of our Federal regulatory agencies and in the process serve the interests of shippers and receivers of goods and those regulated common carriers by water providing transportation service between U.S. mainland points and points in our noncontiguous communities.

It is unconscionable that a regulatory agency would have pending for decision a general rate increase filed in 1973. The Federal Maritime Commission has a new Chairman as well as three new Commissioners and it is my understanding that the Commission is very much desirous of clearing its docket of accumulated proceedings under the 1933 act and further is receptive to the time limits that would be placed on them by H.R. 6503.

As a further means of reforming and improving the administration of the 1933 act the bill requires the Commission to prescribe methodology guidelines for determining an appropriate rate of return or profit for carriers in the domestic noncontiguous trades. The objective is to help insure that the same complicated and lengthy arguments over such methodology will not have to be made every time a hearing is held. As many of the Members of the House will recall, the Railroad Revitalization and Regulatory Reform Act enacted in February of 1976 requires the Interstate Commerce Commission to render a final decision in respect to general rate increases within 7 months after the scheduled effective date of the increase.

It is my understanding that since February of 1976 four general rate increases have been filed, two of which were docketed for hearing; a decision was rendered within the 7-month time limit on the one proceeding and a decision is expected in the other instance within the deadline which expires on May 26. So it is apparent that statutorily mandated deadlines as to completion of proceedings by Federal regulatory agencies is a feasible concept. As a further means of insuring its feasibility as H.R. 6503 is concerned, the bill authorizes the Commission to disapprove a tariff change upon expiration of the 180-day time limit if the Commission's failure to issue a final decision within such period is directly attributable to delay caused by the proponent of the tariff change.

Mr. Speaker, I urge my colleagues to support this important piece of legislation.

Mr. McCLOSKEY. Mr. Speaker, I yield 5 minutes to the gentleman from Michigan (Mr. RUPPE).

Mr. RUPPE. Mr. Speaker, I join our chairman in supporting H.R. 6503, a bill which is designed to improve the Federal Maritime Commission's regulation of rates in the domestic waterborne com-

merce of the United States. It should be noted that this bill passed the House with only one dissenting vote in the last Congress but failed to receive final Senate approval because of a shortage of time near the end of the session.

While we have heard a lot about regulatory reform in recent years, not much has been accomplished. This bill, while quite limited in scope, takes some significant steps in this direction.

It should be emphasized first that the bill relates only to the FMC's regulation of the domestic trades. It has nothing to do with the regulation of our foreign commerce. That subject is being addressed in far-reaching hearings now being held in the Merchant Marine Subcommittee. Since the details of the bill have already been explained, I would merely like to indicate how this bill has balanced the interests involved.

As introduced, the bill sought to limit the FMC's power to suspend general rate increases and required it to promulgate numerical guidelines for determining appropriate rates of return. While addressing the carrier problem of arbitrary interference in legitimate rate increases, it did not address the other problem of regulatory delay. The amended bill does this by requiring the Commission to conclude its decisions in 180 days.

Shippers objected to the original bill's removal of the suspension power. This problem is addressed in the amended bill in three ways. A strengthened refund section now required carriers to identify the individual shippers and the amounts owed each and to send a check in the specified amount to each shipper if a rate which is not suspended is later found unlawful. This protects small shippers who might not know that challenges to rate increases have been made or might not be able to properly document the amount of overcharge. The amended bill also extends the suspension period from 120 to 180 days in those cases where the committee felt the suspension power continued to provide legitimate safeguards. Finally, the size of the suspend-free zone has, by unanimous consent, been reduced from 7 to 5 percent.

The Federal Maritime Commission objected to the original bill, among other reasons, because the requirement for promulgation of numerical rate of return guidelines would appear to require a case by case determination of appropriate rates of return through rulemaking. The amended bill changes this so that the guidelines need not give numerical rates of return but need only identify common areas of controversy which can be resolved through rulemaking, rather than being decided again and again at each rate hearing. Furthermore, to satisfy Commission objections, the bill's implementation was delayed 6 months to give it an opportunity to gear up to meet the new requirements.

The bill before you today is the product of many drafts, and comments have been solicited from carriers, shippers, and a broad spectrum of interested Government agencies. It represents a good balance of the interests involved and I ask that all Members vote to support it.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New York (Mr. MURPHY) that the House suspend the rules and pass the bill, H.R. 6503, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

AMERICA'S MIA'S IN SOUTHEAST ASIA

Mr. WOLFF. Mr. Speaker, I move to suspend the rules and agree to the concurrent resolution (H. Con. Res. 583) relating to Americans missing in action, as amended.

The Clerk read as follows:

H. CON. RES. 583

Whereas approximately twenty-three hundred Americans remain unaccounted for in Southeast Asia since the cessation of the Vietnam conflict; and

Whereas learning the fate of those American servicemen and civilians listed as missing remains of utmost importance to the United States, and is considered as such during the negotiations between the United States and the Socialist Republic of Vietnam; and

Whereas the General Assembly of the United Nations adopted Resolution 3220 (XXIX) calling for assistance and cooperation in accounting for persons who are missing or dead in armed conflicts; and

Whereas such resolution recognized "that one of the tragic results of armed conflicts is the lack of information on persons—civilians as well as combatants—who are missing or dead in armed conflicts"; and

Whereas such resolution further states that "the desire to know the fate of loved ones lost in armed conflicts is a basic human need which should be satisfied to the greatest extent possible, and that provision of information on those who are missing or who have died in armed conflicts should not be delayed merely because other issues remain pending"; and

Whereas the Socialist Republic of Vietnam, despite assurances that it is conducting an extensive search for Americans listed as missing and for information that might indicate their fate, has provided but meager information concerning the fate of these missing Americans; and

Whereas present efforts to secure the fullest possible accounting of these Americans listed as missing are not productive: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of Congress that the President should instruct the Secretary of State to request the Secretary General of the United Nations to work through existing United Nations agencies for the purpose of securing the fullest possible accounting of Americans listed as missing in Southeast Asia.

The SPEAKER pro tempore. Is a second demanded?

Mrs. PETTIS. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from New York (Mr. WOLFF) will be recognized for 20 minutes, and the gentlewoman from California (Mrs. PETTIS) will be recognized for 20 minutes.

The Chair recognizes the gentleman from New York (Mr. WOLFF).

Mr. WOLFF. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of House Concurrent Resolution 583, as amended, which would call on the United Nations for assistance in securing information on the fate of the 1,200 Americans still listed as missing in action in Southeast Asia.

Three years have now passed since the conclusion of the war in Vietnam, and yet the ultimate fate of thousands of Americans who bravely served their country, still remains a mystery.

The administration speaks of progress—and what have we to show. From Vietnam, we have the remains of 61 Americans. From Cambodia and from Laos—nothing.

In its final report issued on December 13, 1976, the House Select Committee on Missing Persons in Southeast Asia urged that—

A viable capability be maintained for overseeing those negotiations and other activities directed toward gaining an accounting for the missing Americans.

In January 1977, the 95th Congress assigned that responsibility to the Committee on International Relations and its Subcommittee on Asian and Pacific Affairs.

The subcommittee's mandate is twofold: To monitor the efforts of the executive branch to secure an accounting for Americans missing in Southeast Asia and to explore all possible means to that end.

It is in response to that mandate that I address the House today.

On February 2, 1978, House Concurrent Resolution 331 was amended by the Subcommittee on Asian and Pacific Affairs to conform with the language of Senate Concurrent Resolution 51, introduced by the late Senator Hubert Humphrey, and to make other technical changes. By unanimous vote, the resolution was reported to the full committee.

On April 27, 1978, the Committee on International Relations, likewise by unanimous vote, reported a clean resolution, House Concurrent Resolution 583, to the House.

House Concurrent Resolution 583 calls on the United Nations to use its good offices and existing agencies for the purpose of securing an accounting of Americans listed as missing in Southeast Asia.

It is neither our province nor our intention to make findings of life or death. Rather, our goal is a humanitarian one—to secure information concerning the fate of these brave men and thus ease the pain so long endured by their families.

Mr. Speaker, we believe that the passage of this resolution will serve to supplement the efforts of the executive branch.

Likewise, we believe that passage of this resolution will serve to underscore the deep and continuing interest of the Congress in a satisfactory resolution of this issue and our determination to explore all possible means to that end.

And, if our objective is information, our motive is compassion—to dispel the lingering and agonizing uncertainties which continue to affect our MIA families.

The record of the past 3 years speaks for itself. And, on a purely humanitarian basis, it is a tragic one indeed. As Members of Congress, it is one with which we cannot be content.

Mr. Speaker, as a result of my experience as chairman of the House subcommittee charged with MIA oversight, I must conclude that the Government of the Democratic Socialist Republic of Vietnam as well as the Governments of Laos and Cambodia have been less than forthcoming with regard to information on Americans missing within their territories.

Perhaps they will continue to be less than forthcoming no matter what we do. Nevertheless, I must trust that the Government of Vietnam, in response to a request from the Secretary General of the United Nations, will see fit to honor its humanitarian obligation as a member of the United Nations.

But, whatever their response, our obligations to our brave fighting men, our feelings of compassion for their families and our duty as Members of Congress impel us to seek passage of this resolution.

Mr. Speaker, the cause of our MIA families is indeed a humanitarian cause. And, surely, no one can argue that House Concurrent Resolution 583 is anything but humanitarian in objective and compassionate in motive.

Let us lend our efforts to secure the fullest possible accounting for our MIA families; let us help them secure that peace of mind which certain knowledge brings. Let us unanimously adopt House Concurrent Resolution 583.

Mr. Speaker, I urge the adoption of the resolution.

Mr. McCLOSKEY. Mr. Speaker, will the gentleman yield for a question?

Mr. WOLFF. I am happy to yield to the gentleman from California.

Mr. McCLOSKEY. Mr. Speaker, I want to commend the gentleman and his committee for continuing the work that the Select Committee on Missing in Action initiated, particularly my colleagues on this side who also served on the MIA committee.

I want to inquire, when the foreign aid bill comes up on Wednesday of this week, is there any provision in the foreign assistance bill that would prohibit humanitarian food and medical care assistance to Vietnam and Laos?

Mr. WOLFF. At this point, there is none.

Mr. McCLOSKEY. There is no such provision.

Mr. Speaker, it seems to me that, in view of the drought that has hit part of Vietnam and Laos, the same as it has hit the Western United States, in view of the provisions of the law which provide that, despite hostilities or enmities or differences in philosophy, humanitarian food assistance should be given to other nations and people throughout the world, I am hopeful that on Wednesday we will not attach any riders or amendments to prohibit humanitarian assistance to Vietnam and Laos at the same time we are asking for their humanitarian assistance on information about the MIA's.

Mrs. FENWICK. Mr. Speaker, will the gentleman yield?

Mr. WOLF. I yield to the gentlewoman from New Jersey.

Mrs. FENWICK. I thank the gentleman for yielding.

Mr. Speaker, I am concerned about this quesiton of humanitarian assistance to Vietnam. I did not realize this was coming up in the bill on Wednesday.

Mr. WOLFF. Mr. Speaker, if the gentlewoman from New Jersey would withhold for a moment, there is nothing in the bill that has to do with humanitarian assistance to Vietnam. There is nothing in the bill, as well, that has to do with withholding assistance.

Mr. McCLOSKEY. Mr. Speaker, will the gentleman yield?

Mr. WOLFF. I yield to the gentleman from California.

Mr. McCLOSKEY. I thank the gentleman for yielding.

Mr. Speaker, as I understand the law as it stands, unless we attach some prohibition, the law would permit humanitarian assistance in food and medical supplies to both Vietnam and Laos.

Mr. WOLFF. The gentleman is correct. There is nothing in the bill which either precludes or gives assistance to Vietnam.

Mrs. FENWICK. Mr. Speaker, if the gentleman will yield further, I would like to associate myself with the point of view expressed by my colleague from California (Mr. McCLOSKEY). But there is one condition I would always attach to the food sent to starving people in countries such as Cambodia, Laos, and Vietnam. And that condition is that it shall be delivered by such organizations as Catholic Relief Service, World Vision, Lutheran Church Services, Care—any voluntary, serious, private organization.

I think that we have learned lessons in many countries of the world, where we have given food aid intended for the starving directly to the government, only to see it given to another country—or sold—given to another country in exchange for arms, in one case, or sold to people who could not read English and did not know that those 2-pound bags of rice had written around them, "Gift of the American people; not for sale."

Obviously, the shipment was seized by some politician at the docks and sold to the illiterate in the countryside.

Mr. Speaker, I think any food given to countries where we are not confident of the character of the government in charge, we must have conditions as to how it is going to be delivered. And this is one of the great lessons we learned in Vietnam.

Mr. WOLFF. Mr. Speaker, in response to the gentlewoman's question, may I say that the Subcommittee on Asian and Pacific Affairs fully shares her concerns. In our report, we have very strong language urging the administration to correct what would appear to be a present imbalance between title I and title II food assistance under Public Law 480, and our language was adopted by the full committee.

So I think we are clearly on record about the need for more title II, which is what the gentlewoman is talking about. And if she desires that there should be any restrictions on aid, I would recommend that she at that point, when the foreign aid bill comes up before the body, make that point at that time.

Mrs. FENWICK. How much of the aid is going to be under title II, and how much is under some other title which is not so restricted?

Mr. WOLFF. We have attempted to encourage reduction of that aid which is under title I and place it under title II.

Mrs. FENWICK. Can we not be successful in such a sensible rule?

Mr. WOLFF. I would hope so.

Mrs. FENWICK. Mr. Speaker, I thank the chairman.

Mr. WOLFF. Mr. Speaker, I reserve the balance of my time.

Mrs. PETTIS. Mr. Speaker, I yield 4 minutes to the gentleman from Ohio (Mr. GUYER).

Mr. GUYER. Mr. Speaker, I rise on behalf of House Concurrent Resolution 583, and urge its acceptance by the House of Representatives.

I wish to commend the chairman, Mr. WOLFF, the ranking minority member, Mr. BURKE, and Mr. GILMAN for their efforts and leadership in bringing this measure to the House floor. It is an issue in which I have a deep interest.

As most of my distinguished colleagues are aware, I was on the Select Committee on the Missing in Action headed by our good friend, Mr. SONNY MONTGOMERY. I asked to be on the Subcommittee on Asian and Pacific Affairs so that I could continue to work on behalf of the families of the missing in action to obtain the fullest possible accounting as to their fate.

While we do not know that there are any Americans alive in Indochina neither do we know for certain, that there are not.

I recently spent time in Southeast Asia talking to the persons responsible for interviewing refugees in Thailand. One or two in 5,000 claim to have seen Americans, or Caucasians, alive in Vietnam. So far all these reports have apparently been groundless. I do think we have to pay attention and evaluate such reports patiently and with an open mind, but with our head, not just our hearts.

However, I also agree that we have to keep trying all avenues so that our children, and the children of those persons missing in Indochina, will know that there were no avenues we did not use, no assistance we did not seek, in attempting to arrange for an accounting. It is perfectly legitimate, in my estimation, to ask the Secretary General of the United Nations to use his good offices on behalf of this concern. The U.N. has gone on record as favoring this sort of concern, in principle, and we should ask

them to assist in actuality. We have limited contact bilaterally with the Laotians, even though we do have diplomatic relations with them. We have even less communication with the Vietnamese. As for Cambodia, the Khmers might as well be filed for future reference as far as MIA's are concerned. Only through the U.N. is there possible communication with all three at a level like to accomplish any results. We dare not ignore any channels available to us, no matter how narrow the chances for success, on this matter.

I support House Concurrent Resolution 583 and encourage by colleagues to join in this declaration or our continued, constructive concern for the fate of our honored men missing in Indochina.

Mrs. PETTIS. Mr. Speaker, I yield 5 minutes to the gentleman from New York (Mr. GILMAN).

Mr. GILMAN. Mr. Speaker, I thank my colleague for yielding and want to commend the gentleman from New York for his support and for bringing this issue to the House floor. I rise in support of the resolution House Concurrent Resolution 583, which calls for the utilization of existing agencies within the United Nations for the purpose of securing a full accounting of Americans listed as missing in action in Southeast Asia.

The Vietnam conflict, while technically "over" is not over for the many families of those Americans still listed as missing in action. For the families of the 2,300 individuals whose fate has not been fully ascertained, the peace in Vietnam is inconsequential.

I introduced this resolution last year, and the gentleman from New York, Mr. WOLFF has encouraged other Members of the Congress to join with me in underscoring the need for a continued and renewed search for these missing individuals. I believe that it is beneficial to call upon existing agencies within the United Nations, an organization dedicated to the prospering of world peace, to assist this Nation, and the nation of Vietnam in our search.

While it is true that the Vietnamese have released a few names and repatriated the remains of a few Americans, there are still some very important aspects of this negotiation which must be addressed. The Vietnamese have offered to cooperate with the United States in this area, but only if the United States concedes to lifting the trade embargo, or to granting billions of dollars in foreign assistance. In 3 years, the remains of only 61 Americans have been returned.

By engaging the United Nations in the continuing efforts for full accounting, the Vietnamese would be made aware of the gravity of the situation, and would have the assistance of this international organization to accomplish such an accounting. The Vietnamese would also realize that the Congress and the American people are truly concerned about the fate of the missing in action, and that our respect for human life extends to these individuals.

House Concurrent Resolution 583 is identical to a resolution offered by the late Senator Hubert Humphrey who fully endorsed the concept behind this legislation, and his kindness and compassion guided him in this effort.

I urge my colleagues to endorse this concept, too, and in voting for this legislation which is a sign of hope, and possibly the last hope, for the families of those men still listed as missing in action.

● Mr. ZABLOCKI. Mr. Speaker, I rise in support of House Concurrent Resolution 583.

As my colleagues know, I have long sympathized and for many years, as chairman of the Subcommittee on Asian and Pacific Affairs, have been actively concerned with the plight of many American families still awaiting final word on the fate of their sons and husbands who have been reported missing in action in Southeast Asia.

Moreover, responsibilities formerly held by the Select Committee on Missing Persons in Southeast Asia, so ably chaired by the gentleman from Mississippi, SONNY MONTGOMERY, have come under the purview of the International Relations Committee, which I chair.

Since the termination of the select committee at the end of the 94th Congress and the transfer of its responsibilities to the International Relations Committee at the beginning of this Congress, the Committee on International Relations has continued to work in the search for all possible measures to assure as speedy and full an accounting as possible of those still missing as a result of the Vietnam war.

House Concurrent Resolution 583 is the result of several oversight hearings by the Subcommittee on Asian and Pacific Affairs, chaired by the Honorable LESTER L. WOLFF. At the very beginning of the 95th Congress, that subcommittee began its investigations on this matter. It held a hearing on March 31 of 1977 to receive testimony from Leonard Woodcock and Congressman MONTGOMERY immediately after their return from Indochina. The subcommittee subsequently heard from State Department officials and public witnesses. The subcommittee has moreover been following the various actions of the U.S. Government to work with the Vietnamese in such areas as improving Vietnamese capabilities to identify remains.

Beside actions on the part of the U.S. Government, opportunities remain available to the international community. House Concurrent Resolution 583 encourages the Secretary of State to request that the Secretary General work through U.N. agencies to do what that body can to help secure a full accounting of Americans listed as missing in Southeast Asia. The United Nations has resources not available to the United States alone. As a broad international organization, it can more readily coordinate the efforts of many nations to obtain an accounting of MIA's.

This resolution should serve to revitalize U.N. efforts in this regard and continue to remind the Secretary General of matters held extremely important to many Americans.

I urge the adoption of this resolution.●

● Mr. MONTGOMERY. Mr. Speaker, I rise in support of House Concurrent Resolution 583 and urge its adoption. There is still some information, plus remains of known dead, that Vietnam and Laos could provide the United States. We are entitled to this information and I would hope this resolution will help..

I also want to point out that the United Nations, especially the U.N. High Commissioner for Refugees (Prince Saddarin Aga Khan) and his staff, was very helpful to the House Select Committee on Missing Persons. In no way should this resolution be interpreted to indicate a lack of cooperation on the part of the U.N. in the past.

Also I would not want the families of the MIA's to gain any false hopes from the passage of this resolution that the Congress believes some of the servicemen are still alive. The resolution does not make any mention of prisoners. The House Select Committee on MIA's and the Woodstock Commission both reported that there was no evidence to indicate any American servicemen were still being held prisoner.

As I stated earlier, the Vietnamese and Laotians do have additional information on the MIA's and if the U.N. can further help this would be very important to our country, especially the families of the missing servicemen. Therefore I urge adoption of the resolution.●

● Mr. BURKE of Florida. Mr. Speaker, I rise on behalf of House Concurrent Resolution 583, and as ranking minority member of the Subcommittee on Asian and Pacific Affairs, wish to commend the chairman, Mr. WOLFF, for his efforts to bring this to the floor of the House. I also wish to commend my good friend from the House International Relations Committee, BEN GILMAN, for his efforts in originally sponsoring this resolution and for his cooperation in helping the subcommittee to bring it through the full committee and to the attention of this body. I urge the adoption of House Concurrent Resolution 583 by the House.

In supporting this measure, I need not repeat the eloquent presentation by the chairman. As he pointed out, our subcommittee had thorough hearings, carefully considered the bill, and amended it to conform with a similar measure introduced in the other body by the distinguished Senator, now sadly taken from us, from Minnesota. The subcommittee found that it will cost the American taxpayer nothing, and that it may do some good, and recommended its adoption as amended.

However, in speaking on behalf of this bill, I am concerned that there be no misunderstanding about one thing. In my estimation it is painfully clear that this approach, or any other, for that matter, is not going to reveal that there

are any Americans still alive in prisons in Indochina. Mr. WOLFF has made this point, and I want to underline it. The pain and emotional cost to the families of these brave men have already been too great. We should avoid making it worse by permitting false hopes from our action. We need to continue quietly to press for further information for the same reason, and that is to provide whatever comfort may be found in certain knowledge about the fate of the MIA's.

There is another reason why I favor this measure, and that is to invoke a principle which the U.N. itself has espoused, and that is UNGA Resolution 3220, which calls for help in accounting for those missing or dead in armed conflicts. Since the Socialist Republic of Vietnam is now in the United Nations, and the United States did not so much as object when this gang of aggressors was admitted, the least we can do is to bring pressure to bear on the SRV to live up to the rules of the organization it joined.

I should note that I am not overly optimistic that the SRV and its Communist neighbors will provide much information without attempting to extort reparations in return. Nor do I believe that any of the Indochinese states will live up to the principles of the U.N. as I understand them to be. What is going on in Cambodia exceeds the ability to believe of anyone except those who recall the Nazi destruction of almost an entire people, the Jewish citizens of Europe. As for Laos, with whom we have diplomatic relations, after a fashion, it has never even complied with its own promises to the United States about information on the fate of the missing there, and those are the most numerous of the three countries involved. We have been negotiating with Hanoi, which has promised twice to send persons to our identification center in Hawaii to learn what we need to know for positive identification of remains, and no one has shown up yet from Vietnam for this purpose. As for living up to the U.N.'s principles, I can only call to your attention the vicious war between Vietnam and Cambodia, and the attendant inroads on human rights in both countries. There are thousands who have voted "no" against the Communist repressors in all three Indochinese states, risking death by walking, floating, or even crawling through minefields to leave.

I favor this resolution, Mr. Speaker, if only to remind ourselves and the nations of Indochina that we do consider some things highly important, among them our honored dead and the surety that we will not submit to blackmail to learn their fate.●

● Mr. ASHBROOK. Mr. Speaker, the situation regarding Americans lost in Southeast Asia marks a sad chapter in our Nation's history. Over 5 years have passed since the Paris agreement and we have been unable to secure an adequote accounting for those missing in action.

Frankly, I have doubts whether this resolution—asking for assistance from the United Nations—will make much difference. The real problem rests with our own U.S. Government officials. We have not been diligent enough in obtaining an accounting nor have we been tough enough in our dealings with the Communist Vietnamese.

Col. Earl P. Hopper, Sr., chairman of the National League of Families of American Prisoners and Missing in Southeast Asia, has correctly described U.S. policy as "no action, no results." His long unanswered question echoes through the land: "Why is our Government not taking more positive and aggressive steps and making stronger demands for the return of these men?"

The chances now of our ever receiving an accounting from the Vietnamese are bleak. In large measure this is due to the fact that our Government has conceded point after point to the Vietnamese with nothing in return. We have methodically given away our bargaining chips—including dropping our opposition to Vietnam's entrance into the United Nations—and have nothing to show for it. Quoting Colonel Hopper, "All bargaining points have been conceded and no assurance of an accounting has been received, only the vague Communist promise to look for missing Americans."

How can we be sure about the fate of our missing in action, especially given the Milquetoast attitude of our Government on this issue? Let me quote part of the testimony of Colonel Hopper before a subcommittee of the House International Relations Committee last October:

> Yet, with all of these, there has been a return of remains of only 59 men out of 2,500 missing, I would submit to you that this is not a track record of which the U.S. Government can be proud. It cannot even be considered as a minimal step forward toward an accounting.
>
> The question of live prisoners always comes up in any discussion of the POW/MIA issue. I cannot provide proof to you that any Americans are still alive today, but I would remind you that sufficient proof has been presented which attests to the fact that many men were captured who did not return, but who were alive and in captivity after our POWs returned.
>
> Because of this, it amazes us why some higher administration officials—and even some Congressmen—continue to quote the Vietnamese and to believe them when they say there are no more Americans who are alive in Vietnam and that all should be presumed dead.

Any consideration of the POW–MIA issue is not complete without bearing in mind the treatment of prisoners of war by their Communist captors in the past. In March 1967, I inserted in the CONGRESSIONAL RECORD the story of how Radio Free Europe, by its broadcasts, helped pressure the Polish and Soviet officials into releasing thousands of Polish POW's in 1955—10 years after capture during World War II. By 1959 approximately 125,000 Poles had been freed from the Soviet camps.

In 1973 a Soviet Jew, Avraham Shifrin, who had spent 10 years in Soviet concentration camps, testified before the Senate Internal Security Subcommittee and gave testimony as to the brutal life in the Soviet camps. Among the camps which Shifrin described was Wrangel Island which he had been told held Spanish, Italian, and German POW's captured during World War II, and as late as 1962 there was evidence that these POW's were still detained there. An actual prisoner on Wrangel Island who is now an Israeli resident testified to the presence of foreign POW's many years after their capture during the war.

As for the Vietnamese Communists the case of the French POW's who were to be returned to France according to the 1954 Geneva Conference are another example of how Communists handle their POW's. It was not until 8 years after the Conference that Radio Hanoi announced that they were returning some French POW's. The French never did get a full accounting of their missing in action.

Finally, as to the fate of American POW's and MIA's the best presentation of the situation was given by the Department of Defense to the Woodcock Commission before it left for Hanoi in March 1977. A copy of this briefing was obtained by the National League of Families through a Freedom of Information Act request. DOD in its briefing mentions a figure of 2,456 Americans, including some civilians who have not been accounted for.

DOD also broke down into five categories the intelligence and information which they have been able to obtain over the years on our POW's and MIA's. Concerning categories 1 and 2, DOD told the Woodcock Commission:

> If we must give a number, we would say that it would be reasonable to expect an accounting for those men in Categories 1 and 2—a total of 1,339 men.

In view of the Communist history of abusing POW's and with DOD's estimate of 1,339 men as being in the categories where it is reasonable to expect an accounting, there is real work to be done by the United Nations if it will assume some of the responsibility. This in no way relieves the administration of its basic duty to continue all efforts toward a more complete accounting. Refugees coming out of Vietnam and Laos must be queried as to any information they might have on our American servicemen.

At this point in the RECORD, I am including material that I had mentioned in my foregoing remarks:

EXCLUSIVE: A REPORT ON POW'S IN THE U.S.S.R.: 250,000 STILL IN RED SLAVE CAMPS—POLES, TERM OVER, KEPT ON TO LABOR

(By Clyde Farnsworth)

VIENNA.—There is reason to suppose that a quarter million Poles and other foreign nationals are still slaving in Soviet work camps, more than 20 years after the end of World War II.

This number and the names of some prisoners, along with the location of their camps, have been revealed by the Polish Division of Radio Free Europe, which has collected the information over a period of years.

Today, while the Polish Communist regime is trying to attract Polish exiles in the West back to their homeland, Radio Free Europe is telling the Polish people again

about the fate of thousands of their countrymen in the Soviet Union.

GRIM STORY OF COLD WAR

Behind this campaign and the shocking estimate of the number of lives involved lies an involved but grimly fascinating story of the cold war.

The last time news of large-scale Soviet detention of Polish nationals came to attention was in 1955, when Radio Free Europe broadcast a series of programs about Soviet prison camps based on information supplied by returned German prisoners of war.

The release of the Germans had been prompted by the then Federal Chancellor, Konrad Adenauer, who told the Soviet Government that there could be no normalization of relations between Bonn and Moscow until all Germans had been returned from Soviet prisoner of war camps.

EX-PRISONERS AID CAUSE

When the Soviets responded, and German prisoners began to return early in 1955, Radio Free Europe officials compiled a list of the returnees that eventually included almost 4,000 names. To these men a questionnaire was sent, appealing for the names, descriptions, and other pertinent details about fellow prisoners from other countries who were still being detained.

The purpose of the Radio Free Europe appeal—to effect the release of the other prisoners of war—was completely spelled out. And the response was considered remarkable. More than 90 percent of the former German prisoners filled out the questionnaires, and some took the trouble to visit Radio Free Europe headquarters in Munich to provide a firsthand description of their prison life.

DETAILS ARE LEARNED

From them Radio Free Europe gathered the name of prisoners from countries all over the world. Included were details about the prisoners' homes, their marital status, professions, the ages of their children, and so on.

These descriptions enabled Radio Free Europe to set up files on approximately 10,000 prisoners whose existence had been known by scarcely anyone but their Soviet jailers for a decade or more.

The names of those from Western countries were passed on to the governments concerned, usually through their embassies in Germany or through the International Red Cross.

The first Radio Free Europe broadcast campaign to release Polish prisoners was opened July 31, 1955.

DEMAND BY RADIO

Radio Free Europe's Polish language station director, Jan Nowak, told Polish listeners at that time:

"Germans, Austrians, and Italians—former soldiers of conquered enemy forces—are returning to their homes, while Poles remain in the depths of Russia because no one remembers them any longer or demands their return.

"We demand the return to the homeland of Poles in Soviet prisons and labor camps—Poles who are suffering and dying 10 years after the end of the war because they committed only one crime: They fought for independence."

For more than 7 months Radio Free Europe periodically broadcast the names of Poles and the prison camps where they were last known to have lived. The names were read at dictation speed so that listeners could write them down, along with any variations in spelling that might have occurred.

HELD IN SILENCE

According to the freed Germans, the Polish prisoners of war had not been allowed to write their families or communicate in any way to the outside world. As a result, many were presumed dead because they had been missing for so long. In many cases, the Radio Free Europe broadcasts gives the first indication that individual prisoners were indeed still alive.

The names and descriptions of the prisoners went out over the air in brief messages such as these:

"Walenty Kucharski, 30 years old, born in Sosnowiec; lieutenant in the Polish Army; deported to Vorkuta after the war; mine No. 29."

"Stefan Szymanski, 26 years old, from Lwow, arrested as a 16-year-old boy toward the end of 1945; has remainded in camp No. 36 in the region of Vorkuta."

Response to the broadcasts was such that there could be no doubt they were making an impact. Letters were received from behind the Iron Curtain asking the station to repeat particular programs so certain names could be verified.

But few of the writers mentioned the names of those in whom they were interested for fear that the letters might be intercepted and the prisoners face a worse fate.

BROADCASTERS ANNOY REDS

Ignored initially by the Polish Government, the broadcasts caused considerable embarrassment to local Communist officials who were questioned by residents about the validity of the charges. Until that time the party line had always been that the Soviet Union held no more Polish prisoners of war.

Poles took advantage of the presence of a great number of Russian soldiers, observers, and advisers to ask the same questions of them. In an attempt to halt the growing uneasiness, the Polish Government finally broke its 3-month silence to comment on the Radio Free Europe pronouncements.

On October 31, 1955, Radio Warsaw referred to "a certain number of repatriates from Russia" and noted a few weeks later that "Poles have been returning from the U.S.S.R. for several months now." It added, "We are certain that the number of returnees will increase in the near future."

MORE AND MORE REPATRIATED

The hope was given foundation by the rising number of prisoners being freed. Before the end of 1955, a total of 6,429 Poles were repatriated. The next year the figure jumped to 30,786, and in 1957, to a record 93,872.

Still in 1958—13 years after the war ended—85,865 Poles were returned from Soviet detention, and in 1959, 28,400 more.

The Polish Red Cross claimed that all except 15 percent of the 245,000 repatriated Poles were actually residents of the territory annexed by the Soviet Union after the war. They said that only about 36,000 were actually deportees.

Even so, the imprisonment of 36,000 nations of a "fraternal" Communist country would seem to require a lot of explaining so many years after friendly relations had been established between them.

MANY QUIT PARADISE

And the fact that so many of the beneficaries of Russia's postwar expansion had chosen to leave the Soviet paradise could hardly be comforting to communism's internationalist ideologists.

Observing the return of a group of prisoners from Russia in 1959, Warsaw journalist said:

"Looking at them, I could not restrain my own tears And from the crowd of onlookers came anti-Soviet shouts and curses again and again 'Take those poor devils to Comrade Wieslaw [Wladyslaw Gomulka.] Let him see what the Soviets have done with these people.' "

What they had done was to make the prisoners repay their jailers by working as miners, lumbermen, roadbuilders, and farmers. In short, the Polish prisoners provided a cheap source of labor to the Communist "liberators" of Eastern Europe.

One of the first acknowledgments of the extent of Polish detention in Russia appeared on October 25, 1956, during the time of the Hungarian revolution. The paper Tygodnik Zachodni admitted that there had been official silence in Poland about the "hundreds of thousands of Poles in Russia" and that this had given an excellent opportunity to "foreign radio stations" to conduct "an anti-Polish and anti-Soviet propaganda campaign."

PAPER GIVES ADVICE

It was time to speed up the repatriation of Poles from Russia, the paper added, suggesting that "a settlement of this humanitarian problem is in the interest of Polish-Soviet friendship and will also silence the 'Free Europe' broadcasts."

By mid-1959 the Polish Government was assuring everyone that "repatriation from the Soviet Union is complete." But Nowak and his fellow Polish exiles didn't believe that even a majority of their countrymen had been released from Soviet detention. They continued to search for further information.

Within a year they were convinced that additional thosuands of Poles were still working in Soviet labor camps. And last February they decided that enough material had been gathered to open a new campaign to force the release of the remaining Polish prisoners.

A 45-minute special program on February 14 referred to the station's 1955–56 efforts and told of the new freedom drive that was being started. Typical Radio Free Europe programs described the various campus where Poles and other prisoners could be located.

"In the far north of the Soviet Union, near Lumbovka and its environs on the Kola peninsula in the Murmansk Oblast, Poles may be found among the 8,500 prisoners still held in three labor camps," the broadcast said.

STILL HELD CAPTIVE

"Some of the Poles are serving prison terms for alleged political offenses committed during and immediately after the war. Those who have served out their sentences still work under compulsion and are forbidden to leave the area."

"Among the prisoners held in Gandala," a later broadcast said, "there are Germans, Hungarians, and Poles, although the number and nationality of all the inmates are uncertain. They are employed in lumbering, in coal mining, and in the construction of rocket launching pads and sites, highways, railroads hostels, and hotels."

WARSAW NOW SILENT

Although Radio Free Europe has made more than 40 broadcasts since February about the continued detention of Poles, the Warsaw government has again failed to comment on the matter. In view of the long delay in responding to the 1955–56 campaign, however, Radio Free Europe's Polish staff is not discouraged.

The station is still receiving information and further responses from Polish listeners giving details about imprisoned relatives and camps. And, at the start of the third decade of the postwar era, there is still hope for foreigners imprisoned in the Soviet Union.

FOREIGN POWS IN SOVIET CONCENTRATION CAMPS

From '53 to '56 Shifrin met many thousands of POWs of all nationalities—Germans, Italians, Frenchmen, Spaniards, etc.—scattered through most of the camps in which he

was detained. In '55, 10 years after the war ended, there began large-scale repatriation of POWs—or at least of those who had survived. By the end of 1956 the process of repatriation appeared to have been completed, or almost completed. Shifrin no longer met POWs in the long list of camps through which he moved. However, in 1962, 17 years after the war ended, he did encounter a group of some dozen Belgian officer POWs who, he believes, were finally released as a result of the intervention of the Belgian queen on her visit to Moscow.

Some weeks before Shifrin's release in June of 1963, some new prisoners arrived in Camp No. 7 who told Shifrin that they had come there from a camp on Wrangel Island—one of the northernmost and bleakest outposts of Soviet territory. Shifrin was surprised at this, because he had not previously heard of a camp as far north as Wrangel Island. The prisoners said that they had served for five years on Wrangel Island, in a special detachment which brought food to three concentration camps in which lived only "fascist generals" and other high-ranking foreign officers. When Shifrin said that all POWs had been repatriated in 1956, they persisted in their statement that high-ranking foreign officers, POWs from 1945, were still on Wrangel Island.

Shifrin was not disposed to believe this at the time, but recently he has had confirmation from another source. He has received a statement from a recent immigrant to Israel, a former concentration camp inmate, who reported that he was interned on Wrangel Island until 1962; that there he met many former POWs, Italian, German, Spanish; that there he also met R. Trushnovich, the NTS leader [NTS is a Russian anti-communist organization] who was kidnapped from West Germany in 1951, and Raoul Wallenberg, the Swedish diplomat who was credited with saving many thousands of Hungarian Jews from deportation by the Nazis, and who disappeared when the Red Army entered Budapest. (The Swedish Government addressed a whole series of inquiries to the Soviet Government re the fate of Wallenberg, but the Soviet Government always took the stand that it knew absolutely nothing about what happened to Wallenberg—this, in the face of eye-witness reports that Wallenberg was last seen being marched off under Red Army escort.)

Both the Israeli resident and the prisoners whom Shifrin met in Camp No. 7 before his release, told him that the POW's on Wrangel Island were used for medical experiments, some involving the effects of radiation on the human body, others involving the effects of prolonged submersion at great depths. (NOTE: A translation of this statement appears in the Appendix to Part 2, P. 127. The Israeli citizen who submitted it asks that his name not be made public because he still has family in the Soviet Union. His real name has been given in confidence to the subcommittee.)

DECEMBER 22, 1972.

Mrs. Golda Meir, [Israeli] Consul, arrived in Moscow on the day of Zhdanov's death; I was then working as a translator in one of the offices of the MVD (Ministry of Internal Affairs) in Odessa. On the day of her arrival I was sent to the Metropol Hotel in Moscow to participate in a reception for the guests in the guise of a waiter; I was instructed to eavesdrop on everything Mrs. Meir was to say in Yiddish. Since the guests were amiably received, I took the liberty of asking her in Yiddish what the country which she represented was like. She replied in Yiddish that it was the first Jewish state in history for Jews throughout the world. After the reception was over, I was sent directly to a prison in Odessa, for someone had eavesdropped on me during the conversation and denounced me to the KGB, saying I was a Zionist. I was arrested, served a great deal of time in prison, then released but thrown out of my job, victimized for more than ten years, finally arrested again in 1958, thrown into prison, and without any trial sent to the Amurskaya ASSR, and from there to Wrangel Island, where I remained until 1962.

At the camp I made the acquaintance of Rudolf Trushnovich, a former physician, Vasiliy Ivanovich Polyakov, a former member (colonel) of the Vlasov army, a large number of SS and Gestapo Germans, and many Italians, who had long been declared dead, but who are actually still living on Wrangel in the Belopolyar'ye. Among them.[1]

1. Kremer Ernest
2. Mgoler Paul
3. Kristover Otto
4. Ambrozio Vetrito—55 years old—Gestapo
5. Zuivazino Cordion—65 years old—died there
6. Milaneso Tradati—1903—
7. Gracianeca Verona—1899—chief of police
8. Toretto Firenze—1901—captain
9. Giovanni [?] Lassa—1905—SS Lieutenant
10. Rasteliano Vivzina—1900—colonel
11. Lecio Vivaus—1910—colonel
12. Pyairetta Piacenza—1900—died
13. Joradello Padova—1903—SS
14. Giovani Bianchi—
15. Luigi Campanella—1901—SS
16. Lucca Brantyi [?]—1905
17. Messina Donato—1914—SS

The camp on Wrangel Island was an experimental camp, where experiments were conducted on living people. The experiments were in the form of injections, diets, oxygen tests on people who were long declared dead but were alive at that time (1962) and were working very hard in the camp. The guards and the administrative staff were former convicts, such as V. N. Rudnikov, A. I. Vasil'kov, a former convict and big-time bandit; Iv. Nik. Ivanov, Nikolay Artemevich Pitanov. The camp also had a military guard for a special camp in which people were trained for spying abroad. That camp was headed by Ivan Ivanovich Shevilov, a veteran MVD trooper. There were also many others, including Italian war prisoners. There was also Raoul Wallenberg, who had been Swedish consul in Budapest during the war and who under the German occupation, aided by money, helped Jews escape from Hungary, through Switzerland, into other countries. When the Russians entered Budapest, Raoul Wallenberg was immediately arrested at the request of the military commandant of the city of Budapest and sent by special train to Moscow. He was then 27 years old, and was a handsome, educated young man.

These are a few of the many facts which I know, having witnessed them personally. Unfortunately I cannot sign my real name [to the statment], as I still have some close relatives in Russia.

"Kozlov."

A true copy: [A stamp with Hebrew letters]●

[1] The list of names of POWs on Wrangel Island requires further clarification, which the subcommittee is trying to obtain. Spellings are in question, first, because the names were written in by hand and some were not legible; and, second, because inaccuracies in spelling inevitably arise when German and Italian names are transliterated from Latin script to Cyrillic script for the camp record, and then transliterated back into Latin script. According to Shifrin, who has discussed the Wrangel Island matter several times with "kozlov," "kozlov" was in a position where he had access to camp records, but only in rare cases was he able to get to know the POWs personally. The listing of Italian names suggests that in the camp records the name was given, together with the rank, the city of residence, and the date of birth. In the case of name number 6, "Milaneso Tradati, 1903," the adjective "Milaneso," meaning "from Milan," was probably used instead of "Milan." Shifrin reported to the subcommittee staff that a representative of an Italian committee which is still seeking information about missing POWs had come to Israel to interview "kozlov," and they had been able to match some of the names of Italian POWs whom "kozlov," had met, or whose names he had seen listed in the camp records, against the list of missing Italian POWs believed to be in the Soviet Union.

Mrs. PETTIS. Mr. Speaker, I rise in strong support of the pending concurrent resolution.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. WOLFF. Mr. Speaker, I have no further requests for time.

GENERAL LEAVE

Mr. WOLFF. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the concurrent resolution under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New York (Mr. WOLFF) that the House suspend the rules and agree to the concurrent resolution (H. Con. Res. 583) as amended.

The question was taken.

Mr. GUYER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 3, rule XXVII, and the Chair's prior announcement, further proceedings on this motion will be postponed.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER pro tempore. Debate has been concluded on all motions to suspend the rules.

Pursuant to clause 3, rule XXVII, the Chair will now put the question on each motion on which further proceedings were postponed in the order in which that motion was entertained.

Votes will be taken in the following order:

H.R. 12481, by the yeas and nays; and

House Concurrent Resolution 583, by the yeas and nays.

The Chair will reduce to 5 minutes the time for the second electronic vote after the first such vote in this series.

OMNIBUS TERRITORIES AUTHORIZATION ACT

The SPEAKER pro tempore. The unfinished business is the question of suspending the rules and passing the bill H.R. 12481, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the

gentleman from California (Mr. PHILLIP BURTON) to suspend the rules and pass the bill H.R. 12481, as amended, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 203, nays 170, not voting 61, as follows:

[Roll No. 287]

YEAS—203

Abdnor	Gilman	Obey
Addabbo	Goldwater	Ottinger
Akaka	Gonzalez	Panetta
Alexander	Gore	Patten
Allen	Green	Patterson
Ammerman	Hanley	Pattison
Anderson, Calif.	Hannaford	Perkins
	Harkin	Pettis
Anderson, Ill.	Harrington	Pickle
Armstrong	Hawkins	Pressler
Bafalis	Heckler	Price
Baldus	Heftel	Railsback
Beard, R.I.	Hightower	Rangel
Benjamin	Holland	Regula
Bingham	Hollenbeck	Reuss
Blanchard	Howard	Richmond
Boggs	Hyde	Roe
Boland	Jeffords	Rooney
Bonior	Johnson, Calif.	Rose
Bowen	Johnson, Colo.	Rosenthal
Brademas	Jones, N.C.	Rousselot
Brodhead	Jones, Tenn.	Roybal
Brooks	Jordan	Ruppe
Brown, Calif.	Kastenmeier	Ryan
Brown, Mich.	Kazen	Sawyer
Burgener	Ketchum	Scheuer
Burke, Mass.	Kildee	Schroeder
Burton, John	Kostmayer	Sebelius
Burton, Phillip	Krebs	Sharp
Byron	Lagomarsino	Shipley
Carney	Le Fante	Simon
Carr	Lederer	Slack
Carter	Leggett	Smith, Iowa
Chappell	Lehman	Smith, Nebr.
Chisholm	Lent	Solarz
Clausen, Don H.	Lloyd, Calif.	St Germain
	Long, Md.	Staggers
Clay	Lundine	Stark
Collins, Ill.	McClory	Steers
Conte	McCloskey	Stokes
Corcoran	McCormack	Stratton
Cornell	McFall	Stump
Cornwell	McHugh	Thompson
Coughlin	McKay	Traxler
Danielson	McKinney	Tsongas
Davis	Maguire	Udall
de la Garza	Markey	Ullman
Delaney	Marlenee	Van Deerlin
Dellums	Mathis	Vander Jagt
Dickinson	Mattox	Vento
Downey	Mazzoli	Walgren
Duncan, Tenn.	Metcalfe	Waxman
Eckhardt	Mikulski	Weaver
Edgar	Mikva	Weiss
Edwards, Calif.	Miller, Calif.	Whalen
Erlenborn	Mineta	White
Evans, Colo.	Mitchell, Md.	Whitten
Evans, Del.	Mitchell, N.Y.	Wilson, Bob
Evans, Ga.	Moakley	Wilson, C. H.
Fary	Montgomery	Wilson, Tex.
Fascell	Moss	Wolff
Fisher	Mottl	Wright
Fithian	Murphy, Ill.	Yates
Flood	Murphy, N.Y.	Young, Fla.
Florio	Myers, Gary	Young, Mo.
Ford, Mich.	Myers, John	Young, Tex.
Ford, Tenn.	Myers, Michael	Zablocki
Fraser	Natcher	
Gaydos	Oberstar	

NAYS—170

Ambro	Bonker	D'Amours
Andrews, N.C.	Breaux	Daniel, Dan
Andrews, N. Dak.	Brinkley	Daniel, R. W.
	Broomfield	Derrick
Annunzio	Broyhill	Derwinski
Applegate	Buchanan	Devine
Archer	Burke, Fla.	Dingell
Ashbrook	Burleson, Tex.	Dornan
Aspin	Burlison, Mo.	Drinan
AuCoin	Butler	Duncan, Oreg.
Badham	Caputo	Early
Barnard	Cavanaugh	Edwards, Ala.
Bauman	Cederberg	Edwards, Okla.
Beard, Tenn.	Cleveland	Emery
Bedell	Cohen	English
Bennett	Coleman	Ertel
Bevill	Collins, Tex.	Evans, Ind.
Biaggi	Conable	Fenwick
Blouin	Cotter	Findley
Bolling	Crane	Fish
Flippo	Kemp	Rinaldo
Flowers	Keys	Robinson
Flynt	Kindness	Rogers
Forsythe	Krueger	Rostenkowski
Fountain	LaFalce	Rudd
Fowler	Latta	Russo
Frenzel	Leach	Satterfield
Fuqua	Levitas	Schuize
Gammage	Livingston	Shuster
Gephardt	Lloyd, Tenn.	Sikes
Giaimo	Long, La.	Skelton
Gibbons	Lott	Snyder
Ginn	Luken	Spellman
Glickman	McDade	Spence
Goodling	McDonald	Stangeland
Gradison	McEwen	Stanton
Grassley	Mahon	Stockman
Gudger	Marks	Studds
Guyer	Marriott	Taylor
Hagedorn	Martin	Treen
Hall	Miller, Ohio	Trible
Hamilton	Minish	Vanik
Hansen	Moffett	Volkmer
Harris	Moore	Waggonner
Harsha	Moorhead, Calif.	Walker
Hefner		Walsh
Hillis	Murphy, Pa.	Wampler
Holt	Murtha	Watkins
Horton	Neal	Whitehurst
Hubbard	Nichols	Wiggins
Huckaby	Nowak	Winn
Hughes	O'Brien	Wydler
Ichord	Oakar	Wylie
Ireland	Pease	Yatron
Jacobs	Pike	Young, Alaska
Jenkins	Poage	Zeferetti
Jones, Okla.	Preyer	
Kelly	Quayle	

NOT VOTING—61

Ashley	Holtzman	Rhodes
Baucus	Jenrette	Risenhoover
Beilenson	Kasten	Roberts
Breckinridge	Lujan	Rodino
Brown, Ohio	Madigan	Roncalio
Burke, Calif.	Mann	Runnels
Clawson, Del	Meeds	Santini
Cochran	Meyner	Sarasin
Conyers	Michel	Seiberling
Corman	Milford	Sisk
Cunningham	Mollohan	Skubitz
Dent	Moorhead, Pa.	Steed
Dicks	Nedzi	Steiger
Diggs	Nix	Symms
Dodd	Nolan	Teague
Eilberg	Pepper	Thone
Foley	Pritchard	Thornton
Frey	Pursell	Tucker
Garcia	Quie	Whitley
Hammer-schmidt	Quillen	Wirth
	Rahall	

The Clerk announced the following pairs:

Ms. Holtzman with Mr. Brown of Ohio.
Mr. Rahall with Mr. Frey.
Mr. Corman with Mr. Madigan.
Mr. Baucus with Mr. Thornton.
Mr. Jenrette with Mr. Sarasin.
Mr. Breckinridge with Mr. Thone.
Mrs. Burke of California with Mr. Skubitz.
Mrs. Meyner with Mr. Del Clawson.
Mr. Moorhead of Pennsylvania with Mr. Hammerschmidt.
Mr. Nix with Mr. Pritchard.
Mr. Pepper with Mr. Cochran of Mississippi.
Mr. Risenhoover with Mr. Quillen.
Mr. Roberts with Mr. Kasten.
Mr. Whitley with Mr. Pursell.
Mr. Nedzi with Mr. Cunningham.
Mr. Tucker with Mr. Symms.
Mr. Teague with Mr. Lujan.
Mr. Steed with Mr. Steiger.
Mr. Sisk with Mr. Runnels.
Mr. Santini with Mr. Roncalio.
Mr. Seiberling with Mr. Mann.
Mr. Meeds with Mr. Milford.
Mr. Mollohan with Mr. Beilenson.
Mr. Ashley with Mr. Conyers.
Mr. Dicks with Mr. Dent.
Mr. Eilberg with Mr. Foley.
Mr. Dodd with Mr. Diggs.
Mr. Nolan with Mr. Garcia.

Messers. POAGE, MARRIOTT, PIKE, GRADISON, FORSYTHE, LAFALCE, FOWLER, HANSEN, RINALDO, HUGHES, Mrs. FENWICK, Messrs. GAMMAGE, HAGEDORN, EDWARDS of Alabama, HUCKABY, BREAUX, SIKES, HILLIS, SPENCE, GUDGER, APPLEGATE, and D'AMOURS changed their votes from "yea" to "nay."

Messrs. WALGREN, DE LA GARZA, YOUNG of Texas, EVANS of Georgia, and COUGHLIN changed their votes from "nay" to "yea."

So (two-thirds not having voted in favor thereof), the motion was rejected.

The result of the vote was announced as above recorded.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to the provisions of clause 3(b)(3), rule XXVII, the Chair announces he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device may be taken on the additional motion to suspend the rules on which the Chair has postponed further proceedings.

AMERICAN MIA'S IN SOUTHEAST ASIA

The SPEAKER pro tempore. The unfinished business is the question of suspending the rules and agreeing to the concurrent resolution (H. Con. Res. 583) as amended.

The Clerk read the title of the concurrent resolution.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New York (Mr. WOLFF) that the House suspend the rules and agree to the concurrent resolution (H. Con. Res. 583) as amended, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 369, nays 0, not voting 65, as follows:

[Roll No. 288]

YEAS—369

Abdnor	Bonker	Conte
Addabbo	Bowen	Corcoran
Akaka	Brademas	Cornell
Alexander	Breaux	Cornwell
Allen	Brinkley	Cotter
Ambro	Brodhead	Coughlin
Ammerman	Brooks	Crane
Anderson, Calif.	Broomfield	D'Amours
	Brown, Calif.	Daniel, Dan
Anderson, Ill.	Brown, Mich.	Daniel, R. W.
Andrews, N.C.	Broyhill	Danielson
Andrews, N. Dak.	Buchanan	Davis
	Burgener	de la Garza
Annunzio	Burke, Fla.	Delaney
Applegate	Burke, Mass.	Dellums
Archer	Burleson, Tex.	Derrick
Armstrong	Burlison, Mo.	Derwinski
Ashbrook	Burton, John	Devine
Aspin	Burton, Phillip	Dickinson
AuCoin	Butler	Dingell
Badham	Byron	Dornan
Bafalis	Caputo	Downey
Baldus	Carney	Drinan
Barnard	Carr	Duncan, Oreg.
Bauman	Carter	Duncan, Tenn.
Beard, R.I.	Cavanaugh	Early
Beard, Tenn.	Cederberg	Eckhardt
Bedell	Chappell	Edgar
Benjamin	Chisholm	Edwards, Ala.
Bennett	Clausen, Don H.	Edwards, Calif.
Bevill		Edwards, Okla.
Biaggi	Clay	Emery
Bingham	Cleveland	English
Blanchard	Cohen	Erlenborn
Blouin	Coleman	Ertel
Boland	Collins, Ill.	Evans, Colo.
Bolling	Collins, Tex.	Evans, Del.
Bonior	Conable	Evans, Ga.

Evans, Ind.	Le Fante	Robinson
Fary	Leach	Roe
Fascell	Lederer	Rogers
Fenwick	Leggett	Rooney
Findley	Lent	Rose
Fish	Levitas	Rosenthal
Fisher	Livingston	Rostenkowski
Fithian	Lloyd, Calif.	Rousselot
Flippo	Lloyd, Tenn.	Roybal
Flood	Long, La.	Rudd
Florio	Long, Md.	Ruppe
Flowers	Lott	Russo
Flynt	Luken	Ryan
Ford, Mich.	Lundine	Satterfield
Ford, Tenn.	McClory	Sawyer
Forsythe	McCloskey	Scheuer
Fountain	McCormack	Schroeder
Fowler	McDade	Schulze
Fraser	McDonald	Sebelius
Frenzel	McEwen	Sharp
Fuqua	McFall	Shipley
Gaydos	McHugh	Shuster
Gephardt	McKay	Sikes
Giaimo	McKinney	Simon
Gibbons	Madigan	Skelton
Gilman	Maguire	Slack
Ginn	Mahon	Smith, Iowa
Glickman	Markey	Smith, Nebr.
Goldwater	Marks	Snyder
Gonzalez	Marlenee	Solarz
Goodling	Marriott	Spellman
Gore	Martin	Spence
Gradison	Mathis	St Germain
Grassley	Mattox	Staggers
Green	Mazzoli	Stangeland
Gudger	Metcalfe	Stanton
Guyer	Mikulski	Stark
Hagedorn	Mikva	Steers
Hall	Miller, Calif.	Stockman
Hamilton	Miller, Ohio	Stokes
Hanley	Mineta	Stratton
Hannaford	Minish	Studds
Hansen	Mitchell, Md.	Stump
Harkin	Mitchell, N.Y.	Taylor
Harrington	Moakley	Thompson
Harris	Moffett	Traxler
Harsha	Montgomery	Treen
Hawkins	Moore	Trible
Heckler	Moorhead, Calif.	Tsongas
Hefner	Moss	Udall
Heftel	Mottl	Ullman
Hightower	Murphy, Ill.	Van Deerlin
Hillis	Murphy, N.Y.	Vander Jagt
Holland	Murphy, Pa.	Vanik
Hollenbeck	Murtha	Vento
Holt	Myers, Gary	Volkmer
Horton	Myers, John	Waggonner
Howard	Myers, Michael	Walgren
Hubbard	Natcher	Walker
Huckaby	Neal	Walsh
Hughes	Nichols	Wampler
Hyde	Nowak	Watkins
Ichord	O'Brien	Waxman
Ireland	Oakar	Weaver
Jacobs	Oberstar	Weiss
Jeffords	Obey	Whalen
Jenkins	Ottinger	White
Johnson, Calif.	Panetta	Whitehurst
Johnson, Colo.	Patten	Wiggins
Jones, N.C.	Patterson	Wilson, Bob
Jones, Okla.	Pease	Wilson, C. H.
Jones, Tenn.	Perkins	Wilson, Tex.
Jordan	Pettis	Winn
Kastenmeier	Pickle	Wolff
Kazen	Pike	Wright
Kelly	Poage	Wydler
Kemp	Pressler	Wylie
Ketchum	Preyer	Yates
Keys	Price	Yatron
Kildee	Quayle	Young, Alaska
Kindness	Railsback	Young, Fla.
Kostmayer	Rangel	Young, Mo.
Krebs	Regula	Young, Tex.
Krueger	Reuss	Zablocki
LaFalce	Richmond	Zeferetti
Lagomarsino	Rinaldo	
Latta		

NAYS—0

NOT VOTING—65

Ashley	Conyers	Frey
Baucus	Corman	Gammage
Beilenson	Cunningham	Garcia
Boggs	Dent	Hammer-schmidt
Breckinridge	Dicks	Holtzman
Brown, Ohio	Diggs	Jenrette
Burke, Calif.	Dodd	Kasten
Clawson, Del	Eilberg	Lehman
Cochran	Foley	Lujan
Mann	Pritchard	Seiberling
Meeds	Pursell	Sisk
Meyner	Quie	Skubitz
Michel	Quillen	Steed
Milford	Rahall	Steiger
Mollohan	Rhodes	Symms
Moorhead, Pa.	Risenhoover	Teague
Nedzi	Roberts	Thone
Nix	Rodino	Thornton
Nolan	Roncalio	Tucker
Pattison	Runnels	Whitley
Pepper	Santini	Whitten
	Sarasin	Wirth

The Clerk announced the following pairs:

Ms. Holtzman with Mr. Runnels.
Mr. Jenrette with Mr. Tucker.
Mrs. Boggs with Mr. Roncalio.
Mr. Breckinridge with Mr. Dent.
Mrs. Meyner with Mr. Seiberling.
Mr. Moorhead of Pennsylvania with Mr. Diggs.
Mr. Sisk with Mr. Garcia.
Mr. Whitley with Mr. Dodd.
Mr. Teague with Mr. Nix.
Mr. Steed with Mr. Brown of Ohio.
Mr. Santini with Mr. Thone.
Mr. Pepper with Mr. Del Clawson.
Mr. Corman with Mr. Frey.
Mr. Eilberg with Mr. Kasten.
Mr. Gammage with Mr. Pritchard.
Mr. Foley with Mr. Cochran of Mississippi.
Mr. Mollohan with Mr. Lujan.
Mr. Meeds with Mr. Steiger.
Mr. Mann with Mr. Cunningham.
Mr. Risenhoover with Mr. Quillen.
Mr. Roberts with Mr. Hammerschmidt.
Mr. Nolan with Mr. Skubitz.
Mr. Ashley with Mr. Pursell.
Mr. Baucus with Mr. Symms.
Mr. Beilenson with Mr. Sarasin.
Mrs. Burke of California with Mr. Conyers.
Mr. Dicks with Mr. Lehman.
Mr. Nedzi with Mr. Milford.
Mr. Rahall with Mr. Quie.

So (two-thirds having voted in favor thereof) the rules were suspended and the concurrent resolution, as amended, was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

JOINT REFERRAL OF H.R. 5720 TO COMMITTEE ON AGRICULTURE

Mr. BROWN of California. Mr. Speaker, I ask unanimous consent that the bill (H.R. 5720) to establish a research and development effort resulting in the commercialization of native latex rubber, which was initially referred solely to the Committee on Science and Technology, be jointly referred to the Committee on Agriculture.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

JOINT REFERRAL OF H.R. 12149 TO THE COMMITTEE ON EDUCATION AND LABOR

Mr. EDWARDS of California. Mr. Speaker, I ask unanimous consent that the bill (H.R. 12149) to prohibit discrimination on the basis of affectional or sexual preference, and for other purposes, which was initially referred to the Committee on the Judiciary, be jointly referred to the Committee on Education and Labor.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

PERMISSION FOR COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION TO SIT ON THURSDAY, MAY 11, 1978, DURING GENERAL DEBATE AND DURING 5-MINUTE RULE

Mr. JOHNSON of California. Mr. Speaker, I ask unanimous consent that the Committee on Public Works and Transportation may be permitted to sit on Thursday, May 11, 1978, during general debate and during the 5-minute rule for the markup of H.R. 11733.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

SMALL BUSINESS ADMINISTRATION DISASTER LOAN SUPPLEMENTAL APPROPRIATIONS

Mr. MAHON. Mr. Speaker, pursuant to the order of the House of Tuesday, May 2, 1978, I call up the joint resolution (H.J. Res. 873) making an urgent supplemental appropriation for the disaster loan program of the Small Business Administration for the fiscal year ending September 30, 1978.

The Clerk read the title of the joint resolution.

The Clerk read the joint resolution, as follows:

H.J. RES. 873

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sum is appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending September 30, 1978:

SMALL BUSINESS ADMINISTRATION
DISASTER LOAN FUND

For an additional amount for the "Disaster loan fund", $758,000,000: *Provided,* That $750,000,000 of such amount shall remain available without fiscal year limitation and $8,000,000 shall be transferred to "Salaries and expenses".

Mr. MAHON. Mr. Speaker, I move to strike the last word.

Mr. Speaker, this is a very important and necessary appropriation bill. It provides a $758 million appropriation for the disaster loan program of the Small Business Administration.

Mr. Speaker, this bill was handled in the subcommittee chaired by the gentleman from West Virginia (Mr. SLACK).

He and his subcommittee always do a good job.

GENERAL LEAVE

Mr. MAHON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the pending legislation.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. SLACK. Mr. Speaker, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from West Virginia.

Mr. SLACK. Mr. Speaker, I thank the distinguished chairman for yielding.

Mr. Speaker, this resolution would appropriate $758,000,000 to enable the Small Business Administration to continue to provide loans to victims who have suffered damages from storms, floods, droughts, and other physical disasters. This is the amount requested by the President on April 18, 1978.

The demand for loans this fiscal year has been so great that funds previously appropriated for this program are totally obligated and the Small Business Administration is withholding final approval of pending applications until additional funds are made available.

The funds recommended in the resolution will enable SBA to provide assistance to victims of recent storms and flooding in the Northeast, Midwest, and west coast, and to continue assistance to victims of last year's drought. I should point out, Mr. Speaker, that the request for these funds was based on the situation as of April 1. I understand that since that date additional disasters have been declared in 13 States.

Given the present situation, I see no alternative but to approve the request. I urge adoption of the resolution.

Mr. CEDERBERG. Mr. Speaker, I move to strike the requisite number of words.

Mr. Speaker, the chairman of the subcommittee, the gentleman from West Virginia (Mr. SLACK) has indicated the need for this urgent supplemental. There is every indication that the request does not solve the need requirements, so that we will probably be coming back for additional funds later on. I think the request to OMB was for over $1 billion, and they cut it to around $758 million.

So, I do not believe we have any other recourse, if we are going to carry out the job of taking care of the disaster problems, but to make this appropriation.

Mr. COUGHLIN. Mr. Speaker, I move to strike the requisite number of words.

Mr. Speaker, I take this time to remind my colleagues that some of the $758 million in this resolution may be used to reimburse the nonphysical disaster loan fund. Upon inquiring about the nature of a nonphysical disaster, I was informed that a substantial portion of this money is disaster loans to cope with Federal Government regulations. We now have two kinds of disasters, physical disasters and Federal disasters.

Of this money, about 50 percent would go to cope with regulations of OSHA. When a small company is required to replace wooden shelving with stainless steel shelving, naturally, that is a disaster. So, they apply to the SBA disaster loan fund and get a disaster loan.

This is the first time we have admitted that many Federal regulations are indeed disasters. Perhaps our people can cope with any natural disasters, but they certainly cannot cope with the Federal Government.

Mr. GIAIMO. Mr. Speaker, I move to strike the requisite number of words.

Mr. Speaker, last week we debated the budget resolution for 1979, and tomorrow we will be debating it again. Much argument was made at the time that we have to get control over Federal spending programs. At some point during that debate, I indicated that while the budget resolution is a means whereby we can get control over the budget and spending programs of the Nation, we really have to do it on a day-to-day basis as spending legislation comes to the floor.

I submit to the Members that here today we have classic example of a big spending program. Let me tell the Members a little bit about it. The supplemental appropriation bill provides $758 million for the SBA disaster loan program. I come before this House for the second, and I fear not the last time, for this session to bring to the attention of this body the uncontrollable state of this program. Let me just quickly review for Members the budget history of the SBA disaster loan program so far in fiscal year 1978.

The original appropriation request in January of 1977 was for $20 million. In July of 1977 the new Carter administration was still requesting the $20 million amount. Obviously it was not enough.

Congress projected a higher figure and appropriated $115 million in the regular State-Justice appropriations bill.

When the second budget resolution was considered last fall, the appropriation request had risen by $175 million to $285 million. The resolution included $290 million.

Shortly after the resolution passed, the OMB had revised the estimate and sent forward a formal supplemental request for $725 million, increasing the total amount to $840 million.

Within a month the OMB sent forward a revised supplemental request for $1.4 billion, making the total $1.5 billion.

Now following the submission of the President's budget, the administration is requesting an additional $758 million for a new total of $2.3 billion.

And the end is still not in sight. I am told that the administration estimates of the real need suggests that a request for an additional $350 to $650 million lies just ahead. That would increase the total to almost $3 billion.

Mr. Speaker, no one wants to deny disaster assistance to those individuals who are suffering property or crop losses from storms, floods, or drought. But the administration has long been aware of the problem and has consistently provided us with underestimates or misestimates.

The Budget Committee highlighted this in the report accompanying the second resolution and called for a thorough review of the process used to develop cost estimates in the program. The committee has done so again this year in the first resolution for fiscal year 1979. As a partial solution to the problem of increasing costs, the committee report strongly endorsed the President's proposal to transfer rural loan activity from SBA back to the Farmers Home Administration.

I believe both of these recommendations need to be followed so that the 1978 history for the disaster loan program will not be repeated in 1979 and in later years.

Mr. Speaker, we recognize the need, as I stated, to provide disaster loans to people who are suffering disasters providing—providing—they are really in need. We cannot tolerate programs whereby we are pumping out money at low-interest rates to people who apply for them whether or not they are in need or can meet a credit elsewhere test.

Let me just read to this body a letter I received from my congressional district about another program similar to this program, the Farmers Home Administration program for elderly housing.

The SPEAKER pro tempore. The time of the gentleman from Connecticut has expired.

(By unanimous consent, Mr. GIAIMO was allowed to proceed for 2 additional minutes.)

Mr. GIAIMO. Mr. Speaker, this is a letter written to me by a minister in my district. I will not mention the town. But at the end of this letter he says that—

> You may be aware we have constructed moderate cost housing for elderly people. The financing was done through the Farmers Home Administration. Originally we had asked for $750,000. When we found we might need another $20,000 or so to complete the first phase of the program and went to Farmers Home Administration officials to request the additional funding, they told us they had underspent their budget for the year and were wondering if we would be interested in a loan of $1.5 million.
>
> The rate, incidentally, is 1 percent and the term is for 50 years. Think of it, 1 percent money for 50 years.

My point is we want the money in disaster loan programs going only to those people who are truly in need rather than to people who are looking for 3-percent money. So we are going to encourage this kind of borrowing from the Government for those who have suffered a disaster loss but who can meet the credit-assets test and can borrow the money themselves, rather than asking the taxpayers of the United States to subsidize low-interest loans to them.

We have to draw the line in this area.

This is a classic example of a piece of legislation which has become runaway legislation into the billions of dollars.

Mr. COLEMAN. Mr. Speaker, I move to strike the requisite number of words.

Mr. Speaker, I would like to ask the gentleman from West Virginia a question.

Mr. SLACK. I will be happy to try to answer the gentleman's question.

Mr. COLEMAN. Mr. Speaker, I would state to the gentleman from West Virginia (Mr. SLACK) that there have been a series of copyrighted articles in my hometown newspaper, the Kansas City Star, in which they have reported that some farmers are receiving 3 percent SBA disaster farm loans and are taking advantage of this assistance by taking those same loans and putting them in the bank in certificates of deposit over a long term, a long period of years. I was wondering if the gentleman had any information or knowledge about a few people taking advantage of the Small Business Administration's disaster loans that may be very vital and very necessary to other farmers.

Mr. SLACK. I am not aware of the things you have cited.

Mr. SMITH of Iowa. Mr. Speaker, if the gentleman will yield, I have seen one

of the articles, and I can say that the author of the articles does not understand the program. This is not a welfare program and it was never intended to be a welfare program. It is a loan program. The recipient of such loans is not the sole beneficiary when he gets the loan, but the whole community he lives in are the beneficiaries.

Whenever there is a disaster it is the intent to try to put the community back on its feet.

It is possible for somebody to have a cash flow problem temporarily, but if that individual is going to put them in CD's for very long, then he is going to have to pay it back in a year. The ability to repay is a condition. He may have, as I say, a temporary financial problem, but if he has that kind of a situation it will not be for a very long time.

Mr. COLEMAN. Let me ask the subcommittee chairman, to your knowledge, there is no provision in the law that would preclude a person from taking a 3-percent loan and investing it in certificates of deposits, is there?

Mr. SLACK. There would not be.

Mr. COLEMAN. Let me ask the subcommittee chairman, the gentleman from Iowa (Mr. SMITH) who is Chairman of the Small Business Administration Committee and who has knowledge of these matters.

Mr. SMITH of Iowa. The ability to repay is determined by not only the amount of assets he has, but upon his earning ability. If he has those kind of assets, if he does not have bills outstanding that are going to be coming in shortly to be repaid, then this would be taken into consideration, and he would have a very short-term loan, so it is not a very serious problem.

Mr. COLEMAN. I hope the gentleman will work with me in investigating some of these allegations. I know the gentleman does not want the system to be taken advantage of any more than I do.

I think that these people who really deserve the loans should have the opportunity to apply for them and be eligible to receive them, without having others receive them who do not deserve them. I intend to investigate this in my own district and will be happy to work with the gentleman from Iowa (Mr. SMITH) to see if there are truly any abuses involved.

Mr. SMITH of Iowa. Mr. Speaker, I appreciate what the gentleman has said. Obviously there are going to be a lot of loans going into force, and there are possibly some that will slip by that could have too long a term for repayment on them, but I think most of these loans will show up to be justified.

Mr. COLEMAN. I thank the gentleman.

Mr. SMITH of Iowa. Mr. Speaker, I move to strike the last word.

Mr. Speaker, the chairman of the Committee on the Budget said this is an uncontrolled program, and he pointed to the fact that the administration only asked for an appropriation of $20 million last year. That is nothing new. That is just a budget gimmick. I told them at the time is was going to be at least $2 billion. I told the Committee on the Budget they were going to need $2 billion. Just because the administration only asked for $20 million for a program that they know that the Congress is going to appropriate the money for from time to time does not mean we should rely upon their judgment. We did not know there was going to be a snowstorm in the Northeast. We did not know about some of the other disasters, but we knew that the cost was going to be a considerable amount, that is, the outlays were going to be a considerable amount because this is a program under which we must charge the entire amount of the loans against the budget, even though we know from past experience that more than 96 percent will be repaid in subsequent years.

The other thing I want to point out here is that we are still not considering the difference between a loan and a forgiveness or a grant. This is a loan program. Ninety-six percent of this money comes back to the Government—96 percent of it. We used to have grant programs, and we still have them in a lot of housing and other areas, and none of that money comes back. But in this case they pay the money back. Of this $750 million appropriated, the ultimate losses will be 4 percent, that is, $30 million, and that is actually the net cost of this program.

I want to say to the Members that we will get more back in taxes than that as a result of these loans having been made. This is a program that provides the cheapest possible insurance for the people of the United States. For less than $1 per person, everybody in this country has the insurance of knowing that when a disaster hits their community, that money will be pumped back into the community to make up for the losses. They will have to pay the money back over a period of time, but the small businessmen in the community are the big recipients. They stay in business in many cases just because these loans come back into the community and permit people to continue in business. This is the program that provides the cheapest possible insurance that we have for these kinds of disasters.

Mr. JOHN L. BURTON. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Iowa. I yield to the gentleman from California.

Mr. JOHN L. BURTON. I thank the gentleman for yielding.

Is it not also a fact that small businesses who avail themselves of these loans use these loans to help stimulate and provide employment in the private sector of the economy?

Mr. SMITH of Iowa. It is a private sector bill really.

Mr. JOHN L. BURTON. Then I cannot understand why the chairman of the Committee on the Budget and the gentleman from Kansas, who at least reads the Kansas City Star, or anyone else would be upset with a program that provides for payback from the taxpayers. These people who get these loans pay taxes themselves. The loans help keep them in business and also provide a stimulus throughout their community and jobs in the private sector, which I think is what we would want in this Congress. I cannot really understand why anyone could get upset with a program like this. Congress cannot control everything, and one of the things we really cannot control is a natural disaster.

Mr. SMITH of Iowa. This is the way to restore a community without making large grants. We are making loans to those people, who will then pay back the loans and at the same time help the entire community to get back on its feet.

The gentleman also mentioned the "credit elsewhere" test. I will just give the gentleman an example of that. In West Virginia there was a fellow who had a supermarket, and it was just washed away by floods last year. He could not even find the foundation blocks for the store. He said, "Oh, I have plenty of credit ability. I can go anywhere I want to and get a 90-percent loan." But, he said, "I will tell you this: If I do not get a 5-percent loan, I will not come back to this community; I will go somewhere where I can make more money." He said, "I really do not care whether I go back there or not."

In Johnstown only 30 percent of the merchants went back into that community. The rest of them decided to go someplace else and pay a higher interest, instead of helping to restore the community, because they could make more money elsewhere. The purpose of this loan program is to help restore the community as much as to help the individual disaster victim, so the "credit elsewhere" test is very much a failure.

Mr. GIAIMO. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Iowa. I yield to the gentleman from Connecticut.

Mr. GIAIMO. I thank the gentleman for yielding.

I think the gentleman's committee after we had debate on this matter last year recognized there was a need to study the legislation and to study the rate of interest. I think the gentleman's committee also recognized, if I remember correctly, that a 3 percent rate of interest was not the proper rate and that it should be increased. In fact, if I recollect properly, the gentleman's committee recommended and passed in this House a bill which raised the interest rate to 5 percent; is that not correct?

The SPEAKER pro tempore. The time of the gentleman has expired.

(At the request of Mr. GIAIMO, and by unanimous consent, Mr. SMITH of Iowa was allowed to proceed for 2 additional minutes.)

Mr. SMITH of Iowa. Our committee felt 5 percent was the right amount. It was a loan subsidy, yet it was not enough for the people that needed the money. The Senate wanted and passed a bill with some interest rates at 13 percent. The compromise reached in conference last August, was for 3 percent. Recently the House approved an extension of that disaster program at an interest rate of 5 percent. In so doing, we recognized that the most important factor is not an extremely low-interest rate but rather rapid approval and a favorable rate. This combination permits disaster victims and

the community to begin promptly the necessary planning and construction.

Mr. GIAIMO. Mr. Speaker, if the gentleman will yield further, the question that I raise and that many people raise is that 3- or 1-percent loans are not proper, unless there is an absolute demanding and compelling need.

As a matter of fact, there is ample evidence that there are many borrowers of this money who could meet a credit elsewhere test, who could go out and get money at 7 and 8 percent somewhere else and who do not need the taxpayers of the United States to subsidize them. Those who are in dire straits, who absolutely cannot find loans on their own or who would not under ordinary circumstances, perhaps we can work out a program to help them; but it seems to me this blanket approach and this business the gentleman mentioned of acting in a hurry, just setting up a paymaster there and processing loans is not the proper way to handle the taxpayers' money.

Now, we can all be very generous with the taxpayers' money. In fact, we all have been throughout the years, I included; but we have a $60 billion deficit staring us in the face and inflation rampant and growing every month. Some of us may not worry about it, but I think this Congress better worry about it and better worry about where it is putting its money. Paying out money to people who can borrow it on their own in a bank, people who in many instances might have more money than you and I might have, is ridiculous. I submit we ought to be able to write a program that would take care of people who are needy when they are hit with a disaster. That does not mean we have to have a program, as we have now, just a blanket which gives out money and everybody says, "Don't worry about it. The Government will take care of it."

The SPEAKER pro tempore. The time of the gentleman from Iowa has again expired.

(By unanimous consent, Mr. SMITH of Iowa was allowed to proceed for an additional 3 minutes.)

Mr. SMITH of Iowa. Mr. Speaker, I say that any approach which involves any type of a "credit elsewhere" test will fail to do what this program is designed to do, that is, to put the community back on its feet, just as in the case of the supermarket as I explained before. That man would not go back there and would not put another supermarket there and would not generate taxes to help carry the burdens of the community and to provide Federal revenue to operate this and other programs.

Mr. MURTHA. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Iowa. I yield to the gentleman from Pennsylvania.

Mr. MURTHA. Mr. Speaker, let me say, and I hope the budget chairman will listen to our experience in Johnstown. We had a devastating flood, $280 million in damage, 86 people killed; many were marginal businesses and could not reopen. Particularly, there were some individuals who had double mortgages; for instance, a person owned a house or a home with a $10,000 mortgage and on top of that all his furniture was destroyed. Perhaps that individual owed money to the furniture store. Everything was wiped out and he had to pay for the new house, pay for the old furniture in the old house and perhaps replace it at a cost of $40,000 or $50,000.

It is not unreasonable in my estimation to have a low interest rate loan, when we give this money to foreign countries in foreign aid and at a much larger level, when the people in this country are treated so miserly in return.

Mr. VOLKMER. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Iowa. I yield to the gentleman from Missouri.

Mr. VOLKMER. Mr. Speaker, I just would like to know if this program, and it is good, there is no question about that, but if there are areas in which there have been abuses, does the gentleman plan for the gentleman's committee to study and examine those?

Mr. SMITH of Iowa. We are constantly studying this program and checking for abuses and in most cases we have found there are not any or very many. There are always a few. When you make 15,000 loans in Iowa, for example, in 6 months, you cannot make that many loans in such a short time and not have some loans made that should not have been made or else are for too long a period of time; but remember, we are getting 96 percent of the money back, so we are not making too many mistakes.

Mr. VOLKMER. So the committee is continuing its oversight?

Mr. SMITH of Iowa. Yes we are continuing our oversight.

Let me say, the biggest supporters in these communities are the bankers in these areas. They do not mind extending the term of their loans to people who have previously borrowed from them, if that would give them a chance to get back their businesses and get some money back into their communities.

Mr. KETCHUM. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Iowa. I yield to the gentleman from California.

Mr. KETCHUM. Mr. Speaker, I thank the gentleman for yielding.

As a Member who represents a district that, just before Christmas, had a tremendous dust storm that wiped out homes and farms, and then, following that, suffered the effect of floods which necessitated replantings, I rise in support of the joint resolution.

I think the chairman of the Committee on the Budget might agree that this is not a bad program. I am sure he would if he could see the homes that were so full of dust that the people could not see above the tops of the Christmas trees. After the dust storms, floods followed and wiped these people out again.

When we have an earthquake in Chile, the ground usually has not stopped shaking before planes full of money and relief supplies begin to land.

Mr. Speaker, I think we should treat our own people with the same compassion and provide them with some of these relief funds. I totally agree with the gentleman from Iowa (Mr. SMITH), and I urge the passage of this joint resolution.

Mr. SMITH of Iowa. Mr. Speaker, in closing, I only want to point out that $30 million in funds is all this is going to cost.

Mr. SLACK. Mr. Speaker, I move the previous question on the joint resolution to final passage.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the joint resolution.

The joint resolution was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the joint resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. GIAIMO. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant of Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 346, nays 23, not voting 65, as follows:

[Roll No. 289]

YEAS—346

Addabbo	Cavanaugh	Flowers
Akaka	Cederberg	Flynt
Alexander	Chappell	Ford, Mich.
Ambro	Chisholm	Ford, Tenn.
Ammerman	Clausen,	Forsythe
Anderson,	Don H.	Fountain
Calif.	Clay	Fowler
Anderson, Ill.	Cleveland	Fraser
Andrews, N.C.	Cohen	Frenzel
Andrews,	Coleman	Fuqua
N. Dak.	Collins, Ill.	Gammage
Annunzio	Conte	Gaydos
Applegate	Corcoran	Gephardt
Archer	Cornell	Gibbons
Armstrong	Cornwell	Gilman
Ashbrook	Cotter	Ginn
Aspin	Coughlin	Glickman
AuCoin	Crane	Goldwater
Badham	D'Amours	Gonzalez
Bafalis	Daniel, Dan	Goodling
Baldus	Daniel, R. W.	Gore
Barnard	Danielson	Gradison
Bauman	Davis	Grassley
Beard, R.I.	de la Garza	Green
Beard, Tenn.	Delaney	Gudger
Benjamin	Dellums	Guyer
Bevill	Derrick	Hagedorn
Biaggi	Devine	Hall
Bingham	Dickinson	Hamilton
Blouin	Dingell	Hanley
Boggs	Dornan	Hannaford
Boland	Downey	Hansen
Bolling	Drinan	Harkin
Bonior	Duncan, Oreg.	Harrington
Bonker	Early	Harris
Bowen	Eckhardt	Harsha
Brademas	Edgar	Hawkins
Breaux	Edwards, Ala.	Heckler
Brinkley	Edwards, Calif.	Hefner
Brodhead	Edwards, Okla.	Heftel
Brooks	Emery	Hightower
Broomfield	English	Hillis
Brown, Calif.	Erlenborn	Holland
Brown, Mich.	Ertel	Hollenbeck
Buchanan	Evans, Colo.	Holt
Burgener	Evans, Del.	Horton
Burke, Mass.	Evans, Ga.	Howard
Burleson, Tex.	Evans, Ind.	Hubbard
Burlison, Mo.	Fary	Huckaby
Burton, John	Fascell	Hughes
Burton, Phillip	Findley	Hyde
Butler	Fish	Ichord
Byron	Fisher	Ireland
Caputo	Fithian	Jeffords
Carney	Flippo	Jenkins
Carr	Flood	Johnson, Calif.
Carter	Florio	Johnson, Colo.

Jones, N.C.	Moore	Shuster
Jones, Okla.	Moorhead, Calif.	Sikes
Jones, Tenn.		Simon
Jordan	Moss	Skelton
Kastenmeier	Mottl	Slack
Kazen	Murphy, Ill.	Smith, Iowa
Kemp	Murphy, N.Y.	Smith, Nebr.
Ketchum	Murphy, Pa.	Snyder
Keys	Murtha	Solarz
Kildee	Myers, Gary	Spellman
Kindness	Myers, John	Spence
Kostmayer	Myers, Michael	St Germain
Krebs	Natcher	Staggers
Krueger	Neal	Stangeland
LaFalce	Nichols	Stanton
Lagomarsino	Nowak	Stark
Latta	O'Brien	Steers
Le Fante	Oakar	Stokes
Leach	Oberstar	Stratton
Lederer	Obey	Studds
Leggett	Ottinger	Stump
Lent	Panetta	Taylor
Levitas	Patten	Thompson
Livingston	Patterson	Traxler
Lloyd, Calif.	Pease	Treen
Lloyd, Tenn.	Pepper	Trible
Long, La.	Perkins	Udall
Long, Md.	Pettis	Ullman
Lott	Pickle	Van Deerlin
Luken	Poage	Vander Jagt
Lundine	Pressler	Vanik
McClory	Preyer	Waggonner
McCloskey	Price	Walgren
McCormack	Quayle	Walker
McDade	Railsback	Walsh
McEwen	Rangel	Wampler
McFall	Regula	Watkins
McHugh	Reuss	Waxman
McKay	Richmond	Weaver
McKinney	Rinaldo	Weiss
Madigan	Robinson	Whalen
Maguire	Roe	White
Mahon	Rogers	Whitehurst
Markey	Rooney	Whitten
Marks	Rose	Wilson, Bob
Marlenee	Rosenthal	Wilson, C. H.
Marriott	Rostenkowski	Wilson, Tex.
Martin	Rousselot	Winn
Mathis	Roybal	Wolff
Mazzoli	Rudd	Wright
Metcalfe	Ruppe	Wydler
Mikulski	Russo	Wylie
Miller, Calif.	Satterfield	Yatron
Miller, Ohio	Sawyer	Young, Alaska
Mineta	Scheuer	Young, Fla.
Minish	Schroeder	Young, Mo.
Mitchell, Md.	Schulze	Young, Tex.
Mitchell, N.Y.	Sebelius	Zablocki
Moffett	Sharp	Zeferetti
Montgomery	Shipley	

NAYS—23

Bedell	Giaimo	Pike
Bennett	Jacobs	Ryan
Blanchard	Kelly	Stockman
Burke, Fla.	Lehman	Vento
Collins, Tex.	McDonald	Volkmer
Conable	Mattox	Wiggins
Derwinski	Mikva	Yates
Fenwick	Pattison	

NOT VOTING—65

Abdnor	Garcia	Rahall
Allen	Hammer-schmidt	Rhodes
Ashley		Risenhoover
Baucus	Holtzman	Roberts
Beilenson	Jenrette	Rodino
Breckinridge	Kasten	Roncalio
Brown, Ohio	Lujan	Runnels
Broyhill	Mann	Santini
Burke, Calif.	Meeds	Sarasin
Clawson, Del	Meyner	Seiberling
Cochran	Michel	Sisk
Conyers	Milford	Skubitz
Corman	Moakley	Steed
Cunningham	Mollohan	Steiger
Dent	Moorhead, Pa.	Symms
Dicks	Nedzi	Teague
Diggs	Nix	Thone
Dodd	Nolan	Thornton
Duncan, Tenn.	Pritchard	Tsongas
Eilberg	Pursell	Tucker
Foley	Quie	Whitley
Frey	Quillen	Wirth

The Clerk announced the following pairs:

Ms. Holtzman with Mr. Dent.
Mr. Jenrette with Mr. Abdnor.
Mrs. Burke of California with Mr. Del Clawson.
Mr. Ashley with Mr. Cunningham.
Mr. Nedzi with Mr. Hammerschmidt.
Mr. Baucus with Mr. Milford.
Mr. Corman with Mr. Duncan of Tennessee.
Mr. Moorhead of Pennsylvania with Mr. Whitley.
Mr. Nolan with Mr. Pritchard.
Mr. Nix with Mr. Brown of Ohio.
Mr. Rahall with Mr. Kasten.
Mr. Risenhoover with Mr. Quillen.
Mr. Moakley with Mr. Frey.
Mr. Mollohan with Mr. Sarasin.
Mrs. Meyner with Mr. Broyhill.
Mr. Meeds with Mr. Lujan.
Mr. Mann with Mr. Pursell.
Mr. Dicks with Mr. Cochran of Mississippi.
Mr. Diggs with Mr. Skubitz.
Mr. Dodd with Mr. Symms.
Mr. Eilberg with Mr. Conyers.
Mr. Foley with Mr. Steiger.
Mr. Garcia with Mr. Allen.
Mr. Breckinridge with Mr. Beilenson.
Mr. Sisk with Mr. Steed.
Mr. Santini with Mr. Runnels.
Mr. Roberts with Mr. Roncalio.
Mr. Tsongas with Mr. Thornton.
Mr. Seiberling with Mr. Tucker.
Mr. Teague with Mr. Thone.

So the joint resolution was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. PEPPER. Mr. Speaker, on account of being late in returning from my district I missed rollcall No. 287 and rollcall No. 288. If I had been present, I would have voted "aye" on both rollcalls.

A TIME FOR CONGRESS TO GROW UP

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. SIKES) is recognized for 15 minutes.

Mr. SIKES. Mr. Speaker, Congress will be required in the near future to act upon two questions of monumental import. One is on a sale of aircraft to Israel, Saudi Arabia, and Egypt. The other is on lifting the arms embargo to Turkey. In today's delicate scale of world balance, a misplay on either could cause exceeding damage to our posture and to our future. It is a time for Congress to grow up and accept a full measure of the responsibility which is ours.

The importance of the Middle East is never far from U.S. official thoughts. Since the 1973 war between Israel and the Arab nations, the United States has made significant strides toward obtaining better understanding between these ancient enemies. The dramatic effort for peace by President Anwar Sadat of Egypt last fall put the ball squarely in Israel's court. It is still there. The Israelis, who with good reason, think first of survival, are moving very cautiously, but there is guarded optimism for a peaceable settlement.

Israel is well armed. Israeli forces are better trained than those of her neighbors, the Arab states. The United States has supplied most of Israel's weapons. They want more. Egypt and Saudi Arabia also want weapons from the U.S. Their principal need is for aircraft. The Egyptians will settle for the F–5. It is not a first-line aircraft, but it is a very effective one, particularly for defense at short range. The Saudis want our most modern aircraft, the F–15. This has raised Israeli hackles and stirred Israel's friends in this country. They fear Saudi aggression. This, of course, is a possibility, but it does not appear in today's climate. The Saudis are apprehensive about the growing military might of their neighbors. They would be hard-pressed to defend today against the Iraqis, who have been armed to the teeth by the Russians. They have some apprehension about Iran, also a strong military power. They look south and east at the growing military strength of other nations who enjoy an unlimited supply of Russian weapons. Their oil riches make them a likely target.

It is very important that we keep a foot in the Saudi camp. They have worked to keep oil prices, exorbitant as they are, from going higher. They have supported the dollar. They have helped keep other Arab nations on a sane course while negotiations continue for a peaceable settlement in the Middle East. The Saudi preference for the west has been clear for years.

If we do not sell to the Saudis, they can buy elsewhere. The French are pressing hard for sales. So are other nations, including Russia. Our manufacturers need these sales and our workmen need the jobs. The training cadres which we would send with the aircraft can exercise a good influence for America. All of this we would lose if we turn our backs on the Saudis. They would consider our refusal to sell planes a hostile act, and they would have good reason to do so.

The Russians can play a waiting game in the Middle East. They are self-sufficient in oil. They do not have to play on the delicate balance between Israelis and Arabs. They simply wait to move in when we falter.

No less important is the lifting of the Turkish arms embargo. Turkey is an essential anchor for NATO's southern flank. They are becoming an impatient anchor. Regardless of Cyprus and Greek feelings toward Cyprus, the best security for Greece is a friendly Turkey. The average Congressman favors Greece because there are in this country many Greek Americans who are good citizens and good friends to a man in office. What the Greek Americans must understand is that a hostile Turkey armed by Russia would be a definite threat to the security of Greece, would expose the southern flank of NATO to a Russian thrust overland to the oil-rich Middle East or through the Dardanelles to the Mediterranean.

The enmity between the Turks and the Russians is centuries old. They have fought many wars. No love is lost today, but the Russians are courting the Turks. If they could make an ally of the Turks, it would be one of their greatest coups. Turkey may have no choice but to deal with anyone they can. Their weapons are largely American. They have no spare parts. They continue to operate

by cannibalizing their existing inventory. They have just about despaired of realism from the U.S. Congress. They will not wait forever. If we lose the friendship of Turkey, we will lose important bases and listening posts which give us an insight into Russian activities which cannot be duplicated elsewhere. The embargo helps no one. It weakens NATO. It undermines the security of Greece. It could give Russia a new operating base and a new measure of control throughout the Mediterranean. There are times when it is important for Congress to exercise a voice in foreign affairs. This time, a negative vote could be foolhardy.

NATURAL GAS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. COLLINS) is recognized for 20 minutes.

Mr. COLLINS of Texas. Mr. Speaker, Secretary of the Interior, Cecil D. Andrus, has recently released the findings of his Department's investigation into the allegations of withholding of natural gas from the interstate market by natural gas producers. The results of this study performed by the prestigious National Research Council demonstrate clearly that producers are not withholding natural gas.

This investigation began in early February 1977 with White House Press Secretary Jody Powell saying that "President Carter intends to order an investigation within the next 10 days into whether (natural gas) shortages are real or contrived" and that this investigation would be for the purpose of making "a determination to arrive at our own independent assessment" of whether or not natural gas producers were deliberately withholding natural gas from the interstate market.

The investigation announced by Mr. Powell at the White House was ordered by Secretary of the Interior, Cecil D. Andrus, on February 16, 1977, and was greeted with headlines reading as follows: "Interior Stalks Natural Gas Withholding" (Washington Star, February 18, 1977) and "Probe Order To Determine if Producers Withheld Gas" (Washington Post, February 18, 1977). The National Research Council, the principal operating agency of the National Academy of Sciences, was selected by Secretary Andrus to perform this investigation.

The results of the National Research Council's yearlong study have now been made public, and these results clearly and unequivocally demonstrate that natural gas producers were not withholding natural gas from the interstate market in anticipation of higher prices. Secretary Andrus released the results of the study on April 27, 1978, and said: "We found no evidence that there was any withholding of natural gas." In other words, no evidence was found that the shortage of natural gas was contrived.

The National Research Council found that for five of the six major natural gas fields in the Gulf of Mexico which they studied that the potential for increasing natural gas production was limited by either reservoir conditions or economics.

These findings are welcome news to me, but they come as no surprise because I have been saying the same thing for 3 years. I believe that this study will lay to rest once and for all the myth that natural gas producers are deliberately withholding gas.

As the ranking Republican on the Subcommittee on Oversight and Investigations for the last 3 years, I have heard an incessant barrage of natural gas withholding charges. This subcommittee issued no less than six separate reports charging withholding, and in each case, I submitted a very strong dissent.

In my dissents to these reports, I noted time and again that the charges of withholding could be made only by totally ignoring basic economics and reservoir conditions. In field after field that our subcommittee investigated, the charge was made that producers were withholding in each instance, but the facts were, as I pointed out in my dissents, that the gas was either uneconomical to produce or that reservoir conditions would not permit accelerated production, I am exceedingly pleased to learn that the National Research Council has totally corroborated the position that I have taken for the last 3 years.

I also pointed out time and again in my dissenting views that the charges of withholding were made by those who had the pre-conceived notion that the natural gas shortage was not real, but was the contrivance of natural gas producers who those making these charges believed were withholding in anticipation of higher prices. I always noted that these charges were not supported by any real evidence and could only be made by totally ignoring the facts, and that the shortages were real and not brainchild of natural gas producers seeking only higher prices.

The accusations of withholding have always been made by those who were unalterably opposed to the deregulation of the well-head price of new natural gas. The accusers have never been able to deal with the soundness of my arguments that price controls were the real culprit in that they have never worked in any country in the world during peacetime so they chose to single out the natural gas producers as the culprit or whipping boy.

The charges of withholding were nothing more than a deliberate effort by those who wanted to divert attention away from the necessity for deregulation of the well-head price of new natural gas. A scapegoat had to be found, and natural gas producers were a very big target. The charges were scurrilous, but many, who were looking for an excuse for not facing up to the clear reality that new natural gas prices had to be deregulated, seized upon them in an effort to support their antideregulation position.

I have supported unabashedly the deregulation of new natural gas, and I was so personally convinced that there was no withholding as charged that I have supported proposals in the Commerce Committee, the Ad Hoc Committee on Energy, the House floor, and the conference committees that would deny new gas pricing to gas that was found to have been deliberately withheld and that could have been produced economically. I knew that there was no significant amount of gas in this category.

Now that these charges of withholding have been laid to rest, I suggest that we get on with the task of providing incentives to oil and natural gas producers, because increased production coupled with conservation is the only answer.

IS EDUCATION POSSIBLE?

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. MICHEL) is recognized for 15 minutes.

● Mr. MICHEL. Mr. Speaker, the Washington Post has published the final article in a series on Washington, D.C. educational problems. This article, "Educators Seek Ways To Unravel Problems" is concerned with efforts of District of Columbia school administrators and teachers to improve the educational quality of the schools. Minimum competency tests and "survival" courses for those below minimum standards of achievement are mentioned.

I sincerely hope these new plans do something to improve education in Washington. But I really wonder if any improvement is possible unless there is frank and open admission on the part of those professionally responsible—school board, teachers, administrators—that they have failed.

Each group points the finger of blame at someone else or else says we should forget the past and concentrate on the future.

But may I remind you what George Santayana said:

> Those who refuse to learn from the past are condemned to relive it.

All of the new approaches will fail unless an investigation of the tragic, incredible failures of the past is made.

At this point I would like to insert in the RECORD, "Educators Seek Ways To Unravel Problems," from the Washington Post, Thursday, May 4, 1978:

[From the Washington Post, May 4, 1978]

EDUCATORS SEEK WAYS TO UNRAVEL PROBLEMS

(By Juan Williams)

"What we need is another Sputnik," said Wayne Paige, Eastern High School's drafting teacher.

"Do you remember when the Russians launched Sputnik and everyone thought we were behind them in scientific knowledge? Remember how the government poured money into the schools and they started special programs for students? Well, we need another Sputnik (or) atomic bomb in education, to wake everybody up to what's happening . . . to get everyone concerned."

Paige and other Eastern High teachers and administrators are seeking a key that would turn on concern for the city's schools in the homes of students and their parents and in the minds of city hall politicians and Congressmen who debate the schools' budgets.

As he sits on his high chair behind a drafting table in his classroom, Paige can see and hear the situation he wants changed.

A few feet from his classroom, in the school auditorium, students lounge and joke all day, sometimes meeting there before walking over to a stairwell to smoke a joint of marijuana or tumble dice. Paige can hear

one of the school administrators asking students what they are doing in the auditorium, why they aren't in class.

Inside his own classroom, Paige said, he faces students who hope to become engineers but who have not even taken geometry and often cannot read the architecture magazines he stacks in the front of the room.

More and more Paige finds himself, like other Eastern teachers, not teaching his subject, drafting, so much as trying to teach students basic skills in math and reading so they will be able to function in everyday life.

What frightens Paige and concerned teachers like him even more is the prospect that nothing will be done to save those children now in elementary school from the same fate as the high school seniors Paige sees before him now.

Paige and other Eastern teachers and administrators want the school system to find a way to enable them to teach high school level courses that test and challenge youngsters. They want to stop being the last hope for uneducated students who have passed through the first nine grades of the school system without learning math or reading beyond the elementary school level.

Down at the D.C. school system's headquarters in the Presidential Building on Pennsylvania Avenue and 13th Street NW, Superintendent Vincent Reed and the Board of Education believe they are on the verge of a major breakthrough. They hope to remedy some of the school's problems with a new citywide teaching program that will attempt to insure that students can read, write, and solve basic math problems before they get to high school. The new program, called Competency Based Curriculum, is scheduled to begin at the start of the 1979 school year.

Both Reed and the school board are also concerned about the lack of respect that students and parents alike now show for the school system. In an effort to win back their confidence, Reed wants to raise graduation requirements and require every student to pass a test of academic skills in reading, writing, math and other subjects before receiving a high school diploma. Teachers applying for jobs in the school system would also have to take tougher, more rigorous, tests before being hired.

At Eastern, several teachers and administrators, led by acting principal Gloria Adams, are engaged in their own efforts to improve the system by trying to convince students that they should take as much, if not more, pride in the task of learning as they do in their school spirit, whipped up by Eastern's winning athletic teams.

They are tackling the problem in other ways, too. About 500 of the 1,800-plus Eastern students have been placed in "survival" courses to help them in reading, basic math, and English composition.

For those students whose reading problems are so acute that they can barely read textbooks, two special courses have been created to teach them biology and government largely by oral instruction so they can absorb material they otherwise would miss.

Adams is also considering implementing a plan that would group the students now in the special biology and government classes for two or three periods next year. In those periods, several teachers would be able to concentrate on the students' problems with basic reading and math, offering them more individual attention.

Adams believes efforts like these will enable teachers to devote more time in their classes to their specialties and less to having to teach basic reading, writing and math skills to educationally disadvantaged students.

The Eastern High administration, in its fight for immediate improvement in the school's educational quality, is also trying to create a more strict educational atmosphere at the school by becoming tougher on class cutters and disciplinary problems.

Not all of these proposed or newly implemented measures are seen by Eastern's teachers as cure-alls, however. Superintendent Reed's competency based curriculum plan, for instance, would immediately result in the holding back in their grade of many students because they could not read or handle math problems at the level required for their grade. Currently, D.C. high school seniors test on the average 2.8 years behind the average for their grade.

As for those students who would be expected to have fully benefitted from the new curriculum, "we won't be seeing those kids . . . for years," said one teacher who asked not to be named. "What are we going to do until then" (with those students whose work is not up to the grade level)?

"Once a student gets to high school and can't do math or read," Adams said, "there is only so much (a high school) can do. We try to bring them to the level where they can function in day-to-day situations but we can't do much more than that."

"We have a lot of kids (in high school) so messed up now," said James T. Guines, associate superintendent of schools. Guines is in charge of preparing the test of "competencies" in reading, writing, math and other subjects that students will have to pass before they are given a high school diploma. That test should be ready by 1981, he said.

"Since (students in high school today) started school in the '60s, it has not been clear what they were supposed to be learning," Guines said. "CBC (Competency Based Curriculum) is the first educational plan the city schools have had in over 10 years since the Amidon plan. That was in '65 . . ."

"CBC is not some high-flying plan of another superintendent," Reed said. "It's what most good teachers have always done anyway. We've always dealt with skills mastery in the trade areas."

CBC is supposed to spell out step-by-step how almost all subjects will be taught in every school in the city. It includes a series of tests all students must pass before they can move ahead to new work and the next grade level. Eventually, students will be required to show they have attained certain minimum skills before they can graduate from high school.

A pilot version of the curriculum is being tested this year in 29 schools. In addition, all teachers have been urged to present their regular lessons in the new CBC format with a series of clearly stated objectives, at least two ways of teaching each point, and at least three test questions for each point to make sure students have mastered it.

Originally, the new curriculum was supposed to be ready for all schools next fall. But Reed announced last month that full implementation would be delayed for at least a year.

"We found out that we haven't progressed as far as we planned in developing the new curriculum," Reed said. "I just don't want to blunder into it."

He added, though, that lists of objectives for teachers to use in each subject would be ready next fall, although the uniform lesson plans and tests would not be available.

Reed said he hoped to develop specific promotion and graduation standards within two years, but he was uncertain when they would be enforced.

"CBC seems like it could work," Eastern High teacher Wayne Paige said. "The superintendent may have an overall plan, but education is a one-to-one thing. The teacher can get to the kid and turn him on or turn him off."

Paige said teachers and administrators throughout the school system want Reed to succeed as superintendent because he is a former school teacher and administrator here, unlike several previous superintendents, who were outsiders.

Although Reed has widespread support on the school board and throughout the system, Eastern High's area representative to the school board, John Warren, voted against Reed for superintendent.

"People in the Washington establishment wanted Reed," Warren said. "Those are the people who come up to me and say, "Things have gotten better at the school board" because they don't hear about the school board on the news anymore. They equate nothing going on at the school board to quality education.

When he became superintendent in 1975, Reed, a broad-shouldered heavy-set man, said that before he could do anything else, he had to reduce the administrative chaos from which the school system had been suffering. He has since stabilized such functions as payrolls, employment records and student files and believes he is now ready to turn to making substantial changes in educational programs, beginning with the CBC plan.

". . . We are working hard to do something about our deficiencies," Reed said yesterday. We know we have some kids that don't achieve at the level they should achieve, and naturally that's our responsibility to do something about it, and I think we're moving with our (Competency Based Curriculum) Program to do something about that.

"We're moving in all directions to try to improve the system, and we know in order to save this system we've got to zero in on the elementary ages, which is the key to the early youngster's development. And that's what we're moving to do."

The Washington Post's series of articles on Eastern High School has drawn considerable comment from Washingtonians about conditions in the city's schools.

Sen. Patrick J. Leahy (D-Vt.) told WMAL radio's Capitol Hill correspondent Joseph McCaffrey Tuesday night that "the articles raised a lot of concerns about the quality of education in the District," according to Leahy's press aide Harry Jaffe. Leahy said education will be a "major topic of discussion at budget time since education is part of the District's budget."

Several radio talk show hosts have devoted programs this week to the question of whether the city's schools are working.

"The thing that bothers me is that people are passing the buck about what has happened to these kids," said Petey Green of WOL radio. "But I don't think the teachers can put it on the parents or the parents on the teachers. It's all their faults—the parents, teachers and administrators."

"It just defies credulity that somebody, perhaps hundreds, could get through high school without being able to read," WMAL's McCaffrey said.

The series also drew some criticism. Superintendent Reed said yesterday that "I just want the papers to deal with the absolute truth . . . I can live with any truth. But I have a problem when our kids are being labeled and categorized by statements (that) have not been checked out . . . It gives a portrayal that is not . . . necessarily true."

Mayor Walter E. Washington said yesterday he had "serious doubts that the newspaper series portrays a true picture of the work and achievements of the splendid young people in our schools, especially those at Eastern."

In a prepared statement read by his press secretary, Sam Eastman, the mayor said, "I am distressed at the concern voiced to me

by the students (at Eastern) that they are now under a stigma . . . that they will carry with them as they face the problems of higher education and work careers."

City Council Chairman Sterling Tucker, who along with fellow council member Marion Barry is challenging Washington for the Democratic Party's mayoral nomination, called the series "very disturbing" and said it was the result of "a serious lack of leadership outside the school system." Barry said that the reading problems suffered by many students are "tragic." He said the fundamental cause was that "family structures" have broken down and students receive no educational "reinforcement in the home . . . school, or in the community."

Conrad Smith, president of the D.C. school board, said, "What the (paper) is bringing to the attention of the public is a problem that has come to the attention of the board of education for several years. And that is why we have been fighting so hard to get additional funding for the school system. And I hope that one of the byproducts of (the) articles will be that persons on the City Council and in the mayor's office will be more responsive to the needs of the educational system."

Just what the future holds for Eastern High is difficult to discern. Many teachers and administrators are convinced that in 10 years Eastern will be largely white.

The teachers and administrators argue that the attraction of reasonably priced homes in the inner city that are much closer to jobs and entertainment will prove irresistable to whites, even though those homes are now located in mostly lower-income, black neighborhoods.

Several alumni put part of the blame for this shift on Eastern High School itself. It has produced, they believe, graduates who, in general, do not go to college and as a result take minimum-wage jobs. Their earnings from those jobs make it impossible for them to compete on the open market with middle-class whites for those homes that come up for sale in the Capitol Hill area. Already, homes there sell for between $55,000 and $100,000, according to Eastern assistant principal Ray Hammond.

Some administrators at Eastern also believe that focusing on problems at Eastern, as the Post's series has, may be part of an establishment effort to hasten racial change in Eastern's area of the city. They feel that the series could be a vehicle for forcing changes at the school that would make it more acceptable to higher income, white newcomers.

"I think you'll be expected to serve this movement . . ." said assistant principal Hammond. "I think they expected you to . . . come up with a wealth of derogatory information . . . At Eastern (there are problems), no question about it, but also at every other school in the District of Columbia. And I would say if you look close enough you can go to affluent sections and also come up with a basically derogatory report."

Whatever happens, "this city has to decide that those kids (now at Eastern) are important and put money into education," said Paige. "Either they are going to come to that realization or somehow someone will force them to do it. If they don't . . . that's the future of this city."

(Contributing to this story were Washington Post staff writers Milton Coleman, Lawrence Feinberg and Donnel Nunes.) ●

LEGISLATION ESTABLISHING FAMILY EDUCATIONAL ACCOUNTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. WOLFF) is recognized for 5 minutes.

● Mr. WOLFF. Mr. Speaker, we can all agree that higher education is the key to the American dream, the pursuit of financial and career success. Yet the ability of many Americans and their families to afford postsecondary education has been eroded by the spiraling costs of college education and inflation.

The greatest burden has been placed upon our middle-income families. It is the children of these families, who due to their relative status, cannot demonstrate overwhelming financial need, who cannot qualify for educational assistance in the form of college scholarships, loans, and grants. And it is also these hard-pressed families which bear the greatest tax burden, but obtain the least return on their tax dollars.

The House of Representatives is currently considering the advisability of implementing the tuition tax credit. Yet, it is my position that the tuition tax credit is not enough, alone, to appreciably decrease the middle-income families financial distress. Nor, I believe, is the extension of Federal aid program to so-called higher-income groups, the comprehensive solution to this difficult problem. I contend that the Congress has to consider a variety of mechanisms, in the short term and the long term, to relieve the financial onus of financing college education. Quick fixes, as outlined above, will delay a crisis, they will not eliminate the problem.

We must look forward to the future. In this vein, then, I am today introducing a measure establishing the Family Educational Account, or FEA. Simply, the bill amends the Internal Revenue Account of 1954, permitting parents to contribute to a fund for the future educational expenses of their children. The FEA would be eligible for all the tax benefits currently being enjoyed by those establishing IRA accounts.

One trust fund can be set up for the entire family, with the maximum contribution per child, per year, of $1,500. The family's contribution would be considered as "above-the-line" deduction, thereby permitting all taxpayers, not merely those who submit itemized deductions, from obtaining the tax benefits.

The beauty of this account is its tax incentive to middle-income families to save for the future educational expenses of their children. These contributions, which are not taxed when deposited into the fund, will be taxed as the student's income when the funds are dispensed. The net tax savings, and the account's administrative simplicity, will provide welcome relief to our beleaguered middle-income families.

This is not a Government bail out, but simply a recognition that a segment of our population requires a helping hand from a government that is too often perceived as remote,, uncaring, and unmindful of the day-to-day problems of its citizens. Perhaps an appropriate analogy is the establishment of the IRA account. The Congress recognized the limitations of social security and many pension plans in providing a secure future for our senior citizens and established the IRA account. The stunning success of the IRA program should convince the Congress of its applicability to other problems, in this case, the provision of adequate funds for educational expenses.

Provision is made for the dispensing of tuition costs plus $4,000 in living expenses from the account for each student. The net savings, and account's administrative simplicity, will provide welcome relief to our beleaguered middle-income families.

I believe that this proposal deserves wide bipartisan support. A synopsis of the bill follows:

HIGHLIGHTS OF WOLFF BILL ESTABLISHING FAMILY EDUCATIONAL ACCOUNTS (FEA)

(1) Basically this bill would allow a family to establish a trust fund and to contribute to it $1,500 a year multiplied by the number of individuals who are qualified beneficiaries. A "qualified beneficiary" is an individual who is a child, natural or adopted, of the taxpayer who contributes the money and who has not attained 30 years of age before the close of the taxable year.

(2) This money contributed would be treated as "an adjustment to income" or an "off the top" or "above the line" deduction. This means that a person can deduct the amount and still have the option of using the standard deduction or itemizing. This is important because over 70 percent of the taxpayers use the standard deduction.

(3) The benefit of "(2)" is the same as with an Individual Retirement Account (IRA). That is, the person can take a current deduction on income made now. That will, therefore, provide the taxpayer with a current tax saving. Money which is put in the trust over the years will be taxable when it is given to a "qualified beneficiary" as part of the "beneficiaries's" income.

(4) The amount of the distribution cannot exceed tuition costs plus $4,000 in living expenses from the account/trust for each student per year. "Living expenses" are defined as laboratory, library expenses etc.; textbooks; room and board, if student does not live home; "any other items which are actually required for the effective pursuit of an education of the type and at the institution involved."

(5) This bill would apply to "eligible postsecondary institutions." These are essentially colleges, universities, and vocational education schools.

(6) The $4,000 a year will be updated yearly in accord with the Consumer Price Index.

(7) If the trust/account is terminated due to the ineligibility of a beneficiary or attempted fraud, then the money in the trust/account will be treated as income to the taxpayer but it can be spread over a ten year period.

(8) If more than one taxpayer makes contributions to any trust/account, then in the event that the trust/account is terminated, then the amount treated as income for the taxpayers will be in proportion to the amounts which such taxpayers contributed to the trust/account. This comment only applies to situations of point "(7)".

(9) An Important Selling Point of this bill is that it provides real relief for parents. It encourages them and provides tangible incentives for them to save for their children's education. Whereas tuition tax credits pay for the tip of the iceberg for higher education. This bill helps with the base of the iceberg. ●

REMARKS OF HON. THOMAS A. LUKEN IN HONOR OF PETE ROSE—CINCINNATI REDS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. LUKEN) is recognized for 5 minutes.

● Mr. LUKEN. Mr. Speaker, baseball is truly our national pastime. When an individual achieves immortality in this field, we in the Congress should take note.

Last Friday evening, before a wildly cheering crowd at Riverfront Stadium in Cincinnati, Pete Rose stamped himself as one of the alltime greats as he became the 13th player in major league baseball history to reach 3,000 career hits.

Pete made his first hit in the big leagues 15 years ago. In 9 of the following years, Pete got at least 200 hits a season, tying the record set by Ty Cobb. He has won three National League batting titles and is among the league's 10 top hitters. He will certainly be enrolled in the Hall of Fame eventually.

Pete Rose is a hometown rarity. He was born and raised in the city of Cincinnati and has remained there all his life. This year marks his 16th season with the Cincinnati Reds. Pete Rose therefore has become Cincinnati's favorite athlete; yet the reason I bring this to your attention is because Pete Rose may well be the favorite athlete of the Nation. This is because Pete Rose has reached the heights, not only through outstanding ability but through his indomitable spirit which has made him known as Charlie Hustle, throughout the land.

I ask the colleagues to join me and the citizens of Cincinnati in saluting Pete Rose—a baseball "original" whose consistent excellence and fidelity have given us all something to be proud of. I also ask you to join me in wishing Pete the best success in the years to come.

At this point in the RECORD, I include the following:

[From the Cincinnati Enquirer, May 6, 1978]

PETE GETS 3000TH AMID RIVERFRONT STANDING OVATION

(By Bob Hertzel)

In one emotion-filled moment Friday, Peter Edward Rose, the tough kid from the other side of the tracks in Cincinnati, stamped himself for baseball immortality as he collected his 3000th base hit.

With a fifth-inning single to left field off Steve Rogers in a game the Reds were to lose to the Montreal Expos, 4–3, Rose became the 13th player in history to reach 3000 hits.

As the ball rocketed cleanly to left field, all 37,823 fans on their feet screaming and chanting "Pete, Pete, Pete" in an ovation that was to last five minutes, the emotion surging into Rose's consciousness.

"The longer they cheered, the more choked up I got," he said at a news conference. "It was a great feeling, something you can't explain. I was close to tears."

The gray, damp and cold night started with Rose needing two hits to reach 3000, but he was facing in Steve Rogers a pitcher who was to be overpowering, striking out 10.

Rose's first try resulted in a line drive to left field that Warren Cromartie came in for, caught, dropped, and then threw wildly. Rose wound up at second base on one of his patented slam bang head-first slides.

The ruling of error, while correct, was greeted by a long and loud raspberry from the crowd, who had come only to see Rose collect 3000.

Rose's second trip to the plate, an ovation again greeting him, put official scorer Earl Lawson of the Cincinnati Post clearly on the spot.

Rose bounced the ball high off home plate, Rogers backing up to catch the ball. In his rush to make a throw to first, the ball slipped from his grip.

Silence came over the park as they awaited the ruling and when "HIT" flashed on the board there was another ovation from the fans.

Pete Rose needed one hit and right then he knew he would get it.

Rose came to the plate in the fifth inning and was thinking in terms of history. He asked for a new baseball.

"I wanted a good ball," he said. "The ball was going to the Hall of Fame and I wanted it to be a clean ball. I wanted to be able to read the name Chub Fenney on it."

Fenney is the National League president and his name is stamped on all official NL balls.

By this time the crowd was standing, screaming, sensing the moment. Rogers threw a ball and they booed.

In the stands, on her feet, clapping and whistling the loudest whistle of all, was Karolyn Rose, her mother, daughter Fawn. Little Pete Jr., 9, was standing on a seat so he could see.

Rose swung and the ball traveled on a line into left field. It was 9:22 p.m.

Pandemonium.

Tony Perez, a one-time teammate and longtime friend, hugged Rose. Out of the dugout came Rose's teammates, Sparky Anderson congratulating him and calling him "Lover," Rose saying he doesn't know why. Johhny Bench shook his hand "and almost broke it," said Rose.

"How do you receive your teammates?" he asked. "You don't know what to do."

He shook their hands as the crowd hooted and screamed. Five minutes they went on. Photographers jammed the field, shooting Rose. In the stands Karolyn was presented with (what else?) a dozen roses. She seemed to be crying. Photographers snapped her picture.

Then it was over and the game resumed. The Reds could not win, even though they got home runs from Bench and Dan Driessen. Montreal countered with two homers of its own, one each by Ellis Valentine and Larry Parrish.

The game-winning hit, it turned out, was a run-scoring single by Parrish after Valentine's double in the eighth.

The game ended with Rose on deck, waiting to be a hero.

When it was over, the fans stayed around to cheer the man once again as he was interviewed for radio. He waved at them and praised them.

"If I had to dedicate my 3000th hit," he was to say, "it would be to the Cincinnati fans. It's 35 degrees and 37,000 show up. That is something."

Then they hustled him off to an interview room where, as he put it, "you're gonna hear the same old bull we talked about all week."

They asked about the hit, if it meant as much as his first, which he collected 15 years and 28 days prior off Bob Friend of the Pittsburgh pirates.

"Anytime you make your first hit in the big leagues it's something you never forget," he said. "But this means more. There's a lot of guys with one hit, not too many with 3000."

Will 3000 get him into the Hall of Fame?

"Well, 12 guys have 3000 hits. Nine are in the Hall of Fame and three aren't eligible yet. Willie Mays, Hank Aaron and Al Kaline. I think they'll get in," he pointed out.

They asked him about his gray hair, about his age, and then they interrupted with a call, most convenient, from Bob Howsam, whom Rose instructed not to sign any "young third baseman" for a few years.

Pete Rose, you see, figures he's going to be here awhile, even though his contract does run out this year. He figures his next goal is to break Stan Musial's record of 3630 National League hits.

But that, Rose estimates, "is three and a half years away." That will make him 40½.

When that comes, if it does, they will be standing and cheering and chanting "Pete, Pete, Pete" again. ●

THE SOVIET UNION CONTINUES TO VIOLATE THE HELSINKI ACCORDS BY REFUSING TO ALLOW FREE EMIGRATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. AMBRO) is recognized for 5 minutes.

● Mr. AMBRO. Mr. Speaker, I stand before you and my colleagues in this House with a sense of deep sorrow as I participate in the Vigil for Freedom for Soviet Jewry. It was almost precisely 1 year ago, when I stood in the well during a similar vigil to relate the plight of my adopted prisoner-of-conscience, Anatoly Altman. In the interim, Ambassador Arthur Goldberg and other distinguished representatives of the United States have been meeting in Belgrade with the other signatories of the Helsinki agreement to review compliance with all of the terms of the pact. Yet, in spite of the assurances given to us by then-President Gerald Ford and former Secretary of State Kissinger, I find that I address you once again on the repressive emigration policies followed by a cosigner of the agreement, the Soviet Union.

Therefore, it is with regret that I again must tell you the story of Anatoly Altman, because he remains incarcerated in a brutal Soviet jail: Anatoly Altman was born on September 19, 1942, Chernovtsky, Ukraine, the son of a soldier. As a child, he often visited the local synagogue and the Jewish amateur theater with his parents. Growing up in the only Jewish family in the neighborhood, Anatoly relates that he began to sense a distinct air of hostility to Jews in general and to himself in particular in his community. The closing of the synagogue and the Jewish theater in Chernovtsky made a deep emotional impression on him, and he became increasingly interested in the history of Judaism and the Jewish people. As he grew up, he came to the realization that only in Israel could he live a fulfilling life, and, therefore, he went to the Soviet officials in Odessa to seek permission to leave for Israel. He was refused. He then tried to move to Riga, Latvia, in the hope that there it would be easier to apply and obtain an exit permit for himself. However, he was prevented from registering as a resident of Riga by Soviet officials.

While continually denied an exit permit, Altman, an engraver by trade, was involved with fellow Jewish activists in helping to reproduce materials of Jewish content for distribution to his coreligionists. On June 15, 1970, Altman was arrested along with scores of Jews throughout the Soviet Union and was accused of allegedly hijacking an airplane to Israel. A search was made of his home on the same day and all materials connected with Jewish culture were confiscated and later used as evidence against him.

Anatoly Altman was 1 of the 11 defendants in the infamous first Leningrad trial of December 15, 1970. During the courtroom procedure, he admitted to having participated in the publication of the newspaper Iton, but insisted that the contents in no way were anti-Soviet. Needless to say, that under the Soviet concept of justice, he was found guilty and sentenced to 12 years of imprisonment. Responding to the chorus of outrage expressed by this Congress and other groups throughout the world, the Soviets reduced Altman's sentence to 10 years in "strict regime." All of the prisoners-of-conscience are held in the camps in either "strict" or "special regime." Under "strict regime," a prisoner is allowed one food and clothing parcel and one letter every year, and one visit every year, but only after half the sentence has been served! Undoubtedly, that is the reason why my many letters to Mr. Altman have never even been acknowledged. If they have not been discarded by the Soviet authorities—in violation of international postal regulations—then they are probably filed away in some minor functionary's office.

I can only continue to decry the severe and unjust treatment that has been meted out to Anatoly Altman, whose only crime, as far as I can see, is being a Jew and wanting to identify and unite with his people. I can only hope that by bringing his case to your attention, once again, the Soviet authorities will reconsider his fate.

Mr. Speaker, in addition to those, like Anatoly Altman, who are presently in Soviet jails, there are thousands of other Jews who have been similarly denied permission to emigrate from Russia and come to the United States and Israel. These "Refusniks," as they are known, usually are fired from their jobs, detained for questioning from time to time on trumped-up charges, prevented from receiving proper medical treatment, expelled from schools and denied promised scholarships, placed under a kind of "house arrest," and similarly harassed as soon as they apply for exit permits. As expected, these applications are denied, in many cases resulting in the separation of families for years to come.

In the 3½ years that I have been a Member of Congress, I have written countless letters to Soviet authorities on behalf of various "Refusniks" whose plights have been brought to my attention by House colleagues or by constituents. Before concluding this statement, I just would like to mention four additional cases about which I have been informed by various residents of my district: Lev Roitburd, an engineer from the Ukraine, who has been attempting to emigrate since October 1972, has been "adopted" by the Kehillath Shalom Congregation of Cold Spring Harbor, N.Y., under the chairmanship of Mr. Christopher M. Ballaban. The Roitburds have been frequently detained, interrogated, denied medical treatment, and threatened with imprisonment. On July 1, 1977, Lev Roitburd was released from compulsory work for the national economy after completing a 2-year sentence, but was again refused an exit visa.

Vladimir Prestin, a radioelectronic electrical engineer from Moscow, has been denied an exit visa since February 1971. Since that time, he was forced to resign from his position as senior engineer at a computer center and was accused of "parasitism" because he was unemployed. He, too, has been harassed including the raiding of his home, the seizure of personal and cultural materials, the disconnecting of his telephone and intermittent detention and questioning. Since December 1976, he has been under house arrest. I was informed of Mr. Prestin's situation by Frank Mann of the Committee for Vladimir Prestin at Columbia University.

I have also bee contacted by Mr. Rudy Appel, the chairman of the Committee for Soviet Jewry of the North Shore Synagogue in Syosset on behalf of the Leo Elbert family of Kiev. Mr. Elbert is an engineer and his wife is a physician. Their request for an exit visa was denied in 1975. Since then they have been harassed by the KGB, Mr. Elbert has been arrested for "hooliganism," and Mrs. Elbert has been beaten up on the street by "unknown persons" on two different occasions.

Finally, Mark Teicher of Farmingdale, N.Y. has acquainted me with the case of Nathan Feinberg of Novosibirsk. Mr. Feinberg's case is depressingly similar to that of the Elberts, the Prestins, and the Roitburds—denial of exit permits followed by harassment.

It is my intention to communicate directly with each of these families and to contact the Soviet officials on their behalf. It is my hope and prayer that this time next year, I shall be able to report to my colleagues that all of these people have been released from Soviet oppression and that they are living in freedom in the land of their choice.●

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. CORMAN (at the request of Mr. WRIGHT), for today, on account of official business.

Mr. DENT (at the request of Mr. WRIGHT), for this week, on account of official business.

Mr. FOLEY (at the request of Mr. WRIGHT), for today, on account of illness.

Mrs. MEYNER (at the request of Mr. WRIGHT), for today, on account of official business.

Mr. RODINO (at the request of Mr. WRIGHT), for today, on account of medical reasons.

Mr. WHITLEY (at the request of Mr. WRIGHT), for today, on account of medical reasons.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. SIKES, for 15 minutes, today.

(The following Members (at the request of Mrs. PETTIS) to revise and extend their remarks and include extraneous material:)

Mr. MICHEL, for 15 minutes, today.

Mr. MARTIN, for 10 minutes, on May 11, 1978.

Mr. COLLINS of Texas, for 20 minutes, today.

(The following Members (at the request of Mr. WATKINS) to revise and extend their remarks and include extraneous material:)

Mr. ANNUNZIO, for 5 minutes, today.

Mr. GONZALEZ, for 5 minutes, today.

Mr. WOLFF, for 5 minutes, today.

Mr. LUKEN, for 5 minutes, today.

Mr. SIKES, for 15 minutes, on May 9, 1978.

Mr. AMBRO, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mrs. PETTIS) and to include extraneous matter:)

Mr. MOORE.

Mr. DERWINSKI.

Mr. HYDE.

Mrs. FENWICK.

Mr. RUPPE.

Mr. WHITEHURST in two instances.

Mr. KETCHUM.

Mr. BEARD of Tennessee.

Mr. DORNAN.

Mr. ROUSSELOT.

Mr. HAGEDORN.

Mr. STOCKMAN.

Mr. TREEN.

Mr. SHUSTER.

(The following Members (at the request of Mr. WATKINS) and to include extraneous matter:)

Mr. ANNUNZIO in six instances.

Mr. ANDERSON of California in three instances.

Mr. GONZALEZ in three instances.

Mr. BROWN of California in 10 instances.

Mr. CORMAN in five instances.

Mr. ROE in two instances.

Mr. MAZZOLI in two instances.

Mr. BINGHAM in 10 instances.

Mr. DRINAN.

Mr. DODD.

Mr. MIKVA.

Mr. CLAY.

Mr. ROSENTHAL in two instances.

Mr. DANIELSON.

Mr. DENT.

Mr. FAUNTROY.
Mr. CARNEY in two instances.
Mr. FISHER.
Mr. MURPHY of New York.
Mr. MCDONALD in three instances.
Mr. BLANCHARD.
Mr. WAXMAN in four instances.
Mr. HANNAFORD.
Mr. WOLFF.
Mr. D'AMOURS.
Mr. AMBRO.
Ms. OAKAR in two instances.
Mr. STARK.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 2508. An act to amend the Regional Rail Reorganization Act of 1973 to authorize additional appropriations for the U.S. Railway Association; to the Committee on Interstate and Foreign Commerce.

ADJOURNMENT

Mr. WATKINS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 17 minutes p.m.), the House adjourned until tomorrow, Tuesday, May 9, 1978, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

4092. A letter from the Director, Office of Management and Budget, Executive Office of the President, transmitting a report that the appropriation account of the Federal Mine Safety and Health Review Commission for "Salaries and Expenses" for fiscal year 1978 has been apportioned on a basis which indicates the necessity for a supplemental estimate of appropriation, pursuant to section 3679(e)(2) of the Revised Statutes, as amended; to the Committee on Appropriations.

4093. A letter from the Administrator, National Aeronautics and Space Administration, transmitting a report on negotiated contracts for experimental, developmental, test or research work, or for industrial mobilization in the interest of the national defense, covering the period July 1 through December 31, 1977, pursuant to 10 U.S.C. 2304(e); to the Committee on Armed Services.

4094. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 2–189, "To establish a Residential Real Property Transfer Excise Tax, to require recordation of transfer of real property, to provide for the licensing of those who deal in residential real property, and for other purposes," pursuant to section 602(c) of Public Law 93–198; to the Committee on the District of Columbia.

4095. A letter from the Chairman, National Commission for Manpower Policy transmitting a report on commnuity based organization in manpower programs and policy; to the Committee on Education and Labor.

4096. A letter from the Deputy Assistant Secretary of the Interior, transmitting a copy of an application by the Hidalgo and Willacy Counties Water Control and Improvement District No. 1 of Edcouch, Tex., for a supplemental loan under the Small Reclamation Projects Act, pursuant to section 4(c) of the act; to the Committee on Interior and Insular Affairs.

4097. A letter from the Deputy Assistant Secretary of the Interior, transmitting a copy of an application by the Overland Ditch and Reservoir Co., of Hotchkiss, Delta County, Colo., for a loan under the Small Reclamation Projects Act, pursuant to section 4(c) of the act; to the Committee on Interior and Insular Affairs.

4098. A letter from the Deputy Assistant Secretary of the Interior, transmitting notice of the receipt of project proposals under the Small Reclamation Projects Act of 1956 from the South Weber Water Improvement District, Utah, the Overland Ditch and Reservoir Co., Colo., the Buffalo Rapids Irrigation Project, Montana, and the Pioneer Water Co., California, pursuant to section 10 of the act; to the Committee on Interior and Insular Affairs.

4099. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on political contributions made by Ambassador-designate Richard F. Kneip, and by members of his family, pursuant to section 6 of Public Law 93–126; to the Committee on International Relations.

4100. A letter from the Secretary of Health, Education, and Welfare, transmitting the report of the Committee on Mental Health and Illness of the Elderly, pursuant to section 603(b) of Public Law 94–63; to the Committee on Interstate and Foreign Commerce.

4101. A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to extend the provisions of title XII of the Merchant Marine Act, 1936, relating to war risk insurance, for an additional 5 years, ending September 30, 1984; to the Committee on Merchant Marine and Fisheries.

4102. A letter from the Administrator of Veterans' Affairs, transmitting a draft of proposed legislation to amend title 38 of the United States Code in order to extend the authority of the Administrator to make grants to States for the construction, remodeling, or renovation of State home facilities for furnishing hospital, domiciliary, and nursing home care for eligible veterans, and for other purposes; to the Committee on Veterans' Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

[*Pursuant to the order of the House on May 4, 1978, the following report was filed on May 6, 1978*]

Mr. PRICE: Committee on Armed Services. H.R. 10929. A bill to authorize appropriations during the fiscal year 1979, for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons and research, development, test and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the Selected Reserve of each Reserve component of the Armed Forces and of civilian personnel of the Department of Defense, to authorize the military training student loans, and to authorize appropriations for civil defense, and for other purposes; with amendment (Rept. No. 95–1118). Referred to the Committee of the Whole House on the State of the Union.

SUBSEQUENT ACTION ON A BILL INITIALLY REFERRED UNDER TIME LIMITATIONS

Under clause 5 of rule X, the following action was taken by the Speaker:

The Committee on Agriculture discharged from consideration of the bill (H.R. 12250) to designate the Boundary Waters Canoe Area Wilderness, to establish the Boundary Waters Canoe Area National Recreation Area, and for other purposes. Referred to the Committee on the Whole House on the State of the Union, and ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X, and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BEARD of Tennessee (for himself, Mr. WOLFF, Mr. MANN, Mr. MURPHY of Illinois, Mr. GILMAN, and Mr. GUYER):

H.R. 12587. A bill to amend the Controlled Substances Act to authorize a marihuana pretrial diversion program in order that persons subject to arrest for the unlawful possession of small amounts of marihuana or hashish for personal use may receive drug related counseling rather than be subject to criminal prosecution pursuant to section 404(a) of such act; and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. BINGHAM:

H.R. 12588. A bill to amend the Fair Labor Standards Act of 1938 to provide that blind persons may not be employed at less than the applicable minimum wage under that act; to the Committee on Education and Labor.

By Mr. BINGHAM (for himself, Mr. WHALEN, and Mr. GILMAN):

H.R. 12589. A bill to authorize appropriations for fiscal year 1979 under the International Investment Survey Act of 1976, and for other purposes; to the Committee on International Relations.

By Mr. FRENZEL:

H.R. 12590. A bill to amend the Internal Revenue Code of 1954 to provide that percentage depletion allowable to an electing small business corporation shall not be deducted in arriving at taxable income of such corporation but shall be allowed as a deduction from gross income of the shareholders of such corporation; to the Committee on Ways and Means.

H.R. 12591. A bill to exempt logging trucks and carnival trucks from the highway use tax; to the Committee on Ways and Means.

H.R. 12592. A bill to amend section 4941 of the Internal Revenue Code of 1954; to the Committee on Ways and Means.

By Mr. COLLINS of Texas:

H.R. 12593. A bill to provide for the safeguarding of taxpayer rights, and for other purposes; to the Committee on Ways and Means.

By Mr. DELLUMS:

H.R. 12594. A bill to amend the District of Columbia Self-Government and Governmental Reorganization Act to increase the authorization for the annual Federal payment to the District of Columbia from $300 million to $317 million; to the Committee on the District of Columbia.

By Mr. DINGELL:

H.R. 12595. A bill to increase the price of migratory-bird hunting and conservation stamps and to suspend the hunting of migratory birds in any State in which there has been a failure to approve an acquisition of wetlands; to the Committee on Merchant Marine and Fisheries.

By Mr. DRINAN (for himself, Mr. BROWN of California, and Mr. MOFFETT):

H.R. 12596. A bill to promote the development of methods of research, experimentation, and testing that minimize the use of, and pain and suffering to, live animals; to the Committee on Science and Technology.

By Mr. DRINAN (for himself, Mr. AKAKA, Mr. KEMP, Mr. RANGEL, and Mr. TRIMBLE):

H.R. 12597. A bill to amend the Office of Federal Procurement Policy Act to require

the payment of interest by Federal agencies on overdue payments to small business concerns; jointly, to the Committees on Government Operations, and Small Business.

By Mr. FASCELL (for himself, Mr. BEILENSON, Mr. BINGHAM, Mr. BONKER, Mr. BUCHANAN, Mr. CAVANAUGH, Mr. DIGGS, Mr. FRASER, Mr. HAMILTON, Mr. HARRINGTON, Mrs. MEYNER, Mr. PEASE, Mr. ROSENTHAL, Mr. RYAN, Mr. SOLARZ, Mr. WHALEN, Mr. WINN, Mr. WOLFF, and Mr. ZABLOCKI):

H.R. 12598. A bill to authorize appropriations for fiscal year 1979 for the Department of State, the International Communication Agency, and the Board for International Broadcasting, to make changes in the laws relating to those agencies, to make changes in the Foreign Service personnel system, to establish policies and responsibilities with respect to science, technology, and American diplomacy, to establish a Commission on Proposals for a Center for Conflict Resolution, to establish an Institute for International Human Rights, and for other purposes; to the Committee on International Relations.

By Mr. FLIPPO (for himself, Mr. WRIGHT, Mr. RHODES, Mr. FLOWERS, Mr. FREY, Mr. ROE, Mr. MILFORD, Mr. LLOYD of California, Mr. LUJAN, Mr. AMBRO, Mr. HOLLENBECK, Mr. KRUEGER, Mr. RUDD, Mrs. LLOYD of Tennessee, Mr. DORNAN, Mr. BLANCHARD, Mr. WALKER, Mr. NEAL, Mr. FORSYTHE, Mr. GLICKMAN, Mr. GAMMAGE, Mr. GORE, Mr. WATKINS, and Mr. YOUNG of Missouri):

H.R. 12599. A bill to provide for a research, development, and demonstration program to determine the feasibility of collecting in space solar energy to be transmitted to Earth and to generate electricity for domestic purposes; to the Committee on Science and Technology.

By Mr. ICHORD:

H.R. 12600. A bill to prohibit discrimination in rates charged by the Southwestern Power Administration and to require due process in the confirmation of such rates by the Federal Energy Regulatory Commission; to the Committee on Interior and Insular Affairs.

By Mr. KEMP (for himself and Mr. LUKEN):

H.R. 12601. A bill to provide for the issuance of a commemorative postage stamp in observance of the 30th anniversary of the founding of the modern State of Israel; to the Committee on Post Office and Civil Service.

By Mr. NEDZI (for himself and Mr. WHITEHURST):

H.R. 12602. A bill to authorize certain construction at military installations for fiscal year 1979, and for other purposes; to the Committee on Armed Services.

By Mr. RUPPE (for himself, Mr. KEMP, Mr. OBERSTAR, and Mr. MCEWEN):

H.R. 12603. A bill to amend the Great Lakes Pilotage Act of 1960 in order to relieve the restrictive qualification standards for U.S. registered pilots on the Great Lakes; to the Committee on Merchant Marine and Fisheries.

By Mr. TREEN (for himself, Mr. SEBELIUS, Mr. CEDERBERG, Mr. HIGHTOWER, Mr. JEFFORDS, Mr. JONES of Tennessee, Mr. ROSE, Mr. PANETTA Mr. VANDER JAGT, and Mr. YOUNG of Alaska):

H.R. 12604. A bill to implement the International Sugar Agreement between the United States and foreign countries; to protect the welfare of consumers of sugar and of those engaged in the domestic sugar-producing industry; to promote the export trade of the United States; and for other purposes; jointly, to the Committees on Agriculture and Ways and Means.

By Mr. VAN DEERLIN (for himself, Mr. FREY, Mr. CARNEY, Mr. WIRTH, Mr. RUSSO, Mr. MARKEY, Mr. GORE, Ms. MIKULSKI, Mr. WAXMAN, Mr. MOORE, Mr. MOORHEAD of California, and Mr. MARKS):

H.R. 12605. A bill to amend the Communications Act of 1934 to extend and improve the provisions of such act relating to long-term financing for the Corporation for Public Broadcasting and relating to certain grant programs for public telecommunications, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. WAGGONNER:

H.R. 12606. A bill to provide that annuity contracts purchased by the Uniformed Services University of the Health Sciences shall be entitled to the Benefits of section 403(b) of the Internal Revenue Code of 1954; to the Committee on Ways and Means.

By Mr. WHALEN (for himself, Mrs. SPELLMAN, and Mr. CORNWELL):

H.R. 12607. A bill to amend the Internal Revenue Code of 1954 to provide that trusts established for the payment of product liability claims and related expenses shall be exempt from income tax, and that a deduction shall be allowed for contributions to such trusts; to the Committee on Ways and Means.

By Mr. WOLFF:

H.R. 12608. A bill to amend the Internal Revenue Code of 1954 to allow a deduction for contributions to an educational fund for the benefit of the taxpayer's children; to the Committee on Ways and Means.

By Mr. OBERSTAR:

H.R. 12609. A bill to establish certain rules with respect to the Boundary Waters Canoe Area, and for other purposes; jointly, to the Committees on Agriculture, and Interior and Insular Affairs.

By Mr. MOORE (for himself, Mr. BURKE of Florida, Mr. CARNEY, Mr. DON H. CLAUSEN, Mr. CLEVELAND, Mr. DAVIS, Mr. DE LA GARZA, Mr. EDWARDS of Alabama, Mr. GAMMAGE, Mr. GOODLING, Mr. HARSHA, Mrs. HECKLER, Mr. HEFNER, Mr. IRELAND, Mr. JENKINS, Mr. JENRETTE, Mr. JONES of North Carolina, Mr. KREBS, Mr. KRUEGER, Mr. LEVITAS, Mr. LIVINGSTON, Mr. MCDADE, Mr. MCHUGH, Mr. SMITH of Iowa, and Mr. THONE):

H.J. Res. 890. Joint resolution designating July 1, 1978, as "National Free Enterprise Day"; to the Committee on Post Office and Civil Service.

By Mr. FUQUA:

H.J. Res. 891. Joint resolution authorizing the President to proclaim the second full week in October 1978, as "National Legal Secretaries' Court Observance Week"; to the Committee on Post Office and Civil Service.

By Mr. MURPHY of New York:

H.J. Res. 892. Joint resolution requesting the President to designate 1978 as the Diamond Jubilee Year of the U.S. Tuna Industry; to the Committee on Post Office and Civil Service.

By Mr. ASHBROOK (for himself, Mr. BOWEN, Mr. BARNARD, Mr. BAUCUS, Mr. BREAUX, Mr. CARTER, Mr. COCHRAN of Mississippi, Mr. DENT, Mr. EVANS of Delaware, Mr. FLIPPO, Mr. FOUNTAIN, Mr. GAMMAGE, Mr. GUYER, Mr. HAGEDORN, Mr. HOLLAND, Mr. ICHORD, Mr. IRELAND, Mr. MILLER of Ohio, Mr. NEAL, Mr. OBERSTAR, Mr. VANDER JAGT, Mr. WHITE, Mr. YATRON, Mr. YOUNG of Alaska, and Mr. YOUNG of Texas):

H. Con. Res. 608. Concurrent resolution disapproving proposed regulations of the Department of the Treasury requiring centralized registration of firearms and other matters; jointly, to the Committees on the Judiciary and Ways and Means.

By Mr. KEMP (for himself and Mrs. BURKE of California):

H. Con. Res. 609. Concurrent resolution urging the Canadian Government to reassess its policy of permitting the killing of newborn harp seals; to the Committee on International Relations.

By Mr. FINDLEY (for himself, Mr. ARCHER, Mr. ASHLEY, Mr. BADHAM, Mr. BENJAMIN, Mrs. BOGGS, Mr. BURGENER, Mr. BURKE of Massachusetts, Mr. CARTER, Mr. COHEN, Mr. COLLINS of Texas, Mr. DERWINSKI, Mr. DORNAN, Mr. EARLY, Mr. EDWARDS of Oklahoma, Mr. FLOOD, Mr. GARCIA, Mr. GIAIMO, Mr. HAMMERSCHMIDT, Mr. HUCKABY, Mr. HUGHES, Mr. JENRETTE, Mrs. LLOYD of Tennessee, Mr. MAHON, and Mr. MCCLORY):

H. Res. 1167. Resolution to recognize Bob Hope on his 75th birthday celebration; to the Committee on Post Office and Civil Service.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolution were introduced and severally referred as follows:

Mr. CAPUTO introduced a bill (H.R. 12610) for the relief of Mary Jo Natividad and Regina Natividad; which was referred to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

461. By the SPEAKER: Petition of Keo Ann, St. Cloud, France, relative to human rights in Cambodia; to the Committee on International Relations.

462. Also, petition of the Catholic School Administrators Association of New York State, Albany, relative to tuition tax credits; to the Committee on Ways and Means.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 12222

By Mr. MITCHELL of Maryland:

After section 116 of title I add the following new section 117, "Minority Business Enterprise."

MINORITY BUSINESS ENTERPRISE

Section 133 of the International Development and Food Assistance Act of 1977 is amended by striking all of subsection (a) and all of subsection (b) and inserting in lieu thereof the following new subsections:

"(a) The Administrator of the agency primarily responsible for administering part I of the Foreign Assistance Act of 1961 shall, within 90 days after the enactment of this Act, establish a Minority Resource Center (hereafter in this section referred to as the Center).

"(b) The Center is authorized to—

"(1) establish and maintain, and disseminate information from an international information clearinghouse for minority entrepreneurs and businesses, for purposes of furnishing, to such entrepreneurs and businesses, information with respect to business opportunities involving the implementation of the 'General Policy' as stated in section 101 of this Act;

"(2) assist minority entrepreneurs and businesses in obtaining investment capital and debt financing by establishing and utilizing, but not limited to, such financial vehicles as Minority Enterprise Small Business

Investment Companies, minority banks, and minority trade associations;

"(3) conduct market research, planning, economic and business analyses, and feasibility studies to identify such opportunities;

"(4) design and conduct programs to encourage, promote, and assist minority entrepreneurs and business to secure Direct Contracts, Host Country Contracts, Operation Expatriate Contracts, Indefinite Quantity Contracts, subcontracts, projects, grants, and research related to the implementation of the 'General Policy' as stated in section 101 of this Act;

"(5) enter into such contracts, cooperative agreements, or other transactions as may be necessary in the conduct of its functions and duties;

"(6) develop support mechanisms, including venture capital, surety and bonding organizations, and management and technical services, which will enable minority entreprenuers and businesses to take advantage of business opportunities related to the implementation of the 'General Policy' as stated in section 101 of this Act; and

"(7) participate in and cooperate with all Federal programs and other programs designed to provide financial, management, and other forms of support and assistance to minority entrepreneurs and businesses.

"(c) The Administrator and the Secretary shall provide the Center with such relevant information, including procurement schedules, bids, and specifications with respect to the implementation of the 'General Policy' as stated in section 101 of this Act as may be requested by the Center in connection with the performance of its functions.

"(d) For the purposes of this section the term 'minority business enterprise' means—

"(1) a business which is at least 51 per centum owned by minority group members or, in the case of a publicly owned business, at least 51 per centum of the stock of which is owned by minority group members; and

"(2) whose management and daily business operations are controlled by such persons.

"(e) For purposes of this section, 'minority group members' include—

"(1) American Indians or Alaskan Natives, i.e., persons having origins in any of the original peoples of North America;

"(2) Asians or Pacific Islanders, i.e., persons having origins in any of the original peoples of the Far East, Southeast Asia, the Indian Subcontinent, or the Pacific Islands;

"(3) Blacks, i.e., persons having origins in any of the black groups of Africa; and

"(4) Hispanics, i.e., persons of Spanish culture with origins in Mexico, South or Central America, or the Caribbean Islands.

"(f) Within seven months after the effective date of this Act, and at six-month intervals thereafter, the Administrator shall submit to each House of the Congress a report concerning the activities of the Center.

"(g) There is authorized to be appropriated to the President for purposes of subsection 117(a), in addition to funds otherwise available for such purposes, $654,000 for fiscal year 1979. Amounts appropriated under this section are authorized to remain available until expended.

"(h) To carry out the policy of subsections 117(b)(2) and 117(b)(6), there is authorized to be appropriated to the President $5,000,000, in addition to funds otherwise available for such purposes.

EXTENSIONS OF REMARKS

BENEFITS FROM FRUITS OF INDUSTRIAL PRODUCTION

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, May 8, 1978

● Mr. CLAY. Mr. Speaker, one of the significant scientific and social policy issues in the United States today is the question of risks and related benefits resulting from the fruits of industrial production.

Businessmen are concerned that innovation has been affected by changes in the regulatory environment. Recently, Mr. Richard J. Mahoney, executive vice president of Monsanto Co. in St. Louis, gave a very interesting talk on this subject to the Rotary Club of St. Louis.

I would like to direct my colleagues' attention to these remarks and share the text of his speech in its entirety.

REMARKS OF MR. RICHARD J. MAHONEY

Thank you, Ed, for that kind introduction. I only regret that my teenage son isn't in the audience to hear Dad described at age 44 as young. Some days he considers us light years apart—and particularly so when I start a sentence. Now, Steve, when I was your age. . . and so on. You all know the familiar lines that follow. I'll be happy to report to him tonight that at least someone thinks 44 is young.

Your Chairman also mentioned that my wife and I are transplanted New Englanders. And I should say that the snows of the past two winters in St. Louis have made us feel quite at home. Although the practice out in the county of putting coal dust on the roads for ice control—and subsequently into our carpets and floors—that practice hasn't yet caught on in New England!

But we are at home here. And, of course, Monsanto is truly "at home" in St. Louis.

Altogether, in the greater St. Louis area we now have almost 10,000 Monsanto people at our Corporate Headquarters and four plant sites. Later this year, we will open a new toxicology laboratory in the Washington University Medical School complex. So we're still growing in the area.

And we're meeting only a Lou Brock throw away from Busch Stadium, where Monsanto is just finishing the installation of a new AstroTurf field—which we've promised in time for next week's opening game. And I'm happy to report we'll meet the deadline despite that New England weather this winter.

Incidentally, that field will be much improved over the rather hard surface the football players objected to. And Mr. Otis, or whoever is falling on the new turf, will find this nice, soft pad to cushion his fall.

A few blocks away, on South Second Street, we make a broad line of products—including something that all of us Cardinal fans reach for with some frequency— Aspirin!

In fact, the South Second Street Plant is the largest aspirin producer in the world.

Incidentally, South Second Street was the site of John F. Queeny's original plant back in 1901 when he began manufacturing saccharin in competition with the powerful German cartel known as the dye trust.

To crush Queeny's fledgling Monsanto chemical works back in the early 1900's, the German companies dramatically dropped the price of saccharin from the $4.50/lb that Mr. Queeny expected to sell for, to $4.00—then to $2.00—and finally to $1.00. Mr. Queeny sold his horse and buggy, borrowed on his life insurance, and confided to his three associates—"If we can just make it till tomorrow we'll be all right."

Somehow he did make it, and he went on to bigger, and ultimately, more profitable risks.

Over the years, the most successful businessmen have usually been the most daring risk takers. The St. Louis business community is a prime case in point with its Queenys, Danforths, Mallinckrodts, Busches, McDonnells and many others.

But one trend that deeply concerns me in today's society is what I perceive as a dangerous drift away from a risk taking to a security-oriented frame of mind.

"Play it safe" is fast becoming our symbol, slogan and perhaps our seal. We seem bent on achieving a "no-risk" society, even if we have to kill ourselves to get it.

But there are often overlooked risks in a "no-risk" society. The danger, as I see it, is that once the avoidance of risk becomes the major factor shaping our behavior, we're likely to end up by taking the biggest and least sensible risk of all: The risk of doing nothing—and gaining nothing.

The trend away from risk taking is evident all around us.

As businessmen, we see it in the competitor who would rather bump along with marginal profits than risk his capital to achieve a dramatic breakthrough.

As taxpayers, we're well aware—especially at this time of the year—of our tax system's built-in bias against risk taking. The personal tax charts—the so-called progressive tax—reduces the gains from success, but not the losses from failure.

As citizens dealing more and more with the Federal Government, we see the avoidance of risk in the increasing—and often competing demands of the regulatory agencies. OSHA demands that we provide a 100% risk-free workplace; Consumer Product Safety Commission that we turn out 100% safe products; EPA that we help maintain a 100% pristine environment; FDA that we make sure our food and drug products are 100% risk free.

And all these at one and the same time—and at non-inflationary prices. Now one can hardly argue that all of those aren't noble ambitions—100% safety-pure environment—totally risk-free living. But, however appealing a "no-risk" society may appear at first blush, it is an illusion, because nothing can be absolutely free of risk. Nothing can be absolutely safe—everywhere—all the time.

There are degrees of risk, and consequently degrees of safety.

Without casting aspersions on the chef, let me tell you that the luncheon you just finished contained hundreds, perhaps thousands, of potentially toxic substances.

In spite of that—God willing—we'll all be around this evening to enjoy another nourishing meal. I think you'll agree that the negligible risk of eating our lunch was well worth the benefits derived.

One of my colleagues, who's a quick man with figures, calculates that just like eating this lunch today, a person runs a one-in-a-million risk of dying if he does any of the following:

Rides 50 miles in an automobile
Travels 250 miles in an airplane
Spends two minutes mountain climbing
Spends six minutes canoeing

Drinks one pint of wine—

All risks I'm perfectly willing to take.

And despite the enormous benefits of modern medicine, physicians tell us that no medication is absolutely safe unless it is absolutely ineffective—a placebo.

Life is full of risks. Prudent behavior consists of weighing these risks on the one hand—and the corresponding benefits on the other—then applying our common sense before we act.

The risk/benefit concept is something that scientists have been using for a decade or two, but often to the public, and increasingly to the government, its an unfamiliar idea.

When you think about it, though, it isn't so strange after all. We make informal risk/benefit decisions every day. The first is: "Should we get up in the morning?" Then, "Should we buckle up our seat belt?" And from there on, we are making them all day long.

The same risk/benefit principle should be applied when we are making up our minds on issues of public policy. What is needed is a balanced perspective. But in my own field of chemicals—as in some of your own fields lately—the debate has been anything but balanced. The risks have been trumpeted from the rooftops, but the benefits are seldom mentioned.

Let's consider plastics. It has become fashionable nowadays to criticize plastics products as wasters of our resources. But what about their benefits?

I was in Detroit recently talking to automobile companies about reducing weight to meet miles-per-gallon standards set by the EPA. They've done a lot of downsizing of cars—and more is coming—to save weight—and plastics will be a vital element in that weight reduction program. For example, if this 7 lb instrument panel—this particular one is from a Buick La Sabre—if it were made of metal, it would weigh at least 25 lbs.

The answer, then, lies in large measure with greater use of plastics as innovative substitutes for heavier traditional materials—durable plastic grilles, interior trim, doorframes, and that instrument panel. If you've bought a 1978 model, chances are your car carries about 160 pounds of plastics. By the 1985 models, that will have increased to somewhere between 350 and 400 pounds.

If there ever was a definitive response to those who see plastics as a non-essential facet of American life, it's to be found in the auto industry—where plastics are helping to meet these national, fuel-saving goals.

And we hear and read a great deal about the risks of chemical pesticides for the farm workers who handle them and for the environment in which they are used. There are limited risks—and the safeguards against those risks are impressive. There are risks nonetheless, but we hear much less about their benefits. And there is, indeed, a compelling benefit side to the story.

For example, without pesticides, the $35 billion worth of products generated by American farmers each year would be cut by between 30 and 60%. Without pesticides, our weekly food bill would soar. Much of the 12 billion dollars a year this nation earns selling farm products abroad would be lost, worsening still further our distressing balance of payments problems.

Besides increasing the abundance of the nation's bread basket, pesticides also help control the spread of disease. In many states, they are used to combat mosquitoes that carry dangerous encephalitis—and in the Southwest, pesticide spraying has been relied upon to kill the carriers of Bubonic Plague.

This is an aspect of the pesticide story that we don't hear much about, but it's one that should figure prominently in any risk/benefit analysis.

In traveling overseas, as I do quite frequently, I've been impressed with the increasingly sophisticated approach that other countries are using in risk/benefit trade-offs.

Cyclamate, the artificial sweetener banned by the Food and Drug Administration in 1969, is still being sold in thirty other countries, where it is considered safer than sugar for diabetics and those with serious weight problems. And although we Americans like to think of ourselves as pioneers in the development of new medicines, we're often actually far behind other countries in bringing them to market. This is partly because of congressional legislation, partly because of regulatory timetables. To take some obvious examples, the U.S. was at least the 30th country to approve a new anti-cancer drug, the 51st to sanction a new anti-tuberculosis drug, and the 106th to authorize a new anti-bacterial drug.

In all these, we were laggards rather than leaders.

On a recent trip to England, I noticed a curious sign over a low-slung door frame in a restaurant. With typical British understatement, it cautioned: "Mind your head". But consider the point the sign made—don't tear down a building to replace the relatively small risk represented by a low doorway—simply "mind your head".

That's sound advice as we try to think through the risk/benefit factors on issues confronting us today—"mind your head".

There are, I think, at least four risks in a "no-risk" society.

The first is that emotion tends to drown out reason. What's happening too often goes something like this: A strict regulatory interpretation raises questions about some suspected product hazard.

Then a newly aroused activist group clamors for the product's banishment from the marketplace. The news media report and sometimes amplify the clamor. A crisis period ensues, marked by conflicting charges about who or what is at fault. Finally, the product is arbitrarily suspended, often without any serious attempt to quantify the costs.

Such outbursts of emotionalism are, in my judgment, a poor substitute for rational decision-making on issues affecting the health, safety and livelihood of millions of Americans. The best way—indeed, the only sensible way—of coping with the increasingly complex decisions we face in this area is through objective evaluation of the risks and the benefits involved.

Perhaps no subject evokes a more emotional response today than cancer. We hear and read that a majority of human cancers—possibly as high as 70% to 90%—are due to environmental causes.

From this, many people leap to the conclusion that chemical food additives, pesticides and industrial chemicals are to blame.

Yet, medical studies have shown repeatedly that the main human cancers do not stem from intentional or even inadvertent chemical contaminants in our environment. A recent medical research paper noted that the overwhelming environmental causes of cancer are cigarette smoking and dietary considerations. In fact, the Monday "Globe" carried a story entitled "The Anti-Cancer Diet"—on this same linking of diet and cancer.

Control those two elements—cigarettes and diet—and you've controlled the cause of perhaps 95% of environmentally caused cancers.

Point No. 1—reason—not emotion.

The second risk of a "no-risk" society is the stifling of innovation. There is an enormous penalty placed on mistakes and a premium on avoiding them. And the easiest way of avoiding them is to do nothing.

Monsanto's recent experience with its plastic beverage bottle clearly demonstrates how innovation is dampened when consideration of risks and benefits is thrown out.

After a decade of research, we had created a bottle—this bottle—that boasted among its many advantages, lightweight, low cost, greater safety and recyclability. But because the FDA charged that a raw material used in the manufacture of the bottle leached into the beverage itself—an allegation we steadfastly denied and backed up with solid data—the container was banned from supermarket shelves. Three manufacturing plants had to be shut down, and 1,000 jobs eliminated.

Beyond these obvious economic dislocations, the FDA's action aborted a development that could have contributed importantly to the solution of America's litter problem.

Monsanto was ready to introduce a bottle that would have revolutionized the container industry—a refillable plastic container. But those real benefits were not weighed when the agency reacted to what it thought were possible risks.

Let's not stifle innovation.

The third risk is the tendency toward simplistic answers to inherently complex questions.

Observers of the American scene—from Mencken to Moynihan—have warned against this irrepressible tendency. Mencken said—"There's always an easy solution to every human problem"—"neat, plausible and wrong!" Senator Moynihan has said "What we need are more 'complexifiers' "—men and women of intelligence and integrity who will help us do the hard thinking that a comprehension of intricate issues demands.

Nowhere is this need more readily evident than in the regulatory area.

OSHA (The worker safety agency) recently proposed a policy for the control of cancer-causing substances. It is a good example of over simplification. If a single adverse laboratory test suggests that a substance might cause cancer, OSHA could automatically set the "lowest feasible" levels of workplace exposure, regardless of favorable actual experience in plants—real data with real people—not overfed rats. Real data might show no actual increase of health hazard over a long period of study, but a single lab test with rats can take priority. If a suitable substitute product exists, OSHA could take action which would, in effect, ban products from the marketplace based on the single lab test.

This is the same simplistic approach that Congress took twenty years ago when it added the Delaney Amendment to the Food, Drug and Cosmetic Act. This amendment, which can be invoked to ban the use of any food additive on the basis of a single animal test, has been the guiding spirit behind decisions that have caused unnecessary disruption and confusion.

Point No. 3 then is—there are no simple answers. These are complex issues requiring thoughtful solutions.

The fourth risk of a "no-risk" society is the restriction it imposes on our personal freedom of choice.

There are, of course, some risks that if indulged in by one person may endanger others. Society must provide safeguards for those not wishing to jeopardize themselves in this manner. But society—as personified by government—should not presume to calculate the risk/benefit ratio for each and every individual. Some people will always elect to take risks in some ways to make a gain—or avoid risks in other cases—and those options should be preserved.

A recent public survey revealed that two out of three persons want to make their own risk/benefit judgements, rather than letting the Federal Government do it for them by arbitrarily banning a product.

The best approach, in my view, is to tell people in plain English what may be the risks to health or personal safety, then let them decide freely for themselves whether the risk is worth taking.

And let me repeat—I'm not talking about obvious, unconscionable risks—clearly hazardous products or situations—I'm talking about the risks where judgement can and should be exercised—individual judgement by an informed public.

What we should strive for is not a "no-risk" society—an impossible dream at best—but a society fully capable of coping responsibly with risk.

Keep that freedom of choice open.

I would encourage you to use your influence as citizens in bringing balanced analysis to bear on the legislative and regulatory processes of our country. I hope you will find ways for your own organizations to undertake steps in the education of our legislators—or of the American public—or both.

At Monsanto, we're trying to do our part through an extensive campaign in the media and on the speaker's platform—as well as through face-to-face contacts with government officials at federal, state and local levels. And you'll find on the tables as you leave a booklet called "The Chemical Facts of Life" which Monsanto is distributing widely to help set a balance in judgements of this type. I urge you to take one along.

One effective step that each of us here could take would be to learn the facts and speak out when the opportunity arises—to our business and professional associates, our civic, fraternal and educational groups—wherever community leaders gather. In short, to play our proper role in the dialogue of democracy.

The alternative, I'm afraid, is to let the doomsayers set the tone of life in our nation.

I personally don't want to see that happen. I don't think you do either.●

TRIBUTE TO MITCHEL NIDEVER

HON. WILLIAM M. KETCHUM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 8, 1978

● Mr. KETCHUM. Mr. Speaker, at this time I would like to ask that my colleagues join with me in paying tribute to an outstanding American, Mr. Mitchel Nidever, of McFarland, Calif. For the past 32 years, Mr. Nidever has served as agricultural instructor at McFarland High School; this year, he has decided to retire. On May 20, he will be the featured speaker at the 32d Annual Parents and Friends Future Farmers of America Banquet in McFarland. What he does not know, however, is that the evening will in reality be a tribute to him. Certainly, few men are more deserving of such recognition.

Mitchel Nidever's contributions to education, to youth, and to the community are far too numerous to mention. However, he is being honored for something far more meaningful than a single act, and that is his total dedication to perpetuating all that has made America great. At a time when many citizens are seriously alarmed concerning the potential decline of our Nation, Mr. Nidever stands as a bastion of all that we hold in high esteem: integrity, devotion to duty, faith, morality, and the fulfillment of individual responsibility. It can truly be said of Mitchel Nidever that he has given far more than he has taken—but not more than he has received. I say that because I know that a man who has lived a life as rooted in all that is good as Mr. Nidever must surely have achieved more than a small measure of satisfaction and fulfillment.

Three generations of young Americans have benefited from Mitchel's beliefs, and have gone on to achieve beyond their fondest hopes. The community has been equally enhanced by Mitchel's many contributions, as have public service clubs, his church, the field of education and agricultural endeavors.

It is a privilege and a pleasure to represent Mitchel Nidever here in the Congress, and even more of a privilege to recognize him today.●

WILL DOLLARS SAVE OUR EDUCATIONAL SYSTEM?

HON. DAVID C. TREEN

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 8, 1978

● Mr. TREEN. Mr. Speaker, before we rush headlong into massive increases in Federal funding for elementary and secondary education, with concomitant deepening of Federal involvement in the educational process, we ought to heed such advice as recently offered by Nick Thimmesch whose article on the subject appeared in the Washington Post on April 29:

WE NEED MORE REAL TEACHING IN THE CLASSROOM

(By Nick Thimmesch)

The citizenry now pays $144 billion a year in federal and local taxes to support public education in our country, more than goes for national defense. Both areas get too much money, but we become more disturbed over inflation of public school costs than defense, because we live near schools and our children attend them.

So taxpayers should raise eyebrows when President Carter rhapsodizes that the $12.9 billion he asks for education in 1979 represents the largest increase proposed by any president and Congress since the mid-'60s. The reason we pause is that, in the past 10 years, according to a national study, per-pupil education costs have risen 132 percent while the Consumer Price Index rose only 60 percent—and still pupil performance scores have dropped.

There is something wrong in public education today, despite record-breaking budgets and price hikes. Now the president is asking for even larger increases so that greater emphasis can be placed on the basic skills—reading, writing and arithmetic.

It seems that the poorer public school performance gets, the more money is demanded to correct the errors. It's a little like the auto companies recalling defective cars for repair and then adding the cost of fixing their mistakes to the cost of doing business. Thus, the consumer winds up paying the bill.

There are many examples of such failure. The Council for Basic Education recently reported that a statewide educational assessment program in Florida showed that, while only modest numbers of high school juniors flunked a relatively simple communications exam, 38 percent failed a math test that featured such questions as "What is 50 percent of $42.98?" The president of the state teachers' union quickly blamed the results on TV watching, single-parent homes, alcoholic parents and juvenile crime.

No question that the deterioration of the American family makes it tougher for youngsters to learn. But then Time magazine reports about Marva Collins, a black Chicagoan, who operates a one-room school she founded for intensive teaching of inner-city children. She puts up with no nonsense, holds pupils only one or two years and raises their overall performance remarkably. She then encourages parents to send their children to parochial rather than public schools.

It's one thing to talk about spending billions more for basic and bilingual education, but it's another to deliver it so pupils can really succeed. Pupils in bilingual Spanish-English programs aren't learning English any better than those not in this more expensive form of education, according to one federal government study. There is good reason to conclude that school boards and/or administrators instill bilingual programs more in response to local political pressure than for their effectiveness.

Indeed, there is a great deal of politicizing in our public education system, especially since the National Education Association (NEA) has become a labor union that spent $3 million on the 1976 election (nearly all on Democratic candidates), backed the Carter-Mondale ticket and expected something nice in return.

It might be cynical, or accurate, to observe that the something nice is the huge hike in federal aid to education Carter is asking for. Where will the money go? It's fair to say that labor unions such as the NEA don't like job-performance testing. Rather, they like more job slots, more chummy weekend educational conferences, more "special resource" or "remedial" teachers and, forbid the thought, more consultants and studies.

If that is what comes out of the Carter program, well, why don't we spare the taxpayer the expense?

What's really needed is a drastic upgrading in the skills of teachers who now glut the education field. We need more good teachers like Marva Collins who notes: "All you need to teach is a blackboard, books and a pair of legs that will last through the day. If you gave me $20,000 worth of audiovisual equipment, I'd leave it out on the sidewalk."

Perhaps the Marva Collinses in education should be enlisted to instruct laggard teachers that, if you become determined to teach, you will teach. If you fall back on special resource teams or "supplementary" aids, you probably won't teach.

If teachers need four- or six-week summer sessions to upgrade their skills and become more knowledgeable in their subjects, let it be, and hopefully some of the extra federal money will be spent this way. Call it recycling or retraining. The point is teachers have to put aside the bad news that American family life isn't the best, and realize that youngsters can be shaped up in a classroom and also, believe it or not, taught.

Instead of more expensive convenience escape hatches, we need more real teaching in the classroom, and that means work. With such a surplus of teachers, some of them must be willing to work. They have in the past, many work hard now, and the rest need to be prodded by the word that a taxpayers' revolt can be just as forceful as the political clout a rich labor union can wield with an administration.●

NORTH SHORE SOCIETY OF THE ARCHAEOLOGICAL INSTITUTE OF AMERICA

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 8, 1978

● Mr. WOLFF. Mr. Speaker, I would like to bring to the attention of my colleagues the anniversary of an organization which signifies much to a growing number of

my constituents in the Sixth Congressional District of New York.

The North Shore Society of the Archaeological Institute of America was founded 10 years ago in order to promote an interest in archeological work, including excavation, research, and reporting on and studying of these results. In fulfilling these goals, the organization has been a bridge between the academic world and the general community. It has diligently sponsored programs of the highest caliber, such as film festivals, exhibitions, museum visits, study tours, speeches by scholars in the field, and other outstanding activities.

Since its inception, the North Shore Society has consistently made these events available to the entire community as a source of learning, leading to a better understanding of humanity's past and pointing to the direction of the future. Surely this group's many successes provide an example and inspiration for fledgling organizations and all others interested in the study of bygone lives and cultures.

I would like to take this opportunity to urge that residents of my district join with me in celebrating Archaeological Day on Sunday, May 21, 1978.●

A TRIBUTE TO BISHOP THOMAS NEWMAN

HON. CHRISTOPHER J. DODD

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Monday, May 8, 1978

● Mr. DODD. Mr. Speaker, Bishop Thomas Newman died on March 9 and was buried in his hometown of Waterbury, Conn., after spending more than half of his life as a missionary in Burma.

A tribute to a man like Bishop Newman should fill the pages of a book, but I will limit myself to much less to honor a man who was admired and loved for his dedication to his faith as well as his fellow man.

Those who knew the bishop told stories about his selflessness as the superior of the mission group that came to Burma in 1937. Faced with poverty, disease, and primitive living conditions, the bishop walked the lengths of his expansive parrish often sleeping on the ground or in huts to bring his message of faith to the Burmese people.

A pragmatic man, he had few illusions about his work, but his belief in the importance of his missionary duties kept him in Burma even when it became dangerous and even deadly to remain. When the Japanese began their invasion of Burma in World War II, Father Newman was asked to leave his mission under British protection. He and the other missionaries refused to go, believing that constancy of devotion to their solemn duty was imperative.

Their adherence to Christian ideals resulted in 3½ years in a Japanese prison camp, where the bishop emerged from the brutalizing experience weighing only 100 pounds with his eyesight permanently impaired.

Even after the war, when a restrictive and unsympathetic regime came to power, Bishop Newman stayed on. He rebuilt the destroyed mission and spent the next 20 years establishing a self-sustaining diocese with native clergy and seminarians.

One can easily envy a man whose entire life has shone with his unflinching fidelity to the Christian faith, and his courage, honesty, and unpretentiousness. Envy is not an emotion that Bishop Newman would have respected, though. Perhaps it is better that we admire and learn from his actions.

All of us can find comfort in the knowledge that a man like Bishop Newman who devoted his life to others has graced us with his presence.●

GROWING OPPOSITION TO WELFARE STATE IN GREAT BRITAIN

HON. TOM HAGEDORN

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 8, 1978

● Mr. HAGEDORN. Mr. Speaker, much has already been made of the similarities of the political and economic course pursued by the United States and Great Britain. The policies adopted by Great Britain since the First World War in the areas of taxation, labor relations, social services, foreign affairs, and industrial organization have too frequently foreshadowed those later adopted on this side of the Atlantic, and with similar results.

It is heartening then to hear of the increasing intellectual opposition that is building to these policies in Britain, in academia, in the media, and in both the Conservative and Labour Parties. A particularly fine analysis was recently published in this country entitled "The Enemies of Society" by Paul Johnson, the former editor of the respected New Statesman.

I would like to include in the RECORD an excellent illustration of this growing sentiment from the London Times. In it, the Times comments upon a major speech by Mrs. Margaret Thatcher in which she observes:

The true devolution is away from government of every kind and at every level and back to the citizen. "Power to the people" is a sadly abused slogan, appropriated and perversed by the collectivists, whose purpose is all power in the state at the expense of the people.

The following is the full text of the Times editorial:

[From the London Times, Jan. 10, 1978]

THE BALANCE OF SOCIETY

The natural world survives through the adjustment of an extremely large number of interlocking systems of balance. There is balance in the solar system, balance in the climate, balance between species, balance in the human body; when balance is lost, human life cannot survive—as it cannot survive in the extremes of temperature at the poles. The same is true of the political world; society survives by the maintenance of an equilibrium, and not by the perfect logic of domination. When complete domination is achieved it is usually unstable; even Stalin's system could not be continued by his successors, and it certainly never felt secure to Stalin himself.

In political affairs the wise course is to move towards balance. In Britain the balance of the classes was radically disturbed by the industrial revolution, which created a small class of wealthy capitalists and a large class of urban poor. The history of our domestic politics in the last century and a half can be seen as the attempt to redress that balance, so as to create a reasonable equivalence of power and prosperity between the classes. Such a balance does not imply an equality; the creators of the national wealth and the consumers do not make an equal contribution and will not be satisfied with an equal reward. It does imply some combination of opportunity for the able and security for the unfortunate; when either of these elements is missing there will be pressure for it.

The question now is whether that correction still has further to go, whether it should be regarded as sufficient and complete, or whether it has created a momentum which has carried it beyond the point of balance, whether socialism has overshot the point of stable equilibrium. This is a question for Britain, but not for Britain only, nor need the question be answered the same way in all countries.

The Labour Party has tried to redress the nineteenth-century balance by expanding the power of the state—particularly through higher government expenditure, pay and price controls, and the state ownership of industry—by strengthening the power of the trade unions and by confiscatory taxation of income and capital. These measures have been taken very far. The state now accounts for well over half of national expenditures, owns the coal, steel, railway, airline, aircraft, bus, electricity, gas, water, post, telephone, shipbuilding and dock industries, as well as part of the car industry, and levies taxes on income up to 98 percent and on capital up to 75 percent. It also controls price and pay increases but except for this state control of wages, which is itself extra-legal, almost all the limitations on the trade unions have been removed.

Our greater addiction to these policies is the chief reason why British productivity is half of German, the Dutch, the American or the Japanese. As world competition increases (South Korean shipyard workers produce three times as much as Tynesiders for one-eighth of the pay) we cannot earn our living unless we become at least tolerably efficient. The arguments of liberty and efficiency point the same way; it is necessary not just to resist socialism but to reverse it.●

AN INVENTORY OF FEDERAL INCOME TRANSFER PROGRAMS

HON. DAVE STOCKMAN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, May 8, 1978

● Mr. STOCKMAN. Mr. Speaker, recently, a study conducted under the auspices of the Institute for Socioeconomic Studies by Prof. William J. Lawrence of Pace University School of Business sought to catalog the myriad efforts of the Federal Government to provide income support and income supplements for our citizens. As my colleagues are aware, this is no mean task. The actions of Congress have been so numerous, and the organizational responses of the Federal agencies so varied, that there can be few Americans alive

today who understand the full scope of these efforts.

For this reason, the institute's efforts are particularly timely. As we consider welfare reform alongside reauthorization of such major income-directed programs as the Comprehensive Employment and Training Act in this Congress, I believe it essential that Congress begin to solve the problem of how these many efforts fit together to provide a coherent response to the problems of disadvantagement. For this reason, I would like to share with my colleagues a recent editorial in the Anderson, Ind., Herald, providing a closer look at this study. The interest of the media in areas far away from Washington suggests the public perception of the importance of our coordinative task. I commend this editorial to the attention of my colleagues:

A LOOK AT THE FINE PRINT

More than $250 billion in government assistance to maintain personal income and "fight poverty" has been identified by an economic research team that, after more than a year's work, has completed the first inventory of the federal government's "income transfer" programs.

The unprecedented research into the fine print of the federal budget is the work of Pace University investigators under the leadership of Dr. William J. Lawrence, chairman of the Department of Economics, Pace University Graduate School of Business. The study was undertaken under the guidance and grant assistance of the Institute of Socioeconomic Studies, White Plains, N.Y.

The study, "An Inventory of Federal Income Transfer Programs," reveals for the first time that the federal government in Fiscal 1977 offered 182 programs for income maintenance and poverty prevention. The $250 billion appropriated in 1977 for these programs equalled 69 percent of total federal tax receipts.

The publication, according to Dr. Leonard M. Greene, Institute president, "will be an indespensable tool for Congress and the administration as debate mounts on reform of the nation's welfare and tax programs. At long last, these deliberations can be based on precise fact—the actuality of the nation's huge outlays for income maintenance."

Issuance of the study marks the completion of the first phase of a three-year project to identify all federal, state and local income transfer programs.

"It is highly disturbing," Dr. Green said, "that in the current debate on welfare reform, no one really knows exactly how much government money is already helping the poor."

Many suggest abolishing all present cash and aid-in-kind programs, such as food stamps, and substituting, instead, a single cash program for the poor. A negative income tax or similar program would have the virtue of simplicity of administration and would permit drastic slashing of current red tape. What is needed, however, is data on what government is presently spending for reducing poverty.

A basic danger, according to Dr. Lawrence, is that "The burgeoning array of income transfer programs (has) no basic theory (unifying) the various programs into one overall approach . . . The overlapping benefits of many of the programs often lead to work disincentives which foster dependency on welfare. It is difficult to see how such a system could be rationally unified into a coherent approach, until these systems have been identified and understood."

The study shows that at the federal level, many programs are small enough, or specialized enough, or so divorced from legislative authority, that they have escaped analysis and scrutiny. A number of such programs do not even appear as separate line items in the federal budget; their costs are lumped together with other expenditures.

To hear of the work these researchers have undertaken certainly adds a bright spot to the gloomy welfare and tax messes we have on our hands. If used properly by our nation's leaders, the study could very well help in establishing some sensible fiscal guidelines.●

NATIONAL SOCIETY OF PROFESSIONAL ENGINEERS EXPRESSES SUPPORT FOR LEGISLATION

HON. DON FUQUA

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 8, 1978

● Mr. FUQUA. Mr. Speaker, in March Mr. Sammie F. Lee, chairman of the National Society of Professional Engineers' Legislative and Government Affairs Committee, testified in support of legislation I and many other Members of Congress had introduced to insure fair and equitable wages to professionals engaged in technical support service contracts.

Since the time of Mr. Lee's testimony, the Office of Federal Procurement Policy has issued regulations which, I am pleased to note, closely follow the concepts embodied in my bill.

Mr. Lee's comments represent the collective view of the 75,000 individual members of NSPE and because of the importance of his views on this issue, I would like to place the text of his testimony in the RECORD:

STATEMENT OF SAMMIE F. LEE ON H.R. 4873

My name is Sammie F. Lee. I am a professional engineer from Louisville, Kentucky and also serve as Chairman of the Legislative and Government Affairs Committee of the National Society of Professional Engineers. Appearing with me today is Milton F. Lunch, General Counsel of NSPE. We welcome this opportunity to present our views on H.R. 4873, a bill to provide for fair and equitable compensation of professional employees in the performance of technical support service contracts.

NSPE, a nonprofit organization representing 75,000 individual members who are actively involved in every aspect of engineering, wishes to commend this Subcommittee for its interest in solving the problem known as "wage busting." We would also like to commend Congressman Fuqua for his introduction of H.R. 4873, a bill which we believe is a well conceived solution to the problem.

NSPE is opposed to wage busting and finds this practice deplorable. In January of 1977, NSPE's board of directors approved a policy that states:

"NSPE deplores the practice of wage busting whereby a contractor obtains a competitive advantage in securing successive technical service contracts for the same services by reducing the compensation of engineers and other professional personnel even though such personnel will be employed in the same capacity as they were under the predecessor contractors. NSPE will support legislation to eliminate such practice through the procurement process.

"NSPE is opposed to the setting of compensation of professional employees of contracting organization by government fiat or determination. NSPE believes that the merit system of compensation determination for professional employees best serves the interest of the public and the professional status of engineers."

In June of 1977, NSPE testified before another subcommittee of the House of Representatives on the subject of "wage busting" and reiterated its opposition to "wage busting." At that time, however, NSPE was opposed to the proposed solution contained in H.R. 314. In brief, NSPE is opposed to that bill because it would amend the Service Contract Act to include engineers providing professional services. Under the bill, the Secretary of Labor would be required to mandate minimum wage levels for covered engineers. We believe that such a practice would violate the basic nature of professional employment. A professional should provide expertise without rigid or arbitrary formulations or controls. The key word in professional employment is "flexibility" and H.R. 314 would eliminate that concept.

We are in complete agreement with the opposition of H.R. 314 as expressed by the Comptroller General of the United States and the Director of the Office of Management and Budget. As stated by the General Accounting Office, the solution proposed in H.R. 314 is "unnecessary and undesirable."

NSPE supports H.R. 4873 as the proper solution to the "wage busting" problem. H.R. 4873 recognizes and maintains the concept of "flexibility" with regard to the employment of professionals. Unlike H.R. 314, the Fuqua bill provides a cure that is not worse than the disease.

Instead of requiring a Federal agency to set wages, the bill directs the procuring agency, prior to awarding a contract, to determine that "wage busting" will not occur and that salaries proposed for professional employees by competing contractors will be consistent with appropriate levels of professional responsibility and achievement. The head of the agency is required to review salary levels to insure that they reflect the abilities, professional status, responsibilities, and value of the education and experience of the employees. As a part of the review, the agency head must take into account published salary surveys and studies of public and private organizations.

In short, a technical support service contract cannot be awarded until the agency determines that the salary levels for professional employees are equitable and commensurate with their individual position classifications and level of professional performance. This approach preserves the merit system and the flexibility necessary to allow the employee to function at the optimum level.

The bill also defines "technical support service contracts" to avoid any misinterpretation as to the type of contracts to which the bill applies. We agree that there is no need to legislate in those non-technical support service areas not experiencing "wage busting" problems.

As the members of this Subcommittee well know, there is a long body of precedent in Federal law that recognizes that professional employees should not be included under labor standard laws in which the Government sets minimum wages and other compensation benefits. These laws recognize the necessity that professional employees have flexibility in performing their services. Thus, professional employees are not covered by the minimum wage determinations under the Davis-Bacon Act for construction workers of the Walsh-Healey Act for production employees. They are likewise exempt from the Fair Labor Standards Act requirements of minimum wages and overtime payments after a specified number of hours of work per week. NSPE believes that H.R. 4873 preserves this recognition of the longstanding exemption of professional employees from rigid employment classifications and standardized salaries. In short, it preserves the essential merit system applicable to professional employees.

NSPE would also like to comment briefly on recent administrative actions taken by the Office of Federal Procurement Policy. We would like to take this opportunity to commend OFPP for its quick and decisive action with regard to an administrative solution to "wage busting."

It is our understanding that OFPP has worked with Federal procurement officials in Florida in developing procurement language that was used in the reletting of recent contracts. We further understand that the General Accounting Office has audited the awarding of these contracts and determined that "wage busting" has not occurred. As a result of OFPP's action and the GAO reports, we are optimistic that an administrative solution to the problem is possible and await with great interest OFPP's proposed regulations dealing with the problem.

In closing, we would once again like to commend Congressman Fuqua for introducing H.R. 4873 and this Subcommittee for its interest in providing a workable solution to the "wage busting" problem. Mr. Lunch and I would be pleased to answer any questions you may have at this time.●

TRIBUTE TO PAUL WARFIELD OF WARREN, OHIO

HON. CHARLES J. CARNEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, May 8, 1978

● Mr. CARNEY. Mr. Speaker, on May 12, 1978, a banquet will be held in honor of Mr. Paul Warfield, former all-pro wide receiver in the National Football League. The banquet will be held at the Packard Music Hall in Warren, Ohio.

Paul Warfield was born and raised in Warren, Ohio. He attended First Street Elementary School, Harry B. Turner Junior High School, and Warren G. Harding High School.

From 1957 to 1960, Paul played football at Harding High. During his 3-year high school varsity football career, he scored a total of 191 points, while gaining a total of 2,459 yards—2,103 yards rushing and 356 yards receiving.

Following his graduation from Warren Harding High School, Paul Warfield played for the Buckeyes of Ohio State University, where he scored 84 points, rushed for 1,047 yards and caught 39 passes for 525 yards.

After graduating from Ohio State, Warfield was drafted by, and played for, the Cleveland Browns from 1964 to 1969. As a wide receiver for the Browns, he caught 215 passes for 4,346 yards and scored 44 touchdowns. He was a major factor in the Browns' record of 58 wins, 26 losses and 3 ties.

From 1970 to 1973, he played for the Miami Dolphins, and the Dolphins went to two Super Bowls. As a Dolphin, Warfield caught 129 passes for 2,819 yards and 20 touchdowns. He played for the Memphis Southmen in 1974, and the Miami Dolphins in 1975, before returning to the Cleveland Browns for the 1976 and 1977 seasons.

Paul Warfield holds the National Football League record for highest average yards per catch—20.1 for each reception. During his 13-year NFL career, he caught 85 touchdown passes, tying for 2nd place in career touchdown receptions. He ranks 17th for the number of passes caught in the National Football League—427.

The citizens of Warren, Ohio, and the people of the entire Youngstown area, are proud of the accomplishments of Paul Warfield. They are proud of him for two reasons. Besides being an All-American and an All-Pro football player, Paul Warfield also possess the chief athletic virtue of good sportsmanship. To football fans in my district, he is a hero in the best sense of the word.

I congratulate Mr. Paul Warfield on an outstanding football career, and I wish him the best of luck in his future endeavors. We will miss seeing the amazing catches that became his trademark.●

TAKING STOCK

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 8, 1978

● Mr. McDONALD. Mr. Speaker, one of the continuing failures of our foreign policy is that we treat the Communist nations as normal nation states, forgetting they are a "cause" not a state in the normal sense of the word. The further manifestation of this erroneous thinking is that we continually negotiate with them by sending signals or making offers that we feel should be responded to in a certain way. This is done with our Judeo-Christian heritage and values as a background. None of this seems to work, but our policymakers keep repeating the same errors. Vice Adm. J. B. Stockdale, President of the Naval War College, recently treated this subject, based upon his background as a POW in North Vietnam. His thoughts as they appeared in the Naval War College Review for Spring 1978 are worth reading.

The article follows:

TAKING STOCK

Oscar Wilde once wrote that "Man is a rational animal who always loses his temper when he is called upon to act in accordance with the dictates of reason." He was not writing about war, of course, but his observation seems pertinent to one of our blind spots when thinking about and planning for war. We plan; we calculate; we consider and accept or reject options; we apply the most theoretically sound principles to our studies and we do it all in a rigorously rational way *but* whether through design or ignorance we too often forget that while war as political theory may be perfectly rational, warfare in practice is most decidedly not. Clausewitz said it this way: War is a trinity with its rational element of being outweighed two to one by the combined elements of chance ("within which the creative spirit is free to roam") and blind natural force ("primordial violence, hatred and enmity"). I believe with Livy that the event corresponds less to expectation in war than in any other case whatever. War never has been nor ever will be fought without Wilde's men who lose their temper and somehow their *familiar* rational processes are insufficient or inappropriate to the irrational game being played. I emphasize *familiar* lest it be incorrect inferred that I have no brief for reason. Of course I do, but I think that reason must be expanded to include the subjective element, the man element—why he fights, how he fights, whether he must fight.

This is not a new question. Philosophers, real and fancied have long grappled with it. One of them, an acquaintance and sometime correspondent of mine, recently died. He never taught at a military school or service college. As far as I know, he never made a study of war but he did study men in war. He received his doctorate in philosophy from Columbia University the same week he was called up in a pre-World War II draft. Eligible for a commission, he preferred to serve first as a foot-soldier, then as a counter-intelligence operative in Europe. His name was J. Glenn Gray. He kept a journal and copies of letters he wrote to his friends and in them he recorded his thoughts and observations of men in war. More than a decade after the war he put his reflections, then matured, into a book, *The Warriors*.

I disagree with Professor Gray in many particulars—at least I interpret some things differently—and I am not going to review his book here but I do commend it to all thoughtful readers. He writes in moving and literate prose of the paradoxes of man in war, the ecstasies and agonies, the glories of battle, the ugliness of death, the feelings of guilt and hate and rage, and the tremendous power of comradeship. It is all useful to an understanding of ourselves and of our adversaries. In my change of command address I noted that war is a serious business, that people get mad in war, and that the laws of logic are valueless in bargaining under such conditions. Gray helps us to see why.

One result of failure to accommodate psychological or subjective factors in our wishful thinking is that to which I referred in the last issue of the *Review*—perceptions and misperceptions. We delude ourselves in many things but one which is especially troubling to me and which I have had the opportunity of observing from another side is our attribution of our own characteristics and expected stimuli-responses to our adversaries. We plan and conduct elaborate and subtle operations intended to "signal" something to that adversary and are amazed at his response (or lack of same). We ignore or reply gently to aggressive provocation intending thereby to signal that we want to live in peace and harmony and are baffled when provocation increases. We gradually increase the power of our response in an attempt to signal our capability, our restraint, and our desire to give our opponent an out and are baffled that he, instead, lashes back in anger and vengeance. We mount a massive attack signalling determination, if little else, and are baffled that our opponent sues for peace. But why? Why should we be baffled? How much experience do we need? The results of our misapprehended signals are not hidden. I thought of this often as I lay in my cell in Hanoi and listened to the explosions of "measured U.S. response" signalling, by restraint, the American belief in the futility of continued North Vietnamese intransigence and hearing the contemptuous response of the jailers, the people in the street—we're angry, we don't *want* an out, we *want* to fight. And I stood with scores of American POWs and cheered while unmistakable commitment was registered as B-52 bombs thundered into military targets all night, night after night in late 1972, and felt the collapse of an enemy's will as those same jailers became apologetic and solicitous, and those same streets—well clear of the drop zones—fell silent. "Burning bridges behind us," not "keeping options open," squelched the war whoops of Hanoi.

There is a language of war, but it can't be faked. To win it is necessary to understand it. It has long been clever to quote Clemenceau's belief that war is too important to be left to the generals. He may have been correct but the generals—and admirals and commanders and colonels—who are called on to conduct war had best know what they're

about. And that's what we at the Naval War College are about.

J. B. STOCKDALE,
Vice Admiral, U.S. Navy,
President, Naval War College.

THE GROWTH OF GOVERNMENT: WHO BENEFITS?

HON. JOHN H. ROUSSELOT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 8, 1978

● Mr. ROUSSELOT. Mr. Speaker, on November 30 of last year I made a short speech on the growth of government and inserted in the RECORD an article from the Intercollegiate Review by Dr. Paul Craig Roberts titled "The Political Economy of Bureaucratic Imperialism." The article put the growth of government in a new perspective which we all need to consider.

In the current issue of the Intercollegiate Review, two university economists, Dr. James T. Bennett and Dr. Manuel H. Johnson, provide empirical evidence in support of Dr. Roberts' thesis. and they include:

In sum, based on a survey of IRS statistics between the years 1914 and 1975, there is ample evidence to support Paul Craig Roberts' assertion that the bureaucracy operates to achieve self-aggrandizement which can be inimical to the public interest.

The article by Professors Bennett and Johnson also provides ample evidence in support of my balanced budget amendment to the budget resolution that I will be offering. Support for this amendment has been growing. More and more Members of Congress have been realizing that they must put the interests of the American taxpayers ahead of those of the Federal bureaucrats that we have been feeding excessively for more than a decade. A balanced budget will do something for the people who actually produce the goods and services that support our country and the Government.

The article follows:

BUREAUCRATIC IMPERIALISM: SOME SOBERING STATISTICS

(By James T. Bennett and Manuel H. Johnson, Jr.)

In the Fall, 1976 issue of this Review, an article appeared by Paul Craig Roberts entitled "The Political Economy of Bureaucratic Imperialism." Roberts addressed the problem of the universal bureaucratization of society and bureaucratic involvement in private life. His ideas and insights are as significant as they are thought provoking and, therefore, deserve further attention. More specifically, the purpose of this brief study is to provide empirical evidence relevant to Roberts' central arguments.

With regard to bureaucrats, Roberts states that—

"[P]recisely because they do have special interests offering them identifiable gains, bureaucrats and their beneficiaries have incentives to enlarge the scope of government. Today legislation is originated by bureaucrats who unlike politicians are life peers and cannot be voted out of office.

"Some people are sufficiently sophisticated to notice that bureaucrats are quick to use every opportunuity to feather their nests and enlarge their budgets and powers. But I am saying more. I am saying that there is no coincidence whatsoever between the interest of bureaucrats and the public interest. I am saying that government social and economic policy is the tool of bureaucrats for self-aggrandizement and is inimical to the public interest."

As one example of the concepts developed in his essay, Roberts selected the income tax and the Internal Revenue Service, viz.:

"The income tax was voted in under one guise and retained under another. Furthermore, it was the action of a past generation. For us it is an inherited obligation, as were feudal dues, and it is seen that way by the Internal Revenue Service. All of us have been born to the statist gospels. Any clamors for tax reduction are translated into proposals for tax reform, which are further transformed into proposals for securing more revenues for government."

The point is also made that while government had claim to only one-eighth of national income at the turn of the century, it was commandeering more than one-third of the annual national income by the 1970's.

The table below contains some selected statistics for the Internal Revenue Service for the years 1914 and 1975. To facilitate comparisons among the statistics, the percentage change between the two years is also shown. Note that, where appropriate, dollar amounts for 1914 are also given in 1975 dollars in order to adjust for the decline in the purchasing power of the dollar and make the dollar figures more comparable between time periods.

SELECTED STATISTICS FOR THE INTERNAL REVENUE SERVICE, 1914, 1975, AND PERCENTAGE CHANGE

Statistic	1914	1975	Percentage change
U.S. population	[1] 97,000,000	214,000,000	120
U.S. labor force	[1] 34,800,000	94,800,000	172
Total Internal Revenue collections	[2] $415,600,000	$293,800,000,000	11,990
Individual income tax collected	[3] $41,040,000	$156,400,000,000	551
Number of individual returns	357,515	85,518,719	23,800
Percent of population taxed	([4])	40	----------
Percent of labor taxed	1	90	----------
Tax per capita	[5] $4.28	$1,375	5,390
IRS employees	4,000	82,000	1,950
IRS employees per capita	1:24,250	1:2,609	829
IRS forms	[1] 45	4,050	8,900
ABA members	8,033(1913)	218,146	2,600
IRS lawyers	1	800	79,900
Tax-related court cases	4,731	43,687	820
IRS costs	[6] $6,800,000	$1,580,000,000	3,900
Number of words of law	[1] 10,000	[1] 750,000	7,400

[1] Estimated.
[2] $2,430,000,000 in 1975.
[3] $24,000,000,000 in 1975.
[4] Less than 0.5.
[5] $25.03 in 1975.
[6] $39,700,000 in 1975.

Source: Peter Meyer "The Dizzy Growth of Form 1040," The Washington Star, Mar. 20, 1977, p. E1.

From the table, it is immediately apparent that bureaucrats have enlarged the scope of government and increased their budgets and powers. Between 1914 and 1975, the U.S. population increased by 120 percent—slightly more than double—and the U.S. labor force grew by 172 percent. The reason that the labor force has grown more rapidly than population is that the labor force participation rate of women has increased substantially since World War II. One would expect that the number of returns filed would increase roughly at the same rate as the labor force—or by about 172 percent. Government has chosen, however, to broaden the scope of its involvement in the affairs of private citizens to a much greater extent, for it is evident that the coverage of the income tax has been broadened dramatically. In 1914, only 357,515 returns were filed, which implies that less than 0.5 percent of the U.S. population was taxed, only about 1 percent of all labor was taxed. For 1975, however, a vastly different picture emerges: the number of individual returns increased by more than 23,800 percent to about 85.5 million; fully 40 percent of the population is now taxed; and 90 percent of the labor performed is now subject to income tax. Clearly, through the federal individual income tax filings, the government has managed to centralize a data base on the economic livelihoods of millions of American private citizens; it is obvious that the potential for abuse is enormous.

That the bureaucrats have successfully managed to increase their budgets and powers is also clear from the table. The number of IRS employees rose from 4,000 in 1914 to 82,000 in 1975—an increase of 1,950 percent. The quintessential bureaucrat, the government lawyer, has fared particularly well at IRS over the 1914–1975 period. The number of IRS lawyers grew by 79,900 percent—an astounding rate by any standard of comparison. In addition, nearly a quarter of a million members of the American Bar Association consider themselves tax specialists; thus, about nine percent of the attorneys in the U.S. are supported by work generated by the bureaucrat at IRS. It is worthy of note, however, that the number of court cases which are tax related have only increased by 820 percent over the period; it is clear that the increase in lawyers engaged in tax matters both in and out of government did not lead to proportionate increases in the number of court cases.

Lawyers are not the only beneficiaries of the bureaucratic obfuscation of tax laws and regulations. Thousands of individuals earn a livelihood giving tax advice and "assisting" the U.S. taxpayer to complete his tax forms. The need for such assistance has been virtually guaranteed by the myriad of forms and reporting procedures adopted by IRS. In 1914, IRS employed a total of about 45 forms, but by 1975 had managed to increase that number by 89 times to more than 4,000. The forms, on the average, are also more complicated today, for they reflect the three-quarters of a million words of tax law now in existence as compared to about 10,000 words in 1914.

Many technological changes have occurred since the inception of the income tax early in the century. Two of the most notable advances which should have improved the productivity of IRS workers measurably are (1) the widespread adoption of the telephone which facilitates rapid and easy communication and (2) the development of high-speed computing devices that would relieve workers of routine drudgery in processing tax forms. There is no evidence that such technological improvements have made IRS employees more efficient or reduced costs of IRS operations. From the table, it may be seen that, in 1914, there was only one IRS employee per 24,250 U.S. citizens while in 1975 there was one IRS employee for each 2,609 Americans—an 829 percent increase. Moreover, the cost of collecting federal taxes

has soared from $39.7 million (in 1975 dollars) per year in 1914 to $1.58 billion in 1975. Although not shown in the table, a simple calculation reveals that the average annual cost per IRS employee (in 1975 dollars) rose from $9,925 in 1914 to $19,268 in 1975—direct evidence of the "feather the nest" syndrome recognized by Roberts. Of course, these cost increases are in absolute amounts, but the important fact is that, in per employee terms, rising costs materialized in spite of the adoption of "labor-saving" and "efficiency-enhancing" devices such as computers. Though beyond the scope of this study, an interesting question is the increase in employment and cost at IRS had technological change remained constant.

Finally, we note that the amount of individual income tax collected rose by only 551 percent (based on 1975 dollars)—a very significant amount in absolute terms, but quite modest in relation to the accompanying bureaucratic proliferation. Total IRS tax collections show an astounding growth of almost 12,000 percent. This information, taken together with the fact that the tax per capita in constant 1975 dollars has grown by about 5400 percent, clearly indicates that the federal government has consistently expropriated the purchasing power of the private sector to finance the growth of government—an ominous trend which continues unabated.

In sum, based on a survey of IRS statistics between the years 1914 and 1975, there is ample evidence to support Paul Craig Roberts' assertion that the bureaucracy operates to achieve self-aggrandizement which can be inimical to the public interest.●

UNITED SYNAGOGUE YOUTH

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 8, 1978

● Mr. WAXMAN. Mr. Speaker, it is a pleasure to ask the Members to join with me in congratulating the Far West Region of the United Synagogue Youth on its 25th birthday celebration, an anniversary convention which will be held on May 27, 1978.

The Far West Region of United Synagogue Youth is one of 18 regions in the United States, Canada and Israel, and its 1,500 members are located in some 50 conservative synagogues in southern California, Hawaii, Arizona and Nevada, an important part of the organization's international membership of 25,000 young people. This international organization for Jewish high school students, whose purpose is to bring about a meaningful and fully reciprocal encounter of Judaism, the Jewish people and the synagogue on one side and the Jewish teenager on the other, is aimed at serving the social, athletic, cultural and educational needs and desires of these young people. United Synagogue Youth's national programs include a wide range of activities. A 6-week summer pilgrimage to Israel and a similar pilgrimage to Eastern Europe and the U.S.S.R. are featured, together with USY on Wheels, a 6½ week bus trip across the United States featuring visits to national shrines and places important to our American heritage. In addition, members raise large sums of money for charity through the Tikun Olam program ("Improving the World"), devoted to helping the sick, blind, displaced, and the Soviet Jewry resettlement program in Israel. Many opportunities for study and social action are afforded through a variety of publications and projects. The USY annual international convention attracts thousands of young people gathering from around the Nation.

On a regional level, the organization's program includes all of the activities already mentioned as well as the Shabbat Troupe, where young people plan and perform religious services at various synagogues throughout the region. Camp USY at Camp Ramah in Ojai, Calif., provides opportunities during the summer seasons for teenagers to learn, live, and study their jewish heritage. Richard D. Sigel, M.S., director of United Synagogue Youth's Western Region, has had many years of experience as an educator and leader which especially prepared him to lead this most important section of the United Synagogue of America. Many of the teenagers who have graduated from USY have gone on to become prominent rabbis, business and professional leaders. Their quality as citizens provides proof of the value of USY's contributions to their education. I look forward to many future anniversary celebrations for United Synagogue Youth's Far West Region.●

DISPUTE SETTLEMENT AND THE LAW OF THE SEA

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 8, 1978

Mr. FRASER. Mr. Speaker, the Third U.N. Conference on the Law of the Sea is currently holding its seventh session in Geneva in an effort to resolve several outstanding issues, including the nature and scope of the international seabed authority. We have give considerable attention to the problem of creating the seabed authority and in adopting interim domestic legislation prior to the coming into force of an international convention on the law of the sea.

We must not, however, lose sight of other important dimensions of the law of the sea negotiations. The negotiations on the settlement of disputes are one of the little publicized, though very significant developments in this conference. I was very glad to receive recently a copy of Prof. Daniel S. Cheever's "The Settlement of Disputes and the Law of the Sea" which appears in the February 1978 issue of Marine Policy reports. Professor Cheever has succinctly discussed the trend of the negotiations on dispute settlement procedures. He indicates that representatives widely agree that such procedures are indispensable for any comprehensive ocean treaty or regulatory regime. The conference has a working group on dispute settlement, whose rapporteur is an American. Prof. Louis B. Sohn. This group has succeeded in integrating provisions for dispute settlement into the work of the negotiations on the seabed authority, the economic resource zone, and the protection of the marine environment. The provisions or dispute settlement are expected to serve as a model for law of the sea conflicts, even if a comprehensive treaty does not come into force, as well as for other global issues—such as weather and outer space—where dispute settlement procedures will be necessary in the future.

This is a useful, timely, and thoughtful statement. I request that it be inserted in the RECORD and commend it to you:

THE SETTLEMENT OF DISPUTES AND THE LAW OF THE SEA

(By Daniel S. Cheever)

Despite its disappointment with the results of the Third United Nations Conference on the Law of the Sea Conference up to 1977, the United States has been pleased with one development: the procedures for dispute settlement that have been specified in the Informal Composite Negotiating Text (ICNT) distributed after the close of the Sixth Session. Ambassador Elliot L. Richardson has contrasted the set-back to reaching an agreement on an international regime for the conduct of seabed mining with the continued progress in developing a comprehensive system for the peaceful settlement of disputes relating to ocean uses.

The United States is seriously reviewing both the substance and procedure of the Conference, not only in Discussions in Washington but through informal negotiations with other governments before the next session resumes in Geneva in March 1978. If an acceptable comprehensive draft text is not forthcoming at the Seventh Session, the United States may have to adopt another strategy to meet its international ocean policy objectives. Even if there were general agreement on a text and a return in 1979 to Caracas for a ceremonial signing of a comprehensive ocean treaty, the consent of the U.S. Senate to ratification by the President is not assured. But whether or not a comprehensive ocean treaty emerges from the Conference, two observations regarding dispute settlement are important at this juncture.

First, there is wide-spread agreement among governments at the Conference that a binding dispute settlement procedure is indispensable for any comprehensive ocean treaty or ocean regulatory regime. Second, the system of dispute settlement outlined in the ICNT may well serve as a model not only for many law of the sea matters but also for dispute settlement in connection with other global interests, such as the weather and outer space, where states make common use of a resource.

Many governments believe the traditional system for handling international disputes to be inadequate for dealing with conflicts that are arising because of the new uses of ocean space and marine resources as well as the intensification of old uses of the oceans. Questions have been raised about the status in international law of "natural" and "judicial" persons (firms, intergovernmental, and nongovernmental organizations), as well as the utility of existing judicial procedures and institutions. Moreover, the "freedom of the high seas" doctrine does not take adequate account of modern science, technology, and resource exploitation, with the need for international regulation. The objective of the dispute settlement provisions of the ICNT is to facilitate the international control of ocean activities that hitherto did not exist or required little or no regulation by either national or international public authority.

BINDING DISPUTE SETTLEMENT

Progress toward an agreement on binding dispute settlement procedures for the law of

the sea has continued steadily from the modest beginnings in the preparatory work of the UN Seabed Committee from 1968 to 1973. Malta, among other states, had urged establishment of a Sea-Bed Tribunal to deal with disputes arising from exploitation of seabed resources in the vast area that lay beyond national jurisdiction and was described as "the common heritage of mankind." Actual negotiations on dispute settlement started at the 1974 Caracas meeting of the Conference when 30 delegations established an informal working group that produced a working paper setting out alternative solutions to 11 fundamental issues. These included such controversial questions as the "obligation to resort to a means of settlement resulting in a binding decision," exceptions and reservations to such an obligation, and whether a law of the sea dispute settlement system should be organized on a general (comprehensive) basis or along functional (specialized) lines. An American, Professor Louis B. Sohn, served as rapporteur for this group.

Membership in the group increased from 30 to 60 at the third session of the Conference in Geneva in 1975. This enlarged group agreed at least on an "informal negotiating text" that was issued in the name of the Conference President. The group further increased its numbers and attracted more interest during the next three sessions in New York, particularly with the participation of African states.

The issue of a compulsory dispute settlement system, therefore, is no longer a Conference step-child treated informally and separately from the subject matter of the law of the sea that has been handled by the three main committees. Dispute settlement is now included as an integral part of the ICNT and appears, for the moment, to have considerable support among the various negotiating groups, such as the major maritime powers, the poor coastal states, the landlocked states, and the Soviet Union with its East European allies. Other governments, such as France, which had initial reservations, now appear satisfied, probably because their preferences for dispute settlement have been included as options under the flexible dispute settlement system outlined in ICNT.

Whatever the outcome of the Conference, the negotiatiing process has resulted in important new trends in international dispute settlement that may become operational in international law. The 1977–78 text is "composite," of course, as an amalgamation and adaptation of four prior negotiating texts dealing with separate issues drafted by the Chairmen of the Conference's three main committees, and, in the case of dispute settlement, drafted in the name of the Conference President. In sum, a dispute settlement system has become a major part of the treaty struggling to be born.

CHANGE AND CONFLICT

The acceptance of a law of the sea treaty as conventional law or even the observance of its norms as customary law will depend in some degree on the availability and dependability of third-party judgment. When an important political-legal regime, such as the freedom of the high seas, undergoes major change, an international agreement on the settlement of disputes under the new regime can be helpful in promoting acceptance of the change.

There can be no argument about the magnitude of the changes that are taking place. Limits of the territorial sea have been expanded from 3 miles to 12 miles. Jurisdiction over marine and seabed resources as well as pollution and scientific research are likely to be extended from 12 miles to 200 miles and even beyond in cases where the continental margin extends farther seaward. With the widening of territorial seas, the right of "transit passage" through straits used for international navigation has been proposed as a legal doctrine. Moreover, the asserted rights of a coastal state to conserve and manage its coastal fish stocks, to regulate research on its continental shelf, and to regulate pollution from vessels near its shores are seen as a threat to traditional navigational rights highly prized by other states. Resource exploitation at sea as on land inevitably entails a conflict of uses and, therefore, a conflict among users. Hence the need for law, management, and adjudication, i.e., regulation in the public interest. But in whose public interest?

This has proved to be a hard question to answer at the Conference because of the number of countries and the number of issues involved. Approximately 150 states have been represented at each session as well as a half-dozen or so international agencies. These sovereign entities have been attempting to agree on a comprehensive ocean treaty by pursuing their particular ocean interests in activities as diverse as fisheries, drilling for oil, and deep sea mining. Given the complexity of this negotiating process, it is hardly surprising that the Conference has taken nearly 5 years to reach consensus on many aspects of ocean governance. The draft articles in the ICNT for a 200-mile exclusive zone, a zone in which the coastal state may exercise something less-than-total jurisdiction, is one example of an important area of agreement.

Even this text had difficulty in gaining widespread acceptance for some time because some governments had trouble resolving their own internal differences on ocean policy. For example, American oil interests, both consumers and producers, have wanted large tankers to sail through territorial seas and coastal economic zones with a minimum of regulatory interference. Naval interests have had a similar objective. Fisheries and environmental interests, on the other hand, have been strongly motivated to regulate the passage of tankers in narrow waterways and over rich coastal fishing grounds. Out of the welter of interacting uses of the oceans will come international disputes and conflicts.

The dispute settlement procedures, moreover, will need to deal with novel and complex interrelationships involving persons, firms, international organizations, and governments. All these entities could be engage in sea bed exploitation in the "area" beyond national jurisdiction. The ICNT specifies that these entities are to be subjects of *international* law and therefore obligated to follow the procedures for dispute settlement.

International disputes over ocean rights would probably occur more often without a treaty than with a comprehensive, widely-accepted treaty. The absence of a treaty entails the added risk of losing the proposed dispute settlement provisions, which appear to have attracted a great deal of international support. In any event, conflicts arise because of the difficulty of establishing an international interest in ocean governance, a difficulty compounded in part by the dissent within governments in determining their own ocean interests.

TO WHOM SHOULD THE LAW OF THE SEA APPLY?

The ICNT reflects the expectation that some disputes arising out of ocean resource exploitation, especially sea bed minerals, are likely to require more than the state-to-state negotiation, arbitration, or adjudication that has traditionally characterized international dispute settlement. Section 6 (Articles 187–192) provides for a Sea Bed Dispute Chamber as part of the proposed Law of the Sea Tribunal, with jurisdiction over disputes arising (1) between *states* parties to the proposed treaty, (2) between states and the proposed Inernational Sea Bed Authority, (3) between *nationals* of states parties and the Authority, or (4) between nationals of "different state parties." Article 192, in particular, indicates that individuals are to have standing as legal persons. Thus, when a national of a state that is a party to the treaty is a party to a dispute, the "sponsoring state shall be given notice thereof, and shall have a right to intervene in the proceedings." Article 151, moreover, provides that "activities in the Area shall be carried out by the Authority on behalf of mankind as a whole . . . and on the Authority's behalf by an Enterprise and in association with the Authority by States parties or State Entities, or persons natural or judicial which possess the nationality of State Parties or are effectively controlled by them or their nationals, when sponsored by such states. . . ." Moreover, "entities" other than states may be parties to a dispute before the proposed Law of the Sea Tribunal (see below). Thus, the proposed treaty seeks to recognize individuals, firms, and international organizations as legal persons in addition to the sovereign states parties to the treaty.

PROCEDURES AND INSTITUTIONS

What court or courts and what procedures are to be used in settling disputes under the new Law of the Sea treaty? One obvious candidate is the International Court of Justice (ICJ). For a time, it was favored by some governments as the sole institution to be empowered to interpret the proposed treaty. The ICJ, however, has been ruled out as the sole judicial body by many governments because its competence was thought to be too restricted by Article 34 of its Statute, which specifies: "Only states may be parties in cases before the Court."

If there is to be international regulation to protect the "common heritage of mankind," international law, as noted already, must bear directly on multinational corporations, international organizations, and even individuals. Some governments, therefore, favored a special tribunal to deal with the disputes expected in connection with the complexities of seabed mining. Others endorsed the notion of a general Law of the Sea Tribunal. Still others felt dispute settlement procedures should be organized entirely along functional lines to deal with specialized activities, such as fishing, scientific research or navigation. The result has been a flexible system for dispute settlement in the proposed text.

Of the four alternatives available for settling controversies arising under the Law of the Sea treaty, the ICJ is one. A Law of the Sea Tribunal is a second alternative. The Tribunal would be "composed of a body of 21 independent members, elected from among persons enjoying the highest reputation for fairness and integrity and of recognized competence in matters relating to the law of the sea" (Article 2 of Annex V). Election of members would be by secret ballot at a meeting of the "States Parties" to the proposed treaty called by the Secretary General of the United Nations. In the matter of elections, the Statute of the Tribunal makes the time-honored deference to representation of the "principal legal systems of the world" and to observing the principle of "geographical distribution." The term of office would be nine years with the privilege of reelection, and the members of the Tribunal would enjoy diplomatic and immunities when engaged in official business.

The Tribunal would include a Sea Bed Disputes Chamber and such Special Chambers, "composed of three or more members, as the Tribunal may deem necessary for dealing with particular categories of disputes. The composition of such a Chamber is to be determined by the Tribunal with approval of the parties." The Sea Bed Disputes Chamber would be "composed of eleven members, selected from among the members of the Tribunal by a two-thirds vote of the As-

sembly of the proposed Sea Bed Resources Authority."

Because another group of states have expressed a preference for arbitration or other special procedures for settling their differences, the ICNT provides for arbitration procedures as third and fourth alternatives. Arbitration as it is traditionally practiced would be the third alternative, while the fourth alternative would involve the appointment of experts to special arbitral tribunals, as the parties may agree.

The keystone of the proposed dispute settlement system is flexibility. The parties may resolve their differences in one of several ways, but the over-riding obligation on the parties is to settle their disputes peacefully. To fulfill this obligation they have a right to select "any peaceful means of their own choice," which include arbitration, conciliation, and other peaceful means indicated in Article 33 of the U.N. Charter. If the parties do not accept the same procedure, however, their dispute is to be submitted only to arbitration unless the parties otherwise agree. At an earlier stage, such as signing or ratifying the treaty or at any time thereafter, the parties to the treaty are free by means of a written declaration to indicate how they prefer to settle disputes under the treaty.

THE SCOPE OF THE DISPUTE SETTLEMENT SYSTEM

The most difficult issue facing the Conference may prove to be the scope of judicial review under the obligatory dispute settlement system. A number of articles in the ICNT deal with the problem. Article 295 provides on the one hand that any decision prescribed by a court or tribunal having jurisdiction over a dispute arising under the terms of the treaty "shall be final and shall pay heed to a traditional principle of dispute." On the other hand, the same article pays heed to a traditional principle of international law that limits decision to the parties involved in that particular dispute.

In addition, a long controversial article (296) lays out a number of limitations on the obligatory dispute settlement procedure under the treaty as a whole. A complainant must establish that the claim is well founded, and the tribunal may reject a complaint that in its opinion constitutes an abuse of legal process or is frivolous or vexatious. Moreover, a court or tribunal shall have jurisdiction only in cases involving alleged interference by the coastal states with the freedoms and rights of navigation and overflight or with other lawful uses of the sea specified in the Convention, or in cases when it is alleged that "a coastal state has acted in contravention of specified international rules and standards for the protection of the marine environment—in accordance with the present Convention."

Neither "legislative" acts nor "discretionary" acts of the International Sea-Bed Authority's Assembly or Council are to be questioned before the Sea-Bed Disputes Chamber, nor can the Chamber determine whether rules and regulations adopted by the Assembly or the Council are in conformity with "the present Convention." But the Chamber does have jurisdiction over complaints with regard to such rules and regulations in their application to individual cases and over disputes involving allegations that the Assembly or Council has misused its power. An alleged contravention by any state of the rules of the Convention or of "regulations established by the coastal state in conformity with the present Convention and other rules of internatonal law" would be subject to review, and an international tribunal may assume jurisdiction arising from complaints that "a coastal state has acted in contravention of specified international rules and standards for the protection and preservation of the marine environment . . . which have been estabilshed . . . in accordance with the present Convention. But the right of coastal states to control scientific research in coastal zones and on continental shelves would be unchallenged, with very limited exceptions.

International judicial control is limited most particularly in the management of coastal zone fisheries. International tribunals would not be allowed to deal with disputes in which the exercise of coastal state authority is called into q.estion with respect to the conservation and se of living resources or the sharing thereof with neighboring landlocked or otherwise geographically disadvantaged states. A court cannot substitute its discretion in these matters for that of the coastal state nor question the "sovereign rights" of the coastal states in their resource zones.

The provisions in the ICNT that define the scope of obligatory judicial procedure essentially constitute compromises between coastal states, especially the poorer ones, anxious to avoid restrictions on their newly asserted sovereignty over coastal resources in "exclusive economic zones," and maritime states, with support from some geographically disadvantaged states, seeking to retain traditional "high seas" navigational rights in coastal waters. Similarly, many members of the Group of 77, in fact, more than a hundred developing countries that caucus together in the Law of the Sea and other world conferences have been reluctant to dilute through judicial review the authority of the proposed Sea-Bed Authority which they would very largely control under the terms of the ICNT.

CONCLUSION

One cannot be certain how the proposed Law of the Sea dispute settlement system will operate unless and until the "text" has been adopted by the Conference and eventually ratified by the individual states. The INCT has overlaps and inconsistencies that reflect several stages in a negotiating process. It reflects efforts to provide safeguards against the abuse of power by both the coastal states and by the major maritime states over navigational rights. It seeks to establish international compulsory judicial review at the same time it seeks to protect newly acquired national rights over ocean resources against such a review. One can be fairly certain, however, that the general thrust of the dispute settlement system proposed in the ICNT will endure. The vastly increased pressure on the uses of the ocean and the exploitation of marine resources cry for global management and a global dispute settlement system that would regulate the actions of individuals and organizations as well as nations.●

EXPORTS OF TRIS SLEEPWEAR CONDEMNED

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 8, 1978

● Mr. WAXMAN. Mr. Speaker, I want to call to the attention of my colleagues an excellent series of investigative articles concerning the export of "tris" treated children's sleepwear. The articles were written by Fairchild News Service reporter Mark Hosenball and appeared in recent issues of the Daily News Record.

Mr. Hosenball's articles document the efforts of certain U.S. children's sleepwear manufacturers to export thousands of previously banned sleepwear garments treated with the cancer-causing flame retardant "tris".

"Tris" treated children's sleepwear was banned by the U.S. Consumer Product Safety Commission (CPSC) on April 8, 1977. The CPSC banned the children's garments only after reviewing extensive scientific data documenting the highly toxic qualities of the chemical flame retardant. The Commission concluded that continued sales of these garments posed an unacceptable health risk to American children.

Immediately following the Commission's ban on the domestic sale of "tris" treated sleepwear, manufacturers initiated a vigorous search for individuals willing to market the hazardous products in countries with weak product safety laws. The articles appearing in the Daily News Record illustrate the shocking success of these efforts.

Since announcing the April 1977 ban on "tris", the CPSC has felt itself powerless to restrict or in any way monitor the export of the sleepwear garments. Under the Commission's existing authority, products specifically manufactured for the export market are exempt from U.S. product safety laws. However, the Commission's much-publicized ban on "tris" treated sleepwear has raised concerns over the intention of the export exemption to permit the export of banned products intended for or previously introduced into domestic commerce.

On October 20, 1977, the Commission announced that it lacked the authority to prohibit the export of "tris" treated children's sleepwear. In the last 6 months, thousands of the cancer-causing garments have been exported overseas—primarily to Third World nations. While the CPSC's October 1977 "tris" export enforcement policy was recently reversed by the Commission's Democratic majority, the statutes remain ambiguous and destined for litigation.

Newly appointed Commissioner Edith Barksdale Sloan has led a vigorous effort to reverse the October decision and deserves special praise. Commissioner Sloan's spirit of commitment and dedication to an open and moral export policy are a persuasive demonstration of her capability to provide the Commission with the progressive leadership it has lacked over the years.

However, regardless of Ms. Sloan's recent success in obtaining a reversal of the "tris" export enforcement policy, the basic provisions of the statutes remain subject to judicial interpretation. I have reviewed the statutes carefully and recognize that there is a legitimate difference of opinion as to the extent of Commission authority in this area. Legislative clarification is necessary if protracted litigation concerning congressional intent is to be avoided.

Accordingly, I have prepared two amendments to the CPSC's regulatory statutes which will clarify any confusion surrounding the extent of the commission's enforcement authority over banned products previously introduced into domestic commerce. The amendments will be offered during full Commerce Committee markup of H.R. 12442, authorization and amendments to the Consumer Product Safety Act.

One amendment would restore balance

to the export exemption by limiting its application to those products which were manufactured strictly for export and were never introduced into domestic commerce. The amendment would assure that "quick buck" artists will not be able to jeopardize the U.S. reputation by exploiting the markets of foreign nations.

The second amendment I will offer addresses the obligation of the Federal Government to provide foreign governments with accurate and timely information concerning the safety of certain U.S. exports. With the exception of section 12 of the Toxic Substances Control Act, the Government has not made an affirmative effort to share the results of its product safety research with countries which purchase U.S. exports. My amendment would establish a notice provision requiring any person who exports a product which does not comply with U.S. product safety law to notify the Commission prior to export.

Pre-export notification would permit the Commission to notify the importing country of the reasons the noncomplying product cannot be sold in the U.S. domestic market. In the past, it has been CPSC policy to permit the export of hazardous consumer products without informing foreign customers of the possible health risks. By providing relevant product safety information prior to export, an invaluable international and humanitarian service will be performed. To do otherwise would weaken U.S. diplomatic relations with recipient countries and seriously damage U.S. long range export prospects.

Adoption of these amendments will assure foreign consumers that the United States is committed to an international approach to product safety. The amendments would signify the U.S. commitment to providing foreign consumers with the same standard of safety that it provides American consumers.

The export of banned products previously introduced into domestic commerce is reprehensible and represents the lowest form of business activity. Products hazardous to Americans, particularly to American children, are similarly hazardous to foreign children. To condone the export of consumer products unfit for American consumers reflects an insensitive and immoral foreign policy which cannot be justified on any grounds.

By closing the existing loophole in the export exemption and by refusing to permit the international marketplace to be used as a disposal for products banned from U.S. domestic commerce, our national commitment to human rights will be affirmed. Never again will the United States permit its export market to be abused by manufacturers of hazardous consumer products.

Mr. Speaker, because of the interest expressed by many of my colleagues, I would ask that two articles from the Daily News Record, detailing the extent of "tris" sleepwear exports, be printed in the RECORD at this point.

[From the Daily News Record, May 1, 1978]

SOME TRIS SLEEPWEAR MAKERS SCURRYING TO BEAT EXPORT BAN

(By Mark Hosenball)

NEW YORK (FNS).—Some American apparel men are rushing to close tris sleepwear export deals worth millions of dollars as U.S. government moves to ban overseas sales of the controversial sleepwear gain momentum in Washington.

Hundreds of thousands of dollars worth of children's sleepwear treated with tris, the alleged cancer-causing flame retardant, have already been exported by American manufacturers, an FNS investigation has established.

An FNS survey of around one-third of the 110 American manufacturers who made tris-treated children's sleepwear has turned up evidence that tris sleepwear originally worth at least $C27,000 or over 100,000 garments has already gone overseas to such nations as Venezuela and the Caribbean islands of St. Martins and the Bahamas.

In Washington, a bill is expected to be introduced this week by Rep. Henry A. Waxman, (D. Cal.) giving federal regulatory agencies the power to ban exports of products considered by the government to be too dangerous for the U.S. market. Waxman's staff indicated that the bill is specifically intended to stop the overseas traffic in tris goods.

And the Consumer Product Safety Commission, which made the initial decision last April to ban tris-treated children's sleepwear from domestic sale, two new commission members are pushing for quick CPSC action to ban tris sleepwear exports under the existing law.

Edith Barksdale Sloan, a new CPSC commissioner and a vehement opponent of tris sleepwear exports, has sent a memo to fellow commissioners demanding "distinct and timely consideration by the commission" of "the social, political, economic and ethical implications of exporting products already banned by the commission to primarily Third World or developing, non-white countries." Commissioner Sloan was joined in her request by Commissioner Susan King, another new commission appointee.

If they get the support of Commissioner R. David Pittle, the only CPSC Commissioner to support a ban on tris exports in a commission vote last October, commission officials say that the two new commissioners will be able to reverse the commissioner's October decision not to proceed against or investigate American manufacturers exporting tris sleepwear.

CPSC sources say, however, that Pittle would rather wait until commissioners are fully briefed by the staff on the tris sleepwear export question. The commission is scheduled to discuss at its May 11 meeting the whole question of whether it can ban exports of substances which it has already prohibited from domestic sale.

Meanwhile, many manufacturers caught with tris sleepwear inventories say they are negotiating export deals with brokers, whom they refused to name.

The brokers are offering between 10 per cent and 30 per cent of the original wholesale price, according to market sources. FNS attempts to reach several "brokers," who had advertised for tris-treated sleepwear, revealed those businesses had already moved on, or consisted only of a telephone answering service.

Lou Bates, president of Bates Nitewear, Inc., says his company is urgently negotiating export deals. In Bates' case, he says he has "no qualms" about shipping inventory of tris garments, originally worth $2 million. He says his most likely market is "Europe."

Herb Gallinger, executive vice-president for Greensboro Manufacturing Company says his company has a stock of tris sleepwear originally valued at $1 million and that the company has been negotiating "for the past six months" to send the inventory overseas.

Don Nelson, a vice-president of Jay Vee Brand, says his company has already done some "sampling out" of potential overseas buyers of his company's tris-treated sleepwear stock, originally valued at $1 million. "We do intend to export it if we can. We'd be anxious if we could find people to move it on for us," Nelson said.

FNS found companies willing and trying to export tris-treated sleepwear with original values totaling at least $4.5 million.

Many of the 30-odd companies surveyed claimed they would not try to export their tris inventories.

On Seventh Avenue and along W. 34th St., where the manufacturers who made tris sleepwear have sales offices, jobbers are prowling the corridors offering to take tris inventories off cutters' hands and ship the garments out of the country. Industry sources say one of the latest visitors to 112 W. 34th St., nerve center of the children's wear trade is a buyer from the Middle East, seeking cheap tris sleepwear consignments for Saudi Arabia.

Donald Butterman, vice-president of the New York-based Empire Shield Co. Inc., said his company had already unloaded its entire stock of tris-treated children's sleepwear, originally worth $50,000. "We sent it all out to a guy in California who we know. I think he exported it all. To Mexico, I think," Butterman said.

Tony Wollins, vice-president of August F. Neilson, Inc. which had to lay off workers when the domestic ban on tris was implemented, said his company had exported "about half" of a tris sleepwear inventory originally valued at $750,000. This is about 150,000 individual tris-treated garments. Wollins said he had exported through a commission agent in New York and that he believed the goods were destined for Mexico, South America and Puerto Rico. (CPSC officials said that exports to Puerto Rico were illegal because it is U.S. territory).

Louis Pinhas, vice president of Sullcraft, Inc. in New York said his company had exported about half of its tris sleepwear inventory, originally valued at $200,000. He said around 48,000 tris-treated garments had already been shipped and added that he was about to close another 24,000-garment export deal. He said he exported through jobbers, who he refused to name, and added that he didn't know where the garments were shipped to.

One brokerage firm which acknowledges handling tris export business is the Karl J. Marx Co. of 450 Seventh Ave. A company buyer said that his firm, a "commission house," had helped organize a deal involving the export of 12,000 tris-treated children's sleepwear garments to an unnamed wholesaler in Venezuela.

"We were working on other deals but people backed off because of the restrictions," the buyer said. He said the Venezuelan company had retail clients throughout the Caribbean Latin America. He said all exporters had to sign a statement swearing that they were taking the tris goods out of the U.S., were completely aware of what was in them and some were not going to allow the goods back into the U.S.

The Consumer Products Safety Commission banned domestic sales of tris-treated children's sleepwear after hearing evidence from the National Cancer Institute that the chemical, also known as tris (2,3 dibromopropy) prosphate, caused kidney cancer in rats and liver, kidney, lung and stomach tumors in mice.

The commission's scientists estimated that if tris-treated children's sleepwear were permitted to remain on the American market, it would cause kidney cancer in 300 of each million male children exposed to it and additional 60 cancer cases per million female children exposed. Environmental groups put the cancer risks higher.

Various apparel industry law suits challenging the original CPSC ban are currently before the Federal courts.

[From the Daily News Record, May 2, 1978]

TRIS SLEEPWEAR EXPORTS FOUND FAR ABOVE $5 MILLION

(By Mark Hosenball)

NEW YORK (FNS)—Sources close to the export market in tris-treated children's sleepwear estimate that the volume of the potentially cancer-causing goods shipped overseas is much higher than the $5 million worth known to be headed for foreign markets.

Some tris sleepwear manufacturers have also indicated concern that tris sleepwear may be filtering back onto the domestic market from Central or South American countries to which the garments were sent after the U.S. government banned their domestic sale.

An FNS survey of about one-third of the 110 American manufacturers who made tris-treated children's sleepwear disclosed that tris sleepwear originally worth at least $627,000 had already gone overseas, and established that manufacturers were seeking to ship at least another $4.5 million worth of the apparel abroad.

Meanwhile, FNS has discovered, the U.S. Consumer Products Safety Commission, which banned tris sleepwear sales domestically on the grounds of cancer risk, has done next to nothing to monitor the export market in the garments in the year since sales at home were halted. And the State Department has informed the U.S. Commerce Department that a ban on tris sleepwear exports is not "necessary" to fulfill American international obligations.

Estimates of the total amount of tris sleepwear in U.S. manufacturers' hands following the domestic sales ban and subsequent recall range from a government figure of $70 million worth of goods at original wholesale value to a figure twice that large offered to Congressional committee by apparel industry representatives. Government officals admit they have no idea where tris garment stocks are now located.

But some apparel sources reckon that half or even more of the tris sleepwear left in manufacturers' hands after the domestic ban has gone overseas already.

Said a buyer for Karl J. Marx & Co., a Seventh Avenue buying office that has closed at least one tris sleepwear export deal, "From what I understand, a lot (of manufacturers' tris sleepwear inventories) is already out of the country."

Said a salesman for Lucky Star Undergarments, Inc., which had a tris sleepwear inventory of less than $100,000, "People who were stuck with it took advantage of the CPSC and dumped it as quickly as they could get rid of it." (The CPSC decided last October that it did not have the authority to ban tris sleepwear exports, though moves are afoot in the commission to change that policy now.)

The Lucky Star salesman said his own company had probably "Unloaded" a minimal amount of its own tris sleepwear inventory onto the export market at prices of about 20 per cent of the original wholesale value. "I think we made a couple of private deals. Some went to Africa and maybe to South America," the salesman said.

In Washington, both Congressional and trade sources say pressure for a bill to indemnify apparel manufacturers with U.S. Treasury funds has recently slackened. The sources attributed the letup in lobbying to the fact that many tris garment inventories have already gone overseas.

"One of the things I feel is that the manufacturers don't have much of the product left. There is no longer much demand from yarn spinners and manufacturers for compensation," said a textile trade association lawyer, who requested anonymity.

But there are also signs that the tris export market is tightening up for some, either because of bad publicity or because of a glut of goods on the market. A salesman in the New York office of Kid Duds, whose estimated tris sleepwear inventory was originally valued at $1 million, said his company would be happy to export its stock but was encountering problems unloading the goods. The salesman said he had dealt with buyers in Hong Kong and Europe, "But they've all read the papers. As far as I'm concerned the various buying offices overseas won't touch the stuff with a 10-foot pole."

Lou Bates, president of a sleepwear manufacturing company with a $2 million inventory he would now like to export, said that in talking to export brokers about tris-sleepwear, he had made it clear that he would not ship garments to any country contiguous to the United States. "I wouldn't ship to Mexico or Canada," he said, because there was always the possibility that the garments would "get back" into America.

Other industry sources suggested that there might already be a trickle of tris-treated sleep-wear back into the U.S. from nearby export markets like Central or South America, but no source could furnish firm evidence of the reimportation of the banned garments.

Some manufacturers involved in exporting tris sleepwear are only willing to discuss the export market in "off-the-record terms." A Seventh Avenue salesman from a South Carolina firm said that his firm was just starting to export now to South America and the Caribbean and that from the way brokers acted, "I'll almost venture to say that maybe 25 to 50 per cent of the goods are sold to retailers overseas before they've even exported." The salesman also said he wondered whether foreign consumers were informed of the nature of the goods.

Other manufacturers tend to soft-pedal their involvement in tris-sleepwear exports. Still others deny exporting any tris sleepwear stock.

At the Kleinerts Textile Group, management has done "a little export business" in tris-treated children's sleepwear, said a senior executive, who declined to be named. Asked how much tris sleepwear the firm had left, the executive said that in fact the company's entire tris sleepwear inventory had been exported. He described the quantity as "a few dozen" and said the export price was "a little better" than 10 cents on the dollar of original wholesale value. The official gave no indication of where the goods were shipped to.

The Kleinerts official said his firm had exported so little tris sleepwear because they got out of manufacturing the goods at an early stage. Over three years ago, company sources said, senior managers had learned of research by a University of California scientist linking tris to cancer. Asked whether this made company officials hesitate before exporting tris sleepwear, a senior executive said that all goods had been "washed" before export. (The CPSC has effectively said tris goods are safe once washed three times, but environmental groups insist the treated sleepwear is still dangerous after as many as 50 or 60 washings. Even washed tris sleepwear is still banned from domestic U.S. sale.)

At Denton Mills, a Mississippi sleepwear manufacturer, there are still "plenty" of tris treated garments in stock. And managing director Elliott J. Saunders said he would "love to" export the garments if the price were right. Saunders said his company had already exported around "50 dozen tris garments," which went to "one of our salesmen," who has "a small shop" somewhere overseas, probably in the Far East. Saunders said the 600 tris garments already exported were "virtually nothing" in terms of the company's total inventory.

But at Wilker Bros., a New York firm, company official Lou Offenberg said none of its "substantial" tris sleepwear inventory had been exported. Offenberg said he had some hesitancy about exporting tris-treated garments "from a moral point of view. Another Holocaust we don't need."

And at the William Carter Co., near Boston, whose tris garment inventory was worth $5 million at original wholesale prices last summer after the ban, a spokesman said the company was also holding on to its stock and no export deals were being negotiated.

Although the CPSC is now said to be close to moving against exporters of tris-treated children's sleepwear, FNS inquiries have established that the commission has done virtually nothing to keep abreast of the growing export trade in tris goods.

CPSC investigators said that about six tris sleepwear manufacturers had been contacted by the commission last summer about the export market. But, the investigators said, the commission was told that export prices were too low and American manufacturers intended to sit on their tris inventories until some government compensation formula was worked out.

Subsequently, the CPSC officials said, no further formal survey of the export market in tris sleepwear has been conducted by the commission to date. Officials put down the commission's lack of interest in the tris export market to the 3–1 commission decision last October that the CPSC had no authority to move against tris sleepwear exporters.

That CPSC did write letters to Commerce Secretary Juanita Kreps, the State Department, UN Ambassador Andrew Young and the U.S. Representative to the Organization for Economic Cooperation & Development in Paris. The letters asked for international health authorities to be informed of the CPSC ban on domestic tris sleepwear sales, and warned of the possible export of tris goods.

Secretary Kreps wrote back that tris sleepwear exports could only be controlled for reasons of "short supply, national security or foreign policy" and said the first two reasons were "clearly not applicable". As for foreign policy, Mrs. Kreps said the State Department had advised her that controls on tris-treated garments were not "Necessary to further significantly the foreign policy of the United States and to fulfill its international responsibilities."

Ambassador Young did not reply to the CPSC, but, on his and the State Department's behalf, a State Department official did contact the International Agency for Research on Cancer in Lyons, France. The agency is scheduled to hold a week-long meeting on tris in June, but a spokesman said last week, "We have no new data."

At the Pan American Health Organization in Washington, Dr. George Litvak, chief of noncommunicable diseases, said that health officials around Latin America had been informed by his agency about the CPSC's domestic tris sleepwear ban and the possibility of exports. But Litvak said the only country that had indicated concern about the possibility of tris garment imports was Chile. He said Chilean health ministry officials had written to him twice asking for full information about the U.S. tris sleepwear ban and the manufacturers who made garments treated with the allegedly carcinogenic flame retardant.

In Colombia, the leading newspaper, El Tiempo, warned its readers last month that tris-treated pajamas had been acquired by Colombians in Miami, Bogota and San Andres (a free port Colombian Island off Central America.)

But in Italy, mentioned by some sources as a possible European destination for U.S. tris castoffs, Luigi Santa Maria, chairman of Snia Viscosa, which produces flame-retardant materials, said he was not aware of any imports of tris-treated fabric or sleepwear.●

EAGLES, DOVES, AND HAWKS

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 8, 1978

● Mr. ROSENTHAL. Mr. Speaker, the F–15 Eagle fighter is generally acknowledged as the best airplane of its type in the world today. It is, in the words of one Air Force general, "a decade ahead of anything else."

"It is advanced because it is fast and maneuverable," states an article in the May 1978 issue of Harper's. "It can climb faster and turn more sharply than any other aircraft."

Why is the administration so intent on selling 60 of these fighter-bombers to Saudi Arabia for $2.5 billion ($41.6 million per plane, including training, spare parts, and armaments)?

According to the Harper's article by Tom Gervasi, a former counterintelligence officer assigned to the Army Security Agency, "the Saudis themselves had not even specifically asked for (the F–15)" but the purchase was urged on them by the Pentagon.

"The answer has to do with the Eagle's costs," Gervasi states. The per-plane price went from $12.8 million in 1976 for a fully equipped F–15 to $17.4 million today. One way to cut per-unit prices is to increase production, but if the Congress sets a limit on how many planes to buy, the Pentagon will look abroad for customers, Gervasi explains, quoting an Air Force colonel who said—

The F–15 has a cost problem, and to a degree it makes sense to amortize the overrun with a big sale to the Saudis.

The author notes that "without the Saudi sale, our own procurement schedule for the F–15 would fall even further behind."

The result was the decision to push ahead with the Saudi sale, which would, in the opinion of the New York Times and many other observers, "alter the balance of forces in the Middle East."

As late as last October 17, the administration and the Saudis had not locked on to the F–15 and "the Carter administration said it was 'questioning' that aircraft and considering an offer of the 'less-advanced' F–16 to the Saudis instead," according to the Harper's article. The author raises the question of whether the purpose of the F–15 sale to Saudi Arabia and its timing "were . . . a message to Israel to soften its stand on the lines of withdrawal from Israeli-occupied territory?"

The Israelis are very upset by the prospect of the Saudis acquiring the F–15, particularly in such a large quantity (60) when the administration is willing to sell Israelis no more than 40.

What concerns the Israelis is that the F–15 is also a fighter-interceptor. With its speed and agility, its sophisticated fire control radar and air-to-air ordnance, it is capable of outfighting and destroying in the air most other Israeli aircraft, which could not be defended adequately by their own limited force of F–15's. * * * This is a change in the balance of power, and a very large one.

I highly recommend this article to all our colleagues who are concerned about the implication of this aircraft sale:

EAGLES, DOVES, AND HAWKS

(By Tom Gervasi)

In his statement on arms control last May, President Carter vowed that "the United States will not be the first supplier to introduce into a region newly developed, advanced weapons systems which could create a new or significantly higher combat capability." Most observers took the President to mean that he would not let the United States take the first step in changing the balance of power in any region of the world. On Valentine's Day this year Mr. Carter announced his intent to sell sixty F–15 Eagle aircraft to Saudi Arabia, in an arms deal that also included aircraft for Israel and Egypt.

The F–15 Eagle is the most sophisticated combat aircraft flying. It perfectly fits the President's definition of the kind of weapon this country would not be the first to introduce. It is newly developed, having only entered service with our Air Force in January, 1976. It is highly advanced, though not so much for its advertised combat range of 2,800 miles, which, because of extravagant consumption of fuel, it often fails to achieve. It is advanced because it is fast and maneuverable. Its air-speed indicator has frequently registered speeds in excess of Mach 2.54 (1,676 miles per hour), and at combat weight, with half its internal fuel, it can climb faster and turn more sharply than any other aircraft. Indeed, the F–15 can make a turn of more than 14 degrees per second, and during that turn it can sustain gravitational forces of more than five times its own weight without losing airspeed. That, as any pilot can tell you, is nothing short of miraculous. Finally, the Eagle is advanced because it carries the Hughes AN/APG–63 fire control radar, which has a target-detection range of more than 100 miles. Air Force General John Vogt describes this system as "a decade ahead of anything else."

It appeared that Carter had gone against his word, and intended to introduce an advanced weapons system into two regions, the Middle East and the Indian Ocean, changing the balance of power in both. Columnist Drew Middleton, on the day the proposal was announced, wrote that "until now, Israel had been the sole recipient in the Middle East of advanced American weaponry." Sen. Daniel P. Moynihan said he was confident that Congress would "disapprove the sale of the F–15s to Saudi Arabia." The following day, in an editorial that generally supported the Carter proposal, the New York Times conceded that the sale to the Saudis of sixty F–15s would "alter the balance of forces in the Middle East."

The Israelis issued a statement suggesting that the Saudis might "transfer the planes to confrontation states engaged in active fighting with Israel, or employ mercenaries, probably Americans, to fly the planes." In an earlier statement the Israelis had warned that "if Saudi intentions are ambiguous or appear to be leaning toward involvement in a war, the Israelis will have to take this into account. During an Arab attack against Israel, if F–15s are stationed at or transferred to bases in the northwest, the threat posed to Israel may compel the Israeli Air Force, faced with a multifront war, to undertake immediate strikes against these bases and aircraft even if Saudi Arabia had not yet brought its forces into the war." Prime Minister Begin said the sale would turn Saudi Arabia overnight into a "confrontation state." He called on Washington to "reappraise" its decision.

The Valentine's Day announcement was not the first Congress had heard of a proposal to sell F–15s to the Saudis. The rumor had been around for months. In January, when Mr. Carter visited Saudi Arabia, he promised Prince Fahd that he would recommend the sale. The implication was that the Saudis had requested the F–15 long ago, and that the President, intent on maintaining close relations with the Saudis, felt he could not now refuse the aircraft. But *had* the Saudis requested the F–15? The Administration was circulating the notion that President Ford had committed us to providing the Saudis with the "aircraft of their choice," and that the Saudis had subsequently settled on the F–15. Apparently they had not settled on it as of last October 17, when the Carter Administration said it was "questioning" that aircraft and considering an offer of the "less-advanced" F–16 to the Saudis instead. Even before this, on August 30, the *New York Times* had announced that the Pentagon had been "quietly urging" the sale of the F–15 for many months. And earlier still, on July 19, *Times* reporter Bernard Weinraub wrote that the Saudis "had not specifically pressed for the F–15," and that he had learned that Prince Fahd had "had no shopping list when he met President Carter in May." In fact, Weinraub added, the Saudi leader had listed several planes of interest "but only the F–15 was offered by the Air Force." It appears that the Saudis did not select the aircraft. We did.

Were the sales a message to Israel to soften its stand on the lines of withdrawal from Israeli-occupied territory? The Israelis contended that this strengthening of Saudi Arabian and Egyptian air forces would make it even more vital to retain Israeli air bases at Eliat, Yamit, and Sharm-al-Shiekh. Israel's earlier reluctance to abandon these bases in the occupied zones had aready become one of the major obstacles in the peace negotiations.

To reassure the Israelis, President Carter said: "Our commitment to Israel's security has been and remains firm." The State Department stressed Washington's "enduring and strong ties" with Israel. And Administration officials attempted to play down the threat posed to Israel by Saudi F–15s. This they did in several ways. First, they were careful to talk of the aircraft as an "air-to-air fighter," not as a fighter-bomber, implying that it could not be used effectively to bomb targets in Israel. Next, they pointed out that the Saudi F–15s would not be delivered until 1981, and that the Israelis were wrong to suggest that the aircraft could be transferred to neighboring Arab air forces in the event of war. The F–15, the Administration officials said, requires a formidable amount of ground support equipment, isn't easy to fly, and demands scores of hours of training in expensive ground simulators. Besides, pilots from other air forces could not be trained in Saudi Arabia without detection by the United States and Israel.

The F–15 does require elaborate training and support. But the proposed Saudi sale takes this into account. The Foreign Military Sales price to Saudi Arabia for an F–15, including administrative fees and a surcharge for a portion of the original F–15 research and development cost, is $25 million. The sixty aircraft the U.S. proposes to sell will cost the Saudis $2.5 billion, or $41.6 million each. The extra $1 billion in the Saudi sale is for those expensive ground simulators (made by Goodyear Aerospace Corporation), all the support equipment required, a variety of air munitions compatible with the aircraft, and an accelerated training program for Saudi pilots in the United States.

Ground flight simulators could be used to train pilots from other Arab countries in Saudi Arabia on the F–15. Israel and the United States would know if the Saudis did

this; it isn't clear, however, what the Israelis could do about it, or what the U.S. would do about it.

Certainly, from Saudi bases, the F–15 would have no trouble reaching Israel. Tabuq, one of the bases being completed along the northern Saudi border with Jordan, is just 300 miles from Jerusalem and Tel Aviv, only 125 miles (a ten-minute flight) from Eilat on the Gulf of Aqaba, and 140 miles from Sharm-al-Sheikh at the Straits of Tiran. Even if the F–15 were operated from bases near Riyadh, 800 miles to the southeast, that is still within easy striking distance. Contrary to many reports, however, the range of the F–15 is not what matters to the Israelis. Once an aircraft is within striking distance of its target, range is significant only in that the closer the point at which the aircraft begins its flight, the less fuel it has to carry and the more bombs and air munitions it can carry instead.

But then we are told that the F–15 is not a fighter-bomber. One official, attempting to explain what the Saudis would do with their F–15s, slipped a little when he said that they needed these aircraft "in order to counter a rapid buildup of military strength in the air and on the ground in Iraq." How could an "air-to-air fighter" do anything about forces on the ground? Simple. It could bomb them. It could strafe them. It could drop napalm on them. The F–15 can be heavily armed. Not only does it mount a multibarreled General Electric M61A1 Vulcan 20-mm cannon, which fires at variable rates of 4,000 or 6,000 rounds per minute, but it also carries four each of the latest AIM–9L Sidewinder and AIM–7F Sparrow air-to-air missiles. At the same time that it carries four Sparrow missiles and 950 rounds of 20-mm ammunition for its gun, it can also carry a variety of alternate bomb loads, including eighteen Mk–82 560-pound Snakeye demolition bombs, three Mk–84 2,054-pound demolition bombs, nine BLU–27/B firebombs, each with 790 pounds (100 gallons) of napalm, or fifteen CBU–52/B 680-pound antipersonnel fragmentation-bomblet dispensers.

With three external fuel tanks, the F–15 has a range of 2,419 miles, or a combat radius of 1,209 miles, and could carry for the latter distance its 20-mm ammunition, its four Sparrow missiles, two ECM (Electronic Counter Measures) pods to jam the homing mechanisms of hostile air defense missiles, along with three 2,276-pound Mk–84 electro-optically guided-precision bombs, or instead of those bombs, 7,000 pounds of any other types of bomb mentioned earlier. The F–15 is both a fighter-interceptor and a fighter-bomber.

But what concerns the Israelis is not the F–15's performance as a bomber. They have been faced with that kind of threat for years. Cairo is only 200 miles from Tel Aviv. A Piper Cub can fly that distance and back. What concerns the Israelis is that the F–15 is also a fighter-interceptor. With its speed and agility, its sophisticated fire control radar and air-to-air ordnance, it is capable of outfighting and destroying in the air most other Israeli aircraft, which could not be defended adequately by their own limited force of F–15s. For the first time, Israel's air supremacy in the Middle East, the crucial factor in her ability to conduct a successful defense of her territory, would be challenged. That is a change in the balance of power, and a very large one.

On February 17, President Carter, in a news conference in Cranston, Rhode Island, said, "Saudi Arabia has never had any active aggression against Israel." The Israelis, however, recall that Saudi Arabia supported Egypt in a past war with Israel. As if to dispel all worries, Carter added the assurance that the F–15s would not be delivered to the Saudis until 1981. At the same news conference, Carter was asked how he rationalized selling "more sophisticated weapons of war" in the Middle East. He replied, "We are not introducing new weapons in the Middle East. F–15s are already being delivered into the Middle East." He was referring to the F–15s being delivered to Israel, five of which she has already received as a result of agreements reached in 1975. Aside from the fact that delivery of F–15s to a second country in the Middle East does alter the balance of power there, in just the way we have seen, these aircraft would also be introduced through Saudi Arabia to other regions, the Indian Ocean and the Horn of Africa, far from the reach of Israeli F–15s.

In the air-interceptor role, with all of its 20-mm ammunition and four Sparrow missiles, and with three external fuel tanks and two additional FAST Pack conformal fuel pallets now being specially built for the F–15 to extend its range, the aircraft can carry a total of 31,376 pounds of fuel, giving it a maximum potential range of 3,362 miles, or a maximum combat radius of 1,681 miles. If you take out a map and a compass, you will see that Israeli F–15s, operating from Israel's southernmost air base at Sharm-al-Sheikh, could just reach the Ethiopian city of Asmara. Addis Ababa, a good deal further south, would be well out of their range. From bases at Jidda, however, Saudi F–15s could reach not only Addis Ababa, but most of the Ogaden region, where Ethiopian forces, with Cuban and Soviet assistance, fought recently with Ogaden separatist insurgents supported by Somalia. From the Saudi base of Sabya, most of Somalia as well, including its capital city Mogadishu, could be reached in the aircraft. From positions along the Saudi Arabian border with Oman the F–15 can reach Karachi and Bombay. These facts may not seem important just now. In two or three years we may feel differently. The F–15 would be introduced into a region that daily grows in its strategic implications.

What else, on the other hand, was Carter supposed to do? As Secretary of State Cyrus Vance said at one point in that busy week in February, "Saudi Arabia is of immense importance in promoting a course of moderation in the Middle East, with respect to peacemaking and other regional initiatives and more broadly in world affairs, as in petroleum and financial policy." He mentioned all the major points. We need the friendship of the Saudis. We need their oil. We need their predominant influence in OPEC to keep the price of oil as low as possible. We need their support of Egypt.

Henry Kissinger knew this would happen when he first began to open the way toward closer ties with the Arabs after the oil crisis of 1973 and the Yom Kippur war. Sooner or later, he said, the Arabs would ask for arms, and sooner or later we would have to supply them. There are many other kinds of help we could give the Arabs, and there are many other kinds of help they need, but all they seem to want from us is arms. Since 1973, we have sold them more than $12 billion worth. Not that we mind. It is an effective way to recycle the petrodollar.

But surely, we still ought to have some choice of which weapons we supply. If we had to meet this test of friendship, and had to sell the Saudis more arms, why did we pick a weapon that would make a distinct change in the balance of power? Why did President Carter place himself in the position of contradicting his own arms policy? Why couldn't we have picked another aircraft, like the F–16 that Carter and his advisers had originally been considering? Why, when the Saudis themselves had not even specifically asked for it, was the Pentagon "quietly urging" the sale of the F–15?

The answer has to do with the Eagle's costs. In 1976, the unit procurement cost of an F–15, fully equipped, was $12.8 million, based on the purchase of 132 aircraft. In 1977 we purchased 108 F–15s at a unit procurement cost of $13.2 million. We planned to purchase another 108 of the aircraft in 1978 at a unit procurement cost of $15.9 million, but Congress would not vote the additional funds required. As a result, we reduced the 1978 procurement to 78 aircraft. A consequence of this, however, was that the unit procurement cost rose to $17.4 million.

The F–15 is not without its problems. Its engines are so powerful that pilots tend to get carried away and push the aircraft to its limits. This consumes precious fuel too rapidly and dramatically reduces the F–15's operational range. As a result, the Air Force has instituted the PEP 2000 program to increase the aircraft's fuel capacity by installing two detachable underwing fuel pallets—called FAST (Fuel and Sensor, Tactical) Packs—specially shaped to conform with the F–15's airframe design so as not to affect its aerodynamic performance. This program will cost $160 million, including $12.2 million to fit FAST Packs on F–15s already delivered.

There has also been trouble with the F100 engine. Its fuel nozzle would stick in the open position, causing overheating. Some of the turbine blades resonated at the same frequency as the engine itself, and would crack. The digital engine electronic control, used to fine-trim the engine at intermediate and higher power, would shut itself off because it was not being effectively cooled, as planned, by the flow of fuel, which itself became too hot. The result was engine overspeed and turbine blade failure that accounted for three accidents in the F–15 from July through September, 1977, each of which cost more than $200,000 in repairs. A $50 million program is under way this year to correct these deficiencies, and there is a continuing $4-million engine diagnostic program scheduled for fiscal 1979.

Finally, there have been the inevitable contract cost overruns, $57 million worth in the past three years. Add it all up, and the unit program cost of each F–15 for our Air Force is increased by $370,000.

While all these factors, together with inflation, drive up the base cost of an F–15, they are plainly not the only forces at work in determining its final cost. The number of aircraft produced matters too. As we have seen, the higher the production run, the lower the unit cost. In order, with limited funds, to acquire the number of F–15s we need, we must do all we can to reduce their unit cost. In the case of this aircraft it is already clear that this will mean producing far more F–15s than our Air Force plans for itself. As one Air Force colonel put it, "The F–15 has a cost problem, and to a degree it makes sense to amortize the overrun with a big sale to the Saudis."

It makes such sense that the Air Force is doing all it can to help McDonnell Douglas, the F–15's manufacturer, sell the F–15 abroad. Japan has agreed to take 100 of the aircraft over the next six years at a current cost of about $27.5 million each, importing some, assembling others from kits, and coproducing the remainder under a license obtained by Mitsubishi. McDonnell Douglas has had expressions of interest from Australia, Canada, West Germany, even France, and anticipates an export market for a total of about 400 F–15s. They will all have to be sold in order to keep the goal of our own requirements within reach. As it is, the Air Force is unhappy with the reduced 1978 domestic procurement program, which will make our own F–15s available too slowly to meet force expansion schedules in our effort to prepare for an Armageddon on the battlefields of NATO.

Without the Saudi sale, our own procurement schedule for the F–15 would fall even farther behind. Similar factors affect the costs of all modern weapons, and this accounts in large measure for the impressive

growth of America's arms exports. The sharp rise in the costs of weapons has far outstripped the available funds to procure them, despite a steady increase in the size of our defense budget. In order to acquire a sufficient quantity of a given weapons system to meet prescribed force levels, we must do whatever is possible to increase its production run, so that each unit absorbs a smaller amount of the basic investment in tooling, labor, and plant costs. More and more, the size of the production run required to reduce this cost exceeds the needs of our own armed services. Hence, we look increasingly abroad for markets to absorb the balance of production. In order to arm ourselves, we must arm the world.

Therefore, President Carter was free neither to choose an aircraft for the Saudis nor to prevent offering for sale one that would cause so much alarm. The F-15 is the aircraft we need, so it had to be offered abroad in spite of the President's arms-control policy. Perhaps we should no longer hold him to that policy. Clearly, he did not know last May what he was promising, nor how sour those promises would later sound. The conflicts between those promises and economic fact are as clear as the conflicts between our very real need to build alliances with the Arabs and Israel's very real need to depend on us for her security.

What Carter did not need to do, however, was make the sale of aircraft to Israel part of the same deal with Egypt and Saudi Arabia, implying that if Congress disapproved the sale to the Arabs, the sale to Israel would have to be "reconsidered" as well. In his Rhode Island press conference he took full responsibility for this: "I made a decision about the composition of the package and the date for submitting it." Some observers found this a shrewd tactic to overcome the predictable resistance in Congress to the Arab sales. This observer finds it manipulative. It appears to gamble too readily with Israel's security in order to make sure that President Carter gets what he wants. How can a President who earlier claimed that our commitment to Israel's security "remains firm," possibly mean what he says when, in the next breath, he attempts to pass the responsibility for it to Congress? ●

SEND STRAUSS BACK TO SCHOOL

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 8, 1978

● Mr. STARK. Mr. Speaker, I wish to express my great disappointment and concern over Presidential counselor Robert Strauss' recent statement that pollution control rules are a source of inflation. Mr. Strauss' statement displays a fundamental lack of understanding of both inflation and pollution control, and raises serious questions about his fitness for the assignment that President Carter has given him.

A fundamental principle underlying a free economy such as ours is that businesses take all costs into account in producing goods and services to meet the most pressing demands of consumers. One only has to look at the chronic shortages and oversupplies that exist in a "planned" economy such as the Soviet Union's to understand one of the advantages of a market system.

Inflation represents an increase in the prices of all goods and services. Our problem with inflation in this country is the fact that we are locked into a continuing cycle of price increases. The changes in prices of all goods that only reflect other price changes dwarf increases in particular goods' prices that are caused by changes in demand, or other factors related to individual products. An attack on inflation involves uniform measures to break the cycle. An example would be the reduction in overall business costs that would be effected by a cut in the payroll tax; another example would be the effect of the proposed voluntary across-the-board limitation on executive pay increases.

In contrast, pollution control equipment represents a belated recognition of real costs that have not been previously included in the prices of many products. Pollution imposes a cost on all of us, in the form of more ill health, and fewer recreation facilities; in short, the quality of our lives deteriorates. Just as the production of goods that require a lot of capital is increased by means of a capital investment credit, production of goods that yield a lot of pollution increases when the costs of that pollution are not considered by the producer. As a result, we have more pollution than is socially desirable, considering the goods we get in return.

User charges and taxes are one way to reduce pollution output by an industry by forcing producers who pollute to consider the costs they impose on the rest of society because of their activities. Another way is to mandate that production processes be used that do not yield as much pollution. From the practical standpoint of aiding our environment, the latter approach is preferable, and that is the policy that we have generally selected. In this way, the costs of pollution are borne by the producers and consumers of polluting products, rather than by all of us in the form of a declining quality of life.

For Mr. Strauss to compare the increase in prices that reflects pollution control with the overall diminution of income that characterizes inflation reflects more than mere ignorance: it betrays a willingness to subvert national economic policy to the interests of those who would force all of us to bear the costs of their selfish and wanton destruction of our air and our streams. I urge the President to officially divorce his administration from Mr. Strauss' remarks, and to defend environmental goals at the same time that he wages battle against the real causes of inflation.●

ISRAEL'S 30TH ANNIVERSARY

HON. JAMES J. BLANCHARD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, May 8, 1978

● Mr. BLANCHARD. Mr. Speaker, Sunday, May 7, marked the 30th anniversary of the independence of Israel.

Every milestone is an important one for this small democratic nation in the Middle East. The State of Israel represents the culmination of centuries of struggle, endured by the people who now finally can call Israel their home.

Throughout history the Jewish people have been wanderers, forced to move from place to place, from country to country—never by their own choice. Up until their proclamation of independence in 1948, and dating back to biblical times, they were a people without a home. We all sadly know of the horrible atrocities that have been faced, throughout virtually every age known to man, by many of the ancestors of those who now live in Israel.

Yet, the Israeli people remain strong and spirited in their efforts to maintain their freedom and their democratic principles. Though weathered by pain, suffering, and the constant battle to preserve their existence, they are today a people of great solidarity, who seek only to be at peace with their neighbors and the rest of the world. They are strong minded and unyielding in defense of their homeland, for they are a people who throughout history have been forced to defend their very existence. Too few of us realize or understand how heavy a burden it is to always be looking over your shoulder to see if someone is coming to take your freedom away, to destroy your culture and heritage, or to blot out your very existence from the Earth. Such was the burden of the ancestors of the Israeli people and, sadly, it remains a burden that is felt by the Israeli people today.

As the one country in the world which more than any other represents the ideals of freedom and democracy, the United States must do everything it can to help remove this burden from the Israeli people. We must do so through our unceasing and unremitting support for the state of Israel. In Israel we have a democratic ally which understands that ultimate freedom can be guaranteed only by the people who breathe it and desire it. Israel has undertaken to build a strong democracy founded on the very same principles that lie at the foundations of our own way of life. No one has ever had to institute the precepts of freedom for Israel. That is a noble testimony to the Israeli people's commitment to the freedom and justice that has characterized this sovereign country over its 30 years as an independent state. Through our support of Israel, we demonstrate our commitment to preserve freedoms and democratic principles that few people in that part of the world have ever realized.

In a world where too many people have never been allowed to taste the fruits of freedom, Israel is one country which on its own has built a strong democratic society, one that ensures the rights and freedoms of its citizens.

I hope that all of my colleagues will join with me in congratulating the Israeli people on their thirtieth anniversary. I applaud the great accomplishments that have already been achieved by the state of Israel, and I salute the Israeli people for their fortitude and unyielding commitment to

preserving a free nation where their people can live in peace.●

BREAKING THE COLOR BARRIER

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 8, 1978

● Mr. DORNAN. Mr. Speaker, individual athletic competition serves as a crucible, a virtual testing ground of a person's physical and spiritual resources. It is an arena of prowess and strength, where the forces of ignorance, prejudice, or bigotry are reduced to powerlessness. It is an entree into the mainstream of national life for ethnic, religious, or racial minorities, enabling young men and women to compete and achieve the highest levels of excellence and national recognition.

It has been well said that the field of athletic competition is a preparation for the rigors of life; but, Mr. Speaker, it also teaches our young something else about life. It teaches our children that a man's religion, national origin, or the color of his skin is no barrer to greatness. The great names of American sports, John L. Sullivan, Jack Dempsey, Joe Di Maggio, Jim Thorpe. Max Baer, and Rocky Marciano hailed from minority backgrounds. When the great Jackie Robinson broke the color barrier in professional baseball in 1947, it was hailed as an important milestone in the Nation's ongoing struggle to achieve the realization of our best aspirations.

Our own national experience should remind us that the struggle for racial equality and human dignity is often long, slow, and tragically painful. However, all true reformers recognize that, in order for possibilities to be realized in the future, they must take into consideration the limitations imposed by the past. Few social problems are going to be solved through quick solutions. We are familiar enough with the complexities of legislating public policy in this area in our own country. We ought humbly to remember our own failings when we lecture other nations on how to set their own houses in order.

Mr. Speaker, I was pleased to receive this morning a report on the progress that the Republic of South Africa is making on the integration of its athletic teams. Prepared by the Washington firm of DeKieffer & Associates the report proves that the South Africans, for all of their drawbacks, are indeed taking steps to put their own house in order.

Such measures ought to receive our kind encouragement, rather than our indifference or our pointless and counterproductive continuing hostility. American policy toward South Africa must recognize the enormous historical difficulties involved in trying to alter long established patterns of racial discrimination. The best national interests of the United States are served when we recognize productive efforts in South Africa.

I heartily commend this informative report to my colleagues, and I ask that it be inserted into the RECORD at this point.

The report follows:

SOUTH AFRICAN SPORTS

In recent years, men and women of international caliber in many sports have emerged among the various non-white peoples in South Africa. Dramatic changes have taken place and sports in South Africa is one of the principal areas of change. The field of sports has seen highly publicized moves towards the elimination of racial discrimination.

In 1971 Prime Minister John Vorster announced that direct competition between the various racial and national groups would be permitted in South Africa. Since then major strides have been made in the promotion of multinational sport with South African sportsmen and women working with the Government in making the field truly multiracial.

With the current controversy over the upcoming Davis Cup tennis tournament in mind, it is important to illustrate the progress sports in South Africa has made towards the removal of racial discrimination.

TENNIS

South Africa's first multinational tennis tournament was held in Johannesburg in December 1971. Since then tournaments have been open to all races.

In 1971 the South African teams for the Davis Cup and Federation Cup Tennis tournaments were selected on merit and a multinational tennis tournament was held in Johannesburg.

The Black Tennis Foundation, founded by white South African Owen Williams and American tennis star Arthur Ashe, was established in May 1976 with a massive 23-court tennis stadium in Soweto.

Multiracial tennis clinics were started in 1977 to improve the standards of black tennis players.

Progress has also been made in many other sports as follows:

BADMINTON

The White South African Badminton Association and the Black Badminton Union recently joined forces. Teams are selected on merit, no racial discrimination is allowed and Springbok (designation for the national team) badges are awarded to the best competitors.

BODY BUILDING

Provincial body building teams became desegregated in June 1977.

BOWLING

In October 1975 the first non-white club applied for and was granted membership in the Sonth African Bowling Association. Today the sport is completely multiracial with all groups competing in all major tournaments and international championships.

BOXING

In the first six-month period that multiracialism was permitted in the boxing field, South African black boxers fought their way to the top rating.

In 1973, the first boxing tournament was held in South Africa in which black and white professional boxers competed in the same ring. This fight, the Bob Foster-Pierre Fourie world title fight, was followed in 1974 by three multinational tournaments and South Africa's three leading promoting bodies organized multinational boxing tournaments in 1975. In 1976, Jan Kies, a white fighter, was knocked out by black fighter "Tap-Tap" Makhatini for the national welterweight championship.

More than eighty boxers took part in the second multinational open boxing tournament in October 1976. At the end of the tournament it was announced that the three amateur boxing bodies—white, black and colored—had decided to merge making this the first such body in the history of South African sport.

CRICKET

In February 1976 negotiations began as South Africa's three cricketing associations met at the provincial level to negotiate the multiracial issue. In one of the most dramatic developments in South African sports history, it was decided early in 1976 that mixed cricket would be played at all levels throughout the country. In January 1977 the first Currie Cup match was played.

In the Transvaal and Natal Provincial leagues, team are selected exclusively on merit. Many cricketers have made appeals for cricket to be integrated down to school level and the sport is on its way to becoming completely integrated. Cricket is still barred from the world bodies, but it is hoped this will change as the integration effort continues.

CYCLING

A black cyclist, John Moding, competing in the 1977 international cycling tour of the Winelands, became the first black cyclist to take the overall lead in a major South African sponsored race.

FENCING

In 1974 colored took part in the first multinational South African Open Fencing Championships in Durban, which was followed by a multinational tournament in Johannesburg in 1974.

In June, Glenda Benjamin, a 15-year-old colored schoolgirl, became South Africa's first under-18 national junior fencing champion. She was the first colored to represent South Africa at the Spitzer Fencing Championship, held annually in Israel and won the international title in the girl's competition.

GOLF

In 1973 four multinational professional golf tournaments and a multinational amateur golf championship were held.

In September 1975, the Sunshine Golf Circuit in South Africa became multiracial. Golfer Gary Player contributed a substantial amount to the Committee for Fairness in Sport, and other golfers have been active in representing the equality of the sport abroad.

Vincent Tsabalala, a black golfer, won the 1976 French Open gold title and thus became the first black South African to do so.

GYMNASTICS

Another multiracial sport, South African gymnastics, attracted world-wide attention when the first multiracial team competed in the West German Gymnastics Championships in 1975.

HORSE RACING

February 1976 saw the South African Jockey Club going multiracial. To celebrate the event three Indian jockeys were given their racing colors, and it was announced that members of all race groups could now apply to the Jockey Club.

NETBALL

The first multiracial netball games were held in July 1977 in Pretoria.

In July 1977, Mr. Norman Champion became the first black owner to run a horse at a Transvaal Race Controlled Meeting.

RUGBY

Games between whites, coloreds and blacks have been played throughout South Africa in many small towns over the past few years. 1975 saw a mixed junior Springbok rugby team being selected, and in 1977 the Junior and Senior Rugby teams were selected on a multiracial basis to play the touring sides.

Future plans for multiracial rugby are underway. In 1978, rugby promoters are

planning for a non-racial Currie Cup match and Pienaar Trophy. In 1978/79 a multiracial Bok team is to be sent to the British Isles.

SOCCER

In March 1976, the first South African multiracial soccer team played Argentina at Rand Stadium. November of that year saw the formation of the multiracial Football Council of South Africa.

On April 7, 1977 a fully integrated South African team played Rhodesia. This match was the first international match South Africa has played since the 1960's when it was expelled from the FIFA. The South Africa versus Rhodesia match attracted much world attention.

Plans are underway for 16 of South Africa's top soccer clubs to play in a mixed league in 1978.

SOFTBALL

This sport is one of the few South African sports that has international acceptance. The acceptance was granted after South Africa proved herself following a year's probation.

SQUASH

Though a relatively new competitive sport in South Africa, no racial discrimination is allowed in the game of squash.

SWIMMING

The White South African Swimming Association and the Black South African Swimming Union are negotiating to form an integrated body working towards international reinstatement. Once again, teams are selected on a merit basis regardless of race.

Recently, the South African Amateur Swimming Union announced its decision to open the doors for all races when competing at club level or higher.

TABLE TENNIS

Agreement for a merger between black and white players was reached in 1977. This sport is in a unique position in that the Black South African Table Tennis body is internationally recognized, while its white counterpart is not.

TRACK AND FIELD

This sport has been multiracial for the past few years. Black athlete Rose Sedibane became the first woman to break into the higher echelons of track and field.

The first multinational track meet in which South African blacks participated was held in Cape Town in 1971, and since that time, multinational groups from South Africa have undertaken official tours abroad. For example, two contingents of white and black athletes toured Europe in 1973.

Titus Mamabolo, the first black South African to win a national open championship, was also the first black South African to be placed on the top thirty world list. Mamabolo's best time of 13 min. 31.2 sec. in the 5000 meters earned him 21st place on the world performance list for 1975.

A South African team for the physically disabled took part in the Toronto Olympics of 1976. The team of 38, eight of them black and two colored won 27 medals—seven gold, nine silver and eleven bronze.

In another development in 1976, Edward Sethsedi, a South African black, was elected vice-president of the South African Athletics Union.

SPORTS IN SOUTH AFRICA ARE BEING AGGRESSIVELY INTEGRATED

In recent years organized sports and recreational activities have come to play an important part in the lives of blacks in South Africa. Blacks already participate in more than 30 such activities in over 700 sport centers and have well over 5,000 clubs with membership approaching 350,000. In fact, it is interesting to note that more blacks now play in the professional golf circuit of South Africa than the entire number of blacks playing in such tournaments in the U.S.

In addition to integrating competition in sports, substantial funds have been spent for improving facilities for non-white South Africans:

*In 1973, the Department of Bantu Administration and Development created a Division of Sport and Recreation and later a special Sport and Recreation Fund to promote facilities for black sportsmen and women. The capital expenditure on facilities alone increased from $316 million in 1974 to $603 million in 1975.

*The current value of sports facilities for blacks, such as playing fields, halls and resorts exceeds $13.8 million while an additional $3.1 million was provided for development and improvement of facilities in estimates for FY 1973/74.

*A public fund for the improvement of sport and recreational facilities for blacks, recently launched by the Government is being well-supported by private enterprise which donates over $8 million a year to sports functions in South Africa.

*Sporting activities for South African coloureds as well are encouraged by the Government and are also partly financed. The Council for Culture and Recreation was established in 1967 to promote sport among coloureds and to provide much of the financial backing. Inspectors and organizers were appointed to assist this council and to maintain contact with sports organizations, establish requirements for facilities, equipment and courses for administrators, coaches, players and referees, and to promote new sports bodies.

*Sports facilities are provided mainly by local governments. Federal government subsidies for sports development reached almost $500,000 for the 1975/76 fiscal year in the form of grants-in-aid for sports organizations and local governments, acquisition of equipment and the construction of playing fields.

In sum, racial progress in sports in South Africa has assumed substantial proportions. The past few years have seen a variety of changes towards the removal of racial discrimination. Most of these changes have come about through discussions held between Government leaders and representatives of different sporting groups. Since September 1976 alone, more than 1,900 interracial competitions have been held. Up until 1977, $2 million was spent on sporting amenities.

South African sports have produced outstanding athletes of all races. It has, however, an untapped reservoir of potential champions. The current president of the Olympic Association estimates that 1,000 South African athletes have lost the opportunity to compete in the Olympics since South Africa was banned.

Foreign critics who condemn South Africa when it tries to improve cannot expect much sympathy from South African sportsmen and women who are penalized as a result. In the long run these critics, though perhaps well-meaning in intent, hurt sports competition in South Africa whose players wish only to leave politics to the politicians and sports to the sportsmen.●

CONTROLLED SUBSTANCE ACT

HON. ROBIN L. BEARD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Monday, May 8, 1978

● Mr. BEARD of Tennessee. Mr. Speaker, recently, Mr. WOLFF and myself along with our colleagues Messrs. MANN, MURPHY of Illinois, GILMAN, and GUYER introduced an amendment to the Controlled Substance Act to authorize a marihuana pretrial diversion program. At this time I would like to introduce for the RECORD both the rationale and a section-by-section analysis of the bill:

RATIONALE: MARIHUANA PRE-TRIAL DIVERSION PROGRAM

1. GENERAL

The legislation is not decriminalization, but draws from the decriminalization principle that possession of small amounts of marihuana and other cannabis derivatives for personal use should not in the case of a first offense stigmatize a person by a permanent criminal record. The legislation retains the philosophy that marihuana abuse is a serious matter which can be neither condoned nor encouraged by the Federal Government.

2. KEY ASSUMPTIONS

The legislation implicitly recognizes two important facts.

First, regardless of what the law may be, persons will continue to use marihuana for personal, recreational purposes.

Second. An educational-counseling approach represents a superior policy objective than does merely decriminalizing marihuana use and citation diversion can be a more effective means by which to discourage marihuana use than decriminalization. This is of vital importance since the vast majority of marihuana users are teen-agers and young adults who are more easily tempted into experimenting with other drugs which they know nothing about. The diversion program is keyed to educational-counseling of the problems associated with drug use as a whole, and not merely marihuana.

3. RESULTING FEDERAL MARIHUANA LAW

Establishment of a diversion program would create a three-tiered approach to the illegal possession of small amounts of marihuana.

First tier: The diversion program. There is no court adjudication of guilt; all official public records are expunged upon completion.

Second tier: Discretionary court-imposed probation upon a conviction. If the person is under 21 years of age, records are expunged. [present section 844 of the Controlled Substances Act].

Third tier: Full sanctions of the criminal penalties of the Controlled Substances Act (maximum sentence for first conviction: $5,000 and/or 1 year; subsequent conviction; $10,000 and/or 2 years).

4. ESCALATION OF PENALTIES

Each step in the "tier-system" represents a substantial increase in penalties (and implications) over the previous tier. Court imposed probation—with the necessary court appearance, unpleasantness and expense—represents a significant escalation over participation in the diversion program; prosecution and sentencing under the Controlled Substances Act is the ultimate escalation of penalty.

5. EFFECT ON STATE LAW

It is important to remember that virtually no marihuana possession prosecutions take place at the Federal level; these offenses are almost always prosecuted at the state and local levels. This is important because states often pattern their laws on the relevant Federal law and the diversion program can provide a model for the states to follow in the future.

6. TRAFFICKERS EXCLUDED FROM PROGRAM

The diversion program is designed for marihuana possessors and traffickers are not eligible to participate. They are completely unaffected by the legislation.

7. SIMILAR PROGRAMS

The diversion approach is not new, nor is it untested. Employment oriented diversion programs exist in a growing number of jurisdictions. Marihuana diversion programs or other programs utilizing educational-counseling are now in operation in Sacramento, California; Cook County, Illinois; Nashville, Tennessee; and are statewide in Minnesota and Mississippi.

SECTION-BY-SECTION ANALYSIS: MARIHUANA PRE-TRIAL DIVERSION ACT

New subsections to section 404 of the Controlled Substances Act of 1970, subject matter, summary

(c)(1)(A): Establishment of program; within 90 days of enactment, the Attorney General shall establish a Marihuana Pre-Trial Diversion Program within the Department of Justice.

(c)(1)(B): Program personnel; the Attorney General is to designate Federal employees as marihuana diversion officers. Persons so designated are to receive special training to prepare them for their duties. These officers would directly supervise program participants.

(c)(1)(C): Program operation: grants; the Attorney General is authorized to make grants to, or enter into contracts with, any State or local government and public or private nonprofit entities for planning and carrying out counseling courses. Payment may be by reimbursement or advance, and on such conditions as the Attorney General deems advisable.

(c)(1)(D): Offender eligibility, eligibility exclusions; any person arrested solely for the possession of not more than 30 grams of marihuana or 7 grams of hashish or 1 gram of hashish oil is eligible to participate in the program. However, an otherwise eligible person will be deemed ineligible if during the past 3 years he or she (i) had been convicted of violating any narcotics law; or (ii) elected to participate in the diversion program.

(c)(1)(E): Definitions; This subparagraph defines the terms marihuana and hashish, for the purposes of this act.

(c)(2)(A): Field-Release Citation; Except as otherwise provided, Federal law enforcement officers shall issue a field-release citation to any person found in possession of not more than 30 grams of marihuana or 7 grams of hashish. This citation is in lieu of arrest. It requires the person to appear before a Federal magistrate (or certain specified state judicial officers) for a probable cause hearing on the issue of illegal possession. The citation shall state the purpose of the hearing and advise the person of the right to be represented by counsel.

(c)(2)(B): When Field-Release Citation May Not Be Issued; A field-release citation may not be issued if any of the following conditions exist: (i) the person has insufficient identification or the place of residence is such that it is unlikely that the person will appear as required; (ii) if the officer has reason to suspect the person is involved in an offense other than that of possession; (iii) a warrant is outstanding for the arrest of the person; (iv) the person has a history of failing to appear in court when scheduled; (v) the person subjected the officer to physical abuse sufficient to support a charge of simple assault; or (vi) the person was found in illegal possession while driving a motor vehicle under the influence of a controlled substance.

(c)(2)(C), (c)(2)(D): If Field-Release Citation May Not Be Issued; If a field-release citation may not be issued, the person shall be arrested. After the person has been identified by appropriate law enforcement techniques, he or she may be released upon issuance of a citation identical to the field-release citation. No citation may be issued until the person is cleared of the suspicion of having committed any other offense at the time of arrest; no citation may be issued to a person under the influence of a controlled substance until they are no longer under the influence or until they are remanded to the custody of a responsible person.

(c)(3): Probable Cause Hearing; Any person issued a citation or arrested for possession of marihuana or hashish shall be given a probable cause hearing on the issue of possession. If probable cause is found to exist, the magistrate will determine whether the person is eligible to participate in the diversion program.

(c)(3)(A): When Person Found Eligible at Hearing; When a magistrate finds a person eligible for participation in the diversion program the magistrate shall explain the terms of the program and offer the person the opportunity to participate therein.

(c)(3)(B): When Person Found Ineligible At Hearing; When a magistrate finds a person ineligible to participate (or if an eligible person declines participation) the person is remanded into the custody of Federal law enforcement officers for proceedings consistent with law.

(c)(4)(A): Diversion Agreement; Any person who elects to participate in the diversion program shall enter into an agreement which provides that (i) the program has been explained; (ii) participation in a drug-related counseling program is required; (iii) a diversion fee of between $50 and $100 shall be assessed to help defray operating costs of the program; (iv) failure to complete the program will subject the person to arrest and prosecution for the illegal possession; (v) upon completion of the program the person may not be subject to arrest or prosecution for the offense and any charge related to the offense will be dismissed, and no public record of the person's arrest, citation, or participation will be maintained; (vi) the person will not be eligible to again participate in the program for three years; (vii) any statements made by the person to law enforcement personnel or other persons connected with the program may not be used against the person in a subsequent prosecution for the possession; (viii) the person understands his or her rights under the Speedy Trial Act of 1974 and agrees that any delay resulting from participation in the program will be excluded in computing the time at which an information must be filed or trial commence; (ix) such person understands that failure to complete the diversion program shall subject the person to arrest and prosecution for the offense, and (x) the person consents to participate in the diversion program.

(c)(4)(B): After Signing Diversion Agreement; After a person signs the diversion agreement he or she shall be (i) assessed a diversion fee of between $50 and $100; and (ii) instructed to appear before a diversion officer at a specific time and date to commence participation in the diversion program.

(c)(4)(C): Non-Public Record; A nonpublic record of the diversion agreement is retained by the Department of Justice for three years. Purpose of this record is for a determination of eligibility to participate in the program if the person is again found in illegal possession of marihuana or hashish. This record is expunged and destroyed after three years.

(c)(5): Counseling; the diversion program shall offer eligible persons drug-related counseling courses (both group and individual) designed to: (A) impress upon the person the serious implications of drug abuse; (B) determine to what extent the person may be an abuser of drugs and to what extent, adverse emotional, medical, family or social conditions may have contributed to the person's abuse of drugs; (C) guide the person into other treatment or counseling programs designed to meet the person's individual needs; and (D) emphasize the dangers of operating a motor vehicle under the influence of drugs.

(c)(6)(A): Completion of Program; a participant in the diversion program is deemed to have completed the program if all required counseling sessions were attended and the required diversion fee was paid. Failure to complete the program will subject the person to arrest and prosecution for the offense.

(c)(6)(B): Effects of Completion: Dismissal; upon completion, any charge related to the offense upon which participation was based is to be dismissed without court adjudication of guilt. Neither dismissal nor participation shall be deemed a conviction for the purposes of disqualifications or disabilities imposed by law upon the conviction of a crime or for any other purpose.

(c)(6)(C): Effects of Completion: Expungement of Official Records; upon completion, all offiical public records (other than the non-public records maintained by the Department of Justice for three years) pertaining to the person's arrest, citation, and participation in the program are to be expunged and destroyed.

(c)(6)(D): Effects of Completion: Perjury and False Statements; upon completion, a person is restored to the status he or she occupied prior to participation. No person shall later be held guilty of perjury or giving a false statement by reason of his or her failure to recite or acknowledge the arrest, citation, or participation in the diversion program.

(d): Program Operation: Funding and Authorization; a revolving fund is created in the Treasury to defray costs of the diversion program. This fund is available to the Attorney General according to congressional appropriations and is to be available without fiscal year limitation. Monies received as diversion fees are deposited into this fund. This section also contains the budgetary authorization.

Section 3 of Legislation: Reports; Attorney General is required (a) to report to the Congress on the operation of the diversion program; (b) to the extent practicable, apprise States and local governments of the diversion program and encourage them to establish similar programs; and (c) to report to the Congress on the extent to which the States and local governments have established similar programs.

Section 4 of Legislation: Other Amendments to Controlled Substances Act; this trolled Substances Act so that it does not apply with respect to any person participating in the diversion program.●

HELP THE DOLLAR

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 8, 1978

● Mr. DERWINSKI. Mr. Speaker, we recognize the continuing battle needed to strengthen our dollar abroad and at home. One of the reasons for the weakness of our dollar is the huge foreign holdings of our currency due to our trade deficit.

The Southtown Economist, serving suburban communities of Cook County, Ill., carried in its April 30 edition a very effective editorial pointing out the need

to correct the imbalance of trade. The editorial follows:

A LITTLE LEG WORK WILL HELP THE DOLLAR

One reason the U.S. dollar has weakened against other leading world currencies is our huge trade imbalance caused by the purchase of fantastic amounts of oil from the Arabs and other OPEC producers.

Americans are using so much more oil per person in comparison to people in other countries that it is scandalous.

We are sending billions and billions of our precious dollars into Arab coffers simply because we make too many useless trips in the family car, refuse to use mass transportation, drive too fast and keep our houses too warm.

We have said this before, but we can't say it often enough: The way to strengthen the dollar is to eliminate the trade imbalance. That will take a lot of doing, of course, but each of us can help by cutting our gasoline purchases.

Next time take the train or bus and leave the car in the garage. Or walk to the store for the newspaper or carton of milk. You'll save money, but more important you'll help cut our fuel imports. And that's something we all must resolve to do in the weeks and months ahead.

CONGRESSIONAL SALUTE TO THE PASTORAL MINISTRY TEAM OF ST. BRENDAN'S CHURCH, CLIFTON, N.J.

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, May 8, 1978

● Mr. ROE. Mr. Speaker, in recognition of the fact that our Nation was founded on the cornerstone of our people's faith in God, which is truly the spirit, conscience, and very being of our society, I am pleased to call to the attention of you and our colleagues the pastoral team concept that has been inaugurated at St. Brendan's Church in the city of Clifton in my congressional district, State of New Jersey.

At the outset I know you will want to join with me in extending our warmest greetings and felicitations to the following distinguished members of the pastoral ministry team at St. Brendan's who have been appointed by His Excellency, the Most Reverend Bishop Frank J. Rodimer of the Diocese of Paterson and are joined together as one in spiritual leadership dedicated to the noble cause of service to God and brotherhood, goodwill, and understanding among all mankind: Father Richard J. Rento, parish administrator, Father William Naughton, Father Joseph Orlandi, and Deacon John Anderson.

Mr. Speaker, the pastoral team concept was developed by many dioceses approximately 3 years ago as a result of the Vatican Council's new style of leadership in the Catholic Church. As a team, they represent equality of ministry and the equal sharing of responsibilities meeting together weekly to review, evaluate, and plan a purposeful cycle for parishioners to share in the spiritual life of prayer and Scriptures of the church. When a parish becomes open, the Bishop makes the decision as to whether the parish should be under the administration of a pastoral team or under one pastor as administrator. When a pastoral team is to be established, all of the clergy are notified and given the opportunity to request to be part of the pastoral team. Applications are reviewed by the personnel board of the diocese and recommendations are made to the Bishop.

Installation of the St. Brendan's pastoral team will take place on Wednesday, May 10, 1978 at St. Brendan's Church with Victor Msgr. Joseph Gallo performing the installation.

Mr. Speaker, With your permission I would like to insert at this point in our historic journal of Congress a brief background profile on each of the members of this dedicated nucleus of leadership and responsibility for the spiritual well-being of the parishioners embodied in the pastoral team of St. Brendan's Church, as follows:

BACKGROUND PROFILE

Father Richard Rento, who has been assigned to head the parish team at St. Brendan, has served as Diocesan Director of Continuing Education for Priests since 1972. Father Rento, who had served as diocesan CCD director, was named director of continuing education for priests in 1972.

Born in Passaic, New Jersey, Father Rento grew up in Clifton, New Jersey and studied at Immaculate Conception Seminary, Darlington, New Jersey, and Catholic University, Washington, D.C. following graduation from Seton Hall University, New Jersey. He was ordained by His Excellency, the late Most Reverend Bishop Dean McNulty on May 31, 1958.

His first assignment was at Our Lady Queen of Peace parish, Branchville, New Jersey, where he also served as chaplain at Camp Columbus, Culvers Lake, New Jersey. He served as Chaplain at St. Mary's Hospital, Passaic, New Jersey. He was appointed associate director of the diocesan Confraternity of Christian Doctrine in 1963 and director in 1964. He held that post until 1972.

Father Rento also serves as vicar of the Passaic-Clifton Vicariate and served as president of the diocesan Priests' Senate for three terms.

Father William Naughton, who has served as temporary administrator at St. Brendan, was born in Boston, Massachusetts, and studied for the priesthood at St. Joseph Semlnary, Dunwoodie, New York, and St. Mary Seminary, Baltimore, Maryland.

He had also spent six months as a cadet at the Air Force Academy in Colorado Springs, Colorado. He was ordained by His Excellency, the late Most Reverend Bishop Lawrence B. Casey of the Diocese of Paterson on April 8, 1972, in St. Virgil Church, Morris Plains, New Jersey, where he had served his deacon intership. He was subsequently assigned to St. Brendan's.

Father Joseph Orlandi was born in Rome, Italy. He studied at the Pontificio Collegio Leoniano and completed his preparation for the priesthood at Immaculate Conception Seminary, Darlington, New Jersey. He was ordained by Bishop Casey on May 26, 1973.

After an assignment as associate pastor of Our Lady of Mount Carmel parish, Boonton, New Jersey, he was appointed associate pastor at St. Brendan's in 1975.

Deacon John Anderson was a member of the first class of permanent deacons ordained in the diocese in 1974 and has served since then at St. Brendan's. Born in Scotland, England, he holds a degree from Paisley Technical Institute of Scotland. He has been a parishioner of St. Brendan's since his arrival in the U.S. in 1957.

Deacon Anderson is employed as production supervisor for Lightolier, Inc., Jersey City, New Jersey. His wife, Frances, is an extraordinary minister of the eucharist. They have three daughters and one son.

Mr. Speaker, the pastoral ministry team concept is a decidedly new challenge that surely augurs well at St. Brendan based on the quality of leadership, sincerity of purpose and the richness of the wisdom of each and every distinguished member of the St. Brendan Pastoral Team. We join with the congregation of St. Brendan Church, Clifton, New Jersey in extending our heartiest congratulations to the new pastorate and wish them well in their new assignment. Through their coordinated leadership endeavors we acknowledge an ever-increasing contribution to the ecumenical spirit of brotherhood, the truth of knowledge and cultural enrichment of all of the people of our community, State and Nation. We do indeed salute Father Rento, Father Naughton, Father Orlandi, and Deacon Anderson, the Pastoral Team of St. Brendan's Church, Clifton, N.J.●

MIDEAST AIRCRAFT PACKAGE: IMPACT ON PEACE

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 8, 1978

● Mr. ROSENTHAL. Mr. Speaker, spokesmen for the administration's all-or-nothing aircraft sales package for the Middle East repeatedly stress that the presence of 60 F–15 fighter-bombers in Saudi Arabia will not alter the fragile balance of power in that volatile region.

There are many in this Congress who question that contention—a clear majority of the International Relations Committee, 22 members, have introduced a resolution of disapproval to block the sale largely because of its military implications.

The Israelis, who will be facing these new American-built fighter-bombers, are even more apprehensive. The administration's proposal raises two fundamental questions in their minds:

Does it increase the probability of war in the Middle East? and

What impact will it have on peace negotiations?

The timing of aircraft sales "is at best counterproductive," according to Jerusalem Post's military correspondent, Hirsh Goodman. He also states:

Some observers believe that America's decision will only serve to make Israel more suspicious, add weight to the arguments of those who feel that the country should rely on no one but itself, and weaken the case of those who advocate a policy of reconciliation.

As for the peace process, Goodman observes that:

It is logical to say that the decision will only serve to harden Israel's overall negotiating posture.

A related issue is President Carter's contention that Saudi Arabia has not actively participated in prior Arab-Israeli wars. The truth is that not only have the Saudis sent troops—but they also have sent arms, including U.S.-built helicopters to Egypt during the 1973 Yom Kippur war. I am inserting in the RECORD a report by correspondent Goodman on this question plus his article about the response of Israeli military officials to the aircraft sales package:

U.S. ARMS DEAL SETS ISRAELI DEFENSE MEN THINKING AGAIN

The cardinal question arising from America's decision to supply Saudi Arabia and Egypt with sophisticated aircraft, and trim Israel's request, is whether it has increased the probability of war in the Middle East.

Some people, including the Americans, claim that an Egypt (and Saudi Arabia) brought into the Western fold by becoming dependent on Western arms will be far more reasonable at the negotiating table with Israel than an Egypt dependent on the Soviets, or feeling that it has no allies.

On the other hand, some observers believe that America's decision will only serve to make Israel more suspicious, add weight to the arguments of those who feel that the country should rely on no one but itself, and weaken the case of those who advocate a policy of reconciliation.

On the face of it, America's decision, coming precisely at this time in the peace process, is at best counterproductive.

True, not much progress can be claimed for the Cairo peace talks, but a modicum of understanding was achieved. Such issues as the status of the Sinai airfields; Israel's early-warning needs; the definition of minimum strategic depth for both sides; clarification of the overall threat from the combined Arab confrontation states and the expected international reaction to any conflict, were all discussed by War Minister Gamasy and Defense Minister Weizman, even if no final agreement was reached on them. This will all now have to be re-assessed.

There were people—serious people—on the Israeli side proclaiming, after the two initial Cairo sessions, that Israel could afford to give up the Eitam airfield near Rafiah as part of any peace agreement. They are rethinking their positon. There were those who had all but written off the Sinai early-warning stations. They, too, are having second thoughts. And, most important, those few optimists who came away from the Cairo talks certain that the first—albeit wobbly—steps had been taken on the path to peace, with all the differences soluble, are now having grave doubts.

The American move has made things more difficult—much more difficult—for those Israelis who were earlier counselling their colleagues in the defence establishment to take bold steps towards meeting the Egyptian initiative. For now, those who had a deep, inbred suspicion both of Arab intentions and of Israel's reliance on allies, can point out with some degree of justification that they were always right.

For one has to admit that the logic of supplying arms to countries in the throes of peace negotiations is an anomaly that defies rational explanation. The Egyptians, we were told, wanted peace so that they could divert their resources to rebuilding their shattered economy. So they go ahead and purchase 50 aircraft costing several hundred millions of dollars.

The supply of aircraft to Saudi Arabia makes more sense. After all, Saudi is technically not one of the states in direct confrontation with Israel, and the Americans have been selling it weapons for years (we all understand the need to recoup petrodollars). But why F–15s? They are the most sophisticated vehicles of death yet produced, way beyond the defence needs of Saudi Arabia, and are noted clearly for their offensive, not their defensive, capability.

Israel's claim that these 60 F–15s may one day be used against her is valid. There are many precedents of arms supplied to a non-confrontation state finding their way into the arsenals of Egypt, Syria and Jordan. Egypt itself received 38 Mirage–111 fighters from Saudi Arabia and flew them against the Israel air force in 1973.

Israel drew one hard and fast conclusion from the Yom Kippur war: to expect the worst. Since October 5, 1973, all the country's intelligence estimates have been based on the concept of "maximum threat." Thus, for example, if Israel received news of several Egyptian tanks moving towards the Suez Canal for spring maneuvres, it was assumed that they were on an attacking mission. If it was later verified that the Egyptian move was indeed innocent, everyone was pleasantly surprised. But from the moment the tanks started to roll towards the Canal, the defence machine on this side of the border had been working as if it were faced with an offensive operation.

The maximum threat concept is not going to be abandoned by defence planners here in the near future. It is natural, therefore, to look at America's decision to supply Egypt with 50 F–5E's and Saudi Arabia with 60 F–15s in that context, and logical to say that the decision will only serve to harden Israel's overall negotiating posture.

What is more, it is also going to affect Israel's basic strategy. As the threat to this country grows with the bolstering of the Arab attack capability, so will Israel become more sensitive to any suspicious move, react more sharply to any hint of aggression.

In a situation of mutual mistrust, and growing Israeli nervousness, the chances of over-reaction and unbridled escalation are increased. Israel, if it feels threatened to a degree where its survival is jeopardized, may be pushed into a situation where even the hint of a tangible threat will be met with a preemptive strike—an act, of course, that spells all-out war.

Regarded from this point of view, the American action has been a destabilizing, and not, as Washington claims, a stabilizing factor in the Middle East. Lack of stability, by definition, increases the chances of war—a truism that makes it difficult to understand—or accept—the Americans' justification that their decision to supply the aircraft was made in the "overall interests of peace in the region."

The addition of sophisticated aircraft to the Egyptian and Saudi Arabian air forces constitutes a new tactical and strategic problem for Israel.

The Arabs—through Saudi's acquisition of the F–15— . . . will now be able to penetrate deeply and destructively into Israel, something they have never been capable of before. (The Mig–25 gave them a deep penetrating reconnaissance capability, but not a destructive capability.)

Israeli Phantoms, Kfirs and even F–15s (the country will have a total of 35 F–15s by the time both its orders have been completed in the mid 1980s) will be hard put indeed to prevent Saudi F–15s taking off from airfields in Jordan from reaching and bombing Israeli centres of population three minutes' flying time away. The problem would be no less acute if the planes took off from either Syrian or Egyptian airfields.

It almost seems preposterous now to ask, or to expect, Israel to concede anything at the negotiating table that will impair the air force's ability to confront such a threat. The Sinai airfields—including the one at Refidim, deep inside the desert—take on a new importance now, and their bargaining value has increased enormously.

It is ironic as well as unfortunate that this should have happened just when many key figures in the Israeli defence establishment were prepared to relinquish these airfields "in the interest of peace in the region."

WHAT CARTER DIDN'T SAY ABOUT SAUDIA

(By Hirsh Goodman, Post Military Correspondent)

Officials in Israel Sunday expressed "amazement" at President Carter's statement that Saudi forces never actively participated in fighting against Israel.

They point out that in the 1973 Yom Kippur War the Saudis sent to the Golan a mechanized infantry brigade, which fought in the Tel Shams-Tel Antar region and suffered casualties. The brigade remained on the Golan Heights after the war and took an active part in the subsequent war of attrition there between Israel and the Syrians. It was withdrawn in 1976.

The Saudis also dispatched armoured forces to Jordan in 1967 and again in 1973—when during the Yom Kippur War they bolstered Jordan's line with Israel south of the Dead Sea and allowed Jordan to release its 40th Armoured Brigade for active duty on the Golan.

The sources also point out that Saudi Arabia in 1973 ordered 38 Mirage V fighters from France—planes which it then transferred to Egypt, thus contradicting another part of Carter's reasoning.●

CONGRESSIONAL SALUTE TO RABBI DR. LEON KATZ OF ADAS ISRAEL, PASSAIC, N.J. IN COMMEMORATION OF 40 YEARS OF DEDICATED AND OUTSTANDING SERVICE TO OUR COMMUNITY, STATE AND NATION

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, May 8, 1978

● Mr. ROE. Mr. Speaker, on Sunday, May 14, the members of my congressional district, State of New Jersey, will join with the Jewish community and congregation of Adas Israel, Passaic, N.J., in testimony to the most distinguished Rabbi Dr. Leon Katz whose standards of excellence as a spiritual leader and adviser of national and international renown have truly enriched our community, State, and Nation. I know that you and our colleagues here in the Congress will want to join with me in extending our warmest greetings and felicitations to Dr. Katz, his good wife, Rhea, daughter, Verda, son, Shimon, and son, Avram, on this most significant milestone of achievement in life's purpose and fulfillment.

Mr. Speaker, Dr. Leon Katz has served with distinction in promulgating, enhancing and preserving the richness of the Hebrew religious and cultural heritage redounding to the spiritual and moral integrity of those of his religious belief as well as materially contributing to the ecumenical spirit of brotherhood, the truth of knowledge, and cultural enrichment of all of our people.

Mr. Speaker, with your permission I would like to insert at this point in our historic journal of Congress the biographic profile and testimony salute prepared by members of his congregation in tribute to Dr. Katz's four decades of service and dedication at the helm of Adas Israel which has intertwined the warmth, affection, and high esteem with which he is held by all of us who have had the good fortune to know him as a great friend and counsellor. I would like to share with you this testimonial to Rabbi Katz which reads, as follows:

FORTY YEARS OF SERVICE

Forty years ago a young Rabbi assumed the pulpit of Congregation Adas Israel. His eloquence and scholarship were quickly evident, but above all, what endeared him to the hearts of all was his warm and friendly spirit.

Through four decades of service, Dr. Leon Katz has been our spiritual guide. His devotion to Torah and his love for Israel has inspired us to greater efforts for Jewish education and the rebuilding of Zion.

A scholar with a background of extensive and intensive training in the religious and secular fields, he is at the same time a man of action. He has displayed rare combination of deep faith and profound idealism.

In recognition of his fortieth anniversary as our spiritual leader and in acknowledgement of his love and service—a grateful community joins in prayer that our Heavenly Father may bestow upon him of the abundance of His blessings and that He may grant him health and strength so that he may continue to enrich our community with his exceptional gifts of heart and spirit for many years to come.

BIOGRAPHICAL PROFILE

In the 40 years that the Rabbi has been with the Congregation, he guided its growth and its development as a vibrant house of worship which includes daily, Sabbath and Holiday services and a house of learning for both young and old. The Adult Education Institute which he founded and administers, offers classes in the Talmud, Shulchan Aruch (Book of Jewish Laws), Bible, Jewish History and lectures on Judaic thought and theology. The Institute was singled out by many prominent national educators for providing exposure to Jewish knowledge and culture and as a model for successful education for adults.

Dr. Katz spearheaded the building of the present Adas Israel edifice and has been the driving force behind the moving from Tulip Street where the Congregation was formerly located.

The Rabbi has been active in the Jewish community at large as well. He has been honored for his services by the UJA, Israel Bonds, Jewish National Fund, Mizrachi Organization of America, Rabbinical Council of America and Yeshiva University from where he received his ordination in 1938 and his doctorate in 1948. Rabbi Katz is past president of the Rabbinic Alumni of Yeshiva University, past president of Rabbinical Council of New Jersey. He is now national vice president of Religious Zionists of America and vice president of Bernard Revel Graduate School of Yeshiva University.

Rabbi Katz has lectured extensively at New York University, Yeshiva University, Stern College for Women, Kean College and many other prominent institutions of earning and higher education.

In February of this year, he was elected as a delegate to the World Zionist Congress which he attended in Jerusalem. He is listed in the following: Who's Who In World Jewry, 1978; Who's Who In Religion; Who's Who In American Education; Directory of American Scholars; Men of Achievement; Dictionary of International Biography; and The Israeli Honorarium.

Rabbi Katz is the author of, "Life, Times, Work of Rabbi Moshe Sofer", published in Jerusalem. He is now completing his work on, "The Sanhedrin And The United States Supreme Court Compared", which will be published next year. Also, he contributed to Jewish Encyclopedia; the Quarterly, "Mada VeEmum"; Kol-Torah; Or Mamizrach; Jewish Life; Shaarin; Proceeding of 17th and 18th Annual Convention—Yeshiva University; JMC Quarterly.

Rabbi Katz is the son of the late Chief Rabbi, Rueben Katz and Rachel Katz of Petach Tikva, Israel. In 1946 he married the former Rhea S. Herzog, the prominent Rebbitzen in Passaic and they have three children; Varda, who is married to Mr. Seev Nistar, lives in Jerusalem and is blessed with a daughter, Michal; Shimon, vice president of Philip Brothers of New York and Avram, who is entering law school this year.

ABOUT RABBI KATZ . . .

Rabbi of Congregation Adas Israel, Passaic, since 1938.

Ordained by Rabbi Isaac Elchanan Theological Seminary of America.

Received his B.A. from Yeshiva College.

Received his M.A. from Columbia University.

Received his Doctorate from Yeshiva University.

Author of "Life, Times, Work of Rabbi Moshe Sofer", published by Mosad Harav Kook in Jerusalem.

He is now completing his work on "The Sanhedrin and the United States Supreme Court Compared."

Contributed to Jewish Encyclopedia; the Quarterly "Mada VeEmuna"; Kol-Torah; Or Hamizrach; Jewish Life; Shearim; Proceedings of 17th and 18th Annual Convention—Yeshiva University; JHC Quarterly.

Instructor in Jewish Tradition and Philosophy at New York University.

Instructor in History at Yeshiva University.

Instructor in Jewish Philosophy at Stern College for Women of Yeshiva University.

Member of Society of Professors of Hebrew Culture.

Member of World Academy of Jerusalem.

Member of Historical Society of America.

Member of Executive Rabbinical Council of America.

Past President of Rabbinic Alumni of Yeshiva University.

Past President of Rabbinical Council of N.J.

President of Mizrachi N.J. State Region since 1955.

Vice President of the Alumni of the Barnard Revel Graduate School of Yeshiva University.

He is now a member of the Doctorate Committee at New York University in charge of approving dissertations leading towards the degree of PHD.

Married in 1946 and has three children.

His name appears in "Who Is Who In World Jewry" and "Who Is Who Among American Scholars" and in "The Israel Honorarium".

Son of the late Chief Rabbi, Rueben Katz and Rachel Katz of Petach Tikva, Israel.

"Who's Who In Religion", "Who's Who In American Education", "Men Of Achievement", "Dictionary Of International Biography".

Mr. Speaker, with the deepest respect and admiration, it is a pleasure to call to the attention of you and our colleagues the lifetime of good works and good deeds of Dr. Katz whose dedication, devotion, and untiring efforts toward the spiritual and cultural enrichment of others deserves the national recognition of the Congress of the United States. In commemoration of his 40th anniversary as a distinguished spiritual adviser of national and international renown and for the quality of his leadership and richness of his wisdom, we do indeed salute Rabbi Dr. Leon Katz of Adas Israel, a good friend and great American.●

RAPID RECOVERY—A SPEEDY PRESCRIPTION TO IMPROVE THE QUALITY OF THE LAND AND THE SPIRIT OF PEOPLE OF CLEVELAND, OHIO

HON. MARY ROSE OAKAR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, May 8, 1978

● Ms. OAKAR. Mr. Speaker, as the Congresswoman whose district represents one of the largest concentrations of Clevelanders and a significant portion of Cleveland proper, I want to share with my colleagues a creative beautification project that can and should be imitated in other cities across the country. To my colleagues who jest about my lifelong home, Cleveland, when they notice an "I love Cleveland" necklace I frequently wear to the House floor, may we go on record here to prove that Cleveland is so much more than a struggling school system and a nationally ridiculed current city administration.

It is still a city filled with people who hold the same pride I do for our own city, and this week we will see a fitting demonstration of this pride in a ceremony marking one of the most unique and constructive projects to be undertaken in any city, a project that can serve as a positive example to my colleagues who represent urban municipalities, such as Cleveland, with similar financial problems foisted upon a people deserving of much better.

In this regard, I want to acquaint you with the newest prescription for recovery available to the people of Greater Cleveland. Its name is Rapid Recovery, and its logo or trademark features the repeated initials "RR" with a small "x" beside them. Patterned after "Rx," the symbol used at the beginning of medical prescriptions, Clevelands RRx truly is a plan for swift, therapeutic measures to treat the landscape of Cleveland and the hearts of its people. It is a project consistent with the goals of the Carter administration "Rosalynn Plan" that strives to improve and revitalize urban communities with joint participation by citizens and private corporations working together in a grassroot movement.

Greater Cleveland's rapid recovery prescription is a comprehensive facelifting targeted around what its founders refer to as the backbone of Greater Cleveland's mass transportation network, the rapid transit line. The rapid transit line, that stretches for some 30 miles—from Cleveland Hopkins Airport to the heart of downtown Cleveland and beyond to the suburb of Shaker Heights—is a model mass transit rail system that links the community together in just minutes for

a maximum of just 35 cents. Thanks to a responsive community who saw the need for mass transit, a levy was passed at a time when most of the country was apathetic to such needs.

Though voters responded to the need to help finance mass transit and the system itself was indeed as rapid as its name, the rail network that complements the RTA or Regional Transit Authority's bus fleet found itself at ground level with the area's worst eyesores that already bordered the gleaming tracks. The debt-ridden transit system, before help from the levy, attempted to maintain service but had no staff or capital improvement money for tangential frills. Thus the path the rapid transit took each day was not prim-rosed.

Perhaps a description of this path that appeared in the Cleveland Press prior to rapid recovery's initial therapy bears repeating here to set the scene for the need for this new RRx:

RTA's gateway to downtown Cleveland is a panoramic pig sty.

Rapid Transit trains carry passengers—including impressionable out-of-town visitors—through a moving scenario of garbage, punctuated by the four-letter words of graffiti artists—into the heart of this city.

Most of the properties along the route, from Hopkins Airport to Shaker Square, are hillside slopes offering a view not unlike the inside of a wastebasket.

By Tony Natale,
The Cleveland Press.

Two young men at Case Western Reserve University, Duane H. Salls and Steven J. Nelson, created the concept of rapid recovery and devised the clean-up, fix-up plan to make it happen. Salls is now executive director of RRx, working out of the RTA's general offices in downtown Cleveland, making his brain child grow.

What began as a thought in 1976 has generated thousands of volunteers and thousands of dollars from private, corporate and foundation kitties.

Model projects, including eye-catching, super-graphic type wall murals, now adorn sides of buildings and bridges that make every Rapid Transit car have picture windows.

But some of the pictures along the 30-mile stretch, times two if you consider both sides of the tracks, are not so pretty.

Years' accumulations of debris and old tires line much of the landscape, but the scene is changing.

In one stretch of land, not much larger than a rapid transit train itself, some 40 truckloads of debris in 2 days time were recently hauled away to a landfill.

A 7,200 square-foot paint-by-number drawing on a blank wall leading to a bridge was converted into an insta-mural in just 48 minutes when a painters' district council and sign painters union local took on the challenge after Cleveland State University artists did the planning and numbering before hand. Companies donated paint and sports moguls donated rewards to the volunteer painters, for example, tickets to a Cleveland hockey game.

A Boy Scout troop landscaped a transit station lot, and a girls school made a weekend project of cleaning up a stretch of tracks near the school. Rapid recovery is providing physical and spiritual therapy to persons of every age and every economic means.

Since last June, more than $300,000 has been committed by private industry in supplies and man hours that multiply as the rapid transit's more than 15,000 daily riders see the fruits of the project.

On Friday, May 5, I will join those in the community who will come to downtown Cleveland heralding the project by participating in its "Homestead Day."

Just as the Homestead Act of 1860 provided the incentive for new settlers to lay claim to free land that they were willing to develop anl care for, Rapid Recovery's Homestead Day will provide the incentive for modern-day settlers.

Symbolic deeds will be transferred as private citizens, community groups, and business representatives sign deeds as they lay claim to the tract of land along the tracks that they personally will transform and maintain as part of rapid recovery. A plaque with the "settler's name" will be erected on each respective parcel with the implied staking of continued responsibility to the land.

The media and the military, the schools and the scouts, the civic clubs and corporations, the artists and the advisers, the foundations and the founding fathers of today's government, the unions and the unstructured labor forces, are laboring together to make sure that rapid recovery does bring a speedy and much needed treatment to the land along the rapid transit.

Just as the Oklahoma Sooners were the first homesteaders of the 1860's to stake their claims to Western lands, rapid recovery has its own Sooner award recipients to more than 50 Greater Cleveland companies and organizations who made their commitment known by early action and completed projects.

But much work is yet to be done with plans that include plexiglass wall-relief with night-time illumination to fencing and landscaping to work into artistic sculptures to space-scape illuminated motifs for the now eery, dank tunnels that lead to and from Cleveland's Union Terminal downtown stop and the airport station.

Educational programs are being coordinated in the effort with the downtown terminal tower central station becoming the site of continuing displays and entertainment.

Rapid recovery is more than a speedy prescription to improve the quality of the land bordering the rapid transit tracks. It is a rapid recovery for the spirit of the people and the community. May we experience a speedy recovery in every way.●

WE ARE BURYING OURSELVES

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 8, 1978

● Mr. HYDE. Mr. Speaker, a recent letter to the editor of the Chicago Tribune contained a lot of truth in a few short sentences. I am pleased to share it with my colleagues:

"WE'RE BURYING OURSELVES"

ARLINGTON HEIGHTS.—The same coalition of student protesters and guest speakers who persuaded us to abandon Indochina to the Communist oppressors and murderers are now working on banning nuclear power, disarming the U.S. while overlooking massive Soviet arms stockpiling, and attempting to starve South African business firms into bankruptcy so that blacks will have no jobs.

All these programs will increase Soviet expansion toward world revolution. Meanwhile, our Congress helps by handcuffing our intelligence services. We are burying ourselves. Grace M. Warnock●

THE LATE SENATOR JOSEPH R. McCARTHY

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 8, 1978

● Mr. McDONALD. Mr. Speaker, the death of Senator Joseph R. McCarthy 21 years ago was a great loss, not only to our country, but to all who love freedom. Senator McCarthy's life and efforts to defend America from Communist subversion have been the subject of lies, misrepresentations, and smears.

However, to many of us, the late Senator from Wisconsin was a man with a message that America must be defended, and we are today seeing that his forecasts were accurate and that the threat of international communism is greater than ever before. Even worse, we no longer appear to have the will to defend ourselves.

In ceremonies in Appleton, Wis., marking the anniversary of this great American's passing, a tribute was made to him by an old classmate, Thomas J. Bergen, an attorney. The text of Mr. Bergen's speech follows, and I commend the content to my colleagues:

Joe McCarthy, an enigma or a true patriot? There has never been in the history of the country a more controversial person than Joe McCarthy. Even after 21 years of his silence, occasioned by the untimely departure from this world to that world of his Maker, Joe is still making headlines and is still on the lips of a generation of people, twice removed from the days of his bitter battle. Without hesitation we can name many others who have departed this earth and about whom we hear very little.

The spirit of McCarthy keeps coming back continuously, not because it is restless, but because it is the spirit of a man, controversial in life and even more controversial in death.

On one side of the coin, we were subjected to the NBC, "Tail Gunner Joe", portrayed by a Peter Boyle, a young writer and actor in Jane Fonda's Anti-American show, aimed at weakening the will of the American troops to fight in Vietnam.

On the other side of the coin, we hear from Mrs. Larry Lent, a former secretary to Joe McCarthy, emphatically stating that "NBC's" film entitled "Tail Gunner Joe", supposedly portraying the character and life of Joseph McCarthy, was undoubtedly, one of the most monstrous, diabolical distortions of history, it has been my misfortune to see".

Here is the dichotomy—resulting in many forked branches of thought. The peculiar part of the total picture is that the media, whether it be the newspapers, magazines, radio, TV or the films, Joe's life and living is totally controversial from the days of the chicken business, going through high school in one year—all areas seem to be bait for those who would attempt to destroy him.

Just recently in the Milwaukee Journal, as he euphamistically called the Milwaukee Daily Worker, one of the unknown Journalists interviewed a Prof. Thomas C. Reeves about his forthcoming history of Joe McCarthy, asked the question, "How could the kind of McCarthy (sharp, intellectually capable of great sentiment and emotion—quite naive about some things—capable of great warmth—on the other hand, he could be ruthless, callous and at times, almost savage—as portrayed by Prof. Reeves) embark on a communist crusade almost completely false, destroying reputations on the way?"

The point to be made is, that this particular Journalist used the term "almost completely false", referring to the communist crusade. No matter what McCarthy had done, or would in the future do, there was the same dichotomy of opinions, reaching from the lowliest possible attack to the highest possible praise.

NBC and others have smeared him as a poor excuse of a Judge, when he sat as a Circuit Judge in Appleton, prior to World War II. They would have you believe he ran an assembly line divorce court. Nothing could be further from the truth as attested to by the Milwaukee Journal (his arch enemy after the War) when the stated "Judge McCarthy of Appelton has streamlined his Tenth District—never one to stand on much red tape, Judge McCarthy's court innovations slash through misty tradition to eliminate delays and speed hearings."

I can attest to the fact myself, having appeared before him on one paricular divorce matter in the early forties, prior to his leaving for the War. We arrived in Appleton at about 8:45 A.M., with the case scheduled for 9:00 A.M. We bumped into him entering the court house and he extended a greeting to me and asked if we were ready—to which I responded—"Yes." He asked if the other lawyer was here yet, to which I responded—"There was no other lawyer. The case was a default matter." He then personally ushered us into the court room, called his reporter and clerk, called the case and with promptness disposed of the matter in a judicial manner and then went about other business of the day, at which time we left. My recollection is that we were in the court room about 20 minutes and were then on our way back to Milwaukee.

In thoroughly studying the vitriolic attacks on Joe by the media, whatever it may be, we see the true shape and form of communism and it's ability to thwart attacks upon it by it's superior, indoctrinated "BIG LIE" theory upon which it is founded. Someone like Joe who struck a responsive nerve in the Communist ideology can only be handled, not by a direct confrontation, but by a side-winder blast and undermining of the assailant in all aspects of his life to distort his image, his ability, his honesty, his sincerity, his mental aberration if any, and thus portray a lunatic about to attempt to destroy all of the good people of this country. If you will note the media of the time moved the minds of the devouring public from the true problem, the problem of a vicious Soviet undermining of our heritage by using our top people, to a blasphemous attack upon the person of Joe McCarthy. This is the method of the Godless conspiracy against mankind. This immediately makes Joe McCarthy the most controversial man in history. They definitely succeeded.

After 21 years since his death, we see how far the Communists have succeeded, externally and internally in this country of ours. In that short span of time, we have been transformed from an energetic, aggressive leader of the world to a whimpering, socialistic, robot state, controlled by a mob of lilliputian bureaucrats who bind and tie our hands and feet by their endless regulations, edicts, orders, directives, fiats, killing all incentive and reducing us to docile, mind controlled idiots, incapable of fighting communism, incapable of continuing our glorious days of growth, of expansion, and world leadership.

If McCarthy were here today, he would turn in disgust and would be forced to say "I warned you 25 years ago."

Just three years ago the Soviet Union invaded Africa, sending Cuban mercenaries prepared to fight. What did the U.S. do? Nothing—except scream about South Africa and Rhodesia, and calling for majority rule by blacks in proper elections—but when it comes to this country, our same government says majority rule by the majority will not be tolerated. The minorities must be given, granted and guaranteed their pinnacle of control of our government.

To show you how far we have come since the days of Joe McCarthy, in sliding into the Communist ideology, I refer you to a column in the normally left-wing liberal Washington Post, written by Rowland Evans and Robert Novak, April 17, 1978. "One of Zbigniew Brzezinski's key technical advisors, privately addressing fellow arms specialists over two months ago, propounded this principle: "Better that this country not enjoy a clear arms superiority over the Soviet Union, for fear that we would sometime mis-use it." As Pogo once said, "I have met the enemy and he is us."

This is the principle as ensconced on the walls of the U.S. Arms Control Agency. Victor Utgoff, a 39 year holder of a Doctorate in Engineering, is known as an advocate of "minimum deterence." He has further explained that if either the U.S. or Moscow thought it had a strategic advantage, high risk of confrontations might result. He doesn't answer the question—"Why should we deliberately give up our superiority in pursuit of the Utgoff theory, Russia will then, we presume, be the aggressor?" It is the same game the communist sympathizers played in North Korea and in Vietnam. This same theory accounts for our giving away the Panama Canal.

In this regard I wrote a letter about 2 months ago to Senator Howard Baker, the Republican whip in the Senate and suggested that since we stole Alaska, through "Sewards Folly" of paying 2 million, and now tapped and untapped resources may benefit us to the tune of 2 million a day—logic would now tell us we gypped the Russians so we ought to give it back to them. And then, of course, since the Federal Judges are trying to give parts of the country back to the Indians, in various sections of the country or in lieu thereof, billions of dollars, as compensation for illegally stealing the land from them—maybe it would be better to give it all back to the Indians and be done with it.

The media had consistently accused Joe of exaggeration, of bluffing, of not having the facts, of painting with a broad brush, of utter disregard of the rights of the people he was attacking. Does the same media take Carter to task on his 657 promises to this country and the voters of this country, when he was campaigning? Even the controlled Press is now saying that he has utterly failed to keep his promises and his image has fallen to an all time low of 39% of the people of this country who still believe in him. However, he is not the target of the uncontrolled Press, so they will not destroy him—after all—he is their "PATSY".

This word "PATSY" was used by the unknown Professor when he explained that Joe was J. Edgar Hoover's "PATSY". The fact is, that McCarthy and Hoover had one idiological commitment—they were both anti-communist. In the eyes of the controlled Press, that somehow made McCarthy—Hoover's "PATSY".

The self-appointed historian writing the life of Joe McCarthy asked the question by the Milwaukee Journal reporter about two months ago—as reported in the Journal of 2/27/78: "Didn't he think that making up evidence would ever catch up with him? The self-appointed historian answers: "Joe never really thought beyond the hour—he had no capacity for looking ahead. The future bored him and the past bored him even more. He lived strictly for the day. There was another part of his peculiar personality—another element in all of this is alcohol. By 1952 McCarthy was an alcoholic. By 1954, during the Army-McCarthy hearings, Joe, between television sessions, is sitting up all night drinking straight bourbon and vodka. By 1957 it kills him."

It's very peculiar, but the first so-called barrage of what the media claimed was an exaggerated statement of 205 known communists in the State Department, came long before the so-called alcoholic period that the historian refers to. In the 2 years that I knew Joe at the University, he was not a heavy drinker, nor even a sociable drinker—and to paint him at any time during his life as an alcoholic—without any factual proof thereof—is a part of the communists "big lie" and personal vilification and destruction of him and all he stood for.

Mrs. Larry Lent, in the Spotlight newspaper of 3/21/77 stated: "Every single scene showing the Senator drinking in his office was contrary to the truth. Never once, in all the time I served as his Secretary, did I ever see him take a drink in the office—nor did I see him offer a reporter a drink. And furthermore, there never was a bottle in his office while I worked there."

I find that the trap all of us get caught in, is the street that goes only one way and ends at a brick wall. We are constantly, consciously or unconsciously, battling and defending Joe McCarthy. We are constantly being sucked into the maelstrom of defending his person, his character, his methodology, his very life and his war record. The only reason we are pulled into this never ending defensive position, is because we are fighting a godless social enigma, known as communism, which thrives on half truths.

The late and distinguished Ambassador, Spruille Braden, in a speech Feb. 28, 1977 to the USA Navy League, said: One of my strongest persuasions is that the greatest threat to "our civilization" is a world-wide breakdown in morality. This we witness in and out of government penetrating every strata of society. I further believe that the most widely destructive of all immoralities is that centered in and emanating from Moscow Vide:

One. The unending and outrageous cruelties perpetrated on the Russian people, as described by Solzhenitsyn: Two. The so-called "liberation" movements propagated everywhere by Soviet agents, foreign communists and misguided dupes: Three, Russian ambitions for world hegemony. The Soviet is already progressing by strides in its plans to convert the American republics into a conglomeration of satellite and slave states. Today I shall summarize only the four most critical areas in the Western Hemisphere.

First: Argentina exemplifies how a superior, educated, wealthy and religious nation, possessing virtue and great mental and physical assets for over three decades has suffered a deluge of evils as her government sank into the depths of degradation, corruption, venality and irresponsibility. Murder, torture, kidnapping, terrorism and guerilla warfare ensued. The cause of all this was the breakdown in morality and communist infiltration.

Second: The collapse of Chile into communism was more precipitious and complete than Argentina's; first came the election to power of the Social-Democrats (actually Socialists); four years later they helped the Marxist, Allende to the presidency, with only a 35 percent constitutional vote.

Third: Cuba, as a full fledged Soviet satellite and Soviet-occupied fortress, is a major danger to the United States. Fourth: It suffices to say about Panama that our sovereignty and ownership of the Canal Zone in perpetuity twice has been reaffirmed by U.S. Supreme Court decisions, by many leading Panamanian statesmen, presidents and ministers, as well as by lower U.S. Courts. As recently as December 17, 1976, District Judge Guthrie F. Crowe, stated that he believes the U.S.A. owns the Canal Zone: "I think the United States is the owner of this property by reason of the treaties with Panama and Colombia, payments to the French (Canal Co.) and the creation of the land commission in which people from Panama and the United States functioned as a court with thousands of claimants. (The land) was paid for with United States money". Our title is every bit as secured legally as are our territorial acquistions from France, Spain, Mexico, Denmark and Russia".

Our good friend, Joe McCarthy even made the Congressional Record on April 18, 1978 in Extensions of Remarks containing an article written by Wm. Buckley, the self-styled conservative—whose conservatism seems to be more in tune with the Rockefeller camp and money, when he took Vanessa Redgrave to task for her blatant remarks at the recent 50th Annual Academy Awards ceremony. She spoke to perhaps 100 million people in a captive audience on TV, by stating that "Zionist hoodlums had picketed the Oscar Awards, and in so doing, damaged the cause of world Jewry." She then went on to applaud those who had stood firm and dealt the final blow against that period when Nixon and McCarthy launched a world-wide witch hunt against those who tried to express in their lives and their work the truths that they believed in." Buckley continued, "she finished by encouraging a continuing war against "Oppression and Facism", not once mentioning the principal source of contemporary oppression namely, that Communism which, among other things—Nixon and McCarthy fought. Buckley continues; "The arguments in favor of Vanessa Redgrave's" conduct reveals merely an intellectual flabbiness which America certainly ought to fear—but which, try as one can, is difficult to blame Joe McCarthy."

Like Earl Denny said, "It's too bad the Senate isn't filled with McCarthy's. I concur, Joe will never be forgotten. His spirit is not restless, but it haunts the lives of many people today.

Sorry state of affairs, isn't it?

Let's get back to Joe again. I have deliberately left at one of the tables, the 1934 Marquette year-book to show you a picture of Joe and myself on page 195 standing next to each other. We were novice debaters in those days. The Franklin Club was a debating Society at the University. From my experience debating with him and against him, Joe was a very sharp, intellectual guy. He was a hard worker, put in long hours, going to school days, working nights pumping gas in a filling station. He enjoyed playing cards and was a brilliant guy without having to work at it, seemed to be second nature. He enjoyed good clean jokes and was quite a teaser and ribber. He was rough and ready and would never walk away from a fight.

Before we sink into the quagmire and depart I am reminded of the ship's Captain, while the ship was sinking rapidly, called out; "Anyone here know how to pray?" One man stepped forward—"I do, sir." "Good", said the Captain, "you pray, the rest of us will put on life preservers. We're one short."

In closing let me answer the question presented to you "Joe McCarthy, an Enigma or a true Patriot". Let me say emphatically without hesitation and without reservation, Joe was one of the greatest patriots this country has ever known.●

ST. ELIAS CHURCH

HON. MARY ROSE OAKAR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, May 8, 1978

● Ms. OAKAR. Mr. Speaker, on Saturday, May 6, 1978, the people of greater Cleveland celebrated the 70th anniversary of the founding of St. Elias Church and the 25th anniversary of dedicated service to St. Elias of its pastor, Archimandrite Ignatius Ghattas, B.S. Since this church so reflects the wonderful history of my district, I submit the following history of St. Elias Church:

It was a great moment for the Syrian-Lebanese community in Cleveland that April day in 1908 when St. Elias Church came into existence.

Up to that point, a struggling stepchild among churches known as "The Church of St. Basil for the Syrian Catholics" existed mostly in the minds and hearts of its early parishioners.

Mass had been said for the first time on Christmas Day, 1901 by Father Basil Marsha in the Chapel of St. Joseph's Church on the East Side. From then until 1903, Father Marsha continued to say Mass at St. Joseph's and then at the chapel of St. John's Cathedral. Then services were moved to the converted first floor of a building on East 9th Street, until late in 1907, when two frame houses were purchased on Webster Ave.

Finally the dream of a parish was a reality. They were simple frame structures, that first church and priest's residence, but worthy to be named after hometown parishes so fondly remembered by the majority of parishioners who hailed from Zahle and Khirbet-Kanafar. Thus "St. Elias Church" was born in April, 1908.

Bishop John Farrelly performed the dedication ceremony and Father Marsha was now Pastor of a young, but promising Parish.

It is remarkable to think that this event pre-dated two world wars and the Great Depression—and that Theodore Roosevelt occupied the White House at the time! The cost of the property: $3,900, with another $200 going to remodel the church.

A month later, Sadie Anter Macron became the first bride to walk down the aisle of that first St. Elias Church.

From that point, the parish was to occupy another building before erecting the present one in Brooklyn. Under the leadership of our second Pastor, Father Malatios Mufleh, who came in 1921, the old South Presbyterian Church was purchased and remodeled in June of 1937. It was located on the corner of Scranton Road and Prame Avenue and was dedicated by Bishop Joseph Schrembs.

With the coming of Father Ignatius Ghattas in 1952, the third great growth stage for our Parish was set. A new and exquisite church was built and dedicated on May 2, 1965 and today we are burning the mortgage and planning for another expansion to serve the spiritual and temporal needs of a community that has grown ever stronger, ever larger and ever so close since its "pioneer" days 70 years ago.●

JACK M. NAGEL

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 8, 1978

● Mr. WAXMAN. Mr. Speaker, although I am taking this occasion to ask the Members to join me in observing the accomplishments of Jack M. Nagel, it is I who am honored to be permitted to share in the event. On May 21, 1978, the Union of Orthodox Jewish Congregations of America, at its 80th Anniversary National Dinner at the New York Hilton, will present its National Distinguished Service Award to Jack M. Nagel of Los Angeles. Chosen to be recognized for "his outstanding contributions to the national and international Orthodox Jewish Community", Jack and his wife Gitta have been vigorous leaders of the Los Angeles Orthodox community. One of the original founders of the Yavneh Hebrew Academy, Mr. Nagel served as its president and is now chairman of its board of directors. He is past president of one of the most prominent Orthodox synagogues on the west coast, Congregation Shaarei Tefila, as well as serving as a vice president to the West Coast Region of the Union. Jack Nagel has actively supported the Rambam Torah Institute, the West Coast Teacher's College of Yeshiva University and national organizations including Religious Zionists of America, Torah Umesorah. Working side by side with his wife, Jack Nagel has helped build the key institutions of the Los Angeles Orthodox community, as well as the Israel Bonds organization, Mizrachi, and prominent Jewish causes throughout the United States and Israel. He was honored at the UOJC National Convention in 1976 with the organization's National Community Service Award.

The Jack Nagel story is a 20th century Jewish story of survival and success out of the Nazi concentration camps, where both of his parents and two brothers perished. Coming to the United States at the close of World War II, he settled first in New York and then came to Los Angeles. Here he has molded a new life for himself and his family, and has established himself as a prominent businessman.

Jack Nagel's community activities are almost too numerous to list, but his participation in projects devoted to human welfare must be noted: He is past chairman of the Hollywood Division, United Jewish Appeal; a member of the "Prime Minister" Club and of the "Ambassador" Society of the Bonds of Israel; a member of the board of directors of Rambam Torah Institute; member of the advisory board of the Jewish National Fund, of the Zionist Organization of America and of the newly established Yeshivah University of Los Angeles and of its Simon Wiesenthal Holocaust Center. He has been appointed a member of the board to the Bureau of Jewish Education, is a parent trustee for the B'nai Auivah of North America, a supporter and friend of the Bobover Yeshivah in Boro Park,

a member of B'nai B'rith's Beverly Hills Chapter and a life member of the Guardians of the Jewish Home for the Aged, a member of the Los Angeles World Affairs Council, an associate member of the Weizmann Institute of Science in Israel, an active supporter in the Kollel-Lakewood of Los Angeles, and was a recipient of the Presidential Founder Award of Bar Ilan University In Israel in 1977.

Jack and his wife Gitta have four children; their oldest son, Ronnie attends Albert Einstein College of Medicine; their elder daughter Esther is a junior at Stern College for Women of Yeshivah University; their son David attends Yeshivah University and plans to become an attorney, and their youngest daughter Careena is in the ninth grade of Rambam Torah Institute in Los Angeles.

We have much for which to thank Jack Nagel: his continued devotion to Jewish traditions and to American freedoms have enriched all of us and provide a bright beacon to show the way for others. It is, as I have said, an honor to be able to share the occasion of this award with the Nagel family, the Union of Orthodox Jewish Congregations, and his countless friends.●

DR. PHILLIP D. ITKOFF, MULTIPLE SCLEROSIS FATHER OF THE YEAR

HON. MARK W. HANNAFORD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 8, 1978

● Mr. HANNAFORD. Mr. Speaker, the National Multiple Sclerosis Society has honored Dr. Phillip D. Itkoff of Lakewood, Calif., as its Multiple Sclerosis Father of the Year for 1978. The MS society annually searches the country for the most worthy candidate for this recognition, and Dr. Itkoff's worthiness could not be surpassed by any other individual.

Phil is a constituent of mine, and I have known of his good works for a number of years. Mr. Speaker, I think it is fitting that the House of Representatives hereby acknowledge his award and join the MS society in recognizing his selfless contributions to his fellow man.

Dr. Itkoff is an optometrist by profession. He is also a multiple sclerosis victim, and, in one of life's major ironies, that disease has seriously impaired his own vision. Yet Phil has devoted all of his available energy to helping other MS sufferers. Neither his poor eyesight nor his limited mobility—Phil can only walk short distances—can keep Phil from his "appointed rounds," visiting MS patients in Compton, Calif. I am told that Dr. Itkoff spends at least 2 hours per day at a hospital there working with MS victims.

For the last several years, Phil has succeeded in raising more than $15,000 annually to be used for research into the causes and possible cures of multiple sclerosis. In fact, the Southern California Chapter of the National Multiple Sclerosis Society was so impressed with Dr. Itkoff's efforts that it gave him the Bronze Hope Chest award in 1976.

Despite his busy schedule, Phil finds time to dabble in oil (painting, that is) and to be with his wife and children. Mr. Speaker and fellow Members of Congress, we can all find an element in the Phil Itkoff story that will make the darkest day brighter. Let us all strive to remember Dr. Itkoff and his enviable record of achievement.●

VOLUNTEER ACTIVIST AWARD PRESENTED

HON. BILL CHAPPELL, JR.

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 8, 1978

● Mr. CHAPPELL. Mr. Speaker, I want to call the attention of my colleagues to a notable event that recently took place here in Washington. A few days ago, in a ceremony at the headquarters of the Organization of American States, the National Volunteer Activist Award was presented to the Marion County, Fla., Task Force on Child Abuse. The award is given by the Germaine Monteil Foundation, through the National Center on Voluntary Action.

As we are now beginning to recognize, child abuse has long been one of the most sadly ignored problems in our communities. Fortunately, that is no longer the case in Marion County, Fla. Many dedicated and concerned people from all over the county, under the fine leadership of Mrs. Lois Graw of Ocala, have put together the Marion County Task Force on Child Abuse, with the objective of bringing this scourge out of the closet and seeking to conquer both its causes and its tragic effects.

Last November, the task force sponsored a conference on child abuse. The support and participation was overwhelming—over 300 persons had to be turned away. Participants included over 400 representatives from the Florida State Department of Health and Rehabilitative services, the Marion County Health Department, the County Mental Health Association, Central Florida Community College, "Vision," and numerous other civic and professional groups. I was privileged to address the conference, and I was considerably impressed with the tremendous concern from throughout the community.

The Marion County Task Force on Child Abuse—one of the first of its kind—is helping to set a model for other communities throughout Florida and around the country. I am enormously proud of the work they are doing, and I can think of no more deserving recipient of the National Volunteer Activist Award. I offer my sincerest commendations to Mrs. Graw and the many other committed people on the task force. Their devotion and their continuing efforts are helping to insure that no Marion County child will ever again be the victim of torture, neglect, and brutality.●

REPORT ON FREE ENTERPRISE WEEK

HON. W. HENSON MOORE

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 8, 1978

● Mr. MOORE. Mr. Speaker, I announced to the House on December 15, 1977, that the first annual Free Enterprise Week celebration held anywhere in the country to the best of our knowledge would be held in the Sixth Congressional District of Louisiana on January 8 through 14, 1978. I also announced at that time that I would subsequently make a complete report to the House on the results of those activities. I would like to make this report at this time.

The Free Enterprise Week was initiated several years ago as a thought which kept reoccurring to me as a result of continuous reading of articles appearing in various periodicals indicating that the free enterprise system was in great jeopardy in the United States and that the prime reason for that jeopardy was basic ignorance of the public of its benefits and workings. It occurred to me that the only way to reverse this trend was to initiate education programs for the public. I conceived the idea of a Free Enterprise Week celebration as a public education program to supplement and complement any others which might have been existing. In 1975, during my first year as an elected Member of Congress, I formed a business and industry advisory committee for the Sixth District of Louisiana made up of local businessmen and women from all parts of the district. I asked this advisory committee to consider the idea of sponsoring with me a Free Enterprise Week celebration. After months of study, it was determined that together we would undertake this project. It then took us approximately 1 year to actually plan and put together the first Free Enterprise Week celebration.

We asked all individuals, organizations, and trade associations to join in with us and many did. As a matter of fact, there were several hundred individuals who all joined in and participated making the week possible. Without these efforts, the celebration could never have taken place as it required a great number of contributions of time and money. Numerous individuals worked many long hours on various parts of the project; many organizations and business enterprises made significant contributions of personnel, material, and equipment; and approximately $6,000 in cash was raised and expended to cover the expenses of the week's activities.

The week consisted of a number of separate items, all designed to reach the public in different ways, but with the same message. These items included high school essay contests, a Free Enterpriser of the Year Award, newspaper advertisements, radio and television spots, a Free Enterprise Week Awards banquet with a featured speaker, a logo contest, special programs at universities, a "How To Do Business With the Federal Government" conference, public appearances at vari-

ous civic clubs and on special television programs, local government resolutions, and media coverage of the week's activities.

The high school essay contest turned out to be a most worthwhile venture. Every high school in the Sixth District of Louisiana, both public and private, was invited to participate. Most did. There was interest because Louisiana was one of two States in the Union now requiring a course in free enterprise to be taught at the high school level. This produced an obvious interest among the students. The free enterprise teachers at the high school selected the winning essay from that school. The school winner was awarded a $25 U.S. savings bond. The winners from all the schools in the parish then competed for a parish winner who was selected by the Free Enterprise Week essay contest committee made up of volunteers from each parish in the district. The parish winner was awarded an additional $50 savings bond and a plaque designating them as the parish winner both of which awards were presented at the Free Enterprise Week Awards banquet. From the parish winners, the Sixth District Free Enterprise Week Essay contest winner was selected and awarded an additional U.S. savings bond in the amount of $100 and an additional plaque both of which were awarded at the Free Enterprise Week banquet. The winner was Ms. Deborah Arthur of Franklinton, La., who read her essay at the Free Enterprise Week Awards banquet. Her essay was placed in the CONGRESSIONAL RECORD on April 12, 1978, on page 9957.

A second aspect of the week's activities was the Free Enterpriser of the Year Award. This award went to one winner selected by the Free Enterpriser of the Year Award Committee made up of volunteers from every parish. Each chamber of commerce located in the Sixth District nominated a local businessman for this award. The winner was announced at the Free Enterprise Week Awards Banquet and presented a very handsome plaque designating him as a true example of success in the American free enterprise system. The first winner was Mr. Huey J. Wilson. A more detailed account of why Mr. Wilson was selected as the first winner appears in the CONGRESSIONAL RECORD on April 18, 1978, on page 10622.

A third aspect of Free Enterprise Week was the submission to every newspaper in the Sixth District of a series of Free Enterprise Week advertisements and the logo for the Free Enterprise Week. It was suggested that they, in turn, encourage their advertisers to pay for placing these ads in their paper, that they place some in themselves as a public service and that the logo appear on all newspaper ads during that week which were of sufficient size. This, in fact, took place in a great number of advertisements which appeared in some 22 newspapers in the district and helped make the public aware that Free Enterprise Week was taking place and educate the public on the subject of free enterprise. The newspapers were most cooperative as were many of their advertisers.

A fourth and very successful activity was the production and televising of a series of seven 1-minute commercials for television and radio on free enterprise. The local ABC affiliate television station in Baton Rouge, La., WBRZ–TV, Channel 2, graciously made its production and filming department available at no cost for these spots. The seven included one by a farmer, one by a blue collar worker, one by a housewife, one by a male and one by a female white collar worker, one by a student, and one by a small businessman who happened to be black. All seven were filmed on location with local residents appearing and told what free enterprise meant to them. These seven individuals represented about every possible cross section of the population of the Sixth Congressional District. They were most effective in explaining to the public why free enterprise was important to them as every viewer could identify with at least one or more of these commercials. All three television stations in the sixth district utilized the commercials daily during Free Enterprise Week. The sound from the televison film was produced into radio commercials which were played by most of the radio stations in the district.

At the end of the Free Enterprise Week, a Free Enterprise Week Awards Banquet was held with the cost of the ticket equaling only the cost of the meal which was kept to a minimum to get as much participation as possible. An almost capacity crowd of 450 people appeared on Saturday evening, January 14, 1978, for this banquet. The awards previously mentioned were awarded at the banquet, the winning essay was read, and remarks were received from the Free Enterpriser of the Year Award winner. The highlight of the evening was an address by the Honorable James T. Lynn, former director of the Office of Management and Budget, assistant to President Ford, and secretary of Housing and Urban Development, on the subject of free enterprise. The entire proceedings were televised live by the local cable television station in Baton Rouge. The remarks of Mr. Lynn received a great deal of publicity by the media by virtue of his reputation which further highlighted the existence of Free Enterprise Week and the importance of free enterprise.

A sixth item which was important was the conducting of a logo contest to design a logo for Free Enterprise Week. All public relations firms in the sixth district were invited to join in the contest. We received numerous entries, but the one selected by the Free Enterprise Week Committee we considered to be an excellent choice. It was designed by Mr. Dave Williams of Baton Rouge, La., who was presented a plaque and remarks of appreciation at the Free Enterprise Week Awards banquet. The logo he designed appeared in newspaper advertisements, on the television commercials and on a series of 25 billboards contributed by the Lamar Advertising Company of Baton Rouge, La., across the sixth district. The logo was a drawing of a large letter "U" joined by smaller "S" denoting the abbreviation for United States and forming a dollar sign ($), and under this symbol were the words, "Free Enterprise is Everybody's Business, Free Enterprise Week, January 8–14."

A seventh event in the Free Enterprise Week activities consisted of programs at two of the Universities in the sixth district in order to involve faculty, students and interested members of the public. Southeastern Louisiana University held the First Annual Southeastern Louisiana Economic Symposium in connection with Free Enterprise Week and included myself as a speaker on free enterprise and a guest I had brought to Louisiana for Free Enterprise Week, Mr. Wendell Wilkie Gunn. Mr. Gunn is black, is from the South and is currently vice president of Chase Manhattan Bank. He holds a Bachelor of Science degree and a Master of Business Administration degree. Mr. Gunn had once felt that income redistribution may well have been the only answer for minorities in the United States, but later came to the conclusion that economic expansion through free enterprise was really their only hope. His comments were particularly well received at Southeastern Louisiana University and at a special convocation program held at Southern University by the College of Business. He was a featured speaker on both of these programs. Southern University is the largest black university in the country. Students must be involved in understanding free enterprise and these special programs on these two campuses were of help.

The eighth item was a "How To Do Business With Your Government" procurement conference held during Free Enterprise Week for all interested businessmen and women in the area. The Federal Government has grown to such an extent that it is now the largest single purchaser of goods and services in the world. Free enterprise prevails in its purchasing requirements; however, many small businessmen are not aware of just how to do business with the Federal Government and lose out on sales possibilities. This conference was a great success in helping approximately 200 local businessmen in this regard. The conference was one day in length and was sponsored by the U.S. Department of Commerce.

A ninth activity was public appearances by myself and Mr. Wendell Wilkie Gunn before various audiences live or on television or radio discussion programs. Appearances were made on special live television programs on all three television stations in the Sixth District discussing free enterprise. Appearances were made before the Baton Rouse Sertoma Club, Capitol Sertoma Club, Audubon Kiwanis Club, Zachary Rotary Club, and the Baton Rouse Rotary Club. Radio special interviews were conducted as well and a special film was shown on television entitled "The Second Battle of Britain" to point out the difficulties of Great Britain today as a result of the decline of free enterprise. In addition, a meeting was held with most of the employees of a large industry in the district to discuss with them the importance of free enterprise to the blue collar worker. These presentations on

special radio, television, and live audience programs reached a large number of people with a discussion format on the importance of the free enterprise system.

A tenth part of the activities of the week consisted of local governments issuing resolutions acknowledging the importance of free enterprise and recognizing Free Enterprise Week. Most local governments cooperated with such resolutions. A sample resolution appears in the CONGRESSIONAL RECORD of April 20, 1978, on page 11029, which was issued by the mayor of the largest city in the Sixth District, Baton Rouge, La. These resolutions also helped call public attention to the merits of free enterprise and the existence of Free Enterprise Week.

Last, the electronic and print media were coordinated with prior to and throughout all the activities of Free Enterprise Week. As a result, a large number of newspaper articles appeared as well as news coverage in the electronic media of the various events during Free Enterprise Week. The media cooperated completely and gave the week's activities a great deal of coverage which, in turn, further helped to educate the public.

This, then, concludes a report of how the Free Enterprise Week came into being, was executed and what took place. The results or impact of the week's activities cannot be measured objectively, but subjectively everyone concerned and comments from members of the public in general were extremely favorable. I feel an impact was made and that people were aware that something was going on concerning free enterprise and that many learned something about free enterprise. That is progress and much needed progress. As a result of Free Enterprise Week, many persons are now interested in expanding the week's activities for 1979 beyond the Sixth Congressional District and to further expand the activities which should take place during next year's Free Enterprise Week. It is my hope that someday soon all parts of this great Nation will do something similar in recognition of and education about the greatest economic system in the history of the world which exists in this country in its purest form anywhere in the world today. Under it, any individual can rise from the humblest beginnings to achieve whatever degree of material fulfillment he or she may desire, but most importantly, the greatest opportunity is provided to fulfill their God given talents. We are indeed in jeopardy of losing this system if we do not educate ourselves as quickly as possible as to its merits. I commend a Free Enterprise Week to you as a method of education and salvation of the free enterprise system.●

WOMEN'S EQUITY ACTION LEAGUE

HON. MILLICENT FENWICK

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, May 8, 1978

● Mrs. FENWICK. Mr. Speaker, Friday, May 5, one of our finest national women's organizations celebrated its 10th anniversary. Founded by a determined group of nine women, it was named the Women's Equity Action League. Its first and continuing emphasis is on equity—justice—particularly for women, particularly for working women, particularly for equity in education and at work.

For 10 years it has followed that course with devotion and skill. It has enlisted the finest women in America and has widened its scope to consider legislation in Washington and in the States and to encourage women to enter Government.

In my own State of New Jersey we have been lucky to have as President Eileen Thornton of Trenton, who is now finishing her term as president of the National League. Eileen and I are friends of many years' standing, but I am being objective—not biased—when I say that she is unquestionably one of the finest people I have known. She is able, of course, but her strength as an administrator rests also on her exceptional qualities of judgment and fairness. Her word is good. She has common sense.

WEAL is to be congratulated not only for its fine work, but for the character and quality of those who have worked in it.●

SENIOR CITIZEN INTERN PROGRAM

HON. PHILIP E. RUPPE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, May 8, 1978

● Mr. RUPPE. Mr. Speaker, today marks the first day of the 1978 senior citizen intern program. I would like to take this opportunity to welcome the intern from my congressional district, Mr. Edward LeCour, of Alpena, Mich., as well as the many other senior citizens from throughout the country who have come to Washington, D.C., to take part in this program. In their 2 weeks in the Capital City the interns will participate in lectures, field trips, and interviews with various Government officials involved in issues of special interest to older Americans.

The interns' participation in this program will prove invaluable to all involved. The senior citizens will add to their own knowledge of the workings of the Government. They will learn more about the legislative process and the people who play an important part in developing and administering laws affecting all senior citizens. Each intern will return home able to share the information and experience he has gained here in Washington with the individuals and organizations of his community.

However, just as important as the knowledge the interns will take home with them is the contribution they will make here in Washington. For we, as public servants, can learn much from our contact with the interns. They will provide us with their own perspectives on the issues affecting senior citizens in their daily lives. Thus, the fact that these interns are invited to Washington to participate in such a program demonstrates the growing awareness in Congress of the important part which senior citizens can and must play in finding solutions to the difficulties confronting today's older Americans. The input of this vital segment of the population is essential if we are to come to an understanding of the difficulties facing the elderly. Without this exchange, we here in the Federal Government cannot effectively assist in resolving the problems and improving the quality of life for all of our senior citizens.●

COMPLYING WITH SECTION 504—THE COSTS HAVE BEEN EXAGGERATED

HON. NORMAN E. D'AMOURS

OF NEW HAMPSHIRE

IN THE HOUSE OF REPRESENTATIVES

Monday, May 8, 1978

● Mr. D'AMOURS. Mr. Speaker, the costs of complying with the program accessibility requirements mandated by section 504 of Public Law 93–112 have been greatly exaggerated. It is my pleasure to submit the following statement on this subject by Mr. David S. Tatel, Director of the Office for Civil Rights of the Department of Health, Education, and Welfare.

The information follows:

Our contracts with school, college, and hospital administrators indicate a growing misunderstanding of at least one part of the regulations issued under Section 504 of the Rehabilitation Act of 1973. Section 504 prohibits discrimination against qualified handicapped persons in federally assisted programs.

Specifically, the notion that these institutions must eliminate all architectural barriers in three years has gained widespread belief. This is erroneous. The regulations do not require the elimination of all architectural barriers.

The regulations do require that enough buildings or parts of buildings be made accessible so handicapped persons can participate in the activity being supported by HEW funds. While a part or percentage of an institution's facilities must be accessible, there is no prescribed number or percentage that is required.

The object is to make the programs of an institution accessible, not every classroom or dormitory room.

It has been difficult to get attention focused on program accessibility because some people seem to skim over the regulations and explanatory materials and start fretting about the widening of thousands of doors or installation of high and low water fountains in every facility at every conceivable point. A result of the misunderstanding is a rising exaggeration of the potential costs of making programs accessible.

Institutions that over-estimate what is required and elect to do nothing at all because of this misunderstanding will do a disservice to themselves as well as handicapped persons.

There will be some costs and some burden on the institutions, fully anticipated by Congress in the enactment of the law and the legitimate costs will pose a serious enough problem without the additional headaches caused to administrators by unfounded fears. A recent report by Mainstream, Inc., a private nonprofit organization that encourages compliance with the Rehabilitation Act, indicates that the cost of making 34 facilities accessible—in a survey they conducted—totaled one cent per square foot. These same

facilities spend 13 cents a square foot to clean and polish their floors.

When institutions begin actual development of the transition plan to assure program accessibility, they will in all likelihood discover the requirements on them to be less burdensome than they have anticipated.

Handicapped persons will prove an invaluable resource to the institutions as they plan for change. A thorough understanding of the regulations, use of the experience and technology available in dealing with the needs of handicapped persons, and some ingenuity in planning will substantially decrease the amount of money needed to provide program accessibility.

The regulations emphasize the use of nonstructural changes to assure accessibility. One such method involves the relocation of courses in which handicapped students have enrolled to newer buildings that are already accessible. Using this method, a large midwestern university which has approximately a third of its buildings accessible, is able to accommodate the needs of all of the handicapped students.

Another technique is the use of aides in libraries. Stacks in the libraries of some older institutions are on upper floors with no elevator access. In this situation, the institution can use aides to conduct the search in lieu of installation of lifts. The aides can locate and deliver the needed books to the accessible main floor of the building. Use of aides would constitute compliance with Section 504 as long as they are available during the operating hours of the library.

Another example: A public school that needs installation of numerous ramps for program acessibility could draw on the use of wood-working shops at the district's high schools. The shops could readily incorporate a work project on design and construction of ramps for the district's buildings as part of their classwork. Similarly vocational students could also assist in widening doors and making toilet facilities and water fountains accessible.

The Department's technical assistance staff is already developing a model system for integrating information on accessibility with registration and scheduling information which will make it easier to match handicapped students to accessible classrooms. This effort will include coordinating course requests from handicapped students with information on what is now available.●

SALUTE TO MISS KAY HOOD

HON. JOHN H. DENT

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 8, 1978

● Mr. DENT. Mr. Speaker, today I wish to recognize an outstanding citizen who has devoted her life to the welfare of others. Miss Kay Hood, of Vandergrift, is an educator, humanitarian, and civic leader whose reputation for good works has long been appreciated by her community.

For some 32 years Miss Hood taught our young people in the New Kensington-Arnold School District, where she directs the Foreign Language Department. She has worked tirelessly as a volunteer for such noteworthy causes as the Westmoreland County Heart Association, the United Way, the Trinity United Presbyterian Church, and others. Miss Hood has served as the chairperson of the Professional Standards and Practices Commission of the Pennsylvania Department of Education. The is the past president of New Kensington-Arnold Education Association, and the past president of the Church Women United.

In addition to her civic and education activities, Miss Hood has long been involved in issues important to women. She is the past President of both the Vandergrift Women's Club and the Westmoreland County Federation of Women's Club and the Westmoreland County Federation of Women's Clubs, and for many years has been active in the Pennsylviana Federation of Women's Clubs. On May 15, 1978, Miss Hood will seek election to the office of third vice president of the Pennsylvania Federation of Women's Clubs with the unanimous endorsement of her colleagues from Westmoreland County.

Mr. Speaker, last year the Westmoreland County Commissioners, in recognition of her civic and professional contributions, declared October 17, 1977 as "Kay Hood Day." I believe that we in this U.S. House of Representatives should also recognize the accomplishments and unselfish devotion of this talented human being. Therefore it gives me a great deal of personal satisfaction to pay tribute to Miss Kay Hood for all that she has done to make her community and country a better place to live.●

PEACE IN IRELAND A GROWING NATIONAL CONCERN

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 8, 1978

● Mr. BIAGGI. Mr. Speaker, almost daily in my capacity as chairman of the 104-member Ad Hoc Congressional Committee for Irish Affairs I receive copies of resolutions or proclamations adopted by State and local legislative bodies. It is certainly gratifying and signals an increasing national interest in the question of the future of Ireland.

One such resolution was adopted recently by the Board of Schuylkill County (Pa.) county commissioners. It endorses the right of self-determination for the people of Ireland as well as the ad hoc committee's sponsorship of a peace forum. I might add that the committee did receive a formal resolution from leaders of the Irish-American community at our meeting of May 3, 1978. It is under active consideration and its details I will make known in the near future.

At this point in the RECORD I wish to insert this important resolution which was brought to my attention by Mr. Leo F. Haley, president of the Pennsylvania division of the Ancient Order of Hibernians. This type of advocacy is needed to get a stronger commitment by this Nation to advancing the constructive role it can and should play in bringing peace to Ireland.

The resolution follows:

RESOLUTION

Whereas, many of the early settlers of Schuylkill County immigrated from Ireland and

Whereas, their descendants make up a large segment of the population of the County today and

Whereas, six counties of Ireland are still under the domination and control of the government of Great Britain and

Whereas, the people of all thirty-two counties desire to live in Peace in an Ireland United and Free,

Now therefore be it resolved, that the Board of County Commissioners of Schuylkill County support the right of the Irish People to "Self-Determination" and furthermore do support the Irish National Caucus and the efforts of the Ad Hoc Congressional Committee for Irish Affairs to sponsor an Irish Peace Forum in Washington, D.C.●

IN COMMEMORATION OF THE DIAMOND JUBILEE OF THE U.S. TUNA INDUSTRY REPRESENTING 75 YEARS OF SERVICE AND DEDICATION TO OUR NATION

HON. JOHN M. MURPHY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 8, 1978

● Mr. MURPHY of New York. Mr. Speaker, I am honored today to introduce a House joint resolution commemorating the 75th anniversary of the U.S. tuna industry. Over the past three-quarters of a century the U.S. tuna industry has grown and prospered to the extent that it is today the single largest U.S. fisheries industry.

It was in 1903 that Albert Halfhill of the Cal-Fish Co. in San Pedro, Calif., first experimented with canning albacore tuna. That year the pack was a mere 700 cases valued at $3,500. Since then, thanks to the popular demand of the American consumer and the ingenuity and determination of the industry to meet that demand, the pack has grown to over 30 million cases annually, worth more than $850 million. The pack now consists of yellowfin and skipjack tuna as well as the original albacore.

Today the U.S. tuna industry has an estimated $1 billion impact on the Nation's economy. The industry employs over 30,000 persons directly as fishermen, cannery workers, processors, and builders in our Nation's shipyards and thousands more indirectly throughout the geographic range of the industry's operations. Tuna processing plants are situated in southern California, Oregon, Hawaii, Puerto Rico, and American Samoa.

The popularity of tuna has grown steadily over the span of its 75-year history. Tuna has firmly established itself in the Nation's diet because the American consumer recognizes it as a flavorful, economic, versatile, and convenient source of complete protein and essential vitamins and minerals.

I am pleased to have this opportunity to congratulate this great industry for a job well done for 75 years and to wish the industry continued growth and prosperity in the future. I urge my colleagues to join me in commemorating the diamond jubilee of the U.S. tuna industry by cosponsoring this resolution. The text of the legislation follows:

Joint resolution authorizing and requesting the President of the United States to issue a proclamation commemorating the seventy-fifth anniversary of the U.S. tuna industry.

Whereas the United States tuna industry has provided the American consumer with a nutritious, convenient and economical source of protein for seventy-five years; and

Whereas the United States tuna industry employs 30,000 people directly as fishermen, cannery workers, processors, and builders in our Nation's shipyards and thousands more in ancillary positions such as warehousemen, truckers, paper and steel workers and retailers; and

Whereas the United States tuna industry has a one billion dollar impact on the American economy; and

Whereas the United States tuna industry has developed into one of the largest and most successful fisheries industries in the world, emulated by countries around the globe; and

Whereas the United States tuna industry has grown from a pack of 700 cases of tuna in 1903 to over 30 million cases per year in 1978; and

Whereas the United States tuna industry provides the estimated three pounds of canned tuna consumed by each American each year; and

Whereas the United States tuna industry is celebrating its diamond jubilee anniversary in 1978: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is authorized and requested to issue a proclamation which commemorates the seventy-fifth anniversary of the United States tuna industry by designating 1978 as the diamond jubilee year of the United States tuna industry and inviting the Governors of the several States, the chief officials of local governments, and the people of the United States to observe such anniversary with appropriate ceremonies and activities.●

ALASKAN WILDERNESS WANTED

HON. G. WILLIAM WHITEHURST

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 8, 1978

● Mr. WHITEHURST. Mr. Speaker, the keystone of H.R. 39, the Alaska National Interest Lands Conservation Act, is the wilderness title of the bill. The protection of selected portions of the conservation areas proposed in this bill as wilderness is particularly critical to Alaska's internationally famous wildlife habitats. In order to provide lasting protection for the great wildlife populations that find refuge on our last frontier, we must be generous with the acreage that we preserve as wilderness in Alaska. For this is a land where climate has spread the membrane of life so thin that a single grizzly bear may need 100 square miles as territory and wolves and caribou move over endless miles as they play out their interrelated destinies in nature.

Wilderness is not only the magnificent wildlife and scenery, of course, but also the many unique forms and special quality of the Alaskan landscape that grip the minds of all who visit there. Robert Marshall, writing about his explorations in the Alaskan wilds, said—

No comfort, no security, no invention, no brilliant thought which the modern world had to offer could provide half the elation of the days spent in the little-explored, uninhabited world of the arctic wilderness.

Some important wilderness lands already have been removed from H.R. 39. I plan to vote against any further incursions into our Alaskan wilderness legacy to future generations.●

SENATE-PASSED FEDERAL CRIMINAL CODE CONTAINS OBJECTIONABLE FEATURES

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 8, 1978

● Mr. DRINAN. Mr. Speaker in the early part of this year, the Senate passed a bill (S. 1437) which purports to codify the Federal Criminal Code. One of its objectives was to bring together in one title all of the provisions, scattered in various parts of the United Sates Code, relating to criminal conduct. Another aim was to remove obsolete features of the old law and to enact fair sentencing provisions. In the view of many commentators, including leading newspapers, the new code has failed to achieve those commendable goals.

The St. Louis Post-Dispatch has criticized the Senate bill both before and after the Senate actually passed S. 1437. In the earlier editorial, the paper called on the Senate to eliminate "the objectionable features still remaining in the legislation." After the Senate acted without accomplishing that, the Post-Dispatch urged the House Judiciary Subcommittee to "closely scrutinize the measure."

During February, March, and April, the Judiciary Subcommittee on Criminal Justice, under the able leadership of Representative MANN, has done precisely that. The subcommittee has held extensive hearings on the bill and has examined a number of provisions in the bill which had gone unnoticed. One of the areas of greatest concern is the "overfederalization" of the criminal law. The bill expands Federal jurisdiction in criminal matters to areas previously not reached by Federal law.

The perceptive and careful work of the subcommittee should receive commendation. Next week it begins a period of marking-up the legislation, seeking to determine what bill, if any, should be reported favorably to the full committee. It may be that the members of the full committee as well as the whole House will have to reflect on this measure as it moves through the legislative process. To assist the evaluation of the bill, it may be helpful to keep in mind the analyses of the Post-Dispatch. For that purpose, I insert in the RECORD those two fine editorials:

[From the Post-Dispatch, Nov. 6, 1977]

THREAT TO LIBERTIES

Prodded by Attorney General Griffin Bell to act on the long stagnated effort to modernize and codify the jumble of outdated, inconsistent and ambiguous federal criminal laws, the Senate Judiciary Committee has approved a bill that represents some progress toward the desirable objective. The measure does eliminate statutory deadwood. It repeals, for example, the 1940 Smith Act, which had already been largely invalidated by Supreme Court decisions because of its infringements on First Amendment rights.

The bill would set up a federal commission to establish guidelines for sentencing in an attempt to eliminate wide disparities in sentencing for similar crimes. It would shield rape victims against courtroom questioning about their past sexual conduct. It would limit the power of the government to prosecute newspapers for receiving government documents alleged to have been stolen and curb the power of federal judges to jail reporters for violating gag orders by saying punishment could not be imposed if the order was found invalid on appeal.

Despite improvements over some existing statutes and despite concessions as a result of objections to some of its original repressive features, the bill does not deserve to pass the Senate in its present form. The legislation is still riddled with potentially repressive provisions reflecting an overall attitude that the government should be given greater authority to control the political activities of citizens and to act against the press when it is deemed to be too prying or to be telling too much.

For example, while judicial gag orders would be more difficult to impose, the power of judges to issue them would be legislatively recognized—which means implicit approval of a kind of prior restraint on publication that is inconsistent with the First Amendment. On the matter of press possession of government documents alleged to have been illicitly acquired, newspapers would be allowed to plead intent to publish as a defense. But the questionable doctrine that official information is the property of the government and that it has the exclusive right to disseminate such data would be by inference recognized.

Senate Bill 1437—the latest version of what used to be S–1—still confers far too much loosely defined authority on federals officials to move against unpopular protest groups. The conspiracy provision, for example, would allow the prosecution of one alleged to have agreed to commit an act that was later found to be an illegal protest demonstration, although he or she never took part. The bill would allow the prosecution of demonstrators for failing to obey a minor official's public safety order.

These are only a few of the objectionable features still remaining in the legislation. Senators Edward Kennedy, Birch Bayh and other liberals have sought to eliminate some of the restrictive provisions of the original bill in order to gain broader support and bring to fruition the criminal law codification effort that has now been under way for 10 years. Although their work has softened the impact of the measure as initially sponsored by hard line Sen. John McClellan and the Nixon Justice Department, the Judiciary Committee bill still threatens the liberties of Americans to such an extent that it does not merit the support of Senators who respect the Bill of Rights.

[From the Post-Dispatch, Feb. 6, 1978]

CODIFIED THREATS TO RIGHTS

After 12 years of effort, in which the legislation has gone through several versions, the Senate a week ago approved a massive bill aimed at codifying and simplifying some 3,000 federal criminal laws, many of them outdated and inconsistent with each other. The effort was a laudable attempt to bring some order out of the chaos of haphazardly enacted statutes extending back nearly 200 years. But, while S. 1437 as passed by the Senate contains some welcome improvements in federal criminal laws, it still in-

cludes many questionable provisions that make the bill unworthy of final enactment unless it is drastically amended.

Among the reforms that the measure's supporters are touting as a way of pressing for passage by the House and then the full Congress are that, in addition to simplifying federal criminal law, the bill would repeal the already largely invalidated 1940 Smith Act (which was aimed at free speech); it would set up a commission to establish guidelines for uniformity in federal sentencing; it would decriminalize the possession of small amounts of marijuana; it would shield rape victims against courtroom questioning about irrelevant past sexual conduct; it would impose higher penalties for white collar crimes.

Although these provisions and some others do indeed represent improvements over present law, the bulky bill is still loaded with undeleted features that threaten the liberties of Americans.

The measure would, for example, greatly broaden federal jurisdiction in the area of state police authority, making it a crime for a citizen to disobey a federal official's public safety order, even though it might be questionable. The bill would also make it a crime to give a false statement to a federal officer, although the statement was not under oath or before witnesses; make it a crime to solicit what might turn out to be an offense, although the alleged solicitor had innocent intentions; and make it a crime to obstruct a government function, with no strict definition of the function being provided.

The present conspiracy sections of federal law are codified and strengthened, so it would be easier for the government to secure convictions for conspiracy far removed from the actual commission of a crime. All of these provisions could be used to curb First Amendment rights involved, say, in peaceful demonstrations against public policy.

Although the bill purports to protect the press by providing relief for reporters jailed for violating unconstitutional gag orders, it legislatively recognizes the heretofore challenged right of judges to enforce gag orders; and it provides no protection if an appellate court refuses to hear an appeal from an alleged invalid order. Moreover, the bill makes it a crime to conceal the identity of a suspect, which could apply to a reporter who had talked to a confidential source suspected of a crime.

These are some of the dubious provisions in S. 1437, which make it essential that the House closely scrutinize the measure when it reaches that body in hearings before a judiciary subcommittee probably this month. The danger is that the legislation, which is being pushed by the Carter administration, will go to the House floor without serious challenge to its faults, since its virtues have been allowed to obscure its many threats to rights. ●

CINCO DE MAYO

HON. GEORGE E. DANIELSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 8, 1978

● Mr. DANIELSON. Mr. Speaker, on May 5, Cinco de Mayo, 116 years ago, the bravery of the Mexican people in an historic battle with the French established what is now a traditional holiday celebrating their love of freedom, much like our own Fourth of July.

For it is on Cinco de Mayo that we recall the Battle of Puebla under the brilliant leadership of Gen. Ignacio Zaragoza. Though outnumbered in both troops and weapons, General Zaragoza and his patriotic troops defeated Napoleon's invading army in a battle which stands as a monument to freedom loving people everywhere. At that time, the French army was considered the mightiest in the whole world, which is why the Battle of Puebla stands out as a spectacular victory against overwhelming opposition.

In my own 30th Congressional District there were numerous events commemorating this revered holiday, many of which I attended on Saturday, May 6. The cities of El Monte, Pico Rivera, and Rosemead were among those which celebrated Cinco de Mayo. East Los Angeles College also had a variety of programs marking this inspiring holiday.

Mr. Speaker, it is with great pride that I ask my colleagues to join me in this tribute to the celebration of freedom, bravery, and love of country, and to join with all of those of Mexican ancestry in appreciation of their magnificent heritage.●

NATIONAL ASSOCIATION

HON. WALTER E. FAUNTROY

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 8, 1978

● Mr. FAUNTROY. Mr. Speaker, this past weekend, I was privileged to participate in some of the activities of a most important National Association: The National Association for Public Continuing and Adult Education. A description of the weekend's activities and a statement of the purpose and goals of the organization follows: I believe it to be useful to reprint in the CONGRESSIONAL RECORD:

RECENT WEEKEND ACTIVITY

That National Association for Public Continuing and Adult Education, Region III, is presenting a Spring Conference on Adult Education in Washington, D.C. at the Capitol Hilton Hotel, May 5–7. The conference is teacher-oriented, with workshops and other sessions planned to bring new knowledge to teachers and an opportunity for sharing.

On Friday, May 5, the conference will begin with a gala parade with all areas of adult education in the region represented. Starting at the United States Capitol with greetings by Congressman Fauntroy, the parade proceeds down Pennsylvania Avenue, stopping at Board of Education headquarters for greetings by Superintendent of Schools Vincent E. Reed, thence to the District Building where NAPCAE President Bobbie Walden will receive from Mayor Walter E. Washington the proclamation of Adult Education Week and a gift. Parade will disband in Lafayette Park.

The opening session of the conference will be held on Friday, May 5 at Metropolitan AME Church with guest speaker, Mr. James Dyke, Special Assistant to Vice President Mondale. Sessions will be in progress all day Saturday, May 6, with a cocktail dance and teacher-recognition activities in the evening at the Capitol Hilton Hotel.

Sunday's program is a unique one—a Champagne Brunch Panorama of Stars. At this time three outstanding adult students will be recognized:

Mrs. Edith Odrick, 83 years old and Washington, D.C.'s oldest active adult education student.

Mrs. Ernestine Duberry, Detroit, Michigan, for demonstrating in an outstanding manner, the dignity of work.

Mr. Lewis James Dalton for outstanding progress as a result of the Atlanta Georgia Adult Education Program.

Mary G. Turner, Assistant Superintendent Adult and Continuing Education, Washington, D.C. is general chairperson of the conference.

Documentable benefits of the Public Schools Adult Education program last fiscal year include 147 job placements and 3,867 job promotions.

The other five states in Region 3—Delaware, Maryland, Pennsylvania, Virginia, and West Virginia boast of an ever-burgeoning interest and enrollment in adult education, with proportionate impact on the national economy through job placements, promotions, and removals from the welfare rolls.

Federally appropriated funds continue to serve as the basis for increasing state and local suport of adult education programs.

PURPOSE OF THE NATIONAL ASSOCIATION OF PUBLIC CONTINUING AND ADULT EDUCATION

"The purpose of the Association shall be to give leadership to the development and implementation of public continuing and adult education. The Association shall not engage in any activity which would be inconsistent with the status of a charitable educational association as defined in Section 501(c)(3) of the Internal Revenue Code of 1954 and any successor provision thereto."

Institutional, active, student, and emeritus members and subscribers receive the Public Continuing and Adult Education Almanac and the three newsletters—Techniques for Teachers of Adults, Administrators Swap Shop; and the Pulse of Public Continuing and Adult Education. In addition to three newsletters and the Almanac, NAPCAE also produces special publications from time to time.

NAPCAE is a financially independent organization which maintains its offices in Suite 429 of the National Education Association headquarters building in Washington, D.C. NAPCAE is a charter member of the Coalition of Adult Education Organizations (CAEO) and has an affiliate relationship with more than forty national, regional, and state organizations. Within its own structure there are three national councils: the National Council of State Directors of Adult Education, the National Council of Urban Administrators of Adult Education, and the NAPCAE Council of Affiliates. Various committees are appointed from year to year to assist in the operation of the Association and to help meet the specialized needs of the membership.

During the 1970's NAPCAE has carried out—under contract—a variety of special projects using its professional staff and its extensive consultant network. These projects have run the gamut from various types of evaluations and training activities to the preparation of tests and the formulation of long-range plans and strategies. Inquiries about the services of this consultant network are welcomed and should go to James R. Dorland, Executive Director, NAPCAE, 1201 16th Street, N.W., Washington, D.C. 20036 (phone: AC 202–833–5486).

The District of Columbia has an affiliate chapter of NAPCAE—DCAPCAE whose members are professional adult educators who work in various programs in the city.

During the last fiscal year, the Public Schools of the District of Columbia instructed 23,055 adults in classes in adult basic education, adult diploma programs, GED preparation subjects, adult career education offerings, and adult community education courses.

The District of Columbia program is located in 6 major centers, 11 evening schools, 17 community schools and 15 satellite sites. In addition the program maintains linkages with public and private businesses and organizations.●

DAN RUGETI TO BE HONORED BY SEPHARDIC COMMUNITY IN LOS ANGELES

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 8, 1978

● Mr. WAXMAN. Mr. Speaker, it is fitting that Temple Tifereth Israel and our Sephardic community in Los Angeles recognize the continuous contributions and devoted service of Dan Rugeti, who has enriched his community beyond measure. He will be honored at his temple's dinner-dance on May 20, 1978. It would take a volume to detail his life's activities and religious service, but through a look at the highlights we can learn about the heritage which has been so richly fulfilled in over 40 years of his dedicated effort to the Sephardic cause.

The Island of Rhodes in the Aegean Sea was the birthplace of Dan Rugeti, one of eight children born to Rachel and Isaac Arougheti. He is an alumnus of the Alliance Israelite Universelle and of the Italian School of Commerce. While still a youth, he was the first Sephardic to work for the Italian municipality on Rhodes, aided by his great facility with languages. His early work involved him with the census system on Rhodes and brought him responsibilities with administration and rationing during the First World War.

Dan emigrated to the United States at the age of 18 to join his brother Albert in Los Angeles, whom he assisted in the flower business while studying English in the evenings. He later continued his business education at the University of the West. Dan worked hard during the 1920's at a variety of business enterprises until he and his brother were able to form the successful partnership which has lasted over the decades in the wholesale shoefinding business.

Dan Rugeti's close and lasting link with the Sephardic community in Los Angeles began with his arrival here when he joined a Sephardic organization, The Peace and Progress Society, which was a forerunner of the Sephardic community groups active today in this area. Sephardic Temple Tifereth Israel has counted Dan Rugeti as one of its most faithful and devoted members for over 42 years. Together with his wife Stella he has given tirelessly of himself in the greatest range of committee and religious activities possible.

A listing of the committees he has served on over the decades includes the constitution, nominating, ways and means, living memorials, and scholarship award committees. His leadership abilities have found expression through his outstanding service as cochairman of the religious committee, and his tact and wisdom served him successfully as chairman of the dues review, delinquent payments and membership committees.

Another important area of personal contribution to the well-being of the temple community has been Dan's long tenure on the board of directors, well over 20 years of devoted effort and unceasing concern for the future of the Temple. During these years he has served as vice president for three terms eschewing offers of the presidency in favor of recruiting younger leadership offering progressive ideas as well as steadfast guidance on the issues and plans which are the responsibility of the temple leadership. Furthermore, he has been a delegate to the Council of Sephardic Organizations, working successfully toward unification of two major Sephardic organizations in our area out of his conviction that a strengthened community would result.

But most important for the life and heritage of Sephardic Temple Tifereth Israel, Dan Rugeti has continuously brought beauty, holiness, orderliness and joy to Friday night services through his faultless chanting and recitations, performing duties as Associate Gabbai, in assistance to his Rabbi and congregation. It has been said that listening to Dan is a true Sephardic experience, as his religious faith and devotion shine through years of childhood training and participation in holy worship. No better example of preserving his heritage can be found than his recordings of the Sephardic "Shema" and his reminiscences which have added to the temple's treasured cultural storehouse. Several tapes lie in the archives of universities as a result of interviews he gave students for their theses.

Many memories of his role in the temple family will be rekindled as we honor Dan's past activities: cheerful Oneg Shabbat evenings, community singing of the Ladino songs, the personal greeting of worshippers in as many as seven languages at high holiday services, enthusiastic participation in all aspects of Sephardic traditions. He has served with a devout heart and tireless energy, and his wife Stella and son Daniel Louis Rugeti partake with the entire congregation in saluting his dedication to his temple. I ask the Members to join with me in admiration and congratulations to Dan Rugeti on this happy occasion.●

NATIONAL DEFENSE POLICIES

HON. G. WILLIAM WHITEHURST

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 8, 1978

● Mr. WHITEHURST. Mr. Speaker, a recent column by Edgar Ulsamer, a senior editor with Air Force Magazine, highlights a number of controversial ongoing defense issues.

While each of these issues are problematic and controversial in their own right together they illustrate one common problem—the failure of the administration to elicit support and confidence in its arms control and national defense policies.

There is no dissent that the Soviets are in the midst of a massive buildup of military forces; further, there is no dissent that if we allow the present asymmetry in United States-Soviet defense trends to continue, the Soviet Union will surpass the United States in every relevant index of military capability.

The Soviet Union is flexing its newly established military strength, and we are witnessing an increasingly aggressive and dangerously adventurous Soviet foreign policy.

In the midst of this Soviet challenge the United States is earnestly involved in a series of negotiations with the Soviet to stop nuclear weapons testing (at the ongoing Comprehensive Test Ban Treaty negotiations) and to limit strategic weapons (through the ongoing SALT II negotiations). Yet, undercutting the U.S. position, the President has unilaterally cancelled or deferred a number of U.S. weapons programs, including the B–1, the MX, and the neutron weapon, without any effort to elicit Soviet concessions in return.

I am deeply concerned over the present course of events, and I know our country's friends and allies around the world are also concerned.

At this time, Mr. Speaker, I request unanimous consent to include in the RECORD the recent article by Mr. Edgar Ulsamer, which I mentioned at the outset of my remarks. I believe this article focuses attention on some of the issues which I know are of general concern to my colleagues.

FOCUS ON • • •

(By Edgar Ulsamer)

SPECIAL NUCLEAR MATERIALS

WASHINGTON, D.C., April 27.—The Departments of Defense and Energy are at loggerheads with the State Department, especially Secretary Cyrus Vance and US Ambassador to the UN Andrew Young, and the US Arms Control and Disarmament Agency (ACDA) over plans to halt the production of SNM (Special Nuclear Materials, the fundamental element of all nuclear weapons). State and ACDA are pressing the White House to propose, at the forthcoming United Nations special session on disarmament, that this country and the Soviet Union agree to a total halt of SNM production. The ACDA/State campaign in the White House, highly placed sources told this column, was not coordinated with DOD and DOE and, in certain phases, was conducted without even informing either of the two departments directly concerned with nuclear weapons. Opposition to such a treaty centers on the belief that compliance cannot be verified by any known technological means and on the fact that American SNM supplies already are critically short.

The amounts of SNM required for the nuclear armed cruise missile force could be obtained only by reprocessing part of the 100 metric tons of SNM contained in US tactical nuclear weapons in Europe. The effect of such an action on NATO, coming on the heels of a US decision to delay or forego deployment of enhanced radiation "neutron" weapons, would be intolerable. Energy Secretary James R. Schlesinger, according to congressional sources, insisted on personally briefing President Carter on the dangers of such an agreement. He pointed out specifically, according to these sources, that Secretary Vance's proposal to place the International Atomic Energy Agency in charge of verification was unrealistic.

The UN Special Session on Disarmament, scheduled to be held in New York from May 23 to June 28, 1978, is billed as a concerted global effort to advance the cause of disarmament. According to State Department literature, the event provides an opportunity

to "develop wider support for the Administration's arms-control initiatives—especially SALT II and the comprehensive nuclear test ban treaty—and encourage better understanding of our overall arms control goals." There is considerable concern in Congress that the US arms-control lobby will use the occasion to promote extreme commitments to disarmament on the part of this country.

MX-TRIDENT II COMMONALITY STUDY

Senior OSD executives have initiated an MX-Trident II "commonality study." Trident II is the larger, longer-range second-generation ballistic missile of the new Trident submarine, also referred to as the D–5 SLM. As presently conceived, two approaches are to be examined by the Under Secretary of Defense for Research and Engineering in conjunction with the two services. One alternative centers on the design of a missile that both USAF and the Navy can use without significant modification and adaptation. The other option envisions joint development of two separate weapon systems, one optimized for the MX and the other for the D–5 mission, while retaining a maximum degree of component commonality to hold down costs. Full-scale engineering development and flight testing of either system would seem precluded by the Protocol section of the pending SALT II accord. The Protocol is to be in effect for a three-year period and specifically prohibits test and production of MX and the Trident II SLBM.

Congressional experts suspect that influential elements of the Administration oppose full-scale development of MX on arms-control grounds. Two recent studies are thought to have had considerable impact on the White House. One was the "Report of the Office of Science and Technology [an element of the White House] on the MX Missile System." The other, the "JASON Report on Minuteman Survivability," contains this conclusion: "The MX, with its designed great accuracy, large payload, and deceptive basing, will have profound implications for future arms-control agreements and strategic stability."

Both studies claim that, contrary to Defense Department and Joint Chief of Staff findings, the latest generation of Soviet ICBMs—even given continuing accuracy gains—is not likely to represent a decisive threat to the US ICBM force "before the mid-1980." Further, it is argued that development of a doctrine and policy to launch Minuteman under massive attack would reduce its vulnerability and dissuade the Soviet Union from building an extensive countersilo force.

These findings are in conflict with recent testimony by the Under Secretary of Defense for Research and Engineering, Dr. William J. Perry, who said that Soviet advances in effectiveness and accuracy are likely to give the USSR CEPs in the range of 0.15 to 0.1 nautical mile. (CEP—circular error probable—is the radius of a circle within which half of the warheads are expected to fall). He warned that Minuteman's survivability could be in jeopardy by 1982 or 1983, three years earlier than previous calculations indicated.

Soviet accuracy gains have important practical meaning; excluding a hedge against some of their missiles' malfunctioning, the Soviets could target only one warhead against each US ICBM silo with a high probability of success. But lacking extreme accuracy they would have to target more than one warhead against each silo. This, however, introduces the problem of fratricidal effect: When two warheads are programmed to arrive over a target almost simultaneously, detonation of the first is likely to make the second ineffective.

Two articles of the pending SALT II agreement, jointly approved by US and Soviet negotiators, are cause for additional concern about MX. Article II—unlike the Protocol to the agreement which is limited to a three-year period—says: "The Parties agree that after the date on which the Protocol ceases to be in force, mobile ICBMs shall be subject to the relevant limitations of the treaty which are applicable to ICBM launchers. . . ."

Under Article IV, the signatories cannot start constructing "additional fixed ICBM launchers" or "relocate fixed ICBM launchers." MX, even though popularly referred to as a mobile ICBM, is a "multiple aimpoint" weapon. Most of the basing modes under study involve shunting the missile among various kinds of fixed sites to introduce major uncertainties for the attacker. The SALT II treaty language could be interpreted to mean that MX, as presently conceived could not be deployed at all.

Reflecting recommendations and reservations by prominent strategic analysts in the Pentagon and both Houses of Congress, the head of the Republican Task Force on National Defense, Rep. Robin L. Beard R.-Penn.) urged the Administration to add the following amendment to SALT II: "The development and testing of ICBM's for the purpose of allowing their deployment and launching from multiple aimpoints is allowed. The concept of deployment of multiple aimpoints includes ICBMs that are mobile and also ICBMs that are deployed at several redundant sites. Also the development and testing of associated canisters, transporters, and launches is allowed. If ICBMs are deployed in a multiple aimpoint mode, they will be counted under SALT limits in terms of the number of missiles and not in the context of launchers. The side undertaking such a deployment must provide for the adequate verification of the number of missiles deployed.

Most intelligence experts agree that verifying multiple aimpoint systems is not appreciably different from verifying the number of SLBMs, an existing form of mobile ballistic missile.

A LETTER TO PAUL WARNKE

On April 4, 1978, four members of the House Armed Services Committee (HASC) probing the effects of a Comprehensive Test Ban Treaty on US national security, wrote a letter to Paul Warnke, Director of the US Arms Control and Disarmament Agency, critical of the Administration's position on this proposed accord with the Soviets. The four, all members of HASC's Intelligence and Military Application of Nuclear Energy subcommittee, are Democrats Samuel S. Stratton (N.Y.) and Dan Daniel (Va.), and Republicans Robin Beard (Tenn.) and Robert W. Daniel, Jr. (Va.). They reported that "witnesses from the various [government] agencies testified that the government had not yet decided on whether a future treaty would consist of a zero yield test ban, or permit some form of low-level nuclear testing. We were most disturbed with this revelation because of the inherent contradiction in the policy of the Administration to be in the midst of negotiations with the Soviet Union, without first having defined the US position on this most fundamental issue."

The congressman's letter also confirmed a report that appeared in this space last month, namely that there are no means for verifying Soviet nuclear weapons tests involving yields of up to ten kilatons or significantly higher if the Soviets want to go to the trouble of masking such shots. With the Soviets able to maintain the reliability of their nuclear weapons stockpile while the US is constrained by the treaty's terms, "very dangerous military asymmetries would develop," in their view.

According to the group, ACDA Director Warnke subsequently attempted to classify the letter on grounds that its content might be "embarrassing to the Soviets." An equally unusual Administration action occurred two days before the subcommittee's hearings got under way in February, according to Representative Beard. All of the scheduled witnesses were summoned to the White House for a "so-called coordinating session. While the witnesses testified that they had no restrictions imposed on them, the appearance of impropriety is indisputable. Of equal concern, after the subcommittee sent each of the agencies its portion of the transcript for editing purposes, the Arms Control and Disarmament Agency informed each agency that testified before the subcommittee to send its portion of the transcript to ACDA so that ACDA could edit the transcripts before returning them to the subcommittee."

CONTINUED B–1 R & D?

At this writing, highly placed sources report unofficially that the House Armed Services Committee has stricken from the Defense Budget request $105.5 million sought by the Air Force for continued research and development of the B–1, whose production was canceled by the White House last year. The Senate Armed Services Committee, which has not yet completed marking up the Defense Budget, is expected to approve the B–1 funds. Ultimately, the issue may have to be resolved in conference between the two committees. USAF views continued research on the B–1 as crucial because it can provide the technological building blocks—especially in engines and avionics—for a new penetrating strategic aircraft.

CLIPPER BOW

Clipper Bow, a new space-based ocean surveillance system, originally considered to incorporate bomber and cruise missile surveillance, is being confined to the naval mission, this column was told by DoD's Under Secretary for Research and Engineering William J. Perry. Reason is that ocean surveillance is "much easier" to do than the other missions that were considered. Expanding Clipper Bow's scope would have added to the system's complexity and cost. The new space system appears to be the US answer to the Soviet radar satellites used for ocean surveillance.

TWO MORE E-4BS?

In a recent memorandum to the White House, Secretary of Defense Harold Brown recommended buying two additional E–4 (Boeing 747) Advanced Airborne Command Post (AABNCP) aircraft, for a full fleet of six E–4B aircraft to "support both the National Emergency Airborne Command Post (NEACAP) and Strategic Air Command (CINCSAC) mission requirements." Early last year, President Carter had ordered the Defense Department to review the E–4 program, with emphasis on its cost-effectiveness, coupled to a temporary halt in procurement.

Expressing strong support of the program, Secretary Brown termed it "costly but necessary. Total costs will approach a billion dollars. The remaining two airframes would be about $70 million. But in terms of assuring the survival of an adequate decision-making and force execution capability, the enhancement of deterrence is worth the cost. . . . Such a fleet will significantly enhance the force connectivity and provide greater assurance that the command and control of the SIOP (Single Integrated Operational Plan) forces will survive."

Secretary Brown's recommendation appears to halt the so-called SEACAP project which envisioned the use of converted Polaris submarines capable of launching special communications satellites in place of NEACAP to provide the National Command Authorities with a survivable command and control mechanism.

TOWARD ASW SOLUTIONS

As reported in this space last month, both the US and the USSR are pursuing research that may dispel the aura of eternal invulnerability that has surrounded ballistic missile submarines.

John M. Collins, the Library of Congress' senior national defense specialist, in a study of American-Soviet military trends published by the Georgetown Center for Strategic and International Studies, comments sagely on the antisubmarine warfare (ASW) subject.

"Traditional detection methods count on acoustical apparatus that identify distinctive submarine sounds. Alternatively, they try to find anomalies that submerged submarines make in the earth's magnetic field." But these conventional methods are not likely to make the oceans transparent in the near future, Mr. Collins suggests. Of far greater concern are Soviet efforts in other, more arcane, fields of detection:

"Moving submarines, for example, cause thermal disruptions. They also leave biological tracks of dying microorganisms in their wake, and disturb ultraviolet radiations in sea water."

This column learned from authoritative sources, in extension of Mr. Collins's assertion, that the extremely sophisticated navigation and orientation system of the migrating salmon—until recently not understood at all—is now viewed as a promising, long-term candidate for bringing about breakthroughs in submarine detectability.

The Library of Congress report states that "the larger the submarine, the more likely hydrodynamic disturbances can be detected." Apparently referring to "convection cells," first publicly reported on by AIR FORCE Magazine, he adds that, in addition, radar at exceptionally high frequencies can recognize "submarine signatures in the atmosphere above the ocean. Collating and coordinating of data via satellite communications could help."

BUDGETARY BAILOUT

There is apprehension among congressional experts that deficiencies in US naval capabilities, brought on in part by faulty management and program slippages, might be corrected at the expense of the Air Force, the service whose management record is exemplary. There is little danger that the Air Force's budget request will be cut significantly below the FY '79 funding proposal. It is probable, however, that most congressional add-ons will go to beefing up the US Navy, with little or no money left to flesh out such austerely funded USAF programs as the MX ICBM and to reinstitute the AMST Advanced Medium STOL Transport program for which no funding was provided under the FY '79 Defense Budget request. Fears of the Air Force having to bail out the Navy in a budgetary sense are based on the fact that the first congressional budget resolution sets an ironclad overall ceiling for defense expenditure.

JAWS EVALUATION

The harmonious relationship between USAF and the US Army is being strained by covert Army maneuvering on Capitol Hill in connection with the Joint Attack Weapon Systems (JAWS) Evaluation effort. JAWS' principal protagonists are USAF's A-10 Thunderbolt close air support aircraft and the Army's Advanced Attack Helicopter. Air Force feelings were lacerated when Army witnesses deviated from the mutually agreed funding levels concerning the two weapon systems that are at once complementary and competitive.

SOKOLOV'S ROLE

Prominent US "Sovietologists" see evidence that Gen. of the Army Sergei Leonidovich Sokolov serves as the First Deputy Minister of Defense for Foreign Operations. The latest CIA "Directory of USSR Ministry of Defense and Armed Forces Officials" lists General Sokolov as a First Deputy Minister whose responsibility is undetermined. (Of the other two First Deputy Ministers, one is responsible for Warsaw Pact forces and the other oversees the Soviet General Staff, according to the CIA). Sokolov, this column was told, seems to be in charge of such foreign operations as masterminding Cuban forces in Africa and controlling the flow of Soviet weapons to third-world countries. The same sources also see strong circumstantial evidence that the influence of the Defense Ministry on the Soviet SALT stance is being strengthened with First Deputy Minister Nikolai Vasyl'yevich Okarkov and Deputy Minister Col. Gen. Nikolai N. Alekseyev assuming the role of SALT overseers.

MIDDLE EAST FACT-FINDING

Air Force Secretary John C. Stetson, returning from a fact-finding tour of the Middle East, warned that the Saudis view US willingness to sell them sixty F-15 fighter aircraft as a very serious test of their relationship with this country. The Administration's commitment to provide Saudi Arabia with USAF's most advanced fighter aircraft is meeting formidable congressional opposition. US welshing on the sale, Secretary Stetson told Pentagon reporters, would prompt the Saudis to buy advanced fighters from other countries. Secretary Stetson hinted that the Saudi Arabian requirement—based on the size of the territory to be defended—is far in excess of the number of F-15s okayed by the Administration, which he termed "a drop in the bucket."

Iran, he reported, continues to be interested in USAF's proposed AMST (Advanced Medium STOL Transport, a wide-body design dropped from the FY '79 Defense Department budget) and may proceed with its development at Iran's expense. Acknowledging that the US military capability to aid Middle Eastern countries in case of a Soviet attack is limited, he said that having a B-52 base in that part of the world would help considerably.

Concerning NATO requirements, Secretary Stetson said that MRBMs (medium-range ballistic missiles) would be a "good adjunct" to cruise missiles.

The Middle Eastern countries he visited would prefer a more aggressive US stance in the Horn of Africa to fend off Soviet/Cuban infiltration, Secretary Stetson said. He rated US intelligence in that part of Africa "superlative." ●

BUSINESS AND MINORITY DEVELOPMENT

HON. JOSEPH L. FISHER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 8, 1978

● Mr. FISHER. Mr. Speaker, Margaret Bush Wilson, chairperson of the National Association for the Advancement of Colored People, recently spoke before the staff of the Office of Minority Business Enterprise. I believe her remarks to be informative and timely and want to share them with my colleagues:

The speech follows:

BUSINESS AND MINORITY DEVELOPMENT

It was only a decade ago that the National Advisory Commission on Civil Disorders warned that our nation was being rent into two societies, one white and the other black, separate and unequal. Ironically, at that time, when the nation was reeling from a series of violent racial disorders, blacks were enjoying, by comparison, a measure of prosperity.

Then in 1968, Richard Nixon launched a massive attack upon most of the federal government's social programs that had been created to provide direct benefits to the poor. In addition, he also instituted a series of national, conservative, monetary and fiscal policies that quickly slowed the country's economic growth rate.

As a result of these and other factors beyond the government's control, the U.S. was plunged into two severe recessions from which we have not yet fully recovered. Whether or not the economy can bounce back any time soon to its peak growth rate is seriously in doubt. In fact, some economists have diagnosed the problem a natural occurrence in our capitalistic system. They say that the American economy is now in a 50-year trough from which it could take up to 25 years to recover.

The challenge for you, who have been charged with finding business converts among the least fortunate, is therefore great. Very simple examination of your agency's budget reveals that you are expected to accomplish miracles with small resources.

Yet, despite these severe handicaps, the critical condition of your potential clients demands that you proceed in your mission with a dedication and zeal that can only be found among public servants such as you. The black social and economic condition, and the resulting mood, will not tolerate delays much longer nor should it be required to, Neither can our people accept many more failures, or endure much more frustration.

The troubling reality is that the masses of the black population are in a severe and prolonged state of depression. This is so despite 20 years of civil rights gains. For awhile, there had been signs that the income gap between blacks and whites was narrowing. But that is no longer so.

Because of ground lost by black wage earners, the income gap is now back to what it was in the pre-1969 period. That is, blacks on the average now earn less than two-thirds of their white counterparts.

The jobless picture is even more dismal. For more than three consecutive years, one out of every four black workers in the nation has been unemployed. At this rate, we see that the black jobless rate continues to be double to that of whites.

Among black youths, the problem is explosive. Black joblessness in many of our big cities where you are expected to perform your miracles is as high as 50 and 60 percent.

It is no wonder, therefore, that the problems of crime and drugs are as severe as they are in these areas. The hopelessness, the despair, the problem of sickness and disease are pervasive.

One economist, whose opinion I respect, has summarized the black crisis this way:

"We are," he says, "developing a two-tier economy, an economy in which most white people are improving their economic status, but most blacks are falling farther behind." Having access to some of the nation's most sophisticated business tools, he asserts without any doubt that the evidence is very visible.

The evidence, he notes, shows that: "Black unemployment is up, black income is down. White unemployment is down, white income is up." Furthermore, he continued: "We have a situation in which black teenagers are increasingly worse off in the labor market, while white teenagers are increasingly better off in the labor market." It is a situation developing in this country where blacks are moving in one direction, while whites are moving in an entirely different direction.

Actually, most of us who are in constant touch with the black community have been well aware of this crisis. Yet, it is essential that we be reminded of the scope of this problem as we endeavor to devise strategies for stepping up the equal opportunity struggle.

There are those within our society who have already written off the hardcore poor, especially the black poor, as an irretrievable, permanent underclass.

For my part, I have always maintained that if there was ever to be an underclass in America, it must never be black.

But somehow this hope, this goal of reversing the backward economic slide for the black masses, seems more difficult to attain with each passing year.

We must be reminded, however, that even in the most desperate periods of race relations in this nation, just before and after the Civil War and at the turn of the century, black Americans somehow found the means to cope and to survive.

We are, to be sure, at this stage in our history concerned with much more than survival. Our mission is that of forging clear paths for the entry of America's most deprived citizens into the economic and social mainstream of our nation.

How soon we succeed, therefore, is the question that leaders such as you must answer.

Within the NAACP, we often note with some pride that our organization is one of the very few civil rights groups that survived the turmoil of the sixties intact and strong. It was with assurance and confidence that we recently moved to expand our concerns and horizons by adopting a national policy statement on energy that had as its primary goal the expansion of the economy to provide greater job opportunities—especially for blacks.

The consternation that greeted this statement from some quarters within the black community was startling. It demonstrated to a considerable extent the deep suspicion that so many of our people have towards the American business sector. This deep-seated antipathy—and fear—of the business community, is one good reason why blacks have not gained more than a toehold in this important area of our society.

There are other reasons, to be sure, most notably the difficulty that blacks have in finding adequate capital and financial backing for business ventures. But a problem that many aspiring and struggling black business-people continue to encounter is the deep-seated hostility within their own community towards those who seek to turn over a dollar for profit.

Perish the thought, therefore that a black organization should extend an invitation to the business community to join in a serious partnership for the development of meaningful solutions to these severe social and economic problems.

Ironically, many of the most vocal black attackers of the NAACP Energy Policy understand very well what we have set out to do. That is, to develop, among other things, a receptivity within our community to business prosperity. It is we are convinced, only then that we can be assured of a large enough expansion of the enonomy that will create enough jobs for blacks to benefit.

Unhappily, of course, there are too few black businesses around to benefit from this strategy. But that is what we are about today—the development of more black businesses.

Somehow, some persons continue to cling to the mirage that the final solution to black joblessness rests primarily with the national government. Maybe this is so in other nations. But certainly not in the United States. A review of government jobs programs, from the New Deal to the Great Society, will show that such programs last only for short periods—that is, until the crisis has passed. Government jobs programs are hardly ever permanent. Moreover, there are those who would argue that government spending for jobs does not cause the economy to grow. It only redistributes private sector income in the same way that taxes do.

Where our national government has been more successful has been in the areas of removing or lowering racial barriers in employment and providing minorities to the private sector to stimulate growth.

It is significant, therefore, that the Carter Administration has now turned to the private sector to help the Federal Government solve the hardcore urban problems throughout the nation.

Two weeks ago, President Carter unveiled his Urban Policy, a modest set of proposals, to be sure. But it was an encouraging start in the right direction. Among other things, he proposed a review and strengthening of present economic and social programs. The policy not only recognizes the existence of minority enterprise, it outlines a role for both minorities and the minority business community in the revitalization process.

Its primary thrust, however, is to marshal the resources of state and local governments and the private sector to create jobs and the related infrastructure for the redevelopment of the troubled cities. In a radical departure from traditional approaches, the policy emphasizes the creation of jobs in the private sector rather than the traditional public service jobs. The policy provides for tax incentives for business development but does not provide similar incentives to develop housing. Moreover, there seems to be no mention of the importance of relating the President's Urban Policy to a sound Energy Policy. It is in these areas that we can try to strengthen the President's proposal.

In reality, what the Carter Administration is doing, and what the NAACP recognized prior to the unveiling of the Urban Policy, is that business is the backbone of the American economy. It is no secret that 9 out of the 10 jobs created in America in 1977 were created by American business. The Carter Administration has even gone a step further. It is recognizing that small business is the backbone of the economy of most central cities.

It is estimated that throughout American cities, enterprises with fewer than 50 employees provide more than 50 percent of the jobs. In a city such as New York, small businesses provide as much as 80 percent of the jobs.

We must continue to look to the big corporations for vendor contracts and jobs, those that can provide 200 and 300 jobs. But the development of small businesses, especially by blacks and other minorities is equally essential and should be a concern of NAACP and OMBE.

Black Americans should therefore support President Carter's Urban Policy and regard it as more than just another idea worth trying. Whether or not it succeeds will depend to a considerable extent on the effort that we place in pushing to strengthen and push for its adoption in Congress.

One of your primary concerns, we know, is the support that you will receive in the pursuit and fulfillment of your mission. Since its creation in 1969 by Executive Order, the Office of Minority Business Enterprise has been accorded a very low priority status. Your present budget of a mere $50 million might be enough to buy a jet plane, but it is wholly inadequate for the mission that you are about.

We understand that President Carter has proposed a $12 million increase for your 1979 budget. But if Mr. Carter is serious about his Urban Policy, we all know that a $62 million OMBE budget will still be far from enough to enable you to fulfill your goals.

OMBE must also have a director who can speak with the authority of an assistant secretary. We should therefore commit ourselves to working toward this end.

We should also ensure that the Carter Administration lives up to its promise of at least doubling the Federal Government's purchasing from minority firms from the present $1 billion.

Ours is the richest nation in the world, with a Gross National Product of more than three trillion dollars. America does have the technical skill and knowledge to combat these urban and human problems. We did it for Europe, and we did it for Japan. Now we must have the heart and will to do it for America.●

VALUES ON THE ALASKA PENINSULA

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Monday, May 8, 1978

● Mr. BONKER. Mr. Speaker, H.R. 39, the Alaska National Interest Lands Conservation Act, will be considered shortly by the House. Much debate will likely focus on the Alaska Peninsula, where rich wildlife resources and somewhat complex property ownership patterns combine to make land management and classification decisions especially important.

Among the volumes of available data about Alaska, an interdisciplinary study by a student team from the Evergreen State College provides excellent reference material about the problems and the resources of the Alaska Peninsula.

Prepared by an eight-student team under a grant from the U.S. Fish and Wildlife Service, "The Alaska Peninsula Project'" reflects 10 months of research, including 3 months in the field, on the resources, and human expectations of the peninsula. The student researchers had backgrounds in wildlife biology, botany, social science and cultural anthropology, and environmental planning and geology. The study may be the model for future Federal planning for the peninsula.

During recent hearings on H.R. 39 before the Merchant Marine and Fisheries Committee, Jack Van Valkenburgh, who headed the project, highlighted the value of the Alaska Peninsula's unique wildlife resources and cited the importance of carefully protecting those resources for the future.

The statements follow:

THE ALASKA PENINSULA PROJECT

My research included literature (from reports of early explorations during the 19th century to recent agency surveys), interviews (from those with oil company representatives to those with native residents), and three months of field work (from caribou cow/calf ratio estimates to geologic reconnaissance work). I learned an enormous amount from these studies, about the resources, the people, the ongoing human activities, and the management problems on the Alaska Peninsula. And, most importantly, by working for three months out of nine different locations (including villages) along the length of the peninsula, I learned from my own observations and from the peninsula residents themselves, providing me with far greater insights to the land and people than I would have gathered by merely a review of the literature. I would like to highlight some of what I learned that pertains directly to the H.R. 39 proposals for Alaska Peninsula and Becharof wildlife ranges.

The Alaska Peninsula has been described by some, in terms of fish and wildlife productivity and species diversity, as the finest

area in Alaska. Although I have not travelled to all the outstanding habitat areas in the state, I do not know of a similar-sized area in Alaska more vital to such large populations of so many species of fish and wildlife.

To review the more outstanding of the peninsula's resource values:

(*1*) *Brown bear*—The Alaska Peninsula provides critical habitat to the largest remaining brown bear population in America (numbering between 3,000 and 4,000 animals). Federal lands on the peninsula comprise such critical habitat; areas essential to the denning and feeding of these impressive omnivores. Densities of brown bear that occur in most of these areas are equalled only, if anywhere, on parts of Kodiak Island and in Russia. The areas of exceptionally intense bear activity generally occur when all the ecological needs of the bear, from denning to salmon feeding to sedge grazing, can be amply provided for within a small geographic area. The area on the peninsula that appears most outstanding in this regard is the eastern end of Becharof Lake, including the area extending at least as far southwest as Ruth Lake.

In August, 1977, I spent eight days with members of my field study in this area, known as the Island Arm of Becharof Lake. Within an hour of my arrival I was observing bear grazing and feeding on salmon near the lake. During the days of project field work in the area, which included observations of moose, whistling swans, sandhill cranes, white-fronted geese, double-crested cormorants, white-winged scoters, red-threated loons and other species of birds and mammals, I witnessed, at one time, up to nine bear grazing on sedges and berries within a three-mile area. I also noted signs of bear denning on the islands in Becharof Lake (as also reported by Will Troyer of the National Park Service) and witnessed the choking of the lake's tributaries by spawning salmon.

This area, surrounded by mountain scenery and contiguous to the peninsula's largest lake, is also one of the most beautiful areas of the Alaska Peninsula. While I would not argue for immediate wilderness status throughout the entire peninsula, this area unquestionably merits wilderness designation. Only in this way will the area's outstanding wildlife concentrations, that ultimately depend on the undisturbed condition of the habitat, be assured of protection.

Other areas of key importance to brown bear are numerous throughout the length and breadth of the peninsula. Our study and the research of others have identified many of these areas, showing that federal lands on the peninsula do comprise a significant acreage of key bear habitat. These lands are the only available lands of comparable quality to replace the bear habitat being lost from Kodiak National Wildlife Refuge to native village selections. I believe this fact alone justifies the establishment of the Alaska Peninsula and Becharof wildlife ranges.

Of course, much more habitat on the peninsula is required to sustain the peninsula's current bear population. Most peninsula brown bear depend, at some time or another during the seasonal cycle, on each of the habitats of uplands, salmon streams, tundra and beaches. For this reason, protection of as large as possible tracts of land, that include all of these habitat types, is the wisest and surest strategy for maintaining the peninsula's brown bear population. Again, inclusion now of peninsula federal lands within the National Wildlife Refuge System would add, in this fashion, a significant degree of protection to the brown bear population.

Caribou.—The Alaska Peninsula caribou herd is one of the five major herds in the state of Alaska. This herd, now numbering over 20,000 animals, is divided into two peninsula mainland subherds—the ranges of which are contiguous in the Port Moller area. While interior Alaskan caribou herds, such as the Nelchina, Fortymile and Western Arctic, have recently declined in numbers, the Alaskan Peninsula herd has continued to grow and provide for both local subsistence uses and non-local sport hunting. Although caribou roam virtually all over the peninsula, they are found in greatest numbers north of the Aleutian mountain range divide. Habitat essential to continuation of the healthy peninsula caribou herd includes calving, wintering and migration grounds that occur on both the upper and lower peninsula.

During a week of field studies in the calving grounds of the Lower Peninsula caribou subherd, which is located in the Black Hills area approximately 100 km southwest of Port Moller, I was particularly impressed with the importance of the peninsula sedge/empetrum habitat to the large numbers of caribou. At other times, such as when I was inside the Aniakchak Caldera, I was impressed by the wide ranging habits of smaller groups of peninsula caribou. Federal lands on the peninsula include parcels of both primary and secondary habitat to caribou of both the upper and lower peninsula subherds.

Salmon.—The five indigenous species of salmon in the Alaska Peninsula region provide the most important economic resource of the region. Salmon spawn each summer in lake and river systems over the entire Peninsula, running in both Pacific and Bering Sea side drainages, these runs not only are the basis for a multi-million dollar industry, but are a food resource upon which the village communities of the peninsula and the brown bear population depend. The watersheds of these salmon include virtually the entire peninsula.

Moose.—While moose numbers have decreased on the Alaska Peninsula since the mid-1960s, I observed in 1977 numerous individuals between Port Moller and Becharof Lake. Management protection is particularly crucial to arrest the current decline in moose numbers, especially in the key area between the Aniakchak Caldera and Ugashik Lakes. Important moose habitat would be included in the Alaska Peninsula Wildlife Range.

Waterfowl.—The Alaska Peninsula provides key habitat to literally millions of migrating waterfowl. These birds fly from both the United States and Asia, and include virtually the entire world's populations of black brant and emperor geese. Over 35 percent of the total reported goose kill in Alaska is from the peninsula, and 90 percent of all the emperor geese shot in Alaska are taken on the peninsula.

These migrating waterfowl depend on the major watersheds of the peninsula that feed the estuaries and lagoons of the north shore. In addition, the inland waters and tundra of the peninsula provide nesting habitat for abundant sandhill cranes, numerous whistling swans and thousands of shorebirds, to name but a few of the birds that breed on the peninsula. Protection of federal lands promotes the continued viability of the bird populations that use either the shoreline estuaries or the inland waters and tundra.

Other Wildlife.—In addition to the above, I observed large numbers of marine mammals, small mammals, bald eagles and raptors on the peninsula. Obviously, none of the peninsula's wildlife exists or can be managed in isolation. The peninsula is an ecological system sustained by the remoteness and diversity of its habitats, the abundance of water, and the undisturbed condition of its environments.

Economics.—It is very important to remember that habitat preservation on the Alaska Peninsula serves not only to protect the above discussed environmental values, but also the economic base of both peninsula residents and non-residents. Virtually all human involvement with the resources of the Alaska Peninsula is oriented around fish and wildlife. Commercial fishing, subsistence hunting and fishing and, to a lesser extent, sport hunting, comprise the primary means of livelihood on the peninsula. Should oil or gas ever be developed in the Bristol Bay area, the Alaska State Department of Community and Regional Affairs offers this argument supporting protection of the fishing industry:

"It is very important that this (the oil and gas) industry not be viewed as a replacement for the fisheries industry. The oil and gas industry is capital intensive, whereas the fisheries industry is labor intensive. The people of the Bristol Bay region are skilled in the fishing and fish processing industry and have adapted their lifestyles to the dictates of this industry. They do not, for the most part, possess the skills required by the oil and gas industry, nor is this industry ever likely to support the number of jobs in the Bristol Bay region that the fishing and fish processing industry has historically supported."

I totally concur with this statement and would only add that the caribou, moose and waterfowl of the peninsula are the other principal resources of the local economy, providing food to village residents and business to area hunting guides, the latter which also rely heavily, of course, on the brown bear population.

Clearly, therefore, from an economic as well as an environmental standpoint, fish and wildlife and their habitats should be considered the major assets of the Alaska Peninsula. This is also true from a cultural standpoint, for the lifestyles of peninsula natives and nonnatives are both oriented around hunting and fishing. The subsistence issue, so hotly debated throughout interior Alaska, is also alive on the Alaska Peninsula. However, it is perceived, all must agree that the activities of commercial, subsistence and sport hunting and fishing are the basis of day-to-day life on the peninsula. Protection of the cultural and economic values are, in every way, consistent with protection of the peninsula's environmental values, and protection of both can best be guaranteed by establishment of the Alaska Peninsula and Becharof national wildlife ranges.

Certain types of development, on the other hand, could conflict with the peninsula's economic and environmental base. Oil development on the peninsula's north shore or in the waters of Bristol Bay would be expected to lead to pressures for transportation corridors across the peninsula. Such transportation corridors could, especially if they were routed without the cooperation of the U.S. Fish and Wildlife Service, threaten both the fish and the mammal populations of the peninsula. Secondary developments that might accompany a corridor could include roads, population growth, increased hunting (particularly in previously remote areas) and habitat disturbance, further affecting the peninsula's fish and wildlife populations and the future of the village residents that depend on them.

In light of these types of possibilities, and the remote possibility of grazing livestock on the peninsula which could adversely affect wildlife populations, the role of the U.S. Fish and Wildlife Service becomes especially vital. Only by designating such specific agency responsibility can we guarantee that future development on the peninsula

proceed in harmony with basic protection of the primary fish and wildlife resources.

THE ISSUE: NATIONAL WILDLIFE RANGES VERSUS A STUDY AREA ON THE ALASKA PENINSULA

Some have suggested that designation of wildlife ranges on the peninsula be delayed until further study is conducted. While I, too, can identify specific gaps remaining in the Alaska Peninsula data base, these will always exist, and there is already more than ample justification for inclusion of all peninsula Federal lands within the National Wildlife Refuge System. From a fish and wildlife standpoint, from an economic standpoint, from a cultural standpoint, the immediate inclusion of Federal lands within Alaska Peninsula and Becharof national wildlife ranges is advisable.

Inclusion now of these lands in the national wildlife refuge system assures:

A permanent Federal presence on the peninsula for the protection of nationally and internationally significant fish and wildlife populations, including the unmatched brown bear population that utilizes Federal lands for feeding and denning;

Single management authority of peninsula Federal lands (aside from the proposed Aniakchak Caldera National Monument under National Park Service management) to promote sound and coherent resource management, to foster cooperative planning and management agreements with the State and Native corporations, and to provide for future land trades or acquisitions designed to further protect peninsula fish, wildlife, and habitat;

Basic protection of the environmental and economic values of the Alaska Peninsula and of its people who rely on peninsula fish and wildlife for commercial fishing, subsistence hunting and fishing, and sport hunting.

For these reasons I support the immediate establishment of the Alaska Peninsula and Becharof national wildlife ranges. Furthermore, to maintain the outstanding populations of bear and other wildlife species in the eastern Becharof Lake area, and to preserve undisturbed the remote habitat on which these animals depend, I fully support the establishment of a national wilderness to extend from the proposed Katmai National Park (at least) the southern end of Becharof Lake's island arm.

SUMMARY OF ALASKA PENINSULA PROJECT

The Alaska Peninsula Project of the Evergreen State College conducted a ten month study, completed 12/77, under contract to the U.S. Fish & Wildlife Service surveying the resources and assessing the human expectations of the Alaska Peninsula. Data were collected from all available literature, through interviews with resource experts and interest group representatives, and from four months of field work at selected study sites on the Peninsula.

Resources are discussed in the report in association with human uses and activities. Primary resources on the Alaska Peninsula, from both economic and environmental standpoints, include salmon fisheries, brown bear, waterfowl and caribou. Human expectations are discussed in the report for major interest groups. Local residents and others involved in the fishing industry expect the continuation of commercial fishing as the primary economic activity on the Peninsula. Village residents expect the maintenance of present lifestyles, including subsistence hunting and fishing, and protection of the quality of remote village life.

Maps are presented of vegetation, key game and waterfowl areas, important petroleum and mineral areas and areas of existing and potential human use. Each map was compiled from information gathered from state, federal and private publications as well as project field research and interviews.

The study team concludes that wildlife and fish and their habitat are the major resource assets of the Alaska Peninsula. The study team further concludes that nearly all human involvement with the Alaskan Peninsula, including both resident and non-resident economic activity, is and will continue to be based on large populations of Peninsula fish and wildlife. The study team further recommends a series of planning guidelines for the management of Peninsula lands and resources, including:

(1) Continued non-interference in identified areas of key and secondary habitat of fish and wildlife.

(2) Subsistence uses of resources prioritized in areas of subsistence use; subsistence areas managed for continued subsistence harvest as the primary land use.

(3) Oil and mineral development considered only so far as key wildlife habitat would not be disturbed and as monitored and regulated to assure protection of fish and wildlife populations.

(4) Discouragement of proposals for grazing and transportation corridors as generally in conflict with the maintenance of healthy populations of caribou, bear and other wildlife.

For further information contact Jack Van Valkenburgh, Coordinator, Alaska Peninsula Project, at 836-3590.●

JEROME S. VARON

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 8, 1978

● Mr. WAXMAN, Mr. Speaker, Temple Tifereth Israel is privileged to honor Jerome S. Varon on May 20, 1978 at its dinner-dance, for his dedicated service to the Los Angeles Sephardic community as well as for his lifetime of contributions to Sephardic organizations across the Nation. He has enriched many civic and humanitarian groups through his vigorous support and hard work, and has earned the respect and affection of all who have come into contact with him.

Jerry Varon was born in Canakkale, Turkey, the son of Salamon Yermiah Varon and Boulisa Graziani Varon. At an early age he was participating in the Mitzvoth of Jewish communal life, serving as water carrier for the Rehitza and assisting the Chevra Kadisha in traditional funeral services. He has carried a strong religious commitment throughout his life and it has been exemplified by his active role in every organization privileged to have him as a member.

Jerry's immigration to the United States is a saga in itself; he gained admittance finally on his third attempt after having been turned back because of his youth. He joined his uncle in New York in 1914, worked at whatever jobs he could, and eventually began his association with the Metropolitan Life Insurance Co. which lasted for 42 years. His professional career took him and his family from New York to Milwaukee, Pontiac, Mich., and then to Detroit. In every community in which the Varon family lived, Jerry rendered devoted service both to Sephardic organizations and to those concerned with promoting better interfaith relations. In New York City, Jerry worked within the Sephardic community and became president of the Source of Life Benevolent Society, a group he continues to serve as honorary president.

While living in Pontiac, Jerry became active in Red Cross work and served as chairman of the Pontiac Visiting Nurses Association under the auspices of the American Red Cross. He was a leader in the Sephardic community who sought to strengthen goodwill in the larger community, as shown by his position as chairman of the Round Table of Christians and Jews in Pontiac. He also helped organize the American Council for Judaism there and became the first president of the Pontiac Chapter.

In Detroit, Jerry became active in B'nai B'rith and eventually rose to the presidency of the Sephardic Community of Greater Detroit. He found time amid his many commitments to head the Detroit Chapter of the Alliance Israelite Universelle. There is no better example of the tireless energy he showed through the variety of his activities than to cite his guest lecturing on the customs, traditions, and heritage of the Sephardic Jews. He lectured at the University of Michigan on such subjects as "The Origin and Derivation of the Ladino Language," and on "Marrano Jews." He addressed the tercentenary observance of the landing of the first Sephardim in America, and throughout the years he has spoken publicly on the need for better interfaith understanding and on Jewish affairs.

Since coming to Los Angeles, Jerry has continued his active involvement in Jewish causes. He has served as chairman and cochairman of the Sephardic Men's Division of the United Jewish Welfare Fund here, and he is a past chairman and now honorary chairman of the Los Angeles Chapter of Kiryat Sanz Laniado Hospital in Netanya, Israel. He has given dedicated service to the Sephardic Home for the Aged and is a member of the steering committee of the Los Angeles Chapter of the American Sephardic Federation.

Sephardic Temple Tifereth Israel counts Jerry Varon as one of its most active and devoted members, one of its vice presidents, and one whose presence is a source of wisdom gained through many years of experience and involvement. He has served in every possible capacity on eight important committees: membership, merit award, house, Talmud Torah, building, dues review, ways and means, and the religious committee. His wife Ida and daughter Bernice can share in the love with which his temple bestows the Sephardic Heritage Award upon Jerry Varon. I request my colleagues to join with me and the members of his temple, in honoring this most exceptional citizen.●

SENATE COMMITTEE MEETINGS

Title IV of the Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of all meetings when scheduled, and any cancellations or changes in meetings as they occur.

As an interim procedure until the computerization of this information becomes operational the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks secton of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committees scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Tuesday, May 9, 1978, may be found in Daily Digest of today's RECORD.

MEETINGS SCHEDULED

MAY 10

7:00 a.m.
Energy and Natural Resources
Public Lands and Resources Subcommittee
To hold hearings on S. 2820, the proposed Reclamation Safety of Dams Act.
3110 Dirksen Building

8:00 a.m.
Agriculture, Nutrition, and Forestry
Agricultural Production, Marketing, and Stabilization of Prices Subcommittee
To continue hearings to receive testimony from Administration officials on the problems of rural railway transportation.
S–126, Capitol

9:00 a.m.
Agriculture, Nutrition, and Forestry
To hold a business meeting.
322 Russell Building
Commerce, Science, and Transportation
To hold hearings on the International North Pacific Fisheries Convention.
S–128, Capitol
Commerce, Science, and Transportation
Consumer Subcommittee
To hold hearings on S. 2782, to protect consumers from misrepresentative advertising of gold and silver jewelry.
235 Russell Building
Judiciary
Citizens and Shareholders Rights and Remedies Subcommittee
To resume oversight hearings on the rights and remedies of the insurance policy holders.
5110 Dirksen Building
Select Small Business
To mark up H.R. 1445, authorizing funds through FY 1982 for the Small Business Administration.
424 Russell Building

9:30 a.m.
Human Resources
To mark up S. 2850, authorizing funds for FY 1979 and 1980 for the Older Americans Act; S. 2915, authorizing funds through FY 1981 for the Alcohol and Drug Abuse Education Act; S. 2916, FY 79 authorizations for the Office of Drug Abuse and for drug treatment programs; and S. 2600, to extend certain vocational rehabilitation programs and to establish a comprehensive services program for the severely handicapped.
4232 Dirksen Building
Veterans' Affairs
To mark up S. 2398, to extend the period of eligibility for Vietnam-era veterans' readjustment appointment within the Federal Government; H.R. 5029, authorizing funds for hospital care and medical services to certain Filipino combat veterans of WW II; and S. 2836, to amend the Veterans' Administration Physician and Dentist Pay Comparability Act.
412 Russell Building
Appropriations
Transportation Subcommittee
To hold hearings on budget estimates for FY 79 for the Office of the Secretary of Transportation.
1224 Dirksen Building
Armed Services
Military Construction and Stockpiles Subcommittee
To markup S. 2636, FY 79 authorizations for military construction.
212 Russell Building
Banking, Housing, and Urban Affairs
To continue hearings on S. 50 and H.R. 50, the Full Employment and Balanced Growth Act.
5302 Dirksen Building
Energy and Natural Resources
To continue markup of S. 2692, FY 79 authorizations for civilian programs of the Department of Energy, and Title II of S. 2693, FY 79 authorizations for national security programs, Department of Energy.
3110 Dirksen Building
Finance
Administration of the Internal Revenue Code Subcommittee
To hold hearings on the proposed reorganization of the twelve smallest IRS districts.
2221 Dirksen Building
Foreign Relations
To markup S. 2646, FY 79 authorizations for development assistance programs.
4221 Dirksen Building
Governmental Affairs
To markup S. 1785 and S. 2026, to require public disclosure of certain lobbying activities, and S. 2236, to strengthen Federal programs and policies for combating international and domestic terrorism.
3302 Dirksen Building

10:30 a.m.
Commerce, Science, and Transpotration
To hold hearings on the proposed U.S.-Canada Reciprocal Fishing Agreement.
S–128, Capitol
Judiciary
To continue hearings on S. 2252, the Alien Adjustment and Employment Act.
2228 Dirksen Building

1:00 p.m.
Conferees
On H.R. 7843, to provide for the appointment of additional Federal circuit and district court judges.
H–140, Capitol

2:00 p.m.
Conferees
On H.R. 5289, to establish a natural gas pricing policy.
2123 Rayburn Building

2:30 p.m.
Appropriations
To mark up H.J. Res. 873, FY 78 supplemental appropriations for disaster loans of the Small Business Administration, and H.J. Res. 859, FY 78 supplemental appropriations for the U.S. Railway Association.
S–128, Capitol

MAY 11

9:00 a.m.
Agriculture, Nutrition, and Forestry
Agricultural Production, Marketing, and Stabilization of Prices Subcommittee
To continue hearings to receive testimony from Administration officials on the problems of rural railway transportation.
324 Russell Building
Energy and Natural Resources
Energy Conservation and Regulation Subcommittee
To hold oversight hearings on the emergency sales of electric power.
3110 Dirksen Building

9:15 a.m.
Select Indian Affairs
To mark up S. 2712, proposed Indian Program Evaluation and Needs Assessments Act; S. 2358 and S. 2588, to declare that the U.S. hold in trust for the Pueblo tribes of Zia and Santa Ana respectively, certain public domain lands; H.R. 11092 and S. 3043, authorizing additional funds for the Navajo and Hopi Indian Relocation Commission; and H.R. 8397, to declare certain lands in Arizona a part of the Papago Indian Reservation.
154 Russell Building

9:30 a.m.
Environment and Public Works
To resume markup of proposed FY 79–80 highway legislation.
4200 Dirksen Building
Governmental Affairs
Federal Spending Practices and Open Government Subcommittee
To hold oversight hearings on Government in the Sunshine Act (P.L. 94–409), and to receive testimony on efforts to reduce the Federal paperwork burden.
1318 Dirksen Building
Human Resources
To mark up S. 2570, FY 79 authorizations for CETA.
4232 Dirksen Building
Judiciary
To resume hearings on S. 1382, to establish criteria for the imposition of the sentence of death.
2228 Dirksen Building
Judiciary
Criminal Laws and Procedures Subcommittee
To resume hearings on S. 2013, to require the additional labeling of explosive materials for the purpose of identification and detection.
5110 Dirksen Building

10:00 a.m.
Finance
Tourism and Sugar Subcommittee
To hold hearings on S. 2990, the Sugar Stabilization Act.
2221 Dirksen Building
Foreign Relations
To mark up S. 2846, FY 79 authorizations for security supporting assistance.
4221 Dirksen Building
Select Intelligence
To resume hearings on S. 2525, to improve the intelligence system of the U.S. by establishing a statutory basis for U.S. intelligence activities.
318 Russell Building

10:30 a.m.
Judiciary
To continue hearings on S. 2252, the Alien Adjustment and Employment Act.
2228 Dirksen Building

2:00 p.m.
Appropriations
Transportation Subcommittee
To hold hearings on proposed budget estimates for FY 79 for the Minority Business Resources Center.
1224 Dirksen Building
Select Ethics
To hold a business meeting.
Room to be announced
Conferees
On S. 9, to establish a policy for the management of oil and natural gas in the Outer Continental Shelf.
Until 5:00 p.m. EF-100, Capitol

MAY 12

9:30 a.m.
Human Resources
To resume markup of S. 1753, authorizing funds through FY 1983 for the Elementary and Secondary Education Act, and other pending calendar business.
4232 Dirksen Building
Judiciary
Antitrust and Monopoly Subcommittee
To hold hearings on the conglomerate mergers and their effect on the economy, on a community, and on the employees.
2228 Dirksen Building

10:00 a.m.
Energy and Natural Resources
To resume mark up of S. 2692, FY 79 authorizations for civilian programs of the Department of Energy, and Title II of S. 2693, FY 79 authorizations for national security programs, Department of Energy.
3110 Dirksen Building
Finance
Tourism and Sugar Subcommittee
To continue hearings on S. 2990, the proposed Sugar Stabilization Act.
2221 Dirksen Building
Select Intelligence
To resume hearings, in closed session, on S. 2525, to improve the intelligence system of the U.S. by establishing a statutory basis for U.S. intelligence activities.
S-407, Capitol

2:00 p.m.
Conferees
On S. 9, to establish a policy for the management of oil and natural gas in the Outer Continental Shelf.
Until 5:00 p.m. EF-100, Capitol

MAY 15

10:00 a.m.
Appropriations
Transportation Subcommittee
To hold hearings on budget estimates for FY 79 for the Department of Transportation.
1224 Dirksen Building
Judiciary
Antitrust and Monopoly Subcommittee
To resume oversight hearings on ICC's price regulation in the motor common carrier industry.
2228 Dirksen Building

MAY 16

9:30 a.m.
Special on Aging
To hold hearings on the degree to which older Americans are purchasing more private health insurance than needed to supplement gaps in the Medicare program.
357 Russell Building

10:00 a.m.
Appropriations
Interior Subcommittee
To hold hearings on proposed budget estimates for FY 79 for the Department of Energy.
1224 Dirksen Building
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings jointly with the Senate Banking Subcommittee on International Finance on technology exports and research and development investments.
6226 Dirksen Building
Banking, Housing, and Urban Affairs
Financial Institutions Subcommittee
To resume hearings on S. 2096, Right to Financial Privacy Act, and S. 2293, to modernize the banking laws with regard to the geographic placement of electronic fund transfer systems.
5302 Dirksen Building
Energy and Natural Resources
To resume mark up of S. 2692, FY 79 authorizations for civilian programs of the Department of Energy, and Title II of S. 2693, FY 79 authorizations for national security programs, Department of Energy.
3110 Dirksen Building
Governmental Affairs
To resume hearings on S. 991, to create a separate Cabinet-level Department of Education.
3302 Dirksen Building

10:30 a.m.
Judiciary
To resume hearings on S. 2252, the Alien Adjustment and Employment Act.
2228 Dirksen Building

MAY 17

9:30 a.m.
Human Resources
Health and Scientific Research Subcommittee
To resume hearings on S. 2755, the Drug Regulation Reform Act.
4332 Dirksen Building

10:00 a.m.
Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for FY 79 for the Department of Energy.
1224 Dirksen Building
Banking, Housing, and Urban Affairs
Financial Institutions Subcommittee
To continue hearings on S. 2096, Right to Financial Privacy Act, and S. 2293, to modernize the banking laws with regard to the geographic placement of electronic fund transfer systems.
5302 Dirksen Building
Banking, Housing, and Urban Affairs
International Finance Subcommittee
To hold hearings in connection with restrictions employed by foreign countries to hold down imports of U.S. goods.
Room to be announced
Commerce, Science, and Transportation
Merchant Marine and Tourism Subcommittee
To hold hearings on S. 2873, proposed Ocean Shipping Act.
235 Russell Building
Energy and Natural Resources
Public Lands and Resources Subcommittee
To hold hearings on S. 3046, the proposed Coal Pipeline Act.
3110 Dirksen Building
Governmental Affairs
To continue hearings on S. 991, to create a separate Cabinet-level Department of Education.
3302 Dirksen Building

10:30 a.m.
Judiciary
To continue hearings on S. 2252, the Alien Adjustment and Employment Act.
2228 Dirksen Building

MAY 18

9:30 a.m.
Veterans' Affairs
Housing, Insurance, and Cemeteries Subcommittee
To hold hearings on S. 1643 and H.R. 4341, to eliminate the requirement for inspections of the mobile home manufacturing process by the VA and S. 1556, authorizing funds through FY 81 to assist State in establishing and maintaining VA cemeteries.
457 Russell Building

10:00 a.m.
Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for FY 79 for the Department of Energy.
1224 Dirksen Building
Commerce, Science, and Transportation
Merchant Marine and Tourism Subcommittee
To continue hearings on S. 2873, proposed Ocean Shipping Act.
235 Russell Building

10:30 a.m.
Judiciary
To continue hearings on S. 2252, the Alien Adjustment and Employment Act.
2228 Dirksen Building

MAY 22

9:00 a.m.
Select Small Business
Monopoly and Anticompetitive Activities Subcommittee
To resume hearings on the Federal Government patent policy.
318 Russell Building

10:00
Judiciary
Antitrust and Monopoly Subcommittee
To resume oversight hearings on ICC's price regulation in the motor common carrier industry.
2228 Dirksen Building

MAY 23

9:00 a.m.
Select Small Business
Monopoly and Anticompetitive Activities Subcommittee
To continue hearings on the Federal Government patent policy.
6226 Dirksen Building

9:30 a.m.
Human Resources
Health and Scientific Research Subcommittee
To hold hearings on milk substitutes manufactured and distributed for infant formula use in underdeveloped countries.
4232 Dirksen Building

10:00 a.m.
Energy and natural resources
To resume hearings on S. 499, 1500, 1546, 1787, and 2465, to designate or add certain lands in Alaska to the National Park, National Wildlife Refuge, National Wild and Scenic Rivers, and National Wilderness Preservation Systems.
3110 Dirksen Building

3:00 p.m.
Conferees
On S. 9, to establish a policy for the management of oil and natural gas in the Outer Continental Shelf.

MAY 24

9:30 a.m.
Commerce, Science, and Transportation
Aviation Subcommittee
To hold hearings on S. 747, H.R. 8729, and H.R. 11986, proposed Aircraft and Airport Noise Reduction Act.
235 Russell Building

10:00 a.m.
Energy and Natural Resources
To continue hearings on S. 499, 1500, 1546, 1787, and 2465, to designate or add certain lands in Alaska to the National Park, National Wildlife Refuge, National Wild and Scenic Rivers, and National Wilderness Preservation Systems.
3110 Dirksen Building

MAY 25

9:30 a.m.
Commerce, Science, and Transportation
Aviation Subcommittee
To continue hearings on S. 747, H.R. 8729, and H.R. 11986, proposed Aircraft and Airport Noise Reduction Act.
235 Russell Building

10:00 a.m.
Energy and Natural Resources
Public Lands and Resources Subcommittee
To resume hearings on S. 3046, the proposed Coal Pipeline Act.
3110 Dirksen Building

2:00 p.m.
Conferees
On S. 9, to establish a policy for the management of oil and natural gas in the Outer Continental Shelf.
Until 5:00 p.m. EF-100, Capitol

MAY 31

2:00 p.m.
Conferees
On S. 9, to establish a policy for the management of oil and natural gas in the Outer Continental Shelf.
Until 5:00 p.m. EF-100, Capitol

JUNE 1

3:00 p.m.
Conferees
On S. 9, to establish a policy for the management of oil and natural gas in the Outer Continental Shelf.
Until 5:00 p.m. EF-100, Capitol

JUNE 7

9:30 a.m.
Judiciary
Juvenile Delinquency Subcommittee
To hold hearings jointly with the Human Resources Subcommittee on Alcoholism and Drug Abuse on S. 2778, and other proposals to tighten controls on and increase penalties for the manufacture and distribution of the drug PCP (angel dust).
4232 Dirksen Building

JUNE 13

9:30 a.m.
Commerce, Science, and Transportation
Aviation Subcommittee
To resume hearings on S. 747, H.R. 8729, and H.R. 11986, proposed Aircraft and Airport Noise Reduction Act.
235 Russell Building

JUNE 14

9:30 a.m.
Commerce, Science, and Transportation
Aviation Subcommittee
To continue hearings on S. 747, H.R. 8729, and H.R. 11986, proposed Aircraft and Airport Noise Reduction Act.
235 Russell Building

10:00 a.m.
Banking, Housing, and Urban Affairs
Financial Institutions Subcommittee
To hold hearings on H.R. 10899, the International Banking Act.
5302 Dirksen Building

JUNE 15

9:30 a.m.
Commerce, Science, and Transportation
Aviation Subcommittee
To continue hearings on S. 747, H.R. 8729, and H.R. 11986, proposed Aircraft and Airport Noise Reduction Act.
235 Russell Building

10:00 a.m.
Banking, Housing, and Urban Affairs
Financial Institutions Subcommittee
To continue hearings on H.R. 10899, the International Banking Act.
5302 Dirksen Building

CANCELLATIONS

MAY 11

10:00 a.m.
Governmental Affairs
To continue markup of S. 1785 and S. 2026, to require public disclosure of certain lobbying activities, and S. 2236, to strengthen Federal programs and policies for combating international and domestic terrorism.
3302 Dirksen Building

SENATE—*Tuesday, May 9, 1978*

(Legislative day of Monday, April 24, 1978)

The Senate met at 9:30 a.m., on the expiration of the recess, and was called to order by the Acting President pro tempore (KANEASTER HODGES, JR.).

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Blessed are the pure in heart: for they shall see God.—Matthew 5: 8.

Almighty God, our Creator and Lord, give us a pure heart to see Thee, a stout heart to bear our own burdens, a willing heart to bear the burdens of others, and a believing heart to cast our burdens on Thee. Spare us from having a cold heart, an indifferent heart, or a careless heart. Give us hearts that beat in unison with Thee that we may carry forward the divine intention for this Nation and the world.

"A heart in every thought renewed,
And full of love divine,
Perfect and right and pure and good
A copy Lord of Thine."
—CHARLES WESLEY, 1707–88.

Through Jesus Christ our Lord. Amen.

The ACTING PRESIDENT pro tempore. The Senator from West Virginia.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The Senator from Alaska.

Mr. STEVENS. Mr. President, I have no request for time, and I yield back the leadership time on this side.

SPECIAL ORDER

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Virginia (Mr. HARRY F. BYRD, JR.) is recognized for not to exceed 15 minutes.

NEW YORK CITY: NO MORE BAILOUTS

Mr. HARRY F. BYRD, JR. Mr. President, the month of March has been the showcase for several annual rituals—the rites of spring, the return of the swallows to Capistrano, and what is fast becoming a perennial event—the return of New York City to the Halls of Congress with outstretched palms seeking Federal financial aid to alleviate its annual fiscal crisis.

The New York Times today reports, and I shall quote three paragraphs:

The Carter Administration has begun an intensive campaign to get the New York City fiscal aid bill through Congress, Administration officials said today.

The campaign will include President Carter himself, who will not only seek to enlist public support for the legislation, but will also become personally involved in rounding up votes if necessary, the officials said.

In addition, many members of the Cabinet will enlist support for the legislation, in the same manner in which they lobbied for Civil Service reorganization, they added.

So the Senate and the American people are being faced with a determined drive to once again bail New York City out of its financial difficulties. I contend, Mr. President, that what this does is to extend an invitation to politicians everywhere to give in to the demands of every pressure group, and then come to the American taxpayers to get themselves bailed out.

Congress, in late 1975, was bombarded with doomsday scenarios of what would happen to the Nation's economy if New York City did not receive Federal financial assistance.

Congress was unwisely stampeded by these threats, and the New York City Seasonal Financing Act of 1975, Public Law 94–143, was hurriedly passed.

Congress, by this act, established a very injudicious precedent. The act authorized the Federal Government to "bail out" a city, a creature of State government, from the fiscal morass that was created by the city's own mismanagement and intemperate, politically motivated spending practices.

New York City, in its campaign to receive Federal aid in 1975, drew up a 3-year fiscal plan which, it was proclaimed, would clear up New York City's financial problems by 1978.

City officials boasted that, if Congress would offer temporary Federal aid, New York City, under this plan, would be able

to take the necessary steps to clean up its fiscal morass, and balance its budget. The officials boasted further that, at the end of the 3-year plan, 1978, the city would be able to return to the Nation's credit markets on sound financial footing, and would be in no further need of Federal aid.

Congress, taking New York City at its word, passed legislation providing 3-year financial aid in the form of year-to-year loans to the city to help it regain its fiscal solvency.

The events of the past 3 years have proven the city's boast of putting its fiscal house in order to be a delusion of grandeur at best.

In 1976 and again in 1977, we have seen the rosy objectives of the original 1975 city plan become more and more distant, as politicians refused—or failed—to make good on their boasts.

The projected 1978 budget surplus rapidly turned into a huge multimillion dollar deficit. Although the actual projected fiscal 1978 budget deficit appears to change from week to week, it is generally agreed that the city faces a real deficit for fiscal 1978 of about $1 billion a year.

A billion dollar deficit is a long way from having your fiscal house in order.

Now 3 years later New York City once again appears before Congress dutifully penitent over its fiscal irresponsibility, willing to have its wrists slapped for being fiscally naughty if Congress will provide once again a financial bailout of its fiscal problems.

Nothing much has changed in the 3 years that have elapsed.

New York City has replaced its 3-year plan of 1975 with a new 4-year plan which the city claims will put its fiscal house in order if only the Federal Government will again provide financial aid.

Strange, we have heard this all before.

Upon closer inspection of the city's vague and ambiguous 4-year plan, one finds that the plan projects a budget deficit of $475 million next year. This deficit grows to just under $1 billion in the fourth year of the plan.

How does this bring about a balanced budget?

Indeed this 4-year plan makes no provision for wage increases to city employees. Resolution of current city employees contract negotiations will surely increase this projected budget deficit several hundred million dollars more.

The city, in its plan, proposes to eliminate the proposed deficit by implementing a combination of city, State, and Federal actions too numerous to mention. It reminds me of the multiple choice examinations giving the choice of a, b, c, all of the above, or none of the above.

The cornerstone of the city's plan is continued Federal seasonal financing, with the addition of long-term Federal Government guarantees of loans.

What New York fails to realize is that Congress, uncomfortable with the precedent it was setting in 1975, clearly intended that the extraordinary Federal financial aid it extended to the city was to be a one-shot affair. Its purpose was to allow New York City breathing time to put its financial house in order. This was pointed out repeatedly during the course of the congressional debate on the Seasonal Financing Act.

At the expiration of the Seasonal Financing Act, New York City was to have its financial affairs in order, since Congress did not intend to extend any more Federal aid past 1978.

In my opinion, it is time to abandon patchwork solutions, such as that proposed by the city's new 4-year plan, and look at New York City's financial problems with an eye to eliminating the cause of them.

The cause of New York City's problems is that it spends more than it takes in. Its politicians promise more then its taxes produce. For years, the city has promised to end that practice in exchange for Federal assistance. Federal assistance it has received, but the politicians have refused to make the difficult decisions necessary to achieve a balanced budget.

In 1975, when Congress first approved New York seasonal financing legislation, I offered an amendment which would have required New York City to achieve a balanced budget by 1978. But the Senate was told that New York was already committed to a balanced budget, so my amendment was rejected as unnecessary.

Today we can see how really necessary that amendment was.

If that amendment had been enacted, and its terms adhered to, New York City would have been forced to take the steps necessary to put its fiscal house in order, and we would not have the issue of New York City solvency before us today.

Ironically, New York's excessive spending has led to financial practices which have undermined its own revenue base. The U.S. Comptroller General made the point this way:

> The fiscal and economic base of New York City continues to deteriorate, and this deterioration is at the root of the City's problems. The City's economic base has been deteriorating because people, jobs, and businesses have been moving out of the City and into the South, Southwest, and West for a number of years. The reasons for that movement are complex; they include important changes in costs of living and doing business, the availability of land and labor, possible changes in tax burdens for firms and individuals, and the desire of many people for the outdoor life-style available in warmer climates.

Most of these factors are controllable. There is no shortage of labor in New York, merely a shortage of persons willing to work while generous welfare benefits are available.

Costs of doing business in New York are, to no small extent, imposed by State and local government policies—especially the city's penchant for profligate spending financed by heavy borrowing and recurrent tax increases.

The fact that New York City has about the most unfavorable business climate of any area in the country is the principal reason it has lost such a large number of businesses, not so much to the balmy Southwest as to its own suburbs.

During the 1960's, when the private sector grew nationwide by 27 percent, the private sector in New York City grew only 2 percent. U.S. employment in manufacturing grew about 7 percent during that decade, but declined in New York City by 19 percent.

Since 1969, the city has experienced a loss of some 650,000 jobs. Recent monthly employment figures issued by the New York State Labor Department indicate that this declining trend has been temporarily arrested. Because the reasons for the decline still remain, the declining trend could begin again at any time.

The municipal fiscal problems resulting from these developments were intentionally concealed by city officials from investors and taxpayers. The city computed revenues on an accrual basis, but expenditures on a cash basis.

New York City's accounting practices, for years, violated in spirit New York State law, which required it to have a balanced budget. But the New York State legislature changed the law in 1975 so that the city would not need to balance its budget according to accepted accounting practices for 10 more years.

In other words, the city claimed revenue which it would receive only in future years, but failed to consider expenditure commitments which would come due in the future.

Now we are told by these same officials that the city is unable to reduce the exorbitant expenditures which the Federal Government is now expected to underwrite.

New York City is second only to the Federal Government in the amount of money it spends. Its debt service costs—the price it pays for failing to operate on a pay-as-you-go basis—are larger than half of the State's total expenditures.

The ACTING PRESIDENT pro tempore. The Senator's 15 minutes have expired.

Mr. ROBERT C. BYRD. Mr. President, I understand that Mr. MORGAN will not want his time under the order. I ask unanimous consent that Mr. BYRD of Virginia have 10 minutes of the 15 minutes that were allotted to Mr. MORGAN under the order. I understand that Mr. HELMS wants to participate in a colloquy with the Senator from Virginia.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. HELMS. Mr. President, I thank the majority leader.

Mr. HARRY F. BYRD, JR. I appreciate the courtesy of the majority leader.

In 1960, the city's $2,717,000,000 expenditures fell short of revenues by $53 million. The fact that expenditures have more than quadrupled in 16 years to a total of $13.5 billion for fiscal year 1977 has to be considered the biggest single factor in the current fiscal crisis. The city's welfare budget alone far exceeds its total budget as little as 15 years ago.

It should be clear by now that any long-term solution to New York City's fiscal crisis must be predicated on reduced spending.

Those responsible for skyrocketing expenditures can produce a host of specious reasons why spending cannot be reduced.

But, the Senate Banking Committee in its analytical and well reasoned February 10, 1978, report on the New York City loan program took a totally different view.

I commend this Senate report, 95–635, to the attention of all Senators.

The Banking Committee, after extensive hearings on the subject of New York City finances has arrived at the conclusion that the city should be able to meet its financing needs after June 30, 1978, without further financial aid.

The report lays out a comprehensive alternative to the New York City and the administration's proposals for continued and expanded Federal financing of the city's financial affairs.

The report shows the Congress a path to follow to require the city to put its own house in order without a further Federal bailout.

I commend the Banking Committee and especially its able chairman, Senator PROXMIRE.

Mr. HELMS. Mr. President, will the Senator yield?

Mr. HARRY F. BYRD, JR. I am delighted to yield to the distinguished Senator from North Carolina (Mr. HELMS).

Mr. HELMS. Mr. President, the able Senator from Virginia is pursuing the prudence that has characterized his entire career in the Senate and in the State of Virginia. I believe he is speaking the minds of the vast majority of the American people when he discusses so eloquently the facts relating to the proposal to further bail out New York City. I wonder whether I can ask the Senator a question.

It was 3 years ago, was it not, that New York City came to Congress and asked for what was known as a "bridge" loan, to bridge them over a temporary time of difficulty?

Mr. HARRY F. BYRD, JR. Yes, that is correct. They emphasized that it would be only temporary and just for the period of 3 years.

Mr. HELMS. I was a member of the Banking Committee at that time. I no longer am a member of the committee, although I attend a number of the committee's hearings. I transferred, as the Senator knows, to the Armed Services Committee, of which the able Senator from Virginia also is a member.

Is there any reason to believe that the commitments that were made then by the officials of the city of New York—which have not been kept—will be kept in the event Congress, in a burst of "unwisdom," should further add to the folly with a 15-year loan?

Mr. HARRY F. BYRD, JR. I think the Senator from North Carolina is correct. I see no evidence to suggest that that commitment will be kept. The other commitment has been totally unkept.

There were those who argued in the Senate 3 years ago that there was no need to adopt the Byrd amendment to require a balanced budget because New York had permitted itself to do that and New York City would comply with that. Then they come back today, 3 years later, and say, "No, we not only could not balance our budget in those 3 years, but it is going to take us another 4 years to balance our budget."

So I do not see much credence in the claim that if Congress goes along with this proposal to bail out New York City once again, New York City will balance its budget and get its financial house in order. As a matter of fact, I think it is going in the opposite direction.

Mr. HELMS. I agree with the Senator.

Is New York City the only municipality in the country that is having financial difficulties?

Mr. HARRY F. BYRD, JR. My understanding is that quite a few of the cities of our Nation are having financial difficulties. My guess is that what Congress did 3 years ago in using Federal tax resources to help New York City merely encouraged the politicians in other cities to give in to the demands of all the pressure groups, with the belief being, "If we have trouble, we will go down to Washington and get the money from them and let them bail us out."

Mr. HELMS. As a matter of fact, cities throughout this land are setting up Washington lobbying offices to come and pursue that free money from Washington.

Mr. HARRY F. BYRD, JR. The Senator is correct. That is an important point to develop.

Mr. HELMS. The administration, however, has not asked Congress for emergency financing for any other city, has it?

Mr. HARRY F. BYRD, JR. Not up to this point. I do not know what they have in mind for the future. But once a precedent has been established, as it has been, then I think the American taxpayer can well expect to have other cities and other Presidents, if not this President, seeking a bail-out for additional cities.

Mr. HELMS. It seems to me that the willingness of the administration to come to the aid of New York City may have a direct effect on the unwillingness of that city to cut its spending and to pay its bills. In other words, why would the city of New York work as hard as it could to solve its own problems if the city officials there are convinced that Uncle Sam is going to be there to bail them out?

Mr. HARRY F. BYRD, JR. I think it removes the incentive for the city to accomplish this objective on its own, when it can say that the politicians in Washington will take care of the politicians in New York City.

I happen to feel that the American taxpayer deserves some consideration. Washington does not get money from any of these trees growing in the Capitol square. Washington gets money out of the pockets of the people who work. I submit that we have an obligation to handle those tax funds as a public trust. I submit that we are not doing it when we continue to bail out these failing cities.

Mr. HELMS. Last Friday, as the Senator recalls, the Senator from North Carolina made a few comments on this floor about the fact that the average American had to work until May 6 of this year just to pay his taxes. That is 2 days longer than was required in 1977. If we get into the business of bailing out inefficient municipalities, maybe the American taxpayer can look forward to working an extra week in order to pay his taxes in 1979 and 1980.

I understand that the New York City comptroller, Arthur Levitt, has refused to put $2 billion of New York State pension money into New York City securities. Is that true?

Mr. HARRY F. BYRD, JR. That is my understanding.

Mr. HELMS. It seems to me that the risk of New York City is more than the trustees of the New York State pension fund want to bear, and that should tell us something in terms of the State of New York's regard for the efficiency of the city of New York and the willingness of the city to handle its own problems.

Mr. HARRY F. BYRD, JR. So it would appear to the Senator from Virginia.

Mr. MOYNIHAN. Mr. President, will the Senator yield for a comment?

Mr. HELMS. I yield.

Mr. MOYNIHAN. Mr. President, I am sorry to have arrived just a little late.

Mr. HELMS. Mr. President, I yield 1 minute of the time allotted, because we are under a time limitation.

Mr. MOYNIHAN. Senator HARRY F. BYRD, JR., knows of my great respect for his concern about fiscal integrity, a record that is unparalleled in the Senate, and a right one.

However, the Senator from North Carolina asks why the comptroller will not invest in New York City securities. The answer, very simply, is that New York City is an insolvent corporation. The reason it is insolvent is that it has a debt service of almost $2 billion a year. Wrongfully and hurtfully, the city allowed its debts to go from $2.5 billion to $13.5 billion in 9 years. That happened. It should not have happened, but it did happen, and now we have a city which is solvent in its own right but has the debt.

The ACTING PRESIDENT pro tempore. The time of the Senator from New York has expired.

Mr. HARRY F. BYRD, JR. Mr. President, I understand that the Senator from North Carolina has an additional 5 minutes. I ask unanimous consent that those 5 minutes be yielded to me, so that I may yield 2 minutes to the Senator from New York.

The ACTING PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

Mr. MOYNIHAN. I thank the Senator.

The Senator might be surprised at the degree to which I share his judgment about the past. But with respect to the future, life has to go on.

The city pays more for debt service than it does for education. Without this huge debt, it would be a solvent operation. Our problem is how, in the next generation, to get this debt back to manageable levels. Until then, we will have to have help. But we also have to take supervision as a condition of that help; and this Senator from New York does not at all object to the prospect of supervision.

Mr. HARRY F. BYRD, JR. The Senator ably represents the State of New York and the city of New York. I can fully understand his keen interest in this matter. The people of New York City and New York State have a tremendous advocate in the Senator from New York

(Mr. MOYNIHAN). I regret that I find it necessary to take a position in opposition to my friend from New York and in opposition to New York City. I do not feel that I am taking a position in opposition to the people of New York. I have the utmost regard for the people New York City but, I think the people of New York City would be much better off if the politicians in New York were forced to face realities and to put their own financial house in order.

The Senator from New York mentioned the debt service charges of New York City, $2 billion as I recall, a very high figure for a city with a budget of some $13.5 billion. But I remind the Senate the debt service charge for the Federal Government in the current budget that Congress is now working on is $55 billion—$55 billion is the cost of the debt service in the current budget. So while we need to be concerned as to the situation in New York City, I think we also need to be concerned as to the Federal Government's own financial situation and the debt charge in that budget.

Mr. MOYNIHAN. If the Senator will allow me to make one small correction regarding the debt service. For every city dollar, 23 cents goes to debt service and 13 cents to education. The past is going to be with us for a long time, but the future of New York City is a different one. If ever a people can be said to have learned a lesson we did and in the not unfamiliar hard way.

I see the senior Senator, my colleague, is in the Chamber. I wonder if he shares that view.

Mr. JAVITS. Mr. President, will the Senator yield to me for 1 second?

Mr. HARRY F. BYRD, JR. I am glad to yield to the senior Senator from New York.

Mr. JAVITS. I think Senator MOYNIHAN has very well put our situation. I have been here a long time. I have certainly not been a party to the profligacy and what has brought us to this point. But here we are, as he says, and I adopt everything he said on that subject. There is one thing, though, I do wish to emphasize to my colleagues, and that is New York is a revenue producer, and that I think is a critical point. It is one of the really great revenue producers of this country and can do a great deal more especially as today there is an enormous influx of foreign interests in New York City. It seems to be a city very congenial to people who come from abroad. Only as one indication, and I think you all know this as you mix in the same circles I do, the market for cooperative apartments in New York has literally turned upside down in the last 2 years. Therefore, it remains a very advantageous gateway, and I think there is a great national interest not only in the ways that have been described by my colleague, Senator MOYNIHAN, who Senator BYRD has quite properly said is very gifted—we are very lucky to have him—but also in terms of what it means to our country financially.

It will take decades, perhaps a century, to recreate another such center and it is the preservation of that, also, which I think is of very great national interest. But I know my colleagues will be extremely judicious about what is done and I have agreed with that before and, indeed, undertook solemnly in the Senate in 1975 when we last acted on our responsibility for New York City over, above, and beyond, what the Senate normally does, and PAT MOYNIHAN has joined me in that. We have gone to many meetings. We have prevailed against possibilities of wastage, and I think it is the current record, as well as the past record, which is bad, but it is the current record, also, upon which New York deserves to be judged. I hope that, when the Senate acts on this matter, it will evaluate these factors as well.

Mr. HARRY F. BYRD, JR. New York City, if I might say, in my judgment, is not only a great city but I would not put any city in the world ahead of New York City, whether it be London, Paris, Rome, or Madrid. It is one of the great cities of the entire world.

The ACTING PRESIDENT pro tempore. All time has expired.

EXECUTIVE SESSION—NOMINATION OF LYNN R. COLEMAN

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now go into executive session to resume consideration of the nomination of Mr. Lynn R. Coleman to be General Counsel of the Department of Energy.

The Senate resumed consideration of the nomination.

The ACTING PRESIDENT pro tempore. The Senator from Ohio.

Mr. METZENBAUM. Mr. President, today we return to further discussion of the nomination of Lynn Coleman to be General Counsel of the Department of Energy.

I stated yesterday in opening my remarks, and I repeat again today, that I prefer and wish it were otherwise than I be in the Chamber opposing the nomination of a Democratic President whom generally I support. But with respect to this nomination I have total disagreement, and it does not relate to the integrity nor the legal ability of the individual, but rather it relates to the concept that the American people will place upon our confirming this kind of nomination, because, no matter how you slice it, there can only be one interpretation given, and that is that Lynn Coleman comes directly out of the oil and gas industry, following the revolving door principle, to become the regulator of that very industry that he has been representing and is representing as of this moment.

The fact is that Lynn Coleman has been a registered lobbyist and is a registered lobbyist for the Houston Natural Gas Co. The fact is that he comes from a law firm of tremendous reputation, skill, and ability, almost all of which it has made in its efforts and its representation of the oil and gas industry.

Vinson & Elkins, which I believe is now called Vinson, Elkins, Connally, Searls & Smith has 240 lawyers, most of whom spend their time representing either oil and gas interests or those closely allied with it.

Yesterday we spelled out for the Senate the various interlocking relationships that this law firm and its clients have in the entire oil and gas industry.

This Senate today in my opinion—and one can only make such a determination after the votes are counted—in all probability will confirm the nomination of this man and that will be a victory for the administration, but I sorrowfully must point out that in winning the victory in the Chamber of the Senate I think they lose with the great body of American people, because the American people can never understand how someone coming out of the oil and gas industry can be counted upon to call them as he sees them as the General Counsel for the Department of Energy.

In examining the records of recent nominations to the regulatory bodies, Mr. President, I discovered another nomination that closely parallels the one that lies before us today. This one is just as pertinent to the Coleman matter as is the Morris nomination, though in a different way. Unlike Mr. Morris, the nominee in this second case was confirmed. So he leaves a record behind for us to examine. Let us do so and see how it relates to the case at hand.

The time was 1971. President Nixon had nominated an oil and gas lawyer from a prominent Texas law firm to a seat on the Federal Power Commission. The nominee, a Democrat like Mr. Morris and Mr. Coleman, spoke eloquently during his confirmation hearing on his intention to serve the public interest fairly and impartially—even where those interests conflicted with the interests of his former clients in the oil and gas industry.

The nominee said—and I am now quoting him directly:

> I do not feel that my occasional representation of oil and gas companies will, or could in any way, result in any bias or partiality favoring these companies. I firmly believe that I can perform the duties of Commissioner of the Federal Power Commission fairly, objectively and impartially, looking only to the protection of the public interest, including the interests of the American consumer.

He continued:

> I sincerely believe that I will be dispassionately objective in conformance with public interest considerations. As a lawyer, I have been trained and dedicated to the proposition that I owe complete loyalty to my client. If confirmed by the Senate, my client is the public interest as defined by Congress in the Acts governing the Federal Power Commission.

The nominee was persuasive. So persuasive that he was confirmed by acclamation when the nomination came to the Senate floor. The only Senator to criticize the nominee was the gentleman from New Hampshire (Mr. MCINTYRE). His words were prophetic. Mr. MCINTYRE said he found it "highly illogical to expect such a nominee to reorient the direction of his allegiance 180 degrees overnight, to become, in effect, a dispassionate umpire instead of an impassioned player."

That nominee, Mr. President, was Rush Moody, Jr.—a name familiar to any of my colleagues who followed the plight of the consumer at the Federal Power Commission during the Nixon and Ford years. Let us look for a moment at Mr. Moody's record on the Commission and compare the promises he made dur-

ing his confirmation hearing with his actual performance in office.

At his confirmation hearing, Mr. Moody pledged "dispassionate objectivity in conformance with public interest considerations." And he said his client was the "public interest" as defined by Congress in the Natural Gas Act. Yet he bent that act completely out of shape in an effort to achieve the effects of deregulation through administrative means. His efforts were directed to changing that which was in the law so that we could have de facto regulation, and de facto deregulation or de jure regulation means only one thing: It means that the American people will pay more for their natural gas than they would under strict cost-control accounting. It means that the oil and natural gas producers will be receiving billions of dollars more into their treasuries coming directly from the people of this country.

Under his leadership, such novel concepts as optional pricing, 60-day emergency sales authority and 6-month emergency sales—all methods to achieve backdoor deregulation—were nurtured. He was innovative in his thinking, had new ideas, new concepts, but all of them, with no exception, resulted in the American people paying more and the oil and gas companies paying less.

When we talk about the oil and gas companies and join them together—and the oil and gas companies receiving billions of dollars additional into their treasuries, when we talk about the oil and gas companies—let me make it clear that we join them, because that is the way it is in the industry. Of the 14 largest natural gas companies in this country, 13 of them are oil companies, and there certainly can be no complaint that they need economic assistance.

As a lawyer, my own interpretation is that all of the practices which Mr. Moody advocated and, in many instances, instituted, all of these practices violate the Natural Gas Act's mandate that gas prices be just and reasonable. The U.S. Court of Appeals shared my view with regard to 6-month emergency sales, and nullified that practice. Nonetheless, Mr. Moody served the industry well during his 4 years in office. Under the combined leadership of Mr. Moody and FPC Chairman John Nassikas, the new gas price more than doubled—from 21 to 52 cents per thousand cubic feet during Mr. Moody's tenure on the Commission, and the philosophy was implanted which led to the incredible increase to $1.42 a year later, and only a few years ago the price for natural gas back in about 1972 and 1973 was 17 cents.

When you had cost-based pricing, natural gas was about 51 cents, 52 cents, but under Mr. Moodys direction, push, and efforts the price went to $1.42, and the cost-based pricing concept was abdicated, and the American people paid the price.

What did Mr. Moody do after he left public office? Did he go into a new line of work that would absolve him of any suggestion that his was a typical "revolving door" appointment? Of course not. He acted in the same manner as does almost every other regulatory agency appointee who comes from the industry he regulates. He went back to representing oil and gas clients. He became a director of one of the companies he had regulated, the Tipperary Co., a multimillion dollar gas, oil, and liquefied natural gas producer. And he became senior partner in John Connally's law firm, Vinson & Elkins. Wonders of wonders. That makes him Lynn Coleman's boss.

I have never met Rush Moody, Mr. President. I have met Lynn Coleman. I have been impressed by his ability, integrity and enthusiasm. I have absolutely no way of knowing whether Mr. Coleman would interpret the public interest in the same manner Mr. Moody did despite all the assurances Mr. Moody gave the Senate. What I think—at least I hope—the Senate learned from the Moody experience is that ability alone is not sufficient quality for regulatory appointments. There must be a demonstrated commitment to the public interest. There was no evidence of such a commitment in Mr. Moody's record, and there is none—regrettably—in Mr. Coleman's either. His record is one of continuous and outstanding legal service to oil and gas companies. He has never represented the consumer interest. Yet we are expected to believe he will somehow shed the pro-industry biases he must have attained to represent industry clients so ably over the past 12 years—a period that constitutes his entire professional career.

Mr. President, the Senate should act on the basis of the proven record and what we can project from that record. We should not act on hunches—no matter how bright and affable a nominee may be. Mr. Coleman's record is that of an industry advocate. In fact, he represented oil and gas clients in some of the most controversial cases ever to come before the Federal regulatory agencies.

I find no fault with his being an industry advocate. I respect him for being an able lawyer presenting his client's point of view. I respect the industry for hiring a man as capable as Lynn Coleman. But that does not mean that I believe he will be able to come into this position and suddenly be advocating or deciding matters totally contrary to that which he was advocating as a lawyer just the week before.

I think it is important that we take a look at what some of those cases are, that we take a look and see what positions he has taken. Is it reasonable to believe that at one point in life you can be for everything that is black and the next time turn around and be for everything that is white? I know that lawyers do get on different sides in different cases. But we are talking about philosophical considerations. We are talking about economic considerations. We are talking about general policy considerations. We are not talking about whether or not a man is guilty or not guilty. We are not talking about a plaintiff's case in a personal injury matter as against a defendant where a lawyer can go on either side of that kind of case. We are talking about a lawyer who spends 12 years of his life advocating day in and day out one point of view, and then we are asked to expect that he suddenly is going to become a public interest advocate, impartial, objective and, more important than that, we expect 215 million people to believe it. Even if he could do it the American people would not believe it.

In each of these instances, the public interest conflicted with that of the energy industries, and Mr. Coleman was on the industry's side. Let me take a few moments to summarize a representative sample of those cases:

First, the Austral Oil Co. case. The Austral case, also known as the first southern Louisiana area rate proceeding, was the first of a number of back-door efforts by the gas industry to achieve deregulation through administrative action. Although Mr. Coleman has told me he is not a deregulator himself, he behaved like one in arguing this case. Producers petitioned the FPC in 1968 for contract pricing, also known as commodity value pricing and plain old deregulation. To spur new gas production, the Commission broke with its tradition of pure cost-based pricing and allowed some noncost factors in the rate computation for new gas. New offshore southern Louisiana gas was priced at 18.5 cents per thousand cubic feet. This was about a penny per Mcf higher than what would have resulted under pure cost-based pricing plus a reasonable profit. Some 37 producers, including Austral, opposed the continuation of cost-based pricing altogether and took the case to the U.S. Court of Appeals, where they lost in 1970. Nonetheless, the concept of cost-based pricing was no longer inviolate, and such concepts as optional pricing, emergency sales authority and a legislative push for outright deregulation followed close on the heels of this precedent-setting case.

Another case in which Mr. Coleman represented industry interests was the case of United Gas Pipeline against FPC, sometimes called the phantom tax case. This one is particularly interesting: A very notable concept used by United Gas Pipeline Co., and its lawyer, Lynn Coleman. United Gas Pipeline sought to use some fancy accounting procedures to include as a cost of service some $2.8 million more in taxes than it actually paid the Treasury. United was a member of an affiliated group of companies which filed consolidated Federal income tax returns. Two of the companies had net losses. Thus, the total tax on a consolidated basis was less than what the total tax would have been had separate returns been filed. Nonetheless, United sought to include as a cost of service the full amount of taxes it would owe—some $12.7 million—if it had filed a separate return. The FPC ruled that only $9.9 million was allowable. The court of appeals reversed the FPC, but the Supreme Court in 1967 overturned the appeals court decision and sustained the FPC. The public interest was ultimately preserved, but that is not the issue. The issue is one of Mr. Coleman's intent. He actively advocated United's efforts, working both on United's briefs before the FPC and on its arguments before the Supreme Court.

Is it reasonable to believe that as General Counsel, if some matter that is in some way related to that same issue comes before him, he is going to take a different position? Hardly.

A third notable case is that of Texas Eastern against FPC. Texas Eastern Transmission Co., a major gas pipeline, attempted to retain some $10 million in refunds meant for consumers. This is the way this rather bizarre case unfolded.

Gas producers supplying Texas Eastern were ordered by the FPC in 1965 to refund some $10 million in unjustified rate increases. Texas Eastern was the middleman in the case. The producers would refund the $10 million to Texas Eastern and Texas Eastern would pass the refunds on to consumers. But Eastern balked at that proposition. It tried to pocket the consumer refund. Texas Eastern, a company that makes about $250 million a year before taxes, sought to justify its action on grounds that it did not increase consumer bills by the $10 million that would have reflected the higher producer rates. That would have required FPC approval, and it would have exposed the company's books to a complete audit. This, of course, could have resulted in a rate reduction if the FPC felt that the company's overall rate of return were to high. Once the FPC ordered producers to roll back the rate increases, Texas Eastern made its move. It sought to retain the $10 million producer refund on grounds that its earnings were deficient. But fortunately for the consumer, the FPC would not allow this sort of back-door rate increase. The FPC held against Texas Eastern on grounds that Texas Eastern's rate of return was adequate even after its absorption of the higher producer rates, which had been approved subject to refund in the first place. Mr. Coleman worked extensively in this case, supporting Texas Eastern's position.

In the one case, that which I just mentioned, $10 million in consumer refunds, Lynn Coleman was on the side against the consumers, against their obtaining the refund. In the case previously mentioned, $2.8 million in taxes that were never paid, Lynn Coleman advocating they ought to be included in the rate base and then passed on to the consumer.

Yet another case in which Mr. Coleman represented industry interests in direct conflict with the consumer position was the Texas Eastern Rayne Field case. In an attempt to circumvent regulation in 1959, four gas producers, including such well known names as Continental Oil and Sun Oil, sold to Louisiana Gas Corp.—an affiliate of Texas Eastern—certain oil and gas leases, gathering lines and other equipment in the Rayne Field gas-producing area of southern Louisiana. Texas Eastern drew on this gas to supply its customers, and it charged them an average of 23.5 cents per thousand cubic feet over the 8-year period of 1959–67. This was 3.5 cents per Mcf higher than the in-line price permitted by the FPC for sales in this area during that period. In 1963, the FPC disapproved the arrangement, saying that the transaction "is not in the public interest as a way to acquire gas supplies." That decision was reversed by the Circuit Court of Appeals, but the Commission was upheld by the Supreme Court. In 1968, an FPC examiner ruled that the sale should be restructured to simulate a conventional sale at 20 cents per Mcf, and that an overcharge of $31.4 million should be refunded to consumers. Texas Eastern opposed the order and insisted on keeping the refund to use as a credit against its purported investments in Rayne Field—another example of Lynn Coleman being against the consumer getting the price to which he was entitled and which he morally and legally should have had. The FPC in 1969 further restructured the contract, reducing the simulated sales price to 18.5 cents after October 1, 1968. More legal sparring resulted, and the case is still pending before the FPC. FPC has yet to determine the amount of refund due consumers. Mr. Coleman worked on Texas Eastern's briefs to the FPC in 1969 and 1970 on the basic refund issue.

In case after case, Lynn Coleman, oil and gas company advocate; Lynn Coleman against the consumers getting that which they are entitled to.

Finally, let us look at the Transocean Oil case—a case illustrative of the gas industry's longstanding effort to withhold gas reserve data from regulatory bodies. On October 15, 1973, gas producers who had not complied with an FPC order to produce data on uncommitted gas reserves were directed to show cause why they should not do so. Only five companies refused to comply—Pennzoil Co., Pennzoil Production Co., Transocean Oil, Tenneco Oil, and King Resources Co. The grounds stated for their opposition was the danger of "trade secrets" leaking out. The FPC, to its credit, ordered that the data be produced. The FPC said in its opinion:

> In resolving the national energy problem, the reserve information is needed by all agencies of government, federal and state, that are concerned with this problem so as to permit them to determine the extent of available reserves to meet demand, and since natural gas is of paramount importance to have equal access to this information.

Where was Mr. Coleman? You can guess. It is another case in which Mr. Coleman was directly involved in the oil company side in attempting to withhold the facts and data from the Government. In this case, Mr. Coleman participated in an FPC hearing and filed briefs on behalf of Transocean Oil.

What position will this man take when the Government needs the information in a matter when he becomes General Counsel, if this Senate confirms him? Will he say that companies have the right to withhold the information from the public and take a position totally contradictory to the one that he took in the case just mentioned? Maybe, maybe not.

In closing, Mr. President, let me emphasize that the foregoing cases were not simply isolated items that I culled from the record in order to support my point. Rather, they are typical of the type of work Mr. Coleman has done over his entire 12-year career as an attorney. There are many other examples, such as one in which Mr. Coleman, in effect, represented both the interests of Shell Oil and Puerto Rico against those of Shell's competitors.

Let me make it clear that Mr. Coleman at one point is claiming that he was a public advocate, because he represented Puerto Rico as a lawyer. Well, the fact is he was not a public advocate. He was a lawyer for hire. But the fact is that that was not a particularly pro-public position. One of his major allies in that matter was the Shell Oil Co., one of the big seven oil companies of this country.

In addition to his work before the regulatory agencies, he has represented giant companies like Exxon and Union Oil in gas sales contract negotiations. He has shown that he is comfortable in the company of the oil and gas industry. He has provided no evidence at all to illustrate that he is equally comfortable in the company of Ralph Nader or other consumer advocates. To expect Mr. Coleman—or any other attorney—to abandon overnight the mental processes that have been attained over one's entire professional career would be unreasonable and unrealistic. As our colleague Mr. MCINTYRE correctly prophesied, Rush Moody could not "reorient the direction of his allegiance 180 degrees overnight," and I doubt that his protege, Mr. Coleman, would be able to do so either. The Coleman nomination is simply not in the public interest, Mr. President. I urge my colleagues to join me in voting to send this nomination back to committee.

The PRESIDING OFFICER (Mr. BURDICK). The Senator from Washington.

Mr. JACKSON. Mr. President, I am well aware of the arguments which have been made against the nomination of Lynn Coleman to be General Counsel of the Department of Energy. My colleagues on the Energy Committee and other Senators have made a persuasive case for the proposition that this nomination should not have been made.

One can well argue that the nomination should not have been made because of Mr. Coleman's partnership in a law firm heavily involved in representing the energy industry. While this association may constitute relevant experience, it also raises serious questions about Mr. Coleman's ability to secure public credibility and confidence in his work as General Counsel. The new Department has problems enough without the added burden of a chief legal officer whose motives are being questioned and whose credibility may be subject to challenge.

Nonetheless, I do not intend to substitute my judgment for the President's as to whether this nomination should have been made. However tempting that may be, it is not a practice which fits my conception of the Senate's role in the nomination process. I will support this nomination, because I think Mr. Coleman is honest and able, with solid legal experience. He has been fully exposed to the concern of Senators about real and potential conflict of interest problems in the months his nomination has been pending. I am convinced he will exercise the greatest care to avoid such conflicts or the appearance of conflicts, not only because he is a man of integrity, but also because he fully understands and re-

spects the concerns about his past experience. I, therefore, urge my colleagues to support the committee's recommendation and approve Mr. Coleman's nomination to be General Counsel.

Mr. MOYNIHAN. Mr. President, if it were possible to fully embody the idea of integrity in one man, I am sure few would disagree with me, that it is personified in my dear friend, the Senator from Washington, the chairman of the Senate Energy and Natural Resources Committee; a man whose position on issues and whose judgment of men is impeccable and has been tested in the forums of public opinion for the last full generation of American public life. I, for one, choose to stand and say if this is his view of Mr. Coleman, then even more emphatically is it my view.

I would like to speak, Mr. President, to a particular of Mr. Coleman's experience which has more than a little reference to the State of New York and to the junior Senator therefrom.

As the Chair knows, the State of New York has very close relations with Puerto Rico. It is not just a matter of our having a large number of persons of Puerto Rican origin in New York State, particularly New York City, but a constant traffic in economic trade and in relationship to business and institutions to the extent that the Federal regions are arranged so as to include Puerto Rico in those districts which are headquartered in New York. In the normal Federal regional distribution, whatever is located in New York City as headquarters will contain Puerto Rico and the Virgin Islands as well.

Therefore, it strikes me as singularly important to note the role which Mr. Coleman played at a crucial period in the history of energy supplies in Puerto Rico. It was a time of energy shortage and extraordinary, accelerating prices.

It has been suggested in the minority report that at no time has Mr. Coleman represented the interest of the consumer, that his entire professional career has been devoted to furthering the interests of the Nation's oil and gas industry. Mr. President, I believe this not to be accurate, for it overlooks a 4-year period of service as the Washington counsel to the Commonwealth of Puerto Rico during a period of extraordinary energy price acceleration brought about by the OPEC cartel. The Governor of Puerto Rico at that time was a man well known to this capital and who is, I am happy to say, a friend of mine, Hernandez Colon, a man noted for the energy of his administration, for the highest standards of personnel, both in San Juan and in representation here in Washington, a man known for his forward-looking, competent, and capable understanding of economics and development. When he sought a counsel to represent Puerto Rico in the varied, variegated, complex channels of energy decisionmaking and price allocation here, in Washington, to whom did he turn? He turned to a man who knew a very great deal about the subject and who was exceptionally able in advocacy proceedings regardless of the position he was advocating, as is, presumably, the first responsibility and primary characteristic of an attorney. He turned to Lynn Coleman.

Mr. Coleman handled Puerto Rico's numerous energy problems here, in Washington, and this normally, if not invariably, placed him at odds with major oil companies and other energy-related industries. The major focus of Gov. Hernandez Colon's administration was the protection of Puerto Rican consumers from the effects of OPEC price increases, the protection of an island with sufficient economic problems to begin with, but one also exclusively dependent on foreign oil. Mr. Coleman was chosen for the job and we have the witness of Gov. Hernandez Colon that the did it successfully, that he put his experience to work unstintingly on behalf of the government and the people of Puerto Rico, opposing the oil companies in FEA hearings, in Federal court, and across the table in contract negotiations. The suggestion that this man has not represented consumers when, in fact, he has represented a whole commonwealth of consumers suggests to me that there is a shortcoming in the arguments of those who, for other reasons, do not support this nomination.

I shall not go into the detail of the well-known exchange between Senator Metcalf and the chairman of the Energy Committee on this matter. But, having learned that a consortium of small gas producers in Montana, represented by Mr. Coleman, had made their way into the national market over the opposition of the local power company, Senator Metcalf, paraphrasing W. C. Fields, said:

> Anyone who is against the Montana Power Company can't be all bad.

Well, no one here is going to suggest that Mr. Coleman is virtuous in all matters, in unique contrast to the rest of the flawed humanity that people our Government. He is, however, a proven advocate, a man of highest personal standards, a man whose primary work has been representing oil and gas companies, yes, but who has just as capably opposed them, and who really ought not to be too greatly pilloried, it seems to me, for having carried out this task of advocacy.

I grant that, commencing late last week, it has become the official policy of the Federal Government, or at least the executive branch thereof, to look with great alarm at the preponderance of lawyers in American Government. It has been suggested that this somehow works to the disadvantage of persons who are not lawyers.

That may or not may be. We have old Shakespearean testimony on the advantage of hanging them all, if you would remember that speech, in which it is supposed that, first, we shall hang all lawyers. It is thereupon suggested that, once that happens, seven halfpenny loaves will sell for a penny and small drinkers of ale will be considered felons. Now, a 70-percent decrease in the price of bread and mandated ale consumption may be an advantage of hanging lawyers, but an experiment like that was never carried out and we cannot be sure it would have been successful.

The point is that there is not anything more charatceristic of the American Government than the role which lawyers have played in it—lawyers as advocates. Lawyers have been particularly sensitive to the idea of rules and the idea of uniformity, of treating like situations alike, of making for predictability and orderliness and due process. The great fundamental conception of the lawyer is the concept of due process. It is that concept that is at the heart of the whole process of the American Government. It is for that reason that I do not believe there has been a single Congress since the first in which a heavy proportion of the Members were not in fact lawyers.

We have been characteristically a government of lawyers, because we have been a government of laws. I do not yet believe it to have been held, or the United States to have suffered, any great disadvantage. The President noted with some alarm that we have twice as many lawyers as do the British, 10 times as many as do the Japanese, 31 times as many as do the Germans. Without being excessively ethnocentric, I should be prepared to say that, by those proportions, by those ratios, our Government is to be preferred to the government of those other lands. I say this as one who is not a lawyer and perhaps ought, in the interest of full disclosure, to declare that I have never found myself in the hands of an attorney. Had I done so, my sanguinity in this matter might be different.

It is not to be held against Mr. Coleman that he is a lawyer, unless we are to abruptly change the processes of American administration of politics at this late date. The fact that he has advocated the interests of one group more than another characterizes the specialization of attorneys in any field.

He has with equal enterprise and success advocated the interests of consumers for the entire Commonwealth of Puerto Rico. I, for one, with great confidence, shall vote for confirmation of his nomination. I hope that his experience in Puerto Rico has given him a passing acquaintance with the problems of those consumers in the State of New York whom I have the honor to represent, and I believe he will represent them with equal vigor. I have no doubt that he will do so with total integrity and independence.

Mr. BENTSEN. Mr. President, we have listened to this debate for a couple of days, debate on the nomination of Lynn Coleman for the post of General Counsel for the Department of Energy, and we have not really heard any new issues raised. We have not seen any new evidence to support the contention that the nomination should be rejected.

I think that is evidenced somewhat by the small number of people of the press who are in the gallery today. They really have not heard very exciting allegations made against this man. No one is really saying that this man does not have integrity. Maybe they have shaded it a bit. They say he has a bias, has to have a bias, because of the many years he has represented people in the oil and gas industry.

If you take that kind of argument—and the Senator from New York refuted

that point very well—you attack the basic traditions of the legal profession in this country. The idea that an attorney, when he represents a client, automatically accepts the viewpoint of that client—that really attacks the Bill of Rights in this country. An attorney does not necessarily have to adopt the viewpoints of that client, does not even have to condone them, certainly does not have to agree with them. If it were not for that principle, the Bill of Rights would not be worth the paper on which it is written.

Mr. Coleman says he is not biased, and we have not seen anything in the record that says he is.

When they talk about his representing oil and gas interests, they neglect to mention that he has represented some of the smaller companies, in opposition to the larger companies. He represented Puerto Rico for 3 or 4 years, as the Senator from New York has pointed out. Time and time again, Puerto Rico was in conflict with some of the positions that the major oil companies advocated, and Lynn Coleman was fighting there in behalf of Puerto Rico.

His record shows that he has a long record of opposing the interests of particular sectors of the oil and gas industry.

Mr. Coleman has never been accused of a crime or an indiscretion. Rather, it is suggested that he knows too much about energy legislation, and therefore he would have some sinister impulse that would cause him to go against the consumer. They have not been able to make a convincing case of that, so now they describe him as "dripping in oil."

It has been argued that we cannot trust his objectivity. Yet, he has taken the unprecedented actions in disassociating himself, while at DOE, from any possible conflict of interest. Some maintain that he has not gone far enough, despite the fact that he has gone further than required by either law or custom.

Others turn logic on its head and submit that Coleman should be disassociated from so many cases that he could not function effectively as General Counsel. They hold the specter of some giant scorecard that you are going to keep up there as the cases are considered, flashing the latest data concerning the cases in which Mr. Coleman can and cannot play an active role.

This, of course, is preposterous. Most of Vinson & Elkins Federal regulatory energy practice has been before the Federal Power Commission, and these functions have been transferred to the Federal Energy Regulatory Commission, which is independent of DOE and has its own General Counsel.

The area of possible conflict of interest in the Coleman nomination lies in FEA matters before the Department of Energy. Before proceeding any further, let me emphasize that Mr. Coleman has agreed to absent himself from any such proceedings involving his former law firm. The only question is whether or not he will have to abstain from so many cases as to render him ineffective as General Counsel.

Mr. President, the FEA has 783 proceedings at the Office of Exceptions and Appeals. Vinson & Elkins, Mr. Coleman's former firm, is involved in seven of them—less than 1 percent. The FEA has 170 pending lawsuits, and Vinson & Elkins is involved in 5 of them—3 percent of the total. The FEA has 109 pending requests for interpretations of its regulations and Vinson & Elkins is involved in 1 such request. The FEA has 3,478 active compliance matters and Vinson & Elkins represents clients in 20 of them. Less than 1 percent.

Let us lay to rest, Mr. President, the concept of the giant scorecard. Let us say to opponents of this nomination that they cannot have it both ways: They cannot contend that Mr. Coleman is insensitive to potential conflicts of interest while suggesting at the same time that he cannot be effective because he has taken such exceptional and effective steps to meet this charge.

The allegation that the Robert Morris case provides a precedent for rejecting the Coleman nomination has no basis in fact. There is precious little similarity between the two cases, and I am certain that the Senate will recognize the distinctions. I happened to vote against Mr. Morse, but Mr. Morse's case was one in which he had been with a major oil company for 15 years.

It frequently has been asserted, in the face of evidence to the contrary, that Lynn Coleman has never represented consumers. Lynn Coleman represented for 4 years the energy problems of the Commonwealth of Puerto Rico, which is exclusively dependent on foreign oil. In the process he represented Puerto Rican consumers and opposed oil company interests in FEA hearings, in the courts, and in contract negotiations.

He has also appeared on behalf of indigent defendants in criminal cases. His work on behalf of independent Montana natural gas producers was also clearly in the public interest.

Finally, Mr. President, we hear a great deal about the "revolving door" aspects of this nomination and frequent allegations that President Carter has somehow betrayed campaign promises by nominating a qualified lawyer with important energy expertise for the position of General Counsel of DOE.

Mr. President, the "revolving door" argument can be leveled against any practicing lawyer who comes into Government service and does not forever renounce his right to return to private practice.

Lynn Coleman is not stepping into a revolving door. He is stepping out of a lucrative private career into Government service. He can never again appear on behalf of a private party on any matter in which the United States has an interest and in which he participated personally and substantially while in Government. He has agreed voluntarily to extend to 2 years the 1 year ban on appearances before the DOE on behalf of any party in a matter under his official responsibility during the last year of Government service. As a former DOE official, Lynn Coleman will have to file reports for 2 years following his termination of Government service describing employment with any energy concern.

That, I submit, is as far as any reasonable person could ask Lynn Coleman to go in satisfying suspicions about his motivations in accepting this appointment. It would simply be unfair to ask Mr. Coleman to foreswear a return to his chosen profession as a precondition to Government service.

There is one other point, Mr. Chairman, I wish to address on the question of the Coleman nomination. I stated yesterday in the Chamber that Lynn Coleman had been endorsed by the late Senator from Montana, a well-known advocate of the American consumer. This statement was challenged by the Senator from Ohio.

I based my comments on supportive statements made by Senator Metcalf during the Coleman confirmation hearings, statements which appear on page 19 of the committee report and include the following statement:

> I really want to point out that in the course of quite a remarkable career in handling a series of lawsuits before the Federal Power Commission he has represented both sides of those cases in his capacity, and I am very pleased with the people of Montana who were associated with him during that time, men and women who I respect have very high praise for the candidate.

In addition, Mr. President, I have a letter from Senator Metcalf's former administrative assistant stating that—

> It is my feeling that if Senator Metcalf were here today, he would vote for the nomination of Lynn Coleman. At one point he had reservations about Mr. Coleman's appointment but this was because Mr. Coleman had not submitted a list of his clients.

This he has now done.

My friend from Ohio says his recollection is that Senator Metcalf said he probably would have voted the other way. Unfortunately, our dear friend is departed.

I do not know who can say at this time, but we have the opinion of the Senator from Ohio and we have comments such as this from his former administrative assistant.

One thing is not in dispute, and that is his high regard for Mr. Coleman.

Mr. METZENBAUM. Mr. President, will the Senator from Texas yield a moment for a question?

Mr. BENTSEN. I yield for a question.

Mr. METZENBAUM. Was not the Senator from Texas, in quoting from page 19, actually reading a statement made by the chairman of the committee, not a statement by Senator Metcalf?

Mr. BENTSEN. No; that is not correct. We have read that very carefully, and I can understand why the Senator reads it that way. There is a phrasing that one must read carefully. I think Senator Metcalf is addressing the chairman, following his statement that "anyone who is against the Montana Power Co. cannot be all bad."

Mr. METZENBAUM. Let me point out to the Senator from Texas it reads as follows:

Mr. BENTSEN. I can read it to the Senator.

It says: "The Chairman," but I think a mistake was made by the recorder and it should read "Mr. Chairman"—

> I really want to point out that in the

course of quite a remarkable career in handling a series of lawsuits before the Federal Power Commission he has represented both sides of those cases in his capacity, and I am very pleased with the people of Montana who were associated with him during that time, men and women who I respect have high praise for this candidate.

Mr. METZENBAUM. Does it not actually say, "The chairman," and end with a period instead of "Mr. Chairman"?

Mr. BENTSEN. It is pretty obvious from reading it it has to be Senator Metcalf doing the speaking, since the speaker refers to the "people of Montana."

Mr. METZENBAUM. But, I say to the Senator, I think what we should do is include in the RECORD all of page 19 because I think——

Mr. BENTSEN. No; I yielded for a question.

Let me further state that the committee staff has advised me that there was a mistake, that it should have been "Mr. Chairman," and a comma.

Mr. METZENBAUM. Who on the committee staff so advised?

Mr. BENTSEN. Senator JACKSON'S representative, Patty Champman, who was just here made that comment.

Mr. METZENBAUM. I was present at that meeting, and I have to challenge their accuracy because I think the report of the record is much more accurate as to what Senator Metcalf said and what Senator JACKSON said.

Mr. BENTSEN. The Senator and I disagree on that interpretation, but it is very obvious to me from the text that what was said is something that would have been stated by Senator Metcalf, since the speaker talks about some old associates and friends of his from Montana. The chairman of the committee would not be making such a statement.

If I may proceed with my statement, Mr. President, we have heard a lot of speculation, insinuation and innuendo concerning this nomination. The real question we are debating, however, is the integrity of Lynn Coleman. Either the nominee is an honest man or he is not. If you have a dishonest man, it does not matter how many regulations you may write to try to corral him and to keep him within the bounds of objectivity; on the other hand if you have an honest man he will be objective, he will represent the public's interest. There is no reason to question the integrity of Lynn Coleman from his long and active career which has been made an open book throughout these hearings.

If we can proceed from the assumption that Lynn Coleman is an honest man, then these arguments against his nomination really lack relevancy. We cannot require Lynn Coleman to prove his integrity, nor can we write regulations that would preclude him from not being objective.

Mr. President, this nomination has been pending for 8 months. During that period, the Department of Energy has been without the services of a General Counsel.

No one has yet made a convincing case against Lynn Coleman because such a case cannot be made. The evidence is not there. It does not exist.

Mr. President, I urge the confirmation of Lynn Coleman as General Counsel of the Department of Energy.

The PRESIDING OFFICER. What is the will of the Senate?

Mr. METZENBAUM. Mr. President, I ask unanimous consent to print in the RECORD page 19 of the hearings before the Committee on Energy and Natural Resources, dated November 9 and 30, 1977, relative to the nomination of Lynn Coleman.

There being no objection, the page was ordered to be printed in the RECORD, as follows:

So I just want to welcome you to the committee this morning, and you will find this committee, the chairman has demonstrated, I think already, open and frank. We are not playing games with anybody, and we will lay it out on the table, and we expect the same from those who are appearing before this committee, and I want to thank you for your appearance here this morning.

Thank you, Mr. Chairman.

The CHAIRMAN. Senator Metcalf.

Senator METCALF. Mr. Chairman, I am very pleased to have Congressman Eckhardt over here. I share a high regard and respect for his ability and his integrity.

A man from Montana who sought to be a colleague of yours, Congressman Eckhardt, Mr. Neal Rayburn, who is in the audience today, has written me about our candidate this morning, and he is almost as eloquent as you, Congressman Eckhardt, in his praise of Mr. Coleman's competence and ability.

Mr. Chairman, I want to point out in listening, the very remarkable series of cases that Mr. Coleman has handled and participated in in his career; he was in Montana and did participate in a series of cases in which he was associated with Mr. Gray Bill on the other side of the coin that Senator Hatfield was talking about, where he was with producers and he was against the Montana Power Co.

Now, Mr. Chairman, we heard about Samuel Johnson and the quotation from Justice Douglas, and so forth. May I paraphrase W. C. Fields here?

The CHAIRMAN. That will help.

Senator METCALF. And say that anyone who is against the Montana Power Co. cannot be all bad.

The CHAIRMAN. I really want to point out that in the course of quite a remarkable career in handling a series of lawsuits before the Federal Power Commission he has represented both sides of those cases in his capacity, and I am very pleased with the people of Montana who were associated with him during that time, men and women who I respect have very high praise for this candidate.

Thank you, sir.

The CHAIRMAN. Thank you, Senator Metcalf.

Senator Johnston.

Senator JOHNSTON. Thank you, Mr. Chairman.

Mr. Coleman, under the Energy Act, to what extent would the General Counsel be a policymaker? I know he will to some extent just by virtue of being a high-ranking officer. Under the act, what are his policymaking——

Mr. COLEMAN. I do not think the duties of General Counsel are specified in the act. The General Counsel is the chief legal officer of the Department, and supervises a considerable staff of lawyers whose function is to provide legal support to all of the activities of the Department.

The general conception is that lawyers are ordinarily not policymakers, but rather legal advisors, and prepare the documents that are necessary to promulgate and effectuate policy, and look to its enforcement in conjunction with other enforcement positions in the Department.

Mr. METZENBAUM. Mr. President, many things have been said in the Chamber this morning, and I wish to respond only briefly at this moment to the entire issue with respect to Mr. Coleman's representation of Puerto Rico.

It is a fact that he represented the Commonwealth of Puerto Rico on a variety of energy matters from 1973 to 1976, but that issue and that matter that was pending in which he was involved had to do with the battle between the Commonwealth and Shell Oil on one side and a group of other major oil companies on the other side.

The question had to do with the defense of the extension of FEA's so-called refiner rule to Puerto Rico. The refiner rule provides that refiners should only be permitted to increase product prices on the basis of their nationwide average crude cost increases. In 1974 that rule was extended to Puerto Rico, where petroleum prices had been sky high because the island's principal refiner, Corco, which is actually Commonwealth Oil Refining Co., accounting for 80 percent of Puerto Rican consumption, was an independent company that relied mostly on high-cost foreign crude. These costs, of course, it passed directly on to consumers, making prices in Puerto Rico higher than the stateside average. Extension of the refiner rule to Puerto Rico meant subsidiaries of U.S. refiners would have to price their products based upon nationwide refining costs of their parents rather than directly pass through the higher costs they incurred when buying refined products from Corco. An exception was made for Shell (Puerto Rico) because its parent was British instead of American. Shell would have to continue its dollar for dollar passthrough. However, to keep Shell competitive on the island, FEA worked out a formula whereby Corco was directed to reduce its price to Shell to a level equal to the average cost of gasoline marketed by subsidiaries of mainland refiners and permitted to recoup the differential by charging slightly higher prices to other marketers. Subsidiaries of several mainland companies balked at the deal. Texaco, Mobil, and Exxon sued to invalidate this "Shell differential," but the rule was upheld in the U.S. district court, court of appeals, and Supreme Court. The Commonwealth of Puerto Rico intervened in behalf of FEA.

Coleman makes much of this case. He claims his defense of the rule saves Puerto Rican consumers $144 million a year. No doubt the use of this refiner rule does just that. But that is not what the suit was about. It was prompted by an internal fight among big companies—Shell against Texaco, Mobil, and Exxon. It was merely a question of whose ox would be gored—Shell's, on one hand, or the three other companies, on the other. If Shell had lost, Shell would have probably withdrawn from the island or, more likely, been replaced by a subsidi-

ary of Shell (U.S.), which would have shared automatically in the advantages of the refiner rule.

What we are talking about here is not really a question of just the interests of Puerto Rico and the people of Puerto Rico; we are talking about the interests of Shell Oil of Puerto Rico.

The distinguished Senator from New York used the phrase "Mr. Coleman ought not to be pilloried." Well, I submit to the Members of the Senate that we in the entire debate, whether it was my remarks or those of the numerous Senators who addressed themselves to this question, have not in one instance pilloried Mr. Coleman the man. What we have talked about is the impropriety of appointing somebody directly from the oil and gas industry to be General Counsel of the Department of Energy, and whether or not the American people are ever going to think they are going to get a fair shake from that kind of an attorney sitting in that kind of a position.

The distinguished Senator from Texas talked about "There is nothing new, we have not heard anything new, in 2 days of debate."

We did not need anything new. The records speak for themselves; the facts speak for themselves. We did not say we wanted to debate this issue on the floor of the Senate for the purpose of coming up with some brand new revelation. The fact is that Mr. Coleman's record speaks louder than any new evidence can possibly do.

Yes, there was something new developed in recent days having to do with the question of Mr. Coleman's contributions to the political action fund of Vinson & Elkins after he had been recommended by the Energy Committee. But I do not know that this is kind of something new about which the Senator from Texas talks. He talks about the basic traditions of the legal profession being involved in this case, of whether a lawyer can go from one side to the other, and whether or not the attack upon this appointment is an attack upon the Bill of Rights.

In no way, there is nothing in the Bill of Rights which says that the oil industry has a right to send their man in and make him General Counsel of the Department of Energy. There is nothing in the Bill of Rights which says anything about the fact that the people of America have a right to reject and say, "We don't want somebody coming from a special interest group to be general counsel for an agency that is speaking for all the people of this country."

There is nothing about the Bill of Rights having anything to do with this issue that is before us today. I have said previously, and I repeat it now, the Coleman nomination is not the same as any other kind of lawyer having a right to represent plaintiffs in one case and defendants in another in a personal injury matter or in a matter having to do with a real estate contract or a matter of corporate law.

That is not what we are talking about. We are talking about a man who spent 12 years of his life advocating one position, one point of view, and never, never in that entire 12 years has he spoken out for the consumers, the people of this country. Never in those 12 years has he spoken out for the environmentalists. Never in those 12 years has he done anything except be an advocate against the consumers, whether it had to do with the $38 million case that I spoke about earlier, or the $10 million that should be made a refund to consumers that the company he represented was unwilling to make and was finally forced to make; whether it had to do with the $2.8 million in taxes that a client of his wanted to charge its customers, even though it never paid the $2.8 million in taxes.

What we are talking about is a man who is going to be going from one industry into a position of governmental responsibility, and whether or not that man can ever be accepted by the American people as having impartiality or objectivity, and being the people's lawyer rather than the oil and gas companies' lawyer.

Mr. ABOUREZK. Mr. President, will the Senator from Ohio yield?

Mr. METZENBAUM. I yield to the Senator from South Dakota.

Mr. ABOUREZK. I just want to take a few minutes, if I might, to talk about this particular nomination and the impact of it on the energy policy of the United States.

I also think something that Senator METZENBAUM said was: Will the American people be able to believe that the Department of Energy is impartial in its ability to make decisions and judgments with regard to the national energy policy?

I had a journalist friend who called me the other day, the day after the natural gas compromise was supposed to have been fashioned by the cabal of secret conferees who were meeting, who put together what I consider to be probably a giant giveaway to the oil and gas industry on natural gas. The journalist who called me happens to be in favor of deregulation of natural gas.

He told me that he had run into a high official of the Department of Energy on the street that morning and he said he was told that the agreement had been reached by the Department of Energy official and that the shape of the agreement was the biggest windfall in the history of the oil and gas industry.

The journalist went on to tell me that this Department of Energy official had made the statement in a very positive vein; in other words, he was all for the windfall.

I have yet to meet somebody in the Department of Energy of any status who is not so tilted and so unbalanced toward the oil company interests that they are unfair, that they are totally unfair. I have yet to meet somebody who is neutral on the question of whether the oil companies ought to get everything they want or whether the American public ought to be shown some kind of restraint on the part of the oil and gas industry.

The Coleman nomination, Mr. President, is one more example of Secretary Schlesingers loading up that department not only with people of a conservative political bent, but also of people, more especially with people, of a bent toward the oil company point of view.

What kind of policy can these people make, what kind of policy can Lynn Coleman make?

Now, for all the protestations I have heard from the defenders of Lynn Coleman's nomination here on the floor and off the floor, protestations that he has been a consumer advocate, that he has been against the oil company interests, that he is willing to do what is necessary for the public interest, for all those protestations, here is a lawyer who has worked for John Connally's law firm, he has worked for a pro-oil industry law firm, he has contributed money to the political action fund of the law firm. Guess where it goes to? Senators and Representatives who support the oil company point of view on the floor of the Senate and of the House and in the committees.

Let me tell you, I have a copy of the report—I think this is the Federal Election Commission report—and let me read the title of the committee, the political action committee, that has filed with the Federal Election Commission. It is called the National Good Government Fund, Lynn Coleman, 2100 1st City National Bank Building, Houston, Tex., $725. In this same report John Connally lists, I think it is, $300. He only gave $300 to this Good Government Fund. The Good Government Fund contributes money exclusively to pro-oil company Senators and Congressmen.

Does that sound like an environmentalist to you? It does not sound like one to me. Does it sound like a consumer advocate to you? It does not sound like one to be.

Here is a lawyer who has been pro oil company and will continue to be pro oil company; yet he is going to be put in a position where he is able to make policy, and also to help make policy when Schlesinger and others make it, that will tailor the national energy policy totally toward the oil and gas industry. There are some things they have to get done yet. They have not deregulated natural gas yet, and I hope and pray they never will, because the cost to the American people will be too great for the economy to bear if they do. But there are some other things they have to do. Those people who take the industry point of view, and Lynn Coleman happens to be one of them, intend to drive up the price of both domestic oil, domestic gas, and imported oil and imported gas if they can do it.

There are a couple of major reasons why they feel this has to be done for the interests of the oil industry itself. One is the direct impact of the profits that they receive from those higher prices. But the second and more important thing to the oil industry itself is their ability, then, to move into development of synthetic shale, coal gasification, and other synthetic sources of oil and gas, provided they can get the price of fossil fuels up high enough to justify it. Not only that, but, as we saw in the news the

other day, Secretary Schlesinger went into a tizzy because President Carter went out to Colorado and the same day canceled a several hundred million dollar loan program for the development of synthetic fossil fuels such as oil shale and coal gasification. That happens to be what Secretary Schlesinger wants. I am not yet convinced that President Carter is opposed to the program. What I am convinced of is that he thinks it is not the right thing to do at this time.

We can see, Mr. President, that it will not be very long before they try to get all those prices up so that they can go into the development, using Government money, not their own money but Government money, in addition to using anything else granted by the Government, all the other privileges and ripoffs that they intend to use, to raise prices high enough so that they can develop, with the help of Government money, synthetic fuels.

Mr. President, I think it would be a tragic mistake for the Senate to approve this nomination. There are many other nominations we should probably have disapproved for the Department of Energy, but I think this one itself is very symbolic of the revolving door policy that we have seen of people coming from the oil industry into the Government, and, when they are done, going back out into the oil industry to complete their mission out there.

I yield back the remainder of my time. Again I urge the Senate to vote against the confirmation of Lynn Coleman's nomination

Mr. TOWER. Mr. President, I wholeheartedly support President Carter's nomination of Lynn R. Coleman to be General Counsel of the Department of Energy. In nominating Lynn Coleman for this important position, the President has taken a big step toward insuring able and competent leadership for the new Department of Energy. The President has made an excellent choice and I compliment him for it. I urge the Senate to approve this nomination overwhelmingly and without further delay.

My support for Lynn Coleman's nomination is based, quite simply, on Lynn Coleman's ability and integrity. Lynn has gained considerable expertise in energy matters while fulfilling legal and legislative responsibilities in the State of Texas and, most recently, here in Washington. As most Senators know, Lynn has specialized in energy law as a member of the Houston-based law firm of Vinson & Elkins.

In my judgment, there are few jobs in this town which present a greater challenge than the position of General Counsel of the new DOE. I know that Lynn Coleman is as qualified as anyone to fulfill the responsibilities of the job.

Put simply, Lynn Coleman is a very fine lawyer who will bring to the new Department broad knowledge and experience in energy law. I think the Department of Energy can well use some experience of that sort, and I know that Lynn can provide some of it.

Note that my support for the Coleman nomination comes in spite of the fact that Lynn is a lifelong Democrat who has participated actively in a number of political campaigns in behalf of Texas Democratic candidates. In fact, as I mentioned in my statement during the Energy Committee hearings on this nomination, Lynn Coleman was quite active in support of my last election opponent. During my 1972 reelection campaign, Lynn was my opponent's gulf coast area campaign chairman. Nevertheless, I am supporting the nomination because I believe that the Department of Energy and the Nation will benefit from the services of someone of Lynn Coleman's ability.

Frankly, I am disturbed by the tone of the opposition to this nomination. In my judgment, the individuals and groups leading the opposition to the nomination are doing so in a manner which is unfair and which clearly imposes a double standard.

As their primary reason for opposing the nomination of Lynn Coleman, opponents cite the fact that Coleman, in his Government position, would have substantial influence or authority over the policy or regulatory decisions affecting an industry or point of view with which he was in some way associated as an attorney prior to his association with the Government. If Coleman's opponents are to be consistent, then their apparent outrage should also be directed toward some other Carter administration appointees. I have in mind particularly some of those formerly associated with activist environmental groups.

Further, as the nominee himself has pointed out, those who oppose the nomination base their argument ultimately upon an imputed identification of Coleman with the viewpoints and interests of certain clients of the very large law firm of which he is a member. In other words, the opponents of the nomination appear to be concerned primarily not with the viewpoints and positions which Lynn Coleman has, as an attorney, represented, but with those of certain of the many other clients which have been represented over a period of years by the law firm of Vinson & Elkins.

To take such a position is to take a position which is entirely contrary to the well-established American tradition that a lawyer may fully and aggressively advocate his client's best interests without sacrificing his personal independence or objectivity. If the Senate desires to undermine that tradition, then it should do so openly and in a manner which applies to everyone equally. We should not attempt to do so through the rejection of the nomination of this one well-qualified lawyer.

Mr. President, Lynn Coleman is an excellent lawyer and one superbly trained for the job of General Counsel of the Department of Energy. I urge the Senate to approve the nomination.

Mr. DOLE. Mr. President, certainly this nomination has become one of the most controversial among the appointed posts at the Department of Energy.

As my colleagues have pointed out, the job of General Counsel is an extremely sensitive position. The General Counsel plays a major role in developing legislative initiatives. Within the Department, he is the resident authority for interpreting the legal statutes under which the Department operates. He also has the major responsibility for litigation under rules promulgated by the Department.

To perform adequately in such a position, the General Counsel must have a well-proven experience and competence in the legal affairs of the Department. Moreover, to be effective, he must have the confidence of the administration and the Congress as he attempts to carry out this difficult role.

The question before us today is whether Mr. Coleman does, in fact, qualify as one who possesses the necessary competence, experience, and is worthy of the confidence of the American people in the role of General Counsel for the Department of Energy.

QUALIFICATIONS

Given the importance of this nomination, I have looked closely at the qualifications and the legal experience of Mr. Coleman. After reviewing his background, I must say that I am impressed with the breadth of issues that he has been involved with. I must also say that his experience as Washington counsel for the Commonwealth of Puerto Rico is an extremely valuable asset for the proposed post of General Counsel.

I think I have come to the same conclusion as most of my colleagues, both those who support this nomination and those who oppose it. Mr. Coleman is extremely well-qualified for the post. He has a broad experience in energy law.

On another important issue, I have looked into the effects that his past employment might have on his performance as General Counsel. I believe that he has carefully complied with all the statutes regarding any conflicts of interest that might possibly arise.

THE CONTROVERSY

I have no doubt that someone with Mr. Coleman's demonstrated ability would ordinarily be overwhelmingly approved by this body. It is Mr. Coleman's background that complicates the issue.

Mr. Coleman is a partner in the Houston law firm of Vinson & Elkins, and in that capacity, he has provided legal services to several major oil companies. He has also served as a registered lobbyist, acting in support of the oil industry.

But as I have considered this candidate, his experience and his background, I have realized that the real problem is that the issues themselves in the energy area are controversial. It seems to me that if we want someone in this post with demonstrated ability, then we are practically specifying that the candidate must have a background that is controversial.

If the candidate comes from within the Government, he could be accused of developing all his experience associating with people who favor ever more regulation of the energy industry. There are many who think that Government regulations are, in fact, a major cause of the domestic supply shortage that we are experiencing today, so someone even from within the Government could be considered controversial.

If the candidate were to have gained his expertise by years of antioil lobbying, then I am sure he would be acceptable to the consumer groups, but he could still be labeled as a staunch supporter of a given special interest group. In fact, in appointing Joan Claybrook to her post in the Department of Transportation, the Congress has already expressed its approval of a candidate who made her reputation as a lobbyist for a special interest group.

Mr. Coleman has obtained much of his legal background in the energy area by arguing the side of the oil companies. This seems to have made him unacceptable to the consumer groups, and they have lobbied heavily to have his nomination voted down. But again, energy is a controversial area. To be a successful lawyer in this area, one has to tackle controversial issues and, in the process, one becomes controversial.

So, I have had to put these kinds of arguments aside. I think that in this case, the candidate's previous association is a poor reason for rejecting him. Instead, I have tried to be as objective as I can be about this nomination and I have based my decision on his qualifications. I have also thoroughly looked at his compliance as far as conflicts of interest are concerned.

On that basis, I believe Mr. Coleman is well qualified for the post to which he has been nominated. I believe that he can perform the tasks of the General Counsel while maintaining the confidence of the American people, and I think he has adequately dealt with the possibilities that conflicts of interest might arise.

On all these counts, I am satisfied. I urge my fellow Senators to look also at the detailed issues in the cases that Mr. Coleman has argued. I urge them to consider Mr. Coleman's experience as Washington counsel for the Commonwealth of Puerto Rico, and I ask them to consider the vast experience that Mr. Coleman could bring to the Department of Energy. Very few of the appointees at the Department of Energy have the qualifications possessed by this candidate.

I intend to vote to approve the nomination of Mr. Coleman as General Counsel in the Department of Energy.

I think there is no question about the qualifications of the nominee. The questions arise because of his association as an oil attorney. I have tried to point out in my statement that we have only about three choices: Either we go to Government or we go to industry or we go to some public interest group. It seems to me that, having considered all those factors, we have to finally resolve the question by looking at the man, his integrity, and his character and whether or not he can properly serve. It seems to this Senator that when we put all those arguments aside and look at the fact that the man is qualified and the President wants the appointment approved, it seems to me there is no other reason to disapprove the nomination.

Mr. METZENBAUM. Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mrs. HUMPHREY). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Madam President, a motion to recommit the Coleman nomination would not be in order under the agreement entered; is the correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. ROBERT C. BYRD. Madam President, I ask unanimous consent that immediately following the vote on the Civiletti nomination today, a motion to recommit the Coleman nomination be in order, and I do this with the understanding that has been reached with Mr. METZENBAUM and some of the other Senators on my side of the aisle who oppose the Coleman nomination that they would not request a yea-and-nay vote up or down on the nomination if the motion to recommit fails.

Of course, this understanding does not rule out, does not waive, the right of any Senator to ask for the yeas and nays on the nomination in that event. I think with this understanding perhaps the likelihood of a vote up or down would not be there.

Mr. METZENBAUM. The Senator from West Virginia is correct. Senator ABOUREZK joins me in my position. I have not been able to speak to other Senators, but I will advise them. Though I cannot guarantee what their position will be, I think the motion to recommit will effectively determine this issue and that there need be no further rollcall after that.

Mr. ROBERT C. BYRD. I thank the Senator.

Mr. ABOUREZK. Madam President, may I ask if the vote will occur right away on the Civiletti nomination?

Mr. ROBERT C. BYRD. The vote on the Civiletti nomination is scheduled to occur at 2 p.m. today.

Mr. ABOUREZK. And this will be right after that?

Mr. ROBERT C. BYRD. That is correct.

Mr. ABOUREZK. Will there be further votes?

Mr. ROBERT C. BYRD. I would hope that the managers of the so-called dealer day in court bill would be prepared to utilize some time in discussing that measure, in which event some votes could be stacked up following voting on the nominations.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

COMMITTEE MEETINGS

Mr. ROBERT C. BYRD. Madam President, as in legislative session, I make the following requests which have been cleared on both sides of the aisle:

Madam President, I ask unanimous consent that the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate today to hold a markup session on the fiscal year 1979 Department of Energy authorizations.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Madam President, I ask unanimous consent that the Subcommittee on Improvements in Judicial Machinery of the Committee on Judiciary be authorized to meet during the session of the Senate today to consider habeas corpus reform.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Madam President, I ask unanimous consent that the Committee on Banking, Housing, and Urban Affairs be authorized to meet during the session of the Senate today to hold a markup session on the authorization of the Export-Import Bank to be followed by a hearing on the Humphrey-Hawkins bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Madam President, I ask unanimous consent that the Committee on Commerce, Science, and Transportation be authorized to meet during the session of the Senate today to hold a markup session on authorization bills which must be acted on prior to May 15, 1978.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Madam President, I ask unanimous consent that the Foreign Relations Committee be authorized to meet during the sessions of the Senate today, tomorrow, and Thursday to hold markup sessions on S. 2703, authorizing fiscal year 1979 appropriations for the Arms Control and Disarmament Agency; S. 2619, authorizing fiscal year 1979 appropriations for the Peace Corps; S. 2863, authorizing fiscal year 1979 appropriations for the Department of State, the International Communication Agency, and the Board for International Broadcasting; S. 2646, authorizing development assistance programs for fiscal year 1979; S. 2846, authorizing security supporting assistance for fiscal year 1979, and to consider the Middle East arms sales proposals.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE MEETING

Mr. ROBERT C. BYRD. Madam President, I ask unanimous consent that the Subcommittee on Agriculture Production, Marketing and Stabilization of Prices of the Committee on Agriculture, Nutrition, and Forestry be authorized to meet during the session of the Senate today to hold a hearing on rural transportation.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Madam President, as in legislative session, I ask

unanimous consent that there be a brief period for the transaction of routine morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

(Routine morning business transacted and additional statements submitted are printed later in today's RECORD.)

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there morning business?

If not, morning business is closed.

RECESS UNTIL 12 NOON

Mr. ROBERT C. BYRD. Madam President, under the order, at 12 noon, the Senate proceeds to the consideration of the Civiletti nomination. Is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. ROBERT C. BYRD. I thank the charming lady who is presiding over the Senate.

Madam President, I ask unanimous consent that the Senate stand in recess until the hour of 12 o'clock noon today.

There being no objection, the Senate, at 11:41 a.m., recessed until 12 noon; whereupon, at 12 noon, the Senate reassembled when called to order by the Presiding Officer (Mrs. HUMPHREY).

EXECUTIVE SESSION—NOMINATION OF BENJAMIN R. CIVILETTI

The PRESIDING OFFICER. Under the previous order, the hour of 12 noon having arrived, the Coleman nomination will be temporarily laid aside and the Senate will resume consideration of the nomination of Mr. Benjamin R. Civiletti, of Maryland, to be Deputy Attorney General.

The Senate resumed consideration of the nomination.

The PRESIDING OFFICER. Who yields time?

Mr. BAKER. Madam President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BAKER. The time from this point on is under control. It is controlled time; is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. BAKER. I ask unanimous consent that I may suggest the absence of a quorum to be charged equally against the parties.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. WALLOP. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. HARRY F. BYRD, JR.). Without objection, it is so ordered.

Mr. WALLOP. Mr. President, what is the status of the Senate now? Are we in executive session?

The PRESIDING OFFICER. The Senate is in executive session and considering the nomination of Mr. Benjamin Civiletti of Maryland to be Deputy Attorney General.

Mr. WALLOP. The advise and consent process has a built-in double scrutiny test which is designed to insure that Presidential appointees are qualified for the positions they are to assume if and when they are confirmed. After the President selects his nominee, the appropriate Senate committee must exercise its constitutional responsibility to carefully scrutinize the nominee's credentials for the particular position. The American public depends on this two-step process and expects both the President and the Senate to strive for excellence in the selection of its nonelected leaders. The public deserves more than a mere rubber stamp of the President's choices for high ranking executive level positions; they are entitled to a critical evaluation by the Senate of the nominee's previous record—his or her capabilities and accomplishments both in and out of public life. Only after the Senate has gone through this rigorous process can it in good faith confirm a Presidential appointment.

The Senate Judiciary Committee conducted extensive hearings on the nomination of Mr. Benjamin Civiletti to be Deputy Attorney General. The nominee was serving both in the capacity of the Acting Deputy Attorney General and as Assistant Attorney General of the Criminal Division at the time he was nominated by the President to assume the second ranking position in the Department. The President's interest in promoting Mr. Civiletti within the Department reflects his satisfaction with the candidate's service, to date, in the Department of Justice. Yet, during his tenure, the Criminal Division for which he is responsible, and the Department as a whole, has been the subject of much criticism—in fact, many observers have called it the Department of Political Justice. After hours of questioning Mr. Civiletti and other attorneys within the Department, I sadly reach the conclusion that there is merit to this title.

By confirming Mr. Civiletti we are endorsing past practice which has bred suspicions of the justice system. It is an invitation to more of the same. What is needed at this juncture is a leader who can effectively administer and supervise a department which is at the very foundation of our great American freedoms. We need a person who can restore and then strengthen public confidence in the Department's integrity rather than perpetuating a double standard of justice in this country.

You might well ask why I question Mr. Civiletti's fitness to serve as Deputy Attorney General. It is not on the basis of his skills as a lawyer. But just as a brilliant surgeon must do more than perform surgery, so must the Deputy Attorney General do more than practice law.

A surgeon can have all the skills in the world, be able to remove organs with a single swipe of a knife, do it all well. But unless he does it when it is needed, there is no philosophy of morality, no basic devotion to the ethics and skills of the profession.

Likewise, in Mr. Civiletti's case I question his sensitivity and his devotion to the ethics of his profession. As the second highest official in the Justice Department—not only as a lawyer, but as an administrator and supervisor—he must set an example for all of the public servants who work under him.

That is why I am troubled by Mr. Civiletti's insensitivity, by his apparent lack of commitment to the highest ethical standards, by his perpetuation of a contemporary morality of justice which connotes a double standard where politically expedient or convenient. If the Deputy Attorney General is not a model of sensitivity, ethics, and, in a sense, all that due process of law stands for, how can we expect Department employees to strive toward these heights of excellence? The answer is that we cannot expect this when our leaders fall short of the mark. And yet, the public can, and, in fact, should expect no less and must demand more.

I wish that the conclusions I have reached were otherwise. However, Mr. Civiletti's record in the Department of Justice and his testimony before the Judiciary Committee substantiate these findings. His insensitivity is best demonstrated by his conduct and attitude on the Lance investigations and particularly on his legal, moral, and ethical responsibilities to the President in this regard. When asked whether he had any duty to counsel President Carter about the chilling effect his public appearances with Mr. Lance might have on the ongoing grand jury proceedings in Atlanta, he maintained that he had no such duty whatsoever. The Attorney General, by contrast, recognized a duty to the President and indicated that either he or Mr. Civiletti should talk to President Carter about his visibility with Mr. Lance. When asked about the complaints of the three-attorney panel who are supposedly supervising the Lance investigations, he again showed a surprising lack of sensitivity to their problems. This lack of sensitivity stems from a more basic problem: the lack of communication within the Department.

Although he was responsible for the Lance investigations—the Attorney General has recused himself and the investigations are being conducted by the fraud and public integrity sections of the Criminal Division—he admitted that he had never met with Mr. Namorato, Mr. Kenney and Mr. Beckler, the three attorneys presently charged with overseeing the investigations. Fortunately, due to pressure from the Judiciary Committee, the press and actions by the SEC and the Office of the Comptroller of the Currency, Mr. Civiletti finally met with this review panel and a couple of weeks ago subsequent to his testimony.

Perhaps the best examples of the double standards of justice being applied by the decisionmakers in the Justice Department are the Helms case and the FBI break-in cases. Mr. Civiletti's explanation of the statute used against Mr. Helms and the reasons for its use in that case leave me with the impression that justice depends not on what you have done so much as on who you know and who may be embarrassed by the De-

partment's prosecutions. The conflicts between the civil rights division attorneys on the FBI break-in cases on the one hand and both Mr. Civiletti and Attorney General Bell on the other hand, also exemplify double standards of justice. When we should be striving to do away with this unevenhanded application of the laws, we are sadly witness to more politically motivated actions within the Justice Department.

I do not question Mr. Civiletti's abilities as an attorney. However, the Deputy Attorney General is, by departmental definition, an administrator charged with assisting the Attorney General in the direction and supervision of the criminal justice system. The position calls for a person versed in the law but more importantly, competent and effective in the administration of a complex bureaucracy. In this respect, Mr. Civiletti has a very disappointing record. It has not been shown to my satisfaction that he effectively monitored and supervised the Criminal Division which was fraught with problems and plagued by lack of strong leadership during his tenure as its Director. Last week I outlined the most blatant weaknesses in Mr. Civiletti's administrative abilities as the Assistant Attorney General of the Criminal Division.

To summarize but a few examples, we have seen an overly broad delegation of responsibilities to lower level attorneys without demanding adequate accountability, indeed any accountability, in the granting of immunities and in the reorganization of LEAA.

We have seen a breakdown in communications between Mr. Civiletti on the one hand and the Lance investigators, the Organized Crime Task Force 18, and even his Deputy Assistant Attorney General, Mr. Baker. But more troubling than these instances is Mr. Civiletti's unwillingness to admit to any weaknesses in his administrative abilities. Had he been more openminded with even just a touch, a smidgen of acknowledgment that he, too, is a human being, it might have been different, and one might have some confidence that he might acknowledge the problems, solve them, and thereby improve the administration of the entire Department. But a willingness on his part to improve upon the status quo has been noticeably lacking. I cannot in good conscience support a nominee who symbolizes the likely perpetuation of these and other problems.

On Thursday of last week I focused my remarks on Mr. Civiletti's involvement in the now infamous "Marston affair." There is no need to repeat all that has already been said. But it is important to underscore my overriding concern about Mr. Civiletti's testimony on this matter. Here again, we see a man who, perhaps conveniently, has no recollection of the politically damaging information about an Eilberg investigation. How very different from the testimony and affidavits and personal notes of his former Deputy Assistant Attorney General, Mr. Russell Baker, who testified that he spoke to Mr. Civiletti about an Eilberg investigation. I am troubled not only about the truth or falsity of Mr. Civiletti's "recollection"—but I am also deeply concerned about his politically selective memory. We need better, and must demand better, in the Justice Department.

Mr. President, I have kept my remarks brief today. I hope that this summary sketch of the reasons for my opposition to this nomination have been helpful to other Members of this body who have not had an opportunity to review the hearing record. In any case, while I will vote against this nomination, I expect that Mr. Civiletti will, in all likelihood, be confirmed.

Should that be the will of the majority of the Senate, let me leave Mr. Civiletti with one thought. I say to him: "It is not too late to implement the changes that are necessary in the Department of Justice—to take politics out of that Department and thereby restore the respect and confidence of the American people in our justice system. You have proven yourself to be an able lawyer. Now, rise to the challenge before you and commit your attentions and efforts to the administration of the Department with all the attendant responsibilities. It would give me great pleasure to look back some time in the near future at the reservations and criticisms I have expressed about your nomination and to be able to say that they are no longer applicable, that the problems have been worked out and that the Justice Department is operating for the benefit of all the people, irrespective of politics."

Mr. President, to my knowledge this is the only speech, with the exception of that of the Senator from Pennsylvania (Mr. SCHWEIKER), who will not be back until 1:45. I understand that the distinguished chairman of the committee has some remarks, and I am prepared to yield back all my time except for the possibility of, say, 15 minutes between 1:45 and 2 p.m., should Senator SCHWEIKER appear on the scene.

Mr. EASTLAND. What was the Senator's request?

Mr. WALLOP. I said I would be prepared, indeed willing, to yield back all of our time if we could just protect Senator SCHWEIKER should he appear for 15 minutes from 1:45 to 2 o'clock, when the vote is taken.

Mr. EASTLAND. Make it 20 minutes to 2.

Mr. WALLOP. Fine.

Mr. EASTLAND. Will the Senator make that unanimous-consent request?

Mr. WALLOP. Mr. President, I ask unanimous consent that we be permitted to have from 20 minutes to 2 until 2 o'clock to continue further deliberations on the Civiletti nomination.

The PRESIDING OFFICER. Without objection, it is so ordered. The Chair recognizes the Senator from Mississippi (Mr. EASTLAND).

Mr. EASTLAND. Mr. President, I support the confirmation of the nomination of Benjamin R. Civiletti to be Deputy Attorney General of the United States. We held 17 days of hearings and we heard numerous witnesses. That hearing record demonstrates one thing, which is that Mr. Civiletti is eminently qualified to serve in that position by training, experience, and ability. His professional qualifications are not really at issue, however.

The main charge made by opponents of the nomination revolves around the replacement of David Marston, U.S. attorney in Philadelphia. The charge was made that Mr. Civiletti, in his position as Assistant Attorney General, Criminal Division, had participated in a coverup of an attempt at obstruction of justice by Congressman EILBERG. The Congressman had telephoned the President on November 4, requesting Marston's dismissal. Allegations were made that Mr. Marston's office was conducting an investigation of Congressman EILBERG at that time. The great bulk of the inquiry during the hearings was concerned with whether the investigation of Mr. EILBERG was in process before or during this period, and whether this was the reason for the decision to replace Mr. Marston.

The record is extensive and complete in this matter. Mr. Civiletti testified, under oath, at great length, as did the Attorney General, Deputy Attorney General Egan, and others who are directly involved in the investigations being conducted in Philadelphia. Many documents were furnished by the Department at the committee's request.

As stated in the report which I filed with this nomination, from all the evidence it is clear that this charge was groundless. There was no investigation of Congressman EILBERG during the time in question. The decision to replace Mr. Marston had been made early in 1977. There was no coverup of an investigation. There was, in fact, no investigation during the crucial time in question.

Mr. Civiletti's credibility was questioned by his opponents in this matter. The evidence in the record is clear that he testified truthfully and factually. His testimony is fully supported by the testimony and the documentary evidence in the record.

The charges made are without merit. Mr. Civiletti is competent and qualified, and I support his confirmation.

Let me say also, Mr. President, charges have been inferred against the Attorney General of the United States. I have been in the Senate during the times of a great number of Attorneys General, and I want to say this of Judge Griffin Bell: he is an honorable man. He is the best Attorney General that I have known in 35 years in the Senate of the United States. I wish we had had more men like him in the past.

The hearings on Mr. Civiletti lasted 17 days. As I said, we heard many witnesses, and I think those hearings show conclusively and prove beyond any peradventure of a doubt that Mr. Civiletti is an outstanding attorney who has given up a lucrative law practice to serve the U.S. Government. They also prove conclusively that he is honorable, and that he is honest in every respect. He is one of the outstanding citizens of the State of Maryland. He is the type man that we need in this Government.

I have mentioned the Marston matter. Most of the publicity about that hit the newspapers while Mr. Civiletti was in Korea, negotiating for the return to this country of Tongsun Park.

I think that the charges are without any merit, and I know that the nomination should be approved by the Senate.

The PRESIDING OFFICER. What is the will of the Senate?

Mr. WALLOP. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. TOWER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS-CONSENT AGREEMENT—TAX CONVENTION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at such time as executive K, 94th Congress, 2d session, the Tax Convention with the United Kingdom of Great Britain and Northern Ireland, is made the pending business before the Senate in executive session, there be a time agreement thereon as follows:

Eight hours on the treaty and/or resolution of ratification, to be equally divided between Mr. SPARKMAN and Mr. JAVITS; that there be a time limitation on a reservation or amendment—whichever he chooses—by Mr. CHURCH of 4 hours, to be equally divided and controlled in accordance with the usual form. That reservation or amendment is referred to as 9–4 reservation or amendment. That there be a time limitation on any other reservation or amendment of 2 hours, to be equally divided in accordance with the usual form.

I ask unanimous consent that the 2 hours I mentioned with reference to reservations or amendments also include declarations, statements, interpretations, understandings, and so forth.

Mr. President, I ask unanimous consent that on any debatable motions, appeals, or points of order, there be a time limitation of 20 minutes, to be equally divided in accordance with the usual form.

I ask unanimous consent that there be a time limitation on any amendment to an amendment of 1 hour; that the time in each instance be divided and controlled in accordance with the usual form.

Provided, further, that upon the disposition of the labor reform bill, the Senate then proceed, in executive session, to take up the aforesaid treaty, with the understanding that if there is some emergency at that point, such as an expiring deadline on a law, the leadership could be authorized to handle such emergency item prior to going to the U.K. treaty; with the further understanding that that would be a matter that would be discussed wih the minority leader and with Mr. JAVITS and the other principals in the U.K. treaty matter.

The PRESIDING OFFICER. Is there objection to the various unanimous-consent requests put by the distinguished majority leader? The Chair hears none, and it is so ordered.

RECESS UNTIL 1:30 P.M.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess until 1:30 p.m. today.

There being no objection, the Senate, at 12:54 p.m., recessed until 1:30 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. KENNEDY).

NOMINATION OF BENJAMIN R. CIVILETTI

The PRESIDING OFFICER. The Chair, in his capacity as a Senator from the State of Massachusetts, suggests the absence of a quorum.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. KENNEDY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. HASKELL). Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, is there a time limitation?

The PRESIDING OFFICER. There are 7 minutes remaining to the Senator from Massachusetts (Mr. KENNEDY) and 17 minutes remaining to the Senator from Wyoming (Mr. WALLOP).

Mr. KENNEDY. I yield myself such time as I might use.

Mr. President, I strongly support the nomination of Benjamin R. Civiletti to be Deputy Attorney General of the United States, and I intend to vote in favor of his confirmation.

Over a year ago, Mr. Civiletti gave up a lucrative and distinguished law practice to enter public service and assume responsibility for the Criminal Division of the Department of Justice. To this always difficult and usually thankless job, he brought a unique mixture of intelligence, integrity, and experience. During this past year, because of my great interest in the criminal law and procedure areas, I have watched Mr. Civiletti's performance and have been genuinely impressed by both his efforts and his successes.

Under his leadership the Criminal Division has recruited bright, experienced, and dedicated prosecutors who have intensified the Department's investigative and prosecutive efforts in areas which erode the very fabric of our free society. Under his direction the organized crime strike forces have been expanded while their efforts have been concentrated on more complex cases and aimed at bringing to justice major crime figures. New and innovative approaches have been developed to block attempts by organized criminal groups to infiltrate legitimate businesses. Major efforts have been made and significant results have been realized in curtailing racketeering in the labor management area. A greater emphasis has been placed on cases of political corruption and bribery of public officials.

Since Mr. Civiletti became the head of the Criminal Division, the Department's efforts in the white collar crime and major frauds area have expanded dramatiically; vigorouus investigations of Government procurement and program fraud, computer fraud, investment fraud, and banking fraud have led to numerous important convictions. In an effort to coordinate agency efforts and resources, a new team concept of multi-agency investigations was initiated in the fraud program. As a result, there have been major prosecutions of operators of fraudulent offshore banks, mutual funds, insurance companies, land sales companies, and precious metal investment schemes.

While the success of these efforts and programs—like those of the major drug traffickers prosecution program and the task force investigating illegal overseas corporate payments—belongs directly to the prosecutors preparing and trying the cases, they are also the result of the leadership, resolve, and commitment of Benjamin Civiletti.

This confirmation proceeding has been clouded by a number of issues—some relevant, some not. First, there was the issue over the dismissal of David Marston, the U.S. attorney in Philadelphia. The committee's hearing record is complete on this subject. It is clear to me that the record contains no basis with which Mr. Civiletti's confirmation can responsibly be challenged.

Second, there is the issue over the investigation of Bert Lance by the Department of Justice. Here the record plainly shows—and the minority views acknowledge—that Mr. Civiletti neither supervised nor participated in any aspect of that investigation. Though not relevant to Mr. Civiletti's confirmation, it should be pointed out that we have been assured by the Attorney General that the Lance inquiry continues today.

The position of Deputy Attorney General of the United States demands a person whose integrity is unquestioned, whose ability is exceptional, whose experience is respected, and whose dedication and commitment to the ends of justice are strong. In my opinion, Benjamin Civiletti embodies these qualities, and he deserves to be confirmed by the Senate.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. WALLOP. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WALLOP. Mr. President, I would like to ask the Senator from Massachusetts a question concerning the statement he just completed.

If I understood what he said, it is that he is convinced that Mr. Civiletti neither participated in nor assisted in the Lance investigation. Is that correct?

Mr. KENNEDY. The Senator is correct.

Mr. WALLOP. Mr. President, I suggest that that is not much of a recommendation for Mr. Civiletti, inasmuch as it has been his obligation to supervise the Lance investigation. As the Assistant Attorney General of the Criminal Division, he is in charge, in fact, of the Lance investigations presently being conducted by the Fraud and Public Integrity Sections of that Division and of the three-attorney panel who are overseeing them. One of the problems that we have been bothered by is his attention to that panel.

Mr. KENNEDY. Mr. President, I yield myself such time as I may use.

Mr. President, I have enormous respect for my friend from Wyoming. I have admired his persistence, his doggedness, and his perseverance in trying to follow the issue of Mr. Civiletti's involvement in these various matters. I have listened with great interest to his inquiry of the Attorney General. I have listened to his interrogation of a number of different witnesses. I have reviewed his statement and the statements of others on the Senate floor, including that of the Senator from Connecticut who has tried to make this case, and I say, with all due respect, the case has not been made.

In the final minutes before confirmation, I wish to state with a very firm and fundamental conviction based on reviewing and sitting through the hearings, reviewing the materials, reviewing the information that Mr. Civiletti is well qualified for the position. That is the basis for my conclusion.

The Senator from Wyoming draws different conclusions on different aspects of the evidence. I find those to be extremely tenuous; he does not. I respect his judgment about it, but I shall not accept, on the basis of the record that has been made, that Mr. Civiletti is not worthy of the full confidence and support of the Members of this body. I have reached that decision after very careful thought and very careful examination of the information and evidence.

I regret that, on this occasion, on the information that has been provided and on the evidence that has been heard, the Senator from Wyoming and I draw different conclusions.

Mr. WALLOP. Mr. President, I yield myself 1 minute of the 20 minutes which remain.

I only say that I think people can and, indeed, should draw different conclusions as they view the facts. The fact is that it was Mr. Civiletti's obligation to pursue and coordinate the investigations of the President's friend, Mr. Lance, and he did not. One can only draw the conclusion that if he did not when he was obliged to, he has been negligent in his responsibilities. In fact, that is one of the reasons that some of us have worries about him.

Mr. President, I yield 5 minutes to the Senator from Connecticut (Mr. WEICKER).

Mr. WEICKER. Mr. President, I rise to oppose the nomination of Mr. Civiletti. I think I fairly completely set forth my reasons last week. I do not expect, from seeing the number of my colleagues that are in the Chamber, that any more is going to be accomplished today than was accomplished then. Apparently, few are as interested in the record or the facts of the situation as they apparently are in simply getting through a partisan nomination. I think we are past the point where a nation's system of justice can survive that type of approach to the second highest position in the Department of Justice of the United States.

Of prime concern to each one of us should be not the matter of getting through the nominees of any particular administration, but, rather, the reestablishment of a belief in equal justice under the law among the American people. It should be of some concern that there is no credibility in the justice system any more than there is very much credibility in the deliberations of this body. One is clearly linked to the other. We treat ourselves in so many ways as something special, and apparently justice in the United States treats itself as something special.

This Nation was conceived as a government of law, not a government of men. I think it can be truly said that whether it is a government of laws or a government of men is pretty much a 50–50 proposition at this period in our history. Matters which I referred to insofar as Mr. Civiletti's qualifications were concerned related to his handling of the allegations of wrongdoing that have cropped up in the Federal Bureau of Investigation during the past year.

The commentary on his conduct in that matter—I might add noneditorial comment, merely factual comment—came from members of his own Department, specifically where they recommended a particular course of action and where Mr. Civiletti agreed with those recommendations, at the time of pressure brought to bear by the Attorney General of the United States, Mr. Bell. Mr. Civiletti wilted in the face of that pressure and, instead of insisting that the proper course of action be followed, concurred that the four members of the task force appointed by the former Attorney General be relieved of their duties.

That is a mighty sad commentary, I think, on the status of justice today. I wish that it were possible to recreate the scene in this Chamber and, indeed, in this Capitol a few years back, when every Senator and Congressman was insisting that politics be taken out of the Justice Department, was insisting that these men be professional in pursuit of their duties, and that we reestablish the faith of the American people in their system of justice, which apparently is no longer a priority item. Rather, it is to go back to a system that encourages quiet, encourages special favor, encourages special treatment.

Anyway, when the votes are counted, I am sure that the position advocated by the distinguished Senator from Wyoming (Mr. WALLOP) and me will not get very far. I will tell the Senate what is going to happen then.

Should this Democratic administration not survive the 1980 election, the Republicans will come roaring into the White House and they will say, "Well, see the example the Democrats set in 1978; so we're just going to go ahead and do our thing." It will not be on the basis of professional competence but, rather, on the basis of party loyalty, on the basis of being able to take orders; and we will be back into that vicious circle of practice by both parties, which circle we hoped had been broken by the tenure of Attorney General Levi, and it will be business as usual.

The PRESIDING OFFICER (Mr. MOYNIHAN). The 5 minutes yielded to the Senator from Connecticut have expired.

Mr. WALLOP. I yield to the Senator from Connecticut.

Mr. WEICKER. No department of the executive branch of Government is more important at this stage of our history than the Justice Department of the United States. The survival of this Nation depends upon the belief of the American people in that Department and in the way that Department accomplishes the task assigned to it. A government of laws will assure that everything we deem to be important and we deem to be of value will exist long into the future. A government of men will destroy all that in the twinkling of an eye.

I thank the Senator for yielding.

Mr. WALLOP. I yield myself such time as I may require.

Mr. President, I thank the distinguished Senator from Connecticut. I wish many other Members of the Senate had been here to listen to the eloquent speech he delivered last Thursday on these matters.

The problem is that the Senate has engaged itself, and is in the process of engaging itself, in the ridiculous exercise of serving as a rubber stamp and in failing to carry out its duties in the process of advising and consenting to the nominations of the President of the United States, a two-pronged process of scrutiny that was devised with good reason by the Founding Fathers of this country.

I challenge the Justice Department to prove me wrong on about three things. I do not believe I will be proved wrong; and if I am, I will be the first to admit it and will be the proudest person in the country to find that our system works.

I will venture that no criminal charges will ever be brought against Mr. Lance even if the evidence would dictate otherwise; that civil charges will be the sum total of it; and that the statute of limitations on possible criminal offenses will be allowed to run.

I venture to say that the Department of Justice will never adequately require information to be produced by the White House in the matter of the firing of Mr. Marston. I think we will continue to see the absolute blank stonewall laid up in front of that whole affair until times have changed and other interests distract the attention of the people and the press of the United States, and this whole matter will vanish as though it never had taken place.

I also challenge the Justice Department to come out and assure the public of America that they will pursue to the end every investigation of political corruption that is now taking place or was taking place in Pennsylvania at the time Mr. Marston left the U.S. attorney's office.

While we are at it, let me also challenge the Justice Department to come out and assure the American people that a full and fair investigation will be conducted into all Members of Congress who may be involved in the Korean investigation, and that the necessary prosecutions will take place.

Nothing that took place before that committee would lead one to draw that

conclusion. It was an exercise in frustration, in arrogance on the part of the Justice Department. It was an exercise that was not a pretty scene, if America bad taken time to see it.

The Senate is sitting in judgment on these things when the remainder of the hearing record is not even available to it. The disparities in sworn testimony before that committee will never be gone into any further. We already have heard the description of those matters as simply a discrepancy between two men of honor and failing memory. We will not see it resolved. The public will not see it. We will go down to the sea in ships again, and everybody will watch them sail across; and the people will not really have been served.

Somehow, somewhere, I hope that the members of both parties find it in their hearts to look as professionals and not partisans at the process of justice, to look at their duties as people who sit in one of the highest elected offices this country has to offer, and to recognize that they have a duty, lonely as it may be, to investigate the sins of their own party, Republican or Democrat, with as much enthusiasm as they investigate the sins of the opposition. It seems to me that only at that time and only in that way will the public of the United States ever be sure that the system of justice is designed for them and is not, to the contrary, a process designed to hold them accountable when their leaders are not.

Perhaps in an ideal time and in an ideal place, we will see that. Apparently, that time is not now. The worst part is that apparently it is not even of interest to Senators of the United States, charged by their office and by their oath with doing that very thing. We will not see it, and it is with sadness that I come to this conclusion.

I hope that the Justice Department delivers to me a statement on the public record that all these matters have been properly resolved and challenges have been met—not to me personally, but just by their actions. With their actions they can prove that I was wrong, that those of us who had these concerns were wrong.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Chair reminds the Senator that there is not enough time to call the roll, under the time agreement, unless he requests unanimous consent.

Mr. WALLOP. Mr. President, I withdraw my request.

I think this matter is of sufficient importance that a number of Senators should be here to grant their seconds to a request for the yeas and nays on this nomination. I hope both cloakrooms will see fit, in the interest of the process of this Government, to see that that takes place.

I will continue to express the concerns I have.

The PRESIDING OFFICER. The Senator has 43, 42, 41, 40 seconds.

Mr. WALLOP. Mr. President, as I recall, I was to have the 20 minutes between 20 minutes to 2 and 2 o'clock, by the unanimous-consent request.

The PRESIDING OFFICER. The Senator is correct.

● Mr. BAKER. Mr. President, I voted against the nomination of Mr. Benjamin Civiletti to be Deputy Attorney General. I did so because of the many questions which remain unanswered about his involvement in the dismissal of former Philadelphia U.S. Attorney David Marston.

In that connection, I want to commend the distinguished junior Senator from Wyoming, Senator WALLOP, for his vitally important contribution to the consideration of this nomination. Despite questions which remain unanswered, the record with respect to Mr. Civiletti is much more complete due to the skillful and methodical questioning of the nominee and various administration witnesses by Senator WALLOP.

I should also like to commend the distinguished ranking Republican on the Judiciary Committee for his role in this matter, as well as my Republican colleague from Nevada, Senator LAXALT. As a result of their collective efforts, the Senate was able to consider this nomination on a more informed basis, and the Department of Justice has been prompted to proceed more carefully with the investigation of political wrongdoing.●

● Mr. HEINZ. Mr. President, I am voting "no" on the Civiletti nomination.

I am opposing Mr. Civiletti's nomination because I am disgusted by the way in which he, together with the Attorney General, has failed to meet the clear responsibility of putting the Justice Department above partisan and selfish politics.

During his campaign, Jimmy Carter pledged that he would have a Justice Department that was totally removed from politics. Then Mr. Carter turned around and named one of his top political strategists, Griffin Bell, to run his supposedly "nonpolitical" Justice Department. I opposed Mr. Bell's nomination as Attorney General for this and other reasons.

President Carter, Judge Bell and Mr. Civiletti have all warmly endorsed legislation that would trigger the appointment of a special prosecutor to investigate allegations of misconduct in the executive branch. Yet when they were put to the test in such cases as the Bert Lance affair, the David Marston mess, and Koreagate, they have consistently refused to appoint such a special prosecutor despite the existing statutory power of the President or the Attorney General to do so.

I believe a special prosecutor was and is called for in all three cases and, by their refusal to take such action, the administration has let a cloud of allegations and unanswered questions hang over the Justice Department. Mr. Civiletti, although repeatedly urged to do so, has done nothing to dispel this cloud. His silence is consent to the maladministration of justice self-evident to the American people.

Mr. President the American people have hoped that the mistake of Watergate would never be repeated. I have shared that hope, and I profoundly regret for the sake of our country that Messrs. Bell and Civiletti have let political expediency stand ahead of justice and endorsed the principle of protective special private interests not the public interest. Mr. Civiletti, as Assistant Attorney General and head of the Criminal Division in particular, has had a special obligation to do better than he has done. For this reason I urge my colleagues to vote against his nomination.●

● Mr. MATHIAS. Mr. President, the hearings before the Senate Judiciary Committee on the nomination of Benjamin R. Civiletti, Jr., to be Deputy Attorney General of the United States have provided a timely opportunity to review the performance of the Department of Justice and to assess the state of its administration and the nature of its policies. In addition, they have offered us a chance to inquire into the dismissal in January 1978 of the U.S. attorney for the eastern district of Pennsylvania and the Federal investigation of matters relating to Bert Lance.

In the course of these hearings many questions were raised about that incident. From the outset it appeared to me that the process involved in the dismissal was what mattered rather than the fate of the incumbent. After weeks of testimony and a careful examination of the documents and records, we still have no clear account of the events that led to the celebrated dismissal. We have heard contradictory versions of who knew what and when. As a result, we must now determine whether or not the Department of Justice has once again been politicized.

Despite the lingering uncertainty, one fact emerges clearly: at the precise moment that the President of the United States accepted a telephone call from Representative EILBERG, whom he knew or could have known to be urgently interested in the removal of the U.S. attorney, the Department of Justice became politicized. This is so irrespective of the state of the President's knowledge of any pending investigation of the Congressman.

The record indicates that although the Attorney General had long since ceased to return the Congressman's calls, the White House allowed pressure to be exerted on the President to remove the U.S. attorney. In spite of being informed through White House channels of the nature of the Congressman's concern, the President acted on the basis of that expressed concern.

This simple act was sufficient to break a promise made on numerous occasions during his successful Presidential campaign.

The simple truth is that this dismissal was politically viewed and politically settled. The Attorney General himself has said that the U.S. attorney was removed for one reason and one reason only: he was a Republican. That is the gravamen of this incident and it does not bode well for the future.

The Attorney General, notwithstanding his recusal in some aspects of the Lance investigation, has acknowledged his responsibility for the tone of the administration's conduct and for advice to the President on this subject. In addition, the Attorney General has agreed to instruct Mr. Civiletti, if confirmed as Deputy Attorney General, to execute these duties when he is acting head of

the Department of Justice. This should reduce the public confusion about administration policy and should prove helpful to the President and his staff.

The Department of Justice should be sensitive to the obligations placed on the President and the Attorney General to insure that justice is dispensed in a fair and responsible way. Specifically, we have clarified the responsibility of the Attorney General as the President's chief legal adviser to keep the chief executive apprised of major ongoing criminal investigations and to advise him of the impropriety of injecting himself into such investigations.

These are important lessons and they should not be minimized. But it is regrettable that they had to be learned after the fact, rather than being recognized as part of the compact with the American people made on election day 1976.●

● Mr. DOLE. Mr. President, when the Judiciary Committee took up the Civiletti nomination in the wake of the Marston affair, all of us were extremely interested in what the hearings would uncover about the dismissal of Mr. Marston and about other matters involving the Justice Department. Those hearings have ended, the report of the committee has been made, and there are still questions about what was uncovered and how serious it was.

Notwithstanding the committee's report, now withdrawn, many of us have serious doubts about the operation of the criminal division under Mr. Civiletti's leadership.

The nomination hearings reminded us, as if we need reminding, that one more Carter campaign promise has been broken, that politics is still a large factor at the Justice Department, or at least that politicians are still in control.

I applaud the efforts of the members of the committee who developed the nomination hearing into a forum for scrutiny and review of the Justice Department. Their questions, the answers to the questions, and the questions left unanswered, tell us quite a bit about the Justice Department.

Aside from the bearing that these hearings have on Mr. Civiletti, they may yet prove beneficial to the administration in an internal way. Hopefully, a reexamination of attitudes and methods of operation at the Justice Department will result from the errors and gaps which came to light. President Carter's recent "trip to the mountain" with his top officials may signal a general awareness that there may be some room for improvement in this administration.

I hope the same spirit will take hold at the Justice Department. If nothing more than some consistent policy and responsibility for granting immunity to prospective witnesses comes out of all of this, the effort will have accomplished something. Obviously, however, the Senator from Kansas hopes there will be other benefits from this exercise.

I hope that Justice Department officials will reflect on their own capacity and willingness to conduct the sort of investigation needed in future matters like the Marston affair. That matter certainly did not receive the kind of investigative attention it merited once the problem was created. Hopefully, that sort of mistake will not happen again.

Whether or not the Marston dismissal or actions taken on cases pending with the criminal division were politically inspired, the public scrutiny resulting from the Civiletti hearings should cause Justice Department officials to reflect on taking actions in the future which may be politically inspired, or which may give the appearance of impropriety.

His role in the Marston affair, coupled with certain unanswered questions and doubts about Mr. Civiletti's ability as an administrator justify a vote against this confirmation.

Let me stress that I am not questioning his ability as a lawyer. His legal ability was never an issue. What is at issue is effective administration, and the danger of a Justice Department capable of politically motivated conduct.

As such, I must vote against his confirmation.●

● Mr. PERCY. Mr. President, the confirmation hearings of Benjamin Civiletti serve as an urgent warning to this country. We must prevent "politics as usual" from becoming standard operating procedure at the Justice Department.

All of us hoped that the traumatic experience of Watergate would signal an end to the mix of politics and prosecutions. We believed that we could give real meaning to our cherished principle of equality under the law. Under the prior administration, Attorney General Levi made that hope a firm reality.

In his campaign for the Presidency, Jimmy Carter promised the American people that he could be depended upon to keep the Justice Department free from political influence. His Attorney General, Griffin Bell, threw open the doors of the Department in a symbolic gesture. But rather than justice springing forth, I am afraid the record shows that elements of politics have crept in.

I commend my colleagues on the Judiciary Committee who recognized the importance of the position of Deputy Attorney General for which Mr. Civiletti has been nominated, and who took the time to question Mr. Civiletti at length and to review the workings of the Justice Department under this administration. Hopefully, the extensive hearings have exposed the serious problems that have developed within the Department, and will result in their solution. Already, certain improvements have been instituted. I want to comment briefly, however, on two of the areas they probed.

The firing of David Marston as the U.S. attorney in Philadelphia is a prime example of the return of "politics as usual." Many of the facts remain uncertain, and, upon the basis of the hearing record, I certainly draw no conclusion that anyone involved in the dismissal was guilty of any criminal wrongdoing. But, there is no doubt that the appearance of justice was absent from the proceedings. My distinguished colleague, Senator MATHIAS, succinctly summed up the one inescapable conclusion.

> At the precise moment that the President of the United States accepted a telephone call from Representative Eilberg, whom he knew or could have known to be urgently interested in the removal of the U.S. attorney, the Department of Justice became politicized. This is so irrespective of the state of the President's knowledge of any pending investigation of the Congressman.
>
> The record indicates that although the Attorney General had long since ceased to return the Congressman's calls, pressure was exerted on the President to remove the U.S. attorney. In spite of being informed through White House channels of the nature of the Congressman's concern, the President acted on the basis of that expressed concern.
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> This simple act was sufficient to break a promise made on numerous occasions during his successful presidential campaign.
>
> The simple trust is that this dismissal was politically viewed and politically settled. The Attorney General himself has said that the U.S. attorney was removed for one reason and one reason only: he was a Republican. That is the gravamen of this incident and it does not bode well for the future.

The investigation of Bert Lance is another area where sensitivity to the appearance of justice has been sadly lacking. I will not comment at this time on the merits of the case, but the remarks of Senator WALLOP, who more than any other member of the Judiciary Committee was responsible for bringing out the facts by his perceptive and persistent questioning, make clear that those who believe in justice should not be comforted by what is taking place. Senator WALLOP said:

> Mr. Civiletti's testimony in regard to the investigation into Mr. Lance's conduct has been particularly disturbing. From the time that Mr. Flaherty left the Justice Department until only a few days ago, Mr. Civiletti had neither supervised nor participated in the Lance investigation. The three attorneys who were previously reporting to Mr. Flaherty were functioning virtually without supervision by Mr. Civiletti or anybody else in the Department. Yet, in view of the Attorney General's disqualification from this case, we know that it is Mr. Civiletti who is responsible for the Lance investigation.
>
> To compound this problem, it has been reported that the three attorney panel has complained about the President's visibility with Mr. Lance. The public displays of affection are certainly enough to prejudice a case—one way or the other—which the Attorney General acknowledged in his testimony before the committee. Yet, Mr. Civiletti has testified that he has no legal duty to advise the President as to the chilling effect his actions might have on the administration of justice.
>
> Indeed, he refuses to recognize a public, moral, or private obligation in this matter, and the American people can only be left with the already discomforting thought that the process of justice is reserved for the meek.

I was heartened that Attorney General Bell later appeared and agreed to advise the President on these matters to make sure that both justice and the appearance of justice are maintained. Attorney General Bell also assured the committee he would advise Mr. Civiletti of his duty to act in a similar manner.

Mr. President, the testimony clearly establishes that Mr. Civiletti is one of the Nation's outstanding trial lawyers. He is capable, hard working, and dedicated. But I am deeply troubled by the lack of sensitivity he has shown in numerous areas for which he has had responsibility as Acting Deputy and as head of the Criminal Division.

I agree with Attorney General Bell when he says:

If I can't make the Justice Department have the appearance of justice then I've failed.

Certainly, enactment of S. 555, the Public Officials Integrity Act, which establishes procedures for the appointment of a special prosecutor, will go a long way toward alleviating some of the problems that have occurred. Both Attorney General Bell and Mr. Civiletti support this legislation which overwhelmingly passed the Senate 11 months ago. But to avoid failure, changes must be made within the Department itself.

Mr. Civiletti must be willing to do more to represent his client, the American people, than he has done in the past.

My only personal contact with Mr. Civiletti has been when he appeared before the Permanent Subcommittee on Investigations 2 weeks ago to testify about labor racketeering and the serious lack of cooperation by the Labor Department in the Justice Department's organized crime program. At that time I was disturbed by his much toned-down assessment of these problems. That assessment contrasted sharply with the unanimous opinion of the nine strike force chiefs who also appeared before us. It suggested, to me, a willingness to give a higher priority to harmony within the administration than to a swift solution to the upsurge in labor-management racketeering. That kind of compromise does not increase my confidence in the workings of the Department of Justice.

The process that publicly elected officials go through is a humbling process. It brings us down to size. It causes us to reexamine everything we have done or thought and puts us to the test. The confirmation process is in a sense a substitute for that.

I believe that Mr. Civiletti's confirmation hearings have enlightened the public and, hopefully, Mr. Civiletti and the other top officials, about the dangers of introducing politics into the affairs of Justice. I hope they will lead to better results than we have seen thus far.

After extensive examination of the evidence concerning Benjamin Civiletti's qualifications to serve as Deputy Attorney General, I have regretfully decided to vote against the confirmation of his nomination. Although he possesses impressive credentials, I cannot remove the serious doubt in my mind that the high aims, of the President are now being fulfilled by this nomination.

I have no doubt that Mr. Civiletti's nomination will be confirmed. And I sincerely hope that my own doubts will be proven wrong. However, I feel compelled to oppose his nomination as the best way of evidencing my concern that politics must be minimized to the greatest degree possible in the administration of justice in this country.●

Mr. WALLOP. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. WALLOP. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. The Senators in favor of the nomination have 1 minute remaining.

Mr. DECONCINI. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. WALLOP. I yield.

Mr. DECONCINI. Mr. President, I ask unanimous consent that Romano Romani have the privilege of the floor during the next two votes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WALLOP. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time having expired, the question is, Will the Senate advise and consent to the nomination of Benjamin R. Civiletti to be Deputy Attorney General?

On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Minnesota (Mr. ANDERSON), the Senator from Alaska (Mr. GRAVEL), the Senator from Montana (Mr. HATFIELD), and the Senator from West Virginia (Mr. RANDOLPH) are necessarily absent.

I further announce that, if present and voting, the Senator from West Virginia (Mr. RANDOLPH) and the Senator from Minnesota (Mr. ANDERSON) would each vote "yea."

Mr. STEVENS. I announce that the Senator from Nevada (Mr. LAXALT) and the Senator from Oregon (Mr. PACKWOOD) are necessarily absent.

The result was announced—yeas 72, nays 22, as follows:

[Rollcall Vote No. 156 Ex.]

YEAS—72

Abourezk	Ford	Metzenbaum
Allen	Glenn	Morgan
Bayh	Hart	Moynihan
Bentsen	Haskell	Muskie
Biden	Hatch	Nelson
Brooke	Hatfield,	Nunn
Bumpers	Mark O.	Pearson
Burdick	Hathaway	Pell
Byrd,	Hodges	Proxmire
Harry F., Jr.	Hollings	Ribicoff
Byrd, Robert C.	Huddleston	Riegle
Cannon	Humphrey	Sarbanes
Case	Inouye	Sasser
Chafee	Jackson	Schmitt
Chiles	Javits	Scott
Church	Johnston	Sparkman
Clark	Kennedy	Stafford
Cranston	Leahy	Stennis
Culver	Long	Stevenson
Danforth	Magnuson	Stone
DeConcini	Mathias	Talmadge
Domenici	Matsunaga	Thurmond
Durkin	McGovern	Williams
Eagleton	McIntyre	Zorinsky
Eastland	Melcher	

NAYS—22

Baker	Hansen	Schweiker
Bartlett	Hayakawa	Stevens
Bellmon	Heinz	Tower
Curtis	Helms	Wallop
Dole	Lugar	Weicker
Garn	McClure	Young
Goldwater	Percy	
Griffin	Roth	

NOT VOTING—6

Anderson	Laxalt
Gravel	Packwood
Hatfield,	Randolph
Paul G.	

So the nomination was confirmed.

Mr. ROBERRT C. BYRD. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. SARBANES. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

NOMINATION OF LYNN R. COLEMAN

The PRESIDING OFFICER. Under the previous order, the question now recurs on the nomination of Mr. Lynn R. Coleman to be General Counsel of the Department of Energy. The yeas and nays have been ordered.

The Senator from Ohio.

Mr. METZENBAUM. Mr. President, I move to recommit the nomination to the Energy Committee.

Mr. ROBERT C. BYRD. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Ohio to recommit the nomination to the Energy Committee.

The yeas and nays have been ordered, and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Minnesota (Mr. ANDERSEN), the Senator from Montana (Mr. HATFIELD), and the Senator from West Virginia (Mr. RANDOLPH) are necessarily absent.

On this vote, the Senator from Minnesota (Mr. ANDERSON) is paired with the Senator from West Virginia (Mr. RANDOLPH).

If present and voting, the Senator from Minnesota would vote "yea" and the Senator from West Virginia would vote "nay."

Mr. STEVENS. I announce that the Senator from Nevada (Mr. LAXALT) and the Senator from Oregon (Mr. PACKWOOD) are necessarily absent.

The result was announced—yeas 20, nays 75, as follows:

[Rollcall Vote No. 157 Ex.]

YEAS—20

Abourezk	Heinz	Pell
Biden	Hollings	Proxmire
Clark	Humphrey	Riegle
DeConcini	Magnuson	Schmitt
Domenici	McIntyre	Stone
Durkin	Melcher	Zorinsky
Hathaway	Metzenbaum	

NAYS—75

Allen	Glenn	Morgan
Baker	Goldwater	Moynihan
Bartlett	Gravel	Muskie
Bayh	Griffin	Nelson
Bellmon	Hansen	Nunn
Bentsen	Hart	Pearson
Brooke	Haskell	Percy
Bumpers	Hatch	Ribicoff
Burdick	Hatfield,	Roth
Byrd,	Mark O.	Sarbanes
Harry F., Jr.	Hayakawa	Sasser
Byrd, Robert C.	Helms	Schweiker
Cannon	Hodges	Scott
Case	Huddleston	Sparkman
Chafee	Inouye	Stafford
Chiles	Jackson	Stennis
Church	Javits	Stevens
Cranston	Johnston	Stevenson
Culver	Kennedy	Talmadge
Curtis	Leahy	Thurmond
Danforth	Long	Tower
Dole	Lugar	Wallop
Eagleton	Mathias	Weicker
Eastland	Matsunaga	Williams
Ford	McClure	Young
Garn	McGovern	

NOT VOTING—5

Anderson	Laxalt
Hatfield, Paul G.	Packwood
	Randolph

So the motion was rejected.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the nomination of Lynn R. Coleman, of the District of Columbia, to be General Counsel of the Department of Energy?

The nomination was confirmed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. BENTSEN. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of the nominees.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate return now to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

PETROLEUM MARKETING PRACTICES ACT

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of H.R. 130, which the clerk will state by title.

The assistant legislative clerk read as follows:

A bill (H.R. 130) to provide for the protection of the franchised distributors and retailers of motor fuel and to encourage conservation of automotive gasoline and competition in the marketing of such gasoline by requiring that information regarding the octane rating of automotive gasoline be disclosed to consumers.

The Senate continued with the consideration of the bill.

The PRESIDING OFFICER. The pending question is on amendment No. 1809 by the Senator from Oregon (Mr. MARK O. HATFIELD).

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senator from Arizona may proceed for 2 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

SENATE RESOLUTION 445—A RESOLUTION CONDEMNING THE BRUTAL MURDER OF ALDO MORO

Mr. DECONCINI (for himself, Mr. BROOKE, Mr. DOMENICI, Mr. LEAHY, Mr. KENNEDY, Mr. ROBERT C. BYRD, Mr. CASE, Mr. CHURCH, Mr. BAKER, Mr. SARBANES, Mr. JAVITS, Mr. MATHIAS, Mr. SPARKMAN, Mr. CRANSTON, Mr. RIBICOFF, Mr. ABOUREZK, Mr. SASSER, Mr. BAYH, Mr. MELCHER, Mr. METZENBAUM, Mr. HEINZ, Mr. DURKIN, Mr. BUMPERS, Mr. ALLEN, and Mr. MOYNIHAN) submitted the following resolution:

S. RES. 445

Whereas, the cowardly acts of international terrorist groups have culminated in the murder of Aldo Moro, former Prime Minister of Italy and head of the Christian Democratic Party;

Whereas, the Red Brigade has engaged in continuous acts of violence, inflicting death and injury on innocent persons in an attempt to disrupt and destroy the democratic processes of the Italian Government;

Whereas, the late Prime Minister was an example of commitment to humanistic and democratic values during his life;

Whereas, the late Prime Minister exhibited great courage during the captivity that led to his death; and

Whereas, the Italian government has continued to adhere to its democratic principles in the face of the terrorist onslaught and has staunchy upheld the ideals of reasoned justice in the trials of those accused of terrorist acts; be it

Resolved, that the Senate expresses its sorrow to the family of Aldo Moro and the Italian people, and its deepest condemnation of this heinous murder by the Red Brigade.

SEC. 2. It is the sense of the Senate that the government of Italy deserves the highest praise and support of the United States and of all democratic and free nations for its valiant efforts to prevent the death of Aldo Moro and continue the trials of those accused of acts of terrorism without resorting to totalitarian measures.

SEC. 3. It is further the sense of the Senate that the President should instruct the Permanent United States Representative to the United Nations to press for consideration of the subject of terrorism in all appropriate forums and to sponsor proposals aimed at finding solutions to this very urgent problem.

SEC. 4. The Secretary of the Senate is directed to forward a copy of this resolution to the President and the Ambassador of the Government of Italy to the United States.

Mr. DECONCINI. Mr. President, on behalf of my colleagues I send to the desk a resolution and ask for its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated.

The legislative clerk read as follows:

A resolution (S. Res. 445) condemning the brutal murder of Aldo Moro.

Mr. DECONCINI. Mr. President, on behalf of the numerous colleagues who have joined in that resolution, I ask unanimous consent that any Senators who wish to have their names included as cosponsor of the resolution be permitted to do so.

The PRESIDING OFFICER. Without objection, it is so ordered.

Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. DECONCINI. Mr. President, on behalf of my colleagues I submit a resolution expressing the sorrow of the American people and the Senate of the United States over the tragic and contemptible murder of Aldo Moro at the hands of the Red Brigades. Surely a more cowardly and senseless denouement to the kidnaping of the former Italian Prime Minister cannot be imagined than his death at the hands of such demented extremists.

As I have previously stated upon the introduction of a resolution condemning the kidnaping of Aldo Moro, the Red Brigades promote no political cause, espouse no political philosophy, uphold no political ideal other than mindless destruction and violence. Members of the Red Brigades stand in stark contrast to the noble and civilized life they so cruelly ended. Aldo Moro was a man who dedicated and finally sacrificed his life in the effort to achieve, by political means, the highest aspirations of mankind. The Red Brigades represent all that is despicable and repugnant to civilized man.

In their grief and their sorrow, the Italian people, through the constitutionally established structures of their Government, must now deal with those who have for so long inflicted pain and death on the citizenry. In such times it is all too tempting to shortcut those procedures designed to insure the fair treatment of persons accused of crime. The Italian Government has acted consistently in a manner that comports with democratic ideals, despite the great pressure and strain placed upon its judicial process by the Red Brigades. The Italian Parliament and law enforcement agencies have exercised mature judgment and restraint in the face of crisis.

To the family and many friends of Aldo Moro, we express our deepest grief and sympathy. No acts or words can replace what the cause of freedom has lost with the death of this man. We can only hope that his life and brave death will inspire others to emulate his dedication to democracy.

Mr. DOMENICI. Will the Senator yield?

Mr. DECONCINI. I yield.

Mr. DOMENICI. Mr. President, I joined with my good friend from Arizona as an original cosponsor of this resolution.

First, I commend him for the leadership he has taken in bringing it to the Senate. I know he has expressed the genuine concern of the U.S. Senate, not only to the people of Italy but to all law-abiding people in the world.

I personally would like to extend my deepest sympathy to the wonderful family of this great man. No one will know what they have lived through in the last few weeks, and certainly no one will understand the grief that has attended them for nothing more than the privilege of having in one instance a great husband and in the instance of the children a truly great father.

If that country had a chance of moving ahead, and I hope it does, and we will do all we can to help them, it certainly would have been very beneficial to it to have him around during these crises.

I submit that probably the kind of people who disposed of him are very delighted that they have rid that country of such a fantastic man, who had a chance to lead a very distraught country.

From our standpoint, those of us who cosponsored this resolution, we feel a sense of frustration, as must all law-abiding citizens, that this kind of act seems to be growing in the world. In the country of Italy it seems to be growing. We do not know what to do about it, but we certainly express the consensus, I am

sure, of this body in that resolution in every respect, both to Italy and to those in the world who would participate in acts of this type, and, more particularly, to the very cowardly Red Brigades who seem to know of no other way to bring change in the world and to move in an orderly manner other than through acts of terrorism.

In this case, they could not have chosen a person who was more apt to supply constructive leadership. That, too, is pretty synonymous with their objective to get rid of such constructive individuals.

I thank the Senator from Arizona.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senator from Arizona may have an additional 3 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DECONCINI. Mr. President, I yield to the Senator from Vermont, then the Senator from Alabama.

Mr. LEAHY. Mr. President, I shall be very brief and ask to be associated with the remarks of Senator DECONCINI and the remarks of Senator DOMENICI on this matter.

As I understand, I am one of three Members of the U.S. Senate of Italian ancestry. My maternal grandparents immigrated to this country from Italy. Many members of my family are natives of Italy, and reside in Italy today. I know of the concern that has been felt by my family, by all Americans, and by all Italians throughout the many, many weeks since the Moro kidnaping. I know the grief that is felt today by Italians, by Americans, and certainly by decent, honest people anywhere in the world.

Terrorism of this nature, murder, is truly and totally the ultimate obscenity. It is something that cannot be condoned by anyone within any political system for any reason or any purpose whatsoever. I cannot imagine what this world is coming to when political statements have to be made through acts of such senseless violence; in this case against a most distinguished statesman, against a father, and, thus, against his country, his family, and against the whole world.

In a way, we feel almost powerless in countries that reject such terrorism, in our inability to respond to it. I hope that the Red Brigades, or any other terrorist group, will realize that their activities can never win out in the end and that democratic people everywhere will ultimately reject such terroristic acts because they must reject them. To accept such acts is to give up, indeed, the democratic principles by which we live. People give up their own freedom and their own democracy if they give in to terrorism.

I join my fellow Senators in abhorring what has happened in Italy today. I abhor that these steps are taken against democracy anywhere in the world. I pray, with my fellow Americans, that all democratic, decent people throughout the world will continue to reject such acts of terrorism and will not allow themselves to be intimidated by them.

I yield back to the Senator from Arizona.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senator from Arizona may have 3 additional minutes to yield to the Senator from Alabama without its being charged to the bill.

Mr. ALLEN. Mr. President, I thank the Senator from Arizona (Mr. DECONCINI) for introducing this resolution and for giving the Senate an opportunity to express its sense of outrage at this dastardly deed and to express the sympathy of the Members of the U.S. Senate and of the people of the United States to the family of Premier Moro.

Premier Moro has not died in vain, because I see this as a turning point in the battle against terrorism. If the Italian Government would not yield to the demands of the terrorists and would be willing to see the life of this great man sacrificed rather than yield to terrorist demands, I see this as a beginning of world revulsion to the actions of terrorists throughout the land.

I feel that the terrorists must realize that they cannot achieve their aims through terrorism, that orderly world opinion will not yield to the demands of terrorists, and that, even though it may mean the sacrifice of lives in the future, we must have an orderly society and we must not give in to the demands of terrorists.

I believe that world public opinion will respond in a great outpouring of sympathy and of opposition and revulsion to these terrorist acts and that the demands of terrorists throughout the land and throughout the world will not be met by society. I believe that this may well be a turning point in the never-ending battle against terrorism throughout the world.

I thank the distinguished Senator from Arizona for introducing this resolution and allowing his colleagues to cosponsor it.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 445) was agreed to.

The preamble was agreed to.

PETROLEUM MARKETING PRACTICES ACT

The Senate continued with the consideration of the bill.

Mr. DURKIN. Mr. President, I ask unanimous consent that Mike Harvey of the Committee on Energy and Natural Resources, Henry Banta, Tom Susman, of Senator KENNEDY's staff, and Richard Arnold of Senator BUMPERS' staff be granted the privilege of the floor during debate on the pending bill. I make the same request for Linda Gold as well.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Arkansas is recognized.

UP AMENDMENT NO. 1307

Mr. BUMPERS. Mr. President, the pending amendment is amendment No. 1809 introduced by Mr. MARK O. HATFIELD and me. I send to the desk a modified version of that amendment.

THE PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Arkansas (Mr. BUMPERS) proposes unprinted amendment numbered 1307 as a modification to amendment No. 1809.

Mr. BUMPERS. I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 79, beginning on line 4, strike out all through the end of the bill and insert in lieu thereof the following:

TITLE III—STUDY OF SUBSIDIZATION OF MOTOR FUEL MARKETING

SEC. 301. (a) The Secretary of Energy, in consultation with the Chairman of the Federal Trade Commission and the Attorney General and other agencies as the Secretary deems appropriate, shall conduct a study of the extent to which producers, refiners, and other suppliers of motor fuel subsidize the sale of such motor fuel at retail or wholesale with profits obtained from other operations.

(b) Such study shall examine—

(1) the role of vertically integrated operations in facilitating subsidization of sales of motor fuel at wholesale or retail;

(2) the extent to which such subsidization is predatory and presents a threat to competition;

(3) the profitability of various segments of the petroleum industry;

(4) the impact of prohibiting such subsidization on the competitive viability of various segments of the petroleum industry, on prices of motor fuel to consumers and on the health and structure of the petroleum industry as a whole; and

(5) such other matters as the Secretary considers appropriate.

(c) In conducting the study required by this section, the Secretary shall give appropriate notice and afford interested persons an opportunity to present written and oral data, views, and arguments concerning such study.

(d)(1) The Secretary shall report the results of the study required by this section, together with such recommendations for legislative action and such statistical evidence as he deems appropriate to the Congress on or before the expiration of the eighteenth month after the date of enactment of this section.

(2) If the President determines that interim measures are necessary and appropriate to maintain the competitive viability of the marketing sector of the petroleum industry during congressional consideration of the recommendations contained in the report submitted under paragraph (1), he shall prescribe, by rule, in accordance with the procedures set forth in section 523(a) of the Energy Policy and Conservation Act 42 U.S.C. 6393) such interim measures.

(3) No interim measure proposed by the President under this section may be submitted after January 1, 1980 and the effect of such measures if approved by the Congress under paragraph (4) may not extend beyond 18 months after such congressional approval.

(4) Such interim measures shall not take effect unless approved by both Houses of Congress as if it were a contingency plan under section 552 of the Energy Policy and Conservation Act (42 U.S.C. 6422), provided that the 60-day period referred to in such section shall be extended to 90 days for purposes of this section.

(e) There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this section.

The PRESIDING OFFICER. The amendment will be so modified.

Mr. BUMPERS. I ask unanimous consent that the Senator from Washington (Mr. JACKSON), the Senator from New Mexico (Mr. DOMENICI), the Senator from Kentucky (Mr. FORD), the Senator from Louisiana (Mr. JOHNSTON), and the Senator from Alaska (Mr. GRAVEL) be added as cosponsors to the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BUMPERS. Mr. President, this amendment reflects a compromise on the issue of title III, which is pending before the Senate. It is a compromise which deals with the most controversial part of the bill. I believe that the managers will be willing to accept it.

The compromise, very briefly, will require the Secretary of Energy to study the subsidization issue fully. Full provision is made for public involvement in the study. The Secretary must send his study, together with appropriate legislative recommendations, to the Congress within 18 months after enactment.

In addition, this amendment establishes a procedure where the President may develop interim measures to protect the competitive viability of the marketing sector of the petroleum industry if he considers them necessary and appropriate. Congress would have 90 days to act affirmatively on his proposal.

Any interim proposals which might be accepted by the Congress would not extend beyond 18 months from the date of their affirmation by Congresss.

Mr. President, if no interim measure is submitted to Congress, then, of course, at the end of 18 months from the date of enactment of this bill the Secretary shall submit legislative recommendations to Congress, if he finds them to be necessary to protect the people we are trying to protect under the present legislation. If the President determines that interim measures are necessary, Congress will have 90 days in which to affirm the recommendations of the President under the procedures set forth in section 523 (a) of the Energy Policy and Conservation Act.

I think it is an excellent compromise, and I hope all my colleagues will see fit to support it.

Mr. President, I believe that adoption of this amendment will help clear the way for enactment of H.R. 130, which will provide important protection to wholesalers and retailers of gasoline from arbitrary termination of supply.

Mr. President, I ask unanimous consent that the name of the distinguished Senator from Tennessee (Mr. BAKER) be added as a cosponsor of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FORD. Mr. President, I ask unanimous consent that Jim Fleming, of my staff, have the privilege of the floor during the debate and vote on H.R. 130.

The PRESIDING OFFICER. Without objection, it is so ordered.

Who yields time?

Mr. DOMENICI. Mr. President, will the Senator yield 5 minutes to the Senator from New Mexico?

Mr. BUMPERS. I am happy to yield 5 minutes.

Mr. DOMENICI. I thank my good friend.

Mr. President, I would like to take several moments to specifically address the issue of title III, and also to make several comments on what I am told will be forthcoming amendments to title III.

Congress has moved on several occasions to protect independent segments of the petroleum industry. During the oil embargo, Congress and the executive branch protected independent refiners through the entitlement program. Now the dealers are receiving protection under title I of the dealer day in court. Title III provides comparable protection for the independent marketers—jobbers. Jobber concerns stem from a changing oil market. Their principal concern is that integrated oil companies, both major and independent refiners, are subsidizing their marketing operations with revenues earned upstream.

On a national basis, this concern is borne out by the decline in total retail outlets over the past several years, which have been accompanied in turn by an increase in salary operated stations by refiners. Major refiners have increased their sales from salary operated stations by 55 percent while independent and small refiners have increased their salary operated sales by 50 percent. Overall, refiner owned and operated stations have increased their marketshare by one-third.

Refiner comments on title III admit that a margin of 3 to 5 cents a gallon is appropriate between a jobber purchasing gas at the refinery—at the rack—and the sale price at the dealer outlet. The following table gives examples of what can only be subsidized pricing by refiner operated outlets. I ask unanimous consent to have the table printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Refiner: Location	Jobber price	Price to dealer (DTW)	Refiner direct price
Marathon: Meridian, Mich	55.02	58.19	56.19
Powerline: Redwood City, Calif	52.45	----------	52.9
Ashland: Charlotte, N.C	51.703	----------	51.9
Champlin: Oklahoma City	----------	53.55	51.91
Clark Alliance Ohio	52.7	----------	51.91

Mr. DOMENICI. Mr. President, the most recent evidence available is some January 1978 figures from Kansas where Champlin Petroleum is selling on the street at 0.519 and selling to its jobbers for 0.5175. This is a 0.0015 difference, a situation that begs explanation.

Title III is predicated on a question: Why would integrated oil companies sell below cost? Title III answers that as a general rule below cost sales are predatory per se unless: They result, in fact, from proven cost savings; they are designed to meet competition; or they are provided to enter a new market.

The basic elements of title III are as follows:

First. Section 302 prohibits subsidization.

Second. Section 303 makes price data available to independent marketers.

Third. Section 304 provides for defenses based on cost, meeting competition, or penetrating a new market.

Fourth. Section 305 switches the burden of proof once the jobber has proved below cost sales.

Fifth. Section 306, the enforcement section, provides for civil fines, and a private right of action for treble damages.

Sixth. Section 307 is the definitions section.

I should like to stress that in fashioning title III, largely at my urging, I and other committee members made a variety of changes designed to meet what we saw as legitimate criticisms.

Nevertheless, several policy arguments have been raised against the bill. These include:

First. The oil industry does not know its costs: Baloney. How then does the industry know if it is making a profit? How does it know whether to make more or less of a given product? To open or close stations? The following quote from Champlin to one of its Kansas lessees should help lay the matter to rest as to whether the industry knows its costs:

> Champlin Petroleum Company regrets to inform you that it has determined that it is no longer economic for it to operate the Champlin Service Station located at U.S. Highway No. 56 and I-35 West, McPherson, Kansas, under the present lease agreement with you.

This issue of costs raises a more fundamental question. My opposition to divestiture is based on the belief that integrated oil operations generate efficiencies and economies of scale. In simple terms: they lower costs. Now the industry tells us they cannot document this. The industry cannot have it both ways. Either the cost savings of integrated oil operations can be documented or they cannot. And if they cannot, either they should be, or the industry should be broken up.

Second. The Domenici title III will complicate antitrust litigation: This is the last straw. Antitrust litigation has been ponderous and incomprehensible for decades. The present FTC case against the industry is an example. The FTC filed its complaint in 1973. In 1975, its first subpena was squashed. In November of 1976, it issued a "minisubpena." This modest subpena ran to 1,300 pages for each of the 8 major companies. The industry responded with somewhere between 500,000 and 1 million pages. And what type of information did this "minisubpena" call for. Just basics. Organization charts, holdings, and so forth. A new subpena has now gone out asking for more information. Five years after its start, the FTC case is in the early, I repeat, early stages of discovery. Urgings by oil industry lawyers that independent marketers not confuse the crystalline verities of antitrust litigation remind one of the nursery rhyme poem:

Will you walk into my parlour,
said the spider to the fly
Tis the prettiest little parlour
that ever you did spy.

Oh, no, no, said the little fly,
to ask is in vain,
For who goes up your winding stair,
can ne'er come down again.

In short, independent marketers believe they serve an important competitive function. If they are to be driven from the marketplace, it should be because of increased efficiency, not because of the market power of the big fish who live upstream. All they ask is a chance to compete fairly. This hardly seems too much to ask.

Mr. President, at this point I would like to spend several minutes discussing the compromise that has been worked out at the 11th hour on title III. As my remarks indicate, I am satisfied with the present title III. It is a finely tuned solution to the problem at hand. It does not establish another wave of regulations. It simply gives the little guy his day in court.

It is apparent, however, to the proponents of title III that there is not support for the present title III. This lack of support arises in some cases from a legitimate concern over the lack of data at hand. Although I find this argument unpersuasive, I admit its strength.

Now, Mr. President, I am not one to attack bigness for bigness' sake. I am also not one that believes that the oil industry is evil incarnate. I do, however, believe that this biggest of American industries does the Nation a disservice when they refuse to allow the little guy a chance to make his case in court.

I feel a study is like prescribing aspirin for a severed jugular. Personally, I believe we should attend to the business at hand: Protecting the independent marketers. I do not believe their livelihood should be sacrificed while we await the results of a study. I believe the need for action is now.

Accordingly, I join this compromise not out of conviction, but rather because I see it as the only way that the independent marketers can keep their case before the Congress. To be frank, a setback here might doom their cause forever. I see this amendment as a way for the independent marketers to establish a more complete factual case. In short, I see it, in military terms, as a way for them to keep an army in the field so that they can return to fight another day.

Mr. President, the dealer's day in court bill would have come to the Senate with two titles that basically directed their attention to trying to protect the independent filling station operator as we move through this energy crisis and these difficult, changing times. I certainly support that; that is needed.

As that evolved during the last year or year-and-a-half, it became quite obvious that there was another group of independent businessmen related to the delivery of petroleum and petroleum products—sometimes called the independent jobbers, sometimes called the independent marketers, sometimes called independent wholesalers—who indeed were becoming the victims of both major refineries and refineries that own substantial numbers of filling stations, by virtue of the fact that it appeared, and the facts seemed to indicate, that the refiner would take upstream profits and put them into downstream cutrate prices at the filling station level, while at the same time, in many instances, selling to their own jobber in between for a higher price. If this were happening within an integrated company, then most certainly it also was happening in the field at large, where a major refinery or a large refinery was selling at subsidized prices downstream, having earned the profits upstream in the refinery, and a jobber or independent distributor was caught in the middle, paying a higher price for the same product.

It was my opinion that that kind of marketer, who, by definition, is independent, was necessary in the American marketplace system, that we usually ask them to take care of the distribution system where it was most expensive, in the rural parts, where they had to drive large distances to serve the filling stations to which they sold. It appeared from the facts that they were going to be gobbled up and put out of business by this process.

So it was my amendment in committee that gave a private cause of action to this kind of independent jobber or distributor to sue the refinery, if he could prove that there was such a subsidization downstream by virtue of the profits upstream in the integrated system.

Since our antitrust laws do not help this kind of person, we can imagine an independent jobber using the existing antitrust laws of our Nation to try to take on this kind of situation, with all the truth that is required and the resources that are required.

So my amendment would say that if you can prove the differential in price, let the burden shift, and see if the big one can disprove that it is trying to control the market.

I acknowledge that my amendment to title 3, which was adopted by a slim margin in committee—8 to 7—would have been defeated here today. It is a new and different approach to create a cause of action of this type based only upon the evidence that I required in my amendment. So I have most willingly joined the distinguished Senators who bring this substitute. It will not do the job as well, but it will begin an investigation of the facts, to see if what we are saying is happening and to make recommendations, if they are happening, as to how to cure it.

This amendment will provide a remedy, by virtue of Congress being able to adopt the recommendations in an expeditious manner, if recommendations are forthcoming. During this study, and as a result of it, this would protect this middle-man independent in the scheme of integration that is going on in this country, where they are finding less and less of an opportunity to survive.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. DOMENICI. Mr. President, will the Senator yield me 1 additional minute?

Mr. BUMPERS. I yield 2 minutes to the Senator.

Mr. DOMENICI. Mr. President, I generally have not been one who wants to put restrictions on the private sector. I have not been one who takes on bigness simply because it is big. I take them kind of one at a time and look at them. But I am firmly convinced, and the evidence in my statement convinced me, that if we do not do something, there would be no more independent marketers or jobbers in the delivery system of petroleum products in this country.

I hope those in the industry will understand that the Bumpers-Hatfield-Domenici substitute amendment today is a serious one; that in a year or so we will find the evidence reversing itself, and perhaps we will never have to do anything else; but, if not, that we find a way to cure this approach which, in my opinion, is definitely committed in the direction of monopoly, in the direction of putting the little independent out of business.

Mr. President, I ask unanimous consent that a statement by Senator MARK O. HATFIELD be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR MARK O. HATFIELD

I am pleased to join with my colleagues in support of the modified version of amendment 1809.

This compromise proposal will require the Secretary of Energy to study the subsidization issue fully. Full provision is made for public involvement in the study. The Secretary must send his study, together with appropriate legislative recommendations, to the Congress within 18 months after enactment.

In addition, this amendment establishes a procedure where the President may develop interim measures to protect the competitive viability of the marketing sector of the petroleum industry if he considers them necessary and appropriate. Congress would have 90 days to act affirmatively on his proposal.

I believe that adoption of this amendment will help clear the way for enactment of H.R. 130, which will provide important protection to wholesalers and retailers of gasoline from arbitrary termination of supply.

I urge my colleagues to support this amendment and to adopt this legislation.

Mr. BUMPERS. Mr. President, I yield 2 minutes to the Senator from Wyoming.

Mr. HANSEN. I thank my distinguished colleague from Arkansas for his courtesy.

Mr. President, we have searched long, with our colleagues, the ramifications of title III in this bill. We have written to the Department of Justice as well as to the Federal Trade Commission. We have letters from them which have not been included in the hearing record before our committee.

In essence, both the Department of Justice and the Federal Trade Commission have opposed title III as written. It is their considered opinion that, in a word, this title III is anticompetitive, that it will not achieve the goals that I know its sponsors hope very much might be achieved.

Mr. President, the amendment is acceptable to our side. This is a reasonable compromise, and we will anxiously await the results of the study, so that we can deal in a rational way with the subsidization issue if it becomes necessary.

I am prepared to yield back the remainder of my time, if the distinguished floor manager of the bill is willing to do so. But I withhold that, awaiting whatever signal the Senator from New Hampshire may want to give.

Mr. DURKIN. I thank the Senator from Wyoming.

Mr. President, we have a serious problem. I am not sure the original language in title III solved that problem. Someone is going to have to face up to it. We hope that the study language will enable us to come to better terms with what I consider to be a growing problem, which many of us consider to be a growing problem.

I am willing to accept the amendment of the Senator from Arkansas, as modified.

Mr. HANSEN. I am willing, then, to yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Mr. KENNEDY. Mr. President, I send an amendment to the desk.

Mr. HANSEN. I withhold that.

The PRESIDING OFFICER. Until the time on this amendment has expired, an amendment to it is not in order.

Mr. KENNEDY. I understood that. I thought the time had been yielded back.

The PRESIDING OFFICER. The time had not been yielded back.

Mr. BUMPERS. Mr. President, what is the remaining time on the amendment?

The PRESIDING OFFICER. The Senator from New Hampshire has 28 minutes remaining and the Senator from Arkansas has 17 minutes remaining.

Mr. BUMPERS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BUMPERS. If the amendment of the Senator from Massachusetts is an amendment to a modified amendment, the Senator from Arkansas submitted, which is now the pending business, is it not an amendment in the third degree and, therefore, out of order after all the time is yielded back?

The PRESIDING OFFICER. The committee amendment is considered original text for the purpose of amendment. The amendment of the Senator from Arkansas, therefore, is in the first degree and the proposed amendment of the Senator from Massachusetts would be in the second degree.

Mr. KENNEDY. Mr. President, I am sure that is what the Senator from Arkansas intended.

[Laughter.]

Mr. BUMPERS. I certainly do not want to cut off the time the Senator from Massachusetts might have.

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. KENNEDY. Mr. President, how much time is there on the amendment to the amendment?

The PRESIDING OFFICER. There will be one-half hour on an amendment to amendment, equally divided. But the second amendment has not been proposed yet.

Mr. BUMPERS. Mr. President, just so the record is straight, I am prepared to yield back the remainder of my time if the floor manager is in agreement in order that Senator KENNEDY may go ahead and offer his amendment and let the time start running on his amendment.

Is the floor manager prepared to yield back the time?

Mr. DURKIN. I am prepared to yield back the time.

The PRESIDING OFFICER. The Senator from New Hampshire yields back time.

Mr. DURKIN. He may call up his amendment at this time.

Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DURKIN. How much time will be allotted? Is it a half-hour on this amendment to be equally divided?

The PRESIDING OFFICER. Fifteen minutes to the Senator from Massachusetts and 15 minutes to the Senator from New Hampshire.

Mr. KENNEDY. I hope since it is a worthy amendment that it will be accepted.

Mr. BUMPERS. Mr. President, in the unlikely event it is not a worthy amendment and universally acceptable, I ask unanimous consent that the 30-minute time limit be divided equally between the proponent, Mr. KENNEDY, and myself.

The PRESIDING OFFICER. Is there objection?

Mr. KENNEDY. If the manager of the bill has no objection, I have no objection.

Mr. BUMPERS. We are getting into a fox watching the henhouse type of situation here, Mr. President, because I think the Senator from New Hampshire favors this amendment.

Mr. KENNEDY. Whose time is this charged to, Mr. President?

The PRESIDING OFFICER. Who yielded time?

Mr. KENNEDY. Mr. President, I do.

Mr. BUMPERS. I made a unanimous-consent request.

Mr. DURKIN. Mr. President, reserving the right to object, I think we should proceed with the normal course, that the Senator from Massachusetts will offer his amendment, and I will be glad to yield to my good friend from Arkansas time to rebut in the event he does not care to accept this amendment.

Mr. BUMPERS. That is fine with me, Mr. President.

The PRESIDING OFFICER (Mrs. HUMPHREY). Does the Senator withdraw his request?

Mr. KENNEDY. Madam President, as I understand, I have 15 minutes, and I wish to yield what time I might need.

The PRESIDING OFFICER. The Senator from Arkansas has made a unanimous-consent request. Does he withdraw it?

Mr. BUMPERS. Madam President, I withdraw the request.

The PRESIDING OFFICER. The Senator from Massachusetts.

UP AMENDMENT NO. 1308

Mr. KENNEDY. Madam President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Massachusetts (Mr. KENNEDY) proposes an unprinted amendment numbered 1308.

On page 3, at the end, insert the following new section:

"SEC. 302. Any energy information acquired, collected, or held by the Department of Energy shall be subjected to the requirements of Section 11(d) of the Energy Supply and Environmental Coordination Act of 1974, Public Law 93-319."

Mr. KENNEDY. Madam President, this amendment is very simple. It basically tracks the actions which have been taken by the Senate on previous occasions. It makes energy information available to certain other agencies of the Federal Government.

Under the amendment which is before us, Madam President, a study will be done by the Department of Energy. The whole issue to be studied is one which is fundamental to this particular legislation; it is the competitive position of the independent retailers and marketers and the extraordinary economic power which has been used to squeeze them out of this industry.

So it is basically an issue of competition, and the agencies of our Government which are concerned about the competition happen to be the Federal Trade Commission and the Department of Justice, and not necessarily the Department of Energy.

Under the amendment which I have offered to the amendment of the Senator from Arkansas, no new authority is given to any of the agencies. The Department of Justice on its own can get the same information that is collected by the Department of Energy. The Federal Trade Commission can also get the same information.

All we are saying is if we are so concerned about competition, so concerned about the little guy, so concerned about the corner gas station, then let us say if the Department of Energy is going to get that information, they will share it with those agencies of Government that have the primary responsibility for protecting the little guy, the corner gas station, and the independent segment of our society.

It is not very complicated. It is not very complex. The Senate has already gone on record in support of this amendment last year in the coal conversion bill. It was dropped in conference. This body already voted for this amendment last year and suddenly when we have a bill down here that really is talking about dealing with competition, then there is a reluctance to set information and share it with the other departments of Government.

In this particular amendment, Madam President, we have the confidentiality provisions that are spelled out under

section 11(d) to insure that this information will not be leaked and we have the other provisions for the protection of confidentiality.

Madam President, I just wonder why it is that last year the Senate was prepared to accept the sharing of information between governmental agencies, and now we in the Chamber are refusing to say, if the Department of Energy gets data, it must share it with the Department of Justice or the Federal Trade Commission.

That is, Madam President, just a position which I find difficult to justify, particularly when we are talking about a fundamental theme of this legislation which is supposed to be competition and the protecting of small independent marketers.

So, Madam President, a final point that I make is that the Department of Justice and the Federal Trade Commission have repeatedly stated their need for the energy data. President Carter said that energy data analysis is the keystone of the administration's approach to the formulation of competition policys in the energy industry. I certainly hope that the amendment will be accepted.

I reserve the remainder of my time.

The PRESIDING OFFICER. The galleries will be in order.

Who yields time?

Mr. BUMPERS. Madam President, will the Senator from New Hampshire yield?

Mr. DURKIN. I am glad to yield 10 minutes to the Senator from Arkansas

Mr. BUMPERS. Madam President, the amendment the Senator from Massachusetts is proposing has the effect of making certain that this study will not be completed in 18 months. It will not be completed in 18 years.

The purpose of the study in the modified amendment I offered is to determine if major oil companies are using upstream profits at the refinery level or at the marketing level to subsidize their company-owned stations to the detriment of independently owned stations.

To give you some idea of how bad title III was before we offered this modified amendment, both the Justice Department, the Antitrust Division, and the Federal Trade Commission were unalterably opposed to title III. Now, the fact that they were opposed to it is not totally compelling to me, but it does throw up a red flag to me and say, "Wait just a minute. If they are opposed to it on the grounds they set out, let us try to help the small independent retail service stations in this country, but let us do it in an orderly, workmanlike manner, and let us not try to prove who hates major oil the most."

Now, the Senator from Massachusetts knows I have never been guilty of being considered a close associate of major oil companies in this country. I am vitally concerned about small business of all kinds. I am especially concerned about small independent service station operators, who may indeed be facing unfair competition from major oil companies or any oil company, that maybe using upstream profits to unfairly compete and drive independents out of business.

So what are we doing here? We are saying, "Let us allow the Secretary of Energy to make a determination as to whether or not this is a problem." Why on earth would we stand here and try to pass a law when there is no manifestation that the law is needed? That is what has got people in this country upset now.

What would the Senator from Massachusetts' amendment do? Why, he says, 'Let us permit the Department of Energy to do this study subject to a little old provision here called section 11(d) of the Energy Supply and Environmental Coordination Act of 1974."

What does that do? It says the Secretary of Energy may not share this information. He must keep it confidential except, and then everybody on God's green Earth is named in section 11(d).

He has to keep it confidential except that he will give it to any delegate of the Federal Energy Administration for the purposes of carrying out this act; he will give it to the Attorney General; he will give it to the Secretary of Interior; he will give it to the Federal Trade Commission; he will give it to the General Accounting Office, and those are the only ones named he has to share this information with. That is what I call confidentiality. [Laughter.]

Madam President, I have the same feelings the Senator has about getting this kind of information into the hands of the Antitrust Division of the Justice Department. But do you know something? They can get the information today. They do not have to have this act. They can get it today.

I want the Federal Trade Commission to have it, because the Federal Trade Commission is charged with the responsibility of promoting competition in this country to preserve the free enterprise system. But the Federal Trade Commission can go and get it today, they do not need this bill. So what are we doing? We are cluttering up the books.

Mr. DURKIN. Mr. President, will the Senator yield?

Mr. BUMPERS. In just one moment.

If you want to make sure that the Secretary of Energy gets no cooperation in carrying out the terms of this amendment, just adopt the amendment of the Senator from Massachusetts, and I promise you that hell will freeze over before they will voluntarily give one ounce of information, because they know it is going to be disseminated to everybody under the shining Sun.

Mr. DURKIN. Mr. President, will the Senator yield for a question?

Mr. BUMPERS. I will be happy to yield.

Mr. DURKIN. Is the thrust of the Senator's opposition that he does not think the Department of Energy should give that information to the Attorney General, to the Federal Trade Commission, to the General Accounting Office? They are not hostile entities, are they? They are part of our Government charged with the responsibility to enforce the law. Why the fear of giving them the information?

Mr. BUMPERS. I have absolutely no objection to the Attorney General or the Federal Trade Commission or the General Accounting Office or anybody else getting the information, but we are trying to help the small dealer. If you adopt the amendment of the Senator from Massachusetts, you are assuring yourself that the Secretary of Energy will not get cooperation. The oil companies will know it is going to be shared with all these people, possibly used to prosecute them. They have been through this before, they know how the Federal Government works, and they know if this information is disseminated and anybody can possibly distort it to file some kind of prosecution against them, they will do it.

What I am saying is we are setting an 18-month time limit here, and I promise you the Secretary of Energy will not get into the front door in 18 months if this amendment is adopted.

Mr. DURKIN. But does not the Senator's opposition go to the principle that you can collect the information but you cannot use it?

Mr. BUMPERS. Absolutely not. If the Federal Trade Commission has any information to indicate that unfair competition is being perpetrated by the majors in violation of the criminal laws of this country, they ought to go after the information and prosecute them.

Mr. DURKIN. One further question: What is the position of the Secretary of Energy on this matter?

Mr. BUMPERS. I do not know the position of the Secretary of Energy on this amendment by Senator KENNEDY.

Mr. HANSEN. Mr. President, if the Senator will yield, I will be happy to tell him. The Secretary of Energy opposes this amendment.

Mr. DURKIN. That is the best argument I have heard for it yet. [Laughter.]

Mr. KENNEDY. Madam President, how much time do I have?

The PRESIDING OFFICER. The Senator from Massachusetts has 10 minutes.

Mr. KENNEDY. I yield myself 5 minutes.

I have heard convincing arguments from my good friend from Arkansas before, and I am usually very much carried away with the rationality of his dialog and debate.

But this particular argument he makes in opposition to this amendment fails to meet his usual standard of persuasiveness.

If you are talking about make-work for lawyers, you are talking about the Bumpers position. All those small independent outlets have to respond, under the Bumpers amendment, not only to the Department of Energy but to the Department of Justice and to the Federal Trade Commission.

We are saying if you collect it once, Mr. Local Gas Dealer, why are you going to have to answer all those paper forms again, because they have got the power to get it today?

Under the Bumpers amendment, they are going to have to go out there, each of those particular departments, and get that information. It is make-work for the lawyers.

We are hearing those words rattled around: "harassment of American business." Here we are threatening the har-

assment of the smallest segment of American business.

The Senator from Arkansas points out or asks who is going to get all this information? The Department of Justice, the Department of Energy, the Federal Trade Commission, the GAO. Interesting. Add those together and what do you get? The Congress of the United States and the antitrust divisions of this Nation that are committed toward competition. Not a bad group—the American people, their elected representatives, and those who are charged with maintaining competition. Those are the people that are getting the information. Under the Bumpers amendment, if the Department of Energy gets the information, it does not even share it with the Congress of the United States. Yet under his particular amendment it gives the President the power to make recommendations for interim relief.

Do we get the information then? No. Does the Federal Trade Commission get the information? No. Does the Justice Department get it? No.

It just does not make any sense, Madam President, particularly when this body has gone on record, as we know, that it has been the failure of Congress to get intelligent, accurate information that has been at the heart of the inability to fashion and develop an adequate energy policy for this Nation to meet the needs of both producers and consumers alike.

We have not been able to get that information, and here we are in 1978 still saying, "Well, we have to oppose this amendment, because if we get a little information we want to keep it all nice and together." We want to do that so that the other agencies of Government cannot get it.

It does not make any sense in logic or rationality. Beyond that it does not make any sense in terms of energy policy; and third, it does not make any sense in terms of trying to protect the legitimate interests of the people we are attempting to protect, and that is the small and independent firms in the oil and gas industry.

I withhold the remainder of my time.

Mr. DURKIN. Mr. President, will the Senator yield for a question? Was not this very same amendment part of the Coal Conversion Act?

Mr. KENNEDY. The Senator is absolutely correct. It was passed and accepted without dispute. That is why I felt some degree of hope.

Mr. DURKIN. What concerns me is the statement of the Senator from Arkansas that it could take 18 years to get the information.

If my memory serves me correctly, during the conference on the coal conversion bill, this is one of the things that JOHN DINGELL recommended. So if we have a conference, JOHN DINGELL will be chairman of the House conferees, and I think he will be as amenable to the prospect in this conference as in the conference on the coal conversion bill, and it will not slow down the bill and in fact will hasten the bill on its way to enactment and to the President's desk.

I urge that we accept the amendment.

Mr. KENNEDY. I thank the Senator.

Madam President, I would like to point out that both Mr. Shenefield, the Assistant Attorney General of Antitrust, and Mr. Doherty, the FTC's Director of the Bureau of Competition, have testified before the Antitrust Subcommittee that they cannot get data from the Department of Energy, and they have told us that this is true even today.

Mr. HANSEN. Madam President, will the Senator from Arkansas yield me one-half minute?

Mr. BUMPERS. The time is not mine. It belongs to the floor manager.

Mr. DURKIN. Madam President, I yielded the Senator from Arkansas 10 minutes. I do not believe he used all that time.

Mr. BUMPERS. How much of the 10 minutes did I use?

The PRESIDING OFFICER. The Senator from Arkansas used 5 minutes.

Mr. BUMPERS. In that case, I yield the Senator from Wyoming 1 minute.

Mr. HANSEN. Madam President, I would point out to my colleagues that the Energy and Natural Resources Committee is considering the energy information issue as a part of the Department of Energy authorization bill.

We agreed to do this during the conference on the coal conversion bill. Last week, I asked the committee staff to prepare recommendations so that we can act upon it.

I would suggest that the amendment of the Senator from Massachusetts is irrelevant to the issue before us.

I would also state that the administration is opposed to this amendment. They believe that the amendment would make it difficult to collect energy information. It goes much further than the study before us and would apply to all information.

I quote from the statement of the Energy Administration Service, headed by Mr. Lincoln Mosher. He says:

> Two of the Federal Trade Commission's bureaus nicely illustrate the same problem. The Bureau of Economics operates among other things, the Line of Business reports, essential to understanding concentrations and profits within particular industrial sectors. That Line of Business reporting system is intended to promote understanding of particular industries, otherwise strongly obscured by the cross-industry aggregation of revenues and outlays in the operating statements of conglomerates. The product of the Line of Business reporting system is the ability to follow profitability, concentration and, by inference, the competitive status of particular industries, not individual companies. Although the information has been furnished by individual companies, the product is an understanding of whole industries. A second bureau in the Federal Trade Commission is the Bureau of Competition. Its program is, doubtless, informed by industry-wide statistics like those coming from the Line of Business reports. But to perform its enforcement and prosecutorial functions the Bureau of Competition must have individually identifiable company data.

In a word, the Department of Energy Information Service opposes the amendment by the Senator from Massachusetts.

I thank the Senator from Arkansas for yielding.

Mr. BUMPERS. Madam President, along the lines of the comments of the Senator from Wyoming, here is what happened when the Federal Power Commission sought all kinds of information from the energy companies of this country on what they called Form 40. Form 40 was tied up in court for years, because we were doing what the Senator from Massachusetts is asking us to do now. The energy companies simply were not going to release that information voluntarily; they were not going to release it until after a court told them to.

If we adopt this proposal, we are saying to the oil companies that we are trying to prove a point that we do not like what they are doing. I will stand out on the Capitol steps and denounce the oil companies with the Senator from Massachusetts as loudly as he wants to, but that will not help the small independent dealers in the country.

What we are doing is calling them in and saying, "We are just going to ask you a few simple questions; don't worry about the sheriff and the prosecuting attorney, they are just sitting here wanting to listen in, but you be as truthful as you can."

Then if they ask, "What if we tell you something that will be incriminating," we say, "Well, that could get a little hairy"; we are saying, "We cannot guarantee that you will not get in trouble, but don't worry about all these people sitting around that could prosecute you."

I will guarantee you we will be back here in 18 months without one scintilla of information. All the small dealers will still be going broke, nobody will know why, and we will not be able to do anything about it.

Madam President, on most tax matters I agree with the Senator from Massachusetts. But when we are in a time constraint of 18 months for the study, I say that we will not be able to get the information. If you want to bring the country down on your head to prove a point, the Senator's amendment is the greatest thing since night baseball. But if we are going to try to help the small dealers, the Senate should reject the amendment and pass something the oil companies will cooperate on and provide the small dealers with information they can act on, one way or the other.

I urge that the Senate reject the amendment.

Mr. KENNEDY. Madam President, I yield myself 3 minutes.

The issue we are talking about here is one of the most basic and fundamental competitive issues involving the petroleum industry, and that is the question of downstream subsidy of various levels of the oil industry.

It is interesting that the major oil companies do not have as much difficulty in providing information to the Department of Energy as they do to other departments in our Government that are supposedly protecting the little guy, the Federal Trade Commission and the Antitrust Division, by promoting competition. It just seems to me, Madam President, that they are going to have to get that information in order to make an informed judgment on these matters. It is

imperative as a matter of public policy, and it is imperative that those agencies of the Government be able to obtain it. I would hope that we would make it easier on the smaller companies, and, when the information is provided to the Department of Energy, provide that it be shared with the other agencies of the Government.

Mr. BUMPERS. Madam President, do I have any time remaining?

The PRESIDING OFFICER. The Senator from Massachusetts has 2 minutes, and the Senator from New Hampshire has 3.

Mr. HANSEN. Madam President, if the Senator from Arkansas desires more time, I will be happy to yield some time on the bill.

Mr. BUMPERS. Well, I think the Senator from New Hampshire will yield me a minute or 2 to make just one concluding remark. There has been some mention about similar legislation on the coal conversion bill.

I would like to make two points. First, that was thrown out in the conference. It is not in the conference report as the coal conversion bill.

Second, even the requirement of information which was in the original coal bill, before it was thrown out in conference, provided that only information which was gathered pursuant to the coal conversion bill would be shared.

Here the Senator from Massachusetts says any energy information that the Secretary acquires, collects, or holds shall be shared with all of these agencies.

I think his amendment is bad, but it would not be half as bad if he said any energy information collected pursuant to section 301. But this means any energy information collected pursuant to section 301. But this means any energy information that the Secretary gets pursuant to this bill or any other bill.

Mr. DURKIN. Will the Senator yield for a question?

Mr. BUMPERS. Yes.

Mr. DURKIN. Why in God's name is this body so afraid of information? We are supposed to be the Board of Directors of America. It is one thing to have the lady with the scales across the way at the Supreme Court blindfolded but legislators are not supposed to be blindfolded. Why insist that we be blindfolded?

Mr. BUMPERS. The Justice Department has subpena powers. If they are sure that something is going on that is wrong among major oil companies, they can subpena the information. They do not have to request it. They do not have to ask for their cooperation. Here we do. We are not talking about how we get the information. We are talking about who we are going to share it with. We are going to share it with everybody. I would just as soon talk about it over the clothesline in the backyard. I say when we do that we will get no cooperation. That is what we are trying to do, get enough information. I believe there will be enough cooperation to get the information to determine whether or not the practice we are trying to cure here is going on.

The Congress has been answering questions that nobody asked for years and it has people upset. This is just a manifestation and exacerbation of it.

Mr. DURKIN. But the United States is faced with a national energy problem. The U.S. Congress does not have the information. The only person who has the information is the pipesmoking, birdwatching Secretary of Energy, and he will not release that information.

Mr. KENNEDY. The fact of the matter is, Mr. President, that the Senate accepted—we are not talking about what was dropped over there in the conference but what the Senate accepted—these words:

"Any energy information acquired, collected or held by the Department shall be subject to the requirement" making it available. It was not limited to coal.

The fact of the matter is, Mr. President, if we accept the argument of the Senator from Arkansas we would assume that those major oil companies are just waiting to empty all of their information on the Congress of the United States or the Department of Justice and the Federal Trade Commission. On the one hand, Mr. President, this bill is saying, "We are going to protect the small independent man in the oil industry, with title I and title II and protect him from being squeezed out." That is why we have titles I and II. Then the Senator from Arkansas says those nice, benevolent oil and gas companies who are doing the squeezing will give us all the information we want.

It just does not make any sense, Mr. President.

The Senator from New Hampshire understands it. The Senator from Massachusetts understands it. Any trial attorney from the Justice Department or Federal Trade Commission who has spent day after day, month after month, year after year trying to get information understands it. Without this amendment we are going to continue business as usual on this particular issue.

Mr. President, I hope my amendment is agreed to. I yield whatever time I have remaining to the Senator from New Hampshire.

Mr. DURKIN. I was going to yield to the Senator a couple of minutes from the bill.

Mr. BUMPERS. Will the Senator yield 1 minute?

Mr. DURKIN. Yes.

Mr. BUMPERS. Just so no one is deceived by what we are talking about, from what the Senator from Massachusetts just said one would infer that if his amendment is adopted they could go into the oil companies and they would have to cough up the information. That is not the case. His amendment has nothing to do with what kind of energy information they will get. They will get no more information under his amendment than under mine. They will not have the right to get the information under subpena powers either way. The only thing the Kennedy amendment requires is the sharing of the information it gets. It does not give the Secretary one iota of authority to get the information. It does not require the oil companies to divulge one iota of information they do not want to give. What we are talking about is who they will give it to after they get it. That is all the amendment goes to.

Mr. KENNEDY. If the Senator will yield, if we do not get it, it was the Senator's committee that wrote that statement, and if we do no get it we are just offering the best of what we can do with what came out of the Senator's committee. Section 11, which is the basis of this amendment, came out of the Senator's committee. That is the problem. We will certainly do better than the Bumpers amendment will.

Mr. BUMPERS. Mr. President, the Senator from Massachusetts is chairman of the Antitrust Subcommittee of the Senate Judiciary Committee and if he cannot get the Antitrust Subcommittee to get it for us, who will get it for us?

Mr. KENNEDY. I ask for the yeas and nays, Mr. President.

Mr. BUMPERS. Mr. President, I move to table the amendment.

The PRESIDING OFFICER (Mr. HODGES). Is there a sufficient second?

There is not a sufficient second.

Mr. BUMPERS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BUMPERS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BUMPERS. Mr. President, I ask for the yeas and nays on my motion.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Arkansas to lay the amendment of the Senator from Massachusetts on the table. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Minnesota (Mr. ANDERSON), the Senator from Montana (Mr. PAUL G. HATFIELD), the Senator from Ohio (Mr. METZENBAUM), the Senator from Georgia (Mr. NUNN), and the Senator from West Virginia (Mr. RANDOLPH) are necessarily absent.

On this vote, the Senator from West Virginia (Mr. RANDOLPH) is paired with the Senator from Ohio (Mr. METZENBAUM).

If present and voting, the Senator from West Virginia would vote "yea" and the Senator from Ohio would vote "nay."

I further announce that, if present and voting, the Senator from Minnesota (Mr. ANDERSON) would vote "nay."

Mr. STEVENS. I announce that the Senator from Nevada (Mr. LAXALT) and the Senator from Oregon (Mr. PACKWOOD) are necessarily absent.

The result was announced—yeas 55, nays 38, as follows:

[Rollcall Vote No. 158 Leg.]

YEAS—55

Allen	Ford	Long
Baker	Garn	Lugar
Bartlett	Glenn	McClure
Bellmon	Goldwater	Morgan
Bentsen	Gravel	Pearson
Bumpers	Hansen	Percy
Burdick	Hatch	Roth
Byrd, Harry F., Jr.	Hatfield, Mark O.	Schmitt
Byrd, Robert C.	Hayakawa	Schweiker
Cannon	Heinz	Scott
Chafee	Helms	Stafford
Chiles	Hodges	Stennis
Church	Hollings	Stevens
Curtis	Huddleston	Talmadge
Danforth	Inouye	Thurmond
Dole	Jackson	Tower
Domenici	Javits	Wallop
Eastland	Johnston	Weicker
		Young

NAYS—38

Abourezk	Haskell	Nelson
Bayh	Hathaway	Pell
Biden	Humphrey	Proxmire
Brooke	Kennedy	Ribicoff
Case	Leahy	Riegle
Clark	Magnuson	Sarbanes
Cranston	Mathias	Sasser
Culver	Matsunaga	Sparkman
DeConcini	McGovern	Stevenson
Durkin	McIntyre	Stone
Eagleton	Melcher	Williams
Griffin	Moynihan	Zorinsky
Hart	Muskie	

NOT VOTING—7

Anderson	Laxalt	Packwood
Hatfield, Paul G.	Metzenbaum	Randolph
	Nunn	

So the motion to lay on the table was agreed to.

(The following subsequently occurred:)

Mr. METZENBAUM. Mr. President, I was unavoidably absent at the time the motion to table the Kennedy amendment was made. I was absent on official business. Had I been present I would have voted in opposition to the motion to table.

Mr. THURMOND. Mr. President, on the vote on the Kennedy amendment I am recorded as voting against tabling it. The vote should have been in favor of tabling it, and I ask unanimous consent that the vote be changed.

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object—and I shall not object—the Senator's vote would not change the outcome.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The above tally has been corrected to reflect the above order.)

Mr. BUMPERS. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. JACKSON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BUMPERS. Mr. President, I move the adoption of the amendment.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendment.

The amendment (UP amendment No. 1307) was agreed to.

Mr. BUMPERS. Mr. President, are we ready to yield back the time?

Mr. DURKIN. Mr. President, I ask for third reading.

The PRESIDING OFFICER. Without objection, the committee amendment is agreed to.

The question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

Mr. STEVENS. Mr. President, I ask unanimous consent that Everett Wallace have the privilege of the floor during the remainder of the day.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. JACKSON. Mr. President, the imminent passage today of H.R. 130, the Petroleum Marketing Practices Act, is a victory for small businessmen engaged in the marketing of refined petroleum products. It is a tribute to the perseverance of these businessmen, who must deal day in and day out with some of the most powerful, and also the most insensitive, corporations in this country, the major oil companies. It is further a special tribute to the tireless efforts of the executive director of the National Congress of Petroleum Retailers, Charles Binsted, who has represented the branded independent gasoline dealers of this country with a dedication which is an example of public service for small businessmen everywhere. I am sorry that Charlie is unable to be here to see the Senate vote on his bill. My thoughts, and the thoughts of everyone who has dealt with him on this issue, are with him.

The victory today is an important one, but—and I know Charlie would agree—it is only a partial one.

Title I of H.R. 130 provides basic protection for the gasoline dealer against arbitrary termination of his franchise by his supplier. However, a bill which goes no further than franchise protection goes only half the distance we need to go. The predatory manipulation of prices by gasoline suppliers is a threat just as serious, if not more so, than the threat of franchise termination. This is why I have so strongly supported legislation which goes the full distance and includes by a title III addressing price discrimination by gasoline suppliers.

Everyone knows how this discrimination works. The incoming mail of my colleagues is packed with letters from gasoline dealers telling the story in the clearest possible way.

The key to the oil company strategy is the company-operated outlet. The volume sold through these outlets increased 69 percent between 1972 and 1976. These outlets are the tools with which the oil company competes with its own independent dealers, with which it enforces greater oil company control over the marketplace.

A supplier subsidizes the price of gasoline through his own direct retail outlets. Nearby dealers must lower their prices. At the same time the supplier demands a higher share of the profits of these independent dealers and insists that their sales volumes increase. Some dealers are driven out of business by the squeeze: their franchises are terminated voluntarily because the dealers are going bankrupt. The supplier takes these stations over.

The result? Greater supplier penetration into retail marketing, larger supplier profits from sales to the remaining independent dealers, and a weakened independent retail sector. What we are seeing in this scenario is the beginning of the end of competition in gasoline marketing. Title I of H.R. 130 provides no defense against these tactics by suppliers.

The strength of competition in the sale of gasoline has and always will depend on the strength of the sector composed of branded and nonbranded independent marketers. These small independent businessmen function in the face of vigorous competition, and the consumer benefits. If this sector is lost or even substantially weakened, competition will suffer and the consumer will be the loser.

This simple fact ought to be evident to everyone. Yet we have heard and seen introduced into the record during the debate on H.R. 130 a highly curious analysis of the gasoline market that comes to just the opposite conclusion. This view has been put forward by self-proclaimed defenders of competition and misguided defenders of the consumer who are in an alliance with the major oil companies to emasculate any provision of the bill aimed at prohibiting price discrimination by gasoline suppliers. In doing this, these people are doing the work of the oil companies, a group of corporations with less interest in the consumer and less interest in competition than almost any I can think of. In permitting the continuation, indeed, the spread of predatory oil company pricing policies these people are, in fact, initialing the death certificate of competition in the gasoline market. Somehow it is imagined that, even if thousands of branded and nonbranded independent marketers, unprotected by H.R. 130, are driven out of business over the coming years by these price manipulations, a competitive market for consumers will remain. Nothing could be more foolish.

No amount of investigation by the antitrust agencies or congressional hearings into the relationship between the OPEC cartel and the international oil companies is going to help this sector once it has been destroyed. And I am one who thinks that this interminable theorizing is perfectly useless in preventing the deterioration of competition.

I favor the enactment of effective measures to preserve the competitiveness of the gasoline market. We have to go the second mile and address the pricing power of the oil companies. If that can not be accomplished today, it must be accomplished soon in the next Congress. If not, our competitive retail gasoline market is in severe danger.

THE NEED FOR OIL INFORMATION

● Mr. CULVER. Mr. President, this occasion is a good time to acknowledge that if the country runs on energy, it is equally true that our energy policy must run on adequate and reliable information.

Four years ago, I introduced an information amendment adopted by the

Congress to assure that we would not be making energy policy in the dark. It authorized the Federal Energy Administration—now the Department of Energy—to make inspections and verify inventories, so as to obtain an accurate assessment of energy reserves, production, pipeline movements, refinery runs, and other key energy indicators.

This legislation was designed, among other things, to restore the confidence of consumers and voters in the operations of their energy industry and of their Government.

Now, four years later, in 1978, the voters are nevertheless still highly skeptical of the energy crisis, the energy companies, and energy policymaking machinery right here in Government. As a consequence vast numbers of our fellow citizens have been withholding their approval from the kind of measures proposed by President Carter more than a year ago.

Why is this? Why do so many Americans still believe they are being manipulated? Very simply, it is because we still are not collecting, verifying, and making available the information called for by my amendment of 4 years ago. We are told that the energy companies want to protect the confidentiality of their proprietary data, that foreign sensitivities may be involved, that it is difficult and time-consuming to compile all the relevant information.

Mr. President, all those considerations were taken fully into account when we drafted the Energy Information Law in 1974. We worked with the Justice Department, with the Office of Management and Budget, and with both majority and minority staffs of the Committee on Governmental Affairs. It was bipartisan legislation, and it passed both the Senate and the House in that fashion. To be sure, judgments had to be made about the severity with which the police powers of the Nation should be exercised. Some of the features I have proposed, most notably a right of unannounced inspection modeled after our drug enforcement laws, were removed in the course of passage only after we were told that such powers were unnecessary, that the information we needed could be obtained without them.

Evidently that is not the case. I believe, therefore, that it is incumbent on the Energy Department and its General Counsel to review as a matter of priority why the law has not achieved its aims, why it has not been enforced as written, and if such is the case what additional legal authority is required.

I believe they should appear before Congress to document their performance under the law, and point out any inadequacies it may contain.

Mr. President, the need for effective energy information collection is not limited to policymakers alone. Our energy industries cannot operate to their full potential under a cloud of suspicion or mistrust. They must be made to understand that it is in their immediate interest, as well as in the broader national interest, to formulate policy on a factual basis, that is, and is perceived to be, reliable. But beyond that, we owe a debt to our citizens to assure them that a proclaimed scarcity of energy—with all that entails in the way or hardship or sacrifice—does not rest on the shaky foundation of a scarcity of information.●

● Mr. DOLE. Mr. President, the passage of some protective legislation for gasoline franchisees has been urged for years by trade associations and individual retailers. Today the Senate is considering such protective legislation—the Petroleum Marketing Practices Act—otherwise known as the dealer day in court bill.

PURPOSES OF THE BILL

The bill has several purposes. Title I protects franchised distributors and retailers of motor fuel from discriminatory termination or nonrenewal of contracts. Unlike many small businesses, owners of gasoline franchises seldom own or control their place of business. As a result, these distributors are often at the mercy of their refiner—suppliers. There are currently no Federal safeguards establishing guidelines for this sort of franchise relationship. This bill establishes such safeguards in the form of minimum requirements which must be met in order to terminate or fail to renew a franchise contract.

Title II of the bill requires that the octane rating of fuel be posted. An FTC regulation to this effect has been held up in court for 7 years on questions pertaining to the Commission's authority. While it is important to buy gasoline of sufficient octane rating to prevent knocking in an automobile, there are no advantages to buying gasoline of a higher octane rating than necessary. Higher octane fuel is more energy intensive than lower octane fuel, requiring more crude oil to produce, and resulting in more pollution. Additionally, the posting of octane ratings allows gasoline buyers to comparison shop among different brands.

TITLE III

Mr. President, as the bill came from the House, these were the only two titles it contained. The Senate Energy and Natural Resources Committee added a third section, title III. The committee, which has been unanimous in its support of titles I and II, accepted by a vote of only 11 to 7 the restrictions of title III.

Mr. President, it seems to the Senator from Kansas that this suggests we take a closer look at the provisions of that section. Title III prohibits the subsidization of petroleum marketing with profits made by refiners in "upstream" operations. On first glance, this appears to be a reasonable measure, which could only result in increased competition among gasoline distributors. However, I believe that careful scrutiny will reveal that there are numerous problems, both with its approach and its administration.

Title III prohibits subsidization by "upstream" operations of vertically integrated marketeers. However, the legislation makes no distinction among types of subsidization, instead assuming that any decrease in price is anticompetitive. Such an attitude fails to account for many normal business operations. For instance, under title III, a business which lowered prices because business was poor, or to pass profits on to consumers, or as a promotional activity, would still be in violation of the law. The Justice Department, in a communication to the committee, made absolutely clear the fact that title III restrictions could easily reduce competition rather than enhance it, and would probably result in cost-plus pricing, in which only price increases were passed on to the consumer.

Mr. President, title III was added to this legislation in the basic belief that subsidized pricing threatened the survival of franchises. However, a Department of Energy survey indicates that in the past 5 years the independent marketers' share of the retail market has actually grown. Again, the Justice Department states:

> There is no credible evidence of a threat to the long-run competitive viability of independents as a class.

Lastly, title III would result in an administrative nightmare for many small businesses. Actions brought under this bill would impose tremendous accounting burdens on both plaintiffs and defendants. Costs and benefits from each component of business, at each level would have to be identified. In areas such as advertising, such a formula would be unworkable.

Mr. President, in December of last year I wrote my colleague, Senator JACKSON, a letter urging prompt consideration of the dealer day in court legislation which the House had passed. While I continue to support the first two sections of the bill, I sincerely hope that the problems with title III can be overcome.●

Mr. DURKIN. Mr. President, I ask for the yeas and nays on passage.

The ACTING PRESIDENT pro tempore. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The ACTING PRESIDENT pro tempore. Is all time yielded back?

Mr. DURKIN. All time has been yielded back.

Mr. ROBERT C. BYRD. Mr. President, for the information of the Senate, this is the last rollcall vote of the day.

The ACTING PRESIDENT pro tempore. The bill having been read the third time, the question is, Shall it pass? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. Mr. President, for the information of the Senate this is the last rollcall for today.

The ACTING PRESIDENT pro tempore. All time has been yielded back. The bill having been read the third time, the question is, Shall it pass? On this question the yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Montana (Mr. HATFIELD) and the Senator from West Virginia (Mr. RANDOLPH) are necessarily absent.

I further announce that, if present and voting, the Senator from West Virginia (Mr. RANDOLPH) would vote "yea".

Mr. STEVENS. I announce that the Senator from California (Mr. HAYAKAWA), the Senator from Nevada (Mr. LAXALT), and the Senator from Oregon (Mr. PACKWOOD), are necessarily absent.

The result was announced—yeas 95, nays 0, as follows:

[Rollcall Vote No. 159 Leg.]

YEAS—95

Abourezk	Glenn	Morgan
Allen	Goldwater	Moynihan
Anderson	Gravel	Muskie
Baker	Griffin	Nelson
Bartlett	Hansen	Nunn
Bayh	Hart	Pearson
Bellmon	Haskell	Pell
Bentsen	Hatch	Percy
Biden	Hatfield,	Proxmire
Brooke	Mark O.	Ribicoff
Bumpers	Hathaway	Riegle
Burdick	Heinz	Roth
Byrd,	Helms	Sarbanes
Harry F., Jr.	Hodges	Sasser
Byrd, Robert C.	Hollings	Schmitt
Cannon	Huddleston	Schweiker
Case	Humphrey	Scott
Chafee	Inouye	Sparkman
Chiles	Jackson	Stafford
Church	Javits	Stennis
Clark	Johnston	Stevens
Cranston	Kennedy	Stevenson
Culver	Leahy	Stone
Curtis	Long	Talmadge
Danforth	Lugar	Thurmond
DeConcini	Magnuson	Tower
Dole	Mathias	Wallop
Domenici	Matsunaga	Weicker
Durkin	McClure	Williams
Eagleton	McGovern	Young
Eastland	McIntyre	Zorinsky
Ford	Melcher	
Garn	Metzenbaum	

NAYS—0

NOT VOTING—5

Hatfield, Paul G.	Hayakawa	Packwood
	Laxalt	Randolph

So the bill (H.R. 130), as amended, was passed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. DURKIN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DURKIN. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make technical and clerical corrections in the engrossment of the Senate amendments to H.R. 130, and that S. 743 be indefinitely postponed.

The PRESIDING OFFICER (Mr. DECONCINI). Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I commend the distinguished managers of this bill, the Senator from New Hampshire, Mr. DURKIN, and the Senator from Wyoming, Mr. HANSEN, for their splendid handling of the Dealers Day in Court bill. The subject of protection of independent gasoline dealers from arbitrary cancellation by their oil company lessors has been debated and discussed for a long period of time in this body. I think the overwhelming vote by which this bill has passed the Senate attests to the splendid work of the managers of the bill, as well as of the distinguished chairman of the Energy Committee (Mr. JACKSON).

I think it is well to also remember the yeoman work of two of our former colleagues, Senator Philip Hart of Michigan and Senator Frank Moss of Utah, in the area of protection of franchised gasoline dealers. Their early efforts in this regard, I am sure, contributed to the approval of the bill by this body today.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business not to extend beyond 45 minutes, with statements limited therein to 10 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

At 3 p.m., a message from the House of Representatives delivered by Mr. Hackney, one of its reading clerks, announced that the House of Representatives has passed the following bills in which it requests the concurrence of the Senate:

H.R. 1920. An Act to amend section 5064 of the Internal Revenue Code of 1954 to provide for refund of tax on distilled spirits, wines, rectified products, and beer lost or rendered unmarketable due to fire, flood, casualty, or other disaster, or to breakage, destruction, or other damage (excluding theft) resulting from vandalism or malicious mischief while held for sale;

H.R. 2852. An Act to amend the Internal Revenue Code of 1954 to provide that refunds of the taxes on gasoline and special fuels shall be made to aerial applicators in certain cases;

H.R. 2984. An Act to amend the Internal Revenue Code of 1954 to exempt from the excise tax imposed on trailers any trailer designed to be used with a light-duty vehicle for farming purposes or for transporting horses or livestock; and

H.R. 6503. An Act to amend the Intercoastal Shipping Act, 1933, and for other purposes.

The message also announced that the House has agreed to the following concurrent resolution, in which it requests the concurrence of the Senate:

H. Con. Res. 583. A concurrent resolution relating to Americans missing in action.

The message further announced that, pursuant to the provisions of section 1, Public Law 86–420, the Speaker appoints Mr. DE LA GARZA, chairman, Mr. WRIGHT, vice chairman, Mr. UDALL, Mr. WHITE, Mr. KAZEN, Mr. ALEXANDER, Mr. WOLFF, Mr. VAN DEERLIN, Mr. ROUSSELOT, Mr. GILMAN, Mr. LAGOMARSINO, and Mr. RUDD as members of the U.S. delegation of the Mexico-United States Interparliamentary Group on the part of the House.

HOUSE BILLS AND CONCURRENT RESOLUTION REFERRED

The following bills were read twice by their titles and referred as indicated:

H.R. 1920. An Act to amend section 5064 of the Internal Revenue Code of 1954 to provide for refund of tax on distilled spirits, wines, rectified products, and beer lost or rendered unmarketable due to fire, flood, casualty, or other disaster, or to breakage, destruction, or other damage (excluding theft) resulting from vandalism or malicious mischief while held for sale; to the Committee on Finance.

H.R. 2852. An Act to amend the Internal Revenue Code of 1954 to provide that refunds of the taxes on gasoline and special fuels shall be made to aerial applicators in certain cases; to the Committee on Finance.

H.R. 2984. An Act to amend the Internal Revenue Code of 1954 to exempt from the excise tax imposed on trailers any trailer designed to be used with a light-duty vehicle for farming purposes or for transporting horses or livestock; to the Committee on Finance.

H.R. 6503. An Act to amend the Intercoastal Shipping Act 1933, and for other purposes; to the Committee on Commerce, Science, and Transportation.

The following concurrent resolution as read by title and referred as indicated:

H. Con. Res. 583. A concurrent resolution relating to Americans missing in action; to the Committee on Foreign Relations.

JOINT REFERRAL OF A BILL—S. 2995

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that S. 2995, the so-called Union Station Improvement Act of 1978, which was introduced and referred to the Committee on Environment and Public Works on April 26, 1978, be jointly referred to that committee and to the Committee on Commerce, Science, and Transportation.

The PRESIDING OFFICER. Without objection, it is so ordered.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. MOYNIHAN, from the Committee on Finance, with an amendment and an amendment to the preamble:

S. Con. Res. 73. A concurrent resolution to express the sense of the United States Congress regarding the imposition of import fees on crude oil by the President of the United States (Rept. No. 95–787).

By Mr. BUMPERS, from the Committee on Energy and Natural Resources, with an amendment:

S. 2463. A bill to amend the Surface Mining Control and Reclamation Act of 1977 (Public Law 95–87) to raise certain authorized funding levels contained therein, and for other purposes (Rept. No. 95–788).

By Mr. BUMPERS, from the Committee on Energy and Natural Resources, with amendments:

S. 2234. A bill to authorize appropriations for activities and programs carried out by the

Secretary of the Interior through the Bureau of Land Management (Rept. No. 95–789).

By Mr. GRAVEL, from the Committee on Finance, without amendment:

H.R. 112. An Act to amend the Internal Revenue Code of 1954 to reduce the excise tax on the investment income of private foundations from 4 percent to 2 percent (Rept. No. 95–790).

By Mr. JACKSON, from the Committee on Energy and Natural Resources, without amendment:

S. 2699. A bill to amend the Act of June 27, 1960 (74 Stat. 220) as amended by the Act of May 24, 1974 (88 Stat. 174, 176; 16 U.S.C. 469) relating to the preservation of historical and archeological data; to authorize appropriations under section 3(b) and 4(a) for fiscal years 1979 through 1983, and for other purposes (Rept. No. 95–791).

By Mr. FORD, from the Committee on Energy and Natural Resources, with an amendment:

S. 2249. A bill to prohibit discrimination in rates charged by the Southwestern Power Administration and to require due process in the confirmation of such rates by the Federal Energy Regulatory Commission (Rept. No. 95–792).

By Mr. PELL, from the Committee on Rules and Administration, with amendments:

S. 2507. A bill to authorize the Smithsonian Institution to acquire the Museum of African Art, and for other purposes (Rept. No. 95–793).

By Mr. PELL, from the Committee on Rules and Administration, without amendment:

S. 2730. A bill to establish a Hubert H. Humphrey Fellowship in Social and Political Thought at the Woodrow Wilson International Center for Scholars at the Smithsonian Institution and to establish a trust fund to provide a stipend for such fellowship (Rept. No. 95–794).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. CULVER (for himself and Mr. NELSON):

S. 3049. A bill to amend the Internal Revenue Code of 1954 to provide for a deduction for certain amounts paid into a reserve for product liability losses and expenses, to provide a deduction for certain amounts paid to captive insurers, and for other purposes; to the Committee on Finance.

By Mr. MAGNUSON (for himself, Mr. STEVENS, and Mr. JACKSON):

S. 3050. A bill to provide for the regulation of foreign fish processing vessels in the Fishery Conservation Zone, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. EAGLETON:

S. 3051. A bill for the relief of Tsutomu Tanaka; to the Committee on the Judiciary.

By Mr. CHURCH (for himself and Mr. MCCLURE):

S. 3052. A bill to amend the Wild and Scenic Rivers Act by designating the St. Joe River in Idaho as a component of the National Wild and Scenic Rivers System; to the Committee on Energy and Natural Resources.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. CULVER (for himself and Mr. NELSON):

S. 3049. A bill to amend the Internal Revenue Code of 1954 to provide for a deduction for certain amounts paid into a reserve for product liability losses and expenses, to provide a deduction for certain amounts paid to captive insurers, and for other purposes; to the Committee on Finance.

PRODUCT LIABILITY SELF-INSURANCE ACT OF 1978

● Mr. CULVER. Mr. President, I am today introducing legislation recommended by the Department of Commerce to the President as the best short-term remedy to problems faced by businesses in obtaining adequate financial protection from product liability. This bill would permit businesses to deduct from taxable income certain contributions to a self-insurance reserve account used exclusively to pay product liability losses and related costs. It offers the same conceptual approach to the problem as S. 1611 which I introduced in May 1977. Some specific features are different, however, and I want it clearly understood that by introducing this bill today I am not necessarily indicating a preference for the details of this new measure.

This bill, for example, places absolute limitations on the size of the allowable deduction which are not provided in S. 1611. Of course it is important that responsible controls be placed on the size of the tax benefit offered; on the other hand, I have strong reservations whether the upper limits recommended by the Commerce Department are sufficient to address the serious problem which many companies are facing. Introducing this legislation today will, I hope, give us the bases for making a final determination as to just what level of deduction is necessary and appropriate in this area.

Under the terms of this bill, a severe product liability problem is defined as the inability of a firm to obtain coverage on the conventional market at a cost of less than 3 percent of its yearly gross sales. Companies meeting this standard would be permitted deductions for contributions to a reserve account of no more than 5 percent of sales in the year of the contribution. However an absolute limit of $100,000 would apply to deductions in any given year and a deduction would not be permitted for any contribution which caused the total amount in the reserve fund to exceed 15 percent of average annual gross sales. Firms not qualifying as having a severe problem would be limited to 2 percent deductions with an absolute upper limit of $25,000 per year. At no point could a deduction be claimed for a contribution which increased the reserve account's size to more than 10 percent of average annual gross sales.

It should be noted that under this legislation payments to "captive" insurance companies are also deductible—subject to the same limitations on amounts that apply to self-insurance reserve accounts. It is a matter of some dispute currently whether payments to "captives" are deductible as business expenses; on this issue the intent of the legislation is to be neutral. Payments to "captives" will be no more or less attractive than payments to self-insurance reserves under this bill.

Funds in the account could be used to pay product liability losses or related costs such as legal expenses. The legislation prescribes technical safeguards to prevent abuses and enacts stiff penalties for any use of funds from the account for nonproduct liability purposes.

Mr. President, it may be useful to explain briefly the reasons why this legislation is essential.

In September of 1976 the Senate Small Business Committee conducted the first congressional hearings on problems in the product liability field. At that time, I believe there were few if any Members of Congress aware of the serious difficulties posed by rapidly rising costs of insurance premiums. I know that when I chaired those hearings I was surprised and alarmed by the extent of the problem that came to light.

We discovered that some industries were experiencing rate increases that averaged over 100 percent each year. Many individual firms saw increases ranging into thousands of percentage points. For some companies, insurance coverage was not available at any price. A surprisingly large number of businesses affected had never had an unfavorable judgment against them.

Equal to the seriousness of the problem was its complexity. Complicated questions of product design, tort law, and insurance ratemaking procedures were involved. Businessmen and women, insurers, consumers, workers, and other groups all had legitimate—but sometimes conflicting—interests; striking a fair balance among them would be an exceedingly difficult task. Expert opinion was divided as to whether the root causes of the problem lay in manufacturing practices, court claims and settlements, or the bases by which insurance companies administered their coverage of product liability. If there was agreement on any one principle that emerged from the early hearings it was that a fundamental, comprehensive solution to the problem was likely to take several years to design and implement.

While that solution is pursued, however, it is imperative that responsible action be initiated to provide ways for businesses to insure themselves. Such action would protect not only the economic viability of the businesses involved but also consumers and employees by assuring that just compensation would be available for injuries they suffered.

One approach to such short-term relief which emerged from Small Business Committee hearings and is implemented by this bill is allowing a tax deduction for "self-insurance." Equity alone would justify such a step. Currently firms capable of obtaining insurance coverage on the conventional market may deduct from their taxable income the amount of their premiums as a cost of doing business. Firms not able to obtain insurance at affordable costs may have to set funds aside as a reserve to be used for claims settled against them. Under current law, however, tax must be paid on the reserved funds. The result is both unequal treatment of businesses accomplishing the same end by different means and a disincentive for some firms to undertake

an economically and socially responsible course of action. The legislation I am introducing today has the purpose of resolving this inequity and removing the disincentive.

More than equity is involved here, however. In its recommendation to the President, the Commerce Department cited a number of additional advantages to this course of action. They include the following:

It will permit small businesses that have a good safety record to obtain a practical benefit from that record. At present, most product liability insurers do not allow small businesses to benefit directly from a claim-free experience.

It may encourage insurers to be more accurate in rate setting because of the potential competition of self-insurance.

By stimulating greater use of self-insurance, it should reduce demand for product liability insurance (particularly for some adverse risks) and increase its availability, thereby reducing costs.

It may encourage product liability loss prevention techniques since the manufacturer's own funds are at risk.

Perhaps the greatest benefit of the remedy is that it will permit businesses to make greater use of deductibles—this in turn will reduce their insurance costs.

As I suggested at the outset of my remarks, Mr. President, this legislation is similar to a bill which I introduced last May. The two bills differ in several features, however. I am introducing the Commerce Department model bill to facilitate discussion of how best to design such an approach to short-term relief for product liability problems. It is essential that any legislation dealing with this subject be as substantively sound and precise as possible. I am therefore pleased to offer this legislation today to afford us the opportunity to compare carefully the specific details of the two bills. At the same time, I believe we must acknowledge the urgency of immediate attention to this subject. The hearings of the Small Business Committees of both the Senate and House, the comprehensive investigations of the Federal Interagency Task Force on Product Liability, and the further study of the Commerce Department have established the basic documentary record demonstrating the need for assistance and the efficacy of the self-insurance deduction approach. I hope therefore that the Senate will direct serious and prompt attention to this subject. I ask unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3049

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.—This Act may be cited as the "Product Liability Self-Insurance Act of 1978".

SEC. 2.—SELF-INSURANCE FOR PRODUCT LIABILITY LOSSES.—Section 165 of the Internal Revenue Code of 1954 (relating to losses) is amended by redesignating subsection (i) as (j) and by inserting after subsection (h) the following new subsection:

"(i) SELF-INSURANCE FOR PRODUCT LIABILITY LOSSES AND EXPENSES.—

"(1) GENERAL RULE.—In the case of a taxpayer engaged during the taxable year in a trade or business which involves the manufacture, importation, distribution, lease, or sale of a product with respect to which the taxpayer may incur any product liability, at the election of the taxpayer, there shall be allowed as a deduction under subsection (a) the sum of—

"(A) any amounts transferred by the taxpayer for such taxable year to his product liability loss reserve account, and

"(B) any amounts paid by the taxpayer for such taxable year to a captive insurer with respect to the product liability of the taxpayer.

"(2) DETERMINATION OF AMOUNT.—

"(A) TAXPAYER WITH SEVERE PRODUCT LIABILITY INSURANCE PROBLEM.—In the case of a taxpayer who has a severe product liability insurance problem (as defined in paragraph (11)) for the taxable year, the amount determined under paragraph (1) shall not exceed the smallest of—

"(i) 5 percent of the gross receipts of the taxpayer for such taxable year from the manufacture, importation, distribution, lease, or sale of such product,

"(ii) the amount which, when added to the sum of—

"(I) the balance of the taxpayer's product liability loss reserve account, and

"(II) the net contributions of the taxpayer to his captive insurer, if any,

equals 15 percent of the taxpayer's average yearly gross receipts from the manufacture, importation, distribution, or sale of such product during the base period, or

"(iii) $100,000.

"(B) OTHER TAXPAYERS.—In the case of a taxpayer who does not have a severe product liability insurance problem for the taxable year, the amount determined under paragraph (1) shall not exceed the smallest of—

"(i) 2 percent of the gross receipts of the taxpayer for such taxable year from the manufacture, importation, distribution, lease, or sale of such product,

"(ii) the amount which, when added to the sum of—

"(I) the balance of the product liability loss reserve account, and

"(II) the net contributions of the taxpayer to his captive insurer, if any,

equals 10 percent of the taxpayer's average yearly gross receipts from the manufacture, importation, distribution, lease, or sale of such product during the base period, or

"(iii) $25,000.

"(C) BASE PERIOD.—For the purpose of this paragraph, the term 'base period' means the shorter of—

"(i) the period beginning with the most recent preceeding taxable year for which the taxpayer elected to have this subsection apply which is immediately preceded by a taxable year for which the taxpayer did not so elect and ending with the current taxable year, or

"(ii) the 5 fiscal year period of the taxpayer which ends with or within the taxable year.

"(3) DISALLOWANCE OF DEDUCTION FOR CERTAIN LOSSES.—In determining the amount of the deduction allowable for the taxable year under subsection (a) to a taxpayer who has elected to have this subsection apply, no deduction shall be allowed for any product liability loss paid or incurred by the taxpayer during the taxable year except to the extent that the aggregate amount of such losses during such year exceeds the sum of—

"(A) the amount in the product liability loss reserve account of the taxpayer at the beginning of such taxable year, plus

"(B) the aggregate amount of payments by the taxpayer to such account within the taxable year which are allowable as a deduction under paragraph (1).

"(4) USE OF FUNDS OF ACCOUNT FOR INAPPROPRIATE PURPOSES.—

"(A) IN GENERAL.—If any amount in a product liability loss reserve account is, during a taxable year, used for any purpose other than the purpose set forth in paragraph (9)(C)(iii)—

"(i) an amount equal to the amount so used shall be included in the taxable income of the taxpayer for the taxable year, and

"(ii) the liability of the taxpayer for the tax imposed by this chapter for such taxable year shall be increased by an amount equal to 50 percent of the amount so used.

"(B) EXCEPTION.—Subparagraph (A) shall not apply to amounts paid out of any product liability loss reserve account not later than the last day prescribed by law (including extensions thereof) for filing the taxpayer's return with respect to the tax imposed by this chapter for the taxable year to the extent the amount of such payment is not more than the excess of—

"(i) the aggregate amount of payments by the taxpayer to such account for the taxable year, over

"(ii) the maximum amount of such payments which may be deducted under paragraph (2).

"(5) TIME WHEN PAYMENTS TO ACCOUNT DEEMED MADE.—For the purposes of this subsection, a taxpayer shall be deemed to have made a payment to his product liability loss reserve account on the last day of the preceding taxable year if the payment is made on account of such taxable year and not later than the last day prescribed by law (including extensions thereof) for filing the taxpayer's return with respect to the tax imposed by this chapter for such taxable year.

"(6) PAYMENTS TO ACCOUNT TO BE IN CASH OR CERTAIN OTHER ITEMS.—No deduction shall be allowed under paragraph (1) with respect to any payment to a taxpayer's product liability loss reserve account other than a payment in cash or in items which the assets in said account may be invested under paragraph (12).

"(7) Special rule for controlled groups.—

"(A) IN GENERAL.—For the purpose of paragraph (2)—

"(i) in the case of any taxpayer who, during a calendar year, is a member of a controlled group of corporations, only gross receipts properly attributable under section 482 to such taxpayer for such year shall be taken into account; and

"(ii) the aggregate deductions under this subsection taken by all of the members of a controlled group of corporations for each taxable year shall be limited to the amount that would be permitted under paragraph (2) if all the component members of such group were considered to be a single taxpayer.

"(B) DEFINITION OF CONTROLLED GROUP.—For the purpose of subparagraph (A), the term 'controlled group of corporations' has the meaning given such term by paragraphs (1), (2), and (3) of subsection (a) of section 1563, except that the determination of whether a taxpayer is a component member of a controlled group of corporations at any time during a calendar year shall be made on December 31 of such year.

"(C) CONTROLLED GROUPS CONTAINING PERSONS OTHER THAN CORPORATIONS.—Under regulations prescribed by the Secretary, principles similar to the principles of subparagraphs (A) and (B) shall be applied to groups of taxpayers under common control where one or more of such taxpayers is not a corporation.

"(8) ELECTION AND DISSOLUTION OF ACCOUNT.—

"(A) MAKING ELECTION; TERMINATING ACCOUNT.—The Secretary shall prescribe by regulations—

"(i) the time and manner in which the election under paragraph (1) shall be made by a taxpayer; and

"(ii) the time, manner, and conditions under which a taxpayer may terminate his

product liability loss reserve account, and the funds accumulated therein, if any, may be distributed to the taxpayer without being subject to the penalty described in paragraph (4).

"(B) SPECIAL REQUIREMENTS.—The regulations prescribed by the Secretary regarding the election under paragraph (1) shall require the taxpayer to indicate whether he is electing to transfer all, or any portion, of the net income earned on amounts previously transferred to his product liability loss reserve account to that account. Net income so earned which the taxpayer does not elect to transfer to his product liability loss reserve account may be withdrawn from that account without penalty under paragraph (4).

"(9) DEFINITIONS.—For purposes of this subsection—

"(A) PRODUCT LIABILITY.—The term 'product liability' includes liability for damages arising out of operations after the operation has been completed or abandoned and for damages arising out of physical injuries to persons or property attributable to negligence in, breach of warranty regarding, or defects in a product manufactured, imported, distributed, leased, or sold by the taxpayer.

"(B) PRODUCT LIABILITY LOSS.—The term 'product liability loss' means any loss attributable to the product liability of the taxpayer.

"(C) PRODUCT LIABILITY LOSS RESERVE ACCOUNT.—The term 'product liability loss reserve account' means any trust—

"(i) established in writing which is created or organized under the laws of the United States or of any State (including the District of Columbia) by the taxpayer;

"(ii) the trustee of which is a bank (as defined in section 581) or another person (other than the taxpayer or any component member of a controlled group of corporations, within the meaning of paragraph (7), of which the taxpayer is a member) who demonstrates to the satisfaction of the Secretary that the manner in which that other person will administer the trust will be consistent with the purposes for which the trust is established;

"(iii) the exclusive purpose of which is to satisfy, in whole or in part, the product liability losses sustained by the taxpayer and the expenses incurred in the investigation, settlement, and opposition of any claims for compensation against the taxpayer with respect to his product liability, and to pay administrative and other incidental expenses of such trust in connection with the operation of the trust and the processing of claims against the taxpayer;

"(iv) the assets of which will not be commingled with any other property other than in a common trust fund and will only be invested as permitted in paragraph (10); and

"(v) the assets of which may not be borrowed, used as security for a loan, or otherwise used by the taxpayer for any purpose other than those described in clause (iii).

"(D) CAPTIVE INSURER.—The term 'captive insurer' means any insurer wholly-owned or partially-owned, directly or indirectly, by the taxpayer which is licensed to provide product liability insurance to the taxpayer under the laws of a State of the United States.

"(E) NET CONTRIBUTIONS OF TAXPAYER TO CAPTIVE INSURER.—The term 'net contributions of taxpayer to his captive insurer' means the sum of all premiums paid by the taxpayer to his captive insurer for product liability insurance, less all amounts paid by his captive insurer for claims against the taxpayer for compensation with respect to the product liability of the taxpayer.

"(10) RESTRICTIONS ON INVESTMENT OF ASSETS.—The assets of a product liability loss reserve account may not be invested in anything other than—

"(A) public debt securities of the United States,

"(B) obligations of a State or local government which are not in default as to principal or interest, or

"(C) time or demand deposits in a bank (as defined in section 581) or an insured credit union (as defined in section 101(6) of the Federal Credit Union Act) located in the United States.

"(11) SEVERE PRODUCT LIABALITY INSURANCE PROBLEM.—A taxpayer has a severe product liability insurance problem for a taxable year if, for such taxable year—

"(A) the taxpayer is unable to obtain a premium quotation for product liability insurance, with coverage up to $1,000,000, from any insurer other than a captive insurer; or

"(B) the lowest insurance premium quotation for product liability insurance, with coverage of up to $1,000,000, obtained by the taxpayer was equal to more than 3 percent of the gross receipts of the taxpayer for such taxable year.

"(12) DEDUTIBILITY OF AMOUNTS PAID TO CAPTIVE INSURER AS AN ORDINARY AND NECESSARY BUSINESS EXPENSE.—The deductibility, in whole or in part, of amounts paid by a taxpayer to a captive insurer for product liability insurance coverage under this subsection shall not affect the deductibility of such amounts under section 162 (relating to ordinary and necessary business expenses), except that such amounts shall not be deducted more than once.

"(13) DISCHARGE OF INDEBTEDNESS OF TAXPAYER BY PRODUCT LIABILITY LOSS RESERVE.—For for purpose of section 61 (relating to gross income), the payment by the trustee of a taxpayer's product liability loss reserve account of product liability losses sustained by the taxpayer, expenses incurred in the investigation, settlement, and opposition of any claims for compensation against the taxpayer with respect to his product liability, or other expenses permitted to be paid by the trustee of such account under paragraph (9), shall not be included in the gross income of the taxpayer.".

SEC. 3. ACCUMULATED EARNINGS TAX.

Section 537(b) of the Internal Revenue Code of 1954 (relating to the accumulated earnings tax) is amended by redesignating paragraph (4) as (5) and by inserting after paragraph (3) the following new paragraph:

"(4) PRODUCT LIABILITY LOSS RESERVES OR INSURANCE.—Amounts accumulated in a taxpayer's product liability loss reserve account and amounts paid by a taxpayer to his captive insurer for liability insurance shall be treated as amounts accumulated for the reasonably anticipated needs of the business of the taxpayer to the extent those amounts are deductible under the rules of section 165(1). Amounts so accumulated or paid which are not deductible are subject to the provisions of this part to the extent that such amounts, when added to the amount deductible under section 165, constitute accumulated taxable income.".

SEC. 4. EFFECTIVE DATE.

The amendments made by this Act apply to taxable years beginning after December 31, 1977.●

By Mr. MAGNUSON (for himself, Mr. STEVENS, and Mr. JACKSON):

S. 3050. A bill to provide for the regulation of foreign fish processing vessels in the fishery conservation zone, and for other purposes; to the Committee on Commerce, Science, and Transportation.

REGULATION OF FOREIGN FISH PROCESSING VESSELS

● Mr. MAGNUSON. Mr. President, today I am introducing, on behalf of Senators STEVENS, JACKSON, and myself, a bill to provide for the regulation of foreign fish processing vessels within our 200-mile fishery conservation zone. Two weeks ago during hearings before the Senate Committee on Commerce, Science, and Transportation, the National Oceanic and Atmospheric Administration (NOAA) announced that it did not have the legal authority under the Fishery Conservation and Management Act of 1976 (Public Law 94-265) to deny foreign permit applications for foreign processing vessels within our fishery conservation zone, except on the basis of conservation and management.

This illustrated a situation which the Congress did not anticipate when it passed the FCMA. It is a problem that has developed since the law was passed and this bill would clarify Congress policy regarding this matter.

The bill I am introducing does several things. First, it provides that foreign processing vessels may be granted a permit to come inside our 200-mile zone and buy fish from U.S. fishermen only when U.S. processors do not have the adequate capability to process the fish caught by U.S. fishermen. Second, it provides that the FCMA's provisions for fees and for obtaining a license for a fishing vessel also apply to processing vessels. Third, it provides that in determining whether to grant permits to foreign fishing or processing vessels, the Secretary of Commerce may consider whether the foreign nations appling for the permit imposes artificial trade barriers against the importation of U.S. fish.

Finally, the eight Regional Fisheries Management Councils, established by the FCMA, will determine the "capacity and extent to which processing facilities of the United States, on an annual basis, will process that portion of the optimum yield that will be harvested by fishing vessels of the United States."

This bill would provide that for species that are fully developed or utilized by U.S. processors, such as crab and salmon, there would be no joint venture permits issued. For those species where there is not adequate U.S. processing capability, permits would be issued to foreign processing vessels on an annual basis. If, within any year's time, U.S. companies have enlarged their processing capabilities of these underutilized species, such as hake or pollock, the foreign processing permits would be reduced to the extent of the newly developed capability.

Mr. President, I ask unanimous consent that the text of the bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3050

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) Section 2(a)(7) of the Fishery Conservation and Management Act (16 U.S.C. 1801 (a)(7)) is amended by striking "United States fishermen" and inserting in lieu thereof the following: "the United States fishing industry."

(b) Section 2(b)(6) of such Act (16 U.S.C. 1801(b)(6) is amended by inserting after

"development" the following: "by the United States fishing industry".

SEC. 2. (a) Section 3(10) of the Fishery Conservation and Management Act (16 U.S.C. 1802(10)) is amended by striking ", or (D) any operations at sea in support of, or in preparation for, any activity described in subparagraphs (A) through (C)".

(b) Section 3(11) of such Act (16 U.S.C. 1802(11)) is amended by striking "storage, refrigeration, transportation, or processing." and inserting in lieu thereof the following: "fueling or repair. Such term does not include any processing vessel.".

(c) Section 3 of such Act (16 U.S.C. 1802) is further amended by inserting the following immediately after paragraph (20) thereof, and renumbering paragraphs (20) through (25) as (22) through (27), respectively:

"(20) The term process or processing means any method of freezing, cooking, canning, smoking, salting, drying or other treatment of fish which does or is intended to prepare such fish for commercial use or consumption.

"(21) The term processing vessel means any vessel, boat, ship or other craft which is used for, equipped to be used for, or of a type normally used for, processing, storage, refrigeration, or transportation of fish or fish products.".

SEC. 3. Section 201(e) of the Fishery Conservation and Management Act (16 U.S.C. 1821(e)) is amended by: (1) striking "and" at the end of paragraph (3); (2) renumbering paragraph (4) as paragraph (5); and (3) inserting immediately after paragraph (3) the following:

"(4) any applicable tariff or nontariff condition on the importation of fish or fish products from the United States that are greater than those imposed by the United States; and".

SEC. 4. (a) Section 204(a) of the Fishery Conservation and Management Act (16 U.S.C. 1824(a)) is amended by inserting "processing vessel or" after "foreign".

(b) Section 204(b)(1) of such Act (16 U.S.C. 1824(b)(1)) is amended by inserting "and for each of its processing vessels that wishes to operate in the fishery conservation zone" before the period.

(c) Section 204(b)(3)(A) of such Act (16 U.S.C. 1824(b)(3)(A)) is amended by inserting "processing vessel and" after "each".

(d) Section 204(b)(4) of such Act (16 U.S.C. 1824(b)(4)) is amended by striking "such application in the Federal Register and" and inserting in lieu thereof the following: "a notice of receipt of the application in the Federal Register. Such notice shall summarize the contents of the applications from each nation with respect to the matters described in subparagraphs 3 (C), (D), and (E) and shall be set forth according to Council. The Secretary of State".

(e) Section 204(b)(6) of such Act (16 U.S.C. 1824(b)(6)) is amended by striking "After" and inserting in lieu thereof the following: "(A) Except as provided in paragraph (B) and after"; and by adding the following new provision:

"(B) The Secretary may approve any application for a foreign processing vessel that proposes to receive fish harvested by vessels of the United States unless United States processing capability is adequate for processing the fish harvested from the fishery involved; in such case the Secretary shall deny the permit application. In deciding whether to approve such an application, the Secretary may consider whether the applicant nation imposes any tariff or nontariff conditions on the importation of fish or fish products which are greater than those imposed by the United States."

(f) Section 204(b)(7) of such Act (16 U.S.C. 1824(b)(7)) is amended by—

(1) inserting in the first sentence thereof "processing vessel or" immediately before "fishing vessel"; (2) inserting in paragraph (B) thereof "processing vessel or" immediately before "fishing vessel"; and (3) inserting the following new paragraph after paragraph (C) and renumbering the succeeding paragraph accordingly:

"(D) For any processing vessel the requirement that such vessel shall only receive the amount of fish consistent with the provisions of paragraph 6(B)."

(g) Section 204(b)(10) of such Act (16 U.S.C. 1824(b)(10)) is amended by inserting "processing vessel or" after "operator of any foreign"; and by inserting "processing and" after "with respect to foreign".

(h) Section 204(b)(11) of such Act (16 U.S.C. 1824(b)(11)) is amended by inserting "processing vessels or" after "appropriate"; and by inserting "processing vessel or" after "apply to the".

(i) Section 204(b)(12) of such Act (16 U.S.C. 1824(b)(12)) is amended by inserting "processing vessel or" after "If any foreign".

(j) Section 204(c) of such Act (16 U.S.C. 1824(c)) is amended by inserting "processing vessel and" after "permit for each"; by inserting "processing or" after "under which foreign"; by inserting "processing or" after "wishes to engage in"; by inserting "processing or" after "with respect to such"; and by inserting "processing vessel or" after "the owner or operator of the".

SEC. 5. Section 303(a)(4) of the Fishery Conservation and Management Act (16 U.S.C. 1853(a)(4)) is amended by inserting immediately after subparagraph (B) thereof the following:

"(C) the capacity and extent to which processing facilities of the United States, on an annual basis, will process that portion of the optimum yield that will be harvested by fishing vessels of the United States; and".

By Mr. CHURCH (for himself and Mr. MCCLURE):

S. 3052. A bill to amend the Wild and Scenic Rivers Act by designating the St. Joe River in Idaho as a component of the National Wild and Scenic Rivers System; to the Committee on Energy and Natural Resources.

WILD AND SCENIC RIVER STATUS FOR THE ST. JOE

● Mr. CHURCH. Mr. President, it is with particular pleasure that I am introducing legislation today along with Senator MCCLURE, to classify a 66.5-mile portion of the St. Joe River in northern Idaho as a component of the National Wild and Scenic Rivers System.

When the original wild and scenic rivers legislation was passed back in 1968, the entire St. Joe River was one of a number of unique rivers designated for further study. Since then, the river has been thoroughly reviewed by both Federal and State agencies, and determined to be a suitable addition to the Wild and Scenic Rivers System. However, those reviews and the proposed classification of the St. Joe kindled a local controversy of fierce intensity, and for many years. it looked as if this issue might never be settled.

Today, almost 10 years after passage of the Wild and Scenic Rivers Act, I am pleased to announce that the studies of the St. Joe are complete, that agreement has been reached by the two contending sides, and the bitter controversy brought to an end. Peace has come to the St. Joe Valley.

Instead of prolonging the heated debate which has characterized the issue, the proponents and opponents of Federal classification of the river decided it was time to end the feud. At my encouragement, they sat down together and, with very little animosity, worked out their differences. The legislation which I am introducing today is a direct result of the agreement reached by these local citizens, and, in fact, was actually drafted by them. It is a compromise proposal, neither side got everything they wanted, and nobody was completely satisfied. But, it is a good, solid compromise.

The citizens who worked out this legislative proposal were quick to recognize the total issue consisted of a number of smaller issues on which agreement could readily be reached.

For instance, it was widely accepted that dredge mining should be prohibited in the main stem of the St. Joe and the tributaries of the river to the east of the town of Avery. This bill addresses those concerns and its language would add Federal protection where only State law now pertains.

Also, it was agreed that the classification of the St. Joe should not interfere with logging and timber harvest in the accessible reaches of the St. Joe Valley. This bill addresses those concerns by guaranteeing future construction of the access roads and bridges which are the lifeblood of the timber industry in this region.

It was further recognized that the inclusion of private lands in classified stretches of the river would be adamantly opposed by local landowners and many other local citizens. The St. Joe Valley Association, a property owners group comprised of citizens from Shoshone and Benewah Counties, has consistently held its ground in defense of the local economy and individual property rights. So, this legislation responds to those concerns as well.

The proponents and opponents of river classification agree on these underlying but central issues surrounding this controversy, and the points of agreement were set to paper and are reflected in this bill.

The intent of this legislation is to preserve the integrity of the beautiful St. Joe River, by assuring that its clear running water and high quality fisheries will not be fouled by the siltation of dredging or the impounded waters of a dam. In addition, the timber based economy of the region can remain stable with the orderly harvest of timber from the St. Joe drainages, while private property rights of individuals have not been challenged or impinged upon.

This legislation, based on a compromise agreement and the imput of local officials is similar in spirit to a bill I introduced 1 year ago to solve a thorny land management problem in the Gospel-Hump region in north-central Idaho. That legislation was also based on an agreement reached by local people willing to sit down together to discuss controversial resource allocation questions. The Gospel-Hump settlement which is now law and the St. Joe agreement both demonstrate that local people can work out their differences, if they try.

The legislation I am introducing today would provide for classification of the

St. Joe from its origin at St. Joe Lake downstream approximately 66.5 miles to the eastern boundary of Avery. Of this total, the uppermost 26.6 miles would be designated and administered as a Wild River and the lower 40 miles to the eastern boundary of Avery would be designated and administered as a recreational river.

To the people who have worked out this compromise and gave unselfishly of their time and efforts, those of us who love the scenic St. Joe owe special thanks.

Mr. President, I ask unanimous consent that the text of the bill and three editorials which appeared in Idaho newspapers concerning this compromise agreement, be printed in the RECORD.

There being no objection, the bill and editorials were ordered to be printed in the RECORD, as follows:

S. 3052

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Wild and Scenic Rivers Act (82 Stat. 906 as amended; 16 USC 1274 et seq.), is further amended as follows:

In section 3(a) after paragraph (15) insert the following new paragraph:

"(16) St. Joe, Idaho. The St. Joe River, including tributaries, from its origin in St. Joe Lake downstream to the eastern boundary of the town of Avery, Idaho, as generally depicted on the map entitled "St. Joe River Corridor Map" dated September 1976; to be administered by the Secretary of Agriculture. Notwithstanding any other provision of law, the classification of the St Joe River under this paragraph and the subsequent development plan for the river prepared by the Secretary of Agriculture shall at no time interfere with or restrict the maintenance, use, or access to existing or future Forest Service roads within the adjacent lands nor interfere with or restrict present use of or future construction of bridges across the St. Joe as needed for timber harvest. Dredge mining in any form including any use of any kind of machinery for the removal of sand or gravel for mining purposes shall be prohibited upstream from the town of Avery within the St. Joe River and its tributaries and adjacent lands on either side of the banks of the river and its tributaries, provided, however, that nothing in this Act shall be deemed to prohibit the removal of sand and gravel above the high water mark of the St. Joe River and its tributaries by any public body or its agents for the purposes of construction or maintenance of public roads. The Secretary shall take such action as is required under subsection (b) of this section within one year from the date of enactment of this paragraph. For the purposes of this river, there are authorized to be appropriated not more than $1,100,000 for the acquisition of lands or interest in lands."

[From the Idaho Statesman, May 1, 1978]

SPIRIT OF GOSPEL HUMP

First it was Gospel Hump, now the St. Joe. Idaho is learning the art of compromise. It's an encouraging trend, a far cry from the "I'm right and you're an s.o.b." attitude so prevalent in the environmental disputes of a few years ago. Conservationists and developers are starting to speak to each other. Sen. Frank Church deserves credit as a mediator in the St. Joe controversy and both sides deserve accolades for their willingness to give as well as take.

The two couldn't have been further apart. The environmentalists, throughout much of the dispute, wanted the entire river classified and development interests fought classification for any of it. The compromise agreed upon this week by a northern Idaho citizens' group calls for 66 miles to be classified either wild or recreational. Church intends to introduce legislation implementing the agreement.

If his bill is passed, it will result in just about half the river being classified. One of the best things that can be said is that the best half, above Averay, will be saved. That portion of the St. Joe, much of which flows through pristine wilderness, corresponds with most people's ideas of a wild and scenic river.

The part below Averay looks more like a mini-Mississippi, with levies, slow water and development along the riverbanks. If only half of the St. Joe could be preserved, it's a good thing it wasn't the lower half.

Many property owners along the lower half, to understate the situation, fought classification tooth and nail. Now they have what they wanted, which in one sense is as it should be. We only hope local officials will take steps to preclude rapid, unregulated development that would have an adverse effect on the river.

The conservationists, assuming the compromise becomes law, managed to save the St. Joe from some pernicious dredge mining operations and preserve the most outstanding part of the river for future generations.

Both sides gave up more than they wanted, but that's the nature of compromise. Looking at it another way, both sides won. We urge members of the state's congressional delegation to respect their wishes.

[From the St. Maries Gazette, April 27, 1978]

IT'S BEEN A LONG TIME COMING

A controversy of long standing was resolved this week as a committee worked out a compromise for including part of the St. Joe in the Wild and Scenic rivers system.

Senator Cy Chase, Senator Art Manley, Dolly Hartman, Scott W. Reed and Ray Hilding are to be congratulated for their hard work in finding a compromise which both sides could support. All have been active in the St. Joe study. But they emphasized that they acted as individuals, rather than for the organizations which they ordinarily represent.

Classification of the river in the past has generated much more heat than light when advocates and opponents faced each other. Emotions frequently ran high whenever the subject was discussed. Name-calling and motive-questioning were more frequent than the exchange of ideas and information.

The group worked out compromise language for an Act of Congress which would put the St. Joe above Avery into the river system with a couple of reservations. They hammered out the language of a statement of support which will accompany their proposal to the Congress. That took cool, intelligent negotiation and a willingness on both sides to give something to get something.

The compromise deals with logging, dredge mining, private property, and dams along the river. It covers those areas of most concern, both to the conservationists and the local property owners.

As in the Gospel Hump situation near Grangeville, the two sides found that they agreed upon much more than they disagreed about. As a result, they discovered that the area of controversy was quite small, and they could get together.

This unanimity of opinion is very important, because the floors of Congress are no place to settle this fight. In the case of controversy over a bill in Congress, what comes out seldom has much resemblance to what goes in.

The group did a difficult job and accomplished an important mission for this area. Our thanks go to them.

[From the Lewiston Morning Tribune]

SPIRIT OF GOSPEL-HUMP

The environmentalists and developers who issued a joint statement on their mutual agreement about the future of the scenic St. Joe River had unconsciously come up with an unusually apt definition of compromise. If either side is completely happy, it isn't a good compromise.

That's why some people won't compromise. They want to be completely happy. They want it all their own way.

But such rigidity is falling out of fashion in Idaho. Environmentalists and loggers came to terms recently at Grangeville over the future of Idaho County's Gospel-Hump wilderness plan. Neither the environmentalists nor the loggers could be completely happy with the outcome because, to achieve compromise, they couldn't have things all their own way. Both sides had to sacrifice. But they could be completely happy with themselves for recognizing that that's the way we work for the common good in this nation of composite opinion.

The same is true of the two sides who, weary of years of fighting, sat down together and achieved a settlement on the future of the St. Joe. The agreement is a mixture of strong and light protection for the stream—prime portions protected as the environmentalists want and less pristine portions left open to some development as the developers want. And just as he did with the Gospel-Hump compromise, Sen. Frank Church stands ready to make the compromise official by introducing the appropriate legislation.

For years, the one-woman dynamo, Dolly Hartman, and fiery State Sen. Cy Chase have been quarreling with the likes of those adamant environmentalists, Scott Reed and State Sen. Art Manley, over the future of the St. Joe. But Hartman, Chase, Reed and Manley have jointly hammered out a plan that all reasonable people will try to live with. The four of them will find now that new sides will be chosen. They will all be on the same side, supporting a responsible consensus. But they will be criticized by the more rabid version of their own kind—both those who want no protection and those who want total protection.

Nevertheless, Hartman, Chase, Reed and Manley surely know that most people are on their side. Most will salute them for continuing in the spirit of Gospel-Hump.●

ADDITIONAL COSPONSORS

S. 1010

At the request of Mr. MCINTYRE, the Senator from Minnesota (Mrs. HUMPHREY) was added as a cosponsor of S. 1010, the national consumer cooperative bank bill.

S. 1571

At the request of Mr. MCINTYRE, the Senator from Wyoming (Mr. HANSEN) was added as a cosponsor of S. 1571, a bill to grant a Federal corporate charter to the National Ski Patrol System.

S. 1611

At the request of Mr. CULVER, the Senator from Wisconsin (Mr. NELSON) was added as a cosponsor of S. 1611, a bill to amend the Internal Revenue Code to provide for a deduction for additions to a reserve for product liability losses.

S. 1726

At the request of Mr. NELSON, the Senator from Minnesota (Mrs. HUMPHREY) was added as a cosponsor of S. 1726, the Small Business Economic Policy and Advocacy Reorganization Act.

S. 1967

At the request of Mr. ROBERT C. BYRD, the Senator from Mississippi (Mr. EASTLAND) was added as a cosponsor of S. 1967, dealing with quarter annual deposit of social security contributions.

S. 2192

At the request of Mrs. HUMPHREY, the Senator from Minnesota (Mr. ANDERSON) was added as a cosponsor of S. 2192, a bill to provide grants to community agencies to use vacant or unused schools for community-based service programs.

S. 2567

At the request of Mr. CHAFEE, the Senator from Nebraska (Mr. ZORINSKY) was added as a cosponsor of S. 2567, the National Incentive Grants Act.

S. 2600

At the request of Mr. RANDOLPH, the Senator from Minnesota (Mr. ANDERSON) was added as a cosponsor S. 2600, the Rehabilitation Amendments of 1978.

S. 2691

At the request of Mr. WILLIAMS, the Senator from Ohio (Mr. METZENBAUM) and the Senator from Maryland (Mr. SARBANES) were added as cosponsors of S. 2691, a bill to provide for the furnishing of congregate housing services under the U.S. Housing Act of 1937.

S. 2733

At the request of Mr. MCINTYRE, the Senator from Iowa (Mr. CULVER) and the Senator from Colorado (Mr. HASKELL) were added as cosponsors of S. 2733, the Small Business Energy Loan Act.

S. 2791

At the request of Mr. CRANSTON, the Senator from California (Mr. HAYAKAWA) was added as a cosponsor of S. 2791, the Renegotiation Abeyance Act of 1978.

S. 2816

At the request of Mr. WEICKER, the Senator from Massachusetts (Mr. BROOKE) was added as a cosponsor of S. 2816, a bill to assist the commercial fishing industry.

S. 2969

At the request of Mr. CHURCH, the Senator from Iowa (Mr. CULVER) was added as a cosponsor of S. 2969, a bill to amend the Older Americans Act of 1965 to provide for improved programs for the elderly, and for other purposes.

S. 2990

At the request of Mr. CHURCH, the Senator from Colorado (Mr. HASKELL) was added as a cosponsor of S. 2990, the Sugar Stabilization Act of 1978.

S. 3036

At the request of Mr. PROXMIRE, the Senator from North Carolina (Mr. MORGAN) was added as a cosponsor of S. 3036, the Susan B. Anthony Dollar Coin Act of 1978.

AMENDMENT NO. 1796

At the request of Mr. SPARKMAN, the Senator from New York (Mr. JAVITS) and the Senator from New Jersey (Mr. WILLIAMS) were added as cosponsors of amendment No. 1796, intended to be proposed to S. 2637, the Housing and Community Development Amendments of 1978.

SENATE RESOLUTION 446—SUBMISSION OF A RESOLUTION IN RECOGNITION OF THE FOUNDING OF THE CALIFORNIA NURSES' ASSOCIATION

Mr. CRANSTON submitted the following resolution, which was referred to the Committee on the Judiciary:

S. RES. 446

Whereas the California Nurses' Association, the professional organization of registered nurses in the State of California, had its inception on May 20, 1903, in a meeting of nurses from different schools on the Pacific coast; and

Whereas the American Nurses' Association, the parent organization of all the State associations, has declared the period June 1977 to June 1978 as the Year of the Nurse; and

Whereas the United States Senate is aware of the dedication of nurses in our Nation to improved patient care at all levels of the health care system: Now, therefore, be it

Resolved, That the United States Senate does hereby declare its recognition of the founding of the California Nurses' Association and the special significance of the Year of the Nurse.

CALIFORNIA NURSES ASSOCIATION

● Mr. CRANSTON. Mr. President, I am proud that the California Nurses' Association which represents the professional interests of some 186,000 registered nurses in California will be celebrating its 75th anniversary on May 20.

Since that anniversary falls within the year which has been designated as the Year of the Nurse—I believe it is particularly appropriate to give it special recognition.

Mr. President, I have today submitted a resolution which will recognize the 75th anniversary of the founding of the California Nurses' Association.●

AMENDMENTS SUBMITTED FOR PRINTING

LABOR LAW REFORM ACT OF 1978—S. 2467

AMENDMENTS NOS. 1982 THROUGH 2029

(Ordered to be printed and to lie on the table.)

Mr. LUGAR submitted 48 amendments intended to be proposed by him to the bill (S. 2467) to amend the National Labor Relations Act to strengthen the remedies and expedite the procedures under such act.

TAX TREATMENT EXTENSION ACT OF 1978—H.R. 9251

AMENDMENTS NOS. 2030 THROUGH 2034

(Ordered to be printed and to lie on the table.)

Mr. PROXMIRE submitted five amendments intended to be proposed by him to the bill (H.R. 9251) relating to extensions of time for the existing tax treatment of certain items.

(The remarks of Mr. PROXMIRE when he submitted the amendments appear elsewhere in today's proceedings.)

NOTICES OF HEARINGS

SUBCOMMITTEE ON FINANCIAL INSTITUTIONS

● Mr. MCINTYRE. Mr. President, on May 2, I announced that the Subcommittee on Financial Institutions of the Committee on Banking, Housing, and Urban Affairs would continue hearings on May 16 and 17, 1978, on S. 2293, the Electronic Funds Transfer Act, and S. 2096, the Right to Financial Privacy Act.

Mr. President, today I would like to announce that the hearing on May 16 has been canceled and that on May 17, in addition to the bills already mentioned, the subcommittee will consider S. 1460 which is also entitled "The Right to Financial Privacy Act."

The hearing on these three bills will be held at 10 a.m. in room 5302, Dirksen Senate Office Building.

Anyone who wishes further information regarding this hearing should contact Mr. William R. Weber, room 5300, Dirksen Senate Office Building, telephone: 202–224–7391.●

MEDI-GAP: PRIVATE HEALTH INSURANCE SUPPLEMENTS TO MEDICARE

● Mr. CHURCH. Mr. President, I would like to announce that the Senate Committee on Aging will conduct a hearing on "Medi-Gap: Private Health Insurance Supplements to Medicare" on Tuesday, May 16, 1978, from 9:30 a.m. to 12 noon in room 357, Russell Senate Office Building.

Senator CHILES will chair the hearing. The committee will seek information concerning a fundamental question: Are older Americans purchasing more private health insurance coverage than they actually need or are they obtaining appropriate protection to supplement gaps in medicare? In addition, the committee will consider whether confusion about medicare benefits causes inappropriate purchase of private policies.●

SUBCOMMITTEE ON THE HANDICAPPED

● Mr. RANDOLPH. Mr. President, I wish to announce that the Subcommittee on the Handicapped will be conducting an oversight hearing on the Education for All Handicapped Children Act, Public Law 94–142, on May 13, in Portland, Maine.

The hearing will be held from 10 a.m. until 12:30 at the Portland Regional Vocational Technical Center, 196 Allen Avenue, Portland, Maine.

Anyone wishing further information should contact the office of the Subcommittee on the Handicapped, room 10–B, Russell Senate Office Building, telephone 224–9075.●

ADDITIONAL STATEMENTS

NEED FOR SPEEDY RATIFICATION OF UNITED STATES-UNITED KINGDOM TAX TREATY

● Mr. JAVITS. Mr. President, it is almost 1 year since the Foreign Relations Committee held hearings on the United States-United Kingdom Tax Treaty. For political as well as economic reasons, the Senate should now give its advice and consent to this treaty.

As an editorial in today's New York Times points out, the national interest will be served if the Senate approves the treaty.

The treaty is extremely important to the economic interests of the United States. So long as the treaty does not

come into force, U.S. investors cannot collect the $300 to $400 million in refunds that they will receive under the treaty, and the IRS cannot get the resultant taxes nor can State and local governments.

Also, it is important to view this treaty in the context of our international economic relations. Ratification of the tax treaty before the Bonn Economic Summit in July will be critical for the attainment of U.S. objectives at the summit.

Mr. President, the treaty is also very significant from the standpoint of international tax relations and is expected to serve as a model for future treaty negotiations with other industrialized countries to relieve various kinds of discrimination against U.S. investors in those countries.

Many of these points are made in the New York Times editorial, and I commend its reading to my colleagues. Mr. President, I ask that the following editorial be printed in the RECORD.

The editorial follows:

[From the New York Times, May 9, 1978]

THE NATIONAL STAKE IN A TAX TREATY

For a generation, except in the recession year of 1977, the exports of the industrial countries have been climbing annually about twice as fast as production, spurring growth rates, income and prosperity. That growth has depended on the reduction of barriers to international trade and investment, but many impediments remain. One of them is the discriminatory taxation of American investments abroad, and it can be significantly reduced if the Senate this week approves a new tax treaty with Britain. It would also reduce discriminatory taxation of British companies in the United States; unfortunately, it is opposed by several state governments that fear the loss of revenue. The two-thirds vote needed for ratification is in doubt.

The pending pact, arduously negotiated over three years, would replace and modernize a 1945 treaty. The major gain for American investors is a provision that would grant them relief from the double taxation of business income as it appears as corporate earnings and dividends. Britons now get such relief in the form of tax credits; the new treaty would qualify Americans for cash refunds and put them on much the same footing.

Refunds of about $85 million a year are at stake. A retroactive payment of $375 million for the 1973-78 period would also be made—a not-insignificant boost for the dollar, as the Treasury has observed. Moreover, the treaty would set a standard for similar negotiations with West Germany, France, Canada and other nations. Its approval clearly would serve American interests.

Because the United States continues to tax both corporate earnings and dividends distributions, it had to offer Britain other concessions to gain the treaty. The one that has aroused the greatest opposition would limit a type of taxation by state governments that discriminates against subsidiaries of British companies. Several governors have invoked the cry of "states' rights" to challenge the treaty. Tax officials of a dozen states have written to President Carter protesting that such treaties would significantly reduce the revenues of 32 states and also create a chance for tax evasion by American-controlled multinational companies.

The treaty would prohibit states from taxing subsidiaries for any part of the income of a parent company outside the state. However, the Treasury would help the states to apply the complicated "arms length" calculations used by the Federal Government to guard against the understating of a subsidiary's profits. A letter from Treasury Secretary Blumenthal to the 50 governors argues persuasively that this should adequately protect their taxing power Mr. Blumenthal also argues that the revenue losses are likely to be small and will probably be offset by new investments that the present system now discourages. He offers assurances that present taxing methods would continue to apply to American-controlled multinational companies.

California, with the largest stake in the present system, is now supporting ratification. Governor Brown evidently discovered on a trip to Tokyo that prospects for Japanese assembly plants and other investments in California would be improved by such tax changes. The national interest, too, will be served if the Senate rejects the proposed reservations and approves the treaty.●

SENATE SENIOR CITIZEN INTERNSHIP PROGRAM

● Mrs. HUMPHREY. Mr. President, I am very gratified that the Senate recently passed Senate Resolution 219, a resolution which formally establishes a senior citizen internship program in the Senate.

Our senior citizens comprise a major national resource of time, energy, and ideas, that we are only beginning to utilize. In recent years, I have noted that senior citizen groups have taken a greater interest in legislation which affects them. As senior interns, older Americans can learn to take a more active role in Government affairs. They obtain a better understanding of what Government can do for them and how they might work to make their special needs known.

The senior citizen internship program is an excellent program which not only affords senior citizens the opportunity to develop a better understanding of congressional operations and legislative activities, but also gives the Senate staffs the opportunity to become familiar with the whole range of socioeconomic problems which beset the elderly population.

We are a nation of over 18 million senior citizens. The numerous unmet needs of seniors in our country present to Congress a tremendous challenge. Congress, I believe, must develop new ways to brings the views of older Americans into the legislative process. The establishment of an annual senior citizen internship program is one avenue of communication. This intern program has an enormous potential for helping us frame an imaginative national policy toward older Americans.●

FARM BILL REVISITED

● Mr. GOLDWATER. Mr. President, in light of reports that the recently defeated farm bill is to be reopened in a scaled-down version, I believe it is pertinent to revive one of the most devastating explanations I have ever seen as to the situation farmers can get themselves in with laws on the books similar to the current proposal.

To show you that fundamental principles do not change, Mr. President, I believe it is rather interesting that the statement was written by a constituent in Arizona 20 years ago and yet its message is as fresh as if it were written yesterday.

The statement is actually a letter I received from a farmer or potential farmer who has some pungent remarks to make about set-aside programs in which farmers are paid on the basis of what they do not raise. It was my pleasure to first place this letter in the CONGRESSIONAL RECORD on January 9, 1958, but I am certain my colleagues will find it as amusing now as it was then.

The statement follows:

DEAR MR. SENATOR: My friend Bordeaux over in Pima County received a $1,000 check from the Government this year for not raising hogs. So I am going into the not-raising-hog-business next year. What I want to know is, in your opinion, what is the best kind of farm not to raise hogs on and the best kind of hogs not to raise? I would prefer not to raise razorbacks, but, if that is not a good breed not to raise, I will just as gladly not raise any Berkshires or Durocs.

The hardest work in this business is going to be in keeping an inventory of how many hogs I haven't raised. My friend Bordeaux is very joyful about the future of this business. He has been raising hogs for more than 20 years and the best he ever made was $400 until this year, when he got $1,000 for not raising hogs. If I can get $1,000 for not raising 50 hogs then I will get $2,000 for not raising 100 hogs.

I plan to operate on a small scale at first, holding myself down to about 4,000 hogs, which means I will have $80,000. Now, another thing: These hogs I will not raise will not eat 100,000 bushels of corn. I understand that you also pay farmers for not raising corn. So will you pay me anything for not raising 100,000 bushels of corn not to feed the hogs I am not raising? I want to get started as soon as possible as this seems to be a good time of the year for not raising hogs.

OCTAVE BROUSSARD.

P. S. Can I raise 10 or 12 hogs on the side while I am in the no-raising-hogs-business—just enough to get a few sides of bacon to eat? ●

NEW DIRECTIONS AND THE PANAMA CANAL TREATIES

● Mr. CRANSTON. Mr. President, I want to commend the valuable contribution made by New Directions, the foreign affairs citizens' lobby, to the Panama Canal Treaty debate.

New Directions, a relatively young organization, is attempting to build a new citizen force in America to focus attention on global problems such as hunger, environmental deterioration, the arms race, and nuclear proliferation, to name a few. The organization is led by a group of distinguished Americans, including Dr. Margaret Mead, Rev. Theodore Hesburgh, C. Douglas Dillion, Charles Yost, Glenn Watts, Rabbi Marc Tennenbaum, Stewart Udall, and Orville Freeman. I am delighted that Representative CHARLES WHALEN, Republican of Ohio, will assume the presidency of New Directions when his current term in Congress expires.

Mr. President, New Directions built support for the treaties by helping people to understand the treaties, rather than by resorting to what my colleague, Senator THOMAS MCINTYRE, terms, "the politics of threat and vengeance."

Last September, New Directions formed a coalition of major religious, labor, business, and public interest organizations to educate citizens on the details of the new Panama Canal treaties, and to encourage supporters to communicate in a responsible and informal manner with their elected representatives in Washington. The coalition, known as the Committee for Ratification of the Panama Canal Treaties, distributed thousands of informational brochures and treaty texts to interested individuals and organizations. In addition, committee representatives traveled across the country meeting with local representatives of nongovernmental organizations, participating in panel discussions, lecturing to university classes and appearing on radio and television talk shows.

Mr. President, New Directions and the members of the coalition played an important part in the treaty debate. I look forward to New Directions performing a constructive role in other critical issues which this body and the American people will be examining in the future.●

OUT-OF-POWER GET-TOGETHER

● Mr. BAKER. Mr. President, about 10 days ago over 50 elected Republican officeholders met in Easton, Md., to convene the first Tidewater Conference. The gathering was a product of the distinguished junior Senator from Oregon, Senator PACKWOOD, and was patterned after an annual meeting of Oregon Republicans at the Dorchester Conference. The purpose of the Tidewater Conference was to discuss and debate issues of long-range significance and attempt to develop a Republican consensus that illustrates our differences with the Democratic Party.

Senator PACKWOOD suggested five general policy resolutions which served as the basis for the discussion. Not only did the conferees adopt some form of each resolution proposed, but they also adopted three other resolutions including one to hold another conference before or following the 1978 elections.

The significance of this meeting cannot be exaggerated in my judgment. The adoption of the various resolutions by such a philosophically diverse group of Republicans is proof-positive that the GOP is the party of the future.

Senator PACKWOOD deserves the praise of all Republicans for having conceived and convened the Tidewater Conference. I should also like to commend Gov. Robert Ray and Congressman GUY VANDER JAGT for their assistance in organizing and running the conference. It was one of the most encouraging and enlightening exercises I have ever participated in as a Republican. I commend to the attention of my colleagues the comments of various respected journalists who observed the conference, as well as the eight resolutions adopted there. I ask that the aforementioned articles and resolutions be printed in the RECORD.

The material follows:

[From the Washington Post, May 3, 1978]

OUT-OF-POWER GET-TOGETHER

(By David S. Broder)

EASTON, MD.—When it was over, the man who had invented the idea and sold it to his skeptical colleagues breathed a sigh of relief.

"I'm absolutely elated," said Sen. Bob Packwood (R-Ore.). "When I came down here Friday, I was about as nervous as a father. I didn't know if it would click or not. It worked better than I dared to dream." The "it" was the first Tidewater Conference—a combination house party and town meeting that drew 50 Republican state officials, U.S. senators and representatives here last weekend.

It may have been the best single political and public relations move the Republicans have made in many years. A roomful of their brighter and more attractive young officeholders, of all ideologies, met in earnest, shirt-sleeve debate, and found, to their unfeigned joy, substantial agreement on half a dozen positive issues they can take to the voters.

To the reporters who watched, bemused, it was hard to tell what was more astaunding—the consensus that was found on defense, economic, tax and civil-rights policy in a group that spanned the GOP spectrum, or the spectacle of these youthful officeholders and their spouses lifting their glasses and voices around the piano in the wee hours—for all the world like a bunch of high-spirited Democrats.

In any event, Packwood's conference bought the Republicans tons of favorable publicity and a better sense of who they are as a party. At a cost of $60 a person—including meals and booze for the weekend—it was a heck of a bargain by today's prices.

The odd thing is it almost never happened. Packwood had helped develop a similar conference, for party volunteers, in Oregon. But when he suggested trying it with the GOP members of Congress and elected statewide officials, most of those he asked thought he was nuts. As Rep. John J. Rhodes (R-Ariz.), the House minority leader, confessed, "My first reaction was, 'Why do we want to stir up that sort of mess?' I thought it would be very fractious, but I was wrong."

Only 50 of the 255 invited officials—most of them in their 30s and 40s—showed up. Ironically, the absence of the Goldwater-Reagan-Ford-Connally generation served to accent the unspoken thought that the Republicans could field a set of rather strong presidential candidates, representing all shades of GOP opinion, without recycling the veterans of previous wars for another campaign in 1980.

It struck me watching the Tidewater Conference that Packwood may have invented the best solution yet found to a perennial and debilitating problem for our political parties: Their inability and reluctance to discuss policy questions.

As far back as I can remember, the party that lost the presidency has quaked at the thought of facing up to the question of what it would do if returned to power. The normal instinct has been to hand that question to the congressional leaders—and for them to shove it as far under the rug as possible.

After Eisenhower's victory in 1952, Lyndon Johnson and Sam Rayburn fought for four years to keep the Democratic Party from organizing any issues conferences. When Democratic Chairman Paul Butler finally launched the Democratic Advisory Council after Ike's second win in 1956, the party's congressional leaders organized a boycott of its proceedings.

Similarly, it took the defeats of both 1960 and 1964 for the Republicans to step timorously into issues discussions. Chairman Ray Bliss's Republican Coordinating Committee ventured few bold suggestions, but it did patch up some of the ideological wounds of the Goldwater-Rockefeller war and paved the way for the comebacks of 1966 and 1968.

During the entire time it was out of power from 1968 to 1976, the Democratic Party avoided any serious discussions, with Chairman Bob Strauss doing his utmost to bar any but procedural issues from the midterm convention agenda in 1974. In my judgment, the ostrich policy on issues permitted Jimmy Carter to run his campaign of calculated ambiguity in 1976. That same ambiguity is now proving so damaging to his administration and destructive of Democratic unity.

The truth of the matter is that issues do count in government, and the real business of a political party out of power is to prepare itself and its leaders for the moment when they are, once again, the government.

Packwood has found a humane, relaxed format for addressing those inescapable issues of government, in an atmosphere that breeds collegiality and consensus, not rivalry and diatribes.

By pushing his plan, he has put the Republicans four years ahead of the game in this aspect of their comeback.

His only problem now will be to cope with its success. You can write it down that when Tidewater II is held, a year from now, few Republicans with aspirations to leadership will risk being absent.

If size doesn't spoil it, it ought to be quite something. Something good that a party is doing for itself and for the country.

[From the Washington Post, May 4, 1978]

REPUBLICAN "SUNNINESS"

(By George F. Will)

EASTON, MD.—Republican officials of many ranks and persuasions gathered here last weekend, and not just to catalogue Democratic defects, a task Republicans consider comparable to numbering the sands and drinking the oceans dry. Rather, their purpose was to endorse positions to distinguish Republicans from Democrats. When the flow of soul and feast of reason had ended, the participants looked upon their work and found it good, and were especially pleased that they had been so polite to one another.

Republican gatherings are, in the deliciously mixed metaphor coined by a British jurist, "pregnant with pitfalls." Republicans of different beliefs frequently express the hope that they will not meet one another in this world or the next.

But here golden sunniness replaced ominous stoniness, and if they did not gambol like spring lambs (they are, after all, Republicans), they did revel, in their fashion, and when sleep poured over them like a healing wave, there were no wounds that needed healing. There was neither the mournful listlessness of a minority feeling impotent, nor the sulfurous acrimony that has characterized many Republican gatherings in the 66 years since William Howard Taft and Theodore Roosevelt split the party.

The frail craft of love, captained by Sen. Robert Packwood of Oregon, stayed afloat through debates about resolutions supporting action to increase minority participation in all fields but without numerical quotas, to increase reliance on tax incentives rather than federal programs in promoting social goals, to reduce substantially income and capital-gains tax rates, to minimize federal strings on grants for localities, and to support nonpartisan reapportionment commissions after the 1980 census.

Another resolution denounced Democrats for supporting "unilateral U.S. disarmament

in the face of mounting Soviet military aggressiveness."

It is said, delightfully but apocryphally, that when Woodrow Wilson asked an adviser how to rid the Atlantic of German submarines, the adviser said, "Boil the Atlantic." When Wilson tartly said that was not practical, the adviser replied that advisers advise, and implementing advice is someone else's job.

Similarly, Republicans in opposition have tended to strike impractical poses, conceding the point that serious governing is someone else's job. But the more businesslike comportment of Republicans today suggests that they think events, and power, are moving their way.

Three great economic discontinuities have altered modern political attitudes. The Depression bred the belief that government must be deeply and permanently involved in the stewardship of economic life. The challenge of postwar recovery, successfully met, convinced politicians that such stewardship would be so easy that they could take credit for producing undreamt of prosperity, and could decide how to distribute it. But the oil shocks of 1973–74, the uncertain recovery from the consequent recession, and the persisting problem of inflation have shattered the confidence of politicians, and have sharpened the ideological challenge to their pretensions.

A growing portion of the public sees the political choice in terms of two theories of sovereignty. One theory is that sovereignty resides in the individual, who calls upon the state for some services. The other theory (never expressed but implied by political attitudes and policies) is that sovereignty inheres in the state, which sets aside a small and shrinking patch of social ground on which indivduals are permitted to act without the supervision of the regulating state. Because theirs is the more convincingly antistatist party, Republicans hope that this formulation of the political choice can help reverse their decline.

Republicans have suffered three shellackings in two decades: during the 1958 recession, the 1964 Goldwater debacle and the 1974 Watergate aftermath. They partially recovered from two: in 1960 Republicans gained 20 House seats, and in 1966 they gained 21, exactly half the number they lost in 1964.

But in 1976 all but two of the 49 freshman Democrats elected in 1974 were reelected. Forty of the 47 were from districts that had elected Republicans in the three elections immediately preceding 1974. And 32 of the 40 were reelected in 1976 with margins larger than they had in 1974.

Easton was a fine place for Republicans to prepare for 1978's battles. The local delicacy is the soft-shelled crab, which, like the GOP, is small and vulnerable and, at first blush, not much to look at. But properly prepared, it is savory.

[From the New York Times, May 4, 1978]

No More MEGO's

(By William Safire)

EASTON, MD.—A "MEGO," in news-magazine lingo, is a topic to be avoided at all costs: the acronym stands for "My Eyes Glaze Over." Typical MEGO's are petrodollars, foreign aid, government reorganization; your lids are growing heavy even as you read these words.

The most stupefying political MEGO of our times has been "fiscal responsibility," a slogan behind which Republicans have been slogging for nearly half a century while the rest of the world has gone by. Cut Federal spending; balance the budget; so went the G.O.P. catechism. But that never happened, even when Republicans were elected.

Last weekend, with neither a bang nor a whimper, the new Republican leadership said goodbye to all that. At the Tidewater conference, organized by Senator Bob Packwood and attended by about 50 G.O.P. legislative leaders of all shapes and political stripes, the body of "fiscal responsibility" was gently interred.

Not that irresponsibility was exalted; no, the change was from means to ends. The question was not "How do we balance the budget?" but "How do we spur economic growth?"; not "How do we slice the pie?" but "How do we make the pie bigger?"

The central issue that divides Democrats and Republicans today, it was decided, is tax policy. Although the Carter Administration and the Democratic leadership in Congress pretends to be for a "tax cut," that is a transparent deception. Even if the Carter proposals are adopted, two out of three Americans will pay more taxes over the next two years than they do today. The new Social Security tax is enormous, and the 9 percent inflation drives wage earners into higher tax brackets, even though their purchasing power stays the same.

The Republicans want a slashing of income tax and capital gains tax rates, which would have a profound effect on increasing the take-home pay of the middle-income American, and in attracting the capital needed to create new jobs.

When the ghost of fiscal responsibility, dragging its chains, asks if this will not reduce Government revenues and increase the deficit, the answer is shot back (perhaps too quickly) that less can be more: If taxes are substantially cut, the economy will be productively stimulated, and the lower tax rates will actually produce more revenues than today's incentive-strangling high rates. Bigger pie, you see.

A good case can be made that such a cut might lead to the desired result. When talking to Democrats, the zealots of economic neoconservatism recall the results of the Kennedy tax cut in the early 1960's—lower rates and higher revenues, the best of both worlds.

When talking to conservatives, the tax-cutters harken to the days of 1954, when Robert Taft and Daniel Reeves proposed tax reduction to President Eisenhower but Treasury Secretary George Humphrey turned it down, citing a fear of deficits. (John Rhodes, the House minority leader, listening to New York Representative Jack Kemp make his dynamic, hunched-forward pitch, could not help interjecting "But you were in high school." Mr. Rhodes, however, gladly waves back to the wave of the future; he's tired of losing.)

Which brings up the question: Is the real tax cut idea too good to be true, too obviously a popular proposal to be "responsible"? Can such good politics also be good public policy?

The Republicans in conclave assembled think so. The liberals (Senators Charles Mathias of Maryland, Jacob Javits of New York) did not object; the conservatives (the Senate minority leader, Howard Baker; Delaware's William Roth, Idaho's Jim McClure, Wyoming's Malcolm Wallop) were enthusiastic. The promise of stimulating higher revenues choked off the worries of liberals concerned about reduced Government services, and the prospect of greater rewards for those who work and save attracted the conservatives.

But it is old-fashioned to measure reactions along the old left-right scale, with the left pushing big government and income redistribution, and the right pushing private sector and self-reliance. A North-South scale is being put forward by the next generation of leadership, as it seeks the point at which tax rates generate the most revenues to provide Government services while encouraging more personal freedom and individual economic growth.

As Carter populists prattle about simplifying the tax code (while making more Government grants more complex), tomorrow's leaders talk of using the tax code to provide incentives for people to promote the public interest (thereby simplifying and eliminating many Federal grants).

Tidewater may have been a turning point. The language is new, the attitude is constructive, and—who knows?—the ideas may even be fiscally responsible.

[From the Washington Post, May 1, 1978]

Issues Session Heartens GOP—Leaders Hail Spirit of Accommodation and Unity

(By David S. Broder)

EASTON, MD.—"Mr. Chairman," said Sen. H. John Heinz (R–Pa.), "the Andrew Johnson table believes the Rutherford B. Hayes amendment is preferable to the Teddy Roosevelt language now pending—with a few changes."

There were no snickers among the Republican officials who filled the room at the Tidewater Inn here this weekend, as Heinz made this curious observation.

By that time on Saturday afternoon, the rules and the lingo of the parlor game invented by Sen. Bob Packwood (R–Ore.) had been thoroughly assimilated by the 50 professional politicians present. They were focused on the serious effort to find the right words to tell the American voters how their party differs from the Democrats on the question of tax policy.

What Packwood, the chairman of the Republican Senatorial Campaign Committee, called the first of an annual series of Tidewater Conferences adjourned at noon yesterday, having adopted seven brief policy statements on civil rights, national defense, economic and tax issues, energy, reapportionment, and federal assistance to local governments.

The statements—although reflecting the consensus of many of the GOP's key congressional leaders and several of its potential 1980 Presidential contenders who attended—have no binding force.

But the process—built on a 15-year-old annual issues conference for Republican volunteers held at a resort on the Oregon seacoast—was immensely reassuring to party leaders still scarred from the ideological battles of the 1976 convention.

"This signals something very gratifying about the Republican Party," said Senate minority leader and prospective 1980 contender Howard H. Baker Jr. (R–Tenn.). "There is a spirit of accommodation and a willingness to go forward together."

"It demonstrates," said Republican National Chairman Bill Brock, "that there's an awful lot more than unifies people in this party than divides us."

Packwood, Brock and Rep. Guy Vander Jagt (R–Mich.), chairman of the Republican Congressional Campaign Committee, invited the 255 Republicans elected to the House, the Senate or state wide office. The 50 who accepted, mainly people in their 30s or 40s, spanned the ideological spectrum.

There were such staunch conservatives as Sens. Orrin Hatch (R–Utah), James McClure (R–Idaho) and Malcolm Wallop (R–Wyo.). And there were such progressives as Heinz and Sen. Jacob K. Javits (R–N.Y.), Govs. Robert * * * DuPont of Delaware, and Reps. John B. Anderson (R–Ill.) and Paul N. (Pete) McCloskey (R–Calif.).

The elected officials and their spouses—who were encouraged to join the debate but not allowed to vote—were divided among seven tables; each named for a past Repub-

lican president. None was named for Richard Nixon or Gerald Ford, however.

What Heinz called "the incredible game without rules" saw a series of mini-debates on draft propositions designed, as Packwood said, "to distinguish the Republican philosophy and approach from that of the Democrats."

Each proposition was argued and amended around individual tables for 45 minutes and then debated and lobbied for a similar period in the whole group before being brought to a vote.

Here, in summary, are the positions the conference took:

On civil rights, "we support positive and vigorous action which removes all roadblocks to equal opportunity and which increases the numerical participation of minorities without imposing numerical quotas."

At the urging of Baker, the delegates substituted "positive and vigorous action" for the draft resolution's reference to "affirmative action," which Baker called "buzzwords that mean different things to different people."

But liberals, led by McCloskey and Oregon Secretary of State Norma Paulus, succeeded in eliminating a broader statement of opposition to certain "government action," against discrimination, which they said could be taken as a slap at the courts or "a new form of racism."

In the first of two statements on tax policy, the conference said "a much greater reliance should be placed on tax incentives which encourage individual and other private sector decisions in the public interest than on federal programs financed by the taxpayer and administered by a federal bureaucracy directed from Washington."

This formulation, implying wider use of tax credits, split the conference 23 to 19, with opponents warning it could impede moves for tax code simplification and tax-rate reductions.

But the prevailing view was expressed by Rep. Millicent Fenwick (R-N.J.), who said, "It's much better to give industry an incentive to create jobs than to put the money in that terrible CETA (the Comprehensive Employment Training Act, the federal public service jobs program) which is so full of scandal and nonsense."

In the second tax statement, the conference favored "substantial permanent reductions in federal income * * * restore incentive, encourage real economic growth and expand the reward for working, saving and investing."

This approach, embodied in legislation sponsored by three of the conferees, Sen. William V. Roth (R-Del.) and Reps. William Steiger (R-Wis.) and Jack Kemp (R-N.Y.), will be offered by congressional Republicans as an alternative to the pending Carter administration tax cut and "reform" proposals.

While the resolution said deep tax cuts now would help "achieve a balanced budget," Kemp argued strongly that Republicans should put economic growth and individual incentive ahead of their traditional budget-balancing for both economic and political reasons, and his view prevailed.

On federal aid, the conference said "the vast, complex and fragmented array of federal grant programs" should be "substantially consolidated . . . through block grants . . . except when overwhelming and compelling national goals demand uniform national policy . . ."

On defense policy, the resolution accused the Democrats of supporting "unilateral U.S. disarmament in the face of mounting Soviet military aggressiveness." It called for "maintaining a balance of power" in both conventional and strategic forces and said "any agreement on arms limitations must fully protect the security of the United States and our allies."

That general language was approved after several efforts to urge expansion of specific weapons systems or spell out detailed criticisms of the current strategic arms limitation talks were debated and turned down. It reflected a broad Republican opposition to the Carter administration's approach to military issues and the negotiations with the Soviet Union.

In the area of energy policy, the conference said the continuing impasse on Carter's energy legislation "is clear evidence of the failure of national leadership by the Democrats." It urged an end to informal congressional negotiations and immediate resumption of "open meetings of all members of the congressional conference on energy to resolve this vital issue in public, as the rules of Congress require."

Anticipating problems with reapportionment after the 1980 census in state legislatures where Democrats now hold a dominant position, the conference voted to "challenge the Democratic Party to join us in support of nonpartisan reapportionment commissions" as an alternative to "the tired process of political log-rolling and gerrymandering."

[From the New York Times, Apr. 30, 1978]

GOP OFFICEHOLDERS CONFER ON POLICIES—MEETING IN MARYLAND, THEY VOTE TO SUPPORT TAX CREDITS AND EQUAL OPPORTUNITY WITHOUT QUOTAS

(By Adam Clymer)

EASTON, MD., April 29.—Looking for issues to separate themselves from Democrats and for a device to distinguish themselves from their party's old leaders, Republican officeholders assembled here today and voted to support equal opportunity without quotas, tax credits rather than Federal grants, and major cuts in the income tax.

About 50 Republicans, most of them young or middle-aged members of Congress, plus two Governors and a few other state officials, gathered at the suggestion of Senator Bob Packwood of Oregon to adopt positions on issues on which, Mr. Packwood said, Republicans and Democrats clearly disagree and the voters agree with the Republicans.

The views of this "tidewater conference" will bind no one, least of all the senior Republicans considering a 1980 Presidential race, who were not invited to the meeting because they now hold no public office. They include former President Gerald R. Ford, former Gov. Ronald Reagan of California, former Gov. John B. Connally of Texas, and the former Director of Central Intelligence, George Bush.

Those who came to the conference on Maryland's Eastern Shore included not only the Senate minority leader, Senator Howard H. Baker Jr. of Tennessee, but also several others with Presidential ambitions for 1980 or later.

PURPOSE OF THE CONFERENCE

Mr. Packwood, the chairman of the Republican Senate campaign committee, said that the group had been chosen because Republican officeholders had the greatest responsibility in articulating and carrying out policy. He added that the purpose of the conference was not to win immediate electoral gains but to begin developing a program that would help the Republicans over eight to 10 years to "phrase issues in such a way that they would eventually help elect candidates for county auditor."

A day of friendly but sometimes intense discussion among party conservatives and liberals produced generally vague policy statements. Senator Jacob K. Javits of New York argued for focusing tax cuts on investment so as to stimulate employment, but Representative Jack Kemp of Buffalo contended that much larger cuts that the Carter Administration proposed, but spread across the board for all taxpayers, would help the economy more.

Except for adding to various earlier proposals specific backing for reducing capital gains taxes, the eventual position straddled the dispute, calling with equal enthusiasm for permanent reductions in taxes, a cut in the Federal deficit and diminished inflation combined with expanded employment and economic growth.

The group quickly established its difference from the Democrats, in style at least, by debating equal opportunity and quotas and finishing in 17 minutes less than the allotted time of an hour and a half.

The agreed position was, "Resolved: We support positive and vigorous action which removes all roadblocks to equal opportunity and which increases the numerical participation of minorities without imposing numerical quotas."

That proposition came from the Abraham Lincoln table, one of several discussion groups named for Republican Presidents. For assorted political reasons no group was named for Mr. Ford, Richard M. Nixon or Herbert Hoover, among others, although Rutherford B. Hayes and William McKinley were not forgotten.

In the discussions, the style of which varied from that of a collegiate mock convention to that of an earnest academic seminar, Mr. Baker urged the Republicans to avoid the phrase "affirmative action" because it amounted to a "buzz word." Clay Myers, Oregon's State Treasurer, warned against seeming to be telling the courts how to remedy the effect of segregation.

CIVIL RIGHTS LAW

Marshall Coleman, Attorney General of Virginia, conducted a lesson in civil rights law as he has learned it in recent months of controversy with the Federal Government.

Representative Millicent Fenwick of New Jersey warned against doing no more than reacting to Democratic positions, and Norma Paulus, Oregon's Secretary of State, cautioned against seeming to encourage "a new racism."

Finally, Bill Brock, chairman of the Republican National Committee, pronounced the resolution "the simplest, clearest statement of Republican values that I have ever seen."

The quick settlement of the issue on equal opportunity and quotas was not matched when the conferees discussed tax policy. With a cheerful disregard for any established parliamentary system—an approach that only encouraged frequent parliamentary inquiries—the conferees eventually agreed that they liked tax credits and deductions better than Federal grant programs.

Mr. Packwood kept arguing the virtues of tax credits for college tuition as preferable to Federal grants requiring a bureaucracy to administer. But he was repeatedly challenged by advocates of a much simpler income tax system, and the eventual policy statement tried to reconcile the two positions.

The meeting is to conclude tomorrow with discussion on defense and criticism of the Carter Administration, which in the words of a draft resolution, "has repeatedly and consistently underestimated, misjudged and ignored the threat posed by the increasing strategic and conventional forces of our adversaries."

[From the Baltimore Sun, May 1, 1978]

REPUBLICAN MEETING ON PARTY PROGRAM LEADS TO CALLS FOR MORE, BIGGER PARLEYS

(By Anthony Barbieri, Jr.)

EASTON.—When the idea for a national conference of elected Republicans was first broached to John J. Rhodes, the House mi-

nority leader, he confessed to having had his doubts.

"My immediate reaction was, why do we have to stir up that kind of mess?" Mr. Rhodes said, referring to the "fear that if we try to do something jointly, it won't suceed."

Senator Robert W. Packwood (R., Ore.), chief organizer of the two-day meeting that came to be called the Tidewater Conference, had doubts of his own, and admitted that many of those who attended did so only "as a personal favor to me."

When the conference broke up yesterday, however, Mr. Rhodes was among those calling for an even bigger and better meeting next time, and Mr. Packwood found himself cautioning against letting it get too big.

The stated objective of the meeting that attracted about 50 Republican officeholders from across the nation was to develop a coherent Republican philosophy with which the GOP could contrast itself with the Democrats.

But if the conference produced no startling shifts in policy—or really no firm GOP policy at all—it did demonstrate that Republicans from both wings of the party could work together smoothly and even learn to like it, as long as they could ignore such emotional issues as the Panama Canal.

"It's really not so much the policy as the process," said Bill Brock, chairman of the Republican National Committee.

Over the weekend, the GOP officials—most of whom were members of Congress, although there were some governors and other state officials—talked about national defense, taxes, energy, equal opportunity and, of course, politics. While the moderates and conservatives had some lively debate over the wording of resolutions, no one went to war.

Much of this doubtless was due to the fact that, whichever side won or lost, no one's honor was at stake, since the end results were resolutions that most Americans would have little trouble supporting.

Also, the large number of legislators at the conference guaranteed that it would be dominated by practical politicans accustomed to compromise and conciliation.

There was little obvious maneuvering by presidential aspirants or their surrogates. No identifiable Reagon faction, for example, tried to push through a Panama Canal resolution that would embarrass an identifiable Ford faction and force innocent bystanders to line up on one side or the other.

"We wanted to have only elected officials, because, almost by definition, they have to keep in mind the real issues that people are worried about," Mr. Brock said. When reminded, a few minutes before the close of the conference yesterday, that the Panama Canal had hardly been mentioned, Mr. Brock simply smiled and knocked on wood.

Thus, as the conference was ending there were predictable calls for more elaborate ones in the future.

Representative John B. Anderson (R., Ill.) suggested a conference with a broader base and more minority representation; Virginia's young attorney general, Marshall Coleman, suggested that the next meeting might want to tackle priorities in the federal budget.

All of which seemed to make Mr. Packwood a little bit uneasy. He told the conference that the small and relatively managable group in Easton over the weekend already represented the best cross-section of the Republican party that could be found.

[From the Chicago Sun-Times, May 1, 1978]

FRIENDLY PARLEY EXPLORES GOP COMEBACK

(By Jerome Watson)

EASTON, MD.—More than 50 Republican officeholders—members of Congress, plus some governors and other state officials—had a strange encounter here this weekend that suggests the party may be grappling with the problem of a comeback.

The group of liberals, moderates and conservatives got together at the urging of Sen. Bob Packwood (R-Ore.) at a conference dubbed "Tidewater I" and explored—amicably, no less—a number of issues they hope will rally the party and enthuse voters.

The spirit at the conference contrasted sharply with the factionalism that has torn the party since Watergate, the 1976 presidential primaries, the Panama Canal debate and conservatives' efforts to purge liberals from the GOP.

It was the first gathering of its kind in a generation, and the Republicans behaved somewhat like the Democrats did when they sought to bounce back from the 1972 presidential election debacle: They clearly were hungry for unifying issues that might lead to victory.

The conference—which included Illinois Representatives John B. Anderson, George M. O'Brien, Robert H. Michel and John N. Erlenborn—hammered out policy statements Saturday and Sunday that committed them to support:

"Vigorous" (rather than "affirmative") action to achieve equal opportunity without resorting to quotas.

Use of tax credits, rather than federal grants and programs, whenever possible.

Substantial and permanent cut in federal income and capital-gains taxes as a key to economic prosperity.

Consolidation wherever possible of the "vast, complex and fragmented array" of federal grant programs into block grants that give local governments maximum discretion on use.

Reversal of the "Democrat policy of unilateral U.S. disarmament in the face of mounting Soviet military aggressiveness." The Republicans warned that any strategic arms limitations treaty must "fully protect" U.S. security.

In a burst of enthusiasm at the close of the conference, the Republicans also voted to condemn the Democratic leadership in the White House and Congress for failing to come up with a national energy program. They also called for reapportionment of state legislatures and the Congress, to be undertaken after the 1980 census by nonpartisan commissions.

Packwood, joined in sponsoring the conference, by other Republican leaders, including GOP national chairman Bill Brock (the only nonelected official there), had structured an agenda that avoided issues likely to divide Republicans.

"We wanted to reach agreement on issues that could be part of a long-term Republican philosophy, that would distinguish us from the Democrats and that would appeal to a majority of voters," Packwood said. "The stress was on decentralization and individual initiative, rather than on government control."

The only divisive political undertones at the conference were felt when Sen. Jacob K. Javits and Rep. Jack F. Kemp, both of New York, stressed different tax-cut approaches. Kemp is considered a likely opponent of Javits if Javits seeks re-election in 1980.

A lively debate that highlighted the struggle the party faces in broadening its base among black voters (there were no blacks at the meeting) came over the issue of affirmative action. At the urging of Senate Minority Leader Howard H. Baker Jr. (Tenn.), the conference agreed that the term "affirmative" is inflammatory and should not be used.

Instead, the conference committed itself to supporting "positive and vigorous" action that "removes all roadblocks to equal opportunity and that increases the numerical participation of minorities without imposing numerical quotas."

This language was agreed on after numerous stops and starts in which there were a series of warnings from moderate Republicans to avoid language that could appear to be racist.

Later, Javits decried a suggestion that the GOP concentrate on the middle classes because the Democrats were doing a good job representing the poor.

In the debate on GOP support for a tax cut, Illinois' Erlenborn said the party was wrong in the early 1960s when it opposed President John F. Kennedy's call for a tax cut on the ground that the budget should be balanced first. Erlenborn said a tax cut could lead to a balanced budget by stimulating the economy. "Let's learn from our mistakes; let's have tax relief that will lead to a balanced budget," he said.

The Republicans had some trouble agreeing on the wording of a resolution encouraging greater reliance on tax incentives—such as the college tax credit—than government grants. Some Republicans contended that tax credits complicated the tax code and that the GOP favored simplification of the code.

Some Republicans suggested in interviews that the effort at "Tidewater I" to develop elements of a simple, coherent GOP philosophy was significant because the Carter administration is in trouble partly for its lack of a coherent philosophy.

RESOLUTIONS ADOPTED AT THE TIDEWATER CONFERENCE

RESOLUTION I

Resolved: we support positive and vigorous action which removes all roadblocks to equal opportunity and which increases the numerical participation of minorities without imposing numerical quotas.

RESOLUTION II

Resolved: government alone cannot solve our social problems without an unacceptable burden upon the taxpayer and an unacceptable loss of personal freedom. Failure to recognize this fact has led us away from our ultimate goal of a simpler tax code and a lower tax rate. As we seek to return to these goals, a much greater reliance should be placed on tax incentives which encourage individual and other private sector decisions in the public interest than on federal programs financed by the taxpayer and administered by a federal bureaucracy directed from Washington.

RESOLUTION III

Resolved: we believe high tax rates and continued deficits are inflationary; we support substantial permanent reductions in federal income and capital gains tax rates in order to restore incentive, encourage real economic growth, and expand the reward for working, saving and investing. Such private savings and incentives will increase job opportunities, enhance maximum growth and achieve a balanced budget.

RESOLUTION IV

Resolved: that the vast, complex, and fragmented array of federal grant programs be substantially consolidated and that they be employed more effectively at the local level through block grants giving such governments the greatest possible discretion within the broadest possible spending categories, except where an overwhelming and compelling national goal demands uniform national policy and performance.

RESOLUTION V

Resolved: the interests of world peace will be best served by maintaining a balance of power involving conventional and strategic forces.

The current Democratic policy of unilateral U.S. disarmament, in the face of mounting Soviet military aggressiveness, is a serious mistake.

Therefore, in the vital search for peace, any agreement on arms limitations must

fully protect the security of the United States and our allies.

Sense of the Conference Resolutions passed Sunday at Good of the Order Session.

RESOLUTION VI

Resolved: the inability of the Carter Administration and the Congress controlled two-to-one by Democrats to create a national energy program after a year of factional squabbling in secret meetings is clear evidence of the failure of national leadership by the Democrats. It is adversely affecting our domestic and international economic relationships and is a threat to our nation's future. The Republicans urge the Democratic leadership to promptly hold open meetings of all members of the Congressional Conference on Energy to resolve this vital issue in public as the rules of the Congress require.

RESOLUTION VII

Resolved: the reapportionment of state legislatures and Congress in the aftermath of the 1980 census poses a chance to promote greater public confidence in our electoral system by a fair and objective process of redistricting. Consequently, we favor the principle of appointment of nonpartisan state commissioners to perform legislative redistricting.

The alternative is the tired process of political log-rolling and gerry-mandering that has wasted time, taxpayers' monies and public faith in our electoral system. We challenge the Democratic Party to join us in support of nonpartisan reapportionment commissions.

RESOLUTIONS VIII

Resolved: all participants in Tidewater I commend and thank Senator Bob Packwood, Congressman Guy Vander Jagt and Governor Bob Ray for initiating the program of April 28–30 and recommend that a similar conference be undertaken before or following the 1978 election.●

LEE F. JOHNSON—CHAMPION OF DECENT HOUSING FOR ALL AMERICANS

● Mrs. HUMPHREY. Mr. President, today I would like to take a moment to express my sympathy to the family and friends of Lee F. Johnson, who died of cancer at his home in Buffalo Creek, Colo., on April 11. Long a leader in developing programs to provide decent, affordable housing for low- and moderate-income families, Lee Johnson had many friends in this Chamber as well as in the House of Representatives. During his long tenure as executive vice president of the National Housing Conference, he drew together concerned and progressive citizens from around the country to witness both victory and defeat of vital housing legislation.

Hubert and Lee Johnson had a long personal friendship based on a well-founded mutual respect, admiration, and affection. His esteem for our colleague, Senator JOHN SPARKMAN, was equally intense. Lee was a beloved and familiar personality on Capitol Hill, and he will be missed.

Lee Johnson's contributions in the field of housing have been matched by few Americans of our time. He worked hard for housing, because he believed, as I do, that while "good housing for all Americans is not the cure-all for all our domestic social ills—it does, however, mark an excellent point from which to start."

Mr. President, I ask that an article from the Washington Post, discussing the career of this able and dedicated American, be printed in the RECORD.

The article follows:

LEE JOHNSON, EXECUTIVE OF HOUSING GROUP, DIES

(By Richard Pearson)

Lee F. Johnson, 72, a former executive vice president of the National Housing Conference, which lobbies for urban renewal and public housing, died of cancer Tuesday at his home in Buffalo Creek, Colo.

While he was executive vice president of the organization from 1944 to 1957, the Housing Act of 1949 was passed. It greatly expanded federal public housing activities and authorized what later became the Urban Renewal Program.

During this time the conference grew from a small New York-based group to a nationwide organization that advocated public housing.

Mr. Johnson felt that "good housing for all Americans is not the cure for all of our domestic social ills. It does, however, mark an excellent point from which to start."

He had worked as a federal housing official and from 1938 to 1940, helped administer the U.S. Housing Act of 1937, the first federal public housing program passed by Congress.

Mr. Johnson then worked until 1944 as an assistant commissioner of the Federal Public Housing Authority where he helped supervise management of the wartime public housing program.

Born in Littleton, Colo., he earned a journalism degree at the University of Colorado. He taught journalism at Colorado and worked for a time as a reporter for the Delta County Tribune in Colorado. He came to Washington as secretary to Sen. Edward P. Costigan (D-Colo.) in 1931. Mr. Johnson worked for the senator until 1936. He then went back to Colorado and worked as a newspaper editor and publisher for two years.

After retiring from the National Housing Conference in 1957, Mr. Johnson served as director of the Denver Housing Authority from 1958 to 1961.

He then became a consultant, and remained active in public housing administration in the Denver area. He was a member of the Colorado Urban League, acting director of Denver's Model Cities Program in 1968 and 1969, and a member of the Federal Housing Administration's advisory committee.

Mr. Johnson worked on the redevelopment of the South Platte area after extensive flood damage, and recently helped direct a successful water bond issue.

Mr. Johnson was the recipient of many awards. He was honored as an "outstanding alumnus" of the University of Colorado and named an "honorary member" by the Black Panthers for his work in easing racial tension in Denver during the 1960s.

He was a founding member of the National Capital Democratic Club and a member of the National Press Club.

He is survived by two sons, L. Farnum Jr., of Vienna, Va., and Air Force Lt. Col. Willard F., of Colorado Springs; a daughter, Phyllis J. Murphy, and a sister, Elizabeth Cross, both of Denver; 10 grandchildren, and three great-grandchildren.●

ARIZONA LEGISLATURE PETITIONS CONGRESS FOR REPEAL OF THE ACREAGE LIMITS OF RECLAMATION LAW

● Mr. GOLDWATER. Mr. President, on February 13, the Arizona State Senate, and on March 2, the Arizona House of Representatives, overwhelmingly passed a memorial urging the U.S. Congress to repeal the acreage limits and residency requirements of the reclamation law. I have just been furnished with an official copy of this memorial by Rose Mofford, secretary of state of Arizona, and am very impressed at the comprehensive statement of reasons given by the legislature for bringing the early reclamation laws into line with modern conditions by repealing these now antiquated provisions.

As a sponsor of S. 2867, a bill to do exactly what is called for in the memorial by my State legislature, I ask to print the text of the document in the RECORD.

The text follows:

SENATE CONCURRENT MEMORIAL 1003

A concurrent memorial urging the Congress of the United States to amend the Reclamation Act of 1902 to eliminate or modify acreage limitations and eliminate residency requirements relating to farmland irrigated with water from Federal reclamation projects

To the Congress of the United States of America:

Your memorialist respectfully represents:

Whereas, in 1902, Congress enacted a Reclamation Act, 32 Stat. 388, to provide irrigation systems for farmlands in the arid West; and

Whereas, section five of such Act prescribed a limitation of one hundred sixty acres owned by an individual farmer eligible to receive irrigation water from a reclamation project; and

Whereas, section five of such Act limited sales of such land to bona fide residents residing in the neighborhood of such land; and

Whereas, such limitations have been only sporadically enforced by the United States Department of the Interior; and

Whereas, because of the lack of enforcement of such law, many people have acquired legitimate interests in land and water in excess of authorized limits; and

Whereas, the Department of the Interior, under court order, has proposed regulations which would strictly enforce the limitations in the future and force persons holding excess lands to dispose of them in a manner and to persons dictated by the Department; and

Whereas, under the proposed regulations, an owner of excess land would be forced to sell it for a price well below its true market value; and

Whereas, under the proposed regulations, an owner of excess land would be prohibited from even leasing back such lands after disposition; and

Whereas, because of inflation and the state of commercial agriculture, one hundred sixty acres is an unrealistic limitation on agricultural holdings to the point of being arbitrary and capricious; and

Whereas, many reclamation statutes provide exceptions to the acreage limitations and such lack of uniformity may raise constitutional questions; and

Whereas, reclamation systems on Indian reservations contain no such limitation even though most of such land is under long-term lease to non-Indians; and

Whereas, strict application of the limitations at this late date will be clouded by litigation for years to come; and

Whereas, across-the-board application of the acreage limitation does not take into consideration substantial economic variations depending on the crop grown, the type of soil, the length of the growing season, the elevation and latitude of the land, the salinity of the water and many other factors; and

Whereas, the original purposes of the acreage limitation to distribute the benefits of reclamation projects, promote family farms and preclude speculation underwritten by

Federal investments are now largely obsolete, moot or nugatory; and

Whereas, imposition of the residency requirement, not enforced since the Omnibus Adjustment Act of 1926, 44 Stat. 636, would work great hardship on many people who have developed alternative lifestyles in reliance on Federal policy; and

Whereas, in the State of Arizona nearly thirty thousand acres of land would have to be transferred to comply with the proposed regulations; and

Whereas, the appearance of unpredictability of Federal policy may and the application of the proposed regulations would severely affect the marketability of all reclamation lands.

Wherefore your memorialist, the Senate of the State of Arizona, the House of Representatives concurring, prays:

1. That the Congress of the United States amend the Reclamation Act of 1902 to eliminate the acreage and residency limitations contained in section five of such Act.

2. That, as an alternative to eliminating the acreage limitation, the Congress of the United States amend such Act to revise the acreage limitation substantially upward and to authorize acreage equivalency provisions to include consideration of farm economics, the cost of operation and viable farm sizes for all crops in all areas affected by the Act.

3. That the Secretary of State of the State of Arizona transmit copies of this Memorial to the President of the United States Senate, the Speaker of the United States House of Representatives and to each Member of the Arizona Congressional Delegation.

Passed the Senate—February 13, 1978 by the following vote: 26 Ayes, 4 Nays, 0 Not Voting.

Passed the House—March 2, 1978 by the following vote: 49 Ayes, 5 Nays, 6 Not Voting.

Approved by the Governor—March 9, 1978.

Filed in the Office of the Secretary of State—March 9, 1978.●

THE 1978 CONGRESSIONAL SENIOR CITIZEN INTERN PROGRAM

● Mr. WILLIAMS. Mr. President, this week 150 senior citizens representing 34 States are converging on Washington for this year's congressional senior citizen intern program. It is my privilege to sponsor an intern for this important program, which takes place May 8–19.

The senior citizen who has joined my staff for those 2 weeks is Mr. Harry F. Bittner of Carneys Point, N.J. Mr. Bittner is very involved in senior citizen activities in Salem County, serving as president of the Western Salem County Chapter of NRTA/AARP as well as representing three counties on the NRTA/AARP New Jersey Joint State Legislative Committee. In addition, he is a member of several other senior citizen clubs and community groups. I very much look forward to his internship in my office, and feel that my staff will benefit greatly from his considerable experience and expertise in matters affecting the elderly. In turn, I know that Mr. Bittner and the other senior interns will gain useful knowledge which they can translate into effective action in their communities.

Mr. President, I would like to take this opportunity to welcome all the participants in this year's program, and feel sure that we will benefit significantly from their presence in Washington.●

TRIBUTE TO E. ELIZABETH BRYDEN

● Mr. CURTIS. Mr. President, on behalf of the members of the Senate Republican conference, I wish to pay deserved tribute to E. Elizabeth Bryden who, on this day, the 4th of May 1978, has completed 25 years of staff service in the U.S. Senate. Since January of 1965, Betty has given unstinting service as the librarian of the Republican conference. Her thorough and painstaking research in this important position has made her invaluable to Republican members of this body and their staffs.

Let me, for our benefit and for the record, mention some of the highlights of Betty Bryden's career: Her record of government service spans nearly 32 years and includes work in the executive branch as well as both Houses of Congress. Her service on Capitol Hill began in 1939, when she left Burdette College in Boston to serve on the Washington staff of Representative Robert Luce of the Ninth District of Massachusetts. In 1941, she left this post for the Department of the Navy, remaining there until January of 1945.

At that point, Betty came back to Capitol Hill to serve on the staff of freshman Senator Leverett Saltonstall of Massachusetts. She remained there, a valued employee, until 1956, when another member of the Saltonstall staff, John Fisher, encouraged her to take a sabbatical to join him in private industry as his research assistant.

But again, in 1964, Betty was called back to the Hill to join the staff of Representative Clifford McIntire of Maine, who had aspirations of becoming a Member of the Senate. Those aspirations never materialized, as Representative McIntire lost in the general election. As things turned out, the Member's loss turned out to be the gain of the Senate Republican conference, when Betty came to her present position.

Today those of us who know Betty Bryden and have benefited from the enormous yield of her efforts—both in quality and quantity—wish to commend her for her faithful and effective service.●

TEENAGE PREGNANCY: A WORLDWIDE CONCERN

● Mrs. HUMPHREY. Mr. President, Senator KENNEDY has recently introduced the administration's proposal which is entitled the Adolescent Health, Services, and Pregnancy Prevention and Care Act of 1978. I have cosponsored this bill with Senators WILLIAMS, JAVITS and HATHAWAY.

This bill would provide for primary health care; special education and social services to assist pregnant adolescents to remain in school; family planning services; education concerning sexuality and the responsibility of parenting; and vocational, employment, mental health, nutritional, and other counseling. The bill also authorizes funding for these services.

I have two very interesting items which I hope will be useful to the Members of the Senate as they consider this legislation. The first is an article which appeared in the Washington Post, on May 6, 1978. The article points out that the problem of teenage pregnancy is one that not only affects Americans, but is a fact of life throughout the world where nutritional improvements have been made. Better nutrition has meant that women are experiencing physical maturity at an early age.

However, early maturation is not the only reason more teens are having babies. In the midst of changing attitudes toward sexual relations, they all too often do not have adequate information and guidance.

It is reasonable to consider at this point, who does have the responsibility to educate and inform these young people? Some individuals feel it properly belongs in the area of parental duties. But statistics would indicate that this rule frequently has been forfeited.

A second item which I want to share with my colleagues is a letter which I received recently that describes the plan of action to combat adolescent pregnancy. This program was begun in my home State of Minnesota back in 1973. It provides a comprehensive clinic for students. Both of these items shed light on the nature of the problem of teen pregnancies. We all need to be better informed regarding this problem and what can be done about it. Mr. President, I ask that the article and the letter mentioned in my remarks be printed in the RECORD.

The material follows:

TEEN-AGE PREGNANCY: GLOBAL EPIDEMIC

(Bruce Stokes)

Teen-age pregnancy, a specter of broken dreams that haunts many American families, is no less a growing worry in the suburbs of Moscow or the neighborhoods of Tokyo. Thirteen million women around the world who bore children in 1977 became mothers before they became adults. In most nations children born to women under 20 years of age represent a growing share of all births. The U.S. Department of Health, Education and Welfare, now under fire from parenthood planning groups to improve its contraceptive education and service programs for teens, may have something to learn from efforts to cope with teen pregnancy in other societies.

As birth rates among most other age groups slowly begin to fall, teen birth rates remain visibly high. In England and Wales, the number of births to girls under the age of 16 has grown from nearly 200 a year in the 1950s to nearly 2000 in the 1970s. In the U.S.S.R., births to teens rose in a decade from 3 percent to 9 percent of all births. In 1963 one in eight babies born in East Germany had a teen-age mother; by 1973 it was one in four. Sexual activity among the unmarried young is increasing, only exacerbating the problem.

Teen pregnancies are, in part, due to the biological fact that women are reaching sexual physical maturity at a younger and younger age. In Europe that threshold age has decreased about 10 months with each of the last several generations. In developing countries, wherever there are nutritional improvements, the age at which sexual maturity begins is falling gradually. Many doctors expect that eventually the age of menarche will level off at about the age of 12.

But reproductive biology is not the only reason more teens are having babies. Many couples, especially in poorer societies, marry young and have one or two children while still in the second decade of life. While raising the legal age of marriage might help delay childbearing in some places, custom often defies law. Common-law marriage and premarital childbearing, widely accepted practices in Latin America for example, contribute to adolescent pregnancy. The dissolution of traditional communities and the

flight from the countryside to cities have weakened many traditional moral injunctions against premarital sexual relations.

Most important, today's teen-agers are ushered into a world of tempting sexual freedom that all too often becomes a trap because family planning programs are inadequate. For adults, the sexual revolution came after the contraceptive revolution. For adolescents, the sexual mores of the society around them have changed, but they still face nearly insurmountable barriers in their efforts to obtain information about contraceptives and to protect themselves from unwanted pregnancies.

Contraceptive ignorance is widespread. A recent survey in Kenya among sexually active 15- to 19-year-old women showed that seven out of 10 could not name one contraceptive method. Such lack of information often ends in abortion. Women in their teens have one of every four abortions in Great Britain, Sweden and Australia.

Formal family-planning programs have been slow to serve the young. Contraceptives are prohibited for unmarried adolescents in China, Taiwan, the Philippines and Indonesia. In many nations, abortions for teenagers still require parental consent. Indeed, few countries teach the young about reproduction and sexual responsibility, and only in Sweden is sex education deeply entrenched in the curriculum.

Fortunately, this discrimination against teens is gradually changing. In 1974, the French eliminated parental consent requirements for access to contraception and now permit free government services to minors. Other governments are removing many of the legal barriers to contraceptives facing sexually active adolescents.

New, innovative family-planning programs have begun to reach out to teen-agers. Grapevine, Britain's community sex-education project for adolescents, trains young volunteers to work with people their own age in coffee bars, in pubs and on the streets. Teen counselors distribute condoms to those who request them and refer interested young women to teen clinics where they can get medical advice and contraceptives. This program, which started in London, has expanded to other British towns and has recently been replicated in West Germany.

Similar, innovative programs are in a pilot stage in the United States. Since 1974, Woodson High School in Washington has had the only school-based contraceptive clinic in the United States. Peer counseling goes on during class hours, and students can have physical examinations and obtain contraceptives from the clinic in the school at the close of the school day.

Despite the rising tide of teen pregnancies, HEW is still more willing to fund programs to help teenage mothers than to help teens who want to avoid becoming mothers. HEW Secretary Joseph Califano, who balks at pregnancy-prevention programs for the young, seems caught up in the moral debate over who should provide contraceptive information and services—the community or the family. While most observers acknowledge that parents are often best in handling this sensitive issue the global epidemic of adolescent pregnancy is forceful evidence that that is no longer an option in many families. Experience in Europe and in some U.S. cities suggests teens working to educate other teens is the best way to ensure the young have contraceptive responsibility commensurate with their sexual maturity.

ST. PAUL-RAMSEY HOSPITAL
AND MEDICAL CENTER,
St. Paul, Minnesota, April 13, 1978.

Hon. MURIEL HUMPHREY,
U.S. Senate,
Dirksen Office Building, Washington, D.C.

DEAR SENATOR HUMPHREY: We want to express our strong support for passage of the Adolescent Health Services and Pregnancy Prevention Care Act of 1978 which, according to our information, is to be introduced to Congress this spring by Senator Edward Kennedy of Massachusetts and which has the support of the Carter Administration.

At the same time, we want to share with you the outstanding results achieved by a project which is the only one of its kind in this country.

In 1973, the Department of Obstetrics and Gynecology of St. Paul-Ramsey Hospital, the Maternal and Infant Care Project No. 549, and the Central Administration of St. Paul Independent School District No. 625 jointly agreed to establish a comprehensive clinic for students which was physically located in the school and which would have the following goals:

1. To reduce loss of time from school and the number of school dropouts by providing prenatal and postpartum care directly in the school.

2. To improve the general health of students by providing multidisciplinary care, screening, and health education programs.

3. To provide an infant day-care center.

4. To institute a meaningful family life and parenting education program.

Enclosed is a copy of a preliminary report published in the American Journal of Public Health which describes the initiation of the project and the results of the first few years of the project in an inner-city school. Some of the more important results were the following:

1. Fertility was reduced by one-half during the first four years of the program's existence.

2. 97.6 percent of the contraceptive users continued their chosen method of birth control for at least 12 months.

3. 100 percent of the patients with abnormal Pap smears or positive Gonorrhea cultures received follow-up and treatment.

4. Only one pregnant student out of 66 had a repeat pregnancy while in school.

5. 85 percent of the students using the day-care center graduated from high school.

6. Prenatal, parenting, and family life education classes were directly integrated into the high school curriculum and offered for credit.

We are convinced that if these kinds of clinics were offered to every junior/senior high school in the school district, we could have a profound effect on the health of adolescents and a truly significant reduction in teenage pregnancies.

Funding represents the major obstacle to the development and implementation of these programs. The basic source of funds for our project has been Title V of the Social Security Act. Since 1974, there have been no increases in the allocated grant to improve or extend the project, or even to meet inflation. We have collected some money for professional services under Title XIX, and we have received a small grant through the Minnesota Community Health Services Act; funding for infant day-care comes from Title XX. Without additional funding, there is no possibility of further expansion of this project and, in fact, we face the possibility of cutting back our present services.

The original inner-city school has closed, but we are currently located in two high schools, and expect to open a third if additional revenue is made available.

In our view, it is imperative that funding for adolescent programs be made available through sources other than Title X Family Planning grants. Our experience would indicate that "Family Planning Projects" have limited community acceptance and, because of their narrow focus, are likely not to be accepted in a school setting. In our experience, Family Oriented Primary Care or Maternal and Infant Care programs stand a far greater chance of gaining acceptance by school boards, school administrators, and parents.

Obviously we are gratified and justly proud of the results of our project to date. As a result of our experience, we believe that any programs in this area must adhere to the following principles:

1. It must provide comprehensive, multidisciplinary services in such a way as to minimize administrative, economic, and social obstacles to utilization of the services.

2. It must be located on the school premises so that services can be effectively used by the students without loss of classroom time.

3. It should be accompanied by an infant day-care center.

4. It must provide relevant family life and parent education classes, preferably for credit, within the school system.

5. It must have a positve program title, and funds must be available to public and non-profit entities, not exclusively allocated through Title X projects.

6. It must have an advisory board having clinic, school, community, and student participants.

7. It must provide a supportive, nonthreatening atmosphere so that students will feel free to seek information and assistance when needed.

We would like to extend an invitation to you or your staff members to view our program in actual operation, and to discuss the program in greater detail. We also offer to make a presentation at your office if you so desire.

We reiterate our endorsement of the Adolescent Services and Pregnancy Prevention Care Act, and we are convinced that widespread application of the principles inherent in our own project would have a great impact on adolescent health care and would help us reach the goals that we all share.

Sincerely yours,

LAURA E. EDWARDS, M.D.,
Director, St. Paul MIC Project.
ERICK Y. HAKANSON, M.D.,
Chief Department of Obstetrics and Gynecology.
JAMES PHILLIPS, Ph. D.,
Assistant Supertintendent, Secondary Education, St. Paul Public Schools.

GASOHOL

● Mr. CURTIS. Mr. President, over the past year support has mushroomed for an old and tested idea. Endorsement of this idea springs from farms, urban areas, and academic communities, and has been recommended on the floors of the Senate and the House of Representatives as a means of alleviating the U.S. fuel shortage, the farmer's economic plight, the trade deficit, the problems of urban waste, and unemployment.

I believe its speedy implementation would achieve all these purposes. At the same time, it would place the rest of the world on notice that control of precious fuel resources by foreign interests does not have the American people over the barrel, literally or figuratively. However, the Carter administration, through intransigence and/or ignorance, has chosen to disregard the idea.

The idea I refer to is gasohol, a mixture of 10-percent alcohol derived from the glut of our farm products, and 90-percent gasoline. The Carter posture is remarkable when one considers that right now, the United States has enough surplus grains and decayed crops to produce enough alcohol to replace 10 percent of the gasoline we currently consume, or 10 billion gallons.

Columnist Jack Anderson has devoted several of his recent columns to the issue of gasohol after investigating its usefulness. He concludes that gasohol is

a high-octane efficient fuel priced competitively with premium gasoline. Further, it requires no engine modification. Mr. Anderson recognizes that the rise of a gasohol industry will stimulate prosperity at home instead of enriching foreign interests.

Jack Anderson's investigative reporter Hal Bernton examined first-hand a still operating in Alabama which is producing alcohol from corn for use in gasohol. Albert Turner, who heads the small black cooperative which runs the still, reports increased engine power and motors which run as if they were recently tuned. Mr. Turner's rural cooperative has plans to market its gasohol for 65 cents a gallon.

Eliot Janeway, the noted economist, wrote an article printed in the Washington Star, Sunday, April 23, 1978, which should be required reading for everyone in the Carter administration—from the President himself to the lowest-level official in every agency concerned with energy, agriculture, trade, or the economy. Mr. Janeway stresses the synergistic beneficial effect widespread marketing of gasohol would have in all these areas. He assails the administration's failure to endorse the gasohol alternative while suggesting two reasons for President Carter's inaction: First, he would lose face, and second, it would work.

Gasohol is an idea picking up momentum in much the same way as a locomotive moves—slow at first, but deliberately and with rapidly increasing force. Its development is being fueled on a bipartisan level reflecting support from concerned motorists in the cities who want to reduce pollution and dependence on foreign oil, as well as farmers who perceive it as a chance to receive a fair return on their product while contributing to the national welfare. The administration must not sidetrack its progress, but should encourage a gasohol industry as one route toward energy independence. I ask that Mr. Janeway's article be reprinted in the RECORD both for the benefit of my colleagues and the Carter administration.

I would like to add that the Environmental Protection Agency—EPA—in response to my inquiries, has clarified its position concerning the certification of gasohol for marketing and distribution. The EPA says it has taken no position on the question of whether gasohol should be banned. It is encouraging manufacturers to apply for a waiver of prohibitions on its production and sale by demonstrating that gasohol will not disrupt emission control devices or systems.

I would like to have the EPA guidelines for section 211(f) waivers for alcohol-gasoline blends printed in the RECORD for the benefit of gasohol manufacturers.

The material follows:

[From the Washington Star, Apr. 23, 1978]

"PLOY" ON ALCOHOL FUEL OFFERS DOUBLE BENEFIT

(By Eliot Janeway)

The idea of alcohol fuel is gradually taking hold. As so often happens, pressure is mounting to do the right thing, but in the wrong way and for the wrong reason.

The energy problem brought forth the alcohol idea; and the supposition that there was, is, or will be an oil shortage has been feeding it. Though the oil shortage scare is beginning to fade away, the push for alcohol play is gaining momentum.

The residual half-truth behind the illusion of an oil shortage is the reality—for Americans, at least—of extortionate oil costs. Other oil-importing countries; more attuned to the exigencies of survival, have mobilized pragmatic methods of minimizing their oil cost inflation.

Falling back on alcohol is the effective way to stretch the national fuel supply and certainly to satisfy the popular demand to lessen our dependence on oil imports. The increasing popularity of the idea is typified by feature articles in the New York Daily News confirming what I have been advancing for four years: That alcohol mixed with gasoline in the ratio of 1:10 burns cleaner than conventional gasoline and is just as efficient.

Moreover, the use of "gasohol," as this mix is called, prevents the need for the weight-inflating, and consequently, cost-inflating gadgetry now overloading cars to prevent pollution.

The Government, which is talking such a good game against inflation, is itself directly responsible for inflating the cost of cars, which are essential tools of work for average Americans.

If the administration had gone the alcohol route, cars would be cheaper and the atmosphere cleaner; octanes would be higher, too. Instead, the regulators have forced costly antipollution devices on the manufacturers, who don't know how to deal with government agencies, and on their customers, who are running out of money.

Now that the media and the members of Congress are taking it up in a big way, alcohol is clearly an idea which is ready to be assessed. The beauty of alcohol as a backup source of fuel springs from its real and, indeed, almost universal availability. It is one of the oldest products of technology and one of the simplest. It can be produced from minerals, grains, vegetation—even garbage.

Ironically, the case for burning alcohol with gasoline is not that it will cut costs. Alcohol does entail a cost penalty—but how much depends on its source.

Precisely because of this, alcohol was made to order for Carter's simplistic approach to the energy problems: It offers more domestic supply, from domestic sources, at somewhat higher cost.

To be sure, the cost penalty of mixing alcohol with gasoline is peanuts alongside the cost of appeasing OPEC, devaluing the dollar, or taxing fuel consumption.

Carter's pollster, Pat Caddell, had recommended that strategy of picking a fight with the oil companies even if this meant accepting direct responsibility for higher consumer fuel costs by plumping for exercise tax increases.

Carter could have made more mileage following Caddell's advice by making the alcohol play at the outset of his administration instead of falling for the shortage myth. This would have raised fuel costs less than he is still demanding and would also have given him a quick and easy win over the oil companies.

It was Caddell who carried over a bias against the oil companies from his ill-fated masterminding of the McGovern campaign. When he started to handle Carter, Caddell proceeded on the premise that any policy targeting the oil companies as today's malefactors of great wealth would score big with the folks.

This, easy opportunism glossed over the distinction between money and wealth. The oil companies have lots of money and will keep it—provided they come under no pressure to develop their remaining wealth, embodied in their reserves of various fuels.

OPEC has pushed them out of the profitable part of the oil business. The profiteering has been OPEC's; the oil companies never made money on transportation, manufacturing or marketing even while they still owned their cheap reserves, and even before the cost of the crude they need to import began to come down.

One fight against the oil companies, however, needs to be made, and that is on the alcohol issue. It's time to press the oil companies to change their refining methods in order to produce more by-product alcohol from the sludge now left over from the extraction of commercial products. This would lower the tonnage of by-product petrochemicals and plastics saturating the market; these are in a perpetual price war and the profit margins on them are minimal, at best.

The problem for Carter, in nudging the refinery managements to change their ways and very their product mixes, is that such a switch to pragmatism would collide with his road-show about tax reform.

On the tax front, he is bamboozled by still another myth: That tax reform will produce a harvest of tax revenues. In fact, what would do this are tax incentives to absorb the manageable cost penalty involved in mass-producing alcohol at existing oil refineries. But any such switch on Carter's part would be out of the question for two reasons: (1) he would lost face, and (2) it would work. Never mind the pragmatic consideration that Congress has already given him a lead by voting a 4-cent-a-gallon excise tax credit for the alcohol content of gasohol.

At any rate, Carter is stuck with the scare he has promoted of a prospective if not yet actual oil shortage, as well as with his proprietary demagoging against oil imports and for consumption austerity.

He has neglected the alcohol play even to the point of failing to use the appropriations he inherited for research and development. In fairness, this is probably due more to ignorance than perversity.

Like the recurrent myth of oil shortage, the idea of diverting grain to the alcohol play for a history. At the worst of the wartime dislocations following Pearl Harbors, Sen. Guy Gillette of Iowa, chairman of the Senate Committee on Agriculture, conceived the reasonable enough strategy of putting on a double play to get rid of gas ration coupons as well as the grain surplus which was backing up because the Farm Belt's export markets had fallen into enemy hands.

But then Harold Ickes, the redoubtable Secretary of the Interior, bulled through the Big Inch pipeline from Texas to the Atlantic Seaboard, and that oil shortage scare faded away. The Nazi submarine pack found itself technologically unemployed.

The prototypical scheme for matching up an oil shortage and a grain surplus, and using each problem as the solution for the other, was aborted.

Superficially, the recurrence of both problems offers a second chance to pull off the coup now being talked up.

There is, however, a more sophisticated and effective way to mount an alcohol counteroffensive on two fronts at once, against our foreign oil suppliers, who are bluffing us into paying exorbitant prices, and against our chintzy foreign crop customers, who are bluffing us into accepting unbusinesslike discounts for what they need at any price.

This strategy does indeed call for us to go full speed ahead with the alcohol play. But it also calls for us to think of it more as a *ploy* than as a play. Doing so need in no way impair its plausibility.

On the contrary, the very process of laying out the alternatives for the farm export customers who have been having a party at the expense of our farmers and, therefore, of all of us, would jolt them into recognizing that they have been what our British friends call "too clever by half" in dealing on our farm futures markets.

Advocates of dedicating our grain surplus to fuel run into standard arguments.

Cost is only the first; and, of course, if the oil shortage were for real, and the OPEC price spiral were still on, this would be an increasingly flimsy objection. But as it is, the availability of alcohol from oil refinery derivatives maximizes the cost objection to using grain rather than minimizes it—especially with the Treasury's borrowing needs going through the roof, and the Miller Fed pushing interest rates up even faster than the Treasury is bidding them up with obvious inflationary consequences.

Curiously enough, the second objection to redirecting our uncomfortable grain surplus is that we don't have enough grain to do it.

At first blush, this resistance to the idea seems perverse, and it certainly is provocative to our depressed and discouraged farmers. After all, the object of the exercise is to absorb a farm surplus that was merely burdensome, is now intolerable, and is well on its way to becoming ruinous.

If the purpose of policy were to solve any single problem in a logical vacuum, there's no doubt that using the grain deflation to reverse the oil inflation would put grain prices up and bring oil costs down. But policy planning is multidimensional; specifically, it encompasses our foreign dealings as well as our domestic operations. The purpose of using alcohol to improvise a trading *ploy* abroad, instead of to make a back-scratching play at home, is to invite our foreign customers to reflate our farm income, while mobilizing oil-derived alcohol flows to deflate our fuel costs.

Here's the way to go about it, now that the gasohol idea is at last taking hold and the farm crisis won't go away.

Begin by making a naively calculated approach to all our sophisticated grain export customers. Take them into our confidence. Tell them that public support for gasohol is building, that a "for keeps" commitment to mass produce it makes sense, and that we mean to go ahead with it.

Then lay out the alternatives for our grain customers, remembering that the most successful trading ploys are low-key exercises in relaxation, or offers which are impossible to refuse.

Tell them that we have the choice of going the grain route to alcohol or falling back on our oil refineries as a reservoir. Ask our trading partners to help us decide which source of raw material to rely on for our alcohol.

Explain that once we commit ourselves to grain, as an act of desperation regardless of the cost penalty, they—or customers!—will be stuck with the consequences.

For the day we let them panic us into taking this momentous step against our farm depression, our grain will be gone for them to use. We would not have enough even to feed our own alcohol refineries a-building.

Our carburetors would not know whether the alcohol burned in them came from grain or oil. Our farm surpluses would melt, no matter whether our grain went out in export cargoes or into domestic alcohol refineries not yet on the drawing board.

But our shrewd crop customers on the other side of the poker table would. For the alcohol play, which seems so sensible for us to make, would be fatal for them, once they let it go past the point of a ploy.

There's a simple move for us to make to find out how long our grain customers propose to bluff us into carrying the grain inventories they need to commit.

It's to give them a chance to make five-year requirements contracts at prices and on terms that will give American farmers parity—that is, parity paid for by the only underwriters Americans agriculture can have or need worry about: Our grain-poor, cash-rich foreign customers.

GUIDELINES FOR SECTION 211(f) WAIVERS FOR ALCOHOL-GASOLINE BLENDS

SUMMARY

The Clean Air Act Amendments of 1977 added section 211(f), which prohibits or limits the use of certain fuels and fuel additives, including alcohol-gasoline blends. Section 211(f) also provides for waivers of these prohibitions and limitations if a fuel or fuel additive manufacturer can show that a fuel or fuel additive will not cause or contribute to the failure of any emission control device or system installed on vehicles or engines to achieve compliance with applicable emission standards.

Pursuant to secton 211(f), the Administrator has 180 days after receipt of an application within which to grant or deny a waiver. If the Administrator does not act within 180 days, the application for waiver shall be treated as granted.

These Guidelines are being published in order to facilitate waiver application and review. The Guidelines also establish procedures for the waiver process.

EPA requests information on any time and concentration dependent effects that alcohol-gasoline blends, in particular Gasohol, may have on automotive systems such as gaskets or other nonmetal parts in fuel systems.

For further information contact: George Y. Sugiyama, Attorney-Advisor, Mobile Source Enforcement Division (EN-340), U.S. Environmental Protection Agency, 401 M Street, S.W., Washington, D.C. 20460. (202) 755-2816.

SUPPLEMENTARY INFORMATION: GUIDELINES: SECTION 211(f)(4) WAIVERS

I. APPLICATIONS FOR WAIVERS AND BURDEN OF PROOF

All requests for a waiver, the supporting data, and the contents of all related submittals should be public information and therefore releasable to any party requesting such data. Should an applicant for a waiver desire to assert a claim of business confidentiality or trade secret information over any part of an application requesting a waiver, such assertion should only be made if the failure to submit such information would seriously jeopardize the success of the application and the release of such information will cause significant harm to the applicant.

Applications for waivers should be submitted only by manufacturers of fuels or fuel additives. Requests for waivers by individuals or organizations who are not manufacturers will not be considered a sufficient request for waiver such as to initiate the 180 day review period provided by section 211(f)(4). For purposes of initiating the 180 day requirement, an application will be considered to be received on the date it is delivered to the Director, Mobile Source Enforcement Division. Use of certified (return receipt) or registered mail is encouraged.

The Administrator may waive the section 211(f) prohibitions and restrictions if he "determines that the *applicant has established*" (emphasis supplied) that the fuel additive in question will not cause the effects described in section 211(f)(4). The burden of performing tests and furnishing data and evidence is upon the applicant. Applications which are not accompanied by any evidence as to the effects of a fuel additive upon the emissions performance of the national automobile fleet will be denied. Any waiver granted to one manufacturer will be applicable to any manufacturer. Multiple applications for the same waiver are not necessary and are discouraged unless based on different or additional information.

II. DEFINITIONS

A. Substantially similar

A fuel additive is not substantially similar to any fuel additive used in the certification of any model year 1975 or subsequent model year vehicle or engine under section 206 of the Clean Air Act (as amended), if:

a) such fuel additive contains any element other than an impurity which was not specified for use, or was not typically contained, in the fuel utilized in the certification of any model year 1975 or subsequent model year vehicle or engine, or

b) the chemical structure of the additive is not identical to the chemical structure of any additive specified for use in the certification of any model year 1975, or subsequent model year vehicle or engine.

B. Introduction into commerce

Introduction into commerce of a fuel additive occurs when with regard to a quantity of fuel containing such additive:

a) no further blending, mixing, or other treatment or change to the chemical composition of the fuel will occur, and

b) the fuel has entered into the process of shipment, such as pipeline or common carrier (whether or not owned or controlled by the manufacturer), with the purpose of selling or offering for sale.

C. Increase in concentration

The phrase "increase in concentration" is applicable on a per refiner basis and, with respect to fuel additives, will be considered to occur if any concentration in any gallon of fuel (in grams of additive per gallon) exceeds any preceding concentration for a fuel entered into commerce.

III. TESTING PROCEDURES

A request for a waiver should contain data relating to a fuel additive's emissions effects which are derived from vehicle testing. It is essential that test data provide a reliable basis for comparison with the conditions under which vehicles are certified pursuant to section 206 of the Clean Air Act. The various tests and conditions under which tests should be conducted are described below.

A. Use of the FTP for exhaust emissions testing

For all tailpipe tests the Federal Test Procedure for 1978 and subsequent year light-duty vehicles should be used. The FTP is described at 40 CFR 86.101 *et seq.* Any deviations from the FTP should be reported in the application for waiver along with an explanation as to the reasons for such deviations.

B. Federal durability schedule

EPA has reason be believe that any alcohol-gasoline blended fuels effects which may cause or contribute to the failure of a vehicle or engine to meet emission standards will be concentration and/or time dependent. Due to this dependence, such effects may not appear during the relatively short period (3 to 4 months) over which mileage is accumulated utilizing the 50,000 mile Federal Durability Schedule (40 CFR Part 86 Appendix IV).

EPA requests information on any time and concentration dependent effects that alcohol-gasoline blends may have on automotive systems such as gaskets or other nonmetal parts of fuel systems. Further, any testing procedures which are used to determine such effects should be described in detail.

Should an applicant for a waiver choose to obtain mileage accumulation data, any deviations from the Federal Durability Schedule should be reported in the application for waiver along with an explanation of the reasons for such deviations.

C. Testing at various concentration levels of fuel additives

Where a waiver is sought for a fuel additive, the additive's effects upon emissions performance may be critically dependent upon its concentration in use. Data submitted should encompass the range of concentrations intended for use. No attempt by EPA

to extrapolate data to a permissible concentration level is contemplated.

IV. FUEL AND FUEL ADDITIVE SPECIFICATIONS

A. Mileage accumulation fuel

The fuel utilized for mileage accumulation should be similar to that utilized in the certification of light-duty motor vehicles under section 206 of the Clean Air Act except with regard to the application additive. Reference should be made to 40 CFR 86.113-79 (a)(2) for an example of one such fuel. Specifications for the mileage accumulation fuel should be reported in the application for a waiver along with documentation that the fuel utilized did not vary in specifications.

B. Emission test fuel

All emission testing should be performed using Indolene fuel except with regard to the application additive. If Indolene fuel is not used, then it is recommended that the specifications for remission test fuel contained at 40 CFR 86.113-79(a)(1) be followed. Specifications for the emission test fuel used should be reported in the application for a waiver along with documentation demonstrating that the fuel utilized did not vary in specifications.

V. DURABILITY OF EMISSION CONTROL SYSTEMS AND DEVICES

A waiver cannot be granted if a fuel additive will cause or contribute to a failure of any emission control device or system to achieve compliance with the standards over the vehicle's useful life. EPA believes that harm to emission control devices or systems which adversely affects vehicle performance, such that removal or rendering inoperative of such devices or systems may be reasonably expected, should be considered a basis under section 211(f)(4) for denying a waiver. Where the potential for such harm is evidenced, the applicant has the burden of proving that such harm will not occur.

VI. FORMATS FOR SUBMITTAL OF INFORMATION

A. A separate application should be filed for each additive for which a waiver is requested.

B. The application should be in writing, signed by an authorized representative of the applicant, and clearly indicate that it is an application for a waiver pursuant to section 211(f)(4) of the Clean Air Act.

C. All information and data which is used to support a request for a waiver should be submitted at the same time. Substantive amendments (other than technical corrections of information already received by EPA) may be considered to be new applications, and the date such amendments are received may be treated as the beginning of the 180 day period specified in section 211(f)(4).

D. An application filed by more than one party is permissible and will be accepted.

E. The applicant has the burden of furnishing to EPA all data which is referenced or utilized as support for a request for a waiver.

F. Each application will receive a docket number which will be communicated to the applicant(s) along with the receipt date of the application. All correspondence should refer to the docket number.

G. Five copies of each application should be submitted to:

Director, Mobile Source Enforcement Division (EN-340), Environmental Protection Agency, 401 M Street, S.W., Washington, D.C. 20460.

H. Each application should contain the following information:

1. Fuel and fuel additive specification for the mileage accumulation and emissions test fuel and for the fuel and/or fuel additive for which a waiver is requested and the methods of analysis.

2. HC, CO, NOx emission values in grams/mile for each test performed.

3. Deterioration factors for each vehicle.

4. A description or reference to a description of all procedures used to test each vehicle.

5. A record and description of maintenance and other servicing performed.

6. The results of each emission test for each vehicle and the point in the durability schedule at which such vehicles were tested.

7. A description of each vehicle in the control and test fleets, including a description of their engines, emission control systems, fuel system components, and any auxiliary emission control devices.

8. Results of analysis of the actual fuel used in mileage accumulation and emission testing with respect to additive concentration, lead content, octane rating, sulfur content, phosphorus content, Reid vapor pressure, distillation specifications, and hydrocarbon composition.

9. Evidence of the physical effects of the additive for which waiver is requested on catalytic converters for the 50,000 miles of operation (e.g., pressure drop test results or other physical testing to determine extent of catalyst plugging).

MARVIN B. DURNING,
Assistant Administrator for Enforcement.●

SOCIAL SECURITY AND OTHER BENEFICIARIES TO RECEIVE 6.5 PERCENT COST-OF-LIVING ADJUSTMENT

● Mr. CHURCH. Mr. President, the administration recently announced that 34.5 million social security beneficiaries will receive a 6.5-percent cost-of-living adjustment on July 3.

The increase is based upon the rise in prices from the first quarter—January, February, and March—in 1977 to the first quarter in 1978.

On an individual basis, the cost-of-living adjustment will increase average monthly benefits from:

For a retired couple, $407 to $432;

For a retired worker, $239 to $254; and

For an aged widow, $225 to $240.

The minimum monthly benefit for a worker 65 years or older will rise from $114.30 to $121.80. And the maximum benefit for a worker retiring in 1978 at age 65 will increase from $459.80 to $489.70.

Approximately 4.3 million aged, blind, and disabled persons will also receive a 6.5-percent cost-of-living adjustment in their supplemental security income payments.

Qualifying individuals will be assured a minimum monthly income of at least $189.40, compared with $177.80 under existing law. In the case of eligible couples, this amount will increase from $266.70 to $284.40.

The staff of the Senate Committee on Aging recently prepared a table showing the impact of the cost-of-living raises for social security and supplemental security income beneficiaries.

Mr. President, I shall submit this table for the RECORD at the close of my remarks.

More than 1 million railroad retirees and their families will be eligible for a cost-of-living adjustment. Basically, there will be two separate railroad retirement increases. First, retired employees and their spouses will be eligible for the 6.5-percent cost-of-living adjustment. This increase which applies only to the tier I portion of railroad retirement annuities, will be reduced by the amount of the social security cost-of-living increase an annuitant receives.

Retired railroad employees and their spouses will also receive a 2.1-percent increase in the tier II portion of their annuities. This represents the second of four annual tier II increases authorized under the 1974 railroad retirement amendments.

Widows and other survivors, however, will receive a 6.5-percent cost-of-living increase for both tiers of their annuities. But their tier I annuity increases will be reduced by any social security cost-of-living adjustment.

The table follows:

Monthly social security benefits: Impact of 6.5 percent cost-of-living increase

	Present law rate	6.5 Percent cost-of-living increase
Maximum benefit for worker retiring in 1978 at age 65	$459.80	$489.70
Minimum benefit for worker retiring at age 65	114.30	121.80
Average benefit, retired worker alone	239.00	254.00
Average benefits, retired couple, both receiving benefits	407.00	432.00
Average benefit, aged widow	225.00	239.00
Average benefit, mother and two children	562.00	598.00
Average benefit, disabled worker with wife and children	532.00	567.00
Average benefit, all disabled workers	268.00	285.00

Monthly supplementary security income payment standard (Federal)

	Present law rate	6.5 Percent cost-of-living increase
Qualifying individual	$177.80	$189.40
Qualifying couple	266.70	284.10

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REGULATION MAN AND THE INVISIBLE VICTIMS

● Mr. GARN. Mr. President, Hillsdale, Mich., is the home of one of the consistently bright spots of American academia. Hillsdale College has, since its founding, been dedicated to the preservation of liberty through thoughtful reflection on the basic questions of life. The Administration of Hillsdale does not shield the students from any opinion. For example, Mr. Ralph Nader recently spoke at Hillsdale, and the result was, by all accounts, enlightening. In the person of Mr. Nader, the students experienced that unique creature of busybody government, Regulation Man.

The impact of Regulation on the modern world has been enormous. His actions are characterized by an over-

whelming desire to help. In fact, so overwhelming is this desire that it very often overwhelms good sense. Mr. Nader was asked, as an example, if air pollution controls were effective. His response was to ask if the questioner had ever seen anyone dying of emphysema. Emphysema is certainly a terrible disease; I am told it is as painful a way to die as there is. The connection between emphysema and industrial pollution is far from clear, though there may in fact be one. The point is that stringent controls on industrial pollution have side effects which are not as easily seen as the patient dying of emphysema. To discover side effects requires a level of analysis beyond what Regulation Man supplies.

Dr. Madsen Pirie, of Hillsdale's foreign study program has considered in some detail the philosophical questions the existence of Regulation Man raises. His thoughtful analysis can be read with profit by those on both sides of regulatory questions, and should be. I commend it to my colleagues.

The material follows:

REGULATION MAN AND THE INVISIBLE VICTIMS

(By Dr. Madsen Pirie)

The visit of Mr. Ralph Nader to the campus of Hillsdale College exposed the students to a close-up view of the new species: Regulation Man. Among the characteristics of the breed which could be observed by this fascinating glimpse, the one most singled out by the students was the apparent belief by Regulation Man that anyone who opposes his methods must also be opposed to what he says are his intentions.

This was a shrewd observation on the part of the students. I myself hold the remarkable view that it is possible to be in favor of protecting "life, health and property," as Mr. Nader put it, without being in favor of the detailed minutiae of bureaucratic regulation which claim to pursue the same goals. I even note, in passing, that it used to be traditional to add "liberty" to that list, and will make good Mr. Nader's oversight by restoring it as one of the things worth working for.

In contrast to my view, Mr. Nader clearly believes that if you oppose the Environmental Protection Agency, you are in favor of dirty water and polluted air; that if you oppose the Federal Drug Administration, you are in favor of people dying of cancer; and if you oppose the federal safety regulations, you are in favor of having children decapitated in automobile accidents. I noted that when Dr. Tibor Machan questioned the efficacy of air pollution controls, Mr. Nader's instant response was to ask, "Have you ever seen anyone dying of emphysema?"

In logic this is called the fallacy of denying the antecedent; and in ordinary parlance it is the fallacy of supposing that there is only one way of killing a cat. The point which is denied by Regulation Man, both by implication and by emphasis, is that it is possible to be against dirty water, against polluted air, against people dying of cancer and against children being decapitated in automobile accidents, while at the same time being against the regulatory agencies which were allegedly designed to prevent these things.

The arguments of Regulation Man, although fallacious, are undoubtedly powerful because they point to visible victims. We can all see the victims, lying headless in automobile accidents or gasping for life and breath in hospital beds. They are visibile to all of us, and are especially visible to the media. How easy it is to be carried away by an emotional reaction of horror at the atrocities, committing the further fallacy of argumentum ad miseriordiam instead of making a reasoned assessment of the alternatives.

Any sensible account of the situation recognizes that there are victims of regulation as well as victims of nonregulation. There are social costs of regulation which lack the emotional impact of visible victims, but costs which should nonetheless be taken into account when the benefits are assessed. The sad fact about the victims of regulation is that they are not readily apparent either to us or to the media. Very often they are the nameless and numberless multitudes who present neither names nor faces before the television cameras. We do not know who they are. They present themselves not as the visible causes of our emotional concern, but only as the objects of our intellectual consideration.

Those who suffer the adverse consequences of regulation are the invisible victims of our society: we do not take them into account because we do not see them. We can all see the one man in 200 million who is dying because of the new drug. We can even, with the television cameras, attend his funeral and watch his sorrowful widow testify before a Senate subcommittee. None of us can see the hundred thousand people whose early death might have been prevented by the new drug. They do not testify.

The other aspect of this invisibility is a lack of self-identification. While those who gain from regulation recognize themselves as beneficiaries and are able to organize themselves into interest groups presenting information and pressure at the political level, those who suffer from regulation often do not realize they are victims of it. They are unaware of what they might have gained had there been no regulation to prevent them. Unable, because of this, to present the organized pressure of an interest group, they are often simply "the poor," "the unemployed," or perhaps only "those who might have had a better life."

When a federal minimum wage rate is raised, then everyone whose pay goes up is pleased. They can be interviewed on the Walter Cronkite show, and they can tell the American public what a good thing it is. Rather less visible is the man thrown out of a job because he is just not employable at the new rate. And totally invisible is the black teenager who never gets his job in the first place because of the new regulation. He does not know he is a victim of government intervention because he does not realize the connection between the wage rate and the fact that the factory is not taking any more workers.

Many federal regulations are designed to improve the job quality for itinerant workers from Mexico. Employers have been made to buy better and newer equipment, to pay them more, and to spend more on facilities for them. Every itinerant worker will speak enthusiastically of these improvements. We can see these workers and their families, and we can measure their gain. What we cannot see or measure is the effect on those Mexicans who might have escaped from poverty by becoming itinerant workers, but who have now been made unable to do so. They are still in their villages, outside the range of our media's vision. We never count them in our assessment of regulation.

We can take it on trust that the Occupational Safety and Health Administration has brought improvements to the lives of workers. We have to take it on trust because there is no evidence whatsoever that OSHA has reduced job-related accidents. There is evidence, however, that OSHA has thrown men out of jobs by making it impossible for small businesses to remain competitive. A plethora of regulations about lavatory seats and low level fire extinguishers has pushed prices up, reduced business, and lowered employment. I am sure that men lucky enough to be still at work are delighted with their new horseshoe-shaped lavatory seats; but what about the ones who lost their jobs?

If Regulation Man is to be praised for improving the conditions of work for those employed, he must also be blamed for the loss of jobs and opportunities which follows from his actions. Social costs and victims which are not apparent at the level of a simple emotional response must be weighed against the immediately visible benefits before a true assessment can be made. Loss of jobs and opportunities, however, is by no means the most serious debit against regulatory activities.

If we begin to talk about nuclear power, Regulation Man and his allies instantly trot out stories of death and suffering from radiation. The fear and horror of Hiroshima is paraded before us, and we are told that the risks are too great; that the nuclear monster must be kept caged. Yet when we realize that a delay in going nuclear lengthens our dependence upon coal, we can make a quick and effective comparison to spot the invisible victims. The number of reactor-related nuclear fatalities since atomic power started is zero. The number of American miners currently disabled by black lung disease runs into tens of thousands at the very least. The number of deaths from black lung disease is unknown, but enormous. The number of deaths from mining accidents averages several hundreds each year, while the number of people dead or disabled because of the atmospheric effect of coal-burning is several thousand per year in New York State alone.

Of course nuclear power is dangerous. All forms of industry are dangerous to some degree. The question we ought to be asking is whether nuclear installations can be given safety features to enable them to produce more kilowatt hours per injury or death than coal-burning stations. On the face of it, it seems that it would take quite a few nuclear leaks to compensate for the number of deaths which coal-burning causes every year.

Regulation Man and his cohorts prefer the horror stories to the calculations. Perhaps the nuclear companies should play it his way, accusing him of wilfully conniving in the deaths of those miners and bronchial asthmatics. Perhaps we should wheel in all the hundreds of thousands of them on their stretchers to Senate hearings, and let the television cameras linger on the grief-stricken faces of relatives. In its social cost compared to that of coal, nuclear power is cheap, clean and humane.

One might think that the Federal Drug Administration presents the strongest case for regulation. Surely we do not wish to have poisons stuffed into our foods, and surely we must be protected from dangerous drugs? Unfortunately the FDA has very peculiar standards about what constitutes a poison. They seem determined to ban artificial sweeteners, despite lack of evidence indicating harm in human beings, whereas no action is taken against sugar, which has been under grave suspicion for years both directly and for its contribution to obesity-related deaths and maladies.

Not content with a capricious policy of deleting food additives, the FDA inserts products of its own approval. Iron is added to my bread, not because Congress decided it, but because the FDA determined to use its regulatory power to that effect. The reasoning is simple, and is another typical example of looking at only one set of victims. Teenage girls and expectant mothers are believed to be deficient in iron in a minute number of cases; and the FDA's solution is to put iron in flour and bread so that they can receive more.

The reasoning is like that which would pour 30,000 tons of concrete over Washington in the hope of mending a crack in the

White House steps. Actually, it is worse, for one food avoided by teenage girls and young women is bread. If they had put iron into diet soft drinks it might have made more sense, assuming that there is any way left in which to make diet soft drinks. Ah well, at least it does not do any harm. But it does. Middle-aged men are prone to chromohematosis, a disease resulting from excess iron: and middle-aged men often eat sandwiches for lunch.

Unfortunately, we do not know who these men are. They are more of the invisible victims of regulation. All we know is that the incidence of chromo-hematosis has increased in America, and that it may have something to do with the iron in bread.

On protection from dangerous drugs, it is by no means clear whom the FDA is protecting. We are perfectly entitled to ask whether the invisible numbers who would have benefitted from the banned drugs are ever counted, or whether we are to include those who take their own lives because they cannot endure pain and suffering which is relieved by the new drugs in other countries. We can count the numbers who would not have fallen victim to fatal heart attack had the beta-blocker drugs not been delayed here for nearly one and a half decades. We cannot name the victims, but we can count their numbers by comparisons with Europe. We can note that if the FDA regulations had been in force at an earlier date, we would have no penicillin, no digitalis, and even no aspirin.

We can note also that the number of new drugs being developed in America has fallen to a tiny fraction of what it was before the FDA. The risk of an arbitrary and capricious ban is too great to sustain the investment. And while we wait for foreigners to develop the new drugs, hundreds of thousands of our own invisible victims suffer on with conditions which might have been relieved. Again, we have to plead for a balanced assessment of gains and losses, instead of an emotional recoil from the horror of potential losses.

The infamous Delaney Clause which governs the FDA requires them to prohibit any substance which, when fed to animals in any quantity over any period of time, causes an increased risk of cancer. In the most absurd case, but still a valid one, it means that if rats fed with tons of the substance for a hundred years develop a one-in-a-million increased risk of cancer, then it must be banned for humans without any regard for the benefits it might have.

The hormone growth promoter DES, which was used for cattle, has been banned on these grounds, and on the basis of a very slim cancer risk in very unlikely quantities of DES. It means, of course, that poor people eat less meat. Poorer nutrition makes them more susceptible to diseases, and likely to succumb more readily to infections and adverse conditions which they might otherwise have survived. No one, alas, weighs losses against gains. We can see and identify the one cancer victim; we cannot see the thousands who die as a result of poorer nutrition.

Lest anyone should suppose that the invisible victims of Regulation Man who have been considered thus far are only peripheral cases which do not affect the principle of regulation, they should consider the regulations about clean air and product safety. We are told that these are for our own protection, and that the question of unknown and unnumbered vicims simply does not arise. This is incorrect. Everything costs money, even cleanliness and safety. Just as Oscar Wilde once defined the cynic as one who knows the price of everything and the value of nothing, so would I define the environmentalist as one who knows the value of everything and the price of nothing.

The blunt fact is that regulation puts up the price. If factories are required to meet ever tighter standards concerning their emissions, then their products will become more expensive. If manufacturers have to incorporate more features to protect unwilling customers from themselves, then the public will be able to afford less of their products. How can we begin to assess how much poverty has been caused by pricing some of the necessities of life beyond the range of the poor?

When a factory is ordered to stop dumping inert, but unsightly, chemicals into a lake, and given no reasonable period of adjustment, we can count the 13,000 men thrown out of jobs, and we can make some measure of the environmental impact of the EPA on their lives. But in cases where the costs can be passed directly to consumers, we find no consideration of the social costs which are caused by this forced reallocation of resources.

The kernel of my charge against the regulatory agencies is that their structure might have been contrived to make them responsive to pressure from media and consumerist groups. They react to the visible on emotional impulse, and ignore the invisible which is revealed by rational calculation. We all know of cases in which factories have passed on to consumers the costs of tighter emission control. This constitutes a form of taxation levied in order to promote better health. My quarrel with Regulation Man is that there is never any kind of cost effectiveness survey to see whether more and better results might have been achieved for health by spending that money another way.

There are more intangible consequences when the notion of denied opportunity is taken into account. If the Interstate Commerce Commission regulations keep up the price for the transportation of our goods, and the Civil Aeronautics Board regulations keep high the price for the transportation of ourselves, who calculates against any possible gain the loss which is involved in lost opportunity? We might consider the family which takes holidays close to home because regulation has priced more distant destinations beyond their means; or even the man who has to spend so much on travel as a necessity that he is unable to afford a better education for his children. In an extreme example we might look at the family which spends so much on regulated products that they have to buy a smaller car, and are killed in an accident which a bigger car would have enabled them to survive. These, too, are victims of regulation.

My contention is that opportunity for ordinary people to expand their pursuit of happiness and to extend their horizons is a factor which ought to be looked at in these calculations, and my charge is that Regulation Man has once again looked only at the obvious and visible impact, taking no account of more subtle and far-reaching implications.

I added "liberty" to Mr. Nader's list of things worth working for because it was there at the founding of this nation, and I see no reason why it should now be deleted. In adding liberty to the goals worth attaining, I add the loss of the ability to make choices for ourselves to the debit side of regulation. By all means let us make our choices in full knowledge, but let them be made by ourselves rather than by a bureaucracy which claims to know better.

Our freedom of choice is eroded by our loss both of alternatives and of autonomy. We lose choice of alternatives when the range of products and services open to us is restricted, or when the cost of those we cannot do without takes away our means to have others. A multitude of rules and specifications by the regulatory agencies has slowly revealed a consequence which few predicted. It has led to a striking decline in innovation. It always was risky to embark upon the research into new products and processes, and it always was the case that the rewards for success were appropriately greater.

The effect of the regulatory agencies has been to increase the risks of innovation while reducing the rewards. Proven performance requirements, impact on various factors of society, and limitations on marketing all add up to make innovation less attractive. It comes as no surprise to discover that we are spending less on research and development, we are tending to keep known products in established markets, and we are no longer forming the high technology growth companies. What we are doing is summed up simply: we are sacrificing an expanding future for a regulated present.

Innovation is the source of our progress. It is the cutting edge of the ever larger fulfillment of our aspirations. By attacking innovation, Regulation Man attacks tomorrow's range of choice as well as today's. By attacking an expanding technology, he attacks our capacity to solve tomorrow's problems. All of this is done in the name of maintaining standards.

We also lose choice when we surrender to bureaucratic agencies the power to make law. Our ability to influence legislation and to exercise some choice in it is very small even when laws are made by our representatives in open debate. This, by itself, is a powerful argument for minimizing the intervention of law into our lives. "The liberty of the subject," said Thomas Hobbes, "depends upon the silence of the law." By giving regulatory agencies the power to make detailed rules at will under very broad guidelines, we are surrendering even that vestigial element of control.

Of all of the laws to which we are subjected each year, only a very few are now made openly by our representatives, subject to some degree of public influence. Most emerge from the regulatory agencies as rules which have the full force and sanction of law. This is not only undemocratic; it is uncontrollable. Each agency rolls forward under its acquired momentum, propelled no longer by the will of the people but by the whim of the bureaucrat. The rules and innovations are not subject to full debate and Congressional approval: we are left with the rare and occasional power of specific Congressional veto, a power which can only be exercised after a vast time-consuming and heroic effort.

In many of the works of Regulation Man, the attention given to visible victims leaves the plight of the invisible victims unknown and unlamented. But when we add to all of those consequences the loss of our power as citizens to influence the rules which confine our behavior and restrict our choices, we can finally see the shape and the name of two of those previously unseen. The lesser of them is called democracy, and the greater one is called liberty.●

OLDER AMERICANS MONTH

● Mrs. HUMPHREY. Mr. President, May 1978, marks the 16th annual celebration of Older Americans Month. The theme this month is "Older Americans and the Family." This theme is designed to encompass not only the natural family, but the community and national families as well.

Older Americans Month was first proclaimed in 1963 by President John F. Kennedy. Every year since the custom was inaugurated, it has been traditional for the President of the United States to officially proclaim May as Older Americans Month.

The month of May is a time to honor older Americans for their achievements and years of service to their families and the country. It is a time to open new opportunities for improvement of their health, well-being, and happiness.

On April 13, 1978, President Carter proclaimed May as Older Americans Month. The President's proclamation stated in part that—

Older Americans are an invaluable source of talent, skills, and experience * * * their skills and knowledge are important to our economy, and it is important to their lives and health that they be able to remain as self-reliant as possible, through employment and other opportunities * * *.

Like all Americans, they need comfortable and safe places to live, nutritious daily diets and adequate incomes and services to give them freedom to make choices. We all must work together to create these conditions in our communities.

I applaud the President's views and join him in pursuing that objective.

I am concerned for the welfare of our Nation's over 18 million senior citizens. The numerous unmet needs of seniors in our communities present to Congress a tremendous challenge for developing a national older Americans policy aimed at assuring that a person in his old age shall be treated as a human being.

There is a pressing need to assure adequate income, to improve health care and make it more readily available; to expand housing opportunities; to improve social services; to provide employment opportunities and develop a national retirement policy responsive to the needs of older persons.

The designation of May as Older Americans Month will help focus the attention of Congress and the Nation on the plight of this segment of our population.

Mr. President, I ask that the text of the President's proclamation be printed in the RECORD.

The proclamation follows:

OLDER AMERICANS MONTH, 1978

(By the President of the United States of America)

A PROCLAMATION

When the month of May was first set aside in 1963 in special tribute to our nation's citizens, there were fewer than eighteen million Americans over the age of sixty-five. Today, their number exceeds twenty-three million.

Older Americans are an invaluable source of talent, skills and experience. Their sacrifice and hard work in the past have brought us through wars and hard times, and kept our Nation faithful to the values and principles on which it was founded. They are our link with what has gone before, remembering the good things we are in constant danger of losing, as well as the bad things we have overcome, and how it was possible. They can help us understand the mistakes of the past so that we do not repeat them. They can help us gather strength and courage from the wisdom of the past to make a better future for our children.

Their skills and knowledge are important to our economy, and it is important to their lives and health that they be able to remain as self-reliant as possible, through employment and other opportunities, and through necessary supportive services that enable them to live their later years in dignity and self-respect. Just as they must not be arbitrarily excluded from contributing to our society, they must not be asked to bear the burdens of society when they are no longer able.

These men and women are a vital part of this Nation. Like all Americans, they need comfortable and safe places to live, nutritious daily diets and adequate incomes and services to give them freedom to make choices. We all must work together to create these conditions in our communities.

Now, therefore, I, Jimmy Carter, President of the United States of America, do hereby designate the month of May as Older Americans Month and I ask public officials at all levels, community agencies, educators, the clergy, the communications media and each American to help make it possible for older Americans to enjoy their later years.

In Witness Whereof, I have hereunto set my hand this nineteenth day of April, in the year of our Lord nineteen hundred seventy-eight, and of the Independence of the United States of America the two hundred and second.

JIMMY CARTER.

STAMP HONORING VETERANS

● Mr. MCINTYRE. Mr. President, on April 18, 1978, the New Hampshire House of Representatives passed a resolution urging the Congress to have the U.S. Postal Service issue a special stamp commemorating the reestablishment of November 11 as the date on which Veterans Day is celebrated across this Nation.

Mr. President, I support the intent of this resolution and have written to the Postmaster General asking him to consider issuing a Veterans Day Stamp. I feel that such an action would be especially significant this year, marking as it does the 60th anniversary of the end of the First World War and the reinstatement of November 11 as the day on which we pay honor to our Nation's veterans. This will be the first Veterans Day to be celebrated on the 11th of November since Congress voted a number of years ago to celebrate it on the second Monday of November.

Mr. President, I ask that the New Hampshire House of Representatives' resolution be printed in the RECORD.

The resolution follows:

STATE OF NEW HAMPSHIRE,
Concord, N.H., April 25, 1978.

Hon. THOMAS J. MCINTYRE,
Old Senate Office Building,
Washington, D.C.

DEAR SENATOR MCINTYRE: On Tuesday, April 18, 1978, the New Hampshire House of Representatives passed House Resolution Number 2.

A copy of this resolution is enclosed for your consideration.

Respectfully,

CARL A. PETERSON,
Assistant Clerk.

RESOLUTION

House Resolution No. 2 memorializing the United States Congress to have the United States Postal Service issue a Veterans Day stamp for the November 11, 1978, Veterans Day

Whereas, since 1918, Americans have paid tribute one day each year to those who have fought to preserve our peace and our nationhood. The eleventh of November has been reestablished as the observance date for Veterans Day throughout the Nation; and

Whereas, by collectively honoring the men and women who have fought to preserve our freedom, we reinforce America's strength as a free Nation; and

Whereas, in honor of the reinstating of November the eleventh as Veterans Day, it would be fitting and proper for the U.S. Postal Service to issue a Veterans Day stamp for the 1978 observance; now, therefore, be it

Resolved by the House of Representatives:

That the Congress of the United States be hereby urged to have the United States Postal Service issue a Veterans Day stamp for the November 11, 1978, Veterans Day; and Be It Further

Resolved, that a copy of this resolution be transmitted to the President of the United States Senate, the Speaker of the U.S. House of Representatives, and to each member of the New Hampshire delegation to the Congress of the United States.●

ARSON-FOR-PROFIT: A CONTINUING PLAGUE

● Mr. GLENN. Mr. President, last year I introduced S. 1882, the Arson Control Assistance Act, which would classify arson as a "part one" or "major" crime under the FBI's uniform crime reports system. Last December, I chaired two full days of hearings on the impact that the crime of arson-for-profit has had on States and localities. This past January, I was successful in attaching S. 1882 to the Criminal Code Reform Act as an amendment. My colleague, Senator PERCY, has begun an investigation of the impact of the "fair" insurance plans on the crime of arson. Other Senators and Congressmen have joined in expressing their growing concern about this vicious crime which has increased over 400 percent over the past 10 years. An estimated 1,000 people, including 45 firefighters, die each year in arson fires and 10,000 people are injured annually. Insurance losses exceed $3 billion.

We are faced with a problem that is national in scope. Unscrupulous property owners are "arranging" for fires for the purpose of receiving large insurance payments and favorable tax benefits. Their techniques are increasingly sophisticated and we have had some indication of organized criminal involvement. Simultaneously, efforts to fight this epidemic are underfinanced, inconsistent and often ineffective. Indicative of this situation is the fact that for the purposes of Federal crime reporting arson is not considered a "major" or "part one" crime, required to be reported by participating jurisdictions. Murder, forcible rape, robbery, assault, burglary, larceny and auto theft are so classified. Arson is listed with such offenses as vagrancy, public intoxication and curfew violations as "part two" crimes, not required to be reported.

Over the years, the crime index has become vital to public and governmental perceptions of criminal activity. These figures are widely used to measure progress, or the lack of it, in crime fighting. Resource deployment flows from this awareness. It is imperative that arson be reclassified and listed as a major crime.

I will not belabor this point at this time. I intend to be on the Senate floor to discuss this issue and others when the authorizations for the Justice Department and the National Fire Prevention Control Administration come up.

I would like to submit for the RECORD an excellent article in the May 8 Washington Post which illustrates the undermining effect that arson-for-profit is having on urban inner-city areas. We have a spectacle of entire neighborhoods turning into block-by-block rubble, of a crime undermining Federal community development effort while we stand here in Congress talking about "neighborhood revitalization." Clearly it is time to seriously combat this growing menace.

The article follows:

[From the Washington Post, May 8, 1978]

LANDLORD ARSON: CUT-RATE TYPE OF URBAN RENEWAL

Slum removal in America's cities used to be accomplished by urban renewal, in which federal bulldozers converted blighted neighborhoods into acres and acres of vacant lots, suitable for new development.

Today, the removal of poor people continues as private enterprise, discreetly subsidized by the American public. The process resembles a chaotic, cut rate version of urban renewal.

It is called arson.

House by house, block by block, entire neighborhoods are disappearing, gutted and depopulated by fire. In practically every major city, from Chicago to Boston, New York and Detroit and Philadelphia, tens of thousands of deteriorated tenements and old houses are burning down, one by one. Eventually, the torched hulks are demolished, the rubble is raked smooth and the vacant land awaits an uncertain future.

For years, the official blame for this contagion has been placed upon the inhabitants themselves—a theory of slum pathology mixed of rage, revenge, random vandalism, junkies and vagrants, gang wars, acts of casual destruction which continued haphazardly after the great urban riots 10 years ago.

But poor black people who live in these neighborhoods insist that something else is going on too—that they are being burned out of their neighborhoods, removed again, by landlords who cash in on arson.

To the residents of the blighted neighborhoods, the process looks a lot like urban renewal. Once again, a distant "they" are clearing inner city land of the poor black population. Once again, developers and planners are promising new housing for low income and middle-income families.

The poor folks listen skeptically. They have heard those promises before.

Sadie Adams, who lives in an aging stone-faced building in Chicago's Garfield Park, makes this prediction about her neighborhood:

"Nobody's going to be here in the long run. This is going to be white. Soon. Everything is going to be burned down, torn down. They're going to run us out. They won't put us on the street. They are going to make it so impossible for us to survive that we have to leave."

At least half of her prophecy is already coming true. In the Garfield Park neighborhood around Kedzie and West Madison, scores of empty lots are scattered among the gray old three-story buildings that remain occupied. The shells of dead apartments are interspersed with the living, stained with tell-tale soot at every window, like burnt-out torches.

Adams and her neighbors on West Jackson Boulevard go to sleep each night fearing fire. They know that many fires are set by young black kids or careless vagrants, but they insist that another powerful economic force is also behind the process—profitable arson sponsored by slum landlords.

Adams described what she and neighbors believe is burning down their neighborhood:

"We are oppressed and depressed. All you have to do is come around and give some dollars. White man ain't going to come around and tell me to do it. They'll find a little old coke nigger and give him some dollars and tell him. 'Burn it down, burn it down.' And they get it done."

The poor people do not pretend to understand all the economic incentives for an owner burning down his own building. Insurance is a major one. They suspect there are other angles in the property and tax laws. What they do insist upon, from their own knowledge of neighborhood streets, is that kids or professional arsonists are being paid to torch many buildings.

ARSON'S TOLL

The folk intelligence of these poor people is corroborated to some degree by the testimony from insurance and local law enforcement officials, but not entirely. Nobody has precise evidence on how many urban fires are set for profit and how many are caused purely by personal wrath or aimless vandalism. But arson of one kind or another has devoured more than $1.2 billion worth of insured property in the inner-city neighborhoods during the last decade.

In metropolitan Chicago, for instance, claims for suspicious fires— which insurance companies believe were set by property owners—jumped five-fold since 1974 to nearly $11 million. Fires of undetermined causes, which include many probable arsons, increased threefold to $12 million.

Chicago authorities still believe, however, that the vast majority of fires in the poorest neighborhoods are "environmental"— set by neighborhood inhabitants, not fires for profit.

The story varies from city to city. In a few cities, the poor have been accused of torching their own dwelling in order to qualify for welfare relocation benefits. In some burned-out neighborhoods, the issue of motive and cause is becoming rapidly moot. There is not much let to burn.

NEWARK'S PLIGHT

In Newark, a pillar of smoke rose from a side street off Springfield Avenue. The fire engines raced by, but none of the pedestrians seemed to notice. A shopkeeper explained: "There are a lot of fires around here."

Springfield Avenue is like West Madison and Kedzie in Chicago or like the old Twelve Street corridor in Detroit or dozens of other similar strips—scenes of extraordinary destruction.

These were once lively business strips before the riots of the '60s when many of the stores were burned and permanently boarded up. After the riots, the fires did not go out in these neighborhoods, but merely spread gradually, one by one, in a way that does not seem to shock public opinion.

A community health worker in Newark complained: "The whites aren't going to do anything about all this, just burn it down. Then they are going to come back in and reclaim it. Put up new buildings. They want to come back into the city. . . .

"The landlords are doing it. They're setting the fires because it's to their advantage to burn this s--- down and start over somewhere else, brand new."

William Hamer, a community worker in the Bronx, said adolescent children are more apt to set fires for hire than older teenagers because the legal penalties are less for them. These kids "are basically into negative lifestyles anyway," Hamer said. "Torching a building is an adventure and they're getting paid for it."

Chief John Baracato, of the New York Fire Department's arson squad, said gang members will burn a building, vacant or occupied, for as little as $15 each or as much as $150.

The so-called "professional torches" are also at work. Major investigations have turned up arson-for-profit rings in several cities, sometimes with collaborators in public office.

The contemporary epidemic of urban arson is not confined to the poorest neighborhoods, but that is where the heaviest damage is being done. The cost of this destruction is being shared by property owners generally because the insurance losses from arson in the high-risk inner cities get passed on in premium increases for everyone.

INSURANCE POOLS

The losses are "horrendous," as officials of the insurance industry usually put it. The federal government requires insurance companies to maintain high-risk insurance pools for the blighted urban areas in exchange for the federal riot reinsurance which protects companies against the catastrophic losses that would occur if the urban riots of the 1960s ever reoccur.

These insurance pools, called "Fair Plans," are operated in 28 states, covering a million properties in most of the nation's largest cities. Since 1968, the "Fair Plans" have suffered $1.2 billion in arson claims. The losses and expenses from these high-risk areas have exceeded, by $302 million, all premiums paid by property owners. That is the cost which is passed on to other insurance buyers in the same cities and states.

As a random form of slum demolition, arson is a lot cheaper than federal urban renewal used to be. As a social force, it is destroying huge sections of America's cities.

Insurance officials argue that the "Fair Plans" themselves inadvertently encourage arson for profit in the cities. The federal guidelines require the companies to cover buildings and owners that are prime targets for tourches. Owners inflate the values of their buildings, while allowing them to deteriorate, milking profits. At a certain point, it becomes more profitable to burn the place down and collect the full insurance.

Herbert W. Fritz, an industry expert on the National Committee on Property Insurance, said: "Like many government programs, the intent and purpose is admirable, but sometimes the side effects are not."

J. Robert Hunter, deputy administrator of the Federal Insurance Administration in the Department of Housing and Urban Development, disputes the industry claims. Arson for profit, Hunter argues causes causes a small fraction of the fire losses in "Fair Plan" areas, compared with random arson by vandals or gangs. The insurance companies, he suggests, would like to be free to "redline these areas again, thus depriving all property owners of fire insurance, a step that would guarantee their further decline.

This argument continues unresolved, while the buildings keep burning. Some state "Fair Plans" have incurred loss ratios of 300 percent or more—for every dollar collected in premiums, three were paid out in arson claims.

New York City lost 4,000 vacant buildings to fires last year, principally in Brooklyn and the Bronx. Officers at the police precinct station in the South Bronx used to call their outpost "Fort Apache" because of the crime surrounding it, highest in the city. Now it is known as "Little House on the Prairie," surrounded by vacant land.

PROFITS, LOSSES

Walter D. Swift of the American Insurance Assocation describes a typical process by which slum property is converted to insurance profits:

"You and I find a building and we want to set it up. We buy it in my name. We put the mortgage in your name. We may do some cosmetic repairs. We apply for insurance greatly in excess of the value.

"Then we have a little fire and we exchange roles. You become the mortagee and I become the owner. We inflate the paper value further. Then we have a big fire."

This swapping arrangement between silent partners, according to insurance officials, has several advantages. At the courthouse, it creates a fake record of purchases and mortgages that looks legitimate even if no money changed hands. It also puts the ultimate mortgage holder in a protected position. Under the laws in most states, the insurance company must pay the mortgagee's claim, even if it can prove arson fraud against the owner of record.

A building with an actual value of $5,000 or $10,000 may yield as much as $50,000 in insurance claims according to Swift and others.

"We're sitting ducks and there's not much we can do about it," said Eugene LeComte, manager of the Massachusetts pool. "We're just pouring money down the sewer."

Hunter, the federal insurance deputy, insists that the insurance companies are part of the problem and lack the evidence to connect the federally required insurance pools to the incidence of arson for profit.

"I think the charge is either a fake or they just haven't done their homework," Hunter said.

If insurance companies would tighten their own procedures, Hunter believes, much of the fraud would be eliminated. "They have considerable freedom to get out from under these questionable risks," he said. "They use it as an excuse."

Hunter says that insurance companies in the 28 "Fair Plan" states with big cities actually earn a higher profit rate than companies in the nonparticipating states. He is not implying that there is any connection between "Fair Plans" and higher profits, only that the insurance companies aren't hurting.

"It's you and I who are paying, not the insurance companies," Hunter said.

"FIT TO BURN"

Ironically, the riot reinsurance established to protect companies against the catastrophic claims from urban riots has not paid many claims in the last decade. Before the riots during New York City's blackout last summer, the largest claim against the fund was a fire at the University of Kansas during antiwar disturbances in 1970. The program's reserve fund is flush with $100 million and the rates are reduced now to "practically nil," according to Hunter.

Some insurance companies have dropped their riot reinsurance coverage with the federal program, but most of them are not yet confident that urban disorders are permanently behind us. Without the reinsurance protection, companies could be wiped out by a major disorder in their cities.

LeComte of Boston said companies are still edgy on this question, even though civil disorders of any size have become rare.

"I think right below the surface there's an undercurrent which is very disturbing and I don't think that it's understood by politicians," the insurance executive said. "It's ready to explode and the slightest thing could set it off."

Meanwhile, the fires are a constant in the lives of the poor people who live in the falling-down neighborhoods. Robert Martin, retired and 77 years old, living with his wife in Chicago's Garfield area, was burned out once and is still anxious about fire:

"Everytime I look up, something is burning. I'm here in this place now, but I don't know. That old house we was in was just natural born fit to burn. Then people moved out. The people who had it wasn't trying to do nothing about it. Nobody knows how it caught fire."●

AMERICAN-ISRAELI RELATIONS

● Mr. MOYNIHAN. Mr. President, on May 8, I spoke at the annual dinner of the American-Israel Public Affairs Committee here in Washington. This is without doubt a serious time in the history of Israeli-American relations. There are visible indications of stress. The term "crisis" is often employed, and I think it not altogether unfitting. Our responsibility, accordingly, is to seek to understand, to understand as best we can, the origins of current Israeli-American differences, but more. For there are large issues of foreign policy, large decisions affecting the future of the democracies in the face of ever growing and ever more assertive and self-confident totalitarian power. Personalities may account for some of what has occurred—personalities always do—but there is a substructure of reality which needs to be described.

While I have been increasingly pointed in my discussions of the administration's foreign policy, my views do not reflect anything but the deepest sense that the President and his colleagues in these matters—especially the Secretary of State and the Assistant for National Security Affairs—are men of good heart. It may be that their necessary immersion in the details of policy has led them to take a different view of our larger situation. Yet there is an observable reality in world affairs; it is the reality of increasing accommodation to totalitarian advance. To combat this process we must first understand it. It was in this spirit that I offered my analysis last evening.

I ask that the text of my remarks be printed in the RECORD.

The remarks follow:

ADDRESS BY SENATOR DANIEL PATRICK MOYNIHAN

Some weeks ago a column by Mary McGrory in the Washington Star carried the headline: "Has the United States Changed Sides in the Middle East?" In describing the Carter-Begin talks of late March, Miss McGrory wrote:

"The President went out of his way to characterize his talks with the Israeli Prime Minister as 'grim.' He sighed, when they finished, that peace seems 'far away.'"

And soon after, in a column in Newsweek, George F. Will, writing of the Israeli Prime Minister's quite extraordinary opening offer in his negotiations with Egypt calling for self-rule for the West Bank and the return of the Sinai, asked how it could have come to pass that "the Administration praised Begin's proposal in December but disdains it in March."

On April 7 an editorial in the Washington Post observed that "through three major wars and countless incidents successive administrations have understood that the realities of Arab hostility justified the reading that in using American weapons across its borders Israel was acting in legitimate self-defense. Why, then, did the Secretary of State feel bound to slap Israel hard on April 5, by informing Congress that Israel 'may' have violated the 1952 military aid agreements in its recent intervention in Lebanon."

These are the observations of independent journalists of quite varied politics. I cite them only to suggest what is the mood of observers in Washington today. It is one of anxiety and uncertainty.

For the first time in the history of the State of Israel the question is being asked whether the United States is breaking off its attachment to that Nation. Or, as a Washington Post editorial of April 7 states it, whether the security of Israel is "of fading American concern."

Can there, then, ever have been a more serious moment in the relations between our two countries?

We must understand this as a decisive period in the history of these relations. There are visible, conspicuous signs of troubles, focused just now on the Administration's proposal to sell sixty of our most advanced fighter planes to Saudi Arabia. On the day the Administration announced its intentions, last February 14, I expressed my confidence in the Congress, that the Congress would reject the sale. The struggle has since become more intense, the stakes larger perhaps, but I still believe we will win.

Indeed, we must win, if we are to move to confront the fundamental issues, and study the larger framework in which the deterioration of American support for Israel daily reveals itself.

For even a Congressional rejection of the arms sales proposal will not put things right. And the problem is not the sincerity of the President or the Secretary of State, or the President's Assistant for National Security Affairs. Nor yet a weakness in their desire to do the right and honorable thing. They are men of transparent honor and integrity.

Who was not moved by the simple humanity of President Carter when he welcomed Prime Minister Begin just a week ago? (May 1). "We will never waver," the President said, ". . . from our deepest friendship and partnership with Israel; our total absolute commitment to Israel's security."

And,

"The establishment of the Nation of Israel is a fulfillment of Biblical prophesy. In Jewish tradition, 30 years stands for the age of strength, and Israel, thank God, is strong."

In a recent issue of Moment magazine, Dr. Zbigniew Brzezinski had this to say: "The American commitment to Israel is unshakeable. It is deeply engraved in the fabric of our own society. The ties that bind us to Israel are not just political ties; they are not security ties; they are not economic ties. They are deeply binding moral ties. I cannot think of anything stronger."

Now I have known the President but for a relatively brief period, and while I have known the Secretary of State for a long while, I have never known him that well. But I have known Zbigniew Brzezinski as a personal friend, as a fellow academic, and as a fellow Democrat through the Administrations of five Presidents. His integrity in these matters is as perfect as that of the President and the Secretary of State.

If this is what the men who make our foreign policy believe—and I am certain these statements honestly reflect their deepest feelings—why then the unease among so many about the Administration's Near East policy, and foreign policy in general? Why the elusive, yet palpable, anxiety over the way things are going? And, conversely, why the puzzlement in the White House over the opposition to Administration foreign policies in customarily friendly circles? And if I speak plainly tonight, it is as a friend and ally.

On April 7, I spoke at Temple Israel in New York, and I said:

"For three years now I have been speaking of the failure of nerve in American foreign policy. I find it more pronounced now than ever. And I do urge the friends of Israel to consider that, now more than in the past, American policy in the Middle East reflects our policy in the world at large, and it is to that larger policy that our concerns must be directed."

Not two weeks later Secretary Vance, about to leave for Moscow to discuss strategic arms, was asked how President Carter and Mr. Brezhnev might fare if they themselves were to discuss these issues. The Secretary said in an interview in Time:

"When the two men eventually sit down together, they will get along well. Both of them are strong men who have similar dreams and aspirations about the most fundamental issues . . ."

Similar dreams and aspirations?

This seems to me a profound misreading of reality—of American, Soviet and world reality. I would go further to say that if this really is the Secretary's view, then the humane objectives of the Administration in the Middle East must eventually come to grief.

For the Soviets do not aspire to make common cause with us. Mr. Brezhnev may appear more open than his predecessors, and as a person he may be. But the Soviet state which he directs is the same totalitarian police state that Khrushchev, Stalin, and Lenin directed before him. And the "dreams and aspirations" of that state apparatus are wholly contrary to those of the American democracy.

Instead, the normal objectives of the Soviet state is the expansion of Communism, and it can be ruthless with any small nation which stands in the way of such expansion. An example, surely, is the recent history of Lebanon. A small democracy has been destroyed by Soviet arms and two Soviet clients, Syria and the PLO, beginning in 1975—an event that elicited not the least protest in the West. By acting as if Lebanon were not being overrun, we absolved ourselves of any responsibility for allowing this to happen to yet another small democracy.

In the process, of course, we had to suffer more than a little humiliation.

Thus, in June 1976, our Ambassador to Lebanon was murdered—almost certainly by the PLO. Whereupon the PLO professed shock and outrage and said it would take it upon itself to find the murderers. They would round up the usual suspects. A week ago, three members of the U.N. peacekeeping force were killed in a clash with "unidentified gunmen." The press of May 5 carries the headline "PLO Pledges to Shield U.N. Force," and it is therein reported that "PLO units were rounding up Lebanese extremists said to be responsible" for the attack. And so it goes.

How candid, then, of Yasser Arafat, who now is based in Lebanon, to bring the discussion back to reality, to tell us why this is happening in what used to be a small stable democracy. He said on Soviet television on April 29:

"In our struggle we are backed by numerous friends in the whole world . . . but our main support are countries of the Socialist community, and, above all, the Soviet Union. . . .

"In our opinion, the well-known Soviet-American statement on the Middle East of October 1977 can serve as a firm foundation for settlement in that area. The statement reaffirmed once again the Soviet Union's principled line in solution of Middle Eastern problems."

The Soviet aspiration for Israel are equally plain. Israel is in the way of current Soviet expansion, for beyond pro-Western, Democratic Israel lies the Persian Gulf, Egypt, a whole continent, an island sea. The Soviet Union, in 1967 and again in 1973, helped to organize and to equip attempts at the military destruction of Israel.

Finding that Israel could not be destroyed militarily, the Soviets thereupon set about seeking the political destruction of Israel. For this, they devised and then promoted a stunning, Orwellian inversion of truth which could scarcely have been imagined by Goebbels himself. The Soviets began to depict Jews not as victims of the Nazis but as successors to them. This actually began somewhat before the Yom Kippur War.

In February, 1971, Bernard Gwertzman of the New York Times reported from Moscow on the beginning of this formal campaign:

"Zionist leaders are accused of having collaborated with the Nazis during the war . . . Soviet television recently showed a 50-minute documentary film largely devoted to the history of Zionism. The Nazi-Zionist theme was emphasized. On several occasions, David Ben-Gurion's face was superimposed on that of Hitler.

The Soviets carried this campaign to propaganda forums around the world, most notably the United Nations. Its culmination was the General Assembly resolution of November 10, 1975 which declared "Zionism is a form of racism and racial discrimination." In a word, Israel was declared to be illegal.

To stress again that this obscene anti-semitism was raised to its highest stage at the behest of Mr. Brezhnev himself is to remind ourselves of the enduring nature of Soviet totalitarianism. What "aspirations" do we share with that police state?

Why, as a government—more profoundly, why as a political culture—do we use language which so distorts reality?

Even as Soviet expansionism is made manifest in Africa, it appears once again in an area of historic Russian imperial ambition, Central Asia. On April 27, so-called "insurgents in the military" overthrew the government in Afghanistan. Almost immediately, it became apparent that the military coup was in fact a coup by the Communist Party of Afghanistan, a pro-Soviet organization. A civilian Communist government has now been installed. Two years ago, there were two Communist parties in Afghanistan, but the Soviets forced them to merge. Now, the leader of one of those parties is the new Prime Minister of Afghanistan, and the leader of the other is his deputy.

It was a bloody business.

The New York Times of May 1 provides grim reading:

". . . [A]uthoritative reports reaching India today said that President Daud's wife, his three sons, their wives and some of his grandchildren had been executed in the coup last week. . .

". . . President Daud and his politically influential brother, Mohammed Naim, had been killed in the coup. They depicted a bloody scene at the presidential palace as about 25 members of the President's family and inner circle were slain in burst after burst of machine-gun fire."

To gain a sense of the political momentum of Soviet expansion at this time, contrast the world reaction to the slaughter in Kabul with the events in Santiago five years earlier.

In September 1973, there was a military coup in Chile, and the President of that country, Salvatore Allende was murdered. There were rallies, and demonstrations, and expressions of outrage throughout the world. There were accusations that the CIA had done it; the fate of Allende became a rallying point for so-called "progressives" across the world.

There will be no such sympathy for Mr. Daud or his family, or for the people of Afghanistan who one assumes will now come to know the force of Soviet-style police rule.

What can explain this tendency to acquiesce in Soviet explanations for developments in international affairs? How are we to interpret the seeming silence, indifference, ignorance of the facts and consequences of the Soviets' expansionist foreign policy?

When on April 7, I urged that we look to "our policy in the world at large," I had an hypothesis in mind. Let me restate it:

"I believe that what is happening to American policy, not merely in the Middle East but in the world at large, is a gradual accommodation to the fact that the Soviet Union has not only become the equal to the United States in military power, but seems destined to surpass the United States."

I believe that much of what the Administration has done in foreign affairs can be understood in this context. It is a succession of events, large and small, dramatic and simple, but all pointing in one direction: a quiet accommodation to long-sustained Soviet efforts.

Surely, Israel is an outstanding example. In October of 1977, in agreeing to a joint declaration with the Soviets on the Middle East, the United States employed *implicitly* the vocabulary of "similar dreams and aspirations" that Secretary Vance now employs *explicitly*.

Early this year, from both the President and the Secretary, we began to hear references—repeated references—to Israeli actions supposedly "contrary to international law." Once again, however unintentionally, the Administration contributes to a Soviet-inspired world-wide effort to depict Israel as a kind of international outlaw.

The more the Administration accommodates to the expansion of totalitarian power, the less it appreciates the special value of the remaining democracies. The more it accepts as inevitable—or inconsequential—the imperialistic advances of the Soviet Union, the less it can imagine a successful test of wills with the Soviet leadership.

And so it becomes easier to allow reality to give way to fantasy, a fantasy of Soviet-American relations as one of "shared dreams and aspirations."

To be concerned with American relations with Israel, to insure the survival of Israel, one must first confront the larger problems in the world, the larger question of the West's willingness to accept the expansion of totalitarian power as such.

I submit that this question must now absorb the energy and the attention of all the world's democracies—the United States first of all.●

A TRIBUTE TO COURAGE

● Mr. MATHIAS. Mr. President, a rare act of political courage by a Maryland man has come to public notice again 29 years after the fact and I would like to call it to my colleagues' attention.

Last month when the Maryland General Assembly repealed Maryland's sedition and subversion act, it brought to the fore once again the name of John Newcomer, an ex-school teacher from Hagerstown, who was the only member of Maryland's House of Delegates to vote against this act when it was passed in March 1949.

The temper of those times made such a vote political suicide, but for John Newcomer it was a matter of conviction. He believed the law was "ugly" and he cast the lone vote against it.

Reading about Mr. Newcomer's courageous vote in the Hagerstown Morning Herald brought to mind what Woodrow Wilson wrote about those who would be leaders of men. I would like to recall his words here as a tribute to Mr. Newcomer. Following them, I ask that the article on Mr. Newcomer entitled "History Vindicates a Bold Vote," from the Hagerstown Morning Herald of April 28, 1978, be printed in the RECORD.

Woodrow Wilson wrote this of those rare human beings, like John Newcomer, with the courage of their convictions:

Once and again ... men of strenuous minds and high ideals come forward with a sort of gentle majesty as champions of a political or moral principle. They wear no armour; they bestride no chargers; they only speak their thoughts, in season and out of season.

They stand alone: and oftentimes are made bitter by their isolation. They are doing nothing less than defy public opinion, and shall they convert it by blows? Yes, presently the forces of the popular thought

hesitate, waver, seem to doubt their power to subdue a half score stubborn minds. Again a little while and they have yielded. Masses come over to the side of the reform. Resistance is left to the minority and such as will not be converted are crushed.

The article follows:

[From the Hagerstown (Md.) Morning Herald, Apr. 28, 1978]

HISTORY VINDICATES A BOLD VOTE

(By Paul Bertorelli)

The time: March 1949. Like a bad wound not completely healed, World War II is still fresh in the minds of many. Korea is barely a rumbling on the horizon.

The place, the elegant marble halls of the Maryland General Assembly, where an emotional body of legislators confronts the burning issue of the day—communist subversion.

In a patriotic fervor, they propose and pass a law making it a crime to change the form of government in America. The same law requires state employees to take a loyalty oath, swearing allegiance to God and country and pledging dauntless opposition to the Red Menace.

When the roll is called that March day, Maryland's sedition and subversion act gets the vote of everyone in both houses of the legislature.

Everyone, that is, but John Newcomer,

"That lone dissenter," wrote one scribe of the day, "a stringy haired little ex-school teacher from Hagerstown, had tears in his eyes when he stood to vote a heartfelt no.

It was an act of political courage not seen very often in the realm of elective politics, and one that may still be in the realm of elective politics, and one that may still be unmatched. And 29 years later, almost to the day, Newcomer's stubborn refusal to prostitute his own convictions for the sake of re-election has been vindicated.

On April 4, 1978, the General Assembly vote to do away with Maryland's sedition and subversive act—the so-called Ober law named after the man who headed a committee to write it.

"It should have been repealed right after it was passed. The whole thing didn't make any sense to me," recalls Newcomer, now 83 and living in an active retirement in Ringgold.

Newcomer says be objected to the law on the grounds that it was unconstitutional—that both the U.S. and the Maryland constitutions give their citizens the right to advocate change in government. The proposed law, he says would prohibit this.

"Well, you have to remember, feeling was running real high then. World War II was over the boys were all home but there weren't that many jobs around, you understand."

To make matters worse, the country had been wracked by the most severe strikes in history and labor unions were sharply divided. Many believed the nation's economic problems were caused at least partly by communists.

For more than three years, Maryland had considered passing a law making it a crime to attempt to overthrow or change the form of government in the U.S.

In 1956, a committee headed by a prominent Baltimore lawyer named Beverly Ober began work on Maryland's subversion and sedition law.

By March of 1949, the Ober committee had drawn up a law that required state employees to take a loyalty oath, and it became a crime to advocate overthrow of the U.S. government.

The committee also appointed an assistant attorney general and state police unit to actively ferret out any suspected communists or subversives.

"Well, to me, that was ugly," Newcomer says. He felt that such a committee smacked of demagoguery, and once again, deprived citizens of their right to dissent.

Newcomer remembers that day, and that vote, as if it were yesterday.

"Back then, we didn't have the electric boards for recording votes. If you wanted to be recorded, you stood up and said so."

As the House speaker went down the list of Maryland counties alphabetically, Newcomer stood up when Washington County was called out.

"There was a deathly silence in that chamber . . . I'll never forget it. They were all tired, tired of the war and tired of all the talk about communism."

Newcomer spoke his mind . . . to the amazement of everyone in the State House that day. When the smoke cleared, the vote was 120 for, one against.

"That oddball would be me," says Newcomer with a smile.

"I'll tell you, I was a little worried. I didn't know if the boys were gonna get me by the seat of the pants and throw me out in the corridor."

Actually, things turned out to the contrary. Fully a third of the legislators filed over to Newcomer's seat in the back of the House chamber.

"You know what they said? They told me they admired me for my courage. Most of them wanted to vote against it but they were afraid."

The fear that prompted the lopsided vote was mostly unspoken in the late 1940s. But it was real enough for an obscure U.S. Senator from Wisconsin named Joe McCarthy to whip it into a storm of national proportions by the mid-1950s.

Whether Newcomer's allegiance to his own brand of truth would have cost him politically will never be known. He did not seek re-election when his term expired in 1950.

"I believe a man ought not to stay in elective office too long. A few terms is enough," he says.

To him, it was not then, nor is it now important what may have become of his political career after his vote against "motherhood and God."

"I think people knew me and knew I believed in the principles of government for the people by the people. They knew who John Newcomer was."

Newcomer, who taught school before running for the General Assembly in 1942, returned to Washington County to run a farm and orchard near Ringgold.

He still does that today, 29 years after that dramatic day in Annapolis. He had largely forgotten about the distant event until he got a call two weeks ago from the Montgomery County senator who authored the bill to repeal the Ober law.

The repeal, after numerous attempts since the mid-1960s, passed without problems through both houses of the General Assembly.

When it is signed by the governor, which is expected soon, Maryland's lawbooks will be free of even a hint of that less-than-grand period in the state's history. And that suits John Newcomer just fine.●

THE CHANGING MUNICIPAL ROLE IN HUMAN SERVICES IN MAINE

● Mr. MUSKIE. Mr. President, Madeleine Freeman, president of the Maine Municipal Association, recently addressed that association's annual human resources seminar. Her speech describes numerous human service activities which have been developed at the municipal level in Maine.

Mr. President, Maine communities have shown their initiative in the human services arena. They are assessing local needs and cooperating with social service agencies to develop innovative programs.

The municipalities have developed a human service posture they have lacked in the past.

I believe they have reason to be proud of their accomplishments.

Mr. President, I ask that Mrs. Freeman's remarks be printed in the RECORD.

The remarks follow:

THE CHANGING MUNICIPAL ROLE IN HUMAN SERVICES IN MAINE

It is a pleasure to have this opportunity to address what I understand is now the Seventh Annual Maine Human Resources Seminar. I would like to thank the Welfare Directors Association for their invitation. The Maine Municipal Association appreciates your hard work in forming an organization that is effective in advocating municipal concerns and is working to improve the quality of welfare administration. The partnership between our associations has been very productive.

In reflecting upon the topic of this session and the history of the MMA Human Resources program, I am inclined to think that in many ways local government in Maine is still attempting to overcome the early negative attitudes toward Lyndon Johnson and his Great Society programs. At the creation of these programs, the predominant municipal view in Maine was that of disinterest or outright opposition. It was a federal initiative that we had to accept whether we liked it or not. We were not consulted, we were not involved and we were not in control. In fact, the theme of several of the anti-poverty programs clearly established local government as the bad guys. In reaction to these initiatives, it was not surprising that local government developed less than a positive view toward human services.

With the passage of time, politicians and programs, municipalities have reoriented their response to the Johnson initiatives. In my opinion, the initial negative reaction to programs has evolved into a positive consideration of the philosophy behind those programs. Thus change has been assisted by human service providers and the federal government who have realized the need for local government to participate in the human services system. As a result, Maine municipalities are now initiating on their own a multitude of human service programs designed to meet community needs. These initiatives represent the desire of municipalities to shift the focus of programs away from Washington to the local level. Today I would like to comment on some of the municipal programs that are in progress in Maine. I also intend to mention problem areas which deserve increased attention by local government.

Clear evidence of the departure from the past is represented today by the municipal use of programs that were once viewed in an adversary manner. As an example, the Maine Municipal Association and the Community Action Agencies now have a well established relationship. Working together, MMA and CAPS have established several programs that allow municipalities within a defined area to share a CAP social worker for the purpose of administering the general assistance program. An example of such an arrangement is in Southern Aroostook County where an ACAP Outreach Worker acts as a Social Services/General Assistance Coordinator to municipal officials in the communities of Patten, Oakfield, Dyer Brook, Island Falls, Smyrna, Merrill, Stacyville, and Sherman. While this would have been unheard of five years ago, today increasing numbers of rural municipalities are seeking this type of cooperative effort. Through the use of a professional social worker, municipalities have

documented that the needs of their citizens are being addressed more adequately. For those who are concerned about cost, it has also been documented that expenses for general assistance have declined.

The VISTA Program offers another example of the changing times. Since 1976, the Municipal Association has placed 21 VISTA Volunteers in municipal human service projects. While VISTA Volunteers were once on the outside of local government attempting to achieve change, in these examples the volunteers have joined forces with local government. Service performed have included community surveys to assess human needs, followup to such surveys, job development activities, youth services, preventive health services for elderly shut-ins and energy audits for residential housing. Similar, but more limited use of the Senior Public Employment Program has also occurred. This program is operated out of the Orono Cooperative Extension Offices.

One of the activities performed by municipalities that deserves mention is the human needs assessment. I would like to use the example of Princeton, a Washington County community of 1,000 people. Princeton, utilizing its VISTA Volunteer, conducted a needs assessment and realized several results including increased citizen participation and dialogue with town officials. Towns People answering the survey noted major concern over the lack of physician services, inadequate shopping facilities, lack of recreation opportunities particularly for youth and the need for a Princeton ambulance service. As a result of these concerns a physician now comes to Princeton once a day and plans are underway for establishing a health clinic; the Small Business Administration has approved a loan for the creation of a grocery store; a Bureau of Outdoor Recreation grant has been secured to build tennis courts and a ball field; a skating area has been established as well as a place for swimming and basketball; and citizens are now developing a local ambulance service.

In the community of Dexter the needs assessment supported that Town's application for state funds to create a day care program. On Mount Desert Island, a cooperative effort on the part of four towns led to a needs assessment and subsequently to the creation of a home energy audit program primarily for low income persons.

In Rockland a VISTA Volunteer used the needs assessment to develop alcohol educational programs for the local school system. Also the volunteer has worked to establish a community-based agency that would work with the public to remove the stigma and denial associated with alcoholism. I should note that the work with alcoholism in Rockland, on Mount Desert Island, and in other municipalities has encouraged the state to develop a better partnership with local government. The State Office of Alcoholism and Drug Abuse is now working with MMA to develop an alcoholism education and prevention program for local governments. This situation provides just one example of the shift in human service program development from the federal to the local level.

The needs assessment process has been a valuable tool for local officials to encourage citizen participation and gain a better understanding of community needs. Municipalities have combined this process with the human service evaluation work of their regional planning commissions. The two processes combined offer municipalities the opportunity to gain control over the resources available to meet human needs in their community. With a knowledge of community needs and a report from a Commission on human service programs, a municipality can begin to determine if resources are being allocated on a priority need basis. Further, the effort of the planning commission encourages dialogue and accountability between local officials and human service providers. As an example, Auburn currently is participating in the Androscoggin Valley Planning Commission's effort to evaluate human service programs annually. Simultaneously, the local CAP and MMA are completing a county-wide needs assessment. Through these efforts along with initiatives of the City, Auburn is now more thorough in its review of human service agencies seeking local financial support. This year the City addressed the quality of the Senior Citizen program and Auburn's need for the services offered. While the City Council felt the nutrition programs were of high priority, they thought the information and referral services were unnecessary and duplicative. For the first time, the City was unwilling to accept the package of services, and instead favored specific portions of the overall program. Further, through a review of the agency's financial condition, the City decided to raise money but retain it until an ongoing audit was completed.

Municipal concerns such as these regarding the Task Force on Aging in this region and in my region where a municipal committee of the Penobscot Valley Regional Planning Commission has been reviewing human services programs for the past three years contributed significantly to the recent shake-up in the Bureau of Maine's Elderly. This, again indicates the capacity of local government to influence the service system. My one fear on this issue is that human service agencies will ignore legitimate municipal concerns by labeling them conservative or that municipal officials may claim agency abuses as an excuse for not financing needed programs. A dialogue must develop with human service providers that has the best interests of the people to be served in mind.

A frequent concern expressed by municipal officials and the general public is the fragmented nature of the social service system. A recent initiative on the part of Windham offers a significant response to this problem. Through the use of an Economic Development Administration grant, Windham has converted an old junior high school into the Windham Human Resources Center. While the Center is new, it currently serves as the site for the Senior Citizen Meals Program, Food Stamp certification, programs for youth and elderly recreation and for services offered by the local Community Action Agency. The Recreation Department makes heavy use of the building. The Windham Human Resources Committee is working to attract other social service programs to the Center. The thought of creating multi-purpose social service centers is not new but few centers have actually been developed.

Another concern expressed about human services is that of welfare abuse by able-bodied persons. Through the joint efforts of MMA and the Welfare Directors Association, Maine now has a work-for-welfare statute. Numerous municipalities are now enacting work-for-welfare ordinances. As a result, abuse has been reduced, costs have dropped and taxpayer concern has lessened. Besides these facts, I feel the program has renewed municipal attention to the problems of unemployment. In York County three municipalities with work-for-welfare programs have sat down with the Maine Employment Security Commission to request greater attention by the Commission to the problems of the unemployed in need of welfare. The Commission has promised an increased effort and a close working relationship with the municipal welfare officers. I think all municipalities should be placing pressure on the Commission to be more responsive.

In a similar fashion the municipalities of Brunswick and Portland have actually hired staff to assist welfare applicants in locating employment. I am told that in Portland this work has saved the City $90,000 in welfare costs. Obviously, it has also been of benefit to people and families in difficult circumstances. In Brunswick, work-for-welfare is a last resort with all possible job opportunities pursued first. Without denying assistance, efforts such as these have saved Brunswick considerable expense and have served the needs of people far better than a voucher for general assistance.

I have discussed some of the developments taking place in municipalities. There are many more. In Farmington, a HUD Community Development Program assisted by the Franklin County CAP has given that municipality state and national attention. Not only does it work to rehabilitate homes, it also treats the occupants as whole people with other problems that deserve attention. In Portland, programs of preventive health for elderly shut-ins and programs for young people are unique in their approaches. My message is that we in local government are capable of taking the initiative to design new programs and redesign old ones to meet the needs that are understood best at the local level. We have come a great distance since the enactment of the Great Society Programs. There is still much to do, but it cannot be done without a continuing, creative dialogue among all those concerned with human needs—and that must include the active participation of local government. The Maine Municipal Association has a strong commitment to encouraging the dialogue and implementing the participation.●

ISRAEL'S 30TH YEAR OF INDEPENDENCE

● Mr. EAGLETON. Mr. President, Israel is currently commemorating the 30th anniversary of her independence, an occasion which reminds us that Israel's struggle for existence has been characterized by the strength and determination to overcome adversity. These are qualities which we as an independent nation identify with as well.

On May 7, I had the privilege of speaking at a Jewish Independence Day ceremony in Kansas City, Mo., and I would like to print the full text of those remarks in the RECORD.

The remarks follow:

ISRAEL'S 30TH YEAR OF INDEPENDENCE

We are here today to commemorate the thirtieth anniversary of a small democracy with whom we share precious ideals. The United States and Israel are bound together in dedication to the same fundamental values. We are two nations created by immigrants who left their homes to create a new society, a new ideal. We share the same pioneer spirit. And we share a commitment to basic human rights—religious, political and civil. It is the security of these human rights that our friendship seeks to secure and preserve.

Thirty years ago, when Israel became an independent state, a fellow Missourian, President Harry Truman, expressed the strong support of the United States for this fledgling democracy in this statement:

[We] extend friendship and welcome to a people who have long sought and justly deserve freedom and independence. We pledge full recognition to the State of Israel. We affirm our pride that the United States . . . played a leading role in the adoption of the resolution of November 29, 1947, by the United Nations General Assembly, for the creation of a Jewish state.

Last Monday, May 1st, in a speech welcoming Prime Minister Begin to the White House to commemorate Israel's thirtieth year of independence, President Carter reaffirmed this friendship:

For thirty years we have stood at the side of the proud and independent nation of Israel. I can say without reservation as the President of the United States of America that we will continue to do so not just for another thirty years, but forever.

A few weeks ago our memories were jolted by the television production "Holocaust" which depicted the tragedies of Nazi Germany. According to estimates, as many as 120 million Americans watched this program. The horrors of World War II are almost impossible to grasp in totality. It would have been easy in the midst of tragedies that occurred then to give up on humanity. But a young Jewish girl in Amsterdam—Anne Frank—never lost hope. These are her words:

"It's really a wonder that I haven't dropped all my ideals * * * yet I keep them, because in spite of everything, I still believe that people are really good at heart. I simply can't build up my hopes on a foundation consisting of confusion, misery, and death. I can feel the sufferings of millions and yet, if I look up into the heavens, I think that it will all come right, that this cruelty too will end, and that peace and tranquility will return again."

It is this determination, this optimism in the face of the cruelest experience, that has characterized Israel's will to survive. Yet, we are constantly reminded of a basic fact of Jewisn life—that survival cannot be taken for granted. In his recent book, "To Jerusalem and Back," Saul Bellow makes this observation of life in Israel:

"To live again in Jerusalem—that is almost like the restoration of the Temple. But no one is at ease in Zion. No one can be. The world crisis is added to the crisis of state, and both are added to the problems of domestic life * * *. On this speck of land—an infinitesimal fraction of the surrounding territories—a troubled people has come to rest, but rest is impossible."

Israel is a modern miracle, but we must never lose sight of the fact that it is the product of the blood, sweat and tears of generations of Jews who would not rest until their visions became reality. Israel symbolizes to the world that perseverance and hope can produce a miracle. But this miracle is constantly threatened by the possibility of acts of terrorism and war.

Israel and the United States have a special friendship built on common goals, and our gathering here today is affirmation of that friendship. Our greatest hope for the nation of Israel is that she can exist in peace with her neighbors. The same strengths which characterized the creation of Israel—determination, hope—can lead to a meaningful peace settlement. Conditions now are better than ever before for peace. Both Israel and Egypt have leaders of courage and vision. And there are other voices of moderation in the Middle East. President Sudat's visit to Israel last November was a pivotal point in the peace process. It signified the recognition of Israel by the largest Arab nation. Once crossed, that barrier was forever crossed. The disruptive tactics of a violent minority like the PLO must not be allowed to subvert this peace initiative. I am hopeful that the momentum gained since last November will lead to a quick resumption of the peace negotiations, and, ultimately, to a sound settlement.

Let is all hope that Israel's next thirty years will be spent in peace. And let there be no doubt that the spirit of friendship and commitment which has been the hallmark of U.S.-Israeli relations for these thirty years remains strong and viable.●

CLONING IN THE BUREAUCRACY

● Mr. CRANSTON. Mr. President, I ask that my colleague from California (Mr. HAYAKAWA) be added as a cosponsor of S. 2791, the Renegotiation Abeyance Act of 1978.

I am delighted to announce the support of Senator HAYAKAWA for S. 2791. His contributions will be most welcome and I know that our colleague from Indiana on his side of the aisle (Mr. LUGAR), who is the coauthor of S. 2791 with me, joins me.

For the information of the Senate, S. 2791, the Renegotiation Abeyance Act of 1978, will authorize the Renegotiation Board to complete processing its backlog of contract filings which date back to 1973 and earlier. The bill also terminates the Board upon completion of its work until such time as the President reestablishes the Board in time of war or national emergency.

S. 2791 is necessary legislation.

The Renegotiation Act of 1951, which authorizes the Board's activities, expired on September 30, 1976. As I have mentioned, the Board has been continuing to process contracts filed or required to be filed with the Board as of September 30, 1976.

This backlog of work will take the Board and its 179 employees about 5 years to complete, according to an estimate by Board Chairman Gordon Chase. But apparently a 5-year life does not satisfy this temporary agency.

The Board has managed to multiply and remultiply its backlog by the simple, but very effective, device of promulgating new retroactive regulations which will require more work by the Board and the hiring of new employees.

For instance, the Board has issued retroactive regulations covering foreign military sales. To do the additional work will require 500 new employees, according to Board Chairman Gordon Chase in testimony last month before the Senate Subcommittee on Appropriations for State, Commerce, Justice, the Judiciary, and Related Agencies.

The General Accounting Office in a letter to me concludes that this action of the Board is of questionable legality.

Mr. President, in the annals of bureaucratic self-perpetuation I can find no example which exceeds that of the Renegotiation Board.

Not even the tenacious International Screw Thread Commission—which, even though Congress had discontinued the agency continued for years until its executive director retired from the Federal service—can surpass the Renegotiation Board for such audacious self-perpetuation.

But, on the other hand, why should we be surprised?

If a frog can be cloned, it stands to reason, so can a bureaucracy.

Only cloning can explain rationally what has happened: How it is that an agency whose authorizing statute expired almost 2 years ago continues to thrive and even expand.

Perhaps the biologists should leave their laboratories and come to Washington to study cloning at the Renegotiation Board.

We could even establish a "Golden Cloning Award" for outstanding bureaucratic efforts in needless self-expansion and self-perpetuation.

S. 2791 will provide a statutory mandate for the Renegotiation Board to shut down its operations in a sensible manner consistent with the principles of the Renegotiation Act of 1951. When S. 2791, and its complement, S. 2790, the Renegotiation Act of 1978, are approved by the Senate it will mark one of the few times since the 1950's that the Senate has voted to put an agency out of business. This Board deserves that distinction and I urge my colleagues to consider my views.●

"THE MAN IN THE GLASS"

● Mr. HATCH. Mr. President, in 1948 Senator Albert Hawkes, who had served for 6 years as a distinguished representative of the State of New Jersey, chose not to seek reelection to the U.S. Senate. In his valedictory address to the Senate he read a poem entitled "The Man in the Glass" which he mistakenly believed was from an anonymous author.

In truth, "The Man in the Glass" was written by Mr. Donald D. Drew of Salt Lake City, Utah, several years before. He had given a copy of his poem to several friends and over the last few years it has appeared in many places including, recently, a popular recording which the author heard with surprise one morning on the radio.

Mr. Drew has verified his authorship in court and I believe it would be more than appropriate if this body gave full recognition to the excellent and moving work of Mr. Drew which was previously published in the CONGRESSIONAL RECORD without his name. Many of Donald Drew's poems can now be read in his recently finished work entitled "Rambles in Rhyme."

May I share with all of you today, "The Man in the Glass" by Donald D. Drew:

When you get what you want in your struggle for self
And the world makes you king for a day,
Just go to a mirror and look at yourself,
And see what that man has to say.

For it isn't your father or mother or wife
Whose judgment upon you must pass,
The fellow whose verdict counts most in your life
Is the one staring back from the glass.

You may be like Jack Horner and chisel a plum
And think you're a wonderful guy.
But the man in the glass says you're only a bum
If you can't look him straight in the eye.

He's the fellow to please—never mind all the rest,
For he's with you clear up to the end.
And you've passed your most dangerous, difficult test
If the man in the glass is your friend.

You may fool the whole world down the pathway of years
And get pats on the back as you pass,
But your final reward will be heartaches and tears
If you've cheated the man in the glass.●

TRAGEDY IN CAMBODIA

● Mr. McGOVERN. Mr. President, we hear very little about the mass killings taking place in Cambodia or of the war now going on between Vietnam and Cambodia. Because of the severe travel

restrictions on newsmen and diplomats, accurate information is virtually impossible to obtain.

However, we do have enough information to know that an extremely serious condition exists between Vietnam and Cambodia which threatens the peace of the entire area. There are also reliable reports of the genocide being carried out in Cambodia by the Pol Pot regime. Estimates of the dead range from 500,000 to 2 million over the past 3 years.

Although the United States has no direct influence with Cambodia, I believe we must use every possible means to call world attention to the tragedy occurring there.

I should like to recommend to my colleagues two recent articles on the events in Cambodia. Tiziano Terzani's "A Third Indochina War" in the Boston Globe of April 27, 1978, and Smith Hempstone's "The Need To Bear Witness to Camodia's Holocaust" in the Washington Post of May 7, 1978, are both excellent articles that deserve wide attention. I ask that they be printed in the RECORD.

The articles follow:

[From the Washington Post, May 7, 1978]

THE NEED TO BEAR WITNESS TO CAMBODIA'S HOLOCAUST

(By Smith Hempstone)

An estimated 120 million Americans recently spent 9½ hours watching a four-part NBC "docudrama" detailing the inhuman persecution of Europe's Jews by the Nazis.

A haunting theme running through the portrayal was the indifference of men of good will elsewhere to the fate of the Jews. Some who knew or suspected what was happening didn't care; others simply refused to believe the evidence.

The question on many lips after "Holocaust" was this: Could the extermination of a helpless people take place again without the world rising up in righteous indignation? The answer demonstrably is that it could. Indeed, while we drink our Sunday coffee, another holocaust is taking place today, this time in Cambodia. But it is not chic to be Cambodian, there is no Khmer lobby in Washington, and the public outcry against this policy of genocide is not, shall we say, deafening.

Not a dissident sparrow can fall in Chile, Brazil, South Korea, Iran or South Africa—all ruled by right-wing authoritarian regimes—without touching off a cacophony of indignant accusation and ideological handwringing. But hundreds of thousands of Cambodians can be murdered by a faceless Marxist regime, or simply worked to death in the paddies, without eliciting so much as a peep of disapproval from the Rev. William Sloane Coffin or Jane Fonda.

The campuses of America rolled with protest in 1970 when U.S. troops, at the invitation of the Cambodian government, attacked North Vietnamese units using that country as a sanctuary and staging area. But the draft is a thing of the past, and there are no chanting demonstrators to protest the autogenocide of the Cambodian people by Communist Party leader Pol Pot, who makes Caligula look Jeffersonian when it comes to concern for human rights.

It is true that President Carter on April 21, three years after the fall of Phnom Penh and nearly 16 months after his inauguration, finally got around to castigating Cambodia as "the worst violator of human rights in the world today."

But where was the president for the previous year, when Cambodians were dying by the tens of thousands? Did it really take him that long to learn of "abuses that include mass killings, inhuman treatment of the supporters of the previous government . . . the total suppression of recognized political and religious freedoms, as well as deprivation of food and health care"? Or did he have to see "Holocaust" to be reminded of the "obligation of every member of the international community to protest the policies of this or any nation which cruelly and systematically violates the right of its people to enjoy life and basic human dignities"?

And is that where it stops? Will the president say no more? Will the Congress do nothing? Will we not try to persuade those with influence over Cambodia, particularly the Chinese, to urge the Cambodians to alleviate the slaughter?

Nobody, including Mr. Carter, knows how many people have died since Phnom Penh, abandoned to its fate by its U.S. allies fell to the Communist Khmer Rouge on April 17, 1975.

Western newsmen are not allowed into the death camp known as "Democratic Kampuchea." Cambodia permits only nine nations (eight of them Marxist; the exception is Egypt) to maintain embassies in Phnom Penh. And diplomats assigned to these missions, with the sole exception of the Chinese, are virtually prisoners in their embassies. They are not allowed to travel or to speak to nongovernment Khmers, and their meals are brought to them by truck every day.

It is nearly as difficult and far more dangerous to try to leave Cambodia than to enter it. Border areas have been depopulated to a depth of 25 miles and mined, with patrols shooting on sight anyone found near the frontier. Charles H. Twining Jr., the State Department's principal Cambodia-watcher, estimates that only 1 out of every 5 Cambodians who try to flee survives.

In such a closed society, projections about the number who have died necessarily are based largely on reports by the 15,000 refugees and defectors who have managed to reach Thailand. Refugee accounts always have to be treated with caution: By definition, refugees are prejudiced against the regime and can only have known what went on in a specific place at a certain time (by the same token and for the same reason, some Americans in the 1930s refused to believe what Jews who escaped Nazi Germany said was going on there).

But the pattern and dimensions of this tragedy are reasonably clear. It appears certain that between 500,000 and 2 million Cambodians, out of a total population of 7 million, have been executed, starved or worked to death, died of disease or been killed while trying to flee over the past three years (600,000 others died during the war, many of them victims of American bombings).

Let us be more charitable to Pol Pot than he deserves. Let us assume the refugees' tales are exaggerated. Take the low figure of 500,000 dead. That means 1 out of every 14 Cambodians has lost his life over the past three years.

If one day Cambodia should again become free, and some Khmer should ask why so many remained silent in the face of this act of genocide, it will not be good enough to say, as some did about the extermination of the European Jews, "I never knew."

In the days immediately after the fall of Phnom Penh, before the curtain of silence fell over Cambodia, Sydney Schanberg of The New York Times wrote a gripping, eye-witness account of the expulsion of "perhaps 4 million" Cambodians from the cities into the countryside. Neither the sick, the halt, the lame nor the blind were spared this death march, wrote Schanberg, whose account later was confirmed by another eyewitness, the Rev. Francois Ponchaud, author of "Cambodia, Year Zero":

"No one has been excluded. Even the very old, the very young, the sick and the wounded have been forced onto the roads. Some clearly will not be strong enough to survive. "Hospitals jammed with wounded were emptied, right down to the last patient. They went limping, crawling on crutches, carried on relatives' backs, wheeled on their hospital beds."

Like the Jews of "Holocaust," the people of Phnom Penh, its population down from 2 million to 20,000 after the exodus, were not being marched off for delousing and a shower. Their Via Dolorosa led into the jungle, where they were to be put to work without tools, medicine or supplies, carving out new collective farms. Those who could not keep up were clubbed to death by their guards, or left to die of hunger and thirst beside the trail.

Those who survived the death marches found a life of endless toil on low rations awaiting them, with death the penalty for deviation. It was not just Lon Nol's officer corps and their families, the plutocracy, the intelligentsia or even the bourgeoisie who were murdered, although these, of course, were the first to go. It was anyone who had the slightest connection with the previous regime, down to the rank of private, anyone who was too old, young or frail to be of service to the state, anyone with enough backbone to protest or question what was happening.

Some Americans find it difficult to believe the enormity of the Cambodian disaster because it seems to have so little logic behind it. What is to be gained by murdering simple people guilty of no crime other than that of having been at the wrong place at the wrong time?

Pol Pot and Deputy Prime Minister Ieng Sary, who are married to sisters, are French-educated Marxists, xenophobes with an abiding hatred for everything Western and everyone associated with the royal or republican regimes, millennialists who seek to create a new, purified Khmer man, freed of the taint of capitalist corruption. And if a million or two people have to die in the process of making human reality conform to their own distorted abstraction, so be it. After all, they have the examples of China and the Soviet Union to guide them in such matters.

Some Americans who are prepared to concede that something unpleasant has been going on in Cambodia these past three years excuse their lack of protest on the ground that nothing can be done to prevent it.

It is true that neither the United States in particular nor the West in general has much influence with Pol Pot's regime, which refuses to accept even humanitarian aid. But Peking does have a certain amount of leverage in Phnom Penh, and the Chinese ought to be publicly urged to use it to ease the reign of terror.

Beyond this, there is the matter of bearing witness. One may not be able to triumph over evil, but one need not remain silent in its presence. President Carter might speak up more than once on the subject. He might instruct Andrew Young to walk out of the United Nations General Assembly whenever the representative of "Democratic Kampuchea" rises to speak. At every time and in every available forum, those who speak for the United States could call on the conscience of the world to condemn those who commit such atrocities. Finally, Congress, as the Canadian House of Commons already has done, might adopt a motion of protest against the policies of this Southeast Asian tyranny.

Perhaps none of this would save lives. But if we do not do something, if we do not try, it will be stark evidence that we still have not learned the lessons of the Holocaust.

[From the Boston Globe, Apr. 27, 1978]

A THIRD INDOCHINA WAR

(By Tiziano Terzani)

(EDITOR'S NOTE.—Tiziano Terzani, an Italian correspondent who writes for Der Spiegel

magazine, has recently returned from Southeast Asia. The following is his report on the increasing bloodshed between two Communist neighbors, Vietnam and Cambodia.)

Along the Vietnam-Cambodian border.—Ha Tien, a port city on the Gulf of Siam, is a ghost town lying in the burning sun. The doors and windows of the houses are closed, the stores are locked up, and nothing moves. The 30,000 inhabitants have left their city.

Tinh Bien, farther east, is a city of ruins. The wind howls through fallen roofs and swirls bits of old newspapers around. The walls of the houses are blackened by smoke. Tinh Bien, too, is empty.

Moc Hoa, toward the north, a few hundred persons remained. Merchants have set up their stands beside two shelters newly covered with concrete. Soldiers are digging trenches around the huts of the farmers who are still working their fields.

The road connecting the towns presents an image that eerily recalls a past believed to have been overcome—fugitives stumbling along the road, loaded with heavy baskets and carrying children tied to their backs. The wounded are whimpering, crowds form around mutilated bodies, silent and helpless.

The border land between two Communist neighbors, Vietnam and Cambodia. Less than five years ago guerrillas from both countries fought side-by-side under the Red Star against a common enemy, the United States. They won and the exhausted Vietnamese Communists promised their people "ten thousand years of peace."

But already, after a few months, the shooting and the dying have resumed. A third Indochina war has broken out, and it's the most incomprehensible one yet. Its battlefield lies between the South China Sea and the Annamite Mountain Plateau along the 682-mile border between the heavily armed Vietnamese nation of 50 million persons and the seven million Cambodians tyrannized by a group of murderous Communists.

It looks like an uneven fight, and the winner seems clear. Yet the abandoned cities, the destroyed houses and the devastated rice fields are all on the Vietnamese side of the border. The grenades have hit district capitals near the border, and the Vietnamese living along the entire border have been evacuated into the interior.

This was done after three major offensives by the Vietnamese army, which penetrated up to 18.6-miles into the neighboring country, where, by evidence of the distant roaring of guns, and despite official denials, it maintains fortified bases.

How is it possible that the Cambodians are still able to cross the border, attack the villages and massacre their inhabitants? Why doesn't Gen. Vo Ngugen Giap's army, which was able to conquer enemies as mighty as the French and the Americans, destroy a few thousand fanatic Khmer guerrillas?

"The situation is complicated, extremely complicated," replies Gen. Tran Van Tra, the conqueror of Saigon who now commands the Vietnamese troops at the threatened border. He only hints at further reasons, and the situation at the jungle border does indeed look stratified.

The roles in this third Indochina war have been reversed. The Khmer Rouge guerrillas now play the same game with the Vietnamese that the Vietnamese used to wear out the Americans—nocturnal advances through impassable jungle, flash attacks and massacres, and then quick retreats, before superior forces arrive.

"It was dark. Suddenly I heard screams. I didn't know what happened. I saw people run and I ran away," relates a young woman from Ba Ly, a small settlement 3.1 miles from Ha Tien, 2½ miles from the border. At 3 a.m. the Khmer Rouge had attacked the village. They killed the villagers with knives, clubs and sticks.

Twenty-one bodies lie in an orchard, some of them without heads, without legs, with wooden stakes stuck through their abdomens and chests. The bodies are covered with worms and flies. On an adjacent field lie the puffed-up remains of three water buffalo.

One mile down the road is a hut with six bodies, three of them small children. The women's bellies are slit open. The attackers cut off the head of a house dog.

On the walls are slogans in Khmer letters: "This is our country!"

Claims on the land are a reason for this cruel war. Cambodia considers vast parts of the south of Vietnam its own territory, down to the sea, including Saigon, now renamed Ho Chi Minh City, which once, when it was founded by the Khmer, was called Prei Kor.

But above all, Cambodia fears domination of the entire Indochina peninsula by Vietnam. Hanoi's desire for a treaty on "special relations" represents for the Cambodian government a threat for colonization. It considers Laos, which agreed to such a pact, a colony of Hanoi, and indeed about 40,000 Vietnamese soliders are stationed in the country of the three million Laotians.

In the beginning the Vietnamese tried to entice their stubborn neighbors in Cambodia with concessions. They offered negotiations on new fortifications along the border and they weren't even afraid to sacrifice human beings in the process, a fact that has been kept a tight secret until this day. Between April 1975 and April 1976, when today's battlefield was still called Border of Peace and Friendship, the Vietnamese authorities forcefully sent thousands of Cambodian refugees back to their country.

Phnom Penh had required the return of their citizens who had fled to Vietnam as a sign of good will on the part of the Hanoi government and had promised to treat the evacuees well.

Only Cambodians with Vietnamese or Chinese ancestors were allowed to remain in Vietnam. The others were herded together, loaded onto trucks and delivered to the Khmer Rouge, despite their fierce resistance. According to those survivors who managed to flee again, all the men were killed by the Khmer Rouge.

"They tied my husband's hands on his back with a red rope and attached a big rock to it," reported Mou Sok Ka, a mother of three children. "His eyes were covered with a black cloth and he was ordered to kneel down in the middle of the village. The Khmer Rouge then hit his head and neck with wooden clubs until he didn't make any more sound."

Yes, it is true, we sent the refugees back," confirms Tran Van Hieu, president of the revolutionary committee of Moc Hoa. "Only after we heard that the Cambodians were killing all the refugees did we let them stay." Thus the Vietnamese have sent thousands of Cambodians to their death.

Today there are thousands of new refugees in the area. In December and January the Vietnamese made several forays across the border. When they retired, most of the population followed them. Now these Cambodian refugees live in primitive camps on near-starvation rations. "But at least we don't have to be afraid every night of being killed," says a woman with two small children. Some young men who were chosen from the ranks of prisoners and refugees are taken better care of. They now live in a camp near Vi Ihanh, on the site of a former American military airport.

They are uniformly dressed in green fatigues and obviously well fed. Although no one talks about it, it is clear that the Vietnamese are training them to fight against the Cambodian regime.

Between 15,000 and 20,000 young Cambodians are supposedly being trained for a guerrilla war in their homeland, although the Vietnamese have so far had little luck with their fifth column. After an abortive coup in Phnom Penh the Khmer Rouge destroyed anyone who had ever fought alongside the Vietnamese or who had ever the slightest connection with them. Even the date of the founding party (1951) was erased. The Communist party of Cambodia now officially exists only since 1960—the year the current head of the Khmer Rouge, Pol Pot, began to head the party.●

SENATOR HELMS ON "HARDSHIP INDEX"

● Mr. HATCH. Mr. President, in the April issue of the noted business magazine, Dun's Review, there appears an article by our distinguished colleague, and my good friend, Senator JESSE HELMS. It is entitled, "The Proposed 'Hardship Index' is a Statistical Gimmick," and it effectively documents the case against manipulation of present unemployment statistics.

Senator HELMS points out that using any statistics of this kind for public policy purposes already causes enough errors to be doubly suspicious of further bending the data to fit certain social views.

As a member of the Subcommittee on Employment, Poverty, and Migratory Labor of the Senate Human Resources Committee, I found his article of great relevance and full of helpful facts, figures and arguments.

Because the things Senator HELMS talks about affect welfare reform, unemployment programs, taxation, and other areas of Federal responsibility and because I hope our colleagues and officials of the Department of Labor will review this piece, I ask that his article be printed in the RECORD.

The article follows:

THE PROPOSED "HARDSHIP" INDEX IS A STATISTICAL GIMMICK

(By Senator JESSE HELMS)

I have read with interest, and some astonishment, recent proposals that a "federal hardship index" be developed as a substitute for, or to parallel, the present employment and unemployment statistics provided by the Monthly Report on the Labor Force (MRLF). The index would be a major input in formulating government economic policy, so the issue of a new index is no mere ivory tower question among statisticians. In fact, a National Commission on Employment Statistics has been established to study the adequacy of current job-market indexes, and the commission's recently appointed chairman, Sar A. Levitan, is among the supporters of a "hardship index." Permit me a few observations on this strange proposal.

People now calling for change argue that our current employment-unemployment statistics are outmoded because they were designed for the 1930s. They should know better. The present MRLF has evolved step by step since 1940, with many revisions in concepts and techniques to bring it up to date. It has been considered so technically good that it has been copied around the world.

The "hardship index" would include about 1 million "discouraged" workers. These data are collected and published quarterly by the U.S. Bureau of Labor Statistics. They are not included in the national unemployment statistics for a very good reason: Nobody knows what they mean.

Some discouraged workers say they have been looking for work, when, in fact, they are uninterested and never accept a job even if they find one. Some, particularly the very young and very old, have unrealistic expectations. They are looking for $6.00-an-hour jobs with $2.50 capabilities. Others are unemployable, as indicated by poor work records.

Finally, many discouraged workers don't really look for work, except in a technical sense, because it wouldn't pay them to take a job. Why should a woman with three children, earning the equivalent of $5.50 an hour from Aid for Dependent Children in New York City, give up the security of a monthly cash income, unlimited health care protection through Medicaid, food stamps, subsidized housing, etc., to work for $2.65 in the marketplace? To her, working would be a "hardship" because watching TV all day on welfare pays so much better. Supporters of the "hardship index" might better spend their time developing a "welfare gainship index."

"MEASURING" FAMILIES

The "hardship index" would include the 1 million working poor. What would the index actually measure? A close look at the evidence reveals a very substantial proportion of the working poor, as measured by the Social Security Administration Variable Poverty Index, are classified as being in poverty not because they are working below prevailing wages, or working too few hours, but because they have six, eight, ten or fifteen children per family, instead of the national average of two children, and this pushes them below the poverty line. Is this "hardship" created by a perverse economy? Or wouldn't the "hardship index" simply be measuring the results of either an intense love of children or cultural patterns that encourage large families?

A group to be excluded from the ranks of the unemployed in the proposed "hardship" index are those citizens who lose their jobs but who are in households with annual incomes above the national median of $16,000. Consider a hypothetical Mrs. Mary Smith, who had the ability and energy to earn a college degree. She married a college classmate. She raised a family and then enters the labor force. If she enters and cannot readily find a job, or if she finds one and loses it—that's too bad. The "hardship index" says she doesn't count because her husband makes more than $16,000 a year. We should ignore her? What kind of nonsense is this?

On the other hand, the index would include all teenage unemployed. I wonder if the proponents of change read their own literature, which includes much insight into the nature of both adult and youth unemployment.

First, it may be noted that most youth unemployment is short-term—a few weeks—compared with adult unemployment. Why should this be? Because there are youth jobs available. Youth looking for jobs find them—and take them. If they leave them, they soon find other jobs rather quickly. Is this "hardship"?

Second, much youth unemployment is clearly voluntary. They aren't kicked out of jobs by employers, or by the economy. They quit, even if the pay is good and there are upward job progression opportunities. Youth have the highest job-leaving rates in the labor force. Is it "hardship" when youth find and leave jobs as they test out their interests in the job market? Much of this is constructive and is part of the transition from school to the world of work.

Third, most of the nation's unemployed who quit, lose jobs or reenter the labor force are not subject to "hardship." Why not? Because they are living in households in which at least one (often two) adults are employed. Out of every 100 persons unemployed in the third quarter of 1977, 63 percent were in families with at least one member employed and 57 percent were in families with at least one member employed full time.

The statistics are even more revealing concerning teenage unemployment, which proponents of the new index described as "horrendous," "calamitous," "a time bomb about to go off." In light of the evidence, this lurid language seems more political than scholarly. For example, in the third quarter of 1977 in families with both a husband and wife, 93 percent of all teenage unemployed were in families with at least one family member employed. Very few of these youth were experiencing desperate "hardship."

The proposal for a "federal hardship index" reminds me of a story told about the late distinguished British leader, Winston Churchill. As Prime Minister, he called in his administrative assistant one day and directed him to get together statistics on trends in infant mortality. The assistant dutifully obliged and gave Mr. Churchill a large portfolio of official statistics. These the Prime Minister completely ignored in his Parliamentary speech the following week. The assistant asked if he had not done his job well. Mr. Churchill replied no he had not. What Mr. Churchill wanted were statistics showing that infant mortality had declined more when he was Prime Minister than during the terms of his predecessors. Said Churchill: "I needed political statistics." I strongly suggest that is what proponents of the "hardship index" are looking for.

The Bureau of Labor Statistics has for many years published an index that is a rough, though inadequate, measure of unemployment "hardship." This is the unemployment rate for jobless married men. The rate has been around 3%, considered a very acceptable rate, over most of the past twenty years. In the 1974–1975 recession, it reached almost 6%. This indeed reflected real "hardship" and called for temporary emergency extension of unemployment compensation benefits. By December 1977, the rate was back down to an acceptable 3.3%, well below the Administration's unrealistic overall goal of 4%.

If the proposed "hardship" index had been in operation, the national rate in late 1977 would have been 12%. This contrasts with about 7% for the official published national unemployment rate and the rate of about 3.5% for jobless married men.

It appears that what is being proposed is not a "federal hardship index" but an index to "inflate unemployment statistics" so that more municipalities can qualify for more federal monies. When some communities start importing workers for "counting day" to have more unemployed—as some have—it is time to call a halt to statistical inflation.

NEED FOR ACCURATE STATISTICS

I call attention to the observations of Professor Martin Feldstein of Harvard University, recently appointed Director of the National Bureau of Economic Research. He suggests that many national programs aimed at reducing unemployment are of doubtful value because they are "based on a false picture of what the problem is." He points out how little we know about unemployment problems. He asks: "What is it that makes the unemployment rate for these young people drop dramatically, year by year, as they mature into their mid-twenties?" We need answers to such questions. The answers won't be found in spurious statistical gimmicks.

If the "federal hardship index" was proposed by Chairman Levitan of the National Commission on Employment Statistics as a trial balloon, it has already burst. If it was proposed seriously, then the forthcoming report of the commission is already suspect.●

JOHN JOSEPH BLANDIN

● Mr. SPARKMAN. Mr. President, I have been requested by Mrs. Eugenie Blandin Lee to insert the attached letter in the RECORD. The event referred to in Major Huntington's letter occurred while Ensign John Joseph Blandin, of Selma, Ala., was serving aboard the U.S.S. *Trenton*. John Blandin was later promoted to lieutenant and was officer of the deck of the U.S.S. *Maine* when that ship was destroyed in Havana Harbor on February 15, 1898, and died of injuries received at that time. If there is no objection, I ask that Major Huntington's letter be printed in the RECORD.

The letter follows:

NAVY YARD, NEW YORK,
March 6, 1890.

HON. SECRETARY OF THE NAVY,
Navy Department, Washington, D.C.

SIR: I desire respectfully to make a statement relative to the rescuing of the officers and crew of the U.S.S. *Vandalia* from that vessel, by the U.S.S. *Trenton*, at Apia, Samoa, March 16, 1889.

On the evening of that day, the *"Trenton"* had dragged so that her stern was, at the time to which I refer, I should judge about a hundred feet from the *Vandalia*, and pointing at times at her, and at times at the reef section of her, but generally at her. The collision of the two ships seemed imminent. I thought, and it was the general opinion, that the collision would break up the *Vandalia*, that her masts would fall, and that the men in her tops would be thrown into the water and be drowned. At this time, I heard Ensign J. J. Blandin consult Lieutenants Scott and Allen as to the practicability of sending a line to the *Vandalia* by a rocket. (Some of the men under the head of a seaman named J. Currance, who was under sentence of general court martial at the time, and who worked persistently, conspicuously, and bravely throughout the storm, were trying to send the *Vandalia* a line by a floating breaker, and were having no luck with it.)

Lieutenants Scott and Allen thought it worth trying, and Mr. Blandin went up on the bridge almost above us, and asked and received permission from Captain Farquhur to make the attempt. The wind was so high and the ship so unsteady I did not think he could succeed, and I said so. I was informed that this was Captain Farquhur's opinion. The *Vandalia* was awash fore and aft, and the line had to fall over a top or through the rigging to be caught by her men. Mr. Blandin sent for and got the rockets, and I saw him band a light line to the rocket stick and the other end of the light line to a heavier one, aim the rocket and fire it with a cigarette he was smoking. The rocket with the line attached passed through the *Vandalia's* fore rigging and men came down from her top, hauled the heavy line through and made it fast to her mast. I have been told that another line was sent in this way by Lieutenant Commander H. W. Lyon. When the ships got nearer each other, the *Vandalia's* officers and men came on board by these lines, and shortly after her main and mizzen masts fell. I believe Ensign Blandin's conception and action saved a number of lives. This conception and action seemed to me worthy of high commendation, and as I see no probability of the Department's being otherwise informed of them, I take the liberty to do so.

I have the honor to be your obedient servant.

R. W. HUNTINGTON,
Major, U.S.M.C., Comdg. Marines.●

HOW TO INCORPORATE CORPORATE ETHICS

● Mr. PERCY. Mr. President, the April-May-June issue of Leaders magazine has an article by David Rockefeller, the chairman of the Chase Manhattan Bank. This article is a most admirable statement of not only the possibility, but I think the necessity, of incorporating ethics and a personal sense of morality into the management of a business corporation. The business corporation as he clearly points out does have a responsibility to function as a part of the larger society within which it carries out its daily business.

I would like to commend David Rockefeller for his efforts to promote honesty, integrity, and fairness as essential values to be used in making judgments, setting goals, and establishing priorities in conducting a business. These values should be a part of the way in which any organization functions, not only because they are good business practices, but because each of us has a responsibility toward others, whether they be colleagues in an endeavor, business associates, neighbors, friends, or family.

Mr. President, I ask that the article be printed in the RECORD.

The article follows:

HOW TO INCORPORATE CORPORATE ETHICS

(By David Rockefeller)

I believe Henry Ford II stated the case well for corporate responsibility when he said, "Corporate accountability has become far more than a matter of abstract morality; it is an essential for business success and survival."

In a free society, a moral foundation is indeed imperative for every organization and every individual, not only for internal governance, but also for the establishment of outside relationships and the conduct of external affairs.

Ethics provide us with a benchmark for our ultimate decisions and actions in the resolution of differences, such as between the demands for more energy and the pleas for a cleaner environment, or between the public's right to know and the individual's or institution's right to privacy in the conduct of its affairs.

In the case of the environmental conflict, for example, we must be willing to accept trade-offs, since it is clear the costs of environmental controls on the generation of more energy will be high. This requires a higher order of moral and responsible behavior on the part of all elements of society—those who produce our energy, those who regulate that production, and those who consume energy.

MUTUAL TRUST—A "MUST"

The principles of ethical behavior play an important role in the search for solutions to our problems. They have a very practical place in a business society such as ours. Our free enterprise society, in fact, could not exist without mutual trust, without a confidence that others will live up to their word. To quote Mr. Ford, "Business freedom can be preserved only to the extent that businesses behave responsibly of their own accord."

By and large, I believe the typical American business enterprise is keenly aware of the relationship between free enterprise and ethical conduct, and that it has been making a genuine effort to improve its performance in serving society's needs. But for many companies, the application of social responsibility to their day-to-day business operations has been difficult, since it requires the company to move beyond narrow notions and to adopt instead a more deep-rooted and pervasive framework of ethical policies and procedures.

The challenge, as I see it, is for organizations to "institutionalize" ethics by integrating ethical practices more firmly into business policy, through the adoption of several essential elements of corporate ethics.

At Chase some 11 years ago, we formalized what was until that time a long-standing but fragmented urban affairs policy. Our goal was two-pronged: first, to establish a proper climate for making ethical decisions within the bank; and second, to provide illustrations that built a framework of practical guidance.

This required the enunciation of a foundation, a code of ethics, on which to base our services and products, equal treatment for all, enhancement of the communities we serve, balanced assessment of environmental and energy issues, and concerted cooperation with others in the public and private sectors.

FOUR FUNDAMENTALS

The four fundamental cornerstones of Chase's Code of Ethics, which I believe must be present in any organization which aspires to the highest standards of business conduct, are:

1. Honesty and candor in all activity.
2. Integrity in the use of corporate resources.
3. Avoidance of conflict of interest.
4. Fairness in dealings with all.

To assure that this policy was carried out bank-wide, a committee was established, composed of all key department executives as well as the most senior officials in the institution. Chase's corporate responsibility division was assigned to report regularly to the Social Responsibility Committee. Through this reporting and review structure, we have been able to monitor and act upon issues and programs deemed important to the various publics we serve. This structure also resulted in the uniting of such diverse programs as consumer affairs, philanthropic activities, community development and social action.

We recognized also that in order for corporate responsibility to be effective, it must be evolutionary, providing timely responses wherever needs arise. This meant adding value to ongoing resources and capabilities not only in our primary market in the New York Metropolitan area, but also in the formulation of new programs which answer the needs of all our markets.

For example, Chase grants, technical and managerial assistance, plus voluntary support by staff members help maintain day care centers, pre-school education projects, cultural programs and recreational activities. A major grant helped build the New York Community Blood Center, the first such facility in the country to meet the blood needs of its community entirely from volunteer sources. And Chase is equally involved in the support of housing, criminal justice and drug abuse programs, business assistance and training, the environment, and culture and the arts.

THE GREAT ROLE OF MOTIVATION

We realized that to be successful we could not work in a vacuum, excluding others in the private and public sectors. Thus, we saw as perhaps our greatest role the motivation of other corporations, labor, community, organizations and government.

There are numerous concerns on which labor and management, as well as the public and private sectors, can and must work together. One such effort was the Business/Labor Working Group on Jobs and Economic Regeneration in New York City, on which I served as co-chairman with labor leader Harry Van Arsdale. It was created as an eight-month joint effort by business and private sector labor to determine incentives and disincentives to job growth, and to develop a continuing process to foster the sustained production of more and better jobs in New York City.

I believe the Business/Labor Working Group offers a good example of how labor and management can play a more active role in shaping public policy to create a better climate for overall economic vitality.

Still another example of a partnership which fosters ethical principles is the Organization for Economic Cooperation and Development, established in 1960 to contribute to the development of the world economy. In its Guidelines for Multinational Enterprises, the OECD member nations called on these enterprises to work together in order to improve the welfare and living standards of all people. Among its general policies, the OECD calls upon multinationals to favor close cooperation with the local community and business interests, avoid discrimination in employment, and not render or solicit bribes to any public servant. The policies further call for avoiding abuse of power in the marketplace which would adversely affect competition.

CONVICTION, CONSCIENCE

Clearly, the formulation and success of such cooperative efforts, having foundations in ethical behavior, reaffirm my belief that honesty, integrity, and fair dealings are indeed sound business practices, as well as vital parts of our moral underpinning.

However, it would be incorrect to assume that the foundations of a corporate ethic developed by one organization are transferable in whole to another. Corporate morality, as an intensely personal proposition, must be based on principle, not policy, and conviction, not expediency, and it must be governed by the conscience of top management.

In summation, the attainment of a successful corporate responsibility effort might be based on several critical elements:

A recognition that accountability is essential;

A willingness to accept trade-offs;

The formulation of a specific code of conduct;

Total commitment by top management to high ethical principles;

A system for monitoring needs and measuring the effectiveness of ongoing programs;

A willingness to work in concert with others in the public and private sectors.●

POSSIBLE CLOSURE OF FORT JACKSON, S.C.

● Mr. HOLLINGS. Mr. President, as we are all aware, the Department of Defense recently initiated studies of military installations across the country with a view toward effecting cost reductions and improved mission performance. Part of these studies will focus on the feasibility of realining some functions and closing several bases.

The Army, as part of its overall evaluation, has placed special emphasis on its various training facilities and is considering the possible closure of Fort Jackson, which is located at Columbia, S.C.

This possibility, of course, has caused great alarm in my home State. Fort Jackson is an institution in the Columbia area. In one form or another, an Army base has been located there since World War I. Today, Fort Jackson is one of the Army's largest training bases. It covers more than 52,000 acres and has a total population of more than 40,000. It contributed more than $186 million to the local economy in 1977 in military and civilian salaries alone.

Fort Jackson is also the Army's most

efficient training center. Its student-to-staff ratio is 2.63-to-1. It has the highest student load, 11,706 men and women under training at any time. And the Army has spent $180 million in the last 14 years to modernize the facilities there.

The South Carolina General Assembly, in a concurrent resolution to the Congress and the Secretary of the Army, addresses both the impact on the local community of any decision to close Fort Jackson and the total lack of logic in even studying that possibility. The resolution expresses the feelings of every Member of the South Carolina congressional delegation on this important matter, and I ask that it be printed in the RECORD.

The resolution follows:

A CONCURRENT RESOLUTION MEMORIALIZING THE UNITED STATES CONGRESS AND THE SECRETARY OF THE ARMY TO AFFIRM FORT JACKSON, SOUTH CAROLINA, AS A PERMANENT MILITARY INSTALLATION AND TRAINING FACILITY

Whereas, the Department of the Army is proposing a study of its training system with a purpose being to determine the possibility of closing down certain training facilities, including Fort Jackson, South Carolina, in favor of a one-station training program; and

Whereas, Fort Jackson is among the Army's most effective training centers and has in recent years experienced tremendous physical improvements and represents a huge investment of taxpayer's capital; and

Whereas, for many years the civilian authorities within this State have worked closely and harmoniously with military authories to develop and maintain an excellent environment—both on and off post—for all military personnel, trainee and permanent party alike; and

Whereas, in an age of strategic weaponry the Army is well advised from a national standpoint not to have all of its training at limited sites.

Now, therefore, be it resolved by the House of Representatives, the Senate concurring:

That the members of the General Assembly by this resolution request that the Congress of the United States and the Department of the Army affirm Fort Jackson, South Carolina, as an advantageous, effective and beneficial training center and a permanent military installation and direct that it should continue to be utilized to the full extent of its resources.

Be it further resolved that a copy of this resolution be sent to each member of this State's Congressional Delegation and to the Honorable Clifford Alexander, Secretary of the Army.●

THE ILLOGIC OF ENERGY INDEPENDENCE

● Mr. HATCH. Mr. President, I ask that the article entitled "The Illogic of Energy Independence" by DAVE STOCKMAN, Congressman from the State of Michigan, which appeared in the April 9 edition of the Washington Post be printed in the RECORD in its entirety.

The article follows:

THE ILLOGIC OF ENERGY INDEPENDENCE

(By DAVE STOCKMAN)

One of the most pernicious forces loose in Washington is the widely shared belief in the need for national energy independence. Beguiled by its deceptive allure, we are fashioning policies that would undermine our economy, further weaken our balance-of-payments position, and foist on the American people an unnecessary expansion of government control and cost.

The Carter administration's National Energy Plan raises the quest for energy self-sufficiency to a new plateau of illogic. It amounts to little more than a hastily compiled list of costly expedients for reducing the volume of oil imports. As such, it is not an energy policy at all but a throwback to antiquated notions of general autarky.

It is time to state the terrifying truth to Messrs. Schlesinger and Carter: The level of oil imports *per se* doesn't matter. What is important is that the energy needs of the U.S. economy be supplied at the lowest possible cost. In practical terms, this can be achieved by increased production of domestic oil and gas, coal substitution and energy conservation—but only to the extent possible at a cost equal to or less than the prevailing price of energy in the world economy—$13 per barrel equivalent.

To reach this goal of supplying our energy needs at the least cost, we do not need a Project Independence, a National Energy Plan, Department of Energy regulatory programs, mandatory efficiency standards, or subsidized development of "energy alternatives." The market is fully capable of accomplishing this at the world price without the guidance of Congress and the executive branch.

Even at the present artificially low domestic energy prices imposed by oil and gas regulatory controls, the boom in such products as insulation, engineered fireplaces and industrial heat recovery systems demonstrates that both the household and business sectors of the economy will respond to pricing signals.

Indeed, the only major unfinished business in energy policy is the creation of a domestic energy pricing structure tied to the world price of oil. Rapid decontrol of oil and gas prices and the adjustment of utility rate schedules to reflect true costs of providing service to all customers would accomplish this with a minimum of regulatory cost. With a realistic price structure in place, the relentless cost-minimizing pressures of the marketplace would drive domestic energy production to its maximum and reduce consumption to its minimum at cost levels equivalent to the world price.

The result would be a significant reduction in U.S. oil imports. But, unlike the arbitrary displacement imposed by the Carter plan, it would be an efficient and beneficial reduction. The market will forgo $13 imported oil only when coal substitution energy, or conservation energy, or new domestic oil and gas reserves are available at a lower cost. The market will not choose $18 conservation energy, $20 coal conversion or $24 synthetic crude over $13 imported oil. And it shouldn't. The strength of our economy and our international competitive position can be maintained only if we purchase all our energy supplies at the lowest price available—even if that means turning to the world oil market for a significant portion of our needs.

The mandatory coal conversion program is the heart of the administration's oil import reduction program. It is also the best demonstration of the bad economics of the Carter plan.

Coal is cheaper than $13 oil for operating large new utility and industrial boilers, primarily because of the economies of scale involved in coal transport, handling, storage, combustion and pollution control. Not surprisingly, the market already has recognized that coal is the lowest-cost alternative for large new facilities. Virtually all large boilers ordered in the past two years have been coal-fired.

These large new facilities will use coal without bureaucratic prodding. The real brunt of the Carter coal conversion program would fall on existing facilities and small industrial boilers, neither of which could ever be operated on coal for under $13 per barrel equivalent in fully allocated costs. These facilities would be compelled to use up to $20 per barrel coal "conversion energy" in place of $13 oil. The administration's plan would thus impose energy cost structures far in excess of the prevailing world price on large segments of U.S. industrial production.

The administration isn't the only perpetrator of such bad bargains. Sen. Russell Long's plan to make $16 shale oil competitive via a $3-a-barrel tax credit involves the dubious bargain of spending $16 of national income to save $13.

The truth is that spending $16 or more to save $13 is the essence of the National Energy Plan, Project Independence and all their progeny. Every panacea being pushed in the policy arena today—subsidized acceleration of the fast breeder, federally financed synthetic fuels development, subsidized solar power installation, more draconian conservation measures such as thermal efficiency standards for existing housing, mandatory industrial efficiency standards, gas guzzler taxes—involves the forced feeding of energy into the economy at costs far above world oil prices.

Washington does not have a great reputation for economic acumen, but the present wholesale stampede to adopt bad economic bargains requires more of an explanation than simple ignorance. The explanation lies in two unsupportable notions that have been incorporated into the conventional wisdom.

The first is that world markets are running out of energy supplies and can't be relied upon much longer—so we must go it alone. The nonsense of this proposition is revealed best by the fact that in the 100-year history of the petroleum age, the world economy has thus far succeeded in consuming only 8 percent of the conservatively estimated resource base of natural gas and 15 percent of oil resources.

Even with today's still imperfect geologic knowledge, using cautious pre-1973 estimates, there are nearly 3,000 trillion barrels of oil and gas left—enough to last the world another half century even at double current rates of consumption. And that is to say nothing of the far more prodigious endowment of lower grade resources—25,000 trillion barrels of coal and geopressurized gas alone—that could be upgraded to refinery and pipeline quality fuels when price and cost levels warrant it.

The second bit of nonsense is that although the raw supplies may be there, the market mechanism itself has disappeared: OPEC is alleged to have suspended or superseded the economic rules of supply and demand, and what may have once been an international energy marketplace has now become a wholly political arena of intrigue, power plays and peril. Were we to abandon the quest for energy independence, the argument goes, U.S.-stimulated growth of world oil demand would encourage OPEC to substantially increase the price again during the 1980s. Given the oil and gas exploration boom underway all over the globe, this scenario seems wholly unconvincing unless bolstered with fudge-factory numbers like those contained in the now discredited CIA study of last April.

But even if there is some slight probability that OPEC will increase the world oil price significantly during the mid-1980s, the argument is irrelevant. One is tempted to ask Secretary Schlesinger why it is so bad to permit OPEC to inflict an $18 energy price regime on the U.S. economy in 1985, but patriotic and virtuous to empower his department to do the same thing in 1978.

In reality, the only result of the administration's high-cost strategy of oil import ab-

stinence would be to keep the world oil price at $13 for a few years or even a decade longer than otherwise, with most of the benefit accruing to Western Europe and Japan.

There are reasonable prospects, however, that the world price of oil will not rise appreciably in real terms over the next decade or so. It is becoming increasingly clear that there may be an effective ceiling on world energy prices in the range of $18 to $24 a barrel for decades to come. At those price levels, the supply of non-OPEC conventional oil and gas and unconventional fuels of every sort is so enormous, and the opportunities for major gains in consumption efficiencies so great, that this ceiling is unlikely to be breached for generations, if ever.

Whether OPEC pushes the price of oil to this economic ceiling in the 1980s by withholding production or allows its output to expand to meet world demand at roughly present real price levels depends almost entirely on whether it wants to make a little or a lot of money from its vast remaining geologic endowment. If it wants to make a lot of money, it will keep the price below the economic ceiling, maximize production and earn an indefinite annual 3 to 4 percent real rate of return on the proceeds by purchasing international assets or investing in domestic economic expansion.

Of course, if Mr. Yamani and his colleagues didn't learn anything at Harvard Business School after all, they may push the oil price up to the ceiling during the next decade, only to find their world markets progressively shrinking in response to a flood of competitive alternatives.

In short, the oil withholding game only works when the world energy market permits oil prices to rise so rapidly that oil in the ground appreciates at a faster real rate than the rate of return available from the proceeds of currently produced oil. That was the unique situation during the first half of this decade.

OPEC leaders are not unmindful that even they have not transcended the rules of the economic game. This was demonstrated at the recent Caracas meeting when they decided to let the real price decline slightly this year rather than incur worsening surpluses.

If OPEC can recognize these things, why can't we? It's time to declare the energy crisis over, finish building the strategic oil reserve to cushion against any short-run contingencies, and abandon our masochistic fling with energy autarky.●

THE NEW YORK TIMES CALLS ATTENTION TO THE BLACK HILLS ON SOUTH DAKOTA

● Mr. McGOVERN. Mr. President, in the New York Times vacation section of last Sunday, May 7, 1978, I was pleased to read an excellent article describing the Black Hills area of South Dakota as an outstanding choice for a summer visit. Because I have such a personal fondness for that beautiful and unique part of my State, I would like to make that article a part of the RECORD.

The article is written by Helen Rezatto, a teacher at Black Hills State College in Spearfish, S. Dak., who is obviously very familiar with every mile of road through the hills and every corner of Custer State Park, the largest in the contiguous United States. She provides the reader with a history of this western part of South Dakota, recommended routes to capture the beauty, special features to seek out, and miniature portraits of the individuals who have played a part in the development and conservation of the hills and parks.

Over 1 million people visited the Black Hills last year, and I am certain Ms. Rezatto's article will inspire many new visitors to witness this very special part of our country.

Mr. President, I ask that the article, "The Black Hills: Where the Buffalo Roam in Custer Park," be printed in the RECORD.

The article follows:

[From the New York Times, May 7, 1978]

THE BLACK HILLS: WHERE THE BUFFALO ROAM IN CUSTER PARK

(By Helen Rezatto)

Custer State Park in the Black Hills of South Dakota is an amazing example of the oft-repeated observation that the Black Hills offer more variety than any area of comparable size in the world. Sharp ecological contrasts appear throughout the 72,000-acre park, a blend of grass and pine and mountain, and the largest State park in the contiguous United States. It is also a game preserve that is home on the range to the country's largest buffalo herd (1,300).

Here, the tawny plains roll up to the meadows which then sweep up to the precipitous pine-covered slopes of granite mountains over 6,000 feet high. The park ranges through 4,000 feet of altitude, and each zone has its characteristic flora and fauna, preserved in its primitive beauty as much as possible despite the hotels, lodges, campgrounds, picnic areas and recreational activities of many kinds.

Not barren hills at all, as the name implies, the Black Hills bloom in an area about 100 miles long and 50 miles wide in western South Dakota and eastern Wyoming. These "hills" are actually the highest mountains between the Rockies and the Atlantic.

Within Custer State Park and close to it is some of the most colorful scenery in the hills. Two of these attractions, Mount Rushmore and Harney Peak (7,242 feet), the highest mountain east of the Rockies, loom up just outside the park, and may be glimpsed from overlooks throughout the park. Two mountain roads, especially designed to show off the scenery both inside and outside the park, are marvels of engineering skill: the Needles Drive and Iron Mountain Road.

THROUGH THE FOREST

The 14-mile Needles Drive, in the northwest corner of the park, begins at its lower end near Legion Lake, with comfortable curves through a forest of ponderosa pine, spruce, birch and aspen; then abruptly the elevation rises so swiftly that you seem to be riding at a level with the tops of the tallest evergreens. Before you know it, your car is making hairpin curves and passing in land out of narrow rocky tunnels within a granite city of sky-piercing monoliths; these are the Needles, a jagged mountain range of purplish granite. The Needles Drive, completed in 1922, is a thrilling but safe road for sensible drivers. Architect Frank Lloyd Wright, an admirer of the Black Hills, commented: "The Needles is an endless supernatural world more spiritual than Earth but created out of it."

The climax of the drive is where Sylvan Lake (6,250 feet) gleams among the giant rocks and cliffs at the base of Harney Peak. Sylvan Lake, variously called turquoise or emerald or zircon, is a lovely example of what man and nature can create when they cooperate intelligently. Although you would never suspect it of this mountain tarn, the lake is manmade; an unobtrusive dam keeps the water pooled within the deep natural basin formed by the elephant's foot rocks and broken granite lances. Three other lakes within the park are also manmade: Legion, Stockade and Center.

ROAD TO MOUNT RUSHMORE

The 17-mile Iron Mountain Road begins in the park and ends at Mount Rushmore. This is the dramatic approach newcomers should take for their first introduction to Mount Rushmore, the most popular tourist attraction in the Black Hills. Your car will pass through tree tunnels; and in each one, as you gaze toward the light at the far end, there you will recognize the likenesses of Washington, Jefferson, T. Roosevelt and Lincoln framed like a classic miniature. Each successive tunnel will present a closer and sharper telescopic view.

The road, which goes up one side and down the other of Iron Mountain, eventually curls around and down—down—down on three pigtail bridges constructed of native logs and natural stone; these bridges are designed for fast drops in road elevation. Finally, you are at the bottom of Grizzly Creek Canyon and arrive—perhaps a little breathless—at the foot of Mount Rushmore National Memorial for a closeup inspection of sculptor Gutzon Borglum's masterpiece.

VANTAGE POINTS

Be sure to stop at the various pull-outs throughout the park, especially on the summit of Iron Mountain (5,445 feet). Climb the stairway to the wooden platform, the Norbeck Memorial Overlook, from where the green curves and valleys and peaks of the Black Hills are visible for miles. To the east are panoramic vistas over the plains where the eroded and jagged battlements of the Badlands National Monument are silhouetted 60 miles away.

Peter Norbeck, the man for whom the overlook is named was both a governor and senator of South Dakota. Called the father of Custer Park, Governor Norbeck, in 1919, persuaded the state legislature to create it.

As soon as his life-long dream of Custer State Park became a reality, Governor Norbeck went to work. Over and over again, the Governor, who weighed 240 pounds, tramped through the mountain wilds to show engineers how he wanted to build the Needles Drive and later, the Iron Mountain Road, always insisting on preserving the scenery. When the engineers scoffed at his ideas and labeled them engineering nightmares, he responded by calling them, "diploma boys"; if they said flatly that it couldn't be done, he fired them on the spot.

"GET OUT AND WALK"

"This is a scenic road, not a commercial one," he roared in his Norwegian accent. "You're not supposed to drive 60 miles an hour. To do the scenery half justice, people should drive 20 or under; to do it full justice, they should get out and walk."

Through the years the Governor battled the Legislature to get state funds for the construction of scenic highways with hairpin curves, with hardrock tunnels framing Mount Rushmore, with pigtail bridges of native materials. The two roads are a tribute to his persistence and imagination.

Not far from the beginning of Iron Mountain Road are some surprising traffic-stoppers: about 25 wild burros who will eat anything the tourists feed them. These freeloaders hang around the highway during the day waiting for cars to stop with handouts. Maybe the aggressive burros try harder because they are the second most popular animal in the park.

The most popular is the buffalo—or more correctly—the bison. A large bull may weigh a ton, stand about six feet tall at the hump and measure 10 feet from the massive, horned head to the ridiculously short tail, the entire animal a shaggy mass of muscle and power. The bison are dangerous and unpredictable; tourists are warned to observe

them and to photograph them from inside their cars.

WHERE THE BUFFALO ROAM

Stray buffalo from the main herd can always be seen on the Wild Life Loop road which leaves the higher elevations and the forests of the north for the more sparsely wooded foothills and rolling plains of the southern park. Here, where the mountains and prairies meet, is the range on which buffalo live much as the bison did centuries ago. The buffalo has been saved from extinction mostly through the efforts of the park, of adjoining Wind Cave National Park to the south and of a few other state and national parks in the United States and Canada.

To keep the buffalo from becoming too numerous for the amount of grazing land, rangers hold yearly buffalo auctions and hunts. Hunters, whose names are drawn by lot, are permited, for a $1,000 fee, to shoot trophy buffaloes, under close supervision by the rangers. Buffaloes are the main source of revenue for the park, and their tasty meat is served at all of the park restaurants.

MOVIE STARS

Park bison have performed in many movies, almost learning to stampede on cue. The herd and the varied terrain of the park, most of it unmarked by civilization, have appeared in "How the West Was Won," "The Vanishing Prairie," "A Man Called Horse," and other Westerns. This year, the television show, "The Wild Kingdom" will be shooting scenes for a "Prairie Spring" feature in the park.

Other animals frequently spotted on the Wild Life Loop and on gravel side roads are the pronghorn antelope, deer, elk, bighorn sheep, Rocky Mountain goats, prairie dogs, wild turkeys, coyotes and an occasional rattlesnake.

Typical of the contrasts within the park is the fact that the modern airstrip used by both rangers and tourists is on the east Wild Life Loop, only a few miles from the entrance to the primitive area of the French Creek wilderness, a narrow and tortuous 12-mile canyon twisting approximately through the center of the park. The canyon challenges experienced hikers. About halfway through the gorge is the Narrows where the canyon walls are so close that there is no room to squeeze between them; the determined backpacker has to decide whether to take a swim in the cold deep water of French Creek or try the precipitous climb straight up the canyon walls.

PARK MUSEUM

The main thoroughfare through the park is Route 16A; on this road are the park office, the Park Museum and Welcome Center, Coolidge Inn and the State Game Lodge. On the eastern side of the park, Route 16A becomes the Iron Mountain Road; on the west side, Highway 87 going south toward Wind Cave National Park passes by the side road to Mount Coolidge (6,032 feet), with a lookout tower on top and marvelous views of the area.

The State Game Lodge is a picturesque old hotel, used as a summer White House by President Calvin Coolidge in 1927 and visited by President Dwight Eisenhower in 1953. You can sit on the veranda where Grace Coolidge used to knit while watching the buffalo roam across the lawn—as they still do. You can catch fish in the nearby creeks which were kept stocked with starving trout for the two Presidents. In the dining room, where stuffed pheasants adorn the light fixtures, guests can dine on buffalo, elk, native Dakota pheasants and rainbow trout.

A LOFTY RETREAT

The highest resort in the Black Hills is Sylvan Lake Hotel where visitors sip cocktails on the flagstone terrace among the tall pines. Guests are confronted with the delightful dilemma of not knowing where to look first: below to Sylvan Lake, straight out at the Needles, or up at the lookout tower on nearby Harney Peak. Here, too, buffalo and other native delicacies are served.

In the park, there is summer theater at the Black Hills Playhouse; square dancing at the Barn; a free movie, "Paha Sapa," which dramatizes the history and geology of the park and of the Black Hills (called Paha Sapa by the Sioux Indians); jeep rides to the middle of the biggest buffalo congregation; fishing in lakes and streams; swimming and boating in the lakes; horseback riding on trails, and just plain sightseeing.

One of the best ways to get to know the Black Hills is to pack a picnic lunch, take along a trail map, and go on a hike. You are sure to see a myriad of wild flowers: the star lily, the bluestem prickly poppy, the butter and eggs snapdragon. You can't miss the Kinnikinnick or bearberry, the forest's main ground cover which provided smoking material for the Indians. You will also see magpies and deer and mica rocks that glitter like gold.

There are easy trails for strollers and medium-rugged marked trails for hikers, and in addition one can follow one of the two long trails beginning at Sylvan Lake that lead to the summit of Harney Peak. The first white man to attempt to climb the peak (on horseback) were General Custer and his staff in 1874 and they were frustrated at not being able to scale the steep cliffs. Today, from atop the lookout tower on a clear day, you can see into Nebraska and Wyoming.

Fossils of marine creatures can still be found on top of Harney; the Black Hills, one of the oldest mountain ranges in the world, were once at the bottom of an inland sea.

SEARCH FOR GOLD

Custer State Park is named for Gen. George Custer whose military report actually became the first publicity brochure advertising the attractions of the Black Hills. He and his ill-fated Seventh Cavalry had been commissioned by the United States Government, in the summer of 1874, to explore this relatively unknown region and to find out whether rumors of gold were true. The general was so captivated with the "enchanting scenery" and the "magnificence of the views," that not until the end of his official report did he get around to mentioning that "gold has been found in several places." The Custer Expedition encamped for five days along French Creek, west of the park (on Route 16A), and this is where gold was discovered. Custer's widely publicized report of gold discoveries on French Creek was mainly responsible for the Black Hills Gold Rush of 1876. Now it's the tourist rush; over one million people visited the park in 1977.

An absorbing place to visit is the Badger Hole, a cabin in the pines near Legion Lake. Here the late Badger Clark, poet laureate of South Dakota, lived an idyllic existence for 30 years. Some of his verse seems addressed to all visitors:

But leave me the song in the pine tops
The breath of a wind from the snows
With mountains of green all around me,
And mountains of white up above.

And . . .

It's only lovely, free and big
And isn't worth a cent.
I pray that them who come to spoil
May wait till I am dead.

IF YOU GO . . .

. . . to Custer State Park and want to stay in the park itself, you should not plan to arrive until May 15 when the hotels, lodges, cabins and campgrounds open for the season, which lasts until about Oct. 1. Although the park is open all year, no accommodations are available in the winter and early spring.

The State Game Lodge and Sylvan Lake Hotel are first-class hotels. Blue Bell Lodge and Legion Lake Resort are comfortable rustic lodges. All four are state-owned, with reasonable rates, and dining rooms in the main buildings. For reservations and rates, write to the hotel of your choice, care of Custer, S.D. 57730 (not to be confused with Custer State Park).

The camping fee in the park's 11 campgrounds is $3 a night. If you want to try the primitive camps in the French Creek wilderness, first check in with the rangers so they will know where to look if you get lost. If you bring your own horse, you can stay at the French Creek Horse Camp.

A $4 park user's license is required to operate a motor vehicle in the park between May 1 and Labor Day. This license is also good for all other South Dakota state parks. Visitors can buy a five-day fishing license for $5, good anywhere in the state.

For additional information about the park, write to: South Dakota Department of Game, Fish and Parks, Division of Custer State Park, Hermosa, S.D. 57744 (605–255–4515).

Although the park is located in the southern hills, the Park Headquarters on Route 16A is not more than a two-hour drive from any spot in the Black Hills: 32 miles from Rapid City; 17 miles from Custer City; 19 miles from Mount Rushmore.

Throughout the hills are many campgrounds and accommodations, and much to see and do. There are 10 accessible caves, including Wind Cave National Park and Jewel Cave National Monument. There are also aerial tramways, rodeos, rockhound conventions and ghost towns. Flies and mosquitoes are almost nil; summer nights are cool.

Here's a brief summary of the main towns:

Rapid City (population 49,000), the metropolis of the Black Hills, has accommodations for over 7,000. Take the Red Carpet tour of free attractions including Dinosaur Park on Hangman's Hill, the Museum of Geology at the South Dakota School of Mines to see skeletons of prehistoric life from the region, the Dahl Fine Arts Center and the Sioux Indian Museum and Craft Center.

Custer, the oldest city in the hills. Visit the Way Museum. Five miles north is the gigantic carving of Crazy Horse, a work in progress. Two miles east is site of the Custer Expedition's 1874 camp on French Creek.

Hot Springs, the southern gateway. Swim in Evans Plunge, a large indoor warm-water pool—87 degrees.

Hill City, home of the 1880 narrow-gauge railway, which still operates over a scenic route.

Deadwood, the historic gold camp, has Mount Moriah Cemetery, where Wild Bill Hickok and Calamity Jane are buried, the Adams Museum, the Broken Boot Gold Mine, old-time saloons.

Lead, the mile-high city. Tour the surface workings of the Homestake Mine, the largest gold-producing mine in the Western Hemisphere. Three miles to Terry Peak Chair Lift with views of five states.

Spearfish, home of the Black Hills Passion Play produced in the amphitheater. Northern entrance to Spearfish Canyon and superb trout fishing.

Sturgis, the heart of the rangeland, is near Bear Butte State Park. Bear Butte, almost a volcano, was once a sacred Indian shrine. The historic Cavalry Museum is at Fort Meade.

For a rundown of accommodations and routes in South Dakota, write for a free vacation guide to South Dakota Division of Tourism, Pierre, S.D. 57501.—H.R.●

REMARKS OF SENATOR BROOKE AT SUN DAY

● Mr. PERCY. Mr. President, I ask that the remarks of my distinguished colleague from Massachusetts Senator BROOKE delivered at Sun Day celebration in Westborough, Mass., be printed in the RECORD.

Senator BROOKE and I are both members of the House/Senate Solar Coalition which is dedicated to legislating a comprehensive and effective solar energy policy. His past efforts on behalf of tax credits, loans, and appropriations to accelerate the dawn of the solar era put him in the forefront of these leading the fight to realize the full potential of the Sun's power. I hope our colleagues will take note of these remarks and join us in our mutual efforts.

The remarks follow:

REMARKS OF SENATOR EDWARD W. BROOKE

It gives everyone of us great joy to take part in these observances of the power and the promise of the sun. There is no question that we share some primeval human urge to wonder at and to celebrate the power of our own star. And now that science is offering us practical new ways to capture that power, it is only right that we come together to pool our current knowledge and look into a brighter future.

If nothing else, Sun Day will make it clear that solar power is real and that solar power is here to stay. We can already heat many kinds of buildings and provide hot water to various installations in a wide range of climates. Where problems in these applications exist, they are limited and technical in nature, and clearly capable of solution in the near future. And, of course, the advance of the solar-powered era is accelerated as conventional fuel prices inexorably rise and solar technology prices fall.

Already Massachusetts is rich in solar installations. There are the experimental facilities being tested across the state by farsighted energy suppliers, including New England Electric and the New England Fuel Dealers Institute. And we have been working with the Department of Housing and Urban Development to get more of the demonstration monies that have already gone to a University of Lowell Dormitory and to residential developments in Saugus, Oxford, Quincy, Haverhill, South Dartmouth and New Bedford, to name just a few. Wind energy experiments are under way at Cuttyhunk and Woods Hole. Massachusetts business is taking to solar too. The Acme Glass Company nearby in Natick has built a new solar heated plant. And many solar equipment producers in our state's advanced technology sector are ready to move as soon as the market opens up more

But, to open that market, it is essential to have a serious and coordinated public policy. The demand for even the fairly primitive states of technology must be primed and helped along so more advanced equipment can be developed. Barriers to small business activity in the field must be struck down. And, most of all, the federal government must make a serious, concentrated effort to bring on higher-level technologies faster.

Solar energy policy offers just one more unfortunate example of public officials failing to lead and indeed lagging far behind the people. No administration has sent an adequate solar budget to the Congress for consideration. Thus, we have had to make additions on the House and Senate floor for each of the past three years. Very frankly, the Carter Administration's performance has been the most disappointing because the President's campaign promises and energy message led us to hope that there would be a real push to develop solar power. Instead the proposed Carter energy budget contained a 15 percent cut below last year's solar appropriations.

As a result, the 100 memoers of both houses of Congress, including myself, who last year formed a Solar Coalition, have filed a package of legislation to change our national policy. I am most concerned about the measure I am sponsoring to add $140 million to the proposed 1978–1979 solar technology expenditures. And we are also fighting for changes in the laws, such as a small business loan program for solar firms and assistance to agricultural and international programs adapting solar technologies.

However, I must say the past year in Congress was an encouraging one for those of us committed to developing solar energy. A version of my bill which gave a tax credit to homeowners and small businesses installing solar or wind equipment passed both houses of Congress as part of the National Energy Act. It is awaiting final, long overdue action once the natural gas controversy is settled. Last year after we held extensive hearings in the Senate Banking Committee, a measure to provide loans and loan guarantees for solar residences was drafted. And it, too, passed as part of the Energy Bill. Also, I was successful in getting an additional $3 million for the Department of Energy to expand into New England its programs of encouraging small scale, renewable resource energy inventions.

Yet all these measures are but small commitments, tentative first steps toward our hoped-for goal of a solar economy. No one knows exactly what proportion of our future energy needs can be met by solar power. The most optimistic projections say maximum effort can make solar meet 85% of energy needs within 50 years. The least optimistic say 10–15%.

Thus, we need to commit significant Federal expenditures to bring the technology to the point where we know the maximum it can deliver. And then we need to invest in realizing that promise.

Left to itself, the marketplace will be slower, and our laws will continue to encourage conventional enterprises for which we have already built in financial support and tax incentives. But we cannot wait for business as usual to change our energy economy. Shortages, severe dislocation and short run solutions would be our only payoff. We need to guide our energy developments so that we choose the economy and the lifestyles of the future.

And it is both exciting and important to realize that an energy supply with a significant solar base is going to involve a very different social system from one entirely dependent on coal or nuclear technologies. Such a system is going to be diverse. It will require individuals and communities to set up and manage part of their energy resources. And it will mean that technology will be used flexibly to meet rapidly changing individual needs and circumstances.

This dream of a heterogeneous, self-renewing resource base owned by many individual users is not, as some would claim, anti-technology or anti-business. On the contrary, it will require a high level technological genius to invent equipment both sophisticated enough to make power and simple enough to be managed by the individual user. We are far from this breakthrough. And there is no question that central power generation and the building of central facilities will go forward as one part of the entire energy picture. Similarly, countless new industries will grow stronger. But the richness of a diverse economy and the satisfaction of small-scale enterprises will be allowed to flourish. And they are of value in and of themselves. I firmly believe that one major reason for subsidizing solar is not only its potential share of needed resource production, but also the kind of lifestyles its adoption will reinforce. They are values worth planning and paying for.

Indeed, to the extent that it is practical to hitch our future to this star, we are embarking on a journey full of promise for the communities in which our children will live and for the kinds of people they can be. If we can make this solar era dawn become a better day, we will have launched an age of creativity, of widespread scientific achievement, and of prosperity unparalleled in history. Today we recognize the human energies that will be needed to light the way. And we celebrate the hope. Let it shine . . . ●

KENNAN AND NITZE ON AMERICAN FOREIGN POLICY

● Mr. McGOVERN. Mr. President, the New York Times Magazine of Sunday May 7, 1978, carries two provocative articles setting forth the views of Mr. George Kennan and Mr. Paul Nitze, two of our best-known Americans in the fields of foreign policy and national security.

My own long-held views are much more closely in line with those expressed by Mr. Kennan. I strongly commend his interview with Marilyn Berger, as reported in the Times Magazine, to my colleagues in the Congress.

While I disagree with some of the assumptions which underlie Mr. Nitze's views, I nevertheless recognize him as an influential national security voice whose views should be heard and carefully evaluated.

I submit Ms. Berger's interview with Mr. Kennan and Mr. Nitze's article for the RECORD.

● Mr. EAGLETON. Mr. President, I wish to call to the attention of my colleagues two excellent and interesting articles in yesterday's (May 7, 1978) New York Times Magazine. Both articles seek to appraise current Soviet intentions and a proper response by President Carter with respect thereto.

One is by Paul Nitze, former Deputy Secretary of Defense and a member of the U.S. SALT delegation from 1969 to 1974, and director of policy studies for the Committee on the Present Danger.

The other, by Marilyn Berger, is based on an interview between Ms. Berger and former U.S. Ambassador George Kennan.

The articles follow:

AN APPEAL FOR THOUGHT

(By Marilyn Berger)

(I object to people who talk about war as though it were perfectly natural that if you could go to war, you would. Normally, people have gone to war for a purpose, and if they didn't have a purpose, they didn't do it. And I don't see the purpose from the standpoint of the Soviet Government.)

George F. Kennan is a deeply troubled man these days. The policy of containment, as set forth by him in his celebrated article published anonymously 30 years ago, has been coming back to haunt him. His prescription for dealing with the Soviet Union of Joseph Stalin has been dug up by domestic hardliners to justify a policy of unremitting hostility toward Moscow that, in his view, could lead to a new international crisis, even to nuclear war. And he is afraid that the hardliners are acquring a veto over American foreign policy.

Kennan, now 74, had hoped to withdraw from the debate over American policy toward the Soviet Union, to remain in his airy, gracious book-lined office at the Institute for Advanced Study in Princeton, N.J., to gaze out over the woods where Einstein once walked, and to concentrate on history. But he is being drawn back into the arena by a growing concern: that the United States is being pushed by well-meaning but misguided people into a dangerous confrontation with Moscow.

He insists he is only a scholar now, attuned to the placid flow of his Princeton life—walking to work along the sycamore-lined streets; studying in the square turret of his house that some call his ivory tower; visiting the Pennsylvania Dutch-country farmhouse that he and his wife have given to one of their daughters, who always keeps their bedroom ready for them. But the George F. Kennan who appeared for this interview during one of his recent visits to New York, still looked very much the diplomat he once was: blue pin-striped suit with vest; striped shirt; button-down collar; subdued, patterned tie; discreet mustache. He is still tall and straight and trim, his eyes still startling blue, reflective, almost sad.

What Kennan wants is for everyone, himself included, to step back and re-examine his preconceptions of present-day Russia. He has called for a "process of re-education in the realities of Soviet power and leadership"—a series of private gatherings of policy makers and other interested parties, at which "we would check our existing views at the door, together with our hats, and try to get a new view of the facts before we drew conclusions." Those conclusions would then be based on "what could be told to us by the most experienced and knowledgeable people who could be found in the respective fields." For the purpose of this exercise, Kennan proposes that "we lay aside all the arguments of who could conceivably do what to whom if their intentions were of the nastiest; and that we elevate our vision, at least for the time being, to the question of the real nature and situation of the particular foreign power we are dealing with."

That, in effect, is the same question Kennan addressed in his article, "The Sources of Soviet Conduct," which appeared under the pseudonym "X" in the July 1947 issue of Foreign Affairs, and which became the blueprint for containment. He wrote the article, he says, to temper the overly optimistic belief, held in some quarters in Washington at the time, that the Soviet-American alliance of World War II would assure peace in the postwar period. The article warned against a tendency to greet occasional spurts of Soviet cooperation "with gleeful announcements that the Russians have changed.' "

Today, Kennan is convinced that the Russians *have* changed. Today, his battle is with those who take what he regards as too pessimistic a view of Soviet intentions—those who discern in the present Soviet leadership a willingness to risk even nuclear war in a drive for world domination. That these "alarmists," as he calls them, should draw on his past writings for support is, to him, part of an old story. What Kennan said in 1947, and what he meant to say, are questions that have long been a matter of controversy.

In his 1947 article, Kennan wrote that "Soviet pressure against the free institutions of the Western world is something that can be contained by the adroit and vigilant application of counterforce at a series of constantly shifting geographical and political points." That analysis provided a theoretical underpinning for the military buildup of the West. But, in the same article, Kennan emphasized strong *political* components to containment. Not the least of these, he wrote, was the need for the United States to "create among the peoples of the world generally the impression of a country which knows what it wants, which is coping successfully with the problems of its internal life and with the responsibilities of a world power, and which has a spiritual vitality capable of holding its own among the major ideological currents of the time. . . ."

In his memoirs, written in the 1960's after he capped his diplomatic career with ambassadorships to Moscow and Belgrade, Kennan complained that he had been misread—perhaps because he had expressed his ideas too sketchily. What he had meant, he said, was "not containment by military means of a military threat, but the political containment of a political threat." In the years following the appearance of the article—its authorship disclosed and Kennan famous as a result—he watched with growing concern as successive administrations in Washington overlooked or neglected the political aspects of containment. Even when Stalin's death and the development of the Sino-Soviet conflict drained away much of the rationale of containment, the United States, in his view, failed to grasp opportunities for negotiation of outstanding issues with the Soviet Union. As he put it in his memoirs: "It was not 'containment' that failed; it was the intended follow-up that never occurred."

Today, Kennan believes that in the current debate on how to deal with the Soviet Union, we stand at "a real and crucial parting of the ways, one road leading to a total militarization of policy and an ultimate showdown on the basis of armed strength . . . the other to an effort to break out of the straitjacket of military rivalry and to strike through to a more constructive and hopeful vision . . . of America's future and the world's." That is the theme that underlies much of what he had to say in the following interview.

Q. Mr. Kennan, you have written that "those Western alarmists who try to persuade us that a surprise Soviet attack against Western Europe is a serious possibility—unless we vastly increase our power to deter it—live in a dream world of their own." Why are the "alarmists" wrong?

A. I think the Soviet leaders are well aware that they have problems enough in Eastern Europe, in their own Communist bloc, and that it's enough of a strain on Russia to try to hold this great area together without increasing those responsibilities by trying to take areas further afield.

I object very strongly to the people who talk about war as though it had no purpose whatsoever, as though one went to war just for the purpose of going to war, as though it were perfectly natural that if you could go to war, you would. This is a curious quirk of the American mentality, it seems to me.

Normally, people have gone to war for a purpose, and if they didn't have a purpose, they didn't do it. And I don't see the purpose, from the standpoint of the Soviet Government. It would set up disarray in Western Europe, and that would unquestionably lead to disarry in Eastern Europe as well. And that's the last thing they want.

But in addition to that, they have a major problem on their hands with Communist China. They find themselves obliged to keep somewhere in the neighborhood of 40 to 45 divisions on the Chinese frontier—something like a million men; more than they do in Central and Eastern Europe. And especially when their military attention is divided this way, this is the last time that they would want to have a war in Western Europe.

You have said that those who are concerned about a surprise attack are talking about a Soviet leadership that many of us have never heard of. What is the present Soviet leadership like?

I would describe it as very conservative, in its own terms. Not at all adventurous. It is, after all, as you know, a leadership composed very largely of people quite advanced in age. They have many problems to solve at home. They are well aware of the terrible damage which the last World War did to Russia. They know that their people still feel very strongly about this. Everyone, I think, who has ever had any contact with the peoples of the Soviet Union knows that they have something approaching a complex about the possibility of another war—that is, that they definitely do not want it. And while it's true that public opinion plays a different role in Russia than it does in this country, nevertheless, it's not something that can be utterly ignored by the Soviet Government.

These are some of the reasons why I don't see any likelihood of their wanting to launch a war. Another, mind you, is ideological. The Leninist-Marxist ideology has never said that the way that Marxism was to triumph all through the world was by action of the Soviet armed forces. It might be an action in which the Soviet armed forces helped, but the main thing was always to be the action of the proletariat and of right-thinking people within the countries themselves. And this is not just meaningless, this. They do take ideology rather seriously.

You said the Soviet leaders are not at all adventurous. How, then, is one to view their intervention—with arms, with military advisers and with Cuban troops—in Angola and Ethiopia?

I stated in my recent book, "The Cloud of Danger," that "the Soviet authorities never gave reason to suppose that they were willing to depart significantly from their established policies and practices . . . in the encouragement of pseudo-Marxist 'national liberation movements' in the third world." I find, in principle, nothing in recent Soviet actions in Angola or at the Horn of Africa which we ourselves have not done in other areas, on a number of instances, in recent years. In Ethopia, in fact, the Russians seem, in large measure, simply to have taken our place. This answer assumes that the Soviet Union will not assist the Ethiopians to go beyond their own borders. If it became an invasion of Somalia, then I think the whole thing would acquire international significance.

You spoke of the concern of the Soviet leadership for keeping Eastern Europe together. What are their other overwhelming concerns now?

Domestically, I would say, the relative backwardness and lack of success of Soviet agriculture; the decline in the rate of increase in the productivity of labor, which means they're running up against a certain ceiling in their economic development beyond which labor productivity will be declining rather than increasing; a decline in the effectiveness of industrial investment; the fact that they still lag behind, despite their great industrial strength, in the development of advanced technology, such as in the field of electronics. They seem to find it very difficult to crash through that sound barrier and come out into the sort of technological stratosphere that the Japanese and Germans and others of us have come into.

They are also concerned, I am sure, about what I might call the spiritual state of mind of their own people: the lack of enthusiasm for the ideology; the obvious signs of boredom, bewilderment; a certain demoralization among the youth. A great deal of alcoholism. A great deal of absenteeism in labor.

How can American policy encourage moderation in the present Soviet leadership, and, perhaps, make it more possible that moderates would succeed to power?

I don't think that there's anything very much that our Government could do to influence the selection of people who come to power in the Soviet Union. But it can affect the environment in which these people have to exercise that power when they do come. If they see opportunities for benefit to themselves and to their country from a good relationship, a developing relationship, with the

United States, that's one thing, and then they will have incentives to move in that direction. But if they don't see such possibilities, and if they are brought to the conclusion that this country really doesn't want to have any very favorable development of relations with them, that we are placing our hopes on military rivalry and hope to be able to outproduce them and to outclass them in weaponry, and that that's all we're interested in, then they are going to have to look around for alternatives. I wouldn't like to speculate on what those alternatives would be, but I think none of them would be very welcome from our standpoint.

Are you saying that if the "alarmists" in this country were to prevail, the Russians would have to look for those alternatives?

I think they would. In fact, it seems to me that there are a lot of people in our country, and many of them in Washington, who have no interest in the improvement of relations with the Soviet Union, who don't think that that's possible, who view the Soviet leaders as people absolutely committed against us and determined to defeat us entirely, in some way or other, and to destroy everything that we value. And, therefore, they would think that there's no use talking with the Soviet leaders at all—that the only thing you can do is be so much stronger than they are that you can face them down.

In that same book, "The Cloud of Danger," you wrote that there is no political or ideological difference between the United States and the Soviet Union that would be worth the risks and sacrifices of a military encounter.

I had in mind the political differences. The most serious of these is Berlin. Of course, an outright attack on Berlin would raise terribly serious problems for us. But none of the consequences of any of these possibilities could ever measure up to the disasters of a nuclear war.

I mean, one must make it a major purpose to avoid a nuclear war. Because, after all, life is better than death. And countries do survive all sorts of vicissitudes short of annihilation. They survive occupations, they survive being satellites, and so forth. Time softens these things, and eventually people get their own independence again. But once you are destroyed in a nuclear holocaust, that's it. You've had it, then.

In saying that, don't you stand to be accused of saying, "Better red than dead"?

Well, I do. I would say, "Rather red than dead." But, mind you, your question is simply an attempt to carry the issue to unreal ultimate conclusions. I don't think there's any need for us to be red, because I don't think that war is the way the Russians would like to expand their power.

Well, if, as you say, there are, in this country, these wildly erroneous impressions about the Russians, where do they come from? Why are the hardliners so strong today?

That's a very good question, a very good question. You know, it sometimes seems to me that people have a need for the externalization of evil. They have the need to think that there is, somewhere, an enemy boundlessly evil, because this makes them feel boundlessly good. They can't stand life without the image of an enemy somewhere. This is the nature of the militant mentality.

It's also true, of course, that chauvinist rhetoric—which derives, perhaps, from this same feeling—is very powerful even with people who are not aware that they have this philosophic inclination. Somehow or other, to thump the drum and say, "We're not going to let these people get away with this, we're going to stand up to it"—this is always very, very popular. It's an oversimplification, but people love oversimplifications.

Let's talk about the military for a minute. Isn't it the obligation of the military to prepare for the "worst case"?

Yes, but it's the obligation of others of us not to accept that, and to insist that other things be taken into account as well. Military considerations, no matter how sound they are from the strictly military standpoint, ought never, but absolutely never, to be taken literally. They should always be taken in relation to other considerations of a nonmilitary nature.

What bothers me about a great deal of the present discussion of the military realities is that they all have, implicit in them, a certain image of the Soviet leadership as a group of men who, obviously, if they could do this and that to us militarily, would. Somehow or other, when you start to think in military terms of what we could do to them and what they could do to us, insensibly you move quietly to the assumption that since they could do this, this is what they would like to do.

And that leads to the stockpiling of more and more varied nuclear weapons.

You know, I don't see how this proliferation of nuclear weaponry can end well. I can't see any favorable ending to it. Even if it's not armed conflict, I see enormous dangers in it.

Do you foresee a Soviet-American nuclear exchange if we don't undertake a re-evaluation, a new look at the Soviet Union?

I cannot see it coming as a deliberate decision of either of these governments, because they know too well what horrors lie in that direction. But nobody knows what can be the chain effect of nuclear war started among smaller powers, especially ones where people are extremely violent in their feelings, even to the point of suicide, like the Arab terrorists. People like that, if they had nuclear weapons in their hands, no doubt would use them.

What about states—say the Arabs and Israel?

I'm no expert on the Middle East, but I should think that if it ever came to an all-out military conflict there, it is not at all to be excluded that whoever had these weapons would use them. This could create an extremely dangerous situation. Another thing one has to bear in mind is that perhaps one wouldn't always be sure where a nuclear weapon came from.

I think the very existence of these weapons in human hands is an enormous danger to us all, and, above all, to our children. It seems to me rather like putting loaded revolvers in the hands of little kids and letting them play with them. Human beings just are not good enough, and never will be, to control this amount of weaponry.

The Russians have proposed such things as an end to nuclear testing and an agreement on "no first use" of nuclear weapons. Do you think they propose these things knowing the United States will turn them down? Do they simply want to have the image of leadership in the field of disarmament?

No, they might enjoy putting us in this position, but I don't think that's the reason they propose them. I think they would be quite willing to commit themselves to an abandonment of the principle of first use. I think they would be quite willing to give up testing if we did—provided, of course, that the third-country problem can be solved.

But you also said some time ago that any agreements the Russians make will be merely tactical steps toward objectives that will usually be inimical to the United States. You have said there can never be a "a community of aims."

At the time I said those things, there were two things that ought to be borne in mind: first of all, that Stalin was still alive, and it was the Stalinist regime we were dealing with; and, second, that we did not yet have the atom as a permanent reality in our lives. I think that if things had remained the way they were then, one would have to accept the view of our hardliners today.

But I think that both of us, the United States and the Soviet Union, are sobered by the existence of the atom. We both realize, I think, that there are limits on what we can expect to do, and that by trying to do more, trying to go beyond those limits, we can create far greater dangers for ourselves than opportunities. And that is a healthy thing. I think that's the beginning of wisdom. I won't say just for the Russians, but for us, too. Because Americans have often had overweening ideas as to what they were able to achieve in this world.

How do you answer the argument of the "alarmists" that it's not the one-time threat of Soviet attack that should concern Americans and Europeans but, rather, the permanent impact of Soviet military power on European freedom of political action, with the implication of blackmail?

You know, I don't really believe in the theory of nuclear blackmail. I don't think this is the way international affairs work.

It takes two to make an act of international blackmail. There has to be somebody to do the blackmailing, and there has to be somebody to accept it. Actually, I have not seen the Soviet Government put that kind of pressure on another Government and say, "Look here, you do this or that, or else." I have lived and served in countries that did not have nuclear weapons, and I didn't see their governments giving in all along the line to the Soviet Union for this reason, although in certain instances they have had very serious differences with Moscow. Now according to this theory of nuclear blackmail, they should have trembled in their boots.

There is concern among these "alarmists" that, with Communist parties growing stronger in Western Europe, more and more people will be intimidated by the specter of Soviet power, particularly if it is not balanced by American military power, and that they will vote Communist.

Yes, but it hasn't been that way, you know. And smaller countries in Europe which have been much weaker than are France and Italy, and which have been even nearer to the Soviet Union, did not succumb to that sort of reaction. As a matter of fact, I would be tempted to say that if people react that way, then they deserve what they're going to get. If that is the degree of their pusillanimity and their lack of will, then I really haven't got much sympathy for them.

And that would be no loss to the United States?

It would be a loss, but nobody can protect another people from themselves.

You've been accused by your critics of being an apostle of "qualified isolationism," a form of isolationism that they say will cost more in blood and treasure in the long run.

I think the charge—without the consequences you cite—is perfectly justified. I think I am a semi-isolationist. I would like to see us try to do far less than we are trying to do in the world. I think a great deal of what we try to do doesn't do any good. We are overextending ourselves beyond our means, beyond our capabilities. I think we have a great many things to do at home, and I don't think it's really sound to involve ourselves over the world to the extent that we have.

You seem to be concerned almost exclusively with Western Europe, Japan, the industrialized areas. What about the rest of the world?

Well, if we can arrange our affairs in such a way that we will have a safe future in our relations with Western Europe, with Germany, with Russia, with China, with Japan, then, except for the oil problem—except for

our dependence on the oil in the Middle East—I would not be worried about our relations with the rest of the world.

But what if there were Soviet control over those areas of the world that produce the raw materials we need?

I don't think there can be, really. I think that people greatly exaggerate the degree to which a great country can really control other countries far from its shores and not contiguous to its own military area. I don't really believe that countries are easily made into puppets by a great power far, far away. It seems to me that the entire experience of Africa since the last war belies that. Neither have we been very successful in making a puppet out of anybody, nor have the Russians, nor have the Chinese. Quite the contrary. The Russians have had one lack of success after another. So have we.

It's my belief that people will have a tendency to go their own way. These smaller and developing countries naturally take what they can get from the big ones, but they don't take orders from them any more than they have to. That was the whole experience of the phenomenon of colonialism. After all, it wasn't successful in the end. It all broke down. And it's not going to be any easier to re-create colonialism than it was to maintain it at the beginning of this century.

The Russians may not be able to hold on to new areas of influence in the long run, but your critics say that in the short run—if the Soviets got control of the main oil areas, for instance—the results for us would be very bad, and for Western Europe and Japan they could be fatal.

Of course, this might be very bad. Actually, I do not think it a very real possibility. The contingency is too hypothetical and too improbable to deserve serious discussion. But even then, the question bothers me, for it seems to me to imply, like so many questions being raised today about the Russians, that they are consumed with a desire to do terrible things to other countries or to enslave them. I think this is a serious and sometimes almost grotesque distortion of the real situation.

Have President Carter's pronouncements on human rights in other countries helped the dissidents in those countries?

I cannot say that I have followed this as closely as many other people have. But I think that, by and large, it has been counterproductive with relation to the people on whose behalf these things have been said.

But Mr. Carter seems to take the view that we must return to ourselves, to our principles, that we must be the best we can be and create an example—something you yourself once said.

If this pronouncements were directed solely to our own country, I would be strongly for it, and I would applaud Mr. Carter and say, "Fine, let us make sure that this country stands as a model for all humanity on human rights." But I do not think that any very useful purpose is served by pressing other governments in other parts of the world on this subject. I don't regard us as very good advisers to them. Very often we achieve just the opposite of what we wanted to achieve when we push along this line.

That seems to me to be the conclusion that one has to draw from the experience of the last two or three years. We have pressed for human rights in South Africa, and, so far as I can see, the main result of our efforts has been to crush—and to crush for years to come—the moderate and liberal white elements in that country. We have pressed for increased Jewish emigration from the Soviet Union, and the result is that we neither have the trade agreement which we could have had with that country, nor have we achieved an increase in the number of Jews coming abroad. On the contrary, it has declined. I don't quite understand this policy on our part. I don't think that it is entirely thought through.

You know, there was a time when we tended to talk about democracy, making the world safe for democracy. Today we never talk about democracy anymore. We talk only about human rights, and we press the Soviet regime to go further in the field of human rights than it has gone. Now the Soviet regime is an authoritarian regime. When we press it to go further along the path of human rights, what is it that we are demanding from it?

In other words, is not the question of human rights closely related to the question of democracy itself? I'm sure that the Soviet leaders feel this. And when we continually raise this subject, they see in it a disguised effort to promote the overthrow of the Soviet regime.

Now you may say, "Wouldn't you like to see the overthrow of the Soviet regime?" Well, before I could answer that question, I would have to know what the alternative to it is to be.

You are saying the Russian leadership considers all this very provocative?

I think they do. I think they suspect that what really lies behind it is still a hope on the part of our Government that we can succeed, finally, in overthrowing Communist power in Russia and Eastern Europe.

You've said the hardliners have something of a veto over U.S. policy, and that the Russians believe the hardliners have that veto. Does that make the Soviets more militant?

Let me put it this way. It puts arguments and force into the hands and mouths of their own hardliners, the people in Russia who say there's no use fooling with these Americans—in the end they will always react along the lines of the strongly anti-Communist, anti-Soviet sentiments that are widespread in this country.

Do you think Nixon and Kissinger handled the Russians properly in trying to develop a "web of relationships" with them?

I think that a lot of the summitry was unnecessary. I think it was unfortunate that some of this was overdramatized and led to false hopes here. But, otherwise, I think it was positive in its general direction, and I would like to see it continue.

Is the Carter Administration continuing it vigorously enough?

I haven't seen any great enthusiasm for its continuing, but it is permitting the existing agreements to continue.

You have said that you wrote your "X" article in 1947 to counteract the "left-wing deviationism" of the time. Do you find yourself feeling strange or uncomfortable in your fight now against "right-wing deviationism?"

Yes, I do. I know I do. And to many people it looks as though I've been a sort of turncoat in my views.

But you feel your views have been consistent?

Well, they have, to my mind. I've tried to adjust them to the nature of the Soviet Union as we know it today, and the world as we know it today, not the world as it was 30 years ago. I was very bitterly attacked the other day in one of the weekly intellectual magazines for things I had said in 1947 which appear to be different from things I was saying today.

Well, I didn't answer the attack, but I wanted to say to its author. "Do you really mean that you think it would have been better if in these 30 years I had learned nothing, and were saying precisely the same thing that I said in 1947?"

A PLEA FOR ACTION * * *

(By Paul H. Nitze)

(Unless we take urgent measures at once to reverse current trends, the Russians in a few years' time will have the capability to fight a nuclear war—and to win such a war in the military sense of ending up in undisputed command of the battlefield and being in a position to dictate the peace.)

It is characteristic of the American political system that candidates for public office deal with ends rather than means—and, to some extent, continue to do so after being elected. One can always be warmer, more human and more sympathetic when discussing ends than when dealing with the allocation of the scarce means necessary to achieve those ends.

But there is an additional problem if the ends are inherently contradictory. One can't simultaneously favor the young, the old and the middle-aged of both sexes; the blacks, the whites, the Indians, the Mexicans and all other racial minority groups; the Jews, the Catholics, the Protestants and the nonbelievers; the workers, the farmers, the white-collar workers and the business managers. One can't both achieve a rising standard of living and take environmental measures that deny one the means to achieve that standard. By the same token, unless one makes wholly unrealistic assumptions about the nature of Soviet policies, one cannot simultaneously favor abolition of all nuclear weapons, a substantial cut in the defense budget and a national defense second to none.

It was therefore a foregone conclusion that President Carter would not be able to achieve some of the contradictory ends he set for himself during the campaign. But that has been true of many Presidential candidates. The more serious question is whether, since his inauguration, he has adapted his position to a more realistic approach to an imperfect world—whether he has plotted courses of action designed to get some specific and necessary things done for the country as a whole. I will not attempt to deal with the choices he faces on inflation, energy, the environment or the unemployed young; my subject is President Carter and the Russians.

It was Mr. Carter's original intention, in comparison with the preceding Administration, to be firmer with the Soviet leadership, more understanding toward our allies and more successful in negotiating equitable agreements with the Soviet Union. These agreements were to cover a wide range of subjects, including a new strategic-arms (SALT II), an agreement on mutual, balanced force reductions in Europe, a comprehensive nuclear test ban treaty, a new codification of the Law of the Sea and an agreement concerning the Indian Ocean. At the same time, he proposed to put less emphasis on East-West relations and more emphasis on North-South relations and the global issues of food, population, energy, economic development and the environment. All this was to be carried out against the background of a vigorous campaign to foster respect for human rights throughout the world, including the Soviet Union.

Today, this agenda looks far less practicable than it did on Jan. 20, 1977. What have been the causes for disappointment?

In my opinion, the principal cause is the President's misreading of the Russians. He shared the view of his chief arms-control negotiator, Paul Warnke, that the Soviet drive for greater military power was a reaction to our programs—limited to catching up—and that it would be reversed if we did not take steps to challenge it. He thought it possible to find solutions that the Russians would find "fair" to themselves and that would also be "fair" to us. His March 1977 SALT proposal went so far to be "fair" to

the Russians as actually to be unfair to the United States. As his advisers now concede, the proposal would have guaranteed that, under no circumstances, could we gain from initiating an attack on the Soviet Union's fixed land-based missile silos, while leaving us without any guarantee that the Russians could not gain from such an attack on our silos.

However, the proposal would have also placed restraints on modernization and technological developments that the Russians were not prepared to accept. They were confident that they could improve their position vis-a-vis the United States without such restraints, and subsequent developments have proved them right.

President Carter was shocked by the force of the Soviet rejection. He is still in search of a "fair" solution. But the concept of "fairness" to a potential opponent is simply not seen by Soviet negotiators as a serious approach; they believe that opponents should strive to gain as much as possible from the other side, and give as little as possible.

Mr. Carter had hoped to be able to concentrate on the defense of the NATO front in Europe and the security of Japan, and to downgrade areas of lesser danger such as the Middle East, Africa and Korea. He had also hoped to separate the North-South issues from the East-West issues and give them greater priority. On both counts, he ran up against a reality that did not conform to his hopes.

He found that an important line of Soviet strategy was to outflank the NATO center by putting pressure on Norway and Turkey—particularly Turkey, which is now the largest single recipient of Soviet aid. He also found that the Soviet Union was working toward a position of hegemony in the Middle East designed to outflank Europe and Japan, and a position in Africa designed to outflank the Middle East.

The President thus found that it was not possible to separate North-South issues from East-West issues. It was the North-South issues that were being exploited by the Russians to upset the East-West balance in their favor—and this exploitation was fostered by the Soviet Union's growing strategic nuclear capabilities and its increasing power to project military force, either directly or through client states, to positions distant from Soviet borders. Although Mr. Carter announced that we would "compete" with the Soviets for influence in the third world, he found that the tools of American influence needed for that competition were not strong. Our ability to grant economic assistance is not what it once was. Military aid has been limited both by the Carter Administration's policies and by Congressional restraints. And there is a limit to what words and diplomacy, not backed by the more substantive aspects of power, can accomplish.

With respect to the human-rights part of his program, he has found the world more responsive to this initiative than might have been expected. Those who have suffered under Soviet domination, and who, therefore, know the Soviet regime well, received the White House appeals on behalf of human rights with renewed hope. This audience includes the people of Hungary, Poland and East Germany, among many others. In the Soviet Union itself, the regime has found it necessary to tighten the measures of repression. The regimes in Egypt, Somalia and China have also known the Russians well, but have other reasons for being opposed to the Soviet Union, and emotionally so. But those emotionally opposed to the Kremlin's policies do not, separately or together, command organized power adequate to make their opposition effective. They tend to look to us for more support than we are in a position to give.

In short, I believe President Carter misjudged the current state of the world and the Soviet Union's role in it. It seems evident that he is now having to reassess his policy, and that the issues sketched out above are causing divisions among his advisers.

Clues to the opposing viewpoints may be found in statements being made available to the press. In The New York Times of April 17, for instance, a high-ranking State Department official is quoted as saying that Zbigniew Brzezinski, the President's national-security adviser, "believes that only by displaying backbone can the Administration achieve its goals with Moscow," whereas "most people around here [the State Department] think that tough talk and a threatening posture could ruin the chances for working out a more stable relationship."

That comment seems to me to miss the point. It is undeniable that tough talk and a threatening verbal posture not backed by the tools to make it stick are not going to accomplish much; they may, in fact, expose us to the humiliation of a rude rebuff (as the Russians say) or force us into dangerous actions for which we are psychologically or materially unprepared. But neither, in dealing with Moscow, can we achieve our goals without displaying backbone. Accommodation without backbone leads to appeasement. We should talk not "tough" but with constructive reason and with an eye to correcting the continual stream of erroneous and and deliberately deceptive propaganda issuing from Moscow. And while speaking quietly, we should urgently be doing those things that need to be done to reverse unfavorable trends in the underlying practical factors of power and influence.

The New York Times news story also reports the suggestion of a close aide to Secretary of State Cyrus Vance that Mr. Brzezinski's unhappiness with second-level State Department officials resulted from "a lack of clear policy direction from the top down." "We don't have a consistent policy toward Moscow," the official is quoted as saying, "and when this is the case, people get into trouble. It's not that the State Department is trying to undercut policy; we are only trying to carry out what we think the policy is."

Normally, a President would replace a Secretary of State whose close aide tells the press that Presidential guidance is so unclear as to lead to serious confusion. Perhaps Mr. Carter does not do so because he himself finds the fundamental issue in Soviet-American relations confusing and difficult to resolve.

What is the fundamental issue? George Kennan, the author of the "containment" doctrine, has in recent years asserted with increasing conviction that our policy must be one of "accommodation" to the Soviet Union's growing new imperial position in the world. Others, including myself, believe that the United States, with backing throughout the world from the host of potential supporters of independence from Soviet direction—if not of national and personal freedom as we understand these concepts—can maintain an effective base for continued widespread autonomy from Soviet pressures. These pressures take the form of propaganda, political action, psychological warfare, K.G.B. operations and moves and threats of a military nature. Despite the rhetoric of détente and accommodation, I believe these pressures will continue to grow if we continue on our present course.

However one interprets it, there can be no doubt about the continuing and mammoth buildup of Soviet military capabilities. Every recent Administration, including the present one, has testified to the magnitude of this buildup, and most Government agencies with competence in the field have stated that it exceeds any imaginable defensive need. Some people, mostly those who were national-security advisers to Senator George McGovern during the 1972 Presidential campaign, assert that this buildup springs from Soviet anxiety, in response to American initiatives, and is basically defensive in character. My own view is that the situation is not that simple, and that one should give weight to what the Soviet leaders themselves say on this subject to their own people.

Their doctrine, which they take most seriously, is that "scientific socialism," as they call their system, will inevitably triumph throughout the world; that they are duty-bound to assist this historically determined process by every available prudent means; and that, before succumbing to this inevitable outcome, others will defend themselves and strike back. From that vantage point, everything the Soviet leaders do is basically defensive. As Clausewitz puts it, the aggressor never wants war; he would prefer to enter your country unopposed; those who could defend their independence appear to the aggressor to be the warmongers.

To one who is doctrinally dedicated to achieving world hegemony, anyone else who has or may have the capability to resist that hegemony is a cause for anxiety. In that sense, the United States is a cause for Soviet anxiety. And the shift in the military balance, particularly in the strategic nuclear balance, over the last 15 years, gives the Soviet leaders increased confidence in the validity of their doctrine—confidence that 10 or 15 years ago was badly eroding.

The Soviet leaders do not want a nuclear war with the United States. They do, however, want strategic nuclear superiority (they call it "preponderance"). If at all possible, they would like to have the capability to fight a nuclear war—and to win such a war, in the military sense of ending up in undisputed command of the battlefield and being in a position to dictate the peace. They also propose to survive such a war, whatever the personnel and property losses they suffer, and to emerge as the predominant state in a world of Communist states. I don't think they have, as yet, the capability of achieving those objectives, but it is my view that unless we take urgent measures at once—not next year or the year after—to reverse current trends, the Russians will have such a capability in a few years' time. At a minimum, the disparity between our force and theirs will be such that we will have no grounds for confidence that the capability is not theirs.

In the Soviet view, preponderance of capability at the highest level of potential violence is the best way to prevent a confrontation at a lower level from escalating to the strategic nuclear level. However, it is also their view that preponderance at the strategic nuclear level can be exploited at lower levels in many forms of political pressure and violence. Strategic nuclear preponderance, they believe, is the fulcrum on which all other levers of pressure and influence depend.

One of their underlying concepts is the "correlation of forces." By that they mean the balance of political, economic, idealogical, propaganda and organizational forces, as well as the military balance, at any given time. When that correlation is favorable, their doctrine calls on them to exploit their advantage. When it is unfavorable, it calls on them to be cautious, to retreat if necessary, to buy time in order to regroup and improve the balance so that it again moves in their favor. Associated with this doctrine is the idea that all the forces they control—political, psychological, diplomatic and economic—should be coordinated against the background of the relevant military balance

so as to optimize their gains and minimize their risks and potential losses.

Regarding themselves as being on the historical offensive, the Soviet leaders believe they should use the minimum amount of pressure or violence necessary to achieve their immediate aims. In their view, tactical caution is necessary to assure that, over time, grand strategic aims can be achieved. They follow strategies and tactics aimed at achieving a world controlled by regimes fashioned on the "scientific socialist" model —a world in which they, because of their longer experience, their years of effort and sacrifice on behalf of the Communist movement, and their preponderant power, will be the unchallenged hegemonic leaders.

Their attitude toward the United States has not been one of hatred. They have viewed the United States as being the central power among those nations and peoples who have a different view of the future; who believe that cooperative international arrangements can be made to work, that one country's gains are not necessarily another country's losses, that the actions of government should be responsive to the public will, and that the elemental rights of individuals should be fostered and not suppressed.

They believe the United States must of necessity oppose their basic aims. Therefore, the power and influence of the United States must be diminished by whatever prudent means come to hand. All measures taken must be aimed, directly or indirectly, at assuring that the United States, as the strongest of the Soviet Union's potential opponents, is denied any realistic possibility of frustrating their ultimate goals.

The Soviet view of the United States has, therefore, been one of cold and respectful opposition. In recent years the component of respect appears to have diminished. Why should this have been so? In part, the reason may be found in President Carter's very virtues.

President Carter has a way with words. His special talent tends toward simple formulations expressed in brief sentences. The results are akin to homilies. His press conferences, for which his skills are superb, abound with sayings fit to be embroidered for a bedroom wall. A companion trait is self-assurance. He is warmed by inner confidence. A third and closely related quality is determination. His amazingly successful thrust for the Presidency two years ago was an object lesson in perseverance, a quality that grows by being used.

Each of the those characteristics, favorable as they are to success in politics, has its obverse side. Words, for example, can become addictive. At Notre Dame University a year ago, the President revealingly offered the thought that, "in the spiritual realm, words are deeds." If that were all there is to it, we could all attain salvation on the basis of our New Year's resolutions. A capacity to deal with practical matters, not merely with words, is vital—a point no policy maker should ever forget.

Even self-assurance can become a bad habit. In an extreme form, it may induce political leaders to attribute transformative powers to their own personalities—as if some mysterious radiation of their presence could resolve human differences in the way kings in ancient times were said to be able to alleviate physical infirmities by touch of hand. Many a political project has been undone by this delusion.

One must take pains to be precise. The faith that moves mountains is indispensable; I question only the attitude that classifies all mountains as movable objects, the perseverance that only redoubles its efforts when finding itself on the wrong course, the aspiration that indulges itself by defining every impediment out of existence.

To those of us who entertain more and more doubts about President Carter on these grounds, his shortcomings appear as virtues carried to excess. Has his way with words led him to confuse strength with occasional strong utterances on the necessity of being strong? Has he unconsciously translated equations of power in world affairs into terms more applicable to personal relationships—relationships susceptible of being improved, redeemed, and resolved by his setting an example of patience and grace? Is he too devoted to an array of moral equivalents? Does the President find the ideal ends of policy too congenial to his spirit—to the prejudice of the obdurate factors of means? Has he imaginatively reconstructed the Soviet Union with hypotheses that fit his own hopes?

The Russians appear to believe that they face a confused man; a man who, on the one hand, would like to see a world wholly without nuclear weapons, but who, on the other hand, knows that the Russians are not going to give them up. The Russians are determined that so long as anyone in the world has nuclear weapons, or even the possibility of acquiring them, they are going to have them, too, and more and better ones than anyone else. The President, on the other hand, does not seem to be clear in his own mind whether we can or should fully hold up our end of the nuclear deterrent. I regard that attitude as dangerous, and believe it is high time the United States got on with reversing current trends and assuring that we maintain a strategic posture that can give us confidence in our ability to deter the Soviet Union and avoid nuclear war.

It is my view that the position of that part of the world not dominated by Moscow is more precarious today than it has been for some time. We must move forward with great caution and prudence, but to make "accommodation" the touchstone of our policy is, as Peking never ceases to remind us, the road to appeasement.

This issue—whether our policy toward the Soviet Union is to proceed from accommodation leading to appeasement, or from a rallying of our forces for prudent resistance to any Soviet purpose of world hegemony—must be resolved by the President, and resolved correctly. It must be resolved in the direction of prudent resistance, and without delay.●

A RENEWABLE ENERGY RESOURCE OFFICER FOR THE EXPORT-IMPORT BANK

● Mr. PERCY. Mr. President, I would like to take this opportunity to extend my sincere thanks to my distinguished colleague from Michigan, Senator RIEGLE. Senator RIEGLE took upon himself the responsibility of sponsoring S. 2835 in the Senate Banking Committee markup of S. 2520, a bill to amend the Export-Import Bank Act.

S. 2835, which I introduced on April 5, amends the Export-Import Bank Act by creating an officer of the Bank who would, among other duties, promote the export of American renewable energy technology. Due to the efforts of Senator RIEGLE, this legislation has now been incorporated in S. 2520, as reported by the Banking Committee to the full Senate.

It is only appropriate that on May 3, designated a national day of celebration of the Sun and solar energy, the Banking Committee showed its commitment to the export of solar and other renewable energy technologies by incorporating this special officer into the Export-Import Bank's charter.

Mr. President, once again, I would like to extend my thanks to Senator RIEGLE for his efforts on behalf of this legislation.●

RESCUE SQUAD

● Mr. LEAHY. Mr. President, before I came to the Senate, I served as State's attorney of Chittenden County, Vt. During that time, I was intimately aware of the superior volunteer rescue services in that county, which contains nearly a quarter of Vermont's population.

There is no finer rescue squad than that of my alma mater, St. Michael's College. It has been directed and nurtured over the years by my good friend Don Sutton and hundreds of volunteers from St. Michael's College and the area.

I ask that two excellent articles from the Vermont Catholic Tribune regarding the St. Michael's College fire and rescue squad be printed in the RECORD.

The articles follow:

THE MAN BEHIND THE SMC FIRE AND RESCUE SQUAD

(By John Bergin)

WINOOSKI.—"We're always a family no matter what; even if someone goes away they always come back."

It's this familial attitude Don Sutton has towards the St. Michael's College Fire and Rescue Squad he fathered nine years ago, which has kept them saving lives and made them a model for a number of similar units around the state.

It's no easy job to be the first person on the scene of an accident or fire, but someone has to be there. And Don Sutton decided, when he came to SMC in the heat of the turbulent sixties, that it was a responsibility students could take on; a responsibility that might create an important link between the campus and surrounding communities.

The idea was given the nod by then-president of the college Bernard Boutin with a $4,500 subsidy. Close to a decade later the Fire and Rescue Squad is fast becoming an institution in Vermont, with a continually-trained 50-person crew assigned to one fire engine and two completely-equipped rescue trucks. Their operating budget now rounds out to $13,000 per year.

Within three minutes after an alert is sounded the squad is on the road, according to Sutton, from the Sutton Fire House on north campus or the squadron-built rescue station across the street from main campus.

Sutton, who has been the mainstay of the squad throughout the inevitable college turnover, emphasizes the team work involved and prefers to be seen as a part of the group rather than be hailed as its founder.

His Founders Hall office tells much of the story about the project he nurtured from its infancy. The walls are cluttered with memorabilia and awards from countless rescue missions his crew has carried out. Within arms reach of his desk, piled with emergency medical guides and manuals, are two scrapbook volumes that document the years of emergency service to Winooski, Williston, St. George and Hinesburg. Interstate 89 from Chimney Corners to Bolton Flats also fall within their territory.

The success of Sutton's venture has not taken him out of touch with the lifeblood of the college. Walking through campus he appears to know every student there, and they know him.

It is obvious that he is at home at St. Michael's since he came to Vermont 11 years ago from New Jersey.

RESCUE SQUAD RECEIVES RECOGNITION

(By George Kemon)

BURLINGTON.—Special recognition has been given St. Michael's rescue squad for their role in transporting approximately 250 premature and seriously ill infants to the Medical Center Hospital of Vermont and its intensive care nursery since late 1973 when the State rescue program began, designating St. Michael's squad as a primary carrier.

One of the earliest infants to be successfully transported to the MCHV was Rebecca Kelley, daughter of Mr. and Mrs. James Kelley, of Barre, Vermont, who has survived and is now a robust four-year old. Mr. and Mrs. Kelley refer to Rebecca as their "miracle baby," since Mrs. Kelley had lost a first child due to complications and their second child, Rebecca, was saved by being transported in time to get help for her.

Personnel of the Intensive Care Nursery of the Medical Center are placing a plaque near the nursery entrance in recognition of this outstanding service of the St. Michael's squad, and are making a check in the amount of $1,000 available to the Squad from the Vermont-New Hampshire Regional Prenatal Program.●

THE GROWING TAX BURDEN

● Mr. HATCH. Mr. President, in a recent article Warren T. Brookes points out that "since 1970 the American worker has been producing more goods but, after taxes and inflation, has actually been taking home less pay." The reason, of course, is that Government has been taking more than its share. Mr. Brookes points out that in 1977 Government spending averaged an astonishing $8,825 per family.

In another article M. Stanton Evans points out that in 1975 an income of $8,931 placed a family in the top 50 percent of income earners. Mr. President, I believe we have here rather definite proof that spending is out of control. When Government spending per family is equal in amount to the family income that qualifies for the top 50 percent of income earners, taxing and spending have gone too far.

I ask that the two articles be printed in the RECORD.

The articles follows:

WHAT GOVERNMENT IS DOING TO WORKERS OF AMERICA

(By Warren T. Brookes)

When the coal miners rejected their first inflationary contract on March 5, they were really thumbing their noses, not so much at the operators, but at the federal government.

As one miner told NBC contemptuously, "Mr. Carter can't even run that mess in Washington—how in the heck is he going to run the mines?"

As the Wall Street Journal editorialized, "that mess in Washington" has become so expensive that even a 31% pay increase over three years no longer invites any takers.

The Journal correctly pointed out that, after inflation and taxes, the 31% wage boost over three years would come out to a net increase of only 9.6%.

But what the Journal did not point out is that a 3.1% real wage increase per year, as bad as it sounds, is about three times as much as the rest of us are now getting, and equals the highest rate we achieved in the 1960s.

Over the last seven years, total personal income in this country has risen an average of about 7.2% per capita—while inflation has averaged about 6.6%. The result is that our real income, before taxes has risen on average less than ½ of 1% per year.

More important, while the productivity of the coal miners has steadily dropped (since 1970 more than 28%) the productivity of the average American worker in industry has risen 16%, through 1977.

In short, since 1970 the American worker has been producing more goods but, after taxes and inflation, has actually been taking home less pay.

This, of course, violates a fundamental rule of economics which, until 1970, successfully governed this country: That your real wage should grow at least as fast as your real output or productivity.

Between 1960 and 1970, for example, there was a tremendous growth in worker productivity in this nation, more than 34% in just 10 years. During that decade, real (uninflated) wages grew 36% or just a fraction more than real output.

This confirms the premise that we can only earn what we produce, and the more productive we become (through investment and labor saving equipment) the more real wealth we should enjoy.

But, since 1970, that law has been "repealed"—not by big labor unions, or big corporations (we have had those around for several decades) but by big government, with its inflation and taxation.

As Table I shows, from 1970 to 1976, the average annual income of the wage and salary worker rose 46%—or just about the same as the total inflation rate of 46%.

TABLE I.—AVERAGE WAGE AND SALARY WORKER

	1970	1976	Percent change
Gross	$7,706	$11,226	46
Federal income tax	762	1,238	62
Social security	370	657	77
State and local	658	1,230	87
Net after taxes	$5,916	$8,101	37
Cost of living index	116.3	170.5	46.6
Real disposable income	$5,916	$5,525	−6.6
Productivity index	104.5	115.7	+10.7

But, during that period, federal income taxes rose 62%, Social Security taxes rose 77% and state and local taxes rose 87%, leaving him with a net growth, after taxes, of 37%.

When you take inflation out of this after-tax income you find that the average American wage and salary worker in all fields lost 6.6% in real wages from 1970 to 1976.

But during that period, his average productivity increased, 10.7%. So instead of getting a real wage increase of 11%, which he should have, he lost nearly 7% in real wages—producing more, and earning less.

The two major reasons for this horrible performance was inflation (nearly 47% from 1970–76), and taxes which grew, overall 75%.

Even the manufacturing worker, whose wages are better protected against inflation, did not do much better. As Table II shows, the average manufacturing worker had a net increase, after taxes, between 1970 and 1976 of 47%. But with an inflation rate of 46.6% his real increase in that six year period was only .2%.

TABLE II.—AVERAGE MANUFACTURING WORKER

	1970	1976	Percent change
Gross wages	$6,954	$10,795	55
Federal income tax	654	1,131	73
Social Security	334	632	89
State and local	658	1,230	87
Net after taxes	$5,308	$7,802	47
Cost of living index	116.3	170.5	46.6
Real Wages	$5,308	$5,321	0.2
Productivity index	104.5	122.4	17.1

Source: Bureau of Labor Statistics, Department of Commerce.

In that period, his productivity rose 17.1%, through automation and capital and technological improvement, but instead of getting the 17% increase he deserved, he got nothing, a disgraceful performance. No wonder 70% of all families now have to have second wage earners to break even.

So the coal miners have no complaint. They have at least beaten the inflation game by some margin.

From 1970 to 1976, coal miners enjoyed a 67% total wage increase before taxes—60% after taxes—against a 47% inflation rate for a net "real wage" increase of 9%—45 times as much progress as the rest of the blue collar workers.

Yet in that period 1970–76, their productivity dropped 28%. So they got paid a net of 9% more for producing nearly 30% less.

The rest of us have not been so fortunate. And if the coal miners have a legitimate beef against the government, the rest of American workers have an even greater beef. Because, through its inflationary spending, money printing and taxes, government turned fundamental economic law upside down, and forced us to produce more to earn less.

It has been done through the very simple process of steadily increasing the employment rolls of government (which produces no goods) faster than the nation could increase its real productivity.

To understand how, take a look at the following table which shows just how rapidly this unproductive load of government has risen since 1960:

EMPLOYMENT

[In thousands]

	1960	1970	1977	Percent change
Total nonagriculture employment	54,234	70,920	80,252	48
Government employment	8,353	12,561	15,229	82
Private nonagriculture employment	45,881	58,359	65,023	42
Manufacturing employment	16,796	19,349	19,118	14
Percent Government workers	15.4	17.7	19.0	

Since 1960, government employment has grown twice as fast as employment in the private sector—and nearly six times as fast as employment in manufacturing. It now takes almost 20% at all jobs.

This means that every worker in manufacturing is now carrying nearly six times the burden of government on his back as he did when John Kennedy took office in 1961.

And, since 1970, while manufacturing employment has stayed the same, government employment has grown another 20%.

If you wonder why you are working harder, producing more, and taking home less, wonder no more.

Since 1970, the total spending of government, at all levels, has risen from $4,718 dollars per year per family, to the astonishing total in 1977 of $8,825, an increase of 87%—during a period when gross per capita personal income went up 56%.

And, in 1978, your government—at all levels—will spend more than $9,755 per family in this nation, or about three times as much as you spend on food, or shelter.

That's what the American government is doing to the American worker—and that's why the coal miners thumbed their nose at President Carter, and Washington.

WE'VE EARNED IT

"Word has finally come from Washington. Our burdens will be lifted on May 11. This is the date that the U.S. Chamber of Commerce says average Americans will begin working for their own benefit rather than the taxman. Thus far this year the fruits of our labors have gone to pay our local state and federal taxes. How about a national holi-

day on this date? Heaven knows we've earned it."—From the Dallas Morning News.

[From Human Events, May 6, 1978]

HOW THEY RIG OUR TAXES

(By M. Stanton Evans)

Figures compiled by the Internal Revenue Service have shattered a persistent myth about the impact of the federal income tax.

That myth is the notion that our federal taxing system is shot full of loopholes that rig the process in favor of the fat cats, dumping the heaviest burden on the little guy. This idea is at the root of constant clamor for alleged tax reform, which will supposedly ease the burden on the rest of us by piling further taxes on the wealthy.

The data from the IRS show this scenario to be a pipedream. In fact, the figures indicate, the federal tax system is already tilted heavily against the middle-to-upper-income taxpayer, far beyond the wildest imaginings of those who invented our progressive tax code. The process has gone so far that virtually all of the federal income tax burden is borne by those in the upper half of the income scale, almost none of it by people in the lower half.

To get an idea of what is going on, consider the following: If you have an income of $15,898 a year, you are in the upper one-quarter of the American population in terms of annual earnings (1975 figures). And IRS informs us that you, along with others in the top one-quarter, are paying a tidy 72 percent of federal income taxes. In other words, one-fourth of the taxpayers are paying almost three-quarters of the taxes.

Lower the benchmarks a bit to include the top 50 percent of U.S. earners (an income of $8,931 or more in 1975), and the results are even more astounding: "Upper-income" taxpayers thus defined are forking over 92.9 percent of federal income taxes paid. People in the upper one-half of the income scale are paying almost 93 percent of the taxes, while those in the lower one-half are paying less than 8 percent. Not exactly a picture of upper-income citizens getting by with economic murder.

These data are discussed at length by economist Paul Craig Roberts in a recent issue of Harper's and amplified by economic writer Art Pine in a piece for the Washington Post: What they add up to is a picture of our taxing system not only different from, but directly counter to, the conventional image. Here is the way the tax burden broke down in 1975, as Roberts gives it to us:

Percentage of tax paid

Income bracket:	*Percent*
$59,338 and up	18.7
$29,272 and up	36.6
$23,420 and up	48.7
$15,898 and up	72.0
$8,931 and up	92.9
$8,930 or less	7.1

Of course, if your income in 1975 was a modest $8,931, you may not have realized you were in the upper 50 per cent of the income scale and thus included among the fat cats required by law to pay almost all the federal income taxes. But that's the way it operates. The authentic millionaires are so relatively few in number (slightly more than 1,000 taxpayers with incomes of $1 million or more in 1975) that the taxing burden for our $500-billion federal budget has to be distributed pretty widely.

Combine this with the desire of politicians to seek instant popularity by removing income taxes almost entirely from low-income citizens—50 per cent of the potential voters with close to zero per cent of the income taxes is an appealing notion politically—and the result is a foregone conclusion: The entire colossal burden of the personal income tax gets dumped on those who earn between $9,000 and $30,000 a year—middle-income citizens by their own assessment, but upper-income according to the statistical averages.

Roberts sums the situation up as follows: "Half of the taxpayers . . . account for only 7 per cent of the total personal income-tax collections. Taxpayers in the lowest 25 per cent account for less than half of 1 per cent of the personal income tax collected by the government. That's why the government likes to cut taxes for lower-income groups. It doesn't cost much to buy half the votes, and what guilt-ridden upper-income taxpayer would complain about compassionate government?" ●

CITIZENS TASK FORCE TO REVIEW CHICAGO'S $475 MILLION ANNUAL FLOOD LOSS

● Mr. PERCY. Mr. President, for over 2 decades the city of Chicago and its 52 suburban communities have suffered from probably the worst urban flooding known to any major city in America. Rainstorms heavy enough to cause widespread street and basement flooding occur on the average of twice a week in the Chicago metropolitan area. According to the Army Corps of Engineers, urban flooding costs Chicago-area residents about $475 million a year in property damage.

In response to this most urgent problem, the Metropolitan Sanitary District of Greater Chicago has designed the tunnel and reservoir plan (TARP) to relieve flooding and abate waterway pollution in the Chicago area. The project is divided into two phases. Phase I, the pollution control phase, consists of 110 miles of 10- to 30-foot diameter tunnels bored 150 to 290 feet below the surface. Phase I will reduce pollution from combined sewer overflows to Chicago-area rivers and channels by 85 percent. It will reduce the number of times Chicago River locks must be opened to Lake Michigan from an average of once a year to about once every 7 years.

The cost of phase I is about $1.8 billion. Approximately 75 percent of that cost will be borne by Federal funds.

Phase II TARP is the so-called flood control phase. Consisting of 20 additional deep tunnel miles and four reservoirs, phase II TARP would enable the system to effectively bottle up the waters from the largest Chicago-area storm in recorded history.

As I announced on April 10, phase II may never get off the ground. The administration and the Federal bureaucracy appear to have teamed up once again against the cities and, more to the point, against Metropolitan Chicago. A new policy statement, jointly agreed upon last month by the White House Office of Management and Budget and by the Army Corps of Engineers, offers little salvation for urban flooding victims. That policy says, in effect, that if the Metropolitan Sanitary District (MSD) wants to build a pollution control project, then the Environmental Protection Agency will help out; if the MSD wants to build a flood control project, then the corps will provide assistance. But if the citizens of Cook County want to reduce pollution and eliminate flooding at the same time, there is no Federal help available. The bureaucracy does not seem to have an agency that can solve more than one problem at a time.

Thus, while the EPA hedges, and the corps waffles, and the administration goes in different directions on its urban policy, Chicago faces another $475 million loss this summer from urban flooding. And judging from the way the bureaucracy has treated this problem over recent weeks and months, hardly anybody in Washington seems to care very much.

As recently as this past Friday, April 28, I met in my office with high administration officials from the Office of Management and Budget (OMB) to identify available funding that can be used immediately for a comprehensive design study of TARP and its alternatives by the Corps of Engineers. They made it crystal clear that phase II TARP, as presently designed, will not be eligible for Federal funds.

I urged the officials from the corps and OMB to somehow find a few hundred thousand dollars from their multimillion dollar corps accounts to get the new design study underway. They assured me that they would try to find some way to begin that study, which the Congress has already authorized. They are acutely aware that Chicago is not alone in its sewer crisis, and pledged to advise me by next week of the funding possibilities of getting the redesign study started immediately, one possibility being the General Investigations Fund of the corps.

I personally believe that a rethinking of TARP, in the context of real and practical lower-cost, small-scale technological alternatives is imperative at this time. Over 600 cities and towns, and tens of millions of American citizens, stand to benefit from a corps review of Chicago's flooding crisis. It simply is not sufficient for the administration to tell us that money is tight, that priorities have already been established, and that it may not now be able to scrape together the million dollars needed to rethink a project that could ultimately cost over $8 billion, according to GAO estimates.

Many responsible Members of Congress have certainly recognized the national implications of such a corps review. Representative DAN ROSTENKOWSKI recently demonstrated his personal commitment by calling for and chairing a meeting of the Illinois congressional delegation. At this session, the delegation unanimously pledged its support for funding of the corps study of TARP and its alternatives. Representative JOHN FARY, a member of the House Public Works Committee, has particularly voiced his concern that this study be undertaken due to its importance to Chicago and to cities across the Nation.

I sincerely hope that the President sees fit to reorder his priorities. The needs of our cities have been ignored for far too long. Chicago, Milwaukee, San Francisco, Boston, Baltimore, Atlanta, Philadelphia, New York, and scores of other cities around the Nation are experiencing severe economic hardship due to rapidly deteriorating water and sewer facilities. The citizens of our great urban

centers, and of Metropolitan Chicago in particular, have suffered long enough.

Rather than wait for the administration to act, to help bring relief to homeowners, motorists, merchants, and all those in the Chicago area who have had to endure urban flooding, I have devised a plan of action to ameliorate Metropolitan Chicago's flooding problems.

I announced parts of this plan in my Chicago office on Saturday, April 29. Several individuals who have been very concerned about the problems of basement and street flooding in Metropolitan Chicago, as I have been, attended this meeting.

The various individuals and groups may differ about the means to bring about relief to this distressing problem, but they all wish to see a solution to Metropolitan Chicago's severe flooding crisis.

I would first like to thank the representatives from the Metropolitan Sanitary District of Chicago who met with me. I understand that President Nicholas J. Melas could not be with us because Sunday, April 30 was Easter on the Greek Orthodox calendar and Mr. Melas was spending the weekend with his family. Mr. Melas, I might mention, is a man of extraordinary sensitivity to the problems faced by area residents each summer due to flooding. In his place was Bart Lynam, general superintendent of the Metropolitan Sanitary District, who is in charge of the day-to-day operations of the sanitary district. He was accompanied by Commissioners Richard J. Troy and Deloris M. Foster. Some weeks ago, Commissioner Foster came all the way from Chicago to meet me here and express her concern about damage caused by blasting for the TARP dropshafts. Her advice and counsel has been most helpful in bringing to my attention the needs of the citizens of Metropolitan Chicago.

I would also like to thank both J. Terrence Brunner and the Better Government Association for their participation. The BGA has played a lead role in calling my attention to the efficacy and economy issues of TARP. The BGA has once again assumed its vital watchdog role that we in Chicago have come to appreciate and respect. As one of the originators of the BGA, I commend its current director, Mr. Brunner, for his aggressive leadership. He has been ably assisted on this project by Peter M. Manikas and David L. Protess.

From time to time, we hear complaints about citizen apathy to pressing contemporary issues. But one particular group of concerned citizens has shown that it could be heard, and carried its message to me here in Washington and to my Chicago office last Saturday. The TARP impacts project has led the way in pointing to small-scale, low-cost alternatives to TARP for the Chicago area. TIP has been very ably directed by Nancy S. Philippi whose civic leadership has been a model for all concerned citizens in Chicago. Ms. Philippi unfortunately could not attend Saturday's meeting, but two other leaders in TIP, Prof. Stanley Hallett from Northwestern University and Scott Bernstein, director of the center for neighborhood technology, did attend the Chicago meeting.

We also had present officials from several suburban communities that have taken bold, innovative steps to keep basements dry, and I would like to commend each of them for their efforts. They include the Honorable James C. Lytle, mayor of Evanston; the Honorable John C. Porcelli, mayor of Lincolnwood, and his assistant Bernard Arends; Bernard "Bud" Hohs, director of public works for the village of Skokie; and Wilbur Mottweiler, engineer for the village of Morton Grove.

At this Chicago meeting, I announced the following developments:

First, at my request, the Federal General Accounting Office (GAO) is now conducting a comprehensive flooding survey of the Metropolitan Chicago area. The GAO will attempt to pinpoint precisely where residential and street flooding is most severe and where relief is most needed. I have been highly pleased by the personal interest Comptoller General Elmer Staats has shown, and by the dynamism that GAO top staff and investigators have demonstrated in this undertaking. GAO will be consulting with, and receiving the technical assistance of the Congress Office of Technology Assessment (OTA). I have assured both these agencies of my utmost cooperation and support.

In addition to contacting several Federal agencies, GAO staff has already met with officials from Skokie, Melrose Park, and Calumet City to determine the extent and degree of suburban flooding in these communities. Within the next month, GAO will begin a scientific sampling of over 2,000 households thoughout the metropolitan area. It will contact the MSD, the TARP impacts project, the Better Government Association, and all of the 53 affected communities of Metropolitan Chicago to obtain information.

By the end of this summer, the GAO hopes to have a complete and accurate picture of where relief is most needed on a priority basis.

Second, in addition to the flooding survey, I announced on April 29 a second phase to the GAO work. At my urging, GAO has agreed to conduct an international search for alternative technologies to TARP, for possible use in Chicago and in major cities around the country. Outmoded combined sewer systems are at the root of the Chicago flooding problem. But hundreds of cities throughout the world have combined sewer systems, and many have developed practical means of dealing with inadequate sewer capacity.

In selected cities around the Nation, GAO will:

Assess the social, environmental, and property damages directly attributable to combined sewer inadequacies;

Identify possible ways of alleviating such damages:

Identify proposed or actual sources of funds to finance flooding projects;

Evaluate state and federal efforts to deal with urban flooding problems; and

Identify and evaluate feasib'e and cost-effective alternatives to deep tunnel systems.

The staff that Mr. Staats has assembled to work on this project, in GAO's Washington and Chicago offices, is a highly enthusiastic, competent, and energetic group. I have been exceedingly pleased by their work and by their degree of commitment to date. I look forward to their producing what I am certain will be a thorough, comprehensive, precedent-setting report.

A copy of the letter Mr. Staats sent to me, describing the study that his office is undertaking, will be appended at the close of my statement.

Third, I also announced on April 29 the formation of a citizens task force on TARP that will perform a comprehensive review of the Chicago-area flooding crisis. I have assembled a group of distinguished citizens from throughout the Chicago metropolitan area. They are all intimately familiar with urban problems peculiar to Metropolitan Chicago. They are experts in urban planning, engineering, environmental issues, hydrology, community development, architecture, geology, and land use planning. And they have graciously agreed to give of their time and energies and serve in this vital effort.

The goals of the citizens task force will be threefold:

First. The task force will attempt to devise immediate measures for alleviating basement and street flooding in the Chicago area. It will work closely with GAO and with my office to assure that relief is immediately focused where it is most urgently needed.

Second. The task force will recommend to me a long-range plan for dealing with Chicago's flooding and pollution crisis. If deep tunnel is the best long-range solution to Chicago's flooding crisis, then the panel will affirm that plan. If other solutions are more effective, the panel will so advise. The working principle which underpins the formation of this committee is that small-scale, energy-conserving technologies should be enthusiastically explored. Innovative projects that create short- and long-range job opportunities are essential to assure that money spent on flood control can have its widest possible economic impact.

Third. The task force will address certain environmental issues that have arisen from the pollution control phase of TARP. Drinking water supplies may come to be contaminated by sewage leaking from phase I tunnels. An environmentally sound means for disposing of excavation materials and excess sludge from phase I tunnels has not yet been devised. Absent phase II, sedimentation problems, and the real possibilities of a methane gas explosion, become compounded. Blasting for dropshafts to phase I tunnels has already caused damage to homes in some suburban areas.

All these issues will be addressed. And all the findings and recommendations of the task force will be shared with my colleague Senator STEVENSON, with other interested Members of Congress, and with the public.

The distinguished chairman of the panel will be Dr. Hugh M. Hulburt, professor of chemical engineering and associate dean of the graduate school at Northwestern University in Evanston, Ill. He has served in these posts since

1975, as well as being a consultant to the National Science Foundation's advisory panel for engineering, the Illinois Energy Resources Commission, and the review of chemical engineering program at the University of California at Santa Barbara for the past 3 years.

Dr. Hulburt, 60, received his Ph. D. in Physical Chemistry from the University of Wisconsin in 1942. He was then National Research Fellow in Chemistry at Princeton University from 1942 to 1943. From 1959 to 1963, he worked as director of Physical Research, American Cyanamid Co. He has taught chemistry and chemical engineering at Catholic University in Washington, D.C., and the Swiss Federal Institute of Technology.

A member of the American Chemical Society, the American Physical Society, and the American Institute for Chemical Engineers, Dr. Hulburt has published articles in 38 scholarly and professional journals.

Other members of the Task Force include:

DEBORAH L. BRETT

Mrs. Brett, 28, is a concerned citizen who wrote to the Federal General Accounting Office on April 11, 1978 concerning TARP. Since 1972, she has served in management and analytic capacities on community development projects. She is active in community affairs and is currently chairman of the housing committee for the West Rogers Park Jewish Community Council.

Mrs. Brett received both her B.A. in History and Masters in Urban and Regional Planning from the University of Illinois at Champaign-Urbana. She worked in a variety of community development and economic research projects in the Chicago area and nationally. She is a member of the American Society of Planning Officials.

Following is a letter that Mrs. Brett wrote to the General Accounting Office regarding the flooding problems she faces each summer in her Chicago townhouse:

I ask that the letter be printed in the RECORD.

The letter follows:

Re: flooding problems in Chicago.
GENERAL ACCOUNTING OFFICE,
Federal Building, 230 S. Dearborn, Chicago, Ill.

DEAR SIR/MADAM: I read with interest Senator Percy's request that your office investigate the nature and extent of flood damage in the City of Chicago. In response to the April 10 article in the Tribune, I am writing in the hope that something can be done about this problem. I am not certain that the Deep Tunnel is the answer, but I do know that solution will require much time and public expenditure. We should be getting the most cost-effective project possible.

I live in the West Rogers Park neighborhood of Chicago, where my husband and I own a townhouse. In the three years we have lived there, our basement has flooded at least a dozen times. This is undoubtedly due to the inadequately sized combined storm and sanitary sewers in the area. Flood damage has ruined two motors on my washing machine, despite the fact that I keep it on three inch wooden blocks. Furniture and camping gear which I must store in my basement have been damaged or ruined. My basement fills more than a foot deep with mud and raw sewage during a heavy rainstorm. The clean-up takes half a day each time, which is a major nuisance because both my husband and I work full time. We have had contractors look at the problem, but any solution would cost at least $1500 and would cause even greater sewer backups into the basements of my neighbors.

Perhaps it would be sufficient to install additional parallel sewage collection lines to handle peak flow problems. Not being an engineer, I can't say whether this is a better solution than the Deep Tunnel project. As a consulting urban planner by profession, I do know that continuation of this problem could result in deferred housing maintenance and deter future investment in our community. I also know that the city and the Sanitary District do not have the resources to correct this problem without federal assistance. I urge you to work toward some resolution of this issue that will provide the most effective solution for the dollars spent. However, the problem should not be ignored just because of problems with the Deep Tunnel program.

Sincerely yours,

DEBORAH L. BRETT.

CHARLES B. GENTHER

Mr. PERCY. Mr. Genther has been a registered architect in the State of Illinois since 1946. He holds a B.S. from the University of Oklahoma and obtained his Masters degree in 1967. He has worked as designer and planner on a variety of projects. Between 1943 and 1945, he worked on the Manhattan project with the Chicago firm of Skidmore, Owings, and Merrill. He has assisted Mies van der Rohe with several projects, including the design of Crown Hall on the campus of the Illinois Institute of Technology. He spent 3 years as lecturer in the Department of Architecture at the University of Illinois and won an honor award for outstanding contributions to teaching in 1977 from the Illinois Council of the American Institute of Architects.

A Fellow of the American Institute of Architects since 1967, Mr. Genther was director of the Chicago chapter of AIA for 3 years. He has also been director of the Lake Michigan Regional Planning Council. His work has been analyzed and reviewed in numerous professional periodicals.

DONALD L. HEY

Dr. Hey is vice president and office manager of Hydrocomp, Inc., a water resource management firm in Chicago. He has previously served the company in that capacity in Palo Alto, Calif.

Dr. Hey received his B.S. in civil engineering from the Missouri School of Mines & Metallurgy and his M.S. in water resources engineering from Kansas University. He obtained his Ph. D. from Northwestern University in systems analysis and operations research, urban and regional analysis and water processes. He previously worked in the Peace Corps' Malaysian Public Works Department, the U.S. Army Corps of Engineers, and the City of Chicago Department of Public Works.

A specialist in the economics of water supply systems, Dr. Hey holds membership in the American Water Resources Association, the American Society of Civil Engineers, and the American Geophysical Union. He has published several reports on water resource management.

CLINT J. KEIFER

Mr. Keifer is chairman of the board and chief executive officer of Keifer & Associates, Inc., an engineering consulting firm. A registered professional engineer, he worked for the City of Chicago, Department of Public Works from 1946 until 1973, serving as chief sewer design engineer from 1963 until 1973.

An expert in urban drainage management and sewer design, Mr. Keifer has published technical articles in several professional journals. He was awarded the Rudolph Hering Medal from the American Society of Civil Engineers in 1961. He is currently a member of the Water Resource Technical Advisory Committee of the Northeastern Illinois Planning Commission and is former chairman of the blue ribbon committee on administration of local sewer construction and maintenance, Metropolitan Sanitary District of Greater Chicago.

CRAIG LEONARD

Mr. Leonard, 30, is housing coordinator for the Community and Economic Development Association of Cook County, serving since May 1977. He administers the housing counseling assistance program of the Department of Housing and Urban Development. He is also responsible for the weatherization/emergency fuel assistance housing rehabilitation program in six suburban Cook County locations.

Mr. Leonard received his B.A. in English from Southern Illinois University in Carbondale. He received an M.U.P.P. in 1975 from the University of Illinois, Chicago Circle campus. While working on his masters, he interned with the Illinois Department of Local Government Affairs, where he was later hired as a community planner

Mr. Leonard has served as executive director of the department of community development in the village of East Chicago Heights. He is a member of the American Society of Planning Officials, the National Association of Housing and Redevelopment Officials, and the International City Management Association. He is also a member of the housing and land-use planning advisory committee of the Northeastern Illinois Planning Commission and serves on the board of directors of the Kenwood-Oakland Community Organization.

ALAN D. UMAN

Mr. Uman is vice-president and regional manager of the Toups Corp., an environmental engineering firm located in Oak Brook, Ill.

A registered professional engineer in the State of Illinois, Mr. Uman received his engineering and computer sciences degree from American River College in Sacramento, Calif. He has engaged in private practice for the past 15 years in the fields of municipal engineering and land development engineering and has worked on numerous public works projects for various governmental agencies. Projects directed by Mr. Uman in his 10 years with Toups Corp., include a 750-acre planned unit development in Lisle, Ill., and Fox River flood plain studies conducted on behalf of the U.S. Army Corps of Engineers.

He is currently director of flood insurance studies sponsored by the Department of Housing and Urban Development in 12 suburban Chicago communities.

MARY V. WOODLAND

Dr. Woodland has served since 1977 as president of Environmental Geoservices Corp., a consulting firm in Homewood, Ill. She was previously professor of geology at Prairie State Junior College in Chicago Heights, Ill., from 1976 to 1977.

Dr. Woodland holds an A.B. in geography/geology from Smith College in Northhampton, Mass.; an M.A. in geography from Clark University, Worcester, Mass.; and an M.A. in geology from Bryn Mawr College in Bryn Mawr, Pa. She was a Fulbright scholar who received a Ph. D. in geology in 1955 from the University of Glasgow, Scotland, after graduate study in geology at the University of London from 1952 to 1954.

Dr. Woodland has worked as a research geologist for the Union Mines Development Corp. in New York City (1943–44), the U.S. Army Signal Corps (1946–47), and the Geochemical Branch of the U.S. Geological Survey (1950–70). She has also taught geology at Antioch College in Yellow Springs, Ohio (1946–47), and Mount Holyoke College in South Hadley, Mass. (1948–50, 1956–57).

Between 1972 and 1973, under a grant from the Department of Health, Education, and Welfare, she was community professor and associate director in the environmental planning workshops for south suburban Chicago community leaders. Dr. Woodland belongs to the American Geological Institute and the Geological Society of America and serves as village trustee in Homewood, Ill.

I look forward to working closely with this task force in the coming months. I have already had one meeting with the committee, in which we discussed the goals of our efforts and actually descended into one of the TARP tunnels. Having personally met with the task force and reviewed our objectives, I am confident that the citizens of Metropolitan Chicago, and of flooded cities throughout the country, will stand to benefit significantly from this committee's work. I am extremely grateful to the task force members for agreeing to serve.

Fourth, last Thursday, April 27, 1978, I sent letters to the heads of the three Federal agencies most likely to be able to provide assistance to Chicago and suburban communities. I urged the Environmental Protection Agency, the Economic Development Administration, and the Department of Housing and Urban Development to become intimately involved in the Chicago flooding crisis.

Specifically, I asked the heads of these agencies to designate, by name, a liaison with whom local communities, the GAO, and the task force can work. The liaisons will try to identify Federal programs for upgrading local sewer systems and for funding projects recommended by the task force and GAO. They will assist local communities in penetrating through the redtape that has tied up in knots so many well-intended Federal relief programs.

By bringing what might otherwise be anonymous Federal bureaucrats and agencies into contact with local officials, I hope we can bring the full weight of Federal technical and financial resources to bear on this most urgent problem. The citizens of Metropolitan Chicago, and I personally, anxiously await the positive assistance of Secretary Harris of HUD, Assistant Secretary Hall of the Department of Commerce, and EPA Administrator Costle.

Perhaps now the period of high-sounding Federal promises, false hopes, and needless public bickering can be behind us. Immediate action is needed at all levels of government to bring relief to Chicago-area residents as soon as possible. I assure you that I will do everything I can to keep these new initiatives moving forward.

The actions I have taken are only a beginning. We must all cooperate in making sure that these programs have a beneficial effect. The taxpayers of Metropolitan Chicago deserve more than a runaround from the public agencies that are supposed to be looking out for our interests. I sincerely hope that the actions I have outlined will permit us to begin providing relief for the citizens of this great city who have had to put up with so much for so long.

I ask that copies of the letters I sent to EPA, EDA, and HUD, and that the letter from Mr. Staats to me be printed in the RECORD.

The letters follow:

COMPTROLLER GENERAL
OF THE UNITED STATES,
Washington, D.C. April 25, 1978.

Hon. CHARLES H. PERCY,
U.S. Senate.

DEAR SENATOR PERCY: This responds to your March 9, 1978, letter to the General Accounting Office; your March 16, 1978, request to the Office of Technology Assessment; and our direct conversation of April 13, 1978, concerning combined sewer overflow problems. As you know, we already have a draft report in process on Chicago's combined water cleanup and flood control program. As a result of discussions with your staff, we are initiating a review of Chicago's flooding problems, various alternatives to Chicago's tunnel and reservoir plan (TARP), and the broader issues of combined sewer problems facing many of the Nation's older cities. We plan to consult with and seek the advice and views of the Office of Technology Assessment as part of this study.

As you are aware, Chicago's TARP was originally funded by the Environmental Protection Agency because it was viewed as a national model for combined sewer problems. Many other cities are now considering combined sewer projects similar to TARP, which because of the high cost would require significant Federal assistance. To analyze the extent of the problem, from both the Chicago and the nationwide perspective, we plan to approach the study in two phases.

In the first phase, we will concentrate on the Chicago area to determine, as accurately as possible, where flooding is occurring and the amount of damage and injuries sustained. In this regard, we plan to use a newspaper poll and a scientific sample of households in the metropolitan area and to work with the various local communities to determine the extent of sewer backup and street and underpass flooding caused by combined sewers. To review currently proposed small scale alternatives to TARP, we plan to meet with Professor Stanley Hallett of Northwestern University and others who have advanced alternative means of controlling urban runoff and storm water backup. With the assistance of consultants and experts in the field, we will then evaluate the feasibility and effectiveness of such alternatives in helping to solve Chicago's problems.

Our second phase will be directed to determining the impact of pollution and flooding problems caused by combined sewers across the Nation and evaluating various alternatives to deal with the problem. Specifically, we plan to:

1. Determine the extent of combined sewers in the United States and the estimated cost to correct both the pollution and flooding problems caused by such sewers. In this regard, we will monitor and evaluate the activities of the Environmental Protection Agency in carrying out the congressional mandate imposed by section 516(c) of the Clean Water Act of 1977 (P.L 95–517). Section 516 requires.

"(c) The Administrator shall submit to the Congress by October 1, 1978, a report on the status of combined sewer overflows in municipal treatment works operations. The report shall include 1) the status of any projects funded under the Act to address combined sewer overflows, 2) a listing by State of combined sewer overflow needs identified in the 1977 State priority listings, 3) an estimate for each applicable municipality of the number of years necessary, assuming an annual authorization and appropriation for the construction grants program of $5,000,000,000 to correct combined sewer overflow problems, 4) an analysis using representative municipalities faced with major combined sewer overflow needs, of the annual discharges of pollutants from overflows in comparison to treated effluent discharges, 5) an analysis of technological alternatives available to municipalities to correct major combined sewer overflow problems, and 6) any recommendations of the Administrator for legislation to address the problem of combined sewer overflows, including whether a separate authorization and grant program should be established by the Congress to address combined sewer overflows."

2. Make a more detailed study of the extent of combined sewer problems in selected cities and communities throughout the country, including

a. the specific problems in the community, such as pollution, flooding, or sewage and storm water backup, and the number of households and people impacted;

b. the impact on the community in terms of property, social, and environmental damage;

c. the steps taken by the community to alleviate the problem, such as ponding, green belts, roof top reservoirs, restrictive building ordinances, and other technology and nontechnology alternatives;

d. proposed solutions to the problem and the impact of such solutions on the community in terms of increased consumer water or sewer fees, reduced bonding ability, reduced community services, etc.; and

e. proposed or actual sources of funds to alleviate the problem.

3. Determine actions taken to date and planned by various Federal agencies, such as the Environmental Protection Agency, the Army Corps of Engineers, the Department of Housing and Urban Development, and the Economic Development Administration, to meet the problem.

4. Determine selected State agencies' perceptions of the problem and actions taken, proposed, and needed to deal with the problem.

5. In conjunction with experts and consultants in the field, evaluate proposed alternatives to constructing expensive tunnel systems, including those alternatives discussed in the March 16, 1978, letter to the Office of Technology Assessment. This evalution would include

a. an identification and explanation of each alternative;

b. experiences of communities using or attempting to use such alternatives;

c. alternatives used by other countries in dealing with combined sewer problems; and

d. an analysis of the cost and feasibility of the alternatives.

I anticipate a letter report to you and covering the work in Chicago in either the late summer or early fall and an overall nationwide report discussing combined sewer problems at a later date.

GAO's Chicago regional staff will be doing most of the field work and I encourage close contact and coordination between GAO and your staff.

Sincerely yours,

ELMER B. STAATS,
Comptroller General of the United States.

U.S. SENATE,
Washington, D.C., April 27, 1978.

Hon. DOUGLAS M. COSTLE,
Administrator, Environmental Protection Agency, Washington, D.C.

DEAR MR. COSTLE: The Chicago Metropolitan Area currently experiences severe urban flooding and waterway pollution. As often as 100 times a year, stormwaters cause sanitary sewage and street runoffs to backup into local residences, flood residential and commercial streets and viaducts, and overflow into Chicago waterways. Tens of thousands of area homeowners watch helplessly as raw sewage forces its way through basement drains into residential basements after major storms. Sewage backups onto major thoroughfares stall traffic for hours. And at some 640 points along major Chicago waterways, millions of gallons of untreated waste spew from sewer outlets and pollute area rivers and canals with massive loads of chemical and organic wastes.

During the worst storms, to prevent overbank flooding, the locks of the Chicago River are opened to Lake Michigan, allowing entry of tremendous amounts of pollutants. Because many surrounding cities and villages rely on Lake Michigan waters for their drinking supplies, such backflows seriously imperil the public health.

To deal with these flooding problems, the Metropolitan Sanitary District of Greater Chicago (MSDGC) has undertaken an ambitious project to contain stormwater runoffs in deep underground tunnels and reservoirs. The MSDGC has designed an extensive Tunnel and Reservoir Plan (TARP) for 53 communities in the metropolitan area. Present cost is estimated by the federal General Accounting Office at nearly $8 billion.

However, it appears increasingly unlikely that TARP will ever be completed. Because of new Administration guidelines for public works projects, federal monies that had originally been expected from the Army Corps of Engineers may not be forthcoming unless the project is totally redesigned. In the meantime, constant floods have inconvenienced homeowners, depressed land values, impeded motorists, impaired commerce, limited recreational opportunities, and threatened public health. Accordingly, immediate action is needed at all levels of government to assure that some form of relief is forthcoming.

Originally, TARP was designed as a unified water pollution and flood control project. But at the insistence of the Office of Management and Budget, it was divided into a water pollution part (Phase I), and a flood control part (Phase II).

Phase I construction is underway and consists of 110 miles of tunnels, ranging from 10 to 30 feet in diameter, bored in bedrock 150 to 290 feet below ground. Dropshafts connect these tunnels with the 640 overflow points along the Chicago waterways, preventing the first flush—the most polluted portion of the combined sewer overflows—from reaching the Chicago waterways. (Chicago is one of about 50 major American cities that have an outmoded single sewer system, rather than separating sanitary and storm sewage.)

Phase I TARP would eliminate about 85 percent of the pollution from combined sewer overflows. It would also reduce the number of backflows into Lake Michigan from an average of once a year to about once every seven years. Phase I, which will cost about $1.9 billion receives 75 percent of its funding from the Environmental Protection Agency. It is expected to be completed by the mid-1980's.

Phase II TARP, the flood control phase, would consist of 20 additional miles of deep tunnels and four large reservoirs to store storm runoff. During severe storms, the increased storage capacity of the Phase II system would allow the largest Chicago storm runoffs on record to be detained underground. As the torrents subside, the "bottled" storm-waters would be pumped into ground-level treatment facilities. After pollutants are removed from the combined sewage, the treated water would be released into local channels and rivers.

A new Corps-OMB policy, however, states that: "Man-made structures that convey sanitary sewage or storm runoff, or a combination of sanitary and storm sewage, to a treatment facility will not be classified as flood control works." Thus, the Corps, which had originally indicated it might fund up to 100 percent of the $900 million cost of Phase II, probably will not be able to fund the flood control phase. Before more Corps funds can be committed, Phase II TARP must be totally redesigned.

In the meantime, immediate relief is desperately needed by the 53 Chicago-area communities. Many have taken aggressive, innovative steps to reduce basement flooding. Some villages, for example, have placed flow restrictors in residential catch basins. These restrictors ease the loan on the sewer system by forcing water to pond on streets. Local residents understandably prefer rainwater on their streets to combined sewage in their basements. Other stop-gap measures using small-scale technologies are also being enthusiastically explored.

But the isolated efforts of local communities are not enough. For that reason, I am urging that the full thrust of available federal resources be brought to bear on this problem, which will ultimately confront most of our older urban areas.

At my request, the General Accounting Office (GAO) is undertaking a major study to pinpoint areas most affected by local flooding. The GAO will contact local agencies and communities, architects, builders, and plumbing and heating contractors to discover the extent and degree of basement and street flooding. GAO has already been in touch with the Corps, the MSDGC, the Federal Insurance Administration and local governments. As empirical data are compiled, they will be released to those agencies best able to deal effectively with local flooding.

However, many of the 53 communities lack sufficient resources to pay for connections to the TARP tunnels. They will need an estimated $1.9 billion to upgrade local sewer systems and hook up to TARP. Only through increased local sewer capacity can the full economic and social benefits of TARP be achieved.

Over $800 million in EPA funds have already been committed to the Chicago flood control project. In order to ensure that these federal pollution control dollars can have their widest economic impact. I am asking for interagency cooperation at the federal level.

A task force of Chicago-area land-use planners, environmental engineers, and wastewater management experts is presently being assembled under my aegis. This task force will strive to recommend efficient, innovative, practical means for dealing with urban flooding. It will particularly emphasize labor-intensive, small-scale technological solutions.

The GAO, the task force, and the 53 affected communities will actively seek the support and cooperation of the EPA. I am asking that you designate, by name, a liaison with whom these entities can work. EPA has been extremely helpful in designing a pollution control project for the Chicago Metropolitan area. But the fact remains that serious environmental problems may well continue to plague Chicago if Phase II is not completed. Specifically:

(i) With Phase I alone, Chicago cannot meet the strict requirements under PL 92–500, the Water Pollution Control Act Amendments. Combined sewer overflows will still reach the Chicago waterways an average of 10 times a year. Backflows into Lake Michigan will still occur about once every seven years.

(ii) Problems of combined sewage exfiltration from TARP tunnels to groundwater aquifers have not been resolved. Such groundwater contamination could pose a serious public health hazard to those communities who receive their drinking water supplies from these aquifers.

(iii) The means for disposing tunnel excavation materials in an environmentally sound way has not yet been developed.

(iv) Without open Phase II reservoirs, the Phase I tunnels cannot regularly be flushed to remove sedimentation. Absent such flushing, the Phase I tunnels could be rendered relatively useless in a few short years.

(v) The possibility of a methane gas explosion in a Phase I tunnel becomes compounded without the ventilation provided by open-ended outlets.

(vi) Problems of sludge disposal have not adequately been addressed.

A January 1977 publication by your agency entitled "Preventative Approaches to Stormwater Management" emphasized that, "Source control . . . promises to be a workable, effective, and relatively inexpensive means of pollution abatement, according to all available evidence." Source control was designated a "Best Management Practice" by the manual.

For Chicago, however, source control has never formally been considered as a means for reducing pollution.

I am asking that the EPA assist the task force in designing efficient, low-cost, innovative small-scale means of relieving the intimately-linked flood and pollution problems of greater Chicago. EPA funding for local sewer upgrading should be actively explored inasmuch as combined sewage in basements and streets is no less a problem than combined sewage in local waterways.

I encourage you and your agency to work closely with the Economic Development Administration, the Department of Housing and Urban Development, and the Corps of Engineers to assure that the best available information and assistance is provided by the Federal Government.

I look forward to working with you and the EPA in the coming months to address this most urgent problem. The citizens of Metropolitan Chicago, and I personally, will appreciate your immediate and positive attention to this matter.

Sincerely,

CHARLES H. PERCY,
U.S. Senator.

U.S. SENATE,
Washington, D.C., April 27, 1978.

Hon. ROBERT T. HALL,
Assistant Secretary for Economic Development, Department of Commerce, Washington, D.C.

DEAR MR. HALL: The Chicago Metropolitan Area currently experiences severe urban flooding and waterway pollution. As often

as 100 times a year, stormwaters cause sanitary sewage and street runoffs to back up into local residences, flood residential and commercial streets and viaducts, and overflow into Chicago waterways. Tens of thousands of area homeowners watch helplessly as raw sewage forces its way through basement drains into residential basements after major storms. Sewage backups onto major thoroughfares stall traffic for hours, And at some 640 points along major Chicago waterways, millions of gallons of untreated waste spew from sewer outlets and pollute area rivers and canals with massive loads of chemical and organic wastes.

During the worst storms, to prevent overbank flooding, the locks of the Chicago River are opened to Lake Michigan, allowing entry of tremendous amounts of pollutants. Because many surrounding cities and villages rely on Lake Michigan waters for their drinking supplies, such backflows seriously imperil the public health.

To deal with these flooding problems, the Metropolitan Sanitary District of Greater Chicago (MSDGC) has undertaken an ambitious project to contain stormwater runoffs in deep underground tunnels and reservoirs. The MSDGC has designed an extensive Tunnel and Reservoir Plan (TARP) for 53 communities in the metropolitan area. Present cost is estimated by the General Accounting Office (GAO) at nearly $8 billion.

However, it appears increasingly unlikely that TARP will ever be completed. Because of new Administration guidelines for public works projects, federal monies that had originally been expected from the Army Corps of Engineers may not be forthcoming unless the project is totally redesigned. In the meantime, constant floods have inconvenienced homeowners, depressed land values, impeded motorists, impaired commerce, limited recreational opportunities, and threatened public health. Accordingly, immediate action is needed at all levels of government to assure that some form of relief is forthcoming.

Originally, TARP was designed as a unified water pollution and flood control project. But at the insistence of the Office of Management and Budget, it was divided into a water pollution part (Phase I), and a flood control part (Phase II).

Phase I construction is underway and consists of 110 miles of tunnels, ranging from 10 to 30 feet in diameter, bored in bedrock 150 to 290 feet below ground. Dropshafts connect these tunnels with the 640 overflow points along the Chicago waterways, preventing the first flush—the most polluted portion of the combined sewer overflows—from reaching the Chicago waterways. (Chicago is one of about 50 major American cities that have an outmoded single sewer system, rather than separating sanitary and storm sewage.)

Phase I TARP would eliminate about 85 percent of the pollution from combined sewer overflows. It would also reduce the number of backflows into Lake Michigan from an average of once a year to about once every seven years. Phase I, which will cost about $1.9 billion, receives 75 percent of its funding from the Environmental Protection Agency. It is expected to be completed by the mid-1980's.

Phase II TARP, the flood control phase, would consist of 20 additional miles of deep tunnels and four large reservoirs to store storm runoff. During severe storms, the increased storage capacity of the Phase II system would allow the largest Chicago storm runoffs on record to be detained underground. As the torrents subside, the "bottled" stormwaters would be pumped into ground-level treatment facilities. After pollutants are removed from the combined sewage, the treated water would be released into local channels and rivers.

A new Corps-OMB policy, however, states that: "Man-made structures that convey sanitary sewage or storm runoff, or a combination of sanitary and storm sewage, to a treatment facility will not be classified as flood control works." Thus the Corps, which had originally indicated it might fund up to 100 percent of the $900 million cost of Phase II, probably will not be able to fund the flood control phase. Before more Corps funds can be committed, Phase II TARP must be totally redesigned.

In the meantime, immediate relief is desperately needed by the 53 Chicago-area communities. Many have taken aggressive, innovative steps to reduce basement flooding. Some villages, for example, have placed flow restrictors in residential catch basins. These restrictors ease the load on the sewer system by forcing water to pond on streets. Local residents understandably prefer rainwater on their streets to combined sewage in their basements. Other stop-gap measures using small-scale technologies are also being enthusiastically explored.

But the isolated efforts of local communities are not enough. For that reason, I am urging that the full thrust of available federal resources be brought to bear on this problem, which will ultimately confront most of our older urban areas.

At my request, the General Accounting Office (GAO) is undertaking a major study to pinpoint areas most affected by local flooding. The GAO will contact local agencies and communities, architects, builders, and plumbing and heating contractors to discover the extent and degree of basement and street flooding. GAO has already been in touch with the Corps, the MSDGC, the Federal Insurance Administration and local governments. As empirical data are compiled, they will be released to those agencies best able to deal effectively with local flooding.

However, many of the 53 communities lack sufficient resources to pay for connections to the TARP tunnels. They will need an estimated $1.9 billion to upgrade local sewer systems and hook up to TARP. Only through increased local sewer capacity can the full economic and social benefits of TARP be achieved.

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The GAO, the task force, and the 53 affected Illinois communities will actively seek the cooperation and support of the Economic Development Administration. I am asking, therefore, that you designate, by name, a liaison with whom these entities can work.

President Carter, in his new urban policy message, has stated that a greater proportion of EDA funds should be made available for public water and sewer works. The liaison that you appoint should be prepared to assist Chicago organizations design and implement projects that would foster economic stability and stimulate long-range employment opportunities. That person could suggest EDA programs that have proved successful in other cities and indicate what types of flood control projects would be eligible for EDA funding.

You can be particularly helpful in encouraging EDA to cooperate with the Department of Housing and Urban Development, the EPA, and the Corps of Engineers to assure that the best available information and assistance is provided by the federal government.

I look forward to working with you and the EDA in the coming months in addressing this most urgent problem. Citizens from the Metropolitan Chicago area, and I personally, will appreciate your immediate and positive attention to this matter.

Sincerely,

CHARLES H. PERCY,
U.S. Senator.

U.S. SENATE,
Washington, D.C., April 27, 1978.

Hon. PATRICIA R. HARRIS,
Secretary, Department of Housing and Urban Development, Washington, D.C.

DEAR MADAM SECRETARY: The Chicago Metropolitan Area currently experiences severe urban flooding and waterway pollution. As often as 100 times a year, stormwaters cause sanitary sewage and street runoffs to backup into local residences, flood residential and commercial streets and viaducts, and overflow into Chicago waterways. Tens of thousands of area homeowners watch helplessly as raw sewage forces its way through basement drains into residential basements after major storms. Sewage backups onto major thoroughfares stall traffic for hours. And at some 640 points along major Chicago waterways, millions of gallons of untreated waste spew from sewer outlets and pollute area rivers and canals with massive loads of chemical and organic wastes.

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In the meantime, immediate relief is desperately needed by the 53 Chicago-area communities. Many have taken aggressive, innovative steps to reduce basement flooding. Some villages, for example, have placed flow restrictors in residential catch basins. These restrictors ease the load on the sewer system by forcing water to pond on streets. Local residents understandably prefer rainwater on their streets to combined sewage in their basements. Other stop-gap measures using small-scale technologies are also being enthusiastically explored.

But the isolated effort of local communities are not enough. For that reason, I am urging that the full thrust of available federal resources be brought to bear on this problem, which will ultimately confront most of our older urban areas.

At my request, the General Accounting Office (GAO) is undertaking a major study to pinpoint areas most affected by local flooding. The GAO will contact local agencies and communities, architects, builders, and plumbing and heating contractors to discover the extent and degree of basement and street flooding. GAO has already been in touch with the Corps, the MSDGC, the Federal Insurance Administration and local governments. As empirical data are compiled, they will be released to those agencies best able to deal effectively with local flooding.

However, many of the 53 communities lack sufficient resources to pay for connections to the TARP tunnels. They will need an estimated $1.9 billion to upgrade local sewer systems and hook up to TARP. Only through increased local sewer capacity can the full economic and social benefits of TARP be achieved.

Over $800 million in EPA funds have already been committed to the Chicago flood control project. In order to ensure that these federal pollution control dollars can have their widest economic impact I am asking for inter-agency cooperation at the federal level.

A task force of Chicago-area land-use planners, environmental engineers, and wastewater management experts is presently being assembled under my aegis. This task force will strive to recommend efficient, innovative, practical means for dealing with urban flooding. It will particularly emphasize labor-intensive, small-scale technological solutions.

The GAO, the task force, and the 53 affected communities will actively seek the cooperation and support of HUD. I am asking that you designate, by name, a liaison to whom the Chicago organizations can turn for information and assistance.

At this time, HUD sponsors a subsidized flood insurance program for homeowners in areas particularly prone to residential flooding. Unfortunately, the commercial brokers who sell this insurance to Chicago-area residents do not appear to earn sufficient commissions on the sales to make the agents want to enthusiastically advertise the insurance. Since spring rains have already begun to create flooding problems this season, a means should be devised immediately by HUD to advertise this subsidized insurance more effectively.

More importantly, the liaison you designate should be prepared to assist those communities most prone to urban flooding in getting relief through the Community Development Block Grants program. Many Chicago suburbs already receive non-discretionary funds, but many more are in desperate need of discretionary funds for sewer upgrading—and they need counseling as to how best to get through the red tape of bureaucracy so as to facilitate favorable action on their applications for assistance.

As the task force and GAO publish data, conclusions and recommendations, HUD can play a vital role in focusing relief on the communities most impacted by flooding. I encourage you and HUD to cooperate with the Economic Development Administration, the Environmental Protection Agency, and the Corps of Engineers to assure that the best available information and assistance is provided by the federal government.

I look forward to working with you and HUD in the coming months to address this most urgent problem. Citizens throughout metropolitan Chicago, and I personally, will appreciate your immediate and positive attention to this matter.

Sincerely,

CHARLES H. PERCY,
U.S. Senator.●

DISTINGUISHED ALUMNUS SERVES GOD

● Mr. HOLLINGS. Mr. President, the most recent issue of the Asbury College Ambassador contained a very fine article on a person whose presence has had a profound impact upon the U.S. Senate. That individual is our respected and esteemed Chaplain, Dr. Edward L. R. Elson. This year marks the completion of 50 years of devoted service to church and to country by Dr. Elson. For the past 9 years he has been our Chaplain, our friend, our adviser, and his ministry and his counsels have made the Senate a far better place.

It is difficult to say something new about a man who has received 17 honorary degrees, 18 military decorations, and 13 Freedoms Foundation Awards. The essence of the man was described by Dr. Elson himself, when he told his friends and colleagues at Asbury College,

My labor and work here shaped my whole life. I carried from this place a sense of three great D's—Dignity, Discipline and Dedication.

Those words describe the man and the quality of his ministry. And they describe the values and traits which he has labored to instill here in the Senate. May I take this opportunity to congratulate Dr. Elson on the 50th anniversary of his service and to wish him every continued success.

Mr. President, I ask that the article on Dr. Elson from the Asbury College Ambassador be printed in the RECORD.

The article follows:

DISTINGUISHED ALUMNUS SERVES GOD AND COUNTRY IN NATION'S CAPITAL

When the Reverend Dr. Edward L.R. Elson delivers the Baccaluareate Sermon to the Class of 1978 on June 4, he will have completed 50 years of distinguished service to God and country since receiving the A.B. Degree from Asbury College in 1928.

In delivering a bi-centennial address to college chapel during spring quarter of 1976, Dr. Elson recalled: "I had not intended to be a minister, but I had been promised an appointment at West Point by my Congressman. I was called to the ministry. Consequently, I was awarded a music scholarship, if you please, and arrived here on the blowing end of a horn. And a job—I was the highly esteemed janitor of the first floor of Morrison Hall. So valuable were my services that I was paid the handsome sum of 20 cents an hour."

"My labor and work here shaped my whole life. I carried from this place a sense of three great D's—Dignity, Discipline and Dedication."

"For me the most sacred place on campus was room 36 atop the Administration Building where we held our class prayer meetings every Monday night. Some of the greatest devotional expressions I have ever heard in my life came from classmates in that room."

Dr. Elson has rendered 32 years of service in Washington (26½ years as pastor of the influencial National Presbyterian Church, retiring in February 1973). He became Chaplain of the Senate on January 9, 1969.

He holds 20 academic degrees (17 honorary doctors degrees), 18 military decorations and 13 Freedoms Foundation Awards. He has authored eight books, contributed to more than a dozen others and has written articles for numerous religious and secular magazines.

He is presently at work on two books—one about the 49 Chaplains of the Senate and the other, his Memoirs.

Dr. Elson has spoken at more than 260 colleges and universities and is still in demand as a speaker and preacher. He has known seven U.S. Presidents and has performed special missions for three.

He has preached to more secret service and security officers than any other clergyman in history.

Dr. Elson is the only clergyman ever to have baptized a President of the United States after he became President.

He has held numerous high positions in the church and has made several important government missions during his long career in government.

In his closing bi-centennial remarks, Dr. Elson noted, "I began all of this as a student and I am grateful to God for having sent me in His providence to a place like this. I began writing prayers during these days and by 1935 had a book of 400 pages of prayers—some in the first person, some for corporate worship. Now, I've found that a very great aid daily. I open the United States Senate with a prayer. Thursday at noon, I offered the 1,139th original prayer in the United States Senate. This is the first item on the Congressional Record each day and 50,000 copies of that are in the mail by breakfast the next morning. It's permanent history and every two years the prayers are published in book form. My fourth volume will appear next spring."

"One sometimes pauses in wonder at the mystery of God's providence that the same hand that pushed the mop in Morrison Hall

became the only hand to be laid upon a President of the United States in Christian baptism after a profession of faith, February 1, 1953, before the session of the National Presbyterian Church, Dwight David Eisenhower."●

THE FARMER GETS TOO MUCH OF THE BLAME FOR FOOD PRICES

● Mr. McGOVERN. Mr. President, now that cattlemen are not losing money anymore and we have a better—but by no means adequate—farm program, farmers are getting blamed for high food costs. The truth of the matter is that for years in both Republican and Democratic administrations, consumers have been treated to "cheap food" policies by our Government.

Prices in dollar equivalent received by wheat farmers in the United States are still among the world's lowest. Percentage of expendable income for food in the United States is also among the world's lowest. In our country, the farmer comes out on the shorter end because his share of the food dollar is only $0.38. The balance goes to the processor, middleman, and retailer.

A penetrating analysis of farmers' problems appeared in the May 1978 issue of the East River Guardian published by the East River Electric Power Cooperative of Madison, S. Dak. The article is entitled "American Farmers—Scapegoat for Everyone Else's Inflation," and is authored by the distinguished national secretary and chief economist of the National Farmers Union.

I commend this article to Senators and ask that it be printed in the RECORD.

The article follows:

AMERICAN FARMERS—SCAPEGOATS FOR EVERYONE ELSE'S INFLATION

(By Robert G. Lewis)

American farmers are getting the lowest prices for their products of any farmers in the world, and the Carter Administration seems determined to keep them there at the bottom of the economic totem pole.

The Farmers Union has made an intensive study of prices received by farmers throughout the world. Available information from the Food and Agriculture Organization of the United Nations, the International Wheat Council, and the U.S. Dept. of Agriculture all show U.S. farmers at the bottom rung of farm prices.

The adjoining table, showing wheat prices guaranteed to farmers by 34 countries' governments as reported by the IWC, is a fair sample. Wheat—"the staff of life"—reflects prices of grain generally in most countries. Grains account for about 75% of the total human food supply, either directly as food or indirectly as meat, milk, eggs and poultry. Therefore, the price of wheat is a good indicator of the prices farmers generally get.

TOP PRICES TO FARMERS IN JAPAN

The top wheat price guarantee is in Japan, at $10.91 per bu., followed by Switzerland at $10.52, compared to only $2.29 in the U.S.A.

Only Argentina—at $2.25—ranked below the U.S. in 1976/77. (It was also lower in 1975/76, but far higher in the two years before that.) That small countries, like Canada and Australia, cannot buck the mighty weight of the world clearance sale price by the U.S. price support loan rate.

Every other country in the world strives to give to its farmers prices that will provide an approximation of parity with other citizens. Exactly half of them guarantee wheat prices higher than the 90% of parity loan rate that the Farmers Union recommends as the "floor" in his proposals for "Parity and Abundance".

American farmers' prices are close to the lowest point in our own history too. Prices received by farmers in 1977 averaged 67% of parity, lowest in purchasing power of any year except 1931 and 1932. In January 1975 prices were down to 65% of parity.

It makes Uncle Sam look like the world champion cheap skate when it comes to paying farmers for food.

Why?

They give us a whole string of excuses:

If we raised the price support loan rates we might "price ourselves out of the market," they say.

The truth is we are pricing our grain under the market. Every country that imports our grain—rich and poor alike—puts a tax on it at the border to raise the price to what their own farmers get. The European Community levied a tax of $3.56 per bu. on imported wheat, $2.94 on corn and $3.18 on sorghum recently. The Japanese government makes nearly three times as much on every bushel of our grain that it imports as the total price received by U.S. farmers.

OTHERS WOULD FOLLOW U.S. PRICE LEAD

Canada, Australia and Argentina want higher prices for their farms. Their governments control the price at which their wheat is sold for export and they all would raise their selling prices if the U.S. would raise the loan rate. Moreover, they'd all hold their share of a world reserve off the market, in storage, to maintain higher prices. All the other countries that export any grain at all have to pay subsidies to bring the price down to ours.

That excuse is a phoney. But there are more:

There's a "huge surplus", they tell us.

But the surplus is a hoax. The world grain supply is really tight. Total world grain carryover is only about 50 million tons more than the less-than-adequate "pipeline" stocks carried over at the worst of the "world food crisis" in 1972–73–74. The entire reserve would be wiped out in a single bad crop year comparable to 1965, or 1966, or 1972 or 1974.

There are still more excuses. They tell us decent prices for American farmers "would encourage too much production." But the government's other hand is busily subsidizing other countries to increase foreign food production, and the word from the other side of the same governmental mouth says (and it's true) that world food production must be increased enormously in order to feed all the hungry people.

They tell us "it would cost too much." But a higher investment for price support loans would raise prices much higher than the same amount of money spent for direct payments, so why not get more help to farmers for the money?

REAL REASON KEPT UNDER WRAPS

None of the excuses stands up. The real reason is never mentioned.

Cheap food.

Harry Truman was the last American president who sought faithfully and successfully to achieve parity prices for farmers. Farm prices averaged 100% of parity or higher in every year while Truman was President.

For twenty years after Truman, farm prices declined in relation to other costs and prices. Everyone else's wages, salaries, prices, profits, fee, commissions and everything else went up—but farmers' prices went down enough to almost offset all the rest, and the "cost of living" index was held nearly steady.

Farmers took the rap for everyone else's inflation. And everyone else got into the habit of letting George (which means "farmer" in Greek) go on doing it.

The politicians, the professors, the business executives, the financiers, the editors—all the powerful people who run the country—they look around, and they see that the farmer is the slowest goose in the barnyard. So the farmer gets plucked, to make life warm and soft for everyone else.

OTHERS GET A BETTER DEAL

There's a sharp contrast in the treatment accorded to other industries.

A year ago the Secretary of Agriculture recommended new legislation to set price supports calculated to give farmers $2.67 an hour for their labor and a 1½-percent return on their investment in land. Anything higher, he insisted, and our farm commodities would be "priced out of the market."

A few months later the American steel industry got into trouble. It really and truly was being "priced out of the market"—not only the foreign market, but right here at home too.

The New York Times reported that steel wages in the U.S. averaged $10.12 per hour. In Japan, the average is $6.31. In the U.S. 100 hours of labor produces 8½ tons of steel. In Japan 100 hours of labor produced nearly one ton more.

But the Secretary of Labor didn't march up Capitol Hill to demand changes in the Labor Relations Act to cut steel workers' wages to $2.67 per hour so our American stuff wouldn't be "priced out of the market."

And the Secretary of Commerce didn't march up to ask the steel companies to cut the return on their investment to 1½ percent so they could "meet the competition."

SYMPATHY—PLUS PROFITS

Instead the steel companies got immediate sympathy and fast relief, a kind of minimum import price system like farmers get in Europe. Now they've raised their prices 5½ percent and expect to boost profits by $900 million a year. It will cost consumers over a billion dollars annually.

It's much the same when other industries have trouble meeting the competition—textiles, clothing, color TV's and so on.

There isn't a single significant American industry that couldn't beat the pants off all the foreign competition in the world with wages at $2.67 per hour and return on investment at only 1½ percent.

But they shouldn't be made to do it. And farmers, who deserve it even less, shouldn't be made to do it either.

This cheap food policy is not smart.

It is a major political blunder for the Carter Administration. It repudiates the Democratic party's long tradition of promoting parity for farmers among the other beneficiaries of the great economic and social reforms that were wrought from the wreckage of the Great Depression.

The Administration's farm policy spokesmen sound like inexperienced imitators of the battle cries down through the decades of the grain traders, those archaic reactionaries who fought doggedly a generation ago against farm programs, social security, labor's right to organize, banking and securities regulation and all the rest of modern government.

"CHEAP FOOD" DOESN'T WORK

Giving away our farm commodities so cheap costs us $5 to $10 billion a year in balance of payments benefits. It contributes to the worst-in-history trade deficit, and the weakest U.S. dollar since the Civil War.

And it doesn't even work out to the solution of the simple minded peddler of hammer handles—to "make it up by volume" for prices set below his cost. The total world stocks of wheat will decline this year, but the U.S. surplus is 4 percent bigger. Argentina's and Australia's are down almost to the vanishing point—by 77 and 71 percent—and Canada's are down 4 percent.

The U.S. is left with 70 percent of the four-

country "surplus" after making only 55 percent of the four-country total of export wheat sales this year.

It's no wonder. The other countries' sales and pricing are handled by national grain boards. The U.S. price support loan rate sets the floor of the world trading price—whether it be at $1.31, $2.25 or $4.50 per bu. The only way the U.S. can beat the others in a race to sell is for a million wheat farmers to unload their wheat at the loan rate or less, faster than the three competing grain boards can do it.

The United States government alone has the key that could unlock American farmers from their economic imprisonment as the world's residual suppliers of grain. The primary key is a higher price support loan rate. After that it would be simple to get agreement among the other exporters to hold their fair share of reserve stocks in storage to maintain the world trading price at the U.S. loan level.

The obstacle is the short-sighted and dangerous policy of "cheap food." It is a policy of eating up our farmers and sacrificing America's golden egg.

BASIC PRICE SUPPORT LEVELS FOR WHEAT

Countries Reporting to International Wheat Council, 1976/77.

[*Support price US $ per bu.*]

Europe:	
Austria	4.74
Belgium	4.51
Denmark	4.30
France	4.04
Germany, (West)	4.98
Ireland	3.66
Italy	4.10
Luxembourg	4.51
Netherlands	4.53
United Kingdom	3.11
Finland	5.82
Greece	4.22
Norway	7.73
Portugal	4.43
Spain	4.64
Sweden	4.74
Switzerland	10.52
North America:	
Canada	2.96
United States	2.29
South America:	
Argentina	2.25
Brazil	5.29
Asia:	
India	3.20
Israel	4.85
Japan	10.91
Korea, (South)	7.72
Pakistan	2.72
Syria	3.72
Turkey	4.46
Africa:	
Egypt	3.21
Morocco	3.83
South Africa	3.73
Tunisia	4.11
Oceania	4.11
Australia*	2.61
New Zealand	2.91

NOTE: Data from World Wheat Statistics 1977. International Wheat Council, 28 Haymarket, London SY1Y 4SS, England. *Price shown is for year 1975/76, when U.S. price was $2.05 per bu. 1976/77 price not reported for Australia.

FOREIGN CURRENCY REPORTS

● Mr. WILLIAMS. Mr. President, in accordance with the provisions of the Mutual Security Act of 1954, as amended (22 U.S.C. 1754(b)), the Secretary of the Senate submits, for the RECORD, the following additional report, concerning the foreign currencies and U.S. dollars utilized during the calendar year 1977 in connection with foreign travel:

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL, COMMITTEE ON HUMAN RESOURCES (AMENDED REPORT)—EXPENDED BETWEEN JAN. 1 AND DEC. 31, 1977

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Brought forward			5,050.26		5,907.00				10,957.26
Harrison A Williams					1,295.00				1,295.00
Total			5,050.26		7,202.00				12,252.26

HARRISON A WILLIAMS, JR.,
Chairman, Committee on Human Resources.

May 4, 1978. ●

SALT II—WHICH DIRECTION?

Mr. WALLOP. Mr. President, the negotiations now underway with the Soviet Union on a treaty limiting strategic armaments have occasioned more public discussion of strategic matters than we have seen in years. When that treaty is presented to the Senate, the discussion is certain to broaden and intensify. It is altogether proper that this should be so, because the treaty will face the American people with choices which can only be made in the context of a well-understood national strategy.

But we must keep in mind that, as the discussions of the last several months have shown, there is no consensus either in the Administration or in the country as to what our fundamental strategy for the Nation's defense should be. On the other hand, we know that the proposed treaty is full of complex details, the relative importance of which will absorb our attention and the absolute significance of which will depend on something we do not have—a strategy for national defense. It is likely we will find ourselves debating how well and with what degree of confidence we can monitor compliance with this or that provision without being sure of that provision's inherent worth to our security. In short, before we can discuss intelligently the worth of the proposed SALT treaty or any of its parts, we must decide on the strategic needs of the United States.

In the early 1960's we decided upon a strategy: mutual assured destruction. According to this strategy, both the United States and the Soviet Union should possess enough missiles—hardened on land or hidden at sea—to survive any surprise attack and annihilate the other's population. As long as missiles (or at least enough missiles to do the job) were invulnerable, there could be no advantage to striking first. No matter who started it, a nuclear exchange would have no winners. Without the prospect for victory, nuclear war would be meaningless. There would still be conflicts among nations, but nuclear war would be effectively exorcised.

Until about 1972, we were, indeed, in the fortunate position of being able to absorb a surprise attack against our strategic forces, and then of being able to do more harm to the Soviets than they could do to us with the weapons they would have left over. But all this has changed. In the first place, the Soviet Union never accepted mutual assured destruction as a desirable condition. They increased and are still increasing the number of their launchers—now 50 percent greater than ours—and they are equipping them with MIRV's. Given that their missiles can carry more megatons and warheads than ours, the disparity in ability to plan megatons or targets will increase drastically. They have improved the accuracy of their missiles so much that soon, each warhead from their ICBM's will be able to destroy one of our missiles in its silo. Today, the Soviets have an incentive to strike first—or to threaten to. By 1981 that incentive will be greater.

This means, first of all, that the strategy of mutual assured destruction, whatever its merits may once have been, is quite dead. It is wholly at variance with today's reality. It is difficult to imagine anyone defending that strategy under today's conditions. But the discrediting of the old strategy has not resulted in a consensus upon a new one. There is no shortage of options. We ought to examine them and choose consciously which one we want. If we do not, we will doubtless adopt one by default. We should not do that.

Some who adhered to the strategy of mutual assured destruction have embraced the doctrine of "minimum deterrence." According to this, we in the United States will be able to deter the Soviet Union from launching—or credibly threatening—a nuclear attack as long as we can be sure that enough of our missiles will survive to be able to do "grave damage" to the Soviet Union, whatever that means. This strategy, in my view, makes it easy to hold down defense spending, and to ignore buildups on the other side. But it is a recipe for disaster. I am quite confident there is not a majority in the Senate or in the Nation who would consciously choose this strategy.

I am concerned, however, that we might back into this strategy as a result of our concern with the SALT treaty. That is quite possible. If the Senate begins to debate the SALT II treaty without having clearly in mind its own military priorities, the Senate will be setting out on an ocean without a compass. The Senate ought to take its bearings from a realistic assessment of the military capabilities of the Soviet Union and of the United States.

We know that the Soviets believe it is possible to fight and win nuclear wars. Given this, we know that if we want to deter the Soviet Union, we must have the military capability to defeat the Soviet Union in a nuclear war, or at least to keep them from winning one. This does not mean that our national defense strategy must be reduced solely to the science of military operations. It does mean that any scheme which neglects the real relative damage which military operations can do is not worthy of being called a strategy for national defense. Before deciding on the particulars of the SALT treaty, it would be appropriate to be quite clear on the following:

First. What can Soviet strategic forces do to our country today, and, given continuation of the trends of the last 15 years, what will they be able to do to us in 1985? Since the conduct of the second and subsequent phases of a war depend on the outcome of the first phase, how do we and the Soviets stand with respect to the weapons to be used in the first stage; that is, land-based ICBM's? How will we stand in 1985?

Second. What options do we have for limiting the damage that Soviet forces can inflict on the United States during the first and subsequent phases of a nuclear war?

Third. Which programs for developing and deploying strategic weapons would be required for each of these options?

When the answers to these questions are clearly before us, only then can we consider how we may wish to restrain this or that strategic program of ours in exchange for this or that concession of theirs. To consider the SALT treaty without having done this homework would be to adopt an agenda that puts the cart before the horse.

LEAVE OF ABSENCE

Mr. CURTIS. Mr. President, I ask unanimous consent that I may be excused from the sessions of the Senate for the remainder of the week.

The PRESIDING OFFICER. Without objection, it is so ordered.

TAX TREATMENT EXTENSION ACT OF 1978—H.R. 9251

AMENDMENTS NOS. 2030 THROUGH 2034

Mr. PROXMIRE. Mr. President, one of the most flagrant of all the tax loopholes is the way in which income earned by American citizens living abroad is not taxed.

Almost $500 million a year escapes taxation under the provisions of section 911 of the Tax Code.

It is now proposed in H.R. 9251 that these provisions be extended for another 2 years, which means a billion dollars in tax losses to the treasury.

Only about 150,000 Americans benefit from this truckhole in the tax laws, and not more than a handful have genuine, legitimate, or exceptional expenses or circumstances to justify the provisions.

It is a clear case of the tail wagging the dog or legislation on the "worst case" analysis.

The enormity of the privilege can be seen from the fact that median household income, on which taxes are paid within the United States, averaged $12,686 last year. But an American living abroad can exclude or deduct either $20,000 or $25,000 a year of earned income from the amount of money on which he pays taxes.

Never have so few benefited so much from the sacrifices of the many.

PROVISIONS OF OLD 911

Here are the provisions of the Tax Code which the multinational corporations and their allies are lobbying for.

The skies over Washington are dark with the planeloads of lobbyists who have been flown in here to lobby for this extraordinary bonanza. Why they are doing so will be clear from the outline of the provisions of old section 911.

First, if one lives 17 of 18 months abroad one is entitled to exclude $20,000 of earned income from income for U.S. income tax purposes.

Second, if one is a bona fide resident of a foreign country—generally meaning 3 years of residence abroad—one is entitled to exclude $25,000 of earned income for U.S. tax purposes.

Third, this amount is taken "off the top," that is to say if one had $40,000 of taxable income after deductions and allowances, the $20,000 exclusion would be deducted from the $40,000 and one would pay American taxes at the much lower rate applicable to the $20,000 rather than to the $40,000 of income.

In an example on page 3 of the Treasury Department publication "Taxation of Americans Working Overseas" of February 1978 a single taxpayer with $40,000 of income after personal exemptions and deductions would owe a tax of $14,390 on this income if earned at home. The tax would be $5,230 on the first $20,000 and $9,160 on the additional $20,000. The effect of the $20,000 exclusion is to reduce that total tax to $5,230.

Fourth, one can take as a credit against American income tax owed the income taxes paid to the foreign government where one lives.

In the example cited above, the individual had paid $6,000 in income tax to a foreign government. This could be credited against the American income tax owed so that there would be no payment of U.S. tax and an excess foreign tax credit of $770 which could be used to offset taxes owed on other foreign income.

Fifth, property taxes paid abroad, but not sales taxes or other than income taxes, can be used to reduce the American taxes owed.

NOT A WIDOWS AND ORPHANS LOOPHOLE

The benefits from old section 911 do not go to the weak and the poor. This is no "widows and orphans" loophole. According to an October 2, 1977 study by the Treasury's own Office of Tax Analysis, more than half the benefits go to 10 percent of those Americans abroad who earn $50,000 or more. Over 90 percent of the benefits of old section 911 go to those with incomes of $30,000 a year. As only 4 percent of all American taxpayers have adjusted gross incomes in excess of $30,000, this is, indeed, a very good deal.

LOBBYING EFFORT

There is now a massive lobbying effort to extend this privilege for taxable years 1977 and 1978. The Senate Finance Committee bill does extend the privilege for 2 years while it also includes the Ribicoff reforms, which on balance are a reasonable answer to the few difficult and genuine problems which exist. I do not believe they are perfect and I have a quarrel with certain provisions, but on balance they are a vast improvement over old 911. However, the proponents of the 2-year extension are determined to defeat the reforms and hence nullify the Ribicoff or the Treasury or other proposals to try to settle this problem in the right way.

WHAT'S SAUCE FOR THE GOOSE IS SAUCE FOR THE GANDER

If Americans, merely because they live abroad, are going to get exceptional privileges, then those at home should get them. To carry this out I have a few amendments, some of which I am introducing today and additional ones, primarily to equalize these matters State by State, I may introduce later.

AIDS EXPORTS OR REDUCES BALANCE OF PAYMENTS

One of the arguments used to justify this extraordinary privilege is that Americans abroad help increase exports and help reduce the balance of payments.

There has been no study by the Treasury or the Commerce Department to quantify that argument. Many Americans living abroad who get the privilege actually harm the balance of payments. They take money out rather than bringing it back.

Further, if it is our purpose to stimulate exports, there are many better ways to do it than an indiscriminate provision of the tax code which gives a $20,000 exclusion to everybody everywhere, no matter what their work.

Finally, the argument that old 911 has helped the balance of payments is specious. Since it has been in effect since 1973 when the balance-of-payments problem became acute, largely because of the ability of the OPEC countries to raise oil prices through their oil monopoly, the opposite could be argued; namely, that while old 911 has been in effect our balance-of-payments problem has intensified and has never been worse.

That is no more specious an argument than that it is necessary to extend old 911 in order to improve our balance of payments.

About one-third of our exports are farm exports which have nothing to do

with old 911. Our dock workers, merchant marines, and workers in farm machinery factories here at home are as important, if not more important, to our exports than those living abroad.

My first amendment would, therefore, extend the privileges of old 911, and allow an exclusion of $20,000 a year from earned income, for those here at home whose work increases U.S. exports and hence improves the balance of payments.

COAL MINERS DESERVE EXCLUSION

It is argued that some places abroad are remote, tough, difficult places to work. For a very few Americans that is true.

But no one abroad works as hard as an American coal miner. No one has a more dangerous job. No one has a job which is less healthful.

Under the new miners contract, which has been called inflationary, American miners will earn about $10 an hour. For a 50-week year and a 40-hour week, that would bring in a total income of precisely $20,000. The American miner pays heavy income and social security taxes on that amount.

But $20,000 is precisely the amount an American living abroad—in Paris, on the Riviera, in Rio, or at a watering spa in Switzerland—for 17 or 18 months can exclude from his earned income.

If we are going to extend this privilege to those abroad, why shouldn't it be extended to a miner at home?

I send to the desk for introduction an amendment to treat miners as employed overseas.

LABORERS SHOULD GET EXCLUSION

If we are going to give an exclusion merely for residence abroad, then those in this country who work with their hands as laborers, should also get the exclusion.

We are told that one of the justifications for the exclusion is the difficult working conditions of those abroad.

People willing to work at hard labor in this country are often difficult to find. No one wants to do heavy, physical work.

In order to reach some tax equity between those working at home and those working abroad, I am introducing an amendment which would include those doing hard physical labor under the provisions of old 911 and let them exclude $20,000 a year from their earned income.

THE HIGH LIVING COST ARGUMENT

Another argument justifying the $20,000 exclusion is that living costs are high abroad.

In some places they are and in some places they are not. The proposals by Senator RIBICOFF and the Treasury attempt to distinguish between and among places where there are extraordinary high living costs abroad and places where living costs are low or comparable to the United States.

But the extension of old 911 gives a $20,000 exclusion to Americans living abroad whether their costs are high or low.

In a spirit of attempting to get tax equity for those Americans at home who move from low-cost to high-cost areas within the United States, I think we should recognize this domestic problem if it is recognized in exaggerated terms for those abroad.

In this country if one moves from rural East Whistle Stop to New York City at an additional cost of many thousands of dollars a year in living expenses, one does not get a big tax deduction. The individual or his employer has to pay for it, not Uncle Sam and the rest of the taxpayers.

When President Carter was elected the taxpayers of this country did not pick up the tab for the extra living expenses of those Georgians who sold their $40,000 homes in Plains or Atlanta and had to buy $100,000 homes in the suburbs of Maryland or in the District of Columbia or nearby Virginia.

But the proponents of old 911 argue one should get the $20,000 exclusion if one works overseas, whether costs are high or low.

I, therefore, am introducing an amendment which would treat individuals moving to more expensive areas of the United States in order to work in the same way those moving overseas to work would be treated under old 911.

JOB CREATION AMENDMENT

It is argued that the tax exclusion of $20,000 is necessary to keep Americans abroad and hence create new jobs.

I think we should create new jobs at home. I see no reason why we should promote jobs abroad under the American tax system.

But that is what old 911 does. It actually stimulates Americans to take their jobs overseas for the tax breaks.

I am, therefore, introducing an amendment which would treat individuals employed by qualified new Wisconsin business as if they are employed overseas.

In other words, if an employer moves into Wisconsin, produces new jobs, and creates work, the $20,000 tax exclusion would be available to his employees in the same way it is available to employees going overseas to work for American or foreign companies.

CONCLUSION

The amendments, I am herewith proposing I believe, point up how ridiculous are the arguments used to justify the old 911 loophole. They are specious arguments.

I much prefer to get tax equity by doing away with old 911 and trying to meet the legitimate problems faced by a very few Americans abroad in a proper way, as done under the Ribicoff or Treasury proposals.

But if we are going to give a $20,000 exclusion to American citizens everywhere abroad, on grounds that they stimulate exports, help the balance of trade, create jobs, work under difficult or hardship conditions, or move from moderate to high cost areas, then why not do the same for Americans at home?

I think we should be able to reach a solution to the genuine problems abroad. But if those representing Americans working abroad are unwilling to work out a proper solution or continue to push for old 911 and additional benefits, then I intend to push for these and additional amendments in an attempt to equalize the tax situation between those who work at home and those who work abroad.

EXPORT-IMPORT BANK FINANCING NOTIFICATIONS

Mr. PROXMIRE. Mr. President, I call to the attention of my colleagues a communication I have received from the Export-Import Bank pursuant to section 2(b)(3)(i) of the Export-Import Bank Act, notifying the Senate of a proposed loan to assist the export of U.S. equipment and services to be used in a steel plant in Trinidad and Tobago. Section 2(b)(3)(i) of the act requires the Bank to notify the Congress of proposed loans or financial guarantees in an amount of $60,000,000 or more at least 25 days of continuous session of the Congress prior to the final approval. Upon expiration of this period, the Bank may give approval to the transaction unless the Congress dictates otherwise.

In this case the Bank proopses to extend a loan in the amount of $50,205,000 in addition to a previously approved credit of $23,550,000 to the Iron & Steel Co. of Trinidad and Tobago (ISCOTT) to assist in the purchase from the United States of U.S. goods and services to be used in a new steel manufacturing facility now under construction. The new credit proposed by Eximbank will cover 75 percent of the total costs of U.S. goods and services for the project. The loan will bear interest at the rate of 8.58 percent per anum and will be repayable over a 10-year period commencing June 30, 1981.

Mr. President, I ask unanimous consent that the letter from Eximbank and accompanying material pertaining to this transaction be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

EXPORT IMPORT BANK
OF THE UNITED STATES,
Washington, D.C.

Hon. WILLIAM PROXIMIRE,
Chairman. Committee on Banking, Housing, and Urban Affairs, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Enclosed is a copy of the statement which Eximbank is submitting to the Speaker of the House and the President of the Senate, pursuant to Section 2(b)(3) of the Export-Import Bank Act of 1945, as amended, regarding Eximbank's proposed financing for the exports of United States equipment and services to be used in a new steel manufacturing facility in Trinidad and Tobago. In evaluating this case, Eximbank has given careful consideration to the domestic impact of this financing and has concluded that there will be a net benefit to United States if Eximbank extends the credit. An analysis of this point appears in the enclosed letter.

Construction of this project is already underway with a major portion of the equipment coming from Germany, Japan, and Canada—supported by the respective government export credit agency of each country. The background of this application, set forth in the enclosed statement, clearly demonstrates that when Eximbank initially deferred its decision on financing for the project, the foreign buyer instructed its purchasing contractor to shift all possible purchases to other countries where government-supported financing would be available. Only when the

prospect of Eximbank financing was revived did the Trinidad company again address itself to a U.S. purchase program for those items which they had not already committed to Germany, Japan, and Canada. Thus if Eximbank does not support the United States exports, most if not all of the equipment for this project will probably be supplied by foreign countries. Therefore, we believe our support is both necessary and appropriate.

I will be pleased to provide you with any additional information or explanation you may wish.

Sincerely,

JOHN L. MOORE, Jr.

EXPORT-IMPORT BANK
OF THE UNITED STATES,
Washington, D.C., May 2, 1978.

DEAR MR. PRESIDENT: Pursuant to Section 2(b)(3) of the Export-Import Bank Act of 1945, as amended, Eximbank hereby submits a statement to the United States Senate with respect to the following transaction involving U.S. exports to Trinidad and Tobago.

A. DESCRIPTION OF TRANSACTION

1. Purpose

Eximbank has received a request from the Iron & Steel Company of Trinidad and Tobago, Limited (ISCOTT) to assist in financing the export from the United States of goods and services of U.S. manufacture or origin in categories specified in Annex I (U.S. Components), for a new steel manufacturing facility (Steel Facility) now under construction with the assistance of mainly non-U.S. procurement and financing at Point Lisas, Trinidad and Tobago.

To meet this request, Eximbank is prepared to authorize an increase from $6,450,000 to $50,205,000 in a previously authorized credit to ISCOTT (Credit No. 6497) which was to assist in financing the export from the United States of U.S. made electric drives for the Steel Facility. Credit No. 6497 was originally approved in conjunction with a credit to ISCOTT of $23,550,000 (Credit No. 6487) to assist in financing the export from the United States of U.S. goods and services required for a sponge iron direct reduction facility (Sponge Iron Plant) related to the Steel Facility.

Major elements of the Steel Facility are being supplied and financed by Germany ($50,000,000 for the rolling mill), Japan ($20,000,000 for electric furnaces), and Canada ($6,000,000 for electric drives).

Total cost of the Steel Facility (including the Sponge Iron Plant) is estimated to be $280,000,000. Of this amount, U.S. costs supported by the Eximbank financing will total $98,340,000. Other foreign costs supported by other foreign government financing and local costs will total $181,660,000. The financing plan for the total U.S. goods and services of $98,340,000 is as follows:

[Dollar amounts in thousands]

	Credit 6487	Credit 6497 (as increased)	Percent of U.S. costs	Totals
Cash	$4,710	$10,041	15	$14,751
Eximbank credit	23,550	50,205	75	73,755
Private loans not guaranteed by Eximbank	3,140	6,694	10	9,834
Total	31,400	66,940	100	98,340

The Steel Facility was conceived by the Government of Trinidad and Tobago (GOTT) to take advantage of the substantial gas deposits discovered offshore from Trinidad and Tobago. The Steel Facility will include the Sponge Iron Plant, electric furnaces, a continuous casting plant for billets, and a rolling mill. It will have an annual capacity of 465,000 tons of wire rods and bars.

2. Background

Midrex, a North Carolina engineering company and developer of the Midrex process of "direct reduction," which was selected by ISCOTT for the Sponge Iron Plant, first applied to Eximbank in February 1977 for a preliminary commitment for financing of the U.S. costs of $31,400,000 for the Sponge Iron Plant. At that time the Sponge Iron Plant was the only firmly planned facility and was an independent project. Since this facility supplies a product for which there is insufficient U.S. capacity to meet normal U.S. demand, there was no concern about adverse impact on the U.S. economy. The preliminary commitment was issued by Eximbank on March 14, 1977. Subsequently, in June 1977, ISCOTT, itself, applied directly to Eximbank for a second preliminary commitment for financing the purchase of all U.S. goods and services at a total cost which was then estimated to be $162,000,000 for the whole Steel Facility, including the Sponge Iron Plant. This application contemplated all non-local purchases being made in the United States.

The application was widely discussed with the interested agencies and departments of the U.S. Government, the U.S. steel industry, and potential U.S. equipment suppliers of the project. A decision was deferred because of a national policy review of the U.S. steel industry then under way which was examining the problem of steel imports. A domestic market impact study was undertaken at the same time by the Eximbank staff.

ISCOTT in the meantime decided that U.S. content of the project would be reduced from $162,000,000 to $75,000,000 after receiving the bids of suppliers from the U.S., Germany, Japan, and elsewhere. ISCOTT in August 1977 filed an application for a direct credit for financing U.S. costs in this reduced amount.

Decision on this application also was deferred. Because of this deferral ISCOTT placed orders for the rolling mill with German suppliers backed by HERMES, the official German credit insurance agency, and for the electric furnaces with Japanese suppliers backed by MITI, the official Japanese credit insurance agency. Furthermore, ISCOTT directed Midrex to shift all remaining purchases for the Sponge Iron Plant from the United States to Canada where financing would be provided.

Faced with this situation and the preliminary commitment, which Eximbank had already given so Midrex, to finance U.S. goods and services for the Sponge Iron Plant, Eximbank authorized a credit for the Sponge Iron Plant in the amount of $23,550,000 and a credit for potential remaining orders for electric drives in the amount of $6,450,000. As matters developed, the electric drives were eventually purchased by ISCOTT in Canada.

Eximbank took these actions because its domestic impact study indicated that the Sponge Iron Plan would have no net adverse economic impact on the U.S. economy; and that, without Eximbank's support, foreign competition would obtain a significant portion of the orders for the Sponge Iron Plant and substantially all of the orders for the Steel Facility. It had become quite clear that with or without United States financing the Steel Facility would be built by ISCOTT.

Subsequent to these authorizations, ISCOTT selected Rust Engineering of Birmingham, Alabama, as general contractor. After reviewing procurement plans, Rust determined that some purchases, which ISCOTT planned to make in Europe, Canada, and Japan, could more effectively be made in the United States. The determining factor in some cases was cost, product specifications, or delivery time—in others, such as structural steel, it was the easier and less costly supervision by Rust of the fabrication work prior to shipment. As a result of recommendations made by Rust, ISCOTT requested the increase in Credit No. 6497.

3. Identity of the Parties

ISCOTT, a corporation wholly owned by the GOTT, was organized in 1975 to construct and operate the Steel Facility. While it was originally intended to have foreign suppliers and steel users make equity investments in the project, present plans call only for the GOTT to hold equity which will be maintained, at least through project completion, at a ratio of debt to equity 60/40.

In addition, the GOTT will enter a cash deficiency and completion agreement with ISCOTT and a trustee for the benefit of lenders whereby the GOTT will undertake to make up all cash deficiencies of ISCOTT required to complete the project and will cover all cash deficiencies in operating costs including debt service to lenders until such debt has been paid in full.

4. Nature and Use of Goods and Services

The U.S. goods and services to be financed under the credit for the Sponge Iron Plant will be supplied under a contract between Midrex and ISCOTT at a total U.S. cost of $31,400,000.00.

The U.S. Components to be financed under Credit No. 6497 will be U.S. goods and services consisting of contractors' services, electrical equipment, structural steel, construction equipment, and other equipment for the Steel Facility detailed in Annex I at a total U.S. cost of $66,940,000.00.

B. EXPLANATION OF EXIMBANK FINANCING

1. Export Financing Support

The Eximbank credits of $73,755,000 will facilitate the export of $98,340,000 of United States goods and services. In terms of U.S. jobs associated with these exports, the impact of Eximbank financing on the domestic economy is quite substantial. It is estimated that the exports will directly support some 1500 job-years during the 1978/80 construction period. Approximately 250 of these job-years would be provided to U.S. steel workers because of the inclusion in the exported U.S. Components of $17,000,000 for structural steel.

From the outset there has been strong government-supported foreign competition for this project. In fact, in response to Eximbank's delay in approving the applications of ISCOTT for a preliminary commitment and then for a direct credit, ISCOTT awarded orders of about $50,000,000 for the rolling mill to German firms, about $20,000,000 for electric furnaces to Japanese firms, and opened all other components to international bidding. In November when Eximbank indicated to ISCOTT that, because of pending national policy considerations, financing from Eximbank would not be available, ISCOTT directed Midrex to switch all possible procurement to foreign sources, even for the Sponge Iron Plant for which Eximbank had issued a preliminary commitment to Midrex, and $6,000,000 for electric drives was awarded to Canadian firms. Without Eximbank support, little or none of the equipment and services for this project would be sourced in the United States. On the other hand, once Eximbank authorized its original credits, and ISCOTT understood that U.S. financing on terms competitive with foreign financing was available, ISCOTT directed Midrex to shift procurement to the United States. Moreover, as a result of ISCOTT's purchase of U.S. goods and services for the Steel Facility, including the Sponge Iron Plant, it is estimated that, after project completion, procurement in the United States for U.S. spare parts and maintenance will be from $3,500,000 to $4,000,000 annually.

With or without Eximbank support and with or without U.S. procurement, the GOTT is determined to build the Steel Facility. If Eximbank refuses to provide support for the

remaining items, which may still be supplied by U.S. exporters, these items will be purchased from foreign exporters with the support of the credit institutions of the exporting countries. This fact bears directly on the serious and prolonged consideration given by Eximbank to the question of the impact that the construction of the Steel Facility might have on the U.S. economy.

2. National Policy Review

In response to severe economic dislocation in the U.S. steel industry during early 1977 caused, in part, by foreign steel being sold in the United States at below cost prices, in early Autumn of 1977 an Interagency Task Force undertook a policy review of the U.S. Government's impact on the domestic steel industry. The objectives of this review were to: (1) make sure the Government was not unconsciously imposing unfair burdens on domestic steel, (2) see that the Government was meeting its obligation to protect the industry from unfair foreign competition, and (3) formulate a national program to help ensure the continued viability of the industry. Eximbank refrained from taking any steel-related actions while this review was in progress.

By mid-November the Administration had evolved the broad outline of a comprehensive steel program which included a trigger price system for imports, more consistent environmental regulations, and loans for troubled domestic firms. This program cleared the way for Eximbank to consider financing of U.S. exports for economically and financially viable foreign steel projects on their financial and economic merits, most particularly their anticipated net economic impact on the U.S. economy.

3. Impact of Imports on the U.S. Economy

A substantial portion of the steel from this project is expected to be marketed in the United States (approximately 250,000 tons per year), mostly in the form of wire rod. In evaluating the impact of these imports on the domestic economy, Eximbank has addressed itself to two questions: (1) whether the imports will displace U.S. production or other imports of non-U.S. origin or will provide a needed supply for the U.S. market; and (2) what is the net domestic economic effect of this project with or without Eximbank support?

An economic analysis made in answer to these questions strongly supports Eximbank assistance for the Sponge Iron Plant and U.S. Components for the Steel Facility. The reasons for this conclusion are the following:

(a) Detailed analysis of recent trends in the U.S. wire rod market and a projection of such trends into the 1980's indicate that most of the projected 250,000 tons of imports would replace other imports rather than U.S. production. A reasonable estimate of total U.S. steel worker job-years displaced by ISCOTT over the decade of the 1980's is between 350–400, with a worst case estimate of 1,000 job-years.

(b) Since the GOTT is determined to build the project with or without U.S. procurement, whatever adverse impact on the U.S. economy may result from wire rod imports from this project, could not be attributed to Eximbank assistance. The German-supplied and financed rolling mill and the Japanese-supplied and financed electric furnaces are the core elements of steel production and are thus the portions of the project mainly responsible for its adverse impact on the U.S. economy. The Midrex content of the Sponge Iron Plant can, at best, only modestly reduce raw material costs and will probably not, therefore, have a noticeable influence on the price competitiveness of the end product. The U.S. Components, financed by Credit No. 6497, do not contribute any quality improvement to the end product.

(c) Since no adverse impact of the project can be associated with Eximbank support, the only impact Eximbank assistance can have is beneficial. If Eximbank does not provide financing support, the net domestic economic impact will be not only a worst case displacement of 1,000 steel workers' job-years in the 1980's, but also the loss of U.S. exports and related jobs. On the other hand, if Eximbank supports the Sponge Iron Plant and the U.S. Components, some 1,500 job-years in various sectors of the U.S. economy, including 250 steel workers' job-years will be generated. Hence, Eximbank assistance allows the United States to obtain a net economic benefit of at least an estimated 500 job-years.

4. Interest Rate and Terms

Both Eximbank credits will bear interest at the rate of 8⅝% per annum, payable semiannually. A commitment fee of ½ of 1% per annum also will be charged on the undisbursed portion of the Eximbank credits.

Principal amounts disbursed under the Eximbank credits and the unguaranteed private loans under the financing plan will be repaid in 20 approximately equal semiannual installments beginning June 30, 1981, with the private loans repaid out of the early installments.

Sincerely,

JOHN L. MOORE, Jr.

ANNEX I

U.S. COMPONENTS TO BE FINANCED UNDER CREDIT NO. 6497

(It is estimated that 40 to 70 U.S. suppliers will provide the goods and services listed.)

Category:	*Estimated Value (millions)*
Engineering by Rust	$5.5–6.1
Supervision by Rust in field	4.6–5.1
Small tools and consumable supplies	1.5–1.65
Piping material including valve fittings, etc	5.6–6.2
Construction Equipment	10–11
Rebar	1.5–1.65
Structural Steel fabricators (432,000 MH)	17–18.8
Electrical	5.7–6.3
Roofing and Siding	1.3–1.4
Architectural Finish—Miscellaneous	2.5–2.8
	(thousands)
Anchor Bolts	275–300
Instrumentation	500–600
Concrete Batch Plant	150–200
Desalination Plants	200–250
Waste Treatment and Compaction	260–275
Temporary Housing and Construction Offices CCC Temp. Shops	1.3–1.55
Refractory	300–400
Form Lumber	50–55
	(millions)
Air Conditioning, Vent Fans, etc	1–1.1
Lectromelt Fume Control System	1–1.1

Mr. PROXMIRE. Mr. President, I also call to the attention of my colleagues a communication I have received from the Export-Import Bank pursuant to section 2(b)(3)(iii) of the Export-Import Bank Act, notifying the Senate of a proposed Eximbank loan to assist the construction of two nuclear powerplants in Korea. Section 2(b)(3)(iii) of the act requires the Bank to notify the Congress of proposed loans and financial guarantees for nuclear-related exports at least 25 days of continuous session of the Congress prior to the date of final approval. Upon expiration of this period the Bank may give final approval to this transaction unless the Congress dictates otherwise.

In this case the Bank proposes to extend a loan in the amount of $732,100,000 and a guarantee of $97,610,000 to assist the Korean Electric Co. in the purchase from the United States of plant equipment and materials, initial fuel cores, and other goods and services for the two plants. The credit and guarantee proposed by Eximbank will cover 85 percent of the total costs of the U.S. goods and services to be used in the project. The loan will bear interest at a rate of 8.375 percent per annum and will be repayable over a 15-year period commencing on December 31, 1984 in the case of the first unit and December 31, 1985 in the case of the second unit.

Mr. President, I ask unanimous consent that the letter from Eximbank and accompanying material pertaining to this transaction be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

EXPORT-IMPORT BANK
OF THE UNITED STATES,
Washington, D.C., May 3, 1978.

DEAR MR. PRESIDENT: Pursuant to Section 2(b)(3)(iii) of the Export-Import Bank Act of 1945, as amended, Eximbank hereby submits a statement to the United States Senate with respect to the following transaction involving U.S. exports to the Republic of Korea (ROK).

A. DESCRIPTION OF TRANSACTION

1. Background and Purpose

In August 1969 and in June 1975, Eximbank authorized direct credits and guarantees of private credits to assist Korea Electric Company (KECO) in financing the purchase of U.S. goods and services for two nuclear power units at Ko-ri, Korea. The details of the 1975 transaction are found in our letter to Congress of May 20, 1975. The financial assistance authorized for the 1969 transaction was not required to be reported.

KECO, after consultation with agencies of the ROK Government as well as authoritative outside consultants, decided to construct additional nuclear power units and solicited bids for the goods and services and related financing for two units known as Korea Nuclear Units 5 and 6. Suppliers from France, Germany, Italy, Switzerland and the United Kingdom, all supported actively by their respective government export credit agencies, tendered bids along with United States suppliers. Each financial assistance package had certain attractions with the British and the Swiss offering terms substantially more favorable than Eximbank could offer. Nonethless, certain U.S. suppliers have obtained purchase contracts from KECO subject to the availability of Eximbank financial assistance.

Consequently, Eximbank is prepared to extend a direct credit of up to $732,100,000 to KECO for 75% of the costs of United States goods and services, estimated at $976,100,000 (U.S. Costs), and to guarantee private financing of up to $97,610,000 for 10% of the U.S. Costs. Funds for the balance of the U.S. Costs of $146,400,000 or 15% will come from KECO's own resources. The Eximbank direct credit and guarantee will be used to assist KECO in financing the purchase in, and the export from, the United States of a nuclear steam supply system from Westinghouse Electric Corporation, engineering

and construction services from Overseas Bechtel Inc., and the balance of plant equipment and materials from U.S. suppliers presently not known but to be selected by Bechtel and KECO. In addition, the Eximbank financial assistance will be used for financing the purchase and export of uranium ore and its conversion, enrichment and fabrication into the initial fuel cores. Westinghouse will provide the initial fuel core fabrication services. The U.S. Department of Energy wil provide the enrichment services.

The two nuclear power units, each capable of generating 994,000 KW of electricity, will be located at Ko-ri next to the two units for which the previous Eximbank financial assistance was authorized near the city of Pusan on the southeast coast of the Republic of Korea. The total estimated cost for the two nuclear power units is $2,153,000,000 of which $796,100,000 represents U. S. equipment and services, $180,000,000 the cost of the initial fuel cores, $119,500,000 for United Kingdom manufactured turbine generators, $570,700,000 for local costs and the $486,-700,000 balance represents financial costs during construction.

2. Identity of the Parties

KECO was incorporated in 1961 and is the Republic of Korea's sole supplier of central station electric power. The Government of the Republic of Korea is the owner of the majority of KECO's stock. KECO is one of the largest users of Eximbank's programs for its U.S. purchases and has maintained an excellent credit relationship with Eximbank.

The Republic of Korea will issue an unconditional, full faith and credit guarantee of repayment of the Eximbank direct credit and the Eximbank guaranteed private financing.

3. Executive Branch Approval

Eximbank requested through the Department of State the views of the Executive Branch on the proposed transaction. State has advised Eximbank that the Executive Branch has no objection to Eximbank proceeding with this transaction. The Department of Energy has advised that based on its current survey of the uranium, its conversion, and enrichment and fuel fabrication supply situation, it has no objection to the proposed transaction.

4. Safety and Safeguard Aspects

The Preliminary Site Investigation Report for the nuclear units which was undertaken by D'Appionia Consulting Engineers, Inc. of Pittsburgh, Pennsylvania, covered aspects of site geology, seismology, marine geophysics and foundation conditions. The Ko-ri site was found to be the most favorable of several alternatives for the proposed units as population density is relatively low, seismic findings indicate no potential earthquake activity and site geology is favorable. The Republic of Korea Atomic Energy Committee (ROK–AEC), the regulatory body responsible for issuing plant construction and operation permits, is requiring that safety analysis reports patterned after the U.S. Nuclear Regulatory Commission (NRC) format be filed with the ROK–AEC. These reports are subject to its stringent review, before the respective permits are granted. The safety reports will include site investigation data, plant design criteria, environmental considerations and procedures for construction.

The ROK–AEC has entered into an agreement with the International Atomic Energy Agency (IAEA) whereby the IAEA actively engages in consultation with the ROK–AEC on issues including safety report review and quality assurance monitoring. The ROK–AEC was very active in auditing all aspects of construction of the Ko-ri No. 1 nuclear unit which is now in commercial operation.

Experience with this first nuclear project will further enhance the ability of the ROK–AEC to undertake its responsibilities in conjunction with the proposed project. The units themselves will be designed and built according to NRC standards. In addition, a comprehensive environmental monitoring program at the Ko-ri site is continuing, and will alert the ROK–AEC of any significant changes in environmental background conditions near the site.

A trilateral agreement between Korea, the U.S. and the IAEA is in effect whereby the IAEA administers Korean safeguard procedures, providing for the monitoring of nuclear fuel quantities and enforcement of security measures to prevent fuel diversion to other uses.

B. EXPLANATION OF EXIMBANK FINANCING

1. Reasons

The Eximbank direct credit of $732,100,000 and guarantee of $97,610,000 will facilitate the export of $976,100,000 of U.S. goods and services.

Eximbank perceives a positive impact on the U.S. economy from this financial support. This transaction will have a favorable impact on employment, as well as on the United States balance of trade. It is estimated that the transaction will provide 56,600 man-years of direct and indirect employment and will benefit 1,150 subcontractors and suppliers (many of which will be small businesses) in 230 cities in 38 states. The states to benefit the most are California (7,848 direct man-years—mainly employed by Bechtel), Pennsylvania (4,676 direct man-years—mainly employed by Westinghouse), New York (1,795 direct man-years), Missouri (1,296 direct man-years), Florida (1,200 direct man-years), Tennessee (1,148 man-years), Oregon (1,054 direct man-years), and Ohio (903 direct man-years). For further details, please see Exhibit 1 attached to this letter.

In addition, many of the manufacturers have excess capacity for the goods to be exported as a result of the slowdown and cancellation of similar projects in the United States.

Other economic benefits accruing to the United States from the transaction are: additional employment resulting from the sale of reload fuel cores (providing 1,300 direct man-years annually of employment), spares and related services; tax revenues generated by the sale of the goods and services at all levels; and a reduction of domestic plant costs through the spreading of costs over more units by enabling the nuclear industry to achieve an even workload and maintain a skilled work force. Further, cash flow from such exports will enable the nuclear industry to continue its high level of research and development activities.

Nearly every industrialized country with nuclear exporting capability bid on the transaction and their bids were supported by attractive financing proposals of their respective official export credit agencies. The Swiss and the British offered the most attractive terms with interest rates at far less than Eximbank is able to charge. KECO selected United States suppliers for the nuclear steam supply system, the engineering, construction management services and the initial fuel core on the basis of KECO's evaluation of cost and economic comparison, delivery schedule and quality of goods and services. It will consider U.S. suppliers for the balance of plant equipment.

2. The Financing Plan

The total cost of United States goods and services of $976,100,000, allocated $796,100,000 to equipment and technical services and $180,000,000 to the initial fuel cores, will be financed as follows:

[Dollar amounts in thousands]

	Equipment and technical services	Initial fuel core	Total	Percent of U.S. costs
Cash payment	$119,415	$27,000	$146,415	15
Eximbank credit	597,075	135,000	732,075	75
Private financing guaranteed by Eximbank	79,610	18,000	97,610	10
Total	796,100	180,000	976,100	100

(a) Eximbank Charges.—The Eximbank direct credit will bear interest at the rate of 8.375 percent per annum. In addition Eximbank will charge the lenders of the guaranteed private financing a guarantee fee of 1 percent per annum on amounts disbursed to KECO, and Eximbank will charge KECO commitment fees of 0.5 percent per annum and 0.125 percent per annum respectively on the undisbursed portions of the Eximbank direct credit and the guaranteed private financing.

(b) Repayment Terms.—The amounts disbursed under the Eximbank direct credit and the guaranteed private financing for the equipment and technical services will be repaid in 30 approximately equal consecutive semiannual installments, beginning December 31, 1984 in the case of the first unit and December 31, 1985 in the case of the second unit. In the case of the first unit the lenders of the guaranteed private financing will receive all of the first 5 installments and Eximbank will receive all of the remaining 25 installments. In the case of the second unit the lenders of the guaranteed private financing will receive all of the first 2 and part of the 3rd installment and Eximbank will receive part of the 3rd and all of the remaining 27 installments.

The amounts disbursed under the Eximbank direct credit and the guaranteed private financing for the initial fuel core will be repaid in six approximately equal consecutive semiannual installments, beginning December 31, 1984 in the case of the first unit with the lenders of the guaranteed private financing receiving the first and part of the second installment and Eximbank receiving part of the second and all of the remaining four installments, and beginning on December 31, 1985 in the case of the second unit with Eximbank receiving all of the six installments.

Sincerely yours,

JOHN L. MOORE, JR.

EXHIBIT 1

FINANCIAL AND EMPLOYMENT EFFECT OF NUCLEAR POWER EXPORTS, KOREA NUCLEAR UNITS 5 AND 6

State	Cities	Value of exports	Employment, man-years	Suppliers and subcontractors
Alabama	3	265	7	6
California	12	243,127	7,848	464
Colorado	5	25,452	583	19
Connecticut	12	17,239	549	30
Florida	2	43,131	1,200	9
Georgia	1	76	2	2
Illinois	16	15,009	479	43
Indiana	8	4,305	106	12
Iowa	2	4,086	110	6
Kansas	1	242	5	1
Kentucky	2	458	17	7
Louisiana	2	2,945	72	2
Maine	1	35	1	2
Maryland	4	6,289	174	10
Massachusetts	8	10,719	307	25

State	Cities	Value of exports	Employment, man-years	Suppliers and subcontractors
Michigan	9	2,270	70	20
Minnesota	2	460	15	2
Missouri	3	40,606	1,296	10
Nevada	1	98	3	2
New Hampshire	1	4,965	159	2
New Jersey	13	28,112	885	44
New Mexico	5	24,402	550	17
New York	15	56,721	1,795	52
North Carolina	4	2,050	51	8
Ohio	14	28,525	903	58
Oklahoma	1	3,658	61	5
Oregon	3	34,725	1,054	10
Pennsylvania	39	170,142	4,676	137
Rhode Island	2	1,138	28	2
South Carolina	2	17,880	440	3
Tennessee	5	84,933	1,148	44
Texas	7	17,095	502	26
Utah	5	24,400	550	16
Virginia	3	16,518	524	12
Washington	4	1,405	38	9
West Virginia	4	4,226	104	2
Wisconsin	5	13,917	444	12
Wyoming	5	24,400	550	16
Total	231	976,114	28,306	1,147
Rounded total	230	976,100	28,300	1,150

CAMBODIA PROVES NEED FOR GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, I see that many of my colleagues have been closely following the recent reports of atrocities in Cambodia. Reports coming from that country indicate that thousands of people have been executed and many more have been forced to work under inhumane conditions in national rice fields.

Last Thursday Cambodian Foreign Minister Ieng Sary said that the situation in Cambodia was "excellent" and he was quoted as saying that "the living conditions of our people have improved in all areas."

I find this kind of hypocrisy frightening. No one is going to be convinced by Minister Sary's denials. All Senators are opposed to the systematic abuse of human rights found in Cambodia.

But I question how effective such opposition can be, as long as the Senate consistently refuses to condemn genocidal acts in a comprehensive written declaration. In order to put some teeth into our calls for protection of human rights, we must show that we are willing to back up our words with actions. Until this is done, I cannot help but believe that the most eloquent pleas for justice and human rights that are made in this Chamber will fall on deaf ears.

Fortunately, there exists a document to express our condemnation of genocide. I am, of course, referring to the Genocide Convention, a treaty which declares acts of genocide to be crimes under international law and establishes methods to punish such crimes.

For 30 years, we have failed to ratify this treaty. If we are sincere in our concern regarding Cambodia, we must delay no longer. We must ratify the Genocide Convention promptly.

QUORUM CALL

Mr. PROXMIRE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. PROXMIRE. Mr. President, an editorial appearing in the New York Times of May 6 describes some disturbing developments in the New York City financing situation.

The PRESIDING OFFICER. The Senator from Wisconsin is advised that a quorum call is in progress.

Mr. PROXMIRE. I beg the Chair's pardon. I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from Wisconsin.

WASHINGTON IS WATCHING NEW YORK CITY

Mr. PROXMIRE. Mr. President, an editorial appearing in the New York Times of May 6 describes some disturbing developments in the New York City financing situation.

The editorial begins:

> We hope no one in Washington is watching.

It then proceeds to describe what is going on:

> Perhaps no one there has noticed that New York City's expectation of a $600 million bank balance on June 30 is based on the belief that the trustees of its union pension funds will lend it a further $683 million this month. Labor's pension-fund representatives have begun to emphasize how difficult it will be for them to do so. This accounts for several developments that are particularly unfit for the eyes of New York's presumed benefactors in the Federal city.

The developments mentioned include the failure to date to pass State legislation increasing the borrowing authority of the Municipal Assistance Corporation (MAC) so it can sell some of its bonds to the pension funds and the reluctance of the labor union trustees of the pension funds to make their expected investments in city bonds before there is agreement on the labor contracts which are now in negotiation.

Mr. President, I just want to assure the New York Times, and to assure my colleagues, that people in Washington are watching what is going on in New York. We are watching very closely and observing that little progress is being made toward resolving problems which everyone acknowledges are real and pressing.

On February 10, 1978, the Committee on Banking, Housing, and Urban Affairs, of which I am chairman, issued a unanimous report on the New York City loan program. The report identified several actions that New York City should take, preferably by April 1, in order to be able to meet its financing needs after the present Federal loan program expires on June 30, with or without reliance on additional Federal aid. These actions included a citywide agreement on the basic terms of the labor contracts expiring on June 30 and passage of State legislation to establish a long-term fiscal monitor and to increase the borrowing authority of MAC. The committee suggested that "failure to meet these conditions by April 1, 1978, will result in grave consequences to New York City whatever the administration and Congress decide to do."

Now it is mid-May, and what has happened on all this? There is no resolution of the city labor contracts and no visible action on the MAC or fiscal monitor legislation. On top of this, the additional question has arisen as to whether the city pension funds will even make the investments in the approximately $683 million in long-term city bonds which they are scheduled to make in this month, and which they formally committed themselves to make in late 1975 as one of the conditions for the Federal Government's providing the seasonal loans.

There should be no doubt in anyone's mind that people in Washington are watching what is happening on those pension fund investments. In mid-March, when the issue was raised by the city's comptroller, Harrison J. Goldin, who is also a pension fund trustee, I wrote him a letter pointing out that those were binding legal commitments which should be honored. I told him that—

> If Members of Congress perceive that the City's chief fiscal officer and other local parties involved take a financing commitment of this magnitude so lightly, then they may seriously question the advisability of the Federal government's making a commitment to provide $2 billion in long-term guarantees to New York City after June 30, 1978.

Mr. President, the city pension funds have an enormous stake in New York City's continued solvency. That solvency depends on their making the May and June investments on schedule. If the pension funds would not even come through on their existing financing obligations, then why in the world should Members of Congress vote to provide new financial aid to New York City after June 30? The fact is that regardless of whether or not a new Federal aid program is enacted, the city will still have to rely on local sources—mainly the pension funds and banks—to supply most of its financing needs, both long term and short term, over the next few years, until it regains full access to credit markets. If those local sources cannot be trusted to meet their agreed-upon commitments, then how can the Federal Government risk billions of dollars of taxpayers money to finance New York City?

Time is passing. Pressure is being put on Members of Congress, and particularly on members of the Banking Committee, to proceed to take formal action on the pending legislative proposals to provide more Federal aid to New York City. The committee would obviously be handicapped in its deliberations on this legislation, should it be forced to proceed with hearings in the absence of a resolution of the labor contracts, and in the absence of State action on the MAC and fiscal monitor legislation. Furthermore, I see no way that we can proceed so long as there is a question as to whether the city pension funds will meet their legal obligations or plunge the city into a cash crisis in the latter part of May. If the local parties with a large stake in the city's financial soundness refuse even to meet their existing commitments, then it is most unlikely that the committee or the Congress

will be eager to continue Federal involvement in New York City's finances.

The real question posed by the New York Times editorial is not whether Washington is watching. It is whether anyone in New York City is listening.

Mr. President, I ask unanimous consent that the New York Times editorial and my letter to Comptroller Goldin be printed in full in the RECORD at the completion of my remarks.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

LOOK AWAY DOWN THERE

We hope no one in Washington is watching. Perhaps no one there has noticed that New York City's expectation of a $600 million bank balance on June 30 is based on the belief that the trustees of its union pension funds will lend it a further $683 million this month. Labor's pension-fund representatives have begun to emphasize how difficult it will be for them to do so. This accounts for several developments that are particularly unfit for the eyes of New York's presumed benefactor in the Federal city.

Felix Rohatyn, the chairman of the Municipal Assistance Corporation, set out to get authorization from the State Legislature to sell $3 billion in additional M.A.C. bonds, some of them intended to be particularly attractive to the pension funds. But the staffs of the Legislature and M.A.C. were unable to agree on the form of the law, so nothing was drafted.

Mr. Rohatyn thereupon called the State Legislature "pathetic" for its failure and speculated rather mysteriously about how only the experience of fascism could explain his patience with the democratic process. Whereupon the chairman of the Finance Committee, Senator John Marchi, called on Mr. Rohatyn to apologize or resign. And the majority leader, Senator Warren Anderson, wrote Mr. Rohatyn a rather public letter stressing that Mr. Rohatyn's staff and not the Senate's was to blame.

The Governor of the state and most members of the Legislature, all of whom are running for re-election this year and many of whom are dependent on labor support, have, meanwhile, held themselves safely above the skirmish. The labor unions, of course, are in no hurry to make their next expected investment in city bonds, for that would play their trump card before the conclusion of the wage negotiations with Mayor Koch. Some at City Hall have been unkind enough to suggest that the delay in the local set of negotiations was somehow related to the delay in the Albany set.

Meanwhile, two of the major labor negotiators. Albert Shanker of the Teachers Union and Barry Feinstein of the Teamsters, are traveling outside the country. But the negotiations, we are assured, have been resumed.

That may be true, considering that the state's deputy comptroller, Sidney Schwartz, just notified Mayor Koch that he may not use last year's budget surplus as part of the $610 million he has already offered for wage increases. To which Jack Bigel, the unions' principal consultant, reiterated that $800 million was available, and that not the money but only the "imagery" of a settlement remained to be found.

As we said, perhaps no one down there is watching.

COMMITTEE ON BANKING,
HOUSING, AND URBAN AFFAIRS,
Washington, D.C., March 21, 1978.

Mr. HARRISON J. GOLDIN,
Comptroller, City of New York,
New York, N.Y.

DEAR MR. GOLDIN: I am disturbed about various aspects of your letter of March 15, 1978, with attached press release and report.

My main concern involves the question you raise about the likelihood of the City's pension and sinking funds making scheduled purchases of some $700 million in City bonds, as anticipated in the current Financial Plan, no later than May or June. You quote from your testimony before the House Banking Subcommittee, where you stated that "although the trustees of these funds have committed themselves under the present Financial Plan to make these purchases, there is every reason to doubt whether they can proceed without knowing that Federal mechanisms will be established to ensure protection of their investments after the expiration of this fiscal year on June 30."

My understanding, and the understanding of other Members of Congress when we passed the New York City Seasonal Financing Act in December 1975, was that the Federal loans were contingent on signed commitments already obtained from certain parties, including banks and pension and sinking funds, to provide other necessary parts of the City's financing needs over the life of the loan program, that is, through June 30, 1978. Obviously these signed commitments (contained in the Amended and Restated Agreement of November 26, 1975), which were printed in the Congressional Record at the time of the debate on the seasonal loan legislation, were in no way contingent on subsequent passage of Federal financial aid legislation for the period following June 30, 1978. Indeed, at that time in 1975, New York City and State officials were insisting that there would be no need for any further Federal involvement in the City's financing.

Therefore, I can only conclude that you are now, in your capacity as a trustee of these funds, suggesting non-compliance with a binding legal commitment of vital importance to the City's welfare, for the purpose of putting pressure on Congress to act with undue expediency on a complicated issue of great national concern. If this is the case, then I believe it is inappropriate behavior for New York City's chief fiscal officer. Furthermore, if Members of Congress perceive that the City's chief fiscal officer and other local parties involved take a financing commitment of this magnitude so lightly, then they may seriously question the advisability of the Federal government's making a commitment to provide $2 billion in long-term guarantees to New York City after June 30, 1978.

I am also concerned about the political blackmail implied in your listing of New York City's contractual commitments, on which you state that $418 million is currently due. If these amounts are in fact presently due to the companies listed, then the payments should be made promptly out of funds budgeted for this purpose and not held hostage to the passage of Federal legislation. While I can understand your desire to point up the financial stake which other parts of the country have in New York City's continued solvency, warnings of possible nonpayment due to refusal of local parties to meet their investment commitments are not, in my view, the best way either to improve the prospects for passage of Federal legislation or to restore market confidence.

The decision on whether to extend further financial aid to New York City involves a number of broad policy concerns, ranging far beyond the question of the impact of default on City contractors, most of whom must have had ample knowledge of the City's financial problems when they entered into or continued their contracts. Congress will have to weigh with care the questions involved in providing long-term Federal guarantees to New York City and the potential impact of such a precedent on the fiscal practices of other cities across the country.

I have stated publicly on a number of occasions that the Committee on Banking, Housing, and Urban Affairs will hold hearings and give full consideration to proposals for additional financial aid to New York City at an appropriate time, after certain matters such as the City's labor contract negotiations have been resolved. However, the Committee is unanimously on record as urging New York City and New York State to obtain firm commitments from local parties to meet the City's future financing needs. Thus, in my view, the Committee is unlikely to be persuaded to act expeditously if confronted with either the threat or the actuality of the City's pension and sinking funds refusing even to meet their present financing commitments.

Sincerely,

WILLIAM PROXMIRE,
Chairman.

FOREIGN INVESTMENT IN NEW YORK CITY

Mr. PROXMIRE. Mr. President, the New York Times reported on Sunday the very heartening development of foreign business in New York City. It is estimated that as much as 80 percent of the foreign investment in this country in business and commercial enterprise, and so forth, takes place in New York City. That is most encouraging for the economy of New York, which all of us hope can improve, because investments from abroad have been increasing rapidly over the past few years.

I might point out that this is an investment that involves literally thousands of jobs.

In fact, the study which was made, sponsored jointly by the city's office of economic development and the New York Graduate School of Business Administration, found that of 2,000 businesses in New York which were queried, 839 companies which responded account for nearly 50,000 jobs in New York City and they pay over $100 million in rental in New York.

More than 70 percent of them are from Japan, Great Britain. West Germany, France, Italy, or South Korea. Japan alone accounted for almost one-third of the sample surveyed.

I call this to the attention of the Senate because I think it relates to the propects of New York's recovery and the very good prospect that New York will be able to recover well without substantial Federal assistance.

Mr. President, I ask unanimous consent that this article from the New York Times be printed in the RECORD at this point.

There being no objection, this article was ordered to be printed in the RECORD. as follows:

A FOREIGN GLOSS ON THE BIG APPLE

Foreign capital is no stranger to New York, as a stroll down virtually any street in Manhattan's East 50's or 60's will show. Israeli banks, Italian retailers and Japanese trading firms are all part of the city scene. But just how great is the impact of foreign-owned companies in New York?

Until recently nobody had bothered to find out what industries they represent or what their contribution to the city's economy may be. Now such a survey has been made. It was sponsored jointly by the city's Office of Economic Development and the New York University Graduate School of Business Administration.

Based on responses from 839 foreign-owned businesses out of 2,000 that were queried, the survey finds that:

The companies account for nearly 50,000 jobs in New York City, although it was not ascertained how many of the jobs were filled by people hired here.

Ninety-five percent of them lease their premises, totaling 12.75 million square feet of space for the respondents. (That means at least $100 million in rental revenues, the authors of the report calculate.)

Less than 1 percent of them have a manufacturing facility in the city; the bulk of them maintain sales offices, banking facilities or their North American headquarters. (Seventy-five percent of the overseas parent companies are in manufacturing, transportation or finance.)

More than 70 percent of them are from Japan, Britain, West Germany, France, Italy or South Korea. (Japan alone was the home country of almost one-third of the sample surveyed.)

The foreigners seem to be optimistic about New York. More than half of the companies responding (and almost three-quarters of the finance organizations) said they expected their operations to expand within the next five years—assuming, some added, "improvement of general economic conditions."

Mr. PROXMIRE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. MATHIAS. I ask unanimous consent, Mr. President, that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ALDO MORO

Mr. MATHIAS. Mr. President, Aldo Moro is dead. His ordeal is over. But Italy's ordeal has just begun. Italy's suffering reflects a world dilemma and challenges mankind. The murder of Aldo Moro was a blow against the state—not just the Italian state but the very concept of civil government everywhere.

We cannot tolerate continued acts of violence, but senseless violence can neither be anticipated nor avoided. Simply because it is senseless, it is unpredictable and uncontrollable. There is only one defense against violence: It is the sum of the individual determination of each human being to oppose violence anywhere and in any form, starting even with the child who torments a neighbor's cat.

If violence is part of human nature, then we must try to change our nature. In America we could make a good beginning here and now by eliminating violence from television. Such a step would be no recompense for the life of a human being, but it might eventually save the lives of many human beings.

ALASKAN AIR COMMAND

Mr. STEVENS. Mr. President, protecting Alaska with its immense area is a herculean task. With our 375 million acres of land and 33,000 miles of coastline, we are closer to the Soviet Union and to Chinese territory than any other part of the United States. At our closest point, Alaska lies 2½ miles from Russia.

Our strategic location demands an effective defense establishment. An adequate military installation in Alaska is basic and essential to our whole system of national defense. Gen. Billy Mitchell, the most farsighted military air strategist of his day emphasized the importance of Alaska in a statement he made to the U.S. House of Representatives Committee on Military Affairs in 1935:

Alaska is the most central place in the world for air. This is true either of Europe, Asia, or North America. I believe in the future, he who holds Alaska will hold the world. I think it is the most important strategic place in the world.

An article in the May issue of Air Force Magazine entitled "Alaskan Air Command" reviews the Air Force in Alaska; I would like to share it with my colleagues. The men and women with the USAF in Alaska do an excellent job in performing their military operations and this is a welcome opportunity to salute their achievements. I ask unanimous consent that this article be printed in the RECORD at the conclusion of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From Air Force Magazine, May 1978]

ALASKAN AIR COMMAND

The Alaskan Air Command provides early warning of an air attack on the US and Canada, guards the sovereignty of US airspace, and supports US ground forces in Alaska.

AAC mans three main bases, thirteen aircraft control and warning squadrons (AC&W), and two forward operating bases.

The command has a total of 8,800 personnel, including 800 officers, 6,600 airmen, and 1,400 civilian employees.

Lt. Gen. M. L. Boswell, the AAC Commander, also serves as Commander, North American Air Defense Command/Aerospace Defense Command (NORAD/ADCOM), Alaskan Region, and is responsible to the Commander in Chief, NORAD, for aerospace defense of that Region. As the senior military officer in Alaska, he is the coordinating authority for all joint military administrative and logistical matters and the military point of contact for the state.

AAC's three main bases are Elmendorf AFB, bordering Anchorage; Eielson AFB, near Fairbanks; and Shemya AFB, near the tip of the Aleutian Islands chain. The AC&W squadrons are along the western coast or in the interior. Galena and King Salmon Airports are forward operation bases for fighter aircraft from Elmendorf. In addition, AAC provides administrative and logistic support for ADCOM units at Shemy AFB and at Clear AFS.

In November 1977, the 21st Composite Wing (21 COMPW) at Elmendorf was reorganized. The wing now has assigned to it all of the AC&W squadrons and the forward operating bases. In addition, an AC&W group, a tactical fighter group, and an additional tactical fighter squadron were formed and placed under the wing.

Both the 21 COMPW maintenance units at Elmendorf and the maintenance units of the 5010th Combat Support Group at Eielson AFB have converted to the new Production Oriented Maintenance Organization (POMO) program. Eielson maintenance changed to POMO in January 1978. The Elemendorf units completed the reorganization in April 1978.

Elmendorf's 21 COMPW is the main flying arm of AAC. The wing's 43d Tactical Fighter Squadron was named the winner of the 1977 Hughes Trophy for Excellence in Air Defense. The wing's other squadron, the 18th Tactical Fighter Sqaudron, was activated in 1977. Both squadrons fly the F-4E Phantom. The wing also has a number of T-33 Shooting Star jets assigned to the 243d Tactical Fighter Group at Elmendorf.

Major tenants at Elmendorf include the 616th Mimiltary Airlift Group and its 17th Tactical Airlift Squadron, equipped with C-130Es; and the 71st Aerospace Rescue and Recovery Squadron, equipped with HC-130s and HH-3 helicopters.

The 5010th Combat Support Group at Eielson AFB is the only other flying unit in AAC. The Group's 25th Tactical Air Support Squadron flies the O-2A, and also has T-33s that provide training targets for AAC's air defense mission. Eielson's largest tenant unit is SAC's 6th Strategic Wing, equipped with KC-135 Stratotankers.

A Joint Task Force (JTF), established by the Joint Chiefs of Staff for contingency/emergency operations, is formed each year for joint Arctic training exercises involving up to 25,000 active-duty. National Guard and Reserve personnel from all the military services and the Coast Guard, it normally is headed by the ACC commander.

AAC also operates a Rescue Coordination Center (RCC) that uses aircraft and personnel of all the military services in the state, plus the Civil Air Patrol, the FAA, and civilian Volunteers. During 1977, the RCC coordinated emergency assistance for 288 military and civilan persons in distress and saved 143 lives.

Members of the Alaskan Air Command not only serve on "America's last frontier," but on the "first frontier" for the defense of the North American continent. AAC personnel share in one common goal—providing "Top Cover for America."

U.S. POSTAL SERVICE—THE PHILATELIC BRANCH

Mr. STEVENS. Mr. President, we often hear complaints regarding the performance of the U.S. Postal Service. Despite the fact the U.S. Postal Service is considered the best in the world, the most efficient, and the least costly to the taxpayers, we still hear these complaints from every segment of society. Complaints will always be with us in view of the over 90 billion pieces of mail handled annually.

Mr. President, my intention today, however, is to bring to light one of the most profitable and least advertised departments within the U.S. Postal Service—the Philatelic Sales Branch. Since the inception of this branch, sales have been continually climbing and orders are coming faster than they can be filled. Collecting stamps has been an educational and recreational hobby for millions throughout the world since the first stamps were issued. It is entirely appropriate, I believe, to insert in the RECORD an excellent article which appeared in the Postmaster Gazette in April entitled "The Quiet Success Story of the USPS Philatelic Branch."

Mr. President, I ask unanimous consent to insert at this point the story about an excellent and unheralded branch of the U.S. Postal Service and their dedicated employees.

There being no objection, the article was ordered to be printed in the RECORD as follows:

THE QUIET SUCCESS STORY OF THE USPS PHILATELIC SALES BRANCH

(By Deborah Guberti)

Wondering through the myriad of shops and restaurants of Waterside Mall in Southwest Washington, one would probably never notice a plain set of unmarked mahogany doors, tucked away in a corner passageway. Nor would one suspect that behind those doors was a million dollar business serving hundreds of thousands of people all over the world.

One of the fastest-growing, most successful agencies of the USPS, the Philatelic Sales Branch has never needed to advertise or glamorize its existence. It already has more business than it can handle, and the value of its product—*stamps*—is so great as to demand top security measures.

From the day of it inception—the story of the Philatelic Sales Branch has been one of quiet and unheralded success. Founded on December 1, 1921 as the official mail order stamp agency for the U.S. Post Office Department, the Philatelic Sales Branch was originally intended to provide a service to collectors who were unable to purchase particular stamps in their local post offices. Demand was expected to be minimal and the part-time clerk hired to fill mail orders was given the top drawer of a wooden desk in which to keep his stock.

By the end of 1922, even the most optimistic of predictors was surprised. Sales had hit $20,906 and, by the close of the following year, the figure had swelled by 500 percent to $105,317. With occasional slumps reflecting the war years and other economic factors, sales continued to rise, hitting 2 million in 1935 and 4 million in 1949. In 1971, officials celebrated the 50th anniversary of an operation which had grown from one part-time employee and sales of $20,000 to 38 full-time workers and average annual sales of over $3 million.

Today, the agency employs 85 people, fills approximately 250,000 orders a year and brings in $11.8 million in revenue.

Despite the agency's success, its status—and very existence—has had its ups and downs. Originally under the direction of the 3rd Assistant Postmaster General and later the 2nd Assistant Postmaster General at headquarters, the Sales Branch was never popular with those officials who had little time for or interest in stamp collectors. In 1965, their pressure was great enough to remove the agency from headquarters to the Washington, D.C. post office. The number of workers was cut back and sales were limited to $25.00 and under. Although loud protests from stamp collectors soon lifted the $25.00 limit, the agency remained at the Washington office for 8 more years, understaged and working in inadequate facilities. Sales hovered around the $2 million mark and the staff of 10, attempting to do the work of 25, was soon months and thousands of orders behind.

Finally, in 1971, when the old Post Office Department was reorganized and reborn as the independent U.S. Postal Service, philately was recognized as a major area, and the Stamps Division, headed by Gordon Morison, was clearly defined. Two years later, it was decided that the Sales Branch should be returned to the Stamps Division and be made one of its five major units. Morison foretold a brighter future for the Branch with the words, "Combining under a single management the responsibility for all phases of the process will enable us to provide better service to the public. It recognizes that the stamp program is a national program, which needs a single national policy to make it effective."

In keeping with its new status, the Sales Branch was moved to larger quarters on 20th St. Sales quickly jumped to 5–6 million, but soon, even operating on six to seven day schedules, the Branch was unable to keep up with the ever increasing demand. Equipped to handle 300–400 orders a day, the facility was receiving 600–800. In 1975, the Branch was again moved to a larger building at Waterside Mall, and Riley Murray, the facility's designers, took over as manager.

Murray, a former industrial engineer and cost-reduction expert with USPS, manages an operation which, with little automation, appears to have been made as efficient and foolproof as humanly possible. Beginning with the initial sorting when mail arrrives from the Washington, D.C. post office, the orders are put through a logical, step-by-step process. Each person on staff has a specific function, part of which is re-checking what the person before him has done. For example, while one person verifies that a remittance is enclosed with the order and that it matches the amount indicated by the customer, another clerk will re-verify the amount before detaching the remittance and ringing it up on the cash register. Or, while one operator will separate orders into three categories—regular orders, plate number positions or expedites—another will re-screen the order to make sure that the amount paid matches what is being ordered. All orders filled by one clerk are rechecked by another before being mailed.

Assigned a number, stamped with the date and amount of remittance received, and microfilmed and xeroxed, orders are filled according to the date received. Murray says that the Branch normally operates with a two week time lag although the issue of a popular commemorative stamp may push them further behind. Orders are expedited if over $300 or if a special request for rush—usually for first day issues—seem justified. If a person has a complaint or question concerning his order, the unit can easily trace it by number on the master microfilm list. Some day the Branch hopes to use this list for promotional mailings.

All regular orders, expedites and plate number position orders are filled in the basement by clerks operating out of huge Diebold machines. These machines contain trays of stamps which rotate into position at the touch of a button. Also located in the basement is the stockroom, containing millions of dollars worth of stamps—some still packed in stacks of boxes, others lining rows of metal shelves. The stockroom, as well as the entire facility except for the accounting section, is part of a huge vault, complete with a four alarm system. To keep the stamps from curling or sticking, the air temperature and moisture are carefully controlled by an expensive computerized air conditioner-humidifier. Accountable for every stamp it receives, the unit must destroy all stamps not received in mint condition or which are nonusable for any reason.

This vast fortune of stamps is entrusted to the direct care of one man, Andy Hreha, who is the only one who knows the exact amount of the Branch's stock. When Hreha is out, the main stock room remains locked, even to Murray. The staff does have access to a special stock case—normally locked, barred and bolted—which contains a two weeks supply of stamps in case Andy is ever out for a prolonged period. "If Andy ever leaves us for more than two weeks" jokes Murray, "I don't know what we're going to do!"

In addition to stamps, the agency also sells philatelic products such as souvenir pages, commemorative panels, mint sets and copies of the *Stamps & Stories* book. In recent years, these items have become more popular, accounting for 25 percent of the orders. (Stamps, however, continue to bring in 90 percent of the unit's revenue.) Subscriptions to the souvenir pages are available and this service is one function of the agency which is almost fully automated.

Murray tries to maintain a sales policy of providing equal service to both the individual collector and the dealer. He recognizes that there is sometimes blatant speculation on the part of dealers and tries to prevent mass buy-ups of one particular item. "A man came in one day with $30,000 in cash in a briefcase and wanted to buy up a certain souvenir sheet. It was obvious what he was up to and he didn't get too far!" In extreme cases if there appears to be a run on one stamp or product and stock is being depleted too rapidly, then Murray will put a limit on the number a customer can buy—the same amount for both dealer and individual.

Arriving every day along with the orders are about 300–400 information requests or complaints. Murray is assisted by three clerks but still spends about 30–40 percent of his day on this correspondence. The subject of these letters can range from a complaint that a garbage truck is running over the customer's mailbox, to a request from a mother that a stamp be dedicated to her child, to a demand that a refund be made on stamps received 10 years before which have since stuck together. Murray notes humorously that the Branch seems to receive the most irrational letters during the full moon period and that the nastiest letters come from those claiming to be priests. One man has carefully numbered his complaint letters—one through 200. Many of the letters Murray is able to redirect to the correct sources of information. For example, a complaint about a run-over mailbox will go to the consumer advocate at USPS or a request for information on the history of a stamp will go to the research section of the Stamps Division.

While Murray is proud of the Branch's $11.8 million sales volume, he feels that the agency has not yet been able to tap its full sales potential. Computers have been promised within another year but along with them will come subscriptions and other related work which is currently being farmed out to contractors. Besides, as Murray points out, computers could never fully replace his staff as the human element is necessary when working with something as delicate and unique as a stamp. Cutting machines might destory the quirks and flaws in the stamp's perforations so precious to collectors, and only the human eye can discern slight variations in color between two almost identical stamps.

"What is needed," says Murray, "is a new facility. This one was designed as an interim measure, equipped to handle 800 orders a day; we're presently often attempting to process 1200. In order to keep up with demand and keep operating with reasonable efficiency, I would say that we'll have to move by 1980. Perhaps the entire agency can be housed in one facility, or perhaps there will be a central headquarters handling regular orders and satellite stations for such items as first day covers, souvenir pages and so on. The new facility should be equipped to handle at least 5,000 orders a day, although this is a small number compared to what could be processed. By more extensive use of marketing techniques and by achieving a reputation of quick and efficient service, we could be servicing a much larger percentage of the market—after all, we're the only mail order stamp business in the world and there are 22 million stamp collectors in this country alone!"

Murray went on to say that he had begun

developing plans for such a facility which he hoped would not only provide for existing needs but which would also allow for future growth over the next 15 years.

If his plans work out, the Philatelic Sales Branch will probably continue to be a success—but not longer such a quiet one.

THE CASE FOR PERMITTING ALASKAN OIL EXPORTS

Mr. STEVENS. Mr. President, an interesting article appears in the May 1, 1978, issue of Business Week. It discusses the current west coast oil market and the issues surrounding the shipment of Alaskan oil to Japan. This was a hot subject in the Congress a year ago; but the article concludes that the situation may be changing and that opening an oil trade with Japan may be the correct thing to do at this time.

Mr. President, I would like to bring this article to the attention of the Senate and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE CASE FOR PERMITTING ALASKAN OIL EXPORTS

Pressure is going to mount for the President to change the rules under which Alaskan oil is marketed. And it could become a test of the Carter Administration's political courage. There are two major reasons for permitting Alaskan oil to be exported. First, U.S. international oil strategy is, basically, to see that as much oil as possible reaches world markets, thus helping to keep the lid on prices. Second, although the yen has appreciated dramatically, there is little hope of a turnabout, even in the medium term, in America's huge trade deficit with Japan. Sales of Alaskan crude to Japan could help achieve that.

Alaskan crude may not be exported without specific permission from the White House, over which Congress has a veto. Oil companies can, with the President's permission, swap oil. For example, the Japanese could supply New England with Middle East crude in exchange for Alaskan oil. Presumably, some of the savings on freight would be passed on to consumers.

PIPELINES AND POLITICS

If freer oil exports are not permitted, not only will the West Coast crude glut persist (BW—Mar. 20), but Alaskan producers are not likely to push production. The pipeline flow is now nearing 1.2 million bbl. a day and could go to 2 million bbl. fairly easily. Exploration, now slowing up, could produce even more. Furthermore, California wells are being shut in. All this could mean that a bigger market is being created for the Organization of Petroleum Exporting Countries (OPEC), and increasing their price leverage.

True, negotiations are going forward to clear away environmental constraints holding up construction of a pipeline spur that would link the California port of Long Beach with Texas refineries. Another pipeline, also facing environmentalists' opposition, would link a Washington State port with a pipeline network reaching the northern Plains states, which were thought to be facing a cutback of Canadian exports. But even if both pipelines come through, they still do not provide West Coast and Alaskan crude with the flexibility it needs.

Most Washington oil analysts, both inside and outside the Administration, say the problem is essentially political: Having tried to sell Congress and the country a controversial and extremely complex energy program on the basis that it would increase self-sufficiency, how, they say, can the President turn around and propose exporting the one big new U.S. oil resource? Furthermore, it's said, Congress wouldn't buy it even if President Carter initiated it. And Energy Secretary James R. Schlesinger believes that swaps would reduce the incentive to fight for approval of the pipelines, which are needed for national security as well as for Alaskan oil.

But sentiment in Congress may be changing. Certainly international price and trade considerations are looming larger. Non-OPEC production, including Alaskan oil, is a major consideration in OPEC calculations on raising prices. And March trade figures showed Japanese exports to the U.S. up by 11% and U.S. exports to Japan down by 25%. The ball is squarely in President Carter's court.

ORDER FOR RECESS UNTIL 11 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 11 o'clock a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR JAVITS ON TOMORROW AND CONSIDERATION OF S. 2802

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that tomorrow after the prayer, Mr. JAVITS be recognized for not to exceed 15 minutes, and that the Senate then proceed to the consideration of the truth in lending bill, S. 2802.

The PRESIDING OFFICER. Without objection, it is so ordered.

TIME LIMITATION AGREEMENT—S. 3040

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at such time as Calendar Order No. 713, a bill to amend the Rail Passenger Service Act to extend the authorizations of appropriations for an additional fiscal year, to provide for public consideration and implementation of a rail passenger service study, and for other purposes, is called up and made the pending business before the Senate, there be a time agreement thereon as follows: 2 hours for general debate to be equally divided between Mr. DANFORTH and Mr. CANNON; 1 hour on any amendment in the first degree; 30 minutes on any amendment in the second degree or debatable motion; 20 minutes on any appeal or point of order if such is submitted to the Senate for discussion, and that the agreement be in the usual form.

The PRESIDING OFFICER. Without objection, it is so ordered.

The text of the agreement is as follows:

Ordered, That when the Senate proceeds to the consideration of S. 3040 (Order No. 713), a bill to amend the Rail Passenger Service Act to extend the authorizations of appropriations for an additional fiscal year, to provide for public consideration and implementation of a rail passenger service study, and for other purposes, debate on any amendment in the first degree shall be limited to 1 hour, to be equally divided and controlled by the mover of such and the manager of the bill, debate on any amendment in the second degree shall be limited to 30 minutes, to be equally divided and controlled by the mover of such and the manager of the bill, and debate on any debatable motion, appeal, or point of order which is submitted or on which the Chair entertains debate shall be limited to 20 minutes, to be equally divided and controlled by the mover of such and the manager of the bill:

Provided, That in the event the manager of the bill is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or his designee: *Provided further*, That no amendment that is not germane to the provisions of the said bill shall be received.

Ordered further, That on the question of final passage of the said bill, debate shall be limited to 2 hours, to be equally divided and controlled, respectively, by the Senator from Nevada (Mr. Cannon) and the Senator from Kansas (Mr. Pearson): *Provided*, That the said Senators, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, debatable motion, appeal, or point of order.

SMITHSONIAN INSTITUTION SUPPORT FACILITIES

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order No. 714, S. 1029.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (S. 1029) to authorize the Smithsonian Institution to construct museum support facilities.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill which had been reported from the Committee on Rules and Administration with an amendment on page 1, beginning with line 8, strike through and including line 10, and insert in lieu thereof the following:

(b) Section 3 of such Act is amended to read as follows:

"SEC. 3. There is authorized to be appropriated to the Smithsonian Institution $21,500,000 to carry out the purposes of this Act. Any portion of the sums appropriated for such purposes may be transferred to the General Services Administration which, in consultation with the Smithsonian Institution, is authorized to enter into contracts and take such other action as may be necessary to carry out such purposes.".

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of Amer-

ica in Congress assembled, That (a) the first section of the Act entitled "An Act to authorize the Smithsonian Institution to plan museum support facilities", approved September 19, 1975 (Public Law 94–98), is amended by inserting ", and to construct," after "to prepare plans for".

(b) Section 3 of such Act is amended to read as follows:

"SEC. 3. There is authorized to be appropriated to the Smithsonian Institution $21,500,000 to carry out the purposes of this Act. Any portion of the sums appropriated for such purposes may be transferred to the General Services Administration which, in consultation with the Smithsonian Institution, is authorized to enter into contracts and take such other action as may be necessary to carry out such purposes.".

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

UP AMENDMENT NO. 1309

(Purpose: To make technical corrections to comply with the Congressional Budget Act of 1974)

Mr. ROBERT C. BYRD. Mr. President, I send to the desk two technical amendments on behalf of Mr. PELL and ask unanimous consent that they be considered en bloc.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from West Virginia (Mr. ROBERT C. BYRD), on behalf of Mr. PELL, proposes an unprinted amendment numbered 1309.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 2, line 1, strike out "Section" and insert "Effective October 1, 1978, section".

On page 2, line 8, after "action" insert ", to the extent of the sums so transferred to it,".

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95–783), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE

The bill as referred would amend Public Law 94–98, approved September 19, 1975, by (1) providing the Regents of the Smithsonian Institution with authority to construct museum support facilities and (2) authorizing appropriations totaling $21.5 million.

BACKGROUND

Increasingly, over the years, the Smithsonian Institution has faced a critical problem of storage and preservation of its treasures and artifacts. This problem has grown as its complex of museums increased and as its collections multiplied. There has also been a corresponding increase in the needs for research in connection with the different collections.

As the country has become more and more aware of the problems of environment, so have the curators and other museum officials become aware of the impact of environment on stone and metal and fabric and painting and other artifacts and treasures; and of the critical need for adequate storage under proper temperature and humidity control; and, more important, of conservation and preservation.

It has been said that "many museum directors are presiding over the gradual disintegration of their holdings."

As Smithsonian museums sprang like mushrooms around the Mall area and elsewhere in Washington in the past 20 years, its collections and holdings increased by many millions of items—pieces, fauna and flora, plant and animal, gem and stone, metal and mineral, antique and modern, huge and tiny. Some public viewing areas of these museums, especially the Museum of Natural History, have been taken over for storage and research.

The problem has gone on—continued growth, continued retraction and restriction of space, continued deterioration of parts of the collections, and increased needs of serious students from home and abroad for research, while at the same time, the Smithsonian's popularity with the public has continued to increase.

Some years ago the Smithsonian, obviously aware of the situation, decided there had to be planning for the future, with its objective being the eventual construction of museum support facilities. The result was an act approved in September 1975 (Public Law 94–98), which granted funding for initial studies and plans.

At this time the Smithsonian is seeking authority to complete final plans and to construct the support facilities at a total cost of $21,500,000.

The Smithsonian, which already had a site in Suitland, Md.—a group of inadequate buildings generally used as a support for storage, repair, and conservation of vintage aircraft for the National Air and Space Museum—decided to enlarge its land holdings in that area.

Through the help and cooperation of the General Services Administration, which administers the Federal excess property procedure, the Smithsonian was able to expand its holding several times over.

It is on this piece of property, known as the Silver Hill site in Suitland, that the Smithsonian plans to locate its museum support complex, consisting of a center for the training of conservators and technicians, for research and study, for storage and preservation, and for administration, along with a visitors' center. Because of the size of the site, 103 acres, of which the original air and space facility comprises 21 acres, there is more than sufficient room for addition to the proposed facility and for expansion in other ways for years to come. The National Park Service has 13 acres adjoining for possible future conservation purposes for its needs.

The Smithsonian reports it intends to make any new facilities blend as much as possible with the site and area. A large portion which consists of a semi-circling ravine and woods, brush and cover, will be kept as is for outdoor conservation studies, and for nature trail use.

A hearing on S. 1029 was held on April 12, 1978, but no action was taken as it was believed by members of the committee that in the presentations, both orally and in a detailed summary, not enough attention had been paid to the establishment and operation of a center for training conservators. It was thought that the facts, figures, and numbers about the program were vague and insufficient.

The Smithsonian officials acknowledged that this was so and promised to prepare a more detailed supplemental outline in keeping with the assurances that had been made for a number of years by the Smithsonian about the critical need for training conservators and how the Smithsonian would have such a training center of consequence in the proposed facility. Therefore, the Smithsonian did prepare and submit a followup detailed program, although the number who will be "graduating" as conservators and technicians in the years ahead are still thought to be insufficient to help meet the increasing critical needs of the country and of other nations as well.

Subsequently, on April 25, 1978, the hearing was continued for further discussions of this issue, and on April 26, the committee voted to amend S. 1029 and report it to the Senate.

The concerns, needs, problems, and objectives of the bill, especially as they relate to the center for training conservators, are detailed in the printed hearing record of April 12. It is hoped that the Smithsonian will keep the committee's view and criticisms in mind so that even greater accomplishments can be achieved in training conservators in the years ahead, and toward this necessary and worthwhile goal, indeed, the Smithsonian's attention and commitment is directed.

A total of 62 in the class at the 5-year mark, comprising 35 conservators and 27 technicians, with a total of 26 being "graduated" each year—12 conservators and 14 technicians—as their time at the center varies, basically 3 and 2 years respectively, should be but a beginning.

The 10-year goal projected in the second and more comprehensive supplemental report does not reflect much increased growth over the 5-year point. Much remains to be accomplished by the Smithsonian, by the museum world, by the Congress, and by the country, with the Smithsonian having a major role and responsibility in showing the way and demonstrating how.

COMMITTEE AMENDMENT

Upon the recommendation of the Board of Regents of the Smithsonian Institution, the Committee on Rules and Administration has amended S. 1029 by inserting language which would provide for the transfer of construction funds to the General Services Administration for management of the project. This would follow a pattern established by the Institution in recent decades with respect to other major construction projects.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill passed.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

APPOINTMENTS BY THE VICE PRESIDENT

The PRESIDING OFFICER. The Chair, on behalf of the Vice President, appoints the following Senators as Congressional Advisers to the SALT Delegation in Geneva during 1978: the Senator from Idaho (Mr. CHURCH), the Senator from Rhode Island (Mr. PELL), the Senator from South Dakota (Mr. McGOVERN), the Senator from Ohio (Mr. GLENN), the Senator from New Jersey (Mr. CASE), the Senator from New York (Mr. JAVITS), the Senator from Michigan

(Mr. GRIFFIN), and the Senator from Illinois (Mr. PERCY).

The Chair, on behalf of the Vice President, appoints the Senator from Colorado (Mr. HART) as a Congressional Adviser to the United Nations General Assembly Special Session on Disarmament, to be held in New York City, N.Y., May 23–June 28, 1978.

The Chair, on behalf of the Vice President, appoints the Senator from Vermont (Mr. LEAHY) as a Congressional Adviser to the SALT Delegation in Geneva during 1978.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene at 11 a.m. tomorrow morning. After the prayer, Mr. JAVITS will be recognized for not to exceed 15 minutes, after which, the Senate will proceed to the so-called Truth-in-Lending bill, S. 2802. Rollcall votes are expected on the bill during the afternoon on any motion and/or amendments in relation thereto.

RECESS UNTIL 11 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the order previously entered, that the Senate stand in recess until the hour of 11 a.m. tomorrow.

The motion was agreed to; and, at 4:44 p.m., the Senate recessed until Wednesday, May 10, 1978 at 11 a.m.

NOMINATIONS

Executive nominations received by the Senate May 9, 1978:

DEPARTMENT OF ENERGY

Duane C. Sewell, of California, to be an Assistant Secretary of Energy (defense programs). (New position.)

MISSISSIPPI RIVER COMMISSION

James Williams Yancey, of Arkansas, to be a member of the Mississippi River Commission for a term of 9 years, vice Harold T. Council, retired.

CONFIRMATIONS

Executive nominations confirmed by the Senate May 9, 1978:

DEPARTMENT OF JUSTICE

Benjamin R. Civiletti, of Maryland, to be Deputy Attorney General.

DEPARTMENT OF ENERGY

Lynn R. Coleman, of the District of Columbia, to be General Counsel of the Department of Energy.

The above nominations were approved subject to the nominees' commitments to respond to requests to appear and testify before any duly constituted committee of the Senate.

HOUSE OF REPRESENTATIVES—*Tuesday, May 9, 1978*

The House met at 12 o'clock noon.

Msgr. James P. Cassidy, Ph. D., director, Department of Health and Hospitals, Archdiocese of New York, offered the following prayer:

Let us pray:

Almighty God and Father, bestow Your blessings on all assembled here today. May they all realize full well the extent of the responsibility and moral obligation which has been entrusted to their care by the people of these United States. May they be inspired with the courage to give help and assistance wherever required, and be sensitive to the needs and essentials for our existence, and not be swayed through weakness and frailty from the right decisions in the execution of that duty.

Devoutly we pray that their efforts be directed toward the ultimate goal of ever improving health, education, and environment for ourselves and all our neighbors, especially for the Cuban people, that they may grow in the freedom which they are celebrating today. May we all celebrate that freedom forever in heaven. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate had passed with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 8309. An act authorizing certain public works on rivers for navigation, and for other purposes.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 8309) entitled "An act authorizing certain public works on rivers for navigation, and for other purposes," disagreed to by the House; request a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. GRAVEL, Mr. RANDOLPH, Mr. LONG, Mr. TALMADGE, Mr. MOYNIHAN, Mr. DOMENICI, Mr. STAFFORD, Mr. MCCLURE, and Mr. DANFORTH to be the conferees on the part of the Senate.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 3025. An act to authorize appropriations for the Federal Election Commission for fiscal year 1979.

MSGR. JAMES P. CASSIDY

(Mr. BIAGGI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BIAGGI. Mr. Speaker, this morning we were privileged to listen to the prayer for the Members of the House by Msgr. James Cassidy of the Archdiocese of the City of New York. In addition to his spiritual contribution to the countless millions in that great city, he has made an even greater and more significant position, and made an equally great contribution, in his dedication and commitment to the health care of the people of that great city. He has managed to take hold of a hospital system and health care system that was struggling for its very life, extricate it from the problems that were suffocating it and stultifying its progress, and develop it into a viable health-producing and life-giving instrument. For this and so many other reasons, we are grateful to have Monsignor Cassidy in our presence today and acknowledge with gratitude his significant contribution to the people of this great Nation.

LEGISLATION PROHIBITING RATE DISCRIMINATION BY SOUTHWEST POWER ADMINISTRATION

(Mr. ICHORD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ICHORD. Mr. Speaker, yesterday I introduced legislation which will prohibit discrimination in rates charged by the Southwest Power Administration in its marketing of Federal hydroelectric power under the Flood Control Act of 1944. Of SPA's five customer States, only Missouri is currently subjected to a special transmission service charge which has already run into the millions of dollars for Missouri users.

The dispute between the SPA and the Missouri cooperatives arose because a 1950 congressional directive provided that, instead of the Federal Government appropriating money for transmission lines in Missouri, the cooperatives would build them with money borrowed from the Rural Electrification Administration. SPA, in turn, was to pay rentals adequate to service that REA debt, as well as operation and maintenance costs. With the exception of this rental payment, rural electric cooperative customers were to be treated just like all other customers

in the SPA system. In 1970, however, SPA decided to impose a transmission service charge on the Missouri cooperatives which was identical to the amount it had been paying to the same cooperatives as rent for the use of their lines.

SPA's action was challenged in court by the Missouri cooperatives. The Federal district court ruled in the cooperatives' favor, but the ruling was reversed on appeal when the court chose to ignore the intent of Congress because it was contained in Appropriations Committee reports rather than in statutory language.

The legislation I introduce today simply puts Congress original directives into statutory language by requiring that SPA treat all States equally and prohibiting additional charges in Missouri that they do not impose in every State. Identical legislation has already been reported by the Senate Energy and Natural Resources Committee, and I strongly urge expeditious action by this House as well.

LEGISLATION TO CORRECT A WRONG INFLICTED UPON FEED GRAIN PRODUCERS

(Mr. HIGHTOWER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HIGHTOWER. Mr. Speaker, today I am introducing legislation that is designed to correct a wrong inflicted upon producers of feed grains in several areas of this country. In past years our farm programs have been based upon acreage allotments for each commodity under the program. Feed grains, corn, grain sorghum, and barley are discussed by the Department of Agriculture and in Congress as if they were one grain. In the past, the Department has in some ways administered them as the same. Producers in my district who were unable to obtain a corn allotment were told it was permissible to plant corn on a milo allotment or the other way around.

This past year when it became apparent that a deficiency payment would be paid on grain sorghum allotments, the Department of Agriculture decided that those who had substituted one grain for another on the allotment would not be eligible for payments.

I discussed this with the legal department at USDA and they would not back away from this interpretation of the 1977 Farm Act.

This bill will clarify this language of the 1977 act. I do not ever feel Congress, departments, or agencies should change rules in the middle of the game. Producers should be allowed to harvest under the same rules they planted their crops. This bill restores that for these producers.

REPUBLICAN INITIATIVE ON AGRICULTURE BILLS

(Mr. MOORE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MOORE. Mr. Speaker, yesterday the House passed two bills under suspension of the rules which I believe will provide needed revision of tax laws of importance to agriculture. The passage of H.R. 2852, to refund the excise tax paid for aerial applicator fuels, and H.R. 2984, to exempt certain trailers from the excise tax, will certainly be welcomed by crop dusters and livestock producers, respectively, and will help reduce the ever-mounting tax burdens being shouldered by those who put the food on our tables.

I would like to point out, however, that both of these bills were introduced very early last year and have taken almost 15 months to win approval. I am proud to say that one action that I feel helped secure Republican support for this legislation was the introduction of H.R. 11463, the Agriculture Emergency Act of 1978, a product of the Republican Task Force on the Agriculture Emergency. Our bill proposed both of these changes. This Republican initiative not only served as a signpost for others that we are still the party of all agriculture, but helped mobilize interest in the measures we successfully approved today.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 12157, EXPORT-IMPORT BANK EXTENSION

Mr. SISK, from the Committee on Rules, submitted a privileged report (Rept. No. 95–1119) on the resolution (H. Res. 1168) providing for consideration of the bill (H.R. 12157) to amend and extend the Export-Import Bank Act of 1945, which was referred to the House Calendar and ordered to be printed.

SENIOR CITIZENS—A VALUABLE RESOURCE

(Mr. JOHN T. MYERS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. JOHN T. MYERS. Mr. Speaker, because this is Senior Citizens Month, I ask all citizens to join me in paying tribute to the 23 million persons who have reached what is usually referred to as their retirement years. This month is a special time to express our appreciation to the older citizens for their services to this Nation, to recognize their potential for further contributions, and to consider whether we are doing all we can to assure their full participation in the adventures of our time and the affluence of our society.

We owe a deep debt of gratitude to older Americans for their contributions to our society. Older Americans provide us with an awareness of our heritage and with a sense of family continuity. They pass on not only the knowledge and wisdom that comes with age, but also the basic values that guided the building of our Nation.

Senior citizens have provided us with the foundation for numerous accomplishments, and it is important that we maximize those past and continuing contributions. We must find ways to constantly utilize their experience, judgment, and ability.

The so-called retirement years for most of these 23 million is, unfortunately, a far cry from the popular image of a period of tranquillity and a peace after a lifetime of hard work and devotion to one's family and community. The cruel facts of life show that many live out their "golden years" in poverty or near it without adequate housing, diet, transportation, and recreation facilities. It is our responsibility to these older Americans to enable them to live healthy lives, in dignity, in independence, and in security. There is no more important task facing our Government than to insure older Americans a meaningful, productive, and independent life.

These problems in housing, transportation, nutrition, and income are all areas which have received my particular attention and have seen marked advances in recent years. Through activities such as our annual senior citizen forums in the Seventh District, I have sought to improve the communication link between the many groups working with our older citizens and the Federal Government, which is playing an ever-increasing role in resolving the problems they face. Our sole purpose in planning these forums as our part of the national observance of Senior Citizens Month is to understand the real needs of our senior citizens.

Through participation again this year in the senior citizen intern program, I have selected Sid and Carmen Levin of Terre Haute to represent Indiana's Seventh District. Mr. Levin is serving his seventh year as chairman of the Indiana Commission on the Aging and Aged. By taking part in this program, I am making an effort to remain alert to the needs and opinions of older Americans as well as taking advantage of the opportunity to pass on knowledge through our interns of the many programs enacted by Congress for the elderly, and how to obtain the services that are offered. These activities, as well as special questionnaires and newsletters directed to senior citizens, have been a tremendous help in learning firsthand the needs, problems, and many strengths of this group.

Now is the time to acknowledge the great contributions these older Americans have made in earlier years to the success of our Nation, and to recognize their strength, their experience, their wisdom, their sense of history, and their purpose. Our elderly constitute a valuable resource that we cannot afford to waste.

FIRST CONCURRENT RESOLUTION ON THE BUDGET—FISCAL YEAR 1979

Mr. GIAIMO. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of

the Union for the further consideration of the concurrent resolution (H. Con. Res. 559) setting forth the congressional budget for the U.S. Government for the fiscal year 1979.

The SPEAKER. The question is on the motion offered by the gentlleman from Connecticut (Mr. GIAIMO).

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. CHARLES H. WILSON of California. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 380, nays 3, not voting 51, as follows:

[Roll No. 290]

YEAS—380

Abdnor	Collins, Tex.	Goodling
Addabbo	Conable	Gore
Akaka	Conte	Gradison
Alexander	Corcoran	Grassley
Allen	Corman	Green
Ammerman	Cornell	Gudger
Anderson, Calif.	Cornwell	Guyer
	Cotter	Hagedorn
Anderson, Ill.	Coughlin	Hall
Andrews, N.C.	Crane	Hamilton
Andrews, N. Dak.	Cunningham	Hammer-schmidt
	D'Amours	
Annunzio	Daniel, R. W.	Hanley
Applegate	Danielson	Hannaford
Archer	Davis	Hansen
Ashbrook	de la Garza	Harkin
Ashley	Delaney	Harsha
Aspin	Dellums	Hawkins
Badham	Derrick	Heckler
Bafalis	Derwinski	Hefner
Baldus	Devine	Heftel
Bauman	Dickinson	Hightower
Beard, R.I.	Dicks	Hillis
Beard, Tenn.	Dingell	Holland
Bedell	Dodd	Hollenbeck
Beilenson	Dornan	Holt
Benjamin	Drinan	Holtzman
Bennett	Duncan, Oreg.	Horton
Bevill	Duncan, Tenn.	Howard
Biaggi	Early	Hubbard
Bingham	Eckhardt	Huckaby
Blanchard	Edgar	Hughes
Blouin	Edwards, Ala.	Hyde
Boggs	Edwards, Calif.	Ichord
Boland	Edwards, Okla.	Ireland
Bolling	Emery	Jacobs
Bonior	English	Jeffords
Bonker	Erlenborn	Jenkins
Bowen	Ertel	Jenrette
Brademas	Evans, Del.	Johnson, Calif.
Breaux	Evans, Ga.	Johnson, Colo.
Breckinridge	Evans, Ind.	Jones, N.C.
Brinkley	Fary	Jones, Okla.
Brodhead	Fascell	Jones, Tenn.
Brooks	Fenwick	Jordan
Broomfield	Findley	Kasten
Brown, Mich.	Fish	Kastenmeier
Brown, Ohio	Fisher	Kazen
Broyhill	Fithian	Kelly
Buchanan	Flippo	Kemp
Burgener	Flood	Ketchum
Burke, Calif.	Florio	Keys
Burke, Fla.	Flowers	Kildee
Burke, Mass.	Flynt	Kindness
Burleson, Tex.	Foley	Kostmayer
Burlison, Mo.	Ford, Tenn.	Krebs
Burton, Phillip	Forsythe	Krueger
Butler	Fountain	LaFalce
Byron	Fowler	Lagomarsino
Caputo	Frenzel	Latta
Carney	Fuqua	Leach
Carr	Gammage	Lederer
Carter	Gaydos	Le Fante
Chappell	Gephardt	Lehman
Clausen, Don H.	Giaimo	Lent
	Gibbons	Levitas
Clay	Gilman	Livingston
Cleveland	Ginn	Lloyd, Calif.
Cohen	Glickman	Lloyd, Tenn.
Coleman	Goldwater	Long, La.
Collins, Ill.	Gonzalez	Long, Md.
Lott	O'Brien	Spellman
Luken	Ottinger	Spence
Lundine	Panetta	St Germain
McClory	Patten	Staggers
McCloskey	Patterson	Stangeland
McCormack	Pattison	Stanton
McDade	Pease	Stark
McDonald	Pepper	Steers
McEwen	Perkins	Steiger
McFall	Pettis	Stockman
McHugh	Pickle	Stokes
McKay	Pike	Stratton
McKinney	Poage	Studds
Madigan	Pressler	Stump
Maguire	Preyer	Symms
Mahon	Price	Taylor
Markey	Pursell	Thompson
Marks	Quayle	Traxler
Marlenee	Quie	Treen
Marriott	Quillen	Trible
Martin	Railsback	Tsongas
Mathis	Regula	Udall
Mattox	Reuss	Ullman
Mazzoli	Richmond	Van Deerlin
Metcalfe	Rinaldo	Vander Jagt
Michel	Robinson	Vanik
Mikulski	Roe	Vento
Mikva	Rogers	Volkmer
Miller, Calif.	Roncalio	Waggonner
Miller, Ohio	Rooney	Walgren
Mineta	Rose	Walker
Minish	Rosenthal	Walsh
Mitchell, N.Y.	Rostenkowski	Wampler
Moakley	Rousselot	Watkins
Moffett	Roybal	Waxman
Mollohan	Rudd	Weaver
Montgomery	Ruppe	Weiss
Moore	Russo	Whalen
Moorhead, Calif.	Ryan	White
	Santini	Whitehurst
Moorhead, Pa.	Satterfield	Whitten
Moss	Sawyer	Wilson, C. H.
Mottl	Scheuer	Winn
Murphy, Ill.	Schroeder	Wirth
Murphy, Pa.	Schulze	Wolff
Murtha	Sebelius	Wright
Myers, Gary	Seiberling	Wydler
Myers, John	Sharp	Wylie
Myers, Michael	Shuster	Yates
Natcher	Sikes	Yatron
Neal	Simon	Young, Alaska
Nedzi	Sisk	Young, Fla.
Nichols	Skelton	Young, Mo.
Nolan	Slack	Young, Tex.
Nowak	Smith, Iowa	Zablocki
Oakar	Smith, Nebr.	Zeferetti
Oberstar	Snyder	
Obey	Solarz	

NAYS—3

AuCoin	Mitchell, Md.	Wilson, Bob

NOT VOTING—51

Ambro	Evans, Colo.	Rangel
Armstrong	Ford, Mich.	Rhodes
Barnard	Fraser	Risenhoover
Baucus	Frey	Roberts
Brown, Calif.	Garcia	Rodino
Burton, John	Harrington	Runnels
Cavanaugh	Harris	Sarasin
Cederberg	Leggett	Shipley
Chisholm	Lujan	Skubitz
Clawson, Del	Mann	Steed
Cochran	Meeds	Teague
Conyers	Meyner	Thone
Daniel, Dan	Milford	Thornton
Dent	Murphy, N.Y.	Tucker
Diggs	Nix	Whitley
Downey	Pritchard	Wiggins
Eilberg	Rahall	Wilson, Tex.

So the motion was agreed to.

The result of the vote was announced as above recorded.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the concurrent resolution (H. Con. Res. 559) with Mr. NATCHER in the chair.

The Clerk read the title of the concurrent resolution.

The CHAIRMAN. When the Committee rose on Thursday, May 4, 1978, the concurrent resolution was considered as having been read and open to amendment at any point.

(By unanimous consent, Mr. WINN was allowed to speak out of order.)

TRIBUTE TO THE LATE HONORABLE ERRETT SCRIVNER

Mr. WINN. Mr. Chairman, I rise today to pay tribute to the memory of a recently departed colleague and one of my distinguished predecessors in this great Chamber.

On Friday, May 5, 1978, Errett Scrivner, who for 15 years represented the old Second District, most of which is now included in the Third District which I represent, passed away in Cocoa Beach, Fla.

In later years, Florida was his adopted home, but Errett Scrivner always remained a Kansan at heart. He graduated from the University of Kansas, served in the Army in World War I, remained active in the American Legion and Veterans of Foreign Wars, served as an Assistant Secretary of Defense, and continued his public service as a city commissioner in his adopted home of Cocoa Beach.

Many outstanding Kansans have served in this Nation's legislature, but Errett Scrivner stands among the best. He achieved significance by helping those people who are often forgotten.

He is best remembered as one of the principal authors of the GI bill of rights, which extended so many benefits after World War II to the thousands of veterans who served their country at home and abroad. His foresight and compassion enabled millions of former GI's to improve their standing in life through higher education and to provide their families with decent housing.

Another of his outstanding achievements was authorship of the first revenue-sharing proposal. Twenty-five years later the concept he proposed was written into law.

Despite the few problems we have since encountered with revenue sharing, I do not think any of us would like to do away with it completely. We have learned, as Errett Scrivner knew so long ago, that the people of this country want less government interference in their lives. Revenue sharing gives them more government, but less government interference.

Mr. Chairman, tonight a memorial service will be held in Cocoa Beach for Errett Scrivner. Following a temporary interment, his ashes will be placed, as he desired, in the Memorial Tower in Arlington Cemetery when that structure is completed next summer.

I was proud to know and be associated with Errett Scrivner, as I know many of my colleagues were. At least 45 of our own Members and no less than 16 Senators have served in these Halls with him.

I hope that each Member of this body, especially those who knew and served with Errett Scrivner, will join with me in this tribute today.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. WINN. I yield to the gentleman from Texas.

Mr. MAHON. Mr. Chairman, I wish to join the gentleman from Kansas in his remarks about Errett Scrivner.

I had the privilege of serving with Errett on the Appropriations Committee and on the Armed Forces Subcommittee. In fact, during the 83d Congress he served as chairman of the panel on Air Force appropriations.

Errett was a diligent, conscientious worker. He was well decorated during his military service in World War I and his dedication to a strong national defense was his hallmark during his service in Congress.

Mr. Chairman, those who knew Errett Scrivner can look back on his service to the country with pride and those of his district and State can take great satisfaction that they were so well served in Washington.

Mrs. Mahon and I join our colleagues in expressing our sympathy to Errett's family.

Mr. WINN. I thank the gentleman from Texas for his remarks.

Mr. SEBELIUS. Mr. Chairman, will the gentleman yield?

Mr. WINN. I yield to my colleague from Kansas (Mr. SEBELIUS).

Mr. SEBELIUS. Mr. Chairman, as I join with my colleague, LARRY WINN, in paying my respects to our departed friend, Kansas Congressman Errett Scrivner, I feel proud to have known such a man. He was a man who gave so much of his life, not only in public service, but to bettering the lives of those around him.

After his service in World War I, during which time he was awarded the Silver Star and the Purple Heart, he became the champion of our veterans. He not only coauthored the GI bill but took a leadership role in veterans organizations. We have both had the great privilege of serving as commanders of the Kansas Department of the American Legion.

With his progressive mind and compassionate attitude, he was an inspiration to all those who worked with him. Many of his legislative proposals which, at the time, seemed only a dream have become an important part of our American way of life. Kansas will lay one of her favorite sons to rest today but his work will be remembered by every person whose life it improved.

Errett Scrivner will make his final resting place in Arlington's Memorial Tower among those whom he cherished the most, America's veterans.

AMENDMENT OFFERED BY MR. VOLKMER

Mr. VOLKMER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. VOLKMER: In the matter relating to the appropriate level of total new budget authority decrease the amount by $5,401,000,000.

In the matter relating to the appropriate level of total budget outlays decrease the amount by $2,797,000,000.

In the matter relating to the amount of the deficit decrease the amount by $2,797,000,000.

In the matter relating to the appropriate level of the public debt decrease the amount by $2,797,000,000.

In the matter relating to the amount by which the statutory limit on the public debt should accordingly be increased, decrease the amount by $2,797,000,000.

In the matter relating to 050: National Defense decrease the amount for budget authority by $2,354,000,000; and decrease the amount for outlays by $1,459,000,000.

In the matter relating to 050: National tional Affairs decrease the amount for budget authority by $127,000,000; and decrease the amount for outlays by $56,000,000.

In the matter relating to 250: General Science, Space and Technology decrease the amount for budget authority by $104,000,000; and decrease the amount for outlays by $71,000,000.

In the matter relating to 270: Energy decrease the amount for budget authority by $209,000,000; and decrease the amount for outlays by $73,000,000.

In the matter relating to 300: Natural Resources and Environment decrease the amount for budget authority by $299,000,000; and decrease the amount for outlays by $123,000,000.

In the matter relating to 350: Agriculture decrease the amount for budget authority by $35,000,000; and decrease the amount for outlays by $29,000,000.

In the matter relating to 370: Commerce and Housing Credit decrease the amount for budget authority by $59,000,000; and decrease the amount for outlays by $19,000,000.

In the matter relating to 400: Transportation decrease the amount for budget authority by $294,000,000; and decrease the amount for outlays by $103,000,000.

In the matter relating to 450: Community and Regional Development decrease the amount for budget authority by $293,000,000; and decrease the amount for outlays by $67,000,000.

In the matter relating to 500: Education, Training, Employment and Social Services decrease the amount for budget authority by $577,000,000; and decrease the amount for outlays by $294,000,000.

In the matter relating to 550: Health decrease the amount for budget authority by $160,000,000; and decrease the amount for outlays by $94,000,000.

In the matter relating to 600: Income Security decrease the amount for budget authority by $546,000,000; and decrease the amount for outlays by $115,000,000.

In the matter relating to 700: Veterans Benefits and Services decrease the amount for budget authority by $133,000,000; and decrease the amount for outlays by $112,000,000.

In the matter relating to 750: Administration and Justice decrease the amount for budget authority by $83,000,000; and decrease the amount for outlays by $63,000,000.

In the matter relating to 800: General Government decrease the amount for budget authority by $85,000,000; and decrease the amount for outlays by $77,000,000.

In the matter relating to 850: General Purpose Fiscal Assistance decrease the amount for budget authority by $22,000,000; and decrease the amount for outlays by $22,000,000.

In the matter relating to 900: Interest decrease the amount for budget authority by 0; and decrease the amount for outlays by 0.

In the matter relating to 920: Allowances decrease the amount for budget authority by $21,000,000; and decrease the amount for outlays by $20,000,000.

In the matter relating to 950: Undistributed Offsetting Receipts decrease the amount for budget authority by 0; and decrease the amount for outlays by 0.

Mr. VOLKMER (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. VOLKMER. Mr. Chairman, I am offering this amendment today in an attempt to reduce the total budget and the outlays by approximately 2 percent on all items that are controllable. This is with the knowledge that many of the areas that will be cut are probably basically good programs, but it is also with the knowledge that in many if not all programs all there can be an adjustment of 2 percent in the budget.

Many times have I heard back during the campaign 2 years ago and many times I have heard on this floor about the uncontrolled spending of Congress. As a freshman I have watched to try to learn to see what can be done about the uncontrolled spending. I have noticed that whenever there is a program or a project that is within the district of certain Members, whether those Members are conservative or liberal, or perhaps when the program is under certain committees and they feel the programs are good ones, then they feel that the programs have to be fully funded. I have seen and observed and, yes, Mr. Chairman, I too have been guilty in the past myself of voting for an issue because I felt that it should be funded, and I have observed that most of the conservatives vote for programs that perhaps politically were necessary but perhaps that should not have been funded.

I feel there is only one way that we can ever try to reduce the total spending down here and that is to hold down the budget and to instill in Members of this House the necessity for an across-the-board—even though it is a meat-ax-type approach—cut, and I feel that a 2-percent cut on controllables should be just a first step, and that the next step, which is an obvious and a necessary one, is that all of the authorization committees should take the time to review the present ongoing programs and make a sound determination as to whether or not those programs should be continued and not to just make cursory matter-of-fact hearings and continue the programs at an automatic 10- or 12-percent increase.

Mr. Chairman, we have to bite the bullet. We have to take the step and recognize that a continued deficit does take money away from the private sector. A continued deficit does influence, to some degree, inflation, and today inflation is the biggest problem in this country. We must make the hard decision to hold down the budget and inflation.

I commend the Committee on the Budget for what they have done. I feel however, in that regard that the Committee on the Budget should have more authority than they presently have. It is my hope that in the future that authority can be given to the Committee on the Budget for the House of Representatives so that this type of approach that I am suggesting now hopefully will not be necessary. I feel however at this time that an across the board cut is the only fair way to provide through an amendment a means that would reduce the budget and the deficit so that we can show to the American people that we are sincere in our attempt to hold down spending. To show them that we are sincere in our attempts to reduce inflation and that we

are not just giving lip service to those things.

For those reasons, Mr. Chairman, I offer this amendment. I hope that the House will approve it.

Mr. DERRICK. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Missouri (Mr. VOLKMER).

Mr. Chairman, the only hope that this Congress has to bring Federal spending under control and to use the budget as an instrument of setting priorities throughout this Nation is through the budget action.

As much as I sympathize with the amendment offered by the gentleman from Missouri (Mr. VOLKMER) and sympathize with the gentleman's intentions to try to cut back on spending, I would respectfully suggest to the gentleman that this is not the way to do it.

Let me tell the Members what this cutback could mean in the budget with our obligations growing throughout the world and a recognized need in the area of national defense, this could mean a cutback of 42,000 military personnel and 20,000 civilians.

It could mean eliminating most new initiatives for NATO. It would mean a reduction in support for energy research and development. It would mean the loss of winterization for some 50,000 fewer low-income homes.

It would mean a reduction in water resources programs below the 1978 level. It would mean a reduction in support for Amtrak, for the Northeast Corridor improvement programs, urban mass transit, and FAA programs. It would eliminate Head Start services to some 8,800 preschoolers.

It would eliminate vocational educational services to 480,000 students and adults.

It would eliminate CETA employment support to 75,000 persons.

It would eliminate new medicaid-medicare health care initiatives.

It would virtually eliminate all new biomedical research grants.

It would cut social security staffs by 1,600 people.

Eliminate support for 8,000 subsidized housing units.

Reduce VA health care personnel by 3,600.

Reduce cost-of-living increases for veterans compensation and pension benefits.

It would cut 2,800 new public works jobs.

I had a rather interesting colloquy about 2 years ago with the then Secretary of the Treasury Simon on this very same matter of an across-the-board cut.

In conversation with me before the Committee on the Budget he said that he had directed his attention to this for years, but this was not the way to do it because we, No. 1, are going to cut back substantially on national defense. Unless I misread this country today, this is not a time when we need to cut back on national defense, but rather a time when we need to give added impetus to the defense of this Nation and the free world. So for these reasons, I ask that we go ahead and pass this budget resolution, so that we may show to the people of this country that this body is responsive when it comes to the fiscal affairs of this country, and that we are working in an orderly manner—and I underscore "orderly manner"—to bring some rhyme and reason to Federal finances.

Mr. VOLKMER. Mr. Chairman, will the gentleman yield?

Mr. DERRICK. I yield to the gentleman from Missouri.

Mr. VOLKMER. I thank the gentleman for yielding.

I agree with what the gentleman says, that these things may result from this amendment, but is it not true that what we are working on here is a figure, an amount, a lid that can be spent in a general overall area, and that it is then up to the authorizations and appropriations committees to make the final determination as to how that money is to be spent?

Mr. DERRICK. The Committee on the Budget is not an authorizing committee, nor is it an appropriations committee.

Mr. VOLKMER. I understand that. The gentleman is just putting a lid, a total, on an amount that is to be spent.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. VOLKMER, and by unanimous consent, Mr. DERRICK was allowed to proceed for 2 additional minutes.)

Mr. DERRICK. But might I remind the gentleman that this resolution—and it is now before the House—is some $30 billion less than what was requested by the authorizing committees, and some $3 billion less than what the President sent down in his budget request in January of this year, so we are making substantial inroads. The current services budget that is an indication of what it would cost to carry out the same programs for fiscal year 1979 as fiscal year 1978 was $492 billion, which allows only a real growth in this budget of whatever that comes to—2 percent.

Mr. VOLKMER. If the gentleman will yield further, may I ask the gentleman one question? In regard to expenditures not revenues, in regard to expenditures under this budget as we have it before us now without the amendment that I offered, the expenditures exceed what the President requested; is that not correct?

Mr. DERRICK. I do not think that is correct, no.

Mr. VOLKMER. All right. What I say is correct, if the gentleman will look at the record. No. 2, these expenditures far exceed what is presently in this year's budget for 1978.

Mr. DERRICK. No. As I just told the Members a few moments ago, the current services budget indicated that it would cost $492 billion to carry on programs for fiscal year 1978 and carry them forward to fiscal year 1979 without any addition and to keep them in place, so what we have is a 2 percent real growth in the budget this year.

Mr. VOLKMER. If the gentleman will yield further. I would like to point out to him that—and I believe if the gentleman will review it he will so find—in his budget he has more than what the President requested for expenditures, and I believe where he has got the excess in the deficit is the amount of the revenue figure. The other thing I would like to point out is that I believe that his committee should even have more authority, like I said, and I believe they should have the right to set the tops to all of these, and that they should go in first and set those before they ever get anything from an authorizing committee. The gentleman is working right there with a total amount that can be spent, and maybe someday we can balance this budget. If we go on with this procedure where the authorizing committees throw in everything they can think of, and then you come in and say, "Well, we reduced it $30 billion; aren't we great," well we still have a $50 billion or $60 billion deficit, I do not think that is great.

Mr. DERRICK. I thank the gentleman for his comments.

It is just a matter of perception of how you can do it.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. DERRICK. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, first of all, I think there is disagreement as to what the accurate current services budget for 1979 should be. The calculations done by the gentlewoman from Maryland (Mrs. HOLT) and staff estimates was $488 billion.

The CHAIRMAN. The time of the gentleman from South Carolina has expired.

(At the request of Mr. ROUSSELOT, and by unanimous consent, Mr. DERRICK was allowed to proceed for 1 additional minute.)

Mr. ROUSSELOT. Mr. Chairman, if the gentleman will yield further, I do not want to leave the $492 billion figure in the RECORD. I realize the gentleman might not think $492 billion is too much; but there is disagreement, especially because of the CBO March spending estimates of $450 billion.

As we know, there has been a so-called short-fall on the expenditure side. I call it a saving, of $12 billion. That directly affects what happens on the current services budget. I want to say to my colleague, the gentleman from South Carolina, is that I am concerned that the amendment offered by the gentleman from Missouri (Mr. VOLKMER) does affect the outlays for Defense. It would cut them $1.5 billion. I am talking only now of outlays.

Last week we had voted on an amendment, which failed to take some of that money, roughly $2 billion in outlays out of Defense, and redistribute it.

The CHAIRMAN. The time of the gentleman from South Carolina has again expired.

(At the request of Mr. ROUSSELOT, and by unanimous consent, Mr. DERRICK was allowed to proceed for 1 additional minute.)

Mr. ROUSSELOT. Mr. Chairman, let me reemphasize that was voted down. I understand that my colleague from Missouri would not do that.

Many of us are trying to save on this side, and I probably would support the gentleman's amendment, but I think it is unfortunate on the defense outlay issue.

Ms. HOLTZMAN. Mr. Chairman, I move to strike the requisite number of words. I rise in opposition to the amendment.

Mr. Chairman, I am reluctant to find myself in opposition to the amendment offered by my distinguished colleague, the gentleman from Missouri, but I am compelled to do it because I oppose this concept of across-the-board cuts. I oppose the concept whether it applies only to discretionary programs or whether it applies to all programs, mandatory as well as discretionary. If the Congress is opposed to waste, then let us find the waste in the budget and remove it. But this amendment would eliminate important programs, not waste.

I think it does no good to say we want to reduce spending across the board, because some spending is crucial and, in fact, some cuts will be counterproductive.

For example, this amendment would cut additional personnel for the Social Security Administration. I am advised that these personnel are needed to administer the disability insurance program more effectively so that we can prevent some of the waste that is going on in the program now. What the gentleman's amendment would do is eliminate the additional staff and thereby perpetuate, if not increase, the present waste. I do not think that makes any sense.

If Members of this Congress are opposed to spending because it is wasteful, then they ought to point out where that waste is and try to remove it. It is exceedingly dangerous, however, and, in fact, counterproductive for us to say we want an across-the-board cut. This could lead to the elimination of programs that are necessary to prevent waste, programs that are necessary to the security of this country, and programs that are necessary to deal with people who need the help of the Federal Government.

I would also point out, Mr. Chairman, that, in my judgment, it is extraordinarily counterproductive to cut funds for certain biomedical health needs, as this amendment would do. It may appear frugal to cut back on research, but, if we can find cures for some of the serious health problems and diseases that confront Americans, we will be saving immeasurable amounts of money for the taxpayer in the future and improving the quality of life in this country.

It is pennywise but pound foolish to cut back research on new energy sources as the amendment would do. I submit to the Members of this Congress that to reduce our research into new sources of energy is the most mindless kind of activity we could undertake. We Americans right now are vulnerable to the actions of OPEC. Our whole economy could be destroyed by actions OPEC decides to take. It is imperative that we develop new alternative sources of energy.

So I would say to the members of this committee that this amendment is harmful to very many important programs. If enacted, it would mean cuts in mass transit, Head Start, vocational education, housing, and public works jobs. Although it also cuts wasteful spending in defense, the price of doing so is too high—the undermining of these important programs. I, therefore, urge its defeat.

Mr. FISHER. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I join some of my other colleagues in opposition to this amendment, but perhaps for somewhat different reasons.

This amendment would offer a diminution in the outlays in the budget resolution of some $2.8 billion. I am later going to offer an amendment that would provide a much more significant reduction in outlays and in the deficit.

It seems to me that at this time those of us who think the outlays are too high and the deficit too high ought to send a clearer signal to any future conferees or to the Budget and Appropriations Committees than would be sent by this amendment.

Mr. Chairman, this is too small a cut to make at this time, in my judgment, and I do plan later in the debate to offer an amendment which has been fairly well publicized calling for a larger cut.

Mr. TREEN. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I believe that we need to start disciplining ourselves with respect to the budget, but as a member of the Committee on Armed Services and as a Member of this House, I am very much concerned about the fact that more than 50 percent of the cut provided by the amendment, offered by the gentleman from Missouri (Mr. VOLKMER) would be in the defense function. This is one area in today's atmosphere where I do not believe we can afford any cut at all. Indeed many of us in this House felt that our defense budget was too small, and we failed in an attempt to raise that figure.

I think it would be highly inappropriate and dangerous for us at this time to adopt an amendment that, out of $2.8 billion, takes $1.5 billion from the defense budget.

I take this time now merely to express this thought: That if we are going to get control of the budget, if we are going to ever end deficit financing in this country, we are really not going to be able to do it by cutting back existing programs. We can make some progress there, and there is no question that there is waste. As a member of the Committee on Armed Services, I know there is waste in the defense budget. We need to cut the fat, and we need to cut back on some programs.

More importantly, though, I urge the Members to take a look at new programs. We have passed some new programs in this Congress, programs that could have been handled on the State and local levels, involving hundreds of millions of dollars. We have done that on suspension bills, and have voted new programs when many of the Members were just coming on the floor and did not know what they were were voting for. This is where we ought to take a good, hard look. We ought to look at all the new programs we have been coming up with, programs that perhaps we could do without.

Let us not delude ourselves and think we can balance the budget by cutting back on existing programs that have been worked into our social and economic fabric.

I hope that the budget process will have a disciplinary effect on us. Let us look real hard at the budget problem when our committees come in with new authorizing programs that get the Federal Government involved in areas in which we have not heretofore been involved.

Mr. VOLKMER. Mr. Chairman, will the gentleman yield?

Mr. TREEN. I yield to the gentleman from Missouri.

Mr. VOLKMER. Mr. Chairman, I would like to ask the gentleman a question, since he objects to my amendment.

I understand basically his objection is because the amendment applies to the defense program: Is that correct?

Mr. TREEN. The gentleman is correct.

Mr. VOLKMER. Then the gentleman would not object to the amendment if it did not apply to defense?

Mr. TREEN. I would say to the gentleman that if there were a 2-percent, across-the-board cut in controllable spending items, I might go for that—even though I do not think defense should be cut because of its overwhelming importance to the security of this country—so that we might make some progress toward balancing the budget.

But on amendments that impacts more than 50 percent on the defense budget, no; I could not support that.

Mr. VOLKMER. The gentleman does not believe, then, that there is 2 percent fat, which is less than the sales tax in most of the States in this country, in all of the defense contracts that are going on today?

Mr. TREEN. That might well be. I say to the gentleman, If I thought an amendment to cut defense appropriations by $1½ billion would cut the fat, I would be down here shouting for it. But the fact of the matter is, when we cut by percentage, we do not necessarily get to the fat. That is the problem.

Mr. VOLKMER. I agree with that. But the Authorization Committee surely could help to get to the fat. And if we cut it down, then we are going to have to get at the fat.

Mr. TREEN. I disagree with the gentleman. Some of us are working hard toward getting the fat out without having to cut the budget, because we want to get the fat out in order to have the money for our real defense needs.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Missouri (Mr. VOLKMER).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. VOLKMER. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. Forty-five Members are present, not a quorum.

The Chair announces that pursuant to clause 2, rule XXIII, he will vacate proceedings under the call when a quorum of the committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

QUORUM CALL VACATED

The CHAIRMAN. One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to rule XXIII, clause 2, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

The pending business is the demand of the gentleman from Missouri (Mr. VOLKMER) for a recorded vote.

A recorded vote was refused.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. ASHBROOK

Mr. ASHBROOK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ASHBROOK: On page 1, line 11, delete $568,152,000,000 and insert in lieu thereof $565,002,000,000.

On page 2, line 2, delete $501,358,000,000 and insert in lieu thereof $498,208,000,000.

On page 2, line 5, delete $58,079,000,000 and insert in lieu thereof $54,929,000,000.

On page 2, line 7, delete $856,279,000,000 and insert in lieu thereof $853,129,000,000.

On page 2, line 9, delete $104,279,000,000 and insert in lieu thereof $101,129,000,000.

On page 3, line 24, delete $34,090,000,000 and insert in lieu thereof $33,806,500,000.

On page 3, line 25, delete $31,429,000,000 and insert in lieu thereof $31,145,500,000.

On page 4, line 2, delete $52,282,000,000 and insert in lieu thereof $50,014,000,000.

On page 4, line 3, delete $49,550,000,000 and insert in lieu thereof $47,282,000,000.

On page 4, line 5, delete $192,750,000,000 and insert in lieu thereof $192,151,500,000.

On page 4, line 6, delete $159,339,000,000 and insert in lieu thereof $158,740,500,000.

The amendment I am offering today is aimed at waste in Government. It provides for a $3.15 billion reduction in Federal spending. This figure is one-half of the minimum amount misspent by the Department of Health, Education, and Welfare in 1977.

I am sure many of you were shocked by the report of the Inspector General of HEW. According to that report, $6.3 billion to $7.4 billion went right out the window last year due to waste, mismanagement, and fraud. And this is a conservative estimate. As the Inspector General stated:

In our view, the report portrays a conservative measure of the extent of fraud, abuse, and waste in key HEW programs and their causes.

The report continues:

The Inspector General feels that the largest source of losses can be attributed to waste resulting from deficient management practices and systems which permit and encourage such losses.

I have always believed that the citizens of our Nation have a right to expect that their tax dollars will be wisely used. They should not have to watch their hard-earned money thrown away by an uncaring Federal bureaucracy.

Yet that is exactly what is happening. Waste. Staggering waste. Five cents out of every dollar budgeted to HEW is being consumed by fraud, abuse, and waste.

Let me give you a more graphic picture of what I am talking about. Even the conservative estimate of $6.3 billion in misspent funds works out to about $17 million a day. This figure also exceeds the total Federal income tax payments of over 4 million American families with incomes of $15,000 each.

Such waste is intolerable. Money that could be going to provide much-needed tax relief is instead going right down the drain.

In my view HEW is an agency that has gone out of control. It is unable to properly administer the money it already has but is always asking for—and getting—more.

Congress must call a halt to this nonsense. Congress should stop rewarding failure.

Presently there is little incentive for HEW to crack down on fraud and waste since Congress continues to vote higher and higher appropriations. Only when we make it clear that wasted dollars will not be replaced by ever more taxpayer dollars can we hope to bring an end to this tragic situation.

The amendment I am offering provides a unique opportunity to cut Federal spending without cutting Federal programs. It is directed solely at fraud, waste, and mismanagement in HEW programs, not the programs themselves. The distribution of the reductions is in line with the distribution of misspending reported by the Inspector General.

I encourage you to join me in sending a message to HEW—a message that will not be lost on other Federal agencies—that waste will not be tolerated. I urge you to vote to save the taxpayers $3.15 billion.

Can this cut be made without cutting into services and programs supported by the majority of Members? Yes, if those tens of thousands of employees in HEW and their Secretary treat tax dollars as something of value, something important, something which is not to be squandered in waste, fraud. and abuse.

Mr. MITCHELL of Maryland. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman. I rise in opposition to the Ashbrook amendment. This amendment would slash $3.15 billion from HEW programs in function 500, education, training, employment, and social services; function 550, health; and function 600, income security. The gentleman argues that the reductions can be achieved without affecting program levels. He would achieve the reductions by eliminating or reducing fraud, abuse, and waste.

This amendment has a superficial attraction. Who cannot support the elimination of fraud and abuse? However, while the amendment has a superficial attraction, it is neither a realistic nor a responsible approach to the budget. It represent a King Canute approach of sitting on the shore and ordering the tide to stop rolling in.

The elimination of fraud, abuse, mismanagement, and waste is a never ending battle in government—and in almost all human endeavor. The Budget Committee has made specific recommendations to deal with these problems. Let me cite several of the assumptions in the first budget resolution which are addressed to the same concern the gentleman from Ohio has. However, these are assumptions which represent realistic and responsible responses to the problem of achieving greater efficiency and honesty in governmental programs.

Here is what the first budget resolution assumes:

The resolution assumes that hospital cost increases will be constrained either through voluntary action by hospitals or through mandatory action by the Government. In fiscal year 1979, savings of $815 million are projected in medicare and medicaid. Constraining the amounts by which hospitals can increase their costs can lead to reduction in unnecessary tests and surgery and elimination of surplus hospital beds.

The resolution assumes that HEW and the States will be able to tighten up their management of medicaid to catch persons ineligible for benefits, eliminate double billing by physicians and other providers, and obtain reimbursements from private insurance companies who are obligated to pay for medicaid beneficiaries. These actions will save $320 million in fiscal year 1979.

The resolution assumes that tighter auditing of providers, closer scrutiny of clinical laboratories, and greater emphasis on treating renal dialysis patients in their homes will save $70 million in fiscal year 1979.

These actions affecting the health function alone will save $1.2 billion in outlays in fiscal year 1979.

As you can see, the Budget Committee has not ignored waste, mismanagement or misspending of public funds. And, the administration has either initiated or endorsed all of the specific administrative actions and legislation that we have recommended.

The proposal of the gentleman from Ohio is an illusion. It is a proposal without substantive content and therefore misleads the membership of the House into thinking we are achieving real savings when we are not.

The Ashbrook amendment would not reduce waste and mismanagement. The $3.15 billion he would cut would have to come out of real programs. What could these reductions mean?

In health, reducing spending by $2.3 billion would mean:

Eliminating legislative proposals to expand health screening and followup treatment to 2 million additional children under medicaid;

Eliminating legislation to provide prenatal and postnatal care to 120,000 pregnant women and their infants who are not now eligible for medicaid;

Eliminating funds to expand medicare benefits to provide expanded home health care to help keep aged persons out of nursing homes, and cutting existing medicare benefits as well;

Limiting health services programs other than medicare and medicaid—all biomedical research programs, and all mental health, drug abuse, and alcoholism programs—to funding levels of several years ago.

In income security, reducing spending by $600 million could mean:

Eliminating program expansion in the women and infant care (WIC) program and thereby denying 474,000 additional infants and pregant women nutritional benefits; and eliminating most of the funding for House-passed H.R. 7200, which would extend SSI benefits to Guam, Puerto Rico, and the Virgin Islands.

In education and social services, reducing spending by nearly $300 million could mean:

No increase in the title XX social service ceiling, and no expanded title IV—child welfare—legislation.

I urge the Members of the House to reject the Ashbrook amendment. It is illusory. It does not merit our approval.

Mr. LATTA. Mr. Chairman, I move to strike the last word, and I rise in support of the amendment offered by the gentleman from Ohio (Mr. ASHBROOK).

Mr. Chairman, I believe that by passing this amendment we would be sending a message downtown which simply states that we want them to do a better job, but, nonetheless, I am amazed that my good friend the gentleman from Ohio (Mr. ASHBROOK) is only asking that they reduce their fraudulent practices by one-half when it is reported to be between $6.3 and $7 billion.

Mr. ASHBROOK. Mr. Chairman, will the gentleman yield?

Mr. LATTA. I yield to the gentleman from Ohio.

Mr. ASHBROOK. I thank the gentleman for yielding.

Due to my singular lack of confidence in HEW that they will even be able to accomplish this first step, I did not want to ask for the whole $7.4 billion reduction. They are going to have a hard enough time doing this, and, as the gentleman says, this would be a message and a start.

Mr. LATTA. I commend the gentleman for his amendment. We have to send a message downtown that they do a better job; that is all there is to it. By defeating this amendment we might be sanctioning the practices that have brought this about, and I do not believe we ought to be in this position, so I support the amendment wholeheartedly.

Mr. ROUSSELOT. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment. I want to come over here where the tide is coming in—the red ink tide, that is! The gentleman says he wants to wait for the tide to come in. I want to say to my colleague, the gentleman from Maryland, the tide has already come in. We are awash in a high-water tide of deficit financing, and it is now beginning to flood the 94 million taxpayers in this country who agree with this big spending administration that there is at least—at least—$7 billion worth of fraud in these three functional categories selected by my good colleague, the gentleman from Ohio. He has not even asked that we cut all $7 billion of it. I really should say "trim it" because we are not talking about drastic meat-ax cuts. We are talking about restraints in increases. That is all.

Let me review the figures in these three functional categories, because I want to assure my distinguished colleague, the gentleman from Maryland (Mr. MITCHELL) that he is still going to be awash in more money even with this trimming.

Let me call to the attention of my colleagues the CBO March 1978, spending estimates on these three functional categories. I am speaking about outlays only. In education, training, employment, and social services, function 500, we will spend this year $26.5 billion. The committee has asked for $31 billion. In the category of health, function 550, this year we will spend over $44 billion. The committee resolution asks for $49.5 billion. In function 600, income security, the CBO March estimates reflect an outlay level of $146 billion. The committee has requested over $159 billion. In totaling these three functions, the committee is some $23 billion over the CBO March spending estimates. With this in mind, the Ashbrook amendment, to reduce the outlay figures by a total of $3.5 billion, is well within reason.

Let me add that my colleague from Ohio is only requesting a reduction of half of the administration's $7 billion fraud figure. I know my colleague, the gentleman from Maryland, does not want to vote for fraud. He is not for that.

I do not want to listen to the same rhetoric I heard last week from my colleague, the gentleman from California (Mr. CORMAN) who said, "Well, if you cut in these categories, you are going to put children out in the street." Bunk! That is not true. My colleague's amendment merely restrains the increases in these three functions. It is not a meat-ax cut.

Now, I want to insert in the RECORD at this time a newspaper wire story which appeared in the May 3, 1978, Los Angeles Times. The article discusses a letter sent by HEW Secretary Joseph Califano to our colleague (Mr. FLOOD), chairman of the HEW Appropriations Subcommittee. In it the Secretary rejects a $2.7 billion addition to the HEW budget for 1979 as unnecessary. Secretary Califano will not spend it if we give it to him. So, I believe a $3.15 billion restraint in increases is a very responsible recommendation.

I wish my colleague from Ohio had gone a little further, because I think we could.

CALIFANO REJECTS EXTRA $2.7 BILLION IN HEW BUDGET

WASHINGTON.—Secretary Joseph A. Califano told Congress Tuesday that his Department of Health, Education, and Welfare did not want $2.7 billion added to its already hefty budget for the coming fiscal year.

"Continuing to pour money into HEW appropriations not only threatens to overburden the prudent management of some programs; it could add to the risk of inflation, which ultimately exacts a cruel toll on the same vulnerable people we are trying so hard to help—the poor, the old, the handicapped," Califano said.

Of the total proposed federal budget of about $500 billion for the 1979 fiscal year, which starts Oct. 1, HEW has asked for $181.3 billion—by far the largest request for any single department.

In a letter to Rep. Daniel V. Flood (D-Pa.), chairman of the House Labor-HEW appropriations subcommittee, Califano said that the budget requests submitted by President Carter were adequate and that additions the panel had under consideration would be a mistake.

The proposals to which Califano specifically objected are:

A $1.7 billion increase to eliminate architectural barriers in schools so those in wheelchairs or otherwise handicapped can move about easily. Califano said the dollar estimate was based on a sketchy survey that failed to recognize that structural changes are not necessary in all cases.

A $300 million increase for the National Institutes of Health. "Funding in some areas, especially for cancer, has grown so fast that there are serious questions being raised over our capacity to properly manage these funds," he said.

A $300 million increase for educational assistance for students, on top of $1 billion already requested. Califano said the addition was not necessary.

A $300 million increase for education impact aid, to expand the program of financial assistance to schools that have lost tax bases because of large numbers of federal workers. Califano said the program was in the process of being reformed and more money would harm that move.

A $55 million increase for a teaching centers program. He said the program was too young to grow that rapidly.

A $134 million increase for the Head Start program. Califano said the program could not absorb that much money.

The CHAIRMAN. The time of the gentleman from California has expired.

(By unanimous consent, Mr. ROUSSELOT was allowed to proceed for an additional 2 minutes.)

Mr. ROUSSELOT. Mr. Chairman, I urge my colleagues to support this very responsible amendment.

Now I will be delighted to yield to my very distinguished colleague, the gentleman from Maryland (Mr. MITCHELL).

Mr. MITCHELL of Maryland. Mr. Chairman, first of all, I want to commend the new-born liberalism of our colleague, which is a real enthralling development. Be that as it may, I believe the gentleman is an attorney or knows law, at least. As I understand the report, it was not a matter of fraud so much as it was a matter of mismanagement and inefficiency.

Mr. ROUSSELOT. I am sorry, I missed that category. It was fraud, mismanagement, and slush.

Mr. MITCHELL of Maryland. If the gentleman will allow me, let me clear up the gentleman's thinking, which is a little unclear.

Mr. ROUSSELOT. I think it is pretty clear, but go ahead.

Mr. MITCHELL of Maryland. Essentially, it is not a matter of fraud; people

did not come in and say, "we are going to steal from the Government." There were a series of mismanagement actions on the part of hospitals, on the part of all the private sector people associated with these programs.

I want the gentleman to be as honest, as the gentleman always is, and not paint the picture that the recipients were the prime factor in terms of the loss.

Mr. ROUSSELOT. I want to make it clear that all the people engaging in fraud or mismanagement were not just the recipients; I know that.

Mr. MITCHELL of Maryland. If the gentleman will make that clear——

Mr. ROUSSELOT. I would say probably only half.

Mr. MITCHELL of Maryland. If the gentleman will make that clear, then obviously I will applaud the gentleman's new-born liberalism.

Mr. ROUSSELOT. And the gentleman will support the amendment?

Mr. MITCHELL of Maryland. By no means.

Mr. ROUSSELOT. Oh, I am sorry to learn that.

Mr. ASHBROOK. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from Ohio.

Mr. ASHBROOK. Mr. Chairman, I think the gentleman from Maryland is exactly correct. What I said in my statement was that HEW acknowledged that there was fraud, abuse, waste, and mismanagement. I used all four terms. They used all four terms.

In all honesty, fraud, as I read the problem, would probably only constitute one-fourth of the $6.3 to $7.4 billion. The other three-fourths, as the gentleman from California (Mr. CORMAN) pointed out, would be institutional.

The CHAIRMAN. The time of the gentleman from California has again expired.

(At the request of Mr. ASHBROOK, and by unanimous consent, Mr. ROUSSELOT was allowed to proceed for 1 additional minute.)

Mr. ASHBROOK. Mr. Chairman, if the gentleman will yield further, as our colleague, the gentleman from California (Mr. CORMAN) pointed out to somebody else, it is doctors, insurance companies, and hospitals. I do not think anybody said that it is that poor guy that is getting $42 that he should not have. It is across the board. It comes from mismanagement, fraud, abuse, and waste, whatever it is.

The bottom line is that it is taxpayers' money that is not going for the deserved services we voted for.

Mr. ROUSSELOT. My colleague has stated it very well and I want to make clear that it is not just the recipients who are guilty of fraud.

Mr. DELLUMS. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from California.

The CHAIRMAN. The time of the gentleman from California has again expired.

(At the request of Mr. DELLUMS, and by unanimous consent, Mr. ROUSSELOT was allowed to proceed for 1 additional minute.)

Mr. DELLUMS. Mr. Chairman, my distinguished colleague is arguing in support of an amendment that attempts to——

Mr. ROUSSELOT. Trim increases.

Mr. DELLUMS. Is that something that is in the new Oxford English Language Dictionary, trim?

Mr. ROUSSELOT. Trim.

Mr. DELLUMS. Trim $3 billion from the HEW budget on the basis of fraud, abuse, waste and administrative——

Mr. ROUSSELOT. Malfeasance.

Mr. DELLUMS. Malfeasance, is that the word?

Mr. ROUSSELOT. Yes. That word is used a lot.

Mr. DELLUMS. Let us assume that is all good.

First of all, the military budget is well over $100 billion; is that not correct?

Mr. ROUSSELOT. Certainly. In this report it is up to $115 billion.

Mr. DELLUMS. Mr. Chairman, I am sure my distinguished colleague will also agree with me that in this $100 billion-plus budget there is extraordinary room for fraud, abuse, waste, administrative bungling, whatever we want to call it, ineptness, et cetera?

Mr. ROUSSELOT. I am sure there might be some of that, although I will say to my colleague that many of us have tried to oversee the defense budget and eliminate some of the waste. I think the gentleman, as a member of the Committee on Armed Services, has been active in overseeing this.

The CHAIRMAN. The time of the gentleman from California (Mr. ROUSSELOT) has expired.

(On request of Mr. DELLUMS, and by unanimous consent, Mr. ROUSSELOT was allowed to proceed for 1 additional minute.)

Mr. DELLUMS. Mr. Chairman, will the gentleman yield further?

Mr. ROUSSELOT. I yield to the gentleman from California.

Mr. DELLUMS. Mr. Chairman, since we both agree that the military budget is well over $100 billion and since we agree there is extraordinary room for these very same violations to which I have referred, I will now ask my colleague this question:

How did the gentleman vote on the transfer amendment by which we made an effort to transfer $4 billion plus from the military budget to domestic items, on the basis of the notion that we had wasted over $4 billion at least? How did the gentleman vote on that amendment?

Mr. ROUSSELOT. I would be glad to discuss that amendment with the gentleman.

Mr. DELLUMS. I just want an answer to my question. How did the gentleman vote on that amendment, for the record?

Mr. ROUSSELOT. Mr. Chairman, I did not vote for it, because the amendment redistributed most of that $4 billion to these very functions to which I have referred. My colleague, the gentleman from Maryland, would have shifted those outlays to these areas where we have $7 billion in fraud. I did not believe in shifts because we clearly did not need to add "fuel to the fire."

Mr. ASHBROOK. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from Ohio.

Mr. ASHBROOK. Mr. Chairman, my colleague, the gentleman from California (Mr. ROUSSELOT), is precisely right. All that amendment would have done would be to take the money from an area where we think there is some waste and put it in an area where we know there is great waste.

Mr. ROUSSELOT. The gentleman is correct.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio (Mr. ASHBROOK).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. ASHBROOK. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. Sixty-eight Members are present, not a quorum.

The Chair announces that, pursuant to clause 2, rule XXIII, he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

QUORUM CALL VACATED

The CHAIRMAN. One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to rule XXIII, clause 2, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

RECORDED VOTE

The CHAIRMAN. The pending business is the demand of the gentleman from Ohio (Mr. ASHBROOK) for a recorded vote.

Does the gentleman from Ohio insist upon his demand?

Mr. ASHBROOK. Yes, Mr. Chairman, I do.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 198, noes 189, not voting 47, as follows:

[Roll No. 291]

AYES—198

Abdnor	Beard, Tenn.	Burke, Fla.
Allen	Bennett	Burleson, Tex.
Ambro	Bevill	Butler
Anderson, Ill.	Biaggi	Byron
Andrews, N.C.	Bowen	Caputo
Andrews, N. Dak.	Breaux	Carr
Applegate	Brinkley	Cederberg
Archer	Broomfield	Chappell
Ashbrook	Brown, Mich.	Clausen, Don H.
Badham	Brown, Ohio	Cleveland
Bafalis	Broyhill	Cohen
Bauman	Buchanan	Coleman
	Burgener	

Collins, Tex.	Horton	Pike
Conable	Hubbard	Poage
Corcoran	Huckaby	Pressler
Coughlin	Hughes	Quayle
Crane	Ichord	Quie
Cunningham	Ireland	Quillen
Daniel, R. W.	Jacobs	Railsback
Davis	Jeffords	Regula
Delaney	Jenkins	Rinaldo
Derwinski	Johnson, Colo.	Robinson
Devine	Jones, N.C.	Rose
Dickinson	Jones, Okla.	Rousselot
Dornan	Jones, Tenn.	Rudd
Duncan, Tenn.	Kasten	Ruppe
Edwards, Ala.	Kelly	Russo
Edwards, Okla.	Kemp	Santini
Emery	Ketchum	Satterfield
English	Kindness	Sawyer
Erlenborn	Lagomarsino	Schulze
Evans, Del.	Latta	Sebelius
Evans, Ind.	Leach	Shuster
Fenwick	Lent	Sikes
Findley	Livingston	Skelton
Fish	Lloyd, Calif.	Slack
Fithian	Lloyd, Tenn.	Smith, Nebr.
Flippo	Long, Md.	Snyder
Flowers	Lott	Spence
Flynt	Luken	Stangeland
Forsythe	McClory	Stanton
Fountain	McDade	Stratton
Frenzel	McDonald	Stump
Fuqua	McEwen	Symms
Gammage	McKay	Taylor
Gaydos	Marks	Treen
Gibbons	Marlenee	Trible
Gilman	Marriott	Vander Jagt
Ginn	Martin	Walgren
Goldwater	Mattox	Walker
Goodling	Mazzoli	Walsh
Gradison	Michel	Wampler
Grassley	Milford	Watkins
Gudger	Miller, Ohio	White
Guyer	Mitchell, N.Y.	Whitehurst
Hagedorn	Mollohan	Whitten
Hall	Montgomery	Wiggins
Hammer-schmidt	Moore	Wilson, Bob
Hansen	Moorhead, Calif.	Winn
Harris	Motti	Wylie
Harsha	Myers, Gary	Yatron
Hefner	Myers, John	Young, Alaska
Hightower	Neal	Young, Fla.
Hillis	Nichols	Young, Tex.
Hollenbeck	O'Brien	Zeferetti
Holt	Pettis	

NOES—189

Addabbo	Derrick	Kildee
Akaka	Dicks	Kostmayer
Alexander	Diggs	Krebs
Ammerman	Dingell	Krueger
Anderson, Calif.	Dodd	LaFalce
Annunzio	Downey	Le Fante
Ashley	Drinan	Leggett
Aspin	Early	Lehman
AuCoin	Edgar	Levitas
Baldus	Edwards, Calif.	Long, La.
Beard, R.I.	Ertel	Lundine
Bedell	Evans, Colo.	McCloskey
Beilenson	Evans, Ga.	McCormack
Benjamin	Fary	McFall
Bingham	Fascell	McHugh
Blanchard	Fisher	Maguire
Blouin	Flood	Mahon
Boggs	Florio	Markey
Boland	Foley	Mathis
Bolling	Ford, Mich.	Metcalfe
Bonior	Ford, Tenn.	Mikulski
Bonker	Fowler	Mikva
Brademas	Garcia	Miller, Calif.
Breckinridge	Gephardt	Mineta
Brodhead	Giaimo	Minish
Brooks	Glickman	Mitchell, Md.
Brown, Calif.	Gonzalez	Moakley
Burke, Calif.	Gore	Moffett
Burke, Mass.	Green	Moorhead, Pa.
Burlison, Mo.	Hamilton	Moss
Burton, John	Hanley	Murphy, Ill.
Burton, Phillip	Hannaford	Murphy, N..Y
Carney	Harkin	Murtha
Carter	Harrington	Myers, Michael
Chisholm	Hawkins	Natcher
Clay	Heckler	Nedzi
Conte	Heftel	Nolan
Corman	Holtzman	Nowak
Cornell	Howard	Oakar
Cornwell	Hyde	Oberstar
Cotter	Jenrette	Obey
D'Amours	Johnson, Calif.	Ottinger
Danielson	Jordan	Panetta
de la Garza	Kastenmeier	Patten
Dellums	Kazen	Patterson
	Keys	Pattison
Pease	Scheuer	Ullman
Pepper	Schroeder	Van Deerlin
Perkins	Seiberling	Vanik
Pickle	Sharp	Vento
Preyer	Shipley	Volkmer
Price	Simon	Waxman
Pursell	Smith, Iowa	Weaver
Reuss	Solarz	Weiss
Richmond	Spellman	Whalen
Roe	St Germain	Wirth
Rogers	Staggers	Wolff
Roncalio	Steers	Wright
Rooney	Stokes	Wydler
Rosenthal	Studds	Yates
Rostenkowski	Thompson	Young, Mo.
Roybal	Traxler	Zablocki
Ryan	Tsongas	
Sarasin	Udall	

NOT VOTING—47

Armstrong	Lederer	Runnels
Barnard	Lujan	Sisk
Baucus	McKinney	Skubitz
Cavanaugh	Madigan	Stark
Clawson, Del	Mann	Steed
Cochran	Meeds	Steiger
Collins, Ill.	Meyner	Stockman
Conyers	Murphy, Pa.	Teague
Daniel, Dan	Nix	Thone
Dent	Pritchard	Thornton
Duncan, Oreg.	Rahall	Tucker
Eckhardt	Rangel	Waggonner
Eilberg	Rhodes	Whitley
Fraser	Risenhoover	Wilson, C. H.
Frey	Roberts	Wilson, Tex.
Holland	Rodino	

The Clerk announced the following pairs:

On this vote:

Mr. Waggonner for, with Mr. Eilberg against.

Mr. Teague for, with Mr. Rangel against.

Mr. Whitley for, with Mr. Rahall against.

Mr. Baucus for, with Mrs. Collins of Illinois against.

Mr. Risenhoover for, with Mrs. Meyner against.

Mr. Charles Wilson of Texas for, with Mr. Lederer against.

Mr. Del Clawson for, with Mr. Eckhardt against.

Mr. Lujan for, with Mr. Dent against.

Mr. Runnels for, with Mr. Nix against.

Mr. BUCHANAN changed his vote from "no" to "aye."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. HANSEN

Mr. HANSEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HANSEN: In the matter relating to the recommended level of Federal revenues increase the amount by $379,235,000;

In the matter relating to the appropriate level of total new budget authority increase the amount by $337,158,000;

In the matter relating to the appropriate level of total budget outlays increase the amount by $379,235,000;

In the matter relating to 400: Transportation increase the amount for budget authority by $262,537,000; and increase the amount for outlays by $304,614,000.

In the matter relating to 800: General Government increase the amount for budget authority by $74,621,000; and increase the amount for outlays by $74,621,000.

Mr. HANSEN. Mr. Chairman, those Members and others who support House Concurrent Resolution 347 finally have a chance to vote on keeping the proposed Panama Canal transfer under the watchful eye of the House of Representatives in matters of appropriations and property disposal as outlined in articles I and IV of the Constitution.

Today I have proposed an amendment to House Concurrent Resolution 559, the first concurrent resolution on the budget, designed to prevent an apparent planned abuse of the independent Panama Canal budget for a backdoor slushfunding under the new treaties without congressional accountability.

My amendment means that all revenues from the Panama Canal Zone Government and the Panama Canal Company will now go to the Treasury as revenues where the Congress, in conjunction with the Executive, will then use the regular authorization and appropriation process to fund the operation of the Zone Government and the Panama Canal Company.

Mr. Chairman, as I say, all this simply means is that all receipts from the Panama Canal Zone Government and the Panama Canal Company will now go into the Treasury as revenues instead of offsetting receipts and the Congress, in conjunction with the Executive, will have to go through the regular authorization and appropriation process to fund the operations of the Zone Government and the Panama Canal Company in fiscal year 1979.

This amendment also provides that the $40 million borrowing authority of the Company be eliminated. This borrowing authority has never been used by the Panama Canal Company—it is an obligated balance—and its elimination would stop any possible slush funding that would be available that would cause the bypass of the Congress. This is nothing more than a return to previous appropriations practices utilized by the Congress in relation to the Panama Canal Company during the years 1903 to 1950.

Mr. Chairman, I would hope that in light of recent actions by the President in conjunction with the proposal of self-executing treaties my colleagues will see fit to accept my amendment as the first opportunity for a vote to assert our intent to protect the prerogatives of the House of Representatives and the separation of powers as provided for in the U.S. Constitution.

The battle over the Panama Canal treaties has ended in the Senate but round two is coming up—a constitutional fight of serious proportions. We in the House have been forced into confrontation politics by executive expedience and Senate legislative arrogance.

We are forced to fight for our rights as a constitutional coequal or be held hostage to a most dangerous game of legislating under continuous threat of international reprisal.

We can now demonstrate publicly to the American people, the President, and the Senate that we in the House are firmly resolved that there will be no bypassing of House authority in the Panama Canal issue or any such similar situation.

Peace hangs in the balance, confrontation, and continuous sabre rattling such as we have seen demonstrated by Torrijos are guaranteed if we do not insist that transfer, appropriations, and implementation legislation be considered prior to exchange of instruments of ratification.

If the House can not or will not support any or all of the treaty stipulations agreed to by the Executive and the Senate, this should be known before formal commitments are made. To do less is to invite disappointment, frustration, embarrassment, and even violence. As Members of the House of Representatives serving the people of this great Nation, we cannot permit such irresponsible actions.

Already we are being pushed precipitously to the brink by an overanxious President who has already scheduled an international ceremony in Panama to exchange formal documents in absolute defiance of the intent and spirit of the Brooke reservation promising time for Congress to consider the question of treaty implementation.

There are a number of courses of action open to protect the constitutional prerogatives of the House and preserve the peace. Among them are appropriate amendments to forthcoming legislation such as House Concurrent Resolution 559, legal action such as the case currently before the Supreme Court, and further manifestation of our will in the House by finalizing discharge petition No. 6 enabling our immediate consideration of House Concurrent Resolution 347.

I am sure that all of my colleagues will be pleased to hear that the Supreme Court has scheduled action on May 11 with a decision slated for May 15 regarding the separation of powers controversy. It is timely that the Court be strongly apprised of the "House will" by a successful passage of my amendment to the budget resolution regarding the Panama Canal Zone budget.

Sixty to seventy million dollars annually has been promised to Panama for 20 years—Is Torrijos going to get this money without congressional scrutiny?

America is watching. Our prerogatives are at stake. We took an oath as Members of Congress to uphold the Constitution. I hope that all of the 239 cosponsors of House Concurrent Resolution 347 and other supporters will rise to the challenge and vote for this amendment.

Mr. SYMMS. Mr. Chairman, will the gentleman yield?

Mr. HANSEN. I yield to the gentleman from Idaho.

Mr. SYMMS. I thank the gentleman for yielding.

Will the gentleman please go back over that last point again. I support the gentleman's amendment, but the point I would like to get to is did the gentleman mention $40 million of loan authority?

Mr. HANSEN. My amendment would signal the House's intent to eliminate the never-used $40 million borrowing authority on the Canal Company and bring the Panama budget more closely under the scrutiny of the Congress.

Mr. SYMMS. In other words, if the members of the Committee vote for the gentleman's amendment, then they will in effect get to vote for or against the implementation of appropriations to implement the treaties that have been ratified by the Senate.

Mr. HANSEN. The thrust of my amendment is to bring the Panama Canal budget into the mainstream of the Federal budget—as revenues rather than as offsetting receipts—so that everything as closely as possible comes under the watchful eye of the House of Representatives in our appropriations processes. This is the main intent of this amendment, and my amendment would not change the deficit or the public debt.

Mr. SYMMS. I thank the gentleman very much.

Mr. ALLEN. Mr. Chairman, will the gentleman yield for a question?

Mr. HANSEN. I yield to the gentleman from Tennessee.

Mr. ALLEN. I thank the gentleman for yielding.

What does the treaty, entered into by the President and approved by the Senate, provide as to how the revenues and tolls collected for the Panama Canal shall be handled between now and the year 2000?

Mr. HANSEN. I thank the gentleman for his question. Basically, what we have is an anticipated increase in revenues at the canal because of extra traffic from among other things North Slope oil, and because of an anticipated increase in tolls. However, I think that the big problem here is that we have allowed certain individuals, who feel that the treaties are expedient, to mousetrap the House. Even the Senate has snubbed our authority to look at these things directly, and it appears there is not going to be any intended submission of implementation legislation to the House until it is almost ex post facto. I think what we need today is a declaration of intent by the House of Representatives that there be no transfer of property or appropriations without the Congress of the United States giving its permission.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. ALLEN, and by unanimous consent, Mr. HANSEN was allowed to proceed for 2 additional minutes.)

Mr. ALLEN. If the gentleman will yield further, my question is what do the treaties provide with regard to the revenues and tolls that would now be collected at the Panama Canal?

Mr. BAUMAN. Mr. Chairman, will the gentleman yield for an answer to that questions?

Mr. HANSEN. I yield to the gentleman from Maryland.

Mr. BAUMAN. I thank the gentleman for yielding.

Under the terms of the treaty, the tolls will be increased to cover certain payments to be made to Panama. At the present time the payments made to Panama by the United States average about $2.5 million annually. Instead of that, out of the increased tolls will come $10 million in outright gauranteed payment to Panama, a second contingent $10 million if toll income permits. The treaty also allows a payment to Panama of a certain charge per Panama Canal ton, which is projected to equal about $45 million annually. All of these go to Panama out of the tolls that will be increased enormously by the Panama Canal Commission which the treaties created.

What the gentleman from Idaho seeks to address in part is existing U.S. statutory law that allows up to $40 million in annual borrowing authority for the present Panama Canal Company. He seeks to force that amount and all other amounts to go through the appropriation process instead of being available to the new Commission which is created, so the amendment does not vary the terms of the treaties. He only seeks to submit to the appropriations process the moneys that may be needed in addition to what the treaties provide.

Mr. HANSEN. I thank the gentleman from Maryland. I might add that General Parfitt of the Panama Canal Company has stated that it appears there will be a deficit as far as the treaties are concerned in what the tolls are able to provide, and this means that we then would have to come up with the money. If we leave the borrowing authority in, it is possible the congressional appropriation process would be bypassed.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. SIKES, and by unanimous consent, Mr. HANSEN was allowed to proceed for 2 additional minutes.)

Mr. SIKES. Mr. Chairman, will the gentleman yield?

Mr. HANSEN. I yield to the gentleman from Florida.

Mr. SIKES. I thank the gentleman for yielding.

I wish to congratulate my distinguished friend, the gentleman from Idaho, for his leadership in this very important matter. The House should welcome an opportunity to exercise reason and judgment on the Panama Canal issue. Regretfully, in the Senate every round on this fateful issue has been lost. The House has no voice on treaties. But we do have a voice on appropriations and on property disposal.

On these matters, a simple majority vote will now be adequate to carry out the unhappy decision to give away one of our country's most valuable assets. We can require a show of reason on this subject by refusing to pay Panama to accept our property and by refusing to approve a national transfer of that property. We can go further. We can approve the Hansen amendment, which simply means in the words of Congressman HANSEN, this is nothing more than a return to the previous appropriations practice utilized by the Congress in relation to the Panama Canal Company during the years 1903 to 1950—a move quite necessary and appropriate since the Senate approval of the new treaties rescinds all previous treaties and agreements.

It is very important that in our first opportunity for a vote, we assert our intent to protect the prerogatives of the House of Representatives and the separation of powers as provided for in the U.S. Constitution.

I sincerely hope the House of Representatives will make it very clear to the American people that we in the House

have determined to exercise whatever authority we possess on the Panama Canal issue.

Mr. Chairman, I hope that the gentleman's amendment will prevail and I support it strongly.

Mr. ALLEN. Mr. Chairman, will the gentleman yield?

Mr. HANSEN. I yield to the gentleman from Tennessee.

Mr. ALLEN. Mr. Chairman, the thrust of my questioning is this: In what way, if any, will the gentleman's proposed amendment violate the treaties that have been entered into between the United States Government, the Government of Panama, and other South American countries?

Mr. HANSEN. My proposal does not violate the treaties in any way, shape, or form. In fact, it hardly touches upon the treaties, because the treaties technically are not supposed to be implemented until after the budget year we are now talking about. We are talking about the present canal operation and the accountability to the Congress prior to the time the treaties take effect, so that we can give a signal to the Administration and to anyone else that these matters ought to come before the House of Representatives.

I think this is vitally important. There seems to be some slippage around the country about how the Constitution is applied in these matters.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. HANSEN. I yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Chairman, I would just concur in what the gentleman says and add again that the amendment does not violate the terms of the treaty in any way whatsoever. It only anticipates that the House and the other body, in acting on the implementing legislation, will remove the existing borrowing authority that Federal law now allows the existing Panama Canal Company to go to the Treasury without authorization and borrow; so the amendment does anticipate future congressional actions but does not in any way affect the treaties' terms.

The CHAIRMAN. The time of the gentleman from Idaho has again expired.

(At the request of Mr. SYMMS, and by unanimous consent, Mr. HANSEN was allowed to proceed for 2 additional minutes.)

Mr. SYMMS. Mr. Chairman, if the gentleman will yield, it was my understanding that there was nothing in the treaties as to what would happen, for example, if the revenues dropped in the canal because of say increasing the toll, less ships using it or vice versa, who gets the money, the Treasury, or is our Treasury asked to bail out the Company down there? It was not addressed in the treaty.

Mr. HANSEN. Well, I understand we are obligated to make up certain deficiencies in the treaties, if the tolls are not there, up to the end of this century; however, today we are not addressing the treaties. We are addressing the prerogatives of the House that we do not lose the right as Members of the House of Representatives to the other body, who in some sense have acted like a House of Lords in saying that we do not have the right to scrutinize such things as transfer of property under article IV and authorizations under article I.

Mr. SYMMS. So this is an accountability amendment?

Mr. HANSEN. It is an accountability amendment which every red-blooded Member of this House of Representatives would have to vote for to show that we stand up for the prerogatives of this body and to show that it is coequal in the Congress of the United States.

Mr. JOHN L. BURTON. Mr. Chairman, will the gentleman yield?

Mr. HANSEN. I yield to the gentleman from California.

Mr. JOHN L. BURTON. Mr. Chairman, I have blue blood. Where does that put me?

Mr. HANSEN. I do not know. I would hope there would be some black blood.

The CHAIRMAN. The time of the gentleman from Idaho has again expired.

(At the request of Mr. MONTGOMERY, and by unanimous consent, Mr. HANSEN was allowed to proceed for 1 additional minute.)

Mr. MONTGOMERY. Mr. Chairman, will the gentleman yield?

Mr. HANSEN. I yield to the gentleman from Mississippi.

Mr. MONTGOMERY. Mr. Chairman, I would like to commend the gentleman for this amendment. I really consider it vital that the House of Representatives be given an opportunity to have this type of vote on the Panama Canal. As the gentleman has said, it does not affect the treaties.

Mr. Chairman, I commend the gentleman and will support the amendment.

Mr. MURPHY of New York. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, this legislation is not the vehicle we should use to argue the merits or demerits of the recently approved Panama Canal Treaty. What we are doing here is laying out a responsible budget for the fiscal year. Under the treaty approved by the other body, the terms of that treaty will not be in effect or force until October 1, 1979.

Therefore, the appropriations process that we have been working under for years and years in this body, a process that carefully accounts for every nickel collected by the Panama Canal Company and expended by the Panama Canal Company, will be under the scrutiny of this House and that of the very able gentleman from West Virginia (Mr. SLACK) and his able Subcommittee of the Committee on Appropriations.

In this amendment we see ourselves being confronted with a political issue. I supported the gentleman from Idaho (Mr. HANSEN) in a discharge petition to provide that the House should not be negated in its opportunity under article IV, section 3, of the Constitution to exercise its rights in the disposal of property. In the gentleman's amendment that has been offered today we are giving an oblique message that we should vote on the Panama Canal Treaty. However, this is not the vehicle and this is not the time or the place to do that.

We will have the opportunity to vote on the Panama Canal issue because the Committee on Merchant Marine and Fisheries has been working very diligently all year with the executive branch and working closely on the implementing legislation. The implementing legislation of that treaty has not yet come to the House in final form. We have had three drafts.

When that implementing legislation comes to us, we will take the issues as defined by the treaty, and I will say to the Members that they will have not one opportunity to vote but they will have many opportunities to vote.

But this is not the time and this is not the place to vote on the Panama Canal Treaty. In this budget resolution for fiscal year 1979 we are not even going to deal with those funds.

What this House will have the opportunity to do very clearly will be to vote on every aspect and every article of that treaty. We will examine the dollars, we will examine the process. We will have the opportunity to say whether or not the appropriations process will work or whether some other agency rather than the Department of the Army shall run the Panama Canal.

But in effect this issue is now being presented to us purely on a political basis to try to draw some inference as to how the House would vote on a constitutional issue.

Mr. Chairman, on the issue of the document that was presented to the Senate, I would say it would be most unwise for the House to accept this amendment.

Mr. HANSEN. Mr. Chairman, will the gentleman yield?

Mr. MURPHY of New York. I am happy to yield to my colleague, the gentleman from Idaho.

Mr. HANSEN. Mr. Chairman, I would like to thank the chairman of the Committee on Merchant Marine and Fisheries, the gentleman from New York (Mr. MURPHY), for his candor and also for his help on the resolution that was discussed earlier. I think we made great progress in having 239 Members of this body listed as cosponsors of this resolution which would say we do have authority in this matter where property disposal is held as a matter of House prerogatives.

However, I would like to ask the gentleman if he is aware that the President and the Panamanian Dictator, Torrijos, are going to be exchanging instruments of ratification on June 16 or June 17, and that we may have a problem of having to deal with a de facto situation and conducting deliberations with a gun held at our heads, so to speak, during the legislative process.

Mr. MURPHY of New York. Mr. Chairman, I am fully aware that the gentleman from Panama—and I refer to him as that sanguinely—has invited the President to Panama in advance to exchange documents of ratification.

My recommendation to the State De-

partment was that the previous President accompany President Carter, because it was his recommendation that the treaty go forward this year, and I felt that the Republicans should have an equal amount of opportunity to share some of the benefits of this political issue.

The CHAIRMAN. The time of the gentleman from New York (Mr. MURPHY) has expired.

(On request of Mr. HANSEN, and by unanimous consent, Mr. MURPHY of New York was allowed to proceed for 2 additional minutes.)

Mr. HANSEN. Mr. Chairman, will the gentleman yield?

Mr. MURPHY of New York. I yield to the gentleman from Idaho.

Mr. HANSEN. Mr. Chairman, I would like to ask the gentleman this question:

In a situation where this is happening, if it is not a problem, since the Brooke amendment was passed by the Senate, and then it was understood by the Executive that there would be opportunity until March 31 of next year for the Congress to work its will, and the understanding was that we could have at least that much time as far as the implementation legislation is concerned?

Now we have an exchange of instruments. Is this going to be a problem for us, so that every time we make a decision in the Congress we are going to have the gentleman, as we call him, from Panama rattling his sabre, as he did on the final Senate vote?

Mr. MURPHY of New York. I would say the rattling down there might be pocketknife rattling in many areas. But I would say we will not be confronted with this issue until near the first of October, of 1979, and that in effect would probably be the date on the implementing legislation because of that additional year. I personally feel—and many members of the committee feel—it necessary to promptly study the very difficult legal problems involved, legal problems that the administration themselves today have not defined, and our attorneys on our staff have carefully guided them in some areas of jurisdiction.

Mr. SYMMS. Mr. Chairman, will the gentleman yield?

Mr. MURPHY of New York. I yield to the gentleman from Idaho.

Mr. SYMMS. I thank the gentleman for yielding.

Mr. Chairman, I would like to make the point that, although I appreciate the gentleman's point of view, I think the sooner the House sends a message of its sentiments on how it may be feeling, either pro or con, about the treaties, the better off the international situation will be for the United States; because the further the President goes down this road, the more difficult his problems will be if in fact the day comes when the House refuses to find the implementation of the treaties.

Mr. WRIGHT. Mr. Chairman, I plead with my colleagues to vote against this amendment. This is not the place to try to throw a monkeywrench in international machinery. This amendment is not only meaningless, so far as the budget is concerned; it is thoroughly irresponsible. It will put the House in a position of throwing a molotov cocktail into the vortex of delicate negotiations that the President of the United States is presently conducting.

That is its whole purpose; that is its only purpose; that will be its only effect. It does not have a thing to do with the 1979 budget, not one penny's worth.

The amendment declares that no moneys collected from tolls could be used for maintenance of the canal. Moneys from tolls are not involved in this budget. Moneys from tolls have always been involved in the maintenance of the canal. Do you want the canal not maintained? Is that what you want?

For the next generation, until the year 2000, that canal is going to be operating under a commission dominated by Americans, appointed by the President of the United States. Do you want to throw a monkeywrench in that machinery? Do you want to make that canal inoperable, just to express your personal displeasure in what the other body has done?

I hear some Members shouting "yes." Of course, that is what they want to do. Of course, that is what is behind this amendment. It is a temptatious attempt on the part of some Members to show their macho, how brave they are. Merciful God, my friends, how cavalierly we posture ourselves against a tiny country that poses us no threat and wishes us no harm. How boldly we charge into the china closet of inter-American relations without pausing to think of the damage we could do. But we will have shown our bravery, you say.

Or will we? Just how brave shall we in the United States appear, we, the most powerful nation on Earth, beating our chests and throwing our weight around in a silly little way like this, simply to demonstrate our disapproval of a tiny nation that wants to get along with us, wants to help us, wants to be our friend, wants to work with us in the maintenance and operation of that canal?

The bravery of America has never been measured by kicking little guys around. That is not bravery. That is cowardice, masquerading as bravery. The bravery and the greatness of America has been in our willingness to oppose the malefactions of the strong, and to treat the weak with noblesse oblige.

What we do on this amendment will not change the treaty. It will not affect the budget. It will do nothing with the implementing legislation. We will have a chance to vote on that legislation at the proper time. Of that, I personally assure you. So what does this do? It merely gives vent to our personal pique, and to our ignorance—or our disdain—of Latin American sensibilities.

Comment has been made to the effect that the leader of Panama—whether you call him a general or dictator or head of state, or whatever you want to call him—has rattled sabres against us. Let me make something clear about that, because I have been in contact with the President of that country. I have been disturbed about those comments, as reported in the press. I am assured that General Torrijos did not intimate that he or the Government of Panama was going to do anything disruptive to that canal. That would be the most ridiculous thing on Earth. It would be thoroughly counterproductive to their economic future as a nation.

What he was suggesting was that some of the rhetoric that came from the other body, beamed daily by radio to the residents of that little country—condemning them, calling them Communists, which they are not; insinuating that they are incompetent or incapable, which they are not—had aroused such public enmity and resentment that there could have been a spontaneous uprising which he and the government might find difficult to quell and put down.

Shall we throw gasoline on that combustible pile, now cooled to embers—just to show how brave and chauvinistic we are?

That is the meaning of what he said. So I am assured. That needs to be understood. Those people, I earnestly believe, want to be our friends.

Shall we, by an ill-timed gesture such as this, render that reconciliation impossible?

This country, through our constitutional process which declares that the Senate of the United States shall ratify treaties and then they shall be the law of the land, has made its constitutional judgment.

The amendment would not change that judgment. It simply would make it unworkable.

Is that what we want? Do we want to throw a bucketful of sand into the machinery? Do we want to make the canal inoperable?

Do we want to make it more difficult for the President to negotiate when, indeed, he is attempting to negotiate with people who want to be our friends? Do we want to undo what good has been done to our relations throughout Latin America?

All right. If that is what the Members want, they should vote for this amendment.

However, if we want to be responsible, if we want to support a sensible and legal budget process rather than making this resolution an arena for the exhibition of forensic gladiators on extraneous issues that do not even exist in the context of the budget, we should vote against this amendment and then support the budget resolution.

We have just vented our spleen on HEW, $3 billion worth.

For heaven's sake, my colleagues, this is a process that is supposed to be the responsible expression of the Congress of the United States on the budget spending priorities for the next fiscal year.

We have taken a $3 billion "lick" in order to express our disapproval of HEW. That should make some of us feel better. We have "sent a message" as some have observed. However, the budget resolution, my colleagues, is not the vehicle by which to send esoteric or political messages. The budget resolution is a piece of legislation with respect to the major spending priorities of the Nation. It is

a vehicle of prudent restraint. It is, above all, a matter on which we should be responsible; and I urge the Members to demonstrate that responsibility now.

Mr. BROYHILL. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I rise in opposition to this amendment; but I am in opposition to it for different reasons than those which have just been expressed.

I was opposed to these proposed treaties, and I am on the discharge petition of the gentleman from Idaho (Mr. HANSEN). I think many of the things that he is talking about we ought to be debating here in the House of Representatives; but I have been sitting here studying this amendment, and I want the members of the committee to read this amendment.

It does not accomplish what the gentleman from Idaho says it accomplishes. Let me read to the Members what he is doing. He is increasing revenues by $379 million. Furthermore, if this amendment passes, there is no assurance whatsoever that the revenue raising committee, the Committee on Ways and Means, is going to carry out what he wishes to attempt or what he thinks he might do so as to add the Panama Canal revenues to the budget.

Mr. Chairman, let me tell the Members what else the gentlman's amendment does. It increases outlays in category 400: Transportation, by $304 million. It increases outlays in category 800—that is, in General Government—by $74 million.

There is absolutely no assurance that the authorizing committees or the Committee on Appropriations is going to be increasing outlays for the purposes which the gentleman intends.

Mr. Chairman, let me turn to the committee report accompanying the first budget resolution. If the Members will turn to page 126, they will see the different functions which are listed there.

Function 800 includes, for example, legislative functions—General Government.

I do not know. Maybe the authorizing committee might use this $74 million to increase Members' pay. I do not know, but I certainly do not want to give the authorizing committee this much additional leeway to spend the taxpayers' money.

Let me turn to function 400, which is found on page 121 of the committee report. The Members will find under function 400: Transportation, the authorizing committee may spend this $304 million for such things as ground transportation, air transportation, water transportation, mass transit, and so forth.

Mr. Chairman, I do not know whether that is what the gentleman's intent is; but that is what I read here.

Through this amendment we will be increasing outlays for category 400: Transportation by $304 million and category 800 by $74 million. Where is there any assurance that the money is going to be spent in any way like that which the gentleman says it will?

I would urge that the amendment be rejected. It is defective. This is not any way to get at the problems that the gentleman has talked about.

Mr. METCALFE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the Hansen amendment to the first concurrent budget resolution for fiscal year 1979. The Panama Canal Subcommitteee, which I chair, will have to take notice of the implications of this amendment if it should pass. The implications are far reaching and demonstrate that it is unwise to consider this amendment at this time.

The gentleman from Idaho proposes this amendment to emphasize the prerogatives of the House of Representatives. The gentleman knows that I have been in the forefront of those who wish to uphold the rights of the House to dispose of U.S. property in the Canal Zone. I remind the gentlemen that I have asserted our rights, and I will always do all in my power to assure them, especially when it comes to appropriating moneys or disposing of property.

However, we should also bear in mind that the quickest way for our powers to be downgraded is to assert them in a contentious way and insert them into every issue that arises. The budget resolution, as I intend to point out, is not the place to debate the disposition of funds of the Panama Canal Company and Canal Zone Government.

The Hansen amendment requires that all moneys of the Panama Canal Company and Canal Zone Government go into the Treasury and be appropriated by the Congress for canal operations. This is an attempt to change the manner in which the company and government are constructed.

Before 1950, all moneys of the Panama Canal were deposited into the Treasury and then appropriated to the canal operation by the Congress. Since 1950, the Panama Canal Company has been a self-sustaining Government corporation, and it is not a regular appropriated fund agency. The Canal Zone Government receives appropriations each year, but pays them back to the Treasury. All experts agree that the system we have had since 1950 has worked very well and I doubt that anyone familiar with the canal would want to change now, particularly in the last year of the company's operation.

If the gentleman wants legislation to change the structure of the canal operation, that will have to come from the Merchant Marine and Fisheries Committee. I respectfully submit that I cannot see why the Panama Canal Subcommittee should take the months necessary to study this issue when its effect will be for only 1 fiscal year. The Canal Company will probably go out of existence by fiscal year 1980.

Mr. Chairman, the Hansen amendment is totally unnecessary if its author is attempting to make a constitutional point of the rights of the House. The Constitution is clear. Article I, section 9 of the Constitution states that "No money shall be drawn from the Treasury except in consequence of appropriations." That means that whether the Panama Canal Company or Canal Zone Government are appropriated fund agencies or self-sustaining Government corporations, Congress will have ultimate control over their budgets.

We are not making an appropriate constitutional point with the Hansen amendment. We do not need an amendment to prove that we in the Congress can control the budget of the Canal Company or Government. What we do need is a deliberate consideration in the appropriations process.

Unquestionably, the House will have a vote in the next year as to the form the new Panama Canal Commission will take. That is a serious vote, a serious decision. Let the gentleman raise the issue at that time of whether the new Commission should be an appropriated fund agency or a Government corporation. This resolution is not the proper vehicle.

Mr. Chairman, I raise the question of whether the amendment may be construed as a political attack rather than good, substantive legislation. If this were a political move on the canal treaties, I, of course, could not allow myself to be associated with it.

As I said, within the next year, the House of Representatives will have a vote on the legislation to implement the new canal treaties. At that time we can decide whether or not the new Panama Canal Commission will be an appropriated fund agency or a Government corporation. But it is unwise to try to change the form of agency of the Canal Company or Canal Zone Government to affect 1 fiscal year. There are just no good reasons to support the amendment. It must be rejected.

The CHAIRMAN. The time of the gentleman from Illinois (Mr. METCALFE) has expired.

(By unanimous consent, Mr. METCALFE was allowed to proceed for 1 additional minute.)

Mr. BAUMAN. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, I shall try to refrain from using any macho pyrotechnical oratorical techniques, as the majority leader has requested. I think he already fulfilled today's quota for such inflammatory histrionics, with his earlier address that undoubtedly will rank along with Webster, Clay, and Omar Torrijos.

But the arguments I have heard against the amendment are a bit contradictory. The gentleman from Illinois (Mr. METCALFE), the chairman of the subcommittee, said this is a very serious and important vote. The gentleman from Texas said it was totally meaningless and yet it was irresponsible. There seems to be some conflict in the description of what this vote is and I am not sure why all the emotion attaches to this particular amendment.

But one argument does bother me a bit. Earlier the gentleman from Connecticut (Mr. GIAIMO) and the gentleman from Maryland were talking about the

whole amendment process that this budget resolution allows. No Member ever gets to offer any language that mentions tuition tax credits, veterans, farmers, social security, defense, welfare fraud. All these budget amendments we have been voting on never say a thing about those issues. All the amendments mention is dollars. All they speak to is money. Taxes is an aggregate in the resolution. Spending is an aggregate. Outlays is an aggregate. And every Member gets up and attaches his own significance to each of these aggregates.

If the amendment offered by the gentleman from Idaho is meaningless, in that sense this whole budget process is a farce and none of the amendments mean anything.

I tend to agree with the gentleman from California (Mr. PHILLIP BURTON) who is applauding me on that statement. I think the budget process is getting to be a farce, but until the farce ends, every Member of this House has a right to present his part of the farce, offer his amendments, and attach to them the importance he wants to.

I gather from the attentiveness of the Speaker, who was in the front row a moment ago, and the majority leader, and our chairman of the Committee on Merchant Marine and Fisheries—whose position on this disappoints me somewhat—that they attach some importance to it, and Members can bet that their folks back home attach some importance to it. The majority of Americans are incensed about these Panama Canal treaties.

This amendment, if any of them mean anything, is an attempt by one Member to say that the $379 million estimated annual cost of running the Panama Canal should go through the legislative and appropriation process. That is all the gentleman is saying. And if this amendment does not pass for the fiscal year 1979, if indeed the President exchanges the instruments of ratification in Panama City in June, as he said he would, any discussion of the treaties issue will become somewhat academic. But we have before us the first tangible vote we have had on the Panama issue and we should use it to register our protest.

We have before us the budget that will govern us for the next year. The gentleman from Idaho offers a very prudent fiscal policy allowing Congress to appropriate the money that comes from the Panama Canal through the regular authorizing and appropriating committees. Let us have some control over these funds. A vote for this amendment will not affect the final judgment on the treaty implementing legislation at all.

I would hope that those on either side of the aisle who feel constrained to vote against this would reconsider and stand up for their country, for their constituents for a forceful foreign policy, in face of the so-called gentleman from Panama, General Torrijos. I do not think that this is a time to toady to the Carter administration and to carry their baggage. This issue is not going to die. But this is the only vehicle and the only way the House has to express itself on this important issue.

Mr. LATTA. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I concur with the remarks just made by the gentleman from Maryland (Mr. BAUMAN). I think there have been attempts to throw sand in the eyes of the Members of this House. It really is not all as bad as was pointed out by the majority leader. All the gentleman from Idaho (Mr. HANSEN) is attempting to do is to give us an opportunity to vote on these hidden matters now found in sections 400 and 800, where they are covered up real good.

Further, we are not talking about a small sum, we are talking about $379 million. Why not get it out where we can see it and let the Members have a vote on it. I think this is probably the first opportunity for the Members to vote on this issue. I think the Members should vote "yes" on the amendment and send a message downtown that we are not for the famous canal treaties.

Mr. HANSEN. Mr. Chairman, will the gentleman yield?

Mr. LATTA. I am happy to yield to the gentleman from Idaho (Mr. HANSEN).

Mr. HANSEN. Mr. Chairman, I commend the gentleman from Ohio (Mr. LATTA) upon his remarks and wish to thank him for yielding to me.

I would like to say this—we are asking for nothing, we are not debating the issue of the Panama Canal, as the gentleman from Texas was talking about, and we are not throwing sand into the works either.

Since the Senate debated the issue, we have had an abrogation of the law through an amendment that was passed about the timetable for exchanging instruments and we have another abrogation through the person of General Torrijos who can move in and take over the canal while the United States is hundreds of miles away. He can move right in if we would try to implement the provisions of the canal treaty and could destroy the canal before we could reach it.

The principal part of this whole debate is that we are talking about the rights of the House of Representatives to exercise its judgment, a judgment that we will not have the right to make after the instruments are exchanged and the financial arrangements are secured. Today, you have this opportunity to stand up in the House of Representatives and vote, as you have under articles I and IV of the Constitution of the United States, which guarantees the prerogatives of this body. If the majority leader of this House thinks that you should not have those rights, and asks you to vote against this, that is his prerogative to do so, but you also have a right as a representative of the people of this country and that is you have the prerogative to exercise your judgment in this matter. And we should have, because we are representing the people in the affairs of our Government. If you believe that we should have some authority as to the authorization of these funds then this certainly is merely a vehicle in which we can do it. There is no other way in which we can do it in the next few weeks and months.

It is too bad that we cannot debate this whole issue fully, but I think we all know what we are trying to say. We are trying to say that it calls for accountability in this matter and it calls for accountability by the President to bring the budget here, and not to try to get around us on this matter.

Mr. EDWARDS of Oklahoma. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise a little reluctantly in support of the amendment. I agree with the gentleman from New York (Mr. MURPHY) that this is not the best place to fight this fight. This amendment does not put the fight in the terms in which I would like to see it before us, and I, perhaps, might not have offered this amendment in this way. But, Mr. Chairman, the options that are before us are quite limited. If we do not vote today on this amendment, we may well face only the empty exercise of legislating after the issue has passed us by.

I do not share the majority leader's concern for the feelings of the gentleman from Panama, Mr. Torrijos. I think the majority leader is mistaken if he believes that this treaty is in the best interests of either this country or the countries of Latin America. But the issue goes well beyond that. I would willingly debate the treaties on their own terms with any Member of this body, but there is more than our agreement or disagreement on the treaties that is before us today.

There is a more important question of the rights of the House of Representatives under the Constitution of the United States. Of course, only the Senate ratifies treaties. I know of nobody in public life who has said that the House ratifies treaties. But the House of Representatives has a constitutional right under article IV, section 3, clause 2, to pass on the disposition of American property, and the American people expect us to exercise that right. If we surrender that right without whatever kind of a fight we have the opportunity to make, we are doing a serious injustice not only to the people, who have had their will so ignored and thwarted on this issue, but to the entire constitutional process as well.

Perhaps this is not the right place or time for this fight, but we have had, Mr. Chairman, a resolution with more than 230 Members of this House as cosponsors, and nothing has been done with it. It has been bottled up, and we have never seen it for a vote. I have no great confidence, I will say to this House, to this committee, that if we bypass this opportunity, the leadership will then bring before us an opportunity sometime in the future to have a meaningful vote on this issue. If we are going to express ourselves on the rights of the American people on an issue, which we will all agree has economic ramifications, has military ramifications, an issue that is of great importance to the American

people and to the entire Western Hemisphere, then it is not beating one's chest, it is not being macho, to say that the House of Representatives has an obligation at some point to take a meaningful position on this issue before it is too late. Let us let the people know that we are not going to sit idly by and let the proper constitutional rights of the House of Representatives go undefended. I have too much regard for this body, and I hope the Members have also, to let that happen.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Idaho (Mr. HANSEN).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. HANSEN. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count.

Mr. HANSEN. Mr. Chairman, I withdraw the point of order and demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—yeas 231, noes 170, not voting 33, as follows:

[Roll No. 292]

YEAS—231

Abdnor	Devine	Huckaby
Allen	Dickinson	Hughes
Ammerman	Dingell	Ichord
Anderson, Calif.	Dornan	Ireland
	Duncan, Tenn.	Jacobs
Andrews, N. Dak.	Edwards, Ala.	Jeffords
	Edwards, Okla.	Jenkins
Applegate	Emery	Jenrette
Archer	English	Johnson, Calif.
Armstrong	Ertel	Jones, N.C.
Ashbrook	Evans, Del.	Jones, Okla.
Badham	Evans, Ga.	Jones, Tenn.
Bafalis	Evans, Ind.	Kasten
Bauman	Fish	Kazen
Beard, R.I.	Fithian	Kelly
Beard, Tenn.	Flippo	Kemp
Bennett	Flood	Ketchum
Bevill	Florio	Kindness
Biaggi	Flowers	Krueger
Boggs	Flynt	Lagomarsino
Bowen	Forsythe	Latta
Breaux	Fountain	Leach
Breckinridge	Fowler	Leggett
Brinkley	Frenzel	Lent
Broomfield	Fuqua	Levitas
Brown, Mich.	Gammage	Livingston
Brown, Ohio	Gaydos	Lloyd, Calif.
Buchanan	Gephardt	Lloyd, Tenn.
Burgener	Gilman	Long, La.
Burke, Fla.	Ginn	Long, Md.
Burke, Mass.	Glickman	Lott
Burleson, Tex.	Goldwater	Luken
Byron	Gonzalez	McClory
Caputo	Goodling	McDade
Carney	Gradison	McDonald
Carter	Grassley	McEwen
Cederberg	Gudger	Madigan
Chappell	Guyer	Mahon
Clausen, Don H.	Hagedorn	Marks
	Hall	Marlenee
Cleveland	Hammer-schmidt	Marriott
Cohen		Martin
Coleman	Hannaford	Mathis
Collins, Tex.	Hansen	Mattox
Corcoran	Harkin	Michel
Coughlin	Harsha	Milford
Crane	Heckler	Miller, Ohio
Cunningham	Hefner	Minish
D'Amours	Hightower	Mitchell, N.Y.
Daniel, R. W.	Hillis	Mollohan
Davis	Holland	Montgomery
de la Garza	Hollenbeck	Moore
Delaney	Holt	Moorhead, Calif.
Derrick	Horton	
Derwinski	Hubbard	Mottl
Murphy, Ill.	Santini	Traxler
Myers, John	Sarasin	Treen
Natcher	Satterfield	Trible
Neal	Sawyer	Vander Jagt
Nichols	Schulze	Volkmer
O'Brien	Sebelius	Waggonner
Oakar	Shipley	Walker
Perkins	Shuster	Walsh
Poage	Sikes	Wampler
Pressler	Skelton	Watkins
Pursell	Slack	White
Quayle	Smith, Iowa	Whitten
Quie	Smith, Nebr.	Wilson, Bob
Quillen	Snyder	Winn
Regula	Spence	Wolff
Rinaldo	St Germain	Wydler
Robinson	Staggers	Wylie
Roe	Stangeland	Yatron
Rogers	Stanton	Young, Alaska
Rose	Stockman	Young, Fla.
Rousselot	Stratton	Young, Mo.
Rudd	Stump	Young, Tex.
Ruppe	Symms	Zeferetti
Ryan	Taylor	

NOES—170

Addabbo	Findley	Nowak
Akaka	Fisher	Oberstar
Alexander	Foley	Obey
Ambro	Ford, Mich.	Ottinger
Anderson, Ill.	Ford, Tenn.	Panetta
Andrews, N.C.	Garcia	Patten
Annunzio	Giaimo	Patterson
Ashley	Gibbons	Pattison
Aspin	Gore	Pease
AuCoin	Green	Pepper
Baldus	Hamilton	Pettis
Bedell	Hanley	Pickle
Beilenson	Harrington	Pike
Benjamin	Harris	Preyer
Bingham	Hawkins	Price
Blanchard	Heftel	Railsback
Blouin	Holtzman	Rangel
Boland	Howard	Reuss
Bolling	Hyde	Richmond
Bonior	Johnson, Colo.	Roncalio
Bonker	Jordan	Rooney
Brademas	Kastenmeier	Rosenthal
Brodhead	Keys	Rostenkowski
Brooks	Kildee	Roybal
Brown, Calif.	Kostmayer	Russo
Broyhill	Krebs	Scheuer
Burke, Calif.	LaFalce	Schroeder
Burlison, Mo.	Le Fante	Seiberling
Burton, John	Lederer	Sharp
Burton, Phillip	Lehman	Simon
Carr	Lundine	Solarz
Chisholm	McCloskey	Spellman
Clay	McCormack	Stark
Collins, Ill.	McFall	Steed
Conable	McHugh	Steers
Conte	McKay	Steiger
Corman	McKinney	Stokes
Cornell	Maguire	Studds
Cornwell	Markey	Thompson
Cotter	Mazzoli	Tsongas
Danielson	Metcalfe	Udall
Dellums	Mikulski	Van Deerlin
Dicks	Mikva	Vanik
Diggs	Miller, Calif.	Vento
Dodd	Mineta	Walgren
Downey	Mitchell, Md.	Waxman
Drinan	Moakley	Weaver
Duncan, Oreg.	Moffett	Weiss
Early	Moorhead, Pa.	Whalen
Eckhardt	Moss	Whitehurst
Edgar	Murphy, N.Y.	Wiggins
Edwards, Calif.	Murphy, Pa.	Wilson, Tex.
Erlenborn	Murtha	Wirth
Evans, Colo.	Myers, Gary	Wright
Fary	Myers, Michael	Yates
Fascell	Nedzi	Zablocki
Fenwick	Nolan	

NOT VOTING—33

Barnard	Frey	Rodino
Baucus	Lujan	Runnels
Butler	Mann	Sisk
Cavanaugh	Meeds	Skubitz
Clawson, Del	Meyner	Teague
Cochran	Nix	Thone
Conyers	Pritchard	Thornton
Daniel, Dan	Rahall	Tucker
Dent	Rhodes	Ullman
Eilberg	Risenhoover	Whitley
Fraser	Roberts	Wilson, C. H.

The Clerk announced the following pairs:

On this vote:

Mr. Teague for with Mr. Cavanaugh against.

Mr. Rahall for with Mr. Baucus against.

Mr. Risenhoover for with Mrs. Meyner against.

Mr. Frey for with Mr. Dent against.

Mr. Del Clawson for with Mr. Nix against.

Messrs. HANNAFORD, DINGELL, FLORIO, and TRAXLER changed their vote from "no" to "aye."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. PRESSLER

Mr. PRESSLER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PRESSLER: In the matter relating to the appropriate level of total new budget authority decrease the amount by $675,000;

In the matter relating to the appropriate level of total budget outlays decrease the amount by $675,000;

In the matter relating to the amount of the deficit decrease the amount by $675,000;

In the matter relating to the appropriate level of the public debt decrease the amount by $675,000;

In the matter relating to the amount by which the statutory limit on the public debt should accordingly be increased, decrease the amount by $675,000.

In the matter relating to function 800: General Government, decrease the amount for budget authority by $675,000; and decrease the amount for outlays by $675,000.

Mr. PRESSLER. Mr. Chairman, I offer this amendment with the intention of its being a 2-percent reduction in congressional salaries. We have heard many statements in this Chamber about fighting inflation. It seems to me that a 2-percent reduction in congressional pay would be a way by which we could set a national example.

This body has passed a resolution to cut back on HEW; it has passed resolutions and given eloquent speeches about fighting inflation. Last year, this body enjoyed an increase that was far above the inflationary level.

I think we must remember that although there is not an increase scheduled for this year, that it was explained that last year's large increase would do for 2 years. So, Mr. Chairman, with that in mind I have calculated as follows:

The House, having 435 Members with 3 Delegates, and with 100 Senators, and 3 delegates from the territories, we have a total of 538 Members with an average salary of $57,500, with total salaries amounting to $30.9 million. Indeed, with fringe benefits at approximately 9 percent, a 2-percent reduction would be approximately $675,000.

It would seem to me that one of the things that is lacking in the fight against inflation is example from Washington, D.C. We hear talk of the need for labor union people taking less of an increase. We hear talk of the need to cut in HEW. We hear talk of the need to cut in the military. We have not seen a modified austerity example from Washington, D.C.

Mr. GARY A. MYERS. Mr. Chairman, will the gentleman yield?

Mr. PRESSLER. I yield to the gentleman from Pennsylvania.

Mr. GARY A. MYERS. Would the gentleman agree that the next expected adjustment of congressional salaries will

probably be in 1981 for Members of Congress?

Mr. PRESSLER. I am certain that that is not the case.

Mr. GARY A. MYERS. Well, if the gentleman looks at the law as it stands, is that his interpretation?

Mr. PRESSLER, No, that is not my interpretation.

Mr. GARY A. MYERS. What is the gentleman's interpretation?

Mr. PRESSLER. Every year.

Mr. GARY A. MYERS. Every year?

Mr. PRESSLER. An automatic increase every year, under the automatic pay increase law for Members of Congress.

Mr. GARY A. MYERS. My understanding is that Congress has rejected the annual adjustment of congressional salaries.

Mr. PRESSLER. They did for this year only. Next year the automatic increase machinery goes back into effect—after the election. There is still an automatic increase without a vote.

Mr. GARY A. MYERS. If the gentleman will yield further, if there is an automatic increase due this year, and Congress decides not to take it as it should, is that not in effect a 6-percent reduction?

Mr. PRESSLER. Congress has already decided not to take it, but it was explained that we needed a 30-percent inclease last year for the 2 years.

Mr. GARY A. MYERS. If the gentleman will yield further, what is the total adjustment that was made in congressional salaries between 1969 and 1977?

Mr. PRESSLER. I think I follow the line of argument the gentleman is suggesting—but there had been a large increase that year—1969—about 50 percent, I believe—from $22,500 to $42,500. I think it was the first year President Nixon came into office, and he signed an adjustment that was well ahead of inflation. It was supposed to last several years. Last year we increased our pay 30 percent—that was supposed to last several years.

Frequently the argument is used that we only raise salaries here every 3 or 4 years because that makes up for inflation. The fact is that if we compare the salaries on any kind of list or index, they are very much keeping up with inflation. In fact, we are well ahead of inflation. I know that there are ways of twisting statistics, but the point is that this would be a 2-percent reduction at a time when the President, Congress, and the American people consider inflation to be the No. 1 problem.

I know that some Congressmen are quick to make the argument that we have not kept up; but I do think that Congress has kept up with inflation.

There have been several newsmen who have done analyses that show that we are ahead of inflation, based on the two huge increases mentioned. I feel that it would be appropriate in this year, when both the President and Members of Congress are naming inflation as the No. 1 issue, for Congress to take the lead with a 2-percent reduction.

Mr. GIAIMO. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this amendment will undoubtedly gain some headlines in tomorrow's newspapers in South Dakota and in Connecticut and elsewhere, but I assure the Members it will do nothing—it will do nothing—to reduce the pay of any Member of this body or the other body.

If the gentleman wishes to reduce the salary of Congressmen or Senators, I suggest that he do so through the appropriate committees where his amendment will have some efficacy, because it has none here.

What this amendment and some other amendments of this type are doing is this: They are rendering serious if not permanent harm to the budget process. I say that in all seriousness, because this body must adopt a budget resolution by May 15, which is next Monday. That means we have to adopt it in this House, and it means we have to go to conference with the other body, which was able to pass a responsible budget resolution without amendments of this type, and we have to come back here by May 15 with a conference report. I seriously wonder if we are going to be able to meet that deadline.

Let me say to the Members of this body that if we do not meet it, we will be sending out a very real message to the American people. We have been talking here today and the other day about sending out messages. I want to tell the Members the real message we are going to be sending out to the American people: We are going to be sending out a message on whether or not the House of Representatives is capable of adopting a budget and living within it.

And we are not going to fool the American people by saying: "Oh, but look how thrifty I am. I have an amendment here which is going to cut out $675,000 out of a budget of $500 billion."

We may be kidding ourselves, but we are not kidding the American people. If we want to save money on Federal programs, there are ways to save money. We had an opportunity yesterday with a runaway program on disaster loans. Every day of the week there are programs that come here costing millions and millions of dollars. But let's not try to fool the American people by showing that we are going to save $675,000 on a budget of $500 billion.

Can this House act responsibly? Can this House adopt a budget by next week without getting embroiled in the Panama Canal issues, which have no basis for being considered in this budget? They have no meaning in this budget at all. These are issues that should be debated separately at the proper time.

Can we adopt a budget? That should be the key issue before each and every one of us here this afternoon. I say to the Members that if we cannot, then let us get rid of this Budget Act. Let us get rid of it. Let us eliminate it. Let us tell the American people that the commitment we made to them 5 years ago that the Congress was going to adopt a budget and live within it is no longer valid and that the U.S. Congress is incapable of disciplining itself when it comes to spending. With inflation running wild in the land, let us say that to the American people, because if we do not adopt this budget, that is the message we will be sending them on May 15. And let us be honest with them, for God's sake, and not kid them with an amendment which proposes to save money for the U.S. Government by reducing Congressmen's pay by something less than a million dollars. Let us not kid ourselves.

The CHAIRMAN. The question is on the amendment offered by the gentleman from South Dakota (Mr. PRESSLER).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. PRESSLER. Mr. Chairman, I demand a recorded vote.

A recorded vote was refused.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. LATTA

Mr. LATTA. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LATTA: Reduce by five percent both budget authority and outlays for functions 050 through 850, and for function 920. Reduce function 900: Interest, by $1.5 billion. Make the resulting adjustments to the aggregate figures for budget authority, outlays, deficit and debt.

Mr. LATTA. Mr. Chairman, my amendment would reduce by 5 percent both the budget authority and outlays for functions 050 through 850, and for function 920. We would reduce function 900: Interest, by $1.5 billion. We would make the resulting adjustments to the aggregate figures for budget authority, outlays, deficit, and debt.

Mr. Chairman, for the past 3 or 4 days we have been debating this first concurrent resolution on the budget for 1979. I believe there has been ample opportunity for every Member to be heard on almost every issue, and they have been thoroughly discussed. I will not, therefore, test the patience and good will of my colleagues with a long speech on this amendment. It is fairly well understood, and it boils down to this: Does a majority of the Members of this House want a budget with a substantially lower deficit than the one contained in the resolution offered by the Committee on the Budget?

I offered this amendment in the Committee on the Budget and it was defeated along a straight party line vote.

We gave them an opportunity to vote for a lower deficit and, for all intents and purposes, we gave them an opportunity a little earlier on similar questions, which was turned down. I have reference to the Holt amendment. It was only turned down in the well of the House, after a majority of the House had indicated that they wanted to see a lower budget figure and a lower deficit; unfortunately the vote was rejected in the well.

If there were good and sufficient reasons for wanting a lower deficit at that time, there are even more compelling reasons for doing so today.

Last Thursday the Labor Department released the Wholesale Price Index for April, and it shows inflation running at an annual rate of 16 percent. I do not

need to tell you that these huge wholesale price increases will be working themselves through the chain and appear as higher consumer prices during the next few months. These Wholesale Price Index figures come on the heels of the last Consumer Price Index calculation which already showed prices rising in March at an annual rate of 10 percent.

I do not need to tell the Members the impact this news is going to have on our constituents and the American people. If they were disgusted with the big deficits the Congress was running yesterday, they will be positively fed up now. That is unless we can take strong, decisive action now to cut the deficit and show the American people we take inflation every bit as seriously as they do.

For the past 4 days we have seen efforts to restrain spending in specific functional areas fail. Every program in the Federal budget is supported by a majority of the House. The precise composition of this majority changes from issue to issue, but the fact is that every Federal program exists because more than half of the Members vote for it.

I can understand the reluctance of the Members to vote for lower spending in an area they favor while seeing programs they do not like receive big funding increases. Your constituents will accept restraint in the programs they favor when they see real restraint in the programs benefiting others. My amendment applies to some degree of restraint and discipline to every program and to every group. No department is too happy with what it gets, but at least they will know they were treated fairly and evenhandedly compared to every other department. Moreover, since most of our constituents are taxpayers, workers, and consumers, we will have done something for them if we adopt my amendment.

And one more thing, my amendment would provide for a 5 percent spending growth in 1979 over 1978. It is only a restraint from the inflated spending increases the Committee on the Budget and the President wanted to give all of these Federal programs.

Mr. Chairman, my amendment is now before the House. Hopefully, we will have a favorable vote, so the American people will know that we mean business in holding down spending. We do not need any hand-wringing about what my amendment will do to this special interest group or to that pet program. My amendment would force us to take a long, hard look at every Federal program and cut out those that are not working so that we can continue those that really are working and are valuable.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. LATTA was allowed to proceed for 1 additional minute.)

Mr. LATTA. In short, my amendment would be the most effective and the most dramatic way we have at our disposal to kick the legs out from under the inflationary spiral and restore the confidence of our people in this process.

Mr. JOHN L. BURTON. Mr. Chairman, will the gentleman yield?

Mr. LATTA. I will be happy to yield to the gentleman from California.

Mr. JOHN L. BURTON. I thank the gentleman for yielding.

How much of the military budget does the gentleman cut—5 percent of that?

Mr. LATTA. Everybody. Everybody will be taking a cut, every function—with the exception of interest, and we cannot escape that.

Mr. JOHN L. BURTON. So the gentleman has a 5-percent cut in the military budget?

Mr. LATTA. Across the board.

Mr. MITCHELL of Maryland. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, what the amendment offered by the gentleman from Ohio is doing, among other things, is to accomplish what I sought to accomplish when I offered a transfer amendment to this body. The Members will recall my transfer amendment was in the amount of $4.8 billion reduction in budget authority and $2.8 billion reduction in outlays. The gentleman, who is awfully concerned about our national security, now offers an amendment and blankets in a cut in the military far greater than any I would have the audacity to offer on this floor. It is painful for me to remind myself of how badly my transfer amendment was defeated, but I would hope that the gentleman would be aware that his amendment is almost doomed to failure if he deals with that military budget.

Five percent across the board—what does that mean? Let us translate it into dollars. It means $25 billion—$25 billion cut out of the budget in one fell swoop, in an unthinking, unreasoned, nonobjective approach. Is that the way the Committee on the Budget is supposed to work? Of course, it is not.

Let me indicate to the Members of this House that if they have followed the work of the Committee on the Budget, we have tried each year to reduce the size of the deficit, and each year we reduced the size of the deficit and we reduced the amount of spending. That is a logical, reasonable, sensible, rational approach. But to come with an approach that is going to say without any justification at all, I am going to take $25 billion out of the budget and ask my colleagues to support it, seems to me to border on—and I will not spell that out.

Mr. Chairman, do not even waste time thinking about this particular amendment. Its inadequacies are manifest. Its weaknesses are demonstrable. Its flaws are readily apparent. Vote down the amendment and let us proceed as we have been doing in the Budget Committee, gradually reducing this deficit, gradually reducing our spending.

Mr. DERRICK. Mr. Chairman, I move to strike the requisite number of words. I rise in opposition to the amendment.

Mr. Chairman, this amendment rather recalls my childhood and a game we used to play called "52-card pickup." You asked the fellows if they wanted to play it and if they did, you threw 52 cards on the floor and asked him to pick them up. That is what this amendment does. If we were to follow this amendment to its logical conclusion, we might just take the $500 billion and throw it in the air and let it come down where it may.

I think we had better understand as we consider this amendment, we are talking about cutting 5 percent out of all these categories. That means 5 percent out of national defense, over $5 billion.

That means 5 percent out of international affairs, out of general science, space and technology, out of energy research and development; 5 percent out of agriculture, commerce, and housing; 5 percent out of transportation, community and regional development.

Income security, we are talking about cutting 5 percent out of social security from the elderly people in this country that are having a hard enough time as it is.

Veterans' benefits, we are talking about cutting $1.5 billion subsidies, more than this House added by the Roberts amendment last week.

So I suggest if the Members enjoy playing "52-card pickup," support this amendment. If they think they want to be responsible, vote this amendment down.

Mr. ROUSSELOT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, this is one member who does not want to play "52-card pickup." In this amendment we are dealing with all 19 functional categories. My colleague (Mr. LATTA) has made an attempt to say he thinks a 5-percent across-the-board cut would be a better way to do it. It is just as responsible as my colleague, the gentleman from Maryland, who offered an amendment to cut the military and rearrange it—shift it over to other categories. I do not think that is an irresponsible position.

I have seen a number of polls regarding the thoughts of the American people on the subject of taxes. They are seriously upset about increased Social Security taxes, proposed energy taxes and the like. I do not believe that it is fair to say that it is irresponsible to talk about a 5-percent restraint on increased spending. It is not a cut. It is a restraint in increases.

Let us take agriculture for example, because that is probably an area we could talk about together. There is too much money there. In agriculture this past year, or this fiscal year 1978, we will probably spend somewhere around $9 billion in the 1978 fiscal year which ends at the end of September, $9 billion.

Yet the committee came in and asked us to raise that to $12 billion. That is more than a 5-percent increase. My colleague, the gentleman from Ohio (Mr LATTA), is merely saying that he would take that $12 billion and restrain the increase.

Mr. EVANS of Colorado. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I will gladly yield to the gentleman later, Mr. Chairman.

I do not think that this is a mischievous amendment. It was offered in committee by my colleague, the gentleman from Ohio (Mr. LATTA) and was narrowly defeated.

Mr. LATTA. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield to my distinguished colleague, the gentleman from Ohio.

Mr. LATTA. Mr. Chairman, I thank my friend, the gentleman from California, for yielding.

Naturally, I expected some wailing and gnashing of teeth to come from some of our spenders on the other side when I offered this amendment, because that is what happened when the amendment came up in committee.

They say, "You can't do it now, you can't do it this way, you can't do it that way." But the question is "When are you going to do it?" I think the American people are asking when, not how.

I have not seen any budget yet where we could not get 5 percent of the fat out of it. As a matter of fact, on the floor the other day an amendment came up, and the chairman of the committee indicated we did not need the amendment on tuition tax credit because there was sufficient money in the budget to take care of it. That was a small amount, something like $600 million.

No one can tell me we cannot cut some of the fat out of this budget. We hear about zero-based budgets, and some of the Members who have spoken this afternoon have said, "We support this because it comes from the White House."

When is this going to happen? It is not going to happen unless we start making some cuts and justify every dime we are going to spend.

This amendment takes 5 percent out of that budget. It is just 5 percent, and yet we hear this wailing and gnashing of teeth this afternoon. They say that this is not the proper time, it is not the proper place, or it is not the proper way to do it. But the American people want to see some restraints on spending.

If the Members will turn to page 180 of the report, they will see this little document that we put out in the Committee on the Budget, and they will see what has been happening on the spending by this Congress, and they will realize that the people want to see restraint on spending, not by 5 percent a year but by a lot more than 5 percent a year. That is what they would tell us if they had an opportunity to say what is on their minds.

If the Members will take a look at that chart, they will see that in 1970 we had a total outlay of $196 billion. Where are we now in this budget resolution? $501 billion. Yet some of the Members say we cannot cut 5 percent out of all these functions, after that amount of increase from 1970 up to 1979. That is ridiculous

If we want to cut, now is the time to do it. If we do not want to cut, let us vote this amendment down and then we can go on our merry spending ways. But the American people are getting fed up. They are getting fed up, and when we go back home and ask them what is on their minds, they will ask us, "When are you going to cut that Government spending?"

The CHAIRMAN. The time of the gentleman from California (Mr. ROUSSELOT) has expired.

(By unanimous consent, Mr. ROUSSELOT was allowed to proceed for 2 additional minutes.)

Mr. ROUSSELOT. Mr. Chairman, I appreciate my colleague's explanation of his restraint in providing increases.

Mr. Chairman, I promised to yield to my distinguished colleague, the gentleman from Colorado (Mr. EVANS), and I would be glad to yield to him now.

Mr. EVANS of Colorado. Mr. Chairman, I appreciate the gentleman's yielding.

I asked the gentleman to yield for the purpose of clarification of a question in my mind.

In the early debate on this budget resolution, I recall that the gentleman from Connecticut (Mr. GIAIMO) said that 78 percent of the budget is noncontrollable. Perhaps I am wrong there.

Mr. ROUSSELOT. Well, the figure is roughly 75 percent. There are all kinds of figures that have been given to us both by the Committee on the Budget and by the Joint Economic Committee. I frankly believe that at least 50 percent of it is controllable, but we know that the figure varies according to which administration comes up to ask us for money.

Mr. EVANS of Colorado. Mr. Chairman, I raise the question for the purpose of asking for clarification as to how this 5 percent would attach. Does it attach to the 50 percent or 75 percent or 78 percent of the so-called uncontrollable portion of the budget, or does it relate simply to the balance of the budget that is controllable?

Mr. ROUSSELOT. No. As my colleague, the gentleman from Ohio (Mr. LATTA), explained—and this is his amendment—it applies to all the functional categories, outlays, and authorizations.

So if we would take the figures provided in the committee report, we would see that the figures, starting with the national defense function and going through undistributed offsetting receipts, include both budget authority and outlays and all would be restrained in the increases.

Mr. EVANS of Colorado. So it is an across-the-board cut on the whole budget?

Mr. ROUSSELOT. It is 5 percent under what the committee recommended, and it includes restraints on increases.

Mr. EVANS of Colorado. It includes the so-called noncontrollables as well as controllables?

Mr. ROUSSELOT. The gentleman is correct.

Mr. EVANS of Colorado. Mr. Chairman, I thank the gentleman.

Mr. PIKE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would like to ask the author of the amendment just one question.

What does this do, in relation to the Department of Health, Education, and Welfare, which we have already cut by $3-some billion? Are we having an additional cut on top of the $3-some billion that we have already cut?

Mr. LATTA. If the gentleman will yield, this does not take that into consideration. This comes off of the original figures which we had. We would not be taking an additional amount off.

Mr. PIKE. My question is: If the gentleman is not taking it into consideration, are we not then repealing some of the cut we have already made, and are we not in fact increasing by this amendment the budget for the Department of Health, Education, and Welfare?

Mr. LATTA. No; because the amount that was voted on earlier by the House was not 5 percent.

Mr. PIKE. What is the gentleman doing to the Department of Health, Education, and Welfare, in dollars?

Mr. LATTA. A cut of 5 percent.

Mr. PIKE. From what?

Mr. LATTA. From the committee's figures.

Mr. PIKE. Does that represent an increase or a decrease?

Mr. LATTA. With their budget, it is an increase.

Mr. PIKE. So we have already cut it more than 5 percent or less than 5 percent?

Mr. LATTA. Less.

Mr. PIKE. So the gentleman is decreasing them more; is that it?

Mr. LATTA. That is correct.

Mr. PIKE. That is all I want to know.

Mr. Chairman, I am simply going to state that I am going to support the gentleman's amendment.

Mr. LATTA. Mr. Chairman, will the gentleman yield?

Mr. PIKE. I yield to the gentleman from Ohio.

Mr. LATTA. Mr. Chairman, the staff just advised me that amendment was adopted with only 2 percent.

Mr. PIKE. That was a 2-percent cut?

Mr. LATTA. Yes. This is a 5-percent cut.

Mr. PIKE. Mr. Chairman, I voted for the Holt amendment earlier. I voted for the cut in HEW. I am going to vote for this cut. I think it is just not a proper argument for the Budget Committee to make, to say that, unless we do it on a line item basis, that is not the way to do it. This argument is made. But when you try to do it on a line item basis, they say, "Well, you cannot do it. This does not mean anything." If you try to cut this figure, they say, "Well, that does not mean anything, because all you are doing is cutting a gross figure."

I think that what we have in the budget document is in itself a statement of our national priorities. I think the budget document itself says that we are going to spend x dollars here for defense and x dollars there for health, education, and welfare and x dollars there for other things. And it is a balanced presentation of where our money is going to go. Some people would rather it went someplace else. Some people have tried to move it someplace else. But the budget document we have represents relatively accurately what our national order of priorities are at the present time.

Mr. Chairman, there are those among us who think that a higher national priority ought to be cutting the budget, ought to be reducing the deficit, ought to be fighting inflation. I number myself among them.

I am going to support the amendment.

Mr. SIMON. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, the question that my colleague, the gentleman from California (Mr. EVANS), asked before is a very significant question. That is, the controllables. The figures vary, but they are somewhere between 20 and 25 percent, probably around 22 percent. So that if we take a 5-percent across-the-board cut, in fact we are cutting between 20 and 25 percent on the controllable items.

I happen to believe, for example, that we can pare some from defense.

However, I do not believe and I do not believe the gentlewoman from Maryland (Mrs. HOLT) believes that we can pare 20 to 25 percent from defense.

I happen to believe that we ought to be spending more money on jobs; but even if the Members do not happen to agree with me on that, I do not think they believe we can take 20 or 25 percent off of the job stimulus program in this Nation and have a healthy economy.

Mr. Chairman, my friend, the gentleman from Ohio (Mr. LATTA), who is sponsoring the amendment, was very much concerned about an amendment I had which cut back somewhat on the agricultural program; but here he comes in with a much greater cut on the agricultural program.

I believe, if my memory is correct, that the gentleman from Ohio voted for the increase in the veterans' program, and now he comes in with a substantially greater whack at the veterans' program.

Mr. Chairman, what we need—and I say this with all due respect for my colleagues on the Republican side of the aisle—what we need in the House in order to make the budget process work effectively here is a Senator HENRY BELLMON on the Republican side. So far, that kind of person has not emerged, a person who is going to dig and dig hard, who has a conservative outlook on things, but who is realistic.

The gentleman from California (Mr. ROUSSELOT) I believe, described this amendment as a restraint on spending. In fact—and let us not fool ourselves—this is not a restraint on spending, because, if the Latta amendment is adopted, the budget resolution is dead. Then the committees which came in here with $49 billion more in requests for budget authority and $22 billion more in outlay requests have a free ride. That is the reality, and let us not fool ourselves.

Mr. LATTA. Mr. Chairman, will the gentleman yield?

Mr. SIMON. I shall be pleased to yield to my colleague, the gentleman from Ohio.

Mr. LATTA. Mr. Chairman, I am glad that the gentleman yielded to me.

I just wish I had his crystal ball into which to gaze and say that if we adopt this amendment, the budget resolution is dead. The budget resolution might be dead if we do not adopt it. The gentleman might look into that crystal ball again.

Mr. SIMON. We may have real difficulties with it right now.

Mr. LATTA. That is right.

Mr. SIMON. The chairman and I have been talking about that very thing.

Mr. LATTA. If the gentleman will yield further, Mr. Chairman, let me just come back to something I think I heard. Did the gentleman say that this is not a restraint on spending? Did I understand the gentleman to say that?

Mr. SIMON. I say it is not a restraint on spending because if we adopt this amendment, in fact, then we are not going to have a budget resolution.

Mr. LATTA. Yes; we will have a budget resolution. We can go back to the committee, do some trimming, and bring it back.

Let me just say that the gentleman pointed to the agriculture function and he pointed to the veterans function. We all have our pet functions. That is one of the problems we have.

Mr. SIMON. I understand.

Mr. LATTA. However, this amendment treats all of them equally. It says that across the board we are going to cut 5 percent, and that all functions are going to take their cuts along with the rest of them.

I think that is the way in which we can get to the bottom of what the trouble is. I am not going to single out any of them, but each department has fat in it.

Mr. SIMON. Mr. Chairman, does the gentleman think that a cut of 20 or 25 percent in the defense budget is going to accomplish what he wants?

Mr. LATTA. It is not 25 percent; it is 5 percent.

Mr. SIMON. Five percent across the board, but the gentleman is going to have to get into those controllables.

The CHAIRMAN. The time of the gentleman from Illinois (Mr. SIMON) has expired.

(On request of Mr. MCCLORY and by unanimous consent, Mr. SIMON was allowed to proceed for 2 additional minutes.)

Mr. MCCLORY. Mr. Chairman, will the gentleman yield?

Mr. SIMON. I yield to the gentleman from Illinois.

Mr. MCCLORY. Mr. Chairman, I thank the gentleman for yielding.

I have great respect for the gentleman in the well, my longtime friend and former colleague in the Illinois General Assembly, before our service here.

However, it seems to me that the gentleman and I have a different concept of this budget process. My concept is that the budget process, the congressional budget, should be something to discipline us with respect to overall Federal spending. Under our congressional budget authority, we have to set at least some limit on what we feel the Nation can stand in the way of Federal spending. Then we have to discipline ourselves so as to establish our priorities within those limits.

It seems to me that the amendment being offered by the gentleman from Ohio (Mr. LATTA) does precisely that. It establishes the top limit on our spending. It establishes a schedule of reductions with regard to different functions and this will require us to hold expenditures within those limits. That is what we have to do.

If we are going to authorize expenditures above that, we should tell the American people where the additional revenues are coming from. If we do not, then it seems to me that we are deceiving the American people, and we are building deficit upon deficit. We are contributing to the whole spiral of inflation, we are diminishing the value of the dollar, and we are penalizing everybody in the country by such a deficit spending process.

Mr. SIMON. My colleague from Illinois is correct in saying what the budget process is about. I think he is incorrect in assuming that without the Latta amendment, we do not have that kind of discipline here. My feeling, my strong feeling, is that with the Latta amendment we go so far in restraint that in fact we lose restraint. We lose the budget process.

Mr. MCCLORY. I just do not see what other method we have, because if we expect the Appropriations Committee to discipline us along the line, we are not going to achieve any budgetary discipline. It is only by adhering rigidly to the budget process that we can discipline ourselves.

The CHAIRMAN. The time of the gentleman from Illinois has again expired.

(At the request of Mr. GIAIMO and by unanimous consent Mr. SIMON was allowed to proceed for 2 additional minutes.)

Mr. GIAIMO. Mr. Chairman, will the gentleman yield?

Mr. SIMON. I yield to the gentleman from Connecticut.

Mr. GIAIMO. I think what the gentleman from Illinois is trying to say is that we cannot wave an automatic wand, or a magic wand, here in the adoption of the budget process and pluck out $25 billion worth of spending programs and say, "We do not need these; we can get rid of them."

We have to do this throughout the year as the programs come up for renewal or for funding. Once we vote for programs, it is not possible to take them out of the budget thereafter. Members may think that they can, and they may offer amendments to do so, but how do we justify this fact, that if the amendment offered by the gentleman from Ohio carries, in function 600, income security, we are going to cut $8.5 billion out of those programs?

Now, what are these programs? These are programs that this body, this Congress, will vote for and will fund when they come up for action. Social Security programs, are we going to cut those? SSI programs, food stamps, civil service retirement, school lunch programs, black lung programs, railroad retirement; are we going to cut those programs? Of course not.

The Members are going to have to provide all those funds, as we have done customarily, because this Congress and the American people have mandated that they want those programs. Having done that, we cannot come in on a budget resolution and say, "Ah, the deficit is too

high and we are going to get rid of 5 percent of it."

Cutting 5 percent from each of those functions is deluding ourselves.

Mr. McCLORY. Mr. Chairman, will the gentleman yield further?

Mr. SIMON. I yield.

Mr. McCLORY. I thank the gentleman. I think there is a difference in our respective concepts of the role of a congressional budget. My concept is that we establish the top limit of spending, and discipline ourselves within that limit with respect to all Federal functions. I disagree with the concept that we are responding to the American people by multiplying Federal activities which cost money, for which we are not providing revenues but which we are financing by increasing our annual deficit and our national debt.

Mr. SIMON. I would respond to my colleague from Illinois by simply saying that I think there is good discipline. If he would take a look at the requests of the committees and what the Budget Committee came in with, and talk to some of the committee chairmen who are not very happy, I think he would feel that there is substantial restraint. Perhaps he feels that it should be increased slightly, but I do not think that a 5 percent hatchet is the way to do it.

The CHAIRMAN. The time of the gentleman from Illinois has again expired.

(At the request of Mr. ROUSSELOT and by unanimous consent Mr. SIMON was allowed to proceed for 2 additional minutes.)

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. SIMON. I will be pleased to yield to my distinguished colleague from California, a member of the committee.

Mr. ROUSSELOT. I wanted to be sure I understood what the gentleman from Illinois said.

Mr. SIMON. I am sure the gentleman understood well.

Mr. ROUSSELOT. If the Latta amendment passes, the gentleman from Illinois states that the budget resolution is dead? That means we cannot restrain these tremendous spending increases over this present year? That mean that Members here do not understand and have not heard about the general public discontent with the huge chunks of money now being wasted by the Federal Government? You mean the public is going to respond adversely to our attempt to restrain big increases in spending?

Mr. SIMON. Let me ask my colleague from California, if this amendment is adopted, is he going to vote for the budget resolution?

Mr. ROUSSELOT. In the form the committee has given us, no, because I have a substitute resolution that provides for a balanced budget concept.

The gentleman knows that I would be more likely to vote for this resolution if the Latta amendment passes, but not with a $60 billion or $58 billion deficit—especially with what I believe are unnecessary increases. The gentleman from Illinois knows that I would prefer a budget resolution that is in balance and includes some tax reductions for both Federal income rates and social security schedules. Did I hear the gentleman correctly, he knows something we do not know, and that is that if this amendment passes, the budget resolution goes down? Is that what he is saying?

Mr. SIMON. Mr. Chairman, if I may retract my time here, the gentleman will vote against it, and some of my colleagues on my side of the aisle who do not like this 5-percent limitation will vote against it, and it will go down in flames.

Mr. MONTGOMERY. Mr. Chairman, will the gentleman yield?

Mr. SIMON. I yield to the gentleman from Mississippi (Mr. MONTGOMERY).

Mr. MONTGOMERY. Mr. Chairman, could the gentleman give me the figures on the Latta amendment on how much it will reduce the veterans' part of the budget? How much would that affect the veterans' part of the budget?

Mr. SIMON. On that I yield to my chairman, the gentleman from Connecticut (Mr. GIAIMO), who seems eager to answer that question.

Mr. GIAIMO. Mr. Chairman, let me say to the gentleman from Mississippi, the effect of the Latta amendment plus the Ashbrook amendment, which was passed earlier, would affect function 700, the veterans' function, to the tune of $1.1 billion.

The CHAIRMAN. The time of the gentleman from Illinois (Mr. SIMON) has expired.

(On request of Mr. TRAXLER, and by unanimous consent, Mr. SIMON was allowed to proceed for 1 additional minute.)

Mr. MONTGOMERY. Mr. Chairman, if the gentleman will yield further, in other words we have only $1 billion added in the veterans' program, and we would lose another $200 million.

Mr. TRAXLER. Mr. Chairman, will the gentleman yield?

Mr. SIMON. I yield to the gentleman from Michigan.

Mr. TRAXLER. Mr. Chairman, I think there is a point that is missed here, and that is that for the past 4 months the Appropriations Subcommittee has been holding public hearings on the budget. During that time in the subcommittee on which I serve, the Independent Agencies, on that one subcommittee the request by the agencies and the public by 4½ times exceeded the amount of the bill we reported out. By 4½ those requests exceeded the amount of money that is in the bill which has been reported to the full committee. I do not want any Congressman to sit on the floor or anyone to sit in the gallery or in the press area and believe there is no restraint in the budgeting process this Congress engages in. Those were tough decisions, hard choices to make.

Mr. FISHER. Mr. Chairman, I rise in opposition to the amendment.

I simply want to say, as I said earlier in the debate, Mr. Chairman, that I intend to introduce an amendment shortly for a more modest reduction in outlays than what is proposed in the amendment before us right now. I do feel that 5 percent is too much to be handled. I am going to offer one somewhat less than that, more on the order of 2 percent.

Mr. JOHN L. BURTON. Mr. Chairman, I rise in opposition to the amendment.

It is a balanced budget or nothing. Vote down the Latta amendment because it leaves us with a whopping deficit that none of us would want to support. If Members really want to do something to the economy, vote for the Rousselot balanced budget because we would be really doing something to the economy if that ever passes.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio (Mr. LATTA).

The amendment was rejected.

AMENDMENT OFFERED BY MR. FISHER

Mr. FISHER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FISHER: In the matter relating to the appropriate level of total new budget authority reduce the amount by $8 billion;

In the matter relating to the appropriate level of total budget outlays reduce the amount by $7 billion;

In the matter relating to the amount of the deficit reduce the amount by $7 billion;

Page 2, line 10, after "SEC. 2" insert "(a)".

Page 2, line 17, after "category" insert ", except as provided in subsection (b),".

Page 5, after line 6, add the following new subsection:

In order to limit the sum of the dollar figures for "Outlays" under all the categories listed in subsection (2) to the aggregate figure specified in paragraph (3) of the first section of the resolution, the dollar figure for "Outlays" as set forth under each of the categories specified in paragraphs (1) through (16) and paragraph (18) of subsection (a) shall be reduced by an amount bearing the same ratio to $7,000,000,000 as the figure set forth under that particular category bears to the total of all dollar figures for "Outlays" set forth in paragraphs (1) through (16) and paragraph (18).

In order to limit the sum of the dollar figures for "Budget Authority" under all the categories listed in subsection (a) to the aggregate figure specified in paragraph (2) of the first section of the resolution, the dollar figure for "Budget Authority" as set forth under each of the categories specified in paragraphs (1) through (16) and paragraph (18) of subsection (a) shall be reduced by an amount bearing the same ratio to $8,000,000,000 as the figure set forth under that particular category bears to the total of all dollar figures for "Budget Authority" set forth in paragraphs (1) through (16) and paragraph (18).

Mr. FISHER (during the reading). Mr. Chairman, I ask unanimous consent that further reading of the amendment be dispensed with and that it be printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. FISHER. Mr. Chairman, we have gone through a lengthy debate on this subject. I believe there is considerable sentiment in the House that we have come through the function-by-function consideration with an outlay figure that is too high and with a deficit figure that is too high. In my amendment I propose a reduction in outlays of $7 billion which, with the $3 billion we have al-

ready voted in the Ashbrook amendment, would come to $10 billion. This, it seems to me, is a workable cut in outlays and it would send a clear and unmistakable signal through the Congress and the country that we mean to cut outlays and the deficit at this time.

I would also propose that the authority figure be reduced by $8 billion, which preserves the kind of general relationship between outlays and authority that we have in the overall budget.

I would apply the entire $7 billion cut in outlays to a reduction of the deficit.

I wish there had been time to work out in a careful way how to distribute the $7 billion cut in outlays so as not to put a double burden on, particularly, the health function in the budget, which is done under the Ashbrook amendment. But there has not been enough time. Therefore, I have reduced the total from the original $10 billion I planned to offer in my amendment to $7 billion.

Mr. EVANS of Colorado. Mr. Chairman, will the gentleman yield?

Mr. FISHER. If I could finish my statement then I will yield to the gentleman from Colorado.

Mr. Chairman, I would distribute the $7 billion evenly across the budget on all functions with the exception of interest and miscellaneous receipts which simply do not lend themselves to it. However, I wish to make it very clear that I am concentrating on the aggregates here, not the distribution. I would leave it to the appropriation-authorizing-budgeting process, and over the next several months, between now and September when we take a final vote on the budget, to work out how we should cut the outlays by another $7 billion. But the rules require that I insert some distribution at this time, and I do so, with the expectation that the appropriation-authorizing-budgeting process will work its will during the next several months and make a sensible distribution of these cuts.

There has been a lot of talk about the uncontrollables and the controllables. That is a blurred line between controllable and uncontrollable. I happened to have been working on the budget at the other side of the Government a number of years ago when this division between controllables and uncontrollables first came to the surface and it came when President Eisenhower was in office. He got there and he found he just could not cut willy-nilly across the budget so he asked for a division between controllables and uncontrollables, and that is when it happened.

My Republican colleagues might be interested to know that I was working at the White House on these matters at that time. Ever since, we have been dividing programs up as though everyone of them fell into one or the other category. I call to your attention, for example, that the other day in debating the budget on the floor we cut an uncontrollable, so-called, by $1.7 billion and that was agriculture.

I call to your attention that the budget itself has things called legislative savings. These come to $2 billion in the budget we have before us, and these are uncontrollable items. So do not go so quickly to the conclusion that all of the cuts we are talking about necessarily have to be taken from the controllables. That is not so.

I would say, in conclusion, that in my judgment outlays and the deficit in this budget are too high in the aggregate. We have gone through the debate on the functions. We ought not go through that again. If you think that outlays and deficits are too high, then this is probably the last chance to register your desire to lower it.

The CHAIRMAN. The time of the gentleman has expired.

(On request of Mr. EVANS of Colorado, and by unanimous consent, Mr. FISHER was allowed to proceed for 2 additional minutes.)

Mr. FISHER. What will happen if the Members vote for this—I think one of a couple of things probably. If the Members vote for this and then approve the budget resolution, it will be a clear message to the House conferees that we want to be on the lower side of what the Senate has done with respect to outlays, authorizations, and deficit. If the Members pass my amendment and then do not pass the budget resolution, it will go back to the Committee on the Budget again with a clear message to haul those figures down somewhat, and I am suggesting about 2 percent, leaving it to the appropriations process to work out the detail. That is manageable; it is reasonable; it can be done.

There is no way we can convince people in this country that we cannot cut the budget by that amount, so I earnestly plead with my Republican colleagues that this is perhaps their last chance to vote for some reduction. For my Democratic colleagues, if they think the figures we have in the budget now are too high for outlays and for deficit, here is their chance to get them down a little bit.

Mr. LATTA. Mr. Chairman, will the gentleman yield?

Mr. FISHER. I yield to the gentleman from Ohio.

Mr. LATTA. I thank the gentleman for yielding.

Let me say at the outset I intend to support the gentleman's amendment, even though I would have preferred the 5-percent reduction. Let me point out, as the gentleman has indicated, that the Senate budget resolution is lower than the House, and just looking at these figures, we see that there are outlays in the Senate budget resolution of $498.9 billion and the outlays in our resolution are $501,358,000,000, so with the gentleman's 2 percent we would get down pretty close to where the Senate is. I certainly do not want to go over there to the Senate conference higher than they are, because they are supposed to be the spenders and we are supposed to be the savers over the years over here. It seems we have reversed that process.

Mr. FISHER. For purposes of responding to my good friend, the gentleman from Ohio, I think it is altogether good that at last this body would become known as savers, as the careful, prudent budget managers. I think that would be a very good thing.

Second, with the cut that I am proposing, $7 billion plus the $3 billion already voted, we would bring the total outlays of Government from around $500 billion down to around $490 billion, considerably less than the figure that the Senate has passed. I think this is a good figure. It is significant. It does send the signal that many of us want to send, and yet we can live with it and adjust to it.

Mr. Chairman, I yield back the remainder of my time.

Mr. MINETA. Mr. Chairman, I rise in opposition to the amendment.

First, let me say that the amendment of the distinguished gentleman from Virginia (Mr. FISHER) probably strikes a responsive chord with many Members in this body. It seems to present an opportunity to vote for a lower deficit, to register concern for inflation, and to show America and our constituents that we support less Government spending.

Let me say that I, too, am concerned about inflation; that I, too, want to hold down the deficit; and that, I, too, want to send a signal to the country that I am serious about curtailing spending. And that is why I oppose this amendment and support the committee's recommendations.

Let me assure my colleagues that we on the Budget Committee are serious about a budget process that exerts real discipline on spending. Indeed, we have opposed many amendments during consideration of this resolution that have added to the deficit. As Members on both sides of the aisle well know, some of those amendments were quite popular and were accepted by considerable margins.

This amendment would seek to take away what we just added on—that does not make much sense to me, and I doubt it will make much sense to the American public. I hope my colleagues who voted in favor of amendments to increase spending will join with me now in opposing this amendment.

Mr. Chairman, proponents of this amendment argue that it is going to "send out a signal" that we want less spending. I want to assure the membership of this body that our efforts on the Budget Committee were guided by that same intent. We suggested a deficit some $2 billion below the President's budget. Our committee's recommendations cut some $25 to $30 billion from the views and estimates submitted by the standing committees of the House. The resolution we presented puts exceptional pressure on each function of the budget—a pressure that I think most Members of this body will agree they feel on their own committees.

Thus, a vote against the amendment and for the committee recommendations is a vote for restraint.

However, in addition to the desire to cut spending, our actions on the committee were also guided by the understanding that important national needs had to be met.

Our recommendations are a realistic balance between the desire to contain

spending and the necessity of funding important national needs. National defense programs, housing programs, jobs programs, transportation programs—all are funded at what we on the committee feel to be an adequate, but restrained level. I would urge my colleagues not to abandon casually the carefully crafted resolution we are recommending.

An arbitrary and capricious amendment such as this could wreak havoc with this resolution. The cut proposed here could fall on any number of programs in any number of ways. Quite frankly, it is impossible to say precisely what the impact of this amendment would be. As proponents of the amendment have said, it is going to send a signal—and it would be up to the appropriating and authorizing committees to interpret that signal and decide where the cuts would fall.

Mr. Chairman, a 2-percent across-the-board cut could have considerable impact on individual programs.

Consider function 400: Transportation. A 2-percent cut in this function would reduce budget authority by $429 million and outlays by $278 million.

That cut could seriously curtail and even eliminate on-going programs.

For example, Amtrak and other rail subsidy programs—for which the resolution provides about $1 billion in budget authority could be cut almost in half. This would severely curtail passenger service and even eliminate it in some parts of the country.

Another rail program, the Northeast corridor improvement program—for which the resolution provides $455 million in budget authority—could be virtually wiped out. Even minor reductions in funding for corridor improvement programs would result in construction delays and an inevitable increase in total construction costs.

For urban mass transit programs, a 2-percent cut would mean inadequate funding for operating and capital subsidy programs. At a time when this country should be encouraging mass transit as an energy efficient means of transportation, such a signal seems ill-advised.

Other transportation activities—like the Federal highway programs, purchase of ConRail securities, and grants for airport development and safety—all are programs that could be severely curtailed if the 2-percent cut fell disproportionately on their shoulders. In many cases, such reductions could have serious and direct consequences for transportation safety.

Another function, function 850: General purpose fiscal assistance, would be reduced by $200 million in both budget authority and outlays. Such a reduction could come in the antirecession fiscal assistance program, in the general revenue sharing program, or even in Federal payments to the District of Columbia.

In each case the cuts would translate into reduced local government services to the citizens of this country or in increases in local taxes. While much has been said of the nationwide surplus in some State and local budgets, I would caution my colleagues to look carefully at this area.

Since most State and local governments must, by law, balance their budgets, it cannot be concluded that showing a surplus means they are not subject to fiscal strain. Surpluses developed in any one year are used to build reserves to meet future revenue shortages, or to cover items deferred during previous shortages.

The level of distress for individual governments must be determined by monoriting the underlying social and economic conditions, or changes in expenditures and in the tax rates imposed to support services.

The membership of this body should know that cutting function 850 could have a severe impact on some communities in the country. I do not think we want to send a signal to our constituents that might mean severe reductions in some Government services or increased local taxes.

Mr. Chairman, I have given examples of how a 2-percent cut might severely impact on two functions in the budget. Others have spoken about the consequences in other areas of the budget. When we are deciding what signals we want to send, we should be a little more careful.

This seemingly innocuous 2 percent cut could have drastic ramifications depending on where it fell. I would urge by colleagues not to send out this kind of arbitrary and capricious signal.

In conclusion, I would urge all of my colleagues to oppose this amendment and to join with the committee and support a resolution that has been carefully crafted to maintain a balance between the need to curtail spending and the need to provide adequate funding for the various competing national needs in the budget. It is a signal that will be understood by everyone.

Mr. PIKE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I think that the arguments made by the chairman of the committee and by the gentleman from South Carolina (Mr. DERRICK) about the desirability of maintaining the budget process are good arguments, and they are real arguments. However, I think that the budget process will not be maintained unless the product of that budget process is something that the Nation wants to live with and something that the Nation is prepared to live with.

Mr. Chairman, if the product of that budget process has to be a $58 billion deficit in times as prosperous as these times are, then the process itself is in real trouble, and we cannot say that we have to preserve the budget process at any level of deficit because the process itself is desirable.

I do not know anybody, frankly, on the Committee on the Budget who is much more reasonable and much more responsible than is the gentleman from Virginia (Mr. FISHER); and to try to say that a $7 billion cut in a $500 billion budget is irresponsible and unreasonable just does not make any sense to me. We are talking about 1.5 percent essentially.

To say that we cannot get this amount out of waste and out of the fat in our entire governmental system seems to me to be a little insulting to our authorizing and appropriating committees. Hopefully, they are going to look for the fat. They are not going to try to cut the muscle out of the budget. They are not going to make an effort to leave the fat in and take the muscle out.

Mr. Chairman, it seems to me when we have to say that our unemployment is down below 6 percent, counting all the people we count as unemployed, the strikers and the people who are between jobs and the people who have jobs waiting for them, but who are not ready to go and get them, when we count all of them as unemployed and it is still down below 6 percent and we have to operate at a budget deficit of about 12 percent of our total budget, then the process is not working very well.

Mr. Chairman, I believe in the process as much as the next man does. I really think the process is important, but I think it is the end product of the process which is going to determine whether it lives or dies.

Mr. Chairman, I support the amendment of the gentleman from Virginia (Mr. FISHER).

AMENDMENT OFFERED BY MR. KRUEGER TO THE AMENDMENT OFFERED BY MR. FISHER

Mr. KRUEGER. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. KRUEGER to the amendment offered by Mr. FISHER: In the amendment offered by Mr. Fisher change the words "(1) through (16)" to "(2) through (16)" wherever they appear.

Mr. KRUEGER. Mr. Chairman, this is a simple amendment. It holds firm at the Budget Committee's recommended levels for expenditures for defense, allowing the Fisher cuts to be made in oher areas. Otherwise, the Fisher cuts would result, as I calculate, in a $2.4 billion reduction in budget authority and $2.5 billion in outlays.

Mr. Chairman, given the concern which I think many people have at this time, about the SALT talks and about NATO, and given their concern about our defense posture vis-a-vis the Soviet Union, it seems to me that the people of this country would like to see our defense expenditures not become subject to this otherwise worthwhile cut.

Mr. Chairman, this amendment alters the Fisher amendment in only one respect, to retain at the level recommended on the Budget expenditures in category 050, national defense, while cuts are made in other areas to effect the $10 billion overall cut mandated by the Fischer amendment.

It seems to me that the gentleman from Virginia (Mr. FISHER) is right in directing his concern at the overall level of Government spending; and I think we all realize that any poll shows us today that the largest single area of concern in the population is the concern about inflation and the high level of Government expenditures.

Mr. Chairman, my amendment allows the Fisher reduction in expenditures to continue with the exception of one area, national defense, and I suggest that it is a desirable amendment and commend it to the committee.

Mr. MITCHELL of Maryland. Mr. Chairman, will the gentleman yield?

Mr. KRUEGER. I yield to the gentleman from Maryland.

Mr. MITCHELL of Maryland. Mr. Chairman, I would like to put the same question to the gentleman as I put to the majority leader during an early portion of this debate.

Can the gentleman stand in that well and say that there is no fat, there is no bloat, in the military budget?

Mr. KRUEGER. No.

Mr. MITCHELL of Maryland. Then if the gentleman cannot say that, how in the world can he attempt to exempt that budget from the Fisher amendment? There is no justification for it.

Mr. KRUEGER. Because one can reduce fat and bloat and at the same time hold level our military expenditures so that our defense capacity will be, overall, strengthened rather than weakened.

Mr. MITCHELL of Maryland. That would apply to the other programs the gentleman is cutting——

Mr. KRUEGER. I believe the time is mine.

Mr. MITCHELL of Maryland. I am sorry.

Mr. KRUEGER. I would simply observe that of course I am not against cutting waste or bloat, but I recognize that we need—and the Senate has recognized with a higher defense figure than we have here—a healthy level of defense expenditures. My good friend may differ with me, but I do not accept the notion that to hold one area the same means that we cannot improve the quality of expenditures within that area. If the gentleman disagrees, then he will vote against my amendment.

Mr. FISHER. Mr. Chairman, I rise to oppose the amendment offered by the gentleman from Texas.

Each one of us will have a program or a function in the budget that he or she is particularly fond of. That goes without saying. I think that at this stage of the game, after we have spent 3 days discussing, debating, arguing about different programs in the budget, it is time for looking at the aggregates. That is what I try to do in my amendment. I have said over again, and repeat once more, that I think the responsible thing to do is to vote the cut in outlays and deficit and indicate a wide distribution of that cut among programs—because the budget process requires that to be done. Then we should leave it to the good sense, the good judgment of the appropriations committees—and occasionally an authorizing committee—as well as the Budget Committee, to work within this lower outlay-deficit figure, so that when we come to next September and make our final binding resolution, we will have distributed the cuts in the best possible manner.

But now, to take, as my colleague from Texas would do, one function—national defense—and say, "Everything else yes, but not this," does not seem to me to be a good thing to do at this stage of the game. We had the debates on the military last week. We had a major debate, an excellent debate, and we had a vote and decided not to increase military outlays. That was the time to get into the function, not now.

I think it would be quite a mistake to pick out this one, and then open the gate for amendment after amendment for the veterans, for agriculture, for human resources programs, and for all the others. We have passed that; we have tried that. We have done our best, and now is the time to say, "Do we like the total of it?" This is the essence of the budget process, and it is not for the Budget Committee people to second guess every little program that may be around. We have appropriation subcommittees that know a great deal about that, and they should do it. The real essence of the budgeting, as I see it, is now to give a signal that, given the state of the economy which, with all its problems, is doing quite well, we can reduce outlays from 11 percentage points increase to 9, let us say. Then, we leave it to the Appropriations Committees to work that out. This first resolution, of course, is only a goal, only a guideline; there is nothing in it. The time for that is in September. This is the time to send the signals out that we wish to send.

Mr. CONABLE. Mr. Chairman, will the gentleman yield?

Mr. FISHER. I yield to the gentleman from New York.

Mr. CONABLE. I would like to support the Fisher amendment as presented. I think it is de minimis. I think it is the least that we can do at this point.

I would like to point out that we would have avoided a lot of difficulties we have had with this measure, and at least have been better able to handle it, if we had adopted aggregates at the outset.

We did not do that. We have added a number of things that I think are actually something of an embarrassment to the budget process. Clearly at this point we can afford to reduce across the board by 2 percent, and I think it is entirely appropriate to do so. I hope another year we will be able to avoid the kinds of embarrassments we have had on the floor with this measure.

Ms. HOLTZMAN. Mr. Chairman, I rise in opposition to the Krueger amendment and to the Fisher amendment.

I hope to be brief.

Mr. Chairman, I do not understand how anybody can seriously come to the floor of the House and say we ought to be fiscally responsible and cut all programs across the board except for defense. I think anybody who has any understanding of the world situation now recognizes fully that, when it comes to the issue of national security, the OPEC countries can throw this economy into catastrophe by raising oil prices. Not all the tanks in the world and not all the planes in the world and not all the missiles in the world can protect us against that eventuality. Yet the very person who talks about the security of this country wants to cut energy research programs and stymie efforts to give this country energy independence. I think that is talking out of both sides of one's mouth. For that reason I oppose the Kruger amendment.

I would also say if there is an area in the budget in which there is so much waste that the agency cannot even spend the money it has been given, that is in defense. In fiscal year 1978, the Defense Department is expected not even to be able to obligate $4 billion of the amount appropriated to it. The pipeline of unobligated funds now runs somewhere around $80 billion.

I would also say, Mr. Chairman, that the Fisher amendment, which proposes a so-called "modest" cut across the board, cuts into some very vital programs: Energy research, biomedical research, educational services to the handicapped, and the like. I think it would be a mistake to cut all these programs. Not all them waste money. Indeed, if we talk about the obligation of the Federal Government, it ought to be to help those who are incapable of helping themselves. To say we will take programs away from the helpless through the handicapped services, and to say we will take programs away from the poverty-stricken aged and disabled, and to say we will take it away from the unemployed seems to me to be the most callous way for the Congress to operate.

I hope we reject this amendment.

Mr. GAYDOS. Mr. Chairman, I rise in strong opposition to this meat-ax approach to cut back the 1979 Budget Committee recommendations for various Federal agencies. More specifically, I will address myself to the impact of such an amendment upon the Occupational Safety and Health Administration.

The Occupational Safety and Health Administration is a young agency, which has only been operational for a few years. Yet, the need for its continuing efforts to upgrade working conditions for American workers has been amply demonstrated by the statistics which the agency has gathered. For example, in fiscal year 1977, OSHA conducted 1,780 inspections directly as a result of reported industrial accidents. As a result of these job-related accidents, 1,612 American workers were killed.

Just 12 days ago, 51 men perished in a tragedy which occurred at a construction site at Willow Island, W. Va. Earlier this year, in a 3-week period, 60 additional workers perished in grain elevator explosions. Obviously, efforts to improve conditions for working men and women need to be increased, rather than reduced.

The Subcommittee on Compensation, Health and Safety, which I chair, has already conducted extensive oversight hearings into the grain elevator tragedies, and it is my intention to conduct similar hearings with respect to the Willow Island tragedy. At this time, there has been no definitive resolution as to the causes of these national tragedies. But one fact does stand out clearly, at least with respect to the grain elevator disasters, and that is the inadequacy of

the OSHA inspection force to properly monitor the safety and health conditions at 5 million workplaces.

OSHA has only 1,500 inspectors to protect 65 million workers in these 5 million workplaces. By way of comparison there are 1,000 Federal grain inspectors for 10,000 grain elevators, and there are 8,500 full-time and 1,000 part-time meat inspectors for 7,200 poultry and meat-packing plants.

Additionally, in the highly technical area of monitoring compliance with existing health standards, there is a serious need for additional qualified personnel. Of OSHA's present compliance staff of 1,500, there are only 520 industrial hygienists who are qualified to make such determinations.

Even with such limitations in staff, however, in fiscal year 1977, OSHA compliance officers conducted a total of 60,000 workplace inspections, and of this number, 19,300 were made pursuant to complaints made to OSHA concerning unsafe conditions.

From the moment she assumed the Office of Assistant Secretary of Labor for Occupational Safety and Health, Dr. Eula Bingham has made a diligent effort to lead the Occupational Safety and Health Administration forward as an effective Federal agency. She has already embarked upon a program to completely overhaul and revise the existing consensus standards which OSHA enforces, some of which, unfortunately, have in the past made OSHA the butt of many jokes by some of my colleagues.

Additionally, Dr. Bingham has proposed very extensive standards with respect to the problems of carcinogens in the workplace. Just last Wednesday, the Occupational Safety and Health Administration announced the issuance of a permanent standard to reduce permissible levels of worker exposure to inorganic arsenic, a substance known to cause lung cancer.

Additionally, standards on asbestos and cotton dust, two other substances known to cause cancer, are under consideration by OSHA. Do the proponents of this amendment intend to undercut the effectiveness of actions such as these and deprive the American worker of this most important protection?

Following the initial grain elevator explosion at Westwego, La., on December 23, 1977, Dr. Bingham directed an all-out inspection policy for all grain elevators throughout the country. Because of the extremely limited OSHA compliance force, this meant that many other industries, which very possibly may present potentially serious hazards to workers, had to be neglected. Now, recently, we have heard of the very serious construction tragedy at Willow Island, W. Va. Fortunately for all of us, there was no comparable series of tragedies in other areas.

At a time when OSHA's compliance force is so woefully inadequate, how can we, in good conscience, support a reduction? The proposed amendment only sets forth the dollar considerations. But I ask the Members of this House to consider, instead, the number of workers' lives that may be jeopardized with a reduction in funds to OSHA. As recently as 1976, it was determined that 1 out of 11 working men and women in the country today can be expected to suffer an occupationally related injury or illness during the course of their working lives.

The proponent of this amendment offers it in an attempt to "check inflation, increase jobs, and reduce the deficit." I am equally concerned with the problem of inflation, unemployment, and the deficit, but I submit the answer does not lie in an approach that would jeopardize the health and safety of the American worker.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas (Mr. KRUEGER) to the amendment offered by the gentleman from Virginia (Mr. FISHER).

The amendment to the amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia (Mr. FISHER).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. FISHER. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 195, noes 203, not voting 36, as follows:

[Roll No. 293]

AYES—195

Abdnor	Erlenborn	Keys
Anderson, Calif.	Ertel	Kindness
Anderson, Ill.	Evans, Colo.	Krueger
Andrews, N. Dak.	Evans, Del.	LaFalce
Archer	Fenwick	Lagomarsino
Armstrong	Findley	Latta
Ashbrook	Fish	Leach
AuCoin	Fisher	Lent
Badham	Fithian	Livingston
Bafalis	Flippo	Long, Md.
Baucus	Flowers	Luken
Bauman	Flynt	Lundine
Bennett	Forsythe	McClory
Bevill	Fountain	McCormack
Breaux	Fowler	McDade
Brinkley	Frenzel	McDonald
Broomfield	Gammage	McKinney
Brown, Mich.	Gibbons	Madigan
Brown, Ohio	Glickman	Mahon
Broyhill	Goldwater	Marks
Buchanan	Goodling	Marlenee
Burgener	Gradison	Marriott
Burke, Fla.	Grassley	Martin
Byron	Gudger	Mazzoli
Caputo	Guyer	Michel
Carr	Hagedorn	Milford
Carter	Hall	Miller, Ohio
Cederberg	Hamilton	Moore
Clausen, Don H.	Hammer-schmidt	Moorhead, Calif.
Cleveland	Hansen	Mottl
Cohen	Harkin	Myers, Gary
Coleman	Harsha	Myers, John
Collins, Tex.	Heckler	Neal
Conable	Hefner	Nichols
Corcoran	Hightower	O'Brien
Coughlin	Hillis	Panetta
Crane	Hubbard	Pettis
Cunningham	Huckaby	Pickle
D'Amours	Hughes	Pike
Daniel, Dan	Hyde	Poage
Daniel, R. W.	Ichord	Pressler
de la Garza	Ireland	Preyer
Derwinski	Jacobs	Pursell
Devine	Jeffords	Quayle
Dickinson	Jenkins	Quie
Dornan	Johnson, Colo.	Quillen
Duncan, Tenn.	Jones, N.C.	Railsback
Edwards, Ala.	Jones, Okla.	Regula
Edwards, Okla.	Kasten	Robinson
Emery	Kazen	Rousselot
English	Kelly	Rudd
	Kemp	Ruppe
	Ketchum	Russo
	Santini	Stangeland
	Sarasin	Stanton
	Satterfield	Steers
	Sawyer	Steiger
	Schroeder	Stockman
	Schulze	Stump
	Sebelius	Symms
	Sharp	Taylor
	Shuster	Treen
	Skelton	Trible
	Smith, Nebr.	Vander Jagt
	Snyder	Volkmer
	Spence	Waggonner
		Walker
		Walsh
		Wampler
		Watkins
		White
		Wiggins
		Winn
		Wirth
		Wydler
		Wylie
		Yatron
		Young, Fla.

NOES—203

Addabbo	Garcia	Nowak
Akaka	Gaydos	Oakar
Alexander	Gephardt	Oberstar
Allen	Giaimo	Obey
Ambro	Gilman	Ottinger
Ammerman	Ginn	Patten
Annunzio	Gonzalez	Patterson
Applegate	Gore	Pattison
Ashley	Green	Pease
Aspin	Hanley	Pepper
Baldus	Hannaford	Perkins
Beard, R.I.	Harrington	Price
Bedell	Harris	Rangel
Beilenson	Hawkins	Reuss
Benjamin	Heftel	Richmond
Biaggi	Holland	Rinaldo
Bingham	Hollenbeck	Roe
Blanchard	Holt	Rogers
Blouin	Holtzman	Roncalio
Boggs	Horton	Rooney
Boland	Howard	Rose
Bolling	Jenrette	Rosenthal
Bonior	Johnson, Calif.	Rostenkowski
Bonker	Jones, Tenn.	Roybal
Bowen	Jordan	Ryan
Brademas	Kastenmeier	Scheuer
Breckinridge	Kildee	Shipley
Brodhead	Kostmayer	Sikes
Brooks	Krebs	Simon
Brown, Calif.	Lederer	Sisk
Burke, Mass.	Le Fante	Slack
Burleson, Tex.	Leggett	Smith, Iowa
Burlison, Mo.	Lehman	Solarz
Burton, John	Levitas	Spellman
Carney	Lloyd, Calif.	St Germain
Chappell	Lloyd, Tenn.	Staggers
Chisholm	Long, La.	Stark
Clay	Lott	Steed
Collins, Ill.	McCloskey	Stokes
Conte	McEwen	Stratton
Corman	McFall	Studds
Cornell	McHugh	Teague
Cornwell	McKay	Thompson
Cotter	Maguire	Traxler
Danielson	Markey	Tsongas
Davis	Mathis	Udall
Delaney	Mattox	Ullman
Dellums	Metcalfe	Van Deerlin
Derrick	Meyner	Vanik
Dicks	Mikulski	Vento
Diggs	Mikva	Walgren
Dingell	Miller, Calif.	Waxman
Dodd	Mineta	Weaver
Downey	Minish	Weiss
Drinan	Mitchell, Md.	Whalen
Duncan, Oreg.	Mitchell, N.Y.	Whitehurst
Early	Moakley	Whitten
Eckhardt	Moffett	Wilson, Bob
Edgar	Mollohan	Wilson, Tex.
Edwards, Calif.	Montgomery	Wolff
Evans, Ind.	Moorhead, Pa.	Wright
Fary	Moss	Yates
Fascell	Murphy, Ill.	Young, Alaska
Florio	Murphy, N.Y.	Young, Mo.
Foley	Murtha	Young, Tex.
Ford, Tenn.	Natcher	Zablocki
Fraser	Nedzi	Zeferetti
Fuqua	Nolan	

NOT VOTING—36

Andrews, N.C.	Evans, Ga.	Rhodes
Barnard	Flood	Risenhoover
Beard, Tenn.	Ford, Mich.	Roberts
Burke, Calif.	Frey	Rodino
Burton, Phillip	Lujan	Runnels
Butler	Mann	Seiberling
Cavanaugh	Meeds	Skubitz
Clawson, Del	Murphy, Pa.	Thone
Cochran	Myers, Michael	Thornton
Conyers	Nix	Tucker
Dent	Pritchard	Whitley
Eilberg	Rahall	Wilson, C. H.

The Clerk announced the following pairs:

On this vote:

Mr. Cavanaugh for, with Mr. Eilberg against.

Mr. Whitley for, with Mr. Rahall against.

Messrs. COLLINS of Texas, McDONALD, BEVILL, MICHEL, HANSEN, CARTER, and MAHON changed their vote from "no" to "aye."

Messrs. GAYDOS, SISK, HOLLAND, and MATHIS, Mrs. LLOYD of Tennessee, and Messrs. CORNWELL, MOFFETT, KOSTMAYER, JONES of Tennessee, NATCHER, and GINN, Mrs. SPELLMAN, and Messrs. LEGGETT, BEDELL, BONKER, and ALLEN changed their vote from "aye" to "no."

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. BROWN OF MICHIGAN

Mr. BROWN of Michigan. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BROWN of Michigan: In the matter relating to the appropriate level of total new budget authority reduce the amount by $178,200,000;

In the matter relating to the appropriate level of total budget outlays reduce the amount by $195,400,000;

In the matter relating to the amount of the deficit reduce the amount by $195,400,000;

In the matter relating to the appropriate level of the public debt reduce the amount by $195,400,000;

In the matter relating to the amount by which the statutory limit on the public should accordingly be increased, reduce the amount by $195,400,000.

In the matter relating to 300: Natural resources and environment reduce the amount for budget authority by $49,000,000; and reduce the amount for outlays by $49,000,000.

In the matter relating to 370: Commerce and housing credit reduce the amount for budget authority by $3,900,000; and reduce the amount for outlays by $2,900,000.

In the matter relating to 400: Transportation reduce the amount for budget authority by $30,500,000; and reduce the amount for outlays by $44,900,000.

In the matter relating to 550: Health reduce the amount for budget authority by $94,800,000; and reduce the amount for outlays by $98,600,000.

Mr. BROWN of Michigan (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

Mr. MICHEL. Reserving the right to object, Mr. Chairman, and I will not object, I would like to have an opportunity to get the attention of the chairman of the committee, if I might, to give us some kind of indication as to what his plans are for the balance of this day.

Mr. GIAIMO. Mr. Chairman, if the gentleman will yield, to the best of my knowledge, there are no further amendments on this side. It is my intention, however, to move that the Committee rise in about 15 minutes.

Mr. MICHEL. I assume, then, that that would be at the conclusion of the consideration of the pending amendment.

Mr. GIAIMO. I do not know how many amendments are pending on the minority side.

Mr. ROUSSELOT. If the gentleman will yield, Mr. Chairman, I understand that there are three.

Mr. GIAIMO. Then, Mr. Chairman, I suggest that we take up the amendment of the gentleman from Michigan (Mr. BROWN), and then the Committee will rise and we will complete work on it tomorrow.

Mr. MICHEL. Further reserving the right to object, Mr. Chairman, do I understand that that will be at 3 p.m. tomorrow?

Mr. GIAIMO. If the gentleman will yield further, I am informed that immediately upon completion of our consideration of the budget resolution tonight, there is some other bill which is very minor in nature and will not take much time tonight.

I am also informed by the leadership that it is their intention to meet tomorrow at the regular time, which is 3 o'clock.

Mr. MICHEL. Mr. Chairman, I thank the gentleman, and I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The CHAIRMAN. The gentleman from Michigan (Mr. BROWN) is recognized for 5 minutes in support of his amendment.

Mr. ASHLEY. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Michigan. I yield to the gentleman from Ohio.

● Mr. ASHLEY. Mr. Chairman, this budget resolution contains significant spending and tax initiatives, proposed by both the President and the Congress to help the Nation solve its serious energy problems. For National Energy Act programs, the committee includes about $800 million in budget authority and $100 million in outlays above the President's budget. Also, the committee included another $350 million in budget authority and $160 million in outlays to provide higher funding levels for energy research, development and demonstration programs such as fossil, nuclear, solar, and biomass programs.

Mr. Chairman, the United States is now importing nearly half the oil it consumes. Payments of nearly $45 billion a year for these imports, represent a major part of our trade deficit. Although increased oil production from Alaska and the North Sea will provide some relief for the next 3 to 5 years, it is widely expected that the international oil market will be straining to meet world demand by the mid to late 1980's. Such a situation, if allowed to develop, could have extremely serious implications for the Nation and the world economy. Ordinary prudence dictates that steps be taken now to avoid such a future contingency.

Federal energy program expenditures are largely designed to fund programs that will help prepare the Nation to cope successfully with future fuel emergencies, and to make such fuel emergencies less likely. The strategic petroleum reserve is the prime example of the former type of program, and energy R. & D. and energy conservation programs are examples of the latter type. Also, to supplement domestic efforts, there are several programs to encourage the discovery and development of new energy supplies around the world, such as those in the Department of Energy, the Agency for International Development, the Overseas Private Investment Corporation (OPIC), and the Export-Import Bank, as well as those programs we are encouraging the international lending institutions to initiate, such as that of the World Bank.

To help alleviate the Nation's energy problems, the committee recommendation includes funding for those energy programs in the President's budget, as well as for anticipated congressional increases for various programs. For example, the resolution includes $800 million in budget authority to fund important programs under the pending National Energy Act, in the energy commerce, and housing credit, and income security functional categories of the budget. This will fund new programs to encourage weatherization loans for lower- and middle-income families who cannot avail themselves of the insulation tax credit for lack of sufficient tax liability; a new subsidized solar energy development loan program and a grant program to help weatherize public housing units. It will also fund new programs created under the energy conservation, coal conversion, and electric utility rate-making reform bills now tentatively agreed to in conference.

In addition, the revenue estimate in the committee's recommendation assumes passage of the House-passed energy tax bill (H.R. 8444) including the crude oil equalization tax (COET), the revenues of which are to be rebated to the citizenry on a per capita basis; a fuel use tax, as well as tax credits to encourage conservation and conversion away from oil and gas use; and residential and business tax credits for insulation, and for the development of solar, geothermal, and other types of energy. The COET would raised the price of domestic oil to world levels within 3 years, thus ending our present subsidy to oil imports.

The committee recommendation also provides full-funding for the first 500 million barrels of the strategic petroleum reserve, as proposed by the President, and assumes enactment of the President's proposal to increase the fees charged for uranium enrichment services at government-owned facilities.

Mr. Chairman, this budget resolution contains important funding to help resolve one of the Nation's most important problems; I urge its adoption.●

Mr. BROWN of Michigan. Mr. Chairman, my amendment to the budget is aimed at dealing with the Nation's No. 1 public enemy—inflation. For the last few days we have heard how spending and deficits are fueling inflation, and we have been struggling to deal with those Government-induced causes of inflation. But we have not tried to deal with the other source of Government-induced inflation; namely, Government regulation.

Nobody questions the big impact which regulations are having on inflation. Regulations drive up prices—which causes inflation—and regulations slow econom-

ic growth—which costs jobs. Recently the Council on Wage and Price Stability has estimated that Federal governmental regulatory activity is increasing by 15 percent per year and is adding between one and two points annually to the Consumer Price Index. Actually in the last 6 years regulatory expenditures have increased 115 percent—about three times the increase in the CPI and about five or six times the GNP growth. Also recently, the Brookings Institution has estimated that environmental, health and safety regulations slowed our GNP growth rate by one-half of 1 percent in 1975 and—unless checked—will slow the economy's rate of growth by a full 1 percent in 1980. Also recently, the Joint Economic Committee has heard a number of expert witnesses explaining how Government regulations are costing us jobs by drastically squeezing corporate cash flows and profits. Specifically the Joint Economic Committee has commissioned a study on this issue which shows—through sophisticated economic estimating techniques—that each Federal dollar spent through this budget on regulatory activities costs the private sector $20 in order to comply.

My proposed amendment aims to slow the rate of regulatory growth—it will check inflation, increase jobs, and reduce the deficits. It will also give this body a chance to review our regulatory course; the public clearly is apprehensive about where Government is going; President Carter says that he wants to revamp our regulatory efforts and I think we should help him. This amendment is a step toward doing those things by holding certain regulatory spending which is inflationary to fiscal year 1978 levels. For the last 6 years we have added 15 percent annually to regulatory budgets and—wonder of all wonders—the bureaucracy has cranked out an average 15 percent more new regulations in each of those years. My amendment gives us a pause from that frenetic pace and hence some time to review where we are going.

Specifically, my amendment would reduce outlays by $195.4 million and budget authority $178.2 million over what was proposed by the President in his 1979 budget and the committee in its budget. This outlay reduction would, of course, cause an equivalent reduction in the deficit and debt. While I do not intend to include this in my amendment, it would only be proper to subtract a substantial additional amount from the deficit as well. Since every dollar spent on Federal regulation causes business to spend $20, the reduction in regulatory spending by $195.4 million could result in $3.9 billion of added business profits which would then by subject to the Federal corporate income tax; at a conservative average tax rate of 37.5 percent, this could bring in approximately $1.5 billion in added revenues. I will not, as I said, seek to include this amount in the revenue section of this budget resolution, but I want my colleagues to understand the very positive, short-term ramifications the amendment will most likely have on next year's deficit.

Also, my amendment holds spending constant only for the controversial and, in most cases, relatively new regulatory agencies where we need some time to pause and review. It leaves untouched the less controversial, less inflationary, or noncostly regulatory functions like the Customs Service, Securities and Exchange Commission, the Federal Aviation Administration, the Animal and Plant Health Inspection Service, and so on. Likewise, it would not affect the nonregulatory activities of these agencies; for example, EPA's water and sewage treatment construction grants are unchanged.

What the amendment aims at are planned increases for agencies such as:

OSHA—The Occupational Safety and Health Administration which has brought us such valuable things as booklets warning farmers that manure is slippery and regulations requiring employers to replace round toilet seats with horseshoe shaped ones.

The National Highway Traffic Safety Administration which gave us the ignition interlock system and now is forcing automobile manufacturers to install costly airbags and has recently dictated that henceforth car windows have to be so constructed that if you accidentally lock your keys in the car, you cannot use a coat hanger or even a special tool to reach inside and open the door—apparently you are supposed to break the window to get inside.

The Environmental Protection Agency whose regulations are being changed every day, delaying needed projects and in many cases unnecessarily closing plants and throwing whole communities of people out of work in the name of expediting the movement from 92 percent pure water to 97 percent pure water.

The Consumer Product Safety Administration who wanted all matchbooks to have locks on the covers and is forcing manufacturers to build lawn mowers with dead-man throttles so that any time you do not have both hands on the handlebars, the mower will stop.

Of course I know each one of you can name 10 more horror stories of regulatory abuse. And my list does not even include all the times employers get conflicting mandates from two different Federal agencies; such as the grocery store owner who was told by one Federal agency that the floors in his store had to be covered with a gritty substance so employees would not slip, but was then advised by a second Federal agency that to the contrary, his floors had to be slick so that food particles could not collect in the grooves of his nonskid floor and create an unsanitary condition. Or there is the Occupational Safety and Health Administration requirement that heavy construction equipment sound loud horns every time the vehicle goes into reverse; apparently that is to keep construction workers from getting run over. But then EPA comes along and mandates that all the workers wear earplugs to prevent hearing damage from the loud horns.

I mention these stories only because they are typical of what happens when a good congressional intent—whether it be a clean environment, a safe workplace or the prevention of unnecessary accidents—runs amuck at the hands of overzealous, often antibusiness Government bureaucrats. We have reached the point where thousands of Federal regulations are being issued each year without the slightest attention being paid to whether they cost the American economy far more than they bring in benefits. I am not proposing that we dismantle these agencies, only that we stop giving them added encouragement to regulate the economy into submission. By requiring these selected agencies to operate at their 1978 levels for regulatory activities, we can slow this onslaught of new regulations without really harming their ongoing activities. If you have any doubts about whether to vote for my amendment, let me remind you that the wholesale price index for April—issued only this past Thursday—shows producer prices rising at an annual rate of over 15 percent. The Federal Government does indeed cause inflation through its enormous deficits, but it also is a great contributor to inflation through the thoughtless and costly regulations issued in its name by a handful of unmindful regulatory agencies.

The amounts involved are moderate and sensible and I urge my colleagues to support the amendment.

Dollars in millions

Function/Agency	Funding cut	
	Budget authority	Outlays
300/Environmental Protection Agency	49.0	49.0
370/Federal Trade Commission	3.9	2.9
400/National Highway Traffic Safety Administration	26.0	40.0
Interstate Commerce Commission	4.5	4.9
550/Food and Drug Administration	10.9	14.7
Consumer Product Safety Commission	0.8	—
Occupational Safety and Health Administration	23.7	21.4
Occupational Safety and Health Administration Review Commission	0.5	0.3
Mine Safety and Health Administration	58.9	62.2
Total	178.2	195.4

Outlays in millions of dollars

Agency	FY '78 Funding	Originally proposed FY '79	Increase FY '78–'79
Environmental Protection Agency	473	522.0	49.0
Federal Trade Commission	62	64.0	2.9
National Highway Traffic Safety Administration	206	246.0	40.0
Interstate Commerce Commission	64	69.0	4.9
Food and Drug Administration	283	298.0	14.7
Consumer Product Safety Commission	42	40.0	—
Occupational Safety and Health Administration	129	150.0	21.4
Occupational Safety and Health Administration Review Commission	7	7.4	0.3
Mine Safety and Health Commission	58	120.0	62.2
Total	1,324	1,516.4	195.4

Mr. ROGERS. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Michigan. I yield to the gentleman from Florida.

Mr. ROGERS. Mr. Chairman, I am somewhat surprised, when the gentleman from Michigan has just written, along with all the Michigan delegation or a great number of them, to the chairman of the Commerce Committee about the PDB, calling for action to do something about the poisoning of Michigan, and now this is what the gentleman is doing to knock out that program and poison Michigan. I do not think the gentleman wants to do that.

Mr. BROWN of Michigan. I thank the gentleman from Florida for his comments but I see that he has obviously not listened or does not care to listen, because the activities we cover are purely regulatory activities. The amendment does not eliminate the program but holds them to the 1978 level.

Mr. ROGERS. The amendment reduces the staff function 300. It goes right opposite to what the gentleman has asked Commerce to do, to set up the program, if we stop those programs.

Mr. BROWN of Michigan. Mr. Chairman, I do not yield further if the gentleman from Florida does not wish to listen. The gentleman is totally wrong when he says the amendment cuts. It basically holds the appropriations to the 1978 level in these different agencies and only with respect to the regulatory functions cuts.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan (Mr. BROWN).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. BROWN of Michigan. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 196, noes 196, not voting 42, as follows:

[Roll No. 294]

AYES—196

Abdnor	Brown, Mich.	Cohen
Anderson, Ill.	Brown, Ohio	Coleman
Andrews, N. Dak.	Broyhill	Collins, Tex.
Archer	Buchanan	Conable
Armstrong	Burgener	Conte
Ashbrook	Burke, Fla.	Corcoran
Bafalis	Burleson, Tex.	Coughlin
Bauman	Byron	Crane
Bennett	Caputo	Cunningham
Bevill	Carter	Daniel, Dan
Bowen	Cederberg	Daniel, R. W.
Breaux	Chappell	Davis
Brooks	Clausen, Don H.	de la Garza
Broomfield	Cleveland	Derwinski
Dickinson	Jacobs	Pike
Dornan	Jeffords	Pressler
Duncan, Oreg.	Poage	Quayle
Duncan, Tenn.	Jenkins	Quie
Early	Jenrette	Quillen
Edwards, Ala.	Johnson, Colo.	Railsback
Edwards, Okla.	Jones, N.C.	Regula
Emery	Jones, Okla.	Robinson
English	Jones, Tenn.	Rose
Erlenborn	Kasten	Rousselot
Ertel	Kazen	Rudd
Evans, Del.	Kelly	Ruppe
Evans, Ind.	Kemp	Russo
Findley	Ketchum	Santini
Fish	Kindness	Sarasin
Fithian	Krebs	Satterfield
Flippo	Krueger	Sawyer
Flowers	Lagomarsino	Schulze
Flynt	Latta	Sebelius
Forsythe	Leach	Shuster
Fountain	Lent	Sikes
Fowler	Levitas	Skelton
Frenzel	Livingston	Smith, Nebr.
Fuqua	Lloyd, Calif.	Snyder
Gammage	Lloyd, Tenn.	Spence
Gibbons	Lott	Stangeland
Ginn	McClory	Stanton
Goldwater	McDade	Steed
Goodling	McDonald	Stockman
Gradison	McEwen	Stump
Grassley	McKinney	Symms
Gudger	Mahon	Taylor
Guyer	Marks	Treen
Hagedorn	Marlenee	Trible
Hall	Marriott	Vander Jagt
Hamilton	Martin	Volkmer
Hammerschmidt	Mathis	Waggonner
Hanley	Michel	Walker
Hansen	Milford	Walsh
Harsha	Miller, Ohio	Wampler
Hefner	Mitchell, N.Y.	Watkins
Heftel	Montgomery	White
Hightower	Moore	Whitten
Hillis	Moorhead, Calif.	Wiggins
Holland	Myers, John	Wilson, Bob
Holt	Neal	Winn
Hubbard	Nichols	Wydler
Huckaby	Nowak	Wylie
Hyde	O'Brien	Young, Alaska
Ichord	Pettis	Young, Fla.
Ireland	Pickle	Young, Tex.

NOES—196

Addabbo	Brinkley	Fascell
Akaka	Brodhead	Fenwick
Alexander	Brown, Calif.	Fisher
Allen	Burke, Mass.	Florio
Ambro	Burlison, Mo.	Foley
Ammerman	Burton, John	Ford, Tenn.
Anderson, Calif.	Carney	Fraser
Annunzio	Carr	Garcia
Applegate	Chisholm	Gaydos
Ashley	Clay	Gephardt
Aspin	Collins, Ill.	Giaimo
AuCoin	Corman	Gilman
Baldus	Cornell	Glickman
Baucus	Cornwell	Gonzalez
Beard, R.I.	Cotter	Gore
Bedell	D'Amours	Green
Beilenson	Danielson	Hannaford
Benjamin	Delaney	Harkin
Biaggi	Dellums	Harrington
Bingham	Derrick	Harris
Blanchard	Dicks	Hawkins
Blouin	Diggs	Heckler
Boggs	Dodd	Hollenbeck
Boland	Downey	Holtzman
Bolling	Drinan	Horton
Bonior	Eckhardt	Howard
Bonker	Edgar	Hughes
Brademas	Edwards, Calif.	Johnson, Calif.
Breckinridge	Evans, Colo.	Jordan
	Fary	Kastenmeier
Keys	Murphy, N.Y.	Simon
Kildee	Murtha	Slack
Kostmayer	Myers, Gary	Smith, Iowa
LaFalce	Natcher	Solarz
Le Fante	Nedzi	Spellman
Lederer	Nolan	St Germain
Leggett	Oakar	Staggers
Lehman	Oberstar	Stark
Long, La.	Obey	Steers
Long, Md.	Ottinger	Steiger
Luken	Panetta	Stokes
Lundine	Patten	Stratton
McCloskey	Patterson	Studds
McCormack	Pattison	Thompson
McFall	Pease	Traxler
McHugh	Pepper	Tsongas
McKay	Perkins	Udall
Maguire	Preyer	Ullman
Markey	Price	Van Deerlin
Mattox	Rangel	Vanik
Mazzoli	Reuss	Vento
Metcalfe	Richmond	Walgren
Meyner	Rinaldo	Waxman
Mikulski	Roe	Weaver
Mikva	Rogers	Weiss
Miller, Calif.	Roncalio	Whalen
Mineta	Rooney	Wilson, C. H.
Minish	Rosenthal	Wirth
Mitchell, Md.	Rostenkowski	Wolff
Moakley	Roybal	Wright
Moffett	Ryan	Yates
Mollohan	Scheuer	Yatron
Moorhead, Pa.	Schroeder	Young, Mo.
Moss	Seiberling	Zablocki
Motti	Sharp	Zeferetti
Murphy, Ill.	Shipley	

NOT VOTING—42

Andrews, N.C.	Evans, Ga.	Rhodes
Badham	Flood	Risenhoover
Barnard	Ford, Mich.	Roberts
Beard, Tenn.	Frey	Rodino
Burke, Calif.	Lujan	Runnels
Burton, Phillip	Madigan	Sisk
Butler	Mann	Skubitz
Cavanaugh	Meeds	Teague
Clawson, Del	Murphy, Pa.	Thone
Cochran	Myers, Michael	Thornton
Conyers	Nix	Tucker
Dent	Pritchard	Whitehurst
Dingell	Pursell	Whitley
Eilberg	Rahall	Wilson, Tex.

The Clerk announced the following pairs:

On this vote:

Mr. Risenhoover for, with Mr. Cavanaugh against.

Mr. Roberts for, with Mr. Rahall against.

Mr. Whitley for, with Mr. Dent against.

Mr. Teague for, with Mr. Nix against.

Mr. Del Clawson for, with Mr. Flood against.

Mr. Frey for, with Mr. Ford of Michigan against.

Mr. Lujan for, with Mr. Conyers against.

Mr. Runnels for, with Mr. Dingell against.

Mrs. FENWICK changed her vote from "aye" to "no."

So the amendment was rejected.

The result of the vote was announced as above recorded.

Mr. GIAIMO. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. NATCHER, Chairman of the Committee of the Whole House on the State of the

Union, reported that that Committee, having had under consideration the concurrent resolution (H. Con. Res. 559) setting forth the congressional budget for the U.S. Government for the fiscal year 1979, had come to no resolution thereon.

SECURITIES INVESTOR PROTECTION ACT AMENDMENTS OF 1977

Mr. ECKHARDT. Mr. Speaker, I move that the bill (H.R. 8331) to amend the Securities Investor Protection Act of 1970, with the Senate amendments thereto and the House amendments to the Senate amendments, be taken from the Speaker's table, and that the House recede from its disagreement to the Senate amendment No. 8 and concur therein with an amendment.

The Clerk read the title of the bill.

The SPEAKER. The Clerk will report the Senate amendment No. 8.

The Clerk read Senate amendment No. 8 as follows:

Page 67, after the matter following line 7, insert:

SMALL ISSUE EXEMPTION

SEC. 18. Section 3(b) of the Securities Act of 1933 (15 U.S.C. 77c(b)) is amended by striking out "$500,000" and inserting in lieu thereof "$2,500,000".

The SPEAKER. The Clerk will report the motion.

The Clerk read as follows:

Mr. ECKHARDT moves that the House recede from its disagreement to the amendment of the Senate numbered 8 and concur therein with an amendment as follows: In the matter proposed to be inserted by Senate amendment numbered 8, strike out "$2,500,000" and insert in lieu thereof "$1,500,000".

The SPEAKER. The gentleman from Texas (Mr. ECKHARDT) is recognized in support of his motion.

Mr. ECKHARDT. Mr. Speaker, Senate amendment No. 8 amends section 3(b) of the Securities Act of 1933 to allow the Securities and Exchange Commission to exempt from the registration provisions of the act public offerings of securities of under $2.5 million. The present level under the section is $500,000. The purpose of section 3(b) is to provide access to the capital markets for small businesses by alleviating many of the costs and burdens associated with full registration. Many people would now acknowledge that when Congress raised the section 3(b) ceiling to its present $500,000 from $300,000 in 1971, the increase was insufficient even at that time to provide any substantial relief for small businesses. Of course, during the intervening years inflation has made the $500,000 even less useful. Accordingly, an increase in the ceiling seems long overdue.

It is true as my colleague from California (Mr. Moss) observes, that neither the House nor the Senate have had hearings to determine whether the amount should be $2.5 million or some other figure.

The Commission, of course, must in any event initiate rulemaking proceedings to determine the appropriate level of exemption, and I think we can feel comfortable that they will exercise this judiciously and in the best interests of the investing public.

In deference to the gentleman from California (Mr. Moss) I am proposing to amend the Senate amendment to provide for a $1.5 million ceiling for section 3(b). In doing so, however, I have some concern that we may not be providing sufficient latitude to accomplish our purposes. Accordingly, if at any time it should appear to the Commission that the $1.5 million level frustrates the congressional purpose of providing access to the capital markets for small businesses and that, consistent with the protection of the investing public, the $1.5 million figure should be increased, we would expect that the Commission would quickly come forward to request Congress for an increased ceiling under section 3(b).

Mr. BROYHILL. Mr. Speaker, will the gentleman yield?

Mr. ECKHARDT. I yield to the gentleman from North Carolina.

Mr. BROYHILL. I thank the gentleman for yielding.

Mr. Speaker, I support this motion. This is the way to resolve the issues that are found in this bill, without having to go to conference.

We have discussed these issues at length. I believe it was about a week or 10 days ago, so that the only issue that was left unresolved was the amount that would be the exemption level for those issues which would require registration under the SEC regulations. By raising the amount from $500,000 to $1.5 million, as the gentleman from Texas (Mr. ECKHARDT) would do it, will cut out a lot of redtape for people who do want to seek a market for their shares.

The SPEAKER. Without objection, the previous question is ordered on the motion.

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Texas (Mr. ECKHARDT).

The motion was agreed to.

The SPEAKER. The Clerk will report the Senate amendment to the House amendment to Senate amendment No. 9.

The Clerk read the Senate amendment to the House amendment to Senate amendment No. 9, as follows:

Resolved, That the Senate agree to the amendment of the House of Representatives to the amendment of the Senate numbered 9 to the bill (H.R. 8331) entitled "An Act to amend the Securities Investor Protection Act of 1970", with an amendment as follows:

In the amendment of the House of Representatives to the amendment of the Senate numbered 9 strike out "May 1, 1979" and insert "February 1, 1979".

Resolved, That the Senate insist upon its amendment numbered 8 to the above-entitled bill.

MOTION OFFERED BY MR. ECKHARDT

Mr. ECKHARDT. Mr. Speaker, I offer a motion.

The SPEAKER. The Clerk will report the second motion.

The Clerk read as follows:

Mr. ECKHARDT moves that the House concur in the Senate amendment to the House amendment to the Senate amendment numbered 9 to the bill H.R. 8331.

The SPEAKER. The gentleman from Texas (Mr. ECKHARDT) is recognized in support of his motion.

Mr. ECKHARDT. Mr. Speaker, section 11(a) of the Securities Exchange Act of 1934 makes it unlawful for a member of a national securities exchange to effect any transaction on such exchange for, basically, an account for which the member makes investment decisions. On April 4, 1978, the House voted an 18-month delay for section 11(a) which was to become effective on May 1, 1978. On April 27, 1978, the Senate amended H.R. 8331 to provide a 6-month extension. In an effort to resolve the matter concerning the appropriate length of time for the extension, on May 2, the House amended the Senate amendment to provide for a 1-year extension.

We have before us today the Senate's further amendment of 9 months. Although I would personally like to see a longer extension to provide the industry and the Commission with sufficient time to work out a number of problems associated with the implementation of section 11(a), I believe at this time that need is outweighed by the necessity of enacting as expeditiously as possible a meaningful delay of section 11(a). Accordingly, I urge my colleagues to concur in the Senate amendment.

H.R. 11567 also would have added a new section 11(e) to the Securities Exchange Act of 1934 which was designed to allay longstanding concerns of institutional investors concerning exchange membership. However, as the effective date of section 11(a) approached, the need for speed in enacting delaying legislation became paramount and did not make it feasible to preserve this amendment. Since the amendment was designed to codify an outstanding opinion of the General Counsel of the Commission, and not to change the law, its omission from this legislation should not cause hardship, nor, under the circumstances, give rise to any inference that the provision was dropped because of any opposition as to its substance.

Mr. BROYHILL. Mr. Speaker, will the gentleman yield?

Mr. ECKHARDT. I yield to the gentleman from North Carolina.

Mr. BROYHILL. I thank the gentleman for yielding.

Mr. Speaker, I rise in support of the motion, and I would urge that it be agreed to.

The SPEAKER. Without objection, the previous question is ordered on the motion.

There was no objection.

The question is on the motion offered by the gentleman from Texas (Mr. ECKHARDT).

The motion was agreed to.

A motion to reconsider the motion was laid on the table.

NEW POWER GRAB BY BIG LABOR

(Mr. DUNCAN of Tennessee asked and was given permission to address the House for 1 minute and to revise and

extend his remarks and include extraneous matter.)

Mr. DUNCAN of Tennessee. Mr. Speaker, extended debate is rapidly becoming a Senate pattern. On May 15, the Senate will begin what is likely to be a third such action in this Congress. This debate, centering on S. 2467, threatens to exceed the previous ones both in intensity and duration.

House Members will remember S. 2467 as H.R. 8410, the bill to allegedly "reform" the National Labor Relations Act. My colleagues will also recall that we unwisely approved this proposal several months ago. It is well to keep in mind also that should the bill survive the Senate, it will return to haunt these Chambers again.

Mr. Speaker, in recent weeks the American people have become particularly aroused against S. 2467. Opposition mail is pouring into the office of every U.S. Senator. Any of my colleagues who voted for H.R. 8410 might be well advised to restudy this bill and reconsider their position before being called upon to vote on it again.

As evidence of this deep concern in my own State of Tennessee, I call the attention of my colleagues to a recent editorial which appeared in the Knoxville Journal. I hope it will serve to remind my colleagues that for every Member of this Congress—Senator and Representative alike—this is still one of the most important issues that we have to face.

[From the Knoxville (Tenn.) Journal, April 24, 1978]

WILL SENATE VOTE "RIGHT"?

The main reason this winter's coal strike, the longest in history, did not produce more devastating effects was that about half of all coal mined in this country comes from nonunion operations.

Yet, the nation saw striking miners defy the law by interfering with nonunion operations and coal deliveries, flaunt Presidential requests and refuse to obey a federal court back-to-work order.

Now the same unions which either arranged or supported that coal strike, despite peril, cost and inconvenience to the public, are before the U.S. Senate with a demand for changes in national law labor law which could make union membership virtually mandatory for almost all American workers—miners, employes of small businesses and whathaveyou.

We refer to the so-called labor law reform bill set for Senate consideration soon. In its own way, this proposal poses national economic hazards even greater than those involved in the Panama Canal giveaway.

While the legislation would generally make it much easier for Big Labor to expand its membership rolls, small businesses would be rendered particularly vulnerable to union organzing efforts; small businesses simply do not command the financial and other resources required to counter Big Labor's well-heeled organizing programs or the exhaustive legal wrangles usually involved.

For all practical aspects, small businesses would either have to knuckle under to union organizing demands or face ruinous legal expenses and equally damaging domination of the time of owner-managers. Larger firms wouldn't be much better off.

What Big Labor seeks in this case is a legislative remedy for its own inability to convince American workers that they need union representation. In recent years the unions have lost more representation and decertification elections than they have won.

But now the question of how the Senate will regard this matter: Will it be another Panama Canal-type issue, in which the senators "do what's right," rather than follow the expressed opinions of the people? Or, will they listen to the public on this matter

Either way, there's more than ample cause to reject this new power grab by Big Labor.

OBJECTIVE ANALYSIS OF PRESIDENT CARTER'S INCONSISTENCY ON HUMAN RIGHTS

(Mr. DERWINSKI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DERWINSKI. Mr. Speaker, although there is abundant photographic evidence to the contrary, President Carter really may be a toothless tiger on human rights. He throws a lot of punches, to be sure, but more often than not he misses his target. His performance has left many of our friends wondering if he really knows how to throw a haymaker.

In his most recent performance, the President jabbed the Soviet Union for its excursions in Africa. He accused the Soviets of racism and prejudice against blacks, but he said nothing about the harsh treatment of Jews, Christians, Muslims, and other religious groups within the U.S.S.R.

If the President really wanted to land some telling blows, he should have charged the Soviet Union with racism and the suppression of human rights within the U.S.S.R. and in Eastern nations captive of communism. The Soviets have been particularly ruthless in the repression of human rights in the captive nations of Eastern Europe.

In addition, the continued effort to make illegal the native languages in Armenia, Georgia, the Baltic States, and in the Ukraine demonstrates the Soviets are attempting to impose the conditions of "Russification"—including the denial of freedom and human rights.

In his belated recognition of what is happening on the African Continent, the President has ignored such non-Russian victims of Soviet tyranny as the Armenians, Georgians, Byelorussians, Cossacks, Tartars, Ukrainians, Lithuanians, Latvians, Estonians, and others.

If the President is to be taken seriously on his concern for human rights, he should stop his pussyfooting and deliver some well-aimed blows at the Government of the Soviet Union.

PAUL NITZE SPEAKS OUT ON OUR BASIC MILITARY POLICY VIS-A-VIS THE SOVIET UNION

(Mr. STRATTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. STRATTON. Mr. Speaker, no issue is more important these days than our basic foreign and military policy in relation to the Soviet Union. This policy involves not only America's own military posture, but also our approach to such negotiations as the SALT II talks in Geneva and the mutual and balanced force reduction talks in Vienna.

Perhaps one of the most forthright and feasible analysis of this problem appeared on Sunday, May 7, in the magazine section of the New York Times, under the pen of Hon. Paul H. Nitze, former Deputy Secretary of Defense and a member of the U.S. delegation to SALT from 1969 to 1974.

I enclose Mr. Nitze's fine article:

A PLEA FOR ACTION

(By Paul H. Nitze)

It is characteristic of the American political system that candidates for public office deal with ends rather than means—and, to some extent, continue to do so after being elected. One can always be warmer, more human and more sympathetic when discussing ends than when dealing with the allocation of the scarce means necessary to achieve those ends.

But there is an additional problem if the ends are inherently contradictory. One can't simultaneously favor the young, the old and the middle-aged of both sexes; the blacks, the whites, the Indians, the Mexicans and all other racial minority groups; the Jews, the Catholics, the Protestants and the nonbelievers; the workers, the farmers, the white-collar workers and the business managers. One can't both achieve a rising standard of living and take environmental measures that deny one the means to achieve that standard. By the same token, unless one makes wholly unrealistic assumptions about the nature of Soviet policies, one cannot simultaneously favor abolition of all nuclear weapons, a substantial cut in the defense budget and a national defense second to none.

It was therefore a foregone conclusion that President Carter would not be able to achieve some of the contradictory ends he set for himself during the campaign. But that has been true of many Presidential candidates. The more serious question is whether, since his inauguration, he has adapted his position to a more realistic approach to an imperfect world—whether he has plotted courses of action designed to get some specific and necessary things done for the country as a whole. I will not attempt to deal with the choices he faces on inflation, energy, the environment or the unemployed young; my subject is President Carter and the Russians.

It was Mr. Carter's original intention, in comparison with the preceding Administration, to be firmer with the Soviet leadership, more understanding toward our allies and more successful in negotiating equitable agreements with the Soviet Union. These agreements were to cover a wide range of subjects, including a new strategic-arms treaty (SALT II), an agreement on mutual, balanced force reduction in Europe, a comprehensive nuclear test-ban treaty, a new codification of the Law of the Sea and an agreement concerning the Indian Ocean. At the same time, he proposed to put less emphasis on East-West relations and more emphasis on North-South relations and the global issues of food, population, energy, economic development and the environment. All this was to be carried out against the background of a vigorous campaign to foster respect for human rights throughout the world, including the Soviet Union.

Today, this agenda looks far less practicable than it did on Jan. 20, 1977. What have been the causes for disappointment?

In my opinion, the principal cause is the President's misreading of the Russians. He shared the view of his chief arms-control negotiator, Paul Warnke, that the Soviet drive for greater military power was a reaction to our programs—limited to catching up—and that it would be reversed if we did not

take steps to challenge it. He thought it possible to find solutions that the Russians would find "fair" to themselves and that would also be "fair" to us. His March 1977 SALT proposal went so far to be "fair" to the Russians as actually to be unfair to the United States. As his advisers now concede, the proposal would have guaranteed that, under no circumstances, could we gain from initiating an attack on the Soviet Union's fixed land-based missile silos, while leaving us without any guarantee that the Russians could not gain from such an attack on our silos.

However, the proposal would have also placed restraints on modernization and technological developments that the Russians were not prepared to accept. They were confident that they could improve their position vis-á-vis the United States without such restraints, and subsequent developments have proved them right.

President Carter was shocked by the force of the Soviet rejection. He is still in search of a "fair" solution. But the concept of "fairness" to a potential opponent is simply not seen by Soviet negotiators as a serious approach; they believe that opponents should strive to gain as much as possible from the other side, and give as little as possible.

Mr. Carter had hoped to be able to concentrate on the defense of the NATO front in Europe and the security of Japan, and to downgrade areas of lesser danger such as the Middle East, Africa and Korea. He had also hoped to separate the North-South issues from the East-West issues and give them greater priority. On both counts, he ran up against a reality that did not conform to his hopes.

He found that an important line of Soviet strategy was to outflank the NATO center by putting pressure on Norway and Turkey—particularly Turkey, which is now the largest single recipient of Soviet aid. He also found that the Soviet Union was working toward a position of hegemony in the Middle East designed to outflank Europe and Japan, and a position in Africa designed to outflank the Middle East.

The President thus found that it was not possible to separate North-South issues from East-West issues. It was the North-South issues that were being exploited by the Russians to upset the East-West balance in their favor—and this exploitation was fostered by the Soviet Union's growing strategic nuclear capabilities and its increasing power to project military force, either directly or through client states, to positions distant from Soviet borders. Although Mr. Carter announced that we would "compete" with the Soviets for influence in the third world, he found that the tools of American influence needed for that competition were not strong. Our ability to grant economic assistance is not what it once was. Military aid has been limited both by the Carter Administration's policies and by Congressional restraints. And there is a limit to what words and diplomacy, not backed by the more substantive aspects of power, can accomplish.

With respect to the human-rights part of his program, he has found the world more responsive to this initiative than might have been expected. Those who have suffered under Soviet domination, and who, therefore, know the Soviet regime well, received the White House appeals on behalf of human rights with renewed hope. This audience includes the people of Hungary, Poland and East Germany, among many others. In the Soviet Union itself, the regime has found it necessary to tighten the measures of repression. The regimes in Egypt, Somalia and China have also known the Russians well, but have other reasons for being opposed to the Soviet Union, and emotionally so. But those emotionally opposed to the Kremlin's policies do not, separately or together, command organized power adequate to make their opposition effective. They tend to look to us for more support than we are in a position to give.

In short, I believe President Carter misjudged the current state of the world and the Soviet Union's role in it. It seems evident that he is now having to reassess his policy, and that the issues sketched out above are causing divisions among his advisers.

Clues to to the opposing viewpoints may be found in statements being made available to the press. In the New York Times of April 17, for instance, a high-ranking State Department official is quoted as saying that Zbigniew Brzezinski, the President's national-security adviser, "believes that only by displaying backbone can the Administration achieve its goals with Moscow," whereas "most people around here [the State Department] think that tough talk and a threatening posture could ruin the chances for working out a more stable relationship."

That comment seems to me to miss the point. It is undeniable that tough talk and a threatening verbal posture not backed by the tools to make it stick are not going to accomplish much; they may, in fact, expose us to the humiliation of a rude rebuff (as the Russians say) or force us into dangerous actions for which we are psychologically or materially unprepared. But neither, in dealing with Moscow, can we achieve our goals without displaying backbone. Accommodation without backbone leads to appeasement. We should talk not "tough" but with constructive reason and with an eye to correcting the continual stream of erroneous and deliberately deceptive propaganda issuing from Moscow. And while speaking quietly, we should urgently be doing those things that need to be done to reverse unfavorable trends in the underlying practical factors of power and influence.

The New York Times news story also reports the suggestion of a close aide to Secretary of State Cyrus Vance that Mr. Brzezinski's unhappiness with second-level State Department officials resulted from "a lack of clear policy direction from the top down." "We don't have a consistent policy toward Moscow," the official is quoted as saying, "and when this is the case, people get into trouble. It's not that the State Department is trying to undercut policy; we are only trying to carry out what we think the policy is."

Normally, a President would replace a Secretary of State whose close aide tells the press that Presidential guidance is so unclear as to lead to serious confusion. Perhaps Mr. Carter does not do so because he himself finds the fundamental issue in Soviet-American relations confusing and difficult to resolve.

What is the fundamental issue? George Kennan, the author of the "containment" doctrine, has in recent years asserted with increasing conviction that our policy must be one of "accommodation" to the Soviet Union's growing new imperial position in the world. Others, including myself, believe that the United States, with backing throughout the world from the host of potential supporters of independence from Soviet direction—if not of national and personal freedom as we understand these concepts—can maintain an effective base for continued widespread autonomy from Soviet pressures. These pressures take the form of propaganda, political action, psychological warfare, K.G.B. operations and moves and threats of a military nature. Despite the rhetoric of detente and accommodation, I believe these pressures will continue to grow if we continue on our present course.

However one interprets it, there can be no doubt about the continuing and mammoth buildup of Soviet military capabilities. Every recent Administration, including the present one, has testified to the magnitude of this buildup, and most Government agencies with competence in the field have stated that it exceeds any imaginable defensive need. Some people, mostly those who were national-security advisers to Senator George McGovern during the 1972 Presidential campaign, assert that this buildup springs from Soviet anxiety, in response to American initiatives, and is basically defensive in character. My own view is that the situation is not that simple, and that one should give weight to what the Soviet leaders themselves say on this subject to their own people.

Their doctrine, which they take most seriously, is that "scientific socialism," as they call their system, will inevitably triumph throughout the world; that they are dutybound to assist this historically determined process by every available prudent means; and that, before succumbing to this inevitable outcome, others will defend themselves and strike back. From that vantage point, everything the Soviet leaders do is basically defensive. As Clausewitz puts it, the aggressor never wants war; he would prefer to enter your country unopposed; those who could defend their independence appear to the aggressor to be the warmongers.

To one who is doctrinally dedicated to achieving world hegemony, anyone else who has or may have the capability to resist that hegemony is a cause for anxiety. In that sense, the United States is a cause for Soviet anxiety. And the shift in the military balance, particularly in the strategic nuclear balance, over the last 15 years, gives the Soviet leaders increased confidence in the validity of their doctrine—confidence that 10 or 15 years ago was badly eroding.

The Soviet leaders do not want a nuclear war with the United States. They do, however, want strategic nuclear superiority (they call it "preponderance"). If at all possible, they would like to have the *capability* to fight a nuclear war—and to win such a war, in the military sense of ending up in undisputed command of the battlefield and being in a position to dictate the peace. They also propose to survive such a war, whatever the personnel and property losses they suffer, and to emerge as the predominant state in a world of Communist states. I don't think they have, as yet, the capability of achieving those objectives, but it is my view that unless we take urgent measures at once—not next year or the year after—to reverse current trends, the Russians *will* have such a capability in a few years' time. At a minimum, the disparity between our force and theirs will be such that we will have no grounds for confidence that the capability is not theirs.

In the Soviet view, preponderance of capability at the highest level of potential violence is the best way to prevent a confrontation at a lower level from escalating to the strategic nuclear level. However, it is also their view that preponderance at the strategic nuclear level can be exploited at lower levels in many forms of political pressure and violence. Strategic nuclear preponderance, they believe, is the fulcrum on which all other levers of pressure and influence depend.

One of their underlying concepts is the "correlation of forces." By that they mean the balance of political, economic, ideological, propaganda and organizational forces, as well as the military balance, at any given time. When the correlation is favorable, their doctrine calls on them to exploit their advantage. When it is unfavorable, it calls on them to be cautious, to retreat if necessary, to buy time in order to regroup and improve the balance so that it again moves in their favor. Associated with this doctrine is the idea that all the forces they control—political, psychological, diplomatic and economic—should be coordinated against the background of the relevant military balance, so as to optimize

their gains and minimize their risks and potential losses.

Regarding themselves as being on the historical offensive, the Soviet leaders believe they should use the minimum amount of pressure or violence necessary to achieve their immediate aims. In their view, tactical caution is necessary to assure that, over time, grand strategic aims can be achieved. They follow strategies and tactics aimed at achieving a world controlled by regimes fashioned on the "scientific socialist" model—a world in which they, because of their longer experience, their years of effort and sacrifice on behalf of the Communist movement, and their preponderant power, will be the unchallenged hegemonic leaders.

Their attitude toward the United States has not been one of hatred. They have viewed the United States as being the central power among those nations and peoples who have a different view of the future; who believe that cooperative international arrangements can be made to work, that one country's gains are not necessarily another country's losses, that the actions of government should be responsive to the public will, and that the elemental rights of individuals should be fostered and not suppressed.

They believe the United States must of necessity oppose their basic aims. Therefore, the power and influence of the United States must be diminished by whatever prudent means come to hand. All measures taken must be aimed, directly or indirectly, at assuring that the United States, as the strongest of the Soviet Union's potential opponents, is denied any realistic possibility of frustrating their ultimate goals.

The Soviet view of the United States has, therefore, been one of cold and respectful opposition. In recent years the component of respect appears to have diminished. Why should this have been so? In part, the reason may be found in President Carter's very virtues.

President Carter has a way with words. His special talent tends toward simple formulations expressed in brief sentences. The results are akin to homilies. His press conferences, for which his skills are superb, abound with sayings fit to be embroidered for a bedroom wall. A companion trait is self-assurance. He is warmed by inner confidence. A third and closely related quality is determination. His amazingly successful thrust for the Presidency two years ago was an object lesson in perseverance, a quality that grows by being used.

Each of the those characteristics, favorable as they are to success in politics, has its obverse side. Words, for example, can become addictive. At Notre Dame University a year ago, the President revealingly offered the thought that, "in the spiritual realm, words are deeds." If that were all there is to it, we could all attain salvation on the basis of our New Year's resolutions. A capacity to deal with practical matters, not merely with words, is vital—a point no policy maker should ever forget.

Even self-assurance can become a bad habit. In an extreme form, it may induce political leaders to attribute transformative powers to their own personalities—as if some mysterious radiation of their presence could resolve human differences in the way kings in ancient times were said to be able to alleviate physical infirmities by touch of hand. Many a political project has been undone by this delusion.

One must take pains to be precise. The faith that moves mountains is indispensable; I question only the attitude that classifies all mountains as movable objects, the perseverance that only redoubles its efforts when finding itself on the wrong course, the aspiration that indulges itself by defining every impediment out of existence.

To those of us who entertain more and more doubts about President Carter on these grounds, his shortcomings appear as virtues carried to excess. Has his way with words led him to confuse strength with occasional strong utterances on the necessity of being strong? Has he unconsciously translated equations of power in world affairs into terms more applicable to personal relationships—relationships susceptible of being improved, redeemed, and resolved by his setting an example of patience and grace? Is he too devoted to an array of moral equivalents? Does the President find the ideal ends of policy too congenial to his spirit—to the prejudice of the obdurate factors of means? Has he imaginatively reconstructed the Soviet Union with hypotheses that fit his own hopes?

The Russians appear to believe that they face a confused man; a man who, on the one hand, would like to see a world wholly without nuclear weapons, but who, on the other hand, knows that the Russians are not going to give them up. The Russians are determined that so long as anyone in the world has nuclear weapons, or even the possibility of acquiring them, they are going to have them, too, and more and better ones than anyone else. The President, on the other hand, does not seem to be clear in his own mind whether we can or should fully hold up our end of the nuclear deterrent. I regard that attitude as dangerous, and believe it is high time the United States got on with reversing current trends and assuring that we maintain a strategic posture that can give us confidence in our ability to deter the Soviet Union and avoid nuclear war.

It is my view that the position of that part of the world not dominated by Moscow is more precarious today than it has been for some time. We must move forward with great caution and prudence, but to make "accommodation" the touchstone of our policy is, as Peking never ceases to remind us, the road to appeasement.

This issue—whether our policy toward the Soviet Union is to proceed from accommodation leading to appeasement, or from a rallying of our forces for prudent resistance to any Soviet purpose of world hegemony—must be resolved by the President, and resolved correctly. It must be resolved in the direction of prudent resistance, and without delay.

TUITION TAX CREDIT AND THE FIRST CONCURRENT BUDGET RESOLUTION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. RAILSBACK) is recognized for 5 minutes.

● Mr. RAILSBACK. Mr. Speaker, as a strong supporter, and a cosponsor of the Frenzel-Burke tuition tax credit bill—a companion bill to the Packwood-Moynihan bill in the Senate—I am delighted with the support this body gave to including funds for tuition tax credit in the first concurrent budget resolution.

Based upon the House-Senate Joint Committee on Taxation college level students or their parents would derive 67 percent of the benefit of this legislation. Thirteen percent of the benefit would go to those attending postsecondary vocational schools. Parents of those attending private high school would receive 9 percent, and 12 percent would go to those parents of elementary school pupils.

At the same time, the Joint Committee found that the average tuition and fees, at private and public 4-year institutions has risen over 50 percent. Figures for the same period show a 20 percent drop in the lower- and middle-income students participating in higher education.

With respect to elementary and secondary education, without proper assistance many would be forced to merge, consolidate or close by their skyrocketing operating costs. According to the President's Commission on School Finance, if many nonpublic schools closed, public school operating costs would increase from $3.1 to $3.2 billion, and capital costs would increase from $4.7 to $10 billion. This would certainly impose a great burden on property taxes which have been used traditionally to support school systems.

All of the members of my family have attended public schools. However, I believe in freedom of choice. Parents of all income levels should have the freedom to choose what they believe is the best education for their children.

And, while I maintain my support for basic educational opportunity grants and loans, tuition tax credit is the simplest and most direct approach to the need for educational relief. Instead of collecting taxes from the American citizen, only to reduce it by administrative costs, the tax credit is direct, immediate relief without additional expense to administer it.

Someone has said why should private citizens not be allowed to keep some of those dollars to finance an education, rather than sending those tax dollars to Washington and then trying to get some of them back.

I strongly urge my colleagues to favorably consider going forward with this straightforward, uncomplicated tax relief.●

PROBLEMS WITH FTC PROPOSAL TO LIMIT ACCESS TO AIRWAVES BY ADVERTISERS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. GOLDWATER) is recognized for 5 minutes.

● Mr. GOLDWATER. I rise to commend the House Appropriations Subcommittee which, last week, stipulated that the Federal Trade Commission shall not spend any of its funds on a ban or restriction of television advertising aimed at children.

Under an FTC proposal, the promotion of any product oriented to an audience of children, termed by the Commission as "too young to understand the selling purpose or otherwise comprehend or evaluate the advertising," would be eliminated. In addition, ads aimed at "older children" for sugared food products, "the consumption of which * * * poses the most serious dental health risks," would also be banned.

I most definitely share the concerns of the Commission. Research has shown the influence of television to be profound. The product safety of some items is questionable, and a steady diet of many advertised foods with high levels of sugar and fats is certainly not in our best nutritional interest.

There are problems, however, with the FTC proposal to limit access to the airwaves by advertisers.

In my experience as a patron of the supermarkets, I have yet to see a 6-,

7-, or 8-year-old walk up to the checkout counter and pay for a box of "Count Chocula" or "Sugar Frosties." Mom and dad are always the ones who spend the money. Is it not their responsibility to decide what foods their kids eat? Implementation of the FTC proposal will not alter this responsibility.

The FTC is taking the role of Big Brother too far in this instance. More than the first amendment issue is involved here. I am reminded of the congressional ban on cigarette advertising imposed 7 years ago. It was hoped then that sales would suffer. They have been selling as strong as ever.

As far as I am concerned, this type of Government intervention is worse than a box of "Sugar Sparkles." ●

ELIMINATE THE WIDOW'S TAX

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Vermont (Mr. JEFFORDS) is recognized for 10 minutes.

● Mr. JEFFORDS. Mr. Speaker, today I am introducing legislation to eliminate the widow's tax. This is a tax levied all too often on the surviving spouses in farm and small business families under current interpretation of tax law. The tax reform legislation of 1976 made considerable improvements and I am hopeful that this bill can fill the current gap. Senator NELSON introduced identical legislation at an earlier time in the Senate.

WHAT THE BILL WOULD DO

The bill I am introducing today will allow the surviving spouse—husband or wife—to treat as earned for estate tax purposes up to a 50-percent share of any joint farm or small business property, at the rate of 2 percent per year if that spouse actually participates in the farm or small business operation.

DESCRIPTION OF THE PROBLEM

The widow's tax is the amount of estate tax resulting from the inclusion of the entire value of jointly held property in the estate of the first spouse to die, even though the spouse may have worked a farm side by side for an entire adult lifetime.

The imposition of the widow's tax is particularly a problem of unincorporated businesses. If the joint farm or small business property was in a corporation, the percentage of stock held by the widow would be evidence of ownership.

Thus, it is only the smallest and least organized element of the business population that suffers from the problem. However, it is interesting to note that approximately 85 percent of all American enterprises are unincorporated.

EFFORTS AT RELIEF—TAX REFORM ACT OF 1976

In 1976 Congress took positive action to help widows for the first time since 1942 when it passed the Tax Reform Act of 1976. The following three improvements were made: First, Congress raised the marital deduction for widows to $250,000; second, the general estate tax allowance was tripled from $60,000 to $175,000 (by 1981); third, the conversion of this allowance from an exemption to a credit makes it more beneficial to small and moderate-sized estates than the previous law.

THE PRESENT LAWS SHORTCOMINGS

Current provisions of law should be adequate for those affluent and sophisticated individuals having enough time to pursue competent tax planning advice. However, in my opinion, few fall into this category. If this type of advice is sought, it usually occurs late in life and not at the time of marriage.

By that time inflation will have pushed the value of the farm and small business property far beyond what it was at the time of marriage. Thus, it is only fair that a widow who has contributed a lifetime of effort should be treated as owner of up to 50 percent of the property and the husband's estate should not be taxed on its entire value. For these reasons Senator NELSON and I are now seeking a way to achieve that result through an amendment to the Federal estate tax statute.

The bill would work in this way. In the event of death of a husband or wife who is a joint owner of property, and who has been working a farm jointly with his or her spouse, the proposal would deem the survivor, for estate tax purposes, to have "furnished consideration" for their joint property at the rate of 2 percent a year, up to a maximum of 50 percent of the portion of the property which has not been paid for at the time of marriage. The bill would only apply to that share which was unpaid for at the time of marriage and that was earned by their joint labor.

Again I want to recognize Senator NELSON for his leadership in this area. Hopefully, with our respective efforts in each chamber this inequity can be corrected.

The text of my proposed legislation follows:

TEXT OF LEGISLATION

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) Section 2040 of the Internal Revenue Code of 1954, relating to joint interests, is amended by adding at the end thereof the following new subsection:

"(c) SPECIAL RULE FOR CERTAIN FARM AND CLOSELY HELD BUSINESS PROPERTY.—

"(1) IN GENERAL.—For purposes of subsection (a), in the case of any qualified joint interest, the spouse of the decedent shall be deemed to have furnished consideration with respect to the property in which the qualified joint interest is held in an amount equal to—

"(A) 2 percent of the unpaid mortgages on, or any indebtedness in respect of, such property at the time the qualified joint interest was created, multiplied by

"(B) the number of years the property was held by the decedent and the decedent's spouse as a qualified interest and in which the decedent's spouse materially participated in the operation of the farm or closely held business in which the qualified joint interest is held.

"(2) LIMITATION ON AMOUNT.—The amount of consideration which the spouse is deemed to have furnished under paragraph (1) shall not exceed an amount equal to—

"(A) 50 percent of the unpaid mortgages on, or any indebtedness in respect of, such property at the time the qualified joint interest was created, minus

"(B) the amount of consideration such spouse is determined under this section (without regard to this subsection or any consideration attributable to material participation in the operation of a farm or closely held business in which the qualified joint interest is held by the spouse) to have furnished with respect to such property.

"(3) COORDINATION WITH SUBSECTION (a).—The amount of consideration deemed furnished under this subsection shall be the minimum amount of consideration attributable to material participation in the operation of a farm or closely held business in which the qualified joint interest is held by the spouse taken into account under this section. If, without regard to this subsection, a greater amount is determined, then such greater amount shall apply and this subsection shall not apply.

"(4) DEFINITION; SPECIAL RULES.—For purposes of this subsection—

"(A) QUALIFIED JOINT INTEREST.—The term 'qualified joint interest' means any interest in any property which—

"(i) is devoted to use as a farm, or used, for farming purposes (within the meaning of sections 2032A(c) (4) and (5)), or a

"(ii) constitutes, or is used in, a closely held business (within the meaning of section 6166A(c)) other than the business of farming,

held by the decendent and the decedent's spouse as joint tenants or as tenants by the entirety, but only if such joint interest was created by the decedent, the decedent's spouse, or both, and in the case of a joint tenancy, only if the decedent and the decedent's spouse are joint tenants.

"(B) MATERIAL PARTICIPATION.—Material participation shall be determined in a manner similar to the manner used for purposes of paragraph (1) of section 1402(a) (relating to net earnings from self-employment).".

(b) The Amendment made by subsection (a) shall apply with respect to decedents dying after the date of enactment of this act.●

A MESSAGE FROM THE HOUSE OF COMMONS TO THE HOUSE OF REPRESENTATIVES: TELEVISION IS GREAT BUT RETAIN CONTROL WITH THE HOUSE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Hampshire (Mr. CLEVELAND) is recognized for 10 minutes.

● Mr. CLEVELAND. Mr. Speaker, for the past 6 months, the Canadian Parliament has provided for live television coverage of its daily sessions. A detailed report on this experience, published in the April 23 issue of the New York Times, includes a number of observations which are directly relevant to the decision of the U.S. House of Representatives last October to permit live television broadcasting of our own daily proceedings.

Among the more significant results of TV coverage of Canada's House of Commons, as reported by the Times, are these:

First. Public interest in the daily broadcasts has been maintained at a high level with no significant loss of viewers once the novelty wore off.

Second. The quality of debate in the Commons has been elevated and, according to the Speaker of the House, the nature of Parliament has been altered for the better.

Third. Television has awakened an unprecedented interest in the Parliament among the Canadian public.

Fourth. Among the positive effects television has had on Members of Parliament, according to the Speaker, have

been an increase in "soul-searching" by legislators and a decline in disorderly behavior in the chamber.

Fifth. Government spokesmen have become more responsive to the questions of opposition members during the daily question period.

Sixth. Anticipated complaints from Members shown by television in undignified attitudes have failed to materialize.

As the Times report indicates, television cameras in the Commons are focused on the Member who is speaking and at any one time only the Member speaking and those in his immediate vicinity appear in the television picture. The operation of the television system is under control of the House itself.

As our colleagues will recall, Mr. Speaker, these arrangements correspond with the recommendations of our own Select Committee on Congressional Operations following last year's test of live television coverage of the House of Representatives.

In this respect, I found it especially encouraging that Speaker Jerome of the House of Commons unhesitatingly recommended television coverage to the Congress and urged that operation of the system here, as in Canada, be controlled by the House.

I feel confident that his views are shared by the great majority of our colleagues who, on October 27, 1977, voted by 342 to 44 to authorize broadcast coverage of House proceedings subject to the direction and control of the Speaker.

Under leave to extend my remarks in the RECORD, I include the full New York Times report:

TV'S EYE IS CHANGING CANADA'S PARLIAMENT—INTRODUCTION OF LIVE COVERAGE IS EXPECTED TO HAVE MAJOR IMPACT ON NEXT NATIONAL ELECTION

(By Robert Trumbull)

OTTAWA, April 22.—Live television broadcasting of the Canadian Parliament, started here six months ago, has brought changes to the tradition-bound House of Commons and is expected to have a significant impact on the national elections expected in June.

Viewers were attracted to the telecasts at the outset, a broadcasting official said, because of intense public interest in the daily debate over charges of illegal breakins and other alleged wrongdoing by the Royal Canadian Mounted Police. Reactions from constituents, among other evidence, indicate that the five-day-a-week performance has kept its audience.

Effects of the telecasts noted by legislators, among others, are believed to have exerted long-range influence on the pattern of Canadian politics. Emerging political personalities like Joseph Clark, who came from obscurity two years ago to head the Progressive Conservative Party and become the leader of the opposition, have become more sharply etched in public consciousness. The quality of debate in Commons has been elevated and, according to the Speaker of the House, James Jerome, the nature of Parliament has been altered for the better.

RECOMMENDS IT FOR CONGRESS

"I have no hesitation in recommending it to the Congress as well," Mr. Jerome said of the telecasts in a recent telephone discussion from his office in the massive Gothic structure where Canada's laws are made. Touching on a controversy that has held up proposed live televising of the United States Congress, he urged that the technical operation be handled by a crew under control of legislators, as in Canada, instead of making the production "a sort of network thing."

"I don't think there is any doubt that the effect has been all positive," Mr. Jerome said of the Canadian telecasts. "There is the strongest evidence that television has really awakened an unprecedented interest in the Parliament. We're talking here of a coast-to-coast, deepseated and sustained demand." "I am convinced that the medium is having a positive effect on the members," he continued, citing an apparent increase in "soul-searching" by legislators. Noting a decline in disorderly behavior, he added, "It would be regrettable if it were to disappear altogether because then it would become too much of a sewing circle."

OBJECTIONS TO RAUCOUS BEHAVIOR

Objections by television viewers to "raucous behavior" in Commons, where debate is often drowned out by the shouts of hecklers and loud desk thumping, a parliamentary tradition inherited from Britain, recently prompted former Prime Minister John G. Diefenbaker to admonish fellow members to mind their deportment. Shocked students in his rural Saskatchewan constituency had told him that they would be thrown out of school for such conduct, he said.

A salutary effect has been noted on the responsiveness of the Government to questions by opposition members, a daily ritual. "For Cabinet ministers, television makes it less easy to fob off questions with nonanswers or with easy rhetoric," said Hugh Winsor, parliamentary correspondent of The Toronto Globe and Mail, in an appraisal of the new system.

Political analysts expect television to tend to favor the opposition, since public reaction has shown predominant interest in the daily 45-minute question period, when the most effective speakers the opposition can muster do their best to make the Government look bad by making the most embarrassing inquiries into official affairs that they can devise.

AN UNEXPECTED TALENT

It is conceded that Mr. Clark, who will seek to displace Pierre Elliott Trudeau from the prime minister in the coming election, has shown unexpected talent and force in leading off the questions nearly every day—traditionally the privilege of the leader of the opposition. But close associates of Mr. Trudeau, who has been wearing his hair shorter since cameras entered the chamber in October, say that the Prime Minister likes having his responses to Mr. Clark televised. "He thinks he is rather good at it," an aide remarked.

The anticipated complaints from members caught by the lens in undignified attitudes have failed to materialize, said Tom Van Dusen, a Government adviser to the television production crew. Only the person speaking and those nearest him come within camera range. Mr. Van Dusen said, and the nearest to an embarrassing shot occurred on the first day when a Cabinet minister sitting next to Mr. Trudeau, who was speaking, was shown picking his teeth.

HIGH INTEREST INDICATED

Although the rating services have yet to assess how many Canadians watch the parliamentary "talk show," as television writers call it, high interest is indicated by telephoned reactions received by broadcasters and cable operators. "When something happens to the sound, the switchboard lights up," said a cable executive.

Flaws in the coverage cited by viewers include the absence of simultaneous interpretation for the two official languages used in the Commons, which now are carried as spoken on the floor without translation. Interpretation in early telecasts from French to English, by far the majority language, brought protests from French speakers and was dropped, an official said.

Not all members are content with the telecasts. "Focusing on the floor of the House leaves the public totally unaware of all the work we do outside, like in committees," said Stanley Korchinski, of Rama, Saskatchewan, voicing a common objection. Howard E. Johnson, a Conservative from Vernon British Columbia, an implacable foe of the telecasts, said in a telephone interview, "Television has changed the system by introducing the new business of our talking to the nation when we are supposed to be engaged in debate with each other on legislation".●

NO "LOCKUPS" ARE PLANNED FOR ALASKAN LANDS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. WHALEN) is recognized for 10 minutes.

● Mr. WHALEN. Mr. Speaker in the next few weeks this body will be considering the Alaska National Interest Lands Conservation Act, H.R. 39. Passage of this bill to preserve Alaskan wilderness not only would be a landmark in our Nation's conservation policy, but also would set a model for land conservation around the world.

Nevertheless, H.R. 39 has attracted opposition from interests who claim that the bill would "lock up" the resources of Alaska. This characterization of H.R. 39 as a lockup bill is misguided in several ways.

As a recent editorial in the Dayton Daily News points out, the State of Alaska already has received entitlement to 104 million acres of Federal land and has used its land selection option to choose the prime development areas in Alaska. In addition, with passage of H.R. 39, some 44 million acres of land owned by native peoples and 100 million acres of federally controlled land also will be left open to multiple uses. Mr. Speaker, H.R. 39 is a compromise bill that aims to serve the national interest by preserving other public lands for the future. As the Daily News concludes, "the issue is not what land is to be taken away from residents of Alaska, but how much more land will be taken away from the American people."

The Subcommittee on General Oversight and Alaska Lands and the Committee on Interior and Insular Affairs have revised H.R. 39 in order to provide a balance between developing the riches of Alaska and protecting selected natural areas in the national interest. They gave the bill the most thorough field reviews and public hearings ever afforded such an issue. As reported, the bill is based on a painstaking review of each proposed conservation unit. Boundaries were carefully refined and wilderness within parks and refuges prudently selected on the basis of existing studies and a desire to exclude the most promising mineral and other resources.

In its report, the Interior Committee notes that a full two-thirds of all lands in Alaska will be open to development unaffected by H.R. 39. The report also states that 95.5 percent of Alaskan lands with favorable oil and gas potential and 70 percent with metallic mineral potential will be outside conservation units

boundaries. Furthermore, 100 percent of all Federal lands in Alaska will be open to mineral assessment.

I feel that much needless opposition to wilderness designations has been generated by a misunderstanding of what activities would and would not be permissible in Alaskan wilderness areas. For instance, contrary to some statements, access to mining claims and other property rights in wilderness areas would be guaranteed. The Interior Committee recognized the special problems inherent in designating Alaskan wilderness by permitting customary uses of aircraft, motorboats and snowmobiles, limited commercial services, and public cabins. Also, hunting, commercial fishing, and related activities would be allowed in many wilderness areas. As a result, about 90 percent of Alaska would be open to sport hunting.

In short, passage of H.R. 39 would result in a flexible, balanced, and enlightened land conservation program in Alaska. I would like to add that much of the credit for the in-depth analysis and preparation of this proposed legislation should go to my friend and Ohio colleague, JOHN SEIBERLING, chairman of the Alaska Lands Subcommittee.

With the benefit of the excellent committee work that has been invested in H.R. 39, we can now pass a bill that will preserve a sample of Alaska's great wilderness for all Americans. To fail to enact this legislation would be to "lockup" Alaska's wildlands for technological development and, thus, lose them forever.

Mr. Speaker, with these thoughts in mind, I would like to bring to the attention of my colleagues an editorial from the March 20, 1978, Dayton Daily News. The editorial is appropriately entitled, "It's All Americans' Land that Congress is Debating." The article follows:

IT'S ALL AMERICANS' LAND THAT CONGRESS IS DEBATING

Congress should heed the lesson taught by the courageous conservationists of the past century and preserve much of Alaska, in its natural state, for all the people of this country.

The conservationists and their politician allies who had the foresight to save such areas as Yellowstone National Park are now honored, and more than two million visitors a year now go to that scenic wonder, inaccessible to most Americans when it was first set aside.

Now some of the conscientious members of the House, such as Morris Udall (D-Arizona) and Ohio Democrat John Seiberling, are trying to set aside enough land to keep Alaska from being overexploited. Oddly enough, the biggest opposition to conservation comes from Alaskans who misrepresent the preservation plans and seem to think it in their long-term interest to have developers all over the state.

It is not as though the federal government hasn't already given Alaskans land. The state was given 104 million acres when it reached statehood and could multiply its development in that acreage alone. In 1971, natives were given the right to select 44 million acres. Much of Alaska's other federally controlled acreage is open to multiple use, such as timber cutting in the national forests.

The Udall bill has been only narrowly winning its fights in the House Interior Committee, and competing bills, which would tear down much of the protection of remaining lands, have been introduced. The struggle for the disposal or protection of the remaining federal land—almost the size of California—is uncertain.

Even Rep. Udall's bill, which would create 10 new national parks, 14 new wildlife refuges, 23 wild and scenic rivers and enlarged national forests, would allow for certain commercial uses. The Alaskan economy, in the long run, will be a prime beneficiary of this protection.

Alaskans already control great swaths of territory. All Americans own the federal lands, and the natural areas should be preserved for the benefit of the whole country. Ohio congressmen and senators should remember that the issue is not what land is to be taken away from residents of Alaska, but how much more land will now be taken away from the American people. Reps. Seiberling and Udall deserve strong support in their effort to serve the national interest and posterity.●

KARL ELLER—"WHAT IT TAKES TO BE NO. 1"

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arizona (Mr. RUDD) is recognized for 10 minutes.

● Mr. RUDD. Mr. Speaker, the current issue of Today's Business, an Arizona magazine, features the success story of Karl Eller, founder and president of Combined Communications, Corp. of Phoenix.

The story relates how Karl Eller came from humble beginnings to his place today as a leader in radio, television, newspaper, and advertising communications.

His formula for success is the same formula that brought our people as a nation to their prime leadership position in the world. It is the combination of constitutionally guaranteed personal freedom and private property rights which provide people with the needed motivation to work hard and to produce for the betterment of themselves and their fellow citizens.

On the wall behind Karl Eller's Phoenix office is displayed a framed copy of Vince Lombardi's classic article, "What It Takes To Be No. 1."

Lombardi was indeed a coach of football champions. One piece of his advice is a particular source of inspiration concerning our hope for our country, as well as our people. Lombardi said—

We fail in our obligation unless we preserve what has always been an American zeal—that is, to win and to be first, regardless of what we do."

This is apparently the personal aspiration of many successful Americans, who, like Karl Eller, are succeeding and producing in the private, non-Government sector of our economy through the sheer force of personal determination and hard work.

I believe that those of us in Congress, and in Government generally, should do everything in our power to encourage such people and their productive enterprises—and to protect the personal freedom and personal property rights of our citizens which provide our people with the needed incentive to continue producing.

Mr. Speaker, I would like to include the article about Mr. Eller at this point in the RECORD:

[From Today's Business, May 1978]

KARL ELLER

(By John Riddick)

As much as he believes in the private enterprise system of economics, Karl Eller, the president and chief executive officer of Combined Communications Corporation, is disappointed with businessmen.

. . . They seem to him shortsighted, even "dumb", and surely timid. For looking around these days, Eller does not find many businessmen standing up and fighting for the system. "They don't," he said in an interview at his headquarters on Central Avenue in Phoenix, "talk to their employees or even their families about it."

With good reason, Eller, who is, after all, in the communications business, would like to shout to the world that private enterprise is the answer to the world's economic needs as well as to the human hunger for freedom. The evidence to him is overwhelming and not simply from theory. He committed himself to the system, and it worked.

The story of this firm, created in Phoenix and today run from there, naturally has attracted wider interest. For in just a decade, CCC has expanded to the point where today it has 12 radio stations, seven television stations, two substantial newspapers, outdoor advertising operations in 18 states and Canada, and this year anticipates sales of more than $300 million.

How do you build something like that, an organization that has made a profit in every year? Anyone who has tried to create anything in the real market place knows how difficult it is to do. Well, obviously, you have to be motivated and to Eller this is the foundation of our economic system. And also you must know something about work and how to put your energy together effectively.

Karl Eller received an early start on his education in these values as a boy growing up in Tucson where he delivered the morning newspaper and worked in a print shop, as well as earning all-state honors as a 155-pound fullback on the Tucson High School football team. It was football that taught him a lesson for which he has been grateful; the feeling of "pushing yourself to the maximum", reinforced by his coach, Rollin T. Gridley, whom he calls a "great influence . . . in trying to make the most of my life."

After finishing high school in 1946, Eller enlisted in the Army which sent him overseas to Japan where he drove the General's car. Then in 1948, he came back to Tucson and enrolled at the University of Arizona, playing football and again putting in considerably more time working—selling ads for the football program, for example, and "hashing" in a fraternity house. "I was broke in those days, and I did everything I could to make money," said Eller.

For a short time after graduation in 1952, Eller worked at the University as an assistant graduate manager—"holding the hands of the football players". And then fate intervened, focusing his eyes on a want ad for an outdoor advertising concern. Eller worked as a salesman for Foster and Kleiser Co. selling billboards in Tucson, before moving on to Phoenix, San Francisco and then ultimately to Chicago as a vice president in charge of that office.

Between 1959 and 1962, Eller broadened his experience as an account executive for Needham, Louis and Brorby Advertising Co. in Chicago which was not as much fun as selling outdoor advertising. Eller calls himself a "peddler" and talks enthusiastically about the satisfactions of selling; the "creativity", the sense of accomplishment in persuading somebody to "like your idea". Maybe, it's like a nice clean tackle on a football field, a chance to go all out to the maximum.

Destiny apparently was intent on restoring Eller's tie with Arizona and in 1962

offered him the chance to buy an advertising firm servicing the state, which became Eller Outdoor Advertising Company. Ten years ago, a great opening arose. He and John T. Louis, Jr., owner of KTAR–TV of Phoenix, saw the potential of joining forces. And in October of 1968, Combined Communications Corporation became a reality, going public the following year.

Well, there you have the simplified outline by Eller. But how was the rest of the empire put together starting with the acquisition of KOCO–TV in Oklahoma City in 1970?

Dismissing it somewhat as a good fullback would a touchdown run off tackle, Eller says, "From there we just started acquiring companies, borrowing the money we have to live or die by. There's no magic. It's a lot of hard work. We are in the business of selling; selling goods and services. It's a long string of beads and we are willing to pay the prices. With our ability to invest money and to manage, we create profits. You can't survive without profits, which are the power base of freedom."

All right, if we accept that for the moment in our efforts to figure out how you put together a truly dynamic national concern, what are the properties? CCC is divided into three divisions: broadcasting, newspapers, and outdoor; each of which brings in about a third of the revenue.

The Broadcast Division has television stations in Little Rock, Denver, Louisville, Fort Wayne and Atlanta as well as Phoenix and Oklahoma City. Its radio facilities are in such places as Los Angeles, Cleveland, Chicago, Detroit, San Diego and Phoenix as well as MUZAK in Arizona. You don't win them all, of course, in business as well as on the football field and Eller was disappointed recently to lose out on a much publicized bid to buy WJLA–TV in Washington which would have moved him into the eighth largest market.

CCC has the reputation in the business of having the capacity to buy good properties, and being willing to pay for quality. The trick, of course, as in anything, is to be able to see the potential. Sometimes it's a question of a good property being mismanaged, perhaps it would profit from better management. CCC, after all, is selling management. You begin to wonder, though, if there is really no "magic" to the decisions of what properties to buy, and what not to buy.

Eller bought the established Cincinnati Enquirer in 1975 and made no very great changes in the personnel. On the other hand, when he bought the Oakland Tribune last July, he acquired a paper which had been losing money for many years as a family operation. It was top heavy with unneeded weight which was capsizing the ship. Accordingly, the situation called for "significant" changes in people, including the importation of a new editor and a new publisher.

For the future, Eller sees even greater opportunities in radio during the next 10 years, even though CCC itself has already acquired 12 of the 14 stations (both FM and AM) to which it is eligible. The positive side is the electronic media's immediacy, instant communication. For contemporary people in a hurry for news or whatever, the electronic media can respond with the speed of light. On the negative side, there is the government. As Eller puts it, "The opportunity is greater today as long as the government doesn't intervene in our territory by putting more controls on us. It's getting tougher to get a license."

Newspapers are more attractive from the standpoint of less government controls and CCC is interested in acquiring more. The challenge with the newspaper is, in Eller's words, "to do more research on the product, to present the material so it's easier to read. Newspapers provide indepth reading and can satisfy the thirst for information." He is particularly hopeful about "getting people back into the reading habit" through such methods as the "living classroom" project launched to provide information systematically on the Cincinnati Enquirer.

Both of the media forms present the problem of a considerable bias in favor of the liberal point of view among the staff. To combat this, Eller's strategy is to hire good editors and through them to attempt to force the reporters to be fair to the facts on all sides.

Considerable satisfaction has come to Eller in that the Oakland paper has through good management, not only offered improvements in technology and apparently through giving customers what they wanted, but has penetrated into the black within the few months that CCC has owned it. The paper has also participated in helping Oakland as a community come back from "the edge of despair". He has a strong belief in the need for businessmen and their organizations to become involved in the community, considering it good for both.

Meanwhile, the outdoor advertising business continues to roll along with annual business increases of more than 10 percent. The Division is run through 11 different groups in the United States and one Canadian Division.

It has become popular among certain segments of the community to criticize billboards as desecrations of the environment. To them, Eller responds, "If they are done right,billboards can be as beautiful as buildings or anything else. They take the sterile look out of the country. Aside from that, outdoor advertising has a First Amendment constitutional right to exist. It is another economic use of property, another choice to tell a message."

In a sense, it could be said that Eller's place of work is the United States as much as it is Phoenix, since he is running a nationwide business. He gives the impression of being comfortable in that role. In order to think realistically on a country-wide geographical scale, naturally he uses all the contemporary forms of communication including a Learjet aircraft. His management philosophy, however, is to delegate autonomy to the local operations. At the same time, there are provisions to this independence. Managers know precisely what is expected of them.

"It's a matter of performance and incentives," Eller says of his charge to the managers. "That is basic to everything, along with knowledge. You've got to know what you are doing."

As the system works, then the manager knows in detail the goal he is expected to reach. The methods are up to him. If he performs, no problem. If he doesn't, no problem either. Eller says that he finds no difficulty in firing people. It is all right there in the profit and loss statements which arrive at the Phoenix headquarters monthly. Usually, the manager knows that he failed to meet the goals. If this is the case, he may be relieved at being removed from what was for him the wrong job at the wrong time. Sometimes, Eller puts in new management with a new acquisition, sometimes not. Again, it's a matter of judgement.

So far as the overall organization is concerned, each of the divisions has a head responsible for its operation. Only seventeen officers work at the corporate headquarters in Phoenix.

As far as "systems" are concerned, to Eller the ultimate foundation is private enterprise, which he recognizes to be "in terrible trouble, with the government regulators closing in." The fundamentals to him are simple. If your goal is freedom, then it is obvious that the enterprise system involving the free use of private property is the great defender and supporter of liberty. Where government controls come in, personal freedom leaves.

As Eller puts it, "Private enterprise is set up for one reason, to give freedom to the individual. A person can work where he wants of his own volition. He can own property and do with it what he deems necessary. But what's happening today is that the government is encroaching; its operations are taking over the decisions of individuals.

"The trend is enormous. Where the government intervenes, there is no productivity. How many programs does the government pass that we don't even know about? The government programs are just boondoggles. They don't put more money in the country. They just put more taxes on you. Then the government borrows more to pay for all these things. There is no capital to build the really productive programs that will increase goods, services and jobs."

It's all laid out in the history of the country, as far as Eller is concerned. Until 1930, the real income of people was doubling every generation. With the great governmental expansion since, productivity had not kept up the pace.

Until 1930, when the nation operated under a much more free enterprise system, the wholesale price index was no higher than in the days of the Founding Fathers. Today, we have increasing inflation. In 1930, city, state, and federal taxes took together 7.8 percent of our personal income. Now, the percentage is more than 40.

Philosophically, as we said, the foundation support to make the system work is "motivation". All societies have the problem of inspiring their people to produce. Under private enterprise, freedom does it with the opportunities the individual can see to improve himself and his lot. Once the government enters the business sector, there is an enormous decrease in personal freedom, and a depressing jolt to motivation (which perhaps should concern our governmental leaders more than it appears). The government, of course, offers security. But without motivation, people are likely to lose this as well as their liberties.

Looking around himself again, as a man in the communications business, Eller is distressed to see that this understanding of affairs is not presented to the people. Instead, we have United States senators like Henry Jackson talking to the citizens about "obscene profits".

On the one hand, the people have been led to have a totally distorted image of the size of profits. Surveys find that people think profits are 28 to 34 percent of sales, whereas the actual level of corporate profits is around 4.5 percent. At the same time, people do not see that profits are the energy that makes the machine run, the force that produces the jobs and the goods and services they want.

As a result of all this misunderstanding, bad information and distortions by political leaders, we have inflation, unemployment, shortages, declining production, rising prices and interest rates, following inevitably from deficit government spending and the public's disastrous negative attitude toward profits. The situation is further aggravated in the Eller view by the unbalanced picture the media gives the people of business. The media tends always to accentuate the negative, giving undue publicity to the antisocial antics of the very few rather than the positive achievements of the many.

Well then, we have a highly serious situation, calling for serious action. It might be said that it's getting late in the game and challenging to the positive thinking of even one so emersed in Old Fashioned American optimism as Karl Eller.

Part of the problem, of course, is the nature of our political leaders. As Eller says, "When a legislator goes to Congress, he loses his identity. He thinks it is up to him to help

people. And he forgets that people have got to have the opportunity to help themselves."

But perhaps even more, the people, particularly those in business, don't help themselves on this problem. "They don't," said Eller, "talk up to politicians and let them know how they feel. People are scared of the government. Businessmen are scared to death somebody will pass a law to put them out of business."

So we drift toward a world where business will not have the profits it needs to provide the capital required for expansion. And we see the "erosion of free enterprise at the hands of those who would destroy it because they don't understand it."

Eller, naturally, is not for accepting the situation without a fight. As a part of this policy, Combined Communications is committed to encouraging its employees to go into the community and become involved in politics. The community relations director of KTAR-TV in Phoenix, for example, is a member of the State Senate of Arizona.

Eller himself has been immensely involved in community affairs including acting as chairman of the board for "Arizona Tomorrow" which is trying to help Arizonans look on the optimistic side of their future growth rather than simply through the dark glasses provided recently by the media. He also serves on such community groups as the board of trustees of St. Luke's Hospital in Phoenix. And he put up his money along with his commitment to providing an interesting professional athletic menu for Phoenix, losing a bundle on a hockey franchise as well as considerable hopes in an effort to secure a football franchise. For the moment, athletics is on the backburner so far as professionals are concerned. Those fantastic salaries received in the contemporary world by the athletes are discouraging to a realistic businessman.

In the area of business, Eller is on the boards of the Arizona Bank, Arizona Public Service Company and Eastern Airlines, where he again joins his old teammate on the Tucson High football team, Frank Borman, the president.

Despite all the discouraging signs from the governmental bureaucratic advance, Eller, perhaps driven by his natural optimism and his energy, is bullish about the future of CCC and of Arizona. Whatever happens, CCC's headquarters will stay in Phoenix and, despite those people who don't want Arizona to grow, it will.

What does Eller want CCC to become?

He answers immediately: "Bigger and Better". Things, of course, have been getting "bigger" right along. Profits last year were $20.6 million on net sales of $228 million, as compared with a net income of $16 million on $185.8 million sales in 1976 and a $7.6 million net income on a $130 million net revenue in 1975. Beyond that, there is the anticipation of cracking $300 million in sales this year.

All the media have a place in the great market of selling, says Eller. And if the government will just stay out of the way, offering neither help nor interference, CCC expects to get more than its share by offering people service. Eller sees a trend toward what he calls "media mix". A company with a message to tell will come to a community, and with the help of a computer analyzing the demographics, determine which part of its funds shall go to which form of communication. CCC has already undertaken some pioneering developments in this technology.

As for "better", Eller presumably has his own vision which includes not only the monthly profit statements but the proof that CCC's goods and services are in demand with its implication that he and his associates are meeting a social need.

Associates of Eller and people who have been involved with him in business matters say that he has an extraordinary capacity to inspire effort from people. As an "entrepreneurial manager", he clearly has the ability to make very astute decisions as to both people and property. And finally there is the skill of the peddler to sell his company to those financial institutions that must loan the money for expansion.

Twenty five years after he gave up team sports, Eller still looks trim. Despite all the pressures on his time, there is some chance for occasional games of tennis. He greets his visitors with a friendly, relaxed smile and his manners are unassuming. Answers to questions are given directly, simply and quickly. Karl Eller seems to know his own mind. Among the talents which nature has given him is the need for only three or four hours sleep a night. And so as compared with the competition, he can work normally a 20-hour day if need be. Accordingly, he can fly around the country all night in the Learjet, and work all day.

The Ellers have two children, a daughter and a son. And it must be satisfaction to Eller as a highly supportive alumnus that his son is a student at the University of Arizona.

Eller declares himself to be a believing man and he is a regular attendant at the Episcopal Church. "I think the Lord looks over your shoulder," he said. "He'll tell you what to do."

Karl Eller gives the impression of knowing what he's doing.●

THE 300TH ANNIVERSARY OF FIRST CONGREGATIONAL CHURCH, MILTON, MASS.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. BURKE) is recognized for 5 minutes.

● Mr. BURKE of Massachusetts. Mr. Speaker, on April 24, 1678, 12 men assembled to establish the first church in Milton, Mass. That evening they signed a covenant which would insure a place in history for the First Congregational Church in Milton. Last month the church commemorated its 300th anniversary. I am pleased to share with my colleagues a transcript of the tercentenary service of the Milton First Congregational Church. Its proud tradition is well served by the service and the fine work being carried on by the present minister and his wife, Rev. and Mrs. Donald E. Tatro. The transcript as well as a newsclipping from the Milton Record Transcript follows:

INVOCATION

EVENING SERVICE, APRIL 23, 1978

Now unto Thee, O God, to whom praise and glory are due: accept our offerings within this service.

Let Thy spirit attend our efforts in ways that speak of our faith,—that reflect our gratitude for the heritage and the traditions of old,—that reveal our dreams and hopes,—our visions of Thy greatness,—that demonstrate friendship and mutuality in ministry,—that confidently express Thy great love and wisdom and faithfulness to all generations,—even ours, and beyond. Amen.

300TH ANNIVERSARY PRAYER

O Thou Holy God—our Heavenly Father, who knowest not the limitations of time or space—Thou who art sovereign and eternal, and for whom a thousand years are but as a moment: we come to Thee in prayer, very conscious of time this night.

We praise Thee, our Father, that we can claim these years for the Church of Christ in Milton. We do so with thankfulness for the ways in which Thy spirit has been manifest throughout the coming and the passing of the generations.

We praise Thee for the spirit which our fathers and mothers in the faith possessed—for their hopes and dreams in the establishment and maintenance of the Church here in this Town.

We praise Thee for all of the good influences that have come forth from the life of the Church. They are beyond our ability to know or recount.

We do thank Thee for this very house of worship—a visible evidence of the faith of those in the past; but more especially we are grateful for the life of faith which reaches out beyond the walls of building to witness and minister: touching lives, establishing order, maintaining standards, speaking for justice, and encouraging and comforting.

We would pray that the same spirit that was in Christ—a spirit manifest in love, peace, and justice—may be in us, debtors and inheritors.

Let there come from our celebration a dedication which is firm to uphold that which has been tested and proven by time to be somehow beyond time.

Come, our Father, with special blessing for this Church as it takes its place in the family of churches in this day.

By Thy power enable us here and within every segment of the religious life in our community to dream, hope and build as unto Thee. Amen.

INTRODUCTION TO GREETINGS

Town meetings were held in the meeting house, or in suitable weather, on the church green. As elsewhere in New England, taxes were collected for the support of the town and the meeting house. Every citizen was obliged to pay for the support of the one church to which all the citizens were expected to belong.

In the year 1818 town and parish were separated and the town relinquished all claims of the meeting house and property to The First Congregational Parish. From that time on until today, the citizens were no longer taxed by the town for the support of public worship; and religious services were supported by voluntary contributions. Town Meetings, however, were held in the Meetinghouse by consent of the parish for about 18 years longer. The last town meeting held in the meeting house was on March 9, 1835.

Today, Milton still functions with the most characteristic political feature of a Massachusetts town—the Town Meeting—where town affairs are taken care of by its elected governing body.

Three hundred years ago from the early beginning of "one church," the Town of Milton now is resplendent with many beautiful houses of worship of different faiths and denominations. Fifteen years ago in 1963 the Milton-Mattapan Clergy Association was founded. There are fourteen churches and temples represented in this Association.

GREETINGS AND STATEMENT OF PURPOSE

(Mrs. Robert E. Introne)

"Deus nobis haec otia fecit." "God has afforded us this quiet, or these pleasant things." Thus, the Town of Milton is revealed in the motto of its municipal seal.

To quote Teele: "the aim seems to be to preserve the rich gifts of the Great Giver in their simplicity and attractiveness. Nature in her rude magnificense and quiet beauty is left assundant. Wild flowers are suffered to bloom in their season along the pathways. The woodbine and clemetis mantle the walls and festoon the wayside shrubs and trees. Elderberries and barberries give sweet flowers in Spring and graceful fruit in Fall. The goldenrod and wild aster, with numerous wayside flowers, set out in bright array the roughness of nature." Unquote.

It is in this manner that the Reverend

Albert K. Teele, minister of this church from 1850 to 1875, in his notable "History of Milton," describes our Town, settled in 1640 and incorporated in 1662.

That the early inhabitants of Milton were church goers and church lovers is manifest from history. It was not then, as is now, an occasional custom to attend church on the Sabbath, but a settled habit. Every member of the family was prompt in attendance as earnest and devout worshippers, many walking great distances or riding in ox-carts, crossing the Neponset River to worship in the mother church in Dorchester. Indeed, such was the spirit of the times that they were constrained to this observance in order to hold rank as good citizens. More than this, however, they drew strength from the service for the robust Christian work demanded at that time.

Regular preaching services were held for at least 20 years before a meeting house was built. The long delay in so important a matter can only be explained on the supposition that they were waiting for a settled pastor.

The first meeting house in use about the year 1660, before the incorporation of the Town, stood on or near the "Country Highway" at the head of Churchills Lane on Milton Hill.

In 1664 Robert Vose gave to the Town of Milton eight acres of land on Voses Lane and Centre Street for a meeting house or for other ministerial purposes. It was not until 1671, however, that a second and larger meeting house was erected. Then seven years later on April 24, 1678, twelve men, good and true, assembled to establish the first Church in Milton. It was not a beautiful evening as we have tonight. Three hundred years ago on that evening it was cold with rain and snow.

The Signing of the Covenant was an important milestone in the history of The First Congregational Church of Milton. Signed in name to this Covenant are the following:— Anthony Newton, Robert Tucker, William Blacke, Thomas Swift, George Sumner, Thomas Holman, Ebenezer Clap, Edward Blacke, George Lion, James Tucker, Ephraim Tucker, and Manasseh Tucker. We are well within the list of oldest churches in these United States.

We warmly welcome you to rejoice with the members of our congregation this evening as we celebrate the 300th year of the founding of this historic church in the Town of Milton.

TERCENTENARY HISTORICAL SERVICE

Processional Hymn No. 8: "Joyful, Joyful, We Adore Thee."

Invocation: The Rev. Donald E. Tatro.

Greetings and Statement of Purpose: Mrs. Robert E. Introne.

Solo: "O Lord Most Holy" (Franck), Miss Lawana Idol.

Greetings: Mr. James D. Colt, Selectman, Town of Milton; The Honorable M. Joseph Manning, member, General Court of Massachusetts; The Honorable James A. Burke, Member, Congress of the United States of America; The Rt. Rev. Msgr. Ralph J. Gallagher, Pastor, St. Agatha's Church, Milton; President, Milton-Mattapan Clergy Association; and Mr. Joseph C. Burley, Chairman, The Parish Committee of the First Parish, Milton.

Anthem: Psalm CXXXIX, "Behind and 'fore Thou doost me strayt in-close". Arranged by R. L. Finney.

Reflections on the History of the Church, Mr. Donald C. Duncan.

Musical Selection: "I Believe," Ms. Estelle Estes, Harpist.

Greetings and Address: The Rev. Charles H. Harper, Associate Minister of The Massachusetts Conference of The United Church of Christ and Area Minister of The Metropolitan Boston Association of The United Church of Christ.

HONORED GUESTS

The Reverend Robert B. Appleyard, Jr., Rector of St. Michael's Episcopal Church, Milton.

The Honorable James A. Burke, Member of The Congress of The United States of America.

Mr. Joseph C. Burley, Chairman of The Parish Committee, First Parish Church, Milton, Chairman of The Milton Historical Commission.

Mr. James D. Colt, Selectman of The Town of Milton.

Mr. John A. Cronin, Executive Secretary of The Town of Milton.

The Rt. Rev. Msgr. John D. Day, Pastor of St. Mary of the Hills Church, Milton.

The Reverend Brian S. Dixon, Minister of The First Baptist Church, Milton.

The Rt. Rev. Msgr. Thomas J. Finnigan, Jr., Pastor of St. Elizabeth's Church, Milton.

The Rt. Rev Msgr. Ralph J. Gallagher, Pastor of St. Agatha's Church, Milton, President of The Milton-Mattapan Clergy Association.

The Reverend Charles H. Harper, Associate Minister of The Massachusetts Conference of The United Church of Christ, Area Minister of The Metropolitan Boston Association of The United Church of Christ.

Mr. Richard B. Heath, President of The Milton Historical Society.

Cantor Irving Kischel, Temple Shalom, Milton.

Mr. John P. Linehan, Selectman of The Town of Milton.

The Honorable M. Joseph Manning, Member of The General Court of Massachusetts.

Mr. Charles R. Morris, Past President of The Milton Historical Society, Past Director of The Milton Historical Commission.

Mrs. William F. Ross, Coordinator of The Protestant Parish Association.

The Reverend Paul M. Schwenzfeier, Rector of The Church of The Holy Spirit, Mattapan.

Mr. Walter F. Timilty, Jr., Chairman of Selectman, Town of Milton.

The Reverend Malcolm E. Washburn, Jr., Minister of The East Congregational Church, Milton.

Anniversary prayer: The Rev. Donald E. Tatro.

Recessional Hymn: No. 366, "God of Grace and God of Glory", (vs. 1, 3, 5).

Benediction: The Rev. Charles H. Harper.

Postlude: "Canzona", Andrea Gabrieli.

Greeters: Mr. and Mrs. Gordon W. Proctor.

Ushers: A. Douglass Randlett and Wilfred A. Sylvester.

Marshall: Frank W. Cappers, Jr.

Music: The harp music prior to and during this Historical Service is by Estelle Estes who is a member of the Boston Musicians' Association of the American Federation of TV and Radio Artists, and The American Harp Society.

The anthem by the Church Choir, directed by Miss Patricia E. Nelson, Organist and Choir Director, is Psalm CXXXIX from Pilgrim Psalms, arranged by Ross Lee Finney. Psalms from this text were brought from Holland by the Pilgrims in 1620.—"They were sung for 100 years for not only religious meetings but privately for 'the Godly solace of people resting from toil.'"

Flowers: The flowers at the ends of the pulpit rail are given by Mrs. Clifford B. Donick in loving memory of her husband.

The flowers on the Communion Table are given by Mr. and Mrs. Oscar Keith and Family in loving memory of Edgar C. and Ida M. Wheeler.

[From the Milton Record-Transcript]

"SIGNING OF THE COVENANT"—FIRST CONGREGATIONAL TO MARK 300TH ANNIVERSARY

The First Congregational Church of Milton is celebrating the 300th anniversary of the "Signing of the Covenant," which occurred on April 24, 1678.

The earliest settlers of this community trudged on foot or rode in oxcart to attend religious services in Dorchester, until about 1660, when it was decided to build a small house of worship on Milton Hill. There is a marker, with a replica of the log meeting house, in the wall opposite the junction of Churchills Lane and Adams Street.

There was no "settled" minister until 1680, when the Reverend Peter Thacher was called.

In the early 1800s there was a great deal of theological ferment in New England over Trinitarian-Unitarian views, and in 1834 the then pastor of the Milton Church, Dr. Samuel Gile, withdrew, with his followers, to continue the Trinitarian expression of worship. They gave up all claim to property and ministerial lands, and proceeded to build a new church—the present church building, located at 495 Canton Avenue. The church building was dedicated in December of 1834.

The Church was incorporated by the Commonwealth of Massachusetts as "The First Evangelical Congregational Church of Milton" in 1890. On June 1, 1937, a new charter was granted by the Secretary of the Commonwealth, changing the name to "The First Congregational Church of Milton."

The Church voted, in 1961, to become a member of the United Church of Christ, which was formed from the merger of The Congregational Christian Churches and The Evangelical and Reform Churches.

On January 16, 1968, the Village Church of Dorchester voted to merge with the First Congregational Church of Milton. That church was organized on October 15, 1839, as "The Village Church Society." The building, located at the corner of River and Temple Streets, Dorchester was destroyed by fire in 1971.

The present Parish Hall and Educational Building of the First Congressional Church of Milton was erected in 1948; and in 1965 the Church acquired the adjoining land, extending from the Church lot to Reedsdale Road.

In 1959 the old Hiram Tuell house at 488 Canton Avenue was purchased for a parsonage.

The present Minister of the Church is the Reverend Donald E. Tatro, who was called as Pastor in September of 1961.

As the Church planned its 300th anniversary activities, many expressed a wish not only to celebrate at home with a service, exhibit, tea, dinner, historical meeting, but to reach out in thanksgiving to help others.

It was the suggestion of Mrs. David Roak that they aid Milton's "Meal on Wheels." The Church has agreed to supply one driver every Sunday, for a year, starting on April 30. In charge of the logistics will be Mr. and Mrs. George Coaker and Mrs. William Kruger.

"World Hunger" was the second area of concern. Money will be given to the "World Hunger Fund" of the United Church of Christ, with the request that some of this gift be used for American Indians.

The first phase of this "World Hunger" program was a 3-session seminar, directed by Miss Shirley Cave, on March 5, 12, 19. A member of the Church, Miss Cave now lives in N.H., where she heads up the N.H. Division of the "Heifer Project."

There will be an anniversary publication containing a reprint of the history of the first 275 years, written by Mrs. George Marsden; the updating, by Mrs. Donald Allison (1953–1961), and Mrs. Edson C. Lockwood (1962–1978); and the reminiscences of 50 people, some very old, and some very young.

Mr. Donald Duncan was chairman of the Publication Committee, whose members were Mrs. John Hezlitt, Mrs. Edson C. Lockwood, Miss Patricia Nelson and Mrs. George Sawyer.●

WE'RE NO. 1 IN CHICKENS, FOOTBALL, AND FREEDOM: CAN WE STAY THERE?

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arkansas (Mr. ALEXANDER) is recognized for 60 minutes.

● Mr. ALEXANDER. Mr. Speaker, last week it was my pleasure to join Arkansas Chamber of Commerce executives as they hosted our congressional delegation. The keynote address was given by Mr. Robert Merkle, president of the Arkansas Poultry Federation. Bob Merkle reported on the state of the poultry industry in Arkansas and sounded some concerns about the growth of Government in this case, Government in the henhouse, that I believe are of interest to my colleagues. I would like to share with my colleagues the text of the address:

ADDRESS: WE'RE NO. 1 IN CHICKENS, FOOTBALL, AND FREEDOM: CAN WE STAY THERE?

Thank you Mr. Scharlau. Senators Bumpers and Hodges; Congressmen Hammerschmidt, Alexander, and other distinguished guests. I am pleased to have this opportunity to visit with you about one of Arkansas' leading growth industries and suggest some of the critical problems which face both our industry and yours.

It's a particular honor to represent the number one agri industry in Arkansas—poultry. And it's a pleasant task to visit with leaders who understand Arkansas isn't at the bottom of all the lists by which you measure the economy of a State. Part of this was settled at the Orange Bowl when Coach Lou Holtz directed a team that had been deprived of some of its outstanding players to a victory which ranked the Arkansas Razorbacks number three in the nation. Then comes Eddie Sutton and his basketball Razorbacks who earned third place in the Nation at the NCAA tourney in St. Louis. And, Arkansas ranks number one in the production of broiler chickens, third in eggs and fourth in turkeys. The Arkansas poultry industry at the end of 1976 produced a total farm value in excess of 734 million dollars. The chicken and egg and turkey business in Arkansas brings more income to our State than Soybeans or rice, over twice as much income as cotton and more than three times the income from cattle.

Whether the poultry industry can continue to prosper depends largely on decisions which the leadership group tonight can help influence. These decisions will help determine government laws and policies which will shape the future not only of American agriculture, but of the total U.S. economy.

These national policies relate to energy. . . . to farm programs and subsidies—to export trade . . . to regulation and welfare . . . all of which must be paid for by the American consumer either through taxes or the price of goods and services. Another basic decision that will shape the future of American society is just how far government competition can be permitted to erode the fabric and the backbone of tax-paying enterprise.

Tonight I'm pleased to have here with us the executive vice president of the Arkansas Poultry Federation, Don Allen. Don heads the staff of a non-profit trade association made up of the six organizations representing the poultry industry. The poultry federation assists in all leadership activities of the industry including legislative affairs at the local, state and national level, as well as assisting in more technical activities such as freight and traffic which are important to the industry.

Just how did the chicken and egg business grow into an industry with a total annual payroll in excess of $500 million and a capital investment of more than a half billion dollars? The chicken's ancestry can be traced to the jungle fowl of Asia, while the trukey is 100% American. Domestication of chickens began in ancient China while the turkey has been domesticated since America became a nation. All areas of the poultry business were barnyard operations until the 1940's when farmers began raising birds on a large scale as a primary source of income. Large scale operations led, in the late 1940's and early 1950's, to the establishment of specialized support businesses such as hatcheries, feed mills and processing plants which were usually owned by different companies and were separate profit centers.

The evolution of the poultry business from a hen house in the backyard to a totally integrated industry brought about significant changes in the way of life of Arkansas people. For example, national broiler production during the depression year of 1934 was 34 million broilers and the per capita consumption was only one-half pound. Thirty years later, production had gone up seven times to more than 2 billion birds and per capita consumption was nearly 28 pounds. Another significant and basic change came about in the late 50's and early 60's—the development of the vertically integrated poultry business. The Arkansas poultry industry is involved in the complete cycle—from the egg to the consumer. The poultry farmer has—within convenient distance of his farm—virtually all the services which are necessary to fully equip, maintain and process his poultry and eggs. This includes the financing, feed suppliers, packers, wholesalers and retailers.

The vertical integration within the industry was made necessary by the wide swings in the price of broilers, eggs and turkeys. The individual farmer could not attain the financial stability to sustain operations during prolonged low-priced cycles. Nor could he afford the risks that would have to be assumed by the larger integrated operations. The economics of the business dictated that vertical integration provide an efficient, one-profit structure that protects the individual farmer during the low-price cycles. The other day I was visiting with the president of one of the largest credit agencies engaged in farm financing. He told me the vertically integrated poultry business had done more to promote the small family farm in Arkansas than all the other farm programs put together. A strong statement. But facts inside Arkansas agriculture support his thinking.

In Arkansas today, there are an estimated 86 thousand men and women directly employed in the poultry industry. If there are four in the average family, we can say there are more than 344 thousand people in Arkansas who directly depend on chickens, eggs and turkeys. This means that one in six of our population depends on the poultry business. Now keep in mind that this number relates only to those directly employed and does not include the people who are employed by support industries. If you travel in Arkansas chicken country, you will find literally hundreds of businesses which are doing business with the poultry industry. For example, International Paper Company, one of the oldest manufacturing firms in our state—operates a plant at Russellville solely to produce paper products for the Arkansas poultry industry. Pharmaceutical companies, feed ingredient and other suppliers would bring the total employment and income to well above the annual payroll of the Arkansas poultry industry which approaches one-half billion dollars. These payrolls are generated by employment in the 32 poultry processing plants . . . the 104 egg processing plants . . . the 150 feed mills . . . the 42 hatcheries and the more than 4,000 poultry farms in Arkansas.

It's true that as recently as the sixties, workers in the poultry business were paid wages below the average wages in manufacturing but this is changing. By 1976, the average annual wages in the poultry industry pushed toward eight thousand dollars. In the same year, for non-farm workers, the average wages were around eighty-eight hundred dollars. The total number of workers in the poultry business is approximately half the total number employed in non-farm industries in Arkansas.

You may be interested in some of the reasons Arkansas has become a leader in poultry production. . . . One of these is economical land use. When row crop farming became unprofitable in the hills, farmers raised chickens to make a living.

Another is geography—Arkansas' mid-America location enables the poultry industry to distribute its products throughout the nation on a competitive basis. Soybean production on the eastern side of the state supplies a feed ingredient at a low freight cost and the state's proximity to other grain producing areas is another advantage.

One of the essential requirements of the poultry industry is high quality, low-cost water. It isn't uncommon for a single processing plant to use one million gallons of water daily. And the availability of dependable electric energy and natural gas are important, too.

In the first quarter century of the industry's growth, there was a fully adequate work force available at relatively low cost. However, in the past ten years, the labor supply has not kept pace with growth of the industry, and today the shortage of workers is a critical problem. Also, wage rates are being equalized and no longer provide a competitive advantage to the industry over other areas of the country.

Let's look at the status of the poultry business today! Arkansas passed Georgia and the Delmarva area several years ago as the number one broiler producer . . . The state produced over one-half billion broilers in 1976 . . . Last year's production was up by 9% and the broiler production this year is expected to increase 12% over 1976 to a total of more than 600 million birds. We provide the American consumer with food containing high protein and low fat at a relatively low cost compared to other meats. Chickens are the number one inflation fighter among foods on the American table. For example, 20 years ago my company was selling broilers at 42¢ per pound in truckload lots. Recently our company sold chickens at 42¢ per pound—the same as 20 years ago. We're doing this despite sharp increases in labor, fuel and other costs. What happy faces we would have in today's supermarket if other meats had that price record!

The efficiency of the Arkansas poultry industry in egg production ranks it number three in the United States with annual output of more than 3 billion eggs. Only two States—California and Georgia—produce more eggs. Egg production in Arkansas is going up despite the fact the national per capita consumption has gone down—largely due to misunderstandings related to cholesterol content.

Arkansas has moved up to number four in the Nation in turkey production passing the ten million mark for the first time in 1976. You may have noticed a difference in the selection of turkey items on your meat counter—of the nearly nine pounds per capita consumption, approximately half is accounted for by the recently developed processed foods such as turkey ham, turkey luncheon meats and others. No longer do we think of turkey only at Thanksgiving or Christmas—turkey ranks fourth as the favorite on July the Fourth and is popular many other times during the year.

So, I'm proud to report the poultry industry is healthy and cackling . . . We who are staking our lives, our money and our future in Arkansas, can continue to build the prosperity of our State if we can resolve some problems which face this industry and yours.

As chicken and egg producers, we've learned that it doesn't help to be cry babies. When our poultry houses were caved in by heavy ice and snow, the farmers worked together to rebuild their houses. That was a natural disaster . . . all you can do is start over and do the best you can. But there are problems we face each day that are man-made . . . and there is something that can be done about them.

Problems like priorities during energy curtailments. The poultry industry is not a big user of energy . . . It's the most efficient converter of energy among all meat processors, using less than 20 thousand Btus per pound produced in feed, fuel, processing, packaging and marketing—This is far less than the energy required for pork or beef. Despite this fact, in early 1977, many Arkansas poultry plants were deprived of natural gas, resulting in the massive loss of chickens and money. One of our companies lost one million birds, which is like losing a million dollars. But the company figured out a way to stay in business—without Federal subsidies. While fuel was cut off to poultry plants, huge shopping malls continued to be heated to the point that shoppers had to remove their coats . . . and unnecessary municipal lighting on roads and highways used up precious energy that could have heated the chicken houses and run the feed mills.

When some of the self-appointed experts decided that the lowly egg has too high a cholesterol level for maintaining a healthy heart, we employed the best minds that we could find in medicine and bio-chemistry. They came up with the answer that no one can really prove the cholesterol content of eggs is a contributing factor to heart disease.

We need to recognize the number one problem facing America today is inflation which is the silent destroyer of income and savings in every home and on every farm.

About 65% of the cost of producing poultry in Arkansas is represented by the cost of feed. Should Congress approve a subsidy for feed grains, each increase in the subsidy of corn by 10 cents a bushel, or an increase of $10 per ton for soybean meal will result in increasing the price of a broiler by one-third cent per pound.

This may not sound like much of an increase to those of you outside the industry but this is a huge increase to poultry raisers and processors whose profits are measured in tenths of a cent per pound. Any farm legislation that would guarantee one hundred percent of parity is not practical. Not only would 100% parity force American grains out of a competitive position in export markets, but it would immediately push up the price of one of the most favorably priced meats on the American table.

Present U.S. trade policies are so illogical, it leaves any reasonable person in a quandry. Imports from Japan, from autos to TV sets, enter the country duty-free while Japan imposes tariffs on U.S. goods. Poultry products, when exported to Japan, carry a 20% tariff. A tariff wall restricts us from trading on the European Common Market. These factors and many others are responsible for our huge trade deficit, which reached an annual rate of 54 billion dollars in February. The government blames the deficit on the energy situation. If that is true, then why are Japan and West Germany running huge trade surpluses when they import almost all their fuel from abroad?

The fact is . . . because of excessive labor costs, and unreasonable governmental restrictions . . . the cost of producing goods has increased to the point that U.S. industry cannot effectively compete in many foreign markets. The Japanese government guides Japan's industry into U.S. markets and helps them penetrate and hold the market . . . instead of working against the industries.

What is needed, for once, are federal policies which help protect American free enterprise from the state subsidized industries of Japan and West Germany. And, we must protect the dollar—cut the federal budget by $20 to $35 billion. At a time when everyone around us says that the President has apparently abandoned his goal to balance the budget and inflation is on the rampage, it's little wonder the world money markets have no faith in the American dollar.

I mentioned that one of our problems in Arkansas today is finding enough labor to work in the chicken house, in the hatcheries and in the processing plants. We note that a number one priority of the present administration is to help curb unemployment. We find it extremely difficult to understand why the Federal Government continues to make it more attractive for able bodied men and women not to work than to work at whatever jobs are available to them—whether it be in the poultry plants, a fabricating plant, in making furniture, shirts or shoes. There are so many loopholes and abuses related to present welfare programs, food stamps, and unemployment programs that there is an increasing segment of the U.S. work force that will not work or will only a limited number of hours.

If they work a full week, they could lose their welfare payment or their food stamps would cost too much! The size and the cost of these programs, in my opinion, have reached runaway proportions and must be brought under control if American business is to have the work force needed to operate its plants. In this respect, I respect, I fully agree with President Carter who says that the American welfare system is a national disaster.

Now, I would like to remind you of a few places where we simply have more government interference than we need—we have no charters or franchises in the poultry industry which limit competition. We're happy to live with the competitive system but we have a federal government which seems dedicated to putting more regulations, more restrictions and more paperwork into the system. When this happens, the price of chickens and eggs has to go up and the profits go down. And when you destroy the golden egg in America—the egg called profits—then you destroy the capability of individuals and enterprises to creat jobs, invest in capital facilities, to compete in world markets, and to contribute to community institutions.

One example is the Food and Drug Administration which has decided, contrary to all evidence, that there should be restrictions on the use of certain antibiotics in animal feed. Remember—any regulation or restriction applies to every single feed mill and every processor in the industry. The decision by the Food and Drug Administration seems to be based on the fact that antibiotic resistant bacteria might result from their continued use. What would happen if FDA puts this restriction in practice? The withdrawal of the use of antibiotics in poultry and animal feeds will result in a highly adverse effect on the health of these animals and will certainly increase the cost to the producer and the consumer. In fact, antibiotics are primary metabolic factors in animal feed. It would require nearly 19 million acres of soybeans to deliver the same amount of protein as is converted through the use of antibiotics.

We would have to adjourn this dinner meeting and set up a full day's workshop to discuss the regulatory issues that confront the poultry industry. Never in the history of this Nation has the poultry industry been under such siege by one government department—the U.S. Department of Agriculture—which virtually controls the destiny of an entire industry. Despite highly conflicting evidence, the USDA chooses to continue a public attack on the cholesterol content of eggs. Most scientific minds agree there is too little known about the metabolic processes of cholesterol to make any judgment at this time. The cholesterol issue, however, has had a severe impact on the egg business, contributing to a 30 percent decrease in per capita egg consumption from 1950 to 1976.

Another example comes with a USDA decision to rule on the use of nitrates in processing turkey and on whether we can legitimately use the trade name—"Ham"— to sell these items in the market. Nitrates are used to prevent deadly botulism. However, USDA is concerned that the nitrates could be converted by the body into nitrosamines which could be potentially carcinogenic. Thus, the USDA would withdraw its approval for use of nitrates. Here again, we've got a situation which reminds us of the saccharin issue related to bottled drinks.

But there's a proposed USDA rule we find hard to believe! They call it the net weight ruling . . . under which the processor must guarantee the weight of a container or package to the ultimate consumer, regardless of how many times that package passes through the distributors and retail markets. You can readily see the problems involved in restricting the weight of single units. Leakage . . . absorption . . . and many other factors can vary the weight of the package during transportation and handling. The USDA goes to great lengths to beautify their case to the consumers. In one newspaper article the USDA warned consumers that processors might increase prices of their products to guarantee weight—laying the blame on the processors and not the USDA regulations.

Later, the USDA stated it felt consumers would be willing to pay more for the products in exchange for getting what they pay for. A fail safe system of net weight regulation, however, could result in cost increases of eight to ten percent on each package. Does the American consumer want to pay more for printed assurance the net weight is held within strict tolerance of one-hundredth of an ounce? . . . We doubt if anyone would like to pay five cents more per pound because of a government rule that doesn't make sense!

Ladies and gentlemen, I just don't believe that raising chickens and eggs and bringing them to market at the lowest possible price justifies this much government in the hen house!

And I probably don't need to remind you about the almost unbelievable amount of paperwork, management time, and unending detail involved in dealing with OSHA, EPA, FTC, ICC, IRS, wage and hour offices, NLRB, the Federal Energy Office and the hundreds of bureaucracies that the American wage earner and business are having to keep up with today.

Each of us who is an employer is beginning to increasingly feel the government's competition for workers and know-how. We noted in a recent survey that one-half of all this year's masters of business administration graduates in the U.S. will be hired by the Federal Government. This means that these young men and women are going to work in the Federal bureaucracy with most of them never having had the challenge nor the opportunity to work in private enterprise where they help meet payrolls, control expenses and sell goods and services. Beyond competing for people, the Federal Government is the biggest borrower of money in our system and that means that it is making it increasingly difficult for private business to get money.

Do you realize that nearly 80 percent of the available funds for borrowing in the U.S. is required by the Federal Government to service the national debt?

To you present Members of Congress, and to those of you who help elect our Congress, I remind you of what one of our Arkansas Congressmen was quoted as saying: "Gentlemen, the Federal Government is broke." It does not have the money to continue its deficit spending and continue to absorb large amounts of available funds to meet interest payments. More sinister than increased interest rates is the fueling of inflation caused by deficit spending. Again, I think the U.S. Government can adopt the constitution of Arkansas: You just can't spend more money than you take in. The Federal budget must be balanced.

Now, may I close on a positive note: Arkansas is number one in broiler production in America and ranks among the top five in eggs and turkeys. This industry is selling its products at prices near the level of twenty years ago.

We can continue to prosper; we can help curb unemployment; we can create more jobs, and we can help turn around the trade deficit if we can change present trade policies.

We can do this only if you—the leadership of Arkansas in industry and in the Congress—help us preserve our freedom in a competitive society. We just can't continue to grow with the rules and regulations; the increasing amount of paperwork; the spawning of a welfare system that makes it easier not to work than to stay on the job.

We ask only this: Let the poultry people of America raise their flocks, and sell their products under the competitive free enterprise system. That's the best regulator known to man. And we'll survive and help build the prosperity that has made America the envy of the world.

Thank you.●

THE 30TH ANNIVERSARY OF THE STATE OF ISRAEL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, on May 11 this year we commemorate the 30th anniversary of an event of stirring significance and inspiration in mankind's continuing struggle for freedom and dignity, for it was on the 6th of Iyar, May 15, 1948, that the British mandate for Palestine came to an end and the State of Israel proclaimed independence.

The founding of Israel is a vital, living monument to the persistence and heroism of a people who have suffered many centuries of persecution and know only too well the bitterness and despair of an existence without even the most basic freedoms.

The strategic location of the traditional homeland of the Jews, as a crossroad of commerce and cultural exchange among three continents, has made the Jewish nation a prime target of foreign invaders. Under ancient kings and as part of ancient empires, the Jews suffered massacre, deportation, and slavery.

The Roman Empire imposed its will on the Jewish people for several centuries during which time, 70 A.D., Jerusalem was again besieged and, after a heroic defense, its people were reduced to starvation. This event coincided with the final Diaspora and the subsequent elemination of Palestine as the focal point of Jewish culture and civilization for almost 2,000 years.

Throughout the Middle Ages, in most of the countries of the world, the Jews were severely restricted in their civil and religious liberties, as well as being subjected to periodic physical harassment or outright persecution by fire and sword. This sad history culminated in the 20th century holocaust with the unspeakable horror at Auschwitz and Buchenwald.

Seen in this context of tears and tragedy, the establishment of the State of Israel is, therefore, a most momentous turning point in the history of the Jewish people. The nation was carved out of bedrock, desert, and malarial swamp at great sacrifice and, in addition, was surrounded by hostile neighbors. Yet the courage and tough determination forged during their centuries of exile enabled the Jews to face these problems with vigor and unwavering enthusiasm.

Israel's proclamation of independence pledged that the new state "will rest upon the foundation of liberty, justice, and peace as envisioned by the prophets of Israel. It will maintain complete equality of social and political rights for all its citizens, without distinction of creed, race, or sex. It will guarantee freedom of religion and conscience, of language, education, and culture. It will safeguard the holy places of all religions. It will be loyal to the principles of the United Nations Charter."

Almost immediately President Truman recognized the new nation. His policy was based on the desire, he later wrote, to find a peaceful solution in a world trouble spot, to see promises kept, to relieve human misery, and to open the door for the development of the productive potential of the Middle East. Most of these objectives have been achieved although, unfortunately, true peace has not yet been realized. For 2 years after proclaiming its independence, Israel had to fight for its existence, and tension still remains high throughout the area.

Today, as a nation of about 3 million people, Israel can rightfully boast of its astounding record of economic, political, and social accomplishments. In spite of the continuing problems of heavy armament expense and the integration into their society of many new immigrants, Israel has not abandoned its innovative spirit or sympathetic interest in the peoples of other lands with similar problems.

To the citizens of Israel and their friends in this and every other nation, I join my colleagues in the Congress in a tribute on this special day. May the State of Israel continue to be a source of encouragement and inspiration for all peoples of the world.●

H.R. 12157 CONTAINS PROVISION OPENING UP CREDIT TO CHINA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon (Mr. AUCOIN) is recognized for 5 minutes.

● Mr. AUCOIN. Mr. Speaker, since the days of Marco Polo, westerners have thirsted to know more about the great expanse of China. That thirst has persisted down through the ages, until even today as Americans have a great fascination with the Chinese, and things Chinese.

However, our hope for more normal relations with a government that rules over one-fourth of all mankind, buoyed in 1972 by the Shanghai Communique, is now diminishing. Major problems stand in the way of achieving full normalization with mainland China. Paralysis has set in on our quest to improve our ties.

H.R. 12157, which comes to the House floor Wednesday, contains a modest provision aimed at maintaining the momentum toward normalization by helping stimulate trade with China. The provision merely opens up credit to China. It is an admittedly small step, but it is an imporant practical and symbolic step that confirms to the Chinese our continuing interest and good faith in moving toward more normal relations. It is a step in concert with our national interest.

This provision will come under attack on the House floor by those who say it is not needed.

I want to assure you that every scrap of testimony on this provision heard by the House Banking Subcommittee on International Trade spoke to the critical need for credit lines to make U.S. exports competitive in massive, just-emerging Chinese markets. The stakes are high. The Chinese are embarked on an unprecedented program of modernization and industrialization. The Japanese and the Common Market already have made inroads, while U.S. businesses and workers have largely watched from the sidelines. The U.S. exports to China can be significant because we are talking about so-called big ticket items that can have an appreciable impact on holding down our staggering trade deficit.

Others will say passage of this measure places the U.S. stamp of approval on the behavior of the Chinese Government.

Trading with China in no way confers our "approval" on China's form of government or its behavior. But that is not the issue here. Trade is the issue, the trade is not a gift. From trade, both partners in the transaction benefit. And, it is through this mutual benefit that will build greater ties and, not surprisingly, strengthen our standing to influence another government to modify its policies.

Moreover, this provision does not amend the Trade Act, nor remove any human rights considerations now in place.

Some will question the wisdom of making policy on a country-by-country basis.

In my opinion, there is an unmistakable need to undertake this course at this time. We are not in a position to achieve broader changes in our trading policy. But we can achieve some positive steps through demonstrating by example how we believe we should proceed. This provision to open up trading potentialities with China is forward-looking and points the way our trading and export policy should go.

Because we have only limited relations with China, and because the prospect for

establishing full diplomatic relations is dim right now, our options are limited under current law. As a practical matter, there is no way to provide credits through the Eximbank for U.S. exports to China under the existing Presidential waiver procedure set up by the Trade Act of 1974. The waivers that have been granted have all been in connection with a major trade agreement, something that is impossible with the Chinese because we have no formal relations as well as impediments. The provision in H.R. 12157 is the only way to take this step.

Finally, some will say H.R. 12157 contains inconsistencies. Unquestionably it does. However, we are not playing on an even playing field around the world. The state of our relations varies country to country, in both the Communist and non-Communist blocs.

Despite that, the provision to expand trade with China is consistent with the central thrust of H.R. 12157: To esablish a vigorous, aggressive U.S. export policy.

I would deeply appreciate support in rejecting the amendment to strike the China trade provision. Keeping the provision will serve as a clear signal to the Chinese, to our domestic exporters, and to the international trading community that we are serious about expanding our trade, shoring up the U.S. dollar, and fighting inflation.

Below is a recent article published in the China Business Review, a U.S. exporter-oriented periodical, that details the use by the Chinese of credit financing for their imports. The article also lists the witnesses that testified at the January 26, 1978, hearing on this China trade provision. Note that the witnesses who testified in support of the provision represent a broad range of commodities and services and each major region of the country.

COUNCIL TESTIFIES ON AUCOIN BILL, SUPPORTS EXIM AMENDMENT THAT WOULD FACILITATE TRADE WITH PRC

Christopher H. Phillips, president of the National Council, told the House Subcommittee on International Trade, Investment and Monetary Policy on January 26 that "no opportunity, however modest, should be missed to restore a sense of movement in US relations with the PRC." For both practical and symbolic reasons, Phillips said he saw real value in making Eximbank facilities available at this time in trade with the PRC.

Speaker after speaker at the January 26 hearing urged passage of Rep. AuCoin's bill, HR 8196, which, along with HR 8197, would make US Eximbank insurance, guarantees, and supplier credit facilities available for trade with China. Most of the participants saw the proposed legislation as essentially practical and necessary if the US is to be competitive in the China market. Among the key points made—

Without Exim guarantees, insurance, and supplier credits, US firms will lose, and have already lost, to the competition in Europe and Japan.

Of about $2.5 billion worth of plant and equipment sold to China, 1973–1977, at least $1.3 billion (or 54 percent) involved foreign Eximbank facilities.

In the past, without the availability of US Exim assistance, US firms have been forced to sell technology and equipment to China via other countries in order to obtain competitive financing and guarantees.

Without US Exim, the US has been shutting itself out of the China market in areas, such as open-pit coal mining equipment, that have been spearheaded by US firms.

In a number of cases, because of lack of US Exim facilities, China has been turning to foreign licensees of US technology, instead of going directly to US firms.

Almost every foreign Eximbank, including Japan's Export-Import Bank, the UK's ECGD, and the French COFACE, has been involved in providing supplier credits, guarantees, and insurance for major sales to China. In Japan's case, 84 percent of all plant sales to China in the past five years have involved Japan Exim supplier credits.

For planning purposes China prefers medium- and long-term fixed rate financing that is available only via Eximbanks.

Japan has negotiated an 8-year trade agreement with the PRC in which 5–10-year fixed terms for Eximbank supplier credits are a key issue.

The State Department welcomed the interest shown by the subcommittee in this area but felt that the proposed legislation was not necessary to accomplish the apparent objective of facilitating exports to the PRC. Giving testimony, copies of which are available from the House Documents Room, were William Root, Director, Office of East-West Trade, United States Department of State; George W. Ball, Former Under-Secretary of State and Senior Managing Director, Lehman Brothers, Kuhn Loeb Incorporated; Christopher H. Phillips, President, National Council for US-China Trade; William J. Korsvik, Vice President, International Banking Department, First National Bank of Chicago; Earl Pryor, Vice President, Oregon Wheat Growers League; Jesse Maffuid, International Marketing Director, National Machine Tool Builders Association; and Joseph G. Munisteri, Group Vice President, Brown & Root.●

LANDMARK ANTARCTIC LIVING MARINE RESOURCES CONVENTION DRAFTED

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. LEGGETT) is recognized for 5 minutes.

● Mr. LEGGETT. Mr. Speaker, the Southern Ocean, often incorrectly called the Antarctic Ocean, lies around the frozen continent of Antarctica and far away from the centers of civilization. However, this remote ocean has not escaped the impact of man's ever growing search for economically valuable resources. In the Southern Ocean, the exploited resources are living marine animals not oil and gas, and minerals to which so much attention has been drawn in other parts of the Earth in recent years.

The Southern Ocean may in the future be found to contain mineral or oil deposits, but the unique resource which sets it aside from all other ocean areas is the incredible profusion of marine life within its waters. The waters around Antarctica have been known to support vast populations of whales, seals, and penguins since Cook's voyages of discovery in the 17th century.

Exploitation of the Antarctic living marine resources started generations ago when whales and then seals were the object of hunters from the North. The continuous harvesting of whales in Antarctic waters has drastically reduced their numbers and driven some species to the brink of extinction. Fortunately, the combination of an International Convention for the Regulation of Whaling signed in 1931, continuing pressure of international public opinion, identification of substitutes for whale products, and declining populations of whales themselves has reduced whaling to very low levels in recent years. However, it will be many years before we learn whether several species of these magnificent creatures will survive, and generations before their populations rise to levels that completely assure this survival.

While the whale populations in Antarctica were declining, the commercial sealing industry grew rapidly and many species of Antarctic seals appeared destined to suffer the same fate as their larger relatives, the whales. The curtailment of commercial sealing activities following establishment of a Convention for the Conservation of Antarctic Seals in 1972 appears to have stabilized and even allowed some recovery of seal populations and to have insured their survival.

Today, yet another threat to the living marine resources of the Southern Ocean is confronting us. This time the danger comes from the harvesting of krill.

Krill are small shrimp-like animals which are found in dense swarms within the waters of the Southern Ocean. The existing stock of Antarctic krill is estimated to be between 800 million and 5 billion metric tons. Various estimates have been made of the maximum sustainable yield of krill fisheries that would not lead to depletion of the krill. These estimates range from as low as 70 million metric tons a year to as much as 200 million metric tons a year. By comparison, the total global annual catch of seafood at present is approximately 65 million metric tons.

The very wide range of estimates that have been made of krill stocks and maximum sustainable yields is indicative of the very limited information that is available concerning the populations of antarctic krill and their distribution in time and space. The information void for krill is matched by similar dearths of data concerning the occurrence of other marine animals in Antarctica such as the fishes, squid, shellfish, and even the more intensively studied animals such as penguins, birds, seals, and whales.

The krill fishery is unique in that krill is near the base of the food chain in the Antarctic marine ecosystem and whales, seals, penguins, birds, squid, and some fishes are directly or indirectly dependent upon krill for their food. In no other fishery is the species that is harvested at such a critical point in the food chain. Overfishing of krill if it occurred would very likely threaten the existence of fishes, marine mammals, and sea birds long before the krill itself was subject to a serious decline in population.

Estimates of maximum sustainable yield of the krill fishery do not take into account the dependence of other species on krill. It is likely that the maximum harvest of krill that could be taken without endangering the viability of other

species is considerably smaller than the maximum sustainable yield.

Krill harvests are at present only small, approximately 40,000 tons last year, and pose no immediate threat to the Antarctic ecosystem. However, the food potential of krill is high. In addition, the outer covering of the krill may be industrially valuable. This covering is chitin, a substance similar to cellulose and it can be converted by a relatively simple process to chitosan. There are approximately 1,000 known industrial uses for chitosan, including for example removal of trace metals or radionuclides from waste waters.

History tells us that, because of its economic potential the krill harvest may rise very rapidly and that unless the resource is properly managed now, we will reach a situation some time in the not too distant future in which the krill harvest is excessive and the ecosystem or some species within it are endangered. The classic factors of dependence on the resource and overcapitalization of the fishing fleets would under those circumstances make effective management and protection of the krill resource and the Antarctic ecosystem an extremely difficult task.

The 13 nations who are parties to the Antarctic Treaty, a 1959 agreement which preserved the Antarctic continent from exploitation, recently recognized the potential dangers of the expanding krill fisheries and during February and March of this year held a special consultative meeting in Canberra, Australia, to draft a convention for the conservation of the living marine resources of the Antarctic region.

Dr. Douglas A. Segar currently on my staff as a congressional science fellow sponsored by the American Association for the Advancement of Science attended the meeting in Canberra as an adviser to the U.S. delegation. Dr. Segar represented the Merchant Marine and Fisheries Committee at these negotiations.

The Canberra meeting was inconclusive and resulted only in a draft negotiating text of a convention. However, several features of this draft are unique and I believe deserve to be brought to public attention.

The most important feature of the draft convention is that it provides for the conservation of all species of living marine resources in the Antarctic marine ecosystem. The draft convention would achieve this by establishing three guiding principles as follows:

(a) Prevention of depletion of any harvested species or populations to levels below those which produce the greatest net annual increment in population numbers or biomass;

(b) Maintenance of the balance of the Antarctic marine ecosystem by taking into account the relationships of harvested species with dependent and related species and the restoration of species or populations depleted below levels defined in subparagraph (a);

(c) Prevention of changes in the Antarctic marine ecosystem which are not potentially reversible over a few decades taking account of uncertainties in knowledge both of the direct and indirect impact of harvesting and associated activities on the Antarctic marine ecosystem and of the effects of environmental changes.

Through the application of these principles, the convention would regulate harvesting of krill and other commercially caught marine animals in such a way as to protect all plants, animals, and birds living in, or feeding off the area of ocean designated as the Antarctic marine ecosystem. The Antarctic marine ecosystem extends to the Antarctic convergence which is the location where the cold sea water surrounding the Antarctic continent and warmer water from the North meet. This convergence forms a thermal barrier such that krill and most other Antarctic marine animals and plants are found only to the south of this convergence.

Around most of Antarctica the convergence lies to the north of 60 degrees south latitude and, therefore, outside the Antarctic Treaty area. A functional definition of the approximate location of the convergence was established as the area of application of the draft convention by drawing lines of latitude and longitude based upon the United Nations Fisheries and Agricultural Organization catch statistic reporting areas.

The practical problems in managing the proposed convention regime where all species are taken into account are undoubtedly great and were cited as reservation to the draft convention by several of the nations at Canberra. Despite these reservations, there was a solid consensus that the ecosystem approach must be adopted and this was not one of the aspects of the draft convention that was subject to major disagreement and further negotiation.

The drafting of this convention appears to be the first time an ecosystem approach has been proposed for the management of an international fisheries resource. The choice of an area of application to define as closely as possible the boundaries of an identifiable ecosystem is apparently unique, as is the suggestion that the commission set up to manage the proposed convention would be charged with regulating fishing for all commercial species within the area in such a manner as to preserve and protect not just those species which are commercially valuable, but all species.

The major difficulty that will be encountered in exercising conservation of an entire ecosystem is the need for scientific data. The ecosystem approach requires that more scientific information be available than is necessary for traditional single species fisheries conservation agreements. As the oceanography of the Southern Ocean is very poorly known, there will be a particular problem in managing the krill fisheries. The draft convention addresses this problem by establishing a scientific committee to continuously assemble and review the relevant scientific data and by requiring that fishing vessels collect and pass on to the scientific committee as much scientific data as possible, incident to their fishing activities.

One area of scientific information gathering necessary for successful conservation of the ecosystem is not adequately addressed by the draft convention. This is the requirement for information concerning the numbers distribution and feeding habits of nonharvested species and any changes occurring in these that are caused by increased krill harvest. Information about penguin, bird, and some fish populations, for example, would not be obtained by fishing vessels during harvesting activities. It seems, therefore, that the success of the convention may ultimately rest not only on its own operation but also on the extent of scientific information that national research programs can provide concerning nonharvested species. Therefore, it falls to the United States and other nations with strong interests in preserving Antarctica and its surrounding oceans to provide this research.

Unfortunately, it cannot be said that the United States is currently living up to its responsibility to participate actively in research and assessment of Antarctic marine living resources. At present, we have only a minimal effort in this area conducted by the National Science Foundation. It was with knowledge of the lack of adequate research activity and in the anticipation of the outcome of the Canberra meeting of the Antarctic Treaty that Congressman FORSYTHE and I introduced in February the bill H.R. 10905. This bill is now being considered by the Merchant Marine and Fisheries Committee. It would establish within the National Oceanic and Atmospheric Administration (NOAA), the traditional home for our national fisheries research and assessment activities, a polar fisheries conservation program. The bill would provide NOAA with an ice-strengthened high seas fisheries research vessel and a modest sum of money to initiate a research program in both polar regions.

Quite frankly we believe that the United States should have at least two ice-strengthened high seas fisheries research vessels; one for work in the Antarctic and another for operation in our own polar seas around Alaska. It is nothing short of scandalous that this Nation does not presently possess even one such vessel and, therefore, can conduct virtually no fisheries research in partially ice-covered polar seas. H.R. 10905 is but a minimum first step to change this situation and it is my hope that we can carry news of its positive progress to Buenos Aires in July when the next and hopefully conclusive negotiating session of the Antarctic living marine resources conservation convention will take place.

The outstanding issues remaining to be resolved in Buenos Aires before a convention for the conservation of Antarctic marine living resources is signed are related to voting procedures in the commission, financing, and inspection provisions, and resolution of the status of territorial claims that some member states have in Antarctica. It appears that if as anticipated these issues are rapidly resolved the convention will be signed within the year. The Antarctic Treaty nations will then have achieved a landmark in the development of international environmental law; an agreement to manage an entire ecosystem combining the principles of rational

utilization and conservation of the resources within that ecosystem. Although we might anticipate many trials ahead in the application of these principles in a practical setting, a fundamental step forward has been made with solid commitments by a diverse group of nations. How different is this story than the lamentable news that comes to us from the Law of the Sea Conference in Geneva.

It is my firm belief that the nations of the world can work together for the greater good of mankind, even when competition is fierce for the benefits of a common resource as it is in Antarctica. This bold experiment in international cooperation in the southern ocean must succeed, and I urge a strong national commitment to this end.●

CRIME SUBCOMMITTEE CONTINUES HEARINGS ON BATF'S PROPOSED REGULATIONS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. CONYERS) is recognized for 5 minutes.

● Mr. CONYERS. Mr. Speaker, I wish to announce that the Subcommittee on Crime, which I chair, of the House Committee on the Judiciary will hold a second day of hearings on proposed new firearms regulations of the Treasury Department on May 17, 1978. The hearing will commence at 9:30 a.m. in room 2237, Rayburn Office Building. Witnesses appearing will include representatives of the firearms industry and of wholesalers and retailers of firearms. ●

THE FARM PRODUCTION PROTECTION ACT OF 1978

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Tennessee (Mr. JONES) is recognized for 5 minutes.

● Mr. JONES of Tennessee. Mr. Speaker, today I am introducing the Farm Production Protection Act of 1978 which would replace our Federal crop insurance program with all-risk protection for farmers. This bill, submitted to the Congress by Secretary Bob Bergland, is similar to H.R. 7111, a bill I introduced and held hearings on last year.

The administration considers it absolutely essential that farmers be provided with a comprehensive, meaningful and efficient insurance plan to protect their massive economic investments in food and fiber production.

The following letter from Secretary Bergland to Speaker O'NEILL outlines the administration's thoughts on the legislation:

DEPARTMENT OF AGRICULTURE,
Washington, D.C., April 28, 1978.

Hon. THOMAS P. O'NEILL, JR.,
Speaker of the House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: Enclosed for the consideration of Congress is a draft bill known as the Farm Production Protection Act of 1978, which will permit the Administration to meet its goal of a meaningful all-risk, all-county, all-producer plan for protecting producers against loss of production due to natural disaster and certain uncontrollable risks.

This Department recommends that the bill be enacted. It is a direct result of a comprehensive study of the entire question of disaster relief. There is urgency for this enactment in this session of Congress to assure the new program is operational by the 1980 crop year when low-yield disaster provisions expire under the Food and Agriculture Act of 1977.

This bill would establish a program that would make it possible to combine the insurance provisions of the Federal Crop Insurance Act, the USDA low-yield disaster payment programs, the emergency loan programs of the Farmers Home and Small Business Administrations, and some indemnity payment programs to protect producers of agricultural products against loss of production when natural or uncontrollable conditions adversely affect yields. The Commodity Credit Corporation will be utilized to carry out the purposes of this Act and FCIC will be dissolved.

We have long recognized the need for formation of some method of providing a unified program of protection against losses due to unavoidable natural hazards. This bill could permit the accomplishment of this objective beginning with the 1980 crop year. By crop year 1982 it is projected that about $14.9 billion of protection, out of a potential of $33 billion, would be covered by the program. Cost would be comparable to the present ASCS low-yield disaster and Federal Crop Insurance programs combined. The Department estimates about $542 million would be necessary to operate the program in the first crop year of full operation. This compares to $555 million for the existing four programs. The consolidation will increase the protection available to farmers per dollar of federal outlay.

A projection of fiscal year costs is shown in the attached Exhibits I and II.

First-year coverage offered under this Act would be primarily the disaster crops—corn, grain sorghum, wheat, cotton, rice, and barley—together with 12 other programs currently insured by Federal Crop Insurance including sugarcane, sunflowers, citrus, dry beans, soybeans, oats, flax, peanuts, tobacco, raisins, sugar beets, and rye. As rapidly as actuarial data can be developed, when the bill is enacted, it would be the intent to expand nationally into all other commercially grown crops within 10 years. In addition, specialty insurance could be developed on livestock, aquaculture products, prevented planting, etc. These initially would be on an experimental basis.

At a roughly comparable expense to the current FCIC insurance and ASCS disaster payment programs, the government would offer a greater degree of coverage to a much greater number of agricultural producers with more equitable sharing of costs of the program by producers than is the case with the present disaster programs.

The Department feels this legislation would result in a cost-benefit saving to the taxpayer over present disaster, emergency loan, and insurance programs. It is more meaningful for the farmer because of the additional protection offered than compared with present programs. We view this bill as a good cooperative blend between consumer and farmer interests with benefits to both. By assuring an adequate supply of farm products, there will be less price fluctuation for consumers.

An identical letter has been sent to the President of the Senate.

The office of Management and Budget advises that enactment of this proposal would be in accord with the program of the President.

Sincerely,

BOB BERGLAND,
Secretary.●

"CONSENSUS" BILL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arizona (Mr. UDALL) is recognized for 5 minutes.

● Mr. UDALL. Mr. Speaker, the Committee on Merchant Marine and Fisheries has now completed its review of H.R. 39, the Alaska National Interest Lands Conservation Act, and has reported that bill (H.R. 39) with certain suggested amendments. Earlier, the Committee on Interior and Insular Affairs reported H.R. 39 in a slightly different form.

Throughout the development and revision of this most important legislation, the staffs of the two committees have worked together; since the completion of markup by the Merchant Marine Committee, I have been working closely with Chairman MURPHY and with our colleagues JOHN SEIBERLING and ROBERT LEGGETT, chairmen of the respective subcommittees which earlier dealt with this matter and EDWIN FORSYTHE, the ranking minority member of the Merchant Marine Committee's subcommittee. Our efforts have been directed at minimizing the difference in perspective between the two committees, and at working out differences between the two committees' products, so far as that can be done.

As a result, and based on a careful review of the bill as reported by each committee, Chairmen MURPHY, LEGGETT, SEIBERLING, and I have prepared a "consensus package" of provisions which we are today joining in introducing as a clean bill. The contents of this bill are drawn from the work of the two committees and common ground between them, and also reflect our consideration of recommendations put forth by the administration.

When H.R. 39 comes before the House, it is our intention to offer this clean bill as a substitute original text for purposes of amendments, so that the House can start upon the basis of those provisions which are not in substantial dispute between our two committees.

Mr. Speaker, it is absolutely vital that the legislation be enacted into law this year. All the necessary legwork has been completed; the hearings have been held, the markups are finished. Not since the civil rights hearings of the sixties has such congressional scrutiny occurred. I expect the floor debate on this landmark legislation to be an intense and honest one. However, to avoid the chaos and confusion that often results when two different committees report different versions of a bill to the House, I and the other cosponsors of this legislation, representing the leadership of the two committees, have agreed upon one vehicle we feel should be used as the starting point in the floor debate on H.R. 39. This bill is not intended to circumvent the normal congressional legislative process, it is merely introduced as a way to expedite the House's consideration of the Alaska National Interest Lands Conservation Act. Nor is it meant to solve or create any jurisdictional disputes between our two committees.

There are provisions in this consensus bill that I fully support, there are other provisions included that I clearly dis-

agree with. I am sure that the other cosponsors feel much the same. I will be free, as will every other Member, to offer individual amendments to the legislation in an effort to improve it. However, we must start somewhere, and I believe that the clean bill represents the logical starting place.

Mr. Speaker, I think it will be useful to our colleagues to summarize the contents of this measure:

1. CONSERVATION SYSTEM UNITS

The consensus bill would add approximately 100 million acres to the existing units in Alaska of the national park, national wildlife refuge, wild and scenic river, and national forest systems. The National Park System and Wild and Scenic River System units are the same as proposed in H.R. 39 as reported by the Committee on Interior and Insular Affairs. The National Wildlife Refuge System units are essentially those reported by the Committee on Merchant Marine and Fisheries except that the redesignation of the national petroleum reserve as a wildlife refuge is omitted The National Forest System additions are those reported by the Committee on Interior and Insular Affairs, except that the acreage has been adjusted to reflect the fact that certain lands in the Copper River Delta—proposed by the Interior Committee to be added to the Chugach National Forest—are designated a new national wildlife refuge.

2. WILDERNESS

The wilderness areas designated within over conservation system units are identical to those reported by the Committee on Interior and Insular Affairs, except that wilderness areas within the National Wildlife Refuge System are reduced to conform to those reported by the Committee on Merchant Marine and Fisheries.

3. MINERAL CLAIMS AND ACCESS

The bill reflects generally the position taken by the Committee on Merchant Marine and Fisheries regarding access to minerals within conservation system units: all units are withdrawn from entry under the Mining Law of 1872, and from the Mineral Leasing Act. However, the Secretary is authorized to permit oil and gas leasing in the nonwilderness parts of National Wildlife Refuge System units, if he determines that this is compatible with the purposes for which those units are established. The package does not include the minerals access provisions found in title IX of the bill as reported by the Committee on Interior and Insular Affairs.

4. SUBSISTENCE

The bill includes the basic provisions for protection of rural Alaskans dependent on subsistence uses of the resources of the public lands as reported by the Committee on Interior and Insular Affairs, with the modifications worked out by the Committee on Merchant Marine and Fisheries.

5. COOPERATION AMONG LAND MANAGERS

The bill includes provisions for cooperation among land managers in Alaska as reported by the Committee on Interior and Insular Affairs.

6. LAND TRANSFERS AND ADMINISTRATIVE PROVISIONS

The bill includes the provisions reported by the Committee on Interior and Insular Affairs for speeding up the transfers of land to the Natives of Alaska and to the State, as provided in the Alaska Native Claims Settlement Act and the Alaska Statehood Act; and also the various administrative, technical, and other provisions of the bill as reported by the Committee on Interior and Insular Affairs.

Mr. Speaker, I believe that this package provides a responsible, effective, and balanced basis for the House to consider this most important legislation, which merits the support of all Members of the House.●

SHARING JOSE MARTI'S DREAM FOR A FREE CUBA ONCE AGAIN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. PEPPER) is recognized for 5 minutes.

● Mr. PEPPER. Mr. Speaker, 76 years ago this month Cuba became an independent republic and the dream of her greatest patriot, Jose Marti, was realized.

Marti was one of the greatest poets to write in the Spanish language. He was also one of the greatest men to fight for human liberty in history. He rallied the people of Cuba to cast off the shackles of Spanish rule until he was forced to flee his homeland. As an exile in New York City, he gained international support for his mission. When he returned to Cuba at the head of a small but determined band, he was martyred in an ambush by Spanish troops. His death did not end the struggle for Cuban independence, but rather sparked the war that brought independence.

The American people aided Cuba in this struggle to end Spanish imperialism in the hemisphere and allow her to join her sisters, the United States and the Republics of Latin America, as a free and independent nation. On May 20, 1902, Gen. Leonard Wood turned the government of the island over to its first elected officials and the Cuban flag was raised over the new nation.

For 57 years the people of that great island nation enjoyed the liberty that was Jose Marti's legacy to his countrymen. Many Americans will long remember the beauty of the place that has been called the jewel of the Caribbean. My wife and I had the opportunity to spend our honeymoon in Havana in late December of 1936.

In 1959 both the independence and the prosperity of the republic were destroyed when Fidel Castro seized power. Cuba became the subject of the U.S.S.R. just as she had once been the subject of Spain. Marti's ideals of freedom, liberty, and independence vanished as Castro depended on a million-dollar-a-day dole from the Soviet Union and allowed the Soviets to build military bases that threaten security of the land which had once fought for Marti's ideals. Not only did Castro betray Marti's dream for Cuba, he allowed the Soviet Union to use Cuban troops and military advisers to prevent dreams like Marti's from being realized in Angola and the Horn of Africa.

The United States harbored Jose Marti during his exile. We fought that the dreams of this great patriot might be realized. We cannot stand by while the accomplishments of Cuba's greatest hero are replaced, both in Cuba and Africa, by Soviet imperialism.

Let this day mark the determination of this Nation and our people that we are as determined to see Cuba freed of this tyranny and the oppression of the Communist Dictator Castro as we were to free it from the tyrannical imperialism of Spain. Let us share the spirit and the determination of Jose Marti that Cuba shall be free again.●

INSURANCE INDUSTRY FALSEHOODS FOOL EVEN THE AMERICAN BAR ASSOCIATION PRESIDENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. LAFALCE) is recognized for 5 minutes.

● Mr. LAFALCE. Mr. Speaker, several months ago I informed this body that the famous product liability case—wherein a lawn mower was improperly used to trim a hedge, the user injured, and a successful suit brought against the manufacturer—was an outright fabrication. Nevertheless, this case was circulated by Crum & Forster in its national advertising, as well as by the Insurance Information Institute, a public relation agency servicing the insurance industry.

Their salesmanship is to be congratulated. The president of the American Bar Association used this story in his remarks given on April 29, 1978, before the University of Georgia School of Law during its Law Day program:

> For example, one man lost a finger operating his power lawn mower and sued the manufacturer. It didn't matter to him—and it apparently didn't matter to the jury, either—that his injury occurred when he was using the lawn mower to cut a hedge. He was entitled to compensation for his suffering.

Apparently, when falsehoods are repeated often enough, they gain credibility to the point of being legend. That such lies can gain yet further believability and circulation by being parroted by the president of the American Bar Association in a Law Day address is unbelievable.

Moreover, even the point that the President was trying to make—that juries are biased in favor of injured plaintiffs—is subject to serious question. The most credible available statistics indicate that in product liability suits wherein a verdict is reached, three times out of four the plaintiff gets nothing.

The press release announcing the ABA president's speech, as well as my earlier comments follow:

> ASSERTION OF ONE'S "RIGHTS" IN COURT MAY OFTEN BE WRONG ANSWER, SAYS ABA PRESIDENT SPANN
>
> CHICAGO, APRIL 29.—"There's a growing tendency in this country to regard as rights

a variety of benefits never imagined by the Founding Fathers," Wm. B. Spann, Jr., president of the American Bar Association, said in a speech given today during the Law Day program at the University of Georgia School of Law in Athens, Ga.

The definition of "rights" has been broadened as a result of the civil rights and consumers movements, Spann said. However, he noted, this has not been without harmful consequences.

"The benefits of reducing environmental pollution, and increasing consumer protection and other legislated 'rights' cannot be denied. But some of the side effects have been unfortunate. One is the burgeoning federal bureaucracy needed to enforce the new laws, a bureaucracy that is becoming increasingly oppressive. . . .

"A second consequence of these movements is even more ominous. It is a growing tendency on the part of the individual to demand compensation from someone for almost any kind of misfortune that befalls him. One social researcher calls it the psychology of entitlement. For example, one man lost a finger operating his power lawnmower and sued the manufacturer. It didn't matter to him—and it apparently didn't matter to the jury, either—that his injury occurred when he was using the lawnmower to cut a hedge. He was entitled to compensation for his suffering.

"The most obvious results of this trend toward drop-of-the-hat litigation are economic," Spann continued. "Juries hand down large judgments, seemingly regardless of blame. Insurance companies pay the judgments, then raise their premiums to the insureds. Finally, the insureds pass along the higher premiums to the rest of us in the prices of their products and services."

A third, and more serious, consequence, Spann said, is that government commissions and courts are overburdened because of the tremendous increase in civil rights and discrimination cases.

Spann warned that if the public persists in looking to the legal system for resolution of all its problems, the burdens on it will keep on increasing.

"If we persist in believing that somewhere there is a mysterious 'they' who will pay for everything, then eventually that burden must become intolerable. For the society we live in is a precariously balanced and delicate instrument, founded upon the belief that rights and wrongs are distinguishable and that in the end fairness and honesty will prevail. Fairness and honesty are finding it increasingly hard to prevail in a judicial system clogged with frivolous lawsuits."

Spann said that while lawyers are responsible for providing access to the justice system, they also have an obligation to prevent abuse of the system. Lawyers, he said, must discourage clients from filing frivolous lawsuits.

Lawyers must also "make a concerted effort to increase public understanding of our justice system and we must continue to work to see that people who need the protection of the courts must have access to them," Spann stated. "I suggest that everyone's access to justice is denied when we try to gratify every personal desire through litigation."

[From the Congressional Record]

INSURANCE COMPANY PROPAGANDA UNTRUE

Mr. LAFALCE. Mr. Speaker as chairman of the Subcommittee on Capital, Investment, and Business Opportunities of the Committee on Small Business, I have been studying the problem of the lack of availability/affordability of product liability insurance presently being experienced by many businesses across our Nation.

Many of you have seen insurance company advertising reciting the legendary product liability case wherein a lawn mower was used to trim a hedge, the user injured, and a successful suit brought against the manufacturer. Further, many of you have seen insurance company advertising reciting the "fact" that product liability cases have increased to almost 1,000,000 per year. Recently it has been revealed that the now famous lawn mower case cannot be substantiated, and that the million claim figure is blatantly overstated.

In the article appearing in Business Insurance by Jerry Geisel, he traces the development of the lawn mower story and attributes its origination to a lawyer in Wichita, Kans. That lawyer claims to have read this in a newspaper article but is unable to further document this case. Despite this somewhat dubious origin, this story was circulated by the Insurance Information Institute, a public relations and educational organization supported by property and the liability insurance companies, and was carried by Crum and Foster in advertising which ran in Time, Newsweek, and Business Insurance as late as September 1977.

The 1,000,000 annual product liability claims figure was also widely circulated by the Insurance Information Institute and was mentioned recently in advertising by Aetna Life and Casualty Company. The validity of this figure was questioned as early as 1976 by representatives of the Insurance Services Office (ISO), the major product liability statistical-gathering and ratemaking organization for product liability insurers. ISO presently estimates the number of claims to range between 60,000 to 120,000 annually.

While both statements have recently been repudiated by the Insurance Information Institute and taken out of their literature, the incident nevertheless points out how portions of the insurance industry have used the advertising media to "sell" American industry on higher product liability rates through false advertising. Because of the lack of reliable data, it is presently impossible to determine whether the rate increases experienced by many firms in the product liability area are justified or result merely from panic pricing and will provide the insurance industry with windfall profits.

The insurance industry's accounting methodology helps to obfuscate the problem further. In information circulated by the Insurance Information Institute, an underwriting deficit of $2.22 billion was reported for 1976. However, during the same period, the industry reported an increase in net worth of approximately $5.73 billion, up 22 percent from the previous year. Further, assets increased an additional $18 billion representing a 20-percent increase from the previous year. If such substantial increases in net worth and asset size can occur during a period in which underwriting deficits are sustained, serious questions as to the meaning of these underwriting deficits must be raised.

The insurance industry, historically exempt from Federal regulation or monitoring, is becoming increasingly important in our complex and sophisticated society. This is evidenced by the product liability problem at present, the medical malpractice problem of recent years, and the false propaganda circulated in periodicals read by millions. The exemption from Federal scrutiny is becoming increasingly more difficult to justify and bears a continuing reevaluation from us in Congress.●

A STAND AGAINST TERRORISM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. PANETTA) is recognized for 5 minutes.

Mr. PANETTA. Mr. Speaker, the bullet-riddled body of former Italian Premier Aldo Moro was found earlier today in Rome. The terrorist Red Brigade's "People's Court has carried out its death sentence by shooting Aldo Moro 12 times in cold blood and stuffing his body into the trunk of a car.

I want to share with my colleagues my own feelings of disbelief and horror that such a crime could be committed, that the world would again be subjected to this kind of senseless terror. Civilized people around the globe must speak out against this vicious crime. We must join together to condemn this violence, to express our total abhorrence of terrorism. We should, moreover, ready ourselves to do battle against any future outbreak of terror perpetrated upon us by self-proclaimed "emancipators."

Whether it is Italian terrorism or Palestinian, whether is is Japanese or Moroccan, whether it is Irish, Argentinian, or American, terrorism must be stopped. Whether it is leftwing or rightwing, terrorism must be stopped. How many more innocent people must die before this international threat is taken seriously? How many more prominent statesmen must be sacrificed before decisive action is taken to turn the tide. Terrorism unchecked will undermine the rule of law; civil society itself will be one of the first casualties of a free-ranging terrorism. An inability to counter terrorist activity will ultimately prove our undoing, since the urgent business of the world cannot be carried out for long under the gun.

My heart goes out to members of the Moro family, for they have been victimized by a depraved group and by the inability of authorities in Italy to deal effectively with the terrorist threat. All peoples in the world should express universal and unqualified condemnation of this crime. The time is upon to us to act decisively to keep our social fabric from exploding under the pressures of fear and mistrust.

INCREASE IN THE DEBT CEILING: THE NEED TO SCALE DOWN THE TAX CUT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. VANIK) is recognized for 5 minutes.

● Mr. VANIK. Mr. Speaker, yesterday the administration testified before the Ways and Means Committee on increasing the statutory debt limit to $771 billion on September 30, 1978, and $863 billion on September 30, 1979. These figures include estimated changes in the debt subject to limit of $70.6 billion in fiscal year 1978 and $89 billion in fiscal year 1979. While these estimates present some serious problems which must be closely scrutinized, they also indirectly provide strong support for the tax proposals which Representative JAKE PICKLE and I have offered.

According to the administration witnesses, the estimates of the debt limit are based on two assumptions, both of which are doubtful:

First. The estimates assume passage of the administration's tax reform and reduction bill; and

Second. The estimates are based on a 6-percent rate of inflation, which Economic Adviser Charles Schultze has already said will have to be revised upward to about 7 percent.

The merit of the debt ceiling will have to be considered by the Ways and Means Committee.

But the bloated figures—and the assumptions on which they rest—make an excellent case for the tax package which Representative PICKLE and I have offered as an alternative to the administration proposal. Our package would eliminate the tax reductions and reforms in the President's bill and simply extend the approximately $9 billion in tax cuts that are to expire this year. As proved by the postponement of the Ways and Means markup, the President's tax package is in serious trouble. At the rate we have been going, the tax bill reported from Ways and Means would balloon the Federal debt far beyond the administration's estimates. Our alternative proposal would cut the fiscal year 1979 deficit by about $30 billion.

In cutting the deficit, our proposal would also help restrain the rate of inflation. The administration's current estimates for the debt ceiling are already understated because of inflation. Passage of $25 billion tax cut would only further fan the flames and bloat the debt.

In asking for a higher debt limit, the administration has provided good arguments for our tax proposal. I hope that Members will take these arguments into consideration.●

CONSENSUS BILL ON ALASKA NATIONAL INTEREST LANDS

(Mr. SEIBERLING asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. SEIBERLING. Mr. Speaker, as Chairman UDALL has informed the House, the chairmen of the two committees and subcommittees who have been assigned the responsibility over H.R. 39, the Alaska National Interest Lands Conservation Act, are today joining, along with our colleague from New Jersey (Mr. FORSYTHE) in introducing a clean bill which represents their "consensus" package of provisions from the two somewhat different versions of that legislation which have now been reported by the Committee on Interior and Insular Affairs and the Committee on Merchant Marine and Fisheries.

As chairman of the Subcommittee on General Oversight and Alaska Lands, I am cosponsoring this clean bill with Chairman UDALL, Mr. MURPHY, Mr. LEGGETT, and Mr. FORSYTHE because I believe that this approach will afford the House an opportunity, in its consideration of this important legislation, to begin action on the bill on the basis of provisions which have received broad support of members of the two committees. In order to permit this process to move forward in an orderly fashion, I will join with the other cosponsors of the bill in seeking that its contents be treated as original text of H.R. 39 when that bill is read for amendments in the Committee of the Whole House.

Mr. Speaker, Chairman UDALL has generally outlined the contents of this consensus bill. As he pointed out, we have combined the versions reported by our two committees, making adjustments where necessary to eliminate conflicting provisions, and including those provisions of each version which we believe have general support among the members of both committees. In so proceeding, we have attempted to reduce procedural and technical difficulties by considering the various provisions primarily on their own merits, without too strict a regard for questions of committee jurisdiction. It should be stressed, however, that in so proceeding, none of us intends that our actions be considered as being a waiver of any jurisdictional points or as establishing a precedent concerning committee jurisdiction over certain subject matters.

For example, the "consensus bill" includes provisions from H.R. 39 as reported by the Committee on Merchant Marine and Fisheries which have the effect of transferring certain lands within the existing Chugach National Forest (administered by the Department of Agriculture) to one new and one expanded unit of the National Wildlife Refuge System. Inclusion of these lands is based on a common recognition that, in this specific and unusual case, wildlife refuge status and attendant administration by the Secretary of the Interior represents the highest and best use of the particular tracts in question. It certainly is not intended as a precedent for any other such changes in the status of national forest lands reserved from the public domain, which—as with all matters involving such lands—are within the exclusive jurisdiction of the Committee on Interior and Insular Affairs.

Similarly, the inclusion within the clean bill of a number of revisions which the Committee on Merchant Marine and Fisheries proposed in the provisions of title VII—dealing with subsistence uses—is not intended to affect the sole jurisdiction of the Committee on Interior and Insular Affairs, over relations with the Indian tribes, and Indian and Native affairs generally as also all measures concerning the terms and conditions for entry and use of the public lands, including, in this specific case, use of the public lands for subsistence by Alaska Natives and other Alaskan rural residents.

By including in title VI only those wilderness designations within units of the National Wildlife Refuge System which were contained in H.R. 39 as reported by the Committee on Merchant Marine and Fisheries, we who serve on the Committee on Interior and Insular Affairs are in no way agreeing that classification of the public lands as wilderness is a matter within the jurisdiction of the Merchant Marine Committee or any other committee except the Committee on Interior and Insular Affairs, which has been responsible for all wilderness legislation since passage of the Wilderness Act in 1964.

In agreeing to permit fishery research activities within national park wilderness and wilderness study areas, we did so with the understanding that such research, if authorized by the Secretary would remain under the strict control of the National Park Service and would not require permanent facilities and would be limited to such matters as population counts, periodic checks on migratory patterns, sex ratio studies, and similar field research programs.

The "concensus bill" incorporates essentially the Carter administration's approach to minerals on all lands to be included with conservation systems in Alaska. National parks, preserves, and wildlife refuges would be withdrawn from the mining laws and the operation of the mineral leasing laws. Wildlife refuges could be opened to oil and gas leasing under the Wildlife Refuge Administration Act subject to the discretion of the Secretary. This approach recognizes that the boundaries of the conservation system units were carefully drawn to exclude the great majority of lands containing some potential for the occurrence of metallic minerals and oil and gas. Nearly 70 percent of the lands with some metallic mineral potential and about 95 percent of the lands with high oil and gas potential lie outside of the boundaries of all new conservation system units as well as existing conservation system units and other withdrawals. In addition, the bill would recognize all valid existing mineral claims and leases and provide for exercise of rights under such claims and leases.

Mr. Speaker, the Alaska National Interest Lands Conservation Act is the most single important land conservation measure which will come before this Congress—or perhaps before any Congress past or in the future. Thus, I believe that it is appropriate for the House to have an opportunity to debate the bill in open and unrestricted fashion, and to concentrate on its merits rather than on questions of procedure or committee jurisdiction. I believe that this jointly sponsored measure will provide the basis for such consideration, and I commend it to the attention of all our colleagues.●

GENERAL LEAVE

Mr. ASHBROOK. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the life, character, and public service of the late Honorable Errett Power Scrivner.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. YOUNG of Texas, for an extended period on account of business.

Mr. RODINO (at the request of Mr. WRIGHT), for today, on account of illness in the family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mrs. PETTIS) to revise and extend their remarks and include extraneous material:)

Mr. RAILSBACK, for 5 minutes, today.
Mr. GOLDWATER, for 5 minutes, today.
Mr. JEFFORDS, for 10 minutes, today.
Mr. CLEVELAND, for 10 minutes today.
Mr. WHALEN, for 10 minutes, today.
Mr. RUDD, for 10 minutes, today.
Mr. GREEN, for 5 minutes, today.

(The following Members (at the request of Mr. SKELTON) to revise and extend their remarks and include extraneous matter:)

Mr. BURKE of Massachusetts, for 5 minutes, today.
Mr. ALEXANDER, for 60 minutes, today.
Mr. ANNUNZIO, for 5 minutes, today.
Mr. GONZALEZ, for 5 minutes, today.
Mr. AUCOIN, for 5 minutes, today.
Mr. LEGGETT, for 5 minutes, today.
Mr. CONYERS, for 5 minutes, today.
Mr. JONES of Tennessee, for 5 minutes, today.
Mr. UDALL, for 5 minutes today.
Mr. PEPPER, for 5 minutes, today.
Mr. VANIK, for 5 minutes, today.
Mr. LAFALCE, for 5 minutes, today.
Mr. PANETTA, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. GAYDOS, immediately prior to rollcall 293, the vote on the Fisher amendment in the Committee of the Whole today.

(The following Members (at the request of Mrs. PETTIS) and to include extraneous material:)

Mr. DON H. CLAUSEN.
Mr. SHUSTER.
Mr. YOUNG of Alaska.
Mr. EMERY.
Mr. GARY A. MYERS.
Mr. SARASIN.
Mr. GRASSLEY.
Mr. GOLDWATER.
Mrs. SMITH of Nebraska.
Mr. HOLLENBECK.
Mr. LAGOMARSINO in two instances.
Mr. DERWINSKI in three instances.
Mr. DORNAN.
Mr. FRENZEL in three instances.
Mr. DICKINSON.
Mr. PRESSLER.
Mr. STEERS.
Mr. MCCLOSKEY.
Mr. GREEN.

(The following Members (at the request of Mr. SKELTON) and to include extraneous matter:)

Mr. AKAKA.
Mr. MAZZOLI in two instances.
Mrs. BURKE of California.
Mr. EILBERG in 10 instances.
Mr. WOLFF.
Mr. IRELAND in two instances.
Mr. ANDERSON of California in three instances.
Mr. GONZALEZ in three instances.
Mr. CORRADA.
Mr. AUCOIN in two instances.
Mr. RONCALIO in five instances.
Mr. EDWARDS of California.
Mr. PEPPER.
Mr. BONKER in two instances.
Mr. JOHN L. BURTON.
Ms. OAKAR in two instances.
Mr. MURTHA in two instances.
Mr. FRASER.
Mr. BLOUIN.
Mr. LAFALCE.
Mr. VENTO in two instances.
Mr. RUSSO.
Mr. BOLAND.
Mr. EVANS of Indiana.
Mr. DRINAN.
Mr. LEDERER.
Mr. OTTINGER.
Mrs. SCHROEDER.
Mr. WAXMAN in two instances.
Mr. UDALL.
Mr. TUCKER.
Mr. MAGUIRE.
Mr. VANIK.

BILLS PRESENTED TO THE PRESIDENT

Mr. THOMPSON, from the Committee on House Administration, reported that that committee did on the following dates present to the President, for his approval, bills of the House of the following title:

On May 4, 1978:

H.R. 1552. For the relief of Oh Soon Yi.

On May 5, 1978:

H.R. 6782. To provide emergency assistance to producers of wheat, feed grains, and upland cotton, and for other purposes.

ADJOURNMENT

Mr. SKELTON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 45 minutes p.m.) the House adjourned until tomorrow, Wednesday, May 10, 1978, at 3 o'clock p.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

4103. A letter from the Secretary, Smithsonian Institution, transmitting the Smithsonian's annual report for fiscal year 1977, pursuant to section 5593 of the Revised Statutes; to the Committee on House Administration.

4104. A letter from the Secretary of the Interior, transmitting notice of a proposed refund for excess payments on a lease by Texaco, Inc., pursuant to section 10(b) of the Outer Continental Shelf Lands Act of 1953; to the Committee on Interior and Insular Affairs.

4105. A letter from the Assistant Administrator for Legislative Affairs, Agency for International Development, Department of State, transmitting notice of an increase in the funding level of the Agency's proposed fiscal year 1978 program in Bolivia, pursuant to section 653(b) of the Foreign Assistance Act of 1961, as amended; to the Committee on International Relations.

4106. A letter from the president, American Academy and Institute of Arts and Letters, transmitting the annual report of the organization for calendar year 1977, pursuant to section 4 of its charter; to the Committee on the Judiciary.

4107. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a draft of proposed legislation to amend the North Pacific Fisheries Act of 1954; to the Committee on Merchant Marine and Fisheries.

4108. A letter from the Comptroller General of the United States, transmitting a report on the Air Force's continued development of the advanced logistics system (LCD–78–108, April 24, 1978); jointly, to the Committees on Government Operations, and Armed Services.

4109. A letter from the Secretary of State, transmitting notice of the proposed obligation of not to exceed $10 million in Middle East Special Requirements Funds for a grant of airlift services for the United Nations Interim Force in Lebanon, pursuant to sections 671 and 903 of the Foreign Assistance Act of 1961, as amended; jointly, to the Committees on International Relations, and Appropriations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. THOMPSON: Committee on House Administration. Supplemental report on H.R. 11983 (Rept. No. 95–1070, Pt. II). Ordered to be printed.

Mr. PRICE: Committee on Armed Services. H.R. 12240. A bill to authorize appropriations for fiscal year 1979 for intelligence and intelligence-related activities of the U.S. Government, the Intelligence Community Staff, the Central Intelligence Agency Retirement and Disability System, and for other purposes. (Rept. No. 95–1075, Pt. II). Ordered to be printed.

Mr. ULLMAN: Committee on Ways and Means. H.R. 11370. A bill to authorize an appropriation to reimburse certain expenditures for social services provided by the States prior to October 1, 1975, under titles I, IV–A, VI, X, XIV, and XVI of the Social Security Act; with amendment (Rept. No. 95–1114, Pt. II). Referred to the Committee of the Whole House on the State of the Union.

Mr. DODD: Committee on Rules. House Resolution 1168. Resolution providing for the consideration of H.R. 12157. A bill to amend and extend the Export-Import Bank Act of 1945 (Rept. No. 95–1119). Referred to the House Calendar.

Mr. TEAGUE: Committee on Science and Technology. H.R. 12505. A bill to provide for a research, development, and determination program to determine the feasibility of collecting in space solar energy to be transmitted to Earth and to generate electricity for domestic purposes (Rept. No. 95–1120). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

Mr. ANDERSON of California (for himself, Mr. JOHNSON of California, Mr. HARSHA, Mr. RONCALIO, Mr. SNYDER, Mr. MILFORD, Mr. HAMMERSCHMIDT, Mr. MINETA, Mr. SHUSTER, Mr. LEVITAS, Mr. WALSH, Mr. AMBRO, Mr. COCHRAN of Mississippi, Mr. FARY, Mr. TAYLOR, Mr. HEFNER, Mr. GOLDWATER, Mr. EVANS of Georgia, Mr. FLIPPO, and Mr. RAHALL):

H.R. 12611. A bill to amend the Federal Aviation Act of 1958 to improve air service and provide flexibility in air fares; to the Committee on Public Works and Transportation.

By Mr. BAUCUS:

H.R. 12612. A bill to modify the method of determining quantitative limitations on the importation of certain articles of meat and meat products, to apply quantitative limita-

tions on the importation of certain additional articles of meat, meat products, and livestock, and for other purposes; to the Committee on Ways and Means.

By Mr. DOWNEY (by request):

H.R. 12613. A bill to amend the Uniform Code of Military Justice to improve the military justice system, and for other purposes; to the Committee on Armed Services.

By Mr. HANLEY (for himself, Mr. GONZALEZ, Mr. TSONGAS, Mr. HANNAFORD, Mr. EVANS of Indiana, Mr. MCKINNEY, Mr. PATTISON of New York, Mr. THONE, Mr. BUCHANAN, Mr. CHAPPELL, Mr. HEFTEL, Mr. GORE, Mr. BOWEN, and Mr. BEDELL):

H.R. 12614. A bill to amend the Bank Holding Company Act of 1956 to prohibit bank holding companies and their subsidiaries from selling property and casualty insurance as principals, agents, or brokers; to the Committee on Banking, Finance and Urban Affairs.

By Mr. HIGHTOWER (for himself, Mr. SEBELIUS, Mr. THONE, Mr. GLICKMAN, and Mr. PRESSLER):

H.R. 12615. A bill to amend the payment formula for grain sorghum and barley for the 1977 crop of such commodities; to the Committee on Agriculture.

By Mr. JEFFORDS:

H.R. 12616. A bill to amend the Internal Revenue Code of 1954 to provide a more equitable estate tax treatment of joint interest in farm and closely held business property; to the Committee on Ways and Means.

By Mr. JEFFORDS (for himself and Mr. SOLARZ):

H.R. 12617. A bill to amend the Foreign Assistance Act of 1961 providing that in issuing guaranties for housing projects in less-developed countries, the President give preference to projects using solar energy where feasible; to the Committee on International Relations.

By Mr. LAFALCE:

H.R. 12618. A bill to amend the Small Business Investment Act of 1958 to authorize the Small Business Administration to guarantee payment of principal and interest on, debentures issued by any State or local development company, and to finance the purchase of such debentures through the Federal Finance Bank; to the Committee on Small Business.

By Mr. LATTA:

H.R. 12619. A bill to provide for the safeguarding of taxpayer rights, and for other purposes; to the Committee on Ways and Means.

By Mr. MCCORMACK (for himself, Mr. TEAGUE, Mr. GOLDWATER, Mr. RHODES, Mr. DOWNEY, Mr. CONTE, Mr. WYLIE, Mr. MEEDS, Mr. DICKS, Mr. BONKER, and Mr. PRITCHARD):

H.R. 12620. A bill to provide for an accelerated program of research, development and demonstration of solar photovoltaic energy technologies leading to early competitive commercial applicability of such technologies to be carried out by the Department of Energy, with the support of the National Aeronautics and Space Administration, the National Bureau of Standards, the General Services Administration, and other Federal agencies; to the Committee on Science and Technology.

By Mr. MITCHELL of Maryland:

H.R. 12621. A bill to expand the class of collateral eligible for use as security for Federal Reserve notes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. MOTTL:

H.R. 12622. A bill to eliminate the reduction in social security benefits for spouses and surviving spouses receiving certain Government pensions, as recently added to title II of the Social Security Act by section 334 of the Social Security Amendments of 1977; to the Committee on Ways and Means.

By Mr. RICHMOND (for himself, Mr. AKAKA, Mr. D'AMOURS, Mr. DRINAN, Mr. HARRINGTON, Mr. HOWARD, Mr. LENT, Mr. PRICE, Mr. VAN DEERLIN, and Mr. YATRON):

H.R. 12623. A bill to establish a Commission on the Humane Treatment of Animals; to the Committee on Agriculture.

By Mr. STAGGERS (by request):

H.R. 12624. A bill to extend the Developmental Disabilities Services and Facilities Construction Act, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. UDALL (for himself, Mr. MURPHY of New York, Mr. LEGGETT, Mr. SEIBERLING, and Mr. FORSYTHE):

H.R. 12625. A bill to designate certain lands in the State of Alaska as units of the National Park, National Wildlife Refuge, Wild and Scenic Rivers, and National Wilderness Preservation System, and for other purposes; jointly, to the Committees on Interior and Insular Affairs, and Merchant Marine and Fisheries.

By Mr. MICHEL (for himself, Mr. KEMP, Mr. METCALFE, and Mr. MINETA):

H.R. 12626. A bill to promote and coordinate amateur athletic activity in the United States, to recognize certain rights for U.S. amateur athletes, to provide for the resolution of disputes involving national governing bodies, and for other purposes; to the Committee on the Judiciary.

By Mr. FORD of Michigan (for himself, Mr. RUPPE, Mr. BONIOR, Mr. BRODHEAD, Mr. CARR, Mr. CONYERS, Mr. GARCIA, Mr. KILDEE, Mr. LUKEN, Mr. NEDZI, Mr. NOLAN, Mr. STOCKMAN, and Mr. TRAXLER):

H.R. 12633. A bill to amend the Toxic Substances Control Act to establish a program of assistance to the States for the protection and indemnification of individuals injured in their business or person by chemical substances, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. MICHEL (for himself, Mr. ANDERSON of Illinois, Mr. DERWINSKI, Mr. DORNAN, Mr. LAGOMARSINO, Mr. QUIE, and Mr. RANGEL):

H.R. 12627. A bill to require the Secretary of State to transmit to the Congress an annual report on the status of human rights in all foreign countries; to the Committee on International Relations.

By Mr. WIGGINS:

H.R. 12628. A bill to establish additional places of holding court in the central district of California; to the Committee on the Judiciary.

By Mr. WON PAT:

H.R. 12629. A bill to terminate the requirement that Guam pay interest on certain sums received from the United States to provide assistance to Guam for disaster relief, public works, and other purposes; to the Committee on Interior and Insular Affairs.

By Mr. YOUNG of Alaska:

H.R. 12630. A bill to provide for the regulation of foreign fish processing vessels in the Fishery Conservation Zone, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. BAUMAN (for himself, Ms. MIKULSKI, Mrs. HOLT, Mr. BYRON, Mr. MURPHY of New York, and Mr. BREAUX):

H.R. 12631. A bill to provide for the coordination of federally supported and conducted research efforts regarding the Chesapeake Bay, and for other purposes; jointly, to the Committees on Merchant Marine and Fisheries and Science and Technology.

By Mr. EILBERG:

H.R. 12632. A bill to authorize the granting of permanent residence to certain nonimmigrant aliens residing in the Virgin Islands of the United States and to establish an Interagency Task Force on Virgin Islands Immigration; to the Committee on the Judiciary.

By Mr. HARSHA:

H.R. 12634. A bill to designate the Social Security Administration District Office Building in Pittsburg, Kans., as the "Joe Skubitz Federal Building"; to the Committee on Public Works and Transportation.

By Mr. HYDE (for himself, Mr. ABDNOR, Mr. BADHAM, Mr. BROWN of Ohio, Mr. BURGENER, Mr. DAN DANIEL, Mr. DORNAN, Mr. FARY, Mr. GEPHARDT, Mr. GOODLING, Mr. GRASSLEY, Mr. GUYER, Mr. KETCHUM, Mr. KINDNESS, Mr. LAGOMARSINO, Mr. LOTT, Mr. MCCLOSKEY, Mr. MAZZOLI, Mr. MICHEL, Mr. SNYDER, Mr. STOCKMAN, and Mr. TREEN):

H.R. 12635. A bill to amend the Rehabilitation Act of 1973 to provide that alcoholism and drug abuse shall not be considered physical or mental impairments for purposes of certain requirements established in such act; to the Committee on Education and Labor.

By Mr. JONES of Tennessee:

H.R. 12636. A bill to provide a voluntary self-help program designed to assist producers of agricultural products to protect themselves against loss of production when natural or uncontrollable conditions adversely affect production and to assure consumers that producers will be able to continue to produce food and fibers; to the Committee on Agriculture.

By Mr. MURPHY of New York (for himself, Mr. LEGGETT, and Mr. FORSYTHE):

H.R. 12637. A bill to amend the North Pacific Fisheries Act of 1954; to the Committee on Merchant Marine and Fisheries.

By Mr. BLOUIN:

H.R. 12638. A bill to provide that certain interstate pipelines may be constructed only if the route of such a pipeline complies with certain land use priorities, an environmental impact statement is prepared with respect to the pipeline, and the person constructing the pipeline agrees to pay certain attorneys fees incurred by landowners affected by the pipeline; jointly, to the Committees on Interior and Insular Affairs, Interstate and Foreign Commerce, and Public Works and Transportation.

By Mr. DEVINE (for himself, Mr. RUDD, Mr. DICKINSON, Mr. GUYER, and Mr. LATTA):

H.J. Res. 893. Joint resolution disapproving proposed regulations of the Department of the Treasury requiring centralized governmental registration of firearms; jointly, to the Committees on the Judiciary, and Ways and Means.

By Mr. MOORE (for himself, Mr. ANDREWS of North Carolina, Mr. BAFALIS, Mr. BONKER, Mr. BOWEN, Mr. BRODHEAD, Mr. JOHN L. BURTON, Mr. DERRICK, Mr. FORD of Tennessee, Mr. ICHORD, Mr. JONES of Oklahoma, Mr. LLOYD of California, Mr. MURTHA, Mr. VOLKMER, Mr. WAXMAN, Mr. CHARLES WILSON of Texas, and Mr. YOUNG of Missouri):

H.J. Res. 894. Joint resolution designating July 1, 1978, as "National Free Enterprise Day"; to the Committee on Post Office and Civil Service.

By Mr. ANNUNZIO (for himself, Mr. ADDABBO, Mr. AMBRO, Mr. BIAGGI, Mr. CAPUTO, Mr. CONTE, Mr. DENT, Mr. DOWNEY, Mr. FASCELL, Mr. FLORIO, Mr. GIAIMO, Mr. LAFALCE, Mr. LAGOMARSINO, Mr. LE FANTE, and Mr. LEGGETT):

H. Con. Res. 610. Concurrent resolution condemning the kidnaping of Aldo Moro; to the Committee on International Relations.

By Mr. ANNUNZIO (for himself, Mr. MAZZOLI, Mr. MILLER of California, Mr. MINISH, Mr. MOAKLEY, Mr. MURPHY of New York, Mr. OBERSTAR, Mr. PANETTA, Mr. RINALDO, Mr. RODINO, Mr. RONCALIO, Mr. RUSSO, Mr. SANTINI, Mr. VENTO, and Mr. ZEFERETTI):

H. Con. Res. 611. Concurrent resolution condemning the kidnaping of Aldo Moro; to the Committee on International Relations.

By Mr. BONKER (for himself, Mr. PEASE, Mr. DIGGS, Mr. FRASER, Mr. BINGHAM, Mr. SOLARZ, Mr. WHALEN, Mr. BUCHANAN, Mr. HARRINGTON, Mr. ROSENTHAL, Mr. DERWINSKI, Mr. GOODLING, Mr. IRELAND, Mr. FOWLER, Mr. CAVANAUGH, Mr. LEHMAN, Mr. MCKINNEY, and Ms. MIKULSKI):

H. Con. Res. 612. Concurrent resolution condemning violations of rights by the Government of the Republic of Uganda and urging the President to take certain actions with respect to those violations; to the Committee on International Relations.

By Mr. FARY (for himself, Mr. ANNUNZIO, Mr. PRICE, Mr. BURKE of Massachusetts, Mr. RUSSO, Mr. ROSTENKOWSKI, and Mr. DERWINSKI):

H. Con. Res. 613. Concurrent resolution expressing the sense of the Congress that the President should do everything possible to expedite the return to the United States from the Soviet Union of John Jodwalis and Lorraine Jodwalis Vaicekauskiene; to the Committee on International Relations.

By Mr. KAZEN:

H. Con. Res. 614. Concurrent resolution disapproving proposed regulations of the Department of the Treasury requiring centralized registration of firearms and other matters; jointly, to the Committees on the Judiciary and Ways and Means.

By Mr. TUCKER:

H. Con. Res. 615. Concurrent resolution disapproving the proposed package of sales of aircraft to Saudi Arabia, Egypt, and Israel; to the Committee on International Relations.

By Mr. ZABLOCKI (for himself, Mr. RODINO, Mr. MINISH, Mr. ANNUNZIO, Mr. BIAGGI, Mr. MURTHA, Mr. ZEFERETTI, Mr. LE FANTE, Mr. RUSSO, Mr. GIAIMO, Mr. FARY, and Mr. BURKE of Massachusetts):

H. Con. Res. 616. Concurrent resolution denouncing the assassination of Aldo Moro; to the Committee on International Relations.

By Mr. ZABLOCKI (for himself, Mr. FOUNTAIN, Mr. FASCELL, Mr. ROSENTHAL, Mr. WOLFF, Mr. BINGHAM, Mrs. COLLINS of Illinois, Mr. SOLARZ, Mrs. MEYNER, Mr. STUDDS, Mr. IRELAND, Mr. PEASE, Mr. DE LA GARZA, Mr. BROOMFIELD, Mr. DERWINSKI, Mr. FINDLEY, Mr. BUCHANAN, Mr. BURKE of Florida, Mr. WHALEN, Mr. GILMAN, Mr. GUYER, Mr. LAGOMARSINO, and Mr. GOODLING):

H. Con. Res. 617. Concurrent resolution denouncing the assassination of Aldo Moro; to the Committee on International Relations.

By Mr. FINDLEY (for himself, Mr. MITCHELL of New York, Mr. MURTHA, Mr. PATTEN, Mr. PEPPER, Mrs. PETTIS, Mr. PIKE, Mr. ROE, Mr. RUPPE, Mr. SISK, Mr. SIMON, Mr. TREEN, Mr. TRAXLER, Mr. VANDER JAGT, Mr. WALSH, Mr. WAXMAN, Mr. BOB WILSON, and Mr. WYDLER):

H. Res. 1169. Resolution to recognize Bob Hope on his 75th birthday celebration; to the Committee on Post Office and Civil Service.

By Mr. LEACH:

H. Res. 1170. Resolution to reaffirm the use of our national motto on coins and currency; to the Committee on Banking, Finance and Urban Affairs.

H. Res. 1171. Resolution to reaffirm the use of the phrase, "Under God", in the Pledge of Allegiance to the Flag of the United States; to the Committee on Post Office and Civil Service.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BAUCUS:

H.R. 12639. A bill for the relief of Lewis E. Brueggeman; to the Committee on the Judiciary.

By Mr. McCORMACK:

H.R. 12640. A bill for the relief of Sudha Luksa; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

463. By the SPEAKER: Petition of Stephen D. Hopkins, New York, N.Y., relative to legal tender; to the Committee on Banking, Finance and Urban Affairs.

464. Also, petition of Gordon L. Thurber, Middleport, N.Y., relative to the Panama Canal; jointly, to the Committees on International Relations, and Merchant Marine and Fisheries.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 12157

By Mr. LONG of Maryland:

Page 5 immediaely after line 6, insert the following new section:

SEC. 8. Section 2(b)(1) of the Export-Import Bank Act of 1945 is amended by adding at the end thereof the following:

"(C) Consistent with the policy of section 501 of the Nuclear Non-Proliferation Act of 1978 and section 119 of the 1961 Foreign Assistance Act as amended, the Board of Directors shall name an officer of the Bank whose duties shall include advising the President of the Bank on ways of promoting the export of goods and services to be used in the development, production, and distribution of nonnuclear renewable energy resources, disseminating information concerning export opportunities and the availability of Bank support for such activities, and acting as a liaison between the Bank and the Department of Commerce and other appropriate departments and agencies.

(b) section 9(b) of such Act is amended by adding at the end thereof the following: "In addition, the Bank shall include in that report a description of specific activities and programs undertaken by it to achieve the policy of section 501 of the Nuclear Non-Proliferation Act of 1978 and section 119 of the 1961 Foreign Assistance Act, as required by subparagraph (C) of this paragraph."

Redesignate the succeeding section accordingly.

Page 5, immediately after line 6, insert the following new section:

SEC. 8. Section 2(b) of the Export-Import Bank Act of 1945 is amended by inserting at the end thereof the following new section:

"(9) The Bank shall not guarantee, insure, or extend credit, or participate in the extension of credit in connection with the export or sale of steel production facilities or equipment.".

Redesignate the succeeding section accordingly.

Page 5, immediately after line 6, insert the following new section:

SEC. 8. Section 2(b) of the Export-Import Bank Act of 1945 is amended by inserting at the end thereof the following new section:

"(9) The Bank shall not guarantee, insure, or extend credit, or participate in the extension of credit in connection with establishing or expanding production of palm oil, sugar, citrus crops, steel or textiles if such loan, assistance, or any other financial commitments will cause injury to U.S. producers of the same, similar, or competing commodity."

Redesignate the succeeding section accordingly.

By Mr. MATHIS:

Add the following new section:

SEC. . Section 2 of the Export-Import Bank Act of 1945 is amended by adding at the end thereof the following:

"(d)(1) Subject to paragraph (2), for each fiscal year beginning after September 30, 1978, the ratio that the amount of credit which the Bank extends and in which it participates to finance the export of agricultural commodities bears to the total amount of credit which the Bank extends or in which it participates shall not be less than the ratio that the dollar value of exports of agricultural commodities during the immediately preceding fiscal year bears to the dollar value of all exports during such preceding fiscal year.

"(2) Paragraph (1) does not apply to any fiscal year with respect to which—

"(A) the Bank determines and reports to the Congress that the demand for credit to finance exports of agricultural commodities is insufficient to equal or exceed the ratio which would be required; or

"(B) the Secretary of Agriculture determines that the level of exports of agricultural commodities is or will be adequate without credit which the Bank extends or in which it participates.".

By Mr. GARY A. MYERS:

Page 5, immediately after line 6, insert the following new section:

SEC. 8. Section 7(b) of the Export-Import Bank Act of 1945 is amended by striking out the second and third sentences thereof and by striking out "after receipt of such report together with the reasons, the Congress adopts a concurrent resolution approving such determination," and inserting in lieu thereof the following: "within sixty days of continuous session of the Congress after receipt of such report together with the reasons, the Congress fails to adopt a concurrent resolution disapproving such higher limitation. For the purpose of the preceding sentence, continuity of a session of the Congress shall be considered as broken only by an ad-

journment of the Congress sine die, and the days on which either House is not in session because of an adjournment of more than 3 days to a day certain shall be excluded in the computation of the 60-day period referred to in such sentence.".

Redesignate the succeeding section accordingly.

H.R. 12222

By Mr. HAGEDORN:

Page 33, add the following new section after line 2:

PROHIBITION AGAINST ASSISTANCE TO COUNTRIES WITH CERTAIN AGRICULTURAL POLICIES

SEC. 117. The Foreign Assistance Act of 1961 is amended by adding the following new section after section 620B:

"Sec. 620C. Prohibition Against Assistance to Countries With Certain Agricultural Policies.—(a) The Congress finds that—

(1) continuing food shortages in developing countries can ultimately be overcome only by domestic policies in such countries which encourage agricultural production;

(2) while increasing attention has been given to improving technology within developing countries in order to increase agricultural production, insufficient attention has been given to improving legal and other institutions in order to increase such production;

(3) a major factor in low productivity in developing countries has been government policies and other institutional factors that provide insufficient economic incentives or act as economic disincentives;

(4) self-help and self-developmental measures already provided by law have failed, in part, because of the existence of such disincentives;

(5) countries furnishing foreign assistance have a responsibility, both to recipient countries and to their own taxpayers, to encourage the removal of agricultural production disincentives; and

(6) encouraging the removal of agricultural production disincentives, in the long run, is likely to prove the most humanitarian course for the United States with respect to its foreign assistance program because in many instances external food assistance has hindered developing countries in increasing food production by allowing them to continue counterproductive public policies and to postpone genuine reforms.

"(b) No assistance may be provided under section 103 of this Act, no other assistance for agriculture (including agricultural commodities and other assistance relating to agricultural production) may be provided under Part I of this Act, and no sales of agricultural commodities may be financed under title 1 of the Agricultural Trade Development and Assistance Act of 1954 and no agricultural commodities may be provided under title II of that Act, for any country the government of which (1) carries out policies which discourage agricultural production in that country, and (2) is not making reasonable progress toward eliminating such policies.

"(c) The President may waive the provisions of subsection (b) if he determines that the assistance or financing referred to in such subsection are necessary to prevent or alleviate famine or are otherwise in the national interest of the United States.

"(d)(1) There is established in the Executive Office of the President a Council on Foreign Agricultural Policy to be composed of (A) three members appointed by the President from among officers and employees of the Department of Agriculture, (B) three members appointed by the President from among officers and employees of the agency primarily responsible for administering part I of this Act, and (C) the Vice President, who shall act as Chairman.

"(2) The Council shall determine for each fiscal year any country which falls within the provisions of subsection (b). In making such a determination, the Council shall take into account the extent to which the government of the country concerned carries out policies which discourage agricultural production, including, but not limited to, the following:

"(A) Procuring agricultural commodities domestically through a single public purchasing authority, or otherwise limiting the number of potential purchasers of such commodities.

"(B) Imposing price controls on agricultural commodities at prices below the market levels.

"(C) Subsidizing imports of agricultural commodities, or the sale thereof, where such commodities or competitive commodities are suitable for production in such country.

"(D) Lagging prices of agricultural commodities behind general inflation rates.

"(E) Restricting the movement of agricultural commodities within the country.

"(F) Controlling or limiting exports of surplus agricultural commodities.

"(G) Controlling exchange rates in such a manner as to subsidize imports of agricultural commodities.

"(H) Restricting the availability of credit for agricultural production through the fixing of interest rates at levels below the market level, or otherwise.

"(I) Restricting private land tenure or land holdings in an arbitrary manner.

"(J) Expropriating land, threatening to expropriate land, or otherwise creating uncertainties among farmers as to the extent of their property rights.

"(K) Imposing taxes on agricultural production, including income taxes, marketing taxes, land taxes, export taxes, and special assessments, which are excessive.

In applying these criteria, the Council shall consider the particular circumstances of a country, as well as the extent to which agricultural production is encouraged therein through investment incentives, research and development, and extension services.

"(e) The Council shall submit any determination with respect to a country to the President. The President, in providing any assistance or financing any sale referred to in subsection (b) for a country, shall take into account any determination submitted to him by the Council with respect to such country. In any case in which the President does not act in accordance with any such determination he shall submit a statement of the reasons therefore (including the basis for any independent determination made by the President in accordance with subsection (b) or any determination under subsection (c)) to the Committee on Foreign Relations of the Senate and the Committee on International Relations of the House of Representatives. If either such committee or either House of Congress disagrees with the President's reasons it may initiate action to terminate assistance or financing of agricultural sales for such country by a concurrent resolution in accordance with section 617 of this Act.

"(f) As used in this section, the term 'agricultural commodities' includes products derived from agricultural commodities.".

By Mr. JEFFORDS:

Page 29, line 17, strike out the quotation marks and the period at the end of the line.

Page 29, insert the following after line 17:

"(c) In issuing guaranties under this section with respect to projects in a country which require the use or conservation of energy, the President shall give consideration to using solar energy technologies, where such technologies are economically and technically feasible. Technologies which may be used shall include but not be limited to solar hot water systems, solar heating and cooling, passive solar heating, biomass conversion, photovoltaic and wind applications, and community-scale solar thermal applications."

By Mr. LOTT:

Page 21, line 14, strike out "$225,445,000" and insert in lieu thereof "$205,445,000".

Page 26, line 22, strike out "$25,000,000" and insert in lieu thereof "$8,000,000".

Page 31, line 12, strike out "$283,450,000" and all that follows thereafter through "Africa" on line 14 and insert in lieu thereof "$282,150,000".

Page 32, strike out lines 5 through 19 and renumber the following section accordingly.

Page 36, line 13, strike out "$1,845,000,000" and insert in lieu thereof "$1,825,000,000"; and on page 39, line 15, strike out "$65,000,000" and insert in lieu thereof "$45,000,000".

By Mr. McCLOSKEY:

Page 33, immediately after line 2, insert the following new section:

PROHIBITION ON ASSISTANCE TO COUNTRIES IN SOUTHEAST ASIA

SEC. 117. (a) The President may not furnish assistance under Part I of the Foreign Assistance Act of 1961 to a country in Southeast Asia which is not taking reasonable steps to permit the fullest possible accounting, and the reparation of remains, of United States personnel listed as missing in action, prisoners of war, or killed in action in such country. If the President determines that any such country is taking such reasonable steps, he may furnish assistance for humanitarian purposes to that country under that part notwithstanding any other provision of law which would otherwise prohibit such assistance. The President shall report any such determination to the Congress.

(b) This section shall take effect on October 1, 1978.

Page 35, immediately after line 9, insert the following new section:

PROHIBITION ON ASSISTANCE TO COUNTRIES IN SOUTHEAST ASIA

SEC. 204. (a) The President may not furnish assistance under title II of the Agricultural Trade Development and Assistance Act of 1954 to a country in Southeast Asia which is not taking reasonable steps to permit the fullest possible accounting, and the reparation of remains of United States personnel listed as missing in action, prisoners of war, or killed in action in such country. If the President determines that any such country is taking such reasonable steps, the President may furnish assistance for humanitarian purposes to that country under title II of that Act notwithstanding any other provision of law which would otherwise prohibit such assistance. The President shall report any such determination to the Congress.

(b) This section shall take effect on October 1, 1978.

EXTENSIONS OF REMARKS

WHO IS HEISMAN?

HON. MARY ROSE OAKAR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 9, 1978

● Ms. OAKAR. Mr. Speaker, on May 11, 1978, the city of Cleveland, Ohio, will hold a day of celebration for a man whose name has become synonymous with collegiate football: John W. Heisman, father of the Heisman Trophy. John Heisman was born on the near West Side of Cleveland in 1869 and went on to become one of the greatest football coaches the game has ever known. As a tribute to his unique and outstanding achievements, I would like to submit into the RECORD a biographical sketch of John Heisman, written by Earl R. Hoover, senior vice president of the Shaker Savings Association, Shaker Heights, Ohio.

The biographical sketch follows:

WHO IS HEISMAN?

(By Earl R. Hoover)

The elusive answer to that question still baffles most Americans.

Most perhaps have heard of The Heisman Football Trophy—but that is about all.

Most, too, can't tell what the Trophy is—or who awards it—or to whom it is awarded—or anything about Heisman the man—or his first name—or where he was born—or his life work—or what he did that merits such a famous Trophy being named after him.

This lack or knowledge is strange because the Trophy has been awarded annually for more than 40 years by New York City's Downtown Athletic Club—to the nation's outstanding football player—and has been highly touted by the news media.

Just within this decade, some Clevelanders have awakened to the fact that Heisman is a part of Cleveland's heritage. So far as is known—no Ohio or Cleveland history book (until 1977) ever noted that Heisman was born in Cleveland—or what he did to warrant his name being immortalized by such a Trophy. That 1977 book is: "Cradle of Greatness: National & World Achievements of Ohio's Western Reserve."

This oversight is astounding when one learns the facts that:

1. The Probate Court records in Cleveland show that John William Heisman was born on October 3, 1869 at 183 Bridge Avenue (now No. 2825, due to number changing). It's the southeast corner of Bridge and West 29th Street.

2. Heisman was one of the great college football coaches of all time, and as such, is enshrined in the College Football Hall of Fame.

3. Along with such football giants as Walter Camp, Alonzo Stagg and "Pop" Warner—Heisman is one of the great innovators of the game, and

4. No football game is played—whether college or professional—in any staduim or bowl or anywhere—without the spectators seeing some play or other things originated by Heisman.

In order to correct this neglect—and to awaken Cleveland and the nation—to their rich heritage in Heisman the man—the Rotary Club of Cleveland (which is the second largest Rotary Club in the World out of more than 16,000 Rotary Clubs in over 150 countries) will hold a big, civic Heisman Day in Cleveland on Thursday, May 11, 1978.

The State of Ohio started Heisman on his 36 years of college coaching (1892–1927) at 8 different colleges—his first jobs being at Oberlin and Buchtel (now University of Akron). Then followed Auburn, Clemson, Georgia Tech, University of Pennsylvania, Washington and Jefferson and Rice.

His most noted successes were achieved at Georgia Tech where he was head coach for 16 years. His celebrated Golden Tornado teams of the South, in the second decade of the century, reached their peaks in 1915, 1916 and 1917, when the teams won 25 games without a loss. During that time, his teams rolled up the astounding total of 1,129 points—an average of 45 a game—while their opponents were scoring only a total of 61.

One of Heisman's Georgia Tech teams set a record that probably will never be equalled as a record high, when it swept over Cumberland—220 to 0.

Worth noting is how Heisman became "Father Of The Forward Pass". In the early days, the forward pass was illegal—verboten! In 1895, when Heisman was scouting a game between Georgia and North Carolina, he saw something that gave him the idea that the forward pass should be made legal—and he became the leading apostle espousing such a change. A North Carolina punter—being overrun by rushing Georgia tacklers—couldn't get off a kick—and instinctively did something illegal—he threw a pass forward. A teammate caught it and ran 70 yards for the only touchdown, winning the game. Georgia screamed protest, but the referee said, "I didn't see it".

In that illegal forward pass, Heisman saw something that would save the game. He advised—let's make the forward pass legal—it will open up the game—eliminate the exceptional brutality that could destroy football.

Accordingly, when the Rules Committee was chaired by the immortal Walter Camp, Heisman hounded the Committee to make the forward pass legal—but he couldn't convince Camp. Finally, Heisman went over Camp's head—and convinced other members of the Rules Committee who made the forward pass legal in 1906.

Worth noting, too, is how Heisman invented the center snap with which most plays are started. At the time in the 1890's, Heisman was coach at Buchtel. Then, the way the center got the ball to the quarterback was to roll it on the ground. Unfortunately, Heisman had a Buchtel quarterback, Harry Clark, who was as tall as Abraham Lincoln—6 ft. 4 inches—too tall to bend over for the grounders. By the time he did, he'd be smothered. Heisman overcame the handicap by telling the center just to toss the ball between his legs—and the center snap—now a part of every game—was born on Ohio soil.●

THE ALASKAN NATIONAL INTEREST LANDS CONSERVATION ACT

HON. ANDY IRELAND

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 9, 1978

● Mr. IRELAND. Mr. Speaker, the House will soon be considering H.R. 39, the Alaska National Interest Lands Conservation Act.

Our decision on this legislation will have far-reaching significance for all Americans, for it is truly a test of our commitment to intelligent oversight of our Nation's natural resources. I feel that H.R. 39 is a balanced bill, which not only protects the natural beauty of Alaska's wilderness for future generations but also provides for intelligent use of its abundant resources.

Recently, I had occasion to read an article in Science magazine relating to this legislation which I found useful, and I want to take this opportunity to share this article with our colleagues.

The article follows:

[From Science magazine, Apr. 7, 1978]

AN ALASKA LANDS BILL TO PLEASE ENVIRONMENTALISTS

(By Luther J. Carter)

The environmental legislation that holds top priority this year with the Carter Administration, and with the national environmental groups themselves, is the Alaska lands bill. So far, prospects for passage of a strong measure that would give protected status to vast new areas are still looking up, as was demonstrated on 21 March when the House Committee on Interior and Insular Affairs reported legislation which the environmentalists' Alaska Coalition regards as a "good bill."

Enactment of legislation in 1978 to complete the "four systems"—that is, the systems of national parks, wildlife refuges, national forests, and wild and scenic rivers—would represent a final major step toward dividing up Alaska. The Statehood Act of 1959, which allowed the new state to select 103 million acres (or about a third of Alaska), and the Alaska Native Claims Act of 1971, which allowed the natives to select 44 million acres, represented earlier steps toward deciding what is to become of the United States' last great undeveloped frontier region.

There is little doubt that a bill will be passed, because final selection and patenting of most of the state's and some of the natives' land cannot proceed until Congress acts to complete the four systems. The real question has been how Congress will deal with potential resource conflicts, as in defining the boundaries and the degree of protection for new park and refuge areas that may contain significant mineral deposits or oil and gas reserves (Science, 4 November 1977).

The Interior Committee bill, reported out on a 32 to 13 vote, would place another 95 million acres in the four systems. Counting the some 48 million acres already so classified, there would be a total of about 143 million acres in these systems altogether. Of this total, about 73 million acres would be designated as wilderness, from which all development would be excluded except where valid mining claims or oil and gas development rights have been established already. A proposal by Representative Lloyd Meeds (D-Wash.) to cut the wilderness acreage by 40 million acres had the support of mining industry and oil and gas lobbyists and failed by only four votes.

The environmental lobbyists did not prevail on all of the issues put to a vote. For instance, a major disappointment for them

was the denial of wilderness classification for the spectacular Misty Fjords area—where the U.S. Borax Corporation has made a major molybdenum discovery—in the Tongass National Forest in southeast Alaska. With respect to the Arctic National Wildlife Range on the North Slope, which some petroleum geologists regard as favorable to the discovery of another "Prudhoe Bay," the environmentalists experienced some losses as well as gains. The range would be closed to commercial oil and gas exploration and development, but a significant part of it would be opened to a government-run program of exploration.

Sponsors of the bill, such as Representative Morris Udall (D-Ariz.), the Interior committee's chairman, say that access to about 70 percent of all of the land in Alaska that has mineral potential would not be affected by the legislation.

The Alaska lands bill now goes to the House Merchant Marine and Fisheries Committee, which has jurisdiction over wildlife refuges. If, as expected, the bill is sent to the floor with the strong support of this committee as well as the Interior committee, its chances for House passage in pretty much its present form are likely to be excellent. Its fate in the Senate, where it will go to the Committee on Energy and Natural Resources, headed by Senator Henry M. Jackson (D-Wash.), is an open question. Jackson represents a complex blend of conservationist and development tendencies, and nobody knows how he will finally come out on the Alaska lands issue. But the environmental lobbyists have shown that they can generate significant grass roots support on this issue, and this should count in the Senate as it has in the House.●

U.S. DEPARTMENT OF AGRICULTURE

HON. CHARLES E. GRASSLEY

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 9, 1978

Mr. GRASSLEY. Mr. Speaker, on previous occasions, I have expressed my concern about any reorganization of the U.S. Department of Agriculture. No one could be more in favor of efficient government than I. However, I fear that many elements of the rumored reorganization, which some have been arguing for as needed for efficiency, would not be in the best interest of the farmers and farm families throughout our Nation.

Recently, the American Farm Bureau Federation released a statement I agree with regarding reorganization of the U.S. Department of Agriculture. The text of this statement is as follows:

STATEMENT OF THE AMERICAN FARM BUREAU FEDERATION REGARDING REORGANIZATION OF U.S. DEPARTMENT OF AGRICULTURE

Various federal government reorganization proposals have included provisions to transfer, revamp or eliminate functions now performed by the Department of Agriculture.

While Farm Bureau continues to support efficient government, Farm Bureau vigorously opposes attempts to transfer functions now performed by the Department of Agriculture to either existing or new departments of the Executive Branch. Simply transferring the functions now performed by the USDA to some other government agency would represent a cosmetic change and would not eliminate these functions or improve the efficiency of those performing such functions.

Farm Bureau also opposes attempts to demote Agriculture to a subcabinet-level status.

At our most recent annual meeting of the American Farm Bureau Federation, in Houston, the voting delegates of the member State Farm Bureaus adopted the following policy relating to the USDA:

"The U.S. Department of Agriculture should continue to be a full cabinet level department. We shall vigorously oppose all efforts to rename it or consolidate it with any other department or agency of government.

"We will seek to reestablish service to agriculture as the primary responsibility of the USDA."

The USDA, like all other Executive Departments, should be studied to determine whether it is fulfilling its stated purposes. We do not believe that the reasons which justified the creation of a department of agriculture are any less valid today than they were when the Department was established.

ISRAEL CELEBRATES 30TH ANNIVERSARY

HON. HAROLD C. HOLLENBECK

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 9, 1978

● Mr. HOLLENBECK. Mr. Speaker, on May 14, 1948, a courageous group of men and women met to proclaim the creation of the State of Israel. In doing so, they took the first step toward a centuries-old dream of the Jewish people—an independent Jewish homeland, open to all, and where people could be free to follow the teachings of their faith without the persecution they had endured for centuries.

On Sunday, we will celebrate the 30th anniversary of that event. In the years since its beginning, Israel has become what its founders envisioned—a strong, prosperous state where the Jewish people control their own destiny. Israel has also become the strong and faithful ally of the United States, a nation which has stood with America as the voice of democracy in the Middle East.

Survival, though, has not been easy for Israel. The Arab nations which surround her have threatened to wipe Israel from the map. In four different wars they have thrown their military might against Israel, only to be repulsed each time.

Although there have been signs recently that Egypt, at least, may be moderating its enmity toward Israel, the hostility of the majority of the Arab world continues unabated. The PLO and other terrorist groups have continued their campaign of wanton destruction within Israel itself.

I desire peace in the Middle East as much as anyone, Mr. Speaker, but I will not bargain for peace with the lives of millions of Israeli citizens. We cannot, and I will not support any move which threatens to impose peace at the expense of Israeli security. We have an obligation to insure that Israel maintains its capability to defend itself. If we do not, and if Israel is defeated, we will be responsible for another Holocaust, far worse than the one which was so recently portrayed on our television screens.●

VETERANS' BENEFITS AND SERVICES

HON. MICHAEL T. BLOUIN

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 9, 1978

● Mr. BLOUIN. Mr. Speaker, this past week when the House had under consideration the first concurrent budget resolution, I was pleased to have supported the amendment offered by the distinguished chairman of the Veterans' Affairs Committee, RAY ROBERTS, to increase funding levels for veterans' benefits and services. Moreover, I was pleased to see that the vast majority of the House concurred, given the fact that our body overwhelmingly approved this measure by a vote of 362 to 33.

It is certainly fashionable these days to call for wholescale reductions in domestic programs, and I will be the first to admit that some of these programs have outlived their usefullness and should be eliminated. At the same time, however, I have never been able to accept the arguments of those who desire to apply the "scalpel" to veterans' programs as a means of solving this country's economic woes.

Support of the Roberts amendments was, in my mind, symbolic in that it expressed support of those men and women who have served this country in peace, as well as in war. Moreover, I believe that the Congress recent action will serve notice that in the future we not only expect but demand that veterans not be treated as second-class citizens.

Had the Roberts amendment not been passed, my home State of Iowa would have experienced not only a severe reduction in hospital beds but in medical-related services as well. Moreover, had the Congress not increased funding levels for veterans' programs, it would not have been possible for the Congress to act on H.R. 10173, the Veterans' Pension Reform Act, which is presently awaiting approval of the House.

As most know, H.R. 10173, of which I am honored to be a cosponsor with my distinguished colleague, SONNY MONTGOMERY, chairman of the Subcommittee on Compensation, Pension and Insurance, is landmark legislation that would, for the first time, insure that a veteran's pension would not be reduced as a result of annual social security cost-of-living increases. Moreover, this particular bill contains a provision that will grant an annual pension of $804 to those veterans 80 years or older.

Now while this latter-mentioned provision will not go as far in aiding this country's World War I veterans as I would have liked, I do believe it is a step in the right direction in aiding these deserving individuals.

Once again, I would like to salute the Congress for taking this positive action on behalf of the veterans of the State of Iowa and of the United States as well.●

DAN MARRIOTT PRAISED FOR LEADERSHIP IN FIGHT AGAINST PHONY SAFETY STANDARD

HON. BUD SHUSTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 9, 1978

● Mr. SHUSTER. Mr. Speaker, a highway safety milestone was reached on May 4, 1978, when a House subcommittee agreed to an amendment dealing with Federal Motor Vehicle Safety Standard (FMVSS) 121. The House Surface Transportation Subcommittee, on which I serve as ranking minority member, adopted an amendment to prohibit the use of any funds authorized pursuant to part II of the Interstate Commerce Act for enforcement of this controversial standard. Although I offered the amendment, the record should be clear that the man deserving the credit for leading the fight against this phony safety standard is Congressman DAN MARRIOTT of Utah.

I referred to this event as a milestone because despite a history of brake failures, accidents, and deaths directly attributable to the required antilock device, the standard was seemingly immune to congressional intervention. But for the vigilant efforts of Congressman MARRIOTT, this could still be the case today.

He has waged a relentless battle against this standard and the bureaucrats at the National Highway Traffic Safety Administration (NHTSA) who promulgated it and have made a career of defending it. Congressman MARRIOTT's persistent attempts to focus logic on the indefensable position of NHTSA, and his carefully chronicled releases detailing the the national outcry against the standard, were in large measure responsible for opening the eyes of Congress to its dangers.

Thanks largely to DAN MARRIOTT's nonstop campaign:

DOT Secretary Brock Adams, on February 15, 1978, ordered the Bureau of Motor Carrier Safety to issue a notice of proposed rulemaking to impose a moratorium on the standard for truck trailers;

The U.S. Court of Appeals for the Ninth Circuit in San Francisco ordered NHTSA on April 17, 1978, to eliminate antilock requirements from its air brake safety standard;

The House may soon have an opportunity to support an amendment, adopted in subcommittee, aimed at withholding 121 enforcement funds until a court-ordered study is completed.

While these recent successes are gratifying, those of us involved in this safety fight know that we have a long way to go. But the way will be much easier with the guidance and encouragement of DAN MARRIOTT. Nothing will bring back the four Salt Lake City teenagers killed last August when the brakes of a 121-equipped tractor-trailer failed. But if DAN MARRIOTT has his way, such senseless tragedies will be averted in the future.●

WHEN A NATION'S WILL DIES

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 9, 1978

● Mr. LAGOMARSINO. Mr. Speaker, I would like to bring to the attention of my colleagues an editorial which appeared in the Washington Star on May 6, 1978:

WHEN A NATION'S WILL DIES

(By Thomas Sowell)

The barbarian armies that finally overran the Roman Empire were smaller than other barbarian armies that had been turned back and cut to pieces by the Roman legions in earlier centuries. The Barbarians weren't stronger. Rome was weaker—and it was self-weakened. Each Roman legion was smaller than before, less heavily armed and armored, and less disciplined. The Roman aristocracy no longer provided officers for the legions. Emperors no longer led them in battle. Roman youths increasingly evaded military service. Rome's enemies could destroy it only after it lost the will to resist.

America's will to resist has also been visibly declining. We have abandoned the defense of American vessels seized on the high seas—both fishing boats and U.S. Navy craft. We have let our once superior military power deteriorate to what we now hope is "parity," as more and more of the military share of the federal budget has been diverted to welfare spending. Rome did that too—it makes politicians popular in the short run. Finally, we have advertised to the world our declining will to resist by turning over the Panama Canal under threat of violence.

A flood of political rhetoric about our "generous" or even "courageous" act cannot conceal the brutal fact of surrender to threats—a fact made plain by Panamanian dictator Torrijos, who went on television immediately after the treaty vote to announce that he would have begun sabotaging the canal within 24 hours if the Senate had not given it to him. We cannot grandly soar above all this on grounds that "of course" the United States could defeat Panama militarily if we wanted to. The question is not our ability; the question is our will. Lack of will defeated Rome, and it nearly destroyed the Western democracies when Hitler began his rampage through Europe in the 1930's.

Numerous probes of the will to resist preceded the onslaught on Rome and the Nazi blitzkrieg. Some of these probes were by small powers seeking small concessions, but what was ultimately crucial were the soft spots discovered by these probes. If we think that the Soviets were looking the other way while we paid ransom to South American countries who seized American fishing boats, while Idi Amin made Carter back down and eat crow, or while we crawled to get the Pueblo crewmen back, we are just kidding ourselves. Perhaps even more revealing was the denunciation and derision that greeted President Ford's attempt to reverse this trend by using troops to rescue the crew of the Mayaguez. Our sophisticates howled down this square man and his square decision, in terms reminiscent of the Western sophisticates of the 1930's who asked, "Why die for Danzig?"

The Senate has said, in effect, that we are not about to send American boys off to die over the Panama Canal. Perhaps that is just as well, if we really don't have the determination to back them up and see it through. It may even be courageous and patriotic for a Senator to put his political life on the line by opposing public opinion, if the public itself will not be willing to pay the price of its desire to keep the canal. But if that is where we are, we need to be told that loud and clear, like a danger signal in the night. Instead, all sorts of efforts are made to conceal it, with verbal sleight-of-hand about our generosity or anti-colonialism or other such drivel. If our leaders' diagnosis of the public's will is wrong, we need to correct it at the next election. And if the diagnosis is right, we need to realize that far more formidable adversaries than Torrijos are likely to know it, and that the ultimate cost may be far higher than the Panama Canal.

A post-Vietnam unwillingness to get involved militarily overseas is understandable, as a short run swing of the pendulum. A similar sense of the futility of war overwhelmed a whole generation disillusioned by the carnage of World War I. Young men in the 1930's openly took the "Oxford pledge" never to fight for their country. But once they saw the bombs falling on their homes, this generation vindicated themselves in the skies over Britain and on the beaches at Normandy. But a terrible price was paid by the whole world in the meantime—and it was almost too late. The timetable of a nuclear war may not permit second thoughts.

Once we have traded away enough military technology for social programs, giving the Soviets a decisive advantage, it may no longer be possible to decide that we have gone too far and turn back. If the Soviets ever get the same overwhelming military advantage over the United States that America once had over them, they can unilaterally forbid our development of the needed technology by declaring that to be an act of war. Just as they had to back down in the Cuban missile crisis, we would have to back down or face annihilation.

Mutual nuclear overkill can be oversold as a deterrent to international blackmail. Does a policeman have "overkill" whenever he faces five criminals single-handedly, just because he has six bullets in his revolver? It is problematical whether he can fire them at all, much less fire all of them with deadly accuracy. Nuclear delivery and defense systems, and their ever-changing technology, make the question much more complicated than whether our arsenal could theoretically kill every Russian five times over. Maybe the Maginot Line could have killed every Nazi soldier if World War II had been fought differently, but such numerical calculations would have been small consolation to a defeated France.

Even where mutual overkill is maintained—and the neutron bomb decision (or vacillation) makes that questionable—there is mutual deterrence only as long as both sides have the will to resist, not when one side is repeatedly advertising its willingness to capitulate.●

PERSONAL EXPLANATION

HON. RONALD A. SARASIN

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 9, 1978

● Mr. SARASIN. Mr. Speaker, on May 8, 1978, I was absent from the legislative session of the House of Representatives. Had I been present, I would have voted in the following fashion:

Rollcall No. 287: H.R. 12481: Omnibus Territories Authorization Act. The House failed to suspend the rules and pass the measure, amended, to authorize appropriations for certain insular areas of the United States, "no";

Rollcall No. 288: House Concurrent Resolution 583: American MIA's in Southeast Asia. The House agreed to the resolution relating to Americans missing in action, "yea"; and

Rollcall No. 289: House Joint Resolution 873: SBA disaster loans. The House passed the joint resolution making an urgent supplemental appropriation for the disaster loan program of the Small Business Administration for the fiscal year ending September 30, 1978, "yes." ●

RECOMMENDATIONS FOR DEALING WITH DRUG ADDICTION AND ALCOHOLISM AMONG WOMEN

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 9, 1978

● Mr. MAZZOLI. Mr. Speaker, instances of drug addiction and alcoholism among women are increasing at alarming levels. This problem has been, until now, largely ignored. But, now many persons and organizations are providing help and relief to female victims of drug addiction and alcoholism.

The Alcohol Abuse and Alcoholism Prevention Act Amendments of 1976 give top priority consideration to the special needs of women in drug and alcohol prevention treatment and rehabilitation programs.

Shortly after the passage of this legislation an Alliance of Regional Coalitions was formed. This alliance (formally called Alliance of Regional Coalitions: Drugs, Alcohol and Women's Health) was composed of a diverse group of persons who studied the relatively new phenomenon of female addiction and alcoholism and arrived at some answers.

The Third Annual Kentucky Conference on Drug Program Issues was recently held in Louisville. This conference was sponsored by the University of Louisville's Schools of Medicine, Education and Social Work as well as its graduate school; the Kentucky Department for Human Resources; and, the River Regional Mental Health Center.

I commend to the attention of my colleagues the following statement (edited to highlight its major points) submitted at the conference in Louisville by Muriel Nellis, national coordinator of the alliance.

Edited statement follows:

Delivered To: The Third Annual Kentucky Conference on Drug Program Issues, on March 9, 1978, in Louisville, Kentucky.

In 1975, the First National Forum on "Drugs, Alcohol and Women" focused nationwide attention on the addiction problems of women . . . That event . . . sparked new inquiry, initiatives, and collaboration. Thereafter, critical legislation emerged . . . Public Law 94-371 was enacted . . . and new emphasis was given to the needs of women by requiring their priority consideration in both drug and alcohol program initiatives.

Last year, as a logical sequence to the '75 conference and the '76 legislation, NIDA sponsored the formation of an Alliance of Regional Coalitions on Drugs, Alcohol and Women's Health . . . a more formal gathering of existing groups and committed individuals . . . It provided an opportunity to solicit the diverse view and advice of community, state and national representatives . . . and two weeks ago resulted in the submission of a . . . report . . . with policy recommendations.

Thirty-eight major recommendations for corrective action were developed . . .

Briefly . . .

A new, combined data system . . . It would contain demographic and epidemiologic information . . . As an adjunct to this comprehensive information system, regional clearing houses are to be established with terminals in each state.

A federal interdepartmental task force . . . to focus on the health needs of women.

. . . HEW, other . . . federal departments, the AMA and the Joint Commission on the Accreditation of Hospitals, to define drug and alcohol abuse as chronic disabilities.

. . . new regulations to permit the utilization of all appropriate, publicly funded health facilities . . . to provide care for drug and alcohol patients.

(The Alliance requested) that HEW, the Department of Justice, and the Civil Rights Commission . . .:

. . . strengthen the provisions of Title VI of the Civil Rights Act to include the word "sex" . . .

. . . levy financial sanctions against jurisdictions which . . . fail to provide needed health and social services to any population group.

. . . review . . . federal aid to medical schools with a view to increasing mandatory course hours in pharmacology and psychopharmacology.

(establish) . . . uniform standards to govern the use of mood-altering drugs among women in institutions.

(require) . . . all research grants and contracts . . . be broadly publicized and . . . that sponsoring agencies . . . make . . . reports of all research findings available to regional and state offices.

(seek) model legislation . . . to lessen the threat to drug and alcohol dependent mothers who seek treatment and risk the permanent removal of children from their care.

(appointment) . . . of a full-time coordinator of women's health and substance abuse problems . . . in each state.

In our search for solutions to the growing crisis among women . . . we must strive to find a better way to remedy the . . . addiction problems for everyone. Our strategy . . . will lead to a collaborative effort to prevent the crippling of our greatest national resources . . . people. ●

FOREIGN FISH PROCESSING VESSELS IN 200-MILE WATERS

HON. DON YOUNG

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 9, 1978

● Mr. YOUNG of Alaska. Mr. Speaker, I am today introducing a bill which will amend the Fisheries Conservation and Management Act of 1976 to provide for the regulation of foreign fish processing vessels within the 200-mile fisheries conservation zone.

As you are aware, a number of foreign nations have suggested joint fishing ventures with U.S. fishermen in order to acquire some of the fish which were formerly harvested by foreigners and are now being harvested by Americans. Two applications for such ventures are already being considered by the Department of Commerce—one in Washington, involving Soviet vessels, and one in Alaska utilizing Korean vessels. The Department has stated that it lacks sufficiently clear legal direction to regulate these vessels. I hope to provide that direction with this bill.

This legislation will meet the needs of both processors and fishermen, by allowing U.S. processors a priority in the purchase of fish without precluding the sale of fish to foreign processors if no domestic market exists. Simply stated, U.S. fish processors must show a clear intent to purchase fish from U.S. fishermen. Lacking that intent, U.S. fishermen are perfectly free to sell their fish to foreign processors. The bill also provides a mechanism whereby the Department of Commerce, in cooperation with other Departments and the Regional Councils, can permit foreign processing vessels to buy U.S.-caught fish within the 200-mile zone. Thus, both fishermen and processors are protected from economic dislocation and the continued development of fisheries resources can take place within the zone.●

INCREASED SERVICES FOR THE DEAF ARE IMPORTANT IN THE COMPREHENSIVE REHABILITATION ACT OF 1978

HON. LARRY PRESSLER

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 9, 1978

● Mr. PRESSLER. Mr. Speaker, I would like to express my support for amendments to the Comprehensive Rehabilitation Act of 1978 that I have cosponsored with Mr. JEFFORDS and several of my colleagues in the House Education and Labor Committee.

Section 504 of the Rehabilitation Act clearly mandates that all barriers to the handicapped be removed. However, most of our efforts in this area have focused on eliminating architectural barriers. It is time that we consider the very real communications barriers that exist, and must be removed to provide an equal chance, for the deaf. The first step should be to provide more interpreters for the deaf throughout the country.

The amendment I have cosponsored with Mr. JEFFORDS today will establish 12 regional program centers to train interpreters for the deaf. One of these centers already exists, I am pleased to note, at the St. Paul Technical Vocational Institute in St. Paul, Minn.

Mr. John Hudson of the South Dakota School for the Deaf in Sioux Falls has praised the fine work of the St. Paul TVI in the area of post-secondary education for the deaf and in training interpreters.

I am enthused about the prospect of establishing a network of training centers like the St. Paul TVI in every part of the United States.

The second part of our amendment to the Comprehensive Rehabilitation Act will help individual States set up information and referral systems so they can better serve the deaf. The Department of Vocational Rehabilitation in South Dakota has voiced their support for Federal assistance to enable them to increase their efforts in this area—and I believe our amendment will provide a real boost in the availability of services for our deaf citizens.

I look forward to our continuing work on the Comprehensive Rehabilitation Act of 1978 with its renewed emphasis on eliminating communications barriers to the deaf. I urge my colleagues on the House Education and Labor Committee, and in the House of Representatives to join me in promoting this important legislation.●

"FORGOTTEN REFUGEES"

HON. JOSHUA EILBERG

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 9, 1978

● Mr. EILBERG. Mr. Speaker, the Arab propaganda machine cranks out story after story about the Palestinian refugees who were driven from their homes by the Israelis.

Such stories, of course, do not square with the facts in the Middle East. It was the Arab governments which urged the Palestinians to flee as those governments prepared for war against the newly founded State of Israel in 1948. And it has been the Arab governments which have used the refugees as pawns for so many years.

But very much overlooked, Mr. Speaker, is the fact that the largest refugee movement in the Middle East in our lifetime was the movement of Jews who fled Arab persecution and harassment.

When these refugees fled to Israel, they were forced to leave behind their possessions; in most cases, they were not compensated for their property. And, as the following article from the February 1978 edition of the Anti-Defamation League of B'nai B'rith Bulletin explains, these refugees have been all but forgotten:

THE JEWISH REFUGEES FROM ARAB LANDS SEEK RECOGNITION AND REPARATIONS

(By Lynne Ianniello)

There are more Jewish refugees from Arab countries than Arab refugees from Israel.

Their flight from terrorism and persecution constituted the largest wave of refugees in the modern history of the Middle East.

The property and personal possessions they left behind were confiscated by the countries from which they fled.

While many were left virtually penniless, they have not been compensated for their losses.

U.N. Resolution 242 calls for "a just settlement of the refugee problem"—but the history and plight of these Jewish refugees have been nearly forgotten, their needs, rights and claims overshadowed by the years of propaganda in behalf of the Palestinian Arabs.

Since 1948, more than 800,000 Jews fled their Arab lands, as against the 600,000 Arabs who left Israel during the War of Independence. Unlike many of the Arabs, almost none of the Jewish refugees wish to return to their countries of origin. What they want is recognition and reparations as part of any Middle East peace plan. And they will press for "a just settlement" through WOJAC, the World Organization of Jews From Arab Countries founded as their spokesman. How successful they will be may well depend on American understanding and backing—and the first step is to make the facts known.

Jewish communities in the Arab countries date back to 586 B.C. Although their lot was never easy, they managed to survive and some even prospered. But after the Balfour Declaration and particularly after the U.N. partition resolution in November, 1947, life became increasingly more unbearable. While not all of the Arab countries were equally harsh, in some there were anti-Jewish riots. Overt anti-Semitism prevailed in the Arab press and schools, while Jews suffered from economic, cultural and religious oppression.

Between 1948 and 1951 alone, Israel airlifted to safety almost the entire Jewish communities of Yemen and Iraq. The total number of Jewish refugees, according to WOJAC, is 821,150, with the following breakdown: from Morocco, 240,000; Algeria, 139,000; Iraq, 135,650; Tunisia, 103,000; Egypt, 74,650; Yemen, 54,000; Libya, 38,000; Syria, 25,650; Aden, 8,000; Lebanon, 3,200. Most went to Israel and now constitute 41% of the Israeli population. The rest, including 50,000 living in the United States, make up 12% of all the Jews in the world.

Mordechai Ben-Porat, a member of Israel's delegation to the United Nations, is cochairman of WOJAC with Leon Tamman, a Sudanese Jew now living in England. Mr. Ben-Porat arrived in Palestine in 1945 on foot from Iraq. It was he who several years later helped set up the Israeli airlift of Iraq's Jews. He recalls how he returned to Iraq, disguised as a Bedouin, and how the removal of the Jewish community was accomplished through daily flights in planes ostensibly en route to Cyprus.

Watched closely by the Iraqi secret police, he was arrested four times, imprisoned twice, and subjected to torture he still finds painful to remember. He finally got back to Israel on one of the airlift planes—after hiding in a distant corner of the Baghdad airfield and being hauled on board by a rope thrown to the ground by the pilot just before takeoff.

He describes the first few months of trying to absorb the Iraqi Jews as "nightmares" and an enormous strain on the Israeli economy. "There was no housing, so we put them in tents and tin huts. But we knew that with time, and with help and hard work, we would transform things."

Asked whether the Arab refugees could also have been resettled, he answers, "of course, if their leaders and the Arab governments really wanted to improve their situation, this could have been done years ago." Instead, he says, the Arab refugees have been used as political pawns for the past 30 years.

When Resolution 242 was adopted in 1967, the Arab states and their allies tried desperately to change the wording of "a just settlement of the refugee problem" to "a just settlement of the *Arab* refugee problem." Thanks to the vigorous opposition of the United States and other nations, the move was defeated. Still, in many quarters, "the refugee problem" has become synonymous with Palestinian Arabs.

"But there are *two* sets of refugees," Mr. Ben-Porat says, "and both are entitled to consideration."

At a news conference in New York, he announced the formation of an American section of WOJAC, headed by a steering committee of Jews who came here from Arab lands. One member, Dr. Paul M. Raccah, originally from Tunisia and currently chairman of the Physics Department of the University of Illinois, explained the need for the American section.

"The United States is playing a great role in the Middle East negotiations and the American perception of the refugee question is of tremendous importance. It is vital," he declared, "that the American people and the American government understand that the refugee problem has two sides."

He added: "The rights and claims of the Jews who left their homes in Arab countries because of terror and persecution deserve at least the same consideration as the rights and claims of Arabs who chose to leave Israel, though they could have remained there in peace."●

CAMBODIA: THE SUFFERING CONTINUES

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 9, 1978

● Mr. MURTHA. Mr. Speaker, I have only been in Cambodia once as part of a congressional delegation selected by President Ford to survey the military situation in 1975.

I talked to numerous people in Cambodia. Everyone told me that if the Khmer Rouge were to succeed there would be a "holocaust." When I returned I told Senator Humphrey's Foreign Relations Committee—

There is no question in my mind, after talking to [the soldiers] there were substantial atrocities. There is no question about that.

Before the House International Relations Committee, I said:

During the briefings they pointed out that there were serious atrocities every time the Khmer Rouge who were trained in Hanoi came into an area . . . They showed us in detail what happened in the atrocities that had been perpetrated in the areas that were overrun by the Khmer Rouge. It is a very vicious, barbaric war, and I think impressed all of us with the tremendous barbarity and viciousness . . .

There is increasing evidence of the continued atrocities after the U.S. withdrawal from Southeast Asia. For the information of the Members, I would like to insert into the RECORD an article from the May 7 Washington Post.

[From the Washington Post, May 7, 1978]

THE NEED TO BEAR WITNESS TO CAMBODIA'S HOLOCAUST

(By Smith Hempstone)

An estimated 120 million Americans recently spent 9½ hours watching a four-part NBC "docudrama" detailing the inhuman persecution of Europe's Jews by the Nazis.

A haunting theme running through the portrayal was the indifference of men of good will elsewhere to the fate of the Jews. Some who knew or suspected what was happening didn't care; others simply refused to believe the evidence.

The question on many lips after "Holocaust" was this: Could the extermination of a helpless people take place again without

the world rising up in righteous indignation? The answer demonstrably is that it could. Indeed, while we drink our Sunday coffee, another holocaust is taking place today, this time in Cambodia. But it is not chic to be Cambodian, there is no Khmer lobby in Washington, and the public outcry against this policy of genocide is not, shall we say, deafening.

Not a dissident sparrow can fall in Chile, Brazil, South Korea, Iran or South Africa—all ruled by right-wing authoritarian regimes—without touching off a cacophony of indignant accusation and ideological handwringing. But hundreds of thousands of Cambodians can be murdered by a faceless Marxist regime, or simply worked to death in the paddies, without eliciting so much as a peep of disapproval from the Rev. William Sloane Coffin or Jane Fonda.

The campuses of America rolled with protest in 1970 when U.S. troops, at the invitation of the Cambodian government, attacked North Vietnamese units using that country as a sanctuary and staging area. But the draft is a thing of the past, and there are no chanting demonstrators to protest the autogenocide of the Cambodian people by Communist Party leader Pol Pot, who makes Caligula look Jeffersonian when it comes to concern for human rights.

It is true that President Carter on April 21, three years after the fall of Phnom Penh and nearly 16 months after his inauguration, finally got around to castigating Cambodia as "the worst violator of human rights in the world today."

But where was the president for the previous year, when Cambodians were dying by the tens of thousands? Did it really take him that long to learn of "abuses that include mass killings, inhuman treatment of the supporters of the previous government . . . the total suppression of recognized political and religious freedoms, as well as deprivation of food and health care"? Or did he have to see "Holocaust" to be reminded of the "obligation of every member of the international community to protest the policies of this or any nation which cruelly and systematically violates the right of its people to enjoy life and basic human dignities"?

And is that where it stops? Will the president say no more? Will the Congress do nothing? Will we not try to persuade those with influence over Cambodia, particularly the Chinese, to urge the Cambodians to alleviate the slaughter?

Nobody, including Mr. Carter, knows how many people have died since Phnom Penh, abandoned to its fate by its U.S. allies, fell to the Communist Khmer Rouge on April 17, 1975.

Western newsmen are not allowed into the death camp known as "Democratic Kampuchea." Cambodia permits only nine nations (eight of them Marxist; the exception is Egypt) to maintain embassies in Phnom Penh. And diplomats assigned to these missions, with the sole exception of the Chinese, are virtually prisoners in their embassies. They are not allowed to travel or to speak to nongovernment Khmers, and their meals are brought to them by truck every day.

It is nearly as difficult and far more dangerous to try to leave Cambodia than to enter it. Border areas have been depopulated to a depth of 25 miles and mined, with patrols shooting on sight anyone found near the frontier. Charles H. Twining Jr., the State Department's principal Cambodia-watcher, estimates that only 1 out of every 5 Cambodians who try to flee survives.

In such a closed society, projections about the number who have died necessarily are based largely on reports by the 15,000 refugees and defectors who have managed to reach Thailand. Refugee accounts always have to be treated with caution: By definition, refugees are prejudiced against the regime, and can only have known what went on in a specific place at a certain time (by the same token and for the same reason, some Americans in the 1930s refused to believe what Jews who escaped Nazi Germany said was going on there).

But the pattern and dimensions of this tragedy are reasonably clear. It appears certain that between 500,000 and 2 million Cambodians, out of a total population of 7 million, have been executed, starved or worked to death, died of disease or been killed while trying to flee over the past three years (600,000 others died during the war, many of them victims of American bombing).

Let us be more charitable to Pol Pot than he deserves. Let us assume the refugees' tales are exaggerated. Take the low figure of 500,000 dead. That means 1 out of every 14 Cambodians has lost his life over the past three years.

If one day Cambodia should again become free, and some Khmer should ask why so many remained silent in the face of this act of genocide, it will not be good enough to say, as some did about the extermination of the European Jews, "I never knew."

In the days immediately after the fall of Phnom Penh, before the curtain of silence fell over Cambodia, Sydney Schanberg of The New York Times wrote a gripping, eye-witness account of the expulsion of "perhaps 4 million" Cambodians from the cities into the countryside. Neither the sick, the halt, the lame nor the blind were spared this death march, wrote Schanberg, whose account later was confirmed by another eyewitness, the Rev. Francois Ponchaud, author of "Cambodia, Year Zero":

"No one has been excluded. Even the very old, the very young, the sick and the wounded have been forced onto the roads. Some clearly will not be strong enough to survive.

"Hospitals jammed with wounded were emptied, right down to the last patient. They were limping, crawling on crutches, carried on relatives' backs, wheeled on their hospital beds."

Like the Jews of "Holocaust," the people of Phnom Penh, its population down from 2 million to 20,000 after the exodus, were not being marched off for delousing and a shower. Their Via Dolorosa led into the jungle, where they were to be put to work without tools, medicine or supplies, carving out new collective farms. Those who could not keep up were clubbed to death by their guards, or left to die of hunger and thirst beside the trail.

Those who survived the death marches found a life of endless toil on low rations awaiting them, with death the penalty for deviation. It was not just Lon Nol's officer corps and their families, the plutocracy, the intelligentsia or even the bourgeoisie who were murdered, although these, of course, were the first to go. It was anyone who had had the slightest connection with the previous regime, down to the rank of private, anyone who was too old, young or frail to be of service to the state, anyone with enough backbone to protest or question what was happening.

Some Americans find it difficult to believe the enormity of the Cambodian disaster because it seems to have so little logic behind it. What is to be gained by murdering simple people guilty of no crime other than that of having been at the wrong place at the wrong time?

Pol Pot and Deputy Prime Minister Ieng Sary, who are married to sisters, are French-Sary Marxists, xenophobes with an abiding hatred for everything Western and everyone associated with the royal or republican regime, millennialists who seek to create a new, purified Khmer man, freed of the taint of capitalist corruption. And if a million or two people have to die in the process of making human reality conform to their own distorted abstraction, so be it. After all, they have the examples of China and the Soviet Union to guide them in such matters.

Some Americans who are prepared to concede that something unpleasant has been going on in Cambodia these past three years excuse their lack of protest on the ground that nothing can be done to prevent it.

It is true that neither the United States in particular nor the West in general has much influence with Pol Pot's regime, which refuses to accept even humanitarian aid. But Peking does have a certain amount of leverage in Phnom Penh, and the Chinese ought to be publicly urged to use it to ease the reign of terror.

Beyond this, there is the matter of bearing witness. One may not be able to triumph over evil, but one need not remain silent in its presence. President Carter might speak up more than once on the subject. He might instruct Andrew Young to walk out of the United Nations General Assembly whenever the representative of "Democratic Kampuchea" rises to speak. At every time and in every available forum, those who speak for the United States could call on the conscience of the world to condemn those who commit such atrocities. Finally, Congress, as the Canadian House of Commons already has done, might adopt a motion of protest against the policies of this Southeast Asian tyranny.

Perhaps none of this would save lives. But if we do not do something, if we do not try, it will be stark evidence that we still have not learned the lessons of the Holocaust.

Many of us who fought in South Vietnam felt there was a danger of atrocities and that was part of why we were there.●

INFLATION

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 9, 1978

● Mr. COLLINS of Texas. Mr. Speaker, inflation is the No. 1 problem in America. The disappointing factor is that most Americans do not understand that Congress has brought this inflation on their sore backs.

I just read an interesting article by Dr. James A. Byrd who is the economist of First International Bancshares, Inc. of Dallas. This was published in Braniff's Flying Colors and it is good to see economics discussed.

He has some lessons in this story which are basic. I know you will be interested in seeing his views on the cause of inflation. Here are four sections:

A nation that marshalled its men, money, and machines to send men to the moon and back safely must surely have learned long ago the basic economic lessons necessary for production of high levels of output, income and employment with stable purchasing power of its currency. Right? Wrong!

In the field of economic policy it seems that each new generation must start out by rediscovering fire and reinventing the wheel. I wish we could learn why it's apparently necessary to start over from scratch each decade or so.

There are a few basic lessons in economics which one would hope would have been learned fairly early in history. Then, these lessons could be passed on from generation to generation in updated form.

1. Inflation. Inflation is a monetary phe-

nomenon that is man-made and can be manunmade. From occasional reading and listening these days, the average layman has gained the erroneous impression that the list of the causes of inflation grows longer by the week if not by the day. Even some economists—in efforts to draw attention to themselves—sometimes compound the layman's confusion by adding effects to the "causes" list.

In truth, there is (and has always been) one basic cause of inflation: too much man-made money. Price increases that most people perceive as "inflation" are not really inflation at all but are the inevitable effects of inflation.

The cause of inflation has remained unchanged throughout the centuries. Kings and officials of other forms of government learned long ago how to create new money supplies, by clipping coins and coining the clippings and by printing on special kinds of paper.

They still do it. But, now they don't have to bother to coin gold or silver or to run the the printing presses anymore. There's a more direct, less visible, more magical way: monetizing government promises to pay (otherwise known as government securities).

2. Government Deficits. There may be times when the running up of deficits by the central government is good, and there may be times when it is bad. There may be times when the running up of surpluses by the central government is bad, and there may be times when it is good. Deficits are expansionary and usually inflationary to the rest of an economy; surpluses are contractionary and usually deflationary to the rest of an economy.

Deficits usually don't make good sense when an economy is already operating at fairly high levels of output, income, and employment, especially when strong demand already has prices and wages under upward pressures. Such deficits are always covered by issuance of new government promises to pay, which when they are acquired by the central bank (the Federal Reserve) generate new money supply in the system. (This printing press makes no noise.)

Surplus usually don't make good sense when an economy is already operating at fairly low levels of output, income and employment, especially when weak demand already has prices and wages under downward pressures. Surpluses produce paydowns of outstanding government promises to pay and usually reduce money supply.

In essence: to create and increase deficits in relatively good times is to cause new monetary inflation; to create and increase surpluses in bad times is to cause deflation and to aggravate recession.

3. Wage and Price Controls. Freezes or government-administered restraints on prices and wages in an inflationary environment haven't worked anywhere in the past and are not likely to do so anywhere in the future. It's somewhat like turning up the flame under the kettle with the left hand and then trying to contain the steam in the kettle with the right hand. Sooner or later the lid will blow and everybody's hands will get burned. From our distorted experiences of only a few years ago, one would hope that our politicians and bureaucrats would have learned this one. From some recent rumblings out of Washington, they apparently did not.

4. Taxes. One would think that to the extent that business has to pay the tax bills that nobody else has to. The truth is that all consumers ultimately pay all the tax bills. All of the other bills, too, for that matter. These costs do get picked up and passed along in increased prices. (If you've been reading from the outset of this article, you should now be able to respond: "But, that's not the cause of inflation at all.")●

MORE PRODUCT LIABILITY MISINFORMATION EXPOSED

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 9, 1978

● Mr. LaFALCE. Mr. Speaker, in the course of investigating product liability problems, my Small Business Subcommittee on Capital, Investment, and Business Opportunities has found that much misinformation abounds in this field. Jerry Geisel, a writer for Business Insurance magazine, has been active in attempting to dispel these myths. His article, which follows, is justifiably critical of a recent advertisement placed by the Cahners Publishing Co., which indicated that one of its publications, "Modern Materials Handling", advised readers that by 1980, product liability claims will constitute a $100 billion drain on the economy. As Mr. Geisel notes, this figure—$100 billion—is grossly overstated. Mr. Geisel deserves great credit for exposing such distortions.

However, in attempting to present a true picture, even Mr. Geisel's use of statistics are subject to question. For example, he indicated that the Insurance Services Office (ISO) closed claims study showed that the total pay out for product liability claims was $257 million. Indeed, that's what ISO represented. However, this amount does not represent dollars actually paid; rather it is a trended amount which represents an estimate of what would be paid in the future if all of those past claims occurred today. The actual statistic found by ISO was merely $108 million. Moreover, the article indicated that the average payment is $13,911 for product liability claims involving bodily injuries and $2,798 for claims involving property damage. These figures also are trended data, rather than actual cash payments. The actual average payment per claim was $3,592 for claims involving bodily injury, and $1,614 for claims involving property damage, figures considerably lower than even Mr. Geisel cites in his article.

Two other factors bear comment. The ISO Closed Claim Study, in addition to finding that in 75 percent of all verdicts plaintiffs recover nothing, indicated that the average payment per claim after court verdict was merely $6,771 for bodily injury claims, substantially less than the $79,940 figure cited in the article.

There is one other statistic in Mr. Geisel's article, attributed to the ISO, which may be inaccurate, this time on the low side. I refer to the estimate that there were between 60,000 and 70,000 product liability claims in 1976. This figure is derived by taking the number of claims that were closed within the ISO study period—which was in fact 8½ months, not 9 months, extrapolating these to find the total that would have been closed on the basis of a 12-month period, and then extrapolating further to take into account the fact that the ISO sample included only 60 to 70 percent of the product liability insurance market. The deficiency in this approach is that many of these claims, while closed during the ISO study period, may have occurred in years earlier, and thus, do not take into account recent activity. However, the American Insurance Association conceded that the actual number of claims closed during 1976 was probably no more than in the range of 125,000 to 140,000. Thus, a better estimate is a range of 60,000 to 140,000 per year. Significantly, ISO has acknowledged that it has yet to perceive any increase in the frequency of the number of product liability claims.

These comments are made without intending to be critical, but merely to help set the record straight. Mr. Geisel should be lauded for his continual efforts to call his reader's attention to exaggerated product liability advertising.

The article follows:

[From the Business Insurance, Apr. 17, 1978]

AD CLAIMING PRODUCT LOSSES DRAIN U.S. ECONOMY MAY BE EXAGGERATED

(By Jerry Geisel)

WASHINGTON.—A monthly publication for executives in charge of buying industrial packaging and materials handling equipment claimed in national advertising in late March that product liability losses will drain a whopping $100 billion from the economy by 1980.

Modern Materials Handling's figure would mean product liability losses totaled $21 billion more than the total property/casualty insurance premiums collected by U.S. insurers in 1977.

The $100 billion figure is almost as high as the $125 billion defense budget expected in 1979. It also represents about 4 percent of the Gross National Product expected at the end of the decade.

There's some doubt about the Modern Materials estimate, especially when compared with the information compiled by the Insurance Services Office in its massive study of product liability claims for a nine-month period in 1976 and 1977. The ISO study—released last fall—is widely believed to be the best statistical evidence to date on the extent of product liability problems for manufacturers.

ISO said the total payout for claims in its nine-month study, representing most of the product liability insurance in the U.S., was only $257 million.

According to Gordon Thomas, the managing editor of Modern Materials Handling, the $100 billion estimate is based on soaring increases in product liability suits, a big jump in the size of the average award to plaintiffs and a hefty rise in the percentage of juries finding in favor of the plaintiff.

Mr. Thomas said the $100 billion projection, which refers only to courtroom awards, was based on information the magazine was aware of as of January 1977. Since then various tort reform proposals and mounting publicity may have significantly reduced product liability problems, he contended, making the $100 billion projection too high.

Mr. Thomas said that according to the Defense Research Institute, the number of product liability suits rose from 100,000 in 1966 to 500,000 in 1971. On that basis, Mr. Thomas projected the number of suits might rise to 1.2 million by 1980.

But Donald Hirsch, DRI associate research director, said the organization did not estimate that suits increased from 100,000 to 500,000.

The Insurance Services Office (ISO) estimated in fall 1977 the total incurred claims in 1976 for all U.S. insurers of product liability were between 60,000 and 70,000.

Modern Materials Handling also said that according to Jury Verdict Research Inc., a

Cleveland research firm, the percentage of juries finding in favor of the plaintiff increased from 43% in 1965 to 54% in 1974. The magazine projected that figure would increase to 61% by 1980.

ISO, however, reported in its closed claims study that less than 25% of defendants are found liable in cases that result in a court verdict.

The magazine also reported that Jury Verdict Research found the average award to the plaintiff jumped from $11,644 in 1965 to $79,940 in 1973.

Margaret T. Gorman, director of research for Jury Verdict Research, said the 1973 estimate represents the arithmetic average of all jury verdicts that made up its sample; the 1965 estimate is based on a sample of between 70 and 100 verdicts, Ms. Gorman said.

But the payment a plaintiff receives after the appeals process is exhausted usually is considerably less than the initial award. ISO found the average payment for product liability claim involving bodily injury to be $13,911 and $2,798 per property claim.●

THE 75TH ANNIVERSARY OF TUNA CANNING INDUSTRY

HON. BALTASAR CORRADA

OF PUERTO RICO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 9, 1978

Mr. CORRADA. Mr. Speaker, the year 1978 marks the 75th anniversary of tuna canning industry in the United States and I am proud of this opportunity to point out the manner in which the Commonwealth of Puerto Rico has contributed to the growth of this industry to its point of eminence in the processing of food for our Nation.

Although the tuna industry traces the early days of its founding to southern California, today all major tuna packers operate in Puerto Rico, including the National Packing Co., Star Kist Caribe, Inc., Neptune Packing Corp., Bumble Bee Puerto Rico, Inc., and West Gate Caribe, Inc.

It is a matter of record that in 1953, National Packing Co. opened the first tuna processing and packing plant in Ponce. This plant began operations with 122 workers. Today, 25 years later and after considerable effort by various Government agencies, especially the Economic Development Administration, to promote the industry's expansion in Puerto Rico, the tuna cannery workers number nearly 7,000 with an annual payroll of about $35 million. Another 12,000 workers, plus 833 crewmembers and shore personnel are employed indirectly to support the operation of some 50 tuna vessels.

Five companies now operate seven individual tuna canning plants. Employment within the industry has grown at an annual rate of 20.5 percent per year with a concomitant payroll increase of 28.6 annually, providing a steadily increasing flow of funds for local business and commerce within the Ponce and Mayaguez areas.

In the last 25 years, the tuna canning industry in Puerto Rico has enjoyed rapid growth and has become a major force in the economy of Puerto Rico and its industrial development, not only providing employment directly, but also by imparting industrial skills to its employees, teaching them how to work in an industrial environment and developing awareness in the worker of his rights.

Tuna canning employment represents 5 percent of all manufacturing employment in Puerto Rico and 7 percent of female manufacturing employment in our island. Fiscal year 1976 shipments to the U.S. mainland totaling $266 million represented about 41 percent of the entire U.S. tuna output. The tuna shipments were the largest single item in Puerto Rican sales.

Industry technology practiced in tuna canning plants has also come to bear upon development in Puerto Rico's other important food processing industries—namely dairy, sugar, tobacco, coffee, fruits, rum and molasses. The entire food processing industry is rapidly expanding in Puerto Rico—a condition which is making it more feasible and productive for Puero Ricans to live on their island. The continued growth of tuna canning has made a meaningful contribution to Operation Bootstrap, the program for Puerto Rican economic development which has raised the standard of living dramatically.

It is to be noted that the Puerto Rican tuna canning industry is an important part of the entire U.S. tuna canning industry which in this diamond jubilee year will pack over 30 million cases worth more than $850 million. Today the tuna canning industry has an estimated $1 billion impact on the Nation's economy.

It is an honor for the Commonwealth of Puerto Rico and its people to be included among the major contributors to the great success of the U.S. tuna canning industry during its 75-year history.

A PERFECTLY CLEAR CASE

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 9, 1978

● Mr. DERWINSKI. Mr. Speaker, the President seems to bounce from one controversy to another. In large part, this is caused by the conflict between his views as the President and those he expressed during the campaign. For example, the President has constantly adjusted his positions on sensitive matters, especially in his dealings in the Middle East. As a result, he has developed quite a credibility gap.

Dennis Wheeler, editor of the Star Herald publications of the Williams Press, serving Cook County, Ill., finds the confusion caused by the President's inconsistency of special interest in his column of May 4, which I wish to insert at this time:

[From the Star Herald, May 4, 1978]

A PERFECTLY CLEAR CASE

(By Dennis Wheeler)

The press is giving President Jimmy Carter a real roasting because of his warplanes sale proposal. It claims the proposal is not consistent with our Middle East policy.

The newspeople further charge that our Middle East policy has become muddled and unclear, that there is no way to tell where we stand at the present time.

Now how can they say that?

A close look at the record—and at the plane sale proposal—shows our policy to be crystal clear. Take a look:

It was a week or so ago that the administration announced the plan to sell advanced warplanes to both the Israelis and the Arabs, in about equal numbers. Congress was asked to approve the sale.

But some of those nasty guys in the Congress indicated the deal might not go through. That's because there are a lot of guys up on Capitol Hill who think it's a change in our foreign policy to sell warplanes to the Arabs when historically we have sold them just to the Israelis.

So these elitist Congress types said they would not approve the sale as proposed. Instead, they suggested that two separate requests, one for planes for Israel and another for planes for the Arabs, be considered one at a time. That way each request could be considered on its merits, they said.

A few days later, the President made himself more perfectly clear when his Secretary of State, Cyrus Vance, told newspeople that the planes deal was no renunciation of old policy, at all. In fact, Vance said, there is no reason why the Congress can't vote on the two plane sales separately if it wants to.

The President, Vance said, has no intention of depriving the Congress of its rightful right to approve munitions deals with foreign nations as it sees fit.

Did this mean the President had changed his mind?

Absolutely not.

On Sunday, on one of those TV interview shows, Vance made the President yet more perfectly clear when he said it is not the policy of the United States to sell advanced warplanes to only Israel and not the Arabs.

The fact is, Vance said, the President wants it made very clear that if the Congress does not approve the warplanes deal as proposed, then the administration doesn't want to sell warplanes to either side.

Well then, whose side are we on in the Middle East, reporters wanted to know.

On the side of peace, of course, Vance said, making the President's position absolutely clear.

What could be more clear than President Carter's statement on Monday, when Israeli prime Minister Menachem Begin visited the White House?

The United States is unalterably on the side of Israel, he said. The United States will be on Israel's side "forever," he stressed.

When his press secretary, Jody Powell, was asked if the planes deal isn't in contradiction to the "forever" statement. Especially since Begin and the Israelis are very much against the plane sale package.

Powell said any differences between Carter and Begin "were not allowed to intrude" on the good feelings that surrounded their visit at the White House.

Now isn't that clear enough for the press, and for the public?

Of course, all of this has been watched with interest in Egypt. Aside from the planes sale talk, the Egyptians were worried about a Carter interview story in which the President seemed to indicate the Israeli plan for self-rule in the Gaza Strip and West Bank might be a good one.

The Arab states did not like this, thinking it was a shift in the U.S. foreign policy, which before had pretty much backed the Egyptian peace plans.

But our ambassador in Egypt put Egypt's fears at rest Monday when he made it completely and totally clear that the United States does not think the Israeli plan for self-rule in the Gaza Strip and West Bank would make a good basis for peace.

So why does the precs keep saying our policy is not clear?

Any fool can see it is consistent, forthright, unwavering, and—above all—unalterably, comprehensively, and convincingly perfectly clear.●

WWLP SPRINGFIELD TELEVISION CELEBRATES 25 YEARS OF SERVICE TO WESTERN MASSACHUSETTS

HON. EDWARD P. BOLAND

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 9, 1978

● Mr. BOLAND. Mr. Speaker, on March 17, 1953, television station WWLP signed on the air in Springfield, Mass. This station was then on channel 61 of the new UHF television band. Not many of the viewers in the Springfield area saw that first signal because not many owned UHF tuners on their TV sets. Today, 25 years later, WWLP operates on channel 22 and is one of the major outlets of news, information and entertainment in western Massachusetts. Springfield Television now operates not only WWLP, but also WKEF in Dayton, Ohio and WRLP in Kenne, N.H. This corporation also plans to operate stations in Salt Lake City, Utah and Jacksonville, Fla. I was present when the switch was pulled that put WWLP on the air, and I have watched this broadcast company become one of western Massachusetts' great local business success stories.

The guiding force behind Springfield Television, as anyone from that area knows, has been William L. Putnam. Bill Putnam served first as president of the corporation and now as chairman of the board. During the 25 years of the company's history, he has worked hard for the interests of his stockholders, the interests of UHF television, and perhaps most importantly, for the interests of his viewers. Bill Putnam has been editorial spokesman for Springfield Television since 1959, longer than anyone else in television. The importance of broadcast editorials cannot be underestimated and Bill Putnam has never failed to focus attention on subjects of interest to local citizens. I commend him on this public service. Mention must also be made of Bill's efforts over the years on behalf of UHF broadcasting. In the 1950's UHF television was an infant that seemed unwanted by almost everyone. The more powerful VHF broadcasters did not want to see UHF survive, and most viewers did not want to invest in UHF tuning equipment. The failure rate of UHF stations was high. Bill Putnam never gave up, however, and today we can point to his efforts as one of the major reasons UHF is alive and well. Greater program variety is offered by UHF stations in nearly every broadcast market in the United States. I congratulate Bill Putnam on his many successes.

Springfield Television has also been aided by the efforts of a number of other local people who have been with the corporation for many years. Springfield Television President Kitty Broman is the most prominent woman in broadcasting. She is familiar to thousands of TV viewers as the hostess of the popular show "Kitty Today" and serves as the chairman of the Television Board of the National Association of Broadcasters (NAB). Familiar to viewers are Meteorologist John Quill, senior Newscaster Edward Kennedy, and Sportscaster Rollie Jacobs. Long-time company officers include Vice President Wallace Sawyer, Executive Vice President James Ferguson, Treasurer Roland Filiault, Engineering Vice President John Fergie, president of WKEF George Mitchell and clerk Joyce Silva. WWLP's engineering crew includes several employees of 20 years or more: Chief Engineer Louis Chenevert, Ralph Jay, Donald Shaw, Max Marek, Lucian Marek, and Kenneth Waite. Three other employees at WWLP have worked 20 years or more: News Dispatcher John Mullen, Videotape Operator Thurston Thompson, and Film Editor Gerard Roy. This employee stability is a fine tribute to the management at Springfield Television. They are all to be commended for contributing to the quality broadcast service of WWLP.

There is much that can be said about the Springfield Television Corporation and WWLP. I am happy to have had a good relationship with this station, and I am most grateful for the fact that WWLP is locally owned and controlled. Local ownership is becoming distressingly rare in television and WWLP stands even taller as the premiere UHF station in the country. Again, I congratulate Springfield Television on 25 successful years and wish them the best of luck for the next 25.

Mr. Speaker, I was fortunate enough to be present at the Springfield Television 25th anniversary dinner held on St. Patrick's Day at the Colony Club in Springfield. Many notable local citizens attended, as did several important broadcast industry figures, including Robert E. Lee, senior Federal Communications Commission Commissioner and Vincent Wasilawaski, president of the National Association of Broadcasters. The main speaker was NBC Board Chairman Julian Goodman. Mr. Goodman has had a long and distinguished career in broadcasting. He has worked his way through the ranks at NBC and now stands at the very top. Mr. Goodman took the occasion of Springfield Television's 25th anniversary to deliver some insightful remarks on the television industry. His remarks are perceptive and reasoned. I commend them to the House membership.

The remarks follow:

REMARKS BY JULIAN GOODMAN

I am delighted to be with you tonight, with Commissioner Lee, with Mrs. Broman, and of course with Bill Putnam, who 25 years ago decided to make St. Patrick's Day famous by opening WWLP.

My warmest congratulations, Bill, on a very special anniversary, on a fine record of broadcast service here in New England. I also congratulate you on proving the wisdom of Commissioner Lee, and those few others, who in the early days of television encouraged UHF operation and predicted a bright future for it. Well, that's come about, especially in those cities fortunate enough to have such care and devotion as you've given it, and you have my particular thanks for WWLP's NBC affiliation these last 25 years.

You who live here know Bill Putnam as a rugged individualist and a forceful spokesman for what he believes in. NBC knows him that way too.

He has always been a prominent and forthright voice in the broadcasting business, and a valued friend and advisor to us at NBC as a member of our Television Affiliate Board of Delegates. We are never at a loss to know where Bill stands—and whether he's editorializing on a favorite subject, advising us on our program schedule or just blowing up stumps, he gives it everything he's got. We may not always agree with him but we respect him.

I've come to believe that in most businesses, and in every day living, more than disagreement, misunderstanding is the larger problem. In this age of refined communications and abundant information, it's still very easy to misunderstand.

Apart from not always understanding the other fellow's questions and motivations, people looking in on a business—particularly one as visible, immediate and intimate as television—feel their likes and dislikes very intensely. And television, because it operates in the public interest and occupies so much of people's time and attention, must be responsive to the public's needs and expectations. How far that responsiveness is supposed to go isn't always understood.

Recently I was struck by something I read about a man I admired, the late Larry MacPhail, a totally dedicated baseball man and team owner who was just voted into the Hall of Fame at Cooperstown. He was the force behind night baseball and dozens of other innovations that increased the enjoyment and popularity of the game. And he knew whom he had to please.

"Baseball," MacPhail once said, "belongs to the public. The public that pays the freight is entitled to good seats, clean parks, and shouldn't be pushed around in the stands. A ball park should be a decent place for a lady to spend an evening."

Reading that quote, I couldn't help but think of television, because I've heard it said often enough that "the airwaves belong to the public." And some people mean this literally, as in "you're using my airwaves for your programs. And I don't like them!"

Well, the air is free, and we all "own" it. But except for breathing, and unlike sunshine for health and moonbeams for romance, an airwave is essentially useless until someone does something to it. Some citizen goes to the Federal Communications Commission for a broadcasting license, invests in plant and equipment, hires talent and technicians, creates a schedule of programs, and transmits them out over the suddenly useful airways.

All of that involves free enterprise investment, private ownership, and competition. It does not confer public ownership, except in the sense that a government agency, representing the public, is there to foster, regulate and watch over broadcast operations. And that agency has the power to revoke any license, or deny its renewal, upon good evidence that a station is not operating in the public interest.

What the public is entitled to from broadcasters—and baseball owners—is decent and responsible service; something that holds their attention, feeds their enjoyment, entertains or informs them, and makes them want to come back for more.

Every business that offers some immensely popular attraction, and whose fortunes ride on wide public support, will go a long way to give the public what it wants. In that sense it does "belong" to the public, and Larry MacPhail was absolutely right.

In baseball, of course, the public pays the freight directly by buying a ticket into the ball park. In our system of commercial broadcasting, advertisers pay the program

freight by buying time for their messages. All the public has to do is purchase a TV set and pay for the electricity. The seats are not expensive. And while television viewers, like baseball fans, have no direct say on managing the team or training the players—their attendance, their boos, and their cheers give us a pretty good idea of how to make up our line-up cards and manage our teams.

Here in Springfield, and around the nation, television viewers do vote for the programs they want to see. Over a period of time, the simple fact of a large number of people granting or withholding their viewing on particular programs does register and does affect national and local programming decisions. Essentially, this is a very democratic system, and the great growth of commercial television over the last 30 years leaves no doubt of the medium's ability to satisfy many millions of Americans.

Certainly television is far from perfect. Few endeavors are. And in a way, a lot of what appears on television can be upsetting, because human imperfection is the basis of almost all comedy and drama and a good part of our daily news. If we were all perfect and life was contentment, there would be no television, no books, no newspapers, no theatre. There would be nothing to say and life would be very dull.

I'm told that there are now more than 250 active broadcast reform groups in the United States. Almost every one of these groups wants television to portray life as it happens to see it, or would like it to be. Or they want television to downplay certain issues and accent others, namely their own favorite causes. Much of this pressure probably derives from the bruises and fatigue accumulated during recent years, years that produced, in numbing succession, the civil rights upheavals, riots, assassinations, the Vietnam War, Watergate, different and often disagreeable life styles.

Television has brought all this into our living rooms, and some people feel nervous about it. They yearn for a simpler time, but they don't see that television essentially reflects a thousand different facets of the world as it is, and echoes thousands of different voices. In the way a messenger is often blamed for the disagreeable news he carries, television is often blamed for the imperfect world it reflects. And the thought goes out to reform television, to get it under control, to shackle it with more and more regulations. This is easier than dealing with the real problems of society. But when we put on blinders, nothing gets solved.

In 1976, U.S. News and World Report counted the number of "employees in regulatory agencies and workers with regulatory jobs in other agencies"—100,980. Just normal inflation would bring that to 112,000, here two years later. I would hope that this formidable army would look upon its mission as one to lift the limitations on television's ability to do its job well—rather than to impose new difficulties.

I happen to believe that television's greatest public contribution these last 30 years has been its news and information service. We are the best informed Nation on earth, and television has taken a place as the prime source of news for most Americans. Television journalism is not just growing older, it is growing better both nationally and locally, and I know that Bill Putnam and WWLP have always given the news first priority.

WWLP's extensive coverage of local events this weekend is one measure of the station's deep community involvement. Its large news staff and rapid conversion from film to all-electronic news-gathering equipment are covering more news stories more rapidly, and realistically. Bill's daily editorials on local, state and national issues get you involved and thinking about problems—and you can even answer back in reply time.

The reason why WWLP is this area's strong number one in news viewing is because the station has a mature seriousness of purpose about the news. It works hard at serving its community and honors the public's right to know. And happily, there is around the country a discernible trend with more and more stations to improve their efforts in local journalism, and to reinforce the vital national news service provided by the networks.

With today's technology and satellite transmission, network news is able to range the globe for instant reports and coverage of major events as they are happening. Not long ago nationally focused network news reporting made a community out of a continent; now it enables a continent to experience the realities of the entire world. And if we don't like all that we see, if it upsets some of our preconceptions and beliefs, that is the price of being freely and honestly informed. It always was. I think back over those times when television quite literally brought us into closer unity as a nation.

Seeing government hold together and go on after President Kennedy's assassination, and after Watergate, restored unity and faith in our institutions. Seeing President Nixon in China generated fascination and momentum on a new American foreign policy. And more recently, seeing Egyptian President Anwar Sadat's dramatic journey to Jerusalem caused some mind-changing and at least briefly a new impetus for peace in the Middle East . . . one we hope has not been dashed by the tragic events of recent days.

Every so often national television does play a catalytic role in changing people's thinking on matters of national and international policy, and it can change personal beliefs. There is no deliberateness in this. No design or plan. Events happen, and when cameras are there to mirror exactly what is happening, we begin to understand.

To my mind, there is nothing more important to this nation than a free and unrestricted flow of information. More than 80 percent of the world's population today does not have any choice in that. They have government-controlled information, because governments, in the course of governing, come to look upon news media as tools that can or should be shaped for the government's own purposes.

We are fortunate in having the First Amendment and a strong tradition of a free press in this country. Yet we do have restraints on our newsmen. In recent years, American courts have sent reporters to jail for refusing to disclose sources of confidential information reporters felt honor-bound to protect. Newsmen and news organizations have been subpoenaed to make them produce unused film and unpublished notes. Judicial "gag orders" have banned reporters from our courts and closed off cases and hearings from public view. Orders not to disclose freely gotten information and blocked or curtailed access to public records are common occurrences.

Broadcast journalists, working as they do in a government-regulated business, are hampered by a variety of restrictions beyond this. And these restrictions, notably the Fairness Doctrine, have the effect of permitting government agencies to stand at the newsman's shoulder and tell him what changes or additions are to be made in a story, and even what stories should be covered.

Print journalists are not getting all the freedom guaranteed by the First Amendment. And broadcast journalists get even less. There are so many legal pressures on broadcast reporting and on journalistic decisions today, many newsmen feel they might better have become lawyers instead of journalists.

The press, broadcast and print, is no more an enterprise of angels than anything else. It has shortcomings. Its work often takes it into conflict with the work of other institutions. Its rights under the Constitution do not always happily co-exist with other rights under the same Constitution. Yet for all of this, history has shown our free press system to be the most effective guardian of the public's right to know. Television is a massive part of that system, and the people in television—here in Springfield and around the nation—will keep doing their best to give you an unobstructed view of the world.●

UNITED STATES PAYS MORE—$45 BILLION FOREIGN OIL

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 9, 1978

● Mr. COLLINS of Texas. Mr. Speaker, an excellent TV program named "The $45 Billion Connection" was aired coast to coast by Capitol Cities Communication.

In 1 hour they conveyed the hard hitting facts about the impact of the $45 billion that we are sending abroad for oil.

Here is what is happening. In 1972, the United States put price controls on its domestic oil production of $5.25. Since then the price of Arab OPEC oil has risen to $14.50 a barrel. In 1972 our country was only importing $5 billion in oil, but today we are sending $45 billion of American money abroad to pay for Arab OPEC oil. We can all remember back when the United States was self-sufficient and imported no oil, and yet today over half of the oil this country uses is imported.

Americans want to use American oil. In producing domestic oil we use American pipe, American labor, American trains, American trucks, American machinery, and all of the money going into producing American oil domestically produces American jobs.

Congress has placed price controls on only one commodity in the United States and that is oil and gas. Price controls mean that the politicians, to gain political popularity, pass a law limiting the price below where the commodity should be in the marketplace. With only oil and gas under price control the domestic market is slipping and producing less and less.

But to pay for the foreign oil we are losing jobs and the economic impact goes across the country. The impact of more imports in foreign steel, television, textiles, CB radios, nuts and bolts, as job after job of Americans is lost.

While sitting in the Energy Committee, I saw this same job destruction philosophy applied through gas. Natural gas produced in the United States is now price limited to $1.45 Mcf. In committee, Congressman BROWN of Ohio said we should not provide tax incentives to encourage foreign LNG gas to come into the United States at $3.50 Mcf. While Congressmen speak of serious labor unemployment, they also at the same time

vote to have incentives to import foreign gas at $3.50 Mcf. Yet the energy conference votes to limit new gas to $1.75 Mcf with old gas at $1 Mcf.

Remember that gas from its energy value must be related to a barrel of crude oil at one to six. With the present crude oil selling at $14.50 a barrel, the market on gas domestically should be $2.41 Mcf. And as world prices and costs on oil and gas go up, we should pay Americans the same price that we pay the Arab OPEC countries.

We could be self-sufficient in oil and gas if we would pay the current market price.

Jack O'Leary of the Energy Department summed it up on the TV when he said the most effective road to conservation is price increases. In Brazil the price of gasoline went to $2 a gallon, and people started forming car pools. For the good of the environment, for better balance of payments, for real solid conservation, we must go to natural economics and pay Americans as much as we pay the Arabs.

And remember this when OPEC next doubles its prices of oil, 1,700,000 more American jobs are going to be lost.●

MARIN INVENTOR'S EARTH ENGINE

HON. JOHN L. BURTON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 9, 1978

● Mr. JOHN L. BURTON. Mr. Speaker, in line with our Nation's quest to find alternative, renewable and safe energy sources, I wish to call the Members' attention to an innovative idea from a constituent of mine, Mr. John Kivlen of San Rafael, Calif. Mr. Kivlen's invention involves harnessing the heat that exists beneath the surface of the earth to raise the temperature of water for electricity generation and home use. A newspaper article about Mr. Kivlen and his invention, published in the August 5, 1977, edition of the San Rafael Independent Journal, follows:

[From the San Rafael Independent Journal, Aug. 5, 1977]

MARIN INVENTOR'S EARTH ENGINE

(By Don Keown)

"Energy breakthrough: The first geothermal well," read the headline.

John Kivlen of San Rafael read the news story out of Washington, D.C., that followed with mixed feelings.

That story told how a University of California team working at the Los Alamos Scientific Laboratory for the Energy Research and Development Administration had created the first man-made geothermal well system by drilling two eight-inch holes, 250 feet apart, two miles deep into the volcanically-heated granite below the surface of New Mexico's Jamez Mountains. Cold water pumped down one hole is causing hot water to bubble up from the other—at first at 265 degrees Fahrenheit and since increasing to 350 degrees.

There was chagrin on Kivlen's part because the New Mexico project virtually duplicates an idea the engineer-inventor-linquist has been studying and pushing since a college geology class in 1953. The concern over dwindling energy and water resources of recent years had caused Kivlen to give renewed attention to his plan, which he calls the Kivlen Earth Engine, including the submission in 1975 by disclosure form of a summary and sketches of his proposal to the Energy Research and Development Administration in hopes of a federal grant for the pursuit of the idea.

The ERDA referred Kivlen's proposal to the Office of Energy-Related Inventions, National Bureau of Standards, Department of Commerce, for evaluation. Kivlen says the reply, received in 1976, expressed interest in the idea, but cited engineering problems. And it assured him that the confidentiality of his idea would be respected.

"I don't know," says Kivlen, shaking his head, "but they didn't say anything about some one else submitting the same or a similar idea, or about already having plans to explore it." And, he adds, he remained unaware of the New Mexico project until he read the newspaper story—"a bolt out of the blue."

But along with his distress at discovering that the idea he had long regarded as his own was being pursued by others, Kivlen also felt satisfaction and a happiness. Satisfaction, he says, because the ERDA-U.C. project and its success constitute confirmation of his theory. Happiness "because I think it is going to be a great thing for the entire world."

Dr. James Bresee, director of ERDA's geothermal division, termed the breakthrough "a major step in the nation's effort to extract energy from the deep, hot dry rock which makes up most of the earth's crust."

In addition to submitting his idea to ERDA, Kivlen has sent articles and drawings to various publications, without results.

An article begins: "Heat year 'round, in good weather and bad, night and day, could be available world-wide through the use of the Kivlen Earth Engine (KEE).

"The KEE produces hot water using Kivlen's Principle as follows: the temperature with the earth rises two and a half to three degrees Celsius for each 100 meters below the surface. There is thus a temperature rise of 25 to 30 degrees for each kilometer below the surface. To use KEE, a well is drilled below the earth's surface and a heating cavity is hollowed out. Then, another hole is drilled to the heating chamber to let the heated water rise back to the surface. The weight of the water going into the chamber pushes the heated water up the insulated pipe to the surface."

Kivlen submitted three drawings to the ERDA and to the publications showing as many versions of his idea.

One shows the feeder hole being drilled from an ocean, lake or river (to supply cold water) bed five kilometers deep to a heating chamber of 125 to 150 degrees Celsius, with water hot enough for heating then emerging through a second pipe insulated to minimize heat loss.

Another figure shows a closed-circuit, tube-like turbine plan going down two kilometers that would use the heat differential in the earth to create a circulation of fluids or gases that would turn a turbine and generate electricity.

His third drawing, Kivlen says, is the one he regards as virtually identical to the New Mexico project. It specifies that the holes be drilled near a volcano or over some other geothermal hot spot. He says: "The volcano or geothermal heat might be great enough to heat water to steam that could turn a turbine, in addition to providing hot water for heating and supplying fresh water for drinking. (The water heated to 350 degrees Fahrenheit coming up the ERDA drill hole in New Mexico is 50 degrees hotter than required to drive turbines and produce electricity.)

Depth of the drill holes would depend upon the location of the heated volcanic rocks, and might in places, he speculated, be less than a kilometer.

It might be possible, according to Kivlen, to drill holes large enough to produce heated water "or other fluids" in a quantity that would not only suffice for ordinary domestic uses such as cooking, but for heating buildings and streets ("perhaps in the Arctic") and "even for heating the earth to allow the growing of food in winter."

Excess hot water, he suggests, might be used to keep lakes from freezing, thus saving fish and game.

At the same time that he submitted his Earth Engine idea to the ERDA, Kivlen also sent in his Kivlen Wind-Power Water Machine concept—and received a similar reply.

It utilizes two accepted principles, he says—that wind power can drive a windmill to generate electricity, and that water condenses from cooled air—"the principle of rain or fog, and the frost in a refrigerator."

The parts of the Wind-Power Water Machine, he says, are a windmill blade assembly that can be associated with a hand crank or a set of foot pedals, an electrical generator, a set of cooling coils and a coolant pump.

The wind turns the windmill (or the crank or pedals can be used) which turns the generator to produce electricity. The electricity powers the coolant pump, forcing coolant through the cooling coils. The air—"normal humidity will suffice"—blowing across the coils is cooled below the "dew point" so that water collects on the cooling coils and drips into a receptacle below. Surplus energy, Kivlen says, could be stored in batteries, or put to such use as the powering of an emergency radio.

Kivlen envisions both small and large versions of this idea.

The small version, he says, might be a unit aboard a life raft, on a camper vehicle or at a farmhouse, mountain cabin or some other remote dwelling.

A large model, "say 50 feet long by 10 feet high, or larger," might provide both domestic and agricultural water for an isolated community, he says. Should electricity be serviced by a utility company, then just the water-producing cooler could be used, he notes. And once the cooled air has released its water, it could be used as air conditioning for humans or animals in hot locations.

Kivlen adds: "I'm strictly an idea man—a theorist, not a builder. I put things down on paper. But a federal grant for the Wind-Power Water Machine would have enabled me to build a demonstration model."

He traces his interest in this idea back to 1943 and a physics class at Rice University, but the drought has increased his enthusiasm for it.

Kivlen was born 50 years ago in Los Angeles, the son of a naval officer who was also an inventor. "I started tinkering with a car at 10 and with a radio at 12," he says. "And dad and I built boats."

He began inventing seriously while still in college.

His ideas have included a system for using the hydrogen in sea water, two ideas for making synthetic petroleum, a cable system for highway travel, a rocket engine paper, various communication ideas, and even, well before its day, "a roundtoed, decorated boot for city wear."

When he sent his Kivlen Earth Engine and Kivlen Wind-Power Water Machine ideas to the ERDA, Kivlen also sent along a couple of other ideas—one a synthetic petroleum suggestion, the other an idea for an airborne ozonizer to be attached to high-flying aircraft to restore ozone to the atmosphere.

Kivlen says he has yet to realize any money from his ideas.

"I have been pretty naive in the past,"

he admits. But he is in the process of patenting his ideas.

"Of course, I would like to make something out of them financially," he says. "Even Edison wasn't averse to that. But I guess my main motivation is to try to come up with something that will help man with his problems—particularly his energy and resource problems."

Behind Kivlen are 12 years of study in colleges and universities in Texas and California, five of these in engineering, seven in languages. He is planning additional courses at College of Marin.

He is a considerable linguist, having studied six languages, and having "picked up" varying degrees of skill in eight others.

He has been a high school Spanish teacher, has served in the U.S. Navy in aviation ordnance and aerial gunnery, has engaged in oceanography as a senior marine technician and in computer programming and analysis, and has been a journalist (including the editorship of the El Cajon Record, La Mesa News and Lakeside Star in Southern California, and the assistant editorship of the Pacific Factory Magazine in San Francisco).

For 11 years he has done freelance writing on engineering subjects, project management, group leadership, etc., and he also writes poetry and music.

Single, Kivlen has lived in Marin off and on since 1958.

It is, he admits, a blow to spend years exploring and promoting an idea, and then to discover that some one else has made the breakthrough.

"But, no, I'm not thinking about suing, kicking up trouble or anything like that," he says. "I'm just glad that the idea which I knew would work back in 1953 when I was taking a geology class finally has been proven, and that mankind will benefit."

"Of course," he smiles, "I just might drop ERDA a line and suggest that I would appreciate a little credit. The proof is right there in their files."●

TOWARD AN AGGRESSIVE U.S. EXPORT POLICY

HON. LES AuCOIN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 9, 1978

● Mr. AuCOIN. Mr. Speaker, the U.S. Export-Import Bank Reauthorization Act will come to the House floor in the near future. The House Banking, Finance and Urban Affairs Committee has approved a bill that represents a firm beginning toward achieving a vigorous U.S. export policy, absolutely needed in the face of a record trade deficit.

The bill has both practical and symbolic value. It expands the bank's authority to assist exporters, gives it new prominence, and opens up new trading avenues. One of these new avenues is toward the People's Republic of China, an overture I strongly advocated in committee and will continue to support as a logical next step in the gradual development of relations between our two countries.

The Eximbank bill also symbolizes our interest in looking to the future by sending an unmistakable signal to domestic exporters and the international trading community that we are committed to a more aggressive trading posture.

I commend to my colleagues' attention an editorial which appeared in the May 3 Christian Science Monitor. It makes a good case for going beyond the modest steps of the Eximbank bill to shape a vigorous U.S. export policy. The text of the editorial follows:

NEEDED: A U.S. EXPORT POLICY

Japan Prime Minister Fukuda has come to Washington at a time of deep concern about his nation's huge trade imbalance with the United States and the damaging impact it is having on the value of the dollar abroad. Unless something is done to reverse the increasing U.S. trade deficit with Japan and West Germany in particular, the dollar seems certain to continue its downward plunge, in the process adding fuel to inflation in the U.S. and threatening to derail the slow worldwide economic recovery.

For its part, Japan needs to demonstrate that it is committed to speeding up its own economic growth and to stepping up efforts to attract more U.S. exports. Government incentives, perhaps in the form of low-interest loans, would be one way to encourage more Japanese firms to "buy American." Greater Japanese investment in the U.S.—such as Germany's recent opening of its U.S. Volkswagen plant in Pennsylvania—would also help. Such steps would be far preferable to protectionist measures in either country to restrict Japan's exports of TV sets, cars, and steel.

Pressure is mounting on Congress and the Carter administration to erect barriers against Japanese and other foreign goods. The huge U.S. trade deficit—$9.68 billion for the first three months of 1978—will eventually mean the transfer of thousands of jobs abroad as well as the loss of millions of dollars in corporate profits.

While the United States points an accusing finger at Japan and Germany for not stimulating their economies enough to keep pace with U.S. growth, it is equally clear that much of the blame for the trade deficit must be shouldered by the United States. The sad fact is that the United States, although the world's biggest exporter, has no national export policy to encourage American firms to sell their goods abroad. Government regulations, in fact, often have the effect of discouraging exports.

As a result, the U.S. share of world exports has declined significantly, from 28.6 percent in 1960 to 19.9 percent last year. Until recently the United States did not have to depend on foreign buyers. The country was big enough to provide sufficient market for its goods. But that no longer holds true. To be more competitive in the world market, both government and private enterprise need to display more interest in cultivating and expanding overseas trade than they have to date. Currently only one percent of America's companies provide 85 percent of its exports, according to Business Week magazine.

To its credit, the Carter administration has recognized the urgent need for a national export policy. It has created an interagency federal task force to study the problem and draw up a long-term exports strategy. It also has asked Congress for a $15 billion increase in the loan ceiling for the Export-Import Bank for assisting exporters. And the Ex-Im Bank recently trimmed its interest rates from 8 percent to 7½ percent.

But compared to the aggressive export policies of U.S. competitors, such incentives are strictly peanuts. Japan, for instance, provides government-supported, 4 percent, 20-year loans to some exporters. American firms, on the other hand, are encumbered by restrictions on Export-Import Bank loans and federal regulations that can make it difficult for them to compete. Anti-trust rules, however justified, keep U.S. firms from bidding jointly against foreign consortiums.

A. U.S. export policy should be structured to weed out unnecessary restrictions, target loan rates to export needs, coordinate federal assistance, require export impact statements to accompany federal policies, support research and development to keep the U.S. technologically competitive, and in general foster a business atmosphere conducive to expanding exports. The U.S. cannot close the trade gap alone. But the sooner the U.S. implements such a policy, the brighter will be prospects for a return to global economic stability.●

GOV. MILTON J. SHAPP ON WELFARE REFORM

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 9, 1978

● Mr. MURTHA. Mr. Speaker, as Congress continues to debate the road to take on Federal welfare reform, I recently reviewed some very pertinent remarks on this subject made last year by Gov. Milton J. Shapp of Pennsylvania. I would like to insert them into the RECORD for your information:

WELFARE REFORM

WASHINGTON, D.C.—Mr. Secretary, I want to thank you for the opportunity to present our recommendations for Welfare Reform. This is a problem that has been neglected far too long and cries out for immediate solutions.

I think the time has come for us to recognize that poverty is a national and not a state or local problem. Chronic unemployment and, to a large extent, inflation stem from economic policies established by federal advisors and officials. States and local communities cannot and should not be made to shoulder the tremendous financial and social burdens created by these federal policies.

I am confident that the current Administration in Washington has the will and the ability to set a new course that will alleviate many of the economic ills that beset the nation today. But, in the meantime, poverty and unemployment are realities with which state and local officials must contend.

And, frankly, states and local governments have inadequate tax bases to finance spiralling welfare costs. We are caught in a vise. On the one side, the rising number of people who are without jobs has meant a declining revenue base for our level of government. On the other side, there is the need to provide more and more cash assistance and other benefits just to enable our poor people and the elderly to meet the ravages of inflation.

In Pennsylvania, our welfare requirements will increase substantially in the next fiscal year. The case load will rise from the 1976–77 monthly average of 788,700 to a monthly average of 802,700 in 1977–78. This will require an expenditure of $547.1 million in state funds, or about ten percent of our general fund.

As with other states, we in Pennsylvania must look to tax increases to cover expanded welfare needs. There is no other way since we must operate with a balanced budget. In fact, I am seeking additional state tax revenues to balance my budget for this coming year.

But, I believe we are at the breaking point as to what state and local governments can do. Our revenue raising programs are invariably more regressive and less elastic than the federal tax structure despite all of the loopholes that are built into the federal graduated income tax.

So, for all these reasons, logic indicates that the burden must be shifted to the federal government.

I urged a federal takeover of welfare costs when I first took office in 1971. I told the Congressional Joint Economic Committee at that time that I did not think Revenue Sharing would solve the increasing fiscal problems of states and local governments. One recommendation I made then was, and I quote: "That the public assistance programs of the nation shall be completely federalized."

Since then, Pennsylvania's sister Northeastern states, who share our problem, have issued a collective call for federalization of welfare costs. We repeated this position at meetings last Fall of the coalition of Northeastern Governors.

I realize that we cannot federalize welfare funding in one fell swoop. But I proposed at the Governor's Conference and repeat now that we can begin by having the federal government pick up 75 percent of the welfare cost, starting in fiscal 1978. We can then increase the federal share by five percent each year thereafter and attain full federalization in six years.

Currently, the federal share of Pennsylvania's welfare cost averages about 55 percent. Some states do better and some, worse. Mississippi already receives a 75 percent federal share. Therefore, my recommendation that all states receive 75 percent federal assistance by next year is not really a radical step.

However, federalization of funding is just one part of the recommended total program that is required. We also need minimum federal standards for welfare. We cannot have one region export poverty to another because of vastly unequal benefits.

It is important to note that I do not propose dumping the entire welfare costs on the federal government without proposing extensive changes in the welfare program. There is universal agreement that the program as it exists now is in a mess.

What we have now is a patchwork of federal, state and local programs that frequently collide, overlap and are unrelated to the service needs of the individuals. As I mentioned before, our current system of income security for the needy has unacceptable variations in benefit levels, eligibility and coverage.

In Pennsylvania, for example, a four-person family on welfare receives an average payment of $373 a month. The average in Texas is $140 a month. Even when we take cost of living differences into account, the disparity is still unacceptable. Yet, even in Pennsylvania we have not been able to maintain proper cost-of-living increases since 1965.

I am also convinced the regulations and requirements of the various income security programs are overly complex, which cause excessive administrative costs and unacceptable rates of ineligibility. Also, the cost of the programs are out of control. As an example, I point out rising hospital costs, over which we have no control in the present welfare setup.

And I repeat, the greatest problem with our current system is that states and local governments have inadequate tax bases to finance spiralling costs of providing adequate benefits and coverage.

Mr. Chairman, I would like to propose a new welfare system that incorporates six essential points.

1. Eventual one hundred percent federal funding for all income security programs. Properly managed, this could be phased in over a six year period.

2. We must have universal eligibility standards and benefit levels which are adjusted only for regional differences in living costs.

3. These benefit levels must be adequate for meeting living requirements and include mandated cost-of-living increases.

4. With implementation of such a new system, it will not be necessary to rely upon the food stamp program to provide needed aid to needy people.

5. A new system should provide universal coverage. Currently, coverage is optional with many state or local governments. This means that large segments of the needy American population are denied any guarantee of aid. Often they move into states that offer greater benefits which severely compound the problems of states trying to meet the real needs of people.

6. We should consolidate Medicare and Medicaid into one program that is one hundred percent federally financed. This would be a step toward a comprehensive national health insurance program.

Adoption of these six recommendations would free state resources to fund more adequately job training, education, day care services, counseling and protective services.

I am convinced we can do the job, and I believe the recommendations I have just made can serve as a valuable base for the overhaul of our currently inefficient and badly designed welfare system.

Thank you.●

ALL IN THE EYES OF THE BEHOLDER

HON. DAVID F. EMERY

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 9, 1978

● Mr. EMERY. Mr. Speaker, as a member of the Armed Services Committee, I am extremely concerned about the readiness of our military forces. Of particular concern to me is the health and welfare of those individual men and women on whom we will depend to defend this Nation in time of crisis.

We, on the committee, have heard a good deal about the problems some of the services are experiencing in recruiting young men and women for the military. Of even more importance are the problems being experienced by the services in retaining, for more than one term, those who have volunteered to serve their country.

The loss of these experienced soldiers, especially from the enlisted and noncommissioned officer ranks, is extremely serious. There are many reasons why this exodus is occurring, but I feel a driving force behind a person's decision to leave the service is low morale.

The problem is a serious one and is brought on, not necessarily by major issues or policy change, but by a long string of events which some people, unfortunately, overlook as insignificant.

One of these "demoralizing" items was brought to my attention through a brief summary I received from the Non-Commissioned Officers Association. I am sure that each of my colleagues received the NCOA's Digest, but I want to share it with everyone anyway because I feel it highlights a problem which deserves our attention.

ALL IN THE EYES OF THE BEHOLDER

If it had not been so pathetic, it would have been funny. Here were three distinguished members of Congress lamenting over the unfair way the federal government was treating its civilian defense employees.

Appearing before the House Subcommittee on defense appropriations chaired by Rep. George H. Mahon of Texas, the trio of one Washington and two California legislators told the members of the panel of the hardships suffered by employees who were forced to stay in military quarters. Last year Congress ordered defense workers traveling on government orders to use adequate military quarters when available.

The first California representative said: "If the government could provide suitable lodging and services, the problem would not be so severe. But too often, workers asked to travel on business for the government are being housed in quarters that are not adequate for their needs. They may find themselves in dormitory settings, required to do their own cleaning. Sometimes, inspection schedules must be met which conflict or are not compatible with work or school hours. The employees are working eight to ten hours a day in their work or classroom setting. Additional work or study during evening hours is a frequent necessity. Clearly housing such as this can impede an individual's best efforts to accomplish the goals of his official business trip."

"And there were other problems," continued the congressman, "linens were issued at a time each week when he (an employee) was expected to be in class, so he had to wash his own. Additionally, he had to prepare for a weekly inspection by mopping floors and cleaning his bathroom."

The congressman from Washington testified it was even worse. "I have received many complaints about the conditions in bachelor officer's quarters. There have been stories of quarters which were infested with insects, which were unpainted and filthy, and which had inadequate toilet facilities."

He went on to say that civilian employees are often put to great inconvenience to determine whether facilities are available in the area.

And don't forget the inequities. He said that employees below GS–7 "generally do not qualify" for officer's quarters, and because enlisted quarters are normally filled, they have their lodging expenses paid "while those in the higher grades are required to stay on base."

But that's not all. The second California congressman told of hearing of reports that "experienced senior radar technicians" were resigning rather than submit to staying in government quarters.

He mentioned that Navy pilots in Jacksonville (Florida, we presume) had to stay in local motels because on-base officers quarters were filled with civilian employees.

The congressman also recited a litany of ills suffered by the federal workers. Some could not take a shower "because they were to bathe for medical reasons and such facilities were unavailable." Some had to stand in line for an hour while enlisted quarters were being searched for drugs and contraband. Some were unable to eat military food because they were on prescribed diets. Others, and this is the ringer, could not study at night because they had to share a room with an enlisted man "who wanted to party."

Finally, he asked, "Why should civilian defense employees be singled out among all federal employees for this kind of discriminatory treatment?"

Perhaps the congressman is right. Why should they be singled out? But then, why should our military people have to live full-time in these quarters—quarters that are infested, unpainted, filthy and have inadequate toilet facilities?

Have not Congress, the Administration and Defense laid claim to military-civilian pay "comparability," or is it "competitive pay?" Whatever, it appears it shouldn't

count when the shoe is on the other foot. It's alright to compare military pay (averaging $9,300 annually for enlisted people in FY '78) with civilian defense employees salaries (averaging $18,000 annually), but don't compare civilian travel and transportation with that of the military's. And, above all, don't compare housing (or quarters). What's good for the military ain't necessarily good for federal workers.

The first California congressman, by the way, introduced a bill to do away with that discriminatory provision in law. He told the panel, I will pursue vigorously my legislation to remedy this situation."

Well, we wish he and other congressmen would use some of that vigor to get better housing and quarters for our enlisted military members. Many still live in "temporary" World War II barracks.

Overseas, in Germany for example the devaluation of the dollar makes it even worse.●

U.S. TUNA CANNERS CELEBRATE THEIR DIAMOND JUBILEE

HON. DANIEL K. AKAKA

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 9, 1978

Mr. AKAKA. Mr. Speaker, the people of my islands have long appreciated the values of fish as a food and it is altogether fitting and proper that we herald the development which has brought a greater appreciation of the harvest of the seas to all persons in our country. I refer to the production of a product—canned tuna—which this year celebrates the 75th Anniversary of its beginnings in the United States.

With recognition to Hawaiian Tuna Packers, for providing valuable background material on the contribution of Hawaii to this industry, I am pleased to make note of efforts which involve many of my constituents who are dependent on the tuna industry for their livelihood.

Although canned tuna traces the early days of its founding to Southern California in 1903, major developments in the tuna canning industry also can be attributed to the endeavors of Hawaiians who began a tuna packing facility just 14 years after the first U.S. plant began operating in San Pedro, Calif.

According to the records, Hawaiian Tuna Packers in Honolulu, part of Castle & Cooke's Bumble Bee seafood operations, was begun on September 18, 1917 as the Macfarlane Tuna Co. in an old feed mill at Ala Moana and Cooke Streets, several blocks from its present location at Kewalo Basin. In its first full season the following year, the little cannery packed more than 25,000 cases of tuna caught in Hawaiian waters.

The Honolulu cannery was started by a young pineapple planter, F. Walter Macfarlane. Young Macfarlane was having problems with his pineapple plantings and was ready to try some other crop when he read, in a 1916 canning industry journal, about packing tuna in Southern California.

To Macfarlane in Hawaii, the prospects for canned tuna looked far better than for his pineapple operation. But he soon ran into new problems Commercial fishing was relatively new in Hawaii. There were only a handful of Japanese sampans, all sail-powered, available for tuna fishing and skilled commercial fishermen numbered barely 35.

Macfarlane built two gasoline-powered sampans, and signed five sailing sampans to supply him with tuna. The fleet docked in Honolulu Harbor rather than Kewalo Basin, then known as Blue Pond. The cannery was set up in an old feed mill and the tiny fleet went to sea.

The catches were good—mostly the skipjack variety and occasionally some yellowfin and Hawaiian albacore. No long trips were necessary to fill a sampan, so the tuna was delivered fresh without the need for freezing. Two men did the cooking and processing. Neighborhood women packed the tuna in cans.

With his first pack of 25,000 cases in 1918, Macfarlane ran into a new problem. He could not sell his product in Hawaii. With the ocean at their doorstep, Hawaii's people had no intention of buying canned tuna. They wanted fresh tuna, principally for sashimi. So the entire pack was sold 5,000 miles away in New York City.

On September 12, 1922, a group of Hawaii businessmen acquired control of the cannery and incorporated the business under its present name. Ten privately owned sampans joined the fleet and production continued to expand soon reaching 100,000 cases a year.

The company was one of the first in the industry to undertake a research program to improve its pack. In those days, too, quality was essential for success.

In the early 1930's, noticing the California-canned tuna was beginning to be marketed in the islands, Hawaiian Tuna Packers' executives decided to start merchandising in their own backyard. The Coral label was introduced at home, followed shortly by a Mid-Pacific label. Coral tuna, packed from fresh Hawaii skipjack, soon became the leading brand of tuna in Hawaii. It still is today.

Today, Castle & Cooke, under the Hawaiian Tuna Packers label, employs as many as 350 people. Normal production capacity is 80 tons of fish per 8-hour day, but this has reached as high as 95 tons. The cannery's products account for the third largest volume of mainland-bound freight after sugar and pineapple.

The tuna packing industry is the single largest commercial fisheries industry in the United States today and has an estimated $1 billion impact on the Nation's economy, employing over 30,000 persons directly with additional thousands in related industries. The product is found in more than 80 percent of all American homes. It is firmly established in the American diet because it is recognized as a delicious, economical, and convenient source of complete protein and essential vitamins and minerals.

In this diamond jubilee year, the total U.S. pack will amount to over 30 million cases worth more than $850 million. The State of Hawaii, for which food processing is the largest manufacturing segment, takes its place among the three States responsible for major contributions to the great success of the tuna canning industry in its first 75 years.

MSGR. WILLIAM McNICHOLS CELEBRATES ANNIVERSARY/BIRTHDAY

HON. MARTY RUSSO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 9, 1978

● Mr. RUSSO. Mr. Speaker, I would like to recognize the contributions and achievements of a very special constituent who is celebrating not only his 64th birthday but observing the 40th anniversary of his priesthood as well.

Msgr. William McNichols, pastor of St. Gerald's parish in Oak Lawn, was honored on May 4 and at this anniversary/birthday celebration people were saying "thank you" to a remarkable person, one who has given freely of himself to countless people through his years of selfless service to his church, his neighbors and his country.

Father McNichols became monsignor (an appointment from the Pope) in 1957 and was assigned to St. Gerald's as pastor. His assignments have included St. Giles Church in Oak Park, St. Brendans in Chicago (where he coached basketball) and then to St. John Church in Chicago.

To give you some idea of the esteem in which the monsignor is held, the President and board of trustees of the village of Oak Lawn recently adopted a resolution to name a street in his honor. That resolution reads in part:

Whereas, Msgr. William J. McNichols will be celebrating his fortieth year in the priesthood on April 23, 1978 and Whereas, he will be celebrating his twentieth anniversary as Pastor of St. Gerald's as of November 12, 1978, and Whereas, during the tornado of April 1967 he did display courage and demonstrated leadership in bringing back a troubled parish to normalcy; Now, therefore, the parishioners of St. Gerald's and residents of the Village of Oak Lawn have duly petitioned and requested the Board of Trustees of the Village of Oak Lawn to bestow a special honor upon Monsignor William J. McNichols. . . .

In his priesthood, the monsignor has demonstrated not only personal courage, but great commitment and involvement as well. He worked with the Catholic Extension Society for 18 years and became associate editor for the extension magazine, which had an annual circulation of more than 3 million copies. While with the Society, he was appointed private secretary to Archbishop O'Brien of Chicago and was selected "Master of Ceremonies" to the Archbishop, a title giving him the responsibility to make all arrangements for confirmation, ordinations, and other ceremonies. It also required him to travel throughout the country.

Monsignor McNichols has also journeyed overseas—attending the canonization of Pope Pius X, the funeral of Pope Pius XII and having an audience with Pope John XXIII. He also had an audience with Pope Paul VI in 1963 and in June of 1971, while visiting Rome, he was one of 25 priests to say Mass in the new English liturgy for the first time on the Pope's altar in St. Peter's Basilica.

These are the deeds and activities of record. But, as I said in a recent letter to the monsignor, I believe that Wordsworth was right when he said that the best portion of a good man's life is his little nameless, unremembered acts of kindness and of love. It is for these that we are indebted to Monsignor McNichols, a man of gentle compassion and bold spirit.●

KKK: SUBSTANCE IS "STILL THE SAME"

HON. JOSHUA EILBERG

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 9, 1978

Mr. EILBERG. Mr. Speaker, the news media have devoted considerable attention to the renascence of the Ku Klux Klan.

The following analysis from the January 1978 edition of the Anti-Defamation League Bulletin points out that despite the Klan's latching on to controversial issues, its foundation is still composed of anti-black, anti-Jewish racism and bigotry.

I offer this analysis for the RECORD, Mr. Speaker, in the hope that we can affirm our dedication to opposing the disgusting racial superiority theories espoused by the KKK and other hatemongers:

THE "NEW" KU KLUX KLAN

(By Irwin Suall)

"We've got to get out of the cow pasture and into hotel meeting rooms," says the Ku Klux Klan's most articulate spokesman.

He adds: "It's all window dressing. The substance is the same."

David Duke, young, well-groomed, college educated former Nazi enthusiast, personifies a new brand of Klan leader. He's out to make the once "invisible empire" visible, to change its image and attract new members.

And, indeed, the KKK has been both more visible and more populous of late. That its visibility is far out of proportion to its membership, is part of knowing the value of "window dressing." What other group with only 8,000 members—strung out among three organizations—has been able to get the kind of media attention given the Klan? Duke, himself, has had so many newspaper and magazine interviews and been on so many radio and television talk shows that he's becoming a national figure. His appeal has helped in the recruiting efforts of the other two major Klan groups also. KKK rallies, complete with cross burnings and robes, have become well-staged events, pageants to which newspaper and TV reporters are invited—and come.

The "only 8,000" membership can't be ignored, either. It represents a 20 percent increase from the Klan's total membership of some 6,500 in 1975. Active units have since been formed in Northern states. Special recruitment drives have been initiated in prisons and in the armed forces. There is a "Klan Youth Corps" and "Junior Klans" are being organized for children. The lures, besides its pageantry, include strong fraternalism, a facade of dedication to patriotic and religious ideals—and the Klan's uncompromising stand on highly emotional race-relations issues.

A dozen years ago, a much stronger Klan apparatus tried, by violence and terror, to counter the civil rights movement, failed, and fell into decline. Now, it's trying to recruit for new strength, still using raw racism as an appeal, but also exploiting such legitimate controversial issues as busing, affirmative action, welfare and crime. The leaders hope to fashion a potent political force by rallying non-member supporters, of whom there are thousands across the country.

To avoid legal crackdowns, there has been a diminution of Klan violence. But while the public technique today is to exploit real problems and intergroup tensions, the inner core's anti-black dogma is as blatant as ever; traditional Klan anti-Semitism, now often expressed as anti-Zionism, is more vicious and more heavily stressed then before. In the 1960's, the "enemy" was integration; today the Jews, described as the diabolical force behind "race mixing," have become the chief enemy of some KKK groups. Duke's newspaper, The Crusader, put out a special issue in May, 1977, on "Who Rules America? An Analysis of the Jewish Question." It assailed the "mischief" of the Jewish people who "enforce their will on America" through their control of the government, the banks, etc.

In a recent attack on ADL for its monitoring of Klan activities, Duke said: "The whole purpose is to smear any group that challenges predominant Jewish power in this country."

Klansmen remain engulfed in their own irrational terrors—from visions of great national conspiracies to a fear of infiltration and treachery in their local units—but they no longer instill much fear in their enemies. In fact, they often evoke scorn and ridicule and are even taunted in public by young blacks. The KKK cross-burnings, once a fearsome threat, have become a show—a ritual of defiance and a tool for attracting publicity. If the violence and intimidation of the 1960's Klan is no longer a general practice, it has been replaced by Klanspeople goading opponents into violence. The "knights" have channeled their own violent energies into rallying Americans against what they see as "the ever increasing hordes of anti-Christ and the enemies of the principles of pure Americanism."

According to its brochures, the Klan is "a fraternal order promulgating fraternal conduct." Duke constantly refers to it as a "brotherhood." Yet the KKK is beset by factionalism and petty jealousies. Of the three competing organizations comprising most of today's membership, the major Klan group of 12 years ago is still the largest, with 3,000 to 4,000 members. This is the Alabama-based United Klans of America (UKA), headed by Robert Shelton, whose imprisonment (for contempt of Congress) led to a general disillusionment and decline in the movement in the late 1960's. The UKA's membership (white Protestants only) is largely an aging group of men who have stuck by Shelton. The UKA preaches the old anti-black Klan line, has a heavy Southern flavor and is strongest in its home state, in Florida and in Kentucky.

The second of the Klan organizations is the loosely-knit Confederation of Independent Orders of the Invisible Empire, Knights of the Ku Klux Klan, with some 2,000 to 3,000 members and based in Indiana. It is strongest in Indiana, Pennsylvania, New York and Maryland—although its largest affiliate is probably the South Carolina organization headed by Robert Scoggins, another important KKK leader from the 1960's. The Confederation's racism is like that of the UKA.

The third major group is David Duke's Knights of the Ku Klux Klan. With about 1,000 members, mostly young people in their twenties and thirties (women are actively recruited), the Knights of the KKK is dominated by Duke and clearly stamped with his personality. Besides his home territory of Louisiana, Duke's major strength is in Texas and California, but he has a scattering of members all over the U.S. as a result of the wide media coverage he has received. Late in 1977, Duke's Klan leased a six acre tract near Palm Harbor, Florida, on which to construct a state headquarters and held a rally and cross-burning on the site. It attracted more than 500 persons. A succession of KKK speakers, including Duke, attacked the "New York Communist Jews" who "dominate the media" and incite blacks to "a hatred of the white race." The crowd was generally sympathetic.

In addition to the members of the three major Klan organizations (membership in a few other small groups is negligible), there are some 30,000 to 40,000 Klan sympathizers.

Whether the KKK's attempt at renascence will be successful remains to be seen. But whether or not it grows in numbers, the Klan's potential for promoting hatred in a society already divided on serious and complicated issues cannot be disregarded.

F-15 DEAL—"BUILT ON SECRECY"

HON. JOSHUA EILBERG

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 9, 1978

● Mr. EILBERG. Mr. Speaker, as the Congress debates the President's plan to sell sophisticated aircraft to Saudi Arabia and Egypt, many troubling questions have been raised concerning the wisdom of these sales.

The questions deal with the timing of the President's proposals; their impact on the balance of power in the Middle East; the true offensive capacities of the aircraft; and the extent to which we might be endangering the security of Israel, our only democratic ally in the Middle East.

Yet another question is raised in the following news analysis prepared by reporter James McCartney, of the Philadelphia Inquirer.

McCartney points out that behind this arms proposal is a history of "secret deals, broken campaign promises, and efforts by the administration to put pressure on Israel."

This analysis should be "must" reading, Mr. Speaker, for anyone who has yet to understand that the sale of these arms to Saudi Arabia and Egypt amounts to a major shift in American policy, and a dangerous precedent in the Middle East.

The analysis follows:

[From the Philadelphia Inquirer, May 2, 1978]

ARMS DEAL WAS BUILT ON SECRECY

(By James McCartney)

WASHINGTON.—Behind President Carter's controversial Mideast weapons proposal is a long and tortuous story of secret deals, broken campaign promises and unadmitted efforts by the administration to put pressure on Israel.

The battle over Carter's arms package, which went to Congress Friday, is an outgrowth of years of secret diplomacy, involving billions of dollars' worth of weapons—a type of diplomacy that Carter declared repeatedly in his presidential campaign he would not engage in.

It is a diplomatic poker game in which jet fighter planes are the chips.

The game has been played by every administration since Lyndon B. Johnson's. All have sold sophisticated weapons to both sides in the world's most volatile political region, arguing that if everyone is well-armed, it encourages peace.

For instance, in a news conference Tuesday, Carter said his "commitment" to sell sophisticated F-15 fighter planes to Saudi Arabia dated back to a pledge made by the Ford Administration in September 1975.

What he did not say was that it had been a secret pledge, never disclosed officially until February of this year—unknown to the public and to most Members of Congress.

Carter said that the Ford Administration had made another "commitment" at about the same time to sell F-15s and F-16s to Israel, a deal worked out by former Secretary of State Henry A. Kissinger as part of the second Sinai disengagement agreement.

But Kissinger did not disclose that pledge when the agreement was announced. News of it was leaked two weeks later, and even then details did not become public. F-16s were mentioned, for example, but not F-15s.

Carter also did not mention that a new secret deal, promising still more war planes to Israel, is already under discussion to placate pro-Israeli critics of the current package.

Carter's proposals to sell 50 less sophisticated F-5E jets to Egypt also evolved in secrecy over the years. The Ford Administration informed Israel privately in 1976 that the United States intended to develop a full-scale military supply relationship with Egypt, but no public announcement was made.

Weapons have not always been a part of Mideast diplomacy. Until 1966, in fact, the United States specifically opposed selling arms in the region. President Dwight D. Eisenhower enunciated the policy in 1956, opposing sales to Israel, he said, to avoid "the initiation of an Arab-Israeli arms race."

But when Soviet shipments began flowing to Egypt and Syria in the 1960s, that policy was reversed under immense pressure in Washington from the Israeli lobby. The major breakthrough came in 1966, when the United States agreed to sell A-4 "Skyhawk" fighter-bombers to the Israelis.

Since then the trend in sales has been ever upward, with the United States as the major seller. For all practical purposes, the race soared beyond control in the year after the 1973 Mideast war. In that year as many arms were sold in the Mideast as during the previous five years. Last year the United States sold more than $2.5 billion in arms to Israel and Saudi Arabia alone.

There is particular irony in Carter's decision to honor secret agreements using advanced weaponry as instruments of diplomacy: that decision contradicts the spirit of his promises about arms sales and the mideast in his election campaign.

In April 1976, for example, Carter said he would not sell arms to Egypt.

In September of that year he told Jewish leaders in Philadelphia that the Ford Administration was "playing with fire" by seeking to sell sophisticated guided missiles to Saudi Arabia. That deal, he said, represented "moral bankruptcy" and "bowing down to foreign blackmail."

Carter also sharply criticized the Ford Administration's foreign arms sales policies, attacking the Republicans for making the United States the world's leading arms merchant.

But Carter's mideast arms package—priced at $4.8 billion—is the largest single weapons deal ever proposed for that region, and arms sales overall have continued to rise since Carter took office.

The administration insists, as Secretary of State Cyrus R. Vance said in announcing the proposals in February, that "the sales of these aircraft . . . will not alter the basic military balance in the region."

But top-level administration sources concede privately that these carefully chosen words means something different from what they suggest.

The purpose of selling sophisticated arms to Arabs countries, sources say, is to try to equalize the military balance—conceived by administration experts now as overwhelmingly favorable to Israel. The package is designed, they say, to make it "more equal."

And that, in turn, is designed to convey a political message to Israel—that the day of one-sided support of Israel in American policy is gone.

The Israelis understand this type of pressure very well, and that is why they have strongly opposed the "package" approach.

As Israeli Foreign Minister Moshe Dayan said Thursday: "We resent the concept of a package deal . . . We oppose the jet planes to the Saudis and to the Egyptians at this time because we think that it would endanger Israel."

If the sales of Israel are canceled, however, "we shall accept the punishment," he said.

The President insisted in his news conference Tuesday that "if the Congress should accept a portion (of his sales program) and reject another, then my intent is to withdraw the sales proposal altogether."

But Vance, who has been negotiating on Capitol Hill, changed the ground rules Friday in his letter to Congress formally proposing the sales. He said that the President now "will reserve judgment on the ultimate action to be taken until Congress acts.

The legislative situation in dealing with the proposed arms sales is highly unusual. The administration makes a formal proposal, as it did Friday, and Congress has 30 days in which to consider it. If the sales are to be halted, both the House and the Senate must vote, by a majority, against them. If only one legislative body says "no," the administration wins and the weapons are, figuratively speaking, on their way to the Mideast.

In this case the administration's hopes ride in the House, primarily because it has an ally in Rep. Clement Zablocki (D., Wis.), chairman of the International Relations Committee.

Zablocki has been saying he can prevent a "no" vote on the Saudi Sale, the most controversial of the proposals, in his committee.

But even the committee vote might not be conclusive, as the entire House might vote to reverse the committee's decision. This does not normally occur on legislative issues, but, on this kind of issue, it could happen.

For weeks many here have doubted that Carter actually would carry through on his threat to cancel the entire package if any part of it is rejected in Congress. He would be taking on the powerful Israel lobby in a way that no president of either party has ever been willing to do. Thus the administration can be expected to seek a compromise of some sort if it sees defeat looming in Congress.●

VETERANS' HEALTH CARE

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 9, 1978

● Mr. MAZZOLI. Mr. Speaker, the House has under consideration the proposed budget for fiscal year 1979. Our judgment on the fiscal year 1979 budget proposal will provide direction and set policy for health care for our Nation's veterans for many years to come.

Over 30 million veterans rely upon health care services provided by the VA hospitals, and much valuable medical research is conducted by the medical profession in conjunction with the Veterans' hospitals throughout this country.

Severe cutbacks in the budget for the VA hospital system were proposed by the Budget Committee. If the cutbacks had been approved, doubts would have been raised about the depth and strength of the Federal commitment to the Nation's veterans and their health care needs.

The scheduled cutbacks would have caused a loss of 21 beds at the VA facility in Louisville. This hospital serves Louisville and many surrounding areas including our neighbors from across the Ohio River in Indiana. Any cutbacks would have been very difficult for the hospital to absorb.

I am glad my colleagues last week saw fit to adopt the Roberts amendment to the fiscal year 1979 budget resolution. This amendment—increasing by $1 billion the budget authority and by $844 million the outlays for veterans' benefits and services—should help to alleviate cutbacks in medical services for veterans in the Louisville VA facility and at comparable facilities around the United States.●

ARMS EMBARGO AGAINST TURKEY: A CONTINUING NEED

HON. LEO C. ZEFERETTI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 9, 1978

● Mr. ZEFERETTI. Mr. Speaker, Congress will soon be voting on President Carter's plan to end the U.S. arms embargo that we imposed on Turkey in 1975, and I want to make known my staunch opposition to such a proposal.

Over the years, the United States has played a major role in trying to preserve the security of the NATO alliance, in which both Greece and Turkey play a vital role. As a result, we have contributed greatly to the military postures of both countries. However, it is quite clear that these weapons are intended to be deployed strictly for defensive purposes.

When Turkey invaded and occupied the island of Cyprus, over 90 percent of the military equipment it used had been supplied by the United States. The legal implications of such an action are clear: Turkey violated the Foreign Assistance Act of 1961, which explicitly prohibits American-supplied arms from being used in any fashion except for defense.

So much for the legal aspects of the invasion. More importantly, Turkey's aggression violated the integrity of this independent state and shattered its flourishing economy. In human terms, it brought personal tragedy and hardship to thousands of families, forcing much of the population to become refugees whose problems have yet to be resolved.

While it is true that the arms embargo has yet to have had little effect on the Turkish Government's willingness to negotiate a just settlement to the Cyprus question, it is still our major "bargaining chip" in our attempts to bring peace to that area. Congress has already modified the embargo by granting Turkey the weapons guarantees necessary for its NATO responsibilities, yet no meaningful progress toward a negotiated settlement has occurred. Any relaxation of the current embargo would be interpreted as the United States Government's implied consent to the continued Turkish occupation of Cyprus.

Greece has long been an important ally to the United States and it is our re-

sponsibility to continue to exert pressure on the Turkish Government to negotiate a just and lasting peace. We must also insist on a settlement that directs itself toward resolving the territorial problem, striking a proper balance between the two populations on Cyprus both politically and economically.

For these reasons, I must oppose the administration's proposal to lift our arms embargo against Turkey.●

HOLOCAUST IN CAMBODIA

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 9, 1978

● Mr. LAGOMARSINO. Mr. Speaker, I would like to bring to the attention of my colleagues Smith Hempstone's following editorial on Cambodia:

THE NEED TO BEAR WITNESS TO CAMBODIA'S HOLOCAUST

(By Smith Hempstone)

An estimated 120 million Americans recently spent 9½ hours watching a four-part NBC "docudrama" detailing the inhuman persecution of Europe's Jews by the Nazis.

A haunting theme running through the portrayal was the indifference of men of good will elsewhere to the fate of the Jews. Some who knew or suspected what was happening didn't care, others simply refused to believe the evidence.

The question on many lips after "Holocaust" was this: Could the extermination of a helpless people take place again without the world rising up in righteous indignation? The answer demonstrably is that it could. Indeed, while we drink our Sunday coffee, another holocaust is taking place today, this time in Cambodia. But it is not chic to be Cambodian, there is no Khmer lobby in Washington, and the public outcry against this policy of genocide is not, shall we say, deafening.

Not a dissident sparrow can fall in Chile, Brazil, South Korea, Iran or South Africa—all ruled by right-wing authoritarian regimes—without touching off a cacophony of indignant accusation and ideological handwringing. But hundreds of thousands of Cambodians can be murdered by a faceless Marxist regime, or simply worked to death in the paddies, without eliciting so much as a peep of disapproval from the Rev. William Sloane Coffin or Jane Fonda.

The campuses of America roiled with protest in 1970 when U.S. troops, at the invitation of the Cambodian government, attacked North Vietnamese units using that country as a sanctuary and staging area. But the draft is a thing of the past, and there are no chanting demonstrators to protest the autogenocide of the Cambodian people by Communist Party leader Pol Pot, who makes Caligula look Jeffersonian when it comes to concern for human rights.

It is true that President Carter on April 21, three years after the fall of Phnom Penh and nearly 16 months after his inauguration, finally got around to castigating Cambodia as "the worst violator of human rights in the world today."

But where was the president for the previous year, when Cambodians were dying by the tens of thousands? Did it really take him that long to learn of "abuses that include mass killings, inhuman treatment of the supporters of the previous government . . . the total suppression of recognized political and religious freedoms, as well as deprivation of food and health care"? Or did he have to see "Holocaust" to be reminded of the "obligation of every member of the international community to protest the policies of this or any nation which cruelly and systematically violates the right of people to enjoy life and basic human dignities"?

And is that where it stops? Will the president say no more? Will the Congress do nothing? Will we not try to persuade those with influence over Cambodia, particularly the Chinese, to urge the Cambodians to alleviate the slaughter?

Nobody, including Mr. Carter, knows how many people have died since Phnom Penh, abandoned to its fate by its U.S. allies, fell to the Communist Khmer Rouge on April 17, 1975.

Western newsmen are not allowed into the death camp known as "Democratic Kampuchea." Cambodia permits only nine nations (eight of them Marxist; the exception is Egypt) to maintain embassies in Phnom Penh. And diplomats assigned to these missions, with the sole exception of the Chinese, are virtually prisoners in their embassies. They are not allowed to travel or to speak to nongovernment Khmers, and their meals are brought to them by truck every day.

It is nearly as difficult and far more dangerous to try to leave Cambodia than to enter it. Border areas have been depopulated to a depth of 25 miles and mined, with patrols shooting on sight anyone found near the frontier. Charles H. Twining Jr., the State Department's principal Cambodia-watcher, estimates that only 1 out of every 5 Cambodians who try to flee survives.

In such a closed society, projections about the number who have died necessarily are based largely on reports by the 15,000 refugees and defectors who have managed to reach Thailand. Refugee accounts always have to be treated with caution: By definition, refugees are prejudiced against the regime, and can only have known what went on in a specific place at a certain time (by the same token and for the same reason, some Americans in the 1930s refused to believe what Jews who escaped Nazi Germany said was going on there).

But the pattern and dimensions of this tragedy are reasonably clear. It appears certain that between 500,000 and 2 million Cambodians, out of a total population of 7 million, have been executed, starved or worked to death, died of disease or been killed while trying to flee over the past three years (600,000 others died during the war, many of them victims of American bombing).

Let us be more charitable to Pol Pot than he deserves. Let us assume the refugees' tales are exaggerated. Take the low figure of 500,000 dead. That means 1 out of every 14 Cambodians has lost his life over the past three years.

If one day Cambodia should again become free, and some Khmer should ask why so many remained silent in the face of this act of genocide, it will not be good enough to say, as some did about the extermination of the European Jews, "I never knew."

In the days immediately after the fall of Phnom Penh, before the curtain of silence fell over Cambodia, Sydney Schanberg of The New York Times wrote a gripping, eyewitness account of the expulsion of "perhaps 4 million" Cambodians from the cities into the countryside. Neither the sick, the halt, the lame nor the blind were spared this death march, wrote Schanberg, whose account later was confirmed by another eyewitness, the Rev. Francois Ponchaud, author of "Cambodia, Year Zero":

"No one has been excluded. Even the very old, the very young, the sick and the wounded have been forced onto the roads. Some clearly will not be strong enough to survive.

"Hospitals jammed with wounded were emptied, right down to the last patient. They went limping, crawling on crutches, carried on relatives' backs, wheeled on their hospital beds."

Like the Jews of "Holocaust," the people of Phnom Penh, its population down from 2 million to 20,000 after the exodus, were not being marched off for delousing and a shower. Their Via Dolorosa led into the jungle, where they were to be put to work without tools, medicine or supplies, carving out new collective farms. Those who could not keep up were clubbed to death by their guards, or left to die of hunger and thirst beside the trail.

Those who survived the death marches found a life of endless toil on low rations awaiting them, with death the penalty for deviation. It was not just Lon Nol's officer corps and their families, the plutocracy, the intelligentsia or even the bourgeoisie who were murdered, although these, of course, were the first to go. It was anyone who had had the slightest connection with the previous regime, down to the rank of private, anyone who was too old, young or frail to be of service to the state, anyone with enough backbone to protest or question what was happening.

Some Americans find it difficult to believe the enormity of the Cambodian disaster because it seems to have so little logic behind it. What is to be gained by murdering simple people guilty of no crime other than that of having been at the wrong place at the wrong time?

Pol Pot and Deputy Prime Minister Ieng Sary, who are married to sisters, are French-educated Marxists, xenophobes with an abiding hatred for everything Western and everyone associated with the royal or republican regimes, millennialists who seek to create a new, purified Khmer man, freed of the taint of capitalist corruption. And if a million or two people have to die in the process of making human reality conform to their own distorted abstraction, so be it. After all, they have the examples of China and the Soviet Union to guide them in such matters.

Some Americans who are prepared to concede that something unpleasant has been going on in Cambodia these past three years excuse their lack of protest on the ground that nothing can be done to prevent it.

It is true that neither the United States in particular nor the West in general has much influence with Pol Pot's regime, which refuses to accept even humanitarian aid. But Peking does have a certain amount of leverage in Phnom Penh, and the Chinese ought to be publicly urged to use it to ease the rein of terror.

Beyond this, there is the matter of bearing witness. One may not be able to triumph over evil, but one need not remain silent in its presence. President Carter might speak up more than once on the subject. He might instruct Andrew Young to walk out of the United Nations General Assembly whenever the representative of "Democratic Kampuchea" rises to speak. At every time and in every available forum, those who speak for the United States could call on the conscience of the world to condemn those who commit such atrocities. Finally, Congress, as the Canadian House of Commons already has done, might adopt a motion of protest against the policies of this Southeast Asian tyranny.

Perhaps none of this would save lives. But if we do not do something, if we do not try, it will be stark evidence that we still have not learned the lessons of the Holocaust.●

PRAISE FOR COLOMBIAN GOVERNMENT ON DRUG SEIZURE

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 9, 1978

● Mr. WOLFF. Mr. Speaker, congratulations are due the Colombian Government for their record seizure April 28 of

a 574-ton haul of marihuana bound for the United States.

Responding to information from the Drug Enforcement Administration, the recently created Colombian Attorney General's Narcotics Unit arrested 13 people—including 3 Americans—during the seizure. The marihuana confiscated—enough to make 1 million cigarettes a day for an entire year—was the equivalent of between 10 and 25 percent of the total amount smuggled into the United States yearly.

That Colombia, a major supplier of marihuana and a center for refining and smuggling of cocaine, should effect such a seizure is particularly significant considering its economic situation. The country's income from narcotics is estimated to be at least 20 percent above the moneys received from the sale of coffee—their largest single exporting crop.

Colombia's move toward a tougher drug policy and the improved training of their police narcotics unit were key factors in this major "bust" and in several other interceptions during the past year.

As chairman of the House Select Committee on Narcotics Abuse and Control, I would like to note the committee's efforts last August to improve Colombia's narcotics enforcement operation. Committee members met with President Lopez-Michelsen and other Government officials with this message: Apply every effort to stop narcotics at their source. I urge other countries to follow their successful example. For if we cannot cut off the supply of drugs, we cannot stop their use or abuse.

I would like to insert for the record a Washington Post editorial of May 3, 1978, commending the Colombian Government.

The editorial follows:

[From the Washington Post, May 3, 1978]

A Record Drug Bust

Last week Colombian government officials, acting on a tip from U.S. drug agents, seized over 1 million pounds of marijuana that was about to be shipped from that country to the United States. The 574-ton haul, captured in a remote province of the South American country, apparently is the largest quantity of illicit drugs ever confiscated in one raiding operation. Its wholesale value was estimated at about $200 million. U.S. drug officials said the amount equalled from 10 to 25 percent of the marijuana annually smuggled into the United States. Put another way, the marijuana the Colombian authorities seized was enough to make 1 million marijuana cigarettes a day for an entire year.

This record seizure, however, has an even greater significance than that of preventing so much marijuana from reaching the United States. During the last decade Colombia has become a major producer of marijuana and a major way station for heroin and cocaine bound for the United States from other South American countries—and that has great consequence for both its economy and its democratic form of government. The revenue produced by illicit drug trade—about $1 billion annually—is greater than the value of coffee exports, the country's main legal source of foreign exchange. And the power of the major drug traffickers until recently has seemingly made them immune from arrest and prosecution.

Bolstered by U.S. aid for anti-drug efforts, the Colombian government has been struggling to reduce the malignant influence of drug traffickers within the country. Colombia's attorney general personally directed last week's operation, in which 13 people, including three Americans, were arrested. Tough drug laws and a better-trained (and more corruption-free) police narcotics unit have produced several other spectacular drug busts within the past year. These actions won't end Colombia's problems with illicit drugs and drug traffickers, but they do indicate a new-found willingness among government officials there to deal with the problem. That spirit is the key to the most effective strategy for reducing the flow of illegal drugs into this country: choking it off at its overseas source.●

JOBS, EMIGRATION, AND CONGRESS: EX-IM CREDITS TO THE U.S.S.R.?

HON. GARY A. MYERS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 9, 1978

● Mr. GARY A. MYERS. Mr. Speaker, I plan to introduce an amendment to the Export-Import Bank reauthorization bill when it is considered on the House floor. As you know, economic policy is an important tool in international relations, to be used flexibly and realistically for the achievement of economic and political objectives. On the other hand—

An awareness of the limitations as well as the possibilities of using economic policy to achieve political ends is crucial. Economics is only one dimension of the overall relationship between countries. Flexibility is essential. Political relations between great powers are sensitive. Congress is not equipped to participate in the day to day decisions affecting relations among nations, and it, thus, must leave an appropriate sphere of discretion for the administration within the broad guidelines which Congress sets. In the case of Eximbank credits to the Soviet Union, Congress has made it clear that it is unwilling to ignore long-term economic and political interests for the sake of short-term economic gain.[1]

Yet Congress should recognize the need to view trade in a light which encourages a relaxation in tensions and a reduction in the suspicions which underlie the current superpower relationship.

At issue here is the so-called Stevenson ceiling which provides that, before the President may extend more than $300 million in new Exim credits to the Soviet Union, in addition to the half billion dollars previously granted, he must find it in the national interest to do so and seek and receive congressional approval.

Thus, this provision established a point beyond which the President cannot go without congressional concurrence. An increased ceiling can be sought at any time whether or not amounts thereunder have been committed or disbursed. I propose to alter this provision by giving the executive branch some additional flexibility in the day to day conduct of foreign policy. Namely, Congress shall be provided the opportunity to disapprove any Presidential extension of credits beyond the $300 million ceiling rather than being required to approve such a determination.

My amendment would give the Executive flexibility and bargaining power as a tool in international diplomacy while maintaining a mechanism for congressional oversight. This would be accomplished without directly involving Congress in the day-to-day conduct of foreign policy—as mentioned before, a task for which Congress is ill-equipped. The constitutional role of Congress in foreign policy—as mentioned before, a task with the executive branch—through legislation and treaties—the foreign policy of the United States; the normal function of this constitutional obligation is not congressional execution and administration of foreign policy. When Eximbank legislation was amended in 1974, Congress deemed that circumstances were unique and required intervention into the sphere of executive authority. In the present context, however, effective utilization of the doctrine of separation of powers in foreign policy should provide the President both with the flexibility and responsibility for conducting foreign policy in the best interests of the United States without diminishing congressional duties associated with its oversight function.

Additionally, this provision would impose no express conditions on the availability of the $300 million. It would provide for congressional input and consideration of any credits in excess of that amount and would allow Congress to weigh "the whole panoply of factors affecting U.S.-U.S.S.R. relations." Thus it implicitly provides an opportunity for all matters of interest to the United States to be considered.

Finally, my amendment would provide a greater opportunity for nonstrategic U.S. exports to the Soviet Union which the Soviets are now purchasing from other Western nations—to the detriment of our balance-of-payments deficit.

As we are well aware, the Export Administration regulations require that every export of goods or technical data to any country except Canada be licensed by the Government. Selected sensitive export control applications requests, as well as policy issues, are referred to an interagency committee composed of representatives of the Departments of Defense and State and other interested agencies. Thus, while providing the opportunity for expanding exports and American jobs, with my amendment we can be assured that U.S. technology would not be used to augment the military power of the Soviet Union. My amendment would also provide U.S. industry with a greater potential to compete with West Germany, Japan, and other nations for access to the Soviet market:

It is misleading to contend that all that is at stake is a boost for U.S. exports. A Soviet

[1] See Stanley J. Marcuss, "New Light on the Export-Import Bank" in Paul Marer, ed., *U.S. Financing of East-West Trade*, Bloomington, Indiana, Indiana University Press, 1975.

trade strategy which puts emphasis on its own internal development, while excluding access to its consumer markets must be seen as a part of a continuing effort to enhance Soviet economic power at the possible expense of Western commercial as well as political interest.[2]

Through its action on my amendment, Congress can make it clear that it intends to provide the President with greater flexibility while asserting its intention that the executive branch will weigh all appropriate considerations in the balance and that the days of a blank check are over.

To deny the Executive more flexibility to involve the United States in a pattern of normal trade within the context of our appropriate safeguards is to deny the opportunity for using a bargaining tool in an area where the United States has a clear advantage:: its economic base. Additionally, this action could be interpreted as a diplomatic signal to the Soviet Union that benefits are available to both sides if the diplomatic atmosphere was marked by improvements in such areas as noninvolvement in international disputes, nuclear nonproliferation, environmental concerns, human rights (including emigration) and such other factors that appear appropriate.

It should be noted that extension of Exim credits would still be contingent upon Soviet compliance with the Jackson-Vanik amendment to the Trade Act of 1974. Currently, no Exim credits are available to the Soviet Union until the President certifies that the Soviets are making efforts to comply with the emigration requirements of that amendment.●

THE BOUNDARY WATERS WILDERNESS ACT: SIGURD OLSON'S UNIQUE ROLE—PART I

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 9, 1978

● Mr. FRASER. Mr. Speaker, on April 10, the House Interior Committee voted out the Burton-Vento compromise bill on the Boundary Waters Canoe Area. It is the hope of all concerned that this legislation will put to rest once and for all the controversies that have embroiled the BWCA since its creation in 1902. The current controversy has a form and significance quite different from those preceding it. It is important, however, to bear in mind that battles have been waged over this area for three-quarters of a century and that Congress has moved on at least four occasions to block threats posed by developments inappropriate to the BWCA's wilderness character.

There are only a few citizens still active who have participated in all of these congressional actions. Perhaps the best known among them is Sigurd Olson, an early guide, teacher, author, and spokesman for the BWCA. Among his books are "The Singing Wilderness," "Listening Point," and "Runes of the North." His thoughts and experiences are uniquely tied to the area. We would be well advised to look to people like Sigurd as we seek reminders of those fights already waged. He has written:

If conservationists had lost any of the previous battles, there would not be a BWCA to argue about today.

Three articles appeared last year in the Madison, Wis., Capital Times which capture Sig Olson's unique sense of history and philosophy of the area. The first installment outlines the succession of battles to preserve the BWCA. The second describes the present controversy. The third centers around the spiritual values underlying the efforts of those who seek to protect our remaining wilderness. I intend to place each interview in the RECORD; the first interview follows:

FIFTY YEARS LATER, OLSON STILL FIGHTS FOR BWCA

(By George Vukelich)

ELY, MINN.—Here in the gateway to the million-acre Boundary Waters Canoe Area, the American portion of the world-famous Quetico-Superior country, a classic environmental battle is shaping up which will determine, perhaps forever, the future of this unique, wild country, the largest of its kind in all America.

The conflict over the BWCA has polarized in two bills introduced this year in the House of Representatives by two Minnesota congressmen:

H.R. 2820 introduced by Rep. Donald Fraser (D-Minneapolis) would preserve as a wilderness all of the present BWCA. It would stop all logging. It would also stop motorboat and snowmobile use, except for a few hardship cases. And it would ban mining except in a national emergency.

H.R. 5968 introduced by Rep. James Oberstar (D-Duluth), who represents this district, would transfer 400,000 acres from the Wilderness Preservation System to a National Recreation Area, and would permit motor use and logging within this area. The remaining 600,000 acres would be administered as wilderness.

The famed naturalist-writer, Sigurd F. Olson, has long been a respected tribal elder and "spearpoint" in the great environmental battles which have raged across this nation, indeed across this earth. The Capital Times outdoor writer George Vukelich interviewed Olson a few days ago at his home in Ely. In this first installment, he recalls the historical events which have led up to the present confrontation.

Q: The current battle for the Boundary Waters Canoe Area is only the latest in a long series of struggles for this north country. As an eyewitness who has taken part in them all, when did they first begin?

A: The first effort, as far as I'm concerned, began in the 1920's when I was a young guide in this country. This is the end of the road and as a guide I came to know many people who went out on canoe trips. There were photographers and there were senators and congressmen, editors and writers and quite a wide variety of people.

The first threat to this country was in the 1920's. There was a plan to build roads to all of these lakes and the chambers of commerce all around the area trumpeted that this was the "playground of the nation." That's what they had in mind.

The Forest Service had an appropriation of $57,000, peanuts by today's standards, but it was big money back then because it was all cheap hand labor, a man and scoop shovel and a horse, picks and shovels and axes, that sort of thing. So it was big money then.

The men who were with me were shocked. They were sold on the idea of wilderness. They had got used to the sense of silence, the lack of pressure in the wilderness and they were shocked by the plan to build roads up here.

Well, as a young guide, I had no political experience. I didn't have the slightest idea of what to do, but these men did. I remember there was a writer, Don Hoff, who wrote for the Saturday Evening Post. There was Will Dilg who organized the Izaak Walton League of America. And a number of excellent photographers, one by the name of Brown from Twin Cities. And others.

And they said we know what to do: We'll just spread this all over the United States and we'll make a national issue out of it. Which they did. And pretty soon there were hearings and inside of 4 or 5 years, the Forest Service had set aside a Primitive Area, a good chunk of what is now the BWCA.

That was the first battle. That battle was no sooner won than we ran into the threat of power dams: A plan to build seven enormous power dams along the border that would raise the levels of some of the lakes eighty feet, destroying all of the rapids, the waterfalls, the islands, the campsites and all vestiges of what was known as the Voyageur Highway—which the border country was—making a great big slough, or swamp, out of hundreds of thousands of acres. It would have practically destroyed what we now call the Boundary Waters Country.

That battle went on for nine years before the International Joint Commission. This Commission had to conduct the hearings because the dams would affect border waters belonging to both Canada and the United States. I had no money but people saw to it that I got to the hearings.

Here and up along the border, St. Paul and Washington, I did more traveling then than I had ever done in my life. And how well I remember when the Canadian Chief of the International Joint Commission called me to the stand at a hearing.

We were limited to ten minutes and you can't say much in ten minutes. But he started talking about canoe trips he had taken, and about canoe trips I had taken on the Canadian side and way up.

Well. We talked about Sioux Lookout and the Albany and God's Lake and the Hays route and so on. He kept me on that stand for forty-five minutes and all we did was visit about canoe routes. I knew we had a real champion on our side.

The International Joint Commission advised both governments that the country was far too beautiful to destroy by building a series of power dams. Years later, the Ontario Hydro Commission, after an investigation, decided that there wasn't enough power potential there anyway to make the cost of the dams feasible.

That ended in 1934, and because of all the international action and furor that had been created, President Franklin Delano Roosevelt, established the Quetico-Superior Committee, as he called it, by executive order—a committee that was supposed to work with the Canadians to establish what we then thought would be a Peace Memorial Forest. A Forest dedicated to the dead of World War I and all the other conflicts we had been in and signifying that here were two countries with a border over 3,000 miles long and it had no bayonets, no gun emplacements, no restrictions to travel and so on. If we had lost that battle, that would have been the end of all this, but we won it. That was just the beginning.

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[2] See Stanley J. Marcuss, "New Light on the Export-Import Bank" in Paul Marer, ed., *U.S. Financing of East-West Trade*, Bloomington, Indiana, Indiana University Press, 1975.

Then the government had to buy up all this land because a lot of it was private land under the Minnesota Homestead or the Federal Homestead Act. During the logging days, the old system of the logging companies was to get people to go into the bush, declare a homestead, presumably build a shack on it and live there for a year or so. They got control of vast acreages that way.

So, the effort began to buy up enormous properties that were out of government hands because people began to realize that only by government ownership could they control and preserve the wilderness character of the area.

The next great threat was after World War II when the returning pilots from the Air Force, Army and Navy discovered this country and that all these lakes were perfect landing fields for pontoon planes. We had to figure out some way to stop them, because the pilots were advertising: Fly-in fishing! Weekend limits guaranteed!

The fishermen flocked in. From Chicago. And St. Louis. And Madison. From Milwaukee. Detroit. Cleveland. The Twin Cities. Even from as far away as Florida. And this became a regular mecca for the fliers. Then, because there was still a lot of private land in the interior, the private landowners began building airplane resorts all through this area.

There were several dozen pilots involved and they were flying all over. Some of them became good friends of mine and they all admitted that if we didn't stop this thing we wouldn't have any lakes left with fish in them, the country would be destroyed and the wilderness would be absolutely gone.

Some of them are still around here. One of them is flying for the Forest Service now. Some went up to Canada. Some up to Alaska.

We spent a lot of time in Washington trying to figure out what to do. By that time I was working with the Quetico-Superior Committee that FDR had set up. And I worked with the Department of Justice too but there seemed to be no way to stop the airplane traffic. We went through the Airplane Law of 1926, trying to find a loophole. And we finally found one.

There was a paragraph that said the president has the right to establish airspace reservations over military installations, government buildings, post offices, hospitals, defense installations and "for other governmental purposes." That was the key. By this time, I was working with the Department of Justice, the Department of Commerce, with other agencies and we were doing research on the original act and other acts too.

We decided that the president could create, by executive order, an airspace reservation over the area because a "governmental purpose" was:

A purpose the government had spent money on.

A purpose that had wide, popular acclaim throughout the United States.

A purpose that worked for the general good, the public interest, etc.

As the Congress had already spent money buying up lands in the area in the public interest and there was popular acclaim for that action, we became convinced that this was probably the answer.

So, the Department of Interior and the Department of Agriculture too, drafted an executive order, and after further research, President Harry S. Truman signed it.

And then, of course, the airplane operators violated immediately, appealed to the District Court, then to the Circuit Court of Appeals and finally to the United States Supreme Court and all of them upheld the president's executive order. Canada immediately followed suit and declared an airspace on their side over the Quetico.

But that was a big battle and after the executive order was established by the Supreme Court, we had another struggle to buy out the private landowners. That meant getting a tremendous amount of money out of Congress to buy out these isolated resorts.

But it was eventually done and now, I think, the federal government owns 95 to 97 per cent of all the land in the area. The state of Minnesota has "school" sections scattered around, totaling another 100,000 acres.

Q: And today, in June of 1977, there's a brand new battle brewing over the BWCA, isn't there? A whole new issue?

A: Yes. And it's an issue which may fragment and destroy the Boundary Waters Canoe Area.●

THE UGANDA RESOLUTION

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 9, 1978

● Mr. BONKER. Mr. Speaker, recently, three subcommittees of the International Relations Committee held a markup on House Concurrent Resolution 426, which calls upon the President to take specific actions to discourage activities which benefit the Ugandan Government. During the markup, a substitute resolution was adopted. The substitute condemns the Ugandan Government for its gross violations of human rights, and calls upon the President to implement measures aimed at discouraging ties which help support Idi Amin. Unfortunately, several provisions of House Concurrent Resolution 426 were deleted, but one of the most important measures, involving a trade embargo, was retained.

Further discussion is needed in areas such as training of Ugandans and supplying the Ugandan Government with spare parts, but I believe that the Uganda resolution as amended is an acceptable basis on which to proceed. Therefore, on behalf of subcommittee colleagues I have introduced the amended Uganda resolution today. This resolution will serve as the basis for full committee consideration shortly, and also will provide a foundation on which positive action hopefully will be taken on Congressman PEASE's legislation halting trade with the Government of Uganda.

The Uganda resolution contains a very clear message for Idi Amin and provides a strong basis on which our Government should implement additional measures to cut off the supportive ties which remain between the United States and Uganda. Congressman DIGGS is to be commended for his leadership in conducting a series of hearings, together with Congressmen FRASER and BINGHAM, which examined United States/Ugandan relations. My colleague, Congressman PEASE, also deserves much credit for raising general awareness of U.S. links with Uganda, through his trade boycott legislation. Now, for the first time since Idi Amin took power, Congress will have an opportunity to consider legislation dealing specifically with Uganda.

At this point, I insert the Uganda resolution as amended for the RECORD and urge my colleagues to give it their strong support.

The resolution follows:

Concurrent resolution condemning violations of rights by the Government of the Republic of Uganda and urging the President to take certain actions with respect to those violations

Whereas in recent years the Government of the Republic of Uganda has engaged in a consistent pattern of gross violations of internationally recognized human rights;

Whereas the United States holds such actions to be unacceptable and has already taken certain measures to express its abhorrence of human rights conditions in Uganda;

Whereas the United Nations Human Rights Commission has agreed to and is currently preparing for study missions in order to investigate charges of violations of rights in Uganda;

Whereas the Government of the Republic of Uganda continues to earn significant amounts of foreign exchange from exports of coffee to the United States and other countries; and

Whereas repressive measures taken by the Ugandan Government have aroused deep concern among Americans and throughout the international community: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That (a) the Congress strongly condemns the gross violations of human rights, and other acts which suppress freedom of political thought and violate the rights of individuals, which have been committed by Idi Amin and the Government of the Republic of Uganda, and the Congress urges the President of the United States to support, and where possible, implement measures, such as an embargo on trade with Uganda, which would effectively discourage United States support of the Government of Uganda.

(b) The Congress urges the President of the United States to encourage and support international efforts to investigate and respond to conditions in the Republic of Uganda, including economic restrictions.●

THE ALASKA NATIONAL INTEREST LANDS CONSERVATION ACT

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 9, 1978

● Mr. EDWARDS of California. Mr. Speaker, H.R. 39, the Alaska National Interest Lands Conservation Act, will be coming to the floor of the House for debate and vote shortly. I believe that it is critically important that we the Members of the House of Representatives keep in mind the fact that the 95 million acres the Interior and Merchant Marine and Fisheries Committees proposes to protect with this legislation are Federal lands—already owned by each and every American. As the Interior Committee states in its report (on page 66):

Congress can be proud of its record of fairness and generosity to the people of the State of Alaska. Now, in fairness and generosity to all of the American people, and in fulfillment of our obligations of stewardship

as the trustees for future generations, we must grasp the opportunity to protect the national interest in Alaska lands, too.

In H.R. 39, the Committee proposes to protect, on Federal lands the American people already own, the interests of all our people in parks, wildlife ranges, wilderness, and wild rivers.

Those who oppose this eminently reasonable Conservation Act insist that it is the State of Alaska, with its 400,000 people, that should map the future of our Nation's last wilderness frontier. The wild riches of this great land—its matchless natural values and its grand scale—are part of a legacy that we as Americans and responsible legislatures must leave for future generations. It is ours to protect, and in protecting it, we shall not be taking anything away from the State of Alaska.

It should be clear to all that the Alaska National Interest Conservation Act is no lock-up against development; it is sound, reasonable legislation which provides for the best use of our last and wildest wilderness frontier. I applauded the work of those who have worked on this legislation for some time and hope that my colleagues will vote overwhelmingly in favor of this legislation when it comes to the floor of this Chamber.

I include Ms. Dale's article, "Andrus Appeals for Alaska Wilderness" for consideration by my colleagues:

[Bellingham (Wash.) Sunday Herald, Apr. 7, 1978]

ANDRUS APPEALS FOR ALASKA WILDERNESS

(By Carolyn Dale)

Interior Secretary Cecil Andrus made a strong pitch here Friday for his proposal to protect 92 million acres of Alaskan wilderness, saying that was the only way it could be a perpetual asset to the country.

Andrus was the keynote speaker at Western Washington University's conference "The Year of Alaska." Speaking to the largely-student crowd of several hundred, Andrus apparently was preaching to the already converted, judging by the applause and standing ovation he received.

The proposal to protect the Alaskan wilderness would "lock up" vast areas and prevent mineral and gas exploration, timber harvesting, and certain kinds of recreation, critics contend.

Andrus' speech seemed aimed at countering those arguments. "It's not taking land away from someone else," he said, but is determining the best way to use the land.

"Alaska may have, and I underscore the may have, the country's largest undiscovered resources of oil," Andrus said. But that's a possibility, not a certainty, he said, adding that it is a certainty that Alaska has the greatest wilderness resources available.

If oil or minerals are needed in the future, they could be taken out then by a decision of Congress, he said. Also, there are 247 million acres of land in Alaska available for mineral development, or other uses.

Andrus also said that areas of known mineral resources were not included in the proposed protected areas. And he argued that the 92 million acres would be open to boat and plane access and to other recreation. "So I don't think we can rightly be accused of ignoring developmental needs," he said.

Last September, Andrus proposed setting aside the 92 million acres for inclusion in either national parks, wildlife refuges, wild and scenic rivers, or national forests. His proposal was written as legislation by Rep. Morris Udall, D-Ariz., with some changes:

Udall's bill increased the acres to be set aside to 114 million. The acreage was trimmed to 95 million and passed out of the House Committee of the Interior, but the Senate has not started hearings yet on that or other Alaskan wilderness bills.

The Alaskan delegation is opposed to Andrus' proposal, and has introduced two bills, one which would set aside 25 million acres, and the other, 37 million.

Andrus told the audience Friday that "those same Alaskans will be coming to you and to me in 20 years and thanking us" for having the wisdom to set aside the greater amount of land.

He said several times that he is "not in a negotiating position." The 92 million acres is "absolutely the minimum acreage necessary to protect the Alaskan wilderness. Anything less will simply not do the job."

Once the wilderness is violated, it is gone, he said. "If we blow it, there's not going to be another opportunity." He raised the specter of the students having to explain to their children why this precious area was destroyed. "We're just flat out of excuses," he said, "There's no way we can justify" making such a mistake.

Recently the House Interior Committee mandated an oil and gas exploration program on the coast of the Arctic Refuge, which Andrus objected to, as it is part of the porcupine caribou herd's calving grounds. The herd is a national treasure, Andrus said.

President Carter "personally decided" that the known values of the range outweighed the possibility that there might be oil there, Andrus said.

He said, that getting the wilderness protection legislation passed is "my number one legislative priority for the calendar year 1978." ●

SOVIET AND CUBAN SELF-DESTRUCTION IN AFRICA

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 9, 1978

● Mr. BONKER. Mr. Speaker, recently there has been a great deal of paranoia about Cuban and Russian activities in Africa. If they support one side of a conflict, automatically pressure mounts for the United States to support another side, regardless of the merits of the situation or the extent of American involvement which would be required.

Based on my experience in African affairs thus far, there is impressive evidence that the Russians and Cubans have a self-destructive tendency in Africa. The racism of Russians, which the President accurately described recently, combined with Russia's arrogant disregard of African nationalism, has already led to the Soviets and Cubans being kicked out of several African countries. The United States should not be complacent about the Soviet and Cuban presence in Africa, but neither should we react in a manner which plays into their hands by further polarizing conflicts into East/West battles.

A thoughtful article by Mike Layton in the Seattle Post-Intelligencer provides some interesting observations about Cuba's involvement in Africa thus far. At this point, I would like to insert this article in the RECORD for the benefit of those concerned about this problem:

[From the Seattle Post-Intelligencer, Apr. 10, 1978]

DARKEST AFRICA DARKENS FOR CASTRO

(By Mike Layton)

There seems to be no limit to the American public's and the news media's—capacity for taking fright at every mention of the word communism.

The latest red hordes are the Cubans Fidel Castro is sending to Angola and Ethiopia to win the hearts and minds of black Africa for the communist cause.

You'd think Castro, who made a revolution almost by himself and has managed to stay in power now for nearly 20 years, would have more sense.

But that's his problem. If the powder the CIA rubbed on his beard is softening his brain it's no reason for us to start running around in circles yelling "the sky is falling."

Castro had his warning. He sat on his island all those years we were making fools of ourselves before the rest of the world in Indochina and never learned a thing, apparently.

It is possible that Castro could have succeeded when he was trying to export his revolution in Latin America, although Latins don't like someone else telling them how to run their affairs any more than Vietnamese do.

But he loused up even that and got his friend Che Guevara killed in the process. If he couldn't sell simpatico Latins on a bright red future how does he expect to peddle it to people of another culture and history?

Castro is mixing into an ethnic imbroglio as potentially disastrous to him and Cuba as ours was in Vietnam. Conflicts outside the battle area are already being reported in Africa, and back home in Cuba the returning body bags are raising questions even among people not accustomed to inquiry about public affairs.

But, again, that's the Cubans problem. They can deal with Castro about it.

For us, it's time to sit back and let Castro and his Russian bosses cook their own geese in a situation where they can't win. No matter how dazzling their victories or their body counts, they can no more occupy the whole of Angola or Ethiopia, or Africa, than we could Indochina.

This country should be concerned, of course, about what happens in Africa just as we should in other areas of the world. But we should also use some common sense and avail ourselves of the lessons that history teaches us, especially when they're so fresh in our memories. When the stage is set by the bad guys for a debacle of their own, why should we interfere: why not enjoy the spectacle?

There is no use turning to jelly at each Cuban victory, which only draws Castro farther into the swamp of adventurism.

You can perhaps excuse the likes of Pat Buchanan, the P-I columnist who followed Richard Nixon like a good storm trooper right down to ultimate disaster. But the rest of us ought to know better.

It was only 30 years ago that the Buchanans of the day were finding red hordes under every bed, behind every bush, in every cranny of the federal bureaucracy.

We panicked and it is only now that we are realizing that the threat Sen. Joe McCarthy was waving in our faces was really only a small bunch of tired, scared home grown communists already disillusioned and, in any case, without the wherewithal to take over the Tenino city hall, let alone the U.S. government.

We have big problems in the world. Let Castro mire himself in the swamp of Africa

and good luck to him. It was Marx who told us that we would destroy ourselves without any outside help. Is he the only communist to whom we refuse to listen?●

THE REMARKABLE "MR. C"

HON. DON H. CLAUSEN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 9, 1978

● Mr. DON H. CLAUSEN. Mr. Speaker, one of the greatest safeguards we possess to insure the continuation of our American quality of life and the preservation of our precious freedoms is our system of public education. Like all our great institutions, our public schools are at their best, and rise to the full measure of their capability when they are staffed not only by competent and hard-working men and women, but also by teachers who are inspirational and have the ability to transmit their high standards of excellence to their students.

Cloverdale High School in Sonoma County, Calif., is particularly fortunate to have as its band director just such a man. Steve Connolly, for almost 30 years, has led his pupils to a long series of awards and accolades.

My friend, Mrs. Vivian Menicucci of Cloverdale, has admired Mr. Connolly's abilities and accomplishments for several years and feels that she may have had him and all other such dedicated people in mind when she wrote:

What greater tribute can be paid to any man than to say: he did his best . . . gave his best . . . expected the best . . . achieved the best?

I offer love in it's purest form
Beyond what is known . . . reaching for eternity
As a sacrifice . . . towards commitments
A strength against pain . . . for all days
And a haven of peace for all unrest.

The attached clippings from the Cloverdale Reveille, the local newspaper, and the Cloverdale Crier, the high school paper, will show the high esteem in which Mr. Connolly is held, and the reasons why this esteem continues to be high.

I take this means of bringing to the attention of my colleagues in the Congress this outstanding example of a genuinely committed and dedicated educator.

Hopefully, you can share its contents with the people of your own congressional districts and transmit its contents to serve as an inspiration to all who read the CONGRESSIONAL RECORD.

The articles follow:

THE REMARKABLE "MR. C"

For the past 25 years, Cloverdale has been blessed by something of a phenomenon in its midst: a man whose dedication to his profession has earned him an extraordinary number of awards and a reputation that extends far across the state. What he has given to the community, and mainly to the students he has influenced, can scarcely be told. This is Steve Connolly, affectionately known as "Mr. C" to his students.

The story has been told many times of the Cloverdale High School graduate entering Sonoma State, or even the University of California at Berkeley, and trying out for band. The dreadful moment of auditioning before the bandmaster arrives. "Where did you study music?" the bandmaster asks. "Cloverdale," responds the student. "You're in," says the bandmaster. "Don't you want to hear me play?" the bewildered student asks. "That's all right. You studied under Connolly, didn't you?" is the bandmaster's reply.

The little story gives just a small idea of what Connolly means to the world of bands. Working in a very small school, this reputation has presented, to some degree, a thorn in the side of band teachers from much larger high schools which have countless more students to draw upon; he has outperformed many of them.

Considering that Connolly has been named the "Man of the Year" by the Cloverdale Chamber of Commerce, and because he is celebrating a quarter of a century of service to the high school and the community, it would seem appropriate that we take a look at who this legendary man is.

At eight o'clock in the morning the high school is still quiet and nearly deserted except for a few teachers seen getting ready for another day. Opening the door at the end of a hall which leads to the band room, one is suddenly surprised, however, by the intense activity and the alert expressions of the students assembled within.

Over a sea of sheet music one follows their gaze toward the point on which all is focused: the grey haired man in short-sleeves and open collar standing on a small platform.

Connolly exhibits extraordinary energy in his work. He waves his arms and grabs at the air as if music were something of physical substance. The knit brows, approving nods, hands brought pensively to the lips, which he constantly exhibits as he works, show the mental concentration going on within him simultaneously with the large gestures.

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20 YEARS OF CHAMPIONSHIPS LED BY LOCAL MUSIC TEACHER

We here in Cloverdale used to gaze with some envy upon the "winning streak" perpetrated by some of St. Helena's admittedly fine football teams. Perhaps we should take a little time to gaze with admiration upon a "winning streak" of our own: two decades of uninterrupted championships given us by Steve Connolly's dedicated, hard working, sensitive and disciplined musicians. This is a tribute to our young people's enthusiastic response to the efforts of a true master teacher, recognized throughout the state as one of the very few real giants among high school band directors.

Not only from this area, but from recognized experts throughout the state, has come an unbroken stream of statements of amazement and admiration for the quality and variety of music produced consistently throughout the years.

Yet, it is not all those words of high regard that really count, nor the well-deserved cups and plaques, nor the exceptional and superior ratings, but the changes which have taken place in our young people: growth of sincere self-discipline, new concepts of value and worth, the myriads of complex skills requisite to musicianship. In short, we have the results of the kind of teaching influence we most want for our students.

Why do we bring all this up? First, to certify that for our tax monies spent in this area we are getting our full value. Second, to praise a great teacher and a long succession of wonderful students. Third, to point out that whatever our school difficulties are, this program should never be neglected or weakened. Fourth, to mention that on Saturday, May 3, the band will be judged along with other bands from a wide area in performance at Sonoma State College.

Finally, the dedication of the 1966 Cloverdale High School year book had this to say: "There is a man to whom we are in debt for each of us have some way felt his touch through knowledge and ideas shared or moral values and ideals upheld in faith that man is a responsible individual.

"He has often enriched our lives and hours with music through expression brought to life; by understanding and friendship freely given he has worked and guided us towards a finer, deeper, stronger way of life.

"In gratitude, for all that he has done for us; in respect for all that he has shown to us; we dedicate this book to honor Mr. Steve Connolly."

CONNOLLY TEACHER OF YEAR

A Cloverdale Union High School teacher, Steve Connolly, has been selected as Sonoma County teacher of the year.

Connolly is a music teacher at the high school and has been teaching at the school since 1947. He says more than half of his musical students are on the honor roll at the school.

In 1962, the school band was chosen one of the three bands in the state for the most outstanding musical program by the Mansfield State College of Pennsylvania. The band taped their rendition of "Mozart's Music."

Mrs. L. L. Tyler, president of the Cloverdale Women's Improvement Club, nominated Connolly to this position. Other club members serving with Mrs. Tyler were Mrs. Jamesina Walker and Mrs. Chesley Wolfe.

Four other teachers were nominated from Sonoma County this year by the Women's Federated Clubs of California. Dr. DeForest Hamilton, superintendent of Sonoma County Schools, said the selection of Connolly was unanimous.

A DREAM COME TRUE

Cloverdale is on the map in a "Weer" sort of way, as one woman put it.

It is true, thanks to Vivian Weer, who had a dream and the Cloverdale High School Band, who helped make her dream come true.

In fact it proved that more of a dream came true than Vivian could have imagined. She has had calls from Santa Rosa to Ukiah. She found that people really cared.

But the one thing that stands out in her mind is that the whole thing is expressed by people as being very American and patriotic. And the pride in the Cloverdale High School Band.

The band was well known before its debut on television. According to William Johnson, director of the Cal Poly Symphonic Band, San Luis Obispo, every student he has from Cloverdale is exceptional.

"We are proud of our Cloverdale students and are deeply impressed with the magnificent teaching in the school's Music Department that has taken place for many years," he said.

It has been 30 years that Steve Connolly has directed the band.

His basic philosophy is probably what makes the band such a success.

"The band should exist for the kid, that's number one," he said. It shows; the band seems like one big family, all working together. The students seem to feel that way also.

Jane Barnhardt plays flute in the band. She said that the kids work together and get along really well. "All the kids really like each other," she said.

The kids work hard. Most of them are there at 7:30 a.m. Practice starts at 7:50 a.m. Class is an hour long. Some of them spend their study hall there. There are also sectionals after school.

Concerning the television appearance, Connolly said, "I think it was a neat home town thing. I liked it."

The students seemed to feel that it was a great experience. It seemed to make quite a few people's dreams come true.

A LIFETIME OF DEDICATION REWARDED AT SPRING CONCERT

(By Cindy Rightmer)

The Cloverdale High School Band, along with the help of a gifted pianist, have put on their twenty-fifth successful Spring Concert. The yearly event was held in the Girl's Gym at C.H.S. on Thursday evening, May 24.

The band played six selections including the modern "Proclamations", the classical "Bach's Fugue a la Gigue", and ending with the famous Sousa March, "Stars and Stripes Forever."

Barbara "Babs" Ballard added to the program by playing two selections on the piano. Another addition to the program was a bassoon and clarinet duet written by Beethoven. This was played by Debbie Kramer and Cindy Rightmer. Later in the program, Debbie Kramer, a senior at C.H.S., was presented with a plaque in recognition for her outstanding work the past four years on bassoon.

The "Solid Brass", a group that has played at various Cloverdale functions, performed "What Goes Up, Must Come Down", along with "When the Saints Come Marching In". The audience not only had the pleasure of being entertained by this one brass group, but by a brass choir also.

The Seniors in band presented Mr. "C.", the band's faithful conductor, with a shirt and tie, along with a dinner for himself and Mrs. "C." at the Los Robles Lodge on whatever night they might choose.

The highlight of the evening was when Doris Mentch, Virginia Mills, and Lou Rightmer, with the help of Mr. Ed Kramer, honored Mr. Connolly and his achievements over the past twenty-five years, by setting up a "Steve Connolly Scholarship Fund." This Fund was set up through the First National Bank of Cloverdale. It has been established to be given yearly at graduation to a promising music student of Mr. Connolly's choice, to further a career in music. Mr. Connolly was presented with a plaque and Mrs. Connolly received a beautiful white orchid.

After the concert, a reception was held for all of the alumni that had been invited to this Scholarship dedication.

With the help of all interested music lovers, this Scholarship will be presented yearly.●

EXPRESSES REGRETS TO GAME VIEWERS

HON. NEWTON I. STEERS, JR.

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 9, 1978

● Mr. STEERS. Mr. Speaker, I wish to express regrets to my colleagues, as well as constituents in Montgomery County, who were unable to either purchase tickets to, or view by television, the exciting playoff basketball game between the Washington Bullets and Philadelphia 76ers. Due to the present state of the law governing television blackouts of professional athletic events, which I regard as unfair to the American sports fan, those individuals in the Washington area who wished to watch the Bullets-76ers contest were unable to do so.

My purpose in these remarks is to remind my colleagues that were Congressman JIM FLORIO's bill, H.R. 11623, presently in effect, such an event would not have occurred. Those thousands of sports fans in the immediate area of the athletic contest would have been able to view the contest on television even though they were unable to purchase tickets for live viewing. Under H.R. 11623, of which I am a cosponsor, television blackouts would be banned for football, hockey, baseball or basketball league games whenever they were 95 percent sold out 48 hours in advance. Moreover, any blackout that could be imposed could only cover a 30-mile radius of the arena or stadium. Finally, blackouts of playoff games would not be allowed, a situation which in fact occurred yesterday.

I heartily agree with Mr. FLORIO's remarks of March 15, 1978, that 48 hours is more than equitable for fans and owners to make their respective plans. Moreover, the 95-percent requirement is designed to protect against unfair utilization of unsold but undesirable seats being used as rationale for imposing television blackouts.

Each of us in the Congress has a responsibility to the professional sports consumer to act in a manner that will alleviate such inequitable treatment in the future. I urge the most expeditious consideration of and enactment of H.R. 11623.●

CANCER ELIMINATION EFFORTS COMMENDED

HON. ANDREW MAGUIRE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 9, 1978

● Mr. MAGUIRE. Mr. Speaker, as a Representative of New Jersey, a State with one of the highest cancer rates in the Nation, I have been especially concerned about our State's high cancer rate. I am proud to have as an ally in the effort to eliminate the cancer threat, the New Jersey division of the American Cancer Society.

Each year since 1947, the New Jersey division has presented the George E. Stringfellow Awards, in honor of a founding father of the chapter, to New Jersey newspapers that have done an exceptional job in reporting on our State's cancer problem.

This year's winner in the daily newspaper category is the Daily Record in Morris County which established a medical news team that has consistently managed to probe, report, and interpret the facts about cancer with clarity and precision.

In the weekly field, the Burlington County Herald was judged the winner for effectively localizing news about cancer and for humanizing its effects in interviews and feature stories about cancer patients and their experiences in dealing with the disease.

This year, a special category, the Meritorious Service Award, was created for the Bergen Record for its special four-part series on cancer and the environment. This series, the product of the work of dozens of reporters and editors over several months, was judged "outstanding" by the 60,000-member New Jersey division of the American Cancer Society.

I am glad to see such an effort by the press to intelligently educate the public on this issue, and I commend the New Jersey chapter of the American Cancer Society for its efforts in reorganizing this service.●

WINONA MEMORIAL HOSPITAL: AN EXAMPLE FOR OTHERS TO FOLLOW

HON. DAVID W. EVANS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 9, 1978

● Mr. EVANS of Indiana. Mr. Speaker, I wish to take the opportunity to commend Winona Memorial Hospital in Indianapolis for their tremendous strides in providing personalized, quality care without economic waste. Indicative of their outstanding accomplishments is the fact that Winona's patient charges were 34 percent below the average of fellow Indianapolis hospitals.

Winona exemplifies what an economically aware hospital can achieve through voluntary and innovative means. This hospital is a 405-bed, nonprofit health center which specializes in treatment of adult medical and surgical patients. This urban health complex was able to hold average patient charges to less than $139 per day in 1977, while the average for other Indiana hospitals was $185.17.

While maintaining accreditation and winning awards for quality care Winona held costs down. They responded to the issue of health care costs in the following manner: First, Winona developed sound internal business practices. It utilizes flexible staffing, meaning that when hospital utilization is low, employees are allowed to take leave without pay. They hire others for part-time employment or put them on call, working only when their services are needed; second, Winona avoided unnecessary duplication of services. They have focused on providing primary care services and have used referrals to other hospitals when necessary; third, every department at Winona exercises sound business principles. They plan and project their needs for a year or more in advance. Next departmental objectives dovetail into the hospital's overall long range plan. They anticipate census fluctuations. Further all departments have determined productivity standards which may be correlated to man-hours and supplies needed to meet patient demand; fourth, Winona is prudent in making capital expenditures. The purchase of new equipment is contingent upon demonstrated need and anticipated volume.

The hospital shares services, encourages outpatient surgery, and outpatient diagnostic testing.

Winona is a prime example of a fiscally conscious board of trustees, management willing to follow sound business practices and the expertise of consultants, combining favorably to hold costs down. This is what can be done. Proposed legislation may damage its ability to continue to provide high quality care at a reasonable rate, solely because Winona is already operating efficiently.●

THE NEW REPUBLIC'S EDITORIAL: CARTER'S PHONY F–15 SALES PITCH

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 9, 1978

● Mr. DRINAN. Mr. Speaker, soon the Congress will have to decide whether or not to approve of any or all of President Carter's proposed arms sales to the Middle East. In recent weeks, attention has begun to focus, quite properly, on the unprecedented proposal to introduce into the military forces of the Arab nations large numbers of the most sophisticated fighter aircraft in the world. The sale of 60 F–15 aircraft to Saudi Arabia is, quite simply, unjustifiable. It is not in the best interest of the United States, Saudi Arabia itself, or the search for peace in the Middle East.

In attempting to "sell" this arms sale to the Congress and the American people, spokesmen for the administration have raised a number of specious arguments. These have included the threat posed to Saudi security by South Yemen and Iraq; the Saudi promise not to transfer their weapons to others or to use the F–15's against Israel; the Saudi commitment not to base the F–15's at Tabuk, near the Israeli border; and the Saudi purchase of French Mirage F–1's if the U.S. does not sell it F–15's.

Each and every one of these arguments is false. Neither South Yemen nor Iraq pose a credible military threat to Saudi Arabia; the Saudis in the past have always permitted other Arab nations to use their military resources during hostilities, and every high official of the Saudi Government has stated that Saudi arms would always be available for use against Israel; Tabuk can easily be used as a forward launching point for F–15's permanently based elsewhere—the same strategy used by our NATO allies; and the Mirage has only a fraction of the range of the F–15, and it will remain available to Saudi Arabia for future acquisition, even if it buys the 60 F15's.

In its edition of May 3, 1978, The New Republic magazine cogently dissects the administration's arguments in support of the proposed sale and finds them all wanting. The editorial in The New Republic rebuts point by point the administration's case on behalf of this most unwise and counterproductive proposal. I trust that the Congress will reject the administration's untenable arguments in support of the sale of 60 F–15's to Saudi Arabia and will vote to disapprove this transaction.

I commend to the attention of my colleagues the following excellent critique of the administration's position from the most recent edition of The New Republic:

THE MAKING OF A SUPERPOWER

Of all the insincere and implausible arguments offered by the Carter administration in defense of the proposed sale of 60 F–15 combat airplanes to Saudi Arabia, President Carter's latest is the most preposterous. This transaction, Carter told some visiting newspaper editors, is in Israel's best interests. The point, we presume, was offered more as rhetoric than analysis. But since the administration has been arguing more seriously that the jet planes in question would not harm Israel's security or shift the military balance in the Middle East, it does make sense to examine the evidence the supporters of the sale have mustered.

The administration seems to regard questions and doubts coming from the Congress as impertinences that undermine its ability to carry out foreign policy. In this regard, Carter's hauteur evokes memories of his predecessors, who also insisted on a free hand to pursue grand entanglements. During his campaign, Carter promised to conduct foreign policy in response to the sentiments of the demos. He also committed himself specifically against the arms sale he now claims is a matter of personal and national honor. But in office, like his predecessors, Carter has embarked on a campaign of disinformation and distortion to win a case in Congress that he cannot win on the merits.

Among the old techniques being used are selective declassification of secret information that supports the sale but combined with concealment of anything that might be embarrassing; misleading presentations of technical and political issues; scientific buzzwords intended to discourage the uninformed from asking the difficult questions; implications that there is secret information on the calamitous consequences that would ensue if Congress disapproved the sale; and whispered impugning of the motives of those who oppose the sale.

One favorite fiction retold often these days in support of the plane sale is that Saudi Arabia actually needs these planes for good reasons that don't concern Israel. Congress is told, for example, that Saudi Arabia is threatened by the Marxist regime and insurgencies on the southern tip of the Arabian Peninsula. But South Yemen has less than 30 outdated MiG–17s and MiG–21s. These would be no match for the 90 F–5s and 70 other combat airplanes already in the Saudi inventory. Yes, some Saudi villages were attacked during the Yemen civil war, but that was a decade ago when the Saudi air force was one-sixth its present size and incomparably less modern.

Congress also is told that the revolutionary regime of Iraq is a military threat to Saudi Arabia. This is an interesting hypothetical possibility, but a dubious rationale for arms sales. There is no significant border conflict between the two countries; there never has been a shot fired between them during the 15 years of Ba'athist rule in Baghdad; there has been a substantial improvement in their relationship over the past five years; and if Iraq turned on Saudi Arabia, it also would have to deal with Kuwait and an excessively armed Iran, as well as the existing Saudi air force. What exactly would be the purpose of an Iraqi air attack that could only strengthen the domestic hold of the Saudi royal family? Moreover, if an arms race started by Iraq can justify the present sale, the 60 F-15's will be only the beginning, a "drop in the bucket," as US Air Force Secretary John C. Stetson candidly described it. To match the Iraqi arsenal, the Saudis would need hundreds more airplanes, thousands of tanks, and AWACS or Hawkeye airborne radar and control system, and much, much more. The Iraqi rationale is what Mary McGrory called it: simply an alibi.

Congress is told that Saudi Arabia has no intention to use these weapons against Israel, and that it has not done so in the past. Saudi officials, on the other hand, have said quite explicitly that they would commit their forces in a future Arab-Israeli war. These officials include King Khalid, Crown Prince Fahd, Foreign Minister Saud and Defense Minister Sultan. In recent days, even as our executive branch has been reassuring our Congress that this is not the case, high Saudi officials have reaffirmed their pledge that the Saudi arsenal will be available to other Arabs in another military conflict. It is a matter of record that the Saudis committed forces in three previous wars against Israel (1948, 1967 and 1973). In each case the Saudis deployed a significant fraction of their total military resources. If they deploy similar proportions in a future war, when their military strength is ten times greater, the military effect would be considerable and Saudi Arabia would become a major confrontation state.

Congress is told that the F–15s will not be based at the Tabuk airfield nor at Gurayat and Turayf near Israel. This assertion is plausible, since these forward airfields would be vulnerable to Israeli pre-emptive attack. But Congress was previously told that the same bases would not be used for the F-5, yet these aircraft have operated out of Tabuk almost since the original deliveries began. The key word, therefore, is "based."

An F–5 or F–15 can operate out of an airfield where it is not based for several weeks; supplies of fuel, loading implements, weapons and spare parts can be delivered on transport planes, of which Saudi Arabia has many, including the very critical C–130s. The F–15s would most likely be "based" in the Saudi interior and moved to Tabuk as needed, just as NATO air forces in Europe rely on forward airfields with limited support facilities. Even so, no one has explained why the Saudi government is spending half a billion dollars to improve the Tabuk field, which is in a barren corner of Saudi Arabia 400 miles from its nearest population centers, 700 miles from the oil fields and 600 miles from Iraq, but only 150 miles from the Israeli port of Eilat. Similar military improvements are under way at formerly civil airports in Gurayat and Turayf, even closer to Israel's heartland.

Congress was not told that the United States Army Corps of Engineers is building the Saudis a paratroop facility and housing for several thousand soldiers at Tabuk. Paratroops are by definition offensive forces, whose mission is to capture positions held by the enemy. When the Tabuk paratroop facility was discovered, the Carter people explained that the other Saudi bases farther away from the Israeli border, such as the huge King Khalid military complex near the Iraqi border and the King Faisal complex at Khamis Mushayt, are just too crowded, and that the Saudis prefer to disperse facilities in various parts of the country. This explanation does not ring with truth; its improvised quality suggests that the president's entourage may not even have been aware that the US Army Corps of Engineers is building this $100 million establishment. To avoid further embarrassment, the administration may wish to learn that the corps is involved in more than 100 projects worth about $10 billion of military infrastructure all over Saudi Arabia. Not since Vietnam has the US been so involved in building up the military capability of any foreign country.

All of this has happened without the consent or approval of the Congress, even though such commitments of personnel and equipment in the past have made us hostage to policies we would not otherwise endorse. One lesson to be learned from this ominous development is that only arms sales should be reviewed by Congress before the executive branch can carry them out. Those other ways in which an administration can create a dangerous foreign policy fait accompli must also be open to congressional scrutiny.

The administration has told Congress that if the Saudis don't get our F–15s, they will buy the French F–1 instead. Some congressmen have found this argument persuasive. But the administration also asserts that the Saudis require a long-range interceptor because their country is so large, and that this is the main reason they need the F–15. But the F–1 is not a long-range interceptor! Its manufacturer, Dassault-Breguet, gives its radius of action as 175 miles without external fuel tanks and 279 miles with them, compared to 800 miles for the F–15. In any case, there are indications that the Saudis will buy the F–1 (or the Mirage 2000, which probably wouldn't be available till 1984) whether or not they get the F–15.

President Carter's pointmakers have chosen to call the F–15 a "defensive interceptor" because it can run long-range interdiction against enemy aircraft. It is a most peculiar usage of the term "defensive." Until the present controversy, the plane always had been characterized as the US Air Force's first-line air superiority offensive weapon. In fact, the F–15 is the most advanced fighter aircraft in the world. Its primary functions are air superiority and ground attack, including troop support over adversary territory. That is why it was conceived, why it was manufactured and why the US had been buying it. That is also why the Saudis want it so badly. It is primarily an offensive weapon and no Carter neologism can change that fact.

Nor will various proposed modifications in the F–15 affect its fundamental offensive capacity. These modifications are intended to make the sale more palatable to Congress. The decisions to eliminate multiple bomb ejection racks and the so-called "datalink" capability, and to forego the easy adaption that would allow the plane to carry Maverick air-to-ground missiles, are said to insure that these F–15s would be used only for air-to-air intercept missions and not for ground attacks on Israel. But these omissions would do nothing of the kind. Take the testimony of McDonnell Douglas, which builds the plane:

"Every F–15 ever made has built-in ground attack capabilities that don't have to be added on later. The same look-down radar, central computer, head-up display, and weapons delivery system that make the F–15 an air superiority fighter, give it the accuracy demanded for attack missions. Demonstrations of its accuracy have proven the F–15 to be as accurate as today's leading attack aircraft. . . . Air-to-air or air-to-ground, it's the same fighter."

The exclusion of the advanced "datalink" technology for guiding bombs would prevent use of some versions of the glide bombs. But it would not affect others dependent on television, infrared, or laser guidance. More significantly, this omission would not affect the system most likely to be employed in any Saudi offensive, the self-contained terminal guidance Distance Measuring Equipment. Nor would the datalink exclusion eliminate the MK–82 and MK–84 bombs, most cluster weapons and the other bombs the F–15 can handle. Similarly, the omission of multiple ejection racks might limit the number of MK–82s or other smaller weapons that could be carried, but it would have no effect on the plane's ability to carry the maximum number of MK–84s and their derivatives—the bombs the Saudis would be most likely to use in an attack. Finally, the exclusion of Maverick means nothing, since the F–15 was not meant to carry Maverick missiles anyway. It still will be able to carry even more destructive air-to-ground guided weapons, such as the GBU–15. The Maverick antitank missile has a range of about 30 miles and an explosive charge of about 125 pounds. But the range of the GBU–15 is about 60 miles and its explosive charge is 2000 pounds. Once they have the F–15s, the Saudis will be able to get the guided bombs on many weapons markets; in fact, they may probably even get them from us.

In its lobbying efforts, the administration suggests that the F–15 sale must be evaluated in light of our huge trade deficit with the Saudis. But our trade deficits with Iraq and Libya were about the same as that with Saudi Arabia in 1977. Do we propose also to sell weapons of devastation to these countries? In any case, the price tag of all 60 F–15s is less than three weeks' oil imports to the United States and one month's oil exports from Saudi Arabia.

The administration constantly relates the Saudi F–15s to President Sadat's peace initiative and the current diplomatic situation. But to sustain the momentum toward peace, Israel must believe in the American commitment to its security. It must be confident that a new arsenal will not embolden its old adversaries to try the military option against the Jewish state once more. President Carter has undercut Jerusalem's confidence in our commitment in many ways. One way has been by his assertion that a past administration's vague and secret oblations to the Saudis are of equal dignity with official, public U.S. commitments to the defense of Israel. How can we expect Israel to take ever-greater concrete risks for peace when its best friend seems so unreliable? And who can confidently tell Israel that the Saudis will be content to have their new planes dot their desert landscape like so many oases rather than use them "for Jerusalem's sake?" The F–15 deliveries would not actually begin until 1981, but then the aircraft would be effective for well over a decade after that. Relating the planes to Sadat's extraordinary journey to Jerusalem naturally and understandably elicits a sympathetic response from many in Congress. But it is wrong to create irreversible long-term military realities on the basis of unstable political circumstances today. Congress has allowed that to happen in the past; it should not do so now.

It especially should not do so in the absence of any coherent moral justification by the administration for exactly the kind of commercial traffic in death that it had come into power opposing—that probably all the liberals who are now wavering came into power opposing. What, after all, are the values and purposes the Saudis would be fighting for with these 60 airplanes? We seem to be willing to sell weapons regardless of what values they attack or defend. That is nihilistic politics. One congressman said that this was the most difficult political decision he ever has faced. Why is this so? Why should he find it so difficult to refuse to join in establishing a superlatively armed fourth front on the borders of Israel? "Face the power of oil," one is told all over Washington. The only apt response to such cynicism is: "Face the fact of our cowardice, of our failed imagination, of our political bankruptcy." And then try to do something about it.

Not even the administration's Middle East voices have attempted to make an intrinsic case for the F–15 sale. The best they can do is point to perils, real or imagined, if the transaction were not to be approved. Are we, then, using arms commerce to make up for our inability to face down the Cubans around the Horn? Is the weapons connection the only way to keep the Wahabi monarchy from caving in to the Russians? In a shrewd dispatch from Riyadh, Joseph Kraft pointed out that such simplistic calculations do not fit the complex facts of Saudi politics and society. In recent days, unable to establish compelling justifications for putting Saudi Arabia on the super-power path, the most distinguished members of the F–15 sales force have resorted to diversionary tactics. The cheapest of these is to ignore the substance of issues and to focus on the pro-Israel lobby. James Reston, our leading conduit for pronunciamentoes from the inner sanctum, has become nearly hysterical at the thought that Moshe Dayan had argued his case against the Saudi plane deal to US senators. "What would Prime Minister Begin say if Cy Vance met in private with opposition leaders of the Knesset and argued against Mr. Begin's policies?" Reston asked incredulously. What does he think Cy Vance does when he sees Israeli opposition leaders? Argue for Begin's policies? Reston even appeared to resent Begin's arrival in the US to celebrate the 30th anniversary of Israel's independence. Does Reston always object to efforts by Americans to affect the policies of other countries? Does he think it was impertinent interference for 37 American Jews (including the editor of this journal) publicly to express their support for the Israeli domestic "Peace Now" movement?

Since the relative power of the opposing lobbies has become an issue in the F–15 debate, it may also warrant some comment here. The New York Times last week observed that "Israel's support in Washington comes from so many sources that it is inaccurate to refer to a single Israeli lobby." Whatever else the pro-Israel lobby actually is, it is a lobby of conviction, and of conviction steeled by history. It is not funded by vast commercial or financial interests, and it is not run by hired guns. This may be contrasted to the pro-Arab lobby, or at least those parts of the pro-Arab lobby representing the OPEC Arabs. These are all run by gentlemen out to make a buck. Some of them—such as Fred Dutton and William Fulbright—are quite respectable. (Indeed, respectability is a large part of what they're selling.) Others, whether they are registered as foreign agents or not, constitute a shabby lot. Should Congress fail to turn back the Saudi plane sale, it will be a victory for them: for John Connally, Spiro Agnew, Richard Kleindienst of administrations past and for Jimmy Carter's friend Bert Lance. There's little question what sort of values need to attract defenders motivated primarily by greed.

MRS. BLYTHE McKAY, SENIOR CITIZEN INTERN, JOINS STAFF IN WASHINGTON

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 9, 1978

● Mr. OTTINGER. Mr. Speaker, I am delighted that Mrs. Blythe McKay of White Plains, N.Y., is joining my staff as a senior citizen intern. Mrs. McKay is participating along with more than 100 others in this year's senior citizen intern program.

Mrs. McKay is the vice president and program director of the Westchester Council of Senior Citizens and past president of the White Plains Senior Center. In addition, she serves on the advisory

committee of the country office for the aging.

The senior citizen intern program allows seniors from all across the country to come to Washington for 2 weeks to learn first hand about the operations of the Federal Government, particularly as it relates to the interests of the elderly. This knowledge can then be brought back to help seniors in Westchester.

This is the third year that my office has participated in this fine program. Last year's senior intern was George Karl of Larchmont and his wife Ruth; the first senior intern was Austin Welch of Pleasantville.

It is with a great deal of pleasure that the members of my staff and I look forward to Mrs. McKay's joining us for the next 2 weeks.●

CONGRESSMAN GREEN TESTIFIES ON THE MIDDLE EAST ARMS SALE PACKAGE

HON. S. WILLIAM GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 9, 1978

● Mr. GREEN. Mr. Speaker, yesterday I had the privilege to testify before the House Committee on International Relations concerning the administration's proposed arms sale to Israel, Egypt, and Saudi Arabia.

I have had a continuing concern over President Carter's plan to link our previous commitment to sell jet aircraft to Israel with the sale of planes to Egypt and Saudi Arabia. I expressed my concern in this regard to the committee and I also asked the committee to look into Saudi Arabia's security on the advanced F–15 planes.

In view of the concern expressed to me by my constituents and the ongoing national controversy over these proposed sales, I would like to share my testimony with my colleagues:

TESTIMONY BY REPRESENTATIVE S. WILLIAM GREEN

Mr. Chairman, and members of the International Relations Committee, I am pleased to appear before you today to express my views on the proposed arms sales to Israel, Egypt and Saudi Arabia. Your Committee has a central role to play in shaping policy on these sales, and I welcome this opportunity.

Within the next 30 days, this Committee and perhaps the entire Congress will decide whether or not to approve the Administration's proposal to provide 15 F–15s and 75 F–16 fighter bombers to Israel, 50 F–5E fighters to Egypt, and 60 F–15 fighter-bombers to Saudi Arabia. The debate over this matter has thus far been vehement on many sides, and the future promises to hold more of the same.

When the air is cleared of the current rhetoric of phrases such as "balanced arms sales," "protecting our oil supply," or "showing our commitment of friendship," I believe the issue comes down to one central point is the United States going to maintain its long-standing policy of protecting Israel's security as our staunch democratic ally in one of the most volatile yet strategic areas of the world? While we in the Congress have 30 days to decide the outcome of this issue, Israel has lived through 30 years of conflict brought about because of her basic desire to continue to exist. The U.S. has viewed Israel's existence to be in our best interests, and we have tried to help achieve peace in this part of the world. In the past year of Israel's 30th anniversary, we have seen the first real sign of peace initiatives, and we all believe these must continue to be encouraged.

However, as the world takes note of three decades of democratic rule in Israel, we must ask ourselves if we are about to witness yet more decades of deep divisions in the Middle East if this tripartite sale goes through as current proposed. I believe that by proposing to tie approval of planes which Israel needs for her security to arms which the other two nations seek to acquire for their own ends, the Carter Administration is creating a new equation in an already imbalanced part of the world. Despite the withdrawal of the term "package," and the President's reported intention to "reserve judgment" until Congress considers each sale separately, the substance of the President's plan still presents us with the specter of a unified sale or nothing at all. He may have taken the ribbon off the package, but it still is not unwrapped.

In my letter of April 27 to the Chairman of this Committee, which all members received, I stated my view that the President's attempts to link these sales violates the spirit of Section 36(b) of the Arm Export Control Act. Congress has the authority to consider each of these sales separately and certainly did not intend that the oversight authority under this Act would be affected by Presidential discretion. Our governmental system of checks and balances must be upheld.

Thus, as your Committee rightly exercises its authority to examine each of these sales independently, I urge you to keep several points in mind.

First and foremost is our country's long-standing commitment to Israel and the special relationship which has existed between our two nations over these past 30 years. U.S. policy has consistently been to supply Israel with military equipment in order to meet security requirements and to match the forces arrayed against this nation. Every President since Truman has supported this policy on the grounds that a safe and secure Israel is in the best interests of the United States, and that our shared principles of democracy and the friendship between our two peoples must be maintained.

Israel's requests were made on the basis of standing, written commitments. Inherently linking the sale of arms to Israel to the other states, when this sale was promised independently of other similar actions, is of great concern to me.

Against this background, the current Administration proposal to link Israel's request is inconsistent with previous U.S. policies. Further, this offer is much less than Israel has requested. Moreover, the U.S. made a commitment to supply advanced fighter-bombers as part of its inducement to Israel to withdraw from the Sinai passes and enter into the Sinai II agreement.

The part of the sale which most disturbs me, and the large number of my constituents who have contacted me about it, is the linkage of Israeli sales to requests by Saudi Arabia for 60 F–15's, our advanced fighter bombers. Since we have provided more than $15 billion in total arms sales to that country since the Yom Kippur War, I cannot understand why the Administration is worried that the U.S. has not shown enough interest in Saudi Arabia's military needs.

Supplying these aircraft to the Saudis is potentially fueling the tension in an already volatile area of the world, not lessening it. It is in the U.S. interests to stop the spread of weapons into that area of the world which could be used to create conflict. And, although some might argue that these advanced planes are needed only for defense, and do not include offensive capability such as sophisticated bomb racks, what will be the U.S. response 2 or 5 or 10 years from now if a request or demand for more hardware is made?

Why too, we must ask, do the Saudis feel the need for these fighters? How can the U.S. adequately guarantee that they would not be used in any future confrontation against Israel, either by the Saudis or their allies in neighboring confrontation states? Certainly we should know why Saudi Arabia feels the need for such a large number of F–15's before we consider supplying them, and what personnel resources they have or will need to acquire to adequately maintain them. Nor do we have any assurances that this is the only jet purchase that the Saudis will make.

While the U.S. has supplied Saudi Arabia with a great deal of military aid, we have not given them our most advanced hardware and closely held military secrets. Before we ever consider taking this step, the U.S. must be assured that our military position is not compromised.

One of the reasons I have appeared before this distinguished Committee today is to raise a question to which I do not have an answer: What is the Saudis ability to maintain security on these F–15's? My concerns stem from a short article which appeared in the March 27, 1978 issue of Newsweek; as follows:

RISKING THE F–15'S SECRETS

Jimmy Carter's proposed sale of F–15 fighters to Saudi Arabia not only alarms Israelis but could give Russia access to the secrets of the highly advanced plane's design and equipment. So warns Tom Gervasi, a former Army counterintelligence officer, in "Arsenal of Democracy," a forthcoming book on U.S. weapons. As Gervasi sees it, security is loose in Saudi Arabia, and some of its airport technicians are Syrian, Iraqi and Palestinian aliens who could be Soviet sympathizers. According to an Air Force general quoted in Gervasi's book, the F–15's top-secret radar device is 'a decade ahead of anything else.' "

I urge this Committee to look into the issue of Saudi security of our military secrets before taking its final vote.

In closing, let me say that I do not believe U.S. foreign policy should be determined by threats of leaders of other nations or fear that we are going to suffer economically as a result of the actions we take. Nor should our foreign policy decisions be based on the unilateral actions of one branch of government which interjects itself into the prerogatives of another. Our decisions should be based upon what is in the best interests of our country and its role in the world as a promoter of peace.●

RECOMBINANT DNA AND FEDERAL PRE-EMPTION

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 9, 1978

● Mr. WAXMAN. Mr. Speaker, soon the Congress will vote on H.R. 11192, a bill to regulate recombinant DNA experiments, better known as genetic research.

I think there is some value in informing members of Congress who did not participate in DNA hearings or markups of the intense lobbying efforts brought

to bear on this legislation. A key issue since the legislation was first introduced is, should the Federal Government preempt State and local statutes regulating genetic research?

Strong arguments can be made that State and local governments should be permitted to enact stricter standards than the Federal guidelines. Special conditions justify added precautions. For example, my State of California has earthquake faults, occasional flash floods, and unpredictable fires which imperil safe containment of novel recombinant DNA organisms in research labs.

Although very little is known about the risks of recombinant DNA research, one thing is certain. Such research results in the creation of new life forms for which our public health and environment may have no immunity. Unlike other forms of pollution, DNA organisms may not degrade; they may, in fact, mutate, and multiply at a rapid rate. Strict containment of these organisms inside laboratories is essential because we do not know how to reverse the adverse effects these organisms may have on human health or our environment if they escape from the laboratory.

Responsible communities such as Cambridge, Mass., in cooperation with Harvard University, established local regulations for genetic research. H.R. 11192, would, in effect, dismantle the work Cambridge has done. H.R. 11192 provides that a State or local government can establish stricter regulations than the Federal guidelines only if the regulations can be proven necessary to protect health or the environment. It will be virtually impossible for any governmental unit to meet the burden of such a test since the risks of recombinant DNA experiments are undocumented. Risk assessment studies are just now getting underway at the National Institutes of Health. We will not have the findings of these risk assessment studies until after H.R. 11192 is enacted.

I close my remarks by reprinting in the RECORD an article by David Dickson which appeared in the April 20, 1978, issue of Nature. It documents how vigorously university administrators have opposed community participation in DNA legislation. While I do not agree with everything this article has to say, and I strongly believe in academic freedom and the right of universities to lobby on legislation just like everyone else, I do share Mr. Dickson's concern for the effect H.R. 11192 will have on community involvement in the regulation of the safety of genetic experimentation.

An article follows:

FRIENDS OF DNA FIGHT BACK

Four American universities have employed a Washington attorney as a professional lobbyist—although initially unregistered—in an attempt to prevent the passage of legislation allowing state or local participation in establishing regulations covering research using recombinant DNA techniques.

Already three of the four universities—Harvard, Stanford and Princeton—face the possibility of state legislation covering such research; and Harvard has been made subject to local ordinances passed last year by Cambridge City Council.

At the fourth, Washington University in St. Louis, little research involving recombinant DNA is being done, but an official said last week that they were concerned with the principle.

The issue of Federal preemption—Federal legislation that overrides state or local initiatives—lies at the heart of the current dispute. Public interest groups argue that local communities should be directly involved in drawing up regulations for research carried out in their midst, pointing to events at Cambridge to show how this can be done in what they claim to be a reasonable and moderate manner.

In contrast, many of the scientists argue the need for Federal preemption to provide uniform safety standards and prevent research workers moving to localities with less stringent regulations. Dr. Philip Handler, president of the National Academy of Sciences told a Congressional Committee last week that the Fedreal preemption in the Bill now before the House of Representatives was "a particularly constructive feature."

Much of the oppopsition from the scientific community which led to last year's suspension of Congressional activity on DNA legislation was the result of a well-publicised campaign. At the same time, however, an unpublicised lobbying effort was conducted by university administrators concerned that DNA legislation could set a dangerous precedent for demands for community involvement in other areas of university activity.

Although the lobbying attempt has been done primarily through Harvard, more than 70 individuals at over 35 universities throughout the country have been involved through an informal network known as the "Friends of DNA." Only half of these are scientists; the rest are involved in university administration, in particular through offices of public affairs or similar liaison units.

The universities' concern at the implications of DNA legislation was first raised a year ago when Representative Paul G. Rogers, chairman of the Health and Environment Subcommittee of the House Committee on Interstate and Foreign Commerce, introduced an Administration-backed Bill which would have permitted state or local legislatures to impose conditions on DNA research more stringent than Federally-agreed guidelines determined by the National Institutes of Health.

Many scientists reacted strongly against this suggestion. On 26 April last year, a resolution signed by 13 members was passed by the National Academy of Sciences claiming that the proposed legislation would subject DNA research to "arbitrary regulations" at the local level which would severely degrade" the capability of biomedical research.

Dr. Harlyn Halvorson of Brandeis University, then president of the American Society for Microbiology, started a campaign among professional scientific societies through the Inter-Society Council for Biology and Medicine whose objectives included "a single set of uniform national standards governing recombinant DNA activities". At the same time, the four private universities—Harvard, Stanford, Princeton and Washington—agreed to contribute towards the expenses of a professional lobbyist, Ms Nan Nixon, who would argue for Federal-preemption in any DNA legislation.

She has conducted a vigorous lobbying campaign on the universities' behalf in collaboration with Mr. Donald Moulton, until recently Harvard's assistant vice-president for Community Affairs, now working in commercial real estate and acting for Harvard as a consultant. (Although Ms Nixon has provided the Congress with details of her activities—as professional lobbyists are required to do—from the beginning of July 1977, she did not in fact register until February 28 this year, coincidentally handing in her registration two days before an article describing her activities as a registered lobbyist appeared in the *Harvard Crimson*.)

The scientific and university-based lobbyists soon met success. Mr. Rogers and the Administration revised their Bill to state that the Secretary for Health, Education and Welfare could permit local, more stringent legislation only if it could be demonstrated that this was "necessary" (a word which has since taken on an important significance) to protect the health of people and the environment.

This was the form in which the Bill went before the House Commerce Committee, under the chairmanship of Representative Harley Staggers, last autumn, and it won from Ms Nixon the statement that she was "generally in favour".

However, during committee consideration of the Bill, an amendment was passed changing "necessary" to "reasonable". Shortly afterwards, the Harvard lobbyists withdrew their support, and Mr Staggers who had also been contacted by a number of scientists questioning the whole wisdom of the Federal legislation, blocked further discussion by the committee.

The universities' lobbyists then agreed with Mr. Staggers to produce a new Bill which would include preemption of all Federal agencies (except the Occupational Health and Safety Administration) by the Department of Health, Education and Welfare, and Federal preemption of all state and local governments. A draft Bill containing these provisions was circulated to all members of the Friends of DNA network in the middle of November.

In a subsequent memorandum, Ms. Nixon and Mr. Moulton circulated a copy of the local ordinance covering DNA research which was being considered by the City Council of Berkeley, California—and has since also provided the model for legislation that has been proposed to the State of Massachusetts. The memorandum said the ordinance "clearly illustrates the need for Federal preemption".

A revised version of the Bill was prepared at the end of December with the aid of an Arlington lawyer, and a copy sent to Mr. Staggers, who introduced it virtually unchanged into the House of Representatives on 19 January. Meanwhile, members of Mr. Rogers' staff had produced their own revised Bill which omitted any discussion of the preemptive issue.

Following discussions, a joint Bill supported by both Mr. Staggers and Mr. Rogers was prepared and made public at the American Association for the Advancement of Science meeting in Washington in February. It contained the preemption provision as suggested by the universities' lobbyists.

In a memorandum from Ms. Nixon and Mr. Moulton, the Friends of DNA were told that "several of us have read the draft Bill and in its total context feel it's an acceptable Bill". However, members of the network were warned of a "major problem" that, particularly in the preemption section, "there is no padding, and therefore its acceptability may not continue if it is amended during mark-up".

The memo continues: "If you agree with our opinion of the Bill and our concern for amendments, please make your opinions known to Mr. Staggers, Mr. Rogers, and all members of the full committee".

At the mark-up session on 13 March, the full committee considered the joint Staggers-Rogers Bill, now formally known as HR 11192. Two amendments seeking to rephrase the preemption language were voted down. The first, which would have reversed the Bill

by placing responsibility on the Secretary of HEW to show that local, more stringent regulations were not necessary, had been supported by pressure groups such as the National League of Cities; the second, which would have changed "necessary" to "reasonable" was rejected on a voice vote which the chairman, in a hotly-disputed decision, refused to put to a count.

Deep political differences are revealed by the committee's report on its mark-up session. The majority report states that "local action is not always based upon careful consideration or understanding of the available facts on a particular issue".

In contrast, the six dissenting members who voted against the final version of the Bill state that "our fundamental concern as to the preemption issue is with the notion that a scientific elite and an insular federal bureaucracy know what is best for the people", an attitude which is "contrary to the principles of Jeffersonian democracy . . ."

In Cambridge, ex-mayor Alfred Vellucci, who was largely responsible for moves that led to the setting up of a local Biohazards Committee to oversee the regulation of DNA research at Harvard and Massachusetts Institute of Technology, called a press conference to declare that he would "put up a fight" against Federal preemption. Sheldon Krimsky of Tufts University, a member of the panel which had suggested setting up the committee, announced that "everything that occurred in Cambridge will really be meaningless if this legislation is passed".

Unless an amendment is offered when HR 11192 is debated on the floor, the Staggers-Rogers Bill seems likely to prevail in the House of Representatives, with full Federal preemption. Mr. Moulton said last week that he was "optimistic" about the outcome.

In the Senate, however, things are much less certain. Senator Edward Kennedy, the author of a Bill which was the focus of attention last year until he dropped his support for it, has been consistently opposed to Federal legislation. And last month, rather than introduce the Staggers-Rogers Bill into the Senate as had been predicted, the Senator introduced his own Bill in which preemption is not mentioned.

The universities' lobbyists have been trying hard to get this reversed. The Bill prepared for Mr. Staggers was also given to the staff of Senator Jacob Javits of New York, who had previously argued against Kennedy, in favour of strong Federal preemption.

A few weeks ago, the chances of success looked high, since the various senators (apart from Kennedy) most closely involved with the DNA issue seemed to favour fairly strong Federal preemption. But two recent events are giving the lobbyists cause for concern.

The first is a subtle but significant shift in the Administration's position on preemption, following a heated dispute between the domestic counsel of the White House, who has in general been against strong Federal preemption, and the director of the National Institutes of Health, Dr. Donald Frederickson, who has in general been in favour of it.

Presenting evidence to a subcommittee of the House Science and Technology Committee last week, Dr. Gilbert Omenn, assistant director of the President's Office of Science and Technology, revealed that a compromise had been reached. He said that while the Administration supported HR 11192, it felt Congress's intentions could be met with a test that the change proposed by the states or localities be "reasonable" rather than "necessary".

A further factor likely to affect the Senate debate is the imminent publication of the report on hearings held by Senator Adlai Stevenson last November. These are expected to contain detailed recommendations for legislation, including suggestions for a weaker preemptive provision which could be put forward by Stevenson as a compromise between Kennedy and Javits.

Neither of these two initiatives has been welcomed by the Harvard-based lobbyists. Although the debate on the adequacy of the NIH's safety guidelines has calmed down in a way that most scientists find acceptable, the political reverberations threaten to linger on into what could again become a long, hot summer debate.●

THE SOVIET ELITE

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 9, 1978

● Mr. DORNAN. Mr. Speaker, professional students of Soviet behavior are bound to get a bit irritated with the naive assumptions and assessments of Soviet foreign policy they hear so frequently in the Capitol. It is a recurrent, often implicit, theme of Washington policymakers that the Soviet leaders do not really mean what they say; that their longstanding commitment to advance the cause of Communism around the world is merely rhetoric to be uttered on ceremonial occasions, such as May Day of the anniversary of the October Revolution.

This naive Western mentality led the distinguished professor of Slavonic studies at the University of London, Hugh Seton-Watson, to remark sarcastically:

What 200,000 Communist Party officials, from Brezhnev down to the secretaries of party branches in factories or collective farms, tell their subjects is all camouflage. The real views of the Soviet leaders are what some nice guy from the Soviet delegation at the U.N. said over a drink or what an itinerant Midwestern scientist heard from some friendly academician in Novosibirsk.

Mr. Speaker, what the Soviet leaders do tell their subordinates is very unpleasant. It does not fit very well with the spirit of détente. They repeat an old theme, a theme repeated since Lenin seized power in 1917. They say that the world is locked in a life and death struggle between capitalism and communism. And they say that this struggle will only come to an end when the forces of communism are victorious. That end, they tell us, in inevitable.

How long, Mr. Speaker, can we go on believing that they do not really mean it? How long can we continue to delude ourselves? Far too many of our businessmen, academics, and journalists picture the Soviets as mirror images of themselves. They project their own values, expectations and aspirations into a Kremlin leadership whose entire intellectual, cultural, and political experience is so utterly alien to their own. The truth is that they are indulging in a dangerous and truly narrow-minded fantasy. They are playing "let's pretend" with our national security.

It is often forgotten that the current Kremlin leaders are the legitimate heirs of Josef Stalin. These are the men who survived the violent spasmodic purges of the 1930's and the 1940's. Living in the shadows of the bloody, Byzantine tyrant, they were men who were clever enough, ruthless enough, or wiley enough to avoid being murdered, even though the ranks of their comrades in the Communist Party of the Soviet Union were being systematically decimated day and night. It is too often forgotten that these were the same men who collaborated in the mass murders of the Stalin regime, sending many millions to their deaths before firing squards or in Siberian concentration camps.

The problem, Mr. Speaker, is not merely the ideological rigidity of the Soviet leadership. The fact is that we are dealing with a self-perpetuating elite baptized in the bloody violence of totalitarianism. Suspicion is for them an insurance for survival. Violent struggle is not simply an abstract norm of life for the Soviet elite, it is a way of life. Stability is only respite from the struggle; and for them, the struggle is international. It is a struggle in which they see themselves as the vanguard of the future.

Mr. Speaker, there is nothing in the intellectual or professional experience of the Soviet leaders that would lead them to accept international agreements at face value. They are not the well finished products of the finer American academies, the best universities, or the high caliber legal or business firms of New York or Chicago. It is time we recognized this fact, and desist from indulging utopian expectations or the profound observations of Ham Jordan on geopolitical realities.

Mr. Speaker, Dr. Robert Conquest, a distinguished author and a foremost British authority on Soviet political behavior, explores these several themes in a penetrating article in a recent edition of Policy Review, an academic journal. Dr. Conquest warns us not to expect any substantial change in the next generation of Soviet leaders for they too have "drunk deeply the draughts of demon ideology." I commend Professor Conquests' observations to your close attention, and ask that they be inserted in the RECORD.

WHY THE SOVIET ELITE IS DIFFERENT FROM US

(By Robert Conquest)

The single error most likely to lead to trouble, even disaster, in the field of foreign affairs is misapprehension about the basic motivations of the Soviet leadership. This applies both in the grand perspectives of trying to establish a peaceable and cooperative world, and in the handling of the immediate local crises which continually shake the international scene; that is, in both strategy and tactics.

All policymakers concerned, whether statesmen or scholars or journalists, are liable to such error unless we make a continual effort—which is an effort of the intellect, but also of the imagination. For it is only too natural, even in ordinary life, to project on to others one's own notions of "normal" conduct, of common-sense. When it comes to the products of a quiet alien political culture, we tend to a more or less automatic, unthinking approach, based on unconscious (and usually false) assumptions. Whatever else may be said about the Vietnam War, at least it is clear that the Politburo in Hanoi was simply not playing the game of escalations, signals and responses those in charge of operations against

them thought reasonable and natural, and so unreservedly applicable. It would be a pity to make the same sort of mistake on a global scale.

There have always been highly differing political cultures on the face of our planet. A periwigged Hanoverian kind would never have thought that the intentions of a turbaned and scimitared sultan were the same as his own. Gladstone can hardly have believed the Mahdi's deepest motives to be much like those of a British Liberal. But nowadays the world's cultures have been brought close together in a superficial sense. Communications are immediate, outward appearances are similar. The Politburo in Moscow wear Western style suits and speak a variant of one of the Western political dialects.

But the Soviet leaders are, in fact—as much as any Sultan or Mahdi—the product of centuries of history very different from our own, of a long-standing political psychology alien to ours in its motives, its judgments, its intentions. Russia, from Mongol times, has had as its dominant political trend a despotism whose claims to total submission by its subjects astonished the representatives of the supposed absolute monarchies of Central Europe. At the same time it had (as Karl Marx points out) a tendency to unlimited expansion, which went with this deification of the Russian state. There was no notion of a political rule in which the various interests in society could be accommodated to their mutual benefit—that is, no politics proper, as we understand it, and have understood it right back to the Dark Ages. It is true that from 1860 a partial and inchoate Westernization set in with, from 1905, opposition press and parties and a sort of parliament. But it was precisely this Westernizing, democratic trend that the Leninist revolutionaries overthrew, and they were as much opposed to all it stood for as the representatives of traditional Tsarist despotism had been. Even before the seizure of power the Bolshevik Party was already recognized even in revolutionary circles as a sect not only doctrinaire in attitude, but also totally committed to a narrow and ruthless approach to others. Rosa Luxemburg, later leader of the German Communist Party, referred to Lenin and his followers as men who meant merely to stand the old Russian despotism on its head, with themselves as infallible tsars, and also as sunk in "Tartar-mongolian savagery."

The messianic-revolutionary version of the despotic tradition believes itself, even more strongly than the older type, to be in possession of political Truth. Against it, no one has any rights. The Leninist version states clearly not only that all systems which deviate from the true belief are wrong, but also that conflict must go on, as a law of history, until they are destroyed. Every negotiation, discussion and so on is part of a "struggle." The only question is, in Lenin's words, "Who—whom?"

Moreover, far more explicitly than the mere expansionist tendency of tsarist autocracy, Leninism looked forward to the imposition of the Leninist will throughout the world.

The seizure of power in 1917 by a Party which in 1912 had well under 10,000 members was followed by an intensive process by which, even within that narrow sect, a narrower cadre yet survived to rule. After the destruction of all other segments of the political spectrum, the segment remaining was sliced thinner and thinner. Even within this narrow power group, it was, by 1940, as if, in the United States, 90% of the House, the Senate, the Army officers, the economic elite, the journalists, the state, county, town authorities, and the leaders of all organisations down to the Boy Scouts had been eliminated. The Communists were already a radically different political species. Stalin's Purge was a harsh form of unnatural selection which produced a yet more alien type.

The physicist Dr. Alexander Weissberg, a victim and student of the Purge, notes of those who rose at the time, "The choosing had been a very negative one. They were the men who had denounced others on innumerable occasions. They had bowed the knee whenever they had come up against higher authority. They were morally and intellectually crippled." They were also completely—and more than ever—the bearers of the doctrine, "Who—whom?" and of the absolute authority of the Party and its doctrine; and they came from strata which had never been touched by Westernization.

THE YOUNGER GENERATION OF APPARATCHIK

But it is not so much a matter of Brezhnev, Suslov, Kosygin and others having been formed by, and selected by, the purges. Not even that, of the present leadership, Brezhnev, Grishin, Gromyko, Kapitonov, Ponomarev, Suslov, Ustinov and Zimyanin were members of Stalin's own personally appointed Central Committee, no less. For it is the unanimous view of all sections of unofficial thought in the U.S.S.R.—Nadezhda Mandelstam, Academician Sakharov, Roy Medvedev—that their pupils, the younger generation of apparatchik, the men now around 40–45, are even more dogmatic and more dangerous, in their total myopia about the dogma and the system.

The leadership, then, and its subordinates who constitute the lower power-bases of the Party, are to be seen as men whose attachment to the Leninist attitude is not so much one of "opinion," in the sense of accepting a view out of which they might be argued by logic or evidence, as of their whole personality. They are soaked in the despotic, and the despotic-revolutionary, tradition. They cannot see the world in terms other than those of their whole history. They have been first determined by their background, and then specially selected for their suitability to this congeries of attitudes.

It is thus less a matter of "ideology" than of an inability to think in other categories. Brezhnev need not be envisaged as kneeling down and receiving the *Theses on Feuerbach* every night (any more than Richard Coeur de Lion spent much time reciting the Athanasian Creed). He has enough ideology to get along, and the rest is soaked into his bones.

This is not to say that conscious ideology does not play its part. We have accounts of long and serious sermons from Suslov, Ponomarev and others to representatives of foreign Communist Parties, even to the degree of insisting on a Marxist formulation that may be politically disadvantageous to the Party concerned. And, apart from the mere powermania of the apparatus, the sole rationale of the disastrous collective farm system of agriculture is ideological. When a Politburo member (Voronov) a few years ago suggested a sensible relaxation, as the only way to the much-sought improvement in agricultural production, he was removed. Similarly with the economic reforms which came up in the mid-sixties: they have not been implemented, or only in such a form as to deprive them of their benefits, and this for "ideological" reasons.

THE ELITE'S VIEW OF THE WORLD

In the field of foreign affairs, then, we are faced with a species whose attitudes are wholly different from our own. The Communist idea applied to world affairs is basically quite simple. No other regimes, have, in principle, any right to exist, any more than other parties do within the U.S.S.R. It is even the case that other Communist regimes which deviate from the Soviet doctrine as interpreted by the Soviet leadership, are illegitimate, as was seen in Czechoslovakia, which—but for practical difficulties—would equally apply to China. But a fortiori, no non-Communist regime is in principle legitimate, and in the long run all must be destroyed. Meanwhile, as indeed with China, questions of tactical possibility make the temporary acceptance of non-Communist states a necessary historical compromise. Nothing, however, must meanwhile stop Soviet support for "proletarian" (i.e. Communist) movements in the West or for "national liberation" (i.e. Communist-sponsored) movements in the Third World. Both these propositions have been continually and publicly asserted—as by Brezhnev in person at the 25th Party Congress last year—in Moscow. They have the corollary that "detente" is not to be interpreted as in any way hampering the progress of Soviet-aided attempts to destroy the pro-Western position anywhere in the world.

"Detente," indeed, is actually defined as a "method of struggle." And in practice it never excluded the sight of Soviet tanks rumbling into Saigon and Luanda, and nearly into Tel Aviv.

It is difficult to understand how this point has been missed by some in the West. Soviet speeches are perfectly clear on the matter. Professor Seton-Watson, of the London University School of Slavonic Studies, some years ago commented sourly, "What 200,000 Communist Party officials, from Brezhnev down to the secretaries of party branches in factories or collective farms, tell their subjects is all camouflage. The real views of the Soviet leaders are what some nice guy from the Soviet delegation at the U.N. said over a drink or what an itinerant Midwestern scientist heard from some friendly academician in Novosibirsk."

Their basic motivation, in fact, remains the destruction—when and if they can—of all other political life-forms. Meanwhile, they are prepared for various forms of maneuver, of diplomatic and other relationship. It is in this context that we might consider the question of Human Rights in the U.S.S.R. Above all, this constitutes the great test of their true attitudes—and their true attitudes to ourselves as well.

For here we have a simple test of the way in which the Soviet leadership regards democratic and other ideas which we hold to be central to the Western culture. When those who hold these ideas, and wish to express them, are in the power of the Soviet authorities—that is, when they are in the U.S.S.R.—they are bullied, arrested, sent to forced labor camps, subjected to "psychiatric" torture. But if this is what they do to democrats helpless before the power of the KGB, then this is what they regard as the treatment appropriate to democrats everywhere, when and if feasible. Such is the unpleasant negative conclusion to be drawn. But there is also the point that we have here a test of any evolution on their part to the toleration of other political forms in the world. As soon as they cease to persecute the Human Rights Movement in the U.S.S.R., we can regard it as a signal that they are prepared for toleration in principle in the world as a whole. As soon as they live up to their "solemnly" undertaken promises to allow a freer movement of people and ideas to and from the Soviet Union, we can begin to think of a world in which their present siege mentality has begun to erode in favor of a true worldwide give-and-take. Meanwhile, unfortunately, a siege mentality persists; and, for an increasingly powerful U.S.S.R., one should remember that a siege mentality is only the obverse of a sortie mentality.

This is not to argue that political cultures cannot change. But they are deep-set, with great intrinsic momenta, and (barring a total disintegration) change slowly and reluctantly. For the time being, we would perhaps be best advised, while watching for any favorable signs, to be under no illusions

about the present political culture of the U.S.S.R., or the present motivations of its leadership. The worst way to try to induce even gradual change is to grant approval to the status quo. Only when the Kremlin sees that its present attitudes are profitless would any inducement to change arise (if not among them or at least somewhere in the power-apparatus). Incentives to change, disincentives to their present attitude—at any rate that is the best we can do. Meanwhile a wary truce based on a true and sober appreciation of their real feelings and aims may not be very attractive; but it is better than euphoria based on delusion.●

ON THE STRENGTH AND WILL OF AMERICA

HON. WILLIAM L. DICKINSON

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 9, 1978

● Mr. DICKINSON. Mr. Speaker, I include in the RECORD the following article:

ON THE STRENGTH AND WILL OF AMERICA

(By Nick Thimmesch)

The other night I was with a small group of estimable Americans, discussing the state of the world, and was struck with how their hawkish views left me with mixed feelings.

Though I am no freshman, these good people are my seniors, and, indeed, have earned my respect for the important roles they played in World War II, the Cold War, and the Vietnam tragedy. And yet it was sad to hear them, in a blend of lament and recalled glory, recite how, in the now fading past, the exercise of U.S. military power restored world order and dealt punishment to the villainous.

In lively conversation that became frenetic at times, these patriots thundered on how American will was lost because Congress backed off the Vietnam war, and how it was this earnest, indomitable will which saw us through the test of battle with the evil Nazis, imperialistic Japanese warlords, and waves of North Korean and Chinese Communists.

Nowadays, this hawkish gang maintains, President Carter couldn't deploy a rowboat to go ashore anywhere in the world for the purpose of restoring order and freedom. We just don't have it any more, they argued.

At one moment, there was discussion about how the Israelis know how to use force, and envious comparisons between the present "wimp" America and the fierce array of attacks in Lebanon by the Israelis.

When it was suggested that Israel might have indulged in overkill in Lebanon, especially with aerial bombing, one stout veteran of World War II and beyond cut loose with how U.S. airpower brought Nazi Germany to its knees because "the civilians just couldn't stand that relentless bombing." Dresden?

There was consensus that civilian casualties were regrettable but often unavoidable in successful military actions. Of course, there is another school of thought which holds that the more civilians are made helpless victims to military power, the more they hate the inflictor. Germany's best year for war production was 1944, the year of peak bombing. The idea of punishing people in war doesn't always work.

Were my friends of the evening contemporary anachronisms? Do they, like Don Quixote, dream of another time, 10, 20, 35 years ago, when American greatness was universal in the world, and to see the American flag in a military setting was to see the guarantor of liberty?

There was real confusion and doubt about actual U.S. military strength in the world today and, equally important, about the will of the American people.

Those who worry about comparisons of U.S.-Soviet military power—men like Congressman Bob Wilson (R-Calif.) and Sen. Henry M. Jackson (D-Wash.)—claim that the United States has fallen behind in strategic forces (intercontinental and submarine-launched missiles, and heavy bombers), has a weaker air defense system and also lags in conventional naval, ground and air forces.

Moreover, critics like Congressman Robin L. Beard Jr. (R-Tenn.) claim that U.S. forces could not stop the Soviets in a conventional war, and insist on either a return to the draft or establishing a universal training program which would guarantee sufficient force readiness. This issue was aired last week in ABC-TV's "The American Army: A Shocking State of Readiness," a documentary which proclaimed in advance, "What the U.S. Army won't tell you, ABC News will."

The Defense Department won't comment on the Beard and ABC criticism, but points out that the Executive Branch in Congress established the voluntary military, and also determines what defense spending will be.

Moreover, the Pentagon says that its military exercises in Europe, Korea and on various seas show a commendable state of readiness. Finally, the Pentagon reports it has no trouble meeting recruitment quotas for active service, although the National Guard and reserve forces are down substantially.

The military can only do what the civilian citizenry and its leadership allows. In the early '70s, a feeling developed in Congress that Vietnam was awful, that we shouldn't overextend ourselves militarily again, and besides, our defense program was in good shape.

But in the past year, Congress has shown signs of changing on defense and, in a turnabout, asked for greater defense spending than President Carter wants. Congress narrowly defeated the B-1 bomber, did authorize production of the neutron bombd, and gave a go-ahead for the cruise missile.

Will is something again. Last week, after the Panama Canal question was settled to Panama's supposed satisfaction, Gen. Torrijos bellowed that if the Senate hadn't voted his way he was prepared to use force to take the canal. This insult to the United States went unanswered by the Administration.

Leaders of the so-called "Patriotic Front" in Africa, being the terrorist-guerrilla front, thumb their nose at Carter, and are toadied to by Ambassador Andrew Young. Congressman Donald M. Fraser (D-Minn), eager to become a U.S. Senator, tries to sap the military strength from South Korea.

I don't like militarism, but I don't like self-indulgence, either. We have much hard thinking to do on this question.●

AMENDMENT TO TAX BILL

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 9, 1978

● Mr. FRENZEL. Mr. Speaker, yesterday, the Wall Street Journal again editorialized favorably on the Steiger bill now pending as an amendment to the tax bill in the Ways and Means Committee. The information contained in that editorial is about the same as that currently provided by the Library of Congress.

The LOC material follows. Its rate anlysis is almost identical to the WSJ figures, but, it also includes some explanatory additional information. It is quite clear, that the United States has far and away the highest capital gains tax on portfolio investments of any of the 10 industrialized countries studied.

In fact, most of them have no capital gains tax at all.

Capital gains taxes are one major reason why capital investment lags in the United States. Some of the countries against which we compete, like Japan and West Germany, have investment rates three times as high as our own. If we could increase our investment rate—we can by passing the Steiger proposal—we could create literally hundreds of thousands of jobs.

The way the tax now works, people with capital assets do not sell them because the tax is too high. Discretionary income goes into tax shelters or tax exempt bonds because of the high capital gains rate. Old capital is immobilized, and new capital goes into gimmicks.

In fact, since the capital gains rate was raised in 1969, Treasury revenue from this tax has lagged because people with gains refused to sell. Both the Pechman and the Ingalls and Snyder studies show Treasury revenue from capital gains peaked in 1968. Current levels seem to be still about one-third under the 1968 peak.

The lowering of capital gains tax rates to pre-1969 levels then will help accomplish the following: Create investment to create jobs; match the job creation rate of our major international competitors; and increase Treasury revenues. That package is hard to beat. The Library of Congress study follows:

SUMMARY OF INDIVIDUAL TAXATION OF LONG TERM CAPITAL GAINS ON PORTFOLIO INVESTMENTS IN TEN INDUSTRIALIZED COUNTRIES

This memorandum briefly describes the taxation of capital gains realized by individuals on the sale of portfolio stock investments in the ten industrialized countries surveyed on the attached chart. The United States imposes a higher tax on long term capital gains than any of the countries surveyed.

This memorandum discusses gains from the sale of shares, as opposed to bonds, which in some countries are subject to different rules. Only portfolio holdings are covered, as opposed to closely held companies, the sale of whose shares in some countries are subject to higher taxation.

UNITED STATES

Only half of long term capital gains are taxed (one year holding period) at the ordinary rate. In addition, long term capital gains are subject to minimum tax and reduce the income available for the 50 percent maximum tax on earned income. These provisions produce a maximum effective tax of up to 50 percent. There is a 25 percent alternative tax on long term capital gains not exceeding $50,000. Short term capital gains are taxed at ordinary rates. Capital gains are also subject to state and local income taxes which may increase the effective rate of taxation by approximately 5 percent.

AUSTRALIA

Long term capital gains (one year holding period) on portfolio stock investments are

exempt from taxation. A 1974 proposal to tax long term capital gains on securities was deferred indefinitely by the government. Short term capital gains are taxed at ordinary rates.

BELGIUM

Capital gains on portfolio investments are exempt from taxation without regard to holding period.

CANADA

One-half of capital gains are taxed at ordinary rates (maximum 43 percent) without regard to holding period. Capital gains are also subjected to Provincial taxes at rates ranging up to 14 percent.

GERMANY

Long term capital gains (six month holding period) on portfolio stock investments are exempt from taxation. Short term capital gains are taxed at ordinary rates.

ITALY

Capital gains on portfolio investments are exempt from tax without regard to holding period. If the investment is purchased with "speculative" intent, the gain is taxed at ordinary rates.

JAPAN

Capital gains on portfolio investments are generally exempt from tax with the following principal exception. If an individual makes more than 50 trades during the year comprising a total of more than 200,000 shares of stock, the individual will be taxed at ordinary rates on short term capital gains (5 year holding period) and on one-half of the long term capital gains. The individual is also permitted a statutory deduction of about $1,700 in computing the capital gain which is taxed.

NETHERLANDS

Capital gains on portfolio investment are exempt from tax without regard to holding period.

SWEDEN

Forty percent of long term capital gains (2 year holding period) are taxed at the ordinary rates (maximum 58 percent). Short term gains are taxed in full. In addition, a maximum deduction of SKr 1,000 (approximately $200) is permitted in computing the tax base. The taxpayer can treat one-half of the net sales price as acquisition cost when calculating gains on quoted shares held for more than two years. Capital gains are also subject to local income taxes, with an average maximum effective rate of 11 percent.

UNITED KINGDOM

Capital gains are generally taxed at a flat 30 percent rate without regard to holding period. There is an alternative tax whereby one half of the gain is taxed at the ordinary tax rate and gains in excess of £5,000 are taxed at ordinary rates. If the alternative method is used, there is in addition a surcharge on the gain, which is treated as investment income. The maximum rate of the surcharge is 15 percent of investment income in excess of £2,000.

Summary of individual taxation of long term capital gains on portfolio investments in ten industrialized countries

Country, maximum long term capital gains tax rate, and holding period required for long term treatment

United States—50 percent [1]—1 year.
Australia—Exempt—1 year.
Belgium—Exempt—None.
Canada—22 [1]—None.
Germany—Exempt—6 months.
Italy—Exempt—None.
Japan—Exempt—None.
Netherlands—Exempt—None.
Sweden—23 [1]—2 years.
United Kingdom—30—None.

[1] Excluding state and local taxes.●

PUBLIC HOUSING SECURITY DEMONSTRATION ACT

HON. MARY ROSE OAKAR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 9, 1978

● Ms. OAKAR. Mr. Speaker, during this week's markup of the Housing and Community Developments Amendments of 1978, the Committee on Banking, Finance and Urban Affairs considered my amendment to authorize the Secretary of Housing and Urban Development to undertake a $10 million demonstration program that would seek innovative methods to mitigate the crime problem in our public housing projects. The amendment was not agreed to: the vote was 16 to 16.

I intend to offer this amendment when the House meets to consider the legislation. I am including the text of the amendment in today's RECORD and I hope my colleagues will join me in supporting this amendment—the Public Housing Security Demonstration Act.

The text of the amendment follows:

TITLE III—PUBLIC HOUSING SECURITY DEMONSTRATION

SEC. 301. This title may be cited as the "Public Housing Security Demonstration Act of 1978".

FINDINGS AND POLICY

SEC. 302. (a) The Congress finds that—

(1) low-income and elderly public housing residents of the Nation, who are already subject to difficult living conditions and have suffered substantially from rising crime and violence, are being threatened as a result of the inadequate security arrangements for the prevention of physical violence, theft, burglary, and other crimes;

(2) such residents, living in an insecure housing environment, have restricted their lives and use of the environment because of their concern about crime, and are abandoning public housing projects at a time when there is an increasing demand for public housing units;

(3) higher vacancy rates and heavy financial losses of management in some cases have led to complete abandonment of public housing projects;

(4) an integral part of successfully providing decent, safe, and sanitary dwellings for low-income persons is to insure that the housing is secure;

(5) local public housing authorities have inadequate security arrangements for the prevention of crime and vandalism, and lack specific operating funds to provide security measures; and

(6) action is needed to provide for the security of public housing residents and to prepare the Nation's investment in its public housing stock.

(b) It is therefore declared to be the policy of the United States to provide for the demonstration and evaluation of more effective means of mitigating crime and vandalism in public housing projects and for the development of a comprehensive program for reducing crime and vandalism in all the Nation's public housing projects.

PROGRAM AUTHORITY

SEC. 303. (a) The Secretary of Housing and Urban Development shall promptly initiate and carry out a program for the development, demonstration and evaluation of improved, innovative community anti-crime and security methods, concepts, and techniques which will mitigate the level of crime in public housing projects and their surrounding neighborhoods.

(b) In selecting public housing projects to receive assistance under this section, the Secretary shall consider the extent of crime and vandalism currently existing, the nature and quality of community anti-crime efforts in the projects and surrounding areas, the nature and quality of police and other protective services to the projects and their tenants, the vacancy rate and demand for public housing in the locality, and the extent of abandonment of public housing units. Priority shall be given to comprehensive community anti-crime and security plans submitted by public housing authorities which provide for the restoration of abandoned dwelling units, coordination between public housing management and local government in providing increased security and social services to the projects and tenants, and maximum opportunity for tenant involvement and employment in the community anti-crime and security programs.

(c) Every effort shall be made by the Department of Housing and Urban Development to coordinate and jointly target resources with other agencies, particularly the Law Enforcement Assistance Administration, the Department of Health, Education, and Welfare, the Department of Labor, Community Services Administration, and ACTION.

ELIGIBLE ACTIVITIES

SEC. 304. The community anti-crime and security methods, concepts and techniques utilized in this demonstration and evaluation may include improved physical security equipment for dwelling units in these projects, new concepts for social and environmental design, tenant awareness and volunteer programs, tenant participation and employment in providing security services, and such other measures as deemed necessary or appropriate by the Secretary.

CRIME SURVEY AND REPORT

SEC. 305. The Secretary shall initiate and carry out a survey of crime currently existing in the Nation's public housing projects, and transmit a report on such survey to the Congress not later than eighteen months after the date of enactment of this Act. This report shall include the level of crime and the extent of vandalism existing in public housing projects, findings from the demonstration and evaluation of various methods of reducing the level of crime, and recommendations, if appropriate, for a comprehensive public housing program to provide increased community anti-crime and security concepts and techniques to all public housing projects, and the estimated costs of such program.

AUTHORIZATION

SEC. 306. There are authorized to be appropriated not to exceed $10,000,000 for the purpose of carrying out the provisions of this title for fiscal year 1979.

EXPLANATION

This amendment would authorize the Secretary of HUD to conduct a national demonstration using innovative security methods and techniques to reduce the levels of crime and vandalism in public housing projects. The housing projects would submit proposals that would address their particular needs, and HUD would provide the means to solve their security difficulties. The means would include hardware security devices and structural modifications related to security. Software approaches would include security patrols, tenant awareness programs, and management improvements. The Secretary would also be bound to carry out a "crime survey" to determine the effects of the demonstration.●

MEN OF THE YEAR

HON. RAYMOND F. LEDERER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 9, 1978

● Mr. LEDERER. Mr. Speaker, I would like to pause in the business of the House to join with the Northeast Police Athletic League of Philadelphia in honoring Norman H. Loudenslager and John J. McLaughlin, Jr., business representatives of the International Association of Machinists, District 1, as Men of the Year.

Norman Loudenslager was born in the Kensington section of Philadelphia on September 9, 1929. He was raised in this area, attending Philadelphia public schools and graduating from the Spring Garden Institute.

In his long career with the International Association of Machinists and Aerospace Workers which began in 1951, Norman has served in almost every conceivable capacity. Norman Loudenslager has served as steward, chief steward, trustee, secretary-treasurer, and job evaluation representative of Lodge 1717. He was a steward, vice president, and secretary of District Lodge 648. Norman has also served as vice president and secretary-treasurer of District Lodge No. 1. In addition, Norman Loudenslager has been a delegate to the last three International Conventions, served as secretary of the Brewery and Construction Conference, and was elected as a business representative in 1969, the position he presently holds.

Both as a private citizen and as a union official, Norman has always taken his civic responsibilities very seriously. He is a member of the Machinists Non Partisan Political League, and is the State coordinator of this organization. Norman has served as a delegate to the National Democratic Convention in 1972 and 1976, and is an elected committeeman, member of the Democratic Policy Committee, and is vice president of the Philadelphia Labor Council.

Within such a hectic schedule, Norman has remained a devoted family man to his wife of 23 years, Mary, and his four chilren. He is an active parishioner of St. John Episcopal Church.

Yet, despite all the demands made on his time, Norman has devoted so much energy to the Police Athletic League in their efforts to help the youth in the Philadelphia area.

John Joseph McLaughlin, Jr., is one of the few people around who could match Norman Loudenslager in both energy, talent and commitment to the community. In the city of Philadelphia, where its residents are often identified by the neighborhood in which they were raised, John will always be known as a "Fishtowner." John was born and raised in the Fishtown section of Philadelphia, where he attended St. Michael's, St. Veronica's, and Northeast High Schools.

In June 1939, John McLaughlin joined the Crown, Cork & Seal Co., beginning what would be a long association with this fine Philadelphia firm. John participated in the organizing of the Can Workers Union and served as a departmental committeeman. John's association with Crown, Cork & Seal was interrupted in 1941 when he joined the U.S. Army Infantry where he fought in three invasions of the South Pacific during World War II. After his tour of duty with the U.S. Army, he rejoined the Crown, Cork & Seal Co. In 1946, John was transferred to the mechanical division where he became a member of the International Association of Machinists and Aerospace Workers, where he served Lodge 159 as a trustee and later on as a president of the local. In 1961, John McLaughlin was elected president of District Lodge No. 1 and in 1962 was elected business representative of this lodge, the position he presently holds. John is also an assistant directing business representative of District Lodge No. 1, executive vice president of the Pennsylvania State Council of Machinists, a member of the International Planning Committee of the Machinists Non Partisan Political League, a delegate to the last six international conventions, and has served as chairman of the Grievance and Appeals Committee of the last three international conventions.

Fortunately, John is never the type to say "I don't have enough time." John is a devoted family man to his wife of 25 years, Muriel, his son, John Joseph, III, and his two grandsons, John Joseph, IV, and Patrick Michael McLaughlin.

Jchn has been continuously active in the community as a member of St. Dominic's Church, a 3d Degree Knight of the Knights of Columbus, and with the youth of the community through his outstanding work with the Police Athletic League, who are honoring both he and Norman Loudenslager at a testimonial in Philadelphia on May 22, 1978.

Mr. Speaker, I would like to share the pride and gratitude that the city of Philadelphia has for Norman Loudenslager and John McLaughlin with my colleagues in the House of Representatives today.●

ADMIRALTY ISLAND, A VITAL PART OF ALASKA NATIONAL INTEREST LANDS CONSERVATION ACT

HON. TENO RONCALIO

OF WYOMING

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 9, 1978

● Mr. RONCALIO. Mr. Speaker, the Committee on Interior and Insular Affairs has recently reported a revised version of H.R. 39, the Alaska National Interest Lands Conservation Act, which provides for the protection and preservation of some of the most important wilderness, wildlife, and other natural values of the continent—the "crown jewels" of Alaska, property and heritage of all the American people.

One of the most important provisions of that bill is the designation of Admiralty Island, in southeast Alaska's Tongass National Forest, as a wilderness area. Enactment of this legislation would thus complete an effort to protect Admiralty which began with the proposals of President Theodore Roosevelt.

Recently, the Southeast Alaska Empire of Juneau published a detailed report on Admiralty Island and the struggle to protect its wildlife and its timber. As the article points out, the Native people of the village of Angoon, the only settlement on the Island, strongly support the enactment of H.R. 39 as reported by the Interior Committee. As the article points out, there is some litigation pending concerning the claims of other native groups to lands on the Island—but the bill as reported is careful not to prejudice those claims, nor to intervene on either side, while directing the Secretary of Agriculture to seek alternative lands which could be offered for consideration by these "urban" Natives as their entitlement under the Alaska Native Claims Settlement Act.

Mr. Speaker, so that my colleagues may have the benefit of this excellent article on the importance of protecting Admiralty Island (which has more bald eagles than the 48 contiguious States combined), I ask that the April 10 article be included in the RECORD:

ADMIRALTY FIGHTS PAST VS. THE FUTURE

(By Tom Tiede)

ANGOON, ALASKA—Every spring for thousands of years the brown bears of Admiralty Island have performed one of the greatest shows on earth. Awakening from high mountain hibernation, the huge creatures snort and stretch, yawn and grumble, then slide teetotumly down the snowy slopes to breakfast below.

At times, however, the merry circus has come to a melancholy halt in the valleys. In the last century the bears of Admiralty have periodically been greeted by loggers, miners, fish canners and other intruders. The mix has never been gentle. Both man and beast have paid dearly in the confrontations.

Now the spring rite is threatened again. Perhaps more gravely than ever before. Logging intersts are lobbying for permission to cut thosuands of acres of virgin island timber, a proposal that conservationists believe may lead not only to the destruction of the bears, but of the pristine island itself.

The issue is a familiar one: the past vs. the future. Industry says the land is meant to be used, labor says jobs are at stake, and environmentalists argue for the trees and animals that can't speak for themselves. The same war has been waged from America's arctic tundra to its tropical Everglades.

But if the sound and fury is the same, the Admiralty squabble is not routine. At contention is one of the least spoiled ecosystems in the United States. Located in the remote Alexander Archipelago, just south of Juneau, Admiralty is 1,664 square miles of the way it was. If it is lost to exploitation, observers believe the entire naturalist movement will be sorely damaged.

Indeed, environmentalists are putting nearly a century of effort on the line regarding Admiralty. The debate goes back to the late 1880's when Russian killed the island's otters and loggers cut indiscriminately on the timbered shores. Outdoorsmen of the time were alarmed, and demanded the island be saved.

President Theodore Roosevelt was first to the rescue. He wanted the island to become a protected national park, but Congress in-

stead placed it in the Tongass National Forest system; this action, taken in 1902, limited access to Admiralty's treasures, but it did not restrict exploitation altogether.

In the decades since the government moved in, the National Forest Service has allowed frequent commercial exploration of the island. Gold mines have operated, for example. Some fish canning concerns have come and gone. And too, the NFS has authorized the cutting of more than 10 million board feet of timber.

Conservationists have protested it all. And not just for the sake of the brown bears. Dr. Cliff Lobaugh, Sierra Club president in Juneau, says abuse of the island has threatened the habitat for all of Admiralty's wildlife. For instance: some streams once used by loggers do not now support salmon spawning.

Lobaugh and others worry particularly about the effects of commercialization on Admiralty's bald eagle population. The maps of eagles' nests here indicate they ring the island, about two per mile, except for gaps where logging has occurred. Lobaugh says it's inevitable: when lumbermen come, eagles go.

Thus far in time, it doesn't seem the eagles have gone very far. Admiralty continues to be home for more of the nation's national bird than the rest of America inclusive. The bald eagle is now an endangered species in every mainland state save Minnesota, but here on Admiralty they number as many as 2,500.

There is a profusion of other wildlife here. Deer, weasel, beaver. There are five species of salmon. Humpback whale spawn in Admiralty's inlets. Still, with the bear, the bald eagle is the island wonder. As large as seven feet through the wings, the birds patrol the forests like planes in defense of yesterday.

Their survival in such numbers has not been easy. Besides loggers, miners and canners, the eagles in the past have had to contend with bounty hunters. Fishermen used to believe the birds ate too many salmon, hence, until 1951, the government paid from $1 to $2 to hunters who slaughtered the flock.

The eagles are now protected by federal law. So are their eggs. Eagle trees on Admiralty are posted with notices that prohibit disturbance, even of nests. In addition, the government now forbids the cutting of any trees within a 330-foot radius of an eagle's nest. And so the birds are thriving.

But what of the future of the eagles? Dr. Lobaugh says the birds are even less likely than bears to cohabit with man. He says studies suggest that eagle populations in Alaska exist in proportion to the degree of nesting serenity. "Where logging is heavy, as near Sitka, there are virtually no bald eagles."

Not everyone believes there is an absolute correlation between heavy logging and fleeing eagles. Jack Hodges, a government authority on eagles, says as long as their nests are left alone, proper timber cutting "should not harm the birds." When loggers cooperate, Hodges says, eagles can and do exist nearby.

Nonetheless, naturalists are not willing to give the eagles over to the hands of industry. And neither are most of the native people living on Admiralty Island; the 500 Tlingit Indians in Angoon say they've seen wildlife driven from other islands in the archipelago, and they vow it won't happen here.

The Tlingit aboriginals are at ground zero of the Admiralty logging controversy. As beneficiaries of the 1971 Alaska Native Claims Act, they are entitled to choose 23,000 acres on the island for their own purpose. If they took 23,000 acres of timber, they could earn as much as $80 million in the bargain.

Yet the Angoon people refuse to log their homeland. They are hunting and gathering people who rely on wildlife for subsistence. So, to preserve their way of life, they are selecting their acreage in and around Angoon. As do the conservationists, Angoon natives want Admiralty to remain in a wild state forever.

There are, however, other natives in Southwest Alaska who are also entitled to land claims. And they have no qualms about logging Admiralty for profit. These natives are mostly urban Indians from Juneau and Sitka; they are entitled to 46,000 acres, and have selected prime timber land on Admiralty.

So it is that the battle over Admiralty is not just industry vs. environmentalists. It's native vs. native. Danny Johnson, an Angoon leader, says the matter is pitting brother against sister, like a civil war. "I want Admiralty wilderness, but I have a cousin who wants logging. And we go around and around."

What they go around about mostly is subsistence. Johnson says most people in Angoon still make part of their living from fishing. "The urban natives no longer understand this. They live in cities and buy food from stores. They have forgotten what it means to love the land and to want to protect it."

Not that the people of Angoon are still on the frontier. There is television here, and new automobiles. Johnson's home could be sitting in Oshkosh. And yet, there is a tap root to the heritage. Angoon remains isolated, mail comes only three times a week, and children still grow up in the Tlingit culture.

That culture continues to be dependent on the land and wildlife. Angoon natives are split into two societies, one calling itself "Eagle," the other "Raven." Totems feature animals; dances celebrate fisheries. Johnson says this societal tie to nature represents security, "a feeling the tribe will prosper."

Urban Indians believe the tribe would prosper better with $80 million from renewable timber. But Johnson says no: "If the urban natives do win out here, and if they get their almighty dollars, it will do them no good. The money sounds like a lot, but it soon goes, and afterwards they would have nothing."

And neither would anyone else. Or so the environmentalists and Angoon Indians fear. Juneau's Dr. Lobaugh believes native logging would lead to greater commercial pressures on the island then. The back of the preservation movement could then be broken, as, perhaps, could the link between Angoon natives and the ancients.

"And for what?" Lobaugh asks. Though Alaskan aboriginals would gain from timber sales, the real profiteers would not even be American. Lobaugh says the native groups have already agreed to let Japanese timber companies do the harvesting, at an economic rate that could be as high as $60,000 per acre.

The Japanese should not count their board feet prematurely, however. The Admiralty dispute is now in litigation and in Congress. The latter body is considering an Administration bill that would set Admiralty aside as wilderness, its protection redoubled. Chances of the bill's passage are considered to be fair.

Yet even if Congress does rule, the matter won't be entirely settled. Urban natives would still have a prior claim on the acreage, and presumably would continue to seek its exploitation. Lobaugh says he's been fighting for Admiralty for nearly 20 years, and may have to serve another score before the issue is resolved.

Meantime, with good weather, the bears of Admiralty Island may awake early this spring. Grunt. Woof. Slip. Slide. There are 1,000 of them here, the densest concentration in the nation, and so far not a single logger in sight. For now, at least, it looks as if their annual circus will go on as planned.●

PROHIBITION OF ASSISTANCE TO SOUTHEAST ASIAN COUNTRIES NOT COOPERATING WITH ACCOUNTING FOR MIA'S, POW'S AND KIA'S

HON. PAUL N. McCLOSKEY, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 9, 1978

● Mr. McCLOSKEY. Mr. Speaker, when the House unanimously adopted House Concurrent Resolution 583 on Monday, we made it clear that our foremost goal in Southeast Asia today is to obtain a full accounting of Americans listed as Missing in Action, Prisoners-of-War, or Killed in Action during the recent conflict of Southeast Asia.

It has been 5 years since the exchange of prisoners with Vietnam and Laos, and 3 years since the re-unification of Vietnam.

While none of us favor payment of reparations as once negotiated by then-Secretary of State Kissinger in January 1973, I believe that all of us favor a normalization of relations with Vietnam and Laos, if, and only if, we can obtain a full and final accounting of our MIA's, POW's, and KIA's.

I think it fair to say that we recognize such an accounting as a humanitarian gesture we are asking from the Vietnamese and Laotian Governments.

In order to obtain such an accounting, it is entirely fair that we permit the President of the United States to initiate such step-by-step offers of humanitarian assistance as are written into our laws with respect to all other countries of the world.

In this vein, I have drafted two amendments to H.R. 12222, the International Development and Food Assistance Act of 1978, to amend the germane sections in existing law which prohibit assistance to Vietnam, to both limit and permit humanitarian assistance to the countries of Southeast Asia, to the end that those countries be encouraged to take reasonable steps to permit a full accounting of American MIA's, POW's, and KIA's:

AMENDMENTS TO H.R. 12222 AS REPORTED OFFERED BY MR. McCLOSKEY

Page 33, immediately after line 2, insert the following new section:

PROHIBITION ON ASSISTANCE TO COUNTRIES IN SOUTHEAST ASIA

SEC. 1117. (a) The President may not furnish assistance under Part I of the Foreign Assistance Act of 1961 to a country in Southeast Asia which is not taking reasonable steps to permit the fullest possible accounting, and the reparation of remains, of United States personnel listed as Missing-In-Action, Prisoners-Of-War, or Killed-In-Action in such country. If the President determines that any such country is taking such reasonable steps, he may furnish assistance for humanitarian purposes to that country under that part notwithstanding any other provision of law which would otherwise prohibit such assistance. The President shall report any such determination to the Congress.

(b) This section shall take effect on October 1, 1978.

Page 35, immediately after line 9, insert the following new section:

PROHIBITION ON ASSISTANCE TO COUNTRIES IN SOUTHEAST ASIA

SEC. 204. (a) The President may not furnish assistance under title II of the Agricultural Trade Development and Assistance Act of 1954 to a country in Southeast Asia which is not taking reasonable steps to permit the fullest possible accounting, and the reparation of remains, of United States personnel listed as Missing-In-Action, Prisoners-Of-War, or Killed-In-Action in such country. If the President determines that any such country is taking such reasonable steps, the President may furnish assistance for humanitarian purposes to that country under title II of that Act notwithstanding any other provision of law which would otherwise prohibit such assistance. The President shall report any such determination to the Congress.

(b) This section shall take effect on October 1, 1978.●

COMMENDS PROGRAMS FOR CHILDREN AND YOUTH AT KENNEDY CENTER

HON. GLADYS NOON SPELLMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 9, 1978

● Mrs. SPELLMAN. Mr. Speaker, I wish to commend the John F. Kennedy Center for the excellent educational programs, workshops, and festivities they have designed for children and youth, and their efforts in forging meaningful ties with the education community. The Alliance for Arts Education programs reflect the Center's continued interest in developing programs that enhance its role as a national cultural center. I, myself, have attended performances with my grandchildren, and have enjoyed the entertaining presentations even as much as they.

During its initial year (1976–77), the programs for children and youth presented 154 performances which were attended by 54,856 people. Performers from 16 States and several foreign countries participated. The programs successfully involve both children and adults—creating a rewarding and beneficial environment. Several hundred adults have attended workshops and symposia devoted to the study of the performing arts as they relate to the education and entertainment of children.

Sponsors of the programs during its first year included: Morris and Gwendolyn Cafritz Foundation, George Gund Foundation, Mobil Foundation, Inc., Redskin Foundation, Inc., Hattie M. Strong Foundation, and several private donors. This year the programs will be supported by the corporate fund of the Kennedy Center and grants from foundations and individuals.

When the Kennedy Center was first established, its efforts were centered around creating an international reputation for the quality of the productions on the major stages. During the past few years, however, the Center has moved in a new direction. It has recognized the need for public service, education, and the encouragement of new talent and works in the performing arts, and has made that commitment.

The programs for children and youth are an important facet of this effort. The overall goals of this program are:

To provide a variety of quality performances on a regular basis to school groups and general audiences.

To provide teachers and others a series of workshops and symposia related to performance.

To develop and present creative new materials for audiences of children.

To serve as a national model for replication by other arts education centers across the nation.

The programs for children and youth, through its ongoing Children's Arts Series and its yearly Festival, is constantly finding new ways to make the performing arts relevant to the education of young people. This year will be particularly exciting, as the program will include an International Youth Choral Festival and the Imagination Celebration, a National Children's Arts Festival, which will also travel to Denver, Colo., for a week-long presentation in their new performing arts theatre.

I hope that my colleagues will take note of some of these outstanding works so that they will appreciate even more the many facets of the John F. Kennedy Center for the Performing Arts.●

WARPLANES FOR MIDEAST

HON. JIM GUY TUCKER

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 9, 1978

● Mr. TUCKER. Mr. Speaker, I would like to talk with you today about a serious matter that concerns me a great deal: President Carter's proposed sale of $5 billion in highly sophisticated aircraft to several Middle Eastern countries.

On May 19, 1977, almost 1 year ago, President Carter, in a major foreign policy statement, said that "the virtually unrestrained spread of conventional weaponry threatens stability in every region of the world." At the time of the President's statement, we were fast on the way to breaking all records in total foreign arms sales. In fact, in 1977 our sales exceeded $12 billion—more than the budget for the Department of Agriculture.

The President's point was well taken and he has appeared to be pursuing his efforts to curb the glut of foreign arms sales. Last December, the United States and the Soviet Union began talks on how best to limit conventional arms transactions.

But in February of this year came a seeming about-face. The administration announced plans to sell significant numbers of our most advanced jet aircraft to Egypt, Saudi Arabia, and Israel. Last Friday the administration made a formal proposal to the Congress to sell:

Fifty planes to Egypt at a cost of $400 million;

Sixty planes to Saudi Arabia at a cost of $2.5 billion; and

Ninety planes to Israel at a cost of almost $2 billion.

Unless this sale is disapproved within 30 days by concurrent resolution of Congress, it will proceed.

What are the arguments for the arms sales? First we are told that Saudi Arabia needs this fleet because it has no fighter aircraft and is presently vulnerable to attack from some neighboring Arab and non-Arab states, such as Iraq, Chad, Yemen, and Iran. The administration is equally concerned about preserving our special relationship with one of the major suppliers of oil to our shores. The Saudis have generally served as a moderating influence on some of the more extreme OPEC nations.

In addition, there are other, lesser arguments made for the sale. Some argue they are good business for our large defense contractors; some argue that reducing the foreign contracts would cause severe unemployment in those areas affected. Some argue that large foreign arms sales are good for our balance of payments posture. Some argue that if we don't make these sales, other arms merchants will. Perhaps.

Under existing law, both houses of Congress may disapprove foreign arms sales by adopting a concurrent resolution within 30 days. My vote will be to stop these sales, and my reason is simple. I believe foreign arms sales may sometimes be a valuable instrument of American foreign and national security policy. They should, however, be an exceptional instrument used only when they contribute directly to American foreign policy and national security objectives.

Recently, Newsweek magazine published a disturbing statistic: In the last 30 years there have been 119 armed conflicts involving 69 nations. Last year, we accounted for 50 percent of the total arms sales throughout the world.

The administration's $4.8 billion package deal is simply too much too soon, and has the severest implications for international and domestic security. In view of the fact that delivery of these aircraft will not be implemented fully until 1983, there seems little justification for making this $5 billion decision on 30 days notice. It needs closer scrutiny and evaluation, more thoughtful reflection. For example, part and parcel of the sale to Israel would be the sale of 75 F–16's. Today the United States itself has no F–16's in operation. Might we be wiser to satisfy our own aircraft needs before contracting willynilly to satisfy the appetites of other nations? Will the sale of F–15's to the Saudis deplete or affect our own supply? Will this delay delivery to our own armed forces of the F–16's? What demands will this place on our trainers and engineers? How many additional Americans will be placed in the Mideast as a result of this decision? What are the implications of this sale for Middle East stability? How will it affect the peace negotiations currently at a delicate stage?

How well are our own interests served? Why the hurry? These are only a few questions that our people—and our Congress—should consider before we move ahead.

Thirty days notice is precious little time to consider issues so rife with international implications. Let us pause and use restraint so the Congress and our people can comprehend what our Government is doing.●

ESTROGEN: FROM MIRACLE DRUG TO CANCER CAUSE

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 9, 1978

● Mr. WAXMAN. Mr. Speaker, I would like to bring to the attention of my colleagues a provocative article on estrogen supplements in the April 27 edition of the Los Angeles Times by Dr. Sidney Wolfe. Dr. Wolfe, the director of the Health Research Group in Washington, D.C., is a highly respected commentator on public health issues and a frequent witness before the House Subcommittee on Health and the Environment.

Dr. Wolfe's startling report on estrogen supplements points out that:

This suspected carcinogen has been used by an estimated 30 million American women.

Estrogen is now thought to be one of the most potent cancer-causing agents known.

DES, a synthetic estrogen, was administered to women in the 1940's and 1950's without proof of efficacy. Pre-market testing was conducted without control groups.

Women taking estrogens for menopause are 4–14 times more likely to develop uterine cancer than are women not using these drugs.

This article will alert all Members of Congress to badly needed reforms in our present Food, Drug, and Cosmetic Act. The administration's proposed Drug Regulation Reform Act would permit persons representing the public interest, such as Dr. Wolfe, to testify at public hearings, for the record, before a new drug is approved by the Food and Drug Administration.

We need to encourage public accountability in our new drug approval procedures, particularly if, as Dr. Wolfe points out in his article, American drug companies have not always acted responsibly in the past.

The article follows:

[From the Los Angeles Times, April 27, 1978]

FROM "MIRACLE DRUG" TO CANCER CAUSE

30 MILLION AMERICAN WOMEN ARE ENDANGERED BECAUSE RISKS WERE IGNORED

(By Sidney Wolfe)

Doctors and drug companies pitched estrogen to the public as a "miracle drug" from the 1940s to the early 1970s. As a result, an estimated 30 million American women have taken supplements of the substance (which occurs naturally as a female hormone). Such additional amounts were believed useful in preventing conception or miscarriage, or in alleviating the symptoms of menopause.

But now it has come to light that estrogen is also one of the most potent cancer-causing agents known—a fact that many doctors and drug companies have recognized for 40 years.

The first widespread use of estrogen occurred in the '50s and '60s. Since it usually takes 5 to 20 years after exposure to a carcinogenic chemical for cancer to develop in humans, the sad fate of many estrogen-dosed women has only begun to surface.

As early as 1940, more than a dozen scientific papers had been published showing that estrogens—both synthetic estrogens, such as diethylstilbestrol (DES), and natural ones—were capable of causing cancer in the genital organs of female animals.

All drugs have risks that must be weighed against their benefits. In the case of estrogens, however, the drug companies initiated a well-designed and successful effort to trivialize the risks while simultaneously launching a campaign to exaggerate its benefits.

Before 1962, drugs did not have to be proved effective to be marketed. That was lucky for the manufacturers, because during the late 1940s and early 1950s, when DES and other estrogens came into use for preventing miscarriages, there was no significant evidence that they even worked. Indeed, nearly all the published studies purporting to show how DES prevented miscarriages were conducted without scientific control groups. No women were given placebos—a standard procedure in medical testing—to see if they differed in their rate of miscarriage from the women receiving DES. Once controlled studies were carried out, almost all showed that DES was not effective.

By the early 1960s, drug companies were pouring millions into the promotion of a new estrogen concoction—the birth-control pill. The promotion worked. Pill users increased to about 2 million in 1964—several years after the pill was first marketed—and to 6 million by 1968.

But in the next two years pill use declined because of reports of adverse effects—among them strokes and often-fatal blood clots in the lungs. Not too surprisingly, the drug industry mounted a massive counterpromotion—aided by a passive Food and Drug Administration—that quickly neutralized the well-documented evidence of the pill's dangers.

Birth-control pill sales again shot upward. By 1975, 8 million women were on the pill, and by this year an estimated minimum of 20 million women in the United States have used birth-control pills at one time or another.

The third major use of estrogens came in the mid-'60s, for treatment of menopause. Another major marketing effort was mounted. This time hundreds of articles appeared in women's magazines and newspapers extrolling the virtues—often undocumented by scientific evidence—of estrogens for treating the symptoms of menopause.

In one retirement community, the use of estrogens jumped from 0.6% in 1964 to 21% by 1969, a 35-fold increase. To date, an estimated 10 million women have used the drugs for menopausal problems.

Estrogen, the wonder drug, has thus proved to be a wondrous marketing success on three fronts. However, that success is now turning into a major public concern, for in all three of its major usages troubles have arisen:

—In 1971, researchers at Boston's Massachusetts General Hospital discovered a startling upsurge in the occurrence of an extremely rare kind of vaginal and cervical cancer among adolescent girls. One common thread united the victims: Their mothers had all used DES during pregnancy to prevent miscarriage. More than 200 cases of this strange and often-fatal cancer have now occurred in the United States in girls and women between the ages of 8 and 28. More than 10% of these victims have died of that cancer.

Then, three years ago, Dr. Donald Austin of the California Department of Health reported an extraordinary recent increase in cancer of the uterus. In just five years, from 1969 to 1974, the annual rate for uterine cancer in the San Francisco-Oakland area had rocketed from 100 to 180 cases per 100,000 women, an 80% increase. Other studies, published in 1975, suggested some of the sources of that increase. For example, women taking estrogens for menopause are 4 to 14 times more likely to develop uterine cancer than are women not using these drugs.

The latest evidence of estrogen-caused cancer in humans, published in December, 1977, comes from a study of 17,000 women in Walnut Creek, Calif. Researchers for Kaiser-Permanente Medical Center found three to five times more cases of cervical cancer in women using birth-control pills for more than four years than in women who had never used them. Even women who used the pill for two years or less had twice as much cervical cancer as had nonusers.

Studies published in 1976 by Dr. Robert Hoover of the National Cancer Institute showed that women whose cases had been followed for more than 15 years after they started the use of menopausal estrogens—regardless of how long they used the drugs—had twice the risk of breast cancer as had women who had not used estrogens. Since 15 years have not yet passed for most of the 10 million women who have used the drugs, it will probably be a while before the epidemic of breast cancer likely to result begins to show up. Already, however, breast cancer, the most common form of cancer in women, claims 80,000 new cases annually—many more than in earlier times—and results in 33,000 deaths per year.

In 1977, I obtained unpublished data from an experiment conducted in 1951 at the University of Chicago. It showed a 70% excess of breast cancer in women given DES to prevent miscarriage. This figure may mean that as many as 30,000 cases of breast cancer could result from DES dosages.

Why do drug companies persist in selling a drug that is clearly suspect? For money, of course. Indeed, one major reason why such firms are among the most profitable businesses in the country is that they are able to foist on society much of the cost of doing business. Only a tiny fraction of the trust cost of many drugs—in loss of lives and health—is paid out as the result of product-liability lawsuits.

The tragedy is that the vast majority of women who took estrogens were never informed of the dangers as well as the real benefits, if any, of the drugs. Now that these risks have become public knowledge, many women have embarked on their own cancer-prevention programs—by simply choosing not to take estrogen at all. As well they should.●

NO DELAY NEEDED FOR STRIP MINING ACT

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 9, 1978

● Mr. UDALL. Mr. Speaker, I am sure that many of my colleagues have received letters in recent weeks from operators of coal surface mines about the implementation of the Surface Mining Control and Reclamation Act of 1977. As we approached the May 3 deadline for imposition of the interim reclamation standards, many operators were fearful that they were about to be subjected to unforgiving regulations that could result in the closing of their operations. Despite the flexibility of the act itself and the Department of the Interior's reasonable attitude toward enforcement, many

called for a delay of the implementation of the bill.

It now appears that, through the good efforts of the States, coal operators and the Department of the Interior's Office of Surface Mining (OSM), the implementation of the act is proceeding more smoothly than many believed possible. I am enclosing a report from the May 5 McGraw-Hill publication Mine Productivity Report, describing the results of its telephone survey of State regulatory authorities. According to the article, with the exception of problems with the department's sedimentation pond regulations, mining officials "have few worries about the passing of OSM's May 3 deadline for complete compliance by all coal companies with the interim regulations."

I am inserting the complete article in the RECORD for my colleague's information:

STATES SAY MOST MINES COMPLY WITH STRIP RULES

Sedimentation pond provisions of the Surface Mining Act regulations may create the only major problems for Office of Surface Mining and state inspectors, according to a MinePro telephone survey of state mine inspection officials. The officials have few worries about the passing of OSM's May 3 deadline for complete compliance by all coal mines with the interim regulations.

Pennsylvania aides note that, while close to 100 percent of the state's mines meet all other federal standards, sedimentation pond provisions are met by "closer to only 10 percent." Maryland officials say their mines could be "100 percent in compliance with the federal regulations with a little work. At present, the figure is closer to 65 percent, especially in light of settling pond provisions."

West Virginia cites few problems with compliance by its coal mines, but Montana calls sedimentation pond provisions "a definite problem." Of the states interviewed, only Utah indicated problems with meeting federal standards that did not concern sedimentation ponds.

All the states interviewed expect to continue inspection as usual, and few expect serious intervention from OSM. None expect to have to shut down any operating mines, but all indicate that mines not totally in compliance with the regulations, "would be heavily leaned on." As one state official notes, "The May 3 deadline is not a catastrophe, nor does anyone expect the inspectors to act as if they were participating in a witch-hunt."●

THE NORTHWEST PILOTS' STRIKE

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 9, 1978

● Mr. VENTO. Mr. Speaker, early on April 29 the pilots on Northwest Airlines refused to work further because the company failed since July 1977 to do any meaningful bargaining which might lead to a new contract.

To their credit, the Airline Pilots Association had accepted the National Mediation Board's invitation to binding arbitration on the issues with a no-strike pledge. Northwest Airlines refused, preferring to shut down most of its operations in disregard of the travel needs of 28,800 passengers each day and the requirements of countless shippers.

Northwest Airlines is apparently in no hurry to return to the bargaining table since it is currently receiving an estimated $1,189,000 a day in mutual aid pact benefits from other air carriers to offset Northwest's loss of revenues during the strike.

To many people of the Twin Cities and along the routes in North Dakota and Montana, the Northwest shutdown is a major inconvenience and an economic hardship.

The Minneapolis Tribune, in an editorial today, reflects the concerns of those who are affected by the strike and also their hopes that negotiations can be resumed. The editorial follows:

[From the Minneapolis Tribune, May 9, 1978]

THE NORTHWEST PILOTS' STRIKE

Northwest Airlines and its pilots have shown again that they can accept a strike as the cost of bargaining. Whatever that may do for company and union self-images, it hurts others, travelers, shippers, non-striking Northwest employees who have been laid off, businesses that serve the airline or its customers, communities on Northwest's routes. The public interest requires an early settlement.

Neither the airline nor the pilots deserve sympathy. Northwest has made much of the high pay and other benefits that pilots receive. In newspaper ads last week the company listed the 1977 earnings of 1,455 Northwest pilots, from a low of $28,575 to a high of $85,098. Salaries of various public officials were stuck into the list, too, in case anyone missed the point that airline pilots are well paid. But the salary comparison is irrelevant. We doubt that many people will be distressed to learn that Al Hofstede, Rudy Perpich and Wendell Anderson earn less than a lot of pilots. Mayors, governors and senators aren't expected to fly 747s, either.

The pilots would prefer comparisons with other airlines, and they say that non-pay issues like working hours are the main obstacles. But some of what they want—benefit improvements, for example—would add to Northwest's costs. While we make no judgment about the merits of the company's offer and the union's demands, the pilots' current pay and benefit levels are a long way above hardship. Those levels would increase under the company proposal. Perhaps they would be higher yet if based on industry averages. But in a high-pay profession, surely industry comparisons are not the only criteria for fairness.

Northwest and its pilots can decide what is fair, but not until they get back to the bargaining table. Sparring at a distance is inexcusable when so many not involved in the dispute are being harmed. Both sides seem to have forgotten that a strike in any major transportation industry is not just a private affair.●

MELODRAMATIC BUNCOMBE

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 9, 1978

● Mrs. SCHROEDER. Mr. Speaker, late last month a "Dear Colleague" made the rounds, a sort of "when did you stop beating your wife" twit, about ACTION and its director—who, I should acknowledge, hails from Colorado.

On numerous occasions H. L. Mencken reported—indeed such annotations fueled his long, gingery career—the American politician's tendency to drift into melodramatic buncombe without the slightest hesitation. Certainly the flapping and fuming from the anti-ACTION quarter do nothing to contradict Mencken.

Most of us here remember the sorry state to which ACTION fell under the previous two administrations—an archipelago for otherwise unemployable political appointees. It is a special delight, then, to see the current leadership at ACTION move the agency several leagues away from that sorry state, tighten up the management, and bring a breeze of fresh ideas to this stale and jaded city.

I offer several recent newspaper articles and columns which contain similar observations:

[From the Wall Street Journal, Mar. 30, 1978]

POLITICS AND PEOPLE

(By Alan L. Otten)

OTHER ACTION

WASHINGTON.—"The federal government doesn't know all the answers. . . . It's very hard to stimulate creative thinking in a bureaucratic environment. . . . People closest to a problem understand it best and how to deal with it best. . . ."

Those aren't quotations from Wall Street Journal editorials. They're the perhaps surprising comments of Sam Brown, field marshal of the anti-Vietnam protest movement, elected treasurer of Colorado by campaigning against the banks, and currently the head of ACTION, the federal agency that runs the Peace Corps and a half-dozen domestic volunteer programs.

Mr. Brown doesn't, however, follow his observations through to quite the same conclusions that WSJ editorials might. His prescription for many major economic and social problems is a vast variety of state and local programs, both private and public, and probably helped by federal funds and technical advice.

"I know a big centralized national program has been the traditional liberal answer," he says, "but there's substantial evidence that the liberals have been wrong. I want change all across the board, too, but I believe the surest chance for change to begin happening is at the local level."

The liberal—some would say radical—Mr. Brown dates his misgivings about federal programs and federal bureaucrats back to his anti-Vietnam days, when he saw how difficult it was to change a national policy that he and many other people thought wrong. The doubts were deepened by his experiences as Colorado treasurer. "I quickly acquired a distrust of the way edicts were handed down from Washington," he recalls. "What, after all, did they know of our special needs?"

Now 34, Mr. Brown has already proved himself an atypical bureaucrat. In an unheard-of voluntary surrender of sovereignty, he's backed a plan to turn the Peace Corps, some 40% of his agency's budget, over to a new international development agency. Starting this week, state offices of ACTION will have authority to approve local projects without getting regional or Washington approval. A campaign launched just a year ago has already reduced by 60%—from 1,375 to 543—the number of agency reports and forms.

"If you look at the plans around this town," Mr. Brown declares, "they're much less imaginative and creative than what is actually being done around the country."

One explanation, he suggests, is that "so much in this town is reckoned in wins and losses. People won't take a change for a big

win, with something really new and creative, because if it doesn't work, they might have a big loss. So they go in for the small incremental win—doing a little more of what they're already doing. Then, if they lose, they lose less."

Moreover, he notes, there's an almost institutional compulsion to defend your own turf—to take your agency's traditional position on pending issues, to try to expand your own programs, to fight off other agencies' attempts to invade your area.

As an example of the town's preoccupation with turf and wins and losses, he cites what happened when he endorsed transfer of the Peace Corps to the proposed development agency—a move that made absolute sense to him, since the Peace Corps is supposed to be in the international development business. "Privately," he relates, "people told me I was doing a great thing, setting a great example. But then the columnists pictured me as losing a big power struggle."

Mr. Brown, who is clearly more interested in the potential of ACTION's domestic volunteer programs than in the more glamorous Peace Corps, has several reasons for thinking that local programs offer the best hope for addressing society's current difficulties.

"I'm not sure there are big national solutions anymore," he says, "and if there were, the magnitude of the consequences of any single national act slows you from doing anything at all. It's like a giant tiptoeing through a field. One misstep, and you squash everything—so you don't walk at all."

And "when no one has the big answer," he continues, "that's the time you most ought to be trying out different little answers."

Not only is it easier to mobilize people at local levels, he argues, but it's particularly important right now that the effort be made there. "People must learn to become committed again," he says with some of his anti-war fervor. "They're not going to get committed for big federal programs, but they may for local ones. Local action is on a human scale. People can respond."

For instance, he argues, the need in blighted urban areas is for many small, labor intensive projects, rather than huge projects that tend to be capital intensive: jitneys and escort services instead of rail transit systems; sweat equity to restore existing homes instead of large new housing complexes; small plants or repair shops instead of large factories.

ACTION is trying to develop a number of ways to provide money for different types of small, locally-organized volunteer projects, and a couple made it into the President's just-announced urban program. One, for instance, would provide small (average: $5,000) grants to cover the costs of supplies and administrative overhead for neighborhood organizations using volunteer labor to set up an urban garden or paint a mural.

"One reason I came to this agency, rather than some other agency," Mr. Brown says, "is that we don't have a 'program.' We aren't pushing 302D or any other one big solution. We have a mechanism—volunteers—and we want to try lots of different little solutions using that mechanism." Comparatively conservative fellow, that Sam Brown.

[From the Rocky Mountain News, Mar. 26, 1978]

ACTION GIVEN "MODEL" RULES AIMED AT CONFLICT OF INTEREST

(By Charles Roos)

WASHINGTON.—ACTION, the federal volunteer agency, has been presented a shiny set of proposed rules to deal with conflicts of interest and the "revolving door" habit of workers who move back and forth between government and private business.

Director Sam Brown said the new rules appear to be a "model." He likes them so much he is willing to share them with other federal agencies.

Before adoption by ACTION, the proposed rules will be published in the Federal Register.

Brown, former state treasurer of Colorado, requested the draft of rules last December after publications of charges—mostly vague and general—of conflicts of interest within ACTION.

At that time, an internal investigation had disclosed what Brown described as the appearance of a conflict. Brown resolved that difficulty by canceling a $50,740 contract.

The proposed rules were drafted by a task force headed by ACTION's general counsel, Harry MacLean, former first assistant attorney general for Colorado. A specialty of MacLean's in Colorado was analyzing and drafting open-government legislation.

MacLean said existing federal rules "consist of a hodgepodge of executive order provisions, statutory prohibitions, regulations of the Civil Service Commission and various standard or boilerplate provisions developed by other agencies. They overlap and are inconsistent with one another."

Further, MacLean said, no attempt apparently was ever made to adapt the "hodgepodge" to the particular needs of ACTION.

Actual conflicts of interest—when a person is directly in a position of serving dual and incompatible interests—are already prohibited by law, MacLean said. His task force therefore concentrated on situations in which there is the appearance of a conflict or the potential for conflict.

Some samples of the proposed rules follow:

"No employee or any person subject to his or her supervision may participate in the decision to award a grant or a contract to an organization with which that employee has been associated in the past two years.

Employees "may not represent anyone else in a matter pending before the agency."

"No regular employee may be associated with any ACTION grantee, contractor or potential grantee or contractor. Any organization that is associated with a regular employee shall be suspended from consideration. . . .

"No special employee shall participate on behalf of an organization in any aspect of the development of a contract, proposal or project to be submitted to ACTION.

"For one year after leaving ACTION, no regular or special employee may accept employment with an ACTION grantee or contractor for a position in which he or she would be working in any activity supported in whole or in part by ACTION funds received under an ACTION program which was within the boundaries of the employee's special responsibility or in which he or she participated personally. . . ."

(For violations of this rule, ACTION would disallow funds allocated for the position involved and would place a letter in the employee's personnel file.)

The draft proposals would require regular and special employees to submit financial statements within five days and would establish a permanent ACTION committee on conflicts of interest.

Several publications speculated late last year—one of them in a local gossip column—about possible conflicts of interest at ACTION. A source close to Brown said at the time that the reports were largely unfounded and had originated with unhappy employees or former employees.

The $50,740 contract canceled by Brown was for writing manuals for ACTION volunteers by a Washington-based community development agency. An official of that agency had served as a special consultant to ACTION.

MacLean said an investigation showed clearly that no existing rule was violated, but Brown concluded the situation was "unacceptable" because of the appearance of a possible conflict.

[From the Denver Post, Mar. 16, 1978]

SAM BROWN'S FADING IMAGE AS A PROTESTER

(By Lee Olson)

The Washington columnists write about Sam Brown as if he were some sort of traitor to a cause.

He's deserted his place on the barricades of the anti-Vietnam war protest for a "safe" colonelcy in Jimmy Carter's bureaucracy.

So runs the theme.

We Coloradans know better. We saw the transition of Sam Brown four years ago when he put away the trappings of protest to run successfully for a highly-responsible political job, Colorado state treasurer.

Then, a year ago, when President Carter beckoned, Brown went to Washington as head of the $200-million ACTION agency.

That, too, is a responsible, detail-ridden job. But Brown's trouble with the Washington press corps is that he's type-cast. If he was a protester in 1968 he's supposed to be one now. Why doesn't he do something charismatic?

It's a little like asking Shirley Temple, as an adult, to sing, "On the Good Ship Lollipop."

The truth is, Sam Brown is doing what he's always done: take responsibility, direct people effectively and work hard for his objectives.

He came through Denver the other day to look at the Atlantis Community, where some VISTA volunteers are upgrading the quality of life for less-fortunate citizens. He also expressed himself on some of his goals.

Brown thinks a great many of the youthful philosophical objectives of the past decade have been achieved. He says the Peace Corps, which is being transferred from his ACTION agency, has helped transform U.S. foreign aid. Brown said:

"Fifteen years ago the Peace Corps was saying, 'Work with the people'—don't just shove technology at the less developed nations. Now the whole international program has come around to the Peace Corps point of view. We're focusing on food production, on village health. We're trying to feed the one billion poorest people in the world."

So with world programs benefiting from the Peace Corps approach, Brown doesn't see any need to try to keep a bureaucratic grip on the 6,000 Peace Corpsmen in 63 different countries. Their role is clear-cut.

But he does see exciting needs involving young people in the United States. He's enthusiastic about a new program in Syracuse, N.Y., in which youngsters 16 to 21 will have VISTA assignments in the private sector for one year.

They will get a $78-a-week stipend, plus a $400 educational voucher at the end of the year. They will work at senior centers, assist in meals-on-wheels programs and learn basic work habits and skills. The current Syracuse effort is funded at $8 million to support 1,650 young inductees.

"They really care about their town," Brown said of the Syracuse commission which guides the effort. "And the young people really want to help their community."

Will Denver have such a program?

"We have to know if the idea works," said Brown. At present it's the only idea around to deal with the real crisis of unemployed young people."

And here, perhaps, is where the matured war protester in Sam Brown begins to emerge. He is fascinated by the 1906 statement by philosopher William James about service to one's country as being "the moral equivalent of war."

James favored national service. So does Brown.

"Everybody should serve his country," said Brown. "The discipline of military service is good—but we should harness this service for peace, not war."

It appears we can now accuse Sam Brown of believing the country is worth saving.●

SENATE—*Wednesday, May 10, 1978*

(Legislative day of Monday, April 24, 1978)

The Senate met at 11 a.m., on the expiration of the recess, and was called to order by Hon. ROBERT C. BYRD, a Senator from the State of West Virginia.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

The heavens declare the glory of God: and the firmament sheweth His handiwork.

Day unto day uttereth speech, and night unto night sheweth knowledge.—Psalms 19: 1, 2.

Eternal Father, as day and night display the wonders of Thy creation, so may we witness to the image of our createdness in all we think and say and do. Help us to seek first the kingdom of God and His righteousness, in the knowledge that all else will find its place. So may our ordered lives confess the beauty of Thy peace.

We pray in the Redeemer's name. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., May 10, 1978.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable ROBERT C. BYRD, a Senator from the State of West Virginia, to perform the duties of the Chair.

JAMES O. EASTLAND,
President pro tempore.

Mr. ROBERT C. BYRD thereupon assumed the chair as Acting President pro tempore.

THE JOURNAL

Mr. BAKER. Mr. President, I ask unanimous consent that the Journal of the proceedings of yesterday, May 9, 1978, be approved.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. BAKER. Mr. President, I have no requirement for my time under the standing order.

I inquire of the Chair whether there is leadership time.

The ACTING PRESIDENT pro tempore. There is not, for today, under the order that was entered yesterday.

Mr. BAKER. A further parliamentary inquiry: What is the pending business before the Senate?

The ACTING PRESIDENT pro tempore. There is a special order for the recognition of Mr. JAVITS.

Mr. BAKER. Mr. President, I do not see the distinguished senior Senator from New York in the Chamber at this time. I ask unanimous consent that it may be in order to suggest the absence of a quorum, without charging the time against the time allotted to the Senator under the special order.

The ACTING PRESIDENT pro tempore. Is there objection to the request that the time for the quorum call not be charged against the time allotted to Mr. JAVITS under the order? The Chair hears none, and it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. HARRY F. BYRD, JR.). Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, without prejudice to Mr. JAVITS, I ask unanimous consent to proceed for 2 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORIZATION FOR GUAM PUBLIC FACILITIES CONSTRUCTION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 715.

Mr. BAKER. Mr. President, reserving the right to object—and I will not object—I only wish to advise the majority leader that Calendar No. 715 is cleared on our calendar. We have no objection to proceeding to its consideration and passage at this time.

Mr. ROBERT C. BYRD. I thank the distinguished minority leader.

The PRESIDING OFFICER (Mr. MORGAN). The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (S. 2821) to authorize $8,868,000 for grants to the government of Guam for construction of public facilities, and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Energy and Natural Resources with amendments as follows:

On page 1, line 3, after "appropriated", insert a comma and "for expenditure after October 1, 1978,";

On page 2, beginning with line 19, insert the following:

SEC. 5. No request by the Governor of Guam for the payment of funds pursuant to this Act will be accepted unless the territorial legislature has concurred in the Governor's request.

SEC. 6. There are hereby authorized to be appropriated for expenditure after October 1, 1978, not more than $12,000,000 to assist in the acquisition and construction of a powerplant for the Northern Mariana Islands together with upgrading, rehabilitation, or replacement of distributed facilities.

SEC. 7. Section 205 of Public Law 95–134 (91 Stat. 1162) is amended by deleting "$25,000,000: *Provided,*" and inserting in lieu thereof "$30,000,000: *Provided,* That of such sum $5,000,000 shall not be available for expenditure prior to October 1, 1978: *Provided further,*".

SEC. 8. There are hereby authorized to be appropriated for expenditure after October 1, 1978, not more than $4,000,000 for preconstruction work for hospital facilities in the Virgin Islands.

TITLE II

SEC. 201. There are hereby authorized to be appropriated for expenditure after October 1, 1978, not more than $15,000,000 (December 1977 prices) plus or minus such amount, if any, as may be justified by reason of ordinary fluctuations in construction costs as indicated by engineering cost inducses applicable to the types of construction involved, for rehabilitation and resettlement of Bikini Atoll and Kili Island.

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That there is hereby authorized to be appropriated, for expenditure after October 1, 1978, to the Secretary of the Interior (hereinafter referred to as the "Secretary"), an amount not to exceed $8,868,000 for a grant to the government of Guam to assist in the rehabilitation, upgrading, and construction of public facilities.

SEC. 2. Funds provided under this Act may be used as the matching share for Federal programs and services.

SEC. 3. The government of Guam in carrying out the purpose of this Act may utilize, to the extent practicable, the available services and facilities of agencies and instrumentalities of the Federal Government on a reimbursable basis. Reimbursements may be credited to the appropriation or fund which provided the services and facilities. Agencies and instrumentalities of the Federal Government may, when practicable, make available to the government of Guam upon request of the Secretary such services and facilities as they are equipped to render or furnish, and they may do so without reimbursement if otherwise authorized by law.

SEC. 4. Funds appropriated pursuant to this Act shall remain available until expended, and the Secretary may place such stipulations as he deems appropriate on the use of these funds.

SEC. 5. No request by the Governor of Guam for the payment of funds pursuant to this Act will be accepted unless the territorial legislature has concurred in the Governor's request.

SEC. 6. There are hereby authorized to be appropriated for expenditure after October 1, 1978, not more than $12,000,000 to assist in the acquisition and construction of a powerplant for the Northern Mariana Islands together with upgrading, rehabilitation, or replacement of distributed facilities.

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struction work for hospital facilities in the Virgin Islands.

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The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95–784), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE OF THE MEASURE

S. 2821, as amended, would accomplish the following objectives:

(1) Authorize $8.868 million for necessary water service facilities in Guam;

(2) Authorize $15 million for rehabilitation of Bikini Atoll and Kili Island;

(3) Authorize $12 million for a powerplant for the Northern Mariana Islands;

(4) Authorize an additional $5 million for health care needs in Guam, and

(5) Authorize $4 million for preconstruction work for hospital facilities in the Virgin Islands.

BACKGROUND AND NEED

1. Guam water facilities.—The $8.868 million for Guam is designed to update the island's water resource and distribution system. The present system is in dire need of replacement; and expansion of water facilities is necessary to keep pace with the present and future demands of Guam's expanding population. Elements of the rehabilitation effort are:

(a) $3,603,000 for water system for the Northern Mariana District for Guam;

(b) $4,515,000 for waterline replacements throughout Guam;

(c) $274,000 for two monitoring wells on Barrigada Heights; and

(d) $476,000 for water resource development study.

2. Bikini rehabilitation.—In 1946, 166 Bikinians were moved off their home atoll in order that the United States could carry out nuclear tests at Bikini Atoll. After several unsuccessful relocations, the people of Bikini were settled on Kili Island.

On August 12, 1968, President Johnson announced that Bikini Atoll was no longer necessary for the nuclear testing program and would be returned to the people of Bikini after cleanup and rehabilitation. There are approximately 750 people with rights in Bikini of whom 500 wish to return. Initial rehabilitation of Bikini and Enyu Islands in the atoll was one-third complete by 1974. Radiological surveys from 1975–77, however, have determined that breadfruit, pandanus, and coconuts as well as quick growing vegetables are recycling radionuclides and that the ground water is contaminated. The authorization will accommodate a major revision in the rehabilitation program from Bikini Island to Enyu Island in the atoll.

3. Northern Marianas powerplant.—The main source of power for the Northern Mariana Islands is a 35-year-old Army barge, Impedance, on loan to the Northern Mariana Islands, which has had constant maintenance problems and which is scheduled for dry dock in 1979. The drydocking cannot be performed in Saipan. The loss of the barge will place the load on an assortment of aged, military surplus, portable diesel units and secondhand units with power production capabilities ranging from 450 to 2,240 kilowatts.

The authorization contains approximately $3.5 million to $4 million to upgrade the distribution system on Saipan as well as $1 million to $2 million for Tinian and Rota as well as the basic powerplant replacement.

4. *Guam hospital.*—In 1977 the Congress authorized $25 million for purchase of the Medical Center of the Marianas to serve as the acute care facility for Guam. The committee felt that the existing facility, the Guam Memorial Hospital which had been severely damaged by a typhoon, should be rehabilitated as a long-term facility. Due to delays in requests for appropriations, the cost of purchase of the hospital has risen, and accordingly the committee has raised the $25 million to $30 million.

5. *Virgin Islands hospital.*—The committee authorized $4 million for preconstruction work for hospital facilities in the Virgin Islands reserving the decision on full funding until more information is available from the administration. It appears that it will be necessary to have major facilities on both St. Thomas and St. Croix with ancillary facilities on St. John's. The present situation dictates the need for some health care facility improvements, and the committee has permitted preconstruction work to begin in fiscal year 1979.

LEGISLATIVE HISTORY

S. 2821 was introduced on April 4, 1978, at the request of the administration, was the subject of a hearing before the committee on April 17, 1978, and was considered and ordered to be reported favorably, as amended, by the committee on May 2, 1978.

S. 2821 was amended by the committee to contain the substance of S. 2822 which was also introduced on April 4, 1978, at the request of the administration.

UNANIMOUS-CONSENT AGREEMENT—FEDERAL BANKING AGENCY AUDIT ACT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at such time as Calendar No. 665, H.R. 2176, an act to amend the Accounting and Auditing Act of 1950, to provide for the audit by the Comptroller General of the United States, of the Federal Reserve System, and for other purposes, is called up and made the pending business before the Senate, there be a time limitation thereon of 30 minutes on the bill, to be equally divided between Mr. RIBICOFF and Mr. PERCY, and a time limit on any amendment of 20 minutes, with the same time limit on any debatable motion, appeal, or point of order, if such is submitted to the Senate for its discussion, and that the agreement be in the usual form.

Mr. HARRY F. BYRD, JR. Mr. President, reserving the right to object, will the majority leader increase that time slightly? As I understand the request, it is for 30 minutes on the bill as a whole.

Mr. ROBERT C. BYRD. Yes.

Mr. HARRY F. BYRD, JR. The Senator from Virginia would like 30 minutes.

Mr. ROBERT C. BYRD. The Senator would like 30 minutes under his control?

Mr. HARRY F. BYRD, JR. Yes.

Mr. ROBERT C. BYRD. All right.

Mr. President, I ask unanimous consent that Mr. HARRY F. BYRD, JR., be allotted 30 minutes on the bill, H.R. 2176, such time to be under his control.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE MEETINGS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Subcommittee on Regional and Community Development of the Committee on Environment and Public Works be authorized to meet during the session of the Senate today to hold a hearing on energy impact assistance legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate today to hold a markup on the fiscal year 1979 Department of Energy authorizations.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Subcommittee on Citizens and Shareholders Rights and Remedies of the Committee on the Judiciary be authorized to meet during the session of the Senate today to hold a hearing on the role of the policyholder in mutual insurance companies.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet during the session of the Senate tomorrow to mark up the military construction authorization bill, which is due to be reported to the Senate by May 15 under the Budget Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent, again without prejudice to Mr. JAVITS—for the last time, without prejudice to Mr. JAVITS—that there be a period for the transaction of routine morning business, with statements therein limited to 3 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

(Routine morning business transacted and additional statements submitted are printed later in today's RECORD.)

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

HEW MISSPENDING AND EXCESSIVE SPENDING

Mr. HARRY F. BYRD, JR. Mr. President, on May 5, 1978, the Tampa Tribune published an editorial dealing with misspending and excessive spending by the Department of Health, Education, and Welfare.

I ask unanimous consent that this editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

CALIFANO THE PRUDENT

Can this be so? A major federal bureaucrat asking Congress not to give his department so much money?

That's what Joseph Califano, secretary of Health, Education and Welfare, did. Please, he wrote to a House appropriations subcommittee, don't approve that extra $3.6 billion you're talking about. The $181 billion already in the budget is quite enough, thank you.

The additional money proposed for such projects as aid to education, improving facilities for the handicapped and health research might "overburden the prudent management of some programs," said Califano—not to mention increasing the risk of inflation.

Mr. Califano's unusual solicitude for the taxpayer is admirable but it doesn't quite tell all the story.

Last month the HEW chief admitted that an internal audit showed $6 to $7 billion of HEW money had been misspent last year because of fraud, waste and errors. A large part of it, he said, was caused by unnecessary health costs under Medicare and Medicaid. But a large part, too, was siphoned off by fraud in various welfare programs.

This disclosure led Sen. Harry Byrd, Virginia independent, to offer a logical proposal. Cut the HEW appropriations for 1978–79 by $5.6 billion, he urged, because at least that much was lost last year down various ratholes. Give HEW an incentive for better management. The amendment failed, 28 to 48.

Secretary Califano may indeed be concerned about the ability of his department to provide "prudent management" for any larger appropriations. He may be concerned about protecting the taxpayer's dollar. Or he may be just happy that his proposed budget is $17 billion fatter than this year's and wants to quit while he's ahead.

But the taxpayer, poor fellow, is behind—and can't quit.

Mr. HARRY F. BYRD, JR. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

SPECIAL ORDER

The PRESIDING OFFICER. Under the previous order, the Senator from New York (Mr. JAVITS) is now recognized for not to exceed 15 minutes.

PRODUCTIVITY

Mr. JAVITS. Mr. President, I have taken this time this morning to call the attention of my colleagues to a problem which is not as glamorous as how many jets we should sell to Saudi Arabia, or what will be the fate of the energy bill, but, Mr. President, I assure my colleagues it is more important in terms of the domestic health of the United States than any of them, and that is the question of productivity in the output of goods and services in the United States.

On April 26, a Washington Post analysis reported on the recent surge in unit labor costs—one of the principal barometers of underlying inflationary presures in our economy. The newspaper noted that unit labor costs rose at an annual rate of 18.3 percent in the first quarter of 1978, the fastest rate since 1951.

While the extraordinary behavior of this critical indicator was exacerbated by some one-time factors, such as the social security tax increases and the drop in industrial production in the winter months, the sharp upward spiral reveals a continuing pressure on business costs, which, in turn, means rising prices. This phenomenon underscores the vexing persistence of the lag in U.S. productivity that has characterized our economy for some time.

Mr. President, the plain fact is that we are "in the cellar" as far as the 10 leading industrial nations of the world are concerned; that we are going down, not up; that this stagnation, which has resulted in our country from this tremendous drop in our productivity, is one of the greatest contributors to inflation because the cost of labor has not stopped, even though the rate of improvement in productivity has been materially curtailed. With labor costs continuing to rise, the economy becomes weakened by the disproportionate reduction in productivity and this phenomenon is perhaps the principal cause of inflation.

Mr. President, I could go into the details of it, and I will to some extent, but that is the key issue. I hope very much that our President and Congress will focus upon this because this is the very basis of our society.

It reminds me a little bit of termites. Everything looks good until the house caves in. The exterior America is strong, vital, young, productive, and so forth. But when you look at the figures, you get very depressed; for example, in 1977 productivity rose at an average rate of only 2.6 percent; in 1976 the increase was 4.2 percent, only 2 years ago.

When you apply that to what is rapidly becoming a $2 trillion economy, the lost use of our resources runs into enormous figures. It makes our $60 billion deficit, notwithstanding the fact that $60 billion is a lot of money, child's play to handle. If you could raise the rate of productivity by 1 percent we could produce twice or more what we do now and stop worrying about the contribution of the deficit to our inflation.

In my judgment, the stagnation of productivity in our country is an ominous development which, if allowed to continue much longer, could have disastrous consequences for our Nation.

My colleagues are well aware of my concern over the extremely serious monetary situation that I believe faces the United States and the rest of the world. There are many interrelated causes of this dangerous situation; to wit, the weakness of the dollar; the lagging recovery and the relatively low level of capital formation in the industrialized countries; the problems of recycling OPEC funds; and the persistent coupling of unacceptable unemployment and inflation in industrialized countries.

The slowdown in productivity is complicating the U.S. effort to solve its internal and external economic problems. Make no mistake about it—the slowing of the growth of productivity in the United States is a serious problem with ramifications throughout every economic sector.

Productivity is a subject that has long interested me because of its integral role in controlling inflation, providing a higher standard of living through an increase in real national income and reflecting the relative competitive position of U.S. business.

We cannot lose sight of the fact that the United States must maintain its competitive edge in world markets. Otherwise, the most brilliantly executed and well-organized system for export expansion and other improvements in trade and production will be unable to generate an adequate and healthy economy and reasonable prices.

The problem of productivity has suffered, to my mind, from an inexcusable lack of attention. Therefore, I am gratified that there are some signs that productivity is again being given serious consideration by economists and Government officials. For example, the quarterly report of the Council on Wage and Price Stability contained a special report on inflation which included a chapter on the role of productivity as an important and influential factor. In addition, the Commissioner of the Bureau of Labor Statistics, Julius Shiskin, in a recent appearance before the Joint Economic Committee, described the slowing trend of productivity as economic expansion continues with the consequent increase of labor and production costs. Some of these observations I will discuss later on in my statement.

Mr. President, let me describe where we stand on this important indicator of economic performance. In respect of both the behavior of unit labor cost and prices and of the long-term trend rate of productivity growth, the U.S. experience in recent years has been highly unsatisfactory.

Here are a few figures which are very important. In the first two decades after World War II productivity growth in the private business economy was greater than in the last 10 years. During that period, that is 20 years after World War II, which would bring us, say, to 1964 or 1965, labor productivity grew slightly more than 3 percent a year. That is the average, including peaks and troughs. This held the annual growth in labor costs to 1.9 percent as hourly compensation increased about 5 percent a year for workers, which was just about the same as the change in prices. Productivity increases enabled us to live with this inflationary bulge as well we can live with, say, a 2-percent, 3-percent, 4-percent increase in prices.

In the last 10 years, since average annual productivity has increased at only half of its earlier rate; to wit, about 1.5 percent a year, we have suffered a 1.5-percent rate as compared with the former 3-percent rate, and compensation has risen not 5 percent but 7.5 percent. Unit labor costs have increased by about 6 percent, and that is it. The whole story is right there. The unit labor costs today are materially in excess of the 2 percent that was the average standard after World War II, and when you realize the size of these figures you realize what a serious gap we have created.

The quarterly pattern of productivity during the last year of 1977 showed this very significant drop from an increase in 1976 of 4.2 percent to a low of 2.6 percent in 1977, and in the fourth quarter the rate of growth dropped further than it had in the preceding three quarters.

We were lucky in that hourly compensation grew somewhat more slowly in the fourth quarter so we just about kept abreast of where we are.

The first quarter data on output continued this dismal picture. The decline of 3.6 percent in output for the private business sector was the first since the second quarter of 1977 and the largest quarterly drop in 4 years. We expect the second quarter figures to bounce back somewhat, but the rocky path ahead of us clearly is visible.

The following table from the Congressional Budget Office illustrates the marked slowdown that has occurred in the growth of productivity (even after adjustment for the short run influences of recessions and recoveries).

Productivity growth in the private economy
(In percentage points)

Time period:	*Average annual growth in output per worker*
1950–55	3.2
1955–60	2.7
1960–65	2.7
1965–70	2.4
1970–75	1.0

On the basis of these data, CBO concludes that—

> Continued growth at a rate as low as 1 percent would mean less improvement in living standards than the United States has enjoyed during most of the period since World War II.

Commenting in January 1977, on the developments in productivity over the last decade, the President's Council of Economic Advisers found that slower productivity growth "is one of the most significant economic problems of recent years. Gains in real living standards must come primarily from improved productivity. Without gains in productivity, improvement in real incomes for some Americans can come only at the expense of other." And one of the Nation's largest commercial banks, Citibank of New York, has cited the "persistent pronounced fall in the growth of productivity" in the 1966–73 period as one of the principal reasons for the downward revisions that have been made in estimates of U.S. potential GNP. The Council on Wage and Price Stability also found that the effect of the slowdown in productivity growth of less than 2 percent annually since 1967, has been to reduce total real income by 19 percent in 1977—the equivalent of $280 billion in today's prices—compared to what would have been achieved by a sustained growth of productivity at the rate of the prior decades.

Clearly, the relatively stagnant performance of U.S. productivity in recent years has exacerbated our problems of inflation and unemployment and has made possible the resumption of a new inflationary spiral beginning possibly as early as 1978.

Mr. President, one other thing which is critically important—after all, this is a competitive world—is where do we stand in relation to other nations? Mr. President, as I said when I began, we are "in the cellar" compared with other nations. In the past decade the United States has fallen to last place among its major trading partners. Ten-country data obtained from the Bureau of Labor Statistics on the average annual growth rates of productivity—output per hour in manufacturing—in the period 1970–76 indicate that there has occured a remarkable change in respect of U.S. leadership; indeed, the United States is lowest among the world's leading industrial nations.

It may surprise many Americans to hear this, but it is lower than the United Kingdom, which is supposed to have a very high rate of obsolescent plant and equipment.

Mr. President, let me read the figures from the following table. These are the most instructive of any.

United States, 2.1 percent; second in line, United Kingdom, 2.6 percent; Canada, 2.8 percent. Now let us take some of the successes and see how we stand with them. Germany, 6 percent—6-percent improvement in productivity currently as against its preceding figures—and Japan, 5.5 percent; even Italy is 5.5 percent, notwithstanding the tremendous disorder in the country; and France is 4.9 percent, which is more than double the productivity improvement in the United States.

Productivity growth in manufacturing
(1970–76)

Country:	*Percent*
United States	2.1
Canada	2.9
Japan	5.5
France	4.9
Germany	6.0
Italy	5.5
United Kingdom	2.6
Denmark	6.8
Sweden	3.9
Switzerland	3.5

(SOURCE.—U.S. Department of Labor, Bureau of Labor Statistics, Office of Productivity and Technology.)

Moreover, the United States ranked highest among the large industrial nations in the sixties. U.S. productivity, therefore, has deteriorated both absolutely and relatively to that of its trading partners, a fact that can only have serious adverse implications for both the domestic and international economic positions of the United States.

WHAT ARE THE CAUSES OF PRODUCTIVITY STAGNATION?

Mr. President, a word on the causes. The causes appear to be, and there seems to be general agreement on this, a slowdown in the growth of capital stock relative to the growth of labor. It seems clear the growth in capital stock has not kept pace with economic growth. The Council of Economic Advisers points out that while "capital per labor-hour in the private sector grew by about 3.1 percent in the years between 1948 and 1966," the rate fell to 2.8 percent per year in the 1966–73 period and to 1.7 percent per year since 1973. A slowdown has occurred in the growth of capital stock relative to the growth of labor and, while labor force growth has been exceptionally rapid, it is clear that capital stock has not kept pace.

There are, of course, numerous other reasons for the decline in productivity, including: the overall output average, which is no longer benefiting from a shift of employment out of agriculture, a sector with low average labor productivity; higher obsolescence rates, which have absorbed an increasing proportion of annual capital investment; lower real profitability after adjustment for inventory profits and true replacement cost depreciation; employment shifts to lower productivity growth sectors; relative reductions in spending for research and development; shifts in the demographic composition of the labor force to a greater proportion of youths and women; and the rapid growth of social regulations designed to achieve goals such as health, safety, and pollution abatement—other than increasing output.

It is significant that while we have been looking at it, our industrial plant has been getting older and other nations which have rebuilt since World War II, notably Germany and Japan, have gone far ahead of us in terms of modernization of their plant.

We have lower real profitability in business, and Arthur Burns, former Chairman of the Federal Reserve Board, has

pointed this out very markedly because you can only compute profitability after adjustment for inventory profits, and true replacement cost depreciation (which we do not have).

Of great significance among the various additional factors that can influence productivity are the morale and attitudes of the work force. In recent years it has become evident that a deterioration has taken place in the morale of U.S. workers. There are, of course, considerable measurement difficulties associated with efforts to quantify this deterioration. Nevertheless, many economists, sociologists, and industrial psychologists suggest that dissatisfaction and discontent are widespread phenomena at workplaces in U.S. plants and office buildings. The assembly line method of production and the monotonous nature of many clerical tasks, together with significant increases in educational attainments and technological developments may be responsible for the occurrence of a remarkable attitudinal change on the part of workers.

The creative potential of better-educated workers may be stifled by the impersonal and sometimes dehumanizing production process of the high technology, computerized economy. In this atmosphere, some part of the productivity decline may be attributable to the work force itself and to a decline in the quality of working life in general.

Certainly, establishment of the National Center for Productivity and the Quality of Working Life—to consider and propose alternatives to deal with the instances of workers alienation and discontent vividly described in the now-famous 1972 HEW report, "Work in America"—was motivated by the need to deal with this important dimension of the productivity problem. In the consideration of proposals to reverse the secular decline in U.S. productivity, then, care should be taken to avoid minimization of this particular aspect of the problem.

RECOMMENDATIONS

Mr. President, I believe that if we can marshal our energies and commitment, there are things we can do to ameliorate this problem. These are the remedies which we could apply.

First and foremost among these is the need for an acceleration in the rate of capital formation in order to expand the U.S. stock of capital. As is explained above, capital investment in recent years has not been sufficient to enable the growth of the capital stock to keep pace with labor force growth. The resultant decline in output per worker could be countered, therefore, by a more rapid rise in capital spending.

The second point is the extent of the obsolescence of the U.S. plant and equipment. I might announce that in the Joint Economic Committee, in which I am the ranking minority member, we are making an inquiry into that situation now, and we will make a report to Congress about it. We are hoping that a clearer picture or the present situation will help us formulate policy changes that will help U.S. business investment.

One change that can be of immense assistance is in our tax structure. The tax code must be changed so as to spur investment, and a mechanism to accomplish that objective can be found in the tax proposals introduced by Senator DANFORTH and myself. Among other things, the Danforth-Javits tax package provides for an expanded and refundable investment tax credit. We would increase the credit to 12 percent, provide for a 100 percent offset against current year tax liability, and extend the credit to industrial and commercial structures in areas of high unemployment.

Another feature of the credit is that it would be refundable—that is 25 percent of any credit that could not be used to offset tax liability would be directly refunded to the business, with any remainder allowed to carry over to the following tax year.

Also part of the Danforth-Javits tax package is a proposal to expand the asset depreciation range from 20 percent to 40 percent to provide for quicker depreciation of capital assets.

The expanded investment tax credit clearly provides for larger investment incentives. The shorter asset depreciation life that we urge our colleagues to accept will greatly enhance the ability of businesses to offset the debilitating effect of inflation on cost recovery and replacement cost of new plants and equipment. This idea follows successful precedents in other countries.

I hope that Members will pay serious attention to that proposition when we come to amending the tax law. I believe the American people are far more interested in what they get in salaries and wages and what their pay means for their standard of living than they are in getting, perhaps, a slight break of a few percent on their tax bills, and that is a real issue which will be before us in the respective tax bills.

As other sections of this paper show, U.S. capital investment in the 1970's has been inadequate to maintain vigorous, job-creating growth rates and to avoid incidence of inflationary bottlenecks at crucial stages of the production process. University of Pennsylvania economist Lawrence R. Klein has emphasized in this regard that—

> An expansion of fixed capital formation could do much to hold down the capacity utilization rate by increasing productivity.

In addition, there is a need to upgrade significantly U.S. private and public expenditures on research and development. The sophisticated technological advancements produced by R. & D. investment in the United States constitute the foundation of U.S. industrial competitiveness. A decline in R. & D. jeopardizes this one area where our country historically has maintained a comparative advantage. We need the new high-technology firms that will create the new goods and job opportunities while holding down costs. While it is difficult to estimate with precision the amounts that are required, it may be concluded that it is necessary for R. & D. expenditures to be increased from 2.3 percent of GNP—the prerecession 1973–74 level—to 3 percent, the level prevailing in 1966.

Beyond these and other policy initiatives that could be undertaken, there is a need to address the considerations of worker morale and attitudes that have been shown to influence productivity. In this regard, a number of innovative approaches have been implemented at various places and in widely disparate industrial settings. Experience with these projects has lent support to the thesis that U.S. productivity can be improved by widespread adoption of worker participation and job enrichment programs. Such programs could include a proliferation of joint labor-management cooperative committees, to enlarge the common interests of labor and management without undermining the traditional role of trade unions or the prerogatives of management. I am the sponsor of such a bill in the Senate (S. 533) with Congressman LUNDINE of New York (H.R. 2596).

Furthermore, consideration could be given to implementation of programs to broaden employee stock ownership in U.S. business in order to give workers an equity interest in their own firms and in the profits they can help generate.

The indulgence which we have given to the so-called ESOP's in the tax law does not seem to be adequate. I felt that when they were up before us, and I hope we will resist and improve those stockholding opportunities for workers.

Finally, the remarkable experiences with worker participation in plant decisionmaking, in such places as Bolivar, Tenn., and Rushton Pa., should be duplicated in as many instances as possible, to determine whether participatory schemes can influence worker attitudes and performance and, ultimately, industrial productivity.

There are a number of tax and spending policies that Congress could consider in light of our experience with these innovative programs. For example, Congress could enact provision for liberalized tax treatment of employer contributions to various kinds of employee stock ownership funds and for an exclusion from income taxation of a portion of the dividends received by employees on stock held in such funds.

Congress could also authorize an expanded program of encouragement of labor-management committees, through demonstration project authority and through funding of third party technical assistance.

These and other proposals deserve consideration as alternatives to reverse the insidious and ominous stagnation in U.S. productivity growth. Since it is unlikely that vigorous productivity growth will be restored in the absence of specific governmental policy initiatives, an affirmative policy of productivity improvement adopted by the Congress and the President, to my mind, is one of the most urgent requirements existing in our country.

Mr. President, I would like to conclude my remarks today by emphasizing that I believe our country is able to overcome the threat of productivity stagnation. We have the capacity and the genius that is required to restore healthy growth. But the world is watching us closely; it needs to be reassured that we are merely experiencing a transitory phase in our vigorous development as a nation; that we have not entered upon a plateau of stagnation indicative of an aging and debilitated society.

If we can satisfy the world on this score, then our future as a nation and our prestige in the world will again be assured, and you will see the dollar rising instead of falling.

I thank the Chair.

TRUTH IN LENDING SIMPLIFICATION AND REFORM ACT

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of S. 2802, which the clerk will state by title.

The assistant legislative clerk read as follows:

Calendar No. 662, S. 2802, a bill to amend the Truth in Lending Act to facilitate compliance by simplifying the requirements imposed under that act, to facilitate administrative enforcement of that act, and for other purposes.

The Senate proceeded to consider the bill.

The PRESIDING OFFICER. The time for debate on this bill is limited to 2 hours to be equally divided and controlled by the Senator from Wisconsin (Mr. PROXMIRE), and the Senator from Massachusetts (Mr. BROOKE), with 1 hour on any amendment in the first degree, with 30 minutes on any amendment in the second degree, debatable motion or appeal, and with 20 minutes on any point of order.

Who yields time?

Mr. RIEGLE. Mr. President, I yield myself such time as I may require.

The Banking Committee is today conducting hearings on the Humphrey-Hawkins legislation, and I am here as the chairman of the Consumer Affairs Subcommittee, which is the subcommittee with jurisdiction with respect to this legislation in the Banking Committee, to present this bill and to move later for its passage.

Mr. President, I am pleased to speak in support of S. 2802, the Truth in Lending Simplification and Reform Act.

This bill is the result of more than a year's work by the Banking Committee to simplify and improve the Truth in Lending Act. I think the quality of this bill can be measured by the fact that it was ordered reported by the committee by a vote of 14 to 0. It is truly consensus legislation.

The Truth in Lending Act, enacted in 1968, was the first consumer credit law passed by Congress. I might add that we have this fine law today due principally, I think, to the leadership in those efforts in the early 1960's of the Senator from Wisconsin (Mr. PROXMIRE), who now, of course, serves as chairman of the Banking Committee. Today, 10 years after enactment, truth in lending remains one of the Nation's most important consumer protection laws.

The idea behind truth in lending is simple. By requiring creditors to disclose key credit terms in advance using uniform terminology, the consumer is able to compare available credit terms and utilize credit more wisely. In addition, this credit shopping serves to increase competition among lenders.

After nearly a decade of operation, there is substantial evidence that the act has succeeded in its mission. For example, in 1969, the year the act became effective, only 15 percent of consumers knew the true rate of interest they were being charged for common types of loans. Recent studies show that this awareness has soared to nearly 55 percent in 1977. And there is an equally impressive growth in rate awareness for open-end (revolving charge) credit, the kind consumers receive when they make purchases on an account in a normal department store or thing of that kind.

In addition to greater awareness of credit costs, the act has the effect of educating the public as to what types of lenders charge the most. As a result, there has been a steady shift of market share away from the high-rate lenders since 1969 and toward those who charge the least.

While the act has clearly been a success in its central objectives, there is nonetheless a feeling among lenders and consumers that the act could be substantially improved. For example, the typical disclosure statement given to consumers is far too lengthy and difficult to understand. Creditors have had a difficult time keeping up with a steady stream of administrative rulings. And many lenders who have tried to comply with the act in good faith have nonetheless, due to the act's complexities, found themselves in violation and subject to litigation.

In short, the committee is of the belief that both consumers and creditors would benefit from an overhaul and refinement of the act. The Consumer Affairs Subcommittee, which I chair, set about the task of simplifying the act in July 1977, and the full committee completed action in late March 1978.

I might say two things at this point, Mr. President. First, I think there is a tendency in Congress generally, for a number of understandable reasons, for us to write legislation which then goes into effect, and then we become so preoccupied with new issues and new subjects we never find the time to go back and modify and improve the legislation that we have already enacted. This oversight responsibility, I think, is one of the areas where Congress is most deficient, generally, in terms of failure to go back and make the corrections and improvements that are needed.

I have yet, in 12 years in Congress, to see a perfect piece of legislation. I do not know that we can write one. Virtually everything that we write does need refinement, modification, and retailoring as time goes on, at least that has been my observation, and I have the keenest feeling that this is an area where we can better apply ourselves in trying to improve the quality of our legislation as we learn from experience.

I think today's truth-in-lending simplification bill which is before us is a graphic illustration of an attempt to do that, and I think it is a successful attempt.

I wish to say to my friend from New Mexico (Mr. SCHMITT), who is the ranking Republican member of the subcommittee, that we have had, I think, between us a common feeling in this regard, and we have had really an excellent effort at cooperation and working together to try to sort through the issues and make some sense out of how the law is working, and try to adjust whatever differences of opinion there may be as to modifications and improvements that would make sense and, after a period of work, have produced this measure as it comes to the Senate today.

I think this is an illustration of the kind of process with respect to improvement of legislation that I hope will spread itself out, and that perhaps other committees with other measures will decide that some time can be found to do some of the same kind of thing, because I think it is essential, and that if we are going to be serious about restoring people's faith in Government, one of the ways to do that is to make Government work better. That is what this bill today is about.

The bill focuses on four general areas: First, getting simpler, clearer information to the consumer; second, making compliance easier for creditors; third, limiting civil penalties to only material violations; and, fourth, strengthening administrative enforcement.

In the first area—simplifying disclosures—the bill follows the general recommendation of the Federal Reserve Board, the act's chief enforcement agency. The bill would greatly simplify the typical disclosure statement given consumers by cutting down on less important information and stressing key credit terms.

The result—as the committee report shows in exhibits on pages 4 and 5—is a much cleaner and easier to understand document.

In addition to this revision, certain technical disclosures, like "Finance Charge," would be accompanied by a descriptive phrase like:

This is the amount the credit will cost you.

These revisions will not only cut down on unnecessary paperwork, but will also help the consumer to understand a credit transaction better.

The second area of focus is making compliance easier for creditors. Here,

the bill provides several important features. Most important, the bill would require the Federal Reserve Board to issue model disclosure forms. A creditor who used an appropriate model form would be guaranteed to be in compliance with the act. In addition, tolerances for certain numerical disclosures have been added to permit minute numerical errors. Finally, as a way of preventing a stream of administrative rulings, the bill designates October 1 of each year as the effective date of new regulations. This, it seems to me, will cut creditor costs substantially.

In the area of limiting civil penalties, the bill restricts the imposition of a minimum penalty to only violations which are central to comparing a credit transaction. This should cut down on overly technical lawsuits.

Finally, the bill strengthens administrative enforcement of the act in several ways. This is an important counterpart to the easing of civil liability. For the first time, the agencies enforcing the act (the bank regulatory agencies and the FTC) would be required to order refunds to consumers in most cases where they discover that an interest rate was understated to a consumer. This will prove a potent enforcement tool and will result in very substantial refunds to consumers.

Also, the Federal Trade Commission's enforcement power would be modernized to parallel its authority under the Equal Credit Opportunity Act and the new Fair Debt Collection Practices Act. This will permit the Commission to utilize its resources far more efficiently. Finally, the bill authorizes the Federal Reserve Board to undertake a pilot project to determine the feasibility of publishing "shopper's guides to credit" in major cities. These publications would list the rates charged by all lenders in that area for common types of loans. A similar project now being conducted by the State of Massachusetts is producing promising initial results.

Mr. President, I want to emphasize that this is consensus legislation which the Banking Committee spent a good deal of time formulating. We also, I might say, involved ourselves in a way where we were open to discussion at whatever length seemed necessary with all the parties. We were available to hear the comment and discussion, and I think that process reflects itself in the quality of the adjustments and improvements we present here today. So I believe it is an excellent bill which will benefit all parties in credit transactions, and I am pleased to urge its passage.

I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from New Mexico is recognized.

Mr. SCHMITT. First, Mr. President, I ask unanimous consent that the following staff members be extended the privileges of the floor during the debates and votes on S. 2802: Stephen Beck, Lou Taffer, Phil Sampson, John Collins, Jerry Buckley, Pat Abshire, and Bob Cable.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SCHMITT. I also make the same request in behalf of Tom Carter of Senator HAYAKAWA's staff.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SCHMITT. Mr. President, this is the second major piece of legislation that can be in part referred to as deregulation legislation with which I have had the privilege to be associated. The first, of course, was the airline deregulation bill, which the Senate passed just a few days ago. This is the Truth-in-Lending Simplification Act amendments.

Other than inflation, the most serious complaint of the American public is that their lives and enterprises are being hamstrung by regulation from Washington.

A prime target for this regulaory overkill has been consumer credit.

As our distinguished colleague (Mr. HAYAKAWA) has said before, it is one of the areas in which the bottom rung of the economic ladder to success is being removed for many people in our country, particularly minorities, by increasing the cost of consumer credit. That increase in cost is, in large part, coming from increased regulation.

The decline by about 30 percent during the last 10 years of the number of consumer credit grantors is attributed by some observers in part to the overregulation of consumer credit granting at the Federal and State levels. For example, since 1968 with the passage of the Federal Consumer Credit Protection Act, commonly known as the Truth in Lending Act, Congress has passed eight major amendments to the act, as well as three separate disclosure statutes involving credit terms.

There should be little wonder that small retailers in droves have been abandoning their own credit plans for the bank credit card.

The Truth in Lending Act, although well intentioned, spawned a regulatory nightmare.

Under it the consumer has failed to receive clear and timely disclosures to facilitate intelligent credit shopping.

Burdensome regulations, nuisance lawsuits, and wasteful paperwork has stiffled small business.

In some sections of the country, the Federal court system has been turned into small claims courts swamped with nonproductive nuisance legislation. Over 9,400 suits were filed under the Truth in Lending Act during fiscal years 1972 through 1977, and new suits are being filed under it at a rate of over 2,000 per year in the Federal district courts alone.

The American taxpayer is forced to shoulder the burden of a vast and costly bureaucracy established to write, interpret, and reinterpret truth-in-lending regulations, not to mention the cost of running our Federal court system in areas related to truth-in-lending litigation. The Federal Reserve Board, pursuant to the congressional dictate, has issued a regulation almost three times as long as the Truth in Lending Act. In addition, it has issued 64 official Board interpretations, 145 official staff interpretations, and 1,286 unofficial staff interpretations. That is simply too much for the small businessperson to assimilate and, in fact, too much for any business, whatever the size, to have to master just to avoid technical litigation which rarely involves actual damages.

This is not to say that the Truth in Lending Act is totally without some redeeming value. Recent studies of the Federal Reserve Board indicate that the disclosure provisions of the act have attributed to an increase in the consumer's awareness of the cost of credit.

The Truth in Lending Simplification Act amendments which are before this body today address some of the deficiencies in the act and make the disclosures more meaningful for the consumer.

The thrust of the bill is to simplify disclosures. make compliance easier, limit civil liability, and strengthen administrative enforcement.

Mr. President, I generally support this purpose, although, as my distinguished colleague has indicated, there were disagreements in the committee which I feel will have to be resolved at some future time.

EXEMPTION OF AGRICULTURAL CREDIT

The committee bill takes an important step toward simplification by exempting agricultural credit from the disclosure requirements of the Truth in Lending Act. The current requirement that a truth in lending disclosure be given in agricultural credit involving less than $25,000 has often delayed loan transactions for farmers who do not feel they need the disclosures. There is a question whether a law designed to protect consumers should include a type of credit that is related primarily to business or commercial activity.

MODEL FORMS

To ease the compliance burden, particularly for small creditors, the committee bill in section 5 requires the Federal Reserve Board to promulgate model forms and clauses for common credit transactions. In addition, the bill sets October 1 of each year as the effective date for any regulation or interpretation of the Board which would require new or different disclosures. It also provides for a 6-month leadtime for the use of a new form. This should reduce the cost of form changes for creditors.

SIMPLIFICATION OF DISCLOSURE REQUIREMENTS

A number of provisions of the committee bill are designed to simplify and streamline disclosure requirements. For example, section 6 will eliminate some of the current confusion surrounding the disclosure of the components of finance charges by making clear that charges which would also be incurred in a similar transaction for cash, such as sales taxes, are not to be included in the finance charge.

Section 13 simplifies the disclosures required for open-end credit and makes

compliance with the act's billing requirements easier for small creditors. It also eliminates the current requirement that consumers be mailed a notice of their billing rights twice a year, thus eliminating unnecessary paperwork.

By the same token, in section 14 a number of improvements are made in the disclosure of single transaction credit.

Section 15 is intended to restrict the exposure of creditors to statutory penalties to only those disclosures which are of material importance in credit shopping. This significant provision is aimed at eliminating litigation based on purely technical violations of the act.

To assure that compliance with the act will not be diminished by the bill, section 8 strengthens the administrative enforcement provisions of the act. The Federal Trade Commission's powers are enhanced and enforcement agencies are given guidelines for restitution.

Mr. President, I should add at this point that I have great concern about the extension of the Federal Trade Commission's powers in this area and many other areas where Congress is attempting and, unfortunately, succeeding in extending those powers. It may be that at some future time this whole area of a possible creation of a fourth quasi-judicial branch of Government should be investigated by the Congress.

CREDIT ADVERTISING

To encourage informative credit advertising, section 20 relaxes restrictions on such advertising. Also, to encourage creditors to quote rates orally in terms of annual percentage rate, section 23 provides that in response to oral inquiries a creditor shall state rates only in those terms.

There are some areas of the Truth in Lending Simplification and Reform Act which need clarification.

Section 4. Definition of "Open End Credit Plan." By changing the definition of open end credit plan," the committee intended to focus on the very narrow area of spurious or deceitful open end credit disclosures and prohibit them only in that very narrow area. I feel that it was not the intention of the committee to prohibit the use of open end credit plans under which day-to-day purchases may be made, even in those instances where a customer may not elect to make day-to-day purchases. Nor was it the committee's intention to require retailers to quiz their credit applicants in order to find out how often they intended to make purchases under the plan. If a creditor's plan otherwise meets the definition of open end credit and if the creditor is available to enter into repeat transactions with the consumer, the plan will be an "open end credit plan" even though the customer may not choose to enter into subsequent transactions.

Mr. President, I think this is an extremely important part of the bill.

Section 15 deals with defense against civil penalties for bona fide errors. A great deal of litigation has recently clogged our court system based upon good faith printing and computer errors by creditors where no bad faith can be attributed. Under existing law, creditors are not protected against civil penalties even when they make such an unintended error. It is my understanding that the committee continues to believe that errors of law about the act's requirements should be subject to civil penalties, but that creditors who interpret the law correctly and simply suffer bona fide clerical, printing, computer, or other similar errors should be free of civil penalty provisions. An amendment to section 130(c) of the act accomplishes this result.

Section 15 also deals with civil penalties by way of recoupment or set-off. The courts have been divided on whether a consumer may assert a violation of the Truth in Lending Act as defense or counterclaim in a creditor's suit to collect the debt after the one year statute of limitations has expired. The committee has adopted the provision of a majority of the courts which hold that the one year statute of limitations does not apply to the defense of set-off. However, it should be recognized that the matter of state court procedure should, in fact, be governed by state law or rules of procedure. For that reason, the committee would permit states to limit or prohibit a right of recoupment or set-off, just as two States—North Carolina and Louisiana—have already done. Thus, Congress would not be intruding in the area of state jurisdiction over its own courts' procedures.

Section 15. Limitation on Civil Liability. As I have said, the courts have been clogged with Truth in Lending litigation. Suits are still being filed at the rate of more than 2,000 per year, and many of them are based on violations of a purely technical nature. For that reason, the bill would narrow a creditor's civil liability for statutory penalties only to those disclosures essential to the understanding of the cost or terms of a credit transaction. In open end transactions, the bill specifies civil liability for statutory penalties only to disclosure of certain terms prescribed in section 127. Similarly, in closed end transactions, statutory penalties apply only to disclosure of certain terms prescribed in section 128. No statutory penalties would attach in either open end or closed end transactions to less important requirements such as type size, the sequence of disclosures, and, for open end credit, identification of purchases or payments. This provision will retain the necessary sanctions for the important disclosures and relieve both creditors and courts from extensive litigation involving purely technical violations.

Considerable credit for progress made in the framing of truth in lending simplication legislation should go to the senior Senator from Utah (Mr. GARN) who on April 13, 1976, introduced S. 3302 to amend section 130 of the Truth in Lending Act to relieve the Federal court system from the burden of the multiplicity of suits based on nonwillful technical violations of the Truth in Lending Act. Senator GARN was then the ranking minority member of the Senate Consumer Affairs Subcommittee and was active in the truth in lending hearings before the subcommittee which focused public attention on the litigation stemming from the abuses of the punitive damage provisions of the Truth in Lending Act. Later, in October of 1976, Senators GARN and TOWER coauthored the Truth in Lending Simplification Act of 1976, S. 3875, which was a more extensive attempt at simplifying the Truth in Lending Act to bring the consumer more meaningful credit disclosures and relieve business of an unreasonable compliance and paperwork burden, and to reduce the costs, of course, of consumer credit. After receiving public comments, Senator GARN refined his bill which was reintroduced as S. 1501 with Senator TOWER and myself as cosponsors.

Much credit also goes to the distinguished chairman of the Senate Banking Committee (Mr. PROXMIRE) who has relentlessly pursued the goal of simplification and reform of the Truth in Lending Act. Recognition also should be given to the distinguished chairman of the Senate Consumer Affairs Subcommittee (Mr. RIEGLE) who in this Congress worked so diligently in the subcommittee and on the full committee to report this bill.

I would like to take this opportunity to extend my gratitude to the Honorable Philip C. Jackson, Jr., members of the Board of Governors of the Federal Reserve System, and to the board's staff and consultants who provided invaluable assistance in the drafting of this legislation.

Mr. President, on the minority side, Mr. Pat Abshire, Mr. Hayden Bryan, and Mr. Phil Sampson have provided invaluable assistance to me and to other members of the committee.

Although there are some provisions in the bill which I would question, I feel that, on balance, the benefits for the consumer and industry in the bill outweigh the deficiencies.

I recommend prompt passage of this legislation.

Mr. President, I yield such time as he may require to the distinguished Senator from Indiana.

UP AMENDMENT NO. 1310

Mr. LUGAR. Mr. President, I send to the desk and amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will state the amendment.

The legislative clerk read as follows:

The Senator from Indiana (Mr. LUGAR) proposes unprinted amendment numbered 1310: On page 9, line 22, strike the word "and" and insert in lieu thereof a "," and insert the following: "except that if".

On page 9, line 23, strike the words, "in which event".

Mr. LUGAR. Mr. President, this is a technical amendment to section 8 of the bill which provides a restitution remedy for certain violations of the disclosure

requirements imposed by the Truth in Lending Act.

It was my understanding that there was to be a de minimis rule under which adjustments of less than $1 were to be made only upon the request of the appropriate agency. Under that rule, these small adjustments would never be mandatory but, rather, would be left to the discretion of the agency.

As reported from the committee, however, the bill contains language that suggests that, in some instances, these small adjustments would be required. My amendment would clarify this point and make more explicit the fact that there is a limited de minimis rule for restitution purposes.

It is my understanding that this amendment has been agreed to by the floor managers of the bill.

Mr. RIEGLE. Mr. President, let me say to the Senator from Indiana that we have examined the amendment. It is essentially a technical amendment. I have no objection to it. Therefore, I move that it be accepted.

Mr. SCHMITT. Mr. President, also, the minority side has no objection. As a matter of fact, I think it is a very important technical amendment. It does relieve ambiguity that might exist in the law. I am happy that the Senator from Indiana pointed it out. I also agree to its acceptance.

Mr. LUGAR. Mr. President, I move the adoption of the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. LUGAR. Mr. President, will the Senator yield me some time?

Mr. RIEGLE. I am happy to yield the Senator some time.

Mr. LUGAR. I thank the distinguished Senator from Michigan for his courtesy.

Mr. PRESIDENT. I am pleased to support S. 2802, the Truth in Lending Simplification and Reform Act. This legislation represents an exceptional effort on the part of the Senate Banking, Housing, and Urban Affairs Committee to exercise its oversight responsibility.

I pay a special tribute to Senator RIEGLE for the majority and Senator SCHMITT for the minority for their work in the specific subcommittee that wrestled with a great number of complex and tedious problems.

Nine years after the initial passage of truth in lending, the consensus of expert opinion is that truth in lending has been of substantial benefit to consumers. There also has developed the belief among both consumers and creditors that the act could be substantially improved. S. 2802 represents the best judgment of the committee on these improvements and I support it.

I do, however, want to raise an objection which four of my colleagues on the committee and I have expressed concerning a portion of the report language on the bill.

Mr. President, I was joined by Senators BROOKE, TOWER, GARN, and SCHMITT in submitting additional views to the committee report on S. 2802 to express our objection to language added to section 8 concerning a "belief" of the committee. Section 8 of S. 2802 provides for the administrative enforcement and restitution provisions. The report on page 12 states in section 8 that:

> The Committee believes that in view of the complexity of this subject, the administrative agencies should have latitude in fashioning this remedy. It is the Committee's belief, however, that any meaningful formula for restitution should compensate the consumer for the time value of money.

The bill is silent on the issue of whether the agencies should include the "time value of money" as a factor in fashioning a restitution remedy. Furthermore, at no time during the hearings or markup did the committee declare such a belief. Its inclusion in the committee report is misleading and inaccurate.

Mr. President, the formulation of an appropriate restitution remedy will require thorough study and analysis. The complex issues involved will include a careful weighing of the proper allocation of economic burdens, an examination of the mathematical and mechanical feasibility of, and costs involved in, making these adjustments, and a determination as to the role of traditional legal principles in this area.

It was the clear intention of the committee that the questions involved here should be answered by the Board of Governors of the Federal Reserve System only after the underlying issues have been resolved satisfactorily. In the absence of any consideration by the committee, it is simply inappropriate to include any reference to the committee's "belief" about this issue.

In fairness to the committee staff, Mr. President, I have raised this issue with the staff and likewise with the distinguished chairman of our committee (Mr. PROXMIRE). He has taken the viewpoint which was taken by the staff that, given the fact that I raised this issue and obtained only four members of our committee who were in agreement with me and who joined me in the additional views, that, at least implicitly by a vote of 10 to 5, the belief becomes a reality. I accept the numbers that are involved in this situation regardless of the particular partisan aspect that I believe may have entered into this situation. The facts are, however, that this particular concept was not agreed to in the committee, certainly not in the markup. The fact may be that it is an appropriate concept for the Federal Reserve Board to consider. At the same time, it seemed important to me, in the discussion and debate on this bill, once again to raise the issue in regard to the prerogatives of staff and the prerogatives of Senators.

It seems to me to be important to establish that in the event that a term such as "the time value of money" is not established by a committee in a markup, it should not be the prerogative of staff to write it in as a belief of the committee or as a belief, really, of anyone at that point, and then leave to individual Senators the necessity of trying to knock it out of the report when, in fact, the issue did not arise in that form.

Very clearly, staffs must make some interpretations, and very clearly we are indebted to talented staffs for offering all sorts of suggestions and as to how legislation might be interpreted. But when a Senator raises a point of fact as to whether a concept has been the will of the committee and when very clearly it has not entered into the committee's final consideration and there is nothing about a majority vote, it seems to me important that staff should recognize that point.

I hope that, having made this particular issue explicit and having indicated that I accept, that 10 members of the committee now want to believe this, whereas five feel the belief did not occur, in order to lay the issue to rest we simply would admonish all staff to be more careful.

Clearly, we do not want a repetition of a situation such as we encountered in the last few days, in which a committee apparently has not seen the report—nor do I allege that is the case here. Quite to the contrary, I make it explicit that there has been much consideration of this report, and a great deal about the phrase "time value of money," additional views added, and some debate within the committee and with the chairman.

I appreciate the opportunity of this debate to make the point with regard to staff work. I am pleased to accept the bill, and I commend all those who have made it possible.

Mr. RIEGLE. Mr. President, will the Senator yield?

Mr. LUGAR. I yield.

Mr. RIEGLE. Mr. President, I appreciate the Senator yielding so that I might comment briefly on what he has said.

I appreciate the point he makes, and I understand the point he makes—that it is expressed in the additional views which he has put forward, and in which some other members of the committee have joined him.

My understanding is that there was some question as to whether the area of the bill that had to do with restitution was clear enough in terms of whether or not it provided a recognition for the time value of money or whether it did not.

The concern of some of the staff was that by saying nothing in that area with respect to the bill itself, it was important not to leave the impression that we were precluding. Obviously, it was not added as a specific requirement, on the other hand. By including it in the report, however, I think it raises the question, without prejudicing a final judgment on behalf of the parties who will have to weigh this thing.

So, under the circumstances, as the Senator has properly described it, I think there has been a good-faith effort to try to think about it and to discuss it.

I believe the solution we have found here is a reasonable one. The legislative record we establish here in discussing it is important to provide some background

as to how this particular issue has come up.

Mr. SCHMITT. Mr. President, will the Senator yield?

Mr. RIEGLE. I yield.

Mr. SCHMITT. Mr. President, I hear what the Senator is saying, but I want to associate myself with the remarks of Senator LUGAR, because the issue is not how well-intentioned the staff may have been. The issue is whether they should have done it.

I think the point has been well made by the Senator from Indiana. The staff should hear this debate, should read it, and should understand that, to the degree that it is possible for any of us who are concerned about the legislative process, we will attempt to keep staff interpretations out of reports. They should be Senate interpretations, committee interpretations, not staff interpretations.

Good intentions are there, and I understand them. I understand what they were trying to do. But it is extremely important to remember what the Senator from Indiana was saying, and that is that the committee did not discuss this very important area. Perhaps we should. Perhaps we were remiss, as the Senator has indicated, and we probably should discuss it further in the future. But at this point the report does represent the opinion of staff, not the opinion of the committee.

Mr. RIEGLE. I suppose another way to say it is that the additional views that are signed by five members of the committee represent the additional views of five members of the committee. I think it is likewise clear that the other members of the committee did not join in these additional views and had the information that was circulated; and that has to be interpreted as an assent on their part to what is contined in the report.

I do not know that there is any real mileage in discussing it further. We have discussed it here. My intent, as the chairman of the subcommittee, as it was when proceeding with the consideration of the bill, was not to gloss over anything or to try to insert anything in a backdoor fashion. That certainly was not the intent here.

As I say, it still does not prejudge in any way what the final determination of the Federal Reserve will be. They are free to do that. There is no legal charge that goes with this, one way or the other. I think it is clear that they will make whatever judgments in their own independent fashion they think is proper, and that is as it should be.

Mr. SCHMITT. It is not my interpretation of the legislative process, and the role that a report plays in the legislative process, that this is the way we want to establish report history, report language. That has to be done through the normal committee process.

The staff's very important function is to help draft that report. But there should not be anything that establishes legislative history, legislative intent, by staff, outside the normal committee process. That is the technical legislative area we are talking about, not about whether the committee agrees with the staff or not, but whether that is the proper way to legislate, and I say it is not. I think that is what Senator LUGAR is saying, and I concur with him in that.

I yield to the Senator from Utah such time as he may require.

Mr. GARN. Mr. President, I thank the Senator from New Mexico.

Three and a half years ago, when I came to the Senate, I was pleased to be assigned to the Banking Committee and also to be designated as the ranking minority member on the Consumer Affairs Subcommittee.

One of the reasons that I was pleased to be on that subcommittee was that I felt there was certainly a need for consumer information. Consumers were entitled to disclosure so that they could know what they were doing when they borrowed money.

But also I was concerned about what I perceived as an overwhelming paperwork burden on American business, the cost of which had to be passed on to the consumer, and that in many cases it did not provide what we really wanted to accomplish, that is, giving the consumer the terms of the loan, how much the consumer would be paying, the disclosures that have been talked about so much.

In investigating truth in lending I found that my fears were more than justified, that despite the fact that I felt we should have a truth in lending law, the original purposes and intent were good, it had been subverted into one of the most monumental monstrosities of paperwork ever foisted upon the American public, that because of some of the provisions we had ambulance-chasing attorneys with $100 minimum recoveries, running to courts, and in some Federal courts in some of the Southern States 40 percent of the caseload was truth in lending violations, highly technical, super critical, a comma out of place, a word wrong, so it was creating not only a big burden as far as the regulatory agencies to enforce it but placing a large burden and cost on the judicial system of this country.

So, in that capacity, on the subcommittee, I felt that we should try to do something about this. I spent a great deal of time working on it, and in April 1976, I introduced S. 3302, the first in a series of attempts to truly simplify the onerous aspects of truth in lending. This was the first attempt. In October 1976, shortly before we were to go out of session for the year, I introduced a comprehensive simplification bill. That was the week before we went out of session. A lot of people said, "Why are you introducing that now at the end of a Congress?"

It was very simple. I did not expect it to receive hearings. I did not expect that it would be considered at all. But truth in lending had become so complicated that I felt we needed time to receive input on it, so I wanted it printed, entered into the RECORD, so that during the 3 months of time that we were out of session we could receive input from all of the various financial institutions and from the consumer groups, and have some good information in January 1977, to come back and start to work on a bill that would really get truth in lending back to what its original intent was supposed to accomplish.

I was very pleased with all of the input that came in during that 3 months of time that we were out of session. There were very helpful comments from various and sundry parties on all sides of the issue, both consumer and business groups.

As a result of that input I introduced a revised and comprehensive bill, S. 1501, early last year, the spring of 1977. So for nearly 3½ years I have been hopeful that we could achieve some true simplification in the Truth in Lending Act.

Other bills were introduced by some of my distinguished colleagues. We went through all of last year holding hearings and attempting to hold markups at the end of last year. One of the things that was so interesting to me in trying to pull these bills together, the various bills that have been introduced, and to come up with one that could be reported to the floor was the academic attitude we had on the committee, which was theoretical, from bright young staff members, who had not really had much experience about what does this do to the consumer, what does it provide them, what kind of a burden is it placing on the American businessman and the costs, therefor transferred onto the consumer?

We did not have answers to those questions. We still do not have estimates of the cost burden. We do not have a cost-benefit analysis.

But another thing that struck me through weeks of trying to mark it up, and then it was finally carried over to this year. We did not make it in 1977. That was because of the unbelievable sessions and the lack of understanding among Senators on the committee and staff members of what provisions meant. It was incredible, day after day, how we argued about terms, and this disclosure item and that.

I wish someone to tell me how the average consumer, with none of this background and expertise, who is not an attorney, does not have a banking and finance background, and did not sit through a year of hearings can understand the forms. If we cannot understand the forms, if we are not capable of understanding what this means how can they? And I am sorry this cannot be seen in the RECORD. There is a truth in lending form. Look at it. How ridiculous. I do not understand all the issues and the blanks on this form. You give it to the average person wishing to borrow some money, and what do they do with it? They throw it in the wastebasket before they leave the bank lobby because they do not understand it.

So maybe our distinguished staff members, with all their legal background, understand it, although with the disagreement in the markups I doubt that. I doubt very much that we know what we are passing today. I do not think we have any idea what impact it will have. It certainly is not simplification.

I am sorry that that has taken place after 3½ years work on trying to do something, that we are passing a bill under the name of truth in lending sim-

plification, and everyone had good intent. I do not doubt their sincerity. I wish to say I am pleased with one provision that was adopted by the committee, and that is the exemption of agricultural credit. We did see the light there. The realization of approval by the committee of that, as important and helpful as it is, is just not sufficient to earn my support for this bill. It is most unacceptable for the bill to be passed in the name of simplification, when indeed it makes new demand on creditors without sufficient benefit to consumers.

I may be called anticonsumer, but I submit that a "no" vote is a proconsumer vote on this issue.

Consumers all over this country are fast coming to the realization that their so-called consumerist friends are costing them millions and even billions of dollars in added costs for businesses of the country, and they are becoming smart enough to know that the consumer pays in the end, not the businesses. Those costs are going to be passed on.

The House of Representatives has not considered the issue, and in this case I am glad they have not. Hopefully we will have another chance in the Senate Banking Committee to truly simplify truth in lending in the next Congress. The Federal courts, as I have said, have been glutted in several areas with supercritical and hypertechnical lawsuits. I had hoped a simplification bill would have cleaned up some of those problems, but, in fact, it may be aggravating them.

The bill provides for a federally prepared "model form" to solve problems all over the country. I submit that if we have learned anything from our recent experiences, that is not very likely, if at all possible.

I am indeed disappointed that I have to oppose this bill after all the time I have spent on this issue, but, as I have said, I am hopeful that the second time around the Banking Committee will accomplish real simplification, and I suggest that maybe what we do when we get down to it is invite some consumers into the hearings and show them some of our forms and ask them what they think of them, fill them out for them, and ask them if they understand it.

As I said, our best legal experts and our best staff members have big disagreements about what we meant, and there is still disagreement about what this bill implies and what it means. But it is not simplification. Maybe this would be the best way to do it. Ignore the consumer groups, ignore the business groups—just invite some ordinary citizens off the street into the committee and say, "This is what we are disclosing. What is your understanding of it?" Maybe we can get down to the nitty-gritties and the practicalities and supply consumers with information that will allow them to shop, that will allow them to make the best decisions on the basis of factual disclosures when they go to apply for a loan.

We simply have not done that.

Again, I repeat, I hope the House of Representatives does nothing on this. I hope this bill fails, and I hope we can go back to the Banking Committee and truly simplify truth in lending as we were able to simplify the Real Estate Settlement Procedures Act. I do not know why we were able to do it there and failed so miserably on this bill.

I thank my distinguished colleague from New Mexico.

Mr. SCHMITT. Mr. President, I thank the Senator from Utah.

I yield such time as Senator BROOKE may require.

Mr. BROOKE. I thank my distinguished colleague.

Mr. President, we have before us S. 2802, a measure to simplify and reform the Truth in Lending Act. This important consumer protection act has successfully increased consumer awareness of the costs of credit and enhanced competition among lenders as informed consumers choose the best credit terms.

Nine years after the act's passage though, it is apparent that a number of problems with truth in lending disclosures should be corrected to improve its effectiveness and reduce the burdens of complying with the act. First, disclosure forms are often too long and complicated for consumers to understand. Second, lenders create these complicated, legalistic forms in order to comply with highly technical administrative and judicial interpretations. Even so, lenders have been subject to lawsuits over highly technical violations that have little relationship to the act's purpose of encouraging informed credit shopping. Finally, the level of administrative enforcement by bank regulatory agencies has been inadequate.

S. 2802 is a significant effort to improve the Truth in Lending Act and solve these problems through a delicate balance of modifications developed in many sessions of the Banking Committee. First, to reduce the "information overload" from complicated disclosure forms, the bill eliminates requirements to disclose every detail of the loan. The remaining key credit shopping information is enhanced though, by being separated from all the other legal papers in a loan contract and by required plain English explanations of the key terminology.

Second, the bill reduces lenders' compliance problems by requiring issuance of model disclosure forms, reducing any regulation changes to once per year, establishing a mechanism for official determination about overlapping State disclosure requirements, and by clarifying a number of technical ambiguities in the law.

Finally, enforcement of the law is modified in two ways. Lawsuits over highly technical violations not affecting credit shopping will be reduced by limiting lenders' civil liability to only significant violations. This reduction in civil liability is balanced though, by increased administrative enforcement powers including authority to order repayments to consumers who have been given incorrect disclosures and additional authority for the Federal Trade Commission to enforce the act against violations by retailers or finance companies.

In short, S. 2802 contains necessary reforms of the Truth in Lending Act that will enhance the usefulness of credit disclosures as a comparison shopping tool while making the law easier to comply with for lenders. I urge by colleagues to support this bill and forward it to the House for prompt consideration, so these reforms can be enacted before the end of the 95th Congress.

Mr. President, I would at this time just like to commend the distinguished floor manager, the chairman of the subcommittee, the distinguished Senator from Michigan (Mr. RIEGLE), and the distinguished ranking minority member, my very esteemed colleague from New Mexico (Mr. SCHMITT), both of whom have done true yeoman service on this bill.

It has taken a great deal of time, and I want to commend them and their respective staffs for all the hours and days that went into this bill. I think they have come forth with a bill that will really be very, very helpful to the consumers of this Nation.

Mr. SCHMITT. I personally thank the distinguished Senator from Massachusetts for those comments. I hope his optimism is the fact of what will happen, and that the pessimism expressed by our distinguished colleague, Senator GARN, is not the fact. I am afraid the truth is going to be somewhere in between, and that at some time in the future we may have to proceed to further try to improve this legislation.

Mr. BROOKE. I would just like to say that Senator GARN has made a real contribution to truth in lending. He has very strong feelings about it. As he said, before he left the floor, he has spent a lot of time on this piece of legislation. I know how strongly he personally feels about it.

I think that even though he has evidenced pessimism about the bill, Mr. President, nevertheless, had it not been for his pessimism, the bill might have been a worse bill. I think he has made a real contribution. But I believe the bill in its present form will be in the best interests of the consumers of this Nation.

Mr. SCHMITT. I thank the Senator. Will the Senator from Michigan yield for a question concerning real estate advertising?

Mr. RIEGLE. Yes, I would be pleased to do so to the Senator from New Mexico.

Mr. SCHMITT. I note that the bill would add two new required disclosures in residential real estate transactions. Under section 14 of the bill, the total finance charge and the total of payments, which are now exempt from disclosure in the sale of a dwelling, would be required to be disclosed. As the Senator knows, the Federal Reserve Board which writes the credit advertising regulations, in the past, has extended the numerical disclosures in the truth-in-lending form to its credit advertising requirements. Is it the Senator's intention that these two new requirements would be added to the requirements in the credit advertising regulations?

Mr. RIEGLE. Well, I would answer the Senator's question by saying not necessarily. As the Senator knows, section 144 of the act, which applies to credit advertising, now states that the section's provisions "do not apply to advertisements of residential real estate except to the

extent that the Board may by regulation require." It was Congress intention that the Board make an independent judgment as to the standards which should be applicable to real estate .

This is particularly true with regard to section 14 of the bill, which would require disclosure of the finance charge and the total of payments in real estate transactions. It is the committee's intention for the Board to carefully weigh the pros and cons of requiring these disclosures in advertisements. For instance, these disclosures in ads might lead to increased consumer awareness. On the other hand, requiring these items might only serve to confuse or discourage advertising by adding to its cost.

I might say that in conversations I myself have had with real estate operators in Michigan that the issue of whether or not the total cost of a credit transaction in terms of, let us say, a 30-year mortgage, as to whether that figure is really necessary in an advertisement, I must say, without going into all the ins and outs of the argument, it was not clear to me on its face why it would necessarily be an important item to have. But I think we cannot make that judgment here. I think it is the judgment for the board to make, and I would hope they would weigh these items very carefully to strike the right balance between what really is going to be helpful to the consumers and useful to the consumers, and not overly burdensome, or would have the effect of actually confusing the issue.

Mr. SCHMITT. I thank the Senator for that answer to my question.

Mr. ROBERT C. BYRD. Mr. President, the Truth in Lending Simplification and Reform Act is a milestone in the efforts of the Congress to foster honest and full disclosure of credit terms in language which can be understood by the average American.

No one is opposed to truth in lending as an objective nor is anyone opposed to simplification of regulations and forms. However, it is quite another matter to decide what information should be consolidated, which regulations are unnecessarily burdensome, and which form is most appropriate. In such an endeavor, leadership is critical.

We are indeed fortunate to have had the capable and informed guidance of Senator PROXMIRE, chairman of the Banking, Housing, and Urban Affairs Committee, who shepherded the legislative effort which culminated in the original Truth in Lending Act of 1968. In addition, I commend the chairman of the Consumer Affairs Subcommittee, Senator RIEGLE, who chaired the lengthy hearings on the simplification bill, and the fine efforts of the minority manager (Mr. SCHMITT). Considering the highly technical nature of this bill. I find the efforts of Chairman PROXMIRE, Senator RIEGLE, and Senator SCHMITT particularly noteworthy. To their credit, the members of the Banking Committee reported the bill unanimously.

The Truth in Lending Act has been successful in terms of disseminating information about the true costs of borrowing. Nevertheless, the pertinent information is often lengthy and difficult for the average borrower to read and understand. From the creditor's perspective, compliance is sometimes difficult due to numerous changes in regulations. Compliance is often particularly burdensome for small creditors.

This bill will aid borrowers by simplifying definitions, streamlining forms to highlight important credit information and by providing clear companion explanations, all of which will also facilitate comparisons of available credit terms.

Creditors would benefit greatly by the new requirement that changes in regulations could take effect only once each year on October 1. In addition, the Federal Reserve Board would promulgate model credit forms for common transactions. Mr. President, I believe it is imperative to ease regulatory burdens on all enterprises, but particularly on small enterprises. Model credit forms would go a long way toward making disclosure requirements easier to observe.

Mr. President, the objectives of this legislation are laudable. Guided by the informed leadership of Senator PROXMIRE, the committee has drafted a workable piece of legislation which will benefit both borrowers and lenders and strengthen enforcement efforts without adding to the paperwork of honest creditors.

I thank the distinguished Senator from Michigan for yielding.

Mr. RIEGLE. I thank the majority leader for his generous comments, and I also thank the Senator from Massachusetts (Mr. BROOKE) for his kind words earlier.

Mr. President, I have no further requests for time. Does the Senator from New Mexico intend to use any additional time?

Mr. SCHMITT. I have no further requests. I am happy to yield back the remainder of my time.

Mr. RIEGLE. Prior to yielding back, I might further say, Mr. President, that I commend the staff of the committee for their really excellent efforts, particularly Lou Taffer. I think he has done a superb job, and Ethan Siegal, of my staff, has done an excellent job. I congratulate them, and also the other staff members on both sides. I am very much indebted to them, as I know the committee itself is.

Mr. PERCY. Mr. President, I am pleased to support the passage of the Truth in Lending Simplification Act.

The original truth-in-lending legislation was one of the first items of business in the Banking Committee when I first came to the Senate 11 years ago and was a member of that committee. Its concept was sound and remains so to this day. It was one of the greatest dreams of my predecessor, Paul Douglas, but unfortunately was never realized during his term of office. We finally achieved what we hoped would be a practical, realistic piece of legislation when we got business and consumer groups to sit down together and work out their differences.

The bill we vote on today is the product of the same spirit of compromise in the best sense of the word. While the principles embodied in the Truth in Lending Act are still valid, many problems arose from its implementation, including an excess of paperwork and frustration among those subject to confusing regulations. Congress is beginning to find out that many of its well-intentioned programs are not working out as intended. Let us hope that the same kind of spirit and hard work that brought us this legislation today can be put to work to improve other laws, programs, and regulatory agencies which could stand the improvement.

Mr. DOLE. Mr. President, the Senator from Kansas would like to take this opportunity to thank the members of the Senate Banking Committee, and the staff of that committee, for their work on this commendable piece of legislation.

In recent years the Congress has considered a number of bills where we had to weigh the advantages of increased Government protection of the consumer against the dangers of overregulating American business. Today, there is a great deal of concern, shared by businessmen and consumers, about the blinding rain of bureaucratic redtape and overregulation which has been promulgated by the Federal Government. Likewise, there has been a well-founded concern for protecting the consumer from unfair commercial practices. Part of our response to that valid concern was the Truth in Lending Act, which provides consumers with information necessary to make intelligent decisions about consumer credit.

Today we consider a refinement of that legislation, designed to simplify the act. Today's bill does not require a careful balancing of the advantages of consumer protection/information against the problems of interference with business. This bill serves both interests.

The purpose is to provide the consumer with clearer credit information while making compliance with the law easier. This is done by cutting out some of the unnecessary reporting requirements which have existed up to now. The bill also limits creditor liabilities, while strengthening the enforcement provisions of the act.

A BLIZZARD OF INFORMATION

This bill will lessen the burden of credit disclosures on lenders, simplifying the information which must be given, while insuring that the information which is disclosed is not lost in a blizzard of information which is only marginally useful to the average consumer.

By making the information clearer and more concise, we can ease the burden of compliance even as we serve the interests of the great body of consumers who will be putting this information to use as they make decisions relating to borrowing money or purchasing consumer goods on an installment basis.

Once again, let me compliment the committee for their efforts. I applaud their work and support the bill.

Mr. PROXMIRE. Mr. President, I am pleased to stand in support of S. 2802, legislation to simplify the Truth in Lending Act. I think the bill in its clarification and improvement does represent a very well deserved tribute in a sense to

Paul Douglas who was the originator of the legislation, and it is interesting that a young Senator who has done a fine job in this body has carried on and did virtually all the work on the committee this year on the bill and managed the bill on the floor, Senator DON RIEGLE of Michigan. He deserves great credit, also.

I am proud to have been a sponsor of the bill, and I think it accomplishes a simplification which will be of great benefit to consumers, lenders, and bankers, and it is certainly a step in the right direction.

My involvement with truth in lending goes back several years before the act's passage when the late Paul Douglas, Senator from Illinois, first proposed this legislation in 1960. It was a long, difficult fight which took many years. When Senator Douglas retired, I took over this job, and I am very proud that I became the principal author and sponsor of the Truth in Lending Act we have today.

As Senator RIEGLE has mentioned, the act has been a marked success. Consumers are far more aware of the interest rates charged today than ever before. By requiring lenders to compute their rates in a uniform way, certain charges could no longer be hidden or buried in other figures. Thanks to truth in lending, the consumer gets the truth rate of interest (the "annual percentage rate") he is being asked to pay.

While the act has succeeded as we had hoped, there unquestionably have been problems. Many creditors, particularly small lenders, have had a very difficult time complying with the act because of its complexity and frequent changes in administrative regulations. From the consumer's standpoint, the act's effectiveness has been blunted somewhat by the long, technical, legalistic disclosure form which most lenders use today.

This bill will remedy these problems in a fair, workable way. For instance, the model forms which the Federal Reserve Board would issue will be a great help to lenders by assuring them that their forms are in compliance. In addition, the tightening of civil liability will limit litigation to only important violations. And the consumer will receive a simpler, more readable disclosure statement which will make credit shopping even easier.

The process of simplifying the act was not an easy one. It was a highly emotional issue, as many consumer groups feared that the act would be weakened. Some creditors sought changes which in my opinion went too far. Through Senator RIEGLE's leadership, many, many compromises on both sides were made. The full committee met for seven markup sessions—nearly a committee record.

I think the 14-to-0 vote to report this bill speaks for itself. As Senator RIEGLE has stated, it is truly consensus legislation. All parties of interest were heard from and constructive, reasonable revisions were made. I have no question that the changes proposed in this bill are a substantial improvement over today's law.

I was proud to sponsor the Truth in Lending Act in 1968, and I am happy to speak in favor of this bill today. This legislatiton will make truth in lending an even more effective consumer protection law than it is today.

● Mr. TOWER. Mr. President, I rise in support of the Truth in Lending Simplification and Reform Act which is designed to provide the consumer with clear credit information and to simplify compliance with the Truth in Lending Act.

Small business firms and farmers are tyrannized by burdensome Federal paperwork requirements and incomprehensible regulations.

Not satisfied with the traditional areas of Federal regulation, the tentacles of the Federal bureaucracy are reaching into fields generally reserved by the States. A good example may be seen in credit transactions. Prior to 1968, the rights and obligations of parties under credit contracts were controlled by State law. The passage of the Truth in Lending Act in 1968 heralded Federal intrusion into this arena. This was quickly followed by the passage of the Fair Credit Reporting, the Fair Credit Billing, the Equal Credit Opportunity, and the Truth in Leasing Acts.

Although these laws were aimed at correcting some real abuses in the marketplace, they were overly broad and their collective impact was to place an intolerable compliance burden on small firms and financial institutions which cannot afford expensive legal talent necessary to interpret the regulations.

This regulatory overkill has had questionable benefits for the consumer. The cost of compliance is usually passed on in an inflationary increase in the cost of goods and services. In addition, there are estimates that the regulatory burden has forced nearly 20 percent of those in the consumer credit field to abandon the direct extension of credit to consumers, thus diminishing consumer choices in the marketplace.

The Truth in Lending Simplification and Reform Act is designed to correct many of the deficiencies of the Truth in Lending Act.

I am particularly pleased with section 3 of the bill which totally exempts agricultural credit from the provisions of the Truth in Lending Act. The bill contains a clear definition that excludes the mixed credit transactions as well as those which are strictly for agricultural credit. Farmers from my great agricultural State of Texas have told me that the application of the Truth in Lending Act to agricultural lending has only served to delay the processing of agricultural loans. This provision will be of importance to enable farmers to receive loans without experiencing delays created by complex disclosure procedures.

Equally important to the small business community is a provision in section 13 of the bill which relaxes the requirement that creditors fully identify all open-end purchases by making an exception where small creditors are involved who do not have sufficiently automated billing equipment. This provision would relieve retailers with less than 15,000 active accounts from a requirement proposed by the Federal Reserve Board that they identify the goods purchased on their monthly statements.

I was greatly disappointed that the committee saw fit in section 14 to require that mortgage disclosures include the total finance charge and total of payments. Current law does not require these disclosures because they would be misleading to the consumer and not particularly helpful. An original theory behind disclosure of the total finance charge was to assist the consumer in determining whether the purchase should be for cash or credit. Today there are practically no consumers who would purchase a home for cash. This goes in the opposite direction of simplification which has as it purpose the elimination of unnecessary disclosures.

Although I have reservations regarding some other provisions of the bill, I feel that its merits outweigh its shortcomings and recommend its passage.●

Mr. RIEGLE. Mr. President, I yield back the remainder of my time and ask for third reading.

The PRESIDING OFFICER (Mr. CULVER). The bill is open to further amendment. If there be no further amendments to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

S. 2802

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Truth in Lending Simplification and Reform Act".

DEFINITIONS

SEC. 2. (a) Section 103(f) of the Truth in Lending Act is amended—

(1) by striking out the first sentence and inserting in lieu thereof the following: "The term 'creditor' refers only to a person who both (1) regularly extends, whether in connection with loans, sales of property or services, or otherwise, consumer credit which is payable by agreement in more than four installments or for which the payment of a finance charge is or may be required; and (2) is the person to whom the debt arising from the consumer credit transaction is initially payable on the face of the evidence of indebtedness or, if there is no such evidence of indebtedness, by agreement. Notwithstanding the foregoing, a person who regularly arranges for the extension of consumer credit, which is payable in more than four installments or for which the payment of a finance charge is or may be required, from persons who are not creditors is a creditor, and in the case of an open end credit plan involving a credit card the card issuer and any person who honors the credit card and offers a discount which is a finance charge are creditors."; and

(2) by redesignating the references to sections 127(a)(6), 127(a)(7), 127(a)(8), 127(b)(9), and 127(b)(11) in the next succeeding sentence as references to sections 127(a)(5), 127(a)(6), 127(a)(7), 127(b)(8), and 127(b)(10), respectively.

(b) The first sentence of section 103(g) of the Truth in Lending Act is amended to read as follows: "The term 'credit sales' refers to any sale in which the seller is a creditor.".

EXEMPTED TRANSACTIONS

SEC. 3. (a) Section 103(h) of the Truth in Lending Act is amended by striking out

"household, or agricultural" and inserting in lieu thereof "or household".

(b) Section 103 of the Truth in Lending Act is amended by redesignating subsection (s) as subsection (x), and by inserting a new subsection (s) as follows:

"(s) The term 'agricultural purposes' includes the production, harvest, exhibition, marketing, transportation, processing, or manufacture of agricultural products by a natural person who cultivates, plants, propagates, or nurtures those agricultural products, including but not limited to the acquisition of farmland, real property with a farm residence, and personal property and services used primarily in farming, and the term 'agricultural products' includes agricultural, horticultural, viticultural, and dairy products, livestock, wildlife, poultry, bees, forest products, fish and shellfish, and any products thereof, including processed and manufactured products, and any and all products raised or produced on farms and any processed or manufactured products thereof.".

(c) Section 104 of the Truth in Lending Act is amended—

(1) by amending paragraph (1) to read as follows:

"(1) Credit transactions involving extensions of credit primarily for business, commercial, or agricultural purposes, or to government or governmental agencies or instrumentalities, or to organizations.";

(2) by amending paragraph (3) to read as follows:

"(3) Credit transactions, other than those in which a security interest is or will be acquired in real property, or in personal property used or expected to be used as the principal dwelling of the consumer, in which the total amount financed exceeds $25,000."; and

(3) by striking out paragraph (5).

OPEN END CREDIT PLAN

SEC. 4. Section 103(i) of the Truth in Lending Act is amended to read as follows:

"(i) The term 'open end credit plan' means a plan under which the creditor reasonably contemplates repeated transactions, which prescribes the terms of such transactions, and which provides for a finance charge which may be computed from time to time on the outstanding unpaid balance. A credit plan which is an open end credit plan within the meaning of the preceding sentence is an open end credit plan even if credit information is verified from time to time.".

MODEL FORMS

SEC. 5. (a) Section 105 of the Truth in Lending Act is amended by inserting "(a)" before "The", and by adding at the end thereof the following:

"(b) The Board shall publish model disclosure forms and clauses for common transactions to facilitate compliance with the disclosure requirements of this title and to aid the borrower in understanding the transaction by utilizing readily understandable language to simplify the technical nature of the disclosures. In devising such forms, the Board shall consider the use by creditors of data processing or similar automated equipment. Nothing in this title may be construed to require a creditor to use any such model form or clause prescribed by the the Board under this section. A creditor shall be deemed to be in compliance with the disclosure provisions of this title with respect to other than numerical disclosures if the creditor (1) uses any appropriate model form or clause as published by the Board, or (2) uses any such model form or clause and changes it by (A) deleting any information which is not required by this title, or (B) rearranging the format, if in making such deletion or rearranging the format, the creditor does not affect the substance, clarity, or meaningful sequence of the disclosure.

"(c) Model disclosure forms and clauses shall be adopted by the Board after notice duly given in the Federal Register and an opportunity for public comment in accordance with section 553 of title 5, United States Code.

"(d) Any regulation of the Board, or any amendment or interpretation thereof, requiring any disclosure different from that previously required by this chapter, chapter 4, or chapter 5, or regulation of the Board promulgated thereunder shall have an effective date of that October 1 which follows by at least 6 months the date of promulgation, except that the Board may at its discretion take interim action by regulation, amendment, or interpretation to lengthen the period of time permitted for creditors to adjust their forms to accommodate new requirements or shorten the length of time for creditors to make such adjustments when it makes a specific finding that such action is necessary to comply with the findings of a court or to prevent unfair or deceptive disclosure practices. Notwithstanding the foregoing, any creditor may comply with any such newly promulgated disclosure requirements prior to the effective date of the requirements.".

COMPONENTS OF FINANCE CHARGE

SEC. 6. (a) Section 106(a) of the Truth in Lending Act is amended by striking out ", including any of the following types of charges which are applicable" and inserting in lieu thereof the following: ". The finance charge does not include charges of a type payable in a comparable cash transaction. Examples of charges which are included in the finance charge include any of the following types of charges which are applicable".

(b) Section 106(d) of the Truth in Lending Act is amended by striking out paragraphs (3) and (4).

ACCURACY OF ANNUAL PERCENTAGE RATE

SEC. 7. (a) Subsection (c) of section 107 of the Truth in Lending Act is amended to read as follows:

"(c) The disclosure of an annual percentage rate is accurate for the purpose of this title if the rate disclosed is within a tolerance not greater than one-eighth of 1 per centum more or less than the actual rate or rounded to the nearest one-fourth of 1 per centum. The Board may allow a greater tolerance to simplify compliance where irregular payments are involved.".

(b) Subsection (e) of section 107 of the Truth in Lending Act is amended by striking out "(c) or".

(c) Subsection (f) of section 107 of the Truth in Lending Act is repealed.

ADMINISTRATIVE ENFORCEMENT; RESTITUTION

SEC. 8. (a) Subsection (c) of section 108 of the Truth in Lending Act is amended to read as follosw:

"(c) Except to the extent that enforcement of the requirements imposed under this title is specifically committed to some other Government agency under subsection (a), the Federal Trade Commission shall enforce such requirements. For the purpose of the exercise by the Federal Trade Commission of its functions and powers under the Federal Trade Commission Act, a violation of any requirement imposed under this title by a person subject to the jurisdiction of the Commission shall be deemed an unfair or deceptive act or practice in violation of section 5(a)(1) of the Federal Trade Commission Act. All of the functions and powers of the Federal Trade Commission under the Federal Trade Commission Act are available to the Commission to enforce compliance by any person subject to the jurisdiction of the Commission with the requirements imposed under this title, irrespective of whether that person is engaged in commerce or meets any other jurisdictional tests in the Federal Trade Commission Act, including the power to enforce compliance with the requirements imposed under this title in the same manner as if the violation had been a violation of a Federal Trade Commission trade regulation rule.".

(b) Section 108 of the Truth in Lending Act is amended by adding at the end thereof the following:

"(e)(1) In carrying out its enforcement activities under this section, each agency referred to in subsection (a) or (c), in cases where an annual percentage rate or finance charge was inaccurately disclosed, shall notify the creditor of such disclosure error and is authorized in accordance with the provisions of this subsection to require the creditor to make an adjustment to the account of the person to whom credit was extended, to assure that such person will not be required to pay a finance charge in excess of the finance charge actually disclosed or the dollar equivalent of the annual percentage rate actually disclosed, whichever is lower.

"(2) Each agency shall require such an adjustment when it determines that such disclosure error resulted from (A) a clear and consistent pattern or practice of violations, (B) gross negligence, or (C) a willful violation which was intended to mislead the person to whom the credit was extended. In the case of other such disclosure errors, each agency may require such an adjustment.

"(3) Notwithstanding the above paragraph (2), no adjustment shall be ordered (A) if it would have a significantly adverse impact upon the safety or soundness of the creditor, but in any such case, the agency may require a partial adjustment in an amount which does not have such an impact, (B) if the amount of the adjustment would be less than $1, except that if more than one year has elapsed since the date of the violation, the agency may require that such amount be paid into the Treasury of the United States, or (C) except where such disclosure error resulted from a willful violation which was intended to mislead the person to whom credit was extended, in the case of an open-end credit plan, more than two years after the violation, or in the case of any other extension of credit, after the later of (i) the expiration of the life of the credit extension, or (ii) two years after the agreement to extend credit was consummated.

"(4)(A) Notwithstanding any other provision of this section, an adjustment under this subsection may be required by an agency referred to in subsection (a) or (c) only by an order issued in accordance with cease and desist procedures provided by the provision of law referred to in such subsections.

"(B) In the case of an agency which is not authorized to conduct cease and desist proceedings, such an order may be issued after an agency hearing on the record conducted at least thirty but not more than sixty days after notice of the alleged violation is served on the creditor. Such a hearing shall be deemed to be a hearing which is subject to the provisions of section 8(h) of the Federal Deposit Insurance Act and shall be subject to judicial review as provided therein.

"(5) Except as otherwise specifically provided in this subsection and notwithstanding any provision of law referred to in subsection (a) or (c), no agency referred to in subsection (a) or (c) may require a creditor to make dollar adjustments for errors in any requirements under this title.

"(6) A creditor shall not be subject to an order to make an adjustment, if within sixty days after discovering a disclosure error, whether pursuant to a final written examination report or through the creditor's own procedures, the creditor notifies the person concerned of the error and adjusts the account so as to assure that such person will not be required to pay a finance charge

in excess of the finance charge actually disclosed or the dollar equivalent of the annual percentage rate actually disclosed, whichever is lower.

"(7) The provisions of this subsection do not apply to any loan or extension of credit consummated prior to October 28, 1974.".

EFFECT ON OTHER LAWS

SEC. 9. Section 111(a) of the Truth in Lending Act is amended to read as follows:

"(a)(1) This title does not annul, alter, or affect the laws of any State relating to the disclosure of information in connection with credit transactions, except to the extent that those laws are inconsistent with the provisions of this title, and then only to the extent of the inconsistency. The Board shall, upon its own motion or upon the request of any creditor, State, or other interested party, submitted in accordance with procedures prescribed in regulations of the Board, determine whether such inconsistencies exist. If the Board determines that a State-required disclosure is inconsistent, creditors located in that State may not make disclosures using the inconsistent term or form, and shall incur no liability under the law of that State for a good faith failure to use such term or form, nothwithstanding that such determination is subsequently amended, rescinded, or determined by judicial or other authority to be invalid for any reason.

"(2) The Board shall, upon its own motion or upon the request of any creditor, State, or other interested party, submitted in accordance with procedures prescribed in regulations of the Board, determine whether any disclosure required under the law of any State is substantially the same in meaning as a disclosure required under this title. If the Board determines that a State-required disclosure is substantially the same in meaning as a disclosure required by this title, then creditors located in that State may make such disclosure in compliance with such State law in lieu of the disclosure required by this title, except that the annual percentage rate and finance charge must always be disclosed as required by section 122.".

ANNUAL REPORTS

SEC. 10. (a) Section 114 of the Truth in Lending Act is amended by striking out "Not later than January 3 of each year after 1969" and inserting in lieu thereof "Each year".

(b) Section 18(f)(5) of the Federal Trade Commission Act (15 U.S.C. 58a(f)(5)) is amended by striking out "not later than March 15".

(c) Section 707 of the Equal Credit Opportunity Act is amended by striking out "Not later than February 1 of each year after 1976" and inserting in lieu thereof "Each year".

GENERAL DISCLOSURE REQUIREMENTS

SEC. 11. Sections 121 and 122 of the Truth in Lending Act are amended to read as follows:

"§ 121. General requirement of disclosure

"(a) Subject to subsection (b), a creditor or lessor shall disclose to the person who is obligated on a consumer lease or a consumer credit transaction the information required under this title. In a transaction involving more than one obligor, a creditor or lessor, except in a transaction under section 125, need not disclose to more than one of them if the one given disclosure is a primary obligor.

"(b) If a transaction involves one creditor as defined in section 103(f), or one lessor as defined in section 181(3), that creditor or lessor shall make the disclosures. If a transaction involves more than one creditor or lessor, only one creditor or lessor shall be required to make the disclosures. The Board shall by regulation specify which creditor or lessor must make the disclosures.

"(c) The Board may provide by regulation that any portion of the information required to be disclosed by this title may be given in the form of estimates where the provider of such information is not in a position to know exact information.

"(d) The Board shall determine whether tolerances for numerical disclosures other than the annual percentage rate are necessary to facilitate compliance with this title, and if it determines that such tolerances are necessary to facilitate compliance, it shall by regulation permit disclosures within such tolerances.

"§ 122. Form of disclosure; additional information

"(a) Information required by this title shall be disclosed clearly and conspicuously, in accordance with regulations of the Board. The terms 'annual percentage rate' and 'finance charge' shall be disclosed more conspicuously than other terms, data, or information provided in connection with a transaction, except information relating to the identity of the creditor. Regulations of the Board need not require that disclosures pursuant to this title be made in the order set forth in this title and, except as otherwise provided, may permit the use of terminology different from that employed in this title of it conveys substantially the same meaning.

"(b) Any creditor may supply additional information or explanation with any disclosures required under chapter 4 and, except as provided in section 128(b)(1), under this chapter.".

RESCISSION

SEC. 12. (a)(1) Subsection (a) of section 125 of the Truth in Lending Act is amended to read as follows:

"(a) Except as otherwise provided in this section, in the case of any consumer credit transaction (including opening or increasing the credit limit for an open end credit plan) in which a security interest, including any such interest arising by operation of law, is or will be retained or acquired in any property which is used as the principal dwelling of the person to whom credit is extended, the obligor shall have the right to rescind the transaction until midnight of the third business day following the consummation of the transaction or the delivery of the information and rescission forms required under this section together with a statement containing the material disclosures required under this title, whichever is later, by notifying the creditor, in accordance with regulations of the Board, of his intention to do so. The creditor shall clearly and conspicuously disclose, in accordance with regulations of the Board, to any obligor in a transaction subject to this section the rights of the obligor under this section. The creditor shall also provide, in accordance with regulations of the Board, appropriate forms for the obligor to exercise his right to rescind any transaction subject to this section.".

(2) Section 103 of such Act, as amended by section 3(b), is amended by adding at the end thereof the following:

"(v) The terms 'material disclosures' means the disclosure, as required by this title, of the annual percentage rate, the method of determining the finance charge and the balance upon which a finance charge will be imposed, the amount of the finance charge, the amount to be financed, the total of payments, the number and amount of payments, and the due dates or periods of payments scheduled to repay the indebtedness.".

(3) Subsection (b) of section 125 of the Truth in Lending Act is amended by striking out "ten" in the second and final sentences thereof, and inserting in lieu thereof "20".

(4) Subsection (b) of section 125 of the Truth in Lending Act is amended by adding at the end thereof the following new sentence: "The procedures prescribed by this subsection shall apply except when otherwise ordered by a court.".

(5) Subsection (c) of section 125 of the Truth in Lending Act is amended by inserting "information, forms, and" after "whom".

(6) Section 125 of the Truth in Lending Act is amended by striking out subsections (e) and (f) and inserting in lieu thereof the following:

"(e) This section does not apply to (1) a residential mortgage transaction as defined in section 103(u); (2) a transaction which constitutes a refinancing or consolidation (with no new advances) of the principal balance then due and any accrued and unpaid finance charges of an existing extension of credit by the same creditor secured by an interest in the same property; (3) a transaction in which an agency of a State is the creditor; or (4) advances under a preexisting open end credit plan if a security interest has already been retained or acquired and such advances are in accordance with a previously established credit limit for that plan.

"(f) An obligor's right of rescission shall expire three years after the date of consummation of the transaction or upon the sale of the property, whichever occurs earlier, notwithstanding the fact that the information and forms required under this section or any other disclosures required under this chapter have not been delivered to the obligor, except that if (1) any agency empowered to enforce the provisions of this title institutes a proceeding to enforce the provisions of this section within three years after the date of consummation of the transaction, (2) such agency finds a violation of section 125, and (3) the obligor's right to rescind is based in whole or in part on any matter involved in such proceeding, then the obligor's right of rescission shall expire three years after the date of consummation of the transaction or upon the earlier sale of the property, or upon the expiration of one year following the conclusion of the proceeding, or any judicial review or period for judicial review thereof, whichever is later.

"(g) In any action in which it is determined that a creditor has violated this section, in addition to rescission the court may award relief under section 130 for violations of this title not relating to the right to rescind.".

(b) Section 103 of the Truth in Lending Act is amended—

(1) by redesignating subsection (t) as subsection (w); and

(2) by inserting after subsection (s) the following:

"(t) The term 'dwelling' means a residential structure or mobile home which contains one to four family housing units, or individual units of condominiums or cooperatives.

"(u) The term 'residential mortgage transaction' is one in which a mortgage, deed of trust, purchase money security interest arising under an installment sales contract, or equivalent consensual security interest is created or retained against the consumer's dwelling to finance the acquisition or initial construction of that dwelling.".

OPEN END DISCLOSURES

SEC. 13. (a) Section 127(a) of the Truth in Lending Act is amended—

(1) by adding at the end of paragraph (1) thereof the following new sentence: "If no such time period is provided, the creditor shall disclose that fact.";

(2) by striking out paragraphs (5), and redesignating paragraphs (6), (7), and (8) as paragraphs (5), (6), and (7), respectively; and

(3) by amending redesignated paragraphs (5) and (6) to read as follows:

"(5) Identification of other charges which may be imposed as part of the plan, and their method of computation, in accordance with regulations of the Board.

"(6) In cases where the credit is or will be secured, a statement that a security interest has been or will be taken in (A) the property purchased as part of the credit transaction, or (B) property not purchased as part of the credit transaction identified by item or type.".

(b) Section 127(b)(2) of such Act is amended to read as follows:

"(2) The amount and date of each extension of credit during the period, and a brief identification, on or accompanying the statement of each extension of credit in a form prescribed by the Board sufficient to enable the obligor either to identify the transaction or to relate it to copies of sales vouchers or similar instruments previously furnished, except that a creditor's failure to disclose such information in accordance with this paragraph shall not be deemed a failure to comply with this chapter or this title if (A) the creditor maintains procedures reasonably adapted to procure and provide such information, and (B) the creditor responds to and treats any inquiry for clarification or documentation as a billing error and an erroneously billed amount under section 161. In lieu of complying with the foregoing requirements, in the case of any transaction in which the creditor and seller are the same person, as defined by the Board, and that person's open end plan has fewer than 15,000 accounts, the creditor may elect to provide only the amount and date of each extension of credit during the period and the seller's name and location where the transaction took place if (A) a brief identification of the transaction has been previously furnished, and (B) the creditor responds to and treats any inquiry for clarification or documentation as a billing error and an erroneously billed amount under section 161.".

(c) Section 127(b) of the Truth in Lending Act is amended by striking out paragraph (7) and by redesignating paragraphs (8), (9), (10), and (11) as paragraphs (7), (8), (9), and (10), respectively.

(d) Redesignated paragraph (7) of section 127(a) of the Truth in Lending Act is amended by striking out "each of two billing cycles per year, at semiannual intervals" and inserting in lieu thereof "one billing cycle per calendar year, at intervals of not less than six months or more than eighteen months".

(e) Subsection (c) of section 127 of the Truth in Lending Act is repealed.

(f) Section 143 of the Truth in Lending Act is amended by striking out "or the appropriate rate determined under section 127(a)(5)".

(g) Section 161(a) of the Truth in Lending Act is amended by redesignating the references to sections 127(b)(11) and 127(a)(8) as references to sections 127(b)(10) and 127(a)(7), respectively.

OTHER THAN OPEN END DISCLOSURES

SEC. 14. (a) Subsection (a) of section 128 of the Truth in Lending Act is amended to read as follows:

"(a) For each consumer credit transaction other than under an open end consumer credit plan, the creditor shall disclose each of the following items, to the extent applicable:

"(1) The identity of the creditor required to make disclosure.

"(2) The 'amount financed', using that term, which shall be the amount of credit of which the consumer has actual use. This amount shall be computed as follows, but the computations need not be disclosed and shall not be disclosed with the disclosures conspicuously segregated in accordance with subsection (b)(1):

"(A) take the principal amount of the loan or the cash price less downpayment and trade-in;

"(B) add any charges which are not part of the finance charge or of the principal amount of the loan and which are financed by the consumer, including the cost of any items excluded from the finance charge pursuant to section 106;

"(C) subtract any charges which are part of the finance charge but which will be paid by the consumer at the time of the consummation of the transaction, or have been withheld from the proceeds of the credit; and

"(D) subtract any required deposit balance, in accordance with regulations of the Board.

"(3) The 'finance charge', not itemized, using that term.

"(4) The finance charge expressed as an 'annual percentage rate', using that term. This shall not be required if the amount financed does not exceed $75 and the finance charge does not exceed $5, or if the amount financed exceeds $75 and the finance charge does not exceed $7.50.

"(5) The sum of the amount financed, any required deposit balance, and the finance charge, which shall be termed the 'total of payments'.

"(6) The number, amount, and due dates or period of payments scheduled to repay the total of payments.

"(7) In a sale of property or services in which the seller is the creditor required to disclose pursuant to section 121(b), the 'total sale price', using that term which shall be the total of the cash price of the property or services, additional charges, and the finance charge.

"(8) Descriptive explanations of the terms 'amount financed', 'finance charge', 'annual percentage rate', 'total of payments', and 'total sale price' as specified by the Board. The descriptive explanation of 'total sale price' shall include reference to the amount of the downpayment.

"(9) Where the credit is secured, a statement that a security interest has been taken in (A) the property which is purchased as part of the credit transaction, or (B) property not purchased as part of the credit transaction identified by item or type.

"(10) Any dollar charge or percentage amount which may be imposed by a creditor solely on account of a late payment, other than a deferral or extension charge.

"(11) A statement indicating whether or not the consumer is entitled to a rebate or credit, or is subject to a penalty, if the obligation is refinanced or prepaid in full pursuant to acceleration or otherwise.

"(12) A statement that the consumer should refer to the appropriate contract document for any information it provides about nonpayment, default, the right to accelerate the maturity of the debt, and prepayment rebates and penalties.

"(13) In any residential mortgage transaction, a statement whether a subsequent purchaser or assignee of the consumer may assume the debt obligation on its original terms and conditions.".

(b) Section 128(b) of such Act is amended to read as follows:

"(b)(1) Except as otherwise provided in this chapter, the disclosures required under subsection (a) shall be made before the credit is extended. Except for the disclosures required by subsection (a)(1) of this section, all disclosures required under subsection (a) and any disclosure provided for in subsection (b), (c), or (d) of section 106 shall be conspicuously segregated from all other terms, data, or information provided in connection with a transaction, including any computations or itemization.

"(2) In the case of a residential mortgage transaction, as defined in section 103(u), which is also subject to the Real Estate Settlement Procedures Act, good faith estimates of the disclosures required under subsection (a) shall be made in accordance with regulations of the Board under section 121(c) before the credit is extended, or shall be delivered or placed in the mail not later than three business days after the creditor receives the consumer's written application, whichever is earlier. If the disclosure statement furnished within three days of the written application contains an annual percentage rate which is subsequently rendered inaccurate within the meaning of section 107(c), the creditor shall furnish another statement at the time of settlement or consummation.".

(c) Section 128(c) of the Truth in Lending Act is amended—

(1) by inserting "(1)" after "(c)";

(2) by striking out "deferred payment price" and inserting in lieu thereof "total sale price"; and

(3) by adding at the end thereof the following new paragraph:

"(2) If a creditor receives a request for a loan by mail or telephone without personal solicitation and the terms of financing, including the annual percentage rate for representative amounts of credit, are set forth in the creditor's printed material distributed to the public, or in the contract of loan or other printed material delivered to the obligor, then the disclosures required under subsection (a) may be made at any time not later than the date the first payment is due."

(d)(1) Section 129 of the Truth in Lending Act is repealed.

(2) The table of sections of chapter 2 of the Truth in Lending Act is amended by striking out item 129 and inserting in lieu thereof:

"129. [Repealed].".

(e)(1) Section 126 of the Truth in Lending Act is repealed.

(2) The table of sections of chapter 2 of the Truth in Lending Act is amended by striking out item 126 and inserting in lieu thereof:

"126. [Repealed].".

(f)(1) The table of sections of chapter 2 of the Truth in Lending Act is amended by striking out item 128 and inserting in lieu thereof:

"128. Consumer credit not under open end credit plans.".

(2) The caption of section 128 of such Act is amended by striking out "Sales" and inserting in lieu thereof "Consumer credit".

CIVIL LIABILITY

SEC. 15. (a) Section 130 of the Truth in Lending Act is amended—

(1) by striking out "in such action" in subsection (a)(2)(B) and inserting in lieu thereof "under this subparagraph in any class action or series of class actions arising out of the same failure to comply by the same creditor";

(2) in subsection (a)(3), by inserting "or in any action in which a person is determined to have a right of rescission under section 125" after "liability";

(3) by amending subsections (b), (c), and (d) to read as follows:

"(b) A creditor or assignee has no liability under this section or section 108 or section 112 for any failure to comply with any requirement imposed under this chapter or chapter 5, if within sixty days after discovering an error, whether pursuant to a final written examination report or notice issued under section 108(e)(1) or through the creditor's or assignee's own procedures, and prior to the institution of an action under this section or the receipt of written notice of the error from the obligor, the creditor or assignee notifies the person concerned of the error and makes whatever adjustments in the appropriate account are necessary to as-

sure that the person will not be required to pay an amount in excess of the charge actually disclosed, or the dollar equivalent of the annual percentage rate actually disclosed, whichever is lower.

"(c) A creditor or assignee may not be held liable in any action brought under this section or section 125 for a violation of this title if the creditor or assignee shows by a preponderance of evidence that the violation was not intentional and resulted from a bona fide error notwithstanding the maintenance of procedures reasonably adapted to avoid any such error. Examples of bona fide error include, but are not limited to, clerical, calculation, computer malfunction and programing, and printing errors, but an error of legal judgment with respect to a person's obligations under this title is not a bona fide error.

"(d) When there are multiple obligors in a consumer credit transaction or consumer lease, there shall be no more than one recovery of damages under subsection (a)(2) for a violation of this title.";

(4) by adding at the end of subsection (e) the following new sentence: "This subsection does not bar a person from asserting a violation of this title in an action to collect the debt which was brought more than one year from the date of the occurrence of the violation as a matter of defense by recoupment or set-off in such action, except as otherwise provided by State law.";

(5) by inserting ", section 108(b), section 108(c), section 108(e)," after this section" in subsection (f);

(6) by adding the following new sentence at the end of subsection (g): This subsection does not bar any remedy permitted by section 125."; and

(7) by amending subsection (h) to read as follows:

"(h) A person may not take any action to offset any amount for which a creditor or assignee is potentially liable to such person under subsection (a)(2) against any amount owing by such person, unless the amount of the creditor's or assignee's liability under this title has been determined by judgment of a court of competent jurisdiction in an action of which such person was a party. This subsection does not bar a consumer then in default on the obligation from asserting a violation of this title as an original action, or as a defense or counterclaim to an action to collect amounts owed by the consumer brought by a person liable under this title.".

(b) Section 130(a) of the Truth in Lending Act is amended—

(1) by inserting ", including any requirement under section 125," immediately after this chapter"; and

(2) by adding at the end thereof the following: "In connection with the disclosures referred to in section 127, a creditor shall have a liability determined under paragraph (2) only for failing to comply with the requirements of section 125 or of section 127(a) or of paragraph (4), (5), (6), (7), (8), (9), or (10) of section 127(b) or for failing to comply with disclosure requirements under State law for any term which the Board has determined to be substantially the same in meaning under section 111(a)(2) as any of the terms referred to in section 127(a) or any of those paragraphs of section 127(b). In connection with the disclosures referred to in section 128, a creditor shall have a liability determined under paragraph (2) only for failing to comply with the requirements of section 125 or of paragraph (2), (3), (4), (5), (6), or (9) of section 128(a), or for failing to comply with disclosure requirements under State law for any term which the Board has determined to be substantially the same in meaning under section 111(a)(2) as any of the terms referred to in any of those paragraphs of section 128(a). With respect to any failure to make disclosures required under this chapter or chapter 4 or 5 of this title, liability shall be imposed only upon the creditor required to make disclosure, except as provided in section 131.".

LIABILITY OF ASSIGNEES

SEC. 16. (a) Section 131 of the Truth in Lending Act is amended to read as follows:

"§ 131. Liability of assignees

"(a) Except as otherwise specifically provided in this title, any civil action for a violation of this title or proceeding under section 108 which may be brought against a creditor may be maintained against any assignee of that creditor only if the violation for which such action or proceeding is brought is apparent on the face of the disclosure statement, except where the assignment was involuntary. For the purpose of this section, violations apparent on the face of the disclosure statement include, but are not limited to (1) disclosure which can be determined to be incomplete or inaccurate from the face of the disclosure statement or other documents assigned, or (2) disclosures not made in the terminology required by this title.

"(b) Except as provided in section 125(c), in any action or proceeding by or against any subsequent assignee of the original creditor without knowledge to the contrary by the assignee when he acquires the obligation, written acknowledgement of receipt by a person to whom a statement is required to be given pursuant to this title shall be conclusive proof of the delivery thereof and, except as provided in subsection (a), of compliance with this chapter. This section does not affect the rights of the obligor in any action against the original creditor.

"(c) Any consumer who has the right to rescind a transaction under section 125 may rescind the transaction as against any assignee of the obligation, regardless of whether such assignee is a creditor under this title.".

(b) Section 115 of the Truth in Lending Act is repealed.

(c)(1) The table of sections of chapter 1 of the Truth in Lending Act is amended by striking out item 115 and inserting in lieu thereof:

"115. [Repealed].".

(2) The table of sections of chapter 2 of the Truth in Lending Act is amended by striking out item 131 and inserting in lieu thereof:

"131. Liability of assignees.".

LIABILITY OF CREDIT CARDHOLDER

SEC. 17. Section 133(a) of the Truth in Lending Act is amended to read as follows:

"(a) A cardholder shall be liable for the unauthorized use of a credit card only if the card is an accepted credit card, the liability is not in excess of $50, the card issuer gives adequate notice to the cardholder of the potential liability, the card issuer has provided the cardholder with a description of a means by which the card issuer may be notified of loss or theft of the card, which description may be provided on the face or reverse side of the statement required by section 127(b) or on a separate notice accompanying such statement, the unauthorized use occurs before the card issuer has been notified that an unauthorized use of the credit card has occurred or may occur as the result of loss, theft, or otherwise, and the card issuer has provided a method whereby the user of such card can be identified as the person authorized to use it. For the purpose of this section, a card issuer has been notified when such steps as may be reasonably required in the ordinary course of business to provide the card issuer with the pertinent information have been taken, whether or not any particular officer, employee, or agent of the card issuer does in fact receive such information.".

DISSEMINATION OF ANNUAL PERCENTAGE RATES

SEC. 18. (a) Chapter 2 of the Truth in Lending Act is amended by adding at the end thereof the following new section:

"§ 136. Dissemination of annual percentage rates

"(a) The Board shall collect, publish, and disseminate to the public, on a demonstration basis in a number of standard metropolitan statistical areas to be determined by the Board, the annual percentage rates charged for representative types of nonsale credit by creditors in such areas. For the purpose of this section, the Board is authorized to require creditors in such areas to furnish information necessary for the Board to collect, publish, and disseminate such information.

"(b) The Board is authorized to enter into contracts or other arrangements with appropriate persons, organizations, or State agencies to carry out its functions under subsection (a) and to furnish financial assistance in support thereof.".

(b) The analysis of such chapter is amended by adding at the end thereof the following new item:

"136. Dissemination of annual percentage rates.".

CREDIT ADVERTISING

SEC. 19. (a) Section 143 of the Truth in Lending Act is amended to read as follows:

"§ 143. Advertising of open end credit plans

"No advertisement to aid, promote, or assist directly or indirectly the extension of consumer credit under an open end credit plan may set forth any of the specific terms of that plan unless it also clearly and conspicuously sets forth all of the following items:

"(1) Any minimum or fixed amount which could be imposed.

"(2) Where periodic rates may be used to compute the finance charge, the periodic rates expressed as annual percentage rates.

"(3) Any other term that the Board may by regulation require to be disclosed.".

(b) Section 144 of the Truth in Lending Act is amended by striking out paragraphs (1) through (4) of subsection (d) thereof, and inserting in lieu thereof the following:

"(1) the downpayment, if any.

"(2) the terms of repayment.

"(3) the rate of the finance charge expressed as an annual percentage rate.".

CORRECTION OF BILLING ERRORS

SEC. 20. (a) Section 161(b) of the Truth in Lending Act is amended—

(1) by redesignating paragraph (6) as paragraph (7); and

(2) by inserting after paragraph (5) the following:

"(6) Failure to transmit the statement required under section 127(b) of this Act to the last address of the obligor which has been disclosed to the creditor, unless that address was furnished less than twenty days before the end of the billing cycle for which the statement is required.".

(b) Section 161(c) of such Act is amended by inserting after "account" the first time it is used a comma and the following: "which may include finance charges on amounts in dispute,".

CREDIT BALANCES

SEC. 21. (a) Section 165 of the Truth in Lending Act is amended to read as follows:

"§ 165. Treatment of credit balances

"Whenever a credit balance in excess of $1 is created in connection with a consumer credit transaction through (1) transmittal of funds to a creditor in excess of the total balance due on an account; (2) rebates of unearned finance charges or insurance premiums; or (3) amounts otherwise owed to or held for the benefit of an obligor, the creditor shall:

"(A) credit the amount of the credit balance to the consumer's account;

"(B) refund any part of the amount of the remaining credit balance, upon request of the consumer; and

"(C) make a good faith effort to refund to the consumer by cash, check, or money order any part of the amount of the credit balance remaining in the account for more than six months, but no further action is required in any case where the consumer's current location is not known by the creditor and cannot be traced through the consumer's last known address or telephone number".

(b) The table of sections of chapter 4 of the Truth in Lending Act is amended by striking out item 165 and inserting in lieu thereof:

"165. Treatment of credit balances.".

GOVERNMENT EXEMPTION

SEC. 22. (a) Section 113 of the Truth in Lending Act is amended to read as follows:

"§ 113. Effect on governmental agencies

"(a) Any department or agency of the United States which administers a credit program in which it extends, insures, or guarantees consumer credit and in which it provides instruments to a creditor which contain any disclosures required by this title shall, prior to the issuance or continued use of such instruments, consult with the Board to assure that such instruments comply with this title.

"(b) No civil or criminal penalty provided under this title for any violation thereof may be imposed upon the United States or any agency thereof, or upon any State or political subdivision thereof, or any agency of any State or political subdivision.

"(c) A creditor participating in a credit program administered, insured, or guaranteed by any department or agency of the United States shall not be held liable for a civil or criminal penalty under this title where the violation results from the use of an instrument required by any such department or agency.

"(d) A creditor participating in a credit program administered, insured, or guaranteed by any department or agency of the United States shall not be held liable for a civil or criminal penalty under the laws of any State (other than laws determined under section 111 to be inconsistent with this title) for any technical or procedural failure, such as a failure to use a specific form, to make information available at a specific place on an instrument, or to use a specific typeface, as required by State law, which is caused by the use of an instrument required to be used by such department or agency.".

(b) The table of sections of chapter 1 of the Truth in Lending Act is amended by striking out item 113 and inserting in lieu thereof:

"113. Effect on governmental agencies.".

ORAL DISCLOSURES

SEC. 23. (a) Section 146 of the Truth in Lending Act is amended to read as follows:

"§ 146. Use of annual percentage rate in oral disclosures

"In responding orally to any inquiry about the cost of credit, a creditor, regardless of the method used to compute finance charges, shall state rates only in terms of the annual percentage rate, except that in the case of an open end credit plan, the periodic rate also may be stated and, in the case of an other than open end credit plan where a major component of the finance charge consists of interest computed at a simple annual rate, the simple annual rate also may be stated. The Board may, by regulation, modify the requirements of this section or provide an exception from this section for a transaction or class of transactions for which the creditor cannot determine in advance the applicable annual percentage rate.".

(b) The table of sections of chapter 3 of the Truth in Lending Act is amended by striking out item 146 and inserting in lieu thereof:

"146. Use of annual percentage rate in oral disclosures.".

EFFECTIVE DATE

SEC. 24. The amendments made by this Act shall take effect upon the expiration of two years after the date of enactment of this Act. All regulations, forms, and clauses required to be prescribed under the amendments made by this Act shall be promulgated at least one year prior to such effective date. Notwithstanding the foregoing, any creditor may comply with the amendments made by this Act, in accordance with the regulations, forms, and clauses prescribed by the Board, prior to such effective date.

Mr. RIEGLE. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. SCHMITT. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. SCHMITT. Mr. President, I ask unanimous consent that the Senator from Utah (Mr. GARN) have 2 minutes for a statement.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. GARN. I thank the Senator from New Mexico. I will not take 2 minutes. I merely want, due to the fact that this was a voice vote, for my vote to be recorded as being opposed to S. 2802.

I have been deeply involved in the issue of regulatory reform and simplification since coming to the Senate 3½ years ago. My colleagues know of my work with Senator MORGAN to simplify and make more workable the provision of the Real Estate Settlement Procedures Act. These efforts have, indeed, provided simplification whether it was sorely needed.

We have here a case where in the name of simplification more is being required of business, not less.

Remember also that I am not suggesting eliminating any items of information that might be needed by borrowers because all are already provided in the contractural agreement to which the truth-in-lending disclosures are attached.

FEDERAL BANKING AGENCY AUDIT ACT

The PRESIDING OFFICER. Under the previous order, the Senate will proceed to the consideration of Calendar Order No. 665, H.R. 2176, which the clerk will report.

The legislative clerk read as follows:

A bill (H.R. 2176) to amend the Accounting and Auditing Act of 1950 to provide for the audit, by the Comptroller General of the United States, of the Federal Reserve System, the Federal Deposit Insurance Corporation, and the Office of the Comptroller of the Currency, and for other purposes.

The Senate proceeded to consider the bill, which had been reported from the Committee on Governmental Affairs with amendments as follows:

On page 1, line 8, strike "(d)(1)" and insert "(e)(1)";

On page 6, line 13, strike "117(d)" and insert "117(e)";

On page 6, line 19, strike "117(d)" and insert "117(e)";

On page 7, line 5, strike "117(d)" and insert "117(e)";

The PRESIDING OFFICER. Who yields time?

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the time for the quorum call for which I am about to put in not be charged to either side.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER TO PROCEED TO THE NATIONAL RAILROAD PASSENGER CORPORATION AUTHORIZATIONS, 1978

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that upon the disposition of H.R. 2176, the pending business, the Senate proceed to the consideration of S. 3040, the authorizations of appropriations for the rail passenger service.

The PRESIDING OFFICER. Without objection, it is so ordered.

FEDERAL BANKING AGENCY AUDIT ACT

The Senate continued with the consideration of H.R. 2176.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum, and I ask unanimous consent that the time not be charged to either side.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. RIEGLE). Without objection, it is so ordered.

RECOGNITION OUT OF ORDER OF SENATOR HELMS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senator from North Carolina (Mr. HELMS) may speak for not to exceed 5 minutes out of order, without the time being charged to either side on the pending bill.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from North Carolina is recognized.

Mr. HELMS. I thank the distinguished majority leader for his courtesy.

GOLD SALES: NO HELP FOR THE BUCK

Mr. HELMS. Mr. President, William Rees-Mogg is editor of the Times of London and author of a fine book entitled the "Reigning Error." The error he discusses in that book is the belief in the

political, paper money systems which we have and which are touted as the only "modern, efficient" money systems possible.

Paper money is neither of these things, of course. It is the only system which will give political officeholders or their designees the power to determine the value of money. Mr. Rees-Mogg adequately pointed out the history of various paper currencies, modern and ancient, in his book. He also documents the dramatic success of the London gold standard which maintained stable prices from the 1700's until 1913 and the beginning of World War I.

Most recently, Mr. Rees-Mogg wrote an excellent article in the April 21 edition of the Times titled, "Gold, and the Fighting Retreat of the U.S. Dollar." The subtitle states pointedly,

Gold is the better money in the present and offers the best security for the future. If Washington challenges gold to a knockout fight, there is only one possible victor.

With his customary clarity and hardheadedness, Mr. William Rees-Mogg puts the upcoming sales of U.S. gold in their proper perspective.

Mr. President, I ask unanimous consent that Mr. Rees-Mogg's article be inserted in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

GOLD, AND THE FIGHTING RETREAT OF THE U.S. DOLLAR

(By William Rees-Mogg)

The decision of the United States Government to start monthly gold sales from the American gold stock will inevitably strengthen the position of gold and weaken the dollar, once the market has had some experience of these sales.

All past experience of sales from a stockpile is that the initial effect is to reduce the price of the commodity offered, but that the gradual liquidation of the stockpile itself soon begins to strengthen the price again. If the process is completed, the result is that the stockpile is gone and the price is higher.

This has been the general experience of the United States in disposing of stockpiles of scarce commodities and it has been the experience of the sales of gold from the IMF. There is no reason to suppose that this experience will not be repeated. In any case the Americans would not be selling if they did not need the money, and the fact that they need the money cannot help to strengthen the dollar.

American policy towards gold is contradictory and is therefore bound to be self-defeating. The United States Government wants to maintain the dollar as a stronger form of international money than gold, but they still want a soft dollar for domestic reasons. To achieve their objective of knocking out gold, the United States has taken every step except the one which could have had any effect, which would have been to strengthen the dollar.

The world has seen American repudiation of gold convertibility, sales of gold and the announcement that gold is no longer money, an announcement dubiously endorsed by other members of the International Monetary Fund.

None of these measures are related to the problem: they have not stopped, except for intervals, dollars being sold and gold being bought. The problem arises not because of gold but because of the dollar. It is not wicked of gold to be strong, but sad for the dollar to be so weak. The dollar is weaker than gold because the American authorities issue larger numbers of dollars than the amount of new mined gold which is available to be added to private or public reserve funds. So long as the over issue of the dollar continues it is quite unavoidable that the dollar should fall in its purchasing power of all commodities and in particular of gold itself. That fall will not be consistent, or without interruption, but it will occur.

Last year the increase in the monetary gold stock came to zero. One thousand four hundred tons of gold passed through the market, of which 1,000 tons was used for jewelry. 200 tons for industrial use and 200 tons for investment. Of the supply to the market 1,000 tons were new mined, and 400 tons were existing bullion. Of the new mined gold, 700 tons came from South Africa and 300 from the Soviet Union. We seem to be in a period when there is no net addition to gold reserves. At a higher price there would be some net increase.

The American authorities pay gold a reluctant tribute by showing their animosity towards it. This tribute is quite justified. The world has always needed an international currency and there are at present only three forms that an international currency could take, the dollar, some type of IMF international unit, or gold.

The existing international currency is the dollar, which forms 80 percent or thereabouts of the currency reserves of countries outside the United States, and is said to account for an equally large proportion of international trade when that is not denominated in the currency of the buying or selling nation.

When the United States was the only fully developed world industrial power in the early post-war period, the dollar formed a smaller proportion of total world reserves and a much more acceptable one. As the United States share in the world economy has fallen, which merely reflects the normal and healthy development of other economies, the importance of the dollar as a reserve currency has not fallen but grown.

The large American trade deficit in recent years has caused the dollar reserves to grow still further, and they have risen by the alarming figure of around 50 percent in the last 18 months. There are too many dollars in the world already, but the United States is still running a large Budget deficit, a very large trade deficit and a medium rate of growth of monetary aggregates.

British experience shows that it is only possible to maintain confidence in a reserve currency when the balance of payments on current account is favourable, or at least supportable. The capital position and the current position are very closely linked; when the current position deteriorates the capital position becomes very difficult.

People want to get out of a suspect currency; the bigger the currency the heavier the sales and the harder to arrange a support operation. The scale of support the dollar can require is shown by the $5,000m spent by Japan to support the dollar against the yen in the month of March alone—one country, one month.

This means that a reserve currency has to be managed in a very conservative way if it is to continue to be acceptable. If the American dollar was managed on the same basis as the Swiss franc, then other nations would continue to be more than happy to hold dollars and would on the whole make a capital profit out of doing so. Every central bank holding dollars is now sitting on a loss.

The very economists in Washington who want to destroy gold in order to maintain the reserve predominance of the dollar also believe that at least mildly, inflationary policies are necessary to support the growth of the domestic economy of the United States. They may well be wrong on both counts; they are certainly wrong to suppose that the dollar will again become an acceptable reserve currency if the policy on the domestic United States money supply continues to be more expansive than those of the best alternative currencies.

World currency changes usually work themselves out over relatively long periods. The trends towards the weaker dollar and the strengthening of gold were already apparent by the early 1960's, and one must therefore be cautious about any estimate of the timing of future developments that one might make. Yet the broad pattern of coming events seems very clear.

We are now near the end of the period of dollar predominance. Given the pressures of American domestic politics, and the lack of understanding in Washington of the relationship between domestic monetary policies and international monetary movements, it is virtually inevitable that the dollar should cease to be acceptable as a reserve currency on the present scale.

Too many nations have lost too much money too quickly as a result of holding their reserves in dollars. The basic American economy remains impressively strong, but nowadays there are other strong economies, particularly that of Japan.

The basic reason for the dollar's trouble is that a democratic electorate wants high expansion and low taxes. As Ricardo observed: "Neither a state nor a bank ever have had the unrestricted power of issuing paper money without abusing that power." There never will be a shortage of politicians willing to spend where they have not taxed, nor nowadays is there any shortage of economists wishing to advise them of the wisdom of supporting trade and employment by issuing more money. No money whose issue is controlled by a politician is ever better than the needs of the next election will allow. Of course citizens have to live with their own politicians, but nations do not have to trust the politicians of other nations by holding their foreign currencies.

The next phase will be an attempt to create an international currency which will still be based on the issuing power of government but at second hand. That would involve an international agreement to fund dollar balances into a currency run by the International Monetary Fund.

Theoretically, the extension of the system of SDR's could provide the world with the international currency it needs. It is, however, a mistake to think that the pressure of international politics is necessarily less than the pressure of domestic politics or that the motives will be substantially different. To obtain the consent of governments or to obtain the consent of electors requires the same assurance that there will be "something in it for them". That something in the case of a currency always involves overissue.

Undoubtedly, the issue of either type of paper currency, whether dollars or SDR's to be used for reserve purposes, will be greater than the * * * to the gold stock arising from new mining less new jewelry and industrial use. Gold will be the harder currency of the two.

At present, partly because they are acting under considerable political pressures from the United States, most governments include large quantities of dollars in their reserves, although in real terms those dollars have been an unsound investment. That has left gold to perform the reserve function for a relatively small number of shrewder governments and for individuals.

Now that it can be seen that the weakness of the dollar is likely to continue, even though there will be cyclical periods of improvement, the advantage of gold over the dollar as a store of value will become even more obvious, and the benefits to gold holders against dollar holders will continue to be substantial.

Gresham's law states that bad money drives out good. Of money as a circulating

medium that is true. A man who has a good coin and a bad coin will pay with the bad coin and keep the good one. The corollary is of course that as a store of value good money drives out bad. Apart from the Swiss, there are no central banking authorities responsible for a major currency, perhaps not even the Germans, who have a sufficient determination to make their own currency good.

Gold is therefore for two reasons the preferred store of value; the net addition to its quantity is lower than that of competing currencies; an increase in the supply of gold depends on the mining industry and not on the printing industry. Gold is the better money in the present and offers the better security for the future. If Washington challenges gold to a knockout fight, there is only one possible victor.

CUT TAX PENALTIES ON OVERSEAS EMPLOYMENT

Mr. HELMS. Mr. President, recently, I joined my good friend, the distinguished Senator from Idaho (Mr. McCLURE) in sponsoring S. 2576, a bill to correct an unfortunate change in section 911 of the Tax Code made by the Tax Reform Act of 1976. We should all be concerned with the problems facing Americans at work overseas. The problem there has been described as no less than a "bizarre tax nightmare" as our Government has increased tax burdens on American nationals working overseas.

This is ironic because at a time when we must be extremely concerned about the exports of U.S. jobs and when there are high rates of domestic unemployment, actions of our Government have frustrated the recovery of our economy through the export of goods and services. A major reason for this situation is because of the revisions made in section 911 of the Tax Code in the Tax Reform Act of 1976.

As a result of this unique legislation, many Americans are leaving their jobs overseas and trying to find better living conditions at home. This means that in order to fill these abandoned jobs, U.S. firms must recruit foreigners. Furthermore, as these foreigners take over jobs once held by Americans, American companies must invest in products which these foreigners are familiar with. These products are often manufactured in countries other than the United States.

In order for American companies to compete against foreign companies, tax relief is a necessity. The bill S. 2576 is a means for this relief. This bill calls for: First, a restoration of the earned income exclusion allowed by the Internal Revenue Code section 911 to its pre-1976 status and to provide for "indexing" of the excludable amounts by reference to civil service salaries; second, an allowance of a series of deductions from earned income to individuals working abroad in recognition of the extraordinary nature of some of their expenses; third, an adjustment of the time and dollar limitation on deductible moving expenses in connection with foreign moves; and fourth, an authorization of a special exclusion from income for the value of camp-style meals and lodging furnished in connection with construction projects, natural resource exploration and development, or the installation, maintenance or operation of export property.

I feel, as does the distinguished junior Senator from Idaho, that it is most advantageous for the United States to maintain economic investment and influence abroad. Yet there must be incentives for Americans to leave their homes in America and work overseas. Without those incentives, we face higher unemployment, the decline of U.S. economic presence in foreign nations and a cost and efficiency crisis for U.S. companies abroad. With proper congressional action, this situation can be altered. This bill is needed to remedy the massive adverse effect this 1976 act has had and will have on the U.S. companies abroad.

Mr. President, I thank the Chair, I thank the distinguished majority leader, and, under the same conditions that prevailed before the order for the last quorum call was rescinded, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. SASSER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

FEDERAL BANKING AGENCY AUDIT ACT

The Senate continued with the consideration of the bill.

Mr. SASSER. Mr. President, I yield myself whatever time I might consume.

Mr. President, I am pleased that the Senate today is considering H.R. 2176, the Federal Banking Agency Audit Act.

The purpose of H.R. 2176 is to improve the operating efficiency of the three bank regulatory agencies as well as to improve congressional oversight. Volume 5 of the Governmental Affairs Committee's "Study on Federal Regulation" made an in-depth study of the structure of Federal bank regulation. Among other points, the committee found that although the three Federal bank regulatory agencies are empowered to carry out public policy, their expenditures in pursuit of that policy are not now subject to General Accounting Office audit. This is because their funding derives from assessments on banks they regulate rather than from congressional appropriations. H.R. 2176 would rectify this unusual and favored status of the three agencies and subject their operations to the objective and careful review of the GAO.

Specifically, H.R. 2176 provides for a GAO audit of the Federal Reserve System, the Federal Deposit Insurance Corporation and the Office of the Comptroller of the Currency. It requires the Comptroller General to make reports to the Congress as frequently as practicable. Advance drafts of these reports are to be circulated to the agencies 30 days in advance for comments, which shall be published with the GAO's report. It requires the agencies to cooperate with the GAO by permitting GAO examiners access to statistically meaningful samples of bank examination reports to be determined by the GAO; to office space, copying facilities, and telephones; and to all files, memoranda, books, accounts, records, reports, and property of the agencies.

H.R. 2176 recognizes that the Federal Reserve Board must be able independently to conduct the Nation's monetary policy. The bill, therefore, precludes the GAO from auditing any monetary policy deliberation, decision, or implementation; any transaction conducted on behalf of foreign governments, foreign central banks and nonprivate international financing agencies; and any transaction of the Federal Open Market Committee. In addition, the GAO is prohibited, by paragraph (3)(B), from auditing all discount window operations.

The bill also recognizes the sensitive nature of information that will be audited by the GAO and therefore provides essential protection of this information. Specifically, the GAO is not permitted to reveal information in a form which would identify specific open banks, bank holding companies or customers of either. The GAO is permitted to reveal a specific customer of a closed bank or bank holding company only when that customer held a controlling influence in the management of the closed bank. Finally, criminal penalties are applied to GAO employees who disclose loan information to the same extent that those penalties are applied to bank examiners.

This measure has already passed in the House of Representatives by an overwhelming margin of 336 to 24 and was unanimously reported by the Governmental Affairs Committee in March.

I believe that the new authority that would be granted to the GAO under H.R. 2176 is warranted and I urge passage of the measure.

Mr. President, before yielding, I ask unanimous consent that the committee amendments be agreed to en bloc and considered part of the original text.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. SASSER. I yield to the Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, I support the passage of H.R. 2176, the Federal Banking Agency Audit Act.

This legislation authorizes the General Accounting Office to audit the Federal Reserve Board, the Federal Reserve Banks, the Comptroller of the Currency, and the Federal Deposit Insurance Corporation.

The GAO is required to make reports to the Congress on the results of its audits as frequently as practicable. The scope of the audits is to be determined by GAO. All of the activities of these agencies are to be audited by GAO with the exception of the monetary policy functions of the Federal Reserve and transactions conducted by the Federal Reserve on behalf of or with foreign central banks, foreign governments, and nonprivate multinational financing organizations.

Mr. President, this legislation is long overdue and urgently needed. The three

bank regulatory agencies currently are uniquely excepted from effective congressional oversight of the exercise of their responsibilities by virtue of GAO's lack of authority to audit their operations. The safe and sound banking system is basic to the well-being of our economy. Effective and efficient bank regulation is an essential ingredient of maintaining a safe and sound banking system. In the wake of several large bank failures in recent years and reports of large numbers of "problem banks," Congress requested and the three agencies agreed to a GAO audit of how well they were carrying out their bank regulatory responsibilities. The GAO report was very helpful to Congress in pinpointing areas where improvements were needed in bank regulation. While the agencies were reluctant initially to agree to the audit, all subsequently agreed that the GAO did a good job. Mr. President, the time has now come to provide GAO with direct statutory authority to conduct such audits on an ongoing basis. I commend the Senate Governmental Affairs Committee for its outstanding performance in fashioning this legislation.

This legislation will also enable the GAO to audit the expenditures of funds by those regulatory agencies. According to the committee report last year the three agencies incurred operating expenses exceeding $920 million—almost a billion dollars. None of these expenditures were audited by GAO to insure the effectiveness of the programs or the legality of the expenditure of such funds. In the past several years, the Senate Banking Committee has uncovered numerous instances where the banking agencies have wasted money. This legislation should help eliminate the waste. Unfortunately, it does not go far enough. We also need in the law a provision subjecting the expenditure of money by these agencies to ceilings set by the Congress.

I intend to introduce legislation shortly to accomplish this.

Mr. President, I strongly support passage of this legislation.

I congratulate Senator SASSER and the committee on their prompt reporting of the bill.

Mr. President, I yield the floor.

Mr. PERCY. Mr. President, I commend the distinguished Senator from Tennessee (Mr. SASSER), the distinguished Senator from Wisconsin (Mr. PROXMIRE), and the distinguished Senator from Massachusetts (Mr. BROOKE) for their efforts in preparing this legislation involving the GAO audit of these three bank regulatory agencies.

AMENDMENT NO. 1810

Mr. BROOKE. Mr. President, I call up my amendment No. 1810 and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

The Senator from Massachusetts (Mr. BROOKE) for himself, Mr. TOWER, Mr. MCINTYRE, Mr. STEVENSON, and Mr. JAVITS, proposes amendment numbered 1810.

Mr. BROOKE. I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 4, strike lines 7 through 14, and on line 15 strike "(E)" and insert in lieu thereof "(D)".

On page 2, line 11, between the words "in" and "paragraph" insert the following: "clauses (A), (B), and C of".

Mr. BROOKE. Mr. President, I am joined by Senators TOWER, MCINTYRE, STEVENSON, and JAVITS in offering this amendment to H.R. 2176, which would help assure the privacy of information concerning individual banks or individual bank customers obtained by the GAO in the course of its audits of the Federal bank regulatory agencies. The amendment would delete subsection (d)(5)(D) which provides that, when requested, GAO must furnish such audit information to a duly authorized congressional committee or subcommittee sitting in executive session. While I belive Congress should have ready access to GAO audit reports and information, I believe that financial information which identifies an operating bank or an individual bank customer should not be accessible without the issuance of a congressional subpena. Of course, if such information is obtained through the subpena process, congressional committees would be expected to treat it with the utmost discretion and in accordance with the rules of both Houses of Congress. In my opinion, this amendment would protect the privacy of individuals and banks, without unduly burdening congressional committees in their oversight of Federal banking agencies.

The amendment would also clarify the definition of the term "agency" contained in subsection (d)(2) of the bill, by inserting language therein which would more clearly indicate that the Federal Reserve, the Federal Deposit Insurance Corp., and the Office of the Comptroller of the Currency are the agencies covered by the bill. Presently, the term "agency" is defined to mean an agency listed in subsection (d)(1), which mentions the Comptroller General, (head of the General Accounting Office), as well as the three banking agencies. Thus, this change is to insure that the word "agency" refers only to the banking agencies and that it not be misinterpreted to refer also to the GAO.

The proposed Federal Banking Agency Audit Act would provide Congress for the first time with audit information regarding the operations of the Federal Reserve, the Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corp. At present, these agencies, whose total operating budgets this past year exceeded $900 million, are the only Federal agencies which are not subject to audit by GAO. While GAO is authorized to review all agency matters regarding the use of appropriated funds, the three banking agencies receive their operating funds through assessments on regulated banks and receive no funds appropriated by Congress.

In view of the importance of these agencies within the Government and of their impact on the Nation's financial and economic structure, it is certainly appropriate to improve congressional oversight of their effectiveness. However, I also believe that the audit bill should not jeopardize the financial privacy of individuals or banks or inhibit the bank examination function of the bank regulatory agencies by requiring that financial information about individual or specific banks be provided to Congress without subpenas. Requiring congressional committees to issue subpenas for such financial information imposes what I believe is a more appropriate safeguard than allowing congressional committees to receive in executive session any audit information they desire. Moreover, the issuance of a congressional subpena for individual financial information allows the Federal banking agencies or the GAO to make good faith objections to the disclosure of such information, whereas the requirement that the GAO provide any such information to a committee sitting in executive session provides no such opportunity.

As I indicated on April 25, when I announced my intention to offer this amendment, the deletion of subsection (d)(5)(D) has been endorsed by G. William Miller, chairman of the Federal Reserve Board, and by former Chairman Arthur F. Burns, as a means of assuring financial privacy and the integrity of the bank examination process. Personal financial privacy has been and is of concern to Congress, particularly in light of the Senate Banking Committee's present consideration of a financial privacy bill (S. 2096), and I believe that H.R. 2176 should be amended to insure that there are adequate standards to protect the financial privacy of individual banks and bank customers when Congress requests access to confidential financial records.

I also share the desire to Chairman Miller and former Chairman Burns that disclosure of information about the financial condition of individual operating banks not be allowed to inhibit the bank examination process. At present, banks generally cooperate with bank examiners and much of that cooperative spirit is due to the fact that banks feel confident that sensitive financial information and bank examiner comments which are contained in examination reports will be afforded confidential treatment by the banking agencies. In order to protect and promote the effectiveness of the examination process, I believe we should require a congressional committee to obtain individual financial data through a subpena which clearly specifies the information requested. To allow a committee sitting in executive session to obtain any such information does not, in my opinion, establish appropriate standards to protect the interests of persons who may be affected by such an information gathering process.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. BROOKE. I yield.

Mr. PROXMIRE. Mr. President, I support the Brooke amendment to delete section 5(D) from the bill.

Section 5 of the bill prohibits GAO disclosure of information identifying a specific customer of an open or closed bank or bank holding company or information which would identify a specific open bank or bank holding com-

pany. The only exception to this prohibition is the disclosure of information identifying a customer of a closed bank and then only to the extent that the disclosure relates to the affairs of the closed bank.

Senator Brooke's amendment would delete the provisions of section 5(D) which would have required GAO to disclose confidential information not authorized to be disclosed under section 5 to congressional committees or subcommittees in executive session. I strongly support this provision. The provision in the bill that would be changed by the amendment is unnecessary, because if Congress needs the information, it can always obtain it through its regular subpena process.

I thank the distinguished Senator for offering this excellent amendment.

Mr. BROOKE. I thank the Senator from Wisconsin, the chairman of the Committee on Banking, Housing, and Urban Affairs. He is well versed in banking procedures and obviously wants to protect the financial privacy of banks and of individual bank customers. He believes that by the adoption of this amendment we will be doing that and, at the same time, not by any means impeding Congress ability to obtain necessary relevant information.

Mr. HARRY F. BYRD, JR. Mr. President, will the Senator yield?

Mr. BROOKE. I yield.

Mr. HARRY F. BYRD, JR. For clarification, the Senator's amendment really deletes section 5(D). Is that it?

Mr. BROOKE. Yes.

Mr. HARRY F. BYRD, JR. It deletes that section entirely?

Mr. BROOKE. That is correct.

Mr. HARRY F. BYRD, JR. I thank the Senator.

Mr. PERCY. Mr. President, will the Senator yield?

Mr. BROOKE. I yield to the Senator from Illinois.

Mr. PERCY. Mr. President, I should like to reiterate my support for the Brooke amendment. I think it accomplishes everything we set out to accomplish. It is acceptable to the GAO and the financial institutions involved, and it is a major step forward.

Mr. BROOKE. I thank the Senator from Illinois for his support of this amendment.

Mr. SASSER. Mr. President, on behalf of the committee, I accept the amendment offered by Senators BROOKE, TOWER, MCINTYRE, STEVENSON, and JAVITS.

I thank the distinguished Senator from Wisconsin, the chairman of the Committee on Banking, Housing, and Urban Affairs, for his comments.

This amendment, of course, in no way limits the legal authority of Congress and its committees to have subpena information in accordance with already established rules.

Mr. BROOKE. Mr. President, the distinguished Senator from Tennessee is correct. It does not in any way limit the Congress.

I believe strongly that we should require congressional subpenas in order to place more emphasis on the method by which individual financial information can be obtained by a congressional committee in the first instance.

Mr. President, I ask unanimous consent that the name of the distinguished Senator from Illinois (Mr. PERCY) be added as a cosponsor of the amendment.

The PRESIDING OFFICER (Mr. INOUYE). Without objection, it is so ordered.

Mr. BROOKE. Mr. President, I ask for the yeas and nays on this amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. All time having expired, the question is on agreeing to the amendment. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from South Dakota (Mr. ABOUREZK), the Senator from Delaware (Mr. BIDEN), the Senator from Montana (Mr. HATFIELD), and the Senator from Illinois (Mr. STEVENSON) are necessarily absent.

I further announce that, if present and voting, the Senator from Illinois (Mr. STEVENSON) would vote "yea."

Mr. STEVENS. I announce that the Senator from New Jersey (Mr. CASE), the Senator from Nebraska (Mr. CURTIS), the Senator from Nevada (Mr. LAXALT), and the Senator from Delaware (Mr. ROTH) are necessarily absent.

The result was announced—yeas 92, nays 0, as follows:

[Rollcall Vote No. 160 Leg.]

YEAS—92

Allen	Griffin	Moynihan
Anderson	Hansen	Muskie
Baker	Hart	Nelson
Bartlett	Haskell	Nunn
Bayh	Hatch	Packwood
Bellmon	Hatfield, Mark O.	Pearson
Bentsen	Hathaway	Pell
Brooke	Hayakawa	Percy
Bumpers	Heinz	Proxmire
Burdick	Helms	Randolph
Byrd, Harry F., Jr.	Hodges	Ribicoff
Byrd, Robert C.	Hollings	Riegle
Cannon	Huddleston	Sarbanes
Chafee	Humphrey	Sasser
Chiles	Inouye	Schmitt
Church	Jackson	Schweiker
Clark	Javits	Scott
Cranston	Johnston	Sparkman
Culver	Kennedy	Stafford
Danforth	Leahy	Stennis
DeConcini	Long	Stevens
Dole	Lugar	Stone
Domenici	Magnuson	Talmadge
Durkin	Mathias	Thurmond
Eagleton	Matsunaga	Tower
Eastland	McClure	Wallop
Ford	McGovern	Weicker
Garn	McIntyre	Williams
Glenn	Melcher	Young
Goldwater	Metzenbaum	Zorinsky
Gravel	Morgan	

NAYS—0

NOT VOTING—8

Abourezk	Curtis	Laxalt
Biden	Hatfield, Paul G.	Roth
Case		Stevenson

So Mr. BROOKE's amendment was agreed to.

Mr. BROOKE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HARRY F. BYRD, JR. Mr. President, I yield myself such time as I may need.

First, I want to commend the Senator from Tennessee (Mr. SASSER) for the legislation which he has handled so ably on the floor of the Senate today.

Mr. President, for more than 32 years I have served as president, treasurer, and chief executive officer of two newspaper companies, and I want to say that I would not want to serve in such positions unless I had the authority and the resources to have outside auditors.

I think that principle applies even more to agencies of Government.

I think the legislation which is before the Senate at the present time, providing for audits by the Comptroller General of the United States of the Federal Reserve System, the Federal Deposit Insurance Corporation, and the Office of the Comptroller of the Currency is a desirable piece of legislation.

I rise mainly to say, Mr. President, that this legislation, as I view it, does not in any way jeopardize the independence of the Federal Reserve Board.

I think it is very important that the Federal Reserve Board be an independent agency of Government. I know there are some among our colleagues who feel that Congress should get into the act. I think that would be one of the worst things that could happen to this country if Congress attempted to interfere in the matters of the Federal Reserve Board.

That Board now has a new Chairman, Mr. G. William Miller. I have had the opportunity to be with Mr. Miller on several occasions. I have talked with him on the telephone on several occasions. I have communicated with him by letter on various occasions.

I am well impressed with him.

I must say, frankly, that I had hoped President Carter would not replace former Chairman Arthur Burns, as I thought he, too, was an outstanding Chairman of the Federal Reserve Board. But I am well impressed with Chairman Miller.

While I do not know him too well, if I can accurately appraise him, I think he is the type of individual who wants to cooperate with the President and the administration, and I think he should.

I think he is the type of individual who wants to cooperate with Congress, and I think he should.

But I think he is also the type of individual who will safeguard his own independence and that of the Federal Reserve Board; and I think that is very important.

It is important that whoever is Chairman of the Federal Reserve Board, and whoever are the members of that Board, that they zealously safeguard the independence of the Federal Reserve System. That, in my judgment, is in the best interests of the United States. It is very important that that Board remain independent.

While the pending legislation provides for an audit of the Federal Reserve System by the Comptroller General of the United States, it does not it any way jeop-

ardize the independence of the system. So I commend the able Senator from Tennessee (Mr. SASSER), and I am pleased to support this legislation, which will be voted on in a few moments.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time.

Mr. HARRY F. BYRD, JR. Mr. President, I yield back my time on the bill.

Mr. SASSER. I yield back my time, Mr. President.

The PRESIDING OFFICER. Does the Senator from Massachusetts yield back his time?

Mr. SASSER. Mr. President, in behalf of the Senator from Massachusetts I yield back his time.

The PRESIDING OFFICER. All time having been yielded back, the question is, Shall the bill pass?

The bill (H.R. 2176) was passed.

Mr. SASSER. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. DECONCINI. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

NATIONAL RAILROAD PASSENGER CORPORATION AUTHORIZATIONS, 1978

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of S. 3040, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 3040) to amend the Rail Passenger Service Act to extend the authorizations of appropriations for an additional fiscal year, to provide for public consideration and implementation of a rail passenger service study, and for other purposes.

The PRESIDING OFFICER. The time on this bill has been limited by unanimous consent to 2 hours. Who yields time?

Mr. MAGNUSON. Mr. President, I suggest the absence of a quorum.

Mr. SASSER. Mr. President, I ask that the Senator withhold that.

Mr. MAGNUSON. All right, I withhold it.

Mr. SASSER. I ask unanimous consent for a quorum call without the time being charged to either side.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. SASSER. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. LONG. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LONG. Mr. President, I ask unanimous consent that Timothy Lynch be granted the privileges of the floor during the discussion and votes on the Amtrak authorization bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LONG. Mr. President, the Committee on Commerce, Science, and Transportation held hearings on the Amtrak authorization bill on March 10 and 13, 1978. On April 11, 1978, the committee reported favorably S. 3040 as an original bill recommending authorizations for Amtrak for fiscal year 1979 in the following amounts: $510 million for payment of operating expenses; $120 million for payment of capital expenses, and $25 million for the guaranteed loans.

The bill, however, does far more than simply provide an authorization level for fiscal year 1979. The bill initiates a process of public hearings which the committee hopes will get at some fundamental questions concerning the adequacy of rail passenger service.

Amtrak's deficits, which are ultimately paid for by the American taxpayer, have grown unchecked since the corporation commenced operations in 1971. The following table illustrates the operating revenues, operating expenses and deficits, strongly indicating that a fundamental reevaluation is in order.

I ask unanimous consent that the table be printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE I.—AMTRAK FUNDING HISTORY

[In thousands]

Fiscal year	Operating revenues	Operating expenses	Deficits
1971	$22,645	$45,301	$22,656
1972	152,709	306,179	153,470
1973	177,303	319,151	141,848
1974	240,071	437,932	197,861
1975	246,459	559,807	313,348
1976	268,038	674,307	406,269
Transition quarter	77,167	176,298	99,131
1977	311,272	832,850	521,578
Total	1,491,078	3,340,660	1,849,582

Projections for the immediate future, as reflected by Amtrak's recently submitted 5-year plan (1978–1982) are contained in table II.

TABLE II.—NEXT 5 YR

Fiscal year	Operating revenue	Operating expenses	Deficits
Projected:[1]			
1978	$352,866	$943,366	$590,500
1979	403,254	1,072,325	669,071
1980	444,987	1,172,140	727,153
1981	505,652	1,293,940	788,288
1982	578,274	1,432,340	854,066
Total projected	2,285,033	5,914,111	3,629,078
Total	3,776,111	9,254,771	5,478,660

[1] Amtrak estimates.

Mr. LONG. What these tables show, Mr. President is that if the losses of Amtrak keep spiraling upward and unless something is done the losses of Amtrak could exceed $1 billion a year by 1985.

The committee has recommended a level of funding for operating expenses for the next fiscal year which is exactly the same as recommended in the President's budget. The Federal Railroad Administration, in a letter to me dated May 8, 1978, states:

A $510 million level for fiscal year 1979 could be achieved if Amtrak embarked immediately on interim route fare and service adjustments, and managerial economies.

I ask unanimous consent that the letter appear in the RECORD at the conclusion of my statement.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. LONG. Although there has been some question recently as to exactly what level of funding Amtrak would require, this letter makes it clear that with the institution of fare changes and certain other economies, Amtrak can begin to get its financial house in order.

Mr. President, this letter from Federal Railroad Administrator John M. Sullivan, concerning the fare changes and other efficiencies that would be required, raise some very fundamental issues and problems that need to be corrected. First, Amtrak maintains that its level of ridership has increased significantly each year over the last few years. The committee, however, in reporting this legislation, was of the opinion that, contrary to these assertions, Amtrak's load factor, expressed as passenger miles per train, has actually gone down steadily from 126.8 in late 1974 and early 1975 to 103.8 in fiscal year 1976. The latest data show that this statistic is now well below 100. The General Accounting Office even reported that the assumption that normal growth of 10 percent, 12 percent, and 15 percent will occur respectively in fiscal years 1977 through 1980 without any changes in Amtrak operations was based on management judgments. Experience over calendar years 1973, 1974, 1975, the only years for which comparable ridership data is available, does not show ridership growth approaching these projections. Additional evidence actually indicates that what increase in ridership has occurred has been due solely to the addition of new trains and new service, rather than increased patronage on existing service. In addition, increased ridership has been demonstrated on certain trains where large numbers of free passes were made available to the public.

Air transportation between the two points costs $25, five times that much. If you go by auto, the overall expense of traveling by auto would work out to be $14.45. Although a fare of $38.75 in this market would be required for Amtrak to break even, Amtrak's actual ticket price is set at $6.45. This fare policy, which could be magnified many times over around the country, not only dissipates Amtrak's resources, but threatens the financial existence of the private transportation companies that have to compete with Amtrak.

Can you imagine, Mr. President, for a passenger to travel between Chicago and Milwaukee, competing with the bus, this Government is compelled to lose $32 to keep somebody from buying a $5.50 bus ticket? Here the Government is paying a subsidy, you might say, of about $6 every time it collects $1. For what purpose? In order to persuade people to leave a tax-paying organization, the bus company, and ride on a tax-eating organization, the Amtrak, where they are selling a ticket that costs us $38, to deliver the service for $6.45.

Now, obviously, if the service is to be provided at all, it ought to be provided at a much higher cost—perhaps two or three times what they are charging for it. If it cannot be provided at a cost that has some relationship, just any kind of reasonable relationship, to what it costs to provide the service, it ought to be discontinued.

The committee, therefore, in reporting this legislation, has directed the Secretary of Transportation to undertake a study of Amtrak's route system, and to recommend a new route system which will provide an optimal level of intercity railroad passenger service based upon sound marketing and demographic considerations. The committee is particularly concerned that both the cost and the benefits of Amtrak's service be measured in such a manner that will facilitate a rational and logical evaluation of Amtrak's route system. It is certainly the intention of the committee, in establishing the route reexamination procedure, to encourage a broad level of public participation in order to focus attention on the rail system, its actual benefits, and the cost to the taxpayer of supporting those benefits.

During the lengthy process of public hearings, departmental recommendations and congressional approval of the new route structure, provisions of present law relating to institution of new service are suspended. The reason is that the implementation process for the new route system is itself a procedure that becomes a substitute for sections 403 and 404 of the Rail Passenger Service Act. These are the two sections that relate to route and service criteria and procedures. However, the suspension is applicable only to the proposed new route structures, not the existing route structure.

EXHIBIT 1

WASHINGTON, D.C.,
May 8, 1978.

HON. RUSSELL B. LONG,
Chairman, Subcommittee on Surface Transportation, Committee on Commerce, Science, and Transportation, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: During recent hearings on S. 2478, the "National Rail Passenger Corporation Act of 1978," I agreed to provide you with estimated Fiscal Year 1979 operating and capital costs which would be associated with the Amtrak system recommended in our Reexamination of the Amtrak Route Structure.

It is our understanding that the Committee is contemplating a FY 1979 authorization for Amtrak operating losses of $510 million. This figure was the one originally proposed in the President's January Budget, but was qualified as contingent upon implementation of the Department's Route Study. A $510 million level for FY 1979 could be achieved if Amtrak embarked immediately on interim route, fare and service adjustments and managerial economies. Should such interim changes not occur, and if the route and fare structure is "frozen" pending implementation of the final Route Study recommendations, a higher authorization would be necessary.

Because the precise operating requirements will not be known until the public comment period has expired, a final report is submitted to Congress and a firm schedule is established to implement its recommendations, we are not prepared to propose an amendment to the 1979 budget or any specific authorization amounts at this time.

In response to Congressional direction, however, the Preliminary Report, which has been issued today, does include multi-year cost estimates of the various Amtrak operating scenarios studied by DOT in preparing its recommended system. The net operating losses on the recommended system are estimated in the long run to be about 20% less than what would be incurred by maintaining the existing system. If, following pending legislative proposals, the existing system is kept essentially intact until 60 legislative days after submission of the final report, and allowing Amtrak a reasonable time for transition to the recommended system, it is not likely that any new Amtrak route structure would be implemented before June 1, 1979.

Using this eight month/four month split between the existing system and the recommended system respectively, and assuming no interim adjustments in routes, fares, service or administrative costs, Amtrak would incur operating losses of $574 million in FY 1979, including the Federal share of state supported services. Approximately $113 million would be required for capital costs. The debt retirement estimate of $25 million, already in the President's 1979 Budget, and the Northeast Corridor purchase installment of $24 million, already authorized in the 4R Act, remain unchanged.

In making these estimates, I must reiterate that they could be changed by further Congressional direction we may receive on the route structure to be operated during the public comment period or during subsequent Congressional review of the Final Report, and of course, by any revisions to the recommended system developed out of the public comment process itself.

Sincerely,

JOHN M. SULLIVAN,
Administrator.

Mr. DANFORTH. Mr. President, on May 1, 1979, Amtrak celebrated its seventh anniversary. Those years represented a tremendous change in rail passenger service and attitudes toward that service. Before Amtrak went into operation, many train stations across the Nation were virtually void of passengers and in a dilapidated state of disrepair. Complaints of unsanitary conditions in train restrooms, shoddy rolling stock, and ineffective reservation service were most common. Amtrak has reversed the tide of complaints. Today, many of Amtrak's trains are representative of advanced technology in rail passenger equipment. Virtually all of Amtrak's equipment which was "inherited" in 1970 has been completely overhauled and renovated in their own car repair shops. Ridership has increased substantially. Statistics show that since 1972, Amtrak ridership has increased more than 40 percent.

Mr. President, unfortunately, the story is not yet complete. In Amtrak's first year of operation, the system was subsidized at a level of $40 million. In the present fiscal year, Amtrak has received $506.5 million in actual appropriations which will not even finish out fiscal year 1978. Amtrak is expected to request an additional $26.5 in the second supplemental appropriations bill this year.

It is true that Amtrak's ridership has increased but, to a large extent, it has lured passengers away from the intercity bus network. The end result is a federally subsidized mode putting a non-subsidized mode at a competitive disadvantage. For every dollar that Amtrak generates, the General Treasury pays in excess of $2.50. Because of pressure from Capitol Hill to increase ridership, Amtrak cuts their fares under certain conditions to a level far below compensatory levels. Their operating losses increase in proportion. Congress in anger threatens to cut the subsidy and Amtrak retaliates by proposing route terminations. In order to preserve routes in politically sensitive areas, the subsidies are provided. Mr. President, we are caught in a vicious cycle. To date, Congress has provided $1.581 billion in operation subsidies, $232.3 million in capital grants for new equipment and $875 million in guaranteed loans which are being forgiven at a rate of $25 million per year.

The Amtrak Improvement Act of 1975 (Public Law 94–25) required that Amtrak establish a set of procedures and criteria that must be adhered to before any specific routes are added, modified, or terminated. These "Route and Service Criteria" were approved by both Houses on March 15, 1976. It was hoped that the route and service criteria would cushion Amtrak from political pressures to maintain routes which Amtrak felt were no longer justified. Unfortunately, Amtrak was never able to utilize their route and service criteria to effectuate the changes they deemed necessary. Both Houses put a freeze on the Amtrak system with passage of the supplemental appropriations bill for fiscal year 1978 (Public Law 95–240). Report language required Amtrak to refrain from altering their system until the Secretary of Transportation submitted a report to Congress outlining several alternatives and more cost effective route structures for Amtrak.

Mr. President, this brings us to the National Railroad Corporation Authorization Act of 1978 (S. 3040).

I would first like to address myself to section 3 of the bill. Our committee chose to go one step further than the action taken in the supplemental appropriations bill by transforming the Secretary's May 1 route recommendation into the first phase of a massive reexamination of Amtrak's route structure. The route reexamination procedure closely parallels the procedure in the Regional Rail Reorganization Act of 1973 for development and adoption of the ConRail final system plan. The Rail Services Planning Office and the rail public counsel will conduct public hearings on the restructure throughout the Nation. The process will culminate with a final recommendation submitted to the Congress by the Secretary of Transportation by January 1,

1979. Congress will then have the option of approving or rejecting the plan. I would like to emphasize that the Secretary's recommendations which were recently released are preliminary in nature and will be the subject of hearings across the Nation. At this time, it is impossible to predict what the final recommendation, which will be submitted on January 1, 1979, will consist of.

I should like my colleagues to be advised of language in the report No. 95–782 at page 9 where the committee frees Amtrak's Board of Directors to use the "Route and Service Criteria" to "* * * begin the process of utilizing its criteria and procedures for making route and service decisions."

I will now turn to the remaining sections of the bill:

Section 1 provides that the short title of the bill will be the National Rail Passenger Corporation Act of 1978.

Section 2 provides an authorization level of $510 million for operating subsidies. It was felt by the committee that the $510 million level would adequately support the present Amtrak system minus the reductions Amtrak would make utilizing the route and service criteria. The committee is satisfied that the level will satisfactorily support a new structure which would go into effect on May 1, 1979.

In addition, this section authorizes capital acquisitions at a $120 million level which is $12 million in excess of actual appropriations for fiscal year 1978.

Finally, section 2 contains an authorization to decrease Amtrak's $875 million debt by $25 million.

Section 4 is designed to give Amtrak freedom to develop travel times in excess of those already mandated. In addition, this section is designed to assure adequate planning for equipment acquisition in order to minimize maintenance costs.

Section 5 reverses an Interstate Commerce Commission decision regarding the rate of compensation Amtrak must pay to the operating rail carrier. The particular decision awards the railroads a rate of compensation which is based on the value of the service provided to Amtrak; that is, use of tracks and facilities. Section 5 of the bill more or less preserves the present practice of requiring Amtrak to pay only the avoidable costs that are incurred by the operating railroad. In other words, Amtrak would be responsible for reimbursement only when it is the exclusive user of a track or facility. The theory is that the roadbeds would be maintained and the facilities would be operated whether or not Amtrak was using them. In situations where the railroad makes grade changes in the track to accommodate passenger trains, constructs passenger train switches, and signaling mounts, et cetera, these are clearly considered avoidable and Amtrak is responsible for 100 percent of the costs.

Mr. President, this concludes my remarks on this bill. I am satisfied that the committee has presented the Senate with a most responsible bill. The result will clearly be a system which will operate more effectively and certainly be more cost-effective. I urge my colleagues to support the bill.

Mr. President, I ask unanimous consent that Matt Scocazza and Malcolm Sterrett, of the Commerce Committee staff, and Patty White, of Senator HAYAKAWA's staff, be granted the privilege of the floor during the consideration of his bill.

The PRESIDING OFFICER. (Mr. MOYNIHAN). Without objection, it is so ordered.

Mr. CANNON. Mr. President, the Senate presently has before it legislation that will have a significant and profound impact on the nature and scope of rail passenger service in the United States. The Senate, upon considering S. 3040, the National Railroad Passenger Corporation Authorization Act of 1978, is in a perfect position to effectively reverse the trend of escalating cost associated with Amtrak operations and to help bring about some form of logic and order to the Amtrak system. We have reached a critical period with regard to the need and demand for rail passenger service in the United States and serious thought must be given as to the appropriate level of Federal support to maintain that service. It is imperative that we carefully evaluate the funding requirements of Amtrak, both in the short term and the long term to insure that the American public is receiving benefits commensurate with the amount of public financial support.

Briefly, S. 3040 provides funding for Amtrak operations for fiscal year 1979 in the following amounts: $150 million for operating expenses, $120 million for capital expenses, and $25 million for repayment of loan guarantees. The legislation also contains provisions to facilitate the timely and economical purchase of compatible rolling stock for the Northeast corridor project, to modify the corridor station improvement program to permit the participation of other responsible parties along with States or local transportation authorities and to clarify congressional intent with respect to section 402(a) of the Rail Passenger Act dealing with service and facility agreements.

More importantly, however, the legislation contains a provision directing the Secretary of Transportation to conduct a thorough review and evaluation of the Amtrak route system for the purpose of recommending a new route system. The initial phase of that review has already been completed and the Department has submitted to the Congress its preliminary report and recommendations. After a series of public hearings to be conducted by the Rail Service Planning Office during the summer months, the Department will submit a final recommendation in December 1978. The new system will become effective 60 days of continuous session after submission unless either House of Congress adopts a resolution of disapproval.

With regard to the funding for Amtrak's operation expenses that is authorized in the legislation, there are several points that I would like to bring to the attention of my colleagues.

There has been considerable confusion regarding the action agreed to by the House/Senate conferees upon the approval of Amtrak's supplemental appropriations in December regarding service and frequency reductions. The report language is very specific on this point—the conferees requested that Amtrak restore the planned service cuts and frequency reductions and refrain from any further reductions during the balance of the fiscal year. Nowhere in the supplemental appropriation report did the conferees state that the Amtrak system would remain frozen until implementation of the DOT-recommended and congressionally approved route system. I firmly believe that it is imperative that Amtrak utilize its route and service criteria to make necessary changes in its route system to help reduce its escalating costs.

I want to stress to my colleagues that we are in fact dealing with two separate issues. The short-run financial needs of Amtrak for fiscal year 1979 and the long-term needs of the American public for rail passenger service. By recommending a reduced budget figure of $510 million for operating expenses, the Senate is in no way prejudicing the final Department of Transportation report. The Department issued its preliminary report to the Congress on Monday, May 8, and not a single alternative route system contains more trains than are presently operated. We do not run a great risk of forcing Amtrak to economize, and thereby possibly reduce or eliminate routes, and then have the Department come back later and recommend that these routes be added. And even if that situation should arise—Amtrak eliminates some service and the Department recommends that it be restored—the system is dynamic and trains can be added. It is not my intention that once the new system is put into place it is locked in concrete. We have seen in the past how easy it is for the route system to increase in size, with little or no logic to the total configuration. I certainly do not worry about increasing the system if necessary. I do worry about escalating costs and an operating deficit that may well grow to over $1 billion by 1981.

The need to economize with respect to Amtrak operations is an absolute necessity. The General Accounting Office has estimated that during the period of 1976 through 1980, it will cost the Federal Government $6.2 billion to operate Amtrak. In 1971, when Amtrak operations began, the loss was approximately $40 million. In 1978, the operating loss alone is currently projected to be approximately $530 million. By 1981, the operating deficit for the present system will reach close to $800 million and with capital improvements will run well over $1 billion. Furthermore, these projections are based on increases in ridership that simply might not materialize. The General Accounting Office testified before the Commerce Committee that though Amtrak has increased ridership from 16.6 million passengers in 1972 to 19.2 million passengers in 1977, the bulk of that increase has occurred because of increases in the number of trains or routes served. In other words, passenger increases have not kept pace with route

mile increases. During fiscal year 1977, Amtrak's original routes produced 86 percent of its ridership, 85 percent of its revenues, and 80 percent of its total train miles.

Statistics can often be misleading and generally can be manipulated to justify almost any statement. However, there is one statistic that encourages a certain amount of personal judgment, and that is "What would be the financial impact if ridership projections are not achieved?" Amtrak has estimated an annual growth of 17.5 percent over the next 5 years. Revenues would be decreased and consequently the Federal subsidy would be increased by the following amounts: $206 million at a 15-percent rate; $443 million at a 10-percent rate; $652 million at a 5-percent rate; and $836 million if no growth occurred.

It is also interesting to note that the costs of additional services, which appears to be the only method of substantially increasing ridership to date, have not been met by additional ridership and revenue. Needless to say, if this trend continues, or is not seriously reversed, the need for additional Federal subsidies will increase by corresponding rates.

Mr. President, I should also like to stress that there are alternatives available to Amtrak to reduce the size of the Federal subsidy in addition to route or service curtailments. The committee believes that there are areas of Amtrak operations that can be made more efficient and less costly. The costs of equipment maintenance is an area that the GAO has brought to Amtrak's attention for immediate action. Though maintenance operations are improving, there is still room for improvement both in terms of efficiency of operation and overall costs to the Government. Another area of concern relates to increases in the size of Amtrak's staff. Amtrak's professional, clerical, and staff assistant employees have grown 65 percent over a 2-year period. In its annual report on Amtrak's operations, the Interstate Commerce Commission states:

> Amtrak probably does not need an administrative and clerical staff totaling one-third of all employees; this staff should be reevaluated.

Another alternative to Amtrak to help reduce the Federal subsidy relates to passenger fares. It is interesting to note that some of the largest route losers on the Amtrak system based on loss per passenger, also show very high passenger load factors. This would seem to indicate that fare increases should be instituted because the elasticity of demand may not be nearly as loose as some experts have argued. It is safe to say that any business that recaptures only one-third of its operating costs from revenues is not going to do very well. Unfortunately, not many private businesses can rely on the Federal Government to make up the difference in the manner that Amtrak does.

I realize there are public benefits to be gained from the operation of an efficient rail passenger system. However, there is a serious need for the Federal Government to determine what are the legitimate benefits of that system and what are the financial costs of achieving those benefits. Notwithstanding public opinion polls showing support for rail passenger service, there simply are not enough people who want to use the train for intercity travel. All but about 1 percent of intercity travelers in the United States prefer other modes of transportation. Furthermore, social benefits, such as energy savings and decreases in air pollution are predicated on load factors that have not, as yet, materialized. In a report prepared for the Senate Commerce Committee, Harbridge House stated that "most estimates agree that the bus is the most energy efficient means of intercity passenger travel." This is not to imply that passenger trains are not energy efficient or otherwise socially beneficial, but that in computing societal benefits versus actual dollar costs, a more equitable measurement must be made. If we want to save energy and decrease air pollution, is a $1 billion Federal investment in Amtrak going to effectively bring about those goals?

Finally, I would like to speak for a moment on the DOT route reexamination. As I stated earlier, DOT's preliminary recommendations were released on Monday of this week. The Department proposed six different alternative route structures for further review and public comment and all of the proposals contain a route system smaller than the present Amtrak system.

In evaluating which routes should be dropped or added to the system, practicality and fairness dictates that Amtrak and DOT assure that no one major section of the country be denied service while other sections of the country may be served by more than one route system. Furthermore, as we have set forth in this bill, in developing the route recommendations the Secretary will be required to consider the following factors:

First, the adequacy of other transportation modes serving the same points to be served by the recommended route system;

Second, any unique characteristics and advantages of rail service as compared to other modes of transportation;

Third, the role that passenger rail service can play in helping meet the Nation's transportation needs while furthering the national energy conservation efforts;

Fourth, the relationship of benefits of given intercity rail passenger services to the costs of providing such services, computing the benefits in passengers per train-mile and revenues earned and computing the costs in loss or profit per passenger-mile rather than total loss or profit per route;

Fifth, the transportation needs of areas lacking adequate alternative forms of transportation; and

Sixth, frequency and fare structure alternatives and the impact of such alternatives on ridership, revenues, and expenses of rail passenger service.

Serious consideration must be given to criteria used in determining which route system is most logical and consistent with national transportation policy. The system that the Department is recommending will require an operating appropriation of $496.6 million if it was in place for fiscal year 1979. The Department has announced that due to the fact that the system will not be in place until almost three-fourths of the way through fiscal year 1979, $575 million will be needed to subsidize Amtrak operations for the entire year. The Department has assumed that Amtrak will continue to operate its present route system without implementing the route and service criteria and ordering other cost savings or revenue raising measures.

DOT agrees with the committee, however, that a $510 million authorization level is achievable for fiscal year 1979 if Amtrak embarks immediately on interim route, fare and service adjustments, and managerial economies.

The Committee on Commerce, in reporting this legislation, believes that Amtrak should not wait another year to effect these changes. The changes are long overdue and Amtrak should begin the process of bringing some logic and order to its route system as soon as possible.

UP AMENDMENT NO. 1311

(Purpose: To extend a preference to domestic steel and rolling stock utilized in programs authorized by the bill)

Mr. BAYH. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Indiana (Mr. BAYH) proposes an unprinted amendment numbered 1311.

Mr. BAYH. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in the bill insert the following:

Notwithstanding any other provision of law, no grant of more than $1,000,000 shall be made after the date of enactment of this Act under this Act, or any Act amended by this Act, any part of which is to be expended for the acquisition of any steel and rolling stock for fixed rail service, unless substantially all the steel and rolling stock to be acquired has been manufactured in the United States substantially from articles, materials, and supplies mined, produced, or manufactured, as the case may be, in the United States.

This section shall not apply in any case—

(1) where the Secretary determines it to be inconsistent with the public interest,

(2) in the case of acquisition of rolling stock, where the Secretary determines the cost to be unreasonable (after granting appropriate price adjustments to domestic products based on that portion of each grant likely to be returned to the United States and to the States in the form of tax revenues),

(3) where supplies of the class or kind to be used for the articles, materials or supplies from which they are manufactured are not mined, produced, or manufactured, as the case may be, in the United States in sufficient and reasonably available commercial quantities and of a satisfactory quality.

Mr. BAYH. Mr. President, this amendment applies strictly to the purchase of

goods and services under our Amtrak program.

I must say, as chairman of the subcommittee of the Appropriations Committee dealing with transportation and seeing the millions of dollars that our country is spending in trying to upgrade the rail transportation system of our country, I am alarmed at the practice which has been followed on some occasions to buy goods and services from foreign producers when careful examination shows that the price which has been charged by the foreign producers has been less than the cost of production.

What we are saying in this amendment is not that we are going to get involved in erecting tariff walls or starting any trade war. What we are saying is that if you are going to use the taxpayers' dollars to buy goods and services to spend on Amtrak, if the purchase is over $1 million, then that commodity has to be made right here in the United States of America.

We provide sufficient leeway for the Secretary of Transportation to protect the best interests of the country, generally, by making it possible for the Secretary to waive this if he determines that that purchase is inconsistent with the public interest or where he finds that the costs are reasonable after he takes into consideration the real and total costs to the taxpayer of the United States.

While Amtrak does not solicit foreign bids to the extent which municipalities do under the grants made by the Urban Mass Transit Administration, I think the Senate's acceptance of my amendment today would reflect the determination by those of us in Congress who are concerned about the American manufacturer and worker getting fair treatment from their own Government.

As my colleagues are aware, the domestic steel industry was gravely threatened last year in large part due to competition with foreign steel firms, often heavily subsidized by their own governments. Frequently, the Federal Government and State and local governments encouraged these imports by their purchasing practices. The result was that what appeared to be a cost "savings" to the Federal Government and the States was in reality a real loss in terms of employment foregone and tax receipts lost. In fact, the Congressional Research service recently completed a study showing that for every $1,000 in domestic procedure made, $552 is eventually recovered in taxes. Clearly, in terms of preventing the export of additional jobs overseas, recovering tax revenues here at home and facilitating the revitalization of the domestic rail transportation industry, we must act to extend a fair preference on behalf of our home industries in a manner which will also respond to the realities of the international marketplace.

As chairman of the Senate Appropriations Subcommittee on the Department of Transportation and Related Agencies, I have over the past several years had occasion to question various witnesses in the area of procurement of various vessels, aircraft, rail cars, and other equipment. Often procurement contracts have gone to foreign manufacturers. In many cases, such procurements appeared to be justified on the basis of cost savings or where similar items were not readily available from U.S. sources. Certainly, DOT followed the letter of existing "Buy American" regulations as did State and local governments. However, it seems to me that the present legislation before Congress in almost all transportation areas provides us with a rare opportunity to strengthen and improve present policy. This is another reason I am hopeful that the Senate will adopt the amendment I am offering today.

My colleagues who followed the activities of the Senate Subcommittee on Federal Spending Practices and Openness in Government of the Governmental Affairs Committee during its hearings on S. 2318, the Buy American Act amendment, know that in many instances domestic manufacturers of railcars and other transit equipment are for all practical intents and purposes excluded from entering foreign markets. Yet our markets are wide open to foreign manufacturers. Rather than fan the fires of so-called "protectionism," the amendment before us today responds in a very real way to the realities of the international marketplace. Those realities in the past have been distorted to the detriment of our own workers and industry. What is more disturbing is the fact that the Federal Government itself does not now know for certain whether its direct purchase of goods and products or its support for such purchases have resulted in procurement of items at less than fair market value.

Mr. President, one thing we do know is that it is high time to put our own Government squarely behind our workers and industries in a manner consistent with free enterprise and constructive in the pursuit of increasing export markets for our own products abroad. We must make every effort to be sure that we do not export employment and tax receipts while importing unemployment and unnecessary budget deficits.

Mr. President, last week it was reported that the steel industry was operating at 88.5 percent capability utilization, down slightly from 90.1 percent of the previous week. However, it was not long ago when it seemed that the very existence of a viable steel industry in this country, and industry basic to our national security and economic well-being, was threatened by foreign imports and unfair trade practices. While that threat appears to have abated somewhat, it has not vanished. I would hope that the Senate's approval of this amendment to the Amtrak authorization will be viewed as part of our continuing efforts to see that the steel industry stays on its feet.

I hope that the Senate will accept the amendment to the bill now before us. This will put us on record with a significant step toward an intelligent and rational reformation of Federal domestic preference policy. I urge my colleagues to support this effort and further initiatives in this area.

Mr. LONG. Mr. President, this is the Senator's buy America amendment, if I read it correctly. Is that correct?

Mr. BAYH. Buy America with the protection that if this would have an unreasonable result or would not be in the national interest the Secretary is not required to follow through on the requirements of the amendment.

Mr. LONG. Mr. President, I have not had a chance to give this amendment as much study as I am sure it deserves. However, it seems to me that in the main, Amtrak would live with this amendment. They do make the point that they have really done very well buying America the way it is now. They contend that about 96.3 percent of their purchases are American bought purchases the way it is now. So it may be that the amendment would not have as much impact as the Senator would hope for it.

I am willing to accept the amendment and discuss it in conference and see what we could work out.

I know the Senator is concerned about some very fine skilled workers who have lost jobs in Indiana. If I were him I would be equally concerned. If we can cooperate we will be willing to do so.

The PRESIDING OFFICER (Mr. MOYNIHAN). The Senator from Indiana.

Mr. BAYH. Mr. President, I appreciate the willingness of the Senator from Louisiana to consider this in conference.

I would like to call his attention to the GAO report on the Treasury Department's administration of the Antidumping Act that was issued citing an instance in this particular area. It points out that there have been a number of instances where a product was purchased, in one case, at 62 percent below the cost of making the product. Now, I do not want our workers to be put in such an unfair, a disadvantageous, position.

There are clearly cases of Government policy subsidizing a foreign industry—I remember an Italian consortium that was involved in selling some railcars, with Italian Government subsidization. Our company and our workers were not subsidized by our Government. The only way they got the sale was because they were able to dump in here and put our workers out of work—it is that kind of thing, Mr. Chairman, that I would like to see stopped.

Mr. DANFORTH. Mr. President, it is my understanding that this amendment would not establish a hard and fast requirement of buying American products under any and all circumstances.

Mr. BAYH. The Senator is accurate. I am sure he heard me mention the two specific exceptions—there is a third, where there are a few commodities and substances which just are not made or mined in the United States. That is a third.

The second would be if the price is unreasonable; and, third, would be and should, of course, be the first, to turn the order around, if it is not in the national interest, the Secretary could waive this.

What we want them to do is to just

take a good, careful look and see what the real cost is.

There are tax dollars lost when wages are not paid to our workers, and profits are not made in this country. The Senator from Missouri is very well aware of that, and I appreciate his emphasizing this fact.

Mr. DANFORTH. Given that understanding, and the latitude and discretion given to the Secretary, I would be willing to accept it.

The PRESIDING OFFICER. Is all time yielded back?

Mr. CANNON. Mr. President, I wonder if I could have 3 or 4 minutes?

Mr. LONG. I yield the Senator 4 minutes.

Mr. CANNON. Generally, I would be supportive of this type of an approach because I have been very, very critical of a number of actions that have been taken and which to me seem somewhat related. In the most recent action, buses were bought abroad, and then they were shipped here on Soviet vessels, to further compound the issue.

But I cannot help but recall that this is a matter that has been studied on numerous occasions, and the best determinations have concluded that something like this ought not to be done.

I wish to express my opposition to the amendment which is being offered by the senior Senator from Indiana to impose a "Buy American" requirement upon the procurement activities of Amtrak.

While the objectives of protecting American jobs and encouraging the rail-passenger-equipment supply industry are commendable, the erection of additional protectionist nontariff trade barriers will not achieve these goals and will further weaken the fragile global economy. At a time when the Multilateral Trade Negotiations (MTN) have reached a critical and decisive stage, the Senate will perform a disservice if it adopts the proposed amendment.

In 1976, the General Accounting Office published a report entitled "Governmental Buy National Practices of the United States and Other Countries—an Assessment," in which it concluded that all of the major industrialized nations—the United States, Britain, France, Germany, and Japan—follow buy-national practices which limit the government procurement markets. In view of the pervasiveness of these practices, we should not unilaterally reverse our policy without compensatory benefits from our other trading partners. Nevertheless, I believe that we must refrain from acts which make world economic growth more difficult and which lead to retaliation and political conflicts.

I think, in the long run, those risks might be greater than the cure we are trying to effect here.

Within recent years, buy-national policies have become signficant nontariff trade barriers as the public sector has grown. Government procurement is specifically excluded from national treatment rules by the General Agreement on Tariffs and Trade (GATT), and virtually all countries currently favor domestic sources of supplies in their purchasing procedures both by law or through administrative guidance. Recognizing the need to bring order and discipline to this sector of national markets, negotiators in this "Tokyo round" of the MTN have been working on a draft multilateral code of conduct for this purpose.

In early April, the top trade officials of the United States, Japan, and the European Community met to affirm their determination to conclude an overall political-level agreement by mid-July. Enactment of additional protectionist provisions at this stage will destabilize the negotiations and encourage the creeping tide of protectionism. With the world economy poised at the brink of recession, this is the wrong time to impede further the expansion of world trade.

The adverse effect upon the MTN is not the only deleterious impact this amendment will have. President Carter and virtually every economist of note have declared inflation to be our most serious problem, and if it is not controlled, it will terminate in a recession and rising unemployment. The elimination of competition in Government procurement tends to protect inefficient domestic industries. Although in some cases there may be valid noneconomic reasons for such restrictions, it must be recognized that there are costs for which the public will have to pay, and these costs will be reflected in the rate of inflation. With this rate accelerating, this is not the appropriate time to increase costs through new restrictions on imports without a compelling reason.

For these two reasons alone, I would oppose the proposed amendment as being untimely and dangerous.

However, the Senate should reject this amendment for other reasons as well. The original Buy American Act containing similar language was enacted in 1933 to "end" the depression. It was a miserable failure and, indeed, exacerbated the depression by disrupting world trade.

Thus, whatever its short-run benefits, in the long-term this kind of nontariff trade barrier cannot exist without fostering economic inefficiency, restraining trade expansion, and causing political friction. There are alternatives to restrictions, such as capital investment incentives, increased research and development support, and improved industrial planning, which would accomplish far more than this amendment and result in more efficient, and more competitive economy.

In addition to these general policy arguments against this amendment, there are numerous specific problems of which the Senate should be aware. First, the amendment is superfluous since Amtrak already maintains an informal "Buy American" policy. Only a small fraction of capital expenditures has been used for the procurement of foreign equipment.

In fiscal year 1976, Amtrak's expenditures for capital equipment totaled $52.9 million, of which only $1.8 million was foreign. In fiscal year 1977, the total was $107 million of which $2.9 million was foreign. Moreover, almost all of the foreign expenditures were for lease payments on equipment which was brought in for technology evaluation purposes. Thus, even if this amendment were adopted, its benefits would be marginal while needlessly antagonizing our trading partners which have advanced rail passenger equipment industries.

Moreover, application of the "Buy American" requirement to the Corporation might be construed as a reduction in the independence of Amtrak and an effort to turn it into another Government agency, which we certainly do not want.

Second, the "Buy American" requirement itself is full of ambiguities which could complicate its administration and enforcement. The proposed amendment exempts three cases from the application of the requirement—where it is determined to be inconsistent with the public interest, where the cost in unreasonable, and where the supplies are not mined, produced, or manufactured in the United States in sufficient and reasonably available commercial quantities and of a satisfactory quality. The language used here is so vague and extends to the Secretary of Transportation so much discretion as to undermine the very objectives which it purportedly seeks.

In summary, Mr. President, I believe that the amendment should be rejected for the following reasons:

First, it comes at a time when the nations of the world are attempting to reduce trade barriers, and its passage would encourage retaliation.

This administration has given further emphasis to this particular point by the appointment of Mr. Strauss, who has been working in this area.

Second, it will fuel inflation and aggravate the most serious economic problem our country now faces.

Third, it will probably do little to stimulate the development of an efficient, technologically advanced rail-passenger-equipment supply industry, particularly since we lag seriously behind our industrialized trading partners in such equipment.

Fourth, the amendment is unnecessary since foreign capital equipment purchases are limited and since Amtrak already has an informal "Buy American" policy.

Finally, as I stated, the language is ambiguous and gives the Secretary of Transportation such wide latitude that the objectives of the amendment will probably not be reached.

I would hope that my distinguished colleague who offers this amendment would take into consideration these matters that have been discussed. I would suggest to him that really we ought to consider seriously this kind of action before we undertake it.

This amendment was not considered by the Commerce Committee during our hearings and I would, Mr. President, respectfully submit that I would have to oppose the amendment at the present time. I think the least we should do is

have a hearing on the amendment and then make a determination.

I thank the Senator for yielding.

Mr. BAYH. Mr. President, I must say I share many of the concerns expressed by our distinguished colleague from Nevada. I, of course, know he is very familiar with the whole area of commerce. I do not know if he was here when I emphasized earlier what we were trying to do. The very, what he describes as, vagueness of the amendment as he describes it is designed to provide flexibility that was touched on by the Senator from Missouri, so we are setting guidelines and letting the Secretary make the final determination.

But when we look at the basic thrust of this, the dumping practice—and the Senator referred to a 1976 GAO report, I hope he has had a chance to read the one of April 1978 I referred to earlier. Perhaps he and his staff have not had a chance to look at that. When he goes down the assessment of the GAO as far as dumping practices, I do not see how any of us in good conscience cannot do something to send a message downtown that we want these acts enforced.

Here are just a few examples: acrylic sheet 51.6 percent below the fair market value; another example, 29.4 percent, 60 percent. Here is roundhead steel drum plugs between 90 and 100 percent below the fair market value, and the list goes on and on and on.

It is bad enough to let the private citizen go in and have to compete against that kind of business. But when we are spending our tax dollars to go out and buy that kind of thing, there is absolutely no excuse for it.

I suggest to my friend from Nevada that in this area we ought to at least send a message to the Secretary that "unless you can prove that it is in the national interest, or that the American cost is unreasonable, or that you cannot buy it here, then you darn well better buy it here."

Mr. LONG. Mr. President, will the Senator yield?

Mr. BAYH. I yield.

Mr. LONG. What I understand the Senator is proposing in his amendment is giving the Secretary power to waive the provision of the "Buy American" proposal, provided that he finds it in the national interest.

So, with regard to anything he might want to buy, if the logic would compel buying it from overseas, he could waive the provision.

In certain areas, I regret to say, the United States has actually lost out in making, let us say, these new light-weight locomotives for passenger service and things of that sort. If we are going to get back into it, whoever does it is either going to have to be an extremely powerful, well-financed corporation, or else it is going to have to be someone who would be very much in danger of taking a very heavy loss to get into making some of these things we no longer make here.

You may think we would like to get back into the business of manufacturing certain types of locomotives no longer made here, but if you do not have something in the law to help the American concerns get started, just for failure to save our own industry, for this Nation to operate a service that is paid for, in the main, by the taxpayers, really would leave those who want to sell them equipment in a very disadvantageous situation, if we are trying to go back into areas where we no longer manufacture the material.

Mr. BAYH. I believe in free trade, let me say, so long, as it is fair trade, but I cannot see how either fair or free trade ought to include in its definition letting foreign workers and foreign managers, who have different schemes for producing things, with government subsidization, can march in here with goods for sale below the cost of production, when our workers and management would go bankrupt if they had to work that way.

Unfortunately, the Senator and I wear somewhat different hats in first promoting this authorizing legislation, and then in figuring out how we are going to pay for it.

Take UMTA. UMTA last year let five contracts, four of them overseas. Four of those contracts went overseas, where we are spending our tax dollars, and when you look at what CRS has said in their study, for every $1,000 that the Government buys from our workers and industries, we get over $500 back as far as tax dollars for Federal, State, and local governments are concerned.

When you add to that the fact that some of these commodities were actually dumped in here at below the cost of production, I say sooner or later we will have to put a stop to that.

This is just a sort of a gentle hint to the Secretary, "Mr. Secretary, have some concern for these American workers, who are on the short end of the stick when it comes to unfair competition."

Mr. CANNON. Mr. President, will the Senator from Indiana yield?

Mr. BAYH. I yield to the Senator from Nevada.

Mr. CANNON. The Senator referred to the later study that referred only to the antidumping provisions.

This goes beyond the antidumping provisions. This amendment relates to the Buy American policy, which has been found to be too inflexible. In the GAO report to which the Senator referred, there was only one case involving railway track or maintenance equipment on the entire list.

I want to point out that Amtrak itself has a "Buy American" policy, and I suggest we ought not to wave a red flag. I completely support the antidumping provisions that are now in the law. I have supported them, and not only that, I criticized the administration when it was not enforcing them with respect to titanium, in which instance the Russian producer was coming here to compete with our titanium products. It was found to be in violation of the antidumping statute. I am not sure that our Government ever recovered the amount of money it should have.

So I do support the antidumping provision. I am simply trying to raise a cautionary flag that what we write into the law here may aggravate the problem we have with our trading partners without really doing any good. Since foreign purchases made by Amtrak have only totaled $3 million in 2 years' time, out of the tremendous purchases they have made, I think it is certainly clear they are trying to carry out a policy of "Buy American."

Mr. DANFORTH. Mr. President, it is my understanding that the Senator from Indiana does not want to establish, by this amendment, a farfetched goal of any kind. I believe he said in his comments that the principles of free trade are principles that he personally believes in.

I think that I read in the Senator's comments a sense of exasperation about some practices which he has referred to, which are not only unfair trade practices, but which are illegal, namely, dumping, and namely, the sale by foreign manufacturers of subsidized products on the American market.

The problem in that regard is that while we now have laws on the books with respect to dumping and with respect to countervailing duties, there are major procedural loopholes in those laws, so that enforcement of those laws today is very, very ineffective, sometimes virtually unknown.

I think it is fair to say that in the last decade, the Treasury Department has not instituted, on its own initiative, a single investigation into dumping. It would seem to me that while the Senator was stating a matter of policy rather than presenting a rigid rule to be followed in the amendment he has now offered, the long-term solution will be for Congress to address itself, hopefully at a reasonably early date, to effective procedural remedies, which remedies would not force us in the direction of erecting high barriers against trade, but rather would provide us with remedies to enforce the laws now on the books with respect to practices which are conceded to be illegal.

In that connection, I think it is a very good time at which to make the point, because the chairman of the Finance Committee is managing the bill and the junior Senator from Missouri, as a matter of fact, has been working on some legislation in exactly this area; and maybe we could get a hearing and a markup at an early date on some of these procedural remedies that I think would do so much good.

Mr. LONG. Mr. President, I would hope that the distinguished chairman of the Commerce Committee would be willing to consider this amendment in a somewhat more favorable light. Let me point out to him how it looks to me.

The amendment has this provision:

> This section shall not apply in any case—where the Secretary determines it to be inconsistent with the public interest.

As a personal interpretation, to me what that means is that if the Secretary wants to buy an American-made commodity, he can do so, and if he does not want to buy an American-made commodity, he does not have to. In the last analysis, that is all that means.

If you take a bid for a locomotive and you have a European bidding on it and

an American bidding on it, and the European is about a thousand dollars cheaper on a locomotive that is going to cost about a million dollars, you would say, "Look here, if you do not give this piece of business to the Americans, you are going to put thousands of employees out of work, and put those people on welfare and have to give them food stamps. When we take all that into account, we would be losing money to take that bid from the Europeans. Let us give the Americans the business."

The Secretary does not have to do it, but he may.

The Secretary might say, my goodness, they might retaliate, and so on. God knows what might come of it.

That is about what it works out to.

I will put it this way: If that was a manufacturing concern out there and if it was to make that locomotive—of course, he does not have the good fortune to make locomotives just as we do not in Louisiana—I think the Senator would be inclined to say, "If that is the case, give us a law where our views can be considered."

I admit, as the Senator says, Amtrak does have a good record on this. Their record is very good. During the last year only 1.4 percent of their purchases were foreign purchases. That adds much to the argument of the Senator from Nevada.

On the other hand, with all of the unemployed steelworkers we have, because we have been so generous to let people take our markets, and with all the unemployed machinists we have, all the unemployed shipworkers we have, and all the good people standing in line or sitting around the union halls hoping for a call someday, why not say that if the Secretary just happens to feel kindly toward Americans workers someday he might just give them a job.

That is about all the amendment would do, as I see it. We would certainly be glad to consider giving the Secretary even more discretion in conference, whatever it might take, on whether the case would favor buying from the American firms. All we are really doing is where we find a situation where their government purchases favor their government producers anyway, I do not know why we could not give him the authority to buy American if he thinks it is desirable. That is apparently what they are trying to do anyway.

Mr. CANNON. Will the Senator yield?

Mr. LONG. Yes.

Mr. CANNON. Does the Senator interpret that to mean that the Secretary will be able to make a determination that it was inconsistent with the public interest, in the case where they wanted to lease or buy foreign equipment for the purpose of research and development, testing, or this sort of thing?

Mr. LONG. There is not the slightest doubt about it.

Mr. CANNON. In 1976, for example, the National Railroad Passenger Corporation leased a French locomotive for $1.2 million, and leased a Swedish locomotive for $627,500. Those were for the purpose of performing research and development and experimenting in order to try to find out if we could learn something about them so that maybe we could come up with a better product. Amtrak witnesses did advise us, as the Senator knows, that in most cases where foreign purchases have been made the items purchased were not commercially available in the United States. I think they pointed out a very small number of exceptions.

If the Senator can assure us that this would give the Secretary rather broad discretion in this area, I might favor it, even though I think we are probably making a mistake to wave a red flag in front of some of our foreign trading partners. But, as I said earlier, I have been one of the strongest to complain about the violations of the Antidumping Act, which I think have hurt us in many, many instances. I am aware of the fact that many of these companies in foreign countries have an unfair trading advantage because of the support they get from their own governments. They come in here and compete with our private industry in that fashion to the disadvantage not only of U.S. companies but of the many workers who are employed.

Mr. LONG. Mr. President, I honestly believe that the provision could actually be used to help with our trade policies. For example, the Secretary could have the authority to buy something here and meanwhile he finds out that someone over there is discriminating against us on a government purchase order. At that point he could say, "Well, that is too bad. I have been thinking about this matter. We were thinking about buying these cars from you people over there. But it just turns out that it looks like you have decided you cannot buy from us, that you are going to have to buy from your local manufacturer. That being the case I guess I am going to be compelled to find it in the national interest to buy from our local manufacturer. That being the case, if you are going to have to find it in your national interest to discriminate in favor of your people I will find it necessary to discriminate in favor of ours."

The way I read this, the Secretary could do what he wanted to do. If he thinks it is in the national interest, he can do it. If he does not think it is in the national interest and go ahead and buy from the overseas source, if he chooses to do so.

Mr. CANNON. I hope the Senator from Indiana will keep that in mind. The 1976 GAO report to which he referred said this would undoubtedly increase the cost here in the United States. They say U.S. buy-national practices, by restricting the purchase of foreign-source products, undoubtedly increase Federal Government procurement costs.

With Amtrak, we have a case in which the distinguished chairman of the subcommittee and I have been very, very critical of the amount of money the Corporation has been spending. As a matter of fact, I voted in some instances against giving it as much as it wanted because I thought it had to have its feet held to the fire to find other ways to make some reductions. I think they will still have to do that. I hope the Senator will keep in mind, if this amendment passes, that this will increase the Corporation's requirement for funds.

Mr. BAYH. The Senator from Indiana has been very munificent, I think, and probably too much so, in some of these areas. I have done so because, frankly, I think it is in our best interests as a country to do as much as we reasonably can to get our rail system, whether it is ConRail, Amtrak, UMTA, or whatever, back on its feet. But I must say to my distinguished friend from Nevada when I look at our own Congressional Research Service which has gone into what the real costs are—and the Senator from Louisiana hit the nail on the head—I must ask what does it cost to have somebody unemployed or on welfare; what does it cost when we have corporations on the verge of bankruptcy, as both he and I are aware?

Mr. CANNON. The Senator is pulling more cases out of the hat which are simply not there. I am saying that Amtrak, in these particular instances, has not done anything that has been disadvantageous. The Senator has the list of them. As I mentioned, there was $1.2 million for the lease of a French electric locomotive. They did that. They leased it to bring it over here and learn something through research and development. That did not cost this country any jobs. Then the lease of the Swedish electric locomotive was the same. That did not cost jobs over here.

I will admit in many instances, particularly where we have been victims of the Antidumping Act, which sometimes has not been enforced, that has cost us jobs, but not with respect to Amtrak and its rather minuscule purchases. Its foreign purchases so far, I am told, amount to about 3 percent of total capital expenditures. This, generally, is about the same as our overall Government average.

Mr. BAYH. In the specific example the Senator used, where they are leasing something to bring over here and study to take advantage of more technology to be able to use here, of course that does not cost us anything. We are in the process of getting geared up, as the Senator knows, to spend what we call at home a big wad of money in this area, which will go into buying concrete items. Some of them are going to be concrete. There are going to be concrete ties, rails, a lot of things. I think in the standard we have established, I was not trying to talk about horror stories but I was trying to talk about the Congressional Research Service study which showed that when we buy a product from a company in the United States, in terms of true cost, we have to figure in the taxes of the worker and the taxes on the profit of management, adding up what the Federal Government loses, and what the local and State governments lose when purchasing from foreign sources. After that, we find that out of every $1,000 we spend we are really picking up about $500 in taxes.

It seems to me we ought at least to consider that loss before we look at the real cost of something that we think we are getting a bargain on when we buy it abroad.

Mr. CANNON. Certainly, we should

look at that. But you also want to keep in mind that we are trying to be an exporter country. There are a lot of countries that buy a tremendously greater amount from us than we buy from them. If we put a provision in the law that says you cannot buy from them and they turn around and put in a similar provision, that only works to our disadvantage—not to somebody else's disadvantage—whether we are talking about jobs or export markets.

Our merchandise trade balance, as the Senator knows, is in a deficit position. We are doing everything we can—maybe not everything we can—but we are doing a lot of things to try to overcome it. I do not think we are doing enough to overcome it, because we want a positive position so far as the balance of trade and the balance of payments go.

Government agencies are abroad trying to look for markets. Our individual manufacturers are looking for foreign markets where they can sell. If some foreign country says, "You have a provision in your law that says you cannot buy from us; therefore, we are going to put a provision in our law that says we cannot buy from you," this could lead to rather disastrous results.

Mr. BAYH. I do not want to get into that.

Mr. CANNON. I think if the Senator agrees with Senator LONG's interpretation of the flexibility that the Secretary has, I would not want to press it. I think we are making a mistake, but I do not know that I want to press it any further at this time.

Mr. BAYH. I think the Senator from Louisiana described it very well and the amendment speaks pretty well for itself.

Mr. LONG. I am ready to yield back my time.

The PRESIDING OFFICER. Is all time yielded back?

Mr. DANFORTH. I yield back my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment.

The ayes appear to have it. The Chair would like to have that voice vote repeated.

Those in favor, say aye; those opposed, say no.

The ayes appear to have it; the ayes have it.

The amendment was agreed to.

Mr. LONG. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial published in the Washington Post of Wednesday, May 10, 1978, entitled "A Dream Becomes a Nightmare."

There being no objection, the editorial was ordered to be printed in the RECORD as follows:

A DREAM BECOMES A NIGHTMARE

When Amtrak was created by Congress in 1970, the theory was that a well-run system of intercity passenger trains, bolstered at first by federal funds, could eventually be operated at a profit. Spokesmen for the railroads, most of which had given up on passenger trains some years before, countered that that theory was unrealistic, especially as it concerned long-haul routes. It turns out that the railroad people were right. The report to Congress Monday by Secretary of Transportation Brock Adams on Amtrak's past record and future expectations confirms as much. Amtrak has turned into a financial nightmare.

True, Amtrak has been successful in attracting passengers back to the trains. It carried about 40 percent more riders last year than it did in 1972, for instance, and collected twice as much in fares. But that was achieved at a considerable price. Amtrak's operating costs were up 172 percent and it now spends more than $2.60 for every dollar it takes in at the ticket window.

It may also be true, as many friends of Amtrak insist, that the system never had a fair test. It inherited, and has been steadily replacing, unsatisfactory equipment. Its trains have often been handicapped by the refusal of some railroads to give them priority on the tracks over freight trains. It has been forced to slow down its trains and sometimes operate far behind schedule because of inadequately maintained road beds. And it has been required to operate some trains for reasons of a political character that make no economic sense.

Despite the possibility that Amtrak's performance could improve if all those troubles were overcome, the time is here for Congress to face up to the future of railroad passenger operations. Secretary Adams predicts that unless some basic changes are made, Amtrak will need about 1 billion dollars in federal subsidy by 1984. We see no reason to quarrel with his projection; it is in line with Amtrak's record. Indeed, the projection may even be low if increased competition among the airlines results in permanent cut-rate fares of the kind that are now beginning to appear. We find it hard to square that large a federal subsidy with the benefits provided by Amtrak's operations.

Secretary Adams has proposed that Amtrak drop about a third of its present route mileage and sharply reduce the number of cities it serves. Since even this reduced system would run a deficit of around $750 million by 1984, it is surprising that he did not recommend additional cuts. Our guess is that sooner or later Amtrak will be pared back to three small regional systems—one on each coast and one centered on Chicago—with no more than one or two interconnections.

Any reduction in Amtrak is, as Secretary Adams said, "a political hot potato." There will be plenty of pressure on members of Congress to maintain service everywhere it now exists. That pressure has to be resisted and Amtrak's operations have to be reduced until the value of the benefits of transporting people by train instead of bus or automobile—greater fuel economy and safety, less air pollution and surface congestion—come closer to a fair price.

Mr. LONG. I ask unanimous consent to have printed in the RECORD a statement by the distinguished senior Senator from Washington (Mr. MAGNUSON).

The PRESIDING OFFICER. Without objection, it is so ordered.

STATEMENT BY SENATOR MAGNUSON

I support S. 3040, the national railroad passenger corporation authorization act of 1978, and commend my distinguished colleagues, Senator CANNON, chairman of the committee on science, commerce, and transportation, and Senator LONG, chairman of the surface transportation subcommittee, for their able leadership in bringing this legislation to the senate floor.

In particular, I support those provisions of the bill that require the secretary of transportation to conduct a reexamination of Amtrak's route structure in order to produce more public transportation for the public dollars expended. As chairman of the appropriations committee, I am particularly concerned with both Amtrak's deficit and with the need to provide adequate transportation facilities for the public. I support rail passenger service but am concerned over the issue of whether we are getting enough for the dollars we are expending. This well thought out reexamination will require a badly needed look at these important issues. The secretary's preliminary recommendations, which were issued earlier this week, will undergo extensive public hearings, and the office of rail public counsel will assist those communities and users whose views might not otherwise be adequately represented in these proceedings. The secretary will then revise these preliminary recommendations based on the public testimony and will submit final recommendations to the congress. Congress will then have an opportunity to pass on the recommended system.

I must admit that there is one section of this bill that troubles me. The committee has included only $510 million in operating subsidies, and secretary Adams has advised me that $575 million is necessary to operate the system—in other words, to get from where we are today to the system that congress ultimately approves under the procedure set forth in the bill. I urge my colleagues who are on the commerce committee and who are members of the conference committee on this legislation to revise the conference figure to at least $575 million, in order to take care of what otherwise would be an internal inconsistency in the legislation.

● Mr. BENTSEN. Mr. President, I would like to express my support today for the actions taken by the Commerce Committee in facing up to a problem that few in Congress have been inclined to confront until now. The committee has obviously spent considerable time studying the causes leading to the escalating operating deficits incurred over the last 6 years by the National Railroad Passenger Corporation; and it behooves the rest of us to take a good hard look at the results of the committee's work and begin making some decisions that probably should have been made before now.

Mr. President, in 1971 Congress set out on a great adventure to bring back passenger rail service in this country. I shared that dream with many of my colleagues and worked hard to see that Texans could participate in the rail renaissance.

Since then, I have watched Amtrak's appetite for Federal subsidies grow out of control. In 1971 the taxpayer was asked to cover a $22.7 million operating deficit for the infant system; last year that deficit had reached $521.6 million—an increase of 2,300 percent. Incredibly, this figure will approach $1 billion by 1982 if present routes and levels of service are allowed to continue.

You do not have to be an accountant to see we are rapidly losing ground. With 7 years of experience under our belt, it is time to reexamine the program and put a stop to the seemingly endless spiral of increasing Federal subsidies. Unless we have the courage to trim back on deficit spending such as this, there can be no hope that Congress will ever be able to balance the Federal budget.

Recognizing these facts, the Commerce Committee has wisely declined to authorize the $613 million that Amtrak has requested to cover its operating losses and has chosen instead to cut that figure by $113 million for fiscal year 1979. Even more importantly, the committee in its

report strongly directs the Corporation to take immediate steps to reduce costs and increase revenues to make up the anticipated monetary shortfall for 1979.

As a means of instituting some rational approach toward bringing Amtrak's budget under control, Secretary Adams has taken the first administrative step with a proposal to restructure Amtrak's routes, eliminating those that represent the biggest drain on the Federal Treasury. I support this approach and, therefore, must also support the termination of the Chicago-Laredo route. Over the past several years, this run has consistently been among the least productive in the Amtrak system. According to the Department of Transportation last year's operating losses allocated to this route came to nearly $10 million. The loss per passenger incurred on the route was $71.

Mr. President, I will no doubt come under some criticism for this position, since Members of Congress are expected to, and should, fight for projects in their State. But I believe we should also have the judgment and courage to oppose those that clearly run counter to the interest of the taxpaying public. Although I worked hard to secure this route for Texas, our experience has clearly demonstrated that the revenue customers simply are not there. The only responsible action is to put an end to the enormous taxpayer subsidy of this and other unsuccessful routes. In many cases, so few people ride these long distance routes these days that it would be easier on the taxpayer if we gave them all a free plane ticket.

Mr. President, we are at a most difficult juncture as far as determining what we want in terms of passenger service in this country, and we can ill afford to ignore our responsibility in making decisions which are clearly in the interest of the Nation as a whole. The Commerce Committee is heading in the right direction with this bill, and I urge my colleagues to lend their support to the committee's actions.●

The PRESIDING OFFICER. The bill is open to further amendment. Are there further amendments?

Mr. LONG. Mr. President, I am not aware of any further amendments anyone wants to offer. I am aware of no opposition to the bill. I think we could have a voice vote on the bill and then go to conference.

I yield back the remainder of my time.

The PRESIDING OFFICER. If there be no further amendments to be proposed, the question is on engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

Mr. LONG. I yield back my time.

Mr. DANFORTH. I yield back the remainder of my time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

The bill was passed as follows:

S. 3040

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "National Railroad Passenger Corporation Authorization Act of 1978".

AUTHORIZATION OF APPROPRIATIONS

SEC. 2. (a) Section 601(a)(1) of the Rail Passenger Service Act (45 U.S.C. 601(a)(1)) is amended as follows:

(1) Clause (1) of such section is amended by (A) striking out all after "system," through "sentence" and inserting in lieu thereof the following: "including the payment of the additional operating expenses of the Corporation which result from the operation, maintenance, and ownership or control of the Northern Corridor, pursuant to title VII of the Railroad Revitalization and Regulatory Reform Act of 1976 (45 U.S.C. 851 et seq.)"; (B) striking out "and" immediately after "1977,"; and (C) inserting ", and not to exceed $510,000,000 for the fiscal year ending September 30, 1979", immediately after "1978".

(2) Clause (2) of such section is amended by (A) striking out "and" immediately after "1977,"; and (B) striking out "1978;" and inserting in lieu thereof "1978, and not to exceed $120,000,000 for the fiscal year ending September 30, 1979, which shall include amounts authorized for expenditures for compatible equipment under section 703(5) of the Railroad Revitalization and Regulatory Reform Act of 1976; and".

(3) Clause (3) of such section is deleted.

(4) Clause (4) of such section is amended by (A) redesignating such clause as clause (3); and (B) inserting ", and not to exceed $25,000,000 for the fiscal year ending September 30, 1979" immediately after "1978".

(b) Section 601(a)(2) of such Act (45 U.S.C. 601(a)(2)) is amended by striking out "(a)(4)" and inserting in lieu thereof "(a)(3)".

ROUTE REEXAMINATION

SEC. 3. Title IV of the Rail Passenger Service Act is amended by adding at the end thereof the following:

"SEC. 406. ROUTE REEXAMINATION.

"(a) The Secretary, in cooperation with the Corporation, shall immediately develop a preliminary recommendation for a route system for the Corporation which will provide an optimal intercity railroad pasenger system, based upon current and future market and population requirements, including, where appropriate, portions of the Corporation's basic system. In developing his recommendations the Secretary shall consider—

"(1) the adequacy of other transportation modes serving the same points to be served by the recommended route system;

"(2) any unique characteristics and advantages of rail service as compared to other modes of transportation;

"(3) the role that passenger rail service can play in helping meet the Nation's transportation needs while furthering the national energy conservation efforts;

"(4) the relationship of benefits of given intercity rail passenger services to the costs of providing such services, computing the benefits in passengers per train mile and revenues earned and computing the costs in loss or profit per passenger mile rather than total loss or profit per route;

"(5) the transportation needs of areas lacking adequate alternative forms of transportation; and

"(6) frequency and fare structure alternatives and the impact of such alternatives on ridership, revenues, and expenses of rail passenger service.

"(b) The Secretary shall develop and publish the preliminary recommendations specified in subsection (a) on or before May 1, 1978, and, at the same time, submit them to the Rail Service Planning Office (hereinafter in this section referred to as the 'Office'). The Secretary shall at that time also provide copies of the preliminary recommendations to the Corporation; the Office of Rail Public Counsel; the Commission; the Secretary of Energy; the Governors, departments of transportation, and public utilities commissions of each State in which passenger rail service is proposed to be modified; railroads affected by the recommendations; labor organizations duly authorized under the Railway Labor Act to represent railroad employees; and the United States Postal Service. In addition, copies of the preliminary report shall be made available by the Secretary to interested persons at a reasonable cost. Such recommendations shall include—

"(1) a recommended route structure for the Corporation by end points and principal intermediate points to be served;

"(2) quality and type of intercity rail passenger service recommended for each route including frequency, speed, and classes of services offered;

"(3) ranges of projected operating expenses, ridership, and revenues, by route, including a measure calculated by loss or profit per passenger mile, and separated for non-State-supported routes and State-supported routes;

"(4) an estimate of the equipment and facilities necessary to support the recommended route structure;

"(5) a recommendation for coordinating intercity rail passenger service at points on the system with other modes of transportation serving those points; and

"(6) based upon the route level projections, an estimate of operating and capital appropriations required to operate the system for fiscal year 1980 through 1984.

"(c) During the period beginning on May 1, 1978, and ending on August 31, 1978, the Office shall conduct public hearings on the recommendations of the Secretary developed pursuant to subsection (a). Such public hearings shall be held in such places and at such times as the Office determines will afford the affected States and communities an adequate opportunity to participate in such hearings. The Office of Rail Public Counsel, to the extent practicable, shall provide the services of attorneys and such other personnel as may be required in order to protect the interests of those communities and users of rail passenger service which the Director of the Office of Rail Public Counsel determines, for whatever reason (such as size or location), might not otherwise be adequately represented in the course of the hearings and evaluations which the Office is required to conduct. During such period, in addition to holding public hearings, the Office shall invite comment on such recommendations from the Corporation, the Commission, the Office of Rail Public Counsel, the Governors, departments of transportation and public utilities commissions of each State in which intercity rail passenger service is proposed to be modified, the railroads affected by the recommendations, labor organizations authorized under the Railway Labor Act to represent railroad employees, the Secretary of Energy, interested citizen groups, and the United States Postal Service.

"(d) By September 30, 1978, the Office shall submit a summary and analysis of the evidence received in the course of its proceedings conducted under subsection (c), together with its critique and evaluation of the recommendations, to the Secretary. The Secretary shall thoroughly consider the material submitted to him by the Office with respect to the recommendations and, based on that consideration (and further evaluation of the Secretary), develop a final recommended route system for the Corporation as he deems appropriate. Such final recommendation shall include a summary of the significant recommendations received, together

with the reasons for adopting or not adopting any such recommendation.

"(e) (1) By December 31, 1978, the Secretary shall submit the final recommendations, along with its supporting and explanatory material, designating a new basic route system of intercity rail passenger service, to both Houses of Congress, and to the Committees on Appropriations and Interstate and Foreign Commerce of the House of Representatives, and the Committees on Appropriations and Commerce, Science, and Transportation of the Senate. The final recommendations shall be deemed approved, and shall take effect, at the end of the first period of 60 calendar days of continuous session of the Congress after such date of submission, unless either the House of Representatives or the Senate adopts a resolution during such period stating that it does not favor such final recommendations.

"(2) If either the House or the Senate adopts a resolution of disapproval under paragraph (1), the Secretary shall, within 45 days after such date of adoption, determine and resubmit a revised recommendation. Each such revised plan shall be submitted to Congress for review pursuant to paragraph (1) of this subsection.

"(3) For the purposes of this subsection—

"(A) continuity of a session of the Congress is broken only by an adjournment sine die; and

"(B) the days on which either House is not in session because of an adjournment for more than 3 days to a day certain are excluded in computing the 60-day period.

"(f) Immediately upon approval of the final recommendations, the Corporation shall implement the basic route system designated therein and shall complete such implementation as soon thereafter as possible, but in no event later than 12 months thereafter.

"(g) (1) During the period beginning on the date of enactment of this section, and ending on the effective date of the new basic route system designated by the Secretary under this section, the provisions of sections 403 and 404 of this Act shall not apply to the development or implementation of the new basic route system. After such effective date, any additions, deletions, or modifications to such new basic route system may be made by the Corporation in accordance with the applicable provisions of such sections 403(c) and 404 (including the route and service criteria and procedures developed under section 404(c)(1)).

"(2) During the period beginning on the date of enactment of this section, and ending 12 months after the effective date of the new basic route system designated by the Secretary under this section, the provisions of section 801(a) of this Act (including the regulations of the Commission promulgated thereunder) shall not apply to the development or implementation of the new basic route system.

"(3) The basic route system designated by the Secretary in the recommendations developed under this section, when effective, shall supersede the basic system including any route previously in effect.".

NORTHEAST CORRIDOR

SEC. 4. Section 703 of the Railroad Revitalization and Regulatory Reform Act of 1976 (45 U.S.C. 853) is amended by (a) inserting "or other responsible parties" immediately after "(or local or regional transportation anthorities)" in subsection (1)(B) of such section; and (b) adding at the end thereof the following:

"(5) COMPATIBLE EQUIPMENT.—The Secretary shall develop economical and reliable rolling stock and related equipment designed to be compatible with the track, operating and marketing characteristics of the Northeast Corridor at and after the completion of the Northeast Corridor improvement project, including the capability to reliably meet the trip times set forth in subparagraph (1)(E) of this section in regularly scheduled revenue service in the Northeast Corridor. The Secretary shall consult with the Corporation in the development of such equipment, and the Corporation shall obtain the Secretary's concurrence before purchasing such equipment with Federal financial assistance that the equipment meets the goals specified in this paragraph. The Corporation shall submit requests for authorization of appropriations for the production of such equipment and shall, together with the Secretary, include equipment planning in the reports required by subparagraph (1)(E) of this section.".

FACILITY AND SERVICE AGREEMENTS

SEC. 5. Section 402(a) of the Rail Passenger Service Act (45 U.S.C. 562(a)) is amended to read as follows:

"SEC. 402. FACILITY AND SERVICE AGREEMENTS.

"(a)(1)(A) The Corporation may contract with railroads or public transportation agencies for use of tracks and other facilities and the provision of services on such terms and conditions as the parties may agree. In the event of a failure to agree, the Interstate Commerce Commission shall, within 90 days after application by the Corporation, if it finds that doing so is necessary to carry out the purposes of this Act, order the provision of services or the use of tracks or facilities of the railroad or agency by the Corporation, on such terms and for such compensation as the Commission may fix as just and reasonable and the rights of the Corporation to such services or to the use of tracks or facilities of the railroad or agency under such order or under an order issued under subsection (b) of this section shall be conditioned upon payment by the Corporation of the compensation fixed by the Commission. In fixing just and reasonable compensation for the use of tracks and facilities ordered by the Commission under the preceding sentence, the Commission shall limit such compensation to the avoidable costs of permitting the Corporation to use the railroad's or agency's tracks and facilities. In fixing just and reasonable compensation for the provision of services ordered by the Commission under the second sentence of this subsection, the Commission shall order compensation (if any) in excess of avoidable costs only in proportion to increases in the quality of service and only where the railroad or agency provides ontime performance in excess of 80 percent of the time under the fastest practicable operating schedule (consistent with Federal safety standards established pursuant to the Federal Railroad Safety Act of 1970). If the amount of compensation fixed is not duly and promptly paid, the railroad or agency entitled thereto may bring an action against the Corporation to recover the amount properly owed.

"(B) For purposes of this section, 'avoidable costs' shall mean all reasonable and necessary expenses (including use of tracks and other facilities) which would be incurred by a carrier in providing a service which the carrier can establish that it would not incur if such service were not operated, and all other services were continued. Such costs shall be restricted to costs solely related to the service and the variable portion of common costs which would not be incurred but for the existence of the service. Such costs shall exclude fixed common costs, allocation of any common costs which do not vary as a consequence of providing the service, return on investment, rent, and any other costs which the carrier cannot establish that it would not have reasonably and necessarily incurred but for the existence of the service.

"(2) Notwithstanding any other provision of this Act, the Corporation may enter into agreements with any other railroads and with any State (or local or regional transportation agency) responsible for providing commuter rail or rail freight services over tracks, rights-of-way, and other facilities acquired by the Corporation pursuant to authority granted by the Regional Rail Reorganization Act of 1973 and the Railroad Revitalization and Regulatory Reform Act of 1976. In the event of a failure to agree, the Commission shall order that rail service continue to be provided, and it shall, consistent with equitable and fair compensation principles, decide, within 180 days after the date of submission of a dispute to the Commission, the proper amount of compensation for the provision of such services and use of tracks, rights-of-way, and other facilities. The Commission, in making such a determination, shall consider all relevant factors, and shall not permit cross-subsidization among intercity, commuter, and rail freight services.".

GENERAL PROVISIONS

SEC. 6. (a) Notwithstanding any other provision of law, no grant of more than $1,000,000 shall be made after the date of enactment of this Act under this Act, or any Act amended by this Act, any part of which is to be expended for the acquisition of any steel and rolling stock for fixed rail service, unless substantially all the steel and rolling stock to be acquired has been manufactured in the United States substantially from articles, materials, and supplies mined, produced, or manufactured, as the case may be, in the United States.

(b) This section shall not apply in any case—

(1) where the Secretary determines to be consistent with the public interest,

(2) in the case of acquisition of rolling stock, where the Secretary determines the cost to be unreasonable (after granting appropriate price adjustments to domestic products based on that portion of each grant likely to be returned to the United States and to the States in the form of tax revenues),

(3) where supplies of the class or kind to be used for the articles, materials or supplies from which they are manufactured are not mined, produced, or manufactured, as the case may be, in the United States in sufficient and reasonably available commercial quantities and of a satisfactory quality.

Mr. LONG. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDER OF PROCEDURE

(The following occurred earlier:)

Mr. HAYAKAWA. Mr. President, I was glad to see today in the Washington Post an editorial——

The PRESIDING OFFICER. Who yields time?

Mr. DANFORTH. I am happy to yield. How much time would the Senator like?

Mr. HAYAKAWA. About 12 to 15 minutes.

Mr. LONG. Mr. President, may I ask the Senator if he would be willing to let us vote on this bill.

Mr. HAYAKAWA. Are we ready to vote on this bill?

Mr. LONG. Yes.

The PRESIDING OFFICER. Are there further amendments? The Senator from California has the floor.

Mr. HAYAKAWA. I shall be glad to postpone this, Mr. President, until after the vote on this measure is taken.

The PRESIDING OFFICER. The Chair thanks the Senator from California.

(End of earlier proceedings.)

D.C. SCHOOLS: A SHARED RESPONSIBILITY

Mr. HAYAKAWA. Mr. President, I was glad to see reprinted today in the Washington Post an editorial from the Washington Afro-American, commenting on the Post's recent series of articles on public education in the District of Columbia. The series described the students who go to school but hang around the halls and never go to class. In a number of ways the series described the demoralization and the failures of education as exhibited in Eastern High School—failures that characterize many other urban schools throughout the United States.

The Afro-American editorial points out vividly and forcefully that HEW grant programs have been ineffective—as they say in their own words: "Nothing but high-class hustles." It seems no advantage to be gained from a separate Department of Education—a pet project of the National Education Association.

Mr. President, I ask unanimous consent that this editorial be reprinted in full in the CONGRESSIONAL RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

D.C. SCHOOLS: A SHARED RESPONSIBILITY

When we read the first in the series of articles in The Washington Post entitled "Inside a Washington School" written by Juan Williams, the first reaction was to lash out with one of those "Whitey is doing it to us again" pieces in condemnation of the powerful morning journal.

But, as we read on, we couldn't help feeling that the functional illiteracy exposed at Eastern High School appears to be symptomatic of what is happening in public institutions in many of our urban centers.

The lack of discipline that finds students wandering the corridors aimlessly, noisily and belligerently, while the school administrators wring their hands in despair and the faculty, protected by an unresponsive teachers union, pockets the increasingly higher salaries with the attitude of "Let's take the money and run," is a sad commentary on mass human indifference.

What is happening in our school system on all levels is the responsibility of all the citizens of the District.

The political leaders, the PTA members, the school board, the teachers, the teachers union, the students, the parents, the civic associations, yes, even the newspapers including this one, have to share the blame for the low estate of the District's educational system.

We realize that some demagogue and apologist will attempt to hand us those old bromides that District schools are no different from other urban schools, that the impoverished conditions of inner-city living contribute to the problem.

Come on, let's get off that kick. We have ridden that horse long enough.

The major part of the tax dollar is going into the school system, and the major share goes for salaries. The District is getting more than its share of the HEW grants for special programs.

In addition, the District is first in line for most of the creative educational developments funded by the federal government.

Let's face it. The HEW grant programs for the various educational efforts have been nothing but high-class hustles. The beneficiaries of the grant efforts have made a meager, if any, contribution to the solution of the mounting problems that are resulting in the functional illiterates being turned out by our school system.

We believe that it is time for our educators to go back to square one. We believe that the overworked but obviously capable HEW Secretary Joseph Califano should scrap the educational funding effort until he can get a clear reading of what benefits are really accruing to the youth of the District from such programs.

We believe that Congress should block the move to establish a separate federal agency for education. We believe that there is sufficient evidence available to disclose that the objectives of the National Education Association, which proposes the move, are not necessarily good for the education of the black youth of the nation.

Every segment of our city should be motivated to join a mass effort to find a solution to issues being surfaced in our public school system.

Dedicating educational centers is not the answer. We need more dedication among all of our citizens toward building a learning process that will certainly develop our youth at least to be able to read destination signs on our public-transit vehicles.

Sweeping the situation under the civic rug of false pride will not do it. Making excuses about economic conditions will not accomplish it. Blaming the school board and administrators is not the answer. Pointing to our smug politicians will be fruitless. Passing the buck to the parents is too easy.

It must be recalled that the District's issue on the 1954 school desegregation decision involved Eastern High School. While black students were attending Browne Junior High School on a triple shift and Spingarm High School was overcrowded, they had to pass the white-only Eastern High School and a nearby Elliott Junior High School that were only one-third occupied.

The citizens of the District founded the Consolidated Parents Group to meet the challenge of that day. The citizens now have a modern challenge. Somewhere among the District residents must be a leader who will accept the challenge.

FURTHER ROUTINE MORNING BUSINESS

(The following occurred during the next speech by Mr. HAYAKAWA and is printed at this point in the RECORD by unanimous consent.)

Mr. ROBERT C. BYRD. Will the Senator yield to me without losing his right to the floor?

Mr. HAYAKAWA. Yes.

Mr. ROBERT C. BYRD. Mr. President, a Senator may not speak unless a measure is before the Senate except by unanimous consent or during the period of routine morning business by unanimous consent. I therefore ask unanimous consent that there now be a period for the transaction of routine morning business, with statements therein limited to 15 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I thank the distinguished Senator for yielding. It is only for his protection.

Mr. President, I ask unanimous consent that there be no interruption in his statement.

The PRESIDING OFFICER. Without objection, it is so ordered.

(End of later proceedings.)

SENATE CONCURRENT RESOLUTION 85—SUBMISSION OF A CONCURRENT RESOLUTION URGING DISMISSAL OF CHARGES AGAINST THREE FORMER FBI OFFICIALS

Mr. HAYAKAWA submitted the following concurrent resolution, which was referred to the Committee on the Judiciary:

S. CON. RES. 85

Whereas three former high-level officials of the Federal Bureau of Investigation, namely, former Acting FBI Director L. Patrick Gray III, former Acting Associate Director W. Mark Felt, and former Assistant Director Edward S. Miller, have been indicted;

Whereas the individuals indicted served our government honorably for 87 years collectively and took the solemn oath to support and defend the Constitution against all enemies, foreign and domestic;

Whereas the alleged violations took the form of surreptitious entries into private homes of relatives of persons involved with a terrorist organization during a period of national turbulence;

Whereas there have been numerous disclosures of intelligence abuses and illegal acts following this difficult period for which no indictments have been requested with the exception of these three FBI officials;

Whereas the President, two months before such indictments, issued an Executive order permitting entry without a court order where there is authorization by him, such entries being similar to those that form the basis for the indictments;

Whereas the indictment of these FBI officials, based upon the fact that the Attorney General could find no evidence of authorization from their superiors, the Attorney General and the President, does not necessarily mean that there was no such authorization at a time when the President insisted that "illegal domestic security measures lie within the inherent authority of a Chief Executive"; and

Whereas the Congress has proposed legislative reform measures for the purposes of providing clearer guidelines to the intelligence community to prevent these kinds of abuses: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Congress that—

(1) the recently indicted officials of the Federal Bureau of Investigation acted in the best interest of our country, according to their conscience and true to their oath, in an extremely volatile time under uncertain guidelines and restrictions;

(2) because intelligence reform legislation is currently being considered and because of the President's Executive order, the Attorney General is urged to seek dismissal of the indictments of those officials; and

(3) the Congress should continue to take action on guidelines for the future conduct of the intelligence community.

Mr. HAYAKAWA. Mr. President, this Nation has undergone several years of agonizing self-examination, an aftermath of the civil rights riots, the Vietnam war, and Watergate. In typical American fashion, we have conducted these proceedings in an open forum, and the entire world was free to observe and judge.

There is no doubt that valuable lessons have been learned and necessary reform measures will be enacted to correct some of the mistakes of the past.

At the present time we are engaged in intelligence reform to prevent continuation of alleged abuses against innocent citizens by agents of the intelligence community. Members of intelligence agencies, including Defense Department, Central Intelligence Agency, and the Federal Bureau of Investigation, have undergone meticulous scrutiny following charges of abuse, and this is as it should be.

Today, however, I wish to speak specifically about the only individuals who are under indictment—three former high-level officials of the Federal Bureau of Investigation: former Acting Director L. Patrick Gray III; former Acting Associate Director W. Mark Felt; and former Assistant Director Edward S. Miller. Pages of testimony have been presented to the Attorney General of the United States and he has been totally absorbed in trying to initiate reform measures and, at the same time, carry on the vitally important business of the Justice Department and the FBI.

Regarding the three indictments in question, it is important to remember the turbulent period of the early 1970's when terrorist organizations were bombing buildings, including the U.S. Capitol, and killing innocent people, and to remember the stated goal of one such organization—"The destruction of U.S. imperialism and the achievement of a classless world; world communism." These were the individuals that the FBI had investigative responsibility for locating and apprehending, and the indicted FBI officials are now accused of ordering, without proper authority, "surreptitious entries" to locate and apprehend terrorists.

No one in this body condones willful lawbreaking, especially by law enforcement officers. But we are speaking here of three men who served our country well, for 87 years collectively, and who, in my opinion, acted in what they felt was the best interest of this country. The climate was such in the period in question that it is entirely probable that they believed they had authorization for their actions.

We have witnessed silent mass demonstrations by FBI agents for the first time in history in support of their fellow agents whose entire careers are in jeopardy. The morale of the FBI is probably at an all-time low and needs to be restored for the good of our Nation.

In a time when the President has granted amnesty to draft dodgers and has suggested that illegal aliens who have been in our country for 5 years or more be permitted to remain with no penalty while thousands of immigrants are still waiting to become citizens, I respectfully suggest that the Congress urge that these indictments be dismissed and that we continue to form guidelines for the future conduct of intelligence personnel.

I am pleased to state that Congressman LEO C. ZEFERETTI, Democrat of New York, is introducing a similar resolution today in the House of Representatives and joins me in the hope that the sense of the Congress will be heard.

SENATOR BENTSEN PRAISED FOR WORK ON MEAT IMPORT ACT OF 1968

Mr. LONG. Mr. President, last Friday, the Senate passed H.R. 5052, the Meat Import Act of 1968. I am taking this opportunity to recognize the enormous and effective work of the distinguished Senator from Texas, Senator BENTSEN, on the bill. The bill is in essence the proposal put forward by Senator BENTSEN in S. 2895. The bill would simply not have passed the Senate without Senator BENTSEN's efforts in holding hearings on the beef import situation, explaining his proposal and guiding it through the Finance Committee, and working with the leadership on floor consideration. I commend him on his diligent and excellent effort.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. ZORINSKY). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. WILLIAMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

SECURITIES INVESTOR PROTECTION ACT AMENDMENTS

Mr. WILLIAMS. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on H.R. 8331.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the House agree to the amendment of the Senate to the amendment of the House to the amendment of the Senate numbered 9 to the bill (H.R. 8331) entitled "An Act to amend the Securities Investor Protection Act of 1970."

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 8 to the aforesaid bill and concur therein with an amendment as follows:

In the matter proposed to be inserted by the said amendment, strike out "$2,500,000", and insert: "$1,500,000".

Mr. WILLIAMS. Mr. President, this bill deals with amendments to the Securities Investor Protection Act of 1970. As to the provisions that the Senate passed and then insisted upon, dealing with the increases in the permissible ceilings on regulation A offerings under the Securities Act of 1933, the House of Representatives and the Senate have not been in agreement. The House of Representatives reduced the amount from $2,500,000 to $1,500,000.

I move that the Senate concur in the House amendment.

The motion was agreed to.

Mr. WILLIAMS. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. HARRY F. BYRD, JR. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

HOLOCAUST: THE MOST SIGNIFICANT AND PAINFUL QUESTION

Mr. PROXMIRE. Mr. President, a remarkable letter appeared in the New York Times this morning signed by Barbara Traub. She was a survivor of Auschwitz and reports that she watched the NBC presentation of "Holocaust" from beginning to end and while it did not rip open the old wounds, she said, those wounds have never healed as they were and are beyond healing.

She said:

I have made my peace a long time ago, and it is this: I will ache for the rest of my life; for as long as I live, I cannot forget or forgive Auschwitz.

She said:

What did leaders of Western democracies as well as God's earthly representative, the Pope, do to save European Jewry during the Nazi plague?

If the Jews had escaped Himmler, Eichmann et al., where could they have gone?

Which country was ready to offer asylum to the hunted, persecuted Jews?

The answers are a shameful and devastating nothing, nowhere, and none.

The viewing of "Holocaust," its many errors notwithstanding, should at last bring the viewer to focus on the vital, the primary issue: Where was he when it happened? What did he or his family do about it? and What did his government do?

Mr. President, we have pending a genocide treaty which at long last would bring the United States into the company of 83 nations that have already ratified that treaty, a treaty that was initially urged on the United Nations by the United States, a treaty that is supported by every President from Presidents Truman, Eisenhower, Kennedy, Johnson, Nixon, Ford, as well as President Carter, and it is only up to this body, the Senate, to ratify.

I hope at long last we take that action.

Mr. President, I ask unanimous consent that this remarkable letter by Barbara Traub in the New York Times this morning be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

HOLOCAUST: THE MOST SIGNIFICANT AND PAINFUL QUESTION

To the Editor: I am a survivor of Auschwitz and I have watched the NBC presentation of "Holocaust" from beginning to end. Contrary to what some of my American friends feared, it did not rip open any of my old wounds. Those wounds had never healed, as they were, and are, beyond healing. I have made my peace a long time ago, and it is this: I will ache for the rest of my life; for as long as I live, I cannot forget or forgive Auschwitz.

I had hoped that once the presentation of "Holocaust" occurred it would become merely the beginning of further and more meaningful explorations of that subject by Jews and non-Jews, by youngsters and adults alike, who have little or no knowledge of those events; that the impact of such knowledge would clearly point out the peril that when man ceases to be his brother's keeper mankind can become murderous.

Instead, one is side-tracked by raging controversies among writers, teachers, critics and public relations people regarding the accuracy of certain details in the series and whether or not the subject of the Holocaust

should have been televised in the first place, particularly in the form that was commercially created for it. It seems to me that by spending psychic, emotional and intellectual energy on these issues one avoids facing other issues, more painful and infinitely more relevant to the entire tragedy.

I believe that there are two kinds of people: those who had the Auschwitz (standing for the Holocaust) experience, and those who did not. Concerning the Holocaust, each of these groups brings to its own interpretation resulting from a completely different set of values. Those who were not in Auschwitz are simply not equipped to understand the value system of those who were there. It is as if each group were speaking a different language on the same subject. The element of purity for which some survivors clamor—with justification—in the portrayal of events of the Holocaust is simply not a part of the area of comprehension of those who did not have the Auschwitz experience.

Should the lack of such an ingredient then close off attempts to convey the lesson, the story, the impact of the Holocaust in any manner other than we, the survivors, wish it to be done?

I believe not!

The controversy on the issues described above has moved a plethora of well-known individuals in literature, media, religion and education to address themselves mainly to those narrow grounds, thus deflecting fundamental questions which, I believe, the airing of "Holocaust" must raise:

What did leaders of Western democracies as well as God's earthly representative, the Pope, do to save European Jewry during the Nazi plague?

If the Jews had escaped Himmler, Eichmann et al., where could they have gone?

Which country was ready to offer asylum to the hunted, persecuted Jews?

The answers are a shameful and devastating nothing, nowhere, and none.

The viewing of "Holocaust," its many errors notwithstanding, should at last bring the viewer to focus on the vital, the primary issue: Where was he when it happened? What did he or his family do about it? and What did his government do?

The unseeable has been seen, albeit inadequately, by over 100 million people. If we wish our generation and future generations to grasp fully the dramatic dimensions of the Holocaust, it is imperative that we now address ourselves to the most significant and painful question: Why were six million Jews annihilated—and not how? The history of victims and victimizers must not be used to hide the guilt of the bystander and the crime of passivity on the part of the nations of the world.—BARBARA TRAUB.

New York, April 30, 1978.

HEW FUND REDUCTION

Mr. HARRY F. BYRD, JR. Mr. President, on April 3 the Inspector General of the Department of Health, Education, and Welfare submitted an annual report.

In that annual report the Inspector General told Congress that between $6.3 billion and $7.4 billion was misspent by the Department of Health, Education, and Welfare through waste, mismanagement and fraud.

Yes, Mr. President, this Inspector General's report, the official report of the Inspector General of HEW, said that that one department in 1 year misspent through waste, mismanagement and fraud between $6.3 billion and $7.4 billion.

On page 1 of that report is another sentence that I want to read and I quote from the report.

In our view it portrays—

Namely the figures I have just mentioned—

portrays a conservative measure of the extent of fraud, abuse and waste in key HEW programs.

Mr. President, how much is $7 billion, a figure roughly halfway between the $6.3 billion and the $7.4 billion?

That $7 billion figure is twice as much as all the income taxes paid by all of the people of Virginia in 1977, the year in which the waste occurred.

That figure of $7 billion is equal to the total income taxes paid by 4 million families earning $15,000.

Mr. President, what is Congress going to do about this waste, this mismanagement, this fraud that exists in the Department of Health, Education, and Welfare?

Obviously the Senate of the United States is not likely to do anything.

When the budget resolution was before the Senate 2 weeks ago, the Senator from Virginia presented an amendment which would have reduced the increase in HEW funds by $5.6 billion. This amount is two-thirds, only two-thirds, of the amount of misspent funds.

The Senate voted that down.

Then the Senator from Virginia the next day presented another amendment. He said in effect to the Senate, if you will not vote to reduce the appropriation by two-thirds of the amount of waste, will you vote to reduce it by one-third, namely $2.1 billion? That being one-third of the lowest figure cited by the Inspector General.

The Senate voted that down—and indeed approved an increase—an increase of $7 billion for HEW. This despite the shocking report submitted by the Inspector General of HEW.

My purpose in rising today is to pay tribute to the House of Representatives, our colleagues on the other side of the Capitol.

Yesterday the House of Representatives, in an amendment similar to the one I introduced in the Senate, voted to reduce by $3.1 billion the HEW appropriation. That is exactly half of the lowest figure as to the estimated waste, mismanagement, and fraud that occurred in the Department of HEW in 1977.

The vote on that proposal in the House of Representatives was 198 in favor of that reduction and 189 in opposition. So that amendment was approved.

I want to commend those who took an active role in the House in getting that amendment through, namely, the Congressman from Ohio, Mr. JOHN ASHBROOK; another Congressman from Ohio, Mr. DELBERT LATTA; and the Congressman from California, Mr. JOHN ROUSSELOT.

I think it is significant in analyzing that vote in the House of Representatives, that Representatives from 43 of the 50 States voted in favor of that amendment. To me that is an encouraging and hopeful sign.

The House of Representatives, in my judgment, is closer to the thinking of the people of this country than is the Senate of the United States. The House of Representatives seems to have a greater regard for safeguarding the tax funds of the American people than does the Senate of the United States.

So I am pleased to commend today our 198 colleagues in the House of Representatives and, particularly, those who were active in the passage of that amendment, Congressman ASHBROOK, Congressman LATTA, and Congressman ROUSSELOT.

Mr. President, I ask unanimous consent to insert at this point in the RECORD page 1 of the Inspector General's report concerning waste, mismanagement, and fraud in HEW funds.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

CHAPTER 1: AN INVENTORY OF "BEST ESTIMATES" OF FRAUD, ABUSE, AND WASTE IN HEW PROGRAMS

A wealth of information has resulted from Congressional hearings, GAO audits, HEW audits, quality control surveys, and other studies dealing with problems of fraud, abuse, and waste in HEW programs. Some of these span many years and reveal chronic failures to take corrective action. Others reveal dramatic progress in reducing losses due to errors and ineligibility rates. But no summary or analysis of these findings has ever been compiled. Hence, it was decided to compile an inventory of the "best available estimates" we could locate.

It must be stressed that this summary is no more than an initial inventory. It is not an independent study, although we believe the data are reasonable estimates. Because the sources are not complete, the inventory is not complete. Despite these limitations, it is the best perspective that has yet been assembled. In our view, it portrays a conservative measure of the extent of fraud, abuse, and waste in key HEW programs, and their causes.

It must also be acknowledged that it is virtually impossible to distinguish sharply between fraud, abuse, and waste, since frequently one problem involves all three. For purposes of rough definition, we have adopted the following:

Fraud is defined as the obtaining of something of value, unlawfully, through willful misrepresentation.

Abuse covers a wide variety of excessive services or program violations, and improper practices not involving prosecutable fraud.

Waste is the incurring of unnecessary costs as a result of deficient practices, systems or controls.

As summarized below, this inventory of best estimates reveals that for programs involving Federal outlays in FY 1977 of $136.1 billion, the incidence of fraud, abuse and waste—at a minimum—ranged between $6.3 and $7.4 billion.

Mr. HARRY F. BYRD, JR. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the

Senate by Mr. Chirdon, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

At 2:20 p.m., a message from the House of Representatives delivered by Mr. Hackney, one of its reading clerks, announced that the House has passed the following joint resolution, in which it requests the concurrence of the Senate:

H.J. Res. 873. A joint resolution making an urgent supplemental appropriation for the disaster loan program of the Small Business Administration for the fiscal year ending September 30, 1978.

The message also announced that the House agrees to the amendment of the Senate to the amendment of the House to the amendment of the Senate numbered 9 to the bill (H.R. 8331) to amend the Securities Investor Protection Act of 1970; that the House recedes from its disagreement to the amendment of the Senate numbered 8 and concurs therein with an amendment in which it requests the concurrence of the Senate.

HOUSE JOINT RESOLUTION REFERRED

The following joint resolution was read by title and referred, as indicated:

H.J. Res. 873. A joint resolution making an urgent supplemental appropriation for the disaster loan program of the Small Business Administration for the fiscal year ending September 30, 1978; to the Committee on Appropriations.

AUTHORIZATION FOR STAR PRINT OF SENATE REPORT 95–786

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that a star print of Senate report 95–786, the Standard Reference Data Act, be authorized, in order to make technical corrections that were omitted when the original report was filed by the committee.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMUNICATIONS

The Presiding Officer laid before the Senate the following communications, together with accompanying reports, documents, and papers, which were referred as indicated:

EC–3546. A communication from the President and Chairman, Export-Import Bank of the United States, reporting, pursuant to law, with respect to a transaction involving U.S. exports to Trinidad and Tobago; to the Committee on Banking, Housing, and Urban Affairs.

EC–3547. A communication from the President and Chairman, Export-Import Bank of the United States, reporting, pursuant to law, with respect to a transaction involving U.S. exports to the Republic of Korea (ROK); to the Committee on Banking, Housing, and Urban Affairs.

EC–3548. A communication from the Secretary of Housing and Urban Development, transmitting, pursuant to law, the Third Annual Report; to the Committee on Banking, Housing, and Urban Affairs.

EC–3549. A communication from the Administrator, National Aeronautics and Space Administration, transmitting, pursuant to law, a report of contracts negotiated to NASA for the period of July 1, 1977 through December 31, 1977; to the Committee on Commerce, Science, and Transportation.

EC–3550. A communication from the Secretary of Transportation, transmitting a draft of proposed legislation to revise the laws relating to the Coast Guard Reserve; to the Committee on Commerce, Science, and Transportation.

EC–3551. A communication from the Chairman, Federal Trade Commission, transmitting a statistical supplement to the Commission's report on cigarette labeling and advertising for the year 1975; to the Committee on Commerce, Science, and Transportation.

EC–3552. A communication from the Secretary of Commerce, transmitting a draft of proposed legislation to extend the provisions of title XII of the Merchant Marine Act, 1936, relating to war risk insurance, for an additional five years, ending September 30, 1984; to the Committee on Commerce, Science, and Transportation.

EC–3553. A communication from the Deputy Assistant Secretary of the Interior, transmitting, pursuant to law, an application by the Hidalgo and Willacy Counties Water Control and improvement District No. 1 of Edcouch, Texas, for a supplemental loan under the Small Reclamation Projects Act (70 Stat. 1044, as amended); to the Committee on Energy and Natural Resources.

EC–3554. A communication from the Deputy Assistant Secretary, Department of the Interior, reporting, pursuant to law, on receipt of project proposals under the provisions of the Small Reclamation Projects Act of 1956, from the South Weber Water Improvement District, Utah, in the amount of $1,740,000; Overland Ditch and Reservoir Company, Colorado, in the amount of $1,696,000; Buffalo Rapids Irrigation Project, Montana, in the amount of $175,000; and Pioneer Water Company, California, in the amount of $530,000; to the Committee on Energy and Natural Resources.

EC–3555. A communication from the Deputy Assistant Secretary, Department of the Interior, transmitting, pursuant to law, an application by the Overland Ditch and Reservoir Company, of Hotchkiss, Delta County, Colorado, for a loan under the Small Reclamation Projects Act (70 Stat. 1044, as amended); to the Committee on Energy and Natural Resources.

EC–3556. A communication from the Deputy Assistant Secretary, Department of the Interior, transmitting, pursuant to law, an application by the Rainbow Municipal Water District, of Fallbrook, San Diego County, California, for a loan under the Small Reclamation Projects Act (70 Stat. 1044, as amended); to the Committee on Energy and Natural Resources.

EC–3557. A communication from the Deputy Assistant Secretary, transmitting, pursuant to law, an application by the Glenn-Colusa Irrigation District of Willows, Glenn and Colusa Counties, California, for a loan under the Small Reclamation Projects Act (70 Stat. 1044, as amended); to the Committee on Energy and Natural Resources.

EC–3558. A communication from the Deputy Assistant Secretary of the Interior, transmitting, pursuant to law, a proposed contract with Colorado School of Mines, Golden, Colorado, for a research project entitled "Improved Skip Designs, Instrumentation, Development, and Field Verification"; to the Committee on Energy and Natural Resources.

EC–3559. A communication from the Secretary of the Interior, transmitting, pursuant to law, on matters contained in the Helium Act (Public Law 86–777); to the Committee on Energy and Natural Resources.

EC–3560. A communication from the Administrator, General Services Administration, transmitting, pursuant to law, a prospectus which proposes a succeeding lease for space presently occupied at 60 Hudson Street, New York, New York; to the Committee on Environment and Public Works.

EC–3561. A communication from the Chairman, National Advisory Council on International Monetary and Financial Policies, transmitting, pursuant to law, the Annual Report of the Council for 1977; to the Committee on Foreign Relations.

EC–3562. A communication from the Assistant Administrator, for Legislative Affairs, Agency for International Development, Department of State, reporting, pursuant to law, justification of an increase in the funding level of our proposed FY 1978 program in Bolivia; to the Committee on Foreign Relations.

EC–3563. A communication from the Acting President, Overseas Private Investment Corporation, transmitting, pursuant to law, the annual operating report of OPIC for fiscal year 1977; to the Committee on Foreign Relations.

EC–3564. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Examination of Financial Statements of the Export-Import Bank of the United States for Fiscal Year Ended September 30, 1977," May 3, 1978; to the Committee on Governmental Affairs.

EC–3565. A secret communication from the Comptroller General of the United States, transmitting, pursuant to law, a report on the operational effectiveness and readiness of the Navy S–3A antisubmarine warfare aircraft: to the Committee on Governmental Affairs.

EC–3566. A communication from the Secretary, Railroad Retirement Board, transmitting, pursuant to law, a report of a proposal to alter three systems of records; to the Committee on Governmental Affairs.

EC–3567. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Marine Approaches to U.S. Ports: A Flexible and Obstruction-Free System is Needed," May 2, 1978; to the Committee on Governmenal Affairs.

EC–3568. A communication from the Secretary of Commerce, transmitting a draft of proposed legislation to entitle the Deputy Assistant Secretary of Commerce for Communications and Information to receive compensation at the rate now or hereafter prescribed by law for Level V of the Executive Schedule; to the Committee on Governmental Affairs.

EC–3569. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, an act adopted by the Council on April 4, 1978, which would establish a Residential Real Property Transfer Excise Tax, to require recordation of transfers of real property, to provide for the licensing of those who deal in residential real property, and for other purposes (Act 2–189); to the Committee on Governmental Affairs.

EC–3570. A communication from the Chairman, National Commission for Manpower Policy, transmitting a report entitled "Community Based Organizations in Manpower Programs and Policy: A Conference

Report," October 1977; to the Committee on Human Resources.

EC–3571. A communication from the Secretary of Health, Education, and Welfare, transmitting, pursuant to law, a report of the Committee on Mental Health and Illness of the Elderly; to the Committee on Human Resources.

EC–3572. A communication from the President, American Academy and Institute of Arts and Letters, reporting, pursuant to law, on its activities during the year ending December 31, 1977; to the Committee on the Judiciary.

EC–3573. A communication from the Commission, Immigration and Nationalization Service, Department of State, transmitting, pursuant to law, reports covering the period April 19 through April 28, 1978 concerning visa petitions which the Service has approved according the beneficiaries of such petitions third and sixth preference classification under the Immigration and Nationality Act, as amended; to the Committee on the Judiciary.

EC–3574. A communication from the Administrator, Veterans Administration, transmitting a draft of proposed legislation to amend title 38 of the United States Code in order to extend the authority of the Administrator to make grants to States for the construction, remodeling, or renovation of State home facilities for furnishing hospital, domiciliary, and nursing home care for eligible veterans, and for other purposes; to the Committee on Veterans' Affairs.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. McINTYRE, from the Committee on Banking, Housing, and Urban Affairs, with an amendment:

H.R. 2777. An act to provide for consumers a further means of minimizing the impact of inflation and economic depression by narrowing the price spread between costs to the producer and the consumer of needed goods, services, facilities, and commodities through the development and funding of specialized credit sources for, and technical assistance to, self-help, not-for-profit cooperatives, and for other purposes (together with additional views) (Rept. No. 95–795).

By Mr. LONG, from the Committee on Finance, with an amendment:

H.R. 5176. An act to lower the duty on levulose until the close of June 30, 1980 (Rept. No. 95–796).

By Mr. LONG, from the Committee on Finance, with amendments:

H.R. 7320. An act to revise miscellaneous timing requirements of the revenue laws, and for other purposes (Rept. No. 95–797).

By Mr. CANNON, from the Committee on Commerce, Science, and Transportation, with an amendment:

S. 1794. A bill to authorize appropriations for the Federal Fire Prevention and Control Act of 1974, and to change the name of the National Fire and Prevention and Control Administration to the United States Fire Administration (Rept. No. 95–798).

H.R. 11401. An act to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research program for management, and for other purposes (Rept. No. 95–799).

By Mr. MAGNUSON, from the Committee on Appropriations, without amendment:

H.J. Res. 859. A joint resolution making supplemental appropriations for the United States Railway Association for the fiscal year ending September 30, 1978, and for other purposes (Rept. No. 95–800).

By Mr. MAGNUSON, from the Committee on Appropriations, with amendments and an amendment to the title:

H.J. Res. 873. A joint resolution making an urgent supplemental appropriation for the disaster loan program of the Small Business Administration for the fiscal year ending September 30, 1978, and for other purposes (Rept. No. 95–801).

By Mr. HASKELL, from the Committee on Energy and Natural Resources, with an amendment:

S. 419. A bill to test the commercial, environmental, and social viability of various oil shale technologies, and for other purposes (together with minority views) (Rept. No. 95–802).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. SPARKMAN:

S. 3053. A bill to provide mortgage credit assistance to middle-income families purchasing conventionally financed new and substantially rehabilitated homes and to facilitate the preservation and renewal of urban neighborhoods; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. HELMS:

S. 3054. A bill to establish the Office of Under Secretary for Education in the Department of Health, Education, and Welfare and to condition the authority of the Secretary of Health, Education, and Welfare to issue rules, regulations, or orders with respect to elementary and secondary schools and for other purposes; to the Committee on Governmental Affairs.

By Mr. HASKELL:

S. 3055. A bill to stabilize production and marketing of traditional sweetener products; to permit orderly growth in the marketing of new sources of sweetener products; to provide consumers with adequate supplies of sweetener products at reasonable prices; to insure that imports of sugar products do not disrupt the orderly operation of the National Sweetener Program; and for other purposes; to the Committee on Finance.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. SPARKMAN:

S. 3053. A bill to provide mortgage credit assistance to middle-income families purchasing conventionally financed new and substantially rehabilitated homes and to facilitate the preservation and renewal of urban neighborhoods; to the Committee on Banking, Housing, and Urban Affairs.

HOUSING OPPORTUNITY ACT OF 1978

● Mr. SPARKMAN. Mr. President, I am introducing today the Housing Opportunity Act of 1978. I am introducing this bill which has been drafted by the National Association of Home Builders, out of my concern that the continuing escalation of housing costs may pose a serious threat next year to the achievement of our national goals of homeownership opportunity and full employment. I am particularly concerned about the possibility that rising interest rates will, in the coming months, curtail home buying and homebuilding. If that occurs, the Nation will, because of the central role that the housing industry has in our economy, suffer a serious setback in its efforts to curb inflation and to promote a high level of production. Moreover, many families, particularly middle-income Americans and young families will be denied an opportunity to live in their own homes.

Just last month, the Council on Wage and Price Stability issued a report that says:

> Virtually all major housing price indexes increased more rapidly than the Overall Consumer Price Index during the ten year period ending December, 1977 . . . inflation in the housing sector has been a persistent problem over the past few years and is unlikely to dissipate wholly in the near future.

A recent survey by the Census Bureau found that home values rose 85 percent faster than did incomes in major metropolitan areas of the Nation between 1970 and 1975. The escalation of housing value means that many families who do not own a house may not be able to own one. It also means that families who do find the money, more and more require two wage earners, rather than one.

By introducing the Housing Opportunity Act of 1978 now, I hope to focus attention on the need for assuring that there will be housing produced that can be afforded by middle-income American families.

The Housing Opportunity Act of 1978 is designed to provide mortgage credit assistance to middle-income families purchasing new or rehabilitated housing. It would authorize the Department of Housing and Urban Development, through the Government National Mortgage Association, to assist families earning between $14,000 and $25,000 yearly, in purchasing a new home or one that is substantially rehabilitated. The program has several new features—mortgage interest rates which vary with the purchase price of the house; an inner city program that uses a GNMA payment to compensate lenders for making below-market interest rate loans; a suburban program that involves a declining interest subsidy; and a second mortgage, pledging repayment of assistance to the Federal Government at time of sale.

The idea of this program is to help people buy their homes when they need them most but cannot afford them. The Federal subsidy would be greater for people at the $15,000 income level, and less for those families earning over $20,000. Families receiving assistance would, at the time of sale, repay to HUD the assistance they have received, or some reasonable portion of that amount.

The National Association of Home Builders estimates that construction of 400,000 new single-family homes through the Housing Opportunity Act would generate over 74,000 man-years of employment, over $10 billion in wages, and would increase taxes paid to local, State, and Federal governments by more than $2 billion.

The Housing Opportunity Act of 1978 has been developed by the National Association of Home Builders in an effort to help middle income Americans become homeowners. It contains, as I have suggested above, several new ideas for improving Federal housing programs. It directly addresses one of the most urgent questions facing the Nation.

Mr. President, I have worked for the past three decades to make the goal of a decent home, and the opportunity to

own a home, a reality for every American family.

We have as a nation made considerable progress toward achieving this goal. Further progress however is now clearly threatened by spiraling cost of housing. Middle income Americans are already being priced out of the housing market.

The consequences of this for achieving our housing goals, and the Presidents recently announced national urban initiatives are serious.

In 1949 the Congress made a declaration of national housing policy. As one of the drafters of that legislation, I invite all Members to reread that declaration. It is as relevant today as it was when it was written, almost 30 years ago.

Mr. President, I ask unanimous consent that section 2 of the Housing Act of 1949 and the proposed bill, the Housing Opportunity Act of 1978, be printed in the RECORD.

There being no objection, the excerpt and the bill were ordered to be printed in the RECORD, as follows:

EXCERPT FROM THE HOUSING ACT OF 1949

[Public Law 171, 81st Congress; 63 Stat. 413; 42 U.S.C. 1441]

DECLARATION OF NATIONAL HOUSING POLICY

SEC. 2. The Congress hereby declares that the general welfare and security of the Nation and the health and living standards of its people require housing production and related community development sufficient to remedy the serious housing shortage, the elimination of substandard and other inadequate housing through the clearance of slums and blighted areas, and the realization as soon as feasible of the goal of a decent home and a suitable living environment for every American family, thus contributing to the development and redevelopment of communities and to the advancement of the growth, wealth, and security of the Nation. The Congress further declares that such production is necessary to enable the housing industry to make its full contribution toward an economy of maximum employment, production, and purchasing power. The policy to be followed in attaining the national housing objective hereby established shall be: (1) private enterprise shall be encouraged to serve as large a part of the total need as it can; (2) governmental assistance shall be utilized where feasible to enable private enterprise to serve more of the total need; (3) appropriate local public bodies shall be encouraged and assisted to undertake positive programs of encouraging and assisting the development of well-planned, integrated residential neighborhoods, the development and redevelopment of communities, and the production, at lower costs, of housing of sound standards of design, construction, livability, and size for adequate family life; (4) governmental assistance to eliminate substandard and other inadequate housing through the clearance of slums and blighted areas, to facilitate community development and redevelopment, and to provide adequate housing for urban and rural nonfarm families with incomes so low that they are not being decently housed in new or existing housing shall be extended to those localities which estimate their own needs and demonstrate that these needs are not being met through reliance solely upon private enterprise, and without such aid; and (5) governmental assistance for decent, safe, and sanitary farm dwellings and related facilities shall be extended where the farm-owner demonstrates that he lacks sufficient resources to provide such housing on his own account and is unable to secure necessary credit for such housing from other sources on terms and conditions which he could reasonably be expected to fulfill. The Department of Housing and Urban Development and any other departments or agencies of the Federal Government having powers, functions, or duties with respect to housing, shall exercise their powers, functions or duties under this or any other law, consistently with the national housing policy declared by this Act and in such manner as will facilitate sustained progress in attaining the national housing objective hereby established, and in such manner as will encourage and assist (1) the production of housing of sound standards of design, construction, livability, and size for adequate family life; (2) the reduction of the costs of housing without sacrifice of such sound standards; (3) the use of new designs, materials, techniques, and methods in residential construction, the use of standardized dimensions and methods of assembly of home-building materials and equipment, and the increase of efficiency in residential construction and maintenance; (4) the development of well-planned, integrated, residential neighborhoods and the development and redevelopment of communities; and (5) the stabilization of the housing industry at a high annual volume of residential construction.

Approved July 15, 1949.

S. 3053

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Housing Opportunity Act of 1978".

FINDINGS AND PURPOSE

SEC. 2. (a) The Congress finds—

(1) that many middle-income families, who in the past could afford to purchase a newly constructed or substantially rehabilitated house, and make mortgage payments thereon with a reasonable portion of their income, are now unable to afford such a purchase because of high mortgage interest rates;

(2) that urban neighborhoods offer living environments that are preferable to many American families, but that these neighborhoods need the availability of decent, newly constructed or substantially rehabilitated housing that can be afforded by middle-income families; and

(3) that it is the policy of the United States to encourage private enterprise to assume the predominant responsibility for attaining the National goal of a decent home and a suitable living environment for every American family.

(b) It is therefore the purpose of this Act to authorize the Secretary of Housing and Urban Development to direct the Government National Mortgage Association to enter into contracts for mortgage assistance payments to enable middle-income families to finance the purchase of new or substantially rehabilitated housing within their financial means.

MORTGAGE CREDIT ASSISTANCE FOR MIDDLE-INCOME FAMILIES

SEC. 3. Title III of the National Housing Act is amended by adding three new sections as follows:

"HOMEOWNERSHIP FOR MIDDLE-INCOME FAMILIES

"SEC. 314. (a) The Secretary is authorized to direct the Association to make, and to contract to make, mortgage credit assistance payments to lenders who agree to make home mortgage loans to middle-income families meeting the requirements specified in this section.

"(b) To qualify for mortgage credit assistance under this section—

"(1) a family's income (as defined in section 235 (1)) at the time of initial occupancy shall not exceed 150 per centum of the median income for the area, as determined by the Secretary with adjustments for smaller and larger families;

"(2) the mortgage shall not be insured under the National Housing Act nor guaranteed under Chapter 37 of title 38, United States Code; and

"(3) the mortgage loan shall be for the purpose of assisting in the purchase of a newly constructed or substantially rehabilitated single-family dwelling (or of a single-family dwelling unit in a newly constructed or substantially rehabilitated condominium project) that is to be owned and occupied by the buyer as his principal residence and the sales price of which does not exceed $60,000 ($75,000 in Alaska, Hawaii, and Guam).

"(c) A mortgage assisted under this section shall bear on initial interest rate, based on the purchase price of the dwelling unit and on the secondary market rate for the month in which the mortgage is executed, calculated as follows:

"(1) for dwelling units with a purchase price not in excess of $30,000 the greater of 6 per centum or the secondary market rate minus 3 per centum;

"(2) for dwelling units with a purchase price in excess of $30,000 but not in excess of $35,000, the greater of 6¼ per centum or the secondary market rate minus 2¾ per centum;

"(3) for dwelling units with a purchase price in excess of $35,000 but not in excess of $40,000, the greater of 6½ per centum or the secondary market rate minus 2½ per centum;

"(4) for dwelling units with a purchase price in excess of $40,000 but not in excess of $45,000, the greater of 6¾ per centum or the secondary market rate minus 2¼ per centum;

"(5) for dwelling units with a purchase price in excess of $45,000 but not in excess of $50,000, the greater of 7 per centum or the secondary market rate minus 2 per centum;

"(6) for dwelling units with a purchase price in excess of $50,000 but not in excess of $55,000, the greater of 7¼ per centum or the secondary market rate minus 1¾ per centum; and

"(7) for dwelling units with a purchase price in excess of $55,000 but not in excess of $60,000, the greater of 7½ per centum or the secondary market rate minus 1½ per centum.

"The foregoing purchase price limits may be increased by up to 25 per centum for dwelling units located in Alaska, Hawaii, and Guam.

"For the purposes of this section, the secondary market rate for any month shall be the average yield (adjusted to the nearest one-quarter per centum) for the preceding three months of four months commitments issued by the Federal National Mortgage Association and published on the first day of each month.

"(d) The initial interest rate on each mortgage assisted under this section shall be increased annually by one-quarter per centum on the anniversary date of the execution of the mortgage until the mortgage interest rate equals the secondary market rate in effect for the month in which the mortgage was originally executed.

"(e) With respect to each mortgage assisted under this section, the Association shall make an annual mortgage credit assistance payment to the lender on behalf of the eligible family. The payment shall be in an amount equal to the difference between the total amount of principal and interest which would have been due under the mortgage for the year, and the amount of principal and interest which would have been due under

the mortgage for the year if the mortgage interest rate on such mortgage was equal to the secondary market rate in effect for the month in which the mortgage was executed.

"(f) To qualify for mortgage credit assistance payments—

"(1) The mortgagor shall execute, in favor of the United States, a second mortgage on the property pledging the repayment of the aggregate amount of the mortgage credit assistance payments made on his behalf by the Association.

"(2) The second mortgage shall be due and payable at the time title to the property is transferred as a result of a sale or other disposition or at the time at which the home mortgage is retired, whichever first occurs. The amount of the mortgage credit assistance payments required to be repaid under the second mortgage, in the event of the sale or other disposition of the property, shall not exceed the amount of gain realized upon such sale or disposition. For the purpose of this section, "gain" shall have the same meaning as in section 1001 of the Internal Revenue Code of 1954 with adjustments being made for selling expenses as defined in section 1034(b) of said Code.

"(3) A mortgage loan assisted under this section shall be assumable at any time during the twelve-year period subsequent to the execution of the mortgage: *Provided,* That each such assumer executes in favor of the United States a second mortgage pledging the repayment, as set out in paragraph (2), of the aggregate amount of the mortgage credit assistance payments made on his behalf by the Association.

"(g)(1) Commitments to make mortgage credit assistance payments may be issued by the Association to a builder prior to or during the construction or rehabilitation of any dwelling units meeting the requirements of subsections (b) and (c). The Association is authorized to charge a commitment fee, not to exceed one per centum, based on the maximum sales prices of the dwelling units for which the commitment is issued pursuant to the purchase price categories as set out in subsection (h). The term of any commitment shall be for a period of one year and may be extended for an additional six-month period on the payment of an additional commitment fee of not in excess of one-quarter per centum.

"(2) The Association may issue a commitment for no more than a maximum of 50 dwelling units to any one builder at any one time: *Provided,* That, when a builder has entered into sales contracts for 50 per centum or more of the dwelling units covered by his commitment, he shall be entitled to a commitment for additional dwelling units, but in no case may the number of additional units covered by a commitment, plus the number of dwelling units remaining unsold under the previous commitment, exceed the maximum limit of 50 dwelling units per builder; and *Provided further,* That a builder may receive separate commitments of up to 50 units for each standard metropolitan statistical area in which he is building.

"(h) Commitments issued in each fiscal year pursuant to this section shall not exceed the number of dwelling units authorized in appropriations acts, but in no event more than 300,000 units per year, and the dwelling units available for commitment in each fiscal year shall be allocated on the basis of purchase price as follows:

"(1) for dwelling units with a purchase price not in excess of $30,000, 10 per centum;

"(2) for dwelling units with purchase prices in excess of $30,000 but not in excess of $35,000, 10 per centum;

"(3) for dwelling units with purchase prices in excess of $35,000 but not in excess of $40,000, 20 per centum;

"(4) for dwelling units with purchase prices in excess of $40,000 but not in excess of $45,000, 20 per centum;

"(5) for dwelling units with purchase prices in excess of $45,000 but not in excess of $50,000, 20 per centum;

"(6) for dwelling units with purchase prices in excess of $50,000 but not in excess of $55,000, 10 per centum; and

"(7) for dwelling units with purchase prices in excess of $55,000 but not in excess of $60,000, 10 per centum.

The foregoing purchase price limits may be increased by up to 25 per centum for dwelling units located in Alaska, Hawaii, and Guam.

"URBAN HOMEOWNERSHIP PROGRAM

"SEC. 315. (a) In order to encourage stability of older urban neighborhoods, the Secretary is authorized to direct the Association to make, and to contract to make, mortgage credit assistance payments to lenders who agree to make home mortgage loans to middle-income families meeting the requirements specified in this section.

"(b) To qualify for mortgage credit assistance under this section—

"(1) the mortgage shall not be insured under the National Housing Act nor guaranteed under Chapter 37 of title 38, United States Code;

"(2) the mortgage loan shall be for the purpose of assisting the purchase of a newly constructed or substantially rehabilitated single-family dwelling (or of a single-family dwelling unit in a newly constructed or substantially rehabilitated condominium project) that is to be owned and occupied by the buyer as his principal residence and the sale price of which does not exceed $60,000 ($75,000 in Alaska, Hawaii, and Guam); and

"(3) the dwelling unit shall be located in an older urban neighborhood, as designated by the governing body of the unit of general local government pursuant to regulations issued by the Secretary.

"(c) A mortgage assisted under this section shall bear an initial interest rate, based on the purchase price of the dwelling unit and on the secondary market rate for the month in which the mortgage is executed, calculated as follows:

"(1) for dwelling units with a purchase price not in excess of $30,000 the greater of 6 per centum or the secondary market rate minus 3 per centum;

"(2) for dwelling units with a purchase price in excess of $30,000 but not in excess of $35,000, the greater of 6¼ per centum or the secondary market rate minus 2¾ per centum;

"(3) for dwelling units with a purchase price in excess of $35,000 but not in excess of $40,000, the greater of 6½ per centum or the secondary market rate minus 2½ per centum;

"(4) for dwelling units with a purchase price in excess of $40,000 but not in excess of $45,000, the greater of 6¾ per centum or the secondary market rate minus 2¼ per centum;

"(5) for dwelling units with a purchase price in excess of $45,000 but not in excess of $50,000, the greater of 7 per centum or the secondary market rate minus 2 per centum;

"(6) for dwelling units with a purchase price in excess of $50,000 but not in excess of $55,000, the greater of 7¼ per centum or the secondary market rate minus 1¾ per centum; and

"(7) for dwelling units with a purchase price in excess of $55,000 but not in excess of $60,000, the greater of 7½ per centum or the secondary market rate minus 1½ per centum.

The foregoing purchase price limits may be increased by up to 25 per centum for dwelling units located in Alaska, Hawaii, and Guam.

"For the purposes of this section, the secondary market rate for any month shall be the average yield (adjusted to the nearest one-quarter per centum) for the preceding three months of four-month commitments issued by the Federal National Mortgage Association in its conventional secondary market operations under section 304, as determined by the Government National Mortgage Association and published on the first day of each month.

"(d) With respect to each mortgage assisted under this section, the Association shall make a mortgage credit assistance payment to the lender on behalf of the eligible family within thirty days after the execution of the mortgage. The payment shall be in an amount equal to the difference between the principal amount of the mortgage and the amount which would be paid for the mortgage if it were price to provide a yield equal to the secondary market rate in effect for the month in which the mortgage was executed. In calculating such yield, the Association shall assume that the life of the mortgage will be twelve years.

"(e)(1) To qualify for a mortgage credit assistance payment, the mortgagor shall execute, in favor of the United States, a second mortgage on the property pledging the repayment of the amount of the mortgage credit assistance payment made on his behalf by the Association.

"(2) The second mortgage shall be due and payable at the time title to the property is transferred as a result of a sale or other disposition or at the time at which the home mortgage is retired, whichever first occurs. The amount of the mortgage credit assistance payment required to be repaid under the second mortgage, in the event of the sale or other disposition of the property, shall not exceed the amount of gain realized upon such sale or disposition. For the purposes of this section, "gain" shall have the same meaning as in section 1001 of the Internal Revenue Code of 1954 with adjustments being made for selling expenses as defined in section 1034(b) of said Code.

"(3) A mortgage loan assisted under this section shall be assumable at any time during the twelve-year period subsequent to the execution of the mortgage: *Provided,* That each such assumer executes in favor of the United States a second mortgage pledging the repayment, as set out in paragraph (2), of the proportionate amount of the mortgage credit assistance payment may by the Association with respect to the mortgage for the period of his ownership of the property. In the case of such an assumption, the original or a subsequent mortgagor shall only be required to repay that part of the mortgage credit assistance payment which is proportionate to the period of his ownership of the property. The amount of any proportionate repayment shall be determined by the Association.

"(f)(1) Commitments to make mortgage credit assistance payments may be issued by the Association to a builder prior to or during the construction or rehabilitation of any dwelling units meeting the requirements of subsections (b) and (c). The Association is authorized to charge a commitment fee, not to exceed one per centum, based on the maximum sales price of the dwelling units for which the commitment is issued pursuant to the purchase price categories as set out in subsection (g). The term of any commitment shall be for a period of one year and may be extended for an additional six-month period on the payment of an additional commitment fee of not in excess of ¼ per centum.

"(2) The Association may issue a commitment for no more than a maximum of 100 dwelling units to any one builder at any one time: *Provided,* That, when a builder has entered into sales contracts for 50 per centum or more of the dwelling units covered by his commitment, he shall be entitled to a com-

mitment for additional dwelling units, but in no case may the number of additional units covered by his commitment, plus the number of dwelling units remaining unsold under the previous commitment, exceed the maximum limit of 100 dwelling units per builder: and, *Provided further,* That, a builder may receive separate commitments of up to 100 dwelling units for each standard metropolitan statistical area in which he is building.

"(g) Commitments issued in each fiscal year pursuant to this section shall not exceed the number of dwelling units authorized in appropriations acts, but in no event more than 100,000 units per year, and the number of dwelling units available for commitment in each fiscal year shall be allocated on the basis of purchase price as follows:

"(1) for dwelling units with a purchase price not in excess of $30,000, 10 per centum;

"(2) for dwelling units with purchase prices in excess of $30,000 but not in excess of $35,000, 10 per centum;

"(3) for dwelling units with purchase prices in excess of $35,000, but not in excess of $40,000, 20 per centum;

"(4) for dwelling units with purchase prices in excess of $40,000, but not in excess of $45,000, 20 per centum;

"(5) for dwelling units with purchase prices in excess of $45,000, but not in excess of $50,000, 20 per centum;

"(6) for dwelling units with purchase prices in excess of $50,000, but not in excess of $55,000, 10 per centum; and

"(7) for dwelling units with purchase prices in excess of $55,000, but not in excess of $60,000, 10 per centum.

"The foregoing purchase price limits may be increased by up to 25 per centum for dwelling units located in Alaska, Hawaii, and Guam.

"SEC. 316. (a) To carryout the purposes of section 314 and section 315, the Association is hereby authorized to enter annually into mortgage credit assistance payment contracts to assist not more than 300,000 units pursuant to Section 314(h) and not more than 100,000 units pursuant to Section 315(g) for each fiscal year commencing after September 30, 1977.

"(b) To provide for the payment of mortgage credit assistance payment contracts authorized in subparagraph (a), there is authorized to be appropriated for each fiscal year commencing after September 30, 1977, such sums, not in excess of $ for any such fiscal year, as may be necessary to carry out the provisions of Section 314 and Section 315."●

By Mr. HELMS:

S. 3054. A bill to establish the office of Under Secretary for Education in the Department of Health, Education, and Welfare and to condition the authority of the Secretary of Health, Education, and Welfare to issue rules, regulations, or orders with respect to elementary and secondary schools and for other purposes; to the Committee on Governmental Affairs.

EDUCATION REGULATORY REFORM ACT OF 1978

Mr. HELMS. Mr. President, on several occasions I have discussed the adverse impact of increasing Federal regulation on schools and universities. Last April, I examined at length the problems confronting colleges and universities in the face of the Federal regulatory onslaught and at that time I introduced S. 1361, the Academic Freedom Act of 1977 to provide for less Federal control of higher education.

However, the burden of Government regulation falls just as heavily upon elementary and secondary schools. The redtape and paperwork that inevitably follows Federal regulations consumes thousands of hours of teachers' and administrators' time. The U.S. Office of Education estimated several years ago that it required the participants in its programs to complete 43.4 million data items and to spend about 2.2 million staff hours doing so. The Office of Education also estimated that State and local education agencies had to supply about 11.2 million data items, using about 700,000 staff hours.

It is no surprise then to learn that even after adjusting dollars for inflation, the actual cost of educating public school students since 1950 has gone up from $504 per pupil to $1,400 in 1976. In real dollars that is an increase of 180 percent. Without adjusting these dollar amounts for inflation the increase is approximately 1,000 percent.

Accordingly, the number of educational personnel has also increased dramatically to keep pace with increasing Federal demands. In 1950, there was 1 full-time school employee for every 19 students. Today, the ratio is 1 in 9. The greatest increase has been in nonteaching personnel—especially administrative personnel. Yet, the ratio of teachers to students has not increased nearly as fast. In 1950, there was 1 teacher for every 28 students. In 1976, the ratio was 1 teacher for 21 students. Although not all of the increase in the cost of education can be attributed to increasing Federal intervention in local schools, there is a striking parallel between Federal involvement and increased costs.

Today I am introducing legislation to reform Federal regulatory practices related to elementary and secondary schools and reduce the mammoth demands of Federal redtape and paperwork presently diverting the limited resources and energies of America's educators. If enacted, the Education Regulatory Reform Act of 1978 will reduce unnecessary Government regulation and provide changes in the organizational structure of the Education Division of the Department of Health, Education, and Welfare to increase its efficiency.

NEED TO REDUCE FEDERAL PAPERWORK BURDEN

Last year, the National School Boards Association estimated that school districts spent an average of 1.1 minutes and 17 cents for each student simply to complete two forms requested by the Department of Health, Education, and Welfare. The NSBA estimated that completion of these forms alone required a total of 810,000 hours and more than $7 million.

In North Carolina all 145 local education agencies and each individual school in 117 of the 145 local education agencies were required to complete HEW forms OS/CR 101 or 102. Mr. William Peek, assistant to the State superintendent of public instruction, has calculated that furnishing HEW with the information requested on these forms for a single year cost the taxpayers of North Carolina over a quarter of a million dollars. He also estimated that if one person was required to complete the reports for the State of North Carolina, it would take him over 14 years to do so.

Mr. Peek went on to explain in testimony before the House Committee on Education and Labor that a very considerable amount of the material requested in these reports was already included in other reports available to officials at HEW, especially in reports related to the Emergency School Aid Act and the Equal Employment Opportunity Act. He suggested that in the future, HEW administrators be required to demonstrate the necessity for the information they request and that requests for information already in the possession of HEW be prohibited.

Mr. President, the Federal paperwork problem with which North Carolina educators struggle day after day is not an isolated incident. It is a national problem and a problem with requests for information regarding other aspects of education, including adult, vocational, technical education, and education for the handicapped.

The Education Regulatory Reform Act of 1978 would go far in correcting the Federal paperwork burden. It would end the unnecessary duplication of information by requiring administrators at HEW to first determine whether information required to be transmitted under any proposed regulation was already being gathered or was available from another agency of the Federal Government. It would also require that HEW determine the cost involved in providing such information and whether the benefits to be obtained by the regulation substantially outweighed the costs of complying with it.

The act requires that HEW would have to justify the continued existence of a regulation or of a continued request for information by providing that all HEW regulations affecting education would automatically expire after being in force for 5 years.

Mr. President, often the cost of the paperwork involved in applying for a Federal grant exceeds the amount of the grant itself. For example, one school superintendent related how his district would have to spend at least $6,000 to apply for a $4,500 grant under the Indian Elementary and Secondary School Assistance Act. Often the receipt of Federal assistance subjects the school district to ever-increasing demands for information and other regulatory compliance procedures by HEW. The Education Regulatory Reform Act would allow school districts to seek a minimum amount of Federal assistance without becoming entangled in mountains of Federal paperwork. It provides a regulation compliance exemption for schools or education agencies which receive less than 10 percent of their annual budget from Federal funds.

BETTER COORDINATION NEEDED AT EDUCATION DIVISION

As the examples of costly overlapping requests for information which I have just mentioned suggest, there is a need for increased cooperation and coordination within the Education Division of the Department of Health, Education, and Welfare. The Education Regulatory Reform Act of 1978 provides for greater coordination among the offices within

the Education Division by establishing a new Office of Under Secretary for Education to assume the duties and replace the present offices of Assistant Secretary for Education and Commissioner of Education. This new office, modeled after the Defense Department Under Secretaries, will encourage cooperation, end duplication of efforts, and reform aspects of the present structure at HEW which tend to promote isolation and nonsupportive activities.

Recently, Mr. Albert Shanker, president of the American Federation of Teachers, proposed the creation of just such an office during testimony before the Senate Committee on Governmental Affairs. Mr. Shanker maintained that this "clarification of roles and responsibilities could help to end the confusion and competition that now characterizes the Education Division." A study released by the Congressional Research Service of the Library of Congress also concluded that the creation of a new office of Under Secretary for Education could facilitate "increased communication and coordination among the research agency (National Institute of Education), the data support agency (National Center for Education Statistics), and the program administrative agency (Office of Education)."

Mr. President, I ask unanimous consent that the text of the Education Regulatory Reform Act of 1978 be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3054

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Education Regulatory Reform Act of 1978".

DEFINITIONS

SEC. 2. As used in this Act the term:

(a) "Regulation" means any rule, guideline, interpretation, order or requirement of general or particular applicability and future effect designed to implement, interpret, or prescribe law or policy and includes record-keeping or reporting requirements imposed by the Secretary of Health, Education and Welfare.

(b) "Local educational agency" means any local educational agency as defined by section 801(f) of the Elementary and Secondary Education Act of 1965.

(c) "State educational agency" means a State educational agency as defined by section 801(k) of the Elementary and Secondary Education Act of 1965.

UNDERSECRETARY FOR EDUCATION

SEC. 3(a) There is hereby established in the Department of Health, Education and Welfare the position of Undersecretary for Education.

(b) The Undersecretary for Education shall assume the responsibilities of the Assistant Secretary for Education and the Commissioner of Education.

(c) The offices of Assistant Secretary for Education and Commissioner of Education are hereby abolished.

EDUCATION IMPACT STATEMENT

SEC. 4. Notwithstanding any other provision of law, no regulation affecting any local or State educational agency or any elementary or secondary educational institution in the United States, promulgated by the Secretary on or after the date of enactment of this Act, shall become effective unless published in the Federal Register together with an educational impact assessment statement which shall—

(1) determine whether any information required to be transmitted under such regulation is already being gathered by or is available from any other agency or authority of the United States;

(2) assess the cost and time involved in complying with such regulation by local and state educational agencies and elementary and secondary schools which would be affected thereby; and

(3) determine whether the costs involved in complying with such regulation is substantially outweighted by the benefits to be obtained by the regulation.

Notwithstanding the exception provided under section 553(b) of title 5, United States Code, such statement shall be based upon the record established under the provisions of section 553 of title 5, United States Code, compiled during the rulemaking proceeding regarding such regulation.

SUNSET PROVISION

SEC. 5. Notwithstanding any other provision of law, any regulation affecting any local or State educational agency or any elementary or secondary school in the United States, promulgated by the Secretary—

(1) on or after the date of enactment of this Act shall expire five years after the date on which such regulation is promulgated by the Secretary;

(2) before the date of enactment of this Act shall expire five years after the date of enactment of this Act.

REGULATION COMPLIANCE EXEMPTION

SEC. 6. Notwithstanding any other provision of law, no local or State educational agency or elementary or secondary school receiving financial assistance in an amount less than 10 per centum of the annual budget of such agency or school in any fiscal year (as determined by the Secretary) shall be considered as receiving Federal financial assistance in the enforcement of the provision of any Federal law except any provision relating to the proper disbursement of Federal funds.

(d) "Federal financial assistance" includes, but is not limited to, grants, loans, and any other payments made out of appropriated funds including funds made available under any contract to which the United States is a party or with respect to which the United States is a beneficiary.

(e) "Secretary" means the Secretary of Health, Education and Welfare.

By Mr. HASKELL:

S. 3055. A bill to stabilize production and marketing of traditional sweetener products; to permit orderly growth in the marketing of new sources of sweetener products; to provide consumers with adequate supplies of sweetener products at reasonable prices; to insure that imports of sugar products do not disrupt the orderly operation of the national sweetener program; and for other purposes; to the Committee on Finance.

NATIONAL SWEETENER ACT OF 1978

● Mr. HASKELL. Mr. President, I am introducing a comprehensive bill to establish a national sweetener program. This legislation is the product of long labor by the professional economists and sugar market specialists of the Great Western Sugar Co., whose headquarters are in Denver, Colo.

Great Western lends a special expertise to the sugar pricing issue in that they are involved in the sugar beet market, the fructose market, the domestic cane market, and the imported raw sugar market.

The Finance Committee's subcommittee on Tourism and Sugar, chaired by the distinguished Senator from Hawaii, Mr. MATSUNAGA, has scheduled hearings on legislation which would implement the International Sugar Agreement and insure a fair price for our domestic sugar producers. I have introduced this bill because I believe it contains concepts which merit the committee's in-depth review. At the same time I am a cosponsor of the distinguished Senator from Idaho, Mr. CHURCH's bill which has a similar thrust but different specifics from the legislation which I am introducing today. Mr. President, my goal is higher prices for the hard pressed beet sugar producers in my State and all across the country. I believe that Senator CHURCH's Sugar Stabilization Act of 1978 and the bill which I have introduced today would both go a long way in improving the situation in the sugar growing industry.

Mr. President, I ask unanimous consent that the bill and the accompanying analysis be printed in the RECORD.

There being no objection, the bill and the analysis were ordered to be printed in the RECORD, as follows:

S. 3055

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this act may be cited as the "National Sweetener Act of 1978".

SEC. 2. STATEMENT OF PURPOSES.

The Congress declares that the establishment of a National Sweetener Program is in the public interest and will promote the general welfare by assuring the market stability and reasonable prices for growers and consumers of sweetener products. The purposes of this Act are—

(1) To stabilize domestic production of traditional sweetener crops at price levels offering adequate income to producers.

(2) To provide refiners and processors of traditional sweetener products with stabilized markets and price levels, offering a reasonable return on capital investment.

(3) To provide for orderly growth in the production and marketing of corn and other starch-based sweetener products.

(4) To assure consumers of sweetener products adequate and stable supplies at reasonable prices.

(5) To permit the effective participation of sweetener producers, processors, and consumers in the implementation of the National Sweetener Program.

(6) To maintain a stable share of the United States market for foreign sugar producers exporting to the United States.

(7) To insure that sugar imports do not disrupt the orderly operation of the National Sweetener Program.

(8) To coordinate the National Sweetener Program with the operation of the International Sugar Agreement to the extent consistent with the purposes set out herein.

SEC. 3. DEFINITIONS.

For the purposes of this Act—

(a) The term "person" means an individual, partnership, corporation, cooperative, or association.

(b) The term "sweetener" means any grade or type of sugar or other nutritive sweetener product derived from sugarcane, sugar beets, corn, or any other starch-based "sweetener" product which contains sucrose, dextrose, levulose or fructose.

(c) The term "sugars" means any grade or type of sweetener product derived from

sugarcane or sugar beets, which contain sucrose, dextrose, or levulose.

(d) The term "sugar" means raw sugar or direct-consumption sugar.

(e) The term "raw sugar" means any sugars, whether or not principally of crystalline structure, which are to be further refined or improved in quality to produce any sugars principally of crystalline structure or liquid sugar.

(f) The term "direct-consumption sugar" means any sugars principally of crystalline structure and any liquid sugar which are not to be further refined or improved in quality.

(g) The term "liquid sugar" means any sugars (exclusive of syrup of cane juice produced from sugarcane grown in continental United States) which are principally not of crystalline structure and which contain, or which are to be used for the production of any sugars principally not of crystalline structure which contain, soluble nonsugar solids (excluding any foreign substances that may have been added or developed in the product) equal to 6 per centum or less of the total soluble solids.

(h) Sugars in dry amorphous form shall be considered to be principally of crystalline structure.

(i) The "raw value" of any quantity of sweetener means its equivalent in terms of ordinary commercial raw sugar testing ninety-six sugar degrees by the polariscope, determined in accordance with regulations to be issued by the Secretary. The principal grades and types of sugar and liquid sugar shall be translated into terms of raw value in the following manner:

(1) For direct-consumption sugar, derived from sugar beets and testing ninety-two or more sugar degrees by the polariscope, by multiplying the number of pounds thereof by 1.07;

(2) For sugar, derived from sugarcane and testing ninety-two sugar degrees by the polariscope, by multiplying the number of pounds thereof by 0.93;

(3) For sugar, derived from sugarcane and testing more than ninety-two sugar degrees by the polariscope, by multiplying the number of pounds thereof by the figure obtained by adding to 0.93 the result of multiplying 0.0175 by the number of degrees and fractions of a degree of polarization above ninety-two degrees;

(4) For sugar and liquid sugar, testing less than ninety-two sugar degrees by the polariscope, by dividing the number of pounds of the "total sugar content" thereof by 0.972;

(5) The Secretary may establish rates for translating any sweetener into terms of raw value for (a) any grade or type of sweetener not provided for in the foregoing and (b) any special grade or type of sugar or liquid sugar for which he determines that the raw value cannot be measured adequately under the provisions of paragraphs (1) to (4), inclusive, of this subsection.

(j) The term "Secretary" means the Secretary of Agriculture.

(k) The term "Department" means the United States Department of Agriculture.

(l) The term "International Sugar Agreement" means the agreement entered into between the United States and foreign countries in 1977 and ratified by the United States Senate.

(m) The term "United States" means the States, the District of Columbia and Puerto Rico.

TITLE I—THE NATIONAL SWEETENER ADVISORY BOARD

SEC. 101. ESTABLISHMENT.

(a) The Secretary shall establish The National Sweetener Advisory Board (hereinafter referred to as the Board). The membership of the Board shall be representative of all elements of the sweetener industry, including consumers. The Board shall be subject to the supervision of the Secretary and shall make its recommendations to him.

(b) The Board shall be subject to the provisions of the Federal Advisory Committee Act (5 U.S.C. app. 1), except that its existence shall not terminate prior to the termination of the National Sweetener Program, as implemented under this Act.

SEC. 102. COMPOSITION.

(a) The Board shall be made up of private individuals, appointed by the Secretary, who represent the various elements of the sweetener industry, including, but not limited to:

(i) Sugar beet producers.
(ii) Sugarcane producers.
(iii) Cane sugar mills.
(iv) Cane sugar refiners.
(v) Sugar beet processors.
(vi) Processors of corn sweeteners.
(vii) Consumers.

(b) In making his appointments to the Board, the Secretary shall consult with individuals and organizations representing the various elements of the sweetener industry and shall accept nominations for appointees from them. The Secretary shall insure that the membership of the Board represents a fair balance between producers, processors and consumers of sweetener products.

(c) The Secretary shall appoint an official of the Department to serve as Chairman of the Board. The Chairman or his delegate shall preside at all meetings of the Board. In addition, staff support to the Board shall be provided by personnel from the Department.

SEC. 103. ORGANIZATION AND MEETINGS.

(a) The Board shall meet at the call of the Chairman upon such a periodic basis as will permit it to make recommendations concerning the marketing quotas established pursuant to Sections 201, 202, and 203 of this Act, and any adjustments thereto. Upon the recommendation of three or more members of the Board, the Chairman may also permit the Board to meet.

(b) Decisions as to the recommendations to be made by the Board shall be, to the extent possible, taken on a consensus basis. However, minority recommendations will be permitted where such a consensus is not possible.

(c) The Secretary is authorized to promulgate such rules and regulations, consistent with this Act and the Federal Advisory Committee Act, as necessary to insure the smooth operation of the Board.

SEC. 104. DUTIES.

It shall be the duty of the Board to make and report for each marketing year its recommendations to the Secretary as to:

(i) The overall U.S. sweetener marketing quota required under Section 201 of this Act,

(ii) The allocation of the overall marketing quota between domestic-source and foreign-source sweetener products as required under Section 202 of this Act, and

(iii) The allocation of the marketing quota for domestic-source sweetener products among producers and refiners of sweetener products derived from sugarcane, sugar beets, and corn, respectively, as required under Section 203 of this Act.

Recommendations as to such marketing quotas and allocations shall be made by the Board in a manner consistent with the requirements and purposes of this Act. The Board shall also make recommendations with respect to any adjustments to the above quotas, pursuant to Section 204 of this Act.

TITLE II—MARKETING QUOTAS

CHAPTER A—ESTABLISHMENT AND ALLOCATION OF MARKETING QUOTAS

SEC. 201. ESTABLISHMENT OF THE OVERALL SWEETENER MARKETING QUOTA.

For each calendar year following the date of enactment of this Act, the Secretary shall establish an overall quota for the marketing of sweetener products within the United States. The Secretary shall establish the overall marketing quota on the basis of the estimated needs of United States consumers for sweetener products during the calendar year, the need to maintain adequate markets for producers and processors of sweetener products produced from the three basic sugar crops, and the price objectives set out in Title IV of this Act. Consideration shall also be given to other factors affecting supply, such as weather and the need for stock carryover, for all marketing quotas established under this Title.

SEC. 202. ALLOCATION OF OVERALL MARKETING QUOTA BETWEEN DOMESTIC-SOURCE AND FOREIGN-SOURCE SWEETENER PRODUCTS.

The Secretary shall subdivide the overall sweetener marketing quota into marketing quotas for domestic-source sweetener products and marketing quotas for foreign-source sweetener products. In making his final determination as to the subdivision of the overall marketing quota, the Secretary shall take into consideration the need to provide markets for the growth and production of domestic source sweetener products, the price objectives set out in Title IV of this Act, the need to maintain supplies of raw sugar, both domestic and foreign-source, necessary to meet needs of sugarcane refiners, and the need to provide foreign sugar producers with a reasonable and stable share of the United States market. To the extent consistent with purposes of this Act, the Secretary shall undertake to coordinate the operation of the National Sweetener Program with the International Sugar Agreement.

SEC. 203. ALLOCATION OF DOMESTIC-SOURCE SWEETENER MARKETING QUOTA AMONG DOMESTIC PROCESSORS AND REFINERS OF BEET, CANE AND CORN

The Secretary shall further subdivide the marketing quota for domestic-source sweetener products into three individual quotas for the marketing of sweetener products produced from domestically-grown sugar beets, sugarcane, and corn, respectively. In allocating the marketing quotas among the sweeteners produced from the three basic sugar crops, the Secretary shall serve the following primary objectives:

(i) Stabilization of production levels of traditional sweetener crops,

(ii) Orderly growth in the production of new sources of sweetener products.

SEC. 204. ADJUSTMENT OF MARKETING QUOTA.

The Secretary shall be permitted to make adjustments in all of the marketing quotas established under Chapter A of Title II, not more frequently than once each quarter, if necessary in order to serve the purposes of this Act, including the price objectives set out in Title IV.

SEC. 205. PROCEDURES.

(a) All determinations made by the Secretary as to the marketing quotas established, or adjusted pursuant to this Chapter, shall be made on the basis of the recommendations of the Board. Although the Secretary is not bound by the Board's recommendations, he is directed to give such recommendations full consideration. The Secretary shall publish the reasons for which any of his final determinations differ in any significant respect from the recommendations of the Board.

(b) Following receipt of the Board's recommendations and prior to making his final determinations, the Secretary shall permit interested parties to express their views through written comments and, if requested, public hearings. Notice of such requests to receive comments and public hearing shall be published in the Federal Register.

(c) Following receipt of the Board's recommendations, the Secretary shall also consult with interested Federal Agencies before making his final determinations under this Chapter.

(d) The Secretary shall make his final determinations as to marketing quotas for each calendar year on or before September 30th of the preceding year. Such determinations shall be published in the Federal Register. Determinations as to adjustments in the marketing quotas pursuant to Section 204, shall also be published in the Federal Register.

CHAPTER B—ASSIGNMENT OF MARKETING QUOTAS TO INDIVIDUAL REFINERS AND PROCESSORS

SUBCHAPTER 1. DOMESTIC-SOURCE SWEETENER PRODUCTS

SEC. 210. ASSIGNMENT OF INDIVIDUAL MARKETING QUOTAS.

Following the final determinations as to the marketing quotas established or adjusted pursuant to Sections 201 through 204 of this Title, the Secretary shall assign individual processors and refiners of domestic source sweetener crops individual marketing quotas for each calendar year. In assigning such quotas, the Secretary shall take into consideration, among other factors:

(i) Past marketing levels of each refiner or processor,

(ii) Current capacity of each refiner or processor to produce sweetener products, and

(iii) The ability of each individual refiner or processor to market its portion of the quota.

The Secretary shall make allowances for the entry of new refiners or processors into the market and the expansion of existing facilities, taking into consideration the overall level of refining and processing capacity consistent with the purposes of the National Sweetener Program.

SEC. 211. ADMINISTRATIVE AND JUDICIAL REVIEW.

(a) The Secretary shall provide appropriate procedures which would permit individual refiners and processors to seek Administrative review with regard to determinations made by the Secretary for the assignment or nonassignment, of marketing quotas deemed unfairly detrimental to their interests.

(b) Following Administrative review, individual refiners and processors may appeal any adverse decision to the United States Court of Appeals for the District of Columbia.

SEC. 212. ADMINISTRATION OF INDIVIDUAL MARKETING QUOTAS: PENALTIES.

(a) No individual domestic refiner or processor shall be permitted to market any sweetener product in excess of the amount of product designated in the quota assigned to him by the Secretary. Individual quotas are nonnegotiable and can be assigned, modified, or terminated only by the Secretary.

(b) Processors and refiners shall submit reports to the Secretary on an annual basis, or more frequently if deemed necessary by the Secretary, providing information as to the actual amount of sweetener products marketed during each calendar year.

(c) If a refiner or processor does market goods in excess of his assigned quota, his quota for the next succeeding two marketing years shall be reduced by the amount of such excess. Furthermore, the Secretary is authorized to enjoin further marketing by any individual refiner prior to the end of the calendar year upon discovery of such excess marketing.

(d) Any refiner or processor who is unable to market the amount of the quota assigned to him during any calendar year, shall report such fact to the Secretary. The Secretary may thereafter reallocate such quota shortfall to other refiners and processors, giving priority to those demonstrating the greatest need to market sweetener products in excess of their originally assigned quotas.

(e) If any refiner or processor does not market the full amount of sweetener products designated in his assigned quota and does not report such fact to the Secretary prior to the end of the calendar year, the quota assigned to the refiner or processor for the next succeeding two quota calendar years will be reduced by the amount of shortfall.

SUBCHAPTER 2. INDIVIDUAL MARKETING QUOTAS FOR FOREIGN-SOURCE SWEETENER PRODUCTS

SEC. 220. ASSIGNMENT OF INDIVIDUAL MARKETING QUOTAS.

The Secretary shall allocate the overall marketing quota for foreign-source sweeteners determined pursuant to Section 202 of this Act to individual refiners of raw sugar products. For the purposes of this Title, large industrial users who import raw sugar in their own name shall be deemed to be refiners of imported sugar products. In assigning marketing quotas for foreign-source sugar, the Secretary shall take into consideration such factors as past marketing levels and refining capacity of each individual refiner.

SEC. 221. ADMINISTRATIVE AND JUDICIAL REVIEW.

Refiners of foreign-source sweetener products shall have the right of Administrative and judicial review provided in Section 211 of this Act.

SEC. 222. ADMINISTRATION OF INDIVIDUAL MARKETING QUOTAS: PENALTIES

The provisions of Section 212 of the Act shall apply to refiners of foreign-source sweetener products.

SEC. 223. IMPORT LICENSES.

(a) Concurrently with the assignment of individual marketing quotas to refiners of foreign-source sweetener products, the Secretary shall assign specific licenses to each refiner permitting it to import the amount of raw sugar necessary to meet its marketing quota. Import licenses shall be nonnegotiable and issued solely by the Secretary, and can be modified or terminated only by him.

(b) Following the issuance of import licences, no product covered by the import license system will be permitted to enter the United States except pursuant to license issued by the Secretary.

(c) Refiners shall be required to notify the Secretary, if they are unable to import the full amount of sugar covered under a designated license. Thereafter, the Secretary will reallocate any refiner's import shortfall to other refiners demonstrating a need for shipments in excess of their assigned license. Any refiner which fails to import his full license amount in any calendar year and fails to notify the Secretary of this fact prior to the end of the calendar year, shall have the amount of its import license for the next two succeeding calendar years reduced by the amount of shortfall.

SEC. 224. CERTAIN FOREIGN-SOURCE SWEETENER PRODUCTS EXEMPT FROM MARKETING QUOTAS AND IMPORT LICENSE SYSTEM.

(a) Sugar, liquid sugar, and other sweetener products which are reexported in the form of refined sugar and or other sweetener containing products are exempt from any marketing quotas or import licenses established by the Secretary pursuant to this Act. Refiners and other importers who intend to import sweetener products for reexport shall notify the Secretary of the amounts of such products to be imported. Thereafter, the Secretary shall issue certificates to such refiners and other importers, authorizing them to import the amount of sweetener products requested for eventual reexport. Refiners and other importers shall issue reports to the Secretary with respect to the amount and disposition of any sweetener products imported for refining and processing for reexport.

(b) The Secretary at his discretion shall also be permitted to exempt from marketing quotas and licenses sweetener products imported for use as livestock feed, distillation of alcohol—including all polyhydric alcohols, for the production (other than distillation) of alcohol not for human consumption, or any other sweeteners where he deems that such imports would not adversely effect the operation of the National Sweetener Program.

SEC. 225. AUTHORITY TO EXPAND COVERAGE OF MARKETING QUOTAS AND IMPORT LICENSES.

(a) The Secretary is authorized to extend the system of marketing quotas and imports licenses to any product imported into the United States which is subject to further refining or processing before sale in the United States, if he determines that such imports threaten the operation of the National Sweetener Program. Prior to taking any final decision under this section, the Secretary shall publish notice of his intent to extend the system of marketing quotas and import licenses to new products and shall provide opportunity for interested parties to submit their views regarding such extension.

(b) The Secretary is also permitted to use his authority under other law, including Section 22 of the Agricultural Adjustment Act of 1933, as amended (7 U.S.C. 624), to recommend to the President that quantitative restrictions be applied on any product imported into the United States in such a manner as to threaten the operation of the National Sweetener Program. For the purposes of Section 22 of the Agricultural Adjustment Act of 1933, the National Sweetener Program shall be considered to be a program or operation undertaken by the Department of Agriculture with respect to an agriculture commodity. For the purposes of this Act, quantitative limitations may be recommended by the Secretary and imposed by the President on imported products threatening the operation of the National Sweetener Program pursuant to Section 22 of the 1933 Act, notwithstanding the fact that import fees may also have been imposed on such products pursuant to Section 22 of that Act.

TITLE III—PRODUCTION QUOTAS

SEC. 301. ESTABLISHMENT OF PRODUCTION QUOTAS.

The Secretary is authorized to establish restrictions on the production of sugar beets, and sugarcane through the use of the acreage set asides, whenever he determines that (1) production within the United States or any portion thereof is in excess of the amount needed to satisfy the related refiner or processor marketing quotas under this Act and (2) that such excess production threatens to interfere with the orderly operation of the National Sweetener Program.

SEC. 302. ASSIGNMENT OF PRODUCTION QUOTAS.

Production quotas shall be assigned to individual producers of sugarcane and sugar beets on the basis of past production levels of each individual producer as well as current ability to produce such crops. In addition, the Secretary shall endeavor to protect the interests of new producers, small producers, and producers who are cash tenants, share tenants, adherent planters or sharecroppers. The Secretary shall take into account the extent to which production levels of any producers have been adversely affected by drought, storm, flood, freeze, disease, insects or other similar abnormal or uncontrollable conditions. Individual producers assigned production quotas under this Title shall have the right to Administrative and judicial review set out in Section 211 of this Act.

TITLE IV—PRICE OBJECTIVES

SEC. 401. PURPOSE.

The purpose of the National Sweetener Program is to guarantee, through the regulation of supply, stable production levels of sweetener crops and products processed therefrom at prices which will assure adequate income to producers and refiners, while providing consumers of sweetener products with adequate supplies at a reasonable price. For the purposes of this Act, the price level necessary to meet these objectives shall be

defined pursuant to Section 402 of this Act. Where the marketing quotas, import licenses and production quotas established pursuant to this Act are not sufficient to insure that the price objectives are met, the Secretary shall be directed to recommend that the President impose import fees pursuant to Section 22 of the Agricultural Adjustment Act of 1933.

SEC. 402. PRICE OBJECTIVES.

The Secretary shall utilize his authorities under this and other laws to insure that prices to processors and refiners of sugar products do not fall below 15 cents per pound New York raw value equivalent and do not exceed 18 cents per pound New York raw value equivalent. This price corridor shall be adjusted no less frequently than annually, nor more frequently than quarterly, to reflect change in the cost of production as set out in the Wholesale Price Index.

SEC. 403. IMPORT FEES.

The Secretary shall be directed to utilize his authority under Section 22 of the Agricultural Act of 1933 (7 U.S.C. 624) to recommend that the President impose import fees on any imported product which is threatening to interfere with the National Sweetener Program or the price objectives set out in Section 402. For the purposes of this Act, the Secretary is authorized to exceed the 50% ad valorem limitation on import fees contained in Section 22 of the Agricultural Act of 1933, when necessary to serve the price objectives established in Section 402. The Secretary shall also recommend that any import fees be modified, not more frequently than once each quarter, if required to serve the price objectives set out in Section 402. Imported products exempted from quotas and licenses under Section 224 of this Act, shall also be exempted from any import fees imposed pursuant to Section 22 of the 1933 Act. For the purposes of this Act, import fees may be recommended by the Secretary and imposed by the President on imported products threatening the operation of the National Sweetener Program pursuant to Section 22 of the 1933 Act, notwithstanding the fact that quantitative restrictions may also have been imposed on such products pursuant to Section 22 of that Act.

SEC. 404. ADJUSTMENT IN MARKETING QUOTAS.

The Secretary is authorized to adjust the marketing quotas and import licenses established pursuant to Title II of this Act, not more frequently than once a quarter, whenever he determines it appropriate in order to achieve the price objectives established pursuant to Section 402. In making such adjustments, the procedures set out in Chapter I of Title II of this Act shall apply. In making such adjustments, the Secretary shall endeavor to equitably assign the burden of the adjustments among marketers of sweeteners produced from domestic-source and foreign-source sweetener crops and among refiners and processors of sweeteners derived from the three basic sweetener crops, respectively.

TITLE V—LABOR PROVISIONS

SEC. 501. MINIMUM WAGE.

(a) The Secretary shall establish minimum wage rates for agricultural employees engaged in the production of sugarcane and sugar beets.

(b) No sweetener product derived from domestic sugarcane or sugar beets shall be permitted to be marketed in the United States, where the Secretary determines the minimum wage levels established pursuant to this Section have not been paid to agricultural workers involved in production of such cane or beet.

TITLE VI—GENERAL PROVISIONS

SEC. 601. REGULATIONS AND DETERMINATIONS.

The Secretary is authorized to make such rules and regulations, which shall have the force and effect of law, as may be necessary to carry out the powers vested in him by this Act. Any person knowingly violating any rule or regulation of the Secretary issued pursuant to this Act shall, upon conviction, be punished by a fine of not more than $1,000 for each such violation.

SEC. 602. JURISDICTION OF THE COURTS.

The several district courts of the United States are hereby vested with jurisdiction specially to enforce, and to prevent and restrain any person from violating the provisions of this Act or of any order or regulation made or issued pursuant to this Act and to review any regulation issued pursuant to this Act in accordance with Chapter 7 of Title 5, United States Code. If and when the Attorney General shall so request, it shall be the duty of the several district attorneys of the United States, in their respective districts, to institute proceedings to enforce the remedies and to collect the penalties, fees and forfeitures provided for in this Act. The remedies provided for in this Act shall be in addition to, and not exclusive of, any of the remedies of penalties existing at law or in equity.

SEC. 603. FURNISHING INFORMATION TO SECRETARY.

All persons engaged in the manufacturing, marketing or transportation or industrial use of sweeteners and having information which the Secretary deems necessary to enable him to administer the provisions of this Act, shall, upon the request of the Secretary, furnish him with such information. Any person willfully failing or refusing to furnish such information or furnishing willfully any false information, shall upon conviction be subject to a penalty of not more than $1,000 for each such violation. All information required to be furnished to the Secretary under this section shall be kept confidential by all officers and employees of the Department of Agriculture.

SEC. 604. INVESTMENTS BY OFFICIALS PROHIBITED.

No person shall, while acting in any official capacity in the administration of this Act, invest or speculate in any sweetener, contracts relating thereto, or the stock or membership interests of any association or corporation engaged in the production or manufacturing of sweeteners. Any person violating this section shall upon conviction thereof be fined not more than $5,000 or imprisoned not more than one year, or both.

SEC. 605. SURVEYS AND INVESTIGATIONS.

(a) Whenever he determines such action is necessary to effectuate the purposes of this Act, the Secretary from time to time shall conduct such surveys and investigations as he deems necessary regarding the manufacturing, marketing, transportation, or industrial use of sweeteners. In carrying out the provisions of this subsection, information shall not be made public with respect to the separate operations of any person or company from whom such information has been derived.

(b) The Secretary is authorized to conduct surveys, investigations, and research relating to the conditions and factors affecting the methods of accomplishing most effectively the purposes of this Act. Notwithstanding any provision of existing law, the Secretary is authorized to make public such information as he deems necessary to carry out the provisions of this Act.

(c) The Secretary shall, whenever the New York Coffee and Sugar Exchange is prevented for any reason from quoting daily spot prices for raw sugar, determine and announce a daily spot price for raw sugar, adjusted for freight to New York and the applicable tariff.

SEC. 606. SEPARABILITY.

If any provision of this Act or the application of any provision to any circumstances or persons shall be held invalid, the validity of the remainder of this Act, and of the application of such provision to other circumstances or persons, shall not be affected thereby.

SEC. 607. TERMINATION.

The powers vested in the Secretary under this Act shall terminate on December 31, 1984.

SUMMARY

The proposed National Sweetener Program would establish a system for regulating the quantity of sweetener products grown and marketed in the United States. This system is designed to provide growers and processors [1] of all sweetener products with reasonable shares of the sweetener market and with price levels which provide adequate income and return on investment. Consumers would be provided adequate supplies of sweetener products at reasonable and stable price levels.

The primary means to be utilized under the Sweetener Program to accomplish these goals would be the establishment of quantitative limitations on the marketing of sweetener products in the United States. An overall marketing quota would be established for the marketing of sweetener products during each marketing year. The overall marketing quota would be subdivided into marketing quotas for sweeteners from domestically grown sweetener crops and foreign-grown sweetener crops. The marketing quota for domestically grown sweetener products would be subdivided among refiners and processors of sweeteners produced from the three basic sweetener crops: sugar beets, sugarcane, and corn. In allocating the marketing quotas among beet, cane, and corn-derived sweetener products, a balance would be struck between maintaining traditional sweetener crop production levels and providing orderly growth in the production of new, cost-effective sweetener products. Finally, the beet, cane, and corn sweetener quotas would be allocated among individual beet processors, cane refiners, and corn processors.

The marketing quotas would be supplemented with production quotas for growers of sugar beets and sugarcane, but only when necessary to insure the orderly operation of the marketing quotas themselves. Minimum wage levels for agricultural workers would be established by the U.S. Department of Agriculture.

The basic decisions as to the size and allocation of marketing and, if necessary, production quotas would be made by the Secretary of Agriculture (hereinafter referred to as the "Secretary"). The Secretary's determination would be based upon recommendations made by the National Sweetener Advisory Board. The Sweetener Board would be representative of domestic beet and cane producers, raw cane sugar mills, cane sugar refiners, beet processors, processors of corn sweeteners, and consumers of sweeteners. The Board would be subject to the direction of the Secretary of Agriculture, and would make its recommendations to him. Following receipt of the Board's recommendations, the Secretary would hold public hearings and consult with other administrative agencies before making any final determinations under the Program.

The Sweetener Board would also make recommendations on the size of the marketing quota for sweeteners processed from imported sugar. Once the imported sweetener marketing quota has been determined, U.S. sugar refiners would be assigned licenses by the Secretary to import raw sugar for refining and sale in the United States. Licenses would be granted and modified only by the U.S. Department of Agriculture, and would be nonnegotiable. Import duties and import fees

[1] "Processors", used in the general sense, is intended to include all processors of sweetener crops, including sugarcane mills, sugarcane refiners, sugar beet processors, and processors of corn sweeteners.

under Section 22 of the Agricultural Adjustment Act would be maintained and modified to the extent necessary to insure that the price of imported sugar did not interfere with the orderly operation of the National Sweetener Program.

DESCRIPTIVE ANALYSIS

I. Statement of purposes

The National Sweetener Program is established to achieve the following purposes:

(1) To stabilize production of traditional sweetener crops at price levels offering adequate income to producers.

(2) To provide refiners and processors of traditional sweetener products with stabilized market shares and price levels, offering a reasonable return on capital investment.

(3) To provide for orderly growth in the production and marketing of non-traditional sweetener products, based on production cost efficiencies and product demand.

(4) To assure consumers of sweetener products adequate and stable supplies at reasonable prices.

(5) To permit the effective participation of sweetener producers, processors, and consumers in the implementation of the National Sweetener Program.

(6) To insure that sugar imports do not disrupt the orderly operation of the National Sweetener Program.

(7) To maintain a stable share of the United States market for foreign sugar producers exporting to the United States.

(8) To coordinate the National Sweetener Program with the operation of the International Sugar Agreement to the extent consistent with the purposes set out herein.

II. National sweetener advisory board

Under the Sweetener Program, a National Sweetener Advisory Board would be established, representing all segments of the sweetener industry and consumers. The National Sweetener Advisory Board would be under the direction of the Secretary of Agriculture, and would make its recommendations to the Secretary. The Board would be subject to the provisions of the Federal Adviscry Committee Act (5 U.S.C. app. 1), except that its existence would not terminate prior to the termination of the National Sweetener Program itself.

The Secretary would appoint individuals to the Board who represent the various segments of the sweetener industry:

Sugar beet producers.
Sugarcane producers.
Cane sugar mills.
Cane refiners.
Beet processors.
Processors of corn sweeteners.
Consumers.

In making his appointments to the Board, the Secretary would consult with individuals and organizations representing the various elements of the sweetener industry, and would accept nominations from them. The Secretary would be directed to achieve a fair balance between producers, processors, and consumers of sweetener products in establishing the makeup of the Board. The Chairman of the Board would be an official from the Department of Agriculture, or his delegate.

Staff support would also be provided by personnel from the Department of Agriculture.

The National Sweetener Advisory Board would meet in order to establish quotas for each marketing year under the National Sweetener Program. The Board would not make recommendations concerning the allocation of quotas among individual producers and processors. The Board would reach its decisions to the extent possible on a consensus basis, although minority opinions would be permitted. The Secretary would not be bound by the recommendations of the Board in making his final quotas determinations, but it is expected that the Secretary would give full consideration to the recommendations. In addition, the Secretary would be required to publish his reasons for not following the Board's recommendation when his final determination differed significantly from them. Following receipt of the Board's recommendations, the Secretary would hold public hearings to permit interested parties to express their views on the Board's recommendations and the levels at which the quotas should be set. In addition, the Secretary would consult with other government agencies prior to making final determinations under the National Sweetener Program.

III. Marketing Quotas

The basic purpose of the National Sweetener Program would be to direct the marketing of sweetener products in order to assure reasonable income for sweetener crop producers and processors, while providing consumers with stable supplies at reasonable prices. Thus, the Program is intended to act primarily on the supply of sweetener products.

For each marketing year, an overall marketing quota would be established under the procedure described in Section II, above, for the sale of sweetener products in the United States. The overall quota would be based upon a number of factors, including:

The estimated requirements of consumers.

The amount of sweeteners whilh could be marketed at price levels sufficient to insure adequate returns to producers and processors of sweetener products.

The overall marketing quota would then be subdivided into marketing quotas for sweetener products derived from domestically produced crops an those derived from foreign produced crops. The domestic-source sweetener quota would then be further subdivided into marketing quotas for sweetener products manufactured from each of the three basic sweetener crops: beet, cane, and corn. The Sweetener Board, in making its recommendations to the Secretary, and the Secretary, in making his final determinations as to allocation of the marketing quotas among the three basic sugar crops, would be directed to serve the following primary objectives:

To stabilize production levels of traditional sweetener crops;

To provide for orderly growth in the production of more cost-efficient sources of sweetener products; and

To meet specific demand for individual sweetener products.

See appendices A and B.

Other factors shall also be taken into consideration in making these determinations, such as the need for inventory carryover, predicted weather conditions, previous year shortfalls, etc.

Once the overall marketing quota had been allocated among sweeteners from the three basic sweetener crops, the Secretary would allocate each of the three basic quotas among refiners and processors of each of the particular sweetener crops. Thus, each refiner of cane sugar, processor of sugar beets, and processor of corn sweeteners would be assigned individual market allotments during each marketing year. In making such allocations, the Secretary would take into consideration: past marketing levels of each refiner or processor, the level of plant and other capital investment dedicated by the refiner or processor to the production and marketing of such sweeteners, and the ability of such refiners and processors to market their portion of the overall quota. The Secretary would also make allowances for the entry of new refiners and processors into the market and the expansion of existing facilities, taking into consideration the total level of refining and processing capacity consistent with the objectives of the Sweetener Program. Individual refiners or processors would have the right to seek administrative and judicial review of allocations deemed unjustifiably detrimental to their interests.

Once overall quotas had been established and market allocation shares had been assigned to specific refiners and processors, no sweetener product could be marketed within the United States by any refiner or processor in excess of his allocation. Processors and refiners would be required to submit reports to the Secretary to enable him to monitor compliance with the program. Whenever a refiner or processor was found to have marketed sweetener products in excess of his allocation, his share of the marketing quotas for the next two years would be reduced by the amount in excess. If the marketing excess were discovered before the end of the marketing year, the Secretary would be authorized to enjoin further marketing by the offending processor or refiner.

IV. Production quotas

Whenever the Secretary determines that the production of sugar beets or sugarcane will be in excess of the amount needed to meet the marketing quotas for refiners and processors purchasing from a particular area, he would be authorized to establish production quotas for beet and cane crops.

V. Imports of sweeteners

Sugar imports, primarily of raw cane sugar, would be regulated under the National Sweetener Program to the extent necessary to insure that they did not disrupt the orderly operation of the Program. Foreign sugar producers would be assured a reasonable share of the market for their product.

Under the Program, the amount of sweetener products derived from foreign-source crops which could be marketed in the United States would be determined for each marketing year. In making their recommendations and determinations, the Sweetener Board and the Secretary of Agriculture would be guided by the following objectives:

To insure that foreign producers are provided with a reasonable and stable share of the U.S. market.

To coordinate the Program with the operation of the International Sugar Agreement to the extent consistent with the general objectives of the Program.

To insure that imports of sugar products do not disrupt the effective operation of the National Sweetener Program, taking into consideration the volume and price levels of such imports.

Once the marketing quota for foreign-source sweetner products had been determined, it would be allocated among refiners of imported sugar cane. Refiners would be allocated market shares on the basis of such factors as past marketing levels and refining capacity. Industrial consumers who import substantial amounts of raw cane sugar for their own use could be deemed refiners for the purposes of the marketing allocations. Refiners would have the right to seek administrative and judicial review of marketing allocations made by the Secretary.

Based upon their marketing allocations, each refiner would be given a license to import sufficient cane sugar to enable each refiner to meet its marketing allocation. Once the licensing system went into effect, sugar products covered by the system could not be imported without a license. Such import licenses would be non-negotiable and could be granted, modified, or transferred only by the Secretary of Agriculture. If a refiner were unable to import the total amount of sugar permitted under his quota, he would be requested to notify the Secretary, who would thereafter transfer the shortfall to other refiners capable of importing more sugar for

marketing in the United States. Marketing allocations would be adjusted accordingly. Failure to import the amount of sugar designated in the license or to notify the Secretary, would result in a corresponding reduction in the refiner's marketing allocation for the next two marketing years.

The Secretary would monitor sugar imports to insure that normal shipment patterns were not unreasonably disrupted under the National Sweetner Program. Exporting organizations would have the right to appeal to the Department of Agriculture whenever they viewed that their interests were being unreasonably prejudiced under the National Sweetner Program.

The major share of sweetner products imported into the United States is made up of cane sugar requiring refining before it can be marketed. Accordingly, the primary mechanism under the National Sweetner Program to deal with imports is the cane sugar refiner licensing system. However, sugar and other sweetner products are, or could be, imported in many other forms, including refined sugar, liquid sugar, molasses, and mixtures of sugar products. If other sweetner products enter the United States in such quantities and/or at such prices as to interfere with the operation of the Sweetner Program, the Secretary would be authorized to take various actions. If the disruptive imports required further processing in the United States before marketing, the Secretary would be authorized to establish marketing quoats and import licenses for refiners of such products. Thereafter, no such product could be imported, except under license. The Secretary could also act against any disruptive imported sweetner product—whether further refining was required or not—pursuant to his existing authority under Section 22 of the Agricultural Adjustment Act of 1933, as amended (7 U.S.C. 624). Under Section 22, the Secretary of Agriculture is authorized to recommend that the President impose import fees or quotas upon any article which is being imported into the United States under such conditions as to interfere with any loan, purchase, or other commodity program undertaken by the Department of Agriculture. For the purposes of Section 22, the National Sweetner Program shall be considered to be "a program or operation undertaken by the Department of Agriculture * * * with respect to any agriculture commodity."

Sugar imported for such uses as livestock feed, distillation of alcohol, production of alcohol not for human consumption, or for export in the form of refined sugar and/or sugar-containing products, could be exempted from the marketing quotas and licensing system by the Secretary, if he determined such action would not interfere with the operation of the Program.

VI. Price Levels

The National Sweetener Program is based primarily upon the regulation of supply. By regulating the quantity of sweeteners produced and marketed, it is expected that price levels can be maintaintd which are adequate to provide growers and processors with a reasonable return on their investments, while providing the consumer fair prices. However, quantitative restrictions, alone, may not be able to achieve these price objectives. A reduction in global import quotas would be mandatory whenever prices to processors fell below 15.0 cents per pound, New York Raw Sugar equivalent. Global import quotas would be increased whenever prices to processors rose above 18.0 cents per pound, New York Raw Sugar equivalent. The price corridor target would be adjusted annually to reflect changes in relevant costs of production.

With respect to sweetener imports, it is also contemplated that the licensing of imports to U.S. refiners of foreign-grown sugar would constitute the primary mechanism for insuring that imports do not disrupt the effective operation of the National Sweetener Program. However, it is very likely that the price of imported sugar will have to be controlled, especially during the initial period of operation of the new International Sugar Agreement. It is expected that the President will maintain the current duty rates on imported sugar products classified under items 155.20 and 155.30 of the Tariff Schedules of the United States. In addition, the President would be directed to impose additional import fees pursuant to Section 22 of the 1933 Agricultural Adjustment Act to the extent necessary to coordinate trade in imported sugar with the operation of the Program. In this regard, the President would be explicitly authorized to exceed the 50 percent ad valorem limitation on import fees contained in Section 22 of the 1933 Act, when necessary to maintain import price levels consistent with the effective operation of the National Sweetener Program. The President, upon the recommendation of the Secretary, would also be expected to adjust, terminate or reimpose fees pursuant to Section 22 in order to adjust to fluctuations in the price of imported sugar.

If the International Sugar Agreement proves to be successful in its operation, the National Sweetener Program should complement the operation of the International Sugar Agreement with little interference. However, it is clear that the objectives of the National Sweetener Program must be served. If the International Sugar Agreement fails to achieve these objectives, all of the mechanisms available under the National Sweetener Program would be utilized to the extent necessary to insure that these objectives are met.●

ADDITIONAL COSPONSORS

S. 2410

At the request of Mr. KENNEDY, the Senator from Maine (Mr. HATHAWAY) and the Senator from California (Mr. CRANSTON) were added as cosponsors of S. 2410, a bill to amend the Public Health Service Act for health planning and health resources development.

S. 2416

At the request of Mr. JAVITS, the Senator from California (Mr. CRANSTON), and the Senator from New York (Mr. MOYNIHAN) were added as cosponsors of S. 2416, the Nurse Training Amendments of 1978.

S. 2474

At the request of Mr. KENNEDY, the Senator from Wisconsin (Mr. NELSON), the Senator from Michigan (Mr. RIEGLE), and the Senator from Rhode Island (Mr. CHAFEE) were added as cosponsors of S. 2474, a bill to amend the Public Health Service Act.

S. 2522

At the request of Mr. CRANSTON, the Senator from Maine (Mr. HATHAWAY) was added as a cosponsor of S. 2522, a bill to amend title X of the Public Health Service Act to extend appropriations authorizations for 5 fiscal years.

S. 2549

At the request of Mr. KENNEDY, the Senator from Michigan (Mr. RIEGLE), the Senator from New York (Mr. JAVITS), the Senator from Pennsylvania (Mr. SCHWEIKER), the Senator from Maine (Mr. HATHAWAY), the Senator from Wisconsin (Mr. NELSON), the Senator from Rhode Island (Mr. PELL), the Senator from West Virginia (Mr. RANDOLPH), and the Senator from New Jersey (Mr. WILLIAMS) were added as cosponsors of S. 2549, a bill to authorize funds for the National Science Foundation.

S. 2550

At the request of Mr. KENNEDY, the Senator from Minnesota (Mrs. HUMPHREY) was added as a cosponsor of S. 2550, a bill to promote the full use of human resources in science and technology through a comprehensive program to maximize the potential contribution and advancement of women in scientific, professional, and technical careers.

S. 2583

At the request of Mr. DOLE, the Senator from Vermont (Mr. STAFFORD) and the Senator from Montana (Mr. MELCHER) were added as cosponsors of S. 2583, a bill to provide for the temporary transfer of the U.S.S. *Sanctuary*, to Life International, a nonprofit corporation.

S. 2751

At the request of Mr. KENNEDY, the Senator from Oregon (Mr. MARK O. HATFIELD) and the Senator from New York (Mr. JAVITS) were added as cosponsors of S. 2751, a bill to amend the Immigration and Nationality Act relating to the admission of refugees.

S. 2929

At the request of Mr. HELMS, the Senator from New Mexico (Mr. SCHMITT) was added as a cosponsor of S. 2929, the Taxpayers' Bill of Rights.

SENATE RESOLUTION 447—SUBMISSION OF A RESOLUTION RELATING TO THE IMPORTANCE OF INCREASING AGRICULTURAL EXPORTS FROM THE UNITED STATES

Mr. PEARSON (for himself, Mr. BELLMON, Mr. CURTIS, Mr. DOLE, Mr. MCGOVERN, Mr. MORGAN, Mr. SASSER, and Mr. ZORINSKY) submitted the following resolution, which was referred to the Committee on Finance:

S. RES. 447

Whereas farmers of the United States annually spend approximately $80 billion to produce approximately $100 billion worth of agricultural commodities, thereby making agriculture one of the largest and most important industries of the United States; and

Whereas the United States exported a total of $24 billion worth of agricultural products in 1977 resulting in a net of $10.5 billion of agricultural exports over agricultural imports; and

Whereas it is crucial to the economy of the United States for agricultural exports to be increased because of the Nation's dangerous balance of payments situation; and

Whereas in order to increase such exports, it is necessary for our trade representatives in all international trade negotiations to exercise maximum efforts on behalf of the agricultural interests of the United States; and

Whereas the Office of the Special Representative for Trade Negotiations was created by the Congress to supervise and coordinate all United States activities authorized under the various trade laws of the United States

and to represent and negotiate for the United States in all trade negotiations with other countries;

Resolved, That it is the sense of the Senate that it is essential to the economic well-being of the United States, as well as to the agricultural producers of the United States, that this Nation increase its exports of agricultural products and that every reasonable effort should be made to achieve an increase in such exports through our trade negotiations with other countries. It is further declared to be the sense of the Senate that—

(1) the Office of the Special Representative for Trade Negotiations should increase its expertise and staff representation in the field of international agricultural trade;

(2) that such increase should be made at the level of the Deputy Special Representative or at the highest staff level of the Office of the Special Representative for Trade Negotiations; and

(3) the increase in such expertise be commensurate with the growing necessity for increasing this Nation's agricultural products.

SEC. 2. The Secretary of the Senate shall transmit a copy of this resolution to the President and to the Special Representative for Trade Negotiations.

Mr. PEARSON. Mr. President, today I submit a resolution regarding the improvement of our negotiating efforts in the area of agricultural trade. This resolution focuses on the Office of the Special Representative for Trade Negotiations, which was created by Congress to coordinate all U.S. activities authorized under our various trade laws, and to represent our country in all trade negotiations with other countries. It is intended to communicate to the President and to the Special Representative for Trade Negotiations that the U.S. must maintain and improve its ability to negotiate trade agreements which are in the best interests of American agriculture. To that end, more expertise in the area of agricultural trade should be provided in the Office of the Special Trade Representative, specifically at the Deputy Special Representative level and highest staff levels of the office.

Mr. President, this resolution is not intended as criticism of the job currently being carried out by our Special Representative for Trade Negotiations. In fact, Mr. Strauss should be commended for initiatives he has taken on behalf of American agriculture. I believe, however, that both Mr. Strauss and President Carter should be mindful, when nominations are offered or high-level staff positions filled, that agricultural interests will generally be best served by persons with expertise in international agricultural trade.

Mr. President, agriculture is indeed one of our most important industries. Annually, U.S. farmers pump nearly $80 billion into our economy to produce approximately $100 billion of agricultural commodities. Moreover, in 1977 our country exported a total of $24 billion worth of agriculture products. However, whereas the volume of some agricultural products, such as wheat, has steadily increased over the last 30 years, the value of wheat and feed grains had decreased by early 1978 to levels not experienced since the Great Depression. Exports of cheap grain have meant that farmers have consistently sold their products at a loss. While agricultural exports are commonly viewed as areas to balance our trade, exports of cheap grain have actually served to worsen our nation's trade deficit.

Mr. President, the interests of American farmers simply cannot be ignored or slighted as we continue the process of negotiating international trade agreements. Currently, the U.S. is participating in the Tokyo Round of multilateral trade negotiations held under the auspices of the General Agreement on Tariffs and Trade. As these negotiations build to a climax, I urge our negotiating team to focus even more intently on the necessity of reaching agreements which liberalize and enhance agricultural trade.

Moreover, Mr. President, in the future we must seek to maintain the efficiency of our system of agriculture by assuring, to the greatest possible extent, a strong voice for agriculture in international trade agreement negotiations. I believe that this goal will be more easily achieved if we increase the agricultural expertise and manpower of our negotiating team.

● Mr. MORGAN. Mr. President, I am pleased to join with Senator PEARSON as a cosponsor of this important resolution.

Agriculture is extremely important to the economic livelihood of the farmers of North Carolina. And trade is a vital part of farm earnings. In recent years, farm income and trade have been directly related for Tarheel State farmers.

It is important that our trade representatives have sufficient sensitivity to American agriculture. The best way to achieve this, in my opinion, is to have a deputy special trade representative who has a strong background in agriculture. This resolution would make this objective the intent of Congress.

In closing, I would like to point out that we earned $23.7 billion in food and fiber trade last year. Without strong agricultural exports, our balance-of-payments situation would be disastrous. I hope that Congress will act in the most expedient manner possible on this resolution.●

AMENDMENTS SUBMITTED FOR PRINTING

INTERNATIONAL DEVELOPMENT ASSISTANCE ACT OF 1978—S. 2646

AMENDMENT NO. 2035

(Ordered to be printed and referred to the Committee on Foreign Relations.)

Mr. KENNEDY submitted an amendment intended to be proposed by him to the bill (S. 2646) to amend the Foreign Assistance Act of 1961, to authorize developmental assistance programs for fiscal year 1979, and for other purposes.

SPECIAL ASSISTANCE FOR DISADVANTAGED CHILDREN IN ASIA

● Mr. KENNEDY. Mr. President, the United Nations General Assembly has declared the coming year to be the "International Year of the Child." As our nation begins to consider policies and programs to support this international observance, I believe there is no better place to start than a long over-due commitment by our country to help meet the needs of tens of thousands of orphans and disadvantaged children scattered in the countries of Asia—especially those fathered by U.S. citizens.

Periods of conflict and war and the heavy presence of American personnel in many parts of Asia, for more than a generation, have left a tragic legacy of disadvantaged children in many countries—especially in Thailand, the countries of the Indochina Peninsula, South Korea, Japan, and the Philippines. The plight of these children has not received the needed attention and concern of our Government. For too many years their cries for help have fallen on deaf ears. And the modest efforts of many private voluntary agencies to help these children have garnered little official support.

I believe that our country has a profound humanitarian obligation toward these children. And I share the view of many Americans that the time is past due to establish national policies and programs to help them. For that reason, I am introducing legislation today.

The purpose of this legislation, which is an amendment to the pending foreign assistance authorization bill, is to provide tangible support for care and welfare programs in behalf of the disadvantaged children in Asia, and to facilitate their adoption by U.S. citizens, if a new family is in the best interests of the individual child.

Part one of the amendment authorizes $2 million to assist in the "establishment, expansion and improvement of orphanages, hostels, day care centers, school feeding programs, scholarship programs, and health and welfare programs." In addition, some of these funds can also be used to "facilitate the adoption by U.S. citizens of such disavdantaged children who are orphaned or abandoned," especially those fathered by Americans. The $2 million authorized for these programs is a relatively small sum, but it will go far in supporting the important humanitarian work of the voluntary agencies and others concerned with helping the disadvantaged children in Asia. The amendment requires that the assistance be provided, "to the maximum extent practicable, under the auspices of and by international organizations or private voluntary agencies" operating directly in the field. These groups, which are the lifeline for many thousands of the children, need the additional support that should and must come from the United States.

The second part of the amendment makes modest but important changes in the Immigration and Nationality Act. In this regard, the amendment repeals the arbitrary limitation on the number of international adoptions permitted an American family. Currently, the limitation is two. But there is no rational basis for this or any other arbitrary number. The sole criteria should be the ability of the petitioner family to care and provide for an adopted child, and this must be governed by valid home studies con-

ducted by State or recognized private agencies. The amendment also increases from 13 to 15 the maximum age for international adoption.

Mr. President, the amendment I am introducing today helps to meet an important humanitarian need in Asia. It reflects a longstanding concern of the American people. So I am hopeful that the Foreign Relations Committee will give this amendment favorable consideration during its markup of the pending foreign assistance authorization bill.

I ask unanimous consent that the text of my amendment be printed in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT No. 2035

At an appropriate place in the bill, insert the following:

(a) Chapter 3 of Part I of the Foreign Assistance Act of 1961 is amended by adding the following:

"SEC. 306. ASSISTANCE TO CERTAIN DISADVANTAGED CHILDREN AND ORPHANS.—(a) The Congress recognizes the humanitarian needs of certain disadvantaged children in Asian countries where there has been or continues to be a heavy presence of United States military and related personnel. Moreover, the Congress finds that inadequate provision has been made for the care and welfare of such disadvantaged children, particularly those fathered by United States citizens, in—

"(1) assisting the establishment, expansion, and improvement of orphanages, hostels, day care centers, school feeding programs, scholarship programs, and health and welfare programs; and

"(2) facilitating the adoption by United States citizens of such disadvantaged children who are orphaned or abandoned, or whose sole surviving parent has irrevocably relinquished all parental rights.

"(b) The President is authorized to provide assistance, on such terms and conditions as he may consider appropriate, for the purposes described in paragraphs (1) and (2) of subsection (a). There are authorized to be appropriated to the President for the purposes of this section, beginning in the fiscal year 1979, in addition to funds otherwise available for such purposes, $2,000,000 or its equivalent in local currency, such amounts to remain available until expended. Assistance provided under this section shall be furnished, to the maximum extent practicable, under the auspices of and by international organizations or private voluntary agencies operating within, and in cooperation with, the countries of Asia where such disadvantaged children reside."

(b) The Immigration and Nationality Act is amended—

(1) by striking out "fourteen" in subparagraphs (E) and (F) of section 101(b)(1) and inserting in lieu thereof "sixteen";

(2) by striking out "no more than two petitions may be approved for one petitioner in behalf of a child as defined in section 101(b)(1)(E) or (F) unless necessary to prevent the separation of brothers and sisters and" in section 204(c);

(3) by striking out "sixteen" in paragraph (1) and (2) of section 320(a) and inserting in lieu thereof "eighteen", and by amending subsection (b) of section 320 to read as follows:

"(b) Subsection (a)(1) of this section shall apply to a child adopted while under the age of sixteen years who is residing in the United States at the time of naturalization of such adoptive parent, in the custody of his adoptive parents, pursuant to a lawful admission for permanent residence."

(4) by striking out "sixteen" in paragraphs (4) and (5) of section 321(a) and inserting in lieu thereof "eighteen", and by amending subsection (b) of section 321 to read as follows:

"(b) Subsection (a) of this section shall apply to a child adopted while under the age of sixteen years who is residing in the United States at the time of naturalization of such adoptive parent or parents, in the custody of his adoptive parent or parents, pursuant to a lawful admission for permanent residence."

(5) by amending subsection (b) of section 322 to read as follows:

"(b) Subsection (a) of this section shall apply to a child adopted while under the age of sixteen years who is residing in the United States, in the custody of the adoptive parent or parents, pursuant to a lawful admission for parmanent residence."

(6) by striking out section 323, and the title preceding that section; and

(7) by striking out "Sec. 323. Children adopted by United States citizens." in the Table of Contents, Title III, Chapter 2.●

LABOR LAW REFORM ACT OF 1978—S. 2467

AMENDMENTS NOS. 2036 AND 2037

(Ordered to be printed and to lie on the table.)

Mr. HELMS submitted two amendments intended to be proposed by him to amendment No. 1823 intended to be proposed to the bill (S. 2467) to amend the National Labor Relations Act, to strengthen the remedies and expedite the procedures under such act.

INTERNATIONAL DEVELOPMENT ASSISTANCE ACT OF 1978—S. 2646 AND THE NUCLEAR NON-PROLIFERATION ACT—S. 2692

AMENDMENT NO. 2038

(Ordered to be printed and referred to the Committee on Foreign Relations.)

Mr. PERCY submitted an amendment intended to be proposed by him to the bill (S. 2646) to amend the Foreign Assistance Act of 1961, to authorize developmental assistance programs for fiscal year 1979, and for other purposes.

AMENDMENT NO. 2039

(Ordered to be printed and referred to the Committee on Energy and Natural Resources.)

Mr. PERCY submitted an amendment intended to be proposed by him to the bill (S. 2692) to authorize appropriations for the civilian programs of the Department of Energy for fiscal year 1979, and for other purposes.

ENERGY ASSISTANCE TO DEVELOPING COUNTRIES

● Mr. PERCY. Mr. President, today I am submitting two amendments concerning energy assistance to developing countries based on extensive research I and my staff have conducted into the Government programs in this area.

The Agency for International Development, Department of Energy, and the Department of State all have programs which deal with energy assistance to developing countries. But they have overlapping and poorly delineated missions. Leadership is fragmented, and little progress has been made. Congress has sent confusing signals to the executive branch as to who has responsibility for what. Since AID, DOE, and State play extremely important roles, these programs cannot be undertaken effectively without clearly defining the responsibilities and authorities of each of these agencies. In addition, greater recognition is needed of the significance of energy in U.S. development assistance activities.

There are three programs in the executive branch concerned with energy assistance to developing countries: Title V of the Nuclear Non-Proliferation Act signed into law on March 10 of this year; the International Energy Development program in DOE; and section 119 programs in AID.

Title V, U.S. Assistance to Developing Countries, directs that programs will be established to assist in the development of nonnuclear energy resources. The Department of State is given the responsibility to insure coordination of title V activities with other related activities of the United States conducted abroad.

The International Energy Development program was initiated by President Carter in March 1977 to advance the use of nonnuclear energy technology alternatives in developing countries.

The International Development and Food Assistance Act of 1977 (Public Law 95–88) added section 119 to the 1961 Foreign Assistance Act. Section 119 authorizes cooperative programs with developing countries in energy production and conservation, with particular emphasis on the use of decentralized renewable energy sources for rural areas.

Mr. President, on April 19, Senators CASE, CHURCH, GLENN, HART, JAVITS, METZENBAUM, and I wrote to the Administrator of AID, the Secretary of State, the Secretary of Energy, and the Director of the Office of Management and Budget. Our letter said in part:

> We are disturbed that (your) agencies appear to have done very little to implement these (energy assistance) programs, particularly the Section 119 program, and that leadership is fragmented. It is important that (your) agencies have clearly delineated missions and effective leadership, and that they recognize energy as a significant factor in U.S. development assistance activities.

The first amendment I am submitting today is simply exhortatory. It instructs AID to coordinate section 119 programs more closely with the Department of Energy. It does no more than exhort. But unless I see tangible and rapid improvements in the coordination and effectiveness of these programs, I intend to propose more extensive legislative remedies.

This first amendment also encourages AID to keep missions fully informed of section 119 programs, and to the extent practicable, to take steps to insure that at least one officer at each mission is knowledgeable about section 119 programs. The amendment also removes superfluous sections in section 119—that is sections mandating reports which have now been completed and submitted.

The second amendment applies to title V of the Nuclear Non-Proliferation Act, and begins to address the lack of coordination between State, DOE and AID, as well as the bureaucratic warfare that has erupted over the management of these

programs. More specifically, the amendment: Encourages DOE to coordinate its LDC energy activities more actively with AID; and directs State to report to Congress by July 1, 1979, on the effectiveness of the cooperation and coordination between AID, DOE and State in the general area of energy assistance to LDC's.

Agencies with principal responsibilities in this field must work closely together in the planning and implementation of their activities in order to insure a coherent, effective and coordinated approach to energy related cooperative activities with developing countries.

Thus the amendment also establishes a Coordinating Group for Energy Cooperation in Developing Countries with membership drawn from State, DOE, AID and other agencies on an ad hoc basis as appropriate. The group will be chaired by the Department of State in view of that Department's responsibility for coordinating all U.S. Government activities overseas.

The group will meet once every month or at the call of a participating agency for the following purposes:

First. Exchange information on planned programs and activities on a basis that is sufficiently timely that approved programs can reflect the comments and views of all interested member agencies.

Second. Coordinate Federal activities in this area on a country, regional and global basis wherever possible.

Third. Exchange views on basic policy directions, content, scope of U.S. programs in this area and make recommendations when appropriate to other bodies such as Congress, the National Security Council, OMB or to the White House.

Fourth. Identify problems in the implementation of cooperative activities and work jointly toward their resolution.

Fifth. Resolve conflicts between agencies in the implementation of such programs.

The group will have a working group that will meet biweekly or at the call of an agency to carry on the detailed information exchanges and coordination required.

The amendment has two further provisions:

First. It amends title V to make it clear that energy assessments and planning activities include all energy sources. Programs to find nonnuclear alternatives will only be credible to LDC's if they are integrated with total energy assessments. This clarification will help remove the stigma attached to this program that it is simply an effort to reserve nuclear power for the developed world. It will encourage nuclear-candidate countries to be more responsive to offers of U.S. assistance offered to them under this program.

Second. It direct DOE to investigate opportunities to further U.S. domestic energy objectives by conducting joint R. & D. projects in LDC's. It is not expected that such projects would need significant DOE subsidy of the costs of LDC participation.

Mr. President, these amendments are based on a report that I directed my staff to prepare. In a few days time I will ask unanimous consent to have this report printed in the RECORD together with responses to it from OMB, DOE, AID and State as soon as they become available.

I ask unanimous consent that the two amendments be printed in the RECORD at this point.

There being no objection, the amendments were ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 2038

RENEWABLE AND UNCONVENTIONAL ENERGY TECHNOLOGIES

SEC. . Section 119 of the Foreign Assistance Act of 1961 is amended to read as follows:

"SEC. 119. RENEWABLE AND UNCONVENTIONAL ENERGY TECHNOLOGIES.—(a)(1) The President is authorized to furnish assistance under this chapter for cooperative programs with developing countries in energy production and conservation, with particular emphasis on programs in research and development, and use of small-scale, decentralized, renewable energy sources for rural areas carried out as integral parts of rural development efforts in accordance with section 103 of this Act. Such programs shall also be directed toward the earliest practicable development and use of energy technologies which are environmentally acceptable, require minimum capital investment, are most acceptable to and affordable by the people using them, are simple and inexpensive to use and maintain, and are transferable from one region of the world to another.

"(2) the agency primarily responsible for administering part I of this Act shall coordinate with the Department of Energy, to the maximum extent possible, the planning and implementation of energy programs authorized under this chapter, including section 107, and shall consult with the Department of Energy on such planning and implementation.

"(b) The Administrator of the agency primarily responsible for administering part I of this Act shall undertake to insure that the mission in each country receiving assistance is fully informed and aware of the programs available under this section, and, to the extent practicable, to take steps to insure that at least one officer at each mission is properly trained as to how to identify energy needs and to develop, in conjunction with the appropriate experts, energy programs authorized under this section.".

AMENDMENT NO. 2039

At the appropriate place insert the following:

SEC. —. (a) Section 502(b) of the Nuclear Non-Proliferation Act of 1978 (92 Stat. 120) is amended by adding at the end thereof the following new sentence: "Energy assessments and planning activities shall include all energy sources.".

(b) Section 502(e) of such Act is amended by—

(1) inserting "is responsible for providing overall policy guidance and" after "Secretary of State"; and

(2) adding at the end thereof the following new sentence: "In pursuing his or her responsibilities under the preceding sentence, the Secretary of State shall encourage the Department of Energy to coordinate with the Agency for International Development on all general planning and implementation aspects of this title (without regard to whether a country is eligible for assistance from the Agency for International Development). The Secretary of State shall report to the Congress not later than July 1, 1979 on the effectiveness of the cooperation and coordination between the Agency for International Development, the Departments of Energy and State in the general area of energy assistance to lesser developed countries, and in particular how the Agency for International Development and the Department of Energy are implementing this title and section 119 of the 1961 Foreign Assistance Act. The report required by the preceding sentence shall contain recommendations with regard to the method by which such programs shall be more closely integrated.".

(c) Title V of such Act is further amended by adding at the end thereof the following new sections:

"INVESTIGATION

"SEC. 504. The Department of Energy, under the overall policy guidance of the Department of State and in coordination with the Agency for International Development, shall investigate opportunities to further United States domestic energy objectives by conducting joint research, development and demonstration projects in developing countries. The Secretary of Energy will report to Congress on the results of this investigation not later than January 1, 1979.

"COORDINATING GROUP

"SEC. 505. (a) There is established a Coordinating Group for Energy Cooperation in Developing Countries (hereinafter in this section referred to as the 'Group') to be composed of one representative of the Department of State, of the Department of Energy, and the Agency for International Development, to be selected from officials who occupy positions for which the compensation is not less than that prescribed for positions in level V of the Executive Schedule under section 5316 of title 5, United States Code, by the head of the respective department or agency, as the case may be. The representative of the Department of State shall be Chairman of the Group. The Chairman may, from time to time, invite participation by any other department or agency of the United States in the activities of the Group.

"(b) The purpose of the Group is to ensure a coherent and effective approach to implementing energy-related cooperative programs and activities of the United States in developing countries.

"(c) In order to carry out its purpose, the Group shall—

"(1) arrange for an exchange of information among the departments and agencies represented by the membership of the Group, including an exchange of views on policy directions, on any such program or activity before such program or activity is implemented;

"(2) coordinate such programs or activities on a country, regional, and worldwide basis;

"(3) make recommendations where appropriate to the Congress, the President, the National Security Council, the Office of Management and Budget, or to any other department or agency of the United States; and

"(4) identify and attempt to resolve problems in the implementation of any such program or activity, including conflicts between agencies.".●

INLAND ENERGY DEVELOPMENT IMPACT ASSISTANCE ACT OF 1977—S. 1493

AMENDMENT NO. 2040

(Ordered to be printed and referred to the Committee on Environment and Public Works and the Committee on Governmental Affairs, jointly.)

Mr. HART (for himself, Mr. RANDOLPH, Mr. HASKELL, Mr. DOMENICI, Mr. WALLOP, and Mr. GARN) submitted an amendment intended to be proposed by them,

jointly, to S. 1493, the Inland Energy Development Impact Assistance Act of 1977.

Mr. HART. Mr. President, in October of 1976, I introduced legislation to address what is, in many parts of this country, the most critical aspect of our efforts to formulate a new national energy policy—the problem of adverse social impacts resulting from rapid population growth in energy production areas. While much of the debate on our national energy situation has focused on the need to develop new domestic supplies, those of us in the Western and Appalachian areas of this country—where the bulk of this domestic development will take place—view the situation somewhat differently. We have seen, and will continue to see, the terrible toll this development takes on areas where resource development takes place, absent proper planning and mitigation.

Last year, I reintroduced the Inland Energy Development Assistance Act as S. 1493. Several days of hearings were held, and the need for this legislation was well documented by a variety of witnesses and hundreds of pages of testimony.

The amendment I am submitting today, cosponsored by Senators RANDOLPH, HASKELL, DOMENICI, WALLOP, and GARN, builds on the foundation of the original legislation and reflects a number of suggestions developed through months of close consultations with State Governors, local officials, representatives of other interests, and the Carter administration. As many of my colleagues are aware, the President just last week announced his support of the proposals embodied in this new legislation. More specific comments by the administration are being prepared and should be before the Environment and Public Works Committee this week, in order that the committee might move expeditiously on this legislation.

Briefly, Mr. President, this legislation acknowledges the Federal responsibility for helping to mitigate the adverse impacts of energy production for the Nation, by setting up a program, in the Department of Commerce, to provide technical and financial assistance to those affected areas of energy producing States. Additionally, the provisions of this bill would require the Secretary of Commerce to coordinate existing assistance programs to facilitate their applications to the unique problems which occur in these impacted areas.

Finally, Mr. President, I want to commend the Carter administration for its willingness to recognize the seriousness of this issue. Both Secretary Kreps and Secretary Schlesinger have spent many long hours working on this subject, and I find this attitude a welcome change from the cold shoulder this legislation received from previous administrations.

Mr. President, I ask unanimous consent that the text of the amendment be printed in the RECORD at this point.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT No. 2040

Strike all after the enacting clause and insert in lieu thereof the following:

That this Act may be cited as the "Energy Impact Assistance Act of 1978".

SEC. 2. There is hereby established in the Department of Commerce an Office of Energy Impact Assistance to administer the energy impact assistance program established by title XI of the Public Works and Economic Development Act. In accordance with such title XI, such Office shall provide financial and technical assistance to States, local governments, and Indian tribes suffering economic impact as a result of energy development activities.

Sec. 3. The Public Works and Economic Development Act is amended by adding the following new title:

"TITLE XI—ENERGY IMPACT ASSISTANCE

"AREA DESIGNATION

"SEC. 1101. (a) A Governor in consultation with the Secretary of Commerce and the Secretary of Energy may designate a community or area as an energy impact area if the Governor finds that—

"(1) there is a proposed or existing major energy development (involving mining, production, conversion, or generation of energy supplies) which will affect the economy or demands for public services in such area,

"(2) a substantial amount of the energy produced in such development will not be consumed in such area, and

"(3) without assistance under this Act there will be an immediate or long-range deficit in public facilities or services or in employment, or other dislocation of the local economy, in such area as a result of such energy development.

The Governor shall consider any request or petition for such designation by elected officials of local governments in an affected area. The Secretary of Commerce or the Secretary of Energy may refuse to concur in any designation only where such Secretary finds that a requirement of that subsection is not satisfied.

"(b) For the purposes of this title, an Indian tribe shall be deemed to be a State and the governing body of such Indian tribe shall be deemed to be the Governor thereof.

"ASSESSMENT TEAMS

"SEC. 1102. (a) A Governor in collaboration with the Secretary of Commerce, the Secretary of Energy, and appropriate elected local officials, may establish an energy impact assessment team for an area or community of the State. Each assessment team shall consist of responsible officials of (1) State government, (2) Federal energy production or development agencies, (3) Federal agencies providing funds for public facilities or public services, and (4) elected local officials. Federal, State and local officials shall be represented equally on the assessment team, and the Federal members shall be appointed by the Secretary of Commerce. An assessment team shall be a working unit with adequate member or staff capacity to carry out its responsibilities under this title.

"(b) An assesment team established under this section shall assess for such affected area the projected energy development, the needs for public facilities or services or other impacts on the local economy which can be anticipated as a result of such development, and available sources of funds and programs to meet such needs, for a projected period of at least 15 years. Such assessment team shall prepare a preliminary assessment in accordance with the previous sentence within ninety days after being established. After receipt of such preliminary assessment and taking into account the recommendations of the assessment team, the Governor shall determine the priority of areas and needs throughout such State for assistance under this title.

"(c) The Secretary of Energy, the Secretary of the Interior, the Federal Energy Regulatory Commission, and the head of any other Federal agency with responsibility for or knowledge of any major energy development shall provide all relevant information on planned development and its potential impact on local economies and demands for public services, whether such development is private or federally sponsored, to appropriate State and local agencies, to an assessment team for the affected area established under this section, and to the public, as early as practicable after such information is known to such Federal agency.

"MITIGATION PLANS

"SEC. 1103. (a) After preparation of a preliminary assessment under section 1102(b) and designation of an energy impact area under section 1101, the assessment team shall prepare for each such designated area mitigation plan for responding to the needs created in such area by the energy development. Such mitigation plan shall be prepared in cooperation with elected officials of local governments in the designated area and in consultation with the Secretary of Commerce under section 1104, other interested Federal agencies, the owner or operator of the energy development, and other interested parties. Existing State, county, and local land use plans shall be taken into account in the preparation of such mitigation plan.

"(b) Each such mitigation plan shall identify—

"(1) the projected impact of the energy development on the economy of the designated area, surrounding communities and the State generally over a period of at least 15 years;

"(2) the specific needs of the designated area resulting from the energy development, including needs for public facilities, public services, employment opportunities, or other specific responses to dislocation of the economy of such area, for both immediate needs (those already in existence or developing in less than one year) and long term needs (those which may not occur until late in the planning period);

"(3) specific proposals for meeting such needs, including specific programs, projects, and activities, and the priorities for implementing such proposals;

"(4) the contributions toward meeting such needs to which the owner or operator of the energy development is committed, and further contributions for which such commitments will be sought;

"(5) all funds or other resources which can be made available to meet such needs from State and local governments;

"(6) the availability of Federal programs and authorities to meet or mitigate such needs; and

"(7) which functions and activities in responding to such needs or such energy development are State responsibilities and which functions and activities will be carried out by local governments or a combination of State and local authorities.

"(c) Each mitigation plan shall provide for the establishment of a continuing planning process for responding to the impact of the energy development over an extended period. Such planning process shall be in accordance with this section and produce revised mitigation plans annually for the first five years after designation of such area and no less than every two years thereafter. Notwithstanding this subsection, assistance may be provided under section 1105 of this Act to meet immediate needs without completion of a full mitigation plan or establishment of a continuing planning process in any case

where the Secretary of Commerce determines the public interest requires.

"(d) Mitigation plans and the continuing planning process shall be coordinated with and take into account planning assisted or required under this Act or other Federal legislation including the process established under the Intergovernmental Cooperation Act of 1968.

"COORDINATION OF FEDERAL PROGRAMS

"SEC. 1104. (a) The Secretary of Commerce shall coordinate all Federal programs which may provide assistance or meet needs identified in the mitigation plan for such designated area. The purpose of such coordination shall be to assure that all Federal assistance or other expenditures in such area (1) support or are otherwise consistent with the mitigation plan prepared under section 1103 of this Act, and (2) are consistent with State and local efforts to manage the impact of energy development.

"(b) The head of every Federal agency shall cooperate with such Secretary in carrying out this title. Such Secretary may request specific assistance or actions by any Federal agency, or may request any Federal agency to waive administrative requirements associated with the provision of assistance by such agency. The President may direct any such Federal agency to comply with such requests by such Secretary.

"(c)(1) The Secretary of Commerce shall provide liaison between Federal agencies and the State and local authorities for the designated area and shall act as an advocate for the needs and concerns of such designated area to such Federal agencies.

"(2) The Secretary of Commerce shall assure full local government and public participation in the development of the mitigation plan and shall assist public awareness of assistance available in any designated area for responding to the impact of the energy development.

"IMPACT ASSISTANCE

"SEC. 1105. (a) The Secretary of Commerce is authorized to make grants or provide other financial and technical assistance to assessment teams established under section 1102 of this Act and State and local government agencies to support the preparation of preliminary assessments under section 1102 and mitigation plans under section 1103(b) and the establishment of continuing planning processes under section 1103(c), including salaries of personnel and administrative costs.

"(b)(1) The Secretary of Commerce is authorized to make grants to States and guarantee loans for the purpose of carrying out mitigation plans prepared under section 1103 of this Act in accordance with the priorities in the preliminary assessment approved by the Governor under section 1102(b) of this Act. Any such grant shall be for the proposed projects, programs, and activities for the fiscal year for which the grant is requested as identified in such mitigation plan.

"(2) Any such grant may be used by such State for any of the purposes or activities and in the same manner as under section 903(a) of this Act.

"(3) For the fiscal year 1980, the State shall provide 12.5 per centum of the total costs of carrying out such mitigation plans for that fiscal year. For the fiscal year ending September 30, 1981, the State shall provide 25 per centum of such costs. For the fiscal year ending September 30, 1982, the State shall provide 37.5 per centum of such costs. For the fiscal year ending September 30, 1983, the State shall provide 50 per centum of such costs. The State contribution to such costs shall be derived from taxes or other revenues associated with energy developments which may be the basis for the designation of an energy impact area. In addition, such grant shall be conditioned on a requirement that the State shall have recovered 30 per centum of such grant at the end of the fourth full fiscal year after receipt of such grant: *Provided*, that the Secretary of Commerce may waive such condition if the State demonstrates an adequate alternate strategy for assuring that the economic benefits of the energy development or other revenues will be used to minimize the impact and unmet needs resulting from the energy development, including commitments of severance taxes, user fees, or other energy development-related revenues to mitigate such impact and unmet needs.

"(4) Not more than 2 per centum of any grant to a State under this subsection may be used for administrative expenses of such State in connection with an energy impact assistance program.

"(c) In addition to funds provided to the Secretary of Commerce to make grants under subsections (a) and (b) of this section, the President may transfer funds appropriated under this title to any regional Commission established under title V of this Act or the Appalachian Regional Commission established under the Appalachian Regional Development Act, for use in carrying out mitigation plans prepared under section 1103 of this Act.

"(d) The Secretary of Commerce, at the request of the Governor, is authorized to make grants to carry out a mitigation plan prepared under section 1103 in an energy impact area designated under section 1101 of this Act by increasing the Federal contribution to projects under any Federal grant-in-aid program or providing all or any portion of the basic Federal contribution to projects under any Federal grant-in-aid program which does not have sufficient available funds to assist the project proposed to be assisted. Such grants shall be made in accordance with section 509 of this Act, except that the Federal portion of the costs of any project assisted may not exceed 90 per centum thereof.

"(e) The Secretary of Commerce, with the concurrence of the Governor, is authorized to make grants to any State or local government to meet emergency needs for public facilities or public services in an energy impact area designated under section 1101 of this Act where such needs cannot be met with other Federal programs or other assistance in a sufficiently timely manner and the public interest so requires.

"AUTHORIZATIONS AND ALLOCATION

"SEC. 1106. (a) There are authorized to be appropriated to the President to carry out—

(1) section 1105(a) of this Act $15,000,000 for each of the years 1979 through 1983; and

(2) section 1105 (b), (c), (d), and (e) of this Act $135,000,000 for each of the fiscal years 1979 through 1983, except that not more than 20 per centum of the amount appropriated for such purposes may be used for section 1105(e).

"(b) Funds appropriated under subsection (a)(2) of this section in any fiscal year shall be allocated by the President among energy impact areas designated under section 1101 of this Act, taking into account—

"(1) the relative increases in population or employment in such areas and other surrogates for need such as per capita availability of services;

"(2) the extent to which the amount of investment of State-controlled funds in such designated areas has increased or will be increased in response to the needs leading to designation of such area;

"(3) efforts to assure investment or contribution by the owner or operators of the energy development through conditions or stipulations on State or local siting permits, a facility siting process established under State law, or other means;

"(4) the degree to which the energy produced is consumed elsewhere and there is a national interest in the energy development as opposed to local benefit;

"(5) instances where the impact falls in an area which cannot control the energy development or derive funds or other benefit from it;

"(6) the relative level of existing or historic deficiencies of public facilities or services or stable employment in such areas;

"(7) differences in unit costs of providing facilities or services among such areas; and

"(8) the degree of concentration of energy development in an area.

"COST INTERNALIZATION THROUGH FEDERAL ACTION

"SEC. 1107. (a) Any Federal permit, license, assistance, lease, easement across Federal lands or other approval for any energy development which is the basis for the designation of an energy impact area under section 1101 of this Act may, at the request of the Governor, elected local officials in such a designated area, an assessment team established under section 1102, or the Secretary of Commerce, be conditioned on reasonable contributions by the owner or operator of the energy development, in cash or in kind, to meeting specific needs of such designated area as identified in a mitigation plan prepared under section 1103. Any such conditions, shall be enforceable against the owner or operator as a part of any such permit, license, or other approval, or through any facility siting process established under State law.

"(b) A Governor may disapprove any Federal license, permit, or other assistance or approval necessary for a major energy development on the basis of its anticipated impact on the economy of the affected area and the demand for public facilities or services which may result from such energy development: *Provided* that the President may waive the right of the Governor under this subsection in any case where the President determines that the paramount interest of the United States so requires and such area is designated for assistance under this title."

Mr. HASKELL. Mr. President, I strongly support this comprehensive energy impact assistance amendment which is the culmination of over a year's effort on the part of many individuals. It represents the first major cooperative attempt by both Congress and the executive branch to deal with the complete range of impacts posed by expanded energy development. When President Carter announced the national energy plan in April 1977, he indicated his commitment to develop an equitable and complementary program to deal with the impacts of expanded energy development, especially coal development as a result of the coal conversion program. I am glad to see that the efforts of the administration, Members of Congress, and the National Governor's Association have resulted in a bill which contains the elements of an extremely effective and comprehensive program.

Since becoming a Member of the Senate, I have been a strong supporter of measures designed to mitigate the adverse impacts of explosive growth in small rural communities which has occurred as a result of energy development to meet national energy demands. In 1974 I sponsored two amendments to the Mineral Leasing Act of 1920 to broaden the scope of purposes for which revenues from Federal leases could be put by local communities. Recently, I introduced a bill along with Senator HANSEN to imple-

ment a low interest loan provision under the BLM Organic Act which the administration has been reluctant to fund. My oil shale commercialization bill, which will be before the Senate shortly, includes a series of impact assistance provisions which permit State and local governments to deal with the impacts of oil shale development. Last year I cosponsored Senator HART's inland energy impact assistance bill which laid the groundwork for this bill. Finally, I sponsored section 306 of the Coal Conversion Act of 1977, which is currently tied up in the energy conference, which will eventually provide moneys to areas adversely impacted by coal development for planning and for acquisition and preparation of sites for housing. While these programs have begun the important task of aiding energy impacted communities, they have been difficult to fund with a hesitant administration and are really separate pieces of the impact assistance puzzle. This act is the first attempt to deal with the energy impact problem from a comprehensive framework. Hopefully, if this comprehensive program and section 306 are adequately implemented we will not have to tack on an energy assistance provision to every energy production bill which Congress enacts as has been the case in the past.

The need for a comprehensive energy impact program is clearly evident as indicated by the voluminous testimony from States, affected communities and local officials, and experts in the field. Many communities in Colorado, throughout the West, and in Appalachia are facing the prospect of "boomtown" problems such as meeting the escalating demands for new facilities and services, problems in providing adequate housing, increasing fiscal difficulties, and environmental and social disruption of their traditional community lifestyles. In addition, impact assistance is vital not only to aid individual communities, but to alleviate problems which can cause decreases in the productivity and output of coal mines and other forms of energy development in turn jeopardizing the goals of the national energy plan.

I believe that the energy impact legislation being put forth today offers three very significant improvements in the manner in which energy impact is addressed in this country. First, the bill provides for the creation of joint "assessment teams" to be composed of Federal, State, and local officials for the purpose of evaluating the realistic needs and types of assistance necessary in impacted areas and drawing up mitigation plans. Second, the amendment requires the coordination of all Federal programs which may provide energy impact assistance so that local officials will not have to shuffle through a myriad of programs and agencies searching for appropriate help as is currently the case. Finally, the amendment offers flexible funding assistance—grants, loans, or loan guarantees—depending on the particular needs of the affected community. For this purpose State revolving funds will be set up, jointly funded by the Federal Government and over time increasingly by State governments. In addition, incentives are available to encourage cost sharing by industry.

Mr. President, this energy impact assistance program offers us the first real chance to plan for and manage the impacts of energy development in an orderly and coherent fashion. If we are to address future energy demands in a sensible manner, we must avoid the kind of boomtown development which has occurred in the past which has resulted in shortages of public facilities and services, housing, and of just about everything else. Too often these circumstances have led to a situation of social and economic deterioration in too many of our rural communities. I believe that the program encompassed in this amendment is a just and equitable one, which is essential if we are to greatly expand energy production in the rural areas of this country to meet national energy needs.

The development of this legislation has been a long and painstaking process. I want to especially commend my colleague from Colorado, Senator HART for his leadership and without whose efforts this amendment would not be a reality. The days and weeks ahead will require a significant commitment on all of our parts if this is to receive the approval of both Houses of Congress.●

NOTICES OF HEARINGS

COMMITTEE ON THE JUDICIARY

● Mr. EASTLAND. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Wednesday, May 17, 1978, at 9:30 a.m., in room 2228 Dirksen Senate Office Building, on the following nominations:

Adrian G. Duplantier, of Louisiana, to be U.S. district judge for the eastern district of Louisiana vice R. Blake West, deceased.

Gilbert G. Pompa, of Texas, to be Director, Community Relations Service for a term of 4 years vice Benjamin F. Holman, resigned.

Any persons desiring to offer testimony in regard to these nominations shall, not later than 24 hours prior to such hearing, file in writing with the committee a request to be heard and a statement of their proposed testimony.

This hearing will be before the full Judiciary Committee.●

SUBCOMMITTEE ON CIVIL SERVICE AND GENERAL SERVICES

● Mr. SASSER. Mr. President, I wish to announce that the Subcommittee on Civil Service and General Services will hold hearings on Wednesday, May 17 at 9 a.m. to consider H.R. 4319 regarding life and health insurance benefits; H.R. 4320 regarding annuity payments for judges and justices; H.R. 8342 regarding local withholding taxes for Federal employees; H.R. 8771 regarding compliance with court decree in divorce proceeding of Federal employee under civil service retirement system; and H.R. 9471 and S. 224 regarding civil service retirement credit for time spent in World War II internment camps.●

SUBCOMMITTEE ON FEDERAL SPENDING PRACTICES AND OPEN GOVERNMENT

● Mr. CHILES. Mr. President, the Subcommittee on Federal Spending Practices and Open Government's oversight hearings on the Government in the Sunshine Act (Public Law 94–409) and Efforts to Reduce Federal Paperwork Burdens, scheduled for this Thursday, May 11, at 9:30 a.m., in room 1318 Dirksen, have been canceled.●

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

Mr. PROXMIRE. Mr. President, I announce that the Committee on Banking, Housing and Urban Affairs will hold a 2-day hearing, on Wednesday, May 24 and Friday, May 26, 1978, on the interstate land sales program under the administrative jurisdiction of the Department of Housing and Urban Development.

The hearing is being held for the purpose of reviewing the program and also for the consideration of legislative proposals.

The hearing will be held in room 5302, Dirken Senate Office Building.

Statements for inclusion in the hearing record are welcome.

ADDITIONAL STATEMENTS

PRESIDENT CARTER'S CONTRADICTION OF HUMAN RIGHTS

● Mr. GOLDWATER. Mr. President, I was shocked to hear that President Jimmy Carter is sending his National Security Council Adviser, Mr. Brzezinski, to Red China this month at exactly the same time as Chiang Ching-Kuo is to be inaugurated as President of the Republic of China.

Now, I became even more disturbed by this insult to the free Chinese people after I learned that the White House has no plans at this time to send a proper representative of the President to attend the inauguration of the new President of the Republic.

Mr. President, this leads me to ask, just where does Mr. Carter stand on human rights?

It is a well-known fact that Communist China has the worst record on human rights of any nation on Earth. If President Carter cannot see the contradiction between his repeated claim of support for the advancement of human rights around the world and his failure to have a high-ranking member of his administration attend the inauguration of the new President of the free Chinese people, then his entire human rights campaign is without substance.

Mr. President, there is probably no regime in history which has ever committed such atrocities against human rights on a massive scale as have the Red Chinese, and the idea of legitimizing their outrages at the expense of one of our country's most dependable allies is absurd.

Can it be that President Carter has never heard of the mass public trials and executions of millions of innocent people by the Red Chinese?

Can it be that he, a pastoral President,

has never heard of the total annihilation of religion in the most populated area of the globe by the Chinese Communists?

Is it possible that Mr. Carter does not know of the imprisonment of some 20 million or more political prisoners in so-called labor reform camps by the Communists on the China Mainland?

These poor persons have been arbitrarily imprisoned for no more reason than that they may have fallen asleep during a monotonous political indoctrination session. Or they may have been jailed for failing to denounce a neighbor for his bad thoughts.

Mr. President, if Jimmy Carter wants to keep faith with his many pledges to promote human rights and freedom, then I urge him to drop the hypocrisy from his foreign policy. I call on Mr. Carter to see his error in allowing Mr. Brzezinski to be in Red China on the same day that the President is inaugurated in the Republic of China, without at least sending from this country a top official from his Cabinet or higher to represent him at the inauguration.

Mr. President, until this unwise and improper decision is corrected, I shall continue to protest this terrible insensitivity to America's friend and valued ally, the free Chinese people on Taiwan, in the strongest terms possible. I cannot believe Mr. Carter's decision was accidental, and if it was, there is still time to change it.

If Mr. Carter means what he says about human rights, he will change direction in this matter. Otherwise, he will lose the respect and confidence of the American people.●

THE DEATH OF ALDO MORO

● Mr. KENNEDY. Mr. President, yesterday, I cosponsored a resolution which expressed our sorrow to the family of Italy's distinguished former Prime Minister Aldo Moro and to the people of Italy, as well as our condemnation of the despicable and cowardly acts of the terrorists who so brutally murdered him. We also want to convey through this resolution our concern over the growing threat of terrorism—a threat which we can only stop through determined international effort.

Mr. Moro was a great leader whose efforts to bring about a peaceful dialog within his country's political structure showed much compassion and statesmanship. This resolution signals to the world our confidence that his efforts for peaceful change will not go unfinished.

Mr. President, I grieve not only for Mr. Moro's family, but for all the people of Italy who have been dedicated to democracy and peaceful political change in a country which has suffered the scourge of terrorism for too long.

Aldo Moro was a leader in efforts to build a new political consensus in Italy. He epitomized efforts to respond to the crises confronting Italian politics and society through civilized dialog and the democratic process. His killers epitomize a futile attempt to negate those efforts and to attack that process.

With Aldo Moro's death must come renewed commitment, not only to combat international terrorism, but to create social conditions which will deny terrorists either the rationale or the ability to carry out their acts of arbitrary violence. I am confident that the United States will work intensively with Italy and all other interested States to do all we can to insure that we will never again have to experience such a tragedy.●

ENVIRONMENTAL POLITICS

● Mr. YOUNG. Mr. President, the environmental movement has in recent years gained great power and influence and along the way has done much good.

As is so often the case, however, with an organization or movement drunk with power, it has become extremist in its outlook and is fast losing the great influence it once had.

In North Dakota and other sparsely populated States with wide open spaces, the environmental movement has taken positions which are both impractical and unreasonable and which have made reasonable development of these States difficult, costly, and all but impossible. In North Dakota, for example, it has all but destroyed a water project which we have dreamed of and worked for since statehood.

I refer to the Garrison diversion irrigation project which from the vast reservoir behind Garrison Dam would provide water for irrigation in the southern and eastern parts of the State and a badly needed future water supply for several of our larger cities. We lost half a million acres of good river bottom land to this project which has eliminated floods along the Missouri River and provided abundant, cheap, clean hydroelectric power for a wide area. Under the Pick-Sloan plan which authorized Garrison Dam, North Dakota was to receive in return for these highly productive bottom lands the Garrison diversion irrigation project. While all of the other benefits of the Pick-Sloan plan have been realized, North Dakota unfortunately still awaits its primary benefits—water for irrigation and municipal water supply.

In recent editorials the editor of the Minot Daily News has very ably and succinctly pointed out the unreasonableness of environmental extremists who now control the many reputable environmental organizations and even the editorial policy of great magazines and newspapers which take little time to determine the facts. I ask that two editorials appearing in the Minot Daily News published at Minot, N. Dak., be printed in the RECORD. The first editorial is dated April 26 of this year and is entitled "Environmental Politics" and the second appeared in the May 6 edition of the same newspaper and is entitled "So Much Eye Water."

The editorials follow:

ENVIRONMENTAL POLITICS

The environmental movement in the United States needs a mammoth shakedown.

It's time to shake loose the irresponsible zealots seeking aggrandizement by bringing in scalps. In the process they are losing the rational people needed to make environmentalism a real and lasting thing, which it should be. Enemies are piling up and becoming more bitterly critical of the substitutions of mistruths for scientific data, slogans for statistics, slander for solid planning.

The News has not been impressed with the role of the New York Times in spreading many half-truths about the Garrison Diversion project. However, a recent article by Roger Starr, a member of the Times' editorial board, makes a good deal of sense.

Writing in American Spectator magazine, Starr says: "Conservation requires professionally trained specialists capable of distinguishing between important and trivial dangers (to the environment). It requires the patience to make difficult distinctions carefully and the wisdom to establish goals that harmonize the values of the environment with those of the economy. While professionals can make these judgments, the money and zeal that drive their organizations come from members who perceive wildlife as benign, non-competitive and undemanding. This childlike sentiment makes it difficult for them to agree to accept the loss of any part of it in order to achieve a saving which they cannot see."

Stopping mammoth federal projects vital to the economy for such things as the snail darter and furbish lousewort are prime examples of that kind of stilted thinking that is turning off environmental sympathizers in droves.

This overkill trend in the movement has another serious ramification. It's easier to gather scalps in areas of low political clout, so projects like Garrison Diversion becomes a natural for the militants' power plays. Facts, then, become overwhelmed by propaganda, which on the diversion project has been successful not where the people live and know the facts but in Canada and in parts of the United States where truths are buried in piles of sensational accusations.

Not only are projects which would improve the environment lost but projects, notably power production, are moved farther away from political power centers to areas like North Dakota where our future is of little consequence on the national political scene.

SO MUCH EYE WATER

The attorney general of the United States traditionally makes one appearance before the Supreme Court during his term in office. Griffin B. Bell chose to make his with a bottled specimen of the snail darter in hand. He argued that a $120 million Tennessee Valley Authority hydro-electric dam, already 90 percent complete, should not be scrapped on account of this small fish, which is on the endangered species list. The TVA, he said, has resettled the snail darter on a creek near the Little Tennessee River, where apparently it is doing well.

Justice Lewis F. Powell noted that in an appendix to the government brief Interior Secretary Cecil D. Andrus had stated that Tellico Dam should not be built. He asked Bell why the matter had not been settled in the Cabinet. Replied Bell, "It should have been." Because the United States needs more energy derived from sources other than imported oil. Bell apparently felt that the Tellico Dam appeal offered him an appropriate occasion to air his supportive views. But it had the effect, also, of showing that the administration has put itself on both sides of the issue.

It is one thing for an important water project to be stalled because of a single identifiable minor species of fauna or flora. In such cases it is perfectly clear what the objection is. It is another thing when environmentalists base their case on a mysterious conception of possible but improb-

able danger. Ah, the wide, all-inclusive and imaginative Pandora's box, of which the lid is that magical word "biota."

One wonders how Bell would have dealt with the situation had "biota" in general been the obstacle to Tellico Dam. It would take a Noah's ark full of Nature's myriad of micro-organisms to contain a comprehensive exhibit of the fearsome possibilities envisioned in the transfer of biota into Canadian waters from the Garrison Diversion project.

If the attorney general had been coming into court to hold the opposition arguments on *Garrison Diversion* up to scorn, he might have come with a vial of water from Painted Woods Creek. Then he could have assured the court that the biota argument is just so much eye water.●

THE NORTH CAROLINA DEBUT AT THE KENNEDY CENTER

● Mr. MORGAN. Mr. President, on April 28 it was my pleasure to be in attendance at the Washington debut of the North Carolina Symphony Orchestra at the Kennedy Center. The North Carolina Symphony under the direction of John Gosling has been named a major orchestra in the United States by the American Symphony Orchestra League. As evidenced by the symphony's performance on the 28th this title was justly awarded.

We North Carolinians are proud of our symphony, and we are equally proud of the many other great strides the State has made in the fine arts. North Carolina was the first State to estabilsh and fund not only a State symphony orchestra, but also a State school for the performing arts as well as a State museum of art. North Carolina supports 16 historical outdoor dramas, 86 community arts councils with 58 artists in residence and 45 artists in residence through the State's 57 community colleges. Just last year the North Carolina General Assembly appropriated nearly $3 million to the State Division of the Arts and subsidized each student at the School of the Arts with nearly $4,500.

However, it is not only the public sector which gives of its time and its money to support the arts in North Carolina. The symphony's recent performance in Washington would not have been possible had it not been for the generous contribution of R. J. Reynolds Industries, Inc., Mr. Collin Stokes, chairman, Mr. J. Paul Sticht, president, and Mr. Charles B. Wade, Jr., secretary of the International Advisory Board. We also owe special thanks to Georgia Pacific, Alcoa, and the Tobacco Institute for their generous donations. In addition the members of the orchestra donated the additional salary they received for their broadcast performance back to the North Carolina Symphony to help subsidize their performance in Washington.

These actions are indicative of the dedication North Carolinians feel for the arts. They exhibit the excitement being generated throughout the State as we progress in the development of our cultural resources. I believe it is now obvious why we are proud to call North Carolina the State of the Arts.

At this time, Mr. President, I would like to submit copies of the reviews of the North Carolina Symphony's performance at the Kennedy Center which appeared in the Washington Post, the Washington Star, and the News and Observer of Raleigh, N.C. I ask that the articles be printed in the RECORD.

The articles follow:

[From the Washington Post, Apr. 29, 1978]

LIVE, FROM THE KENNEDY CENTER, A HORN-TOOTIN' STATE "TEAM"

(By Joseph McLellan)

"It feels like bringing a sports team into the Super Bowl," says John Gosling. "It's that kind of spirit."

Gosling's "team" is the North Carolina Symphony, and their version of the Super Bowl is the Kennedy Center Concert Hall, where you could feel the spirit yesterday afternoon as the young musicians tuned up for rehearsal.

For an hour of prime time last night, the state of North Carolina was to be blanketed with a live telecast of the North Carolina Symphony playing the "Symphonie Fantastique" of Berlioz live from the Kennedy Center. Six commercial stations donated the time, along with the state's Public Broadcasting network, which programmed the entire concert on FM radio.

A North Carolina team in a super bowl could hardly have received more attention.

The Concert Hall was completely sold out months ahead of the performance—just as Carnegie Hall was when the symphony played there last year. Most of the tickets went to people from North Carolina, and some Washingtonians who wanted to hear the visitors were disappointed.

"I got a call from the assistant attorney general of North Carolina," Gosling remarked, "and I can't help him. If we had known it was going to be like this, we would have done two concerts."

This kind of enthusiasm did not spring up overnight or by accident. It can be explained in part by a bill that was introduced in the state legislature years ago (with the double-meaning nickname of "The Horn-Tootin' Bill") to supply state subsidies for the arts.

It is also explained by the fact that North Carolina is the only one of the 50 states that has a cabinet-level secretary of cultural resources—Sara W. Hodgkins (who was in town for the concert along with Gov. James Hunt and a lot of other North Carolinians).

"I sit around the table at cabinet meetings along with Transportation and Corrections, Human Resources, Revenue and the others—there are nine of us," she says with a touch of wonder in her voice.

"I'm working on all the things I love and care for and I'm being paid for it. I'd do it free—I was a volunteer worker for years—but it certainly is nice this way."

It may be that enthusiasm for the arts in the government of North Carolina is not completely based on esthetic considerations, but the result is still esthetically impressive.

"Governor Hunt has said, and I also believe that the economic development of our state goes hand-in-hand with our cultural development," Hodgkins says.

"When the governor took a trade mission to Europe, he took me along; the Europeans understand the tradition of culture and government support and how it influences a whole society, and they wanted to know about our symphony and our art museum before they made an investment.

"We really stood apart. There are a lot of other states sending missions to Europe, but none of them sent a secretary of cultural resources."

Besides the symphony, this cabinet position is concerned with libraries, an art museum and arts councils, theater arts, archives and the preservation of historic landmarks.

State support for the symphony is not limited to setting up a cabinet post; nearly $1 million per year, approximately half of the orchestra's annual funding, comes in a direct grant from the state, and in return the orchestra has made itself a state resource, logging 20,000 miles of travel within North Carolina each year and giving 260 concerts in schools and halls throughout the state.

The school program has been going on for a long time (the orchestra is 46 years old, though the average age of its players is 30), and most members of the state legislature were first exposed to it when they were schoolchildren.

Today, 200,000 North Carolina schoolchildren hear the symphony each year—and, equally important, they do it as part of a total program, for which the teachers receive special training. Part of the system is a series of booklets, "Tips to Teachers," which explains how to prepare the students for each concert—and a special program booklet, "Symphony Stories," which allows the children to approach the music knowledgeably.

The North Carolina Symphony proudly terms itself "the only major orchestra between Atlanta, Ga. and Washington, D.C.," and this term is not used loosely. It was formally awarded the status of a major orchestra two years ago by the American Symphony Orchestra League. It has only begun to invade the home grounds of other major orchestras on its infrequent trips outside the state. New York last year, Washington last night, Chicago in October.

For its first trip to Washington, the orchestra prepared a program well designed to validate that title of "major," which is based strictly on the size of the budget rather than less measurable aspects of performance, but inevitably carries other implications. The curtain-raiser was the relatively unchallenging "Academic Festival Overture" of Brahms, played with a finely graded sense of balance and contrast and splendid instrumental tone, particularly from the woodwinds.

Samuel Barber's "Prayers of Kierkegaard" added a soprano soloist (Penelope Jensen, rich and subtle of voice) and a large chorus (the Carolina Choir from the University of North Carolina) to the mix. The music's shifting pulses and colors clearly appealed to the conductor's flair and were performed with power and precision by both the chorus and the orchestra.

The "Symphonie Fantastique," which was featured on television, brought the evening to a smashing conclusion. In the early movements, the strings took the spotlight, and a fine lyric lilt predominated, fading smoothly into an atmospheric performance of the duet between oboe and English horn in the third movement.

But Gosling, with the aid of Berlioz, saved the best for last: The snarling brass and thunderous percussion of the last two movements, aided by well-calculated coloristic details from the rest of the orchestra, brought the concert to an exciting conclusion.

It was, indeed, a major performance. The next time it comes to Washington, the orchestra should try to rent a larger hall.

[From the Washington Star, Apr. 29, 1978]

NORTH CAROLINA SYMPHONY TAKES KENNEDY CENTER BY STORM

(By Irving Lowens)

The North Carolina Symphony, one of the fastest growing orchestras in the country, was at the Kennedy Center last night and pretty much took the place by storm.

Six years ago, the North Carolina Symphony was a provincial outfit, struggling along on a budget of some $100,000 per year. By 1977, it had zoomed into the ranks of the majors. Its budget had grown to $1.8 million per annum, and it is now the only orchestra of real consequence between Washington and Atlanta.

Yesterday, it seemed as if just about every Tarheel in town was on hand to hear what their symphony sounded like in the Kennedy Center.

The hall had been sold out weeks ago, what with 13 of the state's universities and colleges planning concert-related events here and many making the long trek northward by bus. Those who couldn't make it weren't entirely deprived of the pleasure of hearing the concert since it was broadcast "live" by 11 radio stations and 7 television stations back home.

The Tarheels are very proud of their state's cultural achievements, and they have every reason to feel that way about their orchestra.

The program consisted of the Brahms "Academic Festival" Overture, Samuel Barber's "Prayers of Kierkegaard" (with the assistance of the excellent Carolina Choir of UNC at Chapel Hill and soprano Penelope Jensen) and the Berlioz "Symphonie Fantastique," a piece which separates the men from the boys in the symphonic leagues.

Conducting was John Gosling, well known in the area for his work in earlier years with the Marine Band and the Catholic University Orchestra, and a very much improved maestro he is today. He went to North Carolina in 1972, and he is primarily responsible for the orchestra's big surge.

It was evident from the Brahms that the young orchestra is an excellent, sensitive ensemble, and it demonstrated its quality beyond the shadow of a doubt in the Barber and especially the Berlioz, which received a powerful reading full of nuance, poetry and precision.

Last season, the North Carolinians invaded New York, and came away with glowing notices. This season, Washington was chosen for its big concert and next season it will be Chicago, home of perhaps the best orchestra in the country. If they do as well there as they did here, Chicago should be impressed.

[From the Raleigh News and Observer, Apr. 30, 1978]

N.C. SYMPHONY EARNS STANDING OVATION

(By Angelia Herrin)

WASHINGTON.—The North Carolina Symphony won a standing ovation and excellent reviews Friday night after its debut performance in the John F. Kennedy Center for the Performing Arts here.

"It was indeed a major performance," wrote Joseph McLellan, music critic for The Washington Post. "The next time it comes to Washington this orchestra should try to rent a larger hall."

(The concert hall's 2,750 seats had been sold out for more than a month.)

McLellan had special praise for the concluding half of the concert, the "Symphonie Fantastique," by Hector Berlioz.

"The symphony's Fantastique, which was featured on television, brought the evening to a smashing conclusion," McLellan said. "(Conductor John) Gosling with the aid of Berlioz saved the best for last."

The thundering Berlioz piece brought the audience to its feet for a sustained standing ovation led by N.C. Gov. and Mrs. James B. Hunt Jr.

"You can describe the whole performance by that fantastic last number," Hunt said at a reception following the concert in the Kennedy Center Atrium. "It was all fantastic. It was a great performance and our orchestra was perfect for this beautiful center."

The performance brought "goose bumps up and down my spine," said Mrs. Waverly Akins of Fuquay-Varina, president of the N.C. Symphony Women's Association.

Mopping his brow after the performance, Gosling said, "It all went well. We gave a good, solid performance. I am proud of it. The television coverage worked perfectly. It was a wonderful experience for all of us."

The enthusiasm surrounding the debut performance made the evening memorable, said Penelope Jensen, a Chapel Hill soprano who sang with the symphony and the Carolina Choir from the University of North Carolina at Chapel Hill.

"Everyone on stage could feel that pride," said Mrs. Jensen.

"This orchestra has an unusual enthusiasm that really comes through in performance."

The symphony's debut was "almost a dream come true" for symphony supporter Mrs. Ralph B. Reeves Jr. of Raleigh.

"I was working with Friends of the Kennedy Center when there were still pigeons in the scaffolding," Mrs. Reeves said. "The symphony's performance here was dear to my heart. I'm so proud I just feel wonderful."

More than 1,500 Tar Heels, including many state government officials, traveled to the nation's capital to witness the symphony's debut.

[From the Raleigh News and Observer, Apr. 30, 1978]

"SIMULCAST" OF SYMPHONY WAS HISTORIC

(By Bill Morrison)

Thousands of homes across the Tar Heel state were transformed into miniature concert halls Friday night as the historic "simulcast" from Kennedy Center captured the North Carolina Symphony's Washington debut.

The radio broadcast, heard on FM receivers from Manteo to Murphy, combined the quality of the sterophonic recording with the excitement of the live performance.

And the live performance more deserved comparison with the orchestra's Carnegie Hall debut of the previous year.

America's youngest major orchestra played beyond her years but not beyond her capacity in a concert that paid tribute to the three B's—Brahms, Barber and Berlioz. One sensed during that opening hour (heard only on radio) that the 92 musicians were as delighted as the audience that gathered for this standing-room-only event.

The video portion following at 9 confirmed this impression. Maestro John Gosling's quiet smiles of approval were, for these exemplary players, the equivalent of the standing ovation that ended a royal performance.

The simulcast, involving simultaneous radio-TV coverage in the last hour, was "historic" for a number of reasons. It was perhaps the first time in North Carolina history that commercial and public TV-radio stations were combined into a hybrid network. It was the first such cultural event in the state's history to be staged in this manner.

The event is believed to be the first symphony simulcast in the nation's history and definitely the first from Kennedy Center.

The production had a professional sheen, though the video portion was sometimes marred by awkward camera placement and murky lighting. The camera gave the performance an intimacy that one would not find in a concert hall. And the fragmented shots, while distracting, consistently followed the course of the music from player to player, section to section.

The mastermind behind the project was the evening's host, Ted Cramer, director of marketing for North Carolina's Division of the Arts. WRAL–TV, Ch. 5, Raleigh, fed the raw signal to the hybrid television network. Tim Warner, chief engineer of WUNC–FM, Chapel Hill, provided the superb audio mix at the symphony's request. The producer-director was Carol Wonsavage, a Winston-Salem native, a recent recipient of the Peabody Award. Indeed, her deft touch Friday night could bring another such honor.

The concert opened with Brahms' "Academic Festival Overture," a refreshing showcase for the various sections that comprise this expressive orchestra. Based on student songs, this joyous work ends with a theme that has been used in every halls-of-ivy film in Hollywood history. Even if one were foolish enough to call it "old hat," one would have to admire the jaunty angle with which it was worn.

The first portion ended with a genuine showstopper, Barber's "The Prayers of Kierkegaard" blending the most beautiful of instruments, the human voice, with that most expressive of all ensembles, the symphony orchestra.

The incredibly complex work featured the stunning, 120-voice Carolina Choir from the University of North Carolina at Chapel Hill under the direction of Robert Porco. This truly dynamic performance offered soprano passages sung with singular brilliance by Penelope Jensen of Chapel Hill. The lady should enjoy a long and happy life on the concert stage.

The second hour was given over to a powerhouse performance of the "Symphonie Fantastique," the first major work by Berlioz and still the most popular.

Born of the composer's love for Henrietta Smithson, the actress he later married, this epic work in five parts proved the ultimate challenge for the symphony. Filled with agony and ecstasy, it pushed the orchestra to the peak of its considerable powers. That the maestro and his artists sailed beyond that peak proved without doubt that the Carnegie Hall triumph was no fluke.●

MORE EDITORIAL SUPPORT FOR THE UNITED STATES–UNITED KINGDOM TAX TREATY

● Mr. JAVITS. Mr. President, yesterday I inserted in the RECORD an editorial from the New York Times outlining the arguments in favor of quick Senate action on the United States-United Kingdom Tax Treaty.

Today the Wall Street Journal joins the New York Times in urging that the Senate approve the treaty. In making its case, the Wall Street Journal focuses on the effect that the treaty will have in increasing foreign investment in the United States and on the benefits that will accrue to United States investors in Britain under the treaty.

I reiterate my call for prompt Senate action on the treaty. I commend the editorial to my colleagues and request that it be printed in the RECORD.

The editorial follows:

NOW, THE U.K. TAX TREATY

Out of the corner of your eye, no doubt, you have been seeing stories and commentaries about the tax treaty our State Department negotiated with the United Kingdom. In the next day or so, most likely, the U.S. Senate will vote the treaty up or down. We and almost everyone else who has looked at the treaty think it is swell, a document that so clearly benefits all parties that it may be that which Milton Friedman says there is none of, a free lunch.

Why are the proponents so anxious? What's it all about?

In the most general terms, what the treaty does is protect British investors from the tendency of American tax collectors to become greedy and arbitrary. At the same time it protects American investors from the tendency of British tax collectors to become greedy and arbitrary.

The folks who are trying to dynamite the

treaty in the U.S. Senate, not surprisingly, are the state tax collectors, who are running around yelling that the treaty is a violation of "states' rights" and will cause a loss of revenues to state governments.

There is, broadly speaking, no merit to their arguments, although they have a measure of our sympathy. They are constantly being whipped by their political bosses to find revenues that do not anger voters. It is thus inevitable that they would be driven to plucking the feathers of foreign investors, which is precisely why it became necessary for the State Department to get into the act and negotiate this treaty.

All it takes in a state revenue office to show a short-run bulge in taxes is to move the punctuation around in the accounting rules that U.S. subsidiaries of foreign companies must follow. Once the company is established, say in California, Sacramento has a tendency to figure it has no choice but to stand still and be plucked. This is the same mental attitude that once gripped the banana republics of Latin America, until they learned that greedy plucking of foreign investors always meant a drying up of foreign investment.

State tax collectors are not expected to understand the global impact of their narrow-minded administrative manipulations. National politicians are expected to, which is why there is such broad support in Washington and New York among Democrats and Republicans and newspapers that are usually on opposite sides of issues. In California, Gov. Jerry Brown initially sided with his tax collector. Then he took a trip to Japan and realized that potential Japanese investors in the California economy were staying home. Now he supports the treaty.

All the treaty does is systematize procedures in a way that will prevent states from abusing their tax-collecting powers in a way that ultimately hurts everyone, including their own citizens. The worst abuse that will be halted is the state taxing of profits earned outside a state, even profits earned in the United Kingdom. For their part, our British partners will stop double-taxing U.S. dividend income and rebate a barrel of money already grabbed in this fashion. If this isn't a free lunch, it's at least the next best thing.●

NOTICE CONCERNING NOMINATION BEFORE THE COMMITTEE ON THE JUDICIARY

● Mr. EASTLAND. Mr. President, the following nomination has been referred to and is now pending before the Committee on the Judiciary:

George H. Lowe, of New York, to be U.S. attorney for the northern district of New York for the term of 4 years, vice James M. Sullivan, Jr., resigned.

On behalf of the Committee on the Judiciary, notice is hereby given to all persons interested in this nomination to file with the committee, in writing, on or before Wednesday, May 17, 1978, any representations or objections they may wish to present concerning the above nomination with a further statement whether it is their intention to appear at any hearing which may be scheduled.●

ENERGY: COULD WATER BAIL US OUT?

● Mr. HATHAWAY. Mr. President, hydroelectric power has generated much interest in New England, but this far little electricity. The region continues to be dependent upon foreign oil for approximately 70 percent of its energy, and it is time to take the steps which will bring the promise and the reality of hydropower into balance in New England.

Mr. Richard Stewart in a recent article in the New England magazine of the Boston Globe stated succinctly the hope of hydropower: "It is the price of oil that makes hydropower a long-run blue chip." That price in New England has already resulted in energy prices one-third higher than the rest of the Nation, and has caused economic disruption and unemployment for hundreds of thousands.

There is little prospect for decreases in oil prices. Alternatives to oil and gas dependency need to be found, but there is no one alternative which will reverse the energy situation in New England. Rather, a combination of alternatives using the region's native resources—among them wood, water, perhaps even coal—need to be developed.

We now have the opportunity in New England to develop a major hydroelectric project at Dickey-Lincoln School Lakes in northern Maine. That project would be the first such Federal investment in the New England region. Dickey-Lincoln is a good investment for Maine and New England; and with a $45 billion foreign trade bill, it is a good investment for the Nation.

Hydropower is clean, renewable and inflation proof. Unlike coal, it does not pollute the air or water; unlike nuclear, it does not generate wastes which must be carefully—and expensively—stored for thousands of years.

Small hydro projects can contribute to localized energy needs during times when the rivers are running, and incentives to make their development economic have been included in the energy bills, both through tax incentives and direct funding of projects.

These small projects can make a contribution to reducing New England's dependency on foreign oil; they are not, however, an alternative to the larger Dickey-Lincoln project. Dickey-Lincoln with its large storage capacity can provide peaking power year around throughout the New England States, as well as intermediate load power to the northern Maine area where it would be located. While large, this reservoir is only one-half of 1 percent of the wooded area of the State of Maine.

The draft EIS on Dickey-Lincoln was released last summer by the Corps of Engineers, and the Department of Energy recently released the draft EIS on the transmission lines. Hearings on both the dams and the lines are underway. A final EIS is scheduled to be released in late summer, after which a decision can be finalized in regard to construction.

The administration requested continued preconstruction funding for Dickey-Lincoln in the fiscal year 1979 budget. This request has become controversial, despite a clear commitment from the Corps of Engineers that these funds would not be spent until a decision on the project was made. Quoting from an earlier statement by the Corps of Engineers:

> Funds were requested for fiscal year 1979 to provide for timely prosecution of design activities should pending decisions support such continued effort. The availability of funds in the upcoming fiscal year preserves the option of maintaining work continuity on an orderly and efficient basis. Should decisions not favor continued work, appropriate provisions would be taken to revoke the funds or reallocate to other projects.

This statement from the corps, makes it clear that such funds will not be "wasted"—rather the potential waste of funds is in the failure to provide any fiscal year 1979 moneys for the project. Unless such funds are available, any favorable decision to go ahead with Dickey-Lincoln will have to await a supplemental appropriation. As we all know, time is money, and nowhere is this more true than in the business of providing energy alternatives.

At this time, I attach for the RECORD the article "Energy: Could Water Bail Us Out?" by Richard H. Stewart.

[From the Boston Globe, May 7, 1978]

"ENERGY: COULD WATER BAIL US OUT?"

(By Richard H. Stewart)

Earlier this year, a scientific satellite was launched from Wallops Island, Virginia, by NASA. One of its missions was to look down and locate the thousands of small dams that are spread across the nation.

The Army Corps of Engineers is already engaged in a three-year survey to locate small dams and assess their potential for helping to solve the nation's energy crunch.

At least two New England states have made surveys of small dam power potential and the New England River Basins Commission is supporting a regional survey. Even private power companies, which abandoned most of their hydro power dams long ago, have begun a reassessment of water power in New England.

Several small firms have been formed in the region to revamp old dam sites and refurbish generating equipment. Foreign and domestic investors are doing market surveys to find out if hydro power is about to become a growth industry.

The Allis-Chalmers Corp. of Milwaukee, the nation's largest producers of turbines, announced last fall it is developing a line of 10 new turbines specially suited for generating power at small dam sites.

In the quest to find new sources of energy in America, small dams are getting a lot of attention, especially in New England, where thousands of small dams (the estimates range from 3000 to 9000) are believed to exist that might offer some relief from the region's dependency on high-priced imported oil.

Fifty-seven percent of the electric power produced in New England is generated by oil-fired power plants that consume 72 million barrels of oil each year at an annual cost of $1 billion. That is money that flows out of the United States, escalates our imbalance in trade deficits, and promotes domestic inflation.

Any alternative that reduces our demand for oil has to be considered a plus. Water is such an alternative. Unlike oil, it is an almost limitless resource and it is essentially free of charge. Adding to its appeal is the fact that hydroelectric power plants don't pollute.

New England would appear blessed with ideal circumstances. It has both unused dams and plenty of water. But the combination does not necessarily make hydro power the answer.

Nearly two-thirds of the dams in New England were built before 1931, and most of them are in private ownership. The current owners might be using them for purposes that would be incompatible with hydro power (flood control, industry, fishing ponds, drinking water, swimming). Given their ages, many of these dams are probably in bad repair.

Additionally, New England does not have great numbers of large, fast-flowing rivers that would provide a steady source of water power. New England streams during summer and fall often do not provide sufficient water to generate power.

An Army Corps of Engineers report last July estimated that if all the small dam potential in New England could be harnessed, they would have a capacity of 2,432,000 kilowatts, roughly the equivalent of two Seabrook nuclear plants.

But the study was done from available data on dams and no on-site checks were made. Corps officials concede the report deals with the optimum possibilities.

A task force composed of federal agencies in New England a year earlier offered the judgment that for various "financial, environmental and other reasons," only about 15 percent of New England's small dams could be converted to hydro power.

On that basis, less than 400,000 kilowatts of power could be expected from small hydro power sites, a small amount when compared with the 21 million kilowatts needed to supply all of New England.

As the federal task force asserted: "Although the number of dams is large, the collective total capacity is small."

But the utilization of even that comparatively small amount of hydro power would save the region about 3.4 million barrels a year. That amounts to $49 million that now goes to buy imported oil.

On a national scale, the Corps of Engineers estimated that development of all hydro power potential in the country would replace 265 million barrels of oil annually, a saving of $4 billion. This, also, is the optimum possibility.

Even if hydro power is not by itself a solution to New England's dependency on imported oil, it has a contribution to make as part of a mix of alternative energy sources, including solar power and wood-burning.

Harnessing of hydro power might also make another contribution—a change in lifestyle for many Americans. "Here's an opportunity to generate a lifestyle," said Prof. Louis H. Klotz of the University of New Hampshire. He argued that if communities took advantage of the scores of local dam sites they could generate new industry and new jobs.

"Local residents could work in the towns where they live. They wouldn't have to commute 30 to 50 miles away and use all that gasoline. That's another saving."

Klotz, a professor of civil engineering, has been examining the hydro power potential in Rollinsford, N.H., located on the banks of the Salmon Falls River on the Maine border. Waterfalls on the river provided power for the once-prosperous woolen mills that employed the townsfolk.

The ravages of fire and the lure of the city, which drew skilled workers from the community, proved fatal to the enterprises. The town owns the power dam, which was retired from service in 1962 by the Public Service Co. of New Hampshire. It once produced 2000 kilowatts of power.

Rollinsford selectmen estimate that amount of power would provide normal electric service to all the community's 700 household units about nine months of the year. The other three months would be in the summer when the river flow might be too low to produce power. Alternately, the electricity could provide street lighting or electricity for municipal buildings.

There are more than 100 such hydroelectric dams serving industrial plants in New England. Moreover, scores of municipalities, including Nashua, N.H., Canton and Wareham in Massachusetts, and a dozen or more communities in Vermont are moving toward harnessing nearby water power.

Some individuals have harnessed the power of local streams for their own limited needs. Bruce Sloat of Lancaster, N.H., serves his all-electric home with his own hydro plant. It cost him three years and $15,000. He figures he saved money the moment the plant began to produce power.

"What I now pay to the bank (for the loan) is what I was paying the power company. My costs are fixed but my electric rates have gone up twice."

Sloat is a special case. Not everyone is capable of emulating his effort. He spent 20 years working on small hydro facilities and had the expertise as well as the resource in his backyard. Another major factor is that Sloat saved an estimated $10,000 by searching out used equipment for his installation.

The investment cost for hydro power is high, one of the drawbacks to a successful venture. It is roughly on a par with nuclear power—about $1000 per kilowatt of capacity. It is also subject to the vagaries of the season. Hydro power depends on the weight of falling water to turn turbines. When there is insufficient water behind a dam, there is no electricity.

The potential for hydro power rests in the future price of fuel oil. As the price of oil escalates (there are predictions that a barrel of oil could cost between $20 and $30 in 10 years, nearly double the current price) hydro power will become a more attractive investment.

That is what investors are depending on. It is the motive behind one of the more promising hydroelectric facilities, an installation planned for the Merrimack Dam in Lawrence.

It has assets that most dam sites in New England lack. The dam, built in 1848 and the longest in the nation at the time, is in good condition. The Merrimack is a dependable river, its flow providing a constant source of energy.

A group of investors, Essex Development Assn., has formed a partnership to produce hydroelectric power from the dam, which has never been used for that purpose. When completed in 1981, the 14,000-kilowatt facility will be capable of producing one-third of the power used by the City of Lawrence (population 67,000 annually. It will cost $15 million to install the hydro plant.

The key to the success of the venture rests on an agreement the Lawrence investors have reached with Massachusetts Electric Co. under which the utility will buy all the power the plant can produce.

Most utilities currently will buy power from private hydro developers at a price that is generally 80 percent of the cost of the fuel source they currently use. In most cases this is oil.

While in most cases, this price gives the investor a break-even income, at best there is a potential for profit because of the expected rise in oil prices in the future. While oil prices climb, the cost of the hydro installation will hold reasonably constant, water being essentially a free fuel. It is the price of oil that makes hydro power a long-run blue chip.

"There is a great romance that hydro power will be cheap," said Gordon Marker, one of the partners in the Lawrence project. "It's not. In the long run it will be, but initially it's not much cheaper than nuclear."

Adding to the initial high cost of hydro power is the cost of compiling data needed to satisfy governmental licensing requirements. Marker estimated that cost added up to $355,000 for the Lawrence project. Nearly $200,000 of that amount, he said, was to meet demands for environmental information. Sixty copies of the final report were supplied to interested agencies. Their combined weight was 450 pounds.

Federal Energy Office officials, mindful of this barrier, are currently working on a simplified licensing form. In the case of small hydro sites, they are hoping to produce a one-page form. Large sites like the Lawrence facility would still require somewhat more complicated forms.

As a further aid to hydro development, Sen. John Durkin (D-N.H.) has proposed several measures that would provide $110 million for each of the next three years. The money would produce low-cost loans to reduce the cost of preparatory studies and architectural, engineering and construction costs. Both measures have passed their initial tests in Congress.

In addition, $15 million has been approved by President Carter to be used for research and development of several demonstration projects using small hydro sites. More than 200 applications have been submitted for such projects; several have come from New England.

Not everyone is joining the rush to small dam hydro power. A Maine legislative committee, after studying existing dams, reported in 1976 that they were not a "long run" solution to the state's energy needs. The committee did, however, support their use for "business and municipalities."

A special commission in New Hampshire made a similar finding. "Redevelopment of former hydroelectric sites in New Hampshire should not presently be encouraged as an economical electrical energy source," the 1977 report said. The report was met with some criticism from hydro enthusiasts who argued that the governor of New Hampshire, Meldrim Thomson, is a backer of the controversial Seabrook nuclear plant and the committee was named by him.

Only one member of the commission represented the Public Service Co. of New Hampshire, the state's principal utility. Others included a retired turbine engineer, a contractor, a legislator, the chairman of the Department of Water Resources and Bruce Sloat who, despite operating his own hydroelectric plant, does not advocate hydropower as practical for the general public.

Sloat noted that one other member of the commission, Edward Clark of Lincoln, N.H., bought a hydroelectric facility at Goodrich Falls after the study was completed. "He is losing money," said Sloat.

There are 74 dams in New Hampshire that once were used for power production. The commission said only six of them had any potential for being put back into service and the largest would produce 3000 kilowatts after a major investment for new generating equipment.

But dozens of these small hydro sites would make a contribution, even if small, to the overall energy needs of the region.

The greatest impact on New England energy needs would come from large hydro sites comparable to those that exist in other parts of the country, especially in the northwest. As a whole, the nation gets about 16 percent of its power from hydro plants. New England gets about 6 percent. Canada, on the other hand, gets 70 percent of its power from hydro facilities.

Currently, two such federally sponsored projects are in review. One is the Dickey-Lincoln dam proposed for the St. John River in northern Maine. The project has come under major criticism from environmentalists because its massive power dam would create a lake that would flood 88,000 acres of wilderness.

The other is a tidal-power project in

Passamaquoddy Bay off the northeastern coast of Maine. It would harness the massive tidal flows in that region. At the moment, Passamaquoddy is undergoing feasibility studies by the Army Corps of Engineers.

Like all hydro facilities, the initial cost is high—as much as $1 billion for Dickey-Lincoln and $2 billion for Passamaquoddy. Fully developed, each project would produce about 1 million kilowatts or the equivalent of one Seabrook nuclear plant.

While this a large capital investment, it is not extraordinary. It has been estimated that the oft-delayed Seabrook plant will cost as much as $2 billion if it is completed. That cost will be spread out among electricity consumers.

The cost of Dickey-Lincoln and Passamaquoddy would be spread out among the nation's taxpayers, a large number of whom are already benefiting from federal hydro projects which have long been denied New England.

There is, however, a significant difference. Nuclear plants are known as base power operations. They supply a constant amount of power 24 hours daily. Dickey and Passamaquoddy would be peaking power facilities.

Peaking plants, and there are several in New England, store water behind large dams and then allow it to run through turbines to provide power when demand is at its peak, usually at breakfast and dinner time.

Because of the size of the dam at Dickey, it could, in an emergency situation, provide power for 35 full days before it would run out of water.

While Dickey-Lincoln already has been found to be economical, returning more money over its lifetime than it will cost, Passamaquoddy is not by present estimates an economical undertaking. But there are arguments that now is the time to begin construction.

Once again it is the spiralling price of oil that encourages a new assessment of Passamaquoddy. The annual rise in construction costs and inflation also make early construction attractive.

While most hydro and nuclear installation costs carry a figure of approximately $1000 per kilowatt, it has been estimated the cost of constructing Passamaquoddy would hike that figure to $3500 per kilowatt.

Ellis Armstrong of Salt Lake City, an expert on hydro power and a member of the World Energy Council, argued that the expected rise in oil price makes Passamaquoddy a worthwhile undertaking today.

"If oil costs $20 a barrel, you could afford to spend $4000 or more for a kilowatt of electricity," said Armstrong. And by beginning it now, he added, construction and inflation costs would not take as great a toll as they will in the future.

Passamaquoddy would be a massive undertaking. Only France has a tidal power operation, although the Russians are involved in a small demonstration project. The French tidal power station at La Rance has a capacity of 240,000 kilowatts, one-fourth of what Passamaquoddy would provide. The Russian station is less than 1000 kilowatts.

Tidal flow at Passamaquoddy involves 4 billion tons of water daily, equivalent to half the water runoff in the entire United States, or the entire flow of the Mississippi River for two weeks.

Tides, running as high as 25 feet at some points, would flow through a siries of dikes. As the water flows in and out, the energy would be captured and turned into electric power.

New Hampshire's Sen. Durkin is among those who are taking a new look at Passamaquoddy's future potential. One of the problems with tidal power is that the tides vary about 50 minutes each day, meaning that the peaking power demands frequently would not coincide with the tidal flow.

But Durkin insisted that, because of time changes across the country, use of the facility could be maximized by feeding the power to other segments of the country where the peak demand would coincide with tides, something that could be done because of the national electric grid setup that links all parts of the nation.

Another potential power source for the Northeast exists in the massive tides of the Bay of Fundy, which runs between New Brunswick and Nova Scotia in Canada.

Canadians are involved in studies of the project, which, if fully developed, would have a capacity of more than 6 million kilowatts, comparable to six current-size nuclear plants.

But the Canadians will only develop a fraction of the potential power unless the United States, primarily the Northeast, is willing to commit itself to purchasing some of the power.

Tides in Fundy range from a low of 19 feet to a high of 53 feet, considered among the most favorable in the world for energy development.

With the world seemingly outstripping its available resources, the power of water—rivers and oceans—may one day offer the only dependable resource.

That day might already be in view.

WE'RE NOT AS HELPLESS AS WE THINK WE ARE

"Hydro power is a fact of life. New England got started on cheap power."

Joseph Pecoraro, chief of resource application grants for the Department of Energy office in Boston, speaks with emphasis and enthusiam. Where others see dark clouds on New England's energy horizon, Pecoraro sees a silver lining, based in large measure on his faith in the ingenuity of New Englanders.

"We're not as helpless as we think we are," he bubbles. "If there is real dedication to this concept (hydro power), to maximize it you could almost find yourself with a new growth industry.

"If you equate the cost of oil to the cost of hydro and look at the price of oil for the next 40 to 50 years there is no contest."

Pecoraro doesn't suggest that water power will solve the problem. It's just one of the alternatives available in New England. He ratties off a list of others: wood, coal, solid waste and peat. Yes, peat.

By his estimates, there are more than 150 million tons of peat in New England, more than half of it in Maine. Ireland produces 30 percent of its power by burning peat.

"We are the most heavily wooded area in the country," he adds. "If we just burned the annual growth—not denuding the forest—between now and the year 2000 we would produce the equivalent of 540 million tons of coal or 2.3 billion barrels of oil."

Then there are solid waste dumps. "They're a source of methane. San Francisco has done it and we're swimming in solid waste."

Currently there are studies of coal deposits in southeastern New England that show some promise.

"Take all of them. Each is not a solution in isolation. But if you add them together . . .

"By 1985, with a very minimal investment of money, we could save more than 100 million barrels of oil a year and that's 40 percent of New England's annual use.

"We have a surplus of power now, but we're eating off our fat. We've got to add to the base for growth."●

ALTERNATIVES TO HOSPITAL COST CONTAINMENT

● Mr. SCHMITT. Mr. President, last August I introduced into the RECORD several letters from New Mexico hospitals detailing suggestions and comments by the medical profession in New Mexico for alternatives to hospital cost containment.

Mr. President, as another example of an innovative and modern management technique which helps reduce actual increasing hospital costs, I ask unanimous consent that the letter from Thomas Spencer of the New Mexico Hospital Consortium be printed in the RECORD. I ask that the letter from Dr. Ramage be printed in the RECORD as an expression on the current proposal for hospital cost containment.

The letters follow:

NEW MEXICO HOSPITAL CONSORTIUM,
Albuquerque, N. Mex., October 21, 1977.

Hon. HARRISON (JACK) SCHMITT,
Senator from New Mexico,
Dirksen Senate Office Building,
Washington, D.C.

DEAR SENATOR SCHMITT: I heard of your interest in learning about voluntary cost containment efforts by hospitals in New Mexico from Jim LaCombe of the New Mexico Hospital Association. I would like to take this opportunity to tell you about the New Mexico Hospital Consortium.

The New Mexico Hospital Consortium is an organization that provides a variety of services to member hospitals throughout the State of New Mexico. The Consortium is incorporated under the laws of the State of New Mexico as a not-for-profit cooperative association. The organization was founded by the chief executive officers of six hospitals in June of 1976, and now includes eleven hospitals as members and provides services to two hospitals and a clinic that are not members. The individuals involved recognize the advantages of pooling resources and sharing services to contain cost and to improve the quality and scope of the services that their institutions provide. They also are committed to maintaining the local autonomy of their institutions. The organization serves as a vehicle for accomplishing these purposes. The objectives of the NMHC are:

1. To foster and maintain autonomous operation of member hospitals.
2. To enhance the delivery of health care throughout New Mexico.
3. To help contain cost of operation by achieving economies of scale.
4. To help coordinate state wide planning.
5. To provide additional management and technical expertise to rural hospitals.
6. To improve continuing education among administrators and health professionals.

The Consortium is governed by a board of directors consisting of the chief executive officer of each member hospital. The board exerts no control over member hospitals but rather formulates policy and implements programs for the purpose of achieving the goals of the organization. The board employs an executive director and holds him responsible for planning, organizing, staffing, directing and controlling the programs and activities of the organization.

Financial support for the Consortium is derived from monthly dues assessed members by bed size and fees for services rendered. The hospitals are not required to participate in Consortium programs. Each administrator determines what services are applicable to the situation at his/her hospital and pays only for the services the institution uses. At the present time the Consortium provides the following services:

A. Group Purchasing

The cooperative group purchasing program of the Consortium has been in existence for one year. More than two hundred purchasing contracts have been made available to hospitals through the Consortium program. Consolidation of purchasing has not only re-

resulted in price reductions, but has also resulted in agreements with distributors that improve representation, increase flexibility of shipping, shorten delivery time, and reduce freight costs. The purchasing program of the NMHC is a dynamic, ever-changing program and it is difficult to arrive at an exact figure of the savings involved. I feel, however, that a few examples might give you an idea of the magnitude of the savings involved.

1. *I–V solutions.* Espanola Hospital determined that its savings on the purchasing of I–V solutions under Consortium contracts is in excess of $1,000 per month. Studies in other hospitals have shown that their experience is similar to Espanola's. For the eleven hospitals participating in the program the savings on the purchase of I–V solutions alone is in excess of $11,000 per month, or $132,000 per year.

2. *Needles and syringes.* Consortium member hospitals were buying needles and syringes at $77.35 per thousand previous to the establishment of the Consortium contracts. The NMHC negotiated price is $48.30 per thousand. The savings is $29.05 per thousand. Using an estimated monthly volume of use for the total group the savings is $3,000 per month or $36,000 per year.

3. *Disposable linen packs.* The average list price for disposable linen packs prior to the negotiation of the Consortium was $9.90. The Consortium contract price is $8.42. The savings is $1.48 per pack. Using an estimated volume figure for the entire group the savings comes to $740 per month or $8,888 per year.

4. *Underpads.* Previous to the Consortium contract member hospitals were paying an average of $20 per case for underpads. The NMHC price is $15 per case, or a savings of $5 per case. Using an estimated usage figure for eleven member hospitals the savings per month comes to $550, or $6,600 per year.

The examples given relate to four contracts out of a total of 200 contracts covering many items—drugs, supply and equipment items. The savings from these four contracts alone is in excess of $15,000 per month or $182,000 per year.

B. Education Program

The NMHC provides continuing education for hospital personnel. The program includes courses in intensive care nursing, coronary care nursing, respiratory care, neonatal care, supervisory skills, communication skills, emergency room nursing, care of stroke victims, cancer detection and treatment, and needs of unwed mothers. These courses are available for presentation at each hospital. Prior to the inception of the NMHC education program continuing education was costing member hospitals $12 per person per hour. Education provided under the NMHC program, is costing member hospitals an average of $2 per person per hour. Since the beginning of the program 2,800 person hours of education have been provided to member hospitals. This amount of education would have cost member hospitals $33,600 per year. The cost under the NMHC education program has been $4,857. The savings over the first six months is $28,743. In addition to monetary advantages there are other advantages to member hospitals resulting from the NMHC education program.

The presentation of courses at the local hospital minimizes problems related to coverage and family responsibilities that are associated with traveling to courses in distant areas. The effectiveness of the education is improved because more people are exposed to the information presented. The instructors involved in the education program are familiar with the hospital environment and are available for consultation on a continuing basis.

C. Bio-Medical Engineering Program

The Bio-Medical Engineering Program provides electrical safety assurance, preventive maintenance, and repair of medical equipment to the participating hospitals. The charge for this service is $16.50 per hour with no travel charges. The program involves an average of ten hours per month at each hospital and the average cost per hospital is $165.00 per month. Commercial firms offering similar service charge $25–$35 per hour, portal to portal. The same service to participating hospitals at these prices would be $350–$475 per month. The savings to participating hospitals averages $250 per hospital. With eight hospitals participating the savings related to the total program averages $2,000 per month or $24,000 per year.

The Bio-Medical Engineering Program has not only reduced cost for repairs of equipment, but it has had a beneficial effect on the quality of patient care provided in the hospitals. Insurance carriers have recognized this improvement in quality and has reflected this recognition in their rating structures. In one hospital this consideration amounted to $6,000, and in another it amounted to a $12,000 reduction in insurance premiums from what the insurance company had originally projected.

D. Provider Representative Program

The Provider Representative Program provides a liaison between the hospitals and the organization responsible for processing claims in the Medicaid program. In one member hospital the receivables relating to the Medicaid program have been reduced from an average of $80,000 to an average of $20,000 over a three months period.

E. Physician Recruitment

The Physician Recruitment Program provides recruiting services to member hospitals through a contract with a professional recruiting firm. The normal fee charged by the firm is $4,000 per physician placement. By combining contracts and negotiating the Consortium has been able to reduce this fee to $2,500 per physician placement for member hospital. Two hospitals are conducting searches for physicians using this program at the present time.

F. Consultation Services

1. Medical Records:

One hospital contracted with the Consortium to provide a Medical Records consultation on a one visit per month basis. This arrangement has proved adequate for the hospitals and is costing approximately $110.00 per month. Without the Consortium the hospital would have hired an RRT at a cost of $800 per month.

2. Maintenance:

One hospital contracted with the Consortium for maintenance consultation for repair of a roof. As a result of the consultation the problem was solved and the cost was $9,000 less than the cost of the solution arrived at by the hospital previous to consultation.

New programs are limited only by the imagination and creativity of those involved. Future plans include development of programs to provide transmission and automated interpretation of EKG's and pulmonary functions, Physical Therapy, continuing education for physicians in rural practice, consultation service in the area of long range planning, systems design in financial management, materials management, pharmaceutical distribution, education for hospital trustees and community health education.

The New Mexico Hospital Consortium was created by health care managers in the State of New Mexico in an effort to contain costs and improve service. The savings achieved by hospitals through Consortium participation are returned to the communities they serve in the form of reduction in rate increases and improvements in quality and scope of service available. The Consortium was founded voluntarily with no outside funding encouragement. Those involved in the Consortium feel that the problem of controlling health care costs can be addressed more effectively from inside the industry through efforts like this rather than through government mandated controls. The results to date are evidence of the validity of this position.

I hope the information I have provided will be of value to you. If you need more information or desire clarification please contact me.

Sincerely your,

THOMAS E. SPENCER,
Executive Director

SAVINGS SYNOPSIS—NEW MEXICO HOSPITAL CONSORTIUM

Purchasing program (4 examples out of 200 contracts):

I-V, 11,000/mo., 132,000/yr.

Needles and Syringes, 3,600/mo., 36,000/yr.

Disposable Linen Packs, 740/mo., 8,800/yr.

Underpads, 550/mo., 6,600/yr.

Total savings on examples given, $15,290/mo., 183,480/yr.

Education programs:

Savings of $28,743 for six months.

Bio-Medical Engineering Program:

Direct Savings, $2,000/mo., 24,000/yr.

Savings due to reduction in insurance, $22,000/yr.

Provider Representative Program: The program has not been operational long enough to measure savings.

Physician Recruitment:

2 contracts signed;

Savings of $1,500/contract equals $3,000 total.

Medical Records Consultation: $690/mo., 8,200/yr.

Maintenance Consultation: $9,000/yr.

The estimated net savings to member hospitals resulting from all Consortium programs in the first year of operation of the New Mexico Hospital Consortium (using only four examples out of 200 contracts in the purchasing program)

Gross	$307,246
Less dues	45,615
Less purchasing fee	2,600
Net	268,031

THOMAS D. RAMAGE, M.D.,
Roswell, N. Mex., April 3, 1978.

Hon. HARRISON SCHMITT,
U.S. Senate, Dirksen Senate Office Building, Washington, D.C.

SENATOR SCHMITT: After being in private practice in medicine for approximately nine months, I have come to one conclusion. We are the most over-regulated profession in the country. The time consumption and added expense of these many mind-boggling regulations that are for the stated purpose of improving health care, in many cases, do just the opposite. The PSRO folks are from a different world. Basically, they represent cookbook medicine.

I have had admissions refused that would be admitted on an emergency basis to any veterans administration hospital, to any university hospital and to any public health hospital. Yet, hospitals in the private sector are being discriminated against because the rules do not apply to all the hospitals in this country. My experience in the veterans administration and the military hospital systems was that of dismay. The so-called cost effectiveness that everyone seems to be talking about these days was never mentioned in these institutions. No heed was given to controlling costs or to controlling appropriate missions since the money was available in either this pot or that pot, and, of course, it is tax money. Having just completed an internship, residency and fellowship, I can say that these problems were never apparent to me in the university or veterans administration hospital in which I was trained. Although the rules are different out here in

private medicine, the patients are still the same. They are sick; they sometimes need hospitalization; they sometimes die. I cannot tell any discernible difference, from an anatomical or physiologic standpoint, between a government patient and a private patient or any of the other various categories. To me, they are all people.

I would like to point out to you that the current bills before Congress to control costs in hospitals and to extend the so-called certificate of need over into the physician's office will greatly influence where new physicians will be moving to set up private practice. Towns and cities of a population between 10,000 and 50,000 to 60,000 people will be in a bind. If the bureaucrats think that we now have a maldistribution of physicians, I shudder to think what will happen if the government further imposes controls on hospital equipment, etc., on an arbitrary basis.

Towns in the middle sized category will find it hard to attract top notch specialists because they will have difficulty getting equipment which these particular specialists are trained to use and need for their practices. Some of these instruments and equipment have brought revolutionary changes to medicine. I believe that instead of controlling costs it will just result in maldistribution of health care and is a further governmental attempt to influence private life styles in rural and small city settings.

It appears to me, not only in medicine but in other areas of American life, that we are now turning our back on the very things that enabled us to become the most advanced society that the world has ever known. While politicians, our representatives and senators, talk about socialism, sweeping changes are being made that will eventually lead us into that state. Capitalism has now become a dirty word and anyone associated with capitalism is thought to be a suspicious character. Hard work, ambition and determination among those that would be self-sufficient are now taken for weird traits and, indeed, society's normal folks are looking more like deadbeats. While we, as a society, curse the darkness of socialism and communism, we are, at the same time, turning out the lights.

Sincerely,

THOMAS D. RAMAGE, M.D.●

USDA REORGANIZATION

● Mr. MORGAN. Mr. President, recently there has been a number of speeches and articles concerning reorganization of the U.S. Department of Agriculture. Last week I inserted into the RECORD an excellent article on this subject by Robert Partridge which appeared in the April issue of Rural Electrification.

Today, I would like to call attention to a speech given yesterday by the distinguished chairman of the Senate Committee on Agriculture, Nutrition, and Forestry on this same subject. These farsighted and comprehensive comments by Senator TALMADGE were made before the rural electric rally here in Washington. In his remarks, Senator TALMADGE discussed reorganization of the Department and the implications of such a reorganization for rural Americans. Mr. President, I ask that the text of Senator TALMADGE's comments be printed in the RECORD.

The comments follow:

REMARKS OF SENATOR HERMAN E. TALMADGE

I am here today to issue a clarion call for help. I have a message that I urge you to take to every office, nook and cranny of Capitol Hill.

The message is simple.

Save the U.S. Department of Agriculture!

Wire that message; write it; say it to anyone who will listen.

Save the Department of Agriculture!

During the 1978 campaign, President Carter promised to reorganize the Federal government. He promised to eliminate agencies and bureaucrats wherever he could.

That is a lofty and worthwhile goal. There are too many Federal programs and agencies. There are too many bureaucrats.

There are too many independent agencies answering directly to the President.

But as those of us in Congress have watched the President's reorganization project and similar work unfold, the objective of these efforts more and more resembles the proposed Nixon reorganization, which you and I helped to defeat.

Let's look at what has happened.

The Office of Management and Budget has been working for some time on a study of REA.

For those of you who are new to Washington, you should know that when OMB wants to study something, it's often like a cat studying a mouse before the mouse is exterminated.

From all that I can tell OMB is looking for a corpse.

That corpse is the greatest cooperative movement in the history of the world—Rural Electrification.

But just as no man is an island entire unto himself, the U.S. Department of Agriculture is a whole entity made up of many interrelated parts. All of the parts are essential to the future and well being of rural America and to the well being of all Americans regardless of wherever they live.

Several parts of the U.S.D.A. entity other than REA are also threatened. The immediate battle line is drawn on a proposal to shift the child nutrition programs of U.S.D.A.—including school lunch—to the proposed new Department of Education.

The message I want to get across today is that the friends of REA should be concerned and alarmed about the proposed transfer of the school lunch program, because it does affect you and it does affect REA.

Make no mistake about it: If the current attempt to strip away the school lunch program from U.S.D.A. succeeds, it will greatly intensify the threat of a similar fate befalling REA somewhere down the road. The same message applies to the Forest Service, to Soil Conservation, and to the other pieces of U.S.D.A. that are coveted by others within the Federal establishment.

The threat is very real.

The fight to break up U.S.D.A. is now joined on the school lunch issue.

I urge you to make it your fight now, today.

Let me give you some background to support what I say so that you will understand the complex actions now going on.

The Secretary of the Interior has made it clear that he wants the Forest Service and the Soil Conservation Service transferred to his department.

Together these two agencies represent 35 percent of the employees in the Department of Agriculture.

As I understand it, the President's reorganization project has recommended to the Director of OMB that a Department of Resource Conservation be established—formed around a core of existing Interior Department agencies—that would take away all of the Forest Service and SCS water projects from U.S.D.A.

While reorganization proposals surrounding the economic development functions of the government are not so evident at this time, it is no secret that certain Cabinet officers have designs on many of the programs of the Farmers Home Administration, which you have used so effectively to improve the quality of life in rural America.

Water and waste disposal loans, rural housing, community facility and business loans would have to be considered primary targets for transfer to agencies with an urban bias.

You may well ask why you should be concerned now with proposals you have not seen in writing.

First, the rhetoric now being uttered by the reorganizers at OMB is almost identical to what we heard during the Nixon reorganization effort. With smiling faces these people talk about the efficiency of putting similar government functions together into bigger Federal bureaucracies.

In my experience in government I have never seen any bureaucracy get better by getting bigger. The Department of Health, Education and Welfare is a good example.

During another Federal reorganization back in 1939, the Food and Drug Administration was transferred from U.S.D.A. to an outfit then known as the Federal Security Agency.

FDA was sent there because the Federal Security Agency didn't have much to do and needed additional functions to justify its existence.

Like topsy, the Federal Security Agency "growed and growed" and eventually got a new name—Department of Health, Education and Welfare. Today, HEW occupies more than 30 buildings in the Washington area alone. It exemplifies one of the most unmanageable bureaucracies in the world.

HEW is a classic example of why in government smaller is better.

My second concern is with what is happening now around the flanks of the reorganization project.

The White House has announced it wants a National Development Bank. You may recall that Senator Humphrey and I led the fight for a Rural Development Bank back in 1971. For our troubles we were fed a lot of rhetoric about Federal reorganization.

Two weeks ago during a hearing before our Rural Development Subcommittee, an official of the Treasury Department was asked if the proposed National Development Bank would issue rural credit. The answer was, "Yes."

Then the Treasury official was asked why the Secretaries of the Treasury, Commerce and HUD were to be included on the Bank's Advisory Committee, but the Secretary of Agriculture was not. The reply was that the Secretary of Commerce did all of the rural development in the government, and so it was felt that Agriculture need not be represented.

At that point, the Treasury official received a crash course on the $9 billion in rural development programs of U.S.D.A., not counting farm programs, forestry and rural electrification.

I think this incident shows that the people who do the planning to move the organizational boxes around in the government are not always vicious schemers.

More often, they simply don't understand the whole system, and most particularly, they don't understand why certain programs are located where they are.

The current proposal by the Administration to move $2 billion in nutrition programs from U.S.D.A. to the proposed new Department of Education shows a similar lack of basic understanding.

At first blush, it might seem to make some sense that the school lunch and school breakfast programs be assigned to a Department of Education. But on closer investigation, it makes no sense at all.

Food, nutrition and agriculture have become irrevocably linked in national policy considerations. It is not by accident that the basic farm law of this country enacted by Congress last year is titled: "The Food and Agriculture Act of 1977."

The school lunch and other child nutrition programs were developed and have grown to maturity within the United States

Department of Agriculture. To place these programs in the untried and untested hands of a new Department of Education would be bad for the programs, bad for agriculture and bad for the children of America.

For one thing, some of the child nutrition programs have no connection with the school system. The summer feeding program and the child care feeding program are not administered through schools, and have no association with the educational system.

Transferring the child nutrition programs to a Department of Education would lead to elimination of the current commodity support for the feeding programs. Without commodity support, the price of a school meal would increase, and participation among paying students would decrease.

At the present time, over 20 percent of the food served in the school lunch program is purchased by, and distributed by, the Department of Agriculture. This support enhances the quality of the meals served and keeps down the cost of the lunch.

Under the Department of Education, nutrition will be viewed solely as an educational support function, and not as part of a national food and nutrition policy. The Department of Education would become a single purpose agency. Those functions that are not administered by the education establishment will never feel at home in that agency and their funds will always be in jeopardy.

The nutrition programs, and the child nutrition programs in particular, should serve as the backbone of our emerging food, nutrition, and agriculture policy. They should not be severed from the Department of Agriculture at the very time that people are beginning to recognize the interrelationship between these areas.

None of this is to mention that removal of the nutrition programs would remove $2 of the $14 billion budget of U.S.D.A.

Cut away rural development and you lose a few billion more. Cut away forestry and soil conservation and you lose another couple of billion. Cut away REA and you lose still more.

President Carter has committed himself to maintaining the Department of Agriculture. My concern is that once the reorganizers finish raiding the Department's functions, the President will not be able to keep that pledge.

If the reorganizers have their way, the Department of Agriculture would become little more than an empty shell, incapable of serving as a viable voice for rural America within the councils of the Executive Branch.

The removal of the vital, interrelated functions of U.S.D.A. to other departments would weaken still further the limited leverage that farm area Senators and Representatives now have to put through effective farm legislation. I need not remind you that the farm population of this country continues to decline and now accounts for only 3.6 percent of the total U.S. population.

The entire matter of Federal reorganization can become quite complex. It also can become fragmented in terms of time.

The proposal to shift the child nutrition programs to the proposed Department of Education is before the Congress at the present time. The Senate Committee on Government Affairs, which is handling the legislation, is holding final hearings now and probably will begin marking up the bill later this month.

Natural resource changes or economic development switches could come next year or the next. It's been a long time since anyone has heard from the OMB study of REA.

Because of this loose timetable, neither NRECA nor any other organization can be expected to maintain a fever pitch of interest in behalf of the Department of Agriculture for months on end.

But you are here in Washington now. You have an opportunity to meet with your Congressmen and Senators now. Despite the complexity of this issue, make your message simple.

Save the Department of Agriculture!

You can count on my help in this effort. You can count on the help of all 18 members of the Committee on Agriculture, Nutrition, and Forestry, regardless of party.

We already have written a joint letter to the Chairman of the Government Affairs Committee, Senator Ribicoff, expressing our strong opposition to the removal of the nutrition programs to a Department of Education.

This is not to say that the members of our Committee are opposed to the creation of a Department of Education. Several of our members—myself included—are in favor of the new department. In fact, six of our members are co-sponsors of the Department of Education bill.

But on the question of transferring the school lunch and other child nutrition programs we stand united. We stand in unalterable opposition. I urge you to join actively with us in this opposition.

Some of you may think of yourselves as being solely in the electricity business. It may be difficult for you to see how the school lunch program has anything to do with the transmission of power by your cooperatives in the cheapest and most efficient manner possible.

But I am certain that I do not have to remind you that just as the bell tolls for child nutrition it also tolls for REA. If any segment of the department is diminished, you are diminished also.

This is your fight. It may not be a monstrous war, such as the one we fought together when we saved the REA during the Nixon Administration.

Instead, it will be a series of battles. I tell you today—and I cannot stress it too strongly—all of those battles must be won—or we stand to lose the war.

I am pleased that NRECA is testifying against the shift of the nutrition programs to the Department of Education. You may rest assured that I will encourage other organizations to come to your aid if the REA is ever put in jeopardy.

I know I speak the united sentiments of every member of the Senate Committee on Agriculture, Nutrition, and Forestry in that promise also.

I come to NRECA first with this message, because you have always been first when it comes to the defense of rural America. I urge you to send out the troops and go to work. It is time to go into battle.

I urge you to adopt this cause as your cause. For in the long run, that is just what it is.

I am confident that the men and women of America's Rural Electric Co-operatives can be counted upon to do their part to win this fight that means so much to agriculture, to rural America and to the children of this country.

Thank you.●

A TRIBUTE TO NEILL J. CASTO

● Mr. CHAFEE. Mr. President, all who had the privilege of knowing Neill Casto feel grief over his death late Sunday night in a plane crash near Brunswick, Ga.

Neill served on my staff here in Washington as long as I have been here and prior thereto as a campaign worker.

Neill Casto was kind, constantly cheerful, untouched by guile, incredibly hard-working, and was filled with curiosity and a willingness to venture. In many ways he was a man for all seasons—mechanically skilled, interested in horticulture, musical, and a pilot who loved flying.

We all miss him tremendously.

A memorial service for Neill will be held this Friday, May 12 at noon in room EF–100 of the Capitol. All are invited.●

CAMBODIA'S HOLOCAUST

● Mr. HATCH. Mr. President, last week I spoke about the ongoing atrocities in Cambodia. At that time I compared it to the mass murders of the Jewish population of Europe by the Nazis during World War II. Regretfully I have to admit that the Communists in Cambodia, under the name of the Khmer Rouge, have exceeded even the inhumanness of the Nazis. What has been the reaction of the American people? Mr. Smith Hempstone, writing in Sunday's Washington Post, sums it up clearly:

> Not a dissident sparrow can fall in Chile, Brazil, South Korea, Iran or South Africa—all ruled by right-wing authoritarian regimes—without touching off a cacaphony of indignant accusation and ideological hand-wringing. But hundreds of thousands of Cambodians can be murdered by a faceless Marxist regime, or simply worked to death in the paddies, without eliciting so much as a peep of disapproval from the Rev. William Sloane Coffin or Jane Fonda.

There has been no outcry against this new "holocaust." One would have thought that with the showing of the semidocumentary detailing the extermination of the Jew during World War II that the public would be up in arms against this outrage. But such is not the case.

The current administration has made "human rights" the cornerstone of its foreign policy. Our U.N. Ambassador Andrew Young has led the charge to place sanctions against South Africa and Rhodesia for what he considers to be violations of human rights. President Carter has chastised the Government of Brazil for alleged violations of human rights. I ask them where they have been looking while the Khmer Rouge have been slaughtering people by the thousands. It is true that President Carter has named Cambodia as the worst violator of human rights, but without action it is of little effect.

Mr. President, I call upon Ambassador Young to speak up in the debate within the United Nations and urge action against these atrocities. I hope that he will not cower from the wrath of other Third World Nations who seem loath to criticize one another, and for all practical purposes have seized control of the policy of the U.N. This Nation must lead the way against such atrocities for no one else will. We cannot expect the other Communist nations of the world to make any attempt at halting this action. Just last Thursday Cambodian Foreign Minister Ieng Sary stated that the situation in Cambodia was "excellent" and that "the living conditions of our people have improved in all areas." This is the type of rhetoric that we will consistently find from Communist nations. Telling the world that all is well while they continue to commit the heinous crimes against society. We here in the Congress must not stand by and permit this to happen.

Other Members of Congress are aware of what is taking place; some have traveled to Cambodia and seen for themselves. In testimony before the House International Relations Committee, upon returning from Cambodia, Representative PAUL MURTHA testified:

During the briefings they pointed out that there were serious atrocities every time the Khmer Rouge who were trained in Hanoi came into an area . . . They showed us in detail what happened in the atrocities that had been perpetrated in the areas that were overrun by the Khmer Rouge. It is a very vicious, barbaric war, and I think impressed all of us with the tremendous barbarity and viciousness . . .

This was testimony reporting from a 1975 visit. The murders had started even then and continue today. This past week two excellent articles have appeared detailing many of the crimes. In Sunday's Washington Post Mr. Smith Hempstone had an article, "The Need To Bear Witness to Cambodia's Holocaust," and in today's Wall Street Journal Mr. Leo Cherne writes an informative piece, "The Terror in Cambodia." I submit both of these articles for the RECORD:

THE NEED TO BEAR WITNESS TO CAMBODIA'S HOLOCAUST

(By Smith Hempstone)

An estimated 120 million Americans recently spent 9½ hours watching a four-part NBC "docudrama" detailing the inhuman persecution of Europe's Jews by the Nazis.

A haunting theme running through the portrayal was the indifference of men of good will elsewhere to the fate of the Jews. Some who knew or suspected what was happening didn't care; others simply refused to believe the evidence.

The question on many lips after "Holocaust" was this: Could the extermination of a helpless people take place again without the world rising up in righteous indignation? The answer demonstrably is that it could. Indeed, while we drink our Sunday coffee, another holocaust is taking place today, this time in Cambodia. But it is not chic to be Cambodian, there is no Khmer lobby in Washington, and the public outcry against this policy of genocide is not, shall be say, deafening.

Not a dissident sparrow can fall in Chile, Brazil, South Korea, Iran or South Africa—all ruled by right-wing authoritarian regimes—without touching off a cacophony of indignant accusation and ideological handwringing. But hundreds of thousands of Cambodians can be murdered by a faceless Marxist regime, or simply worked to death in the paddies, without eliciting so much as a peep of disapproval from the Rev. William Sloane Coffin or Jane Fonda.

The campuses of America rolled with protest in 1970 when U.S. troops, at the invitation of the Cambodian government, attacked North Vietnamese units using that country as a sanctuary and staging area. But the draft is a thing of the past, and there are no chanting demonstrators to protest the autogenocide of the Cambodian people by Communist Party leader Pol Pot, who makes Caligula look Jeffersonian when it comes to concern for human rights.

It is true that President Carter on April 21, three years after the fall of Phnom Penh and nearly 16 months after his inauguration, finally got around to castigating Cambodia as "the worst violator of human rights in the world today."

But where was the president for the previous year, when Cambodians were dying by the tens of thousands? Did it really take him that long to learn of "abuses that included mass killings, inhuman treatment of the supporters of the previous government . . . the total suppression of recognized political and religious freedoms, as well as deprivation of food and health care"? Or did he have to see "Holocaust" to be reminded of the "obligation of every member of the international community to protest the policies of this or any nation which cruelly and systematically violates the right of its people to enjoy life and basic human dignities"?

And is that where it stops? Will the president say no more? Will the Congress do nothing? Will we not try to persuade those with influence over Cambodia, particularly the Chinese, to urge the Cambodians to alleviate the slaughter?

Nobody, including Mr. Carter, knows how many people have died since Phnom Penh, abandoned to its fate by its U.S. allies, fell to the Communist Khmer Rouge on April 17, 1975.

Western newsmen are not allowed into the death camp know as "Democratic Kampuchea." Cambodia permits only nine nations (eight of them Marxist; the exception is Egypt) to maintain embassies in Phnom Penh. And diplomats assigned to these missions, with the sole exception of the Chinese, are virtually prisoners in their embassies. They are not allowed to travel or to speak to nongovernment Khmers, and their meals are brought to them by truck every day.

It is nearly as difficult and far more dangerous to try to leave Cambodia than to enter it. Border areas have been depopulated to a depth of 25 miles and mined, with patrols shooting on sight anyone found near the frontier. Charles H. Twining Jr., the State Department's principal Cambodia-watcher, estimates that only 1 out of every 5 Cambodians who try to flee survives.

In such a closed society, projections about the number who have died necessarily are based largely on reports by the 15,000 refugees and defectors who have managed to reach Thailand. Refugee accounts always have to be treated with caution: By definition, refugees are prejudiced against the regime, and can only have known what went on in a specific place at a certain time (by the same token and for the same reason, some Americans in the 1930s refused to believe what Jews who escaped Nazi Germany said was going on there).

But the pattern and dimensions of this tragedy are reasonably clear. It appears certain that between 500,000 and 2 million Cambodians, out of a total population of 7 million, have been executed, starved or worked to death, died of disease or been killed while trying to flee over the past three years (600,000 others died during the war, many of them victims of American bombing).

Let us be more charitable to Pol Pot than he deserves. Let us assume the refugees' tales are exaggerated. Take the low figure of 500,000 dead. That means 1 out of every 14 Cambodians has lost his life over the past three years.

If one day Cambodia should again become free, and some Khmer should ask why so many remained silent in the face of this act of genocide, it will not be good enough to say, as some did about the extermination of the European Jews, "I never knew."

In the days immediately after the fall of Phnom Penh, before the curtain of silence fell over Cambodia, Sydney Schanberg of The New York Times wrote a gripping, eyewitness account of the expulsion of "perhaps 4 million" Cambodians from the cities into the countryside. Neither the sick, the halt, the lame nor the blind were spared this death march, wrote Schanberg, whose account later was confirmed by another eyewitness, the Rev. Francois Ponchaud, author of "Cambodia, Year Zero":

"No one has been excluded. Even the very old, the very young, the sick and the wounded have been forced onto the roads. Some clearly will not be strong enough to survive.

"Hospitals jammed with wounded were emptied, right down to the last patient. They went limping, crawling on crutches, carried on relatives' backs, wheeled on their hospital beds."

Like the Jews of "Holocaust," the people of Phnom Penh, its population down from 2 million to 20,000 after the exodus, were not being marched off for delousing and a shower. Their Via Dolorsa led into the jungle, where they were to be put to work without tools, medicine or supplies, carving out new collective farms. Those who could not keep up were clubbed to death by their guards, or left to die of hunger and thirst beside the trail.

Those who survived the death marches found a life of endless toil on low rations awaiting them, with death the penalty for deviation. It was not just Lon Nol's officer corps and their families, the plutocracy, the intelligentsia or even the bourgeoisie who were murdered, although these, of course, were the first to go. It was anyone who had had the slightest connection with the previous regime, down to the rank of private, anyone who was too old, young or frail to be of service to the state, anyone with enough backbone to protest or question what was happening.

Some Americans find it difficult to believe the enormity of the Cambodian disaster because it seems to have so little logic behind it. What is to be gained by murdering simple people guilty of no crime other than that of having been at the wrong place at the wrong time?

Pol Pot and Deputy Prime Minister Ieng Sary, who are married to sisters, are French-educated Marxists, xenophobes with an abiding hatred for everything Western and everyone associated with the royal or republican regimes, millennialists who seek to create a new, purified Khmer man, freed of the taint of capitalist corruption. And if a million or two people have to die in the process of making human reality conform to their own distorted abstraction, so be it. After all, they have the examples of China and the Soviet Union to guide them in such matters.

Some Americans who are prepared to concede that something unpleasant has been going on in Cambodia these past three years excuse their lack of protest on the ground that nothing can be done to prevent it.

It is true that neither the United States in particular nor the West in general has much influence with Pol Pot's regime, which refuses to accept even humanitarian aid. But Peking does have a certain amount of leverage in Phnom Penh, and the Chinese ought to be publicly urged to use it to ease the rain of terror.

Beyond this, there is the matter of bearing witness. One may not be able to triumph over evil, but one need not remain silent in its presence. President Carter might speak up more than once on the subject. He might instruct Andrew Young to walk out of the United Nations General Assembly whenever the representative of "Democratic Kampuchea" rises to speak. At every time and in every available forum, those who speak for the United States could call on the conscience of the world to condemn those who commit such atrocities. Finally, Congress, as the Canadian House of Commons already has done, might adopt a motion of protest against the policies of this Southeast Asian tryanny.

Perhaps none of this would save lives. But if we do not do something, if we do not try, it will be stark evidence that we still have not learned the lessons of the Holocaust.

THE TERROR IN CAMBODIA

(By Leo Cherne)

"It appears to have taken six years to kill nine million human beings in Nazi Germany and in the countries it occupied. It appears to have taken one day to inflict catastrophic disaster on more than three million Cambodians."

With these words three years ago Freedom House, the human rights monitoring organization, filed an appeal with the UN Commission on Human Rights for an inquiry into the events in Cambodia after the Khmer Rouge took power there in 1975. The UN body took three months to respond to that Freedom House appeal—negatively.

Until recently, a few books and articles focused on Cambodia, but no government leader or international body sought to penetrate the silence. Only Chaim Herzog, Israeli ambassador to the UN, raised a solitary voice on the floor of the United Nations in a futile effort to draw attention to the fact that in the new Democratic Kampuchea, "three to four million people fell into a deep, black, echoless hole."

In July of 1977, a House International Relations subcommittee initiated a congressional inquiry into the horror of Cambodia. This spring the Canadian government denounced the killing and suffering there. Now President Carter has called the Cambodian government "the worst violation of human rights in the world today," and an international inquiry sponsored by Norway's four political parties has invited witnesses from many countries to testify on the matter in Oslo. But in the slow pace of world reaction to events in Cambodia there is a morbid parallel to the international blindness that first met the news of the camps in Nazi Germany in which Hitler's "final solution" was being pursued.

What is it we know without doubt about the Cambodia of the last three years? We know that during the first few hours after the Khmer Rouge victory and the establishment of Democratic Kampuchea, every citizen, whatever age or sex, who inhabited any of the towns and cities in that country was compelled to evacuate his or her home. They took with them only what they could physically carry on their march into the jungle countryside.

We know they traveled an estimated 65 miles, and that there were no provisions for their sustenance along the route. We know that the pregnant women in the last days of their pregnancy gave birth along the roadside, and that few of these children survived the ordeal.

NOT BLINDFOLDED

There were roughly 20 international journalists in Phnom Penh at the time of the Khmer Rouge victory. They were interned in the French embassy for the next couple of weeks, but they were not blindfolded. Diplomats from other embassies were added to their company in that compound, as were the foreign doctors who had been serving in the hospitals of that war swollen city with a population of somewhere between three and four million, nearly half the population of the entire country.

We know from the reports these journalists filed when they were finally released that doctors who were in the midst of surgery when the evacuation came were in some instances compelled to leave their work unfinished. We know that where patients were unable to leave their rooms, some were dropped to the pavement from the windows. We know that others were wheeled in their hospital beds by fellow patients able to do so or family members who rushed to the hospitals to help evacuate their sick relatives.

We know from that day to this, Phnom Penh and every other city and town in Cambodia have remained deserted and crumbling. We know that soldiers of the Khmer Rouge emptied and looted the stores in each of the towns, some of them tiny indeed, along the road the journalists traveled when they were transported out of the country. We know from a handful of Scandinavian diplomats who were permitted to visit Phnom Penh two months ago that an estimated 30,000 people are trucked in and out of the city daily to perform certain tasks which are still regarded as essential, particularly in the manufacture of certain basic materials—cement, weapons, fabric—that the state continues to require.

The vast and total nature of the reordering of all Cambodian life can be seen in just a few details. Typically, the population has been reorganized into groups of 10, with one supervisor and three cells of three persons each. Each cell member is responsible for the behavior of the other two. People who make too many "mistakes" are led away and never seen again. The constant fear of death keeps everyone working long hours, the more able-bodied far from their homes and the more frail closer to home.

The new regime has, apparently, deliberately tried to expunge family loyalties in order to forcibly substitute new ones—to the commune and to the state. Refugees claim that their traditional songs, folk ways and even religion have been stripped away. Cadre members reportedly enjoy special privileges, and avoid many of the hardships of the common peasants. Edward Shawcross, the gifted foreign affairs correspondent for The London Times, wrote in The New York Review of Books that "the barbarous cruelty of the Khmer Rouge can be compared with the extermination of the Kulaks or the Gulag Archipelago."

Even desperation has its levels of comparative intolerableness. If we are to understand the sheer terror which must have driven a hundred thousand Cambodians to escape into the arms of the traditionally hated Vietnamese, we must first refresh our sense of the desperation that presently exists in Vietnam.

To this day, some three thousand to four thousand Vietnamese per month crowd into anything that will float, knowing that they risk their lives if their plans to escape are discovered or frustrated. Of that number, an estimated 50% drown at sea. Despite these near-unbearable odds, the flight from Vietnam continues, even as the flight of Cambodians into Vietnam is surely going on. Yes, there is a pecking order even in hell; and at the bottom of this one stand the Cambodian people.

At first, certain Western observers asserted that the purpose of the evacuation of the cities was to assure that the rice fields destroyed by the war be quickly restored, in order to avert mass starvation. These commentators pointed out that the survivors had been herded into units working from dawn to dusk clearing forests, digging irrigation canals, preparing for the planting of rice.

But there was a flaw in the attempt to ascribe such humanitarian purpose to the Khmer Rouge: There was a greater supply of vegetables and other staples stored in or near Phnom Penh than in the countryside to which people were evacuated. And not for eight months, when the monsoon had passed, was there the possibility of producing even the first rice crop in the countryside.

Mr. Shawcross, when he wrote on Cambodia two years ago, accepted the "rice" explanation for the forced march. But by this spring, he had concluded in a new article that the only satisfactory explanation for what has happened must be the prospect of war, feared or desired, with the Vietnamese. Certainly Pol Pot, secretary general of the Cambodian Communist Party, refuted the case that the Khmer Rouge were acting out of compassion when he spoke about the evacuation in an address he made on a recent visit to Peking.

THREATS TO SECURITY?

Not once in his address did Pol Pot speak of the necessities of food production. Instead, he explicitly declared that "in our Cambodian society," there are "life-and-death contradictions, because enemies in the shape of spy rings working for imperialism and international reactionaries are still planted among us to carry out subversive activities against our revolution." The purpose of the evacuation, he said, had been to break up such threats to Cambodia's security.

In all of this, the parallels to Nazi Germany are chilling. Granted, Hitler's vision and methods of destruction were those of modern technology, while those of the Khmer Rouge are those of an agricultural primitivism. But consider: The ruthlessness these two states have employed in the extermination of their enemies is unique in its vast and wanton disregard for human life. The ruthlessness in each country has come about in service of an ideal—of racial purity in Nazi Germany, of political purity in Democratic Kampuchea.

And each took elaborate pains to veil the more brutal aspects of "the plan." Since the Cambodians' plan was even more total than the Nazis', even more was covered with secrecy—even the identity of the leaders of the Ankha, as the leadership group was called until it established itself well after its victory as the Communist Party of Cambodia.

The secrecy and the horror have made the new Cambodia hard to comprehend. One of the Scandinavian diplomats who finally saw it said of his experience, "It was like a nightmare. It is difficult to believe it is true." But what foreigners may find difficult to believe, Cambodians are required to express quite explicitly. These are the words of their new national anthem:

"The red, red blood splatters the cities and
plains of the Cambodian fatherland,
The sublime blood of the workers
and peasants,
The blood of revolutionary combatants
of both sexes.
That blood spills out into great indignation
and a resolute urge to fight.
17 April, that day under the
revolutionary flag,
The blood certainly liberates us
from slavery."●

RECESS UNTIL 4:30 P.M.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess until the hour of 4:30 p.m. today.

There being no objection, the Senate, at 3:25 p.m., recessed until 4:30 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. PROXMIRE).

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. SCHMITT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

SENATE RESOLUTION 448—SUBMISSION OF A RESOLUTION EXPRESSING CONCERN OVER THE SOVIET ATTACK ON KOREAN AIRLINES FLIGHT 902

(Ordered to lie over under the rule.)

Mr. SCHMITT. Mr. President, yester-

day our distinguished colleague from Arizona (Mr. DECONCINI) introduced a resolution condemning the brutal murder of Aldo Moro. This resolution was considered immediately and passed by the Senate. I join with my colleagues to express my sympathy to the family of Mr. Moro and to the people of Italy. The actions of the Red Brigade is inexcusable. I commend Mr. DECONCINI for his leadership in this matter.

Aldo Moro symbolized the belief that the problems of society can be solved through peaceful, democratic methods. Violence has no place in society. It is doubly abhorrent in a democratic nation which allows its citizens to participate freely in the decisionmaking process. This opportunity is lacking in most countries. Yet, even there, there is no excuse for inflicting pain and death on innocent individuals.

It is gratifying to know that yesterday the Senate put itself on record against the type of violence that is often rationalized by the need for change. Aldo Moro did not die in vain. His ideals will live on, and may be made even stronger by his death.

I would be remiss, however, if I did not also commend the Italian Government for its handling of the traumatic ordeal. The government attempted to secure the release of Mr. Moro through all available means without compromising its position as a democracy. Groups and nations which practice terrorism again have been put on notice that the world will not tolerate blackmail and violence as a means of change.

Mr. President, while I am proud of the Senate's actions yesterday, I regret that the resolution I introduced, with Senators LUGAR, MOYNIHAN, BELLMON, and HAYAKAWA, expressing the concern of the U.S. Senate about the Soviet attack on Korean Air Lines flight 902, was not given immediate consideration by the Senate.

Mr. President, it is important that the Senate be on record opposing killing of innocent people whether by terrorist groups or by nations which rule by violence and terror. It is important that the Senate be on record that there is no distinction between the death of one individual in one nation, no matter how distinguished he may be, and the death of other individuals by the action of a government, in particular if those individuals happened not to be distinguished in name throughout the world.

The Soviet attack on the Korean airliner could have resulted in the needless death of 110 individuals. The world was fortunate in that only two persons died. There cannot be a distinction between the two violent actions. Yet, when I introduced Senate Resolution 439 and asked for its immediate consideration, an objection was heard. The resolution was then referred by unanimous consent to the Foreign Relations Committee, where no action has occurred, to this Senator's knowledge.

Mr. President, I hope that the distinction between the two incidents is not the relative importance of the individuals, nor an indication of the fact that in one case a terrorist group in Italy was involved, and in the other case the Government of the Soviet Union was involved.

While the incident has already faded from memories of many, I feel it is important for the Senate to also express its concern for the deaths of the two individuals who died at the hands of the Soviet Union. For that reason, Mr. President, I again send to the desk a resolution condemning the Soviet attack on Korean Air Lines flight 902 and ask unanimous consent for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the resolution.

The second assistant legislative clerk read as follows:

Whereas on April 20, 1978, Korean Air Lines flight 902, a commercial flight with ninety-seven passengers and thirteen crew members aboard, strayed into Soviet airspace and was fired upon by Soviet MiG fighters;

Whereas Soviet lack of restraint resulted in the deaths of two passengers and in injuries to thirteen others and could have caused the deaths of all one hundred and ten passengers and crewmembers;

Whereas equipment failure, especially around the North Pole, is not uncommon and violations of the airspace of other nations have been handled with restraint;

Whereas the Soviet Union delayed release of the plane's captain and navigator making it even more difficult for the Republic of Korea and the United States to determine the cause of the plane's intrusion into Soviet airspace; and

Whereas the commercial airplanes of the United States and any other nation may also encounter difficulties and equipment failures that result in the violation of some nation's airspace: Now, therefore, be it

Resolved, That it is the sense of the Senate that the President should instruct the Permanent United States Representative to the United Nations to press for consideraion of a resolution condemning the actions of the Soviet Union with regard to Korean Airlines flight 902.

SEC. 2. The Secretary of the Senate shall transmit a copy of this resolution to the President.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object, may I ask the distinguished Senator from New Mexico as to whether or not he has cleared this request for immediate consideration with the Foreign Relations Committee?

Mr. SCHMITT. The Senator asks a good question. I had discussed the previous resolution with the Foreign Relations Committee. They, although they indicated sympathy with the resolution, felt that it should be referred to the committee for its consideration.

Mr. ROBERT C. BYRD. Mr. President, yesterday Senator DECONCINI did introduce a resolution that was called up and acted on by request for immediate consideration, but it is my understanding that he had previously cleared the resolution with the Foreign Relations Committee.

Due to the fact that the distinguished Senator from New Mexico has not cleared with the Foreign Relations Committee his request that the instant resolution be considered immediately, I am constrained to object, not through any personal objection of my own, but I think I would have to object on behalf of the chairman of that committee at this point. So I do object.

The PRESIDING OFFICER. The resolution will go over under the rule.

Mr. SCHMITT. I thank the Senator.

Mr. ROBERT C. BYRD. I thank the Senator from New Mexico for his understanding.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess for 30 minutes—I withhold that request for the time being.

BILLIONS FOR WARPLANES BUT NOT AN EXTRA CENT FOR FOOD FOR PEACE

Mr. MELCHER. Mr. President, the United States excels in the production of two superb products—food and warplanes.

There is a strange tragic contrast in what is occurring in relation to these two products within our Government, and within the Senate itself, at the present time.

We are being asked to approve the sale of nearly $5 billion in warplanes to three Middle Eastern countries, two of which will be using our own American dollars to make the purchases.

Simultaneously, we are being asked to approve a supplemental appropriations bill for 1978 which reduces concessional sales or loans funds for food for peace from $182 million to $33 million—a cut of $149 million.

The contrast in these two proposed actions—authorization of billions in warplane sales and reduction in food for peace funding—could not be more stark.

It is true that Saudi Arabia will pay for her 60 F–15 planes if the sale is approved; their coffers and their investments, according to the administration, give them control of $200 billion so they can pay us with some of their oil money without any difficulty.

In the case of Egypt and Israel, however, the sales are very largely made possible by our American dollars: the administration plans in its 1979 budget requests to provide Israel with $785 million and Egypt with $750 million in 1979 as security supporting assistance, none repayable. Israel is to get an additional $1 billion in military sales credit, only half of which is repayable.

Regardless of the source of funds, in our current slack economy the warplane sales have activated the appetites of industrialists and business interests. There is an economic push on that sends waves of pro-sale sentiment through the administration and contingents of Congress. It would be good for the economy, they say to us. We can claim these war-

planes are defense supplies, we are assured. So the fever is built.

Is there the same drive, pressure, and persistence behind food for peace sales?

Obviously not; we are asked to approve a reduction in the authorization for food for peace at the same time we are okaying the warplane sales.

Our agricultural industry, like our airplane industry, has no equal in the world. It is staggering under surpluses and consequent low prices. It has supplied this Nation with the cheapest food of any nation in the world, absorbing part of the inflation in the rest of the economy. It provided $27 billion in export receipts last year, much of it sold below cost of production. It desperately needs help. Unlike the airplane manufacturers who can and do set their prices to assure profits, American producers of food for peace are at the mercy of the markets in times of food surpluses and have to absorb their losses. Congress has just failed to pass, under threat of veto, a fair farm price support program.

Instead of promoting distribution of our abundant agricultural production to the hungry and malnourished half of the world like we promote and subsidize the sale of war goods, the administration is telling our agricultural producers to reduce their production; to idle their land and swallow more losses although increased farm income would be the very best stimulus we could give our ailing economy. Agricultural production represents new wealth; farmer and rancher dollars turn over more times in the economy than any other.

Besides promoting peace, food sales are continuing sales. The economic growth encouraged in less developed countries by Food for Peace and AID results in creating cash customers. Food for Peace officials have backed that up many times with statistics showing growth of our exports after American food assistance was given in a number of countries.

Warplane sales will be a one-shot sale with short term, one-time-only economic benefits unless they stimulate a war fever that leads to a continuing arms race and ultimate war among the purchasers.

Perhaps we are too close to events to see their significance—too close to the trees to see the forest. But if we fail to see the tragic contrast in the things we are being asked to do—approve $5 billion in warplane sales and reduce Food for Peace authorizations, I am sure that historians will.

They will write that we subsidized guns and economized on food.

They will write that we went for a one-shot sale of weapons and cut back on Food for Peace which builds permanent markets.

They will write that we subsidized our war industry and told our farmers that we do not care if they go broke or people who need it are denied access to our food.

I am reminded of a little verse that Ellis Parker Butler wrote in a copy of his book, "Pigs Is Pigs," which he donated to the Iowa State Library. He had been asked to donate the book because the library had no funds to buy new books. Taking note of the contrast in expenditures to keep Iowa's soil fertile as compared to spending for libraries, Butler donated his book and wrote:

Here's to Iowa, state of my birth,
Accept this book, a quarter's worth,
And ever let thy motto be:
Millions yearly for manure, but not one cent for literature!

That book is still in the Iowa State Library and what we do about warplanes and Food for Peace in this Government in 1978 is going to be in all the world's libraries for all time to come.

I yield the floor, Mr. President.

SUGAR POLICY FACTS

Mr. LONG. Mr. President, the Carter administration has laid down some fundamental concepts with respect to U.S. domestic and international policy for sugar. These include:

First. The need for "maintaining a viable domestic sugar industry." On May 4, 1977, the President indicated that this cost of production was about 13.5 cents per pound. This estimate of production cost was based on data at least 2 years old. Since then, costs have risen, and for the 1978 crop will be about 15 to 17 cents per pound.

The President recognized that sugarbeet and cane producers were receiving extremely low prices—unprofitable prices. Sugar producers in 1976 received the lowest prices as a percentage of parity on record.

Prices received for sugar cane and sugarbeets as a percentage of their parity prices [1]

Crop year	Sugar cane	Sugarbeets
1957	89	88
1958	93	88
1959	87	85
1960	88	86
1961	91	82
1962	92	88
1963	104	81
1964	68	77
1965	76	76
1966	78	78
1967	84	80
1968	81	79
1969	80	68
1970	79	76
1971	79	75
1972	77	73
1973	115	114
1974	228	154
1975	61	66
1976	42	49

[1] Prices received include Sugar Act conditional payments.

Source: U.S.D.A., Economics, Statistics, and Cooperative Service.

The President is correct in wanting to maintain a viable domestic sugar industry. In the absence of such an industry, the United States would be the victim of another OPEC, a sugar OPEC dominated by Cuba and the U.S.S.R.

In introducing the Sugar Supply Assurance Act of 1976, then Congressman Bergland stated:

In addition to the obvious effects on those engaged in the domestic sugar industry, dislocation and disruption of domestic sugar cane and sugar beet production capability would make American consumers dependent upon the unstable world sugar market for up to 100 percent of their sugar supplies, putting them at the mercy not only of the vagaries of the world market, but also of possible cartel arrangements by sugar exporting nations.

Second. On January 25, 1978, the President transmitted to the Senate of the United States, the International Sugar Agreement, 1977, signed on behalf of the United States on December 9, 1977. He stated:

I urge the Senate to give this Agreement favorable consideration and its advice and consent to ratification.

In describing the program to the President in a letter dated December 24, 1977, Secretary of State Vance said:

The Agreement will be complementary to the purposes of the recently implemented domestic support program, while over the longer term the Agreement affords benefits not achievable by any unilateral measures. The Agreement seeks to stabilize world prices in a range between 11 and 21 cents per pound. When freight and duty are added, the minimum price objective will be at least equal to the United States support price under the Food and Agriculture Act of 1977. United States producers will thus benefit from a stable price at or above the domestic support price over a five-year term rather than the two years currently provided in domestic legislation. Furthermore, the Department believes, by regulating supplies to the world market the Agreement offers United States producers a greater possibility of a price return above the domestic support level than the domestic program alone can provide.

The basic regulatory mechanisms of the Agreement are quite simple. The price range is 11–21 cents per pound. Export quotas will be used to raise the price above the minimum and to moderate price movements in the range up to 15 cents per pound. Quota restrictions are suspended when the price reaches 15 cents per pound.

Between 15 to 21 cents per pound, sugar is neither added to nor subtracted from the reserve stocks.

It is obvious from the above material that the objective of the proposed ISA is to achieve a world free market price of 15 to 19 cents per pound. A 15-cent-per-pound world price is roughly equivalent to about 17 cents per pound in the United States when normal duties and transportation are added.

Thus, the proposed domestic support program conforms to the ISA, now provisionally in effect.

CONSUMER EFFECT

Some question has been raised regarding the effect on consumers. Certainly, as shown above, the proposed sugar legislation and the ISA have the same effect on domestic prices.

The Secretary of State in his transmittal letter of December 24, 1977 stated:

United States interests have been seriously affected by sugar price fluctuations. The

United States produces more than half of its own sugar needs, and its producers are suffering from the current prices, which are below their costs of production. In the absence of market regulation or a crop disaster in one or more major producing countries, there would be little prospect over the next two to three years for a recovery of the price to remunerative levels. United States consumers derive some benefit from the current low prices, but past history suggests that such benefits are temporary. Low prices lead to production cut-backs, which leave the consumer vulnerable to extremely high prices, particularly if crop disasters do strike in the United States or elsewhere. Furthermore, recent history suggests that price increases for sugar-containing products are passed on to the ultimate consumer more readily than price declines.

For United States consumers, the Agreement offers important benefits over the domestic program. The United States is dependent on imports for nearly half its domestic sugar requirements. By providing a minimum price for all exporting countries rather than only domestic producers, the Agreement tends to assure that exporting countries will stay in production and make the necessary investments to maintain future supplies. Furthermore, the Agreement also provides for special stocks to be accumulated by exporters and released when necessary to prevent prices from exceeding a maximum of 21 cents per pound.

It should be noted that domestic producers subject themselves to the same price discipline under the ISA and the proposed sugar legislation.

There are certain basic facts that should be understood relative to sugar marketing. First, only about 15 percent is purchased directly by consumers at retail. The balance is purchased by industrial users, such as soft drink manufacturers, bakers, restaurants, institutions, schools, and so forth.

The fact is that the U.S. market price for raw sugar peaked in November 1974, at an average of 57 cents per pound, and 2 years later was about 10 cents per pound. However, Consumer Price Indexes for sugar-containing products hardly reflected these sugar price changes, and are now generally at record high levels—except for table sugar bought at retail. Witness the following data:

CONSUMER PRICE INDICES (1967=100)

Year	Overall sugar and sweets	Cola drinks	Other carbonated drinks	Layer cakes	Creamed cookies
1973	128.3	131.7	131.6	129.0	115.0
1974	195.2	163.0	163.9	158.3	145.8
1975	246.2	200.5	203.8	191.9	186.1
1976	218.2	194.2	199.3	185.1	189.6
1977	229.4	203.4	205.2	192.8	206.9
Jan. 1978	245.4	208.3	208.9	205.0	232.0
Feb. 1978	252.7	212.4	210.7	206.9	229.1
Mar. 1978	255.5	216.1	211.7	209.5	221.0

Source: Bureau of Labor Statistics.

These figures reinforce the point made by Secretary of State Vance. Also, Secretary Bergland knew that this would happen, for in a March 12, 1977, interview with the National Journal, he said:

My point is when sugar prices were 65 cents, prices of these manufactured goods went up. Now sugar is nine cents—has there been any corresponding drop in cake mixes or soda pop or candy? No, of course not. And I'm going to say the consumers have not gotten the benefit of the change in prices.

The statement by the staff of the Wage and Price Stability Board is shocking.

In the first place, as demonstrated above, the cost to consumers of finished products is much higher today than when sugar was twice current levels.

Second, to state that "both sugar beet and cane producers have alternative uses for their land that are more in line with economic needs" flies in the face of U.S. Government announced policy to maintain a viable U.S. sugar production industry. The Wage and Price Stability Board is opting for elimination of the U.S. sugar producing capability. The result would be that the world price would rise quickly to reflect the loss of 6 million tons of production. Our import requirements would increase by 6 million tons, and we would increase our balance of payments deficit by 1.5 billion or more. The effect of such an increase in the balance of payments deficit would reduce the value of the dollar. That is really inflationary since it would increase the cost of all imports—which amount to over $100 billion. A sugar OPEC, with no U.S. production would be a Frankenstein. Is that what the staff wants?

Third, it would shift production to commodities already in surplus with attendant lower prices to farmers unless we achieved the same result with more costs to the U.S. Treasury for payments. This, too, would increase the budget deficit and increase inflationary pressures.

Fourth, it is essential that prices rise to a level to enable the release of CCC stocks currently under loan. This will reduce the Commodity Credit Corporation budgetary outlays by $300 million. Also, CCC will not acquire any sugar and all the problems resulting therefrom will be eliminated.

Fifth, by removing the United States from the ranks of sugar producers, the staff of the Wage and Price Stability would set the stage for a cartel, similar to what OPEC is to the oil industry, dominated by Cuba and the Soviet Union to raise prices of sugar and victimize our consumers until we finally reestablished our sugar industry.

The Wage and Price Stability staff are at odds with the President on sugar policy. The staff would destroy what the President wants to be viable. Let us hope that Jimmy Carter and Bob Straus show better judgment than their underlings.

MIDDLE EAST ARMS SALES: SENATE FLOOR DEBATE IN ORDER

Mr. DOLE. Mr. President, it is my present intention, on Friday of this week to support a motion by the distinguished Presiding Officer to discharge the Senate Foreign Relations Committee from further consideration of the Middle East arms sales proposals, thus bringing the matter to the Senate floor. Such a motion would give the entire Senate an opportunity to discuss and dispose of Senate Concurrent Resolutions 81, 82, 83, and 84, introduced by my distinguished colleague (Mr. PROXMIRE), the present Presiding Officer on May 1. The resolutions express disapproval of all four proposed aircraft sales to Israel, Egypt, and Saudi Arabia. The Senate Foreign Relations Committee has already conducted hearings on the resolutions, and has been considering the relative merits of them for several days.

In accordance with section 601 of the International Security Assistance and Arms Export Control Act of 1976, I intend to offer this motion or support a motion in the belief that this controversial arms sales "package" should be brought directly to the Senate floor for a vote. Although it is uncertain what action the Foreign Relations Committee may decide to recommend during their session scheduled for noon on Thursday, I feel that the entire Senate should have an opportunity to pass judgment on this critical issue in any event.

The President has submitted a so-called compromise proposal to sell an additional 20 F–15 jet fighters to Israel, in a last minute effort to salvage his proposal. When the Senate Foreign Relations Committee meets on Thursday, it is possible that they may agree to the compromise arms proposal, and refrain from reporting the resolutions of disapproval to the Senate floor. In that case, all four sales would go through without further Senate consideration: 50 F–5's for Egypt; 75 F–16's for Israel; 35 F–15's for Israel; and 60 F–15's for Saudi Arabia. This motion on Friday will seek to bring the matter to the Senate floor anyway, so that there may be full exploration and consideration by all of the Members. In my opinion, this is appropriate.

It is this Senator's opinion that all sales should be rejected at this time, and reconsidered after a comprehensive peace settlement has been reached in the Middle East. To pour such a large volume of sophisticated weapons into the Middle East at this time would be akin to fueling a powder keg. Whatever our personal views on this matter are, however, it is important that we have the opportunity to examine the issue and pass judgment on it. For this reason, steps should be taken to bring the issue to the Senate floor for a vote—for a discussion first, a full discussion as provided by the statute, and then a vote.

The Senator from Kansas indicates that this is his present intention. I understand the delicacy of this issue and the complexity. I know it is highly controversial. But it seems to me that there is yet to be any agreement that satisfies a majority of my colleagues, and one way to discuss it fully and perhaps resolve it is to bring it to the Senate floor.

REPORT ON THE FINDINGS OF DEPARTMENT OF ENERGY STUDY ON THE BARNWELL NUCLEAR FUEL PLANT

Mr. THURMOND. Mr. President, the fiscal year 1978 Appropriations and Authorization Acts for the Department of

Energy (DOE) directed DOE to conduct a study of the Barnwell Nuclear Fuel Plant (BNFP) in South Carolina to determine if that facility can be utilized in support of the nonproliferation objectives of the United States. Congress specifically directed the study to be completed in 6 months so as to provide data necessary for consideration of continued funding of research at Barnwell as well as an evaluation of possible long-term optional uses of the facility.

The Barnwell study report was released by DOE on April 11, 1978. The report states, Mr. President, that the administration will not make a policy determination on the use of Barnwell before completion of the International Nuclear Fuel Cycle Evaluation (INFCE), now scheduled for early 1980. The report's first conclusion is that:

Several potentially proliferation-resistant reprocessing modes as well as various international, multinational and national ownership [and] management options might be applicable to the BNFP. Until the INFCE, NASAP and any follow-up studies and international consultations are completed, it is not possible to determine whether, when, under what conditions or at what costs, any of these reprocessing alternatives might be undertaken in a manner that would be supportive of U.S. non-proliferation objectives."

Because the results from the INFCE will not be available until 1980, the study is supportive of continued funding for Barnwell as an interim, near-term measure until the INFCE is completed. In addressing Barnwell's role it states:

As a facility for conducting research, development and demonstration of segments of more proliferation-resistant fuel cycle technologies, it could continue (a) studies and demonstrations of transportation, receiving, handling, and storage of spent LWR fuel; (b) evaluation of safeguards instrumentation and procedures; (c) evaluation of the feasibility of various reprocessing alternatives for uranium-based fuel; (d) study of the feasibility of various reprocessing alternatives for thorium-based fuels; and (e) maintenance and training development activities.

Mr. President, this finding is entirely consistent with my recent testimony before the Energy Research and Development Subcommittee of the Senate Energy Committee, where I urged the subcommittee to continue the fiscal year 1978 program at Barnwell through fiscal year 1979.

Acknowledging an emerging requirement for trained safeguards inspectors and operating personnel for nuclear facilities throughout the world, the study states:

As a technology training facility, it (the BNFP) would be used in the instruction of such personnel as (1) U.S. safeguards and physical security inspectors, (2) IAEA safeguards inspectors, and (3) fuel cycle operators, other than just reprocessing (U.S. and/or foreign, keeping in mind restrictions on dissemination of sensitive technology). These training programs could proceed concurrently with other possible applications of the plant discussed below.

The use of the Barnwell plant will help the United States implement the provision of the Nuclear Nonproliferation Act of 1978, which requires that DOE "establish a safeguards and physical security training program to be made available to persons from nations * * * which have developed * * * or may be expected to develop * * * nuclear materials and equipment for use for peaceful purposes."

This use of Barnwell needs to be explored by DOE at once, Mr. President. I believe that the existing facilities and staff at Barnwell are ideally suited to implement this congressional mandate on nuclear safeguards training. The existing physical security system at Barnwell is the most sophisticated in the world, and this Nation should make use of it.

While recognizing a near-term, interim role for Barnwell conducting alternative fuel cycle and safeguards research and development. the study's fifth conclusion states that:

While some technical benefit may be derived from the interim use of the BNFP for training and R&D purposes, they are likely to be relatively marginal and are not likely to make major contributions to INFCE or NASAP. It is possible that such uses of the BNFP may contribute to follow-on assessments or help confirm the results of these evaluations.

Contrary to this finding, I believe that the fiscal year 1978 and fiscal year 1979 R. & D. programs at Barnwell will make significant contributions to INFCE. Using the Barnwell plant for training and R. & D. purposes will keep a number of the options open for the United States regarding management of spent fuel and reprocessing in a prolifieration-resistant mode.

The proposed fiscal year 1979 program at Barnwell will continue work on those alternative fuel cycles, including coprocessing, started in fiscal year 1978. This work is directed at identifying the feasibility of such schemes as it applies to the Barnwell plant, and identifying what changes would have to be made to Barnwell for selected alternatives to reprocessing that are proliferation-resistant. If it is determined, as a result of the INFCE, that Barnwell should be used to demonstrate reprocessing, utilizing an alternative fuel cycle, valuable time will be lost if development of such information that is specific to Barnwell does not proceed.

It is obvious, Mr. President, that the administration will not make a policy decision on the use of Barnwell until after the completion of the INFCE, now scheduled for early 1980. If fiscal year 1979 funding is not provided, the alternative is to "mothball" the plant and reduce the highly trained technical staff drastically. Preliminary studies indicate that such an action would involve an additional cost of a minimum of $50 million and lost time of at least 2½ years if a decision were made after completion of the INFCE to reactivate the Barnwell plant for use in some mode.

The study makes the following statement in its conclusions regarding the use of Barnwell for spent fuel storage:

Utilization of the BNFP as a spent fuel storage facility could support U.S. nonproliferation and nuclear policy objectives. Since the BNFP capacity could be modified and made available within less than three years, plus additional time required for completion of licensing, it could help to implement U.S. policy in a timely fashion, particularly to handle critical or emergency storage problems. If the BNFP should be used as a spent fuel storage facility, additional storage space could be constructed at the site.

Our domestic spent fuel storage situation has been aggravated significantly, Mr. President, by President Carter's indefinite deferral of reprocessing. This deferral has made the spent fuel storage capacity at Barnwell highly attractive, primarily because it is the only available "away from reactor" storage capacity that will be available between now and 1985. On the matter of storing spent fuel at Barnwell, I want to caution the administration, and I believe that my words represent the feelings of the entire South Carolina delegation, against looking at Barnwell only for spent fuel storage.

I believe that the plant's other assets, such as the safeguards training capability and the alternative fuel cycle R. & D. uses should be considered along with any use of the spent fuel storage pool. In other words, I do not want to see the plant mothballed and spent fuel stored indefinitely. That would be an unwise use of this great asset, and any commitment in this direction could prejudice the prospects for eventually using the plant.

Mr. President, I want the record to reflect that I disagree strongly with one conclusion of the study which states:

It is not clear that reprocessing and recycle in LWR's would lead to a more efficient use of the nation's energy resources during the rest of this century. The effect of the operation of the BNFP on the costs of nuclear power will not be significant during the remainder of this century.

The economics of LWR recycle has been subjected to intense study and debate over the past few years. The conservative conclusions of most studies, including those by the Government, are that LWR recycle will result in a net economic benefit. These economic benefits are significant but not large compared to total energy costs because, among other things, reprocessing, recycle, and reprocessing waste disposal costs, even under pessimistic scenarios, are only 2 percent of the total cost of generation of electricity by nuclear power.

While it is true that the Barnwell Plant by itself will not lead to significant uranium and enrichment services savings relative to our total supplies during this century, the savings that would result from Barnwell operation are not trivial. Several experts have recently warned of shortfalls in uranium supply beginning in the mid-1980's. This is not because the uranium is not there—al-

though the total amount of recoverable uranium is also a matter of considerable controversy and uncertainty—but because of mining and milling capacity limitations.

Other experts warn of potential enrichment supply problems. Annual demand for separative work from DOE could exceed DOE's annual production in less than 3 years—fiscal year 1981. The currently announced DOE capacity addition (the Portsmouth add-on) is fully committed simply to enable DOE to supply its existing commitments at a tails assay of 0.2 percent.

As stated in the study, operation of the Barnwell Plant alone through the year 2000 could eliminate the requirement for 55,000 short tons of virgin uranium, U_3O_8, of 5.5 percent of our needs. Savings in separative work amount to 20.4 million separative work units, SWU's, This is the equivalent of:

The annual fueling requirements for 260 LWR's; or

The 40-year lifetime enrichment requirements for about 6 LWR's, without any recycle; or

Almost 2½ years operation of the new gas centrifuge enrichment facility planned for Portsmouth, Ohio—8.75 million SWU's per year planned capacity.

Because the post-INFCE policy of the United States on reprocessing is not known at this time, the study was unable to put each of its separate findings into a common context. It should be remembered, however, that some of the valuable short-term uses of BNFP could be combined with one or more of the long-term uses mentioned, such as safeguards training. The study also states in its second conclusion that:

If and when the U.S. identifies an alternative reprocessing technology that offers promising non-proliferation benefits and therefore merits further R&D, it may be possible to modify the BNFP to help demonstrate the feasibility of that technology.

The fiscal year 1978 and the proposed fiscal year 1979 programs at Barnwell keep this option open.

Mr. President, in conclusion, the DOE report on Barnwell is supportive of using that plant and staff in the near-term for safeguards training purposes and for fuel cycle research and development activities geared toward finding a more proliferation-resistant fuel cycle. This support of near-term activities at Barnwell does lend credence to continuing R. & D. at Barnwell through fiscal year 1979. The fiscal year 1979 program at Barnwell is oriented toward proliferation-resistant fuel cycle development, with an emphasis on nuclear safeguards development. Research and development at Barnwell during fiscal year 1979 helps preserve the option of having the Barnwell facility and staff available at the conclusion of the INFCE for use in whatever mode it is that will further our energy and nonproliferation goals. I am confident that the research and development now underway at Barnwell will define a productive role for this very unique facility and the talented technical team assembled to operate it.

RECESS SUBJECT TO THE CALL OF THE CHAIR

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess awaiting the call of the Chair.

The PRESIDING OFFICER. There being no objection, the Senate, at 4:52 p.m., recessed subject to the call of the Chair.

The Senate reassembled at 5:58 p.m. when called to order by the Presiding Officer (Mr. LONG).

ORDER FOR RECESS UNTIL 10:45 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, when the Senate completes its business today, it stand in recess until the hour of 10:45 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF MR. SCHMITT TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow, after the prayer, Mr. SCHMITT be recognized for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR SCHMITT ON TOMORROW VACATED

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the recognition of Mr. SCHMITT on tomorrow be vacated.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR CONSIDERATION TOMORROW OF HOUSE JOINT RESOLUTION 873 AND HOUSE JOINT RESOLUTION 859

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the two leaders are recognized on tomorrow under the standing order, the Senate proceed to the consideration of either House Joint Resolution 873, which is the SBA supplemental, or House Joint Resolution 859, which is the USRA supplemental; that upon the disposition of the one, the Senate then proceed to the consideration of the other.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 10:45 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in recess until 10:45 a.m. tomorrow.

The motion was agreed to; and at 6:02 p.m. the Senate recessed until tomorrow, Thursday, May 11, 1978, at 10:45 a.m.

NOMINATIONS

Executive nominations received by the Senate May 10, 1978:

THE JUDICIARY

Mary Johnson Lowe, of New York, to be U.S. district judge for the southern district of New York, vice John M. Cannella, retired.

DEPARTMENT OF JUSTICE

Walter M. Heen, of Hawaii, to be U.S. attorney for the district of Hawaii for the term of 4 years, vice Harold M. Fong.

Rufus E. Thompson, of New Mexico, to be U.S. attorney for the district of New Mexico for the term of 4 years, vice Victor R. Ortega, resigned.

Ishmael A. Meyers, of the Virgin Islands, to be U.S. attorney for the district of the Virgin Islands for the term of 4 years, vice Julio A. Brady, resigned.

COMMODITY FUTURES TRADING COMMISSION

David Gay Gartner, of Virginia, to be a Commissioner of the Commodity Futures Trading Commission for the term expiring April 13, 1982, vice John Vernon Rainbolt, II, term expired.

INTER-AMERICAN FOUNDATION

The following-named persons to be members of the board of directors of the Inter-American Foundation for the terms indicated:

For the remainder of the term expiring September 20, 1980:

Arnold Nachmanoff, of Virginia, vice John Richardson, Jr., resigned.

For a term expiring September 20, 1982:

Alberto Ibarguen, of Connecticut, vice George Cabot Lodge, term expired.

Peter Taylor Jones, of California, vice Augustin S. Hart, Jr., term expired.

Carolyn R. Payton, of the District of Columbia, vice William D. Rogers, resigned.

IN THE ARMY

The following-named officer to be placed on the retired list in grade indicated under the provisions of title 10, United States Code, section 3962:

To be lieutenant general

Lt. Gen. Edward Michael Flanagan, Jr., [redacted] (age 56), Army of the United States (major general, U.S. Army).

HOUSE OF REPRESENTATIVES—*Wednesday, May 10, 1978*

The House met at 3 o'clock p.m.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

Give unto the Lord the glory due to His name; worship the Lord in the beauty of holiness.—Psalms 29:2.

Eternal Spirit, in these days which thrill us with the loveliness of spring we thank Thee for the beauty around us, the glory above us, and the green Earth beneath our feet. May the beauty of the Earth be a symbol of the beauty in the human spirit which can be ours when we turn to Thee, when we live in Thy presence, and when we keep Thy Commandments.

Lift us out of the bondage of fear and frustration and lead us into a better order of human society where peace, justice, and good will shall rule the hearts of people and where love and laughter shall become the common ways of the human spirit.

So shall Thy people with thankful devotion,
Praise Him who saved them from peril and sword,
Singing in chorus from ocean to ocean,
Peace to the nations, and praise to the Lord.
Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 1029. An act to authorize the Smithsonian Institution to construct museum support facilities; and

S. 2727. An act to promote and coordinate amateur athletic activity in the United States, to recognize certain rights for U.S. amateur athletes, to provide for the resolution of disputes involving national governing bodies, and for other purposes.

AN UNFORTUNATE SPEECH

(Mr. OBEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. OBEY. Mr. Speaker, I wish House rules did not prevent me from saying on this floor what I would like to say about a speech delivered Monday by a certain Member of the other body but, because they do, I will make my comments elsewhere.

MURDER OF FORMER ITALIAN PREMIER ALDO MORO

(Mr. SKELTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SKELTON. Mr. Speaker, the discovery of the body of Italy's former Premier, Aldo Moro, yesterday was certainly a shocking example of the continuing terrorism that we are finding in today's world.

I would like to take this opportunity to express my grief over this terrible act and the fact that I deplore this sort of activity extremely. I think that we are seeing today in these various acts of terrorism throughout our country and throughout the world a real threat to a democratic way of life as our country and other democracies know it.

I think that this is something that we should guard against to our utmost. I would like to take this means to also commend the Director of the FBI, Director Webster, for the work that he is doing and the foresight he is showing in trying to stop such terrorism in this Nation.

I hope we can work to the end where this world will not have the terrorism that we read about every week.

BARBAROUS MURDER OF ALDO MORO

(Mr. CONTE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CONTE. Mr. Speaker, I rise to express what I am sure is the sentiment of this entire body concerning the barbarous murder of Aldo Moro. Unfortunately, words are inadequate to define our sense of profound sorrow, justifiable outrage, and deepest sympathy.

I am proud to say, Mr. Speaker, that Aldo Moro was a friend of mine. He was really a friend of freedom loving people throughout the world. He was an outstanding public servant in the finest sense of the term—a champion of democracy, a respected and valued world statesman, an embodiment of the noblest characteristics of the Italian nation, the Italian people, and the Italian spirit.

President Carter was certainly justified in calling his murder a contemptible and cowardly act; and Pope Paul was entirely correct in attributing a sacrificial value to this tragedy. Aldo Moro was not just murdered. He was martyred. He was put to death because of what he believed and what he stood for—justice, freedom, and the inalienable right of self-government.

The beasts who performed this act may have destroyed a great man; but they can never destroy the cause he championed. Let us here resolve that his death was not in vain. Let us pray that we may be given the will and the means to insure that his enemies will be recognized as enemies to the world and world order.

Certainly, Aldo Moro's widow, his family, and his country have our sincerest condolences; and those condolences are most adequately expressed through the grief shared by all free people and those who wish to be free.

SERIOUS RESERVATIONS ABOUT EMERGENCY AGRICULTURAL ACT OF 1978

(Mr. MOORE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MOORE. Mr. Speaker, when the Emergency Agricultural Act of 1978 came before this body last week, I reluctantly voted for it. I say reluctantly because I had serious reservations about this legislation at the time—and still do.

For one thing, the heart of the legislation was gutted when the concept of flexible parity for wheat, feed grains, and upland cotton in the first conference report was eliminated.

This provision would have enabled the farmer to decide when to sell—not the Secretary of Agriculture as the bill passed last week provides.

Knowing the way this administration operates, the fact of the matter is—such decisions will not be made by the Secretary but by the economic tinkerers in the White House who lack any real understanding of the problems of agriculture in America.

What we have done with this legislation is to replace the concept of flexible parity with one of "flexible fiddle-faddle"—and the farmer will be the worse for it. In typical Democratic fashion, we do not trust the farmer or marketplace, but the Government instead.

Mr. Speaker, I voted for this bill because it will be the only opportunity to help the farmer this year. But I vigorously resent the heavy-handed manner in which the Carter administration moved to take upon itself such broad and unprecedented powers.

Decisions of this kind should be made by the marketplace—not by the med-

dlers and muddlers who make up farm policy in this administration. I only hope the serious reservations I have about this legislation will prove unfounded. But from its track record, I am fearful the White House will handle this problem as ineptly as it has the others on which its fingerprints have been found.

FIRST CONCURRENT RESOLUTION ON THE BUDGET—FISCAL YEAR 1979

Mr. GIAIMO. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the concurrent resolution (H. Con. Res. 559) setting forth the congressional budget for the U.S. Government for the fiscal year 1979.

The SPEAKER. The question is on the motion offered by the gentleman from Connecticut (Mr. GIAIMO).

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. MONTGOMERY. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 392, nays 4, not voting 38, as follows:

[Roll No. 295]

YEAS—392

Abdnor	Broyhill	Dodd
Addabbo	Buchanan	Dornan
Akaka	Burgener	Downey
Alexander	Burke, Fla.	Drinan
Ambro	Burke, Mass.	Duncan, Oreg.
Ammerman	Burleson, Tex.	Duncan, Tenn.
Anderson, Calif.	Burlison, Mo.	Early
	Burton, John	Eckhardt
Anderson, Ill.	Burton, Phillip	Edgar
Andrews, N.C.	Butler	Edwards, Ala.
Andrews, N. Dak.	Byron	Edwards, Calif.
	Caputo	Edwards, Okla.
Annunzio	Carney	Emery
Applegate	Carr	English
Archer	Carter	Erlenborn
Ashbrook	Cavanaugh	Ertel
Ashley	Cederberg	Evans, Colo.
Aspin	Chappell	Evans, Del.
Badham	Chisholm	Evans, Ga.
Bafalis	Clausen, Don H.	Evans, Ind.
Baldus		Fary
Barnard	Cleveland	Fascell
Baucus	Cohen	Fenwick
Bauman	Coleman	Findley
Beard, R.I.	Collins, Ill.	Fish
Bedell	Collins, Tex.	Fisher
Beilenson	Conable	Fithian
Benjamin	Conte	Flippo
Bennett	Corcoran	Flood
Bevill	Corman	Florio
Biaggi	Cornell	Flynt
Bingham	Cotter	Foley
Blanchard	Coughlin	Ford, Tenn.
Blouin	Crane	Forsythe
Boggs	Cunningham	Fountain
Boland	D'Amours	Fowler
Bonker	Daniel, Dan	Frenzel
Bowen	Daniel, R. W.	Fuqua
Brademas	Danielson	Gammage
Breaux	de la Garza	Garcia
Breckinridge	Delaney	Gaydos
Brinkley	Dellums	Gephardt
Brodhead	Derrick	Giaimo
Brooks	Derwinski	Gibbons
Broomfield	Devine	Gilman
Brown, Calif.	Dickinson	Ginn
Brown, Mich.	Dicks	Glickman
Brown, Ohio	Dingell	Goldwater
Gonzalez	McKinney	Ruppe
Gore	Madigan	Russo
Gradison	Maguire	Ryan
Grassley	Mahon	Santini
Green	Markey	Sarasin
Gudger	Marks	Sawyer
Guyer	Marlenee	Scheuer
Hagedorn	Marriott	Schroeder
Hall	Martin	Schulze
Hamilton	Mathis	Sebelius
Hammer-schmidt	Mattox	Seiberling
	Meeds	Sharp
Hanley	Metcalfe	Shipley
Hannaford	Meyner	Shuster
Hansen	Michel	Sikes
Harkin	Mikulski	Simon
Harrington	Mikva	Sisk
Harris	Milford	Skelton
Harsha	Miller, Calif.	Slack
Hawkins	Miller, Ohio	Smith, Iowa
Heckler	Mineta	Smith, Nebr.
Hefner	Minish	Snyder
Heftel	Mitchell, N.Y.	Solarz
Hightower	Moakley	Spellman
Hillis	Moffett	Spence
Holland	Mollohan	St Germain
Hollenbeck	Montgomery	Staggers
Holt	Moore	Stangeland
Holtzman	Moorhead, Calif.	Stanton
Horton		Stark
Howard	Moorhead, Pa.	Steed
Hubbard	Moss	Steers
Huckaby	Mottl	Steiger
Hughes	Murphy, Ill.	Stockman
Hyde	Murphy, N.Y.	Stokes
Ichord	Murphy, Pa.	Stratton
Ireland	Murtha	Studds
Jacobs	Myers, Gary	Stump
Jeffords	Natcher	Symms
Jenkins	Neal	Taylor
Jenrette	Nedzi	Thompson
Johnson, Calif.	Nichols	Traxler
Johnson, Colo.	Nowak	Treen
Jones, N.C.	O'Brien	Trible
Jones, Okla.	Oakar	Tsongas
Jones, Tenn.	Oberstar	Udall
Jordan	Obey	Ullman
Kasten	Ottinger	Van Deerlin
Kastenmeier	Panetta	Vander Jagt
Kazen	Patten	Vanik
Kelly	Pattison	Vento
Kemp	Pease	Volkmer
Ketchum	Pepper	Waggonner
Keys	Perkins	Walgren
Kildee	Pettis	Walker
Kindness	Pickle	Walsh
Kostmayer	Pike	Wampler
Krebs	Poage	Watkins
Krueger	Pressler	Waxman
LaFalce	Preyer	Weaver
Lagomarsino	Price	Weiss
Latta	Pritchard	Whalen
Le Fante	Pursell	White
Leach	Quie	Whitehurst
Lederer	Quillen	Whitten
Leggett	Rahall	Wiggins
Lehman	Railsback	Wilson, Bob
Lent	Rangel	Wilson, C. H.
Levitas	Regula	Wilson, Tex.
Lloyd, Calif.	Reuss	Winn
Lloyd, Tenn.	Rhodes	Wirth
Long, La.	Richmond	Wolff
Long, Md.	Rinaldo	Wright
Lott	Roberts	Wydler
Luken	Robinson	Wylie
Lundine	Roe	Yates
McClory	Rogers	Yatron
McCloskey	Roncalio	Young, Alaska
McCormack	Rooney	Young, Fla.
McDade	Rose	Young, Mo.
McDonald	Rosenthal	Young, Tex.
McEwen	Rostenkowski	Zablocki
McFall	Rousselot	Zeferetti
McHugh	Roybal	
McKay	Rudd	

NAYS—4

AuCoin	Mitchell, Md.	Quayle
Davis		

NOT VOTING—38

Allen	Conyers	Goodling
Armstrong	Cornwell	Livingston
Beard, Tenn.	Dent	Lujan
Bolling	Diggs	Mann
Bonior	Eilberg	Mazzoli
Burke, Calif.	Flowers	Myers, John
Clawson, Del	Ford, Mich.	Myers, Michael
Clay	Fraser	Nix
Cochran	Frey	Nolan
Patterson	Satterfield	Thornton
Risenhoover	Skubitz	Tucker
Rodino	Teague	Whitley
Runnels	Thone	

So the motion was agreed to.

The result of the vote was announced as above recorded.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the concurrent resolution (H. Con. Res. 559), with Mr. NATCHER in the chair.

The Clerk read the title of the concurrent resolution.

The CHAIRMAN. When the Committee rose on Tuesday, May 9, 1978, the concurrent resolution was considered as having been read and open to amendment at any point.

AMENDMENT OFFERED BY MR. KRUEGER

Mr. KRUEGER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. KRUEGER: In the matter relating to the appropriate level of total new budget authority reduce the amount by $8 billion.

In the matter relating to the appropriate level of total budget outlays reduce the amount by $7 billion.

In the matter relating to the amount of the deficit reduce the amount by $7 billion.

Page 2, line 10, after "Sec. 2" insert "(a)".

Page 2, line 17, after "category" insert ", except as provided in subsection (b),".

Page 5, after line 6, add the following new subsection:

"In order to limit the sum of the dollar figures for 'Outlays' under all the categories listed in subsection (2) to the aggregate figure specified in paragraph (3) of the first section of the resolution, the dollar figure for 'Outlays' as set forth under each of the categories specified in paragraphs (2) through (5), (7) through (12), (14) through (16) and (18) of subsection (a) shall be reduced by an amount bearing the same ratio to $7,000,000,000 as the figure set forth under that particular category bears to the total of all dollar figures for 'Outlays' set forth in paragraphs (2) through (5), (7) through (12), (14) through (16), and (18).

In order to limit the sum of the dollar figures for 'Budget Authority' under all the categories listed in subsection (a) to the aggregate figure specified in paragraph (2) of the first section of the resolution, the dollar figure for 'Budget Authority' as set forth under each of the categories specified in paragraphs (2) through (5), (7) through (12), (14) through (16) and (18) of subsection (a) shall be reduced by an amount bearing the same ratio to $8,000,000,000 as the figure set forth under that particular category bears to the total of all dollar figures for 'Budget Authority' set forth in paragraphs (2) through (5), (7) through (12), (14) through (16), and (18)."

Mr. KRUEGER. Mr. Chairman, this is a fairly simple amendment, simple because there is a broad principle that I think the Members of this House need to get across and that the people of this country have been trying to get across to the Members of the House. That is that they would like to see Federal spending cut because they are genuinely concerned about inflation. They know that the high level of Government expenditures is the largest single cause of inflation.

Mr. Chairman, yesterday some amendments were narrowly defeated, including one by my good friend, the gentleman

from Virginia (Mr. FISHER). They were narrowly defeated when, somehow, pressure in this portion of the geography seemed greater than the pressure built up across America.

Mr. Chairman, let me point out quite briefly what this amendment does. This amendment is similar to the Fisher amendment. It makes a budget cut of approximately 2 percent; but it leaves whole three categories. This amendment makes no cuts in defense. It makes no cuts below the current figure of the Committee of the Whole in Agriculture, and it leaves the Veterans' figure of the Committee on the Budget as amended in our process here through the Roberts amendment. Those three areas stay as they are.

The amendment also recognizes that we have already made a $3 billion cut as a result of the Ashbrook amendment, and reduces the deficit by only an additional $7 billion since we have already reduced it by some $3 billion. The two cuts together will equal $10 billion, or 2 percent of the proposed outlays for fiscal year 1979.

Budget outlays after this amendment will be $491.6 billion, and the deficit will be $51.6 billion. Before the amendment, the deficit would be $58.6 billion. In short, we are reducing the deficit by about $7 billion.

I think, Mr. Chairman, it is important to keep in mind that this first budget resolution is an effort to get the Congress to set priorities, and to give some targeting in terms of national priorities. We are still going to come back with the second concurrent resolution. We will still come back with the appropriations process, and there will, of course, be some budgetary adjustments at that time.

But what we really need to ask ourselves is, Are we willing to say to the American people that we are prepared to see the level of Federal spending decline? Let us look at the pattern over the last 14 years. When President Johnson put together his first budget, if I recall correctly, it was $98.6 billion. The current budget presented to us is some $500 billion. That means that in 14 years we have seen a fivefold increase in Federal spending. That is an extraordinary increase. It is a greater increase than the people of this country want to see.

This is, I would say, a rather modest reduction overall in Federal spending, but it is nonetheless an important one. It would be encouraging to people across the country because it would be a means of saying that finally, we in Congress, are willing to reduce rather than increase the Federal budget; that an effort is being made to set a realistic target for the committees so that when we come back with the second concurrent budget resolution, the earlier target will be kept in mind, and it will be one with a reduced level of spending.

The notion that we need to accept automatically whatever the Budget Committee comes forward with seems to deny the House a chance to work its will. The Budget Committee is proud that it has already reduced the proposed level of spending from that which the committees have suggested. That is fine. Now let us just help them a little bit along the line with a further reduction.

That is exactly what this amendment would do, to leave whole three categories, veterans, defense, and agriculture, and otherwise mandate roughly a 2-percent reduction in targets for other categories. That 2 percent reduction, it seems to me, is a desirable level. It is something we can do and should do.

Mr. Chairman, I urge the committee to adopt the amendment.

The CHAIRMAN. The time of the gentleman from Texas has expired.

(At the request of Mr. GIAIMO, and by unanimous consent, Mr. KRUEGER was allowed to proceed for 2 additional minutes.)

Mr. GIAIMO. Mr. Chairman, will the gentleman yield?

Mr. KRUEGER. I yield to the distinguished chairman of the Budget Committee.

Mr. GIAIMO. The gentleman makes the argument that he can reduce all the budgets, as I gather, or all the functions except agriculture, defense, and veterans. Now, would the gentleman explain—he has already tried to explain, as I recall yesterday—why he could not find any waste in the defense budget.

Mr. KRUEGER. If I may correct the gentleman: If he will check the record he will see that I did not say that there was no waste. I simply said that we could cut waste and improve our military strength. I may differ on the proper level of defense spending, but I did not say there was no waste.

Mr. GIAIMO. For the life of me, I cannot understand why the gentleman would eliminate or exclude a saving in the agricultural function where we have approximately $10.4 billion in outlays, and the other body has cut us by $2.5 billion. They are well below us. It is a recognized fact that we probably are too high in the outlay figure in this body and in this budget resolution as a result of the more limited agricultural legislation that was passed several weeks ago.

And yet the gentleman sees fit not to touch that sacred cow of agriculture and include it with all the other functions where he is trying to find some savings. I simply fail to understand that on any kind of objective grounds.

Mr. DELLUMS. Mr. Chairman, will the gentleman yield?

Mr. KRUEGER. I yield to the gentleman from California.

Mr. DELLUMS. Mr. Chairman, I should like to ask two questions. Let me preface my remarks by saying that the gentleman is very astute and articulate in the presentation of his argument, and he has constructed a rather rational, logical perception of ideas and arrived at a conclusion that justifies this amendment.

I would like to challenge a major thesis in his argument.

The CHAIRMAN. The time of the gentleman from Texas (Mr. KRUEGER) has expired.

(On request of Mr. DELLUMS, and by unanimous consent, Mr. KRUEGER was allowed to proceed for 3 additional minutes.)

Mr. DELLUMS. Mr. Chairman, if the gentleman will yield further, the gentleman quoted a figure of approximately $98 billion which he called President Johnson's first budget. He then articulated a figure of $500 billion, pointing out the expansion since then. I would like to indicate to the gentleman that the first time Lyndon Johnson established the budget it was not a unified budget. It was a budget broken out of the general fund revenues on the one hand and the trust funds on the other, which are fixed expenditures which this country must deal with whether or not the gentleman and I cast a vote.

As a result of the Vietnam war, President Johnson came forward with this very extraordinary unified budget. Some of us felt this was a way of prostituting money for the prosecution of the war in Vietnam.

The gentleman, however, I think is mixing apples and oranges and confusing the American people.

Second, I would like to suggest to the gentleman the expansion from 1973 to 1978 in the area of the trust funds is of course great. So when I think the gentleman breaks out the general fund revenues, the gentleman would arrive at the conclusion that what we have attempted to do on the floor of the Congress with revenue funds has not increased them at the level the gentleman reports.

At least we ought to allow the American people to understand when we are talking about the budget that we are talking about a unified budget at this moment rather than the broken out budget that Lyndon Johnson was faced with in 1973.

Mr. KRUEGER. I thank the gentleman for his very helpful comments.

I would like to point out that what I am hearing is that the American people would like to see the level of Federal spending cut. My conclusion is in no way hampered by the gentleman's statement. I think if the gentleman asks his colleagues across the House floor he will find his colleagues agree that people across the country are saying that they want to see the Federal budget decreased.

I thank the gentleman for his comments, but the conclusion we reach by listening to those who sent us here is that the level of spending is too high. I am trying to reduce that spending and I would like to have the gentleman's assistance.

Mr. DELLUMS. I asked the gentleman to yield to me for the purpose of asking two questions.

Mr. KRUEGER. I thought the gentleman had asked the two questions.

The CHAIRMAN. The time of the gentleman from Texas (Mr. KRUEGER) has expired.

(On request of Mr. DELLUMS, and by unanimous consent, Mr. KRUEGER was allowed to proceed for 2 additional minutes.)

Mr. DELLUMS. Mr. Chairman, if the gentleman will yield further, I would like to point out to the gentleman that the effect of his amendment coupled with the Ashbrook amendment would mean we would lose $964 million in function

500, education, training, and performing of social services; and $3.3 billion in function 550, on health; and $4.62 billion in income security; which is over $8 billion.

The gentleman indicates, and I think this colloquy is helpful, that the American people are saying they want a lower level of spending. I think the American people sent us here to lead. We do not think there is any virtue in saving money in a vacuum. We are not here just to set up some isolated figure for a budget.

How can you cut $8 billion of urban and rural income security, educational training, farming, and social services and not assume that we will be doing extraordinary damage in our ability to help many people in the country who are living at below poverty levels and who are suffering? Maybe it is true that some of the people are making money on the stock market but let me say to the gentleman in the well that in the rural areas and in the urban areas and in the ghettos people are leading desperate lives. Again I ask the gentleman how can we cut $8 billion from the budget? We are human beings representing human beings, and certainly to cut $8 billion out of this program would do terrible damage.

How can the gentleman rationalize that with building a bomb or building a new weapons system and other death and destruction systems? How can the gentleman rationalize that in the light of the fact that when you build a bomb you do not return that money to the community? How can the gentleman justify that?

The gentleman from Texas (Mr. KRUEGER) is an exceptional politician and I ask the gentleman how can the gentleman rationalize that to his constituency when the gentleman's constituents are looking to him to lead them.

I would point out to my colleague that that is what my constituents look for. We are supposed to be leaders and not followers. We are supposed to be actors and not reactors. How does the gentleman rationalize that when he says that we should cut the budget by $8 billion?

The CHAIRMAN. The time of the gentleman has expired.

(On request of Mr. DELLUMS and by unanimous consent, Mr. KRUEGER was allowed to proceed for 2 additional minutes.)

Mr. DELLUMS. I wonder if the gentleman would care to respond to that?

Mr. KRUEGER. Mr. Chairman, if the gentleman will permit me, I have been waiting for the gentleman to pause. I appreciate the gentleman giving me this chance to respond.

Mr. DELLUMS. We have all day to debate this and I will be here all night if necessary.

Mr. KRUEGER. I appreciate the opportunity to respond to the gentleman and agree with part of what he has said. I am happy the gentleman voted for a better farm program; at least, I hope he did because it was a good program. The gentleman has mentioned the priorities of the people and it is important that we aid and assist them. One important means of helping many of our people is to restore value to our currency, to make sure that we spend our money wisely, proving to be good stewards for them and setting priorities necessary for our Nation. One of those at this time is that we maintain a strong defense posture.

If we disagree on that point then I am sorry. If the gentleman is concerned about the welfare situation and the need to assist people, then I recognize the gentleman's concern and I recognize his feeling against making a cut in that area. I also believe he should be concerned about making too many cuts in defense and other areas. But I do not see how one can have 100 percent compassion, if one is in total agreement with the Budget Committee's recommendation, and yet no compassion if he supports only 98 percent of the Budget Committee figures, as I am doing now. We must recognize that there is room in these areas for definite scrutiny. I am trying to suggest some priorities which I think represent the basic necessities of a responsible budget while encouraging equally necessary budget cuts.

Again I thank the gentleman and appreciate the gentleman for the comments he has made. I would make one final observation. In many areas of the country, the Defense Department is the largest employer of minorities, and the employer that pays the best wages to those looking for better economic opportunity. In Corpus Christi, El Paso, and San Antonio, Tex., for example, the Defense Department is the largest employer of minorities in the community and is giving people who have systematically been excluded from economic opportunity a chance to be evaluated on their intrinsic merits. And they, in turn, have bettered their position very substantially. To argue that enlarging the defense budget hurts minorities is simply incorrect.

Mr. MITCHELL of Maryland. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment offered by the gentleman from Texas (Mr. KRUEGER).

Mr. Chairman, throughout the course of this debate we have tried to deal with very practical issues in terms of dollars and cents, in terms of deficits, and in terms of spending. I believe all of the persons who have participated in the debate up to this point have been very, very calm in terms of their analysis of the various amendments. I would suggest, however, that this amendment strains my tolerance and engenders emotions in me because of the unintended evil that it does.

What is this unintended evil? For the first time—and I repeat—for the first time during our consideration of this issue we have an amendment that will tend to pit one group against another, one segment against another, one class against another.

I suggest that this kind of an amendment is, unwittingly, an evil amendment, because that is what this cut is all about, this cut that is proposed is about to pit one class against another. That is what the amendment does.

What the gentleman has done is to exempt veterans, to place them in opposition to those in human need, to exempt agriculture, to place those in opposition to human need, and to exempt the Department of Defense. It is not going to work. I do not think anybody in this House is going to fall for that kind of game, a divide and conquer system within the budgetary process in this House. Have done that, the author of the amendment goes even further because, unwittingly, you lie to the veterans. You are saying, "You are exempted and, therefore, you are protected." That is not true. If you make these cuts, you are going to make them in health. Veterans use Medicaid and Medicare. Veterans use all of these health benefits. So I am saying without any hesitation or equivocation it is wrong to say, "We are not going to hurt you veterans." They are going to be hurt. I am saying without any hesitation or equivocation, it is a lie to tell agriculture and the farmers, "We have exempted you, but you are not going to be hurt." They are going to be hurt. They use the health benefits under the programs that are going to be cut. There are farmers who use food stamps, and to exempt them is a lie to them.

I do not think we can live with that. I have tried very hard to be as unemotional as I can about this whole budget process, Mr. Chairman, but this kind of amendment is just totally and terribly wrong. The end result is going to pit one group against another. I suggest to the gentleman, with all due respect, that is not what America is all about.

There was an article that appeared in Time Magazine, or U.S. News & World Report or, one of our current publications the article dealt with the Balkanization of the Congress. The article was concerned over the fact that this caucus was forming, and that caucus was forming, that there was a proliferation of caucuses. The article stated that we may "caucus" America to death with a proliferation of caucuses—the end result may be that we do not have a sense of unity in this country.

The gentleman's amendment more than any of the caucuses that have been created, more than anything else will create a disunity in this country, because in the gentleman's amendment he is pitting groups against groups, and it is wrong.

Ms. HOLTZMAN. Mr. Chairman, will the gentleman yield?

Mr. MITCHELL of Maryland. I yield to the gentlewoman from New York.

Ms. HOLTZMAN. I thank the gentleman for yielding.

I want to compliment my colleague for his eloquent statement with which I wholeheartedly agree. I just want to point out that I think he does the gentleman from Texas an injustice when he says that he acts unwittingly or that the evil effects of the amendment are unintended. I think that the gentleman from Texas, who is a distinguished

scholar, certainly knows well the effects of this amendment. When he comes on the floor and says the people of the United States want us to adopt this amendment, I do not know what people he is talking about because this amendment would cut back social security benefits and would affect over 80 million people in this country who receive annual cost-of-living increases in their social security checks. Surely there are old people who live in Texas. I understand it is a paradise, but surely there are people who receive social security benefits there and would be harmed by this amendment.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Ms. HOLTZMAN, and by unanimous consent, Mr. MITCHELL of Maryland was allowed to proceed for 2 additional minutes.)

Ms. HOLTZMAN. If the gentleman would yield further, this amendment would cut back the social security benefits that were enacted in 1977. It would repeal the benefits that would go to surviving spouses who remarried. This amendment would eliminate the $255 lump sum death benefit. It would repeal the right to spouse benefits after 10 years instead of 20 years of marriage; this right was the result of an effort we have been undertaking for years to protect social security benefits of the women of this country.

I cannot imagine that the gentleman is speaking honestly to the Members of this Committee when he says that the people of the United States want to cut back on social security benefits, want to see an elimination of substantial health care programs, including programs designed to help rural health care and community mental health, and also that the people of the United States want to see a substantial cutback in Federal assistance to the States through the medicaid program. Even Texas receives money from the Federal Government under medicaid, and his amendment would cut this amount considerably. I think that this amendment is unjust and unfair and would do tremendous damage to the people of this country—all the people of this country.

Mr. MITCHELL of Maryland. I certainly agree with the gentlewoman. I will yield to the gentleman from Texas in just 1 minute.

Let me just say, maybe the statement I make is a digression from the amendment, but I am going to do it anyway. It comes in the form of a personal plea to my colleagues in this House. All of us are running for reelection, some of us in the primaries. We have opposition in the general election. All of us are going to run, but I beg of you if you are going to run, if you are to be reelected, do not develop in any way tactics that are further going to divide the country. I urge that we vote down this pernicious amendment.

POINT OF ORDER

Mr. BAUMAN. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state the point of order.

Mr. BAUMAN. Mr. Chairman, it may well be the desire of the gentleman from Maryland to demand that words be taken down if this type of debate continues.

Mr. MITCHELL of Maryland. Demand all you want.

Mr. BAUMAN. The gentleman from Maryland has listened closely to the debate. It is not the intent of the gentleman from Maryland to defend the honor of the gentleman from Texas; it needs no defense; but the rules of the House do forbid certain types of words and they require decorum.

The gentleman from Maryland has listened to characterizations of "lies" and "dishonesty" and the use of amendments for the promotion of political campaigns, none of which the gentleman from Maryland feels fall within proper conduct in the House.

Now, I may well not be disposed to demand that the words be taken down, including the words just spoken, but if this continues and the Chair does not admonish those responsible, the gentleman from Maryland will demand they be taken down.

I know passions are high on this issue. Neither the gentleman from Maryland (Mr. MITCHELL) or the gentleman from Texas (Mr. KRUEGER) need have their motives impugned or questioned. I grant the best of motives to all Members.

The CHAIRMAN. The gentleman from Maryland, Mr. BAUMAN, has not made a point of order; but, the Chair feels sure all Members participating in the debate on this bill will proceed in order. That is the way it should be and that is the way it will be.

Mr. MITCHELL of Maryland. Mr. Chairman, again may I digress before responding. As you know, I am somewhat of a student of Shakespeare. There is a play about the English yeoman going into battle. One of the bowmen came in to talk with the king and he did talk with the king. After that, the king said:

Poor pitiful bowman, dreaming dreams of success that will never be achieved. Poor pitiful bowman, the last of a dying breed.

The CHAIRMAN. The time of the gentleman from Maryland (Mr. MITCHELL) has expired.

Mr. KRUEGER. Mr. Chairman, I ask unanimous consent that the gentleman from Maryland (Mr. MITCHELL) be allowed to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

Mr. BAUMAN. Mr. Chairman, reserving the right to object, I want to inquire of my colleague, the gentleman from Maryland, concerning the spelling of the word "bowman?" I make my inquiry with some small trepidation.

Mr. MITCHELL of Maryland. Mr. Chairman, I would be delighted to answer. I thought my enunciation was clear. I said a bowman, one with a bow and arrow.

The CHAIRMAN. The time of the gentleman from Maryland (Mr. MITCHELL) has expired.

(At the request of Mr. KRUEGER, and by unanimous consent, Mr. MITCHELL of Maryland was allowed to proceed for 2 additional minutes.)

Mr. KRUEGER. Mr. Chairman, will the gentleman yield?

Mr. MITCHELL of Maryland. I yield to the gentleman from Texas.

Mr. KRUEGER. Mr. Chairman, while I am concerned and appreciative of the intent of both my colleagues from Maryland, let me say that I took no personal attack to anything said.

I think what is happening, there are a number of us who are trying to make the best set of decisions we can for the country. I do not think there is anything different from that. I would not expect anything different from that.

I appreciate the good will of both colleagues involved here.

I would say with regard to human need, agriculture is a human need; veterans have human needs. It is part of the human needs of the people in this country to have a strong defense policy. All we are trying to do is set up a set of priorities and if the gentleman from Maryland (Mr. MITCHELL) differs from those priorities, I understand that.

Mr. MITCHELL of Maryland. Mr. Chairman, I was very careful not to speak to the Defense issue in terms of human needs. I was careful to address the needs of veterans in terms of human need. I hope I made the point. The point being that veterans do use these programs that the gentleman would cut. I do not doubt the sincerity of the gentleman at all.

Mr. KRUEGER. Mr. Chairman, if the gentleman will yield further, it is a 2-percent cut we are talking about. It is a target and as to the programs inside those various target figures, those targets get their authority from the Budget Committee and the Appropriations Committee to make adjustments inside those. There is nothing here that changes that. What we are trying to do is set an overall target. It seems to me that is a proper and reasonable undertaking for this body.

Mr. MITCHELL of Maryland. Mr. Chairman, I want to reclaim my time, because other Members want to speak.

Let me say to the Members, this is a bad amendment.

It is an indefensible amendment, it is a cruel amendment, and it is a feckless amendment. I do not think the author of the amendment has calculated the damage that would be done.

I say to the Members, let us vote it down because it is a bad amendment.

Mr. OBEY. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, what we really have at stake here today is the question of whether or not this House has the maturity necessary to salvage the budget process. Nothing in the last 2 years of my service here has stunned me more than seeing the number of Members walking off this floor last night, taking the elevators down and going over to the Rayburn Building, and saying, "My God, that budget process doesn't work any more." I am surprised to hear Members

say, "My God, all that budget process does is to give the irresponsible among us the chance to cheap shot it. It requires the chairman of the Budget Committee to ask people to be responsible on amendment after amendment after amendment when you know that the political payoff is on the other side. Why should we keep the process?"

That is what we are really playing with here today. And I will tell the Members why we ought to keep the process. Because with the process the Committee on the Budget has been able to cut $22 billion in outlay requests from committees in this House that would spend up to the level of the Moon, if possible. The committee cut $22 billion from those requests in the interest of financial responsibility.

If we lose the credibility of the budget process in this House by having easy amendment after easy amendment like this offered, we can kiss goodby any real opportunity for this House to exercise fiscal restraint.

I am a member of the Labor-HEW Subcommittee of the Committee on Appropriations. Forty-one Members who yesterday voted for the Fisher amendment are Members who have written me letters asking for increases in one health program or another—for instance, cancer research, $187 million. Funds for that are always being asked for around this House, and an awful lot of Members on both sides of the aisle have been asking for the money, yet they voted for the amendment to cut 2 percent yesterday.

Huntington's Chorea—Jennifer Jones has been going all around Washington asking for support in this House to raise funding for that program, and an awful lot of Members have committed to support it. How can they do that if they support this amendment?

Glaucoma, aging problems—you name it. For every disease I could name there are Members in this House who have written me as a member of that committee asking that we raise the President's budget for that item.

The minority members on the Labor-HEW Subcommittee introduced amendments that would raise the figure $347 million above the mark of the committee chairman's.

What I am asking the Members to do just once in this process is to quit cheap shotting it and to vote for responsible budgeting.

I would like to say a word to all the Members who come from impact aid districts. I do not come from one, and I would be happy to see the impact B program go belly-up tomorrow. But I do not think the 228 Members who have substantial impact aid programs in their districts would want to have me send letters to their district newspapers asking why we get these letters from people asking us to support impact aid on Friday and then on Monday those Members are voting against the aggregate bills that give us the opportunity to do what they are asking us to do.

I do not think all the Members who have written me letters on the RSVP program would want me to send letters to their newspapers saying, "Why are these fellows asking me for these funds? Why do they say they want money for these programs and then vote against the vehicle that makes them possible?"

So, Mr. Chairman, I ask the Members to quit chickenshotting this process. I ask them to support what they know is right, support what they know is responsible budgeting, and turn down this amendment.

Mr. CARTER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I have been disturbed and dismayed by the actions of the committee in cutting some programs which are helping the poor people and the sick people of this great country of ours. Just yesterday, we cut funds for cancer research tremendously. I want the Members to know that one of every four here in our presence today in his lifetime or in her lifetime will have cancer. At the present time our research people are doing their best to find the cause and the treatment for cancer. They have succeeded in some areas. They have reduced the death rate from Hodgkin's disease as much as 70 percent. Seventy percent of these people now live on, whereas they would have died had it not been for the help given to them through this legislation. By slashing that bill yesterday we will diminish the assistance to those who have cancer or who might have cancer. We may keep the people who are working to find the cause from doing so. I think we acted very irresponsibly. I think we are acting irresponsibly today, and I regret that.

I wonder if such a man has any heart when he sees people who are dying of cancer. I wonder if they realize that the actions in cutting this budget will cause those who are on medicaid today to pay an increased amount of money when they go to the hospital for care. Those who are on medicare will have to pay as much as $194 before they get in. These are the elderly people, our senior citizens. There are hundreds of thousands of people in my district who receive these benefits. I am going to tell the Members here today that I am not going to vote against those people. I am not going to make it harder to get the health support that they need.

Mr. Chairman, I will continue to oppose such amendments as this, which are not only bad, but a little bit on the devilish side. If we have to cut the budget, let us cut where it does not hurt our people. We could easily take out of other programs rather than this.

Mr. Chairman, I will say to my friend that biomedical research would be reduced by this legislation some $646 million. It would severely curtail services to mothers, to children, to our American Indians, to the underserved ghettoes and our rural areas, as well as programs aimed at preventing illness and disease.

Mr. Chairman, it is very difficult for me to see this august body here depart from what is right and what is compassionate and what is good. If we are going to cut, then let us cut those programs that do not so adversely affect the American people.

Mr. Chairman, I understand that there will be a motion to reconsider the Ashbrook amendment later in the day—and I would like to express my opinion on that amendment.

I oppose the Ashbrook amendment which would strike $3.15 billion from the HEW budget functions—including about $2.26 billion for health programs.

While I share the genuine concern of the distinguished gentleman from Ohio about the extent of fraud and abuse—and wasted Federal dollars in HEW programs—I submit that his amendment is not the way to solve these problems.

This amendment strikes at the heart of our health services delivery programs—and its impact would be felt most strongly by those who are most in need of assistance—the poor and elderly.

We cannot expect to eliminate fraud and abuse just by chopping the budget. The solution is not that simple because the problems are much more complex.

We need to continue to make improvements in the way these programs work—to eliminate these problems and to prevent similar ones from occurring.

Instead of solving problems—this amendment would only create new ones.

It would necessitate the elimination of important health care initiatives—and would require a severe cutback in existing funding levels for most of our health programs.

For example—this amendment would eliminate the proposal to expand health screening and followup treatment to 2 million additional children under medicaid.

This so-called CHAP proposal is being considered by our health subcommittee and it enjoys strong support from the members.

Why? Because it is a preventive health proposal for our Nation's needy children who fall through the cracks of existing programs.

Also this CHAP proposal has the potential to save Federal medicaid dollars in the long run—through early detection and treatment of medical conditions.

However—under the Ashbrook amendment—this initiative would have to be dropped.

Also this amendment to strike HEW moneys from the budget would eliminate funds that have been set aside to expand medicare benefits.

In fact, we would have to cut back on existing benefits under medicare as well.

Copayments for the elderly would probably have to be increased to make up for lost program dollars.

Clearly the elderly served by the medicare program are the least equipped to afford increases in the cost of their health care.

Still other legislation which has been proposed for pregnant women and infants under medicaid would have to be dropped as a result of the Ashbrook amendment.

Funding for community health centers, drug abuse programs, mental health, alcoholism, and biomedical research programs would all have to be cut back to approximately 1976 budget levels.

Such a reduction in funding would have a severe impact on all of these health programs and the populations they serve.

Mr. Chairman, I support the elimination of fraud and abuse as strongly as any Member in this House.

But I do not believe that objective can be accomplished by the amendment we will be reconsidering—and therefore I urge that it be defeated.

According to the House Budget Committee staff—the budget resolution has already taken into consideration various efforts to prevent fraud and abuse and wasted funds—and included a projection of $1.2 billion in savings for fiscal year 1979: $815 million projected savings from either voluntary efforts to control hospital costs—or mandatory controls by Government action; $320 million projected savings from improvements in medicare and medicaid to eliminate double billing by physicians, to tighten up payments to ineligibles, to obtain reimbursement from private insurance rather than medicaid; $70 million projected savings from closer scrutiny of clinical labs, stricter auditing of providers, greater emphasis on treating renal dialysis patients in their homes; a $1,205 millions or $1.2 billion projected savings.

Mr. GARY A. MYERS. Mr. Chairman, will the gentleman yield?

Mr. CARTER. I yield to the gentleman from Pennsylvania.

Mr. GARY A. MYERS. I thank the gentleman for yielding.

Mr. Chairman, I do not mean to embarrass the gentleman by this question, but it seems to me that a good many of us in this Congress can vote for amendments such as this in rather good conscience, believing that there are some other votes that have put us on line of being in support of better health care in this country. I refer to the question of continued subsidization of this Government of tobacco products. I think the gentleman is aware of the fact that it is a controversial item.

Mr. CARTER. Mr. Chairman, I refuse to yield further to the distinguished gentleman from the steel belt, where more men die of cancer from the fumes of blast furnaces than from any other area in the world. The distinguished gentleman who just spoke comes from "cancer alley," an area known as that.

Mr. Chairman, I certainly oppose this amendment, and I would oppose any amendment that cuts back on these services.

Mr. FISHER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I have tried to give very careful thought to this amendment because, in the aggregative sense, in the overall sense, it would do very much the same thing that my amendment of yesterday would have done had it passed; and as the Members know, in the final "hoedown" it did not quite pass.

However, Mr. Chairman, I cannot bring myself, in an amendment like this, at the very end of 3 or 4 days of debate, to pick out several programs, functions of Government, and say that much as we need to reduce outlays and to reduce deficits, we must not touch this one, this one, and the third one.

It seems to me that at this stage of the budget process, the first resolution, when we are sending out guidelines, signals, targets, that we should not plunge ourselves into the kind of consideration that has consumed 3 days of debate already on particular items and that the right thing for us to do is to say, "Cut the budget; cut the deficit, if that is what we wish; but don't pile all the reduction on relatively few major programs."

Clearly, if we exempt these three categories, including defense, we would send out a certain message that all of the cut has to be loaded onto the remaining programs.

Mr. Chairman, I thought about this very hard in bringing together my own amendment, thinking might I exempt this category and that program and another one and stitch together enough support in this body to have my amendment pass. I thought perhaps I could succeed in this; but as I thought about it, I rejected it because I profoundly believe that at this stage of the process, that is not the way in which we should do it.

We have, of course, a tremendous tension here. On the one hand, we have the pull of budget restraint, budget discipline; and in the other direction we have the pull of program enthusiasm and program needs. It is precisely this tension, I believe, that those who brought together the Budget Act a few years ago intended to set up so that we could have the soul-searing debates that we have had.

Mr. Chairman, I think the message to send is that the outlay and deficit amounts are too high and should be reduced but that we should not here, now, at this time try to specify exactly which programs should be cut and which not cut. Rather we should rely on the appropriating - authorizing - budgeting processes to work all of this out in the next several months so that in September we will make our final vote as to ceilings; and that, I think, is the way to do it, not in the way that my very good and highly respected friend, the gentleman from Texas, is proposing in his amendment.

Therefore, Mr. Chairman, I would say that those who think the outlays and deficits are too high should vote against this amendment. If they wish, then they should vote against the whole resolution, and it would be sent back again to the Committee on the Budget for some reworking in the light of the debates and the votes that we have had.

Mr. Chairman, the budget process will withstand this kind of treatment. We did it a year ago. The process did not collapse. It is a tough process. It is intended to deal with these profound tensions; and believe me, it will. I have faith that it will, and that is the course that I would urge the Members to take.

Mr. SIMON. Mr. Chairman, will the gentleman yield?

Mr. FISHER. I am happy to yield to the gentleman from Illinois.

Mr. SIMON. Mr. Chairman, I commend the gentleman from Virginia (Mr. FISHER) for his statement.

I think this particular amendment also has a fundamental weakness in addition to what the gentleman suggests, a weakness that was suggested by my colleague, the gentleman from Kentucky (Mr. CARTER); and that is that this particular amendment, because of its exemptions, impinges most upon the very poor in our society.

Mr. Chairman, I do not think that this House, upon reflection, wants to move in that direction.

Mr. STOCKMAN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in strong support of the amendment.

I had not intended to speak; but as I sat here listening to the details of about how many people are going to be hurt and what programs are going to be cut, and what this amendment is going to do, it occurred to me that someone ought to make an underlying, more important point, and that is simply that if we do not adopt this amendment and if we do not indicate we are willing to bite the bullet by adopting this amendment at this point, voting for some fiscal restraint in this country, then everybody in this country is going to be hurt when we send the economy into the kind of crash landing that it suffered in 1974 and 1975.

I would suggest to my colleagues that if they look at where we are today in terms of the recovery we have had since that last crash landing, and if they look at the gathering signs that we observed during 1973 and 1974 in terms of the fiscal policies and monetary policies of this country that led the economy to overheat and created the boom that we had in late 1973 and 1974, and led the economy into double-digit inflation and an inventory boom, and then the collapse that followed, I would suggest that if our memories are long enough to follow that, and if we look at the economic signs and signals being emitted today, it seems to me that we are going over a pretty familiar track. We do not have a lot of time if we want to avoid another crash landing. To throw the economy back into the state of high unemployment will cause a lot more people to suffer than this amendment possibly could. If we review that record and remember that experience, then we will see why it is so important to make a gesture. I do not think it is too much. Seven billion dollars, at least, is a gesture toward applying the brakes.

I would like to remind my colleagues on the other side of the aisle that we are in the process of turning this economy into a deficit junkie. Even if we accept the gospel as handed down by Mr. Keynes and believe that we can help to stabilize the economy through stimulative fiscal policies, one could not find in his writings, or in the writings of any of

his disciples, the notion that we have to have massive fiscal stimulus year in and year out. This budget, the way it was handed to us, will be the fourth fiscal year in a row where we have had a huge stimulus, some $60 billion—3 percent of our GNP.

The point is that something is going wrong if we have to have these huge stimulus budgets year in and year out to keep the economy moving. I would like to suggest that there is something very clear and obvious that has gone wrong. That is simply that since recovery began in early 1975, this recovery has been entirely fueled and led by consumer spending. We have had no recovery whatever in investment spending for plant and equipment, which also creates jobs and paves the way and creates the conditions for the sustained recovery we all want without another crash landing such as we had before.

The fact is that since the peak of the last expansion in late 1973 and early 1974, we have seen a 16-percent recovery in real consumer spending, but the very crucial and disturbing fact that we ought to keep in mind is that today spending for investment, plant and equipment—which means jobs tomorrow and next year—is still below the level it was at in 1974.

I would suggest to the Members that there is only one reason for that phenomenon. This is, we have adopted such large deficits and we create such great uncertainty and fears in the whole economy in terms of another crash landing, another bout with double-digit inflation, that investments simply are not being made. That is the primary problem we have to deal with today.

I think this amendment needs to be adopted because we have to signal this economy that we are reversing course and moving toward fiscal restraint, and doing the best we can to keep this recovery moving forward without another crash landing. That is what we are debating.

Mr. KRUEGER. Mr. Chairman, will the gentleman yield?

Mr. STOCKMAN. I yield to the gentleman from Texas.

Mr. KRUEGER. Mr. Chairman, I observe in the gentleman's very fine statement that the gentleman has alluded to the increasing rate of inflation. I also observe, on page 6 of the report of the committee, that it assumes that the Consumer Price Index is going to increase at a rate of 6 percent per year. Just this morning, we read that in the last month we had an inflation increase of 13 percent on an annualized basis. Clearly, the assumption of the committee is more optimistic, but unwarranted. Inflation is worse than the committee assumes, and therefore the large deficit proposed by the committee would make inflation even worse than it is now.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

(At the request of Mr. VOLKMER and by unanimous consent Mr. STOCKMAN was allowed to proceed for 2 additional minutes.)

Mr. VOLKMER. Mr. Chairman, will the gentleman yield?

Mr. STOCKMAN. I yield to the gentleman from Missouri.

Mr. VOLKMER. I would like to ask the gentleman, if this amendment is adopted, will he vote for the resolution? That is, if there are no further amendments adopted, if the resolution is as it is right now, and this is the only amendment adopted, will the gentleman vote for the resolution?

Mr. STOCKMAN. I think we have to take these things one step at a time.

Mr. VOLKMER. If no other amendment is adopted?

Mr. STOCKMAN. I would——

Mr. VOLKMER. The gentleman knows what he will do. I think in order to make an impact this amendment has to be adopted then, and that is why I am down here urging it be adopted.

If this amendment is adopted, I plan to vote against the resolution because I think it will be the unfairest budget this House has seen and we will have the same thing we had last year—the same thing.

Mr. STOCKMAN. That time has passed but I think, to reiterate again, we are not just in this budget process business merely to set ceilings in one or another area. We have this process because we need to set a fiscal posture or direction.

And as we look at the problems and bottlenecks appearing in our economy, it is clear that we need fiscal restraint. By adopting this amendment we will signal that we are serious about that and intend to be serious about it in the years ahead.

Mr. JOHN L. BURTON. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I was going to offer an amendment to this to subject the entire country to a 2-percent cut except for the State of Texas, but I could not work out the language.

What are we talking about on inflation? This House voted down a farm bill about 2 or 3 weeks ago because it was inflationary, because it was going to raise the Consumer Price Index on food, which is something a lot of people eat. I think even veterans eat it.

But what are we doing in this amendment that is anti-inflationary? It does not touch any money that is spent for agriculture to keep the prices of food up. Or, as some of us from the cities who vote for agricultural bills like to say: It does not raise the cost of food; it provides a basic income maintenance for the farmers. Yet we want to take the income maintenance away from the elderly and the blind and the handicapped, but we do not want to take away the maintenance income for the Defense Department and those who build the weapons—and we have enough in the pipeline to keep them going if we cut the whole defense budget by enough to balance this whole budget.

If we really want to take a cheap shot, we should go for the Rousselot balanced budget. What kind of credits will we get back home by saying, "I voted to deduct 2 percent out of everything but agriculture and veterans and defense"? What about somebody who is blind or disabled or somebody who has benefited by medical research?

If we want to take a cheap shot, we should have voted for the Conable amendment. Our people are not going to understand the 2-percent message. Our people are not going to understand that in San Francisco or in a State as big as Texas or Alaska, where 2 percent is nothing. If we really want to take a cheap shot and go up and stand before our "trim" people, we had a chance to vote—and I will yield to my friend, the gentleman from California, in a minute, and he had a balanced budget—we had a chance to vote in the Humphrey-Hawkins bill. It was a beautiful chance to take a cheap shot. Some of us took it.

Mr. ASHBROOK. Mr. Chairman, will the gentleman yield?

Mr. JOHN L. BURTON. I yield to the gentleman from Ohio (Mr. ASHBROOK).

Mr. ASHBROOK. Mr. Chairman, I thank my colleague for yielding.

I always find his comments interesting. As I said yesterday, in my brief venture as a liberal, I find myself now also cheap, so maybe 1 day of being a liberal was too much in this body; at least for me. I admit it. My amendment only cut half of the waste at HEW. I was too liberal and I will not do it again.

Mr. JOHN L. BURTON. According to the columnists, the gentleman from Ohio and the gentleman from Maryland are respected conservatives.

But I just say this really is not the way to do it. We are not going to get any credits at home or send anybody a message. Does anyone think this is a message? It is a farce. If Members really want to do something to the economy, they can do it with the Rousselot amendment, because they would be really doing something to the economy with that. But to say these areas, that are about one-third of the total budget, are the ones we cannot find any fat in, just three areas out of all the others, and these are not the trust fund areas but out of the free spending areas, they are probably 50 percent. There is not much fat and we are not really going to get much credit.

I suggest if a Member is going to be a bear, then be a grizzly bear, and if he wants to be a grizzly, he should vote for the John Rousselot budget. He can stand up for that and vote for that and the conservatives will say, "Well, God, that really is not going to happen." One can stand up on a soap box and talk about that—but on this, one would really have to mumble because it is not really a good shot. Vote for the balanced budget rather than vote for this.

Mr. SMITH of Iowa. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, this debate seems to have developed, to some extent, on the question of whether it is worth saving the budget process and whether we have the nerve to stand up and select priorities.

I did not intend to speak today, but perhaps I could plant a little idea that I think is worthy of consideration.

I say to the Members that we do not have before us an instrument that permits us to properly select priorities. We do not have before us an instrument that permits us to determine whether certain further Government expenditures will help or hurt the country.

With regard to inflation and employment we do not separate investments or loans from regular expenditures in any one of these categories. Loans, for example, that will be made to businesses and will come back with interest and increase employment, or expenditures that go down a rathole never again to be seen, are not separated for our consideration.

Until we can get a budget in this country like they have in Japan and in Germany, and other places that separate investments from expenditures in the true sense, we will never be able to separate categories of expenditures so as to deal intelligently with the budget.

It does not hurt to go into debt further in order to secure the money to loan to some person who is going to create jobs and also pay more taxes and pay the money back with interest. That may be a good thing to do when the deficit is the greatest. A loan or investment that offsets an increased debt and will make money for the Government may be a good thing, because the Government is a partner in every business in this country. When a business makes some money, the Government gets part of it in taxes.

So, to the extent that we can expand employment, and to the extent that we can expand investments for small businesses to create employment is good because then we have done something that will help to reduce the deficit in future years. But, instead of that, we have people come here falling over one another trying to increase countercyclical, for example, so that some of the mayors will have more money to put in their slush funds for the purpose of building or spending on something that the local taxpayers would not be able to spend their own money for, but at the same time they consider that exactly in the same frame as if it were a loan that would be paid back with increased employment and with interest.

Until we secure a budget process in this country to separate expenditures in a way that differentiates between investments and ordinary grants, we will not really intelligently be able to deal with selecting priorities.

I asked Secretary Blumenthal when he appeared before the Committee on Appropriations, and I also had asked the Secretary of the Treasury last year and the year before, what part of this budget goes for investments that will come back, or that will increase the assets of the U.S. people and assist their Government and they have not the slightest idea. The OMB, the Treasury Department, and congressional committees do not know what parts of this money are really for ordinary grants and what portion is for investments and loans.

So I want to point out today that until we have a budget process that permits us to intelligently select those categories that are really investments compared to grants, we do not really have something before us that permits us to make these lofty decisions that some are talking about making today.

Mr. MAHON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rarely speak to the House on matters other than appropriation business and, heaven knows, we have plenty of business in that area.

I am going to vote for the budget resolution. In my opinion it is important that we support the budget process. But I would like to say that the best part about the budget process is that we are for a short time turning the House into a debating society, for the purpose of discussing the budget and Government spending. That is an exceptionally good idea. This was not done sufficiently before the Budget Act was passed. The congressional budget control concept has brought that about. Our votes on amendments to this budget resolution rarely are important in the sense that decisions are made in subsequent legislation. That is done through the regular authorizing and appropriations process. But these amendments do provide an expression of the sense of the House on a wide range of subjects.

The conservative can vote for all the proposed budget amendments that cut the budget and, therefore, try to protect his conservative record. The liberal can vote for all the increases or against the reductions and protect his liberal record. Some may vote differently on different subjects. But the truth is that the amendments are relatively unimportant in many ways because they are not binding upon the House or upon the committees of the Congress. As I say, it is a good idea that we have this experience. There ought to be a better way, of course, to do it, but this is the best way we have now.

I voted for some of the reducing amendments as evidence that I continue to believe in trying to be frugal and as representative as I can of restraint in Government, realizing that when the Committee on Appropriations meets and brings bills before the House, the actual spending decisions will be made. For example, in the Labor-HEW bill, we will probably be above the budget, and we may be above the budget in defense and in other areas. In some areas we will be below the budget.

I am not speaking for or against the pending amendment. Undoubtedly, the author of the amendment, the gentleman from Texas (Mr. KRUEGER) wants to show that he feels that the Government is spending too much money, and I agree with him that we are, and we ought to find a way to reduce spending and provide more restraint. This is one way to undertake to do it. I would commend the gentleman from Texas (Mr. KRUEGER) for his efforts, his continued efforts I might say, in regard to fiscal restraint.

So I just thought that it might be well to say as chairman of the Committee on Appropriations that I am heartily in favor of this process as the best that we have at this time. I am strongly in support of the chairman, the gentleman from Connecticut (Mr. GIAIMO), in his desire to pass this resolution today. I shall vote for it even though it is not ideal. And in the appropriations measures I shall support meaningful reductions.

But we have accomplished our major objective by discussing these matters and considering these proposals, and we will be in a better position to consider legislation as the session progresses.

I can well imagine that some people who vote for these reduction amendments, when the actual appropriation bills come along will vote for the high dollar amounts. That is not too inconsistent with past history; that is the way it often happens. So I think we ought to be more relaxed as to some of these actions that we have taken and bear in mind that this has been a good exercise of the House to convert itself into a debating society, so to speak, for a few days to look at the overall picture, because if we do not find a better way to do a better job in dealing with our financial problems, fiscal disaster will be the ultimate consequence.

Mr. CONTE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I certainly do not intend to take 5 minutes, but I would like to ask the gentleman who offered the amendment a question. As I read his amendment he says:

> . . . shall be reduced by an amount bearing the same ratio to $7,000,000,000 as the figure set forth under that particular category bears to the total of all dollar figures for "Outlays" set forth in paragraphs (2) through (5), (7) through (12), (14) through (16), and (18).

He inserts this on page 5, so he does not change the figures on page 2. Therefore, what would the gentleman's figure be under his amendment for, shall we say, the amount for health?

Mr. KRUEGER. In response, let me say it is $48.5 billion.

Mr. CONTE. Under the gentleman's figure?

Mr. KRUEGER. That is right.

Mr. CONTE. Under the income security, the new budget authority is $192,750 million. What would it be under the gentleman's figure? The outlays would be $159 billion?

Mr. KRUEGER. $188 billion.

Mr. CONTE. What would it be?

Mr. KRUEGER. Pardon me, $188.0 billion.

Mr. CONTE. How about outlays?

Mr. KRUEGER. $155.3 billion.

Mr. CONTE. That would be a $4 billion cut.

Mr. KRUEGER. It may be that the gentleman does not feel that in the neighborhood of a 2-percent budget cut is possible in this area.

Mr. CONTE. I am asking a very legitimate question.

Mr. KRUEGER. And the gentleman is getting a very legitimate answer.

Mr. CONTE. The gentleman just told me that the gentleman was talking about a cut in outlays for income security of $4 billion by the gentleman's amendment.

Mr. KRUEGER. It would not necessarily be social security.

Mr. CONTE. Well the gentleman has eliminated defense which is the biggest amount in all these budget outlays and the gentleman has eliminated veterans benefits and the gentleman has eliminated agriculture.

Mr. KRUEGER. As the gentleman knows these are all budget targets. They do not apply to specific programs.

Mr. CONTE. Well, as I see it, and the gentleman was very candid with me, that outlays in income security would be reduced by a ballpark figure of about $4 billion.

Mr. KRUEGER. In income security, not social security.

Mr. CONTE. If anyone has been in touch with someone on a fixed income, they know that he has been hit by inflation; and we are going to hit them even harder by this. I do not know where they will turn for help.

I cannot understand my chairman from Lubbock, Tex., whom I love and respect and for whom I have the greatest admiration, standing in that well when only yesterday he voted, and I was with him, to increase the funding for the international banks.

Mr. Chairman, now I yield to the chairman, the gentleman from Texas (Mr. MAHON).

Mr. MAHON. Mr. Chairman, yes, it is true that in the foreign aid markup yesterday I voted for an amendment which would increase the spending on the international financial institutions, but this was a sharp reduction from the President's budget request.

Mr. CONTE. But the gentleman voted with me against the deeper cuts of the gentleman from Maryland (Mr. LONG) and I was proud of the chairman; but the gentleman cannot come in here now and support the Krueger amendment. Where will you get the money for those banks? I can understand why the gentleman supported it.

Mr. MAHON. Mr. Chairman, if the gentleman will yield further, I did not say I was going to vote for or against the Krueger amendment. I was just pointing out some of the problems involved.

Mr. CONTE. How is the gentleman going to vote on the Krueger amendment?

Mr. MAHON. I am going to vote against it, but it should not be interpreted that I am asking for bigger spending. I am not. The amendment has its shortcomings. However, I want to commend the gentleman from Texas (Mr. KRUEGER) for offering the amendment. He seeks to follow through on his traditional position of support restraint in Federal spending.

Mr. CONTE. I misunderstood the gentleman from Texas was going to vote for the Krueger amendment, but I am very proud to learn now that the gentleman will vote against the Krueger amendment. I hope everyone will follow his leadership, because it is a bad amendment.

I can see why the gentleman from Texas (Mr. KRUEGER) excluded agriculture, because only 1 week ago Tuesday we passed the agriculture conference report, which benefited the cotton farmers from Texas.

AMENDMENT OFFERED BY MR. JACOBS TO THE AMENDMENT OFFERED BY MR. KRUEGER

Mr. JACOBS. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. JACOBS to the amendment offered by Mr. KRUEGER: In the matter relating to the appropriate level of total new budget authority reduce the amount by $3,150,000,000;

In the matter relating to the appropriate level of total budget outlays reduce the amount by $1,200,000,000;

In the matter relating to the amount of the deficit reduce the amount by $1,200,000,000;

In the matter relating to the appropriate level of the public debt reduce the amount by $1,200,000,000;

In the matter relating to the amount by which the statutory limit on the public debt should accordingly be increased, reduce the amount by $1,200,000,000;

In the matter relating to 050: National Defense reduce the amount for budget authority by $3,150,000,000; and reduce the amount for outlays by $1,200,000,000.

Mr. JACOBS. Mr. Chairman, I am indebted to the gentleman from Texas (Mr. KRUEGER) for offering his amendment. Perhaps I am not indebted to the same extent that the United States is indebted. But this is precisely the reason, I think, we are drowning ourselves in red ink with the Federal accounts.

I say that because, generally speaking, I have noticed over the years that the Congress is divided into two classifications: Those who believe that there cannot be any waste in domestic spending because it is for people; and those, on the other hand, who believe that there cannot be any waste in military spending because it is for national defense.

On yesterday I cast the 11th District of Indiana vote in favor of the Ashbrook amendment, which cut the same amount from HEW appropriations as this amendment would cut from military appropriations. I have been told since, by numerous people, that it is impossible to make those cuts, that HEW cannot function in lieu of that amount of money.

I am sure that I shall be told now that the Defense Department cannot function with an equal cut in its appropriations for the next fiscal year.

In answer to that, I simply say this: That anybody who has ever walked through the Department of Health, Education, and Welfare or studied its activities and who can come out and say there is not waste in its final appropriation, has walked through without a willingness to learn. And while one walks through, he or she might note that fellow working over there who is getting a U.S. Government check for $80,000 a year, the first half of which says he is disabled to work and the second half of which claims he is working.

As far as the military is concerned, anybody who thinks that the military spending and military activity are not laced with waste has never been in the military or has never read reports, starting with the C–5–A aircraft and going forward and backward in time on military procurement.

Mr. Chairman, since the gentleman from Ohio (Mr. ASHBROOK) believes in being even-handed and since the gentleman from Ohio is one of the true unhypocritical conservatives in the Congress; I welcome his support of my amendment and I yield to him at this time.

Mr. ASHBROOK. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I would simply say this: I do not know that I am one of those that the gentleman alleges, but I believe, as I said before, that we can cut everywhere, and that is why I did not want to separate defense from the 2-percent cut of the Fisher amendment.

As a matter of fact, I am a Member who is not considered a dove but, rather, a hawk, but still I think we can make cuts everywhere and we should eliminate waste where possible and cut as much as we can. So I know we can cut there.

But the one point I would like to make to my good friend and colleague, the gentleman from Indiana (Mr. JACOBS), is that I know there has been a lot said about my HEW amendment we passed yesterday. But to make the record clear, all we are doing is cutting the 9.7 percent increase to 7.9 percent. The 7.9 percent is still way ahead of inflation, so we did not cut HEW; we merely cut approximately 2 percent from the increase. I think they can live with an overall 7.9 percent increase rather than 9.7 percent.

Mr. JACOBS. Mr. Chairman, I thank the gentleman for his contribution, and I can only say "ditto" so far as the defense appropriations are concerned.

As far as the gentleman's being a hawk instead of a dove, when I opposed our intervention in Vietnam, one of our colleagues accused me of being a "fighting dove" because I happen to have 10 percent disability from combat in Korea, and I pointed out to him that I thought it was better to be a "fighting dove" than a "chicken hawk."

Mrs. FENWICK. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I had not intended to speak on this matter, and perhaps I am not qualified to. However, I was struck by the comments of the chairman of the Committee on Appropriations concerning the futility of our debate; he brought back a sense of humility that I think we all need.

I was happy that the committee chairman also brought out how important it is, futile or not, that we should in this House consider seriously the business of the public, and today we have heard at least from some Members who care about what they are doing in supporting programs or defending fiscal integrity.

I cannot share the view that it is liberal to spend other people's money,

the hard-earned money of other people, and take it out of their pay envelopes, just as they did to a man who wrote me the other day, who received $8.67 of his $20 raise. There is nothing liberal about that.

We ought to tax with a sense of regret. Why do we have to lean so heavily on people who get a pay increase of $20 a week? He got a pay increase, and what did he get out of it? Only $8.67.

Who took it away? We did. Let us have some pity for them, too. It is not liberal to lean on a pay envelope like that. I do not call it liberal for 1 minute.

What we have to try to do is to be responsible. We have people who are sick, ill, old, and in trouble. And we cannot lean on them, either.

Mr. Chairman, I am not going to vote for this amendment. It is the first cut amendment I have not voted for, except that one yesterday that took from the Environmental Agency. Other than that, I have voted for every single one. I voted for the Fisher amendment. I think it is the best amendment. I voted for the Holt amendment. If we had the Holt amendment, we would not have all this trouble.

Of course, the chairman is right. The truth is, it is all in the hands of appropriations, and when we come back in September, that is when the chips are going to be counted.

Mr. GIAIMO. Mr. Chairman, will the gentlewoman yield?

Mrs. FENWICK. I yield to the gentleman from Connecticut.

Mr. GIAIMO. I thank the gentlewoman for yielding.

Mr. Chairman, let us get one thing very clear here. The bulk of the money in the Federal budget is not in the hands of the Committee on Appropriations. The bulk of the money that is spent by the Federal Government is spent through the entitlement programs and the mandatory programs and the guarantee programs, those programs are not subject to appropriations but are within the jurisdiction of the Committee on Ways and Means and the other entitlement committees.

Mrs. FENWICK. Mr. Chairman, I did not mean to go beyond what the chairman said. I was merely repeating that and saying that what we can spend we certainly do, and more, and apparently it will always be more. There is nothing grand about throwing around people's money. There is something cheap about it if one is buying votes with it, if one wants to be truthful.

Mr. DELLUMS. Mr. Chairman, will the gentlewoman yield?

Mrs. FENWICK. I yield to the gentleman from California.

Mr. DELLUMS. Mr. Chairman, I would agree with my colleague that is not very liberal to spend other people's money, particularly working-class people's money. I think that is reactionary. We ought to make sure that the corporate power structure pays its fair share of taxes.

Mrs. FENWICK. We have a progressive income tax. Every time the plumber gets a raise, he pays a higher tax. He does not like it. And that is what I am talking about. I know that my time is expiring, but I want to say that we have to take this matter of fiscal responsibility more seriously. And every time it is mentioned we should not be accused of being selfish capitalists. Somewhere, sometime, this bill has to be paid. We better admit that fact and begin to act on it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Indiana (Mr. JACOBS) to the amendment offered by the gentleman from Texas (Mr. KRUEGER).

The question was taken; and on a division (demanded by Mr. JACOBS) there were—ayes 30, noes 36.

Mr. JACOBS. Mr. Chairman, I demand a recorded vote.

A recorded vote was refused.

So the amendment to the amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas (Mr. KRUEGER).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. KRUEGER. Mr. Chairman, I demand a recorded vote.

A recorded vote was refused.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. CAPUTO

Mr. CAPUTO. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CAPUTO: In the matter relating to the appropriate level of total new budget authority reduce the amount by $56,000,000;

In the matter relating to the appropriate level of total budget outlays reduce the amount by $56,000,000;

In the matter relating to the amount of the deficit reduce the amount by $56,000,000;

In the matter relating to the appropriate level of the public debt reduce the amount by $56,000,000;

In the matter relating to the amount by which the statutory limit on the public debt should accordingly be increased, reduce the amount by $56,000,000.

In the matter relating to function 150: International Affairs reduce the amount for budget authority by $56,000,000; and reduce the amount for outlays by $56,000,000.

Mr. CAPUTO (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. CAPUTO. Mr. Chairman, I rise in some trepidation, after this series of amendments, on what I consider to be not a frivolous issue at all.

The House has unanimously requested an investigation by the Committee on Standards of Official Conduct of certain allegations of wrongdoing surrounding the alleged payments of cash and other things of value to Members of Congress.

From the very beginning, it was clear that there were two key witnesses. One of them has received wide attention: Mr. Tongsun Park. His testimony has been obtained under circumstances we could all support. He testified under oath in public, on pain of perjury.

The other individual whose testimony we have all considered essential from the outset is less widely known. His name is Kim Dong Jo. He served as Ambassador from Korea to the United States for several years in the late 1960's and early 1970's. We have four eyewitnesses to his payment of cash to Members of Congress or their spouses.

As we know, a secretary to one Member of the House testified that she saw former Korean Ambassador Kim Dong Jo leave cash on her Member's desk. When she advised her Member of the fact that the cash had been left, she testified that she was instructed by that Member to call the Korean Embassy to locate the Ambassador. When she did that, she was told that he was making stops in several Members' offices here on Capitol Hill. She called each of them and located him at one of those offices. She ask him to return to her office, which he did; and she gave him back the money. She identified him by way of a photographic lineup.

Two Member's wives testified under oath, in public, that they were offered cash by the wife of former Korean Ambassador Kim Dong Jo. A Korean Embassy employee testified under oath and in public that when he walked into the former Korean Ambassador's office unannounced and unexpectedly, he found the former Korean Ambassador, Kim Dong Jo, "filling," in his language, approximately 24 envelopes with cash.

This Korean Embassy employee went on to testify that he saw the Ambassador leave with those cash-filled envelopes to make deliveries on Capitol Hill—his language, not mine.

There are some legitimate questions. What about Kim Dong Jo's rights? One thing ought to be clear. No one has sought to prosecute or otherwise review the conduct of Kim Dong Jo. We are not looking for wrongdoing by the Korean Government, or corruption among Korean Government political institutions. We are looking after wrongdoing by our elected officials in our Government. This is not an imperious demand by a super power on another nation. This is a respectful request that they cooperate in our investigation of wrongdoing in our country, by our elected officials, so that we can stop corruption in America and prevent it from happening again.

What about his rights as an Ambassador? There is no contest over his right to diplomatic immunity for acts committed by serving as Ambassador in this country. We are not asking him to forsake those rights. We are asking for voluntary cooperation. There is nothing in international law, the Geneva Convention, or diplomatic custom that is inconsistent with this request. We are asking for voluntary cooperation by a trusted ally.

Do we need to do this? Are not the negotiations by the representatives of the Ethics Committee and the State Department proceeding satisfactorily? Why

must it be done today? Let me read for the Members from a statement by Mr. Leon Jaworski, special counsel to the Ethics Committee, which was released today at 2:30:

My meeting with Ambassador Kim—

The present Ambassador from Korea to the United States, same name, no relation—

was held this morning at 11 o'clock. Despite the many procedural concessions that we—

Meaning the United States—

had offered and our extensions of assurances, the official position of the Republic of Korea remains intractable. There will be no questioning of Kim Dong Jo, and there will be no statements by him under oath. I can only conclude, with considerable regret, that South Korea has determined that the truth will be withheld from Congress.

As I have stated before, without the testimony of Kim Dong Jo, the investigation will be incomplete.

The CHAIRMAN. The time of the gentleman from New York his expired.

(By unanimous consent Mr. CAPUTO was allowed to proceed for 3 additional minutes.)

Mr. CAPUTO. Why did I single out Public Law 480 in this amendment? The reason is simple. It was this program, for this country, that was corruptly misused to bribe Members of this Congress. That is not Caputo's conclusion; that is the conclusion of several indictments by Federal grand juries; a conviction of a former Member of this body, who is now serving time; of the U.S. attorney; of the Attorney General of the United States, and a variety of other professional law enforcement officials.

I single out this program not because I am averse to agricultural aid; indeed, I think I have been a supporter of this kind of program for underdeveloped countries around the world, but instead, because in this country this particular program was corruptly misused to bribe Members of this Congress and make other improper payments to members of this government.

Why the Budget Act? That is another legitimate question. I share the concern of those who have spoken about the misuse of this instrument. I chose this device for the following reasons: This will not directly reduce aid to Korea. I believe the issue of Korean policy, of Northeast Asia security and American diplomacy in the Far East can be separated from the paltry bribery of a few Members of Congress, ought to be separated, and will be separated by this Congress. The Budget Act, and only the Budget Act, is an instrument to express our disapproval without directly affecting the diplomacy, the appropriation, or the program itself. If the Korean Government cooperates, we can in a second budget resolution undo what I hope to do today.

When the appropriation bills are presented, we can follow through if we think that is appropriate and we have received the desire of the Korean Government now to cooperate. I select the Budget Act therefore, with respect to the chairman of the committee, because it is the instrument for conducting diplomatically what we seek to do.

The CHAIRMAN. The time of the gentleman from New York has expired.

(By unanimous consent, Mr. CAPUTO was allowed to proceed for 3 additional minutes.)

Mrs. FENWICK. Mr. Chairman, will the gentleman yield?

Mr. CAPUTO. I yield to the gentlewoman from New Jersey.

Mrs. FENWICK. Mr. Chairman, I thank the gentleman for yielding.

I rise in support of this amendment. I think it is most important that we have this amendment today and I hope it will be passed unanimously. We have put up with too much too long and I think the people are entitled to an honest investigation that will clear every single Member of this House, we hope most devoutly.

I think we cannot live under this cloud and we cannot end, conclude, as the counselor has said, with an incomplete investigation. It will be incomplete unless we get that evidence, and I heartily support this amendment and hope very much that it will pass.

Mr. WALKER. Mr. Chairman, will the gentleman yield?

Mr. CAPUTO. I yield to the gentleman from Pennsylvania (Mr. WALKER).

Mr. WALKER. Mr. Chairman, I would like to say I am also very much in support of the amendment.

I would like to clarify one point, however. There is nothing in the gentleman's amendment that will harm our defense commitments we have to South Korea or that would be in any way harmful to our own troops we have in South Korea at the present time. Am I correct?

Mr. CAPUTO. That is correct. This is limited to the Public Law 480 program because that was corrupted and misused by the Government of South Korea, and only to that program.

AMENDMENT OFFERED BY MR. JACOBS TO THE AMENDMENT OFFERED BY MR. CAPUTO

Mr. JACOBS. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. JACOBS to the amendment offered by Mr. CAPUTO: In the matter relating to the appropriate level of total new budget authority decrease the amount by $32,800,000;

In the matter relating to the appropriate level of total budget outlays decrease the amount by $4,000,000;

In the matter relating to function 150: International Affairs, decrease the amount for budget authority by $32,800,000; and decrease the mount for outlays by $4,000,000.

Mr. JACOBS (during the reading). Mr. Chairman, I ask unanimous consent that the amendment to the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Indiana?

Mr. DERWINSKI. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

The Clerk completed the reading of the amendment.

Mr. JACOBS. Mr. Chairman, the purpose of this amendment simply is to extend the designated cut in aid to the Republic of South Korea to include not only Food for Peace but also all additional aid contemplated in this resolution. The gentleman from New York has said that his reason for restricting his amendment only to the Food for Peace appropriations is simple, and I must say to the gentleman with respect—as a matter of fact, I do respect the gentleman for looking into this matter—that I think it is too simple.

For example, to provide that the cuts would be made only in the food program because the food program has been the host of some parasites convicted of wrongdoing in this country, it seems to me, as a symbol is no more logical than simply to provide that no aid will be sent to South Korea in $100 bills because $100 bills are alleged to have been the specific denomination by which the corruption was attempted.

What the committee ought to decide, first of all, is, because of Mr. Jaworski's news conference today and his assertion that the South Korean Government has declined to cooperate with our Government in ferreting out the truth in this matter, No. 1, whether the Congress should respond by indicating a willingness to suspend aid until such time as that cooperation is forthcoming, and No. 2, whether the committee simply wants to respond by symbolizing, or No. 3, if the committee wants actually to influence the decision of the South Korean Government, if we want to take an action and send a message that will actually influence that government, then I submit this very simple question for the committee to consider.

Why should a dictatorship care if food is not sent to its people so long as arms are sent to keep them in line?

I wish the Members would take that into account in deciding on this issue.

Mr. Chairman, I yield back the balance of my time.

Mr. CHARLES H. WILSON of California. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendments.

Mr. Chairman, I do not think that either of these amendments, the amendment offered by the gentleman from New York (Mr. CAPUTO) or the amendment offered by the gentleman from Indiana (Mr. JACOBS) will have any effect whatsoever on the budget resolution which we are considering at this time.

I feel very strongly about this issue and I want the record to show that I am opposed to the amendments, whether or not we have a recorded vote on this—and I will ask for a recorded vote and hopefully we can have one—because I want the record to show where I stand on this issue.

The gentleman from New York (Mr. CAPUTO) says that we should have Ambassador Kim brought back to testify, even though it is a violation of all of the ethics in connection with international relations that exist throughout the world.

I would just remind the members of the committee that it was not too long ago that the Government of Japan had a bribery scandal involving the Lockheed Corp. and they asked for the cooperation of the United States to have some Lockheed officials sent to Japan to assist them in their investigation. Our Government refused to require that the officials of Lockheed go to Japan to assist in its investigation. So the precedent has been established.

I think that the time is going to come when the American people are going to recognize that this type of an amendment is going to do more damage to the relations between two countries which have had very close and worthwhile relationships over a period of years and that our country, if we are going to keep an appearance or a presence in the Far East, if we are going to have our Navy free to sail in the Far East to keep peace, that South Korea is much more important to the United States than we are to them.

I think that this type of further disintegrating of the fine relationship which has existed throughout the years between our two countries is something that we should not be doing particularly when it is an amendment which will not have any effect whatsoever upon the budget resolution which we are considering.

I hope that we have the courage and the decency to reject this amendment.

Just one last word: I do not know about people, I will say to the gentleman from New York (Mr. CAPUTO) who are involved in business deals, but I will wager that there is not a single Member of the Congress who has been bribed to vote for aid for South Korean military assistance or any other type of assistance to South Korea, as a result of the allegations which have been made.

Mr. DERWINSKI. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendments.

Mr. Chairman, I oppose both amendments. I would like to point out that a little bit of history might be helpful if one would look at this problem before us. First, keep in mind that this is not the proper technical vehicle for correcting abuses in either the Public Law 480 program or correcting our relations with Korea. If one wishes to go directly to the cause of the ongoing problem, perhaps by cutting the State Department budget since the State Department has advised the Koreans and supported the Korean position against producing their former ambassador as a witness. Or when the Committee on Agriculture brings up a Public Law 480 program you might attack any allocation for Korea. That, I think is the proper technical viewpoint.

But let us keep in mind what happened back in 1950 when the intentions of the United States with regard to Korea were misunderstood and an invasion was launched from the North against South Korea. The same dictator in North Korea who launched that invasion is still running that country, and if there is any misunderstanding as to the intent of the U.S. Congress in meeting our obligations to South Korea, it could well trigger another Korean war. Now, another Korean war is not anything that could be isolated. It immediately involves the security of Japan, so our entire security in Asia could be threatened, we could be in a very, very difficult position if our actions were misunderstood.

I think we should make it clear that those of us who opposed these amendments are not giving political support to the Government of South Korea. But we are giving support to the practical alliance that we have with a key ally, a key ally in terms of history, a key ally in terms of geography.

I would suggest that the practical thing to do this afternoon is to reject the Jacobs amendment to the Caputo amendment, then reject the Caputo amendment. Let us properly go on about the business of working to convince the Koreans that further cooperation be developed through diplomatic contacts and relations between our Government officials and whatever other sphere of cooperation may be deemed necessary. But this is the wrong time, the wrong place, and the wrong vehicle for what could turn out to be an overcorrection.

Mr. SIMON. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. I yield to the gentleman from Illinois.

Mr. SIMON. I thank the gentleman for yielding.

I simply want to concur with my colleague, the gentleman from Illinois. Back some decades ago Sigmund Freud wrote an essay on what causes war. He said nations tend to act on the basis of passion rather than self-interest. I think that is frequently the case, and I think we are reacting to an unsavory incident with passion rather than taking a look at stability in Asia, as the gentleman from Illinois has suggested here.

Our friends in Japan are very much concerned about our willingness to stay in Korea, as they should be. I think we can unsettle the situation, and I think here, while I would very much like to see the Korean gentleman testify, I do not think we ought to be moving as either one of these amendments suggests. I concur with my colleague, the gentleman from Illinois.

Mr. HOLLAND. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. I yield to the gentleman from South Carolina.

Mr. HOLLAND. I thank the gentleman for yielding.

Mr. Chairman, I rise in support of the Jacobs substitute but for a different reason. I think we are giving enough foreign aid to South Korea by reason of our trade gates being open to the products of labor exploitation, horrible working conditions, and the fact that their gates are closed to the products of America. I think that is foreign aid enough. We have a government here that should have reached an age wherein it could support itself.

Mr. DERWINSKI. Let me say to the gentleman that argument could be made against 100 other countries, and it should be addressed in an appropriate subject for the Ways and Means Committee.

Mr. HOLLAND. Mr. Chairman, I support the substitute offered by the gentleman from Indiana (Mr. JACOBS) and should it fail, I will vote for the amendment offered by my colleague from New York.

The amendments are long overdue. Personally, I am strongly opposed to the United States continuing to pour money into a nation which is noted for its corruptness. Our country should not be in the position of financing a small ruling clique and that is what we are doing. I doubt seriously that a large part of our aid funds are used for the purposes for which they are intended.

The South Korean Government is sufficiently solvent to provide for its own needs. It certainly by now is sufficiently strong—or should be—to meet its military needs. There is no reason for us to continue to finance a government which does not need it and which utilizes it for corrupt purposes.

But I have other reasons for opposing these proposed funds. They relate to our pressing domestic problem of excessive textile and apparel imports. South Korea is one of our major foreign suppliers of cheap, low wage textile imports to the United States and has been for a number of years.

Last year, Korea shipped more than a half a billion yards of textiles into this market. So far in 1978 their shipments are up substantially.

Korea's share alone of total U.S. textile imports in 1977 amounted to 10 percent. This is one country out of the almost 100 who ship us textiles and apparel. Dollarwise Korea's textile exports amounted to about $600,000,000.

The bilateral quota arrangement which our Government has negotiated with South Korea is exceedingly generous. The wages paid in that country are no more than a tenth of ours.

The other side of this coin is South Korea's refusal to permit U.S. exports to enter its markets. I have had an opportunity to review a recent publication of the Department of Commerce entitled "Foreign Regulations Affecting U.S. Textile/Apparel Exports."

The ROK rigidly restricts or bans outright over 65 major U.S. textile and apparel products. According to the Commerce Department's report:

> Since July 25, 1967, Korea has had a import plan based on a negative list of items which are either totally banned or require licenses which must be approved by the appropriate ministry or manufacturers' association for importation.
>
> In many cases, restrictive measures are characterized by the statement "subject to regulations to be announced separately by the Ministry of Commerce and Industry." Essentially, this involves a further set of implementation orders (not all have been issued yet, which, in effect, places a de facto ban on imports) in which the MCI gives further details on eligibility or delegates approval authority to manufacturers associations. The manufacturers association certifies that a given import license application

involves a product or products not produced or producible locally.

For these reasons, Mr. Chairman, I see no need to give additional aid to South Korea. Our lenient treatment of that nation with regard to its exports to us coupled with its stringent restrictions on our exports is aid enough.

Mr. GIAIMO. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the Jacobs substitute and the amendment submitted by Mr. CAPUTO.

Although I share with the gentlemen their desire to have the Korean Government cooperate more fully with our Ethics Committee investigation, I do not think the budget resolution should be used to develop principles of foreign policy.

The primary purpose of the budget resolution is to set spending and revenue targets for the Congress. Although these actions will, in a general way, also serve as signals to the administration concerning the sense of Congress on these matters, it was never intended that the resolution should be used as a vehicle for transmitting foreign policy guidelines to the President or messages to foreign governments.

We have specialized committees in the House charged with responsibilities in these areas. They are involved in this matter on a day-to-day basis and are currently involved in negotiations and hearings in an attempt to develop the information they need.

Now it may well be that all current efforts to achieve more cooperation from the Government of Korean will fail, and that all efforts both by the administration and our committees are unsuccessful.

If that happens, Congress may well want to cut off all foreign aid to Korea. If that is the case we can handle that matter when Congress considers the foreign aid request. I am sure we all understand that, the administration understands that, and the Koreans understand that. So I do not see any need to send any additional messages on this matter via the budget resolution.

So I oppose these amendments, I think they are ill timed and attached to the wrong vehicle. I urge you to vote both down.

Mr. JOHNSON of Colorado. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the Jacobs amendment.

Mr. Chairman, every year we have a debate that involves the troops in Korea or funding for Korean aid of some sort or another, I decide I am not going to speak again, because for each of the last 5 years I have spoken out in favor of every cut we had proposed and last year, I swore I would not do this to you again, because I realize how you feel, that aid to Korea is sacred and sacrosanct of troops in Korea a national requirement.

I swore last year I was not going to speak; but the gentleman from California and the gentleman from Illinois set me off again, so I decided I am not going to let them get by with it any more. I am sorry, I was not going to speak, but these gentlemen have provoked me.

This talk about how important Korea is to the United States, of course, has been laid to rest last year when I read on the floor of the House how in 1947 and again in 1948 the National Security Council advised the defense establishment in this country not to get involved in Korea, that it had no military significance to this country, and it has none.

The notion that 17 million North Korean people are a threat to the United States, that they are going to come here and get us, when they do not have any sampans to come across the ocean in is just about as absurd a notion as in the 1960's that the North Vietnamese were going to come and get us and we were going to have to fight them in the rye grass of the Columbia River if we did not fight them in the Mekong Valley. It was an absurd statement. We have listened to this over and over about North Korea and North Vietnam, the same old line.

As a matter of fact, South Korea has twice the population of North Korea. It has an army twice the size. It is better prepared, with the possible exception of air power. The North Koreans have no naval capability. They are no threat to Japan. As a matter of fact, until World War II, Japan had invaded and occupied the Korean Peninsula. A country of 17 million with a poor productive capacity, is not going to go over and invade and occupy Japan, one of the most powerful industrial countries in the world.

Why can we not get off this nonsense and see it as it really is?

We are talking about aid to a country that we call a democratic country; but as a matter of fact, they do not allow newspapers, they do not have free elections, they do not have any kind of opposition allowed. They are having an election next week. There is an article in the New York Times that I just cut out today that appeared in today's paper. They are having an election next week. One man is running. A bunch of students got together and put on a little demonstration in opposition to this election. The police went in and knocked them away. Only about 1,000 girls who were demonstrating, handing out leaflets, but so repressive is the South Korean Government that it will not allow any indication of disapproval of its policies—no matter how harmless.

That has been typical of the South Korean freedom-loving nation that we keep supporting all the time.

Mr. CHARLES H. WILSON of California. Mr. Chairman will the gentleman yield?

Mr. JOHNSON of Colorado. If the gentleman will wait for just a moment, I will be glad to yield later.

Mr. Chairman, we keep talking what a friendly, freedom-loving group of people they are, and yet there is not a more vicious dictatorship anywhere in the world. They have tried to subvert our own country and our own system. They have bribed our Congressmen. We all know that.

Still we sit here and continue to argue that we should be giving aid to this kind of an outfit. We seem to be schizophrenic on this subject. We made a mistake 25 years ago, and we continue to compound it.

Mr. CHARLES H. WILSON of California. Mr. Chairman will the gentleman yield?

Mr. JOHNSON of Colorado. I will be glad to yield to the gentleman from California.

Mr. CHARLES H. WILSON of California. Mr. Chairman, let me say a word about the military importance of the country. If the Communist threat is not a purpose of our having a military establishment in our country—and that is what I understand from my service on the Committee on Armed Services—and that is not the whole purpose of our building up our own defenses, then we might as well just scrap the military. Perhaps that is what we should do—scrap our military and go along on trust. Is that what the gentleman would suggest?

Mr. JOHNSON of Colorado. Mr. Chairman, I will take back my time.

If the gentleman really believes that a country containing 17 million people constitutes a major threat to the United States of America and its security interest, then I submit the gentleman does not understand defense problems.

Mr. CHARLES H. WILSON of California. Mr. Chairman, I submit that the gentleman really did not give a true picture of the problems in the Orient.

The CHAIRMAN. The time of the gentleman from Colorado (Mr. JOHNSON) has expired.

Mr. WALKER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the Caputo amendment and in opposition to the Jacobs subsitute, primarily because all the Jacobs substitute does is go to the heart of the defense problem in Korea.

I think the gentleman from New York (Mr. CAPUTO) has put forth in this House a clear issue, and the clear issue is whether or not we are going to do something constructive in making sure the Koreagate investigation goes on. Certainly we can argue on the floor here about technicalities and about vehicles and all that kind of thing, but the issue before us is one of whether or not this House is going to make its opinion felt once again on the Koreagate matter.

This House has taken a stand before, and it said that it is very serious about pursuing this matter, and that we want to see corruption in the House exposed, that we want to see the Committee on Standards of Official Conduct do something about corruption in the House, and that we want to see this issue resolved once and for all.

I listened to Mr. Jaworski in his press conference this afternoon. What he said essentially was that he had reached the end of his rope in trying to bring about some kind of meaningful testimony from

Kim Dong Jo. He said he can go no further, he said that he has to have some cooperation on the part of the South Korean Government, and he said in so many words that this House is going to have to make a decision on its own as to whether or not we are going to give him the opportunity to have that kind of testimony. He has tried everything, and he has been rebuffed.

This is our vehicle. The gentleman from New York (Mr. CAPUTO), by offering this particular amendment, has given us the opportunity to say whether or not this House is going to stand behind the Committee on Standards of Official Conduct. This is going to be as clear a signal as we can give. Since the issue has been presented to us, if we turn down the Caputo amendment, it is going to be a clear signal to the South Koreans that as far as the House is concerned, we are no longer interested and the issue will go away.

Mr. Jaworski said that his feeling is that is exactly what the South Koreans are beginning to think—that the issue will just go away, that the investigation will die and go away.

I am saying that here we have a clear mandate before us. We are going to say that it is not going to die and go away, that we are interested in getting to the bottom of the case.

Mr. Chairman, the Caputo amendment says that we should be serious about investigating corruption, and therefore, we must cast our vote for the Caputo amendment in order to be sure that the Committee on Standards of official Conduct gets to the bottom of the Koreagate matter.

Mr. PREYER. Mr. Chairman, I rise in support of the Caputo amendment.

Mr. Chairman, I wish to express my agreement with the gentleman from Pennsylvania (Mr. WALKER) who just spoke in the well. I hope we will vote down the Jacobs amendment, because it is too sweeping and it does go into the defense area.

However, the Caputo amendment is tailored in the proper way to send a message to the South Koreans. They owe us some cooperation in this matter. They are a staunch ally of our country, but a very important issue is involved in this matter beyond our relations with the South Koreans, and that issue is the integrity of Congress.

We will not be able to remove the cloud which hangs over this body because of the South Korean scandal until we get the cooperation of the South Korean Government with respect to Ambassador Kim Dong Jo. An important value is involved, one important to this body. We certainly have the right to demand that kind of cooperation from our South Korean allies.

We are not passing judgment on the South Koreans; we are not passing judgment on the behavior of any members of the South Korean Government. We are only asking them to give us facts which are within their possession and are not within our possession so that we may clear up the questions involving this body.

Mr. Chairman, I hope we will support the Caputo amendment.

Mr. JACOBS. Mr. Chairman, will the gentleman yield?

Mr. PREYER. I yield to the gentleman from Indiana.

Mr. JACOBS. Mr. Chairman, I would like to ask the gentleman from North Carolina (Mr. PREYER) this question: In his opinion, which would be more influential with the Government of South Korea, a threat to withhold a major sum of the military aid or the smaller sum of the Caputo amendment?

Mr. PREYER. Of course, the threat to withhold a major sum is a more damaging blow to the South Koreans, but I think we do want to strike a balance on this. Our purpose is not to punish the Koreans but to get results.

Mr. JACOBS. If the gentleman will yield further, let me point out that the more influential threat need not be carried out if the South Korean Government complies to the comity to which the gentleman referred. They do not have to give up one red cent of military aid if they comply. I think the gentleman from New York (Mr. CAPUTO) has properly brought this question up. They do not have to give up anything except the evidence.

Mr. PREYER. I think I would reserve that more Draconian step to a little later in the day, in the event we do not get cooperation in this form.

Mr. CAPUTO. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I think some legitimate points have been raised here. I do not have strong feelings about the substitute. The difference between $56 million and I think it is $89 million in the substitute is not total. I think there is a rationale for the amendment, as opposed to the substitute. It was tailored to the program that was misused by the Government. There is significance to sending the required signal, giving them time to respond to what I think is a legitimate request in this investigation, since it is an investigation for corruption by Americans and not by Koreans. But let us not lose the point of the amendment in our search for the right vehicle or in references to wrongdoing by a private American business corporation as excuses for a "no" vote on the amendment. Let us remember the main point. We have overwhelming evidence, eyewitness accounts, of payments of cold cash to Members of this body, in obvious violation of the rules of the House rules, principles of the Constitution, and statutes of the United States.

One gentleman suggested there is no evidence of corruption. Well, a former member of this body pleaded guilty to a crime. He has now been sentenced. There is no question that there was high-level corruption.

The issue before us is whether we want, today, hours after our committee council concluded that the Korean Government, without more, will not cooperate.

I do not have strong feelings about the substitute versus my amendment, but I do have strong feelings that, when the time comes to vote, the Members should have clear in their minds that whatever rationale they choose to describe their action, they are going to be sending a message to the Korean Government. We will either be telling them that they need not cooperate or we will be telling them we cannot accept their refusal to cooperate. I respect those distinctions which have been drawn, and I can understand why people are loathe to do this. But the result of our vote will be to tell the Koreans we want cooperation or we accept their refusal to cooperate.

Mr. CHARLES H. WILSON of California. Mr. Chairman, will the gentleman yield?

Mr. CAPUTO. I yield to the gentleman from California.

Mr. CHARLES H. WILSON of California. I thank the gentleman for yielding.

Mr. Chairman, I do not know whether it was my statement the gentleman has reference to. What I said was that I had no knowledge about the business deals that some Members have made, which are the Members which may have been indicted. But I also said that I do not think any Member of this House—and I still stand by that—has been bribed in any way whatsoever to vote for or against anything that would benefit the Government of Korea. And I will stand by that statement.

Mr. CAPUTO. The indictments include bribery on several counts.

Mr. SIMON. Mr. Chairman, will the gentleman yield?

Mr. CAPUTO. I yield to the gentleman from Illinois.

Mr. SIMON. Mr. Chairman, I have this question for the gentleman from New York (Mr. CAPUTO): Do we have evidence of any case in history in which a public threat, which is what we are about to do, has generated cooperation from another government?

I concur completely in the desire of the gentleman from New York to get the cooperation of the Korean Government. However, my limited knowledge of diplomatic history suggests that it has to be done quietly and firmly, but without public threats.

What we are involved with now is a public threat.

Mr. CAPUTO. That is a very intelligent question.

My knowledge of diplomatic practice is acutely limited, far more limited than is that of the gentleman from Illinois. Mine is limited to this Korean episode.

Mr. Chairman, let me tell the Members what happened when we were voting on a similar budget resolution in 1977. Early in 1977 the Speaker of the House took the well and requested Korean Government cooperation, and it was not forthcoming.

The President of the United States wrote to the President of Korea seeking cooperation, and he did not receive an answer to his letter.

There were numerous communications from the Ethics Committee and the Justice Department by way of our State Department to Korean Government of-

ficials of similar jurisdiction; and we did not get cooperation.

In October 1977 a budget resolution almost identical to the one before us narrowly failed in this House, by something like 20 votes.

The CHAIRMAN. The time of the gentleman from New York (Mr. CAPUTO) has expired.

(On request of Mr. SIMON and by unanimous consent, Mr. CAPUTO was allowed to proceed for 1 additional minute.)

Mr. CAPUTO. To continue, Mr. Chairman, shortly after that budget amendment, the Korean Government substantially changed its attitude, and there was progress toward the production of Tongsun Park in Seoul. We eventually got the evidence of Tongsun Park.

I am not prepared to say that the cause of that change in attitude was the budget amendment. Undoubtedly, it was the combination of the effect of those appeals from American officials over that period of time; but I would say on the basis of that episode, there is some reason to believe that this present effort is neither too much nor too little to get the cooperation of Korea.

Mr. SIMON. Mr. Chairman, I thank the gentleman.

Mr. SISK. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I am rather appalled, if I understood the gentleman from New York (Mr. CAPUTO) correctly in saying that there has been testimony. I do not know whether he is prepared to comment on it further. He said that there are witnesses to the fact that Members of this Congress have received bribes.

Mr. CAPUTO. If the gentleman will yield, payments of cash, that is right.

Mr. SISK. Who has made this charge? Is the gentleman from New York making the charge?

Mr. CAPUTO. No, sir. It was public testimony taken by the House Ethics Committee.

Mr. SISK. Will the gentleman name the Members, the Members of Congress?

Mr. CAPUTO. It is a matter of public record. If the gentleman thinks that is appropriate, I will. Does the gentleman want me to do that now?

Mr. SISK. I will say to the gentleman that, peculiarly enough, I have read all of the reports in connection with the hearings involving Tongsun Park. It was my understanding as a fact that you really established nothing particularly new in connection with Tongsun Park's testimony.

Mr. Chairman, I just want to say to the gentleman that I am getting totally fed up with all of these charges about coverups and so on when, in fact, I have just been out in California and spent some time there, and the question has not been raised.

I am just a little bit curious about all the evidence which the gentleman from New York (Mr. CAPUTO) keeps sounding off about. I wonder where the chairman of the committee is in conection with this matter. About all I have ever heard is the gentleman from New York making statements of one kind or another, or Mr. Jaworski making statements of one kind or another.

Mr. Chairman, let me comment, and really the reason I took the floor was to talk about the fact—and I raised this matter once before—that staff people come in here and pop off to the press and make comments which apparently maybe the staff member could or could not back up. This happens in face of the fact that the Members of Congress, I had understood, are responsible for what is going on in connection with the investigation. It is Members of Congress who are members of the Ethics Committee.

As far as I am concerned, I do not intend to accept from staff people intimations or implications or anything else.

I might say that, in all fairness to Mr. Jaworski, after I raised the question publicly whether, in fact, he should be making any statement publicly, we exchanged some very courteous letters. For a period of some couple of months he seemed to have remained very, very quiet. Now, I am unaware of what Mr. Jaworski said today. I am curious, though, in view of the fact that the subject was brought up.

I looked around for the chairman of the Ethics Committee on the floor because I would kind of like to get some of the word from the chairman. In inquiring of the chairman his concerns, I have not had a number of these charges made. That is why I raise the question of the gentleman from New York, who seems to know so much more than anyone else about the subject. I just get a little bit curious about the situation.

Mr. KREBS. Mr. Chairman, will the gentleman yield?

Mr. SISK. I yield to my colleague from California.

Mr. KREBS. Mr. Chairman, I was trying to listen very carefully to what my friend from California had to say. My understanding was—and if I misunderstood his question, I would like to stand corrected—but I thought that he asked the gentleman from New York a very specific question. He asked the gentleman from New York as to whether he knows of any Members of the Congress who have been bribed. His response to that question was that cash was paid.

Now, the payment of cash, at least according to my understanding, is not necessarily tantamount to bribing, and I think this is rather basic criminal law.

I would appreciate it if the gentleman from California would pursue that particular question, because I think it is totally irresponsible to refer to bribery and make it tantamount to making a contribution or passage of cash.

Mr. SISK. I appreciate the comments of my colleague from California. I think he is 100 percent right. I raised the same questions with the gentleman from New York in the Rules Committee. I have been hearing him sounding off for months on this question, and very frankly, I did not get any better answer—I did not get any better answer up before the Rules Committee than, frankly, I have heard here today.

There have been a lot of intimations about Members of Congress, and very frankly, it is peculiar to me that if, in fact, the gentleman has evidence and has answers to the effect that, in fact, bribery has taken place, that these Members of Congress around here will say so.

The CHAIRMAN. The time of the gentleman from California has expired.

(By unanimous consent Mr. SISK was allowed to proceed for 2 additional minutes.)

Mr. SISK. Mr. Chairman, I ask unanimous consent for the additional 2 minutes to comment on the remarks of my good friend from Connecticut (Mr. GIAIMO). It is totally ridiculous to be here debating this silly, asinine issue, which has no place in connection with the handling of the budget. I think it is totally out of place, and I think, very frankly, as the gentleman from Connecticut said, that what we are actually doing to a large extent is making fools of ourselves in the eyes of the American public, the media, and otherwise, in the very way in which we are carrying this process on.

I think it is great to discuss the state of the budget and the state of the economy, as has been going on, but when we get this far off the beaten path and bring up things of this kind, I just think it is most unfortunate. Therefore, Mr. Chairman, I would hope that we might get back to a discussion of the budgetary matters and what we are going to do, and get off this silly, asinine situation.

Mr. FLOWERS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I entertain no illusions that I can impart anything to this debate that has not already been touched on. I think the gentleman from California (Mr. KREBS) and the gentleman from California (Mr. SISK) have helped greatly, and also my friend, the gentleman from Illinois (Mr. SIMON).

I really do not want to appear to oppose what the gentleman from New York is trying to do, because I feel the great sense of frustration as a member of the Committee on Standards of Official Conduct that the others do. But I also have a feeling, it is kind of just churning around inside of me, that what we are about to do here is to engage in a little international extortion.

This is the House of Representatives of the United States, and we are upset because somebody has not dealt with us as we think they ought to deal with us. In effect, we sent out a subpena and it was served on the government in Seoul, Korea, and somebody is supposed to come running. I would like to have it done that way and I would like to have them deal with us as befits friends dealing one with another. But because we have not been dealt with in that way, I am troubled

that in our rush to judgment we are invading the budget process, that has already been invaded more than it ought to have, and try here to slap those people around a little bit.

I am also a little troubled, because I do not think the gentleman intended to say it, but the bottom line of what he said was—to me and I think maybe to some others—that there has already been some evidence of bribery with reference to Members of Congress.

Mr. CAPUTO. Mr. Chairman, will the gentleman yield?

Mr. FLOWERS. I certainly will yield to the gentleman from New York.

Mr. CAPUTO. Let us look at the facts. There have been two indictments.

Mr. FLOWERS. Of former Members of Congress.

Mr. CAPUTO. Of former Members of Congress. One was for 39 counts and one I believe for 43 counts, including racketeering and several counts of bribery, misuse of office, and several other offenses. There has been one conviction.

Under the statutes, section 101(f), bribery is not a joint offense of the briber and the bribee, as it is in the laws of most States, including mine. Merely giving something of value to a public official is bribery under the statutes.

Mr. FLOWERS. Wait a minute. We are talking about vis-a-vis former Ambassador Kim Dong Jo and Members of the House of Representatives.

Mr. CAPUTO. When the gentleman from California (Mr. SISK) took the floor, we wandered way beyond Ambassador Dong.

Mr. FLOWERS. I ask the gentleman to tell me if I am wrong, or frankly ask anybody to tell me and I will submit, but I am waiting for the bottom line of the evidence to be acquired before I render my judgment. But we do not have in the public domain now any hard evidence of bribery, through the office of Kim Dong Jo, Ambassador of the Republic of Korea, of Members of the U.S. House of Representatives.

Mr. CAPUTO. Would the gentleman yield to me again?

Mr. FLOWERS. I yield to the gentleman from New York.

Mr. CAPUTO. Under section 101(f), bribery is committed simply when something of value is imparted to a public official. Bribery on the part of the briber happens when the briber gives something to a public official. We have eye witness accounts of Ambassador Kim Dong Jo's leaving cash on the desk of a Member of this body. I think that falls within the gentleman's definition of reasonable evidence of wrongdoing.

Now, if the gentleman is limiting his questions to Kim Dong Jo, then the gentleman has made a limitation that did not apply to previous speakers. We have convictions and we have indictments.

Mr. FLOWERS. We have already had Mr. Park.

Mr. CAPUTO. I am responding to two different speakers at the same time, maybe that is out of order.

Mr. FLOWERS. Let me make this point, but I am not really intending to be argumentative with the gentleman and I do not question his motives here. I question his assessment of what brought about Tongsun Park's appearance before the House committee. I think it was the result more of an intercession from our Speaker than any amendment attached to any budget bill or any bit of discussion on the floor. It was the active intervention of the Speaker and certain give-and-take initiatives from this Government to the Government of South Korea which I think brought it about. I think that is a better and wiser course for us to pursue in connection with getting Mr. Kim Dong Jo.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. FLOWERS was allowed to proceed for 1 additional minute.)

Mr. FLOWERS. Mr. Chairman, I will not ask for any more time.

It may be that we will not get former Ambassador Kim Dong Jo and I submit to you, my esteemed colleagues, that the morning after we do not get Mr. Kim Dong Jo the Sun will rise just as it did this morning and before; the case will go on and we will finish our inquiries some way or another. But I think we can do with or without Mr. Kim Dong Jo.

Mr. Chairman, I yield back the balance of my time.

Mr. EDWARDS of Oklahoma, Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment offered by the gentleman from New York (Mr. CAPUTO).

Mr. Chairman, I support the Caputo amendment. I think that if we run a risk of embarrassment in this House it is not embarrassment that might be suffered from trying to find the answers as to whether or not representatives of a foreign government have bribed Members of this body, but the embarrassment that might flow if we do not actively pursue that.

I think we have an obligation to the American people to find answers.

I have heard different statements made as to how much evidence has been uncovered and what has been learned. I would like to ask the gentleman from New York (Mr. CAPUTO) if he would elaborate for me what has been uncovered. What have you learned that you can tell this body?

Mr. CAPUTO. I would be happy to answer that question. I am only able to describe what has been released to the public. The principal witness has been Tongsun Park. He testified to making payments to some 31 Members of the Congress, past and present, and an additional number of Senators which I cannot disclose at this time, and an additional number of White House staffers. Of the 31 House Members, 15 are still in this body—no, 14 are still in the body and 1 is a Governor of a State.

The cash payments ranged from the trivial and, ostensibly, proper, on up to the obviously criminal.

Two of the Members named are indicted. One is convicted and has been sentenced. It involves some $850,000 in payments. The payments were made over a 7-year period. The money appears to have come from commissions that Tongsun Park earned as a broker for the sale of rice to Korea under the food-for-peace program which is the subject of this amendment.

In addition to that we have documentary evidence supporting these payments such as entries into Tongsun Park's diaries, entries into Tongsun Park's financial ledgers and other record that were kept by the recipient Congressmen.

We have eye witnesses to some of the transfers, secretaries of Members, and things of that kind.

Regarding Kim Dong Jo, we have the testimony from the secretary of a sitting Member of Congress that cash, more cash than she had ever seen—that is her language, not mine—was left on the Member's desk.

We have two wives of current Members who testified that Mrs. Kim Dong Jo gave them cash which they returned.

And I could go on.

This is the substance of the evidence from testimony, which has been received by our committee under oath, in public, by those who made or saw the payments.

Mr. EDWARDS of Oklahoma. Mr. Chairman, I thank the gentleman for his answer.

I agree with the previous speaker that if we do not act the Sun will undoubtedly continue to rise, and that probably is true of most things that we do or fail to do in this body. But I think we have an obligation here to look after the ethics of our own body. I sincerely hope the Members of this House will support the Caputo amendment.

Mr. Chairman, I yield back the balance of my time.

Mr. STRATTON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I have not had an opportunity to be in the Chamber during most of this debate, and perhaps some of the points that I am going to be making have already been touched upon; but I am disturbed at the bigger implications of the action that is proposed in these amendments. Needless to say, I am in favor of pursuing the crimes that have allegedly taken place, and in pursuing them as far as possible. I think we have already gotten a great deal of information, as the gentleman from New York (Mr. CAPUTO) has already disclosed, and a good deal of action has been taken on it.

What disturbs me is that what we are being asked to take—and I am not sure just what the return from it would be—is something that could have a very profound effect on our foreign policy and on our military policy, and that, I think, is the thing that we ought to keep closely in mind.

I have been the chairman of a subcommittee that visited Korea in January to try to determine the exact military situation along the demilitarized zone, and to examine the implications of the proposal to withdraw the 30,000 ground combat troops out of Korea that we now have there. I came back profoundly convinced that we have in Korea today, in spite of what has been referred to as 25 years of peace since the end of the Korean War, the most volatile and explosive spot in all of Asia. The southern tip of the Korean peninsula, South Korea, represents the only non-Communist part of the Asian Continent stretching from the Arctic down into the South China Sea.

We have all too few friends in the world as it is. We have all too few allies in the world. One of the few spots today that we feel is vital to our security is Japan; and if we take a look at Korea we can see that South Korea in Communist hands would present a dagger to the heart of Japan, and would cut off the operation of Japanese ships into and out of the Sea of Japan without the acquiescence of the Communists.

If we approve these two amendments, I am afraid, we will do more harm to ourselves than to the Koreans. We have in Europe today 300,000 troops deterring war by their presence in NATO. We have just one-tenth of that number in Korea. The Koreans are happy accommodate them. They are not trying to kick us out. But I think that an action that we take of the kind proposed, in contravention of the Geneva Convention, is bound to jeopardize that relationship with South Korea. And the only thing that could result would be to encourage Kim Il Sung, the dictator of North Korea—which even our own military planners acknowledge is much stronger than South Korean forces—to attack and precipitate another war.

We ought to find some other way to deal with this criminal problem than to disrupt our whole foreign policy, our important military policy. To argue that such a result does not make any difference, we are going to pursue the prosecutor's plans wherever they may lead, is a dangerous thing to do, and I urge the House to defeat both amendments.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Indiana (Mr. JACOBS) to the amendment offered by the gentleman from New York (Mr. CAPUTO).

The question was taken; and on a division (demanded by Mr. JACOBS) there were—ayes 16, noes 66.

So the amendment to the amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. CAPUTO).

The question was taken; and the chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. CAPUTO. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 146, noes 254, not voting 34, as follows:

[Roll No. 296]

AYES—146

Abdnor	Fuqua	Nedzi
Allen	Gammage	O'Brien
Ambro	Gaydos	Obey
Archer	Gephardt	Ottinger
Armstrong	Gibbons	Panetta
Aspin	Gilman	Pattison
Badham	Gore	Perkins
Bafalis	Grassley	Pickle
Beard, R.I.	Gudger	Pressler
Bedell	Hagedorn	Preyer
Bennett	Hall	Pritchard
Bevill	Hamilton	Quayle
Blouin	Harkin	Quie
Brademas	Heckler	Quillen
Brodhead	Hefner	Railsback
Buchanan	Holland	Rhodes
Burgener	Hollenbeck	Richmond
Burlison, Mo.	Holtzman	Rinaldo
Burton, John	Ichord	Rogers
Burton, Phillip	Ireland	Rousselot
Caputo	Jacobs	Russo
Carr	Jeffords	Sarasin
Clausen, Don H.	Johnson, Colo.	Scheuer
Cleveland	Kasten	Schroeder
Cohen	Kastenmeier	Schulze
Coleman	Kelly	Sebelius
Collins, Tex.	Keys	Sharp
Corcoran	Kindness	Shuster
Cunningham	Kostmayer	Smith, Iowa
D'Amours	Lagomarsino	Spence
Davis	Latta	Stangeland
Dellums	Leach	Stark
Dickinson	Lent	Steers
Dornan	McCormack	Trible
Downey	McDade	Tsongas
Duncan, Tenn.	McFall	Udall
Early	Maguire	Volkmer
Edgar	Marlenee	Walker
Edwards, Okla.	Michel	Walsh
Emery	Mikva	Wampler
Ertel	Miller, Calif.	Watkins
Evans, Del.	Miller, Ohio	Weaver
Evans, Ind.	Minish	Wilson, Bob
Fenwick	Mitchell, Md.	Wirth
Fish	Moffett	Wydler
Fithian	Moorhead, Calif.	Wylie
Flood	Mottl	Yatron
Forsythe	Natcher	Young, Fla.
Fountain	Neal	

NOES—254

Addabbo	Conable	Guyer
Akaka	Conte	Hammer-schmidt
Alexander	Corman	Hanley
Anderson, Calif.	Cornell	Hansen
Anderson, Ill.	Cornwell	Harrington
Andrews, N.C.	Cotter	Harris
Andrews, N. Dak.	Coughlin	Harsha
Annunzio	Crane	Hawkins
Applegate	Daniel, Dan	Heftel
Ashbrook	Daniel, R. W.	Hightower
AuCoin	Danielson	Hillis
Baldus	de la Garza	Holt
Barnard	Delaney	Horton
Baucus	Derrick	Howard
Bauman	Derwinski	Hubbard
Beard, Tenn.	Devine	Huckaby
Bellenson	Dicks	Hughes
Benjamin	Diggs	Hyde
Biaggi	Dingell	Jenkins
Bingham	Dodd	Jenrette
Blanchard	Drinan	Johnson, Calif.
Boggs	Duncan, Oreg.	Jones, N.C.
Boland	Eckhardt	Jones, Okla.
Bolling	Edwards, Ala.	Jones, Tenn.
Bonior	Edwards, Calif.	Jordan
Bonker	English	Kazen
Bowen	Erlenborn	Kemp
Breaux	Evans, Colo.	Ketchum
Breckinridge	Evans, Ga.	Kildee
Brinkley	Fary	Krebs
Brooks	Fascell	Krueger
Broomfield	Findley	LaFalce
Brown, Calif.	Fisher	Lederer
Brown, Mich.	Flippo	Le Fante
Brown, Ohio	Florio	Leggett
Broyhill	Flowers	Lehman
Burke, Fla.	Flynt	Levitas
Burke, Mass.	Foley	Lloyd, Calif.
Burleson, Tex.	Ford, Tenn.	Lloyd, Tenn.
Butler	Fowler	Long, La.
Byron	Frenzel	Long, Md.
Carter	Garcia	Lott
Cavanaugh	Giaimo	Luken
Cederberg	Ginn	Lundine
Chappell	Glickman	McClory
Chisholm	Goldwater	McCloskey
Clay	Gonzalez	McDonald
Collins, Ill.	Goodling	McEwen
	Gradison	McHugh
	Green	McKay
		McKinney
		Madigan
		Mahon
		Mann
		Markey
		Marks
		Marriott
		Mathis
		Mattox
		Meeds
		Metcalfe
		Meyner
		Mikulski
		Milford
		Mineta
		Mitchell, N.Y.
		Moakley
		Montgomery
		Moore
		Moorhead, Pa.
		Moss
		Murphy, Ill.
		Murphy, N.Y.
		Murtha
		Myers, Gary
		Myers, John
		Nichols
		Nolan
		Nowak
		Oberstar
		Patten
		Patterson
		Pease
		Pepper
		Pettis
		Pike
		Poage
		Price
		Pursell
		Rangel
		Regula
		Reuss
		Roberts
		Robinson
		Roe
		Roncalio
		Rooney
		Rose
		Rostenkowski
		Rudd
		Ruppe
		Ryan
		Santini
		Satterfield
		Sawyer
		Seiberling
		Shipley
		Sikes
		Simon
		Sisk
		Skelton
		Slack
		Smith, Nebr.
		Snyder
		Solarz
		Spellman
		St Germain
		Staggers
		Stanton
		Steed
		Steiger
		Stockman
		Stokes
		Stratton
		Studds
		Stump
		Symms
		Taylor
		Teague
		Traxler
		Treen
		Ullman
		Van Deerlin
		Vander Jagt
		Vanik
		Vento
		Waggonner
		Walgren
		Waxman
		Weiss
		Whalen
		White
		Whitehurst
		Whitten
		Wiggins
		Wilson, C. H.
		Wilson, Tex.
		Winn
		Wolff
		Wright
		Yates
		Young, Alaska
		Young, Mo.
		Young, Tex.
		Zablocki
		Zeferetti

NOT VOTING—34

Ammerman	Hannaford	Rodino
Ashley	Livingston	Rosenthal
Burke, Calif.	Lujan	Roybal
Carney	Martin	Runnels
Clawson, Del	Mazzoli	Skubitz
Cochran	Mollohan	Thompson
Conyers	Murphy, Pa.	Thone
Dent	Myers, Michael	Thornton
Eilberg	Nix	Tucker
Ford, Mich.	Oakar	Whitley
Fraser	Rahall	
Frey	Risenhoover	

The Clerk announced the following pairs:

On this vote:

Mr. Runnels for, with Mr. Ashley against.

Mr. Lujan for, with Mr. Carney against.

Mr. Conyers for, with Mrs. Burke of California against.

Mr. Del Clawson for, with Mr. Rahall against.

Mr. Frey for, with Mr. Whitley against.

Mr. Martin for, with Mr. Risenhoover against.

Mr. Skubitz for, with Mr. Dent against.

Mr. Livingston for, with Mr. Nix against.

Messrs. BYRON, WAXMAN, LUKEN, and DELANEY, and Mrs. SMITH of Nebraska changed their vote from "aye" to "no."

Mr. FITHIAN and Mr. HARKIN changed their vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. ROUSSELOT

Mr. ROUSSELOT. Mr. Chairman, I offer an amendment in the nature of a substitute.

The Clerk read as follows:

Amendment in the nature of a substitute offered by Mr. ROUSSELOT: Strike out all after the resolving clause and insert in lieu thereof the following: That the Congress hereby determines and declares, pursuant to section 301(a) of the Congressional Budget Act of 1974, that for the fiscal year beginning on October 1, 1978—

(1) the recommended level of Federal revenues is $464,648,000,000 and the amount by which the aggregate level of Federal revenues should be decreased is $38,700,000,000;

(2) the appropriate level of total new budget authority is $520,437,000,000;

(3) the appropriate level of total budget outlays is $464,648,000,000;

(4) the amount of the deficit in the budget which is appropriate in the light of economic conditions and all other relevant factors is $0; and

(5) the appropriate level of the public debt is $782,200,000,000 and the amount by which the statutory limit on such debt should accordingly be increased is $29,000,000,000.

SEC. 2. Based on allocations of the appropriate level of total new budget authority and of total budget outlays as set forth in paragraphs (2) and (3) of the first section of this resolution, the Congress hereby determines and declares pursuant to section 301(a)(2) of the Congressional Budget Act of 1974 that, for the fiscal year beginning on October 1, 1978, the appropriate level of new budget authority and the estimated budget outlays for each major functional category are as follows:

(1) National Defense (050):
(A) New budget authority, $127,439,000,000;
(B) Outlays, $115,679,000,000;
(2) International Affairs (150):
(A) New budget authority; $8,754,000,000,
(B) Outlays, $5,500,000;
(3) General Science, Space, and Technology (250):
(A) New budget authority, $5,216,000,000,
(B) Outlays, $5,027,000,000;
(4) Energy (270):
(A) New budget authority, $9,200,000,000,
(B) Outlays, $6,200,000,000;
(5) Natural Resources and Environment (300):
(A) New budget authority $13,000,000,000,
(B) Outlays, $11,331,000,000;
(6) Agriculture (350):
(A) New budget authority, $9,197,000,000,
(B) Outlays, $9,308,000,000;
(7) Commerce and Housing Credit (370):
(A) New budget authority, $5,386,000,000,
(B) Outlays ,$3,148,000,000;
(8) Transportation (400):
(A) New budget authority, $16,200,000,000,
(B) Outlays, $16,000,000,000;
(9) Community and Regional Development (450):
(A) New budget authority, $8,500,000,000,
(B) Outlays, $8,264,000,000;
(10) Education, Training, Employment and Social Services (500):
(A) New budget authority, $21,842,000,000,
(B) Outlays, $26,529,000,000;
(11) Health (550):
(A) New budget authority, $48,600,000,
(B) Outlays, $45,000,000,000;
(12) Income Security (600):
(A) New budget authority, $181,375,000,000,
(B) Outlays, $147,156,000,000;
(13) Veterans Benefits and Services (700):
(A) New budget authority, $21,730,000,000,
(B) Outlays $21,315,000,000;
(14) Administration of Justice (750):
(A) New budget authority, $3,974,000,000,
(B) Outlays, $4,051,000,000;
(15) General Government (800):
(A) New budget authority, $3,876,000,000,
(B) Outlays, $3,903,000,000;
(16) General Purpose Fiscal Assistance (850):
(A) New budget authority, $9,098,000,000,
(B) Outlays, $9,237,000,000;
(17) Interest (900):
(A) New budget authority, $43,500,000,000,
(B) Outlays, $43,500,000,000;
(18) Allowances (920):
(A) New budget authority, $1,050,000,000,
(B) Outlays, $1,000,000,000;
(19) Undistributed Offsetting Receipts (950):
(A) New budget authority, $17,500,000,000,
(B) Outlays, $17,500,000,000;

Mr. ROUSSELOT (during the reading). Mr. Chairman, I ask unanimous consent that further reading of the amendment in the nature of a substitute be dispensed with and that it be printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

(By unanimous consent, Mr. ROUSSELOT was allowed to speak for 5 additional minutes.)

Mr. ROUSSELOT. Mr. Chairman, Members of this distinguished body, before us is a map representing the serious mood of the American people on the issue of increasing debt. The pins on this map represent a community, a county government, or a board of education that has turned down a bond issue in the last year—over 550 to be exact. The argument will be made by the big spenders that we don't have any input as to whether or not the American people favor a debt reduction. Mr. Speaker, they are wrong. Here are over 550 local jurisdictions, cities, counties, or school districts in 1 year's time that have rejected the concept of increasing debt. I say that is a substantial national referendum in over 550 localities in our country and I believe the American people are trying to tell us something important.

Additionally, there has been substantial debate regarding the critically high taxes at all levels, being paid by Americans. Even Newsweek, which I think no one here would try to characterize as a right-wing publication, has emphasized that the American people are burned up over the taxes that this administration has imposed.

Each year, as incomes go up, the Federal income tax, the social security tax—which a majority of the House voted to raise last December very substantially—go up. The people object very vigorously to those tremendous increases in taxation. Over and over again, all across this country, in many cases where the American people had a voice that could be heard verbally, local units of government have turned down tax or debt increases.

The current tax rate structure in the United States more than any other single factor has contributed to the problems our economy has experienced over the last several years. It has acted as a disincentive to economic growth and production, discouraged entrepreneurial activity and stood in the way of vigorous economic activity. Today, in the United States, marginal tax rates go from 14 percent on incomes above $2,200 for a single person up to 70 percent on incomes above $102,200. Thus, as an individual's income rises, whether through inflation, real growth in the economy or through hard work, the tax system takes progressively more out of each dollar earned. In other words; as we work harder and longer, the government takes an ever-increasing portion of our earned dollars.

To redress this imbalance, a substantial number of Members cosponsored legislation which would permanently reduce the rate at which a worker's income is taxed. Our proposal, known as the Kemp-Roth bill, seeks to increase incentive, investment and capital formation by reducing marginal tax rates. This legislation would do the following: first, reduce all individual income tax rates by an average of 30 percent across the board over a 3-year period; second, reduce the corporate income tax level from 48 to 45 percent over a 3-year period; and, third, increase the corporate surtax exemption from $50,000 to $100,000.

While some would criticize our program because they fear a reduction in Federal revenues, I would remind my colleagues that the Kemp-Roth legislation is conceptually similar to a tax cut program successfully implemented by the Kennedy administration in the early 60's. Then, as now, many Keynesian critics and Federal bureaucrats warned of the serious consequences of enacting large tax cuts which would result in heavy revenue losses. As the following table demonstrates, however, this did not result.

This resolution attempts to suggest to the Ways and Means Committee, which will have to take the final action, and probably will, on some kind of tax relief, that we utilize the Kemp-Roth tax reduction of 10 percent this year, 10 percent next year, and then the following year another 10 percent. I will comment later on that proposal.

Additionally—and I think this is very important—on the side of expenditures we realize that there needs to be consideration for inflation, and in this resolution we have accommodated an increase of $15 billion over what we will have spent this fiscal year of 1978, to a level of roughly $465 billion for outlay.

So a $465 billion expenditure level for 1979 will provide a $15 billion allowance for inflation. That is more than adequate to accommodate need increases across the 19 functional categories. But the main point is we will not be required to add anything to the already overburdened Federal debt. In other words, this resolution says Congress is calling for a zero—I repeat—a zero-add-on debt.

And as a result of the tax cuts and the recovery of income that has occurred since 1945, the Federal Government has had 10 tax cuts. In 9 out of those 10, we recovered the revenue in a year's time or less and only in one case did it take more than 1 year (15 months) to recover it.

I would like first to address the most famous of those tax cuts, the Kennedy tax cut of 1962, 1963, 1964. This is a chart from the U.S. Treasury which shows the positive and constructive economic effect of the Kennedy tax cut.

Let me illustrate the effect of 1962–64 tax cuts on revenues 1963–68:

[In billions of dollars]

	1963	1964	1965	1966	1967	1968	Total
Revenue losses estimated in 1963 by U.S. Treasury--	−2.4	−5.2	−13.3	−20	−23.7	−24.4	−89
Actual revenue gains-------	+7.0	+6.0	+4.0	+14	+19.0	+4.0	+54
Differences in estimates-	9.4	11.2	17.3	34	42.7	28.4	143

Source: U.S. Department of Treasury.

The Treasury Department, before this was put in place, said:

Oh, do not do that. We will have tremendous losses of revenue. We will have a tremendous add-on debt.

Did that happen? No. As proof, I want to quote what the former chairman of the Ways and Means Committee, Wilbur Mills, said would happen. He was right, and the Treasury was wrong. During debate on the Kennedy tax cut bill, former Ways and Means Committee Chairman Wilbur Mills had this to say:

Many believe we can spend our way to prosperity. On the other hand, I am firmly convinced that if Congress adopts a tax reduction and revision bill of the type which is before this body today, we can also achieve this more prosperous economy by loosening the constraints which the present Federal tax system imposes on our free enterprise system. These tax reductions will bring about a higher level of economic activity, fuller use of our manpower, more intensive and prosperous use of our plants and equipment, and with the increase in wages, salaries, profits, consumption and investment, there will be increases in Federal tax revenues.

Today we are hearing moans and groans about a great deficit created by a 30-percent across-the-board tax cut for the 130 million taxpayers of this country. This will bring some relief to them and, as this chart shows, there will not be loss of revenues.

Even though there were estimates that there would be a great revenue loss as a result of the Kennedy tax cut in 1963, there was an actual revenue gain of $7 billion, and I will compare that in today's terms.

In 1964 there was a revenue gain of $6 billion. That tax cut was roughly $12 billion. To understand what occurred, we should know what Prof. Walter Heller, chairman of the Council of Economic Advisers during the Kennedy administration, had to say about the effect of the Kennedy tax cuts when he appeared recently before the Joint Economics Committee, of which I am a member. I would now like to quote from his testimony. He said:

What happened to the tax cut in 1965 is difficult to pin down but insofar as we are able to isolate it, it did seem to have a tremendously stimulative effect, a multiplied effect on the economy. It was the major factor that led to our running a $3 billion surplus by the middle of 1965 before escalation in Vietnam struck us.

And this is the point I think we should pay attention to Dr. Heller:

It was a $12 billion tax cut, which would be about $33 to $34 billion in today's terms, and within one year the revenues into the Federal Treasury were already above what they had been before the tax cut.

Dr. Heller then continued:

Did it pay for itself in increased revenues? I think the evidence is very strong it did.

Now, what were the predictions again on this tax cut or similar-type tax cuts? Mine is not exactly the same as the Kennedy cut because I join with the gentleman from New York (Mr. CONABLE) in not increasing the social security tax for 1979. I think we have all heard enough from our constituents to indicate that that was an unreasonable increase.

Again let us review what the former chairman of the Ways and Means Committee told this House when that tax cut, the Kennedy tax cut, was before this House in 1962–1963.

Many believe we can spend our way into prosperity. On the other hand, I am firmly convinced—

I want you to know this was the former chairman of the Committee on Ways and Means, not just me speaking or somebody else, as he argued that concept before this House.

On the other hand, I am firmly convinced that if Congress adopts a tax reduction and revision bill of the type which is before this body today we can also achieve this more prosperous economy by loosening the constraints which the present Federal tax system imposes on the free enterprise system. These tax reductions will bring about a higher level of economic activity.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. ROUSSELOT was allowed to proceed for 4 additional minutes.)

Mr. ROUSSELOT. Let me reemphasize that he went on to say that:

These tax reductions will bring about a higher level of economic activity, fuller use of manpower, and more intensive and prosperous use of our plants and equipment. With the increase in wages, salaries, profits, consumption and investment, there will be increases in the Federal tax revenues.

It was true then, it is true today. Now you will hear some people here today who will get up and argue against the former Democratic chairman of the Committee on Ways and Means whom I was quoted earlier.

I want to remind you that those same dire predictions were used in 1962 and 1963 against President Kennedy's proposal, against the chairman of the Committee on Ways and Means, and all of them turned out to be dead wrong.

Additionally, the argument is made that we cannot afford to only restrain the increases in expenditures by $15 billion. In other words, we are raising the overall anticipated expenditures for 1978 by $15 billion in this resolution. So it is not cutting any program now in being, it is merely restraining increases in expenditures.

Mr. HARKIN. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I will yield to the gentleman in just a minute.

Does history show and support the concept that just because you reduce or restrain increases, you do have a downturn in the economy? What it does, I will show you here.

These are the effects of reduced spending during the Truman administration, 1946, 1947, and 1948.

I realize some people say, oh, that was a different time and place, right after the war. Well, similar conditions exist today; we have just finished the Vietnam war—I think—and I believe that there are similar situations. I am not saying it is exactly the same, I am not even saying reduce spending over 1978, many of us just say restrain spending! What happened in 1946? We can review 1946 through 1948.

Figures show, between 1945 and 1948 Federal spending dropped over $60 billion—the current equivalent of approximately $250 billion—yet national income (GNP) charged ahead. This occurred during the Truman administration when there was a Republican majority in Congress.

Federal receipts and outlays from 1945–48

[In billions]

	Receipts	Outlays	Surplus or deficit
1945 -------	45.2	92.7	−47.8
1946 -------	39.3	55.2	−15.8
1947 -------	38.4	34.5	+3.9
1948 -------	41.8	29.8	+12.0

The private sector smoothly converted from a wartime to a peacetime economy, provided jobs for millions of veterans and defied the cries of the Keynesians who said that unemployment would hit the 10 million mark unless government jobs programs were increased. This remarkable transition took place because the Federal Government did not preempt the needs of the private sector and the free market system was left to operate without massive governmental interference. Adequate money was available in the capital markets to supplying the expansion needs of private industry because the Treasury did not crowd out the private sector nor drain the lifeblood of free enterprise.

What happened? Tremendous surpluses. It did not create unemployment, as you might hear in a few minutes. It did not decrease the gross national product, as you might hear in a few minutes. All of the major factors in the economy went up. Housing went up. Requirements for the Treasury to go borrow money in the marketplace went down. Most major economics indicators went up.

Consumption went up. Savings went up—all of the major indicators you are going to hear about in a minute went up.

This is reduced Federal spending in its most productive form. I am not even suggesting major reductions. I am suggesting a moderate restraint on spending increases. Here is an excellent record (1946–48).

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. ROUSSELOT was allowed to proceed for 2 additional minutes.)

Mr. MONTGOMERY. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from Mississippi.

Mr. MONTGOMERY. I thank the gentleman for yielding.

I would like to talk about the gentleman's amendment. On function 700, which is the Veterans' Benefit and Services, in reference to the Roberts amendment, how does the gentleman's amendment affect that?

Mr. ROUSSELOT. Since the House had such an overwhelming vote on that issue, I have accommodated that change. For example in function 700, budget authority is increased by approximately $1 billion and outlays are increased by $844 million. This addition specifically accommodates passage of the Roberts amendment.

Mr. MONTGOMERY. I thank the gentleman.

Mr. HARKIN. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from Iowa.

Mr. HARKIN. I thank the gentleman for yielding.

I would be the first to say that I do not understand all of these esoteric arguments on revenues and receipts and all that sort of stuff, but I am looking at the sheet of paper the gentleman sent out to my office on the gentleman's letterhead. Of course, the gentleman knows I represent an agricultural area. I looked under "Agriculture," and according to the gentleman's amendment, he reduces the Budget Committee outlays to agriculture next year by one-quarter, from $12 billion to $9 billion.

Mr. ROUSSELOT. No. That is wrong. Let me explain what happened.

Mr. HARKIN. That is what it says here in this piece of paper.

Mr. ROUSSELOT. Let me tell the gentleman what has happened since this chart was put out the last week in April. Since that time our good colleague, the gentleman from Illinois (Mr. SIMON) put in an amendment which was accepted by the Chairman of the Budget Committee to reduce agricultural outlays $1.7 billion. That has been done and the committee outlay figure on agriculture 350 has already been substantially decreased. The new agriculture figure for the committee is $10.4 billion.

Mr. HARKIN. It has not been reduced to $9 billion.

Mr. ROUSSELOT. No. It has been reduced by $1.7 billion to $10.4 billion.

Mr. HARKIN. Million or billion?

Mr. ROUSSELOT. One billion, 700 million dollars is what the amendment of the gentleman from Illinois reduced from the original committee outlay figure. Let me explain something further.

Mr. HARKIN. The gentleman reduced it.

Mr. ROUSSELOT. No, I did not reduce it. I restrained the increase over 1978.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. ROUSSELOT was allowed to proceed for 2 additional minutes.)

Mr. ROUSSELOT. The gentleman will note that the expenditure level for 1978 is expected to be just a little over $9 billion. I have increased it to $9.3 billion because I was aware that the gentleman from Illinois (Mr. SIMON) was going to offer his amendment to reduce outlays to about that same number. The Budget Committee and the Whole House by vote decided we did not need that expenditure of $12.1 billion. On the basis of things we discussed in the Committee on the Budget, it is my judgment, although others will disagree with this, that we do not even need $10 billion. If the gentleman wants to increase it, however, he can certainly put it in by providing an amendment on which the House can vote. The next point I wish to make is this. Last year we voted an expenditure level far in excess of $450 billion in outlays, which will probably be the final expenditure level for this year 1978. This administration, even with all of the high appropriated levels of spending we have given them, has not been able to spend all of that $450 billion. There will be a so-called shortfall of anywhere from $12 billion to $15 billion that will not be spent in 1978. I call that a savings of $12 to $15 billion and the administration is to be complimented for this added restraint.

We have an account known as unobligated balances. For all categories of expenditures, that is $200 billion right now. Even if we had a starvation diet, which we do not under my resolution, there is more than enough in unobligated balances for each one of these categories, $200 billion to be exact. The gentleman wants $200 billion? If the gentleman only wants money to get down to agriculture, I will tell you what the unexpended balances are in that area. They are very substantial—over $440 million.

Mr. Chairman, I urge a vote for this amendment.

AMENDMENT OFFERED BY MR. JACOBS TO THE AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. ROUSSELOT

Mr. JACOBS. Mr. Chairman, I offer an amendment to the amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. JACOBS to the amendment in the nature of a substitute offered by Mr. ROUSSELOT: In paragraph (1) of section 1, strike out $464,648,000,000" and "$38,700,000,000" and insert in lieu thereof "$462,679,000,000" and "$9,000,000,000" respectively.

In paragraph (2) of section 1, strike out "$520,437,000,000" and insert in lieu thereof "$523,836,000,000".

In paragraph (3) of section 1, strike out "$464,648,000,000" and insert in lieu thereof "$462,679,000,000."

In paragraph (1) of section 2 (Category 050), strike out "$127,439,000,000" and "$115,-679,000,000" and insert in lieu thereof "$117,-499,000,000" and "$106,656,000,000", respectively.

In paragraph (2) of section 2 (Category 150), strike out "$8,754,000,000" and "$5,-500,000" and insert in lieu thereof "$10,133,-000,000" and "$6,085,000,000", respectively.

In paragraph (3) of section 2 (Category 250), strike out "$5,216,000,000" and "$5,-027,000,000" and insert in lieu thereof "$4,-809,000,000" and "$4,635,000,000", respectively.

In paragraph (4) of section 2 (Category 270), strike out "$9,200,000,000" and "$6,-200,000,000" and insert in lieu thereof "$9,-353,000,000" and "$3,530,000,000", respectively.

In paragraph (5) of section 2 (Category 300), strike out "$13,000,000,000" and "$11,-331,000,000" and insert in lieu thereof "$12,-414,000,000" and "$11,076,000,000", respectively.

In paragraph (6) of section 2 (Category 350), strike out "$9,197,000,000" and "$9,308-000,000" and insert in lieu thereof "$11,338,-000,000" and "$11,237,000,000", respectively.

In paragraph (7) of section 2 (Category 370), strike out "$5,386,000,000" and "$3,148-000,000" and insert in lieu thereof "$5,532,-000,000" and "$3,411,000,000", respectively.

In paragraph (8) of section 2 (Category 400), strike out "$16,200,000,000" and "$16,-000,000,000" and insert in lieu thereof "$18,715,000,000" and "$16,420,000,000", respectively.

In paragraph (9) of section 2 (Category 450), strike out "$8,500,000,000" and "$2,264,-000,000" and insert in lieu thereof "$14,061,-000,000" and $9,488,000,000", respectively.

In paragraph (10) of section 2 (Category 500), strike out "$21,842,000,000" and "$26,-529,000,000" and insert in lieu thereof "$31,-431,000,000" and "$28,978,000,000", respectively.

In paragraph (11) of section 2 (Category 550), strike out "$48,600,000,000" and "$45,-000,000,000" and insert in lieu thereof "$48,-204,000,000" and "$45,685,000,000", respectively.

In paragraph (12) of section 2 (Category 600), strike out "$181,375,000,000" and "$147,-156,000,000" and insert in lieu thereof "$177,715,000,000" and "$146,911,000,000", respectively.

In paragraph (13) of section 2 (Category 700), strike out "$21,730,000,000" and "$21,-315,000,000" and insert in lieu thereof "$19,-096,000,000" and "$18,874,000,000"; respectively.

In paragraph (14) of section 2 (Category 750), strike out "$3,974,000,000" and "$4,051,-000,000" and insert in lieu thereof "$3,906,-000,000" and "$3,885,000,000", respectively.

In paragraph (15) of section 2 (Category 800), strike out "$3,876,000,000" and "$3,903,-000,000" and insert in lieu thereof "$3,709,-000,000" and "$3,742,000,000", respectively.

In paragraph (16) of section 2 (Category 850), strike out "$9,098,000,000" and "$9,237,-000,000" and insert in lieu thereof "$8,388,-000,000" and "$8.517,000,000", respectively.

In paragraph (17) of section 2 (Category 900), strike out "$43,500,000,000" and "$43,-500,000,000" and insert in lieu thereof "$43,-334,000,000" and "$43,334,000,000", respectively.

In paragraph (18) of section 2 (Category 920), strike out "$1,050,000,000" and "$1,000,-000,000" and insert in lieu thereof "$968,-000,000" and "$922,000,000", respectively.

Mr. JACOBS (during the reading). Mr. Chairman, I ask unanimous consent that the amendment to the amendment in the nature of a substitute be considered as read and printed in the RECORD.

The CHAIIRMAN. Is there objection to the request of the gentleman from Indiana?

There was no objection.

(By unanimous consent, Mr. JACOBS was allowed to proceed for 3 additional minutes.)

Mr. JACOBS. Mr. Chairman, this is by technicality, as I understand it, a perfecting amendment to the Rousselot substitute amendment. In my opinion, the Rousselot substitute is imperfect by $31 billion.

The tax cut that is recommended by the committee resolution is about $28 billion.

The tax cut recommended by the Rousselot substitute amendment is $38 billion, or approximately $10 billion greater than the tax cut recommended by the Committee on the Budget.

The amendment that I am offering to the Rousselot substitute would approve a tax cut of $9 billion, not $28 billion nor $38 billion. It would simply continue the temporary tax cut, I might say, that began in 1975 and expired every year thereafter, only to be reenacted and, in fact, expired only last December 31.

This amendment deals with real money, rather than wishful thinking. Now, some of us may have noticed that our colleague, the gentleman from California who was speaking, shifted back and forth between the minority microphone and the majority microphone, known in common parlance for a number of years as the Republican microphone and the Democratic microphone.

I think that is symbolic. I knew the gentleman from California when he would agree with our former colleague, the gentleman from Iowa, Mr. H. R. Gross, that money out of thin air is wishful thinking. I believe in that day they called it "funny money" or possibly "humorous currency."

The amendment of the gentleman from California (Mr. ROUSSELOT) deals with humorous currency to the extent of $31 billion. The gentleman speaks of the Kennedy proposed tax cut which, in fact, I believe was passed in 1964. What the gentleman does not mention is that if you adjusted that tax cut for inflation and stated it in 1978 dollars, it would not be a $28 billion tax cut nor a $38 billion tax cut, but in fact, a $60 billion tax cut.

They say if you want to find out what a cowboy will do when he is drunk, find out what he did the last time he got drunk. We have had deficit spending, unbalanced accounts, in the Federal Government for most of the last 40 years. We had a tax cut in 1975, in 1976, and in 1977. None of those tax cuts equaled, adjusted for inflation, the so-called Kennedy tax cut; neither does this one.

As far as the converting of some of my colleagues to Keynesian economics, which began about two administrations ago is concerned, it just seems to me it is remarkable that some people will accept an idea only after it has been proved conclusively wrong.

I would say to my friend, the gentleman from New York, who has been quoted widely as an advocate of this so-called alchemy economics that we can reduce taxes and, therefore, receive more, that Kennedy tax cut was $300 billion worth of debt ago.

I have heard about this being tried in Las Vegas. People have tried it that way; they have said, "Let's go borrow more money and bet it on the wheel." This time do we want to throw $31 billion more on the wheel?

If wishes were resources, deficits would subside. But deficits have not done that in all these years of ill considered tax cuts. I think that is just opiate economics.

Mr. KEMP. Mr. Chairman, will the gentleman yield? The gentleman used my name.

Mr. JACOBS. Actually I did not use the gentleman's name, for the record. The gentleman from New York to whom I referred is the gentleman from New York (Mr. KEMP), to whom I now yield. Would the gentleman care to identify himself?

Mr. KEMP. Mr. Chairman, the gentleman from Indiana (Mr. JACOBS) is making light of what many of us in this body feel is a bipartisan strategy for economic growth. He can make light of it if he so wishes, but in so doing he is not only denigrating the argument made by the gentleman from California (Mr. ROUSSELOT) and by myself but I think he reflects somewhat the ignorance of those who suggest that all we are trying to do is just to cut taxes revenues.

We are not interested in cutting taxes just to lower the revenues of the Federal Government; we are trying to reduce the tax rates of the American people that have literally increased by about 100 percent since 1964 due to the steeply progressive tax rate code which discourages work, output, and savings.

So the gentleman ought to at least describe fairly the argument of the gentleman from California (Mr. ROUSSELOT) for what it is—an attempt to reduce the tax rates on the American people and to restore the reward after taxes for both working and investing. It is not Keynesian, it is not based on money illusion; it is just pure classical incentive-oriented economic theory which worked in the past and I suggest it would work again to the benefit of all the people.

Mr. JACOBS. Mr. Chairman, I thank the gentleman for his contribution, but obviously I do not agree, and I think it is fantasy.

The fact still remains that if we take in less than we spend and if we cut the taxes, we are not going to take in a greater amount unless, No. 1, it were $300 billion ago in national debt, and, No. 2, unless in 1978 dollars we make a cut in the amount of of $60 billion.

Let me add this on the subject of who makes light of the national debt. I left this Congress by defeat as a result of gerrymandering because the city hall machine of Indianapolis decided they wanted a patronage job, and they told me I would lose my seat in Congress because of their power in the State legislature if I did not cave in and allow them to create an unnecessary new Federal judgeship, which I understand the conference committee has agreed to in this year.

To the Member I will say that if he tells me I take this lightly, I believe I have taken other actions in this body, and I am not so sure but what I was not the earliest Member to take a personal action to demonstrate my feeling about the national debt. I do not take it lightly at all, nor do I vote for cuts just on the military side or on the domestic side.

I vote against waste, and I try to exemplify that in my personal habits as a Member in this House. I do not take these matters lightly.

I will tell the Members in all seriousness that if we roll the dice with $31 billion of the taxpayers' money. in a wishful thinking tax cut, they will pay it back in the grocery store, through inflation. And let me say further to the Members that it may be the kind of inflation we have never experienced before. We have come to the point where we are dealing with the kind of inflation they dealt with in Nazi Germany in the 1930's. We are dealing with the kind of inflation that was dealt with in some South American countries that have lost their freedom. And I might add that we are dealing with the kind of inflation that is making a miserable, unhappy land in Italy today. It is not, as the "Crash of '79" books says that the banks will close. This time the stores will close, along with our long chapter as a free nation.

Mr. WRIGHT. Mr. Chairman, I oppose the amendment in the nature of a substitute offered by the gentleman from California (Mr. ROUSSELOT), but I am not going to belabor that point. I know the gentleman from California is sincere. We have debated this same amendment on every occasion we have had budget legislation before us, and the Members understand it. The Members know how they want to vote.

The principal reason I have asked for this time is to express my sincere compliments and congratulations, first, to the chairman of the Committee on the Budget, the gentleman from Connecticut (Mr. GIAIMO), whose patience, whose endurance, whose prudence, and whose understanding have guided us thus far.

Second, I want to express to the committee itself my appreciation for a thorough, workmanlike job in trying to piece together the various facets of this Federal establishment of ours into a sensible and well-balanced whole.

This Budget Committee, who we elected to represent us, has been able to say "no" to $49 billion worth of spending requests from the various committes of this House, before it brought this resolution to us. It has cut requests from authorizing and appropriating committees by $22 billion in outlays for the coming year.

So that was brought to us by this committee was a balanced document reflecting a deficit $2½ billion dollars less than that reflected by the President's budget. That certainly bespeaks discipline and responsibility.

Finally, I want to congratulate the Members of this House for the restrained

and responsible and, for the most part, statesmanlike manner in which we have conducted this lengthy and sometimes peripatetic debate. For such a heterogeneous group of 435 opinionated individualists—and that is what we are—to be able to synthesize a position, and then support it, takes something more than simple political expediency. And that something more is what I am asking the Members to exhibit now.

Every Member can find some little something in this budget to which he could object. Oh, surely. Anybody could justify objectioning to the budget by citing some relatively inconsequential, even trivial, infinitesimal thing in a way that might appeal to somebody in his constituency. It left something out; or it put something in; or it allots a little too much to something or a bit too little for something else: Oh, surely, we could disparge the entire automobile because of a scratch on the fender.

But I plead with my colleagues to look at this budget resolution on balance and recognize that it is the best that we collectively have been able to do.

Without the Ashbrook amendment we already had reduced the deficit to $2.8 billion below that submitted by the President. When the Ashbrook amendment was added, the deficit went down to $5.9 billion below that requested by the President. So nobody can say this is a runaway Congress. Nobody can say this is a big-spending House. And nobody can honestly defend a vote against this budget resolution on the ground that he wants to save more money, because I ask the Members to think of this one factor: Any lid, however imperfect, is better than no lid at all.

Some of the Members may not recall the days before we had this budget resolution process. We would have maybe 14 separate appropriations bills to consider at different times in the year, without any real way to evaluate how they fit with one another or where the priorities ought to be. If something looked good, we would vote for it. It was almost in the nature of our hiring 14 carpenters and telling them to build us a 14-room house, each carpenter building one room, without any master plans, without any architectural drawings, without any specific sum of money being established as to what we want to spend on that house.

In these last 4 years the Congress, has begun to reassert that historic prerogative which the people who wrote the Constitution intended for us to assert: Control of the pursestrings, the right and indeed the duty of Congress to determine spending priorities.

The CHAIRMAN. The time of the gentleman from Texas (Mr. WRIGHT) has expired.

(By unanimous consent, Mr. WRIGHT was allowed to proceed for 1 additional minute.

Mr. WRIGHT. Although we may have done it imperfectly in this budget resolution, with all its flaws it still is the best that we collectively shall have been able to accomplish.

Mr. Chairman, I ask the Members to realize that it is vitally important to the power of the Congress in this tripartite government of ours to support this concurrent resolution on final passage as an act of responsibility, recognizing that this system of ours, with all of its mortal imperfections still is as it was in Lincoln's day—and may it forever remain—the last best hope of Earth.

Mr. CONABLE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, for 2 weeks this body has wrestled with the budget and it is obvious that few Members are happy with the numbers in the budget or the way we are handling the budget. Budget making must be a conscious planning process: you cannot satisfactorily drift into a budget.

Many of us are deeply concerned that this budget presented by the committee is the wrong budget for this country at this point in time.

Economy now its 4th year of recovery, unemployment has been falling relatively rapidly, wholesale price inflation is running over 16 percent per annum and consumer price inflation is running at almost 10 percent.

But the budget proposed by the committee is highly stimulative on the spending side—with the second biggest deficit in our history and our 3d straight year of everhigher deficits. Is that the right fiscal medicine for a dangerously inflationary economy? Obviously not.

Many also are deeply concerned that our current budget approach has brought us—inadvertently—to this unhappy juncture. We do not like the budget before us, but we can not get a handle on how or where to change it. We have spent 2 weeks reviewing various programs with an eye to cutting, but we find that we cannot cut. And then we remember that each program is in this budget because it is supported by a majority of this body. That is the problem:

When you deal in a fiscal vacuum with a program area like veterans for example, who can blame the Congress for wanting to increase rather than decrease spending?

The point is that the problem with this budget—the reason why the numbers are so unpalatable—is that the committee constructed it and the House deliberated it in a fiscal policy vacuum. We did not set fiscal aggregate targets for spending, taxing and the deficit, and then cut the cloth to fit the pattern. Rather, we built it from the bottom up; we added up the wish list and called it the budget; and then we found ourselves trying—unhappily and unsuccessfully—to reduce it.

I cannot support this budget: the spending, taxing, and deficit levels are wrong for the economy and the process is wrong for the Congress. We must in the future adopt fiscal goals first and only then turn to consider specific programs. Until we do that, the budget process will be an unhappy, arithmetic process; it will not set fiscal policy; it will not provide discipline, and it will become increasingly insupportable as a nonbinding congressional referendum on every issue currently subject to the whims of political fortune.

Ms. HOLTZMAN. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the Jacobs amendment as well as to the Rousselot amendment in the nature of a substitute.

Mr. WYLIE. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment in the nature of a substitute offered by the gentleman from California (Mr. ROUSSELOT).

Mr. Chairman, I rise in support of the Rousselot substitute to House Concurrent Resolution 559, the first concurrent resolution on the budget for fiscal year 1979. The distinguished gentleman from California is to be commended for providing us with an opportunity to talk about a balanced budget.

I feel strongly that the American economy is very much in need of a balanced budget. There are few who disagree with this goal. A recent Gallup poll shows that most Americans think inflation is our most serious national problem—and that Government fiscal policy is the cause. The disagreements are over when the budget should be brought into balance and how the budget should be brought into balance. Our national Government has not had a balanced budget since fiscal year 1969, and the trend is to ever greater spending and more and more Government. The process is proceeding so rapidly and Federal deficits are so large that we are adding over $120 billion or 17 percent to the public debt every 2 years. If this continues we will double the national debt every decade. This cannot continue if we are going to contain inflation, prevent recession, and preserve the exchange rate of the dollar against other currencies.

Some people seem to feel that the current rate of inflation of 7 percent per year is tolerable. However, if the dollar is debased at 7 percent per year over the next 4 years it will be worth about one-third less in 1982 than it is today. If such an inflation continues we will have an economic crisis that will make the recession of 1974-75 seem like good times.

Let us remember that hyperinflations have happened before, and our inflation rate seems to be accelerating. If we are unable to dampen the current levels of Federal deficit spending we may be heading into a hyperinflation very soon again.

As a practical matter, the best action for Congress to take now to dampen inflation is to reduce Government spending to a level that does not exceed tax revenues. Given a falling unemployment rate and a rising rate of inflation it is time now to scale back the Federal budgetary deficit very sharply to assure a balanced budget in no more than 2 or 3 years. Candidate Carter promised to balance the Federal budget by 1981,

and we in the Congress should do the American people and President Carter a favor by containing Federal expenditures in fiscal 1979.

The unacceptable alternative to containing Federal expenditures is to increase tax revenues to the level of expenditures. The American people will not and should not be asked to tolerate any more taxes. As we know, inflation has been a hidden tax that has reduced real disposable personal income directly. In addition, wage and salary increases given in cost of living adjustments have unfairly moved tax payers into progressively higher tax brackets. Of course, we cannot have still higher taxes.

It is therefore time to act in what our constituents think is their interest and put the Nation's fiscal house in order by reaching for a balanced Federal budget containing expenditures. The Rousselot substitute will not pass but I am going to vote for it to show my commitment to a balanced budget—at least sometime.

Mr. SYMMS. Mr. Chairman, will the gentleman yield?

Mr. WYLIE. I yield to the gentleman from Idaho.

Mr. SYMMS. Mr. Chairman, I thank the gentleman for yielding, and compliment him on his statement. I think it is interesting that I have never heard a candidate for Congress who ran on a deficit budget platform. It seems incredible that we could not carry this amendment today.

I think the gentleman from California has done a very good job in making a responsible budget which we could accept. I say to the gentleman from Ohio that it could pass, oh for a Congress that would accept this amendment.

Mr. WYLIE. I thank the gentleman for his contribution.

Mr. LEVITAS. Mr. Chairman, I move to strike requisite number of words.

Mr. Chairman, I rise in support of the balanced budget amendment offered by the gentleman from California (Mr. ROUSSELOT).

At the outset, I would like to say that I think the remarks of the gentleman from New York (Mr. CONABLE) about the process of the budget resolution are well taken. We should first establish outside limits and then live within them. We should not try to turn this process into a series of appropriation or authorization bills and we should not try to resolve every social issue in setting budget limits. I think that with a little bipartisan cooperation we could turn this budget process into a meaningful overall fiscal blueprint. But to do this it will require bipartisan support.

I urge that, in future considerations of the budget, this be the process that we follow.

I support the balanced budget amendment offered by Mr. ROUSSELOT, of California. It is the only way we can get the message across to the spenders in Congress that a balanced budget must be attained. It not only sends the message, it makes sense and is workable.

We cannot continue to incur deficits of the magnitude we have in recent years and a national debt of $700 billion without incurring economic disaster. In short, we cannot continue to charge fur coats to our grandchildren.

Earlier I also supported the Holt amendment which proposed a tax cut and a spending cut and reduced the overall budget figures. It set an overall fiscal framework revenues and spending and let the priorities be set within those limits. Unfortunately, it did not pass.

The other budget cutting amendments, however, merely nibbled around the edges. They never got to the heart of the problem. The Fisher amendment was a mere 2 percent reduction with a large part of it coming out of our national defense budget. The Ashbrook amendment went only to one agency and would have reduced funding for such programs as aid to handicapped children. The Fisher amendment and the Ashbrook amendment were only clipping the toenails of the giant. They would not have met the issue head on. The Rousselot amendment, which is a balanced budget, does that.

That is why I support it. We must send the message to the spenders in Congress and to the American people that a balanced budget is essential and attainable, and is the only way to restore fiscal sanity to our economy.

I urge my colleagues to join me in this effort to balance the budget.

Mr. GIAIMO. Mr. Chairman, I wonder if we could get some indication as to how many Members wish to speak.

Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto end at 7:10 p.m.

The CHAIRMAN. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. ROUSSELOT. Mr. Chairman, I reserve the right to object.

The CHAIRMAN. The gentleman's observation is late.

Members standing at the time the unanimous-consent agreement was entered into will be recognized for 45 seconds each.

The Chair recognizes the gentleman from New York (Mr. PATTISON).

Mr. PATTISON of New York. Mr. Chairman, I rise in support of the budget resolution and I urge my colleagues to join me in supporting it.

But first, let me express my deep appreciation to this body for the opportunity that has been presented to each of us during this long debate.

It is rare that a Member of Congress is given the opportunity to profoundly offend so many groups of his constituents in such a short period of time.

In the past several days, the debate on the budget resolution has provided—and I have personally availed myself of—the opportunity to offend, among others, defenders of national security, veterans, unemployed youth, and senior citizens, Government employees, middle-income parents of primary, secondary, and college students, organized labor in general, and big and small business.

As a final gesture, those of us in the majority party have been given the opportunity to offend our own leadership. Not bad for just a few days work!

First we had an amendment to increase the military budget by $2.4 billion over the $127.5 billion recommended by the Budget Committee. This compares with the $117.6 billion for the 1978 fiscal year. The primary rationale for this increase was the need to build another nuclear carrier of the Nimitz class.

Then there was the amendment to increase the budget for veterans' programs by $1 billion. The veterans' portion of the budget took $19.9 billion in 1978. The Budget Committee recommended $20.7 billion for 1979, an increase of 8.6 percent over the President's budget request.

Surely most of us agree that veterans who have service-connected disabilities should continue to have the finest care and compensation; that it is our solemn national duty to assist recently returned veterans to adjust to civilian life. Most of us even agree that veterans' benefits for needy veterans over 65 without any service connected disabilities should not be reduced as a result of their social security payments increasing. But all of these expenditures were accommodated by the Budget Committee's recommendations. So the additional amount proposed by the amendment was not needed by any standard of fiscal prudence.

We were then treated to the Fraser amendment, which added a modest $436 million in budget authority for increases in training and employment programs for the structurally unemployed—especially for minority youth and senior citizens.

Now that was tempting. The problems to be addressed in these areas are enormously important to our Nation. But since the Budget Committee already recommended an increase of $1 billion for programs in these areas, I opposed the amendment.

The Mattox amendment limiting Federal pay raises to 5.5 percent rather than 6 percent was mostly symbolic. Of course the fight against inflation cannot be fought only at the expense of Federal employees. But someone has to take the first step, modest as it might be. And the only wages that the Federal Government directly controls are those of its own employees. And if the Government itself will not exercise some restraint, then who in Heaven's name will?

The coup de grace was the opportunity to vote against additional funds for the tuition tax credits for primary, secondary, and college students. The beauty of this amendment was that each member could offend not just a special interest group, but a broad group of mostly middle-income parents cutting across the entire spectrum of our society.

Never mind that this vote to reduce revenue by $650 to $900 million—depending upon varying estimates—does

not in any way make tuition tax credits a reality; never mind that this will further erode public confidence in Government because President Carter has vowed to veto the legislation if it passes; never mind that the Budget Committee's recommendations already made sufficient provision for additional financing of education, either through tuition tax credits, deferred taxes, or increased eligibility of middle-income parents for loans and grants, depending on what method Congress shortly will choose.

But all of those "never minds" pale into insignificance when a Member realizes he can appear to be casting a vote for middle-income constituents without really doing anything of a binding nature.

There is not much point in continuing—I am sure you get the idea.

The whole idea behind the creation of the budget process was to cause the kind of pain that it does.

In the past, Members could vote one by one for measures to aid their constituents and their districts. It was never required that the cost be recorded as each item was approved. And, at a time in the future, when the necessary tax increase or additional deficit was proposed, a Member could vote against that, and then claim fiscal restraint.

The budget process provides a way of dealing with Government spending in an orderly and deliberate manner. Under the process, when an expenditure is added, at the same time another expenditure must be reduced, tax revenue must be added, or the deficit must be increased, or some combination of these three things. The idea is that by combining the pleasure of spending more with the pain of taxing more, responsibility and discipline will be improved.

But the budget process is not working. It is not working because many Members of Congress are playing a game that is destroying the process.

The game goes like this: Many of my colleagues, who have voted for various specific budget increases, and have also voted for across-the-board reductions, will now vote against the whole budget.

To each of the special interest groups will go a letter explaining how that Member voted to advance their particular interests. To the public in general will go a news release proclaiming that the Member voted against a swollen budget—in an effort to reduce the ever-expanding big Government that everyone has come to despise. It is all pleasure and no pain; the politician's heaven.

Sadly, the game is played with equal vigor by both Democrats and Republicans, "liberals" and "conservatives." And almost everyone gets away with it. The budget process is probably the only casualty.

Shortly after I came to Congress, BOB ECKHARDT told me this:

Everyone is generally conservative and specifically liberal.

What he meant was that almost every citizen wants, in general, to reduce Government spending, lower taxes, balance the budget, whip inflation. But individually, those very same citizens are interested in the one or two programs that provide benefits to him or her individually, and want expenditures increased in those one or two categories.

My constituents are no different from the constituents of other Members. So like all of you, I am not sure whether they are more interested in holding the national debt down or getting their individual projects funded, because they say both things. But it is up to us to keep reminding them—as hard as it may be politically—that we cannot have it both ways.

I am saddened by what has happened here in the past few days, and by what it says to the people of this country. It says that many of the Members of this body do not think very highly of the intelligence of their constituents. It says that a disturbing number of the Members here think more highly of their own political security than they do of the general welfare of the Nation.

I am going to support the amended budget resolution, even though it contains many amendments that I believe should have been rejected.

Having opposed all the add-ons, I have a right to vote no on this resolution. But it is the least we can expect that those who voted for the add-ons now support the final product. I hope that the press will carefully scrutinize the record of the past several days and call to account those who are playing this game and destroying the budget process.

I am not noted for being a fiscal conservative. But I have always tried to be fiscally responsible; to make my positions clear and not play games with the budget process. Having been the bad guy for each of the specific groups, I will now have the pleasure of voting for the amended budget and appearing to favor big deficits by big government.

If that turns out to be political suicide, then maybe I will be happier doing something else.

The CHAIRMAN. The Chair recognizes the gentleman from California (Mr. LEGGETT).

Mr. LEGGETT. Mr. Chairman, I ask the Members to keep in mind what we are doing here. We are not reducing expenditures for the total of southern California in aerospace, or national defense but we are reducing by the Rousselot amendment, $13 billion in education, $10 billion in social security, by $1 billion in agriculture, and he would reduce revenues by some $38 billion, budget authority by $48 billion, and he comes out with a net result where the public debt goes down by $74 billion.

It is a totally mischievous impossibility.

The CHAIRMAN. The Chair recognizes the gentleman from California (Mr. JOHN L. BURTON).

Mr. JOHN L. BURTON. Mr. Chairman, it all seems rather confusing, but this is the cheap shot I was talking about before. If a Member wants to be a bear, this is his chance to be a grizzly.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio (Mr. VANIK).

Mr. VANIK. Mr. Chairman, I oppose the amendment offered by the distinguished gentleman from California, Mr. ROUSSELOT.

The idea of tax cuts is popular and vote getting.

However, I challenge the thesis that tax cuts and increased deficits through increased borrowing are good for America.

Since the Kennedy tax cut, six succeeding Federal tax cuts have had a smaller effect and for a shorter period of time. Total revenues of the Government increased after the Kennedy tax cut, but those increases were infinitely less than the growth of the economy added to the rate of inflation.

There are tremendous forces in the Congress and in the country to indiscriminately cut taxes. Many urge that a financially weakened government—pushed into irreversible massive deficits—can pose less of a threat to the private sector. These deficits have been created somewhat by excessive government expenditures, but they have been created more by a procession of tax cuts since 1964 which now lose revenue at an annual rate in excess of $70 billion. The tax cuts had some stimulative effect in the middle of the 1960's, but six substantial cuts in later years have had a lesser effect for a considerably shorter period.

The current wave of inflation results from our annual payment of $45 billion for imported oil and our massive annual deficits. If we are to reverse the tide of inflation it is essential to take governmental action which will move toward lower deficits and a balanced budget. We must control our spending—but it is equally important to limit indiscriminate tax cuts which erode Federal revenues.

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina (Mr. BROYHILL).

Mr. BROYHILL. Mr. Chairman, I just wanted to take this few seconds to try to set the record straight at least as much as I can.

The allegation has been made that the Budget Committee has cut some $50-odd billion from the requests that have been made to them. It is a fact that the committees did send in a large request for funds, but the fact is that the committee started with a figure that was handed to them by the chairman of the committee, which was $800 million lower than the figure that came out in the final resolution, so the committee action taken in the committee had the result of increasing spending and not reducing it. The committee in my judgment, has not made a strong effort to reduce spending. The deficit continues to rise. Our responsibility, as elected Representatives, is to work for reduced spending.

I hope we vote for the balanced budget resolution.

The CHAIRMAN. The Chair recognizes the gentleman from New York (Mr. KEMP).

Mr. KEMP. Mr. Chairman, there is a "radical solution" to the problems of debt, deficits and inflation in our country today. And that is to encourage real economic growth, production, and new jobs. If we increase the productive or supply side of our economy, by definition we will reduce inflation and the deficit at the same time.

The way to get the economy going again is to lower the tax rates; as the gentleman from California eloquently pointed out this was the result of the tax rates reduced in the 1963–64 period under President Kennedy.

Unlike the gentleman from Ohio, most people recognized that it was the growth of the economy, the reduction in unemployment, and the lower rates of inflation plus the increased reward for working and saving and businesses that allowed our economy to grow to a point where unemployment and inflation was at its lowest point in 25 years.

Mr. Chairman, the two most serious problems in American today are inflation and unemployment. What is not realized, however, is that these two problems are interrelated, indeed they are both cause and effect. Inflation not only distorts the price system, leading to a loss of production, but increases the tax burden on both individuals and businesses. Individuals are pushed up into higher tax brackets as their nominal incomes rise, and businesses find their inventory profits inflated while their depreciation costs are understated, resulting in higher nominal incomes and thus, higher taxes.

This increase in taxes at all levels is responsible for the high unemployment and low growth this country has suffered for the past decade. Although nominal wages have increased, the tax wedge between a worker's gross wages and his after-tax wages has increased even faster, owing not only to the increase in taxes resulting from inflation but because of tax increases for social security passed by Congress as well. The result is that employers are paying workers more and more but workers are receiving less and less in real take-home pay. The result, inevitably, is high unemployment and low productivity and tremendous frustration.

I believe we must tackle these problems simultaneously. We must stop inflation by reducing tax rates in order to restore high employment and economic growth to the country. The Rousselot amendment helps this goal by going to the root of inflation: Excessive Government spending and disincentives to work and investment by providing for an across-the-board tax rate reduction of dramatic proportions.

I urge my colleagues to support this amendment; it will not erode spending programs, in fact I do not accept the Rousselot budget figures because they are based on a static analysis of the efforts of lower tax rates. I believe lower tax rates will expand revenues as production and work increase. Failing in these attempts to lower tax rates, I will vote against this budget charade which ultimately will cost our people higher taxes and more inflation.

To suggest, as some have on this floor, that lower tax rates cause inflation is to ignore the incentive effects of this strategy on the private sector of the economy.

A healthy investment climate and a greater reward after taxes for working and producing is my goal and I would suggest again that those who do not vote to lower the tax rates, are, by definition, voting to raise them. And it is high tax rates that are causing these deficits, growing debt, inflationary pressures, and loss of hope among many of our Nation's working population and poor.

I am less interested in a balanced budget, however, than I am in encouraging working and saving Americans and restoring real economic growth.

The CHAIRMAN. The Chair now recognizes the gentleman from California (Mr. ROUSSELOT).

Mr. ROUSSELOT. Mr. Chairman, I would like to state briefly that the charts presented to the House were prepared by the U.S. Treasury so if they are wrong, I would say to the gentleman from Ohio (Mr. VANIK) it is because the gentleman evidently thinks he knows more than the official records.

Second, we had a tax increase in 1969 on capital gains and we have yet to recover the same amount of revenue being received at the time the new higher tax was imposed. The additional tax or increased taxes imposed did not increase revenues from 1969 forward but causes revenue losses. If we do not vote to reduce those increases in taxes that will occur automatically in 1979 if this Congress does not act we will have a tremendous restraint on the economy so that I believe our Committee on Ways and Means should be encouraged to help the average family, as shown by the following figures:

GROWTH OF FAMILY BUDGETS

	Family consumption	Taxes	Other	Total		1973	1977	1979	1979 (Rousselot)	Percent reduction over 1979
Higher budget:										
1973	13,450	3,727	1,024	18,201	Income tax	2,566	3,921	4,877	4,371	10.4
1977	17,948	5,965	1,288	25,202	Social security tax	632	965	1,404	1,143	18.6
Total						3,198	4,886	6,281	5,514	12.2
Intermediate budget:										
1973	9,761	2,254	611	12,626	Income tax	1,328	1,839	2,335	2,083	10.8
1977	13,039	3,303	763	17,106	Social security tax	632	965	1,178	1,143	3.7
Total						1,960	2,804	3,513	3,226	8.2
Lower budget:										
1973	6,580	1,216	385	8,181	Income tax	616	533	780	688	11.8
1977	8,657	1,352	472	10,481	Social security tax	479	613	722	713	1.2
Total						1,095	1,146	1,502	1,401	6.7

Note: Calculated using applicable tax tables for years 1973 and 1977—assumes the standard deduction for a family of 4 and a general tax credit for 1977. 1979 figures assume a continuation of current law. Rousselot 1979 figures assume a 10-percent tax cut and a repeal of 1977 social security financing amendments.

Number of taxpayers (IRS returns for 1976)	130,000,000
Number employed (April figures)	93,800,000
Taxpayers per congressional district (approximate)	275–300,000

I hope the Members will look at these tax schedules right here before them to illustrate what has happened just since 1973 for three average families of four.

You can see that in all 3 family categories taxes have gone up dramatically and the 130 million taxpayers and 94 million working people need relief.

I urge my fellow colleagues to vote for the following concepts contained in this substitute resolution:

First. A balanced budget;

Second. Reduction in tax rates across the board for Federal income taxes and corporate taxes;

Third. Stop the increase in social security withholding taxes for 1979; and

Fourth. Restrain increases in Federal outlays—expenditures—from 1978 to only an increase of $15 billion for 1979.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio (Mr. LATTA).

Mr. LATTA. Mr. Chairman, I am going to vote for the amendment in the nature of a substitute offered by the gentleman from Ohio (Mr. ROUSSELOT) and I hope that it passes. I am under no illusions it will be defeated by the majority's votes but I am going to vote for it, notwithstanding that fact.

I am concerned about these increasing deficits that we have been compiling.

I have in my hand just the deficits from 1970. The Federal debt in 1970 was

$382 billion, jumping in 1971 to $409 billion, 1972 to $437 billion, 1973 to $468 billion, 1975 to $486 billion, and ending up at $855 billion in fiscal year 1979. These deficits cannot continue.

Mr. FRENZEL. Mr. Chairman, as the grand debate on the first budget resolution draws to a close, this body ought to take a little time to reflect on the efficiency of its budget process.

Most external observers would agree that it has not resulted in any new spending discipline, nor any new priority setting. I personally believe the process has been not only unsuccessful in holding spending, but also it has been used as an excuse to increase spending.

Most Members who voted for the Budget Act did so in the belief that it would control spending. As one who did so, I must confess my bitter disappointment at what I consider to be the complete failure of the procedure.

We have created a Congressional Budget Office and a House Budget Committee. Both of these seem more anxious to find excuses to spend more, than to find cost cutters where less spending can be tolerated. I have come to the reluctant conclusion that the best way we can save any money for the taxpayers is to get rid of the CBO.

The Budget Committee's refusal to establish aggregate spending limits was typical of its unwillingness to make efforts toward spending controls. The current procedure is merely the simple addition of all the goodies everyone wants. When the figures are totaled, great surprise is expressed that a little deficit of $60 billion results.

Other than the addition of underemployed economists to urge more spending, the budget process has not altered either our spending habits or our spending process. What we seem to have now is two competitive spending committees instead of one.

This budget resolution is disappointing enough, but the failure of the process is a bigger disappointment. I shall, of course, vote against it. A nearly $60 billion deficit in the 4 years of the recovery is a perfect example of why the Congress has such a low confidence rating with the people.

Mr. PRESSLER. Mr. Chairman, I have spoken with the author of the balancing-the-budget resolution and the tax cut resolution. I do not agree with the author's allocations under functional categories. I would make cuts in foreign military aid and elsewhere, but the author of the amendment has emphasized that each Member could have differing allocations under the functional categories.

Also I am convinced by Walter Heller's remarks that a John Kennedy style tax cut is very much in order. Such a tax cut would actually stimulate revenue and might produce a surplus. We must do something about inflation and an unbalanced budget. We must stimulate job creation and a balanced budget.

● Mrs. COLLINS of Illinois. Mr. Chairman, I rise in support of House Concurrent Resolution 559, the first fiscal year 1979 budget resolution and in favor of those amendments which would strengthen essential programs that address basic human needs.

Let me first acknowledge the importance of the legislation before us today. This is the 3d year that the Congress has had the authority, pursuant to the Budget and Impoundment Control Act of 1974, to set spending and revenue targets by functional categories, targets that will be used as guidelines for congressional appropriations for the 1979 fiscal year. However, in addition to this responsibility, this is the first budget resolution to cover a period within the 5-year framework (1979–83) established by the Humphrey-Hawkins bill which the House passed on March 16. Our votes on House Concurrent Resolution 559, are, therefore, the first test of Congress resolve to pursue the goals set forth in the preamble to H.R. 50:

> * * * to assert the responsibility of the Federal Government to use all practical programs and policies to promote full employment, production and real income, balanced growth, adequate productive growth, proper attention to national priorities and reasonable price stability * * *

Within this context I wish to express my general support for the carefully considered decisions of the Budget Committee, which, to a large extent, reflect the priorities of the present administration. In a macroeconomic sense, I note with approval that the budget resolution is designed to maintain the Nation's economic recovery without stimulating inflationary pressures. The committee has included among its assumptions a net tax cut of $19.4 billion to help maintain consumer demand and promote business investment. Of this amount, $7.5 billion would be assumed through a reduction in social security taxes, which is a goal that I support.

The Budget Committee also anticipates that the Congress will reject the option of tuition tax credits in favor of the Middle Income Student Assistance Act (H.R. 11274) as a means of providing support to middle-income college students. After giving these alternatives serious consideration I have decided to support the President's proposal to extend the existing basic and supplementary education opportunity grant programs (BEOG and SEOG) along with federally insured loans and work-study program to cover middle-income students. It is my belief that H.R. 11274 is a more equitable and efficient way to provide financial aid to hard-pressed middle-income families than the tuition tax credits which would benefit all college students, regardless of income.

Furthermore, the committee has factored into the resolution the enactment of the administration's recently publicized urban program for fiscal year 1979, including $4.4 billion in new budget authority for fiscal year 1979 for the purpose of restoring and rehabilitating our central cities. In this connection the resolution assumes continuation of the public services employment program at the 725,000-job level reached in 1978 and raises the President's budget for youth employment and training programs.

However, along with these fundamental commitments, House Concurrent Resolution 559 also reflects the weaknesses and shortcomings of the administration's approaches to these fundamental issues. For example, the budget resolution includes $115.7 billion in outlays for defense—23 percent of the total outlays in the resolution. It also includes $127.4 billion in budget authority for defense, a 9-percent increase from the fiscal year 1978 defense budget, as compared with a 6-percent increase in programs serving basic human needs. These are not the priorities that the House had in mind when we passed the Humphrey-Hawkins bill in March. For this reason I voted in support of the amendment being offered by Representative PARREN MITCHELL, which would transfer $4.8 billion in budget authority and $2.8 billion in outlays from defense to employment and economic development programs, including specifically, programs designed for older Americans, home health services, public works, mass transit, and public housing. For the same reason I also supported the amendment offered by Mr. FRASER that would add $436 million in budget authority and $391 million in outlays to the education, training, employment and social services function for increased funding of training and employment programs. The effect of this amendment would be to provide approximately 100,000 additional jobs primarily for minority youth and older Americans. In addition, I supported the amendment offered by Representative ROBERTS that would add $1 billion in budget authority and $844 million in outlays for new entitlement authority for veterans programs.

Had all of these amendments been adopted, Mr. Speaker, it is my opinion that House Concurrent Resolution 559 would come closer than any previous budget enacted by this Congress to the noble and necessary goals articulated in the Humphrey-Hawkins Full Employment and Balanced Growth Act of 1978.●

● Mr. CONYERS. Mr. Chairman, I have to oppose the first concurrent budget resolution for fiscal year 1979. I do this for several reasons. Although greater attention is being shown to setting budget priorities—the Mitchell "transfer amendment" and the Fraser amendment to deal with structural unemployment are positive signs—we are still failing to establish budget priorities in a systematic way and, as a result, our policy objectives in virtually every area have either been compromised or derailed altogether. Despite more than 3 years of so-called economic recovery, the overall unemployment rate, and particularly the youth jobless rate, remain at one of the highest levels in the past 30 years. The major cities continue to be disaster areas. Defense spending continues to mount and the arms race accelerates, but this is accompanied by a growing sense of national insecurity. Instead of movement toward tax reform, we continue to pile up further tax subsidies for already privileged groups and institutions.

Today we have no greater idea of what programs are buying than we had 3 years ago when the new budget process

began. In the area of national security the distinguished chairman of the Appropriations Committe, Mr. MAHON, himself conceded last February that the risk to the Nation's security has increased rather than decreased, despite the enormous sums that have gone to national defense. We continue to authorize new weapons programs in a way that relates far more to bureaucratic rivalries among the services than it does to realistic assessments of what defense needs are.

It has been 4 years since the Joint Economic Committee last reviewed the tax expenditure budget and concluded that many subsidies are cost-inefficient, inequitable, and economically unsound. Although the Budget Act for the first time called for an annual audit of tax expenditures, there has been no serious review of their effectiveness or relevance, despite the fact that in fiscal year 1979 they will cost $134 billion, and represent 27 percent of the direct expenditure budget.

The budget process has sharpened awareness of the economic impact of budget decisions, but there has not been significantly greater awareness of the social impact of the budget, its effects in accomplishing national goals, on cities, towns, and regions, and on different groups in the population. Congress still lacks yardsticks for measuring the outcomes of policies and programs, as well as mechanisms for making them as consistent as possible with one another and with the larger goals of public life.

A number of arguments have been advanced to justify a vote for the budget resolution. Two are particularly inadequate and shed light on the failings of the budget process. It is said that the budget is a document of constraint, so that no group or activity can obtain all that it wants. The current budget resolution is depicted as a decent effort at balancing the various claims on the Federal Government. Yet the current resolution provides the Department of Defense with a 9.4-percent increase over fiscal year 1978, whereas funding for the major social programs barely keeps pace with inflation. The defense function comprises 23 percent of total outlays, as compared to 6.3 percent that goes to education, training, employment, and social services and 2.1 percent that goes toward community and regional development. Moreover, the resolution virtually freezes funds for public service employment at the level that exists in the current year.

Under the circumstances, the proposed budget is hardly one of constraint or sacrifice meted out equally to all claimants. On the contrary, sectors like national defense continue to run away with the largest share of new Federal spending. At the current rate, it is estimated, in only 9 budget years we will find ourselves mulling over a defense budget of more than a quarter of a trillion dollars and cumulative spending over the next decade of close to $2 trillion. The current budget resolution locks us in, therefore, to unaffordable and unnecessary expenditures on weapons and force structures for many years to come.

Another argument raised in support of the resolution is that it reflects the Nation's priorities as determined by the elected representatives, the majority in Congress. Two things are wrong with the point of view. I wish it were the case that the majority in Congress represents the majority in the country. But is this the case? The diminished size of the electorate and the skewed composition of representative bodies at virtually all levels suggest quite the opposite.

But what are these priorities that Congress addresses through budget resolutions? What many of us call priorities, such as in the area of national security, are, I submit, really at best the priorities of the past, an inheritance that is quite unrelated to current needs and circumstances that has been carried forward rather routinely by each subsequent Congress. I believe a real test of a sense of national budget priorities for fiscal year 1979 would have been to adopt the Fraser amendment to close the gap in employment opportunity between blacks and whites and youth and adults. Having passed overwhelmingly the Humphrey-Hawkins full employment bill, one would have thought that the current budget resolution would reflect a commitment to achieving its employment goals which are likely to take effect within the current budget year. Unfortunately, the Fraser amendment was voted down and the Budget Committee failed to authorize a level of funding for jobs that would have represented a first stage in implementing H.R. 50.

Under the circumstances I have to oppose the budget resolution for fiscal year 1979. The Budget Act furnished Congress with ample tools for setting priorities and fashioning a budget agenda consistent with them. Unfortunately, we have failed to seize the opportunity.

Although there are risks in sending a budget resolution back to committee, I believe the long-term benefits are greater. Each reconsideration will bring about greater clarity toward the priorities, tradeoffs, and the stakes involved. Political and ideological divisions will be sharpened, greater public attention will have been focused on budget issues, and I would expect more and more citizens and public interest organizations to be drawn into the discussion. All of this is for the good.

Finally, the Budget Committee should consider two procedural changes that I believe would greatly strengthen the budget process and its priority-setting mission. Congress ought to move toward multiyear budgeting as my esteemed colleague from Illinois, Mr. SIMON, has recommended. In a sense there already exists multiyear budgeting in one sector of Government, the Department of Defense. There is, however, no comparable long-range planning for social programs. Multiyear budgeting would help bring budget decisions into greater harmony with priorities and policy objectives.

The other change is in the direction of opening up further the budget process to citizens. Priority setting ought to start with citizens themselves. There should be a means by which citizens can express their judgments on the budget. The Budget Committee might consider holding citizen budget hearings across the country. This would not only raise the level of public awareness and understanding, but also furnish the Budget Committees with added public support, legitimation, and accountability for the decisions that are made.●

The CHAIRMAN. The Chair now recognizes the gentleman from Connecticut (Mr. GIAIMO) to close the debate.

Mr. GIAIMO. Mr. Chairman, the adoption of the amendment in the nature of a substitute offered by the gentleman from California (Mr. ROUSSELOT) would cut spending by $33 billion. To do that all in one fell swoop I submit would cause chaos in our society.

I oppose the amendment and urge its defeat.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Indiana (Mr. JACOBS) to the amendment in the nature of a substitute offered by the gentleman from California (Mr. ROUSSELOT).

The question was taken and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. JACOBS. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 45, noes 352, not voting 37, as follows:

[Roll No. 297]

AYES—45

Anderson, Calif.	Glickman	Ottinger
AuCoin	Gore	Panetta
Bedell	Harkin	Roncalio
Blanchard	Harris	Scheuer
Brodhead	Ichord	Schroeder
Burleson, Tex.	Jacobs	Smith, Iowa
Burton, John	Jones, Okla.	Snyder
Carr	Keys	Spellman
Downey	Kildee	Stark
Duncan, Oreg.	Kostmayer	Traxler
Ertel	McCloskey	Vanik
Evans, Ind.	Mikva	Walgren
Findley	Miller, Calif.	Weiss
Fithian	Miller, Ohio	Wirth
Forsythe	Moffett	
	Mottl	

NOES—352

Abdnor	Bonker	Conte
Addabbo	Bowen	Corcoran
Akaka	Brademas	Corman
Alexander	Breaux	Cornell
Allen	Breckinridge	Cornwell
Ambro	Brinkley	Cotter
Anderson, Ill.	Brooks	Coughlin
Andrews, N.C.	Broomfield	Crane
Andrews, N. Dak.	Brown, Calif.	Cunningham
	Brown, Mich.	D'Amours
Annunzio	Brown, Ohio	Daniel, Dan
Applegate	Broyhill	Daniel, R. W.
Archer	Buchanan	Danielson
Armstrong	Burgener	Davis
Ashbrook	Burke, Fla.	de la Garza
Aspin	Burke, Mass.	Delaney
Badham	Burlison, Mo.	Dellums
Bafalis	Burton, Phillip	Derrick
Baldus	Butler	Derwinski
Barnard	Byron	Devine
Baucus	Caputo	Dickinson
Bauman	Carter	Dicks
Beard, R.I.	Cavanaugh	Dingell
Beard, Tenn.	Cederberg	Dodd
Bellenson	Chappell	Dornan
Benjamin	Chisholm	Drinan
Bennett	Clausen, Don H.	Duncan, Tenn.
Bevill	Clay	Early
Biaggi	Cleveland	Eckhardt
Bingham	Cohen	Edgar
Blouin	Coleman	Edwards, Ala.
Boggs	Collins, Ill.	Edwards, Calif.
Boland	Collins, Tex.	Edwards, Okla.
Bolling	Conable	Emery
Bonior		Erlenborn

Evans, Colo.
Evans, Del.
Evans, Ga.
Fary
Fascell
Fenwick
Fish
Fisher
Flippo
Flood
Florio
Flowers
Flynt
Foley
Ford, Tenn.
Fountain
Fowler
Frenzel
Fuqua
Gammage
Garcia
Gaydos
Gephardt
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Goodling
Gradison
Grassley
Green
Gudger
Guyer
Hagedorn
Hall
Hamilton
Hammer-schmidt
Hanley
Hannaford
Hansen
Harrington
Harsha
Heckler
Hefner
Heftel
Hightower
Hillis
Holland
Hollenbeck
Holt
Holtzman
Horton
Howard
Hubbard
Huckaby
Hughes
Hyde
Ireland
Jeffords
Jenkins
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Tenn.
Jordan
Kasten
Kastenmeier
Kazen
Kelly
Kemp
Ketchum
Kindness
Krebs
Krueger
LaFalce
Lagomarsino
Latta
Leach
Lederer
Leggett
Lehman
Lent
Levitas
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
Luken
Lundine
McClory
McCormack
McDade
McDonald
McEwen
McFall
McHugh
McKay
McKinney
Madigan
Maguire
Mahon
Mann
Markey
Marks
Marlenee
Marriott
Mathis
Mattox
Meeds
Metcalfe
Meyner
Michel
Mikulski
Milford
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Moss
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Gary
Myers, John
Natcher
Neal
Nedzi
Nichols
Nolan
Nowak
O'Brien
Oberstar
Obey
Patten
Patterson
Pattison
Pease
Pepper
Perkins
Pettis
Pickle
Pike
Poage
Pressler
Preyer
Price
Pritchard
Pursell
Quayle
Quie
Quillen
Railsback
Regula
Reuss
Rhodes
Richmond
Rinaldo
Roberts
Robinson
Roe
Rogers
Rooney
Rose
Rostenkowski
Rousselot
Roybal
Rudd
Ruppe
Russo
Ryan
Santini
Sarasin
Satterfield
Sawyer
Schulze
Sebelius
Seiberling
Sharp
Shipley
Shuster
Sikes
Simon
Sisk
Skelton
Slack
Smith, Nebr.
Solarz
Spence
St Germain
Staggers
Stangeland
Stanton
Steed
Steers
Steiger
Stockman
Stratton
Studds
Stump
Symms
Taylor
Thompson
Treen
Trible
Tsongas
Udall
Ullman
Van Deerlin
Vander Jagt
Vento
Volkmer
Waggonner
Walker
Walsh
Wampler
Watkins
Waxman
Weaver
Whalen
White
Whitehurst
Whitten
Wiggins
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wolff
Wright
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Young, Tex.
Zablocki
Zeferetti

NOT VOTING—37

Ammerman
Ashley
Burke, Calif.
Carney
Clawson, Del
Cochran
Conyers
Dent
Diggs
Eilberg
English
Ford, Mich.
Fraser
Frey
Hawkins
Le Fante
Livingston
Lujan
Martin
Mazzoli
Murphy, Pa.
Myers, Michael
Nix
Oakar
Rahall
Rangel
Risenhoover
Rodino
Rosenthal
Runnels
Skubitz
Stokes
Teague
Thone
Thornton
Tucker
Whitley

Mr. ECKHARDT and Mrs. BOGGS changed their vote from "aye" to "no."

Mr. BEDELL changed his vote from "no" to "aye."

So the amendment to the amendment in the nature of a substitute was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. The question is on the amendment in the nature of a substitute offered by the gentleman from California (Mr. ROUSSELOT).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. ROUSSELOT. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 170, noes 226, present 1, not voting 37, as follows:

[Roll No. 298]

AYES—170

Abdnor
Anderson, Ill.
Andrews, N. Dak.
Archer
Armstrong
Ashbrook
Badham
Bafalis
Barnard
Bauman
Beard, Tenn.
Bennett
Bowen
Breaux
Brinkley
Brodhead
Broomfield
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Fla.
Butler
Byron
Caputo
Carr
Cederberg
Chappell
Clausen, Don H.
Cleveland
Coleman
Collins, Tex.
Corcoran
Coughlin
Crane
Cunningham
Daniel, Dan
Daniel, R. W.
Davis
de la Garza
Derwinski
Devine
Dickinson
Dornan
Downey
Duncan, Tenn.
Edwards, Ala.
Edwards, Okla.
Emery
Erlenborn
Evans, Ga.
Evans, Ind.
Fish
Fithian
Forsythe
Fountain
Fowler
Gammage
Ginn
Goldwater
Goodling
Grassley
Gudger
Guyer
Hagedorn
Hall
Hammer-schmidt
Hansen
Harkin
Harsha
Heckler
Hefner
Hightower
Hillis
Holland
Holt
Hubbard
Huckaby
Hyde
Ichord
Ireland
Jenkins
Jenrette
Johnson, Colo.
Jones, Okla.
Jones, Tenn.
Kasten
Kelly
Kemp
Ketchum
Kindness
Krueger
Lagomarsino
Latta
Leach
Lent
Levitas
Lloyd, Calif.
Lloyd, Tenn.
Lott
McClory
McCloskey
McDonald
McEwen
McKinney
Madigan
Marks
Marlenee
Marriott
Mathis
Mattox
Michel
Miller, Calif.
Miller, Ohio
Mitchell, N.Y.
Moffett
Montgomery
Moore
Moorhead, Calif.
Motti
Myers, John
Neal
Nichols
O'Brien
Panetta
Pettis
Pressler
Pritchard
Quayle
Quillen
Regula
Rhodes
Roberts
Robinson
Rogers
Rose
Rousselot
Rudd
Ruppe
Sarasin
Satterfield
Schulze
Sebelius
Shuster
Smith, Nebr.
Snyder
Spence
Stangeland
Stanton
Stockman
Stump
Symms
Taylor
Treen
Trible
Vander Jagt
Walker
Walsh
Wampler
Watkins
White
Whitehurst
Wiggins
Wilson, Bob
Winn
Wydler
Wylie
Young, Alaska
Young, Fla.

NOES—226

Addabbo
Akaka
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Annunzio
Applegate
Aspin
AuCoin
Baldus
Baucus
Beard, R.I.
Bedell
Beilenson
Benjamin
Bevill
Biaggi
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonior
Bonker
Brademas
Breckinridge
Brooks
Brown, Calif.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, Phillip
Carter
Cavanaugh
Chisholm
Clay
Cohen
Collins, Ill.
Conable
Conte
Corman
Cornell
Cornwell
Cotter
D'Amours
Danielson
Delaney
Dellums
Derrick
Dicks
Dingell
Dodd
Drinan
Duncan, Oreg.
Early
Eckhardt
Edgar
Edwards, Calif.
Ertel
Evans, Colo.
Evans, Del.
Fary
Fascell
Fenwick
Findley
Fisher
Flippo
Flood
Florio
Flowers
Flynt
Foley
Ford, Tenn.
Frenzel
Fuqua
Garcia
Gaydos
Gephardt
Giaimo
Gibbons
Gilman
Glickman
Gonzalez
Gore
Gradison
Green
Hamilton
Hanley
Hannaford
Harrington
Harris
Heftel
Hollenbeck
Holtzman
Horton
Howard
Hughes
Jacobs
Jeffords
Johnson, Calif.
Jones, N.C.
Jordan
Kastenmeier
Kazen
Keys
Kildee
Kostmayer
Krebs
LaFalce
Lederer
Leggett
Lehman
Long, La.
Long, Md.
Luken
Lundine
McCormack
McDade
McFall
McHugh
McKay
Maguire
Mahon
Mann
Markey
Meeds
Metcalfe
Meyner
Mikulski
Mikva
Milford
Mineta
Minish
Mitchell, Md.
Moakley
Mollohan
Moorhead, Pa.
Moss
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Gary
Natcher
Nedzi
Nolan
Nowak
Oberstar
Obey
Ottinger
Patten
Patterson
Pattison
Pease
Pepper
Perkins
Pickle
Pike
Poage
Preyer
Price
Pursell
Quie
Railsback
Rangel
Reuss
Richmond
Rinaldo
Roe
Roncalio
Rooney
Rostenkowski
Roybal
Russo
Ryan
Santini
Sawyer
Scheuer
Schroeder
Seiberling
Sharp
Shipley
Sikes
Simon
Sisk
Skelton
Slack
Smith, Iowa
Solarz
Spellman
St Germain
Stark
Steed
Steers
Steiger
Stokes
Stratton
Studds
Thompson
Traxler
Tsongas
Udall
Ullman
Van Deerlin
Vanik
Vento
Volkmer
Waggonner
Walgren
Waxman
Weaver
Weiss
Whalen
Whitten
Wilson, C. H.
Wilson, Tex.
Wirth
Wolff
Wright
Yates
Yatron
Young, Mo.
Young, Tex.
Zablocki
Zeferetti

ANSWERED "PRESENT"—1

Burton, John

NOT VOTING—37

Allen
Ammerman
Ashley
Burke, Calif.
Carney
Clawson, Del
Cochran
Conyers
Dent
Diggs
Eilberg
English
Ford, Mich.
Fraser
Frey
Hawkins
Le Fante
Livingston
Lujan
Martin
Mazzoli
Murphy, Pa.
Myers, Michael
Nix
Oakar
Rahall
Risenhoover
Rodino
Rosenthal
Runnels
Skubitz
Staggers
Teague
Thone
Thornton
Tucker
Whitley

The Clerk announced the following pairs:

On this vote:

Mr. Lujan for, with Mr. Ashley against.

Mr. Runnels for, with Mr. Carney against.

Mr. Del Clawson for, with Mr. Rahall against.

Mr. Cochran of Mississippi for, with Mr. Staggers, against.

Mr. Frey for, with Mr. Le Fante against.
Mr. Livingston for, with Mr. Eilberg against.
Mr. Martin for, with Mr. Hawkins against.

Mr. ROBERTS changed his vote from "no" to "aye."

So the amendment in the nature of a substitute was rejected.

The result of the vote was announced as above recorded.

Mr. RHODES. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, as one of the members of the Study Committee which set up the budget system which we now have, I feel compelled to express my great disappointment and concern with this first concurrent budget resolution. I would have preferred coming here today to support a responsible resolution, but instead I am forced to vote against it.

Nothing is more fundamental in the Government process than establishing a balanced budget. In its budget the majority has demonstrated its program of higher taxes, higher spending, and huge deficits. The time for talking is over, and I want my Democratic colleagues to understand that their votes today on this issue will speak far louder to the American people than any speech they can possibly make.

Earlier the Republicans offered our alternative, an amendment ably presented by the gentlewoman from Maryland (Mrs. HOLT), which showed the country the fundamental differences between the Republicans and the Democrats. Our Republican proposal was based on lower taxes, less Government spending, and lower deficits which would lead to a balanced budget.

I cannot support the present budget resolution and urge all Members of Congress to listen to the rising voices of their constituents and vote down this budget resolution.

The Budget Committee must be sent back to the drawing boards, to square 1, to come up with a more realistic and responsible set of budget targets that help us turn the corner on higher spending and deficits.

Mr. MICHEL. Mr. Chairman, will the gentleman yield?

Mr. RHODES. I yield to the distinguished gentleman from Illinois (Mr. MICHEL), the minority whip.

Mr. MICHEL. Mr. Chairman, I hesitate to say what I am about to say for fear many will feel, as I do, that this first budget resolution is a farce and will simply vote for it because it does not mean all that much. I am going to vote against it because I feel the figures are too high. We have a blueprint now that is going to make it all the more difficult for the Committee on Appropriations and all of the individual subcommittees of the Committee on Appropriations to make any significant cuts on any bill because this will be used as the benchmark or ceiling, which is already too high. I just happen to feel that this is no way to formulate a congressional budget. With all credit to those members who have worked so hard on the Budget Committee and I once served on it—that committee does not have an opportunity to go into all of these individual line items as carefully and as fully as do the individual subcommittees of the Committee on Appropriations.

Members of the Budget Committee will I am sure be the first to admit that we on the Appropriations Committee take more time for exhaustive hearings and engage in a much more penetrating line of questioning with the kind of ceilings we have established here. I am afraid there will not be much restraint exhibited when the individual appropriation bills are considered here on the floor of this House.

As I said, it's all a farce. I am, frankly, surprised that we did not get an abortion amendment offered to this budget resolution.

We have had every other so-called sexy amendment offered here.

This first budget resolution exercise is simply getting to be the vehicle for every Member to latch on to this or that pet project or program to make points with the voters back home, or blow off steam.

As I said during the general debate when we began the consideration of this budget resolution that the Budget Act ought to be amended to revise the procedures for the handling of amendments to a first concurrent resolution on the budget.

I hear some of the Members audibly saying "Vote, vote." Well, that is all well and good for the Members to shout "Vote." Unfortunately most of you do not know for sure what is actually included in this resolution. That is the point I am making.

What we ought to agree to do, and I refer to the remarks I made during the opening of the debate, is amend the Budget Act procedure to provide for a two-step consideration of our budget resolution. First we should have a vigorous debate on what our overall fiscal policy should be for a given fiscal year. This would be accomplished by having a thorough debate first on the total figures for income and outgo. Each one of us could argue as vigorously as he or she wanted as to the level of revenues we should raise, what we can accept for a deficit if need be, and how much we are going to spend, and then once we have agreed to that ceiling then we would go on to work on the second half of the resolution—debating those functional categories that make up the whole.

If we decide to increase some, we would have to also couple the increase with a corresponding cut in another functional category.

Only then will this budget procedure work successfully.

I know with all the arm twisting that has been going on over on the majority side, the Speaker can bear down and get the votes to pass this resolution, but Members who feel deeply about what we are doing here could do not only themselves but the country a good turn by making it as close a vote as possible.

I know there is a lot of support among you for our position.

Mr. BRADEMAS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, the resolution before the House has been under consideration now for 5 legislative days, beginning on the 2d of May.

The resolution reported out by the Committee on the Budget provided for a net deficit of $2.5 billion less than the figure recommended by the President.

Moreover, the resolution recommended by the Committee on the Budget cut a whopping $28 billion from the request of our own legislative committees, a reduction which reflected a deep and genuine concern for fiscal responsibility. And, as we have seen, the House has given ample evidence of its own concern that ways be found to reduce wasteful spending wherever it exists.

Many of us, and I include myself in that number, believe that some of the amendments we have adopted in the Committee of the Whole House were ill advised. Still other amendments would have made more dramatic cuts in the budget and possibly in the deficit, although that the latter follows as an inevitable result of the former is arguable.

When we go back into the House, Mr. Chairman, the first item in the House will be a separate vote on the Ashbrook amendment, a vote that I hope will result in that amendment's being deleted from the resolution, because, while the Ashbrook amendment is represented as an attack on waste, it is, in fact, a shotgun blast aimed at crucial programs.

The Ashbrook amendment would cut over $3 billion from programs for the elderly, for the sick, for children, for education.

Just take a look at the effect of the amendment in the field of health. Biomedical research would be cut back to 1976 levels. Medicare-medicaid health care initiatives would be eliminated, and many community health centers and community mental health centers would have to be closed. I cannot believe that that is what the American people want. I cannot believe that the American people want us in the guise of eliminating waste to eliminate such crucial programs.

Mr. Chairman, I am advised by a member of the Labor-HEW Subcommittee on Appropriations that only last week Republican members of that subcommittee offered amendments to that appropriations bill totaling nearly $350 million above the level offered by the chairman of that subcommittee, the gentleman from Pennsylvania (Mr. FLOOD) above—above. Now for our Republican colleagues to come before this House today to try to tell us that we on the majority side are not being responsible in supporting this budget resolution is the height of fiscal irresponsibility.

But, Mr. Chairman, after we have defeated the Ashbrook amendment, we shall come to the point where the budget process itself is at stake, and when the question before the House will be whether or not we will remain steadfast in our commitment to a comprehensive congressional budget process, or whether we are going to allow that vital process to disintegrate under the weight of the fleeting political demands of the moment.

Mr. Chairman, I would say to my friends who think that the amendment has been too much amended, it is a target resolution. It does not set anything in concrete, and we will all have ample opportunity later on to cast firm votes on firm propositions later in the session.

I would say to my friends who think that the House has not gone far enough in cutting spending that we must remember that however attractive the symbolism of a balanced budget, our responsibilities—our responsibilities—as Members of the House do not allow us exclusively to deal in political symbolisms.

Facts are facts, and most of us know, if we are honest with ourselves, if we are intellectually honest with ourselves, that there is no way under current economic and social circumstances in this country that the Government can keep its commitments to the American people at home and abroad and at the same time come in in the next fiscal year with a balanced budget. We may want it so, but it is not so, and it is not likely to be so in the immediately foreseeable future. So we, therefore, today when we vote have little choice but to go ahead with a resolution that includes a reasonable deficit, however much we may yearn for a budget that is in balance.

Mr. Chairman, I want to make another observation. I do not know of any Member of Congress who has ever lost his or her seat in this body because he or she voted for a budget resolution, and I speak as one who represents what the political scientists call a two-party district.

The CHAIRMAN. The time of the gentleman has expired.

Mr. GIAIMO. Mr. Chairman, I move to strike the requisite number of words.

Mr. BRADEMAS. Mr. Chairman, will the gentleman yield?

Mr. GIAIMO. I yield to the gentleman from Indiana.

Mr. BRADEMAS. I thank the gentleman for yielding.

Mr. Chairman, I know a lot of Members from marginal districts who have been consistently reelected because they vote for what is responsible, and their constituents respect them for it.

Just the other day the Washington Post carried a story of a candidate for Congress, who will go unnamed, in a State which will go unnamed, who expressed the following theory of how to get elected to the Congress of the United States. Here is what he said: "What you have to do is polarize the voters on the issues. And, believe me," he added, "I can polarize voters on the issues. Look at my voting record in the State legislature," he said. "I voted 'yes' on some stuff, a lot of trivial stuff, but I voted 'no' on all the really important stuff."

Mr. Chairman, as one who has run for Congress 12 times now, I can say with some authority that that gentleman was wrong, that such raw cynicism is readily apparent to the American people who, after all, do not like to be treated as fools.

Mr. Chairman, in conclusion I will say to my colleagues that this budget resolution on which we shall shortly vote is the really important stuff. This resolution is essential to the basic task for which the people who sent us here did so, to run and operate the Government of the United States.

The responsible vote is a "no" vote on the Ashbrook amendment and a "yes" vote on final passage of the budget resolution.

Mr. GIAIMO. Mr. Chairman, when the Committee will rise, it is my intention to ask for a recorded vote on the Ashbrook amendment. In the event the Ashbrook amendment is defeated, we will then have a vote on final passage.

Should the Ashbrook amendment carry, in order to maintain mathematical consistency, it will be essential for me to offer a perfecting amendment which would correct some of the figures which were in the original Ashbrook amendment and which are not mathematically consistent.

Therefore, I would advise that in the event, and hopefully it will not be necessary, but in the event the Ashbrook amendment were to prevail, I would then offer a perfecting amendment. There would be no time to debate on it, but that is what we would be voting on. It would be merely a perfecting amendment for mathematical consistency.

Mr. LATTA. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, at the outset, let me commend the gentleman in the chair for the way the gentleman has handled the Chair during these days in the gentleman's usual wonderful style, treating everybody as they should be treated, equally.

I want also to commend the chairman of our committee, the gentleman from Connecticut (Mr. GIAIMO) for the way the gentleman has handled himself in steering this bill to where it is now.

I want also to commend all the Members of the Committee on the Budget, because they are dealing with a half a trillion-dollar budget. It takes a lot of hard work, especially for the members of the staff.

Having said that, Mr. Chairman, let me say right now that if we pass this resolution as it stands, we can go to conference with the Senate below the Senate figures; but if we reverse the position of the House on the Ashbrook amendment, we will be over the Senate figures.

As we stand now, the revenues on the House side are $443 billion, about the same as the Senate.

The budget authority is $566 billion, about the same as the Senate.

The outlays are $497.7 billion on the House side, $498.9 billion on the Senate side and the deficit would be $54.7 billion on the House side and $55.6 billion on the Senate side.

Certainly I would like to go to conference below the Senate figure and I would like to point the finger to that body being over this body, as far as saving the taxpayers' dollars. I do not think we can do that. I think the leadership on the other side has been talking to various Members about changing their votes, and we saw some vote-changing in the well this week that stood out quite noticeably; but I do not think the Members ought to change their votes. I think they were right in the first place, because here you are only cutting out half of the amount of money that was reported that goes for fraud in one Department; so to give them the benefit of the doubt, they keep half the fraud and they take out half under the Ashbrook amendment.

We have also heard the argument many times that if we want to save the budget process, that the budget process is going to go down the drain if you do not vote for all the expenditures on the resolution presented to the House.

I do not buy that argument at all. I think if you are going to save the budget process, you have to prove to the American people that that budget process is working.

All we have to point to—and we pointed to it just an hour or so ago—is that the figures presented by the various committees to the Committee on the Budget were higher by some $47 billion or $48 billion than reported out by the committee. I do not think that tells us much, because everybody knows they inflate those proposals as they come in, and they send them on in the hopes that the Committee on the Budget will buy as many as it possibly can.

But what has been happening since we put this budget process into being is this: In 1975 we had a federal debt of $544 billion, in 1976 it was up to $631.9 billion, in 1977 it was $709.1 billion, and the estimate for fiscal 1978 is that we will have a federal national debt of $785.6 billion. If this passes, we are over $855 billion in national debt.

Mr. Chairman, I do not think that we can pat ourselves on the back and say that this process is really working. We have talked about caps, but we have no caps. We are afraid to put them on.

So I say to the Members that the only way we can go to conference with the Senate below its figures is to reject this resolution. We can vote it down, and then we can send it back to committee and come back with some lower figures. Then we can go to conference on this matter with the Senate and work it out.

So, Mr. Chairman, I urge the Members to vote against this resolution.

Mr. ASHBROOK. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I have been around this body long enough to know that this is not the precise time that a Member should take the well, but I do believe that I should point out in the spirit of fairness that my amendment has been under assault for the last day, and I do think it deserves at least a couple of minutes.

At the outset I do want to pay my compliments and respects to the Chairman of the Committee. During the nine terms I have been here, I have been in a position before where, when this particular moment came, the Chairman of the Committee would stand and ask that the Committee do now rise. I appreciate the fact that my colleague and friend, the gentleman from Connecticut (Mr. GIAIMO), is allowing me several minutes

to talk about my amendment before moving that the Committee rise. I think that is the act of a gentleman, and I honestly appreciate it.

It has been said that my amendment will gut the necessary programs of HEW. Let me make one point without going through the whole argument again.

The Committee on the Budget proposed that we increase—note the word "increase"—funds for HEW in the three functions that the Ashbrook amendment cuts. Those are functions 500, 530, and 600, and it involves an increase of approximately 9.7 percent. That is in this budget.

The amendment that was voted on yesterday and agreed to by a vote of 198 to 189 would cut that increase for HEW to 7.9 percent overall. In other words, we are not gutting HEW; we are merely cutting less than 2 percent of the total increase that is in the budget report, the increase that we will be voting on in a few minutes, and that is for functions 500, 530, and 600.

I have been around here long enough to know there are legitimate reasons for changing a vote. First of all, I think we all find ourselves in a position of realizing that we did not know what was in an amendment or it came up late at night or there was no adequate debate on the amendment, and we felt we should change our vote. However, I do not think we can say that about this amendment.

A similar amendment, amendment No. 1807, was voted on in the Senate on April 26. That was virtually the same amendment, and by a vote of 38 to 57 it lost. By any standard, since it received 38 votes, it was certainly more than a trifling amendment. That was an amendment of the type we voted on yesterday.

So this amendment is not something that just floated in, something that just happened to drift by.

Furthermore, in the debates we had last week, on several occasions I indicated I would offer this amendment. This amendment is included in the debates; if the Members will look at the RECORD, it was there. So they cannot say they did not know anything about this amendment, the consequences of it, or what it would do.

Once in awhile we will hear Members say, "Well, things have changed."

Since yesterday? Have things really changed since yesterday? Let us be honest about it.

I know there has been a massive campaign in this matter. Our counsel reports receiving over 20 telephone calls from Members on our side. There have been all sorts of horror stories. There was one inquiry to one of my colleagues, the gentleman from Minnesota, who told me he was called by people back home saying there is a small $38,000 appropriations for an alcohol control clinic, and that that would be canceled if the Ashbrook amendment passed.

We do not think that is fair. That was not our intention, and that is not what will happen. I think what we are going to see—and I am going to label it for what it is—is the welfare lobby at work.

Somebody has to lobby for the taxpayers. So nothing really has changed. We cannot say things have substantially changed since yesterday. We really cannot. When all is said and done, we can honestly say we have been under pressure. Admittedly, the Members have been under pressure to change their vote on this amendment. I am not going to say anything more, because I think the thing speaks for itself. But I cannot help but recall the statement of W. C. Fields when he was talking about his will. He said:

> They are going to open up my will some day, and it is going to say, "I, W. C. Fields, being of sound mind and disposing memory, spent."

That is a little bit like what we are talking about. We are going to say 1 day later, "Being of sound mind and disposing memory, under pressure, we spent."

The taxpayers are going to appreciate those who voted for at least 1 day with them. They will be glad you were with them for at least 1 day, and it will be up to you to tell them and convince them that that was enough.

● Mr. PREYER. Mr. Chairman, the workings of a legislative body on a budget resolution are wondrous to behold. There have been moments during the last 10 days when many of us have wondered whether the budget system would survive.

We have seen efforts to make the budget resolution a vehicle for foreign policy.

We have seen efforts to make it a means of setting policy on such broad issues as deregulation, reduction in paper work, inflation, tax reform, and desegregation. It has become a referendum on national issues, with votes having little practical relation to the budget itself.

Most of all we have seen at play here what is known in my State as the "run on" mentality. This is when those of us in politics cast a vote or make a speech so we will have something to run on. We know that it may be a little demagogic, a little irresponsible; we know that it may mislead the public into thinking we have accomplished something that we have not; but we are certain that it will be good to throw back at our opponent in the next election.

It may not be best for the country, but it will be mighty good for us to run on.

This should not upset any well-balanced mind. We are all guilty of giving in to political expediency from time to time.

I do think that we must try as hard as we can to minimize that approach to budget making, however. If we lack the self-discipline to do this, we endanger the budget process itself. We must remember that what we have been doing with this resolution is setting guidelines—giving direction to the Budget Committee for its work in producing over the coming weeks the appropriations that will be the final budget for our country.

My own approach to that process has been to try to stick as firmly as possible with the Budget Committee's results. They have arrived at their conclusions after weeks of review and testimony and concentrated effort. A 5-minute debate or a half hour one cannot replace that kind of effort.

So let me say a word here for that group that has tried to make this system work by staying with the system.

Some of my colleagues have found it possible to vote first to reduce the overall budget, and thereby reduce the deficit, then to add funds for the Defense Department and thereby add to the deficit, then to increase the tax cut and thereby add to the deficit, then to provide for tax credits for tuition and thereby add to the deficit and also to vote for the farm bill and thereby add to the deficit. My guess is that many of these same people over the next few months will be citing that first vote as an example of their efforts to cut the deficit and combat inflation, and that many of us who may have voted against the first and also against the subsequent motions mentioned above will be accused of being big spenders.

Frankly, I think the American people can add and subtract pretty good and I believe they will understand what has gone on here.

I think there was one responsible across-the-board cut proposed here—the Fisher amendment. It would have reduced the budget and the deficit by $10 billion and I voted for it. It was moderate and realistic. Moderation and realism are good tools to use in making any budget.

The budget deficit proposed by the President and the one approved by the Budget Committee were too high. We are in a recovery period, unemployment is going down, and the stock market gradually improving. That is a time for a reduction in the deficit. Not for one on paper only nor one that will be so great that it will only take us back into a recession.

I think a cut of around $10 billion would help combat inflation, would avoid risking a return to high unemployment, and would put us firmly on the road to a balanced budget. I hope the principle of the Fisher amendment will eventually be realized.

To achieve a balanced budget and to combat inflation we need a combination of strategies.

We cannot afford an inflationary farm bill and I am pleased we defeated that.

We cannot risk an increased deficit and I am pleased we have defeated some efforts that would have created such a risk, and I believe we will come in finally with a deficit considerably below the projections of last January.

We cannot afford the well-intentioned kind of legislation such as Humphrey-Hawkins with noble goals but little substance and great risk of encouraging inflation.

We cannot afford a tremendously large tax cut and, most importantly, the one we approve must be in a form that encourages the kind of capital formation that is essential if we are to increase productivity, reduce our balance-of-pay-

ments deficit, improve employment and reduce inflation.

We must look at Federal Government spending in relation to our national income and in relation to spending by other levels of government. It is interesting to play with the statistics of Federal spending—to figure how far a stack of Federal spending dollars will measure or to compare today's spending with George Washington's; but that kind of exercise accomplishes little other than amazement or fright. Neither amazement nor fright have proven very good ingredients for achieving political or economic stability.

What we need instead is to set some guidelines about Government spending and to live with them. That means that we ought to determine that we will reduce the portion of our GNP which goes into Federal spending—set that percentage and fit within it what we will do. It means that when State governments have surpluses—as many do—we ought not to add to those surpluses by pouring in Federal dollars.

All of these things are possible of accomplishment. We ought to work at them and we ought to work at making the budget system we have established a real one.

We ought never let the run on influence take over or we may find that in our effort to find something to run on our noble experiment of budget control has been run over.●

The CHAIRMAN. The Chair recognizes the gentleman from Connecticut (Mr. GIAIMO).

Mr. GIAIMO. Mr. Chairman, I move that the committee do now rise and report the concurrent resolution back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the concurrent resolution, as amended, be agreed to.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. WRIGHT) having assumed the chair, Mr. NATCHER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the concurrent resolution (H. Con. Res. 559) setting forth the congressional budget for the U.S. Government for the fiscal year 1979, had directed him to report the concurrent resolution back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the concurrent resolution, as amended, be agreed to.

The SPEAKER pro tempore. Under the statute, the previous question is ordered.

Is a separate vote demanded on any amendment?

Mr. GIAIMO. Mr. Speaker, I demand a separate vote on the so-called Ashbrook amendment.

The SPEAKER pro tempore. Is a separate vote demanded on any other amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER pro tempore. The Clerk will report the amendment on which a separate vote has been demanded.

The Clerk read as follows:

Amendment: On page 1, line 11, delete $568,152,000,000 and insert in lieu thereof $565,002,000,000.

On page 2, line 2, delete $501,358,000,000 and insert in lieu thereof $498,208,000,000.

On page 2, line 5, delete $58,079,000,000 and insert in lieu thereof $54,929,000,000.

On page 2, line 7, delete $856,279,000,000 and insert in lieu thereof $853,129,000,000.

On page 2, line 9, delete $104,279,000,000 and insert in lieu thereof $101,129,000,000.

On page 3, line 24, delete $34,090,000,000 and insert in lieu thereof $33,806,500,000.

On page 3, line 25, delete $31,429,000,000 and insert in lieu thereof $31,145,500,000.

On page 4, line 2, delete $52,282,000,000 and insert in lieu thereof $50,014,000,000.

On page 4, line 3, delete $49,550,000,000 and insert in lieu thereof $47,282,000,000.

On page 4, line 5, delete $192,750,000,000 and insert in lieu thereof $192,151,500,000.

On page 4, line 6, delete $159,339,000,000 and insert in lieu thereof $158,740,500,000.

Mr. GIAIMO (during the reading). Mr. Speaker, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

The SPEAKER pro tempore. The question is on the amendment.

The question was taken.

Mr. GIAIMO. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 192, nays 205, not voting 37, as follows:

[Roll No. 299]

YEAS—192

Abdnor	Clausen, Don H.	Flowers
Ambro	Cleveland	Flynt
Anderson, Calif.	Cohen	Forsythe
Anderson, Ill.	Coleman	Fountain
Andrews, N. Dak.	Collins, Tex.	Frenzel
Archer	Conable	Fuqua
Armstrong	Corcoran	Gammage
Ashbrook	Coughlin	Gibbons
Badham	Crane	Gilman
Bafalis	Cunningham	Ginn
Barnard	Daniel, Dan	Goldwater
Bauman	Daniel, R. W.	Goodling
Beard, Tenn.	Davis	Gradison
Bennett	de la Garza	Grassley
Bevill	Derwinski	Gudger
Bowen	Devine	Guyer
Breaux	Dickinson	Hagedorn
Brinkley	Dornan	Hall
Broomfield	Duncan, Tenn.	Hammer-schmidt
Brown, Mich.	Edwards, Ala.	Hansen
Brown, Ohio	Edwards, Okla.	Harsha
Broyhill	Emery	Hefner
Buchanan	Erlenborn	Hightower
Burgener	Evans, Del.	Hillis
Burleson, Tex.	Evans, Ga.	Holland
Butler	Evans, Ind.	Hollenbeck
Caputo	Fenwick	Holt
Carr	Findley	Horton
Cederberg	Fish	Hubbard
Chappell	Fithian	Huckaby
	Flippo	Hughes
Hyde	Mitchell, N.Y.	Shuster
Ichord	Mollohan	Sikes
Ireland	Montgomery	Skelton
Jacobs	Moore	Slack
Jeffords	Moorhead, Calif.	Smith, Nebr.
Jenkins	Mottl	Snyder
Johnson, Colo.	Myers, Gary	Spence
Jones, N.C.	Myers, John	Stangeland
Jones, Okla.	Neal	Stanton
Kasten	Nichols	Steiger
Kelly	O'Brien	Stockman
Kemp	Pettis	Stump
Ketchum	Pike	Symms
Kindness	Poage	Taylor
LaFalce	Pressler	Treen
Lagomarsino	Pritchard	Trible
Latta	Quayle	Vander Jagt
Leach	Quie	Waggonner
Lent	Quillen	Walgren
Long, Md.	Railsback	Walker
Lott	Regula	Walsh
McClory	Rhodes	Wampler
McDade	Rinaldo	Watkins
McDonald	Roberts	White
McEwen	Robinson	Whitehurst
Madigan	Rousselot	Whitten
Mann	Rudd	Wiggins
Marks	Ruppe	Wilson, Bob
Marlenee	Russo	Winn
Marriott	Satterfield	Wylie
Mathis	Sawyer	Young, Alaska
Michel	Schulze	Young, Fla.
Milford	Sebelius	Young, Tex.
Miller, Ohio		

NAYS—205

Addabbo	Flood	Murphy, N.Y.
Akaka	Florio	Murtha
Alexander	Foley	Natcher
Allen	Ford, Tenn.	Nedzi
Ammerman	Fowler	Nolan
Andrews, N.C.	Garcia	Nowak
Annunzio	Gaydos	Oberstar
Applegate	Gephardt	Obey
Aspin	Giaimo	Ottinger
AuCoin	Glickman	Panetta
Baldus	Gonzalez	Patten
Baucus	Gore	Patterson
Beard, R.I.	Green	Pattison
Bedell	Hamilton	Pease
Beilenson	Hanley	Pepper
Benjamin	Hannaford	Perkins
Biaggi	Harkin	Pickle
Bingham	Harrington	Preyer
Blanchard	Harris	Price
Blouin	Heckler	Pursell
Boggs	Heftel	Rangel
Boland	Holtzman	Reuss
Bolling	Howard	Richmond
Bonior	Jenrette	Roe
Bonker	Johnson, Calif.	Rogers
Brademas	Jones, Tenn.	Roncalio
Brodhead	Jordan	Rooney
Brooks	Kastenmeier	Rose
Brown, Calif.	Kazen	Rostenkowski
Burke, Fla.	Keys	Roybal
Burke, Mass.	Kildee	Ryan
Burlison, Mo.	Kostmayer	Sarasin
Burton, John	Krebs	Scheuer
Burton, Phillip	Krueger	Schroeder
Byron	Lederer	Seiberling
Carter	Leggett	Sharp
Cavanaugh	Lehman	Shipley
Chisholm	Levitas	Simon
Clay	Lloyd, Calif.	Smith, Iowa
Collins, Ill.	Lloyd, Tenn.	Solarz
Conte	Long, La.	Spellman
Corman	Luken	St Germain
Cornell	Lundine	Staggers
Cornwell	McCloskey	Stark
Cotter	McCormack	Steed
D'Amours	McFall	Steers
Danielson	McHugh	Stokes
Delaney	McKay	Stratton
Dellums	McKinney	Studds
Derrick	Maguire	Thompson
Dicks	Mahon	Traxler
Diggs	Markey	Tsongas
Dingell	Mattox	Udall
Dodd	Meeds	Ullman
Downey	Metcalfe	Van Deerlin
Drinan	Mikulski	Vanik
Duncan, Oreg.	Mikva	Vento
Early	Miller, Calif.	Volkmer
Eckhardt	Mineta	Waxman
Edgar	Minish	Weaver
Edwards, Calif.	Mitchell, Md.	Weiss
Ertel	Moakley	Whalen
Evans, Colo.	Moffett	Wilson, C. H.
Fary	Moorhead, Pa.	Wilson, Tex.
Fascell	Moss	Wirth
Fisher	Murphy, Ill.	Wolff

Wright	Yatron	Zeferetti
Wydler	Young, Mo.	
Yates	Zablocki	

NOT VOTING—37

Ashley	Hawkins	Rodino
Breckinridge	Le Fante	Rosenthal
Burke, Calif.	Livingston	Runnels
Carney	Lujan	Santini
Clawson, Del	Martin	Sisk
Cochran	Mazzoli	Skubitz
Conyers	Meyner	Teague
Dent	Murphy, Pa.	Thone
Eilberg	Myers, Michael	Thornton
English	Nix	Tucker
Ford, Mich.	Oakar	Whitley
Fraser	Rahall	
Frey	Risenhoover	

The Clerk announced the following pairs:

On this vote:

Mr. Runnels for, with Mr. Ashley against.
Mr. Lujan for, with Mr. Rahall against.
Mr. Del Clawson for, with Mr. Le Fante against.
Mr. Livingston for, with Mr. Breckinridge against.
Mr. Martin for, with Mr. Carney against.
Mr. Whitley for, with Mr. Eilberg against.

So the amendment was rejected.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore. The question is on the concurrent resolution.

Mr. LATTA. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device and there were—yeas 201, nays 197, not voting 36, as follows:

[Roll No. 300]

YEAS—201

Addabbo	Downey	McFall
Akaka	Drinan	McHugh
Alexander	Duncan, Oreg.	McKay
Allen	Early	Maguire
Ambro	Eckhardt	Mahon
Ammerman	Edgar	Markey
Anderson, Calif.	Edwards, Calif.	Mattox
	Evans, Colo.	Meeds
Annunzio	Fary	Metcalfe
Applegate	Fascell	Meyner
Aspin	Flood	Mikulski
Baldus	Florio	Mikva
Barnard	Foley	Milford
Beard, R.I.	Ford, Tenn.	Miller, Calif.
Bedell	Fowler	Mineta
Beilenson	Fuqua	Minish
Benjamin	Garcia	Mitchell, Md.
Bevill	Gaydos	Moakley
Biaggi	Gephardt	Moffett
Bingham	Giaimo	Mollohan
Blanchard	Ginn	Moorhead, Pa.
Blouin	Gonzalez	Moss
Boggs	Gore	Murphy, Ill.
Boland	Gudger	Murphy, N.Y.
Bolling	Hamilton	Murtha
Bonior	Hanley	Natcher
Bonker	Hannaford	Nedzi
Brademas	Harkin	Nolan
Brodhead	Harrington	Nowak
Brooks	Heftel	Oberstar
Brown, Calif.	Hightower	Obey
Burke, Mass.	Holtzman	Panetta
Burleson, Tex.	Howard	Patten
Burlison, Mo.	Hubbard	Patterson
Chisholm	Hughes	Pattison
Clay	Jenkins	Pease
Collins, Ill.	Jenrette	Pepper
Conte	Johnson, Calif.	Perkins
Corman	Jones, N.C.	Poage
Cornell	Jones, Tenn.	Preyer
Cornwell	Jordan	Price
Cotter	Kastenmeier	Rangel
D'Amours	Kazen	Reuss
Danielson	Kildee	Richmond
de la Garza	Krebs	Roberts
Delaney	Lederer	Roe
Dellums	Leggett	Rogers
Derrick	Lehman	Roncalio
Dicks	Long, La.	Rooney
Diggs	Long, Md.	Rose
Dingell	Luken	Rostenkowski
Dodd	McCormack	Roybal
Ryan	Stokes	Weiss
Schroeder	Stratton	Whalen
Seiberling	Studds	Whitten
Sharp	Thompson	Wilson, C. H.
Shipley	Traxler	Wilson, Tex.
Sikes	Tsongas	Wirth
Simon	Udall	Wolff
Slack	Ullman	Wright
Smith, Iowa	Van Deerlin	Yates
Solarz	Vanik	Yatron
Spellman	Vento	Young, Mo.
St Germain	Volkmer	Young, Tex.
Staggers	Walgren	Zablocki
Stark	Watkins	Zeferetti
Steed	Waxman	
Steers	Weaver	

NAYS—197

Abdnor	Flippo	Mathis
Anderson, Ill.	Flowers	Michel
Andrews, N.C.	Flynt	Miller, Ohio
Andrews, N. Dak.	Forsythe	Mitchell, N.Y.
	Fountain	Montgomery
Archer	Frenzel	Moore
Armstrong	Gammage	Moorhead, Calif.
Ashbrook	Gibbons	
AuCoin	Gilman	Mottl
Badham	Glickman	Myers, Gary
Bafalis	Goldwater	Myers, John
Baucus	Goodling	Neal
Bauman	Gradison	Nichols
Beard, Tenn.	Grassley	O'Brien
Bennett	Green	Ottinger
Bowen	Guyer	Pettis
Breaux	Hagedorn	Pickle
Brinkley	Hall	Pike
Broomfield	Hammer-schmidt	Pressler
Brown, Mich.		Pritchard
Brown, Ohio	Hansen	Pursell
Broyhill	Harris	Quayle
Buchanan	Harsha	Quie
Burgener	Heckler	Quillen
Burke, Fla.	Hefner	Railsback
Burton, John	Hillis	Regula
Burton, Phillip	Holland	Rhodes
Butler	Hollenbeck	Rinaldo
Byron	Holt	Robinson
Caputo	Horton	Rousselot
Carr	Huckaby	Rudd
Carter	Hyde	Ruppe
Cavanaugh	Ichord	Russo
Cederberg	Ireland	Santini
Chappell	Jacobs	Sarasin
Clausen, Don H.	Jeffords	Satterfield
	Johnson, Colo.	Sawyer
Cleveland	Jones, Okla.	Schulze
Cohen	Kasten	Sebelius
Coleman	Kelly	Shuster
Collins, Tex.	Kemp	Skelton
Conable	Ketchum	Smith, Nebr.
Corcoran	Keys	Snyder
Coughlin	Kindness	Spence
Crane	Kostmayer	Stangeland
Cunningham	Krueger	Stanton
Daniel, Dan	LaFalce	Steiger
Daniel, R. W.	Lagomarsino	Stockman
Davis	Latta	Stump
Derwinski	Leach	Symms
Devine	Lent	Taylor
Dickinson	Levitas	Treen
Dornan	Lloyd, Calif.	Trible
Duncan, Tenn.	Lloyd, Tenn.	Vander Jagt
Edwards, Ala.	Lott	Waggonner
Edwards, Okla.	Lundine	Walker
Emery	McClory	Walsh
Erlenborn	McCloskey	Wampler
Ertel	McDade	White
Evans, Del.	McDonald	Whitehurst
Evans, Ga.	McEwen	Wiggins
Evans, Ind.	McKinney	Wilson, Bob
Fenwick	Madigan	Winn
Findley	Mann	Wydler
Fish	Marks	Wylie
Fisher	Marlenee	Young, Alaska
Fithian	Marriott	Young, Fla.

NOT VOTING—36

Ashley	Frey	Risenhoover
Breckinridge	Hawkins	Rodino
Burke, Calif.	Le Fante	Rosenthal
Carney	Livingston	Runnels
Clawson, Del	Lujan	Scheuer
Cochran	Martin	Sisk
Conyers	Mazzoli	Skubitz
Dent	Murphy, Pa.	Teague
Eilberg	Myers, Michael	Thone
English	Nix	Thornton
Ford, Mich.	Oakar	Tucker
Fraser	Rahall	Whitley

The Clerk announced the following pairs:

On this vote:

Mr. Ashley for, with Mr. Runnels against.
Mr. Rahall for, with Ms. Oakar against.
Mr. Rodino for, with Mr. Conyers against.
Mr. Le Fante for, with Mr. Del Clawson against.
Mr. Eilberg for, with Mr. Frey against.
Mr. Carney for, with Mr. Livingston against.
Mr. Hawkins for, with Mr. Martin against.
Mr. Breckinridge for, with Mr. Skubitz against.
Mr. Ford of Michigan for, with Mr. Thone against.
Mr. Risenhoover for, with Mr. Lujan against.

Until further notice:

Mrs. Burke of California with Mr. Cochran of Mississippi.
Mr. Nix with Mr. English.
Mr. Teague with Mr. Dent.
Mr. Sisk with Mr. Fraser.
Mr. Rosenthal with Mr. Murphy of Pennsylvania.
Mr. Mazzoli with Mr. Michael O. Myers.
Mr. Thornton with Mr. Tucker.
Mr. Whitley with Mr. Scheuer.

Mr. LEDERER changed his vote from "nay" to "yea."

So the concurrent resolution was agreed to.

The result of the vote was announced as above recorded.

Mr. GIAMO. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate concurrent resolution (S. Con. Res. 80) setting forth the congressional budget for the U.S. Government for the fiscal year 1979, and ask for its immediate consideration in the House.

The Clerk read the title of the Senate concurrent resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Connecticut?

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, is the gentleman substituting the Senate number for the House number? Can the gentleman tell us that?

Mr. GIAIMO. Mr. Speaker, if the gentleman will yield, we are substituting the House-passed concurrent resolution for the Senate concurrent resolution.

Mr. ROUSSELOT. And we are putting the Senate number on it?

Mr. GIAIMO. This is to enable us to go to conference.

Mr. ROUSSELOT. I understand, but we could go to conference without doing this.

Why are we substituting the Senate number? I am sure there is some explanation.

Mr. GIAIMO. Mr. Speaker, it is my understanding the Senate passed the legislation first.

Mr. ROUSSELOT. So?

Mr. GIAIMO. Therefore, we are substituting the Senate number.

Mr. ROUSSELOT. Is that required?

Mr. GIAIMO. We are making a request to go to conference.

Mr. ROUSSELOT. I understand that, but did we not originate this resolution?

Mr. GIAIMO. No.

Mr. ROUSSELOT. I refer to this particular concurrent resolution. Why do we have to put the Senate number on it? That is all I am asking.

Mr. GIAIMO. Mr. Speaker, as I understand it, it is normal parliamentary procedure to do so.

The SPEAKER pro tempore. The Chair will state to the gentleman from California (Mr. ROUSSELOT) that it is normal procedure that the bill or resolution carry the number of the body which first acted on it.

Mr. ROUSSELOT. Not always, but generally.

Mr. Speaker, I thank the Chair, and I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

The Clerk read the Senate concurrent resolution, as follows:

S. CON. RES. 80

Resolved by the Senate (the House of Representatives concurring), That the Congress hereby determines and declares, pursuant to section 301(a) of the Congressional Budget Act of 1974, that for the fiscal year beginning on October 1, 1978—

(1) the recommended level of Federal revenues is $443,300,000,000 and the amount by which the aggregate level of Federal revenues should be decreased is $29,200,000,000;

(2) the appropriate level of total new budget authority is $566,100,000,000;

(3) the appropriate level of total budget outlays is $498,900,000,000;

(4) the amount of the deficit in the budget which is appropriate in the light of economic conditions and all other relevant factors is $55,600,000,000; and

(5) the appropriate level of the public debt is $853,800,000,000, and the amount by which the statutory limit on such debt should accordingly be increased is $101,800,000,000.

SEC. 2. Based on allocations of the appropriate level of total new budget authority and of total budget outlays as set forth in paragraphs (2) and (3) of the first section of this resolution, the Congress hereby determines and declares pursuant to section 301(a)(2) of the Congressional Budget Act of 1974 that, for the fiscal year beginning on October 1, 1978, the appropriate level of new budget authority and the estimated budget outlays for each major functional category are as follows:

(1) National defense (050):
(A) New budget authority, $129,800,000,000;
(B) Outlays, $116,600,000,000.
(2) International Affairs (150):
(A) New budget authority, $12,800,000,000;
(B) Outlays, $7,200,000,000.
(3) General Science, Space, and Technology (250):
(A) New budget authority, $5,200,000,000;
(B) Outlays, $5,000,000,000.
(4) Energy (270):
(A) New budget authority, $10,200,000,000;
(B) Outlays, $10,100,000,000.
(5) Natural Resources and Environment (300):
(A) New budget authority, $13,700,000,000;
(B) Outlays, $12,500,000,000.
(6) Agriculture (350):
(A) New budget authority, $12,400,000,000;
(B) Outlays, $7,800,000,000.
(7) Commerce and Housing Credit (370):
(A) New budget authority, $5,900,000,000;
(B) Outlays, $3,600,000,000.
(8) Transportation (400):
(A) New budget authority, $19,500,000,000;
(B) Outlays, $17,500,000,000.
(9) Community and Regional Development (450):
(A) New budget authority, $10,400,000,000;
(B) Outlays, $9,000,000,000.
(10) Education, Training, Employment, and Social Services (500):
(A) New budget authority, $31,600,000,000;
(B) Outlays, $31,200,000,000.
(11) Health (550):
(A) New budget authority, $52,700,000,000;
(B) Outlays, $49,500,000,000.
(12) Income Security (600):
(A) New budget authority, $192,500,000,000;
(B) Outlays, $159,900,000,000.
(13) Veterans Benefits and Services (700):
(A) New budget authority, $21,000,000,000;
(B) Outlays, $20,800,000,000.
(14) Administration of Justice (750):
(A) New budget authority, $4,300,000,000;
(B) Outlays, $4,200,000,000.
(15) General Government (800):
(A) New budget authority, $4,100,000,000;
(B) Outlays, $4,100,000,000.
(16) General Purpose Fiscal Assistance (850):
(A) New budget authority, $9,700,000,000;
(B) Outlays, $9,600,000,000.
(17) Interest (900):
(A) New budget authority, $46,800,000,000;
(B) Outlays, $46,800,000,000.
(18) Allowances (920):
(A) New budget authority, $700,000,000;
(B) Outlays, $700,000,000.
(19) Undistributed Offsetting Receipts (950):
(A) New budget authority, —$17,200,000,000;
(B) Outlays, —$17,200,000,000.

MOTION OFFERED BY MR. GIAIMO

Mr. GIAIMO. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. GIAIMO moves to strike out all after the resolving clause of the Senate concurrent resolution (S. Con. Res. 80) and insert in lieu thereof the provisions of the concurrent resolution (H. Con. Res. 559) as passed by the House, as follows:

That the Congress hereby determines and declares, pursuant to section 301(a) of the Congressional Budget Act of 1974, that for the fiscal year beginning on October 1, 1978—

(1) the recommended level of Federal revenues is $443,023,235,000, and the amount by which the aggregate level of Federal revenues should be decreased is $29,035,000,000;

(2) the appropriate level of total new budget authority is $564,508,158,000;

(3) the appropriate level of total budget outlays is $500,885,235,000;

(4) the amount of the deficit in the budget which is appropriate in the light of economic conditions and all other relevant factors is $57,862,000,000; and

(5) the appropriate level of the public debt is $856,062,000,000, and the amount by which the statutory limit on such debt should accordingly be increased is $104,062,000,000.

SEC. 2. Based on allocations of the appropriate level of total new budget authority and of total budget outlays as set forth in paragraphs (2) and (3) of the first section of this resolution, the Congress hereby determines and declares pursuant to section 301(a)(2) of the Congressional Budget Act of 1974 that, for the fiscal year beginning on October 1, 1978, the appropriate level of new budget authority and the estimated budget outlays for each major functional category are as follows:

(1) National Defense (050):
(A) New budget authority, $127,439,000,000;
(B) Outlays, $115,679,000,000.
(2) International Affairs (150):
(A) New budget authority, $10,990,000,000;
(B) Outlays, $6,600,000,000.
(3) General Science, Space, and Technology (250):
(A) New budget authority, $5,216,000,000;
(B) Outlays, $18,113,614,000.
(4) Energy (270):
(A) New budget authority, $9,494,000,000;
(B) Outlays, $9,252,000,000.
(5) Natural Resources and Environment (300):
(A) New budget authority, $13,464,000,000;
(B) Outlays, $12,013,000,000.
(6) Agriculture (350):
(A) New budget authority, $12,297,000,000;
(B) Outlays, $10,492,000,000.
(7) Commerce and Housing Credit (370):
(A) New budget authority, $6,000,000,000;
(B) Outlays, $3,700,000,000.
(8) Transportation (400):
(A) New budget authority, $20,560,537,000;
(B) Outlays, $18,113,614,000.
(9) Community and Regional Development (450):
(A) New budget authority, $15,251,000,000;
(B) Outlays, $10,291,000,000.
(10) Education, Training, Employment and Social Services (500):
(A) New budget authority, $34,090,000,000;
(B) Outlays, $31,429,000,000.
(11) Health (550):
(A) New budget authority, $52,282,000,000;
(B) Outlays, $49,550,000,000.
(12) Income Security (600):
(A) New budget authority, $192,750,000,000;
(B) Outlays, $159,339,000,000.
(13) Veterans Benefits and Services (700):
(A) New budget authority, $21,730,000,000;
(B) Outlays, $21,315,000,000.
(14) Administration of Justice (750):
(A) New budget authority, $4,200,000,000;
(B) Outlays, $4,214,000,000.
(15) General Government (800):
(A) New budget authority, $4,096,621,000;
(B) Outlays, $4,133,621,000.
(16) General Purpose Fiscal Assistance (850):
(A) New budget authority, $9,098,000,000;
(B) Outlays, $9,237,000,000.
(17) Interest (900):
(A) New budget authority, $47,000,000,000;
(B) Outlays, $47,000,000,000.
(18) Allowances (920):
(A) New budget authority, $1,050,000,000;
(B) Outlays, $1,000,000,000.
(19) Undistributed Offsetting Receipts (950):
(A) New budget authority, —$17,500,000,000;
(B) Outlays, —$17,500,000,000.

The motion was agreed to.

The Senate concurrent resolution, as amended, was concurred in.

A similar House concurrent resolution (H. Con. Res. 559) was laid on the table.

APPOINTMENT OF CONFEREES

Mr. GIAIMO. Mr. Speaker, I ask unanimous consent that the House insist on its amendment to the Senate concurrent resolution (S. Con. Res. 80) setting forth the congressional budget for the U.S. Government for the fiscal year 1979, and request a conference with the Senate thereon.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Connecticut?

The Chair hears none, and, without objection, appoints the folowing conferees: Mr. GIAIMO, Mr. MITCHELL of Maryland, Ms. HOLTZMAN, Messrs. DERRICK, OBEY, LEHMAN, SIMON, FISHER, MATTOX, LATTA, CONABLE, ROUSSELOT, and BURGENER.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 11983, FEDERAL ELECTION CAMPAIGN ACT OF 1971 AUTHORIZATION

Mr. BOLLING, from the Committee on Rules, submitted a privileged report (Rept. No. 95–1131) on the resolution (H. Res. 1172) providing for the consideration of the bill (H.R. 11983) to amend the Federal Election Campaign Act of 1971 to extend the authorization of appropriations contained in such act, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 10392, ESTABLISHING A HUBERT H. HUMPHREY FELLOWSHIP

Mr. BOLLING, from the Committee on Rules, submitted a privileged report (Rept. No. 95–1132) on the resolution (H. Res. 1173) providing for the consideration of the bill (H.R. 10392) to establish a Hubert H. Humphrey Fellowship in Social and Political Thought at the Woodrow Wilson International Center for Scholars at the Smithsonian Institution and to establish a trust fund to provide a stipend for such fellowship, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 1174, AUTHORIZING APPROPRIATIONS FOR DEPARTMENT OF ENERGY

Mr. BOLLING, from the Committee on Rules, submitted a privileged report (Rept. No. 95–1133) on the resolution (H. Res. 1174) providing for the consideration of the bill (H.R. 11686) to authorize appropriations for the Department of Energy for national security programs for fiscal year 1979, and for other purposes, which was referred to the House Calendar and ordered to be printed.

PERSONAL EXPLANATION

Mr. SEIBERLING. Mr. Speaker, yesterday the House bells did not seem to work right, and I missed the vote on the Fisher amendment during the consideration of House Concurrent Resolution 559.

Had I been present I would have voted "no."

PROHIBITION OF SALE OF PROPERTY AND CASUALTY INSURANCE BY BANK HOLDING COMPANIES AND SUBSIDIARIES

(Mr. HANLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. HANLEY. Mr. Speaker, yesterday I reintroduced legislation first filed on March 10, 1978, as H.R. 11456, providing for the prohibition of the sale of property and casualty insurance by bank holding companies and their subsidiaries. Joining the original eight full Banking Committee cosponsors are six more members of the full Banking Committee and seven unsolicited endorsements by our noncommittee House colleagues.

Additionally, Representative GARRY BROWN of Michigan has introduced a similar bill as H.R. 11799.

In order to give exposure to the issue involved in the legislation, I would like to include for the RECORD at this point correspondence representing contending sides in the dispute. First, the point of view of the Independent Insurance Agents of America, as expressed in a letter to me from that association's president, George T. Frazier. Second, the view expressed by John P. Burke, president of a holding company insurance affiliate in Baltimore, Md. Third, the view of the Independent Bankers Association of America in a letter from Ivan D. Fugate, president of that association. While the latter is similar to the position of the bank holding companies, it arises from a slightly different reason applicable to bank ownership transfers.

While I do not mean to imply that this complex issue can be dealt with fully in these synopsized explanations, it can be said that the bases on which the 8-year-long dialog has taken place are represented.

During the markup of the Safe Banking Act in the Financial Institutions Subcommittee in the next week or so, I hope that this issue will receive attention and consideration sufficient to merit its inclusion as an amendment to title XIII of that bill.

In this regard, I would welcome the comment and support of our colleagues on this important matter:

NEW YORK, N.Y.,
March 28, 1978.

Hon. JAMES M. HANLEY,
Cannon House Office Building,
Washington, D.C.

DEAR REPRESENTATIVE HANLEY: The Independent Insurance Agents of America, Inc. (IIAA), a national association of retail property and casualty insurance agents representing approximately 34,000 agencies across the country, applaud your recent introduction of H.R. 11456, a bill which would prohibit bank holding companies and their subsidiaries from selling property and casualty insurance as principals, agents or brokers.[1]

As you pointed out in your remarks on the floor, there has long existed in this country a separation between banking and other forms of commerce. Your bill is, of course, completely consistent with that goal. For that reason, any suggestion that H.R. 11456 is somehow contrary to a national policy long established by Congress would not be accurate.

For its part, IIAA has for many years opposed bank holding company participation in the retail property and casualty insurance business through section 4(c)(8) of the Bank Holding Company Act of 1956 (Act).[2] Since 1971, IIAA has been involved in protracted and expensive litigation before the Federal Reserve Board and various Federal courts of appeals on the insurance agency issue. Recently, the Supreme Court declined to review certain of those cases thereby making the insurance consuming public vulnerable to the adverse effects that would be associated with massive entry by bank holding companies into the retail property and casualty insurance business.

One of the most salutary aspects of H.R. 11456 is that it permits Congress to focus its attention on the manner in which the Federal Reserve Board has administered section 4(c)(8) of the Act insofar as the property and casualty insurance agency issue is concerned. In that regard, there already exists before Congress an extensive record. Specifically, oversight hearings were held by the House Banking Committee in 1975. In addition, hearings were held on the issue again in connection with the so-called Committee Print in March of 1976. More recently, further testimony was received in the fall of 1977 in connection with Title XIII of H.R. 9600 (Safe Banking Act). The bank holding companies and the federal agencies have already had a chance to respond to this record.

In addition to the record amassed in Congress, since the 1970 Amendments to the Act, a massive amount of evidence on the bank holding company insurance agency issue has been generated in various proceedings before the Federal Reserve Board. That evidence clearly shows that property and casualty insurance is not functionally equivalent to an extension of credit.[3] Further, the sale of such insurance is not able operationally to be integrated into a financial transaction. Finally, banking organizations have historically not been permitted to sell property and casualty insurance.[4] Consequently, in no way can such activity be considered "closely related" to banking within the meaning of section 4(c)(8) of the Act.

Furthermore, the record amassed over the past seven years clearly establishes that bank holding company participation in the property and casualty insurance business would not be in the public interest. The Administrative Law Judge who listened to the witnesses in the bank holding company insurance agency cases tried by the Federal Reserve Board determined that the bank holding company applicants would not be able to provide insurance more conveniently or with greater efficiency than it can currently be obtained from independent insurance agents and other sources. He also determined that, based on the performance of banking organizations in the sale of credit life insurance, bank holding companies would be more likely to sell property and casualty insurance to their borrowers at the highest prices which would be permitted by state insurance commissioners. The Administrative Law Judge also found that, if bank holding companies were permitted to enter the retail property and casualty insurance business, significant reductions in competition would result as independent insurance agents are driven out of business or forced to merge with one another in an attempt to compete with large and powerful bank holding companies. Finally, the Administrative Law Judge found that bank holding companies derive an unfair competitive edge over nonaffiliated insurance agents by virtue of their ability to sell insurance in conjunction with loan transactions.[5] Specifically, he found that borrowers were likely to purchase insurance from bank holding company affiliated agencies, not on the basis of lower prices or improved services, but rather to ingratiate themselves with the bank (particularly in times of tight money).[6] This would mean that in significant numbers of instances the traditional levers of competition (price and service) would have no effect on the operations of bank holding company insurance agency affiliates.

Footnotes at end of article.

For these and other reasons, IIAA enthusiastically supports H.R. 11456. Congress made the decision over a hundred years ago that it was contrary to public policy for banking organizations to engage in nonbanking activities. The potential abuses and inequities which impelled Congress to that judgment then are presented by the bank holding company property and casualty insurance agency issue in their most classic form. Consequently, whatever might be said in favor of other activities the Federal Board has authorized under section 4(c)(8) has no relevance to what the Board has done on the property and casualty insurance agency issue. The case has been made for bank holding company exclusion from the property and casualty insurance business and IIAA stands ready to assist you in any way possible in making that case with your colleagues.[7]

If you have any questions, please let us know. Again, we congratulate you on your initiative.

With best wishes,
Sincerely,

GEORGE T. FRAZIER,
President, Independent Insurance Agents of America, Inc.

FOOTNOTES

[1] The overwhelming majority of independent agents in this country derive their livelihood almost exclusively from the sale of property and casualty insurance.

[2] An argument often heard from proponents of bank holding company entry into our industry has been that the real problem facing independent agents arises out of competition from large insurance underwriters who sell to the public directly. Beyond the normal challenge presented by healthy competition in any industry, independent agents confront no such "problem". Furthermore, in the context of the bank holding company insurance agency issue, such argument is utterly specious.

[3] Property and casualty insurance is a form of insurance which is distinct from credit life and credit disability insurance. Property and casualty insurance protects the insured against loss associated with damage to property or liability arising out of the use of such property. Credit life and credit disability insurance, on the other hand, covers the outstanding balance of a loan and reimburses the lender to the extent of such balance in the event of death or disability of a borrower. Credit life and credit disability insurance is operationally integratable into the lending transaction and is therefore "closely related" to banking. Property and casualty insurance, which requires a separate expertise, cannot be integrated into the loan transaction and is, therefore, not "closely related" to banking.

[4] The only exception to this rule is presented by a provision of the National Bank Act which permits national banking associations to sell property and casualty insurance in towns of 5,000 or less population. *See* 12 U.S.C.A. 92 (1970).

[5] It is important to emphasize that in substantial part the Administrative Law Judge arrived at this conclusion on the basis of the testimony of bank holding company officers.

[6] The record amassed in Congress on this issue contains specific examples of how this will occur. Mr. Edward J. Kremer of IIAA stated in his testimony regarding the Safe Banking Act as follows:

The probability that the sale of insurance will be tied to credit transactions is evidenced by a letter written by a former customer to a salesman who works for my agency:

DEAR BILL: The purpose of this letter is to clear up any misunderstanding that may have arisen as a result of the recent changes in our insurance program. We instructed you to discontinue the automobile dealers physical damage coverage in the package policies that you have so that we could obtain this coverage through "X" bank.

As you know, "X" bank does the financing of our new car inventory. This in no way indicates dissatisfaction of your service or that of the company "X". As I explained to you, we feel that we have to place the coverage with the bank because we so frequently request special favors of them. Even if their premiums were to prove a little higher, we would still feel obligated in this way. Please also be assured that this in no way implies that the bank has forced us to make a change in our insurance program.

Best wishes.

See also Hearings on S. 2721 Before Committee on Banking, Housing and Urban Affairs, 94th Cong., 2d Sess. 24–25 (1976) (remarks of Edward J. Schmuck).

[7] The likely opponents of H.R. 11456 have had every opportunity to make a record on this issue. For this reason, any last minute attempts to call for more examination of this matter would not be helpful and would further delay the enactment of this very important legislation.

BALTIMORE, MD.,
March 17, 1978.

Re: H.R. 11456.
CONGRESSMAN JAMES M. HANLEY,
House Office Building,
Washington, D.C.

DEAR CONGRESSMAN HANLEY: Attached is a letter that I sent last week to Chairman St Germain regarding the pressures being brought to bear by the Independent Insurance Agents of America to have legislation invoked to prevent financial institutions from offering insurance services to their customers.

I need not repeat the various points that I attempted to make in the correspondence to which I refer. I would like to say, however, that in my twenty years in the industry active in both agent's trade associations as well as lender's trade associations, there have been brought to my attention no cases of even alleged coercion on the part of financial institution. As I mentioned in my letter to Chairman St Germain, a significant percentage of the membership of IIAA represent agencies directly connected to lenders. For instance, the immediate past chairman of the Insurance Committee of the Mortgage Bankers Association of America has been a member of the aforementioned insurance agent's group for the past twenty-five years.

Many independent insurance agents, as you may know, are also realtors. It has become apparent to the financial community in requiring evidence of insurance on real estate offered as collateral that the independent agent is losing a considerable volume of business especially in the "personal lines" field. I am very sympathetic with the IIAA, but I can attest to the fact that the availability of insurance through the mortgagee, which to my knowledge without exception is extremely low key, is not the market to which the decline in production can be attributed. The acquisition cost of the "direct writer" who enjoys an ever increasing share of the market is considerably less, and consequently so is the premium charged to the consumer.

Should you so desire, I am certain that the various trade associations representing the financial community are in an excellent position to provide you with any additional information you might require in further deliberation on the legislation.

Thank you very much for your attention.

Very truly yours,

JOHN P. BURKE, Jr.

BALTIMORE, MD.,
March 9, 1978.

Re: IIAA Address.
Hon. FERNAND J. ST GERMAIN,
Chairman, Subcommittee on Financial Institutions, Supervision, Regulation and Insurance, Committee on Banking, Finance and Urban Affairs, House Office Building, Washington, D.C.

DEAR MR. CHAIRMAN: The attached article containing excerpts from your address to the Independent Insurance Agents of America recently came to my attention. I thought it might be worthwhile to bring to your attention observations that I have been able to make during my past twenty years in the lending institution related insurance business.

Many insurance agencies throughout the Country which are part of a financial institution corporate structure are members of the Independent Insurance Agents of America. For instance, the current president of the Agent's group here in Baltimore, Maryland, manages an agency owned by a mortgage banking firm. I have served as chairman of the insurance committee of the Mortgage Bankers Association of America and also of the National Association of Insurance Commissioners joint industry advisory committee. The latter committee was formed to air complaints and reconcile differences between lenders and insurance agents. To my knowledge, having been close to the situation for many recent years, there have been virtually no cases even reported wherein a lending institution was alleged to have used coercion in the placement of insurance.

It is the opinion of many of us in the industry that the independent agent is not losing business to competition from within the financial community which is almost always low key, but to the direct writer who in recent years has become more sophisticated and very aggressive. The acquisition cost to Allstate, for instance, in marketing personal lines of insurance through a licensed representative stationed in a Sears store is considerably less of that incurred by an insurance company marketing the same product through the independent agent system. For this reason the direct writing insurance company is in a position to offer if not the personal service of IIAA, often a more favorable rate. The financial community in many cases requiring proof of insurance to protect collateral has been in the position to observe a tremendous growth in insurance business placed by the direct writers and a consequent decline in the number of policies provided by members of the IIAA.

I truly feel that barring some possible exceptions of which I am not aware, the financial community in general operates on a very low pressure basis in making insurance available to its customers. This is a service we feel to be in the best interest of the public that we are making an effort to serve.

It is my personal opinion that the tremendous sums of money being expended by the Independent Insurance Agents of America to organize in an effort to legislate lending institutions out of the insurance business could be better spent in a program to regain their position with the insurance buying public.

I realize that the quotations in the enclosed article are out of context, however, I would have to disagree with the expressed opinion that the insurance agent is in a better position to know the economic problems of the consumer than is the banker. I am sure that the banking community through our various trade associations would be happy to make available to your committee information that you might feel would be helpful to you in performing your task.

Thank you very much for your attention.

Very truly yours,

JOHN P. BURKE, Jr.

IIAA CONFERENCE—AGENTS URGED TO ENGAGE IN LEGISLATIVE PROCESS

(By Andrew L. Hanigan)

WASHINGTON, D.C.—Members of the Independent Insurance Agents of America heard George T. Frazier, president, call for a concerted effort by all 34,000 member agencies to become, "totally involved in the legislative process," at the IIAA's second annual legislative conference, February 6.

Frazier noted that "we want to assure our lawmakers that we are here to support their efforts to enact good legislation—but we are here also to provide assurance to them that whether we are here or back home it is our intention to provide close, personal supervision of their activities."

KEY ISSUES EXPLORED

The two-day conference provides an opportunity to review the status of key legislation affecting the property and casualty insurance business and for the state associations to interchange ideas and coordinate their efforts. Guest speakers included: Fernand St Germain (D), Rhode Island, chairman, house financial institutions subcommittee; Senator John Culver (D), Iowa, member of the Senate small business committee, and Senator Orrin Hatch (R), Utah, chairman, senate committee on human resources.

Key issues reviewed included the problems with bank holding companies attempting to enter the insurance business, the continuing issue of product liability and the whole matter of federal regulation of insurance.

Representative St Germain stated that while he is dedicated to a strong banking system, he believes that "bankers should be bankers and stay out of other peoples' business." He said that he sees the banks' efforts to expand into other businesses as a threat to all small business. "I am the bankers' public enemy No. One," Representative St Germain said, "because I am worried about bank failures, insider activities and their misuse of economic clout."

AGENTS REPRESENT CONSUMER

"As independent agents," he said, "you represent the consumer, you know what economic problems they face and you know that the bank holding companies can't do your job—they can't and won't serve the public as you do. You independent agents are an army 125,000 strong that can fight the bank holding companies," he said and noted that IIAA could make the congress and the federal reserve adequately regulate and supervise them.

He called upon IIAA to become the strong lobby that it has the potential for being.

Thomas E. Wilson, representing IIAA's Washington counsel, urged the IIAA membership to persuade their congressmen to support amendments to current banking legislation or to introduce separate bills to prohibit the sale of insurance by banks.

EAST LANSING, MICH.,
March 17, 1978.

Hon. JAMES M. HANLEY,
Cannon House Office Building, Washington, D.C.

DEAR CONGRESSMAN HANLEY: On March 10, 1978, a bill was introduced (H.R. 11456) which, if enacted, would severely limit the sale of insurance by bank holding companies and their subsidiaries. The Independent Bankers Association of America believes that this bill represents a serious attack on the future of independent banking in this country, perhaps inadvertently, and we urge you to proceed very cautiously for a number of reasons.

First, those seeking to convince the Congress of the need for this legislation have not fully explained the history of this issue. The sale of insurance has been an activity of banks for decades, and we believe the consumer benefits of such sales are clear.

Second, there has been a representation that recently concluded litigation allows the Federal Reserve Board to grant applications for the sale of insurance without any showing of public benefit. This is not the case. In fact, the 5th Circuit Court of Appeals specifically found that increased competition would be the resultant public benefit of such sales.

Third, it has been represented that such insurance sales would cause widespread tying of insurance to credit transactions. Besides being illegal, such tying probability was specifically rejected by the 5th Circuit.

Finally, and most importantly, the proposed prohibition would destroy an important method of transferring bank ownership whereby the income generated through the insurance company is used to fund small bank acquisitions. The elimination of this technique would result in an increase in concentration of economic resources which would be detrimental to the public. The issues involved in this acquisition technique are complex and to aid your understanding, we have prepared a brief paper illustrating this concern.

We urge you not to pusue this legislation, certainly based on the record to date. The sale of insurance by bank holding companies is an issue that has been around for years. As recent as 1970, the Congress rejected an attempt to do what H.R. 11456 would now seek to do.

The current effort to prohibit insurance sales results from a denial of the Supreme Court to review a voluminous record running from the Federal Reserve Board through the district court and appeals court. *Alabama Association of Insuance Agents, Inc.* v. *Board of Governors of the Federal Reserve System*, 553 F. 2d 224, 554 F. 2d 1245, 558 F. 2d 729, cert. den. 46 L.W. 3539 (February 27,). Based on this record we see no reason to reopen an issue we feel has been resolved in concept. If you have any questions regarding this matter please contact Terry Klasky at No. 265–1921.

Yours very truly,

IVAN D. FUGATE,
President.

FBI INDICTMENTS

(Mr. ZEFERETTI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ZEFERETTI. Mr. Speaker, I am today introducing a resolution calling for the dismissal of the indictments against three former high-level officials of the FBI; namey, former Acting FBI Director L. Patrick Gray III, former Acting Associate Director Mark Felt, and former Assistant Director Edward S. Miller.

I am pleased to state, Mr. Speaker, that the distingished Senator from California, S. I. HAYAKAWA, is introducing an identical resolution in the Senate and joins me in the hope that the sense of the Congress will be heard.

Mr. Speaker, this Nation has undergone several years of agonizing self-examination, an aftermath of the civil rights riots, the Vietnam war, and Watergate. In typical American fashion, we have conducted these proceedings in an open forum and the entire world was free to observe and judge.

There is no doubt that valuable lessons have been learned and necessary reform measures will be enacted to correct some of the mistakes of the past. At the present time we are engaged in intelligence reform to prevent continuation of alleged abuses against innocent citizens by agents of the intelligence community. Members of intelligence agencies, including the Defense Department, Central Intelligence Agency, and the Federal Bureau of Investigation, have undergone meticulous scrutiny following charges of abuse, and this is as it should be.

A former FBI agent, John Kearney, was indicted in April 1977 because other agents under his supervision acted illegally in opening mail and tapping telephones while gathering information about the revolutionary group known as the Weather Underground in the period from 1970 to 1972. Indictments have now been issued against three former high-ranking officials of the FBI: Former Acting Director L. Patrick Gray III; former Acting Associate Director W. Mark Felt, and former Assistant Director Edward S. Miller.

The Weather Underground, if you have forgotten, is believed to have been involved in as many as 3,000 bombings in our country in the late 1960's and early 1970's. They were urban terrorists, dedicated to the overthrow of our Government. Now, years later, it is easy to forget the violence and turmoil of the period; easy to forget that revolutionaries actually planted bombs in the U.S. Capitol; easy to forget that the radicals were not simply misguided college kids, but were attempting to destroy the American way of life and replace it with a Marxist or Maoist regime. And for opening some letters and tapping some phones, the FBI agents face prison. Something seems out-of-kilter.

No one in this body condones willful law-breaking, especially by law enforcement officers. But we are speaking here of three men who served our country well, for 87 years collectively, and who, in my opinion, acted in what they felt was the best interest of the country. The climate was such in the period in question that it is entirely probable that they believed they had authorization for their actions.

It goes without saying that morale at the FBI is at an all-time low, because those who were involved in the alleged illegal activities did so in good faith believing that they were doing important work for the Nation, and this morale needs to be restored for the good of our Nation.

It is astonishing that we can grant amnesty to the draft dodgers of the period, consider upgrading the dishonorable discharges of those who deserted during the war, talk of normalizing relations with Cuba and Vietnam and still prosecute FBI agents on such charges. I respectfully suggest that the Congress urge that these indictments be dismissed and that we continue to form guidelines for the future conduct of intelligence personnel.

NINE MEN AGAINST THE ERA

(Mrs. SCHROEDER asked and was given permission to address the House for 1 minute and to revise and extend

her remarks and include extraneous matter.)

Mrs. SCHROEDER. Mr. Speaker, it is almost Mother's Day and hopefully American mothers are as interested in equal rights for their daughters as they are for their sons. I would like to call upon the nine mothers of the nine men who prevented the ERA from passing this year. I hope they take their sons on their knees and have a chat Sunday. I am putting in the RECORD Jane O'Reilly's essay explaining the underhanded tactics used by these nine to deny over 100 million woman equal rights this year.

ONLY NINE VOTES COULD HAVE MEANT A VICTORY FOR ERA

(By Jane O'Reilly)

If nine men in three states had voted differently in 1977, the Equal Rights Amendment would now be part of the Constitution of the United States.

In both Florida and North Carolina the ERA lost by two votes. In Nevada, if five men had voted for, instead of against, the ERA would have passed.

In Nevada, of 11 men who had supported the ERA in 1975 and 1976 but voted against it in 1977, nine had been endorsed and received contributions from pro-ERA groups. Several explained afterward that they were still personally in favor of the ERA. Some said they would vote for it if they thought it would pass.

Nevadans who worked for passage of the ERA believe it did not pass because James I. Gibson did not want it to pass. Gibson is Nevada Senate Majority Leader and also serves on the governing board of the Mormon Church, which has made opposition to the ERA a national crusade.

In North Carolina, two of the four men who switched their votes at the last minute had been committed, in writing, to supporting the ERA. They cited constituent pressure, and, indeed, busloads of women arriving with their ministers to kneel and pray at the State House are difficult to ignore.

James McDuffie, from Charlotte, one of the men who reneged, lost the May 2 primary to a candidate backed by a coalition of national pro-ERA groups. He was defeated by the same campaign tactics which successfully ousted James Thomson in Virginia, the man who had seen to it that the amendment never got out of committee. (He was replaced as majority leader by A. L. Philpott, who also—rather pettishly—saw to it that the ERA never passed out for a vote.)

North Carolina is the home of Sen. Jesse Helms and former Sen. Ervin, both fiercely anti-ERA. In the state legislature, pro-ERA people identify Lt. Gov. Jimmy Greene as the chief stumbling block. Passage of the ERA would enhance the state's rather tarnished "new South" image, but would enrage the fundamentalist vote.

In Florida, after the ERA was defeated, Sen. Ralph Poston denied that his vote switch was connected to his hurried exoneration two days before by the Senate Rules Committee of a conflict-of-interest charge. Poston explained; "I have trouble with women getting married and not taking their husband's names." Alan Trask explained his switch by pointing out—as a recently reborn Christian—that the Bible abhores homosexuality, and anyway, he said: "I want to see women on a pedestal."

ERA supporters said the defeat was simpler. Dempsey Barron, the grand old man of the Florida state legislature, and Lew Brantley, senate president, wanted to prove their own power. Insofar as they considered rights for women at all, it was as good ol' boys: women are so wonderful they should stay in their place.

In Illinois, the ERA has received a simple majority in both the senate and house. But Illinois requires a three-fifths majority for passage of a state or federal constitutional amendment.

Illinois was the first state to vote for women's suffrage, and has had a state equal rights provision in ERA supporters. Chicago Mayor Bilandic seems to choose to placate the business community by underestimating the effects of the economic boycott of unratified states instead of pushing for ratification.

Well, that's politics. The ERA may be a constitutional issue, but it isn't important in the sense that conservative state legislatures gauge importance. It's a tradeable issue: a dam here, a committee there. Women haven't got much to trade. When we start a boycott, or throw a few rascals out of office, or demand an extension of the ratification period, they say we are being unfair. They say we are trying to change the rules. Yes indeed, we certainly are.

RALPH NADER: ADVOCATE OF BIGGER GOVERNMENT AND MORE REGULATION

(Mr. ASHBROOK asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. ASHBROOK. Mr. Speaker, there is rapidly growing sentiment in our Nation that the Federal Government has grown too large, too costly and too burdensome. I am in complete agreement with this view.

Americans are rightfully sick and tired of a government that is consuming more and more tax dollars while providing less efficient service. Americans are rightfully fed up with the massive Washington bureaucracy and its countless rules and regulations.

People want a halt to continued growth in Big Government. They want relief from Federal overregulation. They want Government brought under control.

Self-styled consumer advocate Ralph Nader, however, treated as a popular folk hero by the liberal news media, is moving in exactly the opposite direction. Nader is an untiring advocate of a bigger Federal Government and more Federal regulation.

One of Nader's top priorities is legislation to establish an agency for consumer advocacy. This legislation would add one more layer of costly bureaucracy onto the backs of the taxpayers. It would create yet another group of Washington bureaucrats to interfere in our free enterprise system and harass our Nation's businessmen at taxpayer expense. Fortunately, this Chamber, normally no repository of fiscal rectitude or restraint, didn't go along with that travesty.

Let there be no doubt about it. Passage of this Nader-backed legislation would mean more Government control of the economy. The agency would have sweeping power over business and industry. It would be a superagency with broad information-gathering and decision-making powers.

I of course oppose the agency for consumer advocacy. I firmly believe that we do not need to add to the costly bureaucratic nightmare already faced by our Nation's businessmen.

This is not the only attack launched by Mr. Nader on our free enterprise system. He also proposes that corporations be chartered by the Federal Government rather than the States.

Under Nader's plan, the 700 largest companies would have to be incorporated under a new Federal Chartering Act. The companies would be required to have a full-time board of directors who are not officers of the companies. The board would monitor management performance, establish executive salaries and have veto power over key decisions. In addition, the Nader plan would mandate community impact statements when plants are to be relocated, establish an employee bill of rights and require more disclosure of business information to the general public.

Federal chartering of corporations would not serve the public interest. It would simply mean further government regimentation of the economy. As the Chicago Tribune stated in attacking Nader's corporate chartering scheme:

> We doubt that many consumers really want to see the free enterprise system punished by being turned into a gigantic state-managed mechanism with every corporation licensed and closely supervised by the federal government—ostensibly in the consumer's interest . . . It is staggering enough to contemplate the mere mechanics which would be involved in all this. The existing federal regulatory agencies are slow enough in performing their duties; Mr. Nader's scheme would "solve" the problem of occasional scoundrels among the crew by putting the ship in permanent drydock.

When it comes to the energy crisis, Nader once again turns to the Federal Government. He advocates legislation establishing a Federal oil and gas corporation to solve our energy needs.

Such a corporation would not result in more energy. Nationally syndicated columnist Anthony Harrigan hit the nail on the head when he wrote:

> The managerial failures of the Federal Government are notorious. The Postal Service can't deliver mail with dispatch; how can anyone believe that bureaucrats could do a better job developing oil resources than companies with decades of experience and global expertise?

Instead, the Nader-backed legislation would mean more Federal regulation and greater Government control. Our free economy would be further eroded.

Not surprisingly, Nader has also fought against decontrol of oil prices. He believes that the Federal Government should continue to regulate the price of oil even though the result is less oil and gas for the future. One of these days OPEC will give him a gold medal for services to their cause.

The market mechanism, not Government control, is the answer to our energy problem. Price controls are just a disincentive to the development of our domestic petroleum reserves.

Nader follows the same pattern when it comes to election reform. In Nader's view the way to reform is for the Federal Government to assume the responsibility of financing congressional campaigns.

This of course reflects Nader's belief that the best way of handling a problem is through Federal money and Federal control. Ignore the cost, ignore the serious constitutional questions involved

and ignore the fact that such legislation would mean greater Federal involvement in and control over the elections process. Apparently all these things are unimportant to Mr. Nader.

Nader also favors enactment of incredibly strict Federal legislation when it comes to safety and the environment. As Alan Reynolds has pointed out in National Review, Nader believes these costs should be financed out of corporate profits.

"The costs of pollution control technology," Nader says, "should come from corporate profits." In working for safety and clean air, Nader is willing to pull companies "down to the zero profit level." He has even stated that companies guilty of pollution or contamination should be declared "socially bankrupt" and "thrown into receivership."

Typical of Nader's heavyhanded views is his 1971 statement before the Senate Public Works Subcommittee on Air and Water Pollution. At that time he testified:

In many instances, corporations anxious to be rid of inefficient and obsolete facilities falsely lay blame for shutdowns on environmental regulations . . .

Congress should pass legislation requiring the Environmental Protection Agency to investigate every threatened or actual plant closing involving 25 or more workers if it has reason to believe the cost of environmental controls is the reason. Another law should require companies laying off employees due to environmental controls to pay workers' wages for six months after their dismissals.

Nader's most recent cause is mandatory air bags in cars. We all remember the disastrous seat belt—engine interlock program. Nader now wants the Federal Government to require auto manufacturers to install air bags.

This still unproved system would add hundreds of dollars to the basic car price. As Barron's has stated, it also would have the "undoubted capacity to make the American motorist as unhappy as the ill-fated and unlamented seat belt engine interlock."

Despite the controversiality of the air-bag proposal, heaven forbid that anyone stand in Ralph Nader's way. When the Ford administration's Secretary of Transportation William Coleman did not move fast enough to suit Mr. Nader, he accused Coleman of using the hearings process to assure further delays in issuing a standard. According to Nader, the air bag question "* * * is whether William T. Coleman has the guts to stand up to General Motors and the Ford Motor Company." The merits of the issue are obviously unimportant.

When Secretary Coleman recommended a voluntary 2-year plan for the airbag device, Nader once again resorted to blustery speech. According to an editorial in the Washington Star:

Ralph "Mandatory" Nader, for instance, huffed and puffed, as usual: "It is an irresponsible decision of grave magnitude for many motorists. Funding the engineering and economic efficiency studies of air bags and then not invoking a mandatory auto safety stand is arbitrary and capricious." And, as usual, Mr. Nader overstates, though he did avoid ad hominem shots at the secretary this time.

Fortune magazine has commented on this aspect of Nader's personality. He has the "habit of coating his facts with invective and assigning the worst possible motives to almost everybody but himself."

The interests of the consumer are certainly important. We must be careful, however, in how we go about protecting those interests. As columnist John Chamberlain has noted:

In his (Nader's) zeal to protect the consumer, he has long since gone over to the idea of expanding the power of the state to dictate to private industry.

The Ralph Nader answer to every problem seems to be bigger Federal Government and more Federal regulation. Such a policy does not serve the long-range public interest. He has single vision, however. No amount of union power draws his ire. No amount of restructive work practices are viewed by this great sentinel at the gate as victimizing consumers.

A "NO SALE" IS BETTER THAN THE PROPOSED ADMINISTRATION SALE BECAUSE THE ROAD TO PEACE IN THE MIDDLE EAST CANNOT BE SERVED BY COMPROMISING OUR SPECIAL RELATIONSHIP WITH ISRAEL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. KEMP) is recognized for 20 minutes.

● Mr. KEMP. Mr. Speaker, the news media have provided extensive coverage of the various deals which the administration is trying to make with Congress in order to compromise its dangerous arms sale linkage plan to Egypt, Saudi Arabia, and Israel. But what these plans really do is compromise our very special and historic relationship to Israel—the only valid ally of ours in the Middle East and the only real democracy in that region.

In essence, the administration proposes to increase the sale of advanced military aircraft—presumably the F–15 and F–16—to Israel in an effort to defuse opposition to the sale of F–15's to Saudi Arabia and F–5E's to Egypt. The "compromise," as the administration describes it, is no compromise at all, because it places these highly capable aircraft—even the F–5E, a low-capability aircraft is equivalent to the Soviet Mig-21—in the hands of countries which retain, as an element of their national policy, an attitude of a state of belligerency with Israel.

The administration's arms sale proposal, advanced with an ineptitude with which the American people are becoming accustomed, has been a divisive element in the Israel-Egypt peace initiative and has postponed the inevitable weeks or months of hard bargaining for an indefinite period.

The notion that the placing of these dangerous weapons in the hands of Israel's avowed adversaries, without a clear theory of how peace can be reached, can somehow be offset by increasing Israel"s tactical air power is symptomatic of the maladroit diplomacy of the Carter administration.

I urge the administration in the strongest possible terms to withdraw the proposed arms sale, pending significant progress toward peace in the region, and to assure Israel that our Nation will not compromise its moral and military commitments to Israel, commitments made in the solemn name of all American people. As Joseph Kraft has pointed out, the road to peace, something we all want, is not served by these proposed sales or the manner in which they have been offered: "The deal does nothing to advance the common defense, and it actually works against the prospects for settlement in the Middle East."

The column from which this quote was taken is worthy of the attention of every Member of this House and everyone involved in policymaking on this issue in the administration. I therefore include its full text.

THE JET SALE: A CARTER POWER PLAY

Part of the confusion about the proposed sale of planes to Israel, Egypt and Saudi Arabia is tactical. All the parties are masking their position for trading purposes.

But a deeper and far more serious muddle jumbles the deal to the point of craziness. The sales bear no visible relation either to peace in the Middle East or to defense of the area against the Soviet Union.

With respect to peace, what hope remains springs from President Sadat's visit to Jerusalem. In the subsequent negotiations Egypt and Israel came very close to striking a bargain. The Israeli offer to return the whole of the Sinai desert to Egyptian sovereignty stumbled only on the matter of Israeli settlements. That is easy to compromise, as many leading Israelis, including foreign minister Moshe Dayan, have said flatly they will not let the settlements stand in the way of peace.

More difficult is the future of the territories west of the Jordan River, which the Israelis call Judea and Samaria. Prime Minister Menachem Begin has offered self-rule to the Arabs in the area and suspended indefinitely any Israeli claim to sovereignty.

But the local residents who want the West Bank to be the base of a Palestinian state demand the right of immediate self-determination. So the Egyptians, though they do not want a Palestinian state unless it is part of Jordan, have felt obliged to press for self-determination.

In fact, the issue cannot be settled now, and the various attempts by the Carter administration to write declarations of principle were condemned to failure. What can be done is to leave the future open.

The Israelis should add to their present offer a proviso that after a certain period of time there would be genuine self-determination. The Egyptians would accept the decision that self-determination be achieved only after a period of time. That would close the deal, and as a sweetener both countries could be given the arms they now seek.

The Saudis, however, have opposed the Sadat initiative from the first. King Khalid was originally irritated that the Egyptian leader went to the Knesset in Jerusalem at a time when good Moslems were supposed to be wending their way to Mecca. Since then Riyadh has consistently emphasized Palestinian self-determination. While continuing to subsidize Egypt, the Saudis have also continued subsidies for the most bitter opponents of the Sadat initiative: Syria and the Palestinian Liberation Organization.

The Saudis have also used their influence to keep King Hussein of Jordan out of the

talks. Now they and Hussein are readying a proposal for a summit meeting of Arab leaders including Sadat and President Hafez Assad of Syria. At that meeting Sadat would acknowledge that his peace initiatives have been killed by Israeli intransigence, and be welcomed back into the Arab fold. That, in effect, would be the end of the peace initiative.

Authorizing a sale of advanced jet planes to the Saudis, in these circumstances, makes no sense at all. It is a reward for being unhelpful—a death shot at the peace initiative Washington should be trying to keep alive.

As to the defense problem, the Soviet Union is arming the Syrians, the Iraqis, the Libyans and the Palestinians in the Middle East. In the horn of Africa, the Russians are beefing up the forces of South Yemen and Ethiopia. These groups all threaten Saudi Arabia and Egypt and they—at least—pose problems for Israel.

So as part of the continuing effort to block Soviet expansion, the plane sales make sense. But they have not been joined in any coherent relation. There is no provision for an American coordinating role with a base in the area (perhaps in Sinai) and a command that could organize the anti-communist forces for common action.

What all this says to me is that the plane deal is essentially a power play—a vehicle whereby the administration can win one over the Congress and over the so-called Israeli lobby. The deal does nothing to advance the common defense, and it actually works against the prospects for settlement in the Middle East.

So in my view the House and the Senate ought to do what in their guts and hearts they want to do. That is to force the suspension of all the sales until the Sadat initiative has had a chance to run its course.●

THE AGRICULTURAL TRADE ACT OF 1978

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. STOCKMAN) is recognized for 10 minutes.

● Mr. STOCKMAN. Mr. Speaker, A few weeks ago, I described for my colleagues the outline of a program designed to move us toward a stable and growing farm economy. Today I am introducing legislation which would provide the framework necessary to implement this essential program.

In my remarks on April 19, I indicated the need to reorient the Department of Agriculture toward a greater emphasis on improving world trade opportunities for American farmers. For too long, the Congress has relied on unwieldly acreage management and subsidy programs as a means of stabilizing farm prices and improving farm income. The recent debate on the Emergency Agriculture Act highlighted the inevitable deficiencies of this approach. Faced with ever-rising costs, increased regulatory pressures, and shifting patterns of domestic demand, our farmers can no longer rely on programs which seek artificially-induced price movements through domestic supply manipulations.

Mr. Speaker, it is time for the Congress to take effective action to expand world markets. While the Congress has given lipservice to this goal by creating half-hearted programs within USDA, no attempt has been made to raise the level of USDA effort to the level necessary to provide a potential for growth of the American farm economy. My bill provides the mechanism for achieving this level of commitment.

U.S. efforts overseas—where it counts—have been conducted by agricultural attachés to U.S. Embassies. While I believe that our agricultural export policies should be in harmony with overall foreign policy, I do not believe that commitment to maximum development of U.S. sales to foreign consumers should be subjected to the shifting sands of our foreign policy. For this reason, my bill calls for the development of independent offices in the major agricultural consuming regions of the world.

These offices would serve as clearinghouses for the promotional, marketing research, and coordinating functions essential to a comprehensive job of increasing U.S. export sales. Staffed by individuals appointed on the basis of training and experience rather than political expertise these offices will considerably upgrade the image of American agriculture overseas.

At the same time, the bill upgrades the status of agricultural attachés within U.S. Embassies, and provides for them a coordinating role in the operation of the Agricultural Trade offices. These Agricultural Counselors, as they will be called, will take part in producing an annual in-depth report on the commodity supply, demand, and price conditions in their assigned areas, and may be granted diplomatic standing at the request of the Secretary. The combined efforts of the offices and the Embassies will significantly improve the use of American food-producing potential as a positive diplomatic tool.

To support and coordinate these activities from Washington, the bill restructures and expands the responsibilities of the present Assistant Secretary for International Affairs and Commodity Programs. By providing a Deputy Secretary for International Affairs and Commodity Programs and an Assistant Secretary for Commodity Programs, the bill provides an institutional focus for a new emphasis on expanding export markets.

Reorganization of USDA, however important, will be insufficient to promote the level of agricultural exports envisioned by my bill. Under current law, the Commodity Credit Corporation, the major Federal source of financial support for export sales, is restricted to providing short-term loans to customers of American farm products. My bill grants CCC greater flexibility in supporting export activity by authorizing loans of 3 to 10 years on commercial terms. Such sales would also be freed from the stultifying cargo preference requirements which drive up the cost of U.S. exports.

Another major goal of the bill is to improve the quantity and quality of information available to American agricultural producers about foreign market opportunities. In addition to in-depth studies of overseas demand, the bill strengthens reporting requirements for U.S. agricultural sales overseas. Under current law, only weekly aggregate reports of overseas sales are released by the Secretary. Foreign subsidiaries or affiliates of U.S. corporations are exempt from reporting requirements. My bill requires 48-hour notice to U.S. producers of individual large overseas sales, in addition to the normal weekly reports, and extends the reporting requirements to foreign subsidiaries and affiliates of U.S. corporations. These steps will result in improved production planning data for our farmers, and may well contribute to more stable commodity markets.

In all, I believe the Agricultural Trade Act of 1978 represents the first step toward a new era of American involvement in expanding world trade. I need not remind my colleagues of the tremendous benefits such expanded trade would confer on our trade and accounts balances. Yet this act only represents a beginning.

Before we can be satisfied with the level of our efforts to improve world conditions for American agriculture, Mr. Speaker, there are a number of additional tasks ahead of this. First, we must liberate the farmer from the crushing burden of economic and social regulation which the Congress has decreed in recent years. From work standards to wages to the composition of agricultural chemicals, the Congress has persistently legislated higher costs for the farmer and harmed productivity. We must proceed at once to eliminate this burden.

At the same time, we must begin to make progress against the remaining barriers that foreign countries have erected to keep out American exports. Our efforts in this area must be much more systematic and aggressive than those pursued by the present administration. We must make it clear that continued access to U.S. goodwill and U.S. industrial markets are at stake if we are to eliminate these remaining barriers.

In all, Mr. Speaker, much remains to be done if we are to strengthen the U.S. agricultural economy in any lasting way. I hope my colleagues will join me in support of the Agricultural Trade Act of 1978 as an important first step.

The analysis follows:

SECTION-BY-SECTION ANALYSIS OF THE AGRICULTURAL TRADE ACT OF 1978

TITLE I

Sec. 101. Declares the intent of Congress to reverse the decline in U.S. efforts to expand foreign markets for our agricultural products by aggressive market development.

Sec. 102. Amends the Agricultural Act of 1954 by adding a new Title VIII:

TITLE VIII

Sec. 801. Authorizes the Secretary to establish not less than 25 United States Agricultural Trade Offices abroad. Authorizes the appointment of Agricultural Trade Officers on a merit basis at a maximum GS–17 level to administer these offices, under the direction of the Administrator of the Foreign Agricultural Service.

Sec. 802. The general duty of these offices is to coordinate promotional efforts and provide facilities to U.S. exporters, and to conduct an in-depth program of market research to identify the market potential for American agricultural products within the country or region in which the office is located. The offices are also authorized to assist the General Sales Manager in the administration of P.L. 480 sales and projects.

Sec. 803. The Secretary is granted the discretion to determine the country or region within which each office is established.

Sec. 804. The Secretary is authorized to establish one such office within the United States if he finds it will further the purposes of the Act.

Sec. 805. Requires coordination of U.S. Agricultural Trade Office activities with U.S. embassies and consulates.

Sec. 806. Authorizes the Secretary to rent, lease or otherwise obtain and upgrade foreign properties to carry out the purposes of the Act.

Sec. 807. Requires that Offices be centrally located in the city of assignment, but prohibits colocation with U.S. Embassies.

Sec. 808. The Secretary is authorized to request assistance from every federal agency to assist the Offices in the conduct of their responsibilities.

Sec. 809. Authorizes representation allowances for Officers and Agricultural Counselors.

Sec. 810. Conforms the new Title VIII to Title VI of the Agricultural Act of 1954 as amended by Title IV of this Act.

TITLE II

Sec. 201. Amends the Commodity Credit Corporation Charter Act by adding at the end:

Sec. 202(a). Declares the policy of Congress to improve overseas sales through concessional credit terms.

(b). Authorizes loans of from 3 to 10 years for sales of CCC and private stocks overseas, and exempts these sales from the provisions of section 901(b) of the Merchant Marine Act of 1936 relating to cargo preferences.

(c). Also defines these loans as commercial and not concesssionary.

(d). Provides for a fund to collect repayments under the Title.

(e). Requires a report to Congress within six months of enactment assessing the effectiveness of the programs authorized under this Title.

TITLE III

Sec. 301. Declares the policy of Congress that increased emphasis be placed on international affairs and commodity programs within the Department of Agriculture.

Sec. 302. Establishes an office of the Assistant Secretary of Agriculture for Commodity Programs, and an Under Secretary of Agriculture for International Affairs. Abolishes the position of Assistance Secretary of Agriculture for International Affairs and Commodity Programs.

TITLE IV

Sec. 401. Declares the policy of Congress to upgrade the status of USDA employees attached to U.S. Embassies.

Sec. 402. Upgrades current Agricultural Attaches to the status of Agricultural Counselors. Title VI of the Agricultural Act of 1954 is amended by adding a new section:

Sec. 609. Requires an in-depth study world commodity supply, demand and price conditions culminating in annual reports from Agricultural Counselor in the country or region to which he is assigned. Describes the minimum standards for the annual report.

TITLE V

Sec. 501. Amends Section 812 of the Agricultural Act of 1970 to require that large sales of U.S. agricultural products abroad, as defined by the Secretary, shall be reported daily, rather than weekly, to be made public within one business day. Includes foreign subsidiaries and affiliates of U.S. corporations in the definition of an exporter for the purpose of coverage under the reporting requirements.

TITLE VI

Sec. 601. Requires expeditious implementation of the programs authorized under the Act, grants regulatory authority, and requires a comprehensive annual report on USDA efforts to promote overseas sales of U.S. farm products.●

BORIS PENSON—PRISONER OF CONSCIENCE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. WOLFF) is recognized for 5 minutes.

● Mr. WOLFF. Mr. Speaker, tomorrow marks the 30th anniversary of the birth of the homeland of Israel. I feel a sense of pride and offer the utmost respect to those who fought so hard, and continue to fight, for their freedom and their human right to exist in peace. Yet, circumstances still prevail in areas of the world that demand our firm commitment and attention in an attempt to alleviate unfortunate inhumane situations. I am referring to the plight and cause of the Soviet Jews.

For the past 3 years, I have been communicating with Boris Penson, a Soviet "prisoner of conscience". A Jew and an artist of the highest caliber, Boris Penson has been repeatedly arrested, imprisoned, interrogated, denied visiting rights by his family, and denied the right to emigrate to Israel. For no apparent reason, this young, Jewish painter is stifled by the atmosphere of the so-called Social realism imposed by the Soviet authorities. Yet he continues to fight for his rights as a human being, a Jew and an artist, knowing all the time that his current situation will not afford him the opportunity to realize his full creative potential. Though his family has applied to authorities for a permit for their son to leave Russia for Israel, they have received rude, unexplained refusals of that request.

In Helsinki, the Soviet Union, the United States and 33 other countries joined in signing the Final Act of the Conference on Security and Cooperation in Europe—an act pledging the commitment of participants to do everything possible to reunite families divided by national and political boundaries. Clearly, as in the case of Boris Penson, the Soviets have violated that pledge.

As a concerned Member of Congress, I am today speaking on behalf of Boris Penson as a continuing vigil in response to the cruel and lawless policies on emigration and human rights now employed in the Soviet Union.

Though the artistic works of Penson have been smuggled out of the Soviet Union and successful one-man shows of his work have been held both in Israel and the United States, this young, talented artist is wasting away in prison.

As Boris Penson wrote from a Soviet prison in 1972:

". . . I am tortured by the vivid experience of an idea that becomes a vision—colors, lines, forms, half-shadows. Often it gets together in a stormy way . . . Cne can improvise for a long time. There are variations and more variations until almost nothing remains of the idea." The psychological toll exacted from Boris Penson can easily be detected in that statement. Though he conveys great inner resources and strength, one also senses an image of an introverted, tense young man. Can we identify with his feelings of being estranged and threatened in a Soviet society? Can we identify with the fear of being rendered extinct as a human being? More importantly, can we turn away from a moral responsibility—do we feel so estranged from ourselves or are we so fearful of emanating a sense of compassion that we can ignore the deafening silent voices of those who are in pain?

"Prisoners of conscience", having lost all hope for just and positive solutions within their own grasp, have turned for help to the people of the free world. In the words of Boris Penson, and I quote, "The outside world can accept or refuse whatever has arisen. There can be empathy, but this depends on the force of the work; also much depends on the spectators themselves . . .

We are the spectators—spectators who know only freedom. We must exert whatever forces necessary to create, among our fellow men and women, an empathy for each other. I appeal to the Soviet leaders to adhere to the Helsinki Agreements and to make a concerted effort to move toward a recognition and respect for the human rights, deserved by all.●

LEGISLATION BARRING COMMERCE DEPARTMENT ISSUING PERMITS ENABLING FOREIGN VESSELS TO PROCESS FISH HARVESTED BY U.S. FISHERMEN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon (Mr. AUCOIN) is recognized for 5 minutes.

● Mr. AUCOIN. Mr. Speaker, it is my understanding that the Department of Commerce is expected to issue permits within a few days which will enable foreign processing vessels to receive and process fish harvested by U.S. fishermen within our fisheries conservation zone.

If these permits are issued it could have serious long-term consequences for U.S. processors on the west coast. In Oregon, several processors are attempting to develop an ability to process hake, the target fish of one of the foreign vessels. In addition, the Oregon Department of Economic Development has been awarded a $100,000 grant to undertake pilot projects for the purpose of developing new and better ways to process this unknown quantity. These efforts will be jeopardized if the Department of Commerce issues these permits.

For this reason, I am today introducing legislation which would bar the Secretary from issuing these permits for the remainder of 1978. In so doing the legislation simply ratifies a decision by the Pacific Fisheries Management Council that U.S. processors deserve at least 1 year to test the feasibility of entering this new business without the fear of being undercut by low-cost foreign ventures.

This is not a long-term solution to what clearly is a difficult problem. That must await the outcome of legislation now being drafted by Members of this Congress, myself among them. But it will buy us time to consider this issue in the depth and with the care which it deserves.

I urge my colleagues to support the speedy passage of this bill:

H.J. RES. 895

To bar the Secretary of Commerce from issuing permits under the Fisheries Conservation and Management Act of 1976 to foreign processing vessels for the purpose

of receiving and processing fish harvested by vessels of the United States during 1978

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of Commerce may not issue any permit under Section 204 of the Fisheries Conservation and Management Act of 1976 which authorizes any foreign vessel to receive or process fish harvested by vessels of the United States within the fisheries conservation zone during 1978.●

OPPOSITION TO CONGRESSMAN CAPUTO'S AMENDMENT TO CONGRESSIONAL BUDGET RESOLUTION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. LUNDINE) is recognized for 5 minutes.

● Mr. LUNDINE. Mr. Speaker, I rise in opposition to this amendment to delete budget authority for food for peace assistance programs for the people of South Korea. This amendment is being offered as a means of pressuring the South Korean Government to waive diplomatic immunity and permit former South Korean Ambassador Kim Dong Jo to testify before the House Ethics Committee regarding this alleged involvement on behalf of the South Korean Government in the Korean influence buying scheme in the Congress.

I am deeply concerned about the allegations implicating Kim Dong Jo and the South Korean Government as the key organizer of the influence buying efforts in the Congress. Many questions remain unanswered which must be addressed if we are to remove the cloud of misconduct now looming over this institution, but I cannot agree that this amendment is the proper vehicle to accomplish this goal or that it is advisable in light of other efforts currently underway to secure Kim Dong Jo's cooperation.

Together with my colleagues, the gentleman from Illinois (Mr. MIKVA) and the gentleman from Pennsylvania (Mr. ERTEL), I have circulated a letter to all Members of the House seeking cosignatures on a draft letter to President Park of South Korea expressing congressional concern over the serious allegations concerning Kim Dong Jo and the South Korean Government and requesting that he take the necessary steps to waive diplomatic immunity in this case. Seventy-one Members of the House have agreed to join this effort to date. I would welcome your support for this alternate approach and submit to you that it is a wiser and more effective first step than the pending amendment before you now.

The food for peace program is designed to provide free food directly to the world's poor primarily through American private voluntary agencies and the world food program, to provide agricultural commodities at concessional terms to developing countries, and to provide emergency disaster assistance when needed. In short, the program is designed to provide the most basic humanitarian assistance to those in need and to facilitate development objectives in developing countries. As such, it should be available to people in all nations in need, and is not designed to serve the political considerations you have before you in this amendment.

The South Korean people are our allies and they should not be denied basic humanitarian assistance so abruptly. Although under the food for peace program South Korea is considered as a "graduate" country and as such is not a primary recipient of food for peace aid, a good deal of poverty and hunger still exists and the country is still striving to meet many basic development objectives.

We should take another approach to secure cooperation from the South Korean Government in the Ethics Committee investigation. In late March, we received our first indication from the South Korean Government that arrangements could be worked out to help facilitate a full investigation into this matter. In addition, steps are being taken by the State Department to secure the full cooperation of the South Korean Government to make Kim Dong Jo available for testimony. If these arrangements are not forthcoming in the near future, I agree that we should be prepared to take further actions to convey congressional concern to President Park.

On this basis, I solicit your support for an alternate approach, and your opposition to the amendment now under consideration before you.●

EDDIE GALLAHER: WASHINGTON'S "AYEM" MAN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. DE LA GARZA) is recognized for 5 minutes.

● Mr. DE LA GARZA. Mr. Speaker, I would like to bring to your attention a 30-year anniversary for someone close to the thousands of Washington area morning commuters. Eddie Gallaher, Washington's long-running 6 to 10 a.m. radio performer, is celebrating his tridecade anniversary with the Nation's Capital commuters.

While most of us are barely awake weaving through the infamous District of Columbia traffic, Eddie Gallaher has been talking for hours, bringing us birthday greetings, horoscopes, free dinners, and albums, not to mention the necessary traffic reports on FM's WASH radio station. Eddie Gallaher has lots of friends—lots of talk—and brings honor to the station he serves so professionally and capably.

A recent article in the Washington Post District Weekly's Potomac Journal section by Bob Levey, April 27, was dedicated to Eddie Gallaher. I would like to share this fun story with my colleagues:

EDDIE GALLAHER: WASHINGTON'S AM DEAN OF FM DRIVE-TO-WORK RADIO

It is 30 years since the job came open. Thirty years since a still-redheaded Arthur Godfrey left behind his title of Mr. Morning Radio in Washington and graduated to New York.

WTOP-AM, a variety station back then, did not lack for potential successors. But no one was betting the rent on a 33-year-old staff announced named Eddie Gallaher.

True, he had been born here. True, he had the butterscotch voice and the goes-down-easy temperament. But the bulk of his career had been spent at baseball play-by-play in Tulsa and Minneapolis. Was this truly the man to magnetize Capital Commuters?

"I didn't know myself," said Gallaher. "But I knew I had to try. I went to New York and cut an audition tape with Tommy Dorsey's piano player. And . . . ."

And he hasn't had a good night's sleep since.

If Arthur Godfrey was the dean, Eddie Gallaher has long been full professor and department chairman of the 6 to 10 a.m. slot on Washington radio.

Ticking off birthday greetings and horoscopes, giving away steak dinners and albums, handing off to newsmen and traffic helicopters, Gallagher is an institution at WASH-FM. And he is far more dynamic than most 63-year-old institutions have reason, or stamina, to be.

But surviving in the brutally competitive morning drive-time radio world is a matter of more than energy. "Talk is fine—if you have something to say," Gallaher says. From quick funnies, to turf builder ads, to rock and roll trivia, Gallagher has plenty to say.

Wait a minute. Rock and roll trivia? A 63-year-old man gossiping about The Bee Gees and Linda Ronstadt?

"I didn't believe it myself at first," said Mike Kavanagh, WASH's morning newsman (and Gallaher's junior by about 3½ decades).

"He sticks out—and at the same time he blends in," Kavanagh said. "He wasn't my image of the contemporary FM radio man at first. But look at him. He's a legend."

Gallaher does not profess to like the "adult contemporary" rock music he plays. "At home," he says, "I have a dirty habit. It's called reading."

Nor does he profess to like everything about FM, especially since his early reputation was forged on AM. "A lot of times," he says, "people who don't listen to FM ask me, 'Hey, what are you doing these days?' "

Above all, he does not profess to be perfect. "I've been late a few times, although not two hours late, when my alarm clocks didn't work. And it took me years to learn to work this thing," he said, waving at his bewildering console of dials and buttons.

But Eddie Gallaher oozes Washington, and it shows.

Unlike so many local deejays, he would never pronounce the first half of "Chevy Chase" like the car. He would never call the county just east of here "Prince George." Since Truman, he has rooted for the Redskins, golfed at the Congressional Country Club, eaten at the restaurants he plugs and bought his Pontiacs from the same dealer.

Although he is best known for his morning work, Gallaher's radio credits include 10 years as play-by-play announcer for the Redskins, and about that many as host of a mid-50s, late-evening WTOP program called Moondial.

The show was strictly for the sentimental. It opened with a tape of a cascading glissando on the harp. Perry Como or Nat King Cole, at their soupiest, would follow. The show would be even money to be laughed off the air today, "but it was awfully popular," Gallaher said.

Less popular, for Gallaher, was WTOP's decision in 1969 to switch to its present all-news format.

Gallaher hung on for a few months, "but I wasn't a newsman and I knew it. It just wasn't my bag." He will mark his ninth anniversary at WASH this fall.

Gallaher in his studio is neither hysterical, nor sleepy, nor sickeningly show-bizzy. His baritone only lilts when the cues in his notebook full of ads tell it to.

He has three major quirks. He always broadcasts standing up ("Gets me pumped up"). He always jolts from a cup of lukewarm coffee while records are playing, to smooth his throat. And he often smokes cigarettes as he talks, to ruffle the throat's ridges just a little.

Besides his sign-off trademark ("It's nice to know so many nice people"), Gallaher's stock in trade is one-liners. "It's not a sin to be rich," he told one recent Friday audience. "It's a miracle." A few tunes later, he was laying down the definition of an optimist: "A guy who expects the candy bar to be as big as the wrapper."

But retirement? Don't mention the word to Gallaher. Not if you like to see Irish eyes smiling. His flash at the thought.

"Retire? Re-tie-urr? I'd rot, same as my golf game," Gallaher said. "I'll go till I'm 80, as long as they want me."

An interloper is about to ask another question, but quick as a flash, Gallaher's attention has turned elsewhere. With the sixth sense of experience, he can feel his record ending. At exactly the right instant, he is turning toward his boom mike.

"Four minutes to nine, and we got a nice, nice day for ya. The news is next. Right now, a little hustle with Van McCoy."

Now he can turn back. "Retire?" asks Eddie Gallaher. "Only when I can't do it any more. And I'll be the first one to know." ●

CITY OF BETHEL, ALASKA, SUPPORTS TITLE VII OF ALASKA NATIONAL INTEREST LANDS CONSERVATION ACT

(Mr. SEIBERLING asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. SEIBERLING. Mr. Speaker, one of the key parts of H.R. 39, the Alaska National Interest Lands Conservation Act, which has been reported by both the Committee on Interior and Insular Affairs and the Committee on Merchant Marine and Fisheries, is title VII. This title contains important provisions for protecting the options of those residents of rural Alaska who are dependent upon subsistence uses of the renewable resources of the public lands.

One of the centers of subsistence activities in the State of Alaska is the region of the deltas of the Yukon and Kuskokwim Rivers, in the southwestern portion of the State. Bethel is one of the larger of the towns in that region, and was one of the places where our Subcommittee on General Oversight and Alaska Lands held a "town meeting" last year on this legislation.

I have recently received a letter from Mr. Tyman Hoffman, the city manager of Bethel, transmitting a copy of a resolution of the city council which strongly urges the House of Representatives and the Senate to support title VII as reported by the Interior Committee.

The text of Mr. Hoffman's letter and the resolution of the city council follow these remarks:

BETHEL, ALASKA,
May 1, 1978.

HON. JOHN SEIBERLING,
House of Representatives,
Washington, D.C.

DEAR REPRESENTATIVE SEIBERLING: The Bethel City Council has passed a Resolution requesting support for Title VII of HR 39 as passed by the House of Representatives, Interior Committee and the Merchant Marine and Fisheries Committee. We the people of the City of Bethel and the Yukon-Kuskokwim Delta have made our subsistance living from the land, rivers and sea, much as we have for thousands of years.

The people of this area are poor by economic standards, pay the highest cost of living in the State of Alaska, yet cash income is the lowest. Without subsistence the people of this area cannot survive.

We urge your support of Title VII of H.R. 39. Subsistence is an important part of our future as a people.

Sincerely,

LYMAN HOFFMAN,
City Manager.

RESOLUTION 234

A resolution from the city council of the city of Bethel supporting the legislation that protects and allows for the continuation of subsistence lifestyle essential for the survival of the people of the Yukon-Kuskokwim Delta

Whereas, "Subsistence" is defined as customary and traditional uses in Alaska of wild, renewable resources for direct personal or family consumption; and

Whereas, the City of Bethel serves as the regional service center for the 57 villages of the Yukon-Kuskokwim Delta; and

Whereas, the City of Bethel instructs the Federal Government and the State of Alaska to do everything necessary to protect the subsistence way of life so essential to the people of this area; and

Whereas, the people of the City of Bethel are economically dependent upon the subsistence way of life to provide the needed resources for the community and individual survival; and

Whereas, Title VII of HR 39 as passed by the U.S. House of Representatives, Interior Committee, addresses and supports the needs of the people of the City of Bethel and the 57 Villages of the Yukon-Kuskokwim Delta;

Now therefore let it be resolved that the City Council of the City of Bethel strongly urges the U.S. House of Representatives, the U.S. Senate and the State of Alaska to support Title VII, of HR 39 as passed by the U.S. House of Representatives, Interior Committee. ●

ANNOUNCEMENT AS TO VOTE

(Mr. DANIELSON asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. DANIELSON. Mr. Speaker, due to compelling business in my congressional district, I was unable to be present during two rollcall votes on Wednesday, May 3, 1978, and during five rollcall votes taken on Thursday, May 4, 1978. I would like to announce how I would have voted had I been present.

WEDNESDAY, MAY 3, 1978

Rollcall vote No. 279. The House rejected, by a vote of 123 ayes to 265 noes, an amendment to House Concurrent Resolution 559, the first concurrent budget resolution for fiscal year 1979. The amendment sought to add $435 million in budget authority and $390 million in outlays to the education, training, employment, and social services function for increased funding of training and employment programs. I would have voted "no."

Rollcall vote No. 280. The House rejected, by a vote of 172 ayes and 210 noes, an amendment to House Concurrent Resolution 559, that sought to reduce budget authority and outlays by $255 million to allow for a Federal salary increase of 5.5 percent instead of 6 percent. I would have voted "no."

THURSDAY, MAY 4, 1978

Rollcall No. 281. The House approved by a vote of 360 yeas to 13 nays, the Journal of Wednesday, May 5, 1978. I would have voted "yea."

Rollcall No. 282. The House passed, by a vote of 241 yeas and 148 nays, House Resolution 1162, the rule waiving points of order against the conference report on H.R. 6782, Emergency Agricultural Act of 1978. I would have voted "yea."

Rollcall No. 283. The House passed, by a vote of 212 yeas to 182 nays, H.R. 6782, the Emergency Agricultural Act of 1978—clearing the measure for the President. I would have voted "yea."

Rollcall No. 284. The House agreed, by a vote of 199 ayes to 173 noes, to a substitute amendment to House Concurrent Resolution 559, setting forth the congressional budget of the U.S. Government for fiscal year 1979. I would have voted "no."

Rollcall No. 285. The House agreed, by a vote of 227 ayes to 136 noes, to an amendment to the substitute amendment of House Concurrent Resolution 559 that decreases Federal revenues by $635 million for tuition tax credits for elementary, secondary and postsecondary education. I would have voted "no." ●

LEAVE OF ABSENCE

By unanimous consent leave of absence was granted to:

Mr. RODINO (at the request of Mr. WRIGHT), for today on account of illness in the family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. STANGELAND) to revise and extend their remarks and include extraneous material:)

Mr. KEMP, for 20 minutes, today.

Mr. STOCKMAN, for 10 minutes, today.

(The following Members (at the request of Mr. WALGREN) to revise and extend their remarks and include extraneous material:)

Mr. WOLFF, for 5 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. GONZALEZ, for 5 minutes, today.

Mr. AUCOIN, for 5 minutes, today.

Mr. LUNDINE, for 5 minutes, today.

Mr. DE LA GARZA, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. STANGELAND) and to include extraneous matter:)

Mr. DICKINSON.
Mr. FISH in two instances.
Mr. SARASIN.
Mr. CRANE.
Mr. CUNNINGHAM.
Mr. ARMSTRONG.
Mr. LAGOMARSINO in two instances.
Mr. EMERY.
Mr. GARY A. MYERS.
Mr. MICHEL in two instances.
Mr. ANDERSON of Illinois.
Mr. KETCHUM.
Mr. SEBELIUS.
Mr. SAWYER.
Mr. DERWINSKI in two instances.
Mr. BROWN of Ohio in two instances.
Mr. MARRIOTT.
Mr. COLLINS of Texas in three instances.
Mr. KASTEN.
Mr. GOLDWATER.
Mr. DORNAN.
Mr. STEERS.
Mr. SYMMS.
Mr. HANSEN.
Mr. RUDD.

(The following Members (at the request of Mr. WALGREN), and to include extraneous matter:)

Mr. STUDDS.
Mr. VANIK.
Mr. AUCOIN in two instances.
Ms. OAKAR.
Mr. JACOBS.
Mr. LONG of Maryland.
Mr. FRASER in 10 instances.
Mr. WOLFF.
Mr. SIMON in two instances.
Mr. PREYER.
Mrs. SCHROEDER in two instances.
Mr. HAMILTON.
Mr. DOWNEY.
Mr. CARNEY.
Mr. ROSENTHAL.
Mr. TEAGUE.
Mr. RANGEL in two instances.
Mr. VAN DEERLIN.
Mr. FOUNTAIN.
Mr. ERTEL.
Mr. EARLY.
Mr. CONYERS.
Mr. BLOUIN.
Mr. WEISS.
Mr. UDALL.
Mr. ULLMAN.
Mr. ZEFERETTI.
Mr. EVANS of Indiana.
Mr. LAFALCE.
Mr. BRECKINRIDGE.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 1029. An act to authorize the Smithsonian Institution to construct museum support facilities; to the Committee on House Administration; and

S. 2727. An act to promote and coordinate amateur athletic activity in the United States, to recognize certain rights for U.S. amateur athletes, to provide for the resolution of disputes involving national governing bodies, and for other purposes; to the Committee on the Judiciary.

ADJOURNMENT

Mr. WALGREN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 8 o'clock and 52 minutes p.m.), the House adjourned until tomorrow, Thursday, May 11, 1978, at 11 o'clock a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

4110. A letter from the Deputy Secretary of Defense, transmitting notice of approval of annual compensation rates in excess of $45,000 for officials of the Lincoln Laboratory, Massachusetts Institute of Technology, pursuant to section 407(b) of Public Law 91–121; to the Committee on Armed Services.

4111. A letter from the General Counsel of the Department of Defense, transmitting a draft of proposed legislation to amend title 10, United States Code, to authorize waiver of application of certain laws in connection with the acquisition of property or services from friendly foreign governments and international organizations to facilitate cooperation relating to defense equipment, and for other purposes; to the Committee on Armed Services.

4112. A letter from the Comptroller General of the United States, transmitting a report on the use of productivity data in the budget process (FGMSD–78–33, May 10, 1978); to the Committee on Government Operations.

4113. A letter from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation to amend section 6(e)(2) of the Land and Water Conservation Fund Act of 1965, as amended; to the Committee on Interior and Insular Affairs.

4114. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a draft of proposed legislation authorizing additional appropriation for fiscal year 1978 voluntary contributions to the United Nations Relief and Works Agency for Palestine Refugees; to the Committee on International Relations.

4115 A letter from the Assistant Secretary of State for Congressional Relations, transmitting a proposed amendment to the pending bill (H.R. 10697) authorizing additional appropriations during fiscal year 1979 for the Department of State to carry out authorities, functions, duties and responsibilities in the conduct of the foreign affairs of the United States, including trade negotiations and other purposes authorized by law; to the Committee on International Relations.

4116. A letter from the Executive Director, Federal Communications Commission, transmitting a report on the backlog of pending applications and hearing cases in the Commission as of September 30, 1977, pursuant to section 5(e) of the Communications Act, as amended; to the Committee on Interstate and Foreign Commerce.

4117. A letter from the president, United States Railway Association, transmitting the Association's second quarterly report, pursuant to section 202(e)(2) of the Regional Rail Reorganization Act of 1973, as amended (91 Stat. 1423); to the Committee on Interstate and Foreign Commerce.

4118. A letter from the Director-designate, Community Relations Service, Department of Justice, transmitting the annual report of the Community Relations Service for fiscal year 1977, pursuant to section 1004 of the Civil Rights Act of 1964; to the Committee on the Judiciary.

4119. A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to amend the Public Works and Economic Development Act of 1965, as amended; to the Committee on Public Works and Transportation.

4120. A letter from the Administrator of General Services, transmitting a prospectus proposing a succeeding lease for space presently occupied at 60 Hudson Street, New York, N.Y., pursuant to section 7 of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

4121. A letter from the Federal Cochairman, Coastal Plains Regional Commission, transmitting the 10th annual report of the Commission, covering fiscal year 1977, pursuant to section 510 of the Public Works and Economic Development Act of 1965; to the Committee on Public Works and Transportation.

4122. A letter from the Comptroller General of the United States, transmitting a report on U.S. bomber air defense forces (PSAD–78–86, May 10, 1978); jointly, to the Committees on Government Operations, and Armed Services.

4123. A letter from the Comptroller General of the United States, transmitting a report on the impact of the worker adjustment assistance program on Pennsylvania apparel workers separated from jobs because of import competition (HRD–78–53, May 9, 1978); jointly, to the Committee on Government Operations, and Ways and Means.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 10787. A bill to authorize appropriations for activities and programs carried out by the Secretary of the Interior through the Bureau of Land Management; with amendment (Rept. No. 95–1121). Referred to the Committee of the Whole House on the State of the Union.

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 10587. A bill to improve the range conditions of the public grazing lands; with amendment (Rept. No. 95–1122). Referred to the Committee of the Whole House on the state of the Union.

Mr. ROBERTS: Committee on Veterans' Affairs. H.R. 12011. A bill to amend section 601 of title 38 of the United States Code in order to provide for a continuation or the authority of the administrator to furnish hospital care to certain veterans living in a State, territory, Commonwealth, or possession of the United States not contiguous to the 48 contiguous States, and for other purposes (Rept. No. 95–1123). Referred to the Committee of the Whole House on the State of the Union.

Mr. PERKINS: Committee on Education and Labor. H.R. 12452. A bill to extend and amend the Comprehensive Employment and Training Act of 1973, and for other purposes; with amendment (Rept. No. 95–1124). Referred to the Committee of the Whole House on the State of the Union.

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 11153. A bill to authorize the Secretary of the Interior to construct, restore, operate, and maintain new or modified features at existing Federal reclamation dams for safety of dams purposes; with

amendment (Rept. No. 95–1125). Referred to the Committee of the Whole House on the State of the Union.

Mr. REUSS: Committee on Banking, Finance and Urban Affairs. S. 2093. An act to provide that the Exchange Stabilization Fund shall not be available for payment of administrative expenses; and for other purposes; with amendment (Rept. No. 95–1126). Refered to the Committee of the Whole House on the State of the Union.

Mr. PERKINS: Committee on Education and Labor. H.R. 12299. A bill to establish a Federal Office on Domestic Violence, and a Federal Council on Domestic Violence, to provide grants for the assistance of victims of domestic violence and for training programs, and for other purposes; with amendment (Rept. No. 95–1127). Referred to the Committee of the Whole House on the State of the Union.

Mr. PERKINS: Committee on Education and Labor. House Resolution 1072. Resolution to disapprove the action of the Commissioner of Education in consolidating certain advisory councils as proposed in the Commissioner's annual report under section 448 of the General Education Provisions Act (Rept. No. 95–1128). Referred to the House Calendar.

Mr. REUSS: Committee on Banking, Finance and Urban Affairs. H.R. 12426. A bill to authorize the Secretary of the Treasury to provide financial assistance for the city of New York (Rept. No. 95–1129, Pt. I). Ordered to be printed.

Mr. ULLMAN: Committee on Ways and Means. H.R. 12641. A bill to provide for a temporary increase in the public debt limit. (Rept. No. 95–1130). Referred to the Committee of the Whole House on the State of the Union.

Mr. SISK: Committee on Rules. House Resolution 1172. Resolution providing for the consideration of H.R. 11983. A bill to amend the Federal Election Campaign Act of 1971 to extend the authorization of appropriations contained in such act. (Rept. No. 95–1131). Referred to the House Calendar.

Mr. BOLLING: Committee on Rules. House Resolution 1173. Resolution providing for the consideration of H.R. 10392. A bill to establish a Hubert H. Humphrey Fellowship in Social and Political Thought at the Woodrow Wilson International Center for Scholars at the Smithsonian Institution and to establish a trust fund to provide a stipend for such fellowship. (Rept. No. 95–1132). Referred to the House Calendar.

Mr. PEPPER: Committee on Rules. House Resolution 1174. Resolution providing for the consideration of H.R. 11686. A bill to authorize appropriations for the Department of Energy for national security programs for fiscal year 1979, and for other purposes. (Rept. No. 95–1133). Referred to the House Calendar.

SUBSEQUENT ACTION ON A BILL INITIALLY REFERRED UNDER TIME LIMITATION

Under clause 5 of rule X, the following action was taken by the Speaker:

The Committee on the Judiciary discharged from consideration of the bill (H.R. 12240) to authorize appropriations for fiscal year 1979 for intelligence and intelligence-related activities of the U.S. Government, the Intelligence Community Staff, the Central Intelligence Agency Retirement and Disability System, and for other purposes. Referred to the Committee of the Whole House on the State of the Union and ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ULLMAN:

H.R. 12641. A bill to provide for a temporary increase in the public debt limit; to the Committee on Ways and Means.

H.R. 12642. A bill to improve debt management; to the Committee on Ways and Means.

By Mr. ARMSTRONG:

H.R. 12643. A bill to extend to all unmarried individuals the full tax benefits of income splitting now enjoyed by married individuals filing joint returns; and to remove rate inequities for married persons where both are employed; to the Committee on Ways and Means.

By Mr. AuCOIN:

H.R. 12644. A bill to amend section 411 of the Higher Education Act of 1965 with regard to determinations of independent student status, and for other purposes; to the Committee on Education and Labor.

By Mr. COTTER (for himself, Mr. WAGGONNER, Mr. BURLESON of Texas, Mr. HOLLAND, Mr. ARCHER, Mr. VANDER JAGT, Mr. FRENZEL, Mr. MARTIN, Mr. THOMPSON, Mr. RODINO, Mr. HOWARD, Mr. ROE, Mr. MOORE, Mr. HUCKABY, Mr. PATTEN, Mr. MAGUIRE, Mr. LE FANTE, Mr. FORSYTHE, Mrs. FENWICK, Mr. MINISH, Mr. RINALDO, and Mr. MATHIS):

H.R. 12645. A bill to provide that certain statutory subsistence allowances received by State police officers will not retroactively be included in gross income; to the Committee on Ways and Means.

By Mr. DRINAN (for himself, Mr. PEASE and Mr. RINALDO):

H.R. 12646. A bill to amend section 541 of title 28 of the United States Code to change the term of office and the manner of appointment and removal of U.S. attorneys and to repeal section 546 (relating to temporary appointments to vacancies by courts) of such title; to the Committee on the Judiciary.

By Mr. FLORIO:

H.R. 12647. A bill to extend provisions of the Noise Control Act of 1972 for 1 year, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. HOWARD (for himself, Mrs. LLOYD of Tennessee, Mr. FLIPPO, Mr. JOHN T. MYERS, Mr. DICKS, Mr. QUAYLE, Mr. DENT, Mr. CORCORAN of Illinois, Mr. MOORHEAD of Pennsylvania, and Mr. DUNCAN of Tennessee):

H.R. 12648. A bill to authorize appropriations for the construction of certain highways in accordance with title 23 of the United States Code, for highway safety, for mass transportation in urban and in rural areas, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. JEFFORDS (for himself, Mr. BLOUIN, Mr. BONKER, Mr. HUCKABY, Mr. JOHNSON of Colorado, Mr. KOSTMAYER, Mr. MEEDS, Mrs. MEYNER, Mr. SAWYER, and Mr. THOMPSON):

H.R. 12649. A bill to establish an Agricultural Land Review Commission; to establish a demonstration program for protecting agricultural land from being used for nonagricultural purposes; and for other purposes; to the Committee on Agriculture.

By Mr. KILDEE (for himself, Mr. LEDERER, Mr. MURPHY of Pennsylvania, Mr. MOAKLEY, Mr. BLOUIN, Mr. WEAVER, Mr. BONIOR, Mr. LEHMAN, Mrs. MEYNER, Mr. EDWARDS of California, Mr. GEPHARDT, Mr. BEDELL, Mr. TRAXLER, Mr. CORRADA, Mr. FORD of Michigan, Mr. GUYER, Mr. AuCOIN, Mrs. CHISHOLM, Mr. BAUCUS, Mr. LUNDINE, Mrs. SPELLMAN, Mr. BEVILL, Mr. MITCHELL of Maryland, Mr. LUKEN, and Mr. NOLAN):

H.R. 12650. A bill to amend the Elementary and Secondary Education Act of 1965 to establish a program for the development and support of community schools, and for other purposes; to the Committee on Education and Labor.

By Mr. KILDEE (for himself, Mr. CORNELL, Mr. AKAKA, Mr. SOLARZ, Mr. EILBERG, Mr. EDGAR, and Mr. GOODLING):

H.R. 12651. A bill to amend the Elementary the Elementary and Secondary Education Act of 1965 to establish a program for the development and support of community schools, and for other purposes to the Committee on Education and Labor.

By Mr. MEEDS (for himself and Mr. QUIE):

H.R. 12652. A bill to amend the Youth Conservation Corps Act Amendments of September 3, 1974 to remove the ceiling on the authorization of appropriations; to the Committee on Education and Labor.

By Mr. MURPHY of Pennsylvania:

H.R. 12653. A bill to amend the Internal Revenue Code of 1954 to exclude from the gross income of individuals certain amounts of earned income and of income from pensions and annuities; to the Committee on Ways and Means.

By Mr. RAILSBACK:

H.R. 12654. A bill to amend title 28 of the United States Code to provide for the merit selection of U.S. attorneys; to the Committee on the Judiciary.

By Mr. WALKER:

H.R. 12655. A bill to require certain foreign persons and agents acting on behalf of foreign persons to record their purchases of agricultural land with the Secretary of Agriculture; to the Committee on Agriculture.

By Mr. WALKER (for himself, Mr. BEDELL, Mr. BUTLER, Mr. HAGEDORN, Mr. LAGOMARSINO, Mr. MURPHY of Pennsylvania, Mr. SCHULZE, Mr. WINN, Mr. GUYER, Mr. MOORHEAD of Pennsylvania, and Mrs. SPELLMAN):

H.R. 12656. A bill to amend title 5, United States Code, to deny Federal retirement annuities to individuals convicted of any felony, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. WINN:

H.R. 12657. A bill to provide that, after January 1, 1979, Memorial Day be observed on May 30 of each year; to the Committee on Post Office and Civil Service.

H.R. 12658. A bill to amend the Internal Revenue Code of 1954 to allow a deduction from gross income for social agency, legal, and related expenses incurred in connection with the adoption of a child by the taxpayer; to the Committee on Ways and Means.

H.R. 12659. A bill to amend the Internal Revenue Code of 1954 to treat the amounts paid for custodial care by institutions of certain dependents as amounts paid for medical care; to the Committee on Ways and Means.

By Mr. YOUNG of Florida (for himself, Mr. ARMSTRONG, Mr. BAUMAN, Mr. BURGENER, Mr. BURKE of Florida, Mr. BROOMFIELD, Mr. CORCORAN of Illinois, Mr. DAN DANIEL, Mr. DERWINSKI, Mr. DORNAN, Mr. EDWARDS of Oklahoma, Mr. GUYER, Mr. HAGEDORN, Mr. HYDE, Mr. KEMP, Mr. LAGOMARSINO, Mr. LEGGETT, Mr. RANGEL, Mr. ROUSSELOT, Mr. WHITEHURST, and Mr. WON PAT):

H.R. 12660. A bill to require that an amendment be proposed by the United States to the articles of agreement for each of the international financial institutions in which the United States participates which would require the establishment of human rights standards to be considered in connection with each application for assistance; to the Committee on Banking, Finance and Urban Affairs.

By Mr. BLOUIN:

H.R. 12661. A bill to amend the Internal Revenue Code of 1954 to allow the charitable deduction to taxpayers whether or not they itemize their personal deductions; to the Committee on Ways and Means.

By Mr. DAN DANIEL:

H.R. 12662. A bill to provide financial relief to volunteer safety officers, or their survivors, for death or disability suffered by such officers and medical expenses incurred by such officers in the line of duty, and for other purposes; to the Committee on the Judiciary.

By Mr. FISHER (for himself, Mr. FAUNTROY, Mr. HARRIS, Mrs. SPELLMAN, and Mr. STEERS):

H.R. 12663. A bill to establish a Potomac River Shoreline Area Commission for the purpose of developing a plan for the cooperative management by Federal, State, District of Columbia, and local authorities of certain areas along the Potomac River, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. GOLDWATER (for himself, Mr. FOUNTAIN, Mr. MARRIOTT, and Mr. STEERS):

H.R. 12664. A bill to amend title 38 of the United Code in order to waive the payment of premiums for National Service Life Insurance by certain persons who have attained age 70; to the Committee on Veterans' Affairs.

By Mr. JEFFORDS (for himself and Mr. RODINO):

H.R. 12665. A bill to provide for a program of review of State laws with regard to solar energy; to the Committee on Banking, Finance and Urban Affairs.

By Mr. LAFALCE:

H.R. 12666. A bill to amend the Small Business Investment Act of 1958; to the Committee on Small Business.

By Mr. MATHIS (for himself, Mr. FRASER, Mr. BROWN of California, Mr. JOHNSON of California, Mr. BURGENER, and Mr. LAGOMARSINO):

H.R. 12667. A bill to implement the International Sugar Agreement between the United States and foreign countries; to protect the welfare of consumers of sugar and of those engaged in the domestic sugar-producing industry; to promote the export trade of the United States; and for other purposes; jointly, to the Committee on Agriculture, and Ways and Means.

By Mr. MURPHY of New York (for himself, Mr. RUPPE, Mr. LEGGETT, Mr. FORSYTHE, Mr. BREAUX, Mr. PRITCHARD, Mr. DINGELL, Mr. BIAGGI, Mr. YOUNG of Alaska, Mr. ANDERSON of California, Mr. DE LA GARZA, Mr. EMERY, Mr. METCALFE, Mr. STUDDS, Mr. EVANS of Delaware, Mr. DE LUGO, Mr. HUBBARD, Mr. TRIBLE, Mr. BONKER, Mr. AUCOIN, Mr. D'AMOURS, Mr. PATTERSON of California, Mr. HUGHES, Ms. MIKULSKI, and Mr. BONIOR):

H.R. 12668. A bill to establish a conservation program for the living marine resources of the Arctic and Southern Oceans, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. MURPHY of New York (for himself, Mr. RUPPE, Mr. LEGGETT, Mr. FORSYTHE, Mr. BREAUX, Mr. PRITCHARD, Mr. AKAKA, and Mr. MCCLOSKEY):

H.R. 12669. A bill to establish a conservation program for the living marine resources of the Arctic and Southern Oceans, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. OTTINGER (for himself, Mr. MAGUIRE, Mr. ALLEN, Mr. AMMERMAN, Mr. CORNELL, Mr. FLORIO, Mr. FRASER, Mr. HARRIS, Mr. LAGOMARSINO, Mr. NEAL, Mr. PATTISON of New York, Mr. AKAKA, Mr. BINGHAM, Mr. BONKER, Mr. BRODHEAD, Mr. CARTER, Mr. DELLUMS, Mr. EILBERG, Mr. FORD of Michigan, Mr. FREY, Mr. CIBBONS, Mr. HEFTEL, Mr. LENT, Mr. MADIGAN, and Mr. MITCHELL of Maryland):

H.R. 12670. A bill to facilitate the transition from energy technologies that use depletable energy sources to solar energy technologies; jointly, to the Committees on Government Operations, Interstate and Foreign Commerce, Public Works and Transportation, and Science and Technology.

By Mr. OTTINGER (for himself, Mr. MAGUIRE, Mr. MOFFETT, Mr. MURPHY of Pennsylvania, Mr. PEASE, Mr. PRESSLER, Mr. PRICE, Mr. RANGEL, Mr. SCHEUER, Mr. BEDELL, Mr. BONIOR, Mr. EDGAR, Mr. STARK, Mr. CONTE, and Mr. PANETTA):

H.R. 12671. A bill to facilitate the transition from energy technologies that use depletable energy sources to solar energy technologies; jointly, to the Committees on Government Operations, Interstate and Foreign Commerce, Public Works and Transportation, and Science and Technology.

By Mr. SEIBERLING (for himself and Mr. GREEN):

H.R. 12672. A bill to amend title II of the Social Security Act to require that procedures be established for the expedited replacement of undelivered benefit checks, to require that decisions on benefit claims be made within specified periods and to require that payments of benefits on approved claims begin promptly; to the Committee on Ways and Means.

By Mr. STOCKMAN:

H.R. 12673. A bill to expand exports of agricultural commodities; to reorganize the U.S. Department of Agriculture for purposes of facilitating exports of agricultural commodities; to increase the resources of the Commodity Credit Corporation for purposes of financing exports of agricultural commodities; to increase the amount of information available to residents of the United States regarding exports of agricultural commodities; and for other purposes; jointly, to the Committees on Agriculture and International Relations.

By Mr. ANDERSON of California (for himself and Mr. MURPHY of Illinois):

H.R. 12674. A bill to amend the Federal Aviation Act of 1958 to improve air service and provide flexibility in air fares; to the Committee on Public Works and Transportation.

H.R. 12675. A bill to amend the Federal Aviation Act of 1958 to improve air service and provide flexibility in air fares; jointly, to the Committees on Public Works and Transportation, and Rules.

H.R. 12676. A bill to amend the Federal Aviation Act of 1958 to improve air service and provide flexibility in air fares; to the Committee on Public Works and Transportation

By Mr. AUCOIN (for himself, Mr. YOUNG of Alaska, Mr. WEAVER, and Mr. BONKER):

H.J. Res. 895. Joint resolution to bar the Secretary of Commerce from issuing permits under the Fisheries Conservation and Management Act of 1976 to foreign processing vessels for the purpose of receiving and processing fish harvested by vessels of the United States during 1978; to the Committee on Merchant Marine and Fisheries.

By Mr. CONTE (for himself and Mrs. PETTIS):

H. Con. Res. 618. Concurrent resolution denouncing the assassination of Aldo Moro; to the Committee on International Relations.

By Mr. ZEFERETTI:

H. Con. Res. 619. Concurrent resolution calling for the dismissal of indictments against three high ranking former FBI officials; jointly, to the Committees on the Judiciary, and the Select Committee on Intelligence.

By Mr. BIAGGI:

H.J. Res. 896. Joint resolution imploring the Union of Soviet Socialist Republics to release Dr. Semyon Gluzman from prison and permit him and his family to immigrate to Israel; to the Committee on International Relations.

By Mr. HANSEN:

H. Res. 1175. Resolution expressing the sense of the House of Representatives with respect to an exchange of instruments of ratification of the Panama Canal Treaties and with regard to the dispostion by the United States of any right to, title to, or interest in the property of Canal Zone agencies and any real property located in the Canal Zone; jointly, to the Committees on International Relations, and Merchant Marine and Fisheries.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

398. The SPEAKER presented a memorial of the Legislature of the State of California, relative to congregate services for the elderly and the handicapped; to the Committee on Banking, Finance and Urban Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and regulations were introduced and severally referred as follows:

Mr. TSONGAS introduced a bill (H.R. 12677) for the relief of Mary N. Panagiotakis; which was referred to the Committee on the Judiciary.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 11686

By Mr. WEISS:

Page 11, beginning on line 18, insert a period after "weapons" and strike all that follows through line 21.

H.R. 11983

By Mr. ANDERSON of Illinois:

Page 2, after line 5, add the following new sections:

"SEC. 2. The Federal Election Campaign Act of 1971 (hereinafter in this Act referred to as the "Act") is amended by adding at the end thereof the following new title:

"TITLE V—FINANCING OF GENERAL ELECTION CAMPAIGNS FOR THE HOUSE OF REPRESENTATIVES

"DEFINITIONS

"SEC. 501. When used in this title—

"(1) The term 'Account' means the House of Representatives Campaign Account established in section 507(a).

"(2) The term 'authorized committee' means, with respect to any candidate for election to the office of Representative in, or Delegate or Resident Commissioner to, the Congress, any political committee which is authorized by such candidate to accept contributions or make expenditures on behalf of such candidate to further the election of such candidate.

"(3) The term 'eligible candidate' means a candidate who is eligible under section 502 for payments under section 504.

"(4) The term 'election' means any regularly scheduled, special, or runoff election which directly results in the election of a person to the office of Representative in, or Delegate or Resident Commissioner to, the Congress.

"(5) The term 'immediate family' means a candidate's spouse, and any child, parent, grandparent, brother, half-brother, sister, or half-sister of the candidate, and the spouses of such individuals.

"ELIGIBILITY TO RECEIVE PAYMENTS

"SEC. 502. (a) To be eligible to receive payments under section 507, a candidate shall, with respect to an election, in such form and manner as the Commission may prescribe by regulation, and within 10 days after such candidate qualifies for the election ballot under the law of the State involved or by August 1, 1980, whichever is later—

"(1) agree—

"(A) to furnish campaign records, evidence of contributions and expenditures, and other appropriate information to the Commission;

"(B) to cooperate in the case of any audit and examination conducted by the Commission under section 508;

"(C) that such candidate and his authorized committees will not accept any contribution in violation of section 320(a);

"(D) that such candidate and his authorized committees will not make any expenditure which exceeds the limitation established in section 320(b)(2); and

"(E) that such candidate will comply with the limitation on expenditures of personal funds established in section 503;

"(2) certify to the Commission that such candidate and the authorized committees of such candidate have received contributions aggregating not less than $1,000; and

"(3) apply to the Commission for the initial matching payment of $1,000 referred to in section 504(a)(1)(A).

"(b) For purposes of subsection (a)(2) and section 504(a), in determining the amount of contributions received by a candidate and his authorized committees—

"(1) no contribution received as a subscription, loan, advance, or deposit, or as a contribution of products or services, shall be taken into account;

"(2) no contribution received from any person other than an individual shall be taken into account, and no contribution received from an individual shall be taken into account to the extent that such contribution exceeds $100 when added to the amount of all other contributions made by such individual to or for the benefit of such candidate during the applicable period specified in paragraph (3); and

"(3) in the case of a general election, no contribution received before January 1 of the year in which such election is held, or received after the date on which such election is held shall be taken into account, and in the case of a special or runoff election, no contribution received more than 90 days before such election or received after the date on which such election is held shall be taken into account.

"LIMITATION ON EXPENDITURES OF PERSONAL FUNDS

"SEC. 503. No candidate who is eligible under section 502 to receive payments under section 507 shall make expenditures from the personal funds of such candidate, or the funds of any member of the immediate family of such candidate, aggregating in excess of $25,000, with respect to the election involved.

"ENTITLEMENT OF ELIGIBLE CANDIDATES TO MATCHING PAYMENTS

"SEC. 504. (a)(1) Subject to section 502(b), any eligible candidate shall be entitled to—

"(A) an initial payment under section 507 of $1,000 to match the contributions certified under section 502(a)(2);

"(B) not more than 5 matching payments of $10,000 under section 507, if, with respect to each such payment, the eligible candidate and his authorized committees have received contributions aggregating $10,000, which have not been matched under this section; and

"(C) in the case of an eligible candidate for whom the limitation on expenditures established in section 320(b) is made inapplicable under section 505(a), not more than 5 additional matching payments of $10,000 under section 507, if, with respect to each such payment, the candidate and his authorized committees have received contributions aggregating $10,000, which have not been matched under this section, except that any contribution which is received after the date on which the limitation on expenditures is made inapplicable shall be matchable under this subparagraph, whether or not the individual making such contribution has made any contribution that has been matched under subparagraph (A) or subparagraph (B).

"(2) No payment shall be made under paragraph (1)(B) or paragraph (1)(C) with respect to an election unless—

"(A) at least two candidates have qualified for the election ballot under the law of the State involved; and

"(B) the candidate seeking such payment certifies to the Commission that the conditions for such payment described in paragraph (1) and in subparagraph (A) have been met.

"(3) No contribution received from any individual who resides in a State other than the State in which the election is held shall be matched under paragraph (1)(B) to the extent that such contribution when added to all other contributions received from such individuals exceeds 20 percent of the aggregate of contributions otherwise matchable under paragraph (1)(B).

"(4) The aggregate payments to all candidates in an election shall not exceed $150,000.

"(5) All payments received under this section shall be deposited at a national or State bank in a separate checking account which shall contain only funds so received. No expenditures of funds received under this section shall be made except by checks drawn on such account.

"(b) Payments received under this section shall be used only to defray election campaign expenses incurred with respect to the period beginning on the day after the date on which the candidate qualifies for the election ballot under the law of the State involved and ending on the date of the election, or the date on which the candidate withdraws from the campaign or otherwise ceases actively to seek election, whichever occurs first. Such payments shall not be used (1) to repay any loan to any person, or (2) to make any payments, directly or indirectly, to such candidate or to any member of the immediate family of such candidate.

"INAPPLICABILITY AND SUSPENSION OF EXPENDITURE LIMITATION

"SEC. 505. (a)(1) If any candidate who is not eligible to receive payments under section 502 makes expenditures from his personal funds or from the personal funds of any member of the immediate family of such candidate aggregating in excess of $25,000, receives total contributions aggregating in excess of $75,000, or makes total expenditures aggregating in excess of $75,000, the limitation on expenditures established in section 320(b)(2) shall not apply to any eligible candidate in the election involved.

"(2) Any candidate who is not eligible to receive payments under section 502, and who exceed any amount specified in paragraph (1) relating to personal expenditures, total contributions, or total expenditures, shall so notify the Commission not later than 48 hours after the amount involved is exceeded. The Commission may determine upon its own initiative, or upon the request of any candidate in an election, whether any such amount has been exceeded.

"(b)(1) If, with respect to an election, independent expenditures, as defined in section 301(p), are made, or costs of communication, required to be reported under section 301(f)(4)(C), are incurred, aggregating more than $50,000, the Commission shall, with respect to such election, suspend the limitation on expenditures established in such section 320(b)(2) at the request of any candidate in such election who is eligible to receive payments under section 502, and who has received the benefit of no more than one-third of such independent expenditures or costs of communication.

"(2) Any person who makes independent expenditures, as defined in section 301(p), or incurs costs of communication, required to be reported under section 301(f)(4)(C), shall notify the Commission not later than 48 hours after such person first makes such independent expenditures or incurs such costs of communication aggregating more than $5,000 and thereafter shall so notify the Commission each time such person makes any additional independent expenditure, or incurs any additional such cost of communication, aggregating $2,500 or more.

"CERTIFICATION BY COMMISSION

"SEC. 506. (a) Not later than 48 hours after a candidate files a request with the Commission to receive payments under section 504, the Commission shall certify such eligibility to the Secretary of the Treasury (hereinafter in this title referred to as the 'Secretary') for payment in full of the amount to which such candidate is entitled. The request referred to in the preceding sentence shall contain—

"(1) such information, and be made in accordance with such procedures, as the Commission may provide by regulation; and

"(2) a verification signed by the candidate and the treasurer of the principal campaign committee of such candidate stating that the information furnished in support of the request, to the best of their knowledge, is correct and fully satisfies the requirements of this title.

"(b) Initial certifications by the Commission under subsection (a) and all determinations made by the Commission under this title, shall be final and conclusive, except to the extent that they are subject to examina-

tion and audit by the Commission under section 508 and judicial review under section 511.

"(c) Any candidate who submits false information to the Commission under this section shall be subject to section 329.

"ESTABLISHMENT OF ACCOUNT; PAYMENTS TO ELIGIBLE CANDIDATES

"SEC. 507. (a) The Secretary shall maintain in the Presidential Election Campaign Fund, established by section 9006(a) of the Internal Revenue Code of 1954, in addition to any other accounts maintained under such section, a separate account to be known as the House of Representatives Election Campaign Account. The Secretary shall deposit, into the Account, for use by candidates eligible to receive payments under this title, the amount available after the Secretary determines that the amounts to be available for the fund will be adequate to meet the payments under subtitle H of such Code (relating to financing of presidential election campaigns) except that, in a biennial general election year, other than a presidential election year, the Secretary shall deposit into the Account no later than May 15 for use by candidates eligible to receive payments under this title, the amount available after the Secretary determines that the total amount to be available in the fund by the end of such year will equal 60 percent of the payments made during the past presidential election under such subtitle. With respect to candidates who are eligible for payments in 1980, the May 15 deadline shall not apply and the Secretary shall make available to the Account from the Presidential Election Campaign Fund such amounts as may be necessary, and shall, from the moneys paid into the fund in 1981 and 1982, reimburse the fund for the amounts made available in 1980 to the Account. The moneys in the Account shall remain available without fiscal year limitation.

"(b) Not later than May 15 of each biennial general election year except 1980, the Secretary shall notify the Commission of the amount to be available in the Account for payments with respect to such year. Within 30 days after such notification, the Commission shall determine whether such amount will be sufficient to satisfy the estimated full entitlements of eligible candidates for such year. If the Commission determines that such amount will not be sufficient, the Commission shall transmit to the Secretary, not later than June 15 of such year, a formula for the ratable adjustment of such entitlements. The Commission shall make such changes in the ratable adjustment formula as may be necessary during the year and shall notify each eligible candidate by registered mail of any adjustment in entitlement of such candidate under this subsection.

"(c) Upon receipt of a certification from the Commission under section 506, but not earlier than the date on which the candidate involved has qualified under the law of the State involved to have his name on the election ballot in a general election or the 60th day before a special or runoff election, the Secretary shall pay the amount certified by the Commission to the candidate, subject to any ratable adjustment formula, established under subsection (b).

"EXAMINATION AND AUDITS; REPAYMENTS

"SEC. 508. (a)(1) After each general election, the Commission shall conduct an examination and audit of the campaign accounts of eligible candidates designated by the Commission through the use of an appropriate statistical method of random selection to determine whether the contributions certified for matching payments and the expenditures made from such matching payments complied with this title.

"(2) After each special election or runoff election the Commission shall conduct such an examination and audit of the campaign accounts of each eligible candidate in such election.

"(3) Before any general election, special election, or runoff election, the Commission may conduct such an examination and audit of the campaign accounts of any eligible candidate in such election if the Commission, by an affirmative vote of 4 members, determines that there exists reason to believe that such candidate has violated any provision of this title.

"(b)(1)(A) If the Commission determines that any portion of the payments made to an eligible candidate under section 507 was in excess of the aggregate amount of the payments to which such candidate was entitled, the Commission shall so notify such candidate, and such candidate shall pay to the Secretary an amount equal to such excess amount.

"(B) If the Commission determines that any portion of the payments made to a candidate under section 507 was not used in compliance with section 504(b), the Commission shall so notify such candidate and such candidate shall pay to the Secretary an amount equal to 200 percent of the amount of the misused funds.

"(C) Any amount received by an eligible candidate may be retained for a period not exceeding 60 days after the date of the election for the liquidation of all obligations to pay election campaign expenses incurred during the period specified in section 504(b). At the end of such 60-day period that portion of any unexpended balance remaining in the accounts of the candidate's authorized committees which bears the same ratio to the total unexpended balance as the total amount received from the Account bears to the total of all deposits made into the accounts of the candidate's authorized committees shall be promptly repaid to the Secretary.

"(c) All repayments received by the Secretary under subsection (b) shall be deposited in the Account.

"REPORTS TO CONGRESS

"SEC. 509. Not more than 6 months after the end of each calendar year, the Commission shall submit to the House of Representatives a report setting forth for such calendar year—

"(1) the expenditures made by eligible candidates, and their authorized committees, receiving payments under section 507;

"(2) the amounts certified by the Commission under section 506 with respect to such candidates;

"(3) the amounts of repayments, if any, required from such candidates under section 508, and the reasons for each payment required; and

"(4) the balance in (A) the Presidential Election Campaign Fund, and (B) each account maintained in such fund, at the end of such calendar year.

Each report submitted under this section shall be printed as a House document.

"PARTICIPATION BY COMMISSION IN JUDICIAL PROCEEDINGS

"SEC. 510. (a) The Commission may appear in and defend against any action filed under this title, either by attorneys employed in its office or by counsel whom it may appoint regard to the provisions of title 5, United States Code, concerning appointments in the competitive service, and whose compensation the Commission may fix without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title.

"(b) The Commission may appear, through attorneys and counsel described in subsection (a), in the district courts of the United States to seek recovery of any amounts determined to be payable to the Secretary as a result of any examination and audit made under section 508.

"(c) The Commission may petition, through attorneys and counsel described in subsection (a), the courts of the United States for declaratory or injunctive relief concerning any civil matter arising under this title. Upon application of the Commission, an action brought under this subsection shall be heard and determined by a court of 3 judges in accordance with the provisions of section 2284 of title 28, United States Code, and any appeal from the determination of such court shall lie to the Supreme Court. It shall be the duty of the judges designated to hear the case to assign the case for hearing at the earliest practicable date, to participate in the hearing and determination thereof, and to cause the case to be in every way expedited.

"(d) The Commission may, on behalf of the United States, appeal from, and petition the Supreme Court of the United States for certiorari to review, judgments or decrees entered with respect to actions in which the Commission appears under the authority provided in this section.

"JUDICIAL REVIEW

"SEC. 511. (a) Any certification, determination, or other action by the Commission made or taken under this title shall be subject to review by the United States Court of Appeals for the District of Columbia upon petition filed in such court by any interested person. Any petition under this section shall be filed within 30 days after such certification, determination, or other action involved.

"(b)(1) The Commission, the national committee of any political party, and any individual eligible to vote for any Representative in, or Delegate or Resident Commissioner to, the Congress, are authorized to institute any action under this section, including an action for declaratory judgment or injunctive relief, as may be appropriate to implement or construe any provision of this title.

"(2) The district courts of the United States shall have jurisdiction of proceedings instituted under this subsection and shall exercise such jurisdiction without regard to whether a person asserting rights under the provisions of this subsection shall have exhausted administrative or other remedies provided by law. Such proceedings shall be heard and determined by a court of 3 judges in accordance with the provisions of section 2284 of title 28, United States Code, and any appeal shall lie to the Supreme Court. It shall be the duty of the judges designated to hear the case to assign the case for hearing at the earliest practicable date, to participate in the hearing and determination thereof, and to cause the case to be in every way expedited.

"PARTIAL INVALIDITY

"SEC. 512. If any provision of this title, or the application thereof to any person or circumstance, is held invalid, the validity of the remainder of the title and the application of such provision to other persons and circumstances shall not be affected thereby.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 513. There are authorized to be appropriated to the Commission, for the purpose of carrying out its functions under this title, such sums as may be necessary.".

SEC. 3. (a) Section 320(b) of the Act is amended by redesignating paragraph (2) as

paragraph (3) and inserting after paragraph (1) the following new paragraph:

"(2) Except as otherwise provided in section 505(b)(1), no candidate for the office of Representative in, or Delegate or Resident Commissioner to, the Congress who establishes eligibility under section 502 to receive payments from the Secretary under section 507 may make expenditures in excess of $150,000, in the case of a campaign for election to such office.".

(b) Section 320(c)(2)(B) of the Act is amended by inserting after "calendar year 1974" the following: ", except that, with respect to the limitation established in subsection (b)(2), such term means the calendar year 1978".

(c) Section 301 of the Act is amended by striking out "SEC. 301. When used in this title and title IV of this Act—" and inserting in lieu thereof "SEC. 301. Except as provided in section 501, when used in this Act—".

SEC. 4. The amendments made by this Act shall apply to any election to the office of Representative in, or Delegate or Resident Commissioner to, the Congress held after the date of the enactment of this Act, except that no payments under this title shall be distributed under section 507 prior to August 1, 1980.

H.R. 11986

By Mr. VANIK:

Page 28, line 12, strike out the quotation marks.

Page 28, after line 12, insert the following:

"SEC. 6455. AUDIT BY THE GENERAL ACCOUNTING OFFICE.

"The General Accounting Office shall audit the credits and refunds, and the recapture of such credits and refunds, under this subchapter in a manner similiar to the manner in which the General Accounting Office audits similar Federal expenditures. The Comptroller General shall report to the Congress the results of such audits not less frequently than annually."

Page 10, after line 5, insert after the item relating to section 6454 the following:

"Sec. 6455. Audit by the General Accounting Office.

Page 19, line 17, strike out "January 24, 1977" and insert in lieu thereof "the date of the enactment of this subchapter".

Page 22, beginning in line 1, strike out "January 24, 1977," and insert in lieu thereof "date of enactment".

Page 22, beginning in line 3, strike out "January 24, 1977," and insert in lieu thereof "the date of the enactment of this subchapter".

Page 24, beginning in line 9, strike out "January 24, 1977," and insert in lieu thereof "the date of the enactment of this subchapter".

Page 1, line 7, insert "THE ENGINES OF" before "NOISY".

Page 2, line 10, insert "the Engines of" before "Noisy".

Page 2, line 14, insert "THE ENGINES OF" after "REPLACING".

Page 6, strike out the matter between lines 16 and 17 and insert in lieu thereof the following:

"Sec. 4261A. Taxes relating to retrofitting and replacing the engines of noisy aircraft."

Page 6, line 23, insert "the Engines of" before "Noisy".

Page 7, line 4, insert "THE ENGINES OF" before "NOISY".

Page 9, strike out the matter between lines 22 and 23 and insert in lieu thereof the following:

"Sec. 4271A. Taxes related to retrofitting and replacing the engines of noisy aircraft."

Page 10, line 5, insert "the Engines of" before "Noisy".

Page 10, strike out the item between lines 5 and 6 relating to section 6454 and insert in lieu thereof the following:

"Sec. 6454. Administrative provisions.

Page 13, line 5, insert "or" after the comma.

Page 13, beginning in line 7, strike out the comma and all that follows down through line 14 and insert in lieu thereof a period.

Page 14, line 4, insert "or" after the comma.

Page 14, beginning in line 6, strike out the comma and all that follows down through line 7 and insert in lieu thereof a period.

Page 15, strike out lines 1 to 6, inclusive.

Page 15, line 7, strike out "(5)" and insert in lieu thereof "(4)".

Page 15, beginning in line 18, strike out "engine" and all that follows down through line 19 and insert in lieu thereof "engine or for replacement of such engine,".

Page 15, beginning in line 23, strike out "or" and all that follows down through line 3 on page 16 and insert in lieu thereof a period.

Page 16, beginning in line 16, strike out "In" and all that follows down through line 21.

Page 16, strike out line 22 and all that follows down through line 16 on page 18.

Page 18, line 17, strike out "(f)" and insert in lieu thereof "(e)".

Page 19, line 22, strike out "(g)" and insert in lieu thereof "(f)".

Page 21, line 12, strike out "aircraft" and all that follows down through line 14 and insert in lieu thereof "aircraft or repacing such engines."

Page 21, strike out ines 15 through 25 and insert in lieu thereof the following:

"(g) COST DEFINED.—For purposes of this section—"(1) IN GENERAL.—Except as provided in paragraph (2), the term 'cost' means the basis of the property (incuding installation, delivery, and testing costs).

Page 22, line 11, strike out "(i)" and insert in lieu thereof "(h)".

Page 24, strike out line 13 and all that follows down through line 4 of page 27 and insert in lieu thereof the following:

"SEC. 6454. ADMINISTRATIVE PROVISIONS.

Page 27, line 5, strike out "(b)" and insert in lieu thereof "(a)".

Page 27, line 18, strike out "(c)" and insert in lieu thereof "(b)".

Page 28, strike out the matter between lines 15 and 16 and insert in lieu thereof the following:

"Subchapter C. Credit or refund of certain taxes for investments to retrofit or replace the engines of noisy aircraft."

Page 30, strike out lines 8 to 13, inclusive.

Page 1, amend the title to read as follows: To amend the Internal Revenue Code of 1954 to make certain changes in the taxes on transportation by air and to provide credits or refunds of a certain portion of such taxes for expenditures to retrofit and replace the engines of noisy aircraft.

Page 27, after line 17, insert the following:

"(3) Denial of investment tax credit.—Replacement property taken into account in determining the credit under this subchapter shall not be treated as section 38 property (as defined by section 48(a)).

EXTENSIONS OF REMARKS

LORAINE HUNTINGTON MILLER COLLINS—HUMANITARIAN OF THE YEAR

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 10, 1978

● Mr. ANDERSON of California. Mr. Speaker, on May 19, 1978, the Long Beach/Lakewood chapter of the March of Dimes will honor a citizen whose life has been a testament to the highest ideals of community involvement. During that evening, Loraine Huntington Miller Collins will be named "Humanitarian of the Year"—an award that truly serves to highlight a lifetime of service to the benefit of her community.

Mrs. Collins has been a leading figure in the development of the excellent health facilities in the city of Long Beach. Her record of philanthropic works reflects the interest of her late husband, Earl Burns Miller, in advancing health care in Long Beach. But through her own generosity, concern and contributions, Loraine Huntington Miller Collins has established herself in the forefront of humanitarian efforts in the Long Beach community in many fields: civic, cultural, and medical.

A native of Minnesota, Loraine moved to Long Beach at an early age. While a student at Long Beach Polytechnic High School, she was the class poet, coauthor of the class play, editor of the yearbook, and valedictorian of her graduating class.

The interest in creative writing Loraine displayed in high school continued in later years. As the youngest member of the Board of Ebell for 3 years, Loraine was active in the club and authored many plays presented by the Ebell Club and the Long Beach Community Theatre. Among her other cultural interests, Mrs. Collins served as president of the Opera Reading Club for 2 years; authored a series of monologues on California history entitled "The California Saga;" and has served as chairman of the Oriental Art Committee of the Assistance League.

Loraine Miller Collins is widely recognized for the generosity which led to the establishment of the Earl and Loraine Miller Children's Hospital as a gift to the people of Long Beach. However, her interest and enthusiasm in seeing that the people of Long Beach have the best of health care available to them is reflected in an even greater range of generosity.

To date, over $6 million have been directed to support and establish new facilities and services at the Long Beach Memorial Hospital. Besides the Children's Hospital, she has made possible the development of a baromedical unit at the Memorial Hospital Medical Center. Grants have been made to support eye and cancer care at the medical center and counseling services. Recently, the Earl and Loraine Miller Fellowship in Neonatology and the Earl Burns Miller

Chair in Neonatology have been endowed in perpetuity by Mrs. Collins, making it possible for the medical center to recruit national authorities in newborn infant care. She has continued her leadership as trustee and benefactor of the children's Hospital, and recently provided a separate, fully equipped pediatric radiology department which opened early this year.

Loraine Miller Collins has also donated her time and personal services to the Long Beach community throughout her life. A charter member of the Assistance League, she was program director for the league's first girls club. Mrs. Collins worked as a gray lady at the Long Beach Naval Hospital for 5 years during World War II, and wrote the feature stories for the gray ladies in the Red Cross magazine. A member of the "Committee of Three" who assisted in setting up the first civilian bloodbank at Seaside Hospital, Mrs. Collins was also one of the 10 founders of the volunteer auxiliary to Seaside Hospital, which, in 1958, became the volunteer auxiliary to Memorial Hospital Medical Center. As first vice president in charge of membership at Memorial, Loraine was primarily responsible for its growth from 10 members to 263 in only 2 years.

As president of the volunteer auxiliary in 1960, she established a nursing scholarship, completed and furnished the magnificent chapel at Memorial Hospital, and established city-wide symposia for volunteers in all the hospitals in Long Beach. Mrs. Collins has recorded over 1,900 hours of service to hospital patients as a working member of the auxiliary.

Among the awards she has received in recognition of her many contributions are the 8th Annual Rick Racker Woman of the Year Award in 1963; the Brotherhood Award for "exceptional contributions to the improvement of human understanding in the Long Beach area" from the National Conference of Christians and Jews in 1971; and 1 of 10 women named Woman of the Year in 1970 by the Los Angeles Times.

Loraine Miller Collins' two most recent gifts to the community—the Miller Special Collection Room at the new main city library of Long Beach and a beautiful Japanese garden at California State University Long Beach—only serve to demonstrate her continued interest in the betterment of her community. For Loraine Miller Collins is a highly motivated, multitalented individual who has generously used her many interests and abilities to make Long Beach a better place to live.

My wife, Lee, joins me in offering our sincere congratulations to Loraine Huntington Miller Collins as she is honored as Humanitarian of the Year. The Long Beach/Lakewood Chapter of the March of Dimes has truly made an outstanding selection, for Mrs. Loraine Miller Collins exemplifies the highest standards of community service and involvement. We would also extend our best wishes to her husband, Mr. Lawrence Collins, Sr., who must be justly proud of the recognition his wife will receive.●

ADMINISTRATION'S FISCAL FOOLISHNESS ON AMERICAN DEFENSE

HON. WILLIAM L. DICKINSON

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 10, 1978

● Mr. DICKINSON. Mr. Speaker, many of the administration's highly publicized decisions to cancel weapons and weapon systems just before production and after the expenditure of hundreds of millions or billions of dollars are well known to our colleagues. I referred to this in a previous statement as the "Administration's Utgoff Unilateral Unarmament Unprinciple." We know of the B–1, neutron weapons, a Nimitz class carrier, AMST aircraft, surface effects ship, and so forth. A lesser known example of fiscal foolishness came to the attention of the House Armed Services Committee, and I would like to share this horror story with you.

A very young "account executive" with a modicum of accounting experience, probably very little in auditory principles and none about nuclear weapons (he is the nuclear weapons account executive) decided to make a name for himself and try to "save" money by recommending that the B–77 bomb, under development since 1969, be scrapped and a 1960 model bomb be completely redesigned and rebuilt. Our committee staff was asked to look into this matter after Chairman PRICE received a letter requesting the reprograming of funds to perform some tests on the old B–43 bomb.

Following is a brief statement on what the staff uncovered:

When the DOE budget request was reviewed by the Office of Management and Budget (OMB), OMB recommended disapproval of B–77 production and the substitution of a modified B–43 bomb on the basis that a cost saving could be made. The President approved this recommendation. The President was misinformed.

First, when the total costs of the B–77 and B–43 modification are compared, including the costs of special nuclear materials, the sunk costs of B–77 R. & D. plus the R. & D. costs associated with maintaining a B–77 option, the claimed cost savings disappear. Second, and more importantly, the B–43 modification will produce a bomb which would be inferior to the B–77 in mission capability, reliability, and stockpile flexibility. The decision would result in a large expenditure of funds to produce a modified weapon which, in terms of military characteristics, would be a very small improvement over the B–43 bombs now in the inventory.

The House Armed Services Committee voted against funds for the B–43 conversion.

Edgar Ulsamer, the senior editor of Air Force Magazine had an excellent account of the B–77 fiasco in the May 1978 issue. I include this article in the RECORD at this point:

[From the Air Force Magazine, May 1978]

FUFO AT A STANDSTILL

(By Edgar Ulsamer)

WASHINGTON, D.C., April 5.—The program went by the unlikely acronym FUFO, for the Full Fuzing Option B77 nuclear bomb. Among its advocates was Secretary of Defense Harold Brown. Work on the B77 had begun in 1974, based on a joint Air Force/U.S. Navy requirement. But the Office of Management and Budget struck it from the FY '79 budget request of the Department of Energy's (DoE) nuclear weapons division. So the world's most sophisticated airdroppable nuclear bomb didn't get off the ground—in spite of firm Pentagon support—because of what in retrospect turns out to be a strange case of presumed association with the B–1 bomber. Even though intergovernmental memoranda issued by Secretary Brown last year—the most recent on December 15, 1977—documented the operational and cost-effective advantage of the B77 for use by a range of USAF and Navy aircraft, OMB, with some backing by the National Security Council, persuaded the White House to defer the program on grounds that it was mainly meant to complement the B–1, whose production had been halted. Further, OMB reasoned, modifying an existing older nuclear weapon, the B43, would provide most of the performance features of the B77, and at lower cost.

The B77 bomb was designed for the Department of Energy's weapons branch by the Lawrence Livermore and Sandia Corp. Laboratories, both of Livermore, Calif. It would have been the most tamperproof, safest, and from the user's point of view, the most flexible strategic nuclear weapon in the world. As Sen. S. I. Hayakawa (R-Calif.) pointed out in a letter to President Carter, the B77 would increase the survivability of an aircraft carrying it "by allowing very low altitude subsonic or supersonic delivery, with high reliability against hard, irregular targets.

The potential carriers include our bombers as well as many Air Force and Navy tactical aircraft. This lay-down bomb can make a major contribution to modernizing and simplifying the [US nuclear weapons] stockpile. It provides many new features for improved safety, security, command and control, and operational flexibility. For example, it will be the only megaton-class weapon with insensitive high explosives, essentially invulnerable to accidental or unauthorized detonation."

If anything, Senator Hayakawa understated the case. At the time of its deferment, the B77 had been well along in its development and test: Its yield ranges from tens of kilotons to about one megaton and various yields can be selected by the crew in flight. As presently proposed, the modified B43 will lack the quality of selectable yield and, therefore, will have to be produced in a number of configurations to cover different requirements. The B61 tactical bomb permits selectable yield, but its maximum yield is less than one-third of that of the 377.

The B77 employs an ingenious mechanism to stabilize, delay, and control its approach to the target—including a "lifting parachute" that raises the weapon above the altitude from which it was dropped. As a result, it can be deployed from as low as 100 feet without endangering the carrying aircraft and descends at an angle and speed optimized for killing hard, irregular targets such as command bunkers and other hardened structures with uneven surfaces.

The B61 and B43 can't be released below 200 feet, a limitation that increases the vulnerability of aircraft operating "on the deck." Another advanced feature is the B77's frugal use of a national resource that is both in critically short supply and extremely

expensive, the Special Nuclear Material (SNM) needed to start a nuclear detonation. By contrast, the modified B43, unless completely redesigned or reduced in yield, will use great quantities of SNM and, therefore, will approach or perhaps exceed the cost of the B77.

Also, the broad range of yields that the B77 can be set for would permit a high degree of standardization of the nation's nuclear arsenal, simplified aircrew training and certification of carrying aircraft, and unprecedented operational flexibility. Candidate aircraft for its use are the B–52, F–111, FB–111, F–16, F–4, A–6, and A–7.

Possibly the most significant feature—and one that, along with the SNM cost factor, had been largely ignored by OMB—is the B77's unmatched safety and security. Two key factors are involved here: The use of new insensitive high explosives—needed to "squeeze" the nuclear material to cause chain reaction—that are impervious to impact or fire and, therefore, prevent the scatter of fissile material in a crash; and a quantum jump in the so-called permissive action link (PAL) technology that prevents unauthorized or accidental detonation of the weapon through the use of a multilink command mechanism known as the Unique Signal Generator.

The B43 weapon—a product of the 1960s—that the White House wants to substitute in modified form for the B77, this column learned, can be retrofitted with most of the safety and security features of the B77. The retrofitting will involve a costly and extensive redesign. Most nuclear weapon experts agree that the result will be an essentially new weapon that must go through a complete testing cycle. But no such testing is possible. The Limited Test Ban Treaty already in effect precludes testing of nuclear devices with a yield above 150 kilotons, which is only about one-eighth of the yield sought for the modified B43. If, as is possible, a Comprehensive Test Ban Treaty—currently under negotiation in Geneva—is consummated, no testing of any stage of the B43 would be possible. The B77, on the other hand, has undergone thorough testing and, in the view of the experts, meets the wide range of yields its specifications call for.

Full realization of the unique safety, security, and operational value of the B77 did not set in until after the program was scrapped on December 19, 1977, and caused belated backpedaling. As a result, DoE's national security division was requested to continue research and development on the B77.

In February, Congress reacted to the Administration's zigzagging by blocking modifications of the B43 on the logical grounds that its performance would lag far behind the B77 and that its ultimate costs could exceed the procurement cost of the B77. The impasse persists at this writing and should serve as an object lesson that vital decisions concerning complex weapons issues should not be made in haste, on the strength of incomplete cost accounting, and by ignoring the advice of experts.

As one ranking expert puts it, "OMB's meddling has created a situation where the country may well wind up without a badly needed new strategic bomb and waste untold millions of dollars in the process."

The Administration, in response to congressional pressures, now seems willing to reexamine the entire issue.

WEST END FIRE COMPANY

HON. ALLEN E. ERTEL

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 10, 1978

● Mr. ERTEL. Mr. Speaker, on April 15, 1978, I had the distinct privilege of joining in the 90th anniversary celebration of the West End Fire Company of Shamokin, Pa. The West End Fire Company is an all-volunteer organization which has always served the citizen's of Shamokin with devotion and valor.

"Volunteerism" is a fundamental part of the American spirit. Ineed, our Nation was founded upon the selfless acts of dedicated volunteers. It is in that important and distinguished tradition that the West End Fire Company takes its place. I commend the members of the company for their efforts and wish them continued safety in carrying out their fine work.●

AMENDMENTS TO H.R. 11986, THE NOISY AIRCRAFT REVENUE AND CREDIT ACT OF 1978

HON. CHARLES A. VANIK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 10, 1978

● Mr. VANIK. Mr. Speaker, on April 24, the Ways and Means Committee voted to report H.R. 11986, the Noisy Aircraft Revenue and Credit Act of 1978. This legislation would provide a credit from diverted airport and airway trust fund taxes to airlines which retrofit or replace engines, or purchase replacement aircraft in compliance with noise abatement regulations. I have serious reservations about this bill and plan to offer four amendments to make the bill somewhat more responsible when it comes to the floor of the House.

My first amendment would provide for an annual audit by the General Accounting Office of utilization of the credit provisions of the bill. On April 13, the committee voted down such an amendment, apparently unconcerned about the lack of audit authority. However, subsequent to the vote, in reply to an inquiry I made, I received a letter from the Comptroller General of the United States, who explained:

Generally, without specific statutory authority, our [GAO's] audit authority does not extend to private persons or organizations. With respect to funds in the hands of an "operator" as defined in the bill, we [GAO] would have no authority to demand access to the records and documents necessary to conduct an audit if such documents were in the operator's possession. 31 U.S.C. § 54.

With the U.S. Treasury providing so much cash to the airline industry for new aircraft, this audit authority is essential to assure that the noise abatement subsidies are used in accordance with the language of the bill. The amendment language follows:

AMENDMENT No. 1 TO H.R. 11986

(To Provide for audits of credits and refunds by the General Accounting Office)

Page 28, line 12, strike out the quotation marks.

Page 28, after line 12, insert the following:

"SEC. 6455. AUDIT BY THE GENERAL ACCOUNTING OFFICE.

"The General Accounting Office shall audit the credits and refunds, and the recapture of such credits and refunds, under this subchapter in a manner similar to the manner in which the General Accounting Office audits similar Federal expenditures. The Comptroller General shall report to the Congress the results of such audits not less frequently than annually."

Page 10, after line 5, insert after the item relating to section 6454 the following:

"SEC. 6455. Audit by the General Accounting Office.

Mr. Speaker, a second amendment which I intend to offer would eliminate the retroactive benefits of the bill and limit them to purchases made after its effective date, October 1, 1978. The amendment language follows:

AMENDMENT No. 2 TO H.R. 11986

(To provide that only expenditures after the date of enactment of the legislation may be taken into account)

Page 19, line 17, strike out "January 24, 1977" and insert in lieu thereof "the date of the enactment of this subchapter".

Page 22, beginning in line 1, strike out "January 24, 1977," and insert in lieu thereof "date of enactment".

Page 22, beginning in line 3, strike out "January 24, 1977," and insert in lieu thereof "the date of the enactment of this subchapter".

Page 24, beginning in line 9, strike out "January 24, 1977," and insert in lieu thereof "the date of the enactment of this subchapter".

Mr. Speaker, as reported from the Ways and Means Committee, the bill will provide a credit for purchases dating back to January 24, 1977. When the committee voted to report the bill, the FAA representative present was not even able to advise us on which airlines would receive benefits retroactively from the legislation's effective date and how much they would receive. We should not legitimize these unknown purchases.

The third amendment I intend to offer would limit the tax benefits of the bill only to the new engines, as opposed to the entire replacement aircraft. It would not change the credit for retrofitting engines. The amendment language follows:

AMENDMENT No. 3 TO H.R. 11986

(To provide that credit shall be allowed only for retrofitting and replacing noisy engines)

Page 1, line 7, insert "THE ENGINES OF" before "NOISY".

Page 2, line 10, insert "the Engines of" before "Noisy".

Page 2, line 14, insert "THE ENGINES OF" after "REPLACING".

Page 6, strike out the matter between lines 16 and 17 and insert in lieu thereof the following:

"Sec. 4261A. Taxes relating to retrofitting and replacing the engines of noisy aircraft."

Page 6, line 23, insert "the Engines of" before "Noisy".

Page 7, line 4, insert "THE ENGINES OF" before "NOISY".

Page 9, strike out the matter between lines 22 and 23 and insert in lieu thereof the following:

"Sec. 4271A. Taxes related to retrofitting and replacing the engines of noisy aircraft."

Page 10, line 5, insert "the Engines of" before "Noisy".

Page 10, strike out the item between lines 5 and 6 relating to section 6454 and insert in lieu thereof the following:

"SEC. 6454. ADMINISTRATIVE PROVISIONS

Page 13, line 5, insert "or" after the comma.

Page 13, beginning in line 7, strike out the comma and all that follows down

through line 14 and insert in lieu thereof a period.

Page 14, line 4, insert "or" after the comma.

Page 14, beginning in line 6, strike out the comma and all that follows down through line 7 and insert in lieu thereof a period.

Page 15, strike out lines 1 to 6, inclusive.

Page 15, line 7, strike out "(5)" and insert in lieu thereof "(4)".

Page 15, beginning in line 18, strike out "engine" and all that follows down through line 19 and insert in lieu thereof "engine or for replacement of such engine,".

Page 15, beginning in line 23, strike out "or" and all that follows down through line 3 on page 16 and insert in lieu thereof a period.

Page 16, beginning in line 16, strike out "In" and all that follows down through line 21.

Page 16, strike out line 22 and all that follows down through line 16 on page 18.

Page 18, line 17, strike out "(f)" and insert in lieu thereof "(e)".

Page 19, line 22, strike out "(g)" and insert in lieu thereof "(f)".

Page 21, line 12, strike out "aircraft" and all that follows down through line 14 and insert in lieu thereof "aircraft or replacing such engines."

Page 21, strike out lines 15 through 25 and insert in lieu thereof the following:

"(g) COST DEFINED.—For purposes of this section—

"(1) IN GENERAL.—Except as provided in paragraph (2), the term 'cost' means the basis of the property (including installation, delivery, and testing costs).

Page 22, line 11, strike out "(i)" and insert in lieu thereof "(h)".

Page 24, strike out line 13 and all that follows down through line 4 on page 27 and insert in lieu thereof the following:

"SEC. 6454. ADMINISTRATIVE PROVISIONS.

Page 27, line 5, strike out "(b)" and insert in lieu thereof "(a)".

Page 27, line 18, strike out "(c)" and insert in lieu thereof "(b)".

Page 28, strike out the matter between lines 15 and 16 and insert in lieu thereof the following:

"Subchapter C. Credit or refund of certain taxes for investments to retrofit or replace the engines of noisy aircraft."

Page 30, strike out lines 8 to 13, inclusive.

Page 1, amend the title to read as follows:

To amend the Internal Revenue Code of 1954 to make certain changes in the taxes on transportation by air and to provide credits or refunds of a certain portion of such taxes for expenditures to retrofit and replace the engines of noisy aircraft.

Mr. Speaker, H.R. 11986, as reported, provides airlines a 40 percent credit for purchases of replacement aircraft which meet the noise abatement standards of March 3, 1977, or 25 percent for purchases of aircraft meeting the noise standards in effect on January 1, 1977. My amendment would assure that the credits provided by the bill would go only toward purchases directly related to the intent of the bill—noise abatement—and not toward the purchase of a new fleet of aircraft.

My final amendment would deny the investment tax credit to operators that receive a credit under this bill. The amendment language follows:

AMENDMENT NO. 4 TO H.R. 11986

(To provide that the investment tax credit shall be denied for replacement property for which credit is allowed)

Page 27, after line 17, insert the following:

"(3) DENIAL OF INVESTMENT TAX CREDIT.—Replacement property taken into account in determining the credit under this subchapter shall not be treated as section 38 property (as defined by section 48(a)).

Mr. Speaker, airlines already receive a substantial subsidy for purchasing new equipment in the form of the investment tax credit. They will receive another tremendous subsidy from this bill. Without this amendment, an airline purchasing a $10 million aircraft would get a $2,500,000 refund and a 10 percent investment credit of $1 million on the full amount of the purchase price. It would be the first time in our history that an industry would receive a tax credit for a purchase price which included a 25 percent Federal refund. To provide both tax incentives would give this industry an unneeded and unprecedented boon.

I would urge my colleagues to consider these amendments seriously when H.R. 11986 comes to the floor, and urge their support.●

HOOKED ON TUNA

HON. LIONEL VAN DEERLIN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 10, 1978

● Mr. VAN DEERLIN. Mr. Speaker, the year 1978 marks the 75th anniversary of tuna canning in America, and I am pleased to pay tribute to the industry. As the home of the Van Camp Sea Food Co., Sun Harbor Industries, and our country's largest tuna fleet, San Diego has played a major role in its development and growth of the canning industry.

The U.S. tuna business was born in 1903 when a small cannery in San Pedro, Calif., made its first pack—700 cases. Today, tun ranks No. 1 in U.S. seafood sales. The canned tuna industry has an estimated $1 billion impact on the Nation's economy and employs over 30,000 persons directly, with additional thousands in related industries. The product is found in more than 80 percent of all American homes. It is firmly established in the American diet because it is recognized as a delicious, economic, and convenient source of complete protein and essential vitamins and minerals.

The Van Camp Co. is a good example of the parallel growth of tuna canning and San Diego. Frank Van Camp and his son, Gilbert (who later became chairman of the board of the Van Camp Sea Food Co.), packed their first tuna on June 6, 1914. This father-son team worked well together. When the Depression hit their industry in 1921, other packers looked to them for leadership. As a result, a merger was made between four canneries controlling six plants. This merger of Van Camp Sea Food Co., White Star Canning Co., Nielsen & Kittle, and International Packing Co. then became the new Van Camp Sea Food Co.

Van Camp today operates one of the newest and most modern tuna processing plants in the world. The Van Camp plant in my district employs nearly 1,400 people and can process 250 tons of tuna daily. I am also very proud of the fact that this plant is the first tuna cannery to be built using totally-integrated air and water pollution control systems.

So on this occasion of the industry's 75th anniversary and in recognition of the integral part that the Van Camp Sea Flood Co. and San Diego have played in its development, I wish to call the attention of my colleagues to this milestone and ask that they join me in commemorating the diamond jubilee of the American tuna processors. ●

STATEMENT OF CHAIRMAN AL ULLMAN, COMMITTEE ON WAYS AND MEANS WITH RESPECT TO THE RULE TO BE REQUESTED FOR CONSIDERATION OF H.R. 12641, RELATING TO THE PUBLIC DEBT LIMITATION

HON. AL ULLMAN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 10, 1978

● Mr. ULLMAN. Mr. Speaker, on May 10, 1978, the Committee on Ways and Means ordered favorably reported to the House H.R. 12641, a bill relating to the public debt limitation. The bill would simply extend the present public debt limitation of $752 billion through September 30, 1979.

I take this occasion to advise my Democratic colleagues as to the nature of the rule that I will request for consideration of H.R. 12641 on the floor of the House. The Committee on Ways and Means specifically instructed me to request the Committee on Rules to grant a closed rule for consideration of this bill which would provide for:

First, a committee amendment to conform the public debt limitation to the level of public debt provided in the conference report on the first concurrent budget resolution for fiscal year 1979;

Second, 1 hour of general debate, to be equally divided;

Third, waiving all necessary points of order; and

Fourth, one motion to recommit with or without instructions.

We intend to file the committee report on H.R. 12641 as soon as possible and request to be heard before the Committee on Rules as expeditiously as possible.

STATEMENT OF CHAIRMAN AL ULLMAN, COMMITTEE ON WAYS AND MEANS, WITH RESPECT TO THE RULE TO BE REQUESTED ON H.R. 12642, RELATING TO MANAGEMENT OF THE PUBLIC DEBT

Mr. Speaker, on May 10, 1978, the Committee on Ways and Means ordered favorably reported to the House H.R. 12642, a bill relating to the management of the public debt. The bill would:

First, increase by $10 billion, from $27 to $37 billion, the amount of long term bonds that may be issued with interest rates above the 4¼-percent statutory ceiling, and

Two, permit the Treasury Department to increase the interest rate ceiling on savings bonds with the approval of the President.

I take this occasion to advise my Democratic colleagues in the House as to the nature of the rule that I will request for consideration of H.R. 12642 on the floor of the House. The Committee on Ways and Means specifically instructed me to request the Committee on Rules to grant a closed rule for consideration of H.R. 12642 which would provide for:

First, committee amendments which would not be subject to amendment;

Second, 2 hours of general debate, to be equally divided;

Third, waiving all necessary points of order; and

Fourth, one motion to recommit with or without instructions.

We intend to file the committee report on H.R. 12642 as soon as possible and request to be heard before the Committee on Rules as expeditiously as possible.●

MINNEAPOLIS AND CETA

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 10, 1978

● Mr. FRASER. Mr. Speaker, the House Education and Labor Committee completed markup last week on the reauthorizing legislation for CETA, the Comprehensive Employment and Training Act. We are considering significant changes in the legislation, and some changes may be necessary to be sure that the amended bill helps to reduce structural unemployment.

However, I think we need to keep in mind the positive results of the current CETA program. Accordingly, I would like to share with my colleagues a January 10, 1978, article from the Minneapolis Star, which describes the success of the Minneapolis CETA title I training and placement program.

The article follows:

MANPOWER PLAN RUNNING BETTER UNDER CITY REINS

(By Robert Guenther)

Unemployed persons are being trained more efficiently and are finding more jobs since Minneapolis took over the reins of its manpower training program more than a year ago.

Statistics supplied by Greg Moore, a city council aide who oversees the program, indicate that for 1977, Minneapolis' Title I Comprehensive Employment and Training Act (CETA) program exceeded both state and regional job-placement percentages for 1976. The city spent about $4.5 million last year on the program.

Of the program's 3,500 participants last year, 1,070 were placed in jobs after being trained. That's a placement rate of about 35 percent, compared with the 1976 state rate of 33 percent and the six-state rate of 29 percent.

In the cost category, Moore's data indicates the 1977 cost for each participant was substantially less than the costs for the state and region in 1976 ($1,171 for the city, compared with $4,999 for the state and $4,217 for the region).

Before 1977, Minneapolis' CETA program was run by a consortium that included Hennepin and several surrounding counties. For financial and other reasons, the consortium was dismantled, and the city and the counties began running their own programs. During the last year of the consortium, its job-placement rate was 17 percent and the cost for each participant was $4,472.

Moore said he thinks better management helped the city improve the program's efficiency.

"We used the same training agencies as before, but we were keeping them full throughout the year. That seems obvious, but it wasn't happening before."

Moore said the statistics are particularly impressive when one considers that the participants were either on welfare or had incomes below the poverty level when they entered the program.●

J. A. SPARGO DIES AT 73

HON. W. G. (BILL) HEFNER

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 10, 1978

● Mr. HEFNER. Mr. Speaker, it is with a great deal of sadness that I learned of the death of James Atwell Spargo, a retired police lieutenant in Salisbury, N.C.

With the passing of "Spargo," the people of Salisbury and Rowan County have lost a great and good friend. He was a member of the Salisbury Police Department for 30 years. With the exception of one week, he spent them all on "The Square." From this vantage point, he made thousands of friends and assisted countless people. He was universally respected by all.

"Spargo" was a good Christian. He was active in his church and it was a great part of his life.

He was an inspiration to all who knew him and his fellow citizens will be forever in his debt.

My deepest sympathy to his family.

I include in the RECORD at this time an article from The Salisbury Post on my friend, "Spargo."

J. A. SPARGO DIES AT 73

James Atwell Spargo of 231 South Milford Drive, the beloved Salisbury policeman who worked "The Square" for over 30 years, is dead at the age of 73.

He apparently suffered a heart attack about 11:15 a.m. yesterday and died in Rowan Memorial Hospital.

He had "officially" retired from the Salisbury Police Department in June, 1974. When he called it quits with the police department his friends who saw him daily on "The Square" gave him some going away presents.

Employees of The Security Bank and Trust Co. gave him a surprise farewell party in the bank lobby. He usually worked his beat with the ever present cigar and a smile on his face and good word for everyone.

But he never completely retired as in recent months he had done security patrol work for several stores in the city.

With the exception of one week, his 30 years of police work was on "The Square" and he was a popular figure with those in all walks of life.

He joined the department on February 22, 1944, after working a short time with Duke Power Co., and retired as a lieutenant.

Funeral services will be conducted Tuesday at 4 p.m. in Trading Ford Baptist Church by the Rev. Banks W. Mullis, pastor, and the Rev. R. N. Huneycutt, former pastor. Burial will be in the family plot in the church cemetery.

The body will remain at the Lyerly Funeral Home, where the family will be tonight from 7 to 9 p.m., and placed in the church 30 minutes before final rites. The family will also be at the residence, 231 South Milford Drive.

He was born May 30, 1904, in Gaston County, son of the late Isaac E. and Laura Bethany Spargo. He was educated in the schools of Gaston County. He was a member of Trading Ford Baptist Church where he was president of the Adult Mens Bible Class and for many years was a member of the church choir.

He is survived by his widow, the former Genelle Hampton, to whom he was married December 11, 1924; one daughter, Mrs. Billie E. (Monna Lee) Hayes of Charlotte and three grandchildren.●

REPEAL THE LOGAN ACT

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 10, 1978

● Mr. SIMON. Mr. Speaker, at some point this year or next, the House will consider comprehensive legislation to reform our criminal code. The Senate, after much debate, acted on this legislation earlier in the year.

While there are many issues that the House will have to address as it considers this subject, I would like to comment on one particular action that was taken hastily on the Senate floor.

During the debate, the Senate agreed to retain the Logan Act. This is an archaic and unnecessary law. It prohibits American citizens from corresponding with foreign governments on issues of foreign policy. The law, originally passed in 1799, states that—

Any citizen of the United States, wherever he may be, who, without authority of the United States, directly or indirectly commences or carries on any correspondence or intercourse with any foreign government or any officer or agent thereof, with intent to influence the measures or conduct of any foreign government or of any officer or agent thereof, in relation to any disputes or controversies with the United States, or to defeat the measures of the United States, shall be fined not more than $5000, or imprisoned not more than three years, or both.

Use of the Logan Act could obstruct the free flow of ideas across national borders. While there have been no prosecutions under the law, it could cause some potential problems. It seems to me healthy for our diplomacy if people like Henry Kissinger or Averill Harriman discuss foreign policy questions with foreign leaders. As private citizens, they serve as valuable intermediaries.

I am also concerned that the Logan Act could conceivably apply to Members of Congress. The language of the act refers to "any citizen." It would be a sham for Members of Congress to be open to possible prosecution, because they meet with foreign leaders or write to them. For example, I often write to Soviet officials concerning human rights cases. Since I am not acting as an exec-

utive branch official, would this open me up to prosecution under the Logan Act? While it is doubtful that any court would so construe the Logan Act, it is conceivable.

I concur in the decision of the Senate Judiciary Committee to repeal the Logan Act. It was unfortunate that the repeal provision was deleted from the bill. I hope the House will restore this provision and eliminate the Logan Act from our criminal code.

A fine statement against the Logan Act is contained in the 1970 report of the National Commission on the Reform of Federal Criminal Laws, and I would like to bring the Commission's argument to my colleagues' attention:

This section, known as the Logan Act, should be repealed. There has been doubt concerning its scope and wisdom since its enactment. The statute has not been used for prosecution; and insofar as there is a need to protect foreign relations from private acts, the prohibited conduct can be covered by perjury and false statements, impersonation of officials and physical obstruction provisions. By its terms, correspondence containing ideas clearly identified as individual action, addressed to foreign officials, could come within its scope and could be an instrument of political oppression.●

THE HOLOCAUST

HON. BRUCE F. CAPUTO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 10, 1978

● Mr. CAPUTO. Mr. Speaker, this week the world will pay tribute to the 6 million Jews senselessly murdered in the Nazi Holocaust. Atrocities committed by the Nazis cannot be exaggerated and must not be forgotten. We must remind ourselves and teach our children of the Holocaust in hopes that we can prevent such barbarity in the future.

As Chancellor of Germany in 1933 Hitler removed Jews from all public and professional posts. In 1935 the Nuremberg laws legitimized these abuses through carefully planned programs to deprive Jews of all German citizen rights.

German invasions into Austria, Czechoslovakia, Hungary, Poland, Romania and the Soviet Union brought an additional half a million Jewish persons under Nazi control and suppression. Over $9 billion worth of Jewish property was demolished or confiscated, some of which had been handed down from parent to child for centuries representing the energies and hopes of generations. Jewish welfare and cultural institutions were destroyed including thousands of Jewish hospitals, schools, orphanages, libraries, and homes for the aged. Incomprehensibly, Jewish men, women, and children were herded off to concentration camps where many were tortured, abused, and finally murdered.

But the Nazis episode is not unique. Basic human rights are violated in Argentina, Uganda, Laos, Cambodia, Vietnam, Nicaragua, Cuba, and Chile. Further, Nazi Germany was not a backward country but a highly educated, urbane, developed society. Since holocaust-like atrocities are going on right now and have been perpetrated by advanced societies, we must be vigilant.

George Santayana wrote: "Those who cannot remember the past are condemned to repeat it." Let us promise to remember Nazi abuse to the Jews and let us try to stop Nazi-like suppression going on around the world.

HUMAN RIGHTS

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 10, 1978

● Mr. DOWNEY. Mr. Speaker, 16 months ago, when this administration took office, the cause of human rights was elevated to a position of top priority in regard to our international policy. I commend this initiative. I feel that in light of our traditional emphasis on human dignity, this stance is only proper. Many hard-eyed skeptics dismiss this proposal as being too quixotic to have any real effect on repressive regimes. In light of certain events in many parts of the world it may seem that these people have a point. Not because this to too lofty a principle to adhere to, but because of our unwillingness to commit ourselves fully to this effort. If we deem this to be a worthwhile goal, then we should make all efforts to achieve it.

We are all familiar, to some degree, with the atrocities taking place in Uganda. Since his regime came to power in January of 1971, Idi Amin and his henchmen have been committing unconscionable crimes against humanity. Uganda under Amin has been marked by capricious violence and genocidal fervor. To quote President Carter:

The actions in Uganda have disgusted the entire civilized world.

In view of the plight of the Ugandan people and the intense malignity that the regime represents, I feel that the American people have a moral responsibility to act. Idi Amin must be coerced into observing the basic human rights guaranteed by the United Nations Declaration of Human Rights.

The most obvious and realistic method to achieve this end would be to impose economic sanctions against Uganda. There is a direct relationship between foreign purchases of Ugandan coffee and the continuation of Amin's murderous regime. It is certain that a boycott of Ugandan coffee by our country would have an adverse effect on Idi Amin's power base. It may even cause his fall from power.

An international undertaking would undoubtedly be more effective. However, the Soviet Union could use its veto power on any attempt by the United States to involve the United Nations. Without involving the United Nations, it is possible that other countries, including the United Kingdom, might follow our lead in an embargo of Ugandan coffee.

If human rights are to be seriously and conscientiously protected then a number of constraints must be brought into play—protests, denials of aid, exposures of wrongdoing, and restraints on trade to name a few.

In the case of Uganda, when such a little effort by the United States would bring such tumultuous results, not to take action would be giving tacit acquiescience to the current massive bloodletting.●

GOVERNMENT REGULATION: ONE WAY TO HANDLE IT

HON. KEITH G. SEBELIUS

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 10, 1978

● Mr. SEBELIUS. Mr. Speaker, the problem of Government regulation—actually, overregulation—is getting so out of hand that it is high time the Congress step in to restore the original intent of legislation we enacted. This problem is particularly acute in the case of small business firms which lack the resources to contest unjustified Government actions or to even meet the myriad paperwork required of them by the Federal Government.

These problems were pointed up in a speech Monday by our colleague, Mr. WAMPLER of Virginia, before a small business conference sponsored by Virginia Polytechnic Institute and State University at Blacksburg, Va. He suggests a logical solution for this problem and I insert his speech in the RECORD at this point. I commend it to your reading:

THE GOVERNMENT-BUSINESS RELATIONSHIP: ONE WAY TO DEAL WITH IT

(Remarks of Hon. WILLIAM C. WAMPLER of Virginia)

I welcome this opportunity to meet with you . . . and I am pleased to see so many old friends.

As a former small businessman myself, I am well aware of your problems and I commend Virginia Tech for its foresight in establishing this Small Business Institute and in scheduling this conference.

Personally, I have always been somewhat amused by the term "small businessman." Not too long ago, I participated in a similar program, and, after the meeting, I asked one of my fellow speakers what his definition of a big businessman would be.

It's very simple, he said. A big businessman is what a small businessman would be if the government ever let him alone!

That leads to the heart of what I want to talk with you about this morning: The relationship of business and government. It also leads into one of my pet peeves about government: Its unwarranted meddling in the affairs of business.

Although this isn't a new problem, it is compounded in Washington by an overbalance of consumer activists at policy-making levels in the Carter administration—overzealous men and women who could hardly be called free enterprise enthusiasts.

What does this mean to you as a small businessman?

For one thing, it means you have your work cut out for you—just to keep your business up-to-date on the paperwork required by the government. Instead of less, there'll be more of it in the future.

Do you have any idea how many different Federal forms Washington presently asks business to fill out? Would you believe over 5,000? Five-thousand forms to keep the bureaucrats at work and businessmen from their work:

Do you have any idea how much all this regulation costs you and me as taxpayers—not to mention how much it costs business in additional operating expenses? According to a recent survey by *Time* magazine, the budget for the 100,000 people in 87 Federal agencies and offices involved in regulatory activity totals more than $3 billion a year.

Think of it? Three billion dollars and 100,000 employees just—in the words of *Time*—"to keep the private sector behaving as big brother sees fit."

Can you imagine a small businessman trying to defend himself against such resources? He could go broke just paying the legal expenses to win his case—and that's happened before:

The problem is—in the long run, you the businessman and we the taxpayers and all of us the consumers pay for unnecessary Government regulation . . . in higher taxes to keep Federal paperpushers on the payroll and in higher prices at supermarkets and department stores.

As you may have read, some of the bigger companies have started documenting the costs of Government regulation and the figures are staggering. Dow Chemical, for instance, spent $186 million in 1976 just to comply with Federal regulations. General Motors estimates it spent $943 million in 1975 to meet Federal paperwork requirements. This costs out to about $300 for each G.M. car sold that year.

Even though scaled down, Government regulation costs small business millions of dollars each year.

Just the other day, I received a letter from a small businessman in my congressional district who discussed the problems he was having with Government regulators. He concluded by saying: "God created the world in six days and on the seventh he rested. Today, he would have had to justify it all to the Consumer Products Safety Commission."

The Consumer Products Safety Commission—that's a red flag to most businessmen. So are other such regulatory agencies as the Occupational Safety and Health Administration—commonly known as O.S.H.A.—and the Federal Trade Commission and the Food and Drug Administration and the Environmental Protection Agency, just to mention a few.

The problems of businessmen dealing with Government regulators were summed up well in a syndicated newspaper column by Ray Cromley on the Consumer Products Safety Commission. Declaring that the Agency's rules are ambiguous to the point of absurdity, he said, and I quote—"the Commission's men frequently seem more interested in prosecuting cases and building up a record of convictions at court than in securing safer consumer products."

The columnist put his finger on the problem in these terms: "What we have here, in essence, is another case of bureaucracy gone wild, enforcing the letter of the law and not the spirit."

Time magazine used even tougher language in an article earlier this year entitled "Rage Over Rising Regulation." The magazine said the American people have about had it with autocratic bureaucrats to whom—quoting Time—"nothing succeeds like excess." Summed up the magazine—and I quote again, "There is a deepening revulsion among Americans against the excesses of bureaucracy [which] suggest that a showdown is imminent."

Perhaps to head off just such a showdown, President Carter has proposed a partnership between Government and business. On the surface, this has a nice ring to it—since by definition a partnership suggests the idea of equals pitching in to help each other achieve a mutually beneficial goal or objective.

The fact of the matter is that Government and business aren't equals at all. Nor are they seekers of mutually beneficial goals. The traditional role of Government is that of a servant of society and of the people. The President now wants to make it a partner with business.

Speaking as a former businessman, I prefer to keep Government in the role of servant. I just don't think there's a basis for a good relationship when one partner's heavy hand is on your shoulder and his other hand is in your pocket!

Don't misunderstand me: There are valid areas for Government involvement and regulation in business. I'm sure we all agree on that. No one condones either shoddy business practices or slipshod workmanship or unsafe working conditions. We are all concerned about the safety, quality and value of the merchandise we buy—for, in the final analysis, we are all consumers.

That's not the problem. The problem is that Government regulation of business has gotten out of control. Congressional authorization to regulate for a worthy purpose has become the bureaucrat's unlimited license to hunt and his unchecked mandate to control. He needs to be restrained.

As a start in this direction, I have asked my staff in Washington to put together the specifics of a bill I plan to introduce shortly to help small businessmen confront Government regulators on an equal footing—to help them offset the seemingly endless financial and personnel resources which the Federal Government can marshal in a given case. This bill will also hopefully encourage small firms to go to the mat with the Government when they feel they are in the right.

If enacted, this legislation will:

One, require the Federal Government to reimburse small business firms for reasonable litigation costs and attorney fees in Government-initiated cases won by the firms.

Two, to help head off frivolous or harassing actions by the Government against small business firms, this bill will require that the funds used to reimburse small firms for such legal costs come from the budget of the agency which brought the action in the first place.

If this legislation is enacted, I believe it will do more than anything else to put an end to the harrassment of business by Government officials overly concerned with justifying their jobs or solidifying the existence of their agencies. I would like your views on this bill and your suggestions during the question and answer period to follow on any other legislation you feel needed to help small business.

More than a century ago, Abraham Lincoln summed up the role of Government better than anything I have seen since. Lincoln said: "Government should do for the people only what they can not do or are unable to do so well for themselves."

Lincoln's words are even more relevant today.

As you know, we are moving into a critical period in the immediate years ahead—one in which the free enterprise system as we know it will be severely tested. Just a few weeks ago, columnist Carl Rowan wrote in the Washington Star—and I quote:

"Laissez Faire is dead. 'Free' enterprise is a myth. 'Socialism' is a reality . . ."

Although I disagree with Mr. Rowan's triple premise, he has a point. The Federal Government is into just about everything today. It sets the minimum wage the manufacturer can pay employees. It passes on the fairness of the tactics the businessman uses to contest union organizing activity. It judges the validity of claims the seller uses in advertising products. It rules on the type of flame retardant a company may use in its products and then decides it's cancer-causing and forces the firm to stop using it and absorb the loss. It tells the farmer which pesticides to use on his crops and the location of outdoor toilet facilities for field hands. It even determines which products we can use to sweeten our coffee.

In short, even though we have gone pretty far down the road toward socialism, the course is not irreversible. We can still get this system of ours back on the right track—and we can start by getting overzealous bureaucrats off our backs. We are a people who declared our independence more than 200 years ago from an impersonal and imperious government—and we are not about to lose it now to paper shufflers and computers:

In the final analysis, the course we choose is really ours. To quote a famous Virginian, I choose freedom. Will you join me? ●

MORE ON RHODESIA POLICY

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 10, 1978

● Mr. LAGOMARSINO. Mr. Speaker, I would like to bring to the attention of my colleagues the following editorial which appeared in the Los Angels Herald Examiner. I submit that it is an excellent analysis of the shortcomings of the Carter administration's Rhodesian policy.

The editorial follows:

GUERRILLAS PROLONG RHODESIA'S PROBLEMS

(By William Randolph Hearst Jr.)

NEW YORK—The true intent of the two black guerrilla leaders who, with the help of Russia, maintain tribal bands of marauders outside Rhodesia's borders—and have the gall to call themselves the Patriotic Front—was revealed to the world this past week. They want to take over Rhodesia and establish a Marxist dictatorship.

These two men, Joshua Nkomo and Robert Mugabe, are so highly regarded by the Carter administration—the president, Secretary of State Cyrus Vance and United Nations Ambassador Andrew Young—that our government appears reluctant to accept or recognize the interim transitional government. Yet it is the declared purpose and plan of this government to conduct free and open elections and set up a black-led one-man-one-vote government to conduct free and open elections and set up a black-led one-man-one-vote government, just exactly the form that Britain and the United States have demanded all along.

More than a decade ago, the political parties of both Nkomo and Mugabe were banned by the Rhodesian government, and both men fled across the border where they proceeded to enlist dissident guerrillas from inside Rhodesia. They pledged to fight the all-white government until there could be a one-man-one-vote system. Their "war" began in 1972 with an attack on a white homestead and the murder of its occupants. Since then more than 9,000 lives have been lost.

Last week, Ian D. Smith, who will remain as prime minister until the elections are held, terminated the bans against the Nkomo and Mugabe political parties.

He invited the leaders and all of their followers to return to Rhodesia and take part in the elections. He promised total amnesty, with no reprisals, and offered his serv-

ices in helping reunite guerrillas with their families, and to release all political detainees.

This offer was made in behalf of the entire executive council of the interim government, consisting of equal numbers of blacks and whites and including leaders of the three most powerful black political factions or parties in Rhodesia—Bishop Abel Muzorewa, Jeremiah Chirau and Rev. Ndabaningi Sithole. Those three, together, control 85 percent of the black votes of the country.

Despite this offer of friendship—which can only be considered an indication of how thoroughly the interim government intends to bring about black rule in the country that had so recently had solely a white-run government—both Nkomo and Mugabe turned it down flat.

They prefer to stay where they are, Nkomo in Zambia where he heads a ZAPU terrorist faction, and Mugabe in Mozambique, where he heads a ZANU terrorist faction.

All the things they say they have wanted and have been fighting for have come about, yet they want no part of it, even though they, personally, have been invited to participate in forming the new government.

One would think that now, with their goals in sight, the guerrillas would be happy to return from the bush and participate in bringing full democracy to Rhodesia, the major goal they said they were seeking. The schedule for it is open and forthright—free elections, with all parties participating, to be held as soon as possible. As soon as a black prime minister is elected, the economic sanctions imposed by most of the world will be lifted. Then, on Dec. 31, the new one-man-one-vote government will take over.

That Mugabe and Nkomo refuse to accept the peace offer reveals dramatically that a free democracy was not what they had in mind. What they want, obviously, is a Marxist dictatorship. Mugabe, an avowed Marxist (his and Nkomo's guerrillas are supplied by the Russians), has stated he does not believe in free multi-party elections. He wants only a one-party system—his. He and Nkomo together have a following of about 15 percent of the black population.

Nevertheless, under a policy presumably developed by our UN ambassador, Andrew Young, the Carter administration says it will not "accept" the interim government until it includes Mugabe and Nkomo. The interim government has agreed that whites will be in charge of defense and internal security. The Patriotic Front leaders want blacks in charge of everything. Thus, the United States is saying there will be no whites in charge of anything in Rhodesia, if it wants our backing and approval.

The entire transitional program with its racially balanced interim executive council, its early free elections, and its transfer to black leadership on Dec. 31 was exactly what was called for when Secretary of State Henry Kissinger and British Foreign Secretary Anthony Crosland first met with Ian Smith two years ago.

Kissinger told The Hearst Newspapers just this past week that the United States became involved because of two basic reasons:

(1) With the collapse of the Portuguese Empire, the entire strategic situation in Southern Africa changed. Rhodesia was vulnerable, and guerrilla war had already started on its borders, fueled by guerrillas in neighboring Mosambique, formerly a Portuguese colony.

(2) U.S. impotence in Angola had been demonstrated by refusal of Congress to provide arms to the pro-Western, pro-democratic faction. This opened the field to the Soviets, who brought in the Cuban battalions that finally took over Angola, the Portuguese "star" in Africa.

That is when the U.S. entered the picture in Rhodesia. We could not lose all of Southern Africa to the Soviets. Kissinger, in a speech in Zambia, following British initiative, pledged that Rhodesia would have full U.S. support if Ian Smith would form a government of majority rule within two years.

Kissinger's speech was given in April, 1976. Ian Smith did just what Henry Kissinger requested, all within the allotted two years.

But the government of the United States has changed hands. Now, suddenly, with Andrew Young calling the signals, we are insisting that two communist terrorist leaders, who have been offered the chance to run for election, be included in the interim government—or else the U.S. won't accept the transitional program. How come?

We entered the Rhodesia affair to arrest the spreading communist influence in Southern Africa. Now we are thwarting the creation of a moderate all-black government until and unless it brings in a couple of communist ragtags representing a tiny proportion of the black voters.

We made a commitment to keep the Russians out of Southern Africa and decided that among other things we must help Rhodesia set up a representative government.

So, let's get on with it. Let's keep our promise.

President Carter should accept the moderate interim government, as established, and approve the plans for a free election and the formal transfer of power on Dec. 31 from all white to mostly black.

While he's at it, Jimmy Carter might reappraise his friend Andy Young's talents. In my opinion he might serve his country better in some other ambassadorial post, in South Africa preferably.●

LET US NOT TAX MARRIAGE

HON. WILLIAM L. ARMSTRONG

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 10, 1978

● Mr. ARMSTRONG. Mr. Speaker, every spring, especially during election years, the Chamber here and in the Senate rings with stirring orations about the need for tax reform. We always hear a great deal of thunder, but we usually do not see much lightning. November comes and goes, and the session ends.

The tax code stays pretty much the same. It may become a little more cumbersome, and Americans usually wind up having to pay more in taxes, but only rarely are significant changes made.

This year, there has been more talk than ever about tax reform. I hope, at session's end, there will be more than just talk. The need for meaningful tax reform has never been greater. Income taxes at all levels now equal nearly 34 percent of the gross national product, imposing a heavy burden on all Americans, and a crushing burden on the middle class. The huge bureaucracy supported by all these taxes is like a heavy anchor, pulling our economy deeper and deeper into the slough of despond. Clearly, this year we should do something, not just say something, about tax reform.

Most of the talk about tax reform this year has centered on the President's proposals, which have had difficulty winning a constituency outside of the White House. The Ways and Means Committee has treated them with the diffidence I believe they deserve.

The Ways and Means Committee can more profitably spend its time concentrating on real, rather than imagined, injustices in the tax code. One that is crying out for attention is the so-called marriage penalty.

The marriage penalty is a quirk in the Internal Revenue Code which requires working husbands and wives to pay more in taxes than they would pay if they were single.

The marriage penalty is unfair to all families in which both the husband and wife work, but it is especially burdensome to such families at the lower end of the economic scale. About 25 percent of all families earn less than $10,000, and in about 40 percent of these families both the husband and wife work—and pay several hundred dollars more in taxes each year than they would pay if they had not gotten married.

The marriage penalty exists because of the complexity of the tax code. As you know, there are at present four separate income tax tables, each with a different standard deduction and a different tax rate.

An income can be taxed at five different levels, depending on the filing status of the taxpayer. For an income of $14,000, the amount of tax due would be: $1,325 for a married couple filing jointly; $984 for two singles, each earning $7,000; $1,984 for one single, earning $14,000; $1,608 for a married couple filing separately, assuming each spouse earned $7,000; and $2,029 for a single head of household.

Tim and Nancy are typical of the couples who are adversely affected by the marriage penalty. They teach at a college in Colorado Springs. Tim earned $16,305 last year. Nancy earned $9,817. They paid a total of $4,240 in taxes on their combined income of $24,822. That was $208 more than they would have had to pay if they had remained single.

The marriage penalty that Tim and Nancy and others in their situation will have to pay will rise substantially as their combined income goes up, and as Nancy's salary becomes more equal to Tim's.

The marriage penalty is especially harmful to young couples who rent and who are not able to take deductions other than the standard deduction. Skip is an architect with an engineering firm in Denver. His wife, Debbie, is a buyer for the same firm. Last year they paid $847 more in taxes because they were married than they would have paid if they were not. But in 1975, when they lived in a rented apartment instead of owning their own home, their marriage penalty was $1,175.

Congress taxes many things, including the patience of the American people. But surely this tax on marriage is the most unjustified tax of all. At a time when enormous social pressures are tending to break down the institution of marriage and family life, the last thing our Nation needs is to have additional pressures generated by Congress and the Internal Revenue Service.

I am introducing a bill today that would eliminate the marriage penalty by striking from the tax code all personal income tax tables except the table for married filing, joint, which is the lowest. If approved, this proposal would mean a tax cut for singles and for single heads of households as well as for married couples where both spouses work.

The concept I am proposing has been looked upon with favor by other Members of this body in the past. I hope the Ways and Means Committee will give serious consideration to including it in this year's tax bill. Abolition of the marriage penalty would be a tax reform that would give Americans something more bombast and higher taxes.●

HELICOPTERS FOR ARGENTINA

HON. GERRY E. STUDDS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 10, 1978

● Mr. STUDDS. Mr. Speaker, the Department of State recently authorized the sale to Argentina of three Boeing CH–47 helicopters, to be used ostensibly for scientific purposes. Congress has the power to disapprove these proposed sales during the next 2 weeks, if it so desires.

At this point, I am not convinced that the helicopter sales should be denied, despite the abysmal human rights record of the Argentine Government. Nevertheless, I believe that the following letter from the Council on Hemispheric Affairs to Secretary of State Vance sets out a number of reasons why these proposed sales should be given serious scrutiny, and why similar transactions in the future should not be encouraged. I hope that this letter will be of interest to my colleagues:

MAY 4, 1978.

Mr. CYRUS VANCE,
Secretary of State, Main State Building, Washington, D.C.

DEAR SECRETARY VANCE: On April 26th 1978, the Assistant Secretary of State for Congressional Relations submitted a letter from the Office of Munitions Control to the House Committee on International Relations relating to the projected sale of helicopters to Argentina. The letter requested that an export license be granted to allow the sale of three Boeing CH47's to the government of Argentina. The ostensible intended use for the helicopters, priced at $28.6 million, is to provide air mobility and off-ship loading capability to Argentina's ground station in Antarctica.

As you know, last year Congress voted to terminate all forms of bilateral military assistance to Argentina and to restrict military sales starting October 1st 1978. This action was taken in response to the steadily deteriorating human rights situation in that country.

According to the Department of State, the sales were approved because it was felt that the helicopters being supplied would not be used for the purpose of maintaining internal security or repressing the civilian population in opposition to the ruling military junta. However, over the past two years, the Argentine military has shifted a significant part of the inventory which previously had been used for non-military purposes to the internal security function. It should also be noted that helicopters similar to the ones being supplied were used last March 14th in putting down a controversial prison uprising in which 61 prisoners, including some who were detained for political reasons, were killed. Similarly, press reports indicate that helicopters are repeatedly being used in Argentina to crush strikes and take over strike-bound factories.

Past experience with similar sales indicates that the U.S. has no control over the ultimate end use of the military materiel it supplies, and little or no capacity to monitor the equipment once it enters into service. This would be particularly true in the case of aircraft such as helicopters. If, as many observers predict, widespread protest over government economic policy and its massive violation of the human rights of its citizens were to arise, the U.S. would have no way of preventing the use of these aircraft to put down peaceful demonstrations.

We feel that any resumption of military or quasi-military sales is premature as the Argentine government has not, as yet, met minimum standards of civilized behavior which would warrant what might become a stream of military purchases by that nation's military.

Aside from meagre concessions, the practice of the Argentine military government continues to be a cynical mistreatment of its citizens. A good example of the unacceptable behaviour of this government and its mock efforts at improving its human rights image is provided by the details of the Deghi case. Dr. Deghi, a trade union lawyer, was released from prison on March 25th 1978 after two years of detention without charges. His release was part of an effort by the Argentine government to diffuse international pressure over its mass detention of prominent Argentines. He was greeted by his wife at 10 p.m. at the prison entrance. They had walked only a few yards when they were attacked by a group of armed men who gagged and handcuffed Mrs. Deghi and abducted her husband. Two days later she received a phone call from the local police precinct instructing her to identify and pick up her husband's body. According to Amnesty International this is the sixth case of a prisoner being killed upon his release from jail in less than two months.

Another important consideration against these sales is the high probability that these aircraft will be used in armed confrontation between Argentina and Chile if there is a breakdown in the fragile negotiations now taking place over control of the Beagle Channel islands. Argentina has filed multiple requests to purchase arms in Western Europe and the United States. Chile is frantically doing the same. The helicopter sale should be seen as part of an arms build-up which may contribute to the deterioration of the already fragile regional stability.

Our hope is that you will reconsider this request and withdraw it in the interests of preventing the misuse of our military equipment and the acceleration of a regional arms race. We believe that the withdrawal of this request will aid in sustaining the credibility of this administration's human rights policy.

Cordially,

LAURENCE BIRNS,
Director, Council on Hemispheric Affairs.●

SOLAR ENERGY

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 10, 1978

● Mr. HAMILTON. Mr. Speaker, I would like to insert my Washinigton Report for May 10, 1978, into the CONGRESSIONAL RECORD:

It is possible that the United States will become a solar society in the years ahead.

Nearly everyone agrees that the United States and other countries will have to make far reaching changes in energy consumption patterns within the next few decades. World energy demand is expected to double in 20 to 30 years while world production of oil and natural gas will probably level off. Reserves of non-renewable energy sources, chiefly the oil and natural gas that now provide 75% of the nation's energy, are steadily shrinking. Our other major energy sources—coal and nuclear power—will certainly be used in the future, but recent events have prompted concern about their availability and environmental safeness and have provided the basis for greater optimism about solar power.

There are many advantages to energy derived from the sun, whether that energy is in the form of sunlight, wind, falling water, plant material or ocean temperature gradients. Solar energy is abundant, renewable, universally available and invulnerable to strikes and embargoes. About 15,000 times as much energy as the world consumes each day reaches the earth from the sun every 24 hours, so the conversion of only a tiny fraction of what is available would be more than enough to meet all current and projected needs. Solar power is clean and its environmental impact is minimal. Its use would create jobs and would have a generally benefical effect on the economy. Without question it has an enormous potential.

There are many questions about the use of solar energy. When will it be economically feasible? How long will it take to reach its full potential? What share of energy demand will it be able to meet? What must be done to make America a solar society? The answers to these questions are as important as any in energy policy and planning.

There is widespread disagreement among the experts as to when the use of solar energy will become economically feasible. The estimates vary from 10 to 50 years. Currently, solar energy is competitive in price with established fuels in only a very limited number of applications. For example, in some regions of the United States a homeowner can break even by using solar power for hot water heating or space heating and cooling. However, the costs of conventional fuels are rising while the costs of solar equipment are rapidly decreasing. New solar applications may soon become more advantageous in economic terms.

Remarkable progress in solar technology has occurred in recent years and is expected to continue. With adequate public and private support, solar energy would contribute to meeting much of our need for heat, liquid fuel and electricity. With a strong national commitment to solar development it might be possible to derive one-quarter of all our energy from solar sources by the turn of the century. Beyond the year 2020 the United States could become a solar society, using power from the sun to satisfy over half of all energy requirements.

If solar energy is to match its potential, long-range commitment will be necessary. The signs of such commitment are becoming more apparent every day.

Solar development gets about $400 million per year from the government—a large sum, but only a fraction of the amount allocated to nuclear development. However, the movement toward solar power is encouraging. A solar coalition has formed in Congress and is pushing a half-dozen innovative proposals. Sizeable solar power projects are springing up across the country. Both private industry and the Department of Energy are experimenting with new windmill designs. Many water power sites abandoned since the 1940s have now regained economic viability. Federal tax credits and low-interest loan programs for the purchase of solar

equipment, research to lower the cost of photovoltaic cells, increased use of solar space heating and cooling devices in federal buildings and state action to promote solar technology are all evidence of the growing interest.

Is the government doing enough to capitalize on the solar option? Again, there is disagreement among the experts. Solar enthusiasts accuse the government of dragging its feet on solar development. They argue that comprehensive application of the sun's energy could become a reality in just a few years given adequate financing. Less optimistic experts nonetheless believe that federal support should be increased to offset both the earlier lack of support for solar power and the competitive advantage that conventional energy sources have because of support. Still other experts contend that large increases in federal support are not wise at present because we must first get back the results of recent solar experiments. They think that the scientific establishment could not absorb huge government grants. This controversy is one that must be sorted out.

Recent events are bringing us to a new awareness of the sun's energy promise. I hope that this awareness will lead us toward a more vigorous commitment to solar power.

(Much of the information in this report was obtained from Solar Energy Progress and Promise, a publication of the Council on Environmental Quality.)●

ALASKA—CONSERVATION OPPORTUNITY OF THE CENTURY

HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 10, 1978

● Mr. LONG of Maryland. Mr. Speaker, the wildlife, scenic, and wilderness values of the remaining federally owned lands in Alaska will benefit the American people for centuries to come—if we enact H.R. 39, the Alaska National Interest Lands Conservation Act.

This measure is more far-reaching than any land or wildlife bill we have considered during the 16 years I have been privileged to represent the people of Maryland's Second Congressional District in the House. I have no doubt that our votes on this bill will long be remembered as the conservation votes of the century.

The values and benefits of H.R. 39 are great, but the price tag for these conservation achievements is very small. This bill puts 95 million acres into the National Park System, the National Wildlife Refuge System, and the National Wild and Scenic Rivers System, all without cost to the taxpayers. There are no aquisition costs, because these lands are already Federal lands, which the taxpayers already own—purchased for less than 2 cents an acre from the Russians in 1867.

The contrast with our other conservation programs is remarkable. As a member of the Appropriations Subcommittee on Interior I can assure you we are not getting any land for 2 cents an acre these days. The vital expansion of the Redwoods National Park which the Congress recently approved will cost $400 million. We could have spared the taxpayers that expense if the Congress of a hundred years ago had done for the redwoods what H.R. 39 does for our heritage of wildlands and wildlife in Alaska.

This bill will also give Alaska's economy a significant boost, and a greater stability. The Interior and Insular Affairs Committee has examined and refined the boundaries of the proposed conservation areas, revising them to leave out lands having high value as sources of minerals, fossil fuels, or timber. Moreover, the lands of greatest development potential have already been selected by the State of Alaska and by Alaskan Natives, and most of these lands will undoubtedly be developed fully. In fact, H.R. 39 speeds up the transfer of these selected lands to the State and to the Natives.

On this point of the high values of the land selected by the State of Alaska, it is interesting to note the assessment made by the Alaska Department of Natural Resources in a recent comprehensive review. Their purpose was to assess those lands already selected, out of their unprecedented 104 million acre statehood grant of Federal lands, and thereby to better target for their own purposes the selections of the remaining 30 million acres of their entitlement. In that department's November 24, 1977, assessment, they note:

> The existing state selected lands provide a wide ranging balance of resource lands which can be used to support the Alaskan economy. In many cases, state selections have high graded lands for particular resource potentials. This is exemplified by our selection at Prudhoe Bay for oil and gas resources and our selection of much of the best agricultural land in the state in the Matanuska, Susitna and Tanana River valleys.

Perhaps more important in the long run is the bill's favorable impact on Alaska's tourist industry. The protection and growing public use of the new national parks, preserves, wildlife ranges, and wild rivers will result in lasting, stable income for Alaskans through tourism and related activities.

Two recent economic reports demonrate that tourism is already an important industry in Alaska. One survey conducted for the State department of commerce and economic development found that in 1975 Alaska's visitor-related firms had total sales of $609.8 million and the industry provided 6,344 full-time jobs.

Mr. Speaker, H.R. 39 is good for wildlife, it is good for wilderness, it is good for the American people. This bill is a magnificent conservation opportunity. I hope my colleagues will join me in supporting the Alaska National Interest Lands Conservation Act when it comes before the House for our consideration and votes.●

O. H. BOOTH HOSE CO. NO. 2: 125TH ANNIVERSARY

HON. HAMILTON FISH, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 10, 1978

● Mr. FISH. Mr. Speaker, May 9 marks the 125th anniversary of the O. H. Booth Hose Fire Co. No. 2 of Poughkeepsie, N.Y. I am proud to call the attention of my colleagues to this dedicated group that has marked a century-and-a-quarter of service to their community.

At this time, I would like to commend the members of this fire company, past and present, for their years of dedicated volunteer service—and a special thanks to Company Capt. Walter R. Cole for his leadership role.

Such volunteer activities exemplify the finest attributes to community involvement, which is a fundamental concept to the continued well-being of our country.

I know I speak for the residents of the Poughkeepsie area when I say "Thank You" to the O. H. Booth Hose Fire Co. No. 2 for the past 125 years of service—and our best wishes for success in the future.●

THE AFGHAN DANGER

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 10, 1978

● Mr. LAGOMARSINO. Mr. Speaker, I would like to bring to the attention of my colleagues the following discussion by Messrs. Evans and Novak which appeared in the Washington Post, May 8, 1978:

IGNORING THE DANGERS OF THE AFGHAN COUP

(By Rowland Evans and Robert Novak)

Private warnings to presidential aides last month that the neutralist regime in Afghanistan was "ripe like a red apple" for a pro-Soviet communist takeover met official silence here, a non-response highlighting the administration's dangerous inertia in meeting the current Soviet worldwide offensive.

That warning was quietly passed to top Carter foreign-policy officials three weeks ago. The source was a trusted, Teheran-based emissary of the shah of Iran.

Even if the United States were not tied into a strait jacket imposed by Congress as a result of post-Vietnam politics, it probably would have been impossible for President Carter or any other president—to prevent the pro-Soviet takeover or influence its timing. But the warning from the shah, and similar warnings from Pakistan, had no effect at all on the Carter administration.

Murmuring soft sympathies for the shah, administration officials lost a particularly timely occasion to notify Moscow sharply that Soviet support for a communist takeover in previously neutral Afghanistan (which borders the Soviet Union) would have disquieting repercussions in Washington.

That ostrich-like, see-no-evil posture of Carter foreign-policy planners fed doubts among U.S. allies—doubts now reaching agonizing proportions—that the Soviet offensive in Africa and Asia is incapable of engaging Jimmy Carter's interest. Instead, those allies believe, Carter's current policy has a single aim: do nothing that might offend Moscow and put at risk the planned summer summit meeting with Soviet President Leonid Brezhnev to sign a new strategic arms limitation agreement.

But that may be too benign a view, a conclusion that is shared by observant diplomats here and high defense officials. "I'm not sure that Jimmy Carter has a global perspective," one told us. "He tends to see things that happen abroad as isolated incidents, not linked together."

An even more melancholy view, widely held by experts here, is this: Presidential worry that a tough warning to Moscow not to push the United States too far might well require an equally tough U.S. follow-up, one for which the Carter administration is unprepared.

But, in fact, installation of a pro-Soviet regime in faraway Afghanistan sets the stage for a series of new communist probes that will confront Jimmy Carter with ever more difficult choices. Those future events, spawned in the bloody Kabul takeover, are what caused the shah to sound his alarm three weeks ago.

It is highly probable that the new rulers in Kabul soon will exploit ancient territorial disputes about tribal lands adjoining both Pakistan and Iran. Exploitation of the most important of those disputes would establish an independent state in what is known as Baluchistan, a slice of prime strategic territory along Pakistan's western border with Iran that runs to the Indian Ocean.

Access to the Indian Ocean has always been a Russian dream. In the glory days of the British empire, wars were repeatedly fought to prevent Russian penetration south through what was British India to warm-water ports on the Indian Ocean.

No immediate move like that is expected from the new communist regime in Kabul, but agitating those ancient tribal rivalries across its borders would foster Afghan nationalism. That is a proven method of building political support for any new regime, and is particularly useful for a communist regime trying to consolidate its power in the orthodox Moslem state of Afghanistan.

But even without such provocative politics, installation of the pro-Soviet government has already compelled Iran to reinforce its eastern frontiers with both Afghanistan and Pakistan. The takeover is a second giant step toward what the shah has always warned against: encirclement of the oil-rich Persian Gulf region, including Iran and Saudi Arabia, by Moscow and its satellites. The first was Soviet penetration of the Horn of Africa.

For an administration seemingly so preoccupied with SALT, the question of when or how to come to grips with disconcerting issues like faraway Afghanistan and the Horn of Africa goes to the backburner. Indeed, when Air Force Secretary John C. Stetson said on April 21 that the United States had a "tacit obligation to back up" Iran in the event of a hostile Soviet move, he was publicly rebuked by the State Department for using overly strong language.

That was just before Moscow laid claim to communist power in Kabul. Since then, there has been no visible change in Carter's policy. Quite the opposite: The change has been one more demonstration of Soviet disdain for U.S. will and one notch tighter in the psychological fear campaign against U.S. allies.●

OUR NATION'S "FIGHT FOR INDEPENDENCE" CHRONICLED BY ED SALT OF YOUNGSTOWN, OHIO

HON. CHARLES J. CARNEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 10, 1978

● Mr. CARNEY. Mr. Speaker, on Tuesday, May 4, 1978, I had the pleasure to insert in the CONGRESSIONAL RECORD the first of several articles entitled "Fight for Independence," authored by Mr. Edward Salt, an award-winning Youngstown, Ohio, journalist.

At this time, I am pleased to present "Fight for Independence, Part II," which continues Mr. Salt's discussion of the history of our Nation. Because these articles provide insight into our economic and political life, I believe that they deserve the attention of all of us:

FIGHT FOR INDEPENDENCE, PART II—MY AMERICA

(By Ed Salt)

Repealing the Stamp Act placed the British Parliament in an embarrassing position. It would indicate the colonies and London merchants could influence the government.

The problem was solved by first adopting a Declaratory Act. This asserted that the British Crown and government had authority over the colonies in all cases and that the colonies always had been and ought to be subject to the government.

Repeal of the Stamp Act was hailed with celebrations in the colonies. There were parties, fireworks and balls. Tragedy marked the event in some areas where merrymakers were killed or injured by exploding cannon and fireworks. Clergymen made a field day of the event, with more than 500 sermons being preached at thanksgiving services.

To further appease the colonists, the government reduced the duty on molasses—but imposed it on British molasses—as well as molasses from other countries—and permitted the colonists to trade more with other nations. Repeal of the Stamp Act sharply reduced royal income, so as new source of revenue was needed.

The main reason given for adopting the Stamp Act was that it would provide money to finance British troops which were sent here to "protect the colonists." To help meet these costs, the Mutiny Act was adopted in 1765. The original act provided that if troops were sent into an area, British officers could quarter troops in private homes, with or without the approval of home owners. There was so much opposition to this that it was eliminated before the Act was adopted.

As passed, however, the Act provided that colonial assemblies (the colonial governing bodies) were required to provide barracks, fuel, candles, vinegar, salt and beer or cider for the troops. This provision was seen by colonists as just as much a tax as the Stamp Act.

Most opposition to the Mutiny Act occurred in New York, which was headquarters for the British army in the colonies. The opposition soon became widespread throughout the colonies. To counteract this, Charles Townshend proposed to Parliament that the New York Assembly be suspended until it complied with the Act. At the same time he proposed new taxes on glass, lead, paint, paper and tea.

Townshend didn't live to see the results of his proposals. He died suddenly a few weeks later.

The threat to suspend the New York Assembly brought results. Before the deadline, the Assembly voted to take care of the troops as demanded by Parliament.

Less than four months after the Townshend Act was approved (it took as long as two and sometimes three months for word to come across the Atlantic in the slow sailing vessels), citizens in a Boston town meeting voted to boycott certain British goods after December 31.

In June, 1768, the Liberty, one of John Hancock's fleet of merchant vessels, arrived in Boston and was boarded by a customs official who demanded to see the cargo so it could be taxed. Instead of complying, the ship's crew locked the official in a cabin, unloaded a shipment of Maderia wine, then tossed the official overboard.

Word of the event spread rapidly and a mob began to form. They assaulted customs officials, some of whom fled to Castle William, out in the bay, for safety.

When word of these events reached London, the government retaliated. Less than four months later troops were sent to Boston to keep order.

In the months that followed, Philadelphia merchants, then Baltimore merchants, voted to boycott British products. Soon merchants in other colonies took similar action.

Early in 1770 British troops in New York cut down a Liberty Pole which had been erected as one of the symbols of the Sons of Liberty. Less than a week later soldiers and Sons of Liberty clashed in what has become known as the Battle of Golden Hill. No one was killed but several were injured. Three days later Mayor Whitehead Hicks ordered soldiers to stay in their barracks.●

STATUS OF BLACK NEW YORK, 1978

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 10, 1978

● Mr. RANGEL. Mr. Speaker, a recent New York Urban League report, as printed in the Harlem magazine Alternatives, shows that black New Yorkers suffer from disproportionately high unemployment, poor housing, and poor health. This report indicates that neither black nor hispanic Americans have made much progress since the initiation of the social programs of the 1960's. I would like to share excerpts from this report with you and my fellow colleagues:

STATUS OF BLACK NEW YORK, 1978

UNEMPLOYMENT

Both races have suffered serious reverses in terms of jobs the last few years, and 1977 was no different, especially for black New Yorkers. The Northeastern region as a whole, was hard hit by unemployment. More than 250,000 persons are out of work in New York City . . . Blacks accounting for up to 25 percent of that number . . . Black youth under 21 years old averaging 60 percent, 70 percent, even 80 percent of the unemployment rate in some neighborhoods.

While unemployment remains high, businesses, once stable in the city, are continuing to venture to other areas. In the last six years the city has lost upwards of 550,000 jobs, many of these were held by Black and Hispanic New Yorkers.

Although local unemployment eased somewhat during the last 12 months . . . from 9.6 percent to 9.4 percent, Black New Yorkers remained on the bottom of the economic ladder with unemployment rates two to three times higher than the city's average.

Employment, and employment exclusively is the number one item confronting the city's Black population. Without work other major needs pale by comparison. Only through employment can other issues fall into focus.

SOCIAL

There are several other reasons for the erosion of relations between Blacks and whites, in addition to unemployment. The major power blackout last summer left most New Yorkers with a bitter taste, and unfortunately the negative image most minorities received during media coverage of the blackout only helped to widen the gap between Black and white. The aftermath of July 13, 1977 has continued into 1978.

EDUCATION

The city's public school system is another area of great concern for black New Yorkers. Of the approximately 1,100,000 students in the New York City Public School System, nearly 40 percent, 410,000 are Black. Recent school studies in New York indicate that 7

of every 10 black students entering high school in 1977 will not receive a diploma. Of those Black students graduating nearly 50 percent will have reading skills far below the eighth grade reading requirement.

While there has been a serious effort in recent years to link school truancy problems and the city's crime rate, it is the League's contention that each problem merits separate review and study. A check of 15 predominantly Black high schools shows daily absenteeism was well over 30 percent.

TRUANCY AND DROPOUTS

According to Dr. Lamar Miller, director of Urban and Minority Education at New York University, the absentee rate of Black students reflects their lack of interest in the school system. Dr. Miller concludes that as school suspensions rise, the holding power of high schools decrease because Black students do not see schools as being important to their lives. Consequently, more students drop out than graduate. For the city's Black students that means 67 percent presently fail to complete their secondary education.

New York City does not compare favorably with other large cities in the ratio of black teachers to Black students. In fact, the ratio has declined by 10 percent since 1975. The United States Department of Health, Education and Welfare, as an indication of the severity of the New York City Public School System's problem, cited several civil rights violations by the New York City Board of Education last year. The fact that H.E.W. threatened in 1976 to withhold more than $200 million in federal aid to the city's school system is clearly indicative of the urgency of the situation.

HOUSING

The lack of housing opportunities has become a critical problem for the 650,000 minority households in New York City, approximately 47 percent of whom have annual incomes under $5,000.

Housing needs for residents in the South Bronx, Harlem and sections of Brooklyn could be provided through renovation of suitable and available housing structures with overall neighborhood revitalization efforts. Despite the President's visits to the South Bronx last year, meaningful change seems distant . . . many families still reside in burned out and abandoned tenements, victims of a total lack of public and private services.

HEALTH CARE

Basic health care is also of great concern to many Black and Hispanic New Yorkers, particularly those of low income who have suffered unjustly because of a curtailment of a historically inadequate health care program. In spite of the ever increasing costs of medical care in the city, there is little evidence of a comprehensive plan to improve the delivery of health care and health related services to the indigent and working poor. The majority of Blacks and Hispanics and other low income people depend upon municipal hospitals and other public health facilities for the total health care of their families. The Municipal Health Service is the "family doctor" for low-income people. Providing essential health services at an affordable cost is crucial to the city's minority population.

WELFARE

While many agree that the much maligned Public Welfare System must be reorganized, the New York Urban League feels that we need to take a careful look at the impact of the welfare dollar on the economic life of New York City.

A random survey was conducted by the New York Urban League's staff on how welfare recipients spend their money. The figures show that 47.7 percent of public assistance grants goes for rent while the second biggest slice goes for food, 29.2 percent. For a more comprehensive look at these figures let us take a family of four on welfare in New York City. Every two weeks they would spend $88.79 on rent; $56.42 on food; $20.14 on utilities; $8.45 on telephone; $14.94 on clothes; with miscellaneous accounting for $5.61. The figures clearly indicate that landlords, grocery stores, utilities and public bureaucracies in housing and transportation derive much of their income from the city's welfare recipients.

It is significant that welfare recipients are the only participants impacted by the welfare system who do not have the opportunity to build an enhanced personal image and improved financial condition. The welfare dollar flows totally and rapidly back into the local economy. A significant and regular transfusion of over $133 million monthly into the local economy has a significant impact upon many facets of New York City's economic life.

CRIME

Crime prevention has always been a severe problem in the Black community and 1977 brought no change. From all indications, Blacks are still not receiving adequate crime prevention services or equal justice from those responsible for enforcing the country's laws.

In 1976 the crime rate in New York City rose six times higher than the national average. In 1977, the figures could well top that when final tabulation is made public.

There were 600,000 serious crimes reported in New York City during 1976, that is the worst figure in the 45 year history of the city's crime statistics . . . nearly 75 major crimes were committed every hour.

There was a 13.2 percent rise in property related crimes—burglary, larceny-theft, and motor vehicle theft. Many of the city's crimes can be traced directly to drug usage and high unemployment. Both problems impact significantly on the black and hispanic communities.

A federally financed study concluded last year that the 1963 New York State drug law with its stiff mandatory sentencing provisions, neither reduced drug use nor drug-related crime.

Police community relations, particularly with New York City's black community, also remains a key issue. One needs only to recount the number of serious confrontations and incidents involving minority citizens, particularly youth and the police department.

In the last four years at least four black men have been killed by white police officers in questionable shootings. During the same time not one black policeman has been involved in similar type cases.

PROGNOSIS

For many black and Hispanic New Yorkers progress has apparently become a myth . . . a jumble of statistical data, which in the final analysis, clearly establishes the urgency of their situation.

The mood of minority communities from Queens to Brooklyn is without question less hopeful than in previous years. The unemployment rate coupled with the loss of community services has produced hard times for the city's black residents.

If the blackout last year is any indicator of the mood of a deprived population, then beneath the surface lurks a powerful force for destruction. The anger thus expressed comes from people who feel their basic human needs are not the concern of those whose decisions and actions directly affect their lives.

The result of the recent New York City elections does not augur well for improved black/white relations in this city. For the first time in 12 years there is no elected Black representative on the Board of Estimate where the basic decisions relative to the city's direction are made. A major group of the New York City populace has neither a voice or vote in the city's highest administrative body. This makes it all the more imperative that the new administration demonstrate a keen sensitivity to the needs, aspirations and hopes of New York City's Black and Hispanic communities.●

WE ARE STILL WAITING FOR THE ADMINISTRATION'S SOLAR ENERGY POLICY AND PROGRAMS

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 10, 1978

● Mr. BROWN of California. Mr. Speaker, last Wednesday millions of Americans celebrated Sun Day, and millions more learned of the great energy resource we have with the Sun and its various forms of solar power. Long before Sun Day, initiatives had been taken, largely at the State level, to encourage solar energy and provide incentives for solar energy. The Federal programs, sad to say, have lagged behind the States and certainly do not reflect our capabilities in this field.

As an active sponsor and supporter of virtually every solar energy initiative that has been taken by the Congress, usually over the opposition of the past three administrations, I was disappointed by the support solar energy received from this administration in its much publicized Sun Day initiative. It appears that President Carter and his advisers have decided to endorse only part of what the Congress is already well on its way to enacting, and the officials who should already be leading the development of solar energy will now begin another study of how to encourage the development of solar power.

Mr. Speaker, I think this administration's views on alternative energy programs should be considered much as we considered the views of past administrations. We should all understand that the country, and the Congress, is ahead of the administration and we should do as we have in the past and lead the administration into areas where they are unprepared to provide leadership themselves.

At this time, I would like to insert in the CONGRESSIONAL RECORD two items which demonstrate both the interest and the possibilities with solar energy. One item is a column by James J. Kilpatrick calling upon Government to support solar energy development. As a frequent critic of Government involvement, Mr. Kilpatrick finds solar energy an exception to his rule. The other item is from the office of Governor Brown of California, where he announced still another initiative to support solar energy development. California already has a 55-percent tax credit for solar energy, numerous public education and assistance programs, a research and development program, quite a few demonstration programs, and now, a SolarCal office to provide a State focal point for commercialization of solar energy. The Federal Government could learn much from the States in this area, and should be assisting such initiatives with the vast resources at its disposal.

The two items follow:

[From the Washington Star, May 9, 1978]

CRANK UP SOLAR INGENUITY

(By James J. Kilpatrick)

President Carter flew out to Denver last week to publicize his enthusiasm for the development of solar energy. Millions of Americans who may oppose him in other ventures will support him in this one. They will wish the president's enthusiasm were even greater.

Sad to say, we are nowhere near where we ought to be in the development of alternate forms of energy. Our country is supposed to be the most inventive country on earth; we are blessed with many of the world's finest scientists and engineers; ours is a land of "can-do" imagination. The difficult we do at once; the impossible takes a little longer.

This gung-ho spirit has yet to be seriously manifested in harnessing the inexhaustible energy of the sun. If our famed foresight had been working 5 or 10 years ago, by this time a crash program would have brought the cost of solar installations down to competitive levels with other fuels. We would be deriving 10 or 15 or 20 percent of our energy needs from unconventional sources, rather than the miserable fraction of 1 percent we are developing now.

Joining in last week's Sun Day fun, Mr. Carter appeared to have caught the solar spirit. High time. His pending energy package contains no more than a feeble lick and a promise for future tax credits and subsidies. His existing programs are scattered all over the bureaucratic landscape.

Doubtless, these existing programs are better than nothing. The Department of Housing and Urban Development, in cooperation with the Department of Energy, has an active program of grants for demonstration solar heating and cooling projects in residential units. Under this program, applications are solicited from builders and developers for grants that will pay the difference in cost between conventional installations and solar installations. In the third round of grants, announced last August, 169 applicants got $6 million for installations in 3,468 housing units. The fourth round is now coming up.

A few other programs are indifferently kicking around. The DOE has a $500,000 fund for small-scale projects. The HUD folks have a community block grant appropriation that might be available for solar experiments. A "hot water initiative" undertaking is languishing in Pennsylvania and Connecticut. Some solar loan money is available. Mr. Carter's proposed $100 million for research and development, if it materializes, could push the cause along.

That's about the size of it at the federal level. The states, in point of fact, are doing more than Washington. More than half the states have enacted legislation to promote solar development through a variety of property tax credits or deductions or loans. The National Solar Heating and Cooling Information Center, Box 1607, Rockville, Md. has rafts of information. HUD and the Department of Commerce also have helpful bulletins.

All this adds up to mighty little. Granted, the technical problems of adapting solar energy are tough, but the problems are not insoluble—and the potential rewards are beyond calculation. If the same spirit and money were brought to solar power that 15 years ago were applied to space exploration, the problems could be licked in another decade.

If the necessary commitment to solar development is to be made, a number of supporting decisions ought to be made also. For example: Residential subdivisions ought to be platted, and roads laid out, to take maximum advantage of sunlight. Certain solar collectors may require large areas of land; we ought to be planning for these needs.

A hundred such areas of development invite the attention of our brightest minds. We ought to be working actively on wood, on wind, on tidal energy. Certain dry plant material, according to Denis Hayes in a recent *Worldwatch Paper*, contains about as much energy per ton as low-quality coal. Not nearly enough experimental work is being done on alcohol and methane as substitutes for gasoline and natural gas. What we are talking about is a race for survival—and thus far we're only jogging along.

FROM THE OFFICE OF GOVERNOR BROWN,
MAY 3, 1978

Gov. Edmund G. Brown Jr. has signed an Executive Order creating a SolarCal Office in the Business and Transportation Agency. The executive order also creates a SolarCal Council to advise the governor and the SolarCal Office.

In the executive order Gov. Brown said the SolarCal Office will provide "a focal point within the state government to assist in the maximum feasible commercialization of solar energy".

He said the Council will advise the governor and the SolarCal Office on the means to achieve rapid development of solar energy in the state.

The Council also is charged with developing administration policies and plans for maximum feasible solar commercialization, making information available to the public about the use and benefits of solar energy and promoting cooperation in solar energy development in California with the federal government as well as public and private interests.

The governor appointed Sim Van der Ryn, California's state architect as chairman of the council; Wilson Clark, the governor's assistant for issues and planning, as executive secretary of the council; and Jerry Yudelson, as director of the SolarCal Office.

Council members serve at the pleasure of the governor and receive no compensation.

EXECUTIVE ORDER

Whereas, Rapid solar energy development and commercialization creates jobs, stimulates economic growth, conserves scarce fossil fuels, provides a safe, clean and renewable energy resource, and reduces utility costs to commercial, industrial and private consumers; and

Whereas, The State, already the national leader in solar energy, can further develop solar commercialization and business development projects by coordinating solar energy activities and policies of State agencies; and

Whereas, The solar industry as well as consumers, labor and business groups look to the State for assistance in economic and business development, public information, and coordinated public participation in State solar policy development; and

Whereas, the Secretary of the Business and Transportation Agency is the Governor's principal liaison with the business community.

Now, therefore, I, Edmund G. Brown Jr., Governor of the State of California, by virtue of the power and authority vested in me by the Constitution and Statutes of the State of California, do hereby issue this order, to become effective immediately:

1. There is established in the Business and Transportation Agency the SolarCal Office, to provide a focal point within State government to assist in the maximum feasible commercialization of solar energy. The Secretary of Business and Transportation Agency is directed to establish the position of Director of the SolarCal Office, who shall be appointed by and serve at the pleasure of the Governor.

2. There is established a SolarCal Council to work with the SolarCal Office. The Chairman of the Council shall be the State Architect, and the Executive Secretary of the Council shall be the Governor's Assistant for Issues and Planning. The SolarCal Council shall consist of members who shall be appointed by and serve at the pleasure of the Governor. Additional members will be appointed from State government to serve ex-officio.

3. The SolarCal Council shall have the following responsibilities:

Advise the Governor and the SolarCal Office on the means to achieve rapid development of solar energy in the State;

Develop Administration policies and plans for maximum feasible solar commercialization;

Make information available to the public about the use and benefits of solar energy; and

Promote cooperation in solar energy development in California with the federal government as well as public and private interests.

4. The Director of the SolarCal Office shall have the following responsibilities:

Assist the SolarCal Council in meeting its responsibilities;

Implement the State's solar energy policies and plans;

Advise the Governor and the Secretary of the Business and Transportation Agency on the concerns of the solar business community, particularly those of small businesses;

Develop and implement projects in solar commercialization; and

Coordinate the solar energy activities of state agencies.

5. All State agencies, departments and commissions are hereby directed to assist and cooperate with the SolarCal Office and the SolarCal Council in carrying out their responsibilities.

In witness thereof, I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 3rd day of May, nineteen hundred and seventy eight.

EDWARD G. BROWN, Jr.,
Governor of California.

THE BIG CARRIER: A VULNERABLE, IMPRACTICAL WEAPON

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 10, 1978

● Mrs. SCHROEDER. Mr. Speaker, on May 3 my colleague on the Armed Services Committee Mr. WHITEHURST of Virginia entered into the RECORD in the Extensions of Remarks section a column from the Wall Street Journal by John Lehman titled "The Big Carrier: A Survivable, Practical Weapon." Having also reviewed the Navy's Sea-Based Air Platform Study and the Naval Force Planning Study and known the importance of the decision that will be before the Congress this year, I feel compelled to respond to some of Mr. Lehman's comments and to raise some of the issues he ignores in the debate over the aircraft carrier. I have taken the liberty of rearranging the order in which Mr. Lehman's analysis was presented, hopefully without damage to his arguments, to focus more clearly on what I see as the major issues. I refer my colleagues to Mr. WHITEHURST's entry for the full text of Mr. Lehman's article.

1. Mr. LEHMAN. The debate in Congress is

now not whether there should be another big carrier, but which of the two competing alternatives, the 90,000-ton nuclear Nimitz class or the 65,000-ton oil-powered class, should be authorized this year.

Reply: There should be a debate over whether another large deck carrier should be authorized. Both the Navy and the administration have done an inadequate job of examining alternatives to the carrier and the impact such alternatives, if proven cost effective, would have on carrier force level requirements. The Naval Force Planning Study and the Sea-Based Air Platform Study have followed in the footsteps of the CVNX study initiated by then Secretary of Defense Schlesinger in 1975, and the National Security Council Study submitted by the Ford administration in January 1977. All these studies determined carrier needs in a vacuum, ignoring potentially cheaper substitutes. These Navy dominated studies have been largely self-serving. The $18 to $25 billion life-cycle cost of another nuclear carrier demands a more thorough cost-effective study.

This investment in a nuclear carrier can be put into perspective by a comparison between the Carter and Ford 5-year shipbuilding programs. Much concern has been expressed in some corners over the Carter plan which reduced new ship construction by 86 and modernizations by 13. It is interesting to note that the difference in cost between the Ford and Carter plans is $17 billion. While it remains to be seen whether all those ships would be necessary, the fact they all could be procured for less than the life-cycle cost of a nuclear carrier and its airwings put into context the importance of this decision.

2. Mr. LEHMAN. The overwhelming nature of the data surprised many in Congress. In the words of a former McGovernite, Sen. Gary Hart of Colorado, it (the first study) demonstrates that the Nimitz-class carrier is individually the most effective and most survivable ship.

Reply: No one was holding their breath to learn that a nuclear carrier of the *Nimitz* class has greater capabilities than smaller carriers on a ship-for-ship basis. That is only a small part of the issue. The real issue is what we gain from adding one additional nuclear carrier to the four we already have procured as opposed to allocating that money toward other needs. The decision to proceed with a CVV would save from $5.1 to $7.1 billion in life cycle costs over the *Nimitz* alternative. The smaller carrier, while retaining some proven projection capabilities, would be utilized largely in a sea control mode. The *Nimitz*, on the other hand, is maximized to provide power projection in high threat areas, a role in which its capability is highly questionable. In other less demanding roles many of the *Nimitz'* assets, such as its large group of attack aircraft, become superfluous. To say that the *Nimitz* has greater capabilities is not to say it is cost effective. As to survivability, the nuclear carrier proved to be only incrementally better than the CVV. Interestingly, the CVV proved to be more survivable than any of the nuclear carriers currently in the fleet or under construction. As Secretary Claytor stated this year the CVV "is by any account a highly capable weapons system."

3. Mr. LEHMAN. An interesting finding of the Sea Plan 2000 study is that U.S. surface combatants in general and carrier battle groups in particular will become less vulnerable over the next decade and beyond.

Reply: The question of vulnerability is crucial to the debate. The small increment of capability to be gained by adding a fifth nuclear carrier compared to the enormous cost should force anyone to give serious thought to this procurement. If the *Nimitz* cannot successfully project power in the areas of highest threat, as it was designed to do, its acquisition is an even larger waste.

There is no question but that the addition of Aegis and F–14's to the fleet will substantially upgrade the carrier's defense against the greatest threat to its survival—the cruise missile. But the simple fact is that, Aegis or not, the carrier cannot successfully project power in areas of the highest threat, such as on the flanks of NATO, where it could be subject to a saturation cruise missile attack.

I invite my colleagues to study several reviews the General Accounting Office has conducted on the Aegis system. In the conclusion to one such study issued late last year the GAO concludes:

It is generally agreed that *no present or proposed* (emphasis added) aircraft interceptor or area SAM system can prevent some saturation missiles from getting through despite the great sophistication of air defense technology. There is a good chance some of these leakers will put carriers out of action.

4. Mr. LEHMAN. Big carriers can absorb a surprising number of hits and keep fighting. Small ships cannot.

These findings are consistent with actual experience. In World War II, U.S. aircraft carriers were struck 42 times. Five carriers, all constructed before the war began, were sunk but only one was sunk directly by enemy forces.

In 1969, nine large bombs exploded on the deck of the Enterprise, the first nuclear carrier. This was the equivalent of its being hit with at least six SSN3 Soviet cruise missiles, yet she was judged to have been able to have resumed flight operations within several hours.

Reply: I have always been fascinated by the *Enterprise* example that the Navy and supporters of the large deck carrier give in response to questions about the vulnerability of the carrier. If the carrier cannot operate its aircraft it cannot accomplish its mission and is basically useless as are its escorts which have no function other than to protect the carrier. In such circumstances it would have no alternative but to withdraw from the battle if it can. Assuming the carrier is hit while conducting air operations, it is also highly likely that, if it cannot conduct flight operations, its aircraft will have nowhere to land but in the drink. The carrier may be able to resume operations after several hours but it may not have any aircraft to operate.

5. Mr. LEHMAN. Perhaps the greatest contribution of the two studies was in demonstrating the capability of a 13-carrier, 600-ship navy to fight and win in areas of highest Soviet capability.

Reply: Again this is highly questionable. Ironically it has been pointed out both in the Naval Force Planning Study and by Secretary Brown to the Seapower Subcommittee this year that not even nuclear powered task forces would venture into such waters until the threat had been attrited by land-based air and antisubmarine warfare forces. Thus carriers, except at grave risk, would not be able to project power in high threat areas in the crucial early stages of a NATO war.

6. Mr. LEHMAN. Land bases in all three recent wars proved to be far more vulnerable to complete loss than carriers and at least as vulnerable to mission-interference damage. Several hundred U.S. operating air bases were completely lost in World War II. In Korea all air bases were captured by the North Koreans in the first five days. In Southeast Asia, of the dozens of major air bases constructed by the United States since 1960, not one remains in U.S. hands. By 1973 the United States had lost more than 400 aircraft destroyed and 4,000 damaged on the ground in South Vietnam.

Reply: Historical examples can be useful if they are analogous to current situations. These are not. In World War II, Korea, and Vietnam the United States had virtual sovereignty over the high seas. Nothing could be further from the truth today. It is all so symptomatic of the Navy which is still living in the past.

7. Mr. LEHMAN. As our foreign air bases dwindle (now fewer than 30) with little evident support for new base commitments, and with the cost of foreign bases currently running about $100 million each for rental alone, carriers may be called upon to cover a larger area of the world in the future.

Reply: Sea-based air will be with us for a long time. There is no question but that it provides a needed flexibility particularly in those areas where adequate land-based air does not exist. But that is no reason to plan on always being denied the use of overseas bases. The Navy has consistently ignored land-based air options in planning its carrier force levels. Interestingly one of the scenarios in which carriers were evaluated in the sea-based air platform study was air defense in the Atlantic in support of the sea control mission. No mention was made of land-based air as an alternative, although last summer the Congressional Budget Office demonstrated significant cost savings for land-based air in this role over different carrier options.

Land bases do have their costs, but did you ever stop to think that it runs $8 to $10 billion just in procurement costs to outfit a carrier task force to support only 35 to 45 attack aircraft in a projection role.

8. Mr. LEHMAN. It (the Sea Based Air Platform Study) also demonstrates that there is no battle advantage in going to more numerous dispersed smaller carriers. A battle group with three dispersed 30,000 ton carriers will not fare better against an attack of 60 Soviet cruise missiles than a battle group with one 90,000 ton carrier.

Reply: Mr. Lehman obviously missed two of the plainly stated conclusions of the study:

1. The potential advantage of increased numbers of less costly and capable platforms

was demonstrated. 2. The VSS (30,000 ton carrier) with VSTOL aircraft and the resulting dispersal capability showed itself highly capable in important scenarios.

9. Mr. LEHMAN. The case for nuclear propulsion is rather compelling from a military standpoint.

Reply: Nuclear power has definite advantages—unlimited endurance, high speed and reduced need for logistic support. All other things being equal I would like to see all of our ships nuclear powered. Unfortunately, all other things are not equal. Nuclear ships cost more and our money is limited. If we continue to buy nuclear ships we will wind up with fewer ships, and numbers are important. Most obviously one ship cannot be in two places at once, an important concern when it comes to patrolling thousands of miles of sea lanes. Militarily more ships also aften mean more effectiveness. If a comparison is made between the effectiveness of equal cost conventionally and nuclear powered task forces that are on station, the conventional force is more effective. Because of their lower cost conventional ships can be procured in greater quantities and more ships mean more offensive and defensive systems, that is, more firepower. The advantages of nuclear power tend to be situation specific. And it is senseless to procure forces on the assumption that specific situations will necessitate high speed, long distance transit with extended military engagements to follow where the advantages of nuclear power would be optimized.

Admiral Holloway has stated a requirement for at least four nuclear carriers. We have met that requirement. Now the Congress is being asked to make an $18 billion commitment at a time, for instance, when the material condition of the fleet is still in sad shape largely due to fiscal constraints. At the end of the last fiscal year the Navy still had 42 ships backlogged for overhaul to bring their material readiness up to par. We have far greater needs for this money.●

TECHNICAL CHANGES IN H.R. 11214

HON. LES AuCOIN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 10, 1978

● Mr. AuCOIN. Mr. Speaker, I recently introduced H.R. 11214, a bill to amend certain provisions of the Higher Education Act of 1965 as they relate to HEW's determination of independent student status. At this time, I am reintroducing the bill, in order that I may make a slight technical change in the married student provision that will add to the legisaltion's effectiveness.

The revised version of the bill reads as follows:

H.R. —

A bill to amend section 411 of the higher Education Act of 1965 with regard to determinations of independent student status, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subparagraph (C) of section 411(a)(3) of the Higher Education Act of 1965 is amended—

(1) by inserting "(i)" after "(C)";

(2) by striking out the last sentence of such subparagraph and inserting in lieu thereof the following:

"(ii) Such special regulations shall be consistent with the basic criteria set forth in division (ii) of subparagraph (B) and shall—

"(I) not bar a student for eligibility for independent status on the basis of the student's receipt of family assistance if such student has not and will not receive financial assistance from his or her parents or guardians during the calendar year prior to the period for which aid is requested or during such period in an amount greater than the dependent deduction then available for purposes of Federal income taxation;

"(II) consider as relevant to any such eligibility the claiming of an exemption for purposes of such taxation for such student for only the calendar year for which aid is requested and the immediately preceding calendar year;

"(III) determine residency, for the purpose of determining such eligibility, on the basis of the maintenance of a separate residence from any parent or guardian for a minimum of 46 weeks within the 12-month period immediately preceding the period for which aid is requested, and not on the duration of cohabitation with any parent or guardian;

"(IV) in the case of any married student, consider as relevant to such eligibility for any period after commencement of the marriage only the factors stated in clauses (II) and (III) of this subdivision with respect to such period;

"(V) in the case of any student who, on the basis of each of the factors stated in clauses (I), (II), and (III) of this subdivision, would have been eligible for such status in any prior academic prior preceding the year for which aid is requested, consider as relevant to such eligibility for such year only the factors stated in clause (II); and

"(VI) not take into consideration the income or assets of parents or guardians in computing the expected family contribution or the effective family income of any student who is determined to be independent of parental support."

SEC. 2. The Commissioner of Education shall, within 60 days after the date of enactment of this Act, promulgate regulations to implement the amendments made by the first section of this Act and shall concurrently promulgate amendments to make consistent with such amendments any regulations used to determine independent student status under any other program authorized by title IV of the Higher Education Act of 1965.●

KILPATRICK ON EDUCATION

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 10, 1978

● Mr. MICHEL. Mr. Speaker, the inimitable James J. Kilpatrick has written an article about today's education that is vintage Kilpatrick: Funny, incisive, informed, and totally readable. Since no one does it better than Kilpatrick himself, I will refrain from quoting any memorable phrases, except one. Kilpatrick refers to educational jargon as "infuriating peach fuzz," a perfect description of the non-language professional educators use when trying to explain—or to explain away—their views.

At this point, I would like to insert in the RECORD, "How Our Public Schools Can Do a Better Job" by James J. Kilpatrick, printed in Nation's Business, May, 1978:

HOW OUR PUBLIC SCHOOLS CAN DO A BETTER JOB

(By James J. Kilpatrick)

To begin by remarking that our public schools are in trouble is to invite a sacrastic rejoinder. So what else is new? Our public schools are always in trouble. But I have been keeping an eye on education for nearly 40 years as reporter, editor, parent, PTA member, and now grandparent, and I cannot recall a time when conflicting pressures on the schools have generated so much steam.

The years have taught me to beware of the word crisis. Not many situations qualify as crises. I doubt that the problems that bedevil our schools add up to a desperate fix, but I am certain of this much: Criticism of public education is sharper than it has ever been in my lifetime. Within that slow, slumbering mass of intellectual protein known as the taxpaying public, the mood is shifting from passive irritation to active rebellion. Those whose lives are most intimately bound to public education will have to roll with this rebellion in some fashion or be rolled over. State and federal legislators, who have contributed so richly to the festering mess, have a vast deal of rethinking to do.

The problem, at bottom, is quite simply a problem of confidence. In ever-increasing numbers, the people are losing—or already have lost—a high level of confidence in the competence of their public schools. Evidence of this decline turns up in the public opinion polls; it often is manifested more dramatically at the precinct polls. Bond issues fail; local school tax increases are rejected. In desperation, administrators close the public schools for want of money to keep them running—and the people say, let 'em stay closed.

Our newspapers' editorial offices receive a steady stream of letters protesting conditions in the schools. Hundreds of such letters come my way every year. Let me try a kind of composite sketch of how a typical taxpayer sees a typical big city high school.

In this school, it is popularly supposed, none of the basic subjects are taught any longer. Students are not reading the great works of literature; they are not writing weekly themes or conjugating Latin verbs or working out problems in algebra, physics, and trig. They are not studying history or biology or even basic carpentry or home economics.

How, then, are these hypothetical students passing the time of day? They are engaged, it is widely supposed, in sex education. Or driver education. Or nutrition education. Or health education. Or they are taking a day off while the teachers, if they're not on strike, are attending a union meeting. Mainly, it is thought, the students are goofing off. Most of the boys are stoned; half the girls are pregnant.

This urban high school, it is thought, is an island fortress in a parking lot sea. The students are attacking with switchblade knives; the teachers are fending them off with bicycle chains. Vandalism rules by night and day. The purpose is not primarily to learn; the purpose is primarily to survive. No one ever gets expelled.

Here one finds 22 basketball courts, five football fields (one of them reserved for the majorettes and the marching band), and a swimming pool that covers six acres. A faculty enumeration finds 27 coaches—but only one librarian.

And so on. The picture is absurdly overdrawn. It scarcely needs to be emphasized that this unrecognizable school system, in my own lifetime, has produced graduates

who went on to explore the moon, to master computers, to run business enterprises, to edit newspapers, and by the thousands to live constructive, productive, generally rewarding lives.

But caricature depends upon a basic reemblance. The picture contains recognizable features. Vandalism, for example, remains an appalling problem. A Senate committee discovered that, in some school systems, more money is spent to repair smashed windows than is spent to buy new textbooks. The discipline of unruly students turns young principals into old men. In many cases schools have indeed been closed by teacher strikes. Standard aptitude tests reflect steadily declining scores. Employers are heard constantly to complain that high school graduates cannot read, cannot spell, cannot comprehend directions, cannot even make change from a $10 bill. We have the most expensive system of public education in the world—per pupil outlays now approach $1,500 per year—and the system is producing a shocking percentage of functional illiterates.

These charges—charges that could be much expanded—have produced a feeble and defensive response from beleaguered educators. As for the aptitude and competency tests: The statistics are misleading and the tests are culturally biased. The poor scores are not a reflection upon the schools; they are a reflection upon broken homes, divorce, alcoholism, television, racial tensions, and a disadvantaged living environment. The public schools, it is contended, are still inadequately financed; teachers are still too poorly paid. If there is anything truly wrong—and it seldom is conceded that anything is truly wrong—it is nobody's fault, exactly. And anyhow, it's all exaggerated.

The taxpaying public, I suggest again, is not buying this bill of goods. Virginia the other day became the 37th state to mandate some form of competency testing. The people, through their legislatures, are demanding evidence of solid academic accomplishment. In one jurisdiction after another, the cry is "back to basics!" At the level of the United States Congress, both the House and Senate are itching to pass some form of tuition tax credits that might help to preserve private schools as an alternative to the floundering public system. In many other ways we are witnessing an eruption of resentment against an institution that once was the most loved and cherished and respected of all American institutions—the public school.

How did it happen? Let us count the ways. Within the temples of professional education, there arose cults of innovation. The publishers of textbooks and the manufacturers of gimmicks profitably urged these causes on. Long neglected by parsimonious state legislatures, the poorly organized teachers yielded to the temptations of unionism. Teaching gradually ceased to be an honored vocation for dedicated men and women; it became a job. Meanwhile, the permissiveness that infested the classroom infested everything else. For an entire decade, the cry was to "do your own thing!" or "let it all hang out!" Caught up in this folly, a well-intentioned Congress provided billions for the educational bureaucracy to expend on grants, experiments, and addleheaded ventures in academic whoopee.

The educational establishment may properly be saddled with much of the blame for the mess we are in, but there is blame enough to go around. The public schools have been given more responsibility than they ought to bear. It is enough, God knows, to ask them to teach the fundamental subjects. If the schools performed that task well, they would earn enormous gratitude. But society, operating through influential pressure groups, demands much more. You name it, the schools are supposed to teach it: health, energy, nutrition, consumerism, free enterprise, drug abuse, brotherhood, sexual understanding, family relations, automobile operation, career education, social skills, and the development of esteem for oneself. Teachers and principals are expected to function as educators, parents, nurses, nannies, judges, prosecutors, juries, guidance counselors, referees, ministers, psychiatrists, nutritionists, confessors, disciplinarians, and dispensers of first aid. Are the schools in trouble? Ask any member of a school board.

What can be done about it? The nation's school boards, I think, can do a lot about it. The men and women who serve on these boards, poor devils, catch it from every side. Taxpayers and city councilmen demand that they spend less; teachers, parents, and textbook drummers demand that they spend more. Local editors are howling for discipline; the civil liberties lawyers are howling for due process. When nothing else is going on, a swinging singles English teacher, doubling as drama coach, wants to stage "Oh! Calcutta!" in the name of academic freedom. Board members—many of them, anyhow—resent the federal controls that go with federal grants, but they love the federal money. They wear perpetually puzzled looks as they struggle to comprehend the educators' jargon. Contemplating the schools' troubles, the typical board member is like Mehitabel the Cat: What did I do to deserve all these dam' kittens?

Those who are charged with immediate responsibility for the schools might well begin with problems of communication. They ought to crack down on the educators who rattle on about "prioritizing meaningful linkages" and "institutionalizing self-renewal mechanisms" and "facilitating reciprocal nuclei along technical interfaces." This kind of infuriating peach fuzz has fostered tremendous public resentment against education generally. If public confidence is to be regained, confidence understandably must be wooed.

Second, it seems to me that redoubled efforts must be made to restore discipline—not merely the discipline of just punishments, promptly imposed, but the discipline of the intellect as well. This means a restoration of values that once were widely respected: accuracy in speech and computation, punctuality, neatness, obedience to responsible authority. It means a restoration of those conditions of order that are indispensable to freedom. It is the discipline of the best as opposed to the merely good, the discipline that teaches young eyes to recognize sham when they see it.

Third, school authorities ought to stop being timid on this business of teaching moral values. Somehow, a notion has crept into the educational bloodstream that the public schools should be morally, ethically neutral. The notion is nonsense. Without sacrifice to their basic academic responsibilities, teachers ought reasonably to be expected to promote right conduct. Honesty is a moral value—simple honesty. So is kindness a moral value. Fairness, justice, industry, generosity—these are values to be woven into the whole fabric of education. And there's nothing wrong with teaching a little patriotism, either.

Now and then, when I get wrought up about these matters, people in education say I am being naive. I don't understand the complexities of today's youth. There's more to education, I am reminded, than Shakespeare's plays and Caesar's "The Gallic Wars." Granted.

But I know, because I have been there, that our schools once maintained the atmosphere and the attitudes and the values I am speaking of. Once vandalism was contained. Once large areas of a child's upbringing were left for good or ill to parents, brothers, sisters, and the neighborhood. Those conditions can be restored, and eventually they will be restored, if only because a fed-up public will refuse to tolerate the shoddy and the second-rate any longer.●

TAKE A BETTER LOOK AT CALIFORNIA'S OIL AND GAS

HON. WILLIAM M. KETCHUM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 10, 1978

● Mr. KETCHUM. Mr. Speaker, I would like to share with my colleagues in the House the very relevant commentary expressed by my constituent, Mr. Richard A. Ganong, of Bakersfield. Despite the Department of Energy's assertion that California's oil and gas industry has no problems, Mr. Ganong points out that we had better take a look at the real facts. He has told it like it is, as they say in the vernacular, concerning the existing energy program, the inequities of the entitlements program, and the impacts of imported Alaskan crude. I believe that we can all benefit from Mr. Ganong's viewpoint, speaking as he does as a petroleum engineer and geologist:

GANONG, ELLISON & HAWES,
PETROLEUM ENGINEERS & GEOLOGISTS,
Bakersfield, Calif., April 28, 1978.

Hon. WILLIAM M. KETCHUM,
18th District, California, 413 Cannon House Office Building, Washington, D.C. 20515

DEAR BILL: I have just looked over a copy of a letter from David J. Bardin of D.O.E. addressed to you and a copy of your letter addressed to Mr. Conrad Howard of Vallecitos Oil Company.

In my opinion, certain comments should be made regarding Bardin's letter.

He states that total California production is decreasing by approximately 4–6% per year. This statement is really untrue unless he accounts for the decline by the shutting in and reduction of production of certain leases because of D.O.E.'s program. He states that many San Joaquin Valley Refiners need Steven's Zone oil etc. etc. What he didn't say was that many San Joaquin Valley Refiners also need entitlements as a result of purchasing Elk Hills crude oil. He states that Steven's Zone crude oil is extremely valuable as an aid to moving additional quantities of heavy crude to Los Angeles and San Francisco. I wonder how that heavy oil was moved to Los Angeles and San Francisco prior to initiating production of Elk Hills? He mentioned "some relief from our current regulatory program" by an adjustment of entitlements obligations on certain lower tier heavy California oil. As was brought out at the meetings in Huntington Beach, this adjustment was at the expense of the west coast and was an additional discrimination against west coast producers to the gain of the rest of the country, especially the eastern seaboard.

It is my understanding that Senator Ed Brooke is pushing for additional entitlement benefits for fuel oil users in the northeastern part of the country. Without knowing any more about Senator Brooke's proposals than what I read in the paper, I suspect that those adjustments for the favored people of the northeastern part of the country will again be at the expense of California oil operators.

The following comments relate to some of the difficulties being encountered by inde-

pendent oil operators during the past six months to one year and in effect today. These problems have a net result of fewer wells being drilled, production being curtailed, and an accelerated decline in California production.

Fruitvale Oil Field—independent producers are finding it increasingly more difficult to place their crude. Crude is being moved by spot purchases to some local refineries who really don't want it. One major refiner (Tosco) will buy a certain amount of crude but at approximately $2 per barrel discount.

Vallecitos—as indicated by Conrad Howard, here we have high gravity sweet crude which can't be sold except at approximately $2 per barrel discount with producer paying transportation.

Helm Riverdale Area—Beacon Oil Company recently canceled their contract with Samson Resources in favor of Elk Hills crude and entitlements. Beacon will continue to buy or make spot purchases in the area at a discount of approximately $2 per barrel with the producer paying transportation. Bill, as you know in this area this crude ranges in gravity from 32–48° API which is extremely high gravity and ultra-sweet: that is, with only a trace of sulfur in it. The reason producers are having difficulty placing this crude is because of Elk Hills and the fact that the Refiners receive entitlements by purchasing Elk Hills crude.

Los Angeles Basin—I understand Accidental Petroleum Company is having extreme difficulty in placing some of their LA crude, however, I will let them tell you about that.

Santa Maria—attached is a copy of a letter and article from the Oil and Gas Journal which I received from Husky Oil Company concerning their status in that area. I believe the letter and article are self-explanatory. Part of my living is from the sale of this crude which for all practical purposes is shut-in resulting in no income for the Ganong children from this source. Since receipt of this letter I heard a rumor that Husky has lost outlet for another 2,000 BOPD, which means that they will practically be out of business in Santa Maria.

So Mr. Bardin and the Department of Energy have ascertained that there is no problem in the oil and gas business in California and that the production from Elk Hills has no serious effect on the California crude market. Their conclusions are B.S. The combination of the energy program as it now exists, the importation of Alaska crude with entitlements and the sale of Elk Hills crude with entitlements has created chaos on the west coast.

I did attend the first session at Huntington Beach where testimony was given to the distinguished panel of D.O.E. experts consisting of farsighted and clairvoyant economists and attorneys. Everybody, including Jerry Brown, laid it on the line as to California oil problems resulting from this terrible energy program. If the recommendations of the various people giving testimony at this hearing are utilized, and a new program designed to correct these inequities, California oil and gas producers may be able to stay in business.

Very truly yours,

RICHARD A. GANONG.●

THE FOOD LABELING MAZE

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 10, 1978

● Mr. ROSENTHAL. Mr. Speaker, the number of rules and regulations dealing with food labels has made it extremely difficult—if not impossible—for today's shopper to choose which foods are right for his or her family.

An article titled "How To Decode a Food Label," which appeared in the February/March issue of Mother Jones, gives a clear picture of the labeling maze which the consumer faces each time he goes shopping. Authors Marlene Cimons and Michael Jacobson call the endless list of exemptions, exceptions, standardizations, and codes "a hodgepodge of laws" which make it practically impossible for the shopper to know what he is getting in the food he buys.

Manufacturers today have blasted the consumer with "information overkill" on their labels. This usually contributes little to an understanding of the actual composition of food products. Nutritional labeling may be extensive, but it can also be deceptive. States the article:

The very presence of such labeling (which includes calories, protein, carbohydrates, vitamins, fats and number of servings) may lead people to assume a product is nutritious simply because it is labeled. It may not be.

Take, for example, the manufacturer's method of disclosing the amount of sugar in a product. Though actual sugar content may account for a high percentage of the ingredients, many manufacturers will separate sugar substances into honey, brown sugar, white sugar, and corn syrup, allowing them to appear further down the ingredients list and thus giving the impression that the product contains less sugar than it actually does.

An even more confusing system for the consumer is that of the "standard foods." Over 300 products, including those we use every day, such as mayonnaise, soda pop, and enriched white bread, are not required to disclose ingredients on their labels, because they fall into this category.

Quips the article:

Just drop by any law library on your way to the grocery if you want to find the ingredients in these groups.

The basic ingredients can be found in the Code of Federal Regulations.

But the consumer should not have to go to the library to understand what he is eating. There is a relatively simple and effective alternative. My legislation, H.R. 42, the Consumer Food Labeling Act, would aid the consumer in choosing the right foods for his family by providing that all labels include easily understandable and accurate information about every ingredient in that product—including additives and preservatives. The bill has already attracted 46 cosponsors and enjoys widespread support among consumer groups and the American public.

Such a measure would not require great expense on the part of industry, despite the objections raised by some manufacturers. It simply provides a means for closing the still widening gap between the ability of Government to protect the consumer and the ability of some segments of the business community to abuse them. The right of the American consumer to know what is in his food has been abused long enough.

I am inserting the Mother Jones article below for the benefit of my colleagues. It may prove valuable in the coming months when hearings on the food labeling bill are expected to begin. The time for a comprehensive food labeling law has come, Mr. Speaker. The health and well-being of millions of Americans depend on it.

The article follows:

IS COAL-TAR DYE GOOD FOR YOUR HEALTH?—HOW TO DECODE A FOOD LABEL

(By Marlene Cimons and Michael Jacobson)

A ten-year-old Boston boy with chronic allergies was given an unfamiliar brand of ice cream at a friend's house. Several hours later, he was dead. The child had suffered a hypersensitive reaction called anaphylactic shock, triggered by eating peanuts, a food he was not supposed to have. He knew peanuts were forbidden. But he could not have known they were in the ice cream. The ingredients were not listed on the label.

Rep. Benjamin S. Rosenthal (D-N.Y.), sponsor of comprehensive food-labeling legislation pending in Congress, calls the contents of the boxes, cans and jars we heap into our supermarket carts "the best kept secrets in America today." Rosenthal is right. We have food-labeling laws now, but they are inadequate, deceptive and sometimes even ignored. "All of us have a right to know what we are eating, ingredient by ingredient," Rosenthal says. "Concealing such information clearly violates the public interest."

It clearly does not violate corporate interests, however, to keep silent about what is in the products we eat. The food industry has no desire to reveal trade secrets or give consumers the opportunity to make economic or nutritional judgments by comparison shopping.

Most foods must list their ingredients in fine print in order of their predominance in the product—that is, by weight. Here is how the industry gets tricky: have you looked at a cereal box lately? Instead of putting sugar where it really belongs—at the top—producers break it down into white sugar, brown sugar, corn syrup and corn sugar, so that each item appears farther down in the list, each by a separate weight. Don't call it breakfast food anymore. Call it candy. Or cookies. Ralston Purina, in fact, has done so, marketing a cereal known as "Cookie Crisp," which is about 47 percent sugar.

Although most food labels have to list ingredients (there are many exceptions, and we'll get to them later), colors, flavors and spices do not have to be listed by their specific names. A food whose label says "artificial color" or "artificial flavor" may contain a dozen different chemicals.

Very few artificial flavors have been well tested, but because most are identical to the flavoring chemicals that occur in natural foods, they are probably not dangerous. Colors, however, are another story—probably the most suspect category of food additives. A history of artificial colors would read like the guest register of a transient hotel. Butter Yellow and Sudan No. 1 were banned in 1919. Orange No. 1, Orange No. 2, Red No. 1 and Yellows Nos. 1, 2 and 3 were all outlawed by late 1960. Green No. 1 was banned in 1965. Violet No. 1 was banned in 1973. Red No. 2 was banned in 1976. Currently, questions have been raised about Red No. 40—one of the two most widely-used colorings (more than a million pounds per year)—Orange B and several others. Most of the banned dyes caused cancer or organ damage to laboratory animals when fed at high dosages. These coal-tar dyes do not occur in nature; and the human liver metabolizes many, of them as toxic substances.

Who needs them? Manufacturers use them mainly for cosmetic—or economic—reasons. Food sells better if it looks pretty. The presence of an artificial color or flavor, however,

usually means something has been left out of the food, like fruit. It's certainly cheaper to color something red than make it with real cherries. You can almost always assume that such a food will be junk—high in sugar or fat, low in nutrition.

If an artificial color has been used, the label will usually say so. (The exceptions, however, a gift from Congress to the dairy industry, are butter, cheese and ice cream.) But the label won't name the specific color. The Food and Drug Administration (FDA), in a partial remedy, has proposed a labeling requirement for one color only—Yellow No. 5, or tartrazine. Yellow No. 5, the FDA estimates, causes allergic reactions in 50,000 to 100,000 Americans. Symptoms include wheezing and difficulty in breathing, hives and stuffy and runny noses. But why label only products with Yellow No. 5? It would be easy to list all colors; there are only nine left on the market.

STANDARD MAYO, PLEASE

The largest category of foods not subject to ingredient labeling laws are those known as "standardized foods." There are some 350 products, including such common items as enriched white bread, soda pop and mayonnaise, that are not required to disclose ingredients because the basic ones can all be found in the Code of Federal Regulations. Just drop by any law library on your way to the grocery if you want to find the ingredients in these.

But, even then, you may be missing some information. The Code's "standards of identity," a classic example of good intentions gone awry, were created to require—thus guarantee—the presence of certain ingredients. But there are also permissible options—thickening agents, emulsifiers, even caffeine—that may be added, if the manufacturer chooses. But they won't be in the Code. So they might be in the food, or they might not. You have no way of knowing.

What other labeling requirements can be found in our hodgepodge of laws? The Department of Agriculture, which shares jurisdiction with the FDA in certain areas, has standards for some meat-containing products. Hot dogs, for example, may contain no more than 30 per cent fat. Chicken noodle soup must contain a minimum of two per cent chicken. If a product does not meet the standard, it cannot be called by the "standard" name. For instance, if the chicken soup contains only one per cent chicken, manufacturers would have to call it something like "noodle soup with chicken."

Following a successful court battle with the frozen-food industry, the FDA has effected a similar regulation. Under the "common or usual names" rules, manufacturers of a few foods (frozen shrimp cocktail, for example) are required to list the percentage of the "valuable ingredient" (shrimp) on the label.

Alcoholic beverages have also fallen into the labeling loopholes. But this may be temporary. Recenty, the White House called upon two federal agencies to draft a proposal requiring partial ingredient labeling of all alcoholic beverages, both domestic and imported. The White House asked both agencies to move quickly. The labels will have to list such additives as artificial colors, flavors, preservatives and clarifiers.

The compromise is an attempt to end several years of bickering between the FDA—which sought labeling of all ingredients—and the Treasury Department's Bureau of Alcohol, Tobacco and Firearms, which sided with the liquor industry in wanting none. In early 1975, the FDA and the Bureau jointly issued a proposed regulation for full ingredient labeling. The next November, however, after a series of hearings, the Bureau withdrew its support.

"We felt the cost (to manufacturers) was excessive in relationship to the benefit to be received," a Bureau official said. The liquor industry, in fact, exerted tremendous pressure against the proposal, claiming that it would cost too much and that it would force them to disclose trade secrets.

Thirteen days after the Bureau pulled out, the FDA reissued the proposal, insisting it had the authority to do so. Eight distilleries and three trade associations filed suit, contending that the Bureau had exclusive jurisdiction over the labeling of alcoholic beverages. A federal judge in Louisville, Kentucky, agreed, ruling against the FDA.

The FDA asked the Department of Justice to appeal the judgment. The Bureau asked the Justice Department to let it stand. The Solicitor General, not knowing who his "client" was, turned the matter over to the White House for a policy decision. And the White House decided in behalf of the consumer, asking the two agencies to draft a labeling proposal.

Nutritional labeling, another area of the law, is required by the FDA when nutrients are added to a food ("fortified" cereals, for example) or when nutritional claims are made on the label or in advertising. But nutritional labeling also can be extremely deceptive. The very presence of such labeling (which includes calories, protein, carbohydrates, vitamins, fats and number of servings) may lead people to assume a product is nutritious, simply because it's labeled. It may not be.

Most of the space of nutritional labeling is given to protein and a series of vitamins and minerals. Considering the dietary problems of Americans, what should be glaringly obvious are the levels of added sugar (which causes tooth decay, a $3-billion-a-year problem), sodium (which contributes to high blood pressure, hypertension and strokes) and saturated fat (which contributes to the number one killer—heart disease). The government doesn't require that sodium be listed on a label, but it should be for those who must limit their intake of salt. Sugar added by the manufacturer is often included with starch, fiber and naturally occurring sugars as "grams of carbohydrate per serving." Saturated fat can be found with other fats under "grams of fat per serving."

Kellogg's "Cocoa Krispies" now lists sugar as "13 grams per ounce." A more easily understood description would be "46 per cent sugar." Many hot dog labels list fat in grams. They should say, instead: "X per cent of the calories come from fat."

Another major problem with the current nutritional labeling is that most people (except, perhaps, nutritionists) ignore it. The jumble of figures is "information overkill." The FDA, concerned about this and other difficulties with nutritional labeling, has begun to study the subject. This means that substantial changes are probably at least five years in coming.

HOLD THE PASTRAMI

As deficient as the laws are, we can still learn some things from labels now. And we can protect ourselves from certain dangers by reading them carefully.

Avoid artificial colors and flavors. The colors are particularly questionable. Furthermore, many parents and physicians—most notably Dr. Ben Feingold of the Kaiser/Permanente Medical Center in San Francisco—believe that artificial colors and flavors (also BHT and BHA) contribute to hyperkinesis, or hyperactivity, in some sensitive children. Though reliable studies are difficult to perform, some have lent scientific support to more informal observations.

Feingold, a pediatrician and allergist, first connected hyperkinesis with synthetic food colorings and flavorings in 1965. He began experimenting with hyperactive children, eliminating artificial additives from their diets—as well as natural salcylates, found in many fruits and vegetables—and saw remarkable changes in behavior and personality. His diet has not worked in all cases, however. He told a Senate health subcommittee a few years ago that his success rate has been about 50 per cent—but, he says, that still translates into several million children.

Stay away from products high in sugar and fat. Avoid caffeine, especially in the first trimester of pregnancy, since it has been associated with birth defects in animals. (You know caffeine is in coffee, but did you know it is also in chocolate, cola, tea and "stay-awake" pills?)

Do not buy products containing sodium nitrite, especially bacon. The substance—found in ham, nearly all luncheon meats hot dogs and smoked fish—is added to retain color, enhance flavor and, according to the industry, prevent botulism. It can combine with substances in food or drugs called amines to form nitrosamines—one of the most potent families of carcinogens known. There is an increased danger with bacon: frying bacon produces nitrosamines before it is even eaten. Sodium nitrate will be listed on labels, unless you buy meat unpackaged at the butcher or delicatessen. Even the Department of Agriculture has acknowledged that nitrosamines cause cancer—and has advised the industry that, unless nitrosamines can be prevented from forming in bacon and other foods, it will ban nitrite. Meanwhile, you can either search for nitrite-free meats (often frozen) at natural food or health food stores, or give them up entirely.

There are some chemicals with foreign-sounding names that are safe. Among the harmless are calcium propionate, a bread preservative; citric acid, which is already found in every cell of the body; carboxy methyl cellulose, one thickening agent that runs right through the human system; and carotene, a coloring agent (often found in margarine) that is used by the body as Vitamin A—and is actually nutritious.

HONEST LABELS

What can we do to improve labels? First, we can make them more honest. How many times have you purchased a name-brand product (more expensive) over a supermarket brand because you believed the name brand to be of better quality? Often, they are manufactured by the same company. It should say so on the label.

If it's true that consumers risk botulism without sodium nitrite, shouldn't they know they risk cancer with it? A proposed label warning for bacon: "Contains sodium nitrite. When this product is cooked, chemicals are formed that may increase the risk of cancer."

The most important way to improve food labeling, however, would be to require prominent notices on the front of food packages when the sugar or fat content is above a certain level. Candy, cupcakes, sugared breakfast cereals and other high-sugar foods should be labeled: "This product contains —— per cent sugar. Frequent use contributes to tooth decay and other health problems."

Hot dogs, vegetable oil, mayonnaise and other high-fat foods should bear a similar warning, listing the percentage of fat.

America's high-sugar, high-fat, high-sodium and high-calorie diet contributes to some of the most prevalent, painful and costly health problems in this country, including—but not limited to—tooth decay, obesity, constipation, diabetes, stroke and heart disease. Educating the public through labels could go a long way toward reducing those health costs and prolonging lives.

We can learn something from the Dutch. A supermarket chain in the Netherlands recently began using nutritional labels using graphics so simple that even children can understand the information. A circle indi-

cates the useful nutritional components in the upper segment and the calories in the lower segment. Anyone who wants a wholesome, low-calorie food will buy the "top-heavy" products. The labels also show vitamin and mineral content, grams of fat, protein and carbohydrates and the number of calories per serving.

Another good idea is placing an easily recognizable symbol on all products containing artificial colors and flavors, so that when shoppers see it on an item, they will leave it on the shelf.

An additional approach could be the "Nutrition Scoreboard" grading system, which evaluates a food's overall nutrition. A serving of orange juice, for example, would have a score of "62," while a bottle of soda pop would score a "—91."

The Consumer Food Labeling Act (H.R. 2180), proposed by Benjamin Rosenthal, would do much, as Rosenthal says, to close the "still widening gap between the ability of government to protect consumers and the ability of some segments of the business community to abuse them."

The measure would require:

That food makers show on their labels all ingredients by percentage, including all additives and preservatives, by their common or usual names.

Nutritional statements, including fat content, vitamin and protein value, fats and fatty acids, calories and other nutritional data.

Listing the net weight and drained weight of canned or frozen products packed in a liquid medium.

Listing the major ingredients by percentage weight of any combination food item (existing food labels fail to show the exact proportion of one ingredient to another). Some brands of combination food items contain more of the major ingredients than others—for instance, some brands of beef than others.

Labeling of all packaged perishable and semi-perishable foods to show clearly the date beyond which it should not be sold and the optimum storage conditions at home. It also provides that overage products can be sold—but only if they are safe, separated from other items and clearly identified as being beyond the expiration date.

A uniform system of retail quality-grade designations for consumer food products based upon quality, condition and nutritional value, since there is currently no such system. As it is now, one product may be graded A, B, C and D, while another is AAAA, AAA, AA and A; hence the two A grades are opposites—not equals—but there is no way for the consumer to know.

Labels on foods, drugs and cosmetics to contain the name and place of business of the true manufacturer, packer and distributor. This would aid in the event of a recall—now difficult because hundreds of private labels and private-brand products do not bear this information. (According to Rosenthal, Bon Vivant vichyssoise was packed under more than 30 different private labels, without Bon Vivant's name appearing on one of them.) Secondly, private label products tend to be lower priced than their nationally advertised counterparts—although there is frequently no difference between them, and they are often made by the same company.

Disclosure by retailers (those with sales below $250,000 a year are exempted) of the unit price of packaged consumer commodities and that retailers mark the actual selling price on the product itself, regardless of the presence of computerized checkout systems.

That notices be printed by manufacturers, alerting consumers to ingredient changes.

Prohibition of the use of misleading product brand names.

Although the Senate has passed two food labeling bills in recent years, anti-consumer lobbying has grown intense on the House side, and the fate of the measure there is uncertain.

The Food and Drug Administration plans to hold public hearings on nutritional and ingredient labeling this winter. FDA Commissioner Donald Kennedy wants to see what he calls "a comprehensive strategy" set for increasing nutritional information available to consumers.

In the meantime, perhaps the best kinds of foods for consumers to buy are the ones that come without any labels at all—they're called fresh fruits and vegetables.●

HOW TO STOP INFLATION

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 10, 1978

● Mr. MICHEL. Mr. Speaker, the veteran journalist and political commentator, Vermont Royster, of the Wall Street Journal, has written a column that tells us much about our current economic difficulties and how to get out of them.

He uses three different cases—Germany in 1948, the United States in 1953, and France in 1958—and shows how courageous political decision can halt crippling inflation. The German economic "miracle" was not a miracle. It was, as Royster shows, the direct and inevitable result of decisions made by then-economics minister, Ludwig Erhard, to cut the government budget and remove wage and price controls. President Eisenhower's decision to lift wage and price controls in 1953 was greeted with shouts of alarm. But this decision and a no-nonsense Federal budget eventually brought inflation under control. General DeGaulle took similar courageous action in France in 1958.

Royster's point is clear: If a leader and his people have the will to take tough steps, inflation can be halted. If not * * *? Royster leaves the answer to that question to all of us.

At this point I want to insert in the RECORD "A Thrice Told Tale," by Vermont Royster, Wall Street Journal, May 10, 1978:

A THRICE-TOLD TALE

(By Vermont Royster)

Since World War II there have been three dramatic examples of countries halting inflation just when it appeared it couldn't be stopped—once in West Germany, once in France and once in our own country.

Taken together their stories make a thrice-told tale. In each case the measures used to end inflation were basically the same. Each time their application required a bold political decision. Each time there was a particular political circumstance that made those measures politically acceptable.

It's instructive right now, I think, to recall how in each case this came to be and what the results were.

The architect of what's now called the "German miracle" was Ludwig Erhard, then the economics minister. Against the counsel of the American occupation authorities in 1948, Erhard persuaded a somewhat reluctant Chancellor Adenauer to remove all wage and price controls and drastically cut the government's budget, including much social welfare spending.

Within a year inflation was stopped, the German mark had become a "hard" currency and its economy was launched on the prosperous expansion which has not yet ended.

Two factors made the Erhard measures politically possible. One was simply the fact that Germany was a defeated nation with its economy in ruins; things could hardly get worse. The other was the German tribal memory of the disastrous inflation of the 1920's which had destroyed the currency, wrecked the country and opened the way to Hitler. Anything, the people thought, but that again.

In 1958 France was in political turmoil. The Indochina war had been lost, the country was near civil war over Algeria and the economy was racked by inflation. To buy a pair of shoes you counted out francs by the thousands. In desperation the country turned to de Gaulle.

The general was no economist but he did understand that if France was to be restored to "glory" it required restoration of the French franc. In his memoirs he tells how Jacques Rueff persuaded him, against the advice of his political staff (including some in the Bank of France), to accept officially the devaluation of the franc that in fact had already happened, to chop zeros off the old franc and issue new ones, and to match that with sharp reductions in the subsidies to national industries and other budget items.

In the general's words these measures were "audacious and ambitious" and presented "political obstacles." But because the situation was so desperate, and because de Gaulle was de Gaulle, the country accepted the seemingly Draconian measures. In the next three years France saw a sharp drop in both the rate of inflation and unemployment, an end to its balance of payments problems and an increase in both industrial and agricultural production.

The situation in this country in 1953 was nowhere near so dire. Nonetheless, in the four preceding years the dollar had lost some 10 percent of its purchasing power in the official statistics, more if you take into account the black market prices masked by the price controls that were creating shortages in ordinary trade channels. With growing deficits swollen by the Korean war, the rate of inflation was increasing.

It was in this atmosphere that President Eisenhower, less than a month in office, abruptly lifted price and wage controls amid outcries that this would send prices through the roof.

He also set about cutting the budget. President Truman's last budget (how tiny the figures seem now!) called for expenditures of $78.6 billion and a deficit of $9.9 billion. President Eisenhower's first budget cut expenditures to $67.5 billion and the deficit to $3 billion.

At first the inflation did continue. Between January and August 1953 the consumer price index rose from 113.9 to 115.0, or an annual rate of about 4 percent. But one year later, in August 1954, the CPI stood unchanged at 115.0. Economic activity also dipped at first before resuming its progress at stable prices.

There are two common denominators to make these a thrice-told tale. In each, the measures taken to halt inflation involved shunning artificial economic controls and the application of fiscal and monetary restraint. In each, circumstances made them for the moment politically feasible; in 1953 Eisenhower was a new President of much prestige and people had temporarily "had enough" of controls and inflation.

I wish these tales all had happy endings. Unhappily, even in West Germany the memory of past inflation horrors has faded somewhat and the government is having more political difficulty in restraining it, al-

though by current standards the German inflation rate is a modest 3.5 percent.

In France it did not take long after the disappearance of de Gaulle for the old political pressures to reassert themselves for bigger government spending and monetary expansion. The European Economic Commission estimates that this year France's inflation rate will top 7 percent.

Our own story hardly needs laboring. The combined pressures of spending for the Vietnam war and the programs of the Great Society pushed us into double-digit inflation and (to the shock of Keynesians) also to skyrocketing unemployment. After a brief surcease the inflation rate is again creeping up. Just last week Charles Schultze of the Economic Council belatedly conceded it would be 7 percent; other fearful forecasts run higher.

The moral of these thrice-told tales, if you must have one, is quite simple. Inflation can be halted. It requires no magic. But it does require the political will to do it, both by the political leaders and the people themselves. If President Carter has the will to cut the $60 billion deficit, and if the people support him, it can be done. If not. . . .●

REAL PEACE IN THE MIDDLE EAST

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 10, 1978

● Mr. CRANE. Mr. Speaker, one of my first acts after my election to Congress in 1969 was to travel to the Middle East. During that trip I came to understand the Israeli refrain that the Arabs could lose a thousand wars but Israel can not lose one.

This past January, I again traveled to the Middle East and had the honor of meeting with both President Sadat in Aswan and Prime Minister Begin in Jerusalem. Both men seem dedicated to the proposal that a settlement in the Middle East is not only essential for the survival of the nations, but a prelude to peace in the world. A recent Harris survey showed that 68 to 22 percent of the American people are convinced that Israel genuinely wants peace in the Middle East, and by 70 to 17 percent they think Egypt really wants peace. There appears to be, at least in the eyes of the American public, a perception that peace is today a real possibility.

In an eminently good public relations move, Egypt's Sadat properly has been given credit for his peace initiative, but after that he stops short. In contrast, Mr. Begin has made proposals and said that everything is negotiable except Israel's survival as a nation and as a people.

Mr. George Will's recent column is a welcome breath of fresh air as he assesses the present situation with candor and openness. Changing the role of the characters, as the Carter administration is attempting to do, will only confuse the plot, place Israel in a precarious situation and endanger that opportunity for peace. In a capsule analysis, Mr. Will presents the "real 'obstacles' to peace" in the center stage of the world. I wish to share with my colleagues Mr. Will's observations.

THE REAL "OBSTACLES" TO PEACE

(By George F. Will)

The Carter Administration has focused its moral microscope on the Middle East and decided that Israel, which for 30 years has sought negotiations with its neighbors, and has received from them four wars, is an obstacle to peace. The Administration has been erratic, but consistently wrong. It was wrong to put the misnamed "Palestinian issue" at the top of the agenda, wrong to try to install the Soviets as peacemakers, wrong to court the extremists, Syria and the Palestine Liberation Organization, and wrong to press for a "comprehensive" peace process that would give maximum leverage to extremists at the negotiating table. By branding Menachem Begin an obstacle to peace, the Administration now has rewarded the intransigence of Egypt's Sadat and Jordan's Hussein, and has nourished their hope that the U.S. will extort from Israel what they have been unable to win in battle and are unwilling to discuss in negotiations.

THE PALESTINE MANDATE

The Administration says the burden is on Israel to bribe Sadat back to the negotiating table. But Israel has put on that table a proposal for concessions in the Sinai more sweeping than any previous Israeli Government ever proposed. Sadat, who has no standing to negotiate about anything *but* the Sinai, refuses to negotiate until Israel makes concessions about the West Bank. Unwilling to admit that Sadat's intransigence is the *only* obstacle to negotiations about the Sinai, the Administration calls Israel intransigent about the West Bank. But Hussein is the *only* obstacle to West Bank negotiations. There also is confusion about the legal status of the West Bank, the way U.N. Resolution 242 applies to it, and Israel's right to police it. Eugene Rostow, Yale law professor and former Under Secretary of State, says:

"The West Bank and the Gaza Strip [unlike the Sinai] are not recognized territories of any sovereign state. They are parts of the Palestine Mandate, an area which until 1946 included Jordan, Israel, and the territories in dispute between them . . . . The mandate is a continuing trust of an international character, like the mandate for German Southwest Africa, now called Namibia. The continued vitality of the Palestine Mandate as a trust is confirmed by Article 80 of the U.N. Charter and the most recent advisory opinion of the International Court of Justice in the Namibia case.

"The territory of the mandate *is* Palestine, and those who have the right to live there are 'Palestinians'—Christian, Muslim, and Jewish alike. Jordan held the West Bank as the military occupant between 1948 and 1967 after a war of aggression. Although Jordan sought to annex the West Bank in 1951, only two countries recognized that annexation. None of the other Arab states has recognized Jordanian sovereignty there. Israel's claim to the area under the mandate is at least as good as that of Jordan; some experts consider it to be better, because Israel occupied the area in 1967 after a war of self-defense. I myself transmitted the Israeli message to Hussein in 1967, promising him immunity if he did not join the Six Day War. If he had stayed out of the war, he would hold the West Bank and Old Jerusalem today."

Israel has never tried to annex the West Bank. For demographic reasons it could not do so and remain a Jewish state. And the Administration is simply wrong in saying Israel's West Bank settlements are "illegal." The mandate is an international trust for the benefits of Jewish as well as Arab inhabitants of Palestine, and Israelis have a right to settle there until Israel and Jordan negotiate disposition of the territory.

A PROBLEMATIC CONCEPT

Resolution 242 anticipates negotiations between the only states concerned, Israel and Jordan, and requires changes in the 1967 lines to provide "secure and recognized" borders. Sadat says, as Arabs always have, that 242 requires Israel to retreat to the 1967 lines. But 242 was painstakingly negotiated for five months in 1967, and Sadat's interpretation is inconsistent with the interpretation shared by all members of the Security Council that passed it. Sadat's policy amounts to asserting Jordanian sovereignty in the West Bank, which the U.S. has refused to do for 27 years. As Rostow says, "As a matter of justice and political judgment, Resolution 242 does not demand that Jerusalem be split again, and sealed with machine guns, nor does it drive Israel back to live in a coastal strip 10 miles wide whose outlines were fixed by nothing more rational than the battles of the first Arab-Israeli war in 1948."

Begin's opening proposal for negotiations calls for self-rule for West Bank Arabs, continuing Israeli responsibility for security, and review of all matters after five years. The Administration praised Begin's proposal in December but disdains it in March. Not surprisingly, Hussein refuses to negotiate. He has noticed that Sadat, who also refuses, is liked at the White House, and Begin, who longs to negotiate, is not liked.

Actually, Begin's West Bank proposal jeopardizes Israel's security because it does not even make self-rule (a problematic concept in any case) contingent upon border revisions that correct the irrational lines left by the 1949 armistice. Under Begin's proposals, sooner or later self-rule probably would produce a vote for complete independence; if Israel resisted, there would be violence and uproar; if Israel agreed, the entity would separate along Israel's 1967 borders, which are indefensible. Anyway, neither Hussein nor Israel wants an independent state there. Jordan has no legal right to the West Bank, and its behavior as the military occupant (its desecrations included paving roads with Jewish tombstones) vitiated its moral claims. But perhaps Israel and Jordan can negotiate modifications of the 1967 lines and the right of Jews to live in the modified West Bank entity, loosely associated with Jordan and linked economically with Israel. Until Hussein will negotiate, Israel must govern the West Bank.

APPREHENSION AND TURMOIL

Until 1967, the West Bank was like southern Lebanon, a source of terrorism. Today the Administration believes Israel is unreasonably determined to police the West Bank. The Administration should read the note Secretary of State Robert Lansing delivered to the Mexican envoy in Washington on June 20, 1916: "Bandits have been permitted to roam at will through the territory contiguous to the United States . . . The frontier of the United States . . . has been thrown into a state of constant apprehension and turmoil because of frequent and sudden incursions . . . It is unreasonable to expect the United States to withdraw its forces from Mexican territory . . . when their presence is the only check upon further bandit outrages."

When Hussein negotiates, Sadat will have to stop savoring his press clippings and start living up to them. Until Hussein negotiates, and to convince him that he must, the Administration should stop pressuring America's ally of shared values. In case the Administration can't spot it, it is the small democracy.●

"HEAVILY TILTED" ISSUES IN A TELECAST ON ABORTION

HON. CARLOS J. MOORHEAD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 10, 1978

● Mr. MOORHEAD of California. Mr. Speaker, a recent letter to the editor of the New York Times by Congressman HENRY HYDE, commenting on the CBS special of April 22, 1978, "The Politics of Abortion" has been called to my attention.

I believe the Members of the House will be interested in his remarks:

"HEAVILY TILTED" ISSUES IN A TELECAST ON ABORTION

To the Editor:

CBS tackled one of the most controversial issues since Dred Scott when it presented Bill Moyers's report on "The Politics of Abortion" on April 22.

The program underscored the inadequacy of treating a complex topic in one short hour, less, of course, commercial interruptions. I suppose it is fair to assume Mr. Moyers's end-of-the-program summary (which seemed to accept the proposition that prolifers seek to impose their peculiar religious beliefs upon a secular society) was dictated by the necessarily superficial exploration of the issues.

The scenes of violence at abortion clinics, marchers and sit-ins were certainly interesting, but the enormously important philosophical and legal issues were heavily titled against the pro-life forces.

For example, an interview with an abortion clinic operator evoked the comment that "you can't legislate morality," accompanied by his citation of Prohibition as a sorry example of the last time Congress tried it.

I expected Mr. Moyers to ask him what he though the Civil Rights Act of 1964 was all about—whether the clergy marching at Selma or the boycott of lettuce and grapes were in violation of the First Amendment.

Why didn't anyone ask whether the Abolitionists who fought slavery were illegally trying to impose their theology on the nation?

Aren't moral perceptions contained in our country's founding documents? ". . . All men are created equal, and are endowed by their Creator with certain inalienable rights . . ."? Does this language violate the wall of separation between church and state?

What basis supports President Carter's global human rights crusade if not a moral view of the dignity of all men everywhere?

It is unscientific nonsense to deny the fact that the beginning of human life is a biological question. The Fifth Commandment tells us, "Thou shalt not kill," but biology rather than theology teaches that fetus is human life. Even Planned Parenthood literature used to admit this fact. The medical testimony in support of this is vast and overwhelming.

For all its effort, CBS failed to reach the bottom line, which, most simply stated, is: To deny a voice and vote to those who seek to infuse moral values into our laws is to leave naked force as the sole arbiter between right and wrong.

Did we learn nothing from the Holocaust?

HENRY J. HYDE,

Member of Congress, Sixth District, Illinois.

WASHINGTON, *April 25, 1978.*●

TAX REFORM AND THE NEED FOR CAPITAL INVESTMENT

HON. RICHARDSON PREYER

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 10, 1978

● Mr. PREYER. Mr. Speaker, I have an opportunity from time to time to meet informally with a group in my congressional district that calls itself the Economic Forum. This is a collection of business and professional men who see the strengths and weaknesses of our national economy from the vantage point of real life day-by-day activities. Within the group one will find a broad range of experience and philosophy but the prevailing attitude is one of goodwill and determination to learn how to handle our problems.

One of the most valued members of this group is W. R. Ludwick who is senior vice president and treasurer of Pilot Life Insurance Co. Bill Ludwick is a sound businessman who approaches economics with the attitude of a practitioner-scholar and without the burden of rigid ideology or narrow focus.

This past Sunday the Greensboro, N.C., Daily News carried a thoughtful column by Bill which expresses some solid thinking about how to make our free enterprise system work in the context of 1970's conditions. These are views that have been brought to the attention of some of the leadership of this House already and which are deserving of attention from all of us.

The article follows:

TAX REFORM AND THE NEED FOR CAPITAL INVESTMENT

(By W. R. Ludwick)

For two months the House Ways and Means Committee has been accepting testimony from interested individuals and groups about tax law changes. Senator Goldwater has said that the tax laws should be abolished and rewritten. President Carter said that our tax laws are a national disgrace.

Unfortunately, too few of those who criticize our tax laws recognize the fundamental problem is that the laws have a bias in the direction of consumption and against saving. This bias (which traces its origin to the "Great Depression") in combination with the distorting effects of inflation (which traces its origin to the "guns and butter" philosophy of the Johnson administration) has brought the U.S. economy to a critical juncture.

The future of our private enterprise democracy may be determined by whether we continue to rely on conventional macroeconomic approaches or have the courage and wisdom to adopt an innovative program that will, with patience and effective leadership, attack our structural problems.

The Carter tax reduction and reform proposals, while good in some respects, will do little more than provide temporary relief. Cutting taxes a little, making a large federal deficit a little larger, expanding public service jobs without much attention to their productivity and adjusting monetary policy a little may add some life to the economic expansion, but these actions will not bring about the large increase in outlays directed to research and new industrial plants that are needed to create jobs and permit improving living standards.

A high and accelerating rate of inflation makes the adoption of new policies more difficult, but the inflation problem cannot be solved without the adoption of appropriate new policies. While government monetary policies are the original cause of inflation (rising prices and wages are symptoms of inflation not causes), monetary policies cannot stop inflation in a politically and socially acceptable way in the short run once inflation becomes well established.

Inflation can be reduced over time by (1) appropriate monetary and fiscal policies; (2) intelligent conduct by the public as consumers and citizens; and (3) tax laws that encourage production, saving, and investment so that supplies and productivity increase. This last point may be the best and only true long-run antidote to inflation.

Over the last decade, compensation per man hour has increased roughly 110 percent while output per hour is up less than 20 percent. Consequently, unit labor costs rose four times more rapidly per year on average between 1967 and 1977 than from 1957 to 1967. The Vietnam war-induced inflation caused labor to increase demands to protect real incomes and the bottom line effect was a decline in real economic profits. The following table shows the Commerce Department's estimate of real after tax economic profits for each year from 1960 through 1976:

Real aftertax economic profits, nonfinancial corporations

[Billions of dollars]

1960	26.7
1961	26.0
1962	34.3
1963	38.0
1964	45.1
1965	52.4
1966	54.4
1967	50.1
1968	46.6
1969	38.3
1970	26.7
1971	30.0
1972	38.5
1973	33.4
1974	14.7
1975	39.5
1976	36.2

Paralleling the decline in real economic profits since 1966 has been a decline in real business fixed investment relative to real gross national product. Surveys indicate that while the American people overestimate the level of business profitability they do recognize that adequate profits are essential if business is to grow, create jobs and provide good products and services at reasonable prices. As stated previously, our tax system is biased toward consumption. All of us face the choice of whether to save some of our after-tax income or spend it all, and the fact that the interest or dividends or capital gains we anticipate receiving from our savings will be subject to further taxation tends to push us, at the margin, toward current spending.

Our income tax system does not recognize the inflation "premium" in wage increases and investment earnings which results in overtaxation. A similar confiscation takes place when capital gains are realized. This is a powerful incentive to spend rather than save current income—and not only current income but accumulated savings from the past as well.

What might the American people encourage Congress to do?

1. Individual income tax—as a minimum, adjust tax rates to offset inflation effects. A better approach would be to consider a change from income taxes to consumption or expenditure taxes. The tax laws should en-

courage individuals to seek to produce more to earn more rather than function as a disincentive to income generation.

2. Corporate income tax—economists have debated about who pays this tax—the customer or the stockholder—but in a recent paper, a noted economist of MIT, Dr. Thurow, presents a strong case that the corporate income tax is a cost of doing business like other business expenses and is in the price of the product paid by the customer. Therefore, if the corporation is to be a collector of taxes from the public, the tax law should have a neutral effect on business so that corporate decisions will be business influenced and not tax influenced. Acceptance of this approach could lead to replacement over time of the corporate income tax with value added or similar taxes. In the interim, the corporate income tax rate should be steadily reduced and the investment tax credit should be liberalized and extended to investments in structures.

3. Double taxation of dividends—interest charges are tax deductible but dividend payments are not. This has resulted in undue reliance on debt financing as opposed to equity financing. Phase-out of the corporate income tax would end this problem. A simple and immediate solution would be a ruling to treat dividend payments the same as interest payments. There are other more complex proposals to solve this problem being debated.

4. Capital taxation—capital gains taxes reduce capital mobility. Capital mobility is essential to provide funds for new enterprises and expansion of existing enterprises. The National Bureau of Economic Research has just released a study that concludes the capital gains tax laws result in confiscation of capital particularly for lower and middle income sellers of assets. An example can be cited of a homeowner who retires, sells his home and moves to an apartment. Uncle Sam takes his tax bite from the gain on the sale of the house although the gain may be made up mostly from inflation and comes at a time when the retiree may have to consume his capital to meet inflated living costs in the years after retirement. The authors propose that the cost basis of an asset should be increased based on the inflation that occurred during the period the asset was owned. Another proposal to increase investment and capital mobility is to defer taxes on realized capital gains if the gains are reinvested. *Real* gains would be taxed but only when the gains were used in consumption.

Admittedly, some of these changes represent a major departure from past practices but that is what the times require. President Kennedy proposed the use of the investment tax credit, corporate tax cuts and accelerated depreciation in the early 1960's and a very favorable economic period ensued with relatively stable prices, rapidly rising real incomes and profits, and stable unit labor costs. Increases in government revenues quickly made up the lost revenues that occurred temporarily because of the changes.

President Carter should be an innovative now. His image as a "populist" would aid him as some of the proposals may be perceived as too pro-capitalist by some. President Nixon with his anti-Communist image was able to go to China without generating concern about a sell-out to Communists. President Carter should be able to support these ideas without being accused of a sell-out to special interests.

Tax reduction and reform directly affect the revenue side of the federal budget. The spending side requires some innovative proposals as well as a new perception by the voter. In recent years there has been an inflation and recession related explosion of government spending identified as transfer payments. Real direct spending of the federal government for goods and services has declined relative to real GNP but since 1969 there has been a major rise in transfer payments such as social security, unemployment compensation and medicare. It may have been a mistake to incorporate transfer payments in the general budget. As a means of drawing public attention to the source of budget deficits, a matching of revenue sources with spending obligations might prove constructive. Is it logical to borrow to make payments to individuals to be used for current consumption?

The budget committees of the House and Senate currently are developing the First Congressional Budget Resolution relative to fiscal year 1979 that begins October 1, 1978. Public confidence in the ability of government to get things done is at a dismally low ebb and Americans feel, generally, that they do not receive good value for their tax dollars. Our democracy requires that citizens do much more than vote so each of us may in some way be impeding the progress that we would like to see achieved in reducing the involvement of the federal government in our society.

The Carter administration, as have all recent administrations, has learned how difficult it is to bring about change, but the Congress has proven to be responsive to public opinion. The message to all of us must be that if there is to be reform, it is "we the people" who will bring about reform. The last president with strong "control" of Congress was Lyndon Johnson and the results were disastrous. We no longer have an "imperial" presidency; so the time has come for a rebirth of informed opinion among dedicated citizens who will with integrity and reason demand that the federal budget reflect only those expenditures essential to the maintenance of a viable, free society.

For too long we've heard it said the U.S. is going the way of Great Britain. It is time we took the actions to end the low profitability of many of our largest industries so important to the health and growth of our society. Failure to take action may well lead ultimately to nationalization as has occurred elsewhere in the world.●

A TRIBUTE TO BOB PRESCOTT

HON. BARRY M. GOLDWATER, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 10, 1978

● Mr. GOLDWATER. Mr. Speaker, Robert W. Prescott, a pioneer of the air cargo industry, a World War II fighter ace and founder and president of the Flying Tiger Line died, March 3, 1978, of cancer at his home in Palm Springs, Calif.

His wife, Anne-Marie, has written a fitting tribute to his memory, and I would like to share it with you:

BOB

That day, the light first met your eyes your motto was: "I can".
And in the process of your life you built a monument to man.

To all of us, whose life you touched you were a man about his job.
A noble soul, with humble heart "Don't call me Sir—my name is Bob."

You had a vision—and the mind that could grasp what lay ahead
And you walked with careless ease where angels feared to tread.

The meek are blessed, theirs is the Earth. You said, "That is not true;
The meek will only get what's left when men like I am through".

To match your dreams, you liked to bite off more than you could chew,
Knowing that if things not jelled your luck would see you through.

When illness struck, you kept your spirit and rolled the dice once more.
"Come Lady Luck, and show your smile the way you have before."
You fought your battle to the end not ever thinking you might die
And to every miracle prescribed you answered, "Baby, let us try."

When all the cures we found had failed and there was nowhere else to grope,
It was not your pain that made you weep but abandoning your hope.

Still—Who is greater in this world than that Man who tries.
His Soul will soar to victory even though he dies.

Your time had come—your Sun has set, the shadows paint the deep.
You lived your life—and did it well. Go to sleep my Tiger—go to sleep.●

TWENTIETH ANNIVERSARY AS LOCAL ANCHORMAN

HON. RICHARD T. SCHULZE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 10, 1978

● Mr. SCHULZE. Mr. Speaker, it gives me great pleasure to present to you and my colleagues today the accomplishments of one of the outstanding citizens of the Delaware Valley. Vince Leonard, the "Dean of Television Newsmen," recently celebrated his 20th year with KYW Television in Philadelphia. In those 20 years Vince has served those of us who live in the Philadelphia area as the coanchor of the nightly news, but more, as a civic leader.

Since coming to Philadelphia in 1958, Vince Leonard has become one of the most important influences on the city's news scene. His expert reporting has been matched only by his penetrating news analysis, his award-winning interviews, and his incomparable grasp of the community and its needs.

Though a native of Howard Lake, Minn., Vince considers himself a Philadelphian. He began his broadcasting career while in college at St. Cloud State College in Minnesota, and then moved on to Indianapolis as a radio newscaster. In 1954 when WISH received its television license, Vince Leonard became WISH–TV's first newscaster. In 1956 he was appointed news director for WISH–TV, but continued his job as anchorman. In 1958 Vince came to Philadelphia, and has considered our community his home since that day.

Although news has always been his specialty, he has also exhibited a talent for production of documentaries and special programs. Vince has served our country as well as the Philadelphia community by narrating literally hundreds of films for the U.S. Government includ-

ing films for all branches of the armed services and the Department of Commerce. In addition, many of you have undoubtedly heard his voice as he has narrated stereo records for the Smithsonian Institution on the Flight of Apollo II and another on the United States' early space achievements.

Vince's many years in broadcasting have been highlighted by numerous awards from organizations in many cities. To name a few, some of his awards have come from the 32 Carat Club of Philadelphia, Northeast Catholic Alumni Association, Valley Forge Boy Scouts Council, Italian American War Veterans, B'nai B'rith Women, and the U.S. Air Force. In addition, his exclusive interview with Senator BARRY GOLDWATER the year after he lost the Presidential election made front page news of many of the Nation's newspapers. Excerpts from the interview, filmed at the GOLDWATERS' home in Arizona, were shown on both the "Huntley-Brinkley Report" and the "CBS News" with Walter Cronkite. This was one of the few times in broadcast history that a locally originated story was used by competing network news programs.

Vince and his lovely wife, Frances Carole, are neighbors, friends, and constituents of mine in the Fifth District of Pennsylvania, and it gives me great pleasure to honor Vince before you today. He is one of the best, and I hope that he will remain in the Delaware Valley for many years to come.●

THE CARTER-BEGIN MEETINGS

HON. HAMILTON FISH, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 10, 1978

● Mr. FISH. Mr. Speaker, to many of us the confrontation between the Carter administration and the government of Prime Minister Begin is based on an unwarranted and unwise shift in U.S. policy, threatening our fundamental congruent interests in the Middle East. Out of the public disagreement, however, has developed a perception of Israel as the intransigent party to concluding peace negotiations. Central to this perception is a general confusion over the applicability of U.N. Resolution 242 to the West Bank.

A recent address by Yale professor and former Undersecretary of State for Political Affairs, 1966–69, Eugene V. Rostow explores the crisis between the Governments of Israel and the United States and in a scholarly manner analyzes Resolution 242. I commend these remarks to my colleagues at a time of great concern with these issues.

The address follows:

THE CARTER-BEGIN MEETING

(By Eugene V. Rostow)

The talks between President Carter and Prime Minister Begin have precipitated a crisis in world affairs—a crisis for Israel, for the free world, and for the foreign policy of the United States. At this point, all one can do is to raise questions, and try to define both the real issues and the nominal issues. The questions I wish to pose are grave.

I suggest that the differences which arose between President Carter and Prime Minister Begin in their meetings last week were the nominal issues of the crisis, not the real ones. I incline to the view that those differences were the excuse for the public disagreement between Israel and the United States, not its cause.

Starting late in 1976, both in Israel and in a number of significant interviews with the American press, Dr. Brzezinski has been predicting a confrontation between Israel and the United States, a parting of the ways. These warnings were issued long before Prime Minister Begin took office, and therefore had nothing to do with the policies Begin defended in Washington a few days ago. At that time, no one could have anticipated President Sadat's historic trip to Jerusalem, and the vitally important opportunities for peace that trip created. The Carter Administration had to approach its goal of disengaging from Israel in zig-zags, Dr. Brzezinski explained, as if it were climbing a mountain, because each step towards its objective precipitated a violent reaction among the friends of Israel in the United States, whom he identified as the American Jews.

Why, one may ask, were these warnings issued so insistently, and so often?

Is the United States seeking to placate Arab opinion in the hope of avoiding trouble in the realms of oil and monetary affairs? Since the Administration has not yet proposed realistic programs for energy independence, and for restoring the strong and coordinated world monetary system which is now floundering in ruins, the question is a natural one.

Is the move part of a strategy for containing Soviet expansion in the Middle East and Africa—a problem the Administration has just started to acknowledge, after months of pretending that the Soviet Union is not the central problem of our national security? Here too the Administration position is inadequate. Its military budget proposals are too small to restore our deterrent strength, both nuclear and conventional. It is about too offer the Senate a disastrous SALT agreement. And it has failed to rebuild the solidarity of our alliances, and to develop our promising relationship with China. In that context of drift, weakness, and retreat, how could a policy of disengaging from Israel contribute to the strength of a program for containing Soviet expansion? Why should the Administration believe that it can improve our position vis-a-vis the Soviet Union by weakening and punishing our one sure ally in the Middle East, which is also the strongest military power of the region? How can it believe it can increase our influence in the Mediterranean without restoring the deterrent strength of the Sixth Fleet? The New York Times recently reported a comment by King Hussein to the effect tnat he was staying out of the peace talks because the Soviet military presence in the Eastern Mediterranean is stronger than ours.

The policy of the Administration towards Israel, as Dr. Brzezinski has described it so often, seems misconceived, and inconsistent. It cannot offer any more promise of success than other programs of appeasement and feebleness.

Let me come now to the nominal issues of the dispute.

At this moment, Western opinion in general, and American opinion in particular, are convinced that Israel is stubbornly blocking the possibility of peace. The code word always used in this connection is "intransigent." Israel, we are told everywhere, is intransigent, and is refusing to take "historic risks" for peace.

Let us examine the record.

The peace making process is necessarily governed by Security Council Resolution 242, adopted after the Six Day War, and Resolution 338, adopted after the Yom Kippur War of October, 1973. Resolution 338 makes Resolution 242 legally binding on all members of the United Nations, and declares that peace should be achieved by the direct negotiation of the parties.

The real obstacle to peace now is that Egypt has only accepted one-half of Security Council Resolution 242.

Resolution 242 has two fundamental features. The first is that Israel need not withdraw from any occupied territories until peace has been made. Egypt has now accepted this provision of the Resolution, which derives from the experience of the 1957 agreements among Israel, Egypt, and the United States. Under those agreements, Israel withdrew from the Sinai in exchange for a number of Egyptian promises. Of these, the most important were that the Strait of Tiran and the Suez Canal would be open to Israeli shipping, and that peace would be made. These promises, I need hardly add, were not kept.

The second central feature of Resolution 242—which is of equal importance—is that Israel should withdraw to secure and recognized boundaries established by the direct negotiation of the parties. Those boundaries need not be the same as the Armistice Demarcation Lines of 1949, as the Armistice Agreements themselves provide. This interpretation of the Resolution was accepted by all the members of the Security Council at the time it was adopted. Some wished that the Resolution had provided for the total withdrawal of Israel to the Armistice Lines, and many amendments were proposed to achieve that end. They were all rejected. Until now, American policy has been firm on this fundamental point. It is being resisted still by Egypt and other Arab states, which are trying to persuade the United States to force Israel to agree to total Israeli withdrawal to the Armistice Lines in exchange for peace.

Since Israel has offered to return the whole of the Sinai to Egyptian sovereignty, subject to security arrangements affecting a small area, the issue is not of direct importance to Egypt, except as part of its policy of using its influence in behalf of the Palestinian Arabs.

The main reasons why the United States, Great Britain, and other nations insisted on this second key provision of Resolution 242 in 1967 are the perculiar legal position of the West Bank and the Gaza Strip, the division of Jerusalem before the Six Day War, and the special security problem of the Golan Heights.

The Resolution contains other provisions of importance—those calling for special security arrangements, including demilitarized zones; guaranties of passing through the international waterways of the region; and a just settlement of the refugee problem.

As our government has rightly said, the Security Council Resolutions apply to all the Armistice Demarcation Lines. On this point, Israel agrees. But the legal status of the Sinai and the Golan Heights is different from that of the West Bank and the Gaza Strip. The Sinai and the Golan Heights are generally recognized as parts of Egypt and of Syria. The West Bank and the Gaza Strip, on the other hand, are not recognized territories of either Jordan or Israel. They are unallocated parts of the Palestine Mandate, an area which until 1946 included Jordan, Israel, and the territories now in dispute between them. The Mandate is a continuing trust of an international character, like the Mandate for German South West Africa, now called Namibia. It continues until all its terms are carried out. Under the Mandate, Israel has the right to make settlements in the West Bank; its right to do so in Trans-Jordan was suspended in 1922.

Jordan held the West Bank between 1948

and 1967 as the military occupant after a war of aggression. It sought to annex the territory in 1951, but only two countries recognized the annexation. No Arab country has recognized Jordanian sovereignty there. Israel's claim in the West Bank is at least as good as Jordan's; some legal experts consider it to be better, because Israel occupied the territory in 1967 in the course of a war of self-defense. I myself passed an Israeli message to the Jordanian Ambassador in Washington in 1967, promising Jordan immunity from the war if it stayed out. If King Hussein had heeded that message, he would hold the West Bank and Old Jerusalem today.

According to Resolution 242, Jordan and Israel are to reach agreement on the future of the area, and make a just and durable peace. But King Hussein now flatly refuses to joint in the negotiating process initiated by President Sadat's visit to Jerusalem. There is therefore no one with whom Israel can negotiate the future of the West Bank, and the making of peace. Until King Hussein changes his mind, and makes peace, the issue of Israeli withdrawal from the West Bank cannot arise under Resolution 242.

What then is the dispute between Israel and the United States about?

In the first place, we are pressing to obtain Israeli agreement to a Declaration of Principles about peace making, on the basis of which, we hope, President Sadat will consent to make peace with Israel. Since Resolution 242 *is* a declaration of principles to guide the peace making process, it is not apparent why a new Declaration is necessary. But President Sadat deems such a Declaration desirable politically, and there would be no harm in it if it does not go beyond Resolution 242 itself. The difficulty, however, is that in negotiating the Resolution the Egyptians keep pressing to obtain a commitment to total Israeli withdrawal to the Armistice Demarcation Lines—that is, to have Israel and the United States recognize the Jordanian annexation of the West Bank which we have refused to do for twenty-nine years.

This is not simply a matter of law in interpreting Resolution 242, but of justice and of security. Resolution 242 does not demand that Jerusalem be split again, and sealed with machine guns, nor does it drive Israel back to live in a coastal strip ten miles wide whose boundaries were fixed by nothing more rational than the battles of the first Arab-Israeli war of 1948. The Resolution rests on a more generous concept of peace.

The ideal solution for the Palestinian problem is a special arrangement, hopefully a federation, between Jordan and Israel, based on an economic union between the two countries, the principle of freedom of movement for people and goods, free port facilities for Jordan at Haifa, and an appropriate regime for Jerusalem. Such a plan would rest either on an equitable partition of the West Bank, or on a condominium for the area. This has always been the goal of Israeli policy, and I believe it would be its goal today.

That outcome is not available, however, so long as King Hussein refuses to negotiate.

Therefore Israel has proposed a plan for self-rule for the Palestinian Arabs in certain areas of the West Bank, an end of military government, and the retention by Israel only of military and foreign policy responsibility for the area. These transition arrangements for self-rule would be consistent with an ultimate solution between Israel and Jordan, to be negotiated when King Hussein is ready. Such a settlement would finally establish the sovereignty of those areas of the Palestine Mandate for which sovereignty is still in suspense as either Israeli or Jordanian, or shared between them in a condominium.

The United States looks favorably on the general ideas of this plan. But it raises objections in two areas, which are the areas of disagreement between President Carter and Prime Minister Begin.

The first has to do with Israeli settlements in the West Bank, and also in the Sinai. Our government argues that Israeli settlement in the West Bank and in the Sinai are illegal, and should stop. Indeed, it is sometimes reported that our government favors clearing all the settlements out of the West Bank and the Sinai, although some have been there for years. And it has pressed Israeli hard to commit itself now to military withdrawals from the West Bank on certain unspecified contingencies which have not been made public.

On the first issue—the legality of the settlements—our government has never published its legal opinion, so that others could evaluate the cogency of its arguments. I have the impression that while the government recognizes the continued vitality of the Mandate as a "sacred trust"—it could hardly do otherwise—, it is relying on the Geneva Convention to support its thesis. The Convention, drafted for entirely different situations, prohibits a military occupant from driving out the population of the defeated sovereign, and replacing that population with its own. As I have noted, there is no recognized sovereign in the West Bank, and there are no expulsions of population either in the West Bank or the Sinai. I believe our government is wrong on this issue, certainly as to the West Bank, and probably as to the Sinai as well. This is not to say that Israeli flexibility of timing on the policy or settlements may not be desirable. Obviously it is. But that judgment is quite different from saying that the practice is illegal.

In any event, if Egypt and Jordan are distressed about the political implications of Israeli settlements in the West Bank or the Sinai, they can solve the problem quickly by making peace. Israel has said over and over again that its settlements can remain after peace is made even if the territories become Egyptian or Jordanian. Israel's concept of peace, it says, rests on the principle of mutual freedom among the people to own land in each other's country.

It is impossible at this point to define the second issue in dispute between President Carter and Prime Minister Begin. Our government lets it be known that Israel is refusing to admit the applicability of Resolution 242 to the West Bank. In his Press Club speech, Prime Minister Begin said:

"The Government of Israel has accepted Resolution 242 as the basis for negotiations between us and all our neighbors. . . . We proved that we accepted Resolution 242 as a base for negotiations in the draft declaration of principles which we sent to Egypt and I would hope—I hope literally—on the basis of all the principles of the aforementioned Resolution 242 there will be withdrawal of Israeli forces from territories occupied in the conflict of 1967 and secure and recognize boundaries between which every state in the area will live in peace, free from acts or threats of force.

"This is the language of 242 and we have accepted it and we do accept it."

This statement did not calm the waters. The confusion about the nature of the dispute between Carter and Begin over the applicability of Resolution 242 to the West Bank is evident everywhere. Each Senator, journalist, or observer comes away from the authorities with a different version. I counted three in last Sunday's Times alone, and there have been several since. On Sunday, the dispatch from Cairo said that the United States was pressing Israel to agree to the complete evacuation of the West Bank by Israel, and a return to the Armistice Demarcation Lines. On the first page of the Week in Review, a summary article quotes President Carter as defining the issue as Begin's "unwillingness, unlike previous Israeli governments, to interpret Resolution 242 as obliging Israel to give back at least part of the West Bank of the Jordan River, and his rejection of any West Bank formula that would give the Palestinians a say in their future, if their choices were limited to Israeli, Jordanian, or international control." Tom Wicker, equally well briefed, says that Begin's interpretation of Resolution 242 makes it inapplicable to the West Bank. He says that Begin has made the return to Jordan of part of the West Bank "nonnegotiable," and ruled out the possible transfer to Jordan of the new autonomous Arab governmental unit in the area.

As I pointed out earlier, the territorial provision of Resolution 242 was primarily addressed to the situation of the West Bank and the Gaza Strip. It surely does apply to those territories. Why isn't Begin's formula, or a modification of it, adequate to permit President Sadat to go forward and make peace? Why hasn't the United States government made it clear to President Sadat, with the same frankness it used toward Prime Minister Begin, that the Arab interpretation of the territorial clause of Resolution 242 is wrong, contrary to American policy, and an obstacle to peace?

I can see no reason why President Carter pressed the issue so hard at this time, unless he wanted to provoke a confrontation. King Hussein refuses to negotiate, so the issue is hardly ripe for decision. Begin's refusal now to accept a plebiscite five years hence is reasonable enough. Few such problems are submitted to plebiscite in international practice, as the controversies over Kashmir, Ogaden, and Biafra demonstrate. Suppose, in the event of a plebiscite, that there is a PLO boycott, or a write in vote? It would be hard to ignore. To promise a plebiscite in this volatile situation is a serious matter, not to be undertaken lightly. It is hard now to find a better procedure than that of 242—negotiation between Jordan and Israel, with some participation by West Bank leaders, and a fair solution for the area between those two Palestinian states?

All in all, I conclude that the confrontation between Israel and the United States is an unnecessary crisis which wise and prudent diplomacy should have prevented, and must now urgently overcome. It seems apparent that President Carter pressed Prime Minister Begin to answer speculative questions about withdrawal in possible future situations in which the security problem might be better or worse than it is today. Manifestly, Mr. Begin thought these hypothetical situations were beyond simple "Yes" or "No" answers. Under the circumstances, it is hard to understand President Carter's diplomatic procedure.

The United States has profound and far-reaching interests in the Middle East, geopolitical interests of a vital character. The Soviet Union is trying to outflank and envelop Europe from the South through the Middle East and Africa, separate us from Western Europe, and bring that area under its control. Our interests and those of Israel are congruent, and the same. None of our national problems in the area can be solved without a strong and friendly Israel, and peace between Israel and its neighbors.

What is at stake in the dispute goes beyond power politics to the nature of our being, and therefore to the nature of our foreign policy. Should the American government press any foreign government, and above all a small, friendly, beleaguered democratic government like Israel, to give up its rights and interests, and accept what it regards as genuine security risks, in advance of negotiations for peace, and the visible making of peace?

What happened last week was a serious

set back for American foreign policy. It can and must be corrected.●

THE TRAGEDY FACING MANY IN ASIA

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 10, 1978

● Mr. SIMON. Mr. Speaker, I was pleased to see the Vice President's pledges of support for the refugees, when he was in Southeast Asia recently.

Obviously, the United States has special responsibilities here.

A recent story in the New York Times tells very graphically why the United States and other nations ought to be doing more to provide assistance to desperate people.

I hope my colleagues, who may not have seen this original story in the New York Times by Andrew H. Malcolm, will read it.

[From the New York Times, Apr. 24, 1978]

ROAD FROM VIETNAM TO NEW YORK IS A CRUEL ONE

(By Andrew H. Malcolm)

TOKYO, April 23.—Nguyen Yen Linh is a 22-year-old Vietnamese refugee who went through three months of secret escape preparations, came under machine-gun fire from pursuing Communist police and bailed for her life in a sinking boat.

She watched a friend swim to his death and buried a brother and a sister at sea after more than 20 ships refused to rescue them all. For another nine months of gnawing uncertainty, Miss Nguyen waited here, and a Japanese official suggested she might be returned to Communist authorities.

But now, despite overcoming all these obstacles, Miss Nguyen is scared—she is about to settle in a very strange and foreign place called New York.

"Oh, I'm so frightened and worried," she said. "I don't know where we'll live or if I can work or get medical care or how to get around there. I don't know anything about New York or the United States, so I don't sleep so much at night."

JAPAN'S POLICY APPEARS TO SOFTEN

Relief workers have estimated that one Vienamese refugee dies at sea for every one who survives, partly because larger ships frequently ignore pleas for help. Larger ships with refugees aboard have incurred costly delays when Asian governments have refused requests that the refugees be allowed to land.

More than 1,230 refugees have arrived in Japan, which will not accept any for permanent settlement. The Japanese Government appears to be easing somewhat its rule requiring another Government to promise to accept refugees before they can debark in Japan. But Government officials, who have urged foreign reporters not to write about the Vietnamese here, say that there is no new policy and that the departure of refugees like the Nguyen family makes room for new arrivals.

THREE WEEKS ADRIFT

The Nguyens, like all the refugees, have been housed privately, usually in religious facilities. They receive $4.10 per person per day for food from the United Nations High Commissioner for Refugees. Clothing is donated by individuals.

"We wanted to stay here in Asia," Miss Nguyen said, "but the Japanese Government won't let us. We were surprised."

Within days, Miss Nguyen and 10 members of her family are to join about 1,500 Indochinese refugees who have already established new lives in New York. But before taking their first plane flight, she and her brother talked about the big city that will be home and the little boat that was home during three weeks adrift. Their names have been changed in this article to protect relatives in prison in Vietnam.

Miss Nguyen and her brother, Tro Co, 23, asked what New York looked like and were surprised to learn that Manhattan was an island. But they knew the buildings were tall. "I think," said Mr. Nguyen, "some are maybe 10 or 12 floors."

Where they will settle was determined, as it is for many refugees, by a personal tie. Miss Nguyen once worked in Saigon for Jimmy Lien, who now has a business in New York. He is helping sponsor the family, which numbered 13 when they and 11 other people set out last June from an inland river port.

Mr. Nguyen said they left from an inland port "because the Communists now watch all the coastal villages." Listing other precautions against getting caught, Mr. Nguyen said, "never buy more than one tank of gas at a time. And never, never buy canned foods. That's what they watch for. The Communists make everyone prove themselves to the new Government. So if you report someone preparing to escape, then maybe you get more rice or your child into school."

ENGINE FAILS AND BOAT LEAKS

They left in their 30-foot craft at night and reached the ocean by dawn. A police launch, firing a machine gun and later a grenade launcher, chased them but was too slow. The refugees headed for Singapore, but the second morning, about 60 miles from shore, the engine failed and the boat began to leak.

For 18 days they bobbed helplessly, bailing continuously in 90-minute shifts. Waves washed much of their food and water overboard. On the sixth night, a freighter stopped 20 feet away. For three hours, enough time to check with a home office by radio, the ship sat there while the refugees shouted and pleaded and the crew looked down from the decks in silence. Then, the engines started and the freighter pulled away.

Crushed, everyone fell asleep and the craft almost sank. Frantic bailing saved it.

"We were all prepared to die," Miss Nguyen said, "but we weren't prepared for all the suffering." Twice a day each refugee ate one spoonful of rice. They trapped rainwater in raincoats but when it ran out, they drank the children's urine. Ship after ship passed, ignoring shouts and even a fire that they set in clothing aboard the boat.

BROTHER AND SISTER DIE

One day—they forget exactly when—one of the men cried: "There's a ship!" He jumped overboard and swam away, pausing once to turn and wave goodbye.

On the 16th day they caught some small fish and shared them. On the 18th day Miss Nguyen's 9-year-old sister died. On the 19th day her 11-year-old brother died. She said: "They were so hungry, you know, and thirsty and we were all wet all the time and cold and they just grew quiet and died."

On the 20th day, a Greek ship, the Krios, became the 23d vessel to pass. "We didn't even wave," said Mr. Nguyen. "We just watched it go and then went inside to die."

A little later, however, the Krios returned to rescue them. Crewmen donated clothing and food. The ship radioed requests for asylum to Taiwan and the Philippines but was refused. A call to the United States Naval base at Subic Bay in the Philippines went unanswered. And Japan refused to take the refugees until Greece promised to accept them if no one else would.

Today, the brother and sister said, the past is not forgotten but the future in New York City seems more frightening. "We are so worried," said Miss Nguyen, "but we can't cry anymore."

EMOTIONAL ATTACK

HON. ANDREW JACOBS, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 10, 1978

● Mr. JACOBS. Mr. Speaker, how about this for a Presidential campaign platform:

Vote for me and I'll smear those with whom you disagree.

Or would you prefer:

I . . . look upon every American as human beings to be loved and won.

Because of his height, naturally I have, at the very minimum, high regard for Senator LOWELL WEICKER.

One might wonder, though, if the starting gun for the following (inserted news article) long-distance jump to a ridiculous conclusion might have been fired in the fog of a sleepless night. It is the kind of nonsense that only makes sense during a stupor before the dawn.

Hitler spoke of world order. John F. Kennedy spoke of world order. Bernard Baruch spoke of world order and the "broad mandate under which we were created". Woodrow Wilson spoke of world order. Practically everybody who ever said a kind word about the League of Nations or the United Nations or international law spoke of world order.

That's a pretty motley "deja vu" unless you happen to believe that all cottage cheese is made in cottages.

Because of his instant and extemporaneous eloquence in defense of decent truth, Presidential counselor Robert J. Lipshutz is not unworthy of the memories of Edward R. Murrow and Elmer Davis.

For everyone who goes astray, someone will come to show the way.

I believe.

[From the Washington Star, May 9, 1978]

WEICKER'S EMOTIONAL ATTACK ON BRZEZINSKI

Sen. Lowell P. Weicker Jr., R-Conn., triggered an unscheduled debate with a White House aide last night when he charged that Zbigniew Brzezinski, President Carter's national security adviser, had "singled out American Jews as an impediment" to the administration's policies.

In an emotional dinner speech before about 800 members of the American Israel Public Affairs Committee, as well as government officials and congressmen, Weicker said:

"We know from history that time and time again when national leaders ran into difficulties, they found it convenient to blame their problems on the Jews. And we know what were the results.

"If there is a meaningful distinction between those historical proclivities, and the signals which Brzezinski is sending today, I don't know what it is."

Presidential counselor Robert Lipshutz, amid a mixture of boos and applause, rose to denounce Weicker's allegations, declaring he was "dead wrong . . . and he knows it."

Lipshutz, who was at the head table but not scheduled to speak, said that when Weicker "states that this administration is

following the pattern of tyrants and demagogues by blaming its problems on the Jews, the senator is dead wrong. The senator is unworthy of his audience, and he knows it and you know it.

"Any attempt to prey upon the emotions of the Jewish people is a disservice to the United States, to the state of Israel and to the cause of peace," Lipshutz declared.

Weicker, who is openly exploring a race for the 1980 Republican presidential nomination, received prolonged applause from the dinner guests when he said the Carter administration is "on a collision course with history, and Mr. Brzezinski is piloting the ship."

"He has made abundantly clear his view that the world order politics which he believes will replace balance-of-power politics requires that the U.S. disengage from its historical alliance with Israel," Weicker said.

"I can tell you if I were president, and I had a national security adviser who singled out American Jews as an impediment to my policies, I would have his resignation before sundown, and his reputation for breakfast."

Jerrold L. Schecter, a spokesman for Brzezinski, said last night: "These kind of false, inflammatory statements are unworthy of comment and are counterproductive for serious discussion of the Mideast problem."

Schecter noted that Brzezinski recently said that the U.S. commitment to Israel was "unshakable" and "deeply engraved in the fabric of our own society."

At the dinner Sen. Daniel P. Moynihan, D-N.Y., who followed Weicker, inserted several last-minute remarks supporting Brzezinski.

"I have known Zbigniew Brzezinski as a personal friend, as a fellow academic, and as a fellow Democrat through the administration of five presidents," said Moynihan in a speech that was generally critical of the administration's foreign policies.

"His integrity in these matters is as perfect as that of the president and the secretary of state."

Weicker said in his speech that "when people start talking about world order, I have a chilling sense of deja vu."

"The vision of a world order always seems to require that certain groups be trimmed off in the interests of orderliness and a neat package.

"Mr. Brzezinski has said this world order process in the Middle East must be a zig-zag effort because supporters of Israel and America will object to it. And the supporters of Israel in America, according to Mr. Brzezinski, are American Jews.

"It must follow, in his view, that if this vision of a new world order is thwarted in the present cockpit of world conflict, it will be because of American Jews and because of Israel." ●

ALDO MORO

HON. BALTASAR CORRADA

OF PUERTO RICO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 10, 1978

● Mr. CORRADA. Mr. Speaker, I am grieved and anguished by the cold-blooded assassination of former Italian Premier Aldo Moro. The senseless death of Mr. Moro must be firmly condemned by all civilized people around the world who believe that human life is sacred and that each human being is truly our brother. Those of us who are firmly committed to the principles of democracy, justice, progress, and peace will reject and condemn, now even with greater strength, the acts of fanatics and extremists who have no sense of compassion whatsoever toward the integrity and dignity of a fellow human being and who would unleash the forces of hate and irrationality to achieve their misguided and confused purposes. We mourn the death of Mr. Moro. From it we should remember a lesson from past and present history: only those who seek to construct a better world by creative and enlightened methods of economic and social reform will bring justice, progress, and peace to humanity. Justice, progress, and peace will never be attained by spilling the blood of others.●

ROMANIAN INDEPENDENCE DAY

HON. JAMES J. DELANEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 10, 1978

● Mr. DELANEY. Mr. Speaker, Americans of Romanian descent commemorate today, the 10th of May, as the triple anniversary of important events in the history of their homeland. At this time I would like to join with my colleagues in the Congress in paying tribute on this glorious occasion.

On May 10, 1866, the people of Romania ended a long period of domestic turmoil by proclaiming Carol, Prince of Hohenzollern-Sigmaringen, as the Bucharest Prince of their country. This made Romania a principality under Prince Carol, and she soon obtained her first constitution and introduced parliamentary government.

May 10, 1881 marked the coronation of Charles I as the King of Romania and the establishment of a kingdom by the will of the people. During the next six decades Romania was quite prosperous and served as a stabilizing force in the Balkans and the rest of Eastern Europe.

But the most important date, May 10, 1877, marked the day the Romanian people proclaimed their independence. Announced during the turmoil of the Russo-Turkish War, their independence was bought at a dear price on the battlefields south of the Danube where the Romanian Army defeated Turkish forces and severed all ties with the Ottoman Empire. This independence was affirmed by the Treaty of San Stefano and recognized internationally by the Treaty of Berlin of 1878. It is a sad irony that this independence was gained with Russia's aid; as it would be to Russia that it would be lost at the conclusion of World War II.

Today, the people of Romania are unable to celebrate their national day of independence. Instead they must observe May 9, the anniversary of the Soviet conquest to their homeland.

No arbitrary resetting of an anniversary observance imposed from without on these proud people will ever alter their hope or dream for freedom. Mr. Speaker, let me express my hope and prayer that one day true freedom as well as independence will become a reality for Romania and its people.●

"MR. FISH'S ILLEGAL ALIEN PROPOSALS"

HON. HAROLD S. SAWYER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 10, 1978

● Mr. SAWYER. Mr. Speaker, illegal entry into the United States and the presence of millions here now calls for a variety of responses by Congress. These must be tailored to the needs of border control and sensibly and humanly deal with those aliens already integrated into our society.

On August 7, President Carter's message to Congress stressed the need for increased personnel along our 2,000-mile border with Mexico, and sanctions against employers hiring illegal aliens. As to those here since 1970, the President proposed a two-tier "amnesty" which has not been widely acclaimed. S. 2252 embodies these recommendations and is currently the subject of hearings before the Senate Judiciary Committee.

On May 3, 1978, our colleague, HAMILTON FISH, JR., the ranking minority member of the House Subcommittee on Immigration, Citizenship, and International Law, on which I serve, presented his views to the Senators. While directing his attention to the provisions of S. 2252, Congressman FISH suggested additional steps based on his firsthand inspection of the Mexican/United States border that would help dry up alien smuggling.

He laid out as a companion step the creation of a documented temporary worker category to meet legitimate needs of American agriculture and industry while helping the economy of Mexico. Finally, Mr. FISH critically analyzes the President's two-tier amnesty proposal and unveils his own alternative—a merit system leading to permanent residency.

Mr. Speaker, I, too, am greatly concerned about our mounting illegal alien problem and I highly recommend to my colleagues the following thoughtful and learned testimony:

TESTIMONY

Mr. Chairman, Members of the Committee, I am pleased to appear before you to discuss this complex problem of illegal aliens. I have served as ranking Minority Member on the House Subcommittee on Immigration for the past four years. Our Subcommittee has considered legislation on aspects of the illegal alien problem three times, and the full House has passed legislation in the 92nd and 93rd Congresses. So we are familiar with the complexities of this problem.

I congratulate you on convening these hearings on S. 2252. Together I am sure we will be able to enact workable legislation to deal with this most pressing problem.

The views I will present today are my own, and not necessarily those of the rest of the Subcommittee. They are based on my legislative experience supplemented by a two-week fact finding trip I made to the Southwestern border early in January of this year.

In order to see firsthand the problems involved in the enforcement of our immigration laws along the United States/Mexican border, and to view the operations of the Border Patrol along the border, I traveled, together with members of the staff of the Subcommittee on Immigration, Citizenship, and International Law to the United States-

Mexican border. Beginning in El Paso, Texas, we visited Ciudad Juarez, Mexico, Phoenix, Tucson, and Nogales, Arizona, Sonora Mexico, and in California, San Diego, Chula Vista, and San Ysidro. We also visited INS offices in Los Angeles and San Francisco. This trip helped me to appreciate the practical problems faced by the INS as it attempts to enforce the statutes we enact.

The issue addressed by your bill in Section 5, Mr. Chairman, is the control of the pressure on our borders, particularly our border with Mexico. The problem for Mexico is an economic one. I trust that appropriate committees of the Congress will consider legislation to assist Mexico and other source countries to develop labor-intensive agriculture and industry, that will reduce the unemployment rates in those countries and consequently lessen the pressure on our borders.

I wish to state my strong support for sanctions on employers who knowingly hire illegal or undocumented aliens. It is well understood that the major reasons aliens come illegally to our country and remain is to work. The employment opportunities here, even with our present rate of unemployment, are nevertheless far better than opportunities in the "source" countries. Therefore, it is essential to any meaningful legislation in this area that we turn off this magnet that attracts so many to migrate to our country illegally. It was the universal opinion of all those I spoke to along the border who seek to control this problem that this is the key to controlling the smuggling of aliens as well.

The Administration's proposal provides for civil penalties of up to $1,000 per alien employed. The Attorney General is authorized to bring suit for such penalties, and injunctive relief, against employers engaged in a "pattern or practice" of employing aliens illegally (S. 2252, pg. 8, line 6 et seq.).

The bills reported by the House Judiciary Committee contained a three-tier penalty structure of a warning, a civil penalty of $500 per alien illegally hired within two years of the warning, and a criminal penalty of $1,000 fine and/or up to one year in prison for each alien illegally hired subsequent to the imposition of a civil penalty. I understand Judiciary Committee Chairman Rodino and Immigration Subcommittee Chairman Eilberg strongly support the House penalty structure. Having said that, I will leave it to those gentlemen to discuss their position on this issue.

However, I believe that employer sanctions are only one step of several that should be taken together to deal with this problem.

If it becomes illegal to employ undocumented aliens, I suggest that there will develop legitimate needs for alien workers to come to this country, whether or not we enact an amnesty, a subject I will discuss in a moment. At the present time, with millions of undocumented aliens here who can now be legally employed, there is still a need for temporary alien workers, particularly in agriculture during labor-intense periods.

As you know, temporary workers are admitted annually to pick apples in the Hudson Valley of New York and the Shenandoah Valley in Virginia, to pick citrus fruit in Florida, and to work as lumbermen in the Northeast. In Fiscal 76, over 10,000 farm laborers were admitted as H–2 temporary workers.

Employer sanction legislation will hopefully reduce the influx of available workers. When this occurs I suggest that the need for alien workers, particularly temporary workers, will increase. Therefore, an improved temporary worker program should be included in any legislation enacted. I have introduced H.R. 6022 which would, I believe, improve the present H–2 program which I would like to submit with my statement for the record and for your consideration.

When legitimate needs for foreign workers arise, I suggest such workers can be admitted to our country within a workable program. I was told by the El Paso District Director of INS that the 807 H–2's he admitted to harvest an onion crop in Presidio, Texas, last year, did their job and all but very few returned on their own to Mexico when their job was completed. The Government knew where they were employed, and could monitor their wages and working conditions to see that they were up to proper standards, and were not operating to the disadvantage of U.S. workers.

An ongoing program to allow temporary documented workers into this country could be made to work to the advantage of both the United States and source countries. Workers could be limited to a fixed period of time of admission, and if the job was not completed, another worker could be admitted to complete it.

Appropriate income tax should be withheld and workmen's compensation coverage should be provided to temporary workers. On the other hand, such workers would not need social security or unemployment compensation and these should be inapplicable.

There are several benefits which I see flowing from such a Documented Temporary Worker program.

(1) Aliens would enter the U.S. legally, with the rights of any other person legally admitted. They would not be forced underground where they are (now) subject to exploitation because of their illegal status, but could retain their dignity while in the U.S. in legal status.

(2) They would enter based on a proven need for workers, not just to find work when and where available.

(3) The government, which would certify the need for such a worker, will know when and where such worker is employed, and monitor the conditions of employment assuring that OSHA regulations, and the Fair Labor Standards Act are applied.

(4) At the end of their period of admission, they will return to their home countries with the wages they have earned, resulting in a benefit not only to themselves, but to their home countries as well.

Another significant problem addressed by this legislation is that of alien smuggling. The incentive for smuggling aliens—available jobs—should be greatly reduced by employer sanctions.

Trading in human cargo, to me, is reprehensible. You are no doubt familiar with stories of how aliens are charged several hundred dollars to be smuggled across our border, and then several hundred dollars more to be transported from the border area to a job location. Aliens have been stacked like wood in the back of vans and driven across the country with but one stop per 24 hours. Exploitation of these people is common.

Further steps can be taken to curtail alien smuggling in addition to employer sanctions. For one, additional manpower is needed by INS in their investigations section, and I am pleased to report that the House Judiciary Committee, on Tuesday, April 25, authorized an additional $479,000 over the D.O.J. request for funds for a total of 200 additional anti-smuggling investigators and support personnel.

Another essential step is to authorize the INS to confiscate vehicles used to smuggle aliens. At the present time, the Customs Service of the Treasury Department, pursuant to 49 U.S.C. § 782 may confiscate vehicles used to transport contraband. There is no similar authority vested in the INS to confiscate vehicles used to smuggle aliens.

During my trip to the Southwest border, I was told that many vehicles are used over and over to smuggle aliens. If a driver is apprehended, someone comes to claim the vehicle, and it is returned to the smuggling operation to be used again. Forfeiture would raise the stakes considerably, with direct economic loss to the smuggling operation. This would be especially effective against the small, occasional smuggler who could little afford to lose vehicles.

I note that S. 2784 by Mr. Scott and Mr. Laxalt, members of this Committee, contains a provision that would permit the forfeiture of vehicles used to smuggle aliens, and urge you to include such a provision in any bill you report.

I now turn to the problem of how to deal with the millions of aliens illegally present in the U.S. at the present time.

Section 2 of S. 2252 grants permanent residence to those aliens here continuously prior to January 1, 1970. This is similar to a blanket grant of suspension of deportation which would be available to qualified aliens here continuously for seven years pursuant to section 244 of the INA, and I feel this would be proper. A simplified procedure, such as registration of qualified aliens would be considerably simpler to administer than the suspension procedure requiring a hearing, written opinion by an imigration judge, and review by the Congress.

I urge the Committee to amend the bill on page two, line ten, to read 1971, making the time required in the United States for adjustment seven years, the same as would be required for suspension of deportation. Seven years has been considered enough to develop sufficient roots and equities in our society to grant suspension, and I feel it is appropriate to continue this policy in a program of adjustment of status as this bill contemplates.

Probably the most controversial section of your bill, Mr. Chairman, is Section 4, granting temporary resident status to persons here illegally prior to January 1, 1977.

In my opinion, the relief granted in Section 4 of S. 2252 by temporary residency for a specified period does not seem to offer sufficient incentive to persuade immediate and complete registration on the part of the illegal aliens in this category.

The withholding of public social assistance, registration without providing a definite solution to his status after the five year period, and the uncertainty whether the government might take prejudicial steps against him or his family, seemed to me to argue against the voluntary disclosure of persons here illegally. It was my understanding that this new category was designed to get the aliens to register so the magnitude of the problem could be judged.

I was told by Mexican-Americans in the Los Angeles area that what we see is just the "tip of the iceberg." A great many persons here illegally are living normal community lives without anyone being aware of their illegal status.

Under the temporary residence status, most of these established persons would not risk coming forward because for them there is more to lose than benefit to be gained.

Section 4 of S. 2252 has been criticized by some as being too restrictive, as creating a group of second-class persons with few rights other than the right to work. Others have called the program too generous. I found no more favorable response to the concept of this section in the Southwest and the West Coast than I have on the East Coast. The feelings I heard from the many persons I spoke with, including Hispanic Americans and representatives of the voluntary agencies which assist aliens, was that it was unfair to reward in a blanket fashion all in this category; that relief should not be judged merely by a cut-off date. It was apparent they preferred a system which would recognize the positive contributions made by persons to our society and use a merit system as the criteria for granting adjustment of status.

In the 1971 to 1977 group, I would propose a system be devised whereby illegal aliens who possess certain equities and merits, such as social and economic stability, acceptable standards of integration in the life of the American community, knowledge of the English language, a sincere and

definite desire to remain in the United States, apart from merely meeting immediate needs, and an acceptable history of good moral conduct would become immediately eligible for permanent residence adjustment.

Those persons who would not qualify under this merit system would in all likelihood not come forward and therefore would be classified as those most susceptible to deportation.

I believe that a formula of this kind would cause no greater administrative burden than the implementation of the temporary resident program where an alien must be registered, followed up for exit and entry from the country, as well as making sure that he does not benefit from public assistance programs from which he is barred.

Also one must consider that at the end of the five-year period, a re-registration and regularizing process will have to begin again.

The Canadian Government presently uses a similar system to determine whether a person should be admitted as an immigrant. I am sure a fair and equitable system can be developed so that we can admit those aliens who have the best chance of becoming productive citizens.

In this way, our country will admit those persons who have shown themselves likely to be assimilated and become productive members of our society. It would not grant blanket admission to all who have proof of entry and residence prior to January 1, 1977. Such proof, no doubt, is easy to obtain. I understand that receipts, utility bills, and the like dated prior to January 1, 1977, are already on the black market and being sold to aliens who hope to qualify for temporary resident status.

Again, Mr. Chairman, I congratulate you for convening these hearings. We must bring under control the flow of persons illegally entering the United States, and turn off the magnet that creates this flow, the possibility of employment. We also must stop the traffic in human flesh across our borders by smugglers. Finally, we must deal with the millions of aliens now illegally in the United States.

I hope the Committee will consider some of my suggestions to deal with each of those areas. Mr. Chairman, I would also ask permission to submit for the record further specific comments on the language of S. 2252, and a copy of the report of my trip to the Southwest border which will be printed in the next few weeks.

I will be happy to answer any questions.●

CREDIT THROUGH EXIMBANK

HON. LES AuCOIN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 10, 1978

● Mr. AuCOIN. Mr. Speaker, I am submitting for the RECORD today an article published by the Asian Wall Street Journal that gives a clear indication of the willingness on the part of the Chinese to make use of credit lines offered through the U.S. Export-Import Bank.

Chinese interest in credit facilities offered through our Eximbank is the subject of some debate in connection with H.R. 12157 which contains a provision to open up trade with China by making such credits available.

The article quotes Sun Fang, deputy secretary general of the Canton Trade Fair, as saying that the availability of lines of credit through the U.S. Eximbank will help promote more Sino-U.S. trade.

He makes clear that the Chinese, while not working directly with Eximbank facilities, do make use of these credit vehicles through supplier credits. This arrangement has confused some Americans who interpret it as a lack of interest in Eximbank credit facilities. Sun Fang's statements go a long way to remove that confusion.

Also of note is Sun Fang's statement that China sees no linkage between extension of credits for U.S. exports to Taiwan and extension of similar credits for U.S. exports to mainland China. He states the case accurately when he terms this consideration an internal one of the United States.

I believe these views expressed by this high-ranking Chinese official are important considerations and I commend the article below to Members as they weigh the issues surrounding H.R. 12157 which comes to the House floor Wednesday.

The article follows:

CHINA WOULD ACCEPT EX-IM BANK ROLE IN TRADE WITH U.S.

(By Frank Ching)

CANTON.—A senior trade official indicated that China doesn't object to participation by the U.S. Export-Import Bank in financing of American exports to China.

The Ex-Im Bank's facilities currently are barred by U.S. law to China and most other Communist countries. However, a bill has been introduced in Congress to exempt China from this provision. Opponents of the bill have said, among other things, that China won't accept Ex-Im Bank financing.

Sun Fang, Deputy Secretary General of the Canton trade fair, said in an interview with the Asian Wall Street Journal that U.S. Ex-Im Bank involvement may help to promote trade. However, he said China wouldn't borrow directly from the bank.

In the case of Japan, Mr. Sun noted, the Japanese Ex-Im Bank "doesn't extend credit to us, it extends credit to Japanese enterprises" that sell to China. A similar arrangement with the U.S., he indicated, would be acceptable.

Mr. Sun said repeatedly that whether the U.S. Ex-Im Bank becomes involved in financial China trade is "an internal affair" of the U.S. He said: "If they want to take this step, if they want to support their businessmen, of course this will help promote U.S.-China trade."

Asked if China would insist that the U.S. Ex-Im Bank cease its links with Taiwan, a major client, Mr. Sun asserted that the bank's promotions with American companies are an internal affair of the U.S. He added that "we don't interfere in the activities of businesses and organs of a country."

Mr. Sun also said that he hopes U.S.-China trade will gradually increase. But, he said, "A big increase is not so realistic." One reason, he said, is the absence of diplomatic relations between the two countries. Another reason is the high tariffs imposed by Washington on Chinese exports since China doesn't enjoy most-favored-nation status.

The official also said that China needs to make more efforts to understand the U.S. market and the way Americans do business. He mentioned packing and delivery dates as two areas that China should improve upon.

The Chinese official denied rumors that the Canton fair, which has met every six months since 1957, will be turned into an annual event. He said that the fair remained important despite China's increasing trade contacts with other countries at various levels.

He said that, although many more Chinese trade delegations are going overseas, they can't bring with them all the samples available at the fair.

Mr. Sun said China was taking steps to relieve the hotel shortage that has characterized the opening days of previous fairs. If fair visitors "come here at a fairly even rate of attendance," he said, "it would be much easier to provide rooms and reduce inconvenience."

He said that if all businessmen were like the Japanese, who space out arrivals of different groups, then Canton's hotels could cope with double the number of fairgoers.

Mr. Sun said that China wasn't selling all it can in the first days of the month-long event because it has to hold back some supplies for newcomers. Otherwise, he said, "everybody will come on opening day."

China's recent decision to increase tourism has aggravated the hotel service. An average of 100 persons from Hong Kong arrive every week. Mr. Sun said that there isn't any plan to prevent tourists from coming during the fair period but that arrangements may be made for them to spend less time in Canton and more time elsewhere.

Mr. Sun denied that China asks high prices of businessmen who make greater profits. "If they can make more profit, it means they can sell more Chinese goods," he said with a laugh. "We don't want to dampen their enthusiasm."

One problem with supplies at the fair, he said, is that so many businessmen come, and "we don't know what they want ahead of time, or how much. It is difficult to plan for this." As a result, some items may be in short supply while others aren't.●

SUPPORT VA MEDICAL RESEARCH

HON. DAVID F. EMERY

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 10, 1978

● Mr. EMERY. Mr. Speaker, recently I placed in the RECORD a few thoughts on the inadequacies of the President's budget request for veterans and what that would mean for the many VA medical research programs now being conducted.

As you know, within the VA system there are some 177 hospitals. Eighty of these have medical school affiliation. However, due to an apparent shortage of research funds, plans have been made to shift research funds from certain nonaffiliated VA hospitals to existing affiliated programs. Some 50 VA hospitals will be affected by this plan.

Recently, the House did approve an increase in the veterans budget. Hopefully, this additional money will be used to spare the existing research programs. However, since that decision will be made within the Veterans' Administration, I remain somewhat skeptical.

Because of my concern for the future of the VA medical research program, I have written to the Veterans' Administrator, Mr. Max Cleland, asking him not to reduce or eliminate any research programs. I am making a copy of that letter available to my colleagues and urge them to write Mr. Cleland in support of VA medical research:

HOUSE OF REPRESENTATIVES,
Washington, D.C., May 10, 1978.

Hon. MAX CLELAND,
Administrator, Veterans Administration, Washington, D.C.

DEAR MR. CLELAND: I would like to voice

my concerns over the potential reduction of Veterans medical research programs in general and in particular, the medical research programs at the VA Center at Togus, Maine.

It is my understanding that the research program at Togus is one of some fifty such programs under consideration for either reduction or elimination. I would like to speak in support of the current programs now going on at Togus.

In a statement on the importance of medical research in the non-affiliated VA hospital, Dr. Robert L. Ohler, former Chief of Staff at the Togus Center, stated that "abolishing research in the non-affiliated hospitals will inevitably result in serious deterioration of patient care through its effects on staff morale, recruitment and retention." Dr. Ohler believed that, "this policy will be disastrous to the VA system as a whole."

Citing the work of Drs. Magnuson and Cushing in initiating the VA medical research concept, Dr. Ohler pointed out that these two far-seeing medical leaders "considered medical research an essential element in providing the veteran patient with the best possible medical care."

I certainly concur with these remarks. The medical research programs at Togus have greatly contributed to the recruitment of outstanding physicians and the development of excellence in patient care for the veterans of Maine. We in Maine are proud of our record at Togus. In support of the medical research programs at the VA Center, I am enclosing a brief report of the accomplishments of the people of Togus.

As you know, during the recent consideration of the Fiscal Year 1979 budget resolution, the House increased the Veterans budget figures by $1,019 million in authority and $844 million in outlays. It is my hope that with this additional money, the Veterans Administration will reconsider its plans for those medical research programs now in jeopardy and urge full funding of them for 1979.

Thank you for your consideration.

Sincerely,

DAVID F. EMERY,
Member of Congress.

RESEARCH AND EDUCATIONAL ACTIVITIES AT VETERANS' ADMINISTRATION CENTER, TOGUS, MAINE

RESEARCH

Period 1957 through 1975

Investigators (average) per year, 16.

Research Projects (average) per year, 21.

Papers presented at meetings, 131.

Papers published, 145.

Employees/Research Staff (average), 6–7.

Papers published in 1976–77, 25.

Summer employees, students and volunteers in Research Laboratory 1975–1978 from University of Maine, Bowdoin College, University of Vermont, Gardiner High School, 13.

Students have gone on to graduate schools of medicine and dentistry and returned to practice in Maine, 7.

Active researchers in 1978 at Togus with only $110,000 in funding allocations, 12.

Projects include studies of alcoholism, cancer, schizophrenia, staphylococcal infections, more efficient delivery of psychiatric and social work services, lung disease, and basic studies of cell differentiation and ACTH analogs.

Researchers represent psychiatry, psychology, social work, surgery dental and medical services.

Electron microscope: Togus has the only one in Maine which is hospital-based.

Amino acid analyzer: Only one in Maine available to medical community.

Both of the above are expensive, rare instruments and are available to other institutions in the State of Maine.

All of the above for an average annual cost of only $76,460. There are 12 employees on the Research Staff, aside from the investigators.

TYPICAL TOGUS RESEARCH PROJECTS

A study of delirium tremens was done by a psychologist, internist and a biochemist. Sixty patients participated and mortality was reduced from 20% to less than 2%.

Research on peptic ulcer led to a reduction in surgical mortality rates.

Our urologist, Dr. Meyer Emanuel, developed over 10 years a unique catheter for paraplegic patients, changing the methods of diagnosis and care for many neurologic patients.

The Research Service has a profound effect on patient care due to the direct and indirect effects on the following:

EDUCATION

Educational affiliations with institutions which send students to Togus, 22.

Harvard University School of Dental Medicine.

Tufts University School of Medicine and Dentistry.

University of Maine at Farmington.

New Hampshire Vocational-Technical College.

Bangor Community College of University of Maine at Orono.

VA Hospital, Boston.

1124th USA Hospital.

VA Hospital, Ft. Lyon, Colorado.

Department of Human Services, State of Maine.

School of Animal & Veterinary Sciences, University of Maine at Orono.

University of Vermont.

University of Maine at Orono.

University of Maine at Augusta.

Colby College.

Bates College.

Maine Medical Center.

Augusta General Hospital.

Central Maine Medical Center.

1125th USA Hospital.

St. Mary's Hospital.

Boston College.

University of Washington, Seattle.

Under negotiation are affiliations with the University of Maine at Portland-Gorham, Boston University School of Dental Medicine and Tufts University School of Medicine and Dartmouth Medical School for medical students.

In the past 5 years, graduate students in psychology have also come from University of Maryland, Adelphi University, Notre Dame, Bowling Green University and the University of Utah.

Students include residents in surgery, ophthalmology, family practice, plus students in physical therapy, occupational therapy, psychology, alcoholism counselors, dental students, dental hygienists, dental assistants, nursing, rehabilitation, social work and sociology.

Family practice residents in the past 5 years, 63.

Dental hygiene students from Bangor Community College in past 3 years, 75.

Students have been assigned to the Alcohol and Drug Treatment Program in the last 5 years; 6 doctoral students have had 1-year internships, 150.

Nursing students from University of Maine at Augusta and Central Maine Medical Center have received training in last 5 years, 754.

College students in sociology from Bates College in past 8 years, 300.

Cooperative Health Education Program (CHEP) has organized and funded in the past 5 years:

Workshops, seminars and lectures attended by, 96.

Participants from the community. Topics included nursing, mental health management, secretarial, chaplaincy, dentistry, pharmacy, etc., 4,500.

Students currently enrolled in 9 formal, accredited Telelecture Courses at Togus, an amplified telephone series from University of Maine at Portland-Gorham, 48.

Interactive T/V: Closed circuit T/V for educational programs, funded initially by the VA, links Togus, St. Mary's, Central Maine Medical Center, Mid-Maine Medical Center, and Augusta General Hospital.

Institutions, hospitals, universities, and nursing homes participate in the Health Services Library Information Cooperative, initially funded by CHEP. The mutual exchange of library materials is coordinated for small community hospitals and other agencies in the State, 55.

Research and Education go hand-in-hand, and the resulting spirit of inquiry is essential to maintain a standard of excellence in caring for patients.●

A TRIBUTE TO ERETZ-ISRAEL

HON. RONALD A. SARASIN

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 10, 1978

● Mr. SARASIN. Mr. Speaker, it is with particular joy and pride that I congratulate the nation of Israel as it celebrates its 30th anniversary this week, for it has been three decades marked with strength, perseverance, and determination. It has been an era in which history will distinguish Israel as a nation driven by its convictions, undaunted by threat and oppression, resolute in its purpose and will.

The banners of the New York celebration, proclaiming that "it is great to be 30 after 4,000 years" serve well to reveal the rich heritage and long history that has gone before this nation—a heritage that a short 30 years would otherwise conceal. Yet it has been the history of a struggle with destiny; of a vision and the fight to fulfill that dream.

On May 14, 1948, however, that dream was realized when the members of the provisional Council of State penned their names beneath the "Declaration of the Establishment of the State of Israel." In that document, they set forth the principles and ideals with which the nation would pursue its future—principles that bound them with our own country in the preservation of freedom, equality, justice, and peace. In the past 30 years they have joined the United States in maintaining a stronghold for democracy in the Middle East, protecting freedom and liberty through a democratically elected Knesset, fashioned after Western models but tempered with Judaic law and custom.

Through the establishment of such a state, a homeland was created in which all Jews are welcome and around which a cultural and spiritual unity can be maintained despite the tides of change. The preservation of their rich traditions and continuity of their heritage will provide invaluable depth and breadth to the development of a multifaceted world in which cultural integrity and world unity can be maintained side by side.

The accomplishments of this nation have not been few, and for these we commend and thank them. "They made deserts bloom, revived the Hebrew language, built villages and towns, and created a thriving community, control-

ling its own economy and culture, loving peace but knowing how to defend itself, bringing the blessings of progress to all the country's inhabitants, and aspiring towards independent nationhood." So read the testimony of their 1948 declaration, but it would read just the same in 1978. The economic growth and development is matched only by their educational and cultural achievements, giving the world outstanding artists, sculptors, authors, and thinkers.

The story of the Jewish nation is one of struggle—the constant pursuit of an historical destiny. It has been a story with tragic chapters yet always foreshadowing a hopeful epilog. In the recent viewing of "The Holocaust," we were painfully reminded of the chilling tensions and hostilities that can erupt to bring unwarranted travesty and atrocity upon a people. However, we are also provided with hope when remembering the historic meeting of Mr. Sadat and Mr. Begin. Here we see the dynamic forces that are the source of strength and fortitude for this nation—the strength that comes from suffering, and the fortitude derived from a potential peace. My prayer today is for this peace—a peace not just of military weapons and generals, but an all-encompassing peace that will provide dignity to the lives of its people and security for its future. I have had the pleasure of visiting Israel on two occasions, have met with its leaders and its people. They deserve this dignity, they need this security. I join them in their day of jubilation to honor the heroism and courage of all who have given of themselves for this nation and its vision, and extend to all my very sincerest and hope-filled Shalom.●

SHEARON HARRIS—NEW CHAIRMAN OF THE NATIONAL CHAMBER OF COMMERCE

HON. L. H. FOUNTAIN

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 10, 1978

● Mr. FOUNTAIN. Mr. Speaker, on May 1, a distinguished native North Carolinian, Shearon Harris, was elected chairman of the board of directors of the Chamber of Commerce of the United States.

We in North Carolina are pleased and proud to see a native son assume the leadership of the world's largest business federation, in which capacity he will serve for the next year.

Mr. Harris' long and successful career as chief executive officer of Carolina Power & Light Co., and now as chairman of its board, has given him great insight into a number of the Nation's most pressing public problems, including especially inflation and the energy crisis.

I know that my colleagues from North and South Carolina—the two States served by Carolina Power & Light—and the many others in the Congress who are familiar with him and his accomplishments, join me in congratulating Shearon on his new post, and in wishing him every success with the National Chamber.

Mr. Speaker, a personal note: I have been privileged to know Shearon since our days immediately after law school when we were associated together in the North Carolina General Assembly.

The current issue of Nation's Business magazine contains an article describing Shearon's exemplary career in law, public service, and business, and an interview in which he details his personal philosophy on the proper role of Government in our lives. I bring these to the attention of my colleagues and the public at large. The article and interview follow:

[From the Nation's Business, May 1978]

SPEAKING OUT FOR FUNDAMENTAL NATIONAL PRINCIPLES

When Sarah Harris appeared at a casting call for a stage play in New York City a few years ago, she was asked: "Have there been any actors in your family?"

She hesitated, then replied: "Well, yes. My grandfather was a Southern Baptist preacher, and my father was a country trial lawyer—both of them big hams."

Shearon Harris, her father, tells that story with a chuckle. He is proud of his past as a country lawyer. But his career provides much more cause for pride.

He is chairman and chief executive officer of Carolina Power & Light Co. He is a recognized expert in the energy field in general and nuclear power in particular. (He served on Jimmy Carter's energy task force during Mr. Carter's presidential campaign.) And now he is chairman of the board of the Chamber of Commerce of the United States. He will serve as chief elective officer of the world's largest business organization for the next year.

A tall, soft-spoken native of North Carolina, Mr. Harris cheerfully admits he is an "eternal optimist." While the nation is struggling with a shopper's list of worries, he says, "I have great confidence in our ultimately working out all of our problems."

STEP TOWARD SOLUTIONS

A major step toward some of these solutions, he believes, would be to reevaluate processes that have moved the country away from some of its original, fundamental principles.

One example?

"Deficit spending. A responsible citizenry can't defer obligations to later generations. I just don't think it is acceptable in a time of strong economic activity to continue deficit financing of the government and go on piling up our national debt."

Another?

"Overregulation by government."

Reflecting a philosophy he believes is shared by almost all of the business community, Mr. Harris says there is no quarrel over the desirability and even the necessity of some regulation.

NEEDLESS CONSUMER COSTS

The quarrel, he says, is over the nth-degree type of regulation which piles on unnecessary costs that the consumer must ultimately pay and which creates an uneasy atmosphere that discourages business from expansion—expansion needed to create jobs for the nation's enlarging work force.

As head of Carolina Power & Light, Mr. Harris leads a company which last year had $808 million in operating revenues. It serves an area of 30,000 square miles—almost half of North Carolina and about one fourth of South Carolina—in which nearly three million people live. It has 5,200 employees, five divisions, and ten district and 41 area offices.

Its power—it has 13 generating plants—is 35 percent nuclear. The bulk of the rest is coal-produced. "Our fuel mix is what the nation seeks to achieve in 1985 or later," Mr. Harris says.

Mr. Harris joined CP&L at its headquarters in Raleigh in 1957 as associate general counsel. He became a vice president in 1960, a member of the board in 1961, and general counsel in 1962. He was named president in 1963, chief executive officer in 1969, and chairman as well as CEO in 1970.

Mr. Harris has been a leader in the electric utility industry, as indicated by the fact that he has served as chairman of the Edison Electric Institute, the National Association of Electric Companies, and the Electric Power Research Institute, among many activities.

The company he heads is respected as well-managed and at the forefront of its industry. He is a founding member of The Business Round Table and is a member of the Business Council.

AN EARLY START

Shearon Harris's career got off to an early start because he skipped two grades in school and entered Wake Forest University at the age of 15. He took both his A.B. and law degrees there, working his way through college, and then entered the aforesaid practice of law in the small town of Albemarle, N.C.

A man who believes people should take an active interest in government, he participated in North Carolina's state government as an employee—assistant clerk of the Senate, principal clerk of the House—and some years later, as a legislator. He served a term as a member of the House.

He holds the Bronze Star and Legion of Merit citations for service in the European theater during World War II. Mr. Harris, who entered the Army as an enlisted man and was commissioned a second lieutenant while overseas, was assigned various rear-echelon duties. At first, they did not include service as a lawyer in the Judge Advocate General's office, for which he felt his law practice back home qualified him. When he entered the Army, he was five years younger than the minimum age—28—for such service. "Until I was commissioned, my work was signed by the commissioned lawyers," he quips.

UP TO ANY CHALLENGE

Mr. Harris is a man of strong beliefs, and his outlook on life is best revealed in his invariable answer to anyone who asks him: "How are you?"

The reply: "The best in the world."

There is a poignant background to this answer. It stems from his friendship with a neighbor, long ago, who always replied to similar questions that he was first-rate. Years later, when the man was dying of cancer, Mr. Harris visited him. The man couldn't talk, but he raised a single finger to signify he was still first-rate, No. 1.

Right then, Mr. Harris determined that he would try to emulate that display of character with something which would signify that he, too was up to any challenge.

Mr. Harris is married to the former Helen Finch Morgan, of Albemarle.

KNOWS WHERE HE IS GOING

"No, I don't remember how I got to know him," she says with a laugh. "I just knew him. In a small town, you know everyone. I do remember that one day, when he was a young lawyer, he called me up and asked me if I would go to a Lion's Club picnic with him.

"I did, and before he took me home he had already asked for another date for a specific night. And it went like that. You know, he's a person who knows exactly where he's going at all times. I don't think we ever had a date when he didn't make another one before that one was over."

The Harrises have three daughters, Sarah, an actress in Hollywood, Calif.; Mrs. Jennie

H. Bell, a teacher of British literature in Durham, N.C.; and Susan, a state government employee in Raleigh.

In this interview with NATION'S BUSINESS, Mr. Harris talks about his life and his goals for the National Chamber.

What do you hope to accomplish in your term as chairman of the Chamber of Commerce of the United States?

The National Chamber is a very effective voice for the business community, and I certainly want to see this continue. I think we must address ourselves to the issues which confront us.

I am very much of a fundamentalist, and I have a tremendous appreciation for the value of experience. Most everything we do as a democratic society has evolved out of some kind of experience. I believe that we, as a country, need to concern ourselves more with some of the fundamentals that we may have departed from.

On issues, I am terribly disappointed with President Carter's proposed $500 billion budget that contemplates a $60 billion deficit. Deficits are one of three major factors fanning inflation. The others are wage increases which are not matched by increases in productivity and the hidden costs of overregulation.

I have a philosophy that a responsible citizenry can't defer obligations to later generations, and I hope to speak out on this. I just don't think it is acceptable, in a time of strong economic activity, to continue deficit financing of the government and go on piling up our national debt.

Another thing I hope to do is go to college campuses and talk about the kind of heritage today's generation of leadership is shaping for the young people of the next generation.

Some say there is a bit of an estrangement between the business community and President Carter. Is there?

I don't know that I would want to call it an estrangement. As governor of Georgia, Mr. Carter kept the business community at a considerable arm's length, and in his early days as President, there was a puzzlement on the part of business as to just what kind of communications he would like to have with the business community.

In recent months, there has been a demonstrated awareness on the part of the President and the White House staff that business input should be welcomed. But I am not so sure there is a clear signal that business community advice and representations are having a great deal of effect.

What do you see as the proper role of business in government?

A businessman has a citizenship obligation as an individual. Also, the interface between the business community and government should help government develop policies that will let the processes of our free, competitive enterprise economy function well.

In almost every discussion about the economy, the term business confidence crops up. How do you define business confidence?

I think the best measure of business confidence is the willingness of managers to make or increase business investments. When managers weigh an investment decision, they are looking at what they think the condition of the economy is going to be and what their opportunity for profit from that investment is going to be. Right now, business confidence as measured by willingness to make investments comes down on the side of uncertainty.

Many business people are so uncertain about what's going to happen in government regulation that they do not feel confident of being able to earn enough on a new investment to justify their making it.

What do you see as the biggest problem for business in the year ahead?

The major concern business people ought to have today is overregulation by government. I think regulation is almost out of control.

Would you want to start a small business in today's regulatory climate?

This is one of the concerns my predecessor, Bill Eastham, has expressed during his term of leadership of the National Chamber, and I totally subscribe to it. For a small business today to comply with all government regulations is a tremendous burden. I think this burden stops a lot of small businesses from ever forming.

President Carter has said he wants to reduce overregulation. Do you think he can?

Well, the proliferation of bureaucracy is a very, very strong force. Until the people, through their election of members of Congress as well as the President, really speak out strongly—saying that they are fed up—I don't think we're going to have much constraint.

Any administration, regardless of party, claims it has to provide services that state and local governments won't or can't provide, and it gives this as the reason for heavy federal spending—and heavy regulation.

We have looked to the central government to do more and more, and people seem to think that, because the central government can do something, it doesn't cost something. People, it seems, will opt for the easy, cheap way out today without regard for the inevitable expense that they are going to bear a little later.

I believe in public understanding not only of the short-term benefits of government action, but of the long-term costs. The public needs a better fundamental understanding of how our economy operates, how our government operates.

How do you feel regulation affects your company, which is in a highly regulated industry?

A great deal of regulation which we deal with is necessary. Since we are a monopoly, we have never said that the price of our service to the consumer ought to be unregulated.

However, some of the regulation to which we are subjected is another matter. Take environmental standards that are a major cost to our consumers.

We built a $43 million cooling system for one of our nuclear power plants, one that met all existing regulations.

Then the Environmental Protection Agency came along and said we had to put in a completely different cooling system, using towers, in order to protect the marine organisms which pass through the condenser.

This water warms the ocean temperature about two degrees. The commercial value of the marine life—if it grows to maturity—is roughly $40,000 a year, or about what one shrimp boat would remove. We would have to invest $100 million for the towers, and our consumers would have to pay $500 million for this over the life of the plant. We're appealing this order.

What do you see as the major issues concerning business in Congress?

I don't really see final resolution of very many issues taking place this year in Congress. Energy is very important, but even if legislation is passed, I don't think that's the end of this issue.

I don't think the President's tax program will move along very fast. There doesn't seem to be a coalescing of either leadership or membership in Congress on any of the big issues.

Are you optimistic about the future of business?

I'm an eternal optimist. I have great confidence in our ultimately working out all of our problems.

What are some of your work habits? You keep a pretty clean desk.

Well, as an old country lawyer—most of us kept desks stacked up with all kinds of things—I guess I've developed a discipline. I try to keep things in a fairly neat stack. If I have a stack to tackle, I always reach down and put out the thickest thing in it first. Psychologically, I feel a little less pressure if the stack is lower, and this way, it goes down in a hurry.

I write myself little memoranda sometimes when I am away from the office. But I don't wake up in the middle of the night to generate new ideas. I feel very comfortable about the grip that I have on most things that I do. I spent a lot of time getting the right people into the senior positions in the company, and I have a lot of confidence in their competence.

At age 60, I am really in the process of moving from 100 percent responsibility as chief executive over the next years to zero. My objective is that, when I retire, nobody will know I didn't come to work that day, and we will have made a very smooth transition.

Were you a typical country lawyer, handling every type of case from a fence-post dispute to a criminal trial?

Yes. When I went to practice in Albemarle, the county seat of Stanly County, in 1939, the town had 12,000 to 14,000 people, and the county about 35,000. There was no such thing as a specialty in the law. Besides, you never knew what something would lead to. A $5 deed job might have been for someone who later would bring you something really big.

This happened to me. A client asked me to collect some new accounts. I didn't know it, but another law firm had already tried to collect and couldn't. I just went around and collected $1 or $2 a week until I finally got it all. Eventually, this client built a business that is probably worth more than $10 million, and I was for many years counsel of the firm. It all stemmed from that little collection job.

Do you remember the first speech you ever made to a jury?

I can remember the first significant speech. I was employed as a special prosecutor in a horrible murder case. It was on Thanksgiving Day.

Did you win the case?

The fellow was convicted of first-degree murder.

You ran a boardinghouse to work your way through college, didn't you?

Oh, I worked at a lot of things. I was the son of a small-town Baptist preacher, and I went to college in the depth of the Depression. If I wanted an education, I had to get it myself. My father exhausted his last resources to get me through my freshman year. As my second year approached, he asked me: "Are you going back to college this fall?"

I said: "Yes, sir." And he said: "Well, you know where it is." Which, as far as I was concerned, was his way of saying that if I wanted to go, I'd have to do it on my own. And for the next five years, I did. I waited on tables, fired furnaces, and taught a remedial class for $15 a month on a Federal Emergency Relief Administration grant.

One year, I rented a house that slept 50 students and fed 75. I hired an excellent cook. The college didn't have a dining hall, and everybody ate in private boarding houses.

Did you always want to be a lawyer?

My father said that he gave me a child's biography of Abraham Lincoln when I was in the first grade, and after I read it, I said I was going to be a lawyer. I can't remember thinking of another career when I was young.

You had a brief career in politics, didn't you?

In my first year in law school, I became interested in a man who was running for

governor, Clyde R. Hoey, and I organized a Hoey-for-governor club on campus. He was elected, and with his help, I got a job as an assistant clerk of the North Carolina Senate while I was still in school.

After I got out of school and went into practice, I offered myself for the elective job of clerk of the House. The man who had it also had a full-time job in the state revenue department, and I campaigned on a platform that said nobody ought to have two jobs until all of us had one. I won, and then I served a second term before going into the Army.

I offered myself for the state legislature from my county in 1954. We were a very balanced county in registration, but I was the first Democrat to be elected there in 14 years. The Eisenhower landslide in 1956 took me out of the legislature. It was responsible for my entering the power business.

How was that?

Because I was not a member of the House in 1957, I participated in some lobbying activities which drew me to the attention of the management of this company, and they asked me to join their legal department.

And that eased the pain of defeat at the polls?

I really didn't appreciate being rejected by the voters and really wondered how the legislature would function without me. But it did, and I came to realize that the defeat led to greater things.●

ADAMSON SAYS WRITE CONGRESSMEN

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 10, 1978

● Mr. COLLINS of Texas. Mr. Speaker, in the course of national debate in recent weeks we have heard much talk about the differences between lobbyists for special interests and genuine letters from a concerned citizenry. Some in Washington would prefer less mail from home, while others like myself prefer to hear from the voters.

One of the finest organizations in America encouraging citizens to express their own opinions to their Government officials is the National "Write Your Congressman" Club, Inc., headquartered in my hometown of Dallas, Tex. It is a unique organization, founded 17 years ago, which researches legislation and presents both sides of national issues to their members.

The National "Write Your Congressman" Club, Inc., is unique in that it is not a lobby and does not show partiality toward candidates running for office. They present unbiased debate covering both sides of major, national issues. They also send their members the voting record of their Congressmen, which is also unbiased as it shows the votes as: Y—Yes, N—Nay, O—Did not vote.

Once a month the club sends their members the well-known opinion ballot covering documented debate on both sides of national issues, a preaddressed envelope to their Congressman, Senator, or the President, and a legislative letter.

Once a month they conduct a national poll among their members on three current national subjects and advise Congress as well as their members the results of those polls.

Most of their members are business and professional people who use the club's service to learn what they should write about and to whom they should write.

Ballots are directed to the Representatives some months, to the Senators some months, and other months to the President or a congressional committee. The most recent ballots cover such subjects as:

Should Congress Repeal Section 14(b) of Taft-Hartley Act?

What should Congress do with the recent Pay Increase?

What should be done with the proposed ban on Saccharin?

What should Congress do with the President's proposed Energy Conservation Bill?

Should Congress create the proposed Consumer Protection Agency?

Should Congress pass the "Walk-In" Voter Registration Bill?

Should Congress pass a bill to finance Congressional Elections with Tax Money?

Should the U.S. Senate approve the new Panama Canal Treaty?

Should the Government order Air Bags put on all new automobiles?

Should Congress pass the Labor Reform Law?

Should our Government put restrictions on Imports that cause unemployment?

Should Congress cut Income Taxes?

David N. Adamson, the president and founder of the club, spent 23 years in Chamber of Commerce work prior to 1961 when he organized the club.

I am proud to see it has a Christian businessman as its leader who believes busy people should speak up on national issues after they have read both sides. The club's material is well accepted by professional and business men and women as a welcome time-saver for busy people.

They simply "tell it like it is" to those of us in Congress who need to know what key people think.●

CARTER SUFFERS BIG DEFEAT ON HOUSE PANAMA CANAL VOTE

HON. GEORGE HANSEN

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 10, 1978

● Mr. HANSEN. Mr. Speaker, the continuing fight over the Panama Canal treaties reached a new milestone yesterday when Members of the House finally found opportunity to express their desires and did so in resounding conflict with action earlier taken by the Senate in its votes to approve the treaties.

By a vote of 231 to 170 the House accepted my amendment to the first budget resolution demanding a full accountability of income and outlay funds involved in the Panama Canal operation. This amendment was to prevent anticipated slush fund implementation of the proposed treaties in circumvention of congressional authority and responsibility as outlined in articles I and IV of the U.S. Constitution.

Thus the House has with gusto demanded a timely vote on property transfer appropriations and implementation questions before final commitment of this Nation in any exchange of instruments of ratification. And because the majority leader and others speaking for the administration injected such strong treaty and political overtones into what was really a constitutional discussion over prerogatives of the House, the vote also became one of strong indication of the displeasure of the House over the approval of the treaties and of the fate in store for legislation to implement such treaties.

The message should be clear, even to a President who hears and sees only what he wants to accept, that he has no business going to Panama next month (June 16–17) to exchange instruments of ratification—particularly since he is also in defiance of the Brooke amendment to the treaty approval stipulating that such action should not take place earlier than March 31 of next year or by prior act of Congress.

Mr. Carter, whose foreign policy is already a disaster, whose relations with Congress are demonstrably ineffective, and who has a scandalously low acceptance rating with the American people, stands to create a tragic blunder which could have devastating effects on the credibility of the Presidency both at home and abroad.

The legislative process regarding any transfer of the Panama Canal from U.S. operation and ownership is not complete and may never be complete. The Senate made out a check on a form provided by the administration designed to hand over the Panama Canal Zone to the Republic of Panama along with numerous payments and loans, but that check has not been signed and made negotiable by the required acts of Congress.

For the President to take an incomplete legislative process to Panama and certify an exchange of documents as if they were complete and negotiable is a dangerous act in direct violation of the treaty amendment as passed by the Senate and in contravention of the processes of the Constitution itself. By this act the Chief Executive Officer of this Nation is taking the law into his own hands in a desperate attempt to salvage his political position. And the results promise nothing less than seeing an already unhappy Congress forced to legislate at the gun point of international pressure and threats.

In addition, should Congress not deliver upon all or any of the promises implied by the President's exchange of documents with Torrijos, there can be nothing but disillusionment and hostility with probable reprisal and violent actions including bloodshed.

The President is toying dangerously with the peace of the world and the security of the Western Hemisphere, not to mention the well-being of the people of the United States if he persists in defiance of the expressed will of both the House and the Senate to keep his announced date with Torrijos in mid-June.

He alone must bear this responsibility, but unfortunately everyone will bear the consequences.

Mr. Speaker, today's edition of the Washington Post reported the action of the House on my amendment as follows:

The leadership failed to stop the House from expressing its displeasure with the Panama Canal Treaty in the 1979 target budget resolution, and quotes me as saying that, ". . . it does send a signal to the President that the House is unhappy with the Canal treaties."

The New York Times of this same date stated:

The vote to bring Panama Canal spending operations under the control of Congress was variously interpreted as inconsequentia and as a possible signal of trouble ahead for the President in carrying out the treaties to turn over control of the canal to Panama in 1999.

Proposed by opponents of the recently approved canal treaties and backed by the surprisingly wide margin of 231 to 170, the vote marked the first time that the House had expressed its sentiments on the treaties.

However, 239 members of the House have sponsored a resolution, not yet brought to the floor, that would insist on House approval before canal property could be disposed of.

Today's House action is not binding because the budget resolution merely sets tentative spending goals for other committees to consider for the fiscal year 1979.

Although it is not binding, however, the vote would seem to indicate the coolness of many House members toward the canal treaties and toward President Carter's planned trip to Panama on June 16 to sign documents ratifying the treaties.

The Idaho Statesman newspaper of this date further elaborates on the proceedings which resulted in my amendment passing by the large margin of 61 votes:

HOUSE APPROVES HANSEN'S BILL TO CONTROL PANAMA CANAL FUNDS

The House approved on Tuesday a proposal by Idaho Rep. George Hansen to require as part of the 1979 federal budget, that money to maintain the Panama Canal be subject to appropriation by Congress.

The 231–170 vote came over strong opposition by Democratic leader Jim Wright, who warned it would "throw a monkey wrench in international machinery" and make the Panama Canal treaties, recently approved by the Senate, "unworkable."

Hansen, author of the proposal, said it was designed to insure that money collected by canal tolls would not be directly used to maintain the waterway but instead would go into the U.S. Treasury and then have to be authorized and appropriated by Congress before it could be spent.

Hansen said this would insure that the House does not lose its "right to scrutinize expenses."

He said the Senate, in ratifying the canal treaties, acted "like a House of Lords" and left the House with no voice.

"What we are talking about is the prerogatives of the House," Hansen declared. "We should have a co-equal voice in the affairs of government."

Wright called Hansen's amendment "thoroughly irresponsible" and an attempt to "show macho."

Specifically, it would apply to some $337 million in budgeted canal expenses during 1979.

Mr. Speaker, summarizing the events of the day on the Panama Canal vote in the House, I include for the RECORD my news release regarding the action taken.

HOUSE DEMANDS CONSTITUTIONAL ROLE IN PANAMA TREATY; PASSES HANSEN AMENDMENT

WASHINGTON, D.C.—In a decisive move today the House of Representatives made it clear that they intend to exercise their prerogatives in regard to the Panama Canal Treaty.

The House passed the "Hansen Resolution" adding it to the budget with a clear majority of 231–170.

The "Hansen Resolution" authored by Rep. George Hansen (R-Idaho) called for the elimination of the never-used $40 million borrowing authority of the Canal Company and bringing the Panama Budget closely under the scrutiny of the Congerss so that there is no authority for transfer of funds or property in Panama without a specific Act of Congress.

"This should send a clear message to 1600 Pennsylvania Avenue, that you don't try to run around the Constitution and bypass the House," Hansen said. "This is a great victory for the Constitution and the American people."

"This may not have been the best opportunity to discuss the treaty, but the President left us no choice."

"By ignoring the Brooke Amendment and planning to exchange treaty instruments in June, the President pushed the Congress to the wall," Hansen pointed out. "To accomplish this bypass of the Constitution, the President needed to rely on the Panama Canal 'slush fund'. Under my amendment the funding is once again to be closely accountable to the Congress."

"The Supreme Court is due for a decision hopefully on May 15 regarding the separation of powers controversy and this vote should be a signal to the Court that the House demands that its Constitutional authority be upheld," Hansen said.

"Despite strong Administration pressure my amendment passed and won big. This vote thankfully is an indication that the House is truly the Representatives of the people and not the puppets of the Executive." ●

CONVERTING U.S. INDUSTRY FROM OIL AND GAS TO ALTERNATIVE FUEL SOURCES

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 10, 1978

● Mr. TEAGUE. Mr. Speaker, recently my two Texas colleagues in the Senate of the United States hosted a press conference during which Dr. George Kozmetsky, dean of the Graduate School of Business of the University of Texas at Austin outlined the results of a recently completed study of the cost of converting U.S. industry from oil and gas to alternative fuel sources such as coal.

The study was entitled "Evaluation of the Conversion of U.S. Industry and the National Energy Plan" and it was an attempt to estimate and analyze the private sector investment requirements of a policy of industrial conversion such as proposed in the President's national energy plan.

Under leave to extend my remarks in the RECORD, I wish to include the summary of this study and commend its reading to all of my colleagues. Complete copies of the study can be obtained from the University of Texas Graduate School of Business at Austin.

The summary follows:

We are convinced that vital national and international interests require all-out energy production and conservation in the United States. Our study, however, leads us to somewhat different conclusions than the NEP regarding industrial conversion.

Our major conclusions are simple. First the transformation of U.S. industry from oil and gas to alternative fuel sources, such as coal, will place a substantial economic burden on the nation. Our expected minimum investment cost of such a change is in the order of $220 billion; this figure is much higher than casual estimates that have been produced and represents about 1000 percent of U.S. aggregate annual investment in machinery and equipment in the manufacturing sector. Furthermore, the $220 billion makes no allowance for additional capital required for environmentally directed investments which alone could be in the order of $50 billion; nor does it allow for increased operating costs of the new facilities. These alone could be an additional charge of as much as $13.50 per short ton for low sulphur coal. We have not even included an estimate of the social capital requirements associated with the relocation of plants or expansion of newer energy resources required by federal, state and local governments. Second, the regional impact of such a policy will be very skewed. That is, the absolute impact will be greatest on the large industrial states. The cost for Texas alone will be in the order of $20 billion. Third, five industries will bear over 70 percent of the necessary conversion costs. In short, besides the overall costs, large regional and industrial distortions will be also introduced into the U.S. economy.

Most fundamental to the National Energy plan, we have serious reservations about any policy of mandatory conversion within a specific time frame and source of energy. We have argued that it is unclear that conversion will improve the U.S. trade balance. We argue that a national policy of stockpiling of strategic oil reserves is a lower cost method of insurance against an oil embargo from abroad. And instead of conversion, we should inact strong incentives for industrial conservation and the development of new technologies. This combination of policies would appear to be the best course of action for the United States.

We, therefore, urge Congress to carefully consider these issues before enacting any legislation regarding our national energy priorities. ●

JOBS, EMIGRATION, AND CONGRESS: EX-IM CREDITS TO THE U.S.S.R.?

HON. GARY A. MYERS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 10, 1978

● Mr. GARY A. MYERS. Mr. Speaker, I plan to introduce an amendment to the Export-Import Bank reauthorization bill when it is considered on the House floor. As you know, economic policy is an important tool in international relations, to be used flexibly and realistically for the achievement of economic and political objectives. On the other hand,

an awareness of the limitations as well as the possibilities of using economic policy to achieve political ends is crucial. Economics is only one dimension of the overall relationship between countries. Flexibility is essential. Political relations between great powers are sensitive. Congress is not equipped to participate in the day-to-day decisions affecting relations among nations, and it, thus, must leave an appropriate sphere of discretion for the administration within the broad guidelines which Congress sets. In the case of Eximbank credits to the Soviet Union, Congress has made it clear that it is unwilling to ignore long-term economic and political interests for the sake of short-term economic gain.[1] Yet Congress should recognize the need to view trade in a light which encourages a relaxation in tensions and a reduction in the suspicions which underlie the current superpower relationship.

At issue here is the so-called Stevenson Ceiling which provides that, before the President may extend more than $300 million in new Exim credits to the Soviet Union, in addition to the half billion dollars previously granted, he must find it in the national interest to do so and seek and receive congressional approval.

Thus, this provision establishes a point beyond which the President cannot go without congressional concurrence. An increased ceiling can be sought at any time whether or not amounts thereunder have been committed or disbursed. I propose to alter this provision by giving the executive branch some additional flexibility in the day-to-day conduct of foreign policy. Namely, Congress shall be provided the opportunity to disapprove any Presidential extension of credits beyond the $300-million ceiling rather than being required to approve such a determination.

My amendment would give the executive flexibility and bargaining power as a tool in international diplomacy while maintaining a mechanism for congressional oversight. This would be accomplished without directly involving Congress in the day-to-day conduct of foreign policy—as mentioned before, a task for which Congress is ill equipped—The constitutional role of Congress in foreign affairs is to establish, in concert with the executive branch—through legislation and treaties—the foreign policy in the United States; the normal function of this constitutional obligation is not congressional execution and administration of foreign policy. When Eximbank legislation was amended in 1974, Congress deemed that circumstances were unique and required intervention into the sphere of executive authority. In the present context, however, effective utilization in the doctrine of separation of powers in foreign policy should provide the President both with the flexibility and responsibility for conducting foreign policy in the best interests of the United States without diminishing congressional duties associated with its oversight function.

Additionally, this provision would impose no express conditions on the availability of the $300 million. It would provide for congressional input and consideration of any credits in excess of that amount and would allow Congress to weigh "the whole panoply of factors affecting United States-U.S.S.R. relations." Thus it implicitly provides an opportunity for all matters of interest to the United States to be considered.

Finally, my amendment would provide a greater opportunity for nonstrategic U.S. exports to the Soviet Union which the Soviets are now purchasing from other Western nations—to the detriment of our balance-of-payments deficit.

As we are well aware, the export administration regulations require that every export of goods or technical data to any country except Canada be licensed by the Government. Selected sensitive export control applications requests, as well as policy issues, are referred to an interagency committee composed of representatives of the Department of Defense and State and other interested agencies. Thus, while providing the opportunity for expanding exports and American jobs, with my amendment we can be assured that U.S. technology would not be used to augment the military power of the Soviet Union. My amendment would also provide U.S. industry with a greater potential to compete with West Germany, Japan, and other nations for access to the Soviet market. It is misleading to contend that all that is at stake is a boost for U.S. exports. A Soviet trade strategy which puts emphasis on its own internal development, while excluding access to its consumer markets must be seen as a part of a continuing effort to enhance Soviet economic power at the possible expense of Western commercial as well as political interest.[2] Through its action on my amendment, Congress can make it clear that it intends to provide the President with greater flexibility while asserting its intention that the executive branch will weigh all appropriate considerations in the balance and that the days of a blank check are over.

To deny the Executive more flexibility to involve the United States in a pattern of normal trade within the context of our appropriate safeguards is to deny the opportunity for using a bargaining tool in an area where the United States has a clear advantage: its economic base. Additionally, this action could be interpreted as a diplomatic signal to the Soviet Union that benefits are available to both sides if the diplomatic atmosphere was marked by improvements in such areas as noninvolvement in international disputes, nuclear nonproliferation, environmental concerns, human rights—including emigration—and such other factors that appear appropriate.

It should be noted that extension of Exim credits would still be contingent upon Soviet compliance with the Jackson-Vanik amendment to the Trade Act of 1974. Currently, no Exim credits are available to the Soviet Union until the President certifies that the Soviets are making efforts to comply with the emigration requirements of that amendment.●

[1] See generally, Stanley J. Marcuss, "New Light on the Export-Import Bank" in Paul Marer, ed., *U.S. Financing of East-West Trade*, Bloomington, Indiana, Indiana University Press, 1975.

[2] *Ibid*, p. 288.

NEW SUPPORTERS FOR ORME DAM

HON. ELDON RUDD

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 10, 1978

● Mr. RUDD. Mr. Speaker, following our recent heavy flooding in Arizona—particularly in the heavily populated greater Phoenix area—it was necessary to immediately reappraise the flood control situation and water holding plans for central Arizona.

Practically all local and county government leaders, and every Member of the congressional delegation representing Maricopa County, have now gone on record for construction of a water storage and flood control dam where the Salt and Verde Rivers join together about 14 miles east of Phoenix.

We have testified to this effect before the House Public Works Appropriations Subcommittee.

There has previously been some opposition to the Salt-Verde confluence dam. I am sure that this vocal opposition, much of it based on emotion rather than a full understanding of all the facts, had something to do with the President's singling out this dam for deletion from the central Arizona project as the price last year for his support of continued Federal funding for the CAP.

However, even opposition to the water storage and flood control facility at the confluence of the Salt and Verde Rivers is now changing to support. I have received many letters expressing this change of position from former opponents of the dam since I recently sent out a postal patron newsletter including full testimony from our Governor and congressional delegation on this subject before the Appropriations Subcommittee.

It is a definite credit to those citizens who are now expressing a willing change of heart in favor of building this vitally needed dam once the full facts of this matter were made known to them.

One particularly gratifying and well-written letter was just sent to me by James McGrath, a Saguaro High School senior from Scottsdale, Ariz., who expressed his enthusiastic support for prompt construction of this flood control and water storage facility to protect the greater Phoenix area from future devastating floods.

I would like to include his good letter at this point in the RECORD:

SAGUARO HIGH SCHOOL,
Scottsdale, Ariz., April 29, 1978.

Hon. ELDON RUDD,
U.S. House of Representatives,
Washington, D.C.

DEAR MR. RUDD: I am writing you concerning Orme Dam. As most high school students in the Scottsdale School District, I was opposed to the Orme Dam Project main-

ly because of the recreational loss. However, after reading the April issue of "Eldon Rudd Reports to the People", and doing some research on my own, I have come to the conclusion that Orme Dam would be the only suitable alternative that the Central Arizona Project can make concerning the flood problems of Phoenix and the cities surrounding Phoenix.

I now realize that the property damage and the lives lost due to flooding are not worth the recreational activities that the Verde and Salt rivers now offer. I sincerely hope that Orme Dam may be built with a minimum of difficulties and as soon as possible.

I am now in full support of Orme Dam and all of you representing Maricopa County in the U.S. House of Representatives. I thank you for giving me the opportunity to express my views on the Orme Dam Project.

Sincerely,

JAMES R. MCGRATH,
Senior Class of 1978.●

WHAT'S RIGHT WITH AMERICA

HON. DAVID W. EVANS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 10, 1978

● Mr. EVANS of Indiana. Mr. Speaker, the Hendricks County Board of Realtors in recognition of "Private Property Week" sponsored a recent contest which asked high school students to write an essay on "What's Right With America" and over the past weeks I have received many enlightening and fascinating letters.

Many of these compositions are not only interesting, but also offer a keen insight into the interests and concerns that our young citizens have in this country's future. In a time when it seems fashionable to undercut the good aspects of our society, it is refreshing to learn what many young Americans, our future leaders, feel is right with America. Reading these compositions made a lasting impression on me, and I would like to take this opportunity to thank and to congratulate all those students who participated.

In response to this contest, I would like to share with my colleagues the letters composed by Juli English of Cascade High School and by Steve Miller of Avon High School, who were chosen as the winners of the contest. I found that both of these compositions eloquently express the virtues of being a young American today and what is right with this great country of ours.

CLAYTON, IND., *March 27, 1978.*

DEAR COUNTRYMEN, I am very proud of my country because of our system. Our country is the longest enduring example of a democratic-republic on earth. Our system represents the idea that a country ruled by the people for the people can work. The United States of America has much to be admired in it. Its people, businesses, industries, and philosophy are all important. The ghetto child could grow up to be president of a large industry with hard work, determination, and encouragement whereas in other countries to be born poor establishes his station on the economic scale for the rest of his life.

The United States also has something not found in other governments. Our Constitution contains a Bill of Rights. It allows us freedom of speech, press, religion, and peaceable assembly. It also provides protection of our rights when we are arrested and questioned by authorities. Another important right we have allows us to bear arms to protect ourselves. In a way the Bill of Rights acts like a blanket insurance policy. It protects us from anything that might arise.

The right which means the most to me is the right to own property. A farmer can possess land and plant whatever he feels appropriate without government intervention. A man with business acumen can become wealthy through industry if he wishes. Owning property is a right everyone should be thankful for. Nothing makes one more proud than to know he owns the roof over his head and the property, large or small, on which it rests.

Yours truly,

JULI ENGLISH.

WHAT IS RIGHT WITH AMERICA

(By Steve Miller)

You hear all the time about bad things about the United States. Rarely do you hear anything good. There are many advantages to living in the United States, however, that many countries in the world don't have.

First of all, there is freedom of speech. There are no secret agents spying on you twenty-four hours a day, listening to what you say and do. You can speak freely against the government without being thrown in jail.

The freedom of choice in the U.S. is great. You have the choice of where you live, work, travel, and visit. The biggest and most important choices are the choices for local, state, and federal officials. Most other countries there is no choice of government officials.

No other country in the world has a higher standard of living than the United States. In the other major powers of the world, the majority of the people live under poor living conditions. Since the United States is the wealthiest country in the world, only a minority live in poor living conditions.

With the large land mass of the United States and the various climates around the country, we are able to supply the country with plenty of food. This helps the United States in being one of the leaders in exporting food and grain.

The scientific knowhow and the will to do better has made the United States strong and one of the three major powers of the world. This is what is right with America.●

TWENTY-TWO HOUSE MEMBERS INTRODUCE AMENDMENT TO HALT FUNDING OF THE NEUTRON BOMB

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 10, 1978

● Mr. WEISS. Mr. Speaker, on Thursday, May 11, when the House is scheduled to consider H.R. 11686, the Department of Energy national security authorization, 21 of our colleagues will join me in introducing an amendment to halt funding for production of the neutron bomb.

The 22 of us have sent the following letter to the rest of of the House inviting all Members to join us in deleting funds for this controversial weapon:

WASHINGTON, D.C.,
May 10, 1978.

DEAR COLLEAGUE: When the Department of Energy National Security Authorizations for 1979 (H.R. 11686) comes to the floor of the House this Thursday, May 11th, we will be offering an amendment to delete all funds for the production and deployment of the neutron bomb.

Since this amendment was originally introduced last fall, the President—as you know—has announced his decision to defer production and deployment of this weapon. While we welcomed this decision, it does not change the fact that the House, in H.R. 11686, is being asked to authorize funds for a weapon that could bring us to the brink of nuclear holocaust.

The arguments against this weapon have not changed: it is still a weapon which will escalate the nuclear arms race! It is still a weapon which will encourage nuclear proliferation! It is still a weapon which will lower the threshold of nuclear war!

Because the neutron bomb blurs the crucial distinction between nuclear and conventional armaments its deployment would invalidate the universal perception of atomic warheads as weapons of last resort.

The only way to eliminate the risks entailed on the production and deployment of the neutron bomb is to deny the funding for it. Therefore, we urge you to attend and participate in the floor debate and join us in voting against this weapon that threatens the future of humanity.

Sincerely,

Andy Maguire, John Conyers, Richard Ottinger, Ted Weiss, Ronald Dellums, Parren Mitchell, John Seiberling, Don Edwards, Elizabeth Holtzman, Pete Stark, Edward Markey, Bob Edgar, John L. Burton, George Miller, Fred Richmond, Bill Brodhead, Yvonne Burke, Pat Schroeder, Barbara Mikulski, Richard Nolan, Harold Volkmer, and Phillip Burton.●

DISPARITY OF INSURANCE COMPANY RESERVES FOR UNKNOWN LOSSES

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 10, 1978

● Mr. LAFALCE. Mr. Speaker, my Subcommittee on Capital, Investment, and Business Opportunities undertook an intensive investigation of insurance company practices in its study of the product liability problem. We learned that among insurers, there is a considerable disparity in amounts reserved for unknown claims (IBNR) arising out of this type of insurance. A recent article in Business Insurance indicates that these variations probably are not confined to product liability insurance, but permeate all types of property and casualty insurance.

These IBNR reserves are used in determining the underwriting profit of insurers (i.e., what they report to the State regulators as their profitability for writing a particular type of insurance). Note that for general liability coverage, the average amount of IBNR is an additional 85 percent of all losses actually paid, with the maximum amount of such reserves being 148 percent, and the minimum amount being a mere 44 percent of such

paid losses. These variations perhaps become more understandable when bearing in mind that IBNR reserves are established for claims which the insurer does not even know about.

The article follows:

RISK MANAGEMENT NOTES—IBNR RESERVES

(By Warren, McVeigh, Griffin)

Insurance policies cover many losses which may not be reported until after the policy expires. Thus, at expiration an insurer may not know what his actual losses have been. The extent to which this occurs varies widely from one type of coverage to another, the most extreme case being medical malpractice liability, where a patient may not even know he has been a victim of malpractice for a considerable length of time after the occurrence. It is at least a problem for fire insurance, where losses are clearly evident and reported promptly.

Insurance companies must establish "IBNR reserves" to account for these losses. The amounts can be estimated from past experience, but there is no uniformity in accounting practice from one insurer to another.

One major brokerage firm made a study of IBNR reserves for 10 different insurers and found a wide variation, as follows:

IBNR Reserve as Percent of Paid Losses

Coverage	Minimum	Maximum	Average
Fire	5%	19%	12%
Boiler & Machinery	0	255	48
Fidelity	35	109	76
Gen. Liab. (BI & PD)	44	148	85
Auto. Liab. (BI & PD)	12	41	25
Workers Comp	19	48	30

SOVIETS IN CUBA

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 10, 1978

● Mr. DORNAN. Mr. Speaker, I was extremely disturbed to read this morning an article published in the prestigious London Daily Telegraph last month concerning Soviet initiatives in the Caribbean. The report was written by the highly respect British defense analyst, Robert Moss, who is widely known for his penetrating assessments of international politics and strategic problems. According to Mr. Moss, the Soviet Union is constructing a new submarine pen in Cuba. What is even more disturbing is Moss' statement that, "There is a strong suspicion that Soviet strategic missiles have already been smuggled back into Cuba."

Mr. Speaker, I would hope that the President of the United States will investigate these reports with all proper dispatch, and determine for us their truth or falsity.

There have been rumors of new Soviet activities in Cuba circulating around Washington for the past few months now. But I have heard or seen nothing definitive, nothing to either confirm or deny these reports. We do know that Soviet pilots have been flying air defense missions over Cuba. We know that Soviet aircraft have been airlifting Cuban troops to the battlefields of Africa, using Guyana as a base for refueling. We also know that the Soviet Union has increased the size of its already formidable submarine force, and is in the process of developing a new "Typhoon" class submarine, with a set of capabilities similar to our proposed Trident. Soviet submarine bases in Cuba would present the United States with the most dangerous strategic problem.

Mr. Speaker, I wish to alert my colleagues to this information. It is a matter to be thoroughly investigated. In the meantime, I should like to insert Robert Moss' article in the RECORD.

THE CUBAN MISSILE CRISIS OF 1978

(By Robert Moss)

The Russians are building a pen for their nuclear submarines in the Cuban port of Cienfuegos. This, according to senior Western military observers, is the evidence of recent American aerial surveillance.

There is a strong suspicion that Soviet strategic missiles have already been smuggled back to Cuba.

The Russians tried to build a submarine pen in Cienfuegos once before, in 1971. But they were not allowed to get away with it.

When the construction work was detected, President Nixon responded promptly and decisively. He sent an unequivocal message, transmitted to Castro via Anatoly Dobrynin, the Soviet Ambassador (then and now) in Washington. The burden of the message was simple: "Take that base out or else we take you out."

This time around, things are rather different. According to reliable sources in Washington, the Carter administration has so far made no attempt to warn off the Russians, or has it done anything about alerting the American public to what could easily develop into the Cuban missile crisis of 1978.

SOVIET BLUFF

The historic missile crisis of 1962, which brought Russia and America shuddering to the brink of war, was essentially a test of nerves.

Khruschev, who had not been overly impressed by the young John F. Kennedy, was initially convinced that the Americans would not call the Soviet bluff.

Similarly, the current Soviet leadership might have drawn the conclusion, after 15 months of confusion or inaction in American foreign policy, during which the Russians have been allowed to make notable strategic advances in Africa, that America's leader lacks the will to respond.

They are also well aware that they are in a much stronger strategic position than in 1962, and that Mr. Carter would need even stronger nerves than President Kennedy to call their bluffs.

Yet American failure to resist such gross provocation as a new Soviet bid to install nuclear missiles just off the coast of Florida would amount to a damning admission of weakness.

It is not widely remembered that on October 3, 1962, the United States Congress passed a remarkable resolution on Cuba. It still stands in the American statute books as Public Law 87–733. The law states, *inter alia*, that the United States is determined:

(a) to prevent by whatever means may be necessary, including the use of arms, the Marxist-Leninist regime in Cuba from extending, by force or the threat of force, its aggressive or subversive activities to any part of this hemisphere;

(b) to prevent in Cuba the creation or use of an externally supporting military capability endangering the security of the United States.

The role of the Cubans as Moscow's foreign legion in Africa and the Middle East—where some 40,000 Cuban military personnel are now stationed—is something of which the authors of the 1962 legislation could hardly have dreamed in their darkest nightmares.

Yet this clearly presents a threat of the kind described in clause (b) which, according to a law that has never been repealed, the United States is committed to resist. The stationing of Soviet nuclear submarines in Cuba would pose a still more immediate threat to America's security.

COLD WAR SPEECH

It is in this context that President Carter's "cold war" speech in North Carolina on March 17 must be considered.

Mr. Carter's pledge that the United States will match Soviet military capabilities and will mobilise the forces to "counter any threats to our allies and vital interests" reassured many of America's friends who had been puzzled and disheartened by its failure to respond to Soviet aggression in Africa.

The tart commentaries from the Moscow Press on Mr. Carter's supposed "distortion" of Soviet intentions were also a significant tribute, although it must be borne in mind that the Rusisans have grown rather unaccustomed to hearing Western leaders speak out against their aggressive designs.

Yet the gap between words and action is a gulf in which a man, even a man as powerful as the American President, can lose himself. The Russians will not judge Mr. Carter by his words, but by his actions.

In the chancelleries of the world (and not least in Peking) assessments of what the Carter administration really means will not be based on an occasional speech that may well be primarily directed at a section of domestic opinion but on how Mr. Carter and his advisers cope, or fail to cope, with the realities of power.

CAUTIOUS LEADERS

The most brilliant strategist that I know, a man who has exercised a dominant influence over successive generations at the Pentagon since 1945, remarked to me recently that "the West should give thanks every day for the fact that the Soviet Union is led by a cautious gerontocracy, and not by a 55-year-old Marshal of the Red Army.

The Russians have, indeed, been cautious in testing the waters that have been left vacant by America's strategic retreat in the wake of Vietnam.

The best example is the fact that the Russians have not committed their own combat troops to fight in any of the major conflicts since 1945. This excludes Soviet pilots and military advisers.

But senior Nato officials are alarmed that Soviet confidence has vastly increased since Mr. Carter took office—and also that Chinese confidence in the United States has correspondingly diminished.

They quote the brutal diplomatic pressure that was applied in Scandanavia last year, and led the Norwegians to cancel military manoeuvres.

There is a fear, too, that Mr. Carter's tough attack on Nato and the defence of Europe has merely served to divert attention from the unilateral concessions that America has made in the SALT talks and America's non-response to crises outside the Nato itself.

There is talk now of a "global Brezhnev doctrine." The original Brezhnev doctrine, of course, was produced to justify Soviet actions like the invasion of Czechslovakia in

1968 on the grounds that the Soviet Union has the duty and the right to defend "socialism" wherever it has been established.

Now the Soviet Union is backing "progressive" movements throughout the Third World—including the Patriotic Front in Rhodesia and SWAPO in South West Africa—and justifies giving them external support, including the supply of proxy troops like the Cubans, as "fraternal Socialist aid."

At about the same time as Mr. Carter's North Carolina speech, Fidel Castro made an important statement on Cuba's involvement in Ethiopia and its future intentions in that part of the world.

Castro boasted of how his country's "internationalist fighters" had shown that they were able to "march to a far-off place and fight there as if they had been fighting in their own country."

Where will the cause of "proletarian internationalism" take the Cubans next? Rhodesia? Zambia? Zaire? The Middle East?

The greatest blunder of the Carter administration in its conduct of American foreign policy could prove to be in its handling of the men in Peking.

The American withdrawals from South Korea, raised Chinese fears that Mr. Carter was shedding America's traditional defence responsibilities. Subsequent debates in Africa heightened the fear that the Americans will not stand up to the Russians.

The bond between China and the West is not one of traditional friendship or ideological compatability or even shared economic interests. It is a cord of utility.

Cut the cord—in other words, show the Chinese that the West can no longer be counted on to contain Soviet military designs—and you may set in motion a process that could lead to the most terrifying conceivable development on the international scene, short of a world war: a non-aggression pact between Moscow and Peking.

The Chinese will be watching the development of the Cuban missile crisis of 1978 as keenly as anyone in the West. As the Russians test Jimmy Carter, the questions get progressively tougher. Let us hope he can come up with the right answer to this one.●

ANOTHER SMALL BUSINESS DIES

HON. CLARENCE J. BROWN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 10, 1978

● Mr. BROWN of Ohio. Mr. Speaker, the following letter was sent to me by a small businessman of my district who was driven out of his business by the costs of Government regulation.

We are all concerned about the impact of foreign competition and have taken efforts to assist the industries and workers displaced by such competition. We have done this because we rightfully attempted to protect our economy from unfair competition from abroad. Yet every day our own Government systematically puts American small businesses at tremendous competitive disadvantage with its heavy-handed regulatory efforts. What can be more unfair or more harmful to our economy? We simply can no longer overlook the costs of Government regulations and their cumulative impact on small businesses and their consumers.

I believe we all ought to give serious consideration to Richard Newman's troubles and how they came about. It is clear to me that Boweil Storage & Transit of Dayton has been driven into bankruptcy little by little by the agencies we have turned loose on America. Pogo was right.

The letter follows:

BOWEIL STORAGE & TRANSIT
OF DAYTON, INC.,
Dayton, Ohio, April 27, 1978.

Congressman CLARENCE J. BROWN,
Washington, D.C.

DEAR CONGRESSMAN BROWN: I hope the following will give you my insight as to the problems that face the small businessman. Without question, you would be aware of most problems.

OSHA—When we were visited by OSHA about three years ago, we were very surprised to find the authority and power held by that agency. Building modifications cost us $2,500.00 and a fine of over $150.00. Due to the severity of any future fines or penalties, we had to be more concerned with pleasing OSHA than pleasing our customers.

IRS—Due to constant changes and the complicated tax structure, we are unable to do our own corporate return. We must hire an accounting firm. The cost of this service is very large to a small business.

FICA—The constant rise in both rates and maximums have eroded profits. The absurd increase which was made law last year and became effective this year, is not a subject for this letter since we ceased operations in December of 1977.

FUT AND OUT—The liberal qualifications for benefits and the increase in these benefits have been on the rise. 1978 holds a 25% increase due to a raise in the maximum.

OWC—Inflation in medical bills has been a large factor in these increases. None the less, the companies costs go up and up for Workmen's Compensation.

NLRB and IBT—The International Brotherhood of Teamsters (or any other union, I presume) has a large impact on a companies business both in the cost of operations and public relations. We had eight union employees. Neither the union or management has the ability to see that the union members put in a honest days work. If management tried, the union would intercede. Grievances, contract negotiations and threats of strikes cause a small company to hire an attorney. The union was the only reason we needed an attorney. Once again more costs. A small company just cannot continue to exist when it is organized. This has held true in the moving business in Dayton. There have never been more than six movers under contract, yet in the last ten years, four of these have failed. I do not recall any nonunion movers that have failed.

When we got to the point that we could not continue with union employees we closed down our operations and sub contracted all of our work. The Teamsters filed a complaint. The NLRB accepted it. This was the last straw. More legal expense for the company and, much to my surprise, no legal expense for the union. To top it off we would be in a Kangaroo Court. All of this for a company in critical financial condition. Both the Union and the NLRB knew our financial condition yet neither would be happy until we went completely out of business. They have had their "Pound of Flesh".

ICC and DOT—The Interstate Commerce Commission and the Department of Transportation seem to be in competition. Most of our companies problems came from the ICC regulations. I do not recommend deregulation but do feel that the ICC has moved into the area of Interference. For example, excessive paperwork requirements and a "Uniformed Chart of Accounts" increased our payroll expense for clerical help by $20,000.00 per year.

PUCO—As happens so many times, state agencies follow the lead of the federal agency. The Public Utilities Commission of Ohio is setting up rules similar to those adopted by the ICC. Once again, more expense.

MTMC—The Military Traffic Command embarked on a cost reduction program. I can't fault any branch of Government in trying to save tax dollars. Our company was structured so that it was vital to participate in Military moves. In other words, we were "damned if we did, damned if we didn't". We then had to file the low rate, which was a great reduction, at a time when our costs were going thru the roof. I must point out that the section of MTMC that I have reference to in this paragraph is not Mr. Carls section. His area has always been on a low bid basis and was not the cause of our trouble.

In summation, I just cannot agree that our "default" is caused by the company. The company is the victim, not the villain. I know you are sensitive to these problems, but do feel that many government employees do not have that exposure.

While this letter is very long, I have only highlighted the problems. Your patience and help have been very much appreciated.

Sincerely,

RICHARD F. NEWMAN,
Vice President.●

MARXISM

HON. DAN MARRIOTT

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 10, 1978

● Mr. MARRIOTT. Mr. Speaker, for too long, our intellectual establishment has invested too much time and energy on Marxism both as a philosophy and a political movement. It is refreshing to see someone point out its antiquated posture which time and events have passed by. I suspect that the Marxist-Communist balloon has been blown a bit too full by promises which are never kept and rhetoric too self-serving for anyone but the most jaded follower.

Marxism has become a loaded concept which often reveals more about the speaker than about the subject. Marxism, as Marx wrote it, as a response to capitalism, has been outdistanced by events so long ago that it has ceased to be a force outside of the ivory towers in our universities. Marx's historical predictions have long ago been dropped by present day "Marxists" as an embarrassment to their cause. They instead selectively pick and choose among "Marxist" intellectuals who have sought to apply Marx in light of current circumstances. The Soviet Union which has tried to play the role of the Vatican in the Communist world has been robbed of its power to sanction who and what makes a "Marxist." National Communist parties in Western Europe, while retaining Stalinist tactics, have gone their own way on how best to achieve Marx's vision.

We need to keep a firm, objective view in mind of what the present state of Marxism is, as we construct our foreign policy for the future. I believe that time is not on the side of either Marxism or communism.

This article is an excellent thought piece on the subject and I recommend it to all.

[From the Washington Post, May 7, 1978]

THE DECLINE OF MARXISM—AN OBSOLETE IDEOLOGY PROPPED UP BY VESTED INTERESTS

(By Robert G. Wesson)

(NOTE.—Wesson is Russian and East European curator at Stanford University's Hoover Institution and author of "Why Marxism?")

World War I shook European civilization to its roots and caused an upsurge of radicalism, including Marxism. World War II then made Marxism the ideology of a victorious superpower with an expanded sphere of influence. In Eastern Europe it was imposed; in Western Europe it was freely accepted by millions as a mixture of revealed truth and the wave of the future; in most of the Third World it became the almost obligatory mode of the intelligentsia.

Now, however, the Marxist wave has been receding. Soviet influence tends to shrink; the erosion of what was around 1970 a major Soviet sphere in the Middle East has been rapid. Where Soviet influence remains, it rests on little more than military force, and it prospers mostly in some of the most backward parts of Africa.

Hardly anyone in Europe holds up the Soviet Union as a model of progress and socialism except those paid to do so. One can be Marxist without admiration for the state which claims to be the consummate realization of Marxism, but without the Soviet example and moral support, a powerful reason for being Marxist is removed. It is quite proper in avant-garde circles nowadays to regard the Soviet Union as a tyranny. A large part of the organized communist movement has (in Eurocommunism in particular) more or less turned its back on the Soviet model and has claimed to embrace democratic postulates.

The inspiration has failed. Visitors to Lenins' Russia felt a vibrant spirit that promised paradise. Stalin's revolution from above again inspired hope and dedication. But Khrushchev was the last true believer among Soviet leadership, and his schemes went awry.

Under Brezhnev and company, the Soviet Union has become a bureaucratic, corrupt, antirevolutionary state. Its once amazing economic growth has become insignificant; after generations of "socialist construction" it still has difficulty providing its people with potatoes and cabbage in the winter, let alone apples and onions. Instead of lighting the way to the future, it lags technologically. Its official culture is deadly dull, its rhetoric stupefyingly stale. Crime and alcoholism, far from disappearing as relics of capitalism, seem to characterize the "developed socialist state."

With the failure of the Marxist-Leninist inspiration in Russia, hopes turned to China. Mao was a revolutionary romatic who sought to uplift the peasants, and he had some success in reducing poverty and disease and creating at least an atmosphere of equality and brotherhood. But after Mao died his successors denounced his closest associates, the "Gang of Four," as criminals and "capitalist roaders" and turned from revolutionary consciousness-raising to trying to restore the economy by unequal wages and strengthening the apparatus that Mao despised.

Castro, too, has lost his halo, as the one-time glamorous guerrilla youth advances in his 50s. Whatever his social achievements, overall production in Cuba has increased hardly at all in the 19 years of his rule, and nearly everything is rationed—for example, one shirt *or* one pair of pants yearly. The Cuban Government, like that of older communist states, has matured into bureaucratic elitism, offering not free abundance but spartan militarism.

Fountains of Marxist inspiration have thus successively dried up, and there are no more great heroes. The North Vietnamese, recently champions of anti-imperialism, have become ordinary administrators holding a hand out for western help. The bright hope of African socialism, Julius Nyerere's Tanzania, remains unable to feed itself after collectivizing the villages, and it coasts along thanks to generous western aid. Only Mozambique, under the leadership of Machel Samora, may seem still to hold promise of creating the promised "new man" in fulfillment of the Marxist dream of a new humanity to come out of new economic conditions.

Marxism is an economic theory so far as it is a theory at all, and its strongest promise has been to overcome the "contradictions of capitalism" and bring about rapid growth of productivity under planning. Marxist economics has fallen short not only in the stagnant Soviet economy, but also in Soviet-dominated nations of Eastern Europe, which lag behind modest targets and face rising consumer discontent. In Czechoslovakia, the Communists 30 years ago inherited an industrial establishment which was one of the world's most modern; now it is mostly obsolete and uncompetitive in the world market. Yugoslavia, which takes ideology much less seriously and has virtually a free market economy, has done much better.

Nonetheless, if Marxist economic patterns are unsuitable for developed industrial countries, they might be more suitable for the less developed, just as the planned economy worked better in Stalin's Russia than in Brezhnev's. Consequently, many U.S. economists were inclined until recently to concede that would-be developing areas needed to manage their economies Marxist-style in order to make the best use of scarce capital and raise themselves to a higher level where they could afford economic freedom. But it appears that the contrary may be true, that Third World nations need free economies or capitalism to raise themselves to a level where they could perhaps afford socialism.

Applied Marxism in the Third World has turned out badly everywhere that it has had time to prove itself. After Nkrumah nationalized Ghana's economy, surplus turned into deficit and real income fell sharply, until Nkrumah was ejected by his generals. The socialization of Guinea under Sekou Toure has pushed the country back to subsistence agriculture; it hobbles along thanks to mineral exports by foreign-managed capitalist enterprises. The People's Republic of the Congo, which proclaims devotion to Marxism-Leninism and tries to apply it to the economy, is likewise kept afloat by foreign aid and foreign oil companies. In Burma, state control has practically demodernized the economy. The cities crumble, and only through illegal trade can people live.

The application of Marxism has come to an incredible climax in Cambodia. In its name, the anonymous rulers have not only exterminated a substantial fraction of the population but reduced the country to primitivism without newspapers, education (except for a few primary schools), medical care (doctors, as educated persons, were subject to execution), postal service or money. Elsewhere, results of socialism have been less disastrous where it has been less extreme, as in Tanzania or Egypt, or where oil revenues have compensated for waste, as in Algeria, Libya and Iraq.

It may be said that Marxism is a good theory tragically misapplied, but when misapplication has been so general the theory cannot escape blame. This is especially true of Marxism, for according to Marxists, doctrines are proved because they work—and disproved when they do not work.

Moreover, there is no longer much to which Marxism seems applicable. It looks to revolution, but revolutions do not occur in peacetime in advanced industrial states, and even in the Third World the wave of revolutions seems played out. Revolutions come out of war, and the world has been becoming, fitfully enough, generally more tranquil for the past decade. The Vietnam war enormously benefited Marxist causes around the world, giving them emotional zest and making anti-communism and anti-Marxism look like a cover for imperialism. But now there is no comparable volcano or radical inspiration, and some of the worst conflicts are between self-styled socialists (Somalia vs. Ethiopia) or communists (Vietnam vs. Cambodia). The most violent antagonism of major powers is between China and the Soviet Union.

Most problems of today are of adjustment to the technological age. What does Marxism have to say about inflation, pollution, overpopulation, illegal immigration, race relations, women's equality, balance-of-payments problems or the taxpayers' revolt? It is irrelevant to questions of energy, resources, nuclear proliferation and disarmament. Marxism addresses itself to the sharing of the benefits of industrialization; this is not the major trouble of our age, when many unionized "proletarians" are much better off than many small "capitalists."

In reality, Marxism has long been intellectually obsolete. But there is a difference between being obsolete and being discarded. Any brand of thinking that stays around a long time, engages many people and serves as a political banner creates ponderous vested interests.

All communist states from Cuba and Yugoslavia through the Soviet bloc to Cambodia and China rest their legitimacy, in theory at least, on the Marxist scheme of history; and they do their best to keep up the myths, beating drums more loudly as the message becomes ever less convincing.

In the western world, countless scholars and writers have committed their careers and minds to more or less Marxist outlooks in economics, sociology and political science; to take a basically different approach would at best require laborious retooling and more likely imply personal obsolescence. Liberals who have never embraced Marxism have put much energy into understanding and dealing with Marxist issues in Marxist terms; it would be a loss for them to realize that they have spent their efforts on something quite insubstantial. Even conservatives who have dedicated themselves to combatting Marxism cannot easily tell themselves that it isn't really important. And academic commitments are self-perpetuating; Marxist scholars raise new generations whose intellectual equipment is Marxist.

For such reasons, even persons who regard Marxism as misguided make genuflections to Marx the creative thinker. To save his theories, scholars reinterpret them until little more is left of the original than the main intention—power for an out-group. But people also become weary of the over-used cliches, and the ideas which obviously no longer answer the important questions lose appeal. Hence, despite the intrinsic attractiveness of a theory which enables the intellectuals to blame the rich, Marxism will probably continue to subside unless there is a new great war or its equivalent.

It may well be that within a generation Marx will loom no larger than John Stuart Mill, a keener although less rhetorical analyst. It would be helpful; the fading of Marxism from the intellectual scene would clear the intellectual air, permit a more constructive critique of the political and economic order, and facilitate coping with all manner of pressing problems of which Marx had no inkling and to which Marxism brings only confusion.●

CONGRESS MUST REJECT CARTER'S EFFORTS TO LIFT ARMS EMBARGO AGAINST TURKEY

HON. ROBERT W. KASTEN, JR.

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 10, 1978

● Mr. KASTEN. Mr. Speaker, President Carter recently advised Members of Congress of his decision to lift the arms embargo against Turkey. This decision represents still another in a series of reversals on the part of the administration from the promises candidate Jimmy Carter made during the 1976 presidential campaign.

I am opposed to the President's decision and will join my colleagues who intend to fight to retain the embargo which Congress imposed in 1975.

Turkey has broken U.S. laws and its bilateral agreements with the United States under those laws. In addition, it has violated both the U.N. Charter and the NATO Charter. As long as Turkey, armed with U.S.-supplied equipment, continues to subjugate 40 percent of Cyprus and displace 200,000 Greek Cypriots, the United States, in accordance with its own laws, must resist efforts to lift the arms embargo.

REASON FOR THE EMBARGO

The original embargo of U.S. arms shipments to Turkey was imposed on February 5, 1975, in accordance with requirements of the 1974 foreign aid bill. Congress ordered the cutoff of military aid because Turkey used American weapons for offensive purposes in its invasion and occupation of Cyprus. These laws required that further military aid be terminated.

The embargo was voted, therefore, not to enact new law but rather to insure that existing laws were enforced. It was to continue until the President could certify to Congress that substantial progress had been made regarding the military situation between Greece and Turkey.

I was a Member of Congress representing the ninth Congressional District when the embargo took effect. Representatives of the Ford administration, particularly Secretary of State Henry Kissinger, were very concerned that the embargo would destroy the President's flexibility in promoting negotiations between the two countries. Kissinger argued the administration's case effectively and I joined the majority of my colleagues in agreeing to a partial lifting of the embargo later that year.

My vote was premised on the belief that our actions would precipitate concessions by the Turkish Government, thus leading to a settlement of the differences over Cyprus and a stabilization of conditions in the eastern Mediterranean. Unfortunately, that has not been the case. After 3½ years, we are no further along in the negotiations than we were in 1975. The United States has taken the first step to rebuild a relationship of trust with our allies in the Mediterranean. Further concessions cannot be made until Turkey takes the next step.

PRESIDENT'S PROPOSAL DIMINISHES U.S. COMMITMENT TO GREECE

At the same time that President Carter has recommended to lift the partial arms embargo against Turkey, he has proposed a reduction in assistance to our longtime ally, Greece. The administration's request for fiscal year 1979 foreign military assistance to Greece is $122 million, which represents a reduction of $53 million from the fiscal year 1978 level.

This decision can only be construed as pressure on the Greek Government—a particularly disillusioning action given the administration's desire to increase arms sales to Turkey, without any requirement that Turkey break the deadlock in reaching a settlement over Cyprus.

The importance of Greece to our national security as well as the historic and cultural ties between our two countries merits special consideration. Greece is the birthplace of western civilization and democracy. She is a proven ally, and we can never take her friendship lightly.

By virtue of her geographic position, Greece is also the strategic key to the eastern Mediterranean and is essential for the peacekeeping operations of the U.S. Sixth Fleet. It is in our mutual interests to maintain our strong ties with Greece.

NEGOTIATED SETTLEMENT NECESSARY

U.S. national interests would be served by a restoration of relations between Greece and Turkey. Differences between the two countries have weakened the NATO Alliance and threatened the stability of the eastern Mediterranean.

That is why it is so important that a solution to the Cyprus issue be negotiated—a solution that recognizes the interests of both countries and the citizens living on that tiny island.

But, Turkey must be willing to make concessions before a normal military relationship between our two countries can resume.

I do not believe that the administration's policy will contribute to a solution of the Cyprus situation, and I will vote against the President's proposal.●

PERSONAL FINANCIAL STATEMENT

HON. JERRY M. PATTERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 10, 1978

● Mr. PATTERSON of California. Mr. Speaker, I believe the best interest of the American people requires that personal financial disclosure statements should be made to the public by the President, Vice President, Members of Congress, candidates for Federal office, and highly paid employees of the legislative, executive, and judicial branches of our Government. I cosponsored the Financial Disclosure Act which makes that a requirement and which I believe will do much to restore trust in our Government and give the public the ability to evaluate the financial integrity of its public officials.

Each year since my election to public office I have made a public statement of my own personal financial status including the amount and source of my income, and my assets, liabilities, and major taxes paid.

Because of the requirements of the new law I am changing the format for this voluntary disclosure to more closely comply to the Federal law. Please note that I have listed all 1977 income. However, I have not listed assets or liabilities that pertain to my family's personal living needs such as the residence in Buena Park, residence in Washington, D.C., area, furniture and furnishings, and automobiles. Furthermore, the dates covered for gifts and reimbursements are from October 1, 1977, to December 31, 1977, to coincide with the legal reporting period. Next year they will reflect the entire calendar year 1978.

Consistent with the financial disclosure law and my philosophy of honesty and openness in Government I am at this time making public a statement of my own financial status, as follows:

PERSONAL FINANCIAL STATEMENT OF JERRY M. PATTERSON, U.S. CONGRESSMAN

Part I:

A. 1977 Income.

Jerry M. Patterson—salary	$54,275.00
Speaking fees and honoraria	3,050.00
Mary Jane Patterson—salary	1,030.94
Credit Union—interest	183.36
Total income	58,539.30

B. Gifts.—(The source, a brief description or value of gifts of transportation, lodging, food or entertainment aggregating $250 or more from one source.) None.

C. Other gifts.—(The source, a brief description, and value of all other gifts aggregating $100 or more from one source.) None.

D. Reimbursements.—(The source, a brief description or value of reimbursements, directly or indirectly, for exenditures aggregating $250 or more from any one source.) None.

NOTE.—For Parts II–V below, indicated Category of Value: Category I—under $5,000; Category II—$5,000–$15,000; Category III—$15,000–$50,000; Category IV—$50,000–$100,000; Category V—Over $100,000.

Part II: Holdings—(The identity and category of value of any property held, directly or indirectly, in a trade or business or for investment or the production of income, and with a fair market value of at least $1,000 as of the close of the year.)

Identity	*Category of Value*
1. Single Family Condominium, Washington, D.C.	III
2. Shares in W. Patman Credit Union	I
3. Note secured by trust deed-single family residence	I
4. Furniture and furnishings for former law office	I

Part III: Liabilities—(The identity and category of value of any personal liability owed, directly or indirectly, which exceeds $2,500 as of the close of the year.)

Identity	*Category of Value*
1. Mortgage on single family condominium Washington, D.C.	III
2. First National Bank of Washington/unsecured loan	I

Part IV: Securities transactions—(The identity, date, and category of value of any transaction, directly or indirectly, in securities or commodities futures during the calendar year which exceeds $1,000.) None.

Part V: Real property transactions—(The identity, date, and category of value of any purchase or sale, directly or indirectly, of any interest in real property which exceeds $1,000 in value as of the date of such purchase or sale.) None.

Part VI: Major taxes paid in 1977:

Federal income taxes	$11,800
California State income taxes	3,233
California property taxes	920●

MSGR. JOHN TRACY ELLIS TO RECEIVE LAETARE MEDAL OF THE UNIVERSITY OF NOTRE DAME

HON. JOHN BRADEMAS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 10, 1978

● Mr. BRADEMAS. Mr. Speaker, Msgr. John Tracy Ellis, the dean of historians of American Catholicism, will receive the University of Notre Dame's Laetare Medal for 1978.

In commenting on the award, the Reverend Theodore M. Hesburgh, C.S.C., president of the university, said:

For almost a century, the Laetare Medal has been given to those American Catholics who made outstanding contributions to the life of our Nation. We honor today an elder statesman of American Catholicism, an historian who has spent his life chronicling the achievements of many who preceded him in this distinction, a teacher, scholar and author who has exemplified the best in the intellectual tradition of the Church.

Mr. Speaker, at this point in the RECORD I insert a further statement concerning the award of the Laetare medal to Monsignor Ellis, as published in the March, 1978, issue of Father Hesburgh's "President's Newsletter":

Msgr. Ellis, currently teaching on a post-retirement appointment at the Catholic University of America in Washington, D.C., is only the second clergyman to receive the Laetare Medal. It was not until 1968 that eligibility for the traditionally lay honor was opened to clergy and religious, and Rev. John A. O'Brien, a well-known author, received it in 1973. The oldest and most prestigious award of its kind, the Laetare Medal is announced each year on the Fourth Sunday of Lent, from which it derives its name. Founders of the award patterned it after a papal honor dating from the 11th Century, and Notre Dame first awarded it—to Historian John Gilmary Shea—in 1883.

A native of Seneca, Ill., Msgr. Ellis received his A.B. degree from St. Viator College in 1927, his M.A. from Catholic University in 1928 and his Ph.D. from the same university in 1930. He was ordained in 1938.

The teaching career of the 72-year-old Church historian began in 1930 at St. Viator. After two years there and two years at the College of St. Teresa in Winona, Minn., Msgr. Ellis joined the faculty of Catholic University, where he was a major influence on three decades of graduate students who now staff schools and colleges across the country. He moved to the University of San Francisco in 1964 and taught there until his recent retirement. A lively and interesting lecturer, he has been a visiting professor at Notre Dame and Brown University in this country and the Gregorian University in Rome.

Msgr. Ellis has also been recognized widely for his research scholarship. His most esteemed work is probably his two-volume "The Life of James Cardinal Gibbons, Archbishop of Baltimore," published in 1952 and a basic work for anyone studying late 19th or early 20th Century American Catholicism. His Walgreen Lectures at the University of Chicago, published by that University's press in 1956 as "American Catholicism," continue to comprise one of the most popular histories of the Church in America. "The Formative Years of the Catholic University of America," published in 1946, remains the best work on the foundation of that institution, and "A Guide to American Catholic History," published in 1959, is the standard bibliography in its area.

His landmark 1955 essay, "American Catholics and the Intellectual Life," is credited with spurring Catholic colleges and seminaries across the country to higher educational standards. Msgr. Ellis has also served as editor of the Catholic Historical Review and as president of both the American Catholic Historical Association and the American Society of Church History. Among his honorary doctorates is an LL.D. from Notre Dame in 1957.

Msgr. Ellis understood the past, but he was noted for his ability to bring his erudition to bear on contemporary problems. The ability to use insights gleaned from history in discussing topical issues earned him high regard as an advisor and consultant to many bishops, religious superiors and educators. Some consider Msgr. Ellis to be among the most influential scholarly commentators on the American Church since World War II.●

MINES PUBLICATION RECOMMENDED READING

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 10, 1978

● Mr. UDALL. Mr. Speaker, kudos are in order for some folks at the Department of the Interior who have come up with a new publication about the Bureau of Mines.

Mining Research is a well written and illustrated booklet describing the vital role assigned this little agency. I want to call my colleagues' attention to the publication and suggest they obtain copies.

Besides well-done descriptions of the Bureau's present important activities, there is an interesting look ahead:

FUTURE DIRECTIONS

The Bureau of Mines is a small Federal agency with a big job. How well it performs has much to do with how well America can rise to the challenge of a mineral future that is full of difficulties: deeper, leaner deposits . . . more difficult, and potentially more dangerous, underground conditions . . . higher safety and environmental standards . . . escalating costs at mineral-producing operations.

Matching mine output with industry's growing mineral and material appetite under such conditions will require nothing less than the best mining technology that American ingenuity can devise. For the systems of the future—and their full compliance with regulatory requirements—part of the foundation has already been established, through mining research and development performed by the Bureau. Following through on that foundation is a venture in which government, the private sector, and individuals all have a stake. It is also one in which the Interior Department's Bureau of Mines—with nearly 70 years of experience in mining technology—expects to play an important part.

The authors of this report are to be commended.●

DOUBLE STANDARDS USED IN DEALING WITH SOUTH AFRICA

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 10, 1978

● Mr. DERWINSKI. Mr. Speaker, Father Andrew Greeley is a noted columnist and sociologist, respected for his independent viewpoint. In his column of May 4 in the Panax publication, The Globe, he comments on the inconsistency and double standard applied to morality in foreign affairs. The article follows:

DOUBLE STANDARDS USED IN DEALING WITH SOUTH AFRICA

Well, the United States managed to beat South Africa in the Davis Cup games at Vanderbilt University—indeed, without much trouble. The matches were a complete success. All the self-righteous commentators and sports writers had a chance to proclaim their virtue on the evils of apartheid; the editorial writer had one more chance to denounce South Africa; the professional protesters, demonstrators and disrupters had another field day. A fine, wonderful, marvelous, moralistic time was had by all.

South Africa got two points on the tennis courts and no points for putting a black player on their tennis team. The player was "light-skinned," we were told (hardly an obstacle to an American measuring in for a black quota—but that's another matter), and preached the heresy that politics and sports should be kept separated. How much more of an Uncle Tom can you be?

Mind you, none of the crusading sportswriters will have any trouble going to Moscow to cover the Olympics; there will be no protesters, demonstrators and other narcissistic martyrs to protest the American participation in the Moscow Olympics, and the few right-wing reactionaries who are appalled at the thought of Olympic games in the Soviet Union will be told by the same people who were most furious at the Vanderbilt Davis Cup matches that sports and politics should be kept independent from each other.

Hypocrites, whitened sepulchres all white and shiny on the outside, inside are filled with dead men's bones (to quote one of my favorite authors).

Russia is far more oppressive than South Africa, but not only is it legitimate to participate in international sports with them, it is all right for them to host sport's biggest event. "Ah," we will be told, "but the Russians are not racists. They don't oppose nonwhite peoples."

Such an argument is appalling both because of its ignorance and its racism. Oppression is oppression whether the victim is white or black. If South African oppression is wrong, so is Russian oppression. Anyone who sees any difference is a bigot and a racist.

And anyone who knows anything about geography ought to be aware that the Russians have a central Asian colonial empire with more than twice as many nonwhites as there are in South Africa. Why white op-

pression is not an obstacle to international sports when it is practiced by Russia and is an obstacle when it is practiced by South Africa escapes my understanding. However, I do not have the sensitive, discriminating conscience of the professional liberal who worries about South African oppression but not about Russian oppression, about torture in Chile but not about torture in Northern Ireland, about American imperialism in Vietnam but not about Cuban imperialism in Africa.

Like I say, whitened sepulchres.

In many of the columns attacking the Vanderbilt matches, mention was made of Steve Biko, the martyred South African black leader. Biko's death was an appalling event, evidence of how low the South African racist government has sunk; but I don't read much by the same people about the genocide going on in Cambodia. Those who supported the Vanderbilt boycott never suggested demonstrating in front of the Cambodian delegation to the U.N. Indeed, there are some pious liberal authors who have been arguing that it is not true that many people have been killed in Cambodia—only hundreds of thousands. And if Patrick Buchanan is to be believed, a Washington Post reporter walked out of a press conference on the Cambodian genocide, remarking that it was "all junk." But then maybe she didn't have time to stay; it was more important to go to one of the singles bars in the local circuit to see what Hamilton Jordan was up to.

There isn't much doubt that genocide in Cambodia is the worst thing to happen in the world since the Nazi death camps. It goes unnoticed, uncounted, unprotested. There are a lot more important things in the world—like protesting the Davis Cup matches at Vanderbilt.●

ALDO MORO—A SENSELESS TRAGEDY

HON. LEO C. ZEFERETTI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 10, 1978

● Mr. ZEFERETTI. Mr. Speaker, today I wish to join my colleagues in paying tribute to a most respected man, former Prime Minister Aldo Moro.

Mr. Moro's senseless death stunned his country as well as the rest of the world. It is sadly ironic that a man whose reputation was founded on compromise and caution should meet death at the hands of the extreme leftist terrorists, know as the Red Brigades. It has proven to us that the nations of the world must unite to form a common front to fight terrorism and defend democracy.

Mr. Moro, an incorruptible man, held the support of those people whose views were different from his as well as the undying love and respect of his fellow countrymen. As a peacemaker who held the prestigious post of Prime Minister for five terms, he consistently fought for and maintained a system of parliamentary democracy. One duly notes that his career reached back to the close of World War II and that he was one of the drafters of the constitution that established the Republic of Italy.

On this mournful occasion, we shall send our sincere condolences to Eleanora Moro and once again remind ourselves that we must fight to end terrorism in our world. Italy has suffered a great loss by his demise and we shall mourn with them.●

H.R. 39—THE PRESERVATION OF ALASKA

HON. NEWTON I. STEERS, JR.

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 10, 1978

● Mr. STEERS. Mr. Speaker, probably in the next week the House will have an opportunity to enact legislation that will preserve the last of our great, untouched wilderness areas, Alaska. After careful work by the House Interior and Insular Affairs Committee and the House Merchant Marine and Fisheries Committee, we will have the privilege to preserve wilderness areas for generations to come. We can take a giant step in preserving grounds where the caribou graze, where wide and scenic rivers flow, and where large areas of beautiful wilderness still exist. It is not often that the Congress will get this sort of opportunity.

It is important that those of us who represent Eastern States take an active role in seeing that H.R. 39 pass. Personally, I have heard from many of my constituents who strongly support this bill and oppose any weakening amendments. It is my intention to vote for H.R. 39 and work to see that only the strongest possible bill passes the House. Yet while my mind is made up on the importance of this bill, there may be others who have not yet reached a decision. I want to call their attention to a column from the Washington Post of May 5, 1978, by Coleman McCarthy. Mr. McCarthy eloquently points out the opportunity before the House. Only positive action by all of us in the upcoming days can keep Alaska from becoming "Appalachia North".

The article follows:

ALASKA: "APPALACHIA NORTH"?

(By Colman McCarthy)

When Michael Holloway, M.D., left his village the other day in the Rainbow Valley of Alaska to visit the nation's capital to see the political system at work, he had visions that it might not work at all. Holloway's concern was whether or not Congress understood the feelings of the natives in bush Alaska and their ties to a subsistence culture. The physician's own understanding is based on his work since 1973 as an orthopedic surgeon with the Indian Health Service. By traveling among the remote villages, he has learned that subsistence uses of natural resources—game, fish, vegetation—have been the means of survival for people in that area for at least 15,000 years.

After a few days in Washington, Holloway felt some of his misgivings ease. As passed by the House Interior Committee, the Alaska National Interest Lands Conservation Act offered strong protection for the subsistence rights for natives. But other actions of the committee were troubling. As originally introduced, the bill sought to protect 115 million acres of public land; the committee approved 95 million. For one area—the Tongass forest—more than half of the wilderness proposals were rejected. Overall, wilderness acreage dropped from 83 million to 75 million.

Land bills in Congress almost always begin that way: big hunks of largess inviting axmen and whittlers to chip away until often the public is left with little more than fragments. Despite early vigilance by the Interior subcommittee, the legislation must still pass through the full House and then a Senate committee and the full Senate. It isn't only the secretary of interior who says the Alaskan land issue is his department's major priority for 1978. The stakes are also awesomely high for natives, developers, energy and timber companies, unions, tourists, conservationists and state and federal governments. The collision of values among those groups will create big winners and big losers. Debate comes when national concern about Alaska runs strong. One book on the state ("Coming Into the Country," by John McPhee) is on the bestseller lists and another ("Children of Crisis," by Robert Coles, which examines Eskimo culture) deserves to be.

Whether this attention from writers is a final glance at a land and culture about to be ruined in the name of progress or a protective look at a long-ignored treasure, 1978 will be known as the year when the great shift came to the great frontier.

In deciding the fate of some 95 million acres of public land, Congress isn't getting into an issue for which we have no precedent. Today's Alaska flashes with similarities to the Appalachia of 100 years ago: in size, natural beauty, the pride and resilience of the native people, mineral wealth and cultural traditions. But are axmen and whittlers who are preparing to chop up the Alaska legislation in the Senate about to create Appalachia North? With the current conditions in Appalachia well-known—50,000 miles of despoiled rivers and streams, mountains raped for coal, inadequate housing, impoverished schools, an epidemic of mental depression, absentee landlords, constant flooding, trailer-camp living, hazardous roads—what are the ethics of risking a repetition in Alaska?

In the fever for quick wealth, the real costs are likely to be ignored. The exploiters of oil, gas, copper, uranium, timber, real estate and wildlife are not likely to heed a woman in the Eskimo village of Kotzebue who told some visiting congressmen last summer: "We find ourselves being encroached upon by another dominant culture, whose people are more numerous than we, relentless, whose written laws are sometimes foreign to us and inappropriate for this simple northern land but nevertheless binding on us." Instead, they put an open ear to the claim of Alaska's Rep. Don Young: "Preservationist-oriented measures have truly gotten out of hand . . . The key issue is how much needs to be set aside to provide appropriate protection without going overboard."

As to where Congress, the energy companies or other "protectors" have gone overboard in the past, Young didn't say. Nor has anyone else. Historically, and shamefully, the excess has been in squandering our treasures, not in protecting them. We angle for quick gains, while leaving victims—and their children and grandchildren—to endure long-term losses. With the full House about to debate Alaska, the same philosophy of exploitation that has done in much of Appalachia will be heard again: The fate of the hemisphere depends on our getting at every last acre that can be drilled, mined, paved, blasted, staked or sold. To resist that mentality, or better yet to turn away from it as false, nothing is more useful than a look at Appalachia. If Alaska's public lands are a new territory, then they deserve to be cherished with something better than the old ethic.●

MORE ZEROS THAN THE JAPANESE AIR FORCE

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 10, 1978

● Mr. SYMMS. Mr. Speaker, it has been said by Mark Russell, the very popular political humorist, that the Carter budget has more zeros than the Japanese Air Force at its peak.

Mr. Speaker, how much is a one-half trillion dollars?

I submit the following article from Review of the News dated February 22, 1978.

It would seem appropriate to me that this article be in the CONGRESSIONAL RECORD today, the day we have our chance to balance the budget:

MORE ZEROS THAN THE JAPANESE AIR FORCE

President James Earl Carter Jr. has made history with the "shock heard 'round the world" by proposing to spend half a trillion dollars during Fiscal 1979. More, really. In fact, $500,174,000,000 to be exact. Rather than terrify you with how President Carter intends to spend your money, or discuss how his "lean and tight" Budget fails to include allocations reaching into the millions, our concern here is with the size of the take and what it might buy.

THE BUDGET AIN'T PEANUTS

How much is half a trillion? Sorry you asked. A whole trillion boasts 12 zeros (1,000,000,000,000) and is the equivalent of a thousand billions, a million millions, or a billion thousands. Half a trillion one dollar bills lined up end to end would encircle the earth at the equator over 1,900 times, or go to the moon and back 99 times. Taped together in a flat blanket, they would cover almost 1.2 million acres. Bundled up, the bills would fill a warehouse 47 feet wide, 20 feet high, and four miles long.

Half a trillion pennies would weigh more than 150 million tons, which is about seven times the weight of the entire world's peanut production for 1976. Half a trillion quarters lined up rim to rim in double file—that is, two by two—would extend over nearly every inch of road, both paved and unpaved, in the United States. Ah, for streets of silver. Speaking of which, half a trillion silver dollars would create a stack as high as nearly 3 million Empire State Buildings.

But enough of the purely physical attributes of President Carter's Budget. For the amount he proposes to spend in one year, we could give every person on earth $120; or every man, woman, and child in the United States $2,300; or, the head of every American household $6,700. For that sum we could buy a $55,000 Rolls-Royce for nearly every resident of the New York/New Jersey metropolitan area. From this sum we could, in fact, give $1 million to every resident of Tucson, Arizona; Montgomery, Alabama; Monterey, California; and, Soddy-Daisy, Tennessee!

President Carter's Budget could pay the gasoline bills (at 70¢ per gallon) for every car in the U.S. for seven years, or give each car owner $4,900 outright (enough to buy a new one). It could pay the entire nation's personal income taxes for about four years (ignoring inflation), or pay all of our health bills for about three and a half years. President Carter could, for half a trillion dollars, hand $72,000 to every unemployed adult in the country—or, better yet, employ them to clean up Washington at the present minimum wage ($2.65 per hour) for thirteen years. He could give $32,000 to every high-school student, or $158,000 to every senior expected to finish high school in June 1978. Surely enough to cover the cost of a college education, even at today's horrifying prices. Did somebody say education? President Carter's Budget for 1979 would pay for a complete four-year Harvard education—tuition, room, and board—for 1.8 million of our nation's youth.

Somewhere in this labyrinth of numbers it should be pointed out that to spend half a trillion dollars in a year is to spend $15,855 per second. If you had spent $1,000 a day every day since Christ was born, you still would not have spent so much as $1 billion. Similarly, if each of our 435 Representatives and 100 Senators had spent $1,000 a day since Day One, the whole spendthrift gang would still not have spent a half a trillion dollars! A solitary shopper buying goods round the clock, that is 24 hours a day, seven days a week, would have to spend $50,000 a minute for 19 years before he had spent half a trillion dollars.

So the President's vast Budget would buy 86 million cars, nine million new houses, who-knows-how-many swimming pools. It is too bad that all of this is being taken from us to pay for the Big Government that many of us just don't want. Of course, some people do want it, and that would be fine if they didn't feel compelled to make us pay for it. Now, if every person who voted for President Carter in the 1976 elections were to chip in out of his own pocket to meet this Carter Budget it would cost them a bare $12,419 apiece to reach the half-a-trillion mark.

The figure we are talking about here is simply astronomical. Consider that Jimmy Carter's cousin Hugh, the worm farmer of Plains, Georgia, is now selling 15 million worms a year at a gross income of about $104,250. At this rate, it would take over 33,000 years for Hugh Carter to sell half a trillion worms—or nearly five million years to gross half a trillion dollars. Brother Billy, on the other hand, who has put his personality behind "Billy" beer, hopes to sell 5 million cases of that foamy beverage this year at four to six dollars per case. Assuming 24 cans per case, Billy would only have to sell beer for just over 4,000 years before he'd have sold half a trillion cans of the stuff. Or, he could augment his earnings by continuing the public appearances for which he receives $5,000 each, paying off brother Jimmy's Budget with the total income from 100 million such bookings. Let's see, now, if he made 100,000 appearances a year and upped the price of his six-packs. . . .

Enough. We won't even begin to consider how many glasses of lemonade poor little Amy would have to sell, or how long she would have to hoard her allowance, before she too could pay off Dad's new Budget with half a trillion big ones. But it might be a good idea for the President and everyone else to keep in mind that these vast sums that Mr. Carter is taxing and spending ain't peanuts. If they were, and he had raised them himself, we'll bet that his so-called "lean and tight" Budget would have been substantially smaller.●

A GRATEFUL AMERICAN

HON. JOSEPH D. EARLY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 10, 1978

● Mr. EARLY. Mr. Speaker, a distinguished citizen of the Third Massachusetts District will be honored by many of his friends on the evening of Friday, May 12, 1978. The man to be honored, Daniel F. Herlihy, has been a leader in keeping alive the proud Irish heritage which is the background of a large part of the Worcester area population. It is with great pleasure that I join in extending my very best wishes for happiness and continued good health to Dan on this occasion when his substantive contributions to the good of the overall community are recognized.

A native of Cork, Dan arrived in Worcester in October 1949. He served his country in the Army during the Korean war for 2 years, and upon his return from duty he became employed with the New England Telephone Co. During this time, he enrolled in evening courses and graduated from Worcester Junior College. After several promotions, Dan secured the position of engineer with the company, which he still holds.

Along with his work and schooling, Dan always found time to participate in community and political affairs. Like so many other immigrants to our shores, Dan shares a strong tradition of political independence and a love for freedom. He has been very active in the Ancient Order of Hibernians, division 36, and has been instrumental in bringing many well-known speakers to Worcester.

The year 1976, along with being our Nation's Bicentennial, was also the 150th anniversary of the first permanent Irish settlers in Worcester. Dan got the idea that a fitting memorial ought to be erected. He served as chairman of the Worcester Irish Memorial Committee, and was a key figure in negotiating an acceptable agreement to the erection of a Celtic Cross on the Worcester Common.

Daniel Francis Herlihy is first and foremost a fine and grateful American, a true son of Erin, a great leader, a man of integrity, a devoted husband and a proud and loving father. His outstanding character, his sense of compassion for all, and his commitment to his city and our country are of the highest quality and his vast contributions to the community serve as a reminder of the good of which each of us is capable.●

PIPELINE COMPANIES TO HAVE CERTIFICATES

HON. MICHAEL T. BLOUIN

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 10, 1978

Mr. BLOUIN. Mr. Speaker, yesterday I introduced a bill which will require interstate pipelines to obtain a certificate of public convenience and necessity from the Department of Energy prior to construction. The certificate will be awarded only if the following criteria are met: Consideration of specific land use alternatives in determining the pipeline route, preparation of an environmental impact statement and payment of any reasonable fees of attorney(s) retained by landowners affected by the construction of the pipeline.

I introduced this legislation because of the adverse impact pipelines have on America's prime agricultural land. In my own State of Iowa, pipelines cross farmland at an angle, cutting tile drainage systems, disrupting farm operations, and leaving a strip of soil that has been altered deeply and often permanently. While Americans are becoming more aware of our limited energy resources, we must begin to recognize that land is also a finite resource. In this country alone, 5 million acres of agricultural land are lost to some form of urbanization every year. At least one-third of this is prime farmland. Our present need for new sources of energy does not justify a pipeline route through productive farmland, especially when other route alternatives exist—route alternatives that oil and gas companies should be required to explore. My legislation establishes a prioritized list of route alternatives beginning with abandoned railroad right-of-way, highway right-of-way, parcel boundaries, nonarable land, and ending with arable land. A pipeline company must exhaust each alternative before considering the next category. A cost percentage mechanism (exact percentages will be determined with the help of testimony presented during committee hearings) is built into each category so that a pipeline company cannot exhaust a category merely on the premise that it is more expensive.

In addition, pipeline companies will have to prepare an environmental impact statement (EIS) on the proposed route in order to be granted the certificate of public convenience and necessity. This requirement is in accord with the National Environmental Policy Act of 1969, which provides that an EIS accompany "major Federal actions significantly affecting the quality of the human environment."

Finally, pipeline companies will be required to pay reasonable fees of any attorney(s) retained by the affected landowners as their legal representative in administrative or judicial proceedings conducted with respect to the proposed pipeline.

Following is the text of my legislation which, I hope, Members of the House will join me in supporting:

H.R. —

A bill to provide that certain interstate pipelines may be constructed only if the route of such a pipeline complies with certain land use priorities, an environmental impact statement is prepared with respect to the pipeline, and the person constructing the pipeline agrees to pay certain attorneys fees incurred by landowners affected by the pipeline

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. PROHIBITION OF CONSTRUCTION OF CERTAIN INTERSTATE PIPELINES.

(a) GENERAL RULE.—No person may construct any regulated interstate pipeline (as defined in section 2) unless the Federal Energy Regulatory Commission grants to such person a certificate of public convenience and necessity for construction of such pipeline.

(b) AUTHORITY TO GRANT CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY.—On request of any person, the Federal Energy Regulatory Commission may grant a certificate of public convenience and necessity for the construction by such person of any regulated interstate pipeline if—

(1) each portion of the route of such pipeline satisfies the route requirements of subsection (c),

(2) such person satisfies the requirements of subsection (d) with respect to paying the reasonable fees of any attorney retained by any landowner affected by the construction of such pipeline, and

(3) such Commission prepares a statement described in subparagraph (C) of section 102 (2) of the National Environmental Policy Act of 1969.

(c) ROUTE REQUIREMENTS.—

(1) IN GENERAL.—Any portion of the route of a pipeline satisfies the requirements of this subsection if such portion is within—

(A) any abandoned railroad right-of-way,

(B) any right-of-way of any State highway or any highway the construction of which was funded in whole or in part with Federal funds, and if the cost of constructing the portion of such route under this subparagraph is less than — percent of the cost of constructing any route under subparagraph (A) which provides service equivalent to the service provided by the portion under this subparagraph,

(C) ---- feet of any boundary between parcels of land owned by different persons, and if the cost of constructing the portion of such route under this subparagraph is less than --- percent of the cost of constructing any route under subparagraphs (A) and (B) which provides service equivalent to the service provided by the portion under this subparagraph,

(D) any land which is not arable or the feasible arability of which is remote, and if the cost of constructing the portion of such route under this subparagraph is less than --- percent of the cost of constructing any route under subparagraphs (A), (B), and (C) which provides service equivalent to the service provided by the portion under this subparagraph, and

(E) any arable land, and if the cost of constructing the portion of such route under this subparagraph is less than --- percent of the cost of constructing any route under subparagraphs (A), (B), (C), and (D) which provides service equivalent to the service provided by the portion under this subparagraph.

(2) DETERMINATION OF COST OF CONSTRUCTING PORTION OF PIPELINE ROUTE.—Under regulations prescribed by the Federal Energy Regulatory Commission, the cost of constructing any portion of any pipeline route under paragraph (1) shall take into account losses, during the useful life of such pipeline, to the arability of land within which such portion is constructed, to drainage systems with respect to such land, and to other conservation factors with respect to such land.

(d) ATTORNEY FEE REQUIRED.—

(1) IN GENERAL.—Any person satisfies the requirements of this subsection if, with respect to the pipeline for which the certificate of public convenience and necessity is requested under subsection (b) by such person, such person agrees to pay each affected landowner the reasonable fees of any attorney retained by such landowner for the purpose of representing the interests of such landowner in any administrative or judicial proceeding with respect to—

(A) the issuance of such certificate to such person,

(B) the acquisition from such landowner of any easement in connection with the construction or operation of such pipeline, and

(C) matters relating to compliance by the pipeline with the terms and conditions of such easement.

(2) AFFECTED LANDOWNER DEFINED.—For purposes of this section, the term "affected landowner" means, with respect to any pipeline, the owner of any real property—

(A) with respect to which any easement applies for the construction or operation of such pipeline, or

(B) which is taken into account in the statement prepared under subsection (b)(3) with respect to such pipeline.

(3) SUBSECTION NOT TO APPLY TO GOVERNMENTS.—This subsection shall not apply to any affected landowner which is the United States or any State, or political subdivision thereof, of the United States.

SEC. 2. REGULATED INTERSTATE PIPELINE DEFINED.

For purposes of this Act, the term "regulated interstate pipeline" means any pipeline (other than any sewer or water pipeline) with respect to which applies any regulation issued by the Federal Energy Regulatory Commission.

SEC. 3. ADMINISTRATIVE PROVISIONS.—

(a) PIPELINES SUBJECT TO NATURAL GAS ACT.—For purposes of this Act, in the case of any regulated interstate pipeline subject to the Natural Gas Act, the certificate of public convenience and necessity shall be treated as part of the certificate of public convenience and necessity described in section 7(c) of the Natural Gas Act.

(b) PIPELINES NOT SUBJECT TO NATURAL GAS ACT.—For purposes of this Act, in the case of any regulated interstate pipeline which is not subject to the Natural Gas Act, section 7(c) and related provisions of the Natural Gas Act (including provisions relating to applications, administrative and judicial review, and sanctions) shall, under regulations prescribed by the Secretary of Energy, apply to such pipeline to the extent necessary to carry out the purposes of this Act.●

SENATE COMMITTEE MEETINGS

Title IV of the Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of all meetings when scheduled, and any cancellations or changes in meetings as they occur.

As an interim procedure until the computerization of this information becomes operational the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committees scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Thursday, May 11, 1978, may be found in Daily Digest of today's RECORD.

MEETINGS SCHEDULED

MAY 12

9:30 a.m.

Environment and Public Works

To resume mark up of pending calendar business.

4200 Dirksen Building

Human Resources

To resume markup of S. 1753, authorizing funds through FY 1983 for the Elementary and Secondary Education Act, and other pending calendar business.

4232 Dirksen Building

10:00 a.m.
Energy and Natural Resources
To resume mark up of S. 2692, FY 79 authorizations for civilian programs of the Department of Energy, and Title II of S. 2693, FY 79 authorizations for national security programs, Department of Energy.
3110 Dirksen Building
Finance
Tourism and Sugar Subcommittee
To continue hearings on S. 2990, the proposed Sugar Stabilization Act.
2221 Dirksen Building
Judiciary
Antitrust and Monopoly Subcommittee
To hold hearings on the conglomerate mergers and their effect on the economy, on a community, and on the employees.
2228 Dirksen Building
Select Intelligence
To resume hearings, in closed session, on S. 2525, to improve the intelligence system of the U.S. by establishing a statutory basis for U.S. intelligence activities.
S-407, Capitol

MAY 15

10:00 a.m.
Appropriations
Transportation Subcommittee
To hold hearings on budget estimates for FY 79 for the Department of Transportation.
1224 Dirksen Building
Judiciary
Antitrust and Monopoly Subcommittee
To resume oversight hearings on ICC's price regulation in the motor common carrier industry.
2228 Dirksen Building

MAY 16

9:30 a.m.
Judiciary
Criminal Laws and Procedures Subcommittee
To resume hearings on S. 2013, to require the additional labeling of explosive materials for the purpose of identification and detection.
S-126, Capitol
Special on Aging
To hold hearings on the degree to which older Americans are purchasing more private health insurance than needed to supplement gaps in the Medicare program.
357 Russell Building
10:00 a.m.
Appropriations
Interior Subcommittee
To hold hearings on proposed budget estimates for FY 79 for the Department of Energy.
1224 Dirksen Building
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings jointly with the Senate Banking Subcommittee on International Finance on technology exports and research and development investments.
6226 Dirksen Building
Energy and Natural Resources
To resume mark up of S. 2692, FY 79 authorizations for civilian programs of the Department of Energy, and Title II of S. 2693, FY 79 authorizations for national security programs, Department of Energy.
3110 Dirksen Building
Environment and Public Works
Regional and Community Development Subcommittee
To hold hearings on S. 2997, authorizing funds for emergency assistance to southwest border-state school districts educating immigrant, children born in Mexico.
4200 Dirksen Building
Governmental Affairs
To resume hearings on S. 991, to create a separate Cabinet-level Department of Education.
3302 Dirksen Building
10:30 a.m.
Judiciary
To resume hearings on S. 2252, the Alien Adjustment and Employment Act.
2228 Dirksen Building

MAY 17

9:00 a.m.
Governmental Affairs
Civil Service and General Services Subcommittee
To hold hearings on H.R. 4319, regarding government life and health insurance benefits; H.R. 4320, regarding annuity payments for judges and justices; H.R. 8342, dealing with local withholding taxes for federal employees; H.R. 8771, regarding compliance with court decree in divorce proceedings of a federal employee under civil service retirement system; and H.R. 9471 and S. 224, regarding civil service retirement credit for time spent in W.W. II internment camps.
3302 Dirksen Building
9:30 a.m.
Human Resources
Health and Scientific Research Subcommittee
To resume hearings on S. 2755, the Drug Regulation Reform Act.
4232 Dirksen Building
Judiciary
To hold hearings on the nominations of Adrian G. Duplantier, to be U.S. district judge for the eastern district of Louisiana, and Gilbert G. Pompa, of Texas, to be Director, Community Relations Service.
2228 Dirksen Building
10:00 a.m.
Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for FY 79 for the Department of Energy.
1224 Dirksen Building
Banking, Housing, and Urban Affairs
Financial Institutions Subcommittee
To resume hearings on S. 2096 and S. 1460, Right to Financial Privacy Act, and S. 2293, to modernize the banking laws with regard to the geographic placement of electronic fund transfer systems.
5302 Dirksen Building
Banking, Housing, and Urban Affairs
International Finance Subcommittee
To hold hearings in connection with restrictions employed by foreign countries to hold down imports of U.S. goods.
Room to be announced
Commerce, Science, and Transportation
Merchant Marine and Tourism Subcommittee
To hold hearings on S. 2873, proposed Ocean Shipping Act.
235 Russell Building
Energy and Natural Resources
Public Lands and Resources Subcommittee
To hold hearings on S. 3046, the proposed Coal Pipeline Act.
3110 Dirksen Building
Governmental Affairs
To continue hearings on S. 991, to create a separate Cabinet-level Department of Education.
3302 Dirksen Building
10:30 a.m.
Judiciary
To continue hearings on S. 2252, the Alien Adjustment and Employment Act.
2228 Dirksen Building

MAY 18

9:30 a.m.
Judiciary
Criminal Laws and Procedures Subcommittee
To resume hearings on S. 2013, to require the additional labeling of explosive materials for the purpose of identification and detection.
1318 Dirksen Building
10:00 a.m.
Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for FY 79 for the Department of Energy.
1224 Dirksen Building
Commerce, Science, and Transportation
Merchant Marine and Tourism Subcommittee
To continue hearings on S. 2873, proposed Ocean Shipping Act.
235 Russell Building
10:30 a.m.
Judiciary
To continue hearings on S. 2252, the Alien Adjustment and Employment Act.
2228 Dirksen Building

MAY 22

9:00 a.m.
Select Small Business
Monopoly and Anticompetitive Activities Subcommittee
To resume hearings on the Federal Government patent policy.
318 Russell Building
10:00 a.m.
Judiciary
Antitrust and Monopoly Subcommittee
To resume oversight hearings on ICC's price regulation in the motor common carrier industry.
2228 Dirksen Building

MAY 23

9:00 a.m.
Select Small Business
Monopoly and Anticompetitive Activities Subcommittee
To continue hearings on the Federal Government patent policy.
6226 Dirksen Building
9:30 a.m.
Human Resources
Health and Scientific Research Subcommittee
To hold hearings on milk substitutes manufactured and distributed for infant formula use in underdeveloped countries.
4232 Dirksen Building
10:00 a.m.
Energy and Natural Resources
To resume hearings on S. 499, 1500, 1546, 1787, and 2465, to designate or add certain lands in Alaska to the National Park, National Wildlife Refuge, National Wild and Scenic Rivers, and National Wilderness Preservation Systems.
3110 Dirksen Building
3:00 p.m.
Conferees
On S. 9, to establish a policy for the management of oil and natural gas in the Outer Continental Shelf.

MAY 24

9:30 a.m.
Commerce, Science, and Transportation
Aviation Subcommittee
To hold hearings on S. 747, H.R. 8729, and H.R. 11986, proposed Aircraft and Airport Noise Reduction Act.
235 Russell Building
10:00 a.m.
Energy and Natural Resources
To continue hearings on S. 499, 1500, 1546, 1787, and 2465, to designate or add certain lands in Alaska to the National Park, National Wildlife Ref-

uge, National Wild and Scenic Rivers, and National Wilderness Preservation Systems.
3110 Dirksen Building

Foreign Relations
To hold hearings on H.R. 7819, S. 477, S. 478, S. 1256, and S. 1257, bills concerning diplomatic immunity.
4221 Dirksen Building

MAY 25

9:30 a.m.
Commerce, Science, and Transportation
Aviation Subcommittee
To continue hearings on S. 747, H.R. 8729, and H.R. 11986, proposed Aircraft and Airport Noise Reduction Act.
235 Russell Building

10:00 a.m.
Energy and Natural Resources
Public Lands and Resources Subcommittee
To resume hearings on S. 3046, the proposed Coal Pipeline Act.
3110 Dirksen Building

2:00 p.m.
Conferees
On S. 9, to establish a policy for the management of oil and natural gas in the Outer Continental Shelf.
Until 5:00 p.m. EF-100, Capitol

MAY 31

2:00 p.m.
Conferees
On S. 9, to establish a policy for the management of oil and natural gas in the Outer Continental Shelf.
Until 5:00 p.m. EF-100, Capitol

JUNE 1

Conferees
On S. 9, to establish a policy for the management of oil and natural gas in the Outer Continental Shelf.
Until 5:00 p.m. EF-100, Capitol

JUNE 7

9:30 a.m.
Judiciary
Juvenile Delinquency Subcommittee
To hold hearings jointly with the Human Resources Subcommittee on Alcoholism and Drug Abuse on S. 2778, and other proposals, to tighten controls on and increase penalties for the manufacture and distribution of the drug PCP (angel dust).
4232 Dirksen Building

JUNE 13

9:30 a.m.
Commerce, Science, and Transportation
Aviation Subcommittee
To resume hearings on S. 747, H.R. 8729, and H.R. 11986, proposed Aircraft and Airport Noise Reduction Act.
235 Russell Building

JUNE 14

9:30 a.m.
Commerce, Science, and Transportation
Aviation Subcommittee
To continue hearings on S. 747, H.R. 8729, and H.R. 11986, proposed Aircraft and Airport Noise Reduction Act.
235 Russell Building

10:00 a.m.
Banking, Housing, and Urban Affairs
Financial Institutions Subcommittee
To hold hearings on H.R. 10899, the International Banking Act.
5302 Dirksen Building

JUNE 15

9:30 a.m.
Commerce, Science, and Transportation
Aviation Subcommittee
To continue hearings on S. 747, H.R. 8729, and H.R. 11986, proposed Aircraft and Airport Noise Reduction Act.
235 Russell Building

*Veterans' Affairs
Housing, Insurance, and Cemeteries Subcommittee
To hold hearings on S. 1643 and H.R. 4341, to eliminate the requirement for inspections of the mobile home manufacturing process by the VA, and S. 1556, authorizing funds through FY 81 to assist States in establishing and maintaining VA cemeteries.
Room to be announced

10:00 a.m.
Banking, Housing, and Urban Affairs
Financial Institutions Subcommittee
To continue hearings on H.R. 10899, the International Banking Act.
5302 Dirksen Building

CANCELLATIONS

MAY 11

9:30 a.m.
Governmental Affairs
Federal Spending Practices and Open Government Subcommittee
To hold oversight hearings on Government in the Sunshine Act (P.L. 94-409), and to receive testimony on efforts to reduce the Federal paperwork burden.
1318 Dirksen Building

2:00 p.m.
Conferees
On S. 9, to establish a policy for the management of oil and natural gas in the Outer Continental Shelf.
Until 5:00 p.m. EF-100, Capitol

MAY 12

2:00 p.m.
Conferees
On S. 9, to establish a policy for the management of oil and natural gas in the Outer Continental Shelf.
Until 5:00 p.m. EF-100, Capitol

MAY 16

10:00 a.m.
Banking, Housing, and Urban Affairs
Financial Institutions Subcommittee
To resume hearings on S. 2096, Right to Financial Privacy Act, and S. 2293, to modernize the banking laws with regard to the geographic placement of electronic fund transfer systems.
5302 Dirksen Building

HOUSE OF REPRESENTATIVES—*Thursday, May 11, 1978*

The House met at 11 o'clock a.m. and was called to order by the Speaker pro tempore (Mr. WRIGHT).

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. WRIGHT) laid before the House the following communication from the Speaker:

WASHINGTON, D.C.,
May 11, 1978.

I hereby designate the Honorable JIM WRIGHT to act as Speaker pro tempore for today.

THOMAS P. O'NEILL, Jr.,
Speaker of the House of Representatives.

PRAYER

The Right Reverend Bishop Zoltan Beky, D.D., Hungarian Reformed Church of America, Washington, D.C., offered the following prayer:

Almighty God, Father of all nations, as leaders, chosen representatives, and lawmakers of this great Nation, we stand before Thee in humble reverence. We invoke Thy gracious blessing upon this great assembly.

We confess that we are unable to carry the heavy responsibilities of our enormous task without Thy help. Give us Thy guidance and wisdom.

We pray for our beloved country, "the land of the free and the home of the brave."

Thou hast known, O God, that this great country of ours has been the torchbearer of freedom and liberty throughout the centuries on behalf of oppressed and enslaved peoples of the world.

Today hundreds of millions of oppressed and enslaved people cry out to us for help, for their deliverance from bondage, and God-given human rights.

Give wisdom, faith, and courage to the leaders of our great Nation, the President, and Members of the Congress, to do everything in their power to bring about their freedom and human rights.

Today, especially, we remember in our prayer the heroic sacrifice of Col. Michael de Kovats, drillmaster of Washington Cavalry, who on this day, May 11, died a heroic death in the War of Independence during the Battle of Charleston, S.C.

Blessed be his memory and all of those who sacrificed their lives for the liberty of these United States.

We pray for our President and all Members of the Congress in the name of our Lord Jesus Christ. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Is there objection to the approval of the Journal?

Mr. SYMMS. Mr. Speaker, I object.

The SPEAKER pro tempore. Objection is heard.

The question is on the approval of the Journal.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. SYMMS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 377, nays 15, not voting 42, as follows:

[Roll No. 301]

YEAS—377

Abdnor	Dodd	Keys
Addabbo	Dornan	Kildee
Akaka	Downey	Kindness
Ambro	Drinan	Krebs
Ammerman	Duncan, Oreg.	LaFalce
Anderson, Calif.	Duncan, Tenn.	Lagomarsino
	Early	Latta
Anderson, Ill.	Eckhardt	Le Fante
Andrews, N.C.	Edgar	Leach
Andrews, N. Dak.	Edwards, Ala.	Lederer
	Edwards, Calif.	Leggett
Annunzio	Edwards, Okla.	Lehman
Applegate	Emery	Lent
Archer	English	Levitas
Armstrong	Erlenborn	Livingston
Ashbrook	Ertel	Lloyd, Tenn.
Ashley	Evans, Colo.	Long, La.
Aspin	Evans, Del.	Long, Md.
Badham	Evans, Ga.	Lott
Bafalis	Evans, Ind.	Luken
Baldus	Fary	Lundine
Barnard	Fascell	McClory
Baucus	Fenwick	McCloskey
Bauman	Findley	McCormack
Beard, R.I.	Fish	McDade
Bedell	Fisher	McDonald
Beilenson	Fithian	McEwen
Benjamin	Flippo	McFall
Bennett	Flood	McHugh
Bevill	Florio	McKay
Biaggi	Flowers	McKinney
Bingham	Flynt	Madigan
Blanchard	Foley	Maguire
Blouin	Ford, Tenn.	Mahon
Boggs	Fountain	Mann
Boland	Fowler	Markey
Bolling	Fraser	Marks
Bonior	Frenzel	Marlenee
Bonker	Fuqua	Marriott
Bowen	Gammage	Martin
Brademas	Garcia	Mattox
Breaux	Gaydos	Mazzoli
Brinkley	Gephardt	Meeds
Brodhead	Giaimo	Metcalfe
Brooks	Gibbons	Meyner
Broomfield	Gilman	Michel
Brown, Calif.	Ginn	Mikulski
Brown, Ohio	Glickman	Mikva
Broyhill	Goldwater	Milford
Buchanan	Gonzalez	Miller, Calif.
Burgener	Gore	Miller, Ohio
Burke, Fla.	Grassley	Mineta
Burke, Mass.	Green	Minish
Burleson, Tex.	Gudger	Mitchell, N.Y.
Burlison, Mo.	Guyer	Moakley
Burton, John	Hagedorn	Mollohan
Burton, Phillip	Hall	Montgomery
Butler	Hamilton	Moore
Byron	Hammer-schmidt	Moorhead, Calif.
Caputo		
Carter	Hanley	Moorhead, Pa.
Cavanaugh	Hannaford	Moss
Cederberg	Hansen	Motti
Chappell	Harkin	Murphy, Ill.
Chisholm	Harrington	Murphy, N.Y.
Clausen, Don H.	Harris	Murtha
	Harsha	Myers, Gary
Clawson, Del	Heckler	Myers, John
Clay	Hefner	Myers, Michael
Cleveland	Heftel	Natcher
Cohen	Hightower	Neal
Coleman	Hillis	Nedzi
Collins, Ill.	Holland	Nichols
Conable	Hollenbeck	Nolan
Conte	Holt	Nowak
Corcoran	Holtzman	O'Brien
Corman	Horton	Oberstar
Cornell	Howard	Obey
Cornwell	Hubbard	Ottinger
Cotter	Huckaby	Panetta
Crane	Hughes	Patten
Cunningham	Hyde	Patterson
D'Amours	Ichord	Pattison
Daniel, Dan	Ireland	Pease
Daniel, R. W.	Jeffords	Pepper
Danielson	Johnson, Calif.	Perkins
Davis	Johnson, Colo.	Pettis
de la Garza	Jones, N.C.	Pickle
Delaney	Jones, Okla.	Pike
Dellums	Jones, Tenn.	Poage
Derrick	Jordan	Pressler
Derwinski	Kasten	Preyer
Devine	Kastenmeier	Price
Dickinson	Kazen	Pursell
Dicks	Kelly	Quillen
Diggs	Kemp	Rahall
Dingell	Ketchum	Railsback
Rangel	Simon	Vento
Regula	Sisk	Volkmer
Reuss	Skelton	Waggonner
Richmond	Slack	Walgren
Rinaldo	Smith, Iowa	Walsh
Roberts	Smith, Nebr.	Wampler
Robinson	Snyder	Watkins
Roe	Solarz	Waxman
Rogers	Spellman	Weaver
Rooney	Spence	Weiss
Rose	St Germain	Whalen
Rosenthal	Staggers	White
Rostenkowski	Stangeland	Whitehurst
Rousselot	Stanton	Whitten
Roybal	Stark	Wilson, C. H.
Rudd	Steed	Wilson, Tex.
Ruppe	Steers	Winn
Russo	Stockman	Wirth
Ryan	Stokes	Wolff
Santini	Stratton	Wright
Satterfield	Studds	Wydler
Sawyer	Symms	Wylie
Scheuer	Taylor	Yates
Schroeder	Thompson	Yatron
Schulze	Treen	Young, Fla.
Sebelius	Trible	Young, Mo.
Seiberling	Udall	Young, Tex.
Sharp	Ullman	Zablocki
Shipley	Van Deerlin	Zeferetti
Shuster	Vander Jagt	
Sikes	Vanik	

NAYS—15

Brown, Mich.	Jacobs	Sarasin
Collins, Tex.	Lloyd, Calif.	Steiger
Coughlin	Mitchell, Md.	Traxler
Forsythe	Pritchard	Walker
Goodling	Quayle	Wilson, Bob

NOT VOTING—42

Alexander	Gradison	Risenhoover
Allen	Hawkins	Rodino
AuCoin	Jenkins	Roncalio
Beard, Tenn.	Jenrette	Runnels
Breckinridge	Kostmayer	Skubitz
Burke, Calif.	Krueger	Stump
Carney	Lujan	Teague
Carr	Mathis	Thone
Cochran	Moffett	Thornton
Conyers	Murphy, Pa.	Tsongas
Dent	Nix	Tucker
Eilberg	Oakar	Whitley
Ford, Mich.	Quie	Wiggins
Frey	Rhodes	Young, Alaska

So the Journal was approved.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate had passed with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 130. An act to provide for the protection of franchised distributors and retailers of motor fuel and to encourage conservation of automotive gasoline and competition in the marketing of such gasoline by requiring that information regarding the octane rating of automotive gasoline be disclosed to consumers.

The message also announced that the Senate agreed to the House amendment to Senate amendment numbered 8 to the bill H.R. 8331, an act to amend the Securities Investor Protection Act of 1970.

THE RIGHT REVEREND BISHOP ZOLTAN BEKY

(Mr. PATTEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PATTEN. Mr. Speaker, this morning we were privileged to listen to an opening prayer by the Right Reverend Bishop Zoltan Beky. He is the head of the Hungarian churches in America. Bishop Beky is also the national president of the American Hungarian Federation, which includes all church societies and fraternal organizations affiliated with the Hungarian churches, over 1 million strong. I have known him for over 40 years, since his good offices were located in Trenton, N.J.

Now he is in Washington. Bishop Beky is known around the world as a pillar of the church and a seeker of human freedoms. He is a great American.

They are having a bicentennial now with activities noting the death of Col. Michael Kovats, a Hungarian who was killed in the Battle of Charleston, S.C., in the Revolutionary War, on May 11, 1779.

We are grateful for having him in our presence today.

Mr. THOMPSON. Mr. Speaker, will the gentleman yield?

Mr. PATTEN. I yield to the gentleman from New Jersey.

Mr. THOMPSON. Mr. Speaker, I thank the gentleman for yielding.

I have personally known Bishop Beky for more than 30 years and have had the honor of having him as one of my most respected constituents until he became bishop with increased responsibilities. He is deeply loved by all in the flock which he served and is highly respected by everyone who has ever had anything to do with him.

Mr. PATTEN. Mr. Speaker, I thank the gentleman.

DISCHARGE OF COMMITTEE ON HOUSE ADMINISTRATION FROM FURTHER CONSIDERATION OF S. 1029 AND RE-REFERRAL TO COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION

Mr. THOMPSON. Mr. Speaker, I ask unanimous consent that the Committee on House Administration be discharged from further consideration of the Senate bill (S. 1029) to authorize the Smithsonian Institution to construct museum support facilities, and that the bill be re-referred to the Committee on Public Works and Transportation.

Mr. Speaker, a similar bill, H.R. 8991, was previously referred to the Committee on Public Works and Transportation. This bill provides for construction authorization, which is a matter of jurisdiction of the Committee on Public Works and Transportation.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

Mr. PHILLIP BURTON. Mr. Speaker, reserving the right to object, I believe I have an immediate interest in the request of the gentleman from New Jersey (Mr. THOMPSON).

May I ask, Does this request affect legislation coming out of the Committee on Interior and Insular Affairs?

Mr. THOMPSON. Mr. Speaker, if the gentleman will yield, no, it does not. That bill to which the gentleman refers should have been sequentially referred, but it was not.

Mr. PHILLIP BURTON. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

PRIME MINISTER ANDREOTTI HAILED AS HERO IN MORO AFFAIR

(Mr. BIAGGI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BIAGGI. All civilized men mourn the tragic death of former Italian Premier Aldo Moro. His murder was an act which plunged terrorism into new depths of depravity. It was an act which stilled one of the most powerful and influential voices in Italian politics over the past three decades.

It was more than 6 weeks ago when the Red Brigade staged their brazen kidnaping of Moro during which five of his bodyguards were slain. To some, Moro's fate was sealed once he was seized by the Brigade. Others did not share that view including present Prime Minister Giulio Andreotti who worked for Moro's release throughout. His actions in the Moro case were a modern profile in courage. He was not only a close political ally but a lifelong friend of Aldo Moro. Without question he was forced to make excruciating decisions as a leader and as a man. Many viewed this as Italy's most severe crisis of the post-World War II period. Mr. Andreotti should be hailed as a hero and a savior of democracy throughout the world.

Were Andreotti to capitulate to the demands of the terrorists, he would have capitulated to the forces of anarchy—which would have led to the collapse of democracy in Italy. We recall a recent and even more dramatic parallel when the President of Cyprus, Sypros Kyprianou refused to negotiate with the terrorists who had kidnaped his son. This demonstrated the kind of courage which characterized the conduct of Prime Minister Andreotti. It should be the policy of all nations in dealing with terrorists. As I said to Prime Minister Andreotti in a telegram, "For you, for Italy, and for the whole world, there was no alternative. Had the roles been reversed I am certain Aldo Moro would have done the same."

Our profound sympathies are extended to the Moro family for whom the last 6 weeks have been an especially profound ordeal. We mourn for the Italian people who have lost one of their most beloved and respected government leaders.

However, Italy is still a democratic country. Our friendship remains deep. she remains one of our strongest and most important allies. The United States unequivocally supports the Government of Italy. The avowed goal of the Red Brigade, to bring down the Italian Government by kidnaping Moro did not happen. Had they succeeded, it could have been a forerunner of similar type actions against other free world nations. The fact that it failed should serve as an impetus for a worldwide movement to crush terrorism. Italian authorities should redouble their efforts to round up the Red Brigade movement. Terrorism must be condemned and viewed as the grave threat it is to the future of democracy in the world.

MANAGER DAVIS PREDICTS VICTORY IN UPCOMING CONGRESSIONAL BASEBALL GAME

(Mr. DAVIS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DAVIS. Mr. Speaker, I rise today to announce to this body that on June 20 at Four Mile Run Park the annual Roll Call Congressional Baseball Game will be held.

I rise also to pay my respects in advance to my colleague, the Honorable SILVIO CONTE, and his handfull of what he seriously considers to be baseball players.

I cannot speak for his past success as the manager of the Republican Baseball Team. I cannot speak for his so-called retirement following last year's rain-soaked, lightning struck accomplishment. I can point out that, in the 3 years he has faced me and my comanager BILL CHAPPELL, twice he has left the well with an empty bucket.

Now it appears that spring has once again put fancy ideas into his head and illusions of grandeur into his mind, and indeed, he is a legend in his own mind. The siren-song lure of past adulation and accolades has clouded his usually preceptive judgment and given rise to the falsehood that he can compete with the Democratic Baseball Team.

I think it is time the Honorable Mr. CONTE recognize that his silk purse baseball team has turned into a sow's ear. His desperate effort to regain past prominence with the "over-the-hill gang" will be like sending a man with a cap gun into a shootout with Wyatt Earp.

Perhaps after this June 20, we will be able to put the old Red Sox uniform away for good and not just for the "hot stove" season. When the pyrotechnics finally die down that night, I think my colleague's best quote will be—"I should have quit when I was ahead."

PERMISSION TO FILE CONFERENCE REPORT ON H.R. 9005, DISTRICT OF COLUMBIA APPROPRIATIONS ACT, 1978

Mr. NATCHER. Mr. Speaker, I ask unanimous consent that the managers may have until midnight tonight to file a conference report on the bill (H.R. 9005) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending September 30, 1978, and for other purposes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kentucky?

Mr. BAUMAN. Mr. Speaker, reserving the right to object, could the gentleman from Kentucky (Mr. NATCHER) tell the Members when the District of Columbia appropriation conference report might be considered in the House.

Mr. NATCHER. Mr. Speaker, if the gentleman will yield, I would say to my friend, the gentleman from Maryland, that would, of course, be up to the leadership. We would be ready next week or the following week, according to the plan and the scheduling by the leaders of the House.

Mr. BAUMAN. It is my understanding, further, that some sort of an agreement has been reached, at least between the gentleman and other parties, on the issue of the magnificent District of Columbia Convention Center.

Mr. NATCHER. The gentleman is correct.

Mr. BAUMAN. Mr. Speaker, the gentleman looks forward to that agreement, and I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

EXPRESSION OF SORROW AND OUTRAGE AT BRUTAL MURDER OF ALDO MORO

(Mr. PHILLIP BURTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PHILLIP BURTON. Mr. Speaker, I wish to add my voice to the many who have expressed sorrow and outrage at the brutal murder of Aldo Moro. And, I wish to join in the condemnation of those murderers, both in Italy and elsewhere in the world, who embrace and encourage the random slaughter of helpless human beings in the name of some political fanaticism.

Aldo Moro's murder, as foul a crime as it is, has dramatized for all the world just how far the infection of the terrorist ideology can spread. Like plagues of old, it knows no borders; respects no creed. And like plagues of old, it must be expunged by the application of appropriate remedies. For plagues, the remedy must make scientific sense; for terrorism the remedy must make democratic sense.

The killers of Moro and so many others, must be brought to justice by methods characteristic of civilized democratic societies. We must not allow terrorists to destroy our liberties, nor must we destroy them ourselves in the name of antiterrorism.

We grieve with the world for the Moro family and its tragedy. And we should stand with the world beside Italy as it defends its society from the assault of terror and the temptation of repression.

Mr. Speaker, the word "civilized" and the word "terror" are incompatible; and the death of Aldo Moro has made that clear to all who are not blind to reality.

THE 17TH ANNUAL ROLL CALL CONGRESSIONAL BASEBALL GAME

(Mr. CONTE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CONTE. Mr. Speaker, I rise to issue a warning to my colleagues from across the aisle, in regard to our little exercise coming up on the 20th of June. I am, of course, referring to the 17th annual Roll Call Congressional Baseball Game. Up until today, my distinguished counterparts and managers, the gentlemen from South Carolina and Florida, have remained silent on the subject of this game. I ask the gentlemen, are they so awed by the thought of our lethal bats and powerful arms that they are left speechless? Or are they just kicking around a few ideas, in the same manner that their fielders will be booting ground balls on the 20th?

Regardless, I would advise my colleagues in the Democratic Party to plan on bringing a few extra pieces of equipment with them as they set out for Alexandria. In addition to bats and gloves, I would suggest to the gentlemen that they also bring along a styptic pencil and some Band-Aids as my team looks "razor-sharp." My team looks so sharp, in fact, that I am sure we will cut the Democrats down to size. Our battery, the famed "Barbershop Quartet" of COHEN, HOLLENBECK, MICHEL, and FRENZEL, has signed a "blood pact" to guarantee a "close shave" to any Democratic hitter who digs in too close.

In closing, I would like to commend my distinguished opponents, and their supporters, for their patience and their perseverence. They have suffered for many years, through thick and thin, while we piled up one victory after another. I hope that our opponents have not allowed the fact that they won 2 games out of the 15 they have played against me to go to their heads, as our blades will be sure to cut them down to size. Let me remind all of my Democratic friends that once is chance, and twice is coincidence. There will not be a third.

ANONYMOUS PROPAGANDA ON THE HOUSE FLOOR

(Mr. BAUMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BAUMAN. Mr. Speaker, during the last few years, the majority of the House has been fit to change the rules with "phony" quorums and other devices so that few Members even come to the floor for debates, except to stick their plastic "credit cards" into the slot and register their computer votes "yes," "no," or "maybe," without having heard any of the discussion.

In the 4 or 5 days of debate on the budget resolution, a new low in a mechanical absentee Congress has been reached. I refer to the fact that we have seen a growing flurry of printed handouts at the doors of the House Chamber during rollcall votes, which handouts bear little or no relationship to the truth or to the vote then occurring.

Interestingly enough, Mr. Speaker, most of these propaganda sheets which were distributed during the vote on the Ashbrook amendment, the Holt amendment, and other amendments during the budget process were unsigned so that none of us knew where they come from, who wrote them, whether they were lies or truths, or whether or not they accurately portrayed the factors which we take into account when we vote.

Mr. Speaker, if this is the manner in which a parliamentary democracy is conducted in this 202d year of our independence as a nation, it is a sad commentary, and we are on the decline. Perhaps the House rules should at least be amended to require that these smear sheets bear an authority line similar to that which every political candidate has to put on his literature.

THE MURDER OF FORMER PRIME MINISTER ALDO MORO

(Mrs. FENWICK asked and was given permission to address the House for 1 minute.)

Mrs. FENWICK. Mr. Speaker, Members of the House, we have heard today eloquent statements concerning the barbaric assassination of the former Prime Minister and head of his party in a free country. I have family in Italy, and this matter is very close to my heart.

It is, indeed, barbaric and terrible that such a distinguished and innocent person should have been held prisoner and finally assassinated in a cruel, long drawn-out agony, but I would like to remind the Members of the House that it is not just a Prime Minister who was killed by this vicious Red Brigade. Five policemen lost their lives when he was taken, one after another. A sergeant was shot in Milan, because he was going to be able to give some evidence. In that country people are being killed every day.

It is nationwide, and it is happening to simple, ordinary people. The extortion and blackmail is not just the very rich. A little shopkeeper in the southern part of Italy had $1,000 extorted from him when they kidnaped his child.

Terrorism is something we are all going to have to be aware of. It is rising in the world, vicious terrorism under the so-called justification of political action. We have not been careful enough about it. We have not been clear enough in our response. Wrong is wrong, and it should not take a Prime Minister's death to show us that. One policeman's death ought to be enough.

THE RUSSIANS ARE COMING TO CUBA AGAIN

(Mr. DORNAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DORNAN. Mr. Speaker, those of my colleagues who are worried about the giveaway of the Panama Canal to an unstable, leftist dictator will be interested in the CONGRESSIONAL RECORD of May 10. Those Members who are worried about Cuban fighter pilots strafing and killing black soldiers and civilians in the Horn of Africa will also be interested. Those Members who are worried about that 35 percent of our oil that comes from the Persian Gulf oil States, where there is a growing cloud of Soviet naval and air strength, will also be interested in turning to their RECORD under their chairs in the Extensions of Remarks section for yesterday, on page 13295, and read the article by the prestigious and reliable British geopolitical analyst, Robert Moss.

He states:

The Russians are building a pen for their nuclear submarines in the Cuban port of Cienfuegos. This, according to senior Western military observers, is the evidence of recent American aerial surveillance.

There is a strong suspicion that Soviet strategic missiles have already been smuggled back to Cuba.

Another 8-year cycle is up. The Soviets are at it again. Those Members who are reading some of the weird history written by people, in or out of jail, from the Watergate period will have to determine how much credence to the quotes of former Secretary of State Kissinger in June 1970, when he flared in anger that the Cubans were building soccer fields for Russian technicians who were again bringing strategic missiles back into that area—this time in the bellies of submarines. It had been 8 years, 1962 to 1970, since the "Missiles of October," President Kennedy's finest hour, and they were back at it again in Cuba. Now 8 years later here we go again. Senator Kenneth Keating got kicked in the teeth for his trouble in warning us in 1962. Who will be the Paul Revere "fall guy" this time. I suggest that the Members read this Robert Moss article on page 13295. And I submit his whole article again for today's RECORD:

THE CUBAN MISSILE CRISIS OF 1978

(By Robert Moss)

The Russians are building a pen for their nuclear submarines in the Cuban port of Cienfuegos. This, according to senior Western military observers, is the evidence of recent American aerial surveillance.

There is a strong suspicion that Soviet strategic missiles have already been smuggled back to Cuba.

The Russians tried to build a submarine pen in Cienfuegos once before, in 1971. But they were not allowed to get away with it.

When the construction work was detected, President Nixon responded promptly and decisively. He sent an unequivocal message, transmitted to Castro via Anatoly Dobrynin, the Soviet Ambassador (then and now) in Washington. The burden of the message was simple: "Take that base out or else we take you out."

This time around, things are rather different. According to reliable sources in Washington, the Carter administration has so far made no attempt to warn off the Russians, or has it done anything about alerting the American public to what could easily develop into the Cuban missile crisis of 1978.

SOVIET BLUFF

The historic missile crisis of 1962, which brought Russia and America shuddering to the brink of war, was essentially a test of nerves.

Khruschev, who had not been overly impressed by the young John F. Kennedy, was initially convinced that the Americans would not call the Soviet bluff.

Similarly, the current Soviet leadership might have drawn the conclusion, after 15 months of confusion or inaction in American foreign policy, during which the Russians have been allowed to make notable strategic advances in Africa, that America's leader lacks the will to respond.

They are also well aware that they are in a much stronger strategic position than in 1962, and that Mr. Carter would need

even stronger nerves than President Kennedy to call their bluffs.

Yet American failure to resist such gross provocation as a new Soviet bid to install nuclear missiles just off the coast of Florida would amount to a damning admission of weakness.

It is not widely remembered that on October 3, 1962, the United States Congress passed a remarkable resolution on Cuba. It still stands in the American statute books as Public Law 87-733. The law states, *inter alia*, that the United States is determined:

(a) to prevent by whatever means may be necessary, including the use of arms, the Marxist-Leninist regime in Cuba from extending, by force or the threat of force, its aggressive or subversive activities to any part of this hemisphere;

(b) to prevent in Cuba the creation or use of an externally supporting military capability endangering the security of the United States.

The role of the Cubans as Moscow's foreign legion in Africa and the Middle East—where some 40,000 Cuban military personnel are now stationed—is something of which the authors of the 1962 legislation could hardly have dreamed in their darkest nightmares.

Yet this clearly presents a threat of the kind described in clause (b) which, according to a law that has never been repealed, the United States is committed to resist. The stationing of Soviet nuclear submarines in Cuba would pose a still more immediate threat to America's security.

COLD WAR SPEECH

It is in this context that President Carter's "cold war" speech in North Carolina on March 17 must be considered.

Mr. Carter's pledge that the United States will match Soviet military capabilities and will mobilise the forces to "counter any threats to our allies and vital interests" reassured many of America's friends who had been puzzled and disheartened by its failure to respond to Soviet aggression in Africa.

The tart commentaries from the Moscow Press on Mr. Carter's supposed "distortion" of Soviet intentions were also a significant tribute, although it must be borne in mind that the Russians have grown rather unaccustomed to hearing Western leaders speak out against their aggressive designs.

Yet the gap between words and action is a gulf in which a man, even a man as powerful as the American President, can lose himself. The Russians will not judge Mr. Carter by his words, but by his actions.

In the chancelleries of the world (and not least in Peking) assessments of what the Carter administration really means will not be based on an occasional speech that may well be primarily directed at a section of domestic opinion but on how Mr. Carter and his advisers cope, or fail to cope, with the realities of power.

CAUTIOUS LEADERS

The most brilliant strategist that I know, a man who has exercised a dominant influence over successive generations at the Pentagon since 1945, remarked to me recently that "the West should give thanks every day for the fact that the Soviet Union is led by a cautious gerontocracy, and not by a 55-year-old Marshal of the Red Army.

The Russians have, indeed, been cautious in testing the waters that have been left vacant by America's strategic retreat in the wake of Vietnam.

The best example is the fact that the Russians have not committed their own combat troops to fight in any of the major conflicts since 1945. This excludes Soviet pilots and military advisers.

But senior NATO officials are alarmed that Soviet confidence has vastly increased since Mr. Carter took office—and also that Chinese confidence in the United States has correspondingly diminished.

They quote the brutal diplomatic pressure that was applied in Scandinavia last year, and led the Norwegians to cancel military maneuvers.

There is a fear, too, that Mr. Carter's tough attack on NATO and the defence of Europe has merely served to divert attention from the unilateral concessions that America has made in the SALT talks and America's non-response to crises outside the Nato itself.

There is talk now of a "global Brezhnev doctrine." The original Brezhnev doctrine, of course, was produced to justify Soviet actions like the invasion of Czechoslovakia in 1968 on the grounds that the Soviet Union has the duty and the right to defend "socialism" wherever it has been established.

Now the Soviet Union is backing "progressive" movements throughout the Third World—including the Patriotic Front in Rhodesia and SWAPO in South West Africa—and justifies giving them external support, including the supply of proxy troops like the Cubans, as "fraternal Socialist aid."

At about the same time as Mr. Carter's North Carolina speech, Fidel Castro made an important statement on Cuba's involvement in Ethiopia and its future intentions in that part of the world.

Castro boasted of how his country's "internationalist fighters" had shown that they were able to "march to a far-off place and fight there as if they had been fighting in their own country."

Where will the cause of "proletarian internationalism" take the Cubans next? Rhodesia? Zambia? Zaire? The Middle East?

The greatest blunder of the Carter administration in its conduct of American foreign policy could prove to be in its handling of the men in Peking.

The American withdrawals from South Korea raised Chinese fears that Mr. Carter was shedding America's traditional defence responsibilities. Subsequent debates in Africa heightened the fear that the Americans will not stand up to the Russians.

The bond between China and the West is not one of traditional friendship or ideological compatibility or even shared economic interests. It is a cord of utility.

Cut the cord—in other words, show the Chinese that the West can no longer be counted on to contain Soviet military designs—and you may set in motion a process that could lead to the most terrifying conceivable development on the international scene, short of a world war: a non-aggression pact between Moscow and Peking.

The Chinese will be watching the development of the Cuban missile crisis of 1978 as keenly as anyone in the West. As the Russians test Jimmy Carter, the questions get progressively tougher. Let us hope he can come up with the right answer to this one.

DENOUNCING THE ASSASSINATION OF ALDO MORO

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent that the Committee on International Relations be discharged from further consideration of the concurrent resolution (H. Con. Res. 617) denouncing the assassination of Aldo Moro, and ask for its immediate consideration in the House.

The Clerk read the concurrent resolution, as follows:

H. CON. RES. 617

Whereas the Congress is shocked and dismayed to learn of the murder of Aldo Moro, former Prime Minister of Italy and head of the Christian Democratic Party in Italy;

Whereas this killing is a crime not only against Aldo Moro, but against mankind and against the democratic process which gives the fullest recognition to the values of each human life.

Whereas this murder follows other acts of terror committed by the Red Brigades in Italy which have resulted in the death or injury of many prominent citizens of Italy; and

Whereas such terrorism seeks to threaten the safety and well-being of the people, and of the democratic process, not only in Italy but in all democratic nations: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That the Congress denounces the assassination of Aldo Moro as an abhorrent criminal act which deserves the fullest condemnation.

SEC. 2. It is the sense of the Congress that the people and the Government of Italy have the full confidence of the United States and should receive its full support in their efforts to apprehend the perpetrators of the murder of Aldo Moro and to eliminate the campaign of terrorism.

SEC. 3. It is further the sense of the Congress that the President should redouble United States efforts to gain international cooperation in wiping out the scourge of terrorism.

SEC. 4. The Congress extends its deepest sympathy to the family of Aldo Moro and to the people of Italy on this tragic occasion.

SEC. 5. The Speaker of the House of Representatives is directed to forward a copy of this concurrent resolution to the President and to the Ambassador of the Government of Italy to the United States.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

The SPEAKER pro tempore. The gentleman from Wisconsin (Mr. ZABLOCKI) is recognized for 1 hour.

Mr. ZABLOCKI. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of House Concurrent Resolution 617, denouncing the assassination of former Italian Premier Aldo Moro.

It was just a little more than a month ago that the Italian people and, indeed, freedom loving people around the world were shocked to learn that Aldo Moro had been abducted by a clandestine band of terrorists who call themselves the Red Brigades. Shortly after the kidnapping of Aldo Moro and the murder of five of his aides, both the House and the Senate went on record in condemning that despicable act of terrorism and urged the President to press for antiterrorist measures in all appropriate international forums.

It is in stunned disbelief and horror that we learn that the Red Brigades, in spite of the pleadings of the Pope, the Italian Government, and decent people everywhere, have carried out their odious threat to murder Aldo Moro.

While this sickening atrocity has saddened our spirit, let us resolve that this criminal act will serve to redouble our efforts to gain international cooperation to wipe out the scourge of terrorism as called for in this resolution.

Mr. Speaker, in addition to calling for an increased international effort against terrorism, the resolution also expresses

the sense of Congress that the people and the Government of Italy should have the full confidence of the United States and our full support in their efforts to apprehend the murderers of Aldo Moro.

Further, the resolution extends the deepest sympathy to the family of Aldo Moro and to the Italian people on this tragic occasion.

Mr. Speaker, I urge the adoption of the resolution.

I yield such time as he may consume to the gentleman from Michigan (Mr. BROOMFIELD).

Mr. BROOMFIELD. Mr. Speaker, I rise in support of House Concurrent Resolution 617. I would like to extend my sympathy to the family of Aldo Moro and to the Italian people who have suffered greatly because of his tragic death. We of the United States share the sadness of Italy and their regret for his untimely loss.

We deplore, also, the brutality of the double crime of his kidnaping and murder. The viciousness of using a government leader and public servant—a man who ably and industriously served his country—to terrorize a nation is appalling. The baseness of this crime which sets aside all standards of morality and human decency in the name of objectives espoused by so few shocks and angers me.

The nations of the world must join together to seek more effective ways to combat terrorism. Words of sympathy to the victim are not enough. Even today, an Italian businessman was shot in the knees by unknown assailants. This is the sixth consecutive day in Italy that a public figure or private citizen from the commercial or industrial sector has been "knee-capped."

In combating terrorism, I hope we all look hard at the example of Italy. Initiatives there to uncover the perpetrator of the Moro kidnaping and of these other crimes have been less than successful. But I would also point out the remarkable lack of hysteria in Italy today. Indeed, there is a quiet determination to continue daily life and to find better ways to end terrorism. Perhaps even more laudable, has been the absence of any rush to repressive measures that could undermine democratic practices in Italy.

This would threaten Italian society even more deeply than terrorism. Too often in recent history governments have used street violence and terrorism as excuses to impose restrictions on democracy. Italy itself has been familiar during this century with this sad process. But Italy is resisting such a course. Thus, the Italian people have proved that a democracy may suffer greatly because of terrorism, but terrorism will not cause democracy's demise. For this, my heart and my admiration goes out to the people of Italy.

Mr. McCLORY. Mr. Chairman, will the gentleman yield?

Mr. BROOMFIELD. I yield to the gentleman from Illinois.

Mr. McCLORY. Mr. Speaker, I thank the gentleman for yielding me this time.

The gentleman from Wisconsin (Mr. ZABLOCKI) and the gentleman from Michigan (Mr. BROOMFIELD) introduced a resolution earlier this year following the kidnaping of former Prime Minister Aldo Moro. I was one of the cosponsors of that resolution together with the gentleman from New Jersey (Mr. RODINO). That resolution was delivered by me to Representative Carlo Russo and other deputies of the Italian Chamber of Deputies at a meeting of the Interparliamentary Union in April and what we said and did there was greatly appreciated by those counterparts of ours in the Italian Parliament.

There is, of course, a great development of sadness that this heinous and atrocious assassination of Aldo Moro should have followed the original kidnaping by members of the Red Brigade, an international terrorist organization.

It is my hope that our Government will provide every bit of scientific and technological support by way of equipment and facilities to help in the apprehension of the perpetrators of this heinous crime. In addition to the expressions of sympathy and compassion that we are voicing today let us likewise recognize that international terrorism is an offense against humanity and against the entire world, and that we will cooperate with Italy and other nations, and participate in programs and activities designed to prevent such terroristic acts and to help in the capture and punishment of those who commit these horrible crimes.

Like the gentlelady from New Jersey (Mrs. FENWICK) I also have members of my family who reside in Italy. I have a special sense of concern for them and for all Italians. It is entirely appropriate that we should adopt this resolution—and that we should convey to the family of Aldo Moro and to the Italian Government the sentiments expressed here.

Again I thank the gentleman for yielding.

Mr. ZABLOCKI. Mr. Speaker, I thank the gentleman from Illinois (Mr. McCLORY) for his remarks and observations.

Mr. Speaker, I now yield 2 minutes to the gentleman from New York (Mr. WOLFF).

Mr. WOLFF. Mr. Speaker, I thank the gentleman for yielding to me. I rise in strong support of this resolution.

I would direct attention to the section 3 of the resolution which states that:

> It is further the sense of the Congress that the President should redouble United States efforts to gain international cooperation in wiping out the scourge of terrorism.

I think it is extremely important to note at this point that the United Nations has not taken up one resolution on terrorism. I think it is about time that they recognize that international anarchy cannot take the place of orderly government.

The brutal murder of Aldo Moro again points up the horror of terrorism all over the world, and the fact that it must be dealt with. Aldo Moro was a symbol of what democracy means—he was the Great Compromiser. He was responsible for putting together all of Italy's many postwar Parliamentary coalitions, not an easy feat in a diverse nation where there are not just two parties, but a dozen. It was in fact his last compromise, which brought the Communists into the government coalition—but with much less power than they had hoped for, which enraged the far left, anarchist Red Brigades.

Terrorism must be handled strongly—but with care that human rights and civil liberties are not infringed upon. It is difficult balancing act to firmly deal with one and not destroy the other. I must commend the Italian Government for refusing to deal with the terrorists. How difficult that must have been, knowing that the life of their dear colleague and friend was at stake. Still they could not negotiate with the terrorists, or they would risk plunging their nation more deeply into the hands of the terrorists. Even though Italy has lost a great national leader, they are stronger for not having negotiated. In fact this great national crisis seems to have brought the nation closer together. At the very least it has shown that Italy must pull herself together and firmly put a stop to the wonton violence which threatens the very fabric of democracy.

The violent kidnapping of Moro, in which his five body guards were killed, his long confinement, and his savage murder shocked the world. Terrorist incidents are happening with increasing freqency, yet little has been done to combat them, with the exception of increased airport security in some nations. The international community must mobilize to combat terrorism. I understand that the reluctance of many people and nations to condemn terrorist groups is because some groups represent their "freedom fighters," their heroes, while they are ready to condemn some other violent group of a different philosophy. The world must come to recognize that violent acts against innocent, uninvolved people is not the way to achieve their political goals. It is fitting that the United States, grounded in strong democratic tradition, and with a history of groups working for peaceful change to reach their political aims, should lead the world toward facing this international menace. I hope that the United States will again press for a resolution against terrorism at the United Nations this year, as we did last year. I hope that this year, after the painful lesson of Aldo Moro's murder, the United Nations and world public opinion will finally agree that this is the point where no more terrorist violence will be tolerated.

Mr. ZABLOCKI. Mr. Speaker, I yield such time as he may consume to the gentleman from New York (Mr. GILMAN).

Mr. GILMAN. Mr. Speaker, I rise in support of House Concurrent Resolution 617, the resolution introduced by the distinguished chairman of the International Relations Committee, the gentleman from Wisconsin (Mr. ZABLOCKI); a resolution of which I am cosponsor.

By this resolution we express the revulsion of the Congress at the abduction and heinous murder by the hated Red Brigade of Aldo Moro, the distin-

guished former Prime Minister of Italy and the head of the Christian Democratic Party in Italy.

By this resolution we stress the need for our President to "redouble efforts to gain international cooperation in wiping out the scourge of terrorism."

We must seek to mobilize the necessary forces in this and other nations which would be equal to the task of combating the bands of terrorist fanatics and the conditions from which they spring.

In many forums, I have sought to denounce terrorism and alert those still unmoved to action that terrorist acts feed on each other; that civilized society must respond to the exigency of threats of increasing incidents of terrorist acts.

The hateful creed of the terrorist is that there are no innocents; any individual regardless of age or sex, regardless of station is a potential victim.

As a sponsor of legislation—around which concerned individuals could rally—directed at cutting off U.S. assistance to countries aiding terrorists, and aimed also at securing multilateral conventions to protect individuals, and the foundations of interrelationships upon which civilized society rest, I urge my colleagues in the House and in the Senate to direct their energies toward achieving an eventual eradication of terrorism.

Our condolences go out to the family of Aldo Moro and to the people of Italy today. But, without expeditiously charting an effective strategy against terrorism, I fear that resolutions like the one we are considering today could become all too common in the future as we find ourselves registering our condolences for and mutual indignation with survivors of future victims of terrorism.

Accordingly, I urge my colleagues to adopt House Concurrent Resolution 617 and to commit ourselves to work vigorously to stamp out international terrorism.

Mr. ZABLOCKI. Mr. Speaker, I yield 1 minute to the gentleman from New York (Mr. BIAGGI).

Mr. BIAGGI. Mr. Speaker, I thank the gentleman for yielding to me and I wish to commend the gentleman for offering this resolution and I am proud to be a cosponsor of the resolution.

Terrorism should be condemned wherever it exists, but there is a dimension in this very sad event that has not been addressed. Reference is properly made to the sorrow of the Moro family. But, there is another emotion in connection with that sorrow and that is bitterness, bitterness against the Government and against Mr. Andreotti. The fact of the matter is that if Aldo Morro was in Mr. Andreotti's position, knowing his love for his nation and for democracy, I am sure tnat he too would have made the same decision.

It was not too long ago when the President of Cyprus Mr. Spiro Kyprianou had his son held in hostage under the same circumstances with the Government requested to release prisoners. The President of Cyprus refused to compromise, refused to surrender. Fortunately, there was a happy ending and the son was returned. But there was a greater issue than an individual. It was a question of the preservation of democracy, not simply in Italy or Cyprus but throughout the world.

Unfortunately the Italian episode ended in tragedy—but the cause of free people was served by the courageous but excruciating decision of Prime Minister Julio Andreotti—Aldo Moro has become democracy's martyr but Mr. Andreotti should be hailed as a hero and saviour of democracy throughout the world.

Mr. ZABLOCKI. Mr. Speaker, I yield 2 minutes to the gentleman from Massachusetts (Mr. CONTE).

Mr. CONTE. Mr. Speaker, I rise in wholehearted support of this resolution expressing what I know are the feelings and sentiments of this Congress concerning the kidnapping and death of Aldo Moro. It is similar to the resolution I introduced yesterday (H. Con. Res. 618).

The resolution emphasizes the fact that this Congress strongly condemns this senseless act of terrorism against the values held by the citizens of the free world. It confirms our resolve to resist and oppose the inhumanity of terrorism—so that the martyrdom of this champion of democracy will not have been in vain.

Mr. Speaker, I urge each and every one of my colleagues to vote for this timely resolution.

I will not repeat all that I said yesterday on the matter, but I do want to emphasize how important it is for the representatives of a free people to speak out loudly and immediately against this attack on freedom.

We should unanimously adopt this resolution, although its words—or any words, are really inadequate to define our sense of profound sorrow, justifiable outrage, and deepest sympathy.

As I said yesterday, I will always be proud of the fact that Aldo Moro was a friend of mine. He was really a friend of freedom-loving people throughout the world. He was an outstanding public servant in the finest sense of the term—a champion of democracy, a respected and valued world statesman, an embodiment of the noblest characteristics of the Italian nation, the Italian people, and the Italian spirit.

President Carter was certainly justified in calling his murder a contemptible and cowardly act; and Pope Paul was entirely correct in attributing a sacrificial value to this tragedy. Aldo Moro was not just murdered. He was martyred. He was put to death because of what he believed and what he stood for—justice, freedom, and the inalienable right of self-government.

The beasts who performed this act may have destroyed a great man; but they can never destroy the cause he championed. Let us here resolve that his death was not in vain. Let us pray that we may be given the will and the means to insure that his enemies will be recognized as enemies of the world and world order.

I urge the unanimous adoption of House Concurrent Resolution 616.

Mr. ZABLOCKI. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois (Mr. MICHEL).

THE DEATH OF ALDO MORO

Mr. MICHEL. Mr. Speaker, I rise to personally support the resolution and then to make the record clear that we, the American people, feel just as strongly about the death and its consequences of Aldo Moro as do the Italian people.

Here was a man freely elected and chosen by his peers to serve as a political leader of a Republic. We have so much in common and what happened to him can very well happen here.

But it is more important that we express our feelings to the people of Italy and particularly the concern we have for the Moro family, and the terrible ordeal they have had to go through for the last number of weeks.

Mr. Speaker, the murder of the former Prime Minister Aldo Moro has shocked the world. Perhaps more than any other event in recent times, his kidnaping, captivity, and brutal murder has dramatically made clear the savagery of terrorism. The death of this quiet, civilized, decent man has made many realize for the first time that the world—not just Italy—is engaged in war with pitiless and remorseless terrorists. Moro's bullet-ridden body, stuffed in a car trunk, said more about the world in which we live than any number of speeches or reports.

I join with those who have sent the Moro family their condolences. I join with those who pay tribute to the remarkable and admirable patience and courage shown by the Italian people at a time when social turmoil could well have resulted.

Terrorism knows no national boundaries, just as it knows no moral boundaries. No act, no matter how despicable, is condemned by terrorists so long as, in their twisted view, it helps achieve their end.

And that is the question every nation now faces. Are we to live in a world where, by simply escalating atrocities, any terrorist group can achieve its end? Or are we to live in a world where terrorism understands that civilized human beings will not be threatened or bullied or frightened by the forces of evil?

If we are to survive, we must chose the latter course. It is not easy or safe. But is easier or safer in the long run than a long, slow surrender to those whose humanity has long since been buried beneath ideological fanatacism.

Aldo Moro is dead. Those who mourn him can do his memory no higher tribute than to rededicate themselves to a relentless energetic and total battle against terrorism in all its forms, whenever it may appear and whatever the so-called ideal it says it fights for.

Mr. ZABLOCKI. Mr. Speaker, I yield 1 minute to the gentleman from Florida (Mr. YOUNG).

Mr. YOUNG of Florida. I thank the Chairman for yielding.

Mr. Speaker, I rise in strong support of this resolution. Usually, basically all that freedom-loving people of the world want from their government is to be left

alone. In a case like this and many other acts of terrorism, they deserve and have the right to expect protection from their government. I just hope that if there is one thing that the leaders of the free nations of the world will understand, it is that when these terrorist organizations link up together all over the world, nobody is going to be safe. I hope this will be a trigger to initiate action on the part of all free governments to take a strong stand against terrorism and protection of those who perform these dastardly acts.

Mr. ZABLOCKI. Mr. Speaker, I yield such time as he may consume to the gentleman from New York (Mr. BINGHAM).

Mr. BINGHAM. Mr. Speaker, I thank the gentleman for yielding. I wish to commend the gentleman from Wisconsin for his leadership in bringing this resolution before the House. It is certainly appropriate at this time not only to deplore and condemn the horrors of the acts perpetrated against Aldo Moro, but to salute the courage of the Italian Government for resisting the demands of the terrorists.

All in this House feel sadness and outrage at the cold-blooded murder of Aldo Moro, longtime leader of the Italian Christian Democratic party and five time Prime Minister of Italy. Such a terrorist atrocity is especially painful because the victim was a man whose entire career was built on moderation and the appeal to reason.

These past 55 days have been a hideous nightmare for the Italian Government and the Italian people. Aldo Moro's family were understandably hurt and angered by the Cabinet's decision not to negotiate with his captors. Certainly that decision not to bargain with the Red Brigades was excruciating for men and women who had long been the associates, and many the disciples, of Aldo Moro. Still their decision was the right one. The Red Brigades, and others of their ilk, cannot be appeased. Like the Fascists, whom Aldo Moro remembered all too well, they are singleminded in their dedication to democracy's extirpation. Whether or not bargaining with the terrorists would have saved Aldo Moro, such bargaining would only have whetted their appetites for more kidnaping and more murder.

It appears that civilized society is facing these terrorist acts with increasing frequency. In the past 16 months there have been 3,000 assaults in Italy alone. Dozens of other nations have been the scene of other attacks. No nation is immune from the terrorist menace which is international in scope and must be dealt with through concerted international action. Aldo Moro, a good and compassionate man, is gone but the blight which destroyed him is still here and threatens us all.

Mr. ZABLOCKI. Mr. Speaker, I yield 1 minute to the gentleman from California (Mr. LAGOMARSINO).

Mr. LAGOMARSINO. Mr. Speaker, I want to express my strong support for this resolution. As the gentleman from Florida (Mr. YOUNG) just pointed out, we must take strong measures or the future of freedom and democracy in this world will not be able to continue. If government leaders are kidnaped and killed, as Mr. Moro was, we are in a tragic condition.

I hope all governments will make strong and positive cooperative efforts to stop this terrorism.

● Mr. BRADEMAS. Mr. Speaker, the brutal murder of Aldo Moro is the most dramatic example of terrorists' assaults on the institutions of democracy in Western Europe in recent months.

Friends of Italy throughout the world must be deeply saddened by the tragic loss of an outstanding leader. And friends of freedom everywhere must rededicate themselves to the struggle against the threat of fanaticism to the very fabric of civilized society.●

● Mr. ANNUNZIO. Mr. Speaker, I rise in tribute to the Honorable Aldo Moro, one of the founding fathers of the Italian Republic, a former Prime Minister of Italy, and president of the Christian Democratic Party.

Aldo Moro was murdered without mercy almost 2 months after being kidnapped by vicious renegades who have been instrumental in the past for other senseless murders and campaigns of terror that have inflicted loss of life and injury on many Italian citizens, including prominent officials, Members of Parliament, judges, journalists, and educators. These heinous crimes have been void of humanity and all that is just, decent, and honorable.

Few men more profoundly affected the course of Italian public life over the past three decades than Aldo Moro. He won a place unique in the annals of the Italian nation, and he earned that place by force of moral character, by boundless energy in behalf of the common good, and by holding before men and women everywhere the example of leadership untainted by personal selfish advantage.

The respect and esteem in which he was held by his colleagues in the Italian Parliament and from all Italian political parties reflect the sentiments of Italy as a whole and, indeed, of people's good will throughout the world. To millions across Italy and the globe he embodied the ideals of Italian democracy as very few men or women in this or any century for he devoted his life to defending the democratic tradition in Italy.

The splendid record of accomplishment and service to the cause of freedom in Italy by Mr. Moro is an impressive one. Born in 1916 in the town of Maglie, in the province of Lecce, he studied law in the nearby town of Bari at its university, where he graduated with honors. In 1946, he was elected to Italy's new Constituent Assembly and became the youngest member of an 18-man committee that drew up the constitution of the Republic of Italy. In the first national elections provided for by the new constitution, Moro was elected in 1948 to the Chamber of Deputies as a representatives of his Bari-Foggia district.

When he was appointed to his first government position in 1948, Moro became the undersecretary of state for foreign affairs in the Cabinet of Premier Alcide De Gasperi. In 1955, he became minister of justice in the first Cabinet of Premier Antonio Segni. In charge of all prisons in Italy, he proceeded to thoroughly review, inspect, and visit every correctional institution in the country, talk with thousands of prisoners, and enact drastic reforms—all of which no minister of justice had done for over a hundred years.

During his 30-year career in Italian politics, Aldo Moro served as Minister of Justice from 1955 to 1957, minister of education from 1957 to 1959, political secretary of the Christian Democratic Party from 1959 to 1963, Prime Minister from 1963 to 1968, and concurrently Minister of Foreign Affairs during 1965 to 1966. Again Foreign Minister from 1969 to 1972 and in 1973 to 1974, he became Prime Minister again from 1974 to 1976. In 1976 he was elected president of his Christian Democratic Party.

During his service to the Italian people, Mr. Moro was a brilliant advocate of justice, freedom, and civilization as embodied in the rule of law, as well as a staunch defender of a strong Italian presence in the North Atlantic Treaty Organization and the community of nations which stand for liberty and the dignity of the individual.

Moro was unexcelled as a conciliator, adept at gaining the support of people with widely divergent views. His great skill in this area was the basis for his outstanding contributions to his country. No other political figure proved to be so durable, so effective, and so productive. Through the ups and downs of public life, Aldo Moro maintained an optimistic image, inexhaustibly hopeful, and confident, grounded in a deep love for Italy and a commitment to freedom and dignity for all her citizens.

His character and career alike were vindication of democracy in an era marked by new forms of tyranny, political disillusion, and small-minded partisanship. Because of his long and distinguished career, sustained by the love of his wife and family and by the faith he has inspired among millions of people in Italy and abroad, he will surely go down in the history of mankind's struggle against tyranny as a noble and compassionate exponent of freedom's ideals who died in the belief that the better instincts in human beings will triumph in dignity and liberty.

Mrs. Annunzio and I extend our deepest sympathy to Aldo Moro's wife, Eleonora, and to his son and his three daughters, and to the people of Italy during this tragic time of grief and sadness.●

● Mr. VENTO. Mr. Speaker, the untimely and violent death of Aldo Moro is of great concern to all the world.

Certainly, Western democracies are under extreme pressure today by the threats, actions, and violence of terrorist groups such as the one which perpetrated this heinous crime.

The contributions of Aldo Moro will certainly stand as a reminder to the Italian people, and others, of his impact and foresight.

He knew and understood the Italian

people and was a most effective Ambassador to the United States, and Premier and Statesman.

The goal apparently of such terrorist groups is to instill a deep sense of fear and anarchy within Italy and to frustrate a democratic government's effort to effectively deal with the problems that it confronts on a daily basis.

The Italian people have endured many natural and political catastrophic events over the years. I am confident that these ill-conceived efforts will not succeed and that the shadow cast by these events will pass.

Certainly we must rededicate our efforts and continue to offer our support and encouragement to the Italian people and government in this time of crisis.

All people will continue to profit from the example and knowledge of Aldo Moro. May his ideas, concepts and contribution continue to live and serve Italy.●

Mr. ZABLOCKI. Mr. Speaker, I move the previous question on the concurrent resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the concurrent resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. BROOMFIELD. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 398, nays 0, not voting 36, as follows:

[Roll No. 302]

YEAS—398

Abdnor	Bowen	Cornell
Addabbo	Brademas	Cornwell
Akaka	Breaux	Cotter
Allen	Brinkley	Coughlin
Ambro	Brodhead	Crane
Ammerman	Brooks	Cunningham
Anderson, Calif.	Broomfield	D'Amours
Anderson, Ill.	Brown, Calif.	Daniel, Dan
Andrews, N.C.	Brown, Mich.	Daniel, R. W.
Andrews, N. Dak.	Brown, Ohio	Danielson
Annunzio	Broyhill	Davis
Applegate	Buchanan	de la Garza
Archer	Burgener	Delaney
Armstrong	Burke, Fla.	Dellums
Ashbrook	Burke, Mass.	Derrick
Ashley	Burleson, Tex.	Derwinski
Aspin	Burlison, Mo.	Devine
AuCoin	Burton, John	Dickinson
Badham	Burton, Phillip	Dicks
Bafalis	Butler	Diggs
Baldus	Byron	Dingell
Barnard	Caputo	Dodd
Baucus	Carr	Dornan
Bauman	Carter	Downey
Beard, R.I.	Cavanaugh	Drinan
Bedell	Cederberg	Duncan, Tenn.
Beilenson	Chappell	Early
Benjamin	Chisholm	Eckhardt
Bennett	Clausen, Don H.	Edgar
Bevill	Clawson, Del	Edwards, Ala.
Biaggi	Clay	Edwards, Calif.
Bingham	Cleveland	Edwards, Okla.
Blanchard	Cohen	Emery
Blouin	Coleman	English
Boggs	Collins, Ill.	Erlenborn
Boland	Collins, Tex.	Ertel
Bolling	Conable	Evans, Colo.
Bonior	Conte	Evans, Del.
Bonker	Corcoran	Evans, Ga.
	Corman	Evans, Ind.
	Cotter	Fary
	Coughlin	Fascell
	Crane	Fenwick
	Cunningham	Findley
	D'Amours	Fish
	Daniel, Dan	Fisher
	Daniel, R. W.	Fithian
	Danielson	Flippo
	Davis	Flood
	de la Garza	Florio
	Delaney	Flowers
	Dellums	Flynt
	Derrick	Foley
	Derwinski	Ford, Tenn.
	Devine	Forsythe
	Dickinson	Fountain
	Dicks	Fowler
	Diggs	Fraser
	Dingell	Frenzel
	Dodd	Fuqua
	Dornan	Gammage
	Downey	Garcia
	Drinan	Gaydos
	Duncan, Tenn.	Gephardt
	Early	Giaimo
	Eckhardt	Gibbons
	Edgar	Gilman
	Edwards, Ala.	Ginn
	Edwards, Calif.	Glickman
	Edwards, Okla.	Goldwater
	Emery	Gonzalez
	English	Goodling
	Erlenborn	Gore
	Ertel	Grassley
	Evans, Colo.	Green
	Evans, Del.	Gudger
	Evans, Ga.	Guyer
	Evans, Ind.	Hagedorn
	Fary	Hall
	Fascell	Hamilton
	Fenwick	Hammer-schmidt
	Findley	Hanley
	Fish	Hannaford
	Fisher	Harkin
	Fithian	Harrington
	Flippo	Harris
	Flood	Harsha
	Florio	Heckler
	Flowers	Hefner
	Flynt	Heftel
	Foley	Hightower
	Ford, Tenn.	Hillis
	Forsythe	Holland
	Fountain	Hollenbeck
	Fowler	Holt
	Fraser	Holtzman
	Frenzel	Horton
	Fuqua	Howard
	Gammage	Hubbard
	Garcia	Huckaby
	Gaydos	Hughes
	Gephardt	Hyde
	Giaimo	Ichord
	Gibbons	Ireland
	Gilman	Jacobs
	Ginn	Jeffords
	Glickman	Jenkins
	Goldwater	Jenrette
	Gonzalez	Johnson, Calif.
	Goodling	Johnson, Colo.
	Gore	Jones, N.C.
	Grassley	Jones, Okla.
	Green	Jones, Tenn.
	Gudger	Jordan
	Guyer	Kasten
	Hagedorn	Kastenmeier
	Hall	Kazen
	Hamilton	Kelly
	Hammer-schmidt	Kemp
	Hanley	Ketchum
	Hannaford	Keys
	Harkin	Kildee
	Harrington	Kindness
	Harris	Krebs
	Harsha	LaFalce
	Heckler	Lagomarsino
	Hefner	Latta
	Heftel	Le Fante
	Hightower	Leach
	Hillis	Lederer
	Holland	Leggett
	Hollenbeck	Lehman
	Holt	Lent
	Holtzman	Levitas
	Horton	Livingston
	Howard	Lloyd, Calif.
	Hubbard	Lloyd, Tenn.
	Huckaby	Long, La.
	Hughes	Long, Md.
	Hyde	Lott
	Ichord	Luken
	Ireland	Lundine
	Jacobs	McClory
	Jeffords	McCloskey
	Jenkins	McCormack
	Jenrette	McDade
	Johnson, Calif.	McDonald
	Johnson, Colo.	McEwen
	Jones, N.C.	McFall
	Jones, Okla.	McHugh
	Jones, Tenn.	McKay
	Jordan	McKinney
	Kasten	Madigan
	Kastenmeier	Maguire
	Kazen	Mahon
	Kelly	Mann
	Kemp	Markey
	Ketchum	Marks
	Keys	Marlenee
	Kildee	Marriott
	Kindness	Martin
	Krebs	Mathis
	LaFalce	Mattox
	Lagomarsino	Mazzoli
	Latta	Meeds
	Le Fante	Metcalfe
	Leach	Meyner
	Lederer	Michel
	Leggett	Mikulski
	Lehman	Mikva
	Lent	Milford
	Levitas	Miller, Calif.
	Livingston	Miller, Ohio
	Lloyd, Calif.	Mineta
	Lloyd, Tenn.	Minish
	Long, La.	Mitchell, Md.
	Long, Md.	Mitchell, N.Y.
	Lott	Moakley
	Luken	Mollohan
	Lundine	Montgomery
	McClory	Moore
	McCloskey	Moorhead, Calif.
	McCormack	Moorhead, Pa.
	McDade	Moss
	McDonald	Mottl
	McEwen	Murphy, Ill.
	McFall	Murphy, N.Y.
	McHugh	Murtha
	McKay	Myers, Gary
	McKinney	Myers, John
	Madigan	Myers, Michael
	Maguire	Natcher
	Mahon	Neal
	Mann	Nedzi
	Markey	Nichols
	Marks	Nolan
	Marlenee	Nowak
	Marriott	O'Brien
	Martin	Oberstar
	Mathis	Obey
	Mattox	Ottinger
	Mazzoli	Panetta
	Meeds	Patten
	Metcalfe	Patterson
	Meyner	Pattison
	Michel	Pease
	Mikulski	Pepper
	Mikva	Perkins
	Milford	Pettis
	Miller, Calif.	Pickle
	Miller, Ohio	Pike
	Mineta	Poage
	Minish	Pressler
	Mitchell, Md.	Preyer
	Mitchell, N.Y.	Price
	Moakley	Pritchard
	Mollohan	Pursell
	Montgomery	Quayle
	Moore	Quie
	Moorhead, Calif.	Quillen
	Moorhead, Pa.	Rahall
	Moss	Railsback
	Mottl	Rangel
	Murphy, Ill.	Regula
	Murphy, N.Y.	Reuss
	Murtha	Richmond
	Myers, Gary	Rinaldo
	Myers, John	Roberts
	Myers, Michael	Robinson
	Natcher	Rodino
	Neal	Roe
	Nedzi	Roncalio
	Nichols	Rooney
	Nolan	Rose
	Nowak	Rosenthal
	O'Brien	Rostenkowski
	Oberstar	Rousselot
	Obey	Roybal
	Ottinger	Rudd
	Panetta	Ruppe
	Patten	Russo
	Patterson	Ryan
	Pattison	Santini
	Pease	Sarasin
	Pepper	Satterfield
	Perkins	Sawyer
	Pettis	Scheuer
	Pickle	Schroeder
	Pike	Schulze
	Poage	Sebelius
	Pressler	Seiberling
	Preyer	Sharp
	Price	Shipley
	Pritchard	Shuster
	Pursell	Sikes
	Quayle	Simon
	Quie	Sisk
	Quillen	Skelton
	Rahall	Slack
	Railsback	Smith, Iowa
	Rangel	Smith, Nebr.
	Regula	Snyder
	Reuss	Solarz
	Richmond	Spellman
	Rinaldo	Spence
	Roberts	St Germain
	Robinson	Staggers
	Rodino	Stangeland
	Roe	Stanton
	Roncalio	Stark
	Rooney	Steers
	Rose	Steiger
	Rosenthal	Stockman
	Rostenkowski	Stokes
	Rousselot	Stratton
	Roybal	Studds
	Rudd	Stump
	Ruppe	Symms
	Russo	Taylor
	Ryan	Thompson
	Santini	Traxler
	Sarasin	Treen
	Satterfield	Trible
	Sawyer	Tsongas
	Scheuer	Udall
	Schroeder	Ullman
	Schulze	Van Deerlin
	Sebelius	Vander Jagt
	Seiberling	Vanik
	Sharp	Vento
	Shipley	Volkmer
	Shuster	Waggonner
	Sikes	Walgren
	Simon	Walker
	Sisk	Walsh
	Skelton	Wampler
	Slack	Watkins
	Smith, Iowa	Waxman
	Smith, Nebr.	Weaver
	Snyder	Weiss
	Solarz	Whalen
	Spellman	White
	Spence	Whitehurst
	St Germain	Whitten
	Staggers	Wilson, Bob
	Stangeland	Wilson, C. H.
	Stanton	Wilson, Tex.
	Stark	Winn
	Steers	Wirth
	Steiger	Wolff
	Stockman	Wydler
	Stokes	Wylie
	Stratton	Yates
	Studds	Yatron
	Stump	Young, Fla.
	Symms	Young, Mo.
	Taylor	Young, Tex.
	Thompson	Zablocki
	Traxler	Zeferetti
	Treen	
	Trible	
	Tsongas	
	Udall	
	Ullman	
	Van Deerlin	
	Vander Jagt	
	Vanik	
	Vento	
	Volkmer	
	Waggonner	
	Walgren	
	Walker	
	Walsh	
	Wampler	
	Watkins	
	Waxman	
	Weaver	
	Weiss	
	Whalen	
	White	
	Whitehurst	
	Whitten	
	Wilson, Bob	
	Wilson, C. H.	
	Wilson, Tex.	
	Winn	
	Wirth	
	Wolff	
	Wydler	
	Wylie	
	Yates	
	Yatron	
	Young, Fla.	
	Young, Mo.	
	Young, Tex.	
	Zablocki	
	Zeferetti	

NAYS—0

NOT VOTING—36

Alexander	Conyers	Gradison
Beard, Tenn.	Dent	Hansen
Breckinridge	Duncan, Oreg.	Hawkins
Burke, Calif.	Eilberg	Kostmayer
Carney	Ford, Mich.	Krueger
Cochran	Frey	Lujan
Moffett	Rogers	Thornton
Murphy, Pa.	Runnels	Tucker
Nix	Skubitz	Whitley
Oakar	Steed	Wiggins
Rhodes	Teague	Wright
Risenhoover	Thone	Young, Alaska

Mr. WHITTEN changed his vote from "nay" to "yea."

So the concurrent resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment a joint resolution of the House of the following title:

H.J. Res. 859. Joint resolution making supplemental appropriations for the U.S. Railway Association for the fiscal year ending September 30, 1978, and for other purposes.

The message also announced that the Senate had passed with amendments in which the concurrence of the House is requested, a joint resolution of the House of the following title:

H.J. Res. 873. Joint resolution making an urgent supplemental appropriation for the disaster loan program of the Small Business Administration for the fiscal year ending September 30, 1978.

The message also announced that the Senate insists upon its amendments to the joint resolution (H.J. Res. 873) entitled "Joint resolution making an urgent supplemental appropriation for the disaster loan program of the Small Business Administration for the fiscal year ending September 30, 1978," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. MAGNUSON, Mr. HOLLINGS, Mr. SASSER, Mr. YOUNG, and Mr. BROOKE to be the conferees on the part of the Senate.

TRIBUTE TO JOHN STEPHEN REGETS

(Mr. PEPPER asked and was given permission to address the House for 1 minute and to revise and extend his remarks and to include extraneous matter.)

Mr. PEPPER. Mr. Speaker, it is with deep sadness that I inform the House that last weekend a noble young gentleman, who was my staff representative on the Committee on Rules, while in the company of two other young men from the Hill, lost his life in a small-plane accident near Brunswick, Ga. This young man was John Stephen Regets. He was 23 years old, an honor graduate of Dartmouth College, who had just received a raise because of the excellence of his work as my representative on the staff of the Committee on Rules, a man deeply dedicated to his duties and noted for faithfully serving the public interest.

Mr. Speaker, there never was a finer gentleman, a man of nobler character, or of higher ideals and greater purpose in life than this noble young man whose life was snuffed out by this tragedy at so

young an age. Mr. Speaker, I shall all my life cherish a beautiful memory of this great young gentleman, this valued coworker, and this devoted friend.

Mr. Speaker, the Committee on Rules passed a resolution in tender memory of this noble young man, John Stephen Regets, and I ask that that resolution appear in the body of the RECORD immediately following my remarks.

The resolution referred to follows:

RESOLUTION ON THE DEATH OF JOHN STEPHEN REGETS, MAY 9, 1978

Whereas John Stephen Regets, a graduate of Dartmouth and a resident of the State of Florida, served as a professional research assistant for the Honorable Claude Pepper on the staff of the Committee on Rules for the past year; and

Whereas during this period of time Stephen Regets impressed all of the members and staff of this Committee not only with his outstanding abilities and knowledge of the legislative forum but also by his gentlemanly demeanor and integrity; and

Whereas the members of the Committee on Rules have received with sadness word of his untimely death in an airplane crash on May 7, 1978 as he was en route to a holiday in the Bahamas; and

Whereas at this first meeting of the Committee on Rules since his death, the members, along with the staff of the Committee are in a saddened mood with the notice of his passing and his absence from their midst: Now, therefore, be it

Resolved, that it is the sense of the Committee on Rules, that they have lost a good friend, and able legislative aide and a fine human being and the members individually and collectively desire to note his passing by this resolution and further to convey to his parents, Mr. and Mrs. John S. Regets of North Palm Beach, Florida, their deepest sentiments of sympathy on the great loss they have suffered on the sudden departure of such an outstanding son, of whom they should justifiably be proud.

JAMES J. DELANEY,
Chairman.

INTERNATIONAL DEVELOPMENT AND FOOD ASSISTANCE ACT OF OF 1978

Mr. BOLLING. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 1164 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 1164

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 12222) to amend the Foreign Assistance Act of 1961 to authorize development and economic assistance programs for fiscal year 1979, to make certain changes in the authorities of that Act and the Agricultural Trade Development and Assistance Act of 1954, to improve the coordination and administration of United States development-related policies and programs, and for other purposes. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on International Relations, the bill shall be read for amendment under the five-minute rule by titles instead of by sections. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER pro tempore. The gentleman from Missouri (Mr. BOLLING) is recognized for 1 hour.

Mr. BOLLING. Mr. Speaker, I yield 30 minutes to the gentleman from Illinois (Mr. ANDERSON), pending which I yield myself such time as I may consume.

Mr. Speaker, this rule, as far as I know, is not controversial. It was supported by bipartisan witnesses, and it came out of the Rules Committee with little difficulty. It is an entirely normal, open, 1-hour rule, with reading by titles instead of by sections as the only exception to the usual.

Since I know of no opposition, I reserve the balance of my time.

Mr. ANDERSON of Illinois. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, House Resolution 1164 is a 1-hour open rule providing for the consideration of H.R. 12222, the International Development and Food Assistance Act of 1978. There are no special features to this rule other than the fact that it provides for the reading for amendment by titles, rather than by sections, under the 5-minute rule. There was no testimony in opposition to this rule before the Rules Committee which reported it by voice vote. And, as far as I know, there is no controversy surrounding this rule in this Chamber today.

The bill which the rule makes in order is our annual foreign aid authorization—this one totaling $3.7 billion for fiscal year 1979. Of this, $1.8 billion is for a new economic support fund which replaces the previous security supporting assistance program. These funds are primarily earmarked for Mideast countries—$785 million in this bill for Israel and $750 million for Egypt. I share the concern expressed in the supplemental views to the committee report over this apparent reversal of the trend to separate security and development assistance.

The other major features of this bill include $1.3 billion in authorizations for the five functional categories of development assistance, with more than half of those funds going for agriculture, rural development, and nutrition programs. This bill also incorporates some of the major recommendations contained in the late Senator Humphrey's foreign aid reorganization bill, including more specific guidelines for economic aid programs, conversion of the security assistance account to the economic support fund, and requiring a single, comprehensive annual report by the Development Coordinating Committee. Finally, the President is urged in the bill to move forward on the reorganization proposal advanced by Senator Humphrey—namely, to establish an International Development Cooperation Administration to replace the present Agency for International Development and coordinate all international development-related activities.

Mr. Speaker, as I metioned earlier, this is an open and noncontroversial rule, and I urge its adoption.

Mr. BOLLING. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. ZABLOCKI. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 12222) to amend the Foreign Assistance Act of 1961 to authorize development and economic assistance programs for fiscal year 1979, to make certain changes in the authorities of that act and the Agricultural Trade Development and Assistance Act of 1954, to improve the coordination and administration of U.S. development-related policies and programs, and for other purposes.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Wisconsin (Mr. ZABLOCKI).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 12222, with Mr. LEVITAS in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Without objection, the first reading of the bill will be dispensed with.

There was no objection.

The CHAIRMAN. Under the rule, the gentleman from Wisconsin (Mr. ZABLOCKI) will be recognized for 30 minutes, and the gentleman from Michigan (Mr. BROOMFIELD) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Wisconsin (Mr. ZABLOCKI).

Mr. ZABLOCKI. Mr. Chairman, the bill, H.R. 12222, the International Development and Food Assistance Act of 1978, authorizes funds for U.S. economic and development assistance programs in fiscal year 1979, makes certain changes in the foreign aid law, and provides for strengthened coordination and administrative consolidation in the foreign assistance field.

I want to emphasize several points at the outset:

This bill provides for a continuation of the congressionally established policy of providing U.S. development assistance to poor countries, on a self-help basis. It carries forward our "new directions" mandate of helping the poorest populations abroad. Eighty-five percent of the bilateral development assistance in this bill goes to developing countries with a per capita income of $550 a year or less.

The programs authorized by the legislation are no giveaway. The Commerce Department estimates that 75 percent or more of every "foreign assistance" development dollar is spent right here in the United States, for American food and fiber and other products, and for U.S.

services. It is estimated that for every $1 billion of our exports, results in employment for 40,000 to 50,000 American workers. That adds up to over 150,000 jobs under this bill.

This bill authorizes $3.7 billion for fiscal 1979. This is a larger figure than last year's economic assistance authorizing measure, but only because we have put into this bill the $1.8 billion "security supporting assistance" fund which in the past has been contained in the security assistance bill. This money will not be in the security assistance bill when it comes before the House later.

We are putting the fund into the economic aid bill because it is economic assistance, and we can get better economic development by handling it this way. We are renaming it the "economic support fund," which more properly reflects its nature and purpose. It is economic assistance in areas of particular importance to U.S. security and political interests of the United States.

The major part of this economic support fund is to promote peace in the Middle East; $785 million of this is for Israel, and $750 million is for Egypt.

However, the total in this bill is not increased over the comparable amounts that the Congress authorized for these purposes last year. The $3,736,850,000 is actually $21.45 million less than the amount which we authorized for fiscal 1978.

The total is $73.3 million more than requested by the President for fiscal 1979. The increases are for—

Twenty million dollars for population planning, to help poor countries in their programs to reduce excessive population growth rates.

Seventeen million dollars, for American schools and hospitals abroad.

One million three hundred thousand dollars for U.S. contributions to international organizations and programs, of which $1 million is for the U.N. decade for women and $300,000 is for the U.N. Trust Fund on South Africa.

Fifteen million dollars is for assistance to African refugees; and

Twenty million dollars is for the countries of Southern Africa to address problems caused by the economic dislocation resulting from the conflict in that region.

I will include in my remarks for the RECORD a more detailed statement of the amounts in the bill.

Of the $3.7 billion, approximately $1.2 billion is authorized for U.S. bilateral economic development assistance to poor countries. This is aid to these countries for meeting the basic human needs of their poor populations, with emphasis on their own participation in these programs on a self-help basis. The largest component is $673 million for agriculture, rural development and nutrition, in the campaign to reduce hunger and malnutrition. Other components include $225 million for population programs, $148 million for health, and $109 million for technical assistance and special development problems.

Additionally, the bill provides specific amounts for several other very worthwhile programs. These include $25 million for American schools and hospitals abroad, $283.45 million for U.S. contributions to international organizations and programs, $25 million for international disaster assistance, $15 million for assistance to African refugees, and $261 million for operating expenses for the administration of aid programs.

The second major economic assistance amount in this bill is $1.8 billion for economic aid in certain areas of the world of vital importance to the political, security and economic interests of the United States. The bulk of this economic support fund is for the promotion of conditions conducive to progress toward a peace settlement in the Middle East.

Of the $1.8 billion, $785 million is earmarked for Israel, and $750 million for Egypt. Outside of the Middle East, the bill earmarks $65 million for assistance to victims of the economic dislocations caused by conflicts in Southern Africa.

Turning to the policy provisions of the bill, the members will recall that the late esteemed Senator Hubert Humphrey, undertook as his last major legislative initiative a comprehensive bill proposing reforms in the foreign assistance field. His bill was intrdouced after his death under bipartisan cosponsorship in both the House and Senate. An ad hoc group of the House International Relations Committee gave careful study to the Humphrey bill, and, as a result of its recommendations, the committee included in H.R. 12222 a number of major elements from the Humphrey measure.

Details I will include in my prepared statement and are spelled out in the report, therefore I will not take the time of the House to relate now.

H.R. 12222 thus includes policy statements in sections 101, 102, 103 and 104, which, with minor modifications, were proposed by Senator Humphrey. The new policy language updates and clarifies portions of the existing Foreign Assistance Act of 1961, while at the same time maintaining and strengthening the "New Directions" foreign aid policy which the Congress mandated 5 years ago.

The bill consolidates reporting requirements which now appear in different places in the law, and seeks to have this information presented in a way which will be most timely and useful for the Congress.

The economic assistance account, formerly known as "Security Supporting Assistance," which is economic assistance allocated primarily to support U.S. political, security, and economic interests in certain areas abroad, is renamed "Economic Support Fund" and placed in the economic assistance legislation to reflect its economic nature. Previously it has been in the security assistance bill, which is primarily devoted to sales and grants for military hardware. The change will help gain more effective use of this money for economic development.

Members will note that to improve the effectiveness and efficiency of our foreign aid programs, title V of the bill directs the President to proceed with measures to strengthen coordination of policies and programs impacting on developing countries and to go forward with administrative consolidation, establishing a new agency superseding AID. The President is to report back to the Congress by next February 1 on the steps he has taken, and to recommend what further legislation might be needed, if any.

In conclusion, Mr. President, I will stress again that the programs authorized under this legislation are not "giveaways" which help other countries but not the United States. We spend only about one quarter of 1 percent of our GNP on development assistance, a lower percentage than most industrialized countries.

The programs indeed reflect the humanitarian concern of the United States, one of the world's richest nations, for the poorest and most disadvantaged populations in the developing nations of the world.

The assistance also promotes U.S. foreign policy and security and economic interests abroad. It helps to improve prospects for peace in vital areas such as the Middle East. It enhances our relationships with countries of the developing world, who provide markets for American products and whose raw materials are increasingly needed by our factories. Mr. Chairman again it must be stressed approximately three quarters of aid money is spent in the United States for goods and services produced by Americans, helping to create jobs here.

H.R. 12222 seeks to carry forward our assistance programs in the most beneficial and effective manner. The President supports passage of this bill. I urge its passage by the House.

Mr. GONZALEZ. Mr. Chairman, will the gentleman yield?

Mr. ZABLOCKI. I am delighted to yield to my very good friend, the gentleman from Texas (Mr. GONZALEZ).

Mr. GONZALEZ. I thank the very distinguished chairman of this committee.

As the chairman referred to awhile ago, this bill would tend to result in the creation of a successor agency to AID, and in the words of the report, the role would include the maximum range of U.S. Government agencies and programs related to international development. This being somewhat vague, I thought it would be proper to ask for some clarification of its practical effect, since the multilateral development finance institutions or the international banking institutions are administered through the Department of the Treasury, and the report indicates that this would not be changed by the bill. I recognize that, but I wanted to make sure that that was the correct interpretation of that intention, that the bill does not shift administrative responsibility for multinational institutions from the Treasury.

Mr. ZABLOCKI. As the gentleman from Texas well knows, the Humphrey proposal, indeed, had recommended inclusion of U.S. responsibility for the international financial institutions in a new AID agency. As a result some of the concerns of the Department of the Treasury are understandable. That is why in our committee, in carefully studying the Humphrey proposals, we decided that any transfer of the responsibilities handled by other Government departments,

if they, indeed, should take place in the future, the President should take that initiative under the authority of the Reorganization Act. It is not the intention of the House Committee on International Relations, and the legislation before us does not in anyway indicate, nor does the report state, that this should happen. Indeed, on page 51 of the bill we state very clearly that in establishing the International Development Cooperation Administration, which would be superseding the Agency for International Development, it will have, subject to the foreign policy guidance of the Secretary of State, primary responsibility within the U.S. Government for coordination of international development activities, and within its organizational framework, the maximum possible range of the U.S. Government agencies and programs related to international development. The major goal is that we have improved coordination, that we will have an agency that would see that our international development programs would have some fruitful, imaginative, and to every extent possible the best type of programs so that the United States would get the most for the money that is to be spent for these purposes.

The legislation does not, I might advise the gentleman, provide for the transfer from the Department of the Treasury to this new International Development Cooperation Administration any authorities that are now within the U.S. Department of the Treasury, or the Department of Commerce, or other agencies.

Mr. GONZALEZ. I certainly do understand the maximum need for maximum coordination of these efforts, but at the same time it is necessary that we stress the distinct difference between the bilateral programs and the multilateral banking institutions, because their activities very heavily impact the markets, and since the Department of the Treasury has direct responsibility, I want to make sure we had this clarification.

Mr. ZABLOCKI. But we do, of course, want to see that the Department of the Treasury and all other governmental agencies will fully cooperate when there are programs involved in international development.

Mr. GONZALEZ. Certainly. I thank the gentleman.

Mr. HALL. Mr. Chairman, will the gentleman yield?

Mr. ZABLOCKI. I am glad to yield to the gentleman from Texas.

Mr. HALL. Mr. Chairman, I notice that H.R. 1222 authorizes $3.7 billion for fiscal year 1979, which is an increase of $73 million above the administration's request. Looking at pages 12 and 24 of the committee report, it appears that out of that sum $225 million has been allocated, for population planning programs.

Again, on page 12, of the committee report, it is stated that the authorization is a $20-million increase over what the executive branch requested; is that not correct?

Mr. ZABLOCKI. That is true for that particular program.

Mr. HALL. For that one particular program?

Mr. ZABLOCKI. Yes.

Mr. HALL. Mr. Chairman, as is recorded on page 12 of the committee report, it appears to me that we are taking a rather peculiar position in the world, concerning population matters.

I quote from page 12 of the report, as follows:

> We now recognize, for instance, that desired family size remains high in most developing countries—four living children are seen as the ideal number in much of Asia, and at least six in many African countries. Yet, if population equilibrium is to be achieved, family size must average only two children.

Now, my question is this. Is the United States taking the position by the term of this Assistance Act that we are to tell the people of the world that they can only have an average of two children?

Mr. ZABLOCKI. I might say to the gentleman that the chairman of the committee was not in favor of this increase, as he was not in favor of some of the other increases which had increased the amount requested by the President by $73 million.

To answer the gentleman directly, I am as concerned as is the gentleman about advising not only nations and governments abroad, but our people in this country, as to what extent they must limit their families.

This particular language in the report was apparently prepared by the sponsors of the resolution increasing the amount for population and health care to $20 million.

Mrs. MEYNER. Mr. Chairman, will the gentleman yield?

Mr. ZABLOCKI. I yield to the gentlewoman from New Jersey.

Mrs. MEYNER. Mr. Chairman, I just want to point out, this is an additional $20 million to be used in Asia where they really have serious population problems and these countries have requested this money because they need help. This $20 million will place special emphasis on contributions to the private voluntary organizations and the U.N. fund for population programs in Asia, where the population problems are most serious.

We stress that this $20 million would be money very well spent in an area where the population is growing so fast that one wonders how all those hungry mouths are going to be fed; so we felt it was money well spent in our subcommittee.

Mr. ZABLOCKI. Mr. Chairman, if I may respond to the gentleman's question, the gentleman's question is are we, indeed, dictating or advising or insisting that countries should limit their families if the population equilibrum is to be achieved to average only two children per family? This, of course, is a theory or a belief on the part of some of the family planning and the population control sponsors; this is an expression or a view or a hope, but it is not in any way in this bill, or in the report, the policy of the United States to mandate in any way to a country receiving our aid that they must average two children per family.

Mr. HALL. Mr. Chairman, I notice again on page 12 of the committee report that in addition to providing family planning services, that the successful population programs indicate that government policy should be such as to encourage a later marriage age.

Is part of this $20 million increase going to be used to tell the people of those countries that they must marry at a later age in life?

Mr. ZABLOCKI. Mr. Chairman, the money is not being used for the purpose of telling them that they must wait until later life to marry. It is the intention, apparently, of the sponsors of this additional amount to provide education, particularly education of women, on methods of improved health, with emphasis on maternal and child health and advice to government of the benefits of later marriage, thereby lessening the number of children that may be had per family.

That aspect may be considered in the family planning program, but again it must be repeated that this in no way mandates that the $20 million must be used for that purpose in the field of education. It is not meant that this would in any way preclude any other assistance they would get if they do not limit their children to 2 per family or if they do not practice marriage at a later age.

Mr. HALL. Mr. Chairman, will the gentleman yield?

Mr. ZABLOCKI. I yield to the gentleman from Texas.

Mr. HALL. Mr. Chairman, I notice that the United States is supplying nearly 60 percent of the assistance for this program.

What other countries are paying any money for addressing the kind of problems we are talking about.

Mr. ZABLOCKI. Mr. Chairman, we have a list of other countries, and I will share that list with the gentleman when I get back to the table. I do, however, want to reserve the balance of my time so that other Members to whom I have promised time will be able to speak.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan (Mr. BROOMFIELD).

Mr. BROOMFIELD. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in support of H.R. 12222, the proposed International Development and Food Assistance Act of 1978. This legislation would authorize a total of $3,736,850,000 for U.S. bilateral and some multilateral foreign assistance programs for fiscal year 1979.

The programs covered by this legislation include what are generally known as the "functional categories" of bilateral development assistance which are the focus of the congressionally mandated "New Directions" foreign aid policy. This policy emphasizes concentrating U.S. assistance on efforts to help developing countries to meet the basic human needs of the poorest of their people. Consequently, a significant portion of the funds authorized in this bill are intended to support programs to help such seriously disadvantaged people to increase their

food production and rural employment.

In recognition of the fact that continued comparatively rapid rates of population growth in the developing countries can undermine or negate progress in other areas such as food production or educational opportunities, this legislation also provides for funds to assist aid recipient countries with voluntary population planning programs. Other important areas of functional bilateral assistance for which the bill authorizes funds are for the basic health and education needs to the poor majority in the less developed countries.

Another significant part of this legislation is title III, the provisions of which create a new Economic Support Fund (ESF) to cover most of the funds which formerly made up the security assistance account. The creation of the Economic Support Fund, and its inclusion in this bill rather than the annual security assistance authorization bill, is a more accurate reflection of the fact that this budget support type of assistance, while often endowed with significant political overtones, is economic aid, not military aid. The creation of the ESF also serves to emphasize the legislative intent that this assistance be used for economic development purposes to the fullest extent practical.

Of the total funds authorized in this legislation, the ESF is the largest account, totaling $1,845,000,000. The vast majority of the funds authorized are for economic support to countries in the Middle East to help maintain some semblance of stability and promote an atmosphere as conducive as possible to efforts to obtain a peace settelement in that troubled and important area. This account includes an authorization of $785 million for fiscal year 1979 for Israel.

Of the total authorized for Israel for fiscal year 1979, not less than two-thirds must be on a grant basis, and not less than $560 million of the total authorization for Israel must be for foreign exchange support unless the President determines that this latter requirement would have an adverse impact on U.S. exports to Israel.

In addition to authorizing funds, the bill refines, clarifies, and consolidates certain existing development assistance policy provisions in the Foreign Assistance Act of 1961, as amended. The legislation also combines and extends two housing guarantee programs, revises and consolidates statutory reporting requirements, and amends Public Law 480 to require a report on the effectiveness of the title I commodity sales program and to make the title III, Food-for-Development program somewhat more concessional for those recipients on the United Nations Conference on Trade and Development list of relatively least developed countries.

While these development and food assistance programs are by no means without fault, on balance they address significant international problems in a fairly effective way. I believe these programs support long-term U.S. foreign policy interests and goals, and I urge my colleagues to support the passage of H.R. 12222.

Mr. WINN. Mr. Chairman, will the gentleman yield?

Mr. BROOMFIELD. I yield to the gentleman from Kansas.

Mr. WINN. Mr. Chairman, I rise in support of H.R. 12222, the International Development and Food Assistance Act of 1978. While I do not completely agree with every aspect of this legislation, on balance the bill is a good one which addresses long-term national interests of the United States.

H.R. 12222 authorizes a total of $3.7 billion for U.S. foreign development and economic assistance programs. One of the principal purposes of the funds authorized is to aid the poor majority in developing countries to undertake self-help programs to increase their agricultural productivity and raise nutritional levels. This assistance helps them attack problems of local food distribution as well as production, and helps to promote other related rural employment opportunities. $673 million is authorized for these programs.

Of the funds authorized $148.5 million is to assist developing countries in addressing critical and fundamental health problems. This legislation also authorizes assistance for education, voluntary population planning programs and relief to disaster victims. H.R. 12222 continues Congressional emphasis on the need to encourage and promote the participation and integration of women in the development process.

H.R. 12222 also includes important economic support for countries in the Middle East to help them maintain their economic stability and improve the general climate and prospects for progress in the protracted and difficult efforts to achieve a peaceful solution to the tragic situation in that critical area of the world. These funds are a part of the new Economic Support Fund (ESF). They were formerly carried in the Security Supporting Assistance account, which would be repealed by this bill. Of the total authorization of $1.8 billion for the ESF, $785 million is earmarked for Israel, and $750 million is earmarked for Egypt. This economic support is very critical to these two important countries at this trying stage of their joint efforts to address the most fundamental issues dividing them in the Middle East conflict.

The legislation before the House today clarifies, refines, and streamlines various development assistance policy provisions of the principal existing foreign assistance statute. It also consolidates somewhat the numerous existing reporting requirements of the executive branch and removes a number of obsolete provisions from the Foreign Assistance Act of 1961, as amended.

Up to this point, I have been discussing H.R. 12222 primarily in terms of its relationship to the needs of other countries. However, this legislation also addresses long term U.S. national interest. The United States must play a constructive and effective role in helping to solve the problem of widespread poverty and the growing worldwide frustration and tension which this condition foments. If we do not do our part, there is little hope for the stable international scene which is increasingly necessary to our well-being as the world economy becomes more integrated. The handwriting is on the wall. Already we rely on sources in the developing world for substantial percentages of resources critical to our industrial society, including 90 percent of our tin, 85 percent of our bauxite, and 40 percent of our oil. The developing world represents a growing market for U.S. exports. Our exports to the Third World already exceed U.S. exports to the industrialized countries of Europe by $3 billion.

In conclusion, although I am critical of AID's implementation of our foreign assistance programs at times, I think the programs themselves are essentially sound. I urge the House to pass H.R. 12222.

Mr. STANTON. Mr. Chairman, will the gentleman yield?

Mr. BROOMFIELD. I yield to the gentleman from Ohio.

Mr. STANTON. Mr. Chairman, I thank the gentleman for yielding.

I will take just a minute, if I may, to ask the chairman of the committee a question that I am sure he can clear up for the record.

I am a little concerned about the possible ambiguity in the interpretation of section 502. I would say to my friend, the gentleman from Wisconsin (Mr. ZABLOCKI) that I personally believe—and I think he does also—that it is essential that the Secretary of the Treasury retain his statutory responsibility for U.S. participation in the Multilateral Development Institutions.

I wonder if in this bill there is anything that would take away from the Treasury this authority as the chief financial agency?

Mr. ZABLOCKI. Mr. Chairman, will the gentleman yield?

Mr. BROOMFIELD. I would be glad to yield to the gentleman from Wisconsin.

Mr. ZABLOCKI. Mr. Chairman, as I had advised the gentleman from Texas (Mr. HALL), nothing in this bill takes away any of the statutory authority of the Department of the Treasury or of any other governmental agency. I want to assure the gentleman that we are not taking, by a backdoor method, any prerogatives away from his committee or from any other committee of the House. There may be a lust for such purposes, but we are not doing that.

Mr. STANTON. Mr. Chairman, I certainly do appreciate very much the answer of the committee chairman, and I thank the gentleman from Michigan (Mr. BROOMFIELD) for yielding.

Mr. BROOMFIELD. Mr. Chairman, I yield 3 minutes to the gentleman from Ohio (Mr. WHALEN).

Mr. WHALEN. Mr. Chairman, I rise in support of H.R. 12222, the International Development and Food Assistance Act of 1978.

This bill carries forward the new directions programs of self-help assistance to

poor countries and of economic aid for peace and stability in areas abroad vital to U.S. interests.

I would like to point out a few aspects of this bill which merit special attention.

First, the bill adopts several reforms proposed by the late Senator Hubert Humphrey to update foreign assistance legislation and strengthen executive branch policy coordination. In offering new legislation, Senator Humphrey called for a heightened commitment by the United States to address conditions of social and economic injustice in the developing world—poverty, illiteracy, and disease—not just as charity, but because such conditions in today's interdependent world represent "a real threat to our security." This bill may not go as far as Senator Humphrey would have hoped but it is a further step in the right direction.

Second, the bulk of the funds authorized by this bill are earmarked for economic assistance to support peace efforts in the Middle East. This represents a transfer from security (military) to economic aid legislation the "economic support fund," formerly called security supporting assistance, authorized to promote economic, political, and security interests of the United States abroad so these funds can be used more effectively for economic development.

Let me conclude by observing that, while I support passage of this bill, I recognize that it is a less than adequate response to the problems of global development. This authorization is $46½ million less than last year's authorization which, therefore, means a noticeable decrease in real terms (taking inflation into account) and as a percentage of our GNP. The United States still lags sorely behind most other industrial countries in its level of assistance: In 1976 our official development assistance amounted to only 0.25 percent of our GNP, putting us 12th out of the 16 members of the OECD's Development Assistance Committee (DAC).

Mr. Chairman, I urge my colleagues to consider the important problems this bill addresses and to support its passage, and I hope that we can address them even more vigorously in the future.

Mr. BROOMFIELD. Mr. Chairman, I yield 2 minutes to the gentleman from Maryland (Mr. BAUMAN).

Mr. BAUMAN. Mr. Chairman, I would like to address a question to whomever on the committee might wish to respond, regarding the provision on page 31 of the bill, lines 17 through 21.

Mr. Chairman, this provision, which I think is certainly commendable, as far as it goes, prohibits, as I read it, the use of any funding under this legislation for the United Nations Institute for Namibia for the purposes of financing the military activities of the Southwest African Peoples Organization.

Mr. Chairman, it is my distinct impression, both from documents provided by the State Department and in the public press, that SWAPO, or the Southwest African Peoples Organization, is a terrorist organization responsible for the killing of many thousands of blacks in the area, raiding from Angola into the Southwest African territory during the last several years.

Only a few weeks ago, SWAPO accomplished the assassination of one of the moderate black leaders of the majority tribe in southwest Africa.

My question is why the word "military" should remain in this paragraph. Why should there not be a complete prohibition against the use of any funds to finance such a terrorist organization in Africa.

Mr. ZABLOCKI. Mr. Chairman, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from Wisconsin.

Mr. ZABLOCKI. Mr. Chairman, my understanding is that in the instance which the gentleman has described, this provision would preclude any funds going to the Institute for Namibia if the President should determine that such assistance would be used to support any military activities of SWAPO.

Mr. BAUMAN. I can understand, perhaps, aid going to international refugee organizations or to the Red Cross or to United Nations agencies dealing with the economic problems of a given area; but as I understand it, the United Nations Institute for Namibia may have been using these funds to subsidize SWAPO.

The CHAIRMAN. The time of the gentleman from Maryland (Mr. BAUMAN) has expired.

Mr. BROOMFIELD. Mr. Chairman, I yield 2 additional minutes to the gentleman from Maryland.

Mr. BAUMAN. To continue, Mr. Chairman, my understanding is that these funds may be going in part to SWAPO, which is a terrorist organization and only one of many political organizations in Southwest Africa.

Therefore, my question is, Why limit the prohibition to no military support when we should have no funding at all?

Mr. ZABLOCKI. If the gentleman will yield further, the purpose of this legislation is to help the poor people, the needy.

There is not any money that would be going to the terrorists. It would be to people who are the victims of terrorists; the money would be going to them. That is one reason why it clearly says that the money may not be used if the President determines that the funds will be used to support military activities of the Southwest African People's Organization.

The gentleman from New York (Mr. SOLARZ), a member of the Subcommittee on Africa, perhaps can more accurately add to the explanation which the chairman has tried to give.

Mr. BAUMAN. Mr. Chairman, in the minute which I have remaining, I can only respond to the gentleman from Wisconsin (Mr. ZABLOCKI) that any aid to SWAPO, in my view, would mean that American taxpayers' money is being spent to finance terrorism and death for black Africans. SWAPO may be engaged in other nonmilitary activities, but the professed public aim of the group is a forceful overthrow of the present government of the territory; and the organization has refused to go along with the major powers agreeing to a peaceful settlement in Namibia. Further, they are engaged in warfare, so why should we be assisting them with any sort of aid at all?

Mr. ZABLOCKI. If the gentleman will yield further, I would agree with the gentleman that we should refrain from giving any assistance to those terrorist leaders. It is my understanding that we would not do so.

Mr. SOLARZ. Mr. Chairman, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from New York.

Mr. SOLARZ. Mr. Chairman, I appreciate the gentleman's yielding.

I must say that I do not think he has anything to worry about in terms of the concern which he has expressed.

The CHAIRMAN. The time of the gentleman from Maryland (Mr. BAUMAN) has again expired.

Mr. BROOMFIELD. Mr. Chairman, I yield 2 additional minutes to the gentleman from Maryland.

Mr. SOLARZ. Mr. Chairman, will the gentleman yield further?

Mr. BAUMAN. I yield to the gentleman from New York.

Mr. SOLARZ. Mr. Chairman, the section on page 31 of the bill to which the gentleman refers is designed to facilitate the flow of funds not to SWAPO, but to the United Nations Institute for Namibia. The United Nations Institute for Namibia is an educational institution which has literally nothing whatsoever to do with SWAPO. It is an institute designed to provide young people from Southwest Africa with educational opportunities that they otherwise might not have so that they can acquire the skills which it will be necessary for them to have once Southwest Africa receives its indepedence.

Frankly, I do not even think that there is a need for the prohibition on the use of these funds for the military activities of SWAPO because, by definition, the money is going to the United Nations Institute for Namibia. The United Nations Institute for Namibia is an educational institute, as I said before, which provides courses in the same way that a college or an institution of higher learning in our own country does.

This was just an additional prohibition put on in order to assuage whatever concerns people might have that, somehow or other, these funds could be used for military purposes.

In any event, Mr. Chairman, I do want to assure the gentleman from Maryland that the moneys that will be allocated here under the terms of this section are going directly to the U.N. Institute; and the funds in the U.N. Institute are used solely for the purposes of providing young Namibians with educational opportunities they now are not able to obtain.

Mr. BAUMAN. Mr. Chairman, I am not as sanguine about the activities of this Institute as is the gentleman from New York (Mr. SOLARZ). I admit I have no direct proof, but I suspect that the half million dollars which this bill contains for the Institute could very well be used to finance, at least indirectly, the activities of SWAPO. That is sheer madness.

Mr. ZABLOCKI. Mr. Chairman, I yield 3 minutes to the gentleman from New York (Mr. SOLARZ).

Mr. SOLARZ. Mr. Chairman, I appreciate the chairman's yielding me this time. I just want to continue the little colloquy we were having on the U.N. Institute in Namibia, because I would not want any of the Members to be under any misunderstandings or misapprehensions concerning the Institute.

Actually, it has been an enormously successful undertaking. In the relatively near future, Namibia will be achieving its independence, and at that time the Namibians are going to have to run their country themselves. Unfortunately, in spite of the fact that South Africa has had a kind of trusteeship for southwest Africa for some time now, the number of Namibians who have received a higher education and who, therefore, are in a position to responsibly run the affairs of their country is somewhat limited.

This was an international undertaking designed to make it possible for the young people of Namibia to acquire the skills which would make it possible for them to responsibly run the affairs of their country once they receive their independence. If anything, I think that we ought to be drawing on the experience of the U.N. Institute in Namibia in order to establish similar institutes elsewhere in the world.

Never before in the history of this Institute, so far as I know, has anyone credibly suggested that the funds which are allocated to the Institute have been used to finance the activities of SWAPO or any other terrorist organization. It is an educational institution. I think we have a role to play in making it possible for the Institute to do its work, and I hope that we could retain this section which would make it clear that, in spite of the fact that none of the funds to the Institute have been used for terrorist purposes in the past, that none of them will be used in order to finance the military activities of SWAPO in the future.

Mr. BROOMFIELD. Mr. Chairman, I yield 3 minutes to the gentleman from New York (Mr. GILMAN).

Mr. GILMAN. Mr. Chairman, I rise in support of H.R. 12222, the proposed International Development and Food Assistance Act of 1978. As a member of the Subcommittee on International Development, and a cosponsor of this bill, I commend the final product encompassed in it. This bill fully expresses and embodies the "new directions" foreign aid policy, based on helping developing countries meet the needs of their poorest citizens. Substantial funding is provided for increasing food production, rural employment and voluntary family planning.

Among the most important sections of the bill is a $1,845,000,000 authorization for the Economic Support Fund (ESF). The central objective of that allocation will be to assist the Middle East peace effort. Of that fund, Israel is earmarked for $785 million of this fund, assuring Israel to be able to negotiate from strength and not from weakness.

I am also pleased with the inclusion of many of the foreign assistance reforms proposed by the late Senator Humphrey. Especially noteworthy among these reforms is the provision allotting up to $10 million to increase the productivity and income earnings capacity of women in developing countries.

In some areas the committee provided more aid than was originally requested. This was done in expression of the committee's feeling that these areas required top priority attention. Of particular significance was additional funding for American schools and hospitals abroad, refugee assistance, and disaster assistance.

H.R. 12222 is a conscientious, responsible piece of legislation addressing the legitimate needs of the developing countries. I hope and trust that my colleagues will join me in support of this assistance program.

Mr. ZABLOCKI. Mr. Chairman, I yield such time as he may consume to the gentleman from Indiana (Mr. HAMILTON).

Mr. HAMILTON. Mr. Chairman, I rise in support of H.R. 12222, the International Development and Food Assistance Act of 1978. This important legislation demonstrates a strong commitment to New Directions programs of self-help economic and food assistance to poor countries and of economic aid for peace and security in areas of the world vital to U.S. national interests.

This bill authorizes $3.7 billion for U.S. bilateral and multilateral economic assistance in fiscal year 1979, a figure $46 million less than was authorized for the same purposes last year but a figure some $73 million more than the President's request.

REORGANIZATION OF AID

Among the most important aspects of this legislation are the provisions which incorporates several reforms proposed by the late Senator Humphrey to improve foreign aid legislation and the administration of AID programs. The bill contains a specific provision directing the President to reorganize and consolidate programs dealing with international development. It is hoped that the executive branch will use this mandate to increase the efficiency, tighten the management, and improve the quality of aid effort.

MIDDLE EAST PROGRAMS

Among the most important programs in the bill is the $1.78 billion authorized for economic assistance to support peace efforts in the Middle East, including $785 million earmarked for Israel and another $750 million earmarked for Egypt. There are smaller programs for Jordan and Syria and for Palestinians living in the West Bank and Gaza.

These programs used to be authorized in the International Security Assistance Act, but the committee decided to transfer these programs from the security to the economic aid legislation in order to facilitate and encourage more effective use of these funds for economic development. This new economic support fund is designed to promote important economic, political, and security interests of the United States.

Since 1973 the United States has provided over $15 billion of economic and military aid to Israel, Egypt, Jordan, and Syria. Ten billion dollars of that figure has been provided to Israel. These high levels of aid to Israel, Egypt and other states in the region appear acceptable to the majority of Congress as long as there is progress toward a peace settlement.

The important steps achieved by Egypt and Israel in the last year are noteworthy and provide promise for the future. Most of us would agree that the overall levels of aid in the Middle East can only continue without restriction as long as momentum toward a lasting and comprehensive peace is maintained. Many of us regret that Jordan and Syria are currently not involved in the peace process, but we can hope that they will be participating in the near future. Without their participation, it will be increasingly difficult to sustain high levels of aid.

Three aspects of the Middle East program should be noted. First, there is the program for Israel.

The committee strongly supports the Economic Support Fund for Israel which includes budget support money and a commodity import program. This program for $785 million will be two-thirds grant and one-third loan. Israel has received substantial cash transfers of budget support for a number of years. However, Israel has special budgetary problems and the commodity import program, while successful, has not provided its intended budgetary relief in a timely fashion.

There is a large undisbursed commodity import program pipeline for Israel of $222 million which was carried into fiscal year 1978. Adding the $485 million appropriated for fiscal year 1978, there's a total of $707 million in commodity import program funds available for use by Israel this fiscal year. At current spending levels—$150 million in the first 4 months of fiscal year 1978—there could be a $250 million carryover into fiscal year 1979.

Therefore, the committee asked AID to consider alternative methods to eliminate this logjam. AID now supports an effort to increase the budget support portion of the program and obtain assurances that certain levels of imports from the United States will be maintained. It is the intention of the committee that AID will be able to help Is-

rael expedite the disbursement of unexpended funds appropriated in previous fiscal years. This will help Israel obtain maximum benefits of the program.

Second, the United States is embarking on two major projects in Jordan in the next year: the Maqarin Dam and related downstream projects and the potash development program. The committee supports these projects but has added provisions which would gear expenditures on these programs to Jordan's obtaining firm commitments on the balance of funding. AID allots $33 million for the potash project, but the entire project will cost roughly $420 million. AID asks for $50 million in each of 3 successive years for the Maqarin Dam but the entire program will cost some $650 million. These estimates continue to escalate.

In addition, the United States will need to be assured that in the Maqarin project the interests of all riparians on the question of water sharing downstream have been taken into consideration. This will involve firm understandings with Israel and Jordan. It is our understanding that Syria does not object to the Maqarin project at the present time.

Third, the bill contains a provision that allocates $3 million of the $5 million special requirements fund for promotion of regional cooperation and regional development among Israel and her neighbors. The bill further asks that AID prepare a report on feasible regional projects in the Middle East which would stress agricultural, scientific, and technological cooperation. While it may appear that it is too early to talk about such regional programs, it is our understanding that discussions on such programs has already started in the executive branch. We seek with these funds to promote further development of many creative ideas which have been discussed. This effort can be invaluable in the peace process.

BASIC HUMAN NEEDS

Finally, this bill increases the proportion of U.S. bilateral economic assistance focusing on basic human needs of poor populations of the developing world, such as food, population, health and education. This shift reflects a continuing American humanitarian concern for the poor and needy and an American commitment to help deal with pressing and extensive global poverty.

CONCLUSIONS

Mr. Chairman, bilateral economic aid programs remain a critical foreign policy instrument for the United States in pursuing our national interests and multilateral foreign policy objectives.

From 1965 to 1977, net U.S. official development assistance decreased by half, from 0.49 percent of the gross national product to 0.24 percent. Today, we rank 12th among the 18 industrialized countries in relative contributions and we spend 17 times more on military defense than we do on official development assistance.

A vote for H.R. 12222, Mr. Chairman, is a vote to rededicate ourselves to alleviating the human suffering that affects millions in the world and to support friends around the world who look to the United States to meet pressing economic problems and to facilitate their self-help development efforts.

I urge adoption of H.R. 12222.

Mr. BROOMFIELD. Mr. Chairman, I reserve the balance of my time.

Mr. ZABLOCKI. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

The CHAIRMAN. All time has expired.

Pursuant to the rule, the Clerk will now read the bill by titles.

The Clerk read as follows:

H.R. 12222

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "International Development and Food Assistance Act of 1978".

TITLE I—DEVELOPMENT ASSISTANCE

DEVELOPMENT ASSISTANCE POLICY STATEMENT

SEC. 101. Chapter 1 of part I of the Foreign Assistance Act of 1961 is amended by striking out section 102 and inserting in lieu thereof the following new sections:

"SEC. 101. GENERAL POLICY.—(a) The Congress finds that fundamental political, economic, and technological changes have resulted in the interdependence of nations. The Congress declares that the individual liberties, economic prosperity, and security of the people of the United States are best sustained and enhanced in a community of nations which respect individual civil and economic rights and freedoms and which work together to use wisely the world's limited resources in an open and equitable international economic system. Furthermore, the Congress reaffirms the traditional humanitarian ideals of the American people and renews its commitment to assist people in developing countries to eliminate hunger, poverty, illness, and ignorance.

"Therefore the Congress declares that a principal objective of the foreign policy of the United States is the encouragement and sustained support of the people of developing countries in their efforts to acquire the knowledge and resources essential to development and to build the economic, political, and social institutions which will improve the quality of their lives.

"United States development cooperation policy should emphasize four principal goals:

"(1) the alleviation of the worst physical manifestations of poverty among the world's poor majority;

"(2) the promotion of conditions enabling developing countries to achieve self-sustaining economic growth with equitable distribution of benefits;

"(3) the encouragement of development processes in which individual civil and economic rights are respected and enhanced; and

"(4) the integration of the developing countries into an open and equitable international economic system.

"The Congress declares that pursuit of these goals requires that development concerns be fully reflected in United States foreign policy and that United States development resources be effectively and efficiently utilized.

"(b) Under the policy guidance of the Secretary of State, the agency primarily responsible for administering this part should have the responsibility for coordinating all United States development-related activities.

"SEC. 102. DEVELOPMENT ASSISTANCE POLICY.—(a) The Congress finds that the efforts of developing countries to build and maintain the social and economic institutions necessary to achieve self-sustaining growth and to provide opportunities to improve the quality of life for their people depend primarily upon successfully marshalling their own economic and human resources. The Congress recognizes that the magnitude of these efforts exceeds the resources of developing countries and therefore accepts that there will be a long-term need for wealthy countries to contribute additional resources for development purposes. The United States should take the lead in concert with other nations to mobilize such resources from public and private sources.

"Provision of development resources must be adapted to the needs and capabilities of specific developing countries. United States assistance to countries with low per capita incomes which have limited access to private external resources should primarily be provided on concessional terms. Assistance to other developing countries should generally consist of programs which facilitate their access to private capital markets, investment, and technical skills, whether directly through guarantee or reimbursable programs by the United States Government or indirectly through callable capital provided to the international financial institutions.

"Bilateral assistance and United States participation in multilateral institutions shall emphasize programs in support of countries which pursue development strategies designed to meet basic human needs and achieve self-sustaining growth with equity.

"The Congress declares that the principal purpose of United States bilateral development assistance is to help the poor majority of people in developing countries to participate in a process of equitable growth through productive work and to influence decisions that shape their lives, with the goal of increasing their incomes and their access to public services which will enable them to satisfy their basic needs and lead lives of decency, dignity, and hope. Activities shall be emphasized that effectively involve the poor in development by expanding their access to the economy through services and institutions at the local level, increasing their participation in the making of decisions that affect their lives, increasing labor-intensive production and the use of appropriate technology, expanding productive investment and services out from major cities to small towns and rural areas, and otherwise providing opportunities for the poor to improve their lives through their own efforts. Participation of the United States in multilateral institutions shall also place appropriate emphasis on these principles.

"(b) Assistance under this chapter should be used not only for the purpose of transferring financial resources to developing countries, but also to help countries solve development problems in accordance with a strategy that aims to insure wide participation of the poor in the benefits of development on a sustained basis. Moreover, assistance shall be provided in a prompt and effective manner, using appropriate United States institutions for carrying out this strategy. In order to achieve these objectives and the broad objectives set forth in section 101 and in subsection (a) of this section,

bilateral development assistance authorized by this Act shall be carried out in accordance with the following principles:

"(1) Development is primarily the responsibility of the people of the less developed countries themselves. Assistance from the United States shall be used in support of, rather than substitution for, the self-help efforts that are essential to successful development programs and shall be concentrated in those countries that take positive steps to help themselves. Maximum effort shall be made, in the administration of part I of this Act, to stimulate the involvement of the people in the development process through the encouragement of democratic participation in private and local governmental activities and institution building appropriate to the requirements of the recipient nations.

"(2) Development planning must be the responsibility of each sovereign country. United States assistance should be administered in a collaborative style to support the development goals chosen by each country receiving assistance.

"(3) United States bilateral development assistance should give high priority to undertakings submitted by host governments which directly improve the lives of the poorest of their people and their capacity to participate in the development of their countries, while also helping such governments enhance their planning, technical, and administrative capabilities needed to insure the success of such undertakings.

"(4) Development assistance provided under this chapter shall be concentrated in countries which will make the most effective use of such assistance to help satisfy basic human needs of poor people through equitable growth, especially in those countries having the greatest need for outside assistance. In order to make possible consistent and informed judgments in this respect, the President shall assess the commitment and progress of countries in moving toward the objectives and purposes of this chapter by utilizing criteria, including but not limited to the following:

"(A) increase in agricultural productivity per unit of land through small-farm, labor-intensive agriculture;

"(B) reduction of infant mortality;

"(C) control of population growth;

"(D) promotion of greater equality of income distribution, including measures such as more progressive taxation and more equitable returns to small farmers;

"(E) reduction of rates of unemployment and underemployment; and

"(F) increase in literacy.

"(5) United States development assistance should focus on critical problems in those functional sectors which affect the lives of the majority of the people in the developing countries: food production and nutrition; rural development and generation of gainful employment; population planning and health; environment and natural resources; and education, development administration, and human resource development.

"(6) United States assistance shall encourage and promote the participation of women in the national economies of developing countries and the improvement of women's status as an important means of promoting the total development effort.

"(7) United States cooperation in development should be carried out to the maximum extent possible through the private sector, including those institutions which already have ties in the developing areas, such as educational institutions, cooperatives, credit unions, and private and voluntary agencies.

"(8) The economic and social development programs to which the United States lends support should reflect, to the maximum extent practicable, the role of United States private investment in such economic and social development programs.

"(9) Assistance shall be planned and utilized to encourage regional cooperation by developing countries in the solution of common problems and the development of shared resources.

"(10) Assistance efforts of the United States shall be planned and furnished to the maximum extent practicable in coordination and cooperation with assistance efforts of other countries, including the planning and implementation of programs and projects on a multilateral and multidonor basis.

"(11) United States bilateral development assistance should be concentrated on projects which do not involve large-scale capital transfers. However, to the extent that such assistance does involve large-scale capital transfers, it should be furnished in association with contributions from other countries working together in a multilateral framework.

"(c) The Congress, recognizing the desirability of overcoming the worst aspects of absolute poverty by the end of this century by, among other measures, substantially lowering infant mortality and birth rates, and increasing life expectancy, food production, literacy, and employment, encourages the President to explore with other countries, through all appropriate channels, the feasibility of a worldwide cooperative effort to overcome the worst aspects of absolute poverty and to assure self-reliant growth in the developing countries by the year 2000.".

DEVELOPMENT ASSISTANCE AUTHORITIES

SEC. 102. (a) Chapter 1 of part I of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following:

"SEC. 122. GENERAL AUTHORITIES.—(a) In order to carry out the purposes of this chapter, the President is authorized to furnish assistance, on such terms and conditions as he may determine, to countries and areas through programs of grant and loan assistance, bilaterally or through regional, multilateral, or private entities.".

(b)(1) Part I of such Act is further amended—

(A) by striking out everything after the first sentence in subsection (b) of section 201 through "herein) be loaned" in subsection (d) of such section and inserting in lieu thereof the following: "The President shall determine the interest payable on any loan. In making loans under this chapter, the President shall consider the economic circumstances of the borrower and other relevant factors, including the capacity of the recipient country to repay the loan at a reasonable rate of interest, except that loans may not be made"; and

(B) by inserting subsection (b) of section 201, as amended by subparagraph (A) of this paragraph, immediately after section 122(a), as added by subsection (a) of this section.

(2)(A) Section 301(a) of such Act is amended by striking out "201(d)" and inserting in lieu thereof "122(b)".

(B) Section 103(b) of the Agricultural Trade Development and Assistance Act of 1954 is amended by striking out "201" and inserting in lieu thereof "122".

(C) Section 106(a) of the Agricultural Trade Development and Assistance Act of 1954 is amended in the second sentence by striking out "201" and inserting in lieu thereof "122(b)".

(c)(1) Section 122 of the Foreign Assistance Act of 1961, as added by subsection (a) of this section and as amended by subsection (b) of this section, is amended by adding at the end thereof the following new subsections:

"(c) Dollar receipts paid during any fiscal year from loans made under this part or from loans made under predecessor foreign assistance legislation shall be deposited in the Treasury as miscellaneous receipts.

"(d) Not to exceed $10,000,000 of the funds made available in any fiscal year for the purposes of this chapter may be used for assistance, on such terms and conditions as the President may determine, to research and educational institutions in the United States for the purpose of strengthening their capacity to develop and carry out programs concerned with the economic and social development of less developed countries.".

(2) Section 299(a) of such Act is amended by striking "100(b), 211(a), and 211(d)" and inserting in lieu thereof "110(b) and 122(d)".

(d) Part I of such Act is further amended—

(1) in section 204—

(A) by striking out "SEC. 204. DEVELOPMENT LOAN COMMITTEE.—" and inserting in lieu thereof "(e)"; and

(B) by striking out "title" and inserting in lieu thereof "chapter"; and

(2) by inserting such section, as so redesignated and amended, at the end of section 122, as added and amended by subsections (a) through (c) of this section.

(e) Chapter 1 of part I of such Act, as amended by subsections (a) through (d) of this section, is further amended by adding at the end thereof the following new section:

"SEC. 123. VOLUNTARY AGENCIES.—(a) In order to further the efficient use of United States voluntary contributions for development, relief, and rehabilitation of friendly peoples, the President is authorized to use funds made available for the purposes of this chapter to pay transportation charges on shipments by the American National Red Cross and by United States voluntary agencies registered with the Advisory Committee on Voluntary Foreign Aid.

"(b) Reimbursement under this section may be provided for transportation charges on shipments from United States ports, or in the case of excess or surplus property supplied by the United States, from foreign ports to ports of entry abroad or to points of entry abroad in cases (1) of landlocked countries, (2) where ports cannot be used effectively because of natural or other disturbances, (3) where carriers to a specified country are unavailable, or (4) where a substantial savings in costs or time can be effected by the utilization of points of entry other than ports.

"(c) Where practicable, the President shall make arrangements with the receiving country for free entry of such shipments and for the making available by the country of local currencies for the purpose of defraying the transportation costs of such shipments from the port or point of entry of the receiving country to the designated shipping point of the consignee.".

(f)(1) Chapter 2 of part I of such Act, as amended by this section, is further amended—

(A) by repealing title I (except sections 206 and 209), title II (except sections 214 and 219), title VI, title VII, and title VIII;

(B) by amending the chapter heading to read as follows: "CHAPTER 2—OTHER PROGRAMS";

(C) by inserting the following new title heading immediately before section 206: "TITLE I—MULTILATERAL AND REGIONAL DEVELOPMENT PROGRAMS"; and

(D) by inserting the following new title heading immediately before section 214: "TITLE II—AMERICAN SCHOOLS AND HOSPITALS ABROAD; PROTOTYPE DESALTING PLANT".

(2)(A) Section 281 of such Act is amended by inserting "and chapter 1" immediately after "this chapter" each of the four places it appears.

(B) Section 601(b)(5) of such Act is amended by striking out "201" and inserting in lieu thereof "122".

(C) Section 608(a) of such Act is amended by striking out "section 212" and inserting in lieu thereof "chapter 1 of part I".

(D) Section 611(a) of such Act is amended by striking out "titles I, II, and VI of chapter 2 and chapter 4" and inserting in lieu thereof "chapter 1, title II of chapter 2, or chapter 11".

(E) Section 611(e) of such Act is amended by striking out "titles I, II, or VI of chapter 2 or chapter 4" and inserting in lieu thereof "chapter 1, title II of chapter 2, or chapter 11".

(F) Section 620(d) of such Act is amended by striking out "under section 201" and inserting in lieu thereof "on a loan basis under chapter 1 of part I".

(G) Section 635(h) of such Act is amended by striking out "titles II, V, and VI (except development loans)" and inserting in lieu thereof "chapter 1 (except development loans) and title II".

(H) Section 636(c) of such Act is amended by striking out "(other than title I of chapter 2 of part I)" both places it appears.

(I) Sections 636(d) and (e) of such Act are each amended by striking out "(other than title I of chapter 2 of part I)".

(J) Section 636(f) of such Act is amended—

(i) by striking out "section 212" and inserting in lieu thereof "chapter 1 of part I"; and

(ii) by striking out "title I of chapter 2" and inserting in lieu thereof "chapter 1".

(K) Section 108 of such Act is repealed.

(L) Section 109 of such Act is amended by striking out "Notwithstanding section 108 of this Act, whenever" and inserting in lieu thereof "Whenever".

AGRICULTURE, RURAL DEVELOPMENT, AND NUTRITION

SEC. 103. (a) Section 103 of the Foreign Assistance Act of 1961 is amended to read as follows:

"SEC. 103. AGRICULTURE, RURAL DEVELOPMENT, AND NUTRITION.—(a)(1) In recognition of the fact that the great majority of the people of developing countries live in rural areas and are dependent on agriculture and agricultural-related pursuits for their livelihood, the President is authorized to furnish assistance, on such terms and conditions as he may determine, for agriculture, rural development, and nutrition—

"(A) to alleviate starvation, hunger, and malnutrition;

"(B) to expand significantly the provision of basic services to rural poor people to enhance their capacity for self-help; and

"(C) to help create productive farm and off-farm employment in rural areas to provide a more viable economic base and enhance opportunities for improved incomes, living standards, and contributions by rural poor people to the economic and social development of their countries.

"(2) There is authorized to be appropriated to the President for purposes of this section, in addition to funds otherwise available for such purposes, $673,181,000 for the fiscal year 1979. Amounts appropriated under this section are authorized to remain available until expended.

"(b)(1) Assistance provided under this section shall be used primarily for activities which are specifically designed to increase the productivity and income of the rural poor, through such means as creation and strengthening of local institutions linked to the regional and national levels; organization of a system of financial institutions which provide both savings and credit services to the poor; stimulation of small, labor-intensive enterprises in rural towns; improvement of marketing facilities and systems; expansion of rural infrastructure and utilities such as farm-to-market roads, water management systems, land improvement, energy, and storage facilities, establishment of more equitable and more secure land tenure arrangements; and creation and strengthening of systems to provide other services and supplies needed by farmers, such as extension, research, training, fertilizer, water, and improved seed, in ways which assure access to them by small farmers.

"(2) In circumstances where development of major infrastructure is necessary to achieve the objectives set forth in this section, assistance for that purpose should be furnished under this chapter in association with significant contributions from other countries working together in a multilateral framework. Infrastructure projects so assisted should be complemented by other measures to insure that the benefits of the infrastructure reach the poor.

"(c) The Congress finds that the greatest potential for significantly expanding availability of food for people in rural areas and augmenting world food production at relatively low cost lies in increasing the productivity of small farmers who constitute a majority of the agricultural producers in developing countries. Increasing the emphasis on rural development and expanded food production in the poorest nations of the developing world is a matter of social justice and a principal element contributing to broadly based economic growth, as well as an important factor in alleviating inflation in the industrialized countries. In the allocation of funds under this section, special attention shall be given to increase agricultural production in countries which have been designated as relatively least developed by the United Nations Conference on Trade and Development.

"(d) Assistance provided under this section shall also be used in coordination with programs carried out under section 104 to help improve nutrition of the people of developing countries through encouragement of increased production of crops with greater nutritional value; improvement of planning, research, and education with respect to nutrition, particularly with reference to improvement and expanded use of indigenously produced foodstuffs; and the undertaking of pilot or demonstration programs explicitly addressing the problem of malnutrition of poor and vulnerable people. In particular, the President is encouraged—

"(1) to devise and carry out in partnership with developing nations a strategy for programs of nutrition and health improvement for mothers and children, including breast feeding; and

"(2) to provide technical, financial, and material support to individuals or groups at the local level for such programs.

"(e) Local currency proceeds from sales of commodities provided under the Agricultural Trade Development and Assistance Act of 1954 which are owned by foreign governments shall be used whenever practicable to carry out the provisions of this section.".

(b)(1) Section 644 of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following:

"(o) 'Agriculture' includes aquaculture and fisheries.

"(p) 'Farmers' includes fishermen and other persons employed in cultivating and harvesting food resources from salt and fresh waters.".

(2) Sections 296 (f) and (g) of such Act are repealed.

POPULATION AND HEALTH

SEC. 104. (a) Section 104 of the Foreign Assistance Act of 1961 is amended to read as follows:

"SEC. 104. POPULATION AND HEALTH.—(a) The Congress recognizes that poor health conditions and uncontrolled population growth can vitiate otherwise successful development efforts. Large families in developing countries are the result of complex social and economic factors which change relatively slowly among the poor majority least affected by economic progress, as well as the result of a lack of effective birth control. Therefore, effective family planning depends upon economic and social change as well as the delivery of services and is often a matter of political and religious sensitivity. While every country has the right to determine its own policies with respect to population growth, voluntary population planning programs can make a substantial contribution to economic development, higher living standards, and improved health and nutrition. Good health conditions are a principal element in improved quality of life and contribute to the individual capacity to participate in the development process.

"(b)(1) In order to increase the opportunities and motivation for family planning and to reduce the rate of population growth, the President is authorized to furnish assistance, on such terms and conditions as he may determine, for voluntary population planning. In addition to the provision of family planning information and services and the conduct of directly relevant demographic research, population planning programs shall emphasize motivation for small families. Population planning programs shall be coordinated with other programs aimed at reducing the infant mortality rate, providing better nutrition for pregnant women and infants, and raising the standard of living of the poor.

"(2) There is authorized to be appropriated to the President for the purposes of this subsection, in addition to funds otherwise available for such purpose, $225,445,000 for the fiscal year 1979, which amount is authorized to remain available until expended.

"(c)(1) Assistance under this chapter shall be administered so as to give particular attention to the interrelationship between (A) population growth, and (B) development and overall improvement in living standards in developing countries, and to the impact of all programs, projects, and activities on population growth. All appropriate activities proposed for financing under this chapter shall be designed to build motivation for smaller families through modification of economic and social conditions supportive of the desire for large families, in programs such as education in and out of school, nutrition, disease control, maternal and child health services, improvements in the status and employment of women, agricultural production, rural development, and assistance to the urban poor.

"(2) The President is authorized to study the complex factors affecting population growth in developing countries and to identify factors which might motivate people to plan family size or to space their children.

"(d)(1) None of the funds made available to carry out this part may be used to pay for the performance of abortions as a method of family planning or to motivate or coerce any person to practice abortions.

"(2) None of the funds made available to carry out this part may be used to pay for

the performance of involuntary sterilizations as a method of family planning or to coerce or provide any financial incentive to any person to undergo sterilization.

"(e)(1) In order to prevent and combat disease and to improve health conditions for the great majority, the President is authorized to furnish assistance, on such terms and conditions as he may determine, for health, health education, disease prevention, and environmental sanitation.

"(2) There is authorized to be appropriated to the President for the purposes of this subsection, in addition to funds otherwise available for such purposes, $148,494,000 for the fiscal year 1979, which amount is authorized to remain available until expended.

"(f) The provision of health and family planning services through assistance under this section shall emphasize low-cost integrated delivery systems, especially to rural areas and to the poorest people, using paramedical and auxiliary medical personnel, clinics and health posts, commercial distribution systems, and other modes of community outreach.".

(b) Section 114 and title X of chapter 2 of part I of such Act are repealed.

EDUCATION AND HUMAN RESOURCES DEVELOPMENT

SEC. 105. Section 105(a) of the Foreign Assistance Act of 1961 is amended in the second sentence by striking out "$101,800,000 for the fiscal year 1977 and $84,900,000 for the fiscal year 1978, which amounts are" and inserting in lieu thereof "$109,036,000 for the fiscal year 1979, which amount is".

TECHNICAL ASSISTANCE, ENERGY, RESEARCH, RECONSTRUCTION, AND SELECTED DEVELOPMENT PROBLEMS

SEC. 106. Section 106(b) of the Foreign Assistance Act of 1961 is amended in the first sentence by striking out "$104,500,000 for the fiscal year 1977 and $105,000,000 for the fiscal year 1978, which amounts are" and inserting in lieu thereof "$126,244,000 for the fiscal year 1979, which amount is".

INTERMEDIATE TECHNOLOGY

SEC. 107. Section 107 of the Foreign Assistance Act of 1961 is amended to read as follows:

"SEC. 107. APPROPRIATE TECHNOLOGY.—(a) In carrying out activities under this chapter, the President shall place special emphasis on the use of relatively smaller, cost-saving, labor-using technologies that are generally most appropriate for the small farms, small businesses, and small incomes of the poor.

"(b) Funds made available to carry out this chapter should be used to the extent practicable for activities in the field of appropriate technology, including support of an expanded and coordinated private effort to promote the development and dissemination of appropriate technology in developing countries.".

WOMEN IN DEVELOPMENT

SEC. 108. Section 113 of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new subsection:

"(d)(1) Up to $10,000,000 of the funds made available in any fiscal year under this chapter shall be used, in addition to funds otherwise available for such purposes, for assistance on such terms and conditions as the President may determine to encourage and promote the participation and integration of women as equal partners in the development process in the developing countries. Emphasis shall be given to those programs which will increase the economic productivity and income earning capacity of women, providing a net increase in income at the local and national levels, and strengthen the capacity of women and women's organizations to participate in programs concerned with the economic and social development of developing countries.

"(2) Nothing in this section shall be construed to authorize the establishment of a separate development assistance program for women. Projects funded under this subsection shall serve to demonstrate more effective ways to encourage women's equal participation in the development process.".

HUMAN RIGHTS

SEC. 109. Section 116(e) of the Foreign Assistance Act of 1961 is amended in the first sentence by striking out "1978, not less than $750,000 may be used only" and inserting in lieu thereof "1979, the President is authorized and encouraged to use not less than $1,500,000".

ENVIRONMENT AND NATURAL RESOURCES

SEC. 110. (a) Section 118 of the Foreign Assistance Act of 1961 is amended by inserting the following immediately after the section caption: "(a) In carrying out programs under this chapter, the President shall take into consideration the environmental consequences of development actions.".

(b) Such section is further amended by adding at the end thereof the following new subsection:

"(b) In furtherance of the purposes of this section, the President shall carry out studies to identify the major environment and natural resource problems, and the institutional capabilities to solve those problems, which exist in developing countries. The results of these studies shall be reported to the Congress by March 1, 1979.".

AMERICAN SCHOOLS AND HOSPITALS ABROAD

SEC. 111. Section 214 of the Foreign Assistance Act of 1961 is amended—

(1) in subsection (c) by striking out "for the fiscal year 1977, $25,000,000, and for the fiscal year 1978, $25,000,000, which amounts are" and inserting in lieu thereof "for the fiscal year 1979, $25,000,000, which amount is";

(2) by adding at the end of subsection (c) the following new sentence: "Amounts appropriated under this subsection may not be used to furnish assistance under this section in any fiscal year to more than four institutions in the same country (excluding any institution which is receiving such assistance immediately prior to the effective date of this limitation), and not more than one such additional institution may be a university and not more than one such additional institution may be a hospital."; and

(3) by striking out subsections (d) and (e) and by redesignating subsection (f) as subsection (d).

HOUSING AND OTHER CREDIT GUARANTY PROGRAMS

SEC. 112. (a) Sections 221 and 222 of the Foreign Assistance Act of 1961 are amended to read as follows:

"SEC. 221 HOUSING GUARANTIES.—The Congress recognizes that shelter requirements are among the most fundamental of human needs. Shelter for most people in the developing countries consists largely of domestic materials assembled by local labor. While recognizing that most financing for such housing must come from domestic resources, the Congress finds that carefully designed programs involving United States capital and expertise can increase the availability of domestic financing for improved housing and related services for low-income people by demonstrating to local entrepreneurs and institutions that providing low-cost housing can be financially viable. The Congress reaffirms, therefore, that the United States should continue to assist developing countries in marshalling resources for low-cost housing. Particular attention should be given to programs which will support pilot projects for low-cost shelter or which will have a maximum demonstration impact on local institutions and national policy. The Congress declares that the long run goal of all programs should be to develop domestic construction capabilities and to stimulate local credit institutions to make available domestic capital and other management and technological resources required for effective low-cost shelter programs and policies.

"SEC. 222. AUTHORIZATION.—(a) To carry out the policy of section 221, the President is authorized to issue guaranties to eligible investors (as defined in section 238(c)) assuring against losses incurred in connection with loans made in connection with projects meeting the criteria set forth in section 221. The total principal amount of guaranties issued under this title or heretofore issued under prior housing guaranty authorities, which are outstanding at any one time, shall not exceed $1,180,000,000. The authority of this section shall continue until September 30, 1980. The President may issue regulations from time to time with regard to the terms and conditions upon which such guaranties shall be issued and the eligibility of lenders.

"(b) Activities carried out under this section shall emphasize—

"(1) projects which provide improved home sites to poor families on which to build shelter, and related services;

"(2) projects comprised of expandable core shelter units on serviced sites;

"(3) slum upgrading projects designed to conserve and improve existing shelter;

"(4) shelter projects for low income people designed for demonstration or institution building purposes; and

"(5) community facilities and services in support of projects authorized under this section to improve the shelter occupied by the poor.".

(b) Section 222A(h) of such Act is amended by striking out "September 30, 1978" and inserting in lieu thereof "September 30, 1979".

(c) Section 223(a) of such Act is amended by striking out "221, 222," and inserting in lieu thereof "222".

(d) Section 223(b) of such Act is amended in the first sentence—

(1) by striking out "221 or" the first place it appears;

(2) by striking out "221 and section 222 and of" and inserting in lieu thereof "222 and administering housing guaranties heretofore authorized under this title and under";

(3) by striking out "section 221 or" the second place it appears; and

(4) by inserting "this title or" immediately after "heretofore pursuant to".

(e) Section 223(c) of such Act is amended by striking out "section 221 or" and by inserting "under this title or" immediately after "therefore".

(f) Section 223(d) of such Act is amended—

(1) by striking out "221, 222," and inserting in lieu thereof "222 or"; and

(2) by inserting "under this title or" immediately after "heretofore".

(g) Section 223(f) of such Act is amended in the first sentence by striking out "section 221 or".

(h) Section 223(g) of such Act is amended by inserting "heretofore under this title or" immediately after "outstanding".

(i) Section 223(i) of such Act is repealed.

(j) Section 223(j) of such Act is amended by striking out "sections 221 and" in the first sentence and inserting in lieu thereof "section".

(k) Section 620(l) of such Act is amended by striking out "221(b)(1)" both places it appears and inserting in lieu thereof "234(a)(1)".

INTERNATIONAL ORGANIZATIONS AND PROGRAMS

SEC. 113. (a) Section 302(a)(1) of the Foreign Assistance Act of 1961 is amended in the first sentence by striking out "for the fiscal year 1977, $219,900,000 and for the fiscal year 1978, $252,000,000" and inserting in lieu thereof "for the fiscal year 1979, $283,450,000 of which not to exceed $300,000 shall be available for contribution to the United Nations Trust Fund on South Africa."

(b) Section 302(a) of such Act is amended by adding at the end thereof the following new paragraph:

"(3) None of the funds made available under this subsection for the fiscal year 1979 may be used for the United Nations Institute for Namibia unless the President determines that such funds will not be used to support the military activities of the Southwest African Peoples Organization.".

INTERNATIONAL DISASTER ASSISTANCE

SEC. 114. Section 492 of the Foreign Assistance Act of 1961 is amended—

(1) in the first sentence by striking out "each of the fiscal years 1977 and 1978" and inserting in lieu thereof "the fiscal year 1979"; and

(2) by striking out the third sentence.

ASSISTANCE FOR AFRICAN REFUGEES

"SEC. 115. Chapter 9 of part I of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

"SEC. 495E. ASSISTANCE TO AFRICAN REFUGEES.—The President is authorized to furnish assistance, on such terms and conditions as he may determine, exclusively for the relief and rehabilitation of African refugees and other needy people located in Africa. There is authorized to be appropriated for the fiscal year 1979 for purposes of this section, in addition to amounts otherwise available for such purposes, $15,000,000 which amount is authorized to remain available until expended. Assistance under this section shall be provided in accordance with the policies and general authorities contained in section 491.".

REIMBURSABLE DEVELOPMENT PROGRAMS

SEC. 116. Section 661 of the Foreign Assistance Act of 1961 is amended by striking out "$2,000,000" the first place it appears and all that follows through "1978," and inserting in lieu thereof "$3,000,000 of the funds made available for the purposes of this Act for the fiscal year 1979".

Mr. ZABLOCKI (during the reading). Mr. Chairman, I ask unanimous consent that further reading of title I be dispensed with, that it be printed in the RECORD and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

AMENDMENT OFFERED BY MR. JEFFORDS

Mr. JEFFORDS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JEFFORDS: Page 29, line 17, strike out the quotation marks and the period at the end of the line.

Page 29, insert the following after line 17:

"(c) In issing guaranties under this section with respect to projects in a country which require the use or conservation of energy, the President shall give consideration to using solar energy technologies, where such technologies are economically and technically feasible. Technologies which may be used shall include but not be limited to solar hot water systems, solar heating and cooling, passive solar heating, biomass conversion, photovoltaic and wind applications, and community-scale solar thermal applications."

Mr. JEFFORDS. Mr. Chairman, I am offering an amendment which is basically in the way of a policy statement regarding solar energy in our low-income housing guarantee programs.

As the Committee knows, this program is a housing guarantee program which is focused on the poorest of the poor in the less-developed countries. It guarantees up to $2,500 per family, which includes bringing sewer, water, and electricity to the area, upgrading rundown areas, and providing home improvement loans.

Recent studies, particularly one which this Committee mandated in the Foreign Assistance Act last year, indicate that the situation in the non-oil-producing LDC's is getting worse with regard to energy. Volume of the study, "Energy Needs, Uses and Resources in Developing Countries," mandated by the committee last year and delivered to Congress in March, it was concluded that "In the absence of major actions to replace noncommercial fuels or to increase the effectiveness with which they are used, a large fraction of the 3 to 4 billion LDC rural population in the year 2000 will not be able to raise their energy usage above subsistence levels."

The amendment provides that where it is economically and technically feasible, the Administrator will take into consideration, guaranteeing those projects which include solar technology or conservation-oriented passive designs. The Administrator will most probably not find many projects in the next year or two which will qualify for serious consideration because per-unit costs of the equipment are still not feasible—but it is expected that those costs are going to drop quite rapidly in the next decade and when they do become feasible, we would be remiss not to take them into consideration in our programing.

Any step, such as this one, will be welcome for low-income people in these countries. Besides saving fuel costs, the measure will, I hope, help to stretch rapidly depleting petroleum supplies for all of us. Further, I would hope it would be of assistance in promoting rapid development of automated manufacturing processes in solar equipment industries as well as better low-cost passive fuel-saving designs. Perhaps it will be of assistance in interesting indigenous entrepreneurs in LDC's to get into the solar business.

So this amendment will not have a major immediate effect on increasing the use of solar energy in the housing of LDC's, but its effect will be to bring the idea of using solar energy in housing to the attention of AID officials and LDC governments. It will hopefully be more significant in the next 5–10 years as the incomes of these people rises and more solar demonstration projects are done in the LDC's.

Mr. Chairman, I understand this amendment is acceptable to both sides.

Mr. ZABLOCKI. Mr. Chairman, will the gentleman yield?

Mr. JEFFORDS. I yield to the gentleman from Wisconsin.

Mr. ZABLOCKI. Mr. Chairman, I thank the gentleman from Vermont for yielding.

Also I thank the gentleman for giving me the opportunity to study his amendment. We have looked it over carefully and find it is a very worthwhile addition to the legislation, and on this side we accept the gentleman's amendment.

Mr. JEFFORDS. I thank the gentleman from Wisconsin.

Mr. BROOMFIELD. Mr. Chairman, will the gentleman yield?

Mr. JEFFORDS. I yield to the gentleman from Michigan.

Mr. BROOMFIELD. Mr. Chairman, we join the chairman in accepting the amendment offered by the gentleman from Vermont.

Mr. JEFFORDS. I thank the gentleman from Michigan.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Vermont (Mr. JEFFORDS).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. RYAN

Mr. RYAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. RYAN: Page 31, line 8, insert "(a)" immediately after "SEC. 113."; in line 12, strike out "$283,450,000" and insert in lieu thereof "$275,950,000"; and immediately after line 21, insert the following new subsection:

(b) Section 302(a) of such Act is amended by adding at the end thereof the following new paragraph:

"(4) None of the funds authorized to be appropriated by this section may be used for a contribution to the United Nations University."

Mr. RYAN. Mr. Chairman, this amendment is offered to improve what is otherwise a fairly good legislative package which allows the United States to contribute to the various efforts around the world toward providing some kind of better life for people in the lesser-developed countries. I have always had the attitude that the money which is appropriated especially for charitable and social purposes, and so on, ought to be examined as carefully as possible to make certain the greatest amount of money actually gets to the consumer who is poor and does not pass through more hands than necessary to actually provide for delivery.

We come to the United Nations University.

What is the United Nations University? In the words of those who support

it, it has no campus, it has no curriculum, it has no students, and it has no professors. And yet this is a contribution, which is the first one now to be given to an endowment fund presently in existence, which is to become a $500 million fund, a half billion dollar fund perpetually providing income for the purpose of coordinating and finding ways of spending money and helping poor peoples around the world. That is a fine idea if there is nobody else doing it.

But what is the U.N. for? What is the FAO for? What is the WHO for? And what are all the alphabet organizations that presently are in existence doing?

Part of the fund of the U.N. University, I am told, is to coordinate these functions. Let me address first of all the amount of money in this $500 million endowment fund.

How much is that? Is that a lot of money?

If you would like to know how that ranks with other endowment funds in this country, including colleges and universities which have campuses, professors, classes, and so on, let me state that Harvard University in this country has an endowment of $1.1 billion. That is the largest endowment of any university in the world. The second largest is Yale University with $567 million. I guess the Old Blues better get busy. The third is the University of Texas in Austin, Tex., with $546 million. Then comes Princeton with $425 million.

This would be, if it reaches the $500 million endowment, the fourth richest university in the world, and it has no costs for students, it has no costs for professors, it has no costs for campuses, it has no costs for anything, excepting finding ways to coordinate doing good around the world. Those are the words that were used.

I quote now from a paper printed by the United Nations University, and it states:

> What, exactly, is the nature of the university?
>
> The U.N. University has been carefully designed not to duplicate functions of existing universities or of other international organizations.

We now turn to, let us say, world hunger. At best it will become a coordinator for, I suppose, basic nutritional requirements, which is for food conservation development, and that is exactly what the Food and Agriculture Organization does, and the world health programs and as the U.S. Agricultural Department does. I can go on and on. My point is that this university, which is not a university, has the idea of coordinating the world work in regard to assisting people in finding food sources, and so on. That is a fine idea for any organization. But this organization is not a university, which it says it is, this organization is going to do good whether anybody likes it or not, and will have no controls over it. When we give them this money, if my amendment does not pass, for the university in Tokyo, we will have absolutely no way of finding out how it is spending or controlling its funds from then on, nor does the U.N. have any control over this organization. In fact, this organization is not responsible under its own charter to any other organization in the world.

I think that is a little incredible. For instance, if they decided they wanted to do evil instead of doing good, what is to stop them from doing so? And who is to define and control their operations? The fact is it is a poor idea to have any organization whose functions is to coordinate doing good, as broadly as that is defined.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. RYAN was allowed to proceed for 1 additional minute).

Mr. RYAN. The main point of course is this, if that is a good idea, even if it is, would it not be a useful idea to wait until later to find out how its first contribution of $50 million is being used? Our ideas toward this group might change if we could find some way of restructuring it so that there is some kind of control of this organization before it becomes a permanent entity quartered in Tokyo, which has only itself to answer to, and not even the United Nations.

Mr. YOUNG of Florida. Mr. Chairman, would the gentleman yield?

Mr. RYAN. I yield to the gentleman from Florida.

Mr. YOUNG of Florida. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I would like to say that I thoroughly agree with everything said by the gentleman from California (Mr. RYAN) in his argument. To further strengthen the gentleman's position in support of his amendment I would like to report that the Subcommittee on Foreign Operations of the Committee on Appropriations did not put one red cent in the appropriation bill for this purpose. So that subcommittee supported the gentleman's position also.

Mr. RYAN. Mr. Chairman, I thank the gentleman from Florida (Mr. YOUNG) for his comments.

Mr. ZABLOCKI. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the committee gave serious thought to the gentleman's amendment to strike the $7½ million. The gentleman is absolutely correct when he says that the U.N. University, to be stationed in Japan, is not a university. It was never intended to be a university.

It was created to meet the very real need for improving collaboration, on an international scale, of research and advanced training efforts that are being directed toward pressing global problems. It was intended to achieve this. It is unfortunate, I will say, Mr. Chairman, that this particular U.N. University, as it is now called, was not labeled as an international research institute, because that is what it really is. Scientists and researchers from various universities throughout the world do work for this particular university, as it is called, in Tokyo. It has built up an effective network of collaborating scholars and scientists from more than 40 countries, whose work is planned and coordinated from a small headquarters in Tokyo.

It is not a university, I agree with the gentleman from New York; but for what we are contributing to a small headquarters in Toyko, we will be receiving back one hundredfold in benefits from the research and development that is going to take place as a result of this particular institute. It works through existing institutes and universities. Its programs have been planned with the advice and cooperation of other U.N. bodies and leading experts. It does not duplicate the functions of existing universities or other international organizations. The university is giving priority attention to the research needs of the developing countries, to enhance the capabilities of their research institutes so that they may benefit, as we will benefit, from what has been learned elsewhere, and find their own methods for the solving of these problems. These programs, such as the postharvest conservation of food and nutritional needs, materially benefit the poor.

As I said earlier, though, instead of a traditional university, the university was created with features so that it might function on a non-political-technical level in developing international cooperation.

Mr. Chairman, I think it is incumbent upon me to point out the importance of this contribution. An endowment will remove the U.N. University from the yearly U.N. budget process and thereby remove it from the politics of the United Nations. I think the gentleman from California should have taken that into consideration if he has concern as to the degree the United Nations would have a controlling interest. It removes it from the politics of the United Nations.

The question was asked whether other countries contribute. One hundred million dollars has been contributed by Japan. I might further point out that if we refuse to cooperate and to contribute to this institute, there will be some very negative political overtones in our relations with Japan. Is $7.5 million worth trouble with relations with Japan, a friendly ally, a most cooperative nation, a very important country in Asia? The other major donors have been from the developing world: Venezuela, $10 million; Saudi Arabia, $5 million; Sudan, $5 million; Ghana, $2.5 million; Senegal, $1 million; and other countries that are included are Austria, Cyprus, Greece, India, Libya, the Netherlands, the Holy See, Norway, Sweden, Tunisia, and Zaire. Should we not be included in this list? I think we should, and I hope that the amendment is defeated.

Mr. WHALEN. Mr. Chairman, I move to strike the requisite number of words. I rise in opposition to the amendment.

Mr. Chairman, let me make four observations with respect to the amendment offered by the gentleman from California (Mr. RYAN). Three of these have been expanded upon by the chairman, the gentleman from Wisconsin (Mr.

ZABLOCKI), but I think they deserve repetition.

First, UNU is not a university. There is no campus. There are no students. What is involved is a small office operating in Tokyo that brings together scientists, economists, and academics from all parts of the world.

Second, UNU does not in any way duplicate efforts of other voluntary agencies in the United Nations. Rather, what UNU does is to coordinate the various functions of these organizations in a way that will contribute substantially to development around the world.

Third, as the chairman, the gentleman from Wisconsin (Mr. ZABLOCKI) has pointed out, there are a number of nations, both developed and developing, which have contributed to the United Nations University Endowment Fund. The United States has not.

Fourth, and most important, Mr. Chairman, is the fact that this amendment adversely affects our relations with a very trusted friend and ally, Japan. We all recall that the United Nations was organized during the course of World War II. Quite obviously, Japan was not a member of that body at that time. It subsequently was taken in as a member of the United Nations.

One of the things that Japan has attempted to do, to contribute its share to the operation of the United Nations is to establish a United Nations University. I had the dubious task last fall as a congressional delegate to the United Nations to discuss this particular organization in the Second Committee of the General Assembly. I had to concede that while the U.S. administration endorses and fully supports the United Nations University, due to Congressional restrictions our country was not in a position to contribute at that particular time. There were questions raised, why not, what is the problem, and so forth? Indeed, this Member was embarrassed when he was forced to make that statement in the Second Committee and again on the floor of the General Assembly.

The Japanese are very proud of this operation. They are looking for contributors. I think our relations with that country would be enhanced if we joined with other developed and developing countries in contributing to operations of the United Nations University.

Therefore, Mr. Chairman, I urge defeat of this amendment.

Mr. FRASER. Mr. Chairman, I move to strike the requisite number of words. I rise in opposition to the amendment.

Mr. Chairman, I think most of the arguments in support of keeping this authorization for the U.N. University have been made. I know the chairman has made an excellent statement, as did the gentleman from Ohio.

Let me underscore a couple reasons why we should keep this in. In the first place, it represents the only United Nations presence that Japan has. There is no other U.N. agency or presence in Japan, despite the fact that Japan is in many respects the third most important country in the world.

Second, this is an endowment fund. That means that this university will be insulated from the political pressures which have characterized the workings of the General Assembly in the U.N. too frequently in recent years.

Mr. Chairman, we need international institutions which are somewhat insulated from the turbulence and the political tensions which keep raging not only across the world, but across the General Assembly. The use of an endowment here will protect the university and give it a degree of independence which is important if we are going to strengthen confidence and competence in these institutions.

Finally, I want to make the point that it is impressive how much money this House will vote to send arms abroad. We also ought to make a small token in pursuit of peaceful objectives. This is money which will be spent to help solve the many problems that plague the world, problems of hunger, malnutrition and social development. Ten million dollars invested in an international institution to work on these problems has got to be peanuts compared to the billions of dollars we pour out in lethal arms and weapons to kill people. It seems to me that in this context $10 million is such a minuscule amount that we should not even be debating this issue.

The Japanese are a proud people. They are a close ally of the United States. I think it is time that we recognized their desire to come into the international community by direct participation.

Mr. RYAN. Mr. Chairman, will the gentleman yield?

Mr. FRASER. I will be glad to yield to the gentleman from California.

Mr. RYAN. Mr. Chairman, will the gentleman show me, in the present budget of the United Nations University, which has been in existence for 5 years, a record of any kind of funds that have been spent for food or any kind of relief relating to the existence of people themselves, as opposed to planning and coordination of social programs and all the rest of it?

Is there any money in here to provide for clothing or food or relief of any kind for the people of the world?

Mr. FRASER. Mr. Chairman, I will say to the gentleman that the grants I have seen are aimed at getting a better understanding of how these problems are going to be solved. The problems of poverty and hunger and malnutrition are to a large extent problems of social disorganization, as well as a lack of education a lack of technical know-how.

Our sending money to people to give them clothing and food is not going to solve the problems related to the lack of education of the vast majority of needy people throughout the world, and we must get to the roots of these problems. That is the kind of problem that the United Nations University should be encouraged to solve.

Mr. RYAN. The fact is, however, that none of this money actually gets into the hands of those who are in need?

Mr. FRASER. Well, this is a University. It is not designed to be a social welfare program.

Mr. RYAN. Mr. Chairman, I thank the gentleman for yielding.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. RYAN).

The amendment was rejected.

AMENDMENT OFFERED BY MR. RYAN

Mr. RYAN. Mr. Chairman. I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. RYAN: Page 31, and immediately after line 21, insert the following new subsection:

(c) Section 302(a) of such Act is amended by adding at the end thereof the following new paragraph:

"(4) None of the funds authorized to be appropriated by this section may be used for a contribution to the United Nations University until—

"(A) the Congress has been provided with a complete list of institutions involved with the United Nations University;

"(C) the Congress is satisfied that all duplication of the efforts of the United Nations University with the efforts of other United Nations agencies has ceased;

"(D) the Congress is satisfied that the United Nations University cooperates in its efforts with both other United Nations agencies and with United States agencies;

"(E) the Congress has received proof of either the involvement or the solicitation of involvement by the communist countries which are members of the United Nations in the activities of the United Nations University, including financial contributions to the University; and

"(F) the Congress has received detailed information on the manner in which the United Nations University spends its funds."

POINT OF ORDER

Mr. FRASER. Mr. Chairman, I make a point of order on the amendment.

The CHAIRMAN. Does the gentleman from Minnesota (Mr. FRASER) wish to state his point of order?

Mr. FRASER. My point of order, Mr. Chairman, is that the phrasing of this amendment means that the money may only be spent upon certain things happening to satisfy the Congress. This obviously makes for a wholly unworkable and unmanageable section with respect to the executive branch, which is charged with the responsibility of administering the laws under the Constitution of the United States.

Were these conditions directed to the executive branch, I would think the amendment might be in order, but they are directed to the Congress, and the Congress under the Constitution has no authority with respect to the execution of laws adopted by this Congress.

The CHAIRMAN. Does the gentleman from California (Mr. RYAN) desire to be heard on the point of order?

Mr. RYAN. Yes, I do, Mr. Chairman.

This amendment is no different from other control language that is on occasion put in other sections of the code when we are asked to spend U.S. Government funds on a program about which we have some concern.

What this amendment does is to provide to the Congress the information about the expenditure of those funds that the Congress may need in appropriating further funds at a later time.

The CHAIRMAN. The Chair would like to inquire of the gentleman from Minnesota (Mr. FRASER) whether the basis for his point of order relates to the germaneness of the amendment.

Mr. FRASER. The amendment may not be germane, but my fundamental point, Mr. Chairman, is that it attempts to devolve upon the Congress responsibility for the execution of laws which, under the Constitution of the United States, falls just to the executive branch.

The amendment in its wording talks about the Congress being satisfied with this, but the Congress has no role to play in the execution of the laws. The standards are set by the executive branch, so the amendment is on direct violation of the separation of powers.

The CHAIRMAN (Mr. LEVITAS). The Chair is prepared to rule.

In the opinion of the Chair, each of the conditions set forth in the proposed amendment is a contingency related to the subject matter of the bill and to the availability of authorizations therein. The Chair does not undertake to rule upon the constitutionality of amendments offered nor upon their wisdom or workability. That is a matter for the House to decide, and the point of order is not sustained.

The gentleman from California (Mr. RYAN) is recognized for 5 minutes in support of his amendment.

Mr. RYAN. Mr. Chairman, this amendment says, effectively, if you are going to have the money to spend, then tell us what you intend to do with it.

I stress that point, because I have here a document entitled "Estimated Income and Expenditure Levels for United Nations University for 1977–1978 as Percentages of the Budget." This is the entire budget now. These are percentages which were given to me by the United Nations University itself.

Expenditures: Policymaking organization, the council, percentage of budget, 4½ percent.

What is that?

Executive director, management, 5 percent.

Planning and development, 5 percent.

Programs, 56 percent. I suppose "programs" means simply the development of programs, using professors around the world and paying them to come up with ideas for various kinds of programs.

But what is planning and development?

Beyond that, we have information, which I suppose is public relations, 4.5 percent.

Academic services, 5 percent.

Administration on top of all that, 20 percent.

What I am trying to say is that this particular U.N. University does not have any feet on it. All it has is a body. All it has is a head and no feet. There is nothing here that gets to the people.

This is a good bill. This bill, H.R. 12222, is to be a bill which provides help, money, services, and food for poor people in other parts of the world. I think that is a great idea. In fact, there are areas in this bill where there ought to be more money put aside. But now we are getting to the point, as we do so often institutionally, where we begin to spend more money hiring the people to hand out the food than there are people who actually get it. This is what I object to in an otherwise excellent bill.

This is the first contribution. If we are going to contribute the money—and apparently we are, at least so far as this House is concerned with this bill—then we ought to be able to have some information, especially if this agency is totally free of any outside control, and we ought to have some idea about what it does and what the money is used for.

Mr. Chairman, one last point that has been raised—I think in regard to the other one, and it applies to this one, too—this particular agency is taken out of politics. Is not that nice? "Politics is messy: Let us get rid of it."

Why not take the Congress out of Government, using the same reasoning, because then we would take the American Government out of politics and then just let the bureaucrats do good in this country. Do you believe that?

Every agency that spends money in the world needs to have some kind of oversight, some kind of control.

I submit that only does this school have no campus, no professors, no curriculum, and no students, but it does not have any controls on it by any nation in the world, it does not have any controls even by the United Nations itself.

For those reasons alone, the least we can do about the money we put into this thing is to say, "What did you do with our money? How did you spend it? It was not spent very well." We need the information, because the State Department and the President have already pledged in writing $50 million to contribute to this half billion dollar endowment fund to keep this agency in existence.

If we are going to do that in the years to come—and we will in the bills here in other years—I would like to have some better information than we have now about what this agency purports to be doing that is so useful, that is supposed to be so good for people in the world, when in fact not one dime goes for getting food in the mouths of the people who are poor.

Mr. FRASER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the two things that do make sense in this amendment are, first, asking that Congress be provided with a complete list of institutions involved with the U.N. University. The second is asking for detailed information on the manner in which the university spends its funds.

Those requests for information have already been complied with. The information was available to us in committee. The gentleman from California (Mr. RYAN) has it, so there is no problem with respect to that. That information is fully available to every Member of the Congress.

On the provisions here, Mr. Chairman, it is not a matter of being provided with information. The way the amendment is phrased is this: It says that the Congress has to be satisfied with this, with that, or with the other thing. There is no mechanism by which Congress can be satisfied. We pass the law. The President has to enforce it. What is he going to do? Call up the gentleman from California (Mr. RYAN) and say, "Are you satisfied?" Or call up the Speaker and say, "Are you satisfied?"

Mr. Chairman, we do not administer the laws of the United States by having individual Members of Congress express opinions about whether a law has been complied with in order that the President can go forward. That is, frankly, why the Constitution says that the Congress makes the laws and the President executes them.

Mr. Chairman, this amendment was considered in committee and soundly rejected. I think it deserves the same result here.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. RYAN).

The amendment was rejected.

AMENDMENT OFFERED BY MR. LOTT

Mr. LOTT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LOTT: Page 21, line 14, strike out "$225,445,000" and insert in lieu thereof "$205,445,000".

Page 26, line 22, strike out "$25,000,000" and insert in lieu thereof "$8,000,000".

Page 31, line 1, strike out "$283,450,000" and all that follows thereafter through "Africa" on line 14 and insert in lieu thereof "$282,150,000".

Page 32, strike out lines 5 through 19 and renumber the following section accordingly.

Mr. LOTT. Mr. Chairman, my singular purpose is designed solely to reduce the authorization level in title I of this bill back to the level approved or requested by the President.

During its deliberations, the Committee on International Relations added a total of $53.3 million to the amount asked for by the administration for development assistance. Very briefly, the committee increased funding in three areas which the President included in his budget request: Population planning was increased by $20 million; American schools and hospitals abroad—and these are private American schools and hospitals—by $17 million; and voluntary contributions to international organizations and programs, by $1.3 million. The voluntary international contribution additions by the committee above the amounts requested were broken down into a $1 million increase for the U.N. decade for women and a $300,000 increase for the U.N. trust fund for southern Africa.

Next, the committee included a $15-million authorization for assistance to African refugees. This is a figure for

which the President made no request at all in his budget.

I want to emphasize, Mr. Chairman, that this amendment does not cut the administration's budget request for international development assistance by one penny. Most of all, it is not selective. It is an across-the-board reduction in those areas that have been increased, and it is offered in the interest of fiscal responsibility at a time when the well-being of our Nation's economy is endangered by high balance of trade deficits and the real threat of double-digit inflation.

Mr. Chairman, I have been asked by various Members to reduce this or that part of the amendment. Certainly it sounds worthwhile and worthy to support American schools and hospitals abroad.

I had one colleague say that we need to provide funds for population planning. Mr. Chairman, the President asked for $205 million, and the committee added $20 million more.

One of my colleagues asked that we take out the $15 million for African refugee assistance.

Certainly I might prefer to pick and choose; but that is not the intent of this amendment. The President has asked us to join with him in trying to hold down spending and in fighting inflation. Then we turn around and every bill we pass on the floor is over his budget—$1 million here, and another $1 million there, $104 million in the instance of the environmental bill. The committee provided an additional $73 million in this bill.

Mr. Chairman, we have to draw the line somewhere; and if there is any area in which the American people would, by an overwhelming majority, support a reduction in Federal expenditures, it is in foreign aid.

This bill is $3.7 billion. I wish that all my colleagues would take the time to go through this report and look at where we are sending this money. The gentleman from California had the temerity to suggest that we have an accounting of where the funds were spent for this U.N. University. We have got to stop this. All I am asking is, let us just hold it to what the President asked for; that is all.

There is something in this amendment for all of us. If Members are really interested in fighting inflation and trying to control deficit spending, they can do it with this amendment. If they are really interested in supporting the President, they can do it with this amendment. So, it is not selective. It is strictly an effort to try to hold down the foreign aid bill to what the President asked for. How can we be against that?

Mr. Chairman, I ask for the adoption of my amendment.

Mr. ZABLOCKI. Mr. Chairman, I rise in opposition to the amendment.

As the gentleman from Mississippi knows, as I stated when I appeared before the Rules Committee, I have indeed attempted to keep from increasing the amounts in this bill and holding it to the least dollar amount. But now, Mr. Chairman, since we held hearings in our committee, the majority of our committee has spoken. As chairman of that committee, I feel it is incumbent on my part to defend my committee's recommended amounts for these purposes.

Let me say that I am in sympathy with the gentleman's amendment. When the committee began markup of this bill, I urged the Members to be frugal and to avoid increasing the authorizations. In general, I believe the committee has tried to keep to this directive and to limit increases only to those absolutely necessary.

Now, Mr. Chairman, let me explain what the gentleman's amendment does, and ask him and the members of the committee if they support the specific result. His amendment would cut $20 million out of the population account. I might say to the gentleman that I am in agreement with his purpose, but yet I must point out that this $20 million was recommended to deal with one of the world's most serious problems.

The gentleman's amendment would reduce from $25 to $8 million the American schools and hospitals abroad program, one of the few aid programs which is popular throughout the Congress. Mr. Chairman, I might point out to the committee that the Appropriations Subcommittee on Foreign Operations has already approved the $21 million in appropriations for this program.

The gentleman's amendment would reduce the international organization account by less than one-half of 1 percent, that is, $1.3 million, most of which is an additional $1 million for the U.S. contribution to the United Nations decade for women. I hope the gentleman's amendment is not intended or misinterpreted as being antifeminist. I believe that in our committee in recent months we have given special attention to the women. I urge a no vote on the amendment.

Mr. DERWINSKI. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, I want to take this opportunity to call my colleagues' attention to certain aspects of H.R. 12222, the International Development and Food Assistance Act of 1978. If I may paraphrase the title of a contemporary motion picture, I think this bill could most appropriately be described as "the good, the bad, and the irrelevant.." I am not quite certain which of those three characteristics predominates, however.

H.R. 12222 would authorize a total of $3,736,850,000 for U.S. bilateral and some multilateral economic assistance for fiscal year 1979. As usual, the bill exceeds the President's budget request, this time by $73.3 million. The authorization level in this legislation is also $153.4 million more than the appropriations for these same programs for the current fiscal year. Of course, such increases have become so common, perhaps routine is a better term, that even the long-suffering middle-income American taxpayer may be growing resigned to this perfunctory legislative habit of demonstrating our commitment to addressing world problems by adding more money to the President's request.

The issue of human rights has become more fashionable in the last year or so, both in the Congress and with the executive branch. The rhetorical commitment to the theoretical principle that human rights should be taken into account when decisions on foreign assistance allocations are made is extensive. I can certainly embrace that principle. However, the disappointing truth is that it is very difficult to implement this principle of respect for and encouragement of human rights in a consistent and effective manner. Unfortunately the problems of human rights policy implementation are largely ignored by many who are too busy wading through their own rhetoric on the issue in general. Our so-called legislative initiatives on human rights often border on the quixotic when viewed in the cold light of reality. In fact, probably more than any other aspect of U.S. foreign policy, the implementation of human rights policy is viewed as confused, inconsistent, and often may appear to some to be selectively applied in a fashion that the faint odor of hypocrisy is unmistakable.

I am inclined to believe that this bill takes another step, albeit a comparatively small one, along the established path. H.R. 12222 authorizes and encourages the President to use twice as much money this year as last year for studies, programs, and activities to encourage and promote increased adherence to internationally recognized civil and political rights. So, we blithely urge a doubling of human rights related funding while we simultaneously program assistance to countries with extremely questionable human rights records, such as Mozambique, Guinea, Ethiopia, Syria, Peru, Somalia, and others. There is no indication that the fiscal year 1978 human rights funding has lead to improved human rights in any of the countries I mentioned, or any others. It is equally doubtful that encouraging doubling of the funding will bring any noticeable improvement. I suppose this provision is just another example of our sporadically implemented "carrot-and-stick" approach to human rights.

To me the most objectionable aspect of this bill is the earmarking of $90 million in economic support funds for Syria. In addition to its poor human rights record, Syria's vociferous and vitriolic attacks on the Sadat peace initiative have been a clear hindrance to efforts to advance the prospects of peace in the Middle East. An article in the Washington Post of May 3, 1978, cited Syrian Government radio broadcasts urging the Egyptian people to "topple" President Sadat because of his courageous efforts to encourage a negotiated peace settlement between Israel and its Arab adversaries. The serious buildup of Soviet-supplied arms to Syria casts additional doubt on the good faith of Syria and on the wisdom of pouring U.S. economic support into such a rabidly belligerent Government.

In fairness, I want to mention some of the good points of this legislation. It does continue support for the "new directions" policy of assistance to the poor majority of people in developing countries in their efforts to provide for their own basic human needs, and to encourage equitable economic growth in those countries. The bill also consolidates a number of existing reporting requirements and repeals obsolete provisions.

H.R. 12222 authorizes $785 million in economic support funds for Israel. This funding is critical at this particularly trying time to insure that Israel is strong enough economically that its adversaries will not be able to impose an unfair settlement to the Middle East conflict.

Having touched upon both the "good" and the "bad" in this bill, let me mention the "irrelevant." Title V of this legislation directs the President to establish a foreign aid agency to be called the International Development Cooperation Administration (IDCA), which would replace the existing Agency for International Development (AID). Based on the very general, even nebulous, statutory guidance contained in this provision, we expect the President to present us with a reorganization and consolidation of the various foreign aid programs into an agency which will somehow overcome its predecessors reputations for poor administration, excessive bureaucracy, and persistent backlogs of large sums of money in the aid pipeline. The more likely outcome is that the new agency will continue to be essentially the same agency renamed for the fifth time. In fact, a Washington Post article on May 2, 1978, citing "administration sources," said the new IDCA "would essentially be only an expanded AID with a new name." Same game, new name, ho hum.

It is clear that H.R. 12222 has its share of bad points as well as good ones. The main point is that the American people have the right to expect that we will establish and fund only those programs which make sense, and that the impiementing agency, by whatever name, will administer those programs efficiently and effectively.

I would just like to point out, Mr. Chairman, that the distinguished chairman of the committee just gave what is his normally effective, yet somewhat standard, argument against any amendment coming from any source other than a committee member who happens to be in agreement with the majority of that committee.

Somehow every chairman feels that every bill produced from his committee is a sacred cow and, therefore, that all figures are holy, every program is vital. Yet, not wishing to speak disrespectfully of my dear colleagues on the International Relations Committee, who are all great statesmen and whose wisdom is felt far beyond our own shores, is felt clear throughout the world, the fact is that a committee becomes captive of the special pressures and the special interests that surround it. This is true of the Agriculture Committee and it is true of the Ways and Means Committee and it is true of every committee.

So I would hope that when an amendment such as that offered by my good friend, the gentleman from Mississippi (Mr. LOTT), is before us, that the argument would at least reach the merits, if there is merit, and that it not be on the general assumption that we are dealing with sacred figures in a sacred bill from which any deviation would produce international disaster.

The facts of life are that this is in terms of dollars a modest amendment.

Mr. LOTT. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. I yield to the gentleman from Mississippi.

Mr. LOTT. Mr. Chairman, I want to thank the gentleman from Illinois for his comments.

I want to emphasize this amendment is not intended to be anti anything. In fact I approve of the population planning proposal, but it is $205 million which was recommended by the President. The amendment is intended to be anti-inflationary, and these are cuts in areas I did not select. In fact, the President selected them by going with the lower level.

Mr. DERWINSKI. I should add, it is my consistent loyalty to the President that in part motivates me to support the gentleman's position.

Mr. FINDLEY. Mr. Chairman, I thank the gentleman for that compliment.

I express my support for the amendment.

I serve on the subcomittee that dealt with the question of the grants for American schools and hospitals, and for several years I have been impressed by the administration's case for a very substantial reduction from the figure that Congress always seems to approve. I think the gentleman's amendment is on the right track and that it should have full support.

Mr. DERWINSKI. I think it is obvious that one has to look carefully to see who is supporting the administration. That is one of the difficulties in this Congress.

Mr. SOLARZ. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman and members of the commitee, this is a small amendment but I think it would do significant damage. It would cut $20 million in funds, which the committee has authorized above and beyond the administration's request, for population planning programs around the world. It would also cut approximately $17 million in funds, which the committee has authorized above and beyond the administration's request, for the American schools and hospitals program abroad.

I would like to direct my remarks to both of those particular programs.

I do not think there is anybody in this Chamber who would deny that one of the most serious problems we face in the world today is the so-called population explosion. Shortly after the turn of the century, according to all of the projections that are now available, the population of the world is going to double, so that there will be not 4 billion people as there are today in the world but over 8 billion people. Unless we begin to stabilize the population patterns around the world we are simply not going to be able to solve any of the other problems which confront mankind.

The fact of the matter is that over 50 percent of the fertile couples throughout the developing world do not today have access to population or family planning programs.

To be sure, the committee has authorized an increase of $20 million over what the administration recommended, but the fact is that even with this increase we are spending, in constant dollar terms, about $16 million less than we spent on population planning programs in 1972. So even with this increase we are not keeping pace with the level of our commitment to population planning that we established almost a decade ago.

Insofar as the American schools and hospitals program is concerned, I do not believe I am taking any liberties if I tell you that the distinguished chairman of the Subcommittee on Foreign Operations of the Committee on Appropriations has said that, in his judgment, this is the single most successful component of our foreign aid program. There are dozens of institutions around the world which are providing educational opportunities to thousands upon thousands of young people in the developing world which constitute a showcase for American higher education and for American medical learning as well. If we were to cut the funds for that program by $17 million it would literally cripple one of the most promising components in the entire foreign aid program.

It is true that the committee voted to increase the request of the administration by $17 million, but the fact is that we have been doing this every year for the last 3 or 4 years. The administration comes in with a low figure, because it knows the Congress will increase that figure. This would be the first time that we have cut back to the level requested by the administration for this particular program.

Mr. BINGHAM. Mr. Chairman, would the gentleman yield?

Mr. SOLARZ. I am happy to yield to the gentleman from New York (Mr. BINGHAM).

Mr. BINGHAM. Mr. Chairman, I would like to commend the gentleman from New York (Mr. SOLARZ) on the statement he is making, and to associate myself with it.

I think it is fair to say that past action by the Congress with regard to the American schools and hospitals program abroad indicates that this is one aspect, at least, of the entire aid package which does have broad support in the House of Representatives and the Congress as a whole.

Again I thank the gentleman for yielding.

Mr. SOLARZ. Mr. Chairman, I thank the gentleman from New York (Mr. BINGHAM) for his observations.

Mr. Chairman, I would point out to my colleagues on the committee that if we adopt this amendment the net effect will be to reduce the amount available below the level of what was authorized and appropriated last year for the American

schools and hospitals program. We may have increased the amount requested by the administration, but we did not increase it above and beyond the amount that we ourselves appropriated last year.

I believe that this would be a real blow to one of the most popular parts of the foreign aid program.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. WHALEN, and by unanimous consent, Mr. SOLARZ was allowed to proceed for 2 additional minutes.)

Mr. WHALEN.. Mr. Chairman, will the gentleman yield for a question?

Mr. SOLARZ. I yield to my friend, the gentleman from Ohio.

Mr. WHALEN. I thank the gentleman for yielding.

I think that our colleagues might be interested in the location of the institutions that are affected by the provisions in this bill and, therefore, would be hurt by the cuts. There are 3 institutions in Latin America which will be funded to the tune of $1,200,000; 4 in Greece receiving $1,875,000; 1 in Lebanon, the American University of Beirut, eligible for $5,300,000; 2 in Italy receiving $3,-300,000; and 14 institutions in Israel which have been authorized $23 million. Certainly those countries would be adversely affected if this amendment is approved.

Mr. SOLARZ. I thank the gentleman for his observations.

Mr. BUCHANAN. Mr. Chairman, will the gentleman yield?

Mr. SOLARZ. I yield to the gentleman from Alabama.

Mr. BUCHANAN. I thank the gentleman for yielding.

The gentleman has made an important point in that there are certain items that the administration habitually does not request and yet are funded in this bill. The same is true of refugee assistance. Certain areas of refugee assistance are regularly added here in the House and in the Congress and not requested by the administration. I think we need to keep this in mind as we face this amendment. We are talking about cutting existing programs that have been regularly funded although not always requested in full by the administration.

Mr. SOLARZ. I thank the gentleman for his observation. I think there is one other point: As a practical proposition, the Committee on Appropriations certainly is going to cut our request for population planning by at least $20 million. It will not, however, cut our request for $25 million for the American schools and hospitals program, so the net effect of this amendment is not really to cut back on the funds for population planning, because the Committee on Appropriations is likely to do that anyway. What it will do is cripple the schools and hospitals program.

Mr. HUCKABY. Mr. Chairman, I move to strike the requisite number of words, and I rise to speak in favor of the amendment.

Spend and spend. I think this is a perfect opportunity for the House to one time bite the bullet. We could not do it yesterday and in the last 2 weeks as we looked at the budget. We could not get any reductions whatsoever.

This is not a reduction in foreign aid; it is just merely cutting back the size of the increase from last year. We are just merely asking, let us for once go along with the administration and restrain spending. If there is one area in which the American public is consistent in poll after poll, it is that they would like to reduce Federal spending in the area of foreign aid. Yet this amendment does not reduce foreign aid spending from last year; it just merely cuts back the amount of the overall increase.

I would urge my colleagues to support this amendment.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. HUCKABY. I yield to the gentleman from Maryland.

Mr. BAUMAN. I thank the gentleman for yielding.

In support of what the gentleman says, I think the members of the committee ought to refer to page 3 of the committee report wherein each of these different agencies is listed, both as to their authorizations last year and what the President requested this year, and what the committee overgenerously gave them. Much weeping and wailing was just heard about so-called cuts in international population planning. Even if the Lott amendment is adopted, we are still going to have approximately a $38 million increase over the $167 million authorized last year for this one program. The committee went hog wild and added another $20 million the President did not want. So, as the gentleman says, we are not cutting below last year's level; we are still permitting a generous increase.

The same thing is true in several other areas. In funding for international organizations there is about a $1.3 million increase over what the President asked, but it is still a considerable increase, $30 million over last year for the United Nations; and all other international organizations; the same is true of the economic support fund. There is about a $20 million increase over last year. So once again, as in the Ashbrook amendment yesterday to the budget, we are not cutting below last year's levels; we are allowing generous increases. We are only cutting back the overly generous increases. If we cannot cut back here, I do not know where we can cut back. After all, we are supporting the President of the United States in his effort to curb spending.

Mr. HUCKABY. I thank the gentleman. I would like to add that this bill allows excessive increases over last year's amounts.

The CHAIRMAN. The time of the gentleman has expired.

Mr. McCLOSKEY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to this amendment, because with all due respect to the praiseworthy goals of the gentleman from Mississippi, I view the threat to the future peace of the world, if the world's population continues to grow at the present rate, as grave as the proliferation of nuclear weapons and in the arms race that we are trying to cut back in other legislation.

Part of the reason for this increase in funds for the population program lies in the unanimous determination of the House Select Committee on Population that we should try to increase the funding for international research and development of a safe, acceptable, and usable contraceptive.

Let me point out that the testimony before our committee has indicated that the pill has a 2-percent failure rate. The IUD has a 3-percent failure rate. The condom has a 6-percent failure rate. The diaphram has a 9-percent failure rate, and because of this, included in the appropriation that we consider in this amendment is $4.5 million that would be allocated to the World Health Organization's special program on contraceptive research. Around the world the 94 countries that are accepting population assistance under our foreign assistance program have been asking for better contraceptives. They are asking for a substance called Depo Provera which is not approved by the Food and Drug Administration of the United States and which has been the subject of editorials elsewhere in the world indicating that the United States is urging unacceptable contraceptive methods or furnishing unacceptable contraceptive methods to the people of the world who desperately want to cut down on their rate of population growth.

Let me point to a single example for the gentleman from Maryland. We have somewhere between 6 million and 12 million illegal Mexican aliens living in this country. Mexico has proceeded with a birth rate of 3½ percent and the Mexican population has skyrocketed. We are finding Mexican surplus population coming to this country to work and send money back to Mexico. We have a very real stake in assisting Mexico to cut down their rate of population growth. Even the Catholic hierarchy in Mexico is now making compromises to permit family planning and birth control.

Every nation that attended the Bucharest Conference in 1974 accepted the principle that individuals and couples should have the right to determine the number and spacing of their children. The means to do that is through adequate contraceptives.

If this amendment is adopted, it will cut $4.5 million, nearly one-fifth of the budget of the only world organization doing research to develop contraceptives to implement this program to which we are otherwise committing $200,000 this year.

It seems to me we are cutting off our nose to spite our face if we cut out money to improve research for humanitarian assistance.

Mr. Chairman, I urge that this amendment be defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Mississippi (Mr. LOTT).

The question was taken; and on a division (demanded by Mr. ZABLOCKI) there were—ayes 25, noes 14.

Mr. SOLARZ. Mr. Chairman, I demand a recorded vote.

Mr. FRASER. Mr. Chairman, pending the demand of the gentleman from New York (Mr. SOLARZ) for a recorded vote, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present.

The Chair announces that pursuant to clause 2, rule XXIII, he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

QUORUM CALL VACATED

The CHAIRMAN. One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to clause 2, rule XXIII, proceedings under the call shall be considered as vacated.

The Committee will resume its business.

RECORDED VOTE

The CHAIRMAN. The pending business is the demand of the gentleman from New York (Mr. SOLARZ) for a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 183, noes 212, not voting 39, as follows:

[Roll No. 303]

AYES—183

Abdnor	Forsythe	Milford
Allen	Fountain	Miller, Ohio
Ambro	Fowler	Mollohan
Anderson, Ill.	Fuqua	Montgomery
Andrews, N.C.	Gammage	Moore
Andrews, N. Dak.	Gaydos	Moorhead, Calif.
Archer	Ginn	Mottl
Armstrong	Glickman	Murtha
Ashbrook	Goldwater	Myers, John
Badham	Goodling	Nichols
Bafalis	Grassley	Perkins
Barnard	Gudger	Pettis
Bauman	Guyer	Pickle
Bennett	Hagedorn	Pike
Bevill	Hall	Poage
Bowen	Hammer-schmidt	Pursell
Breaux	Hansen	Quayle
Brinkley	Harsha	Quillen
Brooks	Heftel	Rahall
Broomfield	Hightower	Railsback
Brown, Mich.	Hillis	Regula
Broyhill	Holland	Roberts
Burgener	Holt	Robinson
Burleson, Tex.	Hubbard	Rousselot
Butler	Huckaby	Rudd
Byron	Hughes	Ruppe
Carter	Hyde	Russo
Cederberg	Ichord	Santini
Clausen, Don H.	Ireland	Satterfield
Clawson, Del	Jacobs	Schulze
Cleveland	Jenkins	Sebelius
Cohen	Johnson, Colo.	Shipley
Coleman	Jones, Okla.	Shuster
Collins, Tex.	Jones, Tenn.	Sikes
Corcoran	Kasten	Skelton
Coughlin	Kazen	Slack
Crane	Kelly	Smith, Nebr.
Cunningham	Kemp	Snyder
Daniel, Dan	Ketchum	Spence
Daniel, R. W.	Kindness	Stangeland
Davis	Lagomarsino	Stanton
Derwinski	Latta	Steed
Devine	Leach	Stockman
Dickinson	Lederer	Stump
Dingell	Levitas	Symms
Dornan	Livingston	Taylor
Duncan, Tenn.	Lloyd, Tenn.	Treen
Edwards, Ala.	Long, La.	Trible
Edwards, Okla.	Lott	Volkmer
Emery	Luken	Waggonner
English	McDonald	Walker
Evans, Del.	McKay	Wampler
Evans, Ga.	Madigan	Watkins
Evans, Ind.	Mahon	White
Findley	Mann	Whitehurst
Fish	Marlenee	Whitten
Fithian	Marriott	Winn
Flippo	Martin	Wylie
Florio	Mathis	Young, Fla.
Flowers	Mattox	Young, Mo.
Flynt	Mazzoli	
	Michel	

NOES—212

Addabbo	Flood	Nolan
Akaka	Foley	Nowak
Ammerman	Ford, Tenn.	Oberstar
Anderson, Calif.	Fraser	Obey
	Frenzel	Ottinger
Annunzio	Garcia	Panetta
Applegate	Gephardt	Patten
Ashley	Giaimo	Patterson
Aspin	Gibbons	Pattison
AuCoin	Gilman	Pease
Baldus	Gonzalez	Pepper
Baucus	Gore	Preyer
Beard, R.I.	Green	Price
Bedell	Hamilton	Pritchard
Bellenson	Hanley	Quie
Benjamin	Hannaford	Rangel
Biaggi	Harkin	Reuss
Bingham	Harrington	Richmond
Blanchard	Harris	Rinaldo
Blouin	Heckler	Roe
Boggs	Hefner	Rogers
Boland	Hollenbeck	Roncalio
Bolling	Holtzman	Rooney
Bonior	Howard	Rose
Bonker	Jeffords	Rosenthal
Brademas	Jenrette	Rostenkowski
Brodhead	Johnson, Calif.	Roybal
Brown, Calif.	Jones, N.C.	Ryan
Brown, Ohio	Jordan	Sarasin
Buchanan	Kastenmeier	Sawyer
Burke, Fla.	Keys	Scheuer
Burke, Mass.	Kildee	Schroeder
Burlison, Mo.	Krebs	Seiberling
Burton, John	LaFalce	Sharp
Burton, Phillip	Le Fante	Simon
Caputo	Leggett	Sisk
Carr	Lehman	Smith, Iowa
Cavanaugh	Lent	Solarz
Chappell	Lloyd, Calif.	St Germain
Chisholm	Lundine	Staggers
Clay	McClory	Stark
Collins, Ill.	McCloskey	Steers
Conable	McCormack	Steiger
Conte	McDade	Stokes
Corman	McEwen	Stratton
Cornell	McFall	Studds
Cornwell	McHugh	Thompson
Cotter	McKinney	Traxler
D'Amours	Maguire	Tsongas
Danielson	Markey	Udall
de la Garza	Marks	Ullman
Delaney	Meeds	Van Deerlin
Dellums	Metcalfe	Vander Jagt
Derrick	Meyner	Vanik
Dicks	Mikulski	Vento
Diggs	Mikva	Walgren
Dodd	Miller, Calif.	Walsh
Downey	Mineta	Waxman
Drinan	Minish	Weaver
Duncan, Oreg.	Mitchell, Md.	Weiss
Early	Mitchell, N.Y.	Whalen
Eckhardt	Moakley	Wilson, Bob
Edgar	Moffett	Wilson, Tex.
Edwards, Calif.	Moorhead, Pa.	Wirth
Erlenborn	Moss	Wolff
Ertel	Murphy, Ill.	Wright
Evans, Colo.	Murphy, N.Y.	Wydler
Fary	Myers, Gary	Yates
Fascell	Natcher	Yatron
Fenwick	Neal	Zablocki
Fisher	Nedzi	Zeferetti

NOT VOTING—39

Alexander	Horton	Rodino
Beard, Tenn.	Kostmayer	Runnels
Breckinridge	Krueger	Skubitz
Burke, Calif.	Long, Md.	Spellman
Carney	Lujan	Teague
Cochran	Murphy, Pa.	Thone
Conyers	Myers, Michael	Thornton
Dent	Nix	Tucker
Eilberg	O'Brien	Whitley
Ford, Mich.	Oakar	Wiggins
Frey	Pressler	Wilson, C. H.
Gradison	Rhodes	Young, Alaska
Hawkins	Risenhoover	Young, Tex.

The Clerk announced the following pairs:

On this vote:

Mr. Risenhoover for, with Mr. Carney against.

Mr. Teague for, with Mr. Alexander against.

Mr. Dent for, with Mr. Rodino against.

Mr. Runnels for, with Mr. Hawkins against.

Mr. Lujan for, with Mr. Nix against.

Mr. O'Brien for, with Mr. Whitley against.

Mr. Skubitz for, with Mr. Conyers against.

Mr. Frey for, with Mrs. Burke of California against.

Mr. Wiggins for, with Mr. Horton against.

Mr. Young, Alaska for, with Mr. Ford, Michigan against.

Messrs. PIKE, RUSSO, RAHALL, FOWLER, MOORHEAD of California, and LUKEN changed their vote from "no" to "aye."

AMENDMENT OFFERED BY MR. M'CLOSKEY

Mr. McCLOSKEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. McCLOSKEY: Page 33, immediately after line 2, insert the following new section:

PROHIBITION ON ASSISTANCE TO COUNTRIES IN SOUTHEAST ASIA

SEC. 117. (a) The President may not furnish assistance under Part I of the Foreign Assistance Act of 1961 to a country in Southeast Asia which is not taking reasonable steps to permit the fullest possible accounting, and the repatriation of remains, of United States personnel listed as Missing-In-Action, Prisoners-Of-War, or Killed-In-Action in such country. If the President determines that any such country is taking such reasonable steps, he may furnish assistance for humanitarian purposes to that country under that part notwithstanding any other provision of law which would otherwise prohibit such assistance. The President shall report any such determination to the Congress and shall take no action to furnish assistance, if, within thirty calendar days after receiving such determination, the Congress adopts a concurrent resolution disapproving such action.

(b) This Section shall take effect on October 1, 1978.

Mr. McCLOSKEY. Mr. Chairman, it has been 5 years since the war in Vietnam ended and the last American prisoner of war returned home to the United States. On Monday of this week the House unanimously adopted House Concurrent Resolution 583 making it clear that with respect to the nations of Vietnam, Laos, and Cambodia, there is a single concern on the part of the Congress of the United States and that is that we obtain a full accounting of our missing in action, the individuals that were once listed as prisoners of war and those that were killed in action in Vietnam and in Laos and Cambodia, but for whom we have hopes that their remains may be discovered, identified, and repatriated.

The purpose of this amendment is to mandate the executive branch of the Government to recognize that there is a single factor that the House believes should affect our relationship with Vietnam, Laos, and Cambodia, and that single factor is the expedition of that full accounting which this House has unanimously requested.

Now, the current state of the law is this. With respect to Laos, the President can give humanitarian assistance to Laos in the event of an emergency situation. He is limited to humanitarian assistance.

With respect to Vietnam, there are at least six provisions in various statutes,

some of which can be construed to prohibit humanitarian assistance to Vietnam, even though the Vietnamese should commence the steps to furnish a full accounting for the MIA's, POW's, and KIA's. When the House Select Committee on the Missing in Action went to Hanoi, our chairman, the gentleman from Mississippi, SONNY MONTGOMERY, the gentleman from New York, DICK OTTINGER, the gentleman from New York, BEN GILMAN, and myself, it was agreed upon and reported back to this House by the committee that the best means to achieve that full accounting was a step-by-step process of humanitarian actions on both sides.

When the committee reported to the House 2 years ago, we had to report to you that our own administration had not made those humanitarian gestures which we hoped would trigger responsive humanitarian gestures on the part of the Vietnamese and the Laotians.

What this amendment does is to simply say that after September 30 of this year all humanitarian assistance to Vietnam, Laos, or Cambodia, would be prohibited unless the President can certify to the Congress that reasonable steps have been taken by the countries involved to permit a full accounting to us. If the President so certifies to the Congress, we have 30 days, as in the case of arms sales, to set aside any action which the President might suggest. In other words, the President would have to prove to the Congress that reasonable steps were being taken to justify such amounts of humanitarian assistance as might be offered.

Now, Mr. Chairman, one objection that I have heard from my colleagues is that this would open the door to developmental assistance. It would not. The amendment clearly states that only humanitarian assistance can be offered.

This amendment limits assistance to humanitarian assistance; it would not permit reparations; it would not permit developmental assistance, and it would prohibit even humanitarian assistance unless reasonable steps are taken to permit a full accounting.

There is a second objection that I have tried to cover in this amendment.

Mr. KEMP. Mr. Chairman, will the gentleman yield?

Mr. McCLOSKEY. Mr. Chairman, let me finish this point, and then I will be glad to yield to the gentleman from New York.

The second objection was that this amendment, if adopted, would inhibit the proposed gift of food to Laos which the gentleman from Mississippi (Mr. MONTGOMERY) and others have urged the President to make. I joined with the gentleman from Mississippi in suggesting that if we can give a small amount of humanitarian assistance to Laos within the next several months, during a time when they are suffering a food shortage as a result of drought, this would be an indication of good faith that might cause Laos to commence at least to negotiate or permit search teams to go into Laos and try to recover the remains of MIA's, some of whom we know were shot down at specific locations and whose remains we hope to ultimately recover.

For that reason I have made this amendment effective only as of October 1, 1978, in order to give us the next 5 months, should the President choose to give that humanitarian assistance. The sole purpose of this amendment is to give the President the discretion to pursue the very mandate which we unanimously urged when we adopted House Concurrent Resolution 583 on Monday.

Mr. KEMP. Mr. Chairman, will the gentleman yield?

Mr. McCLOSKEY. I yield to the gentleman from New York.

Mr. KEMP. Mr. Chairman, I appreciate my friend's yielding.

The gentleman from California (Mr. McCLOSKEY) seems to be arguing that this is the first step. Now, what other steps is the gentleman suggesting need to be taken to get the North Vietnamese to give us an accounting of those men who are missing?

I ask that because some of us think it is obligatory on their part without any assistance at all.

The CHAIRMAN. The time of the gentleman from California (Mr. McCLOSKEY) has expired.

(On request of Mr. KEMP, and by unanimous consent, Mr. McCLOSKEY was allowed to proceed for 3 additional minutes.)

Mr. McCLOSKEY. Mr. Chairman, the gentleman from New York (Mr. KEMP) asks a good question.

In response to the gentleman's question, the difficulty that we have is that the agreement between the North Vietnamese and the Americans, which imposed contractually on the North Vietnamese, but not the Laotians, this full accounting, has been deemed by both sides to have been broken, by the North Vietnamese because there was a $3¼ billion commitment by Secretary Kissinger that our committee discovered for the first time when we went to Hanoi, and by us because we feel that their invasion of South Vietnam violated the agreement. So both sides are negotiating from this standpoint—and I believe the gentleman from New York (Mr. GILMAN) will confirm this—that the obligation is only a moral and humanitarian commitment on both sides.

The Vietnamese made it clear to us in our negotiations that they expected humanitarian steps by us in response to what we claimed was on their part a humanitarian obligation. I agree with the gentleman from New York that it is a humanitarian obligation.

Mr. KEMP. Mr. Chairman, on that point then, the gentleman said he did not consider this to be a step in the direction toward developmental aid.

What is this step called, then? What is the next step the gentleman will request? What is he going to look for, and what does he want to do to help the Vietnamese in order to get an accounting for us of the missing in action?

I feel that that is still obligatory on their part, on the basis of what the gentleman from New York (Mr. GILMAN) has worked so long and so hard for.

Mr. McCLOSKEY. First of all, Mr. Chairman, the gentleman from New York, JONATHAN BINGHAM, when the North Vietnamese Ambassador in Paris asked about the $3½ billion, said that Congress will never vote reparations to Vietnam. He was correct.

No part of this amount involves any payments to Vietnam by reason of reparations. But here are the steps that have been indicated—and I may not set them down in the same priority the Vietnamese and the State Department would urge, but the steps are these:

No. 1, lifting the trade embargo—and that is probably of crucial importance to the Vietnamese; second, having an exchange of ambassadors, moving toward the normalization of relations, with their having an ambassador in Washington; and the United States an Ambassador in Hanoi, third, the assistance of the World Bank or the Exim Bank; and our removal of restrictions against loans by those agencies, and the vote of our representative on those loans.

This is viewed by them and by us as way down the road, but let me point out that our chief allies today, Germany and Japan, were our enemies in 1945. I can remember enlisting in the Navy to fight the Japanese in 1945 with the Chinese as our allies, and being landed 6 years later in Korea to fight the Chinese with the Japanese as our allies.

I think the lesson is that a people may be our enemy today and our friend tomorrow. The Vietnamese have concern about the Soviets, and they fear the Chinese. In the ordinary sequence of international relations we may find ourselves in 5 to 10 years as friends of the Vietnamese and in opposition to the Chinese and the Soviets.

Mr. GILMAN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the amendment offered by the distinguished gentleman from California (Mr. McCLOSKEY).

On Monday, May 8, the House passed, 369 to 0, a resolution I introduced seeking United Nations assistance in obtaining information on Americans missing in Southeast Asia as a result of the Vietnam conflict. That resolution concluded that despite assurances that it is conducting an extensive search for Americans missing and for information that might indicate their fate, the Socialist Republic of Vietnam has provided but meager information concerning the fate of these missing Americans.

My good friend, the gentleman from California, is offering two amendments—identical in substance, directed towards two different titles—to H.R. 12222, the International Development and Food Assistance Act of 1978, which would allow the resident to furnish humanitarian assistance to countries in Southeast Asia if the President determines that such countries are "taking reasonable steps" to permit the fullest possible accounting and the repatriation of remains of Americans "missing in action, killed in action, or prisoners of war in such country."

Having served with the gentleman

from California on the House Select Committee on MIA's, I am aware of and admire his sincere concern for obtaining the fullest possible accounting of Americans missing in Southeast Asia.

I strongly believe, however, that if the gentleman's objective is to secure a full accounting of our MIAs, he has erred in offering these amendments.

There has been a paucity of information which the Vietnamese have furnished us since the cessation of hostilities in Vietnam in 1975.

Indeed, the Defense Department, in its briefing to the Woodcock Commission which journeyed to Southeast Asia last year seeking information on our missing men, stated:

We know that they the Vietnamese have information about some of our missing people, but for reasons of their own, they have withheld it from us.

However, time and time again, the present administration has indicated that we are "making progress" in obtaining the information we seek, and that the Vietnamese are increasing their cooperation with us on this matter.

I fail to see how the administration can be of the opinion that real progress is occurring when only but the most meager information has been provided, and provided only when it suits the whim of the Vietnamese.

If the McCloskey amendments pass, there is little doubt in my mind that the President, who of himself is left to determine what constitutes "reasonable steps" by these countries to provide an accounting of our MIA's, will determine that such "reasonable steps" have been taken, thereby qualifying Vietnam, for example, for U.S. assistance.

A vote against the McCloskey amendments is a vote against assistance to countries which have been trampling upon this Nation's humanitarian right to learn the fate of its missing.

Mr. McCLOSKEY. Mr. Chairman, will the gentleman yield?

Mr. GILMAN. I yield to the gentleman from California.

Mr. McCLOSKEY. Mr. Chairman, the gentleman urges that my amendment would permit assistance to these countries; but how could the language be any clearer when it says that we prohibit any such assistance unless the President can declare to the Congress that reasonable steps are being taken?

I could not have made it any more clear.

What is the gentleman relying on, thinking that the President will lie to us or will certify that unreasonable steps have been taken in some way?

I do not know how to give the President the authority to negotiate with the Vietnamese unless he can offer food and medical assistance. That was precisely what the select committee urged in our own report, that if they made a gesture, we would respond with a gesture of humanitarian assistance.

Mr. GILMAN. Mr. Chairman, I might add that the gentleman from California (Mr. McCLOSKEY) has very artfully drafted this legislation.

Mr. McCLOSKEY. I thank the gentleman.

The CHAIRMAN. The time of the gentleman from New York (Mr. GILMAN) has expired.

(By unanimous consent, Mr. GILMAN was allowed to proceed for 2 additional minutes.)

Mr. GILMAN. Mr. Chairman, the gentleman in my opinion, by his skillful draftsmanship, is opening the door just an inch or two, for now, but will eventually fling wide open that same doorway by allowing the President to act in his discretion rather than being limited by the strict prohibition on any humanitarian aid under the existing statutory language.

Mr. McCLOSKEY. Mr. Chairman, would the gentleman not concede that if the President cannot act in response to a gesture, say, of 10 more identifications, then we are preventing the President from doing the very thing we insist that he should do.

Mr. GILMAN. If Vietnam or Laos or Cambodia or any of the countries which have information with regard to our missing in action take affirmative steps in providing that information, I have faith in this Congress acting affirmatively and in doing what is right and responsible to reciprocate such a humanitarian endeavor.

Mr. WOLFF. Mr. Chairman, I move to strike the requisite number of words.

Reluctantly, Mr. Chairman, I rise to oppose this amendment.

The responsibility given to the Subcommittee on Asian and Pacific Affairs is to follow on with the work of the Select Committee on Missing in Action. We have held a number of hearings on the question of the missing in action, and those hearings have produced some very interesting information.

First of all, our negotiator in Paris, Assistant Secretary Holbrook, has come before our committee, along with other people; and they have indicated that there is information that they feel could be available to us and which has not been furnished relative to information relating to some of the missing in action.

Mr. Chairman, I do not think that information about those who have fallen in a war should be used as a weapon for the future. I do believe in humanitarian assistance, but I do not think that there is any more humanitarian cause that can exist than the provision of information to next of kin of those who have fallen in war.

Therefore, Mr. Chairman, I feel very strongly that there should be a very definite movement on the part of those nations which are involved. I might say to the gentleman who has offered this amendment, though he specifies no country, in Laos, where we know we have had a number of our people who have been killed in action, we have not gotten one scrap or iota of information from those people.

With respect to Cambodia, we certainly cannot consider any type of compassionate relief to a government which has decimated its people. This Congress has passed a resolution condemning what has been going on in Cambodia.

As for Vietnam, I think we stand ready and willing to continue negotiations with the Vietnamese. I do know that our Assistant Secretary of State has expressed a willingness to continue to negotiate. These negotiations are stalled today, but I do not think we should hold hostage the information that we are attempting to secure by offering this type of assistance at this time.

Mr. Chairman, I might say as well to the gentleman from California that he says that the Congress can take action after the President has made a determination. I say to him that the Congress has acted and has acted time and time again on this question and refuses to give assistance until such time as there has been a positive response from the Governments of Indochina.

Mr. McCLOSKEY. Mr. Chairman, will the gentleman yield?

Mr. WOLFF. I am happy to yield to the gentleman from California.

Mr. McCLOSKEY. Mr. Chairman, the gentleman would concede, would he not, that that is precisely the language of this amendment, that the President not offer such assistance until the reasonable step is taken.

Mr. WOLFF. No. The gentleman will please excuse me for interrupting, but it gives the President the opportunity of giving the aid and then coming to Congress and saying, "You can cut it off if you want to."

Mr. McCLOSKEY. No, no. If the gentleman will look at the language carefully, I drafted that language to say that the President will report his determination to the Congress and shall take no action to furnish assistance if within 30 calendar days the Congress adopts a resolution disapproving such action.

I think on that point that the language is absolutely clear. The President can take no action without congressional consent. The problem that bothers me is that when we, as a House committee, were in the forefront to urge these negotiations, we recognized that only the administration could conduct the negotiations. If we leave the law as it stands today, as the gentleman from New York has pointed out very clearly, the President does not have the right to grant assistance to Vietnam even though the Vietnamese should take the reasonable steps we are asking them to take.

The recommendation of the select committee was that if they made a reasonable gesture, we should respond. I can remember the language, and I think the gentleman from Mississippi can. We talked about a bridge of understanding, with each side adding planks in successive steps. There would be one gesture by the Vietnamese, and a responsive gesture by us.

Mr. WOLFF. I might say to the gentleman that I appreciate the thrust of his arguments and recommendations. However, I do believe that what is attempted here is exactly what the Vietnamese have talked about, healing the wounds of war. In other words, they will not go further in our negotiations until we have healed the wounds of war, which includes reparations, that is basic to the negotiations that continue in Paris. With

normalization may come aid treated in the same fashion we treat every other nation. But to take this step out of sequence will do damage to movement necessary to bring about a resolution of the differences which exist between us. Too we must consider that we have to guarantee any humanitarian assistance we might give will ever reach the people.

Humanitarian assistance is already reaching Vietnam and other countries through voluntary relief organizations. Therefore, I must, as I have said before, reluctantly oppose this amendment.

Mr. YOUNG of Florida. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, the gentleman from California (Mr. McCLOSKEY) was kind enough to show me a copy of his amendment and discuss it with me yesterday, and I appreciate that very much. Having given several hours of thought to it, I must rise in opposition to this amendment.

The theory that we ought to take the first step toward healing our relationship with the Vietnamese sounds good, but I think we ought to remember that we have already taken the first step, and the second step, and the third step, and the fourth step, and nothing happens on the other side. Let me explain what I am talking about.

When the Vietnamese requested membership in the United Nations we could have blocked it, we could have vetoed it, but we did not. We took the first step, allowing them to become members of the United Nations.

Second, last year—late last year—a Soviet-sponsored resolution to give reparations, in effect, to rebuild Vietnam was before the United Nations. We did not vote against it; we did not oppose it. We did not even ask for a recorded vote on the resolution, and it was passed. It was passed with the United States remaining silent. That was another step.

A third step was that the United Nations development program has approved for the 5-year period 1977 through 1981 a $49 million program for Vietnam. Thirty-six million dollars of that money is already obligated to projects already underway. Of course, we are a very large and significant contributor to the UNDP. The world food program is preparing three projects for Vietnam, amounting to $35 million. UNICEF since 1973—and we are a large contributor to UNICEF—has given $75 million to Vietnam. The United Nations Fund for Population Activities is presenting a $17 million program for assistance to Vietnam, and again we are a large contributor.

On March 23 of this year, Mr. Victor Umbricht, U.N. coordinator for aid to Vietnam, stated in a meeting that the U.N. has already channeled $270 million in aid to Vietnam since 1973. We, of course, are the major contributor to these programs. That is another step.

Another step is the World Bank. Last year, on the foreign aid appropriations bill, we talked about loans to Vietnam from the World Bank, and, of course, we are the largest contributor again. We talked about loans that were going to be made in the coming months. Today, there are five loans actively pending before the World Bank for Vietnam. One is to develop the coal industry, for $15 million. One is for the Ministry of Agriculture to build storage dams and dikes on the Saigon River—water projects, if you will—for $53 million. Another is to rebuild some of the railways and the rehabilitation of their workshop near Ho Chi Minh City, for $40 million. Another power project that has not yet been identified, but for which the report is being prepared, is for $30 million. There is an industrial rehabilitation loan for $25 million, all through IDA of the World Bank.

Of course, we all know that IDA is the soft loan window of the World Bank. There is no interest. If we ever get repaid, I will be surprised. The point is that we have already taken the first, second, third, fourth, and fifth steps. I do not think we need to take another one until they take a step on their side to show some good faith.

Mr. JOHN L. BURTON. Mr. Chairman, will the gentleman yield?

Mr. YOUNG of Florida. I yield to the gentleman from California.

Mr. JOHN L. BURTON. Mr. Chairman, will the gentleman correct me? I thought that the gentleman or some other Member offered amendments where we instruct our representatives to these various agencies to vote against making these loans. Is that not the law of the land?

Mr. YOUNG of Florida. No. It is not the law of the land. The President last year promised he would do that, but since then the loan to Laos has been made with us voting "no," but the loan has been made anyway.

Mr. JOHN L. BURTON. But I think we do instruct our representatives to these agencies to vote against the loans. I thought that was in the amendment the gentleman offered or someone else offered.

Mr. YOUNG of Florida. That was not in the law. It was an agreement with the President. It was not in the law.

Mr. JOHN L. BURTON Did not the House approve that amendment?

Mr. YOUNG of Florida. Yes, that amendment was approved by a vote of 295 to 115, but the conference committee struck it out.

Mr. DORNAN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to this amendment, with all due respect for the many, many months of hard work that the gentleman from California has put in on the select committee to account for our missing in action.

I do not understand what is the compulsion of some Members, a handful on both sides of the aisle, to assist North Vietnam with or without the use of the words "humanitarian aid." In all due respect to the gentleman from California (Mr. McCLOSKEY), I point out to him a significant historical difference between his hitting the beach in Korea where he won a Navy Cross and World War II and the Vietnam debacle. The difference is we beat Japan and the other Axis Powers. Korea was a stalemate to this very day. In Vietnam we were beaten. We did not ever get that sickeningly titled "Decent Interval" before Communist conquest triumphed. After World War II, we executed, we hung by the neck until dead the war lords and war criminals of Tojo's killing machine. In Indochina we went down with great loss of blood and assets to a terrible defeat. We got our assets whipped. We lost the war in Vietnam at a terrible price. The war criminals there are in power. They are the victors. Those animals who tortured to death the man whose POW bracelet I still wear on my wrist, Larry Atterberry, his torturers gloat in conquest. They tortured him throughout an 8-day period around the clock until death mercifully took him.

The Vietnamese war criminals run at this very moment political concentration camps where they are forcing thousands and thousands of our former allies to live like dogs. Thousands of Vietnamese, at a 90-percent loss of life, today are still pushing out to sea in rafts and riverboats and skiffs and sail into typhoon weather to escape Communist terror. If the gentleman has a desire to help Vietnamese, I suggest we work together to help these pathetic "boat people" who are dying by the thousands on the Indochina seas. I know my colleague from California, Mr. McCLOSKEY, is a man of compassion. Let us work that problem together.

When we captured the Japanese war criminals in 1945 a few were wearing or had concealed in their personal effects the rings of Annapolis and West Point graduates whom they had murdered. Well, there are North Vietnamese war criminals who are still wearing the rings of American pilots that they murdered and I am not about to give aid of any kind to the regime that brought them to power.

We have a spy trial going on today, right now, in Alexandria, Va. Why should we have aid going to an arrogant nation still poisoning our political life. Why should we have help going to Vietnam when we still have genocide going on in Cambodia, and Vietnam and Cambodia are still at one another's throats.

Some pro-Hanoi types like Joan Baez have redeemed themselves a little bit by condemning the concentration camps in Vietnam and the absence of any voting or political freedom but the Jane Fonda's of the world still have a pro-Communist lump in their throats. They have yet to condemn the wholesale murder. They are unable to speak about these victims of terror floating on the high seas. If we are going to help any Indochinese, then we should help the Vietnamese baking in the Sun and starving on the oceans of South Asia and the East Indies with freighter after freighter passing them by until they finally shrivel up and die or slip off their rafts and drown. Why does the gentleman have this desire to help the Communists conquerors of Indochina?

Mr. McCLOSKEY. I am asking that any assistance be based on obtaining information on the MIA's.

Mr. DORNAN. Giving more money to these murderers who drive their own

people from their own homeland obviously doesn't work.

Mr. McCLOSKEY. We have that in front of us, to help the boat people, and we will be helping the victims of the Communist government. But the point I want to make is this. I do not necessarily want to give humanitarian assistance to the North Vietnamese. This amendment provides that we give it to them under a single condition, and this is where we have to put the priorities.

The gentleman has fought the war to obtain information on the MIA's longer than I have. I think that I was first called on this question on the gentleman's radio program years ago in Los Alamitos when the gentleman was calling with passion for our obtaining an accounting for the MIA's.

The only agency of our Government that can obtain that accounting is the President of the United States and, quite clearly, the only way he can get that accounting is by offering something for it. This puts the gentleman to the question: Would the gentleman, if we are offered an accounting for the MIA's contingent upon humanitarian assistance, food and medicine, would the gentleman favor giving that assistance in return for this information on the MIA's?

Mr. DORNAN. Not when we have the situation that we do in Laos where not a single bag of bones has been returned. Let us try to open up Laos with a humanitarian approach but let us now take as hard a position with Vietnam as we ever have. Let the Communist Vietnamese read all of the Nixon memoirs and reminisce about the good ol' days when they were offered billions of dollars. Let them decide for themselves whether they can con us to get over $3 billion of blood money and then when they lean on their client Laos to return a few bags of bones, then we can go back to bribing them up with 30 pieces of humanitarian silver to get something more than the 59 small boxes of remains we have obtained in 5 long heartbreaking years.

Mr. McCLOSKEY. I am not disagreeing with what you have said about Laos, but I am asking you about Vietnam, if they offer to give us this information for a price, would not the gentleman favor that the President of the United States have the right to give them humanitarian assistance as a condition for getting that information?

Mr. DORNAN. No, let the Vietnamese now give that information by letter to the Congress.

The CHAIRMAN. The time of the gentleman has expired.

(On request of Mr. JOHN L. BURTON and by unanimous consent, Mr. DORNAN was allowed to proceed for 3 additional minutes.)

Mr. DORNAN. Let me read to the gentleman several awful Presidential statements from last year. Here is one from March of last year by Helen Thomas of UPI which says:

President Carter met with his commission on MIAs today and praised their just completed trip to Southeast Asia as a "completely successful mission."

That is a pathetic joke. Ask the MIA families. Ms. Thomas continues.

Carter made the announcement after praising the mission as "superb" with "every hope we had realized".

Regarding Vietnam and the accounting, Carter added, "We believe they have acted in good faith" * * *

That is really a travesty upon the truth of the situation. These suffering relatives of MIA's and the handful of once known alive and unreturned POW's will tell you the North Vienamese were laughing at us. The information for which, we beg, has not been forthcoming.

Mr. McCLOSKEY. Mr. Chairman, if the gentleman will yield still further, let us assume that I share the gentleman's concern over the performance of the President of the United States, but let me say that until 1980 or 1981 we cannot replace the President of the United States and under our system of government there is no way for the Congress to negotiate for this information on the MIA's and the others. Only the President of the United States can do it and he can only do it under the law that we created, remember, at the time we gave him this power and as we have given him this mandate to obtain the information which the gentleman seeks and we all seek.

Mr. DORNAN. The few given back to us while the war was on came through private sources due to congressional pressure in one case. Let me remind the gentleman that the prisoner exchange was extremely limited. In fact it was so limited, only 12 men from North Vietnam over 10 years, that the Vietnamese Communists make Nazi Germany look down right saintly.

The Nazis were exchanging thousands of prisoners in Europe during the war and especially toward 1943–44 through Switzerland, particularly those who were seriously ill. Granted at the same time they were engaged in a vicious holocaust against civilians and Russian POW's. But, nevertheless, they still treated with respect many of the airmen and they were doing this on a substantial basis with British POW's way before the war was over.

In Indochina with those 12 pilots up north and a handful in the south of Vietnam some POW's came home to us without the assistance of Presidents Johnson, Ford, or Nixon. Those limited exchanges took place through people who called themselves peacemakers. Like some people in New York who were really Communist apologists pulling for a Hanoi war victory. Where are they today on this issue of a pathetic few bags of bones. As silent as they are on the Vietnamese concentration camps and the terror that is going on. Why not get some promises from the Communists through Senator TED KENNEDY? He made hay in the late 1960's with lists of U.S. POW's that came to him directly. It did not go through any Presidents or the Department of State.

The President of the United States has destroyed his credibility on this issue. Listen to this from a President Carter news conference of March 24, 1977.

* * * but they also promised to set up a Vietnamese bureaucracy to receive the information that we have had about the date and place that we think service people were lost and to pursue those investigations. I think this is about all they can do. I don't have any way to prove that they have accounted for all of those about whom they have information. But I think, so far as I can discern, that they have acted in good faith."

If we are convinced as a result of the Paris negotiations and other actions on the part of the Vietnamese that they are acting in good faith, that they are trying to help us account for our MIAs, we would aggressively move to admit Vietnam to the United Nations and also to normalize relations with them.

Acting in good faith? What a nightmare this is for the families. What a disgrace.

Mr. JOHN L. BURTON. Mr. Chairman, if the gentleman would yield, I would ask the gentleman a question and that is. If we could bring back one live American or the bones of dead Americans, or let the families know one way or another, is that not a very cheap price to pay for that?

I would also just like to say that I am pleased that after several months of the gentleman not appearing in the well that the gentleman has taken the well today to provide us with his feeling on this issue. But I do not think you can blame the efforts of those, for whatever motives they might have had, who were successful, in whatever little bit of success has been made in trying to get accountability.

Mr. DORNAN. Fifty-eight bags of bones? You can characterize that as a success of any kind?

Mr. JOHN L. BURTON. The gentleman was the one who was talking about the fact that he would give Cambodia something for one bag of bones. He would give them 30 pieces of silver for one bag of bones. Thirty times 58 would be 1,740.

Mr. DORNAN. That is exactly the kind of blood money they are asking for. Give some of that ransom to Laos but not a penny more to the conquerors of South Vietnam. They are bloated on Soviet largesse and our taxpayers hard-earned money laundered through the World Bank.

The CHAIRMAN. The time of the gentleman has expired.

Mrs. FENWICK. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

I would like to make it clear that I do not believe I would under any circumstances vote for reparations, but we are not talking about reparations here. We can punish Vietnam as long as we want to, but the people who are also paying the price for this kind of punishment are the families of the missing in action. I agree with what was said a minute earlier. I do not think one worries about dignity when one is concerned with human suffering. We have families who are in anguish to know what has happened to members of their families. If we can offer an inducement to provide that information, I think we should do so.

We know that there are starving people in North Vietnam. Humanitarian assistance was sent with Herbert Hoover

to Russia in 1921. We have not slipped backwards, I hope, in that kind of human concern. But, more importantly, are we really prepared to punish the families of the missing in action just because we cannot resist punishing Vietnam? I think it is unworthy of this Nation to take that position.

Mr. WOLFF. Mr. Chairman, will the gentlewoman yield?

Mrs. FENWICK. I yield to the gentleman from New York.

Mr. WOLFF. I thank the gentlewoman for yielding.

I think that there is no one with greater compassion in this House than the gentlewoman from New Jersey. However, I want her to know that in the course of our hearings we have heard from many of the families, who support the position that has been taken in opposition to the amendment, and the reason that they do is they feel they can get no further movement.

Mrs. FENWICK. I would like to take back, if I may, my time.

I can imagine how they feel. Nothing seems to work. But we are putting in the hands of the President a power that will enable him, if he gets some information, to give them something for it.

The West Germans are ransoming their people from East Germany every day. And paying. There is no shame in that. In fact, it is to their honor. I think the same thing is true here.

Mr. BAUMAN. Mr. Chairman, will the gentlewoman yield?

Mrs. FENWICK. I yield to the gentleman from Maryland.

Mr. BAUMAN. I thank the gentlewoman for yielding.

I just want to say to the gentlewoman that I have had some families in my district who have family members missing in action in Vietnam who have communicated with me. I have met with them. Only today I received a call from an official of the League of Families. I was also contacted by a group from New York a year ago about this issue. We discussed this issue as to whether we should give aid to Vietnam as a quid pro quo for information concerning MIA's. To a father, to a mother, to a spouse the answer was, "we do not want any aid given to this Communist country, not even in trade for MIA information. Yes, we want that information, but under international law we have a right to that without paying a bribe to those who took our loved ones."

Mrs. FENWICK. Suppose we call it a ransom, and that is what we know it would be. It is a ransom. Communist countries all over the world are not sticklers for international law. East Germany accepts ransom every day. They allow people to leave in return for cash. Maybe we could ransom a MIA in return for 10 pounds of rice.

Mr. BAUMAN. If the gentlewoman would yield further, I would say to the gentlewoman I do not think any one of them is alive to ransom. Unfortunately, that is the probable situation. But the families have uniformly expressed their view, do not give Vietnam anything.

Mrs. FENWICK. Not the families who come to see me. They have never had any strings on their longing to know what happened to their children, especially the older people who come to see me.

Mr. WEISS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I will not take 5 minutes. I want to simply commend the gentleman from California (Mr. McCLOSKEY) for the humanitarian amendment he has offered and to remind all of us that beyond this particular amendment and this effort the word of the United States of America was in fact given toward the latter part of the war in Vietnam that we would as a nation be engaging in reparations to the people of that country.

I should say, finally, that I find it illbecoming any Member of this House, perhaps of any American, to blithely dismiss what the Nazis did in the Holocaust with the statement that they treated our men with respect. Further, I think it takes no great deal of courage to stand in the well of this House and to take liberties with the good name and reputation of other American citizens because we happen to disagree with particular stands that they may have taken. To use words such as "Communist sympathizers," and to say that "the Communist vomit" is in their mouth I think speaks ill of all of us.

Mr. McCLOSKEY. Mr. Chairman, will the gentleman yield?

Mr. WEISS. I yield to the gentleman from California.

Mr. McCLOSKEY. I thank the gentleman for yielding.

I want to commend the committee, because I think with the degree of emotional feeling on all sides of this debate I can understand harsh words being said in the heat of argument. This debate involves all of us very deeply. We all want this information, and the question is, how do we best get the full accounting on the MIA's? I can understand with this war, as one gentleman pointed out, but the difference in this war is that we have lost a war. We were generous to Germany and Japan after wars in which we were the victors. Now they are our primary allies in our cold war confrontation with the Soviets.

I would hope that all of us would like to see Southeast Asia return to a peaceful relationship with the Vietnamese as our friends and allies against the Soviets and the Chinese. Regardless of that, because of the deep emotions which this vote has triggered and while I do not know what the result of this vote will be, I just want to say that I respect the opinions of those who disagree with me.

Mr. Chairman, I hope the amendment will be adopted.

Mr. WEISS. Mr. Chairman, I appreciate the gentleman's comments; but I am sure at the same time that while the gentleman respects the opinions of other Members of this House, that there are words of decency and words of indecency and I take exception to the words of indecency that have been uttered in the well of this House.

Mr. BINGHAM. Mr. Chairman, will the gentleman yield?

Mr. WEISS. I yield to my colleague, the gentleman from New York.

Mr. BINGHAM. Mr. Chairman, I agree with most of what the gentleman has said. I admire the gentleman's courage for saying what he has; but I do disagree on one point, that is as to whether this country owes any reparations to Vietnam. The U.S. commitment for reparations was made as a part of an agreement which was grossly violated by North Vietnam. Therefore, any obligations arising under that statement of agreement are void. That is the position that I expressed in our meetings with the North Vietnamese in Paris, to which the gentleman from California (Mr. McCLOSKEY) referred.

As for the gentleman's amendment, while I have some doubts about the way it is phrased, I will support it. I appreciate the great efforts that the gentleman from California (Mr. McCLOSKEY), as well as the gentleman from Mississippi (Mr. MONTGOMERY), have made toward the solution of the problem of the missing in action in Southeast Asia.

Mr. WEISS. Mr. Chairman, I thank the gentleman for his comments and, of course, I do disagree with him on the question of reparations, but I think that is perfectly appropriate. What I object to is some of the indecent language that has been used.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. McCLOSKEY).

The question was taken; and on a division (demanded by Mr. McCLOSKEY) there were—ayes 15, noes 36.

Mr. BROOMFIELD. Mr. Chairman, I demand a recorded vote.

A recorded vote was refused.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. HAGEDORN

Mr. HAGEDORN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HAGEDORN: Page 33, add the following new section after line 2:

PROHIBITION AGAINST ASSISTANCE TO COUNTRIES WITH CERTAIN AGRICULTURAL POLICIES

SEC. 117. The Foreign Assistance Act of 1961 is amended by adding the following new section after section 620B:

SEC. 620C. Prohibition Against Assistance to Countries With Certain Agricultural Policies.—(a) The Congress finds that—

(1) continuing food shortages in developing countries can ultimately be overcome only by domestic policies in such countries which encourage agricultural production;

(2) while increasing attention has been given to improving technology within developing countries in order to increase agricultural production, insufficient attention has been given to improving legal and other institutions in order to increase such production;

(3) a major factor in low productivity in developing countries has been government policies and other institutional factors that provide insufficient economic incentives or act as economic disincentives;

(4) self-help and self-developmental measures already provided by law have failed, in part, because of the existence of such disincentives;

(5) countries furnishing foreign assistance have a responsibility, both to recipient countries and to their own taxpayers, to encour-

age the removal of agricultural production disincentives; and

(6) encouraging the removal of agricultural production disincentives, in the long run, is likely to prove the most humanitarian course for the United States with respect to its foreign assistance program because in many instances external food assistance has hindered developing countries in increasing food production by allowing them to continue counterproductive public policies and to postpone genuine reforms.

"(b) No assistance may be provided under section 103 of this Act, no other assistance for agriculture (including agricultural commodities and other assistance relating to agricultural production) may be provided under Part I of this Act, and no sales of agricultural commodities may be financed under title I of the Agricultural Trade Development and Assistance Act of 1954 for any country the government of which (1) carries out policies which discourage agricultural production in that country, and (2) is not making reasonable progress toward eliminating such policies.

"(c) The President may waive the provisions of subsection (b) if he determines that the assistance or financing referred to in such subsection are necessary to prevent or alleviate severe malnutrition or are otherwise in the national interest of the United States.

"(d)(1) There is established in the Executive Office of the President a Council on Foreign Agricultural Policy to be composed of (A) three members appointed by the President from among officers and employees of the Department of Agriculture, (B) three members appointed by the President from among officers and employees of the agency primarily responsible for administering part I of this Act, and (C) the Vice President, who shall act as Chairman.

"(2) The Council shall determine for each fiscal year any country which falls within the provisions of subsection (b). In making such a determination, the Council shall take into account the extent to which the government of the country concerned carries out policies which discourage agricultural production, including, but not limited to, the following:

"(A) Procuring agricultural commodities domestically through a single public purchasing authority, or otherwise limiting the number of potential purchasers of such commodities.

"(B) Imposing price controls on agricultural commodities at prices below the market levels.

"(C) Subsidizing imports of agricultural commodities, or the sale thereof, where such commodities or competitive commodities are suitable for production in such country.

"(D) Lagging prices of agricultural commodities behind general inflation rates.

"(E) Restricting the movement of agricultural commodities within the country.

"(F) Controlling or limiting exports or surplus agricultural commodities.

"(G) Controlling exchange rates in such a manner as to subsidize imports of agricultural commodities.

"(H) Restricting the availability of credit for agricultural production through the fixing of interest rates at levels below the market level, or otherwise.

"(I) Restricting private land tenure or land holdings, in an arbitrary manner.

"(J) Expropriating land, threatening to expropriate land, or otherwise creating uncertainties among farmers as to the extent of their property rights.

"(K) Imposing taxes on agricultural production, including income taxes, marketing taxes, land taxes, export taxes, and special assessment, which are excessive.

In applying these criteria, the Council shall consider the particular circumstances of a country, as well as the extent to which agricultural production is encouraged therein through investment incentives, research and development, and extension services.

"(e) The Council shall submit any determination with respect to a country to the President. The President, in providing any assistance or financing any sale referred to in subsection (b) for a country, shall take into account any determination submitted to him by the Council with respect to such country. In any case in which the President does not act in accordance with any such determination he shall submit a statement of the reasons therefor (including the basis for any independent determination made by the President in accordance with subsection (b) or any determination under subsection (c) to the Committee on Foreign Relations of the Senate and the Committee on International Relations of the House of Representatives). If either such committee or either House of Congress disagrees with the President's reasons it may initiate action to terminate assistance or financing of agricultural sales for such country by a concurrent resolution in accordance with section 617 of this Act.

"(f) As used in this section, the term 'agricultural commodities' includes products derived from agricultural commodities.".

Mr. HAGEDORN (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. HAGEDORN. Mr. Chairman, every year since 1946, our country has provided economic assistance to Uruguay. The total is $119 million. Every year since 1954, we have provided assistance to Zaire. The total is $489 million. During these periods, Uruguay has enjoyed an average annual growth rate in food production of less than 1 percent, and Zaire has experienced a growth rate of approximately one-fifth of 1 percent.

As a result, there is today almost no likelihood that the need for assistance by these countries will diminish in the foreseeable future. Indeed, in view of the increased populations in these countries—increases in food demand have out-paced increases in production by a 10-to-1 ratio in Zaire, for example—they are likely to become more heavily dependent upon U.S. aid.

In short, our foreign assistance program has perpetuated the same sort of dependency among lesser developed countries that domestic welfare programs have engendered in many of their recipients.

The purpose of this amendment is to recognize that continuing food shortages in developing countries can ultimately be overcome only by domestic policies within those countries which encourage agricultural production.

The amendment would provide for the termination of agriculturally related assistance under the Foreign Assistance Act and the Public Law 480 commodity sales program to those countries not found to be making "reasonable" progress toward eliminating domestic disincentives to agricultural production. It does not require a country to turn around its policies overnight, but simply that it be making "reasonable" progress in dismantling some of their barriers to production.

The idea of "self-help" is, of course, not a new idea. Both in the Foreign Assistance Act and the Public Law 480 program, there has been substantial new emphasis placed on "self-help" in recent years.

"Self-help" and "self-development" measures, however, have not proven entirely successful, at least in part, because they have not been construed broadly enough. "Self-help" means more than improving one's technical infra-structure; and it means more than a commitment to population control. Both of these are important, but they are not enough.

This amendment is addressed to placing a new emphasis upon "self-help" in the sense of improvement in the legal and economic institutions within a country that can, and have, retarded agricultural growth despite improved technical know-how, tools, and facilities.

As recognized in studies done by the GAO and the Foreign Agricultural Service of the USDA, a major factor in low productivity in developing countries has been Government policies and other institutional factors that provide insufficient economic incentives or act as economic disincentives.

We are talking about price control policies, as in Peru, where Government-set prices for potatoes, the chief commodity, do not cover producer costs, and where black markets may set prices three times as high.

We are talking about policies which restrict internal shipments of commodities, as in India, where farmers in surplus states are prevented from moving their grain to deficit states.

We are talking about expropriation policies where farmers are discouraged from adopting more efficient farming practices for fear of losing portions of their land.

Purchasing policies where the government is the sole purchasing authority for commodities.

Policies which restrict the availability of credit to farmers, and which impose excessive taxation upon the agricultural sector.

Policies which allow for commodity prices to be adjusted only after inflation has occurred.

And policies which subsidize imports where identical or competitive commodities are suitable for domestic production.

This amendment would establish within the White House a Council on Foreign Agricultural Policy, to be composed of three representatives from USDA, three from the successor agency to AID, and the Vice President. They would be charged with making the determination of "reasonable" progress within recipient countries, after considering the particular circumstances of each of them.

The President would be authorized to continue assistance to a country despite a negative finding by the council where he determined it necessary to prevent or alleviate severe malnutrition, or where

such assistance would otherwise be in the best interests of the United States.

The truly tragic thing, Mr. Chairman, is that the most suffocating of the production disincentives that I have referred to are always placed on the staple crops in developing societies. If ever our country had the obligation to "tie strings" to our assistance, and insure that some long-term good comes of it, I believe that this is the case. How many people will have to starve in infancy in these nations before we take it upon ourselves to export some economic commonsense to these nations? The kind of economic commonsense that unites both of the parties represented in this body and this Nation.

The objective of this amendment is not to cut off assistance to any nation, but simply to induce them to start taking a second look at domestic policies that have perpetuated their dependence upon donor countries. We owe this to the taxpayers of this country and we owe it to those who are hungry and without hope abroad.

I agree with the conclusion of the GAO in their study that:

> Greater emphasis on self-help requirements designed to increase less-developed country food production may in the long run be the most humanitarian course.

It may well be the only humanitarian course. Mr. Chairman, I urge adoption of this amendment.

Mr. ZABLOCKI. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the proposed amendment would prohibit the assistance set forth in section 103 of the Foreign Assistance Act, assistance designed to promote agricultural production in developing countries, and Public Law 480, title I, which is sales, and title II, which is humanitarian grants, to countries which have policies discouraging agricultural production and not making reasonable progress toward eliminating such policies. These determinations would be made by a seven-member council on foreign agricultural policy which the amendment would set up in the White House under the chairmanship of the Vice President, and the determination would be based on a lengthy list of criteria set forth in the amendment.

The amendment is over five pages long. It is very complex. Not only is it lengthy and complex, but, in my opinion, it would probably be counterproductive. It appears to have self-contradictory elements. Therefore, I would suggest that, because such a proposal would necessarily need close study before being adopted, that the amendment should be defeated.

Mr. Chairman, as sponsor of the amendment must already know, Congress has already put various amendments into law to help remove food production disincentive programs abroad. For example, section 401(B) of Public Law 480, just adopted last year, prohibits distribution of U.S. food aid in countries where supplying that food would be causing a substantial disincentive to domestic production.

Section 109, subparagraph 7, of that law, requires the President to take into account a recipient country's policies to insure adequate incentives to producers.

This bill, H.R. 12222, on page 7, lines 20–23, continues the Foreign Assistance Act requirements that in providing aid, the President shall assess the commitment and progress of recipient governments to increase agricultural productivity per unit of land through small-farm labor intensive agriculture.

Mr. HAGEDORN. Mr. Chairman, will the gentleman yield?

Mr. ZABLOCKI. I am delighted to yield to the gentleman from Minnesota.

Mr. HAGEDORN. I thank the chairman of the committee for yielding, Mr. Chairman.

I want to correct one of the gentleman's earlier statements. This amendment has been modified to eliminate any application to title II.

Mr. ZABLOCKI. Mr. Chairman, I must say to the gentleman that the copy which has been made available to us does also address itself to title II.

Further, as I pointed out in speaking about other provisions of existing legislation and as the staff further advises me, the amendment, as printed in the RECORD and as offered by the gentleman from Minnesota (Mr. HAGEDORN), explicitly in subparagraph (b), at about the middle of the page, says "may be provided under title II of that act."

Mr. HAGEDORN. Mr. Chairman, if I may, I apologize; I did submit a correct copy.

Mr. ZABLOCKI. Does the gentleman desire to withdraw his amendment?

Mr. HAGEDORN. I handed a copy to the chairman before we started debate on the legislation, a copy of the amendment being discussed now; and all references to title II were struck from that amendment.

I regret that we did not make that understanding clear, but there is no reference to title II in the amendment that is before us.

Mr. ZABLOCKI. Mr. Chairman, I submit that there is such confusion as to whether title II is stricken or not stricken that we should certainly defeat the amendment which the gentleman proposes.

Mr. FINDLEY. Mr. Chairman, I move to strike the last word.

I share the conclusion of the chairman of the committee that it would not be appropriate for use to accept the amendment at this stage; but I take this time to salute my colleague, the gentleman from Minnesota (Mr. HAGEDORN), for some very thoughtful suggestions which are embodied in this amendment.

Mr. Chairman, if any of the Members have before them the text of the amendment, they will see, by examining paragraphs (a) through (k), that the gentleman from Minnesota lists wise standards that the President should take into account as he considers the granting of foreign assistance to any country. I would assume that all of us would agree that those are desirable standards; and I suspect they are standards which are rarely, if ever, considered by the President.

I view the suggestions embodied in this amendment as very worthy and very humanitarian. They are directed to helping to encourage these developing countries to use the competitive market system, the incentive system, as a way to increase food production.

Mr. Chairman, that is entirely in tune with the traditions of our own history; and I think the gentleman from Minnesota, while recommending a formulation through the council and other conditions set forth in the amendment that I do not support, nevertheless has presented language which is really the heart of the amendment, setting forth the standards which the Administration should take into account and should recognize as it considers the eligibility of various countries. These standards represent a very worthy contribution. I hope my colleagues on the committee will agree that these are things which the President should take into account as he makes a decision on eligibility.

Mr. SOLARZ. Mr. Chairman, will the gentleman yield?

Mr. FINDLEY. Of course, I yield to the gentleman from New York.

Mr. SOLARZ. Mr. Chairman, I think the gentleman has made some very constructive suggestions.

I certainly think that this is a subject which is worthy of further consideration by our committee. However, I do think it important to take note of the fact that there are a number of agricultural economists who argue that our very Public Law 480 program itself constitutes a disincentive to agricultural production in many of the LDC's around the world.

Mr. FINDLEY. If I may respond to that, Mr. Chairman, I agree with the gentleman; and I have tried to make that point at various times over the years.

I think we should be especially interested in this item which the gentleman from Minnesota included in his amendment. He suggests that the President take into account policies which impose price controls on agricultural commodities at prices below the market levels and subsidizing imports of agricultural commodities, or the sale thereof, where such commodities or competitive commodities are suitable for production in such country.

That is right on target, right on the point which the gentleman from New York (Mr. SOLARZ) just made.

Mr. ZABLOCKI. Mr. Chairman, will the gentleman yield?

Mr. FINDLEY. I yield to the gentleman from Wisconsin, the chairman of the Committee on International Relations.

Mr. ZABLOCKI. Mr. Chairman, I thank the gentleman for yielding. It is not the intention of the gentleman from Wisconsin to say that because an amendment is lengthy or complex, it is not entirely workable.

Mr. Chairman, I can assure the gentleman from Illinois (Mr. FINDLEY), knowing his interest, and I can assure the gentleman from Minnesota (Mr. HAGEDORN), that the gentleman from Wisconsin is interested in this matter. We will study this proposal further and will give

it every consideration. Where feasible we will accept the ideas that will improve the program. We will hold hearings on the gentleman's amendment, and I am sure that we will give it every consideration.

Mr. FINDLEY. In the meanwhile, I recommend to the officials of AID with approbation the items listed in this amendment, which the gentleman from Minnesota recommends be considered by the President as decisions are made on AID eligibility.

Mr. HAGEDORN. Mr. Chairman, will the gentleman yield?

Mr. FINDLEY. I yield to the gentleman from Minnesota.

Mr. HAGEDORN. I would like to address a question to the chairman of the committee, since he cited that this is already in several pieces of legislation which give the President the responsibility and the broad authority to review disincentives in foreign countries, and therefore to base our food assistance on whether those disincentives are present or not.

Is the gentleman aware of any instance where the President has ever used his position to urge a country to abolish a disincentive in order to get American aid? Is it not a fact that this language is just merely language, and is very seldom, if ever, utilized?

Mr. ZABLOCKI. Mr. Chairman, will the gentleman yield?

Mr. FINDLEY. I yield.

Mr. ZABLOCKI. Certainly the gentleman from Wisconsin cannot tell the gentleman from Minnesota that the President personally has requested recipient countries to act in conformity with some of the requirements of the law relating to disincentives.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

(At the request of Mr. HAGEDORN and by unanimous consent, Mr. FINDLEY was allowed to proceed for 2 additional minutes.)

Mr. ZABLOCKI. As I was saying, the President would not personally present the requirements in the sections of the law which apply and which are designed to help remove food production disincentives abroad. However, the people at AID who are in the field have done so. As the gentleman from Illinois has stated, and I must again reiterate and agree with him, we will pursue this with the AID people and urge them that they continue to discourage activities which would serve as a desincentive to agricultural production.

The United States has increased Public Law 480 to Bangladesh, for example, only after we got assurances of improvements in that government's domestic agriculture policy. So, this is one specific instance, and I can assure the gentleman that upon research I can give him additional instances where U.S. personnel indeed have tried to implement the provisions of the sections of the law to which I have referred.

Mr. HAGEDORN. I am suspicious that this is probably seldom used. What we are attempting to do in this amendment is to be more specific, and to give the President more specific guidelines to utilize in order to make this decision. Part of the support for this amendment ment comes from a personal experience I had when I visited with a farmer from India. He asked me, as a Congressman, to stop supporting Public Law 480 because he used to have a very productive farm, and through land reform he had the land taken away and it was broken up into small plots. Therefore, this discouraged production patterns because India was getting food cheaper from the United States than it could produce. Consequently, that is one case of a disincentive.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota (Mr. HAGEDORN).

The question was taken; and on a division (demanded by Mr. HAGEDORN) there were—ayes 20; noes 28.

Mr. HAGEDORN. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present.

The Chair announces that pursuant to clause 2, rule XXIII, he will vacate proceedings under the call when a quorum of the Committee of the Whole appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

QUORUM CALL VACATED

The CHAIRMAN. One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to clause 2, rule XXIII, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

RECORDED VOTE

The CHAIRMAN. The pending business is the demand of the gentleman from Minnesota (Mr. HAGEDORN) for a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 141, noes 236, not voting 57, as follows:

[Roll No. 304]

AYES—141

Abdnor	Collins, Tex.	Guyer
Allen	Corcoran	Hagedorn
Anderson, Ill.	Coughlin	Hall
Archer	Crane	Hammer-schmidt
Armstrong	Cunningham	Hansen
Badham	Daniel, Dan	Harsha
Bafalis	Daniel, R. W.	Heckler
Benjamin	Derwinski	Hubbard
Bennett	Devine	Hyde
Bevill	Dickinson	Ichord
Bowen	Dornan	Ireland
Breaux	Duncan, Tenn.	Jeffords
Brinkley	Edwards, Ala.	Johnson, Colo.
Broomfield	Emery	Kelly
Broyhill	English	Kemp
Burgener	Erlenborn	Ketchum
Burke, Fla.	Fish	Kindness
Butler	Fithian	Lagomarsino
Byron	Flippo	Latta
Caputo	Forsythe	Leach
Carter	Frenzel	Lent
Cederberg	Gaydos	Levitas
Chappell	Gilman	Livingston
Clausen, Don H.	Ginn	Long, Md.
Clawson, Del	Goldwater	Lott
Cleveland	Goodling	McClory
Cohen	Grassley	McDade
	Green	
McDonald	Quie	Stump
McEwen	Quillen	Symms
Madigan	Regula	Taylor
Marks	Rinaldo	Treen
Marriott	Roberts	Trible
Martin	Robinson	Van Deerlin
Michel	Roncalio	Vander Jagt
Milford	Rousselot	Waggonner
Miller, Ohio	Rudd	Walker
Mitchell, N.Y.	Ruppe	Walsh
Montgomery	Ryan	Wampler
Moore	Sarasin	Watkins
Moorhead, Calif.	Satterfield	Whitehurst
	Sawyer	Whitten
Mottl	Schroeder	Wilson, Bob
Myers, Gary	Schulze	Wydler
Neal	Shuster	Wylie
Nichols	Snyder	Yatron
O'Brien	Spence	Young, Alaska
Pettis	Stangeland	Young, Fla.

NOES—236

Addabbo	Fountain	Nolan
Akaka	Fowler	Nowak
Ambro	Fraser	Oberstar
Ammerman	Fuqua	Obey
Anderson, Calif.	Gammage	Ottinger
	Garcia	Panetta
Andrews, N.C.	Gephardt	Patten
Andrews, N. Dak.	Giaimo	Patterson
	Gibbons	Pattison
Annunzio	Glickman	Pease
Ashbrook	Gonzalez	Pepper
Aspin	Gore	Perkins
AuCoin	Gudger	Pickle
Baldus	Hamilton	Pike
Barnard	Hanley	Preyer
Baucus	Harkin	Price
Bauman	Harrington	Pritchard
Beard, R.I.	Harris	Quayle
Bedell	Hefner	Rahall
Beilenson	Heftel	Railsback
Biaggi	Hightower	Rangel
Bingham	Hollenbeck	Reuss
Blanchard	Holtzman	Richmond
Blouin	Howard	Roe
Boggs	Huckaby	Rogers
Boland	Hughes	Rooney
Bolling	Jacobs	Rose
Bonior	Jenkins	Rosenthal
Bonker	Jenrette	Rostenkowski
Brademas	Johnson, Calif.	Roybal
Brodhead	Jones, N.C.	Russo
Brooks	Jones, Okla.	Scheuer
Brown, Mich.	Jones, Tenn.	Sebelius
Brown, Ohio	Jordan	Seiberling
Buchanan	Kastenmeier	Sharp
Burke, Mass.	Kazen	Shipley
Burleson, Tex.	Keys	Sikes
Burlison, Mo.	Kildee	Simon
Burton, John	Krebs	Sisk
Burton, Phillip	LaFalce	Skelton
Carr	Le Fante	Slack
Chisholm	Lederer	Smith, Iowa
Clay	Lehman	Smith, Nebr.
Coleman	Lloyd, Calif.	Solarz
Collins, Ill.	Lloyd, Tenn.	Spellman
Conable	Long, La.	St Germain
Conte	Luken	Staggers
Corman	Lundine	Stanton
Cornell	McCloskey	Stark
Cornwell	McCormack	Steed
Cotter	McFall	Steers
Danielson	McHugh	Steiger
de la Garza	McKay	Stockman
Delaney	McKinney	Stokes
Dellums	Maguire	Stratton
Derrick	Mahon	Studds
Dicks	Mann	Traxler
Diggs	Markey	Tsongas
Dingell	Marlenee	Udall
Dodd	Mattox	Ullman
Downey	Mazzoli	Vanik
Drinan	Meeds	Vento
Duncan, Oreg.	Metcalfe	Volkmer
Early	Meyner	Walgren
Eckhardt	Mikulski	Weaver
Edgar	Mikva	Weiss
Edwards, Calif.	Miller, Calif.	Whalen
Edwards, Okla.	Mineta	White
Ertel	Minish	Wilson, Tex.
Evans, Colo.	Mitchell, Md.	Winn
Evans, Ind.	Moakley	Wirth
Fary	Moffett	Wolff
Fenwick	Mollohan	Wright
Findley	Moorhead, Pa.	Yates
Fisher	Moss	Young, Mo.
Flood	Murphy, Ill.	Young, Tex.
Florio	Murphy, N.Y.	Zablocki
Flowers	Murtha	Zeferetti
Foley	Natcher	
Ford, Tenn.	Nedzi	

NOT VOTING—57

Alexander	Ford, Mich.	Oakar
Applegate	Frey	Poage
Ashley	Gradison	Pressler
Beard, Tenn.	Hannaford	Pursell
Breckinridge	Hawkins	Rhodes
Brown, Calif.	Hillis	Risenhoover
Burke, Calif.	Holland	Rodino
Carney	Holt	Runnels
Cavanaugh	Horton	Santini
Cochran	Kasten	Skubitz
Conyers	Kostmayer	Teague
D'Amours	Krueger	Thompson
Davis	Leggett	Thone
Dent	Lujan	Thornton
Eilberg	Mathis	Tucker
Evans, Del.	Murphy, Pa.	Waxman
Evans, Ga.	Myers, John	Whitley
Fascell	Myers, Michael	Wiggins
Flynt	Nix	Wilson, C. H.

The Clerk announced the following pairs:

On this vote:

Mr. Beard of Tennessee for, with Mr. Thone against.

Mr. Cochran of Mississippi for, with Mrs. Holt against.

Mr. Frey for, with Mr. Kasten against.

Mr. Wiggins for, with Mr. Skubitz against.

Messrs. DERRICK, BARNARD, HIGHTOWER, DOWNEY, and AKAKA changed their vote from "aye" to "no."

So the amendment was rejected.

The result of the vote was announced as above recorded.

Mr. DORNAN. Mr. Chairman, I rise to a point of personal privilege.

The CHAIRMAN. The Chair will advise the gentleman from California that it is not in order in the Committee of the Whole for a Member to address himself to a point of personal privilege.

Does the gentleman desire to strike the requisite number of words?

Mr. DORNAN. Yes, Mr. Chairman; I move to strike the requisite number of words.

The CHAIRMAN. The gentleman from California (Mr. DORNAN) is recognized for 5 minutes.

Mr. DORNAN. Mr. Chairman, I must respond to the not very subtle remarks about my referring to pro-Hanoi activists as pro-Communist. I did not survive a two-decade television and radio broadcasting career of open-forum political shows with open audience participation without ever having a single libel suit by being imprecise in my language about someone's background or sympathies.

I will join anyone who can show me the facts, hard facts, in nailing a pro-Nazi as a pro-Nazi. Given the current situation in the world, with some weirdos bringing nazism back into vogue in a sick way in Germany, if someone is a pro-Nazi, I will join anyone on either side of the aisle in so identifying that person. However, if someone by their actions over a period of years, such as Jane Fonda or Cora Weiss, engages in giving aid and comfort to an enemy in wartime, over and over, and then—to use the communism verbiage continues a "running-dog routine" of constantly apologizing for Communist mass murder and oppression then I will stand on the record saying that that person is a pro-Communist, period. I ask every Member to analyze the double standards we have seen in Congress over the years and in some press where we can call people who are pro-Nazi "pro-Nazis," but to call anyone who is blatantly and consistently pro-Communist a "pro-Communist," that somehow is "unseemly." What kind of two-faced phony hypocrisy is that?

I thank the Chair.

Mr. WEISS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, the statement which the gentleman has just made simply underscores the statement which I had made earlier about the courage of Members of this body in taking issue with the good name and reputation of other American citizens simply because they disagree with stands that those American citizens have taken.

I thank the Chair, and I yield back the balance of my time.

AMENDMENT OFFERED BY MR. LAGOMARSINO

Mr. LAGOMARSINO. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LAGOMARSINO: Page 33, immediately after line 2, insert the following new section:

ASSISTANCE FOR PANAMA

SEC. 117. (a) In order to encourage the Government of Panama to use the increased revenues it will receive as a result of the Panama Canal Treaty of 1977 for development purposes, bilateral development or economic assistance may be provided to Panama under Part I of the Foreign Assistance Act of 1961 for any fiscal year, in an aggregate amount up to, but not exceeding, 25 percent of the amount of the Canal revenues received by the Government of Panama under Article XIII(4) of that Treaty which were obligated by that Government during the most recently concluded Panamanian fiscal year for programs in Panama which conformed to the relevant development policies set forth in section 102 of that Act.

(b) This section applies with respect to assistance for any fiscal year (1) which begins after the end of the first Panamanian fiscal year which begins after the Panama Canal Treaty of 1977 becomes effective, and (2) which ends before October 1, 2001.

Mr. LAGOMARSINO (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. LAGOMARSINO. Mr. Chairman, the amendment I am offering would encourage the Government of Panama to use the increased revenues it will receive as a result of the recently passed Panama Canal Treaty for developmental purposes. This would be achieved by providing U.S. assistance under an incentive formula that would allow aid levels to increase as Panama increases its commitment to development projects with these new revenues. Under this amendment, for every four dollars of canal revenues designated for developmental purposes by the Government of Panama, they would become eligible for—not authorized—an additional dollar toward these valuable projects.

In relation to her Latin American neighbors and fellow less-developed nations, Panama has been more fortunate and successful in achieving economic progress as reflected in its per capita income. With a per capita income of $1,290, Panama has the highest such level of all other aid recipients in Latin America and the fourth highest of all nations in the region.

I believe that the United States can rightfully take much of the credit for this achievement. Clearly, our efforts in building, operating, and maintaining the Panama Canal have contributed greatly to the economic advancement of that nation. In addition because of this relationship special interest has been taken by the United States since Panama's independence to help that nation's development needs.

Under the terms of the new treaty, Panama will annually be receiving an estimated additional $60 million in canal revenues. By normal standards, this increased revenue coupled with expanded development and economic opportunities provided under the new treaty, and its high per capita income, would render Panama ineligible for U.S. aid. It is my belief however, that there are compelling reasons to continue our encouragement to Panama for a continuation of the developmental process.

In the past, the Congress has gone to great lengths to insure that all forms of official developmental and economic assistance are consistent with efforts to reach the least advantaged members of the recipient nations. This action has been taken in part because of the belief that it is the "poorest of the poor" that are often neglected in the development process and it is the unanswered demands of these disadvantaged segments of society that ferment unrest. For this reason, we need to recognize the continued importance of Panama and the canal to our own security and well-being. We must encourage Panama to meet the basic human needs of all her citizens to provide the needed stability not only for her sake, but for ours.

This amendment is not an effort to tell Panama how to operate its budget or internal affairs. It is not an effort to tell Panama how it must spend the new canal revenues. What it is intended to do however, is help define the policy objectives and qualifications for providing United States' bilateral assistance. My amendment is a directive not to Panama, but to our own Agency for International Development and deals exclusively with U.S. tax dollars.

Just as in other assistance programs where we seek to condition and encourage our assistance efforts based on self-help incentives and matching funding, this amendment would provide an incentive approach in a non-punitive manner that promises increased aid for an increased commitment to the development of Panama by Panama.

This effort can also be seen as a human rights action. Our current assistance policy guidelines are based on the need to observe and encourage the promotion of human rights. But unlike those policies which rely on punitive and restrictive actions for human rights vio-

lators, my amendment is incentive in nature which seeks to reward and encourage policies that promote the development of the political, economic, and social rights of the "poorest of the poor" in Panama.

We have a special interest in Panama related to the smooth operation of the Panama Canal. Our long history of close friendship and cooperation with the people of Panama demands that we continue to help them solve their development needs.

The great gift of the American Nation in the form of the Panama Canal is from one people to another. Therefore we have a great responsibility to insure that this gift is not used by the ruling power elite or other special interests to perpetuate social, economic, or political domination over the people of Panama. The United States has a commitment to the real owners of this gift, the people of Panama to insure that its benefits reach those who need it most. My amendment is a step in that direction.

I urge my colleagues to join with me in support of this effort.

Mr. METCALFE. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from California (Mr. LAGOMARSINO).

Mr. Chairman, I rise in opposition to the amendment of the gentleman from California (Mr. LAGOMARSINO). This amendment will have adverse consequences for the financial stability of the Panama Canal.

In my opinion the provision of the gentleman would cause Panama to seek higher toll rates for the canal. It might also cause Panama to press for complete control of the canal prior to the year 2000.

Also, in terms of our relationship with Latin America, this effort to cause internal change in the budgetary priorities of Panama may be looked upon as usurpation—use-er-pa-shun—of Panamanian resources. I refer to the fact that the revenues to Panama under the 1977 treaty are felt by Panama to be their just due for the use of the locational resource of the isthmus.

To understand the dangers of the amendment, one must understand the economics of the 1977 treaty. There are three possible payments of canal revenue listed in article XIII of the treaty. The key payment is the payment of 30 cents per Panama Canal ton to Panama. This 30 cent figure will be adjusted due to inflation. There is another payment that could come from canal revenues in article III. Altogether it is estimated that in the early years of the treaty, Panama will receive $60 to $70 million per year from canal revenues.

Allow me now to make some points with respect to the gentleman's amendment. If his overall objective is to spur development in Panama, I salute him.

I submit, however, that if the Panama Canal ceases to operate and Panama loses her 30 cents per ton, this amendment would further cut her aid. This cut would come at a time when Panama would most need the money. What if the canal is closed through no fault of Panama's?

What if Panama needs increased U.S. aid to meet her obligations? She will claim that all her development programs are funded from canal revenues. Then she will want to increase revenues by raising tolls or cutting maintenance costs. So U.S. consumers will end up paying more through tolls, and the maintenance of the canal will be slighted.

Mr. Chairman and my fellow colleagues, we should not tamper with the canal financial mechanics of the new treaty. The complex implementing legislation has not been submitted to this body. After it has been submitted, the appropriate committees of this body and the House itself will have an opportunity to work its will. If we pass an amendment such as this, we are prejudging the implementing legislation. How can we vote on an amendment such as this without all the facts?

This amendment would hurt U.S. interests in Panama and U.S. interests in our own country. The punitive thrust of the amendment is offensive and its application for 22 years has very bad consequences. We must reject the amendment.

Mr. ZABLOCKI. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment. I hope we will not spend too much time on this amendment. I agree with the remarks the gentleman from Illinois has just made. What he has clearly and eloquently spelled out is the damage this amendment would do to the economy of Panama.

I further just want to add one point and then yield back the remainder of my time.

During the negotiations on the treaties with Panama, no connection was made during the negotiations between the treaties and U.S. assistance. The administration sought to avoid such a link in order to prevent Panama from being able to condition its treaty obligations on our aid policy. Now this amendment would make such an unfortunate and unnecessary connection. I think this amendment is mixing apples and oranges. I know the gentleman from California is concerned about the importance of the canal to U.S. economic and military interests, so I cannot understand why he would propose an amendment that would obviously work against those interests. I urge a "no" vote on the amendment.

Mr. DERWINSKI. Mr. Chairman, I move to strike the requisite number of words, and I rise to oppose the amendment.

Mr. Chairman, I would like to point out, I have the greatest regard for my friend, the gentleman from California; I think he is one of the great statesmen of this body in this or any other generation; but as I understand this amendment, if adopted, it would have the practical effect of encouraging Panama to increase the canal tolls. I think that is the point made by my friend, the gentleman from Illinois (Mr. METCALFE), who pointed out that if this is the result, since raising tolls from the canal is about the only means the Panamanians have of increasing their revenues, these tolls would ultimately be passed on to the American consumer; so we would suffer eventually from the increased cost inspired by this amendment.

We have to keep in mind what we are dealing with Panama, except for the canal, is an impoverished country. The only real resource of that country is the canal. Panama otherwise is a backward nation with many rural poor people at the subsistence level.

The economic figures that are quoted do not reflect the abonormalities in Panama, where all the wealth and activity is along the canal strip and there is little else in the inland areas of the country.

So I would suggest, that this amendment will not serve any practical purpose. It will create an artificial incentive to raise rates which does not really help the U.S. consumer.

Mr. LAGOMARSINO. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. I yield to the gentleman from California.

Mr. LAGOMARSINO. Mr. Chairman, I thank the gentleman for yielding and for the gentleman's kind remarks; but I strongly disagree with him. I would ask the gentleman to read section (b) of the amendment. The gentleman said, and one of the speakers on the other side of the aisle also said, that the result of this amendment's passing would be that Panama would raise the tolls. Panama has no control over the tolls until they get complete control of the canal in the year 2000. This amendment has no effect after the year 2000. It will only be in effect during the time that the United States has control of the toll-raising process.

Mr. DERWINSKI. Then they would obviously request toll increases.

Mr. LAGOMARSINO. After that, they can do what they want to and this amendment will have no operation and we will have no control. I would hope by that time they would be so rich and wealthy they would not need any more foreign aid from us.

Mr. DERWINSKI. But under the gentleman's amendment, they would be encouraged to ask us at this time for increased tolls.

Mr. LAGOMARSINO. I think they will do that, anyway.

I hope that we have the intestinal fortitudes to do what is in our own best interests. That is why I think the whole treaty is not very wise.

This has nothing to do with the treaty directly. From the opposition I have heard and from the talking points, I know what the State Department thinks about this. I would think that protestations to the contrary in our hearings, and the hearings in the Senate, where the department said there were no other agreements as to payments, I believe there were; I think Panama is under the impression that we are going to continue our aid program to Panama at its present level, in spite of the fact that we have voted to turn over the canal and provide them with something like $60 million per year.

Mr. DERWINSKI. The gentleman understands that I am not a spokesman for the AID Agency. I am in the embarrass-

ing position of sharing their argument over this amendment.

My concern over the amendment is in regard to who winds up absorbing any increases in tolls for goods reaching the east coast or the west coast or the gulf ports.

Mr. LAGOMARSINO. I hope the gentleman will join me later when we try to change this with the implementing legislation that will be before us.

Mr. BAUMAN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I am sorry to discommode the committee chairman but I think there has been quite a bit of misinformation spun out in front of us, a verbal web that described a problem that really does not exist.

The gentleman from California (Mr. LAGOMARSINO) is making a worthwhile point with his amendment. The Government of the United States is going to transfer an $8 billion to $10 billion capital investment, which is what the canal is, to the Government of Panama. Under the provisions of article XIII of the second treaty, Panama is guaranteed roughly $75 million a year in income out of the tolls, as compared to the $2.3 million now paid to them. That being the case, we ought to consider whether or not there ought not be an additional limit on our foreign aid to that country. President Carter and a majority of the other body gave them the canal and guaranteed them all these payments over and above everything they have received before. Now there ought to be some limit on what we do beyond that in foreign aid.

The gentleman from California (Mr. LAGOMARSINO) in his amendment sets a 25-percent figure measured against the canal toll revenues which will be paid to Panama. We know what the canal revenues are going to be under the treaty, and we also know as a result of the debate in the other body that there is no escaping a 40- to 70-percent increase in tolls immediately upon the taking effect of these treaties to satisfy what the treaties require in payments.

So what the gentleman from California is saying is that once we have given them $75 million annually and the canal itself, let us hold a lid on the total amount of U.S. foreign aid to Panama during the life of the treaty.

I would call the attention of the Members to the fact that the request made by the administration this year in this bill for Panama was $19,120,000, and I assume that is what was provided in this bill. The committee can correct me if I am wrong. That probably does not even fall within the limit of what the gentleman's amendment will impose, so there is still room to give more.

In addition, the Carter administration also, extraneous from the treaty, agreed to give them military assistance credits, housing credits under AID, and even indicated we may subsidize the operation of the canal if the moneys fall short.

So, Mr. Chairman, I think the gentleman's amendment is appropriate. It provides a protection for the taxpayers whose canal has already been given away. That is a reasonable request.

Mr. LAGOMARSINO. Mr. Chairman, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from California.

Mr. LAGOMARSINO. Mr. Chairman, I would just like to point out that, first of all, as I said earlier, the amendment will cease to operate when Panama takes over complete control of the canal in the year 2000, and the amendment will not go into effect until after Panama starts to receive revenues from the treaties. Should that time be delayed, this amendment would not go into effect.

Also, it goes without saying—and this is always the case—in any year when we find there is a problem because of this amendment, although I do not see how that could happen, we can always amend the law. We do that, in fact, in this Congress every day.

Mr. BAUMAN. Mr. Chairman, I would add that the Export-Import Bank has already given Panama a letter of credit or a tentative agreement to supply $200 million in credits for these very same purposes. Of course, we finance that Bank to a large degree as well.

Mr. METCALFE. Mr. Chairman, will the gentleman yield?

Mr. BAUMAN. I yield to the chairman of the Subcommittee on the Panama Canal.

Mr. METCALFE. Mr. Chairman, I would like to have some clarification of this matter, because the gentleman from California (Mr. LAGOMARSINO) has indicated that this amendment would not go into effect in fact until the year 2000. Then, of course, we are discussing foreign aid, the aid that we are giving to Panama now, and it is stated under a formula that the United States will give 25 percent of its operating supplies.

Now, realistically we have to recognize that if there is something wrong without its being the fault of Panama and the canal does not operate—and that is, of course, their main source of revenue—then they are going to automatically say, "Well, look, we are spending all this money for operating supplements."

I think this is one of the key points to the amendment, because certainly we do not want to set the stage for that.

Mr. BAUMAN. Mr. Chairman, I would like to reclaim my time.

Mr. METCALFE. Mr. Chairman, will the gentleman yield just for a few seconds?

Mr. BAUMAN. Mr. Chairman, if I may reclaim my time, I will say to the chairman of the subcommittee that this has nothing to do with whether the operation of the canal is hindered. We know what the total increases are going to be, we know what the treaty provides, and the gentleman from California (Mr. LAGOMARSINO) sets a 25-percent limit on what is going to be given in foreign aid. That is all the amendment provides.

Mr. METCALFE. Mr. Chairman, will the gentleman yield just briefly?

Mr. BAUMAN. Yes, I yield to the gentleman from Illinois.

Mr. METCALFE. Mr. Chairman, I would just say that I believe this amendment is ill timed.

The CHAIRMAN. The time of the gentleman from Maryland (Mr. BAUMAN) has expired.

(On request of Mr. METCALFE, and by unanimous consent, Mr. BAUMAN was allowed to proceed for 1 additional minute.)

Mr. METCALFE. Mr. Chairman, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from Illinois.

Mr. METCALFE. Mr. Chairman, I thank the gentleman very much for yielding.

I want to point out to the gentleman that we have not even had the implementing legislation, and if we had it, this is going to cripple our efforts and the power of the House will be diminished, because we will be hamstrung as to what we are dealing with. That is the reason I think this amendment should be defeated.

Mr. BAUMAN. Mr. Chairman, I would have to respectfully disagree that this in any way curtails our power to perfect the implementing legislation.

Mr. GILMAN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the amendment offered by the gentleman from California (Mr. LAGOMARSINO).

This amendment would link our aid to Panama to the amount of canal revenues they designate for developmental purposes. I believe that this amendment would provide a strong incentive matching program for the Government of Panama to encourage their development efforts.

Panama has the highest per capita income of U.S. aid recipient countries. A concerted effort toward a more equitable distribution of these funds should be made.

Providing up to a maximum matching grant of 25 percent of canal revenues, would encourage not only development efforts, but also the efficient operation of the canal.

This amendment is of special importance in that it takes into account the increased revenues which Panama will receive as a result of the Panama Canal Treaty.

In summary, I believe that this amendment is both fiscally responsible, and of key importance in aiding Panama's development efforts.

Accordingly, I urge my colleagues to join in adopting this amendment to H.R. 12222.

Mr. RUDD. Mr. Chairman, will the gentleman yield?

Mr. GILMAN. I yield to the gentleman from Arizona.

Mr. RUDD. I thank the gentleman for yielding.

Mr. Chairman, I would like to just pose a question which I think is something which should be answered, in support of the statesmanlike amendment which I support.

It seems to me that this amendment

really is a bootstraps amendment which would help and encourage the Panamanians to sort of take care of their own future or get used to taking care of their own future a little bit better than coming back to our taxpayers to support them in all of their efforts.

It will be presumed, I think, that they will use the revenue they get here to repay the several hundred million dollars in loans which they owe banks, which General Torrijos has incurred.

Is that how the gentleman perceives that?

Mr. GILMAN. That is precisely the intent of this amendment, in my point of view. It is to encourage development, to put the canal on a sounder basis, to urge Panama to plow back some of its revenue into the operation of the canal.

Mr. RUDD. I think this is a very statesmanlike amendment, Mr. Chairman, and I would encourage a yea vote on it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. LAGOMARSINO).

The question was taken; and on a division (demanded by Mr. LAGOMARSINO) there were—ayes 22, noes 30.

RECORDED VOTE

Mr. LAGOMARSINO. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 187, noes 187, not voting 60, as follows:

[Roll No. 305]

AYES—187

Abdnor	Dornan	Kindness
Allen	Duncan, Tenn.	Lagomarsino
Ambro	Edwards, Ala.	Latta
Ammerman	Edwards, Okla.	Le Fante
Anderson, Calif.	Emery	Leach
	English	Lederer
Andrews, N. Dak.	Ertel	Lent
	Evans, Ga.	Levitas
Archer	Evans, Ind.	Livingston
Ashbrook	Fithian	Lloyd, Tenn.
Badham	Flippo	Long, Md.
Bafalis	Flood	Lott
Barnard	Flowers	Luken
Bauman	Forsythe	McDade
Benjamin	Fountain	McDonald
Bennett	Fowler	McEwen
Bevill	Frenzel	Marks
Biaggi	Fuqua	Marlenee
Bowen	Gammage	Marriott
Breaux	Gaydos	Martin
Brinkley	Gephardt	Mathis
Brooks	Gilman	Milford
Brown, Mich.	Ginn	Miller, Ohio
Brown, Ohio	Goldwater	Minish
Broyhill	Goodling	Mitchell, N.Y.
Burgener	Grassley	Mollohan
Burke, Fla.	Gudger	Montgomery
Burleson, Tex.	Guyer	Moore
Butler	Hagedorn	Moorhead, Calif.
Byron	Hall	
Caputo	Hammer-schmidt	Mottl
Carter		Murtha
Cederberg	Hansen	Natcher
Chappell	Harsha	Neal
Clausen, Don H.	Heckler	Nichols
	Heftel	Panetta
Clawson, Del	Hightower	Perkins
Cleveland	Hollenbeck	Pickle
Cohen	Hubbard	Quie
Coleman	Huckaby	Quillen
Collins, Tex.	Ichord	Rahall
Corcoran	Ireland	Regula
Crane	Jenkins	Rinaldo
Daniel, Dan	Jenrette	Roberts
Daniel, R. W.	Johnson, Calif.	Robinson
de la Garza	Jones, Okla.	Roe
Derrick	Jones, Tenn.	Rogers
Devine	Kazen	Rousselot
Dickinson	Kelly	Rudd
Dingell	Kemp	Sarasin
Satterfield	Staggers	Wampler
Sawyer	Stangeland	Watkins
Schulze	Steed	White
Sebelius	Stockman	Whitehurst
Shipley	Stratton	Wilson, Bob
Shuster	Stump	Winn
Sikes	Symms	Wydler
Sisk	Taylor	Wylie
Skelton	Trible	Yatron
Slack	Vander Jagt	Young, Alaska
Smith, Nebr.	Volkmer	Young, Fla.
Snyder	Waggonner	Young, Mo.
Spence	Walker	Young, Tex.
St Germain	Walsh	Zeferetti

NOES—187

Addabbo	Ford, Tenn.	Nowak
Akaka	Fraser	O'Brien
Anderson, Ill.	Garcia	Oberstar
Andrews, N.C.	Giaimo	Obey
Annunzio	Gibbons	Ottinger
Ashley	Glickman	Patten
Aspin	Gonzalez	Pattison
AuCoin	Gore	Pease
Baldus	Hamilton	Pepper
Baucus	Hanley	Pettis
Beard, R.I.	Harkin	Pike
Bedell	Harrington	Preyer
Beilenson	Harris	Price
Bingham	Hefner	Pritchard
Blanchard	Holtzman	Quayle
Blouin	Howard	Railsback
Boggs	Hughes	Rangel
Boland	Hyde	Reuss
Bolling	Jacobs	Richmond
Bonior	Jeffords	Roncalio
Bonker	Johnson, Colo.	Rooney
Brademas	Jones, N.C.	Rose
Brodhead	Jordan	Rosenthal
Broomfield	Kastenmeier	Rostenkowski
Buchanan	Keys	Roybal
Burke, Mass.	Kildee	Ruppe
Burlison, Mo.	Krebs	Russo
Burton, John	LaFalce	Ryan
Burton, Phillip	Lehman	Scheuer
Carr	Lloyd, Calif.	Schroeder
Chisholm	Long, La.	Seiberling
Clay	Lundine	Sharp
Collins, Ill.	McClory	Simon
Conable	McCloskey	Smith, Iowa
Conte	McCormack	Solarz
Corman	McFall	Spellman
Cornell	McKay	Stanton
Cornwell	McKinney	Stark
Cotter	Madigan	Steers
Coughlin	Maguire	Steiger
Delaney	Mahon	Stokes
Dellums	Mann	Studds
Derwinski	Markey	Traxler
Dicks	Mattox	Treen
Diggs	Mazzoli	Tsongas
Dodd	Meeds	Udall
Downey	Metcalfe	Ullman
Drinan	Meyner	Van Deerlin
Duncan, Oreg.	Michel	Vanik
Early	Mikulski	Vento
Eckhardt	Mikva	Walgren
Edgar	Miller, Calif.	Weaver
Edwards, Calif.	Mineta	Weiss
Erlenborn	Mitchell, Md.	Whalen
Evans, Colo.	Moakley	Whitten
Fary	Moffett	Wilson, Tex.
Fascell	Moorhead, Pa.	Wirth
Fenwick	Moss	Wolff
Findley	Murphy, Ill.	Wright
Fish	Murphy, N.Y.	Yates
Fisher	Myers, Gary	Zablocki
Florio	Nedzi	
Foley	Nolan	

NOT VOTING—60

Alexander	Frey	Oakar
Applegate	Gradison	Patterson
Armstrong	Green	Poage
Beard, Tenn.	Hannaford	Pressler
Breckinridge	Hawkins	Pursell
Brown, Calif.	Hillis	Rhodes
Burke, Calif.	Holland	Risenhoover
Carney	Holt	Rodino
Cavanaugh	Horton	Runnels
Cochran	Kasten	Santini
Conyers	Ketchum	Skubitz
Cunningham	Kostmayer	Teague
D'Amours	Krueger	Thompson
Danielson	Leggett	Thone
Davis	Lujan	Thornton
Dent	McHugh	Tucker
Eilberg	Murphy, Pa.	Waxman
Evans, Del.	Myers, John	Whitley
Flynt	Myers, Michael	Wiggins
Ford, Mich.	Nix	Wilson, C. H.

The Clerk announced the following pairs:

On this vote:

Mr. Risenhoover for, with Mr. Thompson against.

Mr. Beard of Tennessee for, with Mrs. Burke of California against.

Mr. Frey for, with Mr. Breckinridge against.

Mrs. Holt for, with Mr. Carney against.

Mr. Horton for, with Mr. Hannaford against.

Mr. Lujan for, with Mr. Alexander against.

Mr. Runnels for, with Mr. Conyers against.

Mr. Skubitz for, with Mr. McHugh against.

Mr. Thone for, with Mr. Whitley against.

Mr. Dent for, with Mr. Hawkins against.

Mr. Teague for, with Mr. Waxman against.

Messrs. BARNARD, ROBERTS, STRATTON, and STAGGERS changed their vote from "no" to "aye."

Mr. CONTE changed his vote from "aye" to "no."

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. PEPPER

Mr. PEPPER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PEPPER: Page 31, insert the following new subsection after line 21:

(c) Section 302(a) of such Act, as amended by subsection (b) of this section, is further amended by adding at the end thereof the following new paragraph:

"(4) In addition to the amounts authorized to be appropriated under paragraph (1), there are authorized to be appropriated not to exceed $1,000,000 for contributions to the World Assembly on Aging, to be convened under the auspices of the United Nations, except that the amount so contributed may not exceed 25 percent of the expenditures of such Assembly. The sum authorized to be appropriated by this paragraph shall remain available until expended."

Mr. PEPPER. Mr. Chairman, this amendment would authorize an appropriation of $1 million, to provide either $1 million of expense or one-quarter of the expense, whichever might be the smaller figure of the cost of holding the World Assembly on Aging. Last October this House, and at about the same time the other body, passed, I believe, unanimously a resolution requesting the President to direct our representative in the United Nations to try to get the United Nations Assembly to approve a World Assembly on Aging sometime between now and 1982 at whatever might be the appropriate time. The Senate Committee on Foreign Relations only a day or two ago approved an authorization for this expenditure. There will not be an appropriation requested, of course, unless as is anticipated, in July of this year, as we are informed by our representative at the U.N., the U.N. Assembly shall pass this resolution calling this World Assembly on Aging. I would hope that the distinguished chairman would accept this amendment.

Mr. ZABLOCKI. Mr. Chairman, will the gentleman yield?

Mr. PEPPER. I yield to the gentleman from Wisconsin.

Mr. ZABLOCKI. I thank the gentleman for yielding.

Mr. Chairman, again the gentleman has provided this amendment to the committee. We have carefully looked over the amendment. We also considered the amendment when the gentleman appeared before the Committee on Rules. As I advised him at the time, even though it authorized $1 million for the purpose of this international forum on aging, it could not be possible until 1982. It could not be spent until then.

Mr. Chairman, I reluctantly accept the gentleman's amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida (Mr. PEPPER).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. BAUMAN

Mr. BAUMAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BAUMAN: On page 31, line 20, strike out the word "military".

Mr. BAUMAN. Mr. Chairman, during the deliberations of the Committee on International Relations, the gentleman from Illinois (Mr. DERWINSKI) offered the section which appears on page 31, lines 17 through 21. Earlier today during general debate I engaged in a colloquy with the chairman of the committee and also the gentleman from New York (Mr. SOLARZ) as to the meaning of the phrase "to support the military activities of the Southwest African Peoples Organization." I was given assurances that the committee intended that no support be given to this terrorist organization through the United Nations Institute for Namibia, and striking the word "military" only makes it clear that that is the intention.

Mr. ZABLOCKI. Mr. Chairman, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from Wisconsin.

Mr. ZABLOCKI. I thank the gentleman for yielding.

Since we had the colloquy, the gentleman from Wisconsin has consulted with the staff, and it is my understanding that this was the amendment offered in the committee by the gentleman from Illinois (Mr. DERWINSKI) and that the amendment now offered by the gentleman from Maryland (Mr. BAUMAN) is acceptable to him. I might advise the gentleman from Maryland that we will accept the amendment on this side.

Mr. BAUMAN. I thank the gentleman.

Mr. DERWINSKI. Mr. Chairman, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from Illinois.

Mr. DERWINSKI. I thank the gentleman for yielding.

I am pleased to have this support from the gentleman from Maryland. I only wish that he would extend that by following my lead in other amendments coming up later in the bill.

Mr. BAUMAN. When does the next junket leave? I may indeed follow the gentleman and I do thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Maryland (Mr. BAUMAN).

The amendment was agreed to.

The CHAIRMAN. Are there further amendments to title I? If not, the Clerk will read.

The Clerk read as follows:

TITLE II—FOOD FOR PEACE

EFFECTIVENESS OF FOOD ASSISTANCE IN MEETING BASIC FOOD NEEDS

SEC. 201. The Congress finds that food assistance provided by the United States to developing countries under title I of the Agriculture Trade Development and Assistance Act of 1954 often is distributed within those countries in ways which do not significantly alleviate hunger and malnutrition in those countries. In order to determine how United States food assistance can be more effectively used to meet the food needs of the poor in developing countries, the President shall submit to the Congress not later than February 1, 1979, a report (1) explaining why food assitance provided to developing countries under title I of the Agricultural Trade Development and Assistance Act of 1954 is not more successful in meeting the food needs of those suffering from hunger and malnutrition, and (2) recommending steps which could be taken (including increasing the proportion of food assitance which is furnished under titles II and III of that Act) to increase the effectiveness of food assistance under that Act in meeting those needs.

TRANSPORTATION COSTS FOR FOOD FOR DEVELOPMENT PROGRAMS

SEC. 202. Section 304 of the Agricultural Trade Development and Assistance Act of 1954 is amended by adding at the end thereof the following new subsection:

"(d) The Commodity Credit Corporation may pay, with respect to commodities made available under this title to a country on the United Nations Conference on Trade and Development list of relatively least developed countries, ocean freight charges from United States ports to designated ports of entry abroad or to designated points of entry abroad in the case of landlocked countries.".

APPLICATION OF FOOD FOR DEVELOPMENT PROCEEDS TO REPAYMENT OBLIGATIONS

SEC. 203. Section 305 of the Agricultural Trade Development and Assistance Act of 1954 is amended—

(1) by inserting "(a)" immediately after "SEC. 305."; and

(2) by adding at the end thereof the following new subsection:

"(b) Such disbursements shall be deemed to be payments with respect to the credit furnished pursuant to the agreement or if, in the case of a country on the United Nations Conference on Trade and Development list of relatively least developed countries, the disbursements in a fiscal year are greater than the amount of the annual repayment obligation which that country would have to meet for that fiscal year under the agreement but for the disbursements in accordance with the Food for Development Program, then the disbursements which are in excess of the amount of that annual repayment obligation may, to the extent provided in the agreement, be considered as payments with respect to the annual repayment obligations of that country for that fiscal year under other financing agreements under this Act.".

Mr. ZABLOCKI (during the reading). Mr. Chairman, I ask unanimous consent that title II be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

AMENDMENT OFFERED BY MR. JOHNSON OF COLORADO

Mr. JOHNSON of Colorado. Mr Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JOHNSON of Colorado: Page 35, immediately after line 9, insert the following new section:

TOBACCO AND TOBACCO PRODUCTS

"SEC. 204. Section 402 of the Agricultural Trade Development and Assistance Act of 1954 is amended by striking the following words in the first sentence of such section: 'for the purposes of title II of this Act,'."

Mr. JOHNSON of Colorado. Mr. Chairman, I hate to unleash the furies at this time of the night. I remember what happened the last time that we offered this amendment. I spoke for about 4 or 5 minutes and then the continuous tirades went on for about an hour against me and against my offering this particular amendment. I would like not to have to go on too late this evening with this. I would just like to present the argument one more time with respect to knocking tobacco and tobacco products out of this program.

Mr. Chairman, this amendment simply knocks out tobacco and tobacco products from eligibility for use in the food-for-peace program. Last year the House approved this particular amendment the first time we had it by a vote of 229 to 178.

Subsequently, when it came back for reconsideration, an amendment was offered and the amendment provided that tobacco would be put at the lowest priority in the food-for-peace program—we are talking about title I now—that other agricultural commodities would have priority and that tobacco would be at the lowest level.

As a result of that, Mr. Chairman, the Department of Agriculture has modified its position. The argument is made, or will be made once again, I know, that this is a device to harm the small tobacco farmers in the South. That is not true. I have no desire to harm the small tobacco farmers in the South. I have asked many Members in offering amendments in the subcommittee and in the Committee on Agriculture to protect people who are growing tobacco from this inevitability which will face us soon one day. I do not know whether we will do it today or not, but one day this Congress and this United States have to face up to the inconsistency of promoting and supporting tobacco products at the same time we recognize that it is the most deadly poison we consume in this country.

We will ultimately do that. Whether we do it today or not, I do not know; but this is just one small step. Somebody has to keep talking about this. Otherwise we will not be aware of it and this anomaly will go on and we will be in the silly position of this United States spending hundreds of millions of dollars to support a particular commodity at the same time that the Secretary of one of the departments is saying we should spend $30 million to discourage its consumption.

Mr. MAGUIRE. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of Colorado. I yield to the gentleman from New Jersey.

Mr. MAGUIRE. Mr. Chairman, I just want to commend the gentleman from Colorado on his amendment. The gentleman is absolutely right. Tobacco is not a food and as it is used it causes cancer, heart disease, and other lung malfunctions. There is no reason in the world that it should be included in this act. I think at some point we have to deal with the issue on the facts.

Mr. PERKINS. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of Colorado. I would like to finish my statement; otherwise we will just get into a harangue here all night. Just let me finish my statement and the tobacco folks can take over, if the gentleman does not mind.

Mr. Chairman, let me just give the Members these figures to show them that this is not really going to cause any significant damage to the tobacco-growing industry.

Last year we exported $1.7 billion worth of tobacco. Only $55 million of that was included in the food-for-peace program last year. That was $1.7 billion last year, and $55 million was included in food-for-peace.

As a result of the amendment which was adopted last year, the Department is now reducing the amount of food-for-peace tobacco to $11 million; $11 million goes to tobacco in food-for-peace this year. That is as a result of the amendment we adopted last year, the one that says tobacco has the lowest priority under food-for-peace.

That $11 million is going to go, according to their estimates, to Guinea, Lebanon, and Zaire, and I submit to the Members that those 3 countries, even though this is only $11 million, would probably be better off to be excluded under title I in the food-for-peace program than they would be to have tobacco under title I in the food-for-peace program.

This last year we shipped tobacco under the food-for-peace program to Egypt, the Philippines, Portugal, Sierra Leone, Syria, and Zaire. This year we are cutting the list down to Guinea, Lebanon, and Zaire.

I submit to the Members that this inconsistency, this anomaly, has gone on long enough, and that the food-for-peace program should be just that—a food program. It should not be a "poison" program; it should not be a "cancer" program; it should be just a food program. That is the title of the program.

If we read through the literature, if we read through the report, if we read through the bill, we find that we keep talking about a food program.

Mr. Chairman, let us eliminate tobacco from this program and get rid of it once and for all.

Mr. PERKINS. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of Colorado. If I have time, I will yield to the gentleman from Kentucky.

Mr. PERKINS. Mr. Chairman, the gentleman from Colorado (Mr. JOHNSON) keeps talking about a food-for-peace program and he talks about title II. This is a sales program.

Mr. JOHNSON of Colorado. This is title I of the program.

Mr. PERKINS. It is under title I, and it has priority. Tobacco is never promoted under section 402; is that right?

The CHAIRMAN. The time of the gentleman from Colorado (Mr. JOHNSON) has expired.

Mr. ZABLOCKI. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in order to make a short statement and an announcement.

It had been the intention of the chairman of the committee to finish consideration of this bill tonight, and there was a glimmer of hope that we could have done that, had we not had as many quorum calls and rollcall votes on amendments as we had earlier today.

On the pending amendment, Mr. Chairman, I notice that there is a little smoke and a little fire rising around it. Therefore, I would suggest that we put this amendment in our pipes and consider it overnight.

Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. LEVITAS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 12222) to amend the Foreign Assistance Act of 1961 to authorize development and economic assistance programs for fiscal year 1979, to make certain changes in the authorities of that act and the Agricultural Trade Development and Assistance Act of 1954, to improve the coordination and administration of U.S. development-related policies and programs, and for other purposes, had come to no resolution thereon.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. Sparrow, one of its Clerks, announced that the Senate had passed with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 2176. An act to amend the Accounting and Auditing Act of 1950 to provide for the audit, by the Comptroller General of the United States, of the Federal Reserve System, the Federal Deposit Insurance Corporation, and the Office of the Comptroller of the Currency, and for other purposes.

The message also announced that the Senate disagrees to the amendments of the House to (S. Con. Res. 80) entitled "An act setting forth the congressional budget for the U.S. Government for the fiscal year 1979," agree to a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. MUSKIE, Mr. MAGNUSON, Mr. HOLLINGS, Mr. CRANSTON, Mr. CHILES, Mr. ABOUREZK, Mr. BELLMON, Mr. DOLE, Mr. DOMENICI, and Mr. HEINZ to be the conferees on the part of the Senate.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 2821. An act to authorize $8,868,000 for grants to the government of Guam for construction of public facilities, and for other purposes.

REQUEST FOR CONSIDERATION OF SENATE AMENDMENTS TO HOUSE JOINT RESOLUTION 873, URGENT SUPPLEMENTAL APPROPRIATION FOR SBA DISASTER LOAN PROGRAM, 1978

Mr. MAHON. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the joint resolution (H.J. Res. 873), making an urgent supplemental appropriation for the disaster loan program of the Small Business Administration for the fiscal year ending September 30, 1978, and for other purposes, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the joint resolution.

The Clerk read the Senate amendments, as follows:

Page 1, line 3, strike out "sum is" and insert "sums are".

Page 1, after line 12, insert:

DEPARTMENT OF LABOR

EMPLOYMENT AND TRAINING ADMINISTRATION

EMPLOYMENT AND TRAINING ASSISTANCE

For an additional amount for "Employment and Training Assistance," $63,000,000 to remain available until September 30, 1979.

Page 1, after line 12, insert:

SENATE

PAYMENTS TO WIDOWS AND HEIRS OF DECEASED MEMBERS OF CONGRESS

For payment to Norma C. McClellan, widow of John L. McClellan, late a Senator from the State of Arkansas, $57,500.

For payment to Donna H. Metcalf, widow of Lee Metcalf, late a Senator from the State of Montana, $57,500.

For payment to Muriel Humphrey, widow of Hubert H. Humphrey, late the Deputy President Pro Tempore of the Senate and a Senator from the State of Minnesota, $65,000.

Amend the title so as to read: "Joint resolution making an urgent supplemental appropriation for the disaster loan program of the Small Business Administration for the fiscal year ending September 30, 1978, and for other purposes.".

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. BAUMAN. Mr. Speaker, reserving the right to object, I understand that this request embodies action by the other body adding $63 million for a summer job program which the House apparently has not considered.

I wonder if the gentleman will withhold his request until tomorrow, so that some of us might have a chance overnight to consider exactly what it is that has been done and fully research it.

Mr. MAHON. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. I yield to the distinguished gentleman.

Mr. MAHON. Mr. Speaker, the employment and training assistance item of $63 million which was added in the Senate was added for the purpose of enabling the Department of Labor to provide summer jobs at the level which was approved by the Congress. It is authorized, of course.

Let me read this from the statement:

The fiscal year 1978 appropriation for employment and training assistance in-

cludes $693 million dollars for the summer youth employment program to support 1,165,000 slots at an assumed minimum wage of $2.30 per hour.

In view of the increase in the minimum wage standard, it would not be possible to meet this total with the money that has been provided. So the other body added the $63 million. I was just hopeful that we could dispose of the matter today.

Mr. BAUMAN. Mr. Speaker, further reserving the right to object, I do not think that a 15-hour delay will hurt.

Mr. Speaker, if the gentleman presses his request, I would have to object at this time.

Mr. MAHON. Mr. Speaker, I withdraw my request.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 12641, PROVIDING FOR TEMPORARY INCREASE IN PUBLIC DEBT LIMIT

Mr. MURPHY of Illinois, from the Committee on Rules, submitted a privileged report (Rept. No. 95–1138) on the resolution (H. Res. 1176) providing for the consideration of the bill (H.R. 12641) to provide for a temporary increase in the public debt limit, which was referred to the House Calendar and ordered to be printed.

NORTHWEST AIRLINES SHOULD GO BACK TO THE BARGAINING TABLE

(Mr. FRASER asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. FRASER. Mr. Speaker, for many days now a large number of American cities and hundreds of thousands of the residents of these cities have suffered a loss of air transportation because of a labor-management dispute at Northwest Airlines.

Tuesday morning's Minneapolis Tribune had a forceful editorial urging the parties to go back to the bargaining table. As the editorial says, this is "not just a private affair." The public interest demands a settlement.

Whatever the issues may be in this dispute, the management of Northwest Airlines has earned a reputation for poor labor-management relations and an unwillingness to negotiate and give collective bargaining a fair chance.

Too many people and communities are suffering from this dispute to permit the parties to jockey for position at public expense. If the management of Northwest Airlines and the union want to prove their good citizenship, they will return to the bargaining table at once and seek a speedy solution to this very unfortunate affair.

The editorial referred to is as follows:

[From the Minneapolis Tribune, May 9, 1978]

THE NORTHWEST PILOTS' STRIKE

Northwest Airlines and its pilots have shown again that they can accept a strike as the cost of bargaining. Whatever that may do for company and union self-images, it hurts others: travelers, shippers, nonstriking Northwest employees who have been laid off, businesses that serve the airline or its customers, communities on Northwest's routes. The public interest requires an early settlement.

Neither the airline nor the pilots deserve sympathy. Northwest has made much of the high pay and other benefits that pilots receive. In newspaper ads last week the company listed the 1977 earnings of 1,455 Northwest pilots, from a low of $28,575 to a high of $85,096. Salaries of various public officials were stuck into the list, too, in case anyone missed the point that airline pilots are well paid. But the salary comparison is irrelevant. We doubt that many people will be distressed to learn that Al Hofstede, Rudy Perpich and Wendell Anderson earn less than a lot of pilots. Mayors, governors and senators aren't expected to fly 747s, either.

The pilots would prefer comparisons with other airlines, and they say that non-pay issued like working hours are the main obstacles. But some of what they want—benefit improvements, for example—would add to Northwest's costs. While we make no judgment about the merits of the company's offer and the union's demands, the pilots' current pay and benefit levels are a long way above hardship. Those levels would increase under the company proposal. Perhaps they would be higher yet if based on industry averages. But in a high-pay profession, surely industry comparisons are not the only criteria for fairness.

Northwest and its pilots can decide what is fair, but not until they get back to the bargaining table. Sparring at a distance is inexcusable when so many not involved in the dispute are being harmed. Both sides seem to have forgotten that a strike in any major transportation industry is not just a private affair.

U.S. GROUND TROOPS SHOULD NOT BE WITHDRAWN FROM REPUBLIC OF KOREA

(Mr. BADHAM asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. BADHAM. Mr. Speaker, I recently received a letter from the Reverend Michael J. McFadden, S.S.C., chairman of St. Peter's Rural Development Association in the Republic of Korea, pertaining to the withdrawal of U.S. ground troops from that country.

Reverend McFadden clearly and correctly points out that the presence of our troops has effectively deterred Kim Il Sung, the Communist leader of North Korea, from his long held intention to take the Korean Peninsula by any means necessary.

With the knowledge that our actions in Korea will have decisive effects on all of the other major Pacific nations, I hope my colleagues will read Reverend McFadden's letter, and I am including it at this point in the RECORD.

The letter is as follows:

ST. PETER'S RURAL DEVELOPMENT ASSOCIATION, INC.,
April 18, 1978.

DEAR CONGRESSMAN BADHAM: As Chairman of St. Peter's R.D.A., a non profit Co-op working in the countryside of Mun Mak, Republic of Korea, as a fellow American who shares your great interest in and concern for these wonderful Korean People and their future (I have spent over 20 years working with them), I would like to share further with you some grave considerations of mine and many other Asian people I know personally.

The tragedy of the Carter Administration's Troop Withdrawal Policy for Korea where 33 years of respect, abiding trust and mutual friendship were born in blood, Korean and American, mixed on the battlefields of the Korean War and Vietnam, that the people at the grass roots no longer believe in the United States of America. We talk about our commitment to be a Pacific Power, but no one in Asia believes our promises, for our very actions turn our words into lies.

The U.S.A. is showing a shocking lack of morality (which we are so quick to point out in others these days) to the Korean and Asian peoples by the Administration adopting a dual policy—one for Europe, and a different commitment in Asia.

The American people are being misled on the Korean Issue by the Media and by the Administration. Korea gate has clouded the "raison d'etra" of why we are in Korea and the fantastic development that Korea has accomplished because of the American people's largess and our military presence here. Americans are a most understanding people when they are given the unvarnished facts.

The reason the U.S. ground troops are sitting on the corridor between Seoul and the DMZ less than 30 miles from Seoul is to prevent a war. They have accomplished this for 25 years by their presence in this position. The increase in U.S. Air and Sea Power in Korea offers no succor to the Koreans or Asians, for what flies in can fly out and what sails in can easily sail away.

It is common knowledge that it has been the expressed goal of Kim Il Sung to get the U.S. ground troops out of Korea ever since the end of the Korean War. He said again just recently that the "problem of reunification is simply a matter of North Korea taking back the people and the land which were stolen from us."

The decision of the Administration to withdraw American troops unconditionally, without asking for anything in return is interpreted by North Korea as an expression of our American weakness and lack of resolve. The withdrawal under such circumstances encourages North Korean aggressive intentions and seriously escalates the threat of renewed conflict perhaps involving a Third World War or conflagration should I say. There is no way that the ground troop withdrawal, without dialogue and firm non-aggression commitments or other safeguards between North and South can enhance the peace and prosperity of 35 million Korean People, as well as the other freedom loving Peoples of Asia. We can only view the Administration's Policy as an error of judgment and hope that you will do all in your power to correct this before it is carried out. We would be most interested in any views you have concerning our evaluation of the situation. Thank you.

Respectfully yours,
REV. MICHAEL J. MCFADDEN, S.S.C.

LIBERAL DEMOCRATS STILL ARE BIG SPENDERS

(Mr. ASHBROOK asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. ASHBROOK. Mr. Speaker, if there ever was any doubt—and there was very little—about this Democratic-controlled Congress changing its stripes and spots, becoming a taxpayer-conscious body rather than a big spending, wasteful disgrace, those doubts have been resolved against the American taxpayer in the past few weeks.

Yesterday, the welfare lobby won a great victory when the Speaker and the liberal Democrat leadership were able to convince enough of the majority Members to reverse their vote of the previous day, a vote which was cast for the American taxpayer and against the bureaucrats, on my HEW amendment.

When the Humphrey-Hawkins bill was before the House last month, the Democrat leadership voted solidly against my amendment which would have included a balanced budget, something the President has said he wants, as one of the targets in that exceptionally bad piece of economic-political planning legislation. No, the Democrats only want to target unemployment and expand the Government to the rafters for that one elusive goal. The vote was 206 Democrats and only 9 Republicans against the balanced budget proposal with 134 Republicans and 71 Democrats favoring my proposal. This 205 to 215 vote laid bare the liberal Democrats' true plans. They never have been and never will be for balanced budgets.

On April 18, I offered an amendment to cut a very small amount from the National Science Foundation authorization, $6 million out of the $10 million increase. Not a deep cut, just a small message to send to the promoters of those crazy projects to study brothels or the sweat habits of aborigines and so forth. Every taxpayer has been shocked at the foolish waste in this agency. What happened? Again the liberal Democrat leadership came down strongly for the spending, endorsing the entire record of NSF and giving them the full $152 million to spend. Again the spending bloc, led by 186 Democrats thumbed their noses at the American taxpayers. This 174 to 229 vote was another clear position of the Democratic majority's spending record.

On Tuesday, this spending stripe was again shown when by Democratic colleague from Virginia, Congressman FISHER, offered an amendment which would have cut a measly 2 percent across the board from the bloated, spenders' paradise budget. What happened? Well, when the 15 minutes had expired for the vote, we had won. The Speaker and the Democrat leadership went to work and changed 16, yes 16 votes in the well even though it took an extra 20 minutes to do it, something extraordinary. Sixteen Democrats switched their votes so the Fisher amendment was defeated, 195 to 203. How did the votes line up? Again, as usual, 188 Democrats, the overwhelming majority joined only 15 Republicans to vote against the taxpayer and for the big spenders; 73 Democrats and 122 Republicans teamed up in the losing effort for the taxpayers. A few of these who voted against the cut were concerned about cuts in defense and their votes were understandable. Not understandable, however, was the hard core, persistent bloc of liberal Democrats who never vote for cuts except—repeat except—in the military area.

THE WELFARE LOBBY AT WORK

Most notably, my effort to trim HEW's excessive and scandal-ridden budget of a slight, 2-percent cut in the net increase the 1979 budget would have received over 1978 spending, is a case example of the welfare lobby and the liberal Democrat majority at work.

The HEW Inspector General's report indicated that between $6.3 billion and $7.4 billion of HEW funds are lost through fraud, mismanagement, and waste.

I have proposed a moderate effort to stop such wholesale waste of tax dollars by suggesting the Congress cut HEW funds by only half of the lowest estimate of such fraud, mismanagement, and waste.

Furthermore, I have proposed that the Congress take the cuts through even-handed cuts on the various functional areas of HEW programs.

The net effect of my proposal would not be to cut HEW in its present size. Rather, it would be to prevent the Congress from increasing HEW funds as much as the Budget Committee has proposed.

Let me point out the dimensions of my amendment:

The Budget Committee proposed that we increase HEW in functions 500, 550, and 600 by approximately 9.7 percent. My proposal would cut the increase for HEW overall by 7.9 percent.

In function 500, the Budget Committee would increase HEW by 11 percent. My proposal would limit the increase to 9.4 percent.

In function 550, the Budget Committee would increase HEW by 11.4 percent. My proposal would limit the increase to 6.9 percent.

In function 600, the Budget Committee would increase HEW by 8.7 percent. My proposal would limit the increase to 8 percent.

Given the admitted inability of HEW to manage properly the funds provided it, the case for increasing the funding for that agency at a rate 1½ times the rate of inflation must be considered a very weak case. My aim is to slow down the rate of growth in HEW funding, hoping that the cutback will lead that agency to become more effective in helping the Nation's needy and less bountiful in rewarding the agency's inept managers.

Let me repeat one figure. The 1979 budget would reflect an increase of $24 billion in HEW spending so my cut of $3.1 billion would not cut vital services, only cut some of the fraud, waste, and abuse out of the increase.

The HEW lobby went to work. Hundreds of phone calls came into Capitol Hill. One Minnesota colleague was told that a small grant for alcoholism in his State would be cut. My office received 25 calls of Members who were told similar and untrue horror stories by the welfare clique. On and on it went. Threats of cutting biomedical research. Threats of everything except some sound management initiatives by Secretary Califano and his tens of thousands of employees who stand convicted of fraud, abuse, waste, mismanagement in the expenditure of your tax money.

As I pointed out, this fraud, abuse, waste, and mismanagement are possible, because this same welfare bloc of liberal Democrats in the Congress consistently votes more and more billions to these bureaucrats. As long as that happens, there never will be a cut in that sieve-like Department that squanders so much. How much is $7 billion? Think of this:

That waste, fraud, and abuse at HEW cost more than the total personal income tax liability of the entire State of Ohio in the most recent year for which figures are available, 1975. That year, Ohioans paid $6,656,959,000 in personal income taxes.

Another example: The combined income taxes paid by the residents of 15 States equal the $7 billion HEW admits misspending through waste mismanagement, and fraud last year. The 15 States are: Alaska, Delaware, Hawaii, Maine, Montana, Nevada, New Hampshire, New Mexico, North Dakota, Rhode Island, South Dakota, Utah, Vermont, West Virginia, and Wyoming.

One final example of how much is $7 billion: It is equal to the total combined income taxes paid by 5 million households with an income of $15,000 each.

On a daily basis, the $7 billion misspent by HEW last year through waste, mismanagament, and fraud equals $19 million. Yes, $19 million a day was what HEW misspent last year through waste, mismanagement, and fraud.

The same administration that lobbies so hard against cutting even token amounts from their bloated budget has no qualms about pouring our money down a thousand rat holes throughout the world in foreign aid and wasteful giveaway projects. Just this last month the administration proposed to forgive $200 million in bad debts on its aid programs to so-called third world nations, most of whom are no friends of ours. Some contrast to the treatment our cities and schools receive from heavy-handed bureaucrats.

Today we will get another insight into this Democrat controlled Congress penchant for big spending. I will again offer my amendment to prevent direct and indirect aid to the Communist nations of Vietnam, Cuba, and Cambodia. The State Department is already conducting a hard charging fight against this amendment, as in the past. They want taxpayers' money to be funneled to these undeserving, Communist nations. This is a fraud and something that could not stand the light of day if enough Americans knew.

Taxpayers should take note who their friends are on the Hill. Seventy to eighty Democrats consistently team up with 85 to 90 percent of the Republican legislators to form an economy bloc. Two hundred Democrats consistently vote for spending, joined unfortunately from time to time by 10 to 15 Republicans, to make sure that the spenders have their way. A time of accountability is coming. Hopefully, in November.

TAXPAYERS INDEPENDENCE DAY

The SPEAKER pro tempore (Mr. TSONGAS). Under a previous order of the House, the gentleman from Illinois (Mr. MICHEL) is recognized for 60 minutes.

Mr. MICHEL. Mr. Speaker, let me say that when we first thought of setting aside a day dedicated to taxpayers, we chose May 11 for a good reason. The chamber of commerce recently did some research and decided that the average American will work until May 11 of this year—131 days—just to pay his Federal, State, and local taxes.

But last week I read a news article in which it was reported that the Tax Foundation, using its own research methods, says that May 6 was the day on which taxpayers all begin working

for themselves and not for the Government.

Mr. Speaker, I hope the Tax Foundation figure is correct. I hope that we have been working for ourselves for the past 5 days. But we must be prudent when it comes to things like taxes, so I believe that if choosing May 11 proves to be in error we have at least erred on the side of commonsense. If the Government has even the possibility of squeezing 5 more tax days out of us, you can bet it will.

Whether you prefer May 6 as Tax Freedom Day—as the Tax Foundation states, or May 11 as Taxpayers Independence Day—as we proposed—either way it is a melancholy statement about the tax burden borne by the American people.

So I have asked my fellow House Members to observe Taxpayers Independence Day, today, in order to call attention to the plight of the millions of Americans who foot the bill for government at the Federal, State, and local levels.

Since the Congress refuses to help these Americans through more efficient government, meaningful tax reductions or major cuts in Federal spending, the very least we can do is tip our hats to them once a year while we are picking their pockets.

In subcommittee and in committee and on the floor we hear calls for more and more tax dollars, more and more programs. All of this is done without regard to the elementary fact that every Federal program must be paid for out of tax dollars or by adding to the Federal deficit.

It has been my experience that no one is more generous than a Congressman giving away somebody else's money. His generosity exceeds all limits. He will not be satisfied until the last nickel is shaken loose from somebody else's pockets. I have heard speeches on this floor so filled with pious thoughts and words about the need for this or that program that only someone truly insensitive could listen without shedding a tear. But I rarely hear any words of compassion about the guy who pays the bills for all this secondhand generosity.

And what does he get for his money? What has the taxpayer been getting for the past 131 days? That is a leading question, but let us look at some of the Federal lunacies tax dollars buy.

Well, according to a headline in the April 16, 1978, New York Times, the taxpayer has been getting fraud for his money, and quite a bit of it. "Fraud in Federal Aid May Exceed $12 Billion Annually, Experts Say."

Twelve billion dollars is lost in fraud alone. The Department of Health, Education, and Welfare estimates "that at least $6.3 billion to $7.4 billion was lost through fraud, abuse, and waste last year."

Note that slight margin of error—$1.1 billion. Let us round it off and call it $7 billion in fraud in one Federal agency alone.

That is what the taxpayer is getting for his money.

But that is not all. Along with fraud, the taxpayers get regulations. This is how U.S. News & World Report recently put it:

> The President promised to cut the burden of Federal regulations on American business and consumers. So, what has happened since 1976? A study for a congressional committee says the cost resulting from Federal rules in 1978 could reach 96.7 billion dollars, up 31.2 billion in two years.
>
> The mass of regulations now adds $666 to the price of the average car, an increase of $216 since 1976. That's about par for the course in Washington.

A Senate committee recently heard about high salaried Government officials who do not work, but get paid because it is too hard to fire them.

Mr. Speaker, I would love to see the day when those whose voices crack with emotion when they are happily spending someone else's money for programs filled with waste, fraud, and overregulation, make similarly emotional apologies to the taxpayers. Wouldn't it be wonderful if we could get this floor filled with repentant spenders, all coming up to the podium, drowning the floor with tears of regret over their shameless abuse of the trust and the money of hardworking Americans?

Wouldn't it be great if we could have subcommittee and committee hearings where Congressmen fought tooth and claw to see who could cut the most from the budget?

But enough of fantasies. Truth, in all its economic ugliness is the order of the day. Let us go on and see what else the taxpayer gets for his money except fraud and regulation.

Well, he gets programs from time to time. Some are worth mentioning as bad examples.

As if things are not bad enough in Washington we made it into Hollywood East. Federal filmmakers cost the taxpayers $500 million last year. Do we really need $500 million worth of Federal films?

In 1947, spending for education, at all levels of government was $3 billion; in 1957 it was $12 billion; in 1977 it was $67 billion. During this time, what have taxpayers received from all that money? Dramatic falls in test scores, an epidemic of functional illiteracy, violence in the schools, and a wholesale loss of confidence in our schools. I have listened to debates on the Federal education budget for more years than I care to remember, and not once can I recall the spenders make any apology about this colossal, monumental failure. All we hear, year after year, are cliches of the education lobby and many references to how much they care.

Between 1945 and 1975 this Nation contributed a total of $171 billion in foreign assistance. As columnist Patrick Buchanan put it:

> Yet after all those billions in aid, America has never been more envied, isolated and hated; and dictatorship seems everywhere triumphant. Freedom has been almost extinguished in Asia, Africa and much of Latin America—and democracy is in doubt even in West Europe. Yet reportedly Carter and Vance plan dramatic increases in foreign assistance in coming years. Why?

Inflation pushes wage-earners into higher tax brackets without any rise in real income. Tax cuts in recent years have not benefited the middle class, those who need it most.

Our need for capital investment depends upon those with enough money to invest, but a combination of political demogogery and economic ignorance in the Congress has made it impossible to write tax laws that would make capital investment an attractive possibility for this portion of the taxpaying public. According to a recent article in the Washington Post,

> The richer half of the Nation's income brackets are paying 94 percent of the Nation's income taxes. The other half is paying the rest.

But the President is not offering tax relief to the taxpayers who pay almost all income taxes.

And yet, despite all this, Americans pay their taxes with a degree of regularity and honesty that is one of the wonders of the world. I do not believe this patience can be expected to last much longer. There is a breaking point for everyone and I believe a tax revolt is coming. I do not know what form it will take. But it will come. Make no mistake about that.

Mr. Speaker, I hope Taxpayers Independence Day becomes a nationally recognized day of rememberance for those who make this system work. Yes, the tax dollars often are spent for programs that we need as a Nation. But there is too much fraud, too much unnecessary regulation, too much inflation, too many wasteful foolish programs.

All I want to say today is that this Congress should dedicate itself to doing as much as humanly possible to rid this Nation of these economic disasters.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I am happy to yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Speaker, many in this House are pleased to take part in celebrating Tax Freedom Day. This happens to be the first day in the year in which American taxpayers start working for themselves instead of for the funding of Federal, State, and local government. According to the Tax Foundation, Inc., Tax Freedom Day this year fell on May 6, 2 days later than last year. Incredible as it may seem, the average citizen has spent more than one-third of the year working to pay his share of the 1978 tax bill.

Taxes now absorb more of the family budget than any other item, more than the cost of housing and household operation, more than the cost of food and beverages, or transportation, or medical care, or clothing. The cost of almost everything has gone up because of inflation, but taxes have gone up much faster than inflation. From 1967 to 1977, the Consumer Price Index, which includes the cost of taxes, rose a little over 80 percent. But as the May 8 issue of Time magazine shows, Federal income taxes have gone up 125 percent, social security taxes 122 percent, corporate profit taxes 112 percent, sales taxes 199 percent, property taxes 132 percent, and State and local income taxes 405 percent. Taxes have constituted a disproportionate share of the rising cost of living, and the American people are angry about it.

The root cause of the growing tax burden is the uncontrolled growth of gov-

ernment spending, and especially, Federal spending. Whenever a problem is perceived, whether in housing, health care, unemployment, or practically anything else, a government program is created to take care of it. If the government program fails to resolve the problem, as it usually does, then Congress renews its effort by increasing spending on the ineffective program. It seems to be the rule that the failure of a Federal program is matched by an increase in its budget. Meanwhile, a spending constituency is created which lobbies Congress whenever its annual appropriation is considered, making it virtually impossible to eliminate any program—ever.

But taxes keep going up to pay for these programs. Tax Freedom Day comes a little later each year.

Let me express my appreciation to our distinguished colleague from Illinois (Mr. MICHEL) for setting aside this time to speak out on this important subject.

Mr. MICHEL. I thank the gentleman for his contribution. Of course, he has contributed a great deal, particularly in this past week in our consideration of the budget resolution, with some active participation in that debate, and with his own amendment, which was defeated, and those which he supported where we had some close votes.

Mr. ROUSSELOT. I am pleased to say that we are now up to 170 votes for a balanced budget and a tax cut, so perhaps we will make it the next time.

Mr. RUDD. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Arizona.

(Mr. RUDD asked and was given permissions to revise and extend his remarks and to include extraneous material.)

Mr. RUDD. Mr. Speaker, I want to thank our distinguished minority whip, Congressman BOB MICHEL, for the valuable service he has performed for the people of our Nation by taking this time today to discuss the important issues of over-burdensome Government taxation and resulting inflation.

This is truly the No. 1 concern of the people of my congressional district in Arizona and throughout the Nation.

I addressed this problem in remarks of my own last week, and outlined legislation and Government policies that I have proposed and supported to reduce Government spending to lower taxes, and to effectively fight inflation.

My own research of data on national income and Government taxation, provided to me by the Library of Congress from official Federal Government sources, shows that taxation at all levels of government is now taking 44.04 cents from every dollar earned by our people and their business enterprises.

Let me repeat that horrifying fact.

Taxation is now taking just over 44 cents of every dollar—44 percent of all earnings—from productive Americans—taxpayers.

No wonder we spend the first 5 months of the year working just to earn enough to pay our taxes.

Americans who work and who invest in our productive economy will truly be economic slaves if we let that taxation increase—if Congress does not take responsible action now to lower Federal spending, to return Government responsibility and power to the people at State, county, and municipal levels of Government, which will result in better Government and more economic freedom of choice for all the people.

Mr. Speaker, I am horrified, as are my Arizona constituents, by the steady increase in Government programs and spending, especially by the Federal Government.

The cost of the Federal Government has more than doubled just since 1969.

The average taxpayer's share of the Federal budget 10 years ago was $2,385.58. Each taxpayer's burden for the President's proposed fiscal year 1979 Federal budget would be $4,380.63. That is an unconscionable $8,761.26. For a family with two taxpayers.

No wonder taxpayers are on the verge of revolt.

That is why I join many of my colleagues in opposition to so much continued and increasing Federal Government spending programs, and in efforts to return economic power and political power to the people at lower levels of Government and in the private sector of our economy.

I have prepared a chart that shows the increased cost of the Federal Government over the past 10 years, for each agency of Government.

This chart shows the per capita cost of each branch of the Federal Government, the average cost for each taxpayer—including corporate taxpayers—and the percentage increase in the per capita cost over the past decade.

I have also adjusted the percentage increase in the cost of the Federal Government so that this percentage reflects the impact of inflation, for purposes of information and comparison.

There can be no argument that Federal spending and the cost of Government have increased far beyond reason or public need.

We must continue working and demanding a change in this recklessness by Congress, in hopes that voters will soon elect a majority of Congressmen and Senators who share our views on the need to reduce Government spending and taxation.

Mr. Speaker, I would like to include my chart on Federal Government budget increases at this point in the RECORD:

THE COST OF THE FEDERAL GOVERNMENT, 1969-79

Branch of government or agency	1969			1979			Percent increase in per capita cost	Percent increase (adjusted for inflation)[4]
	Budget[1] (millions)	Per capita cost[2] (dollars)	Taxpayer burden[3] (dollars)	Budget[1] (millions)	Per capita cost[2] (dollars)	Taxpayer burden[3] (dollars)		
Executive Office of the President	$31	$0.15	$0.35	$78	$0.36	$0.60	+140	+20
Funds appropriated to the President	4,967	24.47	55.81	5,089	23.71	38.88	−3	−106
Department of—								
Agriculture	8,330	41.03	93.59	17,727	82.60	135.42	+101	+1
Commerce	854	4.21	9.60	4,385	20.43	33.50	+385	+143
Defense	79,135	389.88	889.27	117,747	548.68	899.51	+41	−42
Energy	2,450	12.07	27.52	10,087	47.00	77.06	+289	+95
Health, Education, and Welfare	46,594	229.53	523.52	181,265	844.66	1,384.76	+268	+84
Housing and Urban Development	1,529	7.53	17.18	9,529	44.40	72.80	+490	+195
Interior	837	4.12	9.40	4,002	18.65	30.57	+353	+126
Justice	515	2.54	5.78	2,533	11.80	19.35	+365	+132
Labor	3,475	17.12	39.04	25,134	117.12	192.00	+584	+242
State	437	2.15	4.91	1,355	6.31	10.35	+193	+47
Transportation	5,970	29.41	67.08	15,798	73.62	120.69	+147	+25
Treasury	16,924	83.37	190.15	62,612	291.76	478.32	+250	+75
Veterans' Administration	7,669	37.78	86.16	19,238	89.65	146.97	+137	+19
National Aeronautics and Space Administration	4,247	20.92	47.72	4,269	19.89	32.61	−5	−110
Environmental Protection Agency				5,679	26.46	43.38	+410	+147
Other Federal agencies	3,970	19.55	44.60	28,000	130.50	213.94	+568	+234
U.S. Postal Service[5]	920	4.53	10.33	1,830	8.53	13.98	+88	−6
U.S. Congress	277	1.36	3.11	1,175	5.48	8.98	+303	+101
Federal courts	109	.54	1.22	489	2.28	3.74	+322	+111
Interest on the national debt[6]	23,070	113.66	259.24	55,400	258.15	423.22	+127	+14
Total	212,310	1,045.92	2,385.58	573,421	2,672.04	4,380.63	+155	+43

[1] Source of figures: Fiscal year 1971 Budget in Brief (fiscal year 1979 "Actual" column), p. 69; fiscal year 1979 Budget of the U.S. Government (fiscal year 1979 estimated column), p. 429.

[2] Average cost of the Federal Government budget for every man, woman, and child in the United States, computed on the basis of U.S. Census Bureau population figures for 1969 and 1977.

[3] Average taxpayer burden of Federal Government programs for every taxpayer in the United States (individual and corporate), computed on the basis of Internal Revenue Service data on the number of taxpayers in 1969-70 and 1976-77.

[4] Real percentage growth in the per capita cost of Federal Government programs, using a deflator to account for average annual inflation (1969-79), computed on the basis of the Consumer Price Index and Federal Government Purchases of Goods and Services Implicit Price Deflator, Bureau of Economic Analysis, U.S. Department of Commerce.

[5] U.S. Postal Service costs to taxpayers, through annual congressional subsidies, are still increasing yearly despite several postal rate increases since 1969 and the 1970 reorganization of the U.S. Postal Service as an independent Federal establishment with a goal of self-sustaining service.

[6] The U.S. national debt stood at $635,822,000,000 in fiscal year 1977 (fiscal year 1979 Budget of the United States, fiscal year 1977 "Actual" column, p. 435), is estimated to reach $699,963,000,000 in fiscal year 1978, and $867,547,000,000 in fiscal year 1979. Annual interest on the U.S. national debt, which pays nothing toward the principal debt, is currently the 4th highest item in the Federal budget.

Mr. MICHEL. I thank the gentleman from Arizona for his contribution. He has worked hard here in voting for one cutting amendment after another on the budget resolution. We applaud him for his efforts.

Mr. STANGELAND. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I will be happy to yield to the gentleman from Minnesota.

Mr. STANGELAND. Mr. Speaker, I thank our distinguished minority whip for yielding to me.

Mr. Speaker, now is the time for all Americans to rejoice. After 131 days, Americans now start using their incomes to pay for their own needs, instead of using their incomes for paying Federal, State, and local taxes.

It is basic knowledge, that if a larger and larger part of people's income is used for taxes, purchasing essentials, the costs of which are also ever rising, takes up a larger and larger percentage of their leftover income. This leaves those people with less money to purchase other items. By buying less, segments of the economy immediately suffer. Those people decide they can live without that new car, they can live without that new appliance, perhaps the son or daughter need not go to that more prestigious college. The end result being the economy as a whole suffers.

We in Congress are encouraging just that sort of depressive effect on our economy. In a society such as ours, there is no occasion when government should be the cause of denying attainable products and services. By cutting taxes and balancing budgets, we will allow people to retain more of their income with which to stimulate the economy and meet their individual needs. Many of us here in Congress have committed ourselves to this goal by sponsoring a comprehensive tax reduction act. Critics' fears of a great loss in Government revenues are unfounded. The economy is stimulated; it grows. The tax base grows. Even though people are paying a smaller percentage of their income for taxes, more people are making more money. So, the aggregate amount of taxes may be close to the same or larger; however, the economy has grown as have individual incomes.

Figures provided by Norman B. True, Inc., a highly regarded economic consulting firm, show that if the tax reduction act were enacted, the proposed tax cuts would create 1.2 million jobs. The gross national product would be increased by $43.4 billion. Increases of this kind would continue in following years. For example, on the basis of those projections, in the year 1985, 5.4 million jobs could be created; the GNP could be increased by $240.6 billion. This legislation provides an effective answer to our unemployment problem and is consistent with our form of government with its emphasis on free enterprise and individual freedom.

Recently I saw a plaque that not only represented economic truths but expressed our taxpayers' distaste for excessive taxes. It stated:

The government is not a producer, it cannot give you anything. It can only give back that which it first takes away. It cost money to take it away, it costs money to give it back. So, you always get back less than you give.

Some taxes are necessary but now is the time not only to give our taxpayers a break but to strengthen and promote the growth of our economy.

Mr. MICHEL. Again I would have to reiterate what I said with respect to the service of the gentleman who preceded the gentleman from Minnesota. As a freshman Member, he has made valuable contributions in his first session here in the Congress, and we are very glad to have that kind of support for good fiscal management of governmental affairs. He stands foursquare for that position.

● Mr. ARMSTRONG. Mr. Speaker, the American Revolution was, as much as anything else, a tax rebellion. "No Taxation without Representation" was the rallying cry that caused our forefathers to unite to expel "the cruel cross of England" from our shores.

Our ancestors were especially exercised over two relatively innocuous excise taxes—one on official documents—the Stamp Act—and the other on tea. Their direct action response to the duty on tea is known to every child who ever picked up an elementary school textbook on American history.

In those days there were no income taxes, no sales taxes, no estate taxes, no social security tax, and hardly any property taxes worthy of the name. But for our forefathers, it was not so much the money. It was the principle of the thing. Taxation without representation was tyranny. But then taxation with representation has not been all its cracked up to be, either.

No tea is being pitched into Boston harbor, and no "revenooers" have been tarred and feathered; but Americans today seem to be on the verge of the biggest tax revolt since the American Revolution. Voters in Tennessee this spring approved overwhelmingly to put a constitutional lid on how much their State can tax and spend. Californians will vote next month on a proposition that could slash property taxes there in half. Bond issues have been massacred in communities from the Atlantic to the Pacific.

It is against this background of rising taxpayer resentment that we in Congress take note of Taxpayer Independence Day 1978.

Taxpayer Independence Day is that date each year that the typical taxpayer stops working to feed the Government and starts working to feed his family. Every dime that our typical taxpayer has earned from January 1 until today, May 11, will be taken from him in taxes by the end of the year. For only a little more than 7½ months of the year will his earnings be his own.

Taxpayer Independence Day keeps being moved back farther and farther each year. Not so long ago, it came when snow was on the ground and icy winter winds blew. This year it comes as spring is changing into summer. If Government grows as fast in the next decade as it has in the last, it will not be long until the Fourth of July will come and go before Taxpayer Independence Day arrives.

Today the typical taxpayer spends more money for taxes than for anything else. The average family of four devoted 35 percent of its income to taxes of all kinds last year. Housing and household operations came next, consuming but 19 percent of the family budget. Next was food, 14 percent; transportation, 8 percent; medical care, 5 percent; recreation, 4 percent; and all other expenditures, 15 percent.

Taxes not only consume more of the family budget than any other expense, they are the fastest rising portion of the family budget as well. In 1967, taxes consumed only 28.9 percent of the typical worker's paycheck. This year it will be 37.3 percent.

Since Government has proven to be far more effective at taking money from people than in distributing benefits to them, it is easy to understand why taxpayers are grumbling so much. They ought to be, and we ought to be, and we ought to be paying more attention to them.

The typical taxpayer knows little more than that even though his income goes up, his standard of living is going down. He knows something is wrong, and he wants something done about it.

We, who are elected to represent the national interest, are required to take a longer view. We need to recognize the indisputable fact of history that every great nation that ever existed began to decline when government consumed more than 25 percent of the national income. The Roman Empire, the Saracen Empire, the British Empire and all the other great nations of history all reached their heights of glory at tax rates far below that.

It would be fitting for us in Congress to mark Taxpayer Independence Day this year by dedicating ourselves to enactment of a program of meaningful tax reform. A tax reform program that would:

Cut Federal income taxes for individuals and businesses;

Eliminate the capital gains tax;

End double taxation of dividends;

Roll back social security taxes; and

Provide a tax deduction for charitable contributions for all taxpayers; and a tax credit for education expenses would give hard-pressed taxpayers long overdue relief, stimulate our sluggish economy and create new jobs, develop new revenue sources for the Federal Treasury, and in the years ahead, make it possible for us to celebrate Taxpayer Independence Day while April showers are still falling.●

● Mr. MICHEL. Mr. Speaker, in a few days Congress will complete consideration of the first concurrent budget resolution of 1979. Annual passage of the budget resolution has become much like an episode in the "Perils of Pauline"; an amazed nation watches as special interests attempt end-runs around the Budget Committee on the House floor, with billions of dollars hanging in the balance. These struggles provide entertaining theater for a few but are viewed anxiously by American taxpayers who foot the bill for congressional excesses. Unhappily, often the taxpayers' interests are ignored.

The American people put up with these budgetary abuses with remarkable good humor. The IRS requires only 30,000 employees to process 90,000,000 income tax returns—producing the surprising ratio of 3,000 taxpayers per IRS employee. We hear about tax rebellion in California and elsewhere but these "rebellions" are conducted within the legal process and are consistent with a record of voluntary tax payment unmatched in the free world.

Students of history will recall that the French taxpayers' revolt against the "Corvee' Royal" culminated in the bloody French Revolution. Our own country was born following a dispute over proper taxation policy. History is full of examples of vigorous opposition to taxation, but short on examples of voluntary cooperation with tax authorities.

Mr. Speaker, this is a very special day for the patient American taxpayer. He has finally earned enough money to pay his combined Federal, State, and local tax bills for 1978. Today thus marks Tax Freedom Day for this year. But I would note for my colleagues that the never-ending upward spiral of government spending pushes Tax Freedom Day later and later each year. In 1929 it fell on February 8th. In 1940 it was March 10th. By 1960 it had moved to April 10th.

It is particularly ironic that Tax Freedom Day this year should fall during the annual debate on the Budget Resolution. It is precisely because of the swollen Federal budget that we are rapidly approaching a point at which the taxpayer will have to spend more than half of his time working to support the Government. So I urge my colleagues to show some sympathy for the taxpayer—and to learn from history. The lesson of Tax Freedom Day is evident: we must have lower Federal spending and lower taxes if we are to preserve a healthy economy and our system of voluntary tax payment.●

● Mr. KEMP. Mr. Speaker, today marks the day on which the American worker stops working for the government and begins working for himself. My colleague from Illinois (Mr. MICHEL) is to be congratulated for bringing this fact to our attention.

Having said this, however, I must also say that I do not think we are noting the effect of taxes on the economy properly because its not the first dollar of tax that is really important in economic decisions, it is the last dollar. The marginal rate, in other words, determines the choice between work and leisure, as well as investment and consumption.

It is true that the average worker will work almost one-third of the year—131 days this year—to pay for all his Federal, State, and local taxes. But it is not the first part of the year he works for government and the last part for himself, but the other way around. It is the first part of the year that you are working for yourself, and as you continue to work and earn income throughout the year you will be moving into higher and higher tax brackets. By the end of the year there are a great many workers in marginal tax brackets of 30, 40, 50 percent or more. This is when we begin to see how taxes are truly affecting the economy.

If we were to compress the entire tax year down to just a single week, I think it would look like this:

Monday you would be taxed 10 percent of that day's earnings.

Tuesday you would be taxed 20 percent of that day's earnings.

Wednesday you would be taxed 30 percent of that day's earnings.

Thursday you would be taxed 40 percent of that day's earnings.

Friday you would be taxed 50 percent of that day's earnings.

And if you should decide to continue working on Saturday and Sunday to try and obtain more income you would find that your Saturday income is taxed 60 percent and your Sunday income 70 percent. Outrageous, right? Yes, and unnecessary as well.

This is exactly what happens in America today. As time goes by your efforts result in less and less reward. Some people will never be affected and will continue to exert the maximum effort to increase their income, through work and investment. But such people are the exception and I think that most people would find their interest in achieving a higher income very much reduced beginning at about the 30 to 35 percent marginal tax rate. By the time they had reached the 50-percent marginal rate and were keeping only 50 cents out of each additional dollar that they earned, I think most people would just quit altogether—or find some way to avoid taking income in a taxable form. Shelters, loopholes, leisure and subterranean economics take over.

I think that the average person is far more aware of this process than the economists and Congress. Of course we are all aware of the doctors, lawyers, and professional people who just close up shop in September or October and go on vacation; when they know that they have reached the 50-, 60-, or 70-percent tax bracket. But I think you will also find that if you go down to a union hiring hall in the fourth quarter of the year you will also find that there are a lot of blue collar workers who know they are in prohibitive tax brackets. These workers are perfectly capable of determining their marginal tax bracket and they react accordingly.

After all, it does not take too much effort to figure out that if you are a single worker living in New York earning a good salary—say $15,000 per year—that with all the taxes you have to pay nontaxed transfer payments might be a better alternative. Figure it out: by about October one is paying 27 to 29 percent of one's marginal income in Federal income tax, 6.05 percent in social security taxes, 8 or 9 percent in New York State income taxes, and if one lives in New York City one pays another 2½ to 3 percent tax. This puts that person well up into the 44-plus marginal tax bracket. This means that one is making just slightly more than could be made tax free on unemployment compensation, which in New York would be $115 per week. So the union worker gets a slip from the clerk at the hiring hall—who must be elected to the job—which says that he was laid off. And then he goes down to the unemployment compensation office and begins to collect his tax-free check and ends up being only a few hundreds dollars worse off for the year than if he had worked for another couple of months.

The other alternative is that this worker may stop working in the tax economy altogether and make his living in the so-called underground or subterranean economy. Although much of this economy results from criminal activity the largest part results from ordinary people working for cash or barter to avoid taxation. I am told, for example, that in the Philadelphia area businessmen have developed very complex barter arrangements for swapping goods. This allows them to obtain materials they need for their business without having to pay the tax collector anything on the exchange. And of course there are thousands and thousands of workers who work only for cash payment, either part time or full time, so that they do not have to report their income. In many industries now it is quite common for workers to refuse overtime unless they are paid in cash.

Such cash arrangements also benefit employers as well because they can pay an employee in cash considerably less than his usual gross wages and the employee will still get more income for his work. This is because there is a vast wedge between what it costs to hire a worker and what he ultimately gets in aftertax income. If you add up all the taxes paid by the employee plus all the taxes paid by the employer for the employee, such as unemployment insurance and social security taxes, the wedge becomes enormous. Is it any wonder, therefore, that estimates of the size of the subterranean economy are as great as $200 billion per year?

I believe that a lot of this economic activity would come back into the conventional economy if there were a massive reduction in tax rates, because it would no longer be worthwhile to run the risk of being caught. There would also be a big movement of capital out of tax loopholes, which not only do not yield revenue to the Government, but which seriously misallocate resources. The fact is that unless you are in a sufficiently high tax bracket most tax loopholes, like municipal bonds, land trusts or feedlots, just do not make any economic sense. A one-third reduction in all income tax rates, for example, would probably push so many taxpayers out of the tax brackets which make tax loopholes profitable, that there would be a massive reduction in the use of such devices, thereby yielding tremendous revenue to the Government and bringing more equity to the code.

Finally, I would like to mention that my discussion of marginal tax rates today is not without relevance to many people who actually pay no taxes at all. Consider a family on welfare. Because there is a means test to qualify for welfare benefits, this family will progressively lose benefits as its income rises. It turns out, therefore, that if you combine the loss of such

welfare benefits as AFDC and food stamps with the payment of taxes which results when a family on welfare begins to earn some income, the effective marginal tax rates can go up to 80 or 90 percent. In other words, if you are on welfare it is possible for you to be worse off by getting a job, even if you earn a reasonably good income. The result, obviously, is that many welfare families are forced to stay on welfare by what is, in effect, astronomical tax rates.

For all these reasons I do not think there is any question that tax rates in the United States are excessively high. They must be reduced for the economic health of the country or the result will be stagnation and "Britainization." ●

● Mr. QUIE. Mr. Speaker, I was anxious to take part in the special order requested by my colleague from Illinois because of my growing concern, mirrored by that of my constituency, over the increasing tax burden shouldered by taxpayers.

The incentives to work harder are diminishing, as inflation continues to increase taxes, usually at a rate far greater than pay increases, so that income taxes increase 15 percent for every 10-percent rise in the Consumer Price Index. The real tax burden this represents is even greater than the immediately apparent one.

We have all heard lately of a "taxpayers' revolt," and I believe it is time we did something about it. Taxpayers have good reason to be upset—they read daily about increased government spending, and they know who ends up paying for it. What they do not understand is how they can be earning a good income, and be no better off than they were years ago while earning much less.

A Library of Congress study, prepared at my request and released yesterday, shows that between 1967 and 1976 families with 18- to 24-year-old dependents saw Federal income taxes increase 103.9 percent, social security taxes increase 185.9 percent, and average State and local taxes increase 152.5 percent. After tax income rose only 66.8 percent during the same period.

No one denies that our tax laws are in need of reform, but the more urgent matter is to enact a tax cut, thereby allowing people to retain more of their earnings and to see the rewards of hard work.

Several tax reduction proposals have been introduced during this Congress, yet for some reason this body finds it much easier to increase spending than to cut taxes. If we would take the time to scrutinize the effects of some of these increases as closely as we do tax reductions, perhaps the error of our ways would become clear.

Lower tax rates would accomplish more than quelling the "taxpayers' revolt." Lower tax rates will provide incentives that encourage work and production, increase jobs, and generate more revenue. A recent article in The Public Interest on the Laffer curve showed the diminishing returns of ever increasing taxes, and showed also that equal revenues may be generated by lowering tax rates. I believe it is a theory worth testing, and the sooner the better.●

● Mr. ROBINSON. Mr. Speaker, according to Tax Foundation, Inc., May 6 marked Tax Freedom Day, the day on which all average American workers finally had completed earning enough this year to pay their taxes to government at all levels, and could then start working for themselves.

According to the U.S. Chamber of Commerce, which used a slightly different method of computation, Tax Freedom Day falls today, May 11.

By whichever measure, it is profoundly saddening, as well as an outrage, that average American working people are now required to spend more than one-third of the year laboring to support government rather than working to support themselves and their families. It is all the more troubling when we know that few, if any, citizens believe that they are receiving anything approaching full value for the money they must pay for the operation of their local, State, and Federal governments.

According to the Tax Foundation, it has taken 126 working days to pay this year's taxes, 2 more working days than last year. In 1929, by contrast, it took only until February 9, or 39 days, to earn the normal tax obligation to government. It is time to realize we have gone past what the tolerable limits of taxation should be in this country if we are going to preserve the economic independence and political freedoms of our countrymen.

Over recent days, we have considered and passed the first budget resolution for fiscal year 1979, House Concurrent Resolution 559. It proposes to increase Federal spending to a record level of over a half trillion dollars—an 11-percent increase over fiscal 1978—and it proposes a 10-percent increase in the Federal deficit to $58.1 billion.

As has been pointed out by numerous of my colleagues during debate, this so-called budget plan would be disastrous to enact. It would simply continue the dangerously irresponsible fiscal policy so long followed in Washington, whereby unrestrained Federal spending inevitably leads to higher taxes and more inflation for the American people.

At the present time, inflation, which is induced by Federal deficit spending, is running at an annual rate of approximately 10 percent. This projected rate is not only frightening, it is intolerable.

A 10-percent loss in purchasing power over this year would simply devastate all Americans struggling to get by on low, fixed incomes, primarily the poor and the elderly. It would also devastate many middle-income families with home mortgages to pay, and children to raise and educate.

To show how inflation has already been hurting middle-income families, consider this: It has just been reported that you need $34,065 of income this year to have the purchasing power of $19,751 in 1970.

Mr. Speaker, the time is long overdue to stop punishing taxpayers through liberal-dictated tax and spend policies in the interests of perpetuating big Government. If we do not start practicing sound fiscal management aimed at curbing inflation and reducing taxes, we are going to wind up with a full-blown taxpayers' revolt in this country far sooner than some seem to realize.●

● Mr. BURGENER. Mr. Speaker, it is apparent that spring has come late this year and, discouragingly, so has Tax Freedom Day. The average American stopped working for the Government this year on May 6th and began working to put some of his earnings in his own pocket.

From another standpoint, taxes at all levels now take a 2-hour and 45-minute bite from the 8-hour working day. One hour and 46 minutes of the average wage-earner's day is now consumed by figuratively working for the Federal Government, a hideous statistic.

Taxes now represent the largest item in the family budget, exceeding even housing and household operations costs. It is no wonder a tax rebellion is fomenting, and the chief cause of this brewing Boston Tea Party is our own Uncle Sam—the Federal Government.

The U.S. Tax Foundation now estimates that government spending at all levels heaps a burden of nearly $10,000 on each household in the United States, a doubling of the family burden since 1970.

And Mr. Speaker, this Congress bears heavy responsibility for the unbridled spending which is crushing the taxpayers of this country and steamrolling individual initiative. The rampant spending habits of this institution have spawned a whole system of "new math." It is a system where subtraction has been eliminated from the mathematical vocabulary because, plain and simple, the Congress seems not to know how to subtract.

I am personally ashamed that this Congress, over my and nearly half of my colleagues' protests, has just put its stamps of approval on the Nation's first half-trillion-dollar budget. It is a pure scandal that the Nation's public debt is fast approaching a trillion dollars, and the interest on that debt now represents the third biggest expense of the Federal Government, just behind spending for health, education, and welfare, and defense.

Federal spending has gotten so prolific that it almost singlehandedly needles inflation ever upward. Because there is no restraint in this Congress—and because this Congress appears unwilling to subtract—we have made a mockery of our own budget procedure, a procedure born only 4 years ago ostensibly to give Congress its due responsibility over the Nation's pursestrings. The pursestrings, Mr. Speaker, have been loose and wide open ever since.

Because this Congress refuses to operate under budget procedures that the average housewife knows she must abide by, Federal spending will continue to skyrocket.

It is inane to consider budget figures for each so-called program area before we set an overall budget ceiling. With no overall Federal spending lid in advance of setting priorities, the pressure to add to every existing Federal program goes unchecked.

For some time I have been advocating a change in our budgeting procedures which, if it were not so simple, would have been standard operating procedure years ago. Every successful household budgetkeeper abides by the principle. We must adopt it—spending ceiling must be set—if a nationwide tax rebellion is to be avoided.

That is strong language, I realize, but I firmly believe it is also valid. In my own California, citizens are attempting to take hold of the taxation power because it has been abused, and I predict the same thing will happen nationwide—and rightfully so—if the Congress does not get back to responsible budgetmaking and spending principles.

The national mortgage can and will be called—and it will be soon—and I would like to see the Congress prove to the American people it is capable of handling this most basic national policy in a responsible way. But free-spending attitudes around here must change—or the Congress must be changed.●

● Mr. MARTIN. Mr. Speaker, I join my colleagues here today in this observance of May 11, the date on which Mr. and Mrs. Typical American finish working full time to pay their taxes and face the 12th with hope and pride. Tomorrow, they begin working for themselves.

Truly, the average American—at the stroke of midnight—can experience the joy felt by his colonial ancestor at the end of his indentured service. He has spent 131 days toiling to pay for what his governments spend and has 234 days remaining in 1978 for himself and his own family. Of course, the cold, grey dawn of January 1 will present him the opportunity of beginning again to work for government. And, he will probably have to work a day or more longer next year.

Let us see what the typical American accomplished to date this year. He has helped defend his country. How well he has done so, only time will tell. He has served as roadbuilder, teacher, physician, scientist, meter reader, policeman, babysitter, and paid quite a bit of interest. He has worked to provide food, clothing, shelter, and televisions to those who do not work and he wonders how many of them could have fended for themselves. He has built vest pocket parks and tried to keep them clean and safe, with only marginal success. He has built schools and seen them vandalized and occupied by those who disrupt more than they learn. He has invested in long-term research, and in the arts with the hope that his children and grandchildren will benefit even if he does not.

The men and women who can look to tomorrow as a day of liberation can see some accomplishments from these 131 days of forced service. They can see some bricks and mortar, a better road here or there, another year free of war, some impovements in the health of their families, and may this summer enjoy previous years' labor on parks and playgrounds.

But he also sees others destroying what he has labored long to produce. He sees a broken school window, winos in his park, graffiti on his bus, another child born out of wedlock to feed next year, and he hears the Secretary of HEW say a few billion was mistakenly spent; he worked a full shift for that.

He wonders how many of those 131 days were well spent. He wonders how many of those whom he nursed, taught, and housed really know he helped them, and whether they even care. He wonders whether his labor was to help them help themselves, or to bribe them not to riot and steal. He is resentful. He sees another chunk of real estate go off the local tax rolls and a few million fellow toilers written off the income tax rolls, excused from even a few days labor. With inflation pushing his income and his house into higher tax brackets—and himself into even longer periods of annual tax indenture—he has realized that there is a community of interest between himself and those who earn more.

This May 11, John Q. Typical American begins to question whether he should plan to work next winter and spring for a new park, a new wing on the school, a fresco in the Capitol, and to serve a few more uneaten school breakfasts. He wonders whether next year the road needs to be widened, or maybe just repaired. He questions whether he should join the work crew to build a new recreation center or a police brigade to keep the present ones safe for his kids.

Those who benefit from the labors of the typical American—whether the Congressman drawing a salary, or the student in the school hallway, or the veteran in college, the person drawing public assistance, or the highway contractor—need to get a better appreciation of what is being provided them. Sure, he is doing something useful, or she has no other choice, or he is required to do it. But everyone who benefits from the toils of the typical taxpayer had better learn to take care and pride in what he is doing with the sweat of that taxpayer's brow and realize that his benefit is paid by the other guy's labor.●

● Mr. ARCHER. Mr. Speaker, I appreciate this opportunity to join in calling attention to the plight of the American taxpayer in the face of irresponsible overspending and overtaxation by government—especially at the costly Federal level.

Somethinig is radically wrong in America today. Not only does the average American work for over 4 months out of every year just to support the spending habits of politicians, he also works harder to earn that money because those same politicians are taking away his freedom to compete for greater financial rewards.

He must cope with a government that overspends, overtaxes, and overregulates. The working men and women in this country are being stifled by Big Brother government. They are losing purchasing power even after they may earn cost-of-living salary increases—because the Federal Government's tax laws force them into ever higher income tax brackets. The people are discouraged. They are losing hope—and the present administration and majority in Congress are offering them no real relief in spite of a myriad of campaign promises which led the people to believe relief was forthcoming.

The majority in Congress has an opportunity now to put some truth into promises of tax relief by working within our budget process to keep revenue receipts and spending plans in balance—thereby making it possible to reduce taxes without increasing the inflationary Federal deficit.

Unless that happens, there is not going to be any tax relief for the American people—not ever. You can not give back something you do not have, and the Federal Government does not have any surplus in its Treasury. All it has is a massive deficit which becomes more and more inflationary as it grows and grows.

We can, and must, reduce both taxes and spending. We must provide greater encouragement for capital savings and investment to stimulate an increase in productive jobs in the private sector—which in turn will generate new tax revenues.

I know it must be a difficult time for the majority to take such corrective action.

You have already got to deal with the public reaction to the massive social security tax bill the majority pushed through last December—even though it was too costly and unnecessary in view of more reasonable alternatives which were offered by the minority. Certainly there is a temptation to find a scapegoat for that action now that the day of reckoning is approaching.

Would it not be a lot easier, though, for all of us—both Congressmen and all the American people—if we just stopped playing games with Americans' pocketbooks now and approached the entire matter of budgeting and taxation honestly, open, and equitably? That is all the people want—and it is the least they should have. Let us give more than just lipservice to the concept of balancing the Federal budget so inflation will not wreak its havoc on the elderly living on fixed incomes or anyone else in this country.

Let us finally move to some form of tax indexing to prevent the inflation that exists from reducing an individual's purchasing power when he is artificially sent into higher and higher tax brackets.

Above all, let us put the Federal Government's financial house in order so that significant permanent tax reductions can be enacted which will let people keep more of what they earn—and so that never again will the average American have to work for over 4 months just to pay his taxes.

That is not too much to ask, and that is why we who are presently in the minority are so glad to stand up for the working men and women of this country in demanding that kind of responsibility from the majority.

The time to act is now, while the budget is being written and amended.

The bitter irony is that only this week most Americans are just starting to earn money to keep for themselves this year. So far in 1978, every dollar they have earned has gone into taxes.

There is indeed something basically very wrong with that—and it is high time the majority listened to those of us who want to do something about it.●

● Mr. McCLORY. Mr. Speaker, we here in this Chamber represent the people and I think all of us hear the drumbeat from our constituents. They are worried about the economy, they are worried about the value of the dollar, they are angry about taxes, and they are sending us signals.

The U.S. Chamber of Commerce tells us that it takes the average American taxpayer until today, May 11, to earn enough to pay Federal, State, and local taxes. The Tax Foundation says the date when the American worker can start putting aside something for himself is May 6. Give or take 5 days, the scenario still is grim.

We hear glib talk about America, the land of freedom and opportunity, and such it is. But we also read surveys that indicate millions of Americans already have felt the impact of inflation so keenly that they consciously are cutting back their standard of living.

Taxpayers are revolting. They are organizing against rising local property taxes. They are defeating school bond referenda in some areas, even at the cost of closing their schools. Millions find themselves shut out of the housing market. The stock market is reeling under reports of continuing inflation.

The value of the dollar in terms of other more stable currencies is barely holding its own abroad. Some OPEC nations debate whether they want to continue to sell us oil priced and payable in dollars. A visit to a supermarket check-out counter makes one aware of the cruel impact of inflation. The Carter administration admits inflation is inching up and some economists predict another onslaught of two-digit inflation before this year is out.

The Wall Street Journal earlier this month carried a front page story that should give any reader pause. It was a story obout Galesburg, Ill., in the congressional district of our distinguished minority whip Bob Michel, a city of 38,000 located 180 miles southwest of Chicago.

The article pointed out that in Galesburg, the cost of living increased over the last 5 years by a staggering 45 percent, the same rate of inflation which the rest of the Nation experienced during that period. What have been the results? According to that newspaper, the residents of Galesburg are evidencing anger, frustration, and even fear—depending upon a person's age and financial status.

I think I can detect another apprehension and not just from Galesburg. I apprehend widespread fear that a lot of us in this Chamber are not listening.

Mr. Speaker, many of our constituents fear that every time we vote, it means higher taxes, more inflation, downgraded services, added bureaucratic waste. Not only are our own citizens alarmed. Our international allies as well—are deeply concerned about our management of our own economic affairs.

So, this May 11, I think we ought to rededicate ourselves to the proposition of a solvent nation—and a sound dollar.

This is why I favor a careful restudy of the social security system, and why I voted against the conference report on social security as being confiscatory for many workers.

That is why I favor an across-the-board tax rollback and why I feel strongly that as we move along with our budget process this month, we remember that the American people are watching.

Mr. Speaker, May 11, 1978, may be a day of taxpayer mourning, but if we heed their discontent, in future years it may become a day of celebration.●

● Mr. RINALDO. Mr. Speaker, I wish to join my colleagues in commenting on the shocking fact that, according to a Chamber of Commerce study, the average American has worked since the first of the year until this date, just to pay his Federal, State, and local taxes. This means that the average worker has devoted approximately 35 percent of the year—or 35 percent of his annual salary—to pay for the operation of Government. This leaves the average American taxpayer with 65 percent of his wages to provide for housing, food, transportation, clothing, medical care, personal care, education, and other personal or family needs.

As we know, the costs of all of these categories has continually risen, and with an annual inflation rate of 6–7 percent, there is no hope for relief since these costs will not decrease in the foreseeable future. While Congress can, as it just did, approve levels of governmental spending which vastly exceed its income, the American taxpayer can not. He must confine his budgetary outlays to the level of his income; and for most American workers, an increase in income provides little help as it is generally accompanied by an increase in tax liability.

In view of this double burden being borne by American taxpayers of high taxes and inflation, this date should serve as an excellent reminder to Congress of the need to proceed expeditiously to reduce taxes and Government spending.

It is time to put our fiscal house in order for the sake of good government on the Federal, State, and local levels, and, more importantly, for the sake of the long-suffering American taxpayer.●

● Mrs. HOLT. Mr. Speaker, the budget resolution which this House passed yesterday demonstrates one thing very clearly: a very slim majority of the Members is unwilling to restrain runaway Federal spending and reduce the absolutely vicious levels of taxation that are being imposed on the people.

At a time of soaring inflation and inflated tax burdens, slightly more than half the House Members voted for a 1979 budget that will make the problems worse. It will continue a spending growth rate of 11-percent a year with a $58 billion deficit and a tax cut too small to be consequential.

I sponsored a moderate substitute budget which would have restrained the spending growth rate to 8 percent, reduced the deficit by $10 billion, and allowed a substantial tax reduction.

My substitute failed by only six votes when the House leadership applied extraordinary pressure on a few Members to change their votes. The bloated budget finally passed by the House was approved by only a four-vote margin.

I hope that the news of what happened here is trumpeted through every congressional district this election year. I hope the debates during the upcoming campaigns will focus on the votes that were recorded on the House floor in recent days.

It is noteworthy that the average American will work 4½ months this year just to pay Federal, State, and local taxes. The burden keeps growing. The taxpayers are fuming.

The full force of their anger has not yet produced a congressional majority to represent them on fiscal matters, but I believe the day is coming.

Do not accuse them of lacking compassion for the poor and the elderly. The American people are the most compassionate people on Earth.

The budget of the Department of Health, Education, and Welfare has quadrupled in 10 years. It administers literally hundreds of programs to help the poor and the disadvantaged. There is no reason for any person in the United States to lack food, shelter, or medical care.

Federal programs have developed a large constituency of beneficiaries and bureaucrats whose chief business is to demand "more". There is unrelenting pressure on the Congress to provide "more."

But the well-oiled lobbies for bigger Government are facing a potent counterforce, the taxpayers who are being looted unmercifully. These productive citizens are not well organized and do not pay lobbyists to represent them at congressional hearings.

They have depended on their elected representatives to represent them, and they have been sadly disillusioned in many instances.

It is not necessary to use a meat axe on existing Federal programs to achieve the desperately-needed relief of the taxpayers. What is necessary is to restrain the growth of Federal spending to a moderate rate.

This is what the House majority has failed to do, thereby promising the people of our country a future of more inflation and higher taxes.●

GENERAL LEAVE

Mr. MICHEL. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and to

include therein extraneous matter on the subject of my special order today.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

AN EXPERIMENT IN MEETING HUMAN NEEDS IN THE WORKPLACE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Connecticut (Mr. McKINNEY) is recognized for 5 minutes.

● Mr. McKINNEY. Mr. Speaker, this bill, H.R. 7814, deserves our enthusiastic and unanimous support. During this period of anti-big-government sentiment (and the resulting low morale throughout the civil service), any experimental management technique which offers the very real possibility of increased efficiency, productivity as well as energy savings should be unequivocally endorsed. Thanks to the work of a forward-looking company in Connecticut's Fourth District, Pitney Bowes, I can speak from personal experience of the feasibility and benefits of flexible or compressed working hours. It is time to extend the benefits of that innovation to the Federal workforce.

I think it is important to keep in mind that this bill calls for only a 3-year trial of flexible schedules during which the Civil Service Commission is directed to monitor and evaluate the results. I have long believed that hard economic times have so dampened our willingness to take a chance that the real solutions to our economic and energy problems go untried. This is just a test. It does not set Federal bureaucrats free to loaf or ignore their duties. On the contrary, in choosing a work schedule other than the normal 8-hour day, employees must realistically evaluate their function and worth relative to the overall mission of the department or agency. That alone would be worth the Commission's time and the $5.7 million price tag over the 3-year test. But in addition, flexible schedules provide the opportunity to guage the impact of commuting patterns on energy consumption and traffic congestion.

In this regard, any attempt to further limit the scope of this experimental program, or afford reluctant managers too easy an "out," is overly cautious and robs the project of its vitality and usefulness. Industries have been using these techniques for years and that experience alone renders caution on our part about a mere experimental program unwarranted. We are already years behind in exploiting the potential of variable work schedules and should not further squander a valuable opportunity to improve the Federal bureaucracy.

Although it has appeared in the RECORD previously (it is also the second appearance for the bill), I submit the following PB Times article for insertion in today's proceedings:

VP POINTS OUT THE MERITS OF FLEXIBLE HOURS

After three years in use, Pitney Bowes' flextime system is overwhelmingly favored by supervisors and employees alike, says James Bast, senior vice-president—finance and administration.

Bast reviewed the company's flextime program at a recent seminar sponsored by Rep. Stewart B. McKinney (R.-Conn.) in cooperation with Pitney Bowes and the National Center for Productivity and Quality of Working Life, an independent federal agency.

Addressing a group of 106 area company executives and labor leaders at Stamford headquarters, Bast said, Employees have responded to flextime in a positive way, and we have achieved some measurable improvements in our operations."

Although flextime hours have been installed at some Pitney Bowes manufacturing and marketing locations abroad, Bast limited his remarks to the system adopted in 1974 for a group of about 800 headquarters-area employees in financial and data entry functions, and in some smaller departments.

"Managers have mentioned the virtual elimination of tardiness as a major advantage of flextime. Also, efficiency increases have been noted in some departments, particularly because employees have tended to shift their worktime schedules to match peak workloads," Bast said.

Flexible hours have shown most employees to be highly motivated. "Nearly half of the supervisors noted that employees developed more responsible attitudes toward their workload, and a new ability to manage their own work," he explained. Supervisors themselves realized an improvement in their work planning, a requirement for functioning properly under flextime."

Employees credit flextime with improving the relationships with their supervisors, Bast said. "Flextime has helped to bring about increased cooperation, more exchange of information, greater delegation by the supervisor, less supervisory control and more informality. Employees also report that flextime has improved group cooperation, communication, motivation and job satisfaction."

In practice, Bast continued, "flextime has dispelled some old myths, such as: people won't work unless you watch them; given the choice, their own interests always come first; without regulation, discipline collapses; most people will cheat if given the chance; and people are not self-motivating where work is concerned."

The flexible workday has not presented any major problems but, the senior vice president added, "a few supervisors have experienced some scheduling problems. Employees dislike having to cover the office on Friday afternoon, but they all take their turn doing it."

One minor disadvantage to the manager or supervisor, Bast noted, is the need for periodic reminders to employees that flextime is a privilege that should not be taken for granted. "Flextime is a joint employee-management responsibility that mustn't be abused, and that calls for full cooperation."

ABSENTEEISM IS STUDIED

An exhaustive study of absenteeism and flextime has been initiated by Pitney Bowes. The senior vice president said results of the study are expected to support earlier findings that lateness and short-term absences diminish under flextime.

A recent informal check of attendance among 140 financial accounting employees on flextime showed that short-term personal absences decreased sharply in the past three years, and have so far sustained the improvement. "We believe we will gain reasonable cumulative savings from improved attendance and added efficiency made possible by the flextime program," Bast added.

"We have observed that people under flextime are willing to accept, without objection or comment, some modest loss of benefits they previously enjoyed under a fixed work schedule," he explained. "The employees' ability to arrange their own schedule automatically eliminated the need for most of the personal absences previously covered by the company's pay policy. As a result, employees in effect have lost some of their paid time off."

In explaining its limitations, he said flextime would be "prohibitively expensive of applied within our production or engineering functions because as a government contractor, we are required by law to pay time-and-a-half for all hours worked in excess of eight per day. Office jobs such as those in finance and data entry are covered by the Fair Labor Standards Act, which requires only that we pay time-and-a-half after 40 hours of work per week."

Bat told the group of executives: "There are some additional administrative requirements associated with flextime that companies should be aware of in advance."

Flextime, he pointed out, has complicated the company's adminstration of lost-time pay policies for absences, lunch periods and breaks, holidays and overtime, and company procedures during special occurrences such as shutdowns for bad weather or power outages. "This has led to a rather complex and constantly evolving body of flextime policies that try to, and do, cover all contingencies without penalizing employees in ways they would not be penalized under a normal fixed-hour workweek," he explained.

"Aside from a favorable response, flextime has confirmed something very important to us as a company; we have a very personalized employee benefit that meets real human need," Bast said. "Employees are anxious not to lose a benefit that most now feel they would never want to part with."●

FINANCIAL DISCLOSURE STATEMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. WHALEN) is recognized for 10 minutes.

● Mr. WHALEN. Mr. Speaker, in accordance with the custom I have followed during the past several years, I am inserting herewith in the RECORD a full disclosure of my family's financial affairs.

The tabulation covers income received by my wife and me and our 6 children during calendar year 1977; Federal, State, and local taxes paid in 1977; and a breakdown of our respective assets, liabilities, and net worth as of May 1, 1978. Although stock market prices have declined slightly since our last financial statement, the net worth of my wife and myself has increased due to gifts received from our respective parents. Gifts from their parents and 4 grandparents are primarily responsible for the increased net worth of each of our 6 children.

Mr. Speaker, I insert at this point in the RECORD the aforementioned financial information:

FINANCIAL STATEMENT, MAY 1, 1978, BARBARA G. AND CHARLES W. WHALEN, JR.

ASSETS

Cash, Riggs checking account	$7,365.84
Partnership interest, Whalen Investment Co	180,000.00
Residence, 228 Beverly Place, Dayton, Ohio	40,000.00
Residence, 5301 Portsmouth Road, Bethesda, Md	140,000.00
Household:	
Furniture, 228 Beverly Place, Dayton, Ohio	1,000.00
Furniture, 5301 Portsmouth Road, Bethesda, Md	25,000.00
Jewelry (1969 valuation)	26,000.00
	52,000.00
Automobiles:	
1971 Ford Country Squire, station wagon	1,378.00
1965 Ford Mustang	350.00
	1,728.00
Common Stocks:	
American Cyanamid Co., 200 shares	5,500.00
Beneficial Finance Co., 188 shares	3,948.00
Coca-Cola, 480 shares	20,400.00
Copeland Corp., 4,000 shares	82,000.00
Delmarva Power & Light Co., 1,000 shares	13,750.00
Duke Power Co., 1,000 shares	19,620.00
Federated Dept. Stores, 220 shares	8,580.00
General Telephone & Electronics, 300 shares	9,150.00
Indianapolis Power & Light, 850 shares	19,125.00
Middle South Utilities, 1,400 shares	22,050.00
Minnesota Mining and Mfg. Co., 600 shares	30,600.00
Owens-Illinois Glass, 400 shares	8,400.00
Charles Pfizer, Inc., 60 shares	1,845.00
Phillips Petroleum, 400 shares	13,900.00
Royal Dutch Petroleum, 188 shares	10,998.00
South Carolina Electric, 500 shares	8,750.00
Steadman Am. Industrial Fund, 123½ shares	291.00
Texas Utilities, 400 shares	8,000.00
Unity State Bank, 2 shares	50.00
Virginia Electric Power, 1,400 shares	19,600.00
Westinghouse Electric, 400 shares	8,200.00
Total	314,757.00
Bonds:	
Hamilton County, Ohio, Hospital	20,000.00
Hamilton County, Ohio, Stadium	20,000.00
Illinois Health Facilities	40,000.00
Middletown, Ohio, Hospital	30,000.00
North Royalton, Ohio	20,000.00
Ohio State Public Facilities Commission	10,000.00
Southfield, Michigan, Building Authority	30,000.00
Total	170,000.00
Life Insurance: cash value, paid-up insurance	111,352.82
Contributions, retirement funds:	
Civil Service Retirement System	37,490.08
Public Employees Retirement System	4,209.61
Teachers Insurance and Annuity; Assocation	13,959.08
Total	55,658.77
Total assets	1,072,862.43
Liabilities	none
Net worth	1,072,862.43

FINANCIAL STATEMENT, MAY 1, 1978, CHARLES EDWARD WHALEN

ASSETS

Cash:	
Third National Bank & Trust Co	$3,800.49
Riggs National Bank	247.69
Madison National Bank	5.60
	4,053.78
Common Stocks:	
Allegheny Power Systems, 1,050 shares	19,026.00
Atlantic City Electric, 400 shares	8,200.00
Baltimore Gas & Electric, 100 shares	2,550.00
Carolina Power & Light, 700 shares	14,350.00
Central Illinois Light, 100 shares	1,625.00
Consolidated Edison, 100 shares	2,300.00
Copeland Corp., 2,000 shares	41,000.00
Delmarva Power & Light, 100 shares	1,375.00
Duke Power, 500 shares	9,875.00
Entex, Inc., 960 shares	27,840.00
Florida Power & Light, 460 shares	12,190.00
Illinois Power Co., 300 shares	7,200.00
Indianapolis Power & Light, 100 shares	2,263.00
Kansas City Power & Light, 100 shares	2,775.00
Merrill Lynch Capital Fund, 356 shares	4,984.00
Middle South Utilities, 700 shares	11,025.00
Pacific Gas & Electric, 100 shares	2,400.00
Pfizer, Inc., 140 shares	4,475.00
Public Service Electric & Gas, 300 shares	7,050.00
Third National Bank & Trust, 248 shares	5,890.00
Virginia Electric Power Co., 300 shares	4,200.00
	192,593.00
Bonds:	
Northeast State, Oklahoma College	7,379.83
City of Wickliffe, Ky	8,047.34
Port Everglades, Fla., Authority	6,707.16
	22,134.33
Total assets	218,781.11
Liabilities: Note payable Charles W. Whalen, Sr. and Colette E. Whalen	6,087.00
Net Worth	212,694.11

FINANCIAL STATEMENT, MAY 1, 1978, DANIEL D. WHALEN

ASSETS

Cash:	
Third National Bank & Trust Co.	$3,961.64
Madison National Bank	387.08
	4,348.72
Common Stock:	
Allegheny Power Systems, 1,000 shares	18,120.00
Atlantic City Electric, 400 shares	8,200.00
Baltimore Gas & Electric, 100 shares	2,550.00
Carolina Power & Light, 700 shares	14,350.00
Central Illinois Light, 100 shares	1,625.00
Central Southwest Corp., 100 shares	1,550.00
Consolidated Edison, 150 shares	3,450.00
Copeland Corp., 2,000 shares	41,000.00
Duke Power, 500 shares	9,875.00
Entex, Inc., 480 shares	13,920.00
Florida Power & Light, 560 shares	14,840.00
Illinois Power Co., 300 shares	7,200.00
Indianapolis Power & Light, 100 shares	2,263.00
Merrill Lynch Capital Fund, 402 shares	5,628.00
Middle South Utilities, 700 shares	11,025.00
Pacific Gas & Electric, 100 shares	2,400.00
Pfizer, Inc., 140 shares	4,475.00
Public Service Electric & Gas, 300 shares	7,050.00
South Carolina Electric & Gas, 100 shares	2,512.00
Third National Bank, 245 shares	5,810.75
Virginia Electric Power, 200 shares	2,800.00
	180,643.75
Bonds:	
Northeast State, Oklahoma College	7,379.83
City of Wickliffe, Ky	8,047.34
Port Everglades, Fla., Authority	6,707.16
	22,134.33
Total assets	196,138.08
Liabilities: Note payable Charles W. Whalen, Sr. and Colette E. Whalen	6,087.00
Net worth	190,051.08

FINANCIAL STATEMENT, MAY 1, 1978, EDWARD J. WHALEN

ASSETS

Cash:	
Third National Bank & Trust	$3,641.71
Riggs National Bank	119.58
	3,761.19
Common Stock:	
Allegheny Power Systems, 1,000 shares	18,120.00
Atlantic City Electric, 400 shares	8,200.00
Baltimore Gas & Electric, 100 shares	2,550.00
Carolina Power & Light, 700 shares	14,350.00

Central Illinois Light, 100 shares	1,625.00
Central Southwest Corp., 100 shares	1,550.00
Consolidated Edison, 100 shares	2,300.00
Copeland Corp., 2,000 shares	41,000.00
Delmarva Power & Light, 100 shares	1,375.00
Duke Power, 500 shares	9,875.00
Entex, Inc., 240 shares	6,960.00
Florida Power & Light, 540 shares	14,310.00
Illinois Power Co., 300 shares	7,200.00
Indianapolis Power & Light, 100 shares	2,263.00
Merrill Lynch Capital Fund, 414 shares	5,796.00
Middle South Utilities, 700 shares	11,025.00
Pacific Gas & Electric, 100 shares	2,400.00
Pfizer, Inc., 140 shares	4,475.00
Public Service Electric & Gas, 300 shares	7,050.00
Third National Bank & Trust, 245 shares	5,818.75
Virginia Electric Power Co., 200 shares	2,800.00
	171,042.75
Bonds:	
Northeast State, Oklahoma College	7,379.84
City of Wickliffe, Ky	8,047.33
Port Everglades, Fla., Authority	6,707.17
	22,134.44
Total assets	193,177.19
Liabilities: Note payable Charles W. Whalen, Sr. and Colette E. Whalen	6,087.00
Net worth	187,090.19

FINANCIAL STATEMENT, MAY 1, 1978, JOESPH M. WHALEN

ASSETS

Cash:	
3rd Nat'l. Bank & Trust Co.	$ 3,447.98
Riggs Nat'l. Bank	92.98
Madison Nat'l. Bank	20.08
	3,561.04
Common Stock:	
Allegheney Pw Sys, 1,000 sh	18,120.00
Atlantic City Elec, 400 sh	8,200.00
Baltimore Gs & Elec, 100 sh	2,550.00
Carolina Pw & Light, 700 sh	14,350.00
Central Ill Light, 100 sh	1,625.00
Consol'td Ed, 100 sh	2,300.00
Copeland Corp., 2,000 sh	41,000.00
Duke Power 500 sh	9,875.00
Entex, Inc., 240 sh	6,960.00
Florida Pw & Light, 420 sh	11,130.00
Illinois Power Co., 300 sh	7,200.00
Indpolis. Pw & Light, 100 sh	2,263.00
Kansas Cty Pw & Light, 100 sh	2,775.00
Merrill Lych. Cap Fd, 395 sh	5,530.00
Mid So Util, 700 sh	11,025.00
Pac Gs & Elec 100 sh	2,400.00
Pfizer, Inc., 140 sh	4,475.00
Pub Serv. Elec & Gs, 300 sh	7,050.00
3rd Nat'l Bk & Tr, 245 sh	5,818.75
Virginia Elec Pw. Co., 300 sh	4,200.00
	168,846.75
Bonds:	
Northeast St., Okla. Col	7,379.84
City of Wickliffe, Ky	8,047.33
Port Everglades, Fla, Auth	6,707.17
	22,134.34
Total assets	190,981.09
Liabilities: Note payable Charles W. Whalen, Sr. and Colette E. Whalen	6,087.00
Net worth	184,894.09

FINANCIAL STATEMENT, MAY 1, 1978, ANNE E. WHALEN

ASSETS

Cash:	
Third National Bank & Trust	$1,995.99
Riggs National Bank	357.84
Madison National Bank	105.95
	2,459.78
Common Stock:	
Allegheny Power System, 600 shares	10,872.00
Baltimore Gas & Electric, 100 shares	2,550.00
Carolina Power & Light, 700 shares	14,350.00
Central Illinois Light, 100 shares	1,625.00
Consolidated Edison, 75 shares	1,725.00
Copeland Corp., 2,000 shares	41,000.00
Delmarva Power & Light, 100 shares	1,375.00
Duke Power, 300 shares	5,925.00
Florida Power & Light, 440 shares	11,660.00
Illinois Power Co., 300 shares	7,200.00
Indianapolis Power & Light, 50 shares	1,131.50
Merrill Lynch Capital Fund, 418 shares	5,952.00
Middle South Utilities, 700 shares	11,025.00
Pfizer, Inc., 140 shares	4,475.00
Public Service Electric & Gas, 300 shares	7,050.00
South Carolina Electric Co., 100 shares	2,512.00
Third National Bank & Trust, 245 shares	5,818.75
Virginia Electric Power, 200 shares	2,800.00
	139,046.25
Bonds:	
Northeast State, Oklahoma College	7,379.83
City of Wickliffe, Ky	8,047.33
Port Everglades, Fla., Authority	6,707.17
	22,134.33
Total assets	161,180.58
Liabilities: Note payable Charles W. Whalen, Sr. and Colette E. Whalen	6,087.00
Net worth	155,093.58

FINANCIAL STATEMENT, MAY 1, 1978, MARY B. WHALEN

ASSETS

Cash:	
Third National Bank & Trust	$1,444.29
Riggs National Bank	314.80
	1,759.09
Common Stocks:	
Allegheny Power Systems, 150 shares	2,718.00
Carolina Power & Light, 100 shares	2,062.00
Central Illinois Light, 100 shares	1,625.00
Copeland Corp., 1,600 shares	32,800.00
Indianapolis Power & Light, 300 shares	6,789.00
Merrill Lynch Capital Fund, 350 shares	4,900.00
Middle South Utilities, 600 shares	9,450.00
Pfizer, Inc., 140 shares	4,505.00
Virginia Electric Power Co., 200 shares	2,800.00
	67,649.00
Bonds:	
Northeast State, Oklahoma College	7,379.83
City of Wickliffe, Ky	8,047.33
Port Everglades, Fla., Authority	6,706.17
	22,133.33
Total assets	91,541.42
Liabilities: Note Payable Charles W. Whalen, Sr. and Collette E. Whalen	6,086.00
Net worth	85,455.42

1977 INCOME—BARBARA G. AND CHARLES W. WHALEN, JR.

U.S. House of Representatives (salary)	$54,275.00
Net partnership income: Whalen Investment Co	19,323.58
Rental Income, 228 Beverly Place, Dayton, Ohio	1,500.00
Dividends received—common stock:	
American Cyanamid Co	300.00
Beneficial Finance Co	300.80
Coca-Cola	739.20
Copeland Corp	2,380.00
Delmarva Power & Light	1,200.00
Duke Power Co	1,630.00
Federated Department Stores	321.20
General Telephone & Electronics	618.00
Indianapolis Power & Light	1,598.00
Middle South Utilities	1,932.00
Minnesota Mining & Manufacturing	1,020.00
Owens-Illinois Glass	424.00
Charles Pfizer, Inc	59.40
Phillips Petroleum	390.00
Royal Dutch Petroleum Co	800.23
South Carolina Electric Co	775.00
Texas Utilities	552.00
Virginia Electric Co	474.73
Westinghouse Electric Co	388.80
Total	15,903.36
Interest received: Prudential Insurance Co	68.82
State municipal bond interest:	
Hamilton County, Ohio, Hospital	1,400.00
Hamilton County, Ohio, Stadium	960.00
Illinois Health Facilities	3,000.00
Middletown, Ohio, Hospital	2,268.75
North Royalton, Ohio	1,300.00
Ohio State Public Facilities Commission	550.00
Southfield, Mich., Building Authority	2,070.00
Total	11,617.57
Speech honoraria:	
St. Paul's Episcopal Church, Dayton	35.00
American University	300.00
National Town Meeting (Mobil Oil Co.)	500.00
Total	835.00
Total income received	103,454.51
Capital gain:	
King Brothers Productions:	
Total investment	168.00
Total received	251.72
Total capital gain	83.72
Taxes paid to IRS 1977	24,854.41

1977 claimed deductions:	
Standard exemptions, 6 children: Charles E., Daniel D., Edward J., Joseph M., Anne E., Mary B.	
Public Law 178, away from home living expense allowance	3,000.00
Standard deduction for stock dividends	200.00
Allowable medical deductions (family)	150.00
Charitable contributions	945.00
Business and professional expenses	686.79
Interest paid on loan: Third National Bank & Trust Co	373.83
Property expenses—228 Beverly Place, Dayton, Ohio:	
Depreciation	600.00
Property Tax, Montgomery County, Ohio	1,634.09
Insurance, D.C. Brower Insurance Co	253.00
Taxes paid (other than Federal):	
City of Dayton, personal income tax	1,209.51
Montgomery County intangible tax	1,064.45
State of Ohio, personal income tax	1,038.43
Montgomery County, Md., property tax	2,783.15
Sales tax, standard deduction	471.50
Gasoline tax	175.00
Government of Netherlands, Royal Dutch Petroleum Co	120.16
Total	6,862.20

1977 INCOME: WHALEN CHILDREN

CHARLES EDWARD WHALEN

Dividends received, common stock:	
Allegheny Power System, Inc	$1,267.50
Atlantic City Electric Co	648.00
Baltimore Gas & Electric Co	54.00
Carolina Power & Light Co	1,204.00
Central Illinois Light Co	160.00
Consolidated Edison Co	200.00
Copeland Corp	1,190.00
Delmarva Power & Light Co	120.00
Duke Power Co	815.00
Entex, Inc	960.00
Florida Power & Light Co	763.60
Illinois Power Co	660.00
Indianapolis Power & Light Co	188.00
Kansas City Power & Light Co	246.00
Merrill Lynch Capital Fund Co	131.72
Middle South Utilities	966.00
Pacific Gas & Electric	197.00
Pfizer, Inc	138.60
Public Service Electric & Gas	576.00
Third National Bank & Trust Co	283.20
Virginia Electric Power Co	101.73
Total	10,870.35
Interest received: Riggs National Bank	35.86
Total income received	10,906.21
Taxes paid to IRS, 1977	1,864.39
Taxes paid (other than Federal):	
State of Ohio, income tax	4.19
Montgomery County, Ohio, intangible tax	475.40
Total	479.59
Other deductions, accountant's fee	40.00

DANIEL DENNIS WHALEN

Dividends received, common stock:	
Allegheny Power System, Inc	1,352.00
Atlantic City Electric Co	648.00
Baltimore Gas & Electric Co	54.00
Carolina Power & Light Co	1,204.00
Central Illinois Light Co	160.00
Central & Southwest Corp	126.00
Consolidated Edison Co	300.00

1977 INCOME: WHALEN CHILDREN—Cont.

DANIEL DENNIS WHALEN—Continued

Dividends received, common stock:	
Copeland Corp	1,190.00
Duke Power Co	815.00
Entex, Inc	480.00
Florida Power & Light Co	929.60
Illinois Power Co	660.00
Indianapolis Power Co	188.00
Merrill Lynch Capital Fund Inc.	148.74
Middle South Utilities	966.00
Pacific Gas & Electric	197.00
Pfizer, Inc	138.60
Public Service Electric & Gas	576.00
South Carolina Gas & Electric	155.00
Third National Bank & Trust Co.	279.60
Virginia Electric Power Co	67.82
Total income received	10,648.06
Interest received:	
Riggs National Bank	10.50
Madison National Bank	2.20
Total	12.70
Total income received	10,648.06
Taxes paid to IRS, 1977	1,760.71
Taxes paid (other than Federal):	
State of Ohio, income tax	2.69
Montgomery County, Ohio, intangible tax	455.50
Total	458.19
Other deductions, accountant's fee	40.00

EDWARD JAMES WHALEN

Dividends received, common stock:	
Allegheny Power System, Inc	1,267.50
Atlantic City Electric Co	648.00
Baltimore Gas & Electric Co	54.00
Carolina Power & Light Co	1,204.00
Central Illinois Light Co	160.00
Central & Southwest Corp	126.00
Consolidated Edison Co	200.00
Copeland Corp	1,190.00
Delmarva Power & Light Co	120.00
Duke Power Co	815.00
Entex, Inc	240.00
Florida Power & Light Co	896.40
Illinois Power Co	660.00
Indianapolis Power Co	188.00
Merrill Lynch Capital Fund, Inc	153.18
Middle South Utilities	966.00
Pacific Gas & Electric	197.00
Pfizer, Inc	138.60
Public Service Electric & Gas	576.00
Third National Bank & Trust Co	279.60
Virginia Electric Power Co	67.82
Total	10,147.10
Interest received: Riggs National Bank	10.09
Total personal income	10,157.19
Taxes paid (other than Federal):	
State of Ohio, income tax	2.44
Montgomery County, Ohio intangible tax	441.80
Total	444.24
Taxes paid to IRS, 1977	1,650.97
Other deductions, accountant's fee	40.00

JOSEPH MICHAEL WHALEN

Dividends received, common stock:	
Allegheny Power System, Inc	1,352.00
Atlantic City Electric Co	648.00
Baltimore Gas & Electric Co	54.00
Carolina Power & Light Co	1,204.00
Central Illinois Light Co	160.00
Consolidated Edison Co	200.00
Copeland Corp	1,190.00
Duke Power Co	815.00
Entex, Inc	240.00
Florida Power & Light Co	697.20
Illinois Power Co	660.00
Indianapolis Power Co	188.00
Kansas City Power & Light Co	246.00
Merrill Lynch Capital Fund Inc	146.15
Middle South Utilities	966.00
Pacific Gas & Electric	197.00
Pfizer, Inc	138.60
Public Service Electric & Gas	576.00
Third National Bank & Trust Co.	279.60
Virginia Electric Power Co	101.73
Total	10,059.28
Interest received: Riggs National Bank	13.61
Total personal income	10,072.89
Taxes paid to IRS, 1977	1,648.65
Taxes paid (other than Federal):	
State of Ohio, income tax	3.06
Montgomery County, Ohio, intangible tax	441.25
Total	444.31
Other deductions, accountant's fee	40.00

ANNE ELIZABETH WHALEN

Dividends Received, common stock:	
Allegheny Power System, Inc	676.00
Baltimore Gas & Electric Co	54.00
Carolina Power & Light Co	1,204.00
Central Illinois Light Co	160.00
Consolidated Edison Co	150.00
Copeland Corp	1,190.00
Delmarva Power & Light Co	120.00
Duke Power Co	489.00
Florida Power & Light Co	730.40
Illinois Power Co	660.00
Indianapolis Power & Light Co	94.00
Merrill Lynch Capital Fund Inc	154.66
Middle South Utilities	966.00
Pfizer, Inc	138.60
Public Service Electric & Gas Co	576.00
South Carolina Gas & Electric	155.00
Third National Bank & Trust Co.	279.60
Virginia Electric Power Co	67.82
Total	7,865.08
Interest received:	
Riggs National Bank	18.80
Madison National Bank	4.68
Total	23.48
Total personal income	7,888.56
Taxes paid to IRS, 1977	1,170.01
Taxes paid (other than Federal):	
State of Ohio, income tax	1.49
Montgomery County, Ohio, intangible tax	345.30
Total	346.79
Other deductions, accountant's fee	40.00

MARY BARBARA WHALEN

Dividends received, common stock:	
Allegheny Power System, Inc	169.00
Carolina Power & Light Co	172.00
Central Illinois Light Co	160.00
Copeland Corp	910.00
Indianapolis Power & Light Co	564.00
Merrill Lynch Capital Fund, Inc	129.50
Middle South Utilities	828.00
Pfizer, Inc	138.60
Virginia Electric Power Co	67.82
Total	3,138.92
Interest received: Riggs National Bank	18.07
Total personal income	3,156.99
Taxes paid to IRS, 1977	318.00

Taxes Paid (other than Federal):	
State of Ohio, income Tax	none
Montgomery County, Ohio, Intangibles	137.45
Total	137.45
Other deductions, accountant's fee	40.00

RESOLUTION DENOUNCING ASSASSINATION OF ALDO MORO SHOULD BE ADOPTED

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. RODINO) is recognized for 5 minutes.

● Mr. RODINO. Mr. Speaker, I was deeply saddened and outraged to learn of the death of Aldo Moro. While the free world was shocked by his kidnaping, this brutal assassination leaves but one conclusion: There is no place for terrorism among free men.

Aldo Moro was a model of the understanding, compassion, and patience that are the essence of democratic governments. Although a single terrorist act has succeeded in killing this decent man, terrorism and anarchy will never triumph over the respect for democratic law and the principle of justice which Aldo Moro so well represented.

It was my privilege to have known Aldo Moro as a friend for a long period of time. He was a most respected Italian leader and a wise public counselor. I send my deepest sympathies to his family and I share with the people of Italy this tremendous loss.

Mr. Speaker, I urge adoption of this resolution to express our condemnation of this terrible act.●

CELEBRATING ISRAEL'S INDEPENDENCE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. MCHUGH) is recognized for 5 minutes.

● Mr. MCHUGH. Mr. Speaker, this year's celebration of Israel's independence is a very special occasion, because 30 years have passed since the joyous day when modern Israel joined the family of free and independent nations. Those 30 years have encompassed in their brief span so much triumph and fulfillment. They have encompassed, too, a full measure of the struggle, suffering, and valorous survival that for so many centuries preceded the day of Israel's independence.

As we contemplate this great anniversary, we are reminded of the ancient yet perennial story of Abraham's children—a story of triumph over adversity and of joyous deliverance from suffering. And the joy is almost overwhelming, because the suffering has been almost overwhelming. We are reminded of this suffering, because of another special anniversary. Thirty-five years ago this spring occurred the Warsaw ghetto uprising, an uprising which began on April 19 and ended on May 8, 1943. During the fighting of 35 years ago, some 56,000 Jews were killed or captured, while many others died in the flaming ruins of the ghetto when it was utterly devastated by the Nazis. And, of course, those lives were only a fraction of the millions who died at the hands of the Nazi oppressors during World War II. Yet, we have reason to believe that those sacrifices were in some measure redeemed in a clearly providential way: Almost 5 years to the day after the devastation of the Warsaw ghetto, a song of joyous freedom resounded throughout Tel Aviv in May of 1948.

The story of the people of Israel has ever been one of tragedy followed eventually by triumph. In our own times, the words of Isaiah ring with as much truth as when he first reassured his people in exile. Through Isaiah, the deliverer of Israel prophetically speaks and still says:

> I will never forget you. See, I have carved your name on the palm of my hand, and ever before me is a picture of Jerusalem's walls in ruins. Soon your rebuilders shall come and chase away all those destroying you.

In the last decade, Mr. Speaker, we have seen these words fulfilled in mysterious ways. For a time, it seemed as though the clouds of war would not cease to hang heavily over Israel and the Middle East. It seemed that there would be no peace for our children to inherit. Yet suddenly, within this past year, in the 30th year of Israel's independence, the clouds have broken and rays of hope have shone through. It seems possible for men of peace to reason together at last, and possible to hope that the day of which Isaiah spoke may arrive, the day of the lion and lamb together in peace.

Our times remain troubled and initiatives for peace must be cultivated with great care. Today, people throughout the world join in praying that Israel will effectively be "a light to the nations," not just in the inspiring example of its survival and statecraft, but in helping to forge a peace for the Middle East that will endure and flourish. The choices to be faced are difficult, not only for the nations of the Middle East, but also for the United States and other countries. The way of peace must be the way of strength and security, at the same time that it is the way of restraint and negotiation. Above all, it must be the way of wisdom, and that is what we pray for today, on this special anniversary.●

● Mr. ROSENTHAL. Mr. Speaker, it is with great pleasure and pride that we celebrate the 30th anniversary of the nation of Israel. As Americans, we can be proud of our role in helping to make Israel a strong democracy in a volatile region.

Israel has had to struggle for survival from its inception—and the end of the road is still not in sight. Composed of the remnants of the ovens of Europe, the nation of Israel was created 30 years ago today. The day she was born, her Arab neighbors declared war, vowing to drive the Israelis into the sea.

In spite of this grave and formidable opposition, three major wars and a beleaguered economy, the tiny state of Israel has prospered and is now stronger than ever. Today she remains the principal refuge for persecuted Jews throughout the diaspora, absorbing hundreds of thousands of Soviet, Arabian, and European Jews without regard to quotas or the effect on the economy. Had there been an Israel for Jews to turn to in the 1930's and 1940's Hitler's holocaust might not have claimed 6 million Jewish lives.

The United States has been a strong ally of Israel since its beginning. President Truman lobbied heavily in favor of the state's creation and without his support, the first Jewish state might never have become a reality. Today, however, this special relationship is for the first time in jeopardy. The proposed sale of advanced fighter aircraft to Saudi Arabia, President Carter's commitment to the principle of a Palestinian homeland and all out support for President Sadat's terms of peace are worrisome developments to those concerned about the future and security of the only democracy in the Middle East.

As we celebrate the miracle of Israel, I am confident that these recent developments will not compromise America's longstanding support for Israel. I am encouraged by President Carter's recent declaration:

> For thirty years we have stood at the side of the proud and independent nation of Israel . . . we will continue to do so not just for another thirty years, but forever . . . we will never waiver in our absolute commitment to Israel's security. I pray Israel will always have a strong ally in the United States.●

● Mr. GILMAN. Mr. Speaker, I rise to salute the people of the State of Israel on the 30th anniversary of its foundation.

David Ben-Gurion proclaimed the State on May 14, 1948, the 5th day of Iyar, 5708, according to the Jewish calendar. This year, the 5th of Iyar falls today, May 11, and Israel's Independence Day, Yom Ha-atzmaut, is even now being celebrated in Jerusalem, the capital, in Tel-Aviv, and in all of the other cities and towns in Israel.

The ties between the United States and Israel go back more than 30 years. Even before the founding of the State, many Americans, including such towering figures as Justice Louis Brandeis and Rabbi Abba Hillel Silver, played vital roles in the rebuilding of Eretz-Israel, the Land of Israel.

Immediately upon the founding of the State of Israel, President Truman extended diplomatic recognition to it; we were the first nation to so extend a hand. In contrast, Israel's neighbors launched a multifront assault, and Israel has, until this day, never enjoyed as much as 1 day of real peace.

Over the past 30 years, the ties between the United States and Israel, which started out on such a strong basis, have been unshakable. The United States has extended political, military, and economic aid in generous quantities. Israel has returned unswerving friendship, and invaluable technical, scientific, and intelligence information.

The ties have not only been between the two governments. Israel has received financial aid and moral support from millions of individual American citizens, and Israel has in turn provided enormous spiritual and cultural resources to Americans of all religious persuasions.

Israel deserves, and will continue to receive, the continued support of the American people. Of all our Middle Eastern concerns, the security of the State of Israel is, and will remain, of paramount importance.

Israel is the most free, democratic, and stable nation in the Middle East. It has maintained these characteristics, because of the intense moral strength of its people.

The moral and historic foundations of the State are best expressed in the words of its declaration of independence (which to share with my colleagues I insert in the RECORD at this point). First proclaimed 30 years ago today, they continue to guide and inspire its people and all people concerned with its high principles:

DECLARATION OF THE ESTABLISHMENT OF THE STATE OF ISRAEL MAY 14, 1948

Eretz-Israel was the birthplace of the Jewish people. Here their spiritual, religious, and political identity was shaped. Here they first attained to statehood, created cultural values of national and universal significance and gave to the world the eternal book of books.

After being forcibly exiled from their land, the people kept faith with it throughout their dispersion and never ceased to pray and hope for their return to it and for the restoration in it of their political freedom.

Impelled by this historic and traditional attachment, Jews strove in every successive generation to re-establish themselves in their ancient homeland. In recent decades they returned in their masses, pioneers, ma'apilim and defenders. They made deserts bloom, revived the Hebrew language, built villages and towns, and created a thriving community, controlling its own economy and culture, loving peace but knowing how to defend itself, bringing the blessings of progress to all the country's inhabitants, and aspiring toward independent nationhood.

In the year 5657 (1897), at the summons of the spiritual father of the Jewish state, Theodor Herzl, the first Zionist Congress convened and proclaimed the right of the Jewish people to national rebirth in its own country.

This right was recognized in the Balfour Declaration of the 2nd November, 1917, and re-affirmed in the mandate of the League of Nations which, in particular, gave international sanction to the historic connection between the Jewish people and Eretz-Israel and to the right of the Jewish people to rebuild its national home.

The catastrophe which recently befell the Jewish people—the massacre of millions of Jews in Europe—was another clear demonstration of the urgency of solving the problem of its homelessness by re-establishing in Eretz-Israel the Jewish state, which would open the gates of the homeland wide to every Jew and confer upon the Jewish people the status of a fully-privileged member of the comity of nations.

Survivors of the Nazi holocaust in Europe, as well as Jews from other parts of the world, continued to migrate to Eretz-Israel. Undaunted by difficulties, restrictions and dangerous and never ceased to assert their right to a life of dignity, freedom and honest toil in their national homeland.

In the Second World War, the Jewish communtiy of this country contributed its full shares to the struggle of the freedom and peace-loving nations against the forces of Nazi wickedness and, by the blood of its soldiers and its war effort, gained the right to be reckoned among the peoples who founded the United Nations.

On the 29th November, 1947, the United Nations General Assembly passed a resolution calling for the establishment of a Jewish state in Eretz-Israel: the General Assembly required the inhabitants of Eretz-Israel to take such steps as were necessary on their part for the implementation of that resolution, this recognition by the United Nations of the right of the Jewish people to establish their state is irrevocable.

This right is the natural right of the Jewish people to be masters of their own fate, like all other nations, in their own sovereign state.

Acordingly we, members of the people's council, representatives of the Jewish community of Eretz-Israel and of the Zionist movement, are here assembled on the day of the termination of the British mandate over Eretz-Israel and, by virtue of our natural and historic right and on the strength of the resolution of the United Nations General Assembly, hereby declare the establishment of a Jewish, state in Eretz-Israel, to be known as the State of Israel.

We declare that, with effect from the moment of the termination of the mandate, being tonight, the eve of sabbath, the 6th Iyar, 5708 (15th May, 1948). Until the establishment of the elected, regular authorities of the state in accordance with the constitution which shall be adopted by the elected constituent assembly not later than the 1st October 1948, the people's council shall act as a provisional council of state, and its executive organ, the people's administration, shall be the provisional government of the Jewish state, to be called "Israel".

The State of Israel will be open for Jewish immigration and for the ingathering of the exiles; it will foster the development of the country for the benefit of all its inhabitants; it will be based on freedom, justice and peace as envisaged by the prophets of Israel; it will ensure complete equality of social and political rights to all its inhabitants irrespective of religion, race or sex; it will guarantee freedom of religion, conscience, language, education and culture; it will safeguard the holy places of all religions; and it will be faithful to the principles of the charter of the United Nations.

The State of Israel is prepared to cooperate with the agencies and representatives of the United Nations in implementing the resolution of the General Assembly of the 29th November, 1947, and will take steps to bring about the economic union of the whole of Eretz-Israel.

We appeal to the United Nations to assist the Jewish people in the building-up of its state and to receive the State of Israel into the comity of nations.

We appeal—in the very midst of the onslaught launched against us now for months—to the Arab inhabitants of the State of Israel to preserve peace and participate in the upbuilding of the state on the basis of full and equal citizenship and due representation in all its provisional and permanent institutions.

We extend our hand to all neighboring states and their peoples in an offer of peace and good neighbourliness, and appeal to them to establish bonds of cooperation and mutual help with the sovereign Jewish people settled in its own land. The State of Israel is prepared to do its share in a common effort for the advancement of the entire Middle East.

We appeal to the Jewish people throughout the diaspora to rally round the Jews of Eretz-Israel in the tasks of immigration and upbuilding and to stand by them in the great struggle for the realization of the age-old dream—the redemption of Israel.

Placing our trust in the Almighty, we affix our signatures to this proclamation at this session of the provisional council of state, on the soil of the homeland, in the city of Tel Aviv, on this Sabbath eve, the 5th day of Iyar, 5708 (14th May, 1948):

Daniel Auster, Mordekhai Bentov, Yitzchak Ben Zvi, Eliyahu Berligne, Fritz Bernstein, Rabbi Wolf Gold, Meir Grabovsky, Yitzchak Gruenbaum.

Dr. Abraham Granovsky, Eliyahu Dobkin, Meir Wilner-Koyner, Zerach Wahrhaftig, Herzi Vardi, David Ben-Gurton, Rachel Cohen, Rabbi Kalman Kahana.

Saadia Kobashi, Rabbi Yitzchak Meir Levin, Meir David Loewenstein, Zvi Luria, Golda Myerson, Nachum Nir, Zvi Segal, Rabbi Yehuda Leib.

Hacohen Fishman, David Zvi Pinkas, Aharon Zisling, Moshe Kolodny, Eliezer Kaplan, Abraham Katzneison, Felix Rosenblueth, David Remez.

Beri Repetur, Mordekhai Shattner, Ben Zion Sternberg, Bekhor Shitreet, Moshe Shapira, Moshe Shertok.●

● Mr. AMBRO. Mr. Speaker, I rise today to wish a hearty mazel tov to our good friend and staunch ally, the State of Israel, on the occasion of her 30th birthday. One of the slogans that has been circulated during this year's celebration quips, "After 40 centuries, it's great to be 30." This saying poignantly reflects the ironies and contradictions of Israel's existence: an old nation, yet new; a small state, yet strong; a people whose culture has always stressed the peaceful pursuits of education, the arts, and humanities, yet in a constant state of war with most of her citizens presently doing some form of military service; a population that overwhelmingly originated from dictatorships and feudal monarchies, yet a strong and vibrant democracy. Perhaps the greatest contradiction of all is that the modern nation of Israel was born out of the horror, the terror, and literally the ashes of the holocaust.

The achievements of Israel during her brief, 30-year history have been nothing short of miraculous. Invaded by her encircling Arab neighbors on the day after she proclaimed her independence, she not only prevailed at that time, but has been the victor in three additional wars precipitated by the Arab States. Not only has Israel won her military battles, she has done so in ways the world tends to remember—defeating three Arab armies in 6 days in 1967; crossing the Suez Canal after suffering heavy casualties in a surprise attack in 1973; flying 2,000 miles across hostile territory to rescue hijack hostages at Entebbe. It has been said that "happy is the nation whose history is boring to read." Unfortunately, Israel has never had a dull moment. However, the miracles of which Israel is most proud relate not to her miitary prowess, but rather to the fact that a nation of 700,000 in 1948 absorbed so many immigrants that its population has quintupled. Since becoming a state, Israel has opened her doors and her heart to more than 1,500,000 immigrants from over 100 nations, speaking 112 different languages, who came to her shores with nothing but hope of building a new life free from persecution and discrimination. In spite of the highest tax rates on Earth and crippling inflation, she is still flinging her arms wide open to embrace and take in those Soviet and other Eastern European Jews

who have been able to escape the physical and psychological persecution of their Communist regimes. All the while, her standard of living has increased dramatically, per capita income has gone up eighteenfold; the number of university students has risen 25-fold, the consumption of electricity is 35 times more than it was in 1948, schools and museums have opened and flourished throughout the country and a multiplicity of dance, theater, and music groups, most notably the Israeli philharmonic, have achieved worldwide acclaim. Clearly a series of remarkable achievements, the more so because neither international pressures nor pellmell domestic development have forced this tiny nation to stray from a firm democratic path.

Unfortunately, if such feats have evoked admiration, they have not won Israel many friends. No other country today, large or small, has had its national liberation movement labeled "a form of racism." No other country is the subject of a document that says it should cease to exist. There is no other place, where outsiders say the people who live there should go away to another place. Certainly Israel can do without such distinctions. In the last 6 months, however, she was provided with a small glimmer of hope that her status as almost a pariah among most of the other nations of the world was coming to an end. She saw light at the end of the 30-year tunnel of conflict when President Sadat stepped off an Egyptian airliner onto Israeli soil on a mission of peace. For the first time, there was an Arab leader who recognizes Israel's absolute right to exist. The disagreement with him is on how to guarantee that existence. It is a difficult and frustrating process, but it is in a thousand ways different and easier from the quarrel Israel has with the rest of the Arabs. It is a bitter irony for the Israelis that while they are engaged in the first tentative peace feelers from an Arab leader in their 30-year history, their "special relationship" with the United States has appeared to have deteriorated. It has always been a great source of pride to me that the United States of America was the first nation on Earth to recognize the new state of Israel minutes after independence was proclaimed, and that, during her 30-year history, we have always been her closest friend and ally. President Carter's rhetoric to the contrary, I fear that Arab blandishments of stable oil prices and support for the dollar have undermined our traditional posture in the Middle East. Certainly the administration's proposal to tie the sale of our most advanced fighter plane, the F–15, to Saudi Arabia to our longstanding commitment to sell the same aircraft to Israel gives one cause to worry about the direction of our policy in that volatile region. As I have publicly stated many times before, I am as unalterably opposed to the Saudi and Egyptian sale as I am firmly resolved that we should proceed with the sale to Israel. The provision of these advanced weapons systems to the Arab nations at this time not only threatens the security of Israel, but it also violates our own national interest. Since the administration is stubbornly determined to push this arms package, I hope that both Houses of this Congress block its conclusion.

At this critical time in Israel's history, as she stands on the threshold of real peace with her neighbors, the United States must remain resolute in its support and friendship and not attempt to pressure her into an ill-considered "peace at any price." For Israel, the pursuit of peace has been the central focus of her 30-year existence. In this context, it is perhaps significant that the Israeli national anthem is not the usually military march, but rather a beautiful ballad entitled "Hatikvah," the hope. For the Jewish people throughout their history, the redemption of the land of Israel has been an enduring hope. In the years that this hope has been a reality, aspirations now center first and foremost on real peace and security. To the extent that the United States can advance that cause, it must be our mission to do so. During his visit to the United States last week, Prime Minister Begin eloquently summed up the ties that link the United States and Israel in permanent friendship and in a quest for peace:

> For freedom, for justice, for human progress and for human dignity, let there be everlasting friendship between the great United States of America and the renewed State of Israel.

To that wish, I think that we can all add, "amen." ●

● Mr. SOLARZ. Mr. Speaker, last month marked the 35th anniversary of the Warsaw ghetto uprising. Yesterday, Jews throughout the world observed Yom Hashoah, the commemoration of Jewish suffering during the holocaust. It is important that we carefully assess and remember this sad chapter in the history of mankind, in order that it never be repeated.

The Warsaw ghetto uprising is a symbol for all who fear oppression. Far from "the living dead," those of the Warsaw ghetto elected to struggle against the dehumanizing conditions inflicted upon them by the Nazis. Realizing that life without freedom and dignity is tantamount to no life at all, these courageous Jews of Warshaw struggled against their evil oppressors and were massacred. Their acts give us a greater appreciation of the freedom from persecution which we in America should cherish, but so often take for granted.

Mankind can try to forgive, but should never forget the acts of brutality perpetrated against the Jews in Europe. Acts of justice are validated only through the acknowledgement of mankind's potential for injustice. When we attempt to deny our potential for evil, we allow for this evil to revisit us. Through this lesson of history, modern society is in a better position to recognize terror which has been legitimized through self-serving, ideological dogma.

The Jews of modern Israel have been conscientious students of history. They have long realized mankind's potential for evil, and have cherished the freedoms granted by establishment of the state of Israel. With the birth of this nation 30 years ago today, the prospect of living without the constant fear of persecution became a reality for Jews throughout the world. In truly creating a "Land of Milk and Honey," the Jewish people established a government true to fundamental principles of freedom and justice.

Israel represents more than simply a homeland for a people bound by a common religion, culture, and heritage. Throughout history, mankind has demonstrated its capacity for cruelty through persecution of the Jews. Israeli Ambassador Chaim Herzog, speaking before the United Nations in 1975, described this unique role played by the Jews:

> Over the centuries, it has fallen to the lot of my people to be the testing agent of human decency, the touchstone of civilization, the crucible in which enduring human values are to be tested.

Tragically, both Israel and the Jewish people have continued to be this "testing agent of human decency." From its emergence 30 years ago, Israel has been the victim of continual aggression. The covenant of the U.N.—recognized Palestine Liberation Organization calls for the destruction of the Israeli State. Seventy-two nations have declared Zionism a racist and fanatical movement, linking it, ironically, with fascism and nazism. Most disturbing is the persecution faced by Jews in Eastern Europe, and the appearance of avowedly antisemitic, neo-Nazi organizations in the United States and throughout the world. Since 1948, the state of Israel has been a haven for Jews to live and worship, free from fear of oppression. Jews throughout the world who have been denied fundamental freedoms have been able to maintain hope through the prospect of emigrating to the "Promised Land."

While the United States should do everything possible to facilitate the peace process in the Middle East, we must be aware that a lasting peace can only be made by Israel's negotiating directly with her Arab neighbors. The most important lesson the Israelis have learned from history is that, as a surviving nation, they can only rely on themselves. Cessation of hostilities, legal declarations of recognition, and a willingness to peacefully negotiate all contribute to the prospects for peace. However, given the history of the Jewish people, the United States cannot expect Israelis to sacrifice what they consider their security for "promises" of peace.

Understanding Israel's reluctance to rely on the United States does not diminish our obligation to the only truly democratic country in the Middle East. The United States certainly maintains strategic interests in Israel which justify our commitment to her security. However, we have a more substantial commitment to this small, beleaguered nation. It is a security commitment based on common values of freedom, justice, and human decency.●

● Mr. PATTERSON of California. Mr. Speaker, I join my colleagues today in celebrating the 30th anniversary of the founding of the State of Israel. Like our own United States demonstrated in its 30th year of existence, Israel has shown the world that even at this early stage of

its existence, it is no fledgling among the body of nations.

The resourcefulness of Israel's citizens, and their courage and triumph over some of the most severe hardships ever imposed by man on his fellow humans, serve as a beacon of hope for millions, whose liberties remain repressed by oppressive governments.

Our celebration and honoring today of the State of Israel is overshadowed by the ominous reality that her survival has been threatened from the outset. I pray that all parties in the Middle East will continue to find the courage and flexibility to negotiate a lasting peace.

Mr. Speaker, I am certain that the American people are dedicated to the preservation of Israel, but they also want an acceptable solution for all parties for the problems of all peoples in the Middle East.

While we all realize that a negotiated permanent peace in the Middle East will be a difficult project let me offer these lines from the Israeli poet Shin Shalom as a guide for all leaders in the Middle East to follow:

ISHMAEL, ISHMAEL

Ishmael, my brother,
How long shall we fight each other?
My brother from times bygone,
My brother-Hagar's son,
My brother the wandering one.
One angel was sent to us both,
One angel watched over our growth—
Three in the wilderness, death threatening through thirst,
I a sacrifice on the altar, Sarah's first.
Ishmael, my brother, hear my plea:
It was the angel who tied thee to me.
The caravan progresses out of breath,
Crossing the desert, a march to death.
But we have seen a mission divine,
Eternal secrets are thine and mine.
Why should we blind each other's eyes?
Let us be brothers; brother, arise!
The heat of the desert has narrowed our mind,
Our common grazing ground we cannot find.
Let us remember our father's kind heart,
Let brothers never again from each other part.
Remember "the well of the living God who sees me,"
Let bonds of friendship bring me to thee.
Time is running out, put hatred to sleep.
Shoulder to shoulder, let's water our sheep.●

GENERAL LEAVE

Mr. PEASE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include therein extraneous material on the subject of the special order today by the gentleman from New York (Mr. MCHUGH).

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. WHITE) is recognized for 5 minutes.

● Mr. WHITE. Mr. Speaker, during my absence from Washington during the week of May 1–5, I missed several rollcall votes on legislative measures. Had I been in attendance during those sessions, I would have cast my votes as follows:

On rollcall No. 262, May 1, 1978, motion to suspend the rules and pass bill (H.R. 11657) to authorize appropriations to carry out the Central, Western and South Pacific Fisheries Development Act; "yes;"

On rollcall No. 263, May 1, 1978, motion to suspend the rules and pass bill (H.R. 10392) to establish a Hubert H. Humphrey Fellowship in Social and Political Thought at the Woodrow Wilson International Center for Scholars at the Smithsonian Institution; "yes;"

On rollcall No. 264, May 1, 1978, motion to suspend the rules and pass bill (H.J. Res. 816) to extend the authority of the Federal Reserve Banks to buy and sell certain obligations; "yes;"

On rollcall No. 265, May 1, 1978, adoption of rule for H.R. 9400, Civil Rights for Institutionalized Persons; "yes;"

On rollcall No. 267, May 1, 1978, amendment to H.R. 9400 to strike the coverage for jails, prisons and other correctional institutions; "no;"

On rollcall No. 269, May 2, 1978, motion to suspend the rules and pass bill (H.R. 11713) to create a solar and renewable energy sources loan program within the Small Business Administration; "yes;"

On rollcall No. 270, May 2, 1978, motion to suspend the rules and pass bill (H.R. 8099) relating to the settlement of certain water claims of the Ak-Chin Indian Community against the United States; "yes;"

On rollcall No. 271, May 2, 1978, resolution to provide that the bill (H.R. 8331), to amend the Securities Investor Protection Act of 1970, with the Senate amendments thereto, be taken from the Speaker's table and that the Senate amendments be agreed to with an amendment; "yes;"

On rollcall No. 272, May 2, 1978, resolution of the House that the Speaker certify the report of Claude Powell's contempt of Congress to the U.S. attorney for criminal contempt; "yes;"

On rollcall No. 274, May 3, 1978, amendment to House Concurrent Resolution 559 that sought to reduce budget authority to $548.8 billion, outlays to $488.3 billion, revenues to $440 billion and the deficit to $48.2 billion; "yes;"

On rollcall No. 275, May 3, 1978, amendment to House Concurrent Resolution 559 in the nature of a substitute that sought to increase budget authority for national defense by $2.4 billion; "yes;"

On rollcall No. 276, May 3, 1978, amendment that sought to reduce national defense by $4.8 billion in budget authority and $2.8 billion in outlays, and transfer these amounts to other employment and economic development programs; "no;"

On rollcall No. 277, May 3, 1978, amendment to House Concurrent Resolution 559 that sought to increase tax cuts by $10.3 billion to a total of $36.7 billion; "yes;"

On rollcall No. 278, May 3, 1978, amendment to House Concurrent Resolution 559 that increases veterans benefits and services by $1 billion in budget authority and $844 million in outlays; "yes;"

On rollcall No. 279, May 3, 1978, amendment to House Concurrent Resolution 559 that sought to add $435 million in budget authority and $390 million in outlays to the education, training, employment, and social services function for increased funding of training and employment programs: "yes;"

On rollcall No. 280, May 3, 1978, amendment to House Concurrent Resolution 559 that sought to reduce budget authority and outlays by $255 million to allow for a Federal salary increase of 5.5 percent instead of 6 percent; "no;"

On rollcall No. 282, May 4, 1978, rule waiving all points of order against the conference report on the Emergency Agricultural Act of 1978 (H.R. 6782); "yes;"

On rollcall No. 283, May 4, 1978, conference report on Emergency Agricultural Act of 1978 (H.R. 6782); "yes;"

On rollcall No. 284, May 4, 1978, amendment to House Concurrent Resolution 559, in the nature of a substitute, that reduced the revenue target to accommodate tuition tax credits for eligible elementary, secondary, and post-secondary school students; "no;" and

On rollcall No. 285, May 4, 1978, amendment to House Concurrent Resolution 559, as amended, that decreases Federal revenues by $635 million for tuition tax credits; "yes." ●

SOLAR POWER SATELLITE—SECURITY, RELIABILITY, AND ECONOMICS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. OTTINGER) is recognized for 5 minutes.

● Mr. OTTINGER. Mr. Speaker, I recently received a short report evaluating the Solar Power Satellite from the viewpoints of security, reliability, and economics. The director of International Business Services, Inc., prepared this evaluation to bring to the attention of this body factors which should be more carefully considered before making a commitment to a multibillion-dollar commercial demonstration program. I hope my colleagues will consider the conclusions of this evaluation carefully.

REPORT ON ECONOMIC AND TECHNOLOGY DEVELOPMENT

(By Charles E. Hansen)

SOLAR-POWERED SATELLITES—INSECURE AND UNCOMPETITIVE

The House Science Committee has approved a bill which would authorize $25 million in the coming fiscal year for accelerated research on so-called solar-powered satellites. A solar-powered satellite would consist of a large array of photovoltaic cells to convert sunlight to electricity, plus a transmitting unit to beam the collected energy to Earth in the form of microwaves. On Earth, the microwaves would be received by receiver stations and converted to electrical current, which would then be sold to consumers. Each satellite is estimated to provide about 10,000 megawatts (MW) of electrical power, which is about ten times the power provided by a large nuclear-powered generating station.

There are at least three areas that should be examined prior to any large expenditure of funds or other commitment to a solar-pow-

ered satellite project. These areas are security, reliability, and economics (although environmental effects are certainly important, existing review procedures should be adequate to deal with environmental impacts.)

SECURITY

Although it would seem that a satellite in orbit 22,000 miles above the earth should be quite secure, that may not be the case at all. General George S. Brown, USAF, in his Statement to the Congress on the Defense Posture of the United States for FY 1979 (Washington, D.C.: USGPO, January 20, 1978), stated (p. 40): "The Soviets conducted four antisatellite tests in 1977. The satellite intercept capability demonstrated during the Soviet tests complicates the U.S. task of space identification, attack assessment and warning of hostile space events." He further stated that "A capability is needed to detect attacks on U.S. satellites and to warn national authorities on a timely basis of any Soviet attempts to gain military advantage in space." From these statements, it seems reasonable to assume that the Soviets have some capability to attack satellites in orbit, while the U.S. does not have the capability to detect such an attack. While the loss of an operating satellite could be determined, it would not be possible to determine with a high degree of confidence whether the loss resulted from an onboard failure or a hostile attack.

Simply stated, the Soviets may have the capability to damage or destroy a solar-powered satellite, while we do not have the capability to determine that the loss resulted from hostile attack. Since the Soviets are developing a satellite-destruction capability, it is reasonable to assume they will have it perfected by the time a solar-satellite is placed in orbit.

The size of a solar-powered satellite (ten miles square) and the level of power that it would generate would make it a very vulnerable target.

Security of energy supply has been a primary concern ever since the 1973 oil embargo demonstrated the effects of a major supply disruption. The vulnerability of the oil supply lines from the Middle East to the U.S. has been mentioned on numerous occasions, especially the Soviets' ability to disrupt the supply line in time of crisis. This vulnerability is one of the driving forces behind the quest for greater domestic self-sufficiency in energy, and for the Strategic Petroleum Reserve.

Since security of the current energy supply is of great concern to the U.S., it would seem reasonable to assume that the security of all future energy sources would also be of great concern. It would not, then, be reasonable to develop a source of energy which would be more vulnerable to disruption, with a higher difficulty of restoration, than current energy supplies.

There can be little doubt that the solar-powered satellite will be vulnerable to destruction by an anti-satellite weapon. Destruction of a solar-powered satellite could be less risky than interrupting an oil supply line. A tanker's captain can radio that he has been torpedoed, mines are rather obvious, and other hostile acts are clearly discernible. Yet it appears to be impossible to distinguish between a hostile act and a normal failure in the loss of a solar-powered satellite. Thus, the attacker could deny involvement, and probably escape retaliation.

RELIABILITY

We have seen that hardware in space does not always operate as intended. Apollo XIII and the sun shields on Skylab are two prime examples.

The massive size of the solar-powered satellite, and the high power level at which it will operate, are reasons to suspect that defects will be present, and that some defects may lead to destruction of the satellite. A fault in a high power circuit could render the satellite inoperable.

Repair may be impossible, and would almost certainly be very expensive, given the location of the satellite.

From the point of view of a power system, reliability considerations would require that the utility system receiving the power be of sufficient size that the power from the satellite would be not more than about 10 percent of the total power being supplied to the system. Today, there is less than 400,000 MW of generating capacity in the United States. Since the minimum-size system should be about 100,000 MW (ten times as large as the generating capacity of a single solar-powered satellite), there could be at most four (4) utility systems.

Alternatively, the individual utilities could join themselves in "power pools," but there could be at most four such pools. Since several of these pools would necessarily be geographically large, coordination problems could be tremendous, compounded by the many individual state regulatory agencies that would be involved.

ECONOMICS

The last part of the above section on reliability indicates that large interconnected systems would be required in order to preclude over-reliance on the satellite. These large systems could lead to anti-competitive behavior by the members of the pool. In any event, the coordination problem would be costly to resolve.

The cost of the solar-powered satellite project is estimated by some sources to be $500 billion for 50 satellites (Wall Street Journal, May 4, 1978, p. 2). This means a cost of $1,000 per kilowatt (KW). In comparison, coal-fired steam plants cost about $850/KW, and nuclear plants cost an estimated $1100/KW (U.S. Department of Energy pamphlet, "Gas Turbines for Efficient Power Generation," DOE/OPA-0003 (2-78). In addition, several recent articles have predicted that photovoltaic cells for installation here on earth will cost about $1000/KW, and possibly less, within the next five years.

Thus, it would appear that the solar-powered satellite will be equal in cost to photovoltaic cells on the earth's surface, slightly cheaper than nuclear power, but significantly more expensive than coal-fired steam plants. However, that is based on the estimated cost of the solar-powered satellite, and that estimate may be a poor indicator of the actual cost.

The solar-powered satellite is receiving strong support from the aerospace industry. As a group, their estimates of the costs of large projects have been woefully inaccurate underestimates. Based on their past record, a doubling of the cost of the solar-powered satellite project is a more realistic but still conservative estimate. At that price, $2000/KW or more, the solar-powered satellite is clearly non-competitive with any current power source. Nor will it be able to compete with solar-powered heating and cooling, or photovoltaic generation of electricity, all of which serve to reduce the demand for utility-provided electric power. Furthermore, these options do not require a commitment to a large, expensive development program.

In summary, the solar-powered satellite offers no improvement in the security of energy supply. Rather, it may be less secure than Middle East oil. Reliability of failures in the satellite will be expensive to repair, if repair is possible at all. System reliability considerations (more properly termed "spreading the risks") will require the formation of very large interconnected power systems. At present, the entire electric utility industry in the United States would have to be combined into just four "power pools." Finally, the estimated cost of the solar-powered satellite makes it marginally competitive at best. If the past history of the aerospace industry in the United States would have to ance, costs will double at least, making the solar-powered satellite more expensive than any apparent competitor. The solar-powered satellite appears to offer many disadvantages with no offsetting advantages.●

R. & D. AND THE U.S. BALANCE OF TRADE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. VANIK) is recognized for 5 minutes.

● Mr. VANIK. Mr. Speaker, at the appropriate time during the Ways and Means Committee's consideration of the President's tax proposals, I plan to raise the issue of whether our Nation's tax laws can be used to encourage increased industrial research and development, in the hope that such R. & D. will provide a long-range improvement on our Nation's balance of trade.

As chairman of the Ways and Means Trade Subcommittee, I am deeply concerned about the staggering trade deficits being incurred by the United States. Last year's unprecedented trade deficit of nearly $27 billion is likely to be repeated this year. Indeed, with a February trade deficit of $4.52 billion, the 1978 total deficit may be even higher than last year's.

There are many reasons for our trade deficit and the international decline in the value of the dollar. Oil imports of $45 billion a year for the foreseeable future are probably the major factor, and the enactment of a tough energy bill will do a great deal to stem the decline of the dollar and reduce the level of deficit. In the Trade Subcommittee's hearings last November on the trade deficit Congressional Budget Director Alice Rivlin testified that the failure of our trading partners to pull out of the recession as rapidly as the United States had reduced demand for American exports by some $13 billion. Thus, improved worldwide economic activity would play a major role in reducing the U.S. trade deficit.

Some observers are also concerned that the United States is losing its competitive edge—the quality of American products and their technological superiority is no longer guaranteed. On this point there is considerable uncertainty and controversy.

There does appear to be evidence, however, that—

In the past, America's strongest fields of export have been in the high-technology items;

Our commitment to R. & D. is declining, either absolutely and/or relative to others such as the Japanese and West Germans.

Therefore, there is danger that increasingly in the future our traditionally strong areas of export will be surpassed by others, leaving us with a permanent, massive trade deficit and weakened dollar.

If the above concerns are valid, then it would be wise to explore ways that we can encourage industrial R. & D. in the hope that this will result in new products, both for domestic use and for the export markets.

Obviously, some form of tax incentive, such as an investment credit for increased corporate R. & D. will take some years to result in the development of new products. But if we begin to consider this problem and work, now, for a solution to our relative decline in R. & D., we can at least hope that over time our balance of trade deficit will be reduced and domestic productivity increased.

As chairman of the Trade Subcommittee of the Committee on Ways and Means, I would like to invite comments to my office on the role of R. & D. in U.S. trade, and whether it would be good public policy to encourage increased R. & D. through the Tax Code.

In the rest of this statement, I would like to provide some data supporting my concerns about the role of R. & D. in U.S. trade.

DECLINE IN U.S. R. & D. AS A PERCENT OF GNP

Approximately $38 billion was spent for public and private R. & D. in the United States during 1976. Although this may seem adequate in terms of absolute size, R. & D. as a percent of our GNP fell from a peak of 3.0 percent during the mid-sixties to only about 2.3 percent today. While the $38 billion figure may seem adequate in absolute terms, it is highly misleading as an indicator of our commitment to industrial R. & D. Half of the U.S. Government's R. & D. effort, for example, goes into military projects where beneficial spillover to private industry production is often remote. The Japanese, on the other hand, commit only about 10 percent of their R. & D. to military projects, concentrating instead on more consumer-oriented items.

In other nations, the level of R. & D. as a percent of GNP rose from 1.2 to 1.9 percent in Japan and from 2.2 to 3.1 percent in the U.S.S.R. between 1963 and 1973. In many other countries, R. & D. is, of course, much more heavily supported by the government. For example, the Japanese Government has apparently committed billions to R. & D. in computers—with the result that Japanese companies are soon expected to challenge seriously the U.S. computer industry.

The rise of other nation's R. & D. effort and the relative decline or stagnation of our own efforts has caused considerable concern in the scientific and academic community. The educational journal Change recently conducted a study entitled "The State of Academic Science," noting:

> Although American science and technology remain generally strong, competitive and dynamic, sufficient warning signs of emerging problems have arisen to alert policymakers to ensure that these downward trends do not worsen.

In an article in the Boston Globe, February 20, 1978, Jerome B. Wiesner, president of MIT, stated:

> The difficulties basic research in the United States has experienced in the past decade are cumulative and I fear that one day five or ten years from now, we'll look back and see that we should have done something about it today, and didn't. Once we slide too far down the hill, it will be increasingly difficult to climb back up.

Paul Chenea, vice president of General Motors research labs, was quoted as saying in an article in Industry Week:

> The day when we were a strong technological giant is over. We don't dominate the world anymore technologically.

Senator STEVENSON, chairman of the Senate Subcommittee on Ethics, recently stated:

> We have reached middle age and have gotten soft and lazy. Our vision is lagging. The Japanese and West Germans are hungry. First, they beat us with television sets and transistors and pretty soon it will be computors.
>
> Our balance of trade problems, declining productivity rates, unemployment, and sluggish economic growth are some of the more obvious byproducts of the slippage in U.S. industrial technology.

High-technology products are the backbone of America's exports in manufactured goods. Aircraft, chemicals, computors, advanced engines, and machinery—without these export strengths our trade deficits would be billions higher and our ability to purchase oil further hurt. The importance of R. & D. intensive products for U.S. exports can be seen from a Library of Congress study entitled "Trends in U.S. Technological Progress and U.S. International Trade Competitiveness":

> It is important to note that the trend in U.S. R&D intensive trade has been very favorable since 1972 and 1975, providing a large surplus in that category. This performance far exceeded the overall improvement in U.S. foreign trade. The rapidly increasing surpluses in technology-intensive trade undoubtedly reflect, among other factors, the devaluation of the dollar and increased exports to relatively new markets such as the Midde East and Eastern Europe.

Mr. Speaker, the above data, which I will elaborate on in other statements in the weeks ahead, indicate that one of the most important, long-range actions we can take to deal with our trade problems is to increase America's commitment to industrial R. & D. I hope that today's comments will contribute to the debate in the Congress on the issue and on the best ways to obtain increased R. & D. in our economy.●

CRIME SUBCOMMITTEE SCHEDULES MARKUP

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. CONYERS) is recognized for 5 minutes.

● Mr. CONYERS. Mr. Speaker, the Subcommittee on Crime, which I chair, has scheduled a markup on H.R. 10934, a bill to provide further authorization for appropriations for pretrial service agencies, which were established by the Speedy Trial Act of 1974. The markup will take place at 9 a.m., in room B352, Rayburn House Office Building.●

CONGRATULATIONS TO CHAIRMAN ZABLOCKI FOR PREPARATION OF INTERNATIONAL DEVELOPMENT AND FOOD ASSISTANCE ACT OF 1978

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. SCHEUER) is recognized for 5 minutes.

● Mr. SCHEUER. Mr. Speaker, I wish to take this opportunity to express my appreciation, as chairman of the House Select Committee on Population, to Chairman ZABLOCKI of the House International Relations Committee for the strong and thoughtful leadership he has exercised in preparing the International Development and Food Assistance Act of 1978.

As the chairman and my fellow Members are aware, the Select Committee on Population was established last October to conduct a detailed and systematic study of key domestic and international population issues. This marked the first time the Congress has undertaken such a comprehensive and exhaustive study. During the past 4 months, the committee has held 8 weeks of well-organized and informative hearings. The committee's staff has worked closely with many of the members present and their staffs in an effort to solicit your views, your concerns, your ideas as to how the committee's work should proceed.

Last week the select committee concluded 3 weeks of expert testimony—much of it from Third World representatives—on international population issues.

On the basis of these intensive hearings, I can say without reservation that the two key actions by Mr. ZABLOCKI's Committee on Population issues deserve the strong support of this House.

The first is that the United States contribute $4.5 million to the World Health Organization (WHO) for its special programme on biomedical and reproductive research. The Select Committee on Population has concluded that a wholly inadequate level of research has been conducted directed toward the development of contraceptives that are suitable for the widely diverse circumstances of different developing countries. The major part of the world effort has been provided by the U.S. National Institutes of Health, which is required to be concerned almost entirely with American needs. The Agency for International Development does not invest large amounts in this area either.

In addition there has been inadequate assessment of the health impacts of different contraceptives on developing country women, with their different nutritional genetic and health circumstances; most of the health studies have been conducted on American and British women. The U.S. contribution to WHO—recommended by the International Relations Committee—a contribution that has never been made previously despite strong WHO support from most European countries, Canada, India, and Mexico—will greatly facilitate this vital process.

The other important decision of the International Relations Committee recommends an increase of $20 million to AID's population assistance appropriation. A recent world fertility survey documented the fact that approximately 50 percent of married women of child bearing ages in developing countries desire to have no additional children. Those survey results are a clear indication that family planning services are wanted throughout the Third World. What is required are safe, reliable, and quality service delivery points—through clinics, hospitals, health posts, and through community-based distribution systems. The need remains great; the overwhelming proportion of women in developing countries still do not have access to the means to determine for themselves the size and spacing of their children, despite general agreement that this is a basic human right. I, therefore, strongly endorse the International Relations Committee's decision in this area, and urge my colleagues in the House to give it their enthusiastic endorsement.

Congressman ZABLOCKI and his fellow committee members deserve our congratulations and sincere appreciation for their hard work, diligence and foresight in bringing these two recommendations to the floor of the House.●

CONFERENCE REPORT ON H.R. 9005

Mr. NATCHER submitted the following conference report and statement on the bill (H.R. 9005) "making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending September 30, 1978, and for other purposes."

CONFERENCE REPORT (H. REPT. No. 95–1139)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 9005) "making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending September 30, 1978, and for other purposes," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 3, 4, 6, 8, 9, 11, 12, 13, 15, 17, 18, 19, 21, 24, 25, 27, 29, 33, 38, and 41.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 10, 16, 30, 31, 32, 34, 35, and 40, and agree to the same.

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$90,862,600"; and the Senate agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment, as follows: Restore the matter stricken by said amendment, amended to change amount as follows: "$5,838,600"; and the Senate agree to the same.

Amendment numbered 14: That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert $263,771,000"; and the Senate agree to the same.

Amendment numbered 23: That the House recede from its disagreement to the amendment of the Senate numbered 23, and agree to the same with an amendment, as follows: Restore the matter stricken by said amendment, amended to read as follows:

RECREATION

Recreation, $17,551,000, of which $208,200 shall be payable from the revenue sharing trust fund.

And the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 2, 20, 22, 26, 28, 36, 37, and 39.

WILLIAM H. NATCHER,
ROBERT N. GIAIMO,
CHARLES WILSON,
GUNN MCKAY,
YVONNE BRATHWAITE BURKE,
ADAM BENJAMIN, JR.,
GEORGE MAHON,
CLAIR W. BURGENER,
JACK F. KEMP,
ELFORD A. CEDERBERG,
Managers on the Part of the House.

PATRICK J. LEAHY,
QUENTIN N. BURDICK,
DENNIS DECONCINI,
ERNEST F. HOLLINGS,
WARREN G. MAGNUSON,
DANIEL K. INOUYE,
CHARLES MCC. MATHIAS, JR.,
LOWELL P. WEICKER, JR.,
MILTON R. YOUNG,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 9005) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending September 30, 1978, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

TITLE II—DISTRICT OF COLUMBIA

Federal payment to the District of Columbia

Amendment No. 1: Appropriates $276,000,000 as proposed by the Senate instead of $295,350,000 as proposed by the House.

Loans to the District of Columbia for capital outlay

Amendment No. 2: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate inserting language and appropriating $92,000,000.

Governmental direction and support

Amendments Nos. 3 and 4: Restore heading and appropriation title General Operating Expenses as proposed by the House and stricken by the Senate and delete the heading and title Governmental Direction and Support proposed by the Senate under the mission budgeting concept.

The conference action on Amendments Nos. 3 through 9, 11 through 15, 17 through 21, 23 through 27, 29 and 33 all of which relate to the mission budgeting structure proposed by the Senate postpones this change until fiscal year 1980. The city is directed to submit the fiscal year 1980 budget to the Congress in a mission budget format in conformance with the mission budget format reflected in Senate Report 95–439. Any changes to this format that would be proposed by the city would be made only after consultation and agreement with the House and Senate Appropriations Subcommittees on the District of Columbia.

Amendment No. 5: Appropriates $90,862,600 instead of $90,783,000 as proposed by the House and $117,313,400 as proposed by the Senate.

The conference action reflects (1) deferral of the mission budgeting concept transferring certain agencies out of this appropriation as proposed by the Senate, (2) the application of a base reduction of one-half of one percent, except for the Metropolitan Washington Council of Governments, as proposed by the Senate, (3) a total of $15,000 for ceremonial expenses instead of $20,000 as proposed by the House and $12,500 as proposed by the Senate, (4) the appropriation of $500,000 for the Advisory Neighborhood Commissions as proposed by the Senate, and (5) a total of $843,100 for the Public Library book fund as proposed by the Senate.

Amendment No. 6: Provides that $799,300 shall be payable from the revenue sharing trust fund as proposed by the House instead of $300,000 as proposed by the Senate reflecting deferral of the mission budgeting concept.

Amendment No. 7: Restores language stricken by the Senate amended to provide that $5,838,600 of the appropriation for General Operating Expenses shall be available solely for District of Columbia employees' disability compensation instead of $5,861,000 as proposed by the House. The Senate proposed transferring this provision to Human Support Services under the mission budgeting concept.

Amendment No. 8: Restores language stricken by the Senate which provides that not to exceed $50,000 may be used to match financial contributions from the Department of Defense to the District of Columbia Office of Emergency Preparedness as proposed by the House instead of transferring this provision to Public Safety and Justice under the mission budgeting concept as proposed by the Senate.

Amendment No. 9: Deletes language proposed by the Senate reflecting the transfer of funds for pay increases and related costs from the Personal Services appropriation heading under the mission budgeting concept.

Amendment No. 10: Appropriates $625,100 for General Operating Expenses, fiscal year 1977, as proposed by the Senate instead of $648,000 as proposed by the House. The conference action reflects the deletion of funding for 26 temporary security guards due to the late passage of the bill as proposed by the Senate.

Economic development and regulation

Amendment No. 11: Deletes heading, language and appropriation of $14,050,100 reflecting deferral of the transfer of certain agencies to this heading from General Operating Expenses under the mission budgeting concept as proposed by the Senate.

Public safety and justice

Amendments Nos. 12 and 13: Restore heading and appropriation title of Public Safety as proposed by the House instead of adding the words "and Justice" as proposed by the Senate under the mission budgeting concept.

Amendment No. 14: Appropriates $263,771,000 instead of $264,069,000 as proposed by the House and $263,763,800 as proposed by the Senate.

The conference action reflects (1) the application of a base reduction of one-half of

one percent, except for the Metropolitan Police Department and the Fire Department, as proposed by the Senate, (2) restoration of $1,243,000 required to maintain the average uniformed strength of the Metropolitan Police Department at 4,141 as proposed by the House and stricken by the Senate, (3) restoration of one additional position and $21,400 for the National Guard as proposed by the House and stricken by the Senate, (4) the addition of one position and $28,800 for the Superior Court for the legal assistance project for Lorton inmates as proposed by the Senate, (5) an increase of three positions and authority to reprogram funds for the Superior Court's child care center as proposed by the Senate, (6) the addition of eight positions and $43,400 for Public Defender Service workload increases instead of 13 positions and $258,900 for workload increases and an expiring grant for legal services to Lorton as proposed by the Senate, and (7) deferral of the mission budgeting concept transferring certain agencies into this appropriation as proposed by the Senate.

Amendment No. 15: Deletes language proposed by the Senate providing that $50,000 may be used to match financial contributions from the Department of Defense to the District of Columbia Office of Emergency Preparedness reflecting deferral of the mission budgeting concept.

Amendment No. 16: Appropriates $2,151,000 for Public Safety, fiscal year 1977, as proposed by the Senate instead of $150,000 as proposed by the House. The conference action provides funding for the Women's Detention Center, a perimeter patrol at the New Detention Center, and the Ugast Psychiatric Center.

Public Education System

Amendments Nos. 17, 18, and 19: Restore heading and appropriation title of Education as proposed by the House instead of Public Education System as proposed by the Senate reflecting deferral of the mission budgeting concept.

Amendment No. 20: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment appropriating $264,679,200 instead of $264,876,600 as proposed by the House and $272,982,900 as proposed by the Senate. The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference action reflects (1) a base reduction of one-half of one percent applied to all agencies except Public Schools, (2) restoration of the reduction of $140,000 in Public Schools proposed by the Senate to be offset by requiring all schoolchildren to pay ten cents per bus ride to and from school, and (3) deferral of the transfer in of certain agencies under the mission budgeting concept.

Amendment No. 21: Provides that $7,722,800 shall be payable from the revenue sharing trust fund as proposed by the House instead of $8,222,100 as proposed by the Senate, reflecting the deferral of the mission budgeting concept.

Amendment No. 22: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate inserting the following language: ": *Provided further*, That not less than $5,392,000 of this appropriation shall be used exclusively for maintenance of the public schools".

Recreation

Amendment No. 23: Restores heading and language as proposed by the House and stricken by the Senate reflecting the transfer of this appropriation to Human Support Services under the mission budgeting concept. The conference action appropriates $17,551,000 instead of $17,639,100 as proposed by the House and provides that $208,200 shall be payable from the revenue sharing trust fund as proposed by the House. The conference action reflects a base reduction of one-half of one percent as proposed by the Senate.

Human support services

Amendments Nos. 24 and 25: Restore heading and appropriation title Human Resources as proposed by the House instead of Human Support Services as proposed by the Senate as a part of the mission budgeting concept.

Amendment No. 26: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment appropriating $283,462,300 instead of $285,865,600 as proposed by the House and $316,573,900 as proposed by the Senate. The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference action reflects (1) the deferral of the transfer in of certain agencies under the mission budgeting concept, (2) a base reduction of one-half of one percent applied to all agencies except the Public Assistance Administration and Forest Haven as proposed by the Senate, (3) a reduction of $2,000,000 in the base for medical vendor services, Public Assistance Administration, as proposed by the Senate, and (4) an increase of 23 positions and $449,000 for Social Rehabilitation Administration activities under the Child Abuse and Neglect Act, as proposed by the Senate.

Forest Haven.—The Conferees wish to express their serious concerns over the standards and quality of care currently being provided at the Forest Haven Institution for the Mentally Retarded. While some improvements have been made in the past two years, much remains to be done. In this spirit, the Conferees wish to alert colleagues in both Houses that Secretary Califano of the Department of Health, Education and Welfare, has been asked, in his capacity as Chairman of the President's Committee on Mental Retardation, to have this prestigious Committee conduct an independent study of the conditions at the institution. The purpose of his PCMR study would be to inform Congress whether or not the District Government is providing the best possible level of service within the funding available for Forest Haven. It is the hope of the Conferees that this study would form a blueprint for a significant increase in the quality of care at Forest Haven.

Amendment No. 27: Provides $6,520,000 shall be payable from the revenue sharing trust fund as proposed by the House instead of $6,728,200 as proposed by the Senate reflecting deferral of the mission budgeting concept.

Amendment No. 28: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate inserting the following language: ": *Provided further*, That authorization is hereby provided to the Government of the District of Columbia to fund the Special Education tuition grants and increased bed capacity at D.C. Village out of funds heretofore appropriated to such Government for fiscal year 1977, but not to exceed $391,000 for tuition grants and $1,095,500 for D.C. Village".

Amendment No. 29: Deletes language providing that $5,838,600 of this appropriation shall be available solely for District of Columbia employees' disability compensation proposed by the Senate to be transferred in from General Operating Expenses under the mission budgeting concept.

Amendment No. 30: Deletes appropriation of $1,486,500 for Human Resources, fiscal year 1977, proposed by the House and stricken by the Senate reflecting reprogramming authority provided in Amendment No. 28 for special education tuition funds at Forest Haven and increased bed capacity at D.C. Village.

Transportation

Amendment No. 31: Appropriates $59,713,900 as proposed by the Senate instead of $59,834,500 as proposed by the House. The conference action reflects a base reduction of one-half of one percent applied to the Department of Transportation.

Environmental services

Amendment No. 32: Appropriates $68,191,900 as proposed by the Senate instead of $68,519,100 as proposed by the House. The conference action reflects a base reduction of one-half of one percent applied to both agencies under this head.

Personal services

Amendment No. 33: Restores language and appropriates $65,549,400 as proposed by the House and stricken by the Senate reflecting the transfer of this item to Governmental Direction and Support under the mission budgeting concept.

Settlement of claims and suits

Amendment No. 34: Appropriates $58,000 for fiscal year 1977 as proposed by the Senate instead of $12,000 as proposed by the House reflecting additional settlements subsequent to the submission of the budget request and House action.

Repayment of loans and interest

Amendment No. 35: Appropriates $125,668,500 as proposed by the Senate instead of $115,768,500 as proposed by the House. The conference action includes $9,900,000 to cover one-half of the amount of principal due on December 1, 1979 for the repayment of Robert F. Kennedy Stadium bonds as proposed by the Senate.

Amendment No. 36: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate inserting the following language: ": *Provided*, That there is hereby appropriated from the funds of the District of Columbia $9,900,000, without fiscal year limitation, for the purposes of the sinking fund established by section 6(a) of the District of Columbia Stadium Act of 1957, as amended".

Capital outlay

Amendment No. 37: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment appropriating $129,173,400, instead of $168,757,900 as proposed by the House and $102,173,400 as proposed by the Senate, and inserting the following:

"$129,173,400: *Provided*, That none of the funds appropriated for the Washington Civic Center shall be obligated until the Subcommittees on the District of Columbia of the House of Representatives and the Senate have approved the plan submitted by the Mayor and the City Council for the Washington Civic Center. The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.".

The conference action provides (1) $4,384,500 for Permanent Improvements, various District Buildings and $35,000,000 for a new Municipal Office Building as proposed by the House, but to be funded through the reprogramming of balances of fiscal year 1972 emergency appropriations for the Lorton facility as proposed by the Senate in-

stead of direct appropriation as proposed by the House, (2) deletes $200,000 proposed by the House and stricken by the Senate for a consultant study for long-term solid waste disposal in connection with the I–95 site development project, and (3) $27,000,000 for the Washington Civic Center as proposed by the House and stricken by the Senate contingent upon the following actions and conditions:

1. Commitment of private sector development prior to the actual release of appropriated funds for the Civic Center. The development is to be sufficient to generate tax revenues to pay 100% of the annual net fixed costs associated with the Civic Center following three full years of operation of the Civic Center;

2. Implementation of D.C. Law 2–58 to assure that the cost of site acquisition and the operating costs of the Civic Center in the early years of operation will be paid from the tax revenues authorized by this public law;

3. Reexamination of the total cost including site acquisition cost of the Civic Center to be paid from appropriated funds with the objective of reducing it;

4. The above conditions to be addressed and considered in a report to the Subcommittees on Appropriations for the District of Columbia of the House of Representatives and the Senate. The report is to be approved by both Subcommittees before the Civic Center appropriation is available for obligation.

Amendment No. 38: Provides $13,031,400 shall be available for construction services as proposed by the House instead of $7,431,400 as proposed by the Senate.

Amendment No. 39: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate inserting language as follows: *Provided further*, That none of the funds appropriated for the construction of the University of the District of Columbia shall be obligated until the Mayor, the City Council and House and Senate Committees on Appropriations have approved the consolidated master plan for the construction of the University of the District of Columbia".

Amendment No. 40: Provides employment ceiling of 36,000 filled positions as proposed by the Senate instead of 36,116 as proposed by the House.

TITLE III—SUPPLEMENTAL APPROPRIATIONS

Small Business Administration

Amendment No. 41: Deletes appropriation of $1,400,000,000 for the Disaster Loan Fund proposed by the Senate. These funds were appropriated in the Supplemental Appropriations Act, 1978, Public Law 95–240, approved March 7, 1978.

CONFERENCE TOTAL—WITH COMPARISONS

The total new budget (obligational) authority for the fiscal years 1977 and 1978 recommended by the Committee of Conference, with comparisons to the fiscal year 1977 amount enacted to date, the 1978 budget estimates, the 1977 supplemental budget estimates, and the House and Senate bills follow:

Federal funds

New budget (obligational) authority, fiscal year 1977	$382,149,000
Budget estimates of new (obligational) authority, fiscal year 1978 [1]	491,116,000
1977 Supplemental	4,000,000
House bill, fiscal year 1978	326,466,000
1977 Supplemental	----------
Senate bill, fiscal year 1978 [1]	399,116,000
1977 Supplemental	----------
Conference agreement	399,116,000
1977 Supplemental	----------
Conference agreement compared with:	
New budget (obligational) authority fiscal year 1977	+16,967,000
Budget estimates of new (obligational) authority, fiscal year 1978	—92,000,000
1977 Supplemental	—4,000,000
House bill, fiscal year 1978	+72,650,000
1977 Supplemental	----------
Senate bill, fiscal year 1978	----------
1977 Supplemental	----------

[1] Excludes $1.4 billion for Small Business Administration which was approved by the Senate but appropriated in the Supplemental Appropriations Bill, 1978, P.L. 95–240.

District of Columbia funds

New budget (obligational) authority, fiscal year 1977	1,160,251,700
Budget estimates of new (obligational) authority, fiscal year 1978	1,414,561,100
1977 Supplemental	11,226,800
House bill, fiscal year 1978	1,401,662,700
1977 Supplemental	6,840,900
Senate bill, fiscal year 1978	1,340,431,800
1977 Supplemental	7,378,500
Conference agreement	1,368,623,200
1977 Supplemental	7,378,500
Conference agreement compared with:	
New budget (obligational) authority fiscal year 1977	+208,371,500
Budget estimates of new (obligational) authority, fiscal year 1978	—45,937,900
1977 Supplemental	—3,848,300
House bill, fiscal year 1978	—33,039,500
1977 Supplemental	+537,600
Senate bill, fiscal year 1978	+28,191,400
1977 Supplemental	----------

WILLIAM H. NATCHER,
ROBERT N. GIAIMO,
CHARLES WILSON,
GUNN MCKAY,
YVONNE BRATHWAITE BURKE,
ADAM BENJAMIN, JR.,
GEORGE MAHON,
CLAIR W. BURGENER,
JACK F. KEMP,
ELFORD A. CEDERBERG,
Managers on the Part of the House.

PATRICK J. LEAHY,
QUENTIN N. BURDICK,
DENNIS DECONCINI,
ERNEST F. HOLLINGS,
WARREN G. MAGNUSON,
DANIEL K. INOUYE,
CHARLES MCC. MATHIAS, JR.,
LOWELL P. WEICKER, JR.,
MILTON R. YOUNG,
Managers on the Part of the Senate.

LEAVE OF ABSENCE

(By unanimous consent, leave of absence was granted as follows:)

To Mr. ADDABBO (at his own request), for May 12, 1978, on account of official business.

To Mr. GAMMAGE (at the request of Mr. WRIGHT), after 5:15 p.m. today and for Friday, on account of official business.

To Mr. SAWYER (at the request of Mr. MICHEL), for tomorrow, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. STANGELAND) to revise and extend their remarks and include extraneous material:)

Mr. MCKINNEY, for 5 minutes, today.

Mr. WHALEN, for 10 minutes, today.

(The following Members (at the request of Mr. PEASE) to revise and extend their remarks and include extraneous material:)

Mr. ANNUNZIO, for 5 minutes, today.

Mr. GONZALEZ, for 5 minutes, today.

Mr. RODINO, for 5 minutes, today.

Mr. MCHUGH, for 5 minutes, today.

Mr. WHITE, for 5 minutes, today.

Mr. OTTINGER, for 5 minutes, today.

Mr. VANIK, for 5 minutes, today.

Mr. CONYERS, for 5 minutes, today.

Mr. SCHEUER, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. STANGELAND) and to include extraneous matter:)

Mr. QUIE.

Mr. CUNNINGHAM.

Mr. WINN.

Mr. ANDERSON of Illinois.

Mr. GREEN.

Mrs. HOLT.

Mr. ARMSTRONG.

Mr. KASTEN.

Mr. DERWINSKI.

Mr. DICKINSON in three instances.

Mr. MCKINNEY in two instances.

Mr. GUYER.

Mr. BROWN of Ohio.

Mr. SYMMS.

(The following Members (at the request of Mr. PEASE) and to include extraneous material:)

Mr. ANDERSON of California in three instances.

Mr. GONZALEZ in three instances.

Mr. FISHER.

Mr. KOSTMAYER.

Mr. TEAGUE in two instances.

Mr. EDWARDS of California.

Mr. LAFALCE in two instances.

Mr. WOLFF in three instances.

Mr. WAXMAN in two instances.

Mr. CARNEY.

Ms. OAKAR.

Mr. PATTERSON of California.

Mr. SOLARZ in two instances.

Mr. STARK.

Mr. MICHAEL O. MYERS.

Mr. PATTEN.

Mrs. SCHROEDER in two instances.

Mr. OTTINGER.

Mr. VANIK in two instances.

ADJOURNMENT

Mr. PEASE. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 40 minutes p.m.), the House adjourned until tomorrow, Friday, May 12, 1978, at 11 o'clock a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

4124. A letter from the Director, Office of Management and Budget, Executive Office of the President, transmitting a cumulative report on rescissions and deferrals of budget authority as of May 1, 1978, pursuant to section 1014(e) of Public Law 93-344 (H. Doc. 95-334); to the Committee on Appropriations and ordered to be printed.

4125. A letter from the Director, Defense Security Assistance Agency, transmitting a report on the impact on U.S. readiness of the Navy's proposed sale of certain defense equipment and services to Spain (transmittal No. 78-39), pursuant to section 813 of Public Law 94-106; to the Committee on Armed Services.

4126. A letter from the Director, Defense Security Assistance Agency, transmitting a report on the impact on U.S. readiness of the Air Force's proposed sale of certain defense equipment and services to Korea (transmittal No. 78-43), pursuant to section 813 of Public Law 94-106; to the Committee on Armed Services.

4127. A letter from the Director, Defense Security Assistance Agency, transmitting a report on the impact on U.S. readiness of the Air Force's proposal to sell certain defense equipment and services to the Republic of China (transmittal No. 78-44), to the Committee on Armed Services.

4128. A letter from the Director, Defense Security Assistance Agency, transmitting, a report on the impact on U.S. readiness of the Air Force's proposed sale of certain defense equipment and services to Iran (transmittal No. 78-46), pursuant to section 813 of Public Law 94-106; to the Committee on Armed Services.

4129. A letter from the Director, Defense Security Assistance Agency, transmitting a report on the impact on U.S. readiness of the Air Force's proposed sale of certain defense equipment and services to Iran (transmittal No. 78-49), pursuant to section 813 of Public Law 94-106; to the Committee on Armed Services.

4130. A letter from the Executive Secretary to the Department of Health, Education, and Welfare, transmitting notice of the proposed allocation formula and program guidelines for the State Planning Commission program—intrastate planning, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

4131. A letter from the Assistant Secretary of Agriculture for International Affairs and Commodity Programs, transmitting a report on the Commodity Credit Corporation's activities under the Government in the Sunshine Act during the period March 12, 1977, through March 27, 1978, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Operations.

4132. A letter from the Secretary of the Interior, transmitting a report on implementation of the Emergency Drought Act of 1977. pursuant to section 7 of the act (Public Law 95-18, as amended); to the Committee on Interior and Insular Affairs.

4133. A letter from the Assistant Secretary of State for Congressional Relations, transmitting the third report on the extent to which the Republic of Korea is cooperating with the Department of Justice investigation into allegations of improper activity in the United States by agents of the Republic of Korea, pursuant to section 28 of Public Law 95-92; to the Committee on International Relations.

4134. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Air Force's intention to offer to sell certain defense equipment to Spain (transmittal No. 78-38), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on International Relations.

4135. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Navy's intention to offer to sell certain defense equipment and services to Spain (transmittal No. 78-39), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on International Relations.

4136. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Army's intention to offer to sell certain defense equipment to Korea (transmittal No. 78-41), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on International Relations.

4137. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Air Force's intention to offer to sell certain defense equipment and services to Korea (transmittal No. 78-42), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on International Relations.

4138. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Air Force's intention to offer to sell certain defense equipment and services to Korea (transmittal No. 78-43), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on International Relations.

4139. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Air Force's intention to offer to sell certain defense equipment and services to the Republic of China (transmittal No. 78-44), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on International Relations.

4140. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Army's intention to offer to sell certain defense equipment to Spain (transmittal No. 78-45), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on International Relations.

4141. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Air Force's intention to offer to sell certain defense equipment and services to Iran (transmittal No. 78-46), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on International Relations.

4142. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Army's intention to offer to sell certain defense equipment and services to Iran (transmittal No. 78-47), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on International Relations.

4143. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Air Force's intention to offer to sell certain defense equipment and services to Iran (transmittal No. 78-49), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on International Relations.

4144. A letter from the vice president for Government affairs, National Railroad Passenger Corporation, transmitting the financial report of the corporation for the month of January 1978, pursuant to section 308(a)(1) of the Rail Passenger Service Act of 1970, as amended; to the Committee on Interstate and Foreign Commerce.

4145. A letter from the Attorney General, transmitting a draft of proposed legislation to improve the administration of justice by providing greater discretion to the Supreme Court in selecting the cases it will review and for other purposes; to the Committee on the Judiciary.

4146. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders entered in cases in which the authority contained in section 212(d)(3) of the Immigration and Nationality Act was exercised in behalf of certain aliens, pursuant to section 212(d)(6) of the act; to the Committee on the Judiciary.

4147. A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to authorize the appropriation of funds to provide for additional administrative expenses associated with the implementation of the Local Public Works Capital Development and Investment Act of 1976, as amended; to the Committee on Public Works and Transportation.

4148. A letter from the Secretary of the Army, transmitting a Corps of Engineers report on the Atlantic Intracoastal Waterway bridges, Virginia to North Carolina, in response to resolutions of the Senate and House Committees on Public Works adopted September 30, 1968, and December 11, 1969, respectively; to the Committee on Public Works and Transportation.

4149. A letter from the Administrator of General Services, transmitting a building project survey for Milwaukee, Wis., in response to a resolution of the House Committee on Public Works and Transportation adopted May 10, 1978; to the Committee on Public Works and Transportation.

4150. A letter from the Administrator of Veterans' Affairs, transmitting a draft of proposed legislation to amend title 38, United States Code, to authorize a pilot program for the treatment and rehabilitation of veterans with alcohol or drug-dependent disabilities, and for other purposes; to the Committee on Veterans' Affairs.

4151. A letter from the Comptroller General of the United States, transmitting a report on new house prices (CED-78-101, May 11, 1978); jointly, to the Committees on Government Operations, and Banking, Finance and Urban Affairs.

4152. A letter from the Comptroller General of the United States, transmitting a report on Amtrak's subsidy needs (CED-78-86, May 11, 1978); jointly, to the Committees on Government Operations, and Interstate and Foreign Commerce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. STAGGERS: Committee on Interstate and Foreign Commerce. H.R. 11209. A bill to provide for the establishment, ownership, operation, and governmental oversight and regulation of international maritime satellite telecommunications services; with amendment (Rept. No. 95-1134, Pt. I). Ordered to be printed.

Mr. MURPHY of New York: Committee on Merchant Marine and Fisheries. H.R. 11209. A bill to provide for the establishment, ownership, operation, and governmental oversight and regulation of international maritime satellite telecommunications services; with amendment (Rept. No. 95-1134, Pt. II). Referred to the Committee of the Whole House on the State of the Union.

Mr. ULLMAN: Committee on Ways and Means. H.R. 12232. A bill to amend the Unemployment Compensation Amendments of 1976 with respect to the National Commission on Unemployment Compensation, and for other purposes (Rept. No. 95-1135). Referred to the Committee of the Whole House on the State of the Union.

Mr. ROBERTS: Committee on Veterans' Affairs. H.R. 12353. A bill to amend title 38, United States Code, to extend the period of

eligibility for veterans readjustment appointments in the Federal Government for veterans of the Vietnam era (Rept. No. 95–1136). Referred to the Committee of the Whole House on the State of the Union.

Mr. PERKINS: Committee on Education and Labor. H.R. 5. A bill to extend for 5 years certain elementary, secondary, and other education programs; with amendment (Rept. No. 95–1137). Referred to the Committee of the Whole House on the State of the Union.

Mr. LONG of Louisiana: Committee on Rules. House Resolution 1176. Resolution providing for the consideration of H.R. 12641. A bill to provide for a temporary increase in the public debt limit (Rept. No. 95–1138). Referred to the House Calendar.

Mr. NATCHER: Committee of conference. Conference report on H.R. 9005 (Rept. No. 95–1139). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ARMSTRONG:

H.R. 12678. A bill to amend the Internal Revenue Code of 1954 to allow the charitable deduction to taxpayers whether or not they itemize their personal deductions; to the Committee on Ways and Means.

By Mr. CAVANAUGH:

H.R. 12679. A bill to amend the Federal Crop Insurance Act for purposes of repealing the requirement of the Federal Crop Insurance Corporation with respect to the posting of lists at any county courthouse regarding indemnities paid for losses incurred on farms in such county; to the Committee on Agriculture.

H.R. 12680. A bill to amend section 2040 of the Internal Revenue Code of 1954 to provide that a spouse's services shall be taken into account in determining whether that spouse furnished adequate consideration for jointly held property for purposes of qualifying for an exclusion from the Federal estate tax; to the Committee on Ways and Means.

By Mrs. COLLINS of Illinois:

H.R. 12681. A bill to permit Federal financial assistance provided by section 8 housing to be made available in Chicago, Ill., through existing Federal programs without regard to criteria which presently prohibit the use of such assistance for such purpose; to the Committee on Banking, Finance and Urban Affairs.

By Mr. COTTER (for himself, Mr. WAGGONNER, Mr. BURLESON of Texas, Mr. HOLLAND, Mr. ARCHER, Mr. VANDER JAGT, Mr. FRENZEL, Mr. MARTIN, Mr. THOMPSON, Mr. RODINO, Mr. HOWARD, Mr. ROE, Mr. MOORE, Mr. HUCKABY, Mr. PATTEN, Mr. MAGUIRE, Mr. LE FANTE, Mr. FORSYTHE, Mr. MINISH, Mr. RINALDO, Mr. MATHIS, Mr. HUGHES, Mr. FLORIO, Mr. PICKLE, and Mr. HOLLENBECK):

H.R. 12682. A bill to provide that certain statutory subsistence allowances received by State police officers will not retroactively be included in gross income; to the Committee on Ways and Means.

By Mr. COTTER (for himself, Mrs. MEYNER, and Mrs. FENWICK):

H.R. 12683. A bill to provide that certain statutory subsistence allowances received by State police officers will not retroactively be included in gross income; to the Committee on Ways and Means.

By Mr. DELLUMS:

H.R. 12684. A bill to amend title 38, United States Code, to provide for the entitlement to veterans' benefits of Americans who fought in the Abraham Lincoln Brigade during the Spanish Civil War, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. HOLLAND (for himself, Mr. BROYHILL, Mr. PATTERSON of California, Mrs. MEYNER, Mr. TAYLOR, Mr. BONIOR, Mr. EVANS of Delaware, Mr. MAGUIRE, Mr. ROSENTHAL, Mr. ROE, Mr. STRATTON, Mr. WEISS, Mr. HOWARD, Mr. HAGEDORN, Mr. HAWKINS, Mr. LUKEN, Mr. SIMON, Mr. CAPUTO, Mr. GAYDOS, and Mr. NEAL):

H.R. 12685. A bill to amend the Trade Act of 1974; to the Committee on Ways and Means.

By Mr. KELLY (for himself, Mr. BROWN of Michigan, Mr. BROWN of California, Mr. BURGENER, Mr. DE LA GARZA, Mr. GUYER, Ms. KEYS, Mr. LAGOMARSINO, Mr. MINETA, Mr. PANETTA, Mr. RYAN, Mr. BOB WILSON, and Mr. YATRON):

H.R. 12686. A bill to amend the Internal Revenue Code of 1954 to provide that greenhouses are eligible for the investment tax credit; to the Committee on Ways and Means.

By Mr. LaFALCE (for himself, Mr. AMMERMAN, Mr. APPLEGATE, Mr. BARNARD, Mr. BENJAMIN, Mr. BRODHEAD, Mr. PHILLIP BURTON, Ms. CHISHOLM, Mr. DERRICK, Mr. DIGGS, Mr. GARCIA, Mr. GREEN, Mr. HANLEY, Mr. LAGOMARSINO, Mr. McHUGH, Mr. MOAKLEY, Mr. MURPHY of New York, Mr. SCHEUER, Mr. WALSH, Mr. BOB WILSON, and Mr. YOUNG of Missouri):

H.R. 12687. A bill to amend the Internal Revenue Code of 1954 to encourage the targeting of manufacturing-related investments in labor surplus areas by providing, with respect to property placed in service in such areas, an additional depreciation deduction and an additional investment tax credit, and by providing, with respect to real property located in such areas, an additional deduction for State and local real property; to the Committee on Ways and Means.

By Mr. McCORMACK (for himself and Mr. CLEVELAND):

H.R. 12688. A bill to amend the Internal Revenue Code of 1954 with respect to the employment of full-time students under the ago of 16 as hand harvest laborers in an agricultural operation; to the Committee on Ways and Means.

By Mr. NOLAN (by himself, Mr. JENRETTE, Mr. STANGELAND, Mr. JONES of North Carolina, and Mr. HOLLAND):

H.R. 12689. A bill to provide for the establishment of a board which will establish and administer agricultural production and marketing programs, and for other purposes; jointly, to the Committees on Agriculture, International Relations, Interstate and Foreign Commerce, and Ways and Means.

By Mr. RODINO:

H.R. 12690. A bill to amend title 18, United States Code, with respect to the protection of certain officers or employees of the United States, and for other purposes; to the Committee on the Judiciary.

By Mr. ROSE (for himself, Mr. PREYER, Mr. FOUNTAIN, Mr. WHITLEY, and Mr. HEFNER):

H.R. 12691. A bill to establish an administrative procedure and guidelines to be followed by the Department of the Interior in its decision to acknowledge the existence of certain Indian tribes; to the Committee on Interior and Insular Affairs.

By Mr. SMITH of Iowa (for himself, Mr. PICKLE, Mr. CORMAN, Mr. CONTE, Mr. STEED, Mr. RANGEL, Mr. FRENZEL, Mr. ADDABBO, Mr. JACOBS, Mr. JENKINS, Mr. MIKVA, Mrs. LLOYD of Tennessee, Mr. CARNEY, Mr. GONZALEZ, Mr. HANLEY, Mr. CARTER, Mr. BRECKINRIDGE, Mr. LaFALCE, Mr. GINN, Mr. COHEN, Mr. RICHMOND, Mr. RUSSO, and Mr. BUTLER):

H.R. 12692. A bill to amend the Internal Revenue Code of 1954 to provide tax relief to small businesses by establishing a graduated income tax rate for corporations; to the Committee on Ways and Means.

By Mr. STEERS (for himself, Mr. LEHMAN, Mr. FRASER, Mr. DRINAN, Mr. RANGEL, Mr. MARKS, Mr. FLOOD, Mr. YATES, Mr. DOWNEY, Mr. CHARLES WILSON of Texas, Mr. PHILLIP BURTON, Mr. WAXMAN, Mr. EDWARDS of California, Mr. SIMON, Ms. HOLTZMAN, Mr. LENT, Mr. HARKIN, Mr. HARRIS, Mr. OTTINGER, and Mr. PATTISON of New York):

H.R. 12693. A bill to provide that certain refugees who were paroled and later admitted for permanent residence into the United States will be treated, for determining their period of residence for purposes of naturalization, as establishing permanent resident status as of the date of their arrival to the United States; to the Committee on the Judiciary.

By Mr. STRATTON:

H.R. 12694. A bill to provide for the use of telecommunication devices by the Senate and the House of Representatives to enable deaf persons and persons with speech impairments to engage in toll-free telephone communications with Members of the Congress; to the Committee on House Administration.

H.R. 12695. A bill to amend the Trade Act of 1974; to the Committee on Ways and Means.

By Mr. WINN:

H.R. 12696. A bill to amend the Internal Revenue Code of 1954 to allow the charitable deductions to taxpayers whether or not they itemize their personal deductions; to the Committee on Ways and Means.

By Mr. CORNELL (for himself and Mr. STEIGER):

H.J. Res. 897. Joint resolution designating the week of June 19 through June 25, 1978, as "National 4–H Tree Farm Week"; to the Committee on Post Office and Civil Service.

By Mr. RYAN (for himself, Mr. JOHN L. BURTON, Mr. BONIOR, Mr. BROWN of California, Mr. DRINAN, Mr. FLOOD, Mr. KETCHUM, Mr. MILLER of California, Mr. MITCHELL of Maryland, Mr. MURPHY of Pennsylvania, Mr. RAHALL, Mr. RANGEL, Mr. WHITEHURST, and Mr. WOLFF):

H.J. Res. 898. Joint resolution proposing an amendment to the Constitution of the United States extending the right to vote in any election to nominate any candidate for any Federal office to citizens who will be 18 years of age or older on the date of the election for such office; to the Committee on the Judiciary.

By Mr. FASCELL (for himself, Mr. DERWINSKI, Mr. KASTEN, Mr. MAZZOLI, Mr. DRINAN, and Mr. TUCKER):

H. Con. Res. 620. Concurrent resolution disapproving the proposed package of sales of aircraft to Saudi Arabia, Egypt, and Israel; to the Committee on International Relations.

By Mr. LIVINGSTON (for himself, Mr. COLLINS of Texas, Mr. ABDNOR, Mr. STOCKMAN, Mr. KETCHUM, Mr. DERWINSKI, Mr. TREEN, Mr. LOTT, Mr. FRENZEL, Mr. ANDREWS of North Dakota, Mrs. SCHROEDER, Mr. BADHAM, Mr. HUCKABY, Mrs. BOGGS, Mr. WAGGONNER, and Mr. BREAUX):

H. Con. Res. 621. Concurrent resolution expressing the disapproval of the Congress with respect to the Department of Energy's proposed changes to the crude oil entitlements program; to the Committee on Interstate and Foreign Commerce.

By Mr. HANSEN (for himself, Mr. MARRIOTT, Mr. MCDONALD, Mr. CRANE, Mr. EDWARDS of Oklahoma, Mr. JOHN T. MYERS, Mr. ROBINSON, Mr. STUMP, Mr. HUBBARD, Mr. SIKES, Mr. CHAPPELL, Mr. MOTTL, Mr. DAN DANIEL, Mr. SATTERFIELD, Mr. KETCHUM, Mr. VANDER JAGT, Mr. BAFALIS, Mr. GRASSLEY, Mr. FRENZEL, Mr. CUNNINGHAM, Mr. LAGOMARSINO, Mr. ASHBROOK, Mr. JONES of North Carolina, Mr. WALKER, and Mr. QUIE):

H. Res. 1177. Resolution expressing the sense of the House of Representatives with respect to an exchange of instruments of ratification of the Panama Canal Treaties and with regard to the disposition by the United States of any right to, title to, or interest in the property of Canal Zone agencies and any real property located in the Canal Zone; jointly, to the Committees on International Relations, and Merchant Marine and Fisheries.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

399. By the SPEAKER: Memorial of the Legislature of the State of Arizona, relative to acreage limitations on farmland irrigated with water from Federal reclamation projects; to the Committee on Interior and Insular Affairs.

400. Also, memorial of the Legislature of the State of Wyoming, relative to a proposed amendment to the Constitution of the United States to require that Federal budgets be balanced; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. WHALEN introduced a bill (H.R. 12697) for the relief of Daniel L. Edwards, Jr., which was referred to the Committee on the Judiciary.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H. RES. 1172

By ANDERSON of Illinois:

Strike all after the resolving clause and insert in lieu thereof the following:

That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 11983) to amend the Federal Election Campaign Act of 1971 to extend the authorization of appropriations contained in such Act. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on House Administration, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider the amendment in the nature of a substitute now printed in the bill as an original bill for the purpose of amendment under the five-minute rule. It shall be in order to consider an amendment to the committee amendment in the nature of a substitute printed in the CONGRESSIONAL RECORD of May 10, 1978, by Representative ANDERSON of Illinois, and all points of order against said amendment for failure to comply with the provisions of clause 7, rule XVI and clause 5, rule XXI are hereby wavied. At the conclusion of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

H.R. 7814

By Mr. SOLARZ:

Page 2, strike out line 20 and all that follows down through line 6 on page 3, and insert in lieu thereof the following:

EXPERIMENTAL PROGRAM

SEC. 4. (a) (1) Within 180 days after the effective date of this section, and subject to the requirements of section 302 and the terms of any written agreement referred to in section 302(a), the Commission shall establish a program which provides for the conducting of experiments by the Commission under titles I and II of this Act. Such experimental program shall cover a sufficient number of positions throughout the executive branch and a sufficent range of worktime alternatives, as to provide an adequate basis on which to evaluate the effectiveness and desirability of permanently maintaining flexible or compressed work schedules within the executive branch.

(2) Each agency may conduct one or more experiments under titles I and II of this Act. Such experiments shall be subject to such regulations as the Commission may prescribe under section 305 of this Act.

Page 3, line 8, strike out "Act," and insert in lieu thereof "section,".

Page 3, beginning on line 10, strike out "to be conducted by agencies" and insert in lieu thereof "conducted".

Page 4, line 8, insert before "subsection (a)" the following: "any experiment conducted by the Commission under".

Page 4, beginning on line 11, strike out "the conducting of such a program by the agency" and insert in lieu thereof "including the agency within the experiment".

Page 4, beginning on line 14, strike out "stay the requirement under subsection (a) to implement an experimental program" and insert in lieu thereof "exclude the agency from the experiment".

Page 5, beginning on line 9, strike out "an agency may conduct one or more experiments" and insert in lieu thereof "experiments may be conducted in agencies".

Page 6, line 3, strike out "agency".

Page 9, line 23, before "an agency" insert the following: "the Commission or".

Page 10, line 3, before "agency" insert the following: "Commission or the".

Page 11, beginning on line 11, strike out "an agency may conduct one or more experiments" and insert in lieu thereof the following: "experiments may be conducted in agencies".

Page 12, line 12, strike out "agency".

Page 15, line 11, strike out "An Agency" and insert in lieu thereof the following: "The Commission or an agency".

Page 18, after line 6, insert the following new title:

TITLE IV—ADJUSTMENT OF WORK SCHEDULES FOR RELIGIOUS OBSERVANCES

COMPENSATORY TIME OFF FOR RELIGIOUS OBSERVANCES

SEC. 401. (a) Subchapter V of chapter 55 of title 5, United States Code, is amended by adding at the end thereof the following new section:

"5550A. Compensatory time off for religious observances

"(a) Not later than 30 days after the date of the enactment of this section, the Civil Service Commission shall prescribe regulations providing for work schedules under which an employee whose personal religious beliefs require the absention from work during certain periods of time, may elect to engage in overtime work for time lost for meeting those religious requirements. Any employee who so elects such overtime work shall be granted equal compensatory time off from his scheduled tour of duty (in lieu of overtime pay) for such religious reasons, notwithstanding any other provision of this subchapter.

"(b) In the case of any agency described in subparagraphs (C) through (G) of section 5541(1) of this title, the head of such agency (in lieu of the Commission) shall prescribe the regulations referred to in subsection (a) of this section.

"(c) Regulations under this section may provide for such exceptions as may be necessary to efficiently carry out the mission of the agency or agencies involved.".

(b) The analysis for chapter 55 of title 5, United States Code, is amended by adding after the item relating to section 5550 the following:

"5550A. Compensatory time off for religious observances.".

Page 2, line 5, insert after "basis." the following new sentence: "The Congress also finds that there should be sufficient flexibility in the work schedules of Federal employees to allow such employees to meet the obligations of their faith.".

Page 2, line 7, after "Act" insert: "(other than title IV)".

Page 17, line 23, insert "the foregoing provisions of" before "this Act".

H.R. 12157

By Mr. RINALDO:

Page 5, immediately after line 6, insert the following new section:

SEC. 8 Section 2(b) of the Export-Import Bank Act of 1945 is amended by inserting at the end thereof the following new paragraph:

"(9) The Bank shall not guarantee, insure, or extend credit or participate in any extension of credit in connection with the purchase or lease of any product by any country, or agency or national thereof, which country, as determined by the Secretary of State, aids or abets, by granting sanctuary from prosecution to, any individual or group which has committed an act of international terrorism. The Secretary of State shall notify the Bank within 30 days of enactment and subsequently thereafter of any such determination and such prohibition shall remain in effect—

(A) unless and until the Secretary of State certifies to the Bank that termination of assistance from the Bank to such country, or agency or national thereof, would be harmful to national security, or

(B) for one year after the date the Secretary of State certifies to the Bank that such country no longer aids or abets any such individual or group,

whichever occurs earlier."

Redesignate the succeeding section accordingly.

SENATE—*Tuesday, April 11, 1978*

(Legislative day of Monday, April 24, 1978)

The Senate met at 10:45 a.m., on the expiration of the recess, and was called to order by Hon. WENDELL R. ANDERSON, a Senator from the State of Minnesota.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Let us pray:

O holy God, we thank Thee for the revelation of Thyself in nature, in Thy word and in the person of Thy Son. We thank Thee for homes and schools and churches, for families and friends. We thank Thee for every triumph of truth over error, virtue over vice, righteousness over evil, generosity over greed.

Kindle our hearts with a new awareness of Thy presence in our common days and our daily work. Guide by Thy higher wisdom the President, the Members of Congress, and all others in the service of this Government. Make us truly sensitive to the heartaches, the hardships, the difficulties, and the defeats of others. Be near to those who work in places of danger and those who suffer because of color or creed. Minister to the poor and needy. Strengthen the fainthearted. Keep ever before us the blessed hope of Thy coming Kingdom. And to Thee shall be the praise and the thanksgiving. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., May 11, 1978.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable WENDELL R. ANDERSON, a Senator from the State of Minnesota, to perform the duties of the Chair.

JAMES O. EASTLAND,
President pro tempore.

Mr. ANDERSON thereupon assumed the chair as Acting President pro tempore.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Does the Senator from Alaska seek recognition?

Mr. STEVENS. Mr. President, we have no requests for time. I yield back the leadership's time on this side.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a brief period for the transaction of routine morning business not to extend beyond the hour of 11 a.m.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(Routine morning business transacted and additional statements submitted are printed later in today's RECORD.)

INTERVENTION ON THE HIGH SEAS ACT AMENDMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calender Order No. 716.

The ACTING PRESIDENT pro tempore. The bill will be stated by title.

The legislative clerk read as follows:

A bill (S. 2380) to amend the Intervention on the High Seas Act to implement the protocol relating to intervention on the high seas in cases of marine pollution by substances other than oil, 1973.

The ACTING PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Commerce, Science, and Transportation with an amendment on page 3, line 20, after "Agency" insert "and the Administrator of the National Oceanic and Atmospheric Administration,", so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Intervention on the High Seas Act (88 Stat. 8, Public Law 93–248) is amended as follows:

(1) Section 2 is amended to read as follows:

"SEC. 2. As used in this Act—

"(1) 'a substance other than convention oil' means those oils, noxious substances, liquefied gases, and radioactive substances—

"(A) enumerated in the protocol, or

"(B) otherwise determined to be hazardous under section 4(a).

"(2) 'convention' means the International Convention relating to intervention on the high seas in cases of oil pollution casualties, 1969, including annexes thereto;

"(3) 'convention oil' means crude oil, fuel oil, diesel oil, and lubricating oil;

"(4) 'Secretary' means the Secretary of the department in which the Coast Guard is operating;

"(5) 'ship' means—

"(A) a seagoing vessel of any type whatsoever, and

"(B) any floating craft, except an installation or device engaged in the exploration and exploitation of the resources of the seabed and the ocean floor and the subsoil thereof;

"(6) 'protocol' means the protocol relating to intervention on the high seas in cases of marine pollution by substances other than oil, 1973, including annexes thereto; and

"(7) 'United States' means the States, the District of Columbia, the Commonwealth of Puerto Rico, the Canal Zone, Guam, American Samoa, the Virgin Islands, the Trust Territory of the Pacific Islands, and any other commonwealth, territory, or possession of the United States.".

(2) Section 3 is amended by—

(A) striking the word "oil" and inserting in lieu thereof the phrase "convention oil or of the sea or atmosphere by a substance other than convention oil"; and

(B) striking the word "Convention" and inserting in lieu thereof the phrase "convention, the protocol".

(3) Section 4 is amended by—

(A) inserting the words "human health," between the words "limited to," and "fish" and designating the existing section as subsection (b);

(B) adding a new subsection (a) as follows:

"(a) The Secretary, after consultation with the Administrator of the Environmental Protection Agency and the Administrator of the National Oceanic and Atmospheric Administration, shall determine when a substance other than those enumerated in the protocol is liable to create a hazard to human health, to harm living resources, to damage amenities, or to interfere with other legitimate uses of the sea."

(4) Section 10 is amended by adding a new subsection (c) as follows:

"(c) With respect to intervention for a substance identified pursuant to section 4(a), the United States has the burden of establishing that, under the circumstances present at the time of the intervention, the substance could reasonably pose a grave and imminent danger analogous to that posed by a substance enumerated in the protocol."

(5) Section 13 is amended—

(A) in subsection (a) by striking the period at the end of the subsection and inserting in lieu thereof the phrase "and article II of the protocol and may propose amendments to the list of substances other than convention oil in accordance with article III of the protocol."; and

(B) in subsection (b) by striking the words "annexes thereto" and inserting in lieu thereof the word "protocol".

(C) by adding a new section (c) as follows:

"(c) The President may accept amendments to the list of substances other than convention oil in accordance with article III of the protocol."

(6) Section 15 is amended by inserting the words ", the protocol," between the words "convention" and "and".

SEC. 2. This Act shall be effective upon the date of enactment, or upon the date the protocol becomes effective as to the United States, whichever is later.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95–785), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE OF THE LEGISLATION

The purpose of this bill is to amend the Intervention on the High Seas Act (33 U.S.C. 1471–1487) in order to implement the 1973 Protocol Relating to Intervention on the High Seas in Cases of Marine Pollution by Substances Other Than Oil. At the present time, the Intervention on the High Seas Act permits the United States to take action against foreign vessels on the high seas in those instances where action is necessary to protect our coastline or related interests from pollution or the threat of pollution of the sea by oil resulting from a vessel casualty. This bill would amend that act in order to extend the right of intervention to incidents involving the threat of pollution by certain additional substances other than oil.

BACKGROUND AND NEEDS

In the 93d Congress, the Intervention on the High Seas Act, Public Law 93–248, was passed. This act authorizes the Secretary of the Department in which the Coast Guard is operating (presently the Department of Transportation) to take whatever measures are necessary to prevent, mitigate or eliminate grave and imminent danger to the coastline of the United States threatened by a maritime accident on the high seas involving crude oil, fuel oil, diesel oil, or lubricating oil. When the Secretary determines that grave and imminent danger exists as the result of a collision, stranding, or other disablement of a vessel carrying such oil, he may remove and, if necessary, destroy the ship and cargo which is the source of the danger. Any action taken must be reasonable under the circumstances and the United States is obliged to pay compensation for measures going beyond those reasonably necessary in any particular situation.

Prior to undertaking any action, the Secretary is required to consult with various agencies, including the Department of State which, in turn, contacts and consults with the flag country of any vessel involved. This consultation procedure is not required in an extreme emergency.

The acts sets forth general guidelines for determining the permissible scope of intervention actions. Under the guidelines, before acting, the Secretary must consider: (1) the extent and probability of imminent damage if action is not taken; (2) the likelihood of effectiveness of the contemplated action; and (3) the extent of damage which might result from such action. Simply stated, the Secretary is required to weigh the dangers of not taking action against those likely to be occasioned by taking action.

The *Torrey Canyon* disaster in 1967 was the major impetus behind the development of the Intervention on the High Seas Convention. Substantial legal questions arose as a result of that accident. Because the ship was in international waters when it grounded, it was not clear under international law whether the British Government had the right to act against the ship to prevent, mitigate, or eliminate pollution damage. The Intervention Convention was formulated to give a threatened coastal State the clear legal right, subject to the test of reasonableness, to protect itself from pollution from a vessel mishap on the high seas.

The need and value of the convention's implementing legislation was unfortunately realized in the cases of the *Argo Merchant* in December 1976, and the *Irenes Challenge* in January 1977. Although the procedures set out in the Intervention on the High Seas Act worked smoothly, there is presently no international or domestic legal authority to take the same type of action in the case of threatened disaster involving pollution by a substance other than oil.

The "Protocol Relating to the Intervention on the High Seas in Cases of Marine Pollution of Substances Other Than Oil, 1973" addressed this deficiency. The protocol extends the right of intervention to incidents involving the threat of pollution by certain additional substances, and includes pollution to the atmosphere as well as to the sea. Annexed to the protocol is a list containing the substances for which intervention is authorized if the requisite danger to the coastline or related interests is present. The protocol does not preclude intervention with respect to an unlisted substance. However, for an unlisted substance the intervening nation is required to establish that, under the circumstances present at the time of intervention, the unlisted substance could reasonably pose a danger equivalent to that of a substance listed in the protocol.

The protocol will become effective 90 days after 15 nations have ratified it. S. 2380, the implementing legislation for the protocol, will become effective on that same date or upon the date of enactment, whichever is later. Currently only two nations have ratified or acceded to the protocol, due in part to the fact that the list of substances contained in the annex was not established until November 21, 1974, at the 2d session of the Marine Environmental Protection Committee of the Inter-Governmental Maritime Consultative Organization and publication of the list in foreign languages has been delayed.

COMMITTEE ACTION

S. 2380 was introduced on December 15, 1977, and considered by the committee on April 25, 1978, at which time it ordered the bill favorably reported with an amendment. S. 2380, in amending section 4 of the Intervention on the High Seas Act (33 U.S.C. 1473), establishes a procedure to determine when a substance, other than those enumerated in the protocol, is liable to cause substantial damage to human health, the living resources of the ocean, the coastline, or other uses of the sea. S. 2380 originally required the Secretary of the Department in which the Coast Guard is operating to consult only with the Environmental Protection Agency in making this determination. The committee agreed that it was appropriate for the Secretary to consult with the Environmental Protection Agency in making this decision. However, the committee decided that it was appropriate for the Secretary also to consult with the Administrator of the National Oceanic and Atmospheric Administration. The National Oceanic and Atmospheric Administration's expertise in the ocean's living resources, ocean currents and conditions, weather forecasting, and oil spill research make it a key party in the determination of whether a spilled substance will pose a substantial threat to the United States.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

● Mr. CANNON. Mr. President, today the Senate passed S. 2380, a bill to amend the Intervention on the High Seas Act to implement the 1973 Protocol Relating to Intervention on the High Seas in Cases of Marine Pollution by Substances Other Than Oil. The Committee on Commerce, Science, and Transportation has consulted with the Environment and Public Works Committee and wants to make clear that this bill is not intended to limit in any way the authority granted the Federal Government under the 1977 amendments to section 311 of the Clean Water Act.●

LEGISLATIVE PROGRAM TODAY

Mr. ROBERT C. BYRD. Mr. President, on yesterday an order was entered providing for the consideration at 11 a.m. today of either House Joint Resolution 873 or House Joint Resolution 859, and that the one would follow the other.

I think the Senate will be prepared to go with House Joint Resolution 873 first.

So I ask unanimous consent that the Senate at 11 a.m. proceed with House Joint Resolution 873, and upon the disposition of that resolution, the Senate then proceed with the consideration of House Joint Resolution 859.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

TECHNICAL AND CLERICAL CORRECTIONS—S. 2821

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make technical and clerical corrections in the enrollment of S. 2821.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

URGENT SUPPLEMENTAL APPROPRIATIONS, 1978

The ACTING PRESIDENT pro tempore. The hour of 11 a.m. having arrived, the period for the transaction of morning business is closed and the Senate will proceed to the consideration of House Joint Resolution 873, which the clerk will report.

The assistant legislative clerk read as follows:

A joint resolution (H.J. Res. 873) making an urgent supplemental appropriation for the disaster loan program of the Small Business Administration for the fiscal year ending September 30, 1978, and for other purposes.

The ACTING PRESIDENT pro tempore. Without objection, the Senate will proceed to its consideration.

Mr. HOLLINGS. Mr. President, this bill was reported by the Committee on Appropriations yesterday and a full explanation of the three items recommended can be found in our report. The total amount recommended is $821,180,000 and I will highlight the recommendations of the Appropriations Committee for the Senate.

SMALL BUSINESS ADMINISTRATION

The committee recommends the supplemental appropriation of $758,000,000 for the disaster loan fund of the Small Business Administration as provided by the House. The amount recommended consists of $750,000,000 in additional capital to provide loans to disaster victims of storms, floods, droughts, and other physical disasters; and $8,000,000 for administrative expenses.

This supplemental appropriation is indeed urgent as all available budget authority in this fund was committed on April 25.

In other words the fund was depleted. SBA is still taking and processing applications to just short of the approval stage and has already accumulated a backlog of applications ready to be approved and disbursed amounting to about $210,000,000.

SBA now estimates disaster requests at $2,310,000,000 for 1978. This includes $1,461,200,000 because of drought in 13 States, with the remainder for the winter storms and floods in the Northeast and elsewhere. The estimate also provides $39,200,000 for possible other disasters this fiscal year. While this hopefully will be enough, there were areas in 14 additional States declared eligible since the estimate was prepared, including 103 counties in Texas alone.

SENATE

The committee recommends the insertion of two amendments in the joint resolution. The first is for the Senate and provides the customary gratuity of 1 year's salary to the widows of our 3 late colleagues: John L. McClellan, Lee Metcalf, and Hubert H. Humphrey.

DEPARTMENT OF LABOR

The committee also recommends an amendment providing an additional $63,000,000 for the summer jobs for youth program of the Department of Labor. Without these additional funds the Department would have to absorb the recent boost in the minimum wage by eliminating 145,000 jobs. We cannot let such a reduction occur in the area of our highest unemployment—teenagers—where the rate among black youth is 35 percent.

Mr. President, that completes my summary, and I will be glad to yield to our distinguished ranking minority member, the distinguished Senator from Connecticut (Mr. WEICKER), who has been so helpful in bringing this matter to the floor.

Mr. WEICKER. Mr. President, I thank the distinguished Senator from South Carolina. I concur with the remarks he has made, and urge the passage of the legislation.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the committee amendments.

Mr. HOLLINGS. Mr. President, I ask unanimous consent that the committee amendments be agreed to en bloc and that the joint resolution as thus amended be regarded for the purpose of amendment as original text, providing that no point of order shall be waived by reason of agreement to this request.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The amendments agreed to en bloc are as follows:

On page 2, after line 2, add the following:

DEPARTMENT OF LABOR

EMPLOYMENT AND TRAINING ADMINISTRATION

EMPLOYMENT AND TRAINING ASSISTANCE

For an additional amount for "Employment and Training Assistance," $623,000,000, to remain available until September 30, 1979.

SENATE

PAYMENTS TO WIDOW AND HEIRS OF DECEASED MEMBERS OF CONGRESS

For payment to Norma C. McClellan, widow of John L. McClellan, late a Senator from the State of Arkansas, $57,500.

For payment to Donna H. Metcalf, widow of Lee Metcalf, late a Senator from the State of Montana, $57,500.

For payment to Muriel Humphrey, widow of Hubert H. Humphrey, late the Deputy President Pro Tempore of the Senate and a Senator from the State of Minnesota, $65,000.

The ACTING PRESIDENT pro tempore. The joint resolution is open to further amendment.

Mr. MAGNUSON. Mr. President, I ask unanimous consent to have printed in the RECORD a colloquy between Mr. BAYH and myself regarding the Peace Corps appropriation or suggested appropriation in the supplemental.

The PRESIDING OFFICER. Without objection, it is so ordered.

● Mr. BAYH. Mr. President, yesterday, I offered an amendment of $3.644 million for the Peace Corps during full Appropriations Committee consideration of House Joint Resolution 873, the disaster assistance supplemental.

Although this amendment was not accepted, I fully believe that this $3.644 million, which has been formally requested by the administration, is urgently needed by the Peace Corps. It is my understanding that unless they have access to this money by June 1, the Peace Corps will have to drop up to 1,000 volunteers from this summer's training programs.

A cutback in the number of trainees at this time would have an extremely negative impact on the increased enthusiasm for Peace Corps service which has been generated by the Corps' new recruitment efforts. Additionally, the lack of up to 1,000 volunteers will mean the elimination of projects in Tanzania, Congo-Brazzaville, Malawi, and Bangladesh, countries which have just requested Peace Corps volunteers. In another 11 to 20 countries, the lack of enough volunteers will cause delay or elimination of a number of important projects. A disruption of this magnitude has the potential of seriously damaging our image in developing nations where the Peace Corps is often the major American presence.

Although I retained my rights to offer this amendment on the floor, I would like to engage in a colloquy with the distinguished chairman of the Appropriations Committee (Mr. MAGNUSON) on the issue of the Peace Corps' supplemental.

Is it correct that in conversations with the House, you have learned that they would probably not accept an amendment for the Peace Corps and would demand a conference, further delaying the urgently needed disaster assistance moneys?

Mr. MAGNUSON. Yes, the House has indicated that they would not accept such an amendment at this time and that in the conference they would strongly seek to drop a Peace Corps supplemental.

Mr. BAYH. I realize that one of the major problems we face in obtaining the $3.644 million needed by the Peace Corps is that H.R. 11877, the necessary authorization bill has not been passed. I believe that you are not opposed to the Peace Corps supplemental but you are trying to keep unauthorized moneys out of appropriations bills. I am sympathetic to that position and wonder if you would be willing to do what you can as a member of the Senate Budget Committee to expedite the necessary waiver for the authorization of the fiscal year 1978 Peace Corps supplemental?

Mr. MAGNUSON. I recognize the necessity for this supplemental and will see what can be done to obtain the necessary budget waiver.

Mr. BAYH. Thank you, Mr. Chairman. In addition, I would hope that once the necessary authorization is passed, you will help me find the first available bill to appropriate the $3.644 million for the Peace Corps.

Mr. MAGNUSON. I certainly hope that once the necessary authorization has passed that the money can be appropriated at the earliest possible time so that the Peace Corps will not have to cutback on its summer training program.

Mr. BAYH. I thank the Senator from Washington for his courtesy. I know that your desire to avoid having unauthorized moneys in appropriations bills will often put you in the uncomfortable position of opposing amendments for programs which you personally support and I appreciate your willingness to work with me to find the quickest alternative solution to obtaining the necessary funding for the Peace Corps.●

FUNDING FOR SUMMER YOUTH JOBS

Mr. BROOKE. Mr. President, the pending bill includes my amendment providing $63 million to cover increased minimum wage costs for the summer jobs for youth program.

The funding is necessary because the administration inexplicably failed to request supplemental funds for this purpose for the summer program.

Led by our committee, Congress provided $693 million for the summer program in this fiscal year. In conference with the House it was agreed that a level of 1,165,000 jobs would be authorized—and that was what happened.

Some time after acting on the summer youth program, Congress did pass a law increasing the minimum wage to $2.65 an hour on January 1. We thus are mandated to pay that minimum wage in our Federal jobs program.

The Labor Department already has submitted supplemental requests of more

than $100 million to cover the new minimum wage for the community service employment for older Americans program, for CETA title I, and for several smaller manpower programs.

Although the Labor Department requested a similar supplemental for the summer program, the Office of Management and Budget turned it down. Instead the administration chose to absorb the increased minimum wage costs from the funds already provided for the summer program.

The effect of the administration approach is to reduce the number of summer jobs from the level of 1,165,000 authorized by Congress to the level of 1,020,000, a reduction of 145,000 jobs.

If this action is permitted to stand, every State in the Nation will lose jobs for youth in the coming summer months.

My own State of Massachusetts will be cut from 34,920 to 30,467, a reduction of 4,453 jobs.

Further the administration level will force States and local governments to cut back this year's job program below the level of 1,076,000 slots provided for the summer of 1977.

The administration approach strikes at one of the most vulnerable segments of the American work force, our young people, whose unemployment rates remain stubbornly high. For all teenagers, the primary beneficiaries of the summer program, the jobless rate is 16.9 percent; for black teenagers it is an unconscionable 35.0 percent.

Fortunately, our committee has moved to reverse the unwise action contemplated by the administration and has provided the $63 million necessary to cover the new minimum wage costs related to the summer program.

Our committee's action will preserve jobs and will preserve congressional intent.

The summer is just slightly more than 1 month away. We must get these needed funds into the hands of State and local governments and we must act now to do so. I urge adoption of the pending resolution containing the summer jobs for youth funds.

The ACTING PRESIDENT pro tempore. The joint resolution is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the joint resolution.

The amendments were ordered to be engrossed, and the joint resolution to be read a third time.

The joint resolution (H.J. Res. 873) was read the third time, and passed.

Mr. HOLLINGS. Mr. President, I move to reconsider the vote by which the joint resolution was passed.

Mr. WEICKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The ACTING PRESIDENT pro tempore. The clerk will report the title amendment.

The assistant legislative clerk read as follows:

Amend the title so as to read: "A joint resolution making an urgent supplemental appropriation for the disaster loan program of the Small Business Administration for the fiscal year ending September 30, 1978, and for other purposes.".

The ACTING PRESIDENT pro tempore. Without objection, the title amendment is agreed to.

Mr. HOLLINGS. Mr. President, I ask unanimous consent that the Secretary of the Senate, in the engrossment of the Senate amendments to the House Joint Resolution 873, be authorized to make any technical and clerical corrections; and in particular to correct lines 4 and 5 on page 2 relating to the Employment and Training Administration.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. HOLLINGS. Mr. President, I move that the Senate insist on its amendments and request a conference with the House of Representatives thereon, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to; and the Acting President pro tempore appointed Mr. MAGNUSON, Mr. HOLLINGS, Mr. SASSER, Mr. YOUNG, and Mr. BROOKE conferees on the part of the Senate.

SUPPLEMENTAL APPROPRIATIONS FOR THE U.S. RAILWAY ASSOCIATION

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now proceed to the consideration of House Joint Resolution 859, which the clerk will state.

The assistant legislative clerk read as follows:

A joint resolution (H.J. Res. 859) making supplemental appropriations for the United States Railway Association for the fiscal year ending September 30, 1978, and for other purposes.

Mr. HOLLINGS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. Allen). The clerk will please call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BAYH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAYH. Mr. President, the measure before the Senate, House Joint Resolution 859, provides supplemental appropriations in fiscal year 1978 in the amount of $13,000,000 to the U.S. Railway Association. USRA was established under title II of the Regional Rail Reorganization Act of 1973 to represent the Government in litigation involving the bankrupt railroads. USRA's second major responsibility is in the area of monitoring the $2.026 billion flowing to ConRail.

Circumstances have changed since USRA prepared its original 1978 estimates 15 months ago. The special court hearing the case issued a decision last October concerning various schemes for asset valuation. This has resulted in increased activity in this area in 1978. $6 million is requested in this supplemental for asset valuation. The special court also told the parties to begin negotiations in the hope of reaching a settlement. In preparation for these negotiations, and potential court proceedings, should these negotiations prove unsuccessful, $4 million is required during this fiscal year.

Also, since USRA's original estmates, ConRail's performance has deteriorated significantly. This has led to the need for an increase in the financial monitoring responsibility of USRA. USRA also monitors Federal investment of the $30 million available to the Delaware and Hudson, of which $28 million has been drawn down to date. Additionally, $19 million has gone to the Missouri-Kansas-Texas Railroad. This debt has been reduced to $15 million and all scheduled payments are on time. This supplemental proposes $3 million for this purpose of financial monitoring.

The amount contained in this resolution is necessary to provide the USRA with the resources required to protect the Government's interests in the court case and to provide the Congress with sufficient information on ConRail's financial condition. I urge the Senate to adopt this resolution.

The USRA's second major responsibility is in the area of monitoring the $2.06 billion flowing to ConRail.

I think it is critical that the USRA continues to have these resources so they can continue to represent the U.S. Government in this regard.

Mr. WEICKER. Mr. President, I join with the chairman of the subcommittee and urge approval of the supplemental.

The PRESIDING OFFICER. The joint resolution is open to amendment. If there be no amendment to be proposed, the question is on the third reading of the joint resolution.

The jont resolution was read the third time.

The PRESIDING OFFICER. The joint resolution having been read the third time, the question is, Shall it pass?

The joint resolution (H.J. Res. 859) was passed.

Mr. BAYH. Mr. President, I move to reconsider the vote by which the joint resolution was passed.

Mr. WEICKER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAYH. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 1 P.M.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess until 1 p.m. today.

There being no objection, the Senate, at 11:16 a.m., recessed until 1 p.m., whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. FORD).

The PRESIDING OFFICER. The

Chair recognizes the Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORIZATION FOR BUDGET COMMITTEE TO HAVE UNTIL MIDNIGHT TO FILE CONFERENCE REPORT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Budget Committee have until midnight tonight to file a conference report on Senate Concurrent Resolution 80, the first concurrent budget resolution.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONGRESSIONAL BUDGET, FISCAL 1979

Mr. ROBERT C. BYRD. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on Senate Concurrent Resolution 80.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the resolution from the Senate (S. Con. Res. 80) entitled "Concurrent resolution setting forth the congressional budget for the United States Government for the fiscal year 1979", do pass with the following amendment:

Strike out all after the resolving clause and insert: That the Congress hereby determines and declares, pursuant to section 301(a) of the Congressional Budget Act of 1974, that for the fiscal year beginning on October 1, 1978—

(1) the recommended level of Federal revenues is $443,023,235,000, and the amount by which the aggregate level of Federal revenues should be decreased is $28,656,000,000;

(2) the appropriate level of total new budget authority is $569,508,158,000;

(3) the appropriate level of total budget outlays is $500,885,235,000;

(4) the amount of the deficit in the budget which is appropriate in the light of economic conditions and all other relevant factors is $5,862,000,000; and

(5) the appropriate level of the public debt is $856,062,000,000 and the amount by which the statutory limit on such debt should accordingly be increased is $104,062,000,000.

SEC. 2. Based on allocations of the appropriate level of total new budget authority and of total budget outlays as set forth in paragraphs (2) and (3) of the first section of this resolution the Congress hereby determines and declares pursuant to section 301(a)(2) of the Congressional Budget Act of 1974 that, for the fiscal year beginning on October 1, 1978, the appropriate level of new budget authority and the estimated budget outlays for each major functional category are as follows:

(1) National Defense (050):

(A) New budget authority, $127,439,000,000;

(B) Outlays, $115,679,000,000.

(2) International Affairs (150):

(A) New budget authority $10,990,000,000;

(B) Outlays, $6,600,000,000.

(3) General Science, Space, and Technology (250):

(A) New budget authority, $5,216,000,000;

(B) Outlays, $5,027,000,000.

(4) Energy (270):

(A) New budget authority, $9,494,000,000;

(B) Outlays, $9,252,000,000.

(5) Natural Resources and Environment (300):

(A) New budget authority, $13,464,000,000;

(B) Outlays, $12,013,000,000.

(6) Agriculture (350):

(A) New budget authority, $12,297,000,000;

(B) Outlays, $10,492,000,000.

(7) Commerce and Housing Credit (370):

(A) New budget authority, $6,000,000,000;

(B) Outlays, $3,700,000,000.

(8) Transportation (400):

(A) New budget authority, $20,560,537,000;

(B) Outlays, $18,113,614,000.

(9) Community and Regional Development (450):

(A) New budget authority, $15,251,000,000;

(B) Outlays, $10,291,000,000.

(10) Education, Training, Employment and Social Services (500):

(A) New budget authority, $34,090,000,000;

(B) Outlays, $31,429,000,000.

(11) Health (550):

(A) New budget authority, $52,282,000,000;

(B) Outlays, $49,550,000,000.

(12) Income Security (600):

(A) New budget authority, $192,750,000,000;

(B) Outlays, $159,339,000,000.

(13) Veterans Benefits and Services (700):

(A) New budget authority, $21,730,000,000;

(B) Outlays, $21,315,000,000.

(14) Administration of Justice (750):

(A) New budget authority, $4,200,000,000;

(B) Outlays, $4,214,000,000.

(15) General Government (800):

(A) New budget authority, $4,096,621,000;

(B) Outlays, $4,133,621,000.

(16) General Purpose Fiscal Assistance (850):

(A) New budget authority, $9,098,000,000;

(B) Outlays, $9,237,000,000.

(17) Interest (900):

(A) New budget authority, $47,000,000,000;

(B) Outlays. $47,000,000,000.

(18) Allowances (920):

(A) New budget authority, $1,059,000,000:

(B) Outlays, $1,000,000,000.

(19) Undistributed Offsetting Receipts (950):

(A) New budget authority,—$17,500,000,000:

(B) Outlays,—$17,500,000,000.

Mr. ROBERT C. BYRD. Mr. President, I move that the Senate disagree to the amendment of the House to Senate Concurrent Resolution 80 and agree to the conference requested by the House on the disagreeing votes of the two Houses thereon and that the Chair be authorized to appoint conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. MUSKIE, Mr. MAGNUSON, Mr. HOLLINGS, Mr. CRANSTON, Mr. CHILES, Mr. ABOUREZK, Mr. BELLMON, Mr. DOLE, Mr. DOMENICI, and Mr. HEINZ conferees on the part of the Senate.

COMMITTEE MEETINGS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Judiciary Committee be authorized to meet during the session of the Senate on Wednesday, May 17, to hold a hearing on S. 668, the California-Nevada interstate compact legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Subcommittee on Tourism and Sugar of the Committee on Finance be authorized to meet during the session of the Senate today to hold a hearing on S. 2990, the Sugar Stabilization Act of 1978.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate today to hold a markup session on the fiscal year 1979 Department of Energy authorization bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 1:30 P.M.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess until 1:30 p.m. today.

There being no objection, the Senate, at 1:10 p.m., recessed until 1:30 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. FORD).

The PRESIDING OFFICER. The Chair recognizes the Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 2:30 P.M.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess until 2:30 p.m. today.

There being no objection, the Senate, at 1:40 p.m., recessed until 2:30 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. HATHAWAY).

AUTHORIZATION FOR COMMITTEE ON FOREIGN RELATIONS TO HAVE UNTIL MIDNIGHT TO FILE REPORT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Foreign Relations have until midnight tonight to file a report on a resolution of disapproval of arms sales.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 4 P.M.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess until 4 p.m. today.

The PRESIDING OFFICER. Without objection, it is so ordered.

Thereupon, at 2:31 p.m., the Senate took a recess until 4 p.m., whereupon the Senate reassembled when called to order by the Presiding Officer (Mr. KENNEDY).

TAX TREATMENT EXTENSION ACT OF 1978

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order No. 681.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (H.R. 9251) relating to extensions of time for the existing tax treatment of certain items, reported with amendments.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (H.R. 9251) which had been reported from the Committee on Finance with amendments as follows:

On page 1, line 5, strike "1977" and insert "1978";

On page 1, line 8, strike "April 30, 1978" and insert "May 1, 1978";

On page 2, beginning with line 15, strike through and including page 3, line 3, and insert the following in lieu thereof:

(a) ALLOWANCE OF DEDUCTION FOR CERTAIN ADDITIONAL FOREIGN LIVING COSTS.—

(1) IN GENERAL.—Part VII of subchapter B of chapter 1 of the Internal Revenue Code of 1954 (relating to additional itemized deductions for individuals) is amended by redesignating section 221 as 222 and by inserting after section 220 the following new section:

"SEC. 221. ADDITIONAL FOREIGN LIVING COSTS.

(a) GENERAL RULE.—There is allowed as a deduction to a citizen of the United States (other than an individual to whom section 911 applies)—

"(1) who establishes to the satisfaction of the Secretary that he has been a bona fide resident of a foreign country or countries for an uninterrupted period which includes an entire taxable year, or

"(2) who, during any period of 18 consecutive months, is present in a foreign country or countries during at least 510 full days in such period;

the amount determined under subsection (c) for the taxable year.

"(b) DEDUCTION NOT TO EXCEED NET FOREIGN SOURCE EARNED INCOME.—The amount of the deduction allowed by subsection (a) for the taxable year shall not exceed—

"(1) the earned income of the taxpayer for the taxable year from sources without the United States attributable to services performed during the period to which reference is made in paragraph (1) or (2), whichever is applicable, of subsection (a),

reduced by—

"(2) the sum of the deductions to which reference is made in section 62 (relating to definition of adjusted gross income), other than the deduction to which reference is made in paragraph (14) of that section, allocable to that earned income.

"(c) DETERMINATION OF AMOUNT.—

"(1) GENERAL RULE.—The amount of the deduction allowed by subsection (a) for the taxable year is an amount equal to the sum of the taxpayer's cost-of-living, housing, and education expense amounts for the taxable year.

"(2) COST-OF-LIVING EXPENSE AMOUNT.—The term 'cost-of-living expense amount' means the smaller of—

"(A) the amount paid to, or on behalf of, an individual by his employer for the amount by which the costs of living (exclusive of housing and education expenses) in the foreign place in which that individual is resident or present exceeds the costs of living (exclusive of such expenses) in the United States; or

"(B) the amount set forth in the typical cost-of-living expense amount table prescribed for the taxable year by the Secretary under subsection (d)(1) applicable to the foreign place in which that individual is resident or present.

"(3) HOUSING EXPENSE AMOUNT.—For purposes of this section—

"(A) GENERAL RULE.—The term 'housing expense amount' means the amount by which an individual's actual housing expense for the taxable year (as determined under subparagraph (B)) exceeds the individual's base housing amount for the taxable year (as determined under subparagraph (C)).

"(B) ACTUAL HOUSING EXPENSE.—The term 'actual housing expense' means the amount paid or incurred by, or on behalf of, an individual for the taxable year for United States-style housing (including utilities) in a foreign place in which he is resident or present, but only to the extent the housing is not lavish or extravagant under the circumstances and the amount is reasonably comparable to the costs of typical United States-style housing in that place.

"(C) BASE HOUSING AMOUNT.—The term 'base housing amount' means an amount equal to 20 percent of—

"(i) an individual's earned income for the taxable year,

reduced by—

"(ii) the sum of the individual's—

"(I) actual housing expense,

"(II) cost-of-living expense amount,

"(III) education expense amount, and

"(IV) deductions referred to in section 62 (other than in paragraph (14) of that section) allocable to earned income for the taxable year.

"(D) HOUSING EXPENSE AMOUNT NOT TO EXCEED EMPLOYER REIMBURSEMENT FOR HOUSING.—The amount determined under subparagraph (A) for the taxable year may not exceed the amount paid to or on behalf of the individual for the taxable year by his employer as compensation for the cost of housing in the foreign place in which the individual is resident or present.

"(4) EDUCATION EXPENSE AMOUNT.—The term 'education expense amount' means the smallest of—

"(A) the amount paid to, or on behalf of, an individual by his employer for the taxable year for school fees,

"(B) the sum of the amounts paid or incurred by, or on behalf of, the individual for the taxable year for school fees, or

"(C) the amount set forth in the typical education expense amount table prescribed for the taxable year by the Secretary under subsection (d)(2) applicable to the foreign place in which that individual is resident or present.

"(d) TABLES.—The Secretary shall prescribe and revise annually—

"(1) TYPICAL COST-OF-LIVING EXPENSE AMOUNT TABLE.—A table setting forth the amount by which the costs of living (exclusive of education and housing expenses) in foreign places exceed the costs of living (exclusive of such expenses) in the United States. The table shall set forth amounts for families of different sizes and shall reflect the costs of living of a family whose income is equal to the salary of an employee of the United States who is compensated at a rate equal to the annual rate paid for step 1 of grade GS–12.

"(2) TYPICAL EDUCATION EXPENSE AMOUNT TABLE.—A table setting forth, for various foreign places, the reasonable amount of school fees at adequate United States-type schools which are generally available to United States citizens. The table shall also set forth an amount for foreign places not listed showing an average of school fees for such schools based on a representative sample of adequate United States-type schools located outside the United States. The table shall set forth such amounts on a per student basis.

"(3) AVERAGE COST-OF-LIVING, HOUSING, AND EDUCATION EXPENSE AMOUNT TABLES.—Tables setting forth, for each category of expense described in paragraphs (2), (3), and (4) of subsection (c), and for various foreign places, average amounts claimed by individuals claiming the deduction allowed by this section with respect to each such category (other than individuals described in subsection (e)(1) and (2)) for taxable years ending with or within the most recently ended calendar year for which data is available. The average cost-of-living table shall set forth such amounts for families of different sizes; the average education expense amount table shall set forth such amounts on a per student basis.

"(e) SPECIAL RULES.—For purposes of this section—

"(1) SELF-EMPLOYED INDIVIDUALS AND EMPLOYEES OF FOREIGN CORPORATIONS.—In the case of a self-employed individual (within the meaning of section 217(f)(1)), and in the case of an individual who is an employee of a person not engaged in a trade or business within the United States, not a United States person, not a controlled foreign corporation (within the meaning of section 957), and not under common control with a trade or business which is, or which is controlled by, a United States person—

"(A) the amount taken into account for purposes of subsection (c)(2) (relating to cost-of-living expense amount) shall be the amount set forth in the average cost-of-living expense amount table prescribed for the taxable year by the Secretary under subsection (d)(3) for the foreign place in which the individual is resident or present;

"(B) the amount taken into account for purposes of subsection (c)(3) (relating to housing expense amount) shall be the smaller of—

"(i) the amount set forth in the average housing expense amount table prescribed by the Secretary for the taxable year under subsection (d)(3) for the foreign place in which the individual is resident or present, or

"(ii) the amount which would be determined under paragraph (3) of subsection (c) without regard to subparagraph (D) thereof; and

"(C) the amount taken into account for purposes of subsection (c)(4) (relating to education expense amount) shall be the smaller of—

"(i) the amount set forth in the average education expense amount table prescribed for the taxable year by the Secretary under subsection (d)(3) for the foreign place in which the individual is resident or present, or

"(ii) the sum of the amounts paid or incurred by, or on behalf of, the individual for school fees for the taxable year.

"(2) EMPLOYEES OF CHARITABLE ORGANIZA-

TIONS; EMPLOYEES FURNISHED LODGING; EMPLOYEES IN CAMPS.—

"(A) GENERAL RULE.—In the case of an individual who performs qualified charitable services during the taxable year, an individual to whom lodging is furnished the value of which would be excludable from gross income under section 119 if he did not elect not to have the provisions of such section apply, or an individual who, because of his employment, resides in a camp (as defined by the Secretary by regulations)—

"(i) the amount taken into account for purposes of subsection (c)(2) (relating to cost-of-living expense amount) shall be the amount set forth in the average cost-of-living expense amount table prescribed for the taxable year by the Secretary under subsection (d)(3) for the foreign place in which the individual is resident or present;

"(ii) the amount taken into account for purposes of subsection (c)(3) (relating to housing expense amount) shall be the amount set forth in the average housing expense amount table prescribed for the taxable year by the Secretary under subsection (d)(3) for the foreign place in which the individual is resident or present; and

"(iii) the amount taken into account for purposes of subsection (c)(4) (relating to education expense amount) shall be the smaller of—

"(I) the amount set forth in the average education expense amount table prescribed for the taxable year by the Secretary under subsection (d)(3) for the foreign place in which the individual is resident or present, or

"(II) the sum of the amounts paid or incurred by, or on behalf of, the individual for school fees for the taxable year.

"(B) QUALIFIED CHARITABLE SERVICE.—For purposes of this paragraph, the term 'qualified charitable services' means services performed by an employee outside the United States for an organization described in section 170(c)(2).

"(C) CAMP.—An individual will not be considered to reside in a camp because of his employment unless the camp constitutes lodging—

"(i) the value of which would be excludable from the gross income of the individual under section 119 (determined without regard to whether such lodging is on the business premises of the employer and determined without regard to any election made by the individual under section 119 to have that section not apply), and

"(ii) which is located, as near as practicable, in the vicinity of the employer's business premises or the place at which such individual renders services.

"(3) APPLICATION WITH SECTION 119.—The deduction allowed by subsection (a) shall not be allowed to an individual who is entitled under section 119 to exclude from gross income the value of meals or lodging furnished to him by his employer outside the United States unless he elects not to exclude the value of such meals or lodging from gross income for the taxable year.

"(4) EMPLOYER CERTIFICATION REQUIREMENTS.—For purposes of this section—

"(A) an amount shall be treated as paid by an employer as a cost-of-living expense amount, a housing expense amount, or an education expense amount only if such amount is paid in addition to regular compensation (which is not less than reasonable compensatrion in the United States for similar services), and is certified by the employer as paid specifically for such purpose,

"(B) an amount shall be treated as paid by an employer as a housing expense amount only if the employer certifies that—

"(i) such amount does not exceed what the employer regards as the reasonable cost of housing in the foreign place in which that individual is resident or president, and

"(ii) the amount paid to the employee for such purpose is not substantially in excess of amounts paid by the employer (or, if not applicable, by other employers to the extent information is available to the employer) to other employees performing similar services, or with the same responsibilities, in the same area, and

"(C) no amount shall be taken into account under paragraph (2), (3), or (4) of subsection (c) as paid by an employer if the employer fails to make the required certification applicable to such paragraph.

"(5) REGULATIONS.—The Secretary shall prescribe, by regulation—

"(A) procedures for employer certification of amounts,

"(B) rules for situations in which the employer furnishes goods and services (including housing) at less than fair market value,

"(C) rules for the application of this section to taxpayers who have earned income described in paragraph (1) of subsection (b) (relating to foreign-source earned income) for only a portion of the taxable year, and

"(D) rules covering changes in employment, familial status, or location during the taxable year.

"(6) DOUBLE TAX BENEFITS DISALLOWED.—An individual shall not be allowed, as a deduction or exclusion under any other provision of this chapter (other than under section 151), any amount to the extent that the item to which such amount is attributable is properly allocable to, or chargeable against, amounts taken into account for purposes of subsection (a).

"(7) IN-KIND PAYMENTS.—Gross income of an employee includes the amount by which the fair market value of goods or services (including housing) furnished by the employer exceeds the amount paid or incurred by the employee for such goods or services.

"(8) AVERAGE COST-OF-LIVING, HOUSING, AND EDUCATION EXPENSE AMOUNT TABLES NOT TO BE USED FOR TAXABLE YEARS BEGINNING BEFORE 1980.—In the case of an individual to whom paragraph (1) or (2) applies, for taxable years beginning before January 1, 1980—

"(A) the amount taken into account for purposes of subsection (c)(2) (relating to cost-of-living expense amount) shall be the amount set forth in the typical cost-of-living expense table prescribed for the taxable year under subsection (d) applicable to the foreign place in which that individual is resident or present,

"(B) the amount taken into account for purposes of subsection (c)(3) (relating to housing expense amount) shall be an amount determined under a typical housing expense amount table prescribed by the Secretary for purposes of this subparagraph, after consultation with the Secretary of State, setting forth the amount by which the costs of typical United States-style housing (including utilities) in various foreign places exceed the costs of such housing (including utilities) in the United States.

"(C) the amount taken into account for purposes of subsection (c)(4) (relating to education expense amount) shall be determined without reference to the average education expense amount table prescribed by the Secretary, and

"(D) an individual described in paragraph (2) shall be treated as if he were described in paragraph (1) rather than (2).

"(f) DEFINITIONS.—For purposes of this section—

"(1) EARNED INCOME.—The term 'earned income' means wages, salaries, or professional fees, and other amounts received as compensation for personal services actually rendered, but does not include that part of the compensation derived by the taxpayer for personal services rendered by him to a corporation which represents a distribution of earnings or profits rather than a reasonable allowance as compensation for the personal services actually rendered. In the case of a taxpayer engaged in a trade or business in which both personal services and capital are material income-producing factors, under regulations prescribed by the Secretary, a reasonable allowance as compensation for the personal services rendered by the taxpayer, not in excess of 30 percent of his share of the net profits of such trade or business, shall be considered as earned income. The term 'earned income' does not include any amount—

"(A) received as a pension or annuity, or

"(B) included in gross income by reason of section 402(b) (relating to taxability of beneficiary of nonexempt trust), section 403(c) (relating to taxability of beneficiary under a nonexempt annuity), or section 403(d) (relating to taxability of beneficiary under certain forfeitable contracts purchased by exempt organizations).

"(2) SCHOOL FEES.—

"(A) The term 'school fees' means tuition, books, and local transportation for the primary (including kindergarten but not nursery school) and secondary education of any dependent of the taxpayer with respect to whom the taxpayer is allowed an exemption under section 151(e), at adequate United States-type schools outside the United States where such dependent is a full-time student. Except as provided in subparagraph (B), such term does not include the cost of private lessons (other than remedial academic lessons), room, board, or other transportation.

"(B) If there is no United States-type school within a reasonable daily commuting distance from the locality in which the taxpayer or his spouse is resident or present, the term 'school fees' includes amounts paid or incurred for the dependent's room and board while attending school outside the United States as a full-time student.

"(3) ATTRIBUTION TO YEAR IN WHICH SERVICES ARE PERFORMED.—Earned income received shall be considered received in the taxable year in which the services to which the earned income is attributable are performed.

"(4) TREATMENT OF COMMUNITY INCOME.—With respect to amounts received from services performed by a husband or wife which are community income under community property laws applicable to such income, the aggregate amount taken into account shall be the amount which would be taken into account if such amounts did not constitute community income.

"(5) TEST OF BONA FIDE RESIDENCE.—An individual who has earned income from sources within a foreign country shall not be treated as a bona fide resident of that country if—

"(A) the individual makes a statement to the authorities of that country that he is not a resident of that country, and

"(B) he is not held subject, as a resident of that country, to the income tax imposed by that country with respect to that earned income.".

(2) DEDUCTION ALLOWED IN DETERMINING ADJUSTED GROSS INCOME.—Section 62 of such Code (relating to definition of adjusted gross income) is amended by adding after paragraph (13) the following paragraph:

"(14) CERTAIN FOREIGN-SOURCE INCOME RELATED EXPENSES.—The deduction allowed by section 221.".

(3) CLERICAL AMENDMENT.—The table of sections for part VII of subchapter B of chapter 1 of such Code is amended by striking out the last item and by inserting in lieu thereof the following:

"Sec. 221. Additional foreign living costs.

"Sec. 222. Cross references.".

(b) AMENDMENTS RELATING TO SECTIONS 911 AND 119.—

(1) DELAY IN EFFECTIVE DATE FOR TAX REFORM ACT OF 1976 CHANGES.—Subsection

(d) of section 1011 of the Tax Reform Act of 1976 is amended by striking out "December 31, 1976" and inserting in lieu thereof "December 31, 1978". If, for any taxable year beginning in 1977 or 1978—

(A) an individual is entitled to the benefits of section 911 of the Internal Revenue Code of 1954, and

(B) such individual chooses to take to any extent the benefits of section 901 of such Code,

then such individual shall be treated for such taxable year as an individual for whom an unused zero bracket amount computation is provided by section 63(e) of such Code.

(2) REPEAL OF SECTION 911.— Subpart B of part III of subparagraph N of chapter 1 of such Code is amended by striking out section 911 and by redesignating section 912 as section 911.

(3) TECHNICAL AND CONFORMING CHANGES.—

(A) Section 37(e)(8)(B) of such Code (relating to earned income) is amended by striking out "section 911(b)" and inserting in lieu thereof "section 221(f)(1)".

(B) Section 43(c)(1)(B) of such Code (relating to eligible individual) is amended to read as follows:

"(B) is not entitled to a deduction under section 221 (relating to certain foreign source income related expenses) or to exclude any amount from gross income under section 931 (relating to income from sources within the possessions of the United States).".

(C) Section 63(e)(2) of such Code (relating to computation of unused zero bracket amount) is amended by striking out "section 911(b)" and inserting in lieu thereof "section 221(f)(1)".

(D) Section 119 of such Code (relating to meals or lodging furnished for the convenience of the employer) is amended—

(i) by striking out "There shall be excluded" and inserting in lieu thereof the following: "(a) IN GENERAL.—There shall be excluded", and

(ii) by adding at the end thereof the following new subsection:

"(b) SECTION NOT TO APPLY.—An individual entitled to the benefits of this section for a taxable year may elect, in such manner and at such time as shall be prescribed by the Secretary, not to have the provisions of this section apply for the taxable year.".

(E) Section 220(b)(7) of such Code (relating to employed spouses) is amended by striking out "determined without regard to section 911)".

(F) Section 403(b)(3) of such Code (relating to includable compensation) is amended by striking out "and 911".

(G) Section 410(b)(2)(C) of such Code (relating to exclusion of certain employees) is amended by striking out "(within the meaning of section 911(b))" and inserting in lieu thereof "(within the meaning of section 221(f)(1))".

(H) Section 415(b)(3) of such Code (relating to exclusion of certain employees) is amended by striking out "(within the meaning of section 401(c)(2) but determined without regard to any exclusion under section 911)" and inserting in lieu thereof the following: "within the meaning of section 401(c)(2))".

(I) Section 879(a)(1) of such Code (relating to earned income) is amended by striking out "(within the meaning of section 911(b))," and inserting in lieu thereof the following: "(within the meaning of section 221(f)(1)),".

(J) Section 1302(b)(2)(A)(i) of such Code (relating to base period income) is amended by striking out "section 911 (relating to earned income from sources without the United States) and".

(K) Section 1303(c)(2) of such Code (relating to exceptions for individuals receiving support from others) is amended by striking out "(within the meaning of section 911(b))" and inserting in lieu thereof the following: "(within the meaning of section 221(f)(1))".

(L) Section 1304(b) of such Code (relating to certain provisions inapplicable) is amended by striking out paragraph (1) and by redesignating paragraphs (2), (3), and (4) as paragraphs (1), (2), and (3), respectively.

(M) Section 1348(b)(1)(A) of such Code (relating to personal service income) is amended by striking out "section 911(b)" and inserting in lieu thereof "section 221(f)(1)".

(N) Section 1402(a)(8) of such Code (relating to net earnings from self-employment) is amended by striking out "section 911 (relating to earned income from sources without the United States)".

(O) Section 3401(a)(8) of such Code (relating to wages) is amended by striking out so much of such section as precedes subparagraph (B) and by inserting in lieu thereof the following:

"(8)(A) for services for an employer (other than the United States or any agency thereof) performed in a foreign country or in a possession of the United States by such citizen if, at the time of the payment of such remuneration, the employer is required by the law of any foreign country or possession of the United States to withhold income tax upon such remuneration, or".

(P) Section 3402(m)(2)(A) of such Code (relating to estimated itemized deductions) is amended by inserting "or (14)" after "paragraph (13)".

(Q) Section 6012(c) of such Code (relating to certain income earned abroad or from sale of residence) is amended—

(i) by striking out "EARNED ABROAD OR" in the caption thereof, and

(ii) by striking out "and without regard to the exclusion provided for in section 911 (relating to earned income from sources without the United States)".

(R) Section 6091(b)(1)(B)(iii) of such Code (relating to place for filing returns or other documents) is amended by striking out "section 911 (relating to earned income from sources without the United States)," and inserting in lieu thereof the following: "section 221 (relating to certain foreign source income related expenses),".

(4) CLERICAL AMENDMENT.—The table of sections for subpart B of part III of subchapter N of chapter 1 of such Code is amended by striking ou the items relating to sections 911 and 912 and by inserting in lieu thereof the following:

"Sec. 911. Exemption for certain allowances.".

(c) EFFECTIVE DATES.—The amendments made by subsection (a) and by paragraphs (2), (3), and (4) of subsection (b) shall apply with respect to taxable years beginning after December 31, 1978.

On page 26, beginning with line 12, strike through and including page 27, line 12;

On page 27, line 13, strike "8" and insert "6";

On page 27, beginning with line 22, insert the following:

SEC. 7. STATE LEGISLATORS' TRAVEL EXPENSES AWAY FROM HOME.

Subsections (a) and (d) of section 604 of the Tax Reform Act of 1976 (as amended by section 307 of the Tax Reduction and Simplification Act of 1977) are each amended by striking out "January 1, 1977," and inserting in lieu thereof "January 1, 1978,".

SEC. 8. NATIONAL SERVICE RESEARCH AWARDS.

(a) GENERAL RULE.—Any amount paid to, or on behalf of, an individual from appropriated funds as a national research service award under section 472 of the Public Health Service Act shall be treated as a scholarship or fellowship grant under section 117 of the Internal Revenue Code of 1954.

(b) EFFECTIVE DATE.—The provisions of subsection (a) shall apply with respect to amounts received during calendar years 1974 through 1979.

Mr. RIBICOFF. Mr. President, H.R. 9251 is being considered today because of the cooperation of a number of Senators vitally interested in the tax treatment of Americans living and working overseas. Each of these Senators has taken a leadership role in articulating proposals for the proper tax treatment for these U.S. citizens. It is no understatement to say that these Senators have different views as to the proper solution to this problem.

While it would be preferable to have a full and extended debate on this question on the Senate floor with an opportunity for the Senate Finance Committee proposal to be amended and improved, the Senate's schedule simply does not permit such a debate within the next month. This question of timing is of central importance on this issue because those overseas must file their tax returns for 1977 by June 15. Since an extended debate on the labor reform legislation is scheduled to begin on Monday, it is imperative that the Senate act this week if there is to be time to go to conference with the House of Representatives and reach agreement before June 15.

The Senators involved reached the collective judgment that action now is necessary and that the Senate Finance Committee bill, while not the preference of all of them, is an acceptable proposal. Senators BARTLETT, KENNEDY, LONG, MCCLURE, and PROXMIRE deserve special praise for their flexibility and their decision to act in order to ensure the fair treatment of U.S. citizens living and working abroad.

Senators BARTLETT and MCCLURE are each sponsors of legislation which would change section 911. Their efforts and perspectives have been important on this issue. Their interest and expertise will continue to be a valuable resource as this question is addressed in conference with the House of Representatives.

Senators KENNEDY and PROXMIRE have also made major contributions on this issue. They have shown a willingness to meet the legitimate problems facing those overseas while insisting that Congress agree on a permanent solution, not simply more delays of the changes in the Tax Reform Act of 1976.

Senator LONG has also been very supportive of the efforts to resolve this problem. He chaired very informative hearings on the tax treatment of Americans abroad earlier this week. His leadership and cooperation have been instrumental in making it possible to act on H.R. 9251 today.

Finally, I would like to thank Senators BUMPERS, HATHAWAY, HASKELL, and MUSKIE for their cooperation. Each of these Senators had important amendments they wanted to offer to H.R. 9251. In order to make it possible to expedite this legislation, they each have agreed not to offer their amendments at this time.

Last year, I introduced S. 2115 to es-

tablish a new and more fair system of taxing income earned by Americans who work overseas. H.R. 9251 is largely based on the provisions of my bill. H.R. 9251 will enable Americans to compete more effectively in overseas job markets by allowing tax deductions for the amounts by which basic living costs increase as a result of working abroad. My proposal replaces the existing fixed-level exclusion with a series of itemized deductions that will enable taxpayers to compute their taxes on the basis of actual circumstances and legitimate needs. The existing overseas income exclusion has proven to be arbitrary and unfair. Some taxpayers continue to receive unjustified tax windfalls while others are forced to pay unreasonably high taxes.

The impact of this provision on American jobs in other countries has been almost completely overlooked. Americans working in foreign countries are being squeezed out of their jobs because they are at a competitive disadvantage with respect to their foreign counterparts. There are 140,000 Americans working abroad. The problem facing them is a direct result of the differences in the tax systems used by the United States and other countries. We tax income earned abroad while most other countries do not.

The size of the problem facing Americans working in foreign countries is greatly magnified by the extraordinarily high costs of living in many foreign places. Generally, increased costs that result from working overseas fall into three basic categories: Housing, education, and increases in day-to-day living expenses like food, household goods, and medical care. My bill would create tax deductions for the increased costs in these areas.

As part of the Tax Reform Act of 1976, Congress made some major changes in the overseas income exclusion. In doing so, however, too little attention was given to the serious impact on American jobs overseas. The new law would make it very difficult to hire Americans for jobs abroad.

A 1-year delay in the effective date of the Tax Reform Act is a short-term stop-gap measure designed to avoid the problems that will result if the 1976 law takes effect. Last year, I sponsored the one-year delay so we would have time to develop a long-term solution to the problem.

H.R. 9251 is a permanent, comprehensive solution to the problems that today are forcing Americans out of their overseas jobs. My proposal will end the uncertainty for those Americans who are prevented from planning for and anticipating their taxes more than 1 year in the future.

Mr. President, I ask unanimous consent that a summary of H.R. 9251 be printed in the RECORD following my statement.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

SUMMARY OF H.R. 9251

H.R. 9251, as amended, extends the effective date of several provisions dealt with in the Tax Reform Act of 1976 and generally prohibits the Treasury Department (Internal Revenue Service) from issuing certain rulings or regulations effective prior to specific dates in 1978. In addition, the bill provides new rules for the treatment of certain excess living costs for U.S. citizens earning income abroad.

The provisions of the bill which have created the most interest are those dealing with the taxation of Americans working abroad. The changes made by the 1976 Act to the earned income exclusion (sec. 911) are effective beginning in 1977. H.R. 9251, as passed by the House, would delay the effective date of the 1976 Act changes to the exclusion for an additional year so that they would not apply until 1978 and later years. The Senate Finance Committee reported the bill with two changes in this area. First, it amended the bill so that pre-1976 law would be extended for two years (until January 1, 1979) rather than the one-year extension of the House bill. Second, for years after 1978, the foreign earned income exclusion would be replaced by deductions for certain excess foreign living costs. Deductions would be allowed in three areas: excess foreign housing costs, educational expenses, and cost of living. In the case of employees of U.S. companies, the deductions would generally be allowed only to the extent the employer pays directly or reimburses the employee for the excess foreign living costs. Special rules are provided for employees in camps, employees of U.S. charities, employees of foreign companies, and the self-employed.

It has been agreed, however, that it would be preferable to extend the pre-1976 Act law in this area for only one year (until January 1, 1978) and to have the new system of deductions take effect beginning in 1978. The floor amendment to the bill accomplishes this result.

The effective dates of the following provisions are also extended by the bill: (1) the current treatment of salary reduction pension plans is extended for two years, or until January 1, 1980; (2) the effective dates of the net operating loss "trafficking" rules adopted in the 1976 Act are extended for two years; and (3) the effective date for the tax treatment of State legislators' travel expenses away from home is extended for one additional year (that is, for years beginning before January 1, 1978). The State legislators' provision was enacted earlier this session in separate legislation (H.R. 11055, P.L. 95–258).

In addition, the bill contains prohibitions on the issuance of certain Treasury Department (Internal Revenue Service) rulings or final regulations with respect to certain commuting expenses and final regulations with respect to employee fringe benefits. These deferrals were intended to give Congress time to review and consider, if necessary, any proposed changes in Treasury regulations or rulings in these two areas.

Further, the bill provides an exclusion (as a scholarship or fellowship) for certain Public Health Services Act awards received in the 1974–1979 period.

Finally, the bill, as amended by the committee, deletes two provisions of the House-passed bill that have since been enacted into law in separate legislation: (1) the two-year extension of the Armed Forces Health Professions Scholarship exclusion (H.R. 3387, P.L. 95–171); and (2) the one-year extension of the five-year amortization (sec. 167(k)) for low-income housing (also H.R. 3387, P.L. 95–171).

Mr. RIBICOFF. Mr. President, I ask unanimous consent that the committee amendments be considered en bloc.

The PRESIDING OFFICER. Without objection, the committee amendments are considered and agreed to en bloc as original text.

UP AMENDMENT 1312

(Purpose: To limit the extension of certain provisions relating to the income of citizens earned abroad to 1 year)

Mr. RIBICOFF. Mr. President, I send an unprinted amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will state the amendment.

The legislative clerk read as follows:

The Senator from Connecticut (Mr. RIBICOFF), for Mr. LONG on behalf of the Committee on Finance, proposes an unprinted amendment numbered 1312.

Mr. RIBICOFF. I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 20, line 11, strike out "1978" and insert in lieu thereof "1977".

On page 20, line 12, strike out "or 1978".

On page 25, line 22, strike out "1978" and insert in lieu thereof "1977".

Mr. RIBICOFF. Mr. President, this amendment will limit the delay of the changes to section 911 contained in the Tax Reform Act of 1976 to 1 year instead of the 2-year delay presently in H.R. 9251.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

UP AMENDMENT NO. 1313

Mr. ALLEN. Mr. President, I send an amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Alabama (Mr. ALLEN) proposes an unprinted amendment numbered 1313.

Mr. ALLEN. I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

That chapter 1 of title 26 of the United States Code is amended by adding after section 119(2) a new section 119(3) to read as follows:

"(3)(a) Gross income does not include any amount received as a statutory subsistence allowance by an individual who is employed as a law enforcement officer in the United States.

"(b) The term 'law enforcement officer' means a full-time, certified, law enforcement officer with power of arrest employed by a State, a political subdivision of a State, any municipal corporation in a State, a territory, a possession of the United States, or by the District of Columbia, who is required by the terms of his employment, whether such employment exists by virtue of election or appointment, to give his full time to the preservation of public order and the protection of life or property, or the detection of crime, and shall include enforcement officers for conservation laws, wardens, guards of penal institutions, and full-time coroners, but shall not include any district attorney, assistant district attorney, commissioner, deputy commissioner, any municipal inspector, county inspector, or State inspector, or any like employee of a State, a political subdivision of a State, any municipal corporation in a State, a territory, a possession of the United States, or the District of Columbia.

"(c) The provisions of this bill shall be retroactive to January 1, 1970.".

Mr. ALLEN. Mr. President, this amendment is an amendment that is much needed because of the situation that exists in the State of Alabama and some dozen or more additional States. I have also heretofore introduced this same provision as S. 2872. It has to do with the fact that our State troopers and other law enforcement officers in the State have been allowed a subsistence allowance. I believe, in the State of Alabama, it is $5 a day, since 1970. Just recently, the IRS has decreed that this subsistence allowance would be taxable, just as though it were regular compensation, and that assessment will also be made for back years as well. This is unjust and unfair and must be corrected. No hearing has as yet been held on my bill and the need for the legislation is urgent.

The purpose of this amendment and of my bill is to provide that such subsistence allowances would not be included as income for the purpose of taxation. The amendment would be retroactive to January 1, 1970.

Mr. RIBICOFF. Mr. President, will the Senator yield?

Mr. ALLEN. Yes.

Mr. RIBICOFF. I have listened to the amendment and talked to a member of the staff of the Joint Committee on Taxation. I am very sympathetic to the proposal but, of course, we have had no hearings. We did have an understanding. With so many people involved in this particular bill concerning the consideration of this bill, I would not be playing the game if I accepted one amendment over the others. It was understood that this bill could only go through if it went through as a clean bill without any amendments. So, now, I am placed in the position that, no matter how sympathetic I may be, I am foreclosed from even accepting the amendment.

As I listen to the proposal, I think it is very unfair. Having been a Governor of a State, I know what the problems of State police are. They do get subsistence at State police barracks or at headquarters. I think it is wrong to charge that as income to State policemen. Often, they do this for the convenience of the public, so they do not have to go to restaurants or go home.

Mr. ALLEN. That is correct.

Mr. RIBICOFF. All I can say is I cannot commit the chairman, but my feeling is that the chairman would be sympathetic and would grant a hearing. I shall say personally I would vote for that proposal when it comes before the Committee on Finance.

Mr. ALLEN. I thank the distinguished Senator for his expressions of sympathy and support for an amendment or bill of this sort. In view of the fact that this bill is so important and an understanding had been reached that no amendments would be added, I certainly do not wish to do violence to that agreement. I appreciate the distinguished Senator's assurance that, in his judgment, the chairman would set a hearing for consideration of this bill.

For that reason, Mr. President, I withdraw the amendment and will request that the bill be given an early hearing in order that the matter can be considered forthwith.

I thank the Senator.

Mr. RIBICOFF. May I add that this particular matter comes under the jurisdiction of the subcommittee of the Senator from Virginia (Mr. HARRY F. BYRD, JR.) I shall make it a point, in addition to Senator Long, to talk to Senator BYRD. I hope that both of us will talk to Senator BYRD on Monday, concerning an early hearing on this particular bill.

Mr. ALLEN. I thank the distinguished Senator for his generous assurance.

I withdraw my amendment.

The amendment was withdrawn.

The PRESIDING OFFICER. The bill is open to further amendments. If there be no further amendment to be proposed, the bill is ordered to a third reading.

The amendments were ordered to be engrossed and the bill to be read the third time.

The bill was read the third time.

Mr. BARTLETT. Mr. President, I had wanted to offer an amendment to this bill, concerning the taxation of income of Americans abroad, but had agreed, in the spirit of compromise and cooperation, to refrain from doing so, on the condition that there would be no other amendments offered. I had planned to offer my amendment and then take it down, but that was not agreed to. I shall fill my part of the bargain, and I have, by letting this go to third reading.

I would like to discuss the provisions that I had in mind, which were prepared as an amendment to H.R. 9251, and which I would have called up except for the agreement that I had made.

My sole purpose for taking this time is to get on the record before passage of this bill, a proposal for the taxation of Americans abroad which I consider to be a simpler, fairer, and more nearly permanent solution to the problem of how we should tax the income of Americans living or working abroad than that contained in the committee bill.

Before we adopted the Tax Reform Act of 1976, I objected to the treatment in the proposals that affected the income of Americans working abroad because I felt it was very unfair.

I have since that time made efforts either to postpone these provisions from becoming effective or I have proposed changes to be made which I think would really solve the problem.

I think that my current proposal is a better way to tax the income of Americans living and working abroad than that which is contained in the amendment that was just adopted.

I will not call up any amendment to H.R. 9251 as stipulated to in the agreement, I would, however, like the text of my proposal printed in the RECORD following my remarks, as just that—a proposal on the proper nature of any provisions concerning the taxation of Americans abroad.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. BARTLETT. I thank the Chair.

Mr. President, I would like to emphasize two points as I begin:

First, I want to express my frustration and disappointment about the manner in which the question of the taxation of Americans living and working abroad has been handled over the last 2 years. I do not believe the effects of the Tax Reform Act provisions on this matter were fully examined before they were enacted; I certainly do not think it was good tax policy to have made those provisions retroactive. In addition, about this time last year we passed a delay in the effective date of those provisions with the express hope that a permanent and fair solution would be found before tax time this year, and yet here we are, at the 11th hour, considering, or rather not considering, a measure, however meritorious, which did not have the benefit of committee hearings before it was reported to the Senate floor.

Second, and especially, I want to say that I deeply respect and appreciate the fine work and the vast amount of time that Senator RIBICOFF, whose language I would have sought to change and actually to expand upon, has devoted to this problem. He, more than anyone, perhaps, has been sensitive to the unique situation of American taxpayers overseas and has worked to find a solution to the question of how we tax such Americans in a manner that is fair to them and to the rest of the taxpayers. As much of an improvement as his proposal is over previous approaches, I believe that there could be adopted some changes to it which would make it even fairer, more simple, and more permanent way to go.

Mr. President, I will be brief. Although the general thrust and direction of my proposals are similar to many of those contained in H.R. 9251, I would urge serious consideration of my version on three grounds: It is simpler to administer and to comply with, it is more sensitive to individual situations, and it includes consideration of factors not taken into account in the Finance Committee version.

The committee bill overlooks the problems associated with home leave expenses, moving and relocating expenses, and with the reinvestment of the proceeds realized on the sale of a principal residence. My proposal deals with these factors and does so in a manner almost identical to those put forward by the administration.

The committee bill has a cost of living deduction, but calls for it to be based on tables to be published by the Treasury which will reflect the cost of living of a family whose income is equal to the salary of an employee of the United States who is compensated at a rate equal to the annual rate paid for step 1 of grade GS–12. In my proposal there is an exclusion from income based on the individual's base salary times the percentage excess of the cost of living of the country he is in over that of Washington, D.C. This strikes me as less arbitrary, simpler, and more flexible than the committee version.

The committee bill provides that before any cost-of-living or housing or

education deduction can be used, the individual's employer must certify to the Treasury that "X" amount was paid to the individual specifically as compensation for such expenses. I believe this would be an administrative nightmare as well as unnecessary. Treasury's normal audit procedures can handle any cases of fraud. I would deal with this problem by basing both the cost-of-living and housing sections on the individual's comparable U.S. based salary, thereby reducing the chances to defraud the Government.

Mr. President, I would like to have printed in the Record a section-by-section summary of my proposals, and I ask unanimous consent that it be printed at this point.

There being no objection, the material was ordered to be printed in the RECORD as follows:

TAXATION ON AMERICANS ABROAD

MAIN PROVISIONS

(1) Individuals will be allowed an exclusion from gross income of an amount equal to the individual's base salary multiplied by the percentage that the foreign price index of the country in which the individual is working exceeds that of the cost-of-living in Washington, D.C.

(2) A housing expense deduction will be allowed to the extent that the individual's reasonable housing expenses exceed 16⅔ percent of the individual's United States base salary.

(3) A schooling expense deduction will be allowed to offset the costs of tuition, fees, and books for attendance in a U.S.-type school within commuting distance of the individual's principal work place through high school. If no school is within commuting distance there will be allowed a deduction for room and board and reasonable travel (limited to two round trips) each year, provided the school of attendance is a U.S. public school.

(4) A reasonable home leave travel deduction will be allowed for annual home leave expenses for the individual and his dependents (those which are not entitled to the schooling expense travel deduction)

(5) Section 217 of the Code is amended to increase the time limits allowed for a move and associated temporary living arrangements from 30 days to 60 days, and to raise the ceiling on temporary living costs from $1,500 to $4,500.

(6) The conditions under which housing and meals furnished for the convenience of the employer overseas can be excluded from income under section 119 are broadened. Housing and meals which are furnished in a temporary camp or barracks or similar facility will be excludable from income if furnished for the convenience of the employer.

(7) Section 1034 of the Code is amended to suspend the running of the time period for reinvestment of the proceeds realized on the sale of a principal residence. The suspension will be for a maximum period of four years and will only apply to individuals whose principal place of work is located outside the United States after the date of sale of the old residence.

(8) Repeals section 1011 of the Tax Reform Act of 1976 and becomes effective for taxable years beginning after December 31, 1977.

Mr. BARTLETT. Mr. President, I have briefly pointed out some of the shortcomings of the committee bill, as I see it, which I believe can and should be corrected by language essentially similar to that which I have proposed. I believe that the Congress has had this issue pending for too long, but I want to insure, to the extent that I can, that whatever solution we arrive at is as simple and fair as possible and as permanent as possible. I hope that the matters I have discussed and the language that I have proposed today will be of help to the Senate conferees on this matter.

If there is no objection I would like to have printed in the RECORD following my remarks material pertinent to this discussion and which I believe my colleagues will find of interest. First, a very thoughtful letter dealing with the taxation of Americans overseas that I received from Mr. J. M. Sprouse, executive vice president of the Associated General Contractors of America. Second, a summary of the administration proposals, presented by Donald C. Lubick, Acting Assistant Secretary for Tax Policy, to the Committee on Ways and Means. An examination of these proposals will show that except for a cost-of-living proposal these recommendations are almost the same as mine. Third, a copy of testimony presented by Mr. George P. Shultze, president of Bechtel Corp., to the Committee on Finance on May 8, 1978. I highly recommend Mr. Shultze's testimony for a thorough and extremely well thought-out consideration of the whole question of the tax treatment of Americans living or working abroad.

Mr. President, I ask unanimous consent that this material be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

Mr. BARTLETT. Mr. President, I thank the leadership, particularly Senator RIBICOFF, for arranging this time for me to speak on an issue in which I have been very concerned.

I particularly thank the distinguished Senator from Connecticut (Mr. RIBICOFF) for his very concerned efforts in this area, for taking the leadership in the Finance Committee to find an equitable resolution of a difficult problem. I compliment him, because he recognizes that the Americans working abroad are extremely beneficial in providing business for this Nation, extremely beneficial in spreading the word of American products, contractors, and services, and for doing the find job he has done.

EXHIBIT 1

A PROPOSAL CONCERNING THE TAX TREATMENT OF AMERICANS ABROAD

SECTION 4. Changes in treatment of income earned abroad. (a) Earned income from sources without the United States.

Section 911 of the Internal Revenue Code of 1954 is amended as follows:

(1) Subsection (a) is amended by substituting "an individual citizen or resident of the United States" for "an individual citizen of the United States" each place it appears.

(2) The last sentence of subsection (a) is amended to read as follows:

"An individual shall not be allowed, as a deduction from his gross income, any deductions (other than those allowed by section 151, relating to personal exemptions, section 217, relating to moving expenses, and section 221, relating to foreign source income related expenses) properly allocable to or chargeable against amounts excluded from gross income under this subsection."

(3) Paragraph (1) of section 911(c) is amended to read as follows:

"(1) Limitation on amount of exclusion.—

"(A) General rule.—The amount excluded from the gross income of an individual under subsection (a) shall not exceed an amount equal to the amount the individual's United States base salary (as defined in subsection c, paragraph 1) for the taxable year multiplied by the cost-of-living factor (determined under subparagraph (B)) for the foreign country in which services attributable to such income were performed.

"(B) Cost-of-living factor.—The cost-of-living factor for any foreign country is equal to a fraction—

"(i) the numerator of which is equal to the excess of the annual average price index for the foreign country for the calendar year in which the taxable year ends over an American price index of 100, and

"(ii) the denominator of which is an American price index of 100.

"(iii) Consultation.—The Secretary, in determining the annual average price index in any foreign country, shall be guided by the Department of State's 'Local Index of Living Costs Abroad'.

"(C) Two or more foreign countries.—If an individual has earned income attributable to services performed in two or more countries for the taxable year, the amount excluded under subsection (a) shall be equal to the sum of the amounts determined by multiplying the amount of earned income attributable to each foreign country by the cost-of-living factor determined for that country.".

(4) Paragraph (8) of subsection (c) is amended by substituting the following new paragraph:

"(8) Requirement as to Place of Receipt.—No amount received by an individual during the taxable year which constitutes earned income (entitled to the exclusive under subsection (a)) attributable to services performed in a foreign country or countries shall be excluded under subsection (a) if such amount is received by such individual outside of the foreign country or countries during the time the individual is employed within that foreign country or countries where such services were performed and if the principle purpose is the avoidance of any tax imposed by such foreign country or countries on such amount.".

(5) Subsections (d) and (e) are deleted and subsection (f) is redesignated as subsection (d).

(b) Additional gross income

(1) In general—Part II of subchapter B of chapter 1 of the Internal Revenue Code of 1954 (relating to items specifically included in gross income) is amended by adding the following new section:

"Sec. 85. Reimbursement of foreign-source income related expenses."

(a) Except as provided in section 119 (relating to meals or lodging furnished for the convenience of the employer), there shall be included in gross income (as compensation for services) any amount received or accrued, directly or indirectly, by an individual as a payment for or reimbursement of expenses of the type for which a deduction is allowed by section 221. For purposes of this section, the excess of the fair market value in the local market of goods or services of such type provided to an individual in kind in connection with his employment over the amount paid by such individual for such goods or services shall be treated as an amount received.

(b) The table of sections for part II of subchapter B of chapter 1 of such Code is amended by adding the following:

"Sec. 85. Reimbursement of foreign-source income related expenses."

(c) Allowance of deduction—

(1) In general—Part VII of subchapter B of chapter 1 of the Internal Revenue Code of 1954 (relating to additional itemized deductions for individuals) is amended by redesignating section 221 as 222 and by inserting after section 220 the following new section:

"Sec. 221. Foreign source income related expenses.

"(a) General rule. There is allowed as a deduction to an individual whose principal place of work is located outside the United States the amount determined under subsection (c) for the taxable year.

"(b) Earned income limitation. The amount of the deduction allowed by subsection (a) for the taxable year shall not exceed the amount by which the individual's earned income from sources without the United States for the taxable year exceeds any amounts exempt from taxation under section 911.

"(c) Determination of amount—

"(1) General rule.—The amount of the deduction allowed to an individual by subsection (a) for the taxable year shall be the sum of the following amounts:

"(A) Qualified housing expenses.

"(B) Qualified schooling expenses.

"(C) Qualified home leave expenses.

"(2) Qualified housing expenses

"(A) The term 'qualified housing expenses' means the reasonable expenses paid or incurred during the taxable year for housing (including utilities, taxes, insurance, and other expenses attributable to such housing) by or on behalf of the individual, his spouse or dependents in a foreign country which is his principal place of work, to the extent such expenses exceed 16⅔% of the individual's United States base salary for the period during the taxable year to which expenses are attributable. Housing expenses shall not be considered reasonable to the extent that they are lavish and extravagant under the circumstances (considering the type of housing an individual in a similar work position would typically occupy in the United States and the availability to the individual of that type of housing within a reasonable distance of the individual's principal place of work in such a foreign country).

"(B) The term 'United States base salary' prescribed in paragraph (A) shall mean:

"(i) The salary the individual would receive in a 40-hour work week for performing the same work in the United States, exclusive of any other allowances, including but not limited to extended work week, overtime, and other incentives applicable to foreign service, or

"(ii) in the case of a self-employed individual, his earned income as determined under section 911(b).

"(C) This paragraph shall not apply for any period during the taxable year in which the value of the individual's housing is excluded from income under section 119.

"(3) Qualified schooling expenses.—

The term 'qualified schooling expenses' means the reasonable expenses paid or incurred during the taxable year for the education through secondary level for each of the dependents of the individual. Such expenses shall include the costs of tuition, fees, and books incurred by attendance at a school within commuting distance of the principal work place, and, if an adequate United States-type school is not available within a reasonable commuting distance of the individual's principal place of work in the foreign country, the expenses of room and board and reasonable travel (limited to two round trips) each school year between such place of work and the location of the school provided such school is an American public school.

"(4) Qualified home leave travel expenses.—

The term 'qualified home leave travel expenses' means the reasonable amounts provided to, or paid or incurred by, an individual for one trip and return each taxable year between the location of the individual's principal place of work and a place in the United States approved by his employer (if any), for such individual, his spouse, and each dependent not entitled to the qualified schooling expense travel deduction.

"(d) Double deductions disallowed—

An individual shall not be allowed, as a deduction under any other provision of this chapter (other than under section 151), any amount to the extent that the item to which such amount is attributable is properly allocable to amounts taken into account under paragraphs (2), (3), & (4) of subsection (c).

(2) Deduction allowed in determining adjusted gross income.—Section 62 of such Code (relating to definition of adjusted gross income) is amended by adding after paragraph (13) the following new paragraph:

"(14) Foreign-source income related expenses.—

The deduction allowed by section 221."

(3) The table of sections for part VII of subchapter B of chapter 1 of such Code is amended by striking out the last item and by inserting in lieu thereof the following:

"Sec. 221. Foreign source-income related expenses.

"Sec. 222. Cross references."

(d) Moving expenses

Increase in Limitations for Foreign Moves.—Section 217 of the Internal Revenue Code of 1954 (relating to moving expenses) is amended by redesignating subsection (h) as subsection (i) and by inserting after subsection (g) the following new subsection:

"(h) Special Limitations for Foreign Moves.—

"(1) Increase in limitations.—In the case of a foreign move—

"(A) subsection (b)(1)(D) shall be applied by substituting '60 consecutive days' for '30 consecutive days', and

"(B) subsection (b)(3) shall be applied—

"(i) by substituting '$3,000' for '$1,500' in subsection (b)(3)(A) and in subsection (b)(3)(B),

"(ii) by substituting '$4,500' for '$3,000' each place it appears, and

"(iii) by substituting '$1,500' for '$750'.

"(2) Allowance of certain storage fees.—In the case of a foreign move, for purposes of this section, the term 'moving expenses' under subsection (b)(1)(A) includes the reasonable expenses of moving and storing household goods and personal effects for the duration of each foreign assignment.

"(3) Foreign move.—For purposes of this subsection, the term 'foreign move' means the commencement of work by the taxpayer at a new principal place of work—

"(A) located outside the United States; or

"(B) located within the United States, if the taxpayer's former principal place to work is outside the United States.

If the taxpayer had no former principal place of work, the preceding sentence shall be applied by substituting 'former residence' for 'former principal place of work' each place it appears.

"(4) In the case of (i) a taxpayer entering bona fide retirement from a foreign location, or (ii) the spouse or dependents of a deceased taxpayer who return to the United States within six months of the taxpayer's date of death, there shall be substituted the phrase 'new residence' for the phrase 'new principal place of work' wherever it appears in this section and the requirements of subsection (c)(2) shall not apply."

(e) Foreign meals or lodging furnished for the convenience of the employer under certain conditions.

Section 119 of the Internal Revenue Code of 1954 (relating to meals or lodging furnished for the convenience of the employer) is amended to read as follows:

"(a) General Rule. There shall be excluded from gross income of an employee the value of any meals or lodging furnished to him, his spouse and his dependents pursuant to his employment for the convenience of his employer, but only if—

"(1) in the case of meals, the meals are furnished on the bsuiness premises of the employer, or

"(2) in the case of lodging, the employee is required to accept such lodging on the business premises of the employer as a condition of his employment.

"In determining whether meals or lodging are furnished for the convenience of the employer, the provisions of an employment contract or of a state statute fixing terms of employment shall not be determinative of whether the meals or lodging are intended as compensation.

"(b)(1) Foreign Meals or Lodging. The value of meals or lodging furnished to an employee, his spouse and dependents at a location outside the United States by or on behalf of his employer shall be excluded from gross income of an employee if either—

"(A) the requirements of subsection (a) are satisfied, or

"(B) such meals or lodging are camp-style meals or lodging, as defined in paragraph (2).

"(2) Camp-Style Meals and Lodging Defined. For purposes of this subsection—

"(A) meals shall be considered camp-style meals if—

(i) such meals are furnished in a common eating area which normally serves ten or more individuals and is not available to the public, and

(ii) the employee is furnished lodging the value of which is excludable from gross income under this section;

"(B) lodging shall be considered camp-style lodging if it is of an obvious temporary job-related nature and if either—

(i) Two or more unrelated employees are required by the employer to share the same living quarters; or

(ii) the lodging is furnished in a common area not available to the public which common area normally accommodates ten or more employees in connection with the design or construction of a facility located outside the United States, the exploration for, or development or production of, natural resources located outside the United States, or the installation, maintenance or operation of export property (within the meaning of section 993(c)).

(f) Miscellaneous provisions

(1) Section 3121(a)(11) is amended to read as follows:

"(11) remuneration paid to or on behalf of an employee if (and to the extent that) at the time of payment it is reasonable to believe that such remuneration will be excluded from gross income under section 119 or it is reasonable to believe that a corresponding deduction is allowable under section 217 or section 221."

(2) Section 3306(b)(9) is amended to read as follows:

"(9) remuneration paid to or on behalf of an employee if (and to the extent that) at the time of payment it is reasonable to believe that such remuneration will be excluded from gross income under section 119 or it is reasonable to believe that a corresponding deduction is allowable under section 217 or section 221."

(3) Section 3401(a)(8) of such Code (re-

lating to wages) is amended by striking out subparagraph (A)(1) and by inserting in lieu thereof the following:

"(1) performed by a citizen or resident of the United States if, at the time of the payment of such remuneration, it is reasonable to believe that such remuneration will be excluded from gross income under section 119 or section 911 or it is reasonable to believe that a corresponding deduction is allowable under section 221; or".

(4) Section 6091(b)(1)(B)(iii) of such Code (relating to place for filing returns or other documents) is amended by adding after the word "of" the following: "section 221 (relating to foreign source income related expenses),".

(5) Section 1034 of the Internal Revenue Code of 1954 (relating to the sale or exchange of a residence) is amended by redesignating the existing subsection "(h)" as "(h)(1)" and adding the following at the end thereof:

"(2) The running of any period of time specified in subsection (a) or (c) (other than the 18 months referred to in subsection (c)(4)) shall be suspended during any time that the taxpayer (or his spouse, if the old residence and the new residence are each used by the taxpayer and his spouse as their principal residence) has his principal place of work located outside the United States (within the meaning of section 221(a)) after the date of the sale of the old residence except that any such period of time as so suspended shall not extend beyond the date 4 years after the date of the sale of the old residence."

(g) Effectve date

(1) The amendments made by the above sections shall apply with respect to taxable years beginning after December 31, 1977.

(2) Section 1011 of the Tax Reform Act of 1976 is hereby repealed.

EXHIBIT 2

THE ASSOCIATED GENERAL CONTRACTORS OF AMERICA,
Washington, D.C., May 4, 1978.

Hon. DEWEY F. BARTLETT,
U.S. Senate,
Washington, D.C.

DEAR SENATOR BARTLETT: The Associated General Contractors of America is the leading construction trade association in the United States, with over 8,200 general contractor members, who account for approximately 70 percent of all domestic construction put in place and nearly half of all work performed abroad by U.S. firms. I would like to take this opportunity to bring to your attention some matters of grave importance to the international construction industry.

As you are well aware, the taxation of foreign source income, Section 911, has, in the last two years, undergone considerable transformation. The changes implemented by the Tax Reform Act of 1976, coupled with recent tax court decisions supporting the taxation of company-paid allowances such as housing, education and cost of living, have had the effect of increasing the tax burdens of a substantial population of construction personnel abroad to intolerable levels.

The construction industry is labor intensive, and production costs on many projects are based, to a large extent, on the input labor, its cost effectiveness and efficiency. Under present law, it is not unusual for construction personnel working in Saudi Arabia, Iran or other high cost developing economies to incur tax liabilities approaching or in excess of base salary. Firms attempting to reimburse such employees for these increased tax costs soon find this to be a highly uncompetitive practice in markets where taxation on foreign source income is the exception, rather than the rule.

We recognize and applaud your efforts in seeking to legislate an appropriate and equitable solution to the 911 dilemma. It is in response to this direct involvement on your part that we offer to you our criticisms of a recent Congressional Research Service Study entitled "The Taxation of Americans Working in Other Countries—An Economic Analysis." The Study, commissioned by Senator Ted Kennedy, establishes and proceeds under a set of provocative theoretical assumptions and in result, creates an unreal situation primed for the application of unrealistic policy solutions. It is our thinking that such unfounded and unworldly analysis perpetuates the uncertainty and confusion which has characterized the 911 debate, and we question the motivations of those who forward such a non-productive and questionable thesis.

The tax policy assumptions upon which this analysis is based speak to a system of taxation lacking in priority—a system which neither discourages nor promotes sectorial activity within the economy—a system which is blinded to the particular necessities of deserving individuals by impractical visions of hybrid tax equity. When confronted with inconsistent elements, the analysis proceeds unfettered by merely reinterpreting the unsupportable.

The initial and most devastating failing of this study is the positioning of the "Tax Neutrality Concept" in close proximity to the principles of tax equity and national economic policy objectives. This close and consistent association, coupled with a creative interpretation of the U.S. tax code, results in a rather deceptive set of conclusions.

Objective reading requires the segregation of the terms of neutrality and equity, no matter how persuasive the suggested resemblance. In the creation of this unholy alliance, the analysis rather abruptly establishes the similarities and the shared objectives of these widely diverse concepts.

Early on in the introduction, the reader is informed that:

"There are two aspects of tax equity which are usually considered: horizontal equity, or the equal treatment of those in equal circumstances (generally defined as those with equal incomes), and vertical equity, which is concerned with how the tax burden is distributed across income classes. In general, the points regarding tax neutrality also pertain to the consideration of tax equity."

And there you have it—the basis for a lengthy Congressional Research Service Study, prepared at the taxpayers expense, which further an illogical and impractical system of taxation. The excerpt above ignores, sidesteps and covers up basic and primary elements of tax equity, which not only differ from neutrality, but negate any perceived similarities.

The above excerpt suggests that ability to pay taxes is the underlying principle of both tax equity and neutrality, and there is consistent denial in the analysis that the present tax code contains any concessional treatment for cost of living differentials among taxpayers. The Study furthers that in the interest of neutrality any concessional tax treatment afforded workers abroad who may encounter increased costs of living must be based on an impractical neutrality equation. When applying the suggested equation to the actual cases of construction workers abroad, a tax liability results which in some cases approaches salary. Such punitive tax policy serves neither the principles of tax equity nor neutrality.

These rather presumptuous conclusions fail to elaborate on any of the various deductions granted taxpayers, or their status as valid considerations of realistic tax policy. These deductions are geared toward lessening the increased cost of living associated with residence in a particular locale, size and compositions of the family unit or occupational category. without regard to income. The study suggests that tax concessions for increased costs of housing are unprecedented in the tax code. However, the tax credit on interest for home mortgages is a recognition on the part of the government that the price of housing in certain parts of the country can be more costly, i.e., New York, Savannah/urban, rural. By granting an interest tax credit for home mortgages, the government supports the costs of housing on a progressive basis and does so without regard to income or ability to pay.

It should at this point be noted that many construction employees working abroad are not afforded this deduction, due to their inability to live abroad and maintain a U.S. domicile or purchase a home in their country of residence, due to excessive costs of suitable housing in many developing nations. Deductions for dependents recognize the higher cost of living borne by large families, extended dependent status for college students, support the costs associated with educational expenditures. Deductions for automobile use necessitated by employment support the increased costs associated with certain occupational categories.

In the granting of such deductions, the Code looks beyond the ability to pay and establishes an equality of circumstances, an individualized horizontal equity, which grants concession based on individual demonstrated need. The neutrality analysis would assess taxes based solely on ability to pay, regardless of the costs associated with the particular condition, in order to preserve equity in the Code.

The Congress, in establishing tax policy, has consistently looked beyond the ability to pay and has established an equality of circumstances via the granting of individualized deductions. The resulting tax policy creates an horizontal tax equity concept based on individual and demonstrated need. The concept of equity furthered in the CRS Study would assess taxes based solely on ability to pay regardless of the costs with the particular condition in order to eliminate illusionary discriminatory effects.

In order to qualify for a deduction under the CRS neutrality analysis, needs would have to exceed the extreme case. For example, the analysis suggests that, if construction workers living abroad are to be granted a housing deduction for the excessive costs of housing in a particular locale, the deduction should cover only those costs which exceed the most expensive housing locale in the U.S., i.e., Anchorage, rather than the average price index of housing throughout the U.S. The Study furthers this form of housing deduction as neutral and equitable, stating that if an average U.S. housing cost index were employed in the overseas deduction formula, the people of Anchorage would be discriminated against. Such interpretation ignores the basic principles of equity raised previously. Bona fide residents of Anchorage and construction workers temporarily employed in the developing nations of the world occupy very distinct and differing positions with respect to horizontal equity. The principles of equity are not served by attempts to condition the tax treatment of overseas construction workers by the tax treatment of a dissimilar entity.

As a prospective Anchorage resident considers the opportunities afforded by the area, a primary consideration in any decision to relocate is the availability of suitable housing. Based on his salary expectations, the taxpayer enters the housing market and seeks affordable housing. It should, at this point, be established that in the U.S., housing costs are principally a function of income and rarely, to any significant degree, reflect non-economic pricing considerations, such as those confronting overseas workers, i.e., cultural or nationality biases.

If the prospective Anchorage resident is frustrated in his attempts to obtain affordable housing, his income potential is, to a major extent, to blame. A mortgage tax credit remains available to him in the Code, none-

theless. In such cases, it is not uncommon for new arrivals to a particular locale, with lower incomes, to settle for more affordable housing, perhaps some distance from town or in a less desirable section, and major disparities between income and housing costs in the city of Anchorage are likely to reflect temporary shortages of housing in the local market, and in the long run are to be alleviated by either a lessening in demand for housing, accompanied by a reduction in housing costs, or upward pressure on other hand, a construction employee considering an assignment overseas, is offered a salary which, in few cases, reflects the price of housing in the country of project location.

The chronic scarcity and undersupply of housing in many developing nations far exceeds any demand solutions afforded by the income levels of construction workers temporarily employed in the local economy. On the contrary, such a foreign national presence oftentimes accentuates the problem and existing or newly constructed housing is offered at blackmarket prices, far exceeding the local resident's, or the U.S. construction worker's, ability to pay. The companies employing construction personnel, therefore, grant housing allowances which are then passed on to the ultimate purchaser of the finished construction, in the form of increased operating costs.

It should be noted that, while this comparable U.S. housing is oftentimes substandard and lacking in the barest of comforts, its monthly rental price may well exceed the salary of its occupant. A recent investigation of the housing market in Tehran, Iran, reveals that, while no suitable housing could be purchased at any realistic price, three 2-year leases on unfurnished apartments were obtained for the following monthly rental figures: $3,561, $2,633, $2,701. When contrasting these rents with an average monthly salary of $2,100 for construction employees, the unique and deserving condition of these taxpayers is obvious.

If the construction employee is required to adjust his income for tax purposes to reflect the full local market value of such housing, the resulting liability is confiscatory. Further, such tax practices are not equitable or neutral, because non-recognition in the Code of the unique condition of the overseas construction employee denies to him the benefits made available in the Code to all taxpayers resident in the U.S., including Anchorage. In short, the present law punitively discourages employment in this sector.

While the CRS Study does acknowledge that certain preferential tax treatment may be justifiable if a greater economic benefit is achieved in the process, the study denies that any such benefits are to be gained in the special tax treatment of overseas workers. The Study dismisses any direct relationship between the competitiveness of the U.S. labor in the international markets and exports, and determines that if one existed, no policy of tax subsidies to improve an overseas worker's competitiveness would maintain its cost effectiveness, because any improvements in exports achieved via tax subsidies to workers would be eventually erased by the appreciation of the dollar, causing higher prices for U.S. goods and services in global markets, followed by a fall in exports.

Therefore, the Study concludes that a policy of tax assistance for overseas workers is not, in the long run, an efficient method of increasing exports. This absurd application of the flexible exchange rate as the long-term solution to our trade imbalances ignores several significant empirical obstacles, namely trade barriers, money market intervention, gentlemen's agreements and rising protectionist sentiments. Consider it further in the harsh light of 22 consecutive monthly trade deficits for the U.S., coupled with the inability of the dollar to adjust low enough to reverse the trend, and the entire assumption is groundless, because in the real world freely floating exchange rates do not exist.

However, there is hard evidence which reveals that increased 911 taxation costs are not to be borne solely by a few companies working abroad and their employees. U.S. corporations operating abroad wishing to employ Americans must conduct tax equalization programs to attract qualified personnel for foreign assignments. These compensation programs attempt to offset the increased tax burden imposed by the present Section 911 and the tax court decisions, leaving the employee with an after-tax income no less than one afforded by a comparable salary earned in the U.S. It should be noted that while most construction firms operating in these competitive markets offer employee allowances for housing, education and travel costs, only U.S. firms wishing to employ Americans are required to compensate employees for income taxes assessed on these allowances.

The costs associated with such tax reimbursement programs are not borne solely by the contractor. Such programs increase operating expenses, reducing profits and at the same time corporate tax liabilities. U.S. corporations pay a 48 percent marginal rate of tax, and therefore, approximately one-half of the increased costs imposed by tax compensation programs will be shouldered by the U.S. Treasury and all U.S. taxpayers. It is doubtful that a tax neutralist would deem such revenue-raising measures as equitable, neutral or an efficient allocation of resources.

As previously stated, the CRS neutrality analysis portrays as doubtful any connection between the competitiveness of U.S. labor in the international markets and exports. However, the experience of the construction industry constitutes a direct contradition to these assumptions. International contractors do not sell patented processes, franchises or trademarks, they do sell services and are able to do so only to the extent that they remain competitive. These services are rendered by qualified labor and if these services can be offered at a price responsive to the prevailing competitive factors of the market, an eventual project award to a qualified U.S. contractor is assured. Such awards result in the direct expenditure of between 40 percent and 60 percent of total contract volume in the United States. This contract procurement includes the purchase of sophisticated capital equipment such as hydro-turbine generators for an electrification project, or primary construction material required for the performance of the work. A recent $50 million water line project in the United Arab Emirates resulted in the following U.S. procurement:

		Percent
Expatriate Payrolls & Travel Expenses to Job	$1,000,000	2
Parts, Tools, Supplies	300,000	1
Equipment (Koehring, Cat, Grove Cranes, GM & misc.)	2,500,000	5
Materials (mostly American Cast Iron Pipe Co., but many small suppliers too)	25,000,000	50
Total	28,800,000	58

These exports are credited to the U.S. merchandise trade account and the contractor receives little credit for his role in directing the trade. Such exports are, however, a direct function of a project award to a U.S. contractor and therefore to a major extent dependent upon the competitiveness of U.S. labor in the international marketplace.

The tax policy furthered in studies such as this regrettably avoids consideration of the effects such policies will have on not only the construction industry but all exporting industries sensitive to the competitive forces of the international markets. By applying such unrealistic and antiquated economic theories to disprove or criticize legislative proposals attempting to restore or improve our competitive standing abroad, the CRS Study contributes nothing to an issue deserving constructive input.

We are again hopeful that the opinions and comments expressed herein will assist you in your continuing efforts to legislate a realistic and equitable solution to the 911 problem. Staff members of our legislative and international divisions remain available for further discussions of the criticisms presented above.

Sincerely,

J. M. SPROUSE,
Executive Vice President.

ADMINISTRATION'S PROPOSAL FOR SECTION 911

I. PRESENT LAW

United States citizens are generally taxed by the United States on worldwide income and are entitled to a tax credit for foreign taxes paid. However, there are certain exceptions to this general rule for citizens living and working outside the United States.

Under section 911 of the Internal Revenue Code, as amended by the Tax Reform Act of 1976, United States citizens who remain in a foreign country for 17 months in any consecutive 18 month period or who are bona fide residents of a foreign country and have been for at least one full taxable year may exclude up to $15,000 of earned income. The excluded amount is $20,000 for employees of United States organizations that qualify as tax exempt organizations. No deductions or credits chargeable against income excluded under section 911 may be taken against other income. In addition, the exclusion applies to the lowest bracket income; additional income is subject to United States tax at the rates that would apply if there were no section 911 exclusion.

Prior to its amendment by the Tax Reform Act of 1976, section 911 provided that United States citizens working abroad could exclude up to $20,000 of earned income ($25,000 if they were bona fide residents of a foreign country for more than 3 years). The exclusion applied to the highest bracket earnings. Citizens could claim credit for foreign taxes attributable to excluded earnings, but such earnings reduced the foreign tax credit limitation under section 904.

II. EXPLANATION OF PROPOSAL

The Administration's proposal will replace the existing section 911 of the Code with a new section 221 that provides for special deductions for United States citizens and resident aliens working abroad.

The Administration's proposal will also broaden the conditions under which meals and housing furnished by the employer are excludable from income under section 119. In addition, section 217 will be amended to provide increased time limits and a higher ceiling for deductions for international moves. Section 1034 will also be amended to provide additional time for persons qualifying for sections 911 or 912 to reinvest proceeds from the sale of a principal residence without having to recognize gain.

A detailed explanation of the major provisions of the Administration's proposals is set forth below.

A. Changes to Section 911

The Administration's proposal will replace section 911 of the Code with a new section 221 that will give United States citizens and residents aliens who are bona fide residents of foreign countries for an entire taxable year or who are physically present in foreign countries for 334 days during the taxable year a deduction for certain expenses incurred for housing, education and home-leave travel. The amount deductible under the new section will, however, be limited to the amount of earned income from foreign

sources. Foreign taxes attributable to amounts deducted will not be disallowed, although the deductions will be attributable to foreign source income and thus will reduce the section 904 limitation on the credit.

(1) *Housing:* A deduction will be allowed for the excess of the actual amount incurred for reasonable housing (rent and utilities) over 20 percent of earned income net of actual housing costs and the allowable deductions for education and home-leave travel. This 20 percent figure is based on the premise that a typical American living overseas would spend approximately 1/6 of his income on housing if he lived in the United States; 20 percent of $20,000 of earned income net of housing and other special deductions equals $4,000, 1/6 of $24,000. In the case of housing furnished by the employer, the employee will include in income the full fair market value of the housing (including utilities), but will be allowed to deduct the excess of the fair market rental value over 20 percent of earned income net of housing and the allowable deductions for education and home-leave travel. The deduction for housing furnished by the employer will not be available to taxpayers claiming an exclusion for employer-furnished housing under section 119.

(2) *Education:* A deduction will be allowed for tuition, books and room and board up to $4,000 per year for each dependent child in grades 1 through 12, plus actual economy travel for two round trips per year between the school and the foreign residence. The transportation deduction, but not the deduction for tuition, will also be available for transportation for college students.

(3) *Home-leave travel:* A deduction will be allowed for one economy round trip fare every other year for each member of the taxpayer's family between a foreign post and the taxpayer's residence in the United States. If the taxpayer maintains no residence in the United States, the deduction will be allowed for transportation between the foreign post and the taxpayer's place of residence before he went abroad.

B. Reports to Treasury and Congress

Under the Administration's proposal, government agencies furnishing allowances excludable by their employees under section 912 will be required to submit annual reports to the Treasury Department itemizing those allowances. The Treasury Department will also be required to present to Congress every two years a detailed description of the revenue costs and economic effects of the exclusions under section 912 and the deductions under the new section 221.

C. Changes to Section 119 (Employer-Furnished Meals or Lodging)

The Administration's proposal will broaden the conditions under which housing and meals furnished by the employer overseas can be excluded from income under section 119. Housing and meals which are furnished in a camp or barracks or similar compound will be excludable from income if they are furnished in the general vicinity of the business premises of the employer or the place where the employee's services are rendered and are furnished because adequate alternative meals and lodging in that vicinity are not available.

D. Changes to Section 217 (Moving Expenses)

The Administration's proposal will also amend section 217 of the Code to increase the time limits for a move and associated temporary living arrangements from 30 days to 60 days, and to raise the ceiling on temporary living costs from $1,500 to $5,000. The increased time limits and ceiling on deductions will apply only to moves from the United States to a foreign country, from a foreign country to the United States and from one foreign country to another. Since the Administration's proposal will replace the existing section 911 exemption with the new section 221 deductions, no part of the moving expenses will be disallowed as attributable to exempt income.

E. Changes to Section 1034 (Sale or Exchange of Residence)

The Administration's proposal will also amend section 1034 of the Code to suspend the running of the 18 or 24 month period for reinvestment of the proceeds realized on the sale of a principal residence. The suspension will be for a maximum period of four years and will apply only to persons working overseas who qualify for the deductions of the new section 221 or the exclusion of section 912.

TESTIMONY OF GEORGE P. SHULTZ, PRESIDENT, BECHTEL CORPORATION, BEFORE THE COMMITTEE ON FINANCE, U.S. SENATE

Mr. Chairman and Members of the Committee: My name is George P. Shultz and I welcome the opportunity to appear once again before this distinguished Committee. I am President of the Bechtel Corporation, an international engineering and construction firm with headquarters in San Francisco. Today I am also speaking for two other such firms—Fluor Corporation of Los Angeles and Pullman-Kellogg of Houston—as well as Dresser Industries of Dallas, a major international supplier of petroleum equipment. My statement has also been endorsed by the Tax Fairness Committee and the National Constructors Association.

This hearing is especially timely for two reasons. The enactment of the 1976 legislation sharply raising U.S. income taxes on citizens and resident aliens working abroad, along with new interpretations by the courts and IRS of what constitutes taxable income, has produced a strong consensus both in government and business that those changes, if allowed to stand, will have several unintended and highly undesirable effects.

Senator Ribicoff and your Committee have exercised leadership in this matter, and both are to be commended for seeking to deal with the substantive issues involved and also to once again extend the earlier Section 911 legislation to January 1, 1979—an extension that would protect those workers abroad who have to pay their 1977 taxes by June 15, 1978. As to the extension, clearly, time is running out and the earliest possible action by Congress is of the utmost importance. These taxpayers need to know where they stand.

The "long run" legislation which this Committee has been considering and which is reflected in H.R. 9251 (as adopted from Senator Ribicoff's bill, S. 2115) would substantively address the issues relating to Section 911. It is essential that permanent legislation be enacted, but I am concerned about certain aspects of that legislation which I shall come to in a moment. First, let me comment in some detail upon the substantive issues involved—issues that have clearly emerged from study and discussion during the many months which have elapsed since passage of the 1976 Tax Reform Act. In addition to discussing these issues, I will address briefly recent studies completed on Section 911. Studies done by the Treasury Department and the General Accounting Office are mentioned hereafter, while the most recent study by specialists at the Library of Congress is noted in a separate section.

My basic argument with respect to the substantive issues is as follows:

1. The U.S. tax bite makes it far more expensive to employ Americans overseas than the citizens of any other country.

2. The result is that individual Americans by the thousands are already losing out on job opportunities overseas.

3. As the presence of Americans on the job around the world declines, so the tendency to design to American standards and to order from American vendors declines. The American overseas is a "built-in" sales representative for American exports.

4. The inability to employ Americans on overseas jobs of U.S. engineering and construction firms and firms supplying equipment and services overseas; including those supplying them to the oil industry, adversely affects the ability of those firms to obtain contracts based on the appeal of American know-how. In turn, this makes a drastic difference in the country from which purchases are made for installation or for use in foreign locations.

5. The net result is a large-scale loss of American jobs

In overseas locations;

In the United States doing engineering and other home office tasks;

In the factories, offices, railroads, trucks, barges, docks and other locations engaged in manufacturing, sales, transportation and processing of exports.

6. The result is also bad news for our balance of trade and payments and for the value of the dollar on exchange markets. (Of course, if the dollar is driven down far enough and for long enough, accounts will eventually come into balance, but with a cost in terms of higher inflation.)

7. It is bad news also for Treasury revenues, since the income base will be significantly and adversely affected by the tax rate changes currently in prospect.

I will support these seven statements in the course of discussing key questions relating to the taxation of earnings of individual Americans living and working in other countries.

TAX FAIRNESS

I do not suggest for a moment that this nation should emulate most of our major competitors and exempt citizens working abroad from U.S. taxes. But I do believe that any such taxes should be levied and administered fairly and equitably—something that, in my judgment, is not the case under the 1976 legislation or in some IRS and court interpretations of earlier law.

Take, for example, an average Bechtel engineer working in Indonesia. Assume he would earn $27,600 ($2,300/mo.) in the U.S. Assume also that the cost of decent housing is $19,990, which is what it might well cost in Jakarta. If he receives a special housing allowance for that purpose, is it fair that he pay full taxes on the additional amount? To him, these are payments from which he receives no economic benefit; nor in my judgment does it represent tax fairness or equity. The same point can be made with respect to other allowances for costs of equalizing conditions for the person serving overseas. It must also be noted that the person or family residing overseas does not receive the same level of government services as does the U.S. resident, especially the benefits of large scale Federal grants-in-aid to states or cities. Whether one considers the benefits of Medicare or Medicaid, revenue sharing, or any other form of Federal assistance to states and municipalities, the American serving abroad is in a situation far removed from his U.S. counterpart.

But I need not dwell on this point, for the letters, cablegrams and telephone calls that Senators have received from employees abroad have brought the story home. Clearly, unusually high foreign expenditures for housing, education, local costs of living, etc., need special treatment in the tax code.

REVENUE CONSIDERATION

With back-to-back Federal budget deficits projected in the $60-billion range, this Committee must be concerned about the revenue impact of changes in the tax laws. In a study of "Taxation of Americans Working Over-

seas" [1] released earlier this year, the Treasury seemed to conclude that a return to the pre-1976 provisions of Section 911 would "cost" the Government $318 million in revenue.

That conclusion is wrong. It is wrong because—as the Treasury is careful to point out—changes in behavior that one would reasonably expect on the part of affected taxpayers is ignored. Clearly, the static—"other things equal"—approach to estimating revenue impacts of tax changes is inappropriate, especially where reasonable assumptions can be made with respect to changes in taxpayer behavior.

When we make such assumptions with respect to the 911 issue, the conclusion is apparent that "second order" effects will be very significant. As a result, the "revenue cost" would be far less than is implied in the Treasury study.

Let me describe this more fully. If, combined with recent court decisions and IRS interpretations, the 1976 provisions affecting 911 are permitted to stand as enacted, the most obvious "second order" effect will result from the strong pressure on U.S. companies to substitute foreign for U.S. workers and technicians in overseas operations. The competition for international engineering and construction projects is intense and growing. This competition forces us to keep employee costs in line with our competitors—most of whom tax their nationals moderately or not at all. With respect to cost-plus contracts, which are widely used, the clients have in some cases insisted that additional workers we hire be natfonals of these low-tax competitor countries. In addition, the tax situation may cause employees to decide on their own to return to the U.S., especially from what might be referred to as "hardship assignments." This is, I believe, already occurring, and the problem has been recognized by American labor.

As these citizens return to the U.S., the domestic labor force would increase and the problem of reducing unemployment would be greater as these citizens sought new jobs. Sooner or later they could be expected to find work, but during the interim, their taxable income would be greatly reduced, and unemployment benefit payments increased. Moreover, in order to regain employment, many of these workers might have to take lower paying jobs—still another example of extended second order effects as the impact of the tax changes "ripple" through the economy.

The argument regarding lost export earnings can also be most clearly understood if one traces this "ripple" effect. First, as noted above, there are direct U.S. taxes lost on the overseas business that U.S. firms are no longer doing. Second, also lost are U.S. tax revenues on employees based in the U.S. working for the parent companies, whose jobs are essential to the work being done abroad. Third, U.S. taxes are lost because goods an services are no longer being "pulled" from the United States suppliers of that foreign project. Fourth, U.S. taxes on income earned by all those engaged in export trade are lost, be it sales companies, transportation companies, dock workers, shipping companies, or the like.

In addition, the taxable income earned by U.S. businesses in other countries would decline as their competitiveness decreased, thus adding still another "second order" effect not considered in the Treasury study.

My conclusion is that the first order effects discussed in the Treasury study are only the beginning of a ripple that will expand throughout the U.S. economy to the second, third and even fourth order—all with significant future losses of revenue to the U.S. Treasury.

[1] *Taxation of Americans Working Overseas*, Department of the Treasury, February 1978, p. 2.

INTERNATIONAL COMPETITIVENESS

The competitive impact of sharply increasing U.S. taxes on citizens working abroad will vary among industries and locations, but there is no question about its severity with respect to the engineering and construction industry or firms supplying equipment and services. There seems to be a widely held myth concerning "invincibility" of U.S. firms that needs to be dispelled. To be sure, U.S. expertise in the engineering and construction industry is immense and highly prized, especially in developing areas such as the Middle East. Likewise, U.S. technology in oil field and other services has historically been preeminent. Indeed, the companies that I represent here feel that, given half a chance by our own Government, we can compete around the world on a head-to-head basis with firms from other countries. But to assume that we are "the only game in town" is simply incorrect. For such business, we encounter growing, high-quality competition from companies headquartered in France, the United Kingdom, West Germany, Italy, South Korea, Japan, and elsewhere. None of these countries tax their citizens working abroad as we do.

For equipment and service contracts and construction projects, many of which are on a "cost-plus" basis, the problem is especially severe. Understandably, foreign officials and businessmen do not view what they consider to be excessive U.S. taxes as legitimate costs. And even if the contract is not "cost-plus," we must factor into our bid the higher remuneration necessary to keep U.S. workers in the area.

I have attached to my statement examples of how grossly costs can be escalated by the application of U.S. tax policies (including the effects of recent court decisions and IRS interpretations of the taxation of income) to the unusual circumstances existing in overseas work. These examples, derived from the data contained in Appendix V of the recently issued GAO report,[2] adequately exhibit that these recent policy changes are driving our citizens home. A single individual working in Saudi Arabia at an annual salary of $20,000 has had an increase in his total tax burden of over 585 percent from what it was under the rules in effect just 2 or 3 short years ago. Such tax burden now equates to about 78 percent of his salary income. Nor does the married taxpayer escape—although his overall tax burden has increased about 226 percent—he is now expected to pay taxes totaling nearly 129 percent of his salary. At these rates per employee we very quickly become noncompetitive.

There is no way to translate the impact on the competitiveness of U.S. industry abroad into dollars and cents—but I assure you that the impact, present and potential, is large indeed. And this bears heavily, of course, on much broader aspects of U.S. international and domestic policy.

BROADER CONSIDERATIONS

If tax policy does in fact impair the international competitiveness of U.S. industry in world markets—and I believe it does—then it surely follows that this nation's ability to fulfill several important international and domestic goals is also impaired.

Most apparent, of course, is the problem of the balance of trade. Last year this country incurred a record deficit of $27 billion. Inevitably, with a rising money supply and rising inflation, the dollar declined in world markets, thereby increasing the cost of many of our imports and adding to domestic inflation. Foreign holdings of short-term dollar investments rose sharply. This increase will be of little concern if we move persistently and effectively to balance our international accounts, as I believe we must. But if we do not, significant liquidation of such investments somewhere down the road could prove troublesome indeed.

To me, the important point is not that the sky is falling—the economic and financial strength of this country is immense. Rather, the point is to recognize the foolishness of policies in the tax or any other area that needlessly compound our international financial problems. I submit that the existing 911 statute would do just that. I also submit—and I will come back to this with respect to legislative recommendations—that this Committee should consider ways in which our tax laws could be used, in a positive fashion, to help meet these pressing problems.

Referring once again to my own experience, it is important to emphasize the extent to which U.S. goods tend to follow projects that U.S. firms plan and carry out. For example, in constructing gas-gathering systems or an hydroelectric facility in a foreign country, or a host of other projects, U.S. engineers are more likely to use technology and techniques that require U.S. produced equipment and parts (and this will result in U.S. replacement parts being used throughout the life of the project). The engineers and constructors had to become personally known and their work trusted. This leads to future contracts, as well as follow-on work, with additional positive benefits for the U.S. balance of trade.

A dramatic illustration of this U.S. export drain has been brought to my attention by Fluor Corporation and I believe it is important enough to share this factual example with you.

Of two grass-roots petroleum refinery projects for the same owner and located in the same owner and located in the same Middle East country, one was awarded to Fluor and the other to an engineering and construction company of a third country. Fluor has been able to determine the percentage of the U.S. purchased goods and materials entering into the total costs of each of these projects. Their analysis indicates that whereas 40.2% of the constructed cost of their project is exported from the U.S. only, 7.3% of the foreign competitor's shipments to the project are U.S. originated. Thus, on two similar projects for the same client in the same foreign country, imports from the United States for goods and materials acquired for inclusion in the project of the foreign firm were only 18.2% of that for the Fluor project. Is there any doubt that any competitor generally favors the goods, materials and services of his home country? In addition to this loss of export trade, there may be a loss of shipping revenue to our American flag merchant marine.

As this trend continues in the loss of overseas projects, reduction of exports of U.S. goods and materials to our projects and the inability to man our projects with the desirable U.S. personnel, Treasury revenue will continue to decline, especially when one takes into consideration the rippling effect throughout our national economy. Only by increasing our exports of men and materials can we overcome the foreign trade imbalance.

Nor does the process stop there. More exports mean more domestic jobs in the U.S. This not only bolsters the standard of living of American workers at home, but augments Treasury revenues (another second-order effect) as more people are employed both at home and abroad and their taxable incomes and those of their employing companies increase.

[2] Report to the Congress by the Comptroller General of the United States, *"Impact on Trade of Changes in Taxation of U.S. Citizens Employed Abroad,"* February 21, 1978.

Balance of payments aspects of the 911 problem are only part of the story. Both in terms of humanitarian concern and our own national interest, the importance of maintaining an effective U.S. "presence" abroad is of vital importance. This "presence" can be effected only in part through official governmental channels; there is no substitute for the role played by efficient and respected U.S. industry, especially in the developing countries. How better to general goodwill and understanding than to bring U.S. expertise to bear on the problem of reducing poverty and increasing affluence through sound projects for increasing production of both the necessities and luxuries of life?

Much has been said and written in recent years about "good corporate citizenship" within the U.S. "Good international corporate citizenship" is only an extension of that basic theme. We should not let our tax laws hinder its maximum development.

THE GRAVELLE-KIEFER STUDY

I am personally convinced that these broad considerations, in effect, transform the 911 controversy from a relatively narrow issue of tax policy to a public policy issue of much greater ramification and importance. Again, we need not emulate our major competitors by eliminating U.S. taxes on our citizens working abroad; but neither should we permit some notion of "tax purity," however defined, to work counter to vital U.S. interests.

In this connection, Mr. Chairman, I should like to comment specifically on a recent "study" prepared by Jane G. Gravelle and Donald W. Kiefer, who are identified as "Specialists in Taxation and Fiscal Policy, Economics Division," of the Congressional Research Service of the Library of Congress.[3] This study purports to evaluate alternative 911 policies "according to the principles of tax neutrality, tax equity, and the achievement of national economic goals." I shall begin with a general comment to the effect that it is based in its entirety on a clearly erroneous assumption.

On the final page of the study (p. 57), Gravelle and Kiefer agree that reduction of tax benefits for overseas Americans would lead to a reduction in U.S. business activities abroad, but argue that the reduction would be small. They also agree that increased taxation of Americans working abroad would tend to lead to a substitution of foreign for U.S. employees. But then they conclude:

"The standard of tax policy with respect to business and employee location decisions should be to achieve neutrality so that tax provisions do not cause distortions in location decisions unless some *clear national purpose* is served by such nonneutralities. As indicated in the analysis above, *there is no clear evidence that artificially encouraging Americans to work abroad through the tax code serves any identifiable national purpose.* Therefore, the resulting increased 'competitiveness' of American firms and citizens in foreign locations appears to be at the expense of other Americans—through higher and more inequitable taxes and through less efficient allocation of economic resources." [Emphasis added.]

Quite clearly, therefore, if it can be shown that tax incentives for U.S. citizens to live and work abroad do serve "some clear national purpose," then such incentives may be justified and the Gravelle-Kiefer study becomes almost totally extraneous.

I have in effect argued in my testimony this "clear national purpose" exists. It is in fact twofold: to help restore and maintain balance in our international accounts, and to continue the U.S. "presence" abroad that is so crucial in serving our broad goals of foreign policy, Free World security, and economic progress in both industrial and developing nations. Even more convincing to this Committee should be the official view of the Secretary of the Treasury and the strongly held view of Congress' own agency, the GAO, in favor of such incentives. As recently as April 21, 1978, Secretary Blumenthal pointed out that the laws relating to the tax liability of Americans overseas are unsatisfactory and unfair, that the net effect will be to cause Americans to leave overseas employment, and that:

"An overall reduction in American involvement in the economic development efforts of the Middle East would be severely injurious to U.S. policy objectives. Such involvement contributes positively and substantially to U.S. exports to the area, as well as to the economic development of an area of major importance."

In his recent report to the Congress on the same subject the Comptroller General of the United States stated:

"Because of the seriousness of the deteriorating U.S. international economic position, the relatively few policy instruments available for promoting U.S. exports and commercial competitiveness abroad, and uncertainties about the effectiveness of these, serious consideration should be given to continuing Section 911-type incentives of the Internal Revenue Code, at least until more effective policy instruments are identified and implemented."

These official statements make incomprehensible the Gravelle-Kiefer assumption that there is no identifiable national purpose to be served by the proposed legislation.

In any event it is the responsibility of Congress to identify any "clear national purpose" with respect to the 911 issue, and it has in fact done so. As noted in the GAO study (at page 1) (but relegated to a footnote by Gravelle-Kiefer), for more than fifty years, Congress has "provided a substantial tax incentive to citzens employed abroad *to promote U.S. exports and commercial competitiveness.*" [Emphasis added.] To be sure, Congress today could change this longstanding policy, but such a step would seem highly questionable in the light of our pressing balance of payments and foreign policy problems.

I can only conclude that, in view of its basic assumption, the Gravelle-Kiefer study is useless; worse still, if its recommendations were followed, the national interest could be severely harmed. And even though the fundamental fault of denying the "clear national purpose" of 911 incentives in effect destroys the credibility of the study, there is one other important point that needs to be made.

The study purports to evaluate alternative policies according to principles of tax neutrality and tax equity. As I have already pointed out, it is not tax equity to tax citizens on payments from which they receive no economic benefit. Aside from this point, however, tax neutrality and tax equity are addressed by Gravelle-Kiefer solely in the context of United States tax policy. Ignored entirely is the fact that the Americans involved are working overseas and must compete for their jobs with nationals of other nations who are generally not taxed by their home countries. There is no tax neutrality or tax equity for an American working overseas who can be replaced by a citizen of Germany or Japan or Korea who pays no taxes to his home country. To ignore this aspect of tax neutrality or tax equity is to do a great disservice not only to Americans working abroad, but to the American companies who compete abroad and must either employ foreigners or find themselves at a serious competitive disadvantage.

I have noted briefly in Attachment 3 many other assertions of the Gravelle-Kiefer report that are subject to serious challenge.

H.R. 9251

Mr. Chairman, I should like to comment briefly on the substantive provisions of H.R. 9251. I have already referred to the importance of postponing the effective date of new legislation until January 1, 1979. Not only would H.R. 9251 grant such an extention but it would also substantively address the 911 problem.

For some time now, the companies I speak for today, working with other interested parties, have studied the problem and various approaches to its solution. In light of these studies and our experience as an employer of Americans overseas, we should like to recommend some improvements in H.R. 9251. These improvements would include substantive changes, some technical changes, and inclusion of specific Treasury recommendations.

I am convinced that the two critical items that must receive recognition are (1) the importance of not treating as taxable income payments made to keep a person "whole" who moves overseas, and (2) the need for a genuine income exclusion that makes it possible for American business to remain in a competitive position overseas. An income exclusion which comes off of the top, i.e., reduces gross income before the tax rates are applied, is essential not only from the standpoint of tax equity, but also from the viewpoint of international competition.

To avoid treating as taxable income payments made to keep an overseas employee "whole," I recommend a change in the cost of living computation contained in H.R. 9251 that would more accurately reflect the actual cost of living problems faced by Americans living abroad. Secondly, I would hope the housing provision in H.R. 9251 could be amended to more adequately reflect the impact foreign housing costs have on U.S. employees living abroad. Thirdly, I would recommend that with regard to the allowance for education, the Committee include the cost of reasonable travel where there is no adequate local American type schooling. By so amending H.R. 9251, U.S. taxation would be more in line with the principles set forth in the earlier part of my testimony.

The Treasury Department recommended that costs of "home leave" once every two years be excluded from an employee's gross income. We agree with the Treasury recommendation but recommend that the allowance should be on an annual basis. The Treasury Department has also proposed changes in Section 119 of the Internal Revenue Code relating to the situation of those who live in camps. The changes recommended by the Administration should be adopted, but in addition they should be thoroughly reviewed to be sure that all legitimate camp situations are adequately covered. Further, we agree with the Treasury Department that the moving expense provision under Section 217 of the Internal Revenue Code should be liberalized.

There are two technical changes I believe should be made. This first is to eliminate some of the timing provisions, namely the so-called 510-day rule and the bona fide resident rule, so that an employee on an overseas assignment for a period of less than eighteen months can fall within the provisions of Section 911. In addition, resident aliens who accept American employment abroad should be included in the term "citizens" for purposes of Section 911, since they pay U.S. income taxes the same as citizens, but as the law is now, many are excluded from Section 911.

With these changes, it is my personal belief that the broad principles outlined in my tes-

[3] "U.S. Taxation of Citizens Working in Other Countries: An Economic Analysis," by Jane Gravelle and Donald W. Kiefer, Congressional Research Service, Library of Congress, April 20, 1978.

timony would be adequately and accurately reflected in the 911 legislation.

Legislation along the lines of H.R. 9251, together with the changes we have recommended would provide continued presence as well as equity for our taxpayers working abroad. The "revenue loss" to the Treasury would, when second-order effects are taken into account, be small; indeed, revenues could rise as sustained competitiveness of U.S. industry abroad bolsters exports, domestic jobs, and taxable income. And, of no little importance, our national "presence" in many countries around the world would be enhanced.

The General Accounting Office in its recent study (Digest, page i) states the case well. Referring to changing world economic conditions, raw materials needs, export balances, and the need for the United States to remain competitive, the report states:

". . . it is essential to maintain a large force of U.S. citizens abroad to promote and service U.S. products and operations. Major industrial competitors of the U.S. do not tax their non-resident citizens. The United States does. This reduces U.S. competitiveness in overseas markets."

CONCLUSION

Mr. Chairman, while in Federal service between 1969 and 1974, I had the privilege of working with this distinguished Committee. I am pleased to have this opportunity once again. If I can be of further assistance to this Committee in connection with this very serious national problem, I shall be happy to do so.

Thank you very much.

ANALYSIS OF TAX IMPACT USING GAO EXAMPLES

[All numbers for salary, allowances, foreign earned income, and total U.S. and foreign tax income are taken from app. V, beginning at p. 116, of the GAO report cited earlier]

	1975 rules	1975 rules with Tax Court changes	Tax Reform Act rules	Excess of Tax Reform Act over 1975 rules: Amount	Excess of Tax Reform Act over 1975 rules: Percent
SINGLE TAXPAYER					
Saudi Arabia:					
Salary	$20,000	$20,000	$20,000		
Allowances	12,458	33,210	33,210		
Foreign-earned income	32,458	53,210	53,210		
Total U.S. and foreign tax	2,281	10,077	15,628	$13,347	585.1
Taxes as percent of salary	11.4	53.8	78.1		
Japan:					
Salary	20,000	20,000	20,000		
Allowances	11,121	26,850	26,850		
Foreign-earned income	31,121	46,850	46,850		
Total U.S. and foreign tax	6,501	7,324	13,990	7,489	215.2
Taxes as percent of salary	32.5	36.6	69.9		
Mexico:					
Salary	20,000	20,000	20,000		
Allowances	9,216	13,380	13,380		
Foreign-earned income	29,216	33,380	33,380		
Total U.S. and foreign tax	12,188	12,188	12,188	[1] 0	0
Taxes as percent of salary	60.9	60.9	60.9		
Hong Kong:					
Salary	20,000	20,000	20,000		
Allowances	7,310	19,382	19,382		
Foreign-earned income	27,310	39,382	39,382		
Total U.S. and foreign tax	3,826	4,447	9,812	5,986	156.5
Taxes as percent of salary	19.1	22.2	49.1		

	1975 rules	1975 rules with Tax Court changes	Tax Reform Act rules	Excess of Tax Reform Act over 1975 rules: Amount	Excess of Tax Reform Act over 1975 rules: Percent
MARRIED TAXPAYER (Filing Joint Return)					
Saudi Arabia:					
Salary	40,000	40,000	40,000		
Allowances	45,894	91,372	91,372		
Foreign-earned income	85,894	131,372	131,372		
Total U.S. and foreign tax	22,898	45,409	51,662	28,764	225.6
Taxes as percent of salary	57.2	113.5	129.2		
Japan:					
Salary	40,000	40,000	40,000		
Allowances	39,202	71,932	71,932		
Foreign-earned income	79,202	111,932	111,932		
Total U.S. and foreign tax	26,124	35,932	44,057	17,933	168.6
Taxes as percent of salary	65.3	89.8	110.1		
Mexico:					
Salary	40,000	40,000	40,000		
Allowances	25,964	32,600	32,600		
Foreign-earned income	65,964	72,600	72,600		
Total U.S. and foreign tax	35,167	35,167	35,167	[1] 0	0
Taxes as percent of salary	87.9	87.9	87.9		
Hong Kong:					
Salary	40,000	40,000	40,000		
Allowances	23,528	53,018	53,018		
Foreign-earned income	63,528	93,018	93,018		
Total U.S. and foreign tax	11,916	26,525	33,324	21,408	279.7
Taxes as percent of salary	29.8	66.3	83.3		

[1] No effect as effective foreign tax rates are in excess of those in United States.

ATTACHMENT 3

ADDITIONAL COMMENTS ON SPECIFIC PORTIONS OF THE GRAVELLE-KIEFER REPORT

(1) *Page iii*: ". . . any cost of living adjustment for citizens working abroad should be based on the highest cost locale within the U.S. . . ."

Comment: Why? The decidedly tortured reasoning that lead Gravelle-Kiefer to this conclusion is derived from their personal view that domestic "tax neutrality" and "tax equity" should be the deciding factors in the 911 issue. But the Congress has consistently viewed the provision as an incentive to promote exports and commercial competitiveness.

(2) *Page iv*: ". . . the relationship between U.S. tax treatment of citizens working in other countries and the quantity of U.S. exports is indirect and uncertain."

Comment: This statement not only flies in the face of common sense; the authors themselves in effect state the opposite on p. 57 (as noted earlier) in agreeing that reduction of tax benefits for such workers would lead to a reduction in U.S. business activities abroad.

(3) *Page iv*: "However, even if there were a direct relationship, a tax subsidy would not have a permanent effect on the balance of payments because, under a system of flexible exchange rates, international currency price adjustments will render ineffective policies which attempt to have a long-term impact on a nation's balance of payments."

Comment: Although I yield to no one in supporting flexible over fixed exchange rates, other proponents have grossly overstated their role and impact in the real world.

First, rates may be more flexible than in the past, but they are not freely floating; countries intervene in currency markets to affect changes they believe to be in their national interest. In fact the International Monetary Fund met only recently to discuss appropriate "rules of the road" and accompanying "surveillance" to try to get away from what the press calls "dirty floats."

Second, the Gravelle-Kiefer argument—one that, unfortunately, has been used in other contexts much too frequently—assumes that price is the dominant if not only factor in international trade, when in fact a whole host of other factors intrude (e.g., financing arrangements; tariffs and other barriers; custom and tradition; international political and security considerations; etc.).

Third, if experience in 1977–1978 has proved anything, it is that reliance on a sinking dollar to balance our transactions is a dangerous policy indeed. It generates ill will abroad and more inflation at home.

(4) *Page iv:* "With regard to employment and unemployment policy goals, tax subsidies for overseas Americans do not contribute directly to solving the causes of either cyclical or structural unemployment problems."

Comment: It is estimated that one out of eight jobs in this country is export related. Therefore, the question before the Committee is whether tax incentives of the 911 type promote exports. The evidence that they do seems to me to be clear. If so, the impact on U.S. employment is obvious.

(5) *Page v:* ". . . the resulting increased 'competitiveness' of American firms and citizens in foreign locations appears to be at the expense of other Americans."

Comment: This type of tunnel vision typifies many who believe that "equity" (defined in the image of Gravelle-Kiefer) is the end-all and be-all of tax policy. If jobs are created; if adequate supplies of scarce resources (e.g., energy) are assured; if international trade expands; if our allies abroad are strengthened politically and economically by our presence and economic contributions—then any so-called "expense of other Americans" related to considerations of "tax equity" is offset many times over.

(6) *Page 2:* "The Treasury Department has estimated the revenue loss from the version of the law prior to the 1976 changes and Tax Court decisions at $563 million. The Tax Court changes reduced this amount by $65 million to $498 million. The 1976 changes reduced that loss by $318 million for a total

loss of $180 million. The Senate Finance Committee bill is estimated to cost $310 million, while the Treasury proposals would involve a revenue loss of $255 million."

Comment: These figures are phony. As I emphasized in my earlier testimony, they ignore "second order" effects and therefore greatly overstate any "revenue cost" of 911-type legislation.

(7) *Pages 11–12:* "Over the years a number of principles or canons of taxation have been developed to offer guidance in developing and evaluating tax policy . . . The two taxation principles which would seem to be the most relevant to this analysis are the principles of tax neutrality and tax equity."

Comment: I have already noted the case—and the proclivity of Congress—for another principle: incentives relating to our international position and goals. But here it is important to note an implicit assumption to the Gravelle-Kiefer analysis; namely, that such principles or canons are subscribed to and followed by our competitors in world markets. Quite the contrary; almost all other industrialized nations with which we compete tax their nationals working in other countries not at all. International tax policies should not be established on the basis of theories or "principles" that apply primarily to domestic factors.

(8) *Page 14:* ". . . it must be observed that considering costs of living in a discussion of appropriate treatment under the U.S. tax code is itself unusual. The U.S. tax system is not inflation-indexed to account for rising costs of living each year, nor is the system indexed to account for variation in costs of living among areas within the United States, though such variation is considerable."

Comment: The authors are correct. They have effectively pointed to domestic inequities in the tax code. There is no reason why those inequities should be extended to workers abroad, especially when the side effects can be so damaging to the national interest.

(9) *Page 36:* "Whether residence abroad should be considered as a relevant characteristic for horizontal equity considerations is, of course, a subjective question. In general, location has not been viewed as a relevant charactertistic in the United States in terms of horizonal tax equity."

Comment: Again, the question involved relates to international—not domestic—tax policies. Moreover, as noted earlier, the fact that domestically "location" has not been viewed as relevant in no way supports the case for continuation of that policy.

(10) *Page 44:* "The argument is occasionally made that individuals living abroad receive smaller benefits from U.S. Government services than those living in the United States, and therefore overseas Americans should be exempt or partially exempt from the Federal income tax. However, no one seriously argues that the U.S. Federal income tax is based on the benefits received principle of taxation."

Comment: The last statement is fundamentally correct, but misses the point. The fact is that citizens working abroad fail to realize many of the benefits of their tax dollars, a rising number of which are being returned to State and local governments, colleges, etc., for direct benefit to taxpayers residing in this country.

(11) *Page 48:* "Since foreign investment and production by U.S. multinationals is in many cases a substitute for domestic production and exporting to the foreign markets, it seems ironic that subsidizing foreign operations should be perceived as stimulating U.S. exports."

Comment: This bald assertion is open to serious challenge and smacks of a desire for a type of "economic isolationism" that one would scarcely expect to find in a document published under the imprimatur of the Economics Division of the Library of Congress.

(12) *Page 49:* ". . . the relationship between U.S. tax treatment of citizens working in other countries and the quantity of U.S. exports is indirect and uncertain. The GAO report . . . suggested that a more direct relationship may exist because 'it is essential to maintain a large force of U.S. citizens abroad to promote and service U.S. products and operations'; however, there seems to be no specific evidence in the export experience of the U.S. or other countries to support this assertion (e.g., the substantial success of imported automobiles, televisions, calculators, etc., in this country has not been accompanied by an influx of foreign nationals to sell and service them)."

Comment: Bechtel can employ third-country engineers and managers, but to do so in large numbers will hardly enhance our efficiency or client regard for American expertise. In addition, the high technology exports so important to the U.S. trade position often require installation and servicing by American experts. As to the reference to our import of automobiles, television sets, and calculators, the inference is absurd—we developed those products and are more than capable of marketing and servicing them.

(13) *Page 51:* "In the case of some foreign countries whose economies are heavily dependent on the international trade sector, this concern [with the value of a country's currency] may be greater than in the United States."

Comment: Perhaps so, but it should not be. Last year, the U.S. logged $120 billion in exports; something in the order of seven million jobs are related thereto. In addition, important resources, such as energy, will have to be imported more and more in coming years, and the simple fact is that a weak currency raises their cost and boosts inflation in the U.S.

(14) *Page 53:* "The GAO study employed the Data Resources, Inc. (DRI) econometric model of the U.S. economy to estimate the effects on U.S. trade and employment of the 1976 amendments to section 911. . . . Basically, the GAO Report concludes that the impact of the tax change on U.S. exports and employment is extremely small."

Comment: It is impossible to set forth the economic impact of tax incentives for U.S. workers abroad in quantitative terms. Econometric models can be useful for a variety of purposes, but when so many intangible, unmeasurable factors (as in the case of the 911 issue) are involved, the results can be extremely misleading. In those instances, common sense must be relied upon—and common sense should tell us that the more Americans there are working and living abroad, the more business we shall do there, the higher our exports will be, and the greater the second-order effects and domestic jobs and economic growth.

Mr. RIBICOFF. Mr. President, will the Senator yield?

Mr. BARTLETT. I yield.

Mr. RIBICOFF. Mr. President, I wish to pay tribute to the Senator from Oklahoma for his hard work and his understanding of this problem.

As chairman of the Subcommittee on International Trade, I have recognized the absolute essential role that the Americans living and working abroad play with respect to the American economy.

It would be impossible for American business and American industry to export either services or goods abroad, unless we had Americans working there. If we failed to take action in this field, we would find ourselves in a position in which American companies would have to hire foreign workers.

We ran into an unusual situation in Saudi Arabia where there has been established an oil institute which is supposed to be one of the most constructive, forward looking, and innovative institutes of its kind in the world. There are some 1,200 or 1,500 students. What is interesting is that the entire faculty are Americans. These American teachers and professors have a great influence on the students with respect to American principles, American ideals, and American methods. But in talking to the dean of the university, he told me that because of the unfair tax treatment, they are losing members of the faculty and will soon find themselves hiring Canadians, French, and English.

The heads of American industry and contractors abroad tell me that because of this situation, unless it is corrected, they, too, will have to discharge their American employees and hire Canadians, French, English, and West German nationals. This would be most unfortunate, because it is not only the matter of Americans working abroad. If you get a Canadian technician or a French technician or an engineer who works with French or Canadian or English merchandise or equipment, he will order that type of merchandise and equipment; and we in the United States will find ourselves suffering untold millions of dollars of loss in American goods and services that American industry should have.

With the trade deficit we are suffering in this country, the one thing we cannot afford is to lose American exports abroad in goods and services. That is why I hope we eventually can come to a solution that will be fair to all the taxpayers, as well as to taxpayers living abroad, and which will save American jobs and American industry.

Mr. BARTLETT. I agree with the distinguished Senator from Connecticut. At a time when we have such a huge imbalance of trade, this bill, with the Ribicoff amendment in it as the committee amendment, and, we hope, with some additions from the proposal I made, should be adopted, so that we can redress some of the problems we have with our imbalance of trade.

I had a call just today from the president of a company which operates all over the world servicing the oil and gas industry, providing services to the oil and gas industry. He pointed out that if some relief is not provided, by both a postponement of the effective date of the Tax Reform Act provisions and permanent relief, just what the Senator spoke of will happen. In the case of this man's company, there will be such a high tax owed by their employees that they will not be able to continue their work overseas, and they will be faced with replacing them with foreign nationals employed in their jobs.

This certainly is not in the interest of stimulating and developing trade for the United States or services performed by American contractors.

So I commend the Senator. I hope he will encourage the other conferees in the Senate and in the House to go beyond just a 1-year extension, to adopt his amendment, and, I hope, to embellish

it and add to it some of the principles I have mentioned.

I appreciate the efforts of the distinguished Senator from Connecticut and will work with him to achieve this goal.

(Mr. CANNON assumed the chair.)

Mr. KENNEDY. Mr. President, I am pleased to support the provisions of H.R. 9251, as modified by the amendment of Senator RIBICOFF, with respect to the taxation of Americans working overseas.

Faced with the June 15 filing date for such taxpayers, it is desirable that the Senate act now to resolve the long controversy over the changes made in section 911 of the Internal Revenue Code by the Tax Reform Act of 1976.

I particularly commend Senator RIBICOFF and Senator PROXMIRE for the effective work they have done in calling attention to the genuine economic issues that this legislation presents. The compromise proposal made by Senator RIBICOFF and endorsed by the Finance Committee is a responsible solution to a complex problem. It is a solution that is fair to all sides and that I hope will be accepted by the House conferees.

I would certainly be unwilling to support simply another 1 year extension of the present defective law. The time has come to resolve the merits of the issue, and the Ribicoff measure is a worthwhile compromise to achieve that goal.

If anything, the compromise errs on the side of tax-subsidized generosity to Americans working overseas. A Library of Congress study that I requested has pointed out certain ways in which the proposal provides excessive tax relief. The proper goal of tax policy should be to construct a solution that neither penalizes Americans for taking employment overseas nor rewards them for doing so. The compromise prepared by Senator RIBICOFF follows this principle, by providing special tax deductions to offset the higher living costs paid by Americans working overseas.

I would have preferred the offset to be measured from the highest U.S. living costs, rather than the average U.S. costs. It seems unfair to subsidize Americans who takes jobs in Tehran or Hong Kong, but not those who go to Boston or New York to take such jobs. The cost of living is identical in all four cities. I see no reason why Uncle Sam should have to subsidize those who cross an ocean, rather than cross a continent, to find their place of work.

Overall, however, the bill is a major step toward a fair solution of this heavily lobbied issue, and it deserves to be enacted into law. For years, the average taxpayer has been obliged to pay heavy annual subsidies to Americans working overseas. Many escaped any Federal tax at all on as much as $25,000 of annual income. Such lavish tax subsidies were basically unfair to millions of hard-working Americans here at home who had to carry the full burden of the tax laws. Such subsidies had no economic justification, and it is time they were repealed in favor of a more responsible solution.

The Library of Congress study rejected arguments that additional tax relief for overseas workers was necessary to achieve other economic goals such as reducing unemployment, promoting U.S. exports, or protecting the competitiveness of U.S. firms operating overseas. As the study concluded:

> There is no clear evidence that artificially encouraging Americans to work abroad through the tax code serves any identifiable national purpose. Therefore, the resulting increased "competiveness" of American firms and citizens in foreign locations appears to be at the expense of other Americans—through higher and more inequitable taxes and through less efficient allocation of economic resources.

Mr. President, I ask unanimous consent to have printed in the RECORD the Library of Congress study to which I have referred.

The PRESIDING OFFICER. Without objection, it si so ordered.

(See Exhibit 1.)

Mr. KENNEDY. Mr. President, the Internal Revenue Code is not a pot of gold at the end of a foreign rainbow for the far-flung operations of American multinational corporations. Our tax laws are a device for raising revenues fairly from all our citizens wherever our flag may fly. They enjoy the full benefits of American citizenship, and they should not be allowed to shirk their fair share of the tax burden.

In conclusion, I again commend the Senator from Connecticut for a very worthwhile and valuable piece of legislation, and I join in urging its immediate passage.

EXHIBIT 1

U.S. TAXATION OF CITIZENS WORKING IN OTHER COUNTRIES: AN ECONOMIC ANALYSES

(By Jane G. Gravelle and Donald W. Kiefer, Specialists in Taxation and Fiscal Policy, Economics Division, Congressional Research Service, Library of Congress)

SUMMARY

The combination of changes to section 911 of the Internal Revenue Code in the Tax Reform Act of 1976 and a recent Tax Court ruling that certain cost of living allowances are fully taxable has increased the U.S. tax liabilities of some citiezns working abroad, and in some cases by substantial amounts. The resulting controversy has led to the delayed implementation of the section 911 revisions, and both the Senate Finance Committee and the Treasury have proposed changing the tax provision affecting foreign Americans from an income exclusion to a cost of living adjustment. This study evaluates the alternative policies according to the principles of tax neutrality, tax equity, and the achievement of national economic goals.

The principle of tax neutrality would recommend taxing overseas workers in such a way that the U.S. tax system provides neither an inducement nor a discouragement to U.S. workers in deciding whether to accept employment abroad and to U.S. employers in deciding whether to employ American workers abroad. This principle requires a tax adjustment for Americans working in foreign locations with very high living costs because of the progressive rate structure of the U.S. tax system. However, to achieve neutrality the tax adjustment for overseas workers should not be a deduction equal to the foreign cost of living differential, because such a provision would make a foreign worker better off than a domestic worker. The tax neutrality concept requires that a foreign worker's compensation for higher living costs should be taxed at the effective tax rate which would apply to the worker ignoring the cost of living compensation. Furthermore, the adjustment should be made only for the cost of living in excess of the highest cost locale in the United States.

By this standard all of the present alternative tax treatments of U.S. citizens living abroad are nonneutral. The prior and present versions of section 911 are nonneutral because they provide flat across-the-board allowances to foreign taxpayers which are unrelated to foreign cost of living differentials. The Senate Finance Committee proposal (H.R. 9251) is also nonneutral because it provides a separate tax adjustment for housing costs rather than a single cost of living adjustment, allows outright deductions of cost of living allowances rather than applying the appropriate effective tax rate to the allowance amount, bases the allowances on the average cost of living in the U.S. rather than on the highest cost of living locale, and also bases the allowances on an assumed salary of $22,000 rather than on actual salary. The Administration's proposal is also nonneutral because it would make no general cost of living adjustment, and its allowances for housing costs and travel would not be based on the highest cost U.S. locale, nor would they be subject to the appropriate effective tax rate of the taxpayer.

Example calculations show that, with the exception of the present section 911 with regard to upper income taxpayers in higher cost of living foreign locations, all of the alternative policies yield lower U.S. tax liabilities for overseas Americans than would a neutral tax adjustment. Of the five alternative policies examined, disallowing any tax adjustment for foreign taxpayers appears to most closely approximate the tax neutrality result overall, although the present section 911 produces results closer to the tax neutrality standard in higher cost foreign locations.

There are two aspects of tax equity which are usually considered: horizontal equity, or the equal treatment of those in equal circumstances (generally defined as those with equal incomes), and vertical equity, which is concerned with how the tax burden is distributed across income classes. In general, the points regarding tax neutrality also pertain to the consideration of tax equity. Thus, to avoid discriminating among taxpayers with equal abilities to pay taxes, any cost of living adjustment for citizens working abroad should be based on the highest cost locale within the U.S., and the amount of the deduction should be subjected to the appropriate effective tax rate. Specifically, a provision allowing deduction of living costs in excess of average costs in the U.S. would be unfair to the large number of Americans who live in areas or cities within the U.S. where the cost of living is higher than the average. Example calculations and data illustrate the degree of this inequity with regard to a general cost of living allowance, and also with regard to specific allowances for housing costs and travel. With regard to vertical equity considerations, because citizens working abroad have comparatively high incomes, tax provisions, benefitting them tend to reduce the progressivity of the U.S. income tax structure.

The alternative tax treatments for overseas Americans are also evaluated in terms of achieving other economic goals, specifically in terms of their impact on foreign trade and employment. First, it must be observed that the relationship between U.S. tax treatment of citizens working in other countries and the quantity of U.S. exports is indirect and uncertain. However, even if there were a direct relationship, a tax subsidy would not have a permanent effect on the balance of payments because, under a system of flexible exchange rates, international currency price adjustments will render inneffective policies which attempt to have a long-term impact on a nation's bal-

ance of payments. With regard to employment and unemployment policy goals, tax subsidies for overseas Americans do not contribute directly to solving the causes of either cyclical or structural unemployment problems.

Even if preferential tax treatment for Americans working in other countries creates jobs in the export industries, under a system of flexible exchange rates this policy will likely accelerate the decline of import competing industries and lead to less employment in those sectors. A recent study by the General Accounting Office performed an econometric analysis to estimate the maximum impact on U.S. trade and employment which could be anticipated from the 1976 changes in section 911 and calculated that the impacts would be very small.

An additional argument which has been used in support of section 911 is the impact of U.S. taxes on the foreign "competitiveness" of U.S. industries and workers. However, the standard of tax policy with respect to business and employee location decisions should be to achieve neutrality so that tax provisions do not cause distortions in location decisions unless some clear national purpose is served by such nonneutralities. As indicated in the analysis, there is no clear evidence that artificially encouraging Americans to work abroad through the tax code serves any identifiable national purpose. Therefore, the resulting increased "competitiveness" of American firms and citizens in foreign locations appears to be at the expense of other Americans.

I. INTRODUCTION

The Tax Reform Act of 1976 amended section 911 of the Internal Revenue Code to reduce the benefits from allowing certain exclusions of income earned abroad under the Federal individual income tax. In addition, the Tax Court has ruled that certain allowances paid by employers on behalf of employees working abroad, which heretofore had been excluded from income by some employees, were subject to taxation. These allowances generally relate to housing, education and travel. The combination of these changes increased the tax liabilities of some Americans working abroad, and in some cases by substantial amounts.

As a result of this effect, considerable controversy has been generated over the issue of the tax treatment of U.S. citizens working abroad. Americans working abroad and their employers have argued that more liberal tax treatment is justified because of high costs of living abroad, particularly for housing, and because of the potential effect of the tax changes on U.S. foreign trade and investment. Proposals have been made to return to the pre–1976 version of the law; in fact, the implementation of the 1976 changes has already been delayed for one year and may be delayed again. Other proposals have been made to restructure the allowance from an income exclusion to a cost of living adjustment, a change which would alter the level of benefits and the distribution across different groups of taxpayers. This type of proposal has been adopted in the Senate Finance Committee and a similar, although more limited, proposal has been made by the Treasury Department.

Others propose that the present version of the law, reflecting the 1976 changes, be retained, or that no provision at all be made for lower taxation of Americans abroad. These proposals reflect the view that reduced taxation of Americans abroad is unfair to taxpayers living in the United States and that the provision is a nonneutral tax adjustment.

The Treasury Department has estimated the revenue loss from the version of the law prior to the 1976 changes and Tax Court decisions at $563 million. The Tax Court changes reduced this amount by $65 million to $498 million. The 1976 changes reduced that loss by $318 million for a total loss of $180 million. The Senate Finance Committee bill is estimated to cost $310 million, while the Treasury proposals would involve a revenue loss of $255 million.[1] Therefore, in aggregate revenue loss terms, the prior law is the most liberal, followed by the Senate Finance Committee proposal, the Treasury Department proposal and the present law, which is the most restrictive.

In response to the legislative issues, the General Accounting Office prepared a report which focused on the impact of the tax changes on U.S. trade,[2] and the Treasury Department has prepared an extensive statistical study of the current and proposed revisions of the law.[3] The present study, while relying in part on the GAO and Treasury studies, is more general in nature and focuses on evaluation of the alternative policies according to the basic principles of tax policy: neutrality, equity, and achievement of national economic goals.

II. PAST AND PRESENT LAW AND CURRENT PROPOSALS

There are four specific tax alternatives which must be considered in an evaluation of U.S. taxation of Americans working in other countries. Section 911, "Earned Income From Sources Without the United States," is the relevant section of the Internal Revenue Code. This section was amended substantially by the Tax Reform Act of 1976; thus, the first two tax provisions which necessitate consideration are section 911 prior to the Tax Reform Act of 1976, and the present section 911. The 1976 amendments to section 911 generated considerable controversy because they resulted in higher tax bills for many overseas Americans. Because of the controversy, implementation of the new section 911 was delayed until January 1, 1977 (the 1976 Tax Reform Act would have made the change effective January 1, 1976) and may be delayed further. Also, alternative tax treatments of Americans working abroad have been proposed. The two most prominent alternative proposals are the Senate Finance Committee proposal which the Committee amended into H.R. 9251 and generally follows the form of S. 2115, introduced by Senator Ribicoff, and secondly the Administration proposal, presented by Donald Lubick, Acting Assistant Secretary of Treasury for Tax Policy, to the Ways and Means Committee on February 23, 1978. These four alternative tax treatments of U.S. citizens living in other countries are described below.

Prior section 911

U.S. citizens are generally taxed by the United States on their worldwide income with the allowance of a foreign tax credit for foreign taxes paid. However, for years prior to 1977, U.S. citizens (other than employees of the U.S. Government) who were working abroad could exclude up to $20,000 of income earned during a period in which they were present in a foreign country for 17 out of 18 months or during a period in which they were bona fide residents of a foreign country (sec. 911). In the case of individuals who had been bona fide residents of foreign countries for three years or more, the exclusion was increased to $25,000 of earned income. Further income tax savings could be obtained where foreign taxes were paid on the excluded income because those taxes could be credited against the U.S. tax on any foreign income above the $20,000 (or $25,000) limits.

Under prior law individuals claiming the standard deduction were not entitled to claim the foreign tax credit.

Present section 911

The Tax Reform Act of 1976 generally reduces the earned income exclusion for individuals working abroad to $15,000 per year. However, the Act retained a $20,000 exclusion for employees of charitable organizations. In addition, the Act made three modifications in the computation of the exclusion.

First, the Act provided that any individual entitled to the earned income exclusion is not to be allowed a foreign tax credit with respect to foreign taxes allocable to the excluded income.

Second, the Act provided that any additional income derived by individuals beyond the income eligible for the earned income exclusion is subject to U.S. tax at the higher rate brackets which would apply if no exclusion were allowed.

Third, the Act made ineligible for the exclusion any income earned abroad which is received outside the country in which earned if one of the purposes of receiving such income outside of the country is to avoid tax in that country.

In addition to the changes made in the computation of the exclusion, the Act provided an election for an individual not to have the earned income exclusion apply. The election is binding for all subsequent years and may be revoked only with the consent of the Internal Revenue Service.

Finally, the Act provided that individuals taking the standard deduction are to be allowed the foreign tax credit.

Under the 1976 Act as originally enacted, the changes in the taxation of Americans working abroad would have become effective for taxable years beginning in 1976. However, implementation of the new section 911 in the 1976 Act was delayed for one year by the Tax Reduction and Simplification Act of 1977. Implementation of the provision would be further delayed by enactment of H.R. 9251, the Tax Treatment Extension Act. This bill is presently pending in the Senate. The House version of the bill would delay effectiveness of the new section 911 for an additional year, until January 1, 1978. The Senate Finance Committee version of the bill would extend the application of the prior section 911 until January 1, 1979, and then would change the nature of the allowances for Americans working abroad to a series of deductions for "excess" living costs as described below.

Senate Finance Committee proposal

H.R. 9251 (the Tax Treatment Extension Act) was amended by the Senate Finance Committee to revise the treatment of income earned abroad. Special itemized deductions for excess foreign living costs would be provided in three areas: cost of living, housing, and education. The deductions would be adjustments to gross income and thus would be allowed in addition to the standard deduction. The deductions would generally be allowed only to the extent that the employer pays directly or provides reimbursement for the employee's excess cost-of-living, housing, and education expenses. In addition, employees would be required to file with their returns an employer certification attesting to the fact that the reimbursements are in addition to normal compensation.

Specifically, the bill would allow special deductions as follows:

Cost of living.—The cost-of-living deduction would be limited to amounts set forth in tables prepared by the IRS showing the excess of the cost of living (excluding housing and education) in the particular foreign place over the average cost of living in the U.S. for families of various sizes with an income of $22,000, which will be adjusted for inflation.

Housing.—The excess housing costs deduction would be limited to the excess of the amount expended on housing in the foreign place over an amount representing the housing cost the individual typically would have incurred if he were working in the U.S. For this purpose, typical U.S. housing costs are considered to be an amount equal to one-sixth of the individual's base salary (earned

Footnotes at end of article.

income less excess housing, cost of living, and educational costs).

Educational expenses.—The deduction for reimbursed educational expenses would cover the cost of tuition, fees, books, and local transportation for elementary and secondary education of dependent children at local American-type schools. Reimbursed expenses for room and board would be allowed in situations where no local American-type schools are available.

Charitable employees and employees furnished lodging.—The principal exception to these rules involves employees of charitable organizations, employees who reside in camps because of their employment, and employees who would qualify under section 119 for exclusion of employer-supplied housing (the special deductions are available only if an election is made not to claim the sec. 119 exclusion). These employees are required to deduct, in lieu of their actual reimbursed excess foreign living costs, an amount equal to the average deductions claimed for cost of living, housing, and education by all other taxpayers in that foreign place for the previous year (the educational deduction is limited to the amount actually expended). Appropriate average deduction tables would be issued by the IRS.

Self-employed and employees of foreign businesses.—Special rules are also provided for self-employed individuals and employees of foreign businesses (other than U.S. controlled foreign corporations). Because employer reimbursements are either not possible or not meaningful in these situations, the deductions are not limited to employer reimbursements but rather to the average amount deducted by employees of U.S. companies for the foreign place for the previous year.

Administration proposal

The Administration proposal would allow Americans working abroad three special deductions for costs associated with housing, education, and home travel. The total amount of the deductions would be limited to the amount of earned income from foreign sources. The deduction for housing costs would be nearly identical to the housing deduction under the Senate Finance Committee proposal. The educational expense deduction would also be similar under the Administration proposal to that in the Finance Committee bill, except that the amount of the deduction would be limited to $4,000 per student per year, and the Administration proposal would allow deduction for two round trips per year between the school and the foreign residence. The transportation deduction, but not the deduction for other education costs, would also be available for college students.

The Administration proposal would not allow an adjustment for general costs of living. However, it would allow a deduction for one economy round trip fare every other year for each member of the taxpayer's family between a foreign post and the taxpayer's residence, or last place of residence, in the United States.

The Administration's proposal also includes changes in Internal Revenue Code sections 119 (employer furnished meals or lodging), 217 (moving expenses), and 1034 (sale or exchange of residence) to adapt these provisions to the special circumstances of overseas Americans. These changes, primarily affecting the eligibility criteria for the tax benefits under these sections, are not analyzed in this study.

III. EVALUATION IN TERMS OF TAX NEUTRALITY AND EQUITY

Over the years a number of principles or canons of taxation have been developed to offer guidance in developing and evaluating tax policy. As with all such guiding principles, they are primarily ethical and subjective in nature; they cannot be proved or disproved, but they seem to have a wide prior appeal.[5] These principles include concepts such as the tax system should be simple to administer, simple for taxpayers to understand and comply with, should cause minimum interferences in the economy, should raise revenue on an equitable basis, should operate in a manner consistent with attainment of other goals, for example, maximizing employment, and real incomes and minimizing inflation, and of course in addition to these other objectives the tax structure should raise the necessary revenue for the operation of government. One of the difficulties of policy making is that it is frequently impossible to satisfy all of these principles simultaneously. For example a tax provision designed to be the most equitable may be very complicated necessitating some compromise between the competing objectives. Nonetheless the various principles serve as useful abstract goals in designing and evaluating tax policy and they may be employed in the study of the taxation of citizens living abroad.

The two taxation principles which would seem to be the most relevant to this analysis are the principles of tax neutrality and tax equity. The principle of tax neutrality maintains that the tax system should be structured to minimize unintended economic effects. Any tax of course will reduce after tax income and thereby affect economic activity but tax neutrality counsels avoidance of unintended changes in relative prices which would induce substitution of one economic activity for another.[6] The principle of tax equity of course prescribes that the tax system should be fair both horizontally (that is treating people in equal circumstances equally) and vertically (i.e. achieving appropriate relative treatment of those in different circumstances). Obviously the concept of horizontal equity provides a more objective (although not entirely objective) criteria for judgment; regarding vertical equity objective analysis can measure impacts but usually cannot offer judgments.

A. Tax neutrality

1. The Principle

The principle of tax neutrality would recommend taxing overseas workers in such a way that the U.S. tax system provides neither an inducement nor a discouragement to U.S. workers in deciding whether to accept employment abroad and to U.S. employers in deciding whether to employ American workers abroad. This principle requires looking at two aspects of foreign employment: foreign taxes and foreign costs of living.

The present U.S. tax treatment of citizens living abroad under section 911 clearly does not achieve neutrality with regard to foreign taxes (for the moment ignoring foreign living costs) because there are tax benefits to working in a low tax foreign country.[7] The low taxes of the foreign host country, combined with the exclusions of section 911, yield a lower total tax liability than would be experienced by remaining and working in the United States. Thus, the U.S. tax system provides an inducement to U.S. workers to accept jobs in low tax foreign countries. Because of the operation of the foreign tax credit, the U.S. tax system does not provide incentives or disincentives to U.S. workers with regard to employment in high tax foreign countries.[8]

Examining the neutrality aspects of taxing income of individuals earned abroad in light of widely varying foreign costs of living is less straightforward. In the first place, it must be observed that considering costs of living in a discussion of appropriate treatment under the U.S. tax code is itself unusual. The U.S. tax system is not inflation-indexed to account for rising costs of living each year, nor is the system indexed to account for variation in costs of living among areas within the United States, though such variation is considerable. In the substantial literature on the taxation of foreign earned income of corporations there is no suggestion that U.S. taxes should be lower on income earned in countries where the cost of doing business is higher. Additionally, the legislative history of section 911 suggests that consideration of foreign costs of living is a relatively recent issue in the discussion.[9] Nonetheless, considerable attention has been focused on the high cost of living in foreign countries in the recent discussions of section 911.

To be strictly consistent with the remainder of the U.S. tax code, no special tax treatment should be accorded foreign individual income on the basis of living costs. However, it may be countered that the variation in living costs abroad is larger than the variation within the U.S. (see discussion on pages 37 and 38 for evidence of this fact) and, therefore, the lack of an adjustment for domestic cost of living variations may not be compelling. The question of whether special treatment of income earned abroad to adjust for high costs of living can be defended without also extending such treatment to domestic workers is, thus, an empirical and judgmental question regarding relative variability of living costs.

If costs of living abroad are extremely high compared to the U.S., the combination of cost of living reimbursement for foreign employees and the progressive rate structure of the U.S. tax system may suggest a tax adjustment based on the principle of tax neutrality. The neutrality concept would require that if, in the absence of tax considerations, it would cost, say, 50 percent more to employ a U.S. worker in a given foreign location than in the U.S., then this relative cost differential should also exist when taxes are considered. If the tax structure reduces the differential it would provide an incentive to foreign employment; if the tax structure increases the differential, it would discourage working abroad. If no adjustment were made to the tax liabilities of foreign workers in high cost areas this would increase the cost differential, and thus discourage employment in such areas, due to the progressive tax rate structure. This is because the 50 percent higher wages paid by the employer to the foreign worker to compensate for the higher living costs become part of taxable income. This taxable income will be taxed at higher marginal tax rates under the progressive tax rate structure. Thus, an employer must increase an employee's salary by more than 50 percent to leave the employee with an after tax income which is 50 percent higher.[10] In this sense disallowing an adjustment for high costs of living in foreign locations may be nonneutral.

Given this consideration, how should an adjustment for foreign living costs be structured to achieve locational neutrality? Clearly the adjustment should not be a deduction of an amount equal to the compensation for higher living costs, because such a procedure would make the foreign worker better off than the domestic worker. Consider a domestic worker earning a $20,000 income and paying $5,000 in tax, for an effective tax rate of 25 percent. A U.S. citizen working abroad in an area with a 50 percent higher cost of living would require a $30,000 income to have the same real income before taxes. If the $10,000 cost of living salary adjustment were allowed as a deduction, the foreign worker would pay only $5,000 in U.S. taxes for an effective tax rate of 16.7 percent ($5,000/$30,000). Thus, the foreign worker's after tax income is 83.3 percent of his before tax income and the domestic worker's is only 75 percent even though their real before tax incomes are the same. Their real after tax

Footnotes at end of article.

incomes would be $15,000 for the domestic worker and $16,666.66 for the foreign worker.[11] As an alternative way of looking at the relationship, if the foreign employee is allowed to deduct the cost of living allowance, his employer can pay him a salary in his foreign location of $27,000 (still assuming a 25 percent effective tax rate on income after adjustment) and leave the employee with the same real after tax income.[12] Thus, the tax system would reduce the cost differential to the employer of employing the individual in the foreign location from a 50 percent higher cost to a 35 percent difference.

2. The Tax Neutrality Standard:

To achieve tax neutrality, i.e., a condition in which the percentage differential in after tax employment costs is equal to the before tax differential, the compensation for higher living costs should be taxed at the effective tax rate which would apply to the worker ignoring the cost of living compensation. Under this system, if the cost of living in a foreign location is 50 percent higher than in the U.S., an American citizen who moves to the locality and receives a 50 percent higher salary would pay a 50 percent higher U.S. income tax (rather than more than a 50 percent higher tax in the absence of any adjustment). Another way of perceiving the system is that whatever a worker's effective tax rate in the U.S., if he takes a foreign job and is compensated for the cost of living differential, his effective tax rate would remain constant. Thus, for example, a U.S. citizen who pays 25 percent of his income in Federal income taxes would still pay 25 percent of income in U.S. income taxes if he accepted a foreign job with cost of living compensation.[13] This system would preserve the relative before tax costs of U.S. versus foreign locations; thus, a location in which living ocsts are 50 percent higher, ignoring taxes, would also be 50 percent more expensive when taxes are considered.

For illustrative purposes, and for reference in the remainder of this report, it will be useful to specify the mechanics involved in a hypothetical tax provision which would allow neutral adjustments for foreign living costs as described above. This hypothetical tax provision is offered not as a proposal or recommended policy, but merely as a specific reference for measuring the neutrality aspects of the alternative proposals. Such a provision would work as follows:

1. Special deductions from total income would be allowed foreign taxpayers for the costs of elementary and secondary education of dependent children at English language schools. The amount of the deduction would be the minimum cost associated with attaining such educational services at each location (which may be zero in certain English-speaking countries) to include transportation and room and board in areas where no English-language schools are available locally. A special deduction is required for educational expenses because they will generally not be included in normal cost of living indices and because public primary and secondary education is provided free of charge in the U.S.; thus, a percentage adjustment for costs abroad is unworkable. A special deduction for educational expenses is also more neutral because the tax benefit will be conferred only on those who incur the additional expenses.

2. The Treasury would be responsible for determining each year the amount by which costs of living in relevant foreign locations exceed the living costs in the highest cost of living location in the United States.[14] Based on these determinations the Treasury would devise adjustment factors for each foreign location to be used by taxpayers in determining their "equivalent U.S. income." For example, if the cost of living in a given foreign location exceeded by 50 percent the highest cost locale in the U.S., the adjustment factor for that location would be 66⅔.[15]

3. Foreign taxpayers would multiply their actual adjusted gross income, after subtraction of any foreign educational expense deduction, by the Treasury cost of living adjustment factor to determine their "equivalent U.S. adjusted gross income." Taxpayers who itemize deductions would also multiply their total itemized deductions by the cost of living adjustment factor. They would then compute their U.S. income tax liability based on their "equivalent U.S. adjusted gross income" and adjusted itemized deductions. Their total U.S. income tax liability would then be determined by the following formula:[16]

$$\text{Total U.S. income tax} = \left(\frac{\text{Income tax based on "equivalent U.S. adjusted gross income"}}{\text{"equivalent U.S. adjusted gross income"}}\right) \times \left(\text{Total adjusted gross income after foreign educational expense deduction}\right) - (\text{Foreign tax credit}).$$

A simple example will serve to illustrate this hypothetical neutral tax adjustment for foreign living costs. Assume a family of two adults and a child has an income, earned by one of the adults and consisting entirely of wages and salary, of $20,000 in the U.S. They move abroad to assume a foreign job with the same company and are exactly compensated for their higher living costs. General living costs are 50 percent higher in their foreign location, and American-type education for the child will cost $2,000; therefore, their income in the foreign location is $32,000.

Under tax law applicable to calendar year 1977, the family's U.S. income tax on its $20,000 income earned in the U.S. would be $2,711 (assuming use of the standard deduction and no special deductions or exemptions). Under the hypothetical neutral tax adjustment provision outlined above its U.S. tax liability in the foreign location would be computed as follows:

Total foreign income	$32,000
Minus foreign educational expense deduction	2,000
Total adjusted gross income	30,000
Equivalent U.S. adjusted gross income ($30,000 × .66⅔)[1]	20,000
U.S. income tax on equivalent U.S. adjusted gross income	2,711
Total U.S. income tax before foreign tax credit (.13555 × $30,000)[2]	4,066.50

[1] Ignores any difference in the cost of living adjustment due to the adjustment being pegged to the highest cost of living location in the U.S.

[2] $2,711 divided by $20,000 equals .13555.

Ignoring the special foreign educational costs, this U.S. tax liability leaves the family with an after tax income of $25,933.50 ($30,000—$4,066.50). Since this is exactly 1.5 times the family's after tax income in the U.S. of $17,289 ($20,000—$2,711), the family is left with the same after tax real income. Thus, under this system the U.S. tax structure would introduce no distortion in the relationships between foreign and domestic costs to a company of employee location, and realtionships between foreign and domestic incomes to employees.

The pre-tax relationships in these quantities would be preserved by the tax system; the tax structure would offer neither an incentive nor a distincentive with regard to foreign location of employees.

3. Evaluation of the Alternatives:

Since this hypothetical tax provision would make the U.S. tax system locationally neutral with regard to both foreign taxes and foreign living costs, it may be used as a standard for evaluating the neutrality of other adjustment provisions for overseas Americans. To the extent that taxes in a given location or under specified circumstances under another provision would be less than or greater than the hypothetical neutrality adjustment would suggest, the tax provision would provide an incentive or disincentive to foreign employment.

The prior and present versions of section 911 outlined in section II above clearly are not neutral by this standard. Neutrality requires tax adjustments based on foreign living costs. The past and present versions of section 911 provide flat across-the-board allowances to foreign taxpayers which are unrelated to living costs. Thus, these provisions would make neutral adjustments for foreign living costs only by chance in isolated circumstances.

The foreign tax provision in H.R. 9251 is also nonneutral by the above measure, although it may be less arbitrary in impact than the past and present section 911. In particular it would not bestow benefits on low cost foreign locations as do these provisions.

H.R. 9251 includes a general cost of living adjustment and two specialized separate allowances: housing and education for elementary and secondary students.

It is not clear why housing costs should be adjusted for separately rather than built into a single cost of living adjustment as suggested in the hypothetical neutral tax adjustment provision outlined above. A separate adjustment could potentially lead to overcompensation for cost of living differentials because the overall cost of living in a given locale may not be high, but there may be a relatively higher cost of housing as compared with, say, food or local transportation. Since there is no penalty in the proposal for a lower cost of living on non-housing items, an individual could receive a deduction for housing where the overall cost of living is not higher than—or is even lower than—the U.S.

However, if separate treatment is desirable for measurement or administrative reasons, a more neutral provision would allow a deduction based on the housing cost differential between the foreign location and the highest cost location within the U.S., and the amount of the deduction would be taxed at the taxpayer's effective tax rate based on "equivalent U.S. income." To allow an outright deduction overcompensates for the higher foreign living cost, as explained above.

The cost of living adjustment in H.R. 9251 is also nonneutral because it is based on average cost of living within the U.S. rather than the highest cost locale, and because it also does not apply the taxpayer's effective tax rate based on "equivalent U.S. income" to the amount of the deduction. These aspects of the provision tend to overcompensate for foreign living costs. At the same time, however, the cost of living adjustment is based on an assumed salary of $22,000 rather than the actual salary. Thus, although the adjustment varies by locale, it does not vary by income class, and this factor, looked at in isolation, tends to undercompensate for higher foreign living costs for upper income people. The result of this variety of circumstances is that the cost of living adjustment contained in H.R. 9251 has substantial elements of arbitrariness which, in theory, could overcompensate some individuals and have the potential for undercompensating others.[17]

An additional observation on the tax neutrality aspects of H.R. 9251 is warranted regarding a provision which is primarily administrative in nature. With the exception of employees of charitable organizations, self-employed persons, and employees of foreign corporations (other than U.S. con-

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trolled foreign corporations), the bill would allow deductions for higher living costs only to the extent that the taxpayer's employer pays directly or provides reimbursement for the higher costs. For purposes of tax neutrality, in attempting to minimize locational incentives or disincentives in the tax system, direct payment or reimbursement by the employer is immaterial. The interaction of the higher foreign living costs and the U.S. progressive income tax are the factors which necessitate an adjustment to achieve locational neutrality; the method of compensating for the higher living costs, or whether they are compensated for, does not affect the appropriate neutrality adjustment.

The Administration's proposal would make adjustments for educational expenses and housing costs similar to those in H.R. 9251, and, therefore, the comments above regarding H.R. 9251 also apply to the Administration proposal. The proposal does not include a general cost of living adjustment for two stated reasons: (1) it would be difficult to administer because of measurement problems, would lead to demands for more tax relief, and add complexity to the tax laws; and (2) a cost of living adjustment for Americans living abroad would be unfair to taxpayers at home who receive no tax relief for wide variations in living costs.[18]

With regard to the first stated reasons, of course, simplicity is frequently one of the tax policy goals with which the goals of tax equity and efficiency conflict and, therefore, some policy tradeoffs are inevitable. It is correct that administration of a general cost of living adjustment might be somewhat complicated; however, the other proposals made by the Treasury also involve complexity.

With regard to the second criticism, the element of unfairness (and nonneutrality) with respect to U.S. residents also applies to the housing cost adjustment and to the Administration's proposed travel allowance discussed below. However under the neutral tax adjustment standard outlined above this problem does not exist because the basis for adjustment is the highest cost locale in the United States, rather than average costs.

The Administration proposal would allow a deduction for the cost of one round trip visit to the most recent place of residence in the U.S. for each family member every two years (two round trip fares per year between school and home are also allowed for college students and pre-college students in boarding schools). This aspect of the proposal seems inconsistent with the Administration's second reason stated above for rejecting the general cost of living adjustment, namely that no such allowance is provided domestic taxpayers even though they may travel considerable distances to and from their place of employment or schooling and "home" to visit relatives. In many cases the domestic trips would cost more than the foreign travel.

Thus, overall, all of the provisions would result in a nonneutral allowance for the cost of living abroad. The prior and current versions of section 911 tend to favor lower cost of living, low tax countries as compared to the neutral standard and the other proposals. The Senate Finance proposal would tend to favor high cost of living jurisdictions and particularly those which have high housing costs. The Treasury proposal also favors jurisdictions with high housing costs.

4. Illustrative Examples

In order to explore these relative effects of the different tax provisions more fully, a series of hypothetical examples has been prepared. Table 1 compares tax liabilities under the prior section 911, current section 911, allowing no benefits, applying the tax neutrality standard previously described, and the Senate Finance Committee proposal. This table assumes that housing costs are in line with other costs of living and, therefore, the Treasury proposal will have no impact. Education and travel expenses are not considered because of their special nature. The tables cover income levels equivalent to $25,000, $50,000 and $100,000 for the highest cost U.S. location of Anchorage.

The table covers five countries with varying cost of living situations: Japan (the highest cost of living area), Frankfurt (which is also a high cost area), Riyadh, Saudi Arabia (whose cost of living is approximately the same as Anchorage), Rome (whose cost of living is lower than Anchorage but higher than the U.S. average) and London (where the cost of living is relatively close to the U.S. average).

The following results can be gleaned from the table:

(1) Prior section 911 departs most from the neutral standard, particularly for lower cost of living locations. It provides substantial tax benefits in every example.

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TABLE 1.—COMPARATIVE U.S. TAX LIABILITIES BEFORE FOREIGN TAX CREDIT UNDER ALTERNATIVE PROPOSALS

[Anchorage income=100][1]

Anchorage income levels	$25,000		$50,000		$100,000	
TOKYO, JAPAN (122)						
Income level	$30,555		$61,111		$122,222	
	Tax	Effective rate (percent)	Tax	Effective rate (percent)	Tax	Effective rate (percent)
Prior 911	$710	2.3	$8,053	13.2	$33,254	27.2
Current 911	3,383	11.1	14,834	24.3	40,807	33.4
No provision[2]	5,830	19.1	17,282	28.3	43,254	35.4
Neutral standard	5,255	17.2	15,400	25.2	41,311	33.8
Senate Finance (H.R. 9251)[3]	3,012	9.9	12,605	20.6	38,504	31.5
FRANKFURT, WEST GERMANY (111)						
Income level	$27,777		$55,555		$111,111	
	Tax	Effective Rate (percent)	Tax	Effective rate (percent)	Tax	Effective rate (percent)
Prior 911	$307	1.1	$6,226	11.2	$28,523	25.6
Current 911	2,608	9.4	12,473	22.4	36,085	32.5
No provision[2]	5,055	18.2	14,920	26.9	38,532	34.7
Neutral standard	4,777	17.2	13,999	25.2	37,555	33.8
Senate Finance (H.R. 9251)[3]	2,937	10.5	11,378	20.5	34,814	31.3
RIYADH, SAUDI ARABIA (101)						
Income level	$25,250		$50,500		$101,000	
	Tax	Effective Rate (percent)	Tax	Effective rate (percent)	Tax	Effective rate (percent)
Prior 911	0	0	$4,836	9.6	$24,235	24.0
Current 911	$1,922	7.6	10,377	20.5	31,788	31.5
No provision[2]	4,369	17.3	12,824	25.3	34,235	33.9
Neutral standard	4,343	17.2	12,726	25.2	34,138	33.8
Senate Finance (H.R. 9251)[3]	2,862	11.3	10,282	20.4	31,441	31.1
ROME, ITALY (91)						
Income level	$22,777		$45,555		$91,111	
	Tax	Effective rate (percent)	Tax	Effective rate (percent)	Tax	Effective rate (percent)
Prior 911	0	0	$3,602	7.9	$20,032	22.0
Current 911	$1,333	6.0	8,442	18.5	27,585	30.3
No provision[2]	3,780	16.5	10,889	23.9	30,032	33.0
Neutral standard	3,780	16.5	10.889	23.9	30,032	33.0
Senate finance (H.R. 9251)[3]	2,799	12.3	9,293	20.4	28,165	30.9
LONDON, ENGLAND (75)						
Income level	$18,888		$37,777		$75,555	
	Tax	Effective rate (percent)	Tax	Effective rate (percent)	Tax	Effective rate (percent)
Prior 911	0	0	$1,954	5.2	$13,446	17.8
Current 911	$452	2.4	5,671	15.0	20,943	27.8
No provision[2]	2,898	15.3	8,117	21.5	23,420	31.0
Neutral standard	2,898	15.3	8,117	21.5	23,420	31.0
Senate finance (H.R. 9251)[3]	2,698	14.3	7,803	20.7	23,010	30.5

[1] Assumes joint return, 2 exemptions, itemized deduction equal to 15 percent of actual income. The calculations also ignore the general tax credit since it would be the same under each alternative and, therefore, does not affect the relationships. Housing costs are assumed equal to 16.7 percent of income (average for United States) so that no benefits occur under Treasury proposal. Assumes no travel or education expenses. Equivalent indexes for U.S. urban average equals 100 are Anchorage, 140; Tokyo, 172; Frankfurt, 156; Riyadh, 142; Rome, 128; London, 106. (Indexes are taken from State Department Index, April 1977, Labor Department Index, autumn, 1976. State Department Index excludes housing.

[2] Equal to Treasury proposal under assumptions.

[3] Assumes implementation of proposal will index for cost of living equal to ½ of statutory amount ($11,000).

(2) Current section 911 leads to beneficial taxation at the lower end of the income scale and for lower cost of living jurisdictions as compared with the Senate Finance Committee proposal which tends to favor individuals in the higher cost locations. Both current section 911 and the Senate Finance proposal confer benefits in every case as compared with the neutral standard.

(3) Overall, a policy of no adjustment provision tends to match the neutrality standard more closely than any other alternative.

(4) After the no exclusion option, current section 911 tends to match the neutrality standard most closely at high income levels where the cost of living is higher than the cost in the highest cost U.S. locale. The Senate Finance Committee proposal tends to come closer at lower income levels in lower cost jurisdictions.

Table 2 provides examples for the same income levels and jurisdictions under the alternative assumption that housing costs are twice the percentage of income as housing costs in the United States. This assumption, while somewhat at arbitrary, allows analysis of the impact of the proposals, including the Treasury proposal, in the circumstance which has generated the most controversy, namely, the situation of very high foreign housing costs.

TABLE 2.—COMPARATIVE U.S. TAX LIABILITIES BEFORE FOREIGN TAX CREDIT UNDER ALTERNATIVE PROPOSALS ASSUMING HIGH HOUSING COSTS

[Anchorage income-1001][1]

Anchorage income levels	$25,000		$50,000		$100,000	
TOKYO, JAPAN (152)						
Income level	$38,210		$76,267		$152,591	
	Tax	Effective rate (percent)	Tax	Effective rate (percent)	Tax	Effective rate (percent)
Prior 911	$2,035	5.3	$13,736	18.0	$46,161	30.3
Current 911	5,814	15.2	21,276	27.9	53,714	35.2
No provision	8,261	21.6	23,723	31.1	56,161	36.8
Neutral standard	6,572	17.2	19,219	25.2	51,575	33.8
Senate finance (H.R. 9251)[2]	2,723	7.1	11,492	15.1	36,116	23.7
Treasury proposal	5,873	15.3	17,355	22.7	43,420	28.5
FRANKFURT, WEST GERMANY (144)						
Income level	$34,743		$69,429		$138,972	
	Tax	Effective rate (percent)	Tax	Effective rate (percent)	Tax	Effective rate (percent)
Prior 911	$1,387	4.0	$11,040	16.0	$40,323	29.1
Current 911	4,665	13.4	18,391	26.5	47,926	34.5
No provision	7,112	20.4	20,838	30.0	50,373	36.2
Neutral standard	5,975	17.2	17,508	25.2	46,973	33.8
Senate finance (H.R. 9251)[2]	2,675	7.7	10,436	15.0	32,724	23.5
Treasury proposal	5,093	14.7	15,037	21.6	38,769	27.8
RIYADH, SAUDI ARABIA (126)						
Income level	$31,581		$63,163		$126,325	
	Tax	Effective rate (percent)	Tax	Effective rate (percent)	Tax	Effective rate (percent)
Prior 911	$875	2.8	$8,739	13.8	$34,998	28.0
Current 911	3,696	11.7	15,707	24.9	42,551	33.7
No provision	6,143	19.5	18,154	28.7	44,998	35.6
Neutral standard	5,432	17.2	15,917	25.2	42,697	33.8
Senate finance (H.R. 9251)[2]	2,625	8.3	9,484	15.0	29,543	23.4
Treasury proposal	4,402	13.9	12,927	20.5	34,449	27.4
ROME, ITALY (114)						
Income level	$28,453		$56,978		$113,957	
	Tax	Effective rate (percent)	Tax	Effective rate (percent)	Tax	Effective rate (percent)
Prior 911	$400	1.4	$6,715	11.8	$29,742	26.0
Current 911	2,792	9.8	13,078	23.0	37,294	32.7
No provision	5,239	18.4	15,526	27.2	39,741	34.9
Neutral standard	4,894	17.2	14,358	25.2	38,517	33.8
Senate finance (H.R. 9251)[2]	2,578	9.1	8,579	15.1	26,452	23.2
Treasury proposal	3,801	13.4	10,977	19.2	30,227	26.5
LONDON, ENGLAND (95)						
Income level	$23,625		$47,250		$94,535	
	Tax	Effective rate (percent)	Tax	Effective rate (percent)	Tax	Effective rate (percent)
Prior 911	0	0	$4,005	8.5	$21,487	22.7
Current 911	$1,536	6.5	9,090	19.2	29,040	30.7
No exclusion	3,982	16.9	11,537	24.4	31,487	33.3
Neutral standard	3,982	16.9	11,537	24.4	31,487	33.3
Senate finance (H.R. 9251)[2]	2,521	10.7	7,248	15.3	21,600	22.8
Treasury	2,919	12.4	8,181	17.3	23,594	25.0

[1] Assumes joint return, 2 exemptions, itemized deductions, equal to 15 percent of actual income. The calculations also ignore the general tax credit since it would be the same under each alternative and, therefore, does not affect the relationships. Housing costs are assumed to be 33.4 percent of income (twice U.S. average) (assumed no travel or education expenses). Equivalent indexes for U.S. urban average=100 are Anchorage, 140; Frankfurt, 195; Rome, 160; Tokyo, 214; Riyadh, 177; London 132. (Indexes recomputed from State Department ndex, April 1977, Labor Department index, autumn 1976.)

[2] Assumes implementation of proposal will index for cost of living equal to ½ of statutory amount $11,000).

The following results can be gleaned from Table 2:

(1) Prior section 911 departs most from the neutral tax standard for the $25,000 income in every case and for other income levels in lower cost of living jurisdictions. The Senate Finance Committee proposal departs from the neutral standard most for the high cost jurisdictions and higher income cases. The Treasury proposal results in lower tax liabilities than prior section 911 in the highest income cases ($100,000 equivalent) in the higher cost jurisdictions.

(2) Prior section 911, the Senate Finance proposal and the Treasury proposal confer benefits in every case, as compared with the neutral standard. Current section 911 also confers benefits except in higher income level, higher cost jurisdictions.

(3) Overall, the no provision alternative comes closest to the neutrality standard in the lower cost areas, whereas current section 911 more closely approximates the neutrality standard in the higher cost areas.

While it is difficult to generalize from these examples, they do suggest certain results. If it were decided to account for greater variability in foreign living costs by reducing taxation in those jurisdictions where costs of living were higher than the United States, a tax neutrality standard has been developed. If this neutrality standard is not a legislative option, then the closest approximation to it among the five alternatives examined would be to repeal section 911 and allow no adjustments for Americans living abroad. This result is substantiated in part by the examples, and also by the fact that the examples are weighted toward high cost of living locations. If this option were not adopted, current section 911 appears to come closer to the neutrality standard than the other options, especially in the case of the higher income levels and higher cost of living locations.

In every case examined, prior section 911 and the Senate Finance Committee proposals confer benefits compared to the tax neutrality standard and therefore provide an incentive to Americans to work abroad. In general, the Senate Finance Committee proposal, and the Treasury proposal to a lesser extent, tend to favor higher income taxpayers. Current section 911 tends to favor lower income taxpayers more than the Finance Committee and Treasury proposals.

As suggested earlier, the Senate Finance Committee and Treasury proposals tend to favor upper income individuals in higher cost jurisdictions as compared to prior and current versions of section 911.

B. Tax Equity

The second major tax policy principle applicable to an evaluation of the tax treatment of overseas American is that of tax equity. There are two aspects of tax equity which are generally considered: horizontal equity, or the equal treatment of those in equal circumstances (generally defined as those with equal incomes), and vertical equity, which is concerned with how the tax burden is distributed across income classes.

1. Horizontal Equity

The basic idea behind the concept of horizontal equity is that people with equal income and who are equal in other characteristics deemed relevant (such as family

size) have an equal ability to pay taxes. The decision as to what constitutes a relevant characteristic is a subjective one; however, the horizontal equity standard tends in most respects to have a basic intuitive attraction to most people. For example, family size and income are generally accepted as relevant characteristics on intuitive grounds, while hair or skin color is rejected.

Horizontal equity tends in most cases to be consistent with tax neutrality since it generally suggests that individuals not be taxed differently due to, among other things, their patterns of consumption or their choices of investment or employment. Those provisions which violate horizontal equity standards usually tend to violate tax neutrality standards as well, although this result is not always the case.

Whether residence abroad should be considered as a relevant characteristic for horizontal equity considerations is, of course, a subjective question. In general, location has not been viewed as a relevant characteristic in the United States in terms of horizontal tax equity. Thus, it would seem initially that a person earning an income abroad should be regarded as having an ability to pay taxes equal to that of an individual earning the same income in the United States, a view consistent with fully taxing income earned abroad and allowing a foreign tax credit. Under this standard, the past and present versions of section 911 are inconsistent with horizontal equity. In both cases, they allow substantial tax benefits to individuals living abroad which are not available to those in equal positions in the United States. The past version of section 911 allowed tax savings up to a maximum of $12,500 ($25,000 times the 50 percent maximum tax rate). The present version provides savings up to approximately $3,000—a saving not available to people in the United States with similar real incomes.

There are two arguments which have been advanced to counter this general view. The first is based on cost of living differentials. The second suggests that another standard of tax equity, the benefits received principle should govern, or partially govern, in the case of income earned abroad.

(a) General Cost of Living Differentials.—Location and the differences in cost of living which result from location choice have generally not been treated as relevant characteristics to the standard of horizontal tax equity in the U.S., and thus a family of four with an income of $15,000 would pay the same Federal income tax whether they lived in different States, in urban rather than rural areas, etc.[19] This approach has obvious administrative advantages, and adjusting taxable incomes for cost of living differentials within the United States has never been seriously considered. Arguments have been made, however, for making such adjustments for those living abroad.

The argument is often made that the variability of cost of living abroad is greater than the variability in the United States. Data from various sources tend to support this argument although they assume that the "basket of goods" purchased abroad will be the same as that purchased in the United States. This method of measurement might tend to increase the apparent cost of living abroad if it includes goods which are in scarce supply or are expensive because they are imported (e.g., Western-style housing in Japan). Using this standard, however, it would appear that there are some very high cost countries and some very low cost ones, and the higher variability of cost of living argument cannot be rejected outright.[20]

In general, the points made above regarding tax neutrality also pertain to the consideration of tax equity. Thus, to avoid discriminating among taxpayers with equal abilities to pay taxes, any cost of living adjustments for citizens living abroad should be based on the highest cost locale within the U.S., and the amount of the deduction should be subjected to the taxpayer's effective tax rate based on his "equivalent U.S. income." The latter point was demonstrated by example above (see page 17). The first point can be illustrated by sample cost of living adjustment calculations.

A provision allowing deduction of cost of living in excess of average costs in the U.S. would be unfair to the large number of Americans who live in areas or cities within the U.S. where the cost of living is higher than the average. This effect can be substantial as illustrated by the following paired U.S. and foreign cities where the cost of living is roughly equal, listed with the deduction which would be allowed foreign taxpayers under a cost of living adjustment based on the U.S. average. The comparisons assume an average cost of living in the U.S. of $22,000, which is the statutory basis for determining the cost of living adjustments in H.R. 9251 (although the deduction will actually be figured in a different manner under the bill and could be larger or smaller).

DEDUCTION ALLOWED WITH A COST-OF-LIVING EXCLUSION BASED ON THE U.S. AVERAGE COST: PAIRED U.S. AND FOREIGN CITIES

Foreign City	Cost-of living index [1]	U.S. city	Cost-of-living index [1]	Deduction allowed Foreign resident, not a lowed U.S. resident [2]
Riyadh, Saudi Arabia	142	Anchorage	140	$9, 240
Rome, Italy	128	Honolulu	127	6, 160
Hong Kong	125	New York	125	5, 500
Tehran, Iran	123	Boston	123	5, 060

[1] Based on Department of State Index for April 1977; Department of Labor Urban High Budget Index for August 1978. The foreign indexes exclude housing.

[2] This is the deduction which would result from a straight cost-of-living allowance. It is not equivalent to the expected allowance in H.R. 9251, which is comprised of a general cost-of-living allowance relating to consumption outside of housing, plus a separate housing allowance.

A provision which allows a $5,060 deduction based on cost of living for a family in Tehran and which does not allow a similar deduction for a family in Boston with an equal income and facing similar living costs, or for a similar family in New York, Honolulu or Anchorage where living costs are even higher, is inconsistent with standards of horizontal equity.

To avoid this violation of the horizontal equity standard would require a cost of living adjustment limited to amounts in excess of the most expensive place in the United States.

(b) Relief for Specified Extraordinary Expenses.—Horizontal equity as practiced in the United States has allowed tax relief for particular expenses or circumstances which are deemed to involuntarily reduce the ability to pay taxes. Examples of provisions embodying this principle include the deductions for excess medical expenses and casualty losses. Some proposals for reducing the tax liability of individuals living abroad are similarly couched in terms of an adjustment for extraordinary specified expenses or excess financial burden. Examples are the special deductions included in the Treasury proposal and H.R. 9251 for the "excess" cost of housing abroad, and in the Treasury proposal for the cost of traveling home.

However, the housing and travel costs experienced by foreign employees are distinguished from the present hardship deductions for medical expenses and casualty losses by the fact that foreign employment and its concomitant expenses are a matter of choice, whereas medical expenses or casualty losses represent involuntary reductions in ability to pay taxes. Thus, the same principles of tax equity are not applicable to the two categories of expenses.

Nonetheless, if the decision is made to provide tax relief for specified extraordinary expenses rather than, or in conjunction with, a general cost of living adjustment, two additional points should be made. First, the mechanism of making separate adjustments for specified categories of expenses may, itself, fail to provide appropriate cost of living adjustment when considered on an overall basis. This is clear in the Treasury proposal which provides adjustments for specified extraordinary expenses but allows no general cost of living adjustment. It also may be true in some cases under the provisions of H.R. 9251 if a separate housing cost adjustment leads to larger allowances than would be suggested if overall living costs are considered.

The second additional point about relief for specified expenses is, as mentioned above for general allowances: any relief should be for expenses exceeding the highest levels in the U.S., not average levels. Relief based on average levels of domestic expenditures would discriminate against domestic taxpayers. This was demonstrated for a general cost of living adjustment above; it can also be illustrated for specific adjustments for housing and foreign travel. There is a variation among locations in the U.S. in the average percent of a family's budget spent for housing. According to family budget data from the Department of Labor, Boston appears to have the highest ratio of average housing cost to income in the U.S. at approximately 22 percent.[21]

Thus, for example, if an allowance for "excess" housing costs were provided to overseas Americans based on housing costs exceeding one-sixth of their incomes, this provision would discriminate against the residents of Boston by denying them equal treatment despite experiencing similar "extraordinary" expenses. The denied tax benefit would be a deduction averaging 5 percent of Bostonians' incomes.

Similarly, the allowance of a deduction for the cost of travel home in the Treasury proposal would seem to violate the principle of horizontal equity. This proposal, or some modification of it, would be less violative of equity principles if the U.S. were small geographically so that foreign travel almost always involved comparatively high costs. However, this is not the case. Under the Treasury proposal a family living and working in Toronto visiting realtives in New York could deduct the cost of the trip, while a family working in San Francisco also visiting relatives in New York would receive no such deduction. Even when overseas travel is involved, the costs do not necessarily exceed the costs of domestic travel within the U.S. Round trip coach air fare between Boston and London is $409, Boston to Paris is $409, and Boston to Bonn is $434; on the other hand, round trip fare Boston to San Franciso is $462, Boston to Anchorage is $524, and Boston to Honolulu is $584.[22] Given the mobility of the American population, millions of people within the U.S. live and work long distances from their close relatives. Therefore, providing a tax benefit for home travel for people who choose to work in foreign locations may be especially difficult to defend against complaints of unfair treatment from Americans who work far away from "home" but within the U.S.

(c) Taxes as Payments for Benefits Received.—The concept of judging the horizontal equity of a tax system based on the ability to pay taxes is one of the two common

Footnotes at end of article.

approaches to the equity issue and the one most appropriate to analysis of the Federal income tax. A second approach to tax equity issues is called the "benefits received" concept, and measures the equity of tax payments by comparing the amount of tax payment to the amount of direct benefit the taxpayer receives from government services financed by the taxes. This concept thus attempts to view taxes as being like prices in the private sector of the economy, i.e., direct payments for goods and services received. While this approach to the equity issue has a certain intuitive appeal, it is obviously limited to the financing of government services which produce benefits which are primarily direct in nature rather than social or humanitarian. For example, judging the appropriate level of taxes to be paid by each taxpayer for support of government services on the basis of their consumption of the services may be appropriate when considering fees to pay for public swimming pool usage or gasoline taxes which are used to finance highways; it is obviously inappropriate when considering the financing of welfare payments and inapplicable for national defense (how are personal benefits measured?).

The argument is occasionally made that individuals living abroad receive smaller benefits from U.S. Government services than those living in the United States, and therefore overseas Americans should be exempt or partially exempt from the Federal income tax. However, no one seriously argues that the U.S. Federal income tax is based on the benefits received principle of taxation. It is clearly based on the ability to pay principle because most of the expenditures funded by the income tax are services which produce primarily social or humanitarian benefits—national defense, income maintenance, general government, foreign affairs and foreign aid, basic research, natural resource developments, health care, and contributions to culture and arts. All of these expenditures primarily provide general benefits to all Americans rather than private benefits to specific individuals who could be charged for the services. Although this issue is obviously more judgmental than others, there seems no strong reason to argue that American citizens living abroad do not share in these general benefits.

2. Vertical Equity:

Another equity standard for judging tax policy is that of vertical equity. Judgment of a tax provision on this ground usually involves the examination of tax levels by income class. The U.S. tax system is progressive, based on the notion of ability to pay and reflecting the idea that a wealthy individual can afford to pay in taxes a larger fraction of marginal earnings than a poor individual.

Overall the tax provisions benefiting individuals living abroad tend to reduce the progressivity of the U.S. income tax structure. This effect occurs because, by and large, those individuals living abroad tend to have much higher incomes than those in the United States. According to a recent Treasury study,[23] 47 percent of the individuals claiming a deduction for the prior section 911 had adjusted gross incomes of more than $20,000, as compared with 14 percent in the United States. Taxpayers with incomes of over $50,000 account for 10 percent of section 911 taxpayers while accounting for only 1 percent of U.S. taxpayers. This study indicates that 84 percent of the tax benefits under prior section 911 accrued to individuals earning over $20,000, 65 percent accrued to those with incomes over $30,000, and 31 percent accrued to those with incomes of over $50,000. Therefore the bulk of the tax reduction accrues to individuals in the richest 15 percent of the population.

Footnotes at end of article.

The 1976 tax increase on overseas Americans which resulted from the revision of section 911 tended to fall more heavily on high income individuals; 96 percent of the increased taxes accrued to those earning over $20,000, 79 percent accrued to those earning over $30,000 and 40 percent accrued to those earning over $50,000. Thus, the current version of section 911 favors lower income taxpayers relative to the prior version.

IV. EFFECTS ON TRADE AND EMPLOYMENT

Tax Incidence and Relationship to U.S. Exports

Although the basic policy principles most appropriate for evaluation of the tax treatment of Americans working in other countries are neutrality and equity, provisions which violate those standards may still be desirable policies if they achieve some other beneficial public purposes. The other public purposes most often related to the taxation of Americans living abroad are the effects of the tax treatment on international trade and American "competitiveness"—generally expressed in terms of seeking employment and balance of payments objectives via increasing exports. However, since the link between the level of taxation of Americans working abroad and the level of U.S. exports is somewhat indirect, it is useful to discuss the relationship and the related issue of the incidence of taxes on overseas Americans.

Tax incidence refers to the final burden of taxes after they have been shifted among economic agents, e.g., through higher prices, lower wages, or reduced profits. This shifting process has effects on economic behavior. For example, if taxes are increased on U.S. citizens working abroad, the initial burden of those increased taxes will fall on the employees reducing their after-tax income. This will diminish the willingness of those employees to work abroad, thus, reducing the supply and increasing the cost of American workers to foreign employers. In this manner some of the burden of the higher taxes is shifted to employers.

The process may also occur in another manner. Many U.S. companies operating abroad have tax protection or tax equalization programs designed to shelter their employees from any higher taxes associated with foreign employment. If the employer has such a practice and pays the employee higher wages following a tax increase, the initial burden of the tax is shifted immediately to the employer. However, if the resultant increase in employment costs (and decrease in profits) leads the employer to hire fewer American workers, then the wages paid to these workers may decline, thus shifting some of the increased tax burden back onto the employees. The employer may also attempt to pass part of the tax increase on to customers by raising prices. This will likely result in reduced sales and output.

Therefore, U.S. tax benefits to citizens working in foreign countries beyond the treatment which would be suggested by the tax neutrality principle serve to subsidize the operations of business located in foreign countries which employ American workers. Since foreign investment and production by U.S. multinationals is in many cases a substitute for domestic production and exporting to the foreign markets, it seems ironic that subsidizing foreign operations should be perceived as stimulating U.S. exports. The argument is made that foreign operation by U.S. multinationals expands their foreign sales and, because their foreign production uses U.S. produced inputs, thereby expands U.S. exports. Whether this effect outweighs the effect of foreign production substituting for U.S. produced exports is unknown and cannot be assumed without supporting evidence.

Thus, the relationship between U.S. tax treatment of citizens working in other countries and the quantity of U.S. exports is indirect and uncertain. The GAO report on the trade impact of section 911 suggested that a more direct relationship may exist because "it is essential to maintain a large force of U.S. citizens abroad to promote and service U.S. products and operations";[24] however, there seems to be no specific evidence in the export experience of the United States or other countries to support this assertion (e.g., the substantial success of imported automobiles, televisions, calculators, etc. in this country has not been accompanied by an influx of foreign nationals to sell and service them).

Balance of Payment and Employment Effects

Even if there were a direct relationship between U.S. tax treatment of citizens working abroad and U.S. exports, a tax subsidy would not have a permanent effect on the balance of payments. This is because a flexible exchange rate system will automatically move, through market adjustments in exchange rates, toward a position of balance in the international payments accounts of each country. This movement may be somewhat unsteady and protracted, and may be moderated or retarded by the policies of interested governments (as the world is presently experiencing), but in the long run any policy which attempts to increase permanently net export receipts without also increasing exports of investment capital will be rendered ineffectual by market forces. For example, if a tax subsidy were successful in temporarily increasing U.S. exports, under flexible exchange rates this initial effect would eventually cause an increase in the price of the dollar on foreign exchange markets. This exchange rate change would reduce U.S. exports and increase imports, thus offsetting the effects of the original incentive as far as the balance of payments is concerned. Thus, under a system of flexible exchange rates, international currency price adjustments will render ineffective policies which attempt to have a long-term on a nation's balance of payments.

These adjustments are part of the normal economic process by which supply and demand adjustments in international markets occur under a system of flexible exchange rates. There might occasionaly be reasons a country would wish to intervene on a short-term basis in the foreign exchange market. First, all countries have an interest in smooth adjustments in the exchange markets because erratic adjustments erode planning capabilities and cause a deterioration in trade and investment conditions. This concern for stable adjustments is particularly strong with regard to the U.S. dollar, not only within the U.S. but abroad, because the dollar is the exchange medium for much of the world's trade.

Secondly, net exports (exports minus imports) enter into the aggregate demand of a nation's economy which determines levels of income and employment. Thus, for example, the U.S. may be concerned about an initial deficit in the trade account and wish the price of the dollar to fall more quickly, while foreign countries may be concerned, once the price of the dollar begins to fall, about the effect on their export sector and wish it to fall more slowly. In the case of some foreign countries whose economies are heavily dependent on the international trade sector, this concern may be greater than in the United States.

These reasons for intervening in the foreign exchange markets are short term in nature. They require policies which are temporary, easily controlled, quick acting, and capable of coordination with the policies of other nations. Market adjustment mechanisms such as the buying and selling of foreign currencies meet these criteria; tax subsidies for Americans working in foreign countries do not.

Another argument which has been used in support of tax preferences for foreign employment is the effect of these provisions on employment in the United States through the impact on exports. It is argued that, because tax subsidies for citizens working abroad lead to higher exports (which, as discussed above, is a questionable assertion on at least two grounds), the tax policy will increase domestic employment and thereby help solve the unemployment problem. Unemployment is generally considered to result from structural and cyclical problems. The structural problems may be considered long term in nature and the cyclical problems short term, although even the short term may be somewhat protracted as demonstrated by current economic conditions. Cyclical unemployment results from a greater number of job seekers than job openings and can result from a number of factors such as a recession (or "growth recession"), an unusually large influx of new labor force entrants, and downwardly rigid wages. Appropriate policy responses to cyclical unemployment include countercyclical fiscal and monetary policy and programmatic responses such as job programs, public works projects, and countercyclical revenue sharing. Tax subsidies for overseas Americans are not candidates for short-term countercyclical policies because they are not amenable to increasing or decreasing as the cyclical pattern of the economy may require, nor can their impact be targeted toward the unemployed.

The structural unemployment problems involve the distribution of skills and the location of the labor force compared to the requirements of the job market. Policy responses to structural unemployment include training, relocation programs, and income maintenance programs. Tax subsidies for overseas workers do not contribute directly to a solution to these structural unemployment problems. Additionally, even if preferential tax treatment for Americans working in other countries creates jobs in the export industries, under a system of flexible exchange rates this policy will likely accelerate the decline of import competing industries and lead to less employment in those sectors.

Despite these points it is true that expansion or contraction of exports can have temporary impacts on employment and the balance of payments. These impacts were the focus of the recent GAO Report on section 911. The GAO study employed the Data Resources, Inc. (DRI) econometric model of the U.S. economy to estimate the effects on U.S. trade and employment of the 1976 amendments to section 911. The chapter of the GAO Report which gives the results of this analysis is reproduced as an appendix to this report. Basically, the GAO Report concludes that the impact of the tax change on U.S. exports and employment is extremely small. With regard to employment, the report states:

"The largest effect on domestic employment is produced in 1981, when approximately 21,000 jobs are lost. To give some perspective to this number, it should be noted that the average growth rate of the United States creates 30,000 jobs a week. Thus, the largest effect on employment will be about two thirds of a normal week's job creation. In 1978, the estimated job loss is only 4,000 or about the number of jobs added to the U.S. economy in one normal day." [25]

The effect of the increased taxes on the balance of payments is actually to improve it due to the elasticities of demand for exports contained in the DRI model. The improvement is, however, very small.[26]

Despite the small impact of the tax changes estimated by the GAO study, the methodology employed can be regarded as yielding a maximum, or worst case estimate, because the assumptions made in the analysis bias the results in this direction [27] (this is not necessarily a criticism; in doing this type of analysis assumptions must be made and, where uncertainty exists, it is often desirable that the assumptions be biased in the opposite direction of the results).

The first assumption in the GAO analysis is that all Americans affected by the revision in section 911 are occupied in selling U.S. produced exports. This is unlikely since at least some Americans abroad are involved in foreign production which might act to substitute for U.S. exports or to increase U.S. imports. To the extent this effect occurs, section 911 acts like a subsidy, not to exports, but to foreign investment.

The GAO simulation also assumes that overseas taxpayers are totally reimbursed by their employer for the higher U.S. tax and do not bear any of the burden of the tax themselves, an assumption which tends to maximize the effect of section 911 on wage costs. GAO's survey of business firms operating abroad indicates that only about one-half of individuals working abroad receive tax allowances from their employers. While the GAO Report notes that the results of the survey cannot be used as input to the simulations because of its non-random nature, nevertheless the survey results and tax incidence theory suggest that this assumption overstates the wage impact of the section 911 change.

The GAO study assumes that the increased wage costs resulting from compensating employees for their higher U.S. taxes are completely passed through to foreign customers in the form of price increases for exports, which, in effect, assumes a perfectly horizontal supply curve.

Finally, the GAO analysis assumes a marginal tax rate of 50 percent, which is the maximum tax rate on earned income.

The GAO Report also points out that the estimates do not include two other effects which would tend to offset the impacts of the tax policy changes. The first is the effects of flexible exchange rate adjustments which are not included in the DRI model and which would tend to mitigate the impact of the changes in section 911, as discussed above. The second is the assumption of an absolute tax increase, rather than an increase in taxes on employees in foreign countries and a decrease in taxes in other areas. Given the Congressional budget process, one would expect an offsetting tax reduction which would reduce the impact of the policy change on employment.

These assumptions could act to significantly overstate the quantitative results in the GAO study. The possible magnitude of this overstatement can be illustrated by changing two assumptions in entirely reasonably ways. First, assume that only one-half of the foreign firms reimburse their employees for higher taxes, consistent with the GAO survey data. Secondly, assume the average marginal tax rate on U.S. citizens abroad is 40 percent rather than 50 percent, a rate consistent with distributions of the tax benefit across income classes. If these assumptions are more realistic, the effect of the original assumption was to overstate the price effect by 140 percent.[28] If the first assumption were also modified—only one-half of U.S. citizens abroad in jobs related to export sales, plus one-half of higher taxes reimbursed, plus the 40 percent marginal tax rate—the overstatement would be 380 percent. However, as noted earlier, since the resultant effects are so minor, it is useful to have maximum impact assumptions, since they provide assurance that the true effect will be smaller, and therefore also insignificant.

Effects on competitiveness

An argument which has been used in support of section 911 and which is related both to the effects on trade and employment and to tax neutrality is the issue of competitiveness. U.S. firms operating abroad maintain that increasing U.S. taxes on their employees will increase their wage costs, thus forcing their prices up and reducing their competitiveness. Similarly, U.S. citizens working in other countries claim that higher U.S. taxes will make them less competitive in the foreign job market with foreign nationals who are not taxed by their home countries.

The argument that reduction of tax benefits for overseas Americans would lead to small reduction in U.S. business activities abroad is correct, and is viewed by firms as reducing their "competitiveness". Similarly, the argument that increased taxation of Americans working abroad would tend to lead to a substitution of foreign for U.S. employees (a substitution which has been occurring for years for other reasons) is also correct—and viewed by U.S. employees as a reduced ability to compete. The implications of this argument must be considered carefully, however.

The standard of tax policy with respect to business and employee location decisions should be to achieve neutrality so that tax provisions do not cause distortions in location decisions unless some clear national purpose is served by such nonneutralities. As indicated in the analysis above, there is no clear evidence that artifically encouraging Americans to work abroad through the tax code serves any identifiable national purpose. Therefore, the resulting increased "competitiveness" of American firms and citizens in foreign locations appears to be at the expense of other Americans—through higher and more inequitable taxes and through less efficient allocation of economic resources.

FOOTNOTES

[1] Estimates provided to CRS by the Office of Tax Analysis, U.S. Department of the Treasury. All of these revenue loss figures are compared to full taxation of foreign income and imputed in-kind income.

[2] General Accounting Office, Impact on Trade of Changes in Taxation of U.S. Citizens Employed Overseas, February 21, 1978. Hereafter referred to as the GAO Report.

[3] U.S. Department of the Treasury, Taxation of Americans Working Overseas, Revenue Aspect of Recent Legislative Changes and Proposals, February 1978.

[4] The descriptions of the provisions, except for the Administration proposal, are taken, mostly verbatim, from Proposals for Taxation of Americans Working Overseas, Prepared for Use by the House Ways and Means Committee at Hearings on February 23–24, 1978, by the Staff of the Joint Committee on Taxation.

[5] The principles are, of course, subject to differing interpretation and application with regard to specific issues. See, for example, Karegeorgas, Dionisios, Taxation of Foreign Firms: Discriminative and Allocative Effects, Public Finance Quarterly, Vol. 1, No. 3, July 1973, pp. 239–265, which disagrees with the standard application of the neutrality principle in taxation of foreign corporate income.

[6] Of course, some tax provisions, such as the investment tax credit, are *intended* to change relative prices and induce economic substitutions, in this case to stimulate higher investment in qualifying assets.

[7] In this discussion, "low tax" foreign country and "high tax" foreign country refer to foreign tax systems which produce tax liabilities lower and higher, respectively, than the U.S. tax system.

[8] If the concern were the neutrality aspects of the worldwide tax structure, rather than just the U.S. tax system, attention would have to be focused on foreign taxes which are higher than U.S. taxes and thereby discourage foreign employment by U.S. workers in high tax countries. To achieve worldwide neutrality, such "excess" tax liabilities would have to be refunded.

[9] See Levine, Mel, Section 911: The Foreign Earned Income Exclusion—Death Blow or

Recovery? Taxes—The Tax Magazine, March 1978, pp. 169–178. Apparently the original reason for adopting the predecessor to section 911 in 1926 was to insure that U.S. citizens working abroad had the same overall tax burden as citizens living in the U.S. Later reasons for changes in section 911 were to stimulate U.S. exports and to put U.S. expatriots in a similar tax position to foreign workers from other countries who enjoy home country tax benefits. Since the late 1950's the legislative direction has been toward reducing the benefits available under section 911 to tax overseas American workers more similarly to domestic workers.

[10] This statement is, of course, true whether the salary increase is to compensate for higher foreign living costs or merely to provide a salary increase. However, the issue of locational neutrality arises only with the former purpose.

[11] The foreign worker's after tax income is $25,000, which equals $16,666.66 in real terms after adjustment for the 50 percent higher foreign living costs.

[12] The worker's taxable income would be $18,000 ($27,000 x ⅔) producing a tax liability of $4,500; his after tax income of $22,500 equals $15,000 in real terms after adjustment for the 50 percent higher living costs.

[13] Of course, his effective tax rate would increase if his foreign salary more than compensated for the cost of living differential.

[14] The approach of most of the cost of living adjustment proposals is to peg the adjustment to an average cost of living in the United States. This is clearly inappropriate since the provision would be nonneutral, inequitable, and inconsistent with regard to the tax treatment of citizens living within the U.S. who live in locations of above average living costs. See further discussion of this point in the Equity section below (especially pp. 37–43).

[15] To be perfectly neutral with regard to cost of living in foreign locations, the adjustment should also account for locations which have lower costs of living than the lowest cost of living locale within the U.S. This adjustment would require an addition to actual income (rather than a deduction from income) to determine U.S. tax liability on the basis of equivalent real income.

[16] This adjustment mechanism would achieve the same thing as indexing the income tax for the appropriate cost of living adjustment specific to each foreign location.

[17] In fact, H.R. 9251 would overcompensate in most circumstances compared to the neutrality standard. See analysis in next subsection, pp. 27–34.

[18] See statement of Donald C. Lubick, Acting Assistant Secretary for Tax Policy on Taxation of Americans Working Outside the United States, before the Committee on Ways and Means, February 23, 1978, p. 7.

[19] Assuming other tax characteristics were the same.

[20] Based on Washington, D.C. = 100, costs of living for the nineteen largest cities in the U.S. vary from 122 to 86 (Department of Labor Autumn, 1976 Index). Using the same base, costs of living for the twenty cities in countires with the largest number of Americans working abroad vary from 165 to 78 (State Department Index, April 1, 1977). See discussion in the GAO report, op. cit., p. 99.

[21] Labor Department Cost of Living Index, August, 1976.

[22] Trip fares provided by Library of Congress Travel Office.

[23] Taxation of Americans Working Overseas, Department of the Treasury, February 1978. The Treasury study notes that higher salaries abroad may reflect higher living costs which would mean real income may be lower than nominal income. However, the reported income levels are net of in-kind allowances for excess housing, education and travel, partially offsetting this effect.

[24] GAO Report, op. cit., p. 1.

[25] GAO Report, op. cit., pp. 22–23.

[26] These results seem inconsistent with the policy recommendation in the GAO Report which was "that consideration be given to continuing some type of incentive, at least until more effective policy instruments for promoting exports and commercial competitiveness abroad are identified and implemented."

[27] The GAO Report, op. cit., p. 14, states:

"Our approach to estimating the effect of changes in Section 911 on the U.S. balance of payments, domestic employment, gross national product, and Federal budget position is to make several assumptions that are apt, if anything, to exaggerate the number of Americans abroad engaged in promoting U.S. exports; to compute the maximum effect that the tax increase might have on the prices of U.S. products sold abroad; and to trace the effects of the subsequent decline in export demand back to the domestic economy."

[28] To illustrate this effect, assume the higher taxes on overseas Americans amounted to $100. Under the GAO assumptions the price increase would be twice that amount or $200 Under the new assumptions only one-half, or $50 would affect firms. Furthermore, because the marginal tax rate is 40 percent rather than 50 percent, wages would be increased only by $83.33. The percentage overstatement is then $200/$83.33, or 2.4 times as large, or a 140 percent overstatement.

Mr. RIBICOFF. Mr. President, I express my appreciation to the Senator from Massachusetts for his cooperation, together with Senator PROXMIRE, Senator LONG, Senator BARTLETT, and Senator MCCLURE, which made it possible for us at least to assure for the near future that Americans working abroad are treated fairly.

Mr. MCCLURE. Mr. President, once again I bring to the attention of the Senate the undesirable effects of the manner in which the 1976 Tax Reform Act taxes income earned by U.S. citizens living abroad. This law adversly affects our competitive position in foreign markets, exports to those markets, and increases our unemployment problems here at home. In addition, several recent Tax Court decisions have reinforced the Internal Revenue Service position that allowances furnished to employees to cover excess expenses over what they would normally incur in the United States represent taxable income to that individual. The employee then must pay U.S. tax on items which represent no economic benefit to him. This tax alone will often exceed $10,000.

The United States historically has taxed the income earned overseas by its citizens but it is presently the only industrialized nation in the world to do so. Most countries do not attempt to extend their taxing jurisdiction on wages earned outside their own borders. Citizens of other countries can afford to work in low tax countries for much less than Americans simply because they do not pay taxes to their home country. Commonsense tells us that Americans are at a significant disadvantage when competing with individuals from other countries such as Canada, England, Germany, or Japan for jobs overseas. For example, I refer to data contained in appendix V of the report to Congress by the Comptroller General of the United States dated February 21, 1978. A single individual employed in Japan who earns a $20,000 salary will owe taxes of $13,990 under the 1976 Tax Reform Act and Tax Court Rulings. This represents a 70 percent effective tax rate and an increase of 115 percent in his tax liability.

An even worse case is that of the single person who is employed in Saudi Arabia at $20,000 yearly. This person's tax bill has increased some 585 percent in a 2-year span to an amazing—and disgusting—total of $15,628. The married taxpayer in Saudi Arabia who earns $40,000 may now be subject to $51,662 in taxes. I am not talking about isolated examples, either. We must keep in mind a proper perspective as to what type of Americans we are really concerned about. The threat of these tax laws is riding the backs of average working Americans all over the world. Frequently their standard of living, even with thousands of dollars of extra living expenses, is well below what it would be here in the United States. These workers do not live a life of luxury with servants catering to every need and very few, if any, have plush jobs anywhere, much less on the French Riviera or in Switzerland. It is simply not realistic to speak in terms of American wives wearing mink coats in the desert! How can we expect anyone to continue working under this burden of grossly excessive taxes? Clearly the tax penalty of U.S. citizenship in foreign countries will bring almost all of our people back home because their skills can no longer be offered at a competitive price.

Such a move will have significant impact on our U.S. exports. As service companies, especially engineering and construction companies, find it increasingly more difficult to hire Americans for foreign projects, they lose the advantage of obtaining jobs based on providing American know-how. Americans living overseas still "buy American" whenever possible. An engineer, for example, when working on the design of a project will include specifications which call for goods with which he is most familiar; that is, those manufactured and sold in the United States. The foreign engineer who designs a similar project will naturally specify goods with which he is most familiar and has confidence in. We cannot afford the arrogance of believing a foreigner will order American products when his own country produces those same items.

Let me give you an actual example of what I am talking about. Project A and project B are both petroleum refineries built in the same country for the same owner at about the same time. Project A was engineered and constructed by an Italian firm while an American firm handled project B. The Italian firm purchased approximately 7 percent of total purchases from the United States. The American firm, by contrast, purchased 40 percent from the United States. Including the cost of shipping these goods, U.S. manufacturers sold over $115 million. If

project B had been awarded to the Italian firm, U.S. sales would have dropped by almost $100 million. How many American jobs, here in the United States, are represented by that $100 million on just that one project? How many jobs here support the total amount of exports, on all foreign projects handled by U.S. firms? I believe it is much more than we can afford to lose.

This example also points out another detrimental effect of these tax laws—unemployment. As these citizens return home, the U.S. labor market will expand and cause difficulty in reducing unemployment. These workers are often highly skilled, highly educated supervisors and technicians and thus usually earn above average wages. It is a gross misallocation of our human resources to have them unproductive. Until they eventually find new jobs, their taxable income base is reduced and unemployment benefit payments increase. This is clearly an undesirable result.

It has been suggested that the Treasury will lose substantial tax revenues if the new laws are not imposed. I disagree with those statements because the possibility exists that revenues may actually decrease if we do not make substantial changes in the law. Estimates of increased tax revenues under the new law fail to consider changes in behavior and the effect upon the income base. Many individuals have already returned to the United States, solely because of increased taxes and many more are on the verge of returning. When they do, the IRS can no longer impose a tax on the amount a person has already spent on exorbitant rents, utilities, groceries, school tuition, and the like.

These estimates also fail to account for the ripple effect on other taxable activities. Any additional tax revenues collected from individuals who remain overseas would be offset by the reduced taxes on:

First. Reduced income of U.S. firms which work overseas;

Second. Income of individuals employed in the United States by the parent company to support overseas business;

Third. Reduced sales of goods and services which would have been exported; and

Fourth. Reduced income earned by transportation companies, dock workers, et cetera.

I remain unconvinced that our Treasury will lose a significant amount of revenue if we make the much needed changes in the law.

The need for a permanent solution to this problem is most urgent. It is not enough to simply continue to enact delay upon delay as we have been doing. The individuals and businesses concerned must have a new tax law which will allow them to become competitive once again and they need it immediately. The uncertainty as to what the law will be and how great a tax burden will be imposed is already having a detrimental effect. Many people who have remained overseas and continued working in hope that their government will come to its senses have become discouraged by having to wait until a few weeks before the last day on which they can file a U.S. tax return, not knowing whether their tax bill will increase or decrease by $10,000 to $20,000. It is extremely unfair to these people to treat them in this manner.

These last minute "stay-of-executions" are also taking their toll on U.S. business operations overseas. Business finds itself in a difficult position when trying to be competitive and make long-term commitments not knowing whether the rules are going to change substantially during the interim. Construction projects often last for a period of 3 to 5 years and the larger projects may even cover a 10-year span. Some companies have already discontinued overseas operations as a result of these tax laws because it is simply a waste of their money to try and beat the price of its foreign competitors. Just this week, I learned that the board of directors of Edwards and Kelly, Inc., headquartered in Newark, N.J., has decided to phase out most of its international operations as current contractual obligations are satisfied. As a firm providing engineering services, it has found it almost impossible to replace the U.S. citizen employees who left foreign assignments because of our tax structure. They have had to abandon a 7-year continuous operation in Brazil and have lost several contracts primarily because high taxes have inflated their bids.

Other projects have seen third country nationals being hired to do work which originally was to be performed by U.S. citizens. This is just one company which has decided it is not profitable to fight both its foreign competitors and its own government. I suspect many more companies are patiently awaiting the result of any permanent legislation on this matter before making a final decision as to future international operations. I urge you to consider the effect of continued delay on American jobs, the balance of international trade, and our ability to continue to have a U.S. presence abroad.

CONGRESS MUST REACH A FINAL PUBLIC INTEREST SOLUTION TO TAXATION OF AMERICANS ABROAD

Mr. PROXMIRE. Mr. President, earlier today H.R. 9251 was passed by the Senate. I rise now to call attention to the provisions of section 911 which this bill as amended would put into the Tax Code. It is a real giveaway, and I would hope that we would be able to do something about it.

The present section 911 allows Americans who are residents abroad for 17 of 18 months to exclude $20,000 of earned income from their income. The amount rises to $25,000 if they become bona fide residents.

Only 150,000 tax returns claimed this privilege, but the cost is almost $500 million a year.

I am agreeing to this 1-year extension because there is combined with it the proposals of Senator RIBICOFF of Connecticut, which are a good-faith effort to come to grips with some of the genuine problems of Americans working overseas without at the same time giving away the Capitol dome.

But I want to serve a warning. June 15, 1978, is the filing date for Americans who worked overseas and earned money overseas in 1977. They are up in the air about what tax provisions they will file under. There is, therefore, some justification for the 1-year extension to cover the 1977 tax year. However, I am agreeing to this extension only because it includes Senator RIBICOFF's amendments and only because the Ways and Means Committee of the House of Representatives, has been holding hearings on this subject and it appears that it is possible to get a settlement of this matter this year.

I am agreeing to this provision instead of holding it up further, which in the present parliamentary circumstances could quite easily be done, because I am willing to accept a 1-year extension only if it is combined with a good-faith attempt to solve this problem once and for all.

While I believe the Ribicoff proposal is extremely generous and goes far beyond what I personally believe is the perfect answer, it does provide the correct general approach. It does recognize most of the unique and unusual problems a few Americans working abroad have to face without shelling out unnecessary tax bonanzas to everybody everywhere, whether they are in a high-cost or low-cost area, whether they have to pay blackmail housing costs or not, or whether they have to pay through the nose to send their kids to school or whether, as now, they get a tremendous $20,000 exclusion if they make no sacrifices whatsoever.

But let me serve this warning. If this bill comes back from the conference committee with a 1- or 2-year extension and no provisions by the House and Senate to solve this problem this year, then I intend to do all I can to stop it, whether June 15 is on us or not. I believe with the work Congress must finish this year that is not an idle threat.

Thus I am agreeing to this extension combined with the Ribicoff proposal because we should settle this matter this year, once and for all.

And since the Ribicoff proposal is in good faith and in the right direction and as the administration and the Treasury have now made a proposal, which is not unlike the Ribicoff proposal in principle even though it differs in detail, we should be able to solve this problem this year.

It will cost the Government $500 million in lost revenues to extend section 911 for 1977. But I am not willing to see us extend it for another year for 1978, and have a $1 billion tax lost.

The former is justified if it leads to a solution that is in the public interest. But if we merely get the extension with no substance, this Senator is prepared to object, and object strenuously, when the bill comes back from conference.

In my objections to section 911, I have always said I was willing to examine these tax provisions and the few legitimate and genuine problems connected with them, in good faith to seek a settlement. If that is what is going to happen, fine. But if this is merely another end

run to try to keep old section 911 on the books beyond the tax years beginning January 1, 1978, then this bill could be in deep trouble when it comes back to us later.

We should remember that the present 911 allows a $20,000 deduction from earned income merely if the American citizen lives 17 of 18 months abroad, or a $25,000 exclusion from earned income if the American citizen lives abroad as a bona fide resident.

Only 150,000 tax returns claim this privilege, but the cost is almost $500 million a year.

Ninety percent of the benefits go to those with incomes of over $30,000 a year. Half the benefits go to those with incomes of $50,000 or more. Consequently this is no widows and orphans loophole.

The provisions of old 911 make no sense and are unrelated to any objective standard. They must end this year now.

I, therefore, will not object to this bill and the amendment to extend old 911 for 1 year—calendar 1977—instead of 2. But I will object and object strenuously if the Ribicoff or Treasury or similar proposals are thrown out and old 911 or something like it or worse is substituted. In that situation this bill will be in trouble when it comes back.

I ask unanimous consent that my statement giving the Fleece of the Year Award to the Treasury over this issue last December, and my testimony, to the House Ways and Means Committee be printed at this point in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

FLEECE OF THE YEAR

Senator William Proxmire (D–Wis.) said Tuesday "I am giving my 'Fleece of the Year' award to the U.S. Treasury Department for its zealous support of a last-minute, end-of-the-year, end run attempt to amend the tax laws at a cost to the taxpayers of over $400 million this year. The provision the Treasury is supporting would allow about 150,000 American citizens living abroad to continue to pay no American taxes at all on $20,000 to $25,000 of earned income even though this loophole was supposedly closed in 1976.

"When it was learned I was blocking this end run for the rest of the year, I was besieged by top officials of this and previous administrations, by an intense mail campaign, and by expert lobbyists all dedicated to continue this gross injustice. It was a perfect object lesson in why tax reform gets clobbered."

Proxmire is Chairman of the Senate Banking, Housing and Urban Affairs Committee and a member of the Senate Appropriations and the Congressional Joint Economic Committees. The Wisconsin Senator gives a "Fleece of the Month" award for the biggest, most ridiculous, or ironic example of government action which "fleeces" the taxpayers. This culminates in a "Fleece of the Year" in December.

"A little known provision of the tax laws allows Americans who are residents abroad for 17 or 18 months to exclude $20,000 of earned income from their income. If they stay three years, the amount rises to $25,000. Further, if they pay any income taxes to a foreign government that amount can be offset against any American tax owed on amounts in excess of the $20,000 or $25,000. In addition, the exclusion is 'taken off the top' so that an American living on the French Riviera for 18 months who makes $40,000 can not only deduct $20,000 from the $40,000 but pays his remaining taxes at the lower $20,000 rather than the high $40,000 rate.

"These provisions make absolutely no sense. An American living in London, Paris, Rio, or at a Greek Island resort has no hardships equal to those of an auto worker in Racine, a paper mill employee in Northern Wisconsin, or a farmer near LaCrosse. Yet a Wisconsin family of four would pay taxes of $2,500 to $4,000 a year on the amount of income which the American abroad excludes from his income entirely.

"No argument can be made that it helps the 'little man'.

"According to an October 2, 1977 study by the Treasury's own Office of Tax Analysis, more than half the benefits of this loophole go to Americans making $50,000 or more. Over 90 percent of the benefits are taken by those with incomes over $30,000 a year."

"Americans living abroad receive a vast array of services and should pay the same taxes as those at home. They get the protection of the American military forces, the services of the American Embassy where they live, and the benefit of subsidies to the American airline or shipping company which got them there. In fact, the American may well be living abroad because he is working for a company which has a contract paid for by our foreign aid or at a military base or space tracking station provided by the American taxpayer.

"In 1976 Congress reformed this provision. But because of extraordinary pressures and lobbying from Americans and American firms doing business abroad, the effect of the new law was postponed until the tax year 1977.

"I'm giving the 'Fleece of the Year' award to the Treasury because now they are pushing postponement for yet another year. They have succumbed to the moans from mink-swathed Americans abroad who now pay no or few taxes but will have to begin paying taxes (of course, they moan), and to the arguments that the provision both creates jobs and stimulates business abroad. If we provided a $20,000 tax exclusion for employees of any firm doing business in Wisconsin, the State would be overrun with new businesses. But that wouldn't be fair for the rest of the American taxpayers living either at home or abroad.

"There is one legitimate complaint against the reform provisions, namely that a few Americans in high costs, hardship posts are unable to deduct the excessive costs. Senator Ribicoff has a bill which would get at that problem and I support his general thrust to reach a fair solution. That could be done quickly by amending the 1976 law.

"While the Treasury Department is sympathetic to that proposal they want to go further and support a generous $15,000 overseas exclusion for almost everybody, everywhere. Those Americans who spend their waking hours in the gambling casinos of Monte Carlo would get the same or better tax treatment as the American paying excessive rent for a third rate house at a construction camp in the Arabian desert. In fact the most recent Treasury suggestion would be worse than the law before the 1976 reforms.

"In spite of the pleas from the Treasury Department, pressures from well-heeled Washington lobbyists, and an outpouring of telegrams from American firms abroad, I have put a 'hold' on any attempt to pass this extension by unanimous consent during the dying moments of this Congressional session. I was not moved by pleas of hardship made to me personally on behalf of the President of Aramco and high officials of I.T.T.

"The Treasury Department richly deserves the 'Fleece of the Year' award for its stand to continue this flagrant tax loophole. I will continue my opposition until the Treasury Department pledges its support to end the exclusion while attempting to ameliorate those genuine, limited, special cases of hardship."

TESTIMONY OF SENATOR WILLIAM PROXMIRE

Mr. Chairman, My name is William Proxmire and I am a United States Senator from the State of Wisconsin.

I oppose the extension of Section 911 for another two years—i.e., for calendar 1977 and 1978 tax years as proposed by the Senate and to urge this committee to solve this problem this year. I am opposed to even a one year extension of "old 911" unless it is accompanied by a permanent law effective for the calendar 1978 tax year. The best solution would be to allow the 1976 reforms to go into effect now and then to make such minor amendments to that Act as to accommodate the very few and limited genuine problems which exist.

A continuation of Section 911 will cost almost one half billion dollars a year—or $498 million—in tax expenditures. The two year extension is thus a tax expenditure of a billion dollars.

Only about 150,000 Americans benefit from this flagrant tax loophole. What it does is to allow certain persons, merely by the fact that they live or reside abroad, to continue to pay no taxes at all on $20,000 or $25,000 of earned income.

The enormity of this special privilege can be seen from the fact that the amount of the exclusion itself is $7,000 to $12,000 a year more than the $12,686 median household income in the United States. Taxes on the latter are about $1,000 a year and the taxes which could be owed on the $20,000 to $25,000 of excluded taxable income are about $2,500 to $3,800, per year for a household of three.

To paraphrase Winston Churchill, never have so few benefited so much from the sacrifices of the many.

FACTS

Before turning to the arguments, I think it is important, first of all, to establish a factual basis.

"OLD" OF "PRE-1975" SECTION 911

Under the 1975 law, or "old" Section 911, which this Committee postponed once for calendar year 1976 and proposed be extended for yet another—or second year—and which the Finance Committee proposed extending for two more years, the following is true.

First, if one lives 17 or 18 months abroad one is entitled to exclude $20,000 of earned income from income for U.S. income tax purposes.

Second, if one is a bona fide resident of a foreign country—generally meaning three years of residence abroad—one is entitled to exclude $25,000 of earned income for U.S. income tax purposes.

Third, this amount is taken "off the top", that is to say if one had $40,000 of taxable income after deductions and allowances, the $20,000 exclusion would be deducted from the $40,000 and one would pay American taxes at the much lower rate applicable to the $20,000 rather than to the $40,000 of income.

In an example on page 3 of the Treasury Department publication Taxation of Americans Working Overseas of February, 1978 a single taxpayer with $40,000 of income after personal exemptions and deductions would owe a tax of $14,390 on this income if earned at home. The tax would be $5,230 on the first $20,000 and $9,160 on the additional $20,000. The effect of the $20,000 exclusion is to reduce that tax to $5,230.

Fourth, one can take as a credit against American income tax owed the income taxes

paid to the foreign government where one lives.

In the example cited above, the individual had paid $6,000 in income tax to a foreign government. This could be credited against the American income tax owed so that there would be no payment of U.S. tax and an excess foreign tax credit of $770 which could be used to offset taxes owed on other foreign income.

Fifth, until two recent Tax Court cases, the American government generally did not tax citizens on the additional payment for rent, education, travel allowances, or other "imputed" income provided by one's employer. That has recently changed.

The benefits from old Section 911 did not go to the weak and the poor. This is no "widows and orphans" loophole. According to an October 2, 1977 study by the Treasury's own Office of Tax Analysis, more than half the benefits went to 10 percent of those Americans abroad who earned $50,000 or more. Over 90 percent of the benefits of Old Section 911 went to those with incomes of $30,000 a year. As only four percent of all American taxpayers had Adjusted Gross Incomes in excess of $30,000. This was, indeed, a very good deal.

The 1976 Reforms attempted to change Old 911. On the whole these changes were very good and quite unexceptionable in principle. Here, on a factual basis, is what they did.

THE 1976 REFORMS

First, imputed income for rent, travel, education, etc., was included and "grossed" up. An individual with a $35,000 earned income after deductions and allowances, and $15,000 imputed income in rent, education allowances, travel back home, etc., would have a total income of $50,000. If either an exclusion or special deductions are to be given, grossing up is imperative. It is income. It should be included.

Second, from such an amount one could exclude $15,000.

Third, under the 1976 reforms the exclusion is taken "off the bottom" rather than off the top. The individual in the preceding example would owe income tax on only $35,000 but at the rates which would apply to the $50,000 income. That is a correct tax principle.

Fourth, the individual could still take a credit for foreign income taxes paid against any American income tax owed but not for the taxes paid on the "excluded income." In this case, to keep it simple, if one paid $5,000 in foreign income taxes one could take only $3,500 as a credit against the American income taxes owed, or three fifths, which is the ratio of $35,000 to $50,000. The principle, and again I assert it is a correct one, is that one can't have it both ways. One cannot both exclude income from taxation and then get a credit for the foreign income tax paid on that excluded income.

Fifth, if the effect of the exclusion were to raise ones taxes by denying one the right to take all the foreign tax credit, one could elect not to take the exclusion and to credit all ones foreign income tax paid against the American income tax owed.

Sixth, in addition, both under old 911 and the 1976 Reforms, one could deduct any property taxes paid abroad from income, but one is not allowed to deduct sales or valued added taxes. On the other side, if one lived in almost any industrialized country—and 44 percent of those taking the exclusion lived in Canada or Europe—one does not have to include as "imputed" income the value of health or other services universally supplied to residents. In most cases this would have the effect of increasing ones income or reducing ones routine costs by several thousand dollars.

And while the proposals to reform old 911—either the 1976 Reforms or the proposed Ribicoff approach—would rightly increase the taxes owed by Americans abroad neither approach in general would tax the American living abroad any thing like as much as the American at home would be taxed on the same income. And this is true even when consideration of the income taxes paid abroad are taken into account.

ARGUMENTS

Now let me turn to the arguments made against the 1976 Reforms and on behalf of Old Section 911.

KEEP OLD 911

First and foremost, most of those who argue against putting the 1976 Reforms into effect are really lobbying us to keep the status quo. This is the clear message I get from the hundreds of letters which the 911 lobby has showered on me in the last few weeks.

They want to keep Old Section 911. They are against any reforms. They are riding the gravy train and they want to keep their privilege and their loopholes. They make no bones about it and that's what they say.

I predict that if Congress extends 911 for another two taxable years, it will never be changed. If there is to be any reform it must be now and apply in calendar 1978.

HIGH COSTS

Then there is the argument of excessively high costs abroad. There are several answers to this.

The old 911 exclusion is unrelated to high or low cost areas. It is given indiscriminately to those in work camps in Saudi Arabia or those playing the gambling tables in Monte Carlo.

But, it is not the responsibility of the United States Government to provide a subsidy for every person either at home or abroad who moves from a low to a high cost area. If Company A moves Executive Jones from East Whistle Stop, Iowa to New York City, Executive Jones will require and the Company will have to pay him an additional salary to make the move worthwhile. So it is or should be in attracting Americans to work abroad. The business or company should be responsible for whatever additional salary or income it takes, through the market mechanism, to attract the employee abroad. That is not a function of government and it is intolerable to require citizens of Wisconsin, Oregon, or New York to subsidize the American citizen working abroad by picking up the half billion dollar a year tax tab which the latter does not pay.

To further illustrate the point, I do not believe that those Georgians who moved to Washington from Atlanta a year ago should have either a $20,000 exclusion or a special deduction for the extraordinary additional housing costs imposed on them, or the drop in income which some of them took in order to serve the government or for the Thanksgiving or Christmas trip back home to visit the grandparents. They, like Americans living abroad, have choices to make. And Uncle Sam should not be required to make them whole if they move from a low to a higher cost area.

Further, I believe there has been a gross exaggeration of the "high cost" argument. With some exceptions, it doesn't exist when all the circumstances are considered.

Finally, under the 1976 Reforms, a generous $15,000 exclusion of earned income was included because of the argument that those abroad had higher costs.

What we are asked to do is to legislate on the "worst case" hypothesis, often exaggerated, and generally not the responsibility of government in any case.

I have been inundated with mail organized from abroad moaning about the high costs and including examples. Not in a single letter I can recall has anyone mentioned the generous $15,000 exclusion provided by the 1976 Reforms.

IMPORTANT FOR EXPORTS

A third argument we hear is that Old 911 is essential to keep our balance of payments and balance of trade from getting worse. The argument is, "We promote exports." There are several answers to this.

First, there is no direct link to exports. The indivdual in exports sales gets the exclusion as well as those wholly unrelated to exports.

Second, if we want to subsidize exports, and I do not believe we should, this is indeed a most inefficient way of doing so.

Third, it is bad tax policy to subsidize exports through the tax system in any case. At the moment we are asked to subsidize almost every group in our society for almost every routine activity through the tax system. You name it, some one wants a tax write-off to do it.

Fourth, exports depend on the value of the dollar, foreign tariffs and quotas, the use of briefs as we unfortunately have found, health standards, relative costs, and a dozen or more other considerations.

I believe it is as specious to argue that continuing Old 911 will decrease our balance of payments deficit as it is to argue that during the period when Old 911 was extended our balance of payments have never been worse. Like the flowers that bloom in the spring, it has almost nothing to do with the case. Other influences are not only more important but decisive.

HARDSHIP ARGUMENT

There is the "hardship" argument. But is that valid? Many places abroad—London, Rio, Monaco, The Italian Riviera, the Greek Island, much of the Caribbean, Kashmir, New Zealand, to name only a few—are beautiful, even luxurious places to live. Life there is certainly no more harsh than living in Northern Wisconsin in the Winter, managing a dairy farm or driving 40 miles a day to labor in a foundry.

I note that the provisions for the new miners contract provides for an average of about $10 an hour. That is $20,000 a year for 50 weeks of work. In terms of hardship, almost no one working abroad has "hardships" equal to the miners. Why not a $20,000 exclusion for any miner living 17 of 18 months in a mining community here at home?

JOBS ARGUMENT

It is argued that Old 911 is important for American jobs—that Americans abroad order goods from the U.S. which provide jobs at home. Neither the Treasury nor any one else has made any objective study of that argument. About a third of our exports are farm products, the orders for which are unrelated to Section 911. Vast amounts of our exports go to Canada and Western Europe where Section 911 has had the smallest benefits (because they are high tax countries) and where exports and jobs appear essentially unrelated to the provisions.

Of course Section 911 may in fact stimulate some jobs abroad rather than at home. If we provided that the employees of any company moving to Wisconsin or Oregon or Upstate New York could exclude the first $20,000 of their income from taxation, those areas would be flooded with new firms and new workers. It may well be that Section 911 exports more jobs than it provides for those at home. The assertions about jobs I have seen are almost entirely self serving and without any objective basis.

GOVERNMENT SERVICES

It is essentially argued by many who have written me that they should pay no American taxes because they are aboard and do not receive the services of this Government. Well, I am outraged at that.

Without the military and economic might of this country, and the vast sums paid in taxes by millions of American citizens, many places where Americans live and work abroad would be unsafe for them.

They receive the protection of our military might and the services of the embassies, consuls, and missions abroad.

In both Lebanon and Vietnam, thousands of American civilians were evacuated when their lives were in danger.

They probably flew abroad on airlines which receive a vast array of services from the taxpayers—from airports to weather services to mail contracts. Their household goods may have been shipped by vessels built under provisions of the shipbuilding subsidy and aided by the operating subsidy. Many of them work on projects sponsored by the American government through its AID program or through its contributions to the U.N., World Bank, Inter-American, or Asian Bank, or through American military aid or sales or funds to pay for a space tracking station. Even the exports some of them promote may be financed by the Export-Import Bank at a below market rate.

Furthermore, merely because an American citizen lives a few years of his life abroad, he cannot and should not opt out of the requirements and obligations of citizenship. Unfortunately, it costs money to run our government, and the American abroad has the same obligation as those at home to support it with their taxes—no more and no less.

The rule that should properly apply is that American citizens with essentially equal incomes and equal family circumstances should pay essentially the same taxes whether they live in Waukesha, Wisconsin, Scarsdale, New York, or Timbuktu. It is the perversion of that principle, through loopholes and truckholes, and special privileges, that has brought the tax system into disrepute and a smarting sense of injustice to tens of millions of taxpayers who pay through the nose on almost every cent they earn while others get to exclude or deduct from or credit against their income tax vast amounts of money which those not so fortunately situated must fork over to Uncle Sam.

Old 911 is outrageous and should not be extended for two years. The 1976 Reforms include some of the most generous provisions in the tax code. For the few genuinely hardship cases—work camps in the Arabian Desert are the single most mentioned example—the ingenuity or good sense of the Treasury should be able to develop an answer tailored to the specific problem and not to universalize a loophole by extending to almost everybody everywhere special tax privileges justified in only the rarest of instances. To continue one of the most flagrant loopholes in the tax laws at a cost of a half billion dollars a year because some of the 5,133 persons in Saudi Arabia have rents they say are excessive is to allow the tail to wag the dog at a price which no efficient business, civilized government or opposed domestic taxpayer should have to endure.

The PRESIDING OFFICER. The bill having been read the third time, the question is, shall it pass?

The bill (H.R. 9251) was passed.

Mr. RIBICOFF. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. CANNON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The title was amended so as to read:

An Act relating to extensions of time for the existing tax treatment of certain items and to change the tax treatment of income earned abroad by U.S. citizens.

The PRESIDING OFFICER. What is the wish of the Senate?

Mr. CANNON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. McCLURE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

APPOINTMENT BY THE PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The Chair, on behalf of the President pro tempore, pursuant to Public Law 95-216, hereby appoints Mr. Russell W. Laxson, of Minnesota, to be a member of the National Commission on Social Security.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business with statements limited therein to 15 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the Committee on Foreign Relations.

(The nominations received today are printed at the end of the Senate proceedings.)

PRESIDENTIAL APPROVALS

A message from the President of the United States stated that on May 10, 1978, he had approved and signed the following joint resolutions:

S.J. Res. 106. A joint resolution to provide for the reappointment A. Leon Higginbotham, Junior, as a citizen regent of the Board of Regents of the Smithsonian Institution;

S.J. Res. 107. A joint resolution to provide for the reappointment of John Paul Austin as a citizen regent of the Board of Regents of the Smithsonian Institution; and

S.J. Res. 108. A joint resolution to provide for the reappointment of Anne Legendre Armstrong as a citizen regent of the Board of Regents of the Smithsonian Institution.

MESSAGES FROM THE HOUSE

At 1:01 p.m., a message from the House of Representatives announcing that the House has agreed to the concurrent resolution (S. Con. Res. 80) setting forth the congressional budget for the U.S. Government for the fiscal year 1979, with an amendment, in which it requests the concurrence of the Senate; that the House insists upon its amendment and requests a conference with the Senate on the disagreeing votes of the two Houses thereon; and that Mr. GIAIMO, Mr. MITCHELL of Maryland, Ms. HOLTZMAN, Mr. DERRICK, Mr. OBEY, Mr. LEHMAN, Mr. SIMON, Mr. FISHER, Mr. MATTOX, Mr. LATTA, Mr. CONABLE, Mr. ROUSSELOT, and Mr. BURGER were appointed managers of the concurrence on the part of the House.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. BUMPERS, from the Committee on Energy and Natural Resources, with an amendment and an amendment to the title:

S. 74. A bill to amend the Act of October 20, 1976, relating to payments to local governments based upon certain public lands within the boundaries of the jurisdiction of such governments, to include payments for lands on which certain semiactive or inactive military installations are located (Rept. No. 95-803).

By Mr. DOLE, from the Committee on Agriculture, Nutrition, and Forestry, without amendment:

S. 286. A bill to repeal certain requirements relating to notice of animal and plant quarantines, and for other purposes (Rept. No. 95-804).

By Mr. WILLIAMS, from the Committee on Human Resources, without amendment, and without recommendation:

S. Res. 431. A resolution to implement rule L of the Standing Rules of the Senate relating to employment practices (Rept. No. 95-805).

By Mr. SPARKMAN, from the Committee on Foreign Relations, without amendment:

S. Con. Res. 86. An original concurrent resolution relating to action by the Congress on certain sales of armaments to Egypt, Israel, and Saudi Arabia (together with individual views) (Rept. No. 95-806).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. BARTLETT (for himself and Mr. INOUYE):

S. 3056. A bill for the relief of Joseph Y. Quijano, his wife Marichu Larrazabal Quijano, and his son, Franz Joseph Quijano; to the Committee on the Judiciary.

By Mr. RIBICOFF (for himself, Mr. MOYNIHAN, Mr. WILLIAMS, Mr. CASE, Mr. BIDEN, Mr. STAFFORD, Mr. PELL, Mr. McINTYRE, and Mr. LEAHY):

S. 3057. A bill to amend the Internal Revenue Code of 1954 to provide relief to residential and certain institutional users of refined petroleum products in the event of a Presidential adjustment of imports of petroleum; to the Committee on Finance.

By Mr. HEINZ (for himself and Mr. RANDOLPH):

S. 3058. A bill to promote steel trade negotiations under the Trade Act of 1974; to the Committee on Finance.

By Mr. HEINZ:

S. 3059. A bill to amend the Trade Act of 1974 with respect to the reservation of textiles and textile products from negotiation; to the Committee on Finance.

By Mr. WILLIAMS (for himself, Mr. JAVITS, Mr. HATHAWAY, Mr. KENNEDY, Mr. PELL, Mr. RIEGLE, Mr. CASE, Mrs. HUMPHREY, and Mr. MOYNIHAN):

S. 3060. A bill to strengthen State workers' compensation programs, and for other purposes; to the Committee on Human Resources.

By Mr. JAVITS (for himself and Mr. MOYNIHAN):

S. 3061. A bill to authorize the Secretary of the Treasury to provide financial assistance for the city of New York; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. EAGLETON:

S. 3062. A bill for the relief of Isaac N. Hulver of Kansas City, Missouri; to the Committee on the Judiciary.

By Mr. THURMOND:

S. 3063. A bill for the relief of Anup and Lauleen Mody; to the Committee on the Judiciary.

By Mr. CANNON (for himself and Mr. PEARSON):

S. 3064. A bill to provide loan guarantees to aircraft operators to assist them in complying with Federal aircraft noise standards, to amend the Airport and Airway Development Act of 1970 to provide assistance to airport operators and aircraft operators to assist them in complying with noise standards, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. HANSEN (for himself, Mr. BENTSEN, Mr. MOYNIHAN, Mr. HARRY F. BYRD, Jr., Mr. GRAVEL, Mr. MATSUNAGA, Mr. CURTIS, Mr. DOLE, Mr. PACKWOOD, Mr. ROTH, Mr. LAXALT, Mr. DANFORTH, Mr. ALLEN, Mr. BAKER, Mr. BARTLETT, Mr. BELLMON, Mr. BROOKE, Mr. BUMPERS, Mr. BURDICK, Mr. CANNON, Mr. CHAFEE, Mr. CHURCH, Mr. CRANSTON, Mr. DECONCINI, Mr. DOMENICI, Mr. DURKIN, Mr. EASTLAND, Mr. GARN, Mr. GLENN, Mr. GOLDWATER, Mr. GRIFFIN, Mr. HATCH, Mr. MARK O. HATFIELD, Mr. HAYAKAWA, Mr. HELMS, Mr. HODGES, Mr. INOUYE, Mr. JAVITS, Mr. JOHNSTON, Mr. LEAHY, Mr. LUGAR, Mr. MCCLURE, Mr. MATHIAS, Mr. MELCHER, Mr. NUNN, Mr. PERCY, Mr. SCHMITT, Mr. SCHWEIKER, Mr. SCOTT, Mr. SPARKMAN, Mr. STAFFORD, Mr. STENNIS, Mr. STEVENS, Mr. STONE, Mr. THURMOND, Mr. TOWER, Mr. WALLOP, Mr. WEICKER, Mr. WILLIAMS, and Mr. YOUNG):

S. 3065. A bill to amend the Internal Revenue Code of 1954 to provide pre-1969 tax treatment for capital gains; to the Committee on Finance.

By Mr. PROXMIRE:

S. 3066. A bill for the relief of Yom Chong Ok; to the Committee on the Judiciary.

By Mr. BAYH:

S. 3067. A bill to extend the Commission on Civil Rights for five years, to authorize appropriations for the Commission, to effect certain technical changes to comply with other changes in the law, and for other purposes; read the first time and held at the desk.

By Mr. MATHIAS:

S. 3068. A bill for the relief of Hsiu-Yin Ma; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. RIBICOFF (for himself, Mr. MOYNIHAN, Mr. WILLIAMS, Mr. CASE, Mr. BIDEN, Mr. STAFFORD, Mr. PELL, Mr. MCINTYRE, and Mr. LEAHY):

S. 3057. A bill to amend the Internal Revenue Code of 1954 to provide relief to residential and certain institutional users of refined petroleum products in the event of a Presidential adjustment of imports of petroleum; to the Committee on Finance.

OIL IMPORT FEE AND ENTITLEMENTS TERMINATION—DISASTROUS BLOWS TO THE NORTHEAST

● Mr. RIBICOFF. Mr. President, with each passing day the enactment of the proposed tax on domestically produced petroleum—the Crude Oil Equalization Tax—is more remote. The future of this $13.5 billion tax is highly questionable at best.

By raising domestic oil prices to international levels, the Administration estimated that petroleum consumption would be reduced by several hundred thousand barrels each day. If Congress fails to approve the Crude Oil Equalization Tax, the President and several of his advisers have indicated that administrative action will be taken to achieve the same objective. The most frequently mentioned procedure is the imposition of a $5 per barrel fee on imported oil. This fee is permitted by the Trade Expansion Act of 1962, as amended, and requires no congressional authorization.

An oil import fee would have several very harmful pricing and economic consequences. A New York Times article states that:

> A fee would make it even harder for the Government to average the high price of foreign oil, and the lower price of domestic, through a system known as "entitlements."

Under the crude oil tax mechanism the two oil categories would have been brought into balance, thereby eliminating the need for the entitlements program.

A recent Library of Congress study, commissioned by my colleague from Ohio, Senator METZENBAUM, reveals that an oil import fee would increase the rate of inflation from 1.5 to 2.6 percent. This analysis also states that a $5 import fee could cost American consumers as much as $33.8 billion per year.

In 1976, 79 percent of New England's oil demand was direct product imports. Sixty-nine percent of New England's distillate fuel oil is from the foreign market. The State of New York imports over 20 million barrels of home-heating oil each year, a level which amounts to 36.6 percent of the 56.7 million barrels imported yearly by the entire country. New York's imports of refined products represent 34.7 percent of its yearly consumption of all petroleum products.

Mr. President, there are no energy resources of any significance in New England. Therefore we are more dependent on oil than other regions. Seventy-one percent of all New England's buildings are heated by oil and 74 percent of the population heat with oil. In Connecticut 72 percent of the population—2.2 million people—depend on oil for space heating. Over 1 million buildings in my State are heated with oil.

Energy prices in our region are 31 percent higher than the United States as a whole. Since the OPEC oil embargo 5 years ago the price of fuel has almost tripled. During the four preceding heating seasons the cost of heating oil has increased more than 150 percent.

Secretary Schlesinger and other administration officials acknowledge that the burden of oil import fees would fall disproportionately on the Northeast because of our dependence on imported oil.

The administration indicated that the entitlements system could be applied to equalize imported product costs to the extent necessary. There is presently a partial entitlements benefit—amounting to 30 percent or about 58 cents a barrel—afforded residual fuel oil imported to New England. During the very severe winter of 1976–77 an entitlements system was temporarily applied to imported distillate fuel oil in New England. While the entitlements system has not worked particularly well in New England and probably would not be able to effectively accommodate a $5 or $6 per barrel import fee, it at least offered some modicum of protection. However, the Senate Energy Committee has just taken steps to bar even this modest protection.

Mr. President, home heating oil consumers in New England and the Northeast must not be expected to bear an unjust share of the energy crisis or an inequitable amount of energy cost increases. We have made significant progress in reducing the region's oil dependence. The average home in the area has reduced fuel oil usage by at least 15 percent. Important steps have been taken to save energy. Why, then, should we be penalized simply because we must depend so heavily on imported oil?

In an effort to protect home heating oil consumers against extraordinary price rises created by an oil import fee, I am introducing legislation to provide a refundable tax credit. The House-passed crude oil equalization tax provides for a rebate mechanism for home heating oil and the Senate energy tax bill contains a refundable tax credit.

The bill I offer today—which eight colleagues have joined—is a modest proposal. The credit shall not exceed $75 for any one year. There is a reduction of the credit as one's adjusted gross income rises beyond $20,000. The credit will be available only in the event of a Presidential imposition of an import fee. The bill covers only households and certain groups not subject to income tax such as hospitals, educational institutions and churches.

I introduce the measure at this time—before an import fee has actually been levied—to focus the Senate's attention on the dilemma facing the Northeast and to afford the administration an opportunity to review and comment on the tax credit proposal.

Equity in energy pricing must be maintained. I am hopeful the President, Secretary Schlesinger and others will carefully evaluate the regional impact of any import fee on refined petroleum products.

Mr. President, I ask unanimous consent that the text of my bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3057

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to credits allowed) is amended by inserting immediately before section 45 the following new section:

"SEC. 44C. REFINED PETROLEUM PRODUCT IMPORT ADJUSTMENT CREDIT.

"(a) GENERAL RULE.—There is allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the sum of the products of—

"(1) the adjustment amount (as determined under subsection (b)) with respect to a refined petroleum product for each calendar quarter ending with or within the taxable year, multiplied by

"(2) the number of units (as defined by the Secretary) of such refined petroleum product used by the taxpayer for each such calendar quarter in a qualified use (as defined in subsection (c)).

"(b) DETERMINATION OF ADJUSTMENT AMOUNTS.—For each calendar quarter beginning after the effective date of action taken by the President after March 31, 1978, under section 232 (f) of the Trade Expansion Act of 1962 to adjust imports of refined petroleum products by the imposition of, or an increase in, a duty or fee, the Secretary shall determine an adjustment amount for each such product by dividing the total revenues from the imposition of the duty or fee, or the net increase in revenues from an increase in a duty or fee, for the calendar quarter by the total number of units of that refined petroleum product sold for use during that calendar quarter. The adjustment amount for each calendar quarter shall be determined not less than 30 days before the beginning of that quarter on the basis of estimates and the adjustment amount for subsequent quarters shall be adjusted to the extent necessary to compensate for errors of estimate for preceding quarters.

"(c) QUALIFIED USE.—The term 'qualified use' means use in a residence for residential purposes, a hospital, a church, or an educational institution. In the case of use in a residence for residential purposes, the Secretary shall provide by regulation for the application of this section to condominium management associations (as defined in section 528(c)(1)) or members of such associations, tenant-stockholders in cooperative housing corporations (as defined in section 216), and landlords and tenants in such a fashion that the amount allowed by subsection (a) is allowed, whether by allocation, apportionment, or otherwise, to the persons paying, directly or indirectly, for the refined petroleum products so used.

"(d) LIMITATIONS IN THE CASE OF INDIVIDUAL TAXPAYERS.—In the case of an individual.—

"(1) MAXIMUM AMOUNT.—The amount of the credit allowed by subsection (a) for the taxable year shall not exceed $75.

"(2) REDUCTION OF CREDIT FOR ADJUSTED GROSS INCOME IN EXCESS OF $20,000.—The amount of the credit allowable by subsection (a) for the taxable year (after the application of paragraph (1)) shall be reduced by .75 percent of the amount by which the adjusted gross income of the individual for that taxable year exceeds $20,000. ($10,000 in the case of a married individual who files a separate return).

"(e) PERSONS NOT SUBJECT TO INCOME TAX—For purposes of this section, a hospital, cooperative hospital service organization, church, association or convention of churches, or an educational institution exempt from taxation under this chapter by section 501(b), shall be treated as if it were a taxpayer liable for tax under this chapter.".

(b) REFUND OF EXCESS CREDIT.—

(1) Section 6401(b) of such Code (relating to amounts treated as overpayments) is amended—

(A) by striking out "and 43 (relating to earned income credit)," and inserting in lieu thereof "43 (relating to earned income credit), and 44C (relating to refined petroleum product import adjustment credit),", and

(B) by striking out "and 43" and inserting in lieu thereof "43, and 44C".

(2) Section 6201(a)(4) of such Code (relating to assessment authority) is amended—

(A) by striking out "or 43" in the caption thereof and inserting in lieu thereof ", 43, or 44C",

(B) by striking out "or section 43" and inserting in lieu thereof ", section 43", and

(C) by inserting "or section 44C (relating to refined petroleum product import adjustment credit)," before "the amount so overstated".

(c) ADVANCE QUARTERLY REFUNDS OF CREDIT.—

(1) IN GENERAL.—Subchapter B of chapter 65 of such Code (relating to rules of special application for abatements, credits, and refunds) is amended by adding at the end thereof the following new section:

"SEC. 6429. ADVANCED QUARTERLY REFUND OF SECTION 44C CREDIT

"(a) GENERAL RULE.—Upon application made by a taxpayer eligible to claim the credit allowed by section 44C for the taxable year, the Secretary shall pay to the taxpayer, as a refund in advance, an amount equal to one-fourth of the taxpayer's tentative credit for the taxable year. For purposes of this subsection, the term 'tentative credit' means the amount of the credit the taxpayer expects to be allowed under section 44C for the taxable year based on the best estimates and data available to the taxpayer as of the filing date of the application.

"(b) RULES.—

"(1) APPLICATIONS.—The taxpayer shall submit a separate application for each calendar quarter for which he wishes to receive a payment under subsection (a) stating the amount of the credit under section 44C allowable to him with respect to qualified uses (as defined in section 44C (c)) by him for that calendar quarter. No payment shall be made under subsection (a) for any calendar quarter unless the application is filed during the 30-day period beginning 15 days before the beginning of such quarter. Each such application shall contain, or be verified by, a written declaration that the statements and the application are made under penalties of perjury and that every material matter asserted in the application is believed to be true and correct.

"(2) PAYMENTS.—The Secretary shall make each payment described in subsection (a) within 30 days after the date on which he receives the application for the payment.

(c) CROSS REFERENCES.—

"For penalties applicable to fraud and false statements, see section 7206.

"For treatment of excess claims as underpayments of tax, see subchapter A of chapter 68.".

(d) CLERICAL AMENDMENTS.—

(1) The table of sections for subpart A of part IV of subchapter A of chapter 1 of such Code is amended by inserting immediately after the item relating to section 44B the following new item:

"SEC. 44C. REFINED PETROLEUM PRODUCT IMPORT ADJUSTMENT CREDIT.".

(2) The table of sections for subchapter B of chapter 65 of such Code is amended by adding at the end there of the following new item:

"SEC. 6429. ADVANCED QUARTERLY REFUND OF SECTION 44C CREDIT."

SEC. 2. The amendments made by the first section of this Act shall apply with respect to taxable years beginning after December 31, 1978.●

By Mr. HEINZ (for himself and Mr. RANDOLPH):

S. 3058. A bill to promote steel trade negotiations under the Trade Act of 1974; to the Committee on Finance.

THE NEED FOR STEEL SECTORAL NEGOTIATIONS

● Mr. HEINZ. Mr. President, although the administration has come a long way in its attitude toward the American steel industry, it is clear that we all still have a long way to go in terms of our understanding and support for this vital sector of our economy.

Particularly disturbing is the lack of an affirmative long-term approach to the steel industry trade problem. Steel, for many reasons, will continue to thwart orderly international trade relations and the liberalization of world trade. It is, politically and economically, a basic industry. Government involvement runs deep. It is highly cyclical and, therefore, induces recurring if not chronic problems in trade relations as nations respond individually to periods of slack demand.

We can no longer afford a short-term policy of "buying time" on steel hoping that a resurgence of demand will cause the trade problem to dissipate. The economic stakes are too high. Our industry and our workers deserve to know where they stand in the long run. Of equal importance, our trading partners should know where they stand.

Consider the chaos and unilateralism that currently reigns in steel and the implications for multilateral trade relations.

Nations are one by one adopting nationalistic solutions to the common ill of weak steel demand, over capacity, and heavy surges of dumping. Sometimes countries consult before the fact, most often they do not.

Sometimes affected parties have an opportunity to negotiate reasonable conditions to protect their legitimate commercial interests, most often they do not.

Some of the restrictive measures affecting steel trade are out in the open, often they are not.

Some trade restrictive measures are clearly defined, others are shrouded in complexity and confusion.

Sometimes there is adequate information and data supporting national decisions, most often such detail is lacking. Whenever data is offered, it lacks international comparability.

In my view, these glaring deficiencies in the international rules governing the conduct of steel trade offer unbridled opportunities. Realization of such opportunities requires leadership. It calls for imaginative solutions. It is with this spirit and intent that Senator RANDOLPH and I today are introducing legislation to promote the adoption of a positive policy program for steel within the framework of the multilateral trade negotiations currently in progress in Geneva.

Recognizing that tariff cuts on steel, standing alone, represent an abdication of responsibility in dealing with more deeply rooted problems besetting the steel industries of the world, and recognizing that there is no "ultimate" international solution to the world steel trade problem that can realistically be set forth while nations are deeply enmeshed in rescuing their steel operations; we recommend that the United States join with Europe, Japan, Canada, and the principal lesser developed countries which produce steel with the view to setting in motion a multiphase approach to the steel trade issue. Specifically, we recommend that attention be directed to achieving and implementing a steel trade agreement in the GATT which would embody the objectives of sections 104, 107, and 121(a)(12) of the Trade Act of 1974, especially as they pertain to adjustments in trade flows.

In the past, there has been some misunderstanding and, therefore, opposition to the request for "steel sector negotiations," even though such request is consistent with the Trade Act of 1974. Use of the phrase has evoked criticisms of a steel cartel and, in the minds of some, a closed-door policy on American imports of steel.

Obviously, we do not support formation of a steel cartel. This would be an extreme form of dealing with the problem. We believe that there are other alternatives that would more appropriately benefit the national interest by instituting a more organized, more above-board approach to dealing with steel trade problems. We recognize that this objective may not be in the interests of countries which may prefer to deal with steel as an issue that can be subject to bilateral "understandings" and to discriminatory "deals." Such activities cannot help but damage and impede trade liberalization over the longer term.

Finally, we feel that the industry and labor stance on tariff reductions is fully justifiable within the spirit and the intent of the Trade Act of 1974. Tariff offers on steel should be deferred—not exempted until such time as the standing steel committee of GATT is administering a steel sector agreement incorporating a safeguard arrangement acceptable to the Congress, the industry, and the United Steelworkers.

Unfortunately, in the general multilateral trade negotiations nontariff issues—such as, safeguards, subsidies, Government procurement, and customs matters—offer at this time little hope of a meaningful outcome. This reinforces the need for a separate approach for steel in which subsidies, safeguards, and other issues are accorded specialized treatment.

Congressional action is not the only way to achieve this objective, and there is some indication that the administration has similarly recognized the need for steel sectoral negotiations and is moving, albeit timidly, in that direction. It is our hope that the introduction of this bill, which prohibits trade barrier reductions in steel until a sectoral agreement has been reached, will give the administration an incentive to work harder for sectoral negotiations, and will send a message to other steel producers that the Congress and the people of the United States are determined to defend the American steel industry against unfair and discriminatory trade practices.

Mr. President, I ask unanimous consent that the text of the bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3058

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Steel Trade Negotiations Act of 1978".

SEC. 2. The purpose of this Act is to promote the goals of the Trade Act of 1974, which provides—

(1) authority to reduce tariffs;

(2) authority to conduct trade negotiations on the basis of appropriate product sectors of manufacturing;

(3) authority to obtain internationally agreed upon rules and procedures which permit the use of temporary measures to ease adjustment to changes occurring in competitive conditions in domestic markets;

(4) authority to seek revision of the international safeguard procedures of the General Agreement on Tariffs and Trade; and

(5) authority to take such action as is practicable to establish within the General Agreement on Tariffs and Trade an international agreement on articles, including the creation of regular and institutionalized mechanisms for the settlement of disputes, and of a surveillance body to monitor all shipments in such articles.

SEC. 3. (a) For purposes of the Trade Act of 1974, the steel sector, as defined by subsection (b) of this section, shall be identified as an appropriate product sector under section 104(c) of such Act.

(b) As used in this section, the term "steel sector" means the sector of manufacturing which produces the articles of steel listed in the following table. Each item listed is a reference to an item number with a statistical suffix in the Tariff Schedules of the United States Annotated.

Tariff schedules of the United States, annotated item numbers and article description

Carbon and alloy steel

(1) 608.15.00, 608.16.00, 608.18.40: Ingots, blooms, billets.

(2) 608.70.00, 608.71.00, 608.73.00, 608.75.00, 608.76.80, 608.78.80: Wire rods.

(3) 609.80.05, 609.80.15, 609.80.35, 609.80.41, 609.80.45, 609.82.00: Structural shapes—heavy (all grades).

Carbon and alloy steel

(4) 609.96.00, 609.98.00: Steel piling.

(5) 608.84.10, 608.84.15, 608.87.20, 608.89.00, 608.94.20, 608.95.10, 608.85.25, 608.88.25, 608.-96.20: Plates.

(6) 610.20.00, 610.21.00, 610.25.00, 610.26.00: Rails and track accessories.

(7) 690.25.00, 690.30.00: Wheels and axles.

(8) 608.45.20, 608.45.40, 608.45.60, 608.46.20, 608.46.40, 608.46.60, 608.48.00, 608,52.40: Hot rolled bars.

(9) 609.80.50, 609.80.70, 609.80.90: Hot rolled bars (shapes under 3 inches).

(10) 608.40.00, 608.41.00, 608.42.00: Reinforcing bars.

(11) 608.50.05, 608.50.15, 608.52.80: Cold finished bars.

(12) 610.30.00, 610.31.00, 610.32.05, 610.32.16, 610.32.18, 610.32.26, 610.32.28, 610.32.35, 610-32.46, 610.32.48, 610.32.50, 610.32.55, 610.32.65, 610.39.25, 619.39.35, 610.39.45, 610.39.55, 610.-42.25, 610.42.35, 610.42.45, 610.42.55, 610.45.00, 610.48.00, 610.49.20, 610.49.25, 610.49.30, 610.-49.34, 610.49.38, 610.35.00, 610.36.00, 610.37.25, 610.37.35, 610.37.55, 610.37.75, 610.40.25, 610.-40.35, 610.40.45, 610.40.55, 610.43.25, 610.43.35, 610.43.45, 610.43.55, 610.46.00, 610.51.60, 610.-52.70, 610.52.75, 610.52.85: Pipe and tubing.

(13) 609.40.10, 609.40.40, 609.40.55, 609.40.-65, 609.41.05, 609.41.20, 609.41.25, 609.41.65, 609.43.05, 609.43.15, 609.43.65, 609.70.05, 609.-70.15, 609.72.00, 609.20.00, 609.21.00, 609.22.00, 609.25.00, 609.26.00, 609.27.00, 642.96.00, 642.-97.00, 642.90.00, 642.91.00, 609.45.30, 609.45.60, 609.75.00, 609.76.00, 609.30.40, 609.31.40, 609.-32.40, 609.35.00, 609.36.00, 609.37.00: Drawn wire (including bale ties).

(14) 646.25.00, 646.26.20, 646.26.40: Nails and staples.

(15) 642.02.00: Barbed and twisted wire.

(16) 642.35.00, 642.35.40: Woven wire fence.

(17) 608.81.00, 608.82.00, 608.90.00, 608.-91.00, 608.92.00, 609.17.00: Tin mill products.

(18) 608.84.40, 608.87.42, 608.85.60: Hot rolled sheets.

(19) 608.87.44, 608.88.65: Cold rolled sheets.

(20) 608.93.00, 608.94.30, 608.95.30, 608.-96.40: Coated sheets and strips (including galvanized).

(21) 608.88.45, 609.07.25: Electric sheets and strip.

(22) 609.02.20, 609.03.20, 609.04.20, 609.-02.40, 609.03.40, 609.04.40, 609.06.70, 609.07.70, 609.08.70: Hot rolled and cold rolled strip.

Carbon and Alloy Steel

(23) 608.52.20, 608.52.25, 608.52.35, 608.-52.60, 608.52.65, 608.52.75, 608.60.00, 608.61.00, 608.62.00, 608.76.40, 608.76.65, 608.76.70, 608.-78.40, 608.78.65, 608.78.70, 608.85.07, 608.85.08, 608.88.07, 608.88.08, 609.06.55, 609.06.60, 609.-07.55, 609.07.60, 609.08.55, 609.08.60, 609.45.20, 609.45.50: Tool steel (including hollow drill steel).

Stainless

(24) 608.18.20: Ingots, blooms, billets.

(25) 608.76.20, 608.78.20: Wire rods.

(26) 608.85.10, 608.88.10: Plates.

(27) 608.52.10: Hot rolled bars.

(28) 608.52.50: Cold finished bars.

(29) 610.37.05, 610.37.15, 610.37.45, 610.-37.65, 610.51.30, 610.52.25, 610.52.35: Pipe and tubing.

(30) 609.45.10, 609.45.40, 609.30.20, 609.-31.20, 609.32.20; Drawn wire.

(31) 608.85.40: Hot rolled sheets.

(32) 608.88.40: Cold rolled sheets.

(33) 609.06.25, 609.06.30, 609.07.20, 609.-08.20: Hot rolled and cold rolled strip.

SEC. 4. Section 127 of the Trade Act of 1974 is amended by redesignating subsec-

tions (c) and (d) as subsections (d) and (e), respectively, and by inserting after subsection (b) the following:

"(c) No proclamation shall be made pursuant to the provisions of this Act reducing or eliminating the duty or other import restriction on the articles of steel listed in subsection (b) of section 3 of the Steel Trade Negotiations Act of 1978, until such time as the President enters into a steel trade agreement or agreements with foreign countries or instrumentalities embodying the objectives of sections 104, 107, and 121(a)(12) of this Act."●

By Mr. WILLIAMS (for himself, Mr. JAVITS, Mr. HATHAWAY, Mr. KENNEDY, Mr. PELL, Mr. RIEGLE, Mr. CASE, Mrs. HUMPHREY, and Mr. MOYNIHAN):

S. 3060. A bill to strengthen State workers' compensation programs, and for other purposes; to the Committee on Human Resources.

NATIONAL WORKERS' COMPENSATION STANDARDS ACT OF 1978

Mr. WILLIAMS. Mr. President, today I am introducing, for myself and Senators JAVITS, HATHAWAY, KENNEDY, PELL, RIEGLE, CASE, HUMPHREY, and MOYNIHAN, the National Workers' Compensation Standards Act of 1978.

This important bill represents nearly a decade of hard work, and embodies the ideas and recommendations of our Nation's foremost experts on workers' compensation.

Ten years ago it was widely recognized that our workers' compensation system had become outmoded and inadequate. In 1970, we established the National Commission on Workmen's Compensation Laws, to study and evaluate State workers' compensation laws—to determine whether they provided an adequate, prompt, and equitable system of compensation for injury or death arising from employment.

The 15 members of the National Commission came from State workers' compensation boards, insurance carriers, business and labor, members of the medical profession, educators having special expertise in the field of workers' compensation, and representatives of the general public. The Secretaries of Labor, Commerce, and Health, Education, and Welfare were made ex officio members.

In 1972, this Commission, composed of the Nation's best experts on the subject, issued a thorough report on the status of State workers' compensation laws. The Commission unanimously concluded that the workers' compensation system was inadequate, inequitable, and inefficient. It issued 84 recommendations for improvements in State workers' compensation laws and urged their adoption. With regard to the most important of its recommendations, it concluded that the need for remedial legislation was so great that Federal action should be taken if the States had not acted by July 1975.

Since the National Commission's report in 1972, State workers' compensation programs have been the subject of continuing examination, analysis, and discussion. No doubt, some of this discussion was prompted by Federal workers' compensation legislation which I sponsored in both the 93d and the 94th Congresses.

In the 93d Congress, the Committee on Labor and Public Welfare, which I chaired, held 12 days of hearings on this legislation, in seven cities and in Washington, D.C., the committee received over 400 items of evidence, and heard over 250 witnesses.

Our committee held several additional days of hearings in the 94th Congress on a substantially revised bill. Testimony and documents submitted to the committee on that bill alone, total more than 1,000 pages.

In addition to our legislative activity, the executive branch has also been active.

In May 1974, the Secretaries of Labor, Commerce, and Health, Education, and Welfare, and the Federal Insurance Administrator published a white paper on workers' compensation, generally supporting the 19 essential recommendations of the Commission, and also supporting the concept of cost-of-living adjustments to long-term benefits. The white paper noted the important need for major improvements in State data systems; and it recommended formation of an administration task force on workers' compensation.

The resulting task force has developed a large body of technical information and provided substantial assistance to the States. Six research surveys were commissioned by the task force, and one by the National Science Foundation. Fifteen experts working with the task force have prepared draft analytical reports using information from these surveys and other available sources.

On January 19, 1977, the policy group of the task force filed its summary report with the President and the Congress. In this report, the policy group expressed concern about deep inadequacies which exist in the system of compensation for disability, work-related death, and occupational disease victims. With regard to permanent disability and death cases, the policy group found "excessive litigation, long delays in payment, high subsequent rates of persons without employment, and little relationship between the benefits awarded and the actual wage loss." The policy group concluded that "a sharp reordering of priorities and a new mode of operation will be necessary if workers' compensation is to achieve its traditional goals."

I certainly welcome the previous administration's demonstration of bipartisan support for needed reforms in the workers' compensation system. Although that administration stopped one step short of supporting Federal legislation, it is a very short step from the recognition of the severity of this problem to the conclusion that we must act to solve it.

Mr. President, the time for enactment of Federal minimum standards for workers' compensation is now.

The time frame that the National Commission recommended for the States to have revised their own laws to meet minimum standards has passed and, State laws still fall far, far short of the National Commission's recommendations.

I find it sad that as of January 1, 1978, no State had met all 19 of these very basic and fundamental standards. In fact 13 States still meet fewer than 10 of the Commission's essential recommendations. Over half the States have failed to meet the Commission's recommended benefit levels and, of these, nine States still provided benefit levels which were below the national poverty level. This is a shocking record in the face of the strong, nonpartisan, carefully reasoned recommendations made by the National Commission.

Mr. President, we can no longer wait for the States to act individually in this area. The Department of Labor estimates that there were approximately 7,000 deaths and 2,400 cases of permanent total disability which were compensated under State workers' compensation programs in 1976.

Under the presently existing system, we know that many of these claims did not receive the attention they deserve, and that often benefits are not sufficient to support the victims and their dependents.

Furthermore, incomplete coverage under State laws, and administrative inefficiencies which discourage the filing of claims have left an uncountable but, we fear, a substantial number of victims who do not receive workers' compensation at all. Our experience in compiling injury data under the Occupational Safety and Health Act shows that the incidence of work-related injuries and illnesses has been traditionally understated, and that many more workers are injured or killed than are officially reported. It would appear that there are, in fact, approximately 14,000 work-related deaths each year.

Thus, the large and continuing gap between what must be done and what is being done by our workers' compensation system is too widely recognized, and its consequences are too compelling to permit further delay.

This legislation has succeeded in developing Federal minimum standards which will encourage the improvements which must be made to our State workers' compensation programs if they are to provide fair and adequate compensation to ill and injured workers in a modern, industrialized society. Equally important, this bill accomplishes this goal without creating a new Federal program in place of existing State programs.

We have sought to provide only the most truly essential requirements through Federal legislation. As the national Commission recognized, in 1972, any attempt to provide modern and adequate workers' compensation should have five basic objectives:

First, broad coverage of employees and work-related injuries and diseases;

Second, substantial protection against interruption of income;

Third, provision of sufficient medical care and rehabilitation services;

Fourth, encouragement of safety;

Fifth, an effective system for delivery of the benefits and services.

Mr. President, with this legislation we intend to provide the broadest practicable coverage for employees.

It is also our goal to establish adequate weekly benefits keyed to the level of statewide average weekly wages in each State, and to give injured or ill employees the right to full medical benefits, to assure rehabilitation so that disabled workers can be restored to a productive role in our society, and to encourage their reemployment when they are able to resume working.

These basic goals are central to any fair and adequate workers' compensation system.

There are important improvements which this bill makes over previously introduced workers' compensation bills.

The first of these improvements is in the area of enforcement. S. 2008, in the 93d Congress, required each State to submit a plan in accordance with criteria published by the Secretary of Labor.

Where a plan did not meet the Secretary's standards, the Federal Longshoremen's Act was substituted for the State compensation law. It was, of cource, our sincere hope that all States would comply with the Federal standards and that there would be no federalization.

However, in recognition of the likelihood that some States would not comply and that a substantial Federal presence would be created in this area, the bill which was introduced in the 94th Congress (S. 2018) took a different approach. That bill provided that, upon their effective date, provisions of Federal law were to be enforced by each State's workers' compensation agency as if they were a part of the workers' compensation laws of the States. This so-called "as if" approach to enforcement of Federal standards avoided the necessity of creating or expanding a Federal agency to enforce Federal workers' compensation standards. However, it was criticized as a usurpation of State control and authority over agencies of State government.

In this bill, we have developed a method of enforcing Federal standards which neither usurps the resources and prerogatives of State agencies nor threatens to make a wholesale substitution of Federal enforcement in place of State enforcement. Instead, we defer to State agencies in every case, and provide a backup Federal enforcement mechanism which applies only where State law does not meet Federal standards.

This bill gives the States every encouragement and opportunity to provide benefits in accordance with Federal standards. Employees or their beneficiaries who are seeking workers' compensation must seek it from State agencies or courts. In every case, they will be required to present as much of their case as State law permits to the appropriate State agencies.

Under this system, if a State law is certified as meeting the Federal minimum standard, all claims relating to that standard are determined solely by the State, and there is no access to Federal enforcement.

If a State law is not certified as meeting the Federal standard, claims must still be filed with and adjudicated in the State. The claimant can only seek Federal enforcement of his claim after it becomes clear that he will not be awarded compensation required by the Federal standard in the State system. Even in these cases, essential questions such as whether the disability was job related, and the degree of disability, are solely governed by State law; and the Federal benefits review board, which will enforce the Federal standards, must give conclusive weight to the determinations of the State agency. In every case, the record from the State agency will serve as the foundation for the Federal claim.

The Benefits Review Board will have the authority to obtain additional evidence or information through an administrative law judge or other administrative officials. However, where the record developed in the State agency is complete with regard to the issues presented to the Federal agency, no further evidentiary proceedings will be necessary.

This approach recognizes the importance of maintaining the stability and viability of State workers' compensation agencies.

It also has the advantage of keeping the Federal enforcement effort as small as possible. The day has passed when large Federal agencies can be a panacea for every major social problem. We recognize the need to achieve some important national goals through cooperation with the States and through providing needed Federal assistance.

The second significant improvement contained is comprehensive coverage of occupational diseases within the compensation system. Our State workers' compensation laws developed in a time when our industrial life was vastly less complex than it is now. In large part, these laws were designed to cope with traumatic injuries.

But, the widespread introduction of chemical compounds into our industrial processes after World War II has not only revolutionized our industry, it has spawned a whole new industrial and environmental health problem for our society.

The extent to which we rely on chemicals in our industrial processes is truly staggering. There are hundreds of thousands of chemicals in industrial use, and a new chemical formulation is introduced every 20 minutes. The National Institute for Occupational Safety and Health has identified some 21,000 chemicals as toxic, and we suspect that some 2,400 of these chemicals may cause cancer.

Yet, chemicals are not the only causes of industrial diseases. An equally pervasive disease risk results from dust in our factories and mines which we have been unable to properly control.

We are now starting to see disturbing signs that occupational diseases may be approaching epidemic proportions in our Nation.

Certain isolated situations grab the headlines: Disturbing incidences of nerve damage resulting from exposure to pesticides, liver carcinoma among workers exposed to vinyl chloride, sterility among male workers formulating pesticides.

But we have seen indications of potentially more widespread occupational disease. The Department of Health, Education, and Welfare has recently announced a program to inform an estimated 8 to 11 million workers who have been exposed to asbestos on the job since World War II that they may be at risk of respiratory disease, cancer of the lungs or intestines, and mesothelioma.

It is now time to insure that our workers' compensation laws will be able to fairly compensate the victims of occupational disease. Unfortunately, the laws of the States are inadequate.

One of the essential recommendations of the National Commission was that all States provide full coverage for work-related diseases, and this is an important feature of this bill.

Section 4(g) of the bill establishes a Federal standard which eliminates all of the so-called artificial barriers to occupational disease compensation.

While this provision creates no presumptions in favor of claimants, it gives every worker with a job-related disease the right to file a claim, and to be awarded compensation if the worker can prove that his or her disability was the result of a disease which arose out of and in the course of employment.

The "artificial barriers" which currently exist in some States have often put hurdles in the path of claimants, forcing them to shop among physicians for diagnosis, and resulting in the often unfair denial of claims for arbitrary reasons.

But, eliminating the "artificial barriers" is just a starting point. Section 5 of the bill authorizes the Secretary of Labor, in conjunction with the Secretary of Health, Education, and Welfare, to develop specific standards dealing with occupational disease compensation.

These standards will incorporate the most up-to-date medical knowledge on diagnosis and causation, and will make provision for fair and efficient compensation for the victims of occupational diseases.

Our bill is prospective with respect to its coverage and application, but the Secretary of Labor is to conduct studies to determine the extent to which there are occupational disease victims who are not being compensated and to make recommendations to the Congress as to how such individuals can be fairly compensated.

These provisions are consistent with the 1972 recommendations of the National Commission, and they are even more necessary today, in light of the serious problem which our country is

facing in compensating victims of occupational disease.

Finally, Mr. President, we have included a provision in this bill which goes a long way toward solving the problems which have arisen, because of the increasing prevalence and impact of suits against machine manufacturers.

Under the present system, manufacturers of machinery and equipment continue to be liable for accidents which result from its use, even though they ordinarily have no control over the working environment. This has exposed manufacturers to enormous product liability claims, and has made it difficult for them to obtain complete liability insurance at reasonable rates.

It is important to recognize the interest of injured employees in seeking compensation from responsible manufacturers where they have suffered injury as a result of deficiencies in machinery. However, we should also recognize that workers' compensation should, and will under this legislation, provide employees with sufficient compensation to replace the wages they can no longer earn, and provide them a measure of security for the future. When this is done, it should be a relatively extreme case in which an employee will require, or obtain, a substantial additional judgment from a product manufacturer.

Accordingly, this legislation provides that the workers' compensation system shall be the exclusive remedy against employers, their insurers, and other related persons; and that the value of workers' compensation awarded must be deducted from any judgment obtained against a third party as a result of the same incident. Employers and their insurers are prohibited from gaining subrogation rights in any judgment to be obtained from a manufacturer. Thus, employers must bear the full responsibility for providing workers' compensation benefits. Product manufacturers, on the other hand, must pay judgments only where the injured employee obtains a judgment which exceeds the amount of workers' compensation paid.

Mr. President, this bill is the product of exhaustive study by the Human Resources Committee and reflects the sound counsel that the committee has received from numerous experts from within and outside the Government. It provides standards and enforcement which will meet the needs of our workers. These important protections for our Nation's workers should and will become law.

I ask unanimous consent that the bill and a section-by-section analysis of the bill be printed in the RECORD at this point in my remarks.

There being no objection, the bill and analysis were ordered to be printed in the RECORD, as follows:

S. 3060

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "National Workers' Compensation Standards Act of 1978".

FINDINGS AND DECLARATION OF PURPOSE

SEC. 2. (a) The Congress finds and declares that—

(1) many thousands of American workers are killed or permanently disabled and millions more are incapacitated from injuries and disease arising out of and in the course of their employment;

(2) injuries, diseases, and deaths arising out of and in the course of employment, constitute a burden upon interstate commerce and have a substantial adverse effect upon the general welfare;

(3) work-related injuries and diseases frequently occur during the worker's most productive years which often results in hardship for dependents and families;

(4) the vast majority of these injured and ill workers, and their families, are dependent on State workers' compensation systems for economic security, medical treatment, rehabilitation, and reemployment assistance when they suffer an injury, disease, or death arising out of and in the course of their employment;

(5) American workers and the national interest are best served by an adequate prompt, and equitable workers' compensation system;

(6) many existing State workers' compensation laws do not provide an adequate prompt and equitable system of compensation for injuries, diseases, or deaths arising out of and in the course of employment;

(7) the basic national objectives for a comprehensive workers' compensation system include (A) broad coverage of employees and work-related injuries and diseases; (B) substantial protection against interruption of income; (C) provision of prompt and adequate medical care and rehabilitation services in order to correct work-related injuries and to restore such injured workers to gainful employment; (D) encouragement of safety and health protection; and (E) an effective system for delivery of benefits and services;

(8) the National Commission on State Workmen's Compensation Laws, in its 1972 report, found that existing State workers' compensation laws did not meet minimum standards of adequacy and fairness;

(9) although in recent years there have been improvements in many State workers' compensation laws, to a great extent existing State workers' compensation laws still fail to meet the minimum standards recommended by the National Commission on State Workmen's Compensation Laws; and

(10) the improvements that are necessary to insure that a prompt, adequate, and equitable system of workers' compensation is available to all American workers can and should be achieved without delay, and there is a need for the Federal Government to encourage and assist the States in meeting this responsibility and to establish Federal minimum standards for State workers' compensation programs which assure adequacy, promptness, and fairness, while at the same time maintaining the primary responsibility and authority for workers' compensation in the States.

(b) It is the purpose of this Act through the exercise of the power of Congress to regulate commerce among the several States and with foreign nations, and to provide for the general welfare, to—

(1) establish minimum standards for workers' compensation programs for employees throughout the Nation;

(2) establish appropriate procedures for providing employees with workers' compensation benefits in accordance with such standards in a State which does not meet such standards;

(3) encourage and provide technical and financial assistance to the States to make improvements in existing workers' compensation systems—

(A) to provide all workers and their families an adequate, prompt, and equitable system of workers' compensation;

(B) to restore disabled workers through medical and vocational rehabilitation services to the fullest possible physical, mental, and economic usefulness; and

(4) accomplish the foregoing objectives in such a way as to maintain the primary authority and responsibility for workers' compensation in the States.

DEFINITIONS

SEC. 3. For the purpose of this Act—

(1) the term "Secretary" means the Secretary of Labor;

(2) the term "Advisory Commission" means the National Workers' Compensation Advisory Commission established under this Act;

(3) the term "employer" means any person engaged in commerce or an industry affecting commerce, but shall not include the United States, or any State or political subdivision thereof;

(4) the term "person" includes one or more individuals, labor unions, partnerships, associations, firms, insurance funds, mutual companies, corporations, companies, joint-stock companies, trusts, unincorporated organizations, societies, trustees, trustees in bankruptcy, or receivers;

(5) the term "employee" means any individual employed by his or her employer or any individual who is treated as an employee for purposes of the workers' compensation law of any State, except that such term does not include—

(a) any individual who does not receive wages as defined in section 3121(a) of the Internal Revenue Code (26 U.S.C. 3121);

(b) any individual employed as an agricultural laborer or in domestic service in or around a private home by any employer who during the current or preceding calendar quarter did not employ one or more individuals as agricultural or domestic on at least fifteen days; or

(c) any individual whose employment is covered by (i) subchapters I and II of chapter 81 of title 5, United States Code, (ii) the Act entitled "An Act relating to the liability of common carriers by railroad to their employees in certain cases", approved April 22, 1908 (35 Stat. 65; 45 U.S.C. 51–60), (iii) the Longshoremen's and Harbor Workers' Compensation Act (33 U.S.C. 901–950) and extensions thereof, or (iv) section 20 of the Act entitled "An Act to remove certain burdens on the American merchant marine and encourage the Amtrican foreign carrying trade, and for other purposes", approved June 26, 1884 (46 U.S.C. 688);

(6) the term "physician" means a person licensed to provide health care services, and includes but is not limited to surgeons, podiatrists, dentists, clinical psychologists, optometrists, chiropractors to the extent specified in the Federal Employees' Compensation Act (5 U.S.C. 8101(2)), and osteopathic practitioners within the scope of their practice as defined by State law, and any other individual licensed to provide health care services reimbursable without referral from a physician under the workers' compensation law of any State;

(7) the term "compensation" means benefits made available under the applicable State workers' compensation law or pursuant to entitlements created by this Act, to the dis-

abled employee or to the survivors of a deceased employee, and shall include, but not be limited to—

(a) "monetary benefits" paid to disabled employees or their survivors;

(b) "medical benefits" including payments for or provision of services of physicians, hospital care, nursing care, ambulance, prosthetic devices, and other related services, drugs, medicines;

(c) "rehabilitation benefits" including payment for or provision of medical and vocational services to reduce disability and to restore the physical, mental, and vocational functioning of an disabled worker;

(8) the term "statewide average weekly wage" means the average weekly earnings of workers on private payrolls within the State, as determined under the Federal Unemployment Tax Act (26 U.S.C. 3304);

(9) the term "State workers' compensation agency" means that agency, court, or official designated in each State as responsible for the administration or enforcement of the workers' compensation program within such State;

(10) the term "State workers' compensation law" means the law or laws of a State which provide compensation for death or disability resulting from injuries (including diseases) arising out of and in the course of employment or other similar test of work relatedness applicable under such law.

STANDARDS FOR WORKERS' COMPENSATION BENEFITS

SEC. 4. The minimum standards for State workers' compensation laws shall be as follows:

(a) All employers and employees as defined in this Act shall be covered, and coverage shall be compulsory, rather than elective.

(b)(1) Monetary benefits payable for total disability or for death shall be not less than 66⅔ per centum of the employee's average weekly wage subject to the following limitations:

(A) During the one-year period commencing January 1, 1981, with respect to disability or death occurring during such year, the maximum weekly benefits payable shall not be less than 100 per centum of the statewide average weekly wage during the first hour of the last eight calendar quarters preceding January 1, 1981.

(B) During the one-year period commencing January 1, 1982, with respect to disability or death occurring within such year the maximum weekly benefits payable shall be not less than 150 per centum of the statewide average weekly wage during the first four of the last eight calendar quarters preceding January 1, 1982.

(C) During the one-year period commencing January 1, 1983, and for every year thereafter, the maximum weekly benefits payable with respect to disability or death shall be not less than 200 per centum of the statewide average weekly wage during the first four of the last eight calendar quarters preceding January 1 of the year in which the death or disability occurs.

(D) Minimum weekly monetary benefits for permanent total disability and death during any one-year period shall be at a rate not less than 50 per centum of the statewide average weekly wage during the first four of the last eight calendar quarters preceding January 1 of such year or the employee's actual weekly wage, whichever is less.

(E) The maximum and minimum weekly benefits provided herein which are in effect on the date of the occurrence of the disability or death shall be applicable for the full period for which benefits are payable with respect to such disability or death except as provided in subsection (f) of this section.

(2) For the purpose of paragraph (1) of this subsection, payment of benefits at the rate of 80 per centum of the spendable earnings of a totally disabled or deceased employee shall be deemed to be not less than 66⅔ per centum of such employee's average weekly wage if spendable earnings are not less than the employee's gross average weekly wage reduced by an amount determined to reflect amounts which would be withheld from such wage under Federal and State income tax laws and under subchapter A of chapter 21 of the Internal Revenue Code of 1954 (relating to social security taxes) if the amount withheld were determined on the basis of the reasonably anticipated liability of such employee for tax for the taxable year in which such payments are made without regard to any itemized deductions but taking into account the maximum number of personal exemption deductions allowable.

(c)(1) Monetary benefits in the case of death at not less than the rate specified in subsection (b) of this section (including the maximum limits specified therein) shall be payable to the deceased employee's surviving spouse for life or until remarriage, with at least two years' benefits payable upon remarriage, except that if there is one or more surviving child, at least 50 per centum of the benefits payable under this paragraph shall be payable to such surviving children (share and share alike), such benefits to be payable to each child until at least age eighteen (or age twenty-five if the surviving child is a full-time student in an accredited educational institution), or for life if any such surviving child is physically or mentally incapable of self-support at the time of the death of the employee provided the compensation need not continue if such child becomes capable of self-support. If there is no surviving spouse, the amount of benefits payable to any surviving children shall include the amount which would otherwise have been payable to such surviving spouse.

(2) State law may provide an offset of death benefits against the survivor's insurance benefit payable under the Social Security Act, but only to the extent that such death benefits are reduced by no more than 5 per centum of the surviving spouse's share of the survivor's insurance benefits under the Social Security Act for each $10 of the deceased employee's average weekly wage in excess of $100, and further provided that in no case shall the reduction exceed 50 per centum of the surviving spouse's share of the survivor's insurance benefits under the Social Security Act.

(d) There shall be no time or dollar maximum limitation on the total amount of compensation payable in case of death or total disability.

(e) There shall be no time or dollar maximum limitation on the type or extent of medical benefits determined to be necessary by the State workers' compensation agency in any case.

(f) Notwithstanding any maximum limits established pursuant to subsection (b) or pursuant to State law, monetary benefits being paid for permanent total disability or death, and for temporary total disability lasting more than two years, shall be adjusted at least annually to reflect increases in the statewide average weekly wage provided, that State law may provide a maximum limit on such adjustments but such maximum limitation shall not be less than 6 per centum in any one year.

(g) There shall be no exclusion of any disease and compensation due to disease shall not be denied on the basis that a disease (1) is not peculiar to or characteristic of a particular occupation or employment; (2) is not the result of an accident, or the onset of such disease was unrelated to any accident or accidental occurrence; (3) does not appear on a list of compensable diseases where exclusion from the list renders a disease conclusively noncompensable, or appears on a list of diseases which are conclusively noncompensable if such disease might, under some circumstances, arise out of and in the course of employment; or (4) is an ordinary disease of life or is a communicable disease, if the risk of contracting such a disease is increased by the nature of the employment. In addition, the determination of compensability of any disease covered by a standard promulgated pursuant to section 5 shall be determined in accordance with such standard. Unless contrary to a standard issued pursuant to section 5 of this Act, nothing in this section shall preclude any State from including in its law, rebuttable presumptions concerning the circumstances under which particular diseases may be found to have arisen or not to have arisen out of and in the source of employment.

(h) A disabled employee shall be entitled to prompt rehabilitation services subject to the supervision and approval of the State workers' compensation agency. The State workers' compensation agency shall determine the appropriate rehabilitation services in each case to accomplish to the extent possible the objectives of restoring the physical, mental, and vocational functioning of the disabled employee, and his or her return to employment, consistent with the nature of the disability incurred. The State law may permit a maximum time limit on rehabilitation of not less than two years. Expenses incident to rehabilitation shall be considered a part of the rehabilitation benefits and shall not be borne by the disabled employee. Rehabilitation benefits are additional benefits and shall not reduce or replace any other available compensation.

(i) At such time as a disabled employee is able to resume work, the employer shall take reasonable steps to reemploy such employee in the same position or occupation such employee held prior to the disability, or if the employee is unable to perform the duties of his or her former position or occupation, to any other available position for which such employee is qualified, unless taking into consideration all the relevant circumstances, requiring such reemployment would constitute an undue hardship on the employer.

(j) Subject to the approval, direction, control and supervision of the State workers' compensation agency, a disabled employee shall be entitled to select a physician for diagnosis and treatment from among all physicians licensed by the State, or from a group or panel of physicians designated previously by the State workers' compensation agency.

(k) Compensation may be denied by reason of an injured worker's refusal to accept medical or rehabilitation service ordered by the State workers' compensation agency, except where such refusal is based on a choice, made in good faith, of treatment through prayer or spiritual means.

(l) Whenever employment requires travel between States or between the United States and any other country, an injured or ill employee or the eligible survivors of such employee may claim benefits under the workers' compensation law of a State if the employment was principally localized in that State; or the employee was hired or appointed in that State; or the injury, disease, or death for which benefits are claimed occurred in that State. This section shall not be construed as authorizing recovery of compensation under more than one State's law.

(m) The waiting period for monetary benefits shall be not longer than three days and the period for qualifying for retroactive benefits during such waiting period shall be not longer than fourteen days.

(n) An original claim for compensation for disability or death may be filed within two years after the onset of disability or death. The time for filing a claim or notifying the employer of the injury (or disease) shall not begin to run until the employee has a compensable disability and is aware, or by the exercise of reasonable diligence should have been aware, of the causal relationship of the compensable disability to the employment. There shall be no time limitation on the filing of a claim based on recency of employment, unless the Secretary promulgates a standard under section 5 which includes such a time limit.

(o)(1) No compromise or release of any compensation shall be effective unless approved by the State Workers' compensation agency, based on a determination by such agency that such compromise or release is in the best interest of the claimant, and will not adversely affect any program of rehabilitation.

(2) No compromise or release of medical or rehabilitation benefits shall be effective unless approved by the State workers' compensation agency, based on the evaluation of a physician designated by that agency that the compromise and release will sufficiently provide for future medical and rehabilitation care necessitated by the employee's injury or disease, and a determination by the agency that such compromise and release is otherwise in the best interest of the employee.

(3) No waiver, release, or similar instrument relating to future coverage or compensation under any State workers' compensation law that is executed prior to the occurrence of any injury or death shall be effective under any circumstances. Any waiver, release, or similar instrument which does not comply with the provisions of this paragraph shall be void.

OCCUPATIONAL DISEASE STANDARDS

SEC. 5. (a) The Secretary of Health, Education, and Welfare is authorized and directed to undertake studies of diseases which are or may be employment-related for the purpose of recommending appropriate standards for (i) determining whether particular diseases arise out of and in the course of employment; (ii) establishing criteria for diagnosing diseases; and (iii) establishing criteria for determining whether death or disability is due to such diseases. In determining subjects for and design of studies pursuant to this section, the Secretary of Health, Education, and Welfare shall give priority to the recommendations of the Secretary of Labor and the National Workers' Compensation Advisory Commission established under section 17 of this Act (hereinafter called the "Advisory Commission"). In carrying out the studies required by this section, the Secretary of Health, Education, and Welfare shall consult with the Director of the National Institute of Occupational Safety and Health and such other public and private organizations as are appropriate with respect to diseases that may be employment related. The results of such studies shall be published and distributed to the States, and shall be furnished to the Secretary of Labor.

(b) The Secretary may by rule promulgate, modify, or revoke standards for (i) determining whether diseases arise out of and the course of employment; (ii) establishing the criteria for diagnosing such diseases; and (iii) establishing criteria for determining whether death or disability is due to such diseases. Such standards may include reasonable rebuttable presumptions wherever appropriate.

(c)(1) Such standards shall be promulgated, modified, or revoked in accordance with section 553 of title 5, United States Code (without regard to any reference in such section to sections 556 and 557 of such title), and in accordance with the provisions of the following paragraphs:

(2)(A)(i) Whenever the Secretary, upon the basis of studies published under subsection (a) or other information or studies submitted to him by an interested person or by a State or on the basis of information developed by the Secretary, determines that a rule should be promulgated to establish minimum standard with regard to an occupational disease consistent with the purposes of this Act, the Secretary shall prepare a proposed rule, and shall appoint an advisory committee composed of not less than three medical, scientific, or other experts with suitable experience, training, or education related to the subject matter of the proposed rule.

(ii) When the Secretary receives a recommendation from the Secretary of Health, Education, and Welfare pursuant to subsection (a), and determines not to propose a rule based on that recommendation, the Secretary shall, within sixty days after receipt thereof, publish in the Federal Register his determination not to do so, and his reasons therefor.

(B) The Secretary shall forward the proposed rule to the advisory committee established to consider such rule, and shall provide the committee all pertinent information developed by the Secretary or the Secretary of Health, Education, and Welfare, or otherwise available to the Secretary, including the results of research, demonstrations, and experiments and shall publish notification of such action in the Federal Register. The advisory committee shall submit to the Secretary its report which shall state (i) whether in the advisory committee's opinion the proposed rule is consistent with available scientific and medical knowledge concerning the subject matter of the proposed rule, and (ii) its recommendations for modifications of such rule to make it consistent with available scientific and medical knowledge concerning the subject matter of the proposed rule or to otherwise improve the proposed rule. The advisory committee shall submit its report to the Secretary within one hundred and eighty days from the date of its appointment or within such shorter period as may be prescribed by the Secretary, but in no event may such period be less than ninety days.

(3) The Secretary may publish in the Federal Register, any proposed rule, in either its original or modified form which has been determined by the advisory committee to be consistent with available scientific and medical knowledge concerning the subject matter of the proposed rule. If on the basis of the advisory committee's report, the Secretary determines that a proposed rule should not be promulgated, the Secretary shall publish his determination to that effect in the Federal Register. In either event, the Secretary shall at the same time, forward a copy of the advisory committee's report to the Advisory Commission.

(4)(A) In the event that the Secretary publishes a proposed rule in the Federal Register, the Secretary shall afford interested persons a period of thirty days after any such publication to submit written data or comments on the proposed rule. Such comment period may be extended by the Secretary upon finding of good cause, which the Secretary shall publish in the Federal Register.

(B) On or before the last day of the period provided for the submission of written data or comments under paragraph (3), any interested person may file with the Secretary written objections to the proposed standard, stating the grounds therefor and requesting a public hearing on such objections. Within sixty days after the last day for filing such objections, the Secretary shall publish in the Federal Register a notice specifying the standard to which objections have been filed and a hearing requested, and specifying a time and place for such hearing. Any hearing under this subsection for the purpose of hearing relevant information shall commence within sixty days after the date of publication of the notice of hearing. Hearings required by this subsection shall be conducted by the Secretary, who may prescribe rules and make rulings concerning procedures in such hearings to avoid unnecessary costs or delay. A verbatim transcript shall be taken of any such hearing and shall be available to the public.

(5)(A) Within one hundred and eighty days after the closing of the record of such hearing, the Secretary shall promulgate and publish in the Federal Register such rule or his determination not to promulgate a rule together with his reasons therefor as he deems appropriate.

(B) In the case of a proposed rule to which objections requesting a public hearing have not been filed, the Secretary, within one hundred and eighty days after the period for filing such objections has expired, shall promulgate and publish in the Federal Register the rule as proposed or in modified form, or his determination not to promulgate a rule together with his reasons therefor.

(C) Any rule promulgated pursuant to this section shall be based on and shall be consistent with available scientific and medical knowledge concerning the subject matter of the rule.

(6) The Secretary may require by subpena the attendance of witnesses and the production of evidence in connection with any proceeding initiated under this section. If a person refuses to obey a subpena under this subsection, a United States district court within the jurisdiction of which a proceeding under this subsection is conducted may, upon petition by the Secretary, issue an order requiring compliance with such subpena.

(d)(1) Any standard promulgated under this section shall be effective as a minimum standard for State workers' compensation laws pursuant to section 4 of this Act two years after its final promulgation, and shall govern the determination of compensation, due to deaths or disabilities occurring thereafter.

(e) Any person or State adversely affected by a standard promulgated under this section may, at any time prior to the sixtieth day after the promulgation of such standard, file a petition challenging the validity of such standard with the United States Court of Appeals for the District of Columbia Circuit or the circuit wherein such person resides or maintains his principal place of business. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Secretary. No objection that has not been urged before the Secretary shall be considered by the court, unless the failure or neglect to urge such objection shall be excused for good cause shown. The validity of any standard shall not be subject to challenge on the grounds that the time limitations in this section have been exceeded.

(f) Concurrently with the development of any proposed standard pursuant to this section, the Secretary of Labor shall conduct a study to determine the extent to which there are individuals who are employed or formerly employed who may suffer from the disease covered by the proposed standard, but whose claims would not be covered by

such standard because their disability occurred prior to the effective date of the standard, and who as a result may not receive fair and adequate compensation. Any such study shall include an estimate of the number of such individuals, and recommendations with respect to appropriate means of compensating such individuals. The Secretary shall submit his report, together with his recommendations, to the Congress no later than one year after the final promulgation of any standard pursuant to subsection (e)(5) of this section.

STUDY OF COMPENSATION OF PARTIAL DISABILITIES

SEC. 6. (a) The Secretary shall conduct a study of the compensation of partial disabilities arising out of and in the course of employment. In conducting such study, the Secretary shall compare the efficiency, effectiveness, and adequacy of the means by which the several States compensate partial disabilities arising out of and in the course of employment. In connection with such studies, the Secretary may enter into contractual arrangements with one or more States or political subdivisions thereof, other Federal agencies, or private agencies; and may establish experimental programs to test the efficiency, effectiveness, and adequacy of various means of compensating partial disability arising out of and in the course of employment.

(b) Not later than three years following the date of enactment of this Act, the Secretary shall make a written report to the Congress on his sudy of the compensation of partial disability. Such report shall contain recommendations for legislation to amend this Act to provide minimum Federal standards for State workers' compensation laws relating to the compensation of partial disabilities due to injury or disease arising out of and in the course of employment.

(c) The Secretary shall consult with the Advisory Commission concerning the study and report required by this section.

CERTIFICATION AND SUPPLEMENTAL COMPENSATION

SEC. 7. (a) On or before the effective date of section 4 of this Act, the Secretary of Labor shall review the workers' compensation law of each State to determine whether such law meets the applicable standards for State workers' compensation programs contained in section 4 of this Act. If the Secretary determines that State law meets all of the requirements of section 4, the Secretary shall so certify and the State law shall be deemed fully certified during the period covered by such certification.

(b) If the Secretary finds that the law of any State fails to meet one or more of the standards of section 4 of this Act, the Secretary shall certify the State law only to the extent that it meets such standards, and the Secretary shall specify those standards which the State law fails to meet. During any period in which the State law has not been fully certified, any employee shall be entitled to receive from his or her employer, with regard to any injury or disease arising out of and in the course of employment with such employer, compensation in accordance with the provisions of this Act with which the State is not in compliance (hereinafter referred to as "supplemental compensation").

(c) After initial review provided by subsection (a), the Secretary shall annually review the workers' compensation law of each State, including the judicial and administrative interpretations of the law, to determine whether it meets the requirements of section 4 of this Act. Pursuant to such reviews, the Secretary shall modify the certifications previously issued under subsection (a) as appropriate.

(d) Except with respect to section 4(g) and standards promulgated pursuant to section 5, in certifying a law of a State as meeting the requirements of section 4, State determinations of the status of any individual as an employee or independent contractor, whether death or injury has been suffered, whether an injury or death arose out of and in the course of employment, and the degree of disability, if any, shall be determined solely by State law.

ENFORCEMENT OF SUPPLEMENTAL COMPENSATION

SEC. 8. (a)(1) Any claimant who is aggrieved by an order or award of a State workers' compensation agency, insofar as it fails to award compensation at least equivalent to supplemental compensation may within ninety days after such order or award becomes final file a petition for review of the State workers' compensation agency's order or award, insofar as it fails to award such compensation, with the Benefits Review Board (hereinafter referred to in this section as the "Board") established in section 21 of the Longshoremen's and Harbor Workers' Compensation Act, as amended or as it may be amended from time to time (Act of March 4, 1927) (hereinafter referred to as the "Longshore Act").

(2) For the purpose of this section, the order or award of a State workers' compensation agency shall become final for the purpose of paragraph (1) on the date on which no appeal or review of such order or award shall be available to any party subject to such order or award or any further appeal or review would be futile.

(b) State law shall govern the determination of the status of any individual as an employee or an independent contractor, and except as may be established by a standard promulgated pursuant to section 5, the determination of whether death or injury (including disease) has been suffered, whether an injury (including disease) or death arose out of and in the course of employment, and the degree of disability, if any.

(c)(1) In review proceedings under this section, the decision of the Board shall be based upon the evidence in the record before the State workers' compensation agency except that the Board, in its discretion, may (i) in any case in which the State workers' compensation agency has refused to assert jurisdiction over the claim, refer the case to the Office of Workers Compensation Programs of the Department of Labor for processing in accordance with the provisions of the Longshore Act, or (ii) in any case where the State agency has refused to assert jurisdiction over the claim or has otherwise precluded the introduction of such evidence permit the parties to submit additional relevant evidence in a hearing before an administrative law judge in accordance with sections 19 and 21 of the Longshore Act.

(2) Where new evidence is not submitted, the findings of fact by the State workers' compensation agency, insofar as they involve eligibility for supplemental compensation shall be conclusive if supported by substantial evidence on the record as a whole. Findings of fact and conclusions of law in the determination of the State workers' compensation agency on issues covered solely by State law shall be conclusive, and not subject to review in any proceeding under this section.

(3) Where the Board finds that the employer has failed to provide supplemental compensation to which the peitioner is entitled, the petitioner shall be awarded such compensation together with the reasonable costs and expenses of litigation, including reasonable attorney's fees. In an award of supplemental compensation under this section for periodic adjustments to monetary benefits pursuant to section 4(f), such benefits shall be adjusted to reflect increases in the applicable statewide average weekly wage, but no such adjustment shall exceed 6 per centum for any one year.

(4) Any order issued by the Board shall be enforceable and reviewable in accordance with section 21 of the Longshore Act.

(5) Any award of the Board shall be automatically modified to take into account subsequent orders or awards of the State workers' compensation agencies with respect to issues solely covered by State law. With respect to issues not solely covered by State law, procedures for the modification of Board awards or orders shall be in accordance with section 22 of the Longshore Act, except that references in that section to "the deputy commissioner" shall mean "the Board" and the word "his" in the first sentence of that section shall be read "its" and shall refer to the Board.

(6) Sections 14, 17, 18, 19, 21, 21a, 23, 24, 25, 26, 27, 31, 34, 35, 38, and 39 (a) and (c) of the Longshore Act shall be applicable with respect to claims for supplemental compensation payable under this Act during any period in which the workers' compensation law of that State is not fully certified. The Secretary shall by regulation modify the provisions of section 14 of the Longshore Act to conform the payment of supplemental compensation to the payment schedule of the applicable State's law, and may by regulation modify the applicability of any other of the foregoing provisions as appropriate to carry out the purpose of this Act.

EMPLOYMENT DISCRIMINATION

SEC. 9. No person shall discharge or in any manner discriminate against any employee because such employee has filed any complaint or instituted or caused to be instituted any proceeding under or related to this Act or has testified or is about to testify in any such proceeding or because of the exercise by any employee on behalf of himself or others of any right afforded by this Act. Any employer who violates this section shall be liable to a penalty of not less than $100 or more than $1,000, as may be determined by the Secretary. All such penalties shall be paid to the Secretary for deposit in the special fund as described in section 44 of the Longshore Act, and if not paid may be recovered in a civil action brought in the appropriate United States district court. Any employee so discriminated against shall be restored to his employment and shall be compensated by his employer for any loss of wages (including fringe benefits) arising out of such discrimination: *Provided*, That if such employee shall cease to be qualified to perform the duties of his employment, he shall not be entitled to such restoration and compensation. The employer alone and not his carrier shall be liable for such penalties and payments. Any provision in an insurance policy undertaking to relieve the employer from liability for such penalties and payments shall be void.

EXCLUSIVITY AND THIRD PARTY LIABILITY

SEC. 10. (a) The compensation to which an employee is entitled under the applicable State workers' compensation laws and the supplemental compensation, if any, to which he or she may be entitled under this Act, shall constitute the employee's exclusive remedy against the employer, the employer's insurer or any collective-bargaining agent of the employer's employees and any employee, officer, director, or agent of such employer, insurer, or collective-bargaining agent (while acting within the scope of his or her employment) for any illness, injury, or death arising out of and in the course of his or her employment.

(b)(1) Notwithstanding any other provision of this law, or any other law, in any

liability action against a third party brought as result of illness, injury or death arising out of and in the course of employment, this section shall govern the rights of the employee (or his or her representative or survivors) and the employer or insurance carrier, the collective bargaining agent, and the third party.

(2) For the purpose of this section, liability actions against third parties shall include but not be limited to all actions brought for or on account of personal injury, disease, physical or mental impairment, disability, or death caused by or resulting from the manufacture, construction, design, formula, preparation, assembly, testing, warning, instruction, marketing, packaging, or labeling of any product. It shall include, but not be limited to, all actions for damages based upon the following theories: strict products liability; negligence; breach of warranty, express or implied; breach of or failure to discharge a duty to warn or instruct, whether deliberate, negligent, or innocent; misrepresentation, concealment, or nondisclosure, whether fraudulent, negligent, or innocent.

(3) Any judgment against a third party in a liability action described in this section shall be reduced by an amount equal to the amount paid to the injured employee or his or her survivors as compensation pursuant to any State workers' compensation law and any supplemental compensation paid pursuant to this Act and the present value of all future compensation and supplemental compensation payable.

(4) No employer, or insurer of such employer shall have any lien upon any judgment rendered in any such third party liability action brought as a result of any illness, injury or death arising out of or in the course of employment with such employer, nor any right of subrogation in connection with any such third party liability action.

(5) No third party may maintain any action for indemnity, contribution or other monetary damages against any party immune from suit by the employee by subsection (a) based on the liability of such third party to any employee of such employer as a result of any action described in this section.

EMPLOYER RESPONSIBILITY FOR ELECTIONS AND INSURANCE

SEC. 11. (a) Every employer shall be responsible for payment of all supplemental compensation which may be payable to its employees under Section 8 of this Act.

(b) Every employer shall secure the payment of supplemental compensation payable under Section 8 of this Act—

(1) by insuring and keeping insured the payment of such supplemental compensation with any stock company or mutual company or association, or with any other person or fund, while such person or fund is authorized to insure workers' compensation or supplemental compensation under the laws of the United States or of any State, or by the Secretary, to insure payment of supplemental compensation under this Act; or

(2) by qualifying as a self-insurer under the law of each State with respect to which the employer has not satisfied the requirements of paragraph (1) of this subsection, except that the Secretary may, by regulation, impose additional or alternative conditions on qualification for self-insurance in the event that the Secretary finds that the qualification requirements in a State are insufficient to assure the payment of supplemental compensation provided by this Act.

(c) (1) Any employer not subject to a State workers' compensation law because such law fails to comply with section 4(a) of this Act shall, where permitted, elect coverage under such law so as to provide coverage under the State law to each individual who is an employee of such employer.

(2) If the Secretary has not certified under section 7 that a State law is in compliance with section 4(a), employers in the State who are permitted to elect such coverage under the State law but who have not done so, shall be subject to a civil penalty not to exceed $25 per employee for each day of noncompliance in a suit brought by the Secretary.

(d) Each contract of insurance under which workers' compensation benefits are provided to or for the employees of any employer shall be deemed to provide benefits in accordance with the minimum standards contained in section 4 of this Act. The Secretary may by regulation provide for exceptions to or exemptions from this subsection consistent with the purposes of this Act.

(e) Each contract of insurance which provides coverage for comprehensive personal liability, either alone or as part of a homeowner's or tenant's policy, shall be deemed to provide benefits in accordance with the minimum standards contained in section 4 of this Act with respect to domestic employees to the extent that such employees are entitled to workers' compensation under this Act, unless the employer has otherwise secured payment of such compensation pursuant to this section.

GRANTS TO STATES

SEC. 12. (a) The Secretary is authorized during the fiscal year of enactment of this Act, and the two succeeding fiscal years, to make grants to any State to assist such State—

(1) in identifying needs and responsibilities in the area of workers' compensation,

(2) in developing programs for meeting the requirements of section 4,

(3) developing and publishing a guide to the evaluation of disability,

(4) establishing one or more disability evaluation units to assist in the determination of the degree of disability,

(5) utilizing the services of impartial physicians in the evaluation of impairment and the degree of impaired workers,

(6) establishing systems for the collection of information concerning workers' compensation as provided in section 13 of this Act,

(7) increasing the expertise and enforcement capabilities of personnel engaged in workers' compensation programs, or

(8) otherwise improving the administration and enforcement of State workers' compensation laws consistent with the objectives of this Act.

(b) The Governor of the State shall designate the appropriate State agency for receipt of any grant made by the Secretary under this section.

(c) Any State agency designated by the Governor of the State desiring a grant under this section shall submit an application therefor to the Secretary.

(d) The Secretary shall review the application, and shall approve or reject such application, and, if the application is rejected, shall promptly inform the Governor and the applicant of the reason for the rejection.

(e) The Federal grant shall not exceed 66⅔ per centum of the total cost of the projects described in the application. In the event the Federal share for all States under such subsection is not the same, the difference among the States shall be established on the basis of objective criteria.

(f) There is hereby authorized to be appropriated for the fiscal year of enactment, the sum of seventy-five million dollars, to be available without fiscal year limitation; and for each of the following two fiscal years such sums as are necessary for the purpose of carrying out the provisions of this section.

STATISTICS

SEC. 13. (a) The Secretary shall develop and maintain a program of collection, compilation, and analysis of workers' compensation data in order to carry out the purposes of this Act.

(b) (1) The Secretary shall, by regulation, require that the following reports be submitted to the State workers' compensation agencies with respect to claims for injuries or illnesses arising out of and in the course of employment except with respect to claims for medical benefits only in each State—

(A) A report by the employer within a reasonable time of the injury or illness which identifies the employer and the employee; states the date, time, and place of the accident or the exposure; gives a brief explanation of the occurrence of the accident or exposure; describes the injury or illness dates of diagnosis and initial treatment, dates of lost time and return to work; identifies physicians and hospitals involved in treatment and the insurance carrier, if any; and provides such additional information required by the Secretary's regulations.

(B) A prompt report by the employer or the employer's insurance carrier, after the first compensation payment or denial of the claim, which identifies the employee, the employer, the carrier, if any; the dates of injury or illness and diagnosis; the amount of the compensation paid, specifying the date and amount of the first compensation payment; the employee's average weekly wage if less than the applicable maximum; the nature and extent of the disability; the medical payments to date; and, if the case has been closed or the claim denied, the total compensation, and the reason for closing the case or denying the claim.

(C) A prompt report by the employer or the employer's insurance carrier, after the last compensation payment, which identifies the employer, the employee, the carrier, if any; provides pertinent data concerning the compensation specifying monetary, medical, and rehabilitation benefits paid; provides information concerning the nature and duration of the impairment and disability; and states the reason for the termination of benefits and closing of the case. The Secretary may by regulation require the filing of periodic reports with respect to claims continuing two years after the first compensation payment.

(2) In promulgating regulations with respect to reports required under this section, the Secretary shall consider and evaluate the reporting requirements of the several States with the objective of developing and encouraging the adoption of a uniform data collection and reporting system under this Act.

(3) (A) The Secretary's regulations shall require that all reports required by paragraph (1) of this subsection be filed with the State workers' compensation agencies. The Secretary shall further require, as a condition of any grant made for the purpose of assisting the State to improve their data collection processing, that such agencies shall periodically, but no less frequently than annually, submit to the Secretary a report analyzing workers' compensation cases in such States, based on the data contained in the reports required by the Secretary's regulations issued pursuant to paragraph (1) of this subsection. The analyses of the State workers' compensation agencies shall contain such information as the Secretary shall prescribe by regulation.

(B) With respect to any State which does not agree to collect data and provide analyses of workers' compensation cases as provided in this section, the Secretary's regula-

tions shall require that all reports required by paragraph (1) of this subsection be filed directly with the Secretary.

(c) The Secretary shall annually file with the Congress and make available to the public, a report and evaluation of workers' compensation information compiled pursuant to this section.

(d) The Secretary may make grants to States as provided in section 12 to assist them in developing programs for the collection and evaluation of data and reports required by regulations of the Secretary issued pursuant to this section.

RESEARCH

SEC. 14. (a) The Secretary is authorized to engage in research and to engage in such pilot projects and demonstration programs as the Secretary shall deem warranted, for the purpose of—

(1) developing recommendations for improving the workers' compensation programs of the several States and the compensation program under this Act;

(2) developing recommendations for means of more economically assuring that workers will have the benefits described in section 4; and

(3) monitoring and promoting academic study of workers' compensation and the development of improvements to the workers compensation program of the several States and the workers' compensation program under this Act.

(b) The Secretary shall conduct a study of the adequacy of the workers' compensation system for compensating individuals for disability or death due to occupational diseases, including the availability and cost of providing such coverage through traditional insurance or self-insurance. Such study shall also include particular attention to work-related diseases characterized by long latency periods between exposure to toxic substances or other harmful physical agents and the onset of disability or death, including the feasibility and desirability of providing such coverage through reinsurance pools, trust funds, or other means of apportioning liability. The Secretary shall submit his report, together with his recommendations to the Congress no later than two years after enactment of this Act.

(c) In carrying out his functions under this Act, the Secretary, with the consent of any State or political subdivision thereof, accept and use the services, facilities, and employees of the agencies of such State or political subdivision thereof, with or without reimbursement.

AUDITS

SEC. 15 (a) Each recipient of a grant under this Act shall keep such records as the Secretary shall prescribe, including records which fully disclose the amount and disposition by such recipient of the proceeds of such grant, the total cost of the project or undertaking in connection with which such grant is made or used, and the amount of that portion of the cost of the project or undertaking supplied by other sources, and such other records as will facilitate the administration of such grants.

(b) The Secretary and the Comptroller General of the United States, or any of their fully authorized representatives shall have access for the purpose of audit and examination to any books, documents, papers, and records of the recipients of any grant under this Act which are pertinent to such grant.

ANNUAL REPORT

SEC. 16. Within one hundred and twenty days following the convening of each regular session of each Congress, the Secretary shall prepare and submit to the President for transmittal to the Congress a report upon the subject matter of this Act, the progress toward achievement of the purpose of this Act, and the needs and requirements in the field of workers' compensation.

ADVISORY COMMISSION

SEC. 17. (a) There is hereby established a National Workers' Compensation Advisory Commission (hereafter in this section referred to as the "Advisory Commission") to be composed of nine members appointed by the Secretary from among persons who by reason of training, education or experience are qualified to carry out the functions of the Advisory Commission. Three members shall be appointed from among representatives of employees; three members shall be appointed from among representatives of employers, one of whom shall be a representative of insurers; and three members shall be representatives of the general public, one of whom shall be a representative of State governments. The Secretary shall designate one of the public members to serve as Chairman or Chairwoman. Five members of the Commission shall constitute a quorum. The terms of office of the members of the Commission shall be three years, except that of the members first appointed, three members shall be appointed for a term of one year, three members shall be appointed for a term of two years, three members shall be appointed for a term of three years.

(b) The Commission shall—

(1) monitor the progress of the States in making improvements in their workers' compensation laws and in meeting the standards provided in section 4;

(2) monitor the administration of the workers' compensation programs in the States;

(3) provide technical and other assistance to the Secretary in improving the implementation of this law and the administration of the workers' compensation program, including recommendations to the Secretary of administrative or legislative action necessary to improve workers' compensation programs.

(c) (1) The Commission or any authorized subcommittee or members thereof, may, for the purpose of carrying out the provisions of this Act, hold such hearings, take such testimony, and sit and act at such times and places as the Commission deems advisable. Any members authorized by the Commission may administer oaths or affirmations to witnesses appearing before the Commission or any subcommittee or members thereof.

(2) Each department, agency, and instrumentality of the executive branch of the Government, including any independent agency, is authorized to furnish to the Commission, upon request made by the Chairman or Chairwoman, such information and assistance as the Commission deems necessary to carry out its function under this section.

(d) Subject to such rules and regulations as may be adopted by the Commission, the Chairman or Chairwoman shall have the power to appoint and fix the compensation of an executive director, and such additional staff personnel as is deemed necessary, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, but at rates not in excess of the maximum rate for GS–18 of the General Schedule under section 5332 of such title, and procure temporary and intermittent services to the same extent as is authorized by section 3109 of title 5, United States Code. The Commission is authorized to enter into contracts with Federal or State agencies, private firms, institutions, and individuals for the conduct of surveys, the preparation of reports, and other activities necessary to the discharge of its duties.

(e) Members of the Commission shall receive compensation for each day they are engaged in the performance of their duties as members of the Commission at the daily rate prescribed for GS–18 under section 5332 of title 5, United States Code, and shall be entitled to reimbursement for travel, subsistence, and other necessary expenses incurred by them in the performance of their duties as members of the Commission.

SEPARABILITY

SEC. 18. If any provisions of this Act, or the application of such provision to any person or circumstances, shall be held invalid, the remainder of this Act, or the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

EFFECTIVE DATE

SEC. 19. (a) The provisions of section 4 of this Act shall take effect two years after the date of enactment of this Act, and shall apply to deaths or disabilities occurring thereafter, except that occupational disease standards promulgated pursuant to section 5 of this Act shall apply to deaths or disabilities occurring after the effective date of each such standard.

(b) Except as otherwise provided, all other provisions of this Act shall take effect immediately upon enactment.

SECTION-BY-SECTION ANALYSIS

SECTION 1—SHORT TITLE

This section provides that the Act may be cted as the National Workers' Compensation Standards Act of 1978.

SECTION 2—FINDINGS AND DECLARATIONS OF PURPOSE

Section 2(a) provides that the Congress finds and declares that—

(1) many thousands of American workers are killed or permanently disabled and millions more are incapacitated as a result of job-related injuries and diseases;

(2) job related injuries and diseases are a burden on interstate commerce and have an adverse impact on the general welfare;

(3) job-related injuries or diseases often occur during a worker's most productive years, and cause hardships for the worker's dependents and family;

(4) a vast majority of workers who are killed, or suffer job-related injuries or illness, depend on State workers' compensation systems for economic assistance to themselves and their families, and for medical benefits, rehabilitation and reemployment assistance;

(5) American workers and the national interest are best served by an adequate, prompt and equitable workers' compensation system;

(6) many existing State workers' compensation systems do not provide an adequate, prompt equitable system for compensation of job-related injuries, diseases or deaths;

(7) the basic national objectives for a comprehensive workers' compensation system include (a) broad coverage of employees and job-related injuries and illnesses; (b) substantial protection against interruption of income; (c) delivery of prompt and adequate medical care and rehabilitation services to injured or ill workers; (d) encouragement of safety and health protection; and (e) an effective delivery system for benefits and services;

(8) the 1972 Report of the National Commission on State Workmen's Compensation Laws found that many State workers' compensation laws did not meet minimum standards of fairness and adequacy;

(9) despite recent improvements in State workers' compensation laws, State laws still fail, to a great extent, to meet the minimum standards recommended by the National Commission; and

(10) the improvements necessary to establish prompt, adequate and equitable systems of workers' compensation for all American workers can and should be achieved without delay; and Federal legislation establishing minimum standards for workers' compensation programs is needed to encourage and assist the States in meeting this responsibility while at the same time maintaining the primary responsibility and authority for workers' compensation in the States.

Section 2(b) provides that it is the purpose of this Act, through the exercise of the power of Congress to regulate interstate commerce and to provide for the general welfare, to—

(1) establish minimum standards for workers' compensation throughout the nation;

(2) ensure that workers compensation benefits in accordance with such standards will be provided in States which do not provide such benefits under State law;

(3) encourage and assist the States to make improvements in their compensation laws—

(a) to provide workers and their families with adequate, prompt and equitable workers' compensation;

(b) to restore disabled workers, through medical and vocational rehabilitation to the fullest possible physical, mental and economic usefulness; and

(4) accomplish the foregoing in a manner which will maintain the primary authority and responsibility for workers' compensation in the States.

SECTION 3—DEFINITIONS

This section defines the following terms which are used in this Act:

(1) Secretary.
(2) Advisory Commission.
(3) employer.
(4) person.
(5) employee.
(6) physician.
(7) compensation.
(8) statewide average weekly wage.
(9) State workers' compensation agency.
(10) State workers' compensation law.

SECTION 4—STANDARDS FOR WORKERS' COMPENSATION BENEFITS

Section 4 establishes the following minimum standards for programs of compensation for job-related death or disability—

(a) Coverage of all employers and employees must be compulsory.

(b)(1) This paragraph establishes minimum monetary benefits for death or total disability of not less than 66⅔ percentum of the employee's average weekly wage but permits the establishment of limitations on this minimum benefit, as stated in subparagraphs (A), (B), and (C). However, these limitations may not reduce benefits below the floor established in subparagraph (D).

(A) During the year commencing January 1, 1981, maximum weekly benefits for deaths or disabilities occurring during that year may be set as low as 100 percentum of the statewide average weekly wage for 1979.

(B) During the year commencing January 1, 1982, maximum weekly benefits for deaths or disabilities occurring during that year may be set as low as 150 percentum of the statewide average weekly wage for 1980.

(C) During the year commencing January 1, 1983, and for every calendar year thereafter, maximum weekly benefits for deaths or disabilities occurring during any calendar year shall be no less than 200 percentum of the statewide average weekly wage during the first four of the eight calendar quarters preceding January 1 of that year.

(D) Notwithstanding the maximums permitted by subparagraphs (A), (B), and (C), minimum weekly monetary benefits in any calendar year shall be at least 50 percentum of the statewide average weekly wage during the first four of the last eight calendar quarters preceding January 1 of such year, or 100 percentum of the employee's actual weekly wage, whichever is less.

(E) Except for adjustments to take account of wage inflation as provided in subsection 4(f), the maximum and minimum benefit levels which are in effect at the time of a disability or death may be made applicable for the full period of benefit payments for that disability or death.

(2) This paragraph provides that, as an alternative to the maximum limitation on benefits permitted under paragraph (1), a maximum limitation on monetary benefits of 80 percentum of the employee's spendable earnings may be provided. Spendable earnings are the employee's gross average weekly wage less applicable Federal and State income and social security taxes the employee would pay if he or she claimed the maximum possible number of exemptions.

(c)(I) In cases brought on account of a job related death, this section provides that monetary benefits at the rate provided in subsection (b) must be paid to the surviving spouse for life, unless the spouse remarries. In the event the surviving spouse remarries, two year's benefits are payable upon remarriage and benefits to the spouse may be terminated. However, 50 percentum of the benefits must be paid to surviving children, until they are 18 years old (25 years old if the child is a full-time student in an accredited educational institution), or for the child's life in the case of a child who is incapable of self-support. If there is no surviving spouse, the surviving children shall receive monetary benefits at the rate provided in subsection (b) for the period of their eligibility.

(2) State law may provide for the reduction of death benefits paid to survivors who also receive survivor's benefits under the Social Security Act, but any reduction under this subsection must be limited to 5 percentum of the survivor's Social Security benefit for each $10 of the deceased employee's average weekly wage which exceeds $100, and in no event will the reduction exceed 50 percentum of the survivor's social security benefit.

(d) There is to be no time or total dollar limitation on the compensation payable for death or total disability.

(e) There shall be no time or total dollar limitation on the type or amount of medical benefits determined to be necessary by the State workers' compensation agency.

(f) Monetary benefits for death, total disability, or temporary total disability lasting more than 2 years shall be adjusted, no less frequently than annually, to reflect increases in the statewide average weekly wage. State law may limit such increases, but may not use a maximum limitation of less than 6 percentum per annum.

(g) No disease shall be excluded from coverage (1) because it does not typically occur as a result of a particular employment; (2) is not connected with an accidental occurrence; (3) is on a list of conclusively non-compensable diseases or is not on a list of conclusively compensable diseases; or (4) is an ordinary disease of life or is a communicable disease if the risk of contracting such diseases was increased by the nature of the employment. In addition, the determination of compensability of any disease covered by a section 5 standard shall be determined in accordance with that standard. State law may establish rebuttable presumptions concerning the compensability of diseases as long as the presumptions do not conflict with section 5 of this Act.

(h) Disabled employees are entitled to prompt rehabilitation services subject to the supervision and approval of the State workers' compensation agency. The State workers' compensation agency shall determine appropriate rehabilitation in each case, with the purpose of restoring the physical, mental and vocational functioning of employees and their return to employment consistent with the nature of their disabilities. Rehabilitation benefits, including expenses incident to rehabilitation, are additional benefits and may not reduce other available compensation. State law may permit a maximum time limitation on rehabilitation services, but the maximum limit may not be less than two years.

(i) Employers are required to take reasonable steps to return their employees to their former positions when they are able to return to work. When an employee is unable to perform the duties of his or her previous position, their employer is required to provide employment in another position for which they are qualified, unless under all relevant circumstances, reemployment would constitute an undue hardship on the employer.

(j) A disabled employee is entitled to select a physician for diagnosis and treatment from among all licensed physicians or when a group or panel has previously been designated by the State workers' compensation agency, from that group or panel.

(k) Compensation may be denied by reason of a disabled employee's refusal to accept medical or rehabilitation services ordered by the State workers' compensation agency, except where such refusal is based on a good faith choice of treatment through prayer or spiritual means.

(l) Where employment requires travel between States, or outside the United States, an injured or ill employee or survivor may claim benefits under the laws of the State in which the employment was principally located, where the employee was hired, or where the injury, disease or death occurred; but compensation may not be recovered more than once for any one occurance.

(m) The waiting period for benefits shall be no more than three days, and the period for qualifying for retroactive benefits shall be no more than 14 days.

(n) A claim for compensation may be filed within two years of the death or disability however, the time for filing a claim or notifying the employer of an injury or disease shall not begin to run until the employee has a compensable disability and is aware, or through the exercise of reasonable diligence should have been aware, of the casual relationship between the disability and the employment. There shall be no time limitation on the filing of a claim based on recency of employment, except where the Secretary includes such a limitation in a standard under section 5.

(o)(1) Compromises, waivers or releases of compensation, shall be effective only if approved by the State workers' compensation agency, upon a determination that such is in the best interest of the claimant and will not adversely affect any program of rehabilitation.

(2) Requires that compromises or releases of medical or rehabilitation benefits may be effective only if they are approved by the State workers' compensation agency. The agency's approval is to be based on the evaluation of a physician designated by the agency, and its determination that the compromise or release adequately provides for future medical and rehabilitat'on case and is otherwise in the employee's best interest.

(3) Waivers, releases or similar instruments relating to future coverage or compensation executed prior to the occurrence of any death or disability will not be effective under any circumstances. Any compromise, waiver or release which does not comply with the provisions of this paragraph shall be void.

SECTION 5—OCCUPATIONAL DISEASE STANDARDS

Section 5(a) authorizes and directs the Secretary of HEW to undertake studies of employment-related diseases for the purpose of recommending appropriate standards for determined (1) whether a disease arose out of and in the course of employment; (2) whether an employee has a particular disease; and (3) whether death or disability was due to a particular disease. In determining subjects for and the design of such studies, the Secretary of HEW is required to give priority to the recommendations of the Secretary of Labor and the Advisory Commission. The Secretary of HEW is also required to consult with the Director of the National Institute for Occupational Safety and Health and with appropriate organizations of employees and employers. The studies shall be published and furnished to the States and to the Secretary of Labor.

Section 5(b) authorizes the Secretary to promulgate, modify, or revoke standards for determining (1) whether a particular disease arises out of and in the course of employment; (2) whether an employee has a particular disease; and (3) whether death or disability is due to a particular disease. Standards established by the Secretary may include reasonable rebuttable presumptions.

Section 5(c)(1) provides that such standards shall be promulgated, modified or revoked in accordance with section 553 of Title 5 of the U.S. Code (without regard to any reference in such section to sections 556 and 557 of such Title) and in accordance with the following provisions:

Section 5(c)(2)(A)(i) provides that when the Secretary, on the basis of studies or information submitted to him in writing or developed by himself, determines that a rule should be developed to assure adequate occupational disease compensation, the Secretary shall prepare a proposed rule and shall appoint an advisory committee composed of at least three persons with medical, scientific or other expertise related to the subject matter of the proposed rule. (ii) When the Secretary has received a recommendation from the Secretary of HEW under subsection (a) but determines not to prepare a proposed rule and appoint an advisory committee, he is required to publish his reasons in the Federal Register within 60 days after receiving the recommendation.

Section 5(c)(2)(B) The Secretary shall provide the advisory committee with the proposed rule and with all pertinent information from the Secretary of HEW or otherwise available to the Secretary, and shall publish a notice of that action. The advisory committee is required to submit a report to the Secretary giving its recommendations and stating its determination whether or not the proposed rule is consistent with available scientific and medical knowledge which is related to the subject of the proposed rule and its recommendations to make it consistent with available scientific and medical knowledge or to otherwise improve the proposed rule. The committee is required to submit its report to the Secretary within 180 days, and to provide a copy of the report to the Advisory Commission; but the Secretary may require the report to be submitted earlier, as long as the committee is given at least 90 days.

Section 5(c)(3) The Secretary may publish a proposed rule in the Federal Register either in its original form or as modified upon the recommendation of the advisory committee. If, on the basis of the Advisory Committee's report, the Secretary determines that a proposed rule should not be promulgated, he is required to publish that determination in the Federal Register. In either case, the Secretary is required to provide the Advisory Commission a copy of the committee's report.

Section 5(c)(4)(A) When the Secretary publishes a proposed rule in the Federal Register, interested persons must be given 30 days to submit written data or comments; and the Secretary may extend this period for good cause with notice in the Federal Register.

Section 5(c)(4)(D) provides that during the period for public comment, an interested person may file written objections, stating the grounds therefore, and requesting a public hearing, and that the Secretary shall, within sixty days following the close of the public comment period, publish in the Federal Register the standard to which objection has been filed, and the time and place for any such hearing. Any hearing shall commence within sixty days of the publication of the notice, and shall be conducted by the Secretary who may prescribe rules and procedures for the hearing, to avoid unnecessary costs and delay. A verbatim transcript shall be taken of the hearing, and shall be made available to the public.

Section 5(c)(5)(A) requires the Secretary to publish in the Federal Register the final rule or his determination not to issue a rule and his reasons therefore within 180 days after certification of the record of such hearing.

Section 5(c)(5)(B) requires the Secretary, in cases where there has been no hearing, to publish the final rule or his determination not to do so, and his reasons therefore, in the Federal Register within 180 days following the close of the public comment period.

Section 5(c)(5)(C) requires that any rule promulgated be based on and consistent with available scientific and medical knowledge concerning the subject matter of the proposed rule.

Section 5(c)(6) authorizes the Secretary to require attendance of witnesses and production of evidence by subpoena; and authorizes the appropriate U.S. District Court to issue an order requiring compliance with such subpoena upon petition of the Secretary.

Section 5(d)(1) provides that any standard promulgated under this section shall be effective as a minimum standard for State workers' compensation laws, pursuant to section 4, two years after the date of its final promulgation.

Section 5(d)(2) provides that any standard promulgated under this section shall, two years after final promulgation, govern the determination of compensation due to death or disability occurring thereafter.

Section 5(e) gives any person adversely affected by a standard the right to file a petition for review in the U.S. Court of Appeals for the District of Columbia, or in the circuit within which the petitioner lives or has his principle place of business, within 60 days after the final standard is promulgated. The section stipulates that no objection not urged before the Secretary may be considered by the court, unless the failure or neglect to urge the objection is excused by the court for good cause shown. The validity of any standard cannot be challenged on the basis that the time limitations in this section have been exceeded.

Section 5(f) requires the Secretary as part of the development of any standard, to determine whether there are individuals who may suffer rom the disease covered by the standard but whose claim might not be covered by the standard because of its effective date. The Secretary is required to estimate the number of such persons, and to recommend appropriate means of compensating such individuals in a report to Congress no later than one year after final promulgation of the standard.

SECTION 6—STUDY OF COMPENSATION OF PARTIAL DISABILITIES

Section 6(a) directs the Secretary to conduct a study of the compensation of partial disabilities arising out of and in the course of employment, and to compare State programs of compensation for partial disabilities. The Secretary is authorized to contract with States or political subdivisions thereof, with other Federal agencies, and with private groups, and may establish experimental programs, to test various means of compensating partial disabilities.

Section 6(b) requires the Secretary to submit a written report to the Congress on his study of compensation of partial disabilities within three years. The report must include recommendations for legislation to amend this Act to provide minimum standards for compensation of partial disabilities.

Section 6(c) requires the Secretary to consult the Advisory Commission concerning this study and report.

SECTION 7—CERTIFICATION AND SUPPLEMENTAL COMPENSATION

Section 7(a) provides that on or before the effective date of section 4, the Secretary shall review the workers' compensation law of each State to determine whether they meet the applicable standards of section 4. If a State's law meets all the requirements of section 4, the Secretary shall so certify and the State law shall be deemed fully certified during the period of such certification.

Section 7(b) states that if the Secretary finds that the law of a State fails to meet one or more of the standards in section 4, the Secretary shall certify the State law only to the extent that it meets these, and the Secretary shall specify the standards which the State law fails to meet. During any period in which the State law is not fully certified, employees shall be entitled to receive supplemental compensation from their employers in accordance with this Act under any standard with which the State law is not in compliance.

Section 7(c) requires the Secretary to review the workers' compensation laws of the States annually, including judicial and administrative interpretations of those laws, to determine whether they meet the requirements of section 4, and to modify previous certifications, as appropriate.

Section 7(d) provides that, when the Secretary certifies whether or not a State law meets the requirements of section 4, state determinations of the status of a person as an employee or independent contractor, whether death or injury has been suffered, whether an injury or death arose out of and in the course of employment, and the degree of disability, if any, shall be determined solely by State law, except as provided by section 4(g) and by section 5 standards.

SECTION 8—ENFORCEMENT OF SUPPLEMENTAL COMPENSATION

Section 8(a)(1) gives any claimant who is aggrieved by a final order or award of a State workers' compensation agency 90 days to file a petition for review with the Benefits Review Board (herein called "the Board") established in section 21 of the Longshoremen's and Harbor Workers' Compensation Act, seeking review of the order or award insofar as it fails to award compensation at least equivalent to supplemental compensation.

Section 8(a)(2) states that for the purpose of this section, an order or award of a State workers' compensation agency shall become finals, and appealable to the Board under this subsection, on the date on which no State appeal or review of such award shall be avail-

able to any party, or upon a showing that pursuit of a State appeal would be futile.

Section 8(b) provides that State law shall govern the determination of the status of any individual as an employer or independent contractor, and shall govern the determination whether an injury, death or disease arose out of and in the course of employment, and the determination of the degree of disability, except as provided in rules promulgated by the Secretary under Section 5.

Section 8(c)(1) provides that in review proceedings, the decision of the Board shall be based on the evidence in the record before the State workers' compensation agency, except that, in cases where the State agency has refused to assert jurisdiction, the Board has discretion to refer the case for processing in accordance with the Longshore Act; and, in any case, the Board may permit the parties to submit additional relevant evidence in a hearing before an Administrative Law Judge under sections 19 and 21 of the Longshore Act where the State workers' compensation agency has precluded the introduction of such evidence.

Section 8(c)(2) provides that where new evidence is not submitted, the findings of fact by the State workers' compensation agency with respect to eligibility for supplemental compensation shall be binding upon the Board if supported by substantial evidence on the record as a whole; and that the State agency's findings of fact and conclusions of law with respect to issues covered solely by State law shall be binding upon the Board and shall not be subject to review in any proceeding under this section.

Section 8(c)(3) provides that where the Board has found that the employer has failed to provide supplemental compensation to which the petitioner is entitled, the petitioner shall be awarded such compensation together with any other relief to which he or she may be entitled, plus reasonable litigation costs and expenses and reasonable attorney's fees. Where an award of compensation under this section includes an amount for periodic adjustments to monetary benefits under section 4(f), those adjustments shall not exceed 6 per centum with respect to any one year.

Section 8(c)(4) provides that orders of the Board shall be enforceable and reviewable in accordance with the provisions of section 21 of the Longshore Act.

Section 8(c)(5) provides that awards of the Board shall be modified automatically in accordance with subsequent orders or awards of State agencies with respect to issues solely covered by State law. Board orders may be modified in accordance with the provisions of section 22 of the Longshore Act.

Section 8(c)(6) makes sections 14, 17, 18, 19, 21, 21a, 23, 24, 25, 26, 27, 31, 34, 35, 38, and 39(a) & (c) of the Longshore Act applicable with respect to claims for supplemental compensation during any period in which the workers' compensation law of such State is not fully certified; requires the Secretary to promulgate regulations modifying the applicability of section 14 to conform the payment schedule for supplemental compensation to the schedule of compensation payments under applicable State laws; and permits the Secretary to modify the applicability of any of the foregoing provisions by regulation in order to carry out the purposes of the Act.

SECTION 9—EMPLOYMENT DISCRIMINATION

Section 9 prohibits employment discrimination against any employee because he or she has filed a complaint or instituted or participated in any proceeding under this Act or related to this Act. The section provides a civil penalty as determined by the Secretary, of not less than $100 or more than $1000. Such penalties are enforceable by civil action in the appropriate U.S. District Court and are to be paid into the special fund established by Section 44 of the Longshore Act. The Section further provides that discriminatees shall be restored to their former employment and compensated for any loss of wages, or fringe benefits, with the proviso, however, that employers are not obligated to reinstate discriminatees who are no longer qualified to perform the duties of their employment. The section makes void any provision of an insurance policy which undertakes to relieve the employer from liability for payments and penalties under this section.

SECTION 10—EXCLUSIVITY AND THIRD PARTY LIABILITY

Section 10(a) provides that workers' compensation, including supplemental compensation, shall constitute an employee's exclusive remedy against his or her employer. The employer's insurer and any collective bargaining representative of the employer's employees, and any employee, officer, director or agency of such employer, insurer or collective bargaining representative (while acting within the scope of their employment) for any injury, illness or death arising out of and in the course of employment.

Section 10(b)(1) provides that, notwithstanding the provisions of this or any other law, in any liability action brought against a third party as a result of work-related illness, injury or death, the rights of employees or their representatives, the employer, or insurance carrier, any collective bargaining agent, and the third party, shall be governed by the provisions of this section.

Section 10(b)(2) defines liability actions for the purpose of this section to include all actions brought for or on account of personal injury, disease, physical or mental impairment, disability, or death caused by or resulting from the manufacture, construction, design, formula preparation, assembly, testing, warning, instruction, marketing, packaging or labeling of any product. Such actions include actions based on the theories of strict product liability negligence, breach of warranty (either express or implied), breach of or failure to discharge a duty to warn or instruct (whether deliberate, negligent or innocent), misrepresentation, concealment, or nondisclosure (whether fraudulent, negligent or innocent).

Section 10(b)(3) requires that any judgment against a third party in an action described in this section shall be reduced by the amount of compensation and supplemental compensation received by the plaintiff, or survivors and the present value of all future compensation payments awarded.

Section 10(b)(4) prohibits employers and their insurers from obtaining liens against any judgment rendered in an action described in this section brought by employees of the employer; and prohibits employers and their insurers from obtaining subrogation in connection with any such third party action.

Section 10(b)(5) prohibits third parties from maintaining any action for indemnification, contribution or other monetary damages against any party immune from suit under section 10(a), in any action described in this section.

SECTION 11—EMPLOYER RESPONSIBILITY FOR ELECTION AND INSURANCE

Section 11(a) establishes the responsibility of every employer to provide payment of supplemental compensation which may be payable to its employees under section 8.

Section 11(b) requires every employer to secure payment of supplemental compensation by:

(1) insuring and keping insured the payment of such supplemental compensation with any insurance company, association, person or fund who is authorized to issue such insurance by the United States or any State or by the Secretary; or

(2) qualifying as a self-insurer under the law of each State with respect to which the employer has not satisfied the insurance requirements, except that the Secretary may, by regulation, impose additional self-insurance requirements if the Secretary finds that the qualification requirements of a State are insufficient to assure payment of supplemental compensation.

Section 11(c)(1) requires employers who are not subject to the workers' compensation law of any State because that State's law does not comply with the standard for coverage of employees and employers to elect, where permitted, coverage under the State law.

Section 11(c)(2) provides that if the Secretary has not certified a State workers' compensation law as complying with the standard for coverage of employees and employers, employers in such State who are permitted to elect coverage under the State law and have not done so shall be subject to a civil penalty not to exceed $25 per employee for each day of noncompliance in a suit brought by the Secretary.

Section 11(d) provides that each contract for insurance providing workers' compensation benefits shall be deemed to provide benefits in accordance with the minimum standards of section 4; and permits the Secretary to by regulation provide for exceptions and exemptions consistent with the purposes of the Act.

Section 11(e) provides that each contract of insurance providing coverage for comprehensive liability shall be deemed to provide benefits in accordance with the minimum standards of section 4 with respect to domestic employees of the insured, unless the insured employer has otherwise secured payment of such benefits.

SECTION 12—GRANTS TO STATES

Section 12(a) authorizes the Secretary, during the year of enactment and the two succeeding fiscal years, to make grants to States to assist them in identifying needs and responsibilities in the area of workers' compensation; developing programs for meeting the requirements of section 4; developing and publishing a guide to the evaluation of disability, establishing disability evaluation units; utilizing the services of impartial physicians in evaluating impairment and the degree of impairment; establishing systems for the collection of data; increasing the expertise and enforcement capabilities of personnel; or otherwise improving the administration and enforcement of the workers' compensation laws of the State consistent with the objectives of this Act.

Section 12(b) provides that the governor of each State shall designate the appropriate State agency for receipt of any grant under this section.

Section 12(c) provides that any designated State agency which desires such a grant must submit an application to the Secretary.

Section 12(d) requires the Secretary to review applications for grants and approve or reject them; if a grant is denied the Secretary is required to inform the applicant and the Governor of the State of the reasons for the denial.

Section 12(e) limits the Federal share of each project funded by a State grant to 66⅔ per centum of the cost of the project described in the application, and provides that, if the Federal share for all States is not the same, the differences among the States must be established by objective criteria.

Section 12(f) authorizes an appropriation of $75 million for the fiscal year of enact-

ment, to be available without fiscal year limitation, and such sums are are necessary in suceeding fiscal years for the purposes of this section.

SECTION 13—STATISTICS

Section 13(a) directs the Secretary to develop and maintain a program for the collection, compilation and analysis of workers' compensation data in order to carry out the purposes of this Act.

Section 13(b)(1) directs the Secretary to issue regulations requiring that the following reports be submitted to the State workers' compensation agencies with respect to benefit claims for job-related injuries or illnesses, except with respect to claims which are for medical benefits only:

(A) a report by the employer within a reasonable time of the injury or illness which identifies the employer and the employee, states the date, time and place of accident or exposure, briefly explains the occurrence, describes the injury or illness, dates of diagnosis and initial treatment, dates of lost time and return to work, identifies the treating physicians and hospitals, identifies the insurer, and provides additional information required by the Secretary;

(B) a prompt report by the employer or insurer after the first compensation payment or denial of the compensation claim; identifying the employee, employer, and carrier; the dates of injury or illness and diagnosis; the amount of compensation paid, indicates the date and amount of the first compensation payment; states the employee's average weekly wage if less than the applicable maximum and the nature and extent of the disability; the medical payments to date; and, if the case has been closed or denied, the total compensation and the reason for closing the case or denial of the claim;

(C) a prompt report by the employer or carrier after the last compensation payment which identifies the employer, employee and carrier; provides pertinent data concerning the compensation, specifying monetary, medical and rehabilitation benefits paid; provides information concerning the nature and duration of the impairment or disability; and states the reason for terminating benefits or closing the case. The Secretary is authorized to require by regulation, the filing of periodic reports with respect to claims continuing 2 years after the first compensation payment.

Section 13(b)(2) requires the Secretary, in promulgating regulations concerning reports, to consider and evaluate the reporting requirements of the several States with the objective of developing and encouraging the adoption of a uniform data collection and reporting system.

Section 13(b)(3)(A) states that the Secretary's regulations shall require that the reports be filed with the State workers' compensation agencies; and further requires the Secertary, as a condition of any grant to assist States in improving their data systems, to require that the State periodically, but no less frequently than once annually, submit reports to the Secretary, containing such information as the Secretary shall require by regulation, analyzing the workers' compensation cases based on the data contained in the reports filed with the State.

Section 13(b)(B) states that in any State which does not agree to collect data and provide periodic analysis of workers' compensation cases, the Secretary's regulations shall require that all reports required by paragraph (1) shall be submitted directly to the Secretary.

Section 13(c) requires the Secretary to file an annual report with Congress evaluating information compiled under this section, and to make the report available to the public.

Section 13(d) authorizes the Secretary to make grants to States pursuant to section 12 to assist them in developing programs for the collection and evaluation of data and reports required by the Secretary's regulations pursuant to this section.

SECTION 14—RESEARCH

Section 14(a) authorizes the Secretary to engage in research, pilot projects and demonstrations, as warranted for the purpose of—

(1) developing recommendations for improving the States' workers' compensation programs;

(2) developing recommendations for means of more economically assuring that workers will receive the benefits described in section 4; and

(3) monitoring and promoting academic study of workers' compensation and the development of improvements to the workers' compensation programs of the States and the program under this Act.

Section 14(b) requires the Secretary to conduct a study of the adequacy of the workers' compensation system, including the availability and cost of insurance or self-insurance for workers' compensation. The study must include, in particular, consideration of compensation for work-related diseases characterized by long latency periods and the feasibility and desirability of providing insurance coverage for them through reinsurance pools, trust funds or other means of apportioning liability. The Secretary is required to submit his report to the Congress no later than 2 years after enactment of this law.

SECTION 15—AUDITS

Section 15(a) requires that recipients of grants under this Act keep records, as prescribed by the Secretary, concerning the use of the granted funds, the cost of the project, and the amount and sources of other funds used.

Section 15(b) requires that the Secretary, the Comptroller General of the United States, and their representatives be given access to the records of grant recipients for the purpose of auditing the use of funds granted under this Act.

SECTION 16—ANNUAL REPORT

Section 16 requires the Secretary to submit an annual report to Congress, within 120 days following the convening of each regular session of Congress, concerning the progress made toward achievement of the purposes of this Act and any additional need or requirement in the field of workers' compensation.

SECTION 17—ADVISORY COMMISSION

Section 17(a) establishes a National Workers' Compensation Advisory Commission (the Commission) which is to be composed of nine members appointed by the Secretary from among persons qualified to carry out the functions of the Commission. The members are to serve terms of 3 years, except that three of the initially appointed members shall be appointed for a term of 1 year, three shall be appointed for a term of 2 years, and three shall be appointed for a term of 3 years. Three members shall be appointed from among representatives of employers, one of whom shall be a representative of insurers; and three from among representatives of the general public, one of whom shall be a representative of State governments. The Secretary is required to designate the Chair of the Commission from among the public members. Five members of the Commission shall constitute a quorum.

Section 17(b) requires the Commission to monitor the progress of the States in complying with this law; to monitor the administration of workers' compensation programs in the States; and to provide assistance and advice to the Secretary in improving the operation of workers' compensation programs.

Section 17(c)(1) authorizes the Commission, or a Subcommittee authorized by the Commission, to meet, hold hearings, and take testimony at such times and places as the Commission deems advisable. Witnesses appearing before the Commission may be required to testify under oath or affirmation administered by the Commission.

Section 17(c)(2) authorizes Departments, Agencies and instrumentalities of the Executive Branch of the government including independent agencies to give the Commission information and assistance as the Commission finds necessary in carrying out its responsibilities under this section.

Section 17(d) authorizes the Commission acting through its Chair, to appoint and fix the compensation of an executive director and such additional staff personnel as it deems necessary, without regard to the provisions of Title 5, U.S. Code, governing appointments in the competitive service, and without regard to the provisions of Chapter 51 and Subchapter III of Shapter 53 of such title relating to classification and General Schedule pay rates, but at rates not in excess of the maximum for GS–18 of the General Schedule under Section 5332 of such title, and to procure temporary and intermittent services to the same extent as authorized by section 3109 of Title 5, U.S. Code. The Commission is also authorized to enter into contracts for the conduct of research or surveys and the preparation of reports, and for other activities necessary to the performance of its responsibilities.

Section 17(e) provides for compensation of members of the Commission, on a daily basis, at the rate prescribed for GS–18 employees under Section 5332 of Title 5, U.S. Code. Members of the Commission are also entitled to reimbursement for travel, subsistence and other necessary expenses.

SECTION 18—SEPARABILITY

Section 18 provides that, if any provision of this Act, or its application shall be held invalid, the remainder of the Act, or its applicaiton in other circumstances, shall not be affected.

SECTION 19—EFFECTIVE DATE

Section 19(a) provides that the provisions of Section 4 of this Act shall take effect 2 years after the date of enactment and shall apply to deaths or disabilities occurring thereafter, except that occupational disease standards promulgated under Section 5 shall apply only to deaths or disabilities occurring after the effective date of each Standard.

Section 19(b) provides that, except as provided in Section 19(a), all provisions of this Act shall take effect immediately upon enactment.

Mr. JAVITS. Mr. President, I join with the Senator from New Jersey, (Mr. WILLIAMS) in sponsoring this bill to establish Federal minimum standards of adequacy and decency to be met by all State workers' compensation laws, and to assist and encourage the States to act on their own to bring their laws up to such Federal minimum standards.

This is a subject I have been vigorously pursuing since 1968, when I first called attention to the shocking inadequacy of most State workers' compensation laws. I then proposed a National Commission to study those laws, and make recommendations for action to improve them, including, if appropriate, Federal minimum standards. My proposal was embodied in the Occupational

and Safety Health Act of 1970 and the National Commission's report was issued in July of 1972. The Commission itself was composed of 18 members, 3 from Federal Government and 15 drawn from various walks of the private sector, including business, labor, insurance, and State workers' compensation agencies.

It has now been over 5 years since the National Commission on State Workmen's Compensation laws issued its report, which confirmed what to me was obvious at that time; namely, that State workers' compensation laws had become shamefully inadequate in dealing with workers who were injured on the job. The Commission's conclusion was that:

State workmen's compensation laws are in general neither adequate nor equitable. While several states have good programs and while medical care and some other aspects of workmen's compensation are commendable, strong points too often are matched by weak.

In its report the Commission promulgated a set of 84 recommendations which it believed all State workers' compensation laws should meet, as a matter of minimum standards of fairness and adequacy. Nineteen of these were deemed essential recommendations, and the Commission concluded that if the States did not meet these essential recommendations by July 1, 1975, the Federal Government should act without further delay, to insure that all American workers would be covered by a workers' compensation system that met the criteria embodied in those 19 essential recommendations.

It is a sad but true fact that the States, as a whole, have not complied with the National Commission's 19 essential recommendations. State workers compensation laws are still shockingly inadequate, and there is no realistic prospect that they will significantly improve absent the enactment of legislation embodying Federal minimum standards.

There have, of course, been improvements in State laws since the issuance of the National Commission's report. But they fall far short of meeting the Commission's essential recommendations and the rate of improvements was clearly slackened in recent years. Thus, death benefits to be at least 100 percent of the State's average weekly wage by July 1, 1975. That means that a substantial number of workers or their families in most States will not receive decent income replacement—two-thirds of their lost wages, even if they are totally disabled or killed from work-related causes. According to information compiled by the Interdepartmental Worker's Compensation Task Force, the general compliance ratio with the 19 essential recommendations of the National Commission was approximately 55 percent as of April 1975. According to the latest figures furnished by the Interdepartmental Task Force, the compliance ratio on January 1, 1978, was approximately 62 percent. Given the fact that the Commission was composed of a broad spectrum of members representing labor, business, insurance, and the public, and that the Commission's views with respect to the 19 essential recommendations were unanimous, this overall record of compliance is, at the very least, disappointing. In my view it is utterly dismal.

Furtherance, the record of State compliance with the Commission's key recommendations in the benefit area is even worse than the overall compliance record. Thus, only 24 States have complied with recommendation 3.8 calling for a maximum weekly benefit on temporary total disability to be at least 100 percent of the State's average weekly wage by July 1, 1975; only 22 States comply with recommendation 3.15, which calls for the maximum weekly benefits for permanent total disability to be at least 100 percent of the State's average weekly wage by July 1, 1975; and only 19 States comply with recommendation 3.23 calling for the maximum weekly

Mr. President, I ask unanimous consent that a summary of the Commission's 19 essential recommendations and a table prepared by Interdepartmental Workers' Compensation Task Force showing the level of State compliance with each recommendation be printed in the record of the conclusion of my remarks.

If we in Congress do not act to correct this tragic, and inhuman, situation we are failing in our responsibilities to American workers.

We have built an economic system which is the envy of the world and we justly point with pride to the fact that American workers are better paid, better fed, and better housed than most other workers in the world. But we cannot point with pride to the way in which we treat the victims of occupational injuries and diseases. In far too many cases, in far too many States, they are deprived of the income benefits, medical care, and rehabilitation services which a decent workers' compensation system should provide to them, but which the present system does not.

The present bill implements those recommendations of the Commission which, in our view, are appropriate for enactment as Federal standards, and also deals with some areas not covered by specific recommendations of the Commission. It represents a further refinement of the legislative effort begun 4 years ago by Senator WILLIAMS and myself to draft Federal legislation which will preserve the existing State-administered workers' compensation system and yet insure that all American workers would be treated decently and humanely when they are disabled or killed by a work related accident. In comparison to previous bills; namely, S. 2008 in the 93d Congress, and S. 2018 in the 94th Congress, today's bill emphasizes quantitative standards and deemphasizes any possible administrative interference by the Federal Government in the State systems. It also avoids some of the constitutional issues which were raised in connection with the enforcement scheme embodied in S. 2018, which provided that the Federal minimum standards would automatically be deemed to be part of State law. It reflects extensive consultation by the Senate Labor Subcommittee staff with a variety of persons and interest groups who have an interest in the improvement of our State Worker's Compensation laws and the implementation of the National Commission's recommendations.

DESCRIPTION OF THE BILL

A. MINIMUM STANDARDS

The following is a summary of the Federal minimum standards which would be established under the bill:

1. All employers and employees as defined in the bill would have to be covered and coverage would be compulsory, rather than elective. Domestics and agricultural laborers would be covered if the employer employed one or more such employees for 15 or more days in either the current or preceding calendar quarter. State and local government employees are not covered.

2. Monetary benefits payable for total disability could not be less than 66⅔% of an employee's average weekly wage subject to maximums rising from 100% of the State-wide average weekly wage during 1981 to 200% of the State-wide average weekly wage during 1983 and thereafter. Minimum weekly benefits for permanent total disability and death would be 50% of the State-wide average weekly wage or the employee's actual weekly wage whichever is less. The States would be free to use an alternative benefit rule of 80% of spendable earnings.

3. Death benefits are payable at the same rate as those for total disability, with two years benefits payable upon remarriage. The States may provide a limited offset of death benefits against the survivor's insurance benefit payable under the Social Security Act where the deceased employee's average weekly wage was in excess of $100. In no case can the offset exceed 50% of the surviving spouses share of the survivor's insurance benefits under the Social Security Act. (This provision reflects provisions which are now included in several State laws and will operate to reduce the possibility that combined death benefits payable under a State Workers' Compensation law and the Social Security Act will be greater than the deceased employee's actual wages prior to death).

4. There are no maximum time or dollar limitations on the amount of compensation payable in the case of death or total disability or the amount of medical benefits payable in any case.

5. Benefits being paid for death or total disability lasting more than two years must be adjusted at least annually to reflect increases in the State-wide average weekly wage, but this may be subject to a maximum limit of not less than 6% in any one year.

6. There shall be full coverage of occupational diseases. The mere fact that a disease is not contained on a "list" in a State law will not be sufficient to deprive an employee of compensation if he or she can show that a disease did in fact arise out of or in the course of his or her employment. States will also be required to apply specific occupational disease standards as developed and promulgated by the Secretary of Labor (see below).

7. Prompt rehabilitation services, subject to the supervision and approval of the State Workers' Compensation Agency, must be provided, and the maximum time limit on rehabilitation may not be less than two years. Rehabilitation benefits may not replace other available compensation.

8. When a disabled employee is able to resume work the employer is required to take reasonable steps to employ him or her in either the same position or, if the employee is unable to perform the duties of his or her

former position, to any other available position which the employee is qualified, unless such reemployment would constitute an undue hardship on the employer.

9. Employees shall have free choice of physician among all physicians licensed in the State or from a group of panel physicians designated previously by the State Agency.

10. Compensation may be denied by reason of an employee's refusal to accept medical or rehabilitation services ordered by the State Agency, except where the refusal is based on a good-faith choice of treatment through prayer or spiritual means.

11. Where employment requires travel, claims may be filed where the employment was principally localized, or the employee was hired or appointed, or where the injury, disease or death occurred.

12. The waiting period for monetary benefits can be no longer than three days and the period for retroactive qualification for benefits during the waiting period may be no longer than fourteen days.

13. The statute of limitations on filing claims shall be not less than two years after the onset of disability or death and does not begin to run until the employee has a compensable disability and is aware or should have been aware of the cause or relationship of the compensable disability to his or her employment.

14. No compromise or release may be effective unless approved by the State Workers' Compensation Agency as in the best interests of the claimant. No pre-injury waivers or releases are permitted under any circumstances.

The foregoing standards include 17 out of the 19 essential recommendations of the National Commission (the remaining two essential recommendations were not appropriate for minimum Federal standards) as well as a number of others which in my view should have been termed essential and are indeed necessary to assure that injured workers or the families of deceased workers receive the benefits and the treatment which should be accorded to them under any decent workers' compensation law.

All issues not specifically covered by the standards including questions of causation (except in the case of occupational disease), the degree of disability, and whether an individual is an employer or independent contractor, are left solely within the province of State law.

B. ENFORCEMENT

Under the enforcement scheme of the present bill the Secretary of Labor will review the workers' compensation law of each State and will certify the law to the extent that it meets the Federal minimum standards in the bill. If a State law meets all of the Federal standards, and is fully certified, that is the end of the matter; there is no further Federal involvement until the next annual review of the State law for certification purposes.

If the State law is not fully certified, then employees in the State are entitled as a matter of Federal law, to "supplemental compensation" in accordance with those Federal standards not met by the State law. If the employer or carrier refuses to pay the supplemental compensation voluntarily, then the aggrieved employee may, after exhausting his remedies under State law, commence proceedings for review of his claim by the Benefits Review Board in the U.S. Department of Labor. The Board will be bound by the determinations of the State agency on all matters which are solely the province of State law, and as to matters which deal with the "supplemental compensation" the findings of the State agency will be conclusive if supported by substantial evidence in the record considered as a whole. In those cases where the claimant has been precluded from offering evidence on a matter pertaining to a supplemental compensation, the Board in its discretion may refer the case to an Administrative Law Judge or the Office of Workmens' Compensation for pre-hearing development of the claim.

The bill further provides that every employer must insure that all of the benefits and services covered by the Federal minimum standards are available to their employees whether or not the State law has been certified as in full compliance with the Federal minimum standards. Each employer may do this by either purchasing insurance or by qualifying as a self-insurer. In addition, employers who are permitted, but not required, to elect voluntary coverage under State law are required to make the election as a matter of Federal law. Finally, and perhaps most importantly, each contract of insurance under which workers' compensation benefits are provided for the employees of any employer subject to the act shall be deemed to provide benefits in accordance with the minimum standards provided in Federal law.

What we have attempted to do in the present bill, insofar as enforcement is concerned, is to concentrate on the relationship between employers and employees, where the Federal Government has an unquestioned right under the Commerce clause to legislate, rather than the relationship between the Federal Government and the State agencies as was done in previous bills. Under the present bill there can never be any Federal takeover of the State bureaucracy; indeed, the present bill unlike its predecessors does not contain any "administrative" standards at all. Furthermore, as noted, to the extent that Federal law will be applied by State agencies and courts, it will be applied as Federal law, under the supremacy clause, and not deemed to be part of State law.

We have also attempted to minimize Federal involvement and complexity by—

Providing for certification on a standard-by-standard basis, rather than an "all-or-nothing approach."

Creating an administrative review mechanism which will consider only those aspects of a claim which involve the particular Federal standards with which the State law fails to comply; the decision of the State agency on all other questions will not be reviewable.

Limiting Federal administrative processing to the minimum procedures necessary to insure enforcement of Federal standards with which the State law fails to comply; in most cases the proceedings would be appellate and conducted by the Benefits Review Board directly. Only where the State has precluded the making of a full record would there be any nonappellate proceedings.

The omission of internal administrative matters from the Federal standards included in this bill does not mean that State programs are not well-administered. The fact is, however, that there is no satisfactory way, short of a Federal takeover of the system, to deal with inadequacies in internal administration of State systems through a Federal law. I have previously stated, and still believe, that a Federal takeover of State workers' compensation programs would not be appropriate for several reasons, not the least of which is the difficulty that the Federal Government has been having in properly administering its own workers' compensation programs.

The Committee on Human Resources, and its staff, has devoted a considerable amount of time and effort to the problem of enforcement under this bill. We believe that the enforcement scheme embodied in the present bill is more workable, and probably more politically acceptable, than the enforcement scheme embodied in the two predecessor bills. However, I do not want to convey the impression that the enforcement mechanism embodied in the present bill is not subject to further review and possible modification. Among other things, I expect that serious consideration will be given to adopting the unemployment insurance tax approach under which the Federal taxing power is used as the instrument for insuring that State laws are brought into compliance with Federal minimum standards. This approach has worked over the years reasonably well in the unemployment insurance area and may have equal validity when applied in the area of workers' compensation programs. I also note that we have just recently passed amendments to the Federal black lung compensation program which provide for tax financing of some of the benefits payable under the program. This was done with the cooperation and appropriate input of the Finance Committee. The possible use of a specially tailored tax approach to the problem of general Federal standards for State workers' compensation laws is a matter which needs further, and careful, consideration.

C. OCCUPATIONAL DISEASE

The present bill retains, with some important modifications, the approach to occupational disease standards incorporated in S. 2018. Under the bill the Secretary of Labor, on the basis of research by the NIOSH and other sources, will be responsible for developing standards for determining the existence and compensability of occupational diseases. The standards may include presumptions, where appropriate. For each standard, an ad hoc committee of scientific and medical experts must be appointed, and no standard may be proposed unless the committee determines that it is consistent with available medical and scientific evidence.

While the provisions concerning occupational disease have always been among the most controversial of the issues raised by this legislation, the passage of time and the accumulation of experience has convinced me even more

strongly than in the past that any worker's compensation bill which fails to deal with the problem of occupational disease would amount to an insult to American workers.

One of the tragic facts about occupational disease is the lack of any reliable information concerning its true incidence and severity. Furthermore, what rudimentary information is available has produced widely variant estimates of incidence and mortality. Thus, according to Bureau of Labor Statistics, occupational illness accounted for under 5 percent of the total incidence of occupational injury and illness during the period from 1971 to 1972 and caused only 600 deaths during the last 6 months of 1971. On the other hand, the Public Health Service estimates 390,000 new cases of occupational disease annually and epidemiological analyses of excess mortality among workers in certain industries suggests as many as 100,000 deaths may occur each year as a result of occupational disease.

These disparate estimates reflect a number of glaring deficiencies in our knowledge of occupational diseases. One of those deficiencies is that in many instances a disease may have multiple causes, including a significant occupational component, yet the diagnosis or the cause of death listed on the death certificate may not reflect the occupational origin (at least in part) of the disease. The fact is that many physicians simply do not place enough emphasis on possible occupational factors as contributing or causing certain diseases.

Another such problem, and in the long run, the most important one, is that the link between work and disease simply has not been established with respect to many diseases which are at least suspected to be partially of occupational origin.

The present workers' compensation system simply does not see many claims for occupational disease, and of those that are processed, perhaps the majority involve either dermatitis or loss of hearing.

In February 1976, the Interdepartmental Task Force on Workers' Compensation conducted a 3-day conference on occupational disease in Chicago. The proceedings of that conference have been published as a Joint Committee Print of the Senate Human Resources Committee and the House Education and Labor Committee. The conference explored, in depth, the definitional and legal-administrative problems associated with the treatment of occupational disease under workers' compensation laws in depth. One of the themes running through the entire conference was the difficulty of even arriving at a definition of occupational disease, and of achieving agreement on the specific criteria to be utilized in determining whether a given disease should be compensable under the workers' compensation system. Another theme was the paucity of information currently available concerning the toxic effects of thousands of chemicals and substances to which workers are exposed, and the lack of adequate records of worker exposure to such chemicals.

Under these circumstances it is hardly surprising that many, indeed perhaps most, diseases of occupational origin are not processed through existing workers' compensation programs and the victims receive no compensation or other benefits even though they may be severely disabled or even killed by diseases which are work-related.

It is equally unsurprising that there is little uniformity in the manner in which various occupational diseases are treated under existing State programs. Under the present system most cases are decided with reference to what the particular doctors who testify in a particular case say, rather than with reference to any general guidelines or body of medical knowledge. Many States have a list of diseases which are presumptively compensatory, but which serve to exclude compensation for diseases not on the list. While it is true that a skilled attorney may find a doctor who is conversant with recent information concerning the possible occupational origin of a particular disease, in my view the system should not depend on the fortuitous choice by the claimant of a knowledgeable attorney, or indeed a knowledgeable doctor. Nor should it depend on arbitrarily chosen lists which often reflect political compromises and, in any event, are hopelessly inadequate to reflect the rapidly increasing body of knowledge we are now accumulating concerning the occupational origin of many diseases. What is needed, in my judgment, is some mechanism for achieving reasonable uniformity, based on current medical knowledge, in the results obtained in occupational disease cases. In addition, the guidelines to be applied in occupational disease cases ought to be as specific as possible, and published for the information of the public and the bar so that the outcome of any given case can be reasonably predictable.

The fairest and most efficient way to achieve those objectives is to provide, as the bill does, for the development, on a Federal level, of standards, including presumptions, consistent with the best available medical and scientific evidence, to be applied in the adjudication of occupational disease cases. The use of presumptions in workers' compensation legislation is not new. Many State laws contain general presumptions in favor of coverage and a number of such laws contain "reverse presumptions" which require a worker to demonstrate exposure to given substances over a period of time before eligibility for compensation may be established based on a claimed occupational disease because of exposure to such substance. The fact of the matter is, and it is not even really arguable, that we will rarely, if ever, be able to state with scientific certainty what particular level of exposure "caused" a particular disease.

Certain diseases (for example, silicosis, black lung) have been identified as specifically occupational in origin. More research has to be done to identify such diseases, but no presumptions are really necessary in such cases. But where a disease has been identified as one may be caused by both occupational and nonoccupational factors (for example, emphysema, lung cancer) some rules of thumb must be applied in determining whether, in a given case, to treat such disease as sufficiently work-related as to be compensable. Presumptions developed under the bill would be no more and no less than such rules of thumb. A second important function of presumptions will be to permit the results of given cases to be predicted, with reasonable certainty, and to permit more intelligent cost estimates to be made for ratemaking purposes.

I should also like to take note of the beginnings of a debate as to whether occupational disease should be handled under the workers' compensation system at all, especially if it is true that we are only seeing the tip of the iceberg at present. It has been argued by some that if the occupational disease problem is really as bad as is feared, then the present workers compensation system would not be able to absorb the costs of providing benefits to the thousands of additional workers who might be eligible for benefits as more information about the true extent of the problem is developed. That suggestion has been made, by, among others, Prof. John Burton, the chairman of the National Commission whose views on this and other questions involving reform of State workers' compensation laws deserved the utmost respect. I believe that this suggestion is worthy of the most serious study as we develop more concrete information about the occupational disease problem in this country. For that reason, the bill requires the Secretary of Labor to conduct a study of alternative mechanisms for dealing with the occupational disease problem. Pending the results of such a study, I do not think that we are ready to create a major upheaval in the existing workers' compensation system in dealing with occupational diseases. Our principal responsibility at this time is to attempt to work within the existing system to insure that it meets the legitimate expectations of American workers. If and when it becomes apparent that the existing workers' compensation system is not the best way to allocate the cost of occupational disease, then I for one will be fully ready to explore possible alternatives.

D. PERMANENT PARTIAL DISABILITY

The National Commission was unable to agree on recommendations for improvements in the way in which permanent partial disability is compensated under existing laws. The largest portion of the workers' compensation benefit dollar is paid for these claims, usually on the basis of scheduled awards for loss of use of various parts of the body. I had hoped that in the years since the National Commission's report some consensus would have evolved concerning desirable reforms in this area, and I have previously invited interested parties to suggest appropriate provisions in Federal legislation dealing with perma-

nent partial disability claims. In its 1977 report, the Interdepartmental Task Force suggested that the "schedule" concept now used in most State laws be changed to an approach which emphasized loss of earning capacity and provided only modest amounts for physical impairment alone. I believe this suggestion has a great deal of merit, but in the absence of a more definitive study, I do not believe it would be appropriate to include a specific proposal along those lines in the present bill. Instead the bill requires the Secretary of Labor to study this matter in depth and send his recommendations for Federal action on this subject to the Congress within 3 years.

At the same time, I would like to emphasize my interest in, and receptivity to concrete proposals for dealing with permanent partial disability in a responsible way. If the hearings on the bill result in the formulation of such a concrete proposal for inclusion in the bill, supported by an adequate record, it will certainly be given the most serious consideration.

E. PRODUCT LIABILITY

One of the principles underlying workers' compensation laws is the limitation on employer liability they provide, in return for the employer's asumption, on a "no-fault" basis, of the costs of income maintenance, medical benefits and rehabilitation of injured workers. At the same time, most workers' compensation laws have permitted an injured employee to sue any so-called third party who caused his or her work-related injury. The employer (or carrier) generally has a lien on any damage award to the employer, up to the amount of workers' compensation benefits paid or payable to the employee. If the employee does not sue, the employer (or carrier) is subrogated to the employee's rights vis-a-vis third parties. In most States the rule has been that because of the exclusive liability provisions of the workers' compensation law, a third party could not recover by way of indemnification or contribution from the employer, even if the latter's negligence was responsible for the injury to the worker. Indeed, the employer could even sue as the subrogee of the employee without being subject to any defense, or counterclaim based on its negligence.

This system apparently worked well for many years. Two developments have, however, raised serious questions concerning its present and future usefulness or justification:

First, expanded concepts of tort liability, particularly in the area of "product-liability" have placed enormous financial burdens on relatitvely small businessmen who can insure their liability only at prohibitive cost, if at all. The machine tool industry has been severely affected by this problem and its representatives have testified before the Labor Subcommittee seeking relief from the burdens placed upon its members under the traditional rule precluding any employer liability over. According to the industry, over 50 percent of the total dollars paid out on product liability claims involve work-related injuries.

Second, two major States, New York and Illinois, have abandoned the traditional rule and now permit indemnification, on a comparative negligence basis, from the employer. In my view, this swings the pendulum much too far the other way, since it exposes the employer—albeit indirectly—to unlimited liability, based on fault, for work-related injuries. In the 1972 amendments to the Longshoremen's and Harbor Workers' Compensation Act we faced the same problem as between vessel-owners and stevedores, and prohibited any such indirect recovery, in accordance with the traditional rule, which had been undercut by a series of Supreme Court decisions applying admiralty concepts to liability actions by injured longshoremen.

In my view, at least a partial solution to the third party problem, wholly consistent with the principles of workers' compensation as a limited liability, no-fault system, can be attained by—

One, making the employer responsible for the payment of compensation and deducting any such payments from the judgment in any third party action by the employee, and

Two, precluding any subrogation, indemnification or lien by or from the employer.

The present bill takes this approach, without regard to the degree of fault of the employer. It simply apportions the total cost of the injury first to the workers' compensation system; only the excess (if any) would be borne by a responsible third party. This approach would not deprive the injured employee of the right to recover full damages, and would result in a tremendous savings in litigation costs since the employer's fault would be irrelevant.

A possible alternative is to permit the employer's fault to be taken into account, but limit the employer's liability to the amount payable under the applicable workers' compensation law. This would be a more rational system, but obviously would entail much greater litigation costs.

I shall be interested in the views of the witnesses who will be testifying before the Labor Subcommittee on these alternative approaches to the third party liability problem, as well as other possible actions we might take consistent with the general principles underlying workers' compensation programs.

NEED FOR PROMPT ACTION

It is apparent from what I have stated that this bill is a major undertaking for myself and the Senator from New Jersey. It represents and reflects much of the work and thought that has gone into the subject of workers' compensation reform for the past 10 years.

At the same time, this is legislation which is really long overdue. Behind the statistics about the inadequacy of our existing State workers' compensation laws are real human beings who are suffering, physically, and economically. These human beings—workers—have a right to expect more from their Government than they now get under most State workers' compensation laws. It is time that we in the Congress acted to meet these expectations by promptly moving to enact the National Workers' Compensation Standards Act of 1978.

I ask unanimous consent that a table on State action in these matters may be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

STATE WORKERS' COMPENSATION LAWS COMPARED WITH THE 19 ESSENTIAL RECOMMENDATIONS OF THE NATIONAL COMMISSION ON STATE WORKERS' COMPENSATION LAWS

[Laws in effect on Jan. 1, 1978]

	Essential recommendation[1]																							State compliance score[2]
	2.1[3]																3.25[2]							
	(a)	(b)	2.2	2.4	2.5	2.6	2.7	2.11	2.13	3.7	3.8[3]	3.11	3.12	3.15[3]	3.17	3.21	3.23[3]	(a)	(b)	(c)	(d)	4.2	4.4	
Number of States in compliance	48	33	38	13	1	29	22	27	50	48	25	50	47	23	36	30	20	14	8	15	6	50	44	
State:																								
Alabama	X	X	—	—	—	—	X	X	X	X	—	X	X	—	X	—	—	—	—	—	—	X	X	10
Alaska	X	X	X	—	—	—	—	X	X	X	X	X	X	X	X	X	X	—	—	—	—	X	X	14
Arizona	X	—	X	X	—	X	X	X	X	X	—	X	X	—	X	—	—	—	—	—	—	X	X	12½
Arkansas	X	X	—	—	—	X	—	—	X	X	—	X	X	—	X	—	—	—	—	—	—	X	X	9
California	X	X	X	X	—	X	X	—	X	X	—	X	X	—	—	X	—	—	—	—	—	X	—	11
Colorado	X	—	X	(X)	—	X	—	X	X	X	—	X	X	—	X	X	—	—	—	—	—	X	X	12½
Connecticut	X	—	X	X	—	—	—	—	X	X	—	X	X	—	X	X	—	X	—	—	—	X	X	10¾
Delaware	X	X	X	—	—	—	—	X	X	X	—	X	X	—	X	X	—	—	—	—	—	X	X	11
District of Columbia	X	X	X	—	—	X	X	—	X	X	X	X	X	X	X	—	X	—	—	—	—	X	X	14
Florida	X	—	X	—	—	X	—	X	X	—	—	X	—	—	X	—	—	—	—	—	—	X	—	7½
Georgia	X	—	—	—	—	—	—	X	X	X	—	X	X	—	X	X	—	—	—	—	—	X	X	9½
Hawaii	X	X	X	X	—	X	—	X	X	X	X	X	X	X	X	—	—	X	X	X	—	X	X	14¾
Idaho	X	X	X	—	—	X	—	X	X	—	—	X	—	—	X	—	—	—	—	—	—	X	X	9
Illinois	X	X	X	—	—	—	—	X	X	X	X	X	X	X	X	X	X	—	—	—	—	X	X	14
Indiana	X	X	X	—	—	X	—	X	X	X	—	X	X	—	X	X	—	—	—	—	—	X	X	11
Iowa	X	—	X	—	—	X	—	X	X	X	X	X	X	X	X	X	X	—	—	—	—	X	X	14½

Footnotes at end of table.

STATE WORKERS' COMPENSATION LAWS COMPARED WITH THE 19 ESSENTIAL RECOMMENDATIONS OF THE NATIONAL COMMISSION ON STATE WORKERS' COMPENSATION LAWS

[Laws in effect on Jan. 1, 1978]

	Essential recommendation [1]																						State compliance score [3]
	2.1 [2]																3.25 [2]						
	(a)	(b)	2.2	2.4	2.5	2.6	2.7	2.11	2.13	3.7	3.8	3.11	3.12	3.15 [3]	3.17	3.21	3.23 [3]	(a)	(b)	(c)	(d)	4.2	4.4	
State—Continued																								
Kansas	X	—	—	—	—	X	X	X	X	X	—	X	X	—	—	X	—	—	—	—	—	X	—	9½
Kentucky	X	—	X	—	—	X	X	X	X	X	—	X	X	—	X	—	—	—	—	—	—	X	X	11½
Louisiana	X	X	X	X	—	—	—	X	X	X	—	X	X	—	X	—	—	X	X	X	—	X	X	11¾
Maine	X	—	X	—	—	X	X	—	X	X	X	X	X	X	X	X	X	—	—	—	—	X	—	13½
Maryland	X	—	X	—	—	X	X	—	X	X	X	X	X	X	X	X	X	X	X	X	—	X	X	15¼
Massachusetts	X	X	X	X	—	—	—	—	X	X	—	X	X	—	—	—	—	—	—	X	X	X	X	9½
Michigan	X	X	X	X	—	X	X	—	X	X	—	—	X	—	X	X	—	—	—	—	—	X	X	12
Minnesota	X	X	X	—	—	—	X	—	X	X	X	X	X	X	X	—	X	X	—	X	—	X	X	13½
Mississippi	X	X	—	—	—	—	—	—	X	X	—	X	X	—	—	—	—	—	—	—	—	X	X	7
Missouri	X	X	—	—	—	X	X	X	X	X	—	X	X	—	X	X	—	X	X	X	—	X	—	11¾
Montana	X	X	X	X	—	X	—	—	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	16
Nebraska	X	X	X	—	—	X	X	X	X	X	—	X	X	—	X	X	—	X	X	X	X	X	X	14
Nevada	X	X	X	—	—	X	—	—	X	X	—	X	X	X	X	X	X	—	—	—	—	X	X	14
New Hampshire	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	—	—	X	X	X	X	18½
New Jersey	—	X	X	X	—	X	X	X	X	X	—	X	X	—	—	—	—	—	—	—	—	X	—	10½
New Mexico	X	X	—	—	—	X	—	X	X	X	X	X	X	X	—	—	X	—	—	—	—	X	X	12
New York	X	X	X	—	—	—	—	—	X	X	—	X	X	—	X	—	—	—	—	—	—	X	X	9
North Carolina	X	—	—	—	—	—	—	X	X	X	X	X	X	X	X	X	X	—	—	—	—	X	X	12½
North Dakota	X	X	X	—	—	X	—	—	X	X	X	X	X	X	X	X	—	X	—	X	—	X	X	13½
Ohio	X	—	X	X	—	X	X	—	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	16½
Oklahoma	X	—	—	—	—	—	—	—	—	X	—	X	X	—	—	—	—	—	—	—	—	X	X	5½
Oregon	X	X	X	X	—	X	—	—	X	X	X	X	X	X	X	—	—	X	—	X	—	X	X	13½
Pennsylvania	X	X	X	—	—	—	—	X	X	X	X	X	X	X	X	—	X	—	—	—	—	X	X	13
Rhode Island	X	X	—	—	—	—	X	—	X	X	X	X	X	X	X	X	X	X	—	X	—	X	X	13½
South Carolina	—	—	—	—	—	—	—	X	X	X	X	X	X	X	—	X	X	—	—	—	—	X	X	11
South Dakota	X	—	X	—	—	—	—	—	X	X	—	X	X	—	X	X	—	—	—	—	—	X	X	9½
Tennessee	X	—	—	—	—	—	X	—	X	X	—	X	X	—	—	—	—	—	—	—	—	X	X	7½
Texas	—	X	X	—	—	—	—	—	X	X	—	X	X	—	—	X	—	X	X	X	X	X	X	9½
Utah	X	X	X	—	—	X	X	—	X	X	X	X	X	—	X	X	X	—	—	—	—	X	X	13
Vermont	X	—	X	—	—	—	X	X	X	X	X	X	X	X	—	X	X	—	—	—	—	—	—	11½
Virginia	X	—	—	—	—	—	—	—	X	X	X	X	X	X	—	X	X	—	—	—	—	X	X	10½
Washington	X	X	X	—	—	X	X	X	X	—	—	X	—	—	X	X	—	—	—	—	—	X	X	10
West Virginia	X	X	X	—	—	X	X	—	X	X	X	X	X	X	—	X	X	X	—	X	—	X	X	14½
Wisconsin	X	X	X	—	—	X	X	X	X	X	X	X	X	X	X	X	X	—	—	—	—	X	X	16
Wyoming	X	X	X	—	—	—	—	X	X	X	X	X	—	—	—	—	—	—	—	—	—	X	X	9
Total State compliance score																								604¼

[1] The essential recommendations are reproduced on the following page.
Recommendation 2.1 has 2 components, each with a value of ½: recommendation 3.25 has 4 components, each with a value of ¼.

[2] Based on the ratio of maximum weekly benefits on Jan. 1, 1978, for a single worker (or surviving spouse) to the average weekly wage of workers covered under the State unemployment insurance laws for 1976, furnished by the U.S. Bureau of Labor Statistics or the respective State agency.

X=Law meets recommended standard.
—=Law does not meet recommended standard.
(X)—Law has been enacted which will bring State into compliance at a future date, not later than Dec. 31, 1978.

ESSENTIAL RECOMMENDATIONS OF THE NATIONAL COMMISSION ON STATE WORKMEN'S COMPENSATION LAWS [1]

R2.1. Coverage by workmen's compensation laws be compulsory and that no waivers be permitted.

R2.1(a). Coverage is compulsory for private employments generally.

R2.1(b). No waivers are permitted.

R2.2. Employers not be exempted from workmen's compensation coverage because of the number of their employees.

R2.4. A two-stage approach to the coverage of farmworkers. First, as of July 1, 1973, each agriculture employer who has an annual payroll that in total exceeds $1,000 be required to provide workmen's compensation coverage to all of his employees. As a second stage, as of July 1, 1975, farmworkers be covered on the same basis as all other employees.

R2.5. As of July 1, 1975, household workers and all casual workers be covered under workmen's compensation at least to the extent they are covered by Social Security.

R2.6. Workmen's compensation coverage be mandatory for all government employees.

R2.7. There be no exemptions for any class of employees, such as professional athletes or employees of charitable organizations.

R2.11. An employee or his survivor be given the choice of filing a workmen's compensation claim in the State where the injury or death occurred, or where the employment was principally localized, or where the employee was hired.

R2.13. All States provide full coverage for work-related diseases.

[1] Source: *Report of the National Commission on State Workmen's Compensation Laws*, U.S. Government Printing Office, 1972.

R3.7. Subject to the State's maximum weekly benefit, temporary total disability benefits be at least 66⅔ percent of the worker's gross weekly wage.

R3.8. As of July 1, 1973, the maximum weekly benefit for temporary total disability be at least 66⅔ percent of the State's average weekly wage, and that as of July 1, 1975, the maximum be at least 100 percent of the State's average weekly wage.

R3.11. The definition of permanent total disability used in most States be retained. However, in those few States which permit the payment of permanent total disability benefits to workers who retain substantial earning capacity, the benefit proposals be applicable only to those cases which meet the test of permanent total disability used in most States.

R3.12. Subject to the State's maximum weekly benefit, permanent total disability benefits be at least 66⅔ percent of the worker's gross weekly wage.

R3.15. As of July 1, 1973, the maximum weekly benefit for permanent total disability be at least 66⅔ percent of the State's average weekly wage, and that as of July 1, 1975, the maximum be at least 100 percent of the State's average weekly wage.

R3.17. Total disability benefits be paid for the duration of the worker's disability, or for life, without any limitations as to dollar amount or time.

R3.21. Subject to the State's maximum weekly benefit, death benefits be at least 66⅔ percent of the worker's gross weekly wage.

R3.23. As of July 1, 1973, the maximum weekly death benefit be at least 66⅔ percent of the State's average weekly wage, and that as of July 1, 1975, the maximum be at least 100 percent of the State's average weekly wage.

R3.25. Death benefits be paid to a widow or widower for life or until remarriage, and in the event of remarriage two years' benefits be paid in a lump sum to the widow or widower. Benefits for a dependent child be continued at least until the child reaches 18, or beyond such age if actually dependent, or at least until age 25 if enrolled as a full-time student in any accredited educational institution.

R3.25(a). Benefits are paid to spouse for life or until remarriage.

R3.25(b). Two years' benefits paid in lump sum, in event of remarriage.

R3.25(c). Benefits paid to a child at least until age 18 and beyond if actually dependent.

R3.25(d). Benefits paid to full time student dependents until age 25.

R4.2. There be no statutory limits of time or dollar amount for medical care or physical rehabilitation services for any work-related impairment.

R4.4. The right to medical and physical rehabilitation benefits not terminate by the mere passage of time.

By Mr. JAVITS (for himself and Mr. MOYNIHAN):

S. 3061. A bill to authorize the Secretary of the Treasury to provide financial assistance for the city of New York; to the Committee on Banking, Housing, and Urban Affairs.

NEW YORK CITY FINANCIAL ASSISTANCE ACT OF 1978

Mr. JAVITS. Mr. President, on April 12, Senator MOYNIHAN introduced for himself and for me the New York City loan legislation which had been suggested by the Carter administration. On that day we promised that when the

House Banking Committee had reported out its proposed legislation, we would introduce that legislation in the U.S. Senate. Today we do so.

This bill is often called the Moorhead bill out of respect for the extraordinary role Representative WILLIAM S. MOORHEAD, chairman of the House Banking Subcommittee on Economic Stabilization, played in supporting this legislation in the House of Representatives. We would not wish this opportunity to pass without giving special recognition to the role Chairman REUSS played in seeing the Moorhead bill through. The most significant difference between this bill and the Carter administration proposal is that while the administration proposed only long-term guarantees for New York City loans, the legislation we are introducing today provides for the alternative of seasonal loans as well.

Senator MOYNIHAN and I believe the Senate now has before it the legislative proposals upon which Senate action will be based. We are most gratified that our colleague from Wisconsin, Chairman WILLIAM PROXMIRE of the Senate Banking, Housing, and Urban Affairs Committee, has announced that the committee will begin hearings on the New York City loan May 24. We believe that the introduction of this bill, and the announcement that hearings will begin May 24 mark major steps forward in the process of assuring Federal assistance to New York City.

Mr. President, I send the bill to the desk and ask that it be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3061

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "New York City Financial Assistance Act of 1978".

TITLE I—EMERGENCY ASSISTANCE

DEFINITIONS

SEC. 101. For purposes of this title, the term—

(1) "city" means the city of New York;

(2) "State" means the State of New York;

(3) "Secretary" means the Secretary of the Treasury;

(4) "independent fiscal monitor" means an agency, board, or other entity authorized by the law of the State which has the authority to control the fiscal affairs of the city during the entire period for which assistance under this title will be outstanding and which authority the State has covenanted will not be repealed, invalidated, or otherwise substantially impaired during such period; and

(5) "financing agent" means any agency, board, other State agency, or other entity authorized by the law of the State to act on behalf or in the interest of the city with respect to the city's financial affairs.

GUARANTEES

SEC. 102. (a) Upon the written request of the city and the Governor of the State, the Secretary may guarantee the payment, in whole or in part, of interest, principal, or both of obligations of the city or the financing agent in accordance with this title; but any such guarantee shall cease to be effective not later than fifteen years after the date of the issuance of the obligations involved.

(b) Whenever any obligation is guaranteed under this title, the Secretary shall assess and collect (annually or more frequently) from the obligor a guarantee fee computed daily at a rate of no less than one-half of 1 per centum per annum on the outstanding principal amount of such obligations outstanding. The Secretary may periodically escalate the guarantee fee in order to induce the obligor to enter the private market. All funds received by the Secretary in payment of such fees shall be paid into the general fund of the Treasury.

(c) If an obligation which is guaranteed under this title is sold, transferred, or otherwise disposed of (other than to a successor in interest or pursuant to a disposition not involving a change in beneficial ownership) other than by the issuer or by any person for purposes of resale as part of a distribution which sale, transfer, or disposition occurs within ninety days of the date of acquisition of such obligation by such person, the guarantee shall thereafter cease to be effective with respect to that obligation.

CONDITIONS OF ELIGIBILITY

SEC. 103. (a) The Secretary may make guarantees under this title only if—

(1) the Secretary determines that the city is effectively unable to obtain credit in the private market or elsewhere in amounts and terms sufficient to meet the city's financing needs;

(2) the city submits, with the approval of the independent fiscal monitor, in such detail and in accordance with such accounting principles as the Secretary may prescribe, a plan for bringing its operating expenses into balance with its revenues for each of the first three full fiscal years of the city following the initial application for assistance under this title; and the city agrees to publish, after the completion of each fiscal year covered by the plan, an analysis reconciling its actual revenues and expenditures with projected revenues and expenditures; and the city agrees to publish periodic projections which reflect the impact of the plan on tax rates;

(3) the city submits, with the approval of the indepedent fiscal monitor, in such detail as the Secretary may prescribe and in accordance with generally accepted accounting principles, a plan for bringing its operating expenses into balance with its revenues for the fourth full fiscal year following the initial application for assistance under this title and for each fiscal year thereafter for as long as such assistance remains outstanding;

(4) the independent fiscal monitor demonstrates to the satisfaction of the Secretary that it has the authority to control the fiscal affairs of the city for the entire period during which assistance under this title will be outstanding;

(5) the Secretary has received assurances to his satisfaction that a substantial portion of the long-term borrowing needs of the city will be met through commitments from the State, an agency of the State, private sources, or through capital markets;

(6) the Secretary determines that there is a reasonable prospect of repayment of the obligations to be guaranteed in accordance with their terms and conditions;

(7) the city agrees to have conducted annual independent audits of its books to be done by independent public accountants for each fiscal year during which the Secretary may guarantee obligations under this title or during which any assistance provided under this title remains outstanding;

(8) the Secretary determines that the interest rate on the obligations to be guaranteed is reasonable, taking into consideration current average market yields for other obligations guaranteed by the United States; and

(9) the city agrees to comply with any other terms or conditions which the Secretary deems appropriate.

(b) Any determination by the Secretary that the conditions set forth in subsection (a) have been met shall be conclusive, such determination to be evidenced by the making of such guarantee or commitment to guarantee, and the validity of any guarantee so made shall be incontestable in the hands of the holder of such guaranteed indebtedness.

(c) Any term or condition provided for under paragraph (9) of subsection (a) may be modified, amended, or waived by the Secretary at any time.

LIMITATION ON THE AMOUNT OF GUARANTEES OUTSTANDING

SEC. 104. The authority of the Secretary to extend guarantees under this title shall not at any time exceed $2,000,000,000 in principal and accrued interest.

REMEDIES

SEC. 105. (a) The Secretary shall take such action as may be appropriate to enforce any right accruing to the United States or any officer or agency thereof as a result of the issuance of guarantees under this title. Any sums recovered pursuant to this section shall be paid into the general fund of the Treasury.

(b) The Secretary shall be entitled to recover from the borrower, or any other person liable therefor, the amount of any payments made pursuant to any guarantee agreement entered into under this title, and upon making any such payment, the Secretary shall be subrogated to all the rights of the recipient thereof.

(c) Notwithstanding any other provision of law, the Secretary shall provide for the withholding of any payments from the United States to the city or State which may be or may become due pursuant to any law and offset the amount of such withheld payments against any claim the Secretary may have against the city or State pursuant to this title.

(d) The remedies prescribed in this title shall be cumulative and not in limitation of or substitution for any other remedies available to the Secretary or the United States.

(e) With respect to any debt of the United States arising under this title, for the purposes of section 3466 of the Revised Statutes (31 U.S.C. 191), the term "person" shall include the city and any financing agent.

INSPECTION OF DOCUMENTS

SEC. 106. At any time a request for a guarantee is pending or an obligation guaranteed under this title is outstanding, the Secretary is authorized to inspect and copy all accounts, books, records, memorandums, correspondence, and other documents of the city or any financing agent relating to the city's financial affairs.

AUDITS

SEC. 107. The General Accounting Office is authorized to make such audits as may be deemed appropriate by the Comptroller General of all accounts, books, records, and transactions of the city and any financing agent. No guarantee may be made under this title unless and until the city and any financing agent agree, in writing, to allow the General Accounting Office to make such audits. The General Accounting Office shall report the results of any such audit to the Congress.

REPORTS TO CONGRESS

SEC. 108. Within three months after the date of enactment of this title, and at six-month intervals until June 30, 1982, and thereafter at twelve-month intervals, the Secretary shall transmit to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Banking, Finance and Urban Affairs of the House of Representatives a reporting containing a detailed statement of his activities under this title.

TERMINATION OF AUTHORITY

SEC. 109. The authority of the Secretary to make guarantees under this title terminates on June 30, 1982. Such termination does not affect the carrying out of any contract, guarantee, or other obligation entered into pursuant to this title, or the taking of any action necessary to preserve or protect the interests of the United States in any amounts advanced or paid out in carrying out operations under this title, except that no commitment to guarantee any obligations under this title shall be effective after such date.

AUTHORIZATION

SEC. 110. (e) There are authorized to be appropriated to remain available without fiscal year limitation such sums as may be necessary to carry out this title.

(b) Any other provision of this title to the contrary notwithstanding, the authority of the Secretary to make any guarantee under this title shall be limited to such extent or amounts as are provided in advance in appropriation Acts.

TITLE II—AMENDMENTS TO THE INTERNAL REVENUE CODE OF 1954

SEC. 201. TAXABILITY OF CERTAIN FEDERALLY GUARANTEED OBLIGATIONS.

(a) CERTAIN FEDERALLY GUARANTEED OBLIGATIONS.—Section 103 of the Internal Revenue Code of 1954 (relating to interest on certain governmental obligations) is amended by redesignating subsection (f) as subsection (g) and by inserting after subsection (e) the following new subsection:

"(f) CERTAIN FEDERALLY GUARANTEED OBLIGATIONS.—Any obligation—

"(1) which is issued after the date of the enactment of this subsection, and

"(2) the payment of interest or principal (or both) of which is guranteed in whole or in part under title I of the New York City Financial Assistance Act of 1978 (as in effect on the date of the enactment of this subsection),

shall be treated as an obligation not described in subsection (a)."

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to taxable years ending after the date of the enactment of this Act.

By Mr. EAGLETON:

S. 3062. A bill for the relief of Isaac N. Hulver of Kansas City, Mo.; to the Committee on the Judiciary.

ISAAC N. HULVER

● Mr. EAGLETON. Mr. President, today I am introducing a private claims bill for the relief of a wounded WW II veteran, Mr. Isaac "Ike" N. Hulver of Kansas City, Mo. In 1976, the U.S. district court in Kansas City awarded Mr. Hulver $202,298.12 in damages because of negligent medical treatment he received from a doctor at a Veterans' Administration hospital. Because of this negligence, Mr. Hulver can no longer work. He can barely walk. Even though the U.S. Circuit Court of Appeals in St. Louis supported the finding of negligence on the part of the Veterans' Administration, it reversed the district court's ruling because of a legal technicality. Recently, the U.S. Supreme Court has announced it will not review this case.

Mr. President, following my remarks I will include in the RECORD a summary of Mr. Hulver's situation as reported by the Kansas City Star. After reading this article, I think my colleagues will agree that Mr. Hulver has suffered immeasurably because of the medical negligence on the part of a doctor at the Veterans' Administration hospital. The ultimate responsibility for this malpractice must be borne by the Federal Government. Therefore, I am proposing that Mr. Hulver receive payment from general revenues in the amount he was awarded in damages by the district court judge. In my years in the Senate, I have never before introduced a private claims bill, but, in this unique situation, action of this type is justified.

Mr. President, I ask unanimous consent that the article to which I referred be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SAD END TO EX-GI'S "OVERSIGHT"

(By Harry Jones, Jr.)

The U.S. Supreme Court already has written an unhappy ending to this story—unhappy, anyway, for Isaac "Ike" Hulver, who is 65.

He was Private Hulver, a 33-year-old draftee, the morning of Dec. 1, 1944, the day this story began.

Ike had felt himself lucky when he awoke that morning. It had been the first night's sleep in several that he had spent under a roof. The roof was on a barn, true, and Ike was outside Saarbrucken, Germany, fighting World War II, at the time. But a roof is a roof and Ike appreciated that one.

It was cold outside and foggy. A road lay ahead. Ike's lieutenant ordered him and another GI to advance to it and scout the area. Germans were nearby, but they did not know how near.

The two soldiers advanced to the road, saw nothing threatening in view and signaled to the lieutenant that the rest of his squad could advance.

Ike had signalled by raising his M-1 rifle over his head with both hands, then had relaxed and lit a cigarette.

Suddenly he saw movement from behind a railroad embankment. It was a German soldier. He fired twice at the soldier and, although an expert marksman, missed both times. The German retaliated with a long burst from his machine gun.

One bullet caught Ike's buddy between the eyes and he fell forward, dead. Five other bullets hit Ike—one in the right knee, three in the abdomen, one in the chest, puncturing a lung.

Ike managed to crawl back to his outfit but 45 minutes later, as he was lying on his back, an 88-millimeter shell burst in a tree above him and riddled his body with shell fragments.

That was the end of World War II for Ike Hulver, who now lives at 2808 N.E. 45th. He spent the next seven months in military hospitals where he underwent 15 operations. In July 1945 he was discharged with a 100 per cent disability rating.

A year later that was reduced to 70 per cent disability and a little later was raised to 80 per cent. It has remained at that level since. He now receives a government check of $410 a month.

Ike worked as a monotype operator for The Star from 1953 until 1971. The job required him to do a great deal of lifting all day—35-pound, hot metal "pigs" and 25-pound galleys made from the "pigs," between 200 and 300 of them each day.

It had taken Ike three years to learn how to walk. His right leg, because of one bullet wound, would bend in either direction at the knee instead of just back. Until he learned to walk, he found himself falling frequently whenever the leg bent in the wrong direction.

After consulting with his private physician, he went to the Veterans Hospital here in 1968 complaining of pain and numbness in his right hip and leg. It was determined that he needed a bilateral aortoiliac endarterectomy—removal of mineral deposits in the artery leading to his right leg to improve his circulation.

As Ike related it in an interview at his home earlier this week—and as he testified in federal court in 1976—when told by the surgeon at the VA hospital that X-rays had shown a small mineral deposit in the artery leading to his left leg, he specifically told the doctor not to touch his left leg—this was the leg he had favored since the war and he wanted nothing done to it.

Ike said the surgeon was from Argentina and spoke poor English. He thought the doctor understood him, however, he said.

After undergoing surgery Oct. 17, 1968, he awoke the next day to find his left leg numb. His right leg, however, was improved.

As described in a ruling by the 8th U.S. Circuit Court of Appeals in St. Louis: "As a result of the operation, plaintiff's (Ike's) left leg, which had previously caused him no pain or trouble, was disabled by a clot that formed in the left branch of the arterial tree in the weeks following the operation. In addition, his sexual function was seriously impaired."

He returned to the hospital in December 1968 for corrective surgery by the same surgeon. The surgeon's attempt to remove the clot, however, was unsuccessful.

He underwent surgery a third time on March 10, 1969, this time by a different surgeon who inserted a plastic tube for part of the artery in a bypass operation.

Friends familiar with his leg problems began urging him to sue the government over the October operation. Finally, in late 1970, he went to see William Pickett, a lawyer. Pickett investigated the case and filed notice of a lawsuit in Feb. 18, 1971—two years and four months after the first operation, one year and 11 months after the third operation.

Ike quit his job at The Star. His legs could not stand the strain.

Pending trial, he continued to go to hospitals for more operations. He underwent two at the North Kansas City Memorial Hospital in 1973 and two more at the Mayo Clinic in Rochester, Minn., in 1974 and 1975.

He was out of work. He could no longer pursue his two favorite hobbies—hunting and flying. He was sexually impotent (a nerve had been cut accidentally in the October 1968 operation). And he could barely walk.

The case went to trial before Judge William H. Becker in the U.S. District Court here in 1976. It lasted three days.

The judge ruled in his favor and awarded him $202,298 in damages.

The judge found that Ike had proved negligence in the October 1968 operation when the surgeon elected to perform work on Ike's left leg after having been told not to and in the post-operative care provided him by the VA Hospital staff.

But there was another issue before the court and it was this that led to the unhappy ending provided Monday by the Supreme Court.

The statute of limitations on this type of case is two years—in other words, Ike was required by law to file his lawsuit within two years of the time he "discovered, or in the exercise of reasonable diligence should have discovered" that he had been the victim of malpractice.

Judge Becker ruled that Ike "proved by a preponderance of the evidence that he did not discover the alleged acts of malpractice which he contends caused his sexual impairment and the impairment of the functions of

his left lower extremity until after Feb. 18, 1969."

Ike had maintained he did not become aware of the actual cause of his problems with his left leg and his sexual capacity until *after* undergoing the third operation, at which time the new surgeon explained to him what had gone wrong in the first operation.

The Justice Department decided to appeal Judge Becker's ruling. It based its appeal on the statute of limitations issue solely, not arguing the negligence ruling.

The Eighth U.S. Circuit Court of Appeals in St. Louis overruled Judge Becker in October of last year. The appeals court said that while it supported the finding of negligence in the first operation, Ike should have known he had been the victim of malpractice shortly after the first operation and well before the third operation.

In other words, it ruled, Ike had filed his lawsuit a few months too late.

Pickett appealed that decision to the U.S. Supreme Court. The Supreme Court announced Monday it had decided not to hear the appeal.●

By Mr. CANNON (for himself and Mr. PEARSON):

S. 3064. A bill to provide loan guarantees to aircraft operators to assist them in complying with Federal aircraft noise standards, to amend the Airport and Airway Development Act of 1970 to provide assistance to airport operators and aircraft operators to assist them in complying with noise standards, and for other purposes; to the Committee on Commerce, Science, and Transportation.

AIRCRAFT AND AIRPORT NOISE REDUCTION ACT OF 1978

Mr. CANNON. Mr. President, the bill I am introducing today on behalf of myself and Senator PEARSON is to provide federally guaranteed loans to U.S. commercial air carriers for the purpose of encouraging fleet replacement to meet the Department of Transportation noise rules contained in part 36 of the Federal Aviation Regulations. This regulation requires all commercial jet transports operating in the United States to come into compliance with noise standards by 1985, but sets earlier interim compliance dates of 1981 and 1983 depending upon the type of aircraft involved.

Aircraft noise is one of the most serious problems affecting air transportation. Excessive aircraft noise impacts 7 million Americans, and as a result airport expansion and new airport construction has been thwarted in many instances by citizens who want some noise relief. And they want it soon. I agree with those who want to impose reasonable rules on industry in order to provide real and perceivable noise reduction. Therefore, I want to urge my colleagues on the Commerce Committee and in the Senate to support me in seeing that aircraft noise legislation is passed this year. I do not believe we can afford, nor is it fair, to wait another year to begin providing some serious noise relief.

There are several different bills that have been introduced in this Congress to meet the problems of noise abatement. One such bill is S. 747, which embodies the provisions heretofore contained in a proposal submitted by the Ford administration. Essentially, this bill would provide for a separate trust fund to be administered by the Civil Aeronautics Board. The trust would be funded by an aircraft ticket surcharge of 2 percent, replacing a corresponding portion of the existing airline ticket tax. Revenues collected by the Board would then be paid out to individual air carriers for the purpose of noise reduction expenditures. In addition, the bill authorizes the Secretary of Transportation to use up to $300 million of the existing $1.7 billion surplus in the airport and airway trust fund to assist carriers in retrofitting and replacing noncompliant aircraft.

The House has also been active in examing the noise problem. Initially the House bill, H.R. 8729, would have created the 2 percent surcharge, again reducing by a corresponding amount the airline ticket tax, to be collected by the carriers for the purpose of financing retrofit, reengine, or replacement.

The bill I am introducing today provides a different mechanism to aid carriers in meeting the noise regulations. Title III of the bill would establish a federally guaranteed loan program with a unique feature. The airport and airway trust fund will guarantee these loans rather than the general Treasury. The maximum amount of loans to be guaranteed by the program could not exceed $20 billion (which is 30 percent of the industry need for new aircraft through 1990). Each U.S. commercial air carrier would be eligible for the same percentage of the $20 billion as that carrier's percentage of the total aircraft revenue miles operated during the calendar year of 1977. To establish the good faith of the program, $1 billion of the current $1.7 billion surplus in the trust fund would be reserved.

Carriers would be required to submit, within 1 year, to the Secretary of Transportation a plan for each of their subsonic turbojet aircraft describing their intenton to either retrofit, reengine, or replace that aircraft. It will be incumbent upon the carriers to insure that FAR 36 is met in all respects with regard to their four-engine aircraft. With regard to two- and three-engine aircraft the carrier intends to replace, they will be required to submit a signed formal contract to the Secretary no later than 1985 for delivery of a compliant replacement aircraft by 1990. This later provision contemplates amending FAR 36 to underscore what I believe is a need to emphasize replacement rather than retrofit of aircraft in the two- and three-engine category.

While much controversy has been generated over the question of two- and three-engine retrofit, I believe and tests support the fact that the noise attenuation achieved through retrofit of two- and three-engines results in an insignificant reduction of perceived noise. Thus, the program provides the carriers with a longer useful life of their current two- and three-engine fleets while at the same time accelerating significant noise reductions through replacement by new technology aircraft which have been shown to result in noise reductions of as much as 30 percent.

Carriers opting for replacement will be allowed to receive the loan guaranty only if they are replacing a non-FAR 36 aircraft with a FAR 36 aircraft or if they are replacing a FAR 36 aircraft with a FAR 36 stage 3 aircraft, which encompasses the newest noise standards set by DOT.

Therefore, the program will not tamper with the existing ticket tax which continues to meet important airport development and FAA maintenance needs. And I want to point out that precedent for the program has already been established by the existing aircraft loan guaranty program which has been in existence since 1957, guaranteeing over $200 million in loans without a single default.

There is a significant benefit in the program for the air carriers. Generally, the existence of a Federal loan guaranty will result in anywhere from one-half of 1 to 2 percent savings in interest payments on a loan. It is impossible to precisely determine the actual percentage savings because of the variance in interest rates carriers will be able to get. But our initial research indicates that as a rough estimate, $1 to $2 billion is approximately the amount of potential savings to the carriers. Reducing the expenditures needed for replacement aircrafts will create a source of funds which will help carriers finance retrofit or reengining for the aircraft they choose not to replace.

I would like to again emphasize that this is merely another alternative that I would like to explore during the aviation subcommittee's hearings on noise legislation.

The advantages this approach appears to offer include:

Minimum Federal involvement and public expenditures, as the only thing we are pledging is the credit of the users.

Maximum emphasis is placed on the replacement of noisy aircraft with the newest technology that is significantly less noisy.

Minimizing the competitive balance questions which arise from an entitlement program, and

Providing simplicity and flexibility for the air carriers.

Because the bill being introduced today is simply to serve as a working draft for possible legislation, it contains no provisions to aid foreign carriers in meeting the noise standards. Nevertheless, foreign carriers contribute substantially to the noise problem and as such are prospectively covered by FAR 36. During the hearings on the noise legislation, I intend to look carefully at this issue in order to determine the best method of meeting the needs of, and establishing requirements for, all carriers.

The Department of Transportation estimates that over 7 million Americans are exposed to excessive levels of aircraft noise. Even if the program introduced today results in significant noise reduction of the source, there will continue to be a large number of persons subject to excessive aircraft noise. Therefore, reducing noise at the source is not the sole means of reducing noise in impacted areas. To help cure this problem, the bill also contains a title I to encourage airport operators to develop airport

noise compatibility planning programs. It authorizes the Secretary of Transportation to make grants from the airport and airway development trust fund of $150 million for fiscal year 1979 and $250 million for 1980 for land acquisitions to reduce the number of individuals impacted by noise.

Title II of the bill provides for increased authorization for funding of airport development. For fiscal year 1979 an additional $225 million in funds is provided and in 1980, an additional $268 million, to aid airport development at air carrier airports. These increased levels will make available the money needed by these airports, which has been a matter of real concern as expressed by several of my colleagues. This provision will also increase for fiscal years 1979 and 1980 the aid for development of general aviation airports by $35 million and $42 million respectively. For general aviation and small air carrier air airports, the funding mechanism of 90/10 is retained. In addition, title II will provide an additional $100 million for each fiscal year 1979 and 1980 for FAA operations and maintenance. With the exception of the increases in FAA O. & M., both titles are the same as titles I and II in the House bill.

I want to emphasize that the figures and details of this proposal are certainly flexible. I am aware that the administration has come concerns with titles I and II, and that a number of people have reservations about the loan guarantee approach. I will be looking for suggestions during our noise hearings to either fine tune or substantially alter any part of this proposal. My mind is open, as I am sure is true of the other committee members, and I will be looking to make changes based upon the most convincing facts which are offered by the administration, airlines, airport operators, or any group which provides the committee with their views.

I urge my colleagues to take a close look at this legislation along with the House measure that Congressman ANDERSON and the Public Works Committee have worked on long and hard, and the Senate bill S. 747, to determine the best method of insuring compliance with noise regulations. The hearings before the aviation subcommittee will examine all aspects of this important and complex issue.

Mr. PEARSON. Mr. President, I wish to join my distinguished colleague from Nevada in sponsoring the Aircraft and Airport Noise Reduction Act of 1978.

Mr. President, it has been estimated that over 6 million people and almost 1 million acres of otherwise inhabitable land is seriously impacted by noise levels that are generally unacceptable. It has also been determined that aircraft noise costs taxpayers adjacent to airports some $3.25 billion annually in decreased property values and that over $200 million has been spent by airport proprietors to acquire noise-impacted land around airports while constantly being threatened by law suits over aircraft noise.

Aircraft and airport noise is, indeed, a national problem and begs for a national solution. Some uniform approach to the reduction of noise at its source seems to be the only realistic way to achieve significant relief.

The question of how to best solve this problem has been brewing for quite some time. Industry and government have considered several alternative measures designed to provide the appropriate mechanism for accomplishing the most cost-effective noise relief. Some favor the retrofit of existing aircraft while others argue that replacement of existing aircraft with new technology aircraft is the most prudent course to take. There are, I believe, advantages and disadvantages to both approaches. Retrofit could be accomplished in a relatively short period, but has, among other things, some rather serious fuel consumption consequences. Also, the noise reduction achieveable from retrofit of some aircraft types is minimal when compared to the new technology aircraft which are significantly quieter and require substantially less fuel. It will, however, require some lead time to bring such new technology into use.

The subject bill is simply another alternative that should be given serious consideration during hearings which are scheduled later this month. It will be our task in committee to balance the merits of the subject bill against those of other approaches to determine which will be in the overall public interest.

I would like to point out that the House Committee on Public Works and Transportation and the House Committee on Ways and means have done considerable work on this issue. The House bill, which appears to be close to consideration by the full House, is somewhat different from the approach taken in the subject bill.

My distinguished colleague from New York, Senator JAVITS, has also introduced legislation concerning this issue, S. 747, which will also be the subject of comment at the upcoming hearings on aircraft and airport noise. I would emphasize, however, that the committee will examine all aspects of this important and complex issue.

Finally, Mr. President, I want to focus for a moment upon the provisions of this legislation that deal with airport development. As my colleagues well know, the economic viability of our Nation's economy depends upon a reliable and convenient air transportation system. Our public airport system is the keystone of that system. Many, much needed maintenance and improvement projects at our Nation's airports are standing still because they cannot get the funds collected from users which are being held as a surplus in the ADAP trust fund. This bill would authorize the appropriation of more of those funds so that worthy projects can be completed.

Although, I do not understand their resistance, I fully expect the administration to oppose the authorization of more ADAP funds even though the funds do not come from general revenues. I want to emphasize that ADAP funds are collected from passengers and shippers and put directly into the trust fund for airport development projects only. I would urge my colleagues to support this legislation which will achieve some meaningful noise reduction and provide additional funding for airport development.

By Mr. HANSEN (for himself, Mr. BENTSEN, Mr. MOYNIHAN, Mr. HARRY F. BYRD, Jr., Mr. GRAVEL, Mr. MATSUNAGA, Mr. CURTIS, Mr. DOLE, Mr. PACKWOOD, Mr. ROTH, Mr. LAXALT, Mr. DANFORTH, Mr. ALLEN, Mr. BAKER, Mr. BARTLETT, Mr. BELLMON, Mr. BROOKE, Mr. BUMPERS, Mr. BURDICK, Mr. CANNON, Mr. CHAFEE, Mr. CHURCH, Mr. CRANSTON, Mr. DECONCINI, Mr. DOMENICI, Mr. DURKIN, Mr. EASTLAND, Mr. GARN, Mr. GLENN, Mr. GOLDWATER, Mr. GRIFFIN, Mr. HATCH, Mr. MARK O. HATFIELD, Mr. HAYAKAWA, Mr. HELMS, Mr. HODGES, Mr. INOUYE, Mr. JAVITS, Mr. JOHNSTON, Mr. LEAHY, Mr. LUGAR, Mr. MCCLURE, Mr. MATHIAS, Mr. MELCHER, Mr. NUNN, Mr. PERCY, Mr. SCHMITT, Mr. SCHWEIKER, Mr. SCOTT, Mr. SPARKMAN, Mr. STAFFORD, Mr. STENNIS, Mr. STEVENS, Mr. STONE, Mr. THURMOND, Mr. TOWER, Mr. WALLOP, Mr. WEICKER, Mr. WILLIAMS, and Mr. YOUNG):

S. 3065. A bill to amend the Internal Revenue Code of 1954 to provide pre-1969 tax treatment for capital gains; to the Committee on Finance.

INVESTMENT INCENTIVE ACT OF 1978

Mr. HANSEN. Mr. President, it is a privilege for me to announce that 60 Members of the Senate today are joining together to do something concrete about unemployment and inflation—two of the worst toxins in our body politic. We are calling for a major reform in our tax policies, which have been drifting off course for the past 9 years. We are calling for a new policy that will stimulate risk capital investment. We have examined the evidence and agree with the President's Council of Economic Advisers that investment must increase as a share of GNP if we are to employ our growing work force.

At the same time we have learned to be wary of trying to generate investment and jobs directly by simply pumping Federal tax dollars into the economy. For the past 10 years about the only thing we have succeeded in "stimulating" by that method has been inflation.

We introduce this legislation to give notice that we are firmly committed to the dramatic changes in policy which can turn us around from the course of high inflation and lagging investment which have bedeviled our country since 1970. We recognize that our past successes in this country were based on risk, hard work and rewards. By means of this legislation, we affirm our belief in that system, and our intention to revitalize it. We give notice that, when an appropriate tax vehicle comes to the Senate, we will give this great body an opportunity to act, rather than merely give lip service to the benefits of enterprise and the need for capital formation.

Most economists agree there are things the Federal Government could do to encourage job creation without inflation.

Three of the most powerful are stimulating worker productivity, increasing exports, and reducing or eliminating Federal deficits.

Mr. President, there is no other bill before this Congress that could do more to promote all of these goals than this one; the "Investment Incentive Act of 1978." It would stimulate risk capital investment by reducing the maximum tax rate on net capital gains from today's high level of nearly 50 percent for individuals and more than 30 percent for corporations to the 25 percent level that existed before the Tax Reform Act of 1969.

The case for this bill can be stated and solidly documented in seven brief points:

I. Much more risk capital is needed in the United States to finance enough new jobs to employ our growing labor force.

The 1978 Report of the President's Council of Economic Advisers has called our attention to this problem. It states:

> In view of the large growth of employment needed in the years ahead to reach unemployment targets in the face of rapid labor force growth, a faster expansion of capacity than the 1973–77 pace will be required to avoid capacity bottlenecks at high employment. Investment must rise as a share of total GNP in coming years in order to achieve adequate growth of capacity.

The New York Stock Exchange estimates that over the next 10 years the United States will require $4.5 trillion of new capital if we are to support a real annual growth rate of 3.6 percent over the next decade. Although the exchange estimates that $3.9 trillion could come from personal earnings, that would leave a $600 billion capital shortage.

The most distressing effect of such a capital shortage is that it will cause a severe job shortage. In 1977 it required at least $30,000 of investment to provide each manufacturing job in American industry. A 1978 study by the American Council on Capital Formation shows that almost $40,000 are needed for each new job.

Some segments of the private sector—the small businesses—are the most capable of creating new jobs. The results of a major study by the American Electronics Association (AEA) of the capital and job formation experiences of the electronics industry were presented early this year before the Senate Select Committee on Small Business. That study showed that young companies create jobs much faster than mature companies. Specifically, the employment growth rates for the young companies—less than 20 years old—were 20 to 115 times greater than the companies more than 20 years old.

However, they need constant injections of new risk capital to create these jobs. Their retained earnings and borrowing capacity are insufficient to finance their rapid growth. They require about $14,000 of new risk capital investment to create each new job.

II. Much more risk capital investment is needed in the United States to combat the inflation and stagnation that has plagued our economy in recent years.

Insufficient investment fuels inflation in three ways: It results in substandard productivity, unfavorable trade balances, and continued budget deficits.

Wage rates in recent years have been rising annually about 8 to 9 percent, but the productivity of that labor has been increasing at a rate less than 3 percent. In fact, since 1970 the growth rate in worker productivity has fallen to 1 percent per year compared to 2.4 percent in 1965–70. This difference between the growth rate of wages versus productivity leads inevitably to inflation in the 5 to 8 percent range.

The way to increase productivity and exports is through research and development and new technology and improvements in plant and equipment, all of which require risk capital. It is not surprising that the productivity of the United States lags behind such investment encouraging countries as Japan and West Germany. Those countries, with investment ratios of 29 and 20 percent respectively, have average productivity growth rates of 10.5 and 5.8 percent according to a 1960–73 study by the U.S. Treasury. By comparison, the United States with an investment ratio of 13.6 percent had an average productivity growth rate of only 3.3 percent during that period. Similarly, the export performance of the United States has recently been dismal, reaching a record trade deficit of $26 billion in 1977.

III. Risk capital has become extremely scarce in recent years.

Although it is clear that more risk capital is needed to provide enough jobs for our growing labor force and to fight inflation and economic stagnation, over the past several years such risk capital has become extremely scarce. Since 1970, the number of individual investors in the United States has declined 20 percent from 31 million to 25 million, and over the past 5 years individual investors have been selling more than they invest. The net loss of risk capital to the economy has been running about $6 billion per year. In 1976, indivdiuals sold $14 billion more equity than they invested.

The decline in investment has been particularly severe for the young companies which are most capable of providing the rapid growth in employment and output that we need. According to the Securities Industry Association (SIA) in recent testimony before the House Committee on Ways and Means, in 1969 there were 548 stock offerings totaling nearly $1.5 billion by companies with a net worth of under $5 million. However, in 1975 there were only four such offerings, and they raised only $16 million.

IV. Besides contributing to high unemployment and inflation, the scarcity of risk capital is threatening U.S. technological leadership.

Mr. President, I was distressed to read an article on the front page of the Los Angeles Times last month describing how the United States is slipping as the world leader in technology. We cannot allow continued slippage in the U.S. technical leadership. It costs this country money and threatens its national security. We know that technological innovation demonstrably increases the number of jobs, the productivity of workers, the growth of our domestic economy, and foreign trade balances. Countries that fall behind in technology become uncompetitive in the world market and soon find themselves having to buy know-how form overseas.

More important than these economic consequences is the damage to our national defense posture that can result from falling behind technologically.

Mr. President, our strategic position in the world today is based increasingly on our ability to maintain technological rather than numerical superiority over our adversaries. Technological leadership is our chief hope for survival. We simply cannot afford to stifle the climate for innovation in this country that has allowed us to protect and project our ideals for more than 200 years .

Besides stifling the climate for technological innovation here, the shortage of home-grown risk capital has helped our foreign competitors directly. It has forced many American companies to turn to foreign capital sources—particularly in countries that encourage investment by having low or no capital gains taxes. This often results in the foreign investors gaining control of the U.S. companies and their most promising new technologies enabling the foreign competitors to catch up with U.S. companies in important market areas.

V. The Investment Incentive Act of 1978 would stimulate the investment we need.

Mr. President, we believe one of the chief culprits in the investment debacle haunting this country since 1969 has been the capital gains tax increases enacted since then. The maximum tax rate for capital gains, coupled with preference taxes and the minimum tax, is now nearly double what it was prior to 1970. This has substantially altered the risk/reward ratio for investors. The risks they face have not diminished and may have increased in today's uncertain economy plagued with inflation, but the potential rewards have been cut in half. Not surprisingly investors have been turning away from risk capital investments. Entry of new firms has been stifled, new ideas are not being developed as rapidly as they should and, as a result, the technological leadership of this Nation is in jeopardy.

Other countries have recognized the importance of stimulating investments from individual investors. For example, neither Japan nor West Germany taxes individuals capital gains at all. Studies of the Organization for Economic Cooperation and Development show, not surprisingly, that in Japan individuals save 20 percent of their income, and in West Germany they save 14 percent. However, in the United States, individuals save less than 6 percent of their income.

Perhaps the saddest of all the bad effects of today's high taxes on capital gains is that they diminish the savings of retired people when they must sell some assets in order to obtain cash to live on in their latter years. Much of the so-called gain taxed in these transactions is nothing but inflation. Between 1960 and 1973, 80 percent of the apparent gain in the Standard & Poors composite

stock index was from inflation. Taxing this results in a real loss for investors. Savings that they have accumulated over their lifetimes are diminished, leaving them less able to support themselves in a time of rising prices.

Underlying all legislation increasing capital gains taxes over the last several years has been the idea that somehow such increases would only affect the wealthy people. In truth, these taxes hurt everyone. More than 50 percent of the taxpayers reporting capital gains have adjusted gross incomes below $15,000 and more than 50 percent of the total capital gains are reported by taxpayers having adjusted gross incomes below $25,000.

The Investment Incentive Act of 1978 is a direct attack on the capital scarcity problem. It would increase the after-tax rewards to the investor and, thereby, stimulate more risk capital investment.

VI. The Investment Incentive Act of 1978 would eliminate the negatives of the current tax policy and generate a stream of additional positive benefits at the same time.

Recent authoritative studies have documented the positive impact restoring capital gains taxes to 25 percent could have on both jobs and inflation.

A. JOBS

Chase Econometrics Associates estimated this bill would generate 440,000 new jobs by 1985.

Merrill Lynch Economics estimated this bill would create 205,000 additional jobs in the first 5 quarters.

The Securities Industry Association (SIA), using the Data Resources, Inc. econometric model studied the effects of rolling capital gains tax rates back to zero and predicted such a change would create 3.1 million additional man years of employment in the first 5 years.

It is important to realize that these new jobs are not just make-work, public service type jobs, but high quality, technological positions that can generate significant tax revenue and exports. These are jobs with a future both for the workers and for the communities that provide them.

B. INFLATION

Much of our inflation today is caused by lagging productivity, persistent Federal revenue shortfalls, and insuficient exports. The bill would meet the productivity problem head on by generating substantial new investments in plant and equipment:

Chase Econometrics forecasts an additional $10 billion in fixed business investment by 1985.

Merrill Lynch predicts an additional $3.2 billion in 15 months.

SIA estimated an $81 billion increase in business investment over 5 years would result if capital gains taxes were cut to zero.

The economic stimulation generated by a capital gains cut would combat inflationary deficits by generating substantial new tax revenues over the years.

Chase Econometrics estimates a $16 billion deficit reduction in 1985.

Merrill Lynch estimates a $2.3 billion reduction in the first 15 months.

SIA estimates a cut to zero would generate $38 billion in the first 5 years.

An American Electronics Association study documented, for the first time, the stream of other benefits such as exports and R. & D., which the economy reaps from risk capital investments. These benefits are surprisingly large and they begin quickly.

For example, in 1976 the companies in the AEA survey that had been founded in the 1971–75 time period were already generating, for every $100 in equity capital invested in them, $70 annually in exports, $33 in annual R. & D. expenditures, $30 per year in Federal taxes, and $5 in State and local taxes.

VII. The Investment Incentive Act of 1978 would increase Federal tax revenues with no short-term revenue loss.

Mr. President, there is a growing body of compelling evidence based upon surveys and econometric models showing that a reduction of the tax rate on capital gains to a maximum of 25 percent would increase Federal tax revenues over the long term and would not result in even a short-term revenue loss. In other words, this bill is also a revenue raising measure designed to reduce Federal budget deficits.

The stimulative effect of such tax legislation has been analyzed and confirmed by both Chase Econometrics and Merrill Lynch. Chase Econometrics projected that in the first year of the tax rate reduction Federal tax revenue would be $700 million higher than without such legislation, and over a 5-year period the stimulative effect would be $45 billion more tax dollars. The Merrill Lynch analysis, although it covered a shorter time period, confirms the short-term projections of the Chase study. Merrill Lynch projects in the first year of the rate decrease a $900 million increase in Federal tax revenues and a $2.3 billion increase in the second year.

We need not rely only on projections in order to understand the tax revenue phenomenon that would occur with a change in the capital gains tax rate. We can look to history. Since 1969, the maximum tax rate on capital gains nearly doubled. The Treasury predicted that each increase would raise more revenue. However, on a constant dollar basis, a study by the American Council on Capital Formation shows that the collections of all capital gains taxes actually declined, in spite of the higher tax rate, from an average of $6.25 billion per year for the 4 years prior to 1970 to $5.65 billion for the 4 years after. Not only did the Treasury lose potential collections on capital gains with the rate increase, but the resulting stifling of investment incentives caused an economic log jam which reduced Federal collections from income taxes as well.

The tax rate reduction in our bill would apply only to gains realized after January 1, 1980. Since there is a 1-year holding period for long-term capital gains, the promise of the low rates would immediately stimulate new risk capital investment. However, gains taken in the short run prior to January 1, 1980, would still be taxed at today's high rate.

After January 1, 1980, there would be a surge in capital gains transactions by investors who hold assets with unrealized gains and who have felt "locked in" by today's high capital gains tax rate.

By 1981 the effects of the investment stimulation would begin to be realized and the growth of Federal tax revenues would continue at an accelerating rate.

Mr. President, in endorsing the House version of the bill recently, the Wall Street Journal called it not just "one tax provision among many, but the cutting edge of an important intellectual and financial breakthrough." My colleagues and I concur.

But we are not so much dealing here with the "wave of the future" as with a forgotten fundamental. It is both fair and right to offer the possibility of a meaningful profit in return for assuming the risk of a new endeavor. No economic philosophy has ever outperformed this one or is likely to.

Today, 55 Senators are endorsing the restoration of this principle into our tax law. We welcome the support of others.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3065

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Investment Incentive Act of 1978".

SECTION 1. Delete subsection (a) (9) of section 57 of the Internal Revenue Code of 1954.

SEC. 2. (a) Amend section 1201 of the Internal Revenue Code of 1954 to read as follows:

"SEC. 1201 ALTERNATIVE TAX.

"(a) Corporations.—If for any taxable year, a corporation has a net capital gain, then, in lieu of the tax imposed by sections 11, 511, 821 (a) or (c), and 831(a), there is hereby imposed a tax (if such tax is less than the tax imposed by such sections) which shall consist of the sum of—

"(1) a tax computed on taxable income reduced by the amount of the net capital gain, at the rates and in the manner as if this subsection had not been enacted, plus

"(2) a tax of 25 percent of net capital gain.

"(b) Other Taxpayers.—If for any taxable year a taxpayer other than a corporation has a net capital gain, then, in lieu of the tax imposed by sections 1 and 511, there is hereby imposed a tax (if such tax is less than the tax imposed by such sections) which shall consist of the sum of—

"(1) a tax computed on the taxable income reduced by an amount equal to 50 percent of the net capital gain, at the rate and in the manner as if this subsection has not been enacted, plus

"(2) a tax of 25 percent of the net capital gain."

"SEC. 2. (a) Effective Date.—The amendments made by this Act shall apply with respect to taxable years beginning after December 31, 1979.

(b) Conforming Changes.—The Secretary of the Treasury shall furnish to the Committee on Ways and Means of the House of Representatives and to the Finance Committee of the Senate a draft of the technical and conforming changes in the Internal Revenue Code of 1954 which may be necessary to reflect throughout such Code the changes in the substantive provisions of law made by this Act.

By Mr. BAYH:

S. 3067. A bill to extend the Commission on Civil Rights for 5 years, to authorize appropriations for the Commission, to effect certain technical changes to comply with other changes in the law, and for other purposes; read the first time and held at the desk.

(The remarks of Mr. BAYH when he introduced the bill appear elsewhere in today's proceedings.)

ADDITIONAL COSPONSORS

S. 1209

At the request of Mr. PROXMIRE, the Senator from Minnesota (Mrs. HUMPHREY) was added as a cosponsor of S. 1209, the Federal Emergency Assistance and Preparedness Administration Act.

S. 1393

At the request of Mr. BAYH, the Senator from West Virginia (Mr. RANDOLPH) was added as a cosponsor of S. 1393, a bill to protect the rights of the institutionalized.

S. 1556

At the request of Mr. HANSEN, the Senator from Vermont (Mr. STAFFORD) was added as a cosponsor of S. 1556, a bill to amend title 38, United States Code, to authorize a program of assistance to States for the establishment, expansion, improvement, and maintenance of veterans' cemeteries.

S. 2312

At the request of Mr. MCCLURE, the Senator from Minnesota (Mrs. HUMPHREY), the Senator from Kentucky (Mr. HUDDLESTON), and the Senator from California (Mr. CRANSTON) were added as cosponsors of S. 2312, a bill to amend the Food and Agriculture Act of 1977.

S. 2573

At the request of Mr. HELMS, the Senator from South Carolina (Mr. THURMOND) was added as a cosponsor of S. 2573, a bill to limit the jurisdiction of the Supreme Court and other courts of the United States to enter any order limiting the right of voluntary prayer in any public school.

S. 2937

At the request of Mr. BAYH, the Senator from Ohio (Mr. METZENBAUM) was added as a cosponsor of S. 2937, the Speedy Trial Act.

S. 2978

At the request of Mr. MCCLURE, the Senator from Montana (Mr. PAUL G. HATFIELD) was added as a cosponsor of S. 2978, a bill to amend the Occupational Safety and Health Act of 1970.

S. 3007

At the request of Mr. DOLE, the Senator from Utah (Mr. HATCH) was added as a cosponsor of S. 3007, a bill to disregard, for purpose of certain taxes imposed by the Internal Revenue Code of 1954 with respect to employees, certain changes since 1975 in the treatment of individuals as employers.

SENATE JOINT RESOLUTION 29

At the request of Mr. BAYH, his name was added as a cosponsor of Senate Joint Resolution 29, proclaiming the week in November during which Thankgiving is celebrated be annually made National Family Week.

SENATE RESOLUTION 447

At the request of Mr. THURMOND, his name was added as a cosponsor of Senate Resolution 447, a resolution relating to the importance of increasing agricultural exports from the United States.

SENATE CONCURRENT RESOLUTION 79

At the request of Mr. MCCLURE, the Senator from Tennessee (Mr. BAKER), the Senator from West Virginia (Mr. RANDOLPH), the Senator from Kentucky (Mr. HUDDLESTON), and the Senator from Wyoming (Mr. WALLOP) were added as cosponsors of Senate Concurrent Resolution 79, disapproving proposed regulations of the Department of the Treasury requiring centralized registration of firearms and other matters.

SENATE CONCURRENT RESOLUTION 86—AN ORIGINAL CONCURRENT RESOLUTION REPORTED RELATING TO ACTION BY CONGRESS ON CERTAIN SALES OF ARMAMENTS TO EGYPT, ISRAEL, AND SAUDI ARABIA

Mr. SPARKMAN, from the Committee on Foreign Relations, reported the following original concurrent resolution, together with individual views, which was placed on the calendar:

S. CON. RES. 86

Resolved by the Senate (the House of Representatives concurring),

That the Congress objects to the proposed sale to Egypt of 50 F–5 aircraft and related defense articles and services as described in the statement submitted by the President, pursuant to Section 36(b) of the Arms Export Control Act, to the Speaker of the House of Representatives and to the chairman of the Committee on Foreign Relations of the Senate on April 28, 1978 (transmittal number 78–32).

SEC. 2. The Congress objects to the proposed sale to Israel of 15 F–15 aircraft and rerelated defense articles and services as described in the statement submitted by the President, pursuant to Section 36(b) of the Arms Export Control Act, to the Speaker of the House of Representatives and to the chairman of the Committee on Foreign Relations of the Senate on April 28, 1978 (transmittal number 78–33).

SEC. 3. The Congress objects to the proposed sale to Israel of 75 F–16 aircraft and related defense articles and services as described in the statement submitted by the President, pursuant to Section 36(b) of the Arms Export Control Act, to the Speaker of the House of Representatives and to the chairman of the Committee on Foreign Relations of the Senate on April 28, 1978 (transmittal number 78–34).

SEC. 4. The Congress objects to the proposed sale to Saudi Arabia of 60 F–15 aircraft and related defense articles and services as described in the statement submitted by the President, pursuant to Section 36(b) of the Arms Export Control Act, to the Speaker of the House of Representatives and to the chairman of the Committee on Foreign Relations of the Senate on April 28, 1978 (transmittal number 78–35).

AMENDMENTS SUBMITTED FOR PRINTING LABOR LAW REFORM ACT OF 1978—S. 2467

AMENDMENTS NOS. 2041 THROUGH 2074

(Ordered to be printed and to lie on the table.)

Mr. HATCH submitted 33 amendments intended to be proposed by him to the bill (S. 2467) to amend the National Labor Relations Act to strengthen the remedies and expedite the procedures under such act.

AMENDMENTS NOS. 2075 THROUGH 2082

(Ordered to be printed and to lie on the table.)

Mr. HELMS submitted eight amendments intended to be proposed by him to the bill (S. 2467), supra.

INLAND ENERGY DEVELOPMENT ASSISTANCE ACT—S. 1493

AMENDMENT NO. 2083

(Ordered to be printed and referred to the Committee on Environment and Public Works and the Committee on Governmental Affairs.)

Mr. GRAVEL submitted an amendment intended to be proposed by him to the bill (S. 1493) to amend the Public Works and Economic Development Act to establish a comprehensive program to provide financial assistance to States, local governments, and Indian tribes to manage impacts caused by energy development, and for other purposes.

● Mr. GRAVEL. Mr. President, as the Nation focuses increasing attention on the need for energy self-sufficiency, we are increasingly aware of the advent of economic and social impact caused by energy development projects. Specifically, the Senator from Colorado (Mr. HART) has previously introduced, and I have cosponsored, S. 1493, the Inland Energy Development Assistance Act, in an attempt to focus Congress and the administration on the complex problem of noncoastal related energy development.

In an effort to expand the awareness of this problem and enhance the public debate on how to address the issue, I am today introducing in the form of an amendment the National Interest Energy Development Impact Assistance Act of 1978.

Mr. President, all across the country, but particularly in the West and in Alaska, towns and communities will experience a tremendous increase in population and economic activity due to energy development activities. New communities will blossom as a result of increased energy production and improved availability of alternative sources of energy. The growth of these towns is inevitable—and usually takes place without regard to the wishes and needs of local residents. Problems related to that growth are equally inevitable. The legislation I am introducing today will provide the resources to allow energy-impacted communities to experience planned and coordinated economic and social growth.

Mr. President, this bill contains four major features which combine the need for Federal assistance with the necessity for a planning and impact mitigation process that begins at the local level. First, it provides that any area with an energy development project may be designated as a national interest area. The criteria for such designation insure that the Federal taxpayers shall shoulder the

impact burden only for those projects which involve substantial amounts of energy produced for consumption in other regions of the Nation or which involve major contributions to a reduction in the Nation's dependence on foreign energy supplies.

Second, the bill provides for designation of a Federal coordinating officer for each national interest energy development area. In the same way that major energy projects have a single Federal officer to expedite any Federal permits (such as the Trans-Alaska pipeline officer), I believe that impacted areas should have a coordinating officer to provide a "one-stop shopping" approach to Federal impact assistance. This bill would give the Federal coordinating officer wide authority to coordinate Federal programs, expedite Federal assistance, provide liaison with State and local officials, and serve as an advocate for the needs and concerns of the national interest areas.

Third, the legislation provides grant authority for planning grants and emergency grants for public facilities and public services. In particular, the bill expands the Federal role to continue beyond the completion of the energy development project in order to provide employment opportunities to local residents. Many communities experience an immediate increase in unemployment upon completion of the project, a circumstance which creates a great deal of economic and social hardship. I propose that the Federal Government provide assistance in the form of job creation opportunities to cushion the shock and allow normal demographic shifts to occur. This assistance would be on a declining scale and would terminate after 5 years.

Finally, the legislation would direct the Council on Environmental Quality to make any necessary revisions to the guidelines for the implementation of the National Environmental Policy Act to assure that impact planning information be gathered in conjunction with impact statement preparation, and imparted to appropriate planning authorities in a timely manner. This will help to minimize the cost of gathering such information normally borne by local and State planning authorities while assuring a more thorough planning process. This will in no way impede the impact statement process, and will in fact bring the relevance of the process closer to people most directly affected by the development project.

We have all been asked to sacrifice to assure that we develop an appropriate attitude toward our energy resources. We have been asked to conserve, and we have been told that there will be an increase in domestic production of available and yet to be discovered resources. Energy development will continue to occur in the West and in Alaska, as well as in the South and Southwest. Coal will continue to be mined in Kentucky and West Virginia and other eastern States. Tomorrow's energy sources may be the wind and the sun and the geothermal belts of yet untouched areas. We cannot rightfully place the burden of energy development on those who by some happenstance are located near these resource rich areas. Some of these residents may look on development as good luck, citing the benefits of development. Other residents may not look on development with such a benevolent eye. This bill will assure local communities, States and Indian tribes that they will be able to face the impact brought about by energy development with proper planning, funding, and technical assistance. We need it in Colorado, we need it in Alaska, we need it in Arizona and we need it in many other areas that will become our Nation's energy production centers.

I ask unanimous consent that a section-by-section analysis of this legislation and the text of the legislation be printed in the RECORD at this point.

There being no objection, the amendment and analysis were ordered to be printed in the RECORD, as follows:

AMENDMENT No. 2083

That this Act may be cited as "The National Interest Energy Development Impact Assistance Act of 1978".

Sec. 2. (a) The Congress finds and declares that—

(1) certain energy development projects are conducted as a matter of national interest;

(2) such projects often create a "boom and bust" cycle which adversely affects the social and economic fabric of the affected community or area;

(3) there is a need for a national effort to assist the affected communities in overcoming the adverse effects of the project; and

(4) such assistance should be delivered in a coordinated manner, marshaling available Federal resources with specific tools created by this Act.

(b) It is the purpose of this Act to provide coordinated Federal assistance to communities and regions which are affected by national interest energy development projects.

SEC. 3. The Public Works and Economic Development Act of 1965 is amended by adding the following new title:

"TITLE XI—ENERGY DEVELOPMENT IMPACT MITIGATION

"NATIONAL INTEREST AREAS

"SEC. 1101. Upon the request of a State, the Secretary of Commerce shall designate as eligible for assistance under this title any area affected by a major proposed or existing energy development (including development of resources of the Outer Continental Shelf) where—

"(a) such energy development is a matter of national interest involving substantial amounts of energy produced for consumption in other regions of the Nation or major contributions to a reduction in the Nation's dependence on foreign energy supplies; and

"(b) there will be significant dislocation of the local economy and increased demand for public facilities and services within the affected area, as a result of such energy development.

"AVAILABILITY OF INFORMATION

"SEC. 1102. (a) The Secretary of Energy, the Secretary of Interior, the Federal Energy Regulatory Commission, and the head of any other Federal agency with responsibility for or knowledge of any major energy development shall provide all relevant information on planned development and its potential impact on local economies and demands for public services, whether such development is private or federally sponsored, to appropriate State and local agencies as early as practicable after such information is known to such Federal agency.

"(b) The Council on Environmental Quality shall revise the guidelines for implementation of section 102(2)(C) of the National Environmental Policy Act to assure that information useful in anticipating the impact of any major energy development on the local economy and demands for public facilities and services is developed and made available at the earliest possible time in the preparation of an environmental impact statement for such major energy development. Such information shall be made available to appropriate State and local agencies for use in the planning assisted under this title.

"FEDERAL COORDINATING OFFICER

"SEC. 1103. (a) The President, with the concurrence of the Governor of the affected State, shall appoint a Federal coordinating officer for each area designated under section 1101 of this Act.

"(b) The Federal coordinating officer shall coordinate all Federal programs which may provide assistance or meet needs identified in the mitigation plan for such designated area. The purpose of such coordination shall be to assure that all Federal assistance or other expenditures in such area (1) support or otherwise consistent with mitigation planning assisted under section 1104 of this Act, and (2) are consistent with State and local efforts to manage the impact of energy development.

"(c) The head of every Federal agency shall cooperate with the Federal coordinating officer in carrying out this title. The Federal coordinating officer may request specific assistance or actions by any Federal agency, or may request any Federal agency to waive administrative requirements associated with the provision of assistance by such agency. The President may direct any such Federal agency to comply with such requests by the Federal coordinating officer.

"(d)(1) The Federal coordinating officer shall provide liaison between Federal agencies and the State and local authorities for the designated area and shall act as an advocate for the needs and concerns of such designated area to such Federal agencies.

(2) The Federal coordinating officer shall assure full local government and public participation in the mitigation planning assisted under section 1104 of this title and shall assist public awareness of assistance available in any designated area for responding to the impact of the energy development.

"MITIGATION PLANNING

"SEC. 1104. (a) The Secretary of Commerce is authorized to make grants to States, political subdivisions thereof, appropriate economic development districts, regional councils, Indian tribes and Alaska Native organizations to pay the costs of planning for the mitigation of the adverse affects on the local economy or demand for public facilities and services resulting from a major energy development for any area designated under section 1101 of this Act.

"(b) Assistance under this section shall be used to support a planning process to identify—

"(1) the projected impact of the energy development on the economy of the designated area, surrounding communities and the State generally;

"(2) the specific needs of the designated area resulting from the energy development, including needs for public facilities, public services, employment opportunities, or other specific responses to dislocation of the economy of such area, for both immediate and long term needs;

"(3) specific proposals for meeting such needs to be funded under this title, including specific programs, projects, and activities;

"(c) The planning process assisted under this section shall be conducted in consultation with appropriate local officials and all affected Indian tribes or Alaska Native organizations.

"MITIGATION ASSISTANCE

"Sec. 1105. (a) The Secretary of Commerce is authorized to make grants and loans to a State, political subdivision thereof, appropriate economic development districts, regional councils, Indian tribe, or Alaska Native organization to meet emergency needs for public facilities or public services in any area designated under section 1101 of this Act.

"(b) The Secretary of Commerce is authorized to make grants and loans to a State, political subdivision thereof, appropriate economic development districts, regional councils, Indian tribe or Alaska Native organization to mitigate adverse effects on the local economy and to mitigate projected or actual substantial decreases in employment associated with the conclusion of a major energy development project. Such grants and loans may be used for (1) public facilities construction or other public improvement projects providing immediate useful employment to persons unemployed because of such decreases; (2) business development or related job-creating activities providing permanent employment to offset such decreases; and (3) training and relocation assistance for persons unemployed because of such decreases. The Federal share of any such project or assistance shall not exceed 80 per centum of the total costs thereof. Assistance under this subsection may be made available on a declining scale until the end of the fifth fiscal year after the development phase of such major energy development has concluded.

"(c) Any grant or loan under this section shall be made after consultation with the Federal coordinating officer appointed for such area under section 1103 of this Act, and shall be consistent with any planning for such area assisted under section 1104 of this Act.

"AUTHORIZATIONS

"SEC. 1106. (a) There are authorized to be appropriated to carry out section 1104 of this Act $40,000,000 for each of the fiscal years 1979, 1980, 1981, 1982, and 1983.

"(b) There are authorized to be appropriated to carry out section 1105 of this Act $200,000,000 for each of the fiscal years 1979, 1980, 1981, 1982, and 1983, except that not more than 35 per centum of funds appropriated under this subsection shall be available for the purposes of section 1105(a).".

SECTION-BY-SECTION ANALYSIS OF NATIONAL INTEREST ENERGY DEVELOPMENT IMPACT ASSISTANCE ACT OF 1978

Sec. 1. Sets forth title of the Act.

Sec. 2. Sets forth Congressional findings and Statement of Purpose.

Sec. 3. Amends Public Works and Economic Development Act of 1965 by adding a new Title XI—Energy Development Impact Mitigation.

Sec. 1101. Provides for designation of national interest energy development impact area pursuant to finding that such energy development is a matter of national interest and shall result in substantial dislocation of the local economy.

Sec. 1102. Requires the head of any Federal agency with responsibility for or knowledge of any major energy development to provide all relevant information on planned development and its potential impact.

Requires the Council on Environmental Quality to promulgate guidelines to insure that such information is made available at the earliest possible time in the preparation of the environmental impact statement.

Sec. 1103. Requires the President to appoint a Federal Coordinating Officer for each designated area, with the concurrence of the Governor of the affected State.

Authorizes Federal Coordinating Officer to coordinate all federal programs which may provide assistance or meet needs identified in the mitigation plan for such designated area.

Requires the head of every federal agency to cooperate with Federal Coordinating Officer. Such officer may request specific assistance or actions by any Federal agency or may request any Federal agency to waive administrative requirements associated with the provision of federal assistance.

Requires the Federal Coordinating Officer to provide liaison between Federal, State and Local officials and to function as an advocate for the needs and concerns of the designated area.

Requires the Federal Coordinating Officer to assure local government and public participation in the planning process and to assist in increasing public awareness of available assistance.

Sec. 1104. Authorizes the Secretary of Commerce to make grants to States, political subdivisions, qualified economic development districts, Indian tribes and Alaska Native organizations to pay the costs of planning for the mitigation of the adverse effects of a major energy development project.

Requires planning process to identify projected impact of energy development on economy of designated area; to identify specific needs of designated area; to provide specific proposals for meeting such needs. The planning process shall be conducted in consultation with appropriate local officials and all affected Indian tribes and Alaska Native organizations.

Sec. 1105. (a) Authorizes the Secretary to make grants and loans to meet emergency needs for public facilities or public services in designated area.

(b) Authorizes Secretary to make grants and loans to mitigate the adverse conditions associated with the conclusion of a major energy development project and to mitigate accompanying decreases in employment. The Federal share of any such assistance shall not exceed 80 per cent of the total costs and shall continue on a declining scale for 5 years after the conclusion of the energy development project.

Sec. 1106. (a) Authorizes appropriations for Section 1104 of $40,000,000 for each of the fiscal years 1979 through 1983.

(b) Authorizes appropriations for Section 1105 of $200,000,000 for each of the fiscal years 1979 through 1983.●

NOTICES OF HEARINGS

COMMITTEE ON ENERGY AND NATURAL RESOURCES

● Mr. JACKSON. Mr. President, I wish to announce for the information of the Senate and the public, the scheduling of a public hearing before the Senate Committee on Energy and Natural Resources.

The hearing is scheduled for May 19, 1978, beginning at 8 a.m. in the Petro-West Theater of the Student Union Building on the campus of the Eastern Montana College in Billings, Mont. Testimony is invited regarding S. 2080, the proposed Pacific Northwest Electric Power Supply and Conservation Act, related amendments, and issues associated with electric power planning and production in the Pacific Northwest.

Mr. President, the committee has just concluded 2 days of successful hearings in Seattle, Wash., and Portland, Oreg., and we are looking forward to the opportunity to gain further insight into the concerns of the people in the Pacific Northwest.

For further information about the hearings, you may wish to contact Russell Brown, professional staff of the committee, telephone 224–2366. Those wishing to testify or submit a written statement for the hearing record should write to the Committee on Energy and Natural Resources, U.S. Senate, Washington, D.C. 20510.●

SUBCOMMITTEE ON PUBLIC LANDS AND RESOURCES

● Mr. BUMPERS. Mr. President, I would like to announce that the Subcommittee on Public Lands and Resources of the Energy and Natural Resources Committee will conduct hearings on S. 3046, the Coal Pipeline Act of 1978 and on S. 707, which is entitled "The Coal Pipeline Act of 1977."

The hearings will be held on May 17 and on May 25, at 10 a.m. in room 3110, Dirksen Senate Office Building, Washington, D.C.

Anyone who wishes further information regarding these hearings should call Mr. Norman Williams at 224–5249.●

SUBCOMMITTEE ON AGRICULTURAL PRODUCTION, MARKETING AND STABILIZATION OF PRICES

● Mr. HUDDLESTON. Mr. President, I wish to announce that the Subcommittee on Agricultural Production, Marketing and Stabilization of Prices of the Senate Committee on Agriculture, Nutrition, and Forestry will conduct hearings on S. 2626 on May 22, 23, and 24 beginning at 9 a.m. in room 324, Russell. This bill would provide for comprehensive changes in existing farm programs. Senator KANEASTER HODGES who sponsored the legislation will preside at the hearings.

The subcommittee will hear from both invited and public witnesses. Oral statements will be limited to 10 minutes, but written statements may be of any length and will be inserted in the record in their entirety. Anyone wishing to testify should contact Denise Love, hearing clerk of the committee at 224–2035.●

COMMITTEE ON ENERGY AND NATURAL RESOURCES

● Mr. JACKSON. Mr. President, I wish to announce for the information of the Senate and the public, the scheduling of a public hearing before the Senate Committee on Energy and Natural Resources.

The hearing is scheduled for May 30, 1978, beginning at 9:30 a.m. to 5:30 p.m. with a midday break from 11:30 to 1:30. The hearing will be held in the West Conference Room, Hall of Mirrors, 700 West State Street, Boise, Idaho.

Testimony is invited regarding S. 2080, the proposed Pacific Northwest Electric Power Supply and Conservation Act, related amendments, and issues associated with electric power planning and production in the Pacific Northwest.

Mr. President, the committee has just concluded 2 days of successful hearings in Seattle, Wash., and Portland, Oreg., and we are looking forward to the opportunity to gain further insight into the concerns of the people in the Pacific Northwest.

For further information about the hearings, you may wish to contact Russell R. Brown, professional staff of the committee, telephone 224–2366. Those wishing to testify or submit a written statement for the hearing record should write to the Committee on Energy and Natural Resources, U.S. Senate, Washington. D.C. 20510.●

ADDITIONAL STATEMENTS

THE 1978 SENIOR CITIZEN INTERN PROGRAM

● Mr. ROTH. Mr. President, for the sixth straight year, I am sponsoring two senior citizen interns from Delaware who have joined my Washington staff for 1 week. This year I am fortunate to have Mrs. Jennie Kennedy of Georgetown, Del., and Mr. Roy Rudy of Newark, Del., serving in this capacity.

During their stay, Roy and Jennie have attended Administration on Aging, ACTION, HEW and Senate and House Committee on Aging staff briefings. Additionally, following a White House tour, they met with Nelson Cruikshank, Counselor to the President on Aging.

The purpose of the program is to provide the interns with the opportunity to learn how their Government operates, particularly as it relates to the elderly. At the same time, intern visits in congressional offices allow the Members to gain a better insight into the concerns of older Americans.

Since the program's inception in 1973, it has grown from an initial participation of 4 Members of Congress who sponsored 11 interns to over 100 Members sponsoring 146 interns this year. These figures include 17 of my colleagues in the Senate who joined me in participation in the 1978 program.

I am happy to report the support of the program has become so widespread that last week the Senate passed my resolution officially establishing a Senate senior citizen intern program. However, I believe the success of the program is best indicated by the comments the senior citizen interns, themselves, have made. As Jennie told me,

I have learned a lot about the government I never knew before and am sure I'll take more interest in government affairs from now on. Long may the Intern Program continue.

And, as Roy said,

I came with many questions but I find there is no simple answer to most of them. The meetings have been wonderful and enlightening—my only regret is I don't have two heads to remember all of the things I've heard.●

A LIFESAVING ADVANCE IN FEEDING BY VEIN

● Mr. WILLIAMS. Mr. President, last year I introduced legislation, S. 1907, to include the treatment known as total parenteral nutrition—TPN—under medicare coverage in the same manner as chronic renal disease. TPN is a technique involving the infusion of liquid nutrients into patients who are not able to take adequate nourishment any other way. The nutrients are mechanically administered through a tube implanted in a major blood vessel. Although in the past this procedure was only practical in an institutional setting, a growing number of Americans in recent years has been able to undergo TPN treatments in their homes.

TPN is most frequently given to patients who have chronic intestinal diseases or who have undergone surgery to remove a major portion of their intestinal tracts. For those patients who have had radical surgery, they must depend on TPN for the rest of their lives. Other patients have improved to such an extent while on TPN that they have eventually been able to terminate these treatments.

It is estimated that there are 500 to 600 citizens who are undergoing this method of feeding in their homes. Unfortunately, the expenses of this technique are high. In addition to the machinery and apparatus involved in the treatments, the cost of the liquid nutrients alone can range from $10,000 to $20,000 a year for each patient. Thus, the costs of this procedure usually far exceed the patient's ability to pay for his life-saving treatments.

My legislation seeks to cover the expense of the home treatments, which would run about $10 million a year, under the medicare program. This would permit a significant savings to the program when compared to the price—over $50 million a year—of TPN treatment performed in an institution.

The Washington Post's Parade magazine of May 7 carried a most interesting article describing the great importance of this innovative and life-saving procedure. Mr. President, I ask that this article, entitled "A Lifesaving Advance in Feeding by Vein," by Lawrence Galton be printed in its entirety in the RECORD.

The article follows:

A LIFESAVING ADVANCE IN FEEDING BY VEIN

(By Lawrence Galton)

An 18-year-old boy had chronic intestinal inflammation so severe that he had lost 60 pounds. He needed radical surgery to remove his entire inflamed colon. To prepare for the ordeal, he had to be fed.

But the operation was never performed. When the boy was fed in a new way—totally by vein, in a manner and to an extent never before possible—his bowels could rest, he began to improve, and surgery was deferred to see what might happen. That was more than six years ago; the boy has been well ever since.

Then there was a 42-year-old man with multiple injuries from an automobile accident. He required abdominal surgery to drain an internal swelling filled with blood. Six days later, his temperature up to 104, he had to be operated on and drained again. But then his kidneys failed, wastes accumulated in his blood, he lost 35 pounds, and the situation seemed hopeless. Yet during the next three weeks, fed large quantities of nourishment by vein, he gained weight and recovered completely.

NEW HOPE FOR MANY

Total parenteral nutrition (TPN)—complete feeding by vein—has provided new hope for many: infants born with gastrointestinal abnormalities, adults who develop gastrointestinal disease, burn and accident victims, cancer patients, the obese.

Many in medicine consider TPN an advance of incalculable importance. Early this year, in the Journal of the American Medical Association, Dr. James C. Stevens of the Charlotte, N.C., Memorial Hospital and Medical Center called it "the fourth coming"—the first being anesthesia; the second, antiseptics; the third, antibiotics.

An estimated 30 percent of all deaths in hospitals involve malnutrition, which TPN alone can often overcome.

Dr. Stanley J. Dudrick, chairman of the surgery department at the University of Texas Medical School, Houston, is the pioneer of TPN. In the early 1960's as an intern, he was impressed by surgical feats but agonized to find patients dying of starvation a week after their operations. They were fed intravenously, but too often it failed.

Vein-feeding had severe limitations. A serious patient initially requires eight liters a day of intravenous solution with enough fats or carbohydrates to preserve the body's nitrogen—vital for tissue-building. But beyond three liters a day, the excess fluid harms heart and lungs.

Early in his career, Dudrick tried a departure. Faced with a patient who was deteriorating rapidly on conventional intravenous feeding, he tried doubling the amount of fluid and nutrients. This meant that a diuretic, or fluid-eliminating drug, had to be added so the kidneys could process the extra fluid. This could be risky.

Simply to increase the concentration of nutrients in the solution without increasing the volume was also dangerous. The solution had to be dripped into a small vein in the arm or leg, and with very high concentration there would be agonizing pain, risk of vein inflammation or even a lethal clot.

Then Dudrick had an idea. Why not drip into a very large vein, like the superior vena cava, which receives blood from many other veins and empties directly into the heart? So great was the blood flow in the vena cava that it could dilute a solution several thousand times, allowing for heavy concentration of nutrients.

To get to the big vein, he might be able to thread a catheter, or tube, through a smaller vein such as the subclavian, accessible under the collarbone, and maneuver it until it was positioned in the vena cava.

The new technique was tried on a very sick infant born with a bowel deformity that would have been fatal. From birth, she could take nothing by mouth, persistently throwing it up. On TPN, the four-pound baby almost doubled her weight and gained two inches in 45 days. A series of other infants with similar problems were treated successfully this way.

Soon TPN was tried in adult emergency cases. One was a middle-aged woman who after surgery had dwindled to only 49 pounds and was dying. In two months she was up to 79 pounds; a month later she went home, could eat normally and weighed 100 pounds.

AIDS BURN VICTIMS

With further development of TPN, it became possible to feed up to 7,000 calories a day by vein—of tremendous importance to severe burn victims. Such patients, because of changes in their body metabolism and their huge need for tissue-rebuilding materials, require as much at 10,000 calories a day.

But not even a healthy person can stuff down that much food, nor can the body assimilate it fast enough. Many burn patients have died because there was no way to meet their nutritional needs. Dudrick found that burn patients could be fed about 3,000 calories a day orally or by stomach tube and another 7,000 by TPN.

At the University of Texas, Dudrick uses TPN extensively with cancer patients. Some physicians at first feared that nutritional support might be a disadvantage, accelerating tumor growth. But Dudrick has found that cancer patients, once strengthened through TPN, can tolerate two to three

times the usual dosage of anticancer drugs. In one study involving 47 patients considered too ill for any sort of cancer treatment, all were able to begin chemotherapy and X-ray treatment after five to seven days of TPN, and 80 percent responded positively to treatment.

Among TPN's most spectacular successes has been the treatment of severe inflammatory bowl diseases such as Crohn's disease and ulcerative colitis. In the experience of Dudrick—and now of many other physicians as well—85 percent of Crohn's disease patients and 40 to 50 percent of those with ulcerative colitis go into remission, avoiding surgery, after sustained bowel rest due to TPN.

Infants with severe chronic diarrheal disease—the result of bowel inflammation, infection, or bowel blood-flow disturbance—are being sustained by TPN until the bowel has a chance to right itself. And pregnant women with pernicious vomiting are being managed effectively by TPN during prolonged oral starvation.

For many patients requiring major surgery, TPN before and after is being found to provide the best chance for quick wound-healing and freedom from postoperative complications.

TPN is now being used by patients at home, saving hospitalization costs. The University of Texas Health Sciences Center in Houston has recently opened an ambulatory TPN center where patients can be placed on home TPN and checked. They wear a special vest—similar to a hunter's vest—with room for two plastic TPN solution bags, a pump to send the solution into the vein and a 24-hour battery pack to power the pump. With the vest, patients can be completely mobile.

NEW USES

Research is now going on in many centers to find new applications for TPN, such as a special mix of nutrients that might work to the disadvantage of cancer cells. In animal experiments, Dudrick and his co-workers have found some solutions that when used with anticancer chemicals can double and sometimes triple the tumor regression rate using chemical alone. TPN is also being used to look for components in the diet that promote artery clogging and heart attacks; the idea is to define an optimal diet to minimize or avoid such diseases.

Dudrick has begun to study the possible value of TPN in severely obese patients who eat lots of sweets, starches and fats but very little protein. Many such patients complain that protein doesn't taste good, makes them lose their appetite, even causes intestinal upsets.

In a trial study, Dudrick used TPN to feed high-protein diets to obese patients. The results were extremely promising. Because such people have shied away from proteins for so long, their bodies don't produce enough enzymes to digest proteins. Vein-feeding of proteins seems to encourage the enzyme production as well as control caloric intake. Some patients, after losing as much as 50 pounds on TPN, thereafter can eat proteins in a normal oral diet.

"We've done only a little work with TPN in obesity," Dudrick says. "But it's a hopeful area."

Nutrition is an important part of medicine. In fact, food often is medicine. TPN is helping thousands of patients who need it and can't otherwise have it, often markedly shortening their illnesses and, in many cases, saving lives.●

THE ASSASSINATION OF ALDO MORO

● Mr. DOLE. Mr. President, for 30 years, Aldo Moro was instrumental in guiding his country's growth. Buffeted by dissent and tried by adversity, the Italian Government has survived with a constitution which Aldo Moro helped draft. Italy's postwar emergence as a bulwark of democracy owes much to the presence of this wise and cautious statesman at the helm. As leader of the ruling Christian Democratic Party and five-time Premier, Aldo Moro earned the love and respect of his countrymen and of freedom loving people around the world. His election this fall as President of his country appeared likely.

Today, Aldo Moro lies buried, murdered at the hands of ruthless terrorists. Countless thousands of his fellow Italians kept vigil throughout the night, mourning his passing and the occurrence of this senseless act. They are saddened, and we are saddened, too. In his private life, Aldo Moro was kind, compassionate, and an exemplary family man. In his public career, his was a voice of moderation, helping to preserve those freedoms which Italians and Americans hold dear.

Mr. President, I would like to join with my colleagues, and with those throughout the world in denouncing this senseless barbarism, and in extending my heartfelt sympathies to the family of Aldo Moro, at this time of trial.●

S. 3040, THE AMTRAK AUTHORIZATION ACT OF 1978

● Mr. CHILES. Mr. President, the legislation adopted by the Senate yesterday, S. 3040, spells out the procedure by which the Secretary of Transportation is to develop within the specified time frame an optimal intercity railroad passenger system. As the first step of that route reexamination, the Department of Transportation has just submitted to Congress and the public a preliminary report, outlining its recommendations for a more effective, productive railroad corporation. S. 3040 provides for ample discussion of the route proposal during a series of public hearings on the new route structure, after which the Department is to submit final recommendations to Congress by the end of this year.

I am glad to have this opportunity to express my concern about the appropriate route structure for the National Railroad Passenger Corporation. In particular, I want to address myself to the present route of the Floridian, which serves passengers along a 1,600-mile path between Chicago and Florida. The Floridian carries passengers through Illinois, Indiana, Kentucky, Tennessee, Alabama, and Georgia before branching off in Jacksonville, Fla., to accommodate riders going to St. Petersburg and Miami.

The Floridian is one of those trains designed by the Department of Transportation for elimination in the preliminary route study. DOT points out quite rightly that the Chicago to Florida train has been one of Amtrak's most consistent money-losers in the last 6 years and has failed to generate a sufficient passenger volume to make the losses worthwhile. When you take a careful look at the route of the train as it travels from Chicago down to Jacksonville or when you consider the series of administrative flip-flops that have characterized Amtrak's management, it is no wonder that the Floridian has been such a poor performer.

The Floridian follows a path that somehow manages to avoid the Southeast's major metropolitan area—Atlanta—and dips through south Alabama and south Georgia by way of Birmingham, Dothan, and Thomasville. Concerned railroad passengers have pointed out the folly of this route for many years, but still the Floridian bypasses the more direct, more populous routing through Atlanta. It does not take long-distance passengers long to realize that such an indirect inconvenient route means more time and trouble in trying to reach Florida. In fact, the Floridian takes longer today to cover those 1,600 miles between Chicago and Miami than it did 30 years ago. Certainly the condition of the track and roadbeds is a major factor, but the unusual alinement of the route has to contribute to the many headaches which the Floridian has suffered since its inception.

Mr. President, I do not think the Floridian has ever been given a fair shake by the management of Amtrak. Public hearings held by Amtrak last year in seven States confirmed what I am saying again today: the train should be rerouted through Atlanta before any final decisions are made about whether the Floridian should be discontinued. Economic, social, and environmental benefits are more substantial when the Floridian is routed through Atlanta, directly to Jacksonville.

The Board of Directors of Amtak has essentially agreed with this argument. In November of last year, the Board designated a new route for the Floridian if additional funds were made available. That route would run through Indianapolis, Louisville, Nashville, Chattanooga, Atlanta, Macon, Savannah and on to Florida. In spite of the infusion of additional funds from Congress, Amtrak has not yet implemented the revised Chicago-Florida route structure. Instead, Amtrak has decided to wait out the present DOT route study before taking the initiative it should have taken years ago to make the Floridian a successful segment of our national passenger network.

Mr. President, I think it is most unfortunate that the Department of Transportation has tentatively recommended discontinuation of the Floridian. Discontinuation as an alternative is premature until we have given the train the chance to prove its worth by routing it through the heart of the Southeast. I am certain that the comments at the upcoming public hearings will bear out what I have said today and I would hope that the Department will give these remarks close attention in its preparation of a final route recommendation later this year.●

WYOMING ODD FELLOWS AT ARLINGTON CEMETERY

● Mr. HANSEN. Mr. President, a very special event took place Sunday, May 7, at Arlington National Cemetery.

In a ceremony which has been repeated each first Sunday in May for over 40 years, the Independent Order of Odd Fellows for a brief time act as the honor guard at the Tomb of the Unknown Soldier.

The member of IOOF, by means of special permission from the Department of the Army, are accorded the signal honor of being the only fraternal organization to serve in place of the tomb's special military guard. The IOOF has the added distinction of being the only nonmilitary organization to have a jewel displayed in the trophy case at Arlington. Over 600 individuals from Canada and the 56 U.S. IOOF jurisdictions participated in the 1978 "Pilgrimage to the Unknown Soldier." The ceremonies included the laying of 84 wreaths and a visit to the Canadian memorial.

We in Wyoming are proud that this year's sovereign grand master is Corwin Havill of Casper, Wyo.

The faith placed in Corwin is well justified, and he has traveled extensively to meet the international members of the organization who are found throughout Canada, South America, Europe, Australia, Iceland, and Latin America.

During last Sunday's ceremony, Corwin paid fitting tribute to those fallen men who have served their countries.

I would like to share his remarks with you today. I ask that Corwin Havill's pilgrimage address be printed in the RECORD.

The remarks follow:

PILGRIMAGE ADDRESS, 1978

Mr. Chairman, Distinguished Guests, Fellow Officers, Brothers and Sisters, Ladies and Gentlemen:

We are gathered here today to honor three men; three men known only to God; the Unknown Soldiers of World War I, World War II and the Korean Conflict. We do not know their names, nor their place of birth; we do not know whether they were rich or poor, learned or unlearned, single men or men with families. We do not know their race, religion or creed. We only know that they laid down their lives on behalf of their friends, their neighbors, their loved ones; for strangers they never knew and for generations yet unborn. Their tombs stand today as silent symbols of the sacrifices made, not only by these three men and their comrades, but by our fore-fathers in their struggle to build a new life for themselves, a new nation for their children, to preserve their heritage.

While we acknowledge our obligations to these men as symbols of all those who have fought and struggled to preserve our way of life, we must also acknowledge the burden of responsibility that has been passed to us. We cannot stand idly by and watch the ideals for which these men fought and died, slip away from us. Just as these men were involved in a situation that may not have been of their making, so are we involved. As they struggled to preserve our nation and our world, so must we struggle. Our struggle today is just as difficult, our problems just as real, just as personal and just as serious as they were then. The tremendous advances in knowledge that have come to pass within our lifetime, the continuing upward spiral in the standard of living, have not decreased our obligations to our fellow-man. The need for the principles for which we stand is perhaps more urgent today than ever before. While our governments provide more and more assistance for the physical needs of our people, there is a growing need for more personal care, more personal attention, more love. It should not be necessary to remind you that our principles of Friendship and Truth are bound together by the central link, Love. Our obligation to these three men, then is clear, and it is beautifully expressed in the Bible, "Thou shalt love thy neighbor as thyself".

In this shrunken world of today, each of us must be involved; none of us can sit on the sidelines and watch. Life is not a spectator sport. Robert Frost, in his poem "Stopping by a Woods on a Snowy Evening" says "The woods are lovely, dark and deep; But I have promises to keep, and miles to go before I sleep". The woods of non-involvement are indeed lovely and tempting, but we cannot afford the luxury of non-involvement. We have promises to keep; promises made by the Pilgrims at Plymouth Rock . . . and by the authors of our Constitution who wrote . . . "that each man is endowed by his Creator with certain inalienable rights, that among these are the right to life, liberty and the pursuit of happiness". And we have miles to go before we sleep. We have accomplished much, we have traveled far, since the time of the Mayflower Compact, but the limitless future lies ahead of us . . . our journey has just begun.

It has been said that "within the span of our lifetime we, the living, and others of our generation, hold in our hands all that is of value from the past, and in those same hands we hold the hope of all that is to come. We are the living link, poised, if but for the brief span of a lifetime, in eternity, and through us will be transmitted the values of the ageless past to the timeless future."

We, as Brothers and Sisters of our great Order, also have a commitment; "To improve and elevate the character of man; to imbue him with proper conceptions of his capabilities for good; to enlighten his mind; to enlarge the sphere of his affection." Our guidelines, "To be grateful to our Creator; faithful to our Country; and fraternal to our fellowman" have, for more than 150 years, committed us to service to humanity. But our journey, too, has just begun and the limitless future still lies ahead.

And so we think it is fitting that we assemble on this beautiful day in Spring, to pay homage to these honored dead; to acknowledge our debt and our responsibilities, and to rededicate ourselves to service to our fellowman.

This is summed up very well in Robert Nathan's "Watch, America":

Where the northern ocean darkens,
Where the rolling rivers run,
Past the cold and empty headlands,
Toward the slow and watering sun.
There our fathers, long before us
Armed with freedom, faced the deep.
What they won with love and labor,
Let their children watch and keep.
By our dark and dreaming forests,
By our free and shining skies,
By our green and ripening prairies,
Where the western mountains rise.
God who gave our fathers freedom,
God who made our fathers brave,
What they built with love and anguish,
Let their children watch and save.●

SLOVAK WORLD CONGRESS

● Mr. WILLIAMS. Mr. President, on May 15, the Slovak World Congress convenes in Washington for a week-long convention to reaffirm the unqualified support on the part of its worldwide membership for human rights of mankind everywhere. Foremost in the minds of all Slovak-Americans, of course, are the millions of people in Eastern Europe, and particularly their countrymen in Slovakia who reside under the domination of communism.

After the Soviet invasion 10 years ago, millions of Slovaks left their country for a free world; may choosing to settle in the United States and Canada.

These exiled Slovaks formed what is now called the Slovak World Congress in 1970, in order to encourage and support the cultural, religious, scientific, and economic development of the Slovak nation and all people of that heritage. Among other things, Slovak representatives from countries of the free world insist on the natural right and duty of the Slovak World Congress to represent Slovakia in all institutions and movements which work for European unity.

The Slovak World Congress this month will focus national attention on their heritage, and serve to remind us all of the hardship and 100 years of exile these people have endured. I am sure this meeting will be of interest not only to the Americans of Slovak descent but also to all those who believe in the restoration of freedom and independence for Slovaks and others living in captive nations around the world.●

DR. ERWIN GRAUE

● Mr. McCLURE. Mr. President, I suspect that all of us have at some time in our past encountered an individual whose personal integrity, intellect, and strict adherence to carefully thought-out principles so captivated us that our lives were profoundly altered by it. For me, and many other Idahoans, such a man is Erwin Graue.

Dr. Graue has been an economics professor in my part of the country for 53 years. That is a long time, but as the achievements continue to pile up, I have come to the conclusion that this is only the beginning.

Erwin Graue was born in Germany in 1895 and came to the United States as a young man just out of high school. He attended both Syracuse University and Cornell University. While preparing for his doctorate at Cornell, he had his first taste of teaching. So taken with the sense of communication between teacher and student, Mr. Graue knew instantly what his life work would be.

Beginning as an assistant professor at the University of Idaho in 1928, Dr. Graue inspired countless Idaho students for the next 35 years. Regulations being what they are, the university regretfully retired him at age 70, and there were those who noted sadly that an illustrious career was coming to an end. But they did not know Erwin Graue. For him, "retirement" became just another of life's challenges. And, in September 1966, he began a second career as an economics professor at Gonzaga University. And there he is still teaching today, capturing the imagination of thousands of new students just as he has done for nearly three-quarters of a century.

As a further honor to Dr. Graue, a group of his former students and friends

banded together to acknowledge his contributions by establishing the Erwin Graue Chair of Economics at Gonzaga. The board of trustees quickly endorsed the proposal. Contributions to the chair now stand at a quarter of a million dollars, and Gonzaga has appointed Professor Graue to the chair which bears his name.

Next Monday night in Boise, another tribute will be paid to Dr. Graue when several hundred of his former students gather to honor him at a testimonial dinner.

It is difficult to put into words the impact this man has had on his students. It has never been necessary to agree with Dr. Graue's essentially conservative views. Rather, it is his rocklike integrity and his deeply held principles that leave an impression unlike anyone else I have ever met.

I wish there were many Erwin Graues in this world, but there are not. At least, we can be grateful for the one we have.●

NATIONAL FAMILY WEEK

● Mr. BAYH. Mr. President, I have asked to be included as a cosponsor of Senate Joint Resolution 29 proclaiming the week in November during which Thanksgiving is celebrated be annually made National Family Week.

Mr. President, similar resolutions have been passed by the Congress in the past few years. Senate Joint Resolution 29 differs from these previous resolutions only because it would make National Family Week an annual event.

Especially in these days before Mother's Day, I think that Members of Congress will be eager to restate their confidence that the American family is the bedrock upon which our society is built. I can think of no more appropriate time than during Thanksgiving week for pausing to reflect upon the importance of the family to our national and personal lives.

Many people have periodically predicted that the death of the family was at hand, but the family unit has continued to be strong enough to meet the strains that modern society has placed upon it. I do not think that it is necessary for me to list for my colleagues all of the virtues of the American family of which I am sure they are already aware. I merely hope that the Judiciary Committee and the Senate can take the time from their busy schedules to enact Senate Joint Resolution 29 and make National Family Week an annual event to honor and celebrate the American family.●

ANNUAL FINANCIAL DISCLOSURE OF SENATOR STAFFORD

● Mr. STAFFORD. Mr. President, in each of the last 4 years, I have made public disclosures of my financial holdings, along with summaries of my Federal income tax returns.

I have pledged that I would issue a similar financial report each year for the remainder of my time in public office.

In keeping with that promise, I am once again issuing a statement of financial disclosure to be placed in the CONGRESSIONAL RECORD.

The financial statement shows that my wife, Helen, and I had net assets of slightly more than $387,000 as of January 1 of this year, when the evaluation was made.

The statement I am making public lists details of our holdings—including bank accounts, cash value of life insurance and retirement fund, real and personal property we own, and stocks and bonds.

The majority of the stocks and bonds listed were owned by us before I entered public office, and there has been little change in our financial condition in terms of real dollars since I entered public office in Vermont 24 years ago.

The summary of our joint Federal income tax return shows that Mrs. Stafford and I had an adjusted gross income last year of slightly more than $68,000. Of that total, $55,350 came from my salary as a U.S. Senator.

Our taxable income was slightly less than $62,000.

We paid $20,536 in Federal income taxes for the year, and $5,134 in Vermont State income taxes. Our total of State and Federal income taxes was $25,670, a substantial increase over the previous year.

As I have done in each of the 4 previous years, I am making copies of the statement available to newspapers, radio stations, and other news services in Vermont.

This information is being made public, because I remain convinced that those who serve in Government, as well as Government itself, must be as open and candid as possible with the public.

The net worth of the Staffords has increased by slightly more than $49,000 in the last year, mainly for reasons that are familiar to all property taxpayers.

The property we own in Vermont and our house in Virginia have been reappraised and their values increased for tax purposes.

Appraisals on houses we own in Rutland, Vt., were increased by a total of $33,000 during the year. The appraisal of our house in Virginia has been increased by $5,000.

In addition, we reduced our debts by $13,000 and my retirement fund increased by more than $3,000.

The best way to enable Americans to judge whether their Government and their officials are acting properly is to provide full disclosure of all interests of Government and of those who make decisions in Government.

Thus, I invite all Vermonters—and all other Americans—to examine my financial interests and to match those interests with my record as a public official.

For some time I have been concerned over the loss of public confidence in Government and politics. I believe one of the reasons for public suspicion is that so much of the activity of Government and politics takes place away from public view.

I had hoped that, by this time, Congress would have enacted legislation requiring detailed public financial disclosure by Members of Congress and other senior officials of the Government.

Some progress has been made in this direction, but not enough. The financial disclosures I have been making public each year continue to go beyond that required by either the law or Senate rules.

I shall continue to support legislation that requires such financial disclosure.

The fact that such legislation has not been enacted, however, does not relieve me of what I feel is my responsibility to report our financial holdings to my fellow Vermonters.

I submit the financial statement and the Federal income tax summary referred to above for the RECORD:

STATEMENT OF FINANCIAL CONDITION, SENATOR AND MRS. ROBERT T. STAFFORD, JANUARY 1, 1978

Savings accounts	
Bellows Falls Trust Co	$5,000.00
Burlington Savings Bank	5,000.00
The Howard Bank	1,060.00
Rutland Savings Bank	5,000.00
Burlington Federal Savings and Loan	5,000.00
Total	25,000.00
Checking accounts	
Riggs National Bank	4,286.36
First Virginia Bank	471.53
The Howard Bank	1,060.00
Total	5,817.89
Life insurance	
Travelers Insurance Co	
MONY	
NYLIC	
NSLI	
Connecticut General	
Total cash value	18,194.50
Real estate	
64 Litchfield Avenue, Rutland, Vt. (house)	75,000.00
27 Howard Avenue, Rutland, Vt. (house)	38,000.00
3541 Devon Drive, Falls Church, Va. (house)	85,000.00
Total	198,000.00
Additional assets	
Contributions to Federal retirement	47,590.09
Law Library and office furniture, 27 South Main St., Rutland, Vt.	2,000.00
Boat and two cars	24,000.00
Personal property	20,000.00
Total	93,590.09

STOCKS

Name	Shares	Value
American Finance System	50 at 4⅜	$218.75
A.T. & T.	100 at 60½	6,050.00
Bellows Falls Trust Co	80 at 60	4,800.00
Book of Month	50 at 26	1,300.00
Cluett Peabody	20 at 10⅝	212.50
Con Edison of New York	100 at 25⅛	2,512.00
Gillette Co.	20 at 24½	490.00
Greyhound	20 at 12¾	255.00
Howard Bank	1,084 at 13	14,092.00
International Harvester	20 at 30¼	605.00
Manufacturers Hanover Trust	664 at 33⅛	22,161.00
Monsanto	40 at 57⅝	2,305.00
N.L. Industries	40 at 17⅜	695.00
National Distillers	40 at 20⅝	825.00
Outboard Marine	20 at 20¼	405.00
Vendo	10 at 6⅛	61.20
Total		56,987.45

Liabilities

Eastern Liberty Federal Savings and Loan, 1st mortgage	10,165.54

Recapitulation

Total assets	397,589.93
Total liabilities	10,165.54
Net assets	387,424.39

Summary of 1977 joint Federal income tax return: Robert T. and Helen K. Stafford

Income	
Salary	55,350.00
Interest	1,300.50
Dividends (less $200 exclusion)	2,246.30
Other	13,003.47
Total income	71,900.27
Adjustments to income allowable congressional expenses not reimbursed	3,697.59
Total adjustments to income	3,697.59
Adjusted gross income	68,202.68
Itemized deductions:	
Medical	150.00
Taxes	7,252.31
Interest	1,077.96
Contributions	808.00
Miscellaneous	402.28
Total deductions	9,690.55
Less zero bracket amount	3,200.00
Taxable income	61,712.13
Federal income tax due and paid	20,536.00 ●

JAMES R. CALLOWAY

● Mr. HODGES. Mr. President, I wish to speak briefly of the recent retirement of Mr. James R. Calloway, former chief counsel and staff director of the Appropriations Committee. Jim Calloway served under my distinguished predecessor, Senator John L. McClellan, for many years, and was formerly chief counsel of the Government Operations Committee of the Senate.

I do not know Jim Calloway intimately, having first met him when I arrived in the Senate. He immediately offered his assistance to me, and provided valuable advice during my hectic first days in office.

Since I have been in the Senate, however, I have heard much about Jim Calloway. Many of my colleagues have spoken of him. These comments have been uniformly ones of praise. Jim Calloway is apparently the epitome of the excellence with which the Senate is served by its staff. He has the ability to compromise, negotiate, and innovate. Each of the staffs which he supervised was competent and responsive. He was able to meet the divergent needs of the various Senators with whom he worked and still keep his committee functioning smoothly. His low-key approach to the important positions which he held and the ease with which he handled his many responsibilities rendered him invaluable to Senator McClellan. And, of course, his efforts on behalf of Senator McClellan directly benefited the people of the State of Arkansas.

Therefore, Mr. President, I rise with others of my colleagues to extend the gratitude of the Senate to Jim Calloway. I wish him well, and extend also, on behalf of the people of Arkansas, warm thanks for his efforts on their behalf.●

THE ST. JOE WILD AND SCENIC RIVERS BILL, S. 3052

● Mr. McCLURE. Mr. President, I have joined with my colleague from Idaho in sponsoring legislation which designates the upper 65.5 miles of the St. Joe River in Idaho as a National Wild and Scenic River.

While this problem has been around for a long time, this specific legislation has a short but unique history. The proposal evolved from the work of five individuals representing divergent interests. They came together out of a desire to see an end to the long and often heated controversy over the future of the St. Joe River.

My sponsoring of this legislation is an acknowledgment of their effort to resolve an emotional issue in the most reasonable manner possible. The goals they are seeking to attain as stated in their April 25 statement are to protect the logging interests of the St. Joe Basin, protect the private property rights, including some mineral rights and to generally protect the undisturbed nature of the St. Joe River. It is these goals that I am endorsing by cosponsoring this legislation.

I recognize this specific proposal has not had the broad public discussion that I think is necessary and I have promised that I would call for public hearings on any proposal before this Congress on the St. Joe. I have contacted the Shoshone County commissioners for their views and have scheduled a public meeting in St. Maries on May 20 to discuss this and other issues with area residents.

It is my intention to keep the doors open on this matter so we can ultimately address the needs of as many people as possible in this legislation. I, like many people, feel the upper St. Joe should be protected from dredge mining and believe it is worthy of preservation in its free flowing state. I also recognize the economy of the area is dependent on continued timber harvesting, agriculture production on private lands and particularly in Shoshone County, on the mining industry. These values must be protected as adamantly as the scenic values of the St. Joe.

It is because of my desire to provide this protection to the residents of the St. Joe Basin that I had reservations about the original compromise proposal and have reservations about the terminology of the language in S. 3052. I have not had a chance to discuss the details of this bill with those endorsing it but I hope to do so in the near future. My caution, and attention to detail, is merely to make certain that the intent of the proposal and the actual language of the legislation coincide. I am sure my colleague from Idaho, the local sponsors and myself can constructively work together to make certain we create legislation protecting the economic base of the St. Joe Basin.

Again, I must commend the efforts of all those involved in this proposal for bringing together so many opposing viewpoints and coming up with a bill that attempts to resolve a most critical issue to the residents of northern Idaho.●

DR. CAROLINE F. WARE: TRUMPETER FOR THE CONSUMER

● Mr. WILLIAMS. Mr. President, I recently had the delightful opportunity to share a speaker's podium with Dr. Caroline F. Ware as we both were honored with Trumpeter Awards from the National Consumers League.

Dr. Ware has always been a diligent watchdog for the interests of the consumer and her address that evening was most eloquent and moving, both in its simplicity and its resounding call to arms for the consumer movement.

Mr. President, I think it would be most interesting for our colleagues to reflect on Dr. Ware's message. She has dedicated 45 years to increasing protections and opportunities for consumers and she has lent her vast experience and expertise to Government agencies from the National Recovery Administration to the Council of Economic Advisers.

For those who too often regard the consumers movement as a recent development on the national scene, Dr. Ware's life is testimony to her own apt observation that "endurance does pay off." We are all beneficiaries of the unique struggle for basic consumer's and worker's rights that people like Dr. Ware carried on for decades.

I ask that the text of Dr. Ware's remarks before the National Consumers League on April 11, 1978, be printed in the RECORD.

The text follows:

REMARKS BY CAROLINE F. WARE

Of course, I am delighted to receive this recognition of my longevity on the consumer front. Endurance does sometimes pay off! I have only one reservation, Sarah Newman should be standing here in my place, but she always volunteers for the annual dinner committee so that she can see to it that someone else receives recognition.

When I knew that I would be expected to say a few words, I thought to speak of some of the earlier consumer efforts in which I had been involved, the Consumer Advisor Board of the NRA in New Deal times, the Consumer Division of the National Defense Advisory Commission and the wartime OPA—Office of Price Administration, the Consumer Advisory Committee to President Truman's Council of Economic Advisers. But I was restrained by an admonition to us oldsters circulated at the 50th reunion of my college class: "Beware reminiscence, except to a child."

Then I listened to Agronsky and Company comment on the defeat of the Consumer Representation Bill, and every single member of that panel treated the bill as if it were Ralph Nader's brainchild, and they all talked as if Nader invented the consumer movement.

Now, I can't let that notion stand, in view of all the valiant individuals and the faithful organizations that have been pressing the consumer cause since Nader was in diapers, and before he was born. After all, we in the National Consumer League do not forget that we stand in the shoes of Florence Kelly and Louis Brandeis and Eleanor Roosevelt and many, many more.

So I will speak of that sturdy group of women's organizations in the 1930's that met

monthly to plan strategy at what was affectionately known as the "Women's Joint"—the Women's Joint Congressional Committee. It even included the General Federation of Women's Clubs, marshalled firmly behind the redoubtable Mrs. Harvey Wiley who was determined to carry forward what her late husband had started with the first Food and Drug Act of 1906.

For all of us, the Food, Drug and Cosmetics Act of 1938 provided a fine political education. First we were called reds, out to subvert the free enterprise system. It took a legislative season to lay that charge to rest. Then we were confronted with the "right of self-medication" championed by a "Sound and Democratic Committee for Consumer Protection." By the time we had unmasked that front for the pharmaceutical industry, we found our opponents asserting that they were now supporting the bill, which was clearly gaining legislative momentum, but please just leave their particular product out—their soap, their particular cosmetics, ointment, hair dye, you name it.

So we had to learn enough about all these "exceptions" to keep the coverage intact. Then the tactics changed again—the bill just needed a few "technical amendments," change a little word here and there—to pull its teeth. So we had to learn enough technicalities to stop this bit of dentistry.

Finally they set the bureaucrats against each other, FDA vs. FTC, and we couldn't cope with the bureaucratic rivalry when the Federal Trade Commission wanted jurisdiction over advertising. Does this sound all too familiar to those of you who have been engaged in recent battles on the consumer front? This is indeed where we all come in!

I think of Mary Harriman Rumsey, who persuaded F.D.R., no doubt with Eleanor's assistance ,that the NRA should have a consumer Advisory Board to parallel Business and Labor Advisory Boards, in order that the industry codes might reflect the interacting of the parties at interest.

She headed the Consumer Board, and Paul Douglas was a member, and they recognized that for consumers to have clout they needed grassroots organization, so they launched a program to promote the creation of local consumer councils and they set up a unit to service those councils.

Mary Rumsey's untimely death, and within a matter of months the legal death of the NRA, brought these moves to a halt, but the consumer momentum carried on.

When I heard Agronsky and Company treat the proposal for a federal consumer agency as if it were a Johnny-come lately notion, I fished into my old files and came upon a memorandum from the American Association of University Women, dated March 1940 on the need for more adequate representation of the consumer in the federal government.

I don't know what happened to that particular memo, but I remember many and varied proposals, including a Department of the Consumer to parallel the departments of Commerce, Labor and Agriculture, an idea that some of us thought unrealistically ambitious. But it was not too ambitious for that courageous politician, Senator Estes Kefauver, who espoused the idea of a Consumer Department twenty years later.

As I thought of all these struggles and strugglers, I found myself humming that good old labor song "Joe Hill:"

I dreamt I saw Joe Hill one night,
Alive as you and me.
Said I, "Why Joe, you're ten years dead,"
"I never died," said he.
"The copper bosses killed you, Joe."
Said Joe, "But I ain't dead."
"From San Diego down to Maine
In every mine and mill
Where workers strive for human rights
It's there you'll find Joe Hill."

And I thought, we are all "Joe Hills" of the consumer movement. We don't die and we won't die, however many times we get slapped down, or have to meet changed tactics, or to fight the same old battle over again in up-dated form. We just keep chipping and chipping away—remember the preposterous things that were said during the truth-in-packaging fight about the impossibility of making it simple for consumers to compare prices for the same quantity; and now unit pricing has become standard supermarket practice, thanks to the leadership of Esther Peterson and Giant Food.

From San Diego down to Maine we'll stay in there trumpeting, until we have turned the economy around, so that it no longer takes it out of the hides of the most vulnerable—the unemployed, the low-skilled worker, the low-income farmer, the most helpless consumer—and we'll make it serve its essential purpose, which is to satisfy human needs.

Because that is what we are all about.

The National Consumers League is the oldest consumer organization in America. Founded in 1899, the League has been at work throughout this century to protect citizens both in the marketplace and in the workplace.

Today, consumer and worker protection is even more important, given our increasingly complex economy and feeling of individual alienation from business and government. The National Consumers League is working to formalize opportunities for consumer participation in government and business. The League runs programs to make products more safe, food policies more responsive to human needs, and the citizen's viewpoint on worker and consumer justice heard in government decision-making.

The Trumpeter Award is given in recognition of outstanding defenders of worker and consumer rights. Through its award, NCL sounds the trumpet for exceptional leaders who have improved the marketplace for us all.●

JAMES MICHAEL SHEA

● Mr. BROOKE. Mr. President, James Michael Shea of Salem, Mass., editor of the Salem Evening News, passed away on Tuesday, May 2, 1978.

Jim Shea was an uncommon man. He was a journalist of immense talent and uncompromising principle. I was proud to have known him and to have counted him as an associate and friend. His untimely death was a personal loss for me. We shall miss this crusading journalist, taken from us after a long and courageous battle with cancer at the relatively young age of 51. I extend to his devoted wife Marianne and to his children, Brian James, Maureen Anne, Sheila Elizabeth, Christopher Michael, and Gregory John, my deepest sympathy. My prayers and best wishes are with them.

Mr. President, a recent (May 3, 1978) column by Jeremiah V. Murphy in the Boston Globe speaks eloquently of the life and service of my dear friend Jim Shea. I ask that it be printed in the RECORD.

The column follows:

A NEWSPAPERMAN WHO LOVED HIS JOB

BEVERLY.—The thing I will remember about colorful and controversial Salem News editor Jim Shea was that he always seemed so vibrantly alive. He understood better than most people that life was for the living.

He could be sarcastic and even raucous one moment and gentle and understanding the next, but he was always moving and usually laughing and enjoying every moment.

But it all ended for James Michael Shea yesterday at Salem Hospital; where he died of cancer at age 51 after a long illness. It ended at a time when Shea should have been starting his happiest years, because he loved being the Salem News editor and a power and a force on the North Shore. He loved every moment of that job.

Jim Shea grew up poor in Beverly during the Depression years. He lived down near the bridge and went to St. Mary's School and, even in those days, had that breezy personality.

He started covering high school sports for the Beverly Times and later the Salem News to earn a few badly-needed dollars and that is probably when he got hooked on newspapers. That condition never changed. He served in the Navy during World War II; attended Suffolk University for a while and then got a full-time job with the News.

I can still see him banging away at that old typewriter while working for the late Earl Robbins in the News' Beverly bureau next to the old Ware theater on Cabot street.

He would chain-smoke his way through a story and, when it was over, Shea would relax and hold court with old friends Jackie Dooling, Bud McPherson and Red Herzog who perhaps had dropped in to say hello. Then he would tell funny stories about Beverly characters. He knew them all. Sometimes his pals would call him "Senator" and he liked that.

Shea never left the News, even though he could have worked for larger papers and been outstanding. He loved and understood the North Shore and his big chance came in 1969 when he was named editor. He didn't boot that opportunity. Almost overnight he made the News a tough and aggressive newspaper, well written and edited.

He loved being editor and the power that went with it. Shea sometimes abused that power and let his personal political views get in the way of his objectivity, but that was Jim Shea. His virtues still far outweighed his faults.

Shea ran the show and that was almost a one-man operation at the News. You couldn't get elected as Salem mayor without his backing, and just check that with Mayor Jean Levesque or twice-defeated candidate Hank O'Donnell.

He stuck with Levesque even after a disappointing first term, and always backed Senate President Kevin Harrington, but never missed an opportunity to give Rep. Mike Harrington a zing in print. Jim had his strong likes and dislikes and never tried to hide them.

Shea became a celebrity around the North Shore, and his Saturday political column was the most widely read in any newspaper circulated there. He became an after-dinner speaker, and usually just jotted down a few notes and ad libbed the rest in the Don Rickles style. He could occasionally be cruel but he never, never was a bore. Not Jim.

The happiest night of his life probably came last June when he and his gentle Marianne were honored by their two daughters and three sons on their 25th wedding anniversary. The party was at his Woodbury street home and his old friends turned up at that happy occasion when the kids presented their parents airline tickets to Ireland.

A few nights later he awoke in pain and the next stop was the hospital and that is when his long ordeal began. It ended at 2:30 a.m. yesterday.

But a few days earlier, Shea called Marianne from the hospital and dictated part of his own obituary. He had that special style right to the end.

So tonight the wake will begin at Charlie Campbell's in North Beverly and friends and admirers, and even a few enemies, will show

up to pay their last respects to James Michael Shea. He was really something.●

COSPONSORSHIP OF PRODUCT LIABILITY SELF-INSURANCE ACT OF 1978—S. 3049

● Mr. NELSON. Mr. President, I was pleased to join Senator CULVER yesterday in cosponsoring legislation to amend the Internal Revenue Code of 1954 to provide for a deduction for certain amounts paid into a reserve for product liability losses and expenses. The purpose of this legislation is to allow businesses to receive a tax reduction for funds set aside in a self-insurance reserve to be used to settle product liability claims.

The Senate Small Business Committee began an in-depth study of the impact on small businesses of highly escalating costs of product liability insurance in the spring of 1976, during which we discovered that product liability insurance premiums have risen by as much as 1,000 percent during the last 2 years alone. This hits the small businessman exceptionally hard. These companies may have to pay more than they can reasonably afford to go without any product liability insurance altogether. Being "bare" of insurance protection exposes them to bankruptcy if a substantial court judgment is made against them.

The bill being introduced by Senator CULVER and myself would allow firms to receive a tax deduction for money set aside in an insurance reserve to be used to pay product liability claims and related expenses. The tax incentive is the fastest and simplest method of assisting small firms who are unable to purchase this insurance at affordable prices.

Those firms that are unable to obtain up to $1 million worth of insurance for a premium that is equal to or less than 3 percent of their gross annual receipts would be able to deduct yearly an amount equal to 5 percent of their gross annual receipts, up to a maximum amount of $100,000. The total reserve fund for firms in this category is limited to a maximum of 15 percent of the firm's average annual gross receipts.

Other firms would be able to deduct the lesser of 2 percent of their gross annual receipts, or $25,000, each year for a maximum reserved amount equal to 10 percent of average yearly gross receipts.

A tax incentive to self-insure would allow many smaller firms to arrange for higher deductibles on their product liability insurance policies, thereby lowering the overall cost of the policies. For those firms financially able to do so, an even greater self-insurance program could be set up.

Additionally, such an incentive for self-insuring would encourage those firms which are unable to afford product liability insurance to establish a reserve, thus assuring injured parties that funds would be available to satisfy any judgments against those firms.

Self-insurance would be particularly helpful to those firms that are being asked to pay higher premiums even though they have had few or no product liability claims settled against them. The committee has heard from many small businesses who complain of dramatically increasing insurance premiums even though they have had few, if any, claims settled against them.

For example—

A Texas elevator manufacturer wrote that—

> (Our) premiums are set at 5% of total receipts this year. Claims for property and personal injury have been nil—and we've been in the elevator contracting business since 1951.

A Kentucky auto equipment manufacturer said:

> We have just contracted for product liability for our next year. . . . As I reported to you last September, our annual cost for this coverage had gone from $5,700 to $18,000 in one year with no claims. Well, we still have no claims and our pro forma cost for next year is approaching $60,000,000.

A Connecticut electric winch manufacturer also wrote:

> My sudden interest in this field has been occasioned by an increase in my insurance premium from $1,200 in 1974–75 to $8,840 in 1976. While that may not sound like much of a horror story, we've recently been advised that our coverage will be cancelled unless we come up with the princely sum of $74,000 for 1977. . . . (We) have never been named in an action nor have we or our insurance company ever paid a claim.

The Interagency Task Force on Product Liability, which conducted an intensive 18-month study of the product liability insurance problem has recommended to the President that the Internal Revenue Code should be amended to permit qualified businesses to set aside a portion of their pretax income to fund a specific reserve for self-insurance against product liability claims and related costs.

I have joined my colleague, Mr. CULVER, in introducing for the consideration of the Senate, this bill, which is the task force's version of how an amendment of the tax code could help businesses establish product liability claims reserves. I have also asked to be placed as a cosponsor on S. 1611, which is a similar measure also introduced by Senator CULVER. The two bills embody the same concept, with the basic difference being the amount of deductions that would be allowable.

I believe that these two bills will provide a departure point for discussions in the Senate on the extent to which relief in the form of tax deductions could be provided to the small business community. Unfortunately, we do not yet have a clear idea of what the revenue loss on these measures would be, and it may be necessary to adjust the limits of deductions somewhat between the more liberal provisions of S. 1611 and those of the bill being introduced today.

I join as a cosponsor to these two bills because I am deeply concerned for the small businesses that are having great difficulties financing adequate product liability insurance protection.

Mr. President, we cannot ignore the pleas of the small business community for help in this situation. This legislation deserves our most careful attention and consideration.●

CRISIS IN THE AMERICAN TEXTILE AND APPAREL INDUSTRY

● Mr. HEINZ. Mr. President, the textile industry in the United States is in serious—and growing—trouble. From 1975 to 1976 alone, textile and apparel imports increased an average of 34 percent. In 1977, the trade deficit in the industry reached a record $3.98 billion. Import penetration, if nothing is done to curb the flood of imports, will continue to rise to exceed 50 percent of the domestic market by 1981. Some specialized sectors of the industry are already suffering similarly excessive penetration levels. This trend, despite administration claims, has not been reversed. The general attitude within the industry is reflected in one official's statement that—

> The fiber/textile/apparel industry has very little confidence in what the Administration says or does—their words are often sweet but the aftertaste of their action is frequently bitter.

One major problem is that we have no trade agreements or import restraints with several countries which export a substantial quantity of goods to the United States. For example, the third largest shipper of suits to the United States, France, is not covered by any agreement. This is no small factor in our foreign trade, as there was an increase of 52 percent in suits from countries not covered by any bilateral agreement during the first 11 months of 1977.

Even where trade with a country is pursuant to a bilateral agreement negotiated under the umbrella of the multifiber arrangement, problems arise. Agreements are built on already excessively high import levels which exceed the level of growth in the domestic industry. A growth factor of 12 percent over a 5-year period is included in our bilaterals with Taiwan and Korea, while domestic production continues to decline in many products covered. Market penetration by Taiwan and Korea in some products, therefore, could reach 65 percent.

In addition, the carryover and carryforward borrowing provisions of the agreements allow countries to exceed control levels for specific commodity categories by using unfilled quotas for other items. An exporting country can use up to 7 percent of an unused quota the following year or borrow up to 5 percent from the following year for the present year. This can prove very disruptive to the domestic market.

The bilaterals also lose much of their effectiveness when they are not strictly enforced. For example, in 1976 Korea overshipped sweaters of man-made fibers to the United States by 20 percent of her quota. The administration was late and weak in reacting. This lack of aggressive enforcement, incidentally, is not the case only in textiles. A similar situation has existed with respect to mushroom imports from Taiwan and Korea. Shipments have been over the voluntary limits, and nothing has been done about it.

I am also concerned, Mr. President, about the administration's perception of the situation in the textile and apparel

industry. Some time ago I had a conversation with one of the administration's top officials in the trade area who stated that the several industries with serious trade problems—textiles, footwear, and televisions were specifically mentioned—were satisfied with the administration's efforts on their behalf.

Having previously heard conflicting views from representatives of those very groups, I was somewhat surprised at this news and decided to contact these industries directly. I sent the following letter to labor and management leaders in each of these sectors, and ask that it be printed at this point in the RECORD.

The letter follows:

U.S. SENATE,
Washington, D.C., February 20, 1978.

Mr. ROBERT P. TIMMERMAN,
American Textile Manufacturers Institute, Washington, D.C.

DEAR MR. TIMMERMAN: Trade problems have been an important part of the difficulties facing the textile and apparel industries recently, and I am writing to inquire about the current status of those trade problems.

In recent conversations with Administration officials I have been told that by and large the textile and apparel industries are satisfied with the trade-related actions the Administration has taken on its behalf. This assertion interested me because it was not consistent with the reaction I received from affected constituents last year. Perhaps the passage of time has altered perceptions somewhat.

In any event, I would appreciate your informing me whether the Administration's view is correct with respect to the textile and apparel industry, whether the trade actions of last year have proved satisfactory, and whether there are any current Administration initiatives you are aware of that you find to be positive. In addition, I would also welcome your comments on what specific additional steps the Administration should take now to promote fair trade in support of your industry.

Thank you for your assistance.

Sincerely,

H. JOHN HEINZ III,
U.S. Senator.

Mr. HEINZ. Today I want to comment on the responses I received from the textile and apparel industries.

While most of the responses support what actions the administration has taken on the theory that anything is better than nothing, they are obviously not satisfied with the depth of the administration's commitment of support for the domestic textile and apparel industry or with the ambiguities built into existing textile agreements. Comments include:

We are not only far from satisfied with the trade related actions of the Administration but we have openly and repeatedly, during the past year, expressed to its officials our keen disappointment and dissatisfaction over its policy and actions and we have done this in unmistakable terms."

. . . the new bilaterals still fall far short of providing for our domestic industry the import control that is necessary to preclude these countries, which are producing textiles and apparel under conditions illegal here, from continuing to take disproportionate shares of the growth of our market. In these bilaterals, the 6% growth feature of the MFA, mentioned above, comes back to haunt us."

It comes as a surprise to us to learn that the Administration believes that we are satisfied with the trade related actions that have occurred in the last few months. The fact is that as much as we appreciate the efforts of the Administration in our behalf, the future of our Industry and its thousands of employees is still gravely endangered by the threat of unfair foreign competition.

Mr. President, these letters are quite revealing, both in their objective appraisal of the administration's efforts thus far on trade issues and in their analysis of how much more needs to be done. I ask that the texts of the letters be printed in the RECORD.

The letters follow:

AMERICAN TEXTILE MANUFACTURERS INSTITUTE, INC.
Washington, D.C., February 24, 1978.

Hon. H. JOHN HEINZ, III,
U.S. Senate,
Washington, D.C.

DEAR SENATOR HEINZ: I appreciate very much your letter of February 20 and the opportunity to comment on the current trade problems facing the textile and apparel industries and the Administration's handling of the matters. The following points summarize our major concerns at this time:

(1) We are pleased that the MFA (Multifiber Arrangement) has been renewed and that it carries with it a Protocol that allows bilateral partners to vary from the MFA norms in negotiating agreements. On the other hand, we were not in agreement with the government's negotiating mandate under which the MFA was renewed. It did not address itself to several of the serious problems that were built into the instrument when it was first negotiated at the end of 1973.

The most serious of these was the 6 percent growth feature that allows imports into our market to climb at rates faster than the actual domestic growth. As you know, the industry earlier had requested this change, and this was supported by many members of the Congress.

On the other hand, we are hopeful that our government will take the fullest advantage possible of the Protocol that in paragraph 5 allows for bilateral partners to vary the MFA norms. This is a clear opportunity, we believe, for our government to negotiate, implement and enforce tighter bilaterals with lower quota growth rates.

(2) In bilaterals that have been renewed to this point, including Hong Kong and Korea—two of our largest suppliers—there has been some improvement in dealing with the severely impacted categories. On the other hand, the new bilaterals still fall far short of providing for our domestic industry the import control that is necessary to preclude these countries, which are producing textiles and apparel under conditions illegal here, from continuing to take disproportionate shares of the growth of our market. In these bilaterals, the 6 percent growth feature of the MFA, mentioned above, comes back to haunt us.

(3) The industry is not happy with what has taken place in connection with the Multilateral Trade Negotiations (Tokyo Round) insofar as textiles and apparel are concerned. Based on information we have received, many of our products are in for serious tariff reductions. Prior to the decision by our government to offer these products for tariff cuts, we had filed with the government extensive documentation of the problems this would create. It is our most earnest hope that the Administration will now reconsider its offer and withdraw all textiles and apparel from the Tokyo Round.

In this connection, enclosed is a resolution adopted by the ATMI Executive Committee on January 26. Also enclosed is a copy of a letter written to President Carter, with copies to several members of the Cabinet, and signed by all thirteen members of the Textile/Apparel Import Steering Group made up of the various interest organizations from fibers through apparel, including labor. Also attached, simply as information, are copies of two letters written you in January—one signed by myself and ATMI Executive Vice President Ray Shockley, the other by Mr. Shockley and ATMI Government Relations Director G. Stewart Boswell. Both address themselves to the points that have been raised in your good letter.

(4) As to additional steps that the Administration should take now to promote fair trade in support of the textile/apparel industries, we believe the following are important:

(A) To remove textiles and apparel from any tariff cuts in the Tokyo Round.

(B) Tighten up on the current bilaterals under the MFA so that the growth provisions can be brought in line overall with those of the domestic market, reducing swing and flex (including quota carry forward and borrowing) to much tighter levels than now exist.

(C) Establish within the Committee to Implement Textile Arrangements (CITA), that is chaired by the Department of Commerce, provisions for much stricter implementation and enforcement of all of our bilaterals than have existed in the past.

As you know, the textile/apparel program with the government that deals with this critical international trade situation was established and has been maintained on the basis of creating within this country an environment wherein our domestic industry can, with some degree of confidence, invest money in plants and equipment so that it can remain modern and highly competitive, thus preserving the 2.3 million American jobs that it directly provides. It is our view that this confidence can be generated and sustained only if our government clearly indicates to the industry its intention to accomplish, as a minimum, the above points.

In closing, I want to thank you again for this opportunity to comment on the current international trade problems that so seriously affect our industry, its employees and our entire national well-being. I would welcome an opportunity to visit with you at any time on this subject, as would our staff representatives in Washington.

I trust that you and members of your staff will not hesitate to contact our Executive Vice President, Ray Shockley. Meanwhile, he is going to contact your office for an appointment at a time convenient to you.

Sincerely,

ROBERT P. TIMMERMAN,
President.

RESOLUTION BY THE AMERICAN TEXTILE MANUFACTURERS INSTITUTE, INC., JANUARY 26, 1978

Recent press reports indicate that the United States has offered in Geneva, Switzerland, a broad range of textile mill products for substantial tariff reductions during the Tokyo Round of Multilateral Trade Negotiations.

The current status of international trade in textiles is neither fair nor equitable to the United States textile industry. The Multifiber Arrangement's (MFA) overly generous growth factor permits textile imports to grow at a rate completely inconsistent with the U. S. demand for domestically produced textiles. Inadequate enforcement and implementation of existing trade agreements aggravates the problem.

Any reduction in U. S. textile tariffs will give added incentive to foreign textile exports to target the U. S. market. Existing bilateral quota agreements cover approximately three-quarters of U. S. textile and apparel imports. Tariff reductions would encourage those exporting countries under agreements to completely meet their quotas and those with which the U.S. has no bilateral re-

straints to sharply increase their exports to the U. S.

Tariff reductions are totally inconsistent with the Multifiber Arrangement and the bilateral agreements negotiated thereunder. The purpose of these instruments is to establish orderly international trade in textiles to preserve American jobs. By encouraging additional imports, tariff reductions increase unemployment in the U. S.

The MFA and existing bilateral agreements were negotiated under and in contemplation of the existing tariff structure. Present import levels represent the equivalent of 400,000 jobs.

Recent economic analysis, using the Data Resources, Inc., economic model of the U. S., indicates that even without tariff cuts, continuation of the historical import growth implies thousands of future job losses in textile and apparel. Because this is an interrelated economy, each lost textile job adversely affects another 2½ jobs in other sectors of the U. S. economy. Tariff reductions will further aggravate this situation undermining the Administration's efforts to reduce domestic unemployment and the balance of payments deficit.

The U. S. textile industry is in a position to make a unique contribution to the nation's economy. Together with the related apparel and fiber industries it employs 2,300,000 workers or one in eight of all manufacturing employees, of this number 17 percent are minority workers and 66 percent female. Located in urban and rural areas where it can significantly impact on unemployment, the industry's potential to provide meaningful jobs will be adversely affected by tariff reductions.

Therefore, the Executive Committee of the American Textile Manufacturers Institute, Inc., unanimously restates the industry's opposition to any reductions in the import duties on textiles.

TEXTILE/APPAREL IMPORT STEERING GROUP,
Washington, D.C., January 31, 1978.

The PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: There are indications that substantial reductions in certain tariffs of the textile-apparel-fiber industry will be proposed during the Tokyo Round of Multilateral Trade Negotiations. Our understanding is that the United States proposal containing these cuts was offered in Geneva, Switzerland, on January 23, 1978.

The undersigned organizations representing all segments of this industrial complex are completely opposed to any reduction in these tariffs. The current status of international textile trade is neither fair nor equitable to the United States. The Multifiber Arrangement's (MFA) overly generous growth factor permits imports to grow at a rate far in excess of that of the domestic industry. Inadequate enforcement and implementation of existing bilateral trade agreements aggravates the problem.

Any reduction in these tariffs will give foreign producers an added incentive to export to the United States. Assuming negotiation of those expiring this year, existing bilateral quota agreements cover approximately three-fourths of U.S. textile and apparel imports. Tariff reductions would simply encourage exports to the United States, particularly from countries with which the U.S. has no bilateral restraints.

Tariff reductions are totally inconsistent with the Multifiber Arrangement and the bilateral agreements negotiated thereunder. The purpose of these instruments is to establish orderly international trade in textiles and apparel in order to preserve American jobs. By encouraging additional imports, tariff reductions increase unemployment in the United States.

The MFA and existing bilateral agreements were negotiated under and in contemplation of the existing tariff structure. Present import levels represent the equivalent of 400,000 jobs.

Recent economic analyses indicate that even without any tariff cuts, continuation of the historical import growth pattern implies a large future job loss. Because this is an interrelated economy, each job lost in the fiber-textile-apparel sector of the economy adversely affects another two-and-a-half jobs in other sectors. Tariff reductions will further aggravate this situation undermining the Administration's efforts to reduce domestic unemployment and the balance of payments deficit.

We are in a position to make a unique contribution to the nation's economy. Although we have not yet reached our 1973 levels of production, this industry employs 2,300,000 workers or one in eight of all manufacturing employees. Of this, 17% are minority workers and 66% female. Located in urban and rural areas where it can significantly impact on employment, this industry's potential to provide meaningful jobs will be adversely affected by tariff reductions.

Rather than reducing tariffs, one of our government's objectives in the Multilateral Trade Negotiations should be the reduction of non-tariff barriers to U.S. textile and apparel exports which have been unilaterally erected by many of the world's textile producing nations.

In any event, we unanimously oppose any reductions in the import duties on any of the products of our industry.

Respectfully yours,

CLOTHING MANUFACTURERS ASSOCIATION OF THE UNITED STATES OF AMERICA,
New York, N.Y., February 24, 1978.

Senator H. JOHN HEINZ III,
U.S. Senate, Committee on Banking, Housing and Urban Affairs, Washington, D.C.

DEAR SENATOR: We thank you for your letter of February 20, 1978, with respect to the trade problems facing our Industry.

It comes as a surprise to us to learn that the Administration believes that we are satisfied with the trade related actions that have occurred in the last few months. The fact is that as much as we appreciate the efforts of the Administration in our behalf, the future of our Industry and its thousands of employees is still gravely endangered by the threat of unfair foreign competition.

Although the Administration was successful in securing renewal of the very important Multi-Fiber Arrangement, they did not secure the changes that were requested by the Apparel Industries. Thus, the MFA still requires growth in trade at grossly excessive levels.

Association counsel has been privileged to attend, as advisor, many of the bi-lateral negotiations that have been conducted between the United States and the major exporting nations under the framework established by the Multi-Fiber Arrangement. We know that the Administration has worked long and hard to secure the best possible orderly marketing agreements. But, the sad truth is that "considerations of national policy"—and the structure of the MFA itself—have severely limited the efficacy of these agreements in halting the inroads of unfair competition. A few years ago the import of men's and boys' tailored suits into the United States was de minimis. Today, more than 3,000,000 suits a year come into this country and compete unfairly with the products of our Industry. The import of sport coats has reached 50% of domestic production. Our Industry has lost one-third of its employment in the past few years.

Mr. Heinz, these are trends which are not abating and they cannot be abated as long as we must negotiate bi-laterals that contain growth factors and flexibility formulas which allow increased inroads in the domestic market. Moreover, the trade of many nations is not covered by bi-lateral agreements. The third largest shipper of suits to the United States, France, is not a party to a bi-lateral agreement. (And incidentally, our government has done nothing with respect to the strong suspicion we have that many "French" suits are in fact manufactured in East Germany or Yugoslavia). In the first 11 months of 1977, there are a 51.8% increase in suits from nations other than the original members of the "export club." The shipments of these newcomers alone amount to almost a million units, and they are uncontrolled by any bi-lateral agreement.

Paradoxically, this growing flood of imports have not benefited the consumer in the form of lower prices. These garments are priced by the retailer at approximately the same price levels as domestic suits. The retailers themselves admit to this and explained that it has to do with additional merchandising burdens arising from imports. We attach for your information a bulletin on the subject in which we quote extensively from a paper prepared by one of the leading retail Associations.

As you know, the United States has just tabled in Geneva its proposals on tariff cuts. Although the details of the government's proposal is being kept secret from us (but not the rest of the world) we know that we have not received anywhere near the exemption from cuts that we feel are necessary to protect our Industry from yet further damage. Although we do appreciate the efforts made by the Administration in granting us some exceptions and some limited cuts, we feel that any cut in the tariffs for male apparel items is unwarranted and fraught with danger. We enclose a Brief submitted by our Association to the Administration containing the detailed factual basis supporting our position.

Once more, we must be frank to admit to you that the Administration has labored long and hard to at least ameliorate some of the impact of unfair low wage competition, but we submit, Mr. Heinz, that our Industry—and we believe we can speak as well for the rest of the Apparel and Textile Industries, and the unions that represent our employees are by no means in a position of safety. Indeed, unless there is some immediate improvement in the situation, our Industry will suffer further drastic reversals in the immediate future. We ask for the privilege, Mr. Senator, to come to Washington and speak with you so that we may show you first-hand the foreign garments produced under sweat shop conditions that are destroying a proud American industry and share with you our suggestions for further action.

Again, we thank you for your interest in this matter.

Very truly yours,

CHESTER KESSLER,
President.

BERNARD FERSTER,
General Counsel.

[Issued by Clothing Manufacturers Association of the United States of America]

IMPORT ADVISORY: NRMA WARNS RETAILERS OF THE PITFALLS IN IMPORTING GOODS

The National Retail Merchants Association in a recent study on import pricing inadvertently gave retailers six good reasons for not importing goods:

1. Imports invoke a significantly higher buying expense than is incurred in domestic purchases.

2. The long lead time between order and payment results in a major extra cost.

3. Risk factors (quality problems, legal re-

sponsibilities) on imported goods are far greater.

4. The cost of imported merchandise is uncertain (currency fluctuations, freight rate charges, variable packing costs, customs valuation, etc).

5. Retailers must assume costs a domestic manufacturer would normally share.

6. Higher markdowns on imported items.

These points are made by N.R.M.A. in attempting to explain why retailers must charge consumers more of a markup on foreign goods than on American made merchandise in a document misleadingly titled "How American Consumers Benefit From Imports." The N.R.M.A. failed to explain:

1. That loss of U.S. employment to offshore sweat shops reduces the income that Americans can use to buy the goods that retailers have to sell.

2. That loss of U.S. jobs swells the ranks of the unemployed and increases the welfare rolls, placing a greater tax burden on—among others—the retailer.

3. That the American consumer must pick up the tab for the higher costs, greater risks and shoddy quality of imported goods that the N.R.M.A. decries. CMA thanks NRMA for reminding its members of the pitfalls in dealing in imported goods.

For those members who might wish to share the details of the NRMA study with retailers, we reprint those sections of the study that detail the NRMA's warnings. To quote NRMA: "We believe it misleading to compare directly markups on imports with those on domestically purchased merchandise, for differences in cost and risk factors between importing on the one hand, and domestic purchasing on the other, are substantial and fundamental.

"First, imports involve a significantly higher buying expense than is incurred in domestic purchases. In order to import, retailers either maintain their own overseas offices and/or have agents abroad to whom substantial percentage commissions are paid. In order to select merchandise from overseas markets, expensive overseas buying trips—costing thousands of dollars for each buyer—are necessary. And, dealing with imports typically involves costs for samples and expense in merchandise and packaging design. Communications expense—telex, cables, telephone, overseas postage, etc.—are high. Also incurred are substantial costs for U.S. importing functions, including the expense for arranging foreign shipments and working with U.S. Customs and brokers.

"Second, a major extra cost factor involved in importing is the long lead time between order and payment and retail sale. Typically, retailers must fully pay for imports by letter of credit prior to the time the merchandise is shipped from the foreign country. By contrast, retailers purchasing in the domestic market are given payment terms which may well permit them to sell the merchandise before payments to vendor are required. Thus, retailers' money cost of roughly 1 percent per month is far higher on imports. The retailer also incurs higher warehousing costs on imported merchandise. Often, retailers must take delivery for an entire selling season, well in advance of the season, whereas domestic merchandise may be procured later and in smaller quantities with in-season reordering. The slower "selling turn" on imported merchandise (i.e., the longer interval between order and sale) reflects a higher, longer-term investment therein. In addition to generating extra costs, this requires retailers to forego other opportunities, because retailing management technique requires that once a purchase commitment is made, retailers' freedom to purchase other items for sale is constricted to the extent of that purchase.

"Third, risk factors on imported merchandise are far greater. Quality problems exist with respect to both domestic and imported merchandise. However, inspection of imported merchandise prior to shipment is extremely difficult, and the return thereof following receipt is impossible. By contrast, particularly in view of deferred payment terms, retailers purchasing defective domestic merchandise have an opportunity to return it and avoid paying therefor. Further, retailers are deemed to be the manufacturer of merchandise which they import for purposes of compliance with legal requirements applicable to the merchandise, whereas of course retailers assume no such responsibility on domestically manufactured merchandise.

"Fourth, the cost of imported merchandise is also uncertain. Various costs may well be unknown at the time the retail price is established. While the price retailers pay directly to foreign vendors may be settled, landed costs cannot be precisely determined at the time of ordering due to currency fluctuations, freight rate changes and variable packing costs. Further, Customs classification, valuation and duty assessment decisions—often made months or even years after the merchandise is sold—may increase duties far above the anticipated level. In addition, unplanned air freight costs are often incurred due to shipping delays, and shipping delays also cause higher markdowns due to receipt of merchandise at the end of, or even after, the appropriate selling season. These costs and risk factors are generally absent in domestic transactions.

"Fifth, retailers also incur higher costs in connection with imports by directly assuming costs which are often borne by or shared with domestic vendors on purchases from them. For example, foreign vendors rarely support retailers' advertising as compared with cooperative advertising and promotional programs and sales assistance in the form of fashion shows, designer or artist appearances, etc., which are frequently available from domestic vendors. Foreign vendors do not pay inland U.S. freight, whereas domestic vendors often do. Foreign vendors rarely pack for branch store distribution, where as domestic vendors do. And foreign vendors rarely preticket merchandise to retailers' specifications or count inventory or train sales personnel, whereas domestic vendors do. Hence, internal costs are significantly higher on imports

"Finally, differences in circumstances between purchasing and selling imports vis-a-vis domestic merchandise lead to higher markdowns on import items. To import requires projecting up to a year in advance the style, color, and other features of merchandise. This increases the hazard that by the time the merchandise arrives, it will not be in vogue. The markdown experience on imports is worse not only for the foregoing reasons, but also because domestic vendors may well extend return privileges or markdown allowances to retailers on domestically produced merchandise. Further, as noted, merchandise defects inevitably result in markdown; imported merchandise cannot be returned for credit; and, even when all goes well and the imported item selected sells well, retailers generally have little or no opportunity to balance stocks (i.e., reorder and assure a full range of size selection), with the consequence that higher markdowns must be taken in order to clear out remaining import inventory."

INTERNATIONAL LADIES
GARMENT WORKERS' UNION,
New York, N.Y., March 22, 1978.

Hon. H. HEINZ III,
U.S. Senate,
Washington, D.C.

MY DEAR SENATOR HEINZ: This is to acknowledge your recent letter addressed to President Chaikin of our Union. He has requested me to reply to your inquiry.

You ask whether "by and large the textile and apparel industries have been satisfied with the trade-related actions the Administration has taken on its behalf". There is no question that the renewal of the Multi-Fiber Textile Arrangement, even in its present form, is a step forward, albeit much is left to be desired. Absent this Arrangement, the United States would have found itself hard-put to regulate imports of textiles and apparel which have been causing such a sharp erosion in employment in our industries. However, we must emphasize that the growth rates provided under the Multi-Fiber Arrangement still remain unduly high. Although they do somewhat soften the impact of imports on domestic production and employment they do not by any means neutralize this impact.

Of course, it would have been desirable to have a more stringent regulation of imports than is provided in the Multi-Fiber Arrangement. To attain this, consent would have been required from all of the parties concerned—the United States and many foreign governments—a consent which apparently is not attainable at this point.

In the last few months the Administration did negotiate several bilateral agreements which provided somewhat lower rates of growth in a number of sensitive product categories and no increase in quotas in 1978 over those which prevailed in 1977. It must be borne in mind that these agreements are built on top of already excessively high levels of imports. It must also be emphasized that the flexibility provisions of these agreements as well as their carryover and carryforward provisions enable exporting countries to exceed control levels fo specific commodity categories by the utilization of unfilled quotas for other items.

There are, of course, a number of present and potential exporting nations which are not now subject to controls. Under these circumstances, it seems to us essential that there be no duty reductions on various articles of textile and apparel during the Multinational Trade Negotiations currently in process in Geneva. Should such duty cuts be effectuated, a further wave of imports may enguif the United States resulting in a further cut back in jobs and production.

What this country needs is fair trade legislation to regulate imports. A positive approach would rely on market penetration as a benchmark for regulating and monitoring trade. While no single percentage and no single benchmark would solve all our problems, they would provide a helpful approach. Similarly, we should abandon the preferential treatment from low-wage countries which results in an unrealistic and obsolete approach to trade. Finally, we should tighten our anti-dumping laws and encourage the enforcement of countervailing duties.

Sincerely yours,

WILBUR DANIELS,
Executive Vice-President.

NATIONAL KNITTED
OUTERWEAR ASSOCIATION,
New York, N.Y., March 7, 1978.

Sen. H. JOHN HEINZ III,
U.S. Senate,
Washington, D.C.

DEAR SENATOR HEINZ: We appreciate your interest in our Import problem as evidenced in your letter of February 20th, 1978.

The following facts indicate the Import problem facing the Knitted Outerwear Industry whose products consist primarily of knitted sweaters, shirts and headwear.

1. We have suffered a market penetration of Imports of over 50 percent primarily from the Far Eastern countries of Hong Kong, Taiwan and Korea.

2. Despite the fact that we employ less than 10 percent of those employees engaged in the Textile-Apparel Industry, we have

had to absorb one-half of the entire Textile-Apparel Trade deficit.

3. We have stated our problem in great detail in a meeting with Ambassador Strauss last year prior to bilateral negotiations with Hong Kong, Korea and Taiwan. In this meeting with Ambassador Strauss we indicated the relief we needed to survive namely a roll back of Imports so that the import market penetration would not exceed 30 percent.

When you consider that our Administration took remedial action to reduce penetration of Steel Imports from a 20 percent to a 15 percent level, we feel that our Industry position is a reasonable one and necessary for survival.

The conclusion of the announced details concerning the completed bilateral negotiations with Korea and Hong Kong are as follows:

There was an adjustment made on man-made fibers by Hong Kong with a reduction of 6 percent for one year (1978). However, the real growth in Hong Kong was in the area of sweaters made of wool and the records indicate that Hong Kong had increased shipments of wool sweaters between 1976–1977 by approximately 300,000 dozen or an increase of 23 percent.

The end result of the announced concluded bilaterals with Taiwan and Korea now permit an additional growth of about 12 percent over a five-year period. When you consider that there has been a decline in domestic sweater production over the past ten years by nearly 30 percent and that imports have risen over 300 percent in that period the final market penetration permitted will be about 65 percent.

These two points are mentioned only because they are the only significant provisions that the Administration might conceivably claim as alleviating our predicament. It is evident that the relief they purported to furnish is not responsive considering the way our predicament was permitted to deteriorate and the present dimensions of our problems in our industry.

We are not only far from satisfied with the trade related actions of the Administration but we have openly and repeatedly, during the past year, expressed to its officials our keen disappointment and dissatisfaction over its policy and actions and we have done this in unmistakable terms.

With the completion of the bilateral agreement with Taiwan (the details have not yet been made public by our Government) and with the expected conclusion of the bilateral with Japan this week all the major bilaterals will have been settled and the conditions under which the Textile-Apparel Industry must struggle during the next five years will have been, to a large extent, fixed. Disappointing as they are, there remain some specific additional steps that the Administration should take to promote Fair Trade and support of the Industry:

1. It should avoid any tariff cuts particularly in knitted outerwear where imports of sweaters, knitted shirts, swimwear and other knitted articles have made serious inroads into the United States market.

2. The Administration should manage the control system more effectively than it has. For example: South Korea in 1976 overshipped sweaters of man-made fibers into our market by 673,000 dozen—about 20 percent of her quota. The Administration was weak and late in reacting.

3. The Administration has in consultations with exporting countries altered the terms of bilaterals without the knowledge of or advice of the Industry. This omission should be corrected.

4. The Administration should obtain and make available to domestic industry as soon as possible the bilaterals which the EEC has negotiated with exporting countries of East Asia, so that we may judge whether to exercise our right to reopen if our bilaterals are less favorable to us. If so, the Administration should act promptly and vigorously.

5. The Administration should take steps to cut back imports in sensitive areas where the mistakes of the past have already rendered them excessive—and they are clearly excessive where they exceed half of our domestic output. The express aim of the MFA program is to avoid market disruption while permitting the orderly growth of trade. The Administration has so developed the program as to emphasize growth of imports even where it entailed an aggregation of existing market disruption. This distortion of objectives should cease; otherwise the control program will be used to advance the liquidation of the domestic industry and its consequent loss of jobs.

6. We should eliminate from the bilateral agreements the "carry over and carry forward" provisions granted exporting countries. For example: if a quota is not filled in a given year the exporting country has the right to use up to 7 percent of the quota in the following year. In addition, if there is an exceptionally strong demand for the products of the exporting country they can borrow up to 5 percent from the following years quota giving the exporting country the latitude to overship, in a given agreement year, up to 11 percent. This creates an unfair trade position for domestic industries since it gives the exporting country latitude to capture a greater portion of the U.S. market, when the economy prospers.

We appreciate your concern and we know that our feelings are shared with the Pennsylvania members of our industry, as well as the 900 members of our Association.

We would appreciate an opportunity to remain in touch with your office on this matter and will review details as they develop with your staff.

Sincerely yours,

GEORGE VARGISH,
President.

NATIONAL KNITWEAR
MANUFACTURERS ASSOCIATION,
New York, N.Y., March 3, 1978.

Hon. H. JOHN HEINZ III,
U.S. Senate,
Washington, D.C.

DEAR SENATOR HEINZ: Thank you for your letter of February 20 inviting our comments concerning governmental actions on trade problems affecting the textile and apparel industries.

As a matter of record, most of the products manufactured by the particular segment of the textile industry NKMA represents have been less impacted than have many other categories. Nevertheless, we are still deeply concerned and your interest is particularly appreciated inasmuch as our industry is so heavily represented in the State of Pennsylvania.

Having been personally involved with this subject for many years and now a member of advisory committees to both the Department of Commerce and the Special Representative for Trade Negotiations, I can assure you the textile/apparel industry as a whole is not happy with this Administration's views on numerous matters relating to its well-being. Generally speaking, the fiber/textile/apparel industry has very little confidence in what the Administration says or does—their words are often sweet but the aftertaste of their action is frequently bitter.

Initially, we would like to note that Industry does not feel it has been unreasonable in its request to have import growth rates limited quantitatively through the Multifiber Arrangement (MFA). While the MFA is considered better than nothing, it has certainly illustrated itself to be an imperfect approach as the trade deficit for our products reached a record $3.08 billion in 1977. To put this matter of "satisfaction" in perspective, we would like to address three separate but related areas.

MULTIFIBER ARRANGEMENT (MFA)

In 1977, the Administration pressed for extension of the 1972 MFA with growth rates of 6 percent. Domestic consumption over the last five years has grown between 2.5% and 3%.

Mutually acceptable deviations are allowed within the new MFA framework on growth rates, although all recent bilateral agreements signed by the United States with major trading partners still reflect growth rates well in excess of domestic increases of 2.5% and 3%.

The MFA uses a Square Yard Equivalent basis which permits an even greater growth of finished apparel products (which exceeded 50 percent of total imports in 1977).

As noted earlier, the trade deficit for textile manufactures reached $3.08 billion in 1977. Apparel dollars were also up to new heights: 14 percent over 1976.

The impact on U.S. jobs is obviously greater by imports of apparel than by yarns or fabrics.

MULTINATIONAL TRADE NEGOTIATIONS

Many categories of the fiber/textile/apparel industry are listed as potential pawns for substantial tariff reductions in the ongoing trade negotiations being directed for the United States in Geneva by the Special Representative.

Although certain highly impacted categories of products apparently have been withdrawn from potential tariff cuts, our government disregards the "substitution factor" which, basically, encourages importers to use their facilities and available quotas to penetrate other categories having lower tariffs and which will potentially provide greater profits.

The request by U.S. Industry and Labor for total exemption from such tariff reduction apparently has fallen on deaf ears in the Administration. The granting of such reductions most certainly will encourage further penetration of the U.S. market, particularly from LC's.

OTHER GOVERNMENTAL ACTIVITIES

Competitive disadvantages continue and actually will increase from countries who are manufacturing under conditions illegal in the United States. Such conditions include minimum wages; OSHA (toxic chemicals, noise, dust); EPA (water and air); FTC (antitrust); CPSC (safety); and others. In many cases, large investment is required which does not increase productivity. Industry is not against reasonable action in these areas; however, reason has not always been found to be the basis upon which regulatory rules are promulgated and action taken.

Unrealistic domestic tax requirements on profits and depreciation discourage investment and capital accumulation. The potential elimination of DISC benefits certainly must discourage exports which create jobs domestically.

Our comments on the above three areas only briefly outline some of the reasons for our industry's concern about the future. Despite these problems, our productivity continues to be the highest in the world and with some reasonable understanding and governmental assistance, or lack thereof, the fiber/textile/apparel industry could continue to be a most important segment of our economy. Our 2.3 million employees could continue to benefit this nation.

What about positive initiatives by the Administration? Frankly, we see few although current proposals to reduce corporate tax levels on profits could help offset the huge Social Security bite which has already been put into law for 1979 and beyond. There has been an effort, also, to reduce petty enforcement activities on the part of the Occupational Safety and Health Administration but monumental problems will exist if unrealistic cotton dust and noise standards are promulgated by this agency.

Despite our traditional American optimism and the strength and achievements developed from years in a highly competitive business, it is obvious that past and contemplated governmental actions are affecting our competitive stance in domestic and international markets. This is particularly true for small and moderate size businesses. As one retailer recently noted, 50 percent of all apparel sold in this country will be imported by 1983 . . . possibly by 1981. This does not bode well for those business enterprises who wish to continue here in the United States and employ their neighbors.

Discouraged? Yes, somewhat. Down and out? Not yet! But we wish we could see some results, not just words.

Again, we thank you for the opportunity to make our thoughts known to you. It is our hope that this industry can experience some relief and understanding. We do employ a lot of competent, conscientious people. If you need further information, please feel free to contact us directly. Meanwhile, we are enclosing two brochures on the subject of imports which may be of interest to you if you have not already seen them.

Sincerely,

ROBERT E. BLANCHARD,
President.

Mr. HEINZ. As I stated in the beginning, Mr. President, the textile industry in the United States is in trouble, and as the largest employer of manufacturing labor in the United States with 2.3 million workers, it deserves support and assistance.

Unfortunately, as these letters show, that has not been happening, in part because of lack of administration effort, in part because of lack of multilateral consensus. The GATT Multifiber Arrangement has been renewed in essentially the same form, permitting imports to grow faster than the domestic industry is growing, virtually assuring an ever-larger share of imports in the domestic market.

To compound this difficulty, we are now facing at the multilateral trade negotiations proposals for significant cuts in textile and apparel tariffs. It is essential that we act to stave off this further blow to our domestic industry, and I am today introducing legislation to achieve that objective. My bill would simply add textiles or textile products which have obtained relief under section 204 of the Agricultural Act of 1956 (that is, textiles or textile products subject to export-limiting agreements) to the list of those items which the President must exempt from tariff reductions at the MTN.

While this step will not correct the more basic flaws of the MFA—which would depend on extensive multilateral negotiation—it will prevent the situation from rapidly deteriorating further. Mr. President, this is a serious problem, as is evidenced by the correspondence I have received, and I hope the Finance Committee will act on this bill promptly.

Mr. President, I ask that the text of the bill be printed in the RECORD.

The bill follows:

S. —

A bill to amend the Trade Act of 1974 with respect to the reservation of textiles and textile products from negotiation

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Subsection (b) of section 127 of the Trade Act of 1974 (19 U.S.C. 2137) is amended by striking out "or" the first place it appears and by inserting "or with respect to textiles or textile products under section 204 of the Agricultural Act of 1956 (7 U.S.C. 1854)," before "the president" the first place it appears.●

AN APPEAL FOR HELPING CAMBODIAN REFUGEES

● Mr. PELL. Mr. President, the International Rescue Committee, of which I was once the vice president for Europe, has just issued an appeal to President Carter to add 15,000 Cambodians to his plan to admit 25,000 Indochina refugees to the United States.

At a subsequent press conference, spokesmen for the IRC praised the President's decision to recommend the admission of 25,000, but lamented the fact that the criteria established for entry under this program would exclude the Cambodian refugees now in camps in Thailand. Describing Cambodia as the Auschwitz of Asia, IRC spokesmen called on the President to expand the scope of his Indochinese refugee program to include those deserving Cambodian refugees in Thailand who do not have any direct family or other ties with the United States.

Mr. President, I very much support the IRC's request in this connection and ask that the full text of the IRC's letter to President Carter be printed in the RECORD.

The letter follows:

WASHINGTON, D.C.,
May 8, 1978.

President JIMMY CARTER,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: The Citizens' Commission on Indochinese Refugees gratefully salutes the action which was recommended by your administration and forwarded by the Associate Attorney General to the Congress calling for 25,000 Indochinese refugee paroles. We are especially heartened by the action of Vice President Mondale in assuring the Government of Thailand that a substantial number of the 100,000 refugees in Thailand will receive parole admission to the U.S.

We observe with regret that the Cambodian refugees who have suffered most and have stagnated in camps for three years do not fit the criteria which enable the issuance of the paroles, since few have families in the United States and few had been in a position to assist the United States during the period before the Communist victory in Cambodia.

Mr. President, we applaud your graphic description of the present Government of Cambodia as the worst violator of human rights in the world. The outrage against humanity in that country has just led to the convening of an International Hearing in Oslo, Norway investigating those offenses. Increasing foreign attention is being focused on these violations of human rights, and the United States does have a special responsibility to these people which flows from our role in the invasion into and bombing of Cambodia. Only a handful, even at risk of life, are able to escape these barbarous circumstances in which an estimated more than a million have already died.

We urgently and unanimously request a special parole for the 15,000 Cambodian refugees now concentrated in camps next to the Cambodian border where they are in constant danger of Khmer Rouge killings, kidnappings, and other depredations. In additions to the parole program for Indochinese refugees which your Administration has announced, we urge in the same spirit a program for the admission of 7,500 Cambodian refugees each year, over the next two years, to the United States.

This is in keeping with the spirit and purposes of the parole program which the Attorney General has recommended to the Congress and which unintentionally disadvantages those few who have been able to flee the Auschwitz of Asia.

Sincerely yours,

LEO CHERNE,
Chairman.

CITIZENS' COMMISSION ON INDOCHINESE REFUGEES

The Commission was organized by the International Rescue Committee, which was founded in 1933 at the time Hitler seized control of Germany. IRC is the leading American voluntary agency providing relief and resettlement services for refugees escaping from persecution and violence in totalitarian countries. During the past year, IRC assisted refugees from 30 countries on four continents.

MEMBERS

Leo Cherne, Co-Chairman, Chairman, International Rescue Committee.

Monsignor John Ahern, Director of Social Development, Catholic Archdiocese of New York.

Professor Kenneth Cauthen, Colgate Rochester Divinity School.

Cecil B. Lyon, Former Ambassador to Chile and Ceylon.

James A. Michener, Author.

John Richardson, Jr., President, Freedom House, Executive Director, Georgetown University Center for Strategic and International Studies (Former Assistant Secretary of State for Educational and Cultural Affairs).

Louis A. Wiesner, International Rescue Committee.

William J. Casey, Co-Chairman, Law firm of Rogers & Wells (Former Under Secretary of State for Economic Affairs).

Mrs. Thelma Richardson, Civil Rights Leader.

Bayard Rustin, President, The Philip Randolph, Institute, Chairman, Social Democrats, U.S.A.

Rabbi Marc H. Tanenbaum, Director of Interreligious affairs, American Jewish Committee.

Stephen Young, Law Firm of Simpson Thacher & Bartlett, Member of Commission on International Human Rights of the Bar Association of New York.

Robert DeVecchi, International Rescue Committee.●

Mr. HANSEN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. THURMOND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE ENDURING COLD WAR

Mr. THURMOND. Mr. President, last week, 38 Republican Senators sent a strong foreign policy message to President Carter. The declaration expressed, in no uncertain terms, our grave concern that the United States is proceeding on a course which threatens our national security.

Mr. George Will in the May 15 issue of Newsweek has written an outstanding commentary on the position expounded in the Republican declaration. Mr. Will articulates the real problem which per-

vades this administration's position on most foreign policy decisions: Anticommunism is no longer fashionable and the threat of communism is no longer believable. We have been lulled to sleep by the platitudes of détente and are not alarmed by our own Secretary of State's comment that our President and Secretary Brezhnev "have similar dreams and aspirations about the most fundamental issues." Why are we afraid to acknowledge that there is no way for the leader of a totalitarian state, committed to world communism, and the leader of the free world to aspire to the same basic goals?

Mr. President, I ask unanimous consent that Mr. Will's editorial be printed in the CONGRESSIONAL RECORD at the conclusion of my remarks and recommend its reading by all Members of this body.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE ENDURING COLD WAR

(By George F. Will)

Republican lions and lambs have lain down together, a spectacle as rare as it is Biblical. All 38 Republican senators have joined in a stinging criticism of President Carter's foreign policy. Their declaration reflects the public's growing suspicion that the cold war did not end when the U.S. pronounced it over in the name of détente. The Republicans avoid noting which party was in power when that pronouncement was made. But their declaration supports the belief that this is the fourth decade of the cold war rather than the ninth year of détente.

The Republicans say Carter has failed to comprehend the nature of the Soviet threat. The Soviets want military superiority, not equality, and believe a nuclear war is winnable, not unthinkable. The Republicans criticize Carter's failure to respond to the Soviet buildup, with special reference to naval forces. Even before the Vietnam war ended, wise people warned that the "lessons" Americans would choose to draw from the war would be as dangerous as the war itself. The administration's attack on the Navy reflects values and perceptions shaped by Vietnam "lessons": the Navy projects U.S. power and gets "in harm's way," so it poses the danger that the U.S. will sail into "another Vietnam." And the Republicans cite the definitive "Jane's All the World's Air-craft": ". . . 1977 might be recorded as the year in which the seeds of defeat for the Western powers were sown . . . The fragile coexistence maintained for a generation by balanced East-West military power is being allowed to slip inch by inch from our grasp."

THE SOVIET SYNDROME

The Republicans decry Carter's "lack of resolve" in the face of 'a powerful adversary whose goals are incompatible with our own and which, judged by its actions, appears bent on imposing its social and economic system on the world." This rediscovery of the cold war comes nine years after a Republican President seemed to redefine resolve" to conform to détente. In his new book, The Soviet Syndrome," Alain Besangon writes: Since Germany's surrender, Western policy has set up for itself objectives that coincide miraculously with those of Soviet policy." The policy of containment" established a defensive cordon while the Soviets digested their conquests. Détente, the West's unilateral commitment to relaxation of tensions," came at the moment when the Soviets had recovered from war, consolidated their hold on their conquests and acquired military strength sufficient to make it awkward for the West to resist more aggressive Soviet behavior.

"Starting in 1970," the Republicans say, "the time when most experts agree the Soviets began to approach strategic parity with the United States, Moscow became much more strident in its political and military adventurism." What also started around 1970 was the myth that a new era had begun, in which Soviet behavior would be measurably improved. This myth, propagated by a President who detested liberals and was detested by them, was congruent with a change in liberalism.

FALLEN DOMINOES

For many years, the nation's anti-Communist consensus meant that the distinction between liberalism and conservatism was drawn almost exclusively in terms of domestic policy. But that consensus was a Vietnam casualty. The decline of liberal anti-Communism was manifest in the nomination of George McGovern, who blamed Vietnam on "cold war paranoia." Ridicule heaped upon "paranoia" about the "domino theory" of Communist conquest in Indochina, and upon warnings about blood baths, has been silenced by the sounds of suffering from within the fallen dominoes, and the ridiculers' silence about the suffering is deafening. But many still believe that a "lesson" of Vietnam is that U.S. policy toward Communist aggression should be benign neglect.

Republican anti-Communism was diluted by Richard Nixon, whose most treasured moment, his visit to China, complete with applause for propaganda ballet and toasts comparing the Chinese and American revolutions, moved William Buckley to note that Nixon might be "the most deracinated American who ever lived and exercised great power." But the decline of Democratic anti-Communism is more important. The Democratic Party has been the central player in the central drama of this century, the irrepressible conflict between the totalitarians and free peoples. Woodrow Wilson was Lenin's enemy. Franklin Roosevelt was Hitler's enemy. Harry Truman was Stalin's enemy. John Kennedy was Khrushchev's and Castro's enemy. Lyndon Johnson, to his credit, was Ho Chi Minh's enemy. But today, the Secretary of State describes President Carter and Brezhnev as men who "have similar dreams and aspirations about the most fundamental issues."

The real significance of Secretary Vance's "Foundation speak" is precisely that it is reflexive. Vance has lived in an environment of earnest, modulated, well-meaning liberalism. He calls to mind Randall Jarrell's fictional college president: "President Robbins was so well adjusted to his environment that sometimes you could not tell which was the environment and which was President Robbins." Vance is the gentleman of the Western world, reluctant to see that all people do not agree on "most fundamental issues." No wonder the Administration is often surprised and bewildered. The nineteenth-century ascendancy of liberalism meant faith in moral and material progress, and the conviction that war and other forms of conflict are aberrations in the "natural" harmony among peoples. Most Americans, regardless of party, are products of modern liberal culture that finds the international frightfulness in the world unbelievable.

CONTAGION OF LIES

Besançon explains détente as practiced by Western powers: "They are treating the U.S.S.R. as if it were just like any other state, in the hope that it will finally behave that way, will actually be what they want it to be. In short, their action is pedagogical." The use of détente diplomacy as pedagogy is a compound of complacency and condescension. It assumes that the Soviets are slow learners but are ready to learn from Western tutors. Obviously Solzhenitsyn is widely read and his conclusions are widely resisted in nations slumbering in the faith that the U.S.S.R. is "just like any other state." It is not. It is not even a classic despotism. It has the implicable dynamism of a state permanently waging war on human nature, pulverizing and impoverishing civil society to satisfy militarist ravenousness. It is founded on a pseudoscience, enveloped in a pseudoreality of ideology, and sustained by terror and lies. It has been said that the four words for which the initials U.S.S.R. stand contain four lies, and that the Soviet constitution contains more lies than articles. The Republicans' declaration is an inoculation against the contagion of comforting lies the West tells itself about the Soviet Union.

FORD FINGERS FOREIGN POLICY DEFICIENCY

Mr. THURMOND. Mr. President, an issue of vital concern to our country is national defense and the ability to deter any military aggression against both the United States and its allies. Our Nation and the entire free world stands to lose everything if we fail to discharge our awesome responsibilities in providing a Defense Establishment second to none.

And editorial in the May 2 edition of the Greenville News records some observations made by former President Ford on the SALT talks. The article concludes by making some convincing comments about our present foreign policy.

In order to share this column with my colleagues, Mr. President, I ask unanimous consent that it appear in the RECORD at the conclusion of my remarks.

There being no objection, the column was ordered to be printed in the RECORD, as follows:

FORD FINGERS FOREIGN POLICY DEFICIENCY

Former President Ford put his finger on one trouble spot in President Carter's foreign policy when he expressed strong reservations the other day about current strategic arms limitations talks between the United States and the Soviet Union: The Carter administration has cut American defense to a dangerously low level compared to Russia's.

Ford, who pushed SALT aggressively during his brief administration, said he might be unable to support an anticipated agreement because of this country's sagging defense posture since he left office. The former president noted that Carter had killed the B–1 bomber, deferred neutron warhead production, cut the MX and Minuteman missile programs and otherwise whacked away at defense. Meanwhile, the Soviet Union has continued to expand military capabilities.

A SALT agreement freezing the United States in an inferior position would invite disaster for the free world, according to Ford's reasoning. He's right. An agreement with the Soviet Union must be made only from a position of sufficient strength to back it up and to insist upon Russian compliance. Strength is the only thing the U.S.S.R. ever has respected—or ever will.

Although Ford was speaking only of the SALT situation, his reasoning applies to every phase of foreign policy. No American policy can work in the absence of sufficient military strength—and the will to use that strength, if necessary—to enforce that policy.

The Greenville News noted recently that President Carter's foreign policy has been self-canceling due to fundamental contradictions in it. Tough talk and soft defense is one of those contradictions. President Ford's analysis of SALT indicates that defense is the chief weakness in the Carter foreign program.

CAMBODIA: MASSACRE AND TERROR

Mr. THURMOND. Mr. President, on January 4, 1975, I visited Cambodia and spent 1 day talking with U.S. Embassy and Cambodian Government officials despite the fact that the capital city, Phnom Penh, was being shelled by Communist elements in the nearby countryside.

Much to my surprise, Ambassador John Gunther Dean informed me that no Member of Congress had visited Cambodia since 1973 although U.S. military aid had reached a level of $275 million in fiscal year 1975.

TALKED WITH CAMBODIANS

Mr. President, that day I met with Marshal Lon Nol, President of Cambodia, Prime Minister Tran Thien Kiem, and Chief of Staff General Cao Van Vien. They pleaded for continued U.S. aid to defend against the Hanoi-supported rebels.

In the afternoon I was deeply moved when visiting a refugee camp on the outskirts of the city. It was filled with ragged and frightened families who had fled after a Communist attack on a nearby village that morning. I tried to reassure these people, but as the Senate knows, U.S. aid to Cambodia was embroiled in the Vietnam crisis and Cambodia fell to the Communists on April 17, 1975, about 3 months following my visit.

While I received many impressions during that brief 1-day visit, the most lasting was the humility and gentle nature of the refugees and other Cambodian people with whom I had met. Essentially a rural nation, these people were not interested in ideologies or fighting, but rather in leading a peaceful, simple life.

Since 1975 I have been sickened when reading reports of the massacres of the Cambodian people by the Communists and the cruel treatment of those surviving this reign of terror.

ASHAMED OF U.S. REACTION

Further, I have been ashamed that the U.S. Government has done practically nothing to bring this situation to world attention. The pressure of world public opinion could do much toward reducing the cruelty of the Communist regime in Cambodia and thereby save the lives of many Cambodians.

President Jimmy Carter, U.N. Ambassador Andrew Young, and Secretary of State Cyrus Vance have utterly failed to give the Cambodia crisis any real attention. As the leading power of the free world, our leadership is needed if this bloodshed and cruelty is to be checked.

Congress itself could also do more by calling some of the witnesses who have escaped Cambodia to testify before the Committees on Foreign Relations or by taking other actions to focus attention on these atrocities. But only through the power of the Presidency can sufficient pressure be brought to end these unbelievable horrors cloaked in the secrecy of Communist governments.

PRESIDENT MUST ACT

Resolutions in the Senate deploring this situation will be helpful, but only the President or his representatives can bring the weight of our Government to bear in an effective manner. I call upon President Carter to do more than make a statement, but rather to use the many avenues open to him in demonstrating to the world the concern of the American people on this subject. This action should have been taken months, or even years ago, but it is not too late to help save many Cambodians who are being murdered, not for alleged crimes, but for the sake of molding a Communist state.

PRESS DESERVES PRAISE

The press alone has carried out its its responsibility to report what is going on, although its sources are minimal as compared to those the U.S. Government could utilize.

The newspapers are not only to be commended for reporting these incredible crimes, but also it has fallen to the news media to draw the analogy between these murders and those of the Jewish people in the camps of Nazi Germany.

Mr. President, three articles of recent date deserve the attention of the Congress and the administration. They include a column by Jack Anderson, in the May 4 issue of the Washington Post entitled, "Cambodia: Story of One Massacre"; an article by Smith Hempstone in the May 7 issue of the Washington Post entitled, "The Need to Bear Witness to Cambodia's Holocaust," and an article by Leo Cherne in the May 10 issue of the Wall Street Journal entitled, "The Terror in Cambodia."

Mr. President, I ask unanimous consent that all three of these articles be printed in the RECORD at the conclusion of my remarks.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

CAMBODIA: STORY OF ONE MASSACRE

(By Jack Anderson)

Americans were outraged at the news that German SS men in 1944 had lined up captured American troops at Malmedy crossroads in Belgium and had mowed them down with machine guns. Twenty-four years later, Americans were horrified to hear that their own spooked soldiers had wiped out the defenseless men, women and children of Mylai village in Vietnam.

The Malmedy and Mylai massacres were Sunday School outings, however, compared to the retribution the communist conquerors have brought against their former foes in Cambodia. There is stark, staggering evidence that the communists, as one intelligence report put it, began "immediately executing all officers in the defeated army and their families."

The executions were kept quiet. "Since the KCP [communist party] had not established complete control over the country, the party ordered the executions carried out in such a manner as to not alarm the people."

The work of death is still going on inside Cambodia.

The grisly evidence—government documents, refugee accounts, medical records and smuggled photos—staggers the mind. The atrocities have been so monstrous that they can be better understood by focusing on a single, typical incident.

This is the story of what happened to Gen. Em San and the men who served under him in Siem Reap providence. They were shot and battered to death before they had a chance to tell their story. But it has now been told by their executioners who fled to Thailand after a party purge.

Although the Khmer Rouge guerrillas did not defeat Gen. Em San in the field, he ordered his command to surrender to them after the government collapsed on April 17, 1975. Then he met the Khmer Rouge as they entered Siem Reap city. "He was arrested immediately and taken in his own jeep to Kompong Kdei in eastern Siem Reap province for interrogation," the witnesses recall.

His officers down to the rank of major were also rounded up and herded aboard trucks, "together with their wives and children." According to one account, they were told by their captors that they had been "invited" to attend independence ceremonies at Angkor Wat. Other witnesses thought the prisoners had been told "they were being sent to Angkor Wat to attend a special training course." In any event, they got no further than Kompong, Kdei where they were unloaded.

Next they were told there was a shortage of trucks so they would travel to Angkor Wat by motorcycle. Each captive officer was instructed to carry a length of rope in case the motorcycle broke down and had to be towed.

They waited until April 23 when a Khmer Rouge official showed up ostensibly to sign travel passes for them. Each prisoner, as he was processed, was told "it would be necessary to tie his hands behind his back because the high-level officer did not wish to take any risks."

Reports an intelligence summary grimly: "Each man was blindfolded, led to the edge of a ditch and beaten to death with a hoe. The executions took most of the day to complete. Although the first few groups of officers were not aware that they were going to die, the latter group struggled strenuously to escape since the air was permeated with the stench of blood."

Back at Siem Reap, all officers below the rank of major were told they would be shipped off for "re-education." Four trucks delivered them to the Wat Loley temple.

Declares another intelligence report: "When the truck arrived at the temple, it was backed up to the temple entrance. As the officers were offloaded, the Khmer Rouge instructed them to strip down to their underwear. Their hands were tied behind them, and they were loaded back into the truck.

"The truck was then driven to a location approximately one kilometer northwest of the Wat in a forested area where three trenches were dug . . . When the truck arrived, the officers were ordered at gun point to jump down one by one into the trench. As they did, they were shot. When the truck was empty, it was driven back to Siem Reap for another load.

This went on for seven consecutive days. Following the initial period of executions, persons were no longer shot but they were killed by a blow from a hoe against their head."

Finally in mid-May, according to still another intelligence report, Em San's enlisted men were hauled to Wat Loley for execution. "Four truck loads of men were moved to Wat Loley each day and were immediately executed by firing squads there. The bodies were buried together in large pits. This procedure continued daily for two weeks."

[From the Washington Post, May 7, 1978]

THE NEED TO BEAR WITNESS TO CAMBODIA'S HOLOCAUST

(By Smith Hempstone)

An estimated 120 million Americans recently spent 9½ hours watching a four-part NBC "docudrama" detailing the inhuman persecution of Europe's Jews by the Nazis.

A haunting theme running through the portrayal was the indifference of men of good will elsewhere to the fate of the Jews. Some who knew or suspected what was happening

didn't care; others simply refused to believe the evidence.

The question on many lips after "Holocaust" was this: Could the extermination of a helpless people take place again without the world rising up in righteous indignation? The answer demonstrably is that it could. Indeed, while we drink our Sunday coffee, another holocaust is taking place today, this time in Cambodia. But it is not chic to be Cambodian, there is no Khmer lobby in Washington, and the public outcry against this policy of genocide is not, shall we say, deafening.

Not a dissident sparrow can fall in Chile, Brazil, South Korea, Iran or South Africa—all ruled by right-wing authoritarian regimes—without touching off a cacophony of indignant accusation and ideological handwringing. But hundreds of thousands of Cambodians can be murdered by a faceless Marxist regime, or simply worked to death in the paddies, without eliciting so much as a peep of disapproval from the Rev. William Sloane Coffin or Jane Fonda.

The campuses of America rolled with protest in 1970 when U.S. troops, at the invitation of the Cambodian government, attacked North Vietnamese units using that country as a sanctuary and staging area. But the draft is a thing of the past, and there are no chanting demonstrators to protest the autogenocide of the Cambodian people by Communist Party leader Pol Pot, who makes Caligula look Jeffersonian when it comes to concern for human rights.

It is true that President Carter on April 21, three years after the fall of Phnom Penh and nearly 16 months after his inauguration, finally got around to castigating Cambodia as "the worst violator of human rights in the world today."

But where was the president for the previous year, when Cambodians were dying by the tens of thousands? Did it really take him that long to learn of "abuses that include mass killings, inhuman treatment of the supporters of the previous government . . . the total suppression of recognized political and religious freedoms, as well as deprivation of food and health care"? Or did he have to see "Holocaust" to be reminded of the "obligation of every member of the international community to protest the policies of this or any nation which cruelly and systematically violates the right of its people to enjoy life and basic human dignities"?

And is that where it stops? Will the president say no more? Will the Congress do nothing? Will we not try to persuade those with influence over Cambodia, particularly the Chinese, to urge the Cambodians to alleviate the slaughter?

Nobody, including Mr. Carter, knows how many people have died since Phnom Penh, abandoned to its fate by its U.S. allies, fell to the Communist Khmer Rouge on April 17, 1975.

Western newsmen are not allowed into the death camp known as "Democratic Kampuchea." Cambodia permits only nine nations (eight of them Marxist; the exception is Egypt) to maintain embassies in Phnom Penh. And diplomats assigned to these missions, with the sole exception of the Chinese, are virtually prisoners in their embassies. They are not allowed to travel or to speak to nongovernment Khmers, and their meals are brought to them by truck every day.

It is nearly as difficult and far more dangerous to try to leave Cambodia than to enter it. Border areas have been depopulated to a depth of 25 miles and mined, with patrols shooting on sight anyone found near the frontier. Charles H. Twining Jr., the State Department's principal Cambodia-watcher, estimates that only 1 out of every 5 Cambodians who try to flee survives.

In such a closed society, projections about the number who have died necessarily are based largely on reports by the 15,000 refugees and defectors who have managed to reach Thailand. Refugee accounts always have to be treated with caution: By definition, refugees are prejudiced against the regime, and can only have known what went on in a specific place at a certain time (by the same token and for the same reason, some Americans in the 1930s refused to believe what Jews who escaped Nazi Germany said was going on there).

But the pattern and dimensions of this tragedy are reasonably clear. It appears certain that between 500,000 and 2 million Cambodians, out of a total population of 7 million, have been executed, starved or worked to death, died of disease or been killed while trying to flee over the past three years (600,000 others died during the war, many of them victims of American bombing).

Let us be more charitable to Pol Pot than he deserves. Let us assume the refugees' tales are exaggerated. Take the low figure of 500,000 dead. That means 1 out of every 14 Cambodians has lost his life over the past three years.

If one day Cambodia should again become free, and some Khmer should ask why so many remained silent in the face of this act of genocide, it will not be good enough to say, as some did about the extermination of the European Jews, "I never knew."

In the days immediately after the fall of Phnom Penh, before the curtain of silence fell over Cambodia, Sydney Schanberg of The New York Times wrote a gripping, eye-witness account of the expulsion of "perhaps 4 million" Cambodians from the cities into the countryside. Neither the sick, the halt, the lame nor the blind were spared this death march, wrote Schanberg, whose account later was confirmed by another eyewitness, the Rev. Francois Ponchaud, author of "Cambodia, Year Zero":

"No one has been excluded. Even the very old, the very young, the sick and the wounded have been forced onto the roads. Some clearly will not be strong enough to survive.

"Hospitals jammed with wounded were emptied, right down to the last patient. They went limping, crawling on crutches, carried on relatives' backs, wheeled on their hospital beds."

Like the Jews of "Holocaust," the people of Phnom Penh, its population down from 2 million to 20,000 after the exodus, were not being marched off for delousing and a shower. Their Via Dolorosa led into the jungle, where they were to be put to work without tools, medicine or supplies, carving out new collective farms. Those who could not keep up were clubbed to death by their guards, or left to die of hunger and thirst beside the trail.

Those who survived the death marches found a life of endless toil on low rations awaiting them, with death the penalty for deviation. It was not just Lon Nol's officer corps and their families, the plutocracy, the intelligentsia or even the bourgeoise who were murdered, although these, of course, were the first to go. It was anyone who had had the slightest connection with the previous regime, down to the rank of private, anyone who was too old, young or frail to be of service to the state, anyone with enough backbone to protest or question what was happening.

Some Americans find it difficult to believe the enormity of the Cambodian disaster because it seems to have so little logic behind it. What is to be gained by murdering simple people guilty of no crime other than that of having been at the wrong place at the wrong time?

Pol Pot and Deputy Prime Minister Ieng Sary, who are married to sisters, are French-educated Marxists, xenophobes with an abiding hatred for everything Western and everyone associated with the royal or republican regimes, millennialists who seek to create a new, purified Khmer man, freed of the taint of capitalist corruption. And if a million or two people have to die in the process of making human reality conform to their own distorted abstraction, so be it. After all, they have the examples of China and the Soviet Union to guide them in such matters.

Some Americans who are prepared to concede that something unpleasant has been going on in Cambodia these past three years excuse their lack of protest on the ground that nothing can be done to prevent it.

It is true that neither the United States in particular nor the West in general has much influence with Pol Pot's regime, which refuses to accept even humanitarian aid. But Peking does have a certain amount of leverage in Phnom Penh, and the Chinese ought to be publicly urged to use it to ease the reign of terror.

Beyond this, there is the matter of bearing witness. One may not be able to triumph over evil, but one need not remain silent in its presence. President Carter might speak up more than once on the subject. He might instruct Andrew Young to walk out of the United Nations General Assembly whenever the representative of "Democratic Kampuchea" rises to speak. At every time and in every available forum, those who speak for the United States could call on the conscience of the world to condemn those who commit such atrocities. Finally, Congress, as the Canadian House of Commons already has done, might adopt a motion of protest against the policies of this Southeast Asian tyranny.

Perhaps none of this would save lives. But if we do not do something, if we do not try, it will be stark evidence that we still have not learned the lessons of the Holocaust.

[From the Wall Street Journal, May 10, 1978]

THE TERROR IN CAMBODIA

(By Leo Cherne)

"It appears to have taken six years to kill nine million human beings in Nazi Germany and in the countries it occupied. It appears to have taken one day to inflict catastrophic disaster on more than three million Cambodians."

With these words three years ago Freedom House, the human rights monitoring organization, filed an appeal with the UN Commission on Human Rights for an inquiry into the events in Cambodia after the Khmer Rouge took power there in 1975. The UN body took three months to respond to that Freedom House appeal—negatively.

Until recently, a few books and articles focused on Cambodia, but no government leader or international body sought to penetrate the silence. Only Chaim Herzog, Israeli ambassador to the UN, raised a solitary voice on the floor of the United Nations in a futile effort to draw attention to the fact that in the new Democratic Kampuchea, "three to four million people fell into a deep, black, echoless hole."

In July of 1977, a House International Relations subcommittee initiated a congressional inquiry into the horror of Cambodia. This spring the Canadian government denounced the killing and suffering there. Now President Carter has called the Cambodian government "the worst violator of human rights in the world today," and an international inquiry sponsored by Norway's four political parties has invited witnesses from many countries to testify on the matter in Oslo. But in the slow pace of world reaction to events in Cambodia there is a morbid parallel to the international blindness that first met the news of the camps in Nazi Germany in which Hitler's "final solution" was being pursued.

What is it we know without doubt about the Cambodia of the last three years? We know that during the first few hours after the Khmer Rouge victory and the establishment of Democratic Kampuchea, every citizen, whatever age or sex, who inhabited any of the towns and cities in that country was compelled to evacuate his or her home. They took with them only what they could physically carry on their march into the jungle countryside.

We know they traveled an estimated 65 miles, and that there were no provisions for their sustenance along the route. We know that the pregnant women in the last days of their pregnancy gave birth along the roadside, and that few of these children survived the ordeal.

NOT BLINDFOLDED

There were roughly 20 international journalists in Phnom Penh at the time of the Khmer Rouge victory. They were interned in the French embassy for the next couple of weeks, but they were not blindfolded. Diplomats from other embassies were added to their company in that compound, as were the foreign doctors who had been serving in the hospitals of that war-swollen city with a population of somewhere between three and four million, nearly half the population of the entire country.

We know from the reports these journalists filed when they were finally released that doctors who were in the midst of surgery when the evacuation came were in some instances compelled to leave their work unfinished. We know that where patients were unable to leave their rooms, some were dropped to the pavement from the windows. We know that others were wheeled in their hospital beds by fellow patients able to do so or family members who rushed to the hospitals to help evacuate their sick relatives.

We know from that day to this, Phnom Penh and every other city and town in Cambodia have remained deserted and crumbling. We know that soldiers of the Khmer Rouge emptied and looted the stores in each of the towns, some of them tiny indeed, along the road the journalists traveled when they were transported out of the country. We know from a handful of Scandinavian diplomats who were permitted to visit Phnom Penh two months ago that an estimated 30,000 people are trucked in and out of the city daily to perform certain tasks which are still regarded as essential, particularly in the manufacture of certain basic materials—cement, weapons, fabric—that the state continues to require.

The vast and total nature of the reordering of all Cambodian life can be seen in just a few details. Typically, the population has been reorganized into groups of 10, with one supervisor and three cells of three persons each. Each cell member is responsible for the behavior of the other two. People who make too many "mistakes" are led away and never seen again. The constant fear of death keeps everyone working long hours, the more able-bodied far from their homes and the more frail closer to home.

The new regime has, apparently, deliberately tried to expunge family loyalties in order to forcibly substitute new ones—to the commune and to the state. Refugees claim that their traditional songs, folk ways and even religion have been stripped away. Cadre members reportedly enjoy special privileges, and avoid many of the hardships of the common peasants. Edward Shawcross, the gifted foreign affairs correspondent for The London Times, wrote in The New York Review of Books that "the barbarous cruelty of the Khmer Rouge can be compared with the extermination of the Kulaks or the Gulag Archipelago."

Even desperation has its levels of comparative intolerableness. If we are to understand the sheer terror which must have driven a hundred thousand Cambodians to escape into the arms of the traditionally hated Vietnamese, we must first refresh our sense of the desperation that presently exists in Vietnam.

To this day, some three thousand to four thousand Vietnamese per month crowd into anything that will float, knowing that they risk their lives if their plans to escape are discovered or frustrated. Of that number, an estimated 50 percent drown at sea. Despite these near-unbearable odds, the flight from Vietnam continues, even as the flight of Cambodians into Vietnam is surely going on. Yes, there is a pecking order even in hell; and at the bottom of this one stand the Cambodian people.

At first, certain Western observers asserted that the purpose of the evacuation of the cities was to assure that the rice fields destroyed by the war be quickly restored, in order to avert mass starvation. These commentators pointed out that the survivors had been herded into units working from dawn to dusk clearing forests, digging irrigation canals, preparing for the planting of rice.

But there was a flaw in the attempt to ascribe such humanitarian purpose to the Khmer Rouge: There was a greater supply of vegetables and other staples stored in or near Phnom Penh than in the countryside to which people were evacuated. And not for eight months, when the monsoon had passed, was there the possibility of producing even the first rice crop in the countryside.

Mr. Shawcross, when he wrote on Cambodia two years ago, accepted the "rice" explanation for the forced march. But by this spring, he had concluded in a new article that the only satisfactory explanation for what has happened must be the prospect of war, feared or desired, with the Vietnamese. Certainly Pol Pot, secretary general of the Cambodian Communist Party, refuted the case that the Khmer Rouge were acting out of compassion when he spoke about the evacuations in an address he made on a recent visit to Peking.

THREATS TO SECURITY?

Not once in his address did Pol Pot speak of the necessities of food production. Instead, he explicitly declared that "in our Cambodian society," there are "life-and-death contradictions, because enemies in the shape of spy rings working for imperialism and international reactionaries are still planted among us to carry out subversive activities against our revolution." The purpose of the evacuation, he said, had been to break up such threats to Cambodia's security.

In all of this, the parallels to Nazi Germany are chilling. Granted, Hitler's vision and methods of destruction were those of modern technology, while those of the Khmer Rouge are those of an agricultural primitivism. But consider: The ruthlessness these two states have employed in the extermination of their enemies is unique in its vast and wanton disregard for human life. The ruthlessness in each country has come about in service to an ideal—of racial purity in Nazi Germany, of political purity in Democratic Kampuchea.

And each took elaborate pains to veil the more brutal aspects of "the plan." Since the Cambodians' plan was even more total than the Nazis', even more was covered with secrecy—even the identity of the leaders of the Ankha, as the leadership group was called until it established itself well after its victory as the Communist Party of Cambodia.

The secrecy and the horror have made the new Cambodia hard to comprehend. One of the Scandinavian diplomats who finally saw it said of his experience, "It was like a nightmare. It is difficult to believe it is true." But what foreigners may find difficult to believe, Cambodians are required to express quite explicitly. These are the words of their new national anthem:

"The red, red blood splatters the cities and plains of the Cambodian fatherland,
The sublime blood of the workers and peasants,
The blood of revolutionary combatants of both sexes.
That blood spills out into great indignation and a resolute urge to fight.
17 April, that day under the revolutionary flag,
The blood certainly liberates us from slavery."

Mr. PROXMIRE. Mr. President, I commend the Senator from South Carolina for speaking out so vigorously on Cambodia. I do wish, however, that the Senator from South Carolina and others who protest the outrage in Cambodia would join me in calling for ratification by the Senate of the Genocide Convention. This is exactly what the Genocide Convention is designed for. The Senator spoke about the murders of Jews in Hitler's Germany, and the holocaust that occurred at that time. That was also a genocide.

The U.S. Senate alone has been standing in the way of this convention. Every President of the United States has called for its ratification since President Truman pressed it at the United Nations. To take the position the Senator has in decrying the outrage in Cambodia, and then not to advocate the speedy ratification of the Genocide Treaty, is not doing what we as the U.S. Senate can and should do.

Mr. THURMOND. Mr. President, will the Senator yield?

Mr. PROXMIRE. I am happy to yield to my good friend from South Carolina.

Mr. THURMOND. Mr. President, the Genocide Treaty, in the opinion of many people, goes far beyond what the Senator is comprehending. Certainly the Senator from South Carolina would not favor the mass murder of any group or sect of people. But the pending Genocide Treaty, as construed by many people, has a much broader spectrum than is conceived by some. It is a matter that can be debated later, at which time I will express myself more fully. But I thank the Senator from Wisconsin for what he has said.

Mr. PROXMIRE. I thank the Senator from South Carolina for expressing a willingness to discuss the Genocide Treaty later. It is now supported by many groups and professional organizations, including the American Bar Association, and has been supported by every President since Truman. Presidents Carter, Ford, Nixon, Kennedy, and Eisenhower have urged its ratification. If we really mean business about condemning genocide, and really mean to act, this is the institution that can be doing something about it.

NEW YORK COMMITTED TO ACTION BY MAY 20

Mr. PROXMIRE. Mr. President, the Committee on Banking, Housing, and Urban Affairs will hold hearings on New York City financial aid legislation beginning May 24, provided that parties in the city and in New York State meet the

commitments made Wednesday to Treasury Secretary Blumenthal and accomplish certain actions by May 20.

Secretary Blumenthal met Wednesday with Mayor Koch, Governor Carey, members of the New York State Legislature, and representatives of the city labor unions and of the banks and other financial institutions. The Secretary informed me that he obtained from these parties an agreement to resolve by May 20 certain long-pending matters of great concern to the committee. He said that the actions to be accomplished by May 20 include the following:

The city pension funds firmly agreeing to purchase approximately $700 million in city or MAC bonds this month, pursuant to commitments made under the 1975 amended and restated agreements;

A citywide agreement on the economic terms and budget costs of the city labor contracts for the period after June 30;

State legislation to extend and increase the borrowing authority of the Municipal Assistance Corp.;

State legislation to establish a long-term fiscal monitor as a successor to the emergency financial control board; and

Commitments in principle from the pension funds and the banks and other financial institutions to meet New York City's financing needs, both short term and long term, over the 4-year period following the expiration of the present Federal seasonal loan program on June 30, 1978.

If these actions are accomplished by May 20, in line with the assurances obtained by the Secretary today, then the committee will hold 1 day of hearings on New York City aid proposals on May 24, and will followup with additional hearings in early June, after the Memorial Day recess.

I must stress, however, that proceeding with the hearings is strictly contingent on the committee's seeing the above-mentioned actions accomplished by May 20. In my view, it would not be responsible for the committee to go ahead with hearings without having these matters resolved, so that we can establish the kind of hearing record which members of the committee and of the Congress will need to make up their minds on this important legislation.

Secretary Blumenthal deserves a great deal of credit for having taken the initiative and made the remarkable progress he has made in achieving this agreement by the various parties in New York City. City officials, State officials, labor leaders, and bankers also deserves credit for their excellent cooperation.

The proof of all of this, however, lies in whether or not the various commitments will in fact be met by May 20. If they are, then the committee will be in a position to proceed, with the full information we have consistently said we must have before our hearings can take place.

A REMINDER OF THE NEED FOR THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, last Tuesday marked the end of a 2-month ordeal in Italy. The intolerable suspense surrounding the fate of former Prime Minister Aldo Moro was resolved in a manner that can only signal a discouraging blow to hopes for a more civilized world. Tuesday, the entire world was repulsed by the discovery of Moro's slain body in a car in Rome.

The final reward this man received for serving his country was to be kidnapped and murdered by a group who claimed to represent the people of Italy. In fact, the group was an isolated, extremist faction. The purposelessness of Moro's death only heightens the tragedy.

Sadly, there is little or nothing that can be done to prevent these random acts of terrorism. We can merely condemn such acts after the fact and try to protect those who are still alive.

But, our actions are not limited when brutality is predictable. When groups of individuals are consistently being oppressed to the point where they are being systematically murdered, we can and should work to protect these individuals. Today, we see the brutality of the Aldo Moro murder magnified a thousandfold in Cambodia and Uganda. This is why I have repeatedly urged the Senate to ratify the Genocide Convention. This is one action we can take to end these atrocities.

This treaty forges an international consensus opposing acts of genocide. All members resolve to prevent and punish these acts. The treaty affirms fundamental American moral values—that all human beings have a right to live without fear of oppression. It is obvious that there is no good reason for us not to ratify this treaty.

Then, why, I ask, have we procrastinated for 30 years on this issue? And how can we delay for even another day? While the Genocide Treaty cannot prevent isolated political acts by fringe groups like the Red Brigade, it can deter the glaring and systematic campaigns of genocide that have the same horrendous characteristics as the Moro murder.

ORDER FOR RECESS UNTIL 10 A.M. ON MONDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until 10 o'clock a.m. on Monday next.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORITY TO RECEIVE AND REFER MESSAGES

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that during the recess of the Senate over until 10 o'clock a.m. on Monday, the Secretary of the Senate be authorized to receive messages from the House of Representatives and from the President of the United States, and that they may be appropriately referred.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORITY TO SIGN DULY ENROLLED BILLS DURING THE SENATE RECESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that during the recess of the Senate over until 10 o'clock on Monday morning, the Vice President of the United States, the President pro tempore of the Senate, and the Acting President pro tempore of the Senate be authorized to sign all duly enrolled bills and joint resolutions.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS-CONSENT AGREEMENT—LABOR REFORM

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the majority leader—and I have cleared this with the minority—at any time on Tuesday of next week, may be authorized to call up either S. 2467, Calendar No. 574, or H.R. 8410, Calendar No. 709, on labor reform.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I revise that request to authorize the majority leader, on either Tuesday or Wednesday of next week, to call up either of the foregoing named measures at any time.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORITY FOR COMMITTEE ON ENERGY AND NATURAL RESOURCES TO FILE REPORTS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources may be authorized to file reports on tomorrow until 5 o'clock p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

SENATE RESOLUTION 449—AUTHORITY OF THE SELECT COMMITTEE ON ETHICS TO GRANT EXTENSIONS OF TIME FOR FILING FINANCIAL DISCLOSURE REPORTS

Mr. ROBERT C. BYRD. Mr. President, I send to the desk a resolution on behalf of Mr. STEVENSON and ask for its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated by title.

The assistant legislative clerk read as follows:

A resolution (S. Res. 449) amending paragraph 4(f) of Rule XLII of the standing rules of the Senate relating to authority of the Select Committee on Ethics to grant extensions of time for filing financial disclosure reports.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 449) was agreed to, as follows:

S. RES. 449

Resolved, That paragraph 4(f) of rule XLII of the Standing Rules of the Senate is amended by inserting after "any report" the following: "under this rule, or under rule XLIV of the Standing Rules of the Senate (as in effect prior to January 1, 1978),".

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDER FOR VOTE ON MIDEAST ARMS SALES RESOLUTION OF DISAPPROVAL NOT TO OCCUR PRIOR TO 5 P.M. MONDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that any vote pertaining to the disposition, one way or another, of the disapproval resolution in connection with the Mideast arms sales proposal not occur before 5 p.m. on Monday next.

The PRESIDING OFFICER. Without objection, it is so ordered.

S. 3067—CIVIL RIGHTS COMMISSION ACT OF 1978

Mr. BAYH. Mr. President, I send a bill to the desk.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

Mr. BAYH. Is it appropriate for the clerk to read the bill at this time?

Mr. BAKER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BAKER. What bill is it the Senator is referring to?

The PRESIDING OFFICER. The clerk will state the bill by title.

The assistant legislative clerk read as follows:

S. 3067. A bill to extend the Commission on Civil Rights for 5 years, to authorize appropriations for the Commission, to effect certain technical changes to comply with other changes in the law, and for other purposes.

Mr. BAYH. So there will be no question about what I am doing, the measure I have just introduced is the extension of the Civil Rights Commission, which is a very important piece of legislation. It has been the subject of significant hearings in the Senate Judiciary Committee, the Subcommittee on the Constitution. There is an exact division within that subcommittee on the merits of this legislation. We had a vote the other day and it was 3 to 3, which effectively killed the extension of the Civil Rights Commission.

I do not feel in good conscience that I can let that particular deadlock deny the country the right of the services of the Civil Rights Commission. I told the members of the committee then that I was going to take advantage of the parliamentary rights that each Senator has to introduce legislation and object to it being sent to the committee. The rules show that if that is done on two legislative days, that it then goes on the calendar, at which time the Senate as a whole can consider it. With that explanation, I object to the measure that has just been introduced going to committee.

The PRESIDING OFFICER (Mr. ALLEN). Is the Senator asking unanimous consent that the bill be considered at this time or that it have its first reading only?

Mr. BAKER. If the Senator will yield to me, I might say by way of explanation that if he does not, in fact, ask for unanimous consent to proceed to the consideration of the bill or any other unanimous-consent request in respect to this measure, I have instructions from Members on this side to object and I shall object.

Mr. BAYH. It was because of the knowledge that the Senator from Indiana had that there were at least three members of his own subcommittee who would object if they were here, and my desire not to try to pull a quickie, that I had not intended to and will not ask unanimous consent so that my friend from Tennessee will be required or duty bound to pose that objection.

A parliamentary inquiry, Mr. President.

The PRESIDING OFFICER (Mr. LEAHY). The Senator will state it.

Mr. BAYH. Is the Senator from Indiana accurate in his assessment of the rules that if, after first reading, he objects, the measure would stay here and, on a subsequent legislative day, if he objects again to the measure going to committee, it will then go on the calendar?

The PRESIDING OFFICER. If the Senator objects after the first reading, nothing else happens. If he objected to further proceedings after the second reading, which would be on a different legislative day, then it would not go to the committee but would go on the calendar.

Mr. BAYH. A further parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BAYH. If, on Monday, the Senator objects to further proceeding on the bill, will it then go to committee? If that is what——

The PRESIDING OFFICER. No, it would go on the calendar, assuming that there has been an adjournment tonight and it gets its second reading Monday. There will not be an adjournment tonight. The order is to recess tonight.

Mr. BAYH. Is the Senator within his right to ask for immediate consideration of the bill?

The PRESIDING OFFICER. It would take unanimous consent, but the Senator is within his right to request it.

Mr. BAKER. This is the contingency I advised about.

Mr. BAYH. Then in order that the Senator from Indiana does not waive his right and as long as the Senator from Tennessee is here to pose an objection so it will not appear as though I am not trying to be totally frank with the members of my subcommittee, I ask for immediate consideration.

The PRESIDING OFFICER. Is there objection?

Mr. BAKER. Mr. President, I object.

The PRESIDING OFFICER. The objection is heard.

Mr. BAYH. I thank my colleagues for their patience. I should like the record to show that, at an appropriate time on a subsequent legislative day, I do intend to object to further proceedings.

The PRESIDING OFFICER. The bill having been read once, it will be held at the desk pending second reading.

Mr. BAYH. I appreciate the patience of my colleagues at this late hour.

The PRESIDING OFFICER. As the Chair stated one morning at 2:30, when the Senator from Indiana posed a problem for inquiry, the Chair is paid by the year and not by the hour.

Mr. BAKER. Mr. President, while we await the attendance of the majority leader, who is just off the floor momentarily, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER THAT COMMITTEES HAVE UNTIL MIDNIGHT ON FRIDAY, MAY 12, 1978, TO FILE REPORTS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that all committees have until midnight tomorrow night to file committee reports in view of the rapidly approaching May 15 deadline.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will come in at 10 o'clock on Monday morning. It is the intention of the leadership to move to proceed to the consideration of the disapproval resolution that was reported out by voice vote today by the Foreign Relations Committee without recommendations. I would hope, although I opposcd the resolution, that the Senate would proceed to the consideration of the resolution, and I would hope that it would proceed to that without a rollcall vote, so that the matter may be debated during the day.

There is a built-in time agreement limiting debate on such a resolution to not to exceed 10 hours. That time can be further reduced by nondebatable motion carried by a majority vote. I should think that if the Senate began debating the resolution shortly after 10 o'clock, that by 5 or 6 o'clock the Senate ought to be ready to dispose of the matter in some way.

It is my understanding that there may be a closed session requested during the day by a Senator so that a matter can be developed regarding certain sensitive aspects during the closed session. I would be prepared to second that motion. That time, of course, would come out of the overall 10 hours.

If the conference report on the congressional resolution on the budget has been made available for Senate action by then, I should think that following the disposition of the arms sale issue the Senate could take up that resolution. I am told that it would not be expected to take very long, Monday being the deadline under the law for action on that proposal, the Senate then could dispose

of both of those issues on the same day. It might mean that the Senate would be in later than usual on Monday evening, but I think with this announcement well in advance Senators would be prepared to stay in on Monday and dispose of those two items.

There will be no session tomorrow. This will allow committees to have an additional full day for consideration of measures which have to be reported out under the Congressional Budget Act by the May 15 deadline. I hope the committees will take advantage of the opportunity.

That about sums up in a general way the outlook for Monday.

ARMS SALES RESOLUTION

I ask unanimous consent that after the two leaders or their designees have been recognized under the standing order on Monday, Mr. President, the majority leader be recognized to move to the consideration of the arms sales resolution.

The PRESIDING OFFICER. Without objection, it is so ordered.

LABOR REFORM LEGISLATION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order that was entered some days ago authorizing the majority leader to call up the labor reform legislation on Monday of next week be vitiated.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. The calling up of that legislation will occur either on Tuesday or Wednesday.

RECESS TO 10 A.M. ON MONDAY, MAY 15, 1978

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the order previously entered, that the Senate stand in recess until the hour of 10 o'clock a.m. on Monday next.

The motion was agreed to; and at 5:22 p.m., the Senate recessed until Monday, May 15, 1978, at 10 a.m.

NOMINATIONS

Executive nominations received by the Senate May 11, 1978:

DEPARTMENT OF STATE

Richard W. Murphy, of Maryland, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Philippines.

Terence A. Todman, of the Virgin Islands, a Foreign Service officer of the class of Career Minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Spain.

EXTENSIONS OF REMARKS

WHAT WE DON'T KNOW CAN HURT US

HON. TENNYSON GUYER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 11, 1978

● Mr. GUYER. Mr. Speaker, I was much impressed by a message given by John W. Hanley, the distinguished chairman of the board of directors and president of the Monsanto Co. on April 14, 1978 to the members of the Cleveland City Club.

Mr. Hanley dealt with the problem of fear. He referred to fear of safety in our streets, fear of the quality of urban education, fear of inadequate housing, fear of losing our health, fear of the future, and a great deal more.

He expressed a real concern, shared by most of our people about safety in the working place, of our food supply, of the air we breathe and the water we drink.

He indicated that we are "doing our best" to overcome hazards and risks of personal health, safety, and well-being, in testing products for any and all harmful effects.

He went on to say that we tend, however, to overreact to consumer alarmists. For instance, the many benefits we derive from chemistry are falling victim to an advanced state of "chemophobia." Its symptoms are an almost irrational fear of the products of chemistry. The popular prescription for "the cure" is another strong dose of regulation.

He went on to say, along another vein—

Remember the night some forty years ago when an estimated six million people tuned their radios to Orson Welles' popular Mercury Theatre? One million people believed that we were being invaded by strange creatures from Mars. Panic, fear, and even deaths occurred because of the seeming reality of a radio drama.

Mr. Hanley continued:

Modern-day components of fear tell us that nearly 90 percent of all cancers are environmentally caused. Another familiar accusation is that a single molecule is sufficient to trigger the cancer-causing process, so we must insist on "zero exposure" to suspected carcinogens. This completely ignores the fact that the human body's natural defense mechanisms make the one-molecule theory highly improbable, if not impossible.

The speaker further said:

In response to environmental accusations, Congress has passed a broad array of health, safety, and pollution laws, many urgently needed and well thought out; but lost in the exuberance of making the United States a cleaner, safer, and healthier place to live—was the realization that it is virtually impossible to achieve an environment totally and absolutely free of risk.

Mr. Hanley further stated:

Our company lost an innovative new product last year to a regulatory edict. It was an item that had been enthusiastically accepted by the consuming public. That ban cost us millions of dollars, closed three plants, and in deeply human terms, wiped out 1,000 jobs—some of them in states already hard hit by unemployment.

He concluded his message by recommending several steps that can be taken:

(1) We in business and industry must do a better job of educating both the public and lawmakers on the need for making careful distinctions between valid scientific evidence and mere accusations. (2) The popular press needs to overcome its tendency to accept every accusation against a product as indisputable. This only aids and abets fears. (3) We must urge that risk-benefit analysis be applied to all major decisions involving environmental, health, and safety issues. (4) We must admit, because of the revolutionary nature of science, we do not have all the answers. Finally, we must keep working at the unending task of extending the frontiers of scientific knowledge.

His parting word was:

Together we must fight against the cycle of fear and anxiety that has caused so much damage to the fabric of society in the past, and threatens to do serious harm to the creativity and well-being of the nation today and tomorrow. When we lack information about any critical national issue, let's seek it. Where misinformation and distortions abound, let's correct them. Above all, let's remember that we're dealing with the lives and livelihoods of millions of Americans. What we don't know, can hurt us. ●

IN PRAISE OF HILLEL BUTMAN

HON. PETER H. KOSTMAYER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 11, 1978

● Mr. KOSTMAYER. Mr. Speaker, on behalf of many of my constitutents in Levittown, Pa., I bring to the attention of the House the name of Mr. Hillel Butman, who 7 years ago today was tried and convicted by the Soviet Union for crimes he did not commit.

According to Soviet law, Hillel Butman was accused of participating in a plan to flee to Israel illegally on June 15, 1970. However, all the evidence produced during the trial by the defense lawyer and the witnesses clearly prove that he had no part in such a plan. He was sentenced to 10 years in a strict regime prison camp and is now at Perm No. 35 until 1980.

Mr. Speaker, in the Soviet Union it takes rare courage for a prisoner to speak out against his jailers, but Hillel Butman has dared to defy his oppressors. In June 1976 he wrote a highly critical letter to the warden of Perm No. 35.

In the letter, Butman writes of the harassment he has been subjected to:

It does not matter that . . . family is waiting in Israel, that your youngest daughter watches with tear-filled eyes while other fathers come to . . . fetch their daughters. . . .

While imprisoned in the Soviet Union Hillel Butman, now 45, has had his health destroyed. Meanwhile, his wife, Eva, and his two daughters, Lily and Guela, must live without him in Israel.

They fear they will never again see him alive. As Americans living in a free land, Mr. Speaker, we must assume the burden of speaking out on behalf of all of the Hillel Butmans imprisoned in the Soviet Union for crimes they did not commit. I shall remain committed to their cause.●

CHARITABLE CONTRIBUTION LEGISLATION

HON. S. WILLIAM GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 11, 1978

● Mr. GREEN. Mr. Speaker, under the present law only those who itemize their deductions can deduct on their income tax returns gifts to the charities of their choice. Since 1970, the percentage of persons who elect the standard deduction has risen from 52 to 75 percent. The increasingly smaller number of individuals who choose to itemize their deductions tends to fall in the upper-income levels. The result of this is that those with middle and lower incomes are not receiving the tax benefits for their charitable contributions.

To correct this situation, I have cosponsored H.R. 12091, the Conable-Fisher bill, to make the charitable deduction available to all taxpayers whether they choose the standard deduction or itemize their deductions. During its initial consideration of the tax reform legislative package, the House Ways and Means Committee voted 20 to 17 to approve an amendment version of the Conable-Fisher bill. The amendment would permit taxpayers who take the standard deduction to make a special additional deduction for charitable contributions.

I hope that the Ways and Means Committee will uphold this initial vote and include the Conable-Fisher amendment in the tax reform bill it reports for full House consideration. In this regard, I believe that George F. Will's comments on the Conable-Fisher proposal which appeared in the Washington Post on May 6 merit the attention of my colleagues.

The comments follow:

[From the Washington Post, May 6, 1978]

TAX BREAKS, WITH CHARITY

(By George F. Will)

Reps. Barber B. Conable Jr. (R–N.Y.) and Joseph L. Fisher (D-Va.) want to allow taxpayers to deduct charitable contributions even if they take the standard deduction. Like much tax legislation, this proposal to extend the charitable deduction to the large majority of taxpayers who do not itemize deductions seems, on the surface, dry as dust. But it touches fundamental political issues.

It would mean a revenue loss to government. But recent tax changes have meant an even larger loss to institutions dependent on contributions. And the administration's tax-reform proposals would mean new losses.

The standard deduction has been increased five times in eight years and the percentage of taxpayers itemizing deductions has been halved. Thus, charitable giving has fallen substantially short of what otherwise would have been expected. Organizations estimate they lost $5 billion in contributions in eight years.

In 1970, only 52 percent of taxpayers took the standard deduction. The 1977 increase in the standard deduction increased from 69 to 75 the percentage of taxpayers who would benefit from using it. And the administration's proposals to decrease deductions would increase to 83 the percentage of taxpayers who would benefit from taking the standard deduction.

Government usually does not intend some of the significant consequences of its actions. The government had no intention of penalizing the charities when it raised the standard deduction. It has raised the standard deduction primarily to simplify the task of paying taxes for more and more citizens. If the administration's tax proposals are enacted, only 17 percent of taxpayers would itemize deductions and, therefore, have a deduction incentive for charitable giving.

This would injure some kinds of organizations more than others, because wealthy people and less affluent people tend to contribute to different kinds of organizations. The wealthy favor cultural institutions such as universities, museums and orchestras. Less affluent people tend to favor churches and United Funds, and those are the organizations that will suffer most if the Conable-Fisher plan is rejected.

Professor Martin Fieldstein, a Harvard economist, estimates that the proposal would increase charitable giving 12 percent ($4.1 billion) annually over giving under present laws. The revenue loss to government would be less than that $3.6 billion). And the money would be directed to worthwhile social purposes more surely than if it had been put at the government's disposal.

In addition, there is strong evidence of a correlation between the level of charitable giving and the level of participation in charitable activities. So the Conable-Fisher proposal would have a multiplier effect on contributions of time and energy to the voluntary associations that do much of society's work.

In 1835, de Tocqueville noted that Americans "are forever forming voluntary associations. . . . At the head of any new undertaking, where in France you would find the government or in England some territorial magnate, in the United States you are sure to find an association." The expansion of the welfare state has altered the role of such associations. But because of the remoteness, clumsiness and other shortcomings of the modern state, voluntary associations are especially important today as sources of experiment, free choices and personalized caring.

The Conable-Fisher proposal is evidence of a new political division, a division less along party lines than along institutional lines. On one side are antistatist legislators and voluntary associations. On the other side are executive branch bureaucracies and dependent constituencies that have a stake in the expansion of statism.

The Conable-Fisher proposal resembles the proposal to permit families to subtract from tax payments the amount paid in tuitions, up to $500 per student. This tax credit would stimulate private competition with state education. Hence it is opposed by statists within government, such as Joseph Califano, secretary of health, education and welfare, and statists outside of government, such as Albert Shanker, head of a teachers union, who says the proposal would engender conflict "of the kind created by the Civil War."

Such hyperbole indicates the fear and loathing that statists have for measures that would mitigate the tendency of government to expand at the expense of private voluntary associations. The Conable-Fisher proposal, like the tuition tax credit, would cause government to nurture, for a change the pluralism that governments tend to diminish. It is a timely example of how to enhance the stature, without expanding the size, of government.●

COMPARING NATIONAL TAX LOADS

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 11, 1978

● Mr. LaFALCE. Mr. Speaker, there has been a lot of talk in this body and elsewhere about the unduly high taxes paid by the American public and the need to effect drastic reductions in the tax burden, regardless of the effect on inflation and on our overall fiscal condition. I think, frankly, that a lot of this talk has been irresponsible, and that we should make decisions on taxes—and everything else, for that matter—based on facts, not unsupported allegations.

I would like, therefore, to help put our debate about tax levels into perspective.

We have heard that a number of other industrialized nations have relatively lower tax burdens than does the United States. I recently came across an article by Allen D. Manvel in the May 30, 1977, issue of Tax Notes, the highly respected journal of tax analysis, dealing with this subject, and I want to bring Mr. Manvel's research to the attention of my colleagues.

The most telling point, I believe, is that of the 22 industrialized nations surveyed, only 6 have a tax burden lower than ours when taken, as is appropriate, as a percentage of each nation's gross national product. The six were Australia, Greece, Japan, Portugal, Spain, and Switzerland. Fifteen others analyzed, however, levied taxes at higher rates than in the United States, including West Germany, Norway, Canada, and the Netherlands, to name but four. I should emphasize, Mr. Speaker, that the figures presented in this article include taxes from all sources—Federal, State, and local—with respect to each country surveyed.

I think it is imperative that we reduce taxes in the United States. But we should do so based on an objective analysis and presentation of the facts. The Manvel article which follows, helps provide these facts:

COMPARING NATIONAL TAX LOADS

(By Allen D. Manvel)

Comparative revenue statistics issued by the Organization for Economic Cooperation and Development (OECD) afford little support for the often-reported view that Great Britain's economic difficulties result from its having unusually high taxes. As the accompanying chart shows, most of the other leading OECD countries in Western Europe exceed Britain in their tax loads, relative to gross national product (GNP). (The same is also true of such smaller OECD countries, not shown in the chart, as Denmark, Norway, Finland, and Austria.)

The United States ranks relatively low in this tax load comparison. OECD data for 1974 (the most recent available) show total U.S. taxes equal to 29% of GNP. Of the 14 other major OECD member countries, only

five had lower ratios: Australia (27%), Japan, Greece, and Portugal (each 22%), and Spain (19%). In affluent Sweden, which has even greater income and GNP per capita than the United States, the taxes/GNP ratio was 44% in 1974, or half again higher than the U.S. ratio.

The tax data include taxes for social insurance. Although this component is a smaller portion of the total in the United States than in most other OECD countries, omission of social insurance taxes has little effect on the comparative position of the U.S., shifting it only from tenth place in terms of the total tax comparison to ninth place in terms of non-social-insurance taxes relative to GNP.

The tabulation below provides data that underlie the accompanying chart, together with corresponding figures for seven smaller OECD countries (those with populations of less than eight million).

OECD COUNTRIES CHARTED (THOSE WITH POPULATIONS OF OVER 8,000,000)

Country	Per capita GNP	Tax revenue as a percent of GNP: All taxes	Tax revenue as a percent of GNP: Other than social insurance taxes
Sweden	$6,867	44.21	35.68
United States	6,654	28.93	22.27
Canada	6,361	34.79	31.61
Germany	6,180	37.64	24.39
Belgium	5,531	38.14	26.11
Australia	5,419	27.18	27.18
Netherlands	5,137	45.18	27.76
France	5,072	37.50	21.77
Austria	4,373	38.14	28.41
Japan	4,261	22.18	17.60
United Kingdom	3,417	35.56	29.47
Italy	2,699	31.86	18.55
Spain	2,448	18.83	10.42
Greece	2,207	22.43	16.47
Portugal	1,530	22.35	16.22

OECD COUNTRIES WITH POPULATIONS OF LESS THAN 8,000,000

Switzerland	$7,623	26.21	18.81
Denmark	5,975	46.68	44.00
Luxembourg	5,956	40.85	29.57
Norway	5,754	45.27	32.09
Finland	4,646	36.29	31.13
New Zealand	4,329	32.69	32.69
Ireland	2,208	32.43	28.65

Source: Organization for Economic Cooperation and Development, Revenue Statistics of OECD Member Countries, 1965–1974, tables 1A, 1B, and 25.

[1] The source study lacks 1974 data for two other OECD countries, Iceland and Turkey.

[2] Social insurance is financed in varying degrees (in Australia and New Zealand, completely) from sources other than specially designated taxes. Hence, the difference between this item and "all taxes" should not be taken to measure comparative levels of social insurance expenditure in the respective countries.●

PERSONAL EXPLANATION

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 11, 1978

● Mrs. SCHROEDER. Mr. Speaker, I was absent last week for roll votes 278 through 285. Had I been present, I would have voted as follows:

Roll No. 278: Yea.
Roll No. 279: Nay.
Roll No. 280: Yea.
Roll No. 281: Yea.
Roll No. 282: Yea.
Roll No. 283: Nay.
Roll No. 284: Nay.
Roll No. 285: Nay.●

YOUNGSTOWN STATE UNIVERSITY STUDENT BRANCH OF AMERICAN NUCLEAR SOCIETY TO BE INAUGURATED

HON. CHARLES J. CARNEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 11, 1978

● Mr. CARNEY. Mr. Speaker, the Youngstown State University student branch of the American Nuclear Society (ANS) will be established at an inauguration dinner on May 15, 1978, in the Kilcawley Center of that University in Youngstown, Ohio.

Present at the dinner will be the national American Nuclear Society past president, Dr. Walter Myer, and the Youngstown State University's ANS student branch president, Joseph Leone. Dr. John J. Coffelt, president of the university, will attend the dinner, as well as Prof. Leslie Szirmay, the local organization's sponsor and a member of the YSU Chemical and Nuclear Engineering Department.

The parent organization of the student branch was founded as an international organization of scientists and engineers on December 1, 1974, by the National Academy of Sciences in Washington, D.C. The manifold objectives of the society include: the advancement of science and engineering relating to the atomic nucleus, encouraging research, establishing scholarships, disseminating and sharing information, and cooperating with Government agencies, educational institutions and other organizations having similar purposes.

The American Nuclear Society membership presently includes persons engaged in fundamental and applied research, teaching, consultation, administration and engineering, as well as other individuals interested in the advancement of nuclear science and technology. More than 11,000 current members represent over 1,500 corporations, educational institutions, and Government agencies in 41 countries. While the structure of the society is designed to provide members with opportunities to complement personal career objectives and professional growth, the entire nuclear industry benefits from its activities and programs.

The student branches of the society provide students with the opportunity to interact with professionals in the field. These organizations also provide students with access to current industry information and a chance to engage in student conferences and presentations.

The Youngstown State University student branch of the American Nuclear Society, chartered by the national organization on October 8, 1977, is also served by Vice President Ron Proch, Secretary Don Hurt, and Treasurer Paul Schiller.

Mr. Speaker, I commend the Youngstown State University students and faculty members who have formed the student branch of the American Nuclear Society. As one who is very interested in the development of Youngstown State University, I am pleased to learn of the establishment of this student organization on the campus. I know that the student branch of the society will make an important contribution to the university, and I wish the members every success in their endeavors.●

THE HELSINKI CONFERENCE: AN ASSESSMENT

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 11, 1978

● Mr. DERWINSKI. Mr. Speaker, in light of the basic failure of the Belgrade Conference and the growing evidence of Soviet expansion in Africa, I wish to insert the following article from the January 25 Slovak publication, The Jednota, by Dr. Joseph Mikus, which assesses the Soviet's continued refusal to honor their commitments:

THE HELSINKI CONFERENCE: AN ASSESSMENT

(Dr. Joseph A. Mikus)

The very idea of a European Security Conference was a clever tactical move on the part of Leonid Brezhnev. He had basically two objectives in mind: to get endorsement in one form or another by the West for the Soviet territorial aggrandizements from World War II and receive substantial Western help for the unproductive socialist economy of the Soviet Union and the satellites. This author expressed his opinion about this Soviet ambition in a study entitled "Brezhnev's Détente and our Foreign Policy", published in Congressional Record on April 22, 1975, i.e., three months before Helsinki.

The Helsinki Conference and the large coverage it received in the free world was a significant premium paid by the West to the shrewdness of Brezhnev. He had indeed organized, as a French newspaperman put it, "a fools market" with the most prominent statesmen of the West, including a Pope's delegate, as protagonists.

Even though the Final Act of the Conference is not a normative or legally binding agreement but only a list of mutually desirable projects, the Soviet Union achieved one of her most important goals. Namely, no Western statesman had the guts even to mention the Soviet occupation during World War II of the Baltic countries, Moldavia and the Carpathian Ukraine. The West closed the eyes over the famous Stimson Doctrine which proclaims "the inadmissibility of the acquisition of territory by war". Nor did anyone say a word about the presence of Soviet armies in Poland, East Germany, Czecho-Slovakia and Hungary.

The objectives of the West were much more modest, more philosophical and consequently more vague. Among them we find respect for human rights, self-determination of peoples and liberalization of economic exchanges.

Now, after more than two years, we are able to assess in some details the advantages reaped from the Helsinki Conference by the Soviet Bloc and by the West. We have to admit that they are highly unequal. While the Soviet Bloc has immediately benefited by easier Western credit terms, long-term

expectations of hopeful trade expansion in the Soviet orbit are no comparable advantage for the West.

What is particularly surprising is the inability of the Western countries to relate their liberal credit policy toward the Soviet Union and its satellites to the unceasing expansion of Communism in the world, expansion backed up by Soviet armaments. According to the evaluation of international economists, the indebtedness of the Soviet Union toward the United States amounts to $13 billion and that of the Soviet Union and its satellites toward the West as a whole to $50 billion.

We teach in College Economics that our system is competitive; that it represents incentives for human spirit, courage and imagination; that it creates the highest level of prosperity and freedom compatible with the degree of order necessary in a civilized society. Why should we then contribute to the financing of a system which, in the long range, is aiming at our destruction?

Without the help of the West the War Communism of Lenin had no chance to evolve into the New Economic Policy between 1923 and 1928. It was the West which saved the Soviet system from defeat in World War II. Who can understand the rationale behind the readiness of the West to, once again, help buttress the crumbling walls of socialism? Who can understand that in doing so we are also contributing to Soviet militarism. According to specialists, the Soviet Defense Budget represented in 1976, 15 percent out of a GNP of $900 billion, i.e., $135 billion, while our own Defense Budget amounted only to about 7.3 percent of a GNP of $1.500 billion, i.e., $110 billion. Moreover, when we realize that we have a voluntary army absorbing 56 percent of our Defense Budget in salaries and pensions, we just can not congratulate ourselves on our apparent equality in armaments with the Soviet Union. If this disproportion continues, our inferiority will become all the deeper.

As to the expectations of the West, we must be greatly disappointed. That the Soviet Union and the satellites don't respect human rights and the self-determination of peoples any more now than they did before Helsinki has been brought to evidence by Soviet refugees in the West, such as Solzhenitsyn, Amalrik, Panin, Bukovsky, et cetera. Their books and statements speak for themselves. Charter 77 in Czecho-Slovakia and similar voices or manifestos in Poland and East Germany constitute additional evidences.

While we have been helping socialism and its military objectives in the World, the Soviet Union has been sending to our shores propaganda teams and movies for the amusement of our simple-minded citizens. The Bolshoi Ballet of Moscow gave performances of Spartacus in New York and Washington, D.C. and the Moyseyev dancing and singing group toured the United States. As every educated American should know, Spartacus was a gladiator in Rome who organized a rebellion of slaves against the patricians which in the present communist jargon means a proletarian who fomented a revolution against the Government of the bourgeoisie. Strange enough the audience in New York, "the capital of American capitalism", vehemently applauded that artistically fascinating, but politically insidious performance.

Another strange event: Exxon, in terms of capital, the biggest American corporation, recently "sponsored" on TV Channel 13, New York, the presentation of two very famous Soviet propagandistic films, Storm Over Asia and Ivan the Terrible. The first one is the narrative of a decline of the English colonial system and its end by a "war of national liberation" in an unnamed Asian country. As to Ivan the Terrible, dictators usually try to enhance the cult of their own personality by proposing to the admiration of their subdued masses a hero that they would have liked to assimilated to. Thus Mussolini had a film produced on Scipio Africanus. Stalin must have seen the glorification of his own totalitarian methods in the victorious struggle of Ivan and his police "Oprichnina" against princes, boyars and other dissenters. This film is at the same time an apotheosis of Ivan's absolutism and a clever justification of Stalin's dictatorship. It is incredible that a big corporation like Exxon, having worldwide interests and many bright brains, has no one to warn it from falling into such a propagandistic trap.

Consequently, relations between West and East before and after Helsinki are the same. In the West-East direction they represent a way to channel Western currencies, goods and know-how into the lagging economy of the Soviet Bloc. In the East-West direction, the Soviet Union and its satellites are amply exploiting our concept of artistic freedom which they don't tolerate at home for the propagation of their socialist ideology. Where is the principle of reciprocity?

We do not need be afraid of the Soviet Union the weakness of which is in its multinational composition. Regardless of the impressive bigness of the Soviet Union as a mechanism of power, the organic troubles of this last historical empire cannot but increase as the proportion of the Non-Russian population is becoming majoritarian and preponderant. We have missed many opportunities to create efficient leverages when dealing with the Soviet Union. The most powerful of them remains the right of peoples to self-determination. This, of course, is only a logical conclusion of civil and human rights. Consequently, self-determination, if reaffirmed by our Government in proper time and proper terms as a general principle, would produce a magic effect upon Non-Russian populations of the Soviet Union and upon its satellites. Indeed, if the principle of self-determination shall be applied in Africa, why not in the Soviet empire and East-Central Europe?

The Soviet Union is an atomic "superpower" with the living standard of an underdeveloped country. Henry Kissinger's idea that world peace depends on the cooperation of the United States of America and the Soviet Union is false. Our SALT negotiations with the Soviets have no practical sense. Even if there is an agreement to that effect, it will have no legally binding force. We know from the history of the East-West relations that the Soviets may sign anything, but will respect nothing. By willingness to negotiate they make us believe that they mean to reach an agreement. However, whoever knows from history something about Russian shifty mentality, will not rely on their words or signatures. Can Western diplomats forget Stalin's dictum: "Treaties are like cakes: You have to break them to eat them!"?

World peace depends on the political and economic solidarity of the United States, Western Europe and Japan as well as on the willingness of China to cooperate. To further build up this solidarity and cooperation is a worthy objective for our diplomacy.●

INFLATION: CAUSE OF ECONOMY'S PROBLEMS

Hon. John E. "Jack" Cunningham

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 11, 1978

● Mr. CUNNINGHAM. Mr. Speaker, everyone is concerned with the high cost of living. On May 10, 1978, Congress fueled inflation by approving a budget target figure which includes a $58 billion deficit.

Recently, George H. Weyerhaeuser, chief executive officer of the Weyerhaeuser Co., wrote an analysis of the present state of the economy, which I submit for the RECORD:

INFLATION: CAUSE OF ECONOMY'S PROBLEMS

(By George H. Weyerhaeuser)

In my annual report message this year, there was something of an essay on the current state of our world. Problems in our European and Japanese markets were mentioned, along with the rising cost of energy, capital goods, raw materials, labor . . . and virtually everything else.

It would be nice to report today that the situation has changed dramatically. It has not. There are some signs of improvement in specific and important markets and in controlling specific costs; but the pace of inflation has also since accelerated, not slowed.

And, it is inflation—the inflationary bias in all the developed nations, but particularly the United States—that is the root cause of all of these problems. In this country, we like to blame the oil crisis—the action of the OPEC nations several years ago in suddenly quadrupling the price of petroleum—for the current inflation. And, indeed, that did help accelerate and maintain the inflationary momentum. But inflation already was out of hand before the crisis.

We need to recognize, as the leaders of the other Western nations do, that perhaps the greatest engine of inflation abroad in the world today is the continued mismanagement of the United States economy, the apparent inability of this nation or its leaders, to face up to the hard decisions that must be made.

INFLATION ADJUSTMENTS IN TAXES NEEDED

The President, in his recent inflation message, signified the new awareness in Washington of the problem and that may be a start toward a solution. But, the elements of that solution that must eventually be faced were missing. They must include expenditure cuts at least paralleling tax cuts, and inflation adjustments for corporate depreciation allowances and for individual and corporate taxes.

For example, earlier this week most of us paid income taxes on the interest earned in our bank savings accounts. As it happens, the inflation rate last year exceeded the interest paid by banks on savings. Thus, in purchasing power, none of us received any increase in the value of those savings. We suffered a marginal loss, but since the tax code doesn't recognize inflation, we paid taxes on our savings account interest anyway. This identical problem is affecting corporations such as ours, dramatically. We are unable to replace and maintain our plants and equipment with the funds available from depreciation—they are inadequate to do the job, with rapidly inflating costs for construction and machinery.

We, almost alone among the major nations, have continued since 1973 to try to make simultaneous progress toward all of our national aspirations including those of major pressure groups. The pressure to overspend in our governmental system has seemingly been too much to control. We seem to have built into our system a desire to increase benefits in all areas of our public life, coupled by complete inability to face up to the costs—whether in the Social Security System, our various income transfer programs, or in our proliferating regulatory systems. We are, for instance, alone among the Western nations in our refusal to allow consumers to face the real market cost for energy—even though we, as a nation, have a unique ability to rely upon the free market's forces to bring

energy supply and demand into healthy balance.

The polls have indicated for some time that the people of the United States have been well ahead of the leaders in recognizing that inflation is the economy's basic problem, and in sensing some of the solutions. While the leaders have continued to talk in terms of energy shortage, rather than energy price, the people have rightly been skeptical, and it is now they who are proven right, with the world awash in a glut of oil. Yet, our leaders still seem unable to adjust to this situation, to let the market take care of oil availability and price.

LEADERS INTERFERE IN MARKET'S EFFICIENCY

Instead, they argue over which form of bureaucracy; which form of tax; which form of regulation can best be used to prevent the market from working its efficiencies—which can best delay the absorbing of the effect of the OPEC action, and which thus can best delay the economy's adjustment to it. I believe most Americans agree that the adjustment has been postponed too long already, and would prefer to get the absorption period over with, so that the economy can move forward.●

VA ACTION NEEDED ON AGENT ORANGE

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 11, 1978

● Mr. EDWARDS of California. Mr. Speaker, many of us have become increasingly aware of the disturbing allegations being made regarding health hazards experienced by Vietnam era veterans as a result of their exposure to the powerful defoliant, Agent Orange. The defoliant was used in Vietnam between 1962 and 1970, when it was withdrawn by the Pentagon because of its apparent dangerous effects to human and plant life.

Along with 13 of my colleagues on the Veterans' Affairs Committee, I have initiated a request for an official response from the VA to provide the committee with a thorough report on Agent Orange and what outreach and research efforts the VA has in mind. While it is perhaps too soon to draw any definite medical conclusions, there are certainly a lot of unanswered questions about Agent Orange. I think the Congress has a real responsibility to follow up this issue to insure that the needs of our Vietnam veterans are met.

In the June issue of the Progressive, there is an excellent article on the filing of Agent Orange related claims in one VA regional office—the Chicago office. I think my colleagues will find the article helpful in exploring the work done thus far on this critically important issue and in clarifying the need for our careful attention to this situation.

The article follows:

ACTION NEEDED ON AGENT ORANGE

(By Michael Uhl and Tod Ensign)

Maude de Victor works behind a cold, steel gray desk in the Benefits Section of the Veterans Administration regional office in Chicago. She is not your average papershuffler. In recent months, Maude de Victor has joined the select ranks of whistle blowers—those heroic individuals who discover an outrage and, in defiance of bureaucratic inertia or suppression, bring it to public notice.

The outrage Maude de Victor discovered was the shocking effect of dioxin poisoning on American veterans who came into contact with the herbicides that were used to defoliate more than five million acres of the Vietnamese countryside between 1962 and 1970. Her efforts have not only focused attention on the plight of these latest victims of the Vietnam war, but have also raised new warnings against the domestic hazards posed by the herbicides.

Massive defoliation was a major tactic pursued by U.S. forces in Vietnam. It had two objectives—to deny guerrillas their jungle cover, and to destroy food crops so that the peasantry would be compelled to take refuge in controlled resettlement camps. The most widely used defoliant was Agent Orange, a mix of 2,4-D and 2,4,5-T, two herbicides used in the United States for many years to control crops and forest growth and to clear vegetation along roads and railroad tracks.

Dioxin—its full name is tetrachloro-dibenzoparadioxin, or TCDD—often appears as a biproduct in the manufacture of trichlorophenol, from which 2,4,5-T is made. Dioxin is one of the most toxic contaminants known to humankind. Among the symptoms associated with exposure to the substance are a skin disorder called chloracne, liver abscesses, spontaneous miscarriages, numbing of limbs, reduced sex drive, personality changes, and birth defects among the children of those exposed. Dioxin poisoning is believed to have caused many birth defects in Vietnam in recent years, and a host of ailments among those who suffered exposure.

Maude de Victor, a thirty-eight-year-old black woman, had never heard of Agent Orange or dioxin when she took a random telephone call about a year ago from the wife of a Vietnam veteran named Charles Owens. Her husband, Mrs. Owens said, was dying of cancer, and he blamed it on "those chemicals from Vietnam." Four months later Mrs. Owens called again to say that her husband had died—and that her claim for survivor's benefits had been refused by the VA.

That second call prompted Maude de Victor to try to find out about the chemicals which Charles Owens believed had caused his fatal illness. She called the office of the Air Force Surgeon General and spoke to Captain Alvin Young, who, she points out, holds a Ph.D. degree in plant physiology. Young briefed her thoroughly on the U.S. military's defoliation program in Vietnam and on the symptoms believed to be associated with dioxin contamination.

Most of what we know about the toxic effects of dioxin on human beings has been learned from studying the victims of industrial accidents at plants producing trichlorophenol—especially the notorious accident in July 1976 at Seveso, Italy, where inhabitants were thoroughly doused with the poison. But there have been relatively few laboratory studies to determine the effects on animal systems of less concentrated exposure, and of dioxin's reported tendency to accumulate in the body's fatty issue. One scientist who has conducted such experiments, Professor Val Woodward of the University of Minnesota, has asserted, "One thing is clear . . . 2,4,5-T is a very effective teratogen [fetus-deforming agent]. It deforms mice in laboratory situations, and very clearly human beings who have been sprayed have a higher incidence of these deformities than people who were not sprayed."

Maude de Victor recalls that Captain Young described several major Vietnamese defoliation programs, such as Operation Ranchhand, and that he said there was "no doubt" that anyone who participated in those operations would have been contaminated.

At this point, Maude de Victor was no longer merely following the bureaucratic routine of her job. She had a special reason for taking a special interest: In the 1950s, while serving with the Navy medical corps, she attended women with uterine cancer who were receiving experimental treatments with radium pellets. Twenty years later, she learned that she had breast cancer. She underwent a mastectomy and has been given a clean bill of health, but she suspects that long-ago exposure to radiation may have induced her cancer.

At the VA, Maude de Victor receives an average of seventy telephone calls and personally interviews about fifteen veterans each day. After her talk with Captain Young she began posing some questions to her clients: "You been in Vietnam? Got any kind of rash? Have any children with deformities?" Often they answered, "Yeah, how'd you know?"

With her supervisors' permission, she began logging these cases. In the first two months of 1978, she accumulated twenty-seven examples of this new disability. Her informal queries at the Veterans Hospital turned up about thirty more—all from the Chicago area. Suddenly, without explanation, her boss ordered her to stop logging potential dioxin poisoning cases; apparently, the higher levels of the VA were becoming concerned. Maude de Victor decided to tell what she had learned to a television news correspondent.

On March 23, 1978, WBBM, the CBS television affiliate in Chicago, aired an hour-long documentary featuring interviews with ailing veterans, research scientists, and the Air Force's Captain Young. Before the television cameras, he was less certain about the possible hazards of dioxin poisoning than he had been in conversation with de Victor. When asked about alleged dangers from 2,4,5-T, he said, "I don't think there's any supportive evidence."

Dow Chemical, a major herbicide manufacturer, released a statement after the broadcast denying any connection with alleged birth defects. Relying on a National Academy of Sciences study conducted in 1974, Dow asserted that "no conclusive evidence [exists] of association between exposure to herbicides and birth defects in South Vietnam." The statement made no mention of possible links between 2,4,5-T and ailments suffered by veterans, and Dow said it "fully supports further epidemiological studies of military personnel who have health problems associated with service in Vietnam." In previous statements, Dow had claimed that the dioxin content in its herbicides was insignificant.

Scientists disagree about whether these are safe levels of dioxin exposure, and whether dioxins enter the human food chain and are stored in the body's fatty tissue. Using a solution far less toxic than that found in either Agent Orange or the 2,4,5-T herbicides used in the United States today, Dr. James Allen of the University of Wisconsin found that "low-level consumption even as low as five parts per trillion of dioxin in the diet was capable of causing an increased incidence of tumors in experimental animals."

Though Maude de Victor did not know it, American environmentalists have been fighting against the use of contaminated defoliants at home and abroad for years. While Vietnam was being defoliated, there was a sharp corresponding increase in the use of the same herbicides by state and local agencies. Since 1960, the U.S. Forest Service has made increasing use of defoliants containing 2,4,5-T in national parks and forests across the country.

For years this spraying program went unnoticed and unprotested, but in 1974 a group of citizens in northern Wisconsin banded to-

gether as the Chequamegon Concerned Citizens to fight the spraying of the two national forests near their homes. John Stauber, one of the group's founders, recalls. "We collected over two thousand signatures against the spraying in a short period. We really caught the Forest Service by surprise; they weren't used to dealing with opposition." Wisconsin's Attorney General entered the dispute and won a Federal court injunction against spraying on grounds that no proper environmental impact statements had been filed. In early 1977, the injunction was withdrawn after the state and the National Forest Service agreed on some ecological safeguards.

Around the country, groups have formed in a number of states to organize opposition to the continued use of herbicides. In February 1978, representatives from sixteen state groups met in Washington and formed the Citizens National Forest Coalition to coordinate and direct the fight against uncontrolled use of herbicides. Its goal was to win a national ban on all products containing 2,4,5-T and to seek an "ecologically sound and integrated forest management system." One of the most active coalition members, the Citizens Against Toxic Spraying (CATS), has initiated a major court suit in Oregon which has stopped, for the time being, herbicidal spraying on Federal lands in that state.

Barry Commoner, the distinguished environmental scientist, believes the burden of proof should rest with manufacturers of the herbicides—and with Government agencies that sanction use of the chemicals—to demonstrate beyond reasonable doubt that they are safe. He told WBBM, "It may well be found [that] soldiers who were exposed to dioxin in Vietnam accumulated [it] in their body fat with no symptoms . . . except immediate skin symptoms. Let's say ten years later they become sick and lose weight. They would break down that fat, releasing the dioxin into the body, and then symptoms would appear."

Commoner has proposed that when Vietnam veterans are interviewed for the 1980 Census, questions about possible dioxin exposure be included. "It is simply another cost of the war in Vietnam which we are going to have to pay, even this late," he says.

Michael Adams, a twenty-nine-year-old resident of Evanston, Illinois, is already paying the price. He served in Vietnam ten years ago as a combat engineer with the Twenty-fifth Infantry Division, and one of his duties was to clear forested areas for base camps in the Central Highlands. Often his unit sprayed Agent Orange on the dense vegetation, using hand-pumps, and several times he watched as refitted C–123 aircraft sprayed defoliants on his unit's area of operation. Mike Adams believes he was exposed to the toxic herbicide during these operations.

Soon after he returned from Vietnam, large pimple-like sores began to form on his face. An Army medic told him they were "razor bumps" that could easily be removed, but the sores have persisted and are probably a form of chloracne, a common symptom of dioxin exposure. After his discharge in 1971, Adams began to experience numbness in his arms and shoulders. He had difficulty sleeping, and in the past two years he has lost more than sixty pounds. He also believes he has undergone a personality change: "Before I went to the 'Nam, I was an easy going, cheerful type; now, I often feel on edge and will blow up over just any little thing," he says.

Milton Ross, a twenty-nine-year-old computer programmer from Matteson, Illinois, who served two tours in Vietnam, is also paying the price. Not only does he suffer from some of the symptoms of dioxin poisoning, but his six-year-old son, Richard, conceived after Ross's return from overseas, was born with the last joints of his fingers and toes either deformed or missing. Ross and his first wife had a study made of their own genetic histories for possible explanations of their son's condition. The research uncovered no genetic disorders on either side.

Ross, who served with the Fifth Special Forces in the Central Highlands, told us, "Although I wasn't involved in the spraying operations, I was sprayed upon. The possibilities for exposure were unlimited. They sprayed a lot around the perimeter at Kon Tum, and often the wind would blow the clouds right over our camp." Ross has not been able to work since January, when he was hospitalized for a suspected heart condition, another possible consequence of dioxin exposure.

After he was interviewed on WBBM, Ross began hearing from other Chicago area veterans who also suspect they may be victims of Agent Orange. They are considering the formation of an organization that will battle the VA for disability benefits. Maude de Victor estimates that the Chicago VA has now received more than 500 calls, mostly from Illinois, from veterans reporting difficulties and requesting information and disability claim forms.

Both Milton Ross and Maude de Victor charge the VA is dragging its feet on these claims. "They've refused to examine these men; they haven't even called them in," Ross complains. "I've gone over their heads to Washington and they tell me there'll be some results in a couple of months."

"The VA doesn't even have any rating criteria for chemical disabilities," Maude de Victor points out. "They're not doing anything on these cases because they don't have any standards for evaluation. Each case is either denied outright or 'diaried'—that is, placed in a computer where it's programmed to pop up every sixty days for re-review."

Meanwhile, de Victor is suffering the common fate of whistleblowers. She has been excluded from staff meetings. "VA doesn't tell me anything any more," she says.●

BILL TO CORRECT THE PROBLEM WHICH THE ZERO BRACKET AMOUNT CREATES FOR TAXPAYERS UTILIZING INCOME AVERAGING

HON. JOSEPH L. FISHER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 11, 1978

● Mr. FISHER. Mr. Speaker, Representative STEIGER and I have introduced legislation designed to rectify the problems which the zero bracket amount has caused individual taxpayers seeking to utilize the income averaging provisions available under the Internal Revenue Code.

The income averaging provisions of the Code (section 1301 to 1305) are intended to mitigate the adverse effect of our progressive tax rate schedule on the tax liability of taxpayers whose income fluctuates widely from year to year. Without the income averaging provisions, a taxpayer with no taxable income for 4 years and $100,000 taxable income in the fifth year would pay more tax than a taxpayer with $20,000 taxable income in each of the 5 years.

The Tax Reduction and Simplification Act of 1977 simplified the computation of taxable income and tax liability by introducing the "zero bracket amount" concept into the tax law. Under the zero bracket amount rules the standard deduction is no longer a deduction to compute taxable income. Instead it is incorporated into the tax rate schedules. This was accomplished by changing the definition of taxable income and recomputing the tax rate schedules. These changes were intended to have no (or only minimal) effect on taxpayers' tax liabilities. Certain conforming changes were necessitated by this action, one of which was to conform the pre-1977 and post-1976 definitions of taxable income for purposes of computing base period income for income averaging.

Two basic methods for making this conforming adjustment were available. The method chosen requires that the zero bracket amount be added to taxable income for taxable years beginning before December 31, 1976, in order to make pre-1977 base period taxable income comparable to current year taxable income. This adjustment phases out after 4 years. The result of this approach is an understatement of averageable income, and the potential of an increase in tax liability for taxpayers electing income averaging. This occurs because, in the course of the income averaging computations, the base period income is factored up 120 percent. Since the zero bracket amount is added to base period income, it too is factored up by 120 percent. Consequently, when 120 percent of average base period income is deducted from current year income to compute averagable income, averagable income is lower by 20 percent of the zero bracket amount.

An alternative method would have been to add the zero bracket amount to 120 percent of average base period income, rather than adding it before multiplying by 120 percent. This approach would, however, require subtracting the zero bracket amount from taxable income of any base period year beginning after December 31, 1976. Thus, this alternative method would require adjustments in all future years.

The method chosen was the simplest, in that it would have required adjustments in base period income for only a 4-year phase-in period, while the other method would have required adjustments to be made in all subsequent years. The disadvantage of the method chosen is that it can increase the tax liability of a taxpayer who uses the income averaging provisions.

The amount of the tax increase can range from just a few dollars to over $1,000, depending primarily on the number of tax rate brackets the taxpayer "jumped" because of the increase in his income. Further, the conforming change can prevent a taxpayer's qualification for income averaging under a $3,000 de minimus rule contained in the income averaging provisions.

Mr. STEIGER and I propose to amend the income averaging provisions to provide for use of the alternative method of conforming the income averaging rules to the zero bracket amount. The alternative method will require that the zero bracket

amount be added to 120 percent of average base period income. In order to compute average base period income for years after 1976, taxable income will have to be reduced by the taxpayer's zero bracket amount. While this method is somewhat more complex than current law, it is a much more equitable approach and more clearly preserves the tax savings available under the income averaging provisions as they existed prior to enactment of the Tax Reduction and Simplification Act of 1977.●

COLLEGE COSTS INCREASE FASTER THAN AFTER TAX INCOME

HON. ALBERT H. QUIE

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 11, 1978

● Mr. QUIE. Mr. Speaker, the financial burden of sending a son or daughter to college is increasing annually for this Nation's low- and middle-income families. The House has been responsive to the needs of these families with children in postsecondary schools. In March, the Education and Labor Committee reported H.R. 11274, the Middle Income Student Assistance Act, which provides $1.4 billion in increased student grants, loans, and work-study money. Yesterday, the Rules Committee granted a rule on H.R. 12050, the Tuition Tax Credit Act, which provides a tax credit for 25 percent of tuition paid by a taxpayer up to a maximum credit of $250 in 1980.

Both of these bills will assist in insuring that no one would be denied the opportunity for a college education for financial reasons alone. I believe Congress should continue to be committed to sharing the burden of college costs.

I was therefore initially disturbed by a Congressional Budget Office study released last weekend which stated that college costs, while increasing faster than the cost of living, have been offset by an even larger rise in family incomes. The CBO study implied that increased financial aid to college students and their parents was not necessary.

Conversations with constituents and members of the higher education community had led me to believe that the financial burden of sending students to college was in fact increasing. I therefore asked the Congressional Research Service (CRS) of the Library of Congress to review the CBO's findings and to determine whether discretionary income had risen faster in relation to college costs. The findings of the CRS study, which are set forth in the table below, refute the implications of the CBO study that college costs today are not more costly than 10 years ago.

The CBO study failed to consider the effects of the increased burden of taxes on discretionary income. While the national median income has increased 78.8 percent during the period 1967–76, after tax income has risen only 66.8 percent during that same period. This increase in discretionary income, the money from which college costs must be paid, is significantly below the cost increases of 74.2 percent for public colleges and 76.7 percent for private colleges. The increase is also far below such essential items as food, housing, and gasoline.

The CRS study revealed that, between 1967 and 1976 for families with 18- to 24-year old dependents, Federal income taxes increased 103.9 percent, social security taxes 185.9 percent, and average State and local taxes 152.5 percent. The result is an increase in total taxes of 135.4 percent. These figures do not even take into consideration the massive social security tax increase enacted into law last year. Should these taxes go into effect, discretionary income would be even more significantly reduced.

The effect of taxes on real discretionary income is even more dramatic in States where the tax burden in heavier; for example, my State of Minnesota has one of the highest per capita tax bills in the United States, therefore, residents of Minnesota would have relatively even less after tax income than indicated by the CRS data.

I continue to believe that tuition tax credits and increased student aid are both compatible and necessary. I hope that Congress will not use the CBO report as a justification for not enacting either bill. I therefore urge my colleagues to carefully consider the relative increase in after tax income versus the increase in college costs as presented by the CRS data in the following table.

The table follows:

	Average taxes and median income						Consumer Price Index and selected components[4]				Total student charges	
	Median income[1]	Federal income tax[2]	Social security tax	Average State and local taxes[3]	Total taxes	After tax income	CPI	CPI food at home	CPI housing total	CPI gasoline and motor oil	Public	Private
1967	$7,923	$684	$290	$404	$1,378	$6,545	100.0	100.0	100.0	100.0	$1,063	$2,205
1976	$14,164	$1,395	$829	$1,020	$3,244	$10,920	170.5	179.6	177.2	176.7	$1,854	$3,896
Percent change from 1967 to 1976	78.8	103.9	185.9	152.5	135.4	66.8	70.5	79.6	77.2	76.7	+74.2	+76.7

[1] Families with 18- to 24-year-olds. Source: CBO.

[2] Assuming 4 exemptions claimed. All income consists of wages and salary, earned by 1 spouse. Itemized deductions equal 15 percent of adjusted gross income in 1967. Standard deduction used in 1976. Joint return filed in both cases.

[3] Assumed to be midway between estimated average percentages for State and local taxes paid by median-income families for the years 1950 and 1977, as calculated in CRS report: Karr, John. "Estimates and Projections of Federal Income Tax, State and Local Taxes and Social Security Payments of Four Member Families at Various Income Levels: 1950, 1977, 1980, and 1985," Oct. 27, 1977: 9 pp.

[4] Monthly data, averaged for annual values.

Note: Unless otherwise indicated, data is from CRS study.●

ILLINOIS ADOPTS SENATE RESOLUTION NO. 337

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 11, 1978

● Mr. DERWINSKI. Mr. Speaker, I wish to insert Senate Resolution No. 337, which was unanimously adopted by the Illinois State Senate, on the subject of Turkish compliance with U.N. Resolution 3212 and the issue of the arms shipment to Turkey which is now before the Congress.

Having voted against the action in the House International Relations Committee striking the section of the law dealing with the embargo, I was pleased to note this impressive resolution passed by the Illinois State Senate.

[The resolution follows:]

Whereas, The Turkish invasion of the Island of Cyprus has caused widespread concern in the Greek community of this country and of the world; and

Whereas, this horrendous military action has nourished the seed of hatred between Greek and Turkish speaking people, making the Mediterranean a virtual powder keg; and

Whereas, This armed aggression by the Turks threatens the peace of this part of the world, and was condemned by the United Nations in Resolution 3212 which requires that all nations respect the sovereign independence of the Island of Cyprus and urges the speedy withdrawal of foreign troops; and

Whereas, The United States, under past presidential administrations, has withheld arms and financial aid to Turkey because of this military presence on the Island; and

Whereas, The present administration, in spite of its commitment to human rights, has proposed that the arms embargo of Turkey be lifted; and

Whereas, In view of the circumstances, this could cause military unbalance in the Mediterranean, make the achievement of a Cyprus settlement virtually impossible, and call into question our national commitment to the control of U.S. arms abroad; therefore, be it

Resolved, by the Senate of the eightieth general assembly of the State of Illinois, that we urge the President of the United States and Congress to continue to withhold military aid to Turkey; until Turkey complies with United Nations Resolution 3212; and be it further

Resolved, That a suitable copy of this resolution be presented to the President of the United States and to the Illinois members of the Senate and House of Representatives of the United States Congress.

Adopted by the Senate, April 28, 1978.

THOMAS C. HYNES,
President of the Senate.●

GRASSROOTS EFFORT TO IMPROVE FEDERAL REGULATION

HON. JOHN B. ANDERSON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 11, 1978

● Mr. ANDERSON of Illinois. Mr. Speaker, Members of Congress are hearing from constituents in ever-increasing numbers about the many problems posed by Federal regulation. While regulation is a fact of life in our complex society, we must find a way to come to grips with the problem of excessive and unreasonable Federal regulation.

I would like to call my colleagues' attention to the Forum On Regulation (FOR), a comprehensive 2-year effort to assess and improve our Federal regulatory process. I want to commend the organizers of the Forum On Regulation for undertaking such an ambitious and useful effort which now has the bipartisan support of more than 115 of my colleagues in the House and Senate.

As a principal sponsor in the House, along with Representative BARBARA JORDAN, of the Regulatory Reform Act of 1977 (H.R. 3100), I am especially gratified by this private initiative to focus public attention on the impact of Federal regulation on consumers, businessmen, farmers, and State and local governments. Our regulatory reform bill would require the President and Congress to overhaul the Federal regulatory process according to an 8-year timetable with a view toward eliminating unnecessary Government agencies and regulations and improving on those that are retained. While I don't want to give the impression that our bill is endorsed by the Forum On Regulation or all the Representatives and Senators sponsoring this effort, I think it is evident that the 2-year, four-stage FOR project complements our Regulatory Reform Act.

The FOR program will seek to involve a broad cross-section of the American people in determining "what is working, what is not working, and why". Phase One of the project, a nationwide audit of Federal regulation, will feature a "Citizen's Survey" that anyone, anywhere can use to cite their experience with Federal regulation and share their ideas on what can be done to improve the present system. A highlight of this phase will be a special telethon during the week of September 11 to 16 when anyone in the United States can dial toll free to share their experience with Members of Congress, regulators or the administration. The goal of this whole process is to gain an overview of public awareness of the problem, the extent of it, and how to deal with it from those most affected. I think the results of the "Citizen's Audit of Federal Regulation" and the increased public awareness of regulatory problems that will result from the FOR project will bring new pressure to bear on Congress to enact a comprehensive regulatory reform bill.

The total cost to the economy of Government regulation has variously been estimated at anywhere from $60 billion to $130 billion, to $300 billion annually. Much of this regulatory activity is necessary to protect the health and safety of our citizens. On the other hand, there are many regulations which are more of a burden than a benefit to consumers, businessmen and the economy as a whole. There are some regulatory policies which have fueled inflation because there has not been proper consideration of their costs and benefits or their competitive impact. Some regulatory policies both harm industry and consumers by denying competition and the lower prices it would bring. Despite the new common sense approach launched at OSHA and HEW, there are still too many trivial regulations and excessive paperwork.

The time has clearly come to take a hard look at the more than 1,000 Federal regulatory programs being administered by over 100,000 workers in some 80 regulatory agencies, and the more than 10,000 regulations that pour out of these agencies each year.

The Forum On Regulation is a positive, organized and creative approach to this complex problem. With the support of the Congress, the business community, and the people of this country, I believe FOR has an excellent chance of succeeding.

At this point in the RECORD I include the list of congressional supporters of the Forum On Regulation and invite the rest of my colleagues in the House and Senate to join in support of this organized and long overdue effort.

[Attached is list of members of the national committee:]

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WILL GUANTANAMO BE NEXT?

HON. WILLIAM L. DICKINSON

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 11, 1978

● Mr. DICKINSON. Mr. Speaker, although the Senate has voted with President Carter to "giveaway" the Panama Canal supposedly to "rid the United States of the last vestige of imperialism," do not be fooled. We have not seen and heard the last of the canal issue yet.

Even though we have "kowtowed" to the pressures of a Castroite, Marxist dictator in giving the canal away, that action will not buy us favor from Latin American leftists who hate us. They still hate us.

Roy Shoffner, publisher-editor of the Enterprise Ledger, Enterprise, Ala., in an April 28, 1978, editorial, underlines the probability that this uncourageous action probably signals "the beginning of the withdrawal of the United States from a major world power to a second rate—or third rate—power." Will Guantanamo be next?

I commend Roy Shoffner's thoughts to my colleagues:

GUANTANAMO AHEAD!

(By Roy Shoffner)

This is a column I hate to write. Yet, with all the pressure from the administration, from the international bankers, and from the leftist leaning nations, I recognized the possibility that the Senate would give away the American Canal in Panama. How else can Torrijos meet the payments on the huge debt he has put on Panama without some such arrangement? How could the bankers get their money back without giving him some basis for obtaining it?

I hope I am wrong in my assessment. The way I see things, this represents the beginning of the withdrawal of the United States from a major world power to a second rate—or third rate—power.

I know of no time in history when a major power has voluntarily relinquished its hold on a major strategic waterway. I know of no other time in history when a nation has deliberately cut the strings that bound its armed forces together; gave away control of a place or thing that controls and affects international trade; or (and this is speculation) yielded to thinly concealed blackmail.

As things stand today, the United States will give up all vestige of control of the Panama Canal in the year 2000. Practically, the United States has already yielded much control over the canal and its lands. Much more will be yielded as soon as the commission to oversee the transfer is appointed. By the time the commission reaches the point where the majority of the members are Panamanian, the effective control will be gone—well before the year 2000.

Now that the die has been cast, you can expect to see a growing return of Zonians (American who have held civil service jobs in the Canal Zone for years) to the United States. They have already indicated that they will not stay on the job after the United States yields its control. Not all will return immediately but a great number will begin shipping their families out soon. There is even talk of all moving back to the United States and a sufficient number flying down for their shift at the canal, and then returning home again. While many Panamanians are employed in the Zone, few of them have been trained sufficiently to operate the complicated machinery and care for it. Only a smattering of Panamanians have become full-fledged pilots for the trip through the canal.

And how did you like the gloating Torrijos did about how he was prepared to sabotage the canal, if the Senate hadn't knuckled under? Wasn't that a good note on which to begin the new relations? And wasn't that a good indication of how we can expect the Panamanian nation to become . . . since he revealed that that Libyan madman Kadafy was collaborating with him to either take the canal by action of the Senate or destroy the canal by immediate sabotage? Isn't it wonderful to be able to place our trust in such a friend as this?

When Torrijos overthrew President Arias and installed himself as dictator, the nation had a debt of a little over $200 million. Today, the debt has increased to over $2 billion. Is it any wonder then that the banks with that indebtedness were more than mildly interested in getting their mony back? Isn't it of more than passing interest that canal negotiator Linowitz left his place on the board of Marine Midland Bank just long enough to get an agreement on the give-away, then returned to his place on the board of that bank, (one of the big banks with branches and millions invested in Panama)? Where was the ethics in this transaction? And don't forget David Rockefeller and Chase Manhattan Bank who probably holds the major interest in Panamanian loans. Could it be said that Rockefeller turned his head away and didn't attempt to find ways of recouping that money? Hardly. That's one place a big brother like former Vice President Nelson came in handy. Influence, arm twisting, White House pressure. It was all there. Sen. Hayakawa is said to have said he was surprised to see which side he voted on! Sen. Baker from Tennessee is said to have a clear road ahead in Tennessee for another term in the Senate—no Democrats will run against him (on the other hand, he just might have the fight of his life in getting the GOP nomination as several Republicans have indicated they are going to take him on).

I don't think there is any doubt but that the Senate voted against the wishes of the vast majority of the American people. I don't have a doubt but that many of these gentlemen won't be returning to Washington when their term is out . . . especially those who are up for election in November.

But the deed has been done. The Canal will soon be lost to the U.S. forever.

Unless a group in Panama who have been critical of the whole thing are able to force a plebiscite on the treaty issue. They are claiming the treaty is not that which the nation approved earlier. Therefore they are demanding a new vote. If they should be able to do so, it is likely the Panamanians themselves will defeat the issue. With the guns behind Torrijos, however, don't pin your hopes on it.

Within a matter of years—months—American Naval forces will be using the long trip around the southern end of South America more and more. Within months, the cost of agricultural products and other products shipped through the canal will begin to rise and another inflationary spiral will show itself here in the United States—and in other nations whose economy is touched by what happens in Panama.

With our naval bases lost in Panama, the Carribean will soon be almost a lost sea. American influence in the area will dissipate. Cuba and Libya will likely become the stronger factors. The red flag will be more solidly based in the American hemisphere.

American history will remember that the Monroe Doctrine was killed when Kennedy withdrew from Cuba after sweeping the field . . . and American influence in Latin America suffered a heavy blow when international bankers controlled the Congress, under peanut farmer Carter.

Now the Panama Canal has been lost, how soon Guantanamo?●

WHAT'S AT STAKE IN SALT

HON. MARJORIE S. HOLT

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 11, 1978

● Mrs. HOLT. Mr. Speaker, the distinguished chairman of the House Armed Services Committee, the gentleman from Illinois (Mr. PRICE), on May 4 established a Panel on Strategic Arms Limitation Talks (SALT II) and the Comprehensive Test Ban Treaty (CTBT) with Members selected from the Subcommittee on Intelligence and Military Application of Nuclear Energy. I am honored to be on that panel. The other members of the panel are: The gentleman from California (Mr. CHARLES H. WILSON), chairman; the gentleman from Michigan (Mr. CARR); and the gentleman from Alabama (Mr. DICKINSON).

The gentleman from Illinois (Mr. PRICE), in his charge to our panel, said:

In the case of SALT, the developments are moving more rapidly than in the case of the other negotiations. The members of this panel will want to begin their review at the earliest opportunity and I believe they should visit the negotiations site in Geneva.

There are indications that there might be a summit meeting concerning SALT as early as this summer. The panel should be prepared to report back to the subcommittee in time for a report to the House prior to the formal submission of any proposals to the Congress. I think it would be helpful, however, if possible, if the panel could report back prior to any summit meeting which finalize the proposals. I have asked the Chairman of the Panel, Mr. Charles Wilson, to judge his schedule accordingly.

Mr. Speaker, the action taken by the gentleman from Illinois (Mr. PRICE) is most timely. Recently, certain members of the House Armed Services Committee, by invitation of the Supreme Soviet to the committee chairman, visited the Soviet Union. While there we discussed with members of the Supreme Soviet, the Foreign Ministry, and top military officers including Marshal Ogarkov, the Soviet Chief of Staff, the programs on SALT, military budgets, and other national security matters of mutual interest to our two nations. We also stopped in Geneva for a briefing by Ambassador Earle and his staff on the progress of the SALT negotiations.

I am concerned that the bargaining position of the United States is weak. I have never believed that "bargaining chips" were a valid way to negotiate a treaty upon which hangs the fate of our Nation. I am further discomforted by the fact that even if I believed in such an approach, this administration has given away many of the chips.

In this connection I recently came across an excellent article by John A. Roche in the May 1 edition of the Baltimore News-American, entitled "What's at Stake in SALT Talks."

I commend it to my colleagues:

[From the Baltimore News-American, May 1, 1978]

WHAT'S AT STAKE IN SALT TALKS

(By John P. Roche)

The average citizen reading about our Strategic Arms Limitations Treaty (SALT) negotiations with the Soviets must wonder if he has been accidentally shipped through time to an early Christian council arguing the nature of the Godhead.

The arguments are extraordinarily intricate and the debate quasi-theological, with each side assuming—fully in the tradition of the Christian Fathers—the other is out to pull a fast one.

However, there are some basic considerations that provide perspective on the issues.

The first and most important is the difference in premises between Washington and Moscow. We want a treaty to minimize the risk of nuclear war; the Soviets want a treaty to minimize the risk of our winning a nuclear war.

They can be the most forthcoming negotiators in history when, as in 1972, they agreed to cut back ballistic missile defense systems—where we had at least a five-year technological headstart. They will, I'm sure, be glad to freeze development of hunter-killer satellites: theirs are operational; ours on the drawing board.

When they spot a major area of U.S. strategic vulnerability, they move firmly to capitalize upon it. Leaving missiles aside, let us examine the dispute over the character of their new Backfire bomber. If it is deemed "strategic," then each plane must be considered a nuclear delivery vehicle charged against the ceiling of 2,400 accepted by the U.S. and U.S.S.R. at Vladivostok in November 1974. Thus if the 85 Backfires currently operational are "strategic," the Soviets should deactivate 85 missiles.

The Backfire is an elegant plane with a range of about 5,000 miles and a speed maximum two and a half times the speed of sound (Mach 2.5). It is equipped with air-to-surface missiles which have a range between 450-500 miles at Mach 3 and could carry nuclear warheads. Backfire has allegedly been equipped with cones for aerial refueling. But is it "strategic"? Moscow says "No!" Why? Because they don't plan to employ it in a strategic mode. Gosh, thanks a lot.

Besides, they add, it couldn't make it to the United States and back without refueling. They don't point out it could, without refueling, make it from a Soviet base to our east coast and with no layover, to Cuba.

But American negotiators are extremely reluctant to push the Backfire issue. I suspect their rationale is right out of "Alice in Wonderland." To put it starkly, we have no air defense system. While the U.S.S.R. has deployed over 2,500 interceptors and well over 10,000 surface to air missiles (including the new SA-10 which hits Mach 5), we have practically eliminated the SAMs which once sat around cities and have some aging F-106s as our "flying coast guard."

A while ago when some Soviet snoops were overflying Atlantic naval maneuvers, the Air Defense Command had to draw on Phantom F-4 fighter-bombers to engage in counter-surveillance.

In short, once we admit the Soviet Union, like ourselves, has a strategic air command, our nakedness becomes inexcusable. The president of the United States could, I suppose, distribute the World War II training manual on what to do when your unit is strafed by a Japanese Zero: (from memory) "Take cover and fire well ahead of the aircraft. One well-aimed bullet has brought down a plane!"

There would be a brawl in Congress over (1) whether the risk really exists or has it been invented by mad cold warriors? and (2) who is to blame? All in all, a messy prospect. Let's take a dive and consider the Backfire just a "heavy medium bomber." This seems to be the logic accepted by the president in current SALT talks.

I have limited my discussion to Backfire because it symbolizes so much of the asymmetrical "bargaining" that has been going on in the SALT talks. Note a decision that Backfire is not strategic gives the Soviets three discrete victories: first, they don't have to decommission 85 existing missiles (plus two a month the estimated Backfire production). Second, they know and we know the Backfire is a strategic weapon, a freebee above the Vladivostok limit. Third, except for radar to provide warning of its arrival, we have no air defense system against the plane and predictably nothing will be done to remedy this gap in our defenses.

Politicians share with doctors the ability to bury their mistakes and there is a vast vested interest in covering up this strategic miscalculation. Backfire is therefore defined as a heavy medium bomber not to be employed in a strategic capacity. If you don't believe Cy Vance and Paul Warnke, ask Andrei Gromyko. He hasn't told a serious lie since 1972 when he promised Chairman Kissinger the Soviets would never encourage an Arab attack on Israel.●

U.S. TUNA CANNERIES CELEBRATE THEIR "DIAMOND JUBILEE"

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 11, 1978

● Mr. ANDERSON of California. Mr. Speaker, 75 years ago, in a modest frame building on the waterfront of San Pedro, Calif., a new domestic industry was born which was destined to become a major economic force in southern California. For it was in 1903 that a small group of industry pioneers opened the first tuna cannery in the United States.

From its humble beginnings in 1903, when total sales came to only $3,500, the tuna industry has grown to the largest single entity in our domestic seafood market. Canned tuna has become a important nutritional source in the diets of many Americans, and the industry has developed into the mainstream of American food processing.

The tuna industry had its birth in the San Pedro community, which is in the congressional district I represent, and it is still an important entity in the area in which it started. So I am pleased to take this opportunity to recognize the success and importance of the tuna canning industry as it celebrates its diamond anniversary.

I would also like to congratulate the men and women who pioneered this industry, and who helped to make it what it is today. Certainly the late Martin Bogdanovich, who founded Star-Kist Foods, was among the leaders of those early pioneers, whose canneries have prospered and grown to become an international industry. He and the many others who have worked and are still engaged in the industry today should be acclaimed for their many contributions to our society.

My friend and constituent, Mr. Joseph J. Bogdanovich, chairman of the Board of Directors of Star-Kist Foods (now a division of the H. J. Heinz Company) recently called to my attention the following article from the April 1978 edition of the Fishing Gazette. It is an excellent chronicle of the growth and development of the tuna canning industry, and at this point I would like to insert it into the record:

U.S. TUNA CANNERS CELEBRATE THEIR "DIAMOND JUBILEE"

The decision by a sardine packer in 1903 to put tuna in a metal can triggered an economic escalation over the past 75 years of an industry which now ranks as the single largest among the United States fisheries.

And all because sardines were in short supply.

In fact, there weren't any to be found where they had once been abundant in the waters adjacent to the Cal Fish Company in San Pedro, California, so like any good American businessman, Albert P. Halfhill experimented.

One of his endeavors, during which he placed albacore in a redwood box and applied live steam, produced a cooked fish with snow-white meat and a chicken-like taste.

That was the start of canned tuna.

Credited now by government and industry historians as the first packer of canned tuna in the United States, Halfhill had to dig deep into his former experiences as a wholesale grocer in Mankato, Minnesota, to move his new product off ground zero.

First of all, he had to convince the fishermen he was serious about canning albacore.

"That ain't eatin' fish," the old-timers on the docks told him.

As a matter of fact, the record shows that one of this country's greatest adventure writers, Zane Grey, shared that opinion. Grey, an avid sports fisherman who frequently tested the waters off Catalina Island with his rod and reel, is known to have brought in fine catches of albacore—only to toss them back in the sea when no one wanted them.

But Halfhill's determination—and his cash—changed the commercial fishermen's minds. In those days, $25 per ton was considered a good price for fish.

That first year—1903—a total of 700 cases of canned tuna were packed with a total value in the neighborhood of $3,500.

This year, marked by its trade association, the Tuna Research Foundation, Inc., for its Diamond Jubilee, the industry will pack more than 30 million cases worth well over $850 million.

What are the reasons for the tremendous growth of a single product line from the natural resources of the world's oceans, a product which is found in almost every American household and which has an annual economic impact on the nation's economy of $1 billion?

Industry veterans credit a number of factors, including:

Availability of the tunas in the world's oceans.

The ability of the American tuna fishermen to successfully compete with the international commercial fleets through the constant use of improved fishing methodologies and gear.

Continued major capital investments in improved machinery, equipment and infrastructure.

Advanced marketing strategies which have made the product an available staple in American diets.

The general public acceptance of canned tuna as a tasty, nutritious and "easy to prepare" food.

The tunas were known to ancient civilizations and were captured in land-based traps by Greeks and Romans along the shores of the Mediterranean. Caught over the centuries by the probable ancestors of the Americans of Italian, Yugoslav and Portugese descent who are now prominent in the United States tuna fishing and canning industries, their abundance on the West Coast was a stimulus to the early packers.

But it was an East Coast broker—"Sig" Seeman—who got things moving in 1906. "I like the way it looks," he is reported to have said when a sample can was opened for him, then added, "I like how it tastes."

It may sound like a present-day TV commercial, but Seeman put his money where his mouth was and ordered a full carload of the product for the New York market.

From then on, the word got out and the California canneries switched over to albacore. By 1913 nine plants packed a total of 115,000 cases and as the United States got into World War I, 36 canneries were moving a total tuna pack averaging a half million

cases. Some supplies of bluefin and skipjack were also added to the pack (1916–1918) and designated "light meat tuna." (Albacore is the only species in the U.S. permitted to be marketed as "white meat tuna.")

About this time the price for albacore at the dock was up to $80 per ton and the fishermen in their small jig boats and trollers were happier than ever about getting paid for the fish Zane Grey used to throw away.

Competition among the canneries became so intense that the fishermen didn't even have to bring their catch to the docks. The packers sent out after them. The canneries employed tenders to chug along the fishing runs and purchase—in cash—the tuna from the scattered fishing boats, store it on board and return to the cannery with a full hold. Thus, the fisherman could continue his profitable pursuits and also skip an 18-hour trip back to the docks.

A typical tuna tender of that period was the *Theohi*, a 70-foot vessel with a 17-foot beam and eight-foot draft powered by an 80 h.p. heavy duty motor. Her hold capacity was 50 tons but she was designed for an additional large top load of fish between the bulwarks and the deck.

Added to the cash payments and the convenience factor, another incentive for the exchange of fish at sea was the hot meals offered by the tenders whose galley experts often claimed their gustables were really what attracted the fishermen-clientele.

The demand for canned tuna was greater than the albacore supply could accommodate so canners increased the pack of yellowfin and skipjack tunas—the light meat flesh with the rich, full flavor. This proved provident since in 1926 a long term cyclical change in oceanogaphic conditions occurred off Southern California. The albacore disappeared completely from the coastal waters.

With appetites growing for tuna salads and casseroles, however, the California cannery pack rose to 1,210,363 cases and the fishermen's vistas expanded when the elusive, highly migratory yellowfin and skipjack were found in a 3,500 mile span of ocean—from Southern California to Northern Peru.

This vast and productive span of fishing grounds enticed the American tuna fisherman to invest in larger boats with the capacity to harvest the tropical seas for weeks and often months at a time.

Changes in operational methods followed as a matter of course. Fish holds were insulated for preserving the well-iced catch during the longer periods at sea. Roomier quarters were provided for the larger crews and gasoline engines were replaced by the more economical diesels.

That period in the middle twenties was the beginning of a technological boom in the tuna fishery—at sea and on land—that brought about such developments as quick freezing, the use of refrigeration, vacuum seamers, collapsed cans and mechanical innovations such as high speed filters and casing and handling machines.

It was also the hey-day of the long-range bait boats, the sleek clippers whose brawny crews hauled aboard tons of fighting tuna using one- two- and three-pole rigs. Once the boats located the tuna schools in the Eastern Tropical Pacific Ocean, the combination of human muscle and plenty of live anchovies to chum brought in the payolads.

Statistics from the old Bureau of Commercial Fisheries for 1938 show the way the action was going. American tuna fishermen caught a total of 68,200 tons that year and 51,100 tons were caught off Latin America! Of the total tunas landed, 8,848 tons were albacore.

The year 1938 also rates special mention as the time when huge schools of albacore were discovered off the Oregon coast by salmon fishermen only a day's journey from their canneries at Astoria. This extended the range of the tuna industry since the salmon packers were quick to take advantage of this convenient source of supply.

World War II and its aftermath brought about additional changes in the tuna industry—as it did in the lives of countless millions. Consumer demand for the product increased when protein food shortages and the Lend Lease Program for U.S. allies pressured the domestic market for a steady supply of nutritious and economical foods.

The tuna fleet went to war. About 60 per cent of the clippers requisitioned by the Maritime Commission and the U.S. Navy plied the Pacific on missions ranging from scouting to supplying troops in outer island bases.

Despite all their difficulties during the times that tried the nation, canners and fishermen kept production schedules moving and, as one old-timer in the business put it recently as he reminisced in his Terminal Island office:

"The tests we were put to, the ingenuity called for in 'making do' such as the short cuts devised without sacrificing product quality . . . these were all instrumental in advancing the technologies in our plants which make us tops in the fish canning industry."

The new techniques were put into operation when the industry established its first cannery in Ponce, Puerto Rico, in 1953 with 122 workers and an annual payroll of $117,200. So succesful was this venture that today there are seven tuna processing and packing plants on the island employing 6,682 workers with a total payroll of $34.6 million.

The fishermen also weren't left at the dock in the industry's planning and progress.

Purse seining came along in the 1950's and the second part of the tuna revolution in this period was fitted perfectly into the picture.

Actually, purse seining for tuna didn't just happen.

The method of enclosing an encircling net at its bottom by the use of a rope or cable running through rings was practiced by Atlantic Coast fishermen as early as 1826—but the catch was menhaden. On the Pacific Coast the first use of a gasoline-powered purse seiner with a five h.p. motor was recorded the same year tuna was canned—but the catch was salmon.

In 1914 some tuna purse seining was done by innovative pioneers out of the San Pedro port, but it was not until considerable experimentation that it became more widespread.

The development of the long-wearing nylon nets and the power block plus perfection of brine refrigeration gave the American tuna fishermen the efficiencies which were imperative to meet an economic squeeze caused by low-priced Japanese imports.

Prolonged absences of baitfish and foreign government constrictions also contributed heavily to the move toward the more scientific and productive technique of purse seining.

By 1961 about 75 former bait boats had been converted to purse seiners (at costs ranging from $100,000 to $200,000 including the nets) and the keels for new and larger capacity seiners began to fill the ways of shipyards.

One idea of the growth of the U.S. Fleet is seen in this table from the 1975 Report of the Inter-American Tropical Tuna Commission:

Components of U.S. tuna fleet—Total carrying capacity

1957

176 Baitboats; 40,700 short tons.
54 Seiners; 6,600 short tons.

1975

53 Baitboats; 5,253 tons.
139 Seiners; 115,400 tons.

The country's purse seine tuna fleet has almost trebled the efficiency and capacity of the U.S. tuna fleet during a 12-year period. The modern purse seiners when fully equipped, cost from $3.5 million to $5 million each and many have a carrying capacity of up to 2,000 tons of tuna. Replacement value of the U.S. Fleet is estimated at well over $500 million and this figure represents more than 30 per cent of the total replacement value of the entire U.S. fishing fleet.

With approximately four-fifths of the catch contributed by purse seiners in 1976 commercial landings of tuna in the U.S., Puerto Rico and American Samoa were a record 329,950 tons valued at almost $200 million.

In view of the ever-increasing competition from the international tuna fleet, the overall continued viability of the U.S. tuna fleet effort is thus seen to be considerably dependent over purse seining.

Over the past 75 years the basic goals of the principal protagonists of the industry have remained the same. The fisherman to catch the tuna—the processor to can it properly.

But as the methodology of the fisherman has progressed from the jig boat of one-half ton to the 2,000 super seiner, so has that of the tuna packer.

As soon as a clipper docks with its catch, a highly perfected food processing operation begins. Conveyors speed the frozen fish to giant thawing tanks and then the thawed tuna receives its first inspection before cleaning and sorting, loading onto racks for pressure baking in huge steam cookers.

In a gigantic processing room the cooked and cooled tuna are carefully skinned and boned. Red meat is put aside for use in pet food and the tenderloins are cut into four prime filets and inspected once again.

Since only the prime flesh areas are used in the tuna pack, a fish weighing a total of 20 pounds will provide a total of nine pounds of prime meat—enough to fill 22 cans of the familiar 6½-ounce size.

Out of the processing rooms and into the packing area, tuna loins are moved to a filling machine that prepares solid-pack tuna or to a mechanized chopper that packs chunk style tuna.

Every can is visually inspected by a quality control technician and any weight variance is corrected during this inspection. The next step along the assembly line is to where tiny spigots add precise amounts of fine grain salt, vegetable broth and pure vegetable oil. A water pack receives only salt and spring water while the diet pack is salt-free.

Once the cans are vacuum sealed, they are weighed again and moved into giant retort ovens where they are cooked for a precise amount of time, a process which blends all the fine seasonings to a peak of tenderness and taste.

The entire complicated procedure involving hundreds of men and women and machines may not be exactly what Albert Halfhill envisioned when he put the first albacore in the redwood box 75 years ago but then—isn't it all typically American? ●

ENERGY CONVERSION COSTS

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 11, 1978

● Mr. COLLINS of Texas. Mr. Speaker, The present Energy Conference bill does not face up to many of the major issues. It does not provide for the matter of energy conversion cost. I have just seen the startling costs that U.S. industry must assimilate under the Democrats' energy plan. This evaluation was written up in

a 50-page report by Prof. Hossein Askari of the Texas University business school and Dr. George Kozmetsky who is the dean of the graduate school of business of Texas University.

The minimum investment cost for changes will be $220 billion; $220 billion is one thousand percent of the U.S. aggregate annual investment in machinery and equipment in the manufacturing sector. There will be additional capital required for environmental directed investments in the amount of $50 billion. Then the operating cost to produce the energy might run as much as double depending on the operating situation.

Let me call your attention to the summary schedule made by Dr. Kozmetsky and Dr. Askari. This is not just a major concern of Texas, as the 10 States that have the highest conversion replacement costs include Texas, Pennsylvania, Ohio, New Jersey, Louisiana, Illinois, New York, California, Indiana, and Michigan.

The present Congressional Energy Conference report requires much more study. There should be more concentration to provide additional domestic energy resources. This conference energy bill concentrates entirely on how to allocate America's resources and overlooks the investment costs plus environmental costs that are related to the tremendous capital cost.

Below is the summary statement:

EVALUATION OF THE CONVERSION OF U.S. INDUSTRY AND THE NATIONAL ENERGY PLAN

(By Hossein Askari and George Kozmetsky)

We are convinced that vital national and international interests require all-out energy production and conservation in the United States. Our study, however, leads us to somewhat different conclusions than the NEP regarding industrial conversion.

Our major conclusions are simple. First the transformation of U.S. industry from oil and gas to alternative fuel sources, such as coal, will place a substantial economic burden on the nation. Our expected minimum investment cost of such a change is in the order of $220 billion; this figure is much higher than casual estimates that have been produced and represents about 1000 percent of U.S. aggregate annual investment in machinery and equipment in the manufacturing sector. Furthermore, the $220 billion makes no allowance for additional capital required for environmentally directed investments which alone could be in the order of $50 billion; nor does it allow for increased operating costs of the new facilities. These alone could be an additional charge of as much as $13.50 per short ton for low sulphur coal. We have not even included an estimate of the social capital requirements associated with the relocation of plants or expansion of newer energy resources required by federal, state and local governments. Second, the regional impact of such a policy will be very skewed. That is, the absolute impact will be greatest on the large industrial states. The cost for Texas alone will be in the order of $20 billion. Third, five industries will bear over 70 percent of the necessary conversion costs. In short, besides the overall costs, large regional and industrial distortions will be also introduced into the U.S. economy.

Most fundamental to the National Energy plan, we have serious reservations about any policy of mandatory conversion within a specific time frame and source of energy. We have argued that it is unclear that conversion will improve the U.S. trade balance. We argue that a national policy of stockpiling of strategic oil reserves is a lower cost method of insurance against an oil embargo from abroad. And instead of conversion, we should enact strong incentives for industrial conservation and the development of new technologies. This combination of policies would appear to be the best course of action for the United States.

We, therefore, urge Congress to carefully consider these issues before enacting any legislation regarding our national energy priorities.●

IN HONOR OF PAT SCULLIN

HON. MICHAEL O. MYERS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 11, 1978

● Mr. MICHAEL O. MYERS. Mr. Speaker, I would like to share with my colleagues the remarks made recently by our distinguished Member from Pennsylvania, RAYMOND LEDERER. These fine words were spoken in honor of Pat Scullin at the old times basketball awards ceremonies in Philadelphia on April 9, 1978.

I had the pleasure of working with Pat Scullin for many years on the Philadelphia waterfront. We were both members of Local 1242 of the International Longshoremen's Association, and I am proud to be counted as one of Pat's numerous friends.

At this time I would like to insert Congressman LEDERER'S remarks into the RECORD:

It has been over fifty years now since a young man of Irish descent began a love affair with the game of basketball. This 70ish gentleman passes the squares and playgrounds in his neighboring Fishtown and Kensington wearing his old felt hat. He pauses to watch as youngsters go for the hoop. He is the man who helped start a dynasty that this year saw his parish, St. Mike's, take second place in the boy's league and win the championship in the girls basketball league. But we're getting ahead of the story. Who is this man you call Pat? His many nephews and nieces know him lovingly as Uncle Johnny. The bachelor who never forgot that kids need movie money, or how great it is to be remembered at Christmastime or the delight of a jar of pennies and nickels when summer vacation begins. And yes, the price of a sporting event. Let us stop here and go back over the years.

Pat Scullin was a great fan of the game. He spent his time at Second and Jefferson Streets watching the St. Mike's Catholic Club. Pat never played on a high school five or on active clubs in his youth. He had to earn a living.

It was close to sixty years ago and Tom Mallon was coaching St. Michael's Big five on the old American League at Second and Jefferson. The youngsters would watch the Big five and dream of the day they would get their turn.

Because of Pat's enthusiasm, they asked him to coach and they soon became known as the St. Michael's Midgets. They would play before Mallon's Big five teams took the floor.

Before long, their excellence was noticed. Many asked, who is this coach who never played himself?

Rather than be bench warmers to champions, their coach moved them to St. Francis Parish.

Ringers?

The Midgets became the second team at St. Francis where they went on to win the championship.

The league reorganized and the new rules declared members of the North Catholic League would have to represent their home Parishes. Pat Scullin's Midgets went home; only now they would be the first team. Pat Scullin's team became a legend with names like Joe Meehan and Hopkins at the guards, Lowtiz at Center, Joe O'Toole and Joe McCann at the forwards, and the greatest 6th man ever to come out of that grand old Parish, Clem Meehan, left a legacy that is with us today.

Pat still rolls along in his own unassuming way. When the Second World War broke out, Pat volunteered. Though much older than his newly inducted comrades, he saw he was needed and he enlisted. This is the story of Pat Scullin's life. From his brothers and sisters, nieces and nephews, friends and colleagues, we want you to know that whenever there was a need Pat Scullin was there.

Uncle Johnny, thank you for the lesson—action not words. Would you join me in applauding a great coach.●

BISHOP BEKY HONORS COLONEL KOVATS

HON. EDWARD J. PATTEN

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 11, 1978

● Mr. PATTEN. Mr. Speaker, my good friend the Right Rev. Bishop Zoltan Beky offered the opening prayer for us today, the anniversary of the death of Col. Michael Kovats de Fabricy. Colonel Kovats died on this date, May 11, 1779, in the battle of Charleston, S.C.

I wish to pay tribute to this brave soldier who came from the other side of the ocean—from Hungary—to fight in the Revolutionary War and to use his skill and knowledge in the art of warfare: the use of light Cavalry, which in those times was of great consequence and often was the decisive factor.

This brave man came to fight for an ideal so precious to us all: Liberty and Independence.

Thousands of years of heritage dictated this choice by Colonel Kovats. His people had been fighting for liberty—almost constantly—for a thousand years, yet they still seek their freedom and independence.

Colonel Kovats came to America with the recommendation of Benjamin Franklin, to whom he offered his meritorious service in his now famous letter. Colonel Kovats signed that letter with the Latin motto "Fidelissimus and mortem"—most faithful until death.

Shortly after arriving in America in 1777. Colonel Kovats joined the company of Count Casimir Pulaski, who had persuaded General Washington to give Kovats a special task. With his great military experience he was asked to organize and train the famous division of Hussars.

The Pulaski Legion and Kovats Hussars fought the British bravely on many occasions.

On March 28, 1778, the Pulaski Legion was ordered to leave Yorktown for South Carolina. When the Legion arrived, Charleston was under siege by the British. The situation was critical.

In response to this state of affairs, Colonel Kovats decided to provide some

relief with a cavalry division. On May 11, 1779, he attacked with his Hussars but was defeated. He was killed in the battle. But this brave attack caused a turning point in the war. Charleston was later saved.

Colonel Kovats was buried there and Brigade Major Skelly paid him the greatest tribute in a eulogy at graveside, calling him "the best cavalryman the Rebels ever had."

This great man, coming from Hungary and willing to fight and lay down his life for the freedom and independence of our country, blazed a shining trail for Hungarians who later came to this country and continue to contribute so much to the development of the Nation and its cultural and moral heritage.

Mr. Speaker, it is a pleasure to pay tribute today, the anniversary of his death, to Col. Michael Kovats de Fabricy.●

INSURANCE INDUSTRY ABUSES

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 11, 1978

● Mr. LaFALCE. Mr. Speaker, I have recently introduced H.R. 10472—the Federal Insurance Commission Act which provides for the creation of a Federal Regulatory Agency to regulate the insurance industry in those areas where State regulation is deficient. This bill results in part from hearings held by my Subcommittee on Capital Investment and Business Opportunities, which uncovered rampant abuses by insurance companies in the area of product liability. Others in Congress are investigating insurance company practices regarding red lining, and rating classifications. The following article by William F. Buckley, Jr., appeared in the Washington Star on May 5, 1978, and suggests, that the mere filing of a claim for the precise risk insured against may in some instances result in cancellation of insurance. The insurance industry—which touches the lives of each citizen of this country—has too long been exempt from Federal scrutiny. It may well require congressional action to eliminate abuses such as Mr. Buckley describes.

The article follows:

FILE CLAIM AT OWN RISK

(By William F. Buckley, Jr.)

A friend endowed with a low threshold of what the Hon. Daniel Patrick Moynihan has called "crap-toleration" bought a house in the country and took out insurance on it 12 years ago. The seasons came and went, and he paid in his premiums promptly, never suffering fire, theft, or natural catastrophe.

This winter, the severest in history, his pipes froze. The insurance company in due course issued him a check for $3,000. During the preceding years, he had paid to the company premiums amounting to about $15,000. Last week he received a communication from the company.

On hearing the description of it I concluded that my friend and I must be insured by the same company. It struck me as inconceivable that two companies would be so practiced in the brutal arts. It turns out that there are two companies, not one. And for all I know, the communication we both received is standard in the business.

"Re John M. Jones, Policy No. 345 786 892

"You are hereby notified that your policy will be discontinued effective: May 12, 1978.

"Reason:

"Failure to pay premium——

"Failure to provide requested information——

"Medical——

"Other: ——x prior claims

Now these are the same gentlemen who, when they write you soliciting your business, use a voice described by George Orwell, referring to BBC broadcasters, as genteel and throaty." When they come to your house, they are a combination of Florence Nightingale, Edward Bennett Williams, the Archangel Gabriel, and the cop on the beat. They will look after you. Put your faith in the Amalgamated Insurance Company of America, and go gently to your destiny.

What they don't tell you is that the minute one of those computers finds that you have filed a claim for what you are insured against, you are either dropped via a form letter, or your rates rise to the point of repaying, in effect, the claim for which you have been insured.

It is not the least vexatious part of the whole business that the insurance companies appear to be entirely unconcerned with the question of responsibility. When my family suffered a theft, no insurance agent came around to ascertain whether we had taken reasonable precautions against theft. No one asked my friend whether he had guarded against the possibility of his pipes' freezing. There is no time for any amenities. We have all had bad trips with the federal bureaucracy. But the least government clerk is Dale Carnegie alongside the insurance companies.

I recall the shock in late November, 1972. Richard Nixon had been re-elected. A decision had been made to clean house of holdovers. Mr. Haldeman's reputation for brusqueness was enhanced by the form letter he sent out.

"Dear ____ Please submit your resignation to the President by November 31. Yours truly, H. R. Haldeman." Now this letter didn't go out to political hacks, though presumably they got the same letter, It went out to hundreds of people who had been volunteering their services on presidential commissions for no pay—in discharge of the civic imperative. It made no difference to a White House inflated by an inflationary victory which ultimately brought desolation to its principals.

The symptom is identical. When someone is useful to you—to perform a civic service, to pay an insurance premium—the attitude is one thing. After that, one acts like Don Giovanni toward Elvira. And look what happened to Nixon and Don Giovanni.

Will it happen to the insurance companies? Except for one's dogmatic belief in the private sector, sometimes one almost hopes so. The telephone company has survived as a monopoly by its marvelous public manners. Now imagine a situation in which a telephone is removed from a customer because he does not run up enough long distance charges, and therefore a statistical loss. That is the way the insurance companies, with their wall-to-wall carpets and smiles treat you.

And my friend and I are pledged to pass along the word, and then to encourage a company, assuming one exists, whose computers have been taught table manners.●

MILWAUKEE JEWISH LEADER OPPOSES ARMS SALE

HON. ROBERT W. KASTEN, JR.

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 11, 1978

Mr. KASTEN. Mr. Speaker, the current controversy over the proposed sale of aircraft to Israel, Saudi Arabia, and Egypt concerns all Americans who desire a balanced peace in the Middle East.

Lloyd Levin, a leader in the Milwaukee Jewish community, has written a very thoughtful article for the Milwaukee Journal.

Mr. Levin's timely commentary accurately describes the major issues at stake in this debate. He is correct in asserting that the sale of planes to Saudi Arabia and Egypt "will be detrimental to the pursuit of peace in the Middle East."

I commend Mr. Levin for his excellent article, and I recommend it to my colleagues:

[From the Milwaukee Journal, May 11, 1978]

SALE OF U.S. ARMS TO ARAB NATIONS WOULD UNDERMINE BALANCE OF POWER IN MIDEAST

Congress has only until May 28 to reject, by majority vote in both houses, the first multiple country arms package ever proposed by any United States administration. It is important that our elected representatives understand that the airplane sales to Egypt and Saudi Arabia will be detrimental to the pursuit of peace in the Middle East. Our ally relationship with Israel, on the other hand, must be strengthened; it has served the best interests of both parties for the last 30 years.

The United States has provided Israel, particularly since 1973, with military and economic aid. Israel, the only democracy in the Middle East, has given the United States captured sophisticated Soviet military hardware together with invaluable military intelligence. This has been confirmed by the United States Air Force's former top intelligence analyst for the Middle East, Joseph Churba.

ISRAEL'S STRENGTH PUT IN JEOPARDY

Current administration and State Department policy has become recklessly pro-Arab. It is obvious that President Sadat would never have gone to Jerusalem if Israel were not strong. The Carter administration will jeopardize Israel's relative strength by completing the package sale of fighter bombers to Egypt, Saudi Arabia, and Israel. Even the Pentagon regards the number of planes proposed by the administration to be substantially balanced in favor of the Arab states.

President Carter should be reminded that candidate Carter said to the American Jewish community in September, 1976, "We must supply Israel unequivocally and in the full amount necessary in economic and military aid so Israel can pursue peace from a position of strength and be protected against any foreseeable attack." The "all or nothing" package airplane sale obviously contradicts Carter's earlier statements and the written guarantees given to Israel at the time of the signing of the Sinai II accords.

OIL POLITICS PLAY SIGNIFICANT ROLE

Saudi Arabia has been responsible for a 415% increase in the price of oil since 1973. This fact of "oil politics" contradicts the friendly impression perpetrated by Saudi

Arabia with reference to the most recent "modest" 5% oil price increase. Further, it has often been stated that Saudi Arabia is not a confrontation state in the Arab-Israeli dispute. However, it is known by United States officials that Saudi troops participated in the October, 1973, war. In addition, Egyptian pilots have been receiving their training in American F–5s, courtesy of Saudi Arabia, which violated the arms transfer agreement between the U.S. and Saudi Arabia.

During Prime Minister Menachem Begin's recent talks with Carter, Carter pressured the Israeli leader by saying that "on his shoulders rests the responsibility for the future of his own people, the people of the Middle East and indeed of those who love peace around the world." We should remember that it was Egypt and not Israel that terminated the talks after only one and one-half days. It is Egypt, not Israel, that refuses to advance a flexible peace plan for negotiation. It is Israel that says, in adherence with U.N. Resolution 242, "all issues are negotiable."

Sadat must be made to understand that he cannot use the United States to force Israel into unrealistic concessions. The airplane package and U.S. pressure on Israel are destructive and blatantly wrong. Our voice at this critical time should strongly encourage the Arab states to resume sincere negotiations with Israel, without preconditions and without providing the Arabs with sophisticated warplanes. Only in the context of those negotiations and Israel's continued relative strength will true peace be achievable in the Middle East.

A TRIBUTE TO MRS. EILEEN MILLER

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 11, 1978

● Mr. STARK. Mr. Speaker, it is with much pleasure that I ask my colleagues to pause a moment to reflect upon an outstanding individual. Mrs. Eileen Miller of California will soon be retiring from her teaching position in San Lorenzo Unified School District after a long and dedicated career as a public servant.

Mrs. Miller came to San Lorenzo, Calif., in June 1947 where she taught for the past 31 years. But her teaching career has not been restricted to California. In fact, she has also taught in Nebraska and Montana.

This woman distinguished herself by inspiring her whole community through her amazing energy and enthusiasm. Going beyond her normal duties, Eileen Miller spent countless afterschool hours devoted to her students. Most importantly, she gave to the individual student. She has that special quality which enabled her to recognize and pay special attention to the talents, needs, and abilities of each and every student. This is where she will be remembered the most: In the hearts and minds of the young people.

Mrs. Eileen Miller's friends will be honoring her at retirement dinner on May 30, 1978. However, I do not believe her retirement signals an end to her influence among her colleagues, students, friends, and family. If past is any predictor of the future, she will continue to serve as a model to the education community and to all who know her.●

THE FOUNDING OF ISRAEL

HON. JAMES J. DELANEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 11, 1978

● Mr. DELANEY. Mr. Speaker, the Declaration of the Establishment of the State of Israel has proven to be, and I am certain will remain, one of the most impressive and far-reaching declarations of modern times. It is truly inspirational that the high ideals proposed by this young-yet-ancient nation 30 years ago have been fulfilled, and that they serve not only Israel but the cause of free men throughout the world.

The ancient Hebrews first came upon the land of Israel about the 18th century B.C. At that time the patriarch Abraham led his people to what was then called Canaan, and later became Palestine. The Hebrew tribes settled around the periphery of the Canaanite civilization and remained there utill their enslavement by the Egyptians.

It was not until 400 years later, in the 14th century, that Moses led the Hebrews out of Egypt in the Exodus back to the Promised Land. Once back in Canaan, there was at first a period of tribal organization and of rule by the judges. Then in the 10th century B.C. a monarchy was instituted under King Saul. His successor, David, consolidated the kingdom by drawing the tribes together under his rule and established his capital in Jerusalem around 1000 B.C.

More than 400 years later the Jewish state of Judah was conquered by the Babylonians and its people dispersed. This conquest resulted in the first Babylonian captivity and the destruction of the First Temple of Jerusalem.

Cyrus the Great of Persia returned the Hebrews to Palestine and sanctioned the construction of the Second Temple in the reestablished capital at Jerusalem. For the next four centuries the Jews enjoyed relative autonomy, but beginning in 168 B.C. started revolting in response to attempts to interfere with that autonomy. A series of revolts and suppressions ended with the Roman conquest of Palestine in 70 A.D.

From the last valiant stand of the Jewish defenders against the Roman conquerors at Massada in 73 A.D. until May 15, 1948, there was no Jewish nation in Palestine. During these more than 18 centuries most of the Jewish people were in the "Diaspora," that is, dispersed all over the world but without loss of their identity. It is from the Diaspora that the Jews returned to Palestine to reestablish an independent Jewish state.

It is the founding of that modern Jewish homeland three decades ago that we commemorate today. A national homeland, as stipulated in the Balfour Declaration of 1917, and one dedicated to principles such as the following which were written into the Declaration of the Establishment of the State of Israel:

> It will be based on freedom, justice, and peace as envisaged by the prophets of Israel; it will insure complete equality of social and political rights to all its inhabitants irrespective of religion, race, or sex; it will guarantee freedom of religion, conscience, language, education, and culture . . . and it will be faithful to the principles of the Charter of the United Nations.

Mr. Speaker, let all join in saluting Israel on its 30th birthday, and let us pray that it will soon enjoy the peace it desires, one which its people have made great sacrifices for and richly deserve.●

CETA: THE OTHER SIDE OF THE COIN

HON. MICHAEL O. MYERS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 11, 1978

● Mr. MICHEL O. MYERS. Mr. Speaker, there have been several news stories of late citing cases where the CETA program has been repeatedly abused by prime sponsors and local officials. No one would suggest that these stories not be printed, however, I think at times we forget that there is another side to the coin. Yes; abuses have taken place, but I am sure that they are the exception rather than the rule.

I would like to take this opportunity to give just one example of the many successful CETA programs that are operating in my city of Philadelphia.

Less than 1 year ago on October 3, 1977, Mr. Joseph Ponzio and the Guerin Civic Association filed for a CETA contract under title VI to establish a public service program for senior citizens. With 50 CETA employees, who live in the community, they now provide numerous services for 1,700 senior citizens in the area. Utilizing a youth recreation center during school hours, they serve 200 meals a day to the elderly. They also deliver another 87 meals a day to shut-ins. The association provides transportation for medical appointments and for shopping. They organize small trips and work in cooperation with the Jefferson Medical Center to provide group dynamics to assist in resocializing senior citizens.

The program also employs 20 homemakers and 6 social workers to visit clients and provide any needed service. At the center, there are eight volunteer doctors and a health aide to provide medical assistance. The group has also assisted in placing senior citizens in employment. All in all, in the last 7 months the Guerin Civic Association senior citizens program has provided 28,974 direct client services of multitudinous variety to the senior citizens in the area.

The program has succeeded in three ways. It has helped to alleviate unemployment in the community by hiring eligible workers to carry-on the program and by providing assistance to senior citi-

zens in finding employment. It has helped the economy of the area because 70 percent of the CETA salaries are spent in the community. And it has provided necessary services to the community which otherwise would not have existed.

This program would not be operating today in Philadelphia if CETA did not exist. The 1,700 senior citizens and the 50 CETA employees would not have been helped if it were not for CETA.

The concept behind CETA is sound. It is a good program. The new CETA legislation, which has just come out of the Education and Labor Committee, is a strong, reform measure which will put a lid on further abuses of CETA. It will provide the necessary means to police and to punish any misuse of funds.

The committee has taken the necessary steps to correct the problems. The Congress must not destroy a sound employment program, which has helped hundreds of thousands, because of a minority who had given it a bad name. When this bill reaches the floor, I would urge all of my colleagues to give it their full support and thereby support the many people in the Nation who need and are deserving of the assistance CETA can give.●

GOOD JUDGMENT SHOWN BY ROCK ISLAND RAILROAD

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 11, 1978

● Mr. DERWINSKI. Mr. Speaker, I call the special attention of the Members to a very practical program in meeting the transit needs of the Chicago metropolitan area. Specifically, the Chicago Regional Transit Authority has achieved an excellent working agreement with the railroads serving the metropolitan area.

One such case is the Rock Island Railroad which is commended in an editorial appearing in the Suburban Economist Newspapers of May 3. The newspaper also praises R.T.A. board member Gene Leonard, for his special effectiveness in negotiating this agreement. I am pleased to insert the editorial at this time:

THANKS, ROCK ISLAND

We thank the Rock Island Railroad for acceding to the request of the Regional Transportation Authority for permission to go ahead with repairs on the tracks while negotiations for their purchase continue. They showed good judgment and a desire to cooperate by reconsidering their original position, which was not to permit the repairs, during the negotiations. Thus, they helped avoid what probably would have been another long and costly court case for both parties.

We also commend the RTA for taking a strong position at the outset and blowing the whistle on contemplated action by the Rock Island that definitely would not have been in the public interest. For this the Southwest Suburban member of the board, Gene Leonard, deserves major credit.●

WHITE PLAINS TO LOSE JOBS

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 11, 1978

● Mr. OTTINGER. Mr. Speaker, for the past few years the Northeast region has suffered severely from our economic recession. To add to these problems, A.T. & T. has decimated one of its major long lines offices located in White Plains, N.Y. This decision has been counter to the welfare of the region, and in its turn will prove to be counter to the benefit of A.T. & T.

Obviously, A.T. & T. has not adequately considered the impact of its move upon its employees or this community. However, I hope it will consider the thoughtful suggestions prepared by its employees in a report entitled "White Plains Long Lines Job Losses."

I wish to insert this report in the RECORD, since this is a matter which should concern all Representatives from the Northeastern States which have been enduring a continual job drain:

WHITE PLAINS LONG LINES JOB LOSSES

(By Eleanore Collins)

A substantial job loss in the White Plains Long Lines office has decreased its employee body by nearly 22 percent since December, 1970. Although automation determined some of the force reduction the major loss was caused by work reassignments to other areas during the past seven years. Some of the work went to New York City but most of it went to Bedminster, N.J. and Cincinnati, Ohio.

A job loss of 22 percent because of automation and job reassignments to other geographical areas should be a major concern to the Long Lines and Bell System management as well as to the employees and the community. White Plains is part of the New York Metropolitan area and the Northeast region which has suffered severe economic repercussions from the 1974–75 recession. Therefore, it would be to the Company's advantage and the communities' welfare if a good part of the work was returned to White Plains.

Although automation and work reassignments have decimated some departments, job handover from White Plains to other regions is expected to continue. In the "Newslines Northeast", October 17, 1977 issue, page 4 an article "Where the Jobs Will Be" described the expected loss of area jobs and the 21 percent gain in headquarters' jobs which are to be centered in Bedminster. It also stated that while most areas will "experience slight declines" Western, Midwestern and Central areas will increase the number of their jobs. White Plains is in the Northeast area and the implication is very clear that force declines will continue in this location.

Personnel losses have been felt in both management and non-management. According to Company records compiled for the yearly United Way Campaigns, the White Plains Long Lines office in 1970 employed 3,028 people; the number of employees steadily declined after that, and by 1975 had dropped to 2,563. In 1976 the records showed 2,514 and by the end of December 1977 the payroll totalled 2,337 persons. This was a total loss of 691 people or 22 percent between December 1970 and December 1977. Between 1975 and 1977 alone the loss equalled 226 employees or over 8 percent.

A twenty-two percent loss over seven years or the more recent eight percent payroll decline in two years is large enough to have an adverse effect on surrounding businesses. It also means reduced community and state taxes. Furthermore the job loss affects morale. The employee body has become stagnant as hiring is almost non-existent and promotions are few and far between. Those job slots that are open are filled by personnel whose jobs have disappeared and are waiting for reassignments. Lack of upward job movement affects both community standards and the employees' welfare.

Two hundred White Plains Traffic Operating jobs have gradually vanished during the past two years. They will be gone completely when the Traffic Operating Center closes in 1978. Automation has taken its toll, but those jobs that were left went to other areas including New York City, instead of being left in White Plains. At the present time 85 Traffic operators are waiting to be resassigned.

Automation has also affected the Plant Operations. It has reduced the Plant Craft group in White Plains by forty percent. That unit dropped from over 200 people to 120 persons in a little over two years and the surplus Craft personnel have had to be reassigned to existing job slots.

Mt. Kisco, N.Y. has a Data Processing Center related to the White Plains Long Lines Data Center. Five years ago about 105 employees worked there, but gradually the total has been reduced to sixty-five people. Automation caused a loss of fifteen jobs, the rest were reassigned to White Plains (8 people) or to other areas.

Job reassignment cost the White Plains Long Lines another large loss of jobs. In the spring of 1977 sixty to seventy persons were moved from one of the White Plains Accounting departments to Bedminster, N.J. This group reported to Paul Aubrey in the Data Systems Organization.

The largest job loss has been in the White Plains Customer Service Department. This group does the telephone and telegraph facility and equipment engineering on the circuits for private line customers located in the Northeast area. Since 1971 the department has lost about 133 people and may lose almost the entire unit within the next two years. The 1970 Organization Chart numbered 236 people on the fifth floor of 440 Hamilton Ave.; presently, March 1978, the list shows about 103 employees. The change occurred because the work was moved out of the area. Some it went to New York City, but most of it went to Cincinnati, Ohio. People have been hired, reassigned or moved to Cincinnati from other locations to do the work that was obtained from the Long Lines area offices.

In White Plains, through job reassignment the Customer Service Telegraph unit, alone, has lost thirty people during the past six years. Today, it has three engineers and 1½ clerks. The Customer Service supervision in Cincinnati is now being changed to handle a big influx of telegraph work. They plan to take all of the telegraph crcuit layout and customers' station equipment work from all the Long Lines Customer Service engineering groups in the Nation. Washington, D.C. has already sent them their work, but New York City and White Plains have objected to losing more of their work.

Cincinnati at the present time is doing the following work that has been obtained from the Northeast and other areas:

1. Diversity Routing.—Facility routing that certain customers require for their circuits. The line facilities on the circuits are diversified to maintain communications under adverse conditions.

2. Line Facility Assigning & Re-routing.—The assignment of circuit facilities is handled through Cincinnati's computerized records. Requests for assignments are gen-

erated by Engineering Associates from the various Long Lines Area Offices through the proper clerical channels to Cincinnati.

3. Remote CLM 21 and P2138 Forms.—These are forms on which Plant or some Engineering offices request changes on circuit layouts. Cincinnati effects these layouts and routing changes instead of the individual area. The remote CLM 21 work covers only telephone layout changes for Long Lines.

4. Voice Frequency Carrier Layout.—These are the telegraph carrier conductors to which the Long Lines telegraph circuits are assigned. The layout work is designed and engineered from telephone voice frequency facilities by Cincinnati personnel.

5. Posting of Facilities for all of Long Lines Circuitry Work.—This is the posting and record work required to keep the circuit facility records up-to-date.

6. Intermachine Trunk Circuits.—Thousands of these circuits exist between switching centers for telephone private line customers. Cincinnati does the engineering and maintains the records.

Cincinnati would like to take all of the Long Lines Customer Service work as they are presently doing about 30% of it. For the past couple of years they have been processing the remote CLM 21's for telephone layout. They are prepared to take all of the CLM telephone and telegraph work in Long Lines sometime during 1978. Piece by piece the circuit layout work has been disappearing from the various Long Lines Customer Service offices and showing up in the Cincinnati layout group.

During 1977, Cincinnati rearranged some of its engineering department and ended up with a surplus of approximately thirty Engineering Associates. The Engineering Associates were then either reassigned or transferred to other parts of the Nation. These moves, of course, included the concurrent moving expenses. However, Cincinnati's plan to take over all of Long Lines Customer Service work will increase their jobs and they will need many skilled employees to do the work properly. Without question, some Engineering Associates will have to be transferred to Cincinnati from other area locations and be trained to do the new work.

Since 1975, thousands of Bell System jobs from the 195 Corporation and Long Lines have moved to New Jersey. Some have gone to the Bedminster headquarters location, others to Piscataway, Somerset and Basking Ridge. All of these locations are in rural areas, which lack proper housing, transportation and other middle and lower income amenities. White Plains and New York both have extensive infra-structure that should be used and expanded.

Undoubtedly, there are many reasons to move work from one location to another. However, the economic impact on the community and the employees should have a high priority in all decisions that may affect the employees' welfare and the public. To help neutralize the loss of jobs in White Plains a number of suggestions are being submitted for consideration.●

EDWARD MacCLANE, SENIOR CITIZEN INTERN

HON. WILLIAM J. HUGHES

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 11, 1978

● Mr. HUGHES. Mr. Speaker, I am pleased to announce that Mr. Edward MacClane of Ocean City, N.J., is participating in the annual congressional senior citizen intern program.

Mr. MacClane is a retired employee of the National Archives where he served as a searchroom technician for 16 years in the District of Columbia.

Upon his retirement, he and his wife, Frances, moved to Ocean City, N.J., where they now reside. Although he is officially retired, Mr. MacClane has hardly slowed his pace. He is quite active in civic affairs. At the present time, Mr. MacClane is president and founder of the Midway Civic Association in Ocean City, a member of the Holy Trinity Episcopal Church where he is a lay reader and clerk of the vestry.

In addition to all of these activities, Mr. MacClane also serves on the Joint Legislative Committee of the AARP/NRTA for the State of New Jersey, as well as performing the same task for the Ocean City AARP chapter.

I am truly honored to have such an outstanding individual as Ed MacClane as the representative of the Second District of New Jersey in the congressional senior citizen intern program.●

LAWRENCE A. HARVEY—RUTH L. HARVEY

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 11, 1978

● Mr. WAXMAN. Mr. Speaker, it gives me great personal pleasure to salute Lawrence and Ruth Harvey on the occasion of their receiving the Torch of Liberty Award of the Anti-Defamation League of B'nai B'rith, Pacific Southwest Region. This award is given in recognition of their outstanding leadership and dedicated service to translating democratic ideals into a way of life.

Lawrence Harvey prepared early for an active and responsible life. Growing up in California, he received his B.S. degree at the University of Southern California, Los Angeles and earned a J.D. at the University of Southern California Law School; his education was completed with a M.B.A. from Harvard Business School in Cambridge, Mass.

He was admitted to the California bar in 1934; is also a member of the Los Angeles Bar and Los Angeles County Bar. He was senior executive at Harvey Machine Co; vice president, president, and chairman of the board of Harvey Aluminum Inc.; chairman of the board of Martin Marietta Aluminum Co.; chairman of the board of both Signal & Imperial Insurance Companies.

His expertise and concern for his fellow man have made him a most valued asset to local, national, and international institutions. He is on the board of directors, National Fund for Medical Education; an honorary trustee, Institute of Critical Medicine, Hollywood Presbyterian Hospital; on the board of directors, Cedars Sinai Medical Center; a member of the board of Parkinson's Disease Foundation; honorary fellow at the Technion University in Haifa, Israel; founder-donor of the Harvey Prize at Technion University given to those who have contributed most to peace, the sciences and the humanities throughout the world.

Ruth and Lawrence have been married for over 35 years. They have three sons, Brian, Larry, and Randy. Throughout their marriage, Ruth has been an ally in Harvey's numerous activities and an innovator in her own right. She has established the Ruth L. Harvey Scholarship for Women at Technion for talented young people to pursue careers in the sciences, medicine, and research. Together the Harveys have established the Lawrence A. Harvey and Ruth L. Harvey Parkinson's Research Laboratory at Mt. Sinai Hospital, New York. They are founders of the Los Angeles County Museum of Art and the Los Angeles Music Center.

I ask the Members to join me in honoring Ruth and Lawrence Harvey for their past accomplishments and wishing them well in their future endeavors.●

COLOMBIA SEIZURE OF MARIHUANA

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 11, 1978

● Mr. WOLFF. Mr. Speaker, on Tuesday, May 9, 1978 I inserted into the CONGRESSIONAL RECORD, page 13121, my statement of commendation to the Government of Colombia for its record seizure on April 28 of a 574-ton haul of marihuana bound for the United States.

Recently, the Select Committee on Narcotics Abuse and Control, of which I am chairman, received a letter from Robert M. Stutman, Director, Office of Congressional Affairs, of the Drug Enforcement Administration, relating to the seizure of the marihuana in Colombia. I wish to bring to the attention of my colleagues the letter from Mr. Stutman.

The letter follows:

DRUG ENFORCEMENT ADMINISTRATION,
Washington, D.C., May 4, 1978.

Mr. JOSEPH NELLIS,
Chief Counsel, Select Committee on Narcotics Abuse and Control, Washington, D.C.

DEAR MR. NELLIS. In our continuing effort to interdict large shipments of illicit drugs destined for the U.S., and to assist the recently created Colombian Attorney General's Narcotics Unit, on April 26, 1978, DEA furnished intelligence to elements of the Attorney General's Narcotics Unit concerning aircraft loading marihuana on a clandestine airstrip located near Rio Hacha, Colombia. This information led to the total seizure of a world record 562 tons of marihuana worth $200 million on the illicit U.S. wholesale market.

The Narcotics Unit raided the airstrip, utilizing three helicopters previously supplied to Colombia by the U.S. Government and seized a DC-7 aircraft, U.S. registration number N295, which was loaded with approximately seven tons of marihuana, a truck containing five tons of marihuana which was parked near the landing strip, and five additional vehicles. Follow-up investigation in

the immediate area resulted in the seizure of three stashes containing approximately 50 additional tons of marihuana, three marihuana presses and approximately $60,000 U.S. dollars.

Arrested at the airplane were Earl Richard Zerb, pilot of the DC-7; Bruce Powell, copilot; aircraft mechanic Gary Davis Faucher and an unidentified Irish citizen who was functioning as flight engineer. Six as yet unidentified Colombians who were loading the aircraft and operating vehicles were arrested.

After effecting the seizure, the Attorney General's Narcotics Unit continued searching in the area for additional marihuana stashes. On April 28 the Narcotics Unit located several additional marihuana stashes. These stashes totaled in excess of 500 tons of marihuana packaged in 60-kilo bales which were obviously ready for loading on ships and on aircraft for shipment to the U.S. All of the seized marihuana was destroyed by burning on site.

Several Colombian citizens were arrested with the 562-ton seizure. One is an individual as yet identified only by his last name, Choles, who is considered to be a major marihuana trafficker.

The case is indicative of the results that can be achieved from U.S. cooperation with the new Attorney General's Narcotics Unit. The interest and importance that Attorney General Jaime Serrano-Rueda places on the narcotics program is emphasized by the fact that the Assistant Attorney General for Judicial Police, Rodolfo Garcia-Ordonez, personally led the operation resulting in this unprecedented seizure.

If you have any questions or desire further information, please feel free to call me at 633-1170.

Sincerely,

ROBERT M. STUTMAN,
Director,
Office of Congressional Affairs.●

NATIONAL SCIENCE FOUNDATION REPORT DOCUMENTS IMPORTANCE OF R. & D. ON U.S. BALANCE OF TRADE

HON. CHARLES A. VANIK
OF OHIO
IN THE HOUSE OF REPRESENTATIVES

Thursday, May 11, 1978

● Mr. VANIK. Mr. Speaker, in September 1977, the National Science Foundation issued a report entitled "Science Indicators—1976" providing data on indices of the strengths and weaknesses of science and technology in the United States and the changing character of that activity.

As chairman of the Ways and Means Trade Subcommittee, I have long been concerned about the staggering size of the U.S. balance of trade deficit—and the likelihood that we will be experiencing unacceptably large trade deficits for some years to come. I believe that there is evidence, such as that provided in the NSF report, that the relative decline in the U.S. effort in the R. & D. further threatens the long-range trade balance of the United States. and that we should therefore given consideration to the development of new national policies encouraging industrial R. & D.

To initiate discussion on this issue, I have proposed that during the Ways and Means Committee's consideration of the President's tax proposals that we provide an investment tax credit for increases in the level of industrial R. & D.

The following are quotes from the NSF report that highlight this issue:

The report follows:

SCIENCE INDICATORS—1976

The relative emphasis placed by a country on research and development activities can be approximated by comparing its R&D expenditures to its Gross National Product (GNP). During the middle and late 1960's, and continuing into the early seventies, this ratio generally showed a decline for the United States, the United Kingdom, France, and Canada. The West German ratio peaked in 1971 and now appears to be declining. The U.S.S.R.'s positive growth seems to have leveled off since 1973. Since the late 1960's, Japan has generally shown increases in its R&D/GNP ratio.

Another comparative measure of a country's R&D effort is the relationship between the number of scientists and engineers (S&E's) and the population. The number of S&E's per 10,000 population in the United States has remained constant since 1972. The 1975 level is 10 percent lower than that of 1969, when this ratio peaked in the United States. Limited data from the other countries studied showed a general increase in this ratio.

A major difference between the R&D programs of the United States and other countries relates to the distribution of Government funds by function. Among the countries for which data are available, the United States devotes a much higher proportion of Federal R&D funds to defense and space-related activities, especially the former.

Although positive, the U.S. patent balance declined almost 47 percent between 1966 and 1975. This was due to the 91 percent increase of foreign-origin patenting, coupled with the leveling off and eventual decline in the number of foreign patents awarded to U.S. citizens. The United States has a favorable but declining patent balance with Canada, the United Kingdom, and five European Economic Community countries, but a negative balance with West Germany and Japan.

The U.S. trade balance for R&D-intensive manufactured products has been positive and rising since 1960; the 1976 balance was five times that of 1960 and 2½ times the 1970 level. Surpluses from R&D-intensive product groups have had an extremely important role in maintaining an overall favorable U.S. trade balance, and until 1976, have been more than sufficient to cover the increasing deficits from non-R&D-intensive products.

The primary R&D-intensive exports to Western Europe were largely products of the aircraft and nonelectrical machinery industries, while chiefly nonelectrical machinery and chemical products were exported to developing countries, and electrical and nonelectrical machinery to Canada. The negative trade balance in R&D-intensive products with Japan was due mainly to U.S. imports of electrical machinery and to a lesser degree to imports of professional and scientific instruments and nonelectrical machinery.

BALANCE OF TRADE IN R&D-INTENSIVE MANUFACTURED PRODUCTS

The U.S. international trade position depends upon a number of factors, including the prices of its products, the effectiveness of its international marketing, trading arrangements with other countries, and its performance in technological innovation. The relationship between R&D, technological innovation, and a nation's trade has not yet been precisely determined. However, studies suggest that the role of technology in U.S. trade is quite important • • •

The relationship between R&D, technology and U.S. trade can be in part analyzed by the examination of the U.S. trade balance in product categories, when products are classified in terms of the relative levels of R&D investment of the industries that are the main producers of those products. For this purpose those product fields corresponding to industries with (a) 25 or more scientists and engineers engaged in R&D per 1,000 employees, (b) company-funded R&D amounting to at least 3 percent of net sales, and (c) total R&D funding amounting to at least 3.5 percent of net sales are considered here to be R&D-intensive. The product groups designated as R&D-intensive are (1) chemicals, (2) electrical machinery, (3) nonelectrical machinery, (4) aircraft and parts, and (5) professional and scientific instruments. All other manufactured products are considered non-R&D-intensive.

The trade balance for R&D-intensive manufactured products has been positive and generally rising throughout the period. The most dramatic increase (166 percent) was between 1972 and 1975, with a leveling off occurring in 1976. The 1976 balance was almost five times greater than that of 1960 and more than 2½ times the 1972 level. In contrast, the trade balance for non-R&D-intensive manufactured goods was near zero in the early 1960's but steadily declined from 1964 to 1974. In 1975 this balance temporarily rose due to a reduction of the importation of non-R&D-intensive manufactured products caused by the general effects of the worldwide recession, a slowdown in consumer spending, a sharp decline in industrial output, and inventory liquidations. Some of the 1975 drop in imports can be traced to reductions in the quantity and/or value of product groups such as transport equipment, and metal products. However, in 1976 the non-R&D-intensive balance dropped 74 percent to —$16.5 billion, representing a return to the long term trend of an ever increasing deficit. Clearly the technology-intensive product group has been responsible for yielding surpluses and largely covering deficits in trade from specific non-R&D-intensive product groups throughout the period until 1976. Its importance in maintaining an overall favorable trade balance is unquestionable.

There have been substantial changes over the last decade in the mix of products underlying the favorable trade balance. Several products have become increasingly important (including electronic computers, fertilizers, electronic tubes, transistors and semiconductor devices), while the contribution of other commodities (such as telecommunications apparatus) to the overall positive trade balance has declined. The mixture of growing and declining exports illustrates the complexities of the present U.S. trade position. The underlying dynamics of this position may be partially explained by the "product cycle" concept. Trade in manufactured goods, according to this concept, typically follows a cycle in which the United States initially establishes a net export position with the introduction of a new product, maintains this position until the technologies and skills necessary for manufacturing the product are developed elsewhere, and then invests abroad to minimize costs, becoming an importer as the production is standardized. This concept implies that the product structure of U.S. exports must have a continuous infusion of new products in order for the United States to maintain a favorable trade position.●

THE DECAPITALIZATION OF AMERICAN INDUSTRY

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 11, 1978

● Mr. SYMMS. Mr. Speaker, one of the most serious problems facing America is the lack of adequate risk capital that is necessary for entrepreneurship and business expansion. This is one reason that unemployment remains above 6 percent and that unemployment takes its greatest toll on minority groups and inner-city areas.

Mr. Speaker, what we need is an immediate across-the-board cut in taxes at all levels, elimination of the capital gains tax, and a reduction in Government spending.

Many of these points were made in a recent statement by Mr. Fletcher L. Byrom, chairman of the board of the Koppers Co. I commend Mr. Byrom's statement to my colleagues in Congress:

WORDS ARE CHEAP, AND MEMORIES SHORT: THE DECAPITALIZATION OF AMERICAN INDUSTRY

Being persuaded that the art of annual reportage requires some explication of the world in which the corporation functions, we have of late devoted separate space to that purpose. This year, the possibilities were so many that we repaired to an estimable academic, a dean of no small reputation for foresight.

"Two years ago," we said, "we talked about the importance of profits. Last year, it was capital and capital formation. What do you suggest this time around?"

As usual, and like the classical oracles, he was indirect in his response, saying:

"My 1965 Chevy II station wagon, with Powerglide transmission and something called Positraction, cost me $2,898.40. Ten years later, I paid $6,121.05 for a vehicle with similar lines and features, but noticeably smaller."

We must have looked puzzled, because he added:

"Don't you see? If I were a corporation, and that were a depreciable asset, my accountants would have had to tell me I had fallen far short in the amount I was permitted to set aside for replacement."

We brightened. "Then you'd have us do an essay on inflation?"

"Not entirely. And not entirely on depreciation. What you must address yourself to is the mirror image of what you discussed last year. I refer to the decapitalization of American industry."

"It sounds like something that happens on a guillotine. How do we get from—"

He stilled us with an upraised hand. "The thing to remember is that economic factors have a circular mode of cause and effect. Underinvestment leads to inflation, which makes it harder to raise capital for investment, which—and so on. And what it's *all* leading to is an economic system you probably won't recognize and perhaps a political system you won't like."

Hardly pausing to let that ominous pronouncement sink in, he went on to explain that Americans had built up an unparalleled standard of living over the course of two centuries by continually setting aside a fair portion of their output for further growth. That pattern was now in danger. He quoted an Austrian businessman: "I cannot see the possibility of creating abstract long-term working capital. It must first be earned by the process of production."

"Understand," he said, "what we used to have was something like a breeder reactor, which produces more fuel than it consumes. What we have now—well, it reminds me of a perpetual motion machine my son designed at the age of eight. The only trouble with it was that it used more energy to lift the water to the top of the tower than you got back when the water came down."

According to the Commerce Department, we had read, it would take fixed investment in real terms averaging around 12% of gross national product between 1975 and 1980 to reach certain goals related to energy, unemployment and already mandated requirements for pollution abatement. For the past three years, the average has been only 9½%—a shortfall of about $140 billion. Not very cheery news.

The dean handed us a document with a circled passage quoting two economists from Oxford University, who, he said, should know. It read:

"As investment falls, the unemployment totals rise. Extra jobs can be provided only outside industry and only the Government can provide jobs where there is no prospect of profits. Hence government will create still more jobs in the public services and raise taxes to pay for them. This, in turn, still further squeezes company profits and workers' living standards, and the workers, reacting, bring still more pressure on the declining profits. Industry therefore invests less, and the cycle begins again. More industrial workers become redundant, and the Government tries again to find them work by inflating the public sector. The spiral leads nowhere except to total collapse."

One cause—and effect—of all this misery, the dean said, is inflation. "Look at it this way. Some people have begun to think of 6% inflation as acceptable. Now, take a young person from the start of his earning years to the time of his retirement. At 6%, he will come into his twilight years with everything costing more than eight times as much as it did when he drew his first pay check."

But what of those glorious two centuries of progress in material well-being, we wondered aloud.

The dean leaped out of his chair. "Precisely the point. We had established that the market system could produce fantastic wealth. For some people, that wasn't enough. 'Let's start divvying up,' they said. To be fair, their argument was not without justice. There were those who were being left behind in the race to the summit. The trouble was that we went too far. Ours became a consumer economy. We neglected production. I wish I weren't so dead set against cliches. I could drag out the one about the goose that laid the golden eggs. It's so beautifully appropriate."

He stabbed at a pile of papers, out of which flew a spray of statistics. For the period 1973–78, consumer spending as a share of real growth will have reached 75.3 percent, as against 57.1 percent for 1960–66. Fixed investment will have dropped from 18.3 percent to 3.1 percent. Public spending has more than quintupled since 1958, when Galbraith's "The Affluent Society" told us how to go about it. The share of gross national income spent by Federal, state and local governments for purposes other than defense and foreign affairs jumped from 9 percent in 1929 to 17½ percent in 1960 to 28 percent in 1976.

"And the ironic thing," said the dean, "is that this is the kind of society our citizens seem to have opted for, without understanding the consequences."

He pulled himself back from a private reverie as a flicker of recollection crossed his face. "My old Chevy wagon. Maybe that wasn't too good an example. But the fact is that we perpetrated a colossal inanity when we committed ourselves to the use of historical-cost accounting in an inflationary era. Depreciation allowances—this oh, so generous provision that the tax people gave us to let us stash away funds for the replacement of our assets—every time we peeked inside the piggy bank, the sum was smaller, shrunken by inflation. Whoever thought of it ought to be given a nickel and sent out to buy a candy bar in today's market. Meanwhile, because of inflation, most capital-intensive industries today are reporting return of capital as operating earnings. In doing so, they are presiding over their own liquidation. They are slowly—and sometimes not so slowly—being expropriated, just as surely as if the IRS had sent trucks to the factory doors to haul away the machinery. There!" He flung a handful of papers across the desk to us. "Look at those."

We did. "In the past decade, real GNP (discounted for inflation) has grown substantially. Real corporate profits have been flat, and, if proper depreciation accounting were used, would show a significant decline." "The spread between the rate of return on corporate assets and the cost of capital is still close to a 20-year low, while the real rate of return on stockholder equity is among the lowest seen in the past 25 years." "Retained earnings of corporations have been a falling component of total income."

We remembered something the dean had written about the adversary relationship between government and business. Was it still valid?

"More than ever. Look, all taxes, ultimately, must come from the purses of the citizenry. You can tax the corporations, certainly, but that cost has to be passed on. Now, imagine yourself to be a politician. Which would you do—rifle those purses directly, or tax business and let business be the villain? The whole trick is to kick someone in the pants, then turn around, whistle innocently, and let your victim think the other fellow did it."

"But business can pass on that added cost," we offered.

"Not always, and not entirely. Take the matter of socially mandated change—for pollution control, say. Society has insisted upon it, and society should be willing to pay for it. If it is not, it will signal its reticence in the market place. This natural system of feedback and response, however, cannot operate when government orders conformity on the one hand, and on the other hand inhibits industry's ability to charge for that conformity. It happens all too often."

"Don't those in office see that the common interest is served by expanded productivity, which depends upon profits?"

"You have to remember that our economic and political systems run on different timetables. In today's technology, it takes eight to ten years to work out our problems. Legislation usually takes about 20 years from conception to execution. We cope with these conditions through officials whose vision stops at a horizon only two to six years away, at most, when they must again face the voters. Our system does not encourage something like the act of faith that prompts a man to plant a tree when he knows it will not bear fruit within his lifetime."

What about the agencies, we asked. They go on even when administrations change and new legislators appear upon the scene.

"Ah, the agencies. They have a life of their own, and have a penchant—if I may borrow a phrase—for 'fixing things that ain't broke.' They are especially good at drawing the

noose of regulation ever more tightly around the corporate neck, calling for that last ounce of compliance, which sends costs out of sight without much improving performance."

He shook his head before continuing. "We urge our biologists to proceed cautiously in their experiments with genetic engineering, lest they unleash new organisms that will invade our bodies and spread out of control. One wishes the Congress would exercise similar care in unleashing new agencies upon the body politic."

We ventured a smattering of history: "Henry IV, King of France, may have been the first to speak of a chicken in every pot. That was in the 6th century, and the slogan appealed so strongly that it survived into modern times. Does that suggest that statesmen understand better than businessmen what the people want?"

"Perhaps it does. But let's look at the whole quotation: 'I hope to make France so prosperous that every peasant will have a chicken in his pot on Sunday.' He pretty much succeeded, reorganizing his country's finances, encouraging its industry, expanding its territory and improving its general welfare. What each peasant saw was that specific chicken in his specific pot, but the King understood the necessity for an economic machine that would bring the chicken to market and give the peasant the wherewithal to purchase it."

We persisted. "It's hard to sell the idea that corporations, with all their resources, are the helpless victims of bureaucrats."

"You said that. I didn't. As I view the conflict between business and government today, it occurs to me that the quest for power may lie not so much in an effort to amass wealth as in the struggle to dictate where wealth—anyone's wealth—shall be channeled. And in a one-man, one-vote society such as ours, business is simply outgunned. Listen to this statement by James Q. Wilson, a professor of government at Harvard:

"'One cannot assume that the disproportionate possession of certain resources (money, organization, status) leads to the disproportionate exercise of political power. Everything depends on whether a resource can be converted into power, and at what rate and at what price. That, in turn, can only be learned by finding out who wins and who loses.' Now, when I look at the growth of government and the decline of corporate retained earnings, I have no doubt as to which team is ahead."

We asked whether the labor force, whose fate is closely tied to that of business, could be enlisted in the struggle with its many members and its many votes.

"Would that it were so. Here, again, we have too often an adversary relationship. I am struck by the words of Mark Roberts, the AFL–CIO economist, who says: 'Economics is not about stability. Economics really is about who gets what.'"

Could the dean suggest any way to set things right again?

"A thousand ways. But before anything else, businessmen need the reassurance of predictable working environments. Consider the investment tax credit—and I quote from a complaint registered a little over a year ago, but still pertinent today. In the past 15 years, the investment tax credit has been enacted, suspended, restored, terminated, and lately increased. Inflation distorts the distant view as well as the immediate. We had almost four years of wage-price controls that delayed capital formation and so led to shortages in capacity. Is it any wonder that businessmen tend to shy away from long-term capital commitments and concentrate instead upon low-risk ventures that promise quick return? That may be good management, but it's not necessarily good for the long-term needs of the Republic."

Was there any chance of succor from the people, whose expressions of preference—and votes—could dictate the course of the economy?

"Let me try not to sound like an elitist. With the possible exception of the early Athenians, we may be the most educated society in history, but we are, most of us, completely illiterate in certain fundamental economic principles. The typical American's attitude toward economics reminds me of Woody Allen's famous statement on death: he wasn't afraid of it; he just didn't want to be around when it happened.

"George Herman, the CBS newsman who covered the White House in the Eisenhower years, has told us what happened in the press corps whenever the President mentioned something like parity in the market place. 'Everyone's ears closed,' he said. 'Their eyes sort of descended to half mast and a glaze came over them. And if you said "gross national product," people went to sleep.'"

Our time was growing short, and we asked where all of this was leading us.

"I'm tempted to say we'll be like Stephen Leacock's equestrian, who flung himself upon his horse and rode madly off in all directions. No, let's look at it in terms of the steel industry, which epitomizes a lot of our problems. My personal calculation is that they would have to charge roughly $100 a ton more for semifinished steel in order to justify construction of a new plant at a greensite location—that is, from the ground up. That represents a 50% increase in current price, and I don't see any way it can be carried off."

"What happens then?"

"We will come eventually to the point where this country must decide whether it really needs a steel industry. The private sector won't be able to justify the investment, and government will move in jingling its big bag of public monies. Ten years from now, I believe, we will be past the same point of no return in other industries. That means the eventual nationalization of a number of those industries—steel, the railroads, the utilities, nonferrous metals, and who knows what else? We already have about 90 joint agencies set up by state legislators to take over from electric utilities that can't afford to finance the additional capacity needed to serve municipalities. They enjoy the advantage of freedom from Federal income taxes, they can raise their rates quickly without a lot of red tape, and they can sell tax-exempt bonds with interest rates about one-third lower than those for taxable private utility bonds."

"Which means, to judge from our own and others' experiences, a somewhat less than efficient operation."

"Which means, as well, the loss of some of our freedoms. I have a variation of Gresham's Law that says bad political programs drive out good. I see a high probability that we will wind up with an authoritarian society, because we can't deal with scarcities. We can't work out the means by which we impose restrictions on ourselves through voluntary co-operation."

"Why do we have so much slippage when government enters the scene?"

"Face it. Our political system seems unable to make decisions when confronting difficult alternatives, so that we end up with no constructive action on our problems. Ultimately, we will vote for somebody to come in and save us under an authoritarian system. The late Walter Lippmann once wrote, 'Most men, after a little freedom, have preferred authority with the consoling assurances and the economy of effort which it brings'."

That was some decades ago, as we recalled it. Hadn't things changed?

"I can update it for any era you choose. Not long before the last Presidential election, the Gallup people conducted a poll for Newsweek magazine. Almost half the respondents agreed that 'what this country needs is strong leadership that would try to solve our problems directly without worrying about how Congress or the Supreme Court might feel.' Only 44% thought such leadership might be dangerous."

"And still, we probably enjoy as much freedom—or freedom of choice—as any other nation in the world today."

"Yes, but we haven't reached that point I talked about where the private sector collapses under the weight of its capital burdens. I have studied a fair amount of history and I have not yet come across any society in which the primary production of wealth was left to state-owned enterprises and in which the citizens exercised such a variety of options in their daily lives as ours do today."

We had come armed with documents calling for such measures as an across-the-board reduction in corporate income tax rates, a reinterpretation of the antitrust laws to conserve captial and encourage new investment, fast writeoffs for nonproductive investments, and a re-examination of environmental rules. Among the authors were Walter W. Heller, chairman of the Council of Economic Advisers in the Kennedy Administration and now consultant to the executive office of the President; The Reverend William Hogan, Jesuit priest and Fordham University economist; Juanita M. Kreps, Secretary of Commerce; and W. Michael Blumenthal, Secretary of the Treasury.

The dean seemed unimpressed. "I can add to that list, and top it. G. William Miller, after he was named to head the Federal Reserve Board, said, 'One of the soundest approaches to continued expansion and job creation, which would not generate inflation, would be to create those kinds of conditions that would encourage business enterprises to expand their capital spending.' President Carter, in his State of the Union message, said that private business, not the government, must lead our economic expansion, and promised 'strong additional incentives for business investments through substantial cuts in corporate tax rates and improvements in the investment tax credit.'"

Why, then, did the dean spy so many disturbing blips on the economic radar screen?

"Because words are cheap, and memories short. Because we can't count on the fixity of our lawmakers, who dart like so many blobs of mercury whenever the finger of special interest is applied. Because I remember that the oil embargo of 1973 was followed by four years of talk, talk, talk, without much happening in the way of a national energy program. Because our lead times are so long that we will feel the effects of undercapitalization for years to come, regardless of what might happen as soon as tomorrow. Because—and so forth. Here. Read this. It's by that same Professor Wilson I quoted earlier, and it responds to a book that praised the market-oriented system but denounced the corporations that make the system go. It sums up splendidly most of what we've talked about today, and does it in a well-constructed marathon sentence of exactly 80 words."

We read:

"Public confidence in the corporation has fallen, the national media are increasingly critical, capital formation is inhibited by taxes and inflationary policies, the profit margins of corporations have declined, social and economic regulations proliferate almost faster than the Federal Register can print them, antitrust prosecution, though perhaps not as effective as one might desire, falls more heavily on firms here than elsewhere and the barriers to public control of traditionally private industries (hospitals, railroads, even medical practice) are dropping rapidly."

When we looked up from our reading the dean was gone. What he had said lingered.●

MAN OF THE YEAR

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 11, 1978

● Mr. WOLFF. Mr. Speaker, it is with great pleasure that I share with you, the tribute paid to my good friend and esteemed colleague, the Honorable MELVIN PRICE, by the Long Island chapter of the H. H. Arnold Air Force Association. Mr. PRICE was recently chosen by the chapter as its "Man of the Year."

I am not surprised by this great honor. Indeed, it is to be expected of such a man. Congressman PRICE has stood both as a pillar of strength for Congress and for the Nation. As chairman of the House Committee on Armed Services, MEL has displayed the knowledge he has accumulated while serving on the committee for the past 31 years, gaining respect and esteem from all his colleagues. He is certainly one of the best informed men in Congress on national defense matters. He has been a leading proponent of a strong national defense and our effort of maintaining our Nation's military position in the world arena. He is a leader in the area of research and development of our national defense capabilities, and has dealt with the military application of nuclear energy.

Thus, my honored colleague has been a significant force in Congress throughout his tenure.

Hence, by all means, Mr. PRICE is an invaluable asset to our Nation. I hereby reaffirm the tribute to our colleague by inserting into the RECORD Mr. PRICE's comments upon receiving this distinguished honor:

MAN OF THE YEAR

It is a pleasure to be with you here this evening, and it is a truly special privilege to be honored as your chapter's man of the year.

When I think of the distinguished men who have preceeded me in being so honored—men like my good friends Lester Wolff and Bob Sikes, and Senator Barry Goldwater, not to mention General Samuel Phillips and Harry I. Davis, I am particularly pleased to be chosen for this award. If it's true that you are known by the company you keep, I must be living in pretty high circles these days.

This chapter of the Air Force Association bears a name of which every member can be proud. For the name of Hap Arnold is synonymous with air power and a strong national defense, and truthfully, I can't think of a better example of the ideals and traditions for which the Air Force Association stands.

Thirty-two years ago, the Air Force Association was chartered and set itself a triple objective: to keep members and public abreast of developments in the aviation field; to foster the spirit of fellowship among former and present Air Force personnel; and to assist in obtaining and maintaining adequate airpower for national security and world peace.

I believe the association has done an admirable job on all three counts.

You may have noticed that the phrase "strong national defense" continues to crop up in my remarks. This is no fluke, since as a Member and more recently Chairman of the House Armed Services Committee and its predecessor the House Military Affairs Committee, I have spent some 33 years working to keep our military posture firm. In those years I have seen this Nation face crisis after crisis, but I can tell you now that the present period is no less critical than any I have seen.

Only last month, I led a delegation from the Armed Services Committee to the Soviet Union. While there, we met with a number of high Soviet officials, and I believe the frank exchange of views which transpired were helpful to both sides.

In our Moscow meetings, defense was, of course, the focal point. The delegation brought to the attention of Soviet leaders many of the defense policy problems which presently concern Congress. We advised the Soviets that among the foremost problems was the great concern of all Americans regarding the buildup of Russian forces beyond what appears necessary for security and defense.

In 1947 then General Dwight D. Eisenhower praised the one-year-old air force association and its local chapters for having mobilized "a wealth of talent to devote to our defense needs." What was true in '47 is still true in '78.

I am proud to be selected for recognition by this chapter of the association, which has long been known as one of the foremost in the state and in the nation. You may be sure of my continuing efforts to safeguard our Nation and our way of life. Thank you.

For my own part, I do not believe that the American people want less than maximum security for their families. Rather, I believe the people in this country want the United States to retain its position as world power and a leader in the defense of the free world.

This sentiment is, I know, shared by the majority of my colleagues in both the House and Senate. For example, on Tuesday the House Armed Services Committee approved a defense authorization bill totalling over $37.9 billion—and I might add that the committee approved the bill by an overwhelming margin.

In this year's bill, the committee increased in particular the authorization for procurement of major weapons systems. I am sure we are in agreement that these systems are crucial to our defense posture, present and future. Cutting back would assuredly trim the total defense budget. But in this case, I feel that the short range economic benefit would be far outweighed by the possible consequences of such an action.

I could go through the bill on a line by line basis, but I don't think that is necessary. The Air Force Association statement of policy for 1977-78 reads in part that "the people of this country. . . . are unwilling to settle for second best." To that statement I submit a hearty "amen."●

DEBATING THE REAL ISSUES ABOUT THE FUTURE OF THE U.S. NAVY

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 11, 1978

● Mrs. SCHROEDER. Mr. Speaker, I was pleased to find a rather iconoclastic review of the issues surrounding the force structure of the Navy by Bridget Gail, "Debating the Real Issues About, the Future of the U.S. Navy," in the May issue of the Armed Forces Journal. While I do not agree with everything in the article, a number of the points made hit very responsive cords:

First. Naval force planning studies establish requirements in a vacuum ignoring potential contributions of our Allies and land-based air.

Sea power is discussed almost entirely in terms of ship or seaborne air power. While land-based Soviet naval air and missile forces steadily grow in capability, the U.S. Navy still wants to ignore the Air Force, and OSD tacitly permits this oversight rather than take on the two services at once.

. . . the Navy emerges as being about as aggressive in finding ways our Allies can reduce its budget, force plans, and shipbuilding requirements as it does in finding a similar role for the U.S. Air Force.

Second. The vulnerability of the carrier and its costs have not had adequate public airing.

No serious discussion has been made public about the increasing vulnerability of carrier task forces shown in Navy and OSD studies since the mid 60's; on the incredible cost escalation of keeping such task forces viable through 1990; on their effectiveness in specific missions; or on their vulnerability to improvements in Soviet missile and targeting capabilities.

. . . If the Secretary had been briefed on some of the informal chronologies of naval war games and studies held by the Naval staff and PA&E he would have realized that since the early 1970's, U.S. carrier task forces have had dubious survival in both areas (Northern Norway and the Eastern Mediterranean) during the critical initial periods of combat.

Third. Naval force studies tend to be rather self-serving and structured so as to preserve Navy objectives.

On the other hand, the Navy's large-scale war games and major policy studies have generally been directed, if not actively rigged, towards supporting Navy budget and force structure objectives.

. . . Similarly, the Navy's Sea Plan 2000 Study is probably as blatant a political ploy and lobbying effort as any study in recent memory. The two-volume classified version is clearly self-serving and biased, and it lacks analytic verification and cohesion.

I recommend this article to my colleagues.

The article follows:

DEBATING THE REAL ISSUES ABOUT THE FUTURE OF THE U.S. NAVY

(By Bridget Gail)

The debate now raging over the future of American sea-power is not being enhanced by the Department of Defense, which has rigidified its partisan positions around the size of the budget and stopped thinking about the nation's security, or by the Navy's lack of intellectual focus as it argues once again for "flexibility" and "a little more of everything."

There are seven basic tests by which the strength and capability of U.S. sea power can be judged:

Does the SSBN force cost-effectively provide suitable seaborne strategic nuclear capability?

Does the U.S. have adequate sea- and airlift capability and survivability to reinforce the NATO Center Region in a crisis?

Does the mix of U.S. and Allied sea and air power provide adequate protection of the free world's critical economic lines of supply?

Does the mix of U.S. and Allied sea and air power provide adequate contingency capability to defend Korea, Japan, the Philippines, Australia, and New Zealand?

Does the mix of U.S. and Allied sea and air power provide adequate contingency capability in the Eastern Mediterranean for non-NATO missions?

Does the U.S. have adequate Navy, Air

Force, and Marine Corps strength to intervene in the Persian Gulf and in other Third World areas?

The most striking aspect of the current debate within the Department of Defense over the future of the Navy, and future naval shipbuilding, is that it does not address how well the Navy is doing by any of these critical tests. Both the Navy and the Office of the Secretary of Defense are ignoring the basic issue of how adequate the Navy will be in meeting national security needs, focusing almost solely on total budget allocations and total new ship construction. While both sides of the debate occasionally use the conventional "buzz words" regarding mission, tactics, and strategy, they have so far ignored the issue of what kinds of security different levels of expenditure will buy.

There has been real debate over such issues as whether the Navy's senior officers and civilians are competent to manage a successful shipbuilding and naval air program; over whether the Navy is over-funded relative to the need to improve U.S. land and air forces for NATO; and over the size of the Navy in its total number of active ships. In the process of fighting over dollars and management, they have forgotten their basic mission and purpose.

PUBLIC DEBATE WHICH FAILS TO SERVE THE PUBLIC INTEREST

While it is mildly interesting to watch DoD flash such dirty linen through the windows of the Pentagon, such a debate does not serve the public interest. It is meaningless to squabble publicly over budget and management issues when Congress and the public have no way of relating such issues to whether or not the Navy can adequately perform the previous seven missions.

Yet the floods of official and carefully leaked rhetoric about the shipbuilding imbroglio, Sea Plan 2000, the Consolidated Guidance, PRM–10, the F–18, and the FY 1980 budget are remarkably void of meaningful content regarding whether the Navy can do its job and do it well. In fact, both sides are so devoid of such arguments that it is becoming increasingly doubtful whether either has a case based on the nation's security needs rather than the struggle for dollars.

Consider, for example, what is missing in recent testimony, speeches, studies, and leaks:

Any quantified illustrations of the relative capabilities of U.S., Allied, and threat forces capabilities in any of the seven missions just described. Rhetoric, yes. Meaningful use of unclassified data in a supporting net assessment, no.

Explicit discussion of the common capabilities of U.S. sea and air forces in such missions relative to allied and threat land and air capabilities. Sea power is discussed almost entirely in terms of ship or shipborne air power. While land-based Soviet naval air and missile forces steadily grow in capability, the U.S. Navy still wants to ignore the Air Force, and OSD tacitly permits this oversight rather than take on two services at once.

Discussion of Marine Corps forces structure relative to specific mission capabilities. The mission capability of the Marine Corps is largely ignored. The focus is on the Navy's ability to move the Marines and not on what Marines do once they arrive.

Discussion of Allied capabilities, reliability, and modernization plans. Aside from the usual rhetoric counts of ship numbers, the debate over the size of the Navy has virtually ignored Allied capabilities. No mention has been made of the fact that many of the problems in Allied capability stem from past U.S. Navy unwillingness to share anti-submarine warfare technology or to integrate key Allied navies into a combined task force as a substitute for more U.S. ships.

Problems in the SSBN force have been discussed separately from the problems in the rest of the Triad and the Navy is still burying many of the facts. The delays in Trident I are being discussed separately from the problems resulting from the cancellation of the B–1 and from the catastrophic cost escalation and technical problems that jeopardize the M–X. Many of the cost and technical problems in Trident I have still not been officially surfaced to OSD. Problems in the Poseidon conversion have also been quietly buried, and no one has yet had the courage to state that many experts feel the Trident II program is escalating in cost to the point where either it, the M–X, or both must be killed and replaced by reliance on surface and air-launched cruise missiles.

Discussion of the overall uncertainties in the survivability and contingency capability of the carrier task force. OSD, the Navy, and many outside experts have spent a great deal of time debating ten versus twelve carriers, the design of the next carrier, future aircraft buys, and associated "force multipliers." No serious discussion has been made public about the increasing vulnerability of carrier task forces shown in Navy and OSD studies since the mid 1960s; on the incredible cost escalation of keeping such task forces viable through 1990; on their effectiveness in specific missions; or on their vulnerability to improvements in Soviet missile and targeting capabilities. The floods of piecemeal analysis stating "bigger is better" or "bigger is unaffordable" do not substitute for informed debate on the utility of the task force concept.

Discussion of future U.S. basing policy. Fleet design is as dependent on assumptions about basing as on those about ship numbers and technology. No serious public discussion has taken place of where the U.S. Navy will be based in the Atlantic, Pacific, Mediterranean, or Indian Oceans. Will the bases really be the same through 1990, when many ships now planned will go into full service? If not, what is the Navy's basing strategy?

Discussion of the problems in the U.S. Navy's key technology programs. The Navy's problems in shipbuilding and aircraft are only the first stage in debating the Navy's weapons problems, Equal management, cost, and performance problems are rumored or confirmed in the Navy's torpedo, mine, and "force multiplier" programs. Cost, delay, and technical problems are emerging in Harpoon, the ASSM, Sea Sparrow, ASMD, ADW, CIS, CWIS, AEGIS, the LVA, and high technology surveillance programs. Many of these programs have more mission impact, and higher costs, than a substantial number of the new ships now included in the building plan debate.

In summary, both OSD and the Navy are conducting a semi-public debate without addressing the issues. They are playing to the usual galleries, and are pushing the usual arguments regarding fear of the threat versus fear of the budget, without giving the Congress or the public a basis upon which to make an intelligent judgment.

A PRIVATE LACK OF THOUGHT, IMAGINATION, STRATEGY, AND LEADERSHIP

This lack of purpose and content in the public debate over the Navy's future would be less disturbing if it was apparent that adequate classified studies exist of U.S. sea power capabilities and force structure problems, and if these problems were being debated more privately. Unfortunately, it has become all too clear from the continuing leaks of sensitive papers by both sides in the shipbuilding and naval air debates that both sides have failed to address the real issues at any level of classification. The Sea Plan 2000 study has done nothing to fill the gap, and it is already admitted to be a failure within the Navy staff. But members of the Offices, Assistant Secretary of Defense for International Security Affairs, and Assistant Secretary for Program Analysis and Evaluation, are equally willing to admit that they have nothing better.

In fact, the lack of planning, mission capability study and analytic discipline on both sides of the debate has become a subject of considerable concern to some of the senior career civilians in OSD and the Navy, to general and flag officers in the OJCS and Navy, and to several key DoD naval balance analysts. They feel it is the result of the following deep-seated leadership problems in the Navy:

UNTHINKING THE THINKABLE

The U.S. Navy has never had to think about specific missions and capabilities. It was shielded from such problems for most of its modern history by British sea power, and its intellectual inheritance from Mahan is essentially that of trying to maintain worldwide dominance in sea power which is immune to serious challenge. The Navy really doesn't think in terms of planning for specific missions.

The Navy's force and fleet structure was essentially imposed upon it by Pearl Harbor, the Battle of Midway, and by its post war competition with the Air Force for a strategic nuclear mission. Its heritage since World War II has been one of almost unchallenged control of the seas. It did not have to think about how to achieve sea power; it won it as an accident of history.

As a result, the Navy has never really had to think seriously about trade-offs in mission capability before now. It has never before been challenged by a threat that could force it to choose one mission capability over another. It has always been able to avoid hard choices by arguing for worldwide "flexibility". Its tactics and strategy have been limited, for a quarter of a century, to "more of everything," and Navy thinking is now limited in intellectual focus to vague and ambitious missions like "power projection" and "sea control."

DAZZLED BY ONE'S OWN FOOTWORK

The Navy has a long postwar tradition of being able to exclude outside review of its mission capabilities and efficiency. This tradition has been reinforced by the complexity of carriers and ASW operations, the arcane terminology involved, and a natural policy-level focus on the politico-military crises taking place on land.

Unlike the Army and Air Force, which were gradually forced to accept OSD and NSC review of their strategy, tactics, and capability during the 1960s, the Navy has generally succeeded in reducing outside review to control of its share of the total budget.

It has done this through a number of different tools. The most important of these techniques has been to try to force all outside review to focus on the size of its total force structure. The Navy has always tried to focus budget debates on its "flexibility" and on a multitude of loosely defined worldwide missions that make it virtually impossible for an outsider to challenge the military rationale behind the Navy's force requirements.

At the same time, the Navy has habitually countered any cuts which do take place in its budget through "contract nourishment," and through "bow wave" funding. Navy managers have never been judged by their ability to bring ships in on time at the proper cost. They have instead been judged by the extent they could improve or upgrade ships by changing and improving them under cost-plus contracts. This "nourishment" allowed the Navy to escape OSD, OMB, and Congressional cost constraints for many years. It has now culminated, however, in both the current shipbuilding crisis and the current OSD and White House willingness to force lower force levels on the Navy.

This use of "contract nourishment" has been combined with two other techniques

to counter outside review. The first, which is now so shopworn as to be out of fashion, was to threaten to eliminate a carrier or politically sensitive base any time a budget cut was threatened. The second, and still active technique, is to "bow wave" programs by (a) deliberately undercosting the lead ship in a class to get a program started; (b) underfunding the early years of a building program to get more ships started; (c) understating the number of other new ships necessary to allow the lead type of ship to function in an effective task force; and (d) decoupling the funding of ships from their required weapons or sensor programs so that these will have to be funded later because the hull is built.

Given the 10-year design-to-commissioning time of many ships, and their 30-year life spans, this type of gamesmanship can create a literally incredible mess. A focus on "flexibility" can lead to added "contract nourishment," to be followed by "bow waving." After a certain point, the synergy behind such efforts forces the juggler to lose count of the number of balls he is handling.

Further, now that the Navy is forced into budget, cuts, it is being dazzled by its own footwork. It can no longer flexibly adjust its overstrained and half-visible budgets.

THE INTERNATIONALIST ISOLATIONIST

Paradoxically, the U.S. Navy is both the leading internationalist among the Services and the leading isolationist. It is involved in joint commands with our Allies all over the world. It is constantly involved in joint exercises and in international port calls. It provides virtually all of NATO's analytic and planning capability. It acts as a military advisor to virtually every Allied Navy. It is involved in technical exchange agreements which are the principal source of new technology for many Allied Navy's.

At the same time, the Navy is also a superb isolationist. It has been very careful to decouple its force planning from its operational planning and to minimize the current and potential role of Allied Navy's in sending forth its budget-related studies. The Navy has scarcely sought "interdependence." It has tended to relegate Allied forces to minor support roles, treat them as of uncertain reliability, or simply ignore them. This is only apparent when the Navy's force planning studies are audited in detail, along with their assumptions and methodology. When such an audit is made, however, the Navy emerges as being about as aggressive in finding ways our Allies can reduce its budget, force plans, and shipbuilding requirements as it does in finding a similar role for the U.S. Air Force.

And, the U.S. Navy has also helped to create many of the very real problems in Allied forces that deprive them of valve in ASW missions. The U.S. Navy has fought tooth and nail against full real release of both ship and airborne ASW sensors and weapons. It has also fought to limit Allied understanding of the complex problems of fleet and task force action against SSNs.

While there are legitimate security problems involved, and many Allied Navies are about as watertight as a sieve in guarding classified information, the result is that many Allied ships have virtually no combat capability against Soviet nuclear submarines.

Finally, the U.S. Navy has somewhat inadvertently given most Allied navies a severe image problem. Allied governments are, after all, no happier to spend money on their navies than we are. When their navies do not seem to have a real mission, when the U.S. Navy seems omnipresent and when their Navies lack the technology base to perform key missions, Allied navies lose dollars, purpose, and capability. For all its "internationalism," and for all its joint exercises, and studies, when the U.S. Navy fights for its budget, it fights alone.

POLITICIZING PLANNING

The Navy's combination of a rigid intellectual focus on vaguely defined global missions and budgetary gamesmanship has inevitably affected the quality of the Navy's planning and analysis. There is no question that the Navy has conducted some superb studies of such individual tactical problems as ASW conflicts, carrier task force defense, and many other aspects of sea power.

On the other hand, the Navy's large-scale war games and major policy studies have generally been directed, if not actively rigged, towards supporting Navy budget and force structure objectives. At the same time, they have been almost surrealistic in dealing with the specific mission capabilities discussed earlier.

One of the unstated issues in the current budget debate, for example, is the time the Navy would take to open secure lines of communication to NATO and reduce the vulnerability of carrier task forces operating on the flanks.

Since the mid-1960s, Navy studies have gradually extended the time it would take the Navy to achieve suitable sea control in each of these key NATO missions from about three weeks to up to 60 days at present and up to 90 days in the 1980s. In fact, several of the lower-level naval officers and analysts involved in such studies have indicated that less political studies might have indicated it would take "120 days by the 1980s or never".

Given the probable length of a NATO war on either flank, or in the Center Region, it is not really surprising that OSD's Consolidated Guidance gave higher budget priority to those land and air forces which could affect a NATO conflict during its first 30 days. (It is traditional military wisdom that one must expect to survive for the first thirty days before one plans for the thirty-first.) It is also not surprising that when the new Administration found that the Ford Administration's naval shipbuilding and air plans would have made the Navy cost 31 percent more than the Air Force during FY 79–83, and 43 percent more than the Army, it cut the Navy back to a level where it cost only 16 percent more than the Air Force and 26 percent more than the Army.

What is surprising is that the Navy did not realize that its steady decoupling from politico-military reality had put its programs in so much jeopardy. What is also surprising is that it failed to realize that making its broad, politicized requirement studies public would not work.

Again, the Navy's heritage betrayed it. The Navy has long been careful to publicize only the conclusions of its studies and not their details. It has also exerted tight censorship and control over the circulation of even its classified reports within DoD, and has been far more rigorous than the Army and Air Force in suppressing dissent or challenging studies. In fact, the Navy has withheld potentially "disruptive" studies from some of its former Secretaries for months while they were reworked and edited to ensure that they reached the proper conclusions. The Navy simply was unprepared for the time when its cost rose to the point where this no longer worked.

In fairness, such expectations were not unique to the Navy. One of the reasons for the cancellation of the B–1, for example, was the discovery by the new Administration that the Air Force had rigged its bomber study's air defense model to favor the B–1 and had suppressed several Rand studies which demonstrated that a new bomber did not need supersonic capability.

The Navy, however, had made the politics of planning into a fine art and has partially fallen in love with its own propaganda. It simply was not equipped to deal with the "last hurrah" of such bureaucratic gambits.

An embarrassing example of this incapability was Navy Secretary Claytor's attack on the FY 80–83 Consolidated Guidance which criticized it and, by implication, PRM–10, for ceding Northern Norway and the Eastern Mediterranean to the Soviets (April Journal). If the Secretary had been briefed on some of the informal chronologies of naval war games and studies held by the Naval staff and PA & E, he would have realized that since the early 1970s, U.S. carrier task forces have had dubious survival in both areas during the critical initial periods of combat.

Similarly, the Navy's Sea Plan 2000 Study is probably as blatant a political ploy and lobbying effort as any study in recent memory. The two-volume classified version is clearly self-serving and biased, and it lacks analytic verification and cohesion. In fact, more effort seems to have gone into a travel schedule to proselytize the study during its generation than went into ensuring that it was a quality product. The unclassified executive summary of the study, which is now being pushed on the media, spends its first ten pages on political rhetoric. Its mission capability summary, in pages 11 through 16, communicates no substantiating facts to support its conclusions. Its summary, pages 17 through 23, is disconnected to the point of incoherence except when it makes a pitch for a 14 carrier and 28 AEGIS force at what might be described as the "unrealistically low" cost of $9.5 billion in FY 79 dollars for new ship construction.

PENNY-WISE AND POUND-FOOLISH

It it important to note, however, that most of the same Pentagon officials who severely criticized the Navy have equally severe criticisms to make of OSD, and particularly of PA & E, ISA, and the Secretary's advisors on NATO. They felt that PA & E made only a superficial analysis of the effect of cutting the Navy to eight-to-ten carriers, of using mines as a substitute for ships, or of using land-based air as a substitute for naval forces.

One senior OSD official noted that PA & E seemed to be running a race with the Navy over who could provide the fewest hard figures on military capabilities. A Navy official felt that if the U.S. Navy was pretending that the Allies did not exist, OSD was pretending they could fill in any gap in U.S. Navy capabilities.

Further, OSD's style and history of managing the Navy is as chequered as the Navy's history of managing the Navy.

Neither McNamara nor his successors ever really tried to force the Army, Navy, and Air Force to plan general-purpose forces on an integrated mission basis. Since the early 1960s, OSD has accepted dollar control over the Navy as a substitute for the mission capability analysis and force planning control it has exerted over the Army and Air Force. PA & E's office dealing with Navy forces has lacked focus and senior management support, and has never successfully fought the Navy's decoupling of its budget and force planning decisions from a meaningful analysis of its theater role.

In effect, therefore, OSD has forced the Navy into a fiscal crisis over shipbuilding and air modernization without having any answers of its own as to what Navy is needed, or what mission capabilities must be developed. This is obviously "penny-wise but pound-foolish." It does not address the nation's security needs, but merely exploits the Navy's management problems and its weakness in planning.

IMMEDIATE PRESSURES AND ISSUES

The debate that has surfaced in recent weeks does not, therefore, represent the debate the nation needs about sea power. It also is not the kind of debate that can go on for years until the situation is improved.

There is a real crisis in the Navy that needs strategic focus and direction. Consider, for example, these immediate problems:

One follow-on Nimitz class carrier has a construction cost of $2.4 billion, and a probable "contract nourishment" cost of at least $4 billion. A single carrier task force costs at least $20 billion.

Setting a fiscal limit on the number of such task forces is an irresponsible substitute for tailoring them to meet a mission need. The same is true of fiscal limits on Navy SSBN, ASW, and Marine Corp forces: saving money is a waste if it ends mission capability.

U.S. land, air, and sea power now deploy 140,000 men west of Hawaii, or less than half the 392,000 men deployed there between the Korean and Vietnamese wars. The future nature of U.S. sea power west of Hawaii is now unclear and unplanned.

The future role of the 6th fleet, and the U.S. presence in the Mediterranean, is now undecided.

The U.S. is countering the growth of land-based Soviet naval air, and a wide range of types of Soviet anti-ship missiles, with strategic abdication.

The Navy is still making the kind of management decisions that resulted in its SSN-688 class attack submarines escalating in cost by over $1 billion, and in "contract nourishment" practices which General Dynamics claimed resulted in more than 35,000 changes to the SSN-688's original specifications. There is now a potential backlog of 28 SSN-688s.

U.S. shipbuilders now have a total of nearly $3-billion in claims against the Navy for such practices. This compares with $66 million in 1968, $605 million in 1971, and $1.3 billion in 1974.

Each Trident I SSBN submarine will cost from $1.2 to $2 billion, or at least $400 million more than planned. Each will arrive at least one year, and possibly two-to-three years, behind schedule.

The Navy is now planning to spend nearly two-thirds of its R & D budget over the next five years on Trident II and V STOL aircraft, systems that may never be built.

In 1969, the CNO set a goal of an 850-ship Navy. In 1972, the CNO set a goal of a 770-ship Navy. The December 1974 goals the CNO set were for a 600-ship Navy.

These declining and erratic goals compare with a peak force of 1,030 ships in 1955 and 812 in 1960. They compare with 459 U.S. Navy ships today, and 981 smaller ships in the Russian Navy. (A Russian carrier like the *Leningrad* displaces only 20,000 tons versus 94,000 for a U.S. *Nimitz*.) The Sea Plan 2000 Naval Force Planning Study referred to earlier has options for a 439-to-585-ship Navy, and somewhat facetiously shows a 260-ship, "no further construction" Navy for the year 2000.

There are 55 ships now under construction which are lagging far behind their original delivery dates. The U.S. Navy is still keeping 30 World War II destroyers in service pending new deliveries.

The Navy has enough lift for only one-and-one-third Marine Amphibious Forces (MAFs), even though it has three MAFs. Amphibious ship strength has declined from 162 in 1967 to 65 today.

The Navy required 25 ships and 100 aircraft for each U-boat in World War II. The U.S.S.R. now has about 250 antishipping submarines. The Navy now has ship ratios of 1:1 and ASW escort ratios of 3:1. Although Navy studies set a nuclear attack submarine goal of more than 90 ships, the Navy has 64.

While any such list of "horror" stories is random and impressionistic, it does indicate that there are very concrete examples of why the current sea power debate must be restructured to serve the public interest, and restructured now.

REFOCUSING THE DEBATE IN THE PUBLIC INTEREST

And, it really does not seem all that naive to feel that the Congress, the White House, the public, our Allies, and the large numbers of dedicated career civilians and Naval officers who have had no role in creating the Navy's problems deserve far more from OSD, the Navy staff, and the Secretary of the Navy than the current exercise in gamemanship.

At this point, however, it seems naive to expect that the debate will be enhanced by the Department of Defense. DoD has taken sides, rigidified its positions, and stopped thinking. It now has only partisans in its senior policy and management positions, and they seem to be making their positions more inflexible day-by-day.

Only the Congress and White House can now force a new approach to the sea power debate, and, in practice, it is probably only the Congress which will do so. Fortunately, there are four major forms of intervention the Congress can take:

The Congress can direct that the Navy's FY 1980 budget be justified by a full net assessment of mission capabilities in each of the seven measures of sea power discussed earlier. The Congress, in particular, could force both sides to refocus their arguments on mission capabilities and to include both land-based air and Allied forces.

The Congress can require that the Navy "run back" for reapproval of any funding when a Navy project escalates by more than $50 million over its original budget cost estimate, or slips by more than six months in schedule.

The Congress can direct that the CBO, GAO, and CRS conduct independent analyses of the Navy's mission capabilities, and of the quality of its mission capability and force structure planning.

The Congress can launch an investigation into the actions of both sides in conducting the current sea power debate, and into the quality of their budget planning.

Such measures may be Draconian, but they also seem to be the only ways in which Congress can force the Navy and OSD to focus on the issues. There is no doubt that both the Navy and OSD will have to be dragged screaming and kicking into making such a change, but the requirement for doing so is all too clear. The only alternative is the Congress to choose one of two wrong sides. God help the Navy if the Congress cannot do better than the Department of Defense.●

PRIVATE SLOVIK AND PRIVATE HUFF

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 11, 1978

● Mr. TEAGUE. Mr. Speaker, early in February the President announced at a news conference that his administration would support the paying of $70,000 to the widow of Pvt. Eddie Slovik who was executed for treason shortly before the end of World War II. The figure of $70,000 is strangely enough nearly the same as a widow would have received if her husband's death had been due to service and his service entirely honorable. The bill H.R. 9114, now pending before a subcommittee of the House Judiciary Committee would accomplish this unworthy objective.

This decision of the President stands in sharp contrast to the case of Pfc. Robert B. Huff who was killed in action on Guadalcanal in 1942. The case involving Private First Class Huff's parents is explained in the editorial which appears at the end of my remarks and which originally appeared on March 11, 1978, in the Ann Arbor Mich., News. The contrast could not be more eloquently stated and I am glad that the Congress took steps to prevent insurance foulups of the type which has caused the Huff's so much heartache.

I cannot help but wonder Mr. Speaker, if the VA Administrator does not want to reconsider the unfortunate statement to the Committee on Judiciary on March 27, 1978, that the Slovik bill "can hardly be said to set a precedent * * *" since who knows how many veterans and their families will rightly conclude that they are entitled to insurance and other benefits due to the President's regrettable statement of early February. The editorial referred to above, follows:

[From the Ann Arbor News, Mar. 11, 1978]

HUFF FAMILY TRAGEDY INVOLVES EVERYONE

All the frustrations which almost everyone has experienced to some degree, in dealing with government agencies, are symbolized by the experiences Clayton and Lila Huff of Scio Township have had with the Marine Corps.

Those experiences began in 1942, when their son, Pfc. Robert B. Huff, was killed by Japanese machine gun fire on Guadacanal.

The essential facts, as reported in The News by Bill Treml, are moving veterans' groups to push federal bureaucrats into taking long overdue action.

The Huffs are certain their son purchased military life insurance. He told them so, in a letter. By this time, that insurance, including interest, should provide roughly $70,000.

But the Marine Corps' desk brigade has, in all these years, merely sent official notices to the Huffs stating that no record of their son having purchased insurance has been located. So the Huffs have never received more than the standard $100 payment toward burial costs.

Now, says Huff, "It's not a matter of the money at all. I'm 83 now. My wife is an invalid. We don't have much so perhaps we don't need much. But with this Slovik thing it comes down to justice—just what is right and what's wrong."

His reference, of course, is to President Carter's rtcent decision that $80,000 in insurance payments and interest should be paid to the widow of Army Pvt. Eddie Slovik, who was executed in 1945 after being convicted of cowardice in combat.

Pfc. Robert Huff was, in his Marine captain's words, ". . . one of a few men to display outstanding courage and loyalty when they were most needed and so kept the enemy from the most vital spot in the Solomon Islands." Years ago, the federal government acted on the correct assumption that it owed insurance payments to relatives of military personnel killed in the Pearl Harbor attack, several months before Pfc. Huff's death. Many men who were in uniform at Pearl Harbor were volunteers in the strictest sense, because they had enlisted before the inducement of Selective Service became law in 1940. Pfc. Huff enlisted in 1941.

Possibilities for loss of records and other items were extensive in the year of Pfc. Huff's death. In 1942, the U.S. military services were expanding very rapidly, while undertaking the job of sending troops and supplies into battle over the longest supply lines this country had ever established. The Marines

issued an incorrect notice of Pfc. Huff's death before it occured. After it did occur, a box supposedly carrying his personal property was sent to his parents, but it wasn't his. When they located the correct box, items they felt certain he always carried were missing.

It would scarcely be surprising if daily personnel rosters and monthly payroll records, showing deductions for insurance, had not been neatly typed and filed by Marine company clerks under conditions that existed on Guadacanal when Pfc. Huff was killed. Such records as were kept should still be available on microfilm.

The government owes the Huffs, and the public generally, a careful search of available records, a frank statement of what is found, and at least a negotiated insurance payment. More is involved than one local family's tragedy. The issue is whether the federal bureaucracy can demonstrate that it is being run by humans rather than automations.●

THE CHANGING SHAPE OF TELEVISION

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 11, 1978

● Mr. WAXMAN. Mr. Speaker, the face of television is on the verge of profound change. New technologies—in everything from cable and video disks to "supertuners" which will bring in UHF as clearly as VHF—are coinciding with economic opportunities and a zero-based regulatory philosophy which will guarantee intense competition with the traditional three-network television system.

Many Americans are turning away from commercial fare and tuning in programs either not offered by the networks or not presented in the same form—and these viewers are willing to pay for the ability to do so. In a manner not dissimilar to the development of new energy sources made possible by stronger market support, there now exists the potential for "enhanced recovery" of programing material by pay cable, fourth network syndication, video disks, and the like.

Moreover, public television is developing record audiences. And under the pending public broadcasting finance legislation, more money will be devoted to programing for the system than ever before.

And at the Federal Communications Commission, a new policy of creating an environment in which new services are allowed to compete in the marketplace is being implemented.

It is in this context that the Communications Subcommittee is embarking on its rewrite of the Communications Act of 1934. Television, for all its visibility, is an extraordinarily complex industry which defies simplistic analysis. Any new legislation which is written must be progressive enough to provide the flexibility to accommodate the tensions—technological, economic, and regulatory—which are beginning to affect television. Nowhere have they been explained as concisely as in Neil Hickey's article, "Will The Network System Survive?", in the current issue of TV Guide.

I am pleased to commend it to my colleagues:

[From the TV Guide, May 6, 1978]

WILL THE NETWORK SYSTEM SURVIVE?

(By Neil Hickey)

If the TV industry had a motto carved on its lintel, it would be Heraclitus's observation that "Nothing is permanent except change." In the last twelve months alone, TV in America has known little else: large-scale upheavals in programming content and strategy; disruptive firings, hirings and musical chairs in the industry's executive suites; mysterious alterations in long-established viewing habits of many segments of the public; an undeniable downturn in the three-network economic-growth rate, compared with the boom years of 1976 and 1977.

But even those developments—eye-catching and intriguing as they were—were like the crack of a popgun compared with the roll of distant thunder that became ever more audible during the last year. Most TV executives were so absorbed in the bitterest ratings war in the medium's history that they either didn't hear it, chose to ignore it or didn't believe their ears.

"It's *Die Goterdammerung,*" said one expert observer. "The twilight of the gods. After 30 years of Government-sanctioned monopoly, commercial-television broadcasting is now faced with an array of adversaries who insist there are better ways to serve a nation's communication needs." Another veteran of many broadcast wars, Rev. Everett Parker (who heads the United Church of Christ's Office of Communication), says that what we're beginning to see, in the industry's panic to achieve ever higher profits and ratings, is "the dinosaur's last throes of agony." Louis Friedland, president of MCA–TV, puts it a bit more cautiously: "There are many who now believe that the networking system has a limited existence. In the next 10 years, television networks and stations will be subjected to every kind of stress."

Commercial TV's predicament is not unlike that of a powerful country—having conventional armed forces—under siege by hordes of highly motivated guerrillas. Some of those guerrillas are easily identifiable: they have names like cable-TV, home video recording, video discs, video games and pay cable. Others are more shadowy but just as threatening: well-organized citizen groups with powerful grass-roots support (National PTA, Action for Children's Television, National Citizens Committee for Broadcasting, among many others) who know all the sensitive pressure points (e.g., license challenges, advertiser boycotts) by which change can be effected.

And in Washington, the 15-month-old Carter Administration is thought by broadcasters to have fostered a regulatory climate that is more friendly to consumerists and reformers—as well as to entrepreneurs of the new technologies—than to themselves. The Federal Trade Commission, especially (with its power to affect what can and can't be advertised on television), has become a painful thorn in TV's crown as a result of attitudes conveyed by the agency's activist new chairman, Michael Pertschuk. (He is currently studying a plan that would eliminate most commercials from children's programming.)

But it is Rep. Lionel Van Deerlin (D-Cal.) who is forcing the TV industry into its most painful self-examination in years. As chairman of the House Communications Subcommittee, he wants to revise the 44-year-old Communications Act (which does not even mention television) to make it more consanguine with the communications revolution that is even now being born. He is at pains to persuade broadcasters that it is in their own best, long-term interests to help "adjust old law to new needs" by cooperating in the creation of a new Act that would deal with satellites, cable and pay-cable TV, fiber optics, computers, lasers (and other new hardware), thereby plotting an orderly communications policy for the 21st century. He also points out that the authors of the 1934 Act intended that broadcasting serve the *local* needs of American communities, but that networks now dominate television so thoroughly that they provide 67 per cent of what their affiliated stations put on the air.

Van Deerlin's efforts at reform have met the massed resistance of broadcasters who are fearful that such tinkering might (as they put it) "seriously impair or destroy a system that has successfully fulfilled its mandate to the public." And they intend to marshal their vast lobbying resources in Washington to (in Van Deerlin's words) "keep the gold in Fort Knox." Their fervid defense of the status quo doubtless will succeed for a time, but disinterested experts are certain that broadcasting's structure is destined for a slow but sure evolution into new forms over the next few decades. The outlines of that structure are only now coming into view.

Satellites and cable, in conjunction, will be near the heart of the new systems. Satellite transmission over long distances is far more flexible and cheaper than either microwave relays or land lines. Cable television now serves almost 13 million American homes (18 per cent of the total TV homes) and expects to have another million by the end of the year. A study by the Young & Rubicam ad agency foresees 30-percent penetration of U.S. homes (with the potential for 20 per cent more) by 1981.

Already we are witnessing the birth of so-called "superstations" (like WTCG in Atlanta) that distribute their signals via satellite to regional networks of cable systems, giving those cable subscribers yet another viewing choice. That phenomenon is bound to grow, says Daniel Aaron, chairman of the National Cable Television Association. Actually, any speculator with a program to sell and some money to invest can now reach 282 cable systems (those equipped with Earth stations) by satellite if he chooses, and that figure is mounting as more cable operators decide they want the entertainments available via satellite.

Principal among those attractions at the moment is pay cable, and the largest pay-cable company (Home Box Office, with 80 per cent of the market) also happens to be the world's largest private satellite-communications network, beaming movies and some custom-made programming to almost every state in the Union. Altogether, the pay-cable industry has a million and a half subscribers on 604 of the Nation's nearly 4000 cable systems, and according to one (possibly optimistic) estimate by the Arthur D. Little Co., it can expect the number of subscribers to increase 50 per cent or more each year through the 1970s, reaching a total of three to four million by 1980 and five to seven million by 1985.

Those numbers may be unimpressive by commercial-TV standards, but they represent a fragmenting of the mass audience, which is the commodity networks sell to advertisers. Other examples of that erosion abound. Between five and six million video games were sold in 1977 to families who chose to play electronic hockey rather than watch television. Public television attracted 13 per cent more prime-time viewers in 1977 than it did the year before, and this year PBS

unveiled a fancy and flexible new satellite distribution system for its programs (which by 1980 will allow it to "feed" up to four shows at a time to its stations) that's more sophisticated than anything the commercial networks now employ or plan to employ.

Similarly, an ad hoc "fourth network" called Operation Prime Time, consisting of a consortium of stations (both independents and network affiliates), will produce three major drama productions this year as an alternative, for both viewers and advertisers, to the three-network output. That's not much, but as MCA–TV's Lou Friedland says, "You are looking at the prow of an ice cutter." Not only Operation Prime Time, but other program producers as well are concocting still more first-run TV fare and formats—some of it to run 52 weeks a year—for any station that wants to buy into it. Says one station manager: "The networks are exerting subtle pressure on us, through our affiliation contracts, to abjure this 'unsanctioned' programming and get back on the plantation. They see it as another crack in their dike."

One high-ranking network executive (who prefers not to be identified) believes that "all three networks would be terribly vulnerable" to a munificently financed, slickly programmed (dramas and miniseries with top stars) "fourth network" that would consistently siphon off ratings points from the other three by forging strong coalitions of independent TV stations and affiliates. "The public is more receptive now than ever before to new ways of receiving its TV entertainment," he says. "Eventually, networks will be purveyors of news and sports only—no entertainment."

A vigorous love-hate relationship exists between affiliates and networks, since both are fishing for the same advertising dollars. Many station owners are angry with the networks for gobbling up more and more of the broadcast day and the ad revenue that goes with it. (Only 10 percent of the networks' revenue from advertisers is passed along to local stations.) In 1976, the Westinghouse Broadcasting Company (which owns stations affiliated with all three networks) asked the FCC for a "comprehensive inquiry" into the "changing role and function of the three national television networks" and the extent to which they dominate the TV industry. The FCC is now embarked on that inquiry.

And last January, Westinghouse chairman Donald McGannon served formal notice on all three networks that "due to the proliferation of network commercial announcements" he was freezing, at current levels, the number of such messages his stations would carry; and that if the networks tried to slip in any more, he'd simply blank them out and run public-service announcements instead. He was doing it, said McGannon, because of the expanding "control by the networks of the economics of television" and the "inordinate concentration of revenue income" at the networks at the expense of local stations. (For similar reasons, affiliates have refused to allow the networks to expand their nightly news programs from 30 minutes to an hour.) McGannon's action sent a chill wind coursing through network executive suites at the prospect of further impertinence by other local operatives.

The natives are restless elsewhere in the industry as well. Hollywood producers of TV shows have chafed for years under a deficit-financing system imposed by the networks that excludes them from profits until a series has run for several years and is in syndication. "It's a very peculiar arrangement," says Frank Price, president of Universal Television, the biggest supplier of TV shows. But program producers have little recourse, he points out, because "there are plenty of producers but only three networks, and if their prices are remarkably similar . . . what can you do? Their power is pretty absolute." Antitrust action won't work because "the networks have strong lobbyists in Washington and production companies don't."

Still, says Price, "it's a very exciting time" in television because the winds of change are definitely blowing. Alternative outlets for producers are about to expand dramatically. Companies like Universal are nearing the day when they will be creating programs directly for pay cable, either on a pay-per-program basis or for outfits (like Home Box Office) that charge a monthly rate.

Says producer David Gerber: "As these new systems grow, we'll have the flexibility to make the kinds of programs we want rather than designing product for a three-network market." A drama or musical special could earn $40 million in one night alone, he points out, by charging $4 per set to 10 million homes. "The network system as we know it is in for some large-scale alterations," says Gerber. "They're going to have to compete for ratings not only among themselves but with the new systems that will be drawing off tremendous numbers of their audience."

Another alternate outlet for producers will be the video disc—longplaying video recordings of dramas, operas, ballet, Broadway musicals and other entertainments that you'll collect and play like phonograph records through your TV set. As a parable of its potential profitability, consider that if half the 30 million people who recently watched "The Nutcracker" on NBC decided to buy a video-disc copy of it for $10 (to be played whenever and as often as they liked), the gross revenue would be $150 million. If a paltry million of them purchased it, that's still $10 million. A project costing $500,000 could succeed if only 200,000 people spent $2 million for the disc—which proves there's profit at last in producing TV entertainment for special-interest audiences. Video discs are not yet in full production, but Frank Price states the consensus of many of his colleagues: "I think it can be the most exciting thing since television started."

Many other guerrillas are lying in the weeds: Hollywood moviemakers talk of beaming new films straight to local stations and cable systems via satellite, bypassing the networks; in Japan, broadcasters are experimenting with direct satellite-to-home TV transmission via rooftop antennas; AT&T and others are developing home terminals to expand enormously the flow of entertainment and information into American homes; Warner Cable is offering a two-way feedback TV system in Columbus, Ohio, that serves its subscribers a menu of 30 channels; owners of home video players (Betamax, SelectaVision, etc.) can buy or rent all manner of cassets containing theatrical movies and other entertainment and instruction, as an alternative to broadcast fare; a Texas company is devising a new TV tuner that will give UHF stations near parity with VHF, a wrinkle that (as Representative Van Deerlin puts it) "alone could change the economics of television as much as anything in the last two decades."

But aside from all the new gadgetry that will alter TV's shape, the pressures on the industry are taking other forms as well: the PTA in its ire over the quality of TV entertainment has considered civil litigation, license challenges, and economic boycotts of advertisers and local stations; the FTC says its new "painful bite" will include "substantial civil penalties and consumer redress, preliminary injunctions, [and] corrective advertising . . . to undo the damage done and to deter others . . ."; coalitions of activist groups in many states have indicated agreement with the United Church of Christ's recent pronouncement on "Exploitative Broadcasting Practices," which said that broadcasters are violating their legal obligations to the public "through a combination of desire for excess profits," the "irresponsibility" of the FCC and the "indifference" of Congress to the public's interests. (Dozens of such coalitions exist in the U.S., says the Rev. Mr. Parker—minorities, women, educators, church groups and parents. "They are strong, and they are not going to go away.") Elsewhere on the legal front, the courts have struck down many of the regulatory restrictions on cable and pay-cable television.

So Van Deerlin is right when he says that "the broadcast business is embattled as never before." He laments that the industry "chooses to draw its wagons into a circle" to protect its current profitability rather than going forth to make peace with its (real and imagined) adversaries. And profits are still astronomical despite a downswing this year that will give the industry (in the view of some market analysts) a mere eight-10-per-cent revenue increase rather than the 20-per-cent plus of recent years.

The ratings war currently raging is a kind of eye-filling volcanic display, but it's only a symptom of more profound subterranean rumblings in the broadcast business. "The networks want those huge profits now—while the industry is still healthy—to diversify their holdings and become conglomerates," says a veteran observer. "Networking won't be a viable business indefinitely. They see the handwriting on the wall, and they're grabbing what they can while they can."

Still, television's transformation will proceed at glacial pace for the present, gathering some momentum in the 1980s. Nobody can divine its ultimate shape. But it's certain that today's 20-year-olds will enjoy a far saner, more multifarious communications environment than anything we know today. The needs of that formless beast, The Mass Audience, no longer will be the medium's dominant concern. The public will be addressed, at last, in all its variety, potentially and dignity rather than as an immense herd of dimwitted sheep to be delivered to the highest bidder.

A Supermedia Age corollary to Murphy's famous Law ("Anything that can go wrong will go wrong") might be: "When enough people desire change, nothing can stop it; then whatever can happen will happen." Take a look around. It's going on right now.

Heraclitus was right.●

IS INCENTIVE TO GIVE TO BE DESTROYED?

HON. LARRY WINN, JR.

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 11, 1978

● Mr. WINN. Mr. Speaker, when a disaster strikes, the Red Cross is one of the first groups on the scene. When a couple plans a family, they are comforted by the fact that the March of Dimes has been working for years to help eliminate birth defects. If you are a cancer patient, you know the American Cancer Society is dedicated to finding a cure. And if you are an alcoholic, you know you can turn to Alcoholics Anonymous for help with your problems.

The Boy Scouts, the United Way, churches, universities, hospitals, libraries, and the Salvation Army are but a few examples of charitable and nonprofit organizations working to solve problems throughout this land. The varied services they provide play a vital role in the life and survival of our country.

They follow our basic philosophy emphasizing the importance of giving by demonstrating the importance of meeting human needs and finding solutions to difficult social problems. In short, they are essential to the maintenance of democracy.

The author Victor Hugo once said that "as a purse is emptied the heart is filled." The vast majority of people who contribute to worthy causes do it because they want to and they feel good about helping other people. They don't do it for self-aggrandizement.

This spirit of generosity insures the continued existence of charitable institutions and organizations. Yet, if present trends continue, this generosity may well end because there will be little incentive to contribute.

Today, because our reforms have been aimed at simplification, more and more people are taking the standard tax deduction. Fewer and fewer are itemizing and taking advantage of the deductions for charitable contributions.

I want to encourage people to contribute to charities and nonprofit organizations, and I believe Congress has a perfect opportunity to do so. Today, I am announcing my support for legislation to amend the Internal Revenue Code to allow taxpayers to take deductions for these contributions, regardless of whether or not they itemize their other deductions. By introducing a bill identical to H.R. 11183, I am adding my name to the growing list of people who believe this step is in order now.

The importance of this concept cannot be overstated. At this time, contributions to charitable organizations are declining, but operational costs are increasing. Many groups have had to cut back on their services or go out of business altogether.

Congress included deductions for charitable contributions for two reasons. First, there was a need to sustain voluntary giving despite increases in taxes due to our World War I effort. Second, it was generally accepted that income given to charities should not be taxed because it does not enrich the donor. The latter point is just as valid today, and I want every American—not just those who itemize—to be able to continue to contribute.

Admittedly, this proposal will mean a loss of about $3.2 billion in treasury revenues. However, neglecting to take this step will mean even bigger losses to charities. These groups maintain that just the increase in the standard deduction for 1977 resulted in a loss of $1.4 billion in charitable giving. In the last 8 years, these same organizations estimate that they've lost $5 billion as a result of tax "reforms."

If President Carter's reforms are adopted, only 17 percent of our taxpayers will continue to itemize their deductions meaning fewer people will have incentives to contribute and the contributions may well be smaller.

Certainly none of us who are responsible for these changes wanted to penalize charities, but that is just what we have done. And if we continue this trend, some institutions will suffer more than others.

I am concerned particularly about the organizations that depend heavily upon support from middle and lower income groups. Churches, the United Fund, Scout groups and other youth activities are popular charities among these groups, while orchestras, museums and cultural organizations tend to be more heavily supported by those with higher incomes. All of these groups need public support and they need it from all levels of society. Therefore, we should not take the risk of losing those which are supported by the lower income groups.

I fear the alternative is to do away with all tax breaks for charitable giving and turn these same funds over to the Government for distribution and administration. That way everyone can get the good feeling that goes with giving, because everyone will have participated through the tax system. Quite frankly, I am appalled by the prospect of Government management of the Boy Scouts, university endowments, and other organizations.

The Government is remote and clumsy. But voluntary groups bring about a freedom to experiment, a freedom to make choices, and the personal touch of one person caring for another. No government can compete with that.

The United States has always been a pluralistic society. Therefore, I think Congress should cause the Government to nuture the pluralism that continuing Government interference tends to diminish. However, if we rely on the State to pour more money into welfare and social insurance programs—and this will surely happen as charitable contributions decline—the taxpayers will lose more than money. They will also lose their freedom to decide where their money is to be applied.

One of my constituents recently wrote that, "if the charitable contribution becomes available to all, a greater number of people will have an added incentive to make gifts to qualified charities."

I believe this tax deduction proposal offers that incentive, and I urge my colleagues—especially those on the Ways and Means Committee where the proposal has been debated—to reaffirm this commitment to voluntary giving. There is no doubt that it is in the best interests of the country.●

HOUSE OF REPRESENTATIVES—*Friday, May 12, 1978*

The House met at 10 o'clock a.m.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

God is not far from every one of us, for in Him we live and move and have our being.—Acts 17: 27, 28.

O God, our Father, we thank Thee for every awakening of mind that comes to us, for the call of truth which summons us to be truthful, for the challenge of goodness which summons us to be good, and for the appeal of beauty which summons us to be beautiful in mind and heart. Responding, may we learn the lessons whereby we grew in body, in mind, and in spirit.

Give to us a vision of life not bounded by our own selfish desires. Lift us up to that realm where we shall take our places as builders of that which is good and true and beautiful. May we gain the power to live unselfishly, to be concerned about others, the needy, the poor, the sick, the oppressed, and to learn to love all classes and all races of people looking to the day of dawning brotherhood. May our work not be in vain and may our lives be strong in Thee. In the spirit of the Master we pray. Amen.

CALL OF THE HOUSE

Mr. BAUMAN. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. MOAKLEY. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 306]

Addabbo	Crane	Hannaford
Alexander	Cunningham	Harsha
Allen	D'Amours	Heckler
Anderson, Ill.	Daniel, Dan	Hillis
Andrews, N.C.	Danielson	Holland
Applegate	Davis	Holt
Armstrong	Dent	Horton
Ashley	Derwinski	Huckaby
Aspin	Dodd	Ireland
AuCoin	Eckhardt	Jeffords
Bellenson	Edgar	Jones, Tenn.
Biaggi	Edwards, Calif.	Kasten
Bonker	Edwards, Okla.	Kastenmeier
Bowen	Eilberg	Kazen
Breckinridge	Evans, Colo.	Ketchum
Brodhead	Fithian	Krueger
Brown, Calif.	Flood	Leggett
Burke, Calif.	Ford, Mich.	Lent
Carney	Ford, Tenn.	Long, La.
Carter	Fraser	Lujan
Cavanaugh	Frey	McCloskey
Chisholm	Fuqua	McDade
Clay	Gammage	McHugh
Cochran	Garcia	McKinney
Cohen	Giaimo	Madigan
Conyers	Gibbons	Mahon
Corman	Glickman	Mann
Cotter	Gradison	Martin

Statements or insertions which are not spoken by the Member on the floor will be identified by the use of a "bullet" symbol, i.e., ●

Mazzoli	Railsback	Stark
Metcalfe	Rangel	Stokes
Mikva	Reuss	Teague
Milford	Rhodes	Thornton
Mottl	Richmond	Traxler
Murphy, Ill.	Risenhoover	Tucker
Murphy, Pa.	Rodino	Udall
Myers, Michael	Rogers	Van Deerlin
Nichols	Roncalio	Walker
Nix	Rosenthal	Watkins
Nolan	Roybal	Waxman
Oakar	Runnels	Whitley
Patterson	Ryan	Whitten
Pattison	Santini	Wiggins
Pepper	Sarasin	Wilson, C. H.
Poage	Sawyer	Wirth
Pressler	Scheuer	Wolff
Preyer	Shipley	Wright
Pritchard	Sikes	Wydler
Pursell	Sisk	Young, Tex.
Quayle	Skubitz	
Quie	Snyder	

The SPEAKER. On this rollcall 286 members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated by Mr. Chirdon, one of his secretaries.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 2802. An act to amend the Truth in Lending Act to facilitate compliance by simplifying the requirements imposed under that Act, to facilitate administrative enforcement of that Act, and for other purposes; and

S. 3040. An act to amend the Rail Passenger Service Act to extend the authorizations of appropriations for an additional fiscal year, to provide for public consideration and implementation of a rail passenger service study, and for other purposes.

The message also announced that the President pro tempore, pursuant to Public Law 95–216, appointed Russell W. Laxson, of Minnesota, from private life, to be a member of the National Commission on Social Security.

APPOINTMENT OF CONFEREES ON H.R. 11504, AGRICULTURAL CREDIT ACT OF 1978

Mr. FOLEY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 11504) Agricultural Credit Act of 1978, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Washington? The Chair hears none, and appoints the following conferees: Messrs. FOLEY, JONES of Tennessee, POAGE, DE LA GARZA, RICHMOND, BALDUS, BEDELL, ENGLISH, PANETTA, HARKIN, FITHIAN, GLICKMAN, BROWN, WAMPLER, MADIGAN, JEFFORDS, KELLY, COLEMAN, and MARLENEE.

PERMISSION FOR COMMITTEE ON AGRICULTURE TO HAVE UNTIL MIDNIGHT, MONDAY, MAY 15, 1978, TO FILE REPORTS ON S. 2370, H.R. 11777, H.R. 11778, H.R. 11779, AND H.R. 10285

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that the House Committee on Agriculture may have until midnight, Monday, May 15, 1978, to file reports on S. 2370, to remove the limitation on the amount authorized to be appropriated under the volunteers in the National Forests Act of 1972; H.R. 11777, the Cooperative Forestry Assistance Act of 1978; H.R. 11778, the Forest and Rangeland Renewable Resources Research Act of 1978; H.R. 11779, the Renewable Resources Extension Act of 1978; and H.R. 10285, to extend the Commodity Exchange Act, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, there are a substantial number of bills listed by the gentleman. Can the gentleman explain why it is necessary to get unanimous consent for all of these bills?

Mr. FOLEY. If the gentleman will yield, as the gentleman knows, the Budget Act requires that legislation creating authorizations be reported by committees of authorizing jurisdiction by May 15.

Mr. ROUSSELOT. Mr. Speaker, further reserving the right to object, I am very well aware of that deadline requirement. That is why I am raising the question.

Mr. FOLEY. If the gentleman will yield further, the committee has acted on all of these bills. They have all been ordered reported by the committee. Our committee follows scrupulously the rule permitting a full 3 days for comments by members in the report, which it is required to do under the House rules, and members have been requested and have agreed to submit comments by noon Monday.

Mr. ROUSSELOT. Mr. Speaker, have members on the gentleman's committee from the minority side been consulted, and are they aware of this action by the chairman today?

Mr. FOLEY. They are aware that this unanimous consent request would be made.

Mr. ROUSSELOT. That does not mean they are in agreement with the bills?

Mr. FOLEY. That does not mean they are in agreement with all aspects of the bills.

Mr. ROUSSELOT. Can the gentleman tell us the total price of all of those bills?

Mr. FOLEY. The Congressional Budget Office has provided the committee with cost estimates on all of these bills except H.R. 10285 and we have a tentative estimate on it.

Two of the bills, H.R. 11777, and H.R. 11778 are expected to result in no significant cost. A third bill, S. 2370 is estimated to cost $150,000 per year. H.R. 11779 is estimated to result in outlays of $5 million in fiscal year 1979, $10 million in fiscal year 1980, and $15 million in the following years. The last bill, H.R. 10285, which extends the Commodity Exchange Act is estimated on a preliminary basis to cost $15 million per year, the approximate cost of the present Commodity Exchange Act.

Mr. ROUSSELOT. Further reserving the right to object, Mr. Speaker, is the gentleman convinced that that is within the framework of the budget resolution which we just passed this week by the House?

Mr. FOLEY. Yes, the budget estimates of each of these bills is clearly within the scope of the budget function ceilings recently adopted by the House.

Mr. ROUSSELOT. I appreciate the gentleman's explanation, Mr. Speaker, and I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

PERMISSION FOR COMMITTEE ON EDUCATION AND LABOR TO FILE REPORTS ON OLDER AMERICANS ACT AND VOCATIONAL REHABILITATION ACT

Mr. PERKINS. Mr. Speaker, I ask unanimous consent that the Committee on Education and Labor may have until midnight tomorrow, Saturday, May 13, 1978, to file a report on both the Older Americans Act and the Vocational Rehabilitation Act.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

PERMISSION FOR COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION TO SIT TODAY AND MONDAY, MAY 15, 1978, DURING 5-MINUTE RULE

Mr. ROE. Mr. Speaker, I ask unanimous consent that the Committee on Public Works and Transportation may be permitted to sit today, Friday, May 12, 1978, and on Monday, May 15, 1978, while the House is meeting under the 5-minute rule for the purpose of marking up H.R. 11733, the Surface Transportation Assistance Act; H.R. 12611, the Air Service Improvement Act of 1978; H.R. 11207, the Union Station Improvement Act of 1978; and H.R. 1609, the Coal Pipeline Act.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

Mr. ROUSSELOT. Reserving the right to object, Mr. Speaker, can the gentleman assure us that the minority members of this subcommittee are aware of this request?

Mr. ROE. If the gentleman will yield, Mr. Speaker, yes. The gentleman from Ohio (Mr. HARSHA) and the gentleman from Colorado (Mr. JOHNSON) are both asking for this permission to sit.

Mr. ROUSSELOT. Then, there are no major problems for members of this subcommittee because they will not be able to be present on the House floor for these 2 legislative days?

Mr. ROE. There is none whatsoever.

Mr. ROUSSELOT. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

COMMENTARY ON THE CAPUTO AMENDMENT TO HOUSE CONCURRENT RESOLUTION 559, THE BUDGET FOR THE U.S. GOVERNMENT FOR FISCAL YEAR 1979

(Mr. SEIBERLING asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SEIBERLING. Mr. Speaker, the press is interpreting the vote of the House on the so-called Caputo amendment to the budget resolution as a vote not to invoke any sanctions against South Korea if its Government refuses to cooperate in the investigation by the Committee on Standards of Official Conduct.

For myself, Mr. Speaker, I would say that I am quite prepared to vote for such sanctions at an appropriate time and when the appropriate committee or the leadership or a representative group of Members presents a proposal to us for such sanctions. However, I am not prepared to vote for it when a single Member, for reasons of his own, proposes it by amendment to the budget resolution, particularly when it can have no actual legislative effect.

Moreover, I suspect that the views I have expressed are shared by a great many of those who voted against the amendment, either because they did not think the budget resolution, or the manner in which the amendemnt was presented, was appropriate for the consideration of this issue.

RESCISSION AND DEFERRALS IN BUDGET AUTHORITY—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 95–335)

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Appropriations and ordered to be printed:

To the Congress of the United States:

In accordance with the Impoundment Control Act of 1974, I herewith report one proposal to rescind $30.0 million in budget authority previously provided by the Congress. In addition, I am reporting four new deferrals of budget authority totalling $55.1 million and two revisions to previously transmitted deferrals increasing the amount deferred by $0.7 million in budget authority.

The rescission proposal affects the Department of Agriculture's drought and flood assistance program. The new deferrals and revisions to existing deferrals involve programs in the Departments of Commerce, Energy, and the Interior, the Corps of Engineers, and the International Communication Agency.

The details of the rescission proposal and the deferrals are contained in the attached reports.

JIMMY CARTER.

THE WHITE HOUSE, *May 12, 1978.*

INTERNATIONAL DEVELOPMENT AND FOOD ASSISTANCE ACT OF 1978

Mr. ZABLOCKI. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 12222) to amend the Foreign Assistance Act of 1961 to authorize development and economic assistance programs for fiscal year 1979, to make certain changes in the authorities of that act and the Agricultural Trade Development and Assistance Act of 1954, to improve the coordination and administration of United States development-related policies and programs, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from Wisconsin (Mr. ZABLOCKI).

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. ROUSSELOT. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 300, nays 6, not voting 128, as follows:

[Roll No. 307]

YEAS—300

Abdnor	Bingham	Chappell
Akaka	Blanchard	Clausen, Don H.
Allen	Blouin	Clawson, Del
Ambro	Boggs	Cleveland
Ammerman	Boland	Coleman
Anderson, Calif.	Bolling	Collins, Ill.
Andrews, N.C.	Brademas	Collins, Tex.
Andrews, N. Dak.	Breaux	Conable
Annunzio	Brinkley	Conte
Archer	Brooks	Corcoran
Ashbrook	Broomfield	Cornell
Ashley	Brown, Mich.	Cornwell
Badham	Brown, Ohio	Coughlin
Bafalis	Broyhill	Daniel, Dan
Baldus	Buchanan	Daniel, R. W.
Barnard	Burgener	de la Garza
Baucus	Burke, Fla.	Delaney
Bauman	Burke, Mass.	Dellums
Beard, R.I.	Burleson, Tex.	Derrick
Beard, Tenn.	Burlison, Mo.	Derwinski
Bedell	Burton, John	Devine
Beilenson	Burton, Phillip	Dickinson
Benjamin	Butler	Dicks
Bennett	Byron	Diggs
Bevill	Caputo	Dingell
Blaggi	Carr	Dornan
Bonior	Cederberg	Downey
Bonker	Chisholm	Drinan
Bowen	Clay	Duncan, Oreg.
Breckinridge	Cochran	Duncan, Tenn.
Brodhead	Cohen	Early
Brown, Calif.	Conyers	Edwards, Ala.
Burke, Calif.	Corman	Emery
Carney	Cotter	English
Carter	Crane	Erlenborn
Cavanaugh	Cunningham	Evans, Del.
Chisholm	D'Amours	Evans, Ind.
Clay	Danielson	Fary
Cochran	Davis	Fascell
Cohen	Dent	Fenwick
Conyers	Dodd	Findley
Corman	Eckhardt	Fish
Cotter	Edgar	Fisher
Crane	Edwards, Calif.	Flippo
Cunningham	Edwards, Okla.	Flowers
D'Amours	Eilberg	Flynt
Danielson	Evans, Colo.	Foley
Davis	Fithian	Forsythe
Dent	Flood	Fountain
Dodd	Florio	Fowler
Eckhardt	Ford, Mich.	Frenzel
Edgar	Ford, Tenn.	Gaydos
Edwards, Calif.	Fraser	Gephardt
Edwards, Okla.	Frey	Gilman
Eilberg	Fuqua	Ginn
Evans, Colo.	Gammage	Goldwater
Fithian	Garcia	Gonzalez
Flood	Giaimo	Goodling
Florio	Gibbons	Gore
Ford, Mich.	Glickman	Grassley
Ford, Tenn.	Gradison	Green
Fraser	Hannaford	Gudger
Frey	Hillis	Guyer
Fuqua	Holland	Hagedorn
Gammage	Holt	Hall
Garcia	Horton	Hamilton
Giaimo	Huckaby	Hammer-schmidt
Gibbons	Ireland	Hanley
Glickman	Jeffords	Hansen
Gradison	Kasten	Harkin
Hannaford	Kastenmeier	Harrington
Hillis	Kazen	Harris
Holland	Ketchum	Harsha
Holt	Krueger	Hawkins
Horton	Leggett	Heckler
Huckaby	Lent	Hefner
Ireland	Long, La.	Heftel
Jeffords	Lujan	Hightower
Kasten	McCloskey	Hollenbeck
Kastenmeier	McDade	Holtzman
Kazen	McHugh	Howard
Ketchum	Krebs	Hubbard
Krueger	LaFalce	Hughes
Leggett	Lagomarsino	Hyde
Lent	Latta	Ichord
Long, La.	Leach	Jacobs
Lujan	Lederer	Jenkins
McCloskey	Le Fante	Jenrette
McDade	Lehman	Johnson, Calif.
McHugh	Levitas	Johnson, Colo.
Krebs	Livingston	Jones, N.C.
LaFalce	Lloyd, Tenn.	Jones, Okla.
Lagomarsino	Long, Md.	Jones, Tenn.
Latta	Lott	Jordan
Leach	Luken	Kelly
Lederer	Lundine	Kemp
Le Fante	McClory	Keys
Lehman	McCormack	Kildee
Levitas	McDonald	Kindness
Livingston	McEwen	Kostmayer
Lloyd, Tenn.	McFall	Railsback
Long, Md.	McKay	Regula
Lott	McKinney	Rinaldo
Luken	Madigan	Roberts
Lundine	Maguire	Robinson
McClory	Mann	Roe
McCormack	Markey	Rooney
McDonald	Marks	Rose
McEwen	Marlenee	Rostenkowski
McFall	Marriott	Rousselot
McKay	Martin	Roybal
McKinney	Mathis	Rudd
Madigan	Mattox	Ruppe
Maguire	Meeds	Russo
Mann	Meyner	Satterfield
Markey	Michel	Scheuer
Marks	Milford	Schroeder
Marlenee	Miller, Calif.	Schulze
Marriott	Miller, Ohio	Sebelius
Martin	Mineta	Seiberling
Mathis	Minish	Sharp
Mattox	Mitchell, N.Y.	Shuster
Meeds	Moakley	Simon
Meyner	Moffett	Skelton
Michel	Mollohan	Slack
Milford	Moore	Smith, Iowa
Miller, Calif.	Moorhead, Calif.	Smith, Nebr.
Miller, Ohio	Moorhead, Pa.	Solarz
Mineta	Moss	Spellman
Minish	Murphy, N.Y.	Spence
Mitchell, N.Y.	Murtha	St Germain
Moakley	Myers, Gary	Staggers
Moffett	Myers, John	Stangeland
Mollohan	Natcher	Stanton
Moore	Neal	Stark
Moorhead, Calif.	Nedzi	Steed
Moorhead, Pa.	Nolan	Steers
Moss	Nowak	Steiger
Murphy, N.Y.	Oberstar	Stockman
Murtha	Obey	Stratton
Myers, Gary	O'Brien	Studds
Myers, John	Ottinger	Stump
Natcher	Panetta	Symms
Neal	Patten	Taylor
Nedzi	Pattison	Thompson
Nolan	Pease	Thone
Nowak	Perkins	Treen
Oberstar	Pettis	Trible
Obey	Pickle	Tsongas
O'Brien	Pike	Udall
Ottinger	Price	Ullman
Panetta	Pritchard	Vander Jagt
Patten	Quie	Vanik
Pattison	Quillen	Vento
Pease	Rahall	Volkmer
Perkins	Regula	Waggonner
Pettis	Rinaldo	Walsh
Pickle	Roberts	Wampler
Pike	Robinson	Weaver
Price	Roe	Weiss
Pritchard	Rooney	Whalen
Quie	Rose	White
Quillen	Rostenkowski	Whitehurst
Rahall	Rousselot	Wilson, Tex.
Regula	Roybal	Winn
Rinaldo	Rudd	Wolff
Roberts	Ruppe	Wylie
Robinson	Russo	Yates
Roe	Satterfield	Yatron
Rooney	Scheuer	Young, Alaska
Rose	Schroeder	Young, Fla.
Rostenkowski	Schulze	Young, Mo.
Rousselot	Sebelius	Zablocki
Roybal	Seiberling	Zeferetti
Rudd	Sharp	
Ruppe	Shuster	
Russo	Simon	
Satterfield	Skelton	
Scheuer	Slack	
Schroeder	Smith, Iowa	
Schulze	Smith, Nebr.	
Sebelius	Solarz	
Seiberling	Spellman	
Sharp	Spence	
Shuster	St Germain	
Simon	Staggers	
Skelton	Stangeland	
Slack	Stanton	
Smith, Iowa	Stark	
Smith, Nebr.	Steed	
Solarz	Steers	
Spellman	Steiger	
Spence	Stockman	
St Germain	Stratton	
Staggers	Studds	
Stangeland	Stump	
Stanton	Symms	
Stark	Taylor	
Steed	Thompson	
Steers	Thone	
Steiger	Treen	
Stockman	Trible	
Stratton	Tsongas	
Studds	Udall	
Stump	Ullman	
Symms	Vander Jagt	
Taylor	Vanik	
Thompson	Vento	
Thone	Volkmer	
Treen	Waggonner	
Trible	Walsh	
Tsongas	Wampler	
Udall	Weaver	
Ullman	Weiss	
Vander Jagt	Whalen	
Vanik	White	
Vento	Whitehurst	
Volkmer	Wilson, Tex.	
Waggonner	Winn	
Walsh	Wolff	
Wampler	Wylie	
Weaver	Yates	
Weiss	Yatron	
Whalen	Young, Alaska	
White	Young, Fla.	
Whitehurst	Young, Mo.	
Wilson, Tex.	Zablocki	
Winn	Zeferetti	
Wolff		
Wylie		
Yates		
Yatron		
Young, Alaska		
Young, Fla.		
Young, Mo.		
Zablocki		
Zeferetti		

NAYS—6

Ertel	Lloyd, Calif.	Mitchell, Md.
Evans, Ga.	Mikulski	Wilson, Bob

NOT VOTING—128

Addabbo	Cotter	Giaimo
Alexander	Crane	Gibbons
Anderson, Ill.	Cunningham	Glickman
Applegate	D'Amours	Gradison
Armstrong	Danielson	Hannaford
Aspin	Davis	Hillis
AuCoin	Dent	Holland
Biaggi	Dodd	Holt
Bonior	Eckhardt	Horton
Bonker	Edgar	Huckaby
Bowen	Edwards, Calif.	Ireland
Breckinridge	Edwards, Okla.	Jeffords
Brodhead	Eilberg	Kasten
Brown, Calif.	Evans, Colo.	Kastenmeier
Burke, Calif.	Fithian	Kazen
Carney	Flood	Ketchum
Carter	Florio	Krueger
Cavanaugh	Ford, Mich.	Leggett
Chisholm	Ford, Tenn.	Lent
Clay	Fraser	Long, La.
Cochran	Frey	Lujan
Cohen	Fuqua	McCloskey
Conyers	Gammage	McDade
Corman	Garcia	McHugh

Mahon	Rangel	Stokes
Mazzoli	Reuss	Teague
Metcalfe	Rhodes	Thornton
Mikva	Richmond	Traxler
Montgomery	Risenhoover	Tucker
Mottl	Rodino	Van Deerlin
Murphy, Ill.	Rogers	Walgren
Murphy, Pa.	Roncalio	Walker
Myers, Michael	Rosenthal	Watkins
Nichols	Runnels	Waxman
Nix	Ryan	Whitley
Oakar	Santini	Whitten
Patterson	Sarasin	Wiggins
Pepper	Sawyer	Wilson, C. H.
Poage	Shipley	Wirth
Pressler	Sikes	Wright
Preyer	Sisk	Wydler
Pursell	Skubitz	Young, Tex.
Quayle	Snyder	

So the motion was agreed to.

The result of the vote was announced as above recorded.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H.R. 12222, with Mr. LEVITAS in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee of the Whole rose on Thursday, May 11, 1978, all time for general debate had expired. Title II had been considered as having been read and open to amendment at any point, and pending was an amendment offered by the gentleman from Colorado (Mr. JOHNSON).

Mr. DRINAN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the amendment offered by the gentleman from Colorado. The inclusion of tobacco in the Food for Peace program is unjustifiable. Indeed, the distribution of tobacco corrupts the essential purpose of the Food for Peace program. When Congress enacted Food for Peace, its purpose was to improve the health and well-being of the people of less developed nations by providing them with nutritional food from our own surplus. The inclusion of tobacco in Food for Peace can only serve to endanger the health of these people by exposing them to a significantly greater risk of cancer, heart disease, and other illnesses.

The $11.3 million authorized for the purchase of tobacco in Food for Peace may appear to be a small sum, but its impact is significant in three important respects. First, the United States is placed in the indefensible position of providing people with tobacco as part of a program designed to improve their health by alleviating the effects of hunger, malnutrition, and a poor diet; second, the United States is, in effect, diverting $11.3 million which could be spent for much-needed additional food to the purchase of a product which is a proven health hazard; and third, this $11.3 million constitutes a subsidy to the tobacco growers, who already benefit from a large Federal subsidy program.

The amendment offered by the gentleman from Colorado would simply remove the hypocrisy and inconsistency from one of our Nation's most successful foreign aid programs by deleting the funds for the purchase of tobacco. There is no legal place for tobacco, which is not a food and which is a serious health hazard, in a program which is designed to improve the health of poor people by providing them with food. It is not only illogical, it is counterproductive.

Mr. Chairman, it is time to eliminate the anomaly of tobacco from Food for Peace. It is time to stand up to the tobacco lobby. It is time to stop wasting millions of dollars on a product which has no place in any effort to aid the people of other nations. It is time to adopt the amendment offered by the gentleman from Colorado.

Mr. JONES of North Carolina. Mr. Chairman, I move to strike the requisite number of words. I rise in opposition to the amendment.

Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Colorado (Mr. JOHNSON). This will be the third time the same matter has been debated in approximately 14 months. I think it is important to bring to our attention just what Public Law 480 is and how it operates. There is section 1 and section 2. Title I provides that in surplus agricultural commodities that we sell, not give, but sell commodities to nations in which those nations participate in surplus agricultural commodities, and tobacco is included.

Title II is where this country gives surplus food and nutritional products to needy nations.

Let me make it emphatically clear that under the present law, as amended last year by this body by a vote of 206 to 151, we inserted language under title I that food and fiber should take preference and precedent all the way, nothing less. It is a fact, tobacco must be requested by the nation with whom we are doing business.

The amendment of the gentleman from Colorado purely and simply does nothing more or less than make it illegal for us to sell our tobacco products under title I of Public Law 480. That is what we have before us today.

This is not a health issue. It is an economic issue. Surely the figure mentioned by the preceding speaker is minute, but it is important to those 500,000 or 600,000 small, middle, and large farmers who are depending on a sound and viable program.

Mr. ASHBROOK. Mr. Chairman, will my colleague yield?

Mr. JONES of North Carolina. I will yield briefly to the gentleman from Ohio.

Mr. ASHBROOK. Mr. Chairman, I thank my colleague, the gentleman from North Carolina, for yielding.

I could not agree more with his statement. It is a funny thing to some people perhaps that these nations throughout the world have a say in deciding what they do want and what they do not want.

As I recall, last year one of the dictators said his country did not want Coca-Cola in his country. That is their right. We do not have a right to export Coca-Cola to them if they do not want it.

Other nations in the world certainly have some rights, and they know what they want to import better than we do.

As far as the inconsistencies are concerned, I could not pass up this chance to make a somewhat facetious comment. Mr. Califano has put up "no smoking" signs all over HEW. Based on our debate of Tuesday and Wednesday, I think we would all be better off if Mr. Califano were to put up signs with the legend: "No fraud, abuse, or mismanagement in this area." The taxpayers would certainly be better off if he did that. We should defeat this amendment.

Mr. JONES of North Carolina. Mr. Chairman, I thank the gentleman.

Mr. PERKINS. Mr. Chairman, will the gentleman yield?

Mr. JONES of North Carolina. I yield to the gentleman from Kentucky.

Mr. PERKINS. Mr. Chairman, let me thank the distinguished gentleman from North Carolina (Mr. JONES), the chairman of the subcommittee, for yielding.

The gentleman has correctly pointed out that tobacco is not forced upon any nation. Food in the food-for-peace program clearly has priority under the law presently, and as far as tobacco is concerned, if for any reason we were to prohibit these sales—not gifts, but sales—under Public Law 480, these underdeveloped nations and other nations involved would purchase their tobacco from someone else. All we would be doing would be hurting hundreds of thousands of small farmers in this country who make their living from growing tobacco. They have made their living in this way ever since the colony of Jamestown was settled in 1607. We have bartered and traded in tobacco with other nations ever since this country was formed.

Under Public Law 480, these are sales made after the countries have already elected to receive food under the Food for Peace program. They get their food and fiber first, and then if they want to make an election for tobacco, we extend credit to them under a sales arrangement.

Mr. Chairman, I see where the gentleman's amendment, if adopted, is just going to do nothing but to hurt the tobacco farmer in this country. It is not going to serve any useful purpose because those foreign nations will get their tobacco from other foreign countries, and it will hurt the economy of this country.

The CHAIRMAN. The time of the gentleman from North Carolina (Mr. JONES) has expired.

(On request of Mr. PERKINS, and by unanimous consent, Mr. JONES of North Carolina was allowed to proceed for 2 additional minutes.)

Mr. PERKINS. Mr. Chairman, if the gentleman will yield further, I would like to ask the gentleman from North Carolina (Mr. JONES) if I understood him correctly. Did the gentleman say that food and fiber comes first, and that no tobacco is given away to any underdeveloped countries; it is sold as a commodity, and if that country makes the request, then they get the tobacco? Am I correct in my assessment of the gentleman's statement?

Mr. JONES of North Carolina. Mr. Chairman, the exact language that this House adopted on July 26, 1977, by a vote of 261 to 151, is as follows:

In allocation of funds made available under this subchapter, priority shall be given to finance the sale of food and fiber commodities.

That language was approved by this House.

Mr. PERKINS. Mr. Chairman, I think we ought to make it perfectly clear that tobacco sales are not forced upon any nation under Public Law 480, and that those nations make their choice after they have exhausted their own priorities for food and fiber. Then, if they do not purchase it from us, they could purchase it from someone else; is that correct?

Mr. JONES of North Carolina. Yes. Mr. Chairman, I thank the gentleman very much.

Mr. PERKINS. But this amendment simply prohibits the sale of tobacco to any foreign nation?

Mr. JONES of North Carolina. The gentleman is correct.

Mr. WAMPLER. Mr. Chairman, I move to strike the requisite number of words.

Mr. DAN DANIEL. Mr. Chairman, will the gentleman yield?

Mr. WAMPLER. I yield to my distinguished colleague, the gentleman from Virginia.

Mr. DAN DANIEL. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Colorado.

Aside from the fact that this amendment is another attack on the tobacco industry, it is more than that. To adopt this proposal would not be in the self-interest of the United States, insofar as our trade relations is concerned. In the last calendar year, under this program, this country shipped $53.5 million worth of tobacco. Had the present amendment been law, our balance of payments would have suffered accordingly.

The fact is that the amendment approved last year has already worked to the economic disadvantage of this country. It has diminished the amount of tobacco shipped and as a result, we have had to tell nations that want American leaf that national policy limits participation. Nations that participate in this program benefit financially themselves and seek such arrangements.

The history of this program has clearly demonstrated that trade contacts made with many nations have had their beginning in agreements on tobacco shipments. We have made friends and these friendly relations have blossomed into wider trade arrangements affecting other products. To eliminate this tool of trade is to cut off our nose to spite our face—and I am opposed to it.

Mr. WAMPLER. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Colorado.

As you know, one of the purposes of the Public Law 480 program is to encourage economic development in developing countries. The exportation of tobacco under title I of the Public Law 480 program is economically beneficial to those countries participating in the program because is provides them with a commodity that generates revenues. If you look at the tobacco industry in our own country, with $16.4 billion in consumer expenditures and $6.2 billion collected in excises taxes in 1976, and compare that on a smaller scale for the countries that participated in the program, you can readily see that these financed sales can prove advantageous in the economic development of lesser developed countries.

Section 1205 of Public Law 95–113, the Food and Agriculture Act of 1977, states that in determining the allocation of funds for title I of Public Law 480, priority shall be given to financing the sale of food and fiber commodities. Simply stated, this means priority shall be given to financing the sales of all other agricultural commodities over the sales of tobacco. Statistics show that in 1977, $55.4 million was allocated for Public Law 480 tobacco sales to six countries, while in 1978, only $11.5 million will be used for sales to four countries. These are not enormous sums of money. I would rather view them as investments in potential export markets for our tobacco products, a market that contributed over $1 billion toward our balance of trade in 1976.

I also would like to bring to the attention of the Committee that the gentleman from Colorado (Mr. JOHNSON) has introduced legislation to prohibit nearly all Government assistance to tobacco growers. That legislation is pending and will, I am sure, be considered in due course. Thus, it would seem premature to totally ban Public Law 480 shipments of tobacco before we even hear all the facts and arguments on the gentleman's legislative proposal.

Mr. Chairman, I, therefore, urge my colleagues to vote against this amendment. It is essential that we maintain viable export markets for all agricultural commodities. It is also essential that we search out and develop future foreign markets for our products. I think this $11.5 million program is a worthwhile expenditure aiding in keeping exports up and urge that this program be maintained.

Mr. JOHNSON of Colorado. Mr. Chairman, will the gentleman yield?

Mr. WAMPLER. I yield to the gentleman from Colorado.

Mr. JOHNSON of Colorado. I thank the gentleman for yielding.

Mr. Chairman, the gentleman made a statement about the legislation that is pending, and I know it was an honest mistake in fact but I thought the record should be clear. It is true, last year I had introduced legislation to try to eliminate the tobacco subsidy program, but as a result of the arguments that were made by the gentleman, and others, I have introduced subsequent legislation. Hopefully, we will have hearings on it, and the chairman of the Subcommittee on Tobacco has promised that we would have hearings on it. That would be legislation that would require a study of what the actual economic effect would be if we would cut off the existing subsidy program. There were all kinds of arguments made about what would happen in the event we cut those out. Nobody really knows. The legislation is a very innocuous bill, calling for a study that would actually tell us what the economic consequences to the tobacco grower would be in the event we stopped the existing subsidy program.

Mr. Chairman, I just wanted the record to be clear on that point.

Mr. WAMPLER. I thank the gentleman for correcting the record at this point, but I hope the gentleman would agree with me that the present amendment is not the proper way to address the present concern the gentleman has, and I would hope that this amendment will be rejected. Then, so far as I am concerned, I am perfectly willing to address the question the gentleman has raised, in the appropriate form.

Mr. NATCHER. Mr. Chairman, I move to strike the last word, and I rise in opposition to the amendment.

Mr. Chairman, for several years now the distinguished gentleman from Colorado (Mr. JOHNSON) has offered amendments pertaining to tobacco, all of which indicate that he is very much against this program.

I recall that last year, Mr. Chairman, we had a sugar bill before us. We do not produce any sugar in Kentucky. We do not produce any sugar beets or sugarcane; but Mr. Chairman, the people in the Commonwealth of Kentucky were just as much concerned about sugar beets as was the gentleman from Colorado (Mr. JOHNSON). They produce a lot of sugar beets in Colorado.

Mr. Chairman, the Members will recall that the gentleman from Colorado was very much concerned at that time as to the domestic producer being protected in this country.

Mr. Chairman, if any Member will check the record, he will find that in the 16 States producing tobacco in this country, the Members from those States joined with the gentleman from Colorado to help his people.

Mr. Chairman, that is the kind of country we live in. We have 50 States in this country and when one section is in trouble and needs help certainly we do not turn our backs.

However, when a Member comes in here year after year and offers amendments against tobacco when not one stalk of tobacco is produced in the State of Colorado or in his district, we can clearly see, Mr. Chairman, how the gentleman from Colorado feels. He is a member of the Committee on Agriculture. He knows that not 1 pound of tobacco goes into the Food for Peace program unless the participating nation asks for the tobacco. Food must be requested first, and no tobacco is shipped unless that country asks for the tobacco.

As a member of the Committee on Agriculture, the gentleman from Colorado knows that tobacco is a $10 billion industry. He knows, Mr. Chairman, that over 11 billion pounds of tobacco are produced around the world. In this country about 2 billion pounds of tobacco are produced.

My friend, the gentleman from Colorado (Mr. JOHNSON), further knows, Mr. Chairman, that we ship commercially about $1.7 billion worth of tobacco a year. He knows what deficit of balance of payments means to this country. He knows exactly what tobacco has done down through the years as far as this deficit is concerned.

Mr. Chairman, he also knows that in this country there are 700,000 farm families which produce tobacco. They receive a little over $2.3 billion for their commodity. He further knows, Mr. Chairman, that tobacco pays into the Federal, State, and county tax treasuries a little over $6 billion a year in taxes—about $6.3 billion.

Mr. Chairman, I am very fond of the gentleman from Colorado (Mr. JOHNSON). I think he is a fine Member of the Congress.

I recall last year when there was a television program that appeared late one Saturday afternoon which was divided into three parts. One part pertained to the Johnstown flood and the millions of dollars of damage done along with deaths, a serious matter, and a serious disaster. That was part 1 of the program. Part 2 of the program pertained to Colorado and to the thousands of cattle dying throughout the State and to the drought, the worst one, probably, in the history of the State.

Then the third part of that program pertained to tobacco. They had the State of North Carolina appearing, and tobacco crops were shown on the screen. Then our friend, the gentleman from Colorado (Mr. JOHNSON), appeared on this part of the program on television against tobacco. Mr. Chairman, at the time when thousands of cattle were dying in Colorado and at a time when they had the worst drought in the history of the State.

Mr. Chairman, let me say to the gentleman that he knows what happened when they brought the matter of the disaster funding to the Committee on Appropriations. We appropriated every dollar necessary and every dollar requested for the disaster programs. We were concerned about what was happening in Colorado. Every member of our committee was, and I know this applied to everyone within the sound of my voice.

Again, Mr. Chairman, that is the kind of country we live in. The people were suffering and were in trouble in Colorado. We were concerned about them.

Mr. Chairman, if the gentleman from Colorado is faced with another serious disaster or serious problems with his sugar beets then I intend to join with him and help his State and his people.

Mr. Chairman, this amendment should be defeated.

Mr. GARY A. MYERS. Mr. Chairman, I move to strike the requisite number of words, and I rise in strong support of the amendment.

Mr. Chairman, I believe that even a casual reader of health statistics must be concerned about the impact of tobacco; not only tobacco, Mr. Chairman; there are other commodities which are abused by the American public. Alcohol could be mentioned as one.

I do not think the gentleman from Colorado or the gentleman from Pennsylvania is interested in targeting only one product that might be harmful, but I do not think we can fail to recognize that there are serious questions, overpowering medical and scientific statistics, to indicate that the abusive use of tobacco is a health problem for our country. I think it is inappropriate for us to use government programs to export that same problem to other countries, even poor countries.

I am aware of the fact that just this week, I believe in England, there was a new report published in which even more pessimistic projections were set forth for those people who use tobacco, as the report indicates they can expect their health problems to grow. We are aware of the fact that even those who cannot fend for themselves, those in the stage of fetal development, are affected by the consumption of tobacco. It has been indicated that perhaps the consumption of tobacco does cause birth defects.

I think it is unfortunate that we in this Congress attempt to persuade Members not to be an advocate in behalf of those people who are concerned about the use of tobacco in our society. I have said for some time that we have come to this House floor—and I did have a short colloquy this week on the budget resolution about tobacco—but we come to this floor and we debate social programs and speak glorious terms of how we are going to help people with cancer research, with increased medical benefits, and so forth. It seems to me that the American public has within its own grasp the opportunity to do more to reduce health care costs in this country than any single thing we can do in the construction of social programs. I think the combination of avoiding the abusive use of tobacco and alcohol, and reducing speed on the highways coupled with consistent use of seat belts would probably reduce health delivery costs across this country more than anything we could do.

I raise the question to the gentleman from Colorado with respect to the reference to selling tobacco: Could the gentleman from Colorado tell me whether section 203 of this bill would permit countries to defray the repayment to the United States for sales under the public law 480 moneys if, in fact, they planted tobacco and developed the infrastructure for future sales of tobacco within their own country? Certainly, it applies to food. I am wondering if it also applies to tobacco, since we as the implementing country regard tobacco as a food substance.

Mr. JOHNSON of Colorado. Mr. Chairman, will the gentleman yield?

Mr. GARY A. MYERS. I yield to the gentleman from Colorado.

Mr. JOHNSON of Colorado. Mr. Chairman, I would suggest that the question be more properly directed to the chairman of the full committee, but it seems to me that tobacco is treated as any other item under the act, and that would apply.

Mr. GARY A. MYERS. If I could ask the chairman of the committee with reference to section 203 of this bill, in which we are attempting to encourage development of the infrastructure of receiving countries, delay of repayment can be accorded even to countries which are developing an infrastructure to plant their own tobacco and develop the infrastructure with respect to the internal distribution of tobacco? Does that also qualify for delay of payments?

It seems to me that if they do qualify the argument that we are only selling other products becomes weaker and weaker at that point.

Mr. ZABLOCKI. Mr. Chairman, will the gentleman yield?

Mr. GARY A. MYERS. I yield to the chairman of the committee.

Mr. ZABLOCKI. Section 203 deals with the food for development program.

The CHAIRMAN. The time of the gentleman from Pennsylvania (Mr. MYERS) has expired.

(By unanimous consent, Mr. GARY A. MYERS was allowed to proceed for 3 additional minutes.)

Mr. ZABLOCKI. Mr. Chairman, if the gentleman will yield further, responding to the gentleman, section 203 deals only with debt repayment and not with commodities. The Public Law 480 title III program concerns, as I have said, food for development. It is targeted on increasing food production in the recipient countries and there is no program existing or proposed to my knowledge that has anything to do with tobacco.

Mr. NEAL. Mr. Chairman, will the gentleman yield?

Mr. GARY A. MYERS. I yield to the gentleman from North Carolina.

Mr. NEAL. Mr. Chairman, I would like to point out to the gentleman that we do not force any country to buy tobacco. I think the gentleman is confusing two different issues. We are not talking about the health issue here at all. If any country wants to buy tobacco, it will buy tobacco somewhere. Our tobacco is very much in demand around the world because of its high quality but other countries sell tobacco also and the question is whether a country will buy from South Africa or Red China or Brazil or some other country which sells tobacco or, buy our tobacco.

At a time when we are running a trade deficit of about $31 billion a year, it simply does not make sense to reduce our exports, it seems to me, and most especially when countries can buy the product somewhere else.

Mr. GARY A. MYERS. Mr. Chairman, if I could ask the gentleman, is alcoholic beverage qualified to be sold under this program?

Mr. NEAL. It does not qualify under this program. We are not suggesting we put alcoholic beverages under this bill.

Mr. GARY A. MYERS. So already the Congress has chosen not to encourage other countries to buy certain products under this.

In reference to the statement "we don't force them to buy tobacco," actually we cannot force countries to accept our grants for food. If they want to have them, they can have them. But at least this gives tacit approval of our Government for the consumption of tobacco.

Mr. NEAL. Precisely. Ours is a free country, if the gentleman will yield fur-

ther, and clearly we do "tacitly" approve the sale of tobacco in our country and always have.

Mr. GARY A. MYERS. But those people who object to its approval, whether it is 42 percent or 50 percent or 60 percent, ought to be able to have representation on this floor. The question is not whether the gentleman from Colorado needs a water project and is willing to trade off for the sale of tobacco. That is a highly questionable suggestion. But it is a question of allowing the gentleman to have representation on this floor for his point of view. On the one side there are those people who believe there are serious health questions with respect to the consumption of the product of tobacco and they ought to be able to be represented.

Mr. NEAL. But sugar is used in alcoholic beverage production and wheat from our country is used in the manufacture of beer and other alcoholic beverages, I imagine, somewhere around the world.

Mr. Chairman, the gentleman from Colorado has pleaded that he does not want to hurt the small tobacco farmers of the Nation, of which there are some 600,000, by his amendment to exclude tobacco from title I of Public Law 480 commodity sales. His protestations have a hollow ring, however, when we take a full look at the gentleman's overall efforts in this area, including his attempts to destroy the tobacco program in its entirety. He also has pleaded innocence on other occasions, when, in fact, he has suggested that the small farmers deprived of making an honest living growing tobacco could, once the earth has been rid of tobacco, be given Federal assistance which would amount to welfare.

So, I think we have to view the gentleman's effort for exactly what I believe it to be; that is, if he cannot destroy the tobacco program with one blow of his righteous ax, he would chip away at it until it is gone.

Mr. Chairman, this is not the time and place to discuss the merits of the smoking and health issue. I believe, however, that if I were to concede to the gentleman that there is a link between smoking and certain diseases, the gentleman should, on the basis of equally valid evidence, concede to me that refined sugar in the diet is a major cause of tooth decay and obesity, and is absolutely dangerous to the diabetic. So, if we are going to start banning potentially harmful farm commodities, we might as well take a look at sugar, too, and maybe at all those delectable foods which produce the "killer" cholesterol.

We are not called upon, in our consideration of H.R. 12222, to settle the tobacco-health issue. Title I of Public Law 480, as I understand it, pertains only to the sale—not gift—of surplus agricultural commodities. Only alcohol is excluded from the title, meaning that we may sell any other food or fiber. The gentleman is correct in stating that we amended Public Law 480 last year to give tobacco the lowest priority under title I. But the gentleman continues to try to lump title I which pertains to commodity sales only, with title II, which is assistance in the form of commodities. The gentleman ought to know that tobacco already is excluded from title II.

What we are talking about, then, is whether the United States should sell, not give, tobacco to other nations under Public Law 480. We do not force them to buy any of the commodities, including tobacco. Their purchases are based upon their need, or at the very least their desire, to buy. If this demand for tobacco exists in these countries, they are going to buy the tobacco elsewhere if they cannot buy it from us. The gentleman from Colorado, in spite of his intimations that the Congress someday will do away with tobacco in this country, will not be able to impose his moral preferences on foreign nations.

So what we find is a demand and a market for American tobacco—albeit a small market—under Public Law 480. If we do not fill the orders, somebody else will. Should we, because the gentleman may be offended by the aroma of tobacco, forgo these sales? I think prudence bids us say no.

Mr. Chairman, it is well known that I am a staunch supporter of the tobacco program because it is the backbone of the economy in my State and district. Beyond that, however, I have a deep concern about the Nation's current position in the world economy, and its staggering deficit in the balance of trade. That deficit is now running about $30 billion a year, jeopardizing the dollar abroad and contributing to inflation here at home. We can lessen this deficit in only two ways: by reducing imports, or by increasing exports. Because of our heavy dependence on foreign oil, it does not seem likely that we can correct the situation by reducing imports alone. We simply have to become more competitive in the export market. Farm commodities in general, and tobacco in particular, are among our best hopes of increasing our exports substantially.

Perhaps $11 million seems like a paltry sum to the gentleman, but I would remind him that would be a $1,100 market for 10,000 small farmers—as much appreciated by tobacco farmers as it would be by sugar beet growers.

The CHAIRMAN. The time of the gentleman from Pennsylvania (Mr. GARY A. MYERS) has again expired.

(By unanimous consent, Mr. GARY A. MYERS was allowed to proceed for 1 additional minute).

Mr. GARY A. MYERS. Mr. Chairman, I know of no product, if one abuses the use of it, that will not create some harmful effects as a result of its consumption. I agree with the gentleman if people smoke one or two cigarettes a day, I probably would not be here speaking today. And if the tobacco industry is somehow able to come up with a product that is consumed in the normol way at that level, I do not think we will have a problem. But the pattern is for the tobacco industry to entice people into a pattern of consumption of the abusive use of the tobacco.

Mr. NEAL. Only one further comment on this subject. We run a grave danger when we try to determine whether a country or an individual may or may not use tobacco. It is legal in our country. If people want to smoke, they will smoke. Do not let "Big Brother" Government tell them they cannot.

Mr. GARY A. MYERS. I think it is within our prerogative to set those limits here.

Mr. NEAL. Mr. Chairman, I ask permission to revise and extend my remarks.

Mr. ZABLOCKI. Mr. Chairman, I wonder if we can ascertain how many more Members desire to speak on this amendment. We have been on this amendment for almost an hour. How many Members wish to speak on this?

Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto end at 12:30.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin (Mr. ZABLOCKI)?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Kentucky (Mr. HUBBARD).

(By unanimous consent, Mr. NATCHER yielded his time to Mr. HUBBARD.)

Mr. HUBBARD. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Colorado (Mr. JOHNSON). Naturally, being from the State of Kentucky and from the western part of Kentucky, I represent thousands of tobacco farmers. I know that they are very anxious that this amendment be defeated.

I would remind my colleagues that there are more than $6 billion in taxes that come from tobacco products that go to the State, Federal, and local governments.

Further, Mr. Chairman, I would remind our colleagues that at present tobacco is the fifth largest cash crop coming behind corn, soybeans, wheat, and cotton. This amendment has an adverse effect on the State of Kentucky and on many other States and the amendment ought to be defeated.

I would also remind my colleagues that the People's Republic of China produces more tobacco than we do in the United States and that other countries like India, Russia, Turkey, and Brazil also produce tobacco and those countries looking to us for tobacco can also look elsewhere for it.

I urge my colleagues again to vote no on the amendment offered by the gentleman from Colorado (Mr. JOHNSON).

The CHAIRMAN. The Chair recognizes the gentleman from South Carolina (Mr. JENRETTE).

(By unanimous consent, Mr. WOLFF yielded his time to Mr. JENRETTE).

Mr. JENRETTE. Mr. Chairman and my colleagues, we went through the

farm movement legislation last year, and it received the support of many varied groups; we tried to work together as I hope that we can do today for the American tobacco farmer.

Mr. Chairman, Public Law 480, as one of its side effects, helps lift the morale of the individuals in these foreign countries and, even though you visit some foreign countries you may see signs saying "Yankees Go Home," at the same time you will see them using and even smuggling American cigarettes because they like them and they are the best. I think it is very important we remember that in the matter that has been under discussion regarding exporting tobacco to these foreign countries; at the same time we are also doing extensive research on tobacco here in the United States. Tobacco is very high in protein and hopefully it will soon be used in these various underdeveloped countries to feed stock and to help lower food costs in these underdeveloped countries. We must remember that these underdeveloped countries hopefully will be paying customers of U.S. agriculture in the future. If we lose the market to some other countries that produce tobacco because of restrictions such as this amendment would cause—chances are we would not be able to regain the market when the countries begin paying their way.

Also I think this would be a very bad precedent to set by picking out any one commodity. If we do it regarding tobacco then the next thing you know it will be grapes, then the next thing may be sugar, and maybe even things such as big apples that perhaps some bureaucrat at EPA or the Food and Drug Administration suddenly says that they have found something wrong with them and then some Congressman will say that because of this finding we cannot export that certain commodity under Public Law 480 because of that finding—and he would have the precedent here by this amendment.

So, Mr. Chairman, I think it is very important that we do not set a precedent that could be carried on to other commodities. The committees who handle these matters, they know what they are doing, they realize that tobacco brings us back millions of dollars. This present law clearly sets out the priorities and has reduced the amount of tobacco that may be exported and I think passage sets a bad precedent, a precedent that is wrong for tobacco or any other commodity and I urge a vote against the amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Washington (Mr. PRITCHARD).

Mr. PRITCHARD. Mr. Chairman, I believe we ought to keep this discussion in proper perspective. May I say that I appreciate the emotions and the feelings of those Members from tobacco producing States. However, we are not talking about cutting out the exporting of tobacco. We export $1.7 billion worth of tobacco every year and this only cuts out $11 million.

But, Mr. Chairman, there are many people around this country who do not understand how tobacco can be supported in the Food for Peace program.

All we are asking is to cut out about $11 million of that.

Let me also state that my friend the gentleman from Colorado (Mr. JOHNSON) did not offer an amendment last year to cut out subsidies for tobacco, all he did was request a study be made.

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina (Mr. ROSE).

(By unanimous consent, Mr. DIGGS yielded his time to Mr. ROSE.)

Mr. ROSE. Mr. Chairman, I appreciate the comment that was just made about the $1.7 billion in tobacco exports that we had last year. Maybe we ought to change the name of this program to the "Food and Tobacco for Peace Program." But tobacco is a recognized commodity in this country, and I believe that we should have the freedom of choice among these countries who, after food purchases, request that we sell it to them.

The basic thing that permeates all of these discussions is the question of health. I would remind my friends as they examine this attempt to hurt the tobacco industry—and other attempts will be made to kill the tobacco price support program—that it is these programs such as the price support program, such as this exporting of tobacco, that keeps the price of tobacco high in this country. If it is not to be cheap, conversely, possible cheaper cigarettes will be the result.

The CHAIRMAN. The time of the gentleman has expired.

The Chair recognizes the gentleman from Minnesota (Mr. HAGEDORN).

Mr. HAGEDORN. Mr. Chairman, I ask unanimous consent to yield my time to the gentleman from Colorado (Mr. JOHNSON) who has become not only the defender of the American taxpayer but the defender of the health of the people throughout the world.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina (Mr. FOUNTAIN).

Mr. FOUNTAIN. Mr. Chairman, I rise in opposition to the amendment. Tobacco was an extremely vital export at the very beginning of our country's history, and it is an extremely vital export today in 1978.

Consequently, this amendment to strike tobacco from the Public Law 480 program is just not in the best economic interest of our country. And I sincerely hope my colleagues will join with me in opposing it.

I might remind the House that this is a warmed-over issue, which came up last year, but which after calm and careful consideration of national interests was eliminated from the bill, even though we later established food as the priority, with tobacco sales available only after food sales are made. Taking a close look at the issue was convincing to an overwhelming majority of both bodies. They felt that tobacco should remain a part of the Public Law 480 program, and I am confident the Congress will again reach the same responsible decision.

When the International Relations Committee took up this question last year, it quickly decided not to eliminate tobacco from Public Law 480. This year in committee as we considered this bill, the question was not even considered worthy enough to raise. Clearly, the committee feels that tobacco should be in Public Law 480. It makes good economic sense.

There are a host of benefits, both to our own people and to the citizens of foreign lands which enter into Public Law 480 agreements with us. Let us take a look at them.

To begin with, tobacco exports are a vital economic asset to our country. We export about $1.7 billion a year of tobacco products, mostly unmanufactured leaf—in 1977, 628.6 million pounds, valued at $1.1 billion. Almost one-third of our tobacco is exported and for dollars—desperately needed here.

Agricultural exports of all kinds are important to America—$24 billion worth last year—and tobacco is an extremely important part of the whole. We may not be able to compete on world markets with color TV sets or ships or Christmas tree lights, but we sure can compete with agricultural products, including tobacco. Our tobacco is the best in the world.

The Public Law 480 program helps to create new markets for U.S. agricultural commodities. Many, many countries which bought tobacco under the Public Law 480 program in the past are now regular customers of ours, contributing substantially to our $1.7 billion a year-plus export sales of tobacco and helping to reduce our balance-of-payments deficit.

Recently, we have built strong commercial relationships with Thailand in the tobacco trade, in part because of Public Law 480. The same sort of thing is now taking place with Egypt, Syria, Zaire, the Philippines, Portugal, and Sierra Leone.

The Public Law 480 tobacco program is modest; only 2 percent of total Public Law 480 exports in the last calendar year were tobacco. But, the sum is still important to our economy, amounting to $53.5 million in calendar year 1977.

The tobacco amount in dollars varies from year to year. In calendar year 1976, it was $25.1, and in 1975—$25 million. From 1970 to 1974, the tobacco figure varied from about $20 to $37 million a year. Always, let me emphasize, a very small percentage. Again, last year, it was only 2 percent of the whole.

Consequently, it seems to me that what we ought to be doing is promoting to-

bacco sales abroad, not making emotional, unwise attacks against a legitimate agricultural product.

If we do not sell our tobacco abroad, then rest assured that plenty of other countries will step in to fill the gap. As a matter of fact, they already are constantly trying to take our tobacco markets away from us.

Now we are not talking about the smoking issue here today—the Public Law 480 program has nothing to do with that issue. The only question is, will foreign lands buy tobacco from us or from some other country? They are going to buy tobacco from somebody else. You can bet your bottom dollar on that.

And believe it or not we are not the biggest producer of tobacco in the world. The Peoples' Republic of China has edged us out. They produced 2.16 billion pounds in the most recent reporting year, while the United States produced 2.11 billion pounds in that same year.

And there are a host of other countries which are major producers of tobacco:

[Millions of pounds]

India	837
Russia	639
Turkey	573
Brazil	557
Japan	364
Bulgaria	319
Greece	279
Italy	239
South Korea	238
Poland	220

Tobacco can be and is grown in a lot of places. For example, Rhodesia in Africa produces a lot of competition for us.

Whether or not they still grow much in Switzerland, I do not know, but I do recall that they even grew a lot of tobacco there during World War II—in one of the most mountainous countries of the world. Unfortunately, Switzerland again became a good customer of ours after the war was over and international trade channels were reopened.

I have talked about markets and poundage and our competition for the tobacco trade of the world. But who benefits from all this here at home? The whole country benefits ultimately, but at the very outset our farm families living in no less than 16 States are direct, immediate beneficiaries.

Tobacco is the major source of farm income to over 600,000 farm families in the United States of which an overwhelming majority are family-size producers. Tobacco is the fifth largest cash crop produced in the United States. Tobacco is a major crop in 16 States, which are as follows: North Carolina, Kentucky, Virginia, South Carolina, Georgia, Tennessee, Florida, Maryland, Connecticut, Indiana, Ohio, Pennsylvania, Wisconsin, Massachusetts, Missouri, and West Virginia.

In addition, tobacco is also produced to a lesser extent in Alabama, Arkansas, Illinois, Kansas, Louisiana, Minnesota, and New York.

What will happen to these farm families if tobacco exports decline as a result of doing away with the inexpensive, but extremely useful Public Law 480 tobacco promotion program? Remember, tobacco exports will decrease by tens of millions of pounds this year, if this amendment were to be enacted into law.

As I have pointed out, our people—our whole economy—benefits from inclusion of tobacco in Public Law 480. But, the foreign countries benefit greatly, too.

For them, the tobacco provides jobs and tax revenue, keeps costly imports down, and aids in general economic development.

The funds generated by selling the tobacco they buy under Public Law 480 aids in their economic development. A country usually requests unmanufactured tobacco because it wants to process it domestically in local plants.

These plants provide local jobs, provide tobacco products for the government to tax, and supply the local market without having to import more expensive foreign manufactured tobacco products.

As part of the Public Law 480 agreement, the country promises to consume the tobacco within the country and not to export its processed products to other nations.

Through Public Law 480, tobacco sales help development in more general ways. As part of the title I agreement, the country commits itself to "self-help" development measures. This means that the funds which the government receives from reselling the unmanufactured tobacco to the processing plant, or selling the tobacco to the processing plant, or selling the tobacco products, are used to finance national economic development.

The local development projects vary from country to country. They may include such things as expanding agricultural extension services in rural areas, developing a system of cooperatives, improving the quality of livestock, supplying rural credit facilities, eliminating destructive pests, and developing more nutritious foods. Funds from tobacco sales help finance such worthwhile projects.

The time has long since come for the United States of America to begin looking out for its own national interests—economic and otherwise.

Clearly, it is in our national economic interest to sell our tobacco abroad, and we must keep this program which helps.

Our country is no longer self-sufficient. We cannot retreat to Fortress America and still have all of the blessings of life—the high standard of living—we have become accustomed to.

We now have to constantly compete for business in the world market place, and that means we have to produce legitimate products that the world needs and wants.

Tobacco is such a product.

I urge the defeat of the amendment and the retention of tobacco in the Public Law 480 program. Six hundred thousand farm families, and millions of other Americans from the tobacco farmers of my district to shipworkers and dockworkers on the west coast, will be grateful for your vote against this amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania (Mr. SCHULZE).

(By unanimous consent, Mr. SCHULZE yielded his time to Mr. JOHNSON of Colorado).

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina (Mr. HEFNER).

Mr. HEFNER. Mr. Chairman, the gentleman from Washington (Mr. PRITCHARD), said "only $11 million," but $11 million here and $11 million there amounts up to a lot of money. This is a frivolous amendment. People have spoken on it because of the health aspect. This does not cut one person from smoking cigarettes in this country or any other country.

I am sure my friend, the gentleman from Colorado, would not want to join Secretary Califano in being one of the two most unpopular people right now in North Carolina. I hope he would want to enjoy the friendship of the good people of my State.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania (Mr. GARY A. MYERS).

Mr. GARY A. MYERS. Mr. Chairman, it has often been said that the people who will get hurt by this amendment, are the small tobacco farmers. I have already been on record as stating I would heartily endorse a program which would subsidize the transfer from the production of tobacco to some other useful product for those people who would experience that problem. I do not have a bias against those farmers, and I think that particular type of problem can be worked out. This is not a frivolous amendment. The overall attitude of this Congress with respect to where we are going as to encouraging or discouraging the use of tobacco will have a long-lasting, serious impact on the production of tobacco in this country. I think we do have to recognize that we do have that opportunity, and the longer we delay, the longer people will be coping with serious health problems that could have been avoided.

The CHAIRMAN. The Chair recognizes the gentleman from Georgia (Mr. MATHIS).

Mr. MATHIS. Mr. Chairman, I oppose the amendment.

(By unanimous consent, Mr. MATHIS yielded the balance of his time to Mr. ZABLOCKI.)

The CHAIRMAN. The Chair recognizes the gentleman from Colorado (Mr. JOHNSON).

Mr. JOHNSON of Colorado. Mr. Chairman, it is unfortunate that we cannot talk about this issue or others, I guess, as we run into the same problem, without having to change the subject matter into personalities, popularity contests and all.

The CHAIRMAN. The Chair will advise the gentleman from Colorado that

under the unanimous consent request and the restrictions imposed, all time has expired and further proceedings may not proceed in the absence of unanimous consent.

Mr. GARY A. MYERS. Mr. Chairman, I ask unanimous consent that all Members previously designated under the allotted time be allowed to proceed and that then we end all debate.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Colorado (Mr. JOHNSON).

Mr. JOHNSON of Colorado. Mr. Chairman, it is hard for me to understand how this debate can be so distorted. The economic arguments that are made on the part of the tobacco industry simply do not hold water. We are talking about a subsidy program, which is title I of the Food for Peace program. The initial payments on most of those contracts that were called for last year called for a 5-percent down payment, no payment for the next 2 years, and then a 2- or 3-percent interest payment that would be made over the balance of the 19 payments, 20 years of contracts of payments that are subsidized under title I of the Food for Peace program.

Now, how in the world can we say that if we cut out $11.3 million of the Food for Peace program that goes for tobacco this year, after being cut from $55 million, that we are really going to do serious damage to the small tobacco farmer?

As stated again and again on the floor of the House and that is always ignored, that there is not any need for us to damage the small tobacco farmer. Nobody wants to damage the small tobacco farmer, but we are always accused and made some kind of pariah that we are trying to do harm to the people of North and South Carolina. It gets pretty tiresome. We cannot ever deal with the issue. We sell $1.7 billion of tobacco abroad and we sell billions of dollars at home and to cut this small amount from the Food for Peace program is not going to be harmful in anyway to the tobacco industry.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan (Mr. BROOMFIELD).

Mr. BROOMFIELD. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin (Mr. ZABLOCKI).

Mr. ZABLOCKI. Mr. Chairman, I speak merely in summary, because others have already spoken so eloquently in urging the defeat of this amendment.

As has already been stated, tobacco is presently banned from Public Law 480, title II support, that is, under the grant programs which are conducted for humanitarian purposes.

Small amounts of tobacco are included in Public 480, title I sales. Public Law 480, title I has, among its various purposes, the objective of promoting U.S. farm exports, as well as helping the countries which receive Public Law 480 aid. Tobacco exports are a major foreign exchanger earner for the United States and are an important source of income for American farmers who grow tobacco, as has been repeatedly testified to in the debate.

Last year we added to Public Law 480, section 402, a requirement that priority under Public Law 480, title I, sales be given to food and fiber commodities. This is being done.

Mr. Chairman, I hope the amendment will be defeated.

The CHAIRMAN. All time has expired.

The question is on the amendment offered by the gentleman from Colorado (Mr. JOHNSON).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. JOHNSON of Colorado. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count.

Mr. JOHNSON of Colorado. Mr. Chairman, I withdraw my point of order of no quorum.

The CHAIRMAN. The gentleman from Colorado (Mr. JOHNSON) withdraws his point of order that a quorum is not present.

RECORDED VOTE

The CHAIRMAN. The pending business is the demand of the gentleman from Colorado (Mr. JOHNSON) for a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 126, noes 189, not voting 119, as follows:

[Roll No. 308]

AYES—126

Ammerman	Evans, Del.	McKinney
Anderson, Calif.	Fenwick	Maguire
Archer	Fish	Markey
Badham	Fisher	Marriott
Bafalis	Florio	Mineta
Bedell	Forsythe	Minish
Bennett	Fraser	Moakley
Blanchard	Frenzel	Moffett
Blouin	Gilman	Moore
Bonior	Goodling	Moorhead, Calif.
Brademas	Grassley	Moss
Brown, Ohio	Hagedorn	Myers, Gary
Buchanan	Hansen	Nedzi
Burgener	Harrington	Ottinger
Burke, Fla.	Harris	Panetta
Byron	Heckler	Pease
Caputo	Holtzman	Pettis
Carr	Hughes	Pike
Cederberg	Hyde	Pritchard
Clausen, Don H.	Jacobs	Quie
Clawson, Del	Johnson, Colo.	Regula
Cleveland	Kastenmeier	Rinaldo
Collins, Tex.	Kelly	Roe
Conable	Kemp	Roncalio
Conte	Keys	Ruppe
Corcoran	Kildee	Russo
Cornell	Kostmayer	Scheuer
Coughlin	Krebs	Schroeder
Delaney	Lagomarsino	Sharp
Derrick	Latta	Shuster
Devine	Leach	Simon
Dornan	Lehman	Smith, Nebr.
Drinan	Long, Md.	Stanton
Early	Lott	Steers
Edwards, Calif.	Luken	Stockman
Emery	McClory	Stratton
Erlenborn	McCormack	Studds
Ertel	McDonald	Symms
	McEwen	Thone
	McKay	
Tsongas	Whalen	Yates
Udall	Wilson, Bob	Yatron
Vanik	Wylie	Young, Fla.

NOES—189

Abdnor	Garcia	Myers, John
Akaka	Gaydos	Natcher
Allen	Gephardt	Neal
Ambro	Giaimo	Nolan
Andrews, N.C.	Ginn	Nowak
Andrews, N. Dak.	Goldwater	O'Brien
	Gonzalez	Oberstar
Annunzio	Gore	Obey
Ashbrook	Green	Patten
Ashley	Gudger	Pattison
Baldus	Guyer	Perkins
Barnard	Hall	Pickle
Baucus	Hamilton	Price
Bauman	Hammer-schmidt	Quillen
Beard, R.I.		Rahall
Beard, Tenn.	Hanley	Railsback
Bellenson	Harkin	Roberts
Benjamin	Harsha	Robinson
Bevill	Hawkins	Rooney
Bingham	Hefner	Rose
Boggs	Heftel	Rosenthal
Boland	Hightower	Rostenkowski
Bolling	Hollenbeck	Rousselot
Breaux	Howard	Rudd
Brinkley	Hubbard	Satterfield
Brooks	Ichord	Schulze
Broomfield	Jenkins	Sebelius
Brown, Mich.	Jenrette	Seiberling
Broyhill	Johnson, Calif.	Skelton
Burke, Mass.	Jones, N.C.	Slack
Burleson, Tex.	Jones, Okla.	Smith, Iowa
Burlison, Mo.	Jones, Tenn.	Solarz
Burton, John	Jordan	Spellman
Burton, Phillip	Kindness	Spence
Butler	LaFalce	St Germain
Chappell	Le Fante	Staggers
Coleman	Lederer	Stangeland
Collins, Ill.	Levitas	Stark
Cornwell	Lloyd, Calif.	Steed
Daniel, Dan	Lloyd, Tenn.	Steiger
Daniel, R. W.	Lundine	Stump
de la Garza	McFall	Taylor
Dellums	McHugh	Thompson
Derwinski	Madigan	Treen
Dickinson	Mahon	Trible
Dicks	Mann	Ullman
Diggs	Marks	Vento
Dingell	Marlenee	Volkmer
Downey	Martin	Waggonner
Duncan, Oreg.	Mathis	Walsh
Duncan, Tenn.	Mattox	Wampler
Edwards, Ala.	Meeds	Weaver
English	Meyner	Weiss
Evans, Ga.	Michel	White
Evans, Ind.	Mikulski	Whitehurst
Fary	Milford	Wilson, Tex.
Fascell	Miller, Calif.	Winn
Findley	Miller, Ohio	Wolff
Flippo	Mitchell, Md.	Young, Alaska
Flowers	Mitchell, N.Y.	Young, Mo.
Flynt	Mollohan	Young, Tex.
Foley	Moorhead, Pa.	Zablocki
Fountain	Murphy, N.Y.	Zeferetti
Fowler	Murtha	

NOT VOTING—119

Addabbo	Dodd	Livingston
Alexander	Eckhardt	Long, La.
Anderson, Ill.	Edgar	Lujan
Applegate	Edwards, Okla.	McCloskey
Armstrong	Eilberg	McDade
Aspin	Evans, Colo.	Mazzoli
AuCoin	Fithian	Metcalfe
Biaggi	Flood	Mikva
Bonker	Ford, Mich.	Montgomery
Bowen	Ford, Tenn.	Mottl
Breckinridge	Frey	Murphy, Ill.
Brodhead	Fuqua	Murphy, Pa.
Brown, Calif.	Gammage	Myers, Michael
Burke, Calif.	Gibbons	Nichols
Carney	Glickman	Nix
Carter	Gradison	Oakar
Cavanaugh	Hannaford	Patterson
Chisholm	Hillis	Pepper
Clay	Holland	Poage
Cochran	Holt	Pressler
Cohen	Horton	Preyer
Conyers	Huckaby	Pursell
Corman	Ireland	Quayle
Cotter	Jeffords	Rangel
Crane	Kasten	Reuss
Cunningham	Kazen	Rhodes
D'Amours	Ketchum	Richmond
Danielson	Krueger	Risenhoover
Davis	Leggett	Rodino
Dent	Lent	Rogers

Roybal	Snyder	Watkins
Runnels	Stokes	Waxman
Ryan	Teague	Whitley
Santini	Thornton	Whitten
Sarasin	Traxler	Wiggins
Sawyer	Tucker	Wilson, C. H.
Shipley	Van Deerlin	Wirth
Sikes	Vander Jagt	Wright
Sisk	Walgren	Wydler
Skubitz	Walker	

The Clerk announced the following pairs:

On this vote:

Mr. Rogers for, with Mr. Breckinridge against.

Mr. AuCoin for, with Mr. Addabbo against.

Mr. Waxman for, with Mr. Davis against.

Mr. Mottl for, with Mr. Fuqua against.

Mr. Wirth for, with Mr. Nichols against.

Mr. Gammage for, with Mr. Sikes against.

Mr. Ryan for, with Mr. Whitley against.

Mr. Frey for, with Mr. Flood against.

Mr. Jeffords for, with Mr. Risenhoover against.

Mr. Walker for, with Mr. Rangel against.

Mr. AMBRO changed his vote from "aye' 'to "no."

Mr. HANSEN and Mr. BROWN of Ohio changed their vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. Are there further amendments to title II?

If not, the Clerk will read.

The Clerk read as follows:

TITLE III—ECONOMIC ASSISTANCE

ECONOMIC SUPPORT FUND

SEC. 301. (a) Part I of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new chapter:

"CHAPTER 11—ECONOMIC SUPPORT FUND

"SEC. 498. AUTHORITY.—(a)(1) The Congress recognizes that under special economic, political, or security conditions the national interests of the United States may require economic support for countries or in amounts which could not be justified solely under chapter 1 of this part. In such cases, the President is authorized to furnish assistance to countries and organizations, on such terms and conditions as he may determine, in order to promote economic or political stability. In planning assistance intended for economic development under this chapter, the President shall take into account, to the maximum extent feasible, the policy directions of section 102.

"(2) The Secretary of State shall be responsible for policy decisions and justifications for economic support programs under this chapter, including determinations of whether there will be an economic support program for a country and the amount of the program for each country. The Secretary shall exercise this responsibility in cooperation with the Administrator of the agency primarily responsible for administering this part.

"(b)(1) There is authorized to be appropriated to the President to carry out the purposes of this chapter for the fiscal year 1979 $1,845,000,000.

"(2) Of the amount authorized to be appropriated to carry out this chapter for the fiscal year 1979, not less than $5,000,000 shall be available only for Cyprus.

"(3) Amounts appropriated to carry out this chapter are authorized to remain available until expended.

"(c) Amounts appropriated to carry out this chapter shall be available for economic programs only and may not be used for military or paramilitary purposes.

"SEC. 499. MIDDLE EAST POLICY STATEMENT AND PROGRAM.—(a) The Congress recognizes that a peaceful and lasting resolution of the divisive issues that have contributed to tension and conflict between countries in the Middle East is essential to the security of the United States and the cause of world peace. The Congress declares and finds that the United States can and should play a constructive role in securing a just and durable peace in the Middle East by facilitating increased understanding between the Arab countries and Israel and by assisting the nations in the region in their efforts to achieve economic progress and political stability, which are the essential foundations for peace. It is the sense of the Congress that the United States assistance programs in the Middle East should be designed to promote mutual respect and security among the countries in the area and to foster a climate conducive to increased economic development, thereby contributing to a community of free, secure, and prospering countries in the Middle East.

"(b)(1) Of the amount authorized to be appropriated to carry out this chapter for the fiscal year 1979, not less than the following amounts shall be available for the following countries and purposes:

"Israel	$785,000,000
"Egypt	750,000,000
"Jordan	93,000,000
"Syria	90,000,000
"Maqarin Dam regional project	50,000,000
"Private voluntary agency develop projects	3,000,000

"(2)(A) Not less than two-thirds of the assistance furnished to Israel, and not less than two-thirds of the assistance furnished to Egypt, for the fiscal year 1979 under this chapter shall be provided on a grant basis.

"(B) Of the amount authorized to be appropriated to carry out this chapter for the fiscal year 1979 which is available for Israel, not less than $560,000,000 shall be available only for foreign exchange support, except that the President may waive this requirement if he determines that it would have an adverse impact on the level of exports from the United States to Israel.

"(3)(A) Of the amounts made available under this chapter for the fiscal year 1979, $3,000,000 shall be available only for promotion of regional cooperation and regional development.

"(B) In order to identify regional projects in the Middle East which would be appropriate for assistance under this chapter, the President shall submit to the Congress not later than February 1, 1979, a report prepared by the Agency for International Development which discusses feasible regional projects in the Middle East, in the context of peace between Israel and its Arab neighbors, which would stress agricultural, scientific, technological, or other forms of cooperation.

"(4)(A) Funds appropriated to carry out this chapter for fiscal year 1979 may not be expended for construction of the proposed potash production facility in Jordan until the President has determined (and has reported his determination to the Congress) that Jordan has obtained firm commitments from other sources for the financing which will be required for that project in addition to the proposed United States contribution.

"(B) Funds appropriated to carry out this chapter for fiscal year 1979 may not be expended for construction of the proposed Maqarin Dam and Jordan Valley Irrigation System until the President has determined (and has reported his determination to the Congress) that Jordan has obtained firm commitments from other sources for the financing which will be required for that project in addition to the proposed United States contribution.

"SEC. 500. SOUTHERN AFRICA PROGRAM.—Of the amount authorized to be appropriated to carry out this chapter for the fiscal year 1979, $65,000,000 shall be available only for the countries of southern Africa to address the problems caused by the economic dislocation resulting from the conflict in that region and for education and job training assistance for Africans from Namibia and Zimbabwe. Such funds may be used to provide assistance to African refugees and persons displaced by war and internal strife in southern Africa, to improve transportation links interrupted or jeopardized by regional political conflicts, and to provide trade credits for the purchase of United States products to those countries in the region adversely affected by blocked outlets for their exports and by the overall strains of the world economy.".

(b)(1) Chapter 4 of part II and part VI of the Foreign Assistance Act of 1961 are repealed.

(2) Section 115 of such Act is repealed.

(3) Section 502B(d)(2)(A) of such Act is amended—

(A) by striking out "or chapter 4 (security supporting assistance)"; and

(B) by striking out "part VI (assistance to the Middle East)" and inserting in lieu thereof "under chapter 11 (economic support fund) of part I".

(6) Section 614(b) of such Act is amended in the text preceding paragraph (1) by striking out "chapter 4" and inserting in lieu thereof "chapter 11".

(5) The second sentence of section 610(b) of such Act is repealed.

(6) Section 614(b) of such Act is amended by striking out "chapter 4" and inserting in lieu thereof "chapter 11".

(7) Section 620B of such Act is amended in paragraph (1) by striking out "2, 4," and inserting in lieu thereof "11 of part I or chapter 2".

(8) Section 653(b) of such Act is amended by striking out "security supporting assistance" each of the three places it appears and inserting in lieu thereof "assistance under chapter 11 of part I of this Act".

(9) Sections 669(a) and 670(a) of such Act are each amended by inserting "(including economic support fund assistance)" immediately after "economic assistance" and by striking out "or security supporting".

(10) Section 406(a) of the International Security Assistance and Arms Export Control Act of 1976 is amended by striking out "security supporting" and inserting in lieu thereof "economic support fund".

(11) After September 30, 1978, any reference in any law to security supporting assistance or to assistance under chapter 4 of part II of the Foreign Assistance Act of 1961 shall be deemed to be a reference to assistance under chapter 11 of part I of that Act.

Mr. ZABLOCKI (during the reading). Mr. Chairman, I ask unanimous consent that title III be considered as read, printed in the RECORD and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

Mr. BAUMAN. Mr. Chairman, reserving the right to object, I do so only for the information of the Committee. It appears that there are a number of controversial amendments remaining. It is almost 1 o'clock at this time. Is it still the intention of the Chairman to try to finish this legislation today?

Mr. ZABLOCKI. Will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from Wisconsin.

Mr. ZABLOCKI. It is the Chairman's understanding that there is one controversial amendment pending. It would be

the hope of the Chairman to complete the legislation today.

Mr. BAUMAN. I thank the gentleman, and I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

AMENDMENT OFFERED BY MR. WOLFF

Mr. WOLFF. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WOLFF: Page 39, immediately after line 12, insert the following new paragraph:

"(5) Funds made available under this chapter for any fiscal year for countries or projects in the Middle East may not be used to provide any assistance to the Palestine Liberation Organization.

Mr. WOLFF. Mr. Chairman, the bullet-riddled body of former Italian Premier Aldo Moro which was found Tuesday served as a shocking and grisly reminder that the world remains hostage to senseless terror and vicious crimes committed in the name of a political cause by hoodlums bent on the destruction of world order and civil rights.

At first blush, the bill we consider here today, H.R. 12222, the International Development and Food Assistance Act of 1978, which renews America's commitment to assist people in developing countries to eliminate hunger, poverty, illness, and ignorance, seems quite apart from the brutal attack on a prominent world statesman. But I caution my colleagues to closely examine the bill now before us.

Section 499 of this bill describes the role of U.S. development aid to this region to facilitate, and I quote:

Increased understanding between the Arab countries and Israel by assisting the nations in the region in their efforts to achieve economic progress and political stability * * *

In keeping with the spirit of this section, I now offer this amendment which would prohibit any U.S. assistance from aiding the Palestine Liberation Organization (PLO) directly or indirectly.

Because funds for specific development projects are not earmarked under this section, as now constituted, there is a blank check with respect to the types of projects permissible under this section. My amendment will serve as an endorsement by the Congress that no funds under this act shall be spent in support of PLO activities.

My amendment demonstrates our unwillingness to accept the use of terror employed by the PLO. It also sends a symbolic message to other terrorist groups, whether Italian, or Japanese, or Irish, or German, or even American that terrorism—either from the left or right—must not be condoned.

As a terrorist group, the PLO has used every means available to threaten Israel's civilian population and to otherwise destabilize the region. In fact, the PLO has as its goal the destruction of the only democracy in the Middle East—Israel.

PLO activities are clearly counterproductive to an increased understanding between Israel and the Arab countries. In light of the tenuous situation that has evolved in the Middle East peace negotiations we must now move so as to remove further doubts as to our firm commitment to preserve and protect peace.

To quote from the committee's report accompanying the bill:

In an interdependent world, the U.S. interest lies in a community of nations that respect individual civil and economic rights and freedoms . . .

Clearly, this Congress must reject the PLO as an agent of terror and must act to assure that our aid neither directly nor indirectly supports the activities of the bloody PLO.

All peoples of the world, including this Congress, must now express universal and unqualified condemnation of terrorism. We must avoid the bitterest of ironies—that this aid intended for so many peaceful purposes might benefit those committed to the destruction of the peace. The time is upon us to act decisively to combat terrorism. My colleagues can now go on record as endorsing the concept of prohibition of funds to the PLO for its murderous activities.

Mr. ZABLOCKI. Mr. Chairman, will the gentleman yield?

Mr. WOLFF. I yield to the gentleman from Wisconsin.

Mr. ZABLOCKI. Mr. Chairman, I thank the gentleman for yielding.

We have had an opportunity to examine the gentleman's amendment. As the gentleman well knows, there is no intention to give any assistance under this chapter to the Palestinian Liberation Organization. Therefore we accept the gentleman's amendment.

Mr. WOLFF. I thank the chairman.

Mr. BROOMFIELD. Mr. Chairman, will the gentleman yield?

Mr. WOLFF. I yield to the gentleman from Michigan.

Mr. BROOMFIELD. Mr. Chairman, the minority join the gentleman from Wisconsin in accepting the amendment offered by the gentleman from New York.

Mr. WOLFF. I thank the gentleman from Michigan.

Mr. GILMAN. Mr. Chairman, will the gentleman yield?

Mr. WOLFF. I yield to the gentleman from New York (Mr. GILMAN).

Mr. GILMAN. Mr. Chairman, I commend the distinguished gentleman from New York (Mr. WOLFF) for bringing this amendment to the floor. I think it is extremely important that we recognize the fact that all terrorist organizations, be they the PLO, the Red Brigade, or other fanatical groups must be fought at all levels of government.

Mr. Chairman, we all recall the PLO's brutal and vicious attack upon unarmed, innocent men, women, and children in Israel on March 11, 1978.

In urging, on the House floor, passage of a resolution I had cosponsored denouncing this abominable terrorist attack, I pointed out that while PLO leader, Yassir Arafat, asserted on January 5, 1978 that the PLO does not engage in terrorism, "definitely not," shortly after the March terrorist raid into Israel, the PLO blatantly claimed responsibility for the act.

I urge my colleagues to fully support this amendment offered by my good friend and colleague, the gentleman from New York (Mr. WOLFF) in order to assure that no funds authorized under this act for assistance projects in the Middle East find their way into the coffers of the self-admitted terrorists, the PLO.

Yesterday, the House passed a resolution, of which I was a cosponsor, condemning the abduction of and the murder by the hated Red Brigade of Aldo Moro, former Prime Minister of Italy and head of the Christian Democratic Party in Italy.

We must, as stridently as possible, condemn terrorist acts everywhere. Yet, we must do more that condemn terrorism, we must enlist the energies of all responsible parties, individuals and nations to prevent terrorism, and to root out this infestation which seeks to destroy the very foundations upon which international civilized society rest.

I have introduced legislation directed at cutting off U.S. assistance to countries aiding terroists, and aimed also at securing multilateral conventions to protect individuals from terrorist groups such as the PLO which declare that its terrorism knows no "innocents." I am hopeful that the House can soon act on that legislation.

In the interim, we must be resolute in evincing our support for measures such as the amendment now under consideration which seeks to combat terrorism and the hated PLO.

Accordingly, I urge my colleagues to support the amendment offered by the gentleman from New York (Mr. WOLFF) and register their condemnation of PLO terrorism.

Mr. Chairman, I strongly support this amendment.

Mr. WOLFF. I thank the gentleman from New York (Mr. GILMAN).

Mr. DERWINSKI. Mr. Chairman, will the gentleman yield?

Mr. WOLFF. I yield to the gentleman from Illinois (Mr. DERWINSKI).

Mr. DERWINSKI. Mr. Chairman, I support the gentleman's amendment. I think this does represent the very strong feeling of the House, and I trust our Ambassador to the U.N. would take special note of the action and start the long overdue efforts at the U.N. to have that body take a strong stand against all acts of terrorism.

Mr. WOLFF. I thank the gentleman from Illinois.

Mr. DERWINSKI. Mr. Chairman, I move to strike the requisite number of words.

I will use less than 5 minutes, Mr. Chairman, in order to earn the good will of my colleagues.

It was my intention at this point in the bill to offer an amendment that would strike $90 million which is intended for Syria. I offered this amendment in committee. I served notice I would offer it on the floor.

In my judgment, one cannot rationalize support for such spending in light

of the adverse effect on our efforts for a comprehensive Middle East peace settlement occasioned by Syria's vehement attacks on the Sadat peace initiative and by the serious buildup of Soviet-supplied arms to Syria. Those circumstances have, if anything, contributed to the continuing need for very large amounts of aid to Israel to help keep the Middle East situation in at least a tenuous balance. These contradictions are not likely to reassure the average American that AID is efficient and effective.

As an example of the statesmanlike conduct of the Syrian regime, a Syrian official went so far as to say that Sadat "should be hung a thousand times."

The Soviet Union is pouring over $1 billion a year in military equipment into Syria. In the military sense, this makes Syria a client-state of the U.S.S.R.

AID has long practiced knee-jerk dollar diplomacy. By what stretch of the imagination can this 90 million American dollars neutralize over a billion dollars in Soviet military equipment?

I have been contacted by a number of Members who have advised me that there are special elements in our relationship with Syria that deserve special consideration. Therefore, I have asked for a special briefing on these elements, some of which presumably are not as yet in public record.

I reserve the right to offer this amendment when the appropriation bill is brought to the floor in a month or two. So, with the understanding, that I will not be accused of not having offered the amendment at the proper time to the proper bill. If the State Department convinces me my amendment is unneeded I will acknowledge it. But if I am not convinced I will offer this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. WOLFF).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. BUCHANAN

Mr. BUCHANAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BUCHANAN: On page 36, line 13, strike "$1,845,000,000" and insert in lieu thereof "$1,855,000,000"; and in line 16, strike "$5,000,000" and insert in lieu thereof "$15,000,000".

Mr. BUCHANAN. Mr. Chairman, all of us are aware that the people on Cyprus have been victims of a terrible tragedy, because of a situation that is, as yet, unresolved, and a situation that must be resolved. My amendment simply would raise the amount of the refugee assistance available to Cypriot citizens who are refugees, because of the conflict on Cyprus and the continuing occupation of a large portion of that island by Turkish forces.

Mr. ZABLOCKI. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. I am happy to yield to the chairman, the distingiushed gentleman from Wisconsin (Mr. ZABLOCKI).

Mr. ZABLOCKI. Mr. Chairman, I thank the gentleman from Alabama (Mr. BUCHANAN) for yielding to me. Let me say that since the committee marked up the bill circumstances have occurred in Cyprus that were not realized while marking up the bill and, therefore, we commend the gentleman from Alabama (Mr. BUCHANAN) for offering an amendment increasing the amount for Cyprus by $5 million. The committee will accept the amendment.

Mr. BUCHANAN. I thank the gentleman.

Mr. SOLARZ. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. I am happy to yield to the gentleman from New York (Mr. SOLARZ).

Mr. SOLARZ. Mr. Chairman, I want to compliment the gentleman from Alabama (Mr. BUCHANAN) upon his humanitarian concern and for his initiative in offering this much-needed amendment.

I recently returned, as the gentleman knows, from a visit to the eastern Mediterranean. While I was there I had the opportunity to spend some time in the Greek Cypriot sector of Cyprus and I saw for myself the desperate circumstances under which many of the refugees have to live and the squalid surroundings in which they are housed. I believe, particularly since the conflict on Cyprus has not yet been resolved, that we do owe an obligation to make sure that these unfortunate refugees, who were driven from their homes at the time of the invasion of Cyprus, are given an opportunity, pending the resolution of the conflict, to live in decent surroundings.

I strongly support this amendment as an expression of American concern over the situation on Cyprus and as an indication of our determination to do everything we can to make it possible for these refugees to lead a better life in the future.

Mr. BUCHANAN. Mr. Chairman, I think that my friend, the gentleman from New York (Mr. SOLARZ) has summed up my own feeling on this matter.

Mr. BROOMFIELD. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. I yield to the gentleman from Michigan (Mr. BROOMFIELD).

Mr. BROOMFIELD. Mr. Chairman, I am very happy to join the gentleman from Wisconsin (Mr. ZABLOCKI) as well as the gentleman from New York ("Ambassador" SOLARZ) in accepting this amendment. I think it is a step in the right direction. Certainly all of us want to do whatever we can to assist the refugees on Cyprus.

Mr. WEISS. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. I yield to the gentleman from New York (Mr. WEISS).

Mr. WEISS. Mr. Chairman, I would like to commend the gentleman from Alabama (Mr. BUCHANAN) for offering his amendment. I also want to associate myself fully with the remarks of my distinguished colleague, the gentleman from New York (Mr. SOLARZ).

Mr. DERWINSKI. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I too support the amendment offered by the gentleman from Alabama (Mr. BUCHANAN) and I commend the other Members who have risen in support. I think this is a practical and meritorious step we are taking. But Members should know that this same committee, the Committee on International Relations, is working on a bill that will be brought before the House in a month which will repeal the arms embargo with Turkey which we have kept for the last 3½ years. So it would seem to me that if certain Members are so concerned over the plight of these Cypriot refugees, that they see to it that a permanent alleviation of the refugee problem is found. Permanent alleviation may not come as long as an occupation of a third of the island of Cyprus continues.

So I would hope that we do not find ourselves in a position of having to, year after year, or for generations to come, make this kind of humanitarian investment when we should be using our diplomatic offices and pressure, to bring about an end to the occupation of one-third of the island of Cyprus. Presumably, in a month, we are going to treat this subject to a very full debate.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Alabama (Mr. BUCHANAN).

The amendment was agreed to.

Mr. ZABLOCKI. Mr. Chairman, it was the understanding of the gentleman from Wisconsin that the gentleman from Maryland (Mr. BAUMAN) wished to offer an amendment to page 39.

I wonder if the gentleman wishes to introduce that amendment now?

AMENDMENT OFFERED BY MR. BAUMAN

Mr. BAUMAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BAUMAN: On page 40, line 3, strike out the quotation marks and period and insert the following new sentence:

"No assistance may be furnished under this section to Mozambique, Angola, Tanzania, or Zambia, except that the President may waive this prohibition with respect to any such country if he determines (and so reports to the Congress) that furnishing such assistance to that country would further the foreign policy interests of the United States.".

Mr. BAUMAN. Mr. Chairman, this is simply a reinstatement of existing law governing the special southern African funding in this bill. The committee deleted this language in amending the act and reorganizing the AID program. This language was agreed to by both the other body and this House last year as a means to place some limitation and accountability regarding U.S. funds that would be dispersed in a very volatile area of the world.

Frankly, Mr. Chairman, I would prefer a complete prohibition against any aid to these four nations, a position the House has sustained before. Unfortunately the conference last year softened

this language and allowed the Presidential waiver. Nevertheless this amendment does require that the President notify the Congress in writing of any aid to be given to these countries and to justify the need for such aid. I am hopeful that the House conferees will insist upon its inclusion again this year.

Mr. Chairman, each of these nations now harbors groups of terrorists and guerrillas which have been attacking and killing the people of Rhodesia and the South-West African territory. In addition, thousands of Cuban troops and civilian advisers are also in these nations, along with Russians and Russian-supplied weapons. Central Intelligence Agency estimates say that there are more than 24,000 Cuban soldiers and civilians in Angola, staging raids against the South-West African territory, supporting the SWAPO organization as well as keeping in power the Marxist government which is their client.

In Mozambique more than 1,000 Cubans are present with a major buildup of troops occurring in recent days. It is here that the anti-Rhodesian guerrillas are based, slaughtering thousands of blacks inside Rhodesia, including women and children. The guerrillas leaders have made plain that they will not rest until a Communist government is imposed in Rhodesia and that democracy has no meaning to them.

Incredibly, Mr. Chairman, the Carter administration supports these terrorists and, working with the Government of Great Britain, refuses to recognize and assist the multiracial government now in control in Salisbury. Despite pleas by moderate blacks in Rhodesia for acceptance of this government, despite major concessions by Prime Minister Ian Smith, the architects of our southern Africa policy, led by Ambassador Andrew Young, have sided with the butchers and the Marxists.

Is it any wonder that we must at the very least require public justification if indeed any funds from the United States are to be granted to these countries who harbor and assist such guerrillas?

Mr. ZABLOCKI. Mr. Chairman, will the gentleman yield?

Mr. BAUMAN. I am pleased to yield to the chairman of the committee, the gentleman from Wisconsin.

Mr. ZABLOCKI. I thank the gentleman for yielding.

As I have advised the gentleman, when we had introduced the legislation and marked up the bill, patterned to some extent on the so-called Humphrey bill, this section was deleted, and this version. The Subcommittee on Africa in making its recommendations did not include this section to be retained, and, therefore, the committee acted and this section, indeed, has been deleted.

Upon consultation, as I said earlier, Mr. Chairman, with the gentleman from Maryland, on this side as chairman I am prepared to accept the gentleman's amendment.

Mr. BAUMAN. I thank the gentleman. I trust the gentleman will uphold this amendment when the bill goes to conference.

Mr. BROOMFIELD. Mr. Chairman, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from Michigan.

Mr. BROOMFIELD. I thank the gentleman for yielding.

This is merely a Presidential waiver, and I join the chairman in accepting the amendment.

Mr. BAUMAN. I thank the gentleman.

May I ask the gentleman from Wisconsin, am I correct that in the last fiscal year the only time the existing waiver was used was for a $30 million food loan for Zambia, and no other notices were sent to the committee regarding any expenditure of this fund?

Mr. ZABLOCKI. Mr. Chairman, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from Wisconsin.

Mr. ZABLOCKI. Did the gentleman mention Zambia? Zambia?

Mr. BAUMAN. Yes.

Mr. ZABLOCKI. Yes, there is that amount.

Mr. BAUMAN. I thank the gentleman and yield back the remainder of my time.

Mr. SOLARZ. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, the chairman of our committee has accepted the amendment, and far be it for me to disagree with my distinguished friend, the gentleman from Wisconsin, but I do think it would be unfortunate if this amendment were adopted by the House without at least a word or two being said about the prevailing realities in southern Africa today.

Whatever some of the Members may think about some of the countries which are on the list of proscribed nations in this amendment, the fact is that President Nyerere of Tanzania, President Kuanda of Zambia, and President Michel of Mozambique have been enormously helpful in assisting us in our effort, together with the British, to bring about a negotiated settlement to the conflict which is now raging in Rhodesia. It may not, in the final analysis, be possible to bring together the Salisbury Four, who have agreed upon the so-called internal settlement, and the leaders of the Patriotic Front, who are opposing it, within the framework of the so-called Anglo-American proposal, but I think there can be little doubt that if we could get a broader agreement, which held forth the promise of bringing the war in Rhodesia to an end, and getting an agreed upon mechanism for the holding of elections under the auspices of the United Nations, it would be a consummation devoutly to be wished.

I think it is fair to say that to the extent there is any possibility of getting that kind of agreement, it depends in the initial instance on the willingness of the presidents of the front line states to continue playing the kind of cooperative role they have to date.

I think it is important for us to take note of the fact that each of these gentlemen, the Presidents of Tanzania, Zambia, and Mozambique, have used their not inconsiderable influence with the leaders of the Patriotic Front in order to get them to agree to the Anglo-American proposals with which our own country is so strongly and significantly identified.

So while this amendment will be adopted, I think it was at least important to state on the floor of the House that there are Members of Congress who recognize the constructive role which these three countries have played in an effort to bring the war in Rhodesia to an end in the hope they will continue to do so, the adoption of this amendment notwithstanding, in the future.

Mr. DERWINSKI. Mr. Chairman, I rise to move to strike the requisite number of words.

Mr. Chairman, since I understand the amendment will be adopted and we are speaking for the record, I would like the record to show that some of us are not quite as impressed with the Patriotic Front as others are. Frankly, they are a bunch of Marxist murderers and I think it is about time in all the debate on Africa to show a little concern for the poor black who is murdered by the Marxist guerrillas. With all the suffering that is going on in Africa, the abuse that is overlooked is the abuse of black against black. In the case of the Patriotic Front, there are probably more atrocities committed against innocent black civilians by them than anything committed by colonial rules of the past. That also applies to SWAPO in Namibia. These people are not noble revolutionaries. They are murderers and if they ever get control of Rhodesia, no one will have any rights.

Mr. ASHBROOK. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. I yield to the gentleman from Ohio.

Mr. ASHBROOK. Mr. Chairman, this strong statement by the gentleman from Illinois impresses me. I am just convinced that my colleague will take the same position later when we deal with the people who have taken control in Cuba, Cambodia, and Laos.

Mr. DERWINSKI. Mr. Chairman, we have a slight difference of opinion on that, but my view will be strong anyway.

Mr. ICHORD. Mr. Chairman, I move to strike the requsite number of words.

Mr. Chairman, I agree with the gentleman from Illinois (Mr. DERWINSKI), there is no doubt about the accuracy of the gentleman's characterization of the people who the Patriotic Front are supporting, trying to impose an external settlement in Rhodesia.

I agree, as the members of this committee well know, with what Lieutenant General Graham stated:

> The essence of the situation in Rhodesia today is this: A coalition of black Rhodesian moderates and the white Rhodesian minority are confronting a coalition of Marxist black terrorists supported by the Soviet Union and incredible as it may seem—the United States and Great Britain!

Mr. Chairman, I also agree with the editorial writers of the Washington Star. Fortunately, more and more people in the country are coming around to my point of view. I quote the editorial from the Star:

> In bitter truth, the Anglo-American policy on Rhodesia seems to be influenced not only by dubious strategic calculations, but also by

an uncharacteristically petty-minded British resentment that Rhodesia has made a success of unauthorized independence. Against all odds and predictions, Rhodesia has become a country in being. It needs only the support of the outside world to make reasonable democratic terms with the black majority.

The new arrangement between Prime Minister Smith and the black moderates of Rhodesia demands at least open-mindedness on our part. If that arrangement proves fair and workable, if it is sustained by fair elections, the U.S. will have no choice consistent with our own political values but to endorse, welcome and assist it. If the Russians and Chinese and Cubans conspire to try to overthrow the new regime, we should see that the Rhodesian army has the means to defend the country.

Obviously the amendment offered by the gentleman from Maryland (Mr. BAUMAN) will be adopted, but I would like to ask the chairman of the subcommittee, the gentleman from Michigan (Mr. DIGGS), a few questions, because I had intended to offer a substitute which would strike the entire Special African Requirements Fund. My first question to the gentleman from Michigan is this:

Under section 500 would funds be made available to assist the Zimbabwe Government in the return and resettlement of Zimbabwe citizens who are currently refugees residing in other countries?

Mr. DIGGS. Mr. Chairman, will the gentleman yield?

Mr. ICHORD. I yield to the gentleman from Michigan.

Mr. DIGGS. Mr. Chairman, as my friend, the gentleman from Missouri (Mr ICHORD), knows we have not recognized nor do we have relations with the government to which the gentleman has referred, and therefore, such funds would not be made available until such a government is established, a government with which we have diplomatic relations and which we have recognized.

Mr. ICHORD. Prime Minister Ian Smith, Bishop Muzorewa, Reverend Sithole and Chief Chirau, who have formed the transitional government in Rhodesia, have announced an amnesty program. Does the gentleman mean to tell me that we would refuse aid and not help refugees, even though they have this amnesty program, to get back into their home country?

Mr. DIGGS. Mr. Chairman, if the gentleman will yield further, under the terms of this section they would not be eligible, but as the gentleman may know, refugees who are in that area and who may be from other countries are subject to the provisions of relevant sections of the refugee requirements provisions, and, therefore, they are covered.

Mr. ICHORD. Let me be more specific, then, and ask this question:

Would funds be available to assist the Zimbabwe Government in its implementation of an amnesty policy for citizens currently fighting as guerrillas for ZANU or ZAPU?

I am talking about Rhodesian citizens, black Rhodesian citizens in all probability, who are with ZANU or ZAPU, and who are in Mozambique or Zambia and want to come back to their own country?

The CHAIRMAN. The time of the gentleman from Missouri (Mr. ICHORD) has expired.

(By unanimous consent, Mr. ICHORD was allowed to proceed for 3 additional minutes.)

Mr. DIGGS. Mr. Chairman, will the gentleman yield?

Mr. ICHORD. I yield to the gentleman from Michigan.

Mr. DIGGS. Mr. Chairman, in answer to the gentleman's question, there are no provisions to my knowledge, to cover the gentleman's point.

Mr. ICHORD. Mr. Chairman, with reference to this $65 million that we are setting aside, would funds be available to the Zimbabwe Government to improve transportation links that have been disrupted by guerrilla actions, which the gentleman from Illinois (Mr. DERWINSKI) has characterized as actions by "Marxist guerrillas"?

Mr. DIGGS. Not to the Zimbabwean Government or any other government in that area that is not recognized or with which our country does not have diplomatic relations.

Mr. ICHORD. What are the countries that would be eligible for assistance under section 500?

Mr. DIGGS. Well, they would be Botswana, Lesotho, Swaziland, Malawi, Mozambique, and Zambia.

In addition, now, with the acceptance by the subcommittee of the amendment offered by the gentleman from Maryland (Mr. BAUMAN), those countries that are covered by the Bauman amendment; namely, Mozambique, Tanzania, and Zambia would require a Presidential waiver before they would be eligible for any of the benefits under the provisions of this section.

Mr. SOLARZ. Mr. Chairman, will the gentleman yield?

Mr. ICHORD. I yield to the gentleman from New York.

Mr. SOLARZ. Mr Chairman, if I may, I will direct a question to the distinguished chairman of the Subcommittee on Africa.

Would it be fair to assume that if there is a legitimate transfer of power in Rhodesia and there is the establishment of a majority rule government in Zimbabwe which is recognized by our Government, at that point some of the funds from the Southern African Special Requirement Fund would potentially be available to help that government?

Mr. DIGGS. The gentleman is correct. And that was implicit in my response to the gentleman from Missouri; namely, that once a government there is in place, which is recognized by our Government, regardless of which faction this might be, I might say to the gentleman, then they would be eligible for any of the assistance under the provisions of this act.

Mr. ICHORD. Mr. Chairman, I would like to ask the gentleman from Michigan for his help in the answer to this question:

I am trying to find out how the money, the $105 million, which we authorized and appropriated last year, was spent. I can identify very little money that was spent for refugees in Botswana or Lesotho or Swaziland or Zambia.

For example, there was a $30 million commodity loan in Zambia. How does that aid refugees?

The CHAIRMAN. The time of the gentlemen from Missouri (Mr. ICHORD) has expired.

(By unanimous consent, Mr. ICHORD was allowed to proceed for 1 additonal minute.)

Mr. ICHORD. Mr. Chairman, how does that $30 million commodity loan help the refugees from Zambia or Rhodesia?

Mr. DIGGS. Mr. Chairman, as the gentleman knows, the resolution of political conflicts in that area alone is not going to maintain stability. There are certain economic dislocations that have been generated by all of these considerations. It has impacted upon the single-commodity country of Zambia, with its copper industry, more than any other.

Mr. ICHORD. It is really help to Zambian citizens then, not help for refugees from Namibia or Zimbabwe?

Mr. DIGGS. There is collateral assistance that flows out of economic assistance.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Maryland (Mr. BAUMAN).

The amendment was agreed to.

Mr. FINDLEY. Mr. Chairman, I move to strike the last word.

Mr. Chairman, at this point during the consideration of the bill by the Committee on International Relations, I offered an amendment, which I will not offer at this point, but, nevertheless, I feel that it is prudent to call attention to the members of this committee what I deem to be a very serious flaw in title III of this bill. That flaw is the earmarking of every sum for each of the countries in the Middle East. Each country that is to be a beneficiary of economic assistance has a specified sum below which the President may not go. The effect of this total earmarking by country is to weaken the President in using the resources of this bill to advance the cause of peace. It would be far better to de-earmark them all and let the President adjust the sums as he deems fit and useful to accelerate the pursuit of peace. But I found no sentiment to advance this amendment in the other committee, and I feel the same way at this point. I do hope members of this committee will consider this weakness in the time to come.

Second, I want to say a word about the amendment offered by the gentleman from New York (Mr. WOLFF), which relates to the PLO. The amendment itself carries no specified criticism of the PLO or the role of the PLO in the problems of the Middle East, and for that reason I voiced no opposition. But I would hate to have the record stand and leave the misapprehension on the part of readers of the CONGRESSIONAL RECORD that there is no one in this body who recognizes that a Palestinian problem exists and that the Palestinian people have a legitimate interest to be served. In fact, for several years now I have been convinced that it is highly desirable that the PLO, which is recognized and the legitimate representative of the Palestinian cause, be brought somehow into the discussion of issues that are involved

in the Middle East. And I hope the day will soon come when the PLO, or its successor, whatever organization is the legitimate voice of the Palestinian cause, will be brought into the process of negotiation with the other parties of the Middle East and the United States.

AMENDMENT OFFERED BY MR. ASHBROOK

Mr. ASHBROOK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ASHBROOK: On page 41, immediately after line 15, add the following new title and number the other titles, accordingly:

"SEC. 401. Notwithstanding any other provision of law or of this Act, none of the funds authorized to be appropriated in this Act shall be used for any form of aid or trade, either by monetary payment or by the sale or transfer of any goods of any nature, directly or indirectly, to the Socialist Republic of Vietnam, Cambodia, or Cuba."

Mr. ASHBROOK. Mr. Chairman, I had a brief try at being very liberal earlier this week, and it did not work. Therefore, I will try it once more.

Mr. Chairman, the Members may have received my letter of May 9, in which I indicated I would offer this amendment and that it would include the Socialist Republic of Vietnam, Laos, Cambodia, or Cuba.

After listening to my colleague and my friends who have worked so hard on the MIA problem, on one side, the gentleman from Mississippi (Mr. MONTGOMERY), the gentleman from New York (Mr. GILMAN), and the gentleman from Ohio (Mr. GUYER), and after listening to my friends on the other side, the gentleman from California (Mr. MCCLOSKEY) and the gentleman from Minnesota (Mr. FRASER) who are interested in food going to the children in Laos, in the spirit of my increased, accelerated liberalism, I decided to drop Laos from the amendment and make it just apply to the Republic of Vietnam, Cambodia, or Cuba.

That will at least explain it to those Members who received my letter and might think we are including Laos in that amendment. We are not. I struck Laos from the amendment. Only those three countries I mentioned are included.

Mr. Chairman, the purpose of the amendment is very clear and very simple. It would prohibit any money authorized in the bill from being used to aid those three countries either directly or indirectly.

Let me emphasize the word "indirectly" because almost everybody might stand up and say, "I do not want any money to go directly to Cuba; I do not want any money to go directly to Vietnam; and I do not want any money to go directly to Cambodia." But then they will do something that is not exactly in keeping with high principles in this House. They will say, "Let somebody else shuffle the taxpayers' money to the same country by sending the taxpayers' money to a third party, a conduit in the form of a multilateral agency. Let it go to Vietnam, Cuba, or Cambodia."

Mr. Chairman, if that is what we want, let us vote and do it; but let us make sure that we are not under any misapprehension that anything else will be done.

Mr. Chairman, let us not put ourselves in the position my fellow Ohioan, the attorney general from Ohio, referred to during the Watergate era. In looking at the Watergate crew, he said, "They remind me a little bit of the man who played the piano 20 years in a bordello and never knew what was going on upstairs."

Mr. Chairman, if we do nothing else today, let us make sure—and we are going to get a vote later on it—that when we knock out the words "or indirectly," we know what we will be doing. Precisely what will be accomplished by the Derwinski amendment is to allow American taxpayers' money to go indirectly for something which we do not want to happen directly. In that event, we are going to allow taxpayers' money to go indirectly to the Socialist Republic of Vietnam, Cambodia, or Cuba.

As for my amendment I offered a similar one on several occasions last year and received overwhelming support from the Members of this body. Unfortunately the administration has in large measure circumvented what we were trying to accomplish. Once it succeeded in having the word "indirectly" deleted, it has gone through the back door to get what could not be obtained through the front door.

Although direct aid is prohibited by law, nevertheless U.S. tax dollars are still indirectly going to Vietnam. This is being accomplished through the United Nations and other international agencies. U.S. dollars go to these agencies which then do indirectly what cannot be done directly.

Last year, for example, the United Nations General Assembly passed a resolution "to authorize the Secretary General to rehabilitate Vietnam both socially and economically." This motion was sponsored by the Soviet Union, a nation which over the years has contributed a little over $8 million to the United Nations Development Program, while the United States is slated by this bill to contribute $133 million in 1 year alone.

And what did our representative to the U.N., Andy Young, do about this outrageous resolution? He failed to vote against it or even ask for a recorded vote. Incredible.

Other international agencies such as the World Bank—to which the United States is a major contributor—will also provide aid. World Bank President Robert McNamara has indicated that U.S. tax dollars will be used to subsidize these same Communist countries.

I am including a UPI story dated October 1, 1977, that shows the type of chicanery going on here. The story quotes the director of Vietnam's Central Bank that he expects the United States to continue to contribute money into the International Development Association and then the Vietnamese will draw on these funds as a fulfillment of what they consider the U.S. commitment to provide aid. Following is that story:

Tran Duong, director of Vietnam's Central Bank, says he believes the U.S. eventually will pay $4.75 billion former President Nixon promised in 1973 as a condition to end the war.

It is, of course, necessary for the U.S. to keep its commitment—the Paris Agreement. The U.S. will fulfill the commitment to heal the wounds of war. Duong said in an interview at an economic conference that ended Friday....

In order to normalize the relations between the U.S. and Vietnam, the U.S. has to fulfill the Paris Agreements, Duong said.

In the process, the United States will put money into the IDA—and these commitments would be fulfilled to Vietnam.

Similar to this is a story in the Far Eastern Economic Review of September 9, 1977. It discusses the visit of Leonard Woodcock to Hanoi and states he "was believed to have told the Vietnamese that President Carter suggested providing aid through noncontroversial multilateral aid agencies." Further—

The Review has learned that during the second round of United States-Vietnam talks in Paris, in May, Assistant Secretary of State for East Asia and the Pacific, Richard Holbrooke, also mentioned the possibility of U.S. assistance through U.N. and other international agencies.

What we have here is a clear pattern of efforts by the administration to launder U.S. tax dollars through the U.N. and various international agencies to Communist Vietnam.

This is in spite of the fact that on July 21 of last year I was assured on the House floor by the able chairman of the House International Relations Committee that under the conference report no funds, not even indirectly, could be used for aid or assistance to Vietnam, Cambodia or Cuba.

This is in spite of the fact that the President assured us—in a letter to the Congress designed to break up the logjam caused by my amendment and other restrictive amendments—that he would "instruct" our representatives to oppose such use of taxpayers' money. Yet a few days later the United Nations General Assembly was passing a resolution—unopposed by our U.N. representative Andy Young—to provide funds to socially and economically rehabilitate Vietnam.

U.S. taxpayer dollars should not go either directly or indirectly to Vietnam, Cambodia, or Cuba. I urge your support for my amendment.

AMENDMENT OFFERED BY MR. YOUNG OF FLORIDA TO THE AMENDMENT OFFERED BY MR. ASHBROOK

Mr. YOUNG of Florida. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. YOUNG of Florida to the amendment offered by Mr. ASHBROOK: Between the words "Cambodia" and "or Cuba", add the following: ", Uganda".

Mr. YOUNG of Florida. Mr. Chairman, the figures that I brought to the committee yesterday about Vietnam are almost equaled as they relate to Uganda. We are not going to send any funds directly to Uganda; we all know why. We all know about Idi Amin and about the violations of human rights, the murders, the assassinations, the put down of religion. We

know all about that. We know all about the tremendous increase in the cost of Ugandan coffee to the American consumer, but I wonder how many of us know how American dollars are, in fact, reaching Uganda through another institution, such as the United Nations, for example.

The U.N. development program has a scheduled program, a 5-year program for Uganda, that will cost $30 million—and, of course, again we are the largest contributor to that fund. UNICEF during the last calendar year spent $339,000 in Uganda. The International Atomic Energy Agency has already approved an atomic energy project for Uganda for this year, 1978. The World Bank is currently considering a loan to the East African Community.

This stirs people up when I talk about this because they say there is no longer an East African Community. Technically that is so, but what they do since we could no longer accept the East African Community is, they have created the East African Development Bank. It does the same thing. So, then the East African Development Bank, there is scheduled $22.5 million worth of loans to Uganda, Kenya, and Tanzania.

Mr. Chairman, I do not think it is necessary to use any more time to convince our colleagues as to why Uganda should be included in this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida (Mr. YOUNG) to the amendment offered by the gentleman from Ohio (Mr. ASHBROOK).

The amendment to the amendment was agreed to.

AMENDMENT OFFERED BY MR. DERWINSKI AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. ASHBROOK, AS AMENDED

Mr. DERWINSKI. Mr. Chairman, I offer an amendment as a substitute for the amendment, as amended.

The Clerk read as follows:

Amendment offered by Mr. DERWINSKI as a substitute for the amendment offered by Mr. ASHBROOK, as amended: Page 41, immediately after line 15, insert the following new title IV and redesignate subsequent titles and sections of the bill accordingly:

TITLE IV—PROHIBITION ON ASSISTANCE TO VIETNAM, CAMBODIA, UGANDA, AND CUBA PROHIBITION

SEC. 401. Notwithstanding any other provision of law or of this Act, none of the funds authorized to be appropriated by this Act shall be used for any form of assistance or trade, either by monetary payment or by the sale or transfer of any goods of any nature, directly to the Socialist Republic of Vietnam, Cambodia, Ugana, or Cuba.

Mr. DERWINSKI. Mr. Chairman, the "indirect" prohibition will seriously hurt United States effectiveness in the U.N. agencies.

The United States has always strongly opposed politicizing technical U.N. programs in this fashion. Others have sought to restrict such programs; for example, by denying funds to Israel. We have succeeded in beating back these efforts.

By politicizing the technical organs of the U.N. we will destroy their effectiveness as developmental organizations.

U.N. organizations such as the U.N. development program (UNDP), UNICEF, and others are universal development agencies which provide technical and humanitarian assistance to 140 countries on an impartial basis.

Restriction on U.S. funding in U.N. agencies is not an effective and appropriate way to meet human rights problems. In many cases it is only through these very U.N. programs that the United States is able to assist the people who are the victims of human rights violations.

There is no practical way to insure that U.S. funds do not go to specific countries. Funds are comingled and decisions are made by consensus among governments.

Multilateral, humanitarian, and technical assistance does not involve large amounts of money or political influence in recipient countries. Thus, such assistance provides little or no effective leverage on the internal political policies of recipient countries.

The administration strongly supports my amendment.

May I say, Mr. Chairman, that the debate has been conducted on a high level, and that the gentleman from Ohio and I have a great respect for each other.

I have a great respect for my friend, the gentleman from Ohio. In fact when he was first running for office, I appeared in his district and campaigned for him, endorsed him, and helped him. That was 18 years ago and I had no idea then that he would be giving me these ulcers and headaches.

Mr. ASHBROOK. Mr. Chairman, if the gentleman will yield, that was before the gentleman from Illinois started working closely with the administration.

Mr. DERWINSKI. The point here, and what we must keep in mind, and what we are dealing with in my amendment, which removes from the Ashbrook amendment the prohibition against indirect aid, is that in indirect aid we are speaking primarily of funds channeled through the United Nations. These funds are channeled basically to the U.N.'s voluntary programs. If we go down this road of specifically earmarking what we will not do, we establish a precedent that will hurt more than it will help us, since it will be abused by other nations.

We have been very effective at the U.N. in stopping the kinds of precise instructions that we would provide under the Ashbrook amendment. For example, it is perfectly possible under U.N. programs for funds contributed by the Government of the Soviet Union to wind up in Chile. I do not suppose this makes the propaganda spokesmen in the Kremlin happy, but that could be the practical result.

The logical victim, though, of any kind of instruction of this nature would be Israel. This would take place in the annual U.N. sessions, when the anti-Israeli bloc is organized by certain Arab States, when there would be all sorts of instructions not to invest funds of the UNDP and other programs in Israel. Any country that happens to be out of favor with the majority at that given time could be affected. It could be a small country, it could be a poor country, or it could be an underdeveloped country which was suffering from a natural disaster could have this procedure used against it.

In the long run this would not be practical for the role we play as a responsible member of the United Nations.

I concur with what the gentleman from Ohio said when he insisted we do not provide direct funds for governments such as now exist in Cambodia, Uganda, or Vietnam. That is not the issue.

The issue is that the funds which flow from the U.N. are not that large. They are primarily for educational and humanitarian programs. Our contribution to those programs varies. There is not anything mandatory about it.

If we as one of the truly responsible countries at the U.N. go down the road giving instructions of this kind, we will have more countries following the same procedure. In the long run we will ruin the very programs which we would at the U.N. hope to support.

May I suggest to the gentleman that if there is a good quality to the U.N., a positive quality these days it is in their administration of these voluntary programs. Basically the politics that have dominated the General Assembly sessions do not rear their ugly heads in the administration of these special programs. A number of these programs have special U.S. support, because they came from U.S. initiatives.

I would suggest that the gentleman from Ohio is serving the cause of our taxpayers, is serving the cause of our foreign policy, by limiting his amendment to direct funds and I am actually helping him by eliminating the prohibition against indirect aid.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. I yield to this distinguished statesman from the State of Maryland.

Mr. BAUMAN. I thank the gentleman for yielding and for his kind characterization of me.

It is my understanding the amendment of the gentleman from Ohio does not prohibit any member of the U.N. from participating or contributing to these programs. It only prohibits U.S. funds from being used. But a majority of the nations in the U.N. General Assembly already have excluded other nations from participating in these programs. Has not this been done already to South Africa and Israel? Why should the Congress not have the right to express the same kind of limitations to particular nations?

Mr. DERWINSKI. It has been done under limited conditions.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. DERWINSKI was allowed to proceed for 1 additional minute.)

Mr. DERWINSKI. That is a very valid point. It has been done in a few specific instances. But what we would be doing if we took that step would be justifying the kind of abuses and misdirection that we ourselves have fought against. I think the acceptance by the Congress of this

kind of an amendment without my substitute would actually undermine our position in trying to save the U.N. from its own weaknesses. The one area that Ambassador Young has been effective in is in quieting some of these more erratic nations, to calm their rhetoric and improve their behavior a little better and to have them act more responsibly within the U.N. system. Thus it would greatly handicap our efforts to sober up the U.N. if we ourselves would be participating in political moves.

Mr. WOLFF. Mr. Chairman, if the gentleman will yield, although I am very much in favor of the idea of keeping the instructions in that relate to indirect aid, I have found that you cannot segregate the funds.

The CHAIRMAN. The time of the gentleman has again expired.

(On request of Mr. YOUNG of Florida and by unanimous consent, Mr. DERWINSKI was allowed to proceed for 1 additional minute.)

Mr. YOUNG of Florida. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. Of course I yield to the gentleman from Florida.

Mr. YOUNG of Florida. Mr. Chairman, I thank the gentleman for yielding.

I wonder if the gentleman would be willing to relate to the House what direct funds to Vietnam, Cambodia, Cuba, or Uganda are authorized by this bill?

Mr. DERWINSKI. None.

Mr. YOUNG of Florida. That is exactly right. So, without the language "indirect" we have not done a thing here except to emphasize our vocal chords.

Mr. DERWINSKI. No, you have done a lot, you have stated the clear intent of the Congress to the aid agencies not to implement any bilateral programs to governments we do not respect. But the gentleman would agree with me that our contribution to voluntary programs of the U.N. are not bilateral, they are multilateral in their administration, and therein lies the distinction.

Mr. YOUNG of Florida. If the gentleman will yield further, U.S. dollars ending up in Vietnam or Uganda are U.S. dollars to Vietnam and Uganda whether they go directly or whether they go through the U.N. or the World Bank, they are exactly the same, regardless of the conduit.

Mr. PEASE. Mr. Chairman, I move to strike the requisite number of words and I rise in support of the amendment offered as a substitute by the gentleman from Illinois (Mr. DERWINSKI) to the amendment offered by the gentleman from Ohio (Mr. ASHBROOK).

Mr. Chairman, I speak as a person who has been extremely active during the last 8 months in trying to curb the murderous regime of Idi Amin. I think it is entirely proper for us to do that through our own bilateral relations with other nations, and we do not provide any bilateral aid to Uganda. I do think, however, that there is an important principle involved concerning international organizations in general and the U.N. in particular. There is a principle of universality in the U.N. where everyone is expected to put in his fair share and to be able to participate in the benefits. That principle, as the gentleman from Illinois (Mr. DERWINSKI) has said, is one that we have fought hard to maintain to try to keep the U.N. from being excessively politicized. It would be a mistake, in my view, for us to contribute to politicization of the U.N. Therefore I urge support of the Derwinski substitute.

Mr. ASHBROOK. Mr. Chairman, I rise in opposition to the amendment offered as a substitute by the gentleman from Illinois (Mr. DERWINSKI).

Mr. Chairman, the debate is getting right where we thought it would be, it is between those who are serious in their efforts to keep the taxpayers' money from going to those countries because we all agree we do not want our money to go to them directly, and those who may be halfhearted, who can stand up and talk about Idi Amin, and talk about Uganda but when the time comes to really plug the holes they do not want to plug them. That is what it comes down to. I mean if we are going to be halfhearted about it, let us go ahead and be halfhearted. If we have some resolve, then let us vote down this amendment.

But the fiction has been created, that I cannot help but comment on, that we do not want the United Nations politicized. Think about that for a while. We do not want the United Nations politicized. They bring in Red China; they kick out Taiwan. The subcommittee passes an amendment in effect saying Puerto Rico is a colonial holding and they want to investigate it. There is issue after issue. It has been politicized.

My colleague should point out that a few months ago, a year or so ago, many of my colleagues from New York were standing up criticizing the U.N., UNESCO, and UNICEF because they voted to exclude Israel from archeological pursuits, from some UNESCO coverage. It has been politicized.

What are we legislating in? Do we not read the papers? Do we not know what is going on? The U.N. is a political area. It is run by the Third World, for the most part. There is strong anti-Israel sentiment at the United Nations. I could go on and on and on. We could fill the record with many of the past speeches that many of my colleagues from New York made particularly about their sharpshooting Israel.

Mr. DERWINSKI. Mr. Chairman, will the gentleman yield?

Mr. ASHBROOK. I yield to the gentleman from Illinois.

Mr. DERWINSKI. I thank the gentleman for yielding.

I would just like to make a point. We all concur the General Assembly has been politicized, but the U.N. special programs, the voluntary programs to which we contribute, due to our effectiveness have by and large been kept nonpolitical.

Mr. ASHBROOK. Let us talk about that effectiveness. When we had the conference report last year on this very same subject—and I can show the gentleman his vote; as a matter of fact I will show him a little later what he said—we had the President's famous letter. What happened? Five days later the United Nations General Assembly passed a resolution to provide funds to socially and economically rehabilitate Vietnam. And that great sentinel we have there, that great sentinel at the gate, Andrew Young, did not even say a word to make sure there was no vote, or at least cooperate to make sure there was no vote.

Let us not kid ourselves. We know what we are doing. We know we are just shuffling off to someone else the taxpayers' money.

I would like my colleague, the gentleman from Illinois (Mr. DERWINSKI) to answer a question. The fundamental issue is, Does the gentleman believe taxpayers' money, his Illinois taxpayers' money, should go to Vietnam, Cuba, and Cambodia?

Mr. DERWINSKI. Mr. Chairman, will the gentleman yield?

Mr. ASHBROOK. I yield to the gentleman from Illinois.

Mr. DERWINSKI. I thank the gentleman for yielding.

No; I do not believe Ohio taxpayers' money should go either.

Mr. ASHBROOK. That is great. I certainly do not believe it. I think my colleague, the gentleman from Ohio (Mr. PEASE), who just spoke also believes that. Is the gentleman saying it is all right if somebody else takes the taxpayers' money, but he would not want President Carter to send the taxpayers' money there?

Mr. DERWINSKI. No. What I am saying is that when we contribute as we do to the humanitarian special programs at the U.N., there is not any way we can claim how our U. S. money has to go. For example, U.S. money to UNDP we cannot claim has gone to Bangladesh, Pakistan, or India.

Mr. ASHBROOK. Then a more precise and exact answer to my question would be the gentleman does not want taxpayers' money to go to Vietnam, Cuba, and Cambodia except in certain circumstances.

Mr. DERWINSKI. I point out to the gentleman that we control it, just as we intend to, by prohibiting direct aid.

Mr. ASHBROOK. The gentleman does not think we can control it when we stand up and say it can or cannot go to the United Nations?

Mr. DERWINSKI. No. When there are 40 countries involved in contributions of 100 countries where the programs are being administered, if we try to deny it to one or two countries, we are punishing and denying support that we wish to give to 80 or 90 others. The administrative procedures do not come up to the luxury of the preciseness we are trying to reach.

Mr. ASHBROOK. But they give us the luxury of deciding where our own money goes, to whom, under what conditions, and when and where.

Mr. DERWINSKI. We do that in any direct aid program. That is what we want to control, the bilateral aid.

The CHAIRMAN. The time of the gentleman has expired.

(Mr. ASHBROOK was allowed to proceed for 2 additional minutes.)

Mr. ASHBROOK. Mr. Chairman, I simply want the RECORD to state, let me go back to page 14492 of last year's CONGRESSIONAL RECORD, on that page my colleague from Illinois says the following:

Mr. Speaker, last week when we voted on the amendment the gentleman referred to. I spoke against it and voted against it at that time. I felt it was the wrong vehicle; however, I believe this bill—

What is this? This is H.R. 6714, the International Food and Development Assistance Act. I think that sounds familiar.

However, I believe this bill is the proper vehicle for such an amendment. In view of certain statements made in the other body—

We know what the statements were. Those were statements made by several Senators, who say what—that the reparations were owed, that we owed money to several of these countries, on down the line.

In view of certain statements made in the other body, I think it is most practical for the House to adopt the gentleman's motion to recommit.

The debate at that time indicated, and we later covered the hole, that this covered direct and indirect aid. It was kind of a triple play. You were for it, against it, and for it again.

What happened last year? Has the rhetoric been dropped by the Senate?

Mr. DERWINSKI. Mr. Chairman, if the gentleman will yield, no. The Senate has adopted an improvement, let us say, in the discipline exercised over the misuse, the political misuse of funds in the U.N. and the gentleman's amendment at that time would have handicapped Ambassador Young and others who would have restored order, sense, and practicality to this program.

Mr. ASHBROOK. All right, we will close on that note.

Those who think this represents that much progress should vote with the gentleman from Illinois.

Those who do not want the money to go to the countries named should vote for that amendment and for my amendment.

Mr. DELLUMS. Mr. Chairman, I move to strike the requisite number of words.

Mr. ZABLOCKI. Mr. Chairman, will the gentleman yield so that I may make a request to close debate?

Mr. DELLUMS. I will yield if it is not taken out of my turn.

Mr. ZABLOCKI. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment and all amendments thereto close at 2 o'clock.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

The CHAIRMAN. Members standing at the time the unanimous-consent request was made will be recognized for about 30 seconds each.

Mr. DELLUMS. Mr. Chairman, I rise in opposition to the Ashbrook amendment. Perhaps it is, because I hear the sound of a different drummer. I would like to make a few comments. My distinguished colleague, the gentleman from Ohio (Mr. ASHBROOK) has stated on a number of occasions in this well with respect to the amendment that the gentleman has placed before this body, stating over and over again that we must be concerned about our taxpayers. It is my hope that the gentleman from Ohio would be listening to my comments. I would like the gentleman from Ohio to hear my comments.

Mr. Chairman, perhaps I am wrong, but I do not believe that I am here in this Congress singularly representing taxpayers, nor do I believe I am here in the House of Representatives singularly representing voters. I represent, as do all of us, 465,000 people. Many of them are not taxpayers. Many of them are not voters. Many of them are children who have a right to inherit their future. It would seem to me that those Members whose myopic view of their responsibility and their archaic view of the world, exercising all that respect for taxpayers, are not doing their entire job. We are representing 465,000 people. The children that we represent, who do not pay taxes, who are not voters, have a right to inherit this world. It is my hope that they inherit a world not insane with the polarization of the good guys and bad guys, the white hats and black hats, the Communists and non-Communists.

We have to learn as a nation of people to live in this world with everyone, irrespective of their ideological differences with our view of life.

As I have stated on a number of occasions, we have a profound obligation to take a picture of the world with the cameras of our minds, and against the backdrop of that picture we are expected to come here and make intelligent decisions for or against the many propositions that come before us.

But many of the Members took a picture of the world in 1950 and evidently threw away the camera. This is 1978. The world cannot be defined in such simplistic terms as we defined it then, 20, 25, or 30 years ago.

We are responsible for the future of our children. Why do we offer amendments that would handicap our Government in attempting to work its way through a world full of dangers and full of insecurity?

I want the children to inherit a world of peace, love, cooperation, and understanding. That cannot be achieved by accepting this myopic type of amendment on which we rant and rave on our ideological points of view.

Our responsibility is not just to the taxpayers, our responsibility is to all the people we represent. What about all the young people who have a right tomorrow to live in a world that is not so insane, in a world that is not so warlike, and in a world that is not so insecure? Let us not cripple the administration's ability to attempt to work with other nations irrespective of their ideological governments.

That, Mr. Chairman, it seems to me, is the highest principle and the highest responsibility that we have.

The CHAIRMAN. The Chair recognizes the gentleman from Maryland (Mr. BAUMAN).

Mr. BAUMAN. Mr. Chairman, I do agree that the world has changed since the 1950's, and I think the gentleman from Ohio (Mr. ASHBROOK) clearly realizes that in offering his amendment.

Unlike the 1950's two-thirds of the world is now under the domination of communism and other forms of brutal dictatorships, including the nations covered by this amendment. If it is insane to love liberty, then this country was founded by a great many madmen. The gentleman's amendment seeks to advance liberty in four countries where it is now denied.

Mr. Chairman, that is really what is at stake in this issue. We all want peace, but not the peace of the grave, and that is what communism offers those who would appease and those who will not fight for freedom. I hope the amendment is adopted.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio (Mr. WHALEN).

Mr. WHALEN. Mr. Chairman, I would like to pose the fundamental question, and that is that we either belong to an international organization or we do not.

The United States helped found the United Nations and its related organizations because we felt it would contribute to our own best interests. There is nothing in the United Nation charter that says the United States will get its own way in that body. It seems to me that it is the height of arrogance when we say to other member nations that "you either do it my way or you do not get the money."

Mr. Chairman, that is like the kid who picks up his ball and goes home, because he does not get his way.

(By unanimous consent, Mr. BROOMFIELD yielded his time to Mr. YOUNG of Florida.)

The CHAIRMAN. The Chair recognizes the gentleman from Florida (Mr. YOUNG).

Mr. YOUNG of Florida. Mr. Chairman, I thank the gentleman from Michigan (Mr. BROOMFIELD) for yielding me the additional time.

Mr. Chairman, the discussion about whether we ought to do this or whether we are going to be politicizing the United Nations does not hold a lot of water. We are not saying that we should give this money to the United Nations; we are saying they cannot pass it on to the four countries mentioned.

This is nothing new. We have done it before. The Congress in 1970 did just exactly that in Public Law 91-914 when we prohibited U.S. funds going to the United Nations to be used in Cuba. And what did the United Nations do then? They took our money, but they set up a

separate account. It was a bookkeeping juggle, but U.S. funds did not go to Cuba.

Under some of the intensive lobbying that went on on the part of the State Department, they tried to frighten us with another idea. They said we should make sure somebody does not come along and withhold money from the United Nations for Israel.

But the biggest program the United Nations has is UNDP, and guess who does not get money from UNDP! The answer is: Israel.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio (Mr. ASHBROOK).

Mr. ASHBROOK. Mr. Chairman, I have only 30 seconds to speak, and I could not possibly answer all the questions that have been raised in that time, and I am certainly not competent to do that.

I can at least answer one, however, and let me address this idea of saying that other nations do not do this.

Let us go back a few years to Katanga. Let us go back to the U.S. peacekeeping forces. We can look at the record and find details on the peacekeeping forces and about countries, Russia being one of them, that did not vote for the peacekeeping efforts of the U.N. Nevertheless the peacekeeping efforts went on.

Mr. Chairman, let us not say this is going to collapse just because this amendment is agreed to.

The CHAIRMAN. The gentleman from Wisconsin (Mr. ZABLOCKI) is recognized to close debate.

Mr. ZABLOCKI. Mr. Chairman, I note that the hour of 2 o'clock has arrived, and am going to say merely that I do support the Derwinski substitute, and I hope it prevails.

The CHAIRMAN. All time has expired.

The question is on the amendment offered by the gentleman from Illinois (Mr. DERWINSKI) as a substitute for the amendment offered by the gentleman from Ohio (Mr. ASHBROOK), as amended.

The question was taken; and on a division (demanded by Mr. ASHBROOK) there were—ayes 34, noes 15.

RECORDED VOTE

Mr. ASHBROOK. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 148, noes 155, not voting 131, as follows:

[Roll No. 309]

AYES—148

Akaka	Burlison, Mo.	Edwards, Calif.
Allen	Burton, John	Erlenborn
Ambro	Burton, Phillip	Fary
Ammerman	Carr	Fascell
Annunzio	Collins, Ill.	Fenwick
Baldus	Conable	Findley
Baucus	Conte	Fish
Beard, R.I.	Cornell	Fisher
Beilenson	Delaney	Florio
Benjamin	Dellums	Foley
Bingham	Derwinski	Forsythe
Blanchard	Dicks	Fowler
Blouin	Diggs	Fraser
Boggs	Dingell	Garcia
Bonior	Downey	Gephardt
Brademas	Drinan	Giaimo
Burke, Mass.	Duncan, Oreg.	Gonzalez
Green	Meeds	Roybal
Gudger	Meyner	Scheuer
Hamilton	Mikulski	Schroeder
Hanley	Miller, Calif.	Seiberling
Harkin	Mineta	Sharp
Harrington	Mitchell, Md.	Simon
Harris	Moakley	Solarz
Hawkins	Moffett	Spellman
Heftel	Moorhead, Pa.	Staggers
Holtzman	Moss	Stanton
Howard	Murphy, N.Y.	Stark
Hughes	Natcher	Steed
Jacobs	Neal	Steers
Jenrette	Nedzi	Steiger
Johnson, Calif.	Nolan	Studds
Jordan	Nowak	Thompson
Kastenmeier	Oberstar	Tsongas
Keys	Obey	Udall
Kildee	O'Brien	Ullman
Kostmayer	Ottinger	Vanik
LaFalce	Patten	Vento
Leach	Pattison	Weaver
Lehman	Pease	Weiss
Lloyd, Calif.	Perkins	Whalen
Lundine	Pettis	Wilson, Bob
McClory	Price	Wilson, Tex.
McCormack	Pritchard	Wolff
McFall	Reuss	Yates
McHugh	Roncalio	Young, Mo.
McKay	Rooney	Young, Tex.
McKinney	Rose	Zablocki
Maguire	Rosenthal	
Markey	Rostenkowski	

NOES—155

Abdnor	Evans, Ga.	Michel
Anderson, Calif.	Evans, Ind.	Milford
Andrews, N.C.	Flippo	Miller, Ohio
Andrews, N. Dak.	Flynt	Minish
Archer	Fountain	Mitchell, N.Y.
Ashbrook	Frenzel	Mollohan
Ashley	Gaydos	Moore
Badham	Gilman	Moorhead, Calif.
Bafalis	Ginn	Murtha
Barnard	Goldwater	Myers, Gary
Bauman	Goodling	Myers, John
Beard, Tenn.	Gore	Panetta
Bennett	Grassley	Pickle
Bevill	Guyer	Pike
Brinkley	Hagedorn	Quie
Brooks	Hall	Rahall
Broomfield	Hammer-schmidt	Regula
Brown, Mich.	Hansen	Rinaldo
Brown, Ohio	Harsha	Roberts
Broyhill	Heckler	Robinson
Buchanan	Hefner	Roe
Burgener	Hightower	Rousselot
Burke, Fla.	Hollenbeck	Rudd
Burleson, Tex.	Hubbard	Ruppe
Butler	Hyde	Russo
Byron	Jenkins	Satterfield
Caputo	Johnson, Colo.	Schulze
Cederberg	Jones, N.C.	Shuster
Chappell	Jones, Okla.	Skelton
Clausen, Don H.	Jones, Tenn.	Slack
Clawson, Del	Kelly	Smith, Iowa
Cleveland	Kemp	Smith, Nebr.
Coleman	Kindness	Spence
Collins, Tex.	Krebs	Stangeland
Corcoran	Lagomarsino	Stratton
Cornwell	Latta	Stump
Coughlin	Lederer	Symms
Daniel, Dan	Le Fante	Taylor
Daniel, R. W.	Levitas	Thone
de la Garza	Lloyd, Tenn.	Treen
Derrick	Long, Md.	Trible
Devine	Lott	Volkmer
Dickinson	Luken	Waggonner
Dornan	McDonald	Walsh
Duncan, Tenn.	Madigan	White
Early	Mahon	Whitehurst
Edwards, Ala.	Mann	Winn
Emery	Marks	Wylie
English	Marlenee	Yatron
Ertel	Marriott	Young, Fla.
Evans, Del.	Martin	Zeferetti
	Mathis	
	Mattox	

NOT VOTING—131

Addabbo	Brodhead	D'Amours
Alexander	Brown, Calif.	Danielson
Anderson, Ill.	Burke, Calif.	Davis
Applegate	Carney	Dent
Armstrong	Carter	Dodd
Aspin	Cavanaugh	Eckhardt
AuCoin	Chisholm	Edgar
Bedell	Clay	Edwards, Okla.
Biaggi	Cochran	Eilberg
Boland	Cohen	Evans, Colo.
Bolling	Conyers	Fithian
Bonker	Corman	Flood
Bowen	Cotter	Flowers
Breaux	Crane	Ford, Mich.
Breckinridge	Cunningham	Ford, Tenn.
Frey	Mikva	Sebelius
Fuqua	Montgomery	Shipley
Gammage	Mottl	Sikes
Gibbons	Murphy, Ill.	Sisk
Glickman	Murphy, Pa.	Skubitz
Gradison	Myers, Michael	Snyder
Hannaford	Nichols	St Germain
Hillis	Nix	Stockman
Holland	Oakar	Stokes
Holt	Patterson	Teague
Horton	Pepper	Thornton
Huckaby	Poage	Traxler
Ichord	Pressler	Tucker
Ireland	Preyer	Van Deerlin
Jeffords	Pursell	Vander Jagt
Kasten	Quayle	Walgren
Kazen	Quillen	Walker
Ketchum	Railsback	Wampler
Krueger	Rangel	Watkins
Leggett	Rhodes	Waxman
Lent	Richmond	Whitley
Livingston	Risenhoover	Whitten
Long, La.	Rodino	Wiggins
Lujan	Rogers	Wilson, C. H.
McCloskey	Runnels	Wirth
McDade	Ryan	Wright
McEwen	Santini	Wydler
Mazzoli	Sarasin	Young, Alaska
Metcalfe	Sawyer	

The Clerk announced the following pairs:

On this vote:

Mr. Rogers for, with Mr. Nichols against.

Mr. Alexander for, with Mr. Santini against.

Mr. Addabbo for, with Mr. Flood against.

Mr. Risenhoover for, with Mr. Sikes against.

Mr. Rangel for, with Mr. Teague against.

Mr. Waxman for, with Mr. Dent against.

Mr. Conyers for, with Mr. Huckaby against.

Mr. Walgren for, with Mr. Quillen against.

Mr. Hannaford for, with Mr. Crane against.

Messrs. BROOKS, WHITE, ROE, PICKLE, KEMP, ANDREWS of North Carolina, MAHON, and BROWN of Michigan changed their vote from "aye" to "no."

Messrs. OBERSTAR, BURLISON of Missouri, and MOORHEAD of Pennsylvania changed their vote from "no" to "aye."

So the substitute amendment for the amendment, as amended, was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio (Mr. ASHBROOK) as amended.

The amendment, as amended, was agreed to.

AMENDMENT OFFERED BY MR. ALLEN

Mr. ALLEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ALLEN: At the end of line 15, on page 41, insert a new title IV with the following language, to wit:

"TITLE IV—REDUCTIONS

"SEC. 401. The total authorized expenditures, heretofore set forth, are hereby reduced by $73,000,000, and each specific authorization contained in the foregoing titles and sections are hereby reduced by the same percentage which $73,000,000 bears to the total amount of authorized expenditures in this bill."

And renumber succeeding titles and sections beginning on line 16, page 41, to be appropriate.

Mr. ZABLOCKI. Mr. Chairman, inasmuch as I was unable to hear the first portion of the amendment as it was read by the Clerk, I reserve a point of order on the amendment.

The CHAIRMAN. The gentleman from Wisconsin (Mr. ZABLOCKI) reserves a point of order on the amendment.

Mr. ALLEN. Mr. Chairman, I would state that there are extra copies of the amendment at the Clerk's desk and if

one of the pages could supply copies to the chairman, the gentleman from Wisconsin (Mr. ZABLOCKI), I would appreciate it.

Mr. Chairman, what this amendment would do is simply this: It would reduce the total authorization by $73 million. That is the amount by which it has been increased by the committee over and above what the President requested. And it would reduce each specific authorization by the same percentage which $73 million bears to the total amount of authorized expenditures in the bill. In other words, it would be an across-the-board $73 million cut.

Mr. Chairman, there is not a Member of this body, nor is there any informed American, who does not know that President Carter has pledged himself to try to work toward a balanced budget in fiscal year 1981. Yet it seems that every single time he sends a program down here to the Congress, the Congress—and especially the House—winds up by appropriating more money than the President has requested. Certainly that is not in the direction of fiscal responsibility or a balanced budget.

I believe the President with his foreign policy advisers knows or should know how much money they need in this foreign aid bill. What I want to do by this amendment is simply reduce it by the amount that it is in excess of what the President and his administration and the State Department have requested. That is all it would do. It would be evenly distributed in each specific authorization.

I think we are all aware that the American people probably regard the whole subject of foreign aid by the United States as absolutely the biggest boondoggle that comes out of Congress. When the President asks for a high amount such as he has asked here, and the distinguished members of the Committee on Foreign Relations, with all due respect to them, increase it by $73 million, I, quite frankly, find myself in a position where I simply will have to vote against the bill if it is not cut back to what the President requested. I cannot vote for a bill that is $73 million more, that carries that much more in foreign aid, than the President says is needed to meet what he thinks are the problems in the country. Here we are in this Nation facing many domestic problems, continually confronted with the proposition that we cannot meet those problems because we do not have the money, and here we are getting ready to spend and fritter away to the four corners of the Earth $73 million more than the President himself has recommended in his foreign aid request. I ask those who wish to support the efforts of the President to bring the Federal budget into balance to support this amendment.

The CHAIRMAN. Does the gentleman from Wisconsin insist on his point of order?

Mr. ZABLOCKI. Mr. Chairman, I withdraw my point of order.

Mr. SOLARZ. Mr. Chairman, I move to strike the requisite number of words. I rise in opposition to the amendment. And I will be very brief.

We had a very similar amendment yesterday which attempted to cut this bill with a scalpel and it was rejected. What we have before us now is an amendment which attempts to cut the bill with a meat axe and it ought to be rejected as well.

I would point out to my colleagues on the committee that this amendment would require an across-the-board cut in literally every program contained in the foreign aid bill. In case anybody might not be aware of it, that would mean that we would be reducing the foreign aid program for Israel, for example, by $15 million. We would be cutting the refugee relief assistance program by a substantial amount of money. All of the worthwhile parts of this bill would be cut.

I would suggest to my colleagues in the committee that if there are programs in the bill which they think do not make sense, let us get amendments directed to those parts of the bill; but this amendment requires every program to be cut, the good as well as the bad. The amendment is designed to cut the increase in the bill above and beyond what the President requested; but if the amendment is adopted, even those parts of the bill which were not increased above and beyond what the President requested would be cut as well. I cannot think of a worse time, given the delicate negotiations which are now underway in the Middle East, for this Congress to send a signal to Israel and to the other countries of that region that we are going to cut the amounts of aid in this legislation for them.

Mr. Chairman, I urge the rejection of the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Tennessee (Mr. ALLEN).

The question was taken; and on a division (demanded by Mr. ALLEN) there were—ayes 26, noes 43.

Mr. ALLEN. Mr. Chairman, I demand a recorded vote.

A recorded vote was refused.

So the amendment was rejected.

Mr. FASCELL. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, section 222A of the Foreign Assistance Act authorizes the Productive Credit Guaranty Program, under which AID issues guaranties to private lending institutions for loans made to groups and individuals for self-help community development projects.

Colombia is one of the five Latin American countries in which the program is operating. In fact, Colombia is so enthusiastic over the program that it is contributing a $1 million guaranty fund to the program. However, the Government of Colombia wants to include in the program four banks which technically are government banks. Although these banks were established by the government, more than 80 percent of their funds are private and they operate just like the private banks.

As the intent of the congressional directive that the guarantees go to private lenders was based on a desire to avoid bureaucratic redtape and to avoid unnecessary guarantying government funds, it is AID's conclusion that including these four banks in the program does not violate the intent of the legislation. I agree.

Furthermore, as these four banks account for 37 percent of the financial resources of the banking system and have some 1,500 branches and agencies throughout the country, it would be a major deficiency of the program not to include these banks in the effort to encourage the banking system to extend small amounts of credit to individuals and groups that traditionally have not had access to commercial credit.

Mrs. COLLINS of Illinois. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of this bill, H.R. 12222, International Development and Food Assistance Act of 1978, which underscores our commitment to economic and social development among the world's poor.

Bilateral and multilateral development aid are, and will remain for some time, essential components of the relationship between the United States and the Third World. Although in an ideal world, dependency relationships will have given way to interdependence, the world is still a long way from an equitable distribution of essential resources. The prices of the manufactured products that we export in ever-increasing quantities to the countries of the developing world continue to exceed the prices for the raw materials we import from these same countries. Only the oil exporting countries have managed, through cartelization, to reverse the terms of trade with the industrial world, and this in a way that hardly does justice to the ideal of interdependence.

If we are to avoid a repetition of the oil crisis in our relations with exporters of other scarce resources, we must learn to pursue policies that make it unnecessary for developing countries to resort to monopolistic practices in order to develop and valorize their material and human resources. Our development assistance programs must, therefore, be targeted toward those countries and sectors where the need for such support is greatest, and where the best possible use will be put to our contribution.

The bill before us today represents a synthesis of the administration's budgetary requests for fiscal year 1979 and congressional initiatives, including some of the major elements of the legislation proposed by the late and distinguished Senator Hubert Humphrey just before his death. In this spirit it affirms and reemphasizes the new directions mandate to concentrate on the needs of the poorest majorities in the developing world and to promote self-sustaining economic growth with equitable income distribution. To this end, agriculture, rural development and nutrition activities will receive over 50 percent of the $1,282,000,000 to be allocated to bilateral development assistance, with the balance to be devoted to population planning, health, education, and technical assistance.

In addition, the bill transfers from security to economic aid legislation "eco-

nomic support funds" (formerly called security supporting assistance) authorized to promote economic, political and security interests of the United States. By so doing, it is intended that these funds will be used more effectively for economic development. In this connection, I wish to comment on the levels of economic support funds to be provided to the countries of southern Africa under this bill. Last year I strongly supported the establishment of a special requirements fund for the purpose of helping the countries of southern Africa to address the economic and social problems resulting from the struggles for majority rule in Zimbabwe, Namibia, and South Africa. Considering the fact that the conflicts in these countries have not been resolved, but have, if anything, grown more intense, increasing the strains on the economies and societies of the majority-ruled states. I was disappointed to note that the administration's request for economic support funds for southern Africa for fiscal year 1979 was less than half of the amount appropriated by the Congress for this purpose in fiscal year 1978. This hardly seems consistent with the administration's continuing efforts to help negotiate peaceful solutions to these conflicts and particularly with its principled decision to not embrace the so-called internal solutions propounded by the architects of white minority rule in Rhodesia and Namibia.

For this reason I strongly support the decision of the Subcommittee on Africa to increase the economic support fund from the $45 million requested by the administration to a level of $65 million and to authorize an additional $15 million under this bill for the relief and rehabilitation of refugees located throughout Africa. The latter provision will apply not only to refugees in southern Africa, but to those displaced from their homes as a result of tragic conflicts elsewhere in Africa, including the Horn and western Sahara.

I also wish to record my support for the policy language directing the President to strengthen the coordination of all U.S. economic policies affecting the developing countries including trade, commodity agreements, investment, and debts, along with bilateral and mutilateral economic assistance. It is only through such comprehensive planning that our Government will be able to coordinate its development efforts within the broader context of the global economy.

Mr. BAUMAN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I take this time to ask the gentleman from Wisconsin (Mr. ZABLOCKI) the same question I asked about 2 hours ago, and that is whether or not it is the gentleman's intention that we conclude the consideration of amendments to this bill and vote on final passage today.

Mr. ZABLOCKI. Mr. Chairman, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from Wisconsin.

Mr. ZABLOCKI. Mr. Chairman, I am pleased to advise the gentleman that I know of just a few noncontroversial amendments, and if I were sure those were the only amendments pending, we could conclude the consideration of the bill today.

However, if there were to be other controversial amendments offered, I think we would move that the committee rise, because there are Members who want to leave. In that event, I believe it would be the better part of wisdom to take up just one or two more amendments. We would then rise and bring the bill up for consideration on Monday and vote on final passage at that time.

Mr. BAUMAN. Mr. Chairman, I thank the gentleman for his response.

I would only say that I suspect we will have a good many more amendments offered if we hold this bill over until next week.

I would think the Members who have had to be here on Friday considering a bill on which we will have come to no resolution should have a right to get the chance to finish the bill today. We have been on the consideration of this legislation for 2 days now.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

TITLE IV—ADMINISTRATIVE PROVISIONS

USE OF COMPETITIVE SELECTION PROCEDURES

SEC. 401. Section 601 of the Foreign Assistance Act of 1961 is amended by adding the following new subsection at the end thereof:

"(e)(1) The Congress finds that significantly greater effort must be made in carrying out programs under part I of this Act to award contracts on the basis of competitive selection procedures. All such contracts should be let on the basis of competitive selection procedures except in those limited cases in which the procurement regulations governing the agency primarily responsible for administering part I of this Act allow noncompetitive procedures to be used.

"(2) In order to provide the Congress with information to assist it in assessing the efforts of the agency primarily responsible for administering part I of this Act to make the maximum possible use of competitive selection procedures, the Administrator of that agency—

"(A) when submitting the congressional presentation materials for development assistance for fiscal year 1980, shall also submit to the Congress a report identifying and describing each contract in an amount in excess of $100,000 which the agency entered into without competitive selection procedures during the period April 1, 1978, to September 30, 1978, and explaining why each such contract was not the subject of competitive selection procedures; and

"(B) when submitting the congressional presentation materials for development assistance for fiscal year 1981, shall also submit to the Congress a report identifying and describing each contract in an amount in excess of $100,000 which the agency entered into without competitive selection procedures during the fiscal year 1979 and explaining why each such contract was not the subject of competitive selection procedures.".

REPORTING REQUIREMENT

SEC 402. (a) Chapter 2 of part III of the Foreign Assistance Act of 1961 is amended—

(1) by striking out "(c)" in section 634(c) and inserting in lieu thereof "SEC. 633A. FURNISHING INFORMATION.—" and by inserting such redesignated section immediately after section 633; and

(2) by striking out the remaining provisions of section 634 and inserting in lieu thereof the following:

"SEC. 634. ANNUAL REPORT.—(a) In order that the Congress and the American people may be better and more currently informed regarding United States development policy, including the amounts and effectiveness of assistance provided by the United States Government to developing countries and international organizations, the Chairman of the Development Coordination Committee shall transmit to the Congress not later than February 1 of each year a report on foreign assistance for the fiscal year ending the previous September 30. The report shall include—

"(1)(A) a comprehensive and coordinated review of all United States policies and programs having a major impact on the development of developing countries, including but not limited to bilateral and multilateral assistance, trade, debt, employment, food, energy, technology, population, oceans, environment, human settlements, natural resources, and participation in international agencies concerned with development;

"(B) an assessment of the impact of such policies and programs on the well-being of the poor majority in developing countries in accordance with the policy objectives of chapter 1 of part I, including the progress developing countries are making toward achieving those objectives which are indicative of improved well-being of the poor majority, which objectives shall include but not be limited to increasing life expectancy and literacy, lowering infant mortality and birth rates, and increasing foor production and employment; and

"(C) an assessment of the impact of such policies and programs on economic conditions in the United States, including but not limited to employment, wages, and working conditions;

"(2) the dollar value of all foreign assistance and guaranties by category and by country provided or made by the United States Government by any means to all foreign countries and international organizations—

"(A) from 1946 to the fiscal year immediately preceding the fiscal year for which the report is required;

"(B) as presented to Congress for the immediate preceding fiscal year;

"(C) as obligated during the immediately preceding fiscal year;

"(D) as planned for the fiscal year in which the report is presented; and

"(E) as proposed for the fiscal year following the year in which the report is presented;

"(3) a summary of repayments, by country, to the United States from previous assistance loans;

"(4) the status of each loan and each contract of guaranty or insurance theretofore made under this Act, predecessor Acts, or any Act authorizing international security assistance, with respect to which there remains outstanding any unpaid obligation or potential liability; the status of each extension of credit for the procurement of defense articles or defense services, and of each contract of guarantee in connection with any such procurement, theretofore made under the Arms Export Control Act with respect to which there remains outstanding any unpaid obligation or potential liability; the status of each sale of agricultural commodities on credit terms, theretofore made under the Agricultural Trade Development and Assistance Act of 1954, with respect to which there remains outstanding any unpaid obligation

or potential liability; and the status of each transaction to which a loan, contract or guarantee of insurance, or extension of credit (or participation therein) was theretofore made under the Export-Import Bank Act of 1945 with respect to which there remains outstanding any unpaid obligation or potential liability; except that such report shall include individually only any loan, contract, sale, extension of credit, or other transaction listed in this paragraph which is in excess of $1,000,000;

"(5)(A) the status of the debt servicing capacity of each country receiving assistance under this Act;

"(B) all forms of debt relief granted by the United States with respect to such countries, together with a detailed statement of the specific debt relief granted with respect to each such country and the purpose for which it was granted; and

"(C) a summary of the net aid flow from the United States to such countries, taking into consideration the debt relief granted by the United States;

"(6)(A) the status of internationally recognized human rights, within the meaning of section 116(a), in countries that receive assistance provided by the United States Government under part I; and

"(B) any steps that have been taken to alter assistance provided by the United States Government under part I because of human rights considerations; and

"(7) such other matters relating to foreign assistance provided by the United States Government under part I as the Chairman of the Development Coordination Committee considers appropriate.

"(b) For purposes of this section—

"(1) 'foreign assistance' means any tangible or intangible item provided by the United States Government to a foreign country or international organization under this or any other Act, including but not limited to any training, service, or technical advice, any item of real, personal, or mixed property, any agricultural commodity, United States dollars, and any currencies of any foreign country which are owned by the United States Government; and

"(2) 'provided by the United States Government' includes, but is not limited to, foreign assistance provided be means of gift, loan, sale, credit, or guaranty.".

(b) Part III of the Foreign Assistance Act of 1961 is amended by redesignating section 671 as section 634A and by inserting such redesignated section immediately after section 634.

(c) Part III of such Act, as amended by subsection (b) of this section, is further amended by adding the following new section immediately after new section 634A:

"SEC. 634B. CLASSIFICATION OF REPORTS.—All information contained in any report transmitted under this Act shall be public information. However, in the case of any item of information to be included in any such report that the President, on an extraordinary basis, determines is clearly detrimental to the security of the United States, he shall explain in a supplemental report why publication of each specific item would be detrimental to the security of the United States. A supplemental report shall be transmitted to the Congress at the time the report is transmitted.".

(d)(1) Title XI of chapter 2 of part I and sections 116(d), 119(b), 120(d), 222A(j), 495C(e) 620(w), 621A(c), 640B(d), and 657 of the Foreign Assistance Act of 1961 are repealed.

(2) Section 640B(g) of such Act is amended by striking out "subsection (d), the President" and inserting in lieu thereof "section 634, the Chairman of the Committee".

REIMBURSABLE TECHNICAL ASSISTANCE

SEC. 403. Section 607 of the Foreign Assistance Act of 1961 is amended by redesignating subsection (b) as subsection (c) and by inserting the following new subsection (b) immediately after subsection (a):

"(b) When any agency of the United States Government provides services on an advance-of-funds or reimbursable basis under this section, such agency may contract with individuals for personal service abroad or in the United States to perform such services or to replace officers or employees of the United States Government who are assigned by the agency to provide such services. Such individuals shall not be regarded as employees of the United States Government for the purpose of any law administered by the Civil Service Commission.".

MOTOR VEHICLES

SEC. 404. Section 636(a)(5) of the Foreign Assistance Act of 1961 is amended by striking "$3,500" and inserting in lieu thereof "the current market price in the United States of a mid-sized sedan or station wagon meeting the requirements established by the General Services Administration for a Class III vehicle of United States manufacture (or, if the replacement vehicle is a right-hand drive vehicle, 120 percent of that price)".

OPERATING EXPENSES

SEC. 405. Section 667(a) of the Foreign Assistance Act of 1961 is amended—

(1) in the text preceding paragraph (1) by striking out "1978" and inserting in lieu thereof "1979"; and

(2) in paragraph (1) by striking out "$220,200,000" and inserting in lieu thereof "$261,000,000".

REPEALS

SEC. 406. Sections 302(d), 302(e), 302(f), 302(g), 302(h), 304, 494A, 495A, 618, 619, 637(a), 649, 655, 656, 658, and 665, and chapters 6 and 7 of part I, of the Foreign Assistance Act of 1961 are repealed.

EFFECTIVE DATE

SEC. 407. The amendments made by this Act shall take effect on October 1, 1978.

Mr. ZABLOCKI (during the reading). Mr. Chairman, I ask unanimous consent that title IV of the bill be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

TECHNICAL AMENDMENT OFFERED BY MR. ZABLOCKI

Mr. ZABLOCKI. Mr. Chairman, I offer a technical amendment.

The Clerk read as follows:

Technical amendment offered by Mr. ZABLOCKI: On page 46, at the end of line 17, insert "and".

On page 46, strike out lines 18 through 24.

On page 46, line 25, strike out "7" and insert in lieu thereof "6".

On page 48, line 10, strike out "116(d),".

Mr. ZABLOCKI. Mr. Chairman, I shall be very brief. This amendment is of a technical nature.

The amendment deals with the annual human rights report and is necessitated because of the new consolidated reporting provision contained in this bill. The consolidated reporting requirement in the bill, under the revised section 634, includes the annual human rights report among those to be submitted by the chairman of the Development Coordination Committee. This amendment provides that the Secretary of State will continue to be responsible for the human rights report, as he is now.

Mr. Chairman, the amendment only involves procedure. It makes no substantive change in law, and I ask the amendment be adopted.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin (Mr. ZABLOCKI).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. MILLER OF OHIO

Mr. MILLER of Ohio. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MILLER of Ohio: On page 49 immediately after line 14 insert the following new section 405 and redesignate subsequent sections in Title IV accordingly:

EXCHANGES OF CERTAIN MATERIALS

SEC. 405. Section 663 of the Foreign Assistance Act of 1961 is amended by adding the following new subsection at the end thereof:

"(d) The President shall report to the Congress not later than February 1 of each year on the steps he has taken to implement this section.".

Mr. MILLER of Ohio. Mr. Chairman, I am sure that we can move this amendment along very fast. It is an amendment to require the President to report to the Congress on action taken concernin the barter amendment.

On December 11, 1974, I offered, and the Congress accepted, the "barter" amendment to the Foreign Assistance Act to require the President, when he determined it in the national interest, to extend economic and military assistance to an aid recipient country when that country agrees to exchange necessary and strategic raw materials such as oil, metals, and minerals it controls. Such raw materials would be those in short supply in this country and upon receipt would be stockpiled or sold with proceeds of any disposal credited to the U.S. Treasury.

This barter amendment was agreed to overwhelmingly by a recorded vote 244 to 136 in the House. The language was retained in conference and now is section 663 of the Foreign Assistance Act.

By approving acquisition of materials through such barter arrangements, Congress said the taxpayers should have an opportunity to get something of real tangible value in return for the billions of their dollars flowing overseas through the foreign aid program. The Congress also recognized the barter amendment afforded a mechanism to facilitate the acquisition of basic raw materials to run the Nation's industrial economy. By bartering with foreign aid recipients, the United States can gain access to abundant yet undeveloped rich natural resources in the world. In doing so we build our strategic stockpiles at less cost and better assure that our vulnerability to future world market disruptions in flow of raw materials is minimized.

To date, section 663 has not been utilized; in fact it has been totally ignored. That is why I offered this simple amendment to section 663 to require the President to report to the Congress no later than February 1 each year on the steps he has taken to implement barter agreements. Bartering can work within the context of the foreign aid program, if given a chance. My amendment simply requires the administration to examine the mechanism on an ongoing basis with the intent to implement it whenever and wherever practicable.

It seems a little bit too basic for this to actually work, but I am sure, Mr. Chairman, it can work within the context of the foreign assistance bill.

Mr. ZABLOCKI. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Ohio. I yield to the gentleman from Wisconsin.

Mr. ZABLOCKI. Mr. Chairman, I thank the gentleman for yielding.

It is the understanding of the gentleman from Wisconsin that this does not change at all the basis which prevails for barter as stated in the law; the gentleman's amendment merely requires the President to report the progress on these matters?

Mr. MILLER of Ohio. That is correct. It has been ignored in the past.

Mr. ZABLOCKI. Mr. Chairman, if that is the thrust of the amendment, we are ready to accept the amendment.

Mr. BROOMFIELD. Mr. Chairman, we also accept the amendment on the minority side.

Mr. MILLER of Ohio. Mr. Chairman, I thank the gentleman from Wisconsin and I thank the gentleman from Michigan, and I will quit while I am ahead.

The question is on the amendment offered by the gentleman from Ohio (Mr. MILLER).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. MITCHELL OF MARYLAND

Mr. MITCHELL of Maryland. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MITCHELL of Maryland: Page 42, insert the following new section after line 25 and redesignate the succeeding sections accordingly:

MINORITY BUSINESS ENTERPRISE

SEC. 402. (a) Chapter 1 of part III of the Foreign Assistance Act is amended by inserting after section 602 the following new section:

"SEC. 602A. MINORITY BUSINESS ENTERPRISE.—(a) In order to increase the participation of minority business enterprises in activities funded by the agency primarily responsible for administering part I of this Act, the Administrator of such agency shall, within 90 days after the effective date of this section, establish a Minority Resource Center (hereafter in this section referred to as the 'Center').

"(b) The Center shall—

"(1) establish and maintain, and disseminate information from, an international information clearinghouse for minority business enterprises, for purposes of furnishing to such businesses information with respect to business opportunities involving the implementation of the general policy set forth in section 101 of this Act;

"(2) assist minority business enterprises in obtaining investment capital and debt financing by utilizing such financial vehicles as minority enterprise small business investment companies, minority banks, and minority trade associations;

"(3) conduct market research, planning, economic and business analyses, and feasibility studies to identify business opportunities referred to in paragraph (1);

"(4) design and conduct programs to encourage, promote, and assist minority business enterprises to secure direct contracts, host country contracts, operation expatriate contracts, indefinite quantity contracts, subcontracts, projects, grants, and research related to the implementation of the general policy set forth in section 101 of this Act;

"(5) enter into such contracts (to such extent or in such amounts as are provided in appropriation Acts), cooperative agreements, or other transactions as may be necessary in the conduct of its functions and duties;

"(6) develop support mechanisms which will enable minority business enterprises to take advantage of business opportunities related to the implementation of the general policy set forth in section 101 of this Act; and

"(7) participate in and cooperate with all Federal programs and other programs designed to provide financial, management, and other forms of support and assistance to minority business enterprises.

"(c) The Administrator and the Secretary of State shall provide the Center with such relevant information, including procurement schedules, bids, and specifications with respect to the implementation of the general policy set forth in section 101 of this Act as may be requested by the Center in connection with the performance of its functions.

"(d) For purposes of this section—

"(1) the term 'minority business enterprise' means a business—

"(A) at least 51 per centum of which is owned by minority group members or, in the case of a publicly owned business, at least 51 per centum the stock of which is owned by minority group members; and

"(B) the management and daily business operations of which are controlled by such persons; and

"(2) the term 'minority group members' includes—

"(A) American Indians or Alaskan Natives, that is, persons having origins in any of the original peoples of North America;

"(B) Asians or Pacific Islanders, that is, persons having origins in any of the original peoples of the Far East, Southeast Asia, the Indian Subcontinent, or the Pacific Islands;

"(C) Blacks, that is, persons having origins in any of the black groups of Africa; and

"(D) Hispanics, that is, persons of Spanish culture with origins in Mexico, South or Central America, or the Caribbean Islands.

"(e) Not later than seven months after the effective date of this section, and not later than the end of every six-month period thereafter, the Administrator shall submit to each House of the Congress a report concerning the activities of the Center.

"(f) There are authorized to be appropriated to the President to carry out the purposes of this section, in addition to funds otherwise available for such purposes, $654,000 for fiscal year 1979. Amounts appropriated under this section are authorized to remain available until expended.".

(b) Section 133 of the International Development and Food Assistance Act of 1977 is repealed.

Mr. MITCHELL of Maryland (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Maryland?

There was no objection.

Mr. ASHBROOK. Mr. Chairman, I reserve a point of order against the amendment.

The CHAIRMAN. The gentleman from Ohio (Mr. ASHBROOK) reserves a point of order against the amendment.

Mr. MITCHELL of Maryland. Mr. Chairman, all that this amendment does is to set up a minority business resource center in this agency. It does not mandate any quotas. It does not mandate any set-aside. The original amendment that I submitted yesterday contained a provision for $5 million to go into MESBIC, to be used as leverage fund for various minority businesses.

In this amendment, the $5 million has been deleted, and all that we ask is for the funds required to set up an effective minority business resource center.

The reasons for making this request are obvious. First of all, during the fiscal years 1975 through 1977, the agency averaged less than 2 percent of all direct contracts awarded to minority businesses. What we seek to do in this amendment is to explore alternatives to the set-aside program and thereby decrease reliance on that particular provision of the law. It is very, very clear to me that, as we move to constrain the growth of the human resources program, it becomes increasingly necessary to move to establish a viable minority business community. If we take away on the one hand, we have to give on the other; and the giving, in this case, is to assist us to provide for a growth of a viable minority business enterprise in our communities.

I know of no major problems with this bill. A little bit more of the history is that our colleague in the other body, Senator BROOKE, in August last year, made a request to the agency that it report back to the Congress within 90 days on the progress it would have made in establishing such a minority business center. There has never been a report submitted. There was an interim reply given to our colleague in the other body, but the interim reply was woefully inadequate, in terms of meeting the earlier request that was made. That request called for a detailed plan within 30 days, not 90 days.

However, there has been no compliance by the agency, in my opinion; and I hope the gentleman shares my thought that it is necessary to do this. I think this is a natural, normal outcome based on the action initiated by my colleague in the other body.

Mr. GARY A. MYERS. Mr. Chairman, will the gentleman yield?

Mr. MITCHELL of Maryland. I yield to the gentleman from Pennsylvania.

Mr. GARY A. MYERS. Mr. Chairman, it is my understanding that whatever information is generated by this effort would not only be available to minority business enterprises, but to anyone; and it would be public information which could be used. However, there might be

some stress on assisting minority businesses; is that correct?

Mr. MITCHELL of Maryland. That is correct. It would be available public information, obviously. We are talking about small business with a specific emphasis, of course, on a minority business resource center in that small business activity.

Mr. GARY A. MYERS. Mr. Chairman, I thank the gentleman. I endorse his amendment.

Mr. BROOMFIELD. Mr. Chairman, will the gentleman yield?

Mr. MITCHELL of Maryland. I yield to the gentleman from Michigan.

Mr. BROOMFIELD. Mr. Chairman, the gentleman does eliminate the money that was in the original amendment, does he not?

Mr. MITCHELL of Maryland. As I indicated, there was some question with regard to the $5 million that I had in the original amendment. The intent of that was to give seed money to MESBIC. There were some questions about the workability of that, and I have eliminated that $5 million portion from the original amendment.

POINT OF ORDER

The CHAIRMAN. Does the gentleman from Ohio (Mr. ASHBROOK) insist on his point of order?

Mr. ASHBROOK. Yes, Mr. Chairman, I do.

The CHAIRMAN. Does the gentleman from Ohio desire to be heard on the point of order?

Mr. ASHBROOK. I do, Mr. Chairman.

Title IV, as presented to us on page 41 of this bill, goes to current procurement methods. The amendment of the gentleman from Maryland would create a new office in the United States ostensibly for the purpose of boosting minority sales and business participation.

Mr. Chairman, I believe that title IV would not be a proper vehicle by which to do that. This amendment goes beyond the scope of the title of the bill and is not germane.

The CHAIRMAN. Does the gentleman from Maryland (Mr. MITCHELL) desire to be heard?

Mr. MITCHELL of Maryland. Yes, I do, Mr. Chairman.

The amendment is clearly within the scope of the bill. Throughout the bill there are references to facilitating our relationships with the various countries that receive assistance under this bill; and certainly the establishment of minority businesses helps to facilitate those relationships.

What is the gentleman's second problem with it?

Mr. ASHBROOK. If the gentleman will yield, Mr. Chairman, my point of order is that the gentleman is creating an entire new office, that title IV only relates to administrative provisions and goes to current procurement methods, and that using this bill as a vehicle to create an entire new office and an entire new section goes far beyond the scope of title IV.

Mr. Chairman, for that reason, the point of order should be sustained.

Mr. MITCHELL of Maryland. Mr. Chairman, if I may reply to that objection, I think we have established precedent in this House for the kind of action I am taking today.

If the Members will recall, last year we added onto the Department of Transportation bill a whole new section establishing a minority business resource service. If I may continue for just a moment, that section was added on under the general title of "Administrative Provisions of DOT," so that a precedent has been established.

Mr. ASHBROOK. If the gentleman will yield further, of course, the same thing was done with EPA at that time.

The CHAIRMAN. The Chair will advise the gentlemen that the Chair controls the time during the discussion of points of order.

Does the gentleman from Ohio (Mr. ASHBROOK) wish to be heard further?

Mr. ASHBROOK. No, Mr. Chairman. For the reasons stated, I think the amendment should be held as nongermane.

The CHAIRMAN. Does the gentleman from Maryland (Mr. MITCHELL) wish to be heard further?

Mr. MITCHELL of Maryland. No, I do not, Mr. Chairman.

The CHAIRMAN. The Chair is prepared to rule.

The gentleman from Ohio makes the point of order that the amendment offered by the gentleman from Maryland is not germane to title IV or to the bill.

The bill under consideration relates to development and economic aid programs for the assistance of foreign countries. The amendment would direct the Administrator of the Agency for International Development to establish a minority resources center and would authorize that center to perform a variety of functions to assist minority business enterprises. Although such assistance is required under some of the designated functions of the center to bear a relationship to the general policy of the International Development and Food Assistance Act of 1977, the amendment does not specifically limit such assistance and participation to foreign aid programs.

For example, in subsection (a) of the amendment, there is provision that in order to increase the participation of minority business enterprises in activities funded by the agency primarily responsible for administering part I of this act, the administrator of such agency shall, within 90 days from the effective date of this section, establish a minority resource center.

That appears to the Chair to be within the general scope of the act itself, and would not of itself render this amendment nongermane.

However, several of the designated functions which follow in subsection (b) go beyond this, and appear to be entirely domestic in character. For example, paragraph (b)(4) of the amendment would allow the use of domestic investment companies, banks, and trade associations.

Paragraph (b)(7) requires the center to participate in all Federal programs, domestic and otherwise, designed to provide support and assistance to minority enterprises.

It, therefore, appears to the Chair that the amendment, as it is presently drafted, is far broader in scope than the bill, and in part beyond the jurisdiction of the reporting committee. For the reasons stated, the Chair sustains the point of order.

AMENDMENT OFFERED BY MR. MICHEL

Mr. MICHEL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MICHEL: On page 48, immediately after line 15, insert the following new subsection:

"(e) Section 116(d)(1) of such Act is amended by inserting immediately before the semicolon "and in all other foreign countries (except those countries with respect to which a report is transmitted pursuant to section 502B(b))"."

Mr. ZABLOCKI. Mr. Chairman, I reserve a point of order against the amendment.

The CHAIRMAN. The gentleman from Wisconsin reserves a point of order.

Mr. MICHEL. Mr. Chairman, I am wondering if the Chairman would care to make his point of order at this juncture, because I do not want to be foreclosed in the event the point of order is sustained. I would have a second amendment to offer.

If there are going to be valid arguments against the amendment, of course, then I would concede the point of order, but, Mr. Chairman, I would like to say that I feel my amendment is germane to the matter before us and is not in violation of clause 7 of rule XVI. It does not go beyond the scope of the bill or that section to which it adds a new subsection.

I would like to cite section 2909 of volume 8 of "Cannon's Precedents" in this regard. That section states:

The rule of germaneness applies to the relation between a proposed amendment and the pending bill to which offered and not to the relation between such amendment and an existing law of which the pending bill is amendatory.

That would be the point I would make now to any point of order that might be made against the amendment.

The CHAIRMAN. Does the gentleman from Wisconsin insist on his point of order?

Mr. ZABLOCKI. Mr. Chairman, I may press the point of order. Prior to making the point of order, I would like to inquire of the gentleman whether he is, indeed, offering the shorter or the longer version.

Mr. MICHEL. It is the shorter version, and, of course, if the gentleman insists on his point of order, I would concede it in the interests of time.

Mr. Chairman, in the interest of time I will concede the point of order and will offer another amendment.

The CHAIRMAN. The point of order is conceded and sustained.

AMENDMENT OFFERED BY MR. MICHEL

Mr. MICHEL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MICHEL: On page 48, immediately after line 15, insert the following new subsection:

"(e) Section 116(d)(1) of such Act is amended by inserting immediately before the semicolon "and in those countries that are currently eligible or may become eligible, including those countries that would become eligible if the requirements for eligibility were modified to involve such countries, to receive assistance under this part (except those countries with respect to which a report is transmitted pursuant to section 502B(b))"."

Mr. MICHEL. Mr. Chairman, very briefly, I regret that there was a point of order made to the first amendment simply because it had so many fewer words, and in order to obviate the problems or to make sure a point of order did not lie, we had to go to the extensive language in this amendment.

Mr. Chairman, my amendment was prompted by reading the report of the International Relations Committee entitled "Country Reports on Human Rights Practices."

The amendment requires the Secretary of State to include all foreign countries in his annual report to the Congress on the status of human rights around the world. The most recent report sent to all of us in early February by the distinguished chairman of the committee, Mr. ZABLOCKI, does not mention the status of human rights in the Soviet Union, Red China, the Eastern European bloc or South Africa among others, and this amendment would guarantee that the Congress has access to adequate and balanced information on human rights problems in all foreign countries.

Given the increasing interest in human rights practices around the world, there can be no doubt that these reports are valuable for Members of Congress to use in formulating legislative positions pertaining to human rights and U.S. foreign policy. The difficulty, however, is summed up in the introduction of the State Department report which says:

This is not a worldwide survey and does not include reports on numerous countries with serious human rights problems.

My amendment addresses itself to that problem and would include many of the countries most prominent in current U.S. foreign relations which are excluded from the reports.

I wholeheartedly support the evaluation of human rights in the formation of U.S. foreign policy, but only when such considerations are taken into account across the board. It makes no sense to exclude major countries if we are to maintain a balanced and informed approach to foreign policy decisionmaking. I understand the chairman and ranking member of the committee are favorably disposed to my amendment and urge its adoption.

I am going to include with these remarks a recent article on the subject appearing in the Wall Street Journal.

UNEVEN JUSTICE?—U.S. OFFICIALS WORRY OVER INCONSISTENCIES IN HUMAN RIGHTS PLAN

(By Karen Elliott House)

WASHINGTON.—President Carter's human-rights crusade has become a nasty headache for his administration.

That's handly what the President envisioned a year ago when he promised a foreign policy that reflected his "deep and unchanging commitment to basic human rights." But translating that noble thought into practice has proved complex or downright contradictory. A big bureaucracy has sprung up to do the job, yet problems abound.

For one thing, the President hasn't any leverage over some of the world's most repressive regimes, like those in North Korea and Cambodia. In countries where the U.S. does have influence, as in South Korea and the Philippines, human-rights concerns have often been subordinated to this government's military or economic goals. So the brunt of the Carter policy has fallen on those nations, notably in Latin America, that are still poor and friendly enough to qualify for U.S. aid yet neither economically nor strategically important to this country.

As a result, inconsistency has become a hallmark of the human-rights policy. Although the President often boasts that human rights are the cornerstone of his foreign policy, confusion grows here and abroad about their priority amid other goals.

THE MONDALE DILEMMA

And little wonder. Witness the difficulty of setting the priorities in one touchy case. Top administration officials recently spent hours debating whether Vice President Walter Mondale should go ahead with his planned visit to the Philippines so soon after the violence and fraud that surrounded national elections there. The visit could be seen as an endorsement of President Ferdinand Marcos's repressive policies, the officials feared. Yet the U.S. was eager to talk with Mr. Marcos about keeping two strategically important military bases there. The strategic concern prevailed, and Mr. Mondale went.

"We've gotten ourselves in a bad fix," one administration official says. "We either appear to be reneging on human rights or ignoring other important interests."

Other problems loom. Administration officials worry that any day now the Russians may decide to try Anatoly Shcharansky, a 30-year-old computer specialist charged with spying for the U.S. (Washington denies that he was an American agent.) A major spy trial in Moscow would leave the President the unpleasant choice of reneging on his human-rights campaign or speaking out at the risk of offending the Russians when he is urgently trying to conclude a treaty to limit nuclear arms. Already, Mr. Carter has soft-pedaled human-rights talk to avoid offending the Kremlin.

THE POLICY'S SUCCESS

These problems don't mean that the President's human-rights policy is a failure, even its critics say. Unquestionably Mr. Carter's constant talk about human rights is largely responsible for some relaxation of oppressive policies in Iran. The Shah has even put rugs in Iranian jails, U.S. officials say. And the President can take some credit for the release of 10,000 prisoners in Indonesia, as well as less dramatic changes in other countries. (The blessings can be mixed, however. See story on page 27.)

"The major accomplishment of the policy," says Deputy Secretary of State Warren Christopher, "is that we've helped to create a concern all around the world for basic human rights."

But the inconsistencies showing up in the pursuit of human-rights goals bother a growing number of U.S. officials, including human-rights advocates in the State Department. They are also concerned that the zeal with which some in the administration are trying to impose American ideals of justice and personal freedom on countries with different cultural traditions will eventually lead to contempt and cynicism toward the U.S.

MORALISTIC INSTEAD OF MORAL?

"We are engaging in an evangelical phase to advertise our moral concerns to the rest of the world," one official says. "Yet the inconsistent way we apply our policy means we look hypocritical and moralistic, not moral. Eventually, the rest of the world gets tired of our holier-than-thou approach."

Increasingly, critical officials say, there is a holier-than-thou air to the administration's human-rights apparatus. An entire bureaucracy has been set up to probe in minute detail the human-rights conditions of other countries and decide whether a particular government is good enough to deserve U.S. support either in the form of direct economic or military aid or in American backing for loans from international lending institutions such as the World Bank. At the heart of this bureaucracy are Patricia Derian assistant secretary of state for human rights, and a powerful committee that includes top officials of the State, Treasury, Defense and Agriculture departments and a representative of the National Security Council.

Every two or three weeks the committee meets to decide who's good and who's bad and what rewards or punishments to mete out. For instance, a recent agenda included a discussion of how the U.S. representative at the World Bank should vote on a proposed $105 million loan for grain silos in Argentina.

Typically, the discussion was detailed: Would the stored grain reach hungry Argentineans or be exported, thereby enriching some exporter? Was Argentina's recent decision to release names of 3,600 political prisoners and free a few hundred of them sufficient improvement to merit U.S. acknowledgement? If so, should the U.S. vote yes but make a public statement criticizing Argentina's repressive policies? Or perhaps it would be better to vote no and issue a statement approving the freeing of the prisoners. In the end, the committee decided the U.S. representative should abstain. (The loan was approved anyway.)

Such calculated decisions are intended to signal U.S. pleasure or displeasure with human-rights developments in a given country. Because this country had voted no on previous World Bank loans for Argentina, the decision to abstain was meant as faint U.S. praise. "The idea is to give a country a clear picture of where it stands," Mr. Christopher says.

A number of State Department officials argue that the administration would accomplish more by rewarding human-rights improvements than by punishing shortcoming. But Mrs. Derian disagrees.

"We aren't the tooth-fairy handing out sugar plums to kids who put their teeth under the pillow," says the former Mississippi civil-rights activist. "Why should we pass out a treat to nations that treat their citizens as they should?"

If some governments object to the meddlesome nature of the human-rights bureaucracy, they are more disgruntled about the inconsistent way the administration applies its human-rights policy. Special treatment for some repressive regimes is seen as U.S. hypocrisy.

"Your policy is so selectively applied that we have to assume you care about human rights only where you have no other interests," one Latin American diplomat says.

Indeed, Washington stopped military aid to Nicaragua, a country of no strategic or other importance to the U.S., after the gov-

ernment there had imposed a state of siege. Yet U.S. aid to South Korea, where dissent often means imprisonment, continues because that nation is a strategically important American ally. And, despite repressive practices in oil-rich Iran, President Carter warmly toasted the Shah during a New Year's visit, declaring, "The cause of human rights is one that is shared deeply by our people and by the leaders of our two nations."

Similarly, the administration is silent about political repression in black Africa. That's because the U.S. believes it must have the cooperation of Zambia, Tanzania and Mozambique if it is to avoid a bloody civil war in neighboring Rhodesia. "Our No. 1 human-rights concern in Africa is a peaceful settlement in Rhodesia," a top administration official says.

All this means that Latin America, where the U.S. has limited economic and strategic interests, has borne the brunt of the human-rights pressure. So far, five South and Central American countries have rejected U.S. military aid because Washington criticized their oppressive policies. When Terence Todman, assistant secretary of state for Latin America, complained that the region was being singled out, he was reassigned as ambassador to Spain.

U.S. officials acknowledge the inconsistencies, saying that sometimes other considerations must take precedence over human rights. "We aren't ever going to be perfectly consistent," Mrs. Derian says. "But our objective is consistent: to improve the observation of human rights everywhere."

PERSONAL FREEDOM VS. COLLECTIVE GOOD

One obstacle to this goal is that not all nations agree with the U.S. definition of human rights. Because of the long democratic tradition in this country, personal freedoms are paramount to Americans. But in many other cultures, particularly in developing nations, economic and social rights come first.

"There is a cultural imperialism in our insistence that everyone enjoy freedom of speech, press and assembly," one State Department official says. "The rest of the world thinks the collective good is more important than the individual. We, not they, are the aberration."

For instance: With North Korea so close and so belligerent, U.S. officials say, most South Koreans are content to give their government added powers to quell dissidents in the hope of increasing national security. A South Korean diplomat here adds, "Our security concern is very different from the human-right policy your government is pursuing. The human-rights standard varies from culture to culture, but your administration is trying to impose a unilateral standard."

For some governments, economic rights clearly take priority over political rights. China, one of the world's most repressive and regimented societies, has unquestionably improved the standard of living for most Chinese. Similarly, while arrest and detention without charges are common in Tanzania, President Julius K. Nyerere is considered a model in his efforts to improve the economic lot of his citizens.

"The danger in our policy is that we tend to set values against each other," says Richard Moose, assistant secretary of state for African affairs. "Clearly the No. 1 human-rights problem in Zaire is the wretched economic conditions." Yet the U.S. last year slowed food aid to Zaire after President Mobutu Sese Seko had thrown a leading critic in jail.

AN EYE ON CONGRESS

Adding to all these problems is the fact that the administration must pursue its policy with one eye on Congress. Much of the human-rights bureaucracy and its nitpicking approach are required by law. Believing previous Presidents too willing to deal with amoral dictators, Congress in recent years has insisted on restricting U.S. aid to human-rights violators unless the money goes to meet basic needs of the poor. And lawmakers threaten more restrictive measures unless they are convinced the administration is committed to human rights.

Among the thorns irritating administration officials is a congressional requirement that the State Department publish each year a book detailing human-rights conditions in all countries that receive U.S. aid. Like previous administrations, this one would like to have more opportunity for quiet diplomacy. One top official worries, "We can't seem to convince Congress we're really committed to human rights even if they're not pushing."

Because the President doesn't want to embarrass dictators by taking credit for any human-rights improvements, he is forced to prove his commitment by pointing to repressive regimes he has punished. "All our trophies tend to be aid programs we've cut," a top administration official says, "because to reward a bit of progress when repression remains is to risk charges that we're winking at abuses."

Despite all the problems, difficulties and doubts surrounding the human-rights policy. President Carter isn't about to abandon it. Polls show the goal remains politically popular in this country. And even critics of the policy acknowledge some gains have been made.

"On the whole, our human-rights talk has created a greater world sensitivity to the issue, and that's good," one critic says. "But unless we are more humble and less judgmental, that could backfire."

Mr. ZABLOCKI. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Wisconsin.

Mr. ZABLOCKI. Mr. Chairman, after studying the longer version, which I think is much better, I wish to advise the gentleman from Illinois that I am prepared on this side to accept his amendment.

Mr. MICHEL. The gentleman from Illinois has always had a very warm affection and regard for his friend, the gentleman from Wisconsin. I guess on many things we would be on the same wavelength. I want to commend him for accepting the amendment of the gentleman from Illinois on this occasion.

Mr. BROOMFIELD. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Illinois (Mr. BROOMFIELD).

Mr. BROOMFIELD. Mr. Chairman, I rise in support of the amendment offered by my good friend, the gentleman from Illinois.

Probably no other aspect of U.S. foreign policy has a more widespread reputation, both at home and abroad, for inconsistency than the implementation of our human rights policy. Its application is viewed by many people as hypocritically selective.

In cases where virtually any other foreign policy consideration is involved or where relations with a country do not include a classical, bilateral foreign aid program, the administration "soft pedals" human rights concerns. A classic case in point is the administration's nearly total silence on human rights conditions in the Soviet Union in recent months. In fact, U.S. expressions of concern and efforts to encourage greater respect for human rights are increasingly low key with respect to some of the worst human rights violators. In this regard, Cuba, Vietnam, and Uganda immediately leap to mind.

On the other hand, when it comes to Latin American countries, for example, which have traditionally been friendly to the United States. but whose strategic and economic importance is small, the administration's rights enforcers descend on an accused country with an air of moral indignation that would warm the heart of the most rigid puritan.

This amendment may help the administration and the Congress to better evaluate and increase the consistency and fairness of the application of our human rights policy. The gentleman's amendment will provide us with a more comprehensive and useful information base to compare and evaluate the status of human rights in a given country against similar information on the rest of the world community. After all, our fundamental policy goal is to promote increased adherence to internationally recognized standards of human rights. The amendment will insure that we have information necessary for making fairer determinations. I urge its adoption.

Mr. MICHEL. Mr. Chairman, it goes without saying that the same accolade I have given the gentleman from Wisconsin (Mr. ZABLOCKI) applies also to the gentleman from Michigan (Mr. BROOMFIELD).

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois (Mr. MICHEL).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. HAGEDORN

Mr. HAGEDORN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HAGEDORN: Page 46, line 17, strike "and";

Page 47, in line 3 strike the period after "appropriate", and insert in lieu thereof "; and";

Page 47, immediately after line 3 insert the following new paragraph:

"(7) a description of governmental policies of each country receiving assistance which are disincentives to increasing such country's agricultural production and a description and evaluation of each country's efforts toward eliminating such governmental policies."

Mr. HAGEDORN. Mr. Chairman, I presented the major arguments ir behalf of this amendment yesterday when I offered an amendment to prohibit continued economic assistance to countries which failed to make "reasonable progress" toward eliminating domestic agricultural production disincentives.

The immediate amendment would focus attention on this same problem but would simply require that the annual report filed by the chairman of the Development Coordination Committee contain some discussion of the efforts being made by recipient countries to eliminate production disincentives.

I would again like to stress that the sort of self-help contemplated by this amendment are those measures which would work toward establishing a legal and economic environment conducive to domestic agricultural production. While

there has been commendable progress in recent years in helping recipient countries to improve their technical capabilities, as well as in checking population growth, the fact remains that these will be of limited value until these countries adopt major economic and legal reforms.

Among the disincentives that have been identified by the Foreign Agriculture Service and the General Accounting Office are:

Credit policies which encourage farmers to substitute capital for labor to a greater extent than warranted by their relative scarcity;

Restrictions on internal food movements between surlpus and deficit areas within a single country;

Price controls on commodities, either through directly imposed price ceilings, or through limitations on potential commodity purchasers;

Expropriation policies which discourage farmers from adopting more efficient farming practices for fear of losing portions of their land;

Import subsidization policies, including exchange rate controls, which artificially promote competition to domestically produced commodities; and

Assorted tax policies, procurement policies, and land tenure policies.

The only long-term humanitarian approach to the tragedy of hunger in foreign nations is to place some pressure on these nations to reassess policies which serve as disincentives to food production. We not only owe this to our own taxpayers, but we owe it to those who are starving and malnourished abroad. As observed in a report by the GAO on this matter:

To insist that governments deal with these problems and to provide a proper environment for financial and technical assistance to be used most effectively to increase food production requires courage and political will by the external donors.

Adoption of this amendment would represent the first small step in that direction.

Mr. BROOMFIELD. Mr. Chairman, will the gentleman yield?

Mr. HAGEDORN. I yield to the gentleman from Michigan.

Mr. BROOMFIELD. Mr. Chairman, we on this side accept the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota (Mr. HAGEDORN).

The amendment was agreed to.

The CHAIRMAN. There being no further amendments to this title, the Clerk will read.

The Clerk read as follows:

TITLE V—COORDINATION AND ADMINISTRATION OF THE DEVELOPMENT-RELATED PROGRAMS AND POLICIES OF THE UNITED STATES

DECLARATION OF OBJECTIVES

SEC. 501. The Congress declares that the United States Government should place higher priority, in the formulation and implementation of governmental policies, on efforts to help meet the legitimate needs of poor countries for improving the quality of the lives of their populations. The Congress also declares that greater effectiveness and efficiency of United States assistance to such countries can be achieved through improved coordination and administrative consolidation.

IMPLEMENTATION OF OBJECTIVES

SEC. 502. In furtherance of the objectives set forth in section 501, the Congress directs the President—

(1) to institute a strengthened system of coordination of all United States economic policies which impact on the developing nations of the world, including but not limited to policies concerning international trade, commodity agreements, investment, debt, international financial institutions, international and multilateral development agencies and programs, and concessicnal and grant food assistance, in addition to policies concerning United States bilateral economic development assistance; and

(2) to establish an International Development Cooperation Administration, superseding the Agency for International Development, which will have, subject to the foreign policy guidance of the Secretary of State, primary responsibility within the United States Government for coordination of international development-related activities and which will have within its organizational framework the maximum possible range of United States Government agencies and programs related to international development.

REPORT

SEC. 503. The President shall report to the Congress not later than February 1, 1979, on the steps he has taken to implement this title and on any further legislation which may be needed to achieve the objectives of this title.

Mr. ZABLOCKI (during the reading). Mr. Chairman, I ask unanimous consent that title V be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

AMENDMENT OFFERED BY MR. OBEY

Mr. OBEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. OBEY: Page 51, immediately after line 22, insert the following new title:

TITLE IV—UNIFIED PERSONNEL SYSTEM

ESTABLISHMENT OF A UNIFIED PERSONNEL SYSTEM

SEC. 601. (a) Not later than February 1, 1979, the President shall submit to the Congress, and publish in the Federal Register, regulations establishing a unified personnel system for all employees of the agency primarily responsible for administering part I of the Foreign Assistance Act of 1961. In preparing such regulations, the President shall keep the appropriate committees of the Congress fully and currently informed, and shall consult with them on a regular basis, concerning the nature of the unified personnel system to be established.

(b) The regulations submitted to the Congress pursuant to subsection (a) may not become effective until after the end of the 30-day period beginning on the date of such submission in order to provide the appropriate committees of the Congress an opportunity to review them; and such regulations may not become effective then if, during such 30 day period, either House of Congress adopts a resolution stating in substance, that it disapproves the personnel system proposed to be established by the regulations.

(c) Regulations which take effect pursuant to this section, and any subsequently issued regulations amending or otherwise modifying or supplementing those regulations, shall have the force and effect of law and shall apply with respect to the personnel of the agency primarily responsible for administering part I of the Foreign Assistance Act of 1961, notwithstanding any inconsistent provision of law unless that provision of law specifically states that it supersedes regulations issued under this section.

Mr. OBEY (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin (Mr. OBEY)?

There was no objection.

Mr. OBEY. Mr. Chairman, all this amendment does is to expand on the committee suggestion that AID unsnarl its personnel system and it orders AID to develop a plan to do just that and to submit it to the appropriation committees of Congress.

I understand it is acceptable on both sides.

Mr. ZABLOCKI. Mr. Chairman, will the gentleman from Wisconsin (Mr. OBEY) yield?

Mr. OBEY. Certainly I yield to my colleague, the gentleman from Wisconsin (Mr. ZABLOCKI).

Mr. ZABLOCKI. Mr. Chairman, I thank the gentleman for yielding.

We have had an opportunity to study the gentleman's amendment, and I wish to commend the gentleman for proposing the amendment. The amendment is to encourage AID to take steps to establish a unified personnel system. I would point out to the gentleman that the House Committee on International Relations report on the bill before us, H.R. 12222, on page 14 thereof, states a similar purpose. AID has been working on a unified personnel system but has not completed its review. Therefore, I am sure this amendment will be a very helpful amendment and we are prepared to accept it.

Mr. OBEY. I thank the gentleman.

Mr. BROOMFIELD. Mr. Chairman, will the gentleman yield?

Mr. OBEY. I am happy to yield to the gentleman from Michigan.

Mr. BROOMFIELD. Mr. Chairman, we are also willing to accept the amendment.

Mr. OBEY. I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin (Mr. OBEY).

The amendment was agreed to.

● Mr. LEGGETT. Mr. Chairman, I would like to commend the distinguished chairman for the fine work of his committee in bringing us H.R. 12222, the International Development and Food Assistance Act of 1978.

There has been a tendency, when foreign aid legislation comes before us, to flip-flop between primarily emphasizing U.S. bilateral aid to developing countries and emphasizing a multilateral approach. In the last several years, as is the case with the legislation before us this afternoon, the tendency seems to be toward the multilateral approach. This is to be applauded.

Increasing recognition has been given

in recent years to the concept of interdependence. Our concern for alleviating the cruel effects of poverty is accompanied by the knowledge that we share the repercussions of rapid population growth, an increasing demand for food and mineral resources, pressures on the environment, and the international political instability precipitated by these pressures. If present trends continue unabated, world population by the end of this century will exceed 8 billion—nearly twice the current number—crowded together on our tiny planet. Current global problems such as the depletion of natural resources will be magnified.

The U.S. economic assistance program, we must remember, is not premised solely on larger economic and political considerations. Since we approved the New Directions mandate in 1973, our foreign assistance has been increasingly directed to the poorest countries and to the poor majority of people within those countries to help them acquire the resources and knowledge essential to assure their survival and ultimate stability.

Mr. Speaker, the legislation before us today maintains and strengthens our policy of directing aid toward the poor majority in a manner that will enable them to increase their standard of living and economic vitality.

The International Development and Food Assistance Act represents a synthesis of the basic authorizing legislation proposed by the President for fiscal year 1979 and the major elements of legislation introduced by the late Senator Hubert H. Humphrey. It preserves the momentum of our international effort to attain food self-sufficiency in the underdeveloped nations. It strengthens and improves the ability of the executive branch to make the most effective use of the funds available for the development and humanitarian assistance programs abroad.

This bill will authorize $3.7 billion for our bilateral and multilateral economic assistance for fiscal year 1979. This is $73.3 million above the President's request, but $46.5 million less than was authorized for the same purpose last year.

I would like to call to the attention of my colleagues to the significant effort made by the committee to incorporate the New Directions mandate into our aid program. A close look at the functional categories to which funds have been allocated reveals the kinds of projects receiving emphasis. Agriculture, rural development, and nutrition activities receive the largest share of our bilateral assistance funds, just over 50 percent of the proposed fiscal year 1979 development assistance budget.

The opportunity is before us to make significant progress in revitalizing the 17-year-old Foreign Assistance Act enacted in 1961. The most important revisions being the replacement of the present Agency for International Development (AID) with a new "International Development Cooperation Administration" (ICDA) whose administrator would report directly to the President but would receive policy guidance from the Secretary of State, it also gives the President authority to strengthen the coordination of all U.S. economic policies affecting the developing countries including trade, commodity agreements, investment, debt, international financial institutions, international and multilateral development agencies and programs and grant food assistance (Public Law 480).

The need to clarify our role concerning infrastructure development in Third World countries has been recognized. The bill clearly outlines the importance of basic infrastructure, such as water management systems, rural utilities, and transportation to the development process allowing ICDA to participate more effectively abroad.

In many respects this bill is a memorial to the late Senate Hubert H. Humphrey. For many years Humphrey was a strong advocate of American assistance to the poor and developing nations. He recognized that it was in both the economic and security interest of the United States to do so. This is most evident in the developing countries of the Sahel in Africa, an area not long from beneath the thumb of colonialism where there exists a constant struggle for economic self-sufficiency.

United States economic assistance, as encompassed in this bill, will be a major instrument for promoting U.S. foreign policy objectives. This kind of assistance helps to reduce the danger of international conflict and will help improve our relationships with the Third World.

I ask my colleagues to join with me today in support of this important legislation and the new direction in foreign assistance which it carries forward.●

Mr. BRECKINRIDGE. Mr. Chairman, I rise in opposition to the amendment of the gentleman from Colorado, and respectfully urge the Members of the House to consider what is actually at issue here.

I need not remind this body that tobacco is a major agricultural commodity that over 625,000 farm families depend on for most or a significant part of their cash flow. Although tobacco uses only 0.3 percent of the Nation's cropland, it is usually the fourth or fifth most valuable crop and accounts for about 4 percent of cash receipts from all U.S. crops. A $16.1 billion industry, tobacco farmers received over $2.3 billion from tobacco sales during the 1977 year.

An estimated 1,500,000 U.S. businesses share in the tobacco trade by supplying equipment, transportation, advertising, and other services. During 1977 U.S. consumers spent an estimated $17 billion on tobacco products of which over $6 billion were received by Federal, State, and local governments as excise tax revenues.

In addition, the United States leads the world in both tobacco production and exports. During the 1977 fiscal year U.S. exports of unmanufactured tobacco were valued at $1,065 million and exports of manufactured tobacco products during the same period was valued at $641 million. The obvious relationship between our balance of payments and tobacco exports defy argument.

This economic record for tobacco has an equally great an impact on the economy of my home State of Kentucky. Tobacco is Kentucky's chief cash crop. About 100,000 Kentucky farms enjoy income from tobacco and provide employment for a work force of over 136,000 family and hired workers whose 1977 crop brought growers about $572 million. Measured by employment, tobacco farming in terms of full-time jobs and manufacturing account for about 4 percent of Kentucky's 1.3 million workers. In addition, Kentucky received about $22 million in tobacco taxes this past year or about 1.2 percent of gross State tax revenues.

In light of this record of the economic contribution of tobacco to this Nation and my home State of Kentucky, it is self-evident that the success of this amendment would primarily affect the tobacco grower, the person who earns his livelihood from the production of their tobacco crops. We must defeat this amendment to save the economic well-being of a vast segment of rural and urban America from bankruptcy, and economic collapse; 625,000 farm families, of a dwindling family farm population of 2,700,000, constitute an important segment of our society meriting support rather than governmentally imposed bankruptcy.

● Mr. AKAKA. Mr. Chairman, I rise in opposition to the Lott amendment.

Population research, information and education programs are crucial to the very survival of the world community. The present amount of funding recommended in this bill is itself a small-than-needed sum. It does not even fully account the factor of inflation. At best it is an adequate sum. To cut it any further would be disastrous.

We must realize that population growth, with its present and future consequences, is a very real and serious concern.

Let me give you what I found to be a startlingly illuminating illustration of the dimensions of this problem.

The population magazine Intercom began a series of articles this past January about a fictitious continent called Populandia. Its inhabitants are all the newborn children of the world. By March 31, Populandia was the 33d largest country on Earth, with a citizenry totaling 18,060,930, none of them more than 3 months old.

New arrivals to Populandia are brought in by wide-bodied jets, which land full every 2 minutes. In order to meet the constant need for more space, the equivalent of a new Massachusetts General Hospital (1,084 beds) must be constructed every 7 minutes.

Gentleman, the country may be imaginary but the predicament is not.

If anything, we need more money for these hard-pressed programs, not less.

I would ask that the amendment be defeated.●

Mr. ZABLOCKI. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. LEVITAS, Chairman of the Committee

of the Whole House on the State of the Union, reported that the committee, having had under consideration the bill (H.R. 12222) to amend the Foreign Assistance Act of 1961 to authorize development and economic assistance programs for fiscal year 1979, to make certain changes in the authorities of that act and the Agricultural Trade Development and Assistance Act of 1954, to improve the coordination and administration of U.S. development-related policies and programs, and for other purposes, had come to no resolution thereon.

POINT OF ORDER

Mr. BAUMAN. Mr. Speaker, a point of order.

The SPEAKER. The gentleman will state his point of order.

Mr. BAUMAN. Mr. Speaker, the gentleman from Maryland is under the impression that the chairman of the Committee on International Relations had moved that the Committee rise after all amendments had been offered and that the bill had been concluded. He made no recommendation.

The SPEAKER. The Chair will state that the Committee rose on a straight motion to rise, and did not rise under the rule.

Mr. BAUMAN. Then further amendments will be in order when the bill is considered the next time?

The SPEAKER. The Chair will state that appropriate amendments at the end of the bill could be considered when the Committee resumes on Monday.

Mr. BAUMAN. I thank the Speaker.

GENERAL LEAVE

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill H.R. 12222, which was under consideration today.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

PERMISSION FOR COMMITTEE ON ARMED SERVICES TO FILE REPORTS ON H.R. 12557 and H.R. 12602

Mr. NEDZI. Mr. Speaker, I ask unanimous consent that the Committee on Armed Services may have until midnight tonight, May 12, 1978, to file reports on the bills H.R. 12557 and H.R. 12602.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 12050 TO AMEND THE INTERNAL REVENUE CODE OF 1954 TO PROVIDE A FEDERAL INCOME TAX CREDIT FOR TUITION

Mr. MOAKLEY, from the Committee on Rules, submitted a privileged report (Rept. No. 95–1142) on the resolution (H. Res. 1178) providing for consideration of the bill (H.R. 12050) to amend the Internal Revenue Code of 1954 to provide a Federal income tax credit for tuition, which was referred to the House Calendar and ordered to be printed.

PERMISSION TO FILE CONFERENCE REPORT ON SENATE CONCURRENT RESOLUTION 80, FIRST CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 1979

Mr. MITCHELL of Maryland. Mr. Speaker, I ask unanimous consent that the managers may have until midnight tonight, Friday, May 12, 1978, to file a conference report on the Senate Concurrent Resolution (S. Con. Res. 80), the first concurrent resolution on the budget for fiscal year 1979.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

MAKING IN ORDER ON MONDAY, MAY 15, 1978, OR ANY DAY THEREAFTER CONSIDERATION OF CONFERENCE REPORT ON SENATE CONCURRENT RESOLUTION 80, FIRST CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 1979

Mr. MITCHELL of Maryland. Mr. Speaker, I ask unanimous consent that it may be in order on Monday, May 15, 1978, or any day thereafter, to consider the conference report on the Senate Concurrent Resolution (S. Con. Res. 80), the first concurrent resolution on the budget for fiscal year 1979, and any amendments in disagreement.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

URGENT SUPPLEMENTAL APPROPRIATION FOR SBA DISASTER LOAN PROGRAM, 1978

Mr. MAHON. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the joint resolution (H.J. Res. 873), making an urgent supplemental appropriation for the disaster loan program of the Small Business Administration for the fiscal year ending September 30, 1978, and for other purposes, with Senate amendments thereto, and concur in the amendments of the Senate.

The Clerk read the title of the joint resolution.

The Clerk read the Senate amendments, as follows:

Page 1, line 3, strike out "sum is" and insert "sums are".

Page 1, after line 12, insert:

DEPARTMENT OF LABOR

EMPLOYMENT AND TRAINING ADMINISTRATION

EMPLOYMENT AND TRAINING ASSISTANCE

For an additional amount for "Employment and Training Assistance," $63,000,000 to remain available until September 30, 1979.

Page 1, after line 12, insert:

SENATE

PAYMENTS TO WIDOWS AND HEIRS OF DECEASED MEMBERS OF CONGRESS

For payment to Norma C. McClellan, widow of John L. McClellan, late a Senator from the State of Arkansas, $57,500.

For payment to Donna H. Metcalf, widow of Lee Metcalf, late a Senator from the State of Montana, $57,500.

For payment to Muriel Humphrey, widow of Hubert H. Humphrey, late the Deputy President Pro Tempore of the Senate and a Senator from the State of Minnesota, $65,000.

Amend the title so as to read: "Joint resolution making an urgent supplement appropriation for the disaster loan program of the Small Business Administration for the fiscal year ending September 30, 1978, and for other purposes.".

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. MICHEL. Mr. Speaker, reserving the right to object and, Mr. Speaker, I will not object, but I want to make the record clear that as I understand this bill provides for $758 million for the small business disaster loans, and that the bill passed the House by an overwhelming vote of 346 to 23.

Then the other body added to the bill $63 million for the summer youth jobs to pay the increased minimum wage from $2.30 to $2.65. I personally would much prefer that those public service jobs for students during the summer be paid at a rate of 85 percent of the minimum, as apparently we can do for students. But I am practical enough to know that if we went to conference, the views held by the gentleman from Illinois would not prevail in the conference and there would be no cutting of that amount that comes back to us from the other body. It does, however, set the summer job level, as I understand it, at 1,070,000 jobs, and that will be 70,000 over last year. Maybe the only other question I would ask is that at a time when unemployment is declining whether or not we really feel it is all that necessary to have that increased number of public service jobs during the summer.

Mr. MAHON. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I would be happy to yield to my distinguished chairman, the gentleman from Texas.

Mr. MAHON. I thank the gentleman for yielding.

There is merit in the statement just made by the gentleman from Illinois but the number of jobs that were to be available was 1,165,000.

Mr. MICHEL. I thank the chairman for correcting me, because if we did not provide the additional money as provided in the other body, then that level that I alluded to earlier of 1,070,000 would be the correct figure.

Mr. MAHON. Will the gentleman yield further?

Mr. MICHEL. Yes, I yield to the gentleman.

Mr. MAHON. The objective of the other body is to permit the full number of jobs to be utilized in that event that that number can be made available.

Mr. MICHEL. Yes.

Mr. MAHON. I have my doubts that all the funds will be required, but the purpose here is to enable the summer

youth program to proceed at the number of jobs authorized by the Congress.

With respect to the minimum wage matter, I think there is much merit in what the gentleman has said. But that is not a matter that is before us at this time.

Mr. MICHEL. That is right. I have one further point. Frankly, it takes $100 million to provide for this increase in the minimum wage, but there is a carryover of some $37 million, and that is why the figure in the other body was agreed to, $63 million in the supplemental appropriation.

Mr. MAHON. Yes. It appears that accepting the action by the Senate is the only practical approach for the House to take at this time.

Mr. MICHEL. I would agree with the gentleman that there is no practical effect of going to conference, because the results would be exactly the same, and in the interests of time, since they have been waiting on the SBA loan money for 2 weeks, as I understand it, I would withdraw my reservation of objection.

Mr. MAHON. Will the gentleman yield further?

Mr. MICHEL. Yes.

Mr. MAHON. I would urge the administration to proceed as efficiently and effectively as possible in managing this program, and I would hope that the jobs that are provided would be of real benefit both to the youth and the communities involved.

Mr. MICHEL. Of course, the gentleman speaks very well for the gentleman from Illinois in that regard.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

A motion to reconsider was laid on the table.

LEGISLATIVE PROGRAM

(Mr. MICHEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MICHEL. Mr. Speaker, I take this time for the purpose of inquiring of the distinguished majority whip, the gentleman from Indiana (Mr. BRADEMAS), as to the program for next week.

Mr. BRADEMAS. Mr. Speaker, will my distinguished colleague, the minority whip, yield?

Mr. MICHEL. I will be happy to yield to the gentleman.

Mr. BRADEMAS. I thank the gentleman for yielding.

The program for the House of Representatives for the week of May 15, 1978, is as follows:

On Monday, the House meets at noon for the Consent Calendar and one bill under suspension, which is:

H.R. 11209, maritime satellite telecommunications services, followed by H.R. 12222, to complete consideration of the International Development and Food Assistance Act of 1978.

Then there is a conference report on Senate Concurrent Resolution 80, the budget for the U. S. Government for fiscal year 1979.

Then there is H.R. 12641, temporary debt limit increase, under a modified open rule, with 1 hour of debate.

On Tuesday, the House meets at noon for the Private Calendar and seven bills which will be considered under suspension. Votes on suspensions will be postponed until the end of all suspensions. We will consider:

H.R. 4030, holdings of private foundations in public utilities;

H.R. 5551, duty suspension on 2-methyl, 4-chlorophenol;

H.R. 11005, international trade commission authorization;

H.R. 1337, Constructive sale price for excise tax on trucks, buses, and so forth;

S. 2093, Exchange Stabilization Fund provisions; and

H.R. 12467, Rehabilitation Act amendments.

H.R. 12255, Older Americans Act amendments.

Following these suspensions, we shall consider H.R. 10392, to establish a Hubert H. Humphrey Fellowship at Woodrow Wilson Center, under an open rule, with 1 hour of debate.

We then have a conference report on H.R. 9005, District of Columbia appropriations, fiscal year 1978, and H.R. 11686, the Department of Energy National Security authorizations, fiscal year 1979, under an open rule, with 1 hour of debate.

On Wednesday, the House will meet at 10 o'clock in the morning on H.R. 39, the Alaska National Interest Lands Conservation Act, subject to a rule being granted.

On Thursday, the House will meet at 10 o'clock a.m. to consider H.R. 10929, Department of Defense Authorization Act, fiscal year 1979, subject to a rule being granted, and H.R. 7814, flexible and compressed work schedules for Federal employees, under an open rule, with 1 hour of debate.

On Friday, the House will meet at 10 o'clock a.m. to consider the following bills: H.R. 8099, Water Rights for Ak-Chin Indians, subject to a rule being granted.

H.R. 10729, Commerce Department authorizations, fiscal year 1979, subject to a rule being granted; and

H.R. 11291, Fire Prevention and Control Act, under an open rule, with 1 hour of debate.

The House will adjourn by 3 p.m. on Fridays and by 5:30 p.m. on all other days except Wednesday. Conference reports may be brought up at any time, and any further program will be announced later.

Mr. Speaker, might I ask the distinguished gentleman a question with respect to Wednesday? The bill, H.R. 39, is highly controversial. I understand the Committee on Rules probably will not meet until Tuesday. In the event there is no rule on that piece of legislation, and that is the only one scheduled for that day, is there any conjecture on what might take its place.

Mr. BRADEMUS. Mr. Speaker, if the gentleman will yield further, I would not want to speak with complete authority on that. Other legislation is available and will be rescheduled and announced to the Members in the event the Alaska bill does not come up.

Mr. MICHEL. Now once we have passed May 15 and the 3 o'clock p.m. convening time for Wednesdays is over, I note we will be coming in at 10 o'clock a.m. on Wednesdays, Thursdays, and Fridays. Does that suggest there would be some limitation on when we would adjourn on Wednesdays, so far as time is concerned?

Mr. BRADEMAS. Mr. Speaker, if the gentleman will yield further, a reasonable hour is the answer to the question. Did the gentleman ask about a reasonable adjournment on Wednesday?

Mr. MICHEL. Is it 6 p.m. on Wednesday or does it run to midnight?

Mr. BRADEMAS. I think the gentleman would want to be reasonable with respect to assigning what is a reasonable hour.

PERMISSION TO FILE CONFERENCE REPORT ON SENATE CONCURRENT RESOLUTION 80, FIRST CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 1979

Mr. GIAIMO. Mr. Speaker, I ask unanimous consent that the managers may have until midnight Saturday, May 13, 1978, to file a conference report on the Senate concurrent resolution (S. Con. Res. 80), the first concurrent resolution on the budget for fiscal year 1979.

The SPEAKER pro tempore (Mr. KILDEE). Is there objection to the request of the gentleman from Connecticut.

There was no objection.

ADJOURNMENT TO MONDAY, MAY 15, 1978

Mr. WEISS. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next at 12 o'clock noon.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. WEISS. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday of next week.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

GRANITE CITY STEEL CO. CELEBRATES 100 YEARS OF GROWTH

(Mr. PRICE asked and was given permission to address the House for 1

minute and to revise and extend his remarks.)

● Mr. PRICE. Mr. Speaker, this year the residents of my congressional district are celebrating a very special event: The 100th anniversary of the founding of Granite City Steel Co.

This company has developed in these 100 years from a small sheet metal shop located near the riverfront in St. Louis, Mo., to a fully integrated mill which is a division of the National Steel Corp., one of our Nation's largest steel companies.

But the people of the 23d district are celebrating not only the founding of a major industry, but also the spirit of growth and achievement which this industry exemplifies in our area. The Niedringhaus family which began the mills furnished our area with employment opportunities which were badly needed 100 years ago. Additionally, and equally as important, in the 1890's the family founded Granite City, Ill., as the site for its new mills. From this rather humble beginning has sprung the thriving Granite City which has become one of the most vital communities in southern Illinois, and a city which I am proud to represent.

Thousand of lines have been written and spoken dealing with so-called company towns and the problems found in these localities. Granite City exemplifies the other side of this story: A city which benefited from the industry from which it grew. When the Niedringhauses purchased the land in 1892 they planted 14,000 trees on the land and added sidewalks, streets and a water system. Part of the land was set aside for a park and special sites were preserved for schools and churches. More importantly, 100 brick houses were put up, and to help protect the area from flooding, a perennial problem for flat land bordering the Mississippi River, a million-dollar cross levee was built between the city and the river. In the words of Hayward Niedringhaus:

> Even in an industrial town, where the wealth of industry might be necessary for the initial financing of the building of homes, stores, theaters, churches and schools, laying streets, installing sewers and utilities, even in such a city men should be able to own their own homes, to go into business for themselves, to elect the men who were to govern and police them, to run for office and get elected, to buy where they pleased, and to move away without obligation to the company for which they worked. There should be—there must be—a business, a social, a political, a personal, an educational life which belongs to the masses of the people themselves.

With this type of philosophy, it is no wonder that Granite City took root in the area and flourished. Today Granite City Steel is a major employer of residents of Granite City and the neighboring towns and is responsible for much of the growth experienced throughout Madison County. This year the company looks back to its simple beginnings and celebrates a proud past. I join all the people of my district in wishing the company and its employees a happy birthday and look forward to watching its continued progress in the future.●

FEDERAL RESERVE MEMBERSHIP ACT OF 1978 REINTRODUCED

(Mr. STANTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks).

Mr. STANTON. Mr. Speaker, Today I am reintroducing, with cosponsors, the Federal Reserve Membership Act of 1978. This legislation reflects our continued concern about the current decline in Federal Reserve membership, and its implication for the vitality of the Fed and the Nation's monetary policy.

This legislation is designed to stop the current outflow of Fed membership by a combination of pricing and interest payments on reserves. In this way it could be assured that the benefits of Fed membership outweigh the costs. Thus, the two major provisions of the bill are: First, the explicit pricing of Federal Reserve payment services; and second, the payment of interest on required membership reserves.

Since I originally introduced this bill, the Chairman of the Fed has publicly indicated that he favors taking steps to establish pricing for services, to enact interest payment on reserves, and to assure there is not a great outflow in Treasury revenues as a result of these measures.

It is my opinion that the Congress would be well advised to consider this issue. Cosponsors of this legislation are not bound by the specific language in the legislation, but join me in order to indicate their grave concern over the loss of Federal Reserve members in recent years. I personally feel that the Congress should act immediately to remedy this situation. If Congress fails to act, then I applaud the initiative of the Chairman of the Federal Reserve Board in his attempt to accomplish this goal immediately. Time is of the essence.

SECTION-BY-SECTION ON FED MEMBERSHIP BILL

Title: Federal Reserve Membership Act of 1978.

Section 2—Pricing of Services: Amends section 11 of the Federal Reserve Act to direct the Fed to establish a schedule of fees for payment services by July 1, 1979, and to put that schedule into effect by July 1, 1980. Subsection (c) establishes three pricing principles to be followed in setting the schedule of fees. The three principles are as follows:

(1) payment services priced explicitly;

(2) services priced competitively within private institutions; and

(3) payment services shall be made available to all depository institutions.

Section 3—Interest on Reserves: Amends section 19 of the Fed Act to pay interest on required reserves. The interest rate shall not exceed the 3 month Treasury bill rate during the preceding quarter.

Subsection (2) directs the Fed to submit, by July 1, 1981, to the Congress a study on the feasibility of member banks investing a portion of their required reserves in Treasury securities.

Subsection (3) directs the Fed to provide a full account to the impact of this Act in its annual report.

Section 4—Definitions: Definitions and technical amendments to the Fed Act.

PUBLIC PENSION PLANS—GETTING OUT OF HAND

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. GOLDWATER) is recognized for 5 minutes.

● Mr. GOLDWATER. Mr. Speaker, we hear a lot of talk these days about bringing inflation under control, but it seems that little is actually being done about it. One critical area which deserves the attention of the Congress is that of public pension reform. Like our social security sytsem, which is a glaring example of a lack of intelligent foresight, our public pension funding capabilities are, by far, insufficient to meet the anticipated needs of retiring Government workers.

Let us look at the simple arithmetic. On the Federal level alone, public service employees such as postal workers, forest rangers, lawyers for the bureaucracy, even we Congressmen, contributed under $3 billion to our retirement systems last year. How much did the Government, or should I say the taxpayer, pay out for retirement benefits last year? The amount of $9.3 billion. "General revenues," that ambiguous source of money buried in the Federal budget, financed the difference.

Projections over the next 7 years indicate that the gap between contributions to the Federal retirement system and pension pay-out obligations will widen from the present $6.3 billion to $13.7 bilion. And this is based on an unrealisticaly low estimate of a 4-percent inflation rate. A doubling of this figure would seem to me to be closer to the mark.

It is ironic, as this issue is discussed, that last February, a contest to see who could race the fastest up the steps of the Empire State Building was won by a 37-year-old retired fireman collecting a $12,000 annual disability pension. This story is enough to convince me that Congress should look into the pension programs which cover the 6 million public employees who are presently receiving benefits, and the 15 million who are covered for the future.

The employee in the public sector receives retirement benefits which, by and large, far exceed those in private industry. An employee of the Forest Service of my home State of California can retire with 75 percent of his salary. Public safety employees in Los Angeles can retire with a pension after only 20 years of service. Some, by the time they are in their mid-forties, can keep their pension, and begin a whole new career; some go on to third and fourth jobs.

Undoubtedly, the clout of public employees associations has been effective in securing these generous retirement benefits. The public sector has also grown rapidly—too rapidly. So when talk of reforming our pension systems is raised in Congress, or in the California State Legislature or anywhere else, the first thing that happens is the cry of alarm by these unions who use scare tactics on both their own members and the public: Fires burning out of control since there are not enough firemen to respond to the

call. Accident victims lie unattended because the ambulance personnel are not available. When all this demagoguery is communicated to the voter, the unions hope that any politician who does not stand with them will assume his job is in jeopardy on election day.

No wonder the Government has been so responsive to its own employees. Why the Federal worker can qualify for social security benefits after just 5 years of working, and his counterpart in the private sector must work twice that long to qualify. Maybe it explains why a non-Government worker must work to the age of 62 just to get reduced retirement benefits; the Federal employee can retire with the whole bag of goodies at age 55. Certainly, it explains why no one in the legislative branch of Government is about to face up to the fact that public sector retirement plans are on a direct course with fiscal disaster unless responsible action is taken.

As I mentioned earlier, dealing with this problem is virtually identical to solving the plight of our social security system. I have been a proponent of reform in that area on both a long-range and short-range basis. There is no question that the public pension problem will have to be approached in the same way. One measure to be considered in this effort is reforming the system so that pension benefits could not take effect until a designated pensionable age is attained, unless, of course, retirement is forced by a valid disability.

In Los Angeles, as in the rest of California, property taxes have risen so high and so fast, the property tax collection mechanism there is now the subject of a major taxpayer revolt. Half of property taxes collected in California go to pay for public employee pensions. This is outrageous. And the taxpayer in my State knows it, as does all of Sacramento. The citizens are very close to placing a constitutional limit on taxation for such unsound retirement programs. I have publicly supported this campaign to place legal restraints on the power of the legislature to tax. It can be done without any compromise in providing essential and effective public services.

Inaction for too long a time will only postpone our dealing successfully with the inevitable. True, those who face retirement within the next 20 years or so can be reasonably assured of receiving their pensions. But if I were just starting a job in the public sector, with retirement a thought far into the future, I would be worried about the solvency of my retirement fund.

Mr. Speaker, one of the great incentives for the workingman is the promise of a financially secure retirement. I am proud that Government is able to provide this for its employees. But I am shamefully infuriated that retirement programs in the public sector have lost sight of fundamental actuarial principles. I desperately hope that it would not take the collapse of our public pension system before Congress and the States realize the importance of financial stability.●

AMERICA MUST NOT ABANDON FREE CHINA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. KEMP) is recognized for 10 minutes.

● Mr. KEMP. Mr. Speaker, many Members of Congress with important congressional responsibility for foreign relations and national defense are increasingly concerned with the direction of the administration's policy toward the Republic of China. The United States has a longstanding mutual defense alliance with the Republic of China that has contributed to the tranquillity of east Asia for more than two decades. There has been increasing concern over the possible outcome of the forthcoming visit to Communist China by the President's adviser for national security affairs, Dr. Zbigniew Brzezinski.

This concern has recently been expressed in a letter to President Carter by 28 Members of the House from both political parties and every region of the Nation. The signers express their grave concern about the potential consequences of statements made in the wake of the Peking visit which may tend to create an impression that the United States may run out on its commitments to the defense alliance between the Republic of China and the United States, an impression which is reinforced by the unfortunate timing of the Brzezinski visit which coincides with the inauguration of President Chiang Ching-Kuo.

I have included the text of the letter for publication in the RECORD at the conclusion of my remarks and only hope that President Carter will reconsider the timing of this trip to Peking and instead send Vice President MONDALE to the ROC's inauguration ceremonies on behalf of freedom loving people in the United States.

The letter follows:

HOUSE OF REPRESENTATIVES,
Washington, D.C., May 10, 1978.

President JIMMY CARTER,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: We are deeply concerned about the possibility that American policy in East Asia may be dangerously misconstrued as a consequence of the nature and timing of the forthcoming visit of the Assistant to the President for National Security Affairs Zbigniew Brzezinski to Peking. As you know, the date of Dr. Brzezinski's visit coincides with the date of the inauguration of the President of the Republic of China, Chiang Ching-Kuo.

The unfortunate coincidence of these two events is compounded by reports of the content of such important planning documents as Presidential Review Memorandum 24 which imply a substantial change in this government's attitude toward the Republic of China. Any statements which could be construed as either downgrading our diplomatic posture with Taipei, or suggesting Administration interest in abrogating the Mutual Defense Treaty of 1954 would have adverse consequences in the Congress. Moreover we are persuaded that such a destabilizing policy change on the part of the United States would have repercussions with allied nations far beyond the region.

The Republic of China is one of the most successful non-Communist nations in the world today. The economic model it provides to the Third World is worthy of emulation elsewhere. The enormous success we have witnessed has been possible because of the diligence of the Chinese people, and the stable security environment provided by the Mutual Defense Treaty. The economic growth of the Republic of China and the U.S. security guarantee has been responsible for nearly three decades of tranquility in the region. We are concerned that the Brzezinski mission may be cause for questioning the U.S. commitment, and hence, destabilize rather than stabilize the area.

We urge you to reaffirm the U.S. commitment to the Mutual Defense Treaty with the Republic of China, so that continued peace in Asia may be assured, and to rethink the timing of the trip by Dr. Brzezinski in that context. In conclusion, I would hope that Vice President Mondale could represent you at the inauguration.

Sincerely,

Sam Stratton, Robin Beard, Edward Derwinski, Bob Bauman, Mickey Edwards, Henson Moore, Henry Hyde, John Murphy, Bill Young, Skip Bafalis, Bill Frenzel, Bill Wampler, James Abdnor, Bill Armstrong.

Jack F. Kemp, ——— ———, Bill Chappell, Phil Crane, Jim Broyhill, Paul Trible, Clarence Brown, Dave Satterfield, Bill Ketchum, Bob Walker, ——— ———, J. K. Robinson, Steve Symms, Dan Quayle.●

THE CAMBODIAN HOLOCAUST

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. DORNAN) is recognized for 5 minutes.

● Mr. DORNAN. Mr. Speaker, I am sure that every Member of this House is horrified by the unspeakable atrocities currently taking place in the little country of Cambodia. No one yet knows for sure how many human beings have been brutally and systematically murdered by the execution squads since the Communists came to power in 1975. The most conservative estimates of the Cambodian death toll range in the hundreds of thousands. Last year, Le Monde, the prestigious Parisian daily, estimated a total of 800,000. But the distinguished author of the most authoritative account of the Cambodian holocaust, "Murder of a Gentle Land," Mr. John Barron, believes the death toll to be as high as 1.2 million. And with the various reports seeping out from under the new Bamboo Curtain, even this astonishing figure may be too conservative. I am inclined to agree with veteran reporter Jack Anderson of the Washington Post, who recently remarked that even Adolf Hitler at his worst was not as oppressive as the Communist rulers of tiny Cambodia.

The Cambodian story is the tale of another holocaust, as terrible and as brutal as that carried out by the Nazi barbarians during World War II. We in the United States are stunned with speechless horror at the methods of execution, the gruesome tales of terror and desperation related by fleeing refugees, and the sadism of the Cambodian leadership. The brutalization of the helpless, the sick, the infirm, and the aged fills us with disgust. Who can fail to be moved by the cruel murders of small children

in the presence of their parents, their brothers, and sisters.

In his amply documented book, Mr. Barron graphically describes one such episode: the systematic executions of whole families, with fathers and mothers weeping and pleading for their lives and the lives of their children and infants. I will not read those passages to Members of this House. For there is nothing to be gained by mulling over these lurid descriptions of the Cambodian Holocaust. Those who wish to examine the details of these atrocities can turn to Mr. Barron's book.

But I do ask the Members of this House to consider the larger question of their own responsibilities to the basic principles of humanity and justice, which are being tread under the boots of these dictatorial monsters in Cambodia. What man can stand idly by and turn his head? Who could live with his conscience if he failed to speak out strongly and forcefully against this brutality? Who could fail to take pity on these millions of unfortunates now reliving the unforgettable horrors of Auschwitz, Chelmo, Belsen, and Treblinka?

Mr. Speaker, St. Augustine once observed that evil is the lot of fallen man. It is something to be expected in the natural order of human life. It is elemental to the human condition. But we need not surrender to our lower impulses.

Mr. Speaker, we can still learn from the past. The trials of the 20th century should have taught us something. The experiences of Hitler's Germany and Stalin's Russia ought to shame us into recognizing our moral obligations to speak out strongly and forcefully, on subject, not simply as individuals, but as a nation. How many people will have to suffer and die before the Great Republic of the West, the United States of America, musters all the moral force at its command and exercises its providential prerogatives as the leader of the Free World?

Mr. Speaker, the President of the United States has made human rights the cornerstone of his foreign policy. Nothing could be more fitting or appropriate. With a Nation whose children are reared to reverence Jefferson and Lincoln, a Nation that has become a haven for the oppressed of the world, the central role of human rights and human dignity in the conduct of our foreign relations is something that one ought to expect. We are simply reflecting our proud tradition, our historical experience.

Certain diplomatic measures could be undertaken now by the administration to alleviate the situation in Cambodia. It is well known that the Cambodian Communists have been inspired by the example and the philosophy of the Chinese Communists. In a speech in Peking last October, Cambodian leader Pol Pot openly acknowledged his inspiration from the late chairman of the Chinese Communist Party, Mao Tse-tung. Pot declared:

In the concrete revolutionary struggle of our country, we creatively and successfully applied Mao Tse-tung's thought * * * Chairman Mao always personally supported and encouraged us, for which we wish to express our most profound respect for him—China's great staunch and heroic Communist fighter, great understanding proletarian internationalist fighter, great Marxist-Leninist teacher of the present era and the greatest comrade in arms of the Kampuchean people.

Since the Cambodians have openly acknowledged the "unconditional" assistance and friendship of the Chinese Communists, can we not instruct our representative in Peking to intercede with the Cambodian leadership? Is it too much to ask, as an act of good faith, of the Chinese leaders to consider a disinterested humanitarian gesture? Would it not help the cause of our bilateral relations with China to make such an overture, and to lend us a hand in putting a stop to this mad policy of bloody genocide?

Mr. Speaker, the same holds true in our relations with the United Nations. The United Nations is financially dependent upon the United States. Is it too much to ask that the organization abide by the principles of its own charter? There are many who believe that the United Nations, through its unwarranted condemnations of Israel and its ostrich-like approach to the violation of human rights in Third World countries, has lost all redeeming social value. Instead of becoming a force for world peace, too often the United Nations has become an apologist for the implacable forces of Communist aggression and Third World militancy.

Perhaps the wells of regeneration are not deep enough at the U.N. Perhaps that body will never enter into a Periclean Age. But while we grace the assembly with our presence, we, even if alone, ought to present it with the moral challenges it so sorely deserves. It is a crying shame Pat Moynihan is not there today, ripping off the pious facade of many Third World charlatans. Cambodia would surely not have been passed over in silence.

That is not the case now. Our U.N. Ambassador, who is rarely at a loss for an inappropriate comment, has yet to address the U.N. General Assembly on the violence and brutality taking place in Cambodia.

If Andrew Young and President Carter are not prepared to act on their own, perhaps it is necessary for this Congress to inspire them. To this end, Mr. Speaker, I am today introducing a resolution calling on the President of the United States to authorize a full investigation into the atrocities in Cambodia. I am asking him to disseminate the results of that investigation through regular Government information. The resolution would also authorize Ambassador Andrew Young to introduce a resolution into the United Nations General Assembly condemning these atrocities. I include the text of the resolution to be inserted into the RECORD at this time:

RESOLUTION

Whereas the United States of America was founded on an appeal to natural human rights, against which the actions of governments were to be judged, as embodied in the Declaration of Independence, and;

Whereas, the widespread, systematic violence and repression, including mass executions, levelled against the Cambodian people constitutes the most severe violation of human rights today, and;

Whereas, this wholesale slaughter of innocent people is unprecedented since the Holocaust unleashed by Nazi Germany against the Jewish people; Now therefore, be it

Resolved by the Senate and the House of Representatives of the United States of America in Congress assembled, That the President is hereby authorized and requested: to instruct the United States State Department to make a full report to the Congress on the violation of human rights in Cambodia; to instruct the U.S. International Communications Administration to make the substantive contents of that report available to its representatives around the world and to disseminate such information through all regular channels; to instruct Ambassador to the United Nations, Mr. Andrew Young, to introduce a resolution into the United Nations General Assembly condemning the recent and continuing atrocities of the Communist regime in Cambodia.●

FINANCE MEDICARE FROM GENERAL REVENUES?

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ROSTENKOWSKI) is recognized for 10 minutes.

● Mr. ROSTENKOWSKI. Mr. Speaker, I have never been an alarmist but I want to go on record here and now as warning the American people that the Ways and Means Committee's tentative decision to finance medicare from general revenues—if approved by the Congress—will have disastrous consequences for all our aged citizens and for our society as a whole. I would remind everyone of the enormous dangers of reneging on commitments—the lessons of our recent history should have made that clear. We cannot withdraw from our responsibilities without producing pain, anguish, and suffering for those millions of aged and disabled citizens who depend upon us and are entitled to our support.

The committee, in voting to cut back the social security taxes that were adopted last year, did all the cutting in the taxes that support medicare, and said that general revenues would be used in their place. Let us not deceive ourselves or the American people about the consequences of this decision. For the aged, it means moving backward to the pitiful and degrading system of forcing people to reduce themselves to poverty, and to prove it, before they can qualify for protection against health costs. For those who remember the desperation of millions during the long, dark days of the depression and the bitter struggle of the sixties to create a social insurance system for health care that preserves dignity and self-respect in old age, this is a bitter pill to swallow—and one we are likely to choke on in the process.

I say that the committee's decision is the first step down this road. And, I assure you, once started in this direction, we shall be inevitably lured into further compromises with our obligations. For once we agree that protection against health care costs in old age is not something to be provided as an earned right, we agree to surrender our hard-earned

principles. Make no mistake: If we lack the courage now—and I mean those of us who have the obigation to assure the well-being and security of our parents and relatives in old age—to pay the needed taxes, we in the Congress will be even less courageous in the years to come to face up to this responsibility. And I would note further for those who thought that our country would soon wake up to its responsibility for the millions of younger people in desperate need of better health insurance protection, they had better rouse themselves from the blissful delusion that such protection could be provided without paying any price.

I am particularly concerned that some—such as the AFL–CIO, who have traditionally supported the concept of medicare and who have struggled with many of us to develop a health care system for our elderly which preserves their dignity and independence—would abandon that concept as a matter of political expediency. For what a small majority of the Ways and Means Committee has done is far more than a 2-year stopgap tax rollback. The majority has gone on record as singling out medicare as the program to be dismantled and divorced from our social insurance system. Those who voted with my colleague from Florida (Mr. GIBBONS) to make sure whatever general deficit funds we choose to place into social security all go to medicare, are only taking the first step toward a goal publicly announced by several of them, which is to totally get medicare out of social security. I doubt that America's elderly understand or fully appreciate the implications of such a goal.

Yesterday's vote has something for all to be concerned about in this country. For those concerned about Congress' increasing inability to balance the budget, the Ways and Means Committee's decision is, indeed, perturbing. As I stated, the majority has billed its action as temporary in nature; but let us not fool ourselves. If we are acting in 1978 to preclude a tax increase of 1.3 percent from the present rate, will more courage be found when, in 1980, we now will be facing a tax increase 10 times what the committee was unwilling to confront today? It is unfortunate that failure to have the courage to maintain a 1979 increase in taxes of $8 a year for a worker making $10,000 a year could set the pecedent that will cost that worker his right to health insurance upon retirement.

The answer—say some—are new sources of revenue, new sources of revenue which would forestall the use of the general fund—the general deficit. But there are no new sources of revenue.

The alternative is more of what happened yesterday—general revenues in medicare. In fact for some of my colleagues, such as Mr. MIKVA of Illinois, yesterday's vote was the first step toward full enactment of his bill, H.R. 10754, which would completely finance medicare out of general revenues and make it a full welfare program. The same amount of political courage on social security taxes in 1980 will help to make it a reality. For those who wish to see the end of the medicare program for the elderly as we now know it, this might well be acceptable. But we must remember that general revenues do not grow on trees. The cost of this little policy change in how we finance health care for the elderly would result, for example 10 years from now, in an increase in the Federal deficit of $71.7 billion a year. For comparison's sake, let us remember that this is more than the entire deficit that was just approved by the Congress for the upcoming fiscal year.

For those less concerned about the deficit, the Ways and Means Committee's tentative vote of yesterday has other implications. Most analysts agree that if the Congress is unwilling to any longer properly support a structure for health insurance for the elderly, where and how are we ever going to even seriously discuss the health needs of others in this country? I also share the deep concern of those who are worried about the policy implications of the Government's backtracking on its first commitment to provide health care with dignity to a segment of our people.

I have taken the time to make this statement today for I believe the issues to be considered by the Ways and Means Committee's action go far beyond the political question of whether we want to go back on our social security financing decision of a year ago. They are questions which should be considered seriously by the committee and by the Congress. They involve our commitment to the elderly and to those concerned about how they could possibly buy health insurance when they retire. But they also involve our fiscal commitment to try to lower our deficit. Enactment of the bill agreed to yesterday by the committee, which will be inevitably followed by similarly expedient action the next time we are faced with the prospect of a payroll tax increase, could well eliminate the possibility of a balanced budget not only in this administration but in this generation.●

WON PAT RECEIVES HONORARY DOCTORATE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Hawaii (Mr. AKAKA) is recognized for 5 minutes.

● Mr. AKAKA. Mr. Speaker, last night, on Guam, our colleague TONY WON PAT received an honorary doctorate of law degree from the University of Guam. As Congressman WON PAT noted in his opening remarks on the occasion, the last time that he received any sort of degree from an educational institution was in 1925 when he completed the eighth grade on Guam. At that time TONY's aspirations were to become a medical doctor, but in those years on Guam the eighth grade was the end of the road.

We here are well aware that that was not the end of the road for TONY WON PAT. After many years of teaching and as a principal in Guam's schools prior to World War II, TONY was elected to the Guam Congress and went on to serve as speaker for 6 years of the first seven Guam Legislatures. In 1965 the people of Guam sent TONY to Washington as their Washington representative and since 1972 TONY has been one of us as Guam's nonvoting Delegate to the U.S. Congress.

In his acceptance speech last evening, TONY not only reminisced about his own career but he also made some significant statements about his visions for the future of Guam and the implications of that future for the Western Pacific. I am sure that TONY WON PAT's views on this area are of interest to his colleagues in Congress. I would like to take this opportunity to insert his remarks of last evening into the RECORD.

The remarks follow:

BIOGRAPHY OF ANTONIO BORJA WON PAT

Congressman A. B. Won Pat is the first to represent Guam in the U.S. House of Representatives, the first to speak for the island on a full time basis in Washington, D.C., the first to serve as Speaker of the local legislature, and together with another islander, he is the father of the Guam Organic Act which brought civil government and American citizenship to the residents of Guam.

Prior to assuming his political career Congressman Won Pat served as a teacher and principal in island schools before World War II.

He was first elected to the Guam Congress in 1936 and reelected in 1948 and became Speaker of the Assembly. It was while in this position that he participated in spearheading and drafting the Organic Act of Guam. Mr. Won Pat served as Speaker of the First, Second, Fourth, Fifth, Sixth and Seventh Guam Legislatures and as Minority Leader in the Third and Eighth Legislatures. On March 15, 1965, Mr. Won Pat was elected Guam's first Washington Representative and was re-elected to a second term in 1968.

In 1972, Public Law 92–271 authorized the public election of a nonvoting Delegate from Guam to the U.S. Congress. Mr. Won Pat won that election by a plurality of 58% of the total votes cast. He won re-election to the 94th Congress on November 5, 1974, and to the 95th Congress on November 2, 1976.

He is a member of the House Armed Services Committee, where he serves on the Subcommittees on Military Compensation, Military Installations and Facilities, and Military Personnel; and a member of the House Interior and Insular Affairs Committee, where he serves on the Subcommittees on Indian Affairs and Public Lands, National Parks and Insular Affairs, and Water and Power Resources.

Mr. Won Pat is married to the former Ana Salas Perez. They have eight children. Two of their daughters are in the Armed Services, Jacqueline, a Lt. Colonel in the Army, and Marilyn, a major in the Air Force Nurse Corps.

UNIVERSITY OF GUAM COMMENCEMENT ADDRESS, MAY 12, 1978

(By Antonio B. Won Pat, Member of Congress)

It certainly is an honor and a pleasure to be here as a speaker for your commencement exercises. This is the second time I am afforded such a distinct honor of addressing a graduating class of this institution. But on this occasion, however, I am doubly honored by being one of the recipients of a degree.

It has been a long time since I received any sort of certificate or degree from a formal education institution. To be precise, it was in 1925 when I completed the eighth grade in Agana. At that time, that is as far as one could go on Guam. It wasn't until somewhat later that Guam had its own high school, and those few of us who were able to receive

eight full years of schooling felt very fortunate indeed.

There were not any caps, gowns, nor pomp in those years, but there were, of course, circumstances, and those circumstances helped shape my life and are a central part of the remarks that I would like to share with you today.

In 1925 Guam was still under military control, just as it had been since the Treaty of Paris had passed Guam from Spanish to American hands in 1898. Not much had happened to Guam in those 27 years. As for myself, I felt then that in many respects I had reached the end of the line: my formal educational opportunities had come to an end and I was prepared to settle down—to get a job, get married, and have children.

America was booming in the 20's but Guam was not. There was little to do and there wasn't much to dream about. A trip to Agana was a big deal in those days. From Inarajan, where I taught and was school principal, the trip to Agana was generally an all-day affair and we did not undertake the venture very often. If someone had told me then that I would someday travel over 100,000 miles in a single year, I wouldn't have even listened; I would have known he was crazy.

Yet, this past year I have done just that. In order to participate in conferences and hearings connected with my responsibilities in the United States House of Representatives, I have traveled to seven states and a dozen different nations in such distant locations as Germany, Turkey, Korea, India, Russia, Geneva, and even Great Britain. These, combined with my regular trips to Guam, represent approximately one hundred and fifty thousand miles traveled in the last twelve months alone. That's a lot of miles for someone who used to consider Agana as the other side of the world.

My own graduation was some fifty years ago. Do we even dare to look ahead fifty years—to the year 2028? I take great care of my health and hope to live to be 100, but even on my most optimistic days I don't give much thought to being around in the year 2028. God willing, I am hopeful that most of you will be. Could it be that in 2028 someone might look back on my comments today and say—"Hey, here's a guy who thought that 150,000 miles traveled in one year was a big deal!"? Who knows? Maybe in the year 2028 Guam's representative to the House (and perhaps the Senate) might be travelling to the moon on legislative business—a trip of over five hundred thousand miles round trip according to my Senate colleague, Harrison Schmitt, who has already been there!

What will Guam be like in the year 2028? With the rapid development of technology and rate of change that the world is experiencing, I doubt that there is anyone here who would even want to try to guess the answer to that question. What will anything be like in the year 2028?—or, on a more somber note, will there be anything left in the year 2028?

As young graduates in the year 1925 we didn't even think to pose such questions. Oh, we knew there would be changes. But I do doubt that any of us were far-sighted enough at that time to imagine that it might someday be possible to go around the world in one day or less.

The point I am trying to make is that our lives were fairly well defined and fairly predictable in those years. Most young men and women did just what their fathers and mothers did: they planted, raised pigs and chickens, and they had kids and taught them how to plant and fish. Some of us were lucky (or so we thought) and we became teachers, clerks, or something similar. There wasn't much else to do and consequently "Preparing for the future" was not the uncertain and foreboding task that it is today. But we can no longer take the future lightly.

We must look ahead at what the year 2028 will bring, and how we can prepare for it and determine the "skills and understanding" that will be needed for survival and success in the Guam of the future. These are questions that confront each of us in this present day and age, whether we be parent, teacher, or politician.

When I was a teacher at George Washington Senior High School in the late 1930's and the late Agueda Johnston was my principal, we didn't trouble ourselves too much over such questions. There had been a few changes on our island in the preceding ten years but not too many and we had little reason to believe that there would be many more changes in the next ten years. Now, of course, we know better. The changes that have occurred on Guam during the past decade have probably been greater and more consequential than all the changes of the preceding 100 years. These changes have produced new jobs, new lifestyles, and new attitudes. In some ways life is easier. In many other ways life is more complex. I would never have believed ten years ago that we would have some eight hundred heroin addicts on Guam and that the United States Congress would feel compelled to hold hearings on the drug abuse problems on this island! To what extent does this current drug abuse problem reflect the difficulty that we are having in preparing our young people to live in this rapidly changing society of ours?

But what about the role of our schools and this university? How are they helping us prepare for the future?

In my opinion, the task before our schools and this university has never been greater nor more difficult. For those of you here today who are going on to become teachers—you have the most serious responsibility of all. I will go on to talk about grander political designs and configurations later. But, these will mean little if our next generation does not acquire those skills and understandings that they will need to maintain their usefulness and stability and to be productive members of our emerging society.

My hope, from the political perspective, is that future generations on Guam will truly be first class citizens of the United States. It is is my hope and belief that Guam will become a state of the union of the United States. If we should choose something other than statehood as our objective, I would hope that it would be an autonomous state associated with the U.S.

I believe that the time is fast approaching when we must be prepared to go either first class or to go it alone—our pride and self-esteem as a people require nothing less. With that choice, of course, goes responsibility: Either as full partners in statehood, or on our own as an independent entity—we must be prepared to pay our own way. If we are to put our hands out, it should be to grip the shovel. The days of the free ride will be over and we will be a better and prouder people once again because of it.

I am not going to discuss the independence option here because I neither favor it nor think it practical and I believe that the vast majority of the people of Guam would agree with me on those points.

Then what about statehood? What does it require to become a state of the Union? How realistic an objective is this for the people of Guam? If this is indeed to be our objective, how should we proceed?

First: Do we want statehood? I believe we do. We have in fact been moving in that direction—not without interruption—for eighty years now. I certainly hope that it will not take another eighty years to complete the journey. I don't think that it will. Like the rate of social change on Guam, the rate of political change is picking up momentum. It took fifty-two years for Guam to register its first significant political advance under United States rule with the passage of the Organic Act in 1950. Since then, in increasingly rapid succession, we have won the authority to elect our own governor, to elect a member to the United States Congress, and this year we can expect to see the ratification of Guam's first Constitution.

I predict that the next few years will also witness a host of major developments in Congress that will give us the economic tools we need to attain this goal. Our political development will also continue as we gain support for the right to participate in Presidential elections and hopefully win a vote on the House floor. Again, the key to our success here is the conviction in Washington that such action will strengthen all Americans by the elimination of discrimination against a few. But what is the next logical step?

I urge those of you present—Micronesians, Guamanians, and people of the Northern Marianas not to be satisfied with improving only our status in the American system of government. That would be ignoring another key facet of our potential for the future. I am totally convinced that we have a major role to play in the Pacific. But we have yet to begin shaping the necessary ingredients to make this one a pivotal power in the Western Pacific.

Guam can be proud of its progress to date. We have an excellent standard of living and we enjoy a strong economy. We have excellent educational and health facilities. There is no reason why we cannot share these blessings as well as our burdens. What we do not have now, is the spirit to take hold of our basic strengths and use them to accelerate our collective natural position of strength in the Pacific basin.

I ask for fellow-Guamanians to initiate a partnership with our brothers in the nearby Pacific in the formation of a solid political and economic block which can provide the basis for improving this entire region. We must begin now with a program of intense political and economic collaboration with other islands. It is imperative that we no longer stand alone or be divided as others have traditionally forced us to be.

In my opinion, the next logical step in the political evolution of this area is the reunification of the Marianas Islands. The reintegration of the Marianas was almost accomplished several years ago when referendums were held on this issue. Unfortunately, the reintegration proposal lost at the polls on Guam while winning in the Northern Marianas. I believe that the defeat on Guam can be traced to a lack of understanding among the general public as to how such a move would benefit Guam.

How would it benefit Guam? Well, for one thing, the combined size and populations of our territories would make our aspirations for higher political status that much more plausible. Congress, which of course has the ultimate say in such matters, has been notoriously reluctant to relinquish or dilute its power. You must remember that we are not alone within the American community in not having a vote on the floor of the House. The three million residents of Puerto Rico also do not have a vote on the floor of the House nor, for that matter, do the residents of our Nation's Capital, Washington, D.C. This might soon change as the House of Representatives recently passed legislation which would give D.C. full voting representation in both the House and Senate. But this bill must still be passed by the Senate, and if successful there, must then be ratified by three-fourths of the states before this change could become law. In the case of Puerto Rico, their own ambivalence about their political direction has been the

major factor in their current status situation.

I do not believe that Guam is ambivalent about its ultimate political status. We recognize that there are stages through which we must pass, and this recognition was reaffirmed on the political status referendum two years ago when the majority on Guam voted to improve our relationship with the United States.

It is not too early for us to begin looking beyond the stage of improving our relationship to that of achieving full and equal partnership as a state of the union and, I believe, that if it is the desire of the people of the Northern Marianas, we should begin to explore these next steps together with them and with whomever else among our neighbors might want to join with us.

Can we look to our other neighbors in Micronesia and ask them to join us in this great venture? I believe that we can and should.

Last year the Palau Political Status Commission drew up a declaration of intent in which they proposed, among other things, the establishment of an administrative union or common services area which would include Guam and the Northern Marianas Islands along with Palau. I, for one, welcome this initiative and will strive to see such a concept promoted into reality. The Palau proposal calls for consolidation of services between our islands in the areas of transportation, communication, finance, procurement and supply, and for the sharing of resources in the fields of health and education.

They propose this in the cause of efficiency and towards the ends of promoting, and I quote: "A more natural, practical and permanent association . . . with the United States."

There is no doubt in my mind that the United States needs to have a strong position in the Pacific for generations to come. The strategic importance of Guam and Micronesia to the overall defense posture of the United States is well established. We are proud of the role that we have played to date and we look forward to playing an expanded role in this area in the future. However, we are also well aware that we must look beyond the military sector and continue to develop every other sector of our economy.

I hope to see a day when Guam is the center of commercial, educational, and political activity in our part of the globe. A time when this university is regarded by all Micronesians as their own place to come to for an education that will not only provide the basic academic tools they want, but also the education they must have to help their islands achieve success.

In that regard, I would like to propose today the establishment of a federally supported Pacific Center here on the campus of this university. I am prepared to seek full support for such a center in Congress. I envision this center as an autonomous unit which could play a major role in supporting the overall development of the Western Pacific Region. Such a center could: coordinate and support the education of students throughout Micronesia at the University of Guam; conduct and coordinate seminars and training programs for leaders and technicians in the fields of government, health, education, business, and all other facets of development from Guam and Micronesia; and coordinate and support expanded research and technical assistance efforts throughout this area.

Such a center would belong to all of the people of Guam and Micronesia but by housing it here at the University of Guam we would be able to draw upon the already fine resources that this university has to offer and at the same time we would be attracting new resources which the University could also draw upon thus mutually enriching each other in the process.

I see then, a major role for this university in the overall development of this region. A role not without its difficulties. As communities and as people we will continue to have our differences—differences which will at times divide us. But I also feel that in the long run we will learn to overcome these differences and that an honest, working partnership will eventually evolve. I not only believe that this can be done, but, that for our own common good, it must be done.

It is an exciting dream indeed. I have enjoyed the journey thus far and I have derived great satisfaction from being an active participant in each step of the process to date. I don't know if I will be around when the journey is completed—but if I am you can be sure that I'll be standing up at the signing.

Now, before I relinquish the podium, allow me to express my gratitude for your cordial invitation and greetings. In all humility, let me say with all sincerity that in more than forty years of public service, no success, no reward, no recognition has surpassed this rare honor that you have bestowed upon me here today. I accept it not as a purely personal compliment but as an expression of good will which the Board of Regents and the faculty of this great institution feel for the services that I have shared with many of my fellow citizens in behalf of our territory. Again, with all my heart, I thank you.●

ADDRESS BY THE HONORABLE THOMAS P. O'NEILL, JR., HOUSE SPEAKER, AT IRELAND FUND DINNER

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Washington (Mr. FOLEY), is recognized for 5 minutes.

Mr. FOLEY. Mr. Speaker, one of the most remarkable speeches delivered in the United States recently was the speech delivered by the distinguished Speaker of the House, the Honorable THOMAS P. O'NEILL, JR., at the Ireland Fund dinner at the Waldorf-Hilton Hotel in New York City on May 10, 1978.

Speaker O'NEILL addressed the problems facing the Irish Republic of Northern Ireland with a rare combination of eloquence, compassion, concern, and courage. I believe his remarks should be read by all Americans and particularly by Americans who are proud of their Irish ancestry, of whatever religious community or background.

I particularly would commend the Speaker's remarks to my colleagues in the House, and accordingly I submit the text of his speech for the earnest consideration of the Members, as follows:

ADDRESS BY THE HONORABLE THOMAS P. O'NEILL, JR.

Tonight we celebrate our Irish heritage and our American good fortune. The Irish in America demonstrate one of the great success stories of history: A great tribute to our forefather's heritage as well as their courage, wisdom and good luck in immigrating to a land of such great promise and opportunity.

But as Americans whose forefathers came from Ireland, we should be particularly concerned about the country they left behind. Most of us here tonight, in common with millions of Irish Americans and Irish men and women, inherited from our families a deep devotion to Irish nationalism—a sincere hope that Ireland will be united. But like most problems of life, there are no easy and quick solutions. As Irish Prime Minister Jack Lynch has said, the mere withdrawal of Great Britain is not the solution. The problem is far more complex. It is a question of finding ways of getting Irishmen of conflicting traditions and aspirations to live together and to look to the future together. Irish unity is not a question of uniting the two different physical pieces of an island: It is a problem of reconciling the minds and hearts of two communities which are now bitterly opposed.

As Americans, we owe a great historic debt to Irish Protestants as well as to Irish Catholics. We know that both communities played an outstanding role in our war of independence. When Sir Henry Clinton, the British commander, wrote from New York in the fall of 1778 that "immigrants from Ireland are in general to be looked upon as our most serious antagonist," he was speaking of both Catholics and Protestants from Ireland without discrimination. When Major General Roberts testified in the same year that half the rebel army were from Ireland, he was not differentiating between the orange and the green. Protestant immigrants in the United States from northern Ireland supplied many of our presidents and contributed massively to the establishment of our political and legal systems. I fully agree with those elected Irish leaders who say that the Protestants in Northern Ireland today have every right to be regarded as Irishmen. After all, if that were not the case, my family would not be entitled to call themselves Americans—for we have been in this country a far shorter time than those Protestants have been in northern Ireland.

So let me say this to the Protestants of Northern Ireland. . . . the Irish in America are grateful to your kith and kin for their outstanding contribution to the United States. Your forefathers helped to build up a system in America where all races—Irish Catholics and Irish Protestants—English—Germans—Latins—Chinese—and Africans—could participate as full citizens. Those ideals that motivated your immigrant ancestors in the 17th and 18th centuries are relevant today in Ireland—as they were and have since been in the United States. Diversity, participation and human rights were the three features of the system to which the Protestants from Ireland made a particularly important contribution. Those three ideals should be rigorously applied in northern Ireland today and deserve the support of Protestants as well as Catholics.

And may I say a word to the Catholics—both in northern Ireland and in the rest of Ireland—I share your hope that the people of Ireland will someday be united. I share your hope that the troubles and persecutions which afflict ordinary people in Ireland will end soon. I know the frustration of all the people of Ireland at the repeated failure of politicians to resolve the problem of northern Ireland. I would urge you, nevertheless, to keep your faith in politicians and the political process. It is the only hope this side of chaos. It is men like Gerry Fitt and John Hume in northern Ireland, and Jack Lynch and Garret Fitzgerald in the Republic of Ireland who have earned my admiration and my respect. It would have been easier for them to appeal to the emotions of their followers but they have placed the lives of ordinary people above ambition and popularity.

I would like as well to congratulate Mr. Tony Hederman, the Attorney General of Ireland, and his government on the extent to which the constitution and the laws of the republic have taken account of the values of the Protestants, Jews and the minorities in Irish Society. I am proud of my Irish Catholic heritage. But, I recognize as an American politican in the most diverse

society on earth, that one's own religious beliefs and values should not be imposed by legislation on others. The same is true for Ireland, and the constitutional model of the Republic of Ireland serves as a good guide to the protection of minorities upon which a diverse society could flourish.

But nothing can flourish, however, without evidence of progress. So I would appeal to the British Government to re-examine seriously its own role in Northern Ireland. The problem of Northern Ireland will not be solved if it is permitted to become a football in British politics. Nor will it be solved if the British Government gives to one side or the other in the political conflict a basis to assume that concessions are not necessary. I must say that the evidence of the past few years would suggest the problem of Northern Ireland has sometimes become a pawn in British political calculations. At other times it has been forgotten when British political priorities were assessed. Nearly two thousand people have been killed in the political violence of recent years in Northern Ireland and I can think of no British problem as devastating as that. It seems obvious to me that the Northern Ireland crisis should be treated by all British parties without a view to party advantage. As an absolute minimum, it must not be subjected to extraneous political considerations.

And may I say this to my fellow Americans. It is easy to be emotional about the Northern Ireland problem. It is difficult at a distance of three thousand miles to picture the anguish of ordinary people who have had to live with the two thousand deaths, with the twenty thousand injured, with the bombings, the bank robberies, the random assassinations, the daily fear of mothers that they will not see their husbands or their children return from work or from school in the evening. It would be easy for us to indulge our emotions at the expense of death and destruction in Ireland. But I do not believe we have the right to do so.

On a personal note, I would like to say to those who tell me that if I do not support those who support violence I will come under political pressure: I do not want the votes of those who support the killing of innocent Irish men, women and children. And if the democratically elected Prime Minister of Ireland, who has much more to lose than I have on this issue, tells me that there are organizations in the United States which are linked to those who are doing the killing, I will listen to him and I hope that my political colleagues and opponents and all my fellow Americans will do the same thing.

Peace. Culture. Charity. These are the ideals of the Ireland fund. These are the ideals that we celebrate tonight. They are the same ideals that motivated our Irish American forefathers—those millions of forgotten immigrants who built the schools we attended—who founded our labor unions —who tended our sick—who trudged the wards of our cities—and who brought the masses of our people into our political system. I commend them to you again tonight. Ladies and gentlemen. I would ask you to stand and raise your glasses in a toast to peace, culture, charity—and Ireland!

ICC IS BECOMING AN AGGRESSIVE AND RESPONSIVE AGENCY IN DEALING WITH NATION'S TRANSPORTATION PROBLEMS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Washington (Mr. DICKS) is recognized for 5 minutes.

● Mr. DICKS. Mr. Speaker, I would like to share with my colleagues two newspaper articles, one taken from the April 9 New York Times, the other from the April 9 Los Angeles Times. The articles focus on the progress of the Interstate Commerce Commission under its new Chairman Daniel O'Neal.

As the oldest regulatory agency, the ICC is rightfully expected to serve as an example of how independent regulatory agencies should work. For that reason I am pleased that the ICC is in the process of becoming the aggressive, responsive agency it must be to deal with this Nation's transportation problems.

There is a strong public outcry against the operation of many of our regulatory agencies and the unnecessary burdens they have placed on individuals. All too often this outcry has been more than justified. The ICC is beginning to show that regulation does not necessitate excessive redtape.

While changes in procedure will help agencies' performance, strong leadership is just as important. I firmly believe that Chairman O'Neal embodies the type of concern and energy that is so necessary to effective regulation. Much of the progress that has been made recently at the ICC is directly attributable to his leadership. Dan O'Neal's actions serve as an example to others charged with regulatory responsibility, and frankly I wish we had more like him.

I include the articles from the New York Times and the Los Angeles Times in the RECORD.

[From the Los Angeles Times, Apr. 9, 1978]

THE CHAIRMAN OF ICC IS TRAVELING OWN WAY—AND MOVING SLOWLY

(By Penny Girard)

WASHINGTON.—On the tennis court, some of his friends kiddingly refer to him as the "slasher" because of his powerful serve. But out of his tennis shoes and into his polished oxfords, Dan O'Neal, 42, prefers a moderate, change-the-system-from-within approach to his job as one of the youngest chairmen of the nation's oldest regulatory agency, the Interstate Commerce Commission.

Thus, as he winds up his first year as chairman, O'Neal finds himself in a potentially difficult position; while his careful approach apparently has laid the groundwork for some significant internal reforms at the commission, he is at odds with President Carter and others who believe the time has come for the federal government to sharply reduce its regulation of business.

While a strong political tide appears to be running against the concept of government regulation, O'Neal says he is not prepared to yield much of his agency's almost life-and-death control over such basic industries as trucking and railroads. Where Carter and others favor "deregulation" as the answer to businessmens' complaints that they are choking in red tape and unnecessary regulations, O'Neal believes the best approach at his agency is to retain its regulatory power but to streamline the way it works.

Critics and supporters of the Interstate Commerce Commission agree that the agency long has been mired in its own red-tape, inertia, incompetence, a ballooning backlog of cases and such operating problems as a rotating chairmanship. Initially set up as a model for other regulatory agencies, the commission is now widely regarded as a symbol of ineffective federal regulation.

As one former ICC official put it, "The commission has been one of the most Byzantine, antiquated agencies in Washington for more years than most people can remember."

O'Neal, interviewed recently in his spacious office, is convinced that improvements are in the offing, however.

"We're a changing agency," he said. "I think we're becoming more attuned to the world we affect with our regulations."

George Chandler, who heads the new policy review office which O'Neal instituted, says much of the impetus for change at the commission is coming from O'Neal.

"The commission is for the first time in the hands of someone who really wants to manage it and change its direction," he said.

Established in 1887 to regulate the railroad industry, the commission had its authority broadened by Congress in 1935—at the railroads' urging—to include the trucking industry. Its other responsibilities include buses, barges, and until the recent creation of the new Department of Energy, pipelines.

O'Neal came to the commission in 1973—former President Richard M. Nixon's appointee to fill a vacant Democratic slot—from the Senate Commerce Committee where he had been the transportation counsel.

As counsel, he had authored the original study there on the problems leading to the bankruptcy of the Penn Central Railroad.

At the commission during proceedings to reorganize the nation's rail system, O'Neal frequently dissented from decisions he believed would reduce the commission's power in favor of other agencies such as the Department of Transportation.

A former top staff aide to Sen. Warren G. Magnuson (D-Wash.), once chairman of the Senate Commerce Committee and now head of the Senate Appropriations Committee, O'Neal was named as commission chairman in April 1977 by President Carter.

Philosophically, O'Neal favors changing existing regulations and making internal procedural changes while simultaneously protecting the jurisdiction of the commission.

Industry spokesmen, lobbyists and Capitol Hill committee members generally view O'Neal as a bright, aggressive man, with keen political instincts.

"He's not going to buck Congress and industry to force change, but he's sensitive politically to recommendations from Capitol Hill and to the change coming from within business," a business attorney said.

"He won't move before there is an acceptance and desire on the part of industries the ICC regulates to change the way they do business," said another industry representative.

Rep. Norman D. Dicks (D-Wash.) who previously worked with O'Neal on Magnuson's staff, said that O'Neal is making progress in getting the agency to respond to such problems as regulatory lag and delay in handling cases.

"I think he feels like I do that total deregulation won't work, and he's trying to clear up the abuses of the system that already exist," Dicks said.

Some industries, like the regulated truckers, are still somewhat leery of O'Neal. Nelson Cooney, general counsel for the American Trucking Assns. Inc., said: "Our industry has grave cautions about him because it is such a time of change for us as far as regulation is concerned."

The Commission currently is studying changes in a number of areas involving motor carriers including reducing the barriers new truckers face, reviewing the way rate bureaus set freight rates and other areas such as "backhaul," where trucks return empty from their deliveries.

M. Harrison Boyd, executive director of the Minority Truckers Development Corp., said that the opening of a Small Business Assistance office has indicated that the commis-

sion is taking a critical look "at the rules and regulations of the industry in an effort to release the stranglehold that nonminorities have had for years."

But O'Neal's approach stops short of the high priority the Carter Administration has stamped on trucking deregulation. The White House is considering several options drawn up by the Department of Transportation and the Office of Management and Budget, including major legislation to restructure the commission and reduce its power over the motor carrier industry.

Harrison Wellford, OMB's executive associate director for reorganization and management, said in an interview that the White House and O'Neal share many of the same basic goals, but have a different legislative approach.

O'Neal wants to complete studies the ICC is making of its role and procedures before considering any major legislative package proposed by the White House.

At present, O'Neal says his inclination is to support changes in current commission policies in a way that would open up the trucking industry to more competition, but to keep the industry within the regulatory power of the commission.

In his first year, O'Neal has emphasized several programs to streamline agency management and to make the administration of the agency more central. In addition to the Small Business Assistance office, the policy review office was set up to assess and coordinate key decisions and actions. In other areas, the commission has reduced its three working divisions to two broader working groups, and has called frequent conferences on pending issues.

O'Neal said he expects many of the internal changes to be in place by next January, without any serious disruption of the commission's ability to keep up with its workload.

On Capitol Hill, O'Neal is seen as making some headway in setting a new tone at the lagging agency. Said a staff member of the Senate Commerce Committee, where O'Neal once worked: "He's energetic and new enough that he can get a lot done. I can't say he's tackled all of the problems, but at least the commission is on the road to making progress."

[From the New York Times, Apr. 9, 1978]

UNDER O'NEAL, THE ICC HAS STARTED ROLLING

(By Ernest Holsendolph)

WASHINGTON.—For years, the Interstate Commerce Commission has been regarded as one of the worst of the regulatory agencies. Notorious for ignoring consumer needs while being overly cozy with the industries it supposedly regulates, it nonetheless stood by as one of its baronial clients, the railroads, hit the skids. Truckers charged that they were being neglected and the bus lines wondered why the I.C.C. ignored their sagging profits.

In this kind of atmosphere, T. Daniel O'Neal Jr., first appointed to a Democratic seat on the commission in 1973, was named a year ago by President Carter the I.C.C.'s new chairman. (The oldest of the regulatory agencies, established in 1887, the commission has traditionally been responsible for all surface transportation, including rail, truck, intercoastal barge, bus and coal slurry, and oil pipeline traffic. Oil pipeline regulation has recently been shifted to the newly created Energy Department.) "I think Dan O'Neal realized one thing long before his fellow commissioners." says one close observer. "If the I.C.C. did not get busy and make itself look relevant, it was going the way of the Penn Central."

Dan O'Neal was no ordinary chairman, even in prospect. He was a member of the Seattle Mafia—the transplanted band of northwesterners which has come to have considerable clout in setting national transportation policy, a group that includes Transportation Secretary Brock Adams; Urban Mass Transit Administrator Richard Page; Mary Shuman, chief White House transportation adviser, and Donald C. Cole, President of the United States Railway Association. Before his appointment to the commission, Mr. O'Neal was transportation counsel to the Senate Commerce Committee, and previously was a legislative aide to Senator Warren Magnuson, the Washington Democrat.

Quite sensibly, Mr. O'Neal immediately ordered a broad study of the commission and its bureaucracy. "It was clear to me that we needed a better way to review policy, a way to step back from day-to-day proceedings," he recalls. What emerged was a plan to set up for the first time an office of policy review, headed by a director responsible for monitoring the impact of I.C.C. policies and a decision to name a commission staff director. One thought that struck a sympathetic note in the cost-conscious Carter Administration was that the commission did not really need its full complement of 11 members, each seeking some public exposure but none apparently responsible for much of anything. So under an agreement with the White House, the commission has been operating—much more effectively, it is generally agreed—since last year with just seven members. "I can remember when Dan O'Neal was one of those 11," says Richard Briggs, Vice President of the Association of American Railroads. "Like the others, he would file those wordy dissents that sometimes had little to do with the real issues. Now, he's different—he's concerned about the long-term ramifications for the industries and the commission."

For a long time (for most of its 90-odd years, some say), the commission has been a casual place where a transportation industry magnate could chat informally with commissioners and staff, keeping track of what was going on, even supposedly confidential developments. Last year, two cases of insider dealings between commission staff members and certain trucking companies resulted in Federal criminal proceedings. Things are changing; the commission has tightened up its ethical guidelines. "The other day a Congressman invited me up to the Hill, and he mentioned that he wanted to know about the chances of an important rail rate case," says Mr. O'Neal, who is not at all shy about reviewing his accomplishments. "He was surprised to hear me say, 'Sorry, but we just can't talk about the merits of that case.'" Mr. O'Neal confesses, however, that his instincts failed him recently when he agreed to meet behind closed doors with members of a shippers association, a move that was greeted by many protests from truckers, who said they could obtain no such privilege. "I'll never do that again," he says.

The commission is gaining a reputation as a place where other regulations are being relaxed, making it easier, for example, for small operators to get started in the trucking business, "I like the new atmosphere down there," says Representative Millicent Fenwick, a New Jersey Republican, who has taken up the cause of small truckers seeking operating authority or greater rights to make money under lease arrangements with big trucking companies. "I'm not satisfied that adequate regulatory reform has occurred yet, but under O'Neal they are moving in that direction." Senator Edward Kennedy's antitrust subcommittee is looking into abusive rate fixing by the trucking industry, and the White House is trying to frame appropriate legislation to open the industry to competition. In the meantime, under Mr. O'Neal, the commission is trying to provide speedier rulings and easier entry for new truckers.

"I have spent 30 years dealing with this industry and the way well-heeled trucking companies are given privileges," says Leamon McCoy, a black trucking executive in Newark. "But only now can I say that minorities and other small companies are getting attention, thanks to the small business office that Dan O'Neal has set up." Said Mr. McCoy: "The commission has always been able to find 50,000 reasons to aid established truckers, and then come up with 450,000 reasons why they can't get new competition."

The commission has for the first time given some attention to the concerns of consumers, especially the abuses of the moving industry, including such crude practices as "weight bumping" (when the mover loads his van with bricks to increase its weight—and the cost of the move). Seventy-five commission offices around the country have been told to step up their investigations of such complaints.

The regulated trucking establishment is wary of the commission's aggressive new stance. "The trucking industry applauds the efforts to identify areas where regulation may further improve and make service more responsive to public need," says Bennet C. Whitlock Jr., President of the American Trucking Associations. "But we hope the caution and prudence will be exercised." Mr. O'Neal's response: "I just flat disagree that we're moving too fast. We have got to keep moving, or others will come in and do the moving for us."

(NOTE.—Ernest Holsendolph is a reporter in the Washington bureau of The New York Times.) ●

ISRAEL AND THE NATIONAL INTEREST

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. SOLARZ) is recognized for 10 minutes.

● Mr. SOLARZ. Mr. Speaker, in the current debate over the proposed sale of combat planes to the Middle East, we have been furnished with a most disturbing argument in favor of the sales. This argument maintains that the sales to Egypt and Saudi Arabia should be considered in terms of the U.S. national interest. Proponents of this view declare that although the United States certainly regards the Israelis as trusted allies, our underlying foreign policy considerations cannot primarily be composed of "international altruism."

Aside from abrogating a fundamental responsibility to the freedom and survival of the Israelis, those who would advocate such a U.S. strategy fail to recognize the vital role which Israel plays in the U.S.-U.S.S.R. strategic balance of power. This observation is brought forth by the editors of Foreign Policy Perspectives, in an advertisement published in the New York Times on April 23, 1978. The editors write:

Perhaps their predilections prevent oil and other business interests which profit from the flow of petrodollars from seeing Israel as it truly is: A matchless strategic asset for the West (indeed, for the few genuinely moderate forces in the region) against threats emanating from extremist Arab and non-Arab elements and against direct or surrogate military intervention by the U.S.S.R.—and at no cost to U.S. manpower and at a military supply expenditure amounting to less than 1% of the U.S. defense budget.

As the editors make clear in the article, this alliance is further strengthened by the values common to Israelis and

Americans. Far from a burden, the Israeli-U.S. alliance is one which strengthens the United States. In addition, because the values of freedom and justice are so deeply ingrained in the Israeli character, ours is a relationship which will not be victim to the exigencies of international economics or politics.

Because any weakening of the Israeli state weakens our own country, the administration must not make arms sales to foreign countries when these sales could jeopardize Israel's security. I respectfully submit the article published in Foreign Policy Perspectives, elucidating these, and other important concerns involving U.S. Mideast policy.

The article follows:

THE ADMINISTRATION'S CREDIBILITY AND THE NATIONAL INTEREST

THE PROMISE

In the course of his presidential campaign and after assuming office, President Carter repeatedly promised the American people that in order to restore credibility to the U.S. as a constructive force in world affairs, our foreign policy would be publicly debated and arrived at openly with the full understanding and support of the Congress and the American people.

It is disturbing, therefore, to observe this Administration manipulating the news, distorting issues of grave concern and suppressing vital information.

These tendencies become evident in a wide range of issues, such as: the misleading representations concerning the Panama Canal Treaties (which some of us favored), the selective "leaks" concerning Salt II, the flipflops on Ethiopia-Somalia, the double standard on Human Rights, the Bert Lance Connections and the Marston Affair, and so forth. However, the threat to America's credibility is most critical in the Administration's posturing on the Middle East, violating its promise both in substance and style.

WHOSE "INTEREST"?

The terms of reference under which U.S. interests in the Middle East currently are assessed by Administration Spokesmen must be viewed as misleading. Increasingly, U.S.-Israeli relations are being portrayed as reflecting an alleged conflict between an undefined American "national interest" and a so-called "pro-Israel lobby", supposedly representing mere parochial interests. Israel's place in U.S. policy considerations is characterized, at best, in purely sentimental terms, while our concrete "interests" are presented as focusing upon Arab oil and money.

Even those mesmerized by petrodollars must have twinges of awareness that it is self-defeating to behave as if America's real adversary were not Moscow's neo-imperialist forces, armed to the teeth, but rather a small, devotedly pro-Western State—namely, Israel, which happens also to offer the only secure logistical link between our other allies in Western Europe and the East.

Perhaps their predilections prevent oil and other business interests which profit from the flow of petrodollars from seeing Israel as it truly is: A matchless strategic asset for the West (indeed, for the few genuinely moderate forces in the region) against threats emanating from extremist Arab and non-Arab elements and against direct or surrogate military intervention by the U.S.S.R.—and at no cost to U.S. manpower and at a military supply expenditure amounting to less than 1% of the U.S. defense budget.

STRATEGIC BARGAIN

No combination of Arab regimes can match the strategic bargain that a strong Israel offers the West. Indeed, a recent interagency U.S. Government study on the world military balance concludes (New York Times, Jan. 6, 1978) that, in the event of a non-nuclear super-power conflict in the Middle East, Israel, by itself, "might deter Soviet combat forces intervention or prevent the completion of such deployment." The implication of the study is that, in case of such a crisis, no Arab regime could be relied upon to mobilize potent military ground and air units, or to make available secure access points. If our present self-defeating policy continues, the danger is that we might no longer have a strategically viable Israel to factor into the equation.

Thus, any weakening of Israel is, in effect, a weakening of the United States. Israeli strategic vulnerability would be an invitation to Soviet adventurism. In our own security interests, we should be doing all in our power to strengthen the only state in the region which can help deter direct Soviet intervention. The arms we provide, the air fields and naval stations we help to support, will be available for our use in any global or regional crisis. More importantly, the Israelis themselves are prepared to fight and risk their lives in defense of our common cause. Unfortunately, it is not realistic to make the same assumption about our present Arab associates and aid-recipients (from the one-man government of Egypt, which is the single laregst annual recipient of U.S. economic assistance, totaling $4 billion since 1973, to the feudal monarchy of Saudi Arabia, not to mention the military dictatorship of Syria, which forms part of Moscow's forward base in the Middle East).

In short, the most authoritative strategic analyses available make clear that it is Israel, and not any of the Arab regimes, which has demonstrated repeatedly the national will, the democratic societal cohesion, and the scientific and technological talent to perform as a reliable and effective ally in time of crisis.

In the face of these facts, some Administration sources, along with oil and other special interest spokesmen, persist in portraying Israel as a "burden" and are doing their utmost to convert her from a major strategic asset to a liability. This Administration's propensity to surrender to oil blackmail (even in the face of an oil glut) and sacrifice its allies is noted in Moscow and elsewhere.

THE GROMYKO-VANCE DECLARATION

On October 1, 1977, after nine months of claiming that it had "ousted" the Russians from the region, the Administration underwrote Moscow's prescription for the Middle East in the so-called Gromyko-Vance Declaration. This joint statement violated solemn U.S. moral and legal commitments to Israel to "consult fully and seek to concert its position and strategy at the Geneva Peace Conference," set down in the September 1975 Memorandum of Agreement that accompanied the Interim Agreement (Sinai II).

The Gromyko-Vance text reinstated Moscow as a major party in the Middle East political process and the U.S. recognized "the legitimate rights of the Palestinian people"—the Soviet/Arab code word for the creation of an Arafatist state dedicated to Israel's destruction.

By joining in that declaration, the Administration took a giant step toward imposing a pro-Arab settlement: it undermined free, direct Israel-Arab negotiations, rewrote Resolution 242 (which made no reference to "Palestinians"), resuscitated the prestige of the PLO terrorist organization, hardened the Arab negotiating posture and encouraged those Arabs who say negotiations are unnecessary because the U.S. eventually will "deliver" Israel.

WHY SADAT WENT TO JERUSALEM

The joint declaration threatened to give extremist Arab elements effective control of the region's future. Sadat undertook direct contact with Israel in order to regain some control of the negotiating process.

Sadat's dramatic arrival in Jerusalem temporarily obscured these consequences of the Gromyko-Vance statement. It concealed the fact that Sadat's own negotiating options had been eroded; he could not demand less than the U.S., Israel's friend, had already offered. Consequently, he demanded Israel's acceptance of all his (and the U.S.S.R.'s) ultimative demands, including a Palestinian "entity" and total Israeli retreat to the indefensible lines of June 4, 1967—the very terms every Israeli government had rejected for a decade.

Israel responded to the Sadat visit with unprecedented concessions to Egypt, including: Egyptian sovereignty over all of Sinai, full Palestinian Arab civil autonomy in the West Bank and Gaza for the first time in history, and participation of Palestinian Arabs in the negotiating process—all granted unilaterally in advance of actual negotiations.

But once Sadat rejected Israel's opening offer, the White House proceeded in short order to attack and undermine Israel's negotiating position. Politically, the same Carter Administration which had, in effect, rewritten Resolution 242 in the Gromyko-Vance declaration, castigated Israel for maintaining its own interpretation of that Resolution and aligned itself entirely with Egypt on the substance of a settlement. Militarily, the Administration agreed to transfer America's most sophisticated war planes to Egypt and Saudi Arabia—almost as if to reward Sadat's sudden and capricious suspension of the Jerusalem talks.

Now, more than ever, it is clear that any real progress toward peace in the Middle East will come in spite of rather than because of this administration's impatient, one-sided intrusion.

COMMITMENTS, OBLIGATIONS, PROMISES

President Carter cancelled the U.S. commitment for the balance of the CBU–72, the only weapon effective against hardened military sites in which Arab attack planes are housed. He denied Israel permission to export the Kfir fighter jet on the pretext that it contains an American engine. He reneged on promised co-production licenses for weapons and communications systems. He excluded Israel from most-favored-nation access to sophisticated weapons in Presidential Review Memorandum 12.

In contrast, Maverick, Sidewinder and TOW missiles have been delivered to Saudi Arabia, and the U.S. has sold to Egypt (still officially at war with Israel) 20 C–130 transports, 12 Firebee aerial reconnaissance drones, 6 longrange photo reconnaissance camera systems and military vehicles worth approximately $350 million. In September 1977 the Administration agreed to refurbish with new engines, 200 Egyptian MiG–21 jets.

The current White House proposal to sell 60 F–15's to Saudi Arabia and 50 F–5E's to Egypt linked to the sale of 15 F–15's and 75 F–16's to Israel is the latest move in the deepening erosion of the military balance. This has been presented as a package deal, to make delivery of previously promised aircraft to Israel contingent upon delivery of war planes for Egypt and Saudi Arabia.

We must recall that under intense American pressure in 1975, Israel agreed to withdraw from strategic mountain passes in Sinai and the Abu Rodeis oil fields without comparable Egyptian concessions. In return, the U.S. undertook an obligation in the U.S.-Israel Memorandum of Agreement to maintain Israel's defense strength including, among other items, the modernization of the Israel Air Force on a one-for-one replacement basis.

In that document, Israel received a commitment for purchase of 50 F–15's, 25 of which were approved last year. Israel has

been seeking to purchase the remaining 25; the Administration now proposes that Israel receive only an additional 15 of these aircraft. On the basis of the Memorandum of Agreement Israel originally expected to receive 250 F–16's but now is being offered only 75.

There was no mention in the 1975 Agreement that the planes to Israel would be approved only if Egypt and Saudi Arabia received similar aircraft. At a time when the Carter Administration is asking Israel to take additional risks for peace, it is backing away from yet another commitment to Israel. It is remarkable that the Administration expects Israel to trust future U.S. assurances when past ones are so easily repudiated.

STRAINED AND DECEPTIVE ARGUMENTS

The Administration's arguments for the sale of highly sophisticated war planes to Saudi Arabia are strained and deceptive. Officials argue that the transfer of 60 F–15's to Saudi Arabia is necessary to defend her oil wells against hypothetical attacks from Iraq.

If a threat to Saudi Arabia indeed emanates from Iraq, why are the Saudis, with U.S. assistance, building a major base for the F–15 at Tabuq, more than 1200 kilometers from Iraq, but only 6 minutes flying time from Israel?

Moreover, the Administration omits mention of the formidable Saudi force of 110 F–5E fighter-bombers. Combined with Arabia's mobile Hawk batteries, these aircraft are more than adequate for the defense of the oil fields and shipping lanes of the Persian Gulf.

In military intelligence circles, it is common knowledge that the Saudis are financing installation of a communications system for the joint command of Syrian, Jordanian, Iraqi and Saudi forces. While any Saudi move toward genuine moderation should be encouraged, it must be noted that contrary to Administration assertions, Saudi Arabia actively participated in the 1967 war, to a greater extent in the 1973 war, has openly committed its military resources to any new war against Israel and continues to finance terror operations of the PLO.

UNDERMINING THE CAUSE OF PEACE

The rationale for the F–5E sale to Egypt is no less tenuous. Dubious arguments are advanced that (1) Egypt's search for peace requires reward of arms, (2) the Soviet arms supply line has been cut and (3) the F–5E is needed to counter Soviet expansion into Ethiopia.

(1) With regard to the first argument, if the peace talks succeed, the need for arms would diminish; if they fail, then Washington would be fueling and escalating the weapons race between two recipients of U.S. arms. In addition, Washington was instrumental in: clearing the Suez Canal, inducing Israel's withdrawal from the Sinai passes, restoring Egyptian control to the Abu Rodeis oil fields and establishing an early warning system in the Giddi Pass. It is Egypt, not the U.S. that should offer the proof of friendship.

(2) Repetition of the myth of a supposed Soviet arms embargo against Egypt does not turn it into fact. U.S., NATO and Israel published intelligence reports have confirmed that Egypt continued to receive extensive resupplies of Soviet weapons at least through 1977. Egyptian ground forces have already surpassed 1973 levels, and her inventory now contains more T–62 tanks, night vision equipment, missiles and missile-bearing helicopters. The Egyptian air force has been strengthened qualitatively by receipt of such sophisticated aircraft as improved MiG 21's, MiG 23's, Sukhoi 17's and Sukhoi 20's.

Moreover, France and Great Britain have joined the Soviet Union as major sources of advanced military equipment. President Carter now proposes to add American technology to the Egyptian war machine.

(3) The final argument that F–5E's are needed to counter the growing Soviet and Cuban involvement in the Horn of Africa is untenable. The vast Sudan separates Egypt from the nearest point in Ethopia—800 miles away. Unlike Ethiopia, however, Israeli targets are well within the combat radius of these F–5E aircraft.

In short, all the arguments so far advanced by the Carter Administration to support these arms sales are demonstrably false or misleading.

Moreover, by initiating an offensive arms supply relationship with Egypt and by encouraging deeper Saudi involvement in the event of renewed hostilities, this radical move by the Administration may increase Arab confidence in the utility of the war option and undermines their incentive for mutual compromise. It undermines the cause of peace.

The Administration's arguments for the package deal of arms sales are so feeble, in fact, that it is hard to believe that Administration spokesmen take them seriously. Consequently, one is driven to the conclusion that this extraordinary departure simply reflects the dominant influence on current American policy of defeatist elements in the Administration and those few but influential sectors within the U.S. business and financial community which profit from their "special relationship" with Arab regimes. They advocate a Mideast "settlement" on Soviet/Arab terms despite the cost to U.S. national interests. In fact, of course, it is by maintaining the strategic balance in the Middle East, by meeting our commitment to Israel, that the broadest economic and political interests of the U.S. and the Western world are served.

FOR THE SURVIVAL OF FREEDOM

The pursuit of real peace in the Middle East poses difficult, complex and debatable issues. No longer debatable, however, is the Carter Administration's calculated effort to manipulate public opinion in support of its campaign to impose a settlement agreeable to uncompromising, hardline Arab demands. In its orchestration of pressure against Israel, this Administration seems bent on obscuring the factual and analytical ground for legitimate public debate.

Our concern encompasses far more than the fate of Israel—however important that may be for America's own sense of itself and for its commitment to democratic ideals. At stake in the Middle East, as elsewhere in the world, is our ability to rally from a pervasive politics of defeat, to honor our national commitments, and to face the real challenges to the survival of freedom and human decency in those limited parts of the globe where they still prevail. It is ultimately our own survival as a free and democratic people that is in question.●

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. PEPPER (at the request of Mr. WRIGHT), for today, on account of attending the funeral of Steve Regets, his staff member on the Committee on Rules who was killed last Sunday in a plane crash.

Mr. CORMAN (at the request of Mr. WRIGHT), for today, on account of official business.

Mr. RANGEL (at the request of Mr. WRIGHT), for today, on account of official business.

Mr. RODINO (at the request of Mr. WRIGHT), for today, on account of illness in the family.

Mr. JEFFORDS (at the request of Mr. MICHEL), for today, on account of official business.

Mr. CUNNINGHAM (at the request of Mr. MICHEL), for today, on account of official business to attend hearings conducted by the Subcommittee on Environment, Energy, and Natural Resources of the Committee on Government Operations.

Mr. SNYDER (at the request of Mr. MICHEL), for today, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mrs. PETTIS) to revise and extend their remarks and include extraneous material:)

Mr. GOLDWATER, for 5 minutes, today.
Mr. KEMP, for 10 minutes, today.
Mr. DORNAN, for 5 minutes, today.

(The following Members (at the request of Mr. WEISS) and to revise and extend their remarks and include extraneous matter:)

Mr. ROSTENKOWSKI, for 10 minutes, today.
Mr. ANNUNZIO, for 5 minutes, today.
Mr. GONZALEZ, for 5 minutes, today.
Mr. STUDDS, for 5 minutes, today.
Mr. AKAKA, for 10 minutes, today.
Mr. FOLEY, for 5 minutes, today.
Mr. DICKS, for 5 minutes, today.
Mr. NEAL, for 5 minutes, today.
Mr. VANIK, for 5 minutes, today.
Mr. SOLARZ, for 10 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. MICHEL, to include extraneous material with his remarks in the Committee of the Whole during consideration of the International Development and Food Assistance Act of 1978.

(The following Members (at the request of Mrs. PETTIS) and to include extraneous matter:)

Mr. LIVINGSTON.
Mr. MCKINNEY.
Mr. KEMP in five instances.
Mr. GREEN in two instances.
Mr. BOB WILSON.
Mr. FISH.
Mr. RUDD.
Mr. SYMMS.
Mr. FINDLEY.
Mr. YOUNG of Alaska.
Mr. RUPPE.
Mr. KINDNESS.
Mr. DORNAN in three instances.
Mr. BURKE of Florida.
Mr. COLLINS of Texas.
Mr. DICKINSON.

(The following Members (at the request of Mr. WEISS) and to include extraneous matter:)

Mr. ANDERSON of California in three instances.
Mr. GONZALEZ in three instances.
Mr. CONYERS in two instances.
Mr. MAZZOLI.
Mr. STUDDS.

Mr. NOLAN.
Mr. SIMON.
Mr. FORD of Michigan.
Mr. MINISH in two instances.
Mr. VENTO in two instances.
Mr. DELLUMS.
Mr. SMITH of Iowa.
Mr. EDWARDS of California.
Mr. WALGREN.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 2802. An act to amend the Truth in Lending Act to facilitate compliance by simplifying the requirements imposed under that act, to facilitate administrative enforcement of that act, and for other purposes; to the Committee on Banking, Finance, and Urban Affairs; and

S. 3040. An act to amend the Rail Passenger Service Act to extend the authorizations of appropriations for an additional fiscal year, to provide for public consideration and implementation of a rail passenger service study, and for other purposes; to the Committee on Interstate and Foreign Commerce.

ENROLLED BILL AND JOINT RESOLUTION SIGNED

Mr. THOMPSON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill and a joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 8331. An act to amend the Securities Investor Protection Act of 1970; and

H.J. Res. 859. Joint resolution making supplemental appropriations for the U.S. Railway Association for the fiscal year ending September 30, 1978, and for other purposes.

ADJOURNMENT

Mr. WEISS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 21 minutes p.m.) under its previous order, the House adjourned until Monday, May 15, 1978, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

4153. A letter from the Secretary of the Treasury, transmitting the sixth annual and final report of the Emergency Loan Guarantee Board, covering the period October 1, 1976, through January 31, 1978, pursuant to section 12 of Public Law 92–70; to the Committee on Banking, Finance and Urban Affairs.

4154. A letter from the Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to revise and extend provisions of law concerned with health services and health research; to the Committee on Interstate and Foreign Commerce.

4155. A letter from the Comptroller General of the United States, transmitting a report on the proposed secondary waste water treatment works in the St. Louis, Mo., area (CED–78–76, May 12, 1978); jointly, to the Committees on Government Operations, and Public Works and Transportation.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. EDWARDS of California: Committee on the Judiciary. H.R. 12432. A bill to extend the Commission on Civil Rights for 5 years, to authorize appropriations for the Commission, to effect certain technical changes to comply with changes in the law, and for other purposes; with amendment (Rept. No. 95–1140). Referred to the Committee of the Whole House on the State of the Union.

Mr. ZABLOCKI: Committee on International Relations. H.R. 12514. A bill to amend the Foreign Assistance Act of 1961 and the Arms Export Control Act to authorize international security assistance programs for fiscal year 1979, and for other purposes (Rept. No. 95–1141). Referred to the Committee of the Whole House on the State of the Union.

Mr. DELANEY: Committee on Rules. House Resolution 1178. Resolution providing for the consideration of H.R. 12050. A bill to amend the Internal Revenue Code of 1954 to provide a Federal income tax credit for tuition (Rept. No. 95–1142). Referred to the House Calendar.

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 11827. A bill to amend the Surface Mining Control and Reclamation Act of 1977 (Public Law 95–87) to raise certain authorized funding levels contained therein, and for other purposes; with amendment (Rept. No. 95–1143). Referred to the Committee of the Whole House on the State of the Union.

Mr. ULLMAN: Committee on Ways and Means. H.R. 12642. A bill to improve debt management (Rept. No. 95–1144). Referred to the Committee of the Whole House on the State of the Union.

Mr. TEAGUE: Committee on Science and Technology. H.R. 10661. A bill to amend the Marine Protection, Research, and Sanctuaries Act of 1972 to authorize appropriations to carry out the provisions of such Act for fiscal years 1979 and 1980; with amendment (Rept. No. 95–1145, Pt. I). Ordered to be printed.

Mr. BENNETT: Committee on Armed Services. H.R. 12557. A bill to authorize appropriations for fiscal year 1979 for the Department of Energy for conservation, development, and use of naval petroleum and oil shale reserves, and for other purposes (Rept. No. 95–1146). Referred to the Committee of the Whole House on the State of the Union.

Mr. NEDZI: Committee on Armed Services. H.R. 12602. A bill to authorize certain construction at military installations for fiscal year 1979, and for other purposes (Rept. No. 95–1147). Referred to the Committee of the Whole House on the State of the Union.

REPORTED BILLS SEQUENTIALLY REFERRED

Under clause 5 of rule X, bills and reports were delivered to the Clerk for printing, and bills referred as follows:

Mr. RODINO: Committee on the Judiciary. H.R. 12005. A bill to authorize appropriations for the purpose of carrying out the activities of the Department of Justice, and for other purposes (Rept. No. 95–1148, Pt. I). Reported with an amendment, referred to the Permanent Select Committee on Intelligence for a period ending no later than May 26, 1978, for consideration of such provisions of the bill and amendment as fall within the judisdiction of that committee under clause 2, rule XLVIII, and ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANDERSON of California (for himself and Mr. HANNAFORD):

H.R. 12698. A bill to amend title 28 of the United States Code to provide that the U.S. District Court for the Central District of California may be held at Long Beach; to the Committee on the Judiciary.

By Mr. GRASSLEY (for himself, Mr. ROE, Mr. HILLIS, Mr. FRENZEL, Mr. BEDELL, Mr. COHEN, Mr. VENTO, Mr. STANGELAND, and Mr. HAGEDORN):

H.R. 12699. A bill to postpone for 1 year (until January 1, 1979) the effective date of the recently enacted provision which eliminates the monthly earnings test under section 203 of the Social Security Act; to the Committee on Ways and Means.

By Mr. HAMMERSCHMIDT (for himself, Mr. KELLY, and Mr. BEDELL):

H.R. 12700. A bill to amend the Communications Act of 1934 in order to prohibit the television broadcasting of programs portraying nudity, obscenity, or explicit sexual activity which is offensive to the public taste and morals; to the Committee on Interstate and Foreign Commerce.

By Ms. KEYS:

H.R. 12701. A bill to amend title XVI of the Social Security Act to remove certain work disincentives for the disabled under the supplemental security income benefits program; to the Committee on Ways and Means.

By Mr. KINDNESS (for himself and Mr. GOLDWATER):

H.R. 12702. A bill to amend section 6(d)(1) of the Food Stamp Act of 1977, and for other purposes; to the Committee on Agriculture.

By Mr. MEEDS:

H.R. 12703. A bill to designate certain lands in the State of Alaska as units of the National Park, National Forest, National Wildlife Refuge, Wild and Scenic Rivers, and National Wilderness Preservation Systems, and for other purposes; jointly, to the Committees on Interior and Insular Affairs and Merchant Marine and Fisheries.

By Mr. MOLLOHAN (for himself and Mr. BAUCUS):

H.R. 12704. A bill to authorize the disposal of a certain quantity of tin from the national and supplemental stockpiles and the acquisition of a certain quantity of copper from the proceeds of such disposition; to the Committee on Armed Services.

By Mr. ROE (for himself, Mr. ROSTENKOWSKI, and Mr. MURTHA):

H.R. 12705. A bill to increase the authorization for the Local Public Works Capital Development and Investment Act of 1976; to the Committee on Public Works and Transportation.

By Mr. STANTON (for himself, Mr. ASHLEY, Mr. HANNAFORD, Mr. BARNARD, Mr. WATKINS, Mr. WYLIE, Mr. ROUSSELOT, Mr. MCKINNEY, Mr. HYDE, Mr. KELLY, Mr. STEERS, Mr. EVANS of Delaware, and Mr. GREEN):

H.R. 12706. A bill to amend the Federal Reserve Act to provide for the pricing of Federal Reserve System services and the payment of interest on reserves; to the Committee on Banking, Finance and Urban Affairs.

By Mr. STUMP:

H.R. 12707. A bill to amend the Occupational Safety and Health Act of 1970 to prohibit restrictions on work rules in locations in which there is hunting, fishing, or shoot-

ing sports, and for other purposes; to the Committee on Education and Labor.

By Mr. STUMP (for himself, Mr. McCORMACK, Mr. FLIPPO, Mr. McDONALD, Mr. MOORE, Mr. RISENHOOVER, Mr. IRELAND, Mr. BURLESON of Texas, Mr. BAFALIS, Mr. BARNARD, Mr. MATHIS, Mr. GINN, Mr. DEVINE, Mr. ROUSSELOT, and Mr. LAGOMARSINO):

H.R. 12708. A bill to remove residency requirements and acreage limitations applicable to land subject to reclamation law; to the Committee on Interior and Insular Affairs.

By Mr. SYMMS:

H.R. 12709. A bill to stabilize production and marketing of traditional sweetener products; to permit orderly growth in the marketing of new sources of sweetener products; to provide consumers with adequate supplies of sweetener products at reasonable prices; to insure that imports of sugar products do not disrupt the orderly operation of the national sweetener program; and for other purposes; jointly, to the Committees on Agriculture and Ways and Means.

By Mr. WHITEHURST (for himself and Mr. HARRINGTON):

H.R. 12710. A bill to protect predators from indiscriminate slaughter; to the Committee on Merchant Marine and Fisheries.

H.R. 12711. A bill to amend the Internal Revenue Code of 1954 to provide tax-saving incentives for savings accounts established for the purpose of purchasing a home; to the Committee on Ways and Means.

By Mr. CHAPPELL (for himself, Mr. LAFALCE, Mr. PEPPER, Mr. NOLAN, Mr. EDWARDS of California, Mr. BOLAND, Mr. MURPHY of Pennsylvania, Mr. MITCHELL of New York, Mr. MOAKLEY, Mr. JEFFORDS, Mrs. LLOYD of Tennessee, Mr. CARNEY, Mr. BONIOR, Mr. BYRON, Mr. RICHMOND, Mr. EILBERG, Mr. RANGEL, Mr. BRINKLEY, Mr. LAGOMARSINO, Mr. WAXMAN, Mr. McCORMACK, Ms. COLLINS of Illinois, Mr. RAHALL, Mr. WOLFF, and Mr. KETCHUM):

H.J. Res. 899. Joint resolution authorizing the President to proclaim September 8 of each year as "National Cancer Day"; to the Committee on Post Office and Civil Service.

By Mr. CHAPPELL (for himself, Mr. EDWARDS of Oklahoma, Mr. HORTON, Mr. DORNAN, Mr. PRICE, Mr. NICHOLS, Mr. LEDERER, Mr. BEDELL, Mr. COUGHLIN, Mr. FLOOD, Mr. HARRINGTON, Mr. CONTE, Mr. STOKES, Mr. BOWEN, Ms. KEYS, Mr. YATRON, Mr. GAMMAGE, Mr. SHARP, Mr. GOODLING, Mr. THONE, Mr. DICKS, Mr. YOUNG of Florida, Mr. GEPHARDT, Mr. AuCOIN, and Mr. ROBINSON):

H.J. Res. 900. Joint resolution authorizing the President to proclaim September 8 of each year as National Cancer Day; to the Committee on Post Office and Civil Service.

By Mr. FINDLEY:

H.J. Res. 901. Joint resolution authorizing the President to proclaim the month of November 1978 as "National REACT Month"; to the Committee on Post Office and Civil Service.

By Mr. SYMMS (for himself, Mr. GOLDWATER, Mr. SEBELIUS, Mr. MILLER of Ohio, Mr. BAFALIS, Mr. McDONALD, Mr. WHITLEY, Mr. NICHOLS, Mr. BURGENER, Mr. DICKINSON, Mr. WALSH, Mr. EVANS of Indiana, Mr. WHITEHURST, Mr. KINDNESS, Mr. JENKINS, Mr. SNYDER, and Mr. AMMERMAN):

H.J. Res. 902. Joint resolution disapproving proposed regulations of the Department of the Treasury requiring centralized governmental registration of firearms; jointly, to the Committees on the Judiciary and Ways and Means.

MEMORIALS

Under clause 4 of rule XXII,

401. The SPEAKER presented a memorial of the Legislature of the State of Wisconsin, relative to grain monopolies; to the Committee on Agriculture.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. GAMMAGE:

H.R. 12712. A bill for the relief of Roger Hoss, Jo Ann Hoss and Rojoho, Inc.; to the Committee on the Judiciary.

By Mr. VENTO:

H.R. 12713. A bill for the relief of Kirthi Chandher; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

465. The SPEAKER presented a petition of the Young Lawyers Division of the American Bar Association, Chicago, Ill., relative to the proposed Ethics in Government Act, which was referred to the Committee on the Judiciary.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 39

By Mr. MEEDS:

Beginning on page 1, strike out all after the enacting clause and substitute the following:

"SECTION 1. This Act, together with the following table of contents shall be cited as the "Alaska National Interest Lands Conservation Act".

TABLE OF CONTENTS

Sec. 1. Short title and table of contents.
Sec. 2. Findings, policy, boundaries, maps.

TITLE I—NATIONAL PARK SYSTEM

Sec. 101. Establishment of new areas.
Sec. 102. Additions to existing areas.
Sec. 103. Administrative provisions.

TITLE II—NATIONAL WILDLIFE REFUGE SYSTEM

Sec. 201. Establishment of new areas.
Sec. 202. Additions to existing areas.

TITLE III—NATIONAL WILD AND SCENIC RIVERS SYSTEM

PART A—WILD AND SCENIC RIVERS WITHIN THE NATIONAL PARK SYSTEM

Sec. 301. Designation of additions to the national wild and scenic rivers system.
Sec. 302. Administrative provision.

PART B—WILD AND SCENIC RIVERS WITHIN NATIONAL WILDLIFE REFUGE SYSTEM

Sec. 303. Designation of additions.
Sec. 304. Administrative provisions.

PART C—WILD AND SCENIC RIVERS OUTSIDE NATIONAL WILDLIFE REFUGES AND PARKS

Sec. 305. Designation.
Sec. 306. Study rivers.
Sec. 307. Administrative provisions.

TITLE IV—NATIONAL FOREST SYSTEM

Sec. 401. Additions to existing areas.

TITLE V—DESIGNATION OF WILDERNESS AREAS

Sec. 501. Designation of wilderness areas.
Sec. 502. Wilderness study and administration.

TITLE VI—SUBSISTENCE; FISH AND WILDLIFE MANAGEMENT

Sec. 601. Findings
Sec. 602. Policy.
Sec. 603. Definition.
Sec. 604. State regulation.
Sec. 605. Enforcement duties of Secretary of the Interior.
Sec. 606. Cooperative arrangements.
Sec. 607. Subsistence and land-use decisions.
Sec. 608. Access.
Sec. 609. Snowmobiles and motorboats.
Sec. 610. Research.
Sec. 611. Periodic reports.
Sec. 612. Regulations.
Sec. 613. Other laws.
Sec. 614. Limitations.
Sec. 615. Reimbursement to the State.

TITLE VII—COOPERATIVE STUDY AND PLANNING COMMISSION

Sec. 701. Establishment of commission; joint planning areas.

TITLE VIII—IMPLEMENTATION OF ALASKA NATIVE CLAIMS SETTLEMENT ACT AND ALASKA STATEHOOD ACT

Sec. 801. Conveyance of care township lands and of Native reserves.
Sec. 802. Other conveyances to native corporations.
Sec. 803. Admininstrative provisions.
Sec. 804. State selections and conveyances.
Sec. 805. Alaska Native land bank.
Sec. 806. Protection of Native lands in contingency areas under timber sales.
Sec. 807. Use of protraction surveys.
Sec. 808. Action to enforce; jurisdiction.

TITLE IX—MINERAL STUDY, EXPLORATION AND EXTRACTION IN CONSERVATION SYSTEM UNITS

Sec. 901. General geologic investigations and mineral assessment programs in Alaska.
Sec. 902. Mineral exploration and extraction programs for conservation system units in Alaska.
Sec. 903. Permits for exploration and extraction.
Sec. 904. Existing mineral claims and mineral leasing rights in conservation system units.

TITLE X—TRANSPORTATION AND UTILITY SYSTEMS ON CONSERVATION SYSTEM UNITS

Sec. 1001. Purposes.
Sec. 1002. Use permits under existing authorities.
Sec. 1003. Use permits under new authority.
Sec. 1004. Coordination of right-of-way requirements.
Sec. 1005. Congressional approval procedure.
Sec. 1006. Issuance of permits.

TITLE XI—GENERAL ADMINISTRATIVE PROVISIONS

Sec. 1101. Withdrawal from mining and mineral leasing.
Sec. 1102. Certain lands.
Sec. 1103. Acquisition.
Sec. 1104. Administrative sites.
Sec. 1105. Native lands and corporation; public services.
Sec. 1106. Agency planning assistance.
Sec. 1107. Unit management plans.
Sec. 1108. Capital improvements; non-Federal lands.
Sec. 1109. State land exchanges.
Sec. 1110. Local hire.
Sec. 1111. Navigation facilities.

TITLE XII—MISCELLANEOUS PROVISIONS

Sec. 1201. Iditarod National Historic Trail.
Sec. 1202. Klondike Gold Rush National Historical Park.
Sec. 1203. Application of mining in the parks law to the National Refuge System.

Sec. 1204. Cooperative information center.
Sec. 1205. Bureau of Land Management Land Reviews.
TITLE XI—APPROPRIATIONS
Sec. 1301. Authorization.

SEC. 2. (a) In order to preserve for the benefit, use, education, and inspiration of present and future generations certain wildlands and rivers in the State of Alaska that contain nationally significant natural, scenic, historic, archeological, geological, scientific, wilderness, cultural, recreational, and wildlife values, the areas described in title I are, subject to valid existing rights, hereby declared to be units of the National Park System; the areas described in title II are, subject to valid existing rights, hereby declared to be units of the National Wildlife Refuge System; the areas described in title III are, subject to valid existing rights, hereby declared to be units of the National Wild and Scenic Rivers System; lands described in title IV are, subject to valid existing rights, added to units of the National Forest System; and lands designated in title V are, subject to valid existing rights, hereby declared to be units of the National Wilderness Preservation System.

(b) It is the intent of Congress in this Act to preserve unrivaled scenic and geological values associated with natural landscapes; to provide for the maintenance of sound populations of, and habitat for, resident and nonresident wildlife species of inestimable value to the citizens of Alaska and the Nation, including those species dependent on vast relatively undeveloped areas; to preserve in their natural state extensive unaltered arctic tundra, boreal forest, and coastal rainforest ecosystems; to protect the resources related to subsistence needs; to protect and preserve historic and archeological sites, rivers, and lands, and to preserve wilderness resource values and related recreational opportunities within large arctic and subarctic wildlands and on freeflowing rivers; and to maintain opportunities for scientific research and undisturbed ecosystems.

(c) (1) Areas established in titles I, II, and IV of this Act shall, subject to valid existing rights, comprise the lands, waters, and interests therein within the boundaries generally depicted on the maps bearing the following designations:

Title I—National Park System—
Aniakchak National Monument/Preserve, numbered ;
Bering Land Bridge National Preserve, numbered ;
Cape Krusenstern National Monument, numbered ;
Denali National Park/Preserve, numbered ;
Gates of the Arctic National Park, numbered ;
Glacier Bay National Park, numbered ;
Katmai National Park, numbered ;
Kenai Fjords National Park, numbered ;
Kobuk Valley National Park/Preserve, numbered ;
Lake Clark National Park/Preserve, numbered ;
Noatak National Ecological Preserve, numbered ;
Wrangell-St. Elias National Park/Preserve, numbered ; and
Yukon-Charley Rivers National Preserve, numbered .

Title II—National Wildlife Refuge System—
Alaska Marine Resources, numbered ;
Arctic, numbered ;
Cape Newenham, numbered ;
Innoko, numbered ;
Kanuti, numbered ;
Kenai, numbered ;
Koyukuk, numbered ;
Nowitna, numbered ;
Selawik, numbered ;
Titlin, numbered ;
Yukon Delta, numbered ;
Yukon Flats, numbered ;

The boundaries of areas added to the National Park and Wildlife Refuge Systems shall, in coastal area, not extend seaward beyond the mean high tide line to include lands owned by the State of Alaska unless the State shall have concurred in such boundary extension and such extension is accomplished under the notice and reporting requirements of this Act.

Title IV—National Forest System—
Chugach National Forest additions:
Copper River, numbered ;
Nellie Juan, numbered ;
College Fjord, numbered .
Tongass National Forest additions:
Yakutat, numbered ;
Juneau Ice Field, numbered ; and
Kates Needle, numbered .

(2) The maps described in paragraph (1), of this subsection shall be on file and available for public inspection in the office of the Secretary of the Interior (hereafter referred to as the "Secretary"), except that the maps depicting additions to the National Forest System shall be on file in the office of the Secretary of Agriculture.

(3) As soon as practicable after enactment of this Act, a map and legal description of each change in land management status effected by this Act in the four traditional national conservation systems and the National Wilderness Preservation System, shall be published in the Federal Register and filed with the Speaker of the House of Representatives and the President of the Senate, and each such description shall have the same force and effect as if included in this Act: *Provided, however,* That correction of clerical and typographical errors in each such legal description and map may be made. Each such map and legal description shall be on file and available for public inspection in the office of the Secretary. Whenever possible, boundaries shall follow hydrographic divides or embrace other topographic features in all cases where straight line map boundaries approximate such features. Following reasonable notice in writing to the Congress of his intention to do so, the Secretary or the Secretary of Agriculture, as appropriate, may make minor adjustments in the boundaries of the areas added to or established as units of the National Park, Wildlife Refuge, Wild and Scenic Rivers, and National Forest Systems by this Act.

TITLE I—NATIONAL PARK SYSTEM

PART A—ESTABLISHMENT OF NEW AREAS

SEC. 101. (a) The following areas are hereby established as units of the National Park System and shall be administered by the Secretary under the laws governing the administration of such units and under the provisions of this Act:

(1) Gates of the Arctic National Park, containing approximately seven million nine hundred and fifty thousand acres of Federal lands, which shall be managed for the following purposes, among others: To maintain the wild and undeveloped character of the area, including opportunities for visitors to experience solitude, and the environmental integrity and scenic beauty of the mountains, forestlands, rivers, lakes, and other natural features; to protect habitat for and populations of fish and wildlife, including but not limited to, caribou, grizzly bear, Dall sheep, moose, wolves, and raptorial birds; and in a manner consistent with the foregoing, to provide opportunities for water recreation on wild rivers and lakes, hiking, camping, and other outdoor recreation activities.

(2) Yukon-Charley Rivers National Preserve, containing approximately one million four hundred and ninety thousand acres of Federal lands, which shall be managed for the following purposes, among others: To maintain the environmental integrity of the entire Charley River basin, including streams, lakes and other natural features, in its undeveloped natural condition for public benefit and scientific study; to protect habitat for, and populations of, fish and wildlife, including but not limited to the peregrine falcon and other raptorial birds, waterfowl, caribou, moose, Dall sheep, grizzly bear, and wolves; to protect and interpret historical sites and events associated with the gold rush on the Yukon River and the geological and paleontological history and cultural prehistory of the area; and in a manner consistent with the foregoing, provide opportunities for water recreation on the Yukon, Charley and other rivers, hiking, camping, and other outdoor recreation activities.

(3) Kobuk Valley National Park, containing approximately 610,000 acres of Federal lands, and Kobuk Valley National Preserve, containing approximately 1,100,000 acres of Federal lands, which shall be managed for the following purposes, among others: To maintain the environmental integrity of the natural features of the Kobuk River Valley, including the Kobuk, Salmon, and other rivers, the boreal forest, and the Great Kobuk Sand Dunes, in its undeveloped state; to protect and interpret, in cooperation with Native Alaskans, archeological sites associated with Native cultures; to protect migration routes for the Arctic caribou herd; to protect habitat for and populations of, fish and wildlife including but not limited to caribou, moose, black and grizzly bear, wolves, and waterfowl; and in a manner consistent with the foregoing, to provide opportunities for hiking, camping, river recreation, and other outdoor recreation activities.

(4) Cape Krusenstern National Monument, containing approximately two hundred and twenty-six thousand acres of Federal lands and Cape Krusentern National Preserve containing approximately one hundred and ninety thousand acres of Federal lands, which shall be managed for the following purposes, among others: To protect and interpret a series of archeological sites depicting every known cultural period in arctic Alaska; to provide for scientific study of the process of human population of the area from the Asian continent; in cooperation with Native Alaskans, to preserve and interpret evidence of prehistoric and historic Native cultures; to protect and interpret a series of beach ridges and process of beach outbuilding; to protect seals and other marine mammals, birds, and other wildlife and fish resources and their habitats; and in a manner consistent with the foregoing, to provide opportunities for outdoor recreation activities.

(5) Wrangell-Saint Elias National Park, containing approximately 8,670,000 acres of Federal lands, and Wrangell-Saint Elias National Preserve, containing approximately 3,380,000 acres of Federal lands. The park and preserve shall be managed for the following purposes, among others: To maintain unimpaired the scenic beauty and quality of high mountain peaks, foothills, glacial systems, lakes and streams, waterfalls, valleys, and coastal landscapes in their natural state; to protect habitat for and populations of fish and wildlife, including but not limited to caribou, grizzly bear, Dall sheep, mountain goats, moose, wolves, trumpeter swans and other waterfowl, and marine mammals; and in a manner consistent with the foregoing, to provide opportunities for camping and hiking, river recreation, and other outdoor recreation activities.

(6) Lake Clark National Park, containing approximately 2,280,000 acres of Federal lands, and Lake Clark National Preserve, containing approximately 750,000 acres of Federal lands. The park and preserve shall be managed for the following purposes, among

others: To protect watershed values necessary for perpetuation of the salmon fishery in Bristol Bay and other fisheries; to maintain unimpaired the scenic beauty and quality of portions of the Alaska Range and the Aleutian Range, including active volcanoes, glaciers, wild rivers, lakes, waterfalls, and alpine meadows in their natural state; to protect habitat for and populations of fish and wildlife including but not limited to the Mulchatna caribou herd, Dall sheep, grizzly bear, wolves, bald eagle, peregrine falcon; and in a manner consistent with the foregoing, to provide opportunities for water recreation, nature study, sightseeing, hiking, camping, and other outdoor recreation activities.

(7) Kenai Fjords National Park, containing approximately 420,000 acres of Federal lands, which shall be managed for the following purposes, among others: To maintain unimpaired the scenic and environmental integrity of the Harding icefield and its outflowing glaciers, and coastal fjords, peninsulas and islands in their natural state; to protect seals, sea lions, other marine mammals, and marine and other birds and maintain their hauling and breeding areas in their natural state free of human activity which is disruptive to their natural processes; and in a manner consistent with the foregoing, to provide opportunities for sightseeing, nature study, touring, hiking, and other outdoor recreation activities.

(8) Aniakchak National Monument, containing approximately 340,000 acres of Federal lands, and Aniakchak National Preserve, containing approximately 160,000 acres of Federal lands. The monument and preserve shall be managed for the following purposes, among others: To maintain the caldera and its associated volcanic features and landscape, including the Aniakchak River and other lakes and streams, in their natural state; to study, interpret, and assure continuation of the natural process of ecological succession; to protect habitat for and populations of fish and wildlife, including but not limited to grizzly bear, wolves, moose, caribou, sea lions, seals, and other marine mammals, geese, swans, and other waterfowl; and in a manner consistent with the foregoing, to interpret geological and biological processes for visitors and provide opportunities for river running, hiking, and other outdoor recreation activities.

(9) Bering Land Bridge National Preserve, containing approximately 2,480,000 acres of Federal land, which shall be managed for the following purposes, among others: To protect and interpret examples of arctic plant communities, coastal barrier islands, lagoons and estuaries, volcanic lava flows, ash explosions, frost phenomena and other geological processes; to protect habitat for internationally significant populations of migratory birds; to protect the resources and provide for archeological and paleontological study, in cooperation with Native Alaskans, of the process of plant and animal migration, including man, between North America and the Asian Continent; to protect habitat for, and populations of, fish and wildlife including but not limited to marine mammals, grizzly bear, moose, and wolf; and in a manner consistent with the foregoing, to provide opportunities for outdoor recreation activities.

(10) Noatak National Ecological Preserve, containing approximately 6,080,000 acres of Federal lands, which shall be managed for the following purposes, among others: To maintain the environmental integrity of the Noatak River and adjacent uplands, streams, and lakes within the preserve in such a manner as to assure the continuation of geological and biological processes unimpaired by adverse human activity; to protect habitat for and populations of fish and wildlife, including but not limited to the Arctic caribou herd, grizzly bear, Dall sheep, moose, wolves, and for waterfowl, raptors, and other species of birds; to protect migration routes for the Arctic caribou herd; and in a manner consistent with the foregoing, to provide opportunities for scientific research, river recreation, and for hiking, camping, and other outdoor recreation activities.

PART B—ADDITIONS TO EXISTING AREAS

SEC. 102. (a) The following units of the National Park System are hereby expanded:

(1) Mount McKinley National Park by the addition of an area containing approximately 2,610,000 acres of Federal land, and establishment of Denali National Preserve containing approximately 770,000 acres of Federal land, for the purposes of containing and protecting the entire mountain massif and glacial systems, and additional scenic mountain peaks and formations; of further protecting moose, caribou, Dall sheep, wolves, grizzly bear, other wildlife and their habitat; furthermore, (A) the park is hereby redesignated as "Denali National Park", (B) that portion of the Alaska Railroad right-of-way within the park shall be subject to such laws and regulations applicable to the protection of fish and wildlife and other park values as the Secretary with the concurrence of the Secretary of Transportation, may determine, and (C) with respect to the Federal lands and any lands conveyed to the State of Alaska lying between Moose Creek and Bearpaw River and the extended boundary of Denali National Park to the east, it is the express intent of the Congress that these lands be managed in a manner generally supportive of the purposes of Denali National Park and Preserve. However, mineral exploration and development shall be allowed and conducted in accordance with the laws of the United States and the State of Alaska. Hunting and trapping on Federal lands within this area shall be prohibited except to the degree subsistence activities may be allowed on adjoining parklands.

(2) Katmai National Monument by the addition of areas containing approximately 1,130,000 acres of Federal land to further the purposes of protecting high concentrations of grizzly (brown) bear and their denning areas and habitat for other wildlife; maintenance of unimpaired water habitats for significant salmon populations; and to complete or contain areas of scenic, geological, watershed, and recreational values; furthermore, the monument is hereby redesignated as "Katmai National Park".

(3) Glacier Bay National Monument by the addition of an area containing approximately 550,000 acres of Federal land for the purposes of protecting portions of the Alsek River, animal habitat and migration routes; and portions of the Fairweather Range including the northwest slope of Mount Fairweather; furthermore, the monument is hereby redesignated as "Glacier Bay National Park".

PART C—ADMINISTRATIVE PROVISIONS

SEC. 103. (a) The Secretary shall administer the lands, waters, and interests therein added to existing areas or established by the foregoing sections of this title as new areas of the National Park System, pursuant to the provisions of law generally applicable to units of the National Park System including the Act of August 25, 1916 (39 Stat. 535), except that hunting may be permitted under the provisions of Title VI and all proclamations and Executive orders reserving lands, waters, and interests therein for the former Katmai and Glacier Bay National Monuments shall remain in full force and effect, except to the extent they may be inconsistent with the Alaska Native Claims Settlement Act or the purposes of any unit established or expanded by this Act, and in such case the provisions of this Act shall prevail. Any funds available for the purposes of such monuments are hereby made available for the purposes of Katmai National Park or Glacier Bay National Park, as appropriate. Valid Native selections or nominations of lands within the Gates of the Arctic National Park and within the Wrangell-Saint Elias National Park and Preserve are hereby recognized and shall be honored and conveyed by the Secretary in accordance with the Alaska Native Claims Settlement Act.

(b) Permits and rights-of-way shall be granted for access for transportation and utility facilities across that portion of the Gates of the Arctic National Park containing the upper Kobuk River below the upper canyon and across the Kobuk Valley National Park upon findings of need. The Secretary is authorized to issue permits for rights-of-way for such facilities in accordance with existing law, and he is further authorized to issue permits for rights-of-way for roads and pipelines with respect to those two parks in accordance with this subsection, subject to such terms and conditions as he deems desirable in furtherance of the purposes of the affected park. In determining need, the Secretary of the Interior shall consider, among other things, statewide and regional transportation plans, alternative routes, and modes of access; the feasibility of including different transportation or utility functions, or both, in the same corridor; short- and long-term social, economic, and environmental impacts; and the measures that should be instituted to ameliorate adverse impacts.

(c) In Wrangell-Saint Elias National Park, use of previously existing primitive fish camp sites and use of motorized vehicles in furtherance of local commercial fishing operations shall be permitted to continue subject to such reasonable regulations as the Secretary deems desirable to maintain the primitive character, water quality, and fish and wildlife values of the area.

TITLE II—NATIONAL WILDLIFE REFUGE SYSTEM

PART A—ESTABLISHMENT OF NEW AREAS

SEC. 201. (a) The following areas are hereby established as units of the National Wildlife Refuge System and shall be administered by the Secretary pursuant to the provisions of law governing the administration of such units and under the provisions of this Act:

(1) Selawik National Wildlife Refuge, containing approximately 1,970,000 acres of Federal land, which shall be managed for the following purposes, among others: To protect the crossroads habitats of the Asiatic and North American Flyways, with their significant populations of snow geese, ducks and swans, sandhill cranes, and shorebirds; to protect habitat for and populations of fish and wildlife, including but not limited to caribou on the lands and sheefish in the waters; and in a manner consistent with the conservation and protection of these fish and wildlife and their habitat, to provide opportunities for hunting, fishing, and other activities and for continued subsistence uses.

(2) Yukon Flats National Wildlife Refuge, containing approximateiy 8,030,000 acres of Federal land, which shall be managed for the following purposes, among others: To maintain the environmental integrity of the Yukon River within the area; to protect habitat for nationally significant fall flights of ducks and geese; to protect habitat for and population of fish and wildlife, including but not limited to other birds, moose, wolves, bears, furbearers, and salmon; and in a manner consistent with the conservation and protection of these fish and wildlife and their habitat, to provide opportunities for hunting, fishing, and other activities with respect to these resources, and for continued subsistence uses.

(3) Innoko National Wildlife Refuge, containing approximately 3,190,000 acres of Federal lands, which shall be managed for the following purposes, among others: To assure continued high levels of waterfowl

production, including ducks, geese, and swans; to protect habitat for and populations of fish and wildlife, including but not limited to the numerous bird species, moose, and the Beaver Mountain caribou herd, beaver, and salmon; and in a manner consistent with the conservation and protection of these fish and wildlife and their habitat, to permit hunting, fishing, and other activities with respect to these resources, including continued subsistence uses.

(4) Koyukuk National Wildlife Range, containing approximately 3,720,000 acres of Federal land, which shall be managed for the following purposes, among others: Maintenance of habitats to assure continued high level fall flights of ducks and geese; to protect habitat for and populations of fish and wildlife, including but not limited to moose and furbearers; and in a manner consistent with the conservation and protection of these fish and wildlife and their habitat, to provide opportunities for hunting, fishing, and other activities with respect to these wildlife resources, including continued subsistence uses.

(5) Alaska Marine Resources National Wildlife Refuge, containing approximately 330,000 acres of Federal land: (i) which shall be managed for the purposes of protecting internationally significant marine birds and mammals and the land, water, and other marine resources on which they rely, perpetuating other indigenous fish and wildlife resources of the coastal marine environment, and providing for national and international research on marine resources; and (ii) which shall consist of the following specifically described units together with all other publicly owned lands of the United States consisting of islands, islets, rocks, reefs, spires, and designated capes in the coastal waters and adjacent seas of Alaska among other unnamed areas:

Chukchi Sea unit—including Cape Lisburne, Cape Thompson, and the existing Chamisso National Wildlife Refuge;

Bering Sea unit—including the existing Bering Sea and Pribilof (Walrus and Otter Islands and Sea Lion Rocks) National Wildlife Refuges, Hagemeister Island, Fairway Rock, King Island, Sledge Island, Bluff Unit, Besboro Island, Egg Island, and the Punuk Islands;

Aleutian Islands unit—including the existing Aleutian Islands and Bogoslof National Wildlife Refuges, and all other Federal lands in the Aleutian Islands;

Alaska Peninsula unit—Simeonof and Semidi National Wildlife Refuges, all other Federal islands, islets, rocks, et cetera, lying south of the Alaska Peninsula between Katmai National Monument and False Pass are encompassed within the Alaska Peninsula study area referred to in section 701(1).

Gulf of Alaska unit—including the existing Forester Island, Hazy Islands, Saint Lazaria, and Tuxedni National Wildlife Refuges, the Barren Islands, Latax Rocks, Harbor, Pye, and Chiswell Islands, and islands, islets, rocks, or spires surrounding Kodiak and Afognak Islands, and all other Federal lands in the Gulf of Alaska reserved for purposes of classification under section 17 (d) (1) of the Alaska Native Claims Settlement Act, excluding lands within the National Forest System.

(6) Kanuti National Wildlife Refuge, containing approximately 1,240,000 acres of Federal land, which shall be managed for the following purposes, among others: To perpetuate nationally significant migratory waterfowl and mammal populations and the lands and waters of the Kanuti area; to protect habitat for and populations of fish and wildlife, including but not limited to these waterfowl, other birds, moose and furbearers, and caribou; and in a manner consistent with the conservation and protection of the fish and wildlife and their habitat, to provide opportunities for hunting, fishing, and other activities with respect to the wildlife resources, including continued subsistence uses.

(7) Nowitna National Wildlife Refuge, containing approximately 1,330,000 acres of Federal land, which shall be managed for the following purposes, among others: To perpetuate the nationally significant waterfowl utilizing the lands and waters of the Nowitna area; to protect habitat for and populations of fish and wildlife, including but not limited to waterfowl, other migratory birds, mammals, and migrating chum, coho, chinook, and other fish populations; and in a manner consistent with the conservation and protection of the fish and wildlife and their habitat, to provide opportunities for hunting, fishing, and other activities with respect to the fish and wildlife resources, including continued subsistence uses.

(8) Tetlin National Wildlife Refuge containing approximately 700,000 acres of Federal land, which shall be managed for the following purposes, among others: To perpetuate the fall flight of ducks from this area; to assure maximum opportunities for successful nesting of canvasback ducks; to protect the habitat for and populations of fish and wildlife, including but not limited to the Fortymile and Mentasta caribou herds and the calving ground of the Chisana caribou herd, waterfowl, and other birds, large mammals, and furbearers; to provide a variety of opportunities for interpretive, educational, and scientific fish and wildlife oriented recreational uses; and in a manner consistent with the conservation and protection of such fish and wildlife and their habitat, to provide opportunities for hunting, fishing, and other activities with respect to fish and wildlife, including continued subsistence uses. Regardless of any requirement that a study be conducted of areas within the Tetlin National Wildlife Refuge in accordance with subsections 3 (c) and (d) of the Wilderness Act, permits and rights-of-way for pipelines and other facilities and activities that may be required pursuant to section 9 of the Alaska Natural Gas Transportation Act of 1976 are hereby authorized.

PART B—ADDITIONS TO EXISTING AREAS

SEC. 202. (a) The following units of the National Wildlife Refuge System are hereby expanded:

(1) Clarence Rhode National Wildlife Range and Hazen Bay National Wildlife Refuge by the addition of an area containing approximately 12,830,000 acres of Federal lands; furthermore, the Clarence Rhode National Wildlife Range, Hazen Bay National Wildlife Refuge, and additions are hereby redesignated as the Yukon Delta National Wildlife Refuge, which shall be managed for the following purposes, among others: To perpetuate the significant fall flights of ducks, swans, and geese, including large numbers of emperor geese, cackling geese, and large numbers of black brant; to perpetuate significant numbers of shorebirds and waterbirds, including the bristle-thighed curlew; to protect habitat for and populations of fish and wildlife, including but not limited to the internationally significant migratory bird, fish, and marine mammal resources; to maintain the environmental integrity of rivers and lakes; and in a manner consistent with the conservation and protection of the fish and wildlife and their habitat, to provide opportunities for hunting, fishing, and other activities with respect to these resources, including continued subsistence uses.

(2) Arctic National Wildlife Range by the addition of an area containing approximately 7,870,000 acres of Federal land for furthering the purposes, among others: of protecting habitat for, and internationally significant populations of, caribou and migratory birds; perpetuating other migratory and resident fish and wildlife populations; protecting representative Arctic life zones and their primitive character; and in a manner consistent with the foregoing to provide continued opportunity for wildlife and wildland oriented recreational and subsistence uses.

(3) Kenai National Moose Refuge, by the addition of areas containing appproximately 250,000 acres of Federal land to further the purposes of the existing Kenai National Moose Range (hereby redesignated as a refuge), which refuge shall be managed for the following purposes, among others: To perpetuate a nationally significant population of moose; to protect habitat for and populations of fish and wildlife, including but not limited to moose and other mammals and waterfowl; and in a manner consistent with the conservation and protection of these fish and wildlife and their habitat, to provide opportunities for wildlife oriented recreation.

(4) Cape Newenham National Wildlife Refuge by the addition of an area containing approximately 3,310,000 acres of Federal land; furthermore, the Cape Newenham National Wildlife Refuge and additions are hereby redesignated as the Togiak National Wildlife Refuge, which shall be managed for the purposes, among others, of: protecting habitat for and populations of fish and wildlife including but not limited to the large populations of waterfowl, as well as marine birds and mammals associated with the Cape Newenham area; and in a manner consistent with the conservation and protection of these fish and wildlife and habitat, to permit hunting, fishing, and other activities with respect to these resources, including continued subsistence uses.

(b) All proclamations, Executive orders, public land orders, and similar actions reserving any lands, waters, or interests therein for refuge purposes within the boundaries of the areas designated as, or added to, units of the National Wildlife Refuge System by this Act shall remain in full force and effect as to such lands, waters, and interests therein thereby reserved; where the purposes of any such action are inconsistent with the purposes of any unit established by this Act, in such case the purposes of such unit set forth in this Act shall prevail. Any funds available on the effective date of this section for the purposes of any reservation shall continue to be available for the purposes of the unit established by this Act.

TITLE III—NATIONAL WILD AND SCENIC RIVERS SYSTEM

PART A—WILD AND SCENIC RIVERS WITHIN NATIONAL PARK SYSTEM

SEC. 301. Section 3(a) of the Wild and Scenic Rivers Act is amended by adding the following new paragraphs at the end thereof:

"(16) ALATNA, ALASKA.—The main stem within the Gates of the Arctic National Park; to be administered by the Secretary of the Interior.

"(17) ANIAKCHAK, ALASKA.—That portion of the river, including its major tributaries, Hidden Creek, Mystery Creek, Albert Johnson Creek, and North Fork Aniakchak River, within the Aniakchak National Monument and National Preserve; to be administered by the Secretary of the Interior.

"(18) BREMMER, ALASKA.—The main stem, and the North, South, and Middle Forks within the Wrangell-Saint Elias National Park; to be administered by the Secretary of the Interior.

"(19) CHARLEY, ALASKA.—The entire river, including its major tributaries, Copper Creek, Bonanza Creek, Hosford Creek, Derwent Creek, Flat-Orthmer Creek, Crescent Creek, and Moraine Creek, within the Yukon-Charley Rivers National Preserve; to be administered by the Secretary of the Interior.

"(20) CHILIKADROTNA, ALASKA.—That portion of the river within the Lake Clark National Park/Preserve; to be administered by the Secretary of the Interior.

"(21) CHITINA, ALASKA.—That portion of the river within the Wrangell-St. Elias National Park/Preserve; to be administered by the Secretary of the Interior.

"(22) COPPER, ALASKA.—That portion of the river (upper reach) within the Wrangell-Saint Elias National Park/Preserve; to be administered by the Secretary of the Interior.

"(23) JOHN, ALASKA.—That portion of the river within the Gates of the Arctic National Park; to be administered by the Secretary of the Interior.

"(24) KILLIK, ALASKA.—That portion of the river, including its major tributary, Easter Creek, within the Gates of the Arctic National Park; to be administered by the Secretary of the Interior.

"(25) KOBUK, ALASKA.—That portion within the Gates of the Arctic National Park; to be administered by the Secretary of the Interior.

"(26) MULCHATNA, ALASKA.—That portion within the Lake Clark National Park/Preserve; to be administered by the Secretary of the Interior.

"(27) NOATAK, ALASKA.—The river from its source in the Gates of the Arctic National Park to its confluence with the Kelly River in the Noatak National Ecological Preserve; to be administered by the Secretary of the Interior.

"(28) NORTH FORK OF THE KOYUKUK, ALASKA.—That portion within the Gates of the Arctic National Park; to be administered by the Secretary of the Interior.

"(29) TINAYGUK, ALASKA.—That portion within the Gates of the Arctic National Park; to be administered by the Secretary of the Interior.

"(30) TLIKAKILA, ALASKA.—That portion within the Lake Clark National Park; to be administered by the Secretary of the Interior.".

ADMINISTRATIVE PROVISIONS

SEC. 302. (a) The river segments designated in section 301 of this title are hereby classified and designated, and shall be administered, as wild river areas pursuant to the Wild and Scenic Rivers Act.

(b) The provisions of subsection 3(b) and section 6 of the Wild and Scenic Rivers Act shall not apply to the river segments listed in section 301. The provisions of title VI of this Act shall supercede those of section 13(a) of the Wild and Scenic River Act, concerning fish and wildlife.

PART B—WILD AND SCENIC RIVERS WITHIN NATIONAL WILDLIFE REFUGE SYSTEM

DESIGNATION

SEC. 303. Section 3(a) of the Wild and Scenic Rivers Act is amended by adding the following new paragraphs at the end thereof:

"(31) ANDREAFSKY, ALASKA.—That portion from its source, including all headwaters, and similarly the East Fork; to be administrated by the Secretary of the Interior.

"(32) IVISHAK, ALASKA.—That portion from its source including all headwaters and an unnamed tributary to Porcupine Lake, within the boundary of the Arctic National Wildlife Range; to be administered by the Secretary of the Interior.

"(33) KANEKTOK, ALASKA.—That portion from Kagati Lake to a point sixteen miles above the mouth; to be administered by the Secretary of the Interior.

"(34) KISARALIK, ALASKA.—From the headwaters to where the river leaves Federal lands in township 8 north, range 64 west; to be administered by the Secretary of the Interior.

"(35) NOWITNA, ALASKA.—The segment within the Nowitna National Wildlife Refuge downstream to its confluence with the Yukon River; to be administered by the Secretary of the Interior.

"(36) PORCUPINE, ALASKA.—The segment within the Yukon Flats National Wildlife Refuge and Arctic National Wildlife Range; to be administered by the Secretary of the Interior.

"(37) SHEENJEK, ALASKA.—The segment within the Yukon Flats National Wildlife Refuge and Arctic National Wildlife Range; to be administered by the Secretary of the Interior.

"(38) WIND, ALASKA.—That portion from its source, including all headwaters and one unnamed tributary in township 13 south, range 21 east, to the mouth; to be administered by the Secretary of the Interior.".

ADMINISTRATIVE PROVISIONS

SEC. 304. (a) The river segments designated in section 303 of this title are hereby classified and designated and shall be administered as wild river areas within National Wildlife Refuges.

(b) Notwithstanding any provisions to the countrary of the Wild and Scenic Rivers Act the boundaries of the river segments referred to in section 303 of this title may include up to one mile from the mean high water level on either side of the river segment. Notwithstanding the provisions of section 3(b) of such Act, the Secretary shall establish boundaries of the river segments referred to in section 303 of this title within three years after the date of enactment of this title.

(c) The provisions of section 6 of the Wild and Scenic Rivers Act shall not apply to the river segments referred to in section 303 of this title.

PART C—ADDITIONS TO NATIONAL WILD AND SCENIC RIVERS SYSTEM LOCATED OUTSIDE NATIONAL PARK SYSTEM UNITS AND NATIONAL WILDLIFE REFUGES

DESIGNATION

SEC. 305. Section 3(a) of the Wild and Scenic Rivers Act is amended by adding the following paragraphs at the end thereof:,

"(39) ALAGNAK, ALASKA.—The portion beginning at the source and running to the west boundary of township 13 south, range 43 west; to be administered by the Secretary of the Interior.

"(40) BIRCH CREEK, ALASKA.—The segment of the main stem from the vicinity of the confluence of the North Fork downstream to its intersection with the Steese Highway; to be administered by the Secretary of the Interior.

"(41) DELTA, ALASKA.—The segment from the headwaters to Black Rapids Glacier; to be administered by the Secretary of the Interior.

"(42) FORTYMILE, ALASKA.—The main stem within the State of Alaska; O'Brien Creek; South Fork; Napoleon Creek; Franklin Creek; Uhler Creek; Walker Fork downstream from the confluence of Liberty Creek; Wade Creek; Mosquito Fork downstream from the vicinity of Kechumstuk; West Fork Dennison Fork downstream from the confluence of Logging Cabin Creek; Dennison Fork downstream from the confluence of West Fork Dennison Fork; Logging Cabin Creek; North Fork; Hutchinson Creek; Champion Creek; the Middle Fork downstream from the confluence of Joseph Creek; and Joseph Creek; to be administered by the Secretary of the Interior.

"(43) GULKANA, ALASKA.—The main stem from Paxson Lake to Sourdough and the entire West and Middle Forks; to be administered by the Secretary of the Interior.

"(44) NOWITNA, ALASKA.—The segment from the point where the river crosses the west boundary of section 6, township 17 south, range 22 east, Fairbanks Principal Meridian, downstream to the southern boundry of the Nowitna National Wildlife Refuge; to be administered by the Secretary of the Interior.

"(45) UNALAKLEET, ALASKA.—The segment of the main stem beginning at 159 degrees 21 minutes 06.156 seconds west longitude approximately six miles from the headwaters extending downstream sixty miles to 160 degrees 19 minutes 15.031 seconds west longitude in the vicinity of the confluence of the Chiroskey River; to be administered by the Secretary of the Interior.

DESIGNATION FOR STUDY

SEC. 306. Section 5(a) of the Wild and Scenic Rivers Act is amended as follows:

(a) After paragraph (58) insert the following new paragraphs:

"(59) Beaver, Alaska.

"(60) Colville, Alaska.

"(61) Copper (Iliamna), Alaska.

"(62) Copper (from Siana to mouth), Alaska.

"(63) Holitna-Hoholitna, Alaska.

"(64) Killik, Alaska (segment from Gates of the Arctic National Park to the Colville River).

"(65) Koyuk, Alaska.

"(66) Melozitna, Alaska.

"(67) Nelchina-Tazlina, Alaska.

"(68) Nuyakuk, Alaska.

"(69) Situk, Alaska.

"(70) Stikine, Alaska.

"(71) Utukok, Alaska.".

(b) The studies of the rivers in paragraphs ( ) through (71) shall be completed and reports transmitted thereon not later than five full fiscal years from date of enactment of this subsection.

ADMINISTRATIVE PROVISIONS

SEC. 307. (a) The Alagnak, Andreafsky, Birch Creek, Gulkana, Ivishak, Kanektok, Kisaralik, Nowitna, Porcupine, Sheenjek, and Unalakleet components as well as the segment of the Delta component from the lower lakes area to a point opposite milepost 212 on the Richardson Highway; the Mosquito Fork downstream from the vicinity of Kechumstuk to Ingle Creek, North Fork; Champion Creek, Middle Fork downstream from the confluence of Joseph Creek, and Joseph Creek segments of the Fortymile component, and the segment of the Copper (Wrangell) component from its source to the north boundary of the Wrangell-Saint Elias National Park/Preserve, designated in section 305 of this title, are hereby classified and designated and shall be administered as wild river areas pursuant to the Wild and Scenic Rivers Act. The Wade Creek unit of the Fortymile component is classified and designated and shall be administered as a recreational river area, pursuant to such Act. The remaining segments of the Delta and Fortymile components are classified and designated and shall be administered as scenic river areas, pursuant to such Act. The classification as wild river areas of certain segments of the Fortymile by this subsection shall not preclude such access across those river segments as the Secretary determines to be necessary to permit commercial development of asbestos deposits in the North Fork drainage.

(b) The Secretary of the Interior shall take such action as is provided for under section 3(b) of the Wild and Scenic Rivers Act to establish detailed boundaries and formulate detailed development and management plans within one year after the date of enactment of this title with respect to the Alagnak, Birch Creek, Delta, and Gulkana components; within two years with respect to the Fortymile components; within three years with respect to the Nowitna, Porcupine and Sheenjek components; and within four years with respect to the Andreafsky, Ivishak, Kanektok, Kisaralik, and Unalakleet components. The detailed plan for each river (i) may include establishment of detailed boundaries not to exceed one mile from the mean high water level on either side of the river segments, and (ii) shall include the establishment of a corridor

based essentially on line-of-sight from the river within which the Secretary determines that minerals should continue to be withdrawn.

(c) Notwithstanding any provisions of the Wild and Scenic Rivers Act to the contrary, an area extending one mile from the mean high water level on either side of the river segments referred to in section 305 of this title is hereby withdrawn, subject to valid existing rights, from all forms of appropriation under the mining laws and from operation of the mineral leasing laws, including in both cases amendments thereto, pending establishment of the detailed boundaries provided for in subsection (b).

(d) The provisions of this title specifying average maximum permissible corridors for individual components shall supersede any provisions to the contrary of the Wild and Scenic Rivers Act.

(e) Notwithstanding the provisions of section 9(a)(iii) of the Wild and Scenic Rivers Act, the minerals in all Federal lands within the line-of-sight corridor established pursuant to subsection (b) included in any component or part of a component designated by this section as a wild river area are effective upon the establishment of such corridor, withdrawn, subject to valid existing rights, from all forms of appropriation under the mining laws and from operation of the mineral leasing laws including, in both cases, amendments thereto. The Secretary is authorized to open the remainder of the lands within the detailed boundaries of the river segment to mining and mineral leasing subject to such regulations as he may prescribe.

(f) The Secretary may seek cooperative agreements with the owners of non-Federal lands adjoining the wild and scenic rivers established by this title to assure that the purpose of such reservations are served to the greatest extent feasible.

(g) Notwithstanding any other provision of law or of this Act to the contrary, with respect to components of rivers herein designated and administered by the Secretary outside the boundaries of units of the National Park and Wild Refuge Systems, the Secretary may (i) grant access for oil and gas pipelines in accordance with the Mineral Leasing Act of 1920; (ii) permit, subject to such terms and conditions as he deems necessary, access for roads across, through, or over such river components; and (iii) permit the continued use of Federal lands, waters, and interests therein for customary and traditional transportation purposes and those required under existing international treaties.

(h) Valid Native selections or nominations of lands within the Killik or other river corridors designated as wild, scenic, recreational, or for study by this title, are hereby recognized and shall be honored and conveyed by the Secretary in accordance with the Alaska Native Claims Settlement Act.

TITLE IV—NATIONAL FOREST SYSTEM

SEC. 401. (a) So as to include entire units of local topography within the Tongass and Chugach National Forests in Alaska, there are hereby transferred to the Tongass National Forest approximately 1,444,000 acres of public lands in three units adjacent to the present boundary generally depicted on a map entitled "Potential NFS Additions in Alaska, dated ". There are hereby transferred to the Chugach National Forest approximately 1,465,000 acres of public lands in two units adjacent to the present boundary generally depicted on a map entitled "Potential NFS Additions in Alaska, dated ". Both maps shall be on file in accordance with the provisions of subsection 2(c) of this Act.

(b) There are hereby transferred to the Chugach National Forest some 900,000 acres of public lands adjacent to the present boundary extending northward along the Copper River as depicted on a map entitled "Copper River Additions to the Chugach National Forest" dated , which shall be on file in accordance with the provisions of subsection 2(c) of this Act. The Secretary of Agriculture shall manage the Copper River additions and adjacent lands in the Copper River Delta in accordance with the Forest and Rangelands Renewable Resources Planning Act of 1974, as amended, under land management plans which provide for adequate protection of significant wildlife values and utilization of other resource values which do not substantially interfere with such wildlife values. Sensitive treatment shall be given to the location and nature of any surface transportation facilities found necessary in the area with respect to wildlife, scenic, and primitive values.

TITLE V—DESIGNATION OF WILDERNESS AREAS AND WILDERNESS STUDY AREA PROVISIONS

DESIGNATION OF WILDERNESS AREAS

SEC. 501. (a) In accordance with subsection 3(c) of the Wilderness Act (78 Stat. 892), the lands, waters, and interests within the boundaries depicted as "Proposed Wilderness" on the maps referred to in this section are hereby designated as wilderness, with the nomenclature and approximate acreage as indicated below:

NATIONAL PARK SYSTEM

(1) Glacier Bay Wilderness of approximately 2.74 million acres as generally depicted on a map entitled "Glacier Bay National Park", and dated January 1978.

(2) Katmai Wilderness to approximately 3.63 million acres as generally depicted on a map entitled "Katmai National Park and Preserve", dated January 1978.

(3) Denali Wilderness of approximately 4.44 million acres as generally depicted on a map entitled "Denali National Park and Preserve", dated January 1978.

(4) Gates of the Arctic Wilderness of approximately 8.00 million acres as generally depicted on a map entitled "Gates of the Arctic National Park", January 1978.

(5) Kenai Fjords Wilderness of approximately 0.34 million acres as generally depicted on a map entitled "Kenai Fjords National Park", dated January 1978.

(6) Lake Clark Wilderness of approximately 2.60 million acres as generally depicted on a map entitled "Lake Clark National Park and Preserve", dated January 1978.

(7) Wrangell-Saint Elias Wilderness of approximately 7.74 million acres as generally depicted on a map entitled "Wrangell-Saint Elias National Park and Preserve", dated January 1978.

Use of previously existing primitive fish camp sites and use of motorized vehicles in furtherance of local commercial fishing operations shall be permitted to continue subject to such reasonable regulations as the Secretary deems desirable to maintain the primitive character, water quality, and fish and wildlife values of the area.

NATIONAL WILDLIFE REFUGE SYSTEM

(1) Kenai Wilderness of approximately 1.3 million acres; and

(2) Alaska Marine Resources Wilderness of approximately 2.47 million acres.

Aleutian Islands Wilderness, 1,300,000 acres;

Unimak Wilderness, 913,975 acres;

Semidi Wilderness, 251,860 acres.

(b) Lands designated as wilderness by this section shall be administered by the Secretary in accordance with the provisions of the Wilderness Act and as herein supplemented governing areas designated by that Act as wilderness areas, except that any reference in such provisions to the effective date of the Wilderness Act shall be deemed to be a reference to the effective date of this section, and any reference to the Secretary of Agriculture shall be deemed to be a reference to the Secretary. Nothing in this section shall be construed to expand, diminish, or modify the provisions of the Wilderness Act or the application or interpretation of such provisions with respect to lands outside of Alaska.

(c) In consideration of customary means of travel, limited transportation facilities, and the extensive areas involved in Alaska, use of snow machines, motorboats, or aircraft landings, where such use has become established, shall be permitted subject to wilderness management plans and reasonable restrictions as appropriate or subject to subsistence activities in accordance with the provisions of title VI.

(d) The Secretary is authorized to undertake directly or permit fish stocking, enhancement, rehabilitation and development activities and the development of aquaculture sites within the wilderness areas designated by this Act, in accordance with the provisions of section 502(b)(3).

(e) In accordance with the principles of sound fisheries management, the Secretary is authorized to permit commercial fisheries activities within wilderness areas designated by this Act, except within national parks.

WILDERNESS STUDY AND ADMINISTRATION

SEC. 502. (a) Within seven years from the effective date of this section, the Secretary shall report to the President, in accordance with subsections 3(c) and 3(d) of the Wilderness Act (78 Stat. 890; 16 U.S.C. 1132 (c) and (d)), his recommendations as to the suitability or nonsuitability of any area within the units of the National Park System and National Wildlife Refuge System, other than the units referred to in section 501 established or to which lands are added by titles II and III of this Act, for preservation as wilderness, and any designation of any such areas and wilderness shall be in accordance with the Wilderness Act. With regard to the designation of wilderness areas in the Tongass and Chugach National Forests, the Secretary of Agricultural shall recommend to the President and the President to the Congress, no later than January 30, 1979, areas for preservation as wilderness that total no less than six million five hundred thousand acres.

(b) It is the express intent of the Congress that the appropriate Secretary make diligent effort to complete his review and submit recommendations to the President as to the suitability or nonsuitability of areas for preservation as wilderness with respect to the maximum practicable acreage of land within the period of time referred to in subsection (a) of this section giving due consideration to the mineral assessment provisions of this Act. Pending the designation by the Congress of any such area as wilderness—

(1) such measures may be taken as the appropriate Secretary finds are necessary for the control of fire, insects, and diseases, subject to such conditions as he deems desirable to maintain the wilderness character of the area;

(2) customary patterns of travel, including customary use of aircraft, motorboats, and snowmobiles where such use has already become established, shall be permitted to continue in areas subject to wilderness study, subject only to such reasonable restrictions as the appropriate Secretary determines are necessary to prevent abuse, waste, or damage to terrain and to protect the continued viability of fish and wildlife resources, except—

(A) where such uses were, on January 1, 1977, prohibited by law or regulation;

(B) that use of snowmobiles for subsistence purposes may be permitted to the extent authorized by title VI; and

(C) that snowmobiles may not be used when snow cover and other weather conditions are such that there would be resulting damage to the terrain;

(3) in accordance with principles of sound fisheries management, the appropriate Sec-

retary is authorized to permit or undertake directly fish stocking, enhancement, rehabilitation and development activities and the development of aquaculture sites within areas subject to review for suitability or nonsuitability as wilderness, as he determines to be necessary and desirable to restore, augment, or sustain native fish populations. Structures for any such aquaculture site shall consist of only minimal facilities essential to the aquacultural operations; such facilities shall be constructed at such locations and in such manner as to blend into the natural character of the area. In constructing such structures no significant alteration to the natural contours of the terrain shall be permitted. Reasonable access including possible motorized access, may be permitted for necessary access in conjunction with activities undertaken pursuant to this section. In addition, such reasonable access may be provided for the evaulation of sites needed for fisheries enhancement, rehabilitation and development and for the construction, operation and maintenance of projects authorized by the appropriate Secretary;

(4) previously existing public use cabins within areas made subject to wilderness study by this Act, may be permitted to continue and may be maintained or replaced subject to such restrictions as the appropriate Secretary deems necessary to preserve the primitive character of the area;

(5) within areas made subject to wilderness study by this Act, the appropriate Secretary is authorized to construct and maintain a limited number of new cabins and shelters if such cabins and shelters are necessary for the protection of the public health and safety, for the protection and preservation of the primitive character of the area, or as may be necessary to meet requirements for the administration of the area; all such cabins or shelters shall be constructed of materials which blend and are compatible with the immediate and surrounding landscape;

(6) the appropriate Secretary may establish a reservation system and charge a reasonable fee for the use and occupancy of wilderness study area cabins or shelters in areas made subject to wilderness study;

(7) commercial services may be performed within the areas made subject to wilderness study by this Act to the extent necessary for activities which are proper for realizing the recreational or other purpose for the areas; and

(8) exploration for, and extraction of minerals, including oil and gas, may be permitted in accordance with title IX of this Act; and

(9) the appropriate Secretary is authorized to develop, on not more than 1,000 acres within each unit, facilities needed for the administration and management of each unit in accordance with a general management plan for the area and following public notification.

TITLE VI—SUBSISTENCE; FISH AND WILDLIFE MANAGEMENT

FINDINGS

SEC. 601. The Congress finds and declares that—

(1) the continuation of the opportunity for subsistence uses by Natives of Alaska on the public lands and on their Native lands is essential to their physical, economic, and cultural existence;

(2) the continuation of the opportunity for subsistence uses by some other residents of the State of Alaska on the public lands is essential to their physical, economic, and traditional existence;

(3) the situation in Alaska is unique in that, in most cases, no practical alternative means are available to replace the food supplies and other items gathered from fish and wildlife which supply persons dependent on subsistence uses;

(4) continuation of the opportunity for subsistence uses of resources on public and other lands in Alaska is threatened by the increasing population of Alaska, with resultant pressure on subsistence resources, by sudden decline in the populations of some wildlife species which are crucial subsistence resources, by increased accessibility of remote areas containing subsistence resources, and by taking of fish and wildlife in a manner inconsistent with recognized principles of fish and wildlife management;

(5) in order to fulfill the policies and purposes of the Alaska Native Claims Settlement Act, and as a matter of equity, it is necessary for the Congress to invoke its constitutional authority over Native affairs and over management of the public lands to protect and provide for continued subsistence uses on public lands by Alaska Natives and other Alaska residents; and

(6) the national interest in the proper regulation, protection, and conservation of fish and wildlife on the public lands in Alaska and the continuation of the opportunity for a subsistence way of life by the inhabitants of Alaska require that an administrative structure be established for the purpose of enabling people who have personal knowledge of local conditions and requirements to have a meaningful role in the management of fish and wildlife and of subsistence uses on the public lands in Alaska.

POLICY

SEC. 602. It is hereby declared to be the policy of Congress that—

(1) management policies on the public lands in Alaska are to cause the least adverse impact possible on rural people who traditionally and consistently depend upon subsistence uses of the resources of such lands; consistent with management of fish and wildlife in accordance with recognized scientific principles and the purposes for which each conservation system unit is established, designated, or expanded by or pursuant to this Act, the purpose of this title is to provide the opportunity for people engaged in a genuinely subsistence-oriented lifestyle to continue to do so if they desire and to allow such people to decide for themselves their own degree of subsistence dependency and the rate at which acculturation or adjustment to a nonsubsistence way of life may take place;

(2) nonwasteful subsistence use of wildlife and other renewable resources shall be the first priority consumptive use of all such resources on the public lands of Alaska, and where it is necessary to restrict taking in order to assure the continued viability of a fish or wildlife resource or the continuation of subsistence uses of such resource, the taking of such resource for nonwasteful subsistence uses shall be given preference on the public lands over recreational, sport, or other consumptive uses; and

(3) except as otherwise provided by this Act or other Federal laws, Federal land managing agencies, in managing subsistence activities on the public lands and in protecting the continued viability of all wild renewable resources in Alaska, shall cooperate with adjacent landowners and land managers, including Native corporations, appropriate State and Federal agencies, and other nations.

DEFINITION

SEC. 603. As used in this Act, the term "subsistence uses" means the noncommercial (except as provided under paragraph (2)) customary and traditional utilization within the State of wild, renewable resources for—

(1) direct personal or family use for food, shelter, fuel, clothing, tools, or transportation;

(2) the making and selling of handicraft articles (including clothing), but only out of nonedible byproducts of fish and wildlife taken for such personal or family use; or

(3) customary trade, barter, or sharing among subsistence users for personal or family use.

STATE REGULATION

SEC. 604. Except as otherwise provided by this Act and other Federal laws, the State may regulate, in a manner consistent with the policies set forth in section 602, the taking of fish and wildlife on public lands for subsistence uses by developing and implementing a subsistence management program which meets the requirements set forth in subsection (b).

(b) The subsistence management program of the State shall include at least the following elements:

(1) The maintenance of the natural stability and continued productivity of fish and wildlife populations which are on public lands and which are the subject of subsistence uses.

(2) A system capable of regulating and monitoring subsistence uses and other consumptive uses of such populations to ensure that timely and appropriate State action will be taken to carry out the purposes and policies of this title.

(3) A grievance procedure whereby any local council or regional council, required to be established under paragraph (6), which determines that the State is not in compliance, in whole or in part, with the State subsistence management program can obtain timely review of such determination by, and obtain appropriate relief from, the State agency referred to in paragraph (5)(A) or any other State rulemaking authority.

(4) The establishment of not less than five management regions which, taken together, shall include all public lands where the State is exercising regulatory authority under this title. The number and boundaries of the management regions shall be sufficient to assure that regional differences in subsistence uses are adequately accommodated.

(5) State laws or regulations which—

(A) provide for the regulation by a professionally staffed agency of the taking of fish and wildlife populations on the public lands for subsistence uses, provide that such agency have an administrative structure compatible with the provisions of this section, and provide for an agency which has adequate enforcement authority;

(B) provide preference for nonwasteful subsistence uses by local residents over other consumptive uses of fish and wildlife populations on the public lands; and

(C) provide, whenever it is necessary to restrict the taking of such populations on public lands for subsistence uses in order to protect their natural stability and continued productivity, or to continue such uses, for the establishment of appropriate restrictions and limitations on, and preferences for, such uses which shall be based on—

(i) customary and direct dependence upon the populations as the mainstay of livelihood,

(ii) local residency, and

(iii) the availability of alternative resources.

(6) A system of local and regional fish and wildlife councils within each management region established pursuant to paragraph (4). Each regional council shall be composed of residents of the region concerned and shall have the following functions:

(A) The review, development, and evaluation of proposals for regulations, policies, management plans, and other matters relating to the conservation and utilization of fish and wildlife within such region.

(B) The provision of a forum for the expression of opinions and recommendations by persons interested in any phase of fish and wildlife conservation and utilization.

(C) The taking of appropriate action to

ensure local and regional participation in the decisionmaking process affecting the taking of fish and wildlife populations on public lands within the region for subsistence uses.

(D) The preparation of a recommended subsistence management plan for such region which shall be submitted to the State agency referred to in paragraph (5)(A). The plan shall be updated annually and shall contain—

(i) an identification of current and anticipated subsistence uses of fish and wildlife populations within the region;

(ii) an evaluation of current and anticipated subsistence needs for fish and wildlife populations within the region;

(iii) a recommended strategy for the management of fish and wildlife populations to accommodate such subsistence uses and needs; and

(iv) recommendations concerning policies, standards, guidelines, and regulations necessary to implement the plan.

The local councils within each management region shall provide advice to, and shall assist, the regional council with respect to carrying out the functions set forth in this paragraph.

(7) The assignment of adequate and necessary qualified staff to the regional councils and the timely distribution of all available relevant technical and scientific support data to the local councils and regional councils.

(8) A requirement that the State agency referred to in paragraph (5)(A) or any other State rulemaking authority shall be guided by the advice and recommendations of the regional councils concerning the taking of fish and wildlife populations on public lands within their respective regions for subsistence uses and shall implement such recommendations unless the agency or authority, after a public hearing, determines that any such recommendation is not supported by substantial evidence presented at the hearing, violates recognized scientific principles of fish and wildlife conservation, or would be detrimental to the satisfaction of subsistence needs.

ENFORCEMENT DUTIES OF SECRETARY OF THE INTERIOR

SEC. 605. (a) The Secretary shall monitor the State subsistence management program and the implementation of such program. If the Secretary, after notice and hearing, determines that the program or its implementation is not in compliance with this title, the Secretary shall so notify the State and shall indicate changes in the program or its implementation which he considers necessary to bring the State into compliance.

(b) If a local council or regional council required to be established under section 604(b)(6) determines that the State is not in compliance, in whole or in part, with the State subsistence management program, such council shall notify the Secretary in writing outlining the factual basis for such determination and detailing efforts which have been made to obtain timely relief through the grievance procedure referred to in section 604(b)(3). If the Secretary finds that based upon the representations of the council there is cause to believe that the State is not in compliance, in whole or in part, with the State program and that such council has failed to obtain timely relief through the State grievance procedure, he shall investigate and report publicly on the results of his investigation. If such results support the contention of the council, the Secretary shall so notify the State and shall indicate changes in its program or its implementation which he considers necessary to bring the State into compliance.

(c) If the State fails—

(1) to implement a subsistence management program within eighteen months after the date of the enactment of this Act or by such later date as the Secretary deems reasonable; or

(2) to make, after a reasonable date, the changes in the subsistence management program or its implementation as indicated by the Secretary under subsection (a) or (b);

and the Secretary determines that such failure threatens the natural stability and continued productivity of the fish and wildlife populations on public lands in the area concerned, or the ability of subsistence-dependent Alaska residents in such area to satisfy their subsistence needs, the Secretary may close the public lands in such area to all consumptive uses except subsistence uses by local residents. The Secretary shall afford the State an opportunity to appeal such closure. Within thirty days after receipt of notice of such appeal, the Secretary shall afford the State a public hearing and, within thirty days after such hearing, shall make his final decision on such appeal. Unless the Secretary affirmatively establishes that the State is not in compliance with this title or with the subsistence management program, and that the resulting threat determined under the preceding sentence exists, the Secretary shall revoke the closure. If the Secretary establishes that the State is not in such compliance, and that such resulting threat does exist, he may continue the closure, in whole or in part, until the State adopts measures complying with the Secretary's determination, or until such threat is otherwise ameliorated.

(d)(1) Notwithstanding any other provision of this Act or other law, the Secretary, after consultation with the State and adequate notice and public hearing, may temporarily close any public lands (including those within any conservation system unit), or any portion thereof, to subsistence uses if necessary for reasons of public safety, administration, or to assure the natural stability and continued productivity of one or more fish or wildlife populations on such lands which are subject to such uses. If the Secretary determines that an emergency situation exists and that extraordinary measures must be taken for public safety or to assure the natural stability and continued productivity of one or more fish and wildlife populations on such lands which are subject to such uses, the Secretary may immediately close the public lands, or any portion thereof, to subsistence uses and shall publish the reasons justifying the closure in the Federal Register. Such emergency closure shall be effective when made, shall not extend for a period exceeding sixty days, and may not subsequently be extended unless the Secretary affirmatively establishes, after adequate notice and public hearing, that such closure should be extended.

(2) If after notice to the State under subsection (a) or (b), the Secretary determines that extraordinary measures must be taken to protect public welfare, he may open public lands, or any portion thereof, to subsistence uses by local residents and publish the reasons justifying such action in the Federal Register. Such emergency action shall be effective when made, but shall not extend for a period of time greater than sixty days, or until such time as the threat to the public welfare which necessitated such action has been resolved, whichever time first occurs.

COOPERATIVE ARRANGEMENTS

SEC. 606. The Secretary may enter into cooperative agreements or otherwise cooperate with other Federal agencies, the State, Native Corporations, other appropriate persons and organizations, and, acting through the Secretary of State, other nations to effectuate the purposes and policies of this title.

SUBSISTENCE AND LAND USE DECISIONS

SEC. 607. In determining whether to withdraw, reserve, lease, or otherwise permit the use, occupancy, or disposition of public lands under any provision of law authorizing such actions, the head of the Federal agency having primary jurisdiction over such lands or his designee shall evaluate the effect of such use, occupancy, or disposition on the subsistence needs, the availability of other lands for the purposes sought to be achieved, and other alternatives which would reduce or eliminate the use, occupancy, or disposition of public lands needed for subsistence purposes. No such withdrawal, reservation, lease, permit, or other use, occupancy, or disposition of such lands which would significantly restrict subsistence uses shall be effected until the head of such Federal agency—

(1) gives notice to the State agency referred to in section 604(b)(5) and the appropriate local councils and regional councils required to be established under section 604(b)(6) if such councils have been established,

(2) gives notice of, and holds, a hearing in the vicinity of the area involved, and

(3) determines that (A) such a significant restriction of subsistence uses is necessary, consistent with sound management principles for the utilization of the public lands, (B) the proposed activity will involve the minimal amount of public lands necessary to accomplish the purposes of such use, occupancy, or other disposition, and (C) adequate steps will be taken to minimize adverse impacts upon subsistence uses and resources resulting from such actions.

ACCESS

SEC. 608. The Secretary shall ensure that persons engage in traditional or customary subsistence activities shall have appropriate access to subsistence resources on the public lands.

SNOWMOBILES AND MOTORBOATS

SEC. 609. Notwithstanding any other provision of this Act or other law, the Secretary shall permit on the public lands appropriate use for subsistence purposes of snowmobiles, motorboats, and other means of surface transportation traditionally employed for such purposes, subject to such regulations as are necessary to prevent abuse, waste, or damage to fish and wildlife, habitat, or other natural values.

RESEARCH

SEC. 610. The Secretary, acting through the United States Fish and Wildlife Service and in cooperation with the State and other appropriate Federal agencies, shall undertake research on fish and wildlife and subsistence activities on the public lands, seek data from, consult with and utilize the special knowledge of subsistence users; and make the results of such research available to the State, the local councils and regional councils required to be established under section 604(b)(6), subsistence users, and other appropriate persons and organizations.

PERIODIC REPORTS

SEC. 611. Within four years after the date of the enactment of this Act, and within every three-year period thereafter, the Secretary, in consultation with the Secretary of Agriculture, shall prepare and submit a report to the President of the Senate and the Speaker of the House of Representatives on the implementation of this title. The report shall include—

(1) an evaluation of the results of the monitoring undertaken by the Secretary as required by section 605(a);

(2) the status of fish and wildlife populations on public lands that are subject to subsistence uses;

(3) a description of the nature and extent of subsistence uses and other uses of fish and wildlife on the public lands;

(4) the role of subsistence uses in the economy and culture of rural Alaska;

(5) comments on the Secretary's report by the State, the local councils and regional councils required to be established under section 604(b)(6), and other appropriate persons and organizations;

(6) a description of those actions taken, or which may need to be taken in the future, to permit the continuation of activities relating to subsistence uses on the public lands; and

(7) such other recommendations the Secretary deems appropriate.

A notice of the report shall be published in the Federal Register and the report shall be made available to the public.

REGULATIONS

SEC. 612. The Secretary and the Secretary of Agriculture shall each prescribe such regulations as are necessary and appropriate to carry out their respective responsibilities under this title.

OTHER LAWS

SEC. 613. Nothing in this title shall be deemed to modify or repeal the provisions of any Federal law governing the conservation or protection of fish and wildlife.

LIMITATIONS

SEC. 614. (a) Nothing in this title shall be construed as granting any property right in any fish or wildlife or other resource of the public lands or as permitting the level of subsistence uses of fish and wildlife on such lands to be significantly expanded beyond the level of such uses occurring during the ten-year period before January 1, 1978. No privilege which may be granted by the State to any individual with respect to subsistence uses under the State subsistence management program may be assigned to any other individual.

(b) Nothing in this title shall be construed as permitting any subsistence use of the resources of any portion of the public lands (whether or not within any conservation system unit) if any such use was not permitted on the date of the enactment of this Act or as vesting elsewhere than in the Secretary any authority to manipulate habitat on any portion of the public lands.

REIMBURSEMENT TO THE STATE

SEC. 615. (a) The Secretary may reimburse the State wildlife agency, from funds appropriated to the Department of the Interior, for reasonable costs relating to the establishment and operation of the local councils and regional councils required to be established under section 604(b)(6). Such reimbursement may not exceed 50 per centum of such costs in any fiscal year. Such costs shall be verified in a statement which the Secretary determines to be adequate and accurate. Sums paid under this section shall be in addition to any grants, payments, or other sums to which the State is entitled from appropriations to the Department of the Interior. The Secretary shall ensure that such grants, payments, or other sums are expended in a manner consistent with the policies set forth in section 602.

(b) Total payments to the State under this section shall not exceed the sum of $5,000,000 in any one fiscal year.

(c) The Secretary shall periodically review the financial aspects of implementing the State program and shall advise the Congress at least once in every five years as to whether or not the maximum amount of payments specified in subsection (b) is adequate for proper implementation of the State program.

TITLE VII—COOPERATIVE STUDY AND PLANNING COMMISSION

SEC. 701. (a) There is hereby established the Alaska Cooperative Study and Planning Commission (hereinafter referred to as the "Commission"). The Commission shall consist of the directors of the Bureau of Outdoor Recreation, National Park Service, Fish and Wildlife Service, Bureau of Land Management, and the Chief of the Forest Service, and to the extent that the State of Alaska shall concur in accordance with subsection (d), five members appointed by the Governor of Alaska (hereinafter referred to as the "Governor"), together with three public members, appointed by the Secretary from recommendations submitted to him by Native Village and Regional Corporations. There shall be two cochairmen, including one as the State shall prescribe and one chosen by lot from among the Federal members, who shall serve as cochairman for one year; thereafter the Federal cochairmanship shall revolve annually in the order listed in the second sentence of this subsection.

(b) Members of the Commission who are Federal employees shall receive no additional compensation for service on the Commission. Public members of the Commission shall receive the daily equivalent of the annual rate of basic pay in effect for grade GS-15 of the General Schedule (as contained in title 5, United States Code) for each day during which they are engaged in the performance of duties for the Commission. While away from their homes or regular places of business in the performance of services for the Commission, members of the Commission shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under section 5703(b) of title 5 of the United States Code.

(c) The Commission shall have an Executive Director who shall be appointed by the Secretary with the majority consent of the Commission and who shall be compensated at a rate established by the Secretary but not in excess of that provided for level V of the Executive Schedule contained in title 5, United States Code. The Executive Director shall appoint and fix the compensation of such additional staff the Commission approves.

(d) As an express condition to participation in the work of the Commission, the State of Alaska shall agree to contribute funds equal to 35 per centum of the Commission's annual operating expenses, including funds, staff and property as may be found necessary by the Commission in carrying out its functions. The Federal agencies together shall annually contribute funds equal to 65 per centum of the Commission's annual operating expenses, including funds, staff and property as may be found necessary by the Commission in carrying out its functions.

(e) The Commission shall meet at the call of the cochairmen, but not less than once each calendar year. In addition, the Commission may, for the purpose of carrying out the provisions in this section, hold such hearings, take such testimony, receive such evidence and print or otherwise reproduce and distribute reports concerning so much of its proceedings as the Commission deems advisable. The cochairmen shall submit a report of each meeting or hearing, together with any recommendations the Commission deems appropriate, to the Secretary, the Governor of Alaska, and the head of each Native Regional Corporation.

(f) The Commission shall adopt such internal rules of procedure and organization as it deems necessary. All Commission meetings shall be open to the public and at least thirty days prior to the date when any meeting of the Commission is to take place the cochairmen shall provide public notice in the Federal Register and in newspapers of general circulation in various areas throughout Alaska; and shall be subject to the provisions of the Federal Advisory Committee Act.

(g) The function of the Commission shall be to coordinate, review, or conduct studies and advise the Secretary and the Secretary of Agriculture, other Federal agencies, the State of Alaska, and Native Corporations with respect to ongoing, planned, and proposed land and resource uses in Alaska, including transportation planning, land use designation, fish and wildlife management, tourism, agriculture development, coastal zone management, and such other matters as may be submitted for advice by the members.

(h) The Commission may, with the concurrence of the members having administrative jurisdiction over the lands and waters and fish and wildlife resources therein, recommend cooperative planning and management of lands or resources where the actions by one member materially affect the management of lands or resources by another member or members. Federal members of the Commission are hereby authorized and encouraged to enter into cooperative agreements with other Federal members and with State and Native members providing for mutual consultation, review, and coordination of resource management plans and programs within such zones.

(i) In addition to its functions as set forth above, the Commission shall study and investigate ongoing and potential uses of lands and waters within the areas generally depicted as "Alaska Peninsula Study Area", "Iliamna Lake—Wood-Tikchik—Bristol Bay Study Area", "Wrangell-Saint Elias National Preserve Study Area", and "Tetlin Study Area", on the map entitled " ", numbered , and dated , which shall be on file and available in the same manner as the maps referred to in section 2 of this Act. The designated areas shall be administered by the agency or agencies presently managing them, unless changed by the operation of this Act. The managing agency shall exercise a high degree of environmental concern in the administration of these lands pending completion of the study. Within three years from the date of approval of this Act, the Commission shall prepare and adopt a plan for the management of resources within each of the study areas depicted on the foregoing map. Each plan shall include the proposed classification of lands, waters, and resources for appropriate uses, and any recommended land exchanges which might help further national, State, and private interests. Such classification shall be binding upon the landowner or the agency having administrative jurisdiction over the land only if such owner or agency representative agrees, within the limits of applicable law and appropriations, to be bound by the classification proposed by the Commission: *Provided*, That in the absence of such agreement the land owner or agency representative have no vote on the adoption of the plan.

TITLE VIII—IMPLEMENTATION OF ALASKA NATIVE CLAIMS SETTLEMENT ACT AND ALASKA STATEHOOD

CONVEYANCE OF CORE TOWNSHIP LANDS AND OF NATIVE RESERVES

SEC. 801 (a)(1) For each Village Corporation for a Native Village which, by the date of enactment of this Act—

(A) had been determined to be eligible under the Alaska Native Claims Settlement Act hereinafter in this title referred to as the "Settlement Act" by the Secretary; and

(B) such eligibility determination is not the subject of existing litigation in a Court of competent jurisdiction; and

(C) did not elect pursuant to section 19(b) of the Settlement Act to receive fee title to a former Native Reserve:

subject to valid existing rights, there is hereby conveyed to and vested in each Village Corporation referred to in the paragraph section all of the right, title, and interest of the United States in and to the surface estate in the land and submerged under water areas within the township or townships in which all or any part of such Village is located.

(2) The conveyance under paragraph (1) shall not include such lands and waters which on December 18, 1971, were—

(A) appropriated by or reserved for defense purposes, other than Naval Petroleum Reserve No. 4 (now National Petroleum Reserve—Alaska), or that are within the National Park System; or

(B) appropriate by or reserved for the use and benefit of a Federal Agency, except the reservation for a National Wildlife Refuge or a National Forest; or

(C) embraced in a disposal entry, including but not limited to a homestead, trade and manufacturing site or mining claim, of record with the Bureau of Land Management and not relinquished or finally rejected as invalid on the date of this Act; or

(D) within two miles from the boundary of any home rule or first class city or which are within six miles from the boundary of Ketchikan, as those boundaries existed on December 18, 1971, except as provided by the Secretary's regulations at 43 CFR 2650.6(a); or

(E) reserved to or validly selected by the State of Alaska (or Territory, as appropriate) under the act of March 4, 1915 (38 Stat. 1214), as amended, the act of January 21, 1929 (45 Stat. 1091), or the act of July 28, 1956 (70 Stat. 709) and such selections or reservations were not revoked, relinquished, or determined invalid; or

(F) submerged lands under navigable waters conveyed to the State of Alaska by the Alaska Statehood Act of 1959 hereinafter in this title referred to as the "Statehood Act".

(3) No conveyance in this subsection shall consist of more than 69,120 acres, or, in the case of a Village Corporation for a Native Village listed in section 16(a) of the Settlement Act, consist of lands validly selected by the State of Alaska under the Statehood Act or exceed 23,040 acres of land, including submerged lands.

(4) Where two or more Village Corporations are entitled to the same land, including submerged lands, by virtue of the same township or townships embracing all or part of the Native Villages, the conveyance made by this subsection shall not be effective until an arbitration decision, as required by section 12(e) of the Settlement Act, or other binding agreement between or among the Corporations is filed with the Secretary in accordance with regulations promulgated by the Secretary. Within 30 days of receipt of such decision or agreement the Secretary shall publish notice of such decision or agreement in the Federal Register. Effective with such publication in the Federal Register, title to the lands, including submerged lands, conveyed by this subsection shall vest in each Village Corporation as specified in the decision or agreement.

(5) Lands excluded from conveyance by this subsection may thereafter be conveyed to the appropriate Corporation where the Secretary determines such lands are available to such Corporation under the Settlement Act; provided that such additional conveyance does not exceed the entitlement of that Corporation.

(6) Except where such lands, including submerged lands, are within Naval Petroleum Reserve No. 4 or a unit of the National Wildlife Refuge System, as a result of a conveyance of the surface estate to a Village Corporation by subsection (a), there is hereby conveyed to and vested in each Regional Corporation all of the right, title and interest of the United States in and to the subsurface estate to which the Regional Corporation would have been entitled to pursuant to section 14(f) of the Settlement Act.

(7) All conveyances made by this subsection shall be subject to the terms and conditions of sections (14)c, 14(f), 14(g), 15, 16(b), 17(b)(2), and 22(c), (d), (g), (j), (k), and (l) of the Settlement Act as if such conveyances had otherwise been made under the Settlement Act.

(8) Nothing herein shall be deemed to vest any new rights to the Corporation formed for the Native Village of Klukwan, which Corporation shall receive those rights granted to it by Public Law 94-204 (Stat.), as amended by Public Law 94-456 (90 Stat. 1334).

(b)(1) For each Village Corporation for a Native Village which, by the date of enactment of this Act:

(A) had been determined to be eligible under the Settlement Act by the Secretary; and

(B) such eligibility determination is not the subject of existing litigation in a Court of competent jurisdiction; and

(C) which, under the provisions of section 19(b) of the Settlement Act, elected to receive fee title to a former Native Reserve, subject to valid existing rights, there is hereby conveyed to and vested in each Village Corporation in this paragraph all of the right, title, and interest of the United States in and to the land, including submerged lands, in the Reserve, as such Reserve existed as of the date of enactment of the Settlement Act, in which the Village is located, except those lands that on December 18, 1971, were appropriated by or reserved for a specific Federal Installation.

(2) Conveyances made by this subsection shall be subject to the terms and conditions of sections 14(c), 14(g), 17(b)(2), 22(c), 22(d) and 22(j) of the Settlement Act as if such conveyance had otherwise been made under the Settlement Act.

(3) Nothing herein shall be deemed to vest any new rights to the Corporation formed for the Native Village of Klukwan which shall receive those rights granted to it by Public Law 94-204 (Stat.), as amended by Public Law 94-456 (90 Stat. 1934).

(c)(1) As soon as possible after the date of enactment of this Act, the Secretary shall issue to each Native corporation referred to in subsections (a) and (b) interim conveyances or patents to the estate or estates conveyed to such corporation by such subsections, but title shall be deemed to have passed on the date of enactment of this Act, except where subsection (a)(4) of this section applies, for which title shall be deemed to have passed on the date of the publication of the decision or agreement in the Federal Register, notwithstanding any delay in the issuance of the interim conveyances or patents.

(2) For a period of three years, but in no case after patent has issued, from the date of enactment of this Act, the Secretary may identify and reserve those easements, pursuant to section 17(b) of the Settlement Act, he determines are necessary to provide access between or among non-Native owned lands or points of public use, such as airports and docks, within the lands conveyed by subsections (a) and (b) and such access, transportation, and utility easements that the Secretary determines necessary between public access points within the lands conveyed by subsections (a) and (b) and publicly owned lands and resources located outside of such lands. The Secretary shall not reserve a greater number of easements or more land for a particular easement or easements than is reasonably and actually necessary.

OTHER CONVEYANCES TO NATIVE CORPORATIONS

SEC. 802. (a) In addition to lands conveyed in accordance with section 801, there are hereby granted to each Native Corporation formed pursuant to the Alaska Native Claims Settlement Act and to each Native group (as defined in section 3(d) of such Act) qualified to receive land under such Act all those other lands which they are entitled to receive under such Act, to the extent such lands have been selected as of the date of enactment of this Act.

(b) For purposes of this section, all those lands specified in the document entitled " ", which sets forth the selections of each Native Corporation or group and which was submitted under date of to the House Committee on Interior and Insular Affairs, shall be deemed to be the lands to be conveyed to such corporations to the extent of entitlement.

(c) As soon as possible after the date of enactment of this Act, the Secretary shall issue interim conveyances or patents, conforming to the requirements of the Alaska Native Claims Settlement Act, for the lands described in this section. As to any such lands for which interim conveyances or patents have not been issued within three years after the date of enactment of this Act any Native Corporation or group may thereafter apply to any appropriate Federal district court for an appropriate order confirming the conveyance of any such lands, free and clear of any reservations of easements, other than those easements required to be reserved pursuant to section 14(g) and section 17(b) of the Alaska Native Claims Settlement Act or pursuant to this Act.

ADMINISTRATIVE PROVISIONS

SEC. 803. (a) In identifying and reserving easements required pursuant to section 17(b) of the Alaska Native Claims Settlement Act, to be reserved on lands conveyed to Village and Regional Corporations, the Secretary shall be guided by the following principles:

(1) all easements shall be designed so as to minimize their impact on the compactness and integrity of Native lands; and

(2) each easement shall be specifically located and limited and shall include only such areas as are essential for the purpose or purposes for which the easement is reserved.

(b) In every case where, after conveyances have been made pursuant to this Act or to the Alaska Native Claims Settlement Act, the Secretary determines an easement not reserved at the time of conveyance is required for any lawful purpose, he is authorized to acquire such easement in accordance with any applicable provisions of law. The acquisition of such easements shall be deemed a public purpose for which the Secretary may exercise his exchange authority pursuant to section 22(f) of the Alaska Native Claims Settlement Act. In acquiring any such easement, the Secretary shall be guided by the principles set forth in this section.

(c) The National Environmental Policy Act of 1969 shall not be construed in whole or part as requiring the preparation or submission of an environmental impact statement before withdrawal or conveyance of land to Natives and Native Corporations, or a decision to reserve or not to reserve any easements thereon, under the Settlement Act or this Act.

STATE SELECTIONS AND CONVEYANCES

SEC. 804. (a) In furtherance and confirmation of the State of Alaska's entitlement to certain national forest and other public lands in Alaska for community development and expansion purposes, section 6(a) of the Alaska Statehood Act is amended by substituting "thirty-five years" for "twenty-five years".

(b) In furtherance and confirmation of the State of Alaska's entitlement to certain public lands in Alaska, section 6(b) of the Alaska Statehood Act is amended by substituting "thirty-five years" for "twenty-five years" and, as to future State land selections, by repeal of the second proviso, regarding Presidential approval of land selections north and west of the line described in section 10 of such Act.

(c)(1) In full and final settlement of any and all claims by the State of Alaska arising under the Act of March 4, 1915 (38 Stat. 1214), including claims to surveyed lands which were within Federal reservations or withdrawals at the time Alaska became a State, the State is hereby granted seventy-

five thousand acres which it shall be entitled to select until January 4, 1994, from vacant, unappropriated, and unreserved public lands in Alaska.

(2) Except as provided herein, such selections shall be made in conformance with the provisions for selections under section 6(b) of the Alaska Statehood Act. Selections made under this subsection shall be in units of whole sections as shown on the official survey plats of the Bureau of Land Management, including protraction diagrams, unless part of the section is unavailable or the land is otherwise surveyed, or unless the Secretary waives the whole section requirement.

(3) Lands selected and conveyed to the State under this subsection shall be subject to the provisions of section 6 (j) and (k) of the Alaska Statehood Act.

(d) (1) All tentative approvals of the State of Alaska land selections pursuant to the Alaska Statehood Act are hereby ratified and confirmed, subject only to valid existing rights and Native selection rights under the Alaska Native Claims Settlement Act, and the United States hereby confirms that all right, title, and interest of the United States in and to such lands is deemed to have vested in the State of Alaska as of the date of tentative approval; except that this subsection shall not apply to tentative approvals which, prior to the date of enactment of this Act, have been relinquished by the State, or have been finally revoked by the United States under authority other than authority under section 11(a)(2), 12(a), or 12(b) of the Alaska Native Claims Settlement Act.

(2) Upon approval of a land survey by the Secretary, such lands shall be patented to the State of Alsaka.

(3) If the State elects to receive patent to any of the lands which are the subject of this subsection on the basis of protraction surveys in lieu of field surveys, the Secretary shall issue patent to the State on that basis within six months after notice of such election for townships having no adverse claims on the public land records. For townships having such adverse claims of record, patent on the basis protraction surveys shall be issued as soon as practicable after such election. The State shall bear the burden of loss of acreage due to errors, if any, in any such protraction survey.

(4) Future tentative approvals of State land selections, when issued, shall have the same force and effect as those existing tentative approvals which are confirmed by this subsection and shall be processed for patent by the same administrative procedures as specified in paragraphs (2) and (3) of this subsection.

(e) (1) All existing valid State land selections made pursuant to the Alaska Statehood Act are hereby confirmed, subject only to valid existing rights and Native selection rights under the Alaska Native Claims Settlement Act.

(2) As soon as practicable after the date of enactment of this Act, the Secretary shall issue tentative approvals to such State selections as required by the Alaska Statehood Act and pursuant to subsection (j) of this section. The sequence of issuance of such tentative approvals shall be on the basis of priorities determined by the State. All right, title, and interest of the United States shall vest in the State of Alaska upon issuance of such tentative approvals.

(3) Upon approval of a land survey by the Secretary, such lands shall be patented to the State of Alaska.

(4) If the State elects to receive patent to any of the lands which are the subject of this subsection on the basis of protraction surveys in lieu of field surveys, the Secretary shall issue patent to the State on that basis within six months after notice of such election for townships having no adverse claims on the public land records. For townships having such adverse claims of record, patent on the basis of protraction surveys shall be issued as soon as practicable after such election. The State shall bear the burden of loss of acreage due to errors, if any, in any such protraction survey.

(5) Future valid State land selections shall be subject only to valid existing rights and Native selection rights under the Alaska Native Claims Settlement Act.

(f) Subject to valid existing and Native selection rights under the Alaska Native Claims Settlement Act, the State, at its option, may file future selection applications and amendments thereto, pursuant to section 6 (a) or (b) of the Alaska Statehood Act or subsection (c) of this section, for lands which are not, on the date of filing of such applications, available lands within the meaning of section 6 (a) or (b) of the Alaska Statehood Act. Each such selection application, if otherwise valid, shall become an effective selection without further action by the State upon the date the lands included in such application become available within the meaning of such section 6 (a) or (b) regardless of whether such date occurs before or after expiration of the State's land selection rights. Selection applications heretofore filed by the State may be refiled so as to become subject to the provisions of this subsection; except that no such refiling shall prejudice any claim of validity which may be asserted regarding the original filing of such application. Nothing contained in this subsection shall be construed to prevent the United States from transferring a Federal reservation or appropriation from one Federal agency to another Federal agency for the use and benefit of the Federal Government.

(g)(1) The State of Alaska may select lands exceeding by not more than 25 per centum in total area the amount of State entitlement which has not been patented or tentatively approved under each grant or confirmation of lands contained in the Alaskan Statehood Act or other law. If its selections under a particular grant exceed such remaining entitlement, the State shall thereupon list all selections for that grant which have not been tentatively approved in desired priority order of conveyance, in blocs no larger than one township in size; except that the State may alter such priorities prior to receipt of tentative approval. Upon receipt by the State of subsequent tentative approvals, such excess selections shall be reduced by the Secretary pro rata by rejecting the lowest prioritized selection blocs necessary to maintain a maximum excess selection of 25 per centum of the entitlement which has not yet been tentatively approved or patented to the State under each grant.

(2) The State of Alaska may, by written notification to the Secretary, relinquish any selections of land filed under the Alaska Statehood Act or subsection (c) of this section prior to receipt by the State of tentative approval, except that lands conveyed pursuant to subsection (b) of this section may not be relinquished pursuant to this paragraph.

(3) Section 6(g) of the Alaska Statehood Act is amended by adding at the end thereof the following new sentence: "As to all selections made by the State after January 1, 1979, pursuant to section 6(b) of this Act, the Secretary of the Interior, in his discretion, may waive the minimum tract selection size where he determines that such a reduced selection size would be in the national interest and would result in a better land ownership pattern.".

(h) In furtherance of the State's entitlement to lands under section 6(b) of the Alaska Statehood Act, the United States hereby conveys to the State of Alaska all right, title, and interest of the United States in and to all vacant, unappropriated, and unreserved lands, including lands subject to subsection (m) of this section, which lie within those townships outside the boundaries of conservation system units established, designated, or expanded by this Act, which are specified in the list of State Selection Interest Lands submitted by the State of Alaska and on file in the office of the Secretary of the Interior, and as depicted on the map entitled " ", dated 1978.

(i)(1) Lands identified in subsection (h) are conveyed to the State subject to valid existing rights and Native selection rights under the Alaska Native Claims Settlement Act. All right, title, and interest of the United States in and to such lands shall vest in the State of Alaska as of the date of enactment of this Act, subject to those reservations specified in subsection (m) of this section.

(2) As soon as practicable after the date of enactment of this Act, the Secretary shall issue to the State tentative approvals to such lands as required by the Alaska Statehood Act and pursuant to subsection (j) of this section. The sequence of issuance of such tentative approvals shall be on the basis of priorities determined by the State.

(3) Upon approval of a land survey by the Secretary, those lands identified in subsection (h) shall be patented to the State of Alaska.

(4) If the State elects to receive patent to any of the lands which are identified in subsection (h) on the basis of protraction surveys in lieu of field surveys, the Secretary shall issue patent to the State on that basis within six months after notice of such election for townships having no adverse claims on the public land records. For townships having such adverse claims of record, patent on the basis of protraction surveys shall be issued as soon as practicable after such election. The State shall bear the burden of loss of acreage due to errors, if any, in any such protraction survey.

(j) Nothing contained in this section shall relieve the Secretary of the duty to adjudicate conflicting claims regarding the lands specified in subsection (h) of this section, or otherwise selected under authority of the Alaska Statehood Act, subsection (c) of this section, or other law, prior to the issuance of tentative approval.

(k) As to lands outside the boundaries of a conservation system unit, the following withdrawals, classifications, or designations shall not, of themselves, remove the lands involved from the status of vacant, unappropriated, and unreserved lands for the purposes of subsection (h) of this section and future State selections pursuant to the Alaska Statehood Act or subsection (c) of this section:

(1) Withdrawals for classification pursuant to section 17(d)(1) of the Alaska Native Claims Settlement Act; except that in accordance with the Memorandum of Understanding between the United States and the State of Alaska dated September 2, 1972, to the extent that Public Land Orders Numbered 5150, 5151, 5181, 5182, 5184, 5190, 5194, and 5388 by their terms continue to prohibit State selections of certain lands, such lands shall remain unavailable for future State selection.

(2) Withdrawals pursuant to section 11 of the Alaska Native Claims Settlement Act, which are not finally conveyed pursuant to section 12, 14, or 19 of such Act.

(3) Classifications pursuant to the Classification and Multiple Use Act (78 Stat. 987).

(4) Classifications or designations pursuant to the Federal Land Policy and Management Act (90 Stat. 2743).

(l) (1) Notwithstanding any other provision of law, on lands selected by, or granted or conveyed to, the State of Alaska under section 6 of the Alaska Statehood Act or this Act, but not yet tentatively approved to the State, the Secretary is authorized to make contracts and grant leases, licenses, permits, rights-of-way, or easements, and

any tentative approval or patent shall be subject to such contract, lease, license, permit, right-of-way, or easement; except that (A) the authority granted the Secretary by this subsection is that authority the Secretary otherwise would have had under existing laws and regulations had the lands not been selected by the State, and (B) the State has concurred prior to such action by the Secretary.

(2) On and after the date of enactment of this Act, 90 per centum of any and all proceeds derived from contracts, leases, licenses, permits, right-of-way, or easements or from trespasses originating after the date of selection by the State shall be held by the Secretary until such lands have been tentatively approved to the State. As such lands are tentatively approved, the Secretary shall pay to the State from such account the proceeds allocable to such lands which are derived from contracts, leases, licenses, permits, rights-of-way, easements, or trespasses. The proceeds derived from contracts, leases, licenses, permits, rights-of-way, easements, or trespasses and deposited to the account pertaining to lands selected by the State but not tentatively approved due to rejection or relinquishment shall be paid as would have been required by law were it not for the provisions of this Act. In the event that the tentative approval does not cover all of the land embraced within any contract, lease, license, permit, right-of-way, easement, or trespass, the State shall only be entitled to the proportionate amount of the proceeds derived from such contract, lease, license, permit, right-of-way or easement, which results from multiplying the total of such proceeds by a fraction in which the numerator is the acreage of such contract, lease, license, permit, right-of-way, or easement which is included in the tentative approval and the denominator is the total acreage contained in such contract, lease, license, permit, right-of-way, or easement; in the case of trespass, the State shall be entitled to the proportionate share of the proceeds in relation to the damages occurring on the respective lands.

(3) Nothing in this subsection shall relieve the State or the United States of any obligations under section 9 of the Alaska Native Claims Settlement Act or the fourth sentence of section 6(h) of the Alaska Statehood Act.

(m)(1) All conveyances to the State under section 6 of the Alaska Statehood Act, this Act, or any other law, shall be subject to valid existing rights, to Native selection rights under the Alaska Native Claims Settlement Act, and to any right-of-way or easement reserved for or appropriated by the United States.

(2) Where prior to a conveyance to the State, a right-of-way or easement has been reserved for or appropriated by the United States or a contract, lease, license, permit, right-of-way, or easement has been issued for the lands, the conveyance shall contain provisions making it subject to the right-of-way or easement reserved or appropriated and to the contract, lease, license, permit, right-of-way, or easement issued or granted, and also subject to the right of the United States, contractee, leasee, licensee, permittee, or grantee to the complete enjoyment of all rights, privileges, and benefits previously granted, issued, reserved, or appropriated. Upon issuance of tentative approval, the State shall succeed and become entitled to any and all interests of the United States as contractor, lessor, licensor, permitter, or grantor, in any such contracts, leases, licenses, permits, rights-of-way, or easements, except those reserved to the United States in the tentative approval.

(3) The administration of rights-of-way or easements reserved to the United States in the tentative approval shall be in the United States, including the right to grant an interest in such right-of-way or easement in whole or in part.

(4) Where the lands tentatively approved do not include all of the land involved with any contract, lease, license, permit, right-of-way, or easement issued or granted, the administration of such contract, lease, license, permit, right-of-way, or easement shall remain in the United States, unless the agency responsible for administration waives such administration.

(5) Nothing herein shall relieve the State or the United States of any obligations under section 9 of the Alaska Native Claims Settlement Act, or the fourth sentence of section 6(h) of the Alaska Statehood Act.

(n) Any extensions of time periods granted to the State pursuant to section 17(d)(2)(E) of the Alaska Native Claims Settlement Act are hereby extinguished, and the time periods specified in subsections (a), (b) and (c) of this section shall hereafter be applicable to State selections.

(o) Nothing in this section shall alter the rights or obligations of any party with regard to section 12 of the Act of January 2, 1976 (Public Law 94–204), sections 4 and 5 of the Act of October 4, 1976 (Public Law 94–456), or section 3 of the Act of November 15, 1977 (Public Law 95–178). Nothing in this title shall prejudice a claim of validity or invalidity regarding any third-party interest created by the State of Alaska prior to December 18, 1971, under authority of section 6(g) of the Alaska Statehood Act or otherwise.

(p)(1) Notwithstanding any other provision of law, any land withdrawn pursuant to section 17(d)(1) of the Alaska Native Claims Settlement Act and within the boundaries of any conservation system unit shall be added to such unit and administered accordingly unless, before, on, or after the date of the enactment of this Act, such land has been validly selected by and conveyed to a Native Corporation.

(2) Until conveyed, all Federal lands within the boundaries of a conservation system unit shall be administered in accordance with the laws applicable to such unit.

ALASKA NATIVE LAND BANK

SEC. 805. (a) In order to enhance the quantity and quality of Alaska's renewable resources, there is hereby established the Alaska Native Land Bank Program. All Native Corporations are hereby authorized to enter into a written agreement with an appropriate State agency designated by the Governor of Alaska as the agent to administer such Program or with the Secretary of the Interior or his designee if the State declines to participate in such Program. Such agreement shall provide that up to 90 percent of the undeveloped and unimproved land holdings of any Native Corporation, as specified by such Corporation, shall be subject to the provisions of subsection (b). In any case in which the surface and subsurface estates in any lands are held by different Native Corporations, no agreement affecting such lands shall be effective unless all such Corporations enter into such agreements.

(b) Each agreement referred to in subsection (a) shall have an initial term of not less than ten years, with provision for renewal for additional periods of not less than five years. Such agreement shall provide that during its term—

(1) the landowner or landowners shall not alienate, transfer, assign, mortgage, or pledge the lands subject to the agreement and shall not permit development or improvements on such lands;

(2) the renewable resources of such lands shall be available only for subsistence uses or such other uses as are not detrimental to subsistence uses;

(3) if the surface landowner so consents, such lands may be made available for local recreational use; and

(4) all or part of the lands subject to the agreement may be withdrawn from the Alaska Native Land Bank Program after the landowner or landowners—

(A) submit written notice thereof to the State agency referred to in subsection (a) or the Secretary if the State has declined to participate in such Program, and

(B) pay all State and local property taxes and assessments which would have been incurred except for the agreement, together with interest on such taxes and assessments in an amount to be determined at the highest rate of interest charged with respect to delinquent property taxes by the State or local taxing agency.

Such agreement shall contain such additional terms, which are consistent with the provisions of this section, as seem desirable to the parties entering into the agreement.

(c) Each agreement entered into under this section shall constitute a restriction against alienation imposed by the United States upon the land subject to the agreement; so long as the parties to the agreement are in full compliance with the agreement, lands subject to such agreement shall not be subject to any of the following—

(1) adverse possession,

(2) taxation by the United States, any State, or any political subdivision of a State, and

(3) any action at law or equity to recover sums owed or penalties incurred by any Native Corporation or any officer, director, or stockholder of any such Corporation.

Except as provided in the preceding sentence, nothing in this section shall be construed as affecting the civil or criminal jurisdiction of the State of Alaska.

(d) The provisions of section 21(e) of the Alaska Native Claims Settlement Act shall apply to all lands which are subject to an agreement under this section so long as the parties to the agreement are in compliance with the agreement.

PROTECTION OF NATIVE LANDS IN CONTINGENCY AREAS UNDER TIMBER SALES

SEC. 806. Section 15 of the Alaska Native Claims Settlement Act is amended by inserting "(a)" after "SEC. 15." and by adding at the end of such section the following new subsection:

"(b) No land conveyed to a Native Corporation pursuant to this Act or by operation of title VIII of the Alaska National Interest Lands Conservation Act which is within a contingency area designated in a timber sale contract let by the United States shall thereafter be subject to such contract or to entry or timbering by the contractor. Until a Native Corporation has received conveyances to all of the land to which it is entitled to receive under this Act, no land in such a contingency area that has been withdrawn for selection by such Corporation under this Act shall be entered by the timber contractor and no timber shall be cut thereon, except by agreement with such Corporation. For purposes of this subsection, the term 'contingency area' means any area specified in a timber sale contract as an area from which the timber contractor may harvest timber if the volume of timber specified in the contract cannot be obtained from one or more areas definitely designated for timbering in the contract.".

USE OF PROTRACTION SURVEYS

SEC. 807. With the agreement of the party to whom a patent is to be issued under this title, the Alaska Native Claims Settlement Act, or the Alaska Statehood Act, the Secretary may base such patent on protraction surveys in lieu of field surveys.

ACTION TO ENFORCE; JURISDICTION

SEC. 808. For a period of three years after the date of enactment of this Act, any appropriate Federal district court shall have jurisdiction to hear, consider, and decide any action brought by the State or by a Native Corporation to enforce the provisions

of this title and to award appropriate attorney and witness fees and other costs of the litigation to the prevailing party, except that determinations under sections 802 and 803(b) of this title shall be subject to review only in an action brought by an aggrieved Native Corporation.

TECHNICAL AMENDMENTS TO PUBLIC LAW 94–204

SEC. 809. Section 15(a) of the Act of January 2, 1976 (Public Law 94–204, 89 Stat. 1154–1155), is amended—

(1) by striking out the description beginning with "Township 36 south, range 52 west;" and all that follows through "Township 41 south, range 53 west, sections 1, 2, 11, 12, 13 S.M., Alaska, notwithstanding;" and inserting in lieu thereof the following:

"Township 36 south, range 52 west, all;

"Township 37 south, range 51 west, all;

"Township 37 south, range 52 west, all;

"Township 37 south, range 53 west, sections 1 through 4, 9 through 16, 21 through 24, and the north half of sections 25 through 28;

"Township 38 south, range 51 west, sections 1 through 5, 9, 10, 12, 13, 18, 24, and 25;

"Township 38 south, range 53 west, sections 1, 12, 13, 24, 25, and 36;

"Township 39 south, range 51 west, sections 1, 6, 7, 16 through 21, 28 through 33, and 36;

"Township 39 south, range 52 west, sections 1, 2, 11 through 15, and 22 through 24;

"Township 39 south, range 53 west, sections 33 through 36, and the south half of section 26;

"Township 40 south, range 51 west, sections 2 and 6;

"Township 40 south, range 52 west, sections 6 through 10, 15 through 21, and 27 through 36;

"Township 40 south, range 53 west, sections 1 through 19, 21 through 28, and 34 through 36;

"Township 40 south, range 54 west, section 1 through 34;

"Township 41 south, range 52 west, sections 7, 8, 9, 16, 17, and 18;

"Township 41 south, range 53 west, sections 1, 4, 5, 8, 9, 11, 12, and 16;

"Township 41 south, range 54 west, section 6, S.M., Alaska;"; and

(2) by striking out "The" in the undesignated paragraph immediately following such description and inserting in lieu thereof "Notwithstanding the".

TITLE IX—MINERAL STUDY, EXPLORATION, AND EXTRACTION IN CONSERVATION SYSTEM UNITS

GENERAL GEOLOGIC INVESTIGATIONS AND MINERAL ASSESSMENT PROGRAMS IN ALASKA

SEC. 901. (a) Nothing in this Act, the Wilderness Act, or any other provision of law shall be construed to prevent the Secretary from carrying out mineral assessment programs and general geologic investigatory programs in the State of Alaska. In the case of areas within units of a conservation system in Alaska, such programs shall be carried out only in accordance with guidelines which shall be promulgated by the appropriate Secretary. Such guidelines shall insure that the activities carried out pursuant to such programs in such areas are carried out in a manner which is environmentally sound and consistent with the purposes for which such areas are established as units of a conservations system. Such guidelines shall insure that such activities are the minimum necessary for carrying out such programs and do not result in any lasting environmental impact which appreciably alters the natural character of the land.

MINERAL EXPLORATION AND EXTRACTION PROGRAMS FOR CONSERVATION SYSTEM UNITS IN ALASKA

SEC. 902. In all areas, established, enlarged, or added to by this Act except national parks or monuments, designated wilderness areas, and additions to the Wild and Scenic Rivers System, the Secretary shall study, or grant permits for study or both to determine the liquid and gaseous hydrocarbon, and other mineral potential of the areas under his jurisdiction and to determine whether further exploration and extraction activities may be reasonably conducted in the areas in a manner consistent with the purposes for which each area was established. The Secretary in issuing study or subsequent exploration permits shall do so for established or negotiated tracts or areas of a resonable size to lessen impact on the conservation system unit as well as provide a reasonable opportunity for interested parties.

The Secretary shall authorize mapping of the surface or subsurface (or both) by aerial, mechanical, physical, or other reasonable techniques, physical entry and examination, geophysical activities, and other methods of evaluation. If any surface feature in any such area is altered substantially as a result of any such activity, the same shall be restored substantially to its original condition, promptly after conclusion of such study, by the person involved therewith.

PERMITS FOR EXPLORATION AND EXTRACTION

SEC. 903. (a) If, based upon the information obtained by any study conducted under sections 901 and 902 of this title, the Secretary determines that exploration for and extraction of liquid and gaseous hydrocarbons or metallic or other minerals, within such areas may be conducted in a manner consistent with the purposes for which the area was or is established and that any surface altered substantially by such activities may be substantially restored to its original condition, he shall issue permits for further exploration and extraction. In the course of issuance of all permits, the Secretary may set boundaries within which such activities are to be permitted in order to avoid conflict to the degree appropriate with known scenic, habitat, or other natural or historical values or concerns of high interest within the conservation units named in section 902(b) during the period they are subject to wilderness studies or subsequently in areas not recommended for or designated wilderness.

(b)(1) If the Secretary determines, based on the information obtained as a result of a study permit, granted in accordance with subsection (a) of this section, that such areas or portions of such areas should be open to further exploration and extraction for minerals other than liquid or gaseous hydrocarbons, the study permittee shall be given the right of first acceptance or refusal to receive the exploration and extraction permit. If the exploration and study permittee refuses the offer, the Secretary shall offer the lands for lease on the basis of competitive bidding.

(2) If, as a result of information obtained by study or any means other than a study permit, the Secretary determines that exploration for and extraction of liquid and gaseous hydrocarbons, or other minerals should be permitted, the Secretary shall offer the lands for lease on the basis of competitive bidding.

(c) Prior to the issuance of any permit for extraction of minerals the Secretary shall submit the proposed permit to the Congress, with a detailed statement setting forth the basis for his determination. The permit for extraction shall be issued pursuant to this section unless either the Senate or the House of Representatives shall by resolution have disapproved the same within one hundred and twenty legislative days of its submission.

(d) Within sixty days after the effective date of such determination, the Secretary shall initiate the procedure in accordance with subsection (b) of this section for the awarding of appropriate exploration and extraction permits.

(e) The Secretary shall issue regulations to implement sections 902 and 903, which regulations shall include provisions for—

(1) the issuance of any permit for exploration and extraction, including the competitively biddable factor(s); and distinguishing procedures where appropriate between liquid and gaseous hydrocarbons and other minerals; including tract size;

(2) the duration, assignment, and renewal of any permit;

(3) the establishment of a fee and royalty schedule for issuance and maintenance of permits;

(4) other terms under which any such permit shall be issued;

(5) stipulations to reasonably ensure that all activities undertaken under any permits shall for the protection of the land, wildlife, and other natural and historical features be consistent with the purposes for which the respective area was or is established;

(6) removal of liquid or gaseous hydrocarbons and other minerals; and

(7) provisions for general access, storage, removal, and transportation of liquid and gaseous hydrocarbons or other minerals extracted under any such permit, including roadways, storage sites, processing operations, water lines, pipelines, communications, and similar facilities.

(f) Except for those matters to which the Freedom of Information Act does not apply, section 552(b) of title 5, United States Code, any information made available to the Secretary by an applicant or permittee under this section shall be available to the public.

EXISTING MINERAL CLAIMS AND MINERAL LEASING RIGHTS IN CONSERVATION SYSTEM UNITS

SEC. 904. (a) Administration and regulation of the exercise of rights under existing valid mineral claims and leases within all new or enlarged existing units within the National Park System established by this Act in Alaska, shall be governed by the provisions of the Mining in Parks Act (Public Law 94–429).

(b) Administration and regulation of the exercise of rights under existing valid mineral claims and leases within new or enlarged existing national wildlife refuges established by this Act in Alaska, shall be governed in accordance with the following:

The provisions of sections 2 and 8 of Public Law 94–429 (16 U.S.C. 1902, 1907), are hereby extended to all units of the National Wildlife Refuge System established or enlarged by this Act. For the purposes of this section, the term "National Wildlife Refuge System" shall be substituted for the term "National Park System" and the Act of October 15, 1966, as amended (16 U.S.C. 668dd, et seq.) for the Act of August 25, 1916, as amended (16 U.S.C. 1), wherever those terms appear in sections 2 and 8 of Public Law 94–429.

TITLE X—TRANSPORTATION AND UTILITY SYSTEMS ON CONSERVATION SYSTEM UNITS

PURPOSES

SEC. 1001. The purposes of this title are to—

(1) recognize the uniqueness of the size of Alaska and the undeveloped condition of Alaska's transportation and utility network and to recognize that the future needs for transportation and utility systems in Alaska would best be provided for through a carefully considered, orderly process under existing authorities and under the procedures established in this title;

(2) recognize the existing authorities of the Secretary to grant rights-of-way for transportation and utility systems under generally applicable provisions of law in the case of public lands within conservation systems units in the State of Alaska, and

(3) establish procedures for the approval or disapproval of applications for such rights-of-way which the Secretary has no

authority to approve or disapprove under such generally applicable provisions of law.

USE PERMITS UNDER EXISTING AUTHORITIES

SEC. 1002. (a) Except as may be otherwise provided in the following provisions of this title, any law or rule of law generally applicable to units of the National Park, Wilderness Preservation, Wild and Scenic Rivers, and Wildlife Refuge Systems, regarding rights-of-way (including use permits, leases, and licenses) for a transportation or utility system (including but not limited to roads and highways, oil, gas, and water pipelines, and utility transmission and communication systems) shall apply to all units of any conservation systems in Alaska in the same manner as such law or rule of law applies to units of such systems elsewhere.

(b) In the case of wilderness areas in Alaska, the Secretary may exercise his authorities under the Wilderness Act, consistent with section 4(c) of such Act, to provide access to wilderness areas for the administration of the area for the purpose of such Act (including measures required in emergencies involving the health and safety of persons within the area).

USE PERMITS UNDER NEW AUTHORITY

SEC. 1003. (a) If the Secretary has no authority under any other law or rule of law to determine whether applications from a Federal, State, or local agency, or any private person or organization for rights-of-way on public lands within a conservation system unit in Alaska for a transportation or utility system should be granted or denied, an application from such a person, organization, or other entity for such a right-of-way shall be considered and processed as provided in the following provisions of this title.

(b) Applicants submitted under this section shall be in such form, and shall contain such information, as may be required by the Secretary. Any such application for a right-of-way for a pipeline described in section 28(a) of the Mineral Leasing Act of 1920 shall, to the extent appropriate as determined by the Secretary, be in the same form, and contain the same information, as required for an application for a right-of-way under such section 28.

(c) In the case of an application referred to in subsection (a) for a pipeline described in section 28(a) of the Mineral Leasing Act of 1920, if the route for such pipeline would cross any area within the boundaries of the Iditarod Trail or a wild and scenic river in Alaska administered by the Secretary of the Interior, and if the Secretary determines, after notice and opportunity for hearing, that there exists no economically feasible alternative route which would not cross such area, he may grant a right-of-way for such pipeline in the manner provided in section 28 of the Mineral Leasing Act of 1920 and subject to the conditions referred to in section 1006(c) of this Act, except that for such purposes, the first sentence of section 28(b)(1) of the Mineral Leasing Act of 1920 shall not apply.

(d) In the case of an application referred to in subsection (a) concerning a transportation or utility system across public lands within a conservation system unit (other than a wilderness area), if an environmental impact statement for that section of the right-of-way crossing such unit would not have been required under the National Environmental Policy Act of 1969, the Secretary may grant a use permit for the right-of-way if he determines, after notice and opportunity for comment, that such right-of-way—

(A) would not result in a significant adverse effect on the conservation system unit, and

(B) would be compatible with the purposes for which the unit was established and the purposes of this Act.

(e) In the case of an application for a right-of-way referred to in subsection (a) which the Secretary does not have the authority to grant or deny under subsection (c) or (d), not later than one year after his receipt of the application, the Secretary shall transmit a recommendation to the Congress respecting whether or not the application for a right-of-way should be granted. Before making such a recommendation, the Secretary shall weigh the local, regional, State, and national interests involved, and determine—

(1) whether the approval of such application is in the public interest,

(2) whether there is an economically feasible and prudent alternative to the granting of the right-of-way through the conservation system unit subject to the application, and

(3) whether the transportation or utility system subject to the application can be constructed, operated, and maintained in a manner compatible with the purposes for which the affected conservation system unit was established and the purposes of this Act.

(f) Together with his transmission to Congress of any recommendation under subsection (e), the Secretary shall transmit—

(1) the application for the right-of-way to which such recommendation applies,

(2) a report setting forth the detailed explanation of the basis for his determinations and recommendation under subsection (e),

(3) an environmental impact statement which complies with the requirements of section 102(2)(C) of the National Environmental Policy Act of 1969 in any case in which such statement is required under such Act; and

(4) where applicable, the conditions and stipulations under which the use of a recommended right-of-way will be permitted if approved by the Congress, and the extent and duration thereof.

The conditions and stipulations referred to in paragraph (4) shall be designed to ensure that the right-of-way is utilized in a manner compatible, to the maximum extent feasible, with the purposes for which the affected conservation system unit was established and the purposes of this Act and shall contain provisions necessary to minimize environmental harm to the unit.

(g) In the case of any recommendation under this title for which an environmental impact statement is not required under section 102(2)(C) of the National Environmental Policy Act of 1969, the Secretary may, when he deems it desirable, include such a statement in his transmittal to the Congress. The provisions of section 304 of the Federal Land Policy and Management Act of 1976 shall apply to applications under this title in the same manner and to the same extent as such provisions apply to applications relating to the public lands referred to in such section 304.

COORDINATION OF RIGHT-OF-WAY REQUIREMENTS

SEC. 1004. When an application for a right-of-way referred to in section 1002 or 1003 is for a transportation or utility system through both Federal lands within, and outside of, a conservation system unit, the Secretary shall coordinate his authorities under other applicable Federal laws in a manner consistent with this title for the purposes of—

(1) assuring consistent treatment of such application,

(2) preparing only one complete environmental impact statement;

(3) avoiding duplication and inconsistent requirements and determinations;

(4) minimizing costs to the applicant and the Government; and

(5) maximizing intergovernmental coordination.

CONGRESSIONAL APPROVAL PROCEDURE

SEC. 1005. (a) Any recommendation of the Secretary submitted to Congress under section 1003 shall be considered received by both Houses for purposes of this section on the first day on which both are in session occurring after such recommendation is submitted.

(b) Any application transmitted to Congress under section 1003 shall be deemed approved only upon enactment of a joint resolution by the Senate and House of Representatives approving such application within the first period of one hundred and twenty calendar days of continuous session of Congress beginning on the date after the date of receipt by the Senate and House of Representatives of such application.

(c) For purposes of this section—

(1) continuity of session of Congress is broken only by an adjournment sine die; and

(2) the days on which either House is not in session because of an adjournment of more than three days to a day certain are excluded in the computation of the one-hundred-and-twenty-day calendar period.

(A) as an exercise of the rulemaking power of each House of Congress, respectively, and as such it is deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in the House in the case of resolutions described by paragraph (2) of this subsection; and it supersedes other rules only to the extent that it is inconsistent therewith; and

(B) with full recognition of the constitutional right of either House to change the rules (so far as those relate to the procedure of that House) at any time, in the same manner and to the same extent as in the case of any other rule of such House.

(2) For purposes of this section, the term "resolution" means a joint resolution, that the House of Representatives and Senate approve the recommendation of the Secretary of the Interior on an application submitted to the Secretary under this title. Such resolution may also include material relating to the application and effect of the National Environmental Policy Act of 1969 to the recommendation.

(3) A resolution once introduced with respect to such Secretarial recommendation shall be referred to one or more committees (and all resolutions with respect to the same Secretarial recommendation shall be referred to the same committee or committees) by the President of the Senate or the Speaker of the House of Representatives, as the case may be.

(4)(A) If any committee to which a resolution with respect to a Secretarial recommendation has been referred has not reported it at the end of sixty calendar days after its referral, it shall be in order to move either to discharge such committee from further consideration of such resolution or to discharge such committee from further consideraton of any other resolution with respect to such Secretarial recommendation which has been referred to such committee.

(B) A motion to discharge may be made only by an individual favoring the resolution, shall be highly privileged (except that it may not be made after the committee has reported a resolution with respect to the same Secretarial recommendation) and debate thereon shall be limited to not more than one hour, to be divided equally between those favoring and those opposing the resolution. An amendment to the motion shall not be in order, and it shall not be in order to move to reconsider the vote by which the motion was agreed to or disagreed to.

(C) If the motion to discharge is agreed to or disagreed to, the motion may not be made with respect to any other resolution with respect to the same Secretarial recommendation.

(5)(A) When any committee has reported, or has been discharged from further consideration of, the resolution, but in no case earlier than sixty days after the date of receipt of the Secretary's recommendation to the Congress, it shall be at any time thereafter in order (even though a previous mo-

tion to the same effect has been disagreed to) to move to proceed to the consideration of the resolution. The motion shall be highly privileged and shall not be debatable. An amendment to the motion shall not be in order, and it shall not be in order to move to reconsider the vote by which the motion was agreed to or disagreed to.

(B) Debate on the resolution shall be limited to not more than four hours. This time shall be divided equally between those favoring and those opposing such resolution. A motion further to limit debate shall not be debatable. An amendment to, or motion to recommit the resolution shall not be in order, and it shall not be in order to move to reconsider the vote by which such resolution was agreed to or disagreed to or, thereafter within such one hundred and twenty-day period, to consider any other resolution respecting the same Secretarial recommendation.

(6)(A) Motions to postpone, made with respect to the discharge from committee, or the consideration of a resolution and motions to proceed to the consideration of other business, shall be decided without debate.

(B) Appeals from the decision of the Chair relating to the application of the rules of the Senate or the House of Representatives, as the case may be to the procedures relating to a resolution shall be decided without debate.

ISSUANCE OF PERMITS

SEC. 1006. (a) In any case in which an application for a right-of-way on public lands within a conservation system unit in Alaska has been approved by the Congress under this title, the Secretary shall, immediately following the enactment of the joint resolution of congressional approval, issue a use permit for such right-of-way subject to the requirements of this section.

(b) Unless Congress otherwise directs, no permit pursuant to a recommendation approved by Congress under this title for a right-of-way may be granted across public lands within a conservation system unit in Alaska unless the permittee pays to the United States an amount equal to the fair market value of such right-of-way.

(c) In the case of a pipeline described in section 28(a) of the Mineral Leasing Act of 1920, a permit granted under this section or section 1003(c) shall be issued in the same manner as a right-of-way is granted under such section 28, and the provisions of subsections (c) through (j), (l) through (r), and (v) through (y) of such section 28 shall apply to permits under this section or section 1003(c) in the same manner and to the same extent as to rights-of-way under such section 28. Any such permit under this section or under section 1003(c) for such a pipeline which crosses any area within the boundaries of a wild and scenic river shall also be subject to such conditions as may be necessary to assure that the stream flow of such river is not interfered with or impeded and that such pipeline is located and constructed in an environmentally and aesthetically sound manner.

TITLE XI—GENERAL ADMINISTRATIVE PROVISIONS

WITHDRAWAL FROM MINING AND MINERAL LEASING

SEC. 1101. All lands designated by this Act as units of the National Park System, National Wildlife Refuge System, and, notwithstanding the provisions of section 9(a)(ii) of the Wild and Scenic Rivers Act (82 Stat. 907) as amended (16 U.S.C. 1274(2)), wild rivers, as provided in section 307(e) of this Act, are hereby withdrawn, subject to valid existing rights, from all forms of appropriation under the mining laws and from operation of the mineral leasing laws including, in both cases, amendments thereto, except as provided for in title IX or as otherwise specifically provided in this Act. Any and all withdrawals and reservations for power site purposes applicable to the Federal lands and interests therein within the boundaries of any unit of the National Park, Wildlife Refuge, or Wild and Scenic Rivers Systems referred to in titles I through III of this Act are hereby rescinded to the extent of such applicability.

CERTAIN LANDS

SEC. 1102. (a) All lands within the areas added to existing units or established by titles I, II, III, and IV of this Act, which are subject to selection or selected by Native Corporations under the terms of the Alaska Native Claims Settlement Act, and which are not selected by or conveyed to those Corporations under the terms of that Act are hereby added to and incorporated within the appropriate area, to be administered under the terms of this Act, at such time as the relinquishment of Native rights becomes final: *Provided*, That if the lands in such areas are contiguous to a boundary of the area, or contiguous to State or Native selections that are contiguous to a boundary, the State of Alaska shall have ninety days in which to select such lands formerly subject to selection or selected by a Native Corporation, beginning at such time as the relinquishment becomes final, as aforesaid. State selections under this subsection shall be in furtherance of the State's entitlement under the Alaska Statehood Act.

(b) With respect to valid Native and State selections and Native and State-owned lands which are either within or immediately adjacent to the boundaries of the areas added to or established by this Act as units of conservation systems—

(1) valid Native selections and Native-owned lands shall be deemed to be included within such boundaries on the date of approval of this Act, except that any such lands shall be deemed to be excluded upon receipt by the Secretary of written notification from the chief executive officer of the concerned Native corporation during the one-year period from the date of approval of this Act that any such lands should be excluded;

(2) valid State selections and State-owned lands shall be deemed to be included within such boundaries on the date of approval of this Act, except that any such lands shall be deemed to be excluded upon receipt by the Secretary of written notification from the Governor of the State during the one-year period from the date of approval of this Act that any such lands should be excluded.

(c) Nothing in the foregoing subsection (b) shall prohibit the acquisition by the Secretary, after the one-year period from the date of approval of this Act, of valid Native and State selections and Native and State-owned lands formerly within the boundaries depicted on the maps referred to in section 2 of this Act, with the consent of the owner. Property so acquired shall thereupon become part of the area from which it was excluded, subject to the laws and regulations applicable thereto.

ACQUISITION

SEC. 1103. Within the boundaries of the units of the national conservation systems and classifications established by or pursuant to this Act, the Secretary or the Secretary of Agriculture with respect to national forests may acquire lands and interests in lands within areas placed under their respective jurisdiction by donations, purchase, exchange, or otherwise.

ADMINISTRATIVE SITES

SEC. 1104. The Secretary may establish administrative sites or visitor facilities outside the boundaries of any area established under this Act, or protect any significant archeological sites outside the boundaries of the areas described in section 101(a)(2), section 101(a)(3), and section 101(a)(9) of this Act. For these purposes he may establish on Federal lands or acquire other lands not to exceed one thousand acres for administrative and visitor facilities for each area, and no more than seven thousand acres for archeological or paleontological sites outside the boundaries of each of the areas referred to herein: *Provided*, That no such administrative site, visitor facility, or archeological site may be established on National Forest System lands without the concurrence of the Secretary of Agriculture.

NATIVE LANDS AND CORPORATIONS: PUBLIC SERVICES

SEC. 1105. (a) The Secretary shall, with the concurrence of the Native Corporation involved, attempt to locate administrative sites and visitor facilities for areas established under this Act on adjacent Native-owned lands, wherever possible and desirable.

(b) Notwithstanding any other provision of law, before entering into any contract for the provision of revenue-producing visitor services, the Secretary shall grant the village and/or regional corporations most directly affected the first right of refusal to provide such services within the unit under such terms and conditions as he may by agreement prescribe.

AGENCY PLANNING ASSISTANCE

SEC. 1106. The Secretary shall direct the Fish and Wildlife Service to participate, where appropriate, in firsh and wildlife studies and resource planning on units authorized by this Act as components of the National Park and Wild and Scenic Rivers System. The Secretary shall also direct the National Park Service, where appropriate, to participate in recreation planning, interpretation, historic resources protection, and ecological research on areas authorized by this Act as units of the National Wildlife Refuge and Wild and Scenic Rivers Systems.

UNIT MANAGEMENT PLANS

SEC. 1107. Except as otherwise provided, within five years from the effective date of this section, the Secretary shall formulate (and he may from time to time revise) a detailed resource management and use plan for each unit of the systems established in titles I and II of this Act. Where units of the National Wildlife Refuge System and the National Park System include important biological and physical characteristics which control the natural occurrance and the management of fish and wildlife and their habitat, and include scenic, historical, and archeological resources within each unit, a single plan shall be developed for the management and use of such resources. Each plan shall identify management practices, which the Secretary shall adopt and implement, that will accomplish the specific purposes of the areas set forth in titles I and II. The Secretary shall formulate each plan and any revision thereof only after holding one or more public hearings in the vicinity of the affected unit or units, and only after consultation with the appropriate agencies of the State of Alaska.

CAPITAL IMPROVEMENTS ON NON-FEDERAL LANDS

SEC. 1108. Notwithstanding any other provision of law, the Secretary is authorized to construct, operate, and maintain, with funds appropriated for the purposes of this Act, such permanent and temporary buildings and facilities as he deems appropriate to provide visitor services and for administrative purposes, and lands within and outside the boundaries of the units established by this Act, without regard to whether title to the underlying land is in the United States: *Provided*, That in the case of buildings and facilities constructed on non-Federal land, the owner shall have entered into a cooperative agreement with the Secretary, the terms of which shall assure the continued use of such buildings and facilities for the purpose of this action.

STATE LAND EXCHANGES

SEC. 1109. In the exercise of his authority to acquire lands, waters, and interests therein for the purposes of this Act, the Secretary may utilize the provisions of subsection 22(f) of the Alaska Native Claims Settlement Act, as amended. Property acquired within the boundaries of the areas added to the four conservation systems by this Act shall become part of the area within which it is located, and subject to the laws and regulations applicable to such area.

LOCAL HIRE

SEC. 1110. (a) The Secretary shall establish a program under which any individual who, by reason of having lived or worked in or near a conservation system unit, has special knowledge or expertise concerning the natural or cultural resources of such unit and the management thereof (as determined by the Secretary) may be considered for selection for any position within such unit without regard to—

(1) any provision of the civil service laws or regulations thereunder which require minimum periods of formal training or experience;

(2) any such provisions which provides an employment preference to any other class of applicant in such selection; and

(3) any numerical limitation on personnel otherwise applicable.

Individuals appointed under this subsection shall not be taken into account in applying any personnel limitation described in paragraph (3).

(b) Within one year after the date of approval of this Act, and annually thereafter during each of the following ten years, the Secretary shall prepare and submit to the Congress a report indicating the actions taken in carrying out the provisions of subsection (a) of this section together with any recommendations for legislation in furtherance of the purposes of this section.

NAVIGATION FACILITIES

SEC. 1111. Within areas added to the National Park System, Wildlife Refuge, National Forest, and Wild and Scenic Rivers Systems by this Act, access to, and operation and maintenance of, air and water navigation aids and related facilities shall be permitted in accordance with the laws and regulations applicable to the National Park, Wildlife Refuge, National Forest, and Wild and Scenic Rivers Systems, as appropriate. Access to and operation and maintenance of facilities for national defense purposes and related air and water navigation aids within or adjacent to such areas shall continue in accordance with the laws and regulations governing such facilities notwithstanding any other provisions of this Act. Nothing in the Wilderness Act shall be deemed to prohibit such access, operation, and maintenance within wilderness areas designated by this Act.

TITLE XII—MISCELLANEOUS PROVISIONS

IDITAROD NATIONAL HISTORIC TRAIL

SEC. 1201. (a) Section 5(a) of the National Trail System Act (82 Stat. 919; 16 U.S.C. 1241) is amended by inserting the following new paragraph at the end of said section:

"(4) The Iditarod National Historic Trail, including the main route (Approximately one thousand one hundred miles) and branch segments (approximately nine hundred and thirty miles), extending from Seward to Nome, Alaska, following the route depicted on the maps, identified as "Seward-Nome Trail" in the Department of the Interior Iditarod Trail study report dated ,

1977: *Provided*, (A) That while this Act will commemorate the entire route of the Iditarod Trail by designation as the Iditarod National Historic Trail, only those segments which are within the exterior boundaries of federally administered areas and which meet the national historic trail criteria established in this Act, are established initially as components of the Iditarod National Historic Trail, and (B) that the Secretary of the Interior may designate lands outside of the exterior boundaries of federally administered areas as segments of the Iditarod National Historic Trail upon application from State or local government agencies or private interests involved if such segments meet the national historic trails criteria established in this Act and such criteria supplementary thereto as the Secretary may prescribe, and are administered by such agencies or interests without expense to the United States, and (C) that notwithstanding the provisions of section 7(c) of the National Trails System Act, the use of motorized vehicles on segments of the Iditarod National Historic Trail will be permitted in accordance with regulations prescribed by the appropriate Secretary.".

(b) The responsibility for coordination of Iditarod National Historic Trail matters shall rest with the Secretary in consultation with the heads of other Federal and State agencies where lands administered by them are involved. Such responsibilities shall include:

(1) Selecting the specific trail route, as provided for in section 7(a) of the National Trail System Act, within three years after the date of enactment of this section.

(2) Developing a plan and guidelines for the acquisition, development, management and maintenance of the trail with the advice and assistance of other Federal, State, and local agencies and organizations; such plan and guidelines to include provisions for the acquisition, retention, or dedication of significant historic sites and for a right-of-way or easement along most or all of the route to protect historic values and segments for potential future recreational trail development and to insure continued public travel along the various trail segments.

KLONDIKE GOLD RUSH NATIONAL HISTORIC PARK

SEC. 1202. The Act approved June 30, 1976 (90 Stat. 717), providing for the establishlishment of the Klondike Gold Rush National Historical Park, is amended by revising the second sentence of subsection (b) (1) of the first section to read as follows: "Lands or interest in lands owned by the State of Alaska or any political subdivision thereof may be acquired only by donation or exchange: *Provided*, That notwithstanding the provisions of subsection 6(i) of the Act of July 7, 1958 (72 Stat. 339, 342), the State may include the minerals in any such transaction.".

APPLICATION OF MINING IN THE PARK LAW TO THE NATIONAL REFUGE SYSTEM

SEC. 1203. The provision of sections 2 and 8 of Public Law 94-429 (16 U.S.C. 1902, 1908), are hereby extended to all units of the National Wildlife Refuge System established by this Act. For the purposes of this section, the term "National Wildlife Refuge System" shall be substituted for the term "National Park System" and the Act of October 15, 1966, as amended (16 U.S.C. 668dd et seq.), for the Act of August 25, 1916, as amended (16 U.S.C. 1), wherever those terms appear in sections 2 and 8 of Public Law 94-429.

COOPERATIVE INFORMATION CENTER

SEC. 1204. The Secretary is authorized, in consultation with other Federal agencies, to investigate and plan for an information and education center for visitors to Alaska on not to exceed one thousand acres of Federal land, at a site adjacent to the Alaska Highway. For the purposes of this investigation, the Secretary shall seek participation in the program planning, and/or operation of the center from appropriate agencies of the State of Alaska and representatives of Native groups in Alaska, and he is authorized to accept contributions of funds, personnel, and planning and program assistance from such State agencies, other Federal agencies and Native representatives.

BUREAU OF LAND MANAGEMENT LAND REVIEWS

SEC. 1205. Notwithstanding any other provision of law, section 603 of the Federal Land Policy and Management Act of 1976, shall not apply to any lands in Alaska. However, in carrying out his duties under section 201 and section 202 of such Act and other applicable laws, the Secretary may identify areas in Alaska which he determines are suitable as wilderness and may, from time to time, make recommendations to the Congress for inclusion of any such areas in the National Wilderness Preservation System, pursuant to the provisions of the Wilderness Act. In the absence of congressional action relating to any such recommendation of the Secretary, the Bureau of Land Management shall manage all such areas which are within its jurisdiction in accordance with the applicable land use plans and applicable provisions of law. Nothing in this section shall be construed as relieving the Secretary of the duty of reviewing the wilderness values and recommending appropriate designations in the National Petroleum Reserve in Alaska in connection with the study required by section 105 of the National Petroleum Reserves Production Act of 1976 (Public Law 94-258).

TITLE XIII—APPROPRIATIONS

AUTHORIZATIONS

SEC. 1301. There is authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

H.R. 12157

By Mr. LONG of Maryland:

Page 5, immediately after line 6, insert the following new section:

SEC. 8. Section 2(b) of the Export-Import Bank Act of 1945 is amended by inserting at the end thereof the following new section:

"(9) Maintenance of free enterprises requires that foreign producers not have access to U.S. financing and markets on terms better and cheaper than those available to U.S. producers. It is the policy of the United States not to provide financing at subsidy rates to foreign industries which directly compete with the products of American firms and their workers.

The bank shall not extend, or participate in the extension of loans, guarantees, insurance or credit in connection with establishing or expanding production of any commodity unless the President certifies in a report to Congress based on statistical findings, that the commodity is not in surplus and its import into the United States will not cause substantial injury to U.S. firms and employees producing the same, similar or competing commodity."

H.R. 12222

By Mr. VOLKMER:

Page 51, immediately after line 22, insert the following new title V and redesignate subsequent titles and sections to the bill accordingly:

TITLE V—PROHIBITION ON ASSISTANCE TO REPUBLIC OF SOUTH KOREA

PROHIBITION

Notwithstanding any other provision of law or of this Act, none of the funds authorized to be appropriated by this Act shall be used for any form of assistance or trade, either by monetary payment or by the sale or transfer of any goods of any nature, directly to the Republic of South Korea until former Ambassador Kim Dong Jo shall testify before the House of Representatives' Committee on Standards of Official Conduct.

EXTENSIONS OF REMARKS

BAD TAXES KILL JOBS

HON. JACK F. KEMP
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES

Friday, May 12, 1978

● Mr. KEMP. Mr. Speaker, bad taxes kill jobs. It is incredible that this point has not gotten through to a majority in Congress.

Bad taxes keep people from saving enough money to buy a new house, pay for their children's education and prepare for retirement. When taken in the aggregate, this then deprives banks and savings and loans into which savings would have gone from having enough loan and mortgage money to help create jobs in the community.

Bad taxes prevent business from pulling together the investment capital essential to keeping existing jobs and creating new ones. Jobs do not just materialize out of thin air. They have to be created through the purchase of plant and machinery. In other words, investment and savings are the oxygen supply of our "body economic."

And, because bad taxes depress the spirit of the people, from the little guy to the business leaders, they drive down the market, not only in terms of supply and demand, but also in terms of the stock markets. Is there anyone that does not know that the recent Dow-Jones Industrial index rally is a direct result of the House Ways and Means Committee sending signals, through its votes and statements, that it is not going to enact most of the taxes the President has proposed?

These points must be made, if we are to rid ourselves and our country of bad taxes, and if we are to replace them with a tax system that encourages work and production, savings and investment, entrepreneurship. These are the phenomena which create and sustain jobs.

These points were made several days ago in an excellent editorial, "Bad Taxes Kill Jobs," by the editor-in-chief of the Hearst newspapers, Mr. William Randolph Hearst, Jr. If there are any "doubting Thomases" amongst us about the effects of tax policy upon the economy and jobs creation, they should read and reread this editorial. Then they should see to it that we reverse what Congress did in its so-called tax reforms of 1969, for, as Mr. Hearst relates, the Tax Reform Act of 1969 virtually guaranteed the economic decline of the early 1970's, a decline still with us because Congress has not learned its lessons well.

Mr. Hearst has drawn upon the testimony before the House Ways and Means Committee of Mr. William F. Ballhaus, the president of Beckman Instruments, Inc., the president of the California Chamber of Commerce, and most importantly, one of the most perceptive tax, business and economic analysts I have met.

Mr. Ballhaus and Mr. Hearst have addressed themselves to the central issue: How to reduce inflation and unemployment at the same time, thereby assuring the restoration of the economy, a restoration vital to expanding the economy for the benefit of everyone. And, I mean everyone. A rising tide lifts all boats.

I commend this editorial to all my colleagues, particularly those on the Ways and Means and Budget Committees. We have an opportunity this year to get the economy moving again, and we must not miss it.

BAD TAXES KILL JOBS

(By William Randolph Hearst, Jr.)

NEW YORK.—Occasionally in the past several years I have used this space to point out the inequities in our tax structure and the refusal of Congress to face up to the task of tax reform.

I have felt that our taxing policies are discouraging investment and reinvestment in our economy and have brought about a drastic shortfall of new capital, estimated by Chase Manhattan Bank to reach something like $2.5 Trillion by the mid-1980s.

For a time it appeared that President Carter was going to do something about it. Now, however, he says that he will continue his efforts to seeking a tax cut of $25 billion to compensate for the increase in our social security taxes. This can hardly be called a bold move.

The need for reform of our tax structure is still pressing. The lack of it is damaging our economy:

It is fueling our inflation.

It is slowing our national rate of productivity.

It is working against American workers getting pay raises.

It is keeping our unemployment rate high.

In view of all of this, one would assume that tax reform would be uppermost in the minds of our elected representatives. But it is not.

I wish every lawmaker and every member of the federal executive branch could have heard or read the testimony of William F. Ballhaus, president of Beckman Instruments, Inc., and president—for this year—of the California Chamber of Commerce, before the House Ways and Means Committee. I came across a transcript of his comments and believe they are so very worthwhile that I am going to share some of them with you today.

Mr. Ballhaus became concerned about the condition of our economy a few years ago. At that time President Ford, new in office, was hit with a drastic oil price rise which brought about 12 percent inflation and nearly 10 percent unemployment.

Economists were saying that inflation could not be reduced without increasing unemployment and that if unemployment were reduced to an acceptable level, inflation would grow to unacceptable levels. These "facts" disturbed Mr. Ballhaus, so he undertook his own research.

"My first hypothesis," he reported to Congress, "was that something of great significance occurred in 1969. That was the year in which Congress enacted fundamental changes in the Internal Revenue Code. The immediate result of that action was a dramatic change in the tax impact on the investment climate in our country."

He examined the consequences of the treatment of investments, and its economic impact on our society and discovered:

For the 10 years prior to 1969 the Consumer Price Index (inflation) had grown at a compound rate of 1.78 percent. Since 1969 it has risen 270 percent—to a compound rate of 6.59 percent per year.

Until 1969, the growth in the labor force and the number of shareholders holding equity stocks had grown space. Since that benchmark year, the number of investors related to the labor force has shrunk by 28.6 percent. "I should add," he said, "that these were the small investors who—in an exercise of good judgment—left the market."

The immediate result of the flight of these investors from equity stocks was a dramatic decline in the number of companies seeking equity capital. In 1969, some 1,800 companies went to the market. By 1975 such offerings had dwindled to 150. The impact on small companies was equally dramatic. In 1969 they raised over $1.1 billion. By 1974 this had decreased to roughly $16 million—down 98.5 percent.

This dramatic change in the investment climate had an immediate impact on the ability of the economy to create jobs for a growing work force.

Thus, though the tax changes affected corporations mostly, they hit us all individually, rich and poor alike, but especially the poor, by inhibiting the new job market.

"It has been this small and dynamic segment of our economy which has suffered the most from the equity shortage," Mr. Ballhaus noted. "Unfortunately this is the group which creates new jobs at a rate 40 to 60 times greater than very large and mature companies and which is a key to restoring our balance of payments to the plus side of the ledger."

Over the four years prior to 1969 the growth in our labor force and the annual growth in jobs was in balance. Unemployment was low and productivity and wages grew in parallel.

Since 1969 the annual growth in the real Gross National Product is down 72 percent, productivity is down 53 percent, and the growth in real hourly compensation is down 40 percent.

Everyone has suffered, the elderly, the jobless young, and the American worker whose compensation lags behind that of his counterparts in Japan and West Germany.

It is too easy to say that our problems stem from the oil embargo and the cost of energy. Both West Germany and Japan, who import over 99 percent of their petroleum products, still enjoy large positive balances of trade.

The answer lies, says Mr. Ballhaus, in the fact that Japan and West Germany encourage savings and investment, while we in the U.S. do not. There are no taxes on capital gains in either West Germany or Japan. Investment as a percentage of Gross Domestic Product in Japan is twice that of our own, and it is substantially higher in Germany. This ratio of investment translates directly into jobs.

Mr. Ballhaus called upon Congress to make three straightforward changes in the tax code to restore vigor to the nation's economy:

1. Defer all capital gains until an investor stops investing. Provide for the deferral of the tax on capital gains derived from the sale of stock or bonds so long as the total proceeds of the sale are reinvested.

At time of disinvestment, the total net capital gains would be taxed as earned in-

come averaged over the years the investment is held.

2. Provide for the deduction of all short or long-term capital losses against ordinary income.

3. Provide for the deduction of all interest paid on money borrowed to invest in stocks or bonds—except tax-free municipal or state bonds—against ordinary income.

Not all of us buy stocks and bonds, but all of us are harmed when not enough are sold. We are harmed by joblessness, by inflation, by reduced levels of income, by a cheapening dollar, when people do not save their money and invest in our corporations.

That's why I have taken the liberty of dwelling at length on this relatively dry subject.

If you think the above makes sense why not clip it and send it to your congressman? He's your closest representative in government and he should respond to your views.

If he doesn't—well, election day is getting closer.●

EAGLE SCOUT AGE LIMIT IS DROPPED FOR THE DISABLED

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Friday, May 12, 1978

● Mr. MAZZOLI. Mr. Speaker, I would like to commend 23 year old Gregory Wittine of Mineola, N.Y. for his courage and tenacity in obtaining Scoutings highest rank—that of Eagle Scout.

And at the same time the Boy Scouts of America deserve commendation for their willingness to re-evaluate its archaic regulations—like the one which kept Scouts like Greg, who are older than 18, from becoming Eagle Scouts.

What makes this story especially significant is that Greg, a victim of Cerebral Palsy, has spent the past 11 years obtaining the 24 merit badges necessary to achieve Eagle rank. To have deprived Greg of this distinction would have been a great disservice.

In the past many such Scouts have been denied their Eagle rank even though they have fulfilled the requirements against insurmountable odds. Now Greg's courage, determination and "true grit" and the Boy Scouts of America's willingness to change an outmoded policy, have opened the door for some 60,000 handicapped Boy Scouts to earn their way to the top rung of scouting.

Following is the inspiring story of an inspirational man, Gregory Wittine:

[From the New York Times, May 6, 1978]

EAGLE SCOUT AGE LIMIT IS DROPPED FOR THE DISABLED

(By Roy R. Silver)

MINEOLA, L. I., May 5.—A 23-year-old cerebral palsy victim who had been denied Scouting's highest award because of his age became an Eagle Scout today when Scouting-US America changed its regulations.

The man, Gregory Wittine, who is confined to a wheelchair and is unable to speak, spent 11 years achieving 24 merit badges to enable him to attain the Eagle Scout rank. However, the national organization refused to make the award because the requirements had not been met until he was 22, four years too late, according to Scout rules.

60,000 SCOUTS AFFECTED

When the plight of Mr. Wittine, who works at the Cerebral Palsy Treatment and Rehabilitation Center in Roosevelt, L. I., became public, the national organization was bombarded with letters and telephone calls of protest.

In addition, several Eagle Scouts throughout the country mailed letters of encouragement to Mr. Wittine and sent their own badges to him as a sign of appreciation to the age restriction that applied to the physically handicapped.

When told today at the Roosevelt center that he had finally been given the rank, Mr. Wittine "laughed and screamed with delight," according to Barbara LeNoble, the director of leisure services at the center.

Using his letter board as a means of communication, Mr. Wittine poined out the letters "SUPER" and "THANK AMERICA."

In announcing the new policy from the national headquarters in North Brunswick, N.J., Russell Bufkins, the public-relations director, said that the national executive committee of the Scouting-USA had voted today in a telephone conference to drop all age restrictions for severely handicapped Cub Scouts, Scouts and Explorer Scouts.

The action, announced by Downing B. Jenks, a St. Louis transportation executive and national president of the Scouts, and his professional counterpart, Harvey L. Price, the Chief Scout, means that the 60,000 physically or mentally handicapped Scouts among the 3,465,000 Scouts in the country will have the same privilege as Mr. Wittine.

DEMONSTRATES ABILITIES OF DISABLED

Mr. Price said that Mr. Wittine, who two years ago crawled for a mile on his hands and knees until they were bleeding and then completed the 10-mile hike by pushing his wheelchair, would be presented with his Eagle Scout certificate and badge at a local ceremony.

Because of today's action, eight other Scouts throughout the country who had been denied Eagle Scout status because of their age, will receive the awards.

Richard N. Golden, who has been Scoutmaster of Troop 350 at the cerebral palsy center for almost two years and was leading the fight to obtain the award for Mr. Wittine, said today:

"I think it is a great victory for Greg and all handicapped persons. I think Greg's achievement dramatically demonstrates the abilities of the disabled."●

SHALER AREA HIGH SCHOOL CHOIR WELCOME TO WASHINGTON

HON. DOUGLAS WALGREN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, May 12, 1978

● Mr. WALGREN. Mr. Speaker, I want to officially welcome the Shaler Area High School Choir from Glenshaw, Pa., to the Nation's Capital. The choir will present a concert at 9 a.m. on Tuesday, May 16, 1978, at the East Front of the Capitol on the steps of the House of Representatives.

The choir is under the direction of Douglas Ketterer.

Their program will include contemporary songs, spirituals, and Hungarian and Scottish folk songs accompanied by guitar.●

TOM HAYDEN: DARLING OF THE LIBERALS

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, May 12, 1978

● Mr. DORNAN. Mr. Speaker, we all remember, Tom Hayden, SDS guru, erstwhile "anti-war" for him (translate that "pro-Hanoi") activist, former guest speaker in the Hanoi puppet parliament, and world traveler: Cuba, Czechoslovakia, and multiple boat-licking treks to North Vietnam. Well, Mr. Hayden has lately changed his spots—or so he would have us believe. He has, he says, been magically transformed from anti-American into mainstream senatorial candidate and fledgling establishment energy problem solver.

Mr. Hayden's desire to change his image is understandable. But his attempt at self-made change of label has not succeeded in changing his substance—or his long-term goals. Hayden now heads the California Campaign for Economic Democrary, a group lobbying for what they term "basic institutional reform" but which translates into massive economic redistribution and anticapitalism, that is marxist—socialism.

That Mr. Hayden would like to change his image is, as I said, no surprise—most of us would want to change our image if it resembled his. What is surprising is the way the liberal establishment—once the target of his ire—have rushed to embrace him in complete disregard of his past and still held views.

Earlier this year, President Carter warmly received the "ex"-radical at the White House. (Remember this is the same President who did not have the time to see the wives and widows of the missing in action whose torturers had feted Hayden in Hanoi.) The emanations from the President during this meeting are hardly credible but, we must assume Jody accurately reported since he was not repudiated. President Carter was reported as saying that he was "proud to meet" Hayden and praised him for "all the contributions that he had made" to the country. A White House spokesman later said that "in many ways Tom and Carter are dedicated to the same thing." (God help us.)

A few of us innocently believed that the President would immediately deny the reports—which at the time seemed beyond belief. How could the man who had sworn to uphold constitutional government be "proud" to meet a man who had actively sought the overthrow of that same government? But there was no denial and we realized that the reports were, in fact, accurate.

Moreover, there was no disassociation from other liberal establishment types from the identification of Tom Hayden's goals with those of the administration.

Far from it. The next Hayden news item which made the national press was of another, more successful "fledgling establishment politician" welcoming Hayden to another capital. This time, it

was California's Gov. Jerry Brown who rivaled the President in his praise of Hayden. Moreover, never one to be outdone, young Mr. Brown bestowed more than mere praise on Mr. Hayden. If the President groveled to give Hayden credibility by associating himself with Mr. Hayden's views, Mr. Brown would give him that and the public forum from which to propagandize those views.

The Governor appointed Hayden as California's representative on the board of the Western SUN, a regional organization of the States intended to promote the use of solar energy. And—here is the beauty of the prize as far as Governor Brown is concerned—the brownie points he gained from Hayden by appointing him were all at taxpayers expense: SUN is a Federal program funded by the U.S. Department of Energy.

It is almost as if Hayden were some radical prize to go to the highest bidder.

The people of the United States and the voters of California have rejected Mr. Hayden and his views time and time again. But never let it be said that the liberal "establishment" ever let a little thing like the will of the people stop them. If the people will not vote for Mr. Hayden, then, by golly, some liberals will find other means to provide him with what he cannot achieve for himself—respectability and credibility.

Will they succeed? I do not think so—at least not if the American people have a memory as good as I think they do. If they do remember the real Hayden, they will reject him and if they remember the praise of the President and the Governor—they may just reject them, too. November 1978 is so close and November of 1980 is coming up, round the bend. You lucky former POW's who came home, speak up. Remember when you were forced to listen to the squeaky voices of the so-called antiwar visitors to Hanoi as they were pumped over that hated PA speaker in your rooms. Some addressed the Communist assembly, calling you war criminals and telling their Communist hosts that their fundamental objective was to go home and fight for a Vietnam Communist victory in the streets of America.●

TWENTY-EIGHT MEMBERS OF THE HOUSE SUPPORT AMENDMENT TO HALT NEUTRON BOMB

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, May 12, 1978

● Mr. WEISS. Mr. Speaker. when the House considers H.R. 11686, the Department of Energy national security authorization, some time next week. I will offer an amendment on behalf of myself and 27 other Members, to prohibit funding of the neutron bomb. These 27 Members are as follows:

Bill Brodhead, Yvonne Burke, John Burton, Phillip Burton, Bill Clay, John Conyers, Ron Dellums, Robert Drinan, Bob Edgar, Don Edwards, Elizabeth Holtzman, Robert Kastenmeier, Andy Maguire, Edward Markey, Barbara Mikulski, George Miller, Parren Mitchell, Richard Nolan, Richard Ottinger, Fred Richmond, Pat Schroeder, John Seiberling, Pete Stark, Newton Steers, Charles Vanik, Harold Volkmer, and Jim Weaver.

I would like to invite other Members to join us in introducing this amendment and in participating in the floor debate—please contact Bruce Kriegman, a legislative assistant on my staff, at 55635 to have your name included.●

SCIENTISTS PROTEST ARRESTS OF ORLOV, SHCHARANSKY

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, May 12, 1978

● Mr. SIMON. Mr. Speaker, when the Final Act of the Conference on Security and Cooperation in Europe (the Helsinki accords) was signed in August 1975, many of us hoped it would open the door to a new era of East-West scientific cooperation. The prospects were good. Since the first exchanges were initiated almost 20 years ago, U.S. and Soviet scientists have collaborated in scores of mutually beneficial projects. The number of agreements between the two countries had grown from the original 2 to 13, and each year has brought more Soviet and American specialists to one another's laboratories and institutes.

Two and a half years after the Final Act's adoption, however, Soviet violations of its human rights provisions are closing the door somewhat to the increased scientific cooperation the Final Act sought to promote. Increasingly dismayed by Soviet actions against colleagues whose only crime has been to encourage their government to fulfill its international commitments, Western scientists have begun to speak out with greater forcefulness.

When, for example, physicist Yuri Orlov, head of the Moscow Helsinki Watch Group, was arrested last February, 220 of his fellow physicists in the United States and Europe protested with a telegram to the Soviet Academy of Sciences. It took organizers only 2 days to collect the 220 signatures. Since that time, Western scientists have learned that Professor Orlov is to be tried for "anti-Soviet agitation," a charge which carries a penalty of 7 years in labor camps and 5 years in exile.

The reaction to this information has been a good indication of the ends to which U.S. scientists will go to support beleaguered colleagues. Just last month 21 prominent American physicists—3 of them Nobel Laureates—issued statements warning that Soviet actions against Orlov could not only damage the future of United States-Soviet cooperation, but could cause many of them to stop participating in exchanges with the U.S.S.R. The response of Physicist Walter Kohn was typical:

Unless Professor Orlov is released, or his trial is opened to Western obeservers, I shall reluctantly have to drastically cut back on my extensive collaboration efforts with my Soviet colleagues in theoretical physics. I am convinced that science and fundamental human freedoms are inseparable.

The arrest of Anatoly Shcharansky, another Helsinki monitor and computer scientist, has led his colleagues in the West to take similar action. The 30,000-member Association for Computing Machinery (the largest U.S. organization of computer science) reacted to Shcharansky's imprisonment by discontinuing its cooperation with and sponsorship of meetings in the Soviet Union. The organization has also encouraged members not to participate in exchanges or to publish articles in the U.S.S.R. Other protests have been heard from a variety of U.S. scientific associations, among them the prestigious National Academy of Sciences and the American Association for the Advancement of Science.

Mr. Speaker, I commend these actions not only to the attention of my distinguished colleagues, but also to the attention of the Soviet Government. By imprisoning men like Orlov and Shcharansky, the U.S.S.R. is not only dishonoring its international commitments, it is jeopardizing the prospects for fruitful U.S.-U.S.S.R. scientific cooperation. This is certainly not the state of affairs the Helsinki accords meant to promote.

We need and want greater Soviet-American exchanges, but that is a two-way street.●

FEDERAL PAYROLL

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, May 12, 1978

● Mr. COLLINS of Texas. Mr. Speaker, inflation is the No. 1 subject with America today.

Folks want to know why they have so much inflation, and as all of us know, it is because the Government is spending too much money. What we need to do is to provide an example through our own internal expenditures of reducing and getting the maximum amount of the dollar spent.

I saw some interesting figures prepared by the Tax Foundation, Inc. They were discussing the fact that from 1970 to today, and that is a mighty short time, that the Federal personnel costs have gone up 97 percent. This means in 8 years Congress has doubled the amount of money that we are spending for Federal payroll.

Washington is the place to start in reducing Federal staff. The effective work is done in the regional offices.

Here is the summary by Tax Foundaton, Inc. of New York City:

FEDERAL PAYROLL

From 1970 to 1979, Washington has handed taxpayers a 97 percent increase in Federal personnel costs, counting both compensation and benefits, while cutting back the ranks of civilian and military employees, according to a Tax Foundation analysis of the fiscal 1979 budget.

Almost 2.9 million civilian workers took home Federal paychecks in 1970. About 2.8 million will get them in 1979, if you count Postal Service employees who are no longer *technically* working for the government. That's a net decrease of 3.5 percent in nine years.

Men and women in uniform numbered about 3.1 million in 1970. After extensive mustering out when the Vietnam conflict ended and further cutbacks due to the switch to an all-volunteer military, the armed services pay roster totalled only 2.1 million—a drop of nearly a third in less than a decade.

However, the government's ledgers show no corresponding drop in costs for this period. Instead, there has been a steady, heavy increase, especially as regards the benefits paid government workers, both civilian and military.

The paycheck for U.S. civilian employees in 1970 was $29.6 billion. By 1979, it will climb 129 percent to $67.7 billion.

In 1970, with Vietnam going full tilt, salaries and benefits for the military amounted to $23.5 billion. Today, with a third fewer men and women in uniform, that paycheck has risen by 57.5 percent, for a total outlay of $37 billion.

Benefits are a large part of the problem in burgeoning government personnel costs. In 1970, benefits for all workers in and out of uniform cost U.S. taxpayers $9.1 billion—21 cents out of each dollar in the $53.1 billion Federal payroll. Today, the benefits package claims 35 cents out of every payroll dollar, $27.3 billion out of a total $104.7 billion. In nine years, the dollar amount of benefits paid to those working for the U.S. government has increased 200 percent—much of it due to sharply increased pension costs, particularly in the military.●

TRIBUTE TO THE NATIONAL ASSOCIATION OF PURCHASING MANAGEMENT

HON. S. WILLIAM GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, May 12, 1978

● Mr. GREEN. Mr. Speaker, next week the National Association of Purchasing Management, Inc., now more than 22,000 strong, will hold its 63d Annual International Purchasing Conference in New York City.

Since the 1930's, with the exception of the World War II period, NAPM has conducted a monthly survey of business—a survey that has proved to be remarkably accurate in assessing the state of the economy, the conditions of business, and the employment picture. Through this survey the Nation has been warned of impending recessions or reassured that there would be no recession within the 12 months following the survey. The survey has come to earn the respect of national economists.

Through its certification program, NAPM assures that its members possess the latest knowledge in the area of purchasing, materials management, business, and economics. Further, this association has taken the pioneering step of requiring that all who are certified be recertified every 5 years, thereby mandating a continuity of education.

The knowledge and insights thus acquired have helped to make the purchasing manager an important part of the fight against inflation because the skill and economy with which he or she buys is reflected in the prices consumers pay for finished products.

More and more top echelons of management recognize the essential contribution that purchasing managers make to their companies and to the Nation. By being alert to pending shortages or price increases, companies can stockpile essential materials, thereby assuring continued production. In turn, this helps to maintain employment within their companies, high quality in the goods produced, and lower prices in the marketplace.

The Federal Government, from the White House through the various bureaus and agencies rely upon the purchasing manager not only for the business survey, but for hard facts about trends and conditions in basic commodity areas, energy supplies, and international procurement. In fact, a great many Government procurement officers are members of NAPM and all are certified purchasing managers.

For leadership qualities, for guidance to Government and business, for constant striving to better the profession, I extend my commendation and appreciation to the purchasing manager and NAPM, and wish them well on the occasion of their 63d Annual International Purchasing Conference in New York.●

JOBS IN ALASKA—H.R. 39

HON. HAMILTON FISH, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, May 12, 1978

● Mr. FISH. Mr. Speaker, the question of jobs and development has been raised in connection with H.R. 39, the Alaska National Interest Lands Conservation Act, which will soon come to the floor for debate and votes.

The notion that H.R. 39 will cause job losses in Alaska is simply not supported by the facts. The Interior and Insular Affairs Committee has taken great pains to insure that not a single job will be lost through passage of this legislation.

As a matter of fact, the committee report notes that the acreage of wilderness and wilderness study areas that would be designated within previously existing national forest lands in southeast Alaska has been cut in half not only to assure protection for existing jobs in the timber industry but to provide a margin of timber to support industry expansion. Some committee members believe that the committee paid too high a price for this margin of safety, as the deleted wilderness includes national treasures such as the beautiful Misty Fjords, an area of rain forest and steep-walled cliffs unique in the United States.

The report also notes the often ignored fact that the new conservation units in Alaska will themselves be economic assets to the State of Alaska and the Nation. Not only will the State and natives benefit directly from economic development on their own lands, but they will benefit indirectly from H.R. 39's boost to the recreation industry. As the committee report on H.R. 39 explains:

Although still in its infancy compared to that of other states (Alaska ranks near the bottom in tourist-related revenues and jobs) Alaska's recreation industry is currently increasing at a rate of between 10 and 15 percent per year. Visits to Alaska's existing National Parks have more than quadrupled since 1971, growing more than 87 percent per year between 1971 and 1976.

The State of Alaska calculates tourism income in 1977 at $150 million from 270,000 tourists. By contrast, a recent study in next-door British Columbia reports that in 1976, 10.5 million visitors spent $1.2 billion—tourism is expected to be British Columbia's biggest industry in 1982. Although air fares and growing public awareness are attracting more and more people to Alaska, the State has, as yet, only scratched the surface of its tourism potential.

National parks, trails, wild and scenic rivers, wilderness areas and wildlife ranges are themselves major destination points for tourists. The National Park Service estimates that visits to the National Park System in the lower 48 generate between $15 and $20 billion for the nation's recreation industry. A 1976 analysis of the tourism benefits to the village of Estes Park, Colorado—the eastern gateway to Rocky Mountain National Park—found that visitors to the park brought into the community a total of $30 million in initial expenditures per year. And, compared to the "boom and bust" economy which has been typical of construction projects, mining booms, and the rise and decline of the fishing industry in Alaska, the appropriations and resulting payroll of conservation system units is stable from year to year, and will be of increasing importance to communities having less favorable economic stability.

Thoughtful Alaskan leaders also have recognized that unrestrained and ill-planned "boom and bust" types of development will not give future generations of Alaskans the economic and social benefits to which they are entitled. Like many Alaskan residents who testified in favor of H.R. 39 at field hearings of the Interior Committee, these spokesmen believe the "jobs" argument against the bill has been vastly overrated.

In a recent issue of Alaska Magazine, for instance, editor and publisher Robert A. Henning discussed this subject. He concluded:

It seems to us that any risk of overexploitation now—the old 'jobs and industries' syndrome—could be the most serious mistake we Alaskans could make.

I include the full text of his editorial in the RECORD at this point:

[From the Alaska Magazine, February 1978]

MAIN TRAILS & BYPATHS

(By Robert A. Henning)

It is a tragedy that the current "environmentalists vs. developers" bitter warfare (which should have been instead just argumentative discussion) concerning disposition of Alaska lands has become "jobs" versus "lockup."

Now it's getting dirty. Whether or not lands shall be classified open for mining, logging, settlement, etc., or declared protective areas for bears, eagles, pristine wilderness—or, if people could keep their cool and talk, perhaps a bit of something for everyone.

The "we gotta have industry—we gotta have jobs" line is getting to us tiresome.

We've heard it—we've even espoused it in Chamber of Commerce years past—for much of our 60 Alaskan years. It has again become the drumbeat for those who want to log their way, or mine their way, or to keep on using the land without regulation or restriction. It just doesn't make sense. Jobs—at any price? Industry—at any price?

Thinking Alaskans should beware of the booby trap in this kind of attitude. Once again we are saddled with unemployment rolls fattened as construction booms subside—adding more unemployment to unemployed rolls already inflated through other successive booms and busts Alaska has been suffering since World War II—the boom years of contractors cracking wilderness barriers on countless fronts at cost-plus—the subsequent "permanent building" of military installations during the Korean conflict—military expansions that now are in many cases phased out and in most cases greatly thinned out—then Swanson River oil, Prudhoe oil, pipelines—and more to come.

The movement of men, seeking jobs, is "west" as a national thing, and increasingly "north" just as a matter of natural course. But these cyclic booms, always leaving a residue of hangers-on who want to keep on the gravy train (an electrician in Alaska can draw something like 24 bucks an hour—$4,000-plus a month)—plus the natural drift of workers drawn north in increasing numbers eager to get in on the labor-scale riches, boom or no boom—and the normal increase of any favored area's population—certainly does bring up the need for more jobs—but is wide-open, free-for-all, taking of the land's natural resources the right answer?

Reason should tell us that when the timber is recklessly exploited, the mines gutted, the last construction boom ended, a lot of desperate people will be looking for scapegoats.

And if we don't stop thinking that "jobs now" are more important than taking a second look at alternatives to the ways in which we must plan the use of our lands, we're going to be those deserving scapegoats.

If the land is not yet ready to assume this too-sudden flood of new residents needing jobs, surely willy-nilly no-planning use of the land doesn't really solve the no-jobs situation. Actually, the known potential for logging jobs, for example, is only a few hundred more, maybe 2,000 more if you dream wildly, maybe several hundred or a couple thousand in the mining business, although it is unlikely there will be a great deal of increase in mines for at least a few years. Service businesses (and the business of building new homes, new schools, new roads, hiring new firemen, etc.) surely will increase apace—but all said and done, even the rosiest of job hopes from sudden new natural resource extractive industries will not really make much of a dent in the several-thousands total of now-unemployed in Alaska—a total growing daily.

It would seem to us that any risk of overexploitation now—the old "jobs and industries" syndrome—could be the most serious mistake we Alaskans could make.

Frankly, we think we've come to the time for Alaska to admit that not just anybody and everybody has a future in Alaska—from a practical standpoint there just aren't that many jobs now or in the foreseeable future.

Alaska polls have recently evidenced an overwhelming opinion that the number one Alaskan problem is "too many people" and that our most desperate worry is "protecting the Alaska way of life."

Maybe "total lockup" should be adjusted to "cautious controlled use." Maybe "jobs now" should be changed to "jobs forever."

Think about it before you castigate your neighbor and what may be his opinion divergent from yours. And make certain the people for whom you vote in Congress hear from you. They play bucks and ballots and your letter can dictate the way they play the game.●

PRAYER

HON. J. HERBERT BURKE

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, May 12, 1978

● Mr. BURKE of Florida. Mr. Speaker, a day does not go by when each of us whether Protestant, Christian, Jew, Muslim, or whatever in our own way ask the blessings of the God to whom we pray for His blessings. In all congressional districts of our Nation, most of the residents have strong ties and traditions which have helped mold the character and moral fiber of all the communities of our Nation. Prayer breakfasts are not uncommon.

Thus, in Broward County, Fla., the mayors of many of the cities have prayer breakfasts to bring together the citizens of their community together in the spirit of brotherhood. Mayor Clay of Fort Lauderdale had such a breakfast recently to pay homage and to give thanks.

For 16 years one of Fort Lauderdale's outstanding businessmen and my friend, Charles Creighton, has been chairman of these prayer breakfasts. On March 8, one of Fort Lauderdale's many prominent citizens, Mr. Don Bohl, participated in the program and I feel his prayer was of such a meaningful and sincere theme that I would like to share his words with you, my colleagues. Mr. Bohl's words were as follows:

PRAYER FOR THOSE IN AUTHORITY

(By Don Bohl)

(Before we join in prayer for our City, County, State and Nation, I would like to challenge each of you and enlist you as daily prayer warriors for our Nation and all those in authority. God has given us a most powerful weapon: intercessory prayer. As you leave this morning, please pick up a copy of the March Intercessors for America Newsletter. It will remind you to pray and direct your prayer focus.)

Let us pray. Our Father, the Father of Abraham, Isaac and Jacob, and the Father of our Lord, Jesus Christ, we thank you for the beauty of this day. We thank You for the privilege of freedom as we gather here. We thank You for this wonderful land and all the bounty You have poured out on us. We praise You, Lord, for Your goodness, Your mercy, and Your grace.

Your word has instructed us to pray for all who are in authority, and Your Word also says that those in authority are there because You have established them. We acknowledge this, Oh Lord, and lift up all in authority to You now.

We ask Your blessing and safe-keeping on President Carter and his family. We thank you that he does acknowledge You as God. Direct him by Your Holy Spirit and by the instruction of your Word, that he may lead our country in the paths of righteousness. Bless each of our U.S. Senators and Congressmen that they may turn to You for direction and inspiration. Where there is adjustment that is needed, Oh Lord, bring it about. Bless the Supreme Court Justices, our Federal, State and Municipal Judges with wisdom to judge as You would them judge. We lift up Governor Askew and thank You that we have a governor who is also a man of God. Bless each of our State Senators and Representatives. Give each one wisdom and a desire to do the best for all the people, and not just what is expedient.

We ask Your special blessing this morning on our Mayor E. Clay Shaw, our Vice Mayor, Virginia Young and on each of our City and County Commissioners. Grant them Your safe-keeping, Your direction and Your grace in all they do. We also ask Your protection on our State, County and City policemen.

Oh Lord, bless the peace makers everywhere in the world. Bless Anwar Sadat and Menachem Begin with a spirit of grace and yielding. Grant them Your protection. Bless the peace makers on our Labor fronts, that there will be a spirit of reconciliation.

We thank You and praise You, Father, that You are reigning on high. We look to You in confidence that You will grant Your people peace, and that You will give us Your direction in these troubled times. We ask this in the name of Your son, our Lord, Jesus Christ. Amen.●

STUDY GROUP URGES DRASTIC ALTERATION IN MEDICAL EDUCATION

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Friday, May 12, 1978

● Mr. VENTO. Mr. Speaker, I commend to my colleagues a very significant set of recommendations made by a study group from the Institute of Medicine which was published in yesterday's Washington Post. They would recast the health delivery system in the United States by emphasizing the role of the primary care physician.

The article follows:

STUDY GROUP URGES DRASTIC ALTERATION IN MEDICAL EDUCATION

(By Victor Cohn)

The nation should drastically change the way it pays and trains its doctors—and sharply limit payments to specialists—to encourage physicians to give primary care rather than specializing, a national study group said yesterday.

The 14-member committee of the Institute of Medicine urged a 10-year moratorium on increasing the number of medical students—in effect, putting a lid on the size of current medical classes and halting the plans to start new medical schools now under way in some states.

The committee said it urged this moratorium because there are so many medical students now in the pipeline that the number of doctors will increase by 60 percent in 12 years. Every new doctor generates so many fees and tests that he or she adds $250,000 a year to the nation's health bill, the committee reported.

Nonetheless, the percentage of doctors who give primary care—meaning basic personal and family physicians rather than continuing to leave specialists—will increase only slightly, continuing to leave a serious shortage, the committee found.

In a series of recommendations certain to be opposed by thousands of specialists, the group said:

Health insurance plans and government agencies should refuse to pay for specialized

care unless it has been declared necessary by a primary care doctor. This could deny payment for all Medicare, Medicaid and privately insured patients unless their regular doctor refers them to a specialist.

Primary care doctors should be paid as much as specialists for the same work. Currently, some specialists charge considerably more for even simple procedures than general doctors. As one example, said Dr. E. Harvey Estes of Duke University, study group chairman, a general doctor may be paid $20 to sew up a cut on a child's leg, but a plastic surgeon may get $100 for the same service.

Doctors in all parts of a state should receive equal fees, instead of the current situation in which insurers and government agencies commonly pay city doctors more than smalltown and rural doctors—22 percent more nationally for Medicare patients.

The federal government and other forces should exert maximum pressure on medical schools and hospitals—and keep giving them subsidies—so that by 1990 perhaps 60 to 70 percent of all doctors will be giving primary care rather than today's 44.8 percent.

Without such interventions, the committee said, the proportion of primary care doctors will rise to only 50 percent by 1990, though the number of all doctors will rise in number from 340,000 to 559,800.

"The primary care doctor is your personal physician," Estes said. "He or she is the physician-manager of your care, the person you turn to for input into the medical system, for advice on where to go and how to deal with your problems."

Primary care doctors include some broader specialists. As generally defined, they include general practitioners, family practitioners (general practitioners who take more training and are certified by a national accrediting body), internists or specialists in internal medicine (but only internists who do not mostly "sub-specialize" in some field like heart or intestinal disease), pediatricians and obstetrician-gynecologist who give their patients their overall care.

But "excellent" primary care, the committee said, can also be given by medical groups (in which several kinds of specialists cooperate) or by well-trained nurse-practitioners backed by supervision physicians.

A medical group or hospital should in fact be paid the same fee whether a service is given by a doctor, nurse-practitioner or trained physician's assistant, the committee recommended. It urged states to authorize nurse-practitioners and physicians' assistants to make diagnoses and prescribe drugs "when appropriate."

But it said these nurses and doctors' helpers—who generally get from one to two years' medical training—should not work without physician supervision. And it said the number of them being trained should not be increased until the country sees how many are needed.

Committee member Dr. Loretta Ford, University of Rochester nursing dean, objected to such recommendations. She said the report failed "the unmet needs" of many Americans by recommending "giant steps" to train hundreds of health teams to deliver their care.

Whoever gives Americans' primary health care, the report said, should be "accessible" to every patient—or provide competent alternative care—24 hours a day.●

LUMPERS

HON. NEAL SMITH

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Friday, May 12, 1978

● Mr. SMITH of Iowa. Mr. Speaker, for the past 10 months, the House Committee on Small Business has been investigating impediments in the marketing and pricing of beef.

One phase of this extensive investigation has focused on a practice in the industry whereby truckers, delivering loads of meat into grocery chain warehouses, are forced to pay exorbitant and in some cases extortionate fees to "lumpers" to have the meat unloaded from their trucks.

The payments range from $30 to $120 per truck load and since the transaction is always in cash, there are few records. We have found also that if the driver refuses to pay, he faces undue delays and in some cases is subjected to violence.

My concern over this situation is that the system lends itself to abuse and sets up the possibility for extortion and inclusion of nonproductive, unneeded costs in the price of meat.

Last month, NBC News reporter Brian Ross filmed a segment on the "lumper" problem and I include a transcript of the news broadcast in the RECORD:

LUMPERS

Your guess is as good as ours as to why lumpers are called lumpers, maybe it's because if you refuse their services you might get a lump on your head, we don't know. We do know that theirs is a serious business, that they are a nationwide phenomenon and that they still add one more addition to the cost of living.

Brian Ross explains.

In the fields of California, the people who pick cucumbers make about $3.00 an hour. In the big produce markets in California, the people who unload cucumbers make about $50 an hour. On the east coast, it is just as expensive to get beef unloaded, as much as $50 an hour. Across this country, the simple step of unloading food from a truck is one of the most costly steps in getting food from the fields to the market and it has a lot to do with the cost of groceries. The men who do this unloading are known in the industry as lumpers. Lumpers are unskilled, vagabond workers who are paid on the spot by the drivers to unload a truck. Lumpers are not regular employees of the market or the trucking company, and that's how they like it. They are paid in cash and they set the rates.

(Ross) "How much do you charge for each truck?"

(Lumper) "$50.00."

(Ross) "That's a flat rate, whether it takes you an hour, half hour, two hours, it is always $50.00 a truck?"

(Lumper) "To unload meat, right."

(Ross) There is no rule that a driver has to hire a lumper. He can unload his truck himself. But investigators say in city after city, lumpers have used threats of delay and violence so that lumpers end up unloading almost every truck that comes to market. In some markets, lumpers are believed to make as much as $70,000 a year. Joe Casper of the California Trucking Association:

(Casper) "We are faced with the highest cost of unloading that we find anywhere in the truck industry can be found in the produce market."

(Ross) "And lumpers are able to charge this because they are tough enough to charge it and make the charges stick?"

(Casper) "That's what the people out in the field tell me."

(Ross) Midnight at the Golden Gate Produce Market in South San Francisco. These men are lumpers waiting for the trucks to arrive. Police say the lumpers here have a reputation for violence, and NBC News made these pictures using a concealed camera. Before he pulled in here, truck driver John Sheely told us he wanted to unload his truck himself, that he didn't need lumpers. But before Sheely could start to unload his truck, a gang of lumpers opened the trailer door and began to unload the crates of cucumbers. Sheely said he had no choice, he had to pay the lumpers $48.00 for a half hour's work.

(Sheely) "Suddenly I had lumpers. They were working unloading the truck."

(Ross) "You hadn't asked for lumpers?"

(Sheely) "Nope."

(Ross) "Couldn't you have said 'I don't want these lumpers' ?"

(Sheely) "Oh, I could have."

(Ross) "Why didn't you?"

(Sheely) Well . . . it's just something you don't do, them folks will get right nasty."

(Ross) The night after we filmed here, a driver was badly beaten after he refused to hire lumpers, and also refused their demand that he give them five crates of produce.

Iowa Congressman Neal Smith has been investigating lumpers. He says lumpers have the power they have in major cities because of their ties to organized crime.

(Smith) "In this complicated delivery and distribution system, there are those points at which the underworld can move in and they can say you can't go beyond this point unless you pay me. It's bound to be inflationary, it's a cost that somebody has to pay that does not—is not offset by an economic service."

In San Francisco alone, by industry estimates, people pay a million dollars more a year for groceries because of excessive payments to lumpers, costs passed on by the driver to the shipper, and eventually to the consumer. The situation is so bad in the San Francisco market that some state inspectors refuse to come into the market except in daylight, when little is going on. And, an FBI investigation begun two years ago has yet to produce any results. In this market and others, lumpers have been permitted to operate like pirates, and the cost of paying tribute to them is helping to drive up the cost of food in this country.●

SALT AND THE SOVIET DRIVE FOR SUPERIORITY

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, May 12, 1978

● Mr. DORNAN. Mr. Speaker, there are many distinguished gentlemen in this House of both parties who share a common anxiety—they fear the erosion of the strategic military balance of power between the United States and the Soviet Union. There are many who also wonder why the President refuses to acknowledge the need to maintain a military force second to none.

The world is in turmoil. Our ideological adversaries are making quick, sharp advances in Africa. They are building a "blue water" naval force that threatens our vital sealanes, so essential to the commerce of the United States and Western European Allies. They are covertly and overtly supporting guerrillas and subversives in virtually every corner of the globe. They make no secret of their designs. They boastfully claim that the capitalist West and all its works is doomed to destruction. And they see themselves as the historically appointed agents of that destruction.

In his epic work, "The City of God,"

St. Augustine chided the Romans for crowding into the theaters, for making merry, and turning their attentions from the high calling of their political duties to indulge their endless lusts and corruptions. Pagan Romans falsely claimed that the weakness of their once great empire was attributable to the softening influence of Christianity, which preached love and brotherhood among men. But as St. Augustine admonished them, it was not the teachings of Christ, but rather their own indulgence in pleasure, their own corruption, and their own refusal to attend to their moral and civic duties which brought on their ultimate destruction.

We cannot afford the luxuries of complacency. We cannot afford to delude ourselves into believing that if we save money on defense that our adversaries will reciprocate, or that we will somehow be able to transfer those funds into well-intentioned social programs. The world is what it is because human nature is constant. If it is a jungle, and predators prowl in the night, we can not pretend that it is nothing more than a slightly imperfect world order, needing only the finishing touches of another conference, another U.N. resolution, another diplomatic note, or another arms control agreement. How I wish it were otherwise.

It is interesting to note that the foremost Soviet authority on the United States, Mr. Georgi Arbatov, a member of the Central Committee of the Communist Party of the Soviet Union and Director of the prestigious Soviet Institute on the U.S.A. and Canadian Affairs, recently remarked that the Soviet Union and the United States were at a "critical juncture" in their bilateral relations. He expressed the belief that the new SALT accord was the key to our future relations, and hoped that the United States would eventually come to accept it. He further suggested that President Carter make it clear to Congress that a failure to ratify the SALT II agreement would make matters "much worse," pointing to Soviet development of the Backfire, the modernization of Soviet heavy missiles, and the increasing vulnerability of U.S. land-based missiles.

Soviet authorities speak with one voice. Mr. Arbatov's remarks must be put into the context of another recent Soviet statement: The February Pravda declaration that the U.S.S.R. will make no more "concessions" to the United States during the SALT II negotiations. In other words, the Soviet message is this: We had better go along, ask for no further modifications, or else take the consequences of being faced with a continued, massive military buildup directly threatening our national security. This is not the negotiating posture of a world power seeking to make the world safe from nuclear war. It is the tone of a vicious, coercive totalitarian force seeking to advance its position either through negotiation or through the use or threat of force.

Mr. Speaker, throughout our history, the United States was relatively secure from the military aggression of foreign powers. We were geographically separated on our eastern and western borders by great oceans. And neither Canada to the North, nor Mexico to the South, ever posed a significant military threat to the American homeland. But now we are increasingly vulnerable to a direct, intercontinental strategic assault. Our potential adversary, the Soviet Union, has made startling gains in the last 10 years in virtually every field of modern weaponry.

American defense analysts have long told us that the vast technological superiority of the United States would more than offset the massive numerical superiority of the Soviet Union's war machine. But now we know that the American intelligence community underestimated the rate of Soviet technological progress. The Soviets added multiple warheads to their heavy missiles more quickly than we had expected. Soviet defense expenditures turned out to be higher than we had expected. During the last 10 years, for example, the growth of Soviet military spending averaged 3 percent per year, while the United States spending in constant dollars actually declined between 1968 and 1976. Last year alone, according to recently published reports on CIA analyses, the Soviets spent approximately 40 percent more than the United States on military categories. I would remind Members of this House that the greatest Soviet effort has been in the area of upgrading its already formidable strategic forces, especially missiles, and that its "manpower expenditures" do not compare at all favorably with our own.

These Soviet efforts have paid off in a variety of ways. Who could have thought just a few short years ago that the Soviet Union would be capable of challenging American airpower? Now we know that the Soviets have been producing the most powerful bomber in the world today, the Tupolev Backfire B, with a range generally estimated at 5,000 nautical miles. The Backfire bomber will not only give the Soviet Union the capability to project airpower over the sea lanes, strengthening the hand of its formidable fleet of submarines, but will be able to strike targets on the continental United States. I know of no military commander who is satisfied that American air defense is adequate to the task of effectively countering a massive new Soviet assault.

In the face of these developments, the Carter administration has followed a disastrous policy of cancelation, limitation, or delay of new strategic weapons systems. We have scrapped the most promising military airplane in the history of aviation, the B–1 bomber. We have acceded to Soviet demands to limit the range of the cruise missile, thus negating our great technological lead in range and guidance capabilities. We have delayed our only proposed alternative to strengthening the land-based American missile force, the MX.

Mr. Speaker, the United States is entering into one of the most critical periods in its diplomatic history. The kind of treaty we finally agree to with the Soviet Union may very well determine the balance of power for the rest of this century.

I fear that we are already entering the contest with a severe set of handicaps. The President has already weakened our bargaining position with the Soviet Union. If these trends continue we may find that we are unable to get a strong, workable, verifiable arms control agreement with the Russians. We certainly cannot depend upon their reservoirs of good will.

Mr. Speaker, Adm. Elmo Zumwalt, one of this Nation's most distinguished military figures, has probed the sources of the President's policies. As he observes in a recent editorial in the prestigious Aviation Week & Space Technology, the President has ignored the best advice of defense experts and analysts. He has relied on the advice of men who are incompetent to render sound military judgments. He has indulged idealistic delusions.

Too many of us view military force simply in terms of the potential effect of its use on the material economic, industrial, and military infrastructure of our adversaries. Far more important is the intangible dimension of military strength. It is the psychological coercion that can be brought to bear on our potential adversaries that is most decisive. In the absence of psychologically coercive American military might, we may not be able to pursue the noble cause of arms control.

Mr. Speaker, Adm. Elmo Zumwalt, former Chief of Naval Operations, has closely monitored these developments. I commend his observations, published in the most recent edition of Aviation Week & Space Technology, to your undivided attention:

CARTER'S STRATEGIC CONFUSION

(Adm. Elmo R. Zumwalt, Jr., starting with the Cuban missile crisis and later as chief of naval operations, served under Presidents Kennedy, Johnson and Nixon in grappling with Soviet-U.S. strategic balance. Now retired, Adm. Zumwalt continued his outspoken criticism of U.S. political handling of national security (AW&ST Jan 19, 1976, p. 46) in recent comments on President Carter's conduct of defense and arms control affairs. Excerpts follow.)

Presidents Nixon and Ford, by the time they took office, knew very well that the Kennedy/Johnson strategic parity proposal to the Soviets had not worked out. During their years, privately, they were quite clear that the Soviet Union, rather than stopping at parity, was proceeding to achieve strategic nuclear superiority.

For example, in the 6th Fleet, after the Jordan crisis in September of 1970, still early in his first term, the President told me, with regard to his negotiations in SALT I with the Soviets, that he thought that he could get strategic superiority but might have to settle for parity if there was inadequate support for defense budgets. Yet, by the time SALT I was signed, 18 months later, Mr. Nixon was quite clear in private discussions that the U.S. had had to accept somewhat less than parity. And, 20 months later, by Jan. 24, 1974, while I was attending a National Security Council meeting which President Nixon had called, it was clear that he believed we were going to have to accept strategic nuclear inferiority. My notes of the meeting show that Kissinger expressed the view, and President Nixon agreed, that there was no way the U.S. could get parity in the strategic

nuclear field with the Soviet Union. Kissinger said the people won't support it. President Nixon made it clear that he didn't want any talk that sounded like that publicly, however. . . .

It is a separate question as to whether each of these Presidents was completely candid with the public on strategic nuclear issues. But one has to recognize that at the very least, they had done their homework and knew what the facts were.

In contrast to these previous presidents, Mr. Carter, based on everything one can learn from private conversations, seems not to have done his homework and seems sincerely confused about the facts. He seems truly not to be aware of the burgeoning Soviet nuclear superiority. I can attest to this first hand. I believe that the personal confusion on strategic arms issues is unique among the six President I have observed.

Many of us who have been analyzing over the years the U.S. descent into inferiority in the strategic nuclear balance had high hopes that the Carter Administration would, with its new team of policy makers and specialists, emerge from its initial review of the state of affairs with approaches more helpful to the U.S. safety. We knew there was a wealth of material available to the new President:

He had in his files the statement of the members of the Blue Ribbon Defense Panel, issued in January, 1971, warning of a significant shift of the strategic balance away from the U.S. and toward the USSR. . . .

He had available the minutes and tapes of the various meetings on SALT 1, SALT 2, strategic issues and budgets during the Nixon/Ford years. . . .

Former Secretary of Defense Melvin Laird, former Deputy Secretary of Defense Paul Nitze, both of whom are still quite current on classified strategic nuclear information, and a number of retired military leaders who have spoken and written about the shifting strategic nuclear balance and what to do about it could be consulted.

President Carter has access to a recent report, "Measures and Trends—U.S. and USSR—Strategic Force Effectiveness," done for the Defense Nuclear Agency, which shows for 41 different orderings of strategic effectiveness measures—such as ICBM launcher numbers, ICBM throw weight, SLBM numbers, etc, that the Soviet Union is superior in 33 such orderings today. . . .

In my judgment there are three major reasons why the President has not yet discovered the extent of forthcoming Soviet strategic nuclear superiority. The first is his failure to review the information I have summarized. The second is that under our system it is easy, although misleading, to give equal weight to the opinions of uninformed authorities and national figures, and those of the informed. A paper pronouncing that the U.S. is well off in the strategic nuclear balance can be submitted by him by a staff person who has no real background on the issues and who has had strong previous prejudices that more defense is bad and less is good. This is given equal treatment to the views of the Joint Chiefs of Staff, past and present. . . .

The third reason is that being in possession of such conflicting views, not properly weighted for their background and experience, President Carter, rather than giving careful study to the issues, tends to select the naively idealistic rather than the realistic alternative. No better recent example can be cited than the President's initial acceptance of the advice of novices Andrew Young and Hamilton Jordan to kill the neutron bomb and his overruling of the advice to build it given by the real expert, Cyrus Vance. The fact that other pressures subsequently led the President to ameliorate his initial bad decisions does not invalidate the point.

There were three systems available to the President with which to begin a relatively rapid return to strategic nuclear parity in the 1980s: the B–1 bomber, the mobile (MX) Minuteman, and the long-range cruise missile. The B–1 strategic bomber has been canceled, while the Soviet strategic Backfire bomber goes forward. . . .

The mobile Minuteman (MX) development has been slowed down by the President. Our fixed ICBMs are now subject to prompt destruction in a Soviet first strike. . . .

The long-range cruise missile is the device which could most quickly restore a semblance of strategic nuclear balance because it can be deployed on airplanes, surface ships and attack submarines. . . . Yet, recent budget decisions have slowed down rather than accelerated the cruise missile development programs. . . .

At the same time President Carter has been putting our national safety in jeopardy by budget decisions on strategic forces, he has been making similarly unsafe decisions in the strategic arms control field. In part he has found himself driven to these bad SALT 2 decisions because of the leverage he has given up in canceling and slowing programs without any Soviet quid in SALT 2. . . .

SALT 2 will be so structured that the Soviets have nearly all the negotiating leverage of superiority in measures of effectiveness. Heavy pressure will be on the U.S. to accommodate to the Soviet demands in SALT 3 negotiations. Given the history of U.S. accommodations to the Soviets' superior leverage in the SALT 2 negotiations, SALT 3 will almost certainly be worse. The time to consider such consequences is now, before SALT 2 is ratified.●

JACK KEMP—A NEW STAR ON THE POLITICAL HORIZON

HON. ELDON RUDD

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Friday, May 12, 1978

● Mr. RUDD. Mr. Speaker, our colleague JACK KEMP, who has been sent to Congress to represent his Buffalo, N.Y., constituents by substantial pluralities ever since he was first elected in 1970, has now come to national attention as a star on the political horizon.

Having worked alongside this highly capable man since my own election to Congress, I can well understand the excitement over his abilities, his articulateness, and his willingness to fight in behalf of better and less costly Government for the benefit of all our people.

JACK KEMP is best known for his proposed legislation to permanently reduce Federal taxes, in order to provide a needed shot in the arm for the productive sector of our economy, which will actually result in increased overall revenue for Government programs.

Another equally popular and well-thought-out Kemp proposal—and I am a supporter and cosponsor of both bills—is his Jobs Creation Act, which would provide increased tax incentives for individual investment and expansion by private industry, to create more economic growth and jobs in the productive private sector of our economy.

JACK KEMP is the first to point out that these ideas are not new. But they are ideas that have worked well before, and are badly needed now to get our economy moving again and to provide needed tax relief for our people.

The fact that JACK KEMP is such an effective and articulate spokesman for these ideas is what has brought him to national attention.

As a former football star quarterback of national acclaim, he is knowledgeable about team effectiveness and good strategy to score needed points for the common effort. JACK KEMP is now carrying the ball for the GOP team, but has Republican and Democratic admirers and supporters who applaud his efforts.

The editor of the Phoenix Gazette, Loyal Meek, who recently visited JACK KEMP in Washington, where he conducted a lengthy interview, has just written two excellent columns about our New York colleague. They attest to his new national prominence as an effective and popular leader in Government—a new political star of Senatorial or Presidential possibilities. They also relate how JACK KEMP "makes economics an issue with sex appeal."

I would like to include at this point in the RECORD these two columns from Arizona's largest statewide afternoon daily newspaper:

[From the Phoenix Gazette, May 9 and 10, 1978]

KEMP MAKES ECONOMICS AN ISSUE WITH SEX APPEAL

(By Loyal Meek)

WASHINGTON.—One of the brightest new stars in the Republican firmament is a young conservative whose initials happen to be JFK.

Jack French Kemp, that is.

A former star quarterback in professional football, Kemp, 42, is serving his fourth term as a representative from New York's 38th district, a mainly middle-class, suburban Buffalo area.

Kemp is making a national name for himself by taking an issue generally thought to be devoid of political sex appeal—economics—and turning it into a cause that has him busy speaking around the country and which is giving the Democratic majority in Congress fits.

"The time has come to produce a new strategy for prosperity and economic growth and jobs," declares Kemp at every opportunity and with the same sort of zest and charge he used to lead the Buffalo Bills to two AFL championships in the 1960s.

This strategy, Kemp says, will restore the reward for working, saving, producing and investing.

"If one considers how inflation is moving people into higher and higher marginal tax brackets, you realize that in America today the harder you work, the more you produce, the more you save, the more you are penalized by a tax code that rewards consumption, leisure, debts and borrowing, and punishes savings, investment, work and production."

Heady stuff, this. It is especially noteworthy that his message appeals to blue-collar and minority workers, indicating Kemp has a talent for translating dry economics into take-home-pay terms.

Together with Sen. William Roth, R-Del., Kemp is leading a drive to implement this strategy for prosperity by proposing to:

Cut personal income tax rates across-the-board by 30 percent over a three-year period; reduce the top corporate rate from 48 to 45 percent over the same period, and reduce the taxation of small businesses by raising the corporate surtax exemption from $50,000 to $100,000.

Kemp recently attempted to amend the Humphrey-Hawkins Full Employment Act with provisions identical to the Kemp-Roth tax reduction proposal. The Democratic leadership had to scramble to prevent defections. At that, Kemp got 54 Democrats to vote with him, only 11 short of what was needed to score a stunning victory.

But what probably bugs the Democratic establishment most of all is that this JFK is invoking the memory of the original JFK in arguing for his tax cut proposal.

Kemp delights in pointing out that, in 1962, President Kennedy initiated a tax cut program despite estimates from his Treasury experts that it would mean six-year revenue losses of a staggering $89 billion. Instead, thanks to the economic stimulus provided by the Kennedy tax cuts, revenues increased by $54 billion over that period—a $143 billion total difference from what had been expected.

Kemp and Roth, joined by 17 senators and 147 representatives as cosponsors, are seeking to have their across-the-board tax reduction proposal substituted for President Carter's "largely discredited and misleading" tax reform measure.

They challenge Carter's claim that 96 percent of all taxpayers will benefit from his tax cut proposal. Middle-income taxpayers face substantial tax increases over the next three years under Carter's proposals, they warn.

With the Democrats enjoying a 2-to-1 advantage in Congress, the chances of the Kemp-Roth strategy for prosperity being adopted are considerably less than that Tampa Bay will be in the Super Bowl next January.

Nevertheless, Kemp is scoring points for the Republican Party, which, despite an improving outlook for the 1978 elections and maybe even for 1980, remains in desperate need of fresh leadership . . .

Even one whose initials happen to be JFK and who goes around echoing the theme of John F. Kennedy's 1960 presidential campaign with the slogan, "Let's get the economy moving again."

JACK (WHO?) KEMP ENTERING NATIONAL SPOTLIGHT

(By Loyal Meek)

WASHINGTON.—Is Jack Kemp running for President in 1980?

When asked that question point-blank, the 42-year-old Buffalo, N.Y., representative responds with a question of his own: "Who have you heard saying that I am?"

Well, nobody in particular, this questioner was left to reply, although Kemp's name has been mentioned as a Republican presidential prospect here and there.

For instance, a long and favorable article on Kemp in the April 10 issue of Fortune concludes:

"Some of Kemp's admirers see him on the national ticket two years hence, possibly even as a presidential candidate. This suggestion was reported to him somewhat jocularly a few weeks ago. 'You're not supposed to laugh at that,' said Kemp, not laughing."

In an interview in his office the other day, Kemp turned aside presidential and vice presidential speculation by saying that his ambition has long been to be a United States senator. He has his eye on the seat now held by Sen. Jacob Javits, who will be 76 when his term expires in 1980.

Kemp's boyhood ambition was to play pro football.

Born and educated in Los Angeles, he played quarterback at Fairfax High School and at nearby Occidental College, graduating in 1957.

Becoming a pro quarterback took all the ambition Kemp could muster. The Detroit Lions drafted him as a third-string quarterback. He spent the following three seasons on five teams, hardly ever playing.

His break finally came in 1960 when he was taken on by the Chargers, an L.A. team that later moved to San Diego. He became the Chargers' starting quarterback, but he achieved national fame only after he joined the Buffalo Bills.

As the Fortune article put it, "He came to be recognized as a very smart, spunky quarterback who energized the whole team when he came onto the field—the inspiring leader straight out of boys' books."

Kemp has brought that same kind of ambitious leadership onto the field of politics. Elected in a close race to his term in 1970, he won the next three contests by whopping margins.

Kemp has picked up considerable support from Buffalo unions along the way, in part because he was a cofounder of the AFL Players Association and helped negotiate the first collective-bargaining agreement in pro football.

Kemp's interest in politics began in San Diego through Herbert Klein, editor of the San Diego Union and Richard Nixon's press secretary in the 1960 campaign.

As he became more involved in politics, Kemp became increasingly aware of a need to make up for his lack of special training, particularly in economics. With characteristic intensity, he turned his intellectual energies into an exhaustive, not to say compulsive, study of the subject.

Out of this has grown Kemp's income tax proposals which the Republican Party is now picking up in place of its old and politically ineffective platforms calling for cutting spending and balancing budgets.

Still, if Kemp does indeed have White House ambitions, he faces some formidable hurdles:

Identity. For all the national exposure he is receiving, Kemp remains pretty much a "Jack Who?" Alongside a Ford, a Reagan or a Connally, not to mention a Dole or a Baker, Kemp's name is relatively unknown, which brings up the next hurdle.

The "new face" handicap. Ironically, Kemp may be the victim of a "fresh face" backlash, brought on by a certain peanut farmer from Georgia. According to the pollsters, President Carter's troubles have caused voters to conclude that experience in office is a plus for candidates.

Partisan purity. Kemp got himself crosswise with the rabid conservatives this spring by going to Illinois to campaign for the liberal Rep. John Anderson in a bitter contest for the GOP nomination against a right-wing evangelist. Kemp says he owed it to Anderson for his support of the Kemp-Roth tax cut proposal. Kemp may get back in the good graces of the purists by campaigning for conservative Jeffrey Bell of New Jersey in his race against Sen. Clifford Case in the GOP primary June 6.

Despite the obstacles, it will not be too surprising to see the ambitious Jack Kemp in some GOP presidential primaries two years from now.●

ISRAEL MARKS 30TH ANNIVERSARY

HON. JOSEPH G. MINISH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 11, 1978

Mr. MINISH. Mr. Speaker, May 15 marks the 30th anniversary of the State of Israel, the homeland sought by the Jews for nearly 2,000 years. Expelled by the Romans in 70 A.D., the Jewish people wandered through Europe, Asia, Africa, and North America awaiting the day they would return to their Promised Land. They endured poverty, discrimination, and violence. They survived inquisitions and pogroms, still clinging to their religious and cultural heritage. Although separated by thousands of miles and 20 centuries, the Jews were bound together by a common thread. They worshipped one God and spoke in the Hebrew tongue. From generation to generation they relayed the great story of their past. From parent to child they passed a bright hope for their future.

The hope continued in the face of hardships and persecutions unparalleled in human history. Six million Jews died in the holocaust of World War II. Hundreds of thousands more were left homeless. Anyone who has visited the Nazi death camps like Auschwitz, as I did with my wife a year and a half ago, cannot help but be shocked by the unspeakable horror of the Holocaust. As George Santayana wrote, "Those who cannot remember the past are condemned to repeat it." It is incumbent upon us, therefore, constantly to remind ourselves and others of what did happen in Nazi Germany and to constantly guard against a recurrence.

After World War II and the Holocaust, the prospect of a Jewish homeland was no longer a glimmer in the distance. It was a desperate need that could no longer be delayed. Already thousands of Jews had left the rubble of Europe to begin a new life in the Promised Land. It was only a matter of 3 years from the war's end to the declaration of the independent State of Israel.

The Jews had recovered their homeland, but they had not yet paid the full price. From the moment of its inception, the life of the nation was threatened by hostile Arab neighbors. During these 30 years, the Middle East has been wracked with bloody wars. Greatly outnumbered, the Jews cannot afford to lose their military edge. Defeat in battle would place them at the mercy of nations whose total population is more than 30 times greater than their own. In order to live in security, Israel must have more than a hope of mercy.

As cognizant as Israel must be of its national defense, the nation has not suffered the fate of an armed camp. When the Jews came back to Palestine in the years preceding their statehood, they found a sorely neglected land. The rich hills they had left were barren and eroded, the pastures, treeless deserts of dust. The valleys, once rich with vegetation, were swampy breeding grounds of malaria. They drained the swamps and terraced the broken hills. They planted trees to hold down the water and top soil. They found underground springs and irrigated the parched fields. They improved seeds and farming methods and established efficient cooperative farms. Within a few short years, the land bloomed with productivity. Today, this former desert sustains virtually all of the food needs of the Israeli people.

Israel's phenomenal growth has not been limited to the domain of agriculture. Every aspect of its economical development has been sensational. In 1950, Israel was ranked among the develop-

ing countries, alongside such nations as Colombia and Argentina. The economy expanded rapidly. During the following 15 years, the gross national product grew by approximately 11 percent each year, compared with the average growth in the United States of 3.3 percent. Largely as a result of immigration, Israel's population has trebled since 1948, miraculously, the standard of living continues to rise. The immigrant camps, unemployment and shortages of the early years are only another episode of Israel's past.

Neither the development of the economy, nor the preoccupation with national defense has hindered the development of Israeli culture and learning. Schools and universities are continually increasing in number. Israeli dancers and musicians, scholars and poets are known the world over. Cultural wealth from all corners of the earth has taken root in Israeli soil. Preserving the old and encouraging the new, Israeli culture has discovered a vitality and uniqueness unparalleled in recorded history.

So vibrant a culture could not survive in an atmosphere of fear and repression. Thus it comes as no surprise that the State of Israel is a parliamentary democracy in which human and civil rights are recognized and protected by law. The freedom of worship, speech, association, assembly, the press, and the free exercise of any profession, trade, or business are among the constitutionally guaranteed rights. The State of Israel is living proof that freedom and democracy need not be sacrificed for the sake of economic growth and higher living standards.

On this, the 30th anniversary of its independence, I would like to reaffirm the support of the American people for the State of Israel. Thirty years ago, President Truman extended recognition to Israel only moments after its proclamation as a sovereign state. An ardent supporter of the fight for a Jewish homeland, the United States was among the first to accord Israel full recognition. American sympathy for the Israeli cause and affinity for its democratic and pioneering ideals have sustained its friendships and commitment, especially in years of turmoil and times of disagreement. American support will not diminish. These past 30 years are only the beginning of a long and glorious history of a strong and growing nation. As Americans, we congratulate Israel's grand successes. As we stood shoulder to shoulder in adversity, we shall stand side by side in the greater and happier days of the unfolding future.

BATF PROPOSED REGULATIONS

HON. BOB LIVINGSTON

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, May 12, 1978

● Mr. LIVINGSTON. Mr. Speaker, the Bureau of Alcohol, Tobacco and Firearms recently published controversial proposed regulations regarding the registration of firearms. I have received over 110 letters from concerned citizens in Louisiana voicing their opposition to the proposed regulations, but perhaps none explains the ultimate consequences of such proposals as well as the following letter by Mr. F. Javier Banos:

DEAR CONGRESSMAN LIVINGSTON: I just learned that the Bureau of Alcohol, Tobacco and Firearms is in the process of establishing a plan for computerized firearms with no specific Congressional authority.

In January of 1959 I was a teenager living in Cuba when Castro took over. On his first televised speech, the day he reached Habana, one of the main topics of his 4-hour speech was to inform the nation that gun registration was necessary in order to, (a) stop the crimes carried out by Batista followers, (b) to get the Mafia disarmed and (c) to stop the looting and crime on the streets. He gave us 3 months to register all firearms and everyone went along with it since the purpose seemed so noble.

Ninety days later Castro came back on TV for another show. This time the tone was almost religious. It was like watching Billy Graham talk. I expected him to pull out a Bible any second. I can still see his curling his beard, looking intensely into the camera during long close-ups and saying, "I want to be known as the man who stopped crime and corruption. . . My brothers, haven't we been killing each other long enough? The American Eagle no longer flies our skies. What do we need arms for? The Batistianos are no longer a threat. . . Arms for what? (very softly). The Mafia is back to the U.S. . . . Arms for what? (a little louder). Crime is no longer to be feared. . . Arms for what? (loud)." At this point the immense crowd broke up in loud cheers of "Armas para que?" The repeated cheer "arms for what?", "arms for what?", "arms for what?" lasted well over 20 minutes! When it subsided, Castro very softly expressed his thanks to the nation for supporting him on this issue. Then very dramatically he pledged to end all further killings by taking in all private firearms! He gave everyone another 90 days to turn them in and he announced that the penalty for a citizen to be caught with a firearm would range from between 5 years in prison and "paredon" (The Wall)! What was one supposed to do after just registering all firearms? All this was announced around May 1959 in one speech, and at that time Eisenhower, Nixon and Jack Sullivan were still honeymooning with Castro, "The Robinhood of the Americas!"—Remember that? . . . We all went for it!

The rest is history and you know it as well as I do. (1) Cuba was disarmed within 90 days. (2) Almost as many Cubans were killed at "The Paredon" as Jews in the German gas chambers and this has been totally ignored. (3) Close to 2 million Cubans left Cuba between 1959 and 1969 out of a total population of only 6 million.

I know what I am talking about. I am a Cuban born who flew to Louisiana in 1960 and have lived here ever since. I got a BBA and a MBA from Loyola (while working full-time at the same time), I have become a citizen, married a "coon ———" wife, have two "Yankee capitalist daughters", own my own successful business and pay more taxes than 99% of American-born Americans. All of this makes me a raving capitalist and a bigger and better American than most people who were born here because I appreciate the U.S. system more since I (in an ironic way) was "privileged" to live under other economic systems that aren't worth a darn! I still have a cousin in prison in Cuba, condemned to "life in prison" because he got caught in 1960 armed and doing what Castro calls "counter revolution". My cousin now is 35 years old and he was 17 when he got caught. I am proud to report that he is still alive and the communists have not been able to break him down psychologically after 18 years!

May I respectfully mention to you that back in the late '50's, when the Jews and the Hungarians and the Chinese and the Spanish and the Polish living in Cuba warned us that arms registration would be our downfall, we didn't believe them . . . May I respectfully submit now that you cannot afford to make the same mistake we made. Please, devote whatever time is necessary to find out what is behind all of this. Stop it before it is too late! One of the things that has made this country great is that your citizens have always been armed and ready. The argument that guns kill "a few" innocent people every year is not a valid one because thanks to the fact that so many generations of patriots here used guns successfully to defend our liberties, people like me now live in peace and people like you were elected to office through the free choice of your constituents!

When you have a country this big, lots of innocent people are going to die because of careless things such as bicycles, skateboarding, hot dog indigestion and . . . guns! The problem is that guns are too important to tangle with. I've often wondered if the Cubans wouldn't have been disarmed, how many of us would have ended up exiled? We would have stayed and fought and perhaps there wouldn't be communism in the Americas today.

I'd like to leave you with one thought: Thank God the Cubans had these fantastic United States who opened their arms to us and welcomed us. Just supposing for one second that my fears are well founded and that gun registration (which without a doubt will turn into confiscation) is your downfall, where will you go this time? Do you think that your sons and daughters will ever have the opportunity to write a legislator of some foreign power and get a chance to tell his or her story as I am telling it now? Please think about it. You can't afford to make a mistake on this issue. Not on something this important. This truly involves national security.

With best regards,

F. JAVIER BANOS, CFP.●

TRIBUTE TO WILLIAM E. (PUD) HAMILTON

HON. PHILIP E. RUPPE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, May 12, 1978

● Mr. RUPPE. Mr. Speaker, the Michigan Legislature recently passed a concurrent resolution requesting that William E. "Pud" Hamilton be selected as a member of the U.S. Hockey Hall of Fame.

The remarkable sports career of this grand old man of sports from Sault Ste Marie is still remembered by residents in the eastern Upper Peninsula of Michigan, although he died in 1965. The Sault Evening News described him as "a man who had the physical appearance of a man in his sixities, but who was as lithe and walked like an athlete in his thirties. But to top it off it was quite generally known here (he) was a man whose age exceeded four score." Indeed, he played his last game of hockey at age 81.

Although best known for his hockey prowness, in which he played and coached the Sault area hockey teams into a position of national prominence, he was also an excellent rugby and tennis player.

I have included a copy of the Michigan Legislature's resolution requesting his selection to the U.S. Hockey Sports Hall of Fame and fully support local efforts to see that "Pud" receives this honor he so justly deserves:

HOUSE CONCURRENT RESOLUTION No. 557

Offered by Representative Jacobetti and Senators Mack, Derezinski, McCollough, O'Brien and Welborn.

A concurrent resolution requesting the selection of William E. "Pud" Hamilton to the United States Hockey Hall of Fame.

Whereas, Seasoned residents of Sault Ste. Marie will never forget William E. "Pud" Hamilton who became known as the Soo's grand old man of sports and was best known for his outstanding hockey performances both as a player and a coach; and

Whereas, "Pud" Hamilton's athletic prowess was not limited merely to hockey. In addition to his great hockey talents, he played rugby, lacrosse, and cricket. In 1898 he was named Canada's outstanding rugby player when he was with the Ottawa Rough Riders at age twenty-one; and

Whereas, "Pud" Hamilton began his professional hockey career at the turn of the twentieth century with a team sponsored by the Pittsburgh Athletic Club. This team played in the then new Duquesne Gardens and was a member of the first professional hockey league formed in the United States and Canada; and

Whereas, "Pud" helped, nurtured, and fathered hockey in Sault Ste. Marie through the years, first as a player, then as a coach and mentor. He played for the professional hockey team in Sault Ste. Marie which was a part of the International League. He later coached a Sault Ste. Marie amateur team of the North Shore League for several years and won two McNaughton Cups and two United States Amateur Championships. In addition, he coached hockey at Montreal College and McGill University; and

Whereas, During his career "Pud" Hamilton received innumerable honors including being named as a member of the Pittsburgh All-Time All-Star Hockey Team and being installed in the Upper Peninsula Sports Hockey Hall of Fame; and

Whereas, This rare and remarkable individual had the physical appearance of a man in his sixties, but was as agile and robust as a man in his thirties. He always loved sports having organized the first tennis club in Sault Ste. Marie at age fifty-five. He is said to have played his last hockey game at age eighty-one; now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That, by all present, the Selection Committee of the United States Hockey Hall of Fame is hereby requested to select William E. "Pud" Hamilton as a member of the United States Hockey Hall of Fame; and be it further

Resolved, That copies of this resolution be transmitted to Roger A. Godin, Executive Director of the United States Hockey Hall of Fame, and to the members of the Selection Committee.

Adopted by the House of Representatives, February 13, 1978.

Adopted by the Senate, February 13, 1978.

T. THOS. THATCHER,
Clerk of the House of Representatives.●

"EDITH BUNKER" ON THE ERA

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, May 12, 1978

● Mr. EDWARDS of California. Mr. Speaker, one of the most pressing issues facing the Congress today is the need to extend the ratification period for the equal rights amendment. The Subcommittee on Civil and Constitutional Rights, which I chair, has been exploring this issue carefully and we will be holding further hearings next week to hear testimony from organizations, State legislators and public witnesses representing both points of view.

In my opinion, the question of providing an extension for ratifying the ERA centers around the continued vitality of the ERA as an issue. Because I feel strongly that we need the ERA and because it seems obvious that the ERA is still a contemporary issue, I strongly support an extension of the ratification period.

An interesting article recently appeared in the New York Times which examines the ERA from the point of view of a woman who has touched the hearts of many of us. Jean Stapleton explains why she feels her character on "All in the Family," Edith Bunker would support the ERA. It is an enlightening article, and I commend it to the attention of my colleagues. The article follows:

[From the New York Times, May 12, 1978]

EDITH BUNKER, ON THE ERA

(Following are excerpts from an address given by Jean Stapleton, who plays Edith Bunker in the television program, "All in the Family," upon receiving a doctor of humane letters degree at Emerson College, in Boston.)

(By Jean Stapleton)

A newspaper was conducting a survey of celebrities. Their question was: What do you regard as your greatest achievement? I said, and meant it, I haven't lived long enough to answer that question. I have the same answer today: I haven't lived long enough to deserve this singular honor. Therefore, instead of resting on this prestigious laurel I shall treat it as an obligation and renew my efforts to recognize and utilize my God-derived humanity.

Personally, I anticipate the same old struggle against the familiar obstacles: self-interest, self-justification, self-will, and so on, but in my imagination I have a role model to emulate—Edith Bunker because, her intellectual shortcomings notwithstanding, Edith has become the epitome of compassionate and selfless humanity.

Early in our 8-year run, a woman telephoned her doctor in exasperation asking for a soothing antidote for her frayed nerves. With some irritation, she told him that her husband at the height of their worst argument said to her: "Why can't you be like Edith Bunker?" Of course, at that time he may have been fantasizing about the old, submissive Edith. Thanks to the influence of her enlightened daughter and neighbor, Edith is growing . . . to know herself as a whole person with rights and power. How we all love the moments when Edith stands up to Archie. The audience cheers. Most of the letters I receive are from young people 8 to 18 who state that those are their favorite moments.

Yes, the concept of equal partnership is beginning to dawn on Edith. We hope that poor Archie can keep up with her, for next season he'll have some challenges. A question I am most asked by the press is: "Do you think Edith would support E.R.A.?" Well, since Edith was born in the imagination of Norman Lear and her development was carried on in the collective thinking of more than nine writers, five producers, three directors and four actors, we would need a script conference to determine the answer. But lacking that, I assume the privilege of answering. Yes, if she understood it.

Yes, if she understood it.

For it is the homemaker like Edith who stands to benefit most from the Equal Rights Amendment. Contrary to some misconceptions, she will not have to leave her homemaker job unless she chooses. She will not lose the protection of her husband; rather, she will gain more in that her legal rights and standing in the ecomony, insurance, Social Security, inheritance, divorce, credit taxes, etc. will be guaranteed.

Until two and a half years ago, I thought I was in the Constitution. I believed the use of the word "men" in the Bill of Rights and Declaration of Independence was generic. Legal inequalities in our society reveal that I was mistaken. The rights of all races and religions are now squarely written into the Constitution. The only right spelled out there for women is suffrage. The E.R.A. has nothing to do with privacy or sexual preference. It says, "No rights shall be denied or abridged because of sex."

That means male and female. I believe a woman has the right to engage in combat in the armed forces if she wants to. I also trust that the armed forces in the event of a draft would utilize men and women according to their capabilities, as they have done in the past.

Opponents say we have ever-increasing Federal laws to remedy women's unequal legal status. True, but these are fragments subject to the winds of political change. The 27th Amendment will guarantee our equality with men—not our sameness—but our equality. This is the principle on which our country was founded—equality of opportunity, freedom of choice under the law.

Of course Edith Bunker would support ratification of the 27th Amendment to the Constitution because it is a matter of simple justice—and Edith is the soul of justice.●

FORMER DEPUTY ATTORNEY LAURENCE SILBERMAN OFFERS A CONVINCING CASE ON THE ROLE OF THE JUDICIARY IN ELECTRONIC SURVEILLANCE FOR NATIONAL SECURITY PURPOSES

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, May 12, 1978

● Mr. KEMP. Mr. Speaker, the role and control of national security electronic surveillance by Government is one of the thorniest public policy questions facing this country. The Executive, the Congress, and the courts have been struggling with it intensely since the beginning of this decade. I only wish they were as interested in controlling information gathering in the United States by electronic surveillance by foreign powers here—including their embassies in Washington—as they are in controlling our gathering of information about them. Senator MOYNIHAN introduced and I have cosponsored legislation giving them an opportunity to control that too.

Several weeks ago, Laurence H. Silberman, a former Deputy Attorney General, testified before the House Permanent Select Committee on Intelligence on legislation to control the gathering of information by electronic surveillance for national security purposes by U.S. agen-

cies. As one of the principal authors of the first order establishing a comprehensive framework governing national security electronic surveillance and as the man in the Justice Department who oversaw the implementation of that order, he is well recognized as an authority in this subject field. Mr. Silberman was also an Under Secretary of Labor and Ambassador to Yugoslavia. He is now counsel to the New York City firm of Dewey, Ballantine, Bushby, Palmer & Wood, one of the most prestigious law firms in the country, and is a senior fellow at the American Enterprise Institute for Public Policy Research here in Washington.

Mr. Silberman's contribution here is what he offers as considerations for the role of the judiciary in national security electronic surveillance. The point he makes is that the courts are really out of their bailiwicks when it comes to making the kinds of decisions which have to be made in deciding whether to authorize or continue a particular surveillance. In short, it gives to the courts a means of control over a major factor of foreign policy and our national defense something clearly vested by the Constitution in the Executive and in Congress. As Mr. Silberman articulates this point:

In reviewing whether the executive's determination is "clearly erroneous" as to whether the information sought is "foreign intelligence information," the courts will be invited, indeed obligated, to consider the following: What information is necessary to protect the United States against attack or other grave hostile acts (which implies authority to determine which foreign countries are hostile to the United States)? and, What information, with respect to a foreign power, is deemed essential to the defense of the nation or the successful conduct of foreign affairs (which implies authority to determine what is the successful conduct of foreign affairs)? Prior judicial determinations on these staggeringly broad questions would presumably be binding on the executive even where the target is a non-U.S. person. Truly, under the administration's bill, Judge Wright might get what appears to be his wish: the judiciary could gain the opportunity decisively to influence the foreign policy of the United States.

This testimony merits the attention of every Member of the House and Senate, Mr. Speaker. This is a matter of profound importance but about which the understanding of many is less than profound. There are considerations here which must be given greater weight than they have been to date.

(Mr. Silberman's testimony follows:)

TESTIMONY ON ELECTRONIC SURVEILLANCE FOR NATIONAL SECURITY PURPOSES, BEFORE THE HOUSE PERMANENT SELECT COMMITTEE ON INTELLIGENCE

(By Laurence H. Silberman)

Mr. Chairman, thank you for the opportunity to express my views on bills before this committee dealing with procedures governing electronic surveillance for national security purposes. As a former deputy attorney general and former ambassador, I have had extensive opportunity to consider the nature of the problems with which this committee is grappling.

Indeed, it was Attorney General Saxbe, under whom I served, who initiated a process which has, in truth, led to this committee's proceedings. Although it is not generally known, in the fall of 1974 Attorney General Saxbe refused to approve any further national security electronic surveillance that required the attorney general's sanction unless and until the President issued an order which delineated the attorney general's authority and articulated guidelines for the exercise of that authority. Saxbe was, thus, the first attorney general to assert the need for a written conceptual framework governing national security electronic surveillances.

As you might imagine, Saxbe's action precipitated a hasty effort on the part of the administration to draft such an order—an effort in which I was deeply involved. The executive order that followed was subsequently superseded by a new executive order, publicly issued in 1976, which reflected continuing experience. However, a good deal of the language in various bills before this committee has as its genesis the initial executive order issued by President Ford.

Moreover, as acting attorney general in the winter of 1975, I had the unpleasant duty to examine the official and confidential files of the FBI, the existence of which had just been disclosed by the press. These files revealed—to my never to be forgotten shock—abundant examples, stretching back through Roosevelt's administration, of misuse of the President's national security authority to engage in electronic surveillance. Most, if not all of this, has become publicly known by virtue of subsequent congressional investigations.

Finally, as acting attorney general—albeit for a short time—I did make some determinations as to whether or not to authorize electronic surveillance for national security purposes.

After having thought a good deal about the problems this committee is addressing, I firmly believe the egregious abuses of the past will almost certainly not occur whether or not the Congress legislates on this subject. I am convinced that the single most important deterrent to executive branch malfeasance is the prospect of subsequent disclosure. The extensive publicity, and accompanying criticism, which previous administrations, as well as the law enforcement and intelligence bureaucracies, have recently suffered will effectively deter serious future abuses of national security electronic surveillance. That is not to say that I believe legislation to be inappropriate; I simply wish to put the scope of the problem in perspective.

Much of the discussion about this kind of electronic surveillance has assumed that the interests at stake are only the privacy of individuals on the one hand, and the protection of national security on the other. The question of the appropriate distribution of power and authority within our government has not, in my judgment, been given the explicit attention it deserves. I hasten to say that I find the notion that the President's constitutional authority to conduct foreign affairs and to command the armed forces precludes congressional intervention into the *manner* by which the executive branch gathers intelligence—by electronic or other means—to be unpersuasive. But to concede the propriety of a congressional role in this matter is by no means—and this is the burden of my testimony—to concede the propriety or constitutionality of the judicial role created by the administration's bill [H.R. 7308].

Since I believe the judiciary's role in national security electronic surveillance should be circumscribed, I strongly support the general thrust of Congressman McClory's bill [H.R. 9745]. That bill limits executive authority to engage in electronic surveillance generally to those situations in which the administration's bill authorizes electronic surveillance. But it relies on senior officials in the executive branch—reporting regularly to Congress—to comply with its commands without providing for judicial intervention.

I have no doubt that Congressman McClory's bill would amply protect against future executive branch abuses of power. H.R. 9745 sets forth tough substantive and procedural standards (indeed, in some respects I think too restrictive), but most importantly that bill would fix record responsibility on senior executive branch officials, the President, and his political appointees, who, when they act, would surely be aware of the likelihood of future exposure if they should be tempted—as in the past—to direct surveillance at the wrong people for the wrong reasons.

But would not prior judicial approval ensure greater protection? Phillip Lacovara, in an excellent 1976 article, argued that prior judicial approval will force articulation "of the reasons for a proposed search in language that will be convincing beyond the circle of the President's immediate advisors."[1] Perhaps. And perhaps that is a mixed blessing. Under the administration's bill, the President and his senior advisors are not likely to pay very close attention to questions of electronic surveillance for national security purposes.

The presurveillance judicial warrant requirement will permit senior executive branch officials to avoid the degree of responsibility which Congressman McClory's bill would place upon them. The greater the authority given to the courts in this area, the less the responsibility exercised by the branch. When in doubt their posture will surely be: Try for the warrant.

As Mr. Lacovara's article implies, the real issue presented by the bills before this committee is: Should executive power be further reduced, and, if so, which branch of government should gain at the executive's expense? If one believes, as I do, that the so-called imperial Presidency was actually in decline almost from the time it was discovered (in some respects, the most recent executive abuses were actually precipitated by that decline), and that today the chief threat to American democracy is the *imperial judiciary*, one views any new delegation to the judiciary with apprehension.

Many of those who have opposed presurveillance warrants have argued that the judiciary is incapable of making the kinds of policy judgments necessary in gathering intelligence or conducting foreign policy. I do not make that argument. Unfortunately, judges are all too capable of these functions. As Justice Powell said in the Keith case, responding to a similar argument concerning internal security, "We cannot accept the government's argument that internal security matters are too subtle and complex for judicial evaluation. *Courts regularly deal with the most difficult issues of our society*" [emphasis added].[2] Although I have the greatest respect for Justice Powell and I reluctantly agree with the holding in *Keith* (ensuring domestic security can come too close to repressing domestic dissent), I nevertheless, find Justice Powell's off-handed observation terribly sad. Courts do, in truth, deal regularly with many of the most difficult issues in our society—*but they should not.* They are, it will be recalled, not responsive to the democratic political processes, and the most difficult issues are political.

Not surprisingly, Judge Wright in the *Zweibon*[3] case seized upon Justice Powell's unfortunate language to make the same argument in the national security field: that judges are perfectly capable of employing that "analytical ability or sensitivity of foreign affairs necessary to evaluate—recommendations"—for electronic surveillance. Indeed, Judge Wright went further to assert that judges were even better equipped than attorneys general to make such determinations; the attorney general, according to

Footnotes at end of article.

Judge Wright, is chosen only for his "ability as a lawyer rather than as a diplomat," and attorneys general have not gained much tenure in recent years, whereas "a federal judge has lifetime tenure and could presumably develop an expertise in the field of foreign affairs if consistently resorted to for authorization for foreign security wiretaps." [4]

Since Judge Wright places no apparent value on political accountability—attorneys general after all are responsible to elected Presidents—he might as easily suggest the judiciary take over *all* foreign affairs responsibilities to balance their increasing dominance of domestic affairs.

But it is not just greater expertise which Judge Wright offers us in behalf of the federal judiciary. In contrast to the executive branch, Judge Wright (and others) contend that judges bring to the task of balancing national security interests against individual privacy claims a "neutral and detached attitude." Detached from political accountability, yes; neutral—hardly. It is particularly ironic that probably the most activist judge, speaking on the behalf of the most activist federal appeals court in the United States, would make that claim. Few American legal scholars whether or not in sympathy with decisions of the U.S. Court of Appeals for the District of Columbia would deny that the court has over recent years ranged as far as any court from what Professor Wechsler of Columbia calls neutral principles.[5] I don't mean to criticize this court; I do mean to make the point that the judiciary is neither theoretically nor actually more neutral than the executive, or for that matter the Congress, in reaching answers to the difficult questions which national security electronic surveillance presents. It can as easily be argued that the judiciary will overweigh the interests of individual privacy claims—it is, after all, the protection of those claims on which judicial authority is based—as it can be argued that the executive will unduly emphasize national security. And since judges are not politically responsible, there is no self-correcting mechanism to remedy *their* abuses of power.

The appropriate institution to oversee the President's use of electronic surveillance for national security purposes is the Congress. The crucial distinction between Congressman McClory's bill and the administration's is that the former implies—indeed, virtually guarantees—continued congressional oversight of required procedures and substantive standards, whereas the administration's bill would delegate all of that authority to the judiciary. H.R. 7308 is cut from a familiar pattern; Congress once again would act as a conveyor belt, transferring authority from both the executive and itself to the judiciary, under the illusion that it is Congress which is asserting authority. But, once the magic wand of a presurveillance judicial warrant is invoked, Congress will surely abdicate any responsibility for continuing oversight.

Although I am generally concerned about the growth of judicial power at the expense of both congressional and Presidential authority, I maintain that the administration's bill, if passed, would be a particularly unfortunate addition to this trend.

As Congressman McClory put it in his opening statement, the subject matter is so closely tied to national security policy formulation as to be inappropriately put to the judiciary. The scope of judicial review for targeted U.S. persons under the administration bill clearly propels the judiciary into policy determinations of breathtaking scope.

For instance, in reviewing whether the executive's determination is "clearly erroneous" as to whether the information sought is "foreign intelligence information," the courts will be invited, indeed obligated, to consider the following: What information is necessary to protect the United States against attack or other grave hostile acts (which implies authority to determine which foreign countries are hostile to the United States)? and, what information, with respect to a foreign power, is deemed essential to the defense of the nation or the successful conduct of foreign affairs (which implies authority to determine what is the successful conduct of foreign affairs)? Prior judicial determinations on these staggeringly broad questions would presumably be binding on the executive even where the target is a non-U.S. person. Truly, under the administration's bill, Judge Wright might get what appears to be his wish: the judiciary could gain the opportunity decisively to influence the foreign policy of the United States.

But, even if judicial review of these substantive policy issues under the clearly erroneous test were eliminated, I would oppose any prior judicial scrutiny of this kind of electronic surveillance even for the purpose of determining factual probable cause. In the first place, I doubt whether the judiciary can be held to the limitations of the probable cause standard of the Ford administration's bill. We have seen too many recent examples of legislation which grants the judiciary authority only to ensure executive branch procedural regularity. Invariably, under such legislation, the courts reach—as they did in the environmental field—for substantive review authority as well.

Moreover, despite the efforts of draftsmen to cast both the Ford and the Carter bills in terms of criminal activity, much of the foreign intelligence information is *not* sought for criminal law purposes. Even where the activity surveyed might be criminal in nature, the executive often chooses not to prosecute. That is why electronic surveillance for foreign intelligence purposes is so fundamentally different from that employed to attack domestic crime. And it is also why the traditional prior judicial scrutiny for domestic wiretaps is so clearly inappropriate here. In fact, the criminal law "probable cause" standard has been artificially engrafted onto executive intelligence gathering for the sole purpose of granting authority to the judiciary.

The administration's bill would limit jurisdiction to seven "superjudges" appointed by the Chief Justice. This interesting device was chosen, I assume, to counter concerns for maintaining security as well as to develop judicial expertise in foreign affairs. But I find it troubling. Is the Chief Justice to appoint only those judges he believes to be "sound" on national security matters? Should he exclude from his select group judges like Judge Gibbons of the third circuit who has already expressed a view in the *Butenko* [6] case that the Vienna Convention may limit certain activities respecting foreign embassies? The need for this special device suggests the impropriety of the entire delegation to the judiciary; when matters cannot be entrusted to any federal judge they should be entrusted to no federal judge.

Even more troubling is the secrecy with which judicial deliberations are to be encased. As I have emphasized, judges are not elected; the legitimacy of their actions, therefore, depends—even more than do actions taken by either the executive or the legislative branches—on *public* decision making. To be sure, aspects of the judicial process have traditionally been kept from the public; various hearings in camera and even the applications for warrants in domestic criminal proceedings fall within that category. But—and it is a big *but*—normally that part of a judicial proceeding hidden from the public is ancillary to a public trial; a criminal search warrant application will be part of an investigative proceeding which, since probable cause is shown, will probably lead to a criminal trial (the target of Title III wiretaps are subsequently notified). Here, on the other hand, virtually an entire phase of judicial activity will go underground. Those of us not in government will never know how the judiciary exercises the supervisory authority over national intelligence gathering which the administration bill grants it. This consideration, in my view, also weighs against presurveillance judicial warrants.

Finally, I should like to question explicitly the constitutionality of the administration bill. First, it denies any inherent authority on the part of the executive to conduct warrantless electronic surveillance, despite the fact that the Supreme Court has specifically reserved that question and a number of appeals courts have held that it exists (U.S. Court of Appeals for the District of Columbia is an exception). Among those who have found inherent executive authority is the 5th Circuit. Judge Bell writing for this court in 1973 said, "Restrictions upon the President's power which are appropriate in cases of domestic security become artifical in the context in the international sphere" [7] (apparently where Judge Bell stands depends on where he sits).

The Ford administration bill, at least, wisely recognized that if such inherent power existed—inherent meaning beyond congressional control—it would probably be invoked in circumstances not specifically contemplated by proposed legislation. Therefore, the Ford administration bill contained a reservation for this executive authority which is probably constitutionally compelling. To have said, as did the Senate Judiciary Committee's report, that the Carter administration bill *resolves* this constitutional question by simply denying the existence of any inherent executive authority is folly. If this constitutional authority exists, and I believe it does, Congress cannot legislatively repeal it.

Moreover, I have serious doubts as to the constitutionality of the judiciary's role in the administration bill. Although I have not had an opportunity to research the question exhaustively (nor for that matter as far as I can determine has the Justice Department), I question whether the courts can accept authority to make determinations required by the administration bill.

The task of the judiciary under this legislation seems much closer to rendering the traditionally prohibited advisory opinion than to the constitutionally sound adjudication of cases and controversies. Although it is true that judges have traditionally issued search warrants ex parte, they have done so as part of a criminal investigation process which, for the most part, leads to a trial, a traditional adversary proceeding. Here, however, as I have already indicated, it is more likely that the warrant will be issued to gain information for entirely different purposes, not traditionally the business of judiciary. Of course, the broader the scope of judicial inquiry into executive determinations as to the need for information sought through electronic surveillance, the more dubious the constitutionality; the court is brought further and further away from its traditional responsibilities. For that reason the "clearly erroneous" standard in the administration bill is surely the most constitutionally vulnerable aspect of that legislation.

FOOTNOTES

[1] Phillip Lacovara, "Presidential Power to Gather Intelligence: The Tension Between Article II and Amendment IV," *Law and Contemporary Problems*, vol. 40 (Summer 1976), p. 106, 128.

[2] United States v. United States District Court, 407 U.S. 297, 320 (1972). This decision is commonly referred to as the *Keith* decision. U.S. District Judge Damon Keith was a respondent in the case.

[3] Zweibon v. Mitchell, 516 F. 2d 594 (D.C. Cir. 1975).

Footnotes at end of article.

[4] Ibid., 516 F. 2d 644, note 138.
[5] Herbert Wechsler, "Toward Neutral Principles of Constitutional Law," *Harvard Law Review*, vol. 73 (1959), p. 1.
[6] United States v. Butenko, 494 F. 2d 593, 626 (3rd Cir. 1974).
[7] United States v. Brown 484 F. 2d 418, 426 (5th Cir. 1973).●

PARITY AND THE AMERICAN AGRICULTURAL MOVEMENT

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, May 12, 1978

● Mr. FINDLEY. Mr. Speaker, there is one assignment anyone working in the field of agriculture hates to get. That is to explain the concept of parity and how it works. Harold Guither of the University of Illinois has taken on the job and, I might add, done very well at it. In addition, in his three articles which appeared recently in the Prairie Farmer, economist Guither shed great light on the significance of the American Agricultural Movement. I am sure my colleagues, as well as American farmers and the American people, will benefit from a careful reading of these articles:

100% OF PARITY: SURVIVAL OR DISASTER FOR FARMERS?

(NOTE.—This article, prepared by Harold Guither, University of Illinois extension economist in agricultural policy, looks at the farm strike movement. He has spoken to farmers involved in the strike movement and counseled with others who are looking for realistic policy approaches to farmer's financial problems. Two more articles are to follow.)

For more than 40 years the idea behind parity has been to provide a measure of the purchasing power for farmers that would equal an earlier base period, usually 1910–14. Since the 1930s the concept of parity has been used to determine farm price supports thru loans and government purchases. In recent years congress has moved toward the view that parity has become in some measure obsolete.

The main objection to parity has been that it reflects only prices and price changes, not technological change or income. The parity ratio measures the changes in all prices farmers receive and pay. Its major limitation is that it does not measure farmers' and total economic well-being. It excludes quantity sold and off-farm income and does not reflect total returns to labor, management, or investment.

The Agricultural Act of 1973 asked the secretary of agriculture to study the production costs of major commodities. As a result the 1977 act calls for production cost to be the basis for adjusting future target prices thru 1981.

PARITY REVIVAL

Until recently the parity idea was scarcely heard in discussions of policy. Suddenly the American Agricultural Movement began sweeping across the country. Their battle call was 100% of parity. This slogan was picked up by the media and widespread interest erupted. The question was "What is parity and how does it work?"

But not all of the American Agricultural Movement leaders have used the same definition of 100% of parity. Some have used the technical definition of equal purchasing power for a unit of product with an earlier base period.

The accept the current USDA parity price figures. These are about $5 for wheat, $3.50 for corn, and $7.60 for soybeans. Others have simply called parity a fair price that covers cost of production and a reasonable profit.

There are differences in defining 100% parity but the leaders and farmers in the movement seem to agree on four points.

The family farm should be preserved.

Prices have fallen to the point that many farmers are in financial trouble.

Something must be done to improve farm prices and incomes or many farmers will be forced out of farming.

Without some changes from present conditions, only very large operations will be able to survive.

PARITY MEANING

Using the formula established by law, parity prices for selected farm products and their current market price level relative to those parity prices at the beginning of 1978 were: wheat $5.05 (49%); corn $3.47 (57%); soybeans $7.65 per bushel (74%); hogs $55.70 (75%); beef cattle $58.60 (61%); and milk $13 per 100 lb. (75%).

For these prices to be raised to 100% of parity would mean that the price of corn would have to go up 75%. Wheat would be up 105%. Soybeans would be up 35% and hogs up 34%, beef cattle up 64%, and milk up 27%.

The parity ratio measures the ratio of the index of all prices received and all prices paid by farmers. It was 66. To get a ratio of 100 would require that the prices received rise about 50%. That assumes farm costs remain the same.

Unless the 1978 crops turns up extremely short or some new demand force enters the market, the prospects for such market changes are unlikely.

Direct government involvement appears the only possible way to push prices up to 100% of parity. American Agricultural Movement participants as well as other farmers should think carefully about the likely results of attaining 100% of parity under such circumstances.

Parity prices could be achieved thru several means. You would need curtailment of production, government loans and purchases, or deficiency payments to make up the difference between market prices and 100% of parity, or a combination of these methods.

CONSEQUENCES AHEAD

Under a law setting prices at 100% of parity, farmers could expect (1) a substantial rise in income, (2) restrictions on production, (3) loss of sales both in the domestic and foreign markets; and (4) more government control and surveillance of their farming operations. Let's break these items out.

Higher income—How much more income could farmers expect? This would depend upon how much they would be permitted to produce at higher prices. And it would also depend on how quickly costs would rise to offset farm price increases.

Production restrictions—The Federal Farm Board created by the Agricultural Marketing Act of 1929 failed. Since then government programs supporting prices have carried the authority to restrict production as a condition to receive price supports.

Supporting farm prices at 100% of parity would encourage farmers to increase their crop and livestock output, making it more difficult to hold down production. How much restriction would depend on the difference between existing production potential and expected domestic and export demand. High prices could certainly reduce consumption of farm commodities at home as well as abroad.

Loss of markets—In 1977 the United States exported 60% of its soybean crop, 40% of its wheat crop, 31% of its grain sorghum, and 27% of the corn crop. If crops around the world remain good, the U.S. could lose much of its $9.9-billion grain and feed export market. We could lose our $6.3-billion oil-seeds and products market.

Reason is foreign customers would grow more of their own or they would buy from countries that could increase output and sell for less.

Only if the U.S. government was ready to subsidize exports could our export markets be maintained. If this was done, other countries would object. Remember, we object when foreign countries sell goods here at a lower cost than consumers in their own country are asked to pay.

A partial loss of our domestic feed grain market also could be expected About 60 percent of the corn crop is fed in this country. High feed prices would reduce the amount of corn fed to livestock, poultry, and dairy.

More government control and surveillance—Setting prices at 100 percent of parity would involve more government. We would see it in production, marketing, and storage more than we have seen at any time in our history.

Some farmers remember the efforts to set ceiling prices on farm and food products during World War II. Loyalty and support for the war effort made it possible to achieve cooperation with these programs at that time. But some black markets did operate. Are all farmers ready to accept a floor price at 100 percent of parity when it would be profitable to sell their products at just a little less than this amount and produce more?

Farmers have traditionally prided themselves on the freedom and independence they have in our family-operated farm system. A law forcing all farm products to be sold at 100 percent of parity could lead to an increased number of government workers. They would be needed to administer, survey, and enforce such a law.

To effectively restrict production requires allotments and quotas. A value becomes attached to the production right. Eventually these rights are reflected in land prices since land is usually the base upon which production rights are established. If land is now selling from $2,500 to $4,000 an acre in Illinois when corn is selling for $2 to $2.20 per bushel and soybeans are at $4 to $6 a bushel, then the value of land with production rights that guarantee a corn price at $3.47, wheat at $5.05, and soybeans at $7.65 would undoubtedly move higher.

With these guaranteed prices the prospect of outside investors, both US and foreign, wanting to buy farmland would increase.

At the present time dairy products have no production restrictions. They are supported at 80% of parity. In recent years dairy production has risen. During the first three quarters of 1977 government acquired 4% of all milk produced. This was more than at any time since 1971. At 100% of parity, we could expect larger government acquisitions.

CONSUMER CONSEQUENCES

Higher farm prices lead to higher food prices. Both private and USDA economists have estimated that food prices would rise by 19% to 13% if farm prices rose to 100% parity.

The rise in food prices in the consumer price index would trigger increases in wage rates and retirement benefits for certain groups and further fuel inflation. Farmers would have to pay more for the things they buy.

An increased proportion of consumer's income would have to be spent for food. At present American consumers spend about 17% of their disposible income for food.

If the total disposable income remained the same a 20% food price rise would cause the percentage of disposable income spent for food to rise about 21%. But reductions in output and exports could cause loss of jobs and incomes. The percentage of total national disposable income spent for food also could rise.

The President, secretary of agriculture, members of congress, and some state governors have listened sympathetically. Government loans to farmers will not be foreclosed. But the movement's demands seem just as far away now as when demonstrations began.

Efforts to manage supplies and raise prices are not new in US agriculture and food policy. During the Kennedy administration Secretary of Agriculture Orville Freeman introduced the supply management concept which carried with its strict government production controls to hold up prices. In the wheat referendum of 1963 farmers voted against wheat marketing quotas that would have required mandatory participation by all wheat growers.

Willard Cochrane, an agricultural economist from the University of Minnesota who advised Freeman on supply management, made these observations upon leaving Washington after the defeat of wheat marketing quotas.

"A conscious policy of raising food prices is considered political suicide. And that is what raising the level of price supports amounts to.

"Farmers will not accept collective mandatory control programs that have the purpose of reducing program costs but they are happy with a voluntary type program where they are free to choose the option of reducing production if it's to their personal advantage.

"Rather than face the issue, those concerned keep searching for the perfect solution which they know does not exist, or have deluded themselves into believing does exist."

Although written in 1965, Cochrane's observations may be just as relevant in 1978.

The goal of 100% of parity is claimed to be the way to insure that the American family farm can survive. But if serious efforts were made to enforce this policy, it might actually lead to serious problems and consequences for farmers and many rural communities. It should be carefully evaluated by farmers and the general public before any decisions are made.

FARM STRIKERS HOLD FOR 100% PARITY

(NOTE.—This article was prepared by Harold Guither, University of Illinois extension economist in agricultural policy. In his second of three articles, he looks at farm strike activities, demands, and effects, along with possible alternative measures that the movement might consider.)

The American Agriculture Movement (AAM) which began Sept. 12, 1977, in Springfield, Colo., has gained more continued nationwide attention, attracted more farmer participants, and boosted interest and concern in farmer's financial problems more than anyone expected.

These activities have involved thousands of farmers. There have been no reports of violence, serious personal injury, major property destruction, or waste of food or farm products to date. These had characterized some past farmers' movements and protests. The leaders have stated that they will not advocate violent action or condone violence. There have been some inconvenience from traffic slowdowns and a few minor confrontations with police, but the demonstrations have generally been peaceful and the participants have observed city and state laws.

MAJOR DEMANDS

The major demands are of primary concern to many farmers. These are:

100% of parity for all domestically used or consumed agricultural products and exports.

A national or international food reserve contracted at 100% of parity.

Some means for input from agricultural producers to handle marketing of agricultural products at 100% of parity.

The stoppage of meat and livestock imports until parity prices are reached.

The established farm organizations and many other farmers have been sympathetic with the financial problems of AAM members. They would also like to see higher farm prices and incomes, but they have not endorsed all AAM demands and activities. The differences between the major farm organizations and the AAM are over the means to achieve improved farm prices and incomes.

As with any farmers' movement, the policy decisions and demands of the group have varying consequences:

A 100% of parity price-setting law. We discussed this point in detail in the first article. This demand would have widespread consequences and would likely result in higher incomes for farmers, higher food prices for consumers, higher government costs, more inflation, and more government involvement in farming operations.

100% of parity exports. Altho the United States is expected to export 42% of the wheat in world trade this year, this is not enough to set the price at $5 a bushel. The U.S. government would have to subsidize exports if it set farm prices at 100% of parity. Otherwise, other exporting countries could export more of their stocks to countries in need. This would leave the U.S. with fewer export markets.

Farmer input in policy making and marketing. Certainly AAM has had an input in making government officials and the general public aware of their problems. But USDA has had farmer advisory committees in the past, Whether farmers are involved or not, marketing agricultural products at 100% of parity would be a formidable if not impossible task. Some other groups might also like to participate in policy making.

Meat and livestock import stoppage until 100 percent of parity price is achieved. Feeder cattle prices might go up some since we do import a few Canadian and Mexican feeder cattle. Cattle producers might benefit from higher prices, cattle feeders might reduce purchases, and the amount of corn, other feed grains, and soybean meal used could decline. This could reduce the market demand for corn and soybeans.

Raising prices of meat imports, most of which is low-grade beef, would directly affect consumer food prices. It would also reduce available supplies unless US production increased.

Stopping Canadian live cattle imports is a shortsighted move. American farmers sell more agricultural products to Canada than we buy from their farmers. Imported feeder cattle help use up American feed grains and protein meals that are part of the market for corn and soybean producers.

The major AAM weakness is the lack of a broadly acceptable program to achieve these demands. Strict government supply control and storage reserve programs would be the only way to achieve the prices asked for. Statements that they will not sell or produce any more agricultural products or buy equipment or production supplies appear to represent a small percentage of farmers.

OTHER QUESTIONS

Closing grain elevators for a day or two in sympathy for farmers' financial problems could be considered a good will or sympathetic gesture. To keep them closed for longer periods could disrupt movement of grain thru market channels and cause serious problems later. Large stocks of grain must eventually move to market.

Solicitation of contributions to finance the movement from elevators and other merchants suggests these firms have lots of money to draw upon. As private businesses they do have an interest in farmers' well-being, but they must balance income with expenses. Contributions are expenses that will eventually have to come out of profits or higher charges to the firm's customers.

Planting half a crop and buying futures contracts sounds simple and if enough farmers participated prices would go up. However some might make a lot of money while others could lose a lot. Gains and losses in the futures market must balance out to zero.

AAM participants have expressed their views to the president, the secretary of agriculture, state governors, and members of congress. The house and senate agriculture committees began hearings in February. Bills have been introduced to raise loan rates and target prices. The Farmers Home Administration has announced special credit terms for farmers in financial distress. And the president has announced higher storage rates and an earlier schedule for setting up the grain reserve.

Whatever policy decisions are made, there are consequences to be considered. The major concern in raising target prices is the additional government costs. Such a move would be less likely to disrupt market demands at home and abroad. Market prices would be free to reflect supply and demand conditions.

Raising loan prices would likely encourage stock buildups. But it could be less costly than direct deficiency payments. However, higher loan rates could more adversely affect exports and domestic use. They tend to set a market price floor. Export subsidies would probably be needed to maintain our market share.

The total effects of such changes would depend upon how much target and loan prices are increased.

Expanding exports is an oversimplified answer to a complex problem of boosting our international trade. The suggestions to provide more favorable credit and trading terms to Eastern Europe and Russia and expand trade with the Peoples Republic of China are positive. They are feasible approaches to improve agricultural prices. How successful these suggestions will be is not certain. But AAM members might consider support along with other farm organizations for these measures.

WHAT'S FARM STRIKE GROUP'S FUTURE?

(NOTE.—This is the third of three articles written by Dr. Harold Guither, University of Illinois extension agricultural economist, on the American Agriculture Movement. Guither worked closely with movement leaders this year.)

The American Agriculture Movement (AAM) participants have talked to the president and the secretary of agriculture. They have worked with members of congress and state governors. And they have given their testimony before the house and senate agriculture committees.

So there now is one clear question. What does the future hold?

Nationwide press, radio, and television coverage has been extensive. It has made the public, as well as government officials, aware of the financial problems that farmers face. And it has pinpointed farmer losses on grain crops at current prices.

The aggressive, yet generally violence-free activities of the AAM have stimulated activity by other farm groups. They have moved to make their views known to members of congress, the secretary of agriculture, and the president.

Interest, support, and participation in AAM has varied in different states and within states. In Illinois, most activities have centered in central and southern Illinois.

In western and northern Illinois activity has been widely scattered. There's one plausible explanation of this situation.

We have had favorable hog and cattle prices this winter. And livestock men have had a relatively stronger financial position than grain farmers this winter.

Participating farmers' financial status also varies. Some have purchased land in recent years. And some would have sizable

capital gains if they were to sell. The major problem of these farmers is to meet debt repayments at lower corn and soybean prices.

Meetings and rallies, often with out-of-state speakers, have marked the AAM activities. As with many new farmers' movements, the AAM has a number of dedicated enthusiastic speakers. These men draw sizable crowds as they speak in rented or loaned meeting halls in the rural communities of central and southern Illinois.

Their message carries an evangelistic quality that builds enthusiastic and dedicated support for AAM among their listeners.

MOVEMENT STAGES

An understanding of this new movement in American agriculture can be gained from a social causation model described by Iowa State University political scientists Ross Talbott and Don Hadwiger. Their book, "The Policy Process in American Agriculture," spells out the procedure.

Talbott and Hadwiger describe the first stage as a period of acute social unrest. The unrest in AAM stemmed from the drop in grain prices last summer and fall. It gained from farmer realization that the 1977 Agricultural Act was not going to guarantee a return of all production costs including land costs. This hit hard at many farmers with sizable debt repayment obligations.

The second stage emerging from this unrest is popular excitement. It is evident if not rampant.

The tractor drives, parades, and travel to Springfield, Washington, and Chicago all created excitement and expectations of growing support for the movement.

The next stage is order begins to emerge from confusion and disorder.

The different ideas and views of participating farmers, the varied definitions of parity, the declared intention not to form a new farm organization, and yet a need to establish leaders and spokesman, did create confusion.

The group was granted interviews and conferences with the secretary of agriculture, the president, governors, and congressional committee hearings. Order has begun to emerge.

The hearings before the congressional agriculture committees gave the AAM leaders a chance to present their views as other established farm organizations have done. A list of demands has been published. And the leaders use these demands in their rallies and meetings with interested farmers.

The last stage is one in which the movement becomes institutionalized. Offices are established and officers elected.

A program of activities and services to members is established. This keeps membership support from year to year.

The National Grange, National Farmers Union, and National Farmers Organization have followed this four-part growth model. The American Farm Bureau Federation, however, emerged in a time of relative farm prosperity.

Whether the AAM will reach the fourth stage remains to be seen. Developments this spring and summer, the size of our 1978 crops, as well as future demands from foreign markets, are keys to AAM's future.

The Farmers Holiday Association, active in Iowa in 1932, gradually faded away. Reason was the New Deal program began to provide benefits to farmers hit by the Depression.

Will the Carter Administration program in implementing the 1977 Agricultural Act, along with other USDA and congressional actions this spring, defuse the AAM?

If the AAM is to become established as a new and permanent farm organization, it will need to get continuing farmer support from year to year. Leadership to foster communication among its participants will be needed to continue the interest and activity that was started in the winter of 1977–78.

If prices and government support improve and if the export market helps boost prices along with a growing domestic market, the AAM will have to make a special effort to grow into an established organization. Or the movement will decline and die.

Some participants do not envision a new organization. They expect to participate when action is needed as they felt was the case this winter.

Whether the first stages of unrest, excitement, and interest can be maintained will depend much on the need for AAM as the participants see it.●

ENERGY—OUR MAJOR PROBLEM

HON. DON YOUNG

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Friday, May 12, 1978

● Mr. YOUNG of Alaska. Mr. Speaker, today I wish to address the major problem facing our Nation—energy—and the role my home State can and should play in helping the Nation to resolve this problem.

In the United States, we are consuming nearly 20 million barrels of oil per day, and of this we import close to 7 million barrels. More significantly, the problem has been worsening. In 1976, the United States spent $25.3 billion for oil imports, where in 1977, we spent $33.4 billion. It is frightening to think that we now spend more per month on imported oil than we spent per year less than a decade ago.

Imports

Barrels per day:	
1976	5.29 million
1977	6.56 million
1978 (March 1978)	5.8 million
Cost to U.S. per year:	
1976	$25.5 billion
1977	33.4 billion
1978 (March 1978)	-----

U.S. consumption

Barrels per day:	
1976	------
1977	18.435 million
1978	19.865 million

The United States pays about $13.00 per barrel for imported crude plus an additional $0.63 per barrel licensing or customs fee. President Carter has indicated that if we fail to act on his proposed crude tax, he may impose a tariff of as much as $5.00 per barrel, potentially bring the cost of a barrel of imported oil up toward the $20.00 mark. At our present import rate, the United States will be spending $40.8 billion to $45.6 billion per year. And remember, all of these price estimates exclude OPEC price hikes.

Although U.S. imports may drop on a volume basis, we can expect the total cost of these imports to increase. Some industry officials believe that if there is no progress in the Arab-Israel peace efforts, we could be faced with substantial oil price increases in the range of 10 percent to 15 percent either this year or early in 1979.

This Congress must act to reduce this dependence on foreign oil and export of U.S. dollars. Fortunately, we have a way to do this.

My district supplies the United States with approximately 10 percent of the Nation's oil. At Prudhoe Bay there is estimately to be at least 9.6 billion barrels of oil and 26 trillion cubic feet of natural gas. But this is only the "tip of the iceberg." Studies done by the USGS indicate there is up to 49 billion barrels of oil on or offshore in Alaska and undiscovered natural gas reserves that could contain as much as 132 trillion cubic feet. For example, we have already determined that the Lisburne and Kuparuk pools on the North Slope of Alaska each contain .5 billion to 1.5 billion barrels of oil. Along the western border of the Arctic National Wildlife Range, the oil industry has made two recent discoveries at Point Thompson and Laxman Island, of which each has great potential. Despite the overwhelming evidence that our Nation needs to maximize its domestic energy production, this administration and this Congress seem unwilling to allow industry or even the Federal Government to further explore or drill in the areas of Alaska where the hydrocarbon potential is the highest in the Nation—the Marsh Creek anticline of the Arctic National Wildlife Range. When the Arctic National Wildlife Range was created by executive order in 1961, the order stipulated that oil and gas exploration and development would be allowed after regulations promulgated by the Fish and Wildlife Service had been enacted. This order is still law and at the time it was enacted, expressed the Nation's sentiment in an area when we had cheap oil. While the Fish and Wildlife Service has failed to enact regulations allowing for exploration and development within the range, now more than ever, the Interior Department's intent of leaving the range open for development should prevail. This Congress must order the Fish and Wildlife Service to promulgate regulations to allow for oil and gas exploration and development in the Arctic National Wildlife Range. The potential to provide this Nation with a substantial portion of its needed oil and gas is found in Alaska.

Instead, we wish to import oil and export American dollars.

The USGS surveys of the Arctic National Range indicate extremely high probability of a multibillion barrel oil field. The geological characteristics of the area north of the Umiat Baseline are almost identical to Prudhoe Bay and oil seeps have been observed. The only surveying to date has been done by the Federal Government. The Interior Department has not allowed industry to do more than walk in the range. Pursuant to a bill reported out by the House Interior Committee—H.R. 39—the Arctic National Wildlife Range will become a wilderness area with a special provision to allow for the Federal Government to do a 5 year study of the "north slope" of the range to determine the hydrocarbon potential. This is a poor beginning if the Government wants to reduce the import and dependence on foreign oil. It can best be compared to letting the fox guard the chicken coop. By allowing exclusive study rights to a Federal agency that is on record as saying all other oil should be developed before Arctic range oil, we are guaranteeing

that the department's conclusions will not receive the credibility needed to allow Congress to make a final "go or no-go" decision.

I find the Interior Committee provision to be regrettable, but the bill reported out of the Merchant Marine and Fisheries Committee is even more so. This Committee deleted the special study provision and made wilderness of the areas of extremely high hydrocarbon potential. When this bill—H.R. 39—comes to the House floor, I implore all members to focus on the range and ensure that we have the mechanisms to learn what is really there before we turn our backs.

How much does Alaska's oil already mean to the Nation? In 1977, there were 130 mlilion barrels of oil delivered from Prudhoe Bay which reduced the foreign trade deficit by $1.8 billion. As of March 31, 1.2 million barrels of oil per day were being pumped out of Prudhoe Bay and it is expected that by the end of 1978, the pipeline will be delivering oil at a rate which will offset, at the least, $5.6 billion in oil import costs.

Without the severe limitation imposed by H.R. 39, Alaska can help the Nation by continuing to provide needed resources for our future. We must decide our national priorities: Should we strive to become independent and stop sending our dollars abroad, or should we designate the highest hydrocarbon potential in the United States as instant wilderness wihout ever knowing what it holds? Before we act on H.R. 39, let us remember its title: "The Alaska National Interest Lands Conservation Act." If we reflect on the true "National Interest," I believe we will reach a more balanced conclusion than the one now contained in this legislation.

Thank you, Mr. Speaker.●

THE SUCCESSFUL GENERAL

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Friday, May 12, 1978

● Mr. SYMMS. Mr. Speaker, today's Evans and Novak column in the Washington Post carries with it a heavy message.

I have had the opportunity to know three very distinguished U.S. Army generals who are retiring in 1977 and 1978 for the reasons that are included in the following article. I commend it to my colleagues.

Where will our defenses be when we need them if we refuse to listen to the people who have the expertise?

What about freedom of speech? Why is the national news media silent when it comes to muzzling generals?

The article follows:

THE SUCCESSFUL GENERAL

(By Rowland Evans and Robert Novak)

Concern within defense circles over Air Force Gen. David Jones as the new chairman of the Joint Chiefs of Staff (JCS) was heightened last week when the Defense Nuclear Agency was quietly removed from study of the proposed U.S.-Soviet nuclear test-ban treaty.

The agency had advised that the treaty (favored by President Carter) banning all underground explosions can be violated by the Soviet Union without detection. If the agency is now cut out of the issue, the JCS will lose its independent source of technical information. Significantly, that could scarcely have happened without at least the acquiescence of JCS Chairman Jones.

Decisions of that nature bother many fellow officers about Davy Jones. While nobody questions his executive competence, Jones is criticized for swallowing whole those Carter administration initiatives considered dubious elsewhere at the Pentagon. After failing to oppose such policies in private, he not only embraces but energetically applauds them in public.

Decisions to pull troops out of Korea, cancel the B1 bomber, suspend neutron warhead production and now push a total nuclear test ban have caused deep dismay in the officer corps—dramatized by the forced retirement from the Army of Maj. Gen. John K. Singlaub. But by vigorously supporting such proposals, Jones has reached the top.

Fervent cooperation by Jones did not begin with the Carter administration. As Air Force chief of staff in the Nixon-Ford administration, he stirred mixed emotions among his civilian superiors. While appreciative that Jones carried out orders with extraordinary expedition, Pentagon officials were troubled that he extended obedience to the point of no longer being his own man. That tendency is reflected in a highly unusual message from Jones to Air Force commanders worldwide last Aug. 20, just 10 days after the United States and Panama agreed on the canal treaties. "The Air Force actively participated in the development of all defense-related aspects of the proposed treaties, and fully supports them," said Jones.

Air Force officers were surprised, many of them unpleasantly. They objected not to their chief's support of the president but to his proselytizing the officer corps on an issue about which many harbored misgivings. Especially unsettling was the message's last paragraph: "It is important that our personnel, particularly our senior people, understand our support for the proposed treaties."

Jones has consistently followed the Carter line. He tamped down Air Force resentment about the B1 cancallation. He has not reflected the general concern by uniformed officers over the administration's course on strategic arms limitation talks. When other members of the Joint Chiefs were furious about being misrepresented on SALT, Jones wrote a letter smoothing over the trouble.

No wonder, then, that Carter passed over more independently minded Army and Navy candidates and picked the second straight Air Force general to head the Joint Chiefs. Adm. James Holloway, chief of naval operations, once favored to be the new JCS chairman, has been fighting the president's reduced shipbuilding.

Jones privately has expressed worry about Carter's proposed total nuclear test ban. But fellow officers doubt he will do anything about it. Such doubts were reinforced by last week's closeout of the Defense Nuclear Agency.

The overriding question involves proper conduct by professional military men in an administration whose policies they believe are wrong.

After Singlaub was relieved from command in Korea a year ago following his criticism of the troop pull-out, President Carter wrote a critical Sen. Orrin Hatch (R-Utah) that "we will not stifle dissent" from "military experts." When Singlaub resigned under pressure recently after additional criticism of Carter policies, Hatch wrote Carter that "the administration seems to be so thin-skinned about its controversial policies that it must in fact resort to 'stifling' the military leaders of this nation."

Jones has informed congressional critics that if he ever cannot support the administration's policies, he will take off his uniform and go to the public. That evades the question, however, of what he does and says in uniform without going to Singlaub's extreme.

Meanwhile, the fate of Davy Jones and John Singlaub, born one day apart nearly 57 years ago, teaches an inescapable lesson to ambitious young officers. Which route leads to early retirement and which route leads to supreme career success to clearly marked.●

LOBBIES, LETTERS AND THE LAW

HON. THOMAS N. KINDNESS

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, May 12, 1978

● Mr. KINDNESS. Mr. Speaker, the time has finally arrived for one of the sleeping giants to awaken and growl about what has been happening with lobbying disclosure legislation in this Congress. The following editorial from the Washington Post of May 12, 1978 might have helped to bring Representatives in the House to the realization that they should have voted against H.R. 8494 recently when it was considered by the House:

LOBBIES, LETTERS AND THE LAW

Under the banner of lobby disclosure, some sweeping and meddlesome legislation is being advanced on Capitol Hill. The House recently passed a bill requiring most groups that pay lobbyists to file quarterly spending reports on both their Capitol Hill activities and so-called indirect lobbying—efforts to influence Congress by stirring up letters, calls and visits from people back home. A bill sponsored by Sens. Abraham Ribicoff (D-Conn.), Edward M. Kennedy (D-Mass.) and others, and now before the Senate Governmental Affairs Committee, would require even more detailed reports. Moreover, the Senate bill would compel any corporation, union, church or other group to register with the government and open its records to federal inspection if it spends $5,000 or more on advertisements, mailings or other efforts to get people to contact Congress about anything—even if the group itself never gets directly in touch with lawmakers at all.

Such provisions go much too far into realms of citizens activity that have traditionally been beyond the proper reach of government. Of course, when citizens form organizations, communicate about issues and petition Congress, they are engaging in public or political activities. But that is precisely why the First Amendment makes such activities exempt from public—i.e., governmental—interference or control.

To justify compulsory disclosure about grass-roots lobbying, one would have to make a massive record of corruption or abuse. In our view, that case has not been made. It's not enough that organized issue-oriented lobbying campaigns have grown immensely sophisticated, expensive and numerous. That does not make such activities less legitimate. A letter to a senator favoring, say, an ethics bill is not necessarily less sincere or personal because it was prompted by some group's appeal. Moreover, such stimuli are usually no secret. Few attempts to influence Congress are more public than a newspaper ad. Campaigns to drum up mail are usually easy to identify; indeed, many groups brag about how many postcards or phone calls they can generate overnight.

It's true that life would be much easier for legislators, journalists and competing in-

terest groups if such lobbying had to be reported. But compulsion brings interference, almost inevitably. We're not thinking just of the burdens and costs that reporting rules impose, though they could deter some smaller groups. Beyond that, there were indications in the House debate that some lawmakers regard disclosure laws as ways to punish, inhibit or embarrass various lobbyists with whom they disagree. Such sentiments lead right down the slippery slope toward impermissible interference with citizens' liberties.

In calmer times, more members of Congress would probably recognize these dangers and back away from such intrusive bills. But Congress these days is under strain, largely because lobbying of all kinds has gotten so extensive and intense. The lawmakers are bombarded by mail and besieged by professional advocates with various concerns. They aren't sure how much general sentiment those forces represent, how politics may be changing or how to turn down the heat. In this climate, the lobby-disclosure bills may seem attractive not so much to inform the public as to help legislators themselves figure out what is going on. But those political questions cannot be answered by demanding financial reports from virtually every active association of citizens in the land. It would be better for incumbents to learn more about their constituents' opinions by spending more time at home. And if they think some interest groups are getting too insistent, they could tell those groups to back off, or reject their demands.●

GALBRAITH ADDRESSES CURRENT POLICY ON INFLATION

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, May 12, 1978

● Mr. CONYERS. Mr. Speaker, I am pleased to announce that John Kenneth Galbraith will discuss current policy on inflation at a Democratic study group members' meeting on Tuesday, May 16, 2:30 p.m. in the Agriculture Committee room, 1302 Longworth. For that meeting he has asked that the following paper, "Current Policy on Inflation, Controls, and the Unemployed" be distributed, and I commend it to my colleagues' attention:

CURRENT POLICY ON INFLATION, CONTROLS, AND THE UNEMPLOYED

(By John Kenneth Galbraith)

In these last weeks the Administration, some comment to the contrary, has substantially advanced policy on employment and inflation. The central role of cost-push or price-income inflation has been fully recognized. There remains, however, a substantial gap between what has been affirmed as need and what is required as effective action. And there still exist numerous advocates of the strongly regressive measures which load the burden of remedy on the most vulnerable groups in society. This memorandum takes up the steps now needed to close the gap between announced need and practical policy. And it warns on the measures which will work especially to the disadvantage of the weakest and poorest groups in the community.

1. As noted, the Administration now accepts that the present inflation is caused, in the main, by the ability of relatively strong organizations in the economy to advance their income or to put up their prices, which are one dimension of income. This recognition one must strongly applaud. The strongest of these organizations are the large corporations, a thousand of which now contribute around half of all private production. All of these large firms, acting with regard to their common interest, have substantial control over their prices. They also distribute this power to those within the firm. The control by senior executives over their own incomes is nearly total. Top executives of large corporations have their salaries set by boards of directors which they themselves select. And lesser executives, engineers, lawyers and other specialists have a substantial bargaining position.

Where there are large corporations, there are all but invariably strong unions. These have a fully recognized ability to influence their income. Where unions do not exist, there is the poor man's equivalent, which is the minimum wage. Farm support prices give minimum income protection to producers of basic farm products. Public sector employees, a large and increasingly well organized group, are not subject to classical market influences. And the power to control prices and income now extends to Third World producers, the most notable manifestation of which is OPEC. The group control of income, partial or great, is now widespread. The thrust for higher incomes by these different groups has, in turn, become a basic cause of inflation. This thrust takes on a competitive aspect as one group sees or senses the greater advantage of others. It has also a very cruel aspect, for obviously it leaves behind all those—the young, old, minorities, small businessmen—who are not so organized.

2. The inflation caused by the competitive thrust for higher incomes just cited can coexist with very serious unemployment. We now have a rate of inflation, caused primarily as above, at around ten percent annually, and it could go higher. Meanwhile unemployment last month was still at 6.0 percent of the labor force. But this figure disguises rather than reveals the real problem. Unemployment among the vulnerable groups— the minorities, the young, women and those with a combination of these characteristics—was very much higher. And since these vulnerable groups are heavily concentrated in the central cities, unemployment has a heavy regional concentration in these areas.

3. Inflation in the past has been attacked by one or another of three methods, all of which have their effect in curbing total spending in the economy. Monetary policy, tightening up on bank lending, reduces spending from borrowed funds. Higher taxes reduce spending by private taxpayers. Reduced public expenditures reduce spending and demand from the public sector. None of these measures, when now applied, have marked initial effect on the general thrust for higher income. A tight monetary policy or a stringent fiscal policy works first to cut back demand, as noted, and therewith to cut back on employment. Only when there is substantial idle plant capacity and substantial unemployment is the general thrust for higher income abated. So, a vital and indisputable point, the traditional methods of attacking inflation now work primarily as they increase unemployment. This is specifically true of monetary restriction, which, since it requires no legislation and is badly understood by the poor, tends to be the first line of defense against inflation.

4. As just noted, unemployment is not evenly distributed. The categories now unemployed are, to state the obvious, the least in demand. So the orthodox measures against inflation, involving as they do an increase in unemployment, will affect first and most the most vulnerable groups. It has long been observed that the young and black are the last hired and the first fired. This proposition is firmly grounded in the economics of the present situation. Any attack on inflation has obvious and grievous disadvantages if it increases unemployment. This is especially so if it removes the hope for employment where joblessness is already chronic and serious.

5. There is a substantial constituency in the United States for curing inflation by unemployment. It is foolish for anyone to believe otherwise. Some hold that unemployment in the modern economy is inevitable. There is at least a certain honesty about this position. More urge the use of monetary policy against inflation in the belief that it works through some magic intelligence of the Federal Reserve. This is a dangerous and reactionary delusion against which all who speak for the deprived must be on guard. Were there any such monetary magic, it would already have been found. Monetary policy, to repeat, works by curbing expenditures, particularly to and by those industries that depend on borrowed money. It is only effective as it increases idle capacity and unemployment. What is called monetarism is a disguised justification for suffering by the poor.

6. From the foregoing we see the choice. We can accept inflation. Or we can lessen or cure inflation by having unemployment, which will be especially bad among minorities and the young and in the central cities. Or can we find some way of tempering or preventing the direct competitive thrust for higher prices and incomes by groups without resort to unemployment. Inflation is not a tolerable solution. The strong groups that are the source of the competitive thrust for higher prices have a built-in protection against inflation. The weak, including the old, the unorganized, those who live on savings, welfare, pensions and other fixed income, bear the brunt. No decent society can so treat a large number of its citizens. Also were we ever to stop trying to prevent inflation, we would have a great deal of it. Unemployment, however it may be tolerated in the abstract and however it may promote a more tractable labor force, is not a solution. It solves the inflation problem at the expense of the weakest people in the working force. Anyone with any sense of responsibility for, or any constituency in, people of average income or less will reject this solution.

7. Until this point, I do not believe there is serious conflict between this analysis and the Administration view, a temporary aberration on tax policy apart and on which I will have a later word. It is the rejection of both unemployment and inflation as alternatives that has brought it to the advocacy of some form of restraint. And the acceptance of this principle is important. What is still lacking is the will fully to implement it. Some groups, notably public employees, farmers and beneficiaries of public regulation, have, in fact, been told that thrust for higher incomes must be curbed. But at the heart of the problem, which, of course, is the power of the larger corporations, its salaried participants and the unions, the Administration has at a minimum, postponed action. So long as it postpones action, there will be danger that pressure for anti-inflationary action will lead especially to restriction by the Federal Reserve and unemployment as the remedy for inflation. And it is illogical and wrong to have a policy which excludes corporations and the unions from specific concern merely because they are politically strong and articulate. Recent polls on controls show that, by a substantial margin, the American people agree.

8. The only course that reflects sympathy for the least fortunate people in a community is one that involves some form of mandatory income and price policy. This, needless to say, must be applied in a context of discussion and substantial consent. But there must be legal recourse against those who choose not to comply. Otherwise the least cooperative, most obdurate, get the biggest reward. The purpose of this policy is not to provide a total cure for inflation. It is to

allow us to get much closer to full employment without having to resort to fiscal and monetary restraint and resulting unemployment. It does remain necessary that total demand in the economy be generally equal to what can be supplied at full employment.

9. Conservatives hold as an article of faith that such an income and price policy cannot succeed. That is to say that either inflation or unemployment must succeed. Controls succeeded brilliantly during World War II, held the cost of living almost completely stable through that enormous convulsion for five years. There was a bulge when the controls were lifted but it was less than would have been the increase in any six-month period in the absence of the effort. Controls also broke the inflationary spiral during the Korean War. Firm price and labor standards, including a substantial measure of compulsion, held prices stable through the long expansion in employment in the first half of the sixties. The controls also were successfully employed by President Nixon. Though no satisfactory organization was set up either to administer or enforce them and they were in charge of people who detested them, the controls, by the end of 1972, brought both unemployment and inflation down to well below 5 percent. They also helped reelect Mr. Nixon, and they were then abandoned in early 1973 because, as then Secretary of the Treasury Schultz proclaimed, they were working. It is possible by then that too much demand had been allowed to build up behind the price ceilings; controls, to repeat, allow us to approach full employment without inflation, but they do not allow us to have more demand than can be supplied with goods and services at full employment and full capacity operations.

10. The possibility of controls is also affirmed by the fact that nearly all other countries are using them in one form or another. In Austria, Germany and Switzerland, an incomes policy is implicit in the process of wage bargaining. These negotiations, which are industry- and country-wide, are conducted subject to an upper ceiling that is consistent with stable prices. And in both Germany and Austria, this procedure is complemented, in the so-called social market policy, by an understanding that wage restraint will be matched by price restraint which is further enforced by the heavy dependence on export markets. France, in the Plan Barre, has a formal system of enforced restraints. So, of course, does Britain. We, along perhaps with the Italians, could well be the laggards in this regard.

11. Controls in their useful sphere do not interfere with free market operations. They are made necessary, we have seen, by the very fact that organized power has displaced the market—that corporations, the trade unions, the farmers (and the U.S.D.A.) have replaced the market with control over prices. When the prices of the thousand largest corporations are fixed, you are fixing prices that, in effect, are already fixed. It is private price-fixing that makes necessary the public price restraint.

12. The concentration of power that allows firms and groups to control their prices and incomes has also the effect of simplifying somewhat the administrative problem. It confines it to the large corporations, their high-salaried staff, collective bargaining contracts, farm support policy and public pay and policy. Where there is no power to raise prices, no controls are needed or useful. No system of control would bother with prices of enterprises employing fewer than, say, 1,000 people or with unorganized workers. Farm price and income policy would be confined to consideration of the level of minimum prices. Fiscal and monetary policy, to repeat, are still necessary to keep aggregate demand related to aggregate supply and thus to continue to control the prices and incomes of those who are still subject to the market—who have not achieved the power which made the controls necessary.

13. It will be urged, and it is indeed urged, that talk of control brings anticipatory price increases. This problem is rather easily solved. The baseline for controls should be set not at the time of the enactment of legislation but at some time well prior to the beginning of the active discussion. A uniform increase would then be allowed over that baseline. No firm would then have an advantage from anticipatory price increases.

14. It will be urged that the controls work better for wages than for prices. This I strongly believe to have been the case with the Nixon controls. I do not believe, however, that this is necessary for a liberal and compassionate government. Nor should unions, except their members to absorb cost-of-living increases. If living costs do rise, then wages under any income policy should go up therewith. No system will bring perfectly stable prices. What we are seeking is not zero inflation but to avoid the gross and damaging price increases that are otherwise in prospect.

15. In recent months farm and food prices have shown substantial increases. These increases need to be understood with some care. The period of monetary and fiscal recession which brought the Nixon/Ford inflation partially to an end did not arrest the increase in industrial prices. That continued right through the whole recession. The recession did bring a sharp reduction in farm and commodity prices. The more liberal monetary and fiscal policies of the present administration have brought a compensating recovery. This relative increase has to be accepted. Maximum price controls are not appropriate or workable for this part of the economy. However, the time may come in the near future when fiscal stimulation would be dangerous. The proposed tax cut is a seriously questionable policy. I've always thought tax cutting far inferior as a form of stimulation to direct job creation for those who need work. It is also more inflationary, for it has a greater effect on tight job markets than where there is unemployment. Needless to say, some recent indications that we might tighten up on bank lending while reducing taxes make no sense at all.

16. I do not want to make the line of policy I here urge seem easy. Since possibly my experience in the matter is more complete than that of anyone now extant in the United States, I am not disposed to minimize the complexity of the task. One comes to direct intervention on self-administered prices and incomes only because the alternatives, inflation and unemployment, inflict the greatest of suffering on the weakest, most helpless, least articulate people in the society, although it is perhaps permissible to observe that many of them also do vote.●

WHEN A NATION'S WILL DIES

HON. BOB WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, May 12, 1978

● Mr. BOB WILSON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following:

[From the Washington Star, May 6, 1978]

WHEN A NATION'S WILL DIES

(By Thomas Sowell)

The barbarian armies that finally over-ran the Roman Empire were smaller than other barbarian armies that had been turned back and cut to pieces by the Roman legions in earlier centuries. The Barbarians weren't stronger. Rome was weaker—and it was self-weakened. Each Roman legion was smaller than before, less heavily armed and armored, and less disciplined. The Roman aristocracy no longer provided officers for the legions. Emperors no longer led them in battle. Roman youths increasingly evaded military service. Rome's enemies could destroy it only after it lost the will to resist.

America's will to resist has also been visibly declining. We have abandoned the defense of American vessels seized on the high seas—both fishing boats and U.S. Navy craft. We have let our once superior military power deteriorate to what we now hope is "parity," as more and more of the military share of the federal budget has been diverted to welfare spending. Rome did that too—it makes politicians popular in the short run. Finally, we have advertised to the world our declining will to resist by turning over the Panama Canal under threat of violence.

A flood of political rhetoric about our "generous" or even "courageous" act cannot conceal the brutal fact of surrender to threats—a fact made plain by Panamanian dictator Torrijos, who went on television immediately after the treaty vote to announce that he would have begun sabotaging the canal within 24 hours if the Senate had not given it to him. We cannot grandly soar above all this on grounds that "of course" the United States could defeat Panama militarily if we wanted to. The question is not our ability; the question is our will. Lack of will defeated Rome, and it nearly destroyed the Western democracies when Hitler began his rampage through Europe in the 1930's.

Numerous probes of the will to resist preceded the onslaught on Rome and the Nazi blitzkrieg. Some of these probes were by small powers seeking small concessions, but what was ultimately crucial were the soft spots discovered by these probes. If we think that the Soviets were looking the other way while we paid ransom to South American countries who seized American fishing boats, while Idi Amin made Carter back down and eat crow, or while we crawled to get the Pueblo crewmen back, we are just kidding ourselves. Perhaps even more revealing was the denunciation and derision that greeted President Ford's attempt to reverse this trend by using troops to rescue the crew of the Mayaguez. Our sophisticates howled down this square man and his square decision, in terms reminiscent of the Western sophisticates of the 1930's who asked, "Why die for Danzig?

The Senate has said, in effect, that we are not about to send American boys off to die over the Panama Canal. Perhaps that is just as well, if we really don't have the determination to back them up and see it through. It may even be courageous and patriotic for a Senator to put his political life on the line by opposing public opinion, if the public itself will not be willing to pay the price of its desire to keep the canal. But if that is where we are, we need to be told that loud and clear, like a danger signal in the night. Instead, all sorts of efforts are made to conceal it, with verbal sleight-of-hand about our generosity or anti-colonialism or other such drivel. If our leaders' diagnosis of the public's will is wrong, we need to correct it at the next election. And if the diagnosis is right, we need to realize that far more formidable adversaries than Torrijos are likely to know it, and that the ultimate cost may be far higher than the Panama Canal.

A post-Vietnam unwillingness to get involved militarily overseas is understandable, as a short run swing of the pendulum. A similar sense of the futility of war overwhelmed a whole generation disillusioned by the carnage of World War I. Young men in

the 1930's openly took the "Oxford pledge" never to fight for their country. But once they saw the bombs falling on their homes, this generation vindicated themselves in the skies over Britain and on the beaches at Normandy. But a terrible price was paid by the whole world in the meantime—and it was almost too late. The timetable of a nuclear war may not permit second thoughts.

Once we have traded away enough military technology for social programs, giving the Soviets a decisive advantage, it may no longer be possible to decide that we have gone too far and turn back. If the Soviets ever get the same overwhelming military advantage over the United States that America once had over them, they can unilaterally forbid our development of the needed technology by declaring that to be an act of war. Just as they had to back down in the Cuban missile crisis, we would have to back down or face annihilation.

Mutual nuclear overkill can be oversold as a deterrent to international blackmail. Does a policeman have "overkill" whenever he faces five criminals single-handedly, just because he has six bullets in his revolver? It is problematical whether he can fire them at all, much less fire all of them with deadly accuracy. Nuclear delivery and defense systems, and their ever-changing technology, make the question much more complicated than whether our arsenal could theoretically kill every Russian five times over. Maybe the Maginot Line could have killed every Nazi soldier if World War II had been fought differently, but such numerical calculations would have been small consolation to a defeated France.

Even where mutual overkill is maintained—and the neutron bomb decision (or vacillation) makes that questionable—there is mutual deterrence only as long as both sides have the will to resist, not when one side is repeatedly advertising its willingness to capitulate.●

"EDITH BUNKER" ON THE ERA

HON. S. WILLIAM GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, May 12, 1978

● Mr. GREEN. Mr. Speaker, I am a cosponsor of House Joint Resolution 638, to extend the deadline for the ratification of the equal rights amendment. In view of the ongoing controversy surrounding the ERA, I thought my colleagues should take note of an article which appeared in the New York Times on May 12 by actress Jean Stapleton, who portrays Edith Bunker in the television series "All in the Family". In the article, Ms. Stapleton describes how a typical homemaker like Edith Bunker can benefit from passage of the equal rights amendment. I commend Ms. Stapleton's observations to the attention of my colleagues:

[From the New York Times, May 12, 1978]

"EDITH BUNKER", ON THE E.R.A.

(By Jean Stapleton)

(Following are excerpts from an address given by Jean Stapleton, who plays Edith Bunker in the television program, "All in the Family," upon receiving a doctor of humane letters degree at Emerson College, in Boston.)

A newspaper was conducting a survey of celebrities. Their question was: What do you regard as your greatest achievement? I said, and meant it, I haven't lived long enough to answer that question. I have the same answer today: I haven't lived long enough to deserve this singular honor. Therefore, instead of resting on this prestigious laurel I shall treat it as an obligation and renew my efforts to recognize and utilize my God-derived humanity.

Personally, I anticipate the same old struggle against the familiar obstacles: self-interest, self-justification, self-will, and so on, but in my imagination I have a role model to emulate—Edith Bunker because, her intellectual shortcomings notwithstanding, Edith has become the epitome of compassionate and selfless humanity.

Early in our 8-year run, a woman telephoned her doctor in exasperation asking for a soothing antidote for her frayed nerves. With some irritation, she told him that her husband at the height of their worst argument said to her: "Why can't you be like Edith Bunker?" Of course, at that time he may have been fantasizing about the old, submissive Edith. Thanks to the influence of her enlightened daughter and neighbor, Edith is growing . . . to know herself as a whole person with rights and power. How we all love the moments when Edith stands up to Archie. The audience cheers. Most of the letters I receive are from young people 8 to 18 who state that those are their favorite moments.

Yes, the concept of equal partnership is beginning to dawn on Edith. We hope that poor Archie can keep up with her, for next season he'll have some challenges. A question I am most asked by the press is: "Do you think Edith would support E.R.A.?" Well, since Edith was born in the imagination of Norman Lear and her development was carried on in the collective thinking of more than nine writers, five producers, three directors and four actors, we would need a script conference to determine the answer. But lacking that, I assume the privilege of answering. Yes, if she understood it.

For it is the homemaker like Edith who stands to benefit most from the Equal Rights Amendment. Contrary to some misconceptions, she will not have to leave her homemaker job unless she chooses. She will not lose the protection of her husband; rather, she will gain more in that her legal rights and standing in the economy, insurance, Social Security, inheritance, divorce, credit, taxes, etc. will be guaranteed.

Until two and a half years ago, I thought I was in the Constitution. I believed the use of the word "men" in the Bill of Rights and Declaration of Independence was generic. Legal inequalities in our society reveal that I was mistaken. The rights of all races and religions are now squarely written into the Constitution. The only right spelled out there for women is suffrage. The E.R.A. has nothing to do with privacy or sexual preference. It says, "No rights shall be denied or abridged because of sex."

That means male and female. I believe a woman has the right to engage in combat in the armed forces if she wants to. I also trust that the armed forces in the event of a draft would utilize men and women according to their capabilities, as they have done in the past.

Opponents say we have ever-increasing Federal laws to remedy women's unequal legal status. True, but these are fragments subject to the winds of political change. The 27th Amendment will guarantee our equality with men—not our sameness—but our quality. This is the principle on which our country was founded—equality of opportunity, freedom of choice under the law.

Of course Edith Bunker would support ratification of the 27th Amendment to the Constitution because it is a matter of simple justice—and Edith is the soul of justice.●

SEVENTH OHIO DISTRICT CONGRESSIONAL YOUTH ADVISORY COUNCIL—FINAL REPORTS

HON. CLARENCE J. BROWN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, May 12, 1978

● Mr. BROWN of Ohio. Mr. Speaker, on Friday, April 21, the members of the Seventh District Congressional Youth Advisory Council, which I sponsor, held their annual spring meeting in Urbana, Ohio, to present to me their final reports and recommendations on legislative topics on which they have spent the 1977–78 school year.

As this group of high school seniors and juniors is representative of much of American youth in their attitudes and beliefs, I am pleased to place their reports in the RECORD for the benefit of my colleagues.

This is the 7th year that I have sponsored the Seventh District Congressional Youth Advisory Council, which consists of upperclassmen selected by each of the high schools and joint vocational schools within my district.

The students meet early each fall to organize into four committees and to select the topics which they will study during the school year. Following the organizational meeting, each of the students is supplied with a background packet of information from me, compiled with the cooperation of the Library of Congress and the various congressional committees having jurisdiction over the specific legislation. The members use the packets as basic resource material, but also do considerable research on their own as they begin to form their opinions on the legislation.

The next step in the council's procedure is for each of the committees to hold a 1-day public hearing, with expert witnesses appearing to testify before each of the committees. I want to here state my sincerest appreciation to these witnesses, who appear at their own expense to provide this public service to the council. I feel that this is probably the single most important aspect in giving the council membership a real-life view of the legislative process.

Following the hearings, the committee members spend the next several weeks working together to formulate their views on the legislative topics in order to come up with their recommendations and reports.

When the spring meeting is held, each of the committees presents its report to the entire council, and the council then has an opportunity to debate the issue, amend it and then either approve or reject the report. By the time the process culminates in this meeting, I am confident that all of the members of the council have a much better understanding of the legislative process. I, in turn, am pleased each year to have the viewpoints of the group on the topics studied. They have often brought to me a view of particular legislation that is new and important to my own consideration of the issue and which, subsequently,

has been reflected in my votes on several occasions.

Topics this year were: Champaign/Logan County committee—National Food and Feed Grain reserve; Greene County/Mad River Township committee—Welfare Reform; Marion/Union County committee—National Health insurance. The Clark County committee, which selected reform of the Hatch Act, was unable to come to a conclusion and made no recommendation this year.

The Champaign/Logan County committee report was approved by the council by a vote of 42 to 25 following the adoption of two amendments. The first amendment requires that Congress establish a board to insure the proper delivery of transported foodstuffs for humanitarian reasons. The second amendment was a committee amendment to specifically accept language in the committee's report, so does not change the report as submitted.

The Greene County/Mad River Township committee report was accepted by the full council by a vote of 55 to 11 following debate, with no amendments.

The Marion/Union County committee report was also approved, by a vote of 38 to 28, following the rejection of one amendment which would have provided for a 1 year trial period, further amended to provide for a review by the Supreme Court. A second amendment was adopted, requiring that the National Health board be made up of five members of the medical profession, five members from among the general public and three members from the insurance industry.●

CRIMINAL CODE REFORM

HON. RONALD V. DELLUMS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, May 12, 1978

● Mr. DELLUMS. Mr. Speaker, presently the House Judiciary Committee is considering H.R. 6869, the Federal Criminal Code Reform Act. Many people throughout the country feel that there are gross violations of civil liberties contained in this legislation and are urging its defeat. Following is a copy of a resolution that was adopted unanimously by the International Executive Board of the Newspaper Guild which outlines their specific concerns over this legislation;

CRIMINAL CODE REFORM

The danger remains acute of a U.S. Criminal Code Reform Law that will inflict serious injury on innocent bystanders—labor, the press and civil liberties.

Concealed in routine-sounding phrases scattered through the bill's 308 pages is provision after provision readily lending itself to misuse against basic freedoms, waiting to go off like so many time bombs.

Most of them have been spotted. Some—principally those affecting the press—were defused in the Senate. But most of the provisions potentially damaging to labor and civil liberties were left untouched in the bill finally adopted by that chamber.

Now the House is starting afresh with the original bill, H.R. 6869, containing all the perils undisturbed by the Senate plus those that it removed. The bill's proponents have been pressing hard behind the scenes for quick committee action to assure House adoption at the current session.

Nothing would be more deplorable than for the House Judiciary Committee or its Criminal Justice Subcommittee to be stampeded into hasty and ill-considered action on the bill without careful consideration of all its provisions and the objections that have been raised to them.

The Newspaper Guild, in an October 1977 resolution of its International Executive Board and a February 1978 communication of its president to the Criminal Justice Subcommittee, has set forth in detail its own areas of particular concern. A number of other organizations, have voiced similar concerns; still others have spotlighted additional problem areas.

The International Executive Board of The Newspaper Guild urges that the Criminal Justice Subcommittee and the full Judiciary Committee give the fullest and most careful consideration to all of these objections before acting on the bill and that they take pains to assure that every threat to labor, the press and civil liberties is removed before the bill is moved to the House floor.

Unless that is done, those alert to the fragility of those liberties will have no choice but to work for its defeat.●

CITIZEN POSTAL RATE AND POSTAL RATE COMMISSION

HON. WILLIAM D. FORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, May 12, 1978

● Mr. FORD of Michigan. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following:

STATEMENT OF REP. WILLIAM D. FORD ON CITIZEN POSTAL RATE AND POSTAL RATE COMMISSION

Although they are unconfirmed, I am disturbed by the rumors concerning the Postal Rate Commission's intention to deny the 13-cent citizen postal rate and establish a single 15-cent rate for all first class mail—personal and business—across the board.

If these reports are true, and we will find out today when the Commission makes its report, then the Postal Rate Commission needs to be reminded of its reason for being and to be rebuked for, in effect, giving the citizen rate to business mail users.

I refer to the two-cent discount for presorted business mail included in the rate case, of which the citizen rate proposal is a part. If you subtract the two-cent discount from the new 15-cent first class rate for everyone, then business would be paying 13 cents. In this sense, the Commission did not reject the citizen rate. It gave the citizen rate to business and left individuals to pay the business rate.

The other reason for my concern is—assuming the rumors are accurate—that the Postal Rate Commission seems to have forgotten its proper role.

What Congress had in mind when it created the Commission was a regulatory agency that would stand up to powerful lobbying groups for business mail users and that would begin showing an interest in lifting from the shoulders of individual mail users the heavy burden of paying the difference between actual cost of operating the Postal Service and the preferential rates enjoyed by business.

Instead, I'm disturbed to find that we have put our trust in a group of appointed officials who apparently perceive their role as protecting the cut-rate postage prices given to business, a group that seems to be telling the American citizen: look out for yourself, because we're here to take care of business.

In any event, I shall press forward vigorously for early hearings for my Citizen's Postal Rate Relief Act, which was first introduced last June to make individuals eligible for sending personal mail at the present 13-cent rate after a higher rate becomes effective for regular first class mail.●

HOSPICE

HON. STEWART B. McKINNEY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Friday, May 12, 1978

Mr. McKINNEY. Mr. Speaker, this year a great deal of attention has been focused on the needs of those living in the knowledge of imminent death, and in particular the hospice approach to care of the terminally ill. The hospice approach, largely a result of the work of Swiss Dr. Elisabeth Kubler-Ross, is dedicated to eliminating the stigma of death and the isolation that accompany the institutionalized way of dying. At present there are organized hospice societies in 33 States, with many more in the developmental stages. In anticipation of legislation to support this movement, I would like to submit for the RECORD the following speech given by Dr. Peter G. Bourne, Special Assistant to the President for Health Affairs, given before the Association of Community Cancer Centers late last month. Dr. Bourne's speech contains a concise summary of the hospice concept, and outlines the administration's interest and their present role in fostering support for this movement. The speech follows:

For the past three decades we have been moving towards greater and greater specialization in medicine, nearly to the point where a patient needs to have a different physician for each of his internal organs and one for his skin. People have begun to object to excessive specialization, expressing apprehension over the trend, and I think that they are justified in their concern. We are beginning to realize that, while a minute understanding of the biochemical correlates of each ailment is undoubtedly important to the scientific understanding of the condition, it is also important to view the whole patient and to place individual illnesses in perspective with his or her general health, mental health, and needs as a human being. We are seeing a return to an emphasis on the general practitioner, although we call him or her a family physician now, and a return to care within the community and the family. It is very important to a patient to be able to deal with one doctor whom he trusts, and to have that doctor know the patient as an individual person and friend rather than only as the living laboratory for a particularly interesting case of whatever he has.

And, if we are seeing a more holistic approach to medicine, we are also seeing a move to humanize medicine itself. Years of increasingly complex technology and gadgets have led to the protest that we are forgetting the patient, lying down there in the maze of wires and tubes. We can perform near miracles with our technological magic, but we must also maintain a discretion with how we use it. We must remember that we are dealing with human suffering—not just hu-

man biochemistry. We all know from our own experience that reassurance from the physician and a warm, human relationship with the patient is as important to pain control as are drugs and treatments. Anxiety and uncertainty act as multipliers to pain, while a feeling of security and trust can actually raise the pain threshold. The development of the hospice movement, with its special emphasis on alleviating the physical and emotional pain associated with terminal illness is an important part of this move toward humanized, individual medicine.

Hospices, and the philosophy behind them, are also in the forefront of another attitudinal change occurring in our country. We are beginning to re-examine our attitudes toward death itself, and how medicine relates to the dying. We have undergone a curious evolution in our attitude towards death in the Western World. Two thousand years ago, early Western man accepted death as a universal destiny and prepared for it personally and in a public ritual, invovling his community and family. A ceremonial and public leave-taking was performed. In the Middle Ages, however, death became personalized into a kind of judgement or test, and how one performed was seen to predict how one would spend eternity. An unpleasant stigma became attached to death, and the open, public deathbed rituals became avoided. Family and friends sought to hide the awful day of judgement from the dying person and avoided references to his impending death. Rituals which occurred after the actual death—funerals, mourning—began to replace deathbed ceremonies involving the dying person. Finally, in the mid-20th century we reached the height of avoidance of death. The dying were whisked from sight, away from community and family. They were ensconced in hospitals where a series of "life" prolonging technologies were performed, where the individuality of the patient gradually disappeared and the actual moment of death depended more on the functioning of a machine than on the patient's functioning as a person. As Dr. Kubler-Ross found, patients were never told they were dying, and doctor's denied that they had any terminal patients. Families were given no preparation and when the technology finally failed, the body was probably cremated and so disappeared with little ceremony or opportunity for the expression of grief. It also became unfortunately a test in the mind of the physician with regard to his own competence, not how he could make death free from suffering, but how long he could keep them alive regardless of the suffering.

Today, largely thanks to the work of Dr. Kubler-Ross and the hospice movement, we are beginning to change our attitude toward death. We are trying to consider the dying patient as a person and take into account personal needs and desires, and those of family and friends. We are working to eliminate the terrible feeling of isolation and fear that has been the lot of the dying patient.

Obviously, the humane treatment of the terminally ill is a broad topic, involving changes in the public attitude, in the role of medicine and the physician, changes in education and research emphasis, and in Government policy. Let me take a minute to outline what we have been doing in the White House to support this movement.

The first area where we were able to help was on the issue of the use of restricted drugs for the terminally ill. Heroin has been used since early in this century in England and other European countries, in combination with other drugs, as an apparently successful treatment for the pain of terminal cancer. However, due to fears of illicit use and an almost mystical dread of the substance in the U.S., we have banned heroin in this country for over 50 years. This Administration feels strongly that research into the possible therapeutic benefits of any drug should not be restricted by that drug's bad historical reputation. The decision on making a drug available to patients should be based on medical evidence, not on its history of abuse in non-medical circumstances. Likewise, the fear of addiction and uninformed biases against selected potent narcotics should not be allowed to interfere with the humane treatment of the terminally ill. If the administration of any drug could help alleviate pain or relieve anxiety, it should be available to the medical profession. In addition, different patients react differently to various analgesics; the doctor should be allowed to judge the patient's response to the drugs that he thinks may be appropriate, and select the most effective. The relative merit of heroin versus morphine which is legally used in our country, is not the real question. Rather, it is whether the treatment of dying patients, using all practical means, is responsive to their individual needs for dignity, compassion and understanding and that they are not depersonalized and merely dismissed as failures of medical technology.

Late last year we instructed the Department of Health, Education, and Welfare to change their policies in this area and they are now facilitating research opportunities and access to restricted drugs.

We originally considered amending the Controlled Substances Act to permit the manufacture of heroin in this country, but this turned out to be unnecessary at this time. The issue of whether morphine is equally effective in this kind of treatment needs to be resolved first.

We are making every effort to facilitate research into the therapeutic value of abused drugs such as heroin, marijuana and marijuana's active ingredient, Tetrahydrocannabinol or THC. The Food and Drug Administration has streamlined its process for the approval of Investigational New Drug applications, which any researcher into Schedule I, the most tightly restricted drugs, must have. In fact, they have established an umbrella IND in the National Cancer Institute for research on heroin and THC. The National Institute on Drug Abuse will make these drugs available to legitimate researchers in standard dosage units. In addition, there are Federal grants available for research into the therapeutic uses of heroin and THC from the National Institute on Drug Abuse, and the National Institutes of Health. Marijuana is being looked into as both a treatment for glaucoma, as THC apparently lowers intraocular pressure, and as an antiemetic during chemotherapy treatment for cancer.

We are also looking into the marketing problems of the so-called "orphan" drugs. Orphan drugs are those which have a proven medical use, but which are not commercially advantageous to produce, either because the amounts used are so small, or because they are unusually expensive to make. It is not enough to foster research on a drug which, after its effectiveness is proven, will not be available to physicians because of lack of supply. Both THC and heroin are non-patentable and, therefore, are of little commercial value to the pharmaceutical companies. If either drug proves to be of medical use, we will work with the pharmaceutical industry to ensure an adequate supply. We have already been discussing these issues with the industry.

We also support educational programs for physicians who are dealing with individuals suffering with terminal illness of having intractable pain to ensure that they use those drugs that are available and which are effective for the control of pain. Studies show that many physicians underprescribe narcotic analgesics for pain. Not only are doses lower than those recommended, but the time between doses is longer, allowing the patient to become anxious about the recurrence of pain, and thus enhancing the pain when it is felt. In one study, many physicians had exaggerated ideas of the dangers of addition to narcotic analgesics, and those who did were likely to prescribe low drug doses even for the terminally ill. I certainly do not believe that it is callousness on the part of physicians that results in patients being kept needlessly in pain. Rather, it is their reaction to the stigma and fear of addiction which has, in large part, been fostered by government policies. Our physicians are the world's best, and, if there is indeed a failure to use analgesics to the patient's best advantage, it may be because we have no uniform policy about providing medication to the dying. One of the goals of this Administration is to establish a clear policy of humane treatment for those in pain or terminally ill, and then, perhaps, our physicians can be more innovative with medicines and less fearful of malpractice suits or bad press.

We have convened the Interagency Committee on New Therapies for Pain and Discomfort to establish a national policy for the treatment of those in pain and the terminally ill. The membership of the Committee includes representatives from the National Institute on the Aging, the Food and Drug Administration, Health Resources Administration, National Institute of Mental Health, and the Drug Enforcement Administration, as well as representatives from the National Committee on the Treatment of Intractable Pain, the National Academy of Sciences, Institute of Medicine and Members of Congress. This varied membership illustrates both the need for coordination and the great amount of interest that has already developed on this important issue. The focus of the Committee is broad and their inquiry will not be limited to the use of heroin or cannabis. Rather, they will foster research on developing better methods for the treatment of death, dying and chronic pain, including all forms of therapy, not just chemotherapy. They will look at the mechanics of pain, the proper use of analgesics, and non-chemical therapies. They will see that research findings are shared widely and promote a coherent government policy toward the treatment of the terminally ill.

Among the issues that the Committee will address is the hospice concept. The hospice movement has great momentum on its own, and a tremendous amount of extremely valuable work is being done by groups such as yours, in the private community. One of the first tasks of the Committee is to define how the Federal Government can be supportive and helpful without being over-zealous. We are aware that an excess of Federal zeal has been known to provide the kiss of death to many perfectly viable efforts, through overregulation and bureaucratization. Therefore, we are working with the Committee and with the Congress to determine what the appropriate Federal role should be.

There is strong Congressional interest in hospices. Senators Hathaway, Kennedy, Dole and Ribicoff are studying hospices very closely, and plan to do so in the coming year. There is the feeling that much of the data that we have on hospices is scattered, and we need to bring it together in order to get a comprehensive picture. Such issues as relative cost effectiveness, licensing—how its done now and how it might be done—and the reimbursement for hospice-type home care services need to be researched.

There are provocative reports that hospices provide care for the dying at much less expense than acute-care hospitals, especially when the home care services are emphasized. In one study of about 500 patients served by the New Haven Hospice at home, the average cost of services for the last three months was only $750, less than the cost of a typical week in a hospital. Another study

reports that full standing hospices cost about 27 percent less than acute-care hospitals.

These reports are heartening, particularly in a time when all medical costs are skyrocketing, and when one of this Administration's most important goals is to bring them under control. I share the concern of many members of Congress that we need to make more comprehensive studies of the possible cost savings of hospices, and carefully determine how to support them and integrate their services into our general health care system. We must bear in mind that we currently have wasteful excess hospital beds—a problem which we don't want to exacerbate. We must also carefully avoid encouraging profiteering in hospices, as has occasionally occurred in the nursing home business. It is not a pleasant thought to consider, but we must guard against commercial exploitation of hospices, and a lowering of standards and supervision. You, as major leaders in the hospice movement, also need to be aware of, and concerned for these issues.

Reimbursement for hospice-type services is also not a simple question. For example, the average age of a New Haven hospice resident is 60—too young for Medicare—and whose income is, usually, too high for Medicaid. In addition private insurance companies are waiting until standards and certification procedures are set before they extend full coverage. We also need to consider how to integrate hospice-type home care into any National Health Insurance scheme. All of these questions will take some time to resolve and it would be wise for us to move slowly rather than precipitously. In general, though, there is enormous support for the concept of home care and hospices both in Congress and the Administration, and an appreciation of the humanitarian values that hospices have come to represent.

Finally, the Interagency Committee is interested in keeping its focus as broad as possible, dealing with any policies and programs which develop a humanitarian method of dealing with people who are suffering. As a nation, we need to re-educate ourselves about death and the dying. Most Americans reach maturity without experiencing the death of a loved one, and we must begin to rely on our schools and family education to re-familiarize ourselves with death as a natural process. There is a growing trend in the country to educate children in school at a young age about death, and I think this is a healthy change. Doctors also need to be told more about death, how to deal with it and not to avoid it and regard it as a personal failure. We all need to give some thought to dying—our own, and that of others—and how to approach it with compassion, frankness, and humanitarian concern.●

EARTH ENERGY

HON. RICHARD NOLAN

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Friday, May 12, 1978

● Mr. NOLAN. Mr. Speaker, I would like to share with my colleagues an article that was printed in the April 10 issue of the Midland Cooperator. It is exciting and encouraging to find that people are taking the initiative in researching and developing diverse alternative energy sources to fit individual needs.

The article follows:

EARTH ENERGY HEATS, COOLS FARM BUILDINGS

Keeping animal barns and other farm buildings at comfortable temperatures in both winter and summer present a formidable challenge to everyone concerned about energy conservation. A Nora Springs, Iowa, company now offers a solution to the problem.

L.P.C., Inc., now markets a system, "Earth Energy," that taps the mild, constant temperatures of the earth 10–14 feet underground to warm air in winter and cool it in summer before blowing it into the building. Jim Rule, who raises hogs near Nora Springs, installed the system last December and is enthusiastic about savings he's realized.

Rule figures the system saved an average of $5 per day in LP-gas costs for heating a 24x50-foot nursery this past winter. He has two furnaces in the barn and he's only used one since putting in the system, "and that one didn't run as much (as last year)."

The most dramatic example of the system's capability came up when outside air temperature was −23 degrees and air coming out of the system was 30 degrees, a 53 degree increase. "The only operating cost on this is a three-quarter horsepower fan," Rule says.

However, Rule notes that the 53-degree increase was exceptional; there's very little difference in warming even when outside air is much warmer. When outside temperature was 20 degrees, air from the system was 38 degrees; "it didn't make much difference what the temperature was outside," he says.

Also, he says he expects five-to-eight degrees better performance next winter. Since he installed the system in winter, he used some frozen dirt to bury the tube through which the air flows, and as that dirt thaws and settles, he should get better insulation.

Basis for the system is practical and simple, Rule comments. Six-inch plastic farm tile (without holes) is buried at a depth of 10–14 feet with one end of the tile sticking above ground.

Several lines of "exchangers" (L.P.C.'s term for the tile) may be necessary depending on the size of the building. Rule's system includes 12 lines of exchangers; each line is underground for about 100 feet. They all feed into a 24-inch culvert (exchanger manifold).

A fan draws air slowly through the exchangers where it either is warmed or cooled by the earth, which maintains a constant temperature between 40 and 55 degrees, depending on location.

Rule says the system provides heating equivalent to a 60,000-BTU furnace and cooling equivalent to a 100,000-BTU air conditioner. "If you were to buy an air conditioning unit that big and operate it, it would cost you an arm and a leg."

L.P.C. sells plans and does installation or it can provide a complete system, depending on whether or not the customer wants to locate and buy the required materials himself. A complete system like Rule has cost about $6,000.

"We figure on that price, with LP-gas at 33-cents a gallon and electricity at four cents a kilowatt, the payback (when the system would "pay" for itself) would be in about four years," Rule says.

Rule bases that estimate on LP-gas savings in winter and on benefits from cooling in summer; he hopes to be able to keep the temperature in the building under 80 degrees this summer. "Because of that, we should get much better feed efficiency and rate of gain."

Hogs do best at temperatures between 45 and 75 degrees, he says. Warmer temperatures cause stress, so they don't eat enough for top efficiency and at cooler temperatures, they have to eat more just to maintain body temperature.

Expectations of the system's cooling capability come from L.P.C.'s experimental system near New Richland, Minn., which cooled air to 62 to 67 degrees on even the hottest days.

Rule finishes about 1,200 hogs a year on his farrow-to-finish operation. He also runs 740 acres of corn and soybeans. All but 80 acres are rented and he rents most of the buildings on the farmyard. He's a member-patron of Midland Cooperatives, Inc., Mason City, Iowa.

The nursery, a Universal pig lodge, is one building he's put up since coming to the farm 15 years ago. He chose to install the L.P.C. system on the nursery because it's his own building. However, he's so pleased with the system, he may put one on the finishing barn; if he does, he says he might not need a furnace there at all since finishing hogs require less heat.

L.P.C. is a new company which has been around for only a year-and-a-half. It originally opened in Albert Lea, Minn., and moved to Nora Springs in February this year.

L.P.C. stands for Lord's Power Co. Besides signifying the company's goal of developing uses for more energy sources provided by the Lord, such as solar power and "earth energy," the name also bears public witness to the Christian convictions of the men who founded the company.●

HOUSE OF REPRESENTATIVES—*Monday, May 15, 1978*

The House met at 12 o'clock noon.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

To set the mind on the flesh is death, but to set the mind on the Spirit is life and peace.—Romans 8: 6.

O God, our Father, who art the inspiration of every good thought and every worthy endeavor, help us to face the duties of this day with courage and confidence casting aside all rebellious tempers of mind and all resentful spirits that seek to dwell in our hearts.

Discouraged in the work of life;
Disheartened by its load,
Shamed by its failures and its fears,
I sink beside the road;
But let me only think of Thee
And then new life springs up in me.

May this new life be ours this day, this week, and all through this year.

Sustain us in our efforts to preserve freedom for all in our land and to proclaim its blessing to all lands and to all people. May we have the desire and the determination to so walk in Thy ways

Statements or insertions which are not spoken by the Member on the floor will be identified by the use of a "bullet" symbol, i.e., ●

and to so live by Thy laws that the flag of freedom may ever fly over our land and we be strengthened to stand for what is right and good for all, for Thy glory and the benefit of the human race. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 9251. An act relating to extensions of time for the existing tax treatment of certain items.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 2380. An act to amend the Intervention on the High Seas Act to implement the protocol relating to intervention on the high seas in cases of marine pollution by substances other than oil, 1973.

ALDO MORO

(Mr. ANNUNZIO asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. ANNUNZIO. Mr. Speaker, on Saturday, May 13, the American Delegation representing the President of the United States attended the memorial service for Aldo Moro in Rome at the Basilica of Saint John Lateran.

The Honorable Joseph A. Califano, Jr., Secretary of Health, Education, and Welfare; the Honorable Richard N. Gardner, American Ambassador to Italy; the Honorable PETER V. DOMENICI, U.S. Senate; and myself were members of the official delegation from the United States.

During this tragic time of sadness and grief, we personally expressed the sympathies of the President and the people of the United States to the President of Italy Giovanni Leone, to Prime Minister Giulio Andeotti and to the Minister of Foreign Affairs Arnaldo Forlani.

We came away from this brief visit both strengthened and inspired, for we witnessed first hand the dignity of the Italian people and their leaders who are standing firm in their determination to defend and preserve the values of democracy for which Aldo Moro struggled during more than three decades of dedicated public service.

His steadfast devotion to a democratic Italy during his lifetime is now serving as a beacon light of guidance and hope to Italy and to the entire free world as we recommit ourselves to the principles of democracy for which Aldo Moro lived and died.

Mr. Speaker, I would like to include at this point in the CONGRESSIONAL RECORD the departure statement of the American delegation, which follows:

DEPARTURE STATEMENT

We come away from this brief visit both saddened and inspired. For in our time here, we have seen a people bowed down by a senseless tragedy—but a people capable of surmounting this misfortune with renewed strength and courage.

Aldo Moro died as a captive soldier in the defense of Western democracy. Now all of us, as his fellow believers in that cause, must ensure that his death was not in vain—by working to strengthen the ties that bind the Western Alliance in which he believed.

As we return home, we do so with a renewed determination to strengthen those ties; with a renewed sense of Italy's importance as a friend and ally; with admiration for Prime Minister Andreotti and with deepened feelings for the Italian people.

CONSENT CALENDAR

The SPEAKER. This is Consent Calendar Day. The Clerk will call the first bill on the Consent Calendar.

RECALCULATING RETIRED PAY OF CERTAIN SENIOR ENLISTED ADVISERS OF THE MARINE CORPS

The Clerk called the bill (H.R. 10343) to provide for recalculation of the retired pay of individuals who served as sergeant major of the Marine Corps before December 16, 1967.

Mr. BADHAM. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

LAKE MOOMAW

The Clerk called the bill (H.R. 12112) designating Gathright Lake on the Jackson River, Va., as Lake Moomaw.

There being no objection, the Clerk read the bill as follows:

H.R. 12112

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Gathright Lake, Jackson River, Virginia project, authorized by the Flood Control Act of 1946, approved July 24, 1946, shall hereafter be known and designated as "Lake Moomaw", and any law, regulation, map, document, or record of the United States in which such lake is designated or referred to as Gathright Lake or is referred to by any other name, shall be held and considered to refer to such lake under and by the name of Lake Moomaw.

Mr. ROBERTS. Mr. Speaker, H.R. 12112 designates the lake formed by Gathright Dam on the Jackson River, Va., as Lake Moomaw.

The Gathright Dam and Reservoir project is located in Alleghany County, Va., and is scheduled to begin operation in 1979.

Mr. Benjamin C. Moomaw, Jr., died on March 12, 1978, at the age of 88. For the past 30 years he has devoted his efforts to obtain the construction of a dam and lake near Richmond, Va. His efforts and those of other concerned citizens were instrumental in securing the authorization and construction of Gathright Dam. Known throughout the area as "Mr. Ben," his work on behalf of this project is well known throughout Virginia. In view of his long and successful efforts, it is fitting and proper that the lake created by Gathright Dam be named in his honor.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LAKE HERBERT G. WEST

The Clerk called the bill (H.R. 10838) to name the lake located behind Lower Monumental Lock and Dam, Washington, Lake Herbert G. West.

There being no objection, the Clerk read the bill as follows:

H.R. 10838

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the lake located behind the Lower Monumental Lock and Dam, Washington, a part of the project authorized by the Act of March 2, 1945 (Public Law 14, Seventy-ninth Congress, first session), in accordance with the plan submitted in House Document Numbered 704, Seventy-fifth Congress, third session, shall hereafter be known as Lake Herbert G. West, and any law, regulation, document, or record of the United States in which such lake is designated or referred to as Lower Monumental Lake or is referred to by any other name, shall be held to refer to such lake under and by the name of "Lake Herbert G. West".

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. ROBERTS. Mr. Speaker, I ask unanimous consent that the Committee on Public Works and Transportation be discharged from further consideration of the Senate bill (S. 1568) to name the lake located behind Lower Monumental Lock and Dam, Washington, "Lake Herbert G. West," and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the Senate bill as follows:

S. 1568

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the lake located behind the Lower Monumental Lock and Dam, Washington, a part of the project authorized by the Act of March 2, 1945 (Public Law 14, Seventy-ninth Congress, first session), in accordance with the plan submitted in House Document Numbered 704, Seventy-fifth Congress, third session, shall hereafter be known as Lake Herbert G. West, and any law, regulation, document, or record of the United States in which such lake is desig-

nated or referred to as "Lower Monumental Lake" or is referred to by any other name, shall be held to refer to such lake under and by the name of "Lake Herbert G. West".

Mr. ROBERTS. Mr. Speaker, S. 1568 designates the lake located behind Lower Monumental Lock and Dam, Washton, as Lake Herbert G. West.

The lake located behind the Lower Monumental Lock and Dam in Washington is part of a project authorized by the act of March 2, 1945—Public Law 79–14. The dam is located 41.6 miles upstream from the mouth of the Snake River. The lake created by the dam has a surface of about 6,600 acres and extends commercial navigation upstream about 29 miles to Little Goose Lock and Dam.

Mr. Herbert G. West, Sr., was a longtime resident of Walla Walla, Wash., who was instrumental until his death in 1974 in waterways and water resources development both in the region and the Nation as a whole. Mr. West was one of the founding fathers of the former Inland Empire Waterways Association—now the Pacific Northwest Waterways Association—and served as its executive vice president from its inception in 1934 to his retirement in 1967.

Mr. West has been honored by local and regional organizations, and has received national accolades and recognition including election to boards on the National Rivers and Harbors Congress and the National Waterways Conference. In 1969 the Department of the Army awarded Mr. West a certificate of appreciation for patriotic civilian service, and again in 1968, bestowed upon him the Civilian Service Medal for outstanding service over the preceding decade.

The tireless efforts of Herbert G. West over the last 30 years of his lifetime reaped great benefits for the region and the Nation. It is fitting and proper that a lake situated in the region he loved so well be named for him and serve as a lasting memorial to his distinguished contributions and service.

● Mr. McCORMACK. Mr. Speaker, I rise in support of H.R. 10838, legislation designating the reservoir behind Lower Monumental Lock and Dam on the Snake River, Washington State, as Lake Herbert G. West. I want to extend my sincere appreciation and thank you to House Public Works and Transportation Committee Chairman BIZZ JOHNSON and to Water Resources Subcommittee Chairman RAY ROBERTS for their mutual understanding in seeking expeditious enactment of this legislation.

Herbert G. West founded the Inland Empire Waterways Association, predecessor of the Pacific Northwest Waterways Association, in 1934 and served as its executive vice president until his retirement in 1967, a period of 33 years. During that time, Herb West was the driving force in the planning, implementation, and public acceptance of the system of Federal dams on the Columbia and Snake Rivers, which resulted in bringing navigation 465 miles from the mouth of the Columbia River to Lewiston, Idaho. These dams have also contributed billions of kilowatt-hours of electrical power to the region, as well as irrigation and recreational opportunities.

Working directly with President Franklin D. Roosevelt in 1934, Herb West helped plot the course of navigation in the Pacific Northwest during the construction of Bonneville Dam when he was successful in convincing the administration at that time to convert the dam's locks from the "run of the river" type locks, then designed for simple passage of shallow-draft pleasure craft, to full-size, commercial navigation locks.

Throughout the hydroelectric development of the Columbia River, West fought for standardization of all Columbia River locks to the present size of 675 feet by 86 feet, with a 15-foot sill.

When the choice was between hydroelectric development that would produce only power, and development that would produce both power and navigation benefits, West pressed for, and the region was granted, authorization for additional hydroelectric facilities that also advanced the benefits of navigation.

Mr. West was a locally, regionally and nationally known leader. He served on the boards of several national water resources organizations, including the National Rivers and Harbors Conference; was mayor of Walla Walla, Wash.; received the Department of the Army Certificate of Appreciation for civil service in 1959, and in 1969 was the second recipient of the Defense Department Civilian Service Medal for outstanding service; and was a leader in many other fields of activity before his death in 1974.

During the formative years of Columbia and Snake Rivers development there was no greater champion of long-term, social and economic stability for the region than Herbert G. West. Herb West recognized the potential of the Columbia and Snake Rivers as a major artery of water transportation, compatible with hydroelectric development, and pursued his dream, transforming much of it into reality, until his death.

The Pacific Northwest is grateful to Herbert G. West for his foresight and hard work. Passage and enactment of this legislation today, naming the reservoir behind Lower Monumental Dam as Lake Herbert G. West, will serve as an indication of this Nation's appreciation for the lifelong dedication of Herb West to integrated river development.●

The Senate bill was ordered to be read a third time, was read the third time, and passed and a motion to reconsider was laid on the table.

A similar House bill (H.R. 10838) was laid on the table.

VENTURA HARBOR

The Clerk called the bill (H.R. 11241) to change the name of the harbor at Ventura Marina, Calif., to Ventura Harbor.

There being no objection, the Clerk read the bill as follows:

H.R. 11241

Be it enacted by the Senate and House of Representatives of the United States of American in Congress assembled, That Ventura Marina, California adopted as a Federal navigation project by Public Law 90–483 (82 Stat. 732), in accordance with House Document Numbered 365, Ninetieth Congress, second session, shall hereafter be known as Ventura Harbor, and any law, regulation, document, or record of the United States in which such marina is designated or referred to as Ventura Marina shall be held to refer to Ventura Harbor.

Mr. ROBERTS. Mr. Speaker, H.R. 11241 changes the name of the harbor at Ventura Marina, Calif., to Ventura Harbor.

Ventura Marina, Calif., was adopted as a Federal navigation project authorized by the River and Harbor Act of 1968 (Public Law 90–483).

The change in name reflects the common practice in the region to designate such developed areas as harbors rather than marinas. Therefore, it is appropriate that the Harbor at Ventura Marina, Calif., be designated as Ventura Harbor.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DISPOSITION OF CERTAIN RECREATIONAL DEMONSTRATION PROJECT LANDS BY THE STATE OF OKLAHOMA

The Clerk called the bill (H.R. 4691) relating to the disposition of certain recreational demonstration project lands by the State of Oklahoma.

There being no objection, the Clerk read the bill as follows:

H.R. 4691

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. That notwithstanding section 3 of the Act entitled "An Act to authorize the disposition of recreational demonstration projects and for other purposes", approved June 6, 1942 (56 Stat. 326; 16 U.S.C. 459t) the State of Oklahoma is hereby authorized to convey oil and gas mineral leases to the following described lands in Carter County, Oklahoma: those lands situated within the project designated and known as the Lake Murray Recreational Demonstration Area, said project lands being more particularly described in a quitclaim deed of the United States of America executed on February 1, 1943, by Harold L. Ickes, Secretary of the Interior approved on February 2, 1943, by Franklin D. Roosevelt, President of the United States, and recorded in book 186, pages 312 through 320 of the records of Carter County, Oklahoma. Any conditions providing for a reversion of title to the United States that may be contained in the conveyance of such lands by the United States to the State of Oklahoma are hereby released as to oil and gas exploration and development affecting the lands herein authorized to be leased. The State of Oklahoma shall surrender the present deed of conveyance by the United States of the lands described in this Act and the United States shall issue a new deed to the State of Oklahoma for those lands, which new deeds shall include oil and gas exploration and development as permitted uses of such lands: *Provided, however,* That it shall be a condition of such new deed that oil and gas exploration and development shall take place on the lands described in this Act only pursuant to plans which have been reviewed (such review to include preparation of a detailed statement

of the type specified in section 2(a) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332(a)), and approved by the Secretary of the Interior and which will assure that such exploration and development shall be carried out in a manner which to the maximum extent possible will assure the preservation of the natural, scenic, and recreational values of the Demonstration Area: *Provided further*, That the State of Oklahoma shall continue to use such lands in the Lake Murray Recreational Demonstration Area primarily for park, recreational, and conservation purposes.

SEC. 2. The issuance of the new deed described in section 1 of this Act shall take place only upon payment to the Secretary of the Interior by the State of Oklahoma for administrative costs of issuance of the new deed. Moneys paid to the Secretary of the Interior for administrative costs shall be paid to the agency which rendered the service, and deposited to the appropriation then current.

With the following committee amendment:

Page 3, line 3, following the colon insert the following proviso: *"Provided further*, (i) That t shall be a further condition of such new deed that the State of Oklahoma, in consideration for the release of the conditions referred to in this section, shall hold all proceeds hereafter received from any oil and gas exploration and development of the lands described in this act in a separate fund open to inspection by the Secretary of the Interior, and shall pay the Secretary each year from such fund 50 percent of the gross income from such exploration and development, including rents, royalties, bonuses and any interest accruing thereon and all costs which the Secretary determines are included in his review of the oil and gas exploration and development plans and the operation of such fund; and (ii) That all amounts paid to the Secretary pursuant to this proviso shall be deposited in the general fund of the Treasury as miscellaneous receipts:".

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. ROBERTS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the bills just passed.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The SPEAKER. That concludes the call of the eligible bills on the Consent Calendar.

PERMISSION FOR ALL COMMITTEES TO SIT DURING PROCEEDINGS UNDER 5-MINUTE RULE TODAY

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that all committees be permitted to sit during proceedings under the 5-minute rule today.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

PERMISSION FOR ALL COMMITTEES TO FILE REPORTS

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that all committees may have until midnight tonight to file reports.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

DANGERS OF EROSION IN VALUE OF THE DOLLAR

(Mr. CONABLE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CONABLE. Mr. Speaker, we Republicans are pleased that the President has come to a late understanding of the perils of further erosion of the value of the dollar. This is a major concern of the American people, and rightly so. He and his supporters in Congress have been, until now, too insensitive to the danger that within a year the current trends in the economy will be confirmed by persistent double-digit inflation.

We also agree that fiscal policy is the most significant area of Government action against inflation. We agree that we cannot spend beyond our means without being part of the problem of inflation—an originating part.

But there, Mr. Speaker, the agreement stops. We should not load the whole burden of fiscal policy on the backs of the taxpayers. Unless the President sticks with at least a $25 billion tax cut, the real tax burden will rise. We can balance the budget at a high tax rate, rather than restraining Government growth. That alternative is not an attractive long-term prospect, even though it is easier in the short term to let taxes go up through inflation than it is to exercise spending discipline. There are two sides to the coin of fiscal policy—taxing and spending. We are not even talking spending cuts, but restraint on the growth of spending. If you ask the American people which they think is more necessary to a sounder fiscal policy, I suspect most do not want a bigger Government and do not want to see their real tax rate rise.

ZBIG DEAL?

(Mr. MICHEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

● Mr. MICHEL. Mr. Speaker, later in the day I will take a special order to discuss the visit of President Carter's National Security Adviser, Zbigniew Brzezinski, to Peking. It so happens that he will be landing in Peking on the same day that Chian Ching-huo is being inaugurated as President of the Republic of China on Taiwan.

I bring this to your attention, because whatever the motives of the Carter administration in having Brzezinski make this visit at this time, the fact that the President's National Security Adviser will be in Peking on this Nationalist Chinese inauguration day will not go unnoticed.

I have recently returned from China. I am not an instant expert, but I can tell you that the Chinese place quite a bit of importance on ritual and ceremony. It is the way Brzezinski's visit looks that is as important as the motivations behind the visit.

In Peking and in Taiwan, there will be much thought given to the theory that the Americans are ready to make a deal with the Red Chinese and that Brzezinski's visit is a way of telling this to the world without exactly saying so. This "Zbig deal" could result in international repercussions far beyond anything intended by the President. Carter diplomacy has struck again.●

DANIELSON QUESTIONNAIRE RESULTS

(Mr. DANIELSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DANIELSON. Mr. Speaker, as have many of my colleagues, I recently submitted a questionnaire and am pleased to report to the House on the results.

On the question of:

Do you believe the Soviet Union intends to create a military capability greater than ours?

Ninety-two percent of the people answered "Yes"; 3 percent answered "No"; and 5 percent were undecided.

On another question:

In view of our energy shortages, do you support a speedup in the process used to approve new nuclear power plants?

Seventy-five percent of the people answered "Yes"; 16 percent answered "No"; and 9 percent were undecided.

QUESTIONNAIRE

[In percent]

1. Do you believe the Soviet Union intends to create a military capability greater than ours? Yes 92. No 3. Undecided 5.

2. In view of our energy shortages, do you support a speed up in the process used to approve new nuclear power plants? Yes 75. No 16. Undecided 9.

3. Do you favor raising the limit on the amount of income a retired person can earn without reducing social security benefits? Yes 88. No 8. Undecided 4.

4. Should the Federal government expand its public jobs program in order to provide work for all unemployed residents? Yes 48. No 37. Undecided 15.

5. Should the U.S. establish full diplomatic relations with the People's Republic of China (sometimes known as Mainland China or Red China)? Yes 51. No 33. Undecided 16.

6. Do you believe that Israel should have the right to establish permanent settlements on the West Bank? Yes 34. No 42. Undecided 24.

7. Do you believe that Israel should have the right to establish permanent settlements on the Sinai? Yes 33. No 40. Undecided 27.

8. Should an independent homeland for Palestinian Arabs be established in the Middle East? Yes 53. No 17. Undecided 30.

THE TRAGEDY OF CAMBODIA

(Mrs. FENWICK asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. FENWICK. Mr. Speaker, I would like to speak for a moment because I believe it is time that someone in this House spoke about what is going on in Cambodia.

Not much is said. Sometimes references to it appear in our papers. I do not suppose there has ever been anything quite to compare it with: Wholesale murder. One village after another subjected to terrorism and barbarous treatment. It is a pitiful thing. It is murder for no reason. A whole town was destroyed because it was the birthplace of a politician who has now fallen from office. Men, women, and children killed. The widows and children of those already murdered are killed. Why were the husbands and fathers killed? Because they had been soldiers or because they were high school graduates. They are dead. Now we have that same vengeance being wreaked upon their widows and children.

I do not know how long the world will stand by and say nothing. Nothing is said in the United Nations. We see no outcry about this.

These dead were our fellow human beings, in a faraway place. No one seems to care very much.

We must speak about the tragedy of these people. We must speak clearly so as to indicate, at least, that we care, and that we are diminished by the murders.

CALL OF THE HOUSE

Mr. BURKE of Massachusetts. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 310]

Allen	Ford, Mich.	Patten
Andrews, N.C.	Ford, Tenn.	Pattison
Archer	Fraser	Pressler
Armstrong	Frey	Pursell
Aspin	Garcia	Quie
AuCoin	Gibbons	Quillen
Baucus	Goldwater	Railsback
Beard, Tenn.	Gonzalez	Reuss
Bingham	Green	Rodino
Boland	Hanley	Roncalio
Breckinridge	Harkin	Runnels
Brodhead	Harrington	Ruppe
Brown, Calif.	Harsha	Russo
Broyhill	Heckler	Santini
Buchanan	Holland	Sarasin
Burke, Calif.	Horton	Schulze
Burton, John	Ichord	Sebelius
Burton, Phillip	Jenkins	Shuster
Carter	Johnson, Colo.	Skelton
Cederberg	Kazen	Skubitz
Chappell	Krueger	Solarz
Chisholm	Leggett	St Germain
Clay	Long, La.	Steiger
Cochran	McCloskey	Symms
Cohen	McEwen	Teague
Collins, Ill.	McKinney	Thornton
Conyers	Mann	Tucker
Cornell	Mathis	Udall
Cotter	Metcalfe	Walsh
Davis	Mitchell, N.Y.	Watkins
Dent	Moss	Whitten
Diggs	Murphy, Ill.	Wiggins
Drinan	Murtha	Wilson, C. H.
Eckhardt	Myers, Michael	Wilson, Tex.
Eilberg	Nichols	Yatron
Ertel	Nix	Young, Alaska
Fish	Nolan	Young, Tex.
Flood	O'Brien	Zeferetti

The SPEAKER. On this rollcall 320 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

PERMISSION TO FILE CONFERENCE REPORT ON SENATE CONCURRENT RESOLUTION 80, FIRST CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 1979

Mr. GIAIMO. Mr. Speaker, I ask unanimous consent that the managers may have until midnight tonight to file a conference report on the Senate concurrent resolution (S. Con. Res. 80), setting forth the congressional budget for the U.S. Government for fiscal year 1979.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

LAKE MURRAY RECREATIONAL DEMONSTRATION AREA PROJECT IN OKLAHOMA

Mr. MEEDS. Mr. Speaker, I ask unanimous consent that the Committee on Interior and Insular Affairs be discharged from further consideration of the Senate bill (S. 920) relating to the disposition of certain recreational demonstration project lands by the State of Oklahoma, and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, could the gentleman from Washington explain to us the necessity of concluding this action by unanimous consent?

Mr. MEEDS. Yes, if the gentleman will yield.

Mr. ROUSSELOT. I yield to the gentleman from Washington (Mr. MEEDS).

Mr. MEEDS. Mr. Speaker, first, I intend, if this unanimous-consent request is granted, to move to strike out all after the enacting clause of S. 920 and insert in lieu thereof the text of the House-passed bill, so that we would then have the text of the House-passed bill in lieu of the Senate provisions.

Mr. Speaker, it is my understanding that this request was not made at the time it should have been, when the Senate bill was passed by the House, so this will correct that problem.

Mr. ROUSSELOT. Mr. Speaker, further reserving the right to object, is there any advantage in having the Senate number on our bill? What is the advantage of that?

Mr. MEEDS. This would merely insert what we have passed rather than what the Senate has passed.

While it would have a senate number, it would be the content of the House bill, and I am sure that the gentleman would approve of that.

Mr. ROUSSELOT. Yes, I am sure I probably would.

Further reserving the right to object, Mr. Speaker, can the gentleman tell us whether he has consulted with the minority on this issue at all?

Mr. MEEDS. No, I cannot. All I can say is that the Parliamentarian asked me to do this because it was needed to correct the situation that presently exists.

Mr. Speaker, this bill was passed on the Consent Calendar originally, and I am sure that if there was objection by the minority side, they would have made it at that time.

Mr. ROUSSELOT. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 920

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That notwithstanding section 3 of the Act entitled "An Act to authorize the disposition of recreational demonstration projects, and for other purposes", approved June 6, 1942 (56 Stat. 326; 16 U.S.C. 459t), the State of Oklahoma is hereby authorized to convey oil and gas mineral leases to the following described lands in Carter County, Oklahoma; those lands situated within the project designated and known as the Lake Murray Recreational Demonstration Area, said project lands being more particularly described in a quit-claim deed of the United States of America executed on February 1, 1943, by Harold L. Ickes, Secretary of the Interior approved on February 2, 1943, by Franklin D. Roosevelt, President of the United States, and recorded in book 186, pages 312 through 320 of the records of Carter County, Oklahoma. Any conditions providing for a reversion of title to the United States that may be contained in the conveyance of such lands by the United States to the State of Oklahoma are hereby released as to oil and gas exploration and development affecting the lands herein authorized to be leased. The State of Oklahoma shall surrender the present deed of conveyance by the United States of the lands described in this Act and the United States shall issue a new deed to the State of Oklahoma for those lands, which new deed shall include oil and gas exploration and development as permitted uses of such lands: *Provided, however,* That it shall be a condition of such new deed that oil and gas exploration and development shall take place on the lands described in this Act only pursuant to plans which have been reviewed (such review to include preparation of a detailed statement of the type specified in section 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332 (C))), and approved by the Secretary of the Interior and which will assure that such exploration and development shall be carried out in a manner which to the maximum extent possible will assure the preservation of the natural, scenic, and recreational values of the demonstration area: *And provided further,* That the State of Oklahoma shall continue to use such lands in the Lake Murray Recreational Demonstration Area primarily for park, recreational, and conservation purposes.

SEC. 2. The issuance of the new deed described in section 1 of this Act shall take

place only upon payment to the Secretary of the Interior by the State of Oklahoma of the following:

(1) the fair market value, as determined by the Secretary of the Interior of the reversionary interest of the United States in the lands, as compensation for the release of any conditions providing for a reversion of title to the United States; and

(2) the administrative costs of issuance of the new deed: *Provided*, That such costs shall be paid to the agency which rendered the service, and deposited to the appropriation then current.

MOTION OFFERED BY MR. MEEDS

Mr. MEEDS. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MEEDS moves to strike out all after the enacting clause of the Senate bill (S. 920) and to insert in lieu thereof the text of H.R. 4691, as passed by the House, as follows:

SECTION 1. That notwithstanding section 3 of the Act entitled "An Act to authorize the disposition of recreational demonstration projects and for other purposes", approved June 6, 1942 (56 Stat. 326; 16 U.S.C. 459t) the State of Oklahoma is hereby authorized to convey oil and gas mineral leases to the following described lands in Carter County, Oklahoma: those lands situated within the project designated and known as the Lake Murray Recreational Demonstration Area, said project lands being more particularly described in a quitclaim deed of the United States of America executed on February 1, 1943, by Harold L. Ickes, Secretary of the Interior approved on February 2, 1943, by Franklin D. Roosevelt, President of the United States, and recorded in book 186, pages 312 through 320 of the records of Carter County, Oklahoma. Any conditions providing for a reversion of title to the United States that may be contained in the conveyance of such lands by the United States to the State of Oklahoma are hereby released as to oil and gas exploration and development affecting the lands herein authorized to be leased. The State of Oklahoma shall surrender the present deed of conveyance by the United States of the lands described in this Act and the United States shall issue a new deed to the State of Oklahoma for those lands, which new deeds shall include oil and gas exploration and development as permitted uses of such lands: *Provided, however*, That it shall be a condition of such new deed that oil and gas exploration and development shall take place on the lands described in this Act only pursuant to plans which have been reviewed (such review to include preparation of a detailed statement of the type specified in section 2(a) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332(a)), and approved by the Secretary of the Interior and which will assure that such exploration and development shall be carried out in a manner which to the maximum extent possible will assure the preservation of the natural, scenic, and recreational values of the Demonstration Area: *Provided further*, (i) That it shall be a further condition of such new deed that the State of Oklahoma, in consideration for the release of the conditions referred to in this section, shall hold all proceeds hereafter received from any oil and gas exploration and development of the lands described in this Act in a separate fund open to inspection by the Secretary of the Interior, and shall pay the Secretary each year from such fund 50 per centum of the gross income from such exploration and development, including rents, royalties, bonuses and any interest accruing thereon and all costs which the Secretary determines are included in his review of the oil and gas exploration and development plans and the operation of such fund; and (ii) That all amounts paid to the Secretary pursuant to this proviso shall be deposited in the general fund of the Treasury as miscellaneous receipts: *And provided further*, That the State of Oklahoma shall continue to use such lands in the Lake Murray Recreational Demonstration Area primarily for park, recreational, and conservation purposes.

SEC. 2. The issuance of the new deed described in section 1 of this Act shall take place only upon payment to the Secretary of the Interior by the State of Oklahoma for administrative costs of issuance of the new deed. Moneys paid to the Secretary of the Interior for administrative costs shall be paid to the agency which rendered the service, and deposited to the appropriation then current.

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H.R. 4691) was laid on the table.

CONCURRENT REFERRAL TO COMMITTEE ON THE JUDICIARY OF HOUSE JOINT RESOLUTION 848, HOUSE CONCURRENT RESOLUTION 558, AND HOUSE CONCURRENT RESOLUTION 560

Mr. ULLMAN. Mr. Speaker, I ask unanimous consent that House Joint Resolution 848, House Concurrent Resolution 558, and House Concurrent Resolution 560, disapproving proposed regulations of the Department of the Treasury requiring centralized governmental registration of firearms, which were referred solely to the Committee on Ways and Means, be concurrently referred to the Committee on the Judiciary.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

Mr. ROUSSELOT. Reserving the right to object, Mr. Speaker, can the gentleman tell us why it is necessary to do this by unanimous consent?

Mr. ULLMAN. If the gentleman will yield, Mr. Speaker, let me say that identical resolutions to these—and they are all virtually identical—have been jointly referred to both committees.

They were properly referred jointly since the regulations sought to be disapproved relate to laws and matters within the jurisdiction of both committees. Inadvertently, these resolutions were referred solely to the Committee on Ways and Means. They are identical to the other resolutions that were jointly referred; and all we are asking for is that all of these like resolutions be referred in the same way to both committees.

Mr. ROUSSELOT. Further reserving the right to object, Mr. Speaker, I yield to my colleague, the gentleman from Ohio (Mr. ASHBROOK), a member of the Committee on the Judiciary.

Mr. ASHBROOK. Mr. Speaker, I thank the gentleman for yielding.

Under that reservation, I certainly would commend my colleague, the gentleman from Oregon (Mr. ULLMAN), for this action.

As he well knows, the Subcommittee on Crime of the Committee on the Judiciary does have primary jurisdiction in these areas. The original gun control act of 1968 did largely emanate from our committee.

Mr. Speaker, I agree 100 percent with the gentleman's action, and look forward to the ability to review these resolutions in the Committee on the Judiciary.

Mr. ULLMAN. Mr. Speaker, I thank the gentleman from Ohio (Mr. ASHBROOK) for his comments.

Mr. ROUSSELOT. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

INTERNATIONAL MARITIME SATELLITE TELECOMMUNICATIONS ACT

Mr. VAN DEERLIN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 11209) to provide for the establishment, ownership, operation, and governmental oversight and regulation of international maritime satellite telecommunications services as amended.

The Clerk read as follows:

H.R. 11209

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "International Maritime Satellite Telecommunications Act".

DECLARATION OF POLICY AND PURPOSE

SEC. 2. (a) The Congress hereby declares that it is the policy of this Act to provide for the participation of the United States in the International Maritime Satellite Organization or another satellite telecommunications agency which shall develop and operate a global maritime satellite telecommunications system. Such system shall have facilities and services which will serve maritime commercial and safety needs of the United States and foreign countries.

(b) It is the purpose of this Act to provide that the participation of the United States in the organization or agency specified in subsection (a) shall be through the Communications Satellite Corporation, which constitutes a private entity operating for profit, and which is not an agency or establishment of the Federal Government.

DESIGNATED OPERATING ENTITY

SEC. 3. (a)(1)(A) Subject to the provisions of paragraph (2), the Communications Satellite Corporation, for the purpose of providing international maritime satellite telecommunications services, may participate as the designated operating entity of the United States in—

(i) the International Maritime Satellite Organization; or

(ii) any other agency designed to provide, such services.

(B) The corporation is hereby authorized to sign the operating agreement or other pertinent instruments of the Organization, or of the satellite telecommunications agency, as the designated operating entity of the United States.

(2)(A) Except as provided in subparagraph (C), the corporation may not partici-

pate in any satellite telecommunications agency under paragraph (1)(A)(ii) unless—

(i)(I) in the case of participation which may be undertaken only pursuant to a treaty or executive agreement, such treaty or executive agreement is in effect; or

(II) in any case in which participation does not require any treaty or executive agreement, the President does not disapprove such participation during the period of 60 calendar days after the corporation notifies the President of such proposed participation; and

(ii) the Congress does not disapprove such participation under paragraph (3).

(B) Any disapproval by the President under subparagraph (A)(i)(II) shall be published in the Federal Register as soon as practicable after the date of such disapproval.

(C) The requirements of subparagraph (A) shall not apply to any participation of the corporation in a satellite telecommunications agency if—

(i) such participation takes effect before September 4, 1979;

(ii) the corporation signs the operating agreement of the Organization; and

(iii) such participation in the satellite telecommunications agency is in the nature of an interim operating arrangement remaining in effect only until the corporation begins its participation in the Organization.

(3)(A) In any case in which the corporation proposes to provide international maritime satellite telecommunications services through participation in a satellite telecommunications agency under paragraph (1)(A)(ii), and such participation is subject to the requirements of paragraph (2)(A), the corporation shall submit a statement to each House of the Congress which shall include notice of such proposed participation, together with such other information as the corporation considers appropriate. If such participation is subject to disapproval by the President under paragraph (2)(A)(i)(II), such statement may not be submitted before the end of the period specified in paragraph (2)(A)(i)(II).

(B) Such proposed participation may take effect, if it otherwise may take effect under paragraph (2)(A)(i), unless either the Senate or the House of Representatives, during the period of 60 calendar days of continuous session following submission of the statement specified in subparagraph (A), passes a resolution the matter after the resolving clause of which reads as follows: "The hereby disapproves the proposal submitted by the Communications Satellite Corporation on , 19 ." (The first blank space shall be filled with the name of the resolving House and the second blank space shall be filled with the date of submission of the proposal to the Congress.)

(C) If neither the Senate nor the House of Representatives passes such resolution during such period, such proposal of the corporation shall not be effective before the end of such period.

(D) for purposes of this paragraph—

(i) continuity of session of the Congress is broken only by adjournment sine die; and

(ii) the days on which either House is not in session because of an adjournment of more than 3 days to a day certain are excluded in the computation of the 60-day period.

(b) The Corporation—

(1)(A) subject to the provisions of subsection (d), may establish, own, and operate satellite Earth terminal stations; and

(B) shall interconnect such stations, and the maritime satellite telecommunications provided by such stations, with the facilities and services of United States domestic common carriers, international common carriers, and private communications systems, other than any common carrier, system, or other entity in which the corporation has any ownership interest, as authorized by the Commission; and

(2) may establish, own, and operate the United States share of the jointly owned international space segment and associated ancillary facilities.

(c) The corporation shall be responsible for fulfilling any financial obligation placed upon the corporation as a signatory to the operating agreement or other pertinent instruments, and any other financial obligation which may be placed upon the corporation as the result of a convention or other instrument establishing the Organization or the satellite telecommunications agency, as the case may be. The corporation shall be the sole United States representative in the managing body of the Organization or the satellite telecommunications agency, as the case may be.

(d)(1) Except as provided in paragraph (2), the corporation, or any United States domestic common carrier, international common carrier, or private communications system which is authorized by the Commission, pursuant to the provisions of this Act, to interconnect with a satellite earth terminal station under subsection (b), may own all or any portion of the assets of any such station.

(2) Any person, including any government or government agency, may be the sole owner of a satellite earth terminal station if such person, government, or government agency uses, or permits or otherwise authorize the use of, such station for the exclusive purpose of training personnel in the use of equipment associated with the operation of such station, or in carrying out experimentation relating to maritime satellite telecommuncations services.

(e) The Commission shall determine the operational arrangements under which the corporation shall interconnect its services and any satellite earth terminal station facility with United States domestic common carriers, international common carriers, and private communications systems, other than any common carrier, system, or other entity in which the corporation has any ownership interest, for the purpose of extending maritime satellite telecommunications services within the United States. Such determination shall be made by the Commission no later than 6 months after the date of the enactment of this Act, and the Commission shall transmit a report relating to such determination to the Congress.

(f) Notwithstanding any provision of State law, the articles of incorporation of the corporation shall provide for the continued ability of the board of directors of the corporation to transact business under such circumstances of national emergency as the President or his delegate may determine would not permit a prompt meeting of the number of directors otherwise required to transact business.

(g) Notwithstanding the provisions of section 222 of the Communications Act of 1934, any international common carrier which is interconnected with a satellite Earth terminal station under subsection (b) may accept and deliver maritime satellite telecommunications services at any point within the United States.

IMPLEMENTATION OF POLICY

SEC. 4. (a) The President shall—

(1) exercise such supervision over, and provide for the issuance of such instructions to, the corporation in connection with its relationships and activities with foreign governments and international entities and other organizations (including the Organization or the satellite telecommunications agency, as the case may be) as may be necessary to ensure that such relationships and activities are consistent with the national interest and foreign policy of the United States;

(2) coordinate the activities of Federal agencies with responsibilities in the field of telecommunications (other than the Commission), so as to ensure that there is full and effective compliance with the provisions of this Act;

(3) take all necessary steps to ensure the availability and appropriate utilization of the telecommunications services provided by the Organization or by the satellite telecommunications agency, as the case may be, for general government purposes, except in any case in which a separate telecommunications system is required to meet unique governmental needs or is otherwise required in the national interest;

(4) exercise his authority in a manner which seeks to obtain coordinated and efficient use of the electromagnetic spectrum and orbital space, and to ensure the technical compatibility of the space segment with existing communications facilities in the United States and in foreign countries; and

(5) aid in the planning and development of the telecommunications system operated by the Organization or by the satellite telecommunications agency, as the case may be, and in the planning and development of services provided by the Organization or such agency.

(b) The Commission shall—

(1) institute such proceedings as may be necessary to carry out the provisions of section 3(b) and section 3(e);

(2) make recommendations to the President for the purpose of assisting the President in issuing instructions to the corporation under subsection (a)(1);

(3) grant such authorizations as may be necessary under title II and title III of the Communications Act of 1934 to—

(A) enable the corporation to provide to the public, pursuant to section 3(b)(1)(B), space segment channels of communication obtained from the Organization or from the satellite telecommunications agency, as the case may be; and

(B) provide for the construction and operation of such satellite Earth terminal stations in the United States as may be necessary to provide sufficient access to the space segment;

(4) establish procedures to provide for the continuing review of the telecommunications activities of the corporation as the United States signatory to the operating agreement or other pertinent instruments;

(5) establish rules and procedures under which the Commission—

(A) in determining whether to modify any license for public maritime coast station services to provide for the addition of radio frequencies, shall not take into account any impact which the provision of maritime satellite telecommunications services may have upon the provision of public maritime coast station services; and

(B) in determining whether to modify any license for maritime satellite telecommunications services to provide for the addition of frequencies, shall not take into account any impact which the provision of public maritime coast station services may have upon the provision of maritime satellite telecommunications services; and

(6) prescribe such rules as may be necessary to carry out the provisions of this Act.

STUDY OF STRUCTURE AND ACTIVITIES OF COMMUNICATIONS SATELLITE CORPORATION

SEC. 5. (a) The Commission shall conduct a study of the corporate structure and operating activities of the corporation, with a view toward determining whether any changes are required to insure that the corporation is able to effectively fulfill its obligations and carry out its functions under this Act, the Communications Act of 1934,

and the Communications Satellite Act of 1962.

(b) The Commission shall transmit a report to the Congress no later than 6 months after the date of the enactment of this Act relating to the study of the corporation conducted under subsection (a). Such report shall contain a detailed statement of the findings and conclusions of such study, any action taken by the Commission related to such findings and conclusions, and any recommendations of the Commission for such legislative or other action as the Commission considers necessary or appropriate.

STUDY OF PUBLIC MARITIME COAST STATION SERVICES

SEC. 6. (a) The Commission shall conduct a study of public maritime coast station services, with particular emphasis on high seas services, with a view toward determining whether the rules and regulations of the Commission and the assignment of licenses and radio frequencies in effect on the date of the enactment of this Act should be subject to any alteration in order to establish a systematic approach for the provision of modern and effective maritime telecommunications systems.

(b) The Commission shall transmit a report to the Congress no later than 6 months after the date of the enactment of this Act relating to the study of public maritime coast station services conducted under subsection (a). Such report shall contain a detailed statement of the findings and conclusions of such study, any action taken by the Commission related to such findings and conclusions, and any recommendations of the Commission for such legislative or other action as the Commission considers necessary or appropriate.

DEFINITIONS

SEC. 7. For purposes of this Act—

(1) the term "Commission" means the Federal Communications Commission;

(2) the term "common carrier" has the meaning given it in section 3(h) of the Communications Act of 1934;

(3) the term "corporation" means the Communications Satellite Corporation incorporated on February 1, 1963, under section 301 of the Communications Satellite Act of 1962;

(4) the term "operating agreement" means the operating agreement relating to the Organization;

(5) the term "Organization" means the International Maritime Satellite Organization (INMARSAT);

(6) the term "satellite earth terminal station" means a complex of communications equipment located on land, operationally interconnected with one or more terrestrial communications systems, and capable of transmitting telecommunications to, or receiving telecommunications from, the space segment;

(7) the term "satellite telecommunications agency" means any agency referred to in section 3(a)(1)(A)(ii) in which the corporation participates as the designated operating entity of the United States;

(8) the term "space segment" means any satellite maintained under the authority of the Organization, or the satellite telecommunications agency, as the case may be, and the tracking, telemetry, command, control, monitoring, and related facilities and equipment required to support the operation of such satellite; and

(9) the term "State" means the several States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the Virgin Islands, the Trust Territory of the Pacific Islands, and any other territory or possession of the United States.

SHORT TITLE

SECTION 1. This Act may be cited as the "International Maritime Satellite Telecommunications Act".

DECLARATION OF POLICY AND PURPOSE

SEC. 2. (a) The Congress hereby declares that it is the policy of this Act to provide for the participation of the United States in the International Maritime Satellite Organization or another satellite telecommunications agency which shall develop and operate a global maritime satellite telecommunications system. Such system shall have facilities and services which will serve maritime commercial and safety needs of the United States and foreign countries.

(b) It is the purpose of this Act to provide that the participation of the United States in the organization or agency specified in subsection (a) shall be through the Communications Satellite Corporation, which constitutes a private entity operating for profit, and which is not an agency or establishment of the Federal Government.

DESIGNATED OPERATING ENTITY

SEC. 3. (a)(1)(A) Subject to the provisions of paragraph (2), the Communications Satellite Corporation, for the purpose of providing international maritime satellite telecommunications services, may participate as the designated operating entity of the United States in—

(i) the International Maritime Satellite Organization; or

(ii) any other agency designed to provide such services

(B) The corporation is hereby authorized to sign the operating agreement or other pertinent instruments of the Organization, or of the satellite telecommunications agency, as the designated operating entity of the United States.

(2)(A) Except as provided in subparagraph (C), the corporation may not participate in any satellite telecommunications agency under paragraph (1)(A)(ii) unless—

(i)(I) in the case of participation which may be undertaken only pursuant to a treaty or executive agreement, such treaty or executive agreement is in effect; or

(II) in any case in which participation does not require any treaty or executive agreement, the President does not disapprove such participation during the period of 60 calendar days after the corporation notifies the President of such proposed participation; and

(ii) the Congress does not disapprove such participation under paragraph (3).

(B) Any disapproval by the President under subparagraph (A)(i)(II) shall be published in the Federal Register as soon as practicable after the date of such disapproval.

(C) The requirements of subparagraph (A) shall not apply to any participation of the corporation in a satellite telecommunications agency if—

(i) such participation takes effect before September 4, 1979;

(ii) the corporation signs the operating agreement of the Organization; and

(iii) such participation in the satellite telecommunications agency is in the nature of an interim operating arrangement remaining in effect only until the corporation begins its participation in the Organization.

(3)(A) In any case in which the corporation proposes to provide international maritime satellite telecommunications services through participation in a satellite telecommunications agency under paragraph (1)(A)(ii), and such participation is subject to the requirements of paragraph (2)(A), the corporation shall submit a statement to each House of the Congress which shall include notice of such proposed participation, together with such other information as the corporation considers appropriate. If such participation is subject to disapproval by the President under paragraph (2)(A)(i)(II), such statement may not be submitted before the end of the period specified in paragraph (2)(A)(i)(II).

(B) Such proposed participation may take effect, if it otherwise may take effect under paragraph (2)(A)(i), unless either the Senate or the House of Representatives, during the period of 60 calendar days of continuous session following submission of the statement specified in subparagraph (A), passes a resolution the matter after the resolving clause of which reads as follows: "The hereby disapproves the proposal submitted by the Communications Satellite Corporation on , 19 ." (The first blank space shall be filled with the name of the resolving House and the second blank space shall be filled with the date of submission of the proposal to the Congress.)

(C) If neither the Senate nor the House of Representatives passes such resolution during such period, such proposal of the corporation shall not be effective before the end of such period.

(D) For purposes of this paragraph—

(i) continuity of session of the Congress is broken only by adjournment sine die; and

(ii) the days on which either House is not in session because of an adjournment of more than 3 days to a day certain are excluded in the computation of the 60-day period.

(b) The corporation—

(1)(A) subject to the provisions of subsection (d), may establish, own, and operate satellite Earth terminal stations; and

(B) shall interconnect such stations, and the maritime satellite telecommunications provided by such stations, with the facilities and services of United States domestic common carriers, international common carriers, and private communications systems, other than any common carrier, system, or other entity in which the corporation has any ownership interest, as authorized by the Commission; and

(2) may establish, own, and operate the United States share of the jointly owned international space segment and associated ancillary facilities.

(c) The corporation shall be responsible for fulfilling any financial obligation placed upon the corporation as a signatory to the operating agreement or other pertinent instruments, and any other financial obligation which may be placed upon the corporation as the result of a convention or other instrument establishing the Organization or the satellite telecommunications agency, as the case may be. The corporation shall be the sole United States representative in the managing body of the Organization or the satellite telecommunications agency, as the case may be.

(d)(1) Except as provided in paragraph (2), the corporation, or any United States domestic common carrier, international common carrier, or private communications system which is authorized by the Commission, pursuant to the provisions of this Act, to interconnect with a satellite Earth terminal station under subsection (b), may own all or any portion of the assets of any such station.

(2) Any person, including any government or government agency, may be the sole owner of a satellite Earth terminal station if such person, government, or government agency uses, or permits or otherwise authorizes the use of, such station for the exclusive purpose of training personnel in the use of equipment associated with the operation of such station, or in carrying out experimentation relating to maritime satellite telecommunications services.

(e) The Commission shall determine the operational arrangements under which the corporation shall interconnect its services and any satellite Earth terminal station facility with United States domestic common

carriers, international common carriers, and private communications systems, other than any common carrier, system, or other entity in which the corporation has any ownership interest, for the purpose of extending maritime satellite telecommunications services within the United States. Such determination shall be made by the Commission no later than 6 months after the date of the enactment of this Act, and the Commission shall transmit a report relating to such determination to the Congress.

(f) Notwithstanding any provision of State law, the articles of incorporation of the corporation shall provide for the continued ability of the board of directors of the corporation to transact business under such circumstances of national emergency as the President or his delegate may determine would not permit a prompt meeting of the number of directors otherwise required to transact business.

(g) Notwithstanding the provisions of section 222 of the Communications Act of 1934, any international common carrier which is interconnected with a satellite Earth terminal station under subsection (b) may accept and deliver maritime satellite telecommunications services at any point within the United States.

IMPLEMENTATION OF POLICY

SEC. 4. (a) The President shall—

(1) exercise such supervision over, and provide for the issuance of such instructions to, the corporation in connection with its relationships and activities with foreign governments and international entities and other organizations (including the Organization or the satellite telecommunications agency, as the case may be) as may be necessary to ensure that such relationships and activities are consistent with the national interest and foreign policy of the United States;

(2) to coordinate the activities of Federal agencies with responsibilities in the field of telecommunications (other than the Commission), so as to ensure that there is full and effective compliance with the provisions of this Act;

(3) take all necessary steps to ensure the availability and appropriate utilization of the telecommunications services provided by the Organization or by the satellite telecommunications agency, as the case may be, for general governmental purposes, except in any case in which a separate telecommunications system is required to meet unique governmental needs or is otherwise required in the national interest;

(4) exercise his authority in a manner which seeks to obtain coordinated and efficient use of the electromagnetic spectrum and orbital space, and to ensure the technical compatibility of the space segment with existing communications facilities in the United States and in foreign countries; and

(5) aid in the planning and development of the telecommunications system operated by the Organization or by the satellite telecommunications agency, as the case may be, and in the planning and development of services provided by the Organization or such agency.

(b) The Commission shall—

(1) institute such proceedings as may be necessary to carry out the provisions of section 3(b) and section 3(e);

(2) make recommendations to the President for the purpose of assisting the President in issuing instructions to the corporation under subsection (a)(1);

(3) grant such authorizations as may be necessary under title II and title III of the Communications Act of 1934 to—

(A) enable the corporation to provide to the public, pursuant to section 3(b)(1)(B), space segment channels of communication obtained from the Organization or from the satellite telecommunications agency, as the case may be; and

(B) provide for the construction and operation of such satellite earth terminal stations in the United States as may be necessary to provide sufficient access to the space segment;

(4) establish procedures to provide for the continuing review of the telecommunications activities of the corporation as the United States signatory to the operating agreement or other pertinent instruments;

(5) establish rules and procedures under which the Commission—

(A) in determining whether to modify any license for public maritime coast station services to provide for the addition of radio frequencies, shall not take into account any impact which the provision of maritime satellite telecommunications services may have upon the provision of public maritime coast station services; and

(B) in determining whether to modify any license for maritime satellite telecommunications services to provide for the addition of frequencies, shall not take into account any impact which the provision of public maritime coast station services may have upon the provision of maritime satellite telecommunications services; and

(6) prescribe such rules as may be necessary to carry out the provisions of this Act.

STUDY OF STRUCTURE AND ACTIVITIES OF COMMUNICATIONS SATELLITE CORPORATION

SEC. 5. (a) The Commission shall conduct a study of the corporate structure and operating activities of the corporation, with a view toward determining whether any changes are required to ensure that the corporation is able to effectively fulfill its obligations and carry out its functions under this Act, the Communications Act of 1934, and the Communications Satellite Act of 1962.

(b) The Commission shall transmit a report to the Congress no later than 6 months after the date of the enactment of this Act relating to the study of the corporation conducted under subsection (a). Such report shall contain a detailed statement of the findings and conclusions of such study, any action taken by the Commission related to such findings and conclusions, and any recommendations of the Commission for such legislative or other action as the Commission considers necessary or appropriate.

STUDY OF PUBLIC MARITIME COAST STATION SERVICES

SEC. 6. (a) The Commission shall conduct a study of public maritime coast station services, with particular emphasis on high seas services, with a view toward determining whether the rules and regulations of the Commission and the assignment of licenses and radio frequencies in effect on the date of the enactment of this Act should be subject to any alteration in order to establish a systematic approach for the provision of modern and effective maritime telecommunications systems.

(b) The Commission shall transmit a report to the Congress no later than 6 months after the date of the enactment of this Act relating to the study of public maritime coast station services conducted under subsection (a). Such report shall contain a detailed statement of the findings and conclusions of such study, any action taken by the Commission related to such findings and conclusions, and any recommendations of the Commission for such legislative or other action as the Commission considers necessary or appropriate.

DEFINITIONS

SEC. 7. For purposes of this Act—

(1) the term "Commission" means the Federal Communications Commission;

(2) the term "common carrier" has the meaning given it in section 3(h) of the Communications Act of 1934;

(3) the term "corporation" means the Communications Satellite Corporation incorporated on February 1, 1963, under section 301 of the Communications Satellite Act of 1962;

(4) the term "operating agreement" means the operating agreement relating to the Organization;

(5) the term "Organization" means the International Maritime Satellite Organization (INMARSAT);

(6) the term "satellite earth terminal station" means a complex of communications equipment located on land, operationally interconnected with one or more terrestrial communications systems, and capable of transmitting telecommunications to, or receiving telecommunications from, the space segment;

(7) the term "satellite telecommunications agency" means any agency referred to in section 3(a)(1)(A)(ii) in which the corporation participates as the designated operating entity of the United States;

(8) the term "space segment" means any satellite maintained under the authority of the Organization, or the satellite telecommunications agency, as the case may be, and the tracking, telemetry, command, control, monitoring, and related facilities and equipment required to support the operation of such satellite; and

(9) the term "State" means the several States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the Virgin Islands, the Trust Territory of the Pacific Islands, and any other territory or possession of the United States.

The SPEAKER. Is a second demanded?

Mr. DEVINE. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER. The gentleman from California (Mr. VAN DEERLIN) and the gentleman from Ohio (Mr. DEVINE) will be recognized for 20 minutes each.

The Chair recognizes the gentleman from California (Mr. VAN DEERLIN).

Mr. VAN DEERLIN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this legislation helps modernize the manner in which it is possible to communicate with ships at sea. H.R. 11209 reflects a commitment to develop a maritime satellite system which will effectively meet the needs of international commerce.

Under the conventional wireless system, it often takes shipowners as much as 24 hours to be in contact with a vessel at sea. If their message requires a change in port destination or other sailing instructions, the amount of money that may ride on the loss of a few hours goes into thousands of dollars.

The new satellite sytem for hastening this message service is something that requires, quite obviously, international cooperation.

After discussions that began in 1966, the United Nations established a system to be known as Inmarsat, the International Maritime Satellite Telecommunications Services. It will own and operate a maritime communications system for merchant shipping.

The convention for membership in Inmarsat was opened for signature on September 3, 1976—almost 2 years ago. As other nations of the world see it, the United States has been dragging its feet in deciding what entity was to represent the United States in this organization. Most of the other major maritime powers have already indicated they will join Inmarsat. Of course, the difference between those other powers and the United States is that in those countries the government itself is the system. America has tried to maintain, in both our domestic and international satellite programs, a combination of public and private enterprise. That principle is carried forward in the bill we bring to the House today.

As a result of hearings held by the Subcommittee on Communications, it became apparent that everyone agreed on the need for a U.S. commitment to an international system and the need to designate the entity which would represent the U.S. interest in an operational sense. This legislation would qualify Comsat, which is the publicly-owned corporation for providing satellite service, as the American entity in Inmarsat.

It is necessary that the United States sign the convention by early next summer. Incidentally, this is the first Congress to conduct hearings specifically designed to deal with international communications questions. Not since 1934 have we taken any serious look at domestic common carriers, but this represents the first direct involvement of Congress in our history in international communications.

Mr. Speaker, I yield 10 minutes to the gentleman from New York (Mr. MURPHY).

Mr. MURPHY of New York. Mr. Speaker, I rise in support of this legislation. The bill provides for the participation of the United States in the International Maritime Satellite Organization, so-called Inmarsat, or another satellite communications agency.

The purpose of the Inmarsat organization is to establish, own, and operate a global satellite telecommunications system for the maritime community.

For more than 10 years the International Maritime Consultative Organization (IMCO), which is an agency of the United Nations, has been conducting meetings in an effort to improve maritime communications. After two drafts, a convention and operating agreement were completed and opened for signature on September 3, 1976. The convention provides that Inmarsat will be ratified 60 days after the documents have been signed by nations representing 95 percent of the investment shares in Inmarsat The deadline for signature is July 3, 1979, or the Inmarsat document would become null and void.

Mr. Speaker, this technology is the communication medium of the future for the maritime industry. Prior to the advent of satellite systems, communications techniques were limited to VHF, MF, and HF radio. Now, the problems of communicating with this conventional radio; namely, frequency congestion, blackouts, interference and fading will be relieved with the use of satellite systems. Moreover, satellites permit automatic operation round the clock.

With rapid and reliable communication at hand, health and safety of life at sea, efficient and economical management of ships, and maritime public correspondence services will be greatly improved. Not since the introduction of the Marconi wireless has the maritime community seen such a significant breakthrough in global telecommunications.

One aspect of the Inmarsat system that is of paramount concern to the Merchant Marine and Fisheries Committee is the promotion of maritime safety.

The capability for continuous worldwide ship to shore communication could revolutionize maritime search and rescue operations. Therefore, this committee is interested in the inclusion of a satellite distress relay function in the space segment of the Inmarsat system.

Presently, maritime voice and record communications service to the U.S. Navy and to commercial maritime users is provided through the Marisat system. This is a system of three synchronous satellites owned and operated as a joint venture by a consortium of four U.S. common carriers, and is the first application of satellite technology to maritime communications. Commercial voice and telex services began in the summer of 1976; there are currently over 100 shipboard terminals accessing the Marisat system.

Under a joint referral, this committee shared jurisdiction on the bill with the Committee on Interstate and Foreign Commerce. While we may not have jurisdiction over the designation of Comsat as the operating entity, we are concerned with the effect the entity will have on the maritime user. To that end, the committee will exercise its oversight responsibilities in this area. We expect to provide the user with the best service at the lowest cost possible. Therefore, we are pleased to see that section 4 of this bill allows the maritime user to participate in the planning and development of a global satellite telecommunications system.

Finally, while this legislation permits the United States to move into an international system of satellite communications, it does so without an authorization for appropriated funds. Moreover, the policies in this bill do not impact Intelsat or its relationship with U.S. carriers.

I urge the House to adopt H.R. 11209, The International Maritime Satellite Telecommunications Act.

Mr. DEVINE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, as both chairmen have said, the gentleman from California (Mr. VAN DEERLIN) and the gentleman from New York (Mr. MURPHY), this legislation is necessary to enable the United States to participate in Immarsat through the designation of Comsat as its operating entity. While Comsat must contribute roughly $34 million, there will be no taxpayer dollars involved in the program.

Comsat was chosen as the designated entity for many reasons, including its expertise in satellite endeavors, the necessity to have a designated entity in existence as soon as possible, and the lack of an economic justification for the creation of a new corporation for this limited purpose.

There has been some confusion about the actual provision of maritime services under this bill. The international and domestic common carriers will directly serve the public and interconnect with Comsat, which manages the U.S. portion of the space segment. Users of such services will also have the choice to decide that the volume of their traffic merits leasing a private line—from a carrier such as A.T. & T.—to the earth station where they would pay the same interconnection charges as the common carriers.

I feel this bill is fair and the most expeditious way of bringing the benefits of satellite technology to the largest number of maritime communicators.

Mr. FORSYTHE. Mr. Speaker, will the gentleman yield?

Mr. DEVINE. Mr. Speaker, I am happy to yield 5 minutes to the distinguished gentleman from New Jersey (Mr. FORSYTHE).

Mr. FORSYTHE. Mr. Speaker, I rise in support of H.R. 11209, the International Maritime Telecommunications Satellite Act. This bill will:

First, permit the United States to join the International Maritime Satellite Organization;

Second, designate the Communications Satellite Corporation to be the U.S. signatory to the Inmarsat operating agreement; and

Third, make COMSAT subject to executive branch oversight.

Inmarsat is the international organization that is designed to establish, own, and operate a global maritime satellite telecommunications system for merchant shipping. The purpose of the agency is to enhance maritime communications, thereby assisting in improving distress and safety of life at sea communications, efficiency in management of ships, maritime public correspondence services, and possible radio determination capabilities.

During the Merchant Marine and Fisheries Committee's hearings on H.R. 11209, we heard no objection to section 4(a) of the bill, the provision which makes Comsat subject to executive branch oversight. This is the only area under the jurisdiction of the committee as a result of the terms of its referral. That section requires the President to:

First, exercise supervision over and issue instructions to Comsat—the entity charged with the running of the system—to insure that its relations with foreign governments and international

entities are in the national interest and consistent with the foreign policy of the United States;

Second, coordinate the activities of other Federal agencies which have telecommunications responsibilities;

Third, insure that Inmarsat services are available for governmental purposes;

Fourth, coordinate the use of the electromagnetic spectrum and orbital space to insure their efficient use; and

Fifth, aid in the planning and use of the system.

These provisions give the President broad discretion to insure that the system is operated in a manner consistent with our foreign policy, international responsibilities, and the efficient use to our Government. I support the concept of executive branch oversight as proposed in the bill and urge my colleagues to likewise support it.

Mr. DEVINE. Mr. Speaker, I yield 3 minutes to the gentleman from Louisiana (Mr. MOORE).

Mr. MOORE. Mr. Speaker, I thank the gentleman from Ohio (Mr. DEVINE) for yielding me this time.

Mr. Speaker, I am privileged to serve as a member of the Subcommittee on Communications of the Committee on Interstate and Foreign Commerce, and at this time I would like to enter into a colloquy with the chairman of the Subcommittee on Communications, the gentleman from California (Mr. VAN DEERLIN).

Mr. Speaker, at the time this bill was marked up in the Subcommittee on Communications of the Committee on Interstate and Foreign Commerce, there was discussion on several occasions that in allowing Comsat to deal directly with private communication systems for interconnection and not having to go through domestic common carriers that this was allowing increased competition in the domestic carrier area of enterprise.

There was concern expressed at that time that that could be possibly construed as precedent in the Communications Act rewrite, under which the subcommittee is now laboring, to guide or not guide or serve as an example or not serve as an example to the deliberations of that subcommittee as to how far the subcommittee should go in allowing competition with domestic common carriers. I would ask the chairman of the subcommittee is there any intention in the drafting of this bill that it be considered as a precedent for the labors in the rewrite of the Communications Act?

Mr. VAN DEERLIN. Mr. Speaker, will the gentleman yield?

Mr. MOORE. I yield to the gentleman from California.

Mr. VAN DEERLIN. I thank the gentleman for yielding.

I recall the very specific contribution the gentleman made in raising these issues both in subcommittee and in the full committee. I suppose that when it comes to establishing precedent, the events of history are likely to carry greater validity than the assurances of a subcommittee chairman, who is, after all, only one vote in even his own subcommittee. But we have made it clear in the report—indeed, the remarks of the gentleman from New York made it clear—as far as our committee is concerned, and the report language is contained on page 11, that the committee specifically intends that this bill not impact existing U.S. carrier relationships with the American designated entity to Intelsat or to any other international communications services.

As the gentleman recalls, in our discussion and in our determination of this issue, we came down on what we decided, that is, a majority came down on what we decided was the interest of the users of this service, the ability to interconnect directly without being required to go through another domestic carrier. However, in no instance was there any intention to intrude upon the competitive services from the point of the satellite connection among the various carriers. We think that there is still plenty of room for those carriers to come in and compete for the additional services that will make them useful to satellite users.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. DEVINE. Mr. Speaker, I yield 2 minutes to the gentleman from Louisiana.

Mr. VAN DEERLIN. If the gentleman would yield further so that I might specifically answer the question he asked me, I do not know for certain yet what the language of our intended revision of the 1934 act will contain. In any event, I would judge that there are many legislative opportunities both in committee and on the floor of this body ahead for us to try and determine what is in the best interests of the United States and its consumers and satellite users in this regard.

Mr. MURPHY of New York. Mr. Speaker, will the gentleman yield?

Mr. MOORE. I would be glad to yield to the distinguished Chairman of the Committee on Merchant Marine and Fisheries.

Mr. MURPHY of New York. I thank the gentleman for yielding.

Similar language on page 10 of the report of the Committee on Merchant Marine and Fisheries reflects accurately the response of the gentleman from California.

Mr. MOORE. Then I would commend both chairmen who brought forth this bill. I feel it is very necessary. I certainly support the bill, but I think it is fair to say that since the Communications Subcommittee has not yet made decisions in the rewrite of the Communications Act of 1934 on competition with domestic carriers, this bill could not be construed in any way as a decision having been made in the Communications Subcommittee as to what degree there shall be of competition with domestic carriers.

Mr. VAN DEERLIN. As the Chairman is my witness.

Mr. MOORE. I thank the distinguished Subcommittee Chairman.

Mr. DEVINE. Mr. Speaker, the ranking minority member on the Subcommittee on Communications, the gentleman from Florida (Mr. FREY) is unavoidably detained, but the gentleman would like to go on record as favoring the enactment of this legislation.

Mr. Speaker, I reserve the balance of my time.

Mr. VAN DEERLIN. Mr. Speaker, I have no further requests for time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California (Mr. VAN DEERLIN) that the House suspend the rules and pass the bill H.R. 11209, as amended.

The question was taken.

Mr. MOTTL. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 350, nays 0, not voting 84, as follows:

[Roll No. 311]

YEAS—350

Abdnor	Chisholm	Frenzel
Addabbo	Clausen, Don H.	Fuqua
Akaka	Clawson, Del	Gammage
Alexander	Cleveland	Gaydos
Allen	Coleman	Gephardt
Ambro	Collins, Tex.	Giaimo
Ammerman	Conable	Gibbons
Anderson, Calif.	Conte	Gilman
Anderson, Ill.	Corcoran	Ginn
Andrews, N. Dak.	Corman	Glickman
Annunzio	Cornwell	Goodling
Applegate	Coughlin	Gore
Archer	Crane	Gradison
Armstrong	Cunningham	Grassley
Ashbrook	D'Amours	Gudger
Ashley	Daniel, Dan	Guyer
Aspin	Daniel, R. W.	Hagedorn
Badham	Danielson	Hall
Bafalis	Davis	Hamilton
Baldus	de la Garza	Hammer-schmidt
Barnard	Delaney	Hannaford
Bauman	Dellums	Hansen
Beard, R.I.	Derrick	Harkin
Bedell	Derwinski	Harris
Beilenson	Devine	Harsha
Benjamin	Dickinson	Hawkins
Bennett	Dicks	Hefner
Bevill	Dingell	Heftel
Biaggi	Dodd	Hightower
Blanchard	Dornan	Hillis
Blouin	Downey	Hollenbeck
Boggs	Drinan	Holt
Bolling	Duncan, Oreg.	Holtzman
Bonior	Duncan, Tenn.	Hubbard
Bonker	Early	Huckaby
Bowen	Edgar	Hughes
Brademas	Edwards, Ala.	Hyde
Breaux	Edwards, Calif.	Ireland
Brinkley	Edwards, Okla.	Jacobs
Brooks	Emery	Jeffords
Broomfield	English	Jenrette
Brown, Calif.	Erlenborn	Johnson, Calif.
Brown, Mich.	Evans, Colo.	Jones, N.C.
Brown, Ohio	Evans, Del.	Jones, Okla.
Burgener	Evans, Ga.	Jones, Tenn.
Burke, Fla.	Evans, Ind.	Jordan
Burke, Mass.	Fary	Kasten
Burleson, Tex.	Fascell	Kastenmeier
Burlison, Mo.	Fenwick	Kelly
Burton, John	Findley	Kemp
Burton, Phillip	Fisher	Ketchum
Butler	Fithian	Keys
Byron	Flippo	Kildee
Caputo	Florio	Kindness
Carney	Flowers	Kostmayer
Carr	Flynt	Krebs
Cavanaugh	Foley	LaFalce
Cederberg	Forsythe	Lagomarsino
Chappell	Fountain	Latta
	Fowler	Le Fante

Leach	Natcher	Smith, Nebr.
Lederer	Neal	Snyder
Lehman	Nedzi	Solarz
Lent	Nichols	Spellman
Levitas	Nowak	Spence
Livingston	Oakar	St Germain
Lloyd, Calif.	Oberstar	Staggers
Lloyd, Tenn.	Obey	Stangeland
Long, Md.	Ottinger	Stanton
Lott	Panetta	Stark
Lujan	Patten	Steed
Luken	Patterson	Steers
Lundine	Pattison	Steiger
McClory	Pease	Stockman
McCormack	Pepper	Stokes
McDade	Perkins	Stratton
McDonald	Pettis	Studds
McEwen	Pickle	Stump
McFall	Pike	Symms
McHugh	Poage	Taylor
McKay	Preyer	Thompson
McKinney	Price	Thone
Madigan	Pritchard	Traxler
Maguire	Quayle	Treen
Mahon	Rahall	Trible
Markey	Rangel	Tsongas
Marks	Regula	Udall
Marlenee	Rhodes	Ullman
Marriott	Richmond	Van Deerlin
Martin	Rinaldo	Vander Jagt
Mathis	Risenhoover	Vanik
Mattox	Roberts	Vento
Mazzoli	Robinson	Volkmer
Meeds	Roe	Waggonner
Meyner	Rogers	Walgren
Michel	Rooney	Walker
Mikulski	Rose	Wampler
Mikva	Rosenthal	Waxman
Milford	Rostenkowski	Weaver
Miller, Calif.	Rousselot	Weiss
Miller, Ohio	Roybal	Whalen
Minish	Rudd	White
Mitchell, Md.	Russo	Whitehurst
Mitchell, N.Y.	Ryan	Whitley
Moakley	Satterfield	Wilson, Bob
Moffett	Sawyer	Winn
Mollohan	Scheuer	Wirth
Montgomery	Schroeder	Wolff
Moore	Seiberling	Wright
Moorhead, Calif.	Sharp	Wydler
	Shipley	Wylie
Moorhead, Pa.	Shuster	Yates
Moss	Sikes	Young, Alaska
Mottl	Simon	Young, Fla.
Murphy, N.Y.	Sisk	Young, Mo.
Murphy, Pa.	Skubitz	Zablocki
Myers, Gary	Slack	
Myers, John	Smith, Iowa	

NAYS—0

NOT VOTING—84

Andrews, N.C.	Fraser	O'Brien
AuCoin	Frey	Pressler
Baucus	Garcia	Pursell
Beard, Tenn.	Goldwater	Quie
Bingham	Gonzalez	Quillen
Boland	Green	Railsback
Breckinridge	Hanley	Reuss
Brodhead	Harrington	Rodino
Broyhill	Heckler	Roncalio
Buchanan	Holland	Runnels
Burke, Calif.	Horton	Ruppe
Carter	Howard	Santini
Clay	Ichord	Sarasin
Cochran	Jenkins	Schulze
Cohen	Johnson, Colo.	Sebelius
Collins, Ill.	Kazen	Skelton
Conyers	Krueger	Teague
Cornell	Leggett	Thornton
Cotter	Long, La.	Tucker
Dent	McCloskey	Walsh
Diggs	Mann	Watkins
Eckhardt	Metcalfe	Whitten
Eilberg	Mineta	Wiggins
Ertel	Murphy, Ill.	Wilson, C. H.
Fish	Murtha	Wilson, Tex.
Flood	Myers, Michael	Yatron
Ford, Mich.	Nix	Young, Tex.
Ford, Tenn.	Nolan	Zeferetti

The Clerk announced the following pairs:

Mr. Rodino with Mr. Teague.

Mr. Eilberg with Mr. Andrews of North Carolina.

Mr. Santini with Mr. Dent.

Mr. Kazen with Mr. Buchanan.

Mr. Zeferetti with Mr. Fish.

Mr. Murtha with Mr. Beard of Tennessee.

Mr. AuCoin with Mr. Cohen.

Mr. Flood with Mr. Frey.

Mr. Nix with Mr. Green.

Mr. Baucus with Mr. Carter.

Mr. Bingham with Mrs. Heckler.

Mr. Boland with Mr. Ford of Tennessee.

Mr. Cotter with Mr. Horton.

Mr. Ertel with Mr. Johnson of Colorado.

Mr. Ford of Michigan with Mr. Krueger.

Mr. Harrington with Mr. Long of Louisiana.

Mr. Howard with Mr. Broyhill.

Mr. Mann with Mr. Michael O. Myers.

Mr. Metcalfe with Mr. Fraser

Mrs. Burke of California with Mr. Goldwater.

Mr. Breckinridge with Mr. Nolan.

Mr. Clay with Mr. Garcia.

Mrs. Collins of Illinois with Mr. Cochran of Mississippi.

Mr. Diggs with Mr. O'Brien.

Mr. Brodhead with Mr Holland.

Mr. Hanley with Mr. Wiggins.

Mr. Conyers with Mr. Leggett.

Mr. Ichord with Mr. Ruppe.

Mr. Jenkins with Mr. McCloskey.

Mr. Cornell with Mr. Walsh.

Mr. Mineta with Mr. Quillen.

Mr. Murphy of Illinois with Mr. Sebelius.

Mr. Reuss with Mr. Quie.

Mr. Yatron with Mr. Pursell.

Mr. Charles H. Wilson of California with Mr. Railsback.

Mr. Watkins with Mr. Pressler.

Mr. Wilson of Texas with Mr. Whitten.

Mr. Tucker with Mr. Roncalio.

Mr. Sarasin with Mr. Thornton.

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

INTERNATIONAL DEVELOPMENT AND FOOD ASSISTANCE ACT OF 1978

Mr. ZABLOCKI. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 12222) to amend the Foreign Assistance Act of 1961 to authorize development and economic assistance programs for fiscal year 1979, to make certain changes in the authorities of that act and the Agricultural Trade Development and Assistance Act of 1954, to improve the coordination and administration of U.S. development-related policies and programs, and for other purposes.

The SPEAKER pro tempore (Mr. NEDZI). The question is on the motion offered by the gentleman from Wisconsin (Mr. ZABLOCKI).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H.R. 12222, with Mr. LEVITAS in the chair.

The CHAIRMAN. When the Committee rose on Friday, May 12, 1978, the Clerk had read the bill for amendment.

Are there further amendments to the bill?

Mr. VOLKMER. Mr. Chairman, I move to strike the last word.

Mr. Chairman, last week during the debate on this bill I discussed the question of Korean influence here in Congress with other Members, mostly freshmen Members; and at that time some of us decided that we should offer an amendment to this bill that would prohibit any funds under this bill from being given to the Republic of South Korea until and unless the former Ambassador, Kim Dong Jo, were to appear and testify before the Committee on Standards of Official Conduct.

Since that time, Mr. Chairman, I have determined from the staff that there are no funds within this bill for the Republic of South Korea. However, I wish it to be known to the members of this committee and to the Republic of South Korea that, although the amendment which was offered last week by the gentleman from New York (Mr. CAPUTO) to the budget resolution went down and failed to pass, that there are Members of this Congress who are very interested in seeing that the former Ambassador does appear and testify before the Committee on Standards of Official Conduct; that although this amendment will not be offered at this time to this bill, since there are no funds for South Korea in this bill and it would have no effect, there are other pieces of legislation that will be before this House in the future.

Therefore, at the appropriate time, unless there is more cooperation from the Republic of South Korea in order to facilitate the testimony of the former Ambassador, amendments will be offered at that time to appropriate bills to assure compliance with the Members of Congress who feel that we should have a clearing up of the question as to whether or not the former Ambassador was implicated in any bribery or any wrongdoing with any Members or former Members of Congress.

For that reason, Mr. Chairman, I am not going to offer the amendment at this time.

AMENDMENT OFFERED BY MR. BAUMAN

Mr. BAUMAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BAUMAN: On page 51, immediately after line 22 insert the following new title:

"TITLE VI

"SEC. 601. Of the total funds authorized in this Act (excepting those funds in title I, section 103 and section 111), each sum shall be reduced by five per centum."

Mr. BAUMAN. Mr. Chairman, this amendment is simply an effort to hold the foreign aid program to some sort of limitation status. Last year, Congress appropriated $3.583 billion for foreign aid. This year, the committee's recommendation before us totals $3.736 billion. It always goes up.

Every attempt to curb or cut back this amount during the debate last week failed. The amendment I have before the committee does not take the "meat-ax" approach. That is, of course, the traditional argument offered by the liberals in this Congress whenever an attempt is made to cut foreign aid. The amendment

specifically exempts, if the Members will notice, title I, section 103 and section 111.

This means that the amendment exempts from any reduction, food and nutrition for the underdeveloped countries, and it exempts American schools and hospitals abroad, which was the issue when the gentleman from Mississippi (Mr. LOTT) offered an amendment the other day. This amendment will go, at least partially, toward meeting President Carter's request, because I remind the Members that this bill is over the President's request by a substantial amount of money.

I do not think there is any program in the bill that will be harmed by a 5-percent cut. It will mean a savings to the American taxpayers of roughly $15 million. That is a small amount, considering the total amount of the bill, but it is worth saving.

If, indeed, we are ever to hold the line on spending anywhere, I would hope that this is one program, with all the problems that have arisen and with all the questions about mismanagement and waste, that could indeed be cut. I urge support of the amendment.

Mr. ZABLOCKI. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Maryland (Mr. BAUMAN).

Mr. Chairman, it is true that the amendment offered by the gentleman from Maryland (Mr. BAUMAN) is different from the Lott amendment which the committee had under consideration and defeated last week. Nevertheless it still cuts into programs that are necessary and that the Committee on International Relations believes should be included. For instance, it would cut $11 million out of the population account. Furthermore, as the gentleman has stated, it would reduce the authorization by $150 million overall.

As I stated last week, all of the programs authorized in this bill were thoroughly studied by the committee and by the administration. With few exceptions, both the committee and the administration agreed on the amounts necessary to carry out the programs to be funded by the legislation.

Where the committee added funds for programs over and above the amounts requested by the administration, this was done because, as I said last week, the committee felt it was necessary.

I should also point out, Mr. Chairman, that the bulk of this cut would come from the moneys for Israel and Egypt, both of whom need the help that we give them.

Mr. Chairman, we already defeated a fund cutting amendment of this kind last week. This would cut funds for Israel, for instance, by $39,250,000, and for Egypt by $37,500,000.

We already have gone on record that the economic support fund is necessary in this area and we think that a 5-percent cut would be very damaging.

Mr. Chairman, I urge a no vote on the amendment.

Mr. SOLARZ. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Maryland (Mr. BAUMAN).

I can understand why my good friend the gentleman from Maryland (Mr. BAUMAN) would want to effect a reduction in the level of assistance authorized in this legislation, but to the extent that his 5 percent quasi across-the-board cut would bring about a reduction in the levels of assistance for the next fiscal year of about $40 million in foreign aid to both Israel and Egypt, among other countries, I plead with my colleagues on the Committee to consider what the larger consequences for the prospects for peace in the Middle East would be if this amendment were to be adopted this afternoon.

I think it is probably safe to say that as a result of the historic journey to Jerusalem on the part of President Sadat of Egypt several months ago, that we are probably closer to achieving an agreement between Israel and at least some of its Arab neighbors than at any time in the history of the last 30 years in that troubled area of the world.

If there is going to be an agreement between Israel and Egypt and, quite possibly, between Israel and some of the other Arab States as well, it is going to require the Israeli's to make some very tough and difficult decisions with respect to the relinquishment of territories which they occupied during the 1967 war and which they believe are very important in terms of their own future security and survival.

The willingness of Israel to make those tough decisions, which are probably a precondition for peace, will depend, to a very significant degree, on the extent to which they have confidence in the willingness of our country to provide them in the future with the kind of assistance they need in order to survive.

Sometime later today our colleagues in the other body will be voting on President Carter's proposed sale of arms to the Middle East, and based on the information which has reached us so far, there seems good reason to believe that the Senate will probably vote to sustain the President in his decision to sell some of our most lethal and sophisticated combat aircraft to Egypt and Saudi Arabia. I do not think that I am telling any tales out of school if I tell the Members that a vote today on the part of the Senate to approve the President's proposal will significantly shake the confidence of the Israelis in our willingness to provide them with the military equipment they need to sustain a balance of power in the Middle East.

However, if we compound that decision in the Senate later today by a vote in the House this afternoon to cut almost $40 million in the level of assistance we have provided Israel for the last 2 years now, I think it will only serve to further undermine the confidence which the Israelis have in our willingness to provide them with the assistance they need. So I do not want to argue this afternoon against the fiscal merit of the gentleman's recommendation. I understand the concern in the Congress and the country over the need to hold the budget down, but I ask the Members with respect to this one amendment, give the prospects for peace a chance. Do not in the interest of fiscal solvency undermine the confidence which the Israelis have in us any further because it would truly avail us little to save a few million dollars by virtue of this amendment if in the process we in any way make the achievement of peace in the Middle East, something which is not only in Israel's interest but in our interest as well, more difficult to obtain. I urge my colleagues on the committee to reject this amendment and to sustain the momentum for peace which has already gotten under way in the Middle East.

Mr. ASHBROOK. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, picking up on the last statement of my friend and colleague, the gentleman from New York, we are sustaining a momentum all right, but the momentum we are sustaining in this body is deficit spending. The bottom line of what we are doing is that we are borrowing money to give it away.

Let us look at some of the arguments. There is the argument that this will in some way challenge Israel's security. There was a time when we used to give our aid only to Israel. Now we give to both sides. That is the way we are supposed to bring peace in the Middle East. If my colleague, the gentleman from New York, has logic in his argument, then the hopes for peace are going to get diminished because this country is going to have less ability year after year after year to plunk down $3 or $4 or $5 billion everytime some world leader sneezes. Really we are talking in all our aid programs, direct and indirect, in the $20 billion to $30 billion area. This country simply cannot afford this. So if peace in the Middle East is so fragile that a 5-percent cut—which would really only hold the line on what we were spending last year—would jeopardize world peace, then I think, indeed, we are in trouble. I think it is a fallacious argument.

I cannot help but recall a broadway critic who was watching plays on the Great White Way. He went back to his typewriter one night. He had reviewed a play and did not quite know how to write it up. He typed, "A creeping paralysis set in, which turned out to be the plot."

In the last year we have seen a creeping paralysis set in which is turning out to be the plot. Every time there is a proposal cut the spenders say, "No, no." The chorus is "No, no. We cannot cut that." The spenders say we must give them the full $150 million, so that small cut is voted down. If we want to make cuts in HEW. a small cut of $3 billion—just half of what they are wasting—they say, "Oh, no, we cannot do that. We have to spend all that." Every time there is any talk of cutting, no matter whether it is in the National Science Foundation or HEW, education, any program—

CETA, the spenders say the same thing: "We cannot cut here at this time."

Let us be honest about it. We can cut where it will not jeopardize peace. Maybe it would be good for some of these scores of nations of the world to get a little bit less money from this country because, indeed, we are less able to give them our largess than we were years ago.

The bottom line is that you are asking the taxpayers to sponsor deficit spending. We are borrowing money to give it away here in programs that cannot be justified, if we seek what we call a hard budget.

It also sets at rest the idea that the majority party will, indeed, ever want to have a balanced budget. If we do not cut in a few of these places we are talking about, then we will never have the bottom line add up to any reduction. It is always more, more rather than less, less.

I suggest if we look over the last few months or last year, every time a cut is suggested, they say, "Oh, no, we can't cut here." They cannot cut even if it is a $5-million cut, they will not do it. "We cannot cut a miserly $150 million; oh, no, we can't cut."

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. ASHBROOK. I yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Chairman, just so the record is clear exactly what impact this will have on Israel and Egypt, this bill has earmarked in economic aid to both countries, for Israel, $785 million; Egypt, $750 million.

I dare say a 5-percent cut in these amounts and associated funds, and they may get additional funds in these countries, it is not going to jeopardize the Middle East peace, nor will it damage any of these countries.

The thrust of this amendment would reduce the bill by a cut that President Carter wanted and go back to a figure closer to last year and still over last year's foreign aid.

Mr. ASHBROOK. Mr. Chairman, in addition, if my friends are so concerned about Israel, if they are that worried, let us cut all of Egypt's funds. A few years ago we gave them nothing and now the spenders are worried that Egypt would collapse if we do not give them the $750 million in this bill. If you are worried about this cut, let us take it out of Egypt's share which we should not be giving them anyway.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Maryland (Mr. BAUMAN).

The question was taken; and on a division (demanded by Mr. BAUMAN) there were—ayes 15, noes 33.

Mr. BAUMAN. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. Seventy-five Members are present, not a quorum.

The Chair announces that pursuant to clause 2, rule XXIII, he will vacate proceedings under the call when a quorum of the Committee of the Whole appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

QUORUM CALL VACATED

The CHAIRMAN. One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to rule XXIII, clause 2, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

RECORDED VOTE

The CHAIRMAN. The pending business is the demand of the gentleman from Maryland (Mr. BAUMAN) for a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 200, noes 172, not voting 62, as follows:

[Roll No. 312]

AYES—200

Abdnor	Flynt	Milford
Allen	Forsythe	Miller, Ohio
Anderson, Ill.	Fountain	Mitchell, N.Y.
Andrews, N. Dak.	Fowler	Montgomery
Applegate	Frenzel	Moore
Archer	Fuqua	Moorhead, Calif.
Armstrong	Gammage	Mottl
Ashbrook	Gaydos	Murphy, Pa.
Badham	Gibbons	Myers, John
Bafalis	Ginn	Neal
Barnard	Glickman	Nichols
Bauman	Gradison	Patten
Beard, Tenn.	Grassley	Pettis
Bennett	Gudger	Pickle
Bevill	Guyer	Pike
Bowen	Hagedorn	Poage
Breaux	Hall	Quayle
Brinkley	Hammer-schmidt	Railsback
Brooks	Hansen	Regula
Broomfield	Harkin	Rhodes
Brown, Mich.	Harsha	Risenhoover
Brown, Ohio	Hefner	Roberts
Burgener	Hightower	Robinson
Burleson, Tex.	Hillis	Roe
Butler	Holt	Rogers
Byron	Hubbard	Rousselot
Caputo	Huckaby	Rudd
Cederberg	Hughes	Ruppe
Clausen, Don H.	Hyde	Russo
Clawson, Del	Ichord	Satterfield
Cleveland	Ireland	Sawyer
Cohen	Jacobs	Schroeder
Coleman	Jeffords	Sharp
Collins, Tex.	Jenrette	Shuster
Conable	Jones, N.C.	Sikes
Corcoran	Jones, Okla.	Skubitz
Cornwell	Jones, Tenn.	Slack
Coughlin	Kasten	Smith, Nebr.
Crane	Kazen	Snyder
Cunningham	Kelly	Spence
D'Amours	Kemp	Stangeland
Daniel, Dan	Ketchum	Stanton
Daniel, R. W.	Keys	Steiger
Davis	Kindness	Stockman
de la Garza	Lagomarsino	Stump
Delaney	Latta	Symms
Derrick	Leach	Taylor
Derwinski	Lent	Thone
Devine	Levitas	Treen
Dickinson	Livingston	Trible
Dornan	Lloyd, Tenn.	Vander Jagt
Duncan, Tenn.	Lott	Volkmer
Edwards, Ala.	Lujan	Waggonner
Edwards, Okla.	McClory	Walgren
Emery	McDade	Walker
English	McDonald	Walsh
Erlenborn	McEwen	Wampler
Evans, Del.	McKay	White
Evans, Ga.	Madigan	Whitehurst
Evans, Ind.	Mahon	Whitley
Fenwick	Marks	Wiggins
Findley	Marlenee	Wilson, Bob
Fish	Marriott	Wydler
Fithian	Martin	Wylie
Flippo	Mathis	Young, Alaska
Flowers	Mattox	Young, Fla.
	Michel	Zeferetti

NOES—172

Addabbo	Glaimo	Obey
Akaka	Gilman	Ottinger
Alexander	Gonzalez	Panetta
Ambro	Goodling	Patterson
Ammerman	Gore	Pattison
Anderson, Calif.	Hamilton	Pease
Annunzio	Hanley	Pepper
Ashley	Hannaford	Perkins
Aspin	Harrington	Preyer
Baldus	Harris	Price
Beard, R.I.	Hawkins	Pritchard
Bedell	Heckler	Pursell
Beilenson	Heftel	Rahall
Benjamin	Hollenbeck	Rangel
Biaggi	Holtzman	Richmond
Bingham	Howard	Rinaldo
Blanchard	Johnson, Calif.	Rooney
Blouin	Jordan	Rose
Boggs	Kastenmeier	Rosenthal
Bolling	Kildee	Rostenkowski
Bonior	Kostmayer	Roybal
Bonker	Krebs	Ryan
Brademas	LaFalce	Scheuer
Brodhead	Le Fante	Seiberling
Brown, Calif.	Lederer	Shipley
Buchanan	Leggett	Simon
Burke, Mass.	Lehman	Sisk
Burlison, Mo.	Lloyd, Calif.	Smith, Iowa
Burton, John	Luken	Solarz
Burton, Phillip	Lundine	Spellman
Carr	McCormack	St Germain
Cavanaugh	McFall	Staggers
Chappell	McHugh	Stark
Chisholm	McKinney	Steed
Clay	Maguire	Steers
Conte	Markey	Stokes
Corman	Mazzoli	Stratton
Cotter	Meeds	Studds
Danielson	Meyner	Thompson
Dellums,	Mikulski	Traxler
Dicks	Mikva	Tsongas
Diggs	Miller, Calif.	Udall
Dingell	Mineta	Ullman
Dodd	Minish	Van Deerlin
Downey	Mitchell, Md.	Vanik
Drinan	Moakley	Vento
Early	Moffett	Waxman
Edgar	Mollohan	Weaver
Edwards, Calif.	Moorhead, Pa.	Weiss
Evans, Colo.	Moss	Whalen
Fary	Murphy, Ill.	Winn
Fascell	Murphy, N.Y.	Wirth
Fisher	Myers, Gary	Wolff
Florio	Natcher	Wright
Foley	Nedzi	Yates
Garcia	Nowak	Young, Mo.
Gephardt	Oakar	Zablocki
	Oberstar	

NOT VOTING—62

Andrews, N.C.	Ford, Tenn.	Quie
AuCoin	Fraser	Quillen
Baucus	Frey	Reuss
Boland	Goldwater	Rodino
Breckinridge	Green	Roncalio
Broyhill	Holland	Runnels
Burke, Calif.	Horton	Santini
Burke, Fla.	Jenkins	Sarasin
Carney	Johnson, Colo.	Schulze
Carter	Krueger	Sebelius
Cochran	Long, La.	Skelton
Collins, Ill.	Long, Md.	Teague
Conyers	McCloskey	Thornton
Cornell	Mann	Tucker
Dent	Metcalfe	Watkins
Duncan, Oreg.	Murtha	Whitten
Eckhardt	Myers, Michael	Wilson, C. H.
Eilberg	Nix	Wilson, Tex.
Ertel	Nolan	Yatron
Flood	O'Brien	Young, Tex.
Ford, Mich.	Pressler	

The Clerk announced the following pairs.

On this vote:

Mr. Runnels for, with Mr. Carney against.

Mr. Teague for, with Mr. Baucus against.

Mr. Murtha for, with Mrs. Burke of California against.

Mr. Dent for, with Mrs. Collins of Illinois against.

Mr. Broyhill for, with Mr. Conyers against.

Mr. Schulze for, with Mr. Metcalfe against.

Mr. Sebelius for, with Mr. Ford of Michigan against.

Mr. O'Brien for, with Mr. Eilberg against.

Mr. Quillen for, with Mr. Flood against.

Mr. Burke of Florida for, with Mr. Nix against.

Mr. CORNWELL and Mr. JEFFORDS changed their vote from "no" to "aye."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

Ms. OAKAR. Mr. Chairman, today the House will continue debate on the International Development and Food Assistance Act of 1978. This legislation is drafted with the best intentions of this Congress and the administration. In fact, this bill extends authorizations for a number of good programs. Nonetheless, H.R. 12222 is deficient. It overlooks the suffering of an entire population of an American ally. H.R. 12222 contains no aid for a downtrodden people who have been uprooted by civil disorders, foreign armies, and the resultant economic, social, and political problems. I refer to the people of Lebanon, and the failure of the administration to request aid for this battered nation through the economic support fund (title III). For this reason, I must oppose the passage of H.R. 12222.

The economic support fund authorizes the President to furnish assistance to nations and organizations that are seeking their own economic and political stability. Moreover, the fund is to be used to further the national interest of the United States by providing this assistance. Can any Member of the Congress doubt the sincere desires of the Lebanese Government to begin the process of reconstruction? And, is it not in the national interest to support Lebanon's efforts in this regard? Then why has this administration not requested funds for this tiny troubled nation?

It is my understanding that reconstruction funds have not been forthcoming, because the Carter administration believes that it is premature to begin rebuilding in Lebanon. They would argue that Lebanon is still amidst turmoil, and any rebuilding would only fall to shambles in the next armed upheaval. Perhaps they are correct, but can the United States afford to show so little concern for the needs of the Lebanese? Would a small authorization be too great an expenditure in return for the momentum that such limited aid would give to Lebanese reconstruction efforts? Mr. Speaker, I believe that the United States has a moral obligation to offer a modicum of assistance to those that seek peaceful solutions to the problems of war and its aftermath.

Thousands of Lebanese are displaced and hundreds have been killed. The suffering is well known to all of us. Still, there is no demonstration of our concern in the bill that we debate today.

This struggling country has remained our ally, yet the fragile coalition of the Government of Lebanon has seen comparatively little demonstration by our Government to fortify this friendship. Certainly, this Congress cannot ignore the Lebanese needs. We must assess our overtures to Lebanon and ask ourselves if we attempted to strengthen, or even maintain, this country's attempts at stabilized, moderate government.

I truly believe that we are neglecting this wartorn nation whose government has always been our ally. I am asking you to rethink and restate our commitment to these victimized people and their ravaged land.

In light of the recent dislocation of large population segments, it is clear that the aid now being received by the Lebanese High Relief and Interministerial Committees will not be sufficient to cope with immense social and economic problems that face the Sarkis government in the coming months and years.

Mr. Chairman, I hope that you and the Members of this Congress will join the effort to assist this poor country of Lebanon. If the administration chooses to "wait and see," then I hope that this Congress will act in its own right—now.

The CHAIRMAN. If there are no further amendments, under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. LEVITAS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 12222) to amend the Foreign Assistance Act of 1961 to authorize development and economic assistance programs for fiscal year 1979, to make certain changes in the authorities of that act and the Agricultural Trade Development and Assistance Act of 1954, to improve the coordination and administration of U.S. development-related policies and programs, and for other purposes, pursuant to House Resolution 1164, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. DERWINSKI

Mr. DERWINSKI. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. DERWINSKI. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. DERWINSKI moves to recommit the bill, H.R. 12222, to the Committee on International Relations.

The SPEAKER. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

Mr. BROOMFIELD. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 225, nays 148, not voting 61, as follows:

[Roll No. 313]

YEAS—225

Addabbo	Gephardt	Natcher
Akaka	Giaimo	Nedzi
Alexander	Gibbons	Nowak
Ambro	Gilman	Oberstar
Ammerman	Glickman	Obey
Anderson, Calif.	Gonzalez	Ottinger
	Gore	Panetta
Anderson, Ill.	Gradison	Patten
Annunzio	Guyer	Patterson
Ashley	Hamilton	Pattison
Aspin	Hanley	Pease
Baldus	Hannaford	Pepper
Beard, R.I.	Harkin	Perkins
Bedell	Harrington	Pettis
Bellenson	Harris	Preyer
Benjamin	Hawkins	Price
Biaggi	Heckler	Pritchard
Bingham	Heftel	Pursell
Blanchard	Hollenbeck	Railsback
Blouin	Holtzman	Rangel
Boggs	Howard	Richmond
Boland	Hughes	Rinaldo
Bolling	Hyde	Roe
Bonior	Jeffords	Rogers
Brademas	Johnson, Calif.	Rooney
Breaux	Jones, N.C.	Rose
Brodhead	Jordan	Rosenthal
Broomfield	Kastenmeier	Rostenkowski
Brown, Calif.	Keys	Roybal
Brown, Mich.	Kildee	Ruppe
Buchanan	Kostmayer	Sawyer
Burke, Mass.	Krebs	Scheuer
Burlison, Mo.	LaFalce	Schroeder
Burton, John	Le Fante	Seiberling
Burton, Phillip	Lederer	Sharp
Carney	Leggett	Simon
Carr	Lehman	Smith, Iowa
Cavanaugh	Lent	Solarz
Chisholm	Levitas	Spellman
Clay	Lloyd, Calif.	St Germain
Cohen	Long, Md.	Stanton
Conable	Lujan	Stark
Conte	Luken	Steers
Corman	Lundine	Steiger
Cornwell	McClory	Stockman
Cotter	McDade	Stokes
Coughlin	McEwen	Stratton
Cunningham	McFall	Studds
D'Amours	McHugh	Thompson
Danielson	McKay	Treen
Delaney	McKinney	Tsongas
Dellums	Madigan	Udall
Dicks	Maguire	Van Deerlin
Diggs	Markey	Vander Jagt
Dingell	Marks	Vanik
Dodd	Martin	Vento
Downey	Mazzoli	Volkmer
Drinan	Meeds	Walgren
Early	Meyner	Waxman
Edgar	Michel	Weaver
Edwards, Calif.	Mikulski	Weiss
Emery	Mikva	Whalen
Erlenborn	Miller, Calif.	Wiggins
Evans, Colo.	Mineta	Wilson, Bob
Evans, Del.	Minish	Winn
Evans, Ga.	Mitchell, Md.	Wirth
Fary	Mitchell, N.Y.	Wolff
Fascell	Moakley	Wright
Fenwick	Moffett	Wydler
Findley	Mollohan	Wylie
Fish	Moorhead, Pa.	Yates
Fisher	Moss	Young, Mo.
Forsythe	Murphy, Ill.	Zablocki
Fowler	Murphy, N.Y.	Zeferetti
Frenzel	Murphy, Pa.	
Garcia	Myers, Gary	

NAYS—148

Abdnor	Bowen	Coleman
Allen	Brinkley	Collins, Tex.
Andrews, N. Dak.	Brooks	Corcoran
	Brown, Ohio	Crane
Applegate	Burgener	Daniel, Dan
Archer	Burleson, Tex.	Daniel, R. W.
Armstrong	Butler	Davis
Ashbrook	Byron	de la Garza
Badham	Caputo	Derrick
Bafalis	Cederberg	Derwinski
Barnard	Chappell	Devine
Bauman	Clausen, Don H.	Dickinson
Beard, Tenn.		Dornan
Bennett	Clawson, Del	Duncan, Tenn.
Bevill	Cleveland	Edwards, Ala.

Edwards, Okla.	Kelly	Roberts
English	Kemp	Robinson
Evans, Ind.	Ketchum	Rousselot
Fithian	Kindness	Rudd
Flippo	Lagomarsino	Russo
Florio	Latta	Ryan
Flowers	Leach	Satterfield
Flynt	Livingston	Shipley
Fountain	Lloyd, Tenn.	Shuster
Fuqua	Lott	Sikes
Gammage	McDonald	Sisk
Gaydos	Mahon	Skubitz
Ginn	Marlenee	Slack
Goodling	Marriott	Smith, Nebr.
Grassley	Mathis	Snyder
Gudger	Mattox	Spence
Hagedorn	Milford	Staggers
Hall	Miller, Ohio	Stangeland
Hammer-schmidt	Montgomery	Steed
	Moore	Stump
Hansen	Moorhead, Calif.	Symms
Harsha		Taylor
Hefner	Mottl	Thone
Hightower	Murtha	Traxler
Hillis	Myers, John	Trible
Holt	Neal	Waggonner
Hubbard	Nichols	Walker
Huckaby	Oakar	Walsh
Ichord	Pickle	Wampler
Ireland	Pike	Watkins
Jacobs	Poage	White
Jenrette	Quayle	Whitehurst
Jones, Okla.	Rahall	Whitley
Jones, Tenn.	Regula	Young, Alaska
Kasten	Rhodes	Young, Fla.
Kazen	Risenhoover	

NOT VOTING—61

Andrews, N.C.	Ford, Tenn.	Quillen
AuCoin	Fraser	Reuss
Baucus	Frey	Rodino
Bonker	Goldwater	Roncalio
Breckinridge	Green	Runnels
Broyhill	Holland	Santini
Burke, Calif.	Horton	Sarasin
Burke, Fla.	Jenkins	Schulze
Carter	Johnson, Colo.	Sebelius
Cochran	Krueger	Skelton
Collins, Ill.	Long, La.	Teague
Conyers	McCloskey	Thornton
Cornell	McCormack	Tucker
Dent	Mann	Ullman
Duncan, Oreg.	Metcalfe	Whitten
Eckhardt	Myers, Michael	Wilson, C. H.
Eilberg	Nix	Wilson, Tex.
Ertel	Nolan	Yatron
Flood	O'Brien	Young, Tex.
Foley	Pressler	
Ford, Mich.	Quie	

The Clerk announced the following pairs:

On this vote:

Mr. Sarasin for, with Mr. Jenkins against.
Mr. O'Brien for, with Mr. Teague against.
Mr. McCloskey for, with Mr. Dent against.
Mr. Horton for, with Mr. Whitten against.
Mr. Green for, with Mr. Schulze against.
Mr. Carter for, with Mr. Sebelius against.
Mr. Baucus for, with Mr. Broyhill against.
Mr. AuCoin for, with Mr. Frey against.
Mr. Eilberg for, with Mr. Goldwater against.
Mr. Flood for, with Mr. Quillen against.
Mr. Ford of Michigan for, with Mr. Burke of Florida against.

Until further notice:

Mr. Santini with Mr. Cochran of Mississippi.
Mr. Runnels with Mr. Reuss.
Mr. Rodino with Mr. Tucker.
Mr. Breckinridge with Mr. Duncan of Oregon.
Mrs. Burke of California with Mr. Yatron.
Mrs. Collins of Illinois with Mr. Roncalio.
Mr. Cornell with Mr. Quie.
Mr. Ullman with Mr. Nix.
Mr. Thornton with Mr. Metcalfe.
Mr. Barker with Mr. Mann.
Mr. Charles H. Wilson of California with Mr. Nolan.
Mr. McCormack with Mr. Long of Louisiana.
Mr. Conyers with Michael O. Myers.
Mr. Charles Wilson of Texas with Mr. Krueger.
Mr. Ford of Tennessee with Mr. Fraser.
Mr. Foley with Mr. Andrews of North Carolina.
Mr. Eckhardt with Mr. Ertel.

Messrs. PEPPER, EARLY, and EMERY changed their vote from "nay" to "yea."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

AUTHORIZING THE CLERK TO MAKE CORRECTIONS IN ENGROSSMENT OF H.R. 12222

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent that, in the engrossment of the bill H.R. 12222, the Clerk be authorized to correct sections numbers, punctuation, and cross references and to insert appropriate section and title headings to reflect the actions of the House in amending the bill.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

ESTABLISHING HUBERT H. HUMPHREY FELLOWSHIP AT THE WOODROW WILSON INTERNATIONAL CENTER

Mr. BOLLING. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 1173 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 1173

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 10392) to establish a Hubert H. Humphrey Fellowship in Social and Political Thought at the Woodrow Wilson International Center for Scholars at the Smithsonian Institution and to establish a trust fund to provide a stipend for such fellowship, and all points of order against said bill for failure to comply with the provisions of clause 5 of rule XXI are hereby waived. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on House Administration, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER. The gentleman from Missouri (Mr. BOLLING) is recognized for 1 hour.

Mr. BOLLING. Mr. Speaker, I yield 30 minutes to the gentleman from Mississippi (Mr. LOTT), pending which I yield myself such time as I may consume.

Mr. Speaker, this is an open rule, with 1 hour of general debate and a waiver against appropriations in a legislative bill.

The matter that will be made in order by the rule was brought up under suspension and received a clear majority of 219 to 137, but that was less than the 2 to 1 required under suspension. Therefore, it was defeated.

Under the circumstances, Mr. Speaker, I see no reason to debate the matter; and I reserve the balance of my time.

Mr. LOTT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this is a 1-hour, open rule which permits consideration of H.R. 10392, a bill to establish a Hubert H. Humphrey Fellowship at the Woodrow Wilson Center. This resolution waives clause 5 of rule XXI because the measure contains appropriations language.

This is the same bill that failed under suspension of the rules on May 1. It authorizes $1 million in fiscal year 1979 for a trust fund in the Treasury to provide a stipend for the fellowship.

I reserve the balance of my time.

Mr. BOLLING. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. NEDZI. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 10392) to establish a Hubert H. Humphrey Fellowship in Social and Political Thought at the Woodrow Wilson International Center for Scholars at the Smithsonian Institution and to establish a trust fund to provide a stipend for such fellowship.

The SPEAKER. The question is on the motion offered by the gentleman from Michigan (Mr. NEDZI).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 10392, with Mr. DELLUMS in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Michigan (Mr. NEDZI) will be recognized for 30 minutes, and the gentleman from Minnesota (Mr. FRENZEL) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Michigan (Mr. NEDZI).

Mr. NEDZI. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, as you know, H.R. 10392 establishing a Hubert Humphrey memorial fellowship was considered under suspension of the rules on May 1 and fell only 18 votes short of the needed two-thirds.

Therefore, let me touch briefly on the major points of the legislation. The bill establishes a Hubert H. Humphrey fellowship in social and political thought at the Woodrow Wilson International Center for Scholars at the Smithsonian Institution. Hubert Humphrey was the first Chairman of the Board of Trustees of the Center, and was in great part responsible for making that institution the magnet for fine minds which it has become.

But I want to emphasize that the Hubert H. Humphrey fellowship is intended to be more important than the post-doctoral research fellowships now offered at the Center. We envision that the Humphrey fellowship will function like the Nobel Prize, rewarding the highest possible achievements in political science and social thought. The fellowship will bring to Washington a senior scholar, statesman, or cultural figure who will undertake serious work in his/her field. The culmination of this work will be the annual Hubert Humphrey memorial lecture.

We chose to model the funding for the fellowship on the Truman scholarship program, passed by the Congress in 1974, by appropriating a million dollars and depositing that amount in the Treasury, where it will draw interest which will be used to pay the stipend for the fellow and the expenses of the fellowship.

The bill has over a hundred cosponsors and received the endorsement of the majority of our colleagues—219—when the bill came up on suspension. I urge your support for this legislation.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. NEDZI. I yield to the gentleman from Maryland.

Mr. BAUMAN. In the committee report it says the Treasury Department opposed this legislation. Have they changed their position since the bill was brought before us the first time?

Mr. NEDZI. Not that I am aware of. The Treasury Department opposed this legislation because it would be a fixed sum of $1 million, and they obviously would have no control over that money after the money was appropriated.

Mr. BAUMAN. And the Treasury Department is a part of the Carter administration, is it not?

Mr. NEDZI. Yes.

Mr. BAUMAN. Well, then, I am just trying, in my opposition, to help the Carter administration. I hope the gentleman will join me.

Mr. NEDZI. Mr. Chairman, I reserve the balance of my time.

Mr. FRENZEL. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, this bill was subjected to fairly thorough debate when it was last before this House. As the distinguished chairman of the subcommittee, the gentleman from Michigan (Mr. NEDZI), pointed out, it received a majority of votes in the House, but fell slightly short of the required two-thirds.

The purpose of the bill is to establish a special kind of living memorial to Hubert H. Humphrey. We on the committee, and those of us particularly who are the authors, think that it is an especially appropriate kind of memorial, for it is in the field of political and social thought in which Senator and Vice President Humphrey was preeminent. He was an important influence in political and social thought during his career not only at the Federal level but also at the local level and while in academia.

Mr. Chairman, I think this bill has had enough debate and I hope that it will be promptly passed.

Mr. Chairman, I yield 3 minutes to the gentleman from Maryland (Mr. BAUMAN).

Mr. BAUMAN. Mr. Chairman, could the gentleman from Minnesota (Mr. FRENZEL) answer one question? Does the gentleman know whether there are any plans when this bill goes to the other body to add on any other statesman, or to add any other moneys or to include any other increases such as we had with the $5 million grant for the Humphrey Institute with which the gentleman is familiar?

Mr. FRENZEL. Mr. Chairman, if the gentleman will yield, I do recall the last time we passed a Hubert H. Humphrey bill that it acquired Mr. Dirksen. Does the gentleman remember that, in the other body?

Mr. BAUMAN. Yes, I do.

Mr. FRENZEL. I do not think that there is any plan to do a similar job on this piece of legislation, but what the other body does is always somewhat of a mystery to me and I would be reluctant to predict any outcome.

Mr. BAUMAN. But the gentleman has not been a party to any such nefarious scheme?

Mr. FRENZEL. No, the gentleman from Minnesota now speaking has not been a party to any such proposal and believes that this particular memorial stands on its own feet.

I am sure the gentleman from Michigan (Mr. NEDZI) would make the same statement.

Mr. NEDZI. Mr. Chairman, will the gentleman yield?

Mr. BAUMAN. I am happy to yield to the gentleman from Michigan (Mr. NEDZI) who has the duty to bring up bills such as this and suffer through them. I congratulate him for having the audacity to come before the House with such a piece of legislation.

Mr. NEDZI. Mr. Chairman, I thank the gentleman for yielding and I can state categorically that I have no knowledge whatsoever of any movement to attach any other bill beyond what the gentleman from Maryland (Mr. BAUMAN) sees here.

Mr. BAUMAN. Mr. Chairman, I thank the gentleman from Michigan (Mr. NEDZI) for his assurances. I assume that when the bill comes back to the House with Dirksen or some other statesman attached to it that both of the gentlemen will join me in opposition to it if indeed it does appear in that fashion.

Mr. Chairman, rather than continuing on with this subject, and rather than prolonging the debate, I will simply refer Members to my magnificent speech of May 1, 1978, given in opposition to this legislation, a speech which was so effective that the House rejected the bill, although under a somewhat different procedure. I urge rejection again.

Mr. BRADEMAS. Mr. Chairman, will the gentleman yield?

Mr. FRENZEL. I am happy to yield to the distinguished majority whip, the gentleman from Indiana (Mr. BRADEMAS).

Mr. BRADEMAS. Mr. Chairman, I rise to indicate my strong support for the bill presently under consideration.

Mr. FRENZEL. Mr. Chairman, I have no more requests to insert magnificent speeches into the RECORD at this time, and I yield back the balance of my time.

Mr. NEDZI. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. There being no further requests for time, the Clerk will read.

The Clerk read as follows:

H.R. 10392

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Woodrow Wilson Memorial Act of 1968 (20 U.S.C. 80e–80j) is amended—

(1) by redesignating sections 5 through 7 as sections 6 through 8, respectively, and

(2) by inserting after 4 the following new section:

"HUBERT H. HUMPHREY FELLOWSHIP IN SOCIAL AND POLITICAL THOUGHT

"SEC. 5. (a) There is hereby established in the Center a Hubert H. Humphrey Fellowship in Social and Political Thought.

"(b) Each year the Board shall select a distinguished scholar, statesman, or cultural figure, from the United States or abroad, to serve at the Center for a period of up to one year as the Hubert H. Humphrey Fellow in Social and Political Thought (hereinafter in this section referred to as the 'Humphrey Fellow'). Each Humphrey Fellow shall receive compensation in an amount, determined by the Board, not to exceed the annual income of the trust fund established under subsection (d).

"(c) Each Humphrey Fellow shall—

"(1) deliver a Humphrey H. Humphrey Memorial Lecture; and

"(2) carry out such projects and work as are consistent with the Humphrey Fellowship.

The Board shall provide for the publication and dissemination of the Hubert H. Humphrey Memorial Lectures.

"(d)(1) There is hereby established in the Treasury of the United States a trust fund to be known as the Hubert H. Humphrey Fellowship Trust Fund (hereinafter in this section referred to as the 'fund'). The Secretary of the Treasury shall deposit in the fund such sums as may be appropriated to the fund under subsection (f) and shall receive

into the Treasury and deposit into the fund such sums as may be received as contributions to the fund.

"(2) The Secretary of the Treasury shall invest amounts in the fund in public debt securities with maturities suitable for the needs of the funds and bearing interest at prevailing market rates; and the interest on such investments shall be credited to and form a part of the fund.

"(3) Notwithstanding section 4(a)(2), any gift, bequest, or devise of money, securities or other property for the benefit of the Hubert H. Humphrey Fellowship in Social and Political Thought received by the Board shall, upon receipt, be deposited into the fund as provided by paragraph (1).

"(e) The Secretary of the Treasury shall pay to the Board from amounts received as interest on investments under subsection (d)(2) such sums as the Board determines are necessary and appropriate for the purposes of the Humphrey Fellowship.

"(f) There is authorized to be appropriated to the fund for the fiscal year beginning October 1, 1978, $1,000,000.".

SEC. 2. Section 4(a)(2) of the Woodrow Wilson Memorial Act of 1968 (20 U.S.C. 80g (a)(2)) is amended by striking out "devices" and inserting in lieu thereof "devises".

Mr. NEDZI (during the reading). Mr. Chairman, I ask unanimous consent that the bill be considered as read, printed in the RECORD and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The CHAIRMAN. Are there any amendments? If not, under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. KAZEN) having assumed the chair, Mr. DELLUMS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 10392) to establish a Hubert Humphrey Fellowship in Social and Political Thought at the Woodrow Wilson International Center for Scholars at the Smithsonian Institution and to establish a trust fund to provide a stipend for such fellowship, he reported the bill back to the House.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the yeas appeared to have it.

Mr. SYMMS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 222, nays 152, not voting 60, as follows:

[Roll No. 314]

YEAS—222

Abdnor	Foley	Murphy, Pa.
Addabbo	Forsythe	Natcher
Akaka	Frenzel	Nedzi
Alexander	Gammage	Nowak
Allen	Garcia	Oakar
Ambro	Gaydos	Oberstar
Ammerman	Gephardt	Obey
Anderson, Calif.	Giaimo	Ottinger
	Gibbons	Panetta
Anderson, Ill.	Gilman	Patten
Andrews, N. Dak.	Gonzalez	Patterson
	Gore	Pattison
Annunzio	Gudger	Pease
Applegate	Hagedorn	Pepper
Ashley	Hanley	Perkins
Aspin	Hannaford	Pickle
Baldus	Harkin	Pike
Beard, R.I.	Harrington	Preyer
Bedell	Harris	Price
Beilenson	Hawkins	Pritchard
Bennett	Heckler	Pursell
Biaggi	Heftel	Rahall
Bingham	Hollenbeck	Railsback
Blanchard	Holtzman	Rangel
Blouin	Howard	Richmond
Boggs	Hughes	Rinaldo
Boland	Jeffords	Roe
Bolling	Jenrette	Rogers
Bonior	Johnson, Calif.	Rose
Bonker	Jordan	Rosenthal
Brademas	Kasten	Rostenkowski
Brodhead	Kastenmeier	Roybal
Brooks	Kazen	Russo
Brown, Calif.	Keys	Ryan
Buchanan	Kildee	Scheuer
Burke, Mass.	Kostmayer	Schroeder
Burlison, Mo.	Krebs	Seiberling
Burton, Phillip	LaFalce	Sharp
Byron	Le Fante	Shipley
Caputo	Leach	Simon
Carney	Lederer	Sisk
Carr	Leggett	Smith, Iowa
Cavanaugh	Lloyd, Calif.	Solarz
Cederberg	Lujan	Spellman
Chisholm	Luken	St Germain
Clay	Lundine	Staggers
Cohen	McClory	Stangeland
Conable	McCormack	Stanton
Conte	McDade	Steed
Corman	McFall	Steers
Cornwell	McHugh	Steiger
Cotter	McKinney	Stokes
D'Amours	Maguire	Stratton
Danielson	Mahon	Studds
Davis	Markey	Thompson
Delaney	Marks	Traxler
Dellums	Martin	Tsongas
Derwinski	Mathis	Udall
Dicks	Meeds	Ullman
Diggs	Meyner	Van Deerlin
Dingell	Michel	Vento
Dodd	Mikulski	Walgren
Downey	Mikva	Wampler
Drinan	Miller, Calif.	Waxman
Early	Mineta	Weaver
Edgar	Minish	Weiss
Emery	Mitchell, Md.	Whalen
Evans, Colo.	Mitchell, N.Y.	Wirth
Fary	Moakley	Wolff
Fascell	Moffett	Wright
Fenwick	Mollohan	Yates
Findley	Moorhead, Pa.	Young, Mo.
Fisher	Moss	Zablocki
Fithian	Murphy, Ill.	Zeferetti
Florio	Murphy, N.Y.	

NAYS—152

Andrews, N.C.	Butler	Edwards, Ala.
Archer	Chappell	Edwards, Okla.
Armstrong	Clausen, Don H.	English
Ashbrook		Erlenborn
Badham	Clawson, Del	Evans, Del.
Bafalis	Cleveland	Evans, Ga.
Barnard	Coleman	Evans, Ind.
Bauman	Collins, Tex.	Fish
Beard, Tenn.	Corcoran	Flippo
Benjamin	Coughlin	Flowers
Bevill	Crane	Flynt
Bowen	Cunningham	Fountain
Breaux	Daniel, Dan	Fowler
Brinkley	Daniel, R. W.	Fuqua
Broomfield	de la Garza	Ginn
Brown, Mich.	Derrick	Glickman
Brown, Ohio	Devine	Goodling
Burgener	Dornan	Gradison
Burke, Fla.	Duncan, Oreg.	Grassley
Burleson, Tex.	Duncan, Tenn.	Guyer
Hall	Lott	Sawyer
Hamilton	McDonald	Shuster
Hammer-schmidt	McEwen	Sikes
	McKay	Skubitz
Hansen	Marlenee	Slack
Harsha	Marriott	Smith, Nebr.
Hefner	Mattox	Snyder
Hightower	Mazzoli	Spence
Hillis	Milford	Stockman
Holt	Miller, Ohio	Stump
Horton	Montgomery	Symms
Hubbard	Moore	Taylor
Huckaby	Moorhead, Calif.	Thone
Hyde		Treen
Ichord	Mottl	Trible
Ireland	Murtha	Vander Jagt
Jacobs	Myers, Gary	Volkmer
Jones, N.C.	Myers, John	Waggonner
Jones, Okla.	Neal	Walker
Jones, Tenn.	Nichols	Walsh
Kelly	Pettis	Watkins
Kemp	Poage	White
Ketchum	Quayle	Whitehurst
Kindness	Regula	Whitley
Lagomarsino	Rhodes	Wiggins
Latta	Risenhoover	Wilson, Bob
Lehman	Roberts	Winn
Lent	Robinson	Wydler
Levitas	Rousselot	Wylie
Livingston	Rudd	Young, Alaska
Lloyd, Tenn.	Ruppe	Young, Fla.
Long, Md.	Satterfield	

NOT VOTING—60

AuCoin	Fraser	Reuss
Baucus	Frey	Rodino
Breckinridge	Goldwater	Roncalio
Broyhill	Green	Rooney
Burke, Calif.	Holland	Runnels
Burton, John	Jenkins	Santini
Carter	Johnson, Colo.	Sarasin
Cochran	Krueger	Schulze
Collins, Ill.	Long, La.	Sebelius
Conyers	McCloskey	Skelton
Cornell	Madigan	Stark
Dent	Mann	Teague
Dickinson	Metcalfe	Thornton
Eckhardt	Myers, Michael	Tucker
Edwards, Calif.	Nix	Vanik
Eilberg	Nolan	Whitten
Ertel	O'Brien	Wilson, C. H.
Flood	Pressler	Wilson, Tex.
Ford, Mich.	Quie	Yatron
Ford, Tenn.	Quillen	Young, Tex.

The Clerk announced the following pairs:

Mr. Teague with Mr. Sarasin.
Mr. Dent with Mr. O'Brien.
Mr. Jenkins with Mr. McCloskey.
Mr. Whitten with Mr. Broyhill.
Mr. Flood with Mr. Green.
Mr. Ford of Michigan with Mr. Carter.
Mr. Eilberg with Mr. Cochran of Mississippi.
Mr. AuCoin with Mr. Tucker.
Mr. Baucus with Mr. Roncalio.
Mr. Santini with Mr. Quie.
Mr. Runnels with Mr. Nix.
Mr. Rodino with Mr. Metcalfe.
Mr. Breckinridge with Mr. Mann.
Mrs. Burke of California with Mr. Long of Louisiana.
Mr. Cornell with Mr. Michael O. Myers.
Mr. Charles H. Wilson of California with Mr. Fraser.
Mr. Conyers with Mrs. Collins of Illinois.
Mr. Ford of Tennessee with Mr. Pressler.
Mr. Charles Wilson of Texas with Mr. Dickinson.
Mr. John L. Burton with Mr. Nolan.
Mr. Vanik with Mr. Skelton.
Mr. Stark with Mr. Sebelius.
Mr. Reuss with Mr. Schulze.
Mr. Eckhardt with Mr. Holland.
Mr. Edwards of California with Mr. Frey.
Mr. Ertel with Mr. Goldwater.
Mr. Yatron with Mr. Madigan.
Mr. Rooney with Mr. Quillen.

Messrs. MIKVA, MOFFETT, and HAGEDORN changed their vote from "nay" to "yea."

Mr. LONG of Maryland and Mr. SKUBITZ changed their vote from "yea" to "nay."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

FEDERAL FIRE PREVENTION AND CONTROL ACT AUTHORIZATION

Mr. SISK. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 1118 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 1118

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 11291) to authorize appropriations for the Federal Fire Prevention and Control Act of 1974, and to change the name of the National Fire Prevention and Control Administration to the United States Fire Administration. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Science and Technology, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER pro tempore. (Mr. KAZEN). The gentleman from California (Mr. SISK) is recognized for 1 hour.

Mr. SISK. Mr. Speaker, I yield 30 minutes to the gentleman from California (Mr. DEL CLAWSON), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 1118 provides for consideration of H.R. 11291 which authorizes appropriations for the Federal Fire Prevention and Control Act of 1974.

This is a simple, open rule. One hour is granted for general debate with the time being equally divided and controlled by the chairman and ranking minority member of the Committee on Science and Technology. The bill is to be considered under the normal amendment process.

Mr. Speaker, H.R. 11291 provides a total authorization of $25,567,000 for fiscal year 1979 to carry out the purposes of the Federal Fire Prevention and Control Act of 1974. Of this amount, $20,467,000 is authorized for the National Fire Prevention and Control administration, including some $6 million for renovation and alteration of the National Fire Academy site in Washington, D.C. The Fire Research Center of the National Bureau of Standards is authorized $5.1 million. In addition, the bill changes the name of the National Fire Prevention and Control administration to the U.S. Fire administration.

Mr. Speaker, I am not aware of any controversy surrounding the rule, and I urge my colleagues to adopt House Resolution 1118 so that we may proceed to the consideration of H.R. 11291.

Mr. DEL CLAWSON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, House Resolution 1118 provides for the consideration of H.R. 11291 to authorize appropriations for the Federal Fire Prevention and Control Act of 1974. This is an open rule with 1 hour of debate to be equally divided and controlled by the chairman and ranking minority member of the Committee on Science and Technology. It provides for one motion to recommit and contains no waivers.

Mr. Speaker, H.R. 11291 would authorize a total of $25.5 million for fiscal year 1979 in two areas. The first, the National Fire Prevention and Control Administration, would be authorized to receive $20.4 million. This is to be used for research and development, training, and administration. Authorizations are included for the National Fire Data Center which collects and disseminates fire control information in 21 States. Six million dollars is earmarked for the renovation of the Marjorie Webster College in Washington, D.C., for use as a National Academy for Fire Prevention and Control.

A $5.1 million would be authorized for the second program, the Fire Research Center of the National Bureau of Standards which studies combustion and basic firefighting techniques.

The bill also changes the name of the National Fire Prevention and Control Administration to the U.S. Fire Administration to avoid confusion with a similarly named private organization.

Mr. Speaker, no opposition to the rule has been brought to my attention, and I respectfully request its adoption.

Mr. SISK. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. FLIPPO. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 11291) to authorize appropriations for the Federal Fire Prevention and Control Act of 1974, and to change the name of the National Fire Prevention and Control Administration to the U.S. Fire Administration.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Alabama (Mr. FLIPPO).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 11291, with Mr. BARNARD in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Alabama (Mr. FLIPPO) will be recognized for 30 minutes, and the gentleman from New Jersey (Mr. HOLLENBECK) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Alabama (Mr. FLIPPO).

Mr. FLIPPO. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in support of H.R. 11291 which authorizes for the fiscal year 1979, $20,467,000 for the U.S. Fire Administration, which is the successor to the National Fire Prevention and Control Administration (including $6,043,000 for the renovation and alteration of the Marjorie Webster College site for the National Fire Academy), and $5,200,000 for the Fire Research Center at the National Bureau of Standards.

Mr. Chairman. let me begin by expressing my appreciation to my colleagues on the Science, Research and Technology Subcommittee and to Mr. HOLLENBECK, for the excellent job he has done and for the assistance he provided in helping to prepare this bill for our consideration today.

Since Biblical times, fire has symbolized the power of God. It was from a burning bush that God gave the commandments to Moses and many times throughout the Old Testament God is manifest in fire. For other civilizations, such as the ancient Greeks, man's knowledge of fire symbolized the divine spark in the human spirit. But if fire has brought great benefit to mankind, by tradition God has punished man for the misuse of fire. Prometheus was chained to a rock for having stolen fire from the gods and the sons of Aaron were slain by Jehovah for the unsanctioned use of sacrificial fire. Over the years our view of the nature of fire has changed, but it remains a symbol of the enormous power which man has at his command for both good and for ill.

Fire makes our commerce and industry possible. Fire has sustained life by keeping us warm and cooking our food. But fire is at the same time a source of personal tragedy and tremendous material losses in our country. Each year in the Nation 7,500 people lose their lives and 300,000 injuries occur as a direct result of fire. About 150 of those who die and 60,000 of those injured are firefighters serving in the line of duty. Property losses caused by fire are estimated to exceed $4 billion, while other indirect costs, for instance the cost of maintaining fire departments push the total cost to over $13 billion annually.

The prevention and control of fires is primarily the responsibility of local authorities, however, Congress created the National Fire Prevention and Control Administration and the Fire Research Center of the National Bureau of Standards to make a contribution in certain fields where only a national effort can meet the needs. The Fire Prevention and Control Act of 1974 gave initial authorizations for fiscal year 1975 and 1976. In 1976 the authorizations were extended for fiscal year 1977 and 1978. This bill extends these authorizations through fiscal year 1979 at appropriate levels.

The U.S. Fire Administration, which

is the successor to the National Fire Prevention and Control Administration, is authorized $20,467,000 by this bill. The ongoing operation of fire academy training programs, as well as for the operation and startup of the National Fire Academy site if construction is completed, account for $4,878,000 of this authorization. A $6,043,000 is authorized for the completion of renovations and alterations to the Marjorie Webster College site of the Central National Fire Academy; $1,467,000 is authorized for public education programs, and $3,481,000 is authorized for the programs of the National Fire Data Center which seek to improve our understanding of how and where fires occur.

Mr. Chairman, at this point I should like to observe that the South, including, I am sad to report my own State of Alabama, has by far the highest death rate from fires of any region in the country (over 40 people per million in the population). Estimates, such as these, by the National fire data system will, I know, be of great use in designing effective programs to reduce the tragic and unnecessary deaths and injuries.

A $3,259,000 is authorized for the development of fire technology and the fire management research; $1,239,000 is authorized for the administration and management of the U.S. Fire Administration; and $4,900,000 is authorized for the fire research center at the National Bureau of Standards to investigate the physical and chemical properties of fires and ignition. Finally, $400,000 is authorized in anticipation of a Federal pay increase this fall. A $200,000 of the total $400,000 is allocated to the Fire Research Center. This brings the total authorization for the Center to $5,200,000. Total funding authorized for both the U.S. Fire Administration and the Fire Research Center is $25,567,000.

Mr. Chairman, on March 14 and 31, members present and voting, the committee on Science and Technology unanimously approved H.R. 11291. In so doing the committee expressed the view that the level of programmatic support requested by the President in his January budget message is proper. However, the committee believes that completion of the National Fire Academy is essential to the development of a coordinated attack on the Nation's fire problems. Therefore, the committee recommended that funds for the renovation and operation of the National Fire Academy at the Marjorie Webster College site in Washington be authorized. It urges that these funds be appropriated as well. At hearings held in February by the Subcommittee on Science, Research and Technology, in which I participated as acting chairman, very strong support was expressed for the completion of the renovations to the National Fire Academy here in Washington, D.C. as soon as possible.

The Fire Academy site was chosen by a three-member site selection board appointed by the Secretary of Commerce. In making its choice, the board considered over 223 potential academy sites around the Nation. In September 1976, the administrator of NFPCA and the owners of the Marjorie Webster site signed a contract of sale for $2,600,000. Since closing on the purchase in 1977, $250,000 has been spent for architectural work to determine the precise renovation requirements. Based on these estimates, the Commerce Department submitted a supplemental 1978 budget request to the Office of Management and Budget totaling $6,043,000. In fiscal year 1979, the Commerce Department submitted a request of $770,000 for initial operation of the Academy assuming a projected opening date of October 1, 1979, with staff occupancy scheduled for July 1979.

The President did not request funds for the renovation of the Academy facility in 1978 nor did he request funds for renovation and operation of the Academy in fiscal year 1979. Rather OMB requested the Department of Commerce to reassess the need for a central facility as well as the appropriate Federal, State, and local roles in fire prevention education. OMB has further requested a reassessment to the type and magnitude of the Academy program as well as alternative sites if a national academy were supported. The Office of Management and Budget has deferred a decision on funding for the National Fire Academy pending completion of these reassessment studies.

In its report, the Science and Technology Committee recommends authorization for renovation of the Fire Academy and for operation of the Academy upon completion of the renovations. Three factors determined the committee's recommendation. First, as mentioned earlier, strong support for completion of the Academy was expressed by witnesses at oversight hearings in February 1978. Second, the site was thoroughly evaluated by the three-member site selection board; the detailed cost estimates prepared for the administration indicate that the supplemental request recommended by the Commerce Department would have been sufficient to carry out the renovations within the statutory ceiling set in the 1974 Organic Act. Finally, the Academy review being performed at the request of OMB may well be completed before the beginning of 1979. If that review recommends proceeding with renovations to the Academy site, authorization for funding would be required in any case.

Mr. Chairman, I wholeheartedly support the committee's views on the National Fire Academy. I believe that the choice of the Fire Academy as well as the cost of the renovations have been thoroughly studied and do not need to be restudied. I believe that having a central Fire Academy will provide a sense of importance and direction which is needed to improve the overall technical skills which are very much needed by members of the fire services as well as architects, builders and code administrators in developing coordinated and systematic attacks upon the Nation's fire problem. I join the committee in urging that the authorized funds be appropriated as well.

Mr. Chairman, contrary to past practice the administration has requested that authorizations be extended only for 1 year, while there are arguments in favor of both 1-year and 2-year authorizations, the Committee believes, and I concur, that a 1-year authorization is appropriate at this time. In the coming year, a report on fire master planning mandated by the Federal Fire Prevention and Control Act of 1974 will be completed. Second, a substantial expansion of the national fire data system is underway. Third, the renovations of the Fire Academy may be completed before the end of fical year 1979 if moneys for these renovations are appropriated. Finally, there is a possibility that the National Fire Prevention and Control Administration may undergo substantial reorganization project.

Although the plan has not been transmitted to the Congress, staff of the Subcommittee on Science, Research and Technology has reviewed the current proposals with members of the reorganization project. Based on this review it is my understanding that the reorganization proposes a civil emergency management administration, to combine the Fire Administration with other natural and civil disaster agencies existing throughout the Federal Government such as civil defense, materials stockpiling, earthquake hazard reduction, flood insurance and the disaster relief program. Mr. Chairman, the mandate of the National Fire Prevention and Control Administration embodied in the 1974 Organic Act was developed after careful consideration over many years by the Congress. While I am not in a position to judge the merits of the organization, I hope that the President and his staff will bear in mind a number of factors peculiar to fire.

First, two-thirds of all fire deaths occur through fires at home, not as large-scale emergencies; nevertheless, fire deaths every year amount to 15 times those caused by all other natural disasters. Property losses caused by fire are four times those caused by all other natural disasters.

Second, prevention of fire was one of the central purposes of the enactment of the 1974 act. Fire prevention is, however, highly dependent of individual habits because 27 percent of fire deaths are caused by burning cigarettes which ignite beds or upholstered furniture. Prevention of these fires, which constitute by far the largest single cause of fire, may be quite different from the prevention and utilization of large-scale natural and civil disasters.

In summary, the size of the national fire problem as well as the unique characteristics of fires suggest that fire programs should receive a prominent position in any new Federal administration, Whatever course the President follows, given the possibility of a reorganization, a 1-year authorization would appear advisable, as recommended by the committee in its report.

To conclude, Mr. Chairman, I urge my colleagues to support H.R. 11291. I believe that the program of the U.S. Fire Administration and the Center for Fire Research are sound ones, managed by able and enthusiastic personnel at the

administration, and I believe that in the future we must make far greater effort to reduce this Nation's shocking and tragic fire losses. These losses rank this country as among the worst of all industrialized nations for destruction of property as well as deaths and injuries through fire.

Mr. HOLLENBECK. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in support of H.R. 11291 to authorize appropriations for the National Fire Prevention and Control Administration and for the Fire Research Center at the National Bureau of Standards for fiscal year 1979.

Mr. Chairman, first let me commend my colleague the gentleman from Alabama (Mr. FLIPPO), for the leadership and effort which he has devoted to preparing this bill for consideration today.

Losses from fire in this country are shocking. The Federal fire program is small indeed by comparison with the resources which should be committed. While the prevention and control of fires is primarily the responsibility of State and local authorities, the Federal Government can make a unique contribution by undertaking advanced research, management analysis and planning, systematic data collection, and training to assist States, towns, and cities. For this reason in 1974 Congress established the National Fire Prevention and Control Administration and the Fire Research Center. Among the programs being carried out by the Fire Administration, the National Academy for Fire Prevention and Control seeks to advance the development of fire personnel and other professionals, administrators and architects whose work is related to fire prevention and control.

Mr. Chairman, the completion of the National Fire Academy is essential. The Academy site was chosen from over 200 alternatives. The live-in campus will provide the best atmosphere for the short, but intense courses to be provided by the Academy. The opportunity for contact with colleagues from all over the country and around the world is considered by the British to be among the greatest benefits of their fire academy system. It is very difficult to arrange this degree of national and international contact in the absence of a central national academy—I might add that this Nation could learn a great deal from other nations where the rate of fire deaths averages only 37 percent of ours. How much longer shall we dally before providing our fire services with a central academy where the most advanced techniques of fire prevention and control can be taught?

Detailed cost estimates for the Academy have been prepared. I believe they are realistic. They are within the statutory limits set by the 1974 Fire Prevention and Control Act, but every day the price rises as inflation and conflagration take their toll. I hope that the renovation of the Academy site will be completed at the earliest possible moment. Therefore, I urge that funds be authorized and appropriated for the Academy construction so that we may get on with the task of providing highest caliber training as well as broad professional contact to the people devoted to reducing our unnecessary and shockingly high losses from fires.

Among the other important programs sponsored by the Fire Administration, the National Fire Data Center seeks to provide an accurate, nationwide analysis of fire problems. By the end of 1978, 21 States will have joined the National Fire Incident Reporting System and in 1979, five more States will be added. If we are to develop a coordinated attack on the causes of fire, we must have a better understanding and knowledge of how and where fires occur.

But even with that knowledge, new techniques to improve the effectiveness and enforcement of fire codes are necessary. Master planning by States and communities to provide a systematic attack on all aspects of a community's fire problems ranging from insurance to the provision of fire suppression services to public education are necessary. Master planning was an important need called for by the National Commission on Fire Prevention and Control in its report "America Burning." Public education is vital. As my colleague, Mr. FLIPPO, mentioned, the largest single causes of fires are smoking in bed and the ignition of upholstered furniture by cigarettes. Changes in personal habits to reduce these losses, which amount to 28 percent of all fire deaths, require that the public become more aware of the steps which they can take in their homes to reduce the possibility of dangerous and, often, deadly fires.

On the subject of public education, one of the most important efforts which the Public Education Division of the Fire Administration has sponsored is the preparation and distribution of manuals explaining the importance and proper use of fire detectors. I am disturbed by the efforts of some people to discredit the use of certain types of fire detectors: notably so-called ionization smoke detectors. The National Fire Administration and the private organization, Consumer Union, have evaluated the possible danger of radioactive contamination from these detectors. They concluded that the dangers are negligible while the benefits are great. In our subcommittee hearings, I asked the Director of the Center for Fire Research whether or not a significant hazard exists from radioactive contamination through the use of ionization detectors. He assured the subcommittee that none exists.

According to the Nuclear Regulatory Commission, which is responsible for authorizing their distribution, radiation exposure from ionization smoke detectors is far below the normal radiation a person receives each day from the sun. A person flying round trip across the United States receives about 5 millirems because of increased radiation at high altitudes. This radiation exposure is 10 times greater than the exposure you would receive by holding a detector next to you for an entire year. While ionization smoke detectors must be disposed of properly at the end of their lives, and while I fully concur with those who believe that we have often underestimated the dangers of radioactive contamination from nuclear wastes, the radioactivity contained in these detectors is shown to be extremely small, although I urge the Fire Administration to take whatever steps are necessary to assure proper disposal.

In materials supplied to the staff of the Subcommittee on Science, Research and Technology, Howard Tipton, Director of the National Fire Prevention and Control Administration, has written:

> While the risk of radiation from a smoke detector is negligible, the risk of failing to purchase a detector or removing one already installed are very real. Of 7,500 people who die from smoke and fire each year, the great majority are victims at home at night. Home smoke detectors are the single most significant technological weapon our nation has to reduce fire deaths and destruction.

Consumer Union wrote, in the January 1977 issue of its Consumer Report:

> More realistically, we believe that fire fighters would be in greater risk when buildings do not have smoke detectors. Where smoke detectors are installed an early warning may allow occupants to escape, possibly saving the fire fighter the dangerous task of searching a building for survivors.

In the same article, Consumer Union recommended the use of an ionization detector in tandem with the so-called photoelectric detector. Photoelectric detectors are relatively sensitive to smoking, smoldering fires, whereas ionization detectors respond rapidly to flaming fires.

Mr. Chairman, this example serves to illustrate the importance of the programs being carried out by the National Fire Prevention and Control Administration. It illustrates the importance of public education on fire prevention and it illustrates the importance of education and training for personnel in the fire services—men and women who are in the front line trying to explain the importance of fire prevention and for whom fire is a daily matter of life and death.

Mr. Chairman, I urge by colleagues to join me in supporting H.R. 11291. The work of the Fire Administration, and the Fire Research Center is essential to reduce the Nation's shocking fire losses by preventing fires before they start.

● Mr. TEAGUE. Mr. Chairman, I rise in support of H.R. 11291 to authorize appropriations for the Federal Fire Prevention and Control Act of 1974. Mr. Chairman, I wish to commend my colleagues, Messrs. FLIPPO and HOLLENBECK, for the admirable job they have done in preparing this bill for consideration by the House today. As my colleagues mentioned, losses from fire in the United States are enormous and cause untold suffering, suffering which lasts long after the last coals have died after the blaze. These are tragedies which figure and scare people's lives for years.

I wholeheartedly concur with my colleagues in supporting H.R. 11291 and wish to particularlly point out the importance of the National Fire Academy. I believe that the need has been demonstrated. It will provide a national focus,

a sense of purpose to the fire services and to other people dealing with various other professionals dealing with various aspects of the fire program. I believe that the site has been well chosen and the cost estimates for the renovations are reliable. I believe we should proceed with construction of the completion of the Academy without further delay of this important project as well as the other important programs of the National Fire Prevention and Control Administration and the Center for Fire Research will be appropriated as well. I urge my colleagues to join me in supporting H.R. 11291.●

Mr. FLIPPO. Mr. Chairman, I yield such time as he may consume to the gentleman from Iowa (Mr. HARKIN).

Mr. HARKIN. Mr. Chairman, I thank the gentleman for yielding me this time. First of all, Mr. Chairman, I want to commend the gentleman from Alabama (Mr. FLIPPO) for his leadership in bringing this bill through the subcommittee, the full committee and now to the floor of the House. I also want to commend my colleague the gentleman from New Jersey (Mr. HOLLENBECK) for helping to bring this bill to the floor. This bill truly can be characterized as a nonpartisan effort to address one of the most serious problems that continues to plague America.

Mr. Chairman, I rise in support of H.R. 11291 authorizing appropriations to carry out the provisions of the Federal Fire Prevention and Control Act of 1974.

Mr. Chairman, I have always supported measures to mitigate human suffering wherever it occurs, be it abroad in senseless political persecution and human rights violations, or be it at home in the needless toll of lives and property which fires take in this country.

Mr. Chairman, with the exception, possibly, of Canada the statistics for fire losses in this country are equalled by no other industrial nation in the world. As my colleagues have mentioned, each year 7,500 people die in fires and approximately 300,000 are injured, many with disfiguring burns and scars which remain with the victims throughout their lives. As a proportion of our population these figures translate to 3.1 deaths per 100,000 persons each year. How does this compare with other countries? For Britain and Japan, the figure is 60 percent of ours, or only 1.8 per 100,000; for Sweden and Australia the figure is 40 percent of ours or 1.3 per 100,000; for Austria, Italy, and the Netherlands, the figure is approximately 25 percent of ours or about 0.7 people per 100,000. To speak plainly, the fire death rate in our country is four times what it need be by the standard of other nations similar to us in culture and in economic development.

Property losses are also enormous. Per person, in this country, building fire losses averaged $13 per year during the years 1972 through 1974. On the other hand, for Italy and Japan the corresponding figures were approximately $2.70 per person, one-sixth our rate. In terms of total dollar losses, the direct cost of fire is $4 billion and, as mentioned in the committee report, the total costs, including those for fire departments and insurance, add up to over $13 billion. As we can see from the figures, this loss is unnecessary.

Mr. Chairman, H.R. 11291 specifically authorizes $6,043,000 to complete renovation of the National Fire Academy. I strongly support this authorization and hope that the money will be appropriated, if not in the Appropriations Committee, then on the floor.

Mr. Chairman, why do we need the National Fire Academy and how will it contribute to reducing fire losses here more nearly to the level experienced by other countries? A campus academy, first of all, is the only type of facility where courses can be given on a short, intense basis for professional and volunteer firefighters who are otherwise employed. But what is most important is the informal opportunity to bring together professionals in the fire services and allied fields from all around the Nation and from other nations as well to exchange ideas. The British consider this to be one of the most important components of the British Fire Academy system: namely that professionals are brought together from all over the country to share experiences. For this reason I strongly support the completion of the National Fire Academy and hope that the money will be appropriated as well as authorized. It is time that our Nation, a beacon to others on many rights and one which has done so much to mitigate human suffering elsewhere, cease to blaze throughout the world as "America Burning."

Mr. HOLLENBECK. Mr. Chairman, I yield 5 minutes to the ranking minority member on the committee, the gentleman from New York (Mr. WYDLER).

Mr. WYDLER. Mr. Chairman, I rise in support of H.R. 11291, authorizing appropriations of $20,467,000 for the National Fire Prevention and Control Administration (including $6,043,000 for the renovation and alteration of the National Fire Academy), and $5,100,000 for the Fire Research Center at the National Bureau of Standards for fiscal year 1979.

Mr. Chairman, losses from fire in this country are enormous. This country has one of the worst records in losses, both personal and property, of any industrialized nation in the world. Property losses caused by fire are estimated at over $4 billion per year. I believe the Federal Government has an important role to play in complementing the efforts of State and local authorities in attempting to reduce these severe losses.

To provide systematic training on fire prevention and management to the fire services as well as to other professionals dealing with various aspects of the Nation's fire problem, the Committee on Science and Technology has recommended that we should proceed with the completion of the National Fire Academy. It is my understanding the choice of the National Academy site was carefully considered from among a large number of alternatives and that cost estimates prepared by an architectural and engineering firm are within the statutory limit mandated by the 1974 Federal Fire Prevention and Control Act.

The Fire Administration supports and operates the National Fire Data Center which is charged with providing an accurate national analysis of fire problems and to monitor the progress of Federal and State fire prevention and control programs. The principal component of the Fire Data Center is the National Fire Incident Reporting System which is providing the first nationwide collection of fire data and statistics. This System, rudimentary though it is, has already provided important information concerning regional differences in fire losses through death and property damage. By the end of 1978, 21 States will be part of the Fire Incident Reporting System, and in 1979 it is proposed that five additional States will be joined to that network. Eventually it is, of course, hoped that all States will join the system, so that local and State fire departments can use the system to carry out their own analysis of fire problems in their areas.

The Fire Data Center also brings together information on fires from other sources, such as the Department of Health, Education, and Welfare Center for Health Statistics and the Department of Labor's OSHA and from the private insurance industry. It is this collection and coordination of national fire data which will be of great importance in helping to understand and to better and more efficiently and more cost effectively attack the Nation's enormous fire losses.

I urge my colleagues to join me in supporting H.R. 11291.

Mr. FLIPPO. Mr. Chairman, I yield such time as he may consume to the gentleman from Florida (Mr. FUQUA).

Mr. FUQUA. Mr. Chairman, I want to rise in support of this legislation and to commend the gentleman from Alabama (Mr. FLIPPO) who held the hearings and worked on the legislation to bring it where we have it today. It is a fine piece of legislation and one that is certainly needed.

Mr. Chairman, I rise in support of H.R. 11291 and particularly commend the gentleman from Alabama (Mr. FLIPPO) who held the hearings in the Subcommittee on Science, Research, and Technology and who worked hard to bring this legislation into form for our consideration today. It is a fine piece of legislation and one that is certainly needed.

Mr. Chairman, my colleague here has pointed out the tremendous and unnecessary fire losses both in deaths and in property which this country experiences in relation to the other industrial nations of the world.

In this country we have very large regional differences in fire deaths. In some areas over twice as many people per one hundred thousand lose their lives in fires as they do in other regions. We are being made aware of these differences through the National Fire Data Center at the

National Fire Prevention and Control Administration.

For example, I was interested to read from data supplied by the Director of the Administration that my home State of Florida experienced relatively few deaths and rank among the lowest in the Nation, however, rural areas such as my home district and other southern States suffer very high fire losses.

While we do not know the cause yet for these differences, I am confident that research and analysis being performed by the Fire Administration will be a great assistance in helping my sister States to bring their requests in line with Florida's experience.

Mr. Chairman, this bill also authorizes $6,043,000 for renovations to complete the National Fire Academy. This money has not been requested by the President, although I hope he will do so shortly in the form of a supplemental request. The Fire Academy, as my colleague from Iowa points out could be of great benefit for exchanging ideas on fire prevention and control with colleagues from abroad. The British believe this to be a great asset of their National Fire Academy. In this country a National Academy can help to bring together professionals from around the Nation to share ideas and experiences. Thus, as I noted earlier the abnormally high and tragic fire losses that some States experience could be reduced by sharing ideas with other States through the National Fire Academy.

Mr. Chairman, I concur strongly with the committee's recommendations and I urge my colleagues to join me in supporting H.R. 11291.

● Mr. DRINAN. Mr. Speaker, I wish to express my enthusiastic support for H.R. 11291, the Fire Prevention and Control Act, which authorizes $20.5 million for the National Fire Prevention and Control Administration and $5.1 million for the Fire Control Research Center. This bill also provides for the renovations and alterations which will be needed to establish the National Fire Academy in Washington, D.C.

These funds constitute a significant and long overdue Federal effort to provide assistance to our Nation's firefighters. Their work continues to be the most hazardous in the United States. While virtually every occupation in America has experienced a decline in the rate of on-the-job injuries and fatalities in recent years, the grim reality is that the job of the firefighter has become more hazardous—approximately twice as dangerous as that of police officers. Almost 50 percent of all firefighters suffer at least one injury in the line of duty each year.

The legislation which we have before us today will help to address the principal cause of the unparalled hazards encountered by firegfighters: the unacceptably high rate of serious fires in the United States. The United States annually averages about 50 fire deaths per million population, while Great Britain averages about 18, France 7, and Italy but 4 per million.

According to the firefighter mortality report, an exhaustive study of injuries suffered by firefighter in 1975, 95 of these public servants lost their lives and nearly 50,000 were injured in the line of duty. My own State of Massachusetts ranked second in the total number of fatalities and first in per capita fatalities. The firefighter mortality report clearly demands that we give high priority to lowering the incidence of fires in the United States, as well as improving the equipement used by our Nation's firefighters.

H.R. 11291 would help to accomplish both of these essential goals. This bill changes the name of the National Fire Prevention and Control Administration to the U.S. Fire Administration, to avoid confusion with names of other agencies and to indicate the broad scope of the agency.

Funds for the National Fire Administration will be used in five separate programs. Six million dollars would be used to renovate and operate the National Fire Academy. The Academy will conduct a wide range of courses and seminars on preventing and fighting fires, and it will also provide grants for programs on a statewide level.

The Administration will also conduct a major public education program, aimed at reducing the incidence of fires and containing the loss of life and property which result from fires. A National Fire Data Center will be maintained to collect information on the Nation's fire problem and on various efforts to reduce it. The National Fire Administration will engage in research into the causes of fires and the best means of fighting them, including new protective equipment. There will be an additional five positions in the Administration to engage in central planning of the NFA's programs and to evaluate their results.

The second administrative component of H.R. 11291 is the National Fire Research Center. The center's research responsibilities include the study of the most common origins of fires and how to prevent them, as well as the reduction of fire's effects on its victims, including firefighters.

H.R. 11291 represents needed forward movement in the Federal Government's efforts to assist America's dedicated firefighters. But there is much more we should do to help these underpaid public servants who encounter grave risks in order to protect us all from the ravaging effects of fires. In many ways, the Federal Government remains insufficientlv sensitive to the needs of America's firefighters. In the last Congress we finally enacted the Public Safety Officers' Benefits Act, which provided a sum of $50,000 to the families of State and municipal police officers and firefighters who gave their lives in the line of duty. But those of us who supported this bill had to fight a long battle to see to it that firefighters would be included. Ultimately, we were successful; the resistance we encountered, however, illustrates the lack of sufficient appreciation for the unique services rendered by firefighters.

In the 95th Congress, there is still pending legislation to provide needed assistance to local firefighters. H.R. 1061 authorizes the Secretary of Commerce to provide grants to local fire departments to pay up to one half of the cost of purchasing advanced firefighting equipment. H.R. 9341 authorizes the Secretary to pay up to 90 percent of the cost of heat-protective firefighting suits and breathing apparatus to reduce injuries to firefighetrs. I have cosponsored both of these bills, and I hope that we will enact them into law in the near future.

There is also before us a resolution which would request the President to declare May 21 as "National Fallen Heroes Day," so that we may pay tribute to the police officers and firefighters who gave their lives so that others might live. As a cosponsor of this measure, I urge my colleagues in the House to adopt it. In so doing, we would establish a permanent, continuing acknowledgement of the debt owed by every citizen to every public safety officer.

Mr. Speaker, the bill before us today, the National Fire Prevention and Control Act, is a significant step forward, and I urge my colleagues to cast their votes in favor of this measure. But we must not forget that there remains a great deal more which we must do to reduce the incidence of fires and assist those dedicated public servants whose duty it is to fight them.●

● Mr. DON H. CLAUSEN. Mr. Chairman, I rise in strong support of H.R. 11291, a bill to authorize funding for the National Fire Prevention and Control Administration and the Fire Research Center.

The National Fire Prevention and Control Administration provides valuable services to the public which compliment our local fire programs. NFPCA maintains the National Fire Academy which provides training for fire personnel, develops public education programs on fire prevention and control, gathers useful data on fire problems and promotes much needed research into methods of fire prevention and management.

I am pleased to have visiting me here in Washington, Mr. George Sutten, project director of the Senior Community Service Employment Program in Santa Rosa, Calif. He has worked for a number of years in the area of home fire prevention and control and has been helpful in briefing me on the importance of this legislation and the objectives of the programs administered by NFPCA.

Public education in the hazards of home fires is a much needed and sadly neglected area. Proper education can reduce the number of home fires in a community dramatically.

Instruction to homeowners involves making them aware of the dangers which exist in the home and how to eliminate them. For example, frayed wires, collections of combustible dust, improperly stored paint and other hazards in the garage all contirbute greatly to the incidence of fire.

Families need to be educated in home fire drills, routes for escape and how to

extinguish simple home fires, particularly kitchen fires. Few people know how to handle a grease fire, resulting in thousands of injuries and deaths.

I urge my colleagues to support this worthwhile and beneficial legislation.●

● Mr. GILMAN. Mr. Chairman, I am pleased to support today H.R. 11291, a bill authorizing appropriations for the Federal Fire Prevention and Control Act of 1974.

This measure, authorizing $20.5 million for the National Fire Prevention and Control Administration and $5.1 million for the Fire Research Center of the National Bureau of Standards, is designed to funnel much needed Federal assistance toward firefighting research efforts, education, and training programs in fire prevention and control, and encouraging such prevention and control measures by State and local governments.

Mr. Chairman, the incidence of deaths, injuries, and property losses continues to rise in the United States. Estimates are that more than 7,000 persons each year lose their lives in fires, with more than 300,000 injuries occuring as a direct result of fires. About 150 of those who die and 60,000 of those injured are firefighters serving in the line of duty. Moreover, property losses to fire hover near $4 billion per year.

Funds authorized by this measure will be used for such worthy objectives as: First, make needed renovations and alterations at the National Academy for Fire Prevention and Control; second, establishing more systematic planning for fire technology and management research; third, improving the data collection and dissemination efforts currently underway at the National Fire Data Center; fourth, disseminating public education materials on fire prevention through existing programs and through new fire reduction projects in New York, New Orleans, and Seattle; and fifth, increasing the number of academy planning assistance (APAP) grants available to States.

Mr. Chairman, I have long supported legislation providing Federal assistance to States and local communities for firefighting equipment and training programs. In my first year in Congress, in 1973, I cosponsored the initial legislation establishing the National Fire Academy. I believe H.R. 11291 allows us to continue much needed Federal assistance enabling our Nation's brave, self-sacrificing firefighters to perform their difficult tasks more effectively.●

Mr. FLIPPO. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

H.R. 11291

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 17 of the Federal Fire Prevention and Control Act of 1974 (15 U.S.C. 2216) is amended—

(1) by striking out "except section 11 of this Act," and inserting in lieu thereof "except as otherwise specifically provided, with respect to the payment of claims, under section 11 of this Act,";

(2) by striking out "and" after "September 30, 1977,"; and

(3) by inserting before the period at the end thereof the following: ", and not to exceed $20,467,000 (including $6,043,000 for renovation and alteration of the Marjorie Webster College site for the Academy) for the fiscal year ending September 30, 1979".

(b) Section 16(b) of the Act of March 31, 1901 (15 U.S.C. 278f(b)), is amended—

(1) by striking out "and" after "September 30, 1977,"; and

(2) by inserting before the period at the end thereof the following: ", and not to exceed $5,100,000 for the fiscal year ending September 30, 1979".

SEC. 2. (a)(1) Sections 3, 4, and 5 of the Federal Fire Prevention and Control Act of 1974 (15 U.S.C. 2202–2204) are amended by striking out "National Fire Prevention and Control Administration" each place it appears and inserting in lieu thereof "United States Fire Administration".

(2) The heading of section 5 of such Act is amended by striking out "NATIONAL FIRE PREVENTION AND CONTROL ADMINISTRATION" and inserting in lieu thereof "UNITED STATES FIRE ADMINISTRATION".

(b) Section 16(a) of the Act of March 3, 1901 (15 U.S.C. 278f(a)), is amended by striking out "National Fire Prevention and Control Administration" in the matter preceding paragraph (1) and inserting in lieu thereof "United States Fire Administration".

(c) Section 12(g) of the Act of February 14, 1903 (15 U.S.C. 1511), is amended by striking out "National Fire Prevention and Control Administration" and inserting in lieu thereof "United States Fire Administration".

Mr. FLIPPO (during the reading). Mr. Chairman, I ask unanimous consent that the bill be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The CHAIRMAN. If there are no amendments, under the rule, the Committee rises.

Accordingly the Committee rose, and the Speaker pro tempore (Mr. KAZEN) having assumed the chair, Mr. BARNARD, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 11291) to authorize appropriations for the Federal Fire Prevention and Control Act of 1974, and to change the name of the National Fire Prevention and Control Administration to the United States Fire Administration, pursuant to House Resolution 1118, he reported the bill back to the House.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. ASHBROOK. Mr. Chairman, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 360, nays 11, not voting 63, as follows:

[Roll No. 315]

YEAS—360

Abdnor	Derwinski	Kazen
Addabbo	Devine	Kemp
Akaka	Dickinson	Ketchum
Alexander	Dicks	Keys
Allen	Dingell	Kildee
Ambro	Dodd	Kindness
Ammerman	Dornan	Kostmayer
Anderson, Calif.	Downey	Krebs
	Drinan	LaFalce
Anderson, Ill.	Duncan, Tenn.	Lagomarsino
Andrews, N.C.	Early	Latta
Andrews, N. Dak.	Edgar	Le Fante
	Edwards, Ala.	Leach
Annunzio	Edwards, Calif.	Lederer
Applegate	Edwards, Okla.	Leggett
Archer	Emery	Lehman
Armstrong	English	Lent
Ashbrook	Erlenborn	Levitas
Ashley	Evans, Colo.	Livingston
Aspin	Evans, Del.	Lloyd, Calif.
Badham	Evans, Ga.	Lloyd, Tenn.
Bafalis	Evans, Ind.	Long, Md.
Baldus	Fary	Lott
Barnard	Fascell	Lujan
Bauman	Findley	Luken
Beard, R.I.	Fish	Lundine
Beard, Tenn.	Fisher	McClory
Bedell	Fithian	McCormack
Bellenson	Flippo	McEwen
Benjamin	Florio	McFall
Bennett	Flowers	McHugh
Bevill	Flynt	McKinney
Biaggi	Foley	Madigan
Bingham	Forsythe	Maguire
Blanchard	Fountain	Mahon
Blouin	Fowler	Markey
Boggs	Frenzel	Marks
Boland	Fuqua	Marlenee
Bolling	Gammage	Marriott
Bonior	Garcia	Martin
Bonker	Gaydos	Mathis
Bowen	Gephardt	Mattox
Brademas	Giaimo	Mazzoli
Breaux	Gibbons	Meeds
Brinkley	Gilman	Meyner
Brodhead	Ginn	Michel
Brooks	Glickman	Mikulski
Broomfield	Gonzalez	Mikva
Brown, Calif.	Goodling	Milford
Brown, Mich.	Gore	Miller, Calif.
Brown, Ohio	Gradison	Miller, Ohio
Buchanan	Grassley	Mineta
Burgener	Gudger	Minish
Burke, Fla.	Guyer	Mitchell, Md.
Burke, Mass.	Hagedorn	Mitchell, N.Y.
Burlison, Mo.	Hamilton	Moakley
Burton, John	Hammer-schmidt	Moffett
Burton, Phillip		Mollohan
Butler	Hanley	Montgomery
Byron	Hannaford	Moore
Caputo	Hansen	Moorhead, Calif.
Carney	Harkin	
Carr	Harrington	Moorhead, Pa.
Cavanaugh	Harris	Moss
Cederberg	Harsha	Mottl
Chappell	Hawkins	Murphy, Ill.
Chisholm	Heckler	Murphy, N..Y
Clausen, Don H.	Hefner	Murphy, Pa.
	Heftel	Murtha
Clawson, Del	Hightower	Myers, Gary
Clay	Hillis	Myers, John
Cleveland	Hollenbeck	Natcher
Cohen	Holt	Neal
Coleman	Howard	Nedzi
Conable	Hubbard	Nichols
Conte	Huckaby	Nowak
Corcoran	Hughes	Oakar
Cornwell	Hyde	Oberstar
Cotter	Ichord	Obey
Coughlin	Ireland	Ottinger
Cunningham	Jacobs	Panetta
D'Amours	Jeffords	Patten
Daniel, Dan	Jenrette	Patterson
Daniel, R. W.	Johnson, Calif.	Pattison
Danielson	Jones, N.C.	Pease
Davis	Jones, Okla.	Perkins
de la Garza	Jones, Tenn.	Pettis
Delaney	Jordan	Pickle
Dellums	Kasten	Pike
Derrick	Kastenmeier	Preyer

Price	Simon	Vander Jagt
Pritchard	Sisk	Vanik
Pursell	Skubitz	Vento
Quayle	Slack	Volkmer
Rahall	Smith, Iowa	Waggonner
Railsback	Smith, Nebr.	Walgren
Rangel	Snyder	Walker
Regula	Solarz	Walsh
Rhodes	Spellman	Wampler
Richmond	Spence	Watkins
Rinaldo	St Germain	Waxman
Risenhoover	Staggers	Weaver
Roberts	Stangeland	Weiss
Robinson	Stanton	Whalen
Roe	Stark	White
Rogers	Steed	Whitehurst
Rose	Steers	Whitley
Rostenkowski	Steiger	Wiggins
Rousselot	Stockman	Wilson, Bob
Roybal	Stokes	Winn
Rudd	Stratton	Wirth
Russo	Studds	Wolff
Ryan	Stump	Wright
Satterfield	Taylor	Wydler
Sawyer	Thone	Wylie
Scheuer	Traxler	Yates
Schroeder	Treen	Young, Alaska
Seiberling	Trible	Young, Fla.
Sharp	Tsongas	Young, Mo.
Shipley	Udall	Zablocki
Shuster	Ullman	Zeferetti
Sikes	Van Deerlin	

NAYS—11

Burleson, Tex.	Fenwick	McKay
Collins, Tex.	Hall	Poage
Crane	Kelly	Symms
Duncan, Oreg.	McDonald	

NOT VOTING—63

AuCoin	Goldwater	Reuss
Baucus	Green	Rodino
Breckinridge	Holland	Roncalio
Broyhill	Holtzman	Rooney
Burke, Calif.	Horton	Rosenthal
Carter	Jenkins	Runnels
Cochran	Johnson, Colo.	Ruppe
Collins, Ill.	Krueger	Santini
Conyers	Long, La.	Sarasin
Corman	McCloskey	Schulze
Cornell	McDade	Sebelius
Dent	Mann	Skelton
Diggs	Metcalfe	Teague
Eckhardt	Myers, Michael	Thompson
Eilberg	Nix	Thornton
Ertel	Nolan	Tucker
Flood	O'Brien	Whitten
Ford, Mich.	Pepper	Wilson, C. H.
Ford, Tenn.	Pressler	Wilson, Tex.
Fraser	Quie	Yatron
Frey	Quillen	Young, Tex.

The Clerk announced the following pairs:

Mr. Eilberg with Mr. Sarasin.
Mr. AuCoin with Mr. Broyhill.
Mr. Baucus with Mr. O'Brien.
Mr. Dent with Mr. Green.
Mr. Jenkins with Mr. Carter.
Mrs. Burke of California with Mr. Roncalio.
Mrs. Collins of Illinois with Mr. Tucker.
Mr. Ford of Michigan with Mr. Quie.
Mr. Flood with Mr. Cochran of Mississippi.
Mr. Whitten with Mr. Nix.
Mr. Santini with Mr. Quillen.
Mr. Runnels with Mr. Metcalfe.
Mr. Rodino with Mr. Mann.
Mr. Breckinridge with Mr. Long of Louisiana.
Mr. Cornell with Mr. Michael O. Myers.
Mr. Thornton with Mr. Krueger.
Mr. Charles H. Wilson of California with Mr. Frey.
Mr. Conyers with Mr. Goldwater.
Mr. Ford of Tennessee with Mr. Sebelius.
Mr. Charles Wilson of Texas with Mr. McDade.
Mr. Reuss with Mr. Nolan.
Mr. Eckhardt with Mr. Pressler.
Mr. Ertel with Mr. Fraser.
Mr. Yatron with Mr. Teague.
Mr. Thompson with Mr. Ruppe.
Mr. Rooney with Mr. Horton.
Mr. Rosenthal with Mr. Holland.
Ms. Holtzman with Mr. Corman.
Mr. Diggs with Mr. Schulze.
Mr. Pepper with Mr. Skelton.
Mr. McCloskey with Mr. Johnson of Colorado.

Mr. SYMMS and Mr. KELLY changed their vote from "yea" to "nay."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. FLIPPO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous matter on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Alabama?

There was no objection.

LEGISLATIVE PROGRAM

(Mr. RHODES asked and was given permission to address the House for 1 minute.)

Mr. RHODES. Mr. Speaker, I take this time to inquire of the distinguished majority leader as to the program for the balance of today and the week, if he has that information available.

Mr. WRIGHT. If the gentleman will yield, Mr. Speaker, changes in the program for this week have been made necessary by reason of the conference on the budget. Obviously, that must take priority over other matters, recognizing the statutory time requirements.

It now is our intention to begin taking up suspensions which were scheduled for tomorrow and to do as many of them as we reasonably can do, planning to arise at approximately 5:30 this evening.

This will permit us to use this Monday effectively and well and not waste time.

Mr. RHODES. Is my understanding correct that there will be approximately four suspensions taken up today and that they will be the first four, as listed in the whip notice for May 15, 1978.

Mr. WRIGHT. If the gentleman will yield further, that would be our plan. We would attempt to approach them in the order in which they are listed to the extent that that is possible. The gentleman is probably correct in estimating that time will permit us to do maybe four of them.

Mr. RHODES. Would it be the desire of the majority to withhold votes until all bills have been considered,

Mr. WRIGHT. Yes, indeed, it would be. We might reasonably expect that those votes will occur sometime shortly prior to 5:30 p.m.

Beyond that, let me suggest these further changes: Since the conference committee on the budget has not yet completed its labors, and since it is necessary for us to adopt the budget before we adopt the temporary debt limit increase, the leadership presently plans to schedule those votes on Wednesday. This will let us catch up on as many of the other things as possible tomorrow, Tuesday, at which time there is a primary in Pennsylvania and a disposition on the part of both sides of the aisle, I am sure, to accommodate our Members in that regard.

The rest of the schedule for the week following Wednesday would remain essentially unchanged except for the deletion of the bill H.R. 11291, which we already have passed.

If the gentleman will yield further, Mr. Speaker, I think it would be of interest to the Members of the House that we are talking already about what to do next week. Many Members have discussed with us their desire to complete the labors of next week by Thursday in order to permit our departure on Friday.

In order to facilitate that, I would like to ask unanimous consent that next week on Tuesday, Wednesday, and Thursday the House may come in at 10 o'clock rather than at 12 o'clock, and that we may expect to proceed on Monday, Tuesday, and Wednesday perhaps as late as 6:30. I would like the Members to be so advised in order that they may make their plans accordingly.

We do not want to shortchange the business of next week, but if we are willing to work those extra hours in the first part of the week it will permit Members freely to plan to be absent on Friday, in that the House will have completed its work on Thursday.

Mr. RHODES. If I understand the majority leader correctly then, we would go into session at 10 o'clock on Tuesday, Wednesday, and Thursday?

Mr. WRIGHT. Tuesday, Wednesday and Thursday.

Mr. RHODES. And presumably would adjourn for the recess over Memorial Day Thursday evening. Could the majority leader project the time we might adjourn on Thursday?

Mr. WRIGHT. That is not possible at this moment, but it is my hope and my firm expectation that we would not go extremely late on Thursday. Those are the reasons why we are suggesting that we come in early on Tuesday and Wednesday, and why we plan to stay until about 6:30 on Monday, Tuesday, and Wednesday.

Mr. RHODES. I congratulate the majority leader on what I think is a very forward looking schedule. I personally have absolutely no objection to it.

PERMISSION FOR HOUSE TO MEET AT NOON ON MONDAY, AND 10 O'CLOCK ON TUESDAY, WEDNESDAY, AND THURSDAY OF NEXT WEEK

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that the House shall meet at 12 o'clock on Monday of next week, and at 10 o'clock on Tuesday, on Wednesday, and on Thursday of next week.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

Mr. BAUMAN. Mr. Speaker, reserving the right to object, I wonder if the majority leader could tell us what the schedule is likely to contain for next week?

Mr. WRIGHT. Will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from Texas.

Mr. WRIGHT. I could perhaps give the gentleman some sketchy ideas, but I would not want to be held to them because it still is in the process of composition.

The Export-Import Bank bill quite probably would be considered next week; the Department of Energy authorization quite probably will be considered; the tuition tax credit conceivably may come next week; possibly, the FEC authorization.

But, this is early this week; and I would rather not be held to an absolute statement on each of those legislative matters. Some or all of those heretofore enumerated will be considered for inclusion in the program next week, and we may consider measures not so enumerated.

Mr. BAUMAN. Further reserving the right to object, I assume from what the gentleman says that it is the plan to be in this Friday under any circumstance?

Mr. WRIGHT. The answer is "yes." As previously advised, it is the plan to be in session on this Friday.

Mr. RHODES. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from Arizona.

Mr. RHODES. Concerning, for instance, the Alaska National Interest Lands Conservation Act, is it still the opinion of the majority leader that this bill would be brought up this week?

Mr. WRIGHT. If the gentleman from Maryland will yield, subject to the granting of a rule, it is the plan to bring that bill up this week. But it would not take priority over the conference report on the budget, nor the debt limit extension. I would expect that both of those would have priority over the scheduling of the Alaska National Interest Lands Conservation Act.

Mr. RHODES. I assume also that the bills listed for suspension on Tuesday which are not taken up today will be taken up on Tuesday as the first order of business?

Mr. WRIGHT. It is the present intention to take up those remaining bills tomorrow.

Mr. BAUMAN. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER pro tempore. Pursuant to the provisions of clause 3(b) of Rule XXVII, and without objection, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered or on which the vote is objected to under clause 4 of rule XV.

There was no objection.

The SPEAKER pro tempore. After all motions to suspend the rules have been entertained and debated, and after those motions to be determined by "nonrecord" votes have been disposed of, the Chair will then put the question on each motion on which the further proceedings were postponed.

INTERNATIONAL TRADE COMMISSION AUTHORIZATION, 1979

Mr. VANIK. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 11005) to provide authorization of appropriations for the United States International Trade Commission for fiscal year 1979, as amended.

The Clerk read as follows:

H.R. 11005

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (e) of section 330 of the Tariff Act of 1930 (19 U.S.C. 1330(e)) is amended—

(1) by striking paragraph (2) thereof; and

(2) by adding new paragraph (2), as follows:

"(2) There are authorized to be appropriated to the Commission for necessary expenses for fiscal year 1979 an amount not to exceed $12,813,000.".

The SPEAKER pro tempore. Is a second demanded?

Mr. STEIGER. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Ohio (Mr. VANIK) and the gentleman from Wisconsin (Mr. STEIGER) will be recognized for 20 minutes each.

The Chair recognizes the gentleman from Ohio (Mr. VANIK).

Mr. VANIK. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 11005, reported by unanimous voice vote of the Ways and Means Committee, authorizes appropriations for the International Trade Commission for fiscal year 1979 not to exceed $12,813,000. The Commission's budget submission requested $13,113,000—or 7.3 percent more than the fiscal year 1978 budget—to support the operations of a staff of 386 during fiscal year 1979. Your committee approved 2.3 percent reduction in funds without specifying where the Commission should make budget cuts. In the hearings, we discussed areas where budget cuts might be made, but decided to provide the Commission with flexibility in obtaining economies. The discussion at the hearing noted that—

The ITC budget comes directly to the Congress and is not subject to OMB budget disciplines;

The Commission plans some $684,000 for "self-initiated" section 332 investigations into trade matters and that this level, while lower than the past 2 years, is significantly higher than earlier years and is an area where savings may be achieved; and

The travel budget for the Commission and for commissioners and staff continues to rise and is an area where savings may be achieved.

The committee believes that the recommended authorization will enable an increase in the staff level adequate to meet increasing workloads in antidumping complaints, section 337, unfair trade practice investigations, and to assist in what may be the final years of the Tokyo round multilateral trade negotiations.

The fiscal year 1979 budget continues, as per the requirement in Public Law 95–106, the Commission's reports on synthetic organic chemicals, which are a unique and highly valued source of information on developments in this industry. The Commission is also increasing its commitment to the development of a harmonized commodity code (HCC). The budget request programs an increase from 5 work-years in fiscal year 1978 to 11 work-years in fiscal year 1979 for the HCC program. The Commission's technical expertise on trade and trade statistics is required as part of the U.S. effort to work with the Customs Cooperation Council in developing an international commodity code so that there is increased comparability among nations concerning import and export statistics. Not only will a common world system of trade statistics help importers, exporters, and shippers, but it will enable the United States to better understand developing trade flows and trends.

Through its day-to-day dealings with the Commission and in the performance of its oversight function, the Committee on Ways and Means believes that last year's enactment of Public Law 95–106 has helped improve the operation of the Commission and insure the better use of appropriated funds. While further improvements are possible, the committee recommends that the USITC be allowed time to adapt to the new organizational structure provided by Public Law 95–106. Therefore, no additional administrative changes are being proposed at this time.

The committee notes that while a code of personal conduct has been published in the Federal Register relating to personal conduct and partisan activity, improvements in the reputation of the agency as an objective, factfinding commission are dependent on the individual commissioners living up to the standards of the code. The committee would remind the Commission of its concerns about public statements by individual commissioners which may be interpreted as statements on behalf of the entire Commission and which injure the quasi-judicial reputation of the Commission or individual commissioners.

Mr. STEIGER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the gentleman from Ohio (Mr. VANIK) has done an excellent job in describing the bill. I urge its support.

Mr. Speaker, I rise in support of H.R. 11005 which would authorize appropriations for the U.S. International Trade Commission for the fiscal year 1979 in

the amount not to exceed $12,813,000. This amount represents a reduction of $300,000 in the budget request but allows the Commission to make the cuts at its own discretion.

The committee feels that the recommended authorization will enable an increase in staff to meet the increasing workloads in antidumping complaints, unfair trade practice investigations and to assist in the final round of the MTN.

Through its day-to-day dealings with the Commission in its oversight function, the committee believes that this authorization will enable the Commission to continue the improvements the Congress made in the ITC structure in last year's legislation.

I urge my colleagues to support passage of H.R. 11005.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Ohio (Mr. VANIK) that the House suspend the rules and pass the bill H.R. 11005, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

TEMPORARY SUSPENSION OF DUTY ON 2-METHYL, 4-CHLOROPHENOL

Mr. VANIK. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 5551) to suspend for a 3-year period the duty on 2-methyl, 4-chlorophenol, as amended.

The Clerk read as follows:

H.R. 5551

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subpart B of part 1 of the Appendix to the Tariff Schedules of the United States (19 U.S.C. 1202) is amended by inserting immediately before item 907.80 the following new item:

"907.78 2-methyl, 4-chlorophenol (provided for in item 403.60, part 1B, schedule 4).....	Free	No change	On or before 6/30/80".

SEC. 2. The amendment made by the first section of this Act shall apply with respect to articles entered, or withdrawn from warehouse, for consumption on or after the date of the enactment of this Act.

The SPEAKER pro tempore. Is a second demanded?

Mr. STEIGER. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Ohio (Mr. VANIK) and the gentleman from Wisconsin (Mr. STEIGER) will be recognized for 20 minutes each.

The Chair recognizes the gentleman from Ohio (Mr. VANIK).

Mr. VANIK. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the purpose of H.R. 5551 is to suspend until June 30, 1980, the duty on 2-methyl 4-chlorophenol.

H.R. 5551 was introduced by our colleague, Mr. FLOWERS of Alabama.

2-methyl, 4-chlorophenol is a chemical intermediate used in the manufacture of certain phenoxy herbicides used in cereal grain production. A Tuscaloosa, Ala., Corp. constructed a manufacturing facility in 1977 primarily for the production of these phenoxy herbicides. Availability of 2-methyl 4-chlorophenol is a key element in their manufacturing process and it is not available domestically. A temporary suspension of the column 1 rate of duty of 1.7 cents per pound plus 12.5 percent ad valorem would make it economically possible for the importation of 2-methyl 4-chlorophenol until this company completes planned construction of a U.S. production facility for this product.

This bill was initially passed over without prejudice by the Subcommittee on Trade last year as a result of administration testimony which indicated that alternative products exist domestically. However, subsequent investigation by the Department of Commerce revised this prior opinion as they concluded that the proposed duty suspension would eliminate an unnecessary cost on a needed resource material.

In consideration of the revised administration position of not objecting to enactment of H.R. 5551, the Subcommittee on Trade favorably reported the bill during a March 22 markup session. H.R. 5551 was amended to provide for a termination date of June 30, 1980, rather than the previously specified 3-year period from the date of enactment. No objections to this legislation have been received by the committee from any source.

The committee has favorably reported the bill to the House by voice vote on April 12, and urges its passage.

Mr. STEIGER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of the bill and urge that it be passed under suspension of the rules. The gentleman from Ohio (Mr. VANIK) has done an excellent job of explaining it.

Mr. Speaker, I agree with my colleague that the duty on 2-methyl, 4-chlorophenol, or PCOC, should be lifted on a temporary basis at this time. H.R. 5551 would suspend the column 1 rate of duty on this chemical through June 30, 1980.

As explained previously, PCOC is an important ingredient in the manufacture of two major herbicides used in cereal grain production. There is currently no known production of PCOC in the United States, and no planned development of the chemical in the near future. Consequently, the total domestic requirement for PCOC must be satisfied through imports in order to assure continued healthy production of certain herbicides in this country.

The rather high rate of duty on PCOC does not serve to protect any industry in the United States, but rather acts to increase the cost of domestic herbicide production and to threaten its competitive position with respect to herbicides manufactured abroad. Further, unnecessary costs exampled in this case merely add to an inflationary spiral in this country that needs to be curbed wherever possible.

I am fully aware that unilateral and selected reductions of tariffs are against the general policy considerations of the Multilateral Trade Negotiations (MTN) where attempts now are being made to lower rates across the board. This is especially true in light of the advanced stage of the negotiations and thus their increasing sensitivity. However, lowering the duty in this instance would cause little, if any, disruption in our negotiating posture, and would greatly alleviate a real difficulty faced by our herbicide industry in competing successfully with foreign imports.

Both the Trade Subcommittee and the full membership of the Ways and Means Committee approved H.R. 5551 unanimously. Although the Commerce Department raised an objection initially, they now have withdrawn it, and there is no known objection to the bill from any source at this time. It is expected that enactment of the measure will result in a revenue loss of $99,000 annually. I urge my colleagues to support passage of H.R. 5551.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Ohio (Mr. VANIK) that the House suspend the rules and pass the bill H.R. 5551, as amended.

The question was taken; and (two-thirds having voted in favor thereof), the rules were suspended and the bill, as amended, was passed.

The title was amended so as to read: "A bill to suspend until the close of June 30, 1980, the duty on 2-Methyl, 4-chlorophenol.".

A motion to reconsider was laid on the table.

COMPREHENSIVE OLDER AMERICANS ACT AMENDMENTS OF 1978

Mr. BRADEMAS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 12255) to amend the Older Americans Act of 1965 to provide for improved programs for older persons, and for other purposes, as amended.

The Clerk read as follows:

H.R. 12255

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) this Act may be cited as the "Comprehensive Older Americans Act Amendments of 1978".

(b) Except as otherwise specifically provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Older American Act of 1965.

TITLE I—AMENDMENTS TO THE OLDER AMERICANS ACT OF 1965

OBJECTIVES

SEC. 101. Section 101(8) is amended by inserting after "provide" the following: "a choice in supported living arrangements and".

ADMINISTRATION

SEC. 102. (a) Section 201(a) is amended by striking out "Office of the" the second place it appears therein.

(b)(1) Section 202(a) is amended by redesignating clauses (1), (2), (3), (4), (5), (6), (7), (8), (9), (10), (11), (12), (13), (14), (15), and (16) as clauses (2), (3), (4), (5), (6), (7), (8), (9), (10), (11), (12), (13), (14), (15), (16), and (17), repectively, and by inserting after the dash the following new clause:

"(1) serve as the effective and visible advocate for the elderly within the Department of Health, Education, and Welfare and with other departments, agencies, and instrumentalities of the Federal Government by maintaining active review and commenting responsibilities over all Federal policies affecting the aging;".

(2) Section 202(a)(15), as so redesignated in paragraph (1), is amended by inserting after "Discrimination" the following: "in Employment".

(3) Section 202 is amended by redesignating subsection (b), and all references thereto, as subsection (c), and by inserting after subsection (a) the following new subsection:

"(b) In order to strengthen the involvement of the Administration in the development of policy alternatives in long-term care and insure that the development of community alternatives is given priority attention, the Commissioner shall—

"(1) develop planning linkages with local health systems agencies (as defined under the National Health Planning and Resources Development Act of 1974);

"(2) participate in all interdepartmental activities which concern issues of institutional and noninstitutional long-term health care services development; and

"(3) review and comment on all departmental regulations and policies regarding community health and social service development for the elderly.".

(c) Section 203 is amended to read as follows:

"FEDERAL AGENCY CONSULTATION

"SEC. 203. (a) Each Federal agency proposing to establish programs and services substantially related to the purposes of this Act shall consult with the Administration on Aging before the establishment of such programs and services. Each Federal agency administering any program substantially related to the purposes of this Act, particularly administering any program set forth in subsection (b) of this section, shall consult and cooperate with the Administration on Aging in carrying out such program.

"(b) The programs referred to in subsection (a) are programs for older persons under—

"(1) the Comprehensive Employment and Training Act of 1973;

"(2) title II of the Domestic Volunteer Service Act of 1973;

"(3) title XX of the Social Security Act;

"(4) sections 231 and 232 of the National Housing Act;

"(5) section 202 of the Housing Act of 1959;

"(6) title I of the Housing and Community Development Act of 1974;

"(7) section 222(a)(8) of the Economic Opportunity Act of 1964; and

"(8) sections 3, 5, 9, and 16 of the Urban Mass Transportation Act of 1964.".

(d) Section 204(a)(1) is amended by inserting before the semicolon the following: "including information related to transportation services for older persons offered by Federal, State, and local public agencies".

(e) Section 204(c) is amended to read as follows:

"(c) There are authorized to be appropriated to carry out the provisions of this section, for fiscal years 1979, 1980, and 1981, such sums as may be necessary.".

(f)(1) Section 205(a) is amended by adding at the end thereof the following sentence: "No full-time officer or employee of the Federal Government may be appointed as a member of the Council.".

(2) Section 205(c) is amended by striking out the last sentence thereof.

(3) Section 205(e) is amended to read as follows:

"(e) The Council shall have staff personnel, appointed by the Chairman, to assist it in carrying out its activities. Each Federal department and agency shall make available to the Council such information and other assistance as it may require to carry out its activities.".

(4)(A) Section 205(g) is amended to read as follows:

"(g) The Council shall undertake a special study to make a full assessment of the adequacy of current manpower supplies and training in the noninstitutional long-term care field and the adequacy of current programs in the non-institutional long-term care field. The Council shall recommend to the Congress, within 2 years after the date of the enactment of the Comprehensive Older Americans Act Amendments of 1978, goals to be met to meet manpower needs and program development in the noninstitutional long-term care field.".

(B) Section 205 is amended by striking out subsections (h) and (i) and inserting in lieu thereof the following new subsections:

"(h) The Council shall undertake a study of transportation programs for older persons offered by the Federal Government in order to develop recommendations for—

"(1) revising existing Federal transportation programs for older persons to (A) provide more coordinated and comprehensive services to such individuals, and (B) eliminate unnecessary duplication among such programs; and

"(2) eliminating disparties in eligibility requirements among Federal transportation programs for older persons.

The Council shall also study the possibility of transferring to a single administrative unit the responsibility for the administration of all Federal transportation programs for older persons. Within one year after the effective date of this subsection, the Council shall submit to the Congress a report containing the results of the study and any recommendations developed by the Council.

"(i) There are authorized to be appropriated to carry out the provisions of this section, for fiscal years 1979, 1980, and 1981, such sums as may be necessary.".

(f)(1) Section 206 is amended by redesignating subsection (b) and subsection (c), and all references thereto, as subsection (c) and subsection (d), respectively, and by inserting after subsection (a) the following new subsection:

"(b)(1) In order to provide support for the legal services program authorized under subpart 1 of part E of title III, the Commissioner is authorized to make grants to and enter into contracts with research centers to—

"(A) support research, technical assistance, training, litigation, and support to agencies, organizations, institutions, private firms, and bar associations, which are providing, developing, or supporting legal services to older persons;

"(B) support demonstration projects to expand or improve the delivery of legal services to the elderly; and

"(C) provide legal services to elderly clients.

"(2) In order to provide support for the ombudsman service grant program authorized under subpart 2 of part E of title III, the Commissioner shall, either directly or by way of grant, contract, or other arrangement—

"(A) provide technical assistance, consultation, and training to such ombudsman service programs; and

"(B) provide for a uniform system for the collection and dissemination of data received from such ombudsman services programs relating to complaints of residents of long-term care facilities.

"(3) The Commissioner shall prepare and submit to the Congress not later than September 30, 1980, and September 30, 1981, a report on the effectiveness of programs conducted under paragraph (1) and paragraph (2), together with such recommendations, including recommendations for additional legislation, as the Commissioner deems appropriate.".

(2) Section 206(d), as so redesignated in paragraph (1), is amended by inserting "(1)" after the subsection designation and by adding at the end thereof the following new paragraph:

"(2)(A) Of the amounts appropriated under section 303(d)(1) for any fiscal year, an amount equal to the greater of—

"(i) 20 per centum of such appropriated amounts; or

"(ii) $2,000,000;

shall be available for carrying out the provisions of subsection (b)(1).

"(B) Of the amounts appropriated under section 303(d)(2) for any fiscal year, an amount equal to the greater of—

"(i) 15 per centum of such appropriated amounts; or

"(ii) $500,000;

shall be available for carrying out the provisions of subsection (b)(2).".

(g)(1) Section 207(c) is amended by inserting before the period a comma and the following: "and conduct, where appropriate, evaluations which compare the effectiveness of related programs in achieving common objectives".

(2) Section 207(d) is amended—

(A) by inserting after "summaries" the following: "and analyses";

(B) by striking out "be available" and inserting in lieu thereof "be transmitted"; and

(C) by inserting before "the public" the following: "be accessible to".

(h)(1) Section 211 is amended by inserting "(a)" after the section designation and by adding at the end thereof the following new subsection:

"(b) No part of the costs of any project under any title of this Act may be treated as income or benefits to any eligible individual (other than any wage or salary to such individual) for the purpose of any other program or provision of State or Federal law. No part of any wage or salary to any eligible individual under title V may be treated as income for the purpose of eligibility, as determined under Federal or State law, for assistance under title XIX or title XX of the Social Security Act or under the United States Housing Act of 1937.

(2) Section 211(a), as so redesignated in paragraph (1), is amended by inserting after "88 Stat. 1604)" the following: ", and of title V of the Act of October 15, 1977 (Public Law 95–134; 91 Stat. 1164),".

(i) Title II is amended by adding at the end thereof the following new sections:

"CONTRACTING AND GRANT AUTHORITY

"SEC. 212. None of the provisions of this Act shall be construed to prevent a recipient of a grant or a contract from entering into an agreement, subject to the approval of the State agency, with a profitmaking organiza-

tion to carry out the provisions of this Act and of the appropriate State plan.

"SURPLUS PROPERTY ELIGIBILITY

"SEC. 213. Any State or local government agency, and any nonprofit organization or institution, which receives funds appropriated for programs for older persons under authority established in this Act, in title IV or title XX of the Social Security Act, or in the Economic Opportunity Act of 1964, shall be deemed eligible to receive for such programs, property which is declared surplus to the needs of the Federal Government in accordance with laws applicable to surplus property.".

GRANTS FOR STATE AND COMMUNITY PROGRAMS ON AGING

SEC. 103. Title III is amended to read as follows:

"TITLE III—GRANTS FOR STATE AND COMMUNITY PROGRAMS ON AGING

"PART A—GENERAL PROVISIONS

"PURPOSE; ADMINISTRATION

"SEC. 301. (a) It is the purpose of this title to encourage and assist State and local agencies to concentrate resources in order to develop greater capacity and foster the development of comprehensive and coordinated service systems to serve older persons by entering into new cooperative arrangements in each such State with State and local agencies, and with the providers of social services or nutrition services or multipurpose senior centers, for the planning for the provision of, and for the provision of, social services, nutrition services, or multipurpose senior centers, in order to—

"(1) secure and maintain maximum independence and dignity in a home environment for older persons capable of self care with appropriate supportive services; and

"(2) remove individual and social barriers to economic and personal independence for older persons.

"(b)(1) In order to effectively carry out the purpose of this title, the Commissioner shall administer programs under this title through the Administration on Aging.

"(2) In carrying out the provisions of this title, the Commissioner may request the technical assistance and cooperation of the Department of Labor, the Community Services Administration, the Department of Housing and Urban Development, the Department of Transportation, and such other agencies and departments of the Federal Government as may be appropriate.

"DEFINITIONS

"SEC. 302. For purposes of this title—

"(1) The term 'comprehensive and coordinated system' means a system for providing all necessary social services and nutrition services in a manner designed to—

"(A) facilitate accessibility to, and utilization of, all social services and nutrition services provided within the geographic area served by such system by any public or private agency or organization;

"(B) develop and make the most efficient use of social services and nutrition services in meeting the needs of older persons; and

"(C) use available resources efficiently and with a minimum of duplication.

"(2) The term "information and referral source' means a location where the State or any public or private agency or organization (A) maintains current information with respect to the opportunities and services available to older persons, and develops current lists of older persons in need of services and opportunities; and (B) employs a specially trained staff to inform older persons of the opportunities and services which are available, and assist such persons to take advantage of such opportunities and services.

"(3) The term 'long-term care facility' means any skilled nursing facility, as defined in section 1861(j) of the Social Security Act, any intermediate care facility, as defined in section 1905(c) of the Social Security Act, any nursing home, as defined in section 1908 (e) of the Social Security Act, and any other similar adult care home.

"(4) The term 'planning and service area' means an area specified by a State agency under section 305(a)(1)(E).

"(5) The term 'social service' means any of the following services which meets such standards as the Commissioner may prescribe:

"(A) health, continuing education, welfare, informational, recreational, homemaker, counseling, or referral services;

"(B) transportation services to facilitate access to social services or nutrition services, or both;

"(C) services designed to encourage and assist older persons to use the facilities and services available to them;

"(D) services designed to assist older persons to obtain adequate housing, including residential repair and renovation projects designed to enable older persons to maintain their homes in conformity with minimum housing standards or to adapt homes to meet the needs of elderly persons suffering from physical disabilities;

"(E) services designed to assist older persons in avoiding institutionalization, including preinstitution evaluation and screening and home health services, homemaker services, shopping services, escort services, reader services, letter writing services, and other similar services designed to assist such persons to continue living independently in a home environment;

"(F) services designed to provide legal and other counseling services and assistance, including tax counseling and assistance and financial counseling, to older persons;

"(G) services designed to enable older persons to attain and maintain physical and mental well-being through programs of regular physical activity and exercise;

"(H) services of an ombudsman at the State level to receive, investigate, and act on complaints by older persons who are residents of long-term care facilities and to advocate the well-being of such persons;

"(I) services which are designed to meet the unique needs of older persons who are disabled; or

"(J) any other services;

if such services are necessary for the general welfare of older persons.

"(6) The term 'State' means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, the Trust Territory of the Pacific Islands, and the Northern Mariana Islands.

"(7) The term 'State agency' means the State agency designed by the State under section 305(a)(1).

"(8) The term 'unit of general purpose local government' means (A) a political subdivision of the State whose authority is general and not limited to only one function or combination of related functions; or (B) an Indian tribal organization.

"AUTHORIZATION OF APPROPRIATIONS; USES OF FUNDS

"SEC. 303. (a) There are authorized to be appropriated $250,000,000 for fiscal year 1979, $300,000,000 for fiscal year 1980, and $400,000,000 for fiscal year 1981 for the purpose of making grants under part B of this title (relating to social services).

"(b)(1) There are authorized to be appropriated $350,000,000 for fiscal year 1979, $375,000,000 for fiscal year 1980, and $400,000,000 for fiscal year 1981 for the purpose of making grants under subpart 1 of part C of this title (relating to congregate nutrition services).

"(2) There are authorized to be appropriated $80,000,000 for fiscal year 1979, $100,000,000 for fiscal year 1980, and $120,000,000 for fiscal year 1981 for the purpose of making grants under subpart 2 of part C of this title (relating to home delivered nutrition services).

"(c) There are authorized to be appropriated $80,000,000 for fiscal year 1979, $100,000,000 for fiscal year 1980, and $120,000,000 for fiscal year 1981, for the purpose of making grants under part D of this title (relating to multipurpose senior centers).

"(d)(1) There are authorized to be appropriated $25,000,000 for fiscal year 1979, $30,000,000 for fiscal year 1980, and $35,000,000 for fiscal year 1981 for the purpose of making grants under subpart 1 of part E of this title (relating to legal services).

"(2) There are authorized to be appropriated $4,000,000 for fiscal year 1979, $6,000,000 for fiscal year 1980, and $8,000,000 for fiscal year 1981 for the purpose of making grants under subpart 2 of part E of this title (relating to ombudsman services).

"(e) Grants made under parts B through D and subpart 1 of part E of this title may be used for paying part of the cost of—

"(1) the administration of area plans by area agencies on aging designated pursuant to section 305(a)(2)(A), including the preparation of area plans on aging consistent with section 306 and the evaluation of activities carried out under such plan;

"(2) the development of comprehensive and coordinated systems for the delivery of social services, congregate and home delivered nutrition services, the development and operation of multipurpose senior centers, and the delivery of legal services; and

"(3) the activities carried out pursuant to section 308.

"ALLOTMENT: FEDERAL SHARE

"SEC. 304. (a)(1) From the sums appropriated to carry out part B, part C, part D, or part E for any fiscal year pursuant to subsections (a), (b), (c), and (d) of section 303, the Commissioner shall allot to each State from each such amount an amount which bears the same ratio to such amount as the population aged 60 or over in such State bears to the population aged 60 or over in all States, except that (A) no State shall be allotted less than $20,000 or one-half of 1 per centum of the sum appropriated for the fiscal year for which the determination is made, whichever is greater; (B) Guam, American Samoa, the Virgin Islands, the Trust Territory of the Pacific Islands, and the Northern Mariana Islands shall be alloted not less than $20,000 or one-fourth of 1 per centum of the sum appropriated for the fiscal year for which the determination is made, whichever is greater; and (C) no State shall be allotted an amount less than the State received for the fiscal year ending June 30, 1973, for the purposes described in section 303. For the purpose of the exception contained in clause (A) of this paragraph only, the term 'State' does not include Guam, American Samoa, the Virgin Islands, the Trust Territory of the Pacific Islands, and the Northern Mariana Islands.

"(2) The number of persons aged 60 or over in any State and in all States shall be determined by the Commissioner on the basis of the most recent and satisfactory data available to him.

"(b) Whenever the Commissioner determines that any amount allotted to a State

for a fiscal year for part B, C, D, or E will not be used by such State for carrying out the purpose for which the allotment was made, he shall make such allotment available for carrying out such purpose to one or more other States to the extent he determines that such other States will be able to use such additional amount for carrying out such purpose. Any amount made available to a State from an appropriation for a fiscal year pursuant to the preceding sentence shall, for purposes of this title, be regarded as part of such State's allotment (as determined under the preceding provisions of this section) for such year.

"(c) If the Commissioner finds that any State has failed to qualify under the State plan requirements of section 307, the Commissioner shall withhold the allotment of funds to such State referred to in subsection (a). The Commissioner shall disburse the funds so withheld directly to any public or private nonprofit institution or organization, agency, or political subdivision of such State submitting an approved plan under section 307, including the requirement that any such payment or payments shall be matched in the proportion determined under subsection (d)(1)(B) for such State, by funds or in-kind resources from non-Federal sources.

"(d)(1) From any State's allotment under this section for fiscal years 1979, 1980, and 1981—

"(A) such amount as the State agency determines, but not more than 8.5 per centum thereof, shall be available for paying such percentage as the agency determines, but not more than 75 per centum of the cost of administration of area plans; and

"(B) the remainder of such allotment shall be available to such State for paying such per centum as the State agency determines, but not more than 90 per centum of the cost of carrying out parts B, C, D, and subpart 1 of Part E under area plans approved by the State agency.

"(2) The non-Federal share shall be in cash or in kind. In determining the amount of the non-Federal share, the Commissioner is authorized to attribute fair market value to services and facilities contributed from non-Federal sources.

"ORGANIZATION

"SEC. 305. (a) In order for a State to be eligible to participate in programs of grants to States from allotments under this title—

"(1) the State shall, in accordance with regulations of the Commissioner, designate a State agency as the sole State agency to—

"(A) develop a State plan to be submitted to the Commissioner for approval under section 307;

"(B) administer the State plan within such State;

"(C) be primarily responsible for the coordination of all State activities related to the purposes of this Act;

"(D) serve as an effective and visible advocate for the elderly by reviewing and commenting upon all State plans, budgets, and policies which affect the elderly and providing technical assistance to any agency, organization, association, or individual representing the needs of the elderly; and

"(E) divide the State into distinct areas after considering the geographical distribution of individuals aged 60 and older in the State, the incidence of the need for social services, nutrition services, multipurpose senior centers, and legal services, the distribution of older persons who have low incomes residing in such areas, the distribution of resources available to provide such services or centers, the boundaries of existing areas within the State which were drawn for the planning or administration of social services programs, the location of units of general purpose local government within the State and any other relevant factors; and

"(2) the State agency designated pursuant to paragraph (1) shall—

"(A) determine for which planning and service area an area plan will be developed, in accordance with section 306, and for each such area designate, after consideration of the views offered by the unit or units of general purpose local government in such area, a public or nonprofit private agency or organization as the area agency on aging for such area;

"(B) provide assurances, satisfactory to the Commissioner, that the State agency will take into account, in connection with matters of general policy arising in the development and administration of the State plan for any fiscal year, the views of recipients of social services, nutrition services, or multipurpose senior centers provided under such plan; and

"(C) develop a formula for the distribution within the State of funds received under this title and publish the criteria for such distribution for review and comment.

In carrying out the requirement of clause (1), the State shall designate as a planning and service area any unit of general purpose local government which has a population aged 60 or over of 50,000 individuals or more, or which contains 15 per centum or more of the State population aged 60 or over, except that a State may designate as a planning and service area pursuant to clause (1), any region within the State recognized for purposes of areawide planning which includes one or more such units of general purpose local government when the State determines that the designation of such a regional planning and service area is necessary for, and will enhance the effective administration of, the programs authorized by this title. The State may include in any planning and service area designated pursuant to clause (1) such additional areas adjacent to the unit of general purpose local government or regions so designated as the State determines is necessary for, and will enhance the effective administration of, the programs authorized by this title. The chief executive officer of any State in which a planning and service area crosses State boundaries may apply to the Commissioner to request redesignation as an interstate planning and service area comprising the entire metropolitan area. If the Commissioner approves such an application, he shall adjust the State allotments of the areas within the planning and service area in which the interstate planning and service area is established to reflect the number of elderly within the area who will be served by an interstate planning and service area not within the State.

"(b) An area agency on aging designated under subsection (a) shall be—

"(1) an established office of aging which is operating within a planning and service area designated pursuant to subsection (a);

"(2) any office or agency of a unit of general purpose local government, which is designated for this purpose by the chief elected official of such unit;

"(3) any office or agency designated by the appropriate chief elected officials of any combination of units of general purpose local government to act on behalf of such combination for this purpose; or

"(4) any public or nonprofit private agency in a planning and service area which is under the supervision or direction for this purpose of the designated State agency and which can engage in the planning or provision of a broad range of social services, or nutrition services within such planning and service area,

and shall provide assurance determined adequate by the State agency, that the area agency will have the ability to develop an area plan and to carry out, directly or through contractual or other arrangements, a program pursuant to the plan within the planning and service area. In designating an area agency on aging the State shall give preference to a established office on aging, unless the State agency finds that no such office within the planning and service area will have the capacity to carry out the area plan.

"AREA PLANS

"SEC. 306. (a) Each area agency on aging designated pursuant to section 305(a)(2)(A) shall, in order to be approved by the State agency, prepare and develop an area plan for a planning and service area for a 3-year period with such annual adjustments as may be necessary. Each such plan shall—

"(1) provide for the establishment of a comprehensive and coordinated system for the delivery of social services or nutrition services or for the establishment of multipurpose senior centers, within the planning and service area covered by the plan, including determining the need for social services, nutrition services, or multipurpose senior centers in such area (taking into consideration among other things the number of older persons with low incomes residing in such area), evaluating the effectiveness of the use of resources in meeting such need, and entering into agreements with providers of social services, or nutrition services or multipurpose senior centers in such area, for the provision of such services or centers to meet such needs;

"(2) provide, in accordance with priorities established by the Commissioner by regulation, initiation, expansion, or improvements of services and centers programs described in parts B, C, and D, and subpart 1 of part E, in the planning and service area covered by the area plan;

"(3) provide for the establishment and maintenance of information and referral services in sufficient numbers to assure that all older persons within the planning and service area covered by the plan will have reasonably convenient access to such sources; and

"(4) provide that the area agency on aging will—

"(A) serve as the advocate and focal point for the elderly within the community and by assisting individual elderly persons in connection with their participation, or attempts to participate in, any Federal or State program or activity which provides benefits to older persons;

"(B) conduct periodic evaluations of activities carried out pursuant to the area plan;

"(C) assure the use of outreach efforts that will identify persons eligible for assistance under this Act and inform such persons of the availability of such assistance;

"(D) render appropriate technical assistance to providers of social services, nutrition services, or multipurpose senior centers in the planning and service area covered by the area plan;

"(E) take into account, in connection with matters of general policy arising in the development and administration of the area plan, the views of recipients of services under such plan;

"(F) where possible, enter into arrangements with organizations providing day care services for children so as to provide opportunities for older persons to aid or assist on a voluntary basis in the delivery of such services to children; and

"(G) establish an advisory council consisting of older persons, representatives of older persons and the general public, to advise the area agency on all matters relating to the administration of the plan and operations conducted under the plan.

"(b)(1) Subject to regulations prescribed, an area agency on aging designated under section 305(a)(2)(A) or, in areas of a State where no such agency has been designated, the State agency, is authorized to enter into agreements with agencies administering pro-

grams under the Rehabilitation Act of 1973, and titles XIX and XX of the Social Security Act for the purpose of developing and implementing plans for meeting the common need for transportation services of persons receiving benefits under such Acts and older persons participating in programs authorized by this title.

"(2) Pursuant to an agreement entered into under paragraph (1), funds appropriated under this title may be used to purchase transportation services for older persons and may be pooled with funds made available for the provision of transportation services under the Rehabilitation Act of 1973 and titles XIX and XX of the Social Security Act.

"STATE PLANS

"SEC. 307. (a) Except as provided in section 309(a), each State, in order to the eligible for grants from its allotment under this title for any fiscal year, shall submit to the Commissioner a State plan for a 3-year period with such annual revisions as are necessary which meets such criteria as the Commissioner may by regulation prescribe. Each such plan shall—

"(1) provide that the State agency will evaluate the need for social services, nutrition services, multipurpose senior centers, and legal services and ombudsman services within the State and determine the extent to which existing public or private programs meet such need;

"(2) provide for the use of such methods of administration (including methods relating to the establishment and maintenance of personnel standards on a merit basis, except that the Commissioner shall exercise no authority with respect to the selection, tenure of office, or compensation of an individual employed in accordance with such methods) as are necessary for the proper and efficient administration of the plan, and, where necessary, provide for the reorganization and reassignment of functions to assure such efficient administration;

"(3) provide that the State agency will make such reports, in such form, and containing such information, as the Commissioner may require, and comply with such requirements as the Commissioner may impose to insure the correctness of such reports;

"(4) provide satisfactory assurance that such fiscal control and fund accounting procedures will be adopted as may be necessary to assure proper disbursement of, and accounting for, Federal funds paid under this title to the State, including any such funds paid to the recipients of a grant or contract;

"(5) provide that the State agency will conduct periodic evaluations of activities and projects carried out under the State plan;

"(6) provide that each area agency on aging designated pursuant to section 305(a)(2)(A) will develop and submit to the State agency for approval an area plan which complies with the provisions of section 306;

"(7) provide for establishing and maintaining information and referral sources in sufficient numbers to assure that all older persons in the State who are not furnished adequate information and referral sources pursuant to section 306(a)(3) will have reasonably convenient access to such sources;

"(8) provide that no services will be directly provided by the State agency or an area agency on aging, except where, in the judgment by the State agency, provision of such services by the State agency or an area agency is necessary to assure an adequate supply of such services;

"(9) provide that with respect to nutrition services under part C—

"(A)(i) each project providing nutrition services will permit recipients of grants or contracts to charge participating individuals for meals furnished, taking into consideration the income ranges of eligible individuals in local communities and other sources of income of the recipients of a grant or a contract; and

"(ii) such charges will be used to increase the number of meals served by the project involved;

"(B) a site for such services and for social services is furnished in as close proximity to the majority of eligible individuals' residences as feasible with particular attention upon a school, a multi-purpose senior center, or a church, preferably within walking distance where possible, and, where appropriate, transportation to such site is furnished or home-delivered meals are furnished to eligible individuals who are home-bound;

"(C) each project will provide a setting conducive to expanding the nutrition project and to include, as a part of such project, recreational activities, informational, health and welfare counseling, and referral services, where such services are not otherwise available;

"(D) each project will provide special menus, where feasible and appropriate, to meet the particular dietary needs arising from the health requirements, religious requirements, or ethnic backgrounds of eligible individuals;

"(E) each project will establish and administer the nutrition project with the advice of persons competent in the field of service in which the nutrition project is being provided, of older persons who will themselves participate in the program, and of persons who are knowledgeable with regard to the needs of older persons; and

"(F) each project will give preference to persons aged 60 or over for any staff positions, full- or part-time, for which such persons qualify and will encourage the voluntary participation of other groups, such as college and high school students in the operation of the project;

"(10) provide with respect to the acquisition (in fee simple or by lease for 10 years or more), alteration, or renovation of existing facilities (or the construction of new facilities in any area which there are no structures available, as determined by the State agency, to serve as a focal point for the delivery of services assisted under this title) to serve as multipurpose senior centers under part D that—

"(A) the plan contains or is supported by reasonable assurances that (i) for not less than 10 years after acquisition, or not less than 20 years after the completion of construction, the facility will be used for the purpose for which it is to be acquired or constructed, unless for unusual circumstances the Commissioner waives the requirement of this subclause; (ii) sufficient funds will be available to meet the non-Federal share of the cost of acquisition or construction of the facility; (iii) sufficient funds will be available when acquisition or construction is completed, for effective use of the facility for the purpose for which it is being acquired or constructed; and (iv) the facility will not be used and is not intended to be used for sectarian instruction or as a place for religious worship;

"(B) the plan contains or is supported by reasonable assurances that, in case of purchase or construction, there are no existing facilities in the community suitable for leasing as a multipurpose senior center;

"(C) the plans and specifications for the facility are in accordance with regulations relating to minimum standards of construction, promulgated with particular emphasis on securing compliance with the requirements of the Act of August 12, 1968, commonly known as the Architectural Barriers Act of 1968;

"(D) the plan contains or is supported by adequate assurance that any laborer or mechanic employed by any contractor or subcontractors in the performance of work on the facility will be paid wages at rates not less than those prevailing for similar work in their locality as determined by the Secretary of Labor in accordance with the Act of March 3, 1931 (40 U.S.C. 276a—276a-5; commonly known as the Davis-Bacon Act), and the Secretary of Labor shall have, with respect to the labor standards specified in this paragraph, the authority and functions set forth in reorganization plan numbered 14 of 1950 (15 F.R. 3176; 64 Stat. 1267), and section 2 of the Act of June 13, 1934 (40 U.S.C. 276c);

"(E) the plan contains assurances that the State agency will consult with the Secretary of Housing and Urban Development with respect to the technical adequacy of any proposed alteration or renovation; and

"(F) the plan contains assurances that the area agency involved will have authority, subject to approval by the State agency, to determine whether construction will be undertaken with respect to any multipurpose senior center proposed to be constructed in the planning and service area of such area agency;

"(11) provide with respect to legal services under subpart 1 of part E that—

"(A) the State agency will provide for the development and coordination of the furnishing of legal services to older persons within the State, and provide advice and technical assistance in the provision of legal services to older persons within the State and support the furnishing of training and technical assistance for legal services for older persons;

"(B) the plan contains assurances that area agencies or aging will enter into contracts with recipients under the Legal Services Corporation Act in the area served by such area agency or with other nonprofit, private organizations or agencies which can demonstrate the experience or capacity to deliver legal services in a satisfactory manner, for the furnishing of legal services to older persons with the greatest economic and social need;

"(C) the plan contains assurances that no legal services will be furnished to older persons already receiving legal services assistance pursuant to the Legal Services Corporation Act; and

"(D) the plan contains assurances, to the extent practicable, that legal services furnished pursuant to the plan will be in addition to any legal services for older persons being furnished with funds from sources other than this Act and that reasonable efforts will be made to maintain existing levels of legal services for older persons; and

"(12) provide with respect to ombudsman services under subpart 2 of part E that—

"(A) the State agency will establish and operate the ombudsman program described in such subpart (including procedures for appropriate access to long-term care facilities and records with the written consent of the residents involved or their legal representatives and subject to any applicable Federal or State law which pertains to access to such records) and establish a statewide uniform reporting system which—

"(i) records data relating to complaints and conditions in long-term care facilities;

"(ii) collects and analyzes such data in order to identify significant problems affecting residents of long-term care facilities and develops methods for resolving such problems; and

"(iii) establishes procedures for submitting such data to the Commissioner on a regular basis;

"(B) the State agency will monitor the development, implementation, and operation of Federal and State and local laws, policies, and regulations with respect to long-term care facilities in that State;

"(C) the State agency will provide for the training of volunteers, and promote the development of citizens organization, for the

purpose of participating in the ombudsman program conducted in that State;

"(D) the State agency will provide information, where appropriate, to public agencies, with respect to the problems of older persons who are residents of long-term care facilities;

"(E) the State agency will establish procedures to assure that any files maintained by the ombudsman program assisted under such subpart shall be disclosed only at the discretion of the ombudsman having authority over the disposition of such files, except that the identity of any complainant or resident of a long-term care facility shall not be disclosed by such ombudsman unless—

"(i) such complainant or resident, or his legal representative, consents in writing to such disclosure; or

"(ii) such disclosure is required by an order of a court.

"(b) The Commissioner shall approve any State plan which he finds fulfills the requirements of subsection (a).

"(c) The Commissioner shall not make a final determination disapproving any State plan, or any modification thereof, or make a final determination that a State is ineligible under section 305, without first affording the State reasonable notice and opportunity for a hearing.

"(d) Whenever the Commissioner, after reasonable notice and opportunity for hearing to the State agency, finds that—

"(1) the State is not eligible under section 305;

"(2) the State plan has been so changed that it no longer complies with the provisions of subsection (a); or

"(3) in the administration of the plan there is a failure to comply substantially with any such provision of subsection (a);

the Commissioner shall notify such State agency that no further payments from its allotments under section 304 and section 309 will be made to the State (or, in his discretion, that further payments to the State will be limited to projects under or portions of the State plan not affected by such failure), until he is satisfied that there will no longer be any failure to comply. Until he is so satisfied, no further payments shall be made to such State from its allotments under section 304 and section 309 (or payments shall be limited to projects under or portions of the State plan not affected by such failure). The Commissioner shall, in accordance with regulations he shall prescribe, disburse the funds so withheld directly to any public or nonprofit private organization or agency or political subdivision of such State submitting an approved plan in accordance with the provisions of section 307 and section 309. Any such payment or payments shall be matched in the proportions specified in sections 304 and 309.

"(e) A State which is dissatisfied with a final action of the Commissioner under subsection (b), (c), or (d) may appeal to the United States court of appeals for the circuit in which the State is located, by filing a petition with such court within 30 days after such final action. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Commissioner, or any officer designated by him for that purpose. The Commissioner thereupon shall file in the court the record of the proceedings on which he based his action, as provided in section 2112 of title 28, United States Code. Upon the filing of such petition, the court shall have jurisdiction to affirm the action of the Commissioner or to set it aside, in whole or in part, temporarily or permanently, but until the filing of the record, the Commissioner may modify or set aside his order. The findings of the Commissioner as to the facts, if supported by substantial evidence, shall be conclusive, but the court, for good cause shown, may remand the case to the Commissioner to take further evidence, and the Commissioner shall, within 30 days, file in the court the record of those further proceedings. Such new or modified findings of fact shall likewise be conclusive if supported by substantial evidence. The judgment of the court affirming or setting aside, in whole or in part, any action of the Commissioner shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code. The commencement of proceedings under this subsection shall not, unless so specifically ordered by the court, operate as a stay of the Commissioner's action.

"PLANNING, COORDINATION, EVALUATION, AND ADMINISTRATION OF STATE PLANS

"SEC. 308. (a)(1) Amounts appropriated pursuant to section 303 may be used to make grants to States for paying such percentages as each State agency determines, but not more than 75 per centum, of the cost of the administration of its State plan, including the preparation of the State plan, the evaluation of activities carried out under such plan, the collection of data and the carrying out of analyses related to the need for social services, nutrition services, and multipurpose senior centers within the State, and dissemination of information so obtained, the provision of short-term training to personnel of public or nonprofit private agencies and organizations engaged in the operation of programs authorized by this Act, and the carrying out of demonstration projects of statewide significance relating to the initiation, expansion, or improvement of services assisted under this title.

"(2) Any sums received by a State under this section for part of the cost of the administration of its State plan which the State determines is not needed for such purpose may be used by such State to supplement the amount available under section 304(c)(1) to cover part of the cost of the administration of area plans.

"(3) Any State which has designated a single planning and service area pursuant to section 305(a)(1)(E) covering all, or substantially all, of the older persons in such State, as determined by the Commissioner, may elect to pay part of the costs of the administration of State and area plans either out of sums received under this section or out of sums made available for the administration of area plans pursuant to section 304(c)(1), but shall not pay such costs out of sums received or allotted under both such sections.

"(b)(1) From the sums appropriated for any fiscal year under section 303 for carrying out the purposes of this section, each State shall use not more than 7 per centum of the amount allotted to such State under section 304(a)(1) for the purposes of this section, except that (A) no State may expend for such purposes less than one-half of 1 per centum of the sum appropriated for the fiscal year for which the determination is made, or $300,000, whichever is greater; and (B) Guam, American Samoa, the Virgin Islands, the Trust Territory of the Pacific Islands and the Northern Mariana Islands may expend for such purposes no less than one-fourth of 1 per centum of the sum appropriated for the fiscal year for which the determination is made, or $87,500, whichever is greater. For the purpose of the exception contained in clause (A), the term 'State' does not include Guam, American Samoa, the Virgin Islands, the Trust Territory of the Pacific Islands and the Northern Mariana Islands.

"(2)(A) Any State which desires to receive amounts, in addition to amounts received by such State under paragraph (1), to be used in the administration of its State plan in accordance with subsection (a) may transmit an application to the Commissioner in accordance with this paragraph. Any such application shall be transmitted in such form, and according to such procedures, as the Commissioner may require, except that such application may not be made as part of, or as an amendment to, the State plan.

"(B) The Commissioner may approve any application transmitted by a State under subparagraph (A) if the Commissioner determines, based upon a particularized showing of need, that—

"(i) the State will be unable to fully and effectively administer its State plan and to carry out programs and projects authorized by this title unless such additional amounts are made available by the Commissioner;

"(ii) the State is making full and effective use of the amount it receives under paragraph (1) and of the personnel of the State agency and area agencies designated under section 305 in the administration of its State plan in accordance with subsection (a); and

"(iii) the State agency and area agencies of such State designated under section 305 are carrying out, on a full-time basis, programs and activities which are in furtherance of the purposes of this Act.

"(C) The Commissioner may approve that portion of the amount requested by a State in its application under subparagraph (A) which he determines has been justified in such application.

"(D) Amounts which any State may receive in any fiscal year under this paragraph may not exceed three-fourths of 1 per centum of the sum of the amounts allotted under section 304(a) to such State to carry out the State plan for such fiscal year.

"(E) No application by a State under subparagraph (A) shall be approved unless it contains assurances that no amounts received by such State under this paragraph will be used to hire any person to fill a job opening created by the action of such State in laying off or terminating the employment of any regular employee not supported under this Act in anticipation of filling the vacancy so created by hiring an employee to be supported through use of amounts received under this paragraph.

"(3) Each State shall be entitled to receive an amount under this section for any fiscal year which is not less than the amount of the allotment to which such State was entitled under paragraph (1) for the fiscal year ending June 30, 1975.

"(4) The number of persons aged 60 or over in any State and in all States shall be determined by the Commissioner on the basis of the most recent satisfactory data available to him.

"(5) With respect to funds received pursuant to section 303(b)(1) and (2), a State may elect in its plan under section 307(a)(8) regarding part C of this title, to transfer a portion of the funds appropriated between subpart 1 and subpart 2 of part C, as the State considers appropriate to meet the needs of the area served. The Commissioner shall approve any such transfer unless he determines that such transfer is not consistent with the purposes of this Act.

"PAYMENTS

"SEC. 309. (a) Payments of grants or contracts under this title may be made (after necessary adjustments on account of previously made overpayments or underpayments) in advance or by way of reimbursement, and in such installments, as the Commissioner may determine. From a State's allotment for a fiscal year which is available pursuant to section 308 the Commissioner may pay to a State which does not have a State plan approved under section 307 such amounts as he deems appropriate for the purpose of assisting such State in developing a State plan.

"(b) Beginning with fiscal year 1975, not

less than 25 percentum of the non-Federal share (pursuant to section 304(c)) of the total expenditures under the State plan shall be met from funds from State or local public sources.

"(c) A State's allotment under section 304 for a fiscal year shall be reduced by the percentage (if any) by which its expenditures for such year from State sources under its State plan approved under section 307 are less than its expenditures from such sources for the preceding fiscal year.

"DISASTER RELIEF REIMBURSEMENTS

"SEC. 310. (a) The Commissioner shall provide reimbursement to any State, upon application for such reimbursement, for funds such State makes available to area agencies in such State for the delivery of social services during any major disaster declared by the President in accordance with the Disaster Relief Act of 1974.

"(b) Each State may receive reimbursement under this section, with respect to any major disaster, in amounts which do not exceed 5 per centum of the amount allotted to such State for the fiscal year involved under section 321.

"(c) The Commissioner shall withhold funds appropriated under section 441(a) for purposes of carrying out section 421 in amounts sufficient to make reimbursements under this section. If funds so withheld for any fiscal year are not used for reimbursements under this section by the end of the third quarter of such fiscal year, any such funds shall be made available for use under section 421.

"AVAILABILITY OF SURPLUS COMMODITIES

"SEC. 311. (a) (1) Agricultural commodities and products purchased by the Secretary of Agriculture under section 32 of the Act of August 24, 1935 (7 U.S.C. 612c) shall be donated to a recipient of a grant or contract to be used for providing nutrition services in accordance with the provisions of this title.

"(2) The Commodity Credit Corporation shall dispose of food commodities under section 416 of the Agricultural Act of 1949 (7 U.S.C. 1431) by donating them to a recipient of a grant or contract to be used for providing nutrition services in accordance with the provisions of this title.

"(3) Dairy products purchased by the Secretary of Agriculture under section 709 of the Food and Agriculture Act of 1965 (7 U.S.C. 1446a–1) shall be used to meet the requirements of programs providing nutrition services in accordance with the provisions of this title.

"(4) In donating commodities pursuant to this subsection, the Secretary of Agriculture shall maintain an annually programmed level of assistance of not less than 30 cents per meal during fiscal year 1978 and fiscal year 1979, and 35 cents per meal during fiscal year 1980 and fiscal year 1981. The amount specified in this paragraph shall be adjusted on an annnual basis for each fiscal year after June 30, 1975, to reflect changes in the series for food away from home of the Consumer Price Index published by the Bureau of Labor Statistics of the Department of Labor. Such adjustment shall be computed to the nearest one-fourth cent. Among the commodities delivered under this subsection, the Secretary shall give special emphasis to high protein foods, meat, and meat alternates. The Secretary of Agriculture, in consultation with the Commissioner, is authorized to prescribe the terms and conditions respecting the donating of commodities pursuant to this subsection.

"(b) (1) During each of the fiscal years ending before October 1, 1981, the Secretary of Agriculture shall purchase high protein foods, meat, and meat alternates on the open market, at prices not in excess of market prices, out of funds appropriated under this section, as determined under paragraph (3), for distribution to recipients of grants or contracts to be used for providing nutrition services in accordance with the provisions of this title. High protein foods, meat, and meat alternates purchased by the Secretary of Agriculture under this subsection shall be grown and produced in the United States.

"(2) High protein foods, meat, and meat alternates donated under this subsection shall not be considered donated commodities for purposes of meeting the requirement of subsection (a)(4) with respect to the annually programmed level of assistance under subsection (a).

"(3) There are authorized to be appropriated such sums as may be necessary in order to carry out the program established under paragraph (1).

"(c)(1) Notwithstanding any other provision of law, a State may, for purposes of the programs authorized by this Act, elect to receive cash payments in lieu of donated foods for all or any portion of its project. In any case in which a State makes such an election, the Secretary of Agriculture shall make cash payments to such State in an amount equivalent in value to the donated foods which the State otherwise would have received if such State had retained its commodity distribution facilities.

"(2) When such payments are made, the State agency shall promptly and equitably disburse any cash it receives in lieu of commodities to recipients of grants or contracts. Such disbursements shall only be used by such recipients of grants or contracts to purchase United States agricultural commodities and other foods for their nutrition projects.

"(3) Nothing in this subsection shall be construed to authorize the Secretary of Agriculture to require any State to elect to receive cash payments under this subsection.

"MULTIPURPOSE SENIOR CENTERS: RECAPTURE OF PAYMENTS

"SEC. 312. If, within 10 years after acquisition, or within 20 years after the completion of construction, of any facility for which funds have been paid under this title—

"(1) the owner of the facility ceases to be a public or nonprofit private agency or organization; or

"(2) the facility ceases to be used for the purposes for which it was purchased (unless the Commissioner determines, in accordance with regulations that there is good cause for releasing the applicant or other owner from the obligation to do so);

the United States shall be entitled to recover from the applicant or other owner of the facility an amount which bears to the then value of the facility (or so much thereof as constituted an approved project or projects) the same ratio as the amount of such Federal funds bore to the cost of the facility financed with the aid of such funds. Such value shall be determined by agreement of the parties or by action brought in the United States district court for the district in which such facility is situated.

"MULTIPURPOSE SENIOR CENTERS: MORTGAGE INSURANCE

"SEC. 313. (a) It is the purpose of this action to assist and encourage the provision of urgently needed facilities for programs for the elderly.

"(b) For the purpose of this section, the terms 'mortgage', 'mortgagor', 'mortgagee', 'maturity date', and 'State' shall have the meanings respectively set forth in section 207 of the National Housing Act.

"(c) The Secretary of Health, Education, and Welfare is authorized to insure any mortgage (including advances on such mortgage during acquisition, alteration, renovation, or construction) in accordance with the provisions of this section upon such terms and conditions as he may prescribe and make commitments for insurance of such mortgage prior to the date of its execution or disbursement thereon.

"(d) In order to carry out the purpose of this section, the Secretary is authorized to insure any mortgage which covers a new multipurpose senior center, including equipment to be used in its operation, subject to the following conditions:

"(1) The mortgage shall be executed by a mortgagor, approved by the Secretary, who demonstrates ability successfully to operate one or more programs for the elderly. The Secretary may in his discretion require any such mortgagor to be regulated or restricted as to minimum charges and methods of financing, and, in addition thereto, if the mortgagor is a corporate entity, as to capital structure and rate of return. As an aid to the regulation or restriction of any mortgagor with respect to any of the foregoing matters, the Secretary may make such contracts with and acquire for not to exceed $100 such stock interest in such mortgagor as he may deem necessary. Any stock or interest so purchased shall be paid for out of the Multipurpose Senior Center Insurance Fund, and shall be redeemed by the mortgagor at par upon the termination of all obligations of the Secretary under the insurance.

"(2) The mortgage shall involve a principal obligation in an amount not to exceed $250,000 and not to exceed 90 per centum of the estimated replacement cost of the property or project, including equipment to be used in the operation of the multipurpose senior center, when the proposed improvements are completed and the equipment is installed.

"(3) The mortgage shall—

"(A) provide for complete amortization by periodic payments within such term as the Secretary shall prescribe; and

"(B) bear interest (exclusive of premium charges for insurance and service charges, if any) at not to exceed such per centum per annum on the principal obligation outstanding at any time as the Secretary finds necessary to meet the mortgage market.

"(4) The Secretary shall not insure any mortgage under this section unless he has determined that the center to be covered by the mortgage will be in compliance with minimum standards to be prescribed by the Secretary.

"(5) In the plans for such Multipurpose Senior Center, due consideration shall be given to excellence of architecture and design, and to the inclusion of works of art (not representing more than 1 per centum of the cost of the project).

"(e) The Secretary shall fix and collect premium charges for the insurance of mortgages under this section which shall be payable annually in advance by the mortgagee, either in cash or in debentures of the Multipurpose Senior Center Insurance Fund (established by subsection (h)) issued at par plus accrued interest. In the case of any mortgage such charge shall be not less than an amount equivalent to one-fourth of 1 per centum per annum nor more than an amount equivalent to 1 per centum per annum of the amount of the principal obligation of the mortgage outstanding at any one time, without taking into account delinquent payments or prepayments. In addition to the premium charge provided for in this subsection, the Secretary is authorized to charge and collect such amounts as he may deem reasonable for the appraisal of a property or project during acquisition, alteration, or renovation; but such charges for appraisal and inspection shall not aggregate more than 1 per centum of the original principal face amount of the mortgage.

"(f) The Secretary may consent to the release of a part or parts of the mortgaged property or project from the lien of any mortgage insured under this section upon such terms and conditions as he may prescribe.

"(g)(1) The Secretary shall have the same functions, powers, and duties (insofar as applicable) with respect to the insurance of mortgages under this section as the Secretary of Housing and Urban Development has with respect to the insurance of mortgages under title II of the National Housing Act.

"(2) The provisions of subsections (e), (g), (h), (i), (j), (k), (l), and (n) of section 207 of the National Housing Act shall apply to mortgages insured under this section; except that, for the purposes of their application with respect to such mortgages, all references in such provisions to the General Insurance Fund shall be deemed to refer to the Multipurpose Senior Center Insurance Fund, and all references in such provisions to 'Secretary' shall be deemed to refer to the Secretary of Health, Education, and Welfare.

"(h)(1) There is hereby created a Multipurpose Senior Center Insurance Fund which shall be used by the Secretary as a revolving fund for carrying out all the insurance provisions of this section. All mortgages insured under this section shall be insured under and be the obligation of the Multipurpose Senior Center Insurance Fund.

"(2) The general expenses of the operations of the Department of Health, Education, and Welfare relating to mortgages insured under this section may be charged to the Multipurpose Senior Center Insurance Fund.

"(3) Moneys in the Multipurpose Senior Center Insurance Fund not needed for the current operations of the Department of Health, Education, and Welfare with respect to mortgages insured under this section shall be deposited with the Treasurer of the United States to the credit of such fund, or invested in bonds or other obligations of, or in bonds or other obligations guaranteed as to principal and interest by, the United States. The Secretary may, with the approval of the Secretary of the Treasury, purchase in the open market debentures issued as obligations of the Multipurpose Senior Center Insurance Fund. Such purchases shall be made at a price which will provide an investment yield of not less than the yield obtainable from other investments authorized by this section. Debentures so purchased shall be canceled and not reissued.

"(4) Premium charges, adjusted premium charges, and appraisal and other fees received on account of the insurance of any mortgage under this section, the receipts derived from property covered by such mortgages and from any claims, debts, contracts, property, and security assigned to the Secretary in connection therewith, and all earnings as the assets of the fund, shall be credited to the Multipurpose Senior Center Insurance Fund. The principal of, and interest paid and to be paid on, debentures, which are the obligation of such fund, cash insurance payments and adjustments, and expenses incurred in the handling, management, renovation, and disposal of properties acquired or constructed, in connection with mortgages insured under this section, shall be charged to such fund.

"(5) There are authorized to be appropriated to provide initial capital for the Multipurpose Senior Center Insurance Fund, and to assure the soundness of such fund thereafter, such sums as may be necessary.

"ANNUAL INTEREST GRANTS

"SEC. 314. (a) To assist nonprofit private agencies to reduce the cost of borrowing from other sources for the acquisition, alteration, renovation, or construction of facilities, the Secretary may make annual interest grants to such agencies.

"(b) Annual interest grants under this section with respect to any facility shall be made over a fixed period not exceeding 40 years, and provision for such grants shall be embodied in a contract guaranteeing their payment over such period. Each such grant shall be in an amount not greater than the difference between (1) the average annual debt service which would be required to be paid, during the life of the loan, on the amount borrowed from other sources for the acquisition, alteration, renovation, or construction of such facilities, and (2) the average annual debt service which the institution would have been required to pay, during the life of the loan, with respect to such amounts if the applicable interest rate were 3 per centum per annum, except that the amount on which such grant is based shall be approved by the Secretary.

"(c)(1) There are hereby authorized to be appropriated to the Secretary such sums as may be necessary for payment of annual interest grants in accordance with this section.

"(2) Contracts for annual interest grants under this section shall not be entered into in an aggregate amount greater than is authorized in appropriation Acts.

"(d) Not more than 12½ per centum of the funds provided for in this section for grants may be used with any one State.

"GRANTS FOR INDIAN TRIBES

"SEC. 315. (a) It is the purpose of this section to promote the delivery of social and nutritional services for Indians that are comparable to services provided under other provisions of this title.

"(b)(1) A tribal organization of an Indian tribe is eligible for assistance under this section only if—

"(A) the tribal organization represents at least 75 individuals who have attained 60 years of age or older;

"(B) the tribal organization demonstrates the ability to deliver social services, nutritional services, or both; and

"(C) individuals to be served by the tribal organization will not receive for the year for which application under this section is made services under other provisions of this title.

"(2) For purposes of this section, the term 'tribal organization' has the meaning given it in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b).

"(c) The Commissioner is authorized to make grants to eligible tribal organizations to pay all of the costs for the delivery of social services and nutritional services for older Indians.

"(d)(1) No grant may be made under this section unless the eligible tribal organization submits an application to the Commissioner which meets such criteria as the Commissioner may by regulation prescribe. Each such application shall—

"(A) provide that the eligible tribal organization will evaluate the need for social and nutritional services among older Indians to be represented by the tribal organization;

"(B) provide for the use of such methods of administration as are necessary for the proper and efficient administration of the program to be assisted;

"(C) provide that the tribal organization will make such reports in such form and containing such information, as the Commissioner may reasonably require, and comply with such requirements as the Commissioner may impose to assure the correctness of such reports;

"(D) provide that a nonprofit private organization selected by the tribal organizations will conduct periodic evaluation of activities and projects carried out under the application;

"(E) establish objectives consistent with the purposes of this section toward which activities under the application will be directed, identify obstacles to the attainment of such objectives, and indicate the manner in which the tribal organization proposes to overcome such obstacles;

"(F) provide for establishing and maintaining information and referral sources to assure that older Indians to be served by the assistance made available under this section will have reasonably convenient access to such sources;

"(G) provide a preference for Indians aged 60 and over for full- or part-time staff positions wherever feasible;

"(H) provide assurances that either directly or by way of grant or contract with appropriate entities nutritional services will be delivered to older Indians represented by the tribal organization substantially in compliance with the provisions of part C;

"(I) contain assurances that the provisions of sections 307(a)(9)(A)(i) and (iii), 307(a)(9)(B), and 307(a)(9)(C) will be complied with whenever the application contains provisions for the acquisition, alteration, or renovation of facilities to serve as multipurpose senior centers:

"(J) provide assurances that either directly or by way of grant or contract with appropriate entities legal and ombudsman services will be made available to older Indians represented by the tribal organization substantially in compliance with the provisions of part E; and

"(K) provide satisfactory assurance that fiscal control and fund accounting procedures will be adopted as may be necessary to assure proper disbursement of, and accounting for, Federal funds paid under this section to the tribal organization, including any funds paid by the tribal organization to a recipient of a grant or contract.

"(2) The Commissioner shall approve any application which complies with the provisions of paragraph (1).

"(3) Whenever the Commissioner determines not to approve an application submitted under paragraph (1) he shall (A) state his objections in writing to the tribal organization within 60 days after such decision; (B) provide to the extent practicable technical assistance to the tribal organization to overcome his stated objection; and (C) provide the tribal organization with a hearing, under such rules and regulations as he may prescribe.

"(e)(A) In establishing regulations for the purpose of this section the Commissioner shall consult with the Secretary of the Interior.

"(B) The Commissioner shall prepare final regulations for the administration of this section not later than 90 days after the date of the enactment of the Comprehensive Older Americans Act Amendments of 1978.

"(f) Payments may be made under this section (after necessary adjustments, in the case of grants, on account of previously made overpayments or underpayments) in advance or by way of reimbursement, in such installments and on such conditions, as the Commissioner may determine.

"(g) There are authorized to be appropriated such names as may be necessary for fiscal years 1979, 1980, and 1981, to carry out the provisions of this section.

"AUDIT

"SEC. 316. The Commissioner and the Comptroller General of the United States or any of their duly authorized representatives shall have access for the purpose of audit and examination to any books, documents, papers, and records that are pertinent to a grant or contract received under this title.

"PART B—SOCIAL SERVICES

"PROGRAM AUTHORIZED

"SEC. 321. The Commissioner shall carry out a program for making grants to States

pursuant to State plans approved under section 307 for the provision of social services.

"PART C—NUTRITION SERVICES

"Subpart 1—Congregate Nutrition Services

"PROGRAM AUTHORIZED

"SEC. 331. The Commissioner shall carry out a program for making grants to States pursuant to State plans approved under section 307 for the establishment and operation of nutrition projects for older persons which, 5 or more days a week, provides, in a congregate setting, at least one hot or cold meal per day and any additional meals which the recipient of a grant or contract under this part may elect to provide, each of which assures a minimum of one-third of the daily recommended dietary allowances as established by the Food and Nutrition Board of the National Academy of Sciences-National Research Council.

"Subpart 2—Home Delivered Nutrition Services

"PROGRAM AUTHORIZED

"SEC. 336. The Commissioner shall carry out a program for making grants to States pursuant to State plans approved under section 307 for the establishment and operation of nutrition projects (including meals-on-wheels projects which are in operation on the effective date of this section) for older persons which, 5 or more days a week, provides at least one home delivered hot, cold, frozen, dried, canned, or supplemental foods (with a satisfactory storage life) meal per day and any additional meals which the recipient of a grant or contract under this part may elect to provide, each of which assures a minimum of one-third of the daily recommended dietary allowances as established by the Food and Nutrition Board of the National Academy of Sciences-National Research Council.

"CRITERIA

"SEC. 337. The Commissioner, in consultation with organizations of and for the aged, blind and disabled, and with representatives from the American Dietetic Association, the Association of Areas Agencies on Aging, the National Association of Title VII Project Directors, the National Association of Meals Programs, Incorporated, and any other appropriate group, shall develop minimum criteria of efficiency and quality for the furnishing of home-delivered meal services for projects referred to in section 336. Such criteria shall take into account the ability of established meals-on-wheels programs to continue such services without major alteration in the furnishing of such service.

"PART D—MULTIPURPOSE SENIOR CENTERS

"PROGRAM AUTHORIZED

"SEC. 341. (a) The Commissioner shall carry out a program for making grants to States pursuant to State plans approved under section 307 for the establishment and operation of multipurpose senior centers (including the acquisition (in fee simple or by lease of 10 years or more), renovation, or alteration of existing facilities or, subject to the limitation in section 307(a)(10), construction of new facilities) which shall be community facilities for the organization and provision of a broad spectrum of social services (including provision of health, social, and educational services and provision of facilities for recreational activities) or nutrition services, or both, for older persons.

"(b) Funds made available to a State under this part may be used, for the purpose of assisting in the operation of multipurpose senior centers, to meet all or part of the costs of compensating professional and technical personnel required for the operation of multipurpose senior centers and for the delivery of services in the center.

"PART E—LEGAL AND OMBUDSMAN SERVICES

"Subpart 1—Legal Services

"PROGRAM AUTHORIZED

"SEC. 351. The Commissioner shall carry out a program for making grants to States pursuant to State plans approved under section 307 for the provision of legal services for older persons.

"Subpart 2—Ombudsman Services

"PROGRAM AUTHORIZED

"SEC. 356. (a) The Commissioner shall carry out a program for making grants to States pursuant to State plans approved under section 307 for the conduct of projects under which a State ombudsman receives, monitors, investigates, and resolves complaints made by or on behalf of older persons who are residents of long-term care facilities relating to actions by persons or institutions providing services to such residents, or actions by Government agencies, which may adversely affect the health, safety, welfare, or rights of such residents.

"(b) Funds made available to a State under this subpart may be used by the State agency to carry out the program described in this subpart or, by contract or other arrangement with any public agency or any other appropriate private nonprofit organization, except that no contract or other arrangement may be made with any agency of the State (or any other organization) having responsibility for licensing or certifying long-term care service in that State, which makes payments for services provided by such facilities, or which is an association (or an affiliate of such an association) of long-term care facilities (including any other residential facility for elderly persons).".

TRAINING, RESEARCH, AND DISCRETIONARY PROJECTS AND PROGRAMS

SEC. 104. (a)(1) Section 401 is amended to read as follows:

"STATEMENT OF PURPOSE

"SEC. 401. (a) The purpose of this part is to develop and implement a national manpower policy for the field of aging. Such a policy shall reflect the present and future needs for training personnel in all programs serving the elderly recognizing the unique health, transportation, and housing problems of the elderly, the continual growth of the elderly population of the United States, and the high incidence of disabilities within such population. The national manpower policy established under this part shall require that training programs shall give priority to training personnel responsible for carrying out programs under part C of title III (relating to nutrition services) and part D of title III (relating to multipurpose senior centers).

"(b) The policy required by this title shall be developed and implemented by the Commissioner in cooperation with other departments and agencies of the Federal Government, including the Public Health Service, the Health Care Financing Administration, the Social Security Administration, the National Institutes of Health, the Administration for Public Services, the Rehabilitation Services Administration, the Veterans' Administration, the Department of Labor, the Department of Housing and Urban Development, the Department of Transportation, State employment agencies or State and area agencies on aging and other appropriate agencies.".

(2) Section 402 is amended to read as follows:

"APPRAISING PERSONNEL NEEDS IN THE FIELD OF AGING

"SEC. 402. (a) The Commissioner shall, at such times as he deems appropriate, appraise the Nation's existing and future personnel needs for all programs serving the elderly at the Federal, State, and local levels recognizing the continual growth of the elderly population. The assessment required by this section shall be conducted in accordance with the national manpower policy required under section 401.

"(b) The assessment required by this section shall be presented biannually to the Congress. Each such report shall indicate the impact of the assessment on the national manpower policy and plans for the future.".

(3) Section 403 is amended by striking out "The" and inserting in lieu thereof the following: "In accordance with the demands set forth in the national manpower policy, the".

(4) Section 403(4) is amended by striking out "to the purposes of this Act" and inserting in lieu thereof "to the field of aging".

(5)(A) Section 404(a) is amended—

(i) by striking out "The" and inserting in lieu thereof the following: "In accordance with the demands set forth in the national manpower policy, the"; and

(ii) by striking out "fields related to the purposes of this Act" and inserting in lieu thereof "the field of aging".

(B) Section 404(a)(1) is amended by striking out "purposes of this Act" and inserting in lieu thereof "field of aging".

(C) Section 404(a) is further amended by redesignating clauses (1), (2), (3), (4), (5), and (6) of such subsection as clauses (2), (3), (4), (5), (6), and (7), respectively, and by inserting after the dash the following new clause:

"(1) to coordinate the training efforts of all programs serving the elderly at the Federal, State, and local levels recognizing the continual growth of the elderly population,".

(b)(1)(A) Section 411 is amended by inserting "(a)" after the section designation.

(B) Section 411(a), as so redesignated in subparagraph (A), is amended by striking out "The" and inserting in lieu thereof "To support research efforts related to the implementation of this Act together with areas of concern relating to the living conditions of the elderly, the".

(2) Section 411 is further amended by adding at the end thereof the following new subsection:

"(b) In accordance with the purposes of this part, the Commissioner may make grants to any public agency or nonprofit private organization or institution and contracts with any agency, organization, or institution or with an individual for the purpose of—

"(1) conducting a study related to the problems experienced by State and area agencies on aging and other service providers in operating transportation services with particular emphasis on the difficulties of continually rising insurance costs and restrictions being placed upon the operations of such services by insurance underwriters;

"(2) conducting a study related to the impact of this Act and other service and benefit programs in meeting the long-range needs of the growing elderly population; and

"(3) conducting a study related to the differences in unit costs, service delivery and access between rural areas and urban areas for services assisted under this Act and the special needs of the elderly residing in rural areas.

"(c) Upon completition of the studies described in subsection (b), but not later than 2 years after the date of the enactment of the Comprehensive Older Americans Act Amendments of 1978, the Commissioner shall submit to the Congress and make available through the National Information and Resource Clearing House for the Aging the results thereof together with such recommendations as he deems necessary.".

(c)(1) Title IV is amended—

(A) by redesignating part C and part D as part D and part E, respectively;

(B) by redesignating sections 421, 431, and 432 as sections 431, 441, and 442, respectively; and

(C) by adding after part B the following new part:

"PART C—DISCRETIONARY PROJECTS AND PROGRAMS

"DEMONSTRATION PROJECTS

"SEC. 421. (a) The Commissioner may, after consultation with the State agency, make grants to any public agency or nonprofit private organization or enter into contracts with any agency or organization within such State for paying part or all of the cost of developing or operating nationwide, statewide, regional, metropolitan area, county, city, or community model projects which will demonstrate methods to improve or expand social services and promote the well-being of older persons.

"(b) In making grants and contracts under this section, the Commissioner shall give special consideration to projects designed to—

"(1) assist in meeting the special housing needs of older persons by (A) providing financial assistance to such persons, who own their own homes, necessary to enable them to make the repairs or renovations to their homes, which are necessary for them to meet minimum standards; (B) studying and demonstrating methods of adapting existing housing, or construction of new housing, to meet the needs of older persons suffering from physical disabilities; and (C) demonstrating alternative methods of relieving older persons of the burden of real property taxes on their homes;

"(2) provide continuing education to older persons designed to enable them to lead more productive lives by broadening the educational, cultural, or social awareness of such older persons, emphasizing, where possible, free tuition arrangements with colleges and universities;

"(3) provide preretirement education information, and relevant services (including the training of personnel to carry out such programs and the conducting of research with respect to the development and operation of such programs) to persons planning retirement;

"(4) provide services to assist in meeting the particular needs of the physically and mentally impaired older persons, including special transportation and escort services, homemaker, home health and shopping services, reader services, letter writing services, and other services designed to assist such individuals in leading a more independent life;

"(5) meet the special needs of, and improve the delivery of services to, older persons who are not receiving adequate services under other provisions of this Act, with emphasis on the needs of low-income, minority, Indian, and limited English-speaking individuals and the rural elderly;

"(6) assist older persons to remain within their communities and out of institutions and to maintain their independent living, in their own residences or in a family living arrangement, by (A) providing financial assistance for the establishment and operation of senior ambulatory care day centers (providing a planned schedule of health, therapeutic, education, nutrition, recreational, rehabilitation, and social services at least 24 hours per week, transportation arrangements at low or no cost for participants to and from the center, a mid-day meal, outreach and public information programs, and opportunities for maximum participation of senior participants and senior volunteers in the planning and operation of such center); and (B) maintaining or initiating arrangements (or providing reasonable assurances that such arrangements will be maintained or initiated) with the agency or agencies of the State concerned which administer or supervise the administration of a State plan approved under titles XIX and XX of the Social Security Act, and with other appropriate social services agencies receiving, or reimbursed through, Federal financial assistance, for the payment of all or a part of such center's costs in providing services to eligible persons;

"(7) establish comprehensive service systems, in at least two States, for older persons residing in rural areas which are designed to utilize approaches, methods, and techniques specially suited to rural areas; or

"(8) develop or improve methods of coordinating all available home social services for the homebound elderly, blind, and disabled by establishing demonstration projects in 10 States, in accordance with subsection (c).

"(c)(1) The Commissioner shall consult with the Commissioner of the Rehabilitation Services Administration, the Commissioner of the Social Security Administration, and representatives of the Public Health Service, to develop procedures for—

"(A) identifying the elderly, blind, and disabled individuals who need social services;

"(B) compiling a list in each community of all services available to the elderly, blind, and disabled; and

"(C) establishing an information and referral service within the appropriate community agency to—

"(i) inform those in need of the availability of such services; and

"(ii) coordinate the delivery of such services to the elderly, blind, and disabled.

The Commissioner shall establish procedures for administering demonstration projects under subsection (b)(8) no later than six months after the effective date of this subsection. The Commissioner shall report to the Congress with respect to the results and findings of the demonstration projects at the end of fiscal year 1979. In such report, the Commissioner shall make such recommendation, based upon the findings, as may be appropriate to improve the delivery of social services to such elderly, blind and disabled persons.

"(2)(A) For the purpose of carrying out this subsection there are authorized to be appropriated such sums as may be necessary for the fiscal years ending September 30, 1979, 1980, and 1981.

"(B) There are authorized to be appropriated for fiscal year 1979 such funds as are necessary for the purpose of implementing the demonstration projects under subsection (b)(8).

"SPECIAL PROJECTS IN COMPREHENSIVE LONG-TERM CARE

"SEC. 422. (a)(1) The Commissioner is authorized to make grants to select State agencies designated under section 305(a)(1), selected area agencies on aging designated under section 305(a)(2)(A), and other public agenices and private nonprofit organizations, associations, and groups to support the development of comprehensive, coordinated systems of community long-term care for older persons.

"(2) A grant under this section may be made to pay part or all of the estimated cost of a program (including start-up cost) for a period of not more than three years, except that no funds may be used to pay for direct services which are eligible for reimbursement under title XVIII, title XIX, or title XX of the Social Security Act.

"(3) A grant made under this section shall be used for the development of programs which provide a full continuum of services designed to support alternatives to institutional living. Such services may include but are not limited to—

"(A) adult day health;

"(B) individual assessment of need, service plan development, monitoring, and evaluation of service effectiveness;

"(C) supported living in public and private, nonprofit housing;

"(D) family respite services;

"(E) preventative health services;

"(F) home health, homemaker, and other rehabilitative and maintenance in-home services;

"(G) geriatric health maintenance organizations; and

"(H) other services which the Commissioner determines are appropriate.

"(4) A grant under this section may be used to encourage the development of manpower training programs designed to further the purposes described in paragraph (3).

"(b)(1) In making grants under this section preference shall be given to applicants which demonstrate that (A) adequate State standards have been developed to insure the quality of services provided: (B) the State has made a commitment to carry out the program assisted under this section with the State agency responsible for the administration of title XIX of the Social Security Act, or title XX of the Social Security Act, or both such agencies; and (C) the State will develop plans to finance the comprehensive program assisted under this section.

"(2) State agencies assisted under this section shall establish procedures for evaluating the program assisted under this section, with respect to the benefits accruing to persons receiving assistance, the feasibility of the administrative model used for comprehensive coordination of services including coordination with other local programs, and the comparative costs of services provided.

"(c) The Secretary shall involve appropriate Federal departments and agencies in carrying out the provisions of this section in order to assure coordination at the Federal level and to avoid duplication and shall report to Congress annually on the impact of grants made, on the experiences of grantees in meeting the requirements of this section, and on the comparative benefits and costs of projects assisted under this section.

"ADDITIONAL PROJECTS

"SEC. 423. (a)(1) The Commissioner is authorized to make grants to States to pay no more than 90 per centum of the cost of projects designed to establish community long-term care projects which assess the needs of chronically ill or disabled older persons for services and to assist in the efficient operation of a comprehensive and coordinated system for the delivery of services to such older persons.

"(2)(A) Demonstration projects established under paragraph (1) shall be designed to insure that any State agency which desires to receive a grant under this section may submit an application to the Commissioner, in such form and according to such procedures as the Commissioner may reasonably require, in accordance with the provisions of this subsection.

"(B) Any such application shall only be made after consultation with agencies of the State which are responsible for the direct delivery of services to older persons. In addition, such application shall—

"(i) assess the need and the capacity for the establishment and operation of a community long-term care program in the State or other area involved, and insure that followup and evaluation procedures are established to insure that services continue to be responsive to the needs of individual older persons;

"(ii) provide such assurances as the Commissioner may require that programs established will be operated in a manner which is designed to facilitate access by older persons to services available in the area to be served and which shall be carried out throughout such State or in designated planning and service areas in such State (or similar geo-

graphical areas, if the State agency demonstrates, subject to the approval of the Commissioner, that such geographical areas are more appropriate than planning and service areas); and

"(iii) provide assurances that advisory councils established under section 306(a)(4)(F) will be given an opportunity to furnish advice with respect to the operation of programs within the jurisdiction of such councils.

"(3) The Commissioner may permit any agency of a State to submit an application under paragraph (2), in lieu of the State agency designated under section 305(a)(1), if—

"(A) the State involved demonstrates to the Commissioner that the agency involved would be a more appropriate recipient of a grant under this section; and

"(B) the State agency designated under section 305(a)(1) approves the selection of such other agency.

"(4) Each such grant shall be for a period of three years, except that the Commissioner, in his discretion, may renew grants for two-year periods. In any case in which the Commissioner grants such a renewal, the Commissioner may, in his discretion, permit the administering agency to modify or expand any program operated under such grant.

"(b) Any grant awarded to an administering agency under this section may be used by such agency to make grants to, or enter into contracts with, public or private nonprofit agencies to carry out a program in accordance with the provisions of this section.

"(c) The Commissioner is authorized to award grants under this section to public and private nonprofit organizations for purposes of carrying out the provisions of this section. Any such grant may be awarded upon application therefor under subsection (a)(2). The Commissioner may approve such application if he finds that such application meets the requirements of this section, and that such approval is not inconsistent with any other grant awarded by the Commissioner to the State involved under this section. Any organization which receives a grant under this subsection shall be considered to be the administering agency with respect to the operation of programs under such grant.".

(2) The heading of title IV is amended to read as follows:

"TITLE IV—TRAINING, RESEARCH, AND DISCRETIONARY PROJECTS AND PROGRAMS".

(d)(1) The first sentence of section 431, as so redesignated in subsection (c)(1), is amended by inserting before the period a comma and the following: "and gerontology centers of special emphasis (including health, income maintenance, housing, service delivery and utilization, preretirement and retirement, and long-term care and alternatives)".

(2) Section 431(1)(A), as so redesignated in subsection (c)(1), is amended by inserting before the comma the following: "in accordance with the national manpower policy as described in section 401".

(3) Section 431, as so redesignated in subsection (c)(1), is amended by striking out "and" at the end of clause (2), by striking out the period at the end of clause (3) and inserting in lieu thereof a semicolon and "and", and by adding at the end thereof the following new clause:

"(4) provides for making biannual reports to the Commissioner summarizing the training, research, and special demonstration efforts of the centers which shall then be made available through the National Information and Resource Clearing House for the Aging, where appropriate.".

(e)(1) Section 441, as so redesignated in subsection (c)(1)(B), is amended to read as follows:

"AUTHORIZATION

"SEC. 441. (a) Except as provided in subsection (b) and section 421(c), there are authorized to be appropriated to carry out the provisions of this title such sums as may be necessary for each fiscal year ending prior to October 1, 1981.

"(b) There are authorized to be appropriated to carry out section 422 and section 423 such sums as may be necessary for fiscal year 1979 and each of the two succeeding fiscal years.

"(c) No funds appropriated under this section—

"(1) may be transferred to any office or other authority of the Department of Health, Education, and Welfare which is not directly responsible to the Commissioner; or

"(2) may be used for any research program or activity which is not specifically authorized by this title.".

(2) Section 442, as so redesignated in subsection (c)(1), is amended by redesignating subsection (c) as subsection (d) and inserting after subsection (b) the following new subsection:

"(c) The Commissioner may make multicategorical grants or contracts under any or all sections of this title by making grants or contracts for the purpose of supporting extensive research and demonstration of particular areas of need.".

COMMUNITY SERVICE EMPLOYMENT

SEC. 105. (a) The Act is amended by redesignating title IX as title V, and by redesignating section 901 through section 908 as section 501 through section 508, respectively.

(b) Section 503(a), as so redesignated in subsection (a), is amended by striking out "304" each place it appears therein and inserting in lieu thereof "305".

(c) Section 506(a)(1), as so redesignated in subsection (a), is amended by striking out "June 30, 1975" and inserting in lieu thereof "September 30, 1978".

(d) Section 506(a)(2), as so redesignated in subsection (a), is amended by striking out "908" and inserting in lieu thereof "508".

(e) Section 507(2), as so designated in subsection (a), is amended by inserting "including any such individual whose income is not more than 125 per centum of the poverty guidelines established by the Bureau of Labor Statistics)" after "low income".

(f) Section 508, as so redesignated in subsection (a), is amended by striking out "and" the second place it appears therein, and by inserting before the period at the end thereof the following: ", $400,000,000 for the fiscal year ending September 30, 1979, $450,000,000 for the fiscal year ending September 30, 1980, and $500,000,000 for the fiscal year ending September 30, 1981".

(g) Section 503, as so redesignated in subsection (a), is amended by adding at the end thereof the following new subsection:

"(f) In carrying out the provisions of this title, the Secretary is authorized to fund and expand projects concerning environmental improvement and energy conservation from sums appropriated under section 508 for such fiscal year.".

(h) Section 505, as so redesignated in subsection (a), is amended by adding at the end thereof the following new subsection:

"(c) In administering projects under this title concerning environmental improvement and energy conservation, the Secretary shall consult with the Administrator of the Environmental Protection Agency and the Secretary of Energy and shall enter into an agreement with such Administrator and such Secretary to coordinate programs conducted by such Administrator and such Secretary with such projects."

REPEALERS; EXISTING PROJECTS

SEC. 106. (a) Effective September 30, 1978, title V and title VII are repealed. The Commissioner on Aging may complete any project which was undertaken under either such title, or under title V, as so redesignated in section 105(a), before such date, and which is unfinished on such date, with funds obligated but unexpended on such date.

(b) The Commissioner on Aging shall require that any project which is receiving funds under title VII on the date of the enactment of this Act shall continue to receive funds under title III, as amended by this Act, if such project meets the requirements and criteria established in title III as amended by this Act.

AMENDMENTS TO OTHER LAWS

SEC. 107. (a) Section 201 of the Domestic Volunteer Service Act of 1973 is amended—

(1) in subsection (c), by striking out "sixty" and inserting in lieu thereof "forty-five"; and

(2) by inserting at the end thereof the following new subsection:

"(d) Notwithstanding any other provision of law, volunteer service under this part shall not be deemed employment for any purpose which the Director finds is not fully consistent with provisions and in furtherance of the purpose of this part.".

(b) Section 211 of the Domestic Volunteer Service Act of 1973 is amended by adding at the end thereof the following new subsections:

"(e) The Director, in accordance with regulations he shall prescribe, may provide to persons serving as volunteers under this part, such allowances, stipends, and other support as he determines are necessary to carry out the purposes of this part. Any stipend or allowances provided under this subsection shall not be less than $2 per hour during the period ending January 31, 1979, and shall be adjusted annually to reflect any change in the Consumer Price Index for all Urban Consumers (published monthly by the Bureau of Labor Statistics of the Department of Labor).

"(f) For the purposes of this part, the terms 'low-income person' and 'persons of low income' include any person whose income is not more than 125 per centum of the poverty guidelines established by the Bureau of Labor Statistics and any person considered a poor or low-income person under section 421(4) of this Act.".

(c) Section 212(a) of the Domestic Volunteer Service Act of 1973 is amended by striking out paragraphs (2) and (3) and inserting in lieu thereof the following new paragraph:

"(2)(A) The Director shall award a grant or contract under this part for a project to be carried out over an area in a State more comprehensive than one community, to the State agency established or designated pursuant to section 304(a)(1) of the Older Americans Act of 1965, as amended (42 U.S.C. 3024(a)(1)), unless (i) the State has not established or designated such an agency, or (ii) such agency has been afforded at least 45 days to (I) review the project application made by a prospective grantee or contractor other than such agency for a project to be carried out in such State, and (II) make recommendations thereon. In the event that such an established or designated State agency is not awarded the grant or contract, any application approved for a project in such State must contain or be supported by satisfactory assurances that the project has been developed, and will, to the extent feasible, be conducted, in consultation with, or with the participation of, such agency.

"(B) The Director shall award a grant or contract under this part for a project to be carried out entirely in a community served by a community action agency, to such agency unless such agency and the State agency established or designated pursuant to

section 304(a)(1) of the Older Americans Act of 1965, as amended (42 U.S.C. 3024(a)(1)) have been afforded at least 45 days to (i) review the project application made by a prospective grantee or contractor other than either such agency for a project to be carried out in such community, and (ii) make recommendations thereon. In the event that such a community action agency or such an established or designated State agency is not awarded the grant or contract, any application approved for a project to be carried out entirely in such community must contain or be supported by satisfactory assurances that the project has been developed, and will, to the extent feasible, be conducted, in consultation with, or with the participation of, such community action agency.".

(d) Section 502 of the Domestic Volunteer Service Act of 1973 is amended—

(1) in subsection (a), by striking out "and" after "September 30, 1976", and by inserting "$25,000,000 for the fiscal year ending September 30, 1979" after "September 30, 1978,"; and

(2) in subsection (b)(2), by adding at the end thereof the following new sentence: "There are further authorized to be appropriated $55,000,000 for the fiscal year ending September 30, 1979, for the purpose of carrying out programs under part B of such title.".

CONFORMING AND TECHNICAL AMENDMENTS

SEC. 108. (a)(1)(A) Section 102(1) is amended by inserting ", other than for purposes of title V" before the period at the end thereof.

(B) Section 102 is amended by redesignating paragraph (4), the second place it appears therein, as paragraph (5), and by redesignating paragraphs (5) and (6) as paragraphs (6) and (7), respectively.

(2) Section 201(a) is amended by striking out "VI and as otherwise specifically provided by the Older Americans Comprehensive Services Amendments of 1973" and inserting in lieu thereof "V".

(3) Section 205(d)(3) is amended by striking out "and" at the end thereof.

(4)(A) Section 404(a)(6), as so redesignated in section 104(a)(5)(C), is amended by striking out "curricula" the second place it appears therein and inserting in lieu thereof "curriculum".

(B) Section 404(b) is amended by striking out "federally supported" and inserting in lieu thereof "federally-supported".

(5) Title IV is amended by striking out section 412.

(6) Section 504(b), as so redesignated in section 105(a), is amended by striking out the comma after "contract" the second place it appears therein.

(b)(1) Section 201(a) of the Domestic Volunteer Service Act of 1973 is amended by striking out "section 304(a)(1)" and inserting in lieu thereof "section 305(a)(1)".

(2) Section 201(c) of such Act is amended by striking out "section 304(a)(1)" and inserting in lieu thereof "section 305(a)(1)".

TITLE II—WHITE HOUSE CONFERENCE ON AGING

SHORT TITLE

SEC. 201. This title may be cited as the "1981 White House Conference on Aging Act".

FINDINGS AND POLICY

SEC. 202. (a) The Congress finds that—

(1) the number of individuals 55 years of age or older was approximately 43,000,000 in 1976, and will, by the end of this century, be over 57,000,000.

(2) nearly 5,200,000 individuals 55 years of age or older had incomes below the poverty level in 1976, as determined by the Federal Government;

(3) there is a great need to improve the economic well-being of older persons;

(4) there is a great need to make comprehensive and quality health care more readily available to older persons;

(5) there is a great need for expanding the availability of suitable and reasonably priced housing for older persons, together with services needed for independent or semi-independent living;

(6) there is a great need for a more comprehensive and effective social service delivery system for older persons;

(7) there is a great need for a more comprehensive long-term care policy responsive to the needs of older patients and their families;

(8) there is a great need to promote greater employment opportunities for middle-aged and older persons who want or need to work;

(9) there is a great need to develop a national retirement policy that contributes to the fulfillment, dignity, and satisfaction of retirement years for older persons; and

(10) false stereotypes about aging and the process of aging are prevalent throughout the country and policies should be developed to overcome such stereotypes.

(b)(1) It is the policy of the Congress that the Federal Government should work jointly with the States and their citizens to develop recommendations and plans for action to meet the challenges and needs of older persons, consistent with the objectives of this title.

(2) In developing programs for the aging pursuant to this title emphasis should be placed upon the right and obligation of older persons to free choice and self-help in planning their own futures.

AUTHORITY OF THE PRESIDENT, SECRETARY, AND THE FEDERAL COUNCIL ON THE AGING; FINAL REPORT

SEC. 203. (a) The President is authorized to call a White House Conference on Aging in 1981 in order to develop recommendations for further research and action in the field of aging which will further the policies set forth in section 202 of this title. The Conference shall be planned and conducted under the direction of the Secretary in cooperation with the Commissioner on Aging, the Federal Council on Aging, and such other Federal departments and agencies as are appropriate. Such assistance may include the assignment of personnel.

(b) For the purpose of arriving at facts and recommendations concerning the utilization of skills, experience, and energies and the improvement of the conditions of older people, the Conference shall bring together representatives of Federal, State, and local governments, professional and lay people who are working in the field of aging, and representatives of the general public, including older persons.

(c) A final report of the White House Conference on Aging, which shall include a statement of a comprehensive coherent national policy on aging together with recommendations for the implementation of that policy, shall be submitted to the President not later than 180 days following the date on which the Conference is adjourned. The findings and recommendations included in any report required by this subsection shall be immediately available to the public. The Secretary shall, within 90 days after submission of such report, transmit to the President and to the Congress his recommendations for administrative action and the legislation necessary to implement the recommendations contained in the report.

ADMINISTRATION

SEC. 204. (a) In administering this title the Secretary shall—

(1) request the cooperation and assistance of such other Federal departments and agencies as may be appropriate in carrying out the provisions of this title;

(2) render all reasonable assistance, including financial assistance, to State agencies on the aging and to area agencies on aging, and to other appropriate organizations to enable them to organize and conduct conferences on aging prior to the White House Conference on Aging;

(3) prepare and make available background materials for the use of delegates to the White House Conference on Aging as he may deem necessary and shall prepare and distribute any such report of the Conference as may be necessary and appropriate; and

(4) engage such additional personnel as may be necessary to carry out the provisions of this title without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to chapter 51 and subchapter III of chapter 53 of such title relating to classification and general schedule pay rates.

(b) In carrying out his functions under clause (2) of subsection (a) the Secretary shall assure that conferences will be so conducted as to assure broad participation of older persons.

(c) In carrying out his responsibilities under this title the Secretary shall assure that current and adequate statistical data and other information on the well-being of older persons in the United States is readily available, in advance of the White House Conference on Aging, to participants in the White House Conference on Aging, together with such information as may be necessary to evaluate Federal programs and policies relating to aging. In carrying out the requirement of this subsection the Secretary is authorized to make grants to, and to enter into contracts with, public agencies and nonprofit private organizations.

ADVISORY COMMITTEES

SEC. 205. (a) The Secretary is authorized and directed to establish an advisory committee to the White House Conference on Aging which shall include representation from the Federal Council on Aging and other public agencies and private nonprofit organizations as appropriate. The Secretary is authorized and directed to establish such other committees, including technical committees, as may be necessary to assist in planning, conducting, and reviewing the Conference. Each such committee shall be composed of professional and public members and shall include persons from low-income families and from minority groups. A majority of the public members of each such committee shall be 55 years of age or older.

(b) Appointed members of any such committee, while attending conferences or meetings of the committee or otherwise serving at the request of the Secretary, shall be entitled to receive compensation at a rate to be fixed by the Secretary but not to exceed the daily rate prescribed for GS–18 under section 5332 of title 5, United States Code (including traveltime); and, while away from their homes or regular places of business, they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized under section 5703 of such title for persons in Government service employed intermittently.

DEFINITIONS

SEC. 206. For the purpose of this title—

(1) The term "area agency on aging" means the agency designated under section 305(a)(2)(A) of the Older Americans Act of 1965.

(2) The term "State agency on aging" means the agency designated under section 305(a)(1) of the Older Americans Act of 1965.

(3) The term "Secretary" means the Secretary of Health, Education, and Welfare.

(4) The term "Commissioner on Aging"

means the Commissioner of the Administration on Aging.

(5) The term "State" includes the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, the Trust Territory of the Pacific Islands, and the Northern Mariana Islands.

AUTHORIZATION OF APPROPRIATIONS

SEC. 207. There are authorized to be appropriated such sums as may be necessary for fiscal years 1979, 1980, and 1981, to carry out the provisions of this title.

TITLE III—STUDY OF RACIAL AND ETHNIC DISCRIMINATION IN PROGRAMS FOR OLDER AMERICANS

STUDY AUTHORIZED

SEC. 301. (a) The Commission on Civil Rights shall (1) undertake a comprehensive study of discrimination based on race or tehnic background in any federally assisted programs and activities which affect older persons; and (2) identify with particularity any such federally assisted program or activity in which evidence is found of persons or organizations who are otherwise qualified being, on the basis of race or ethnic background excluded from participation in, denied the benefits of, refused employment or contracts with, or subject to discrimination under, such program or activity.

(b) As part of the study required by this section, the Commission shall conduct public hearings to elicit the views of interested parties, including Federal departments and agencies, on issues relating to racial or ethnic discrimination in programs and activities affecting older persons receiving Federal financial assistance, and particularly with respect to discrimination among potential participants in, or beneficiaries of, specific federally assisted programs.

ADMINISTRATIVE PROVISIONS

SEC. 302. (a) The Commission is authorized to obtain, through grant or contract, analyses, research, and studies by independent experts of issues relating to racial and ethnic discrimination in aging programs and activities and to publish the results thereof. For purposes of the study required by this section, the Commission may accept and utilize the services of voluntary or uncompensated personnel, without regard to the provisions of section 105(b) of the Civil Rights Act of 1957 (42 U.S.C. 1975(b)).

(b) The head of each Federal department or agency shall cooperate in all respects with the Commission with respect to the study required by section 301, and shall provide to the Commission such data, reports, and documents in connection with the subject matter of such study as the Commission may request.

REPORTS

SEC. 303. (a) Not later than 18 months after the date of the enactment of this Act, the Commission shall transmit a report of its findings and its recommendations for statutory changes (if any) and administrative action, including suggested general regulations, to the Congress and to the President. The Commission shall provide a copy of its report to the head of each Federal department and agency with respect to which the Commission makes findings or recommendations.

(b) Not later than 45 working days after receiving a copy of the report required by subsection (a), each Federal department or agency with respect to which the Commission makes it recommendations or findings shall submit its comments and recommendations regarding such report to the President and to the Committee on Human Resources of the Senate and the Committee on Education and Labor of the House of Representatives.

APPROPRIATIONS AUTHORIZED

SEC. 304. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this title.

TITLE IV—AMENDMENTS TO THE AGE DISCRIMINATION ACT OF 1975; MISCELLANEOUS PROVISIONS

CLARIFICATION OF PURPOSE

SEC. 401. Section 302 of the Age Discrimination Act of 1975 is amended by striking out "unreasonable".

PRIVATE RIGHT OF ACTIONS TO ENFORCE ACT

SEC. 402. Section 305(a) of the Age Discrimination Act of 1975 is amended to read as follows:

"(e) Any interested person may bring an action in any United States district court for the district in which the defendant is found or transacts business to enjoin a violation of this Act by any program or activity receiving Federal financial assistance. Not less than 30 days prior to the commencement of that action, such interested person shall give notice by registered mail to the Secretary of Health, Education, and Welfare, to the Attorney General of the United States, and to the person against whom the action is directed. The notice shall state the nature of the alleged violation, the relief to be requested, and the court in which the action will be brought. No separate suit shall be brought under this subsection if at the time the suit is brought the same alleged violation is the subject of a pending action in any court of the United States. In any action under this subsection, such interested person may elect, by a demand for such relief in his complaint, to recover reasonable attorney's fees, in which case the court shall award the costs of suit, including a reasonable attorney's fee, to the prevailing party.".

REGULATIONS

SEC. 403. (a) The last sentence of section 304(a)(4) of the Age Discrimination Act of 1975 is amended to read as follows: "Such regulations shall be consistent with the final general regulations issued by the Secretary, and shall not become effective until approved by the Secretary.".

(b) Section 304(b) of the Age Discrimination Act of 1975 is amended to read as follows:

"(b)(1) It shall not be a violation of this title, or of any regulation issued under this title, for any person to take any action otherwise prohibited by section 303 if, in the program or activity involved, such action is taken to remove barriers to participation in such program or activity by persons of a particular age.

"(2) It shall not be a violation of this title, or of any regulation issued under this title, for any person to take any action otherwise prohibited by the provisions of section 303 if, and to the extent that, such action is specifically directed or provided by the terms of a Federal statute, relating to the program or activity involved, which (A) provides any benefits or assistance to persons based on the age of such persons; or (B) establishes criteria for participation in age-related terms or describes intended beneficiaries or target groups in such terms.".

ENFORCEMENT

SEC. 404. Section 305(b) of the Age Discrimination Act of 1975 is amended by adding at the thereof the following new sentence: "Whenever the head of any Federal department or agency who prescribe regulations under section 304 withholds funds pursuant to subsection (a), he may in accordance with regulations he shall prescribe, disburse the funds so withheld directly to any public or nonprofit private organization or agency, or State or political subdivision thereof, which demonstrates the ability to achieve the goals of the Federal statute authorizing the program or activity while complying with the regulations issued under section 304.".

REPORTS

SEC. 405. The Age Discrimination Act of 1975 is amended by redesignating section 308 as section 309, and by inserting after section 307 the following new section:

"REPORTS

"SEC. 308. (a) Not later than December 31 of each year (beginning in 1979), the head of each Federal department or agency shall submit to the Secretary of Health, Education, and Welfare a report (1) describing in detail the steps taken during the preceding fiscal year by such department or agency to carry out the provisions of section 303; and (2) containing specific data about program participants or beneficiaries, by age, sufficient to permit analysis of how well the agency is carrying out the provisions of section 303.

"(b) Not later than March 31 of each year (beginning in 1980), the Secretary of Health, Education, and Welfare shall compile the reports made pursuant to subsection (a) and shall submit them to the Congress, together with an evaluation of the performance of each department or agency with respect to carrying out the provisions of section 303.".

LIMITATIONS ON PAYMENTS

SEC. 406. No authorization of appropriations in this Act shall be effective for any fiscal year beginning before October 1, 1978. Notwithstanding any other provision of this Act, no payment under this Act, or authorization to make payments or to enter into contracts under this Act, shall be effective except to such extent, or in such amounts, as are provided in advance in appropriations Acts.

EFFECTIVE DATE

SEC. 407. This Act shall take effect October 1, 1978.

The SPEAKER pro tempore. Is a second demanded?

Mr. BAUMAN. Mr. Speaker, I demand a second, but if we are going to continue with legislation, we ought to get the committees that handle the bills on the floor. Maybe a call of the House is in order.

The SPEAKER pro tempore. Does the gentleman from Maryland demand a second?

Mr. BAUMAN. Mr. Speaker, I demand a second, but I think we ought to produce some Members here.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Indiana (Mr. BRADEMAS) will be recognized for 20 minutes, and the gentleman from Maryland (Mr. BAUMAN) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Indiana (Mr. BRADEMAS).

Mr. BRADEMAS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the bill, H.R. 12255, as amended, would, among other purposes, extend the Older Americans Act of 1965 for 3 additional years and title II of the Domestic Volunteer Service Act of 1973, entitled National Older American Volunteer Programs, for an additional year.

Total authorizations for all the programs extended by H.R. 12255 would be $1.269 billion for fiscal year 1979, $1.361 billion for fiscal year 1980, and $1.583 billion for fiscal year 1981, plus such sums as are necessary for each succeeding year.

First, Mr. Speaker, I would like to thank the members of the Committee on Education and Labor for their support of this bill. In particular, I would like warmly to commend the gentleman from California, Mr. George Miller, a member of the Subcommittee on Select Education, for his fine work on the home-delivered nutrition component of the bill. I would like to thank too, the gentleman from Vermont, Mr. JEFFORDS, the ranking minority member of the subcommittee, as well as the other members of the subcommittee for their work on this bill.

Briefly, Mr. Speaker, let me address the major provisions of the Comprehensive Older Americans Act Amendments of 1978.

First, the status of the Administration on Aging would be elevated by making it directly responsible to the Secretary of the Department of Health, Education, and Welfare. Currently, the Commissioner of the Administration indirectly reports to the Secretary through the Assistant Secretary for Human Development Services.

Second, H.R. 12255 would strengthen the Federal Council on Aging in two ways. The bill would give the Council an independent staff appointed by its chairperson. It would also remove the Commissioner on Aging and the Secretary as ex-officio members of the Council. These proposals would allow thc Council to become a more independent advocate for the elderly.

Third, H.R. 12255 would consolidate the administration and planning of senior center and nutrition programs under a title III—State and Community Programs on Aging—of the act. The nutrition program, under title VII, and the multipurpose senior centers program under title V of the present act would be retained under the new title III. There would be separate authorizations of appropriations for both of these important programs. Additionally, existing projects would be continued so long as they continue to meet the provisions of this act.

Mr. Speaker, consolidation would help to streamline the act by allowing title III to have one overall administrative structure. The principal features of that structure would be one State plan, one allotment formula based on the population aged 60 and over in each State, one State administrative costs allocation, and one system of channeling all of the new title III authorizations through the State agency and area agency on aging network.

This proposal does not make "one program" out of the existing titles. Their separate identities are retained.

The consolidation is an effort to enhance the effectiveness and efficiency of the act and to eliminate much of the duplication and paperwork which have burdened these programs in the past.

Fourth, H.R. 12255 would add three new programs to the catalog of State and community programs on aging.

The new title III would authorize a legal services program, a nursing home ombudsman program, and a home-delivered meals program.

Model projects under this act have supported legal services and ombudsman programs in recent years. As demonstrations, these programs have been effective. The bill would secure their place in the act by including them as separate authorizations under the new title III. It would also authorize an allotment for each State to develop a legal services system for the elderly. In addition, funding would be authorized to develop a statewide nursing home ombudsman program. These programs can help significantly in protecting the rights of older citizens whether they live independently or in institutions.

Mr. Speaker, the bill would also authorize under title III direct funding for federally recognized Indian tribes and tribal organizations. Direct funding is now authorized but the Commissioner has never exercised the authority. The proposal would give the tribes the option to apply for discretionary grants for developing and continuing services for their elderly Indians or continue to receive funding through the State or area agencies on aging. This option will allow tribes to receive funds if the needs of elderly Indians are not being met by other agencies.

Indian tribes of this country have a unique relationship with the Federal Government. This relationship has been recognized in other Federal legislation—CETA, revenue sharing, Indian health services, and others. This bill would also recognize this relationship.

Fifth, the proposal would require the Administration on Aging to develop a national manpower policy on aging and assess gaps in manpower and ways of providing necessary manpower. These needs would be met through AoA grants to train personnel employed under the Older Americans Act as well as other service programs for the elderly.

Sixth, H.R. 12255 authorizes special research and demonstration projects on long-term care. The Commissioner would be authorized to make grants to public and private, nonprofit agencies to develop coordinated service programs. Such programs would provide a continuum of services designed to support alternatives to institutional living. The cost of services now provided under medicare, medicaid, or title XX would not be covered under this proposal. Instead, funds could be used for startup or expansion to support training, coordination, and capacity building activities.

Seventh, Mr. Speaker, H.R. 12255 would expand eligibility for the title IX Senior Community Service Employment program by allowing individuals 55 years and older with income up to 125 percent of the poverty level. Frequently such individuals are in greater need of employment than those at or below such levels because individuals may not receive the additional benefits which accompany some of our income maintenance programs for the poor. The emphasis, however, would continue to be on those low-income persons 55 years and older in need of employment.

Eighth, the bill authorizes a White House Conference on Aging for 1981.

In 1950, the first such conference sensitized our Nation to the problems of older Americans.

Since then, Congress has approved legislation for White House Conferences on Aging in 1961 and 1971. Both conferences laid the foundation for far-reaching legislative achievements including medicare, the Older Americans Act, the Age Discrimination in Employment Act and social security increases. A third conference is needed to maintain the momentum generated by the previous conferences. A conference in 1981 would also provide a forum for older Americans and others to develop a long-awaited national policy on aging.

Ninth, the bill extends for 1 more fiscal year the Retired Senior Volunteers program and the Foster Grandparent and Senior Companions programs currently administered by the ACTION agency. The intent of this 1-year reauthorization is to put the ACTION agency on notice to improve its administration of these important programs.

Mr. Speaker, there has been wide criticism, particularly by the elderly and the Congress, of some aspects of this administration. But the objectives of these programs remain sound.

Tenth, the bill authorizes the U.S. Commission on Civil Rights to investigate our elderly programs to determine if there has been discrimination against racial and ethnic minorities. Such discrimination has been alleged. The bill proposes to discover whether those allegations are valid. If so, the Commission's investigations will be most helpful.

Eleventh, and last, the bill would amend the Age Discrimination Act of 1975 in several important ways. H.R. 12255 would allow elderly persons who feel they have been th victims of discrimination to seek judicial redress. Currently, enforcement of the age discrimination law is entirely administrative and rests with the Office for Civil Rights in the Department of Health, Education, and Welfare.

Because there have been administrative delays in investigating and resolving complaints, giving elderly persons this private judicial right would help in enforcing this important law.

Mr. Speaker, I must add at this point that by ending discrimination against the elderly and by expanding their access to the benefits of our society, we promote not only a more just society but we also encourage more appropriate, and perhaps less costly, services to the elderly.

Mr. Speaker, a primary objective of the Older Americans Act is to insure that elderly persons are able to obtain services appropriate to their individual needs.

State and area agencies and other programs for the elderly authorized under this act have been meeting that objective. They have helped, in numerous

ways, to promote both a better response to the needs of our elderly citizens and a more effective and more appropriate use of our community resources. In these ways the aging service network supported by this act has helped in reducing duplicative, costly, and inappropriate services to older Americans.

The legislation, H.R. 12255, now before the House, would strengthen the State and community agencies on againg supported by the act by giving those agencies authority to plan, coordinate and provide a wider range of services to the Nation's 35 million citizens age 65 and over.

Mr. Speaker, today there are over 500 area agencies on aging serving communities in which 92 percent of the elderly live. These agencies promote social, health, continuing education, nutrition, transportation, and recreational activities and they speak out on behalf of elderly persons.

Important to note, Mr. Speaker, is that these agencies are not merely for senior citizens, they are often led by older citizens working together for the benefit of their peers and the whole community as well.

Programs supported by this act afford elderly persons the opportunity to serve their communities in a number of ways. Under the retired senior volunteer program, the foster grandparents program, the senior companions program and the Labor Department's community service employment program, elderly persons are actively involved in making our communities better places in which to live. Volunteers and participants in these programs work in day care centers, help disabled children and adults, and serve in museums, libraries and other cultural centers.

Mr. Speaker, I urge all Members of the House to join me and other members of the Committee on Education and Labor in supporting this bill.

Mr. CONTE. Mr. Speaker, will the gentleman yield?

Mr. BRADEMAS. I yield to the gentleman from Massachusetts.

Mr. CONTE. Mr. Speaker, I want to take this opportunity to compliment the gentleman from Indiana (Mr. BRADEMAS) and his committee for bringing this bill to us. This is one of the most important pieces of legislation that we will consider on the House floor this year.

Every year thousands of older Americans are institutionalized in nursing homes, mental hospitals, old age and retirement himes. For many, institutionalization is costly and needless. Many of these older Americans would prefer to remain in their homes in the community but in order to do so some help is needed. The wide range of supportive services offered through the programs of the Older Americans Act including home care, nutrition, transportation, and legal help allow these older citizens to remain independent and contributing members of the community.

As the gentleman from Indiana knows, I sit on the Subcommittee on Labor-HEW of the Committee on Appropriations. We were unable to consider funding for the aging programs in our markup the other day because we did not have an authorization bill. I hope that as a result of what is happening here today and of what will happen in the Senate, by the time we have a full committee meeting, the authorization bill will be passed and we will then be able to appropriate the money for the older American programs.

Again, Mr. Speaker, I want to compliment the gentleman from Indiana (Mr. BRADEMAS).

Mr. BRADEMAS. Mr. Speaker, I thank the gentleman from Massachusetts (Mr. CONTE), and I reserve the balance of my time.

Mr. BAUMAN. Mr. Speaker, I yield myself 2 minutes.

Mr. Speaker, I had not planned to take the second on this bill, but since the gentleman from Indiana (Mr. BRADEMAS) has given a lengthy account of the bill's content, I will speak briefly.

One of the reasons we have a weekly announced program around this House is supposedly so that the Members will know what is going on. The consideration of this pending bill was moved with little notice from Tuesday until this afternoon, and no Digest was available to the minority side. I understand that the Democratic Study Group did have a Digests available to its members.

The gentleman from Maryland has just discovered that the bill is nearly 100 pages long; the gentleman from Maryland only learned during the time the gentleman from Indiana was speaking that it contains roughly $1 billion worth of authorizations for each of 3 years. I listened closely to what the gentleman from Indiana said, and I understand the bill expands or changes a number of programs under the Older Americans Act, including a new legal services program apparently for the elderly, although we are not quite sure, how that duplicates existing legal services programs. It may very well be a good bill but we should have the information available to know that.

It just seems to me that the orderly process of the House would require a bill of this magnitude to be brought up under normal procedure, under a rule. To have it brought up this afternoon on such short notice, with no information available to the majority of the Members, with about 25 Members on the floor, and most Members not knowing what is in the bill before us, seems to be a travesty on the process. Be that as it may, that seems to be the way things are run by the majority.

Mr. FISH. Mr. Speaker, wil the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from New York.

Mr. FISH. I thank the gentleman for yielding.

Mr. Speaker, I would like to address a question to the gentleman from Indiana (Mr. BRADEMAS).

I think, when the gentleman was talking about title IX, the community service employment for older Americans, and talked about authorizing programs, part-time jobs for low-income, unemployed people over 55, he said 125 percent of the poverty level would be the cutoff for income for eligibility.

Mr. Speaker, could I ask the gentleman what the poverty level is, in dollars?

I ask this question because I know in my district the Office of the Aging is very interested in seeking these positions. But the eligibility income level used was so low that we could find very few people over 55 who qualify for these community service jobs. I was hoping in the committee's consideration of this legislation they would set that poverty level at a more realistic figure so that more older people could take advantage of these employment opportunities.

The SPEAKER pro tempore. The time of the gentleman from Maryland (Mr. BAUMAN) has expired.

Mr. BAUMAN. Mr. Speaker, I yield 2 minutes to the gentleman from New York (Mr. FISH).

Mr. BRADEMAS. Mr. Speaker, will the gentleman yield?

Mr. FISH. I yield to the gentleman from Indiana.

Mr. BRADEMAS. I thank the gentleman for yielding.

Mr. Speaker, if I understand the thrust of the gentleman's question, it was in order to broaden the opportunity to participate in title IX programs that we authorized the modification in the formula by providing that persons 55 years and older with an income of up to 125 percent be permitted to participate in those programs.

Mr. FISH. Mr. Speaker, heretofore I understand it has been 100 percent of the poverty level, and now it will be 125 percent. Is that correct?

Mr. BRADEMAS. That is correct.

Mr. FISH. I thank the gentleman.

Could the gentleman also go into a little more detail about the emphasis on home health care in these amendments? I understood there would be a broadened concept. It lessens dependence upon institutionalization, and there is more opportunity for older Americans to stay in their own homes unless they are seriously disabled.

Mr. BRADEMAS. Yes. And if the gentleman will yield further, what we propose to do here is really to expand the present project arrangement under the present statute, with a view toward making it less necessary for elderly persons who may not be well to be institutionalized, but, rather, to be assisted, in terms of their health care needs, in their own homes.

This arrangement we think has very important implications for the cost of health services for the elderly, as well as important implications for the lives of these persons themselves, who may not want to go to an institution.

So we are expanding the present project approach in existing law.

Mr. FISH. Mr. Speaker, I agree with everything the gentleman said, and I certainly commend the committee for taking these steps.

Mr. BRADEMAS. I thank the gentleman.

Mr. BRADEMAS. Mr. Speaker, I yield such time as he may consume to the gentleman from Kentucky (Mr. PERKINS), the distinguished chairman of the Committee on Education and Labor.

Mr. PERKINS. Mr. Speaker, I thank the gentleman for yielding.

I rise in support of H.R. 12255, the Comprehensive Older Americans Act Amendments of 1978. This legislation greatly improves and strengthens programs carried on under the Older Americans Act of 1965.

At the outset, Mr. Speaker, I wish to make special mention of the untiring work of the chairman of our Subcommittee on Select Education—JOHN BRADEMAS. His continuing interest in programs for older Americans and the extensive oversight hearings which have been undertaken under his leadership both in the past and the present are major factors in the development of this legislation.

I wish to compliment the members of the committee on both sides of the aisle for their contributions also. I would especially compliment our colleague, MARIO BIAGGI, for his great work in helping to to develop important components of this bill, and our colleague, GEORGE MILLER, for his dedicated efforts to improve the effectiveness of the nutrition programs.

At this time, I would also like to commend the minority members of the committee, particularly AL QUIE, the ranking minority member of the committee, and JIM JEFFORDS, the ranking minority member of the subcommittee, for their efforts at clarifying this legislation in ways which will further benefit our older citizens.

The Committee on Education and Labor has a long and active history of concern for older Americans, recognizing their special problems and their special contributions to this country. As early as 1962, the committee held hearings on the establishment of an agency such as the present Administration on Aging and on authorizing special programs for the aging to be administered by such an agency.

Further hearings were held in the 88th Congress and on March 9, 1965. the Committee on Education and Labor took the lead in reporting out a bill to establish the Administration on Aging, and research, demonstration and training programs to meet the special needs of the aged. That bill led to the Older Americans Act of 1965.

Our committee initiated and supported amendments in 1967 and 1969 to the Older Americans Act which strengthened State agencies on aging to provide more effective leadership and advocacy at the State level, authorized areawide model project programs, provided continued support for community service programs, and added foster grandparent and retired senior volunteer programs to the act.

A resolution to authorize the 1971 White House Conference on Aging was reported by the committee in 1968.

In 1971 the committee reported legislation to authorize a nutrition program for the elderly which became law in March 1972, and is now serving nutritious means to over 200,000 older persons daily.

In 1972 and 1973 the committee reported out bills providing comprehensive amendments to the Older Americans Act. These bills and the subsequent amendments significantly strengthened the role of the Administration on Aging as a focal point of Federal concern for older persons and upgraded its organizational status, created a Federal Council on Aging, established a State/community coordinated planning and service system for the elderly, provided authority to lease, renovate, and construct multipurpose senior centers, and expanded most of the existing programs under the act.

The Older Americans Comprehensive Services Amendments of 1973 also established the Older Americans Community Service Employment Program and amended several education and library acts to provide special programs for the elderly. In 1974, the committee reported out legislation to extend and improve nutrition programs for the elderly which also became law. In 1975, with enactment of Public Law 94–135, the committee amendment made significant improvements in the Older Americans Act, particularly in the title IX Employment Program. That act also contained provisions prohibiting discrimination in federally assisted programs on the basis of age.

The Education and Labor Committee is deeply concerned with the implementation of the act. A number of oversight hearings have been held recently on major issues resulting from the administration of the Older Americans Act programs and this excellent bill reflects the committee's extensive study and work.

As the record clearly shows, concern for older Americans has been a priority in our committee. I am proud to have been a part in this tradition over the years. In addition, the Committee on Education and Labor has had a long history of promoting programs to combat poverty. When the committeee began its work in this area, one-third of the elderly were living in poverty, and much of our older Americans legislation has reflected the concern that we have felt for the elderly who are poor.

Along these lines, I am particularly pleased today that an amendment I have offered to H.R. 12255 has been adopted. It is designed to assist our Older Americans in a time of particular stress which recently I witnessed firsthand in my own State of Kentucky—that of a nationally declared disaster. Anyone who has ever experienced a nationally declared disaster comes out of it far worse off, but the effects on the elderly are more harsh.

Even without a disaster striking, the elderly are dealing with significant problems—living on limited and fixed incomes, with substandard nutrition and housing, and often further hampered by health problems. For an older person who has been in a disaster all of these problems are increased, often to the point where it seems hopeless.

First of all, any housing they have, which is generally their biggest and only asset, is often destroyed by the effects of the disaster. Food supplies are disrupted and health conditions are made worse. The loss of such items as eyeglasses and hearing aids in the disaster compound the problem. In some instances the elderly that are homebound are unable to do anything to prevent some damages, even with advance warning of an impending disaster.

The difficulties experienced by victims of disasters are compounded for the elderly. Under present regulations, an application for a SBA loan must be made before any consideration can be given to a grant request. However, there is little likelihood of the elderly being able to afford the loan amount or the time of repayment. Elderly people on limited incomes are experiencing problems with daily living costs, and in most instances certainly are not able to afford a loan.

Secondly, some of the repairs needed after a disaster has struck can be taken care of by the residents if they are of good health. But I know of few senior citizens who are able to go through belongings lost in piles of mud and debris, or make even minor repairs to their housing.

In addition, there is the special shock felt by the older victims of disasters that is over and above that felt by other victims. In many instances, the home they have worked for all their lives is destroyed—and along with it countless mementos and memories. The psychological damage this causes is often permanent.

There are basic problems experienced by the elderly in obtaining what assistance is available. Poor health and transportation problems make it difficult to even get to assistance centers. Once there, the misunderstandings that are common to most victims are made worse for the elderly, who often are more shut in and thus less aware of the assistance problems that are available. The complex administrative procedures that are so much a part of the assistance programs are difficult to understand, and extra assistance to help the elderly through the difficult process is needed for them to obtain the benefits to which they are entitled.

Once some assistance has been received, the elderly are faced with the Catch 22 of having their social security or other income reduced due to the assistance they received for recovery from the disaster. In effect, they must not only continue to take care of their daily living needs on their low income, but they are also forced to recover as much as they can from the disaster damages on that amount. With all the problems younger and working people have in recovering from disasters, how can the elderly be expected to recover at all when it is nearly impossible to obtain loans or repay them and their income is then reduced for the assistance they receive.

My amendment is intended to address the special needs of elderly disaster victims by providing, for the first time, statutory authority in the Older Americans Act for assistance to elderly vic-

tims of disasters. Under the amendment, each State unit on aging is permitted to spend up to an amount equal to 5 percent of its allocation of area planning and social services funds for any given year, to aid elderly persons adversely affected by presidentially declared disasters. The State unit would then be eligible for reimbursement for these expenditures by the Commissioner out of funds reserved from model project allocations. If the full amount reserved for disaster relief reimbursement is not expended by the end of the third quarter of the fiscal year, any excess shall be utilized by the Commissioner for regular model project purposes.

H.R. 12255 also includes the following major provisions—

It extends the grant program to States for community services on aging through fiscal year 1981;

It provides separate authorizations for the nutrition program and the multipurpose senior center program for the elderly through fiscal year 1981;

It provides for more effective administration of programs through consolidation of the nutrition program and the multipurpose senior center program with title III, while at the same time guaranteeing the continued funding of proven existing nutrition programs and multipurpose senior centers;

It extends the authorization for the program of community service employment for older Americans through fiscal year 1981;

It creates a program of legal services for older persons and a program of ombudsman services for older persons who are residents of long-term care facilities;

It authorizes the convening of a White House Conference on Aging in 1981; and

H.R. 12255 also strengthens the position of the Commissioner of the Aging, and strengthens the capability of the Federal Council of Aging.

Mr. Speaker, this legislation provides important benefits and services for our elderly citizens. I urge my colleagues to vote for H.R. 12255.

Mr. BRADEMAS. Mr. Speaker, I have no further requests for time on this side, but I reserve the balance of my time.

Mr. BAUMAN. Mr. Speaker, I yield myself 1 additional minute.

Mr. Speaker, I just want to ask the gentleman from Indiana (Mr. BRADEMAS) this question since I have been handed a summary since I spoke before. The actual amount during the life of the bill for 3 full fiscal years and parts of 2 others is over $5 billion; is that correct?

Mr. BRADEMAS. If the gentleman will yield, Mr. Speaker, yes, that is correct.

Mr. BAUMAN. I thank the gentleman, Mr. Speaker.

Mr. Speaker, I yield 3 minutes to the gentleman from Vermont (Mr. JEFFORDS).

Mr. JEFFORDS. Mr. Speaker, I also want to speak on behalf of the minority by saying that this bill, in my judgment, is an excellent step forward in many areas in our efforts to help the elderly. It did come out of subcommittee and of committee unanimously.

I wish to commend the chairman of the subcommittee, Mr. BRADEMUS, for his outstanding leadership in this area. Also for similar reasons I wish to commend the gentleman from Minnesota (Mr. QUIE) for his intelligent, perceptive, and highly reasonable approach to the problems of the elderly. I also want to express to him my sincerest thanks for his guidance and help.

Thanks to the untiring efforts of these Members and many other people who worked with me on this issue, my office was able to make many constructive suggestions which have been incorporated into this legislation. My elderly advisory committee, a group of highly knowledgeable Vermonters, made extensive recommendations after a very thorough review of the Older Americans Act. While it is always difficult to single out the outstanding activities of individuals, I would be remiss if I did not mention today the outstanding efforts of Ken Raymond, chairman of my elderly advisory committee, and of Pearl Somaini-Dayer, director of the Vermon Office on the Aging.

Their insights and their tireless efforts have been significant in shaping this legislation, and I am proud to have been able to work with them on this important issue.

Largely a result of their efforts, I was able to propose a number of amendments which were adopted in committee. I would like to describe a few of them briefly for you.

One major amendment is a demonstration program which seeks community initiatives to assess the long-term care needs of chronically ill and disabled older persons and to see that the appropriate services are delivered.

In the past, the health and social needs of the more than 8.5 million elderly who have chronic impairments have not received adequate attention under the Older Americans Act.

Presently, proliferation and fragmentation in existing long-term care services frustrate the elderly in the quest for appropriate assistance. This amendment provides a demonstration program for the concept of having States and communities bring these services together in a coordinated package, and set up a "single entry" program for the range of medical and social services needed by the chronically ill and disabled elderly.

I should mention that this amendment, while reviewed and recommended by my advisers in Vermont, was largely the work of our distinguished colleagues, Mr. COHEN and Mr. PEPPER.

Other changes are in the area of transportation and delivery of services in rural areas. Not only do the rural elderly have less access to mass transportation than those in the cities, they also suffer a particular hardship in having services delivered. There is no consideration in the present law of the additional costs of transportation and delivery of services in rural areas, a factor which tends to dilute the direct services available to rural residents.

The bill takes major steps forward in improving accessibility and transportation for the rural elderly. It also requires that a study be conducted on the differences in unit costs, service delivery, and access between rural and urban areas, for programs funded under the Older Americans Act. The information from this review will make it possible to further modify the act to improve service opportunities in rural areas.

The bill also provides substantial increases in funds for congregate nutrition programs, and establishes a nationwide home-delivered meals program. An amendment I offered provides more flexibility in the programs by giving authority for State units on aging to transfer funds between allocations for these two programs. It is important to provide and encourage effective evaluation, planning, and coordination between the two parts of the nutrition program and allow the State and area agencies the flexibility to meet the varying needs of senior citizens in their communities.

In addition, I offered a package of amendments to strengthen the present nursing home ombudsman program. The program is expanded to include all long-term care facilities. It has been demonstrated that the work of the ombudsman should not be limited to nursing homes, and that it should include other similar adult care facilities. The programs under the new bill contain an adequate and permanent source of continuing funding and technical assistance to complete a program which will receive, monitor, investigate, and resolve complaints made by, or on behalf of, older persons who reside in long-term care facilities.

Mr. Speaker, again I wish to emphasize my strong support for this legislation. The older Americans Act is often thought of as the Magna Charta for the elderly. The present legislation offers many improvements which indicate a genuine commitment on the part of Congress to meet the many needs of America's senior citizens.

Mr. BRADEMAS. Mr. Speaker, I yield 1 minute to the gentleman from Iowa (Mr. BLOUIN), a member of the committee.

Mr. BLOUIN. Mr. Speaker, I just want to use this opportunity to commend the gentleman from Indiana (Mr. BRADEMAS) for his fine work in rewriting the Older Americans Act.

I know it is a great step forward, and one that is very, very, long overdue. It shows signs of real concern for the needs of the elderly of this country.

Mr. Speaker, I thank once again the chairman of the subcommittee as well as the gentleman from Vermont.

Mr. BRADEMAS. Mr. Speaker, I thank the gentleman from Iowa (Mr. BLOUIN) for his contribution.

Mr. Speaker, I yield such time as he may consume to the gentleman from Oklahoma (Mr. WATKINS).

Mr. WATKINS. Mr. Speaker, I appreciate the gentleman's yielding. I support the Older Americans Act.

Mr. PEPPER. Mr. Speaker, as chairman of the Select Committee on Aging, I am pleased to voice my support for H.R. 12255, the Comprehensive Older Americans Act Amendments of 1978.

Mr. Speaker, the Older Americans Act is the only Federal social services law aimed solely at meeting the needs of our Nation's 33 million citizens aged 60 and over. Since its enactment in 1965, it has become the focal point for Federal activity in behalf of the elderly.

H.R. 12255, which extends the Older Americans Act through 1981, represents a major step forward in improving the well-being of America's elderly. I am pleased to say that it incorporates the great bulk of comprehensive recommendations about the act adopted unanimously by the Select Committee on Aging.

Commendations are in order for the gentleman from Indiana (Mr. BRADEMAS), chairman of the Select Education Subcommittee, and the gentleman from Kentucky (Mr. PERKINS), chairman of the full Education and Labor Committee, for their leadership in bringing this vital bill to the floor.

The Aging Committee recommendations were forged from a series of 14 hearings, here in Washington and across the country, at which more than 200 witnesses testified. The Aging Committee held workshops on some aspects of the Older Americans Act, and completed perhaps the most comprehensive survey undertaken of all agencies on aging in America.

The unanimous recommendations of the Aging Committee were presented to the Select Education Subcommittee at hearings in March, at which 10 members of our committee appeared to add their personal words of endorsement, and several others submitted written testimony.

H.R. 12255 as introduced incorporated many of the suggestions of the Aging Committee. Other Aging Committee suggestions were later incorporated in the bill as it was marked up in subcommittee and then in full committee.

At this point, Mr. Speaker, I want to call special attention to the efforts in this process of the gentleman from New York (Mr. BIAGGI) who serves on the Select Education Subcommittee and chairs the Aging Subcommittee on Human Services. The gentleman successfully offered a number of amendments to the bill, which considerably strengthened its ability to assist older Americans in improving their lives. The gentleman's commitment, his persuasive advocacy, and his diligence in this unglamorous but vital process is deserving of special praise.

I also wish to commend the gentleman from Iowa (Mr. BLOUIN) who offered a series of amendments to improve the older volunteer programs under ACTION. The gentleman, who also serves on both the Aging and the Education and Labor Committees, had included in the bill an increase in the stipend for foster grandparents and senior companions from $1.60 to $2 an hour, plus an automatic cost-of-living adjustment. This would be the first such increase since 1968.

Another member of both committees, the gentleman from Connecticut (Mr. SARASIN) contributed amendments in committee strengthening the bill's provisions dealing with multipurpose senior centers, including specific authorization of $300 million for centers over the 3-year life of the bill.

Other Aging Committee members serving on the Education and Labor Committee, and who assisted in the strengthening of the legislation are the gentleman from Rhode Island (Mr. BEARD) and the gentleman from North Carolina (Mr. ANDREWS).

Thus the bill under consideration today, Mr. Speaker, contains major initiatives toward assuring a decent, contributing place in society for our older citizens. I would like to single out a few provisions of H.R. 12255 for special attention and amplification.

One major change contained in the bill is the stipuation that the Commissioner on Aging, who is responsible for most of the act's programs, is to be responsible directly to the Secretary of Health, Education and Welfare (HEW). Current law has the Commissioner reporting directly to "the office of" the Secretary.

The practical effect of current law, as implemented by HEW, has been to interpose between the Commissioner and the Secretary the Assistant Secretary who heads the Office of Human Development Services (OHDS). The amendment contained in H.R. 12255 would change that practice. The Commissioner would report to the Secretary, not to the Assistant Secretary for OHDS, and the Administration on Aging itself would not be a part of OHDS.

This change is essential if Congress is to impose on the Commissioner the additional coordination and comment duties with regard to a wide range of Federal programs affecting older persons.

H.R. 12255 makes a number of other changes which will reduce fragmentation among programs serving the elderly. It would consolidate the administration of what are now titles III, V, and VII of the act, covering social services, senior centers, and nutrition. One entity, usually the area agency on aging, would be given the responsibility for all of these programs. There should be one agency to coordinate and administer these programs—and to be held accountable for results. This is but a small dent in better coordination of 134 Federal programs affecting the elderly. The bill contains sufficient safeguards, I believe, to assure that ongoing nutrition projects will be able to continue their excellent work.

Another major nutrition initiative is the inclusion of a separate meals-on-wheels, or home-delivered-meals program, to be operated as part of the nutrition program of the act. This will enable thousands of older Americans who cannot easily leave their homes to receive important nutrition services. The program's placement within the overall nutrition efforts of the Older Americans Act will enable those most in need of home-delivered meals to benefit from them.

I am pleased to note, Mr. Speaker, the increased emphasis in the bill on the use of multipurpose senior centers as focal points for service delivery under the act. One important change is the ability to use senior center funds for staffing of centers, and for services to be delivered inside them. Funds are now restricted to paying for alteration, renovation, and new construction. New authority is also added for limited new construction, where no existing structure is adequate.

I am delighted to note that the bill before us includes two provisions which I proposed, along with the gentleman from Maine (Mr. COHEN), who serves very ably as the ranking minority member of the Subcommittee on Health and Long-Term Care, which it is my privilege to chair.

First, the bill gives statutory underpinning to the nursing home ombudsman program, which has been conducted under the model projects program of the Administration on Aging, subject to the discretion of the Commissioner.

Our committee has followed closely the development of this program, and there is clear evidence that the modest annual expenditure of about $1 million has paid off in far greater measure in terms of improvements in the lives of nursing home residents.

The pending bill would guarantee this fine program statutory authority and a place in the appropriations process, and it would broaden the scope of the program to include all long-term care facilities.

Grants would be made to State units on aging, or, where, it would be more likely to serve the program's goals, to public or private nonprofit organizations. Projects under this program would be required to provide for the development and operation of statewide systems for receiving, investigating, and resolving complaints received from residents of long-term care facilities or others in their behalf, and to carry out other activities intended to enhance the quality of care in these facilities.

It is our hope, Mr. Speaker, that this provision will make clear the intent of Congress that the ombudsman program should have separate defined authority. Actions undertaken recently by the Administration on Aging to combine the ombudsman and legal services programs should be carried out only if this distinction is preserved intact.

The second provision, which also was authored by Mr. COHEN and myself, and included among the recommendations of the Aging Committee, establishes within the act authority for the Commissioner to make demonstration grants to State units on aging or other State agencies, where that is appropriate and approved

by the State unit, or to other public or private nonprofit agencies, to establish programs to assess at a single place the long-term care needs of chronically ill or disabled older persons and to provide for the delivery of necessary services in a coordinated, efficient manner.

This provision was offered in the full Education and Labor Committee by the gentleman from Vermont (Mr. JEFFORDS) and the gentleman from New York (Mr. BIAGGI). Under the terms of this provision, the grants would pay not more than 90 percent of the costs of projects, but funds authorized under this program would not be used to pay for direct services.

States would be required to assess the need and capacity for the establishment and operation of these programs. Information gathered in connection with area plans, activities of the State agency and other activities relating to the National Health Planning and Resources Development Act of 1974 should be utilized in making these determinations.

The program we envision, embodied in section 423 of the pending bill, would employ persons representing both the health and social services. The intent of our bill is to have these programs be operated through the use of existing facilities, where appropriate, such as multipurpose senior centers, ambulatory care facilities, agencies responsible for providing social services, health maintenance organizations, day care facilities, and long-term-care facilities, so long as employees of the program are not employees or financially connected to institutions which would benefit from referral.

The programs we envision, Mr. Speaker, would be required to assess the needs of individual older persons; develop a plan of care; arrange for the most appropriate form of care; monitor and evaluate the adequacy of services; and reassess needs periodically and facilitate changes in service where necessary.

It is also necessary and vital that persons responsible for the operation of programs under this section have access to medical and other records, consistent with Federal and State laws and other requirements.

Mr. Speaker, it is hoped that the Secretary of Health, Education, and Welfare will furnish any and all possible assistance to programs established under this new section 423. This is vital if programs are to coordinate their use of financial and other assistance in carrying out this program.

Several other changes in the act are worthy of attention.

Aid for senior citizens in natural disasters would be more easily delivered under H.R. 12255, which permits States an emergency allocation of funds for that purpose over and above their normal allotment, in cases of Presidentially declared disasters. This provision, the result of an amendment in committee offered by the distinguished gentleman from Kentucky (Mr. PERKINS), the chairman of the Education and Labor Committee, incorporates a recommendation of the Aging Committee advocated by the ranking minority member on the Aging Committee, the gentleman from Virginia (Mr. WAMPLER) and the gentlewoman from Ohio (Miss OAKAR), another fine member of our committee.

The bill also adopts authorization levels which move toward a greater level of adequacy when measured against the need for services under the act. I am particularly pleased with the authorizations for appropriations in nutrition, which total $430 million for fiscal year 1979, and for part-time employment in 1979, $400 million.

One most important issue is addressed in title IV of the bill. It is a series of amendments to strengthen the Age Discrimination Act (ADA) of 1975, which will go into effect next January. This law forbids "unreasonable" discrimination on the basis of age in federally funded programs. In a study completed earlier this year, the U.S. Commission on Civil Rights concluded that unjustified age discrimination was present in every one of 10 major Federal programs it examined. The Commission identified a number of changes that were needed in the act itself before it goes into effect. These changes, as a result of an amendment offered by Congressman BIAGGI in full committee, are incorporated into H.R. 12255. These amendments would modify the ADA to—

Clarify the fact that the Age Discrimination Act in banning "unreasonable discrimination" in federally assisted programs bans all age based discrimination except that contained in Federal statute.

Even in programs where the Federal statute permits age-based eligibility criteria, bring all other aspects of these programs under the purview of the ADA.

Permit programs to differentiate on the basis of age (as in selected outreach efforts) if it is done to overcome the effects of previous age discrimination.

Prohibit States from introducing age discrimination into a federally funded program where no age differentiation exists in the Federal statute.

Permit persons harmed by violations of the ADA to pursue a private civil suit for relief, and permit the awarding of attorney's fees to persons who are successful in such suits.

Rechannel Federal funds for agencies found to be in violation of the ADA to alternative agencies, so that compliance sanctions do not harm program beneficiaries.

Require the submission to Congress of an annual report on progress in enforcing the goals of ADA.

Require age-specific data collection for beneficiaries in programs where it is not now being collected.

Mr. Speaker, I cannot overemphasize the need to make these strengthening changes in the ADA. I trust that the Senate will adopt similar language that can be enacted swiftly, to assure smooth implementation of what I believe will be landmark legislation for the elderly of America.

Indeed, I believe that H.R. 12255 as a whole, when enacted, will prove to be a turning point in our efforts to make the lives of our older citizens more rewarding, more productive, and more closely attuned to the needs of older people themselves.

I urge its passage and swift enactment.

Mr. BIAGGI. Mr. Speaker, as a cosponsor, I rise in unqualified support of H.R. 12255, the Comprehensive Older Americans Act Amendments of 1978. It was 13 years ago that the Older Americans Act was signed into law.

Mr. Speaker, it is with great pleasure albeit with great haste that I rise to give my full support to this bill, the Comprehensive Older Americans Act of 1978. I am proud to be an original cosponsor of this legislation and especially pleased that a number of my amendments to the bill are included in the final version.

These include:

Upgrading the position of Commissioner on Aging to being answerable only to the Secretary of HEW;

Expand the coverage of the Age Discrimination in Employment Act to ban all types of age discrimination, not just "unreasonable" and to allow persons with grievances the private right of action;

Exclude income from title IX part time employment from eligibility under medicaid and public housing; and

Eliminate the onerous national priority services requirement from the act thus giving State and local governments more discretion in their use of Older Americans Act funds.

Limit from 3 to 1 years ACTION's control over the Older American Volunteer Programs including RSVP and Foster Grandparents.

In addition I was proud to work actively on behalf of the new National Meals on Wheels initiative provided for in this bill. The Subcommittee on Human Services which I chair conducted major hearings on this proposal last year and my subcommittee and others of the House Select Committee on Aging helped develop a strong constituency for the proposal which was sponsored by my colleague Mr. MILLER.

I was also pleased at the funding levels which were provided under the act. We greatly expanded the funding levels for the nutrition and employment sections of this bill. This will result in some 90,000 new part-time jobs and 100,000 new meals.

One other of my amendments I wish to briefly focus on mandate that training programs under the act give priority to training of personnel to work in senior centers and nutrition sites funded by the act.

The Older Americans Act was signed into law some 13 years ago. This is the seventh time we have amended the bill. This year's amendments are by far the most comprehensive and promise to bring new vitality to this program. We must recognize the importance of providing vital social and human services to our rapidly growing elderly population. I feel

passage of H.R. 12255 will do much in this important area.

I pay special tribute to the distinguished subcommittee chairman, Mr. BRADEMAS and his most able counsel Mr. Duncan for their untiring advocacy and work on behalf of this legislation. Also, a tribute to the distinguished chairman of the House Select Committee on Aging Mr. PEPPER for his special lobbying efforts on behalf of all bills to improve the quality of life for our elderly citizens.

(Mr. GILMAN asked and was given permission to revise and extend his remarks.)

Mr. GILMAN. Mr. Speaker, I rise in support of the Older Americans Act.

Mr. Speaker, I rise in support of the passage of the Older Americans Act of 1978, and to urge my colleagues to vote in favor of this legislation. It is so essential that our older Americans be afforded the means which lead to a continuation of productivity. By appropriating funds, and sponsoring programs under legislation such as this, the Federal Government is providing our elderly a "new lease on life."

May is "Senior Citizen Month," and I can think of no more fitting time to bring the problems, and the solutions to these problems of the elderly to light. While it is worthy to praise our older Americans for their contributions to society, it is imperative that the Congress back such praise with action, with appropriations and with sincere dedication to meeting the need and requests of the elderly.

H.R. 12255 provides several means by which the older American can obtain meaningful and worthwhile services from States and local governments. Title 3, as amended, encourages State and local agencies to concentrate resources to "develop comprehensive and coordinated service systems to older Americans by entering into cooperative arrangements with State and local agencies, and with multipurpose senior centers." This coordination and encouragement is certainly a step in the right direction, allowing our seniors the benefits of both private and Government affiliated programs.

We are all aware of the special needs of this important segment of our population, and their activities in bringing about equitable treatment under the law for all older Americans. This year, for example, the Congress acted to abolish the mandatory retirement provisions of many employment practices, and also approved legislation to eliminate the earnings ceiling placed on outside income of social security recipients. These steps are significant in arriving at the equitable treatment for all older Americans.

It is important to take stock of the present programs for our older Americans and to make appropriate additions to these programs, keeping in mind the special needs of this ever-growing segment of the population. Our older Americans are truly a valuable resource for America, and we can and will benefit from increased attention to programs for our elderly.

Accordingly, I urge my colleagues to approve this legislation, to insure that our older Americans will have the best of opportunities available to them.

● Mr. ABDNOR. Mr. Speaker, in joining my colleagues in urging passage of H.R. 12255, Comprehensive Older Americans Act Amendments of 1978, I direct your attention to two sections.

Section 411 calls for a study related to the differences in unit cost, service delivery, and access between rural areas and urban areas for services assisted in this act and the special needs of the elderly residing in rural areas. Subsection 8 of section 421 for discretionary projects and programs, calls for a demonstration program establishing comprehensive service systems in at least two States for older persons residing in rural areas which are designed to utilize approaches, methods, and techniques especially suited to rural areas.

Mr. Speaker, both of these sections are a direct outgrowth of a hearing held by the House Select Committee on Aging in my home State of South Dakota, December 9. While over 40 percent of the Nation's elderly live in rural areas like South Dakota their special needs have been largely ignored. The difficulty in providing services currently authorized was dramatically underscored at this hearing in South Dakota.

There has never been a question that conditions in rural and urban America are different. However, translating what seems obvious concerning distance, population density, costs, lack of public transportation and the like into data which can be used to make programs more effective is not possible with present information.

These studies are urgently needed. Passage of these amendments will assure them.

Mr. Speaker, I urge passage of H.R. 12255.●

● Mr. HAMMERSCHMIDT. Mr. Speaker, as a member of the Select Committee on Aging, I wish to express my support for H.R. 12255, the Comprehensive Older Americans Act Amendments of 1978. I would like to commend the chairmen and ranking minority members of both the Select Education Subcommittee and the full Education and Labor Committee for their work on this vital legislation.

After reviewing the bill, I am particularly pleased that many of the recommendations of the Select Committee on Aging have been incorporated. I would like to cite some of the specific recommendations that I feel are of primary importance.

I believe that making the Commissioner on Aging directly responsible to the Secretary of HEW will be of immeasurable benefit to all older Americans. The needs of the elderly will become more apparent to the Secretary if they are not filtered through the Office of Human Development Services.

The act is greatly improved administratively. The consolidation of titles III, V, and VII will insure that more funds and staff time will be allocated directly to the elderly.

The simplification of the ratio of State and local funds required to match Federal dollars distributed by formula to planning and service areas is also beneficial to the smooth operation of the act.

I am also pleased that the committee has abolished the four national priority services. Many aging representatives from my own State have said that the needs of the elderly in Arkansas did not coincide with the priorities fixed in the act.

The senior center movement has provided thousands of older persons with meaningful activities and companionship. The modifications of title V—providing funding for limited new construction, leasing, staffing and operation—will make Senior Centers more available in all the areas that need and desire them.

I commend the separate authorization of home-delivered meals to the frail elderly. There are 3 to 4 million homebound older citizens who need nutritious meals but are not well enough to attend the congregate setting.

In our earliest hearings on the Older Americans Act last September, I called our committee's attention to the problem of limiting our focus to aging programs that are only operational in an urban environment. The new bill includes the recommendation of the Select Committee on Aging for a comprehensive study of the problems of rural elderly and for the development of a model project to design a comprehensive service system for the rural elderly.

Although this bill has my complete endorsement, I regret that it is being brought up under a procedure that precludes any amendments, no matter how worthy. I know this legislation makes a number of improvements over its predecessor, but I am sure that some of the amendments that were to be offered on the floor would have produced an even finer piece of legislation.●

● Mr. GRASSLEY. Mr. Speaker, as a cosponsor of this legislation to reauthorize and amend the Older Americans Act, I am particularly pleased that we now have the opportunity to pass upon the measure.

One provision which I believe is of the utmost importance would authorize a comprehensive study of the plight of America's rural elderly. Unfortunately, many do not realize that in smaller, rural communities, it is not atypical for the population to be between 15 and 20 percent composed of senior citizens. These communities usually do not have a substantial enough population base to support their own services, nor do they have adequate staffing to fully participate in Federal programs. In addition, the isolation of these communities will usually preclude travel by senior citizens to population centers where various programs and services are available. I am confident that the rural study will point up these factors and, as a result, focus Congress attention on those millions of citizens who have all but been excluded from the benefits of federally funded aging programs. The study, I believe, will also demonstrate that hereto-

fore the bureaucracy's attitude has been to ignore the needs of those it cannot readily reach, rather than to make a concerted effort to meet those needs. I am hoping one result of the study will be to force a change in attitude among administrators of all programs affecting rural America and the rural elderly.●

● Mr. DOWNEY. Mr. Speaker, the bill we are considering today, which will extend the programs of the Older Americans Act for 3 years, is of vital importance to our Nation's senior citizens. As the basic Federal statute which deals with the problems of our seniors, the Older Americans Act continues to provide crucial Federal support for social, health, and nutrition programs at the community level.

Of particular interest to me and of great concern to my constituents is the continuation of senior volunteer programs such as RSVP, Foster Grandparents, and Senior Companions.

I am pleased that the bill we are considering today provides that these programs remain under the auspices of ACTION for at least another year. This will give Congress time to review ACTION's administration of these programs in order to make a sound judgment about the future administration of these important social service efforts.

The retired senior volunteer program is a popular and well-organized program within my congressional district and nationwide. RSVP provides a vehicle for senior citizen involvement in the community. I hope my colleagues will keep in mind that our efforts to sustain the RSVP program for the rest of the decade will not end with today's authorizing legislation. A budget cut has been proposed for this successful program. In my view, this cut is unwarranted. As the budget cycle continues, I urge my colleagues to join in the struggle to restore the proposed cut in funds for RSVP.

In closing, I would like to pay tribute to Congressman CLAUDE PEPPER, chairman of the Select Committee on Aging, for the fine job he has done in helping to shape this extension of the Older Americans Act. I have the privilege of serving on the select committee and am pleased that Chairman PEPPER has been successful in incorporating many of our recommendations into the bill.

By extending the Older Americans Act today, the Congress will show our senior citizens that the Federal Government recognizes their needs and problems and will continue to address them.●

● Mr. BALDUS. Mr. Speaker, I am pleased to voice my support for H.R. 12255, comprehensive amendments to the Older Americans Act. With the exception of the Social Security Act, the Older Americans Act represents in my view one of the most important laws directly affecting senior citizens.

Since the act passed in 1965, elderly persons have benefited from a number of social, health, nutrition, and employment services. H.R. 12255 makes important changes in the act to reach an ever-growing number of older Americans. The provisions dealing with the establishment of a national "meals-on-wheels" program and the extension of the community service employment program are of particular interest to me.

I am proud to have been a cosponsor of legislation establishing a program of home-delivered meals for the elderly. I know that there are many older persons who face the prospect of institutionalization simply because they are unable to adequately provide meals for themselves. This addition to title III of the act would allow them to remain in their homes, living independently and with dignity. To the homebound older person, one meal delivered daily, 5 days a week, can make the difference between self-sufficiency and dependency. In terms of cost, congressional studies have shown that by adopting a meals-on-wheels program as much as $400 million per year could be saved in nursing homes. The cost for putting this program into operation is less than 25 percent of that figure.

Another provision of the Older Americans Act of which I have been a strong supporter is the community service employment program (title IX). This program has been very successful in my district thanks to the efforts of the Green Thumb. As 1 of 5 national sponsors to receive a contract from the Labor Department, the Green Thumb's list of accomplishments are numerous throughout western Wisconsin. Examples of the Green Thumb's work include beautification of the Pepin City Park, renovation of the Dunn County Historical Society Museum, winterization of homes in Barron County, and repair and painting of the Chippewa Falls Area Hospital. Besides the obvious improvements made in the community, the program provides financial assistance to older persons in rural areas. It gives them an opportunity to remain in the mainstream of life and demonstrates that their services and talents are needed and appreciated.

The employment program and others in the Older Americans Act clearly show how we can all benefit by joining hands and working for the betterment of our fellow man. I hope that the Senate's version will provide a level of commitment equal to or greater than what we have provided in the House.●

● Mr. JEFFORDS. Mr. Speaker, it is not often that a Member has an opportunity to come before the House to support a piece of legislation with the pride that I do today. I say pride because I think some of the provisions that we have added are so significant that they may directly alter the lives of millions of handicapped persons and go a long way toward significantly improving them. I have worked closely with the chairman of the Subcommittee on Select Education (Mr. BRADEMAS) and wish to commend him for his conscientiousness, candor, and willingness to work towards constructive legislation.

Mr. BRADEMAS has already pointed out the highlights of the bill, so I will focus on a few provisions that I was particularly interested in and helped to develop.

I have also had an opportunity to work closely with the distinguished ranking member of the full committee, Mr. QUIE. The pride that I hold for the outstanding features of this bill must be shared with him for his efforts as he and I worked closely on the development of these provisions. He has worked long and hard for the handicapped throughout his time in Congress and I think that his leadership through the years has truly benefited disabled people throughout America.

The first and I think one of the keystones of the bill is the "Independent Living" provisions. I have long felt there are disabled people who are so severely handicapped that although they might not be able to work in the traditional sense, might be able to live independently as a result of receiving rehabilitation services. This new title should open new doors for those individuals to help them to live more independently. I see this provision also in terms of freeing people as we help the disabled to help themselves. If a person requires full time attendant care and either has to pay personally for the attendant or receives some assistance from some Federal, State, or local program, it may be possible to make the handicapped person independent to the point that he or she may not need the attendant full time. In effect we have given the handicapped person some new independence and at the same time saved the costs of attendant care. This is a provision to help not only the handicapped, but a provision to help the taxpayers as well. This is not to say that the economics is the only reason for this title, it certainly is not. This title recognized that there is a group of disabled persons who have traditionally fallen through the cracks. This new title recognizes their value and is an attempt to do something to meet their needs. Although there are provisions in the new independent living section for handicapped individuals who have vocational potential, I think the legislative history should be clear that the first priority must go to those disabled individuals who do not possess the vocational potential to qualify them for title I services. It is my understanding that as services are provided for these people under the new independent living title, that the goal will always be to try to help them enough so that they might one day be able to benefit under the title I services and be able to get and hold some type of employment. This is the hope of the title, but it should be clear that no individual should be denied services because the vocational potential is not there.

In other parts of the bill there are numerous provisions for the deaf. During the past year our understanding and awareness of the deaf and their problems have grown because we have had a man who is totally deaf working part-time on our staff on the Education and Labor Committee. To my knowledge this is the first time in the history of the Congress that a deaf person has worked for any committee. He is Ed Corbett, who is assistant superintendent of the Maryland School for the Deaf. Ed has

been working for us while he is completing his doctorate at Gallaudet. Having Ed working for the Congress made not only Members, but staff, very conscious of the deaf and much more aware of their capacities as well as their needs. Our committee office now has a TTY and I believe it is one of the first on Capitol Hill. Because of Ed, many people have learned how to sign, hearing people who had no prior contact with the deaf are now objective, understanding, and at ease with him.

Having a deaf person in the office makes you aware of the problems that they face first hand. We know that without a TTY he cannot function on the telephone. We know without an interpreter he cannot attend meetings. We became vividly aware of this problem when Ed, in carrying out his assignment, which is to track how Federal agencies are doing on the implementation of section 504 attempted to contact the Office for Civil Rights in HEW. This is the office responsible for implementing 504. It turned out that OCR did not have a TTY and did not have an interpreter and so Ed and other deaf people throughout the country had nc way of getting even basic information from that office. Just a few weeks ago the National Center for Law and the Deaf filed a suit against OCR to force them to get this equipment.

Some of the new provisions for the deaf are:

Under the State plan requirements of the act a State will have to provide:

"(22) provide for the establishment and maintenance of information and referral programs (the staff of which shall include interpreters for the deaf) in sufficient numbers to assure that handicapped individuals within the State are afforded accurate vocational rehabilitation information and appropriate referrals to other Federal and State programs and activities which could benefit them.".

The scope of rehabilitation services which in the Act defines what goods or services may be rendered to helping the handicapped person to become responsible has been expanded to include:

"(4) the use of services providing recorded material for the blind and captioned films or video cassettes for the deaf.".

The research and training center portion of the act has been amended to allow the Commissioner to:

(10) Conduct a model research and demonstration project designed to assess the feasibility of establishing a center for producing and disseminating to deaf individuals captioned video cassettes which shall provide a broad range of educational, cultural, scientific and vocational programming.

There is a new provision to establish comprehensive rehabilitation centers which will provide communities with a focal point for the development of services for all handicapped people. There is an additional provision in the services section which requires:

(b) In addition such centers shall provide to local governmental units and other public and private nonprofit entities, located in the area, such information and technical assistance (including the provision of, or arranging for, support personnel, such as interpreters for the deaf) necessary to assist those entities attempting to comply with the provision of this act, particularly section 504.

One of the most significant amendments we added comes from our recognition of the problems that the deaf face. As a result of our new understanding we expanded the role of the Architectural and Transportation Barriers Compliance Board. When people think about section 504, they generally think of the removal of architectural barriers for the physically handicapped. We are very much aware that the communication barriers that the deaf face are just as great. Therefore, we have amended the provisions of the Architectural and Transportation Barriers Compliance Board and renamed it the Architectural, Transportation, and Communications Barriers Compliance Board. This Board will have the responsibility to insure that all barriers, including communication barriers are removed. In addition they will be required to:

(2) investigate and examine alternative approaches to the architectural, transportation, communication, and attitudinal barriers confronting handicapped individuals, particularly with respect to telecommunication devices, public buildings and monuments, parks and parklands, public transportation (including air, water, and surface transportation whether interstate, foreign, intrastate or local), and residential and institutional housing;

On April 4, 1978, I introduced H.R. 11856, the National Interpreters for the Deaf Training Act of 1978, with Congressmen BRADEMAS, QUIE, and PERKINS. It also came out of recognition that section 504 was more than just the removal of architectural barriers. As a result of the regulations recipients of Federal dollars now had to do something to make it possible for disabled people to be involved. The deaf face many problems in the hearing world, but the fact remains that even when agencies, organizations and governments move to do something with the deaf, there are simply not enough interpreters available throughout the country. More important, there are not enough trained interpreters. A trained interpreter means having more skills than just having a few basic signs and training can take up to a year to insure proficiency. The fact also remains that even if there were enough interpreters, there is no orderly mechanism for getting them out to serve the deaf.

Two provisions were added to correct this situation. One will provide at least 12 programs for training interpreters throughout the country and the second to establish interpreter pools so that deaf persons may receive assistance where ever they need it. We amended the training section to do the following:

(e)(1) The Commissioner is authorized to establish not more than 12 programs under this section for the purpose of training a sufficient number of interpreters to meet the communications needs of deaf individuals. Any applicant desiring to establish a program under this section shall provide for the development of a five-year program which demonstrates the capacity to train a sufficient number of interpreters for the deaf in such geographical areas as the Commissioner may prescribe.

(2) Any applicant may, in connection with such program provide for the training or retraining (including short-term or in-service training) of teachers who are involved in providing instruction to deaf individuals but who are not certified as teachers of deaf individuals. Such applicant shall provide assurances that any interpreter trained in such program shall meet minimum standards established by the Commissioner.

We amended the special projects section to do the following:

(e)(1) The Commissioner is authorized to establish through the State agency unit designated under section 101(a)(2)(A) a program of interpreter referral services in each State.

(2) Any State agency unit designated under section 101(a)(2)(A) desiring to receive funds shall provide assurances that such program will be operated in central locations throughout the State.

(3) Interpreter referral services which are provided through any program operated under this subsection shall be designed to provide a pool of available interpreters for specific geographical areas. Such services may be made available to any public agency or private non-profit organization which is involved in the delivery of assistance or services to deaf individuals at no cost for a period not to exceed one year. At the end of such period, agencies or organizations receiving such services through referrals shall make reimbursements for the cost of such services.

(4) Any interpreter desiring to participate in services provided under this subserction shall be required to meet minimum standards established by the Commissioner.

(5) Funds provided to a State agency for this program shall not be used to defray any administrative or related costs, nor shall funds made available under this subsection be used for assistance or services to deaf individuals who are receiving rehabilitation services as clients under any other provision of this Act.

There are also provisions which pertain to the blind. I developed legislation which would provide reader services for blind individuals. Reader services for the blind is for blind individuals who have gone through vocational rehabilitation, are placed in a job and have to pay out a portion of their salary for a reader in order for them to do their job. This did not make sense to me and we took steps to correct it. The new provision is included in the special projects section of the bill:

(e) The Commissioner may make grants to any State agency unit designated under section 101(a)(2)(A)—

(1) to provide reading services to blind persons who are not otherwise eligible for such services through State and Federal programs; and

(2) to expand the quality and scope of reading services available to blind persons by assuring that, to the maximum extent possible, the services provided pursuant to this Act will meet the individual reading needs of blind persons in elementary, secondary, and post-secondary education, and employment."

I had also tried to develop legislation to address the problems of the older blind. Although the full bill that I wrote was not included, this bill and the Older Americans Act has several new provisions designed to meet the needs of people who become blind in old age.

I think of particular significance are provisions that we have included in section 506 of the act. Over the past year I have worked vigorously to try to get funding for section 504. I have long been concerned that if the Federal Government is going to make the laws and make the rules, then it has an obligation to pay some of the costs.

On November 18, 1977, March 7, 1978, and April 11, 1978, I introduced H.R. 10100, H.R. 11333, and H.R. 11995, the Rehabilitation Cost Assistance Act of 1977, with Representatives AKAKA, AMMERMAN, BENJAMIN, COCHRAN of Mississippi, DOWNEY, DRINAN, EDGAR, EDWARDS of California, EILBERG, FAUNTROY, FITHIAN, GOODLING, HARRINGTON, HARSHA, LUKEN, LUNDINE, MCHUGH, MADIGAN, MIKULSKI, MOFFETT, MURPHY of Pennsylvania, NOLAN, OAKAR, OTTINGER, PANETTA, PEPPER, PRESSLER, PURSELL, QUIE, ROE, SPELLMAN, and STARK, which would have addressed these matters. We added a new section 502(d)(1) which will hopefully bring about an answer to questions regarding the 504 costs that we are seeking:

(d)(1) The Board may make grants to, or enter into contracts with, public or private organizations to carry out its duties under subsections (b) and (c). The Board may also make grants to any State agency designated under section 101(a)(1) for the purpose of conducting studies to provide the cost assessments required by clause (7) of subsection (b). Before including in the report required by paragraph (7) of subsection (b) the findings of any study conducted for the Board under a grant or contract to provide the Board with the cost assessments described in such paragraph, the Board shall take all necessary steps to validate the accuracy of any such findings.

In this bill we take another step toward trying to bring a reasonable approach to implement section 504 and help to eliminate architectural, transportation, and communication barriers where ever they exist. We did this by shifting the responsibility for the oversight and enforcement of just the physical barrier provisions of 504 to the Architectural, Transportation, and Communications Barriers Compliance Board. In doing so we gave this Board new and expanded responsibilities for this one aspect of 504. It is our thought that by separating only the "physical" barriers, whether they be ramps, doors, and so forth for those in wheelchairs or interpreters for the deaf, from actual discrimination in jobs, education, housing, and health, we have taken a significant step forward. We concluded that (and I recognize that this is an oversimplification) almost all of the items covered in the category of "physical" can be removed or eliminated with money and desire. All of the other aspects of discrimination that could be considered discrimination were left to the Office for Civil Rights which is geared toward addressing those matters.

Consistent with my attempt to have the Federal Government responsible for paying a portion of the costs for implementing section 504, a provision was added to the bill in section 503(3) which authorizes:

"(3) The Secretary, with the concurrence of the Board, may provide, directly or by contract, assistance to any public or nonprofit agency, institution, or organization for the purpose of removing architectural, transportation, and communication barriers.

Finally, and most significant, is the last provision which I developed. It simply extends the coverage of section 504 to include any function or activity of any department or agency of the Federal Government.

When the original legislation was developed it was intended to apply to every phase of American life, but the Justice Department on September 23, 1977 issued an opinion at the request of HEW declaring that the Federal Government was exempt from the statute. This amendment removes that exemption and applies 504 to the Federal Government as well as State and local recipients of Federal dollars. I think this is fair and appropriate and should go a long way toward developing a uniform and equitable national policy for eliminating discrimination.

Another amendment which I did not offer and one which I intend to pursue is H.R. 12469. Because of the lack of time it was not offered at this time. It is an idea, however, I believe, whose time has come:

It was the first recommendation from the White House Conference on the Handicapped.

The Conference's Report was strongly endorsed by President Carter.

It would bring BEH and RSA together for the first time.

It was under consideration to be included in the President's reorganization package, but was kept out at the last minute.

It would bring focus on programs for the handicapped in the Federal government.

It will facilitate coordination between the major handicapped programs and will eliminate overlapping and duplication.

Every major effort on the behalf of the handicapped that has been written into law has been initiated by the Congress.

The amendment would do the following:

1. This amendment will bring together the two major programs for the handicapped in HEW (Bureau for Education of the Handicapped and Rehabilitation Services Administration) in one national office for the Handicapped.

2. The new National Office will be placed in the Office of Education and will have a Director and a Deputy Director who will report directly to the Commissioner. There will be four Bureaus directly responsible to the Director. They are:

(A) The Bureau for Services. This Bureau will have two Divisions:

(1) Division for Education. This Division will contain the major dollars for education of the handicapped children, such as P.L. 94-142.

(2) Division for Rehabilitation and Habilitation. This Division will contain the major dollars presently going for rehabilitation programs.

(B) Bureau for Research: This Bureau would have three Divisions. They are:

(1) Division for Children's Research. This division would be responsible for all the research programs presently in the Bureau for Education of the Handicapped.

(2) Division for Adult Research. This Division would have the research authority of this Act, except those which would authorize Centers.

(3) Division for Research Centers. This Division would include the rehabilitation training centers authorized under this Act, research centers authorized under Bureau for Education of the Handicapped, the university affiliated facilities authorized under the Developmental Disabilities Act.

(C) Bureau for Training. This Bureau would have two sections.

(1) Children's Training. These two sections would have the authority for training in each of the two Acts.

(2) Adult Training.

(D) Bureau for Support Services. This Bureau would contain all the special programs authorized under either Act which do not conveniently fit into any of the other categories.

3. The structure and placement of these programs is certainly not locked into place. What is important here is the concept of relating programs and putting them together under one unified Directorship.

4. This was one of the first recommendations from the White House Conference on the Handicapped and one which the handicapped seemed to feel is necessary and needed.

5. One national office will bring together programs so that the full range of services for children and adults can be coordinated and made more effective.

6. The only new item to be authorized would be a Federal Council on the Handicapped. The idea of it would be to have one national council overseeing all Federal efforts for the handicapped.

7. This amendment does not alter any existing programs, it merely puts them in one place within a structure. It should bring focus on programs for the handicapped, facilitate coordination and eliminate overlapping and duplication.

The bill before the subcommittee establishes in section 109, a national rehabilitation research institute.

In section 400, a new National Council on the Handicapped is established.

The new national institute would have the net effect of only focusing on research authority through this act. While I think this is an important step toward highlighting research and focusing on research, it would seem to me that by bringing all research together from BEH and RSA in a single research unit would give it more structure and more importance. Similarly, the new Federal council established in this bill would only give direction to RSA and the new institute. I think this too is a very positive step but I feel it would have more lasting and meaningful effect and influence if the council had responsibilities for the major programs for the handicapped contained in one national office.

Mr. Speaker, this bill before us is the culmination of efforts I have made to improve the lives of handicapped persons. I would like to take a moment here to summarize some of the provisions that I have developed in other bills. The first was an amendment to H.R. 50, the Humphrey-Hawkins legislation which specified that the removal of architectural barriers for handicapped persons would be a national priority. The following amendment was accepted and is a part of the Humphrey-Hawkins bill:

(G) the implementation, through financial assistance, of programs already established by law as major national priorities, such as the removal of architectural barriers to the handicapped.

When the CETA legislation went through the House, I offered a motion, which was not agreed to but I feel is one which would have had significant and dramatic effects in altering the lives of handicaped people. My amendment would have earmarked 10 percent of all of the available CETA slots for the handicapped. It read as follows:

(f)(1) The Secretary shall establish policies and procedures to provide that for fiscal year 1979 and thereafter not less than 10 per centum of the total number of enrollment and training opportunities as detailed in each prime sponsor's plan pursuant to Sec. 103 as authorized under this act shall be available for handicapped individuals and that services shall be provided to meet their special needs. The Secretary shall report to the Congress annually pursuant to Section 128(a) on the status of handicapped individuals in programs under this act, including the number of persons served, their handicapping conditions, and the services being provided such individuals.

(2) The Secretary shall adopt appropriate administrative measures to insure that the benefits of this part will be distributed equitably between residents of rural and urban areas.

Two amendments that were successful, however, and are included in the CETA bill are provisions which will expand the training for persons who work with or assist the handicapped. That new section of the CETA legislation is as follows:

SEC. 304. (a)(1) The Congress finds and declares that due to the rapid implementation of programs to assist the handicapped mandated under the Education for all Handicapped Children Act and Section 504 of the Vocational Rehabilitation Act of 1973, there is a need for people to provide the special supportive services and removal of architectural barriers required by these Acts.

(2) The Congress further declares that the individuals to be served under this section represent a large percentage of the unemployed, and that these services will provide meaningful improvement of the lives of the handicapped individuals served.

(b) The Secretary may establish programs throughout the nation which shall train personnel to work with and/or assist handicapped persons. These programs may be in any areas of training or education which provide individuals with skills necessary to train or provide assistance to handicapped persons, included but not limited to interpreters for the deaf and aids in classrooms to assist in the education of the handicapped.

Finally, I was also successful in getting two affirmative action amendments adopted in the CETA legislation. Those amendments were as follows:

(7) a description of an affirmative action program for outreach to and training, placement, and advancement of handicapped individuals in employment and training programs under this Act, including—

(A) a description of the extent to which and the methods whereby the special needs of the handicapped are to be met; and

(B) a description of the number of handicapped individuals who were served each of the preceding two years, the types of training or employment in which they were placed, and the number of such individuals who were moved into unsubsidized employment;

and

(f)(1) The Secretary shall provide a focus for the employment and training of handicapped individuals under this Act, and shall review, on a periodic basis, the adequacy of outreach, training, placement, and advancement practices with respect to handicapped individuals by each prime sponsor pursuant to section 103(b)(7) and shall ensure that the special needs of such individuals are being met.

(2) The Secretary shall include in each annual report pursuant to section 127(a) a complete evaluation of the conduct of and achievements in outreach, training, placement, and advancement practices with respect to handicapped individuals by prime sponsors pursuant to section 103(b)(7), including a comparison of such practices and achievements with those of the two preceding years.

Also other amendments were added to the CETA bill regarding the handicapped. I believe they would be helpful. These included: Insuring that all persons working in sheltered workshops, not just institutionalized persons, would be eligible for CETA; and that "rehabilitation facilities" would be included in the definition of "community-based organizations" so that the interests of the handicapped would be represented on prime sponsors planning councils, State employment training councils, and that they have a say in reviewing training plans and the delivery of services.

There are around 7½ million unemployed, but employable, handicapped individuals. Most of these are now classified as discouraged workers and do not appear in the unemployment statistics. This number about equals the total statistical unemployment in the country. Yet the percentage of unemployed handicapped served by CETA is only 4 percent. It should be close to 50 percent. The need for these amendments is thus obvious.

One final comment regarding the handicapped and the provision to expand coverage to the executive branch.

A good example of the lack of Federal sensitivity to the problems of the handicapped is presently occurring in my own State of Vermont. The Bureau of Apprenticeship and Training which has an office in Burlington, Vt., was recently informed by the General Services Administration that they must relocate their operation to another location within the city of Burlington. However, adequate preparations for access by the handicapped was not fully considered in selecting the new location. Since learning of this my office and Vermont's two Senators have complained to GSA regarding the numerous architectural barriers found at the new site. To be specific let me list a few of the deficiencies we noted:

First. Inadequate curb parking for handicapped individuals in front of the office and the absence of curb cuts for wheelchair access.

Second. Inadequate provisions in the building of toilet facilities for sufficient turning space for wheelchairs and toilet doors wide enough to accommodate wheelchairs.

Third. Absence of a ramp at the entrance of the building.

Fourth. The lack of a suitable opening at the front door such as a treadle or other mechanism to allow easier access for wheelchair persons.

Responding to concern from the congressional offices GSA has been working on items two and three. It would seem that such preparations should be done automatically and particularly in light of the fact that the apprenticeship and training program responds to over 2,000 clients annually of which an estimated 180 to 200 are handicapped. I am sure that the problem I have outlined here is probably being duplicated by other Federal agencies throughout the country.

In conclusion we are making some important steps forward. The bill deserves your support.●

Mr. BRADEMAS. Mr. Speaker, I have no further requests for time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Indiana (Mr. BRADEMAS) that the House suspend the rules and pass the bill H.R. 12255, as amended.

The question was taken.

Mr. BAUMAN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 3 of rule XXVII, and the Chair's prior announcement, further proceedings on this motion will be postponed.

HOLDINGS OF PRIVATE FOUNDATIONS IN PUBLIC UTILITIES

Mr. WAGGONNER. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4030) to amend the Internal Revenue Code of 1954 to increase the amount of the stock which certain private foundations may hold in certain public utilities without being subject to the excise tax on excess business holdings, as amended.

The Clerk read as follows:

H.R. 4030

SECTION 1. APPLICATION OF SECTION 4943 OF INTERNAL REVENUE CODE OF 1954 TO CERTAIN HOLDINGS IN PUBLIC UTILITIES.

(a) IN GENERAL.—In the case of a private foundation—

(1) which was incorporated on or before December 31, 1967;

(2) which on May 26, 1969, held at least 50 percent of the voting stock of a qualified public utility;

(3) which acquired such stock solely by gift, devise, or bequest; and

(4) no officer, director, or trustee of which is an individual who contributed such stock to such foundation or is a member of the family of such an individual, or who is a member of the family of an individual who devised or bequeathed such stock to such foundation,

subsection (c)(4)(A)(i) of section 4943 of the Internal Revenue Code of 1954 shall be applied with respect to the holdings of such foundation in such public utility by substituting "51 percent" for "50 percent", and subsection (c)(4)(D) of such section 4943 shall not apply with respect to such holdings. For purposes of this subsection, the term "family" has the meaning given to such term by section 4946(d) of such Code.

(b) QUALIFIED PUBLIC UTILITY.—For purposes of this section, the term "qualified public utility" means any corporation—

(1) which on May 26, 1969, was a public utility (as defined in section 247(b)(1) of such Code);

(2) the taxable income of which for its first taxable year ending after such date was less than $1,000,000; and

(3) which distributed to its shareholders, in any 3 of the 5 taxable years preceding the taxable year in which this Act is enacted and in each taxable year ending after the date of the enactment of this Act, at least 40 percent of its net income remaining after payment of Federal, State, and local taxes for such taxable year.

(c) SPECIAL RULE.—For purposes of subsection (a)(2), stock of any qualified public utility held—

(1) in any trust created before May 27, 1969, or

(2) in any estate of a decedent dying before such date,

of which any private foundation is the primary or remainder beneficiary shall be deemed to have been held by such foundation on May 26, 1969.

(d) PROHIBITION OF LATER PURCHASES.—Subsection (a) shall apply with respect to the holdings of a private foundation in any qualified public utility only if the foundation does not purchase after the date of the enactment of this Act any stock or other interest in such qualified public utility.

(e) EFFECTIVE DATE.—This section shall apply with respect to taxable years ending after the date of the enactment of this Act.

The SPEAKER pro tempore. Is a second demanded?

Mr. FRENZEL. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

Mr. BAUMAN. Reserving the right to object, Mr. Speaker, I wonder whether somebody in the leadership, if there is anybody, can tell the House how much further we are going on this suspension calendar this afternoon. Does anyone know?

Mr. BRADEMAS. If the gentleman will yield, Mr. Speaker, following any suspensions that would come out of the Committee on Ways and Means—and I believe there is one more; am I correct?

Mr. WAGGONNER. If the gentleman will yield, Mr. Speaker, that is correct.

Mr. BRADEMAS. There will be one suspension following the one just brought up by the gentleman from Louisiana (Mr. WAGGONNER); and it would be the plan of the leadership to go until about 5 o'clock on suspensions.

Mr. BAUMAN. Further reserving the right to object, Mr. Speaker, to the ordering of a second, what are the suspensions that are going to be brought up?

Mr. BRADEMAS. If the gentleman will yield further, I am advised that in addition to the one just brought up by the gentleman from Louisiana (Mr. WAGGONNER), we are taking two suspensions from the Committee on Ways and Means, H.R. 4030, the one just brought up, and H.R. 1337 as well as S. 2093, and H.R. 12467.

TELLER VOTE

Mr. BAUMAN. Mr. Speaker, I object, and on that I demand tellers.

The SPEAKER pro tempore. The question is, Will a second be ordered?

Tellers were ordered, and the Speaker pro tempore appointed as tellers Mr. WAGGONNER and Mr. BAUMAN.

The House divided, and the tellers reported that there were—ayes 17, noes 0.

Mr. BAUMAN. Mr Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 334, nays 16, not voting 84, as follows:

[Roll No. 316]

YEAS—334

Abdnor	Evans, Del.	McHugh
Addabbo	Evans, Ind.	McKay
Akaka	Fary	McKinney
Alexander	Fascell	Madigan
Allen	Fenwick	Mahon
Ambro	Findley	Markey
Ammerman	Fish	Marks
Anderson, Calif.	Fisher	Marlenee
Anderson, Ill.	Fithian	Marriott
Andrews, N.C.	Flippo	Mattox
Andrews, N. Dak.	Florio	Mazzoli
Annunzio	Flowers	Meeds
Applegate	Flynt	Meyner
Archer	Foley	Michel
Armstrong	Forsythe	Mikulski
Ashley	Fountain	Milford
Aspin	Fowler	Miller, Ohio
Badham	Frenzel	Mineta
Bafalis	Fuqua	Minish
Baldus	Gammage	Mitchell, Md.
Barnard	Garcia	Mitchell, N.Y.
Beard, R.I.	Gaydos	Moakley
Bedell	Gephardt	Moffett
Bennett	Giaimo	Mollohan
Bevill	Gibbons	Montgomery
Biaggi	Gilman	Moore
Bingham	Ginn	Moorhead, Calif.
Blanchard	Glickman	Moorhead, Pa.
Blouin	Gonzalez	Moss
Boggs	Gore	Murphy, Ill.
Boland	Gradison	Murphy, N.Y.
Bonior	Grassley	Murphy, Pa.
Bowen	Gudger	Murtha
Brademas	Guyer	Myers, Gary
Breaux	Hagedorn	Myers, John
Brinkley	Hall	Natcher
Brooks	Hamilton	Neal
Broomfield	Hammer-schmidt	Nedzi
Brown, Calif.	Hanley	Nichols
Brown, Mich.	Hannaford	Nowak
Brown, Ohio	Hansen	Oakar
Buchanan	Harkin	Oberstar
Burgener	Harrington	Obey
Burke, Fla.	Harris	Ottinger
Burke, Mass.	Harsha	Panetta
Burleson, Tex.	Hawkins	Patten
Burlison, Mo.	Heckler	Pease
Byron	Hefner	Pepper
Caputo	Heftel	Perkins
Carney	Hightower	Pettis
Carr	Hillis	Pickle
Cavanaugh	Hollenbeck	Pike
Cederberg	Holt	Preyer
Chappell	Horton	Price
Chisholm	Hubbard	Pritchard
Clausen, Don H.	Huckaby	Rahall
Clawson, Del	Hyde	Railsback
Cleveland	Ichord	Rangel
Cohen	Ireland	Regula
Collins, Tex.	Jacobs	Rhodes
Conable	Jeffords	Richmond
Conte	Jenrette	Rinaldo
Corcoran	Johnson, Calif.	Risenhoover
Corman	Jones, N.C.	Roberts
Cornwell	Jones, Okla.	Robinson
Cotter	Jones, Tenn.	Roe
Coughlin	Jordan	Rogers
Crane	Kasten	Roncalio
Cunningham	Kastenmeier	Rose
D'Amours	Kazen	Rostenkowski
Daniel, R. W.	Kelly	Roybal
Danielson	Kemp	Rudd
Davis	Ketchum	Ruppe
de la Garza	Keys	Russo
Delaney	Kildee	Ryan
Dellums	Kindness	Satterfield
Derrick	Kostmayer	Sawyer
Derwinski	Krebs	Scheuer
Devine	LaFalce	Schroeder
Dickinson	Lagomarsino	Seiberling
Dicks	Latta	Sharp
Diggs	Le Fante	Shipley
Dingell	Leach	Shuster
Dodd	Lederer	Simon
Dornan	Lehman	Skubitz
Downey	Lent	Slack
Duncan, Oreg.	Levitas	Smith, Iowa
Duncan, Tenn.	Livingston	Smith, Nebr.
Early	Lloyd, Tenn.	Snyder
Edgar	Long, Md.	Solarz
Edwards, Ala.	Lott	Spellman
Edwards, Calif.	Lujan	Spence
Edwards, Okla.	Luken	St Germain
Emery	Lundine	Staggers
English	McClory	Stangeland
Evans, Colo.	McCormack	Stanton
	McDonald	Steed
	McFall	Steers
	Steiger	Ullman
	Stockman	Van Deerlin
	Stokes	Vander Jagt
	Stratton	Vanik
	Studds	Vento
	Stump	Waggonner
	Symms	Walgren
	Taylor	Walker
	Thone	Walsh
	Traxler	Wampler
	Treen	Watkins
	Trible	Weaver
	Tsongas	Weiss
	Udall	Whalen
		White
		Whitehurst
		Whitley
		Winn
		Wirth
		Wolff
		Wright
		Wydler
		Wylie
		Yates
		Young, Fla.
		Young, Mo.
		Zablocki
		Zeferetti

NAYS—16

Bauman	Erlenborn	Quayle
Benjamin	Maguire	Stark
Burton, Phillip	Mikva	Volkmer
Butler	Mottl	Wilson, Bob
Coleman	Patterson	
Drinan	Poage	

NOT VOTING—84

Ashbrook	Frey	Pursell
AuCoin	Goldwater	Quie
Baucus	Goodling	Quillen
Beard, Tenn.	Green	Reuss
Beilenson	Holland	Rodino
Bolling	Holtzman	Rooney
Bonker	Howard	Rosenthal
Breckinridge	Hughes	Rousselot
Brodhead	Jenkins	Runnels
Broyhill	Johnson, Colo.	Santini
Burke, Calif.	Krueger	Sarasin
Burton, John	Leggett	Schulze
Carter	Lloyd, Calif.	Sebelius
Clay	Long, La.	Sikes
Cochran	McCloskey	Sisk
Collins, Ill.	McDade	Skelton
Conyers	McEwen	Teague
Cornell	Mann	Thompson
Daniel, Dan	Martin	Thornton
Dent	Mathis	Tucker
Eckhardt	Metcalfe	Waxman
Eilberg	Miller, Calif.	Whitten
Ertel	Myers, Michael	Wiggins
Evans, Ga.	Nix	Wilson, C. H.
Flood	Nolan	Wilson, Tex.
Ford, Mich.	O'Brien	Yatron
Ford, Tenn.	Pattison	Young, Alaska
Fraser	Pressler	Young, Tex.

Mr. PHILLIP BURTON changed his vote from "yea" to "nay."

So a second was ordered.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore (Mr. MCFALL). The gentleman from Louisiana (Mr. WAGGONNER) will be recognized for 20 minutes, and the gentleman from Minnesota (Mr. FRENZEL) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Louisiana (Mr. WAGGONNER).

Mr. WAGGONNER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 4030 permits a private foundation, in extremely limited circumstances, to continue to hold up to 51 percent of the stock of a public utility.

The Tax Reform Act of 1969 imposed an excise tax on the "excess business holdings" of a private foundation. Generally, this tax prohibits a foundation from owning more than 20 percent of the voting stock of a corporation. However, an exception in present law permits a private foundation to continue to hold up to 50 percent of the stock in a corporation, if the foundation held that stock on May 26, 1969.

This bill would permit the Hauss-Helms Foundation of Wapakoneta, Ohio, to continue to hold 51 percent of the stock of the Telephone Service Co. of Wapakoneta, Ohio. If the foundation were required to reduce its holdings below 51 percent to avoid the excise tax, as a practical matter the foundation

would be forced to transfer control of the telephone company. Because the telephone company has been able to maintain low rates for its telephone service, while rates under a new owner would likely increase substantially, there would be a substantial adverse effect on the citizens of Wapakoneta if the foundation were required to comply with present law and thus to reduce its holdings below 51 percent.

The Ways and Means Committee has reviewed the operations of the Hauss-Helms Foundation and has not found any of the conflicts in its operations that gave rise to the tax on excess business holdings.

Mr. Speaker, I urge the adoption of this bill.

Mr. FRENZEL. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 4030, a bill to amend the Internal Revenue Code of 1954 to increase the amount of stock which certain private foundations may hold in certain public utilities without being subject to the excise tax on excess business holdings.

The Tax Reform Act of 1969 imposed an excise tax on the excess business holdings of a private foundation. It limited the permissible business holdings of a private foundation and all disqualified persons to no more than 20 percent of the voting stock. The 1969 act partially "grandfathered" certain business holdings by permitting up to a 50 percent business ownership in then existing holdings. In situations where more than a 50 percent interest was held, it required that such holdings by private foundations and disqualified persons be reduced to no more than 50 percent within 10 years.

H.R. 4030 is intended to provide relief in a situation which would result in undue hardship and jeopardy if the 1969 act were rigidly enforced. A charitable private foundation in Ohio holds 51 percent of the stock of the local cooperative telephone company. If the foundation were forced to sell its holdings in excess of 50 percent it could do so only at depressed price levels. Also the low-cost local service provided by the cooperative telephone company would be jeopardized if ownership were to shift to more profit motivated, nonlocal owners.

H.R. 4030 is a narrowly drafted bill which will avoid the dilemma which the foundation currently faces. It should have no effect other than in this limited case. H.R. 4030 demonstrates that the legislative process has enough flexibility to adapt to individual compelling circumstances.

Mr. Speaker, I urge my colleagues to support H.R. 4030.

Mr. Speaker, I yield 2 minutes to the gentleman from Washington (Mr. CUNNINGHAM).

Mr. CUNNINGHAM. Mr. Speaker, I thank the gentleman for yielding this time to me.

Mr. Speaker, I would like to ask just one question. In allowing this exemption, I would be curious to know if we are setting any precedent to change the normal tax law on foundations that requires a charitable foundation to divest itself not only of all its annual income but 6 percent of its principal per year.

Mr. FRENZEL. Mr. Speaker, if the gentleman will yield, the answer to that question is that we do not set such a precedent. There is no material in the bill that relates to the 6 percent feature of the foundation tax law which the gentleman refers. The bill confines itself strictly to that feature which prohibits ownership of more than 50 percent of the stock, and it is tightly restricted to a single company.

Mr. CUNNINGHAM. Mr. Speaker, I thank the gentleman for his answer. I am appreciative of the efforts of the sponsors who desire to enact realistic legislation to fit what appears to be a very well-meaning foundation.

Mr. FRENZEL. Mr. Speaker, I thank the gentleman for his contribution, and I reserve the balance of my time.

Mr. WAGGONNER. Mr. Speaker, I yield 5 minutes to the gentleman from California (Mr. STARK).

Mr. STARK. Mr. Speaker, I want to ask my colleagues to join me in opposing this bill. It establishes a very bad precedent, and it is opposed by the Treasury Department.

This is a unique special-interest bill for the benefit of one foundation which owns a telephone company in one town, and the bill establishes a precedent that we had hoped to avoid.

It is Members' legislation of the worst kind. It is a bill which does not serve the people of this country. It subverts the intent of seeing the charitable foundations distribute their money and direct their efforts toward reinvesting money in ways that will help all of the people in the community. Charitable foundations are not supposed to be in the business of running another business. They are not supposed to be running utilities or automobile companies or oil companies or aluminum companies. Charitable foundations are directed to invest their money and distribute it under the terms of the foundation or its trust and not to come here when they cannot comply with the rules and ask for special legislation which would exempt them.

There was no evidence shown before our committee that indicated this bill would work a hardship on the good citizens of Wapakoneta, Ohio. Indeed, if you had the people running the utility business rather than the charitable business, they might do better in running the utility in Wapakoneta.

Mr. Speaker, I would urge my colleagues to stop from opening the floodgate which would face us with special-interest legislation to avoid the good laws we have passed in previous days and vote down this legislation which, the Treasury opposes. If the Members are for equitable treatment under the tax laws for charitable foundations and wish to adhere to the purposes for which they were created, then I would urge a "no" vote.

Mr. MIKVA. Mr. Speaker, will the gentleman yield?

Mr. STARK. I yield to the gentleman from Illinois.

Mr. MIKVA. I thank the gentleman for yielding.

Mr. Speaker, I would like to associate myself with the remarks of the gentleman from California. The difficulty with this precedent is that it is limited to one company almost by name, but once the precedent is set it would be almost impossible to avoid applying it to other charitable foundations as time goes on. Almost any foundation can ultimately claim the same so-called hardship that this foundation is claiming, whether it owns 60, 80 or 85 percent, whether it is a utility or other company, or whether the gift was prior or subsequent to 1969. In short, once we pass this bill, some other foundation will come in for some relief. I would refer my colleagues to the requirement or the restriction, which said no foundation should own more than 50 percent of a business. It was believed that both the private sector and the business sector would be better off if companies were not owned by charitable foundations. That reasoning and that motive applies to this situation today. I do not know of any move to repeal it. I would hate to see us chip away at it, one foundation at a time, and I would urge my colleagues to vote against this bill.

Mr. STARK. I thank the gentleman for his observations.

Mr. FRENZEL. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Ohio (Mr. GUYER).

Mr. GUYER. Mr. Speaker. I did not intend to speak on this bill, but it suddenly begins to sound like it is a big industry, a big utility bill.

Let me just give the Members the result of what would happen if we adversely acted upon this measure.

There was a fine couple, Bessie and Walter Hauss-Helms, who had an interest in a small independent company. At the time of their deaths, this equity was passed along to a foundation, nonprofit. It is in Wapakoneta, Ohio, the hometown of Neil Armstrong, the first astronaut to walk on the moon. These people are not asking for any special privilege. We looked around and found nobody who would be adversely affected by it. But what we did find is that the value of the company would be considerably lessened if there were a divestment of it. We are only talking about 4,000 and some shares, a little independent company.

However, the real crux is that the money from the foundation goes to help youngsters to go to college in two counties, Anglaize and Allen counties, in Ohio, and the students benefit by $130,000 a year.

Mr. Speaker, we sit here and talk about billions of dollars for projects in counties and cities, and here we are

talking about something which, in my judgment, is not going to hurt anyone.

Mr. MIKVA. Mr. Speaker, will the gentleman yield?

Mr. GUYER. I yield to the gentleman from Illinois.

Mr. MIKVA. Mr. Speaker, I thank the gentleman for yielding.

I appreciate the gentleman's concern about this company, but could I ask this question: If this bill did not pass, presumably the foundation would have to sell all or part of the stock to some private entity; is that correct?

Mr. GUYER. First of all, there would be a 5-percent penalty, leading up to a possible 200-percent penalty by the department IRS. They would have to divest below the 50-percent level, from what I understand.

Mr. MIKVA. Not if they sold the stock. The option is always open to the foundation, when it finds itself with a gift that does not qualify, to dispose of some or all of the stock in order to come under the law as it is now written.

Mr. GUYER. I understand. But it could lessen the value of their holdings.

Mr. MIKVA. My question is, What is so bad about a utility being run by the private sector rather than in the charitable sector?

Mr. GUYER. It seems to me rather strange that someone from Illinois would be expressing so much concern about a little company like this one.

Mr. MIKVA. No one wants to upset the operation of this company, but we are puzzled as to how we could limit it to just this one company.

Mr. GUYER. Can the gentleman name five other companies which have a problem like this one?

Mr. MIKVA. I can name them as we go along.

Mr. GUYER. Why did not the gentleman name them at the hearings?

Mr. Speaker, I yield back the balance of my time.

Mr. WAGGONNER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the Committee on Ways and Means has reviewed in depth the operations of the Hauss-Helms Foundation and has not found any of the conflicts in its operations that gave rise to the excess business holdings provisions. It is felt by the Committee on Ways and Means that this is an equitable matter and should be passed by the House. I urge its passage.

Mr. FRENZEL. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. WAGGONNER. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Louisiana (Mr. WAGGONNER) that the House suspend the rules and pass the bill H.R. 4030, as amended.

The question was taken.

Mr. MIKVA. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. The Chair will count. One hundred and thirty Members are present, not a quorum.

Pursuant to clause 3, rule XXVII, and the Chair's prior announcement, further proceedings on this motion will be postponed.

The gentleman's point of order of no quorum is considered withdrawn.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. MCFALL). Debate has been concluded on all motions to suspend the rules.

Pursuant to clause 3, rule XXVII, the Chair will now put the question on each motion on which further proceedings were postponed in the order in which that motion was entertained.

Votes will be taken in the following order:

H.R. 12255, by the yeas and nays; and

H.R. 4030, de novo.

Pursuant to the provisions of clause 3(b)(3), rule XXVII, the Chair announces that he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device may be taken on the second motion to suspend the rules on which the Chair has postponed further proceedings.

OLDER AMERICANS ACT

The SPEAKER pro tempore. The unfinished business is the question of suspending the rules and passing the bill H.R. 12255, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Indiana (Mr. BRADEMAS) to suspend the rules and pass the bill H.R. 12255, as amended, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 361, nays 6, not voting 67, as follows:

[Roll No. 317]

YEAS—361

Abdnor	Biaggi	Cavanaugh
Addabbo	Bingham	Cederberg
Akaka	Blanchard	Chappell
Alexander	Blouin	Chisholm
Allen	Boggs	Clausen, Don H.
Ambro	Boland	Clawson, Del
Ammerman	Bolling	Clay
Anderson, Calif.	Bonior	Cleveland
Anderson, Ill.	Bonker	Cohen
Andrews, N.C.	Bowen	Coleman
Andrews, N. Dak.	Brademas	Conable
Annunzio	Breaux	Conte
Applegate	Brinkley	Corcoran
Archer	Brodhead	Corman
Armstrong	Brooks	Cornell
Ashley	Broomfield	Cornwell
Aspin	Brown, Calif.	Cotter
Badham	Brown, Mich.	Coughlin
Bafalis	Brown, Ohio	Cunningham
Baldus	Buchanan	D'Amours
Barnard	Burgener	Daniel, Dan
Bauman	Burke, Fla.	Daniel, R. W.
Beard, R.I.	Burke, Mass.	Danielson
Beard, Tenn.	Burleson, Tex.	Davis
Bedell	Burlison, Mo.	de la Garza
Bellenson	Burton, John	Delaney
Benjamin	Burton, Phillip	Dellums
Bennett	Byron	Derrick
Bevill	Caputo	Derwinski
Blanton	Carney	Devine
Boggs	Carr	Dickinson
Boland	Chisholm	Dicks
Bolling	Clausen, Don H.	Dingell
Bonior	Clawson, Del	Dodd
Bonker	Clay	Dornan
Bowen	Cleveland	Downey
Brademas	Cohen	Drinan
Breaux	Coleman	Duncan, Oreg.
Brinkley	Conable	Duncan, Tenn.
Brodhead	Conte	Early
Brooks	Corcoran	Edgar
Broomfield	Corman	Edwards, Ala.
Brown, Calif.	Cornell	Edwards, Calif.
Brown, Mich.	Cornwell	Edwards, Okla.
Brown, Ohio	Cotter	Emery
Buchanan	Coughlin	English
Burgener	Cunningham	Erlenborn
Burke, Fla.	D'Amours	Evans, Colo.
Burke, Mass.	Daniel, Dan	Evans, Del.
Burleson, Tex.	Daniel, R. W.	Evans, Ga.
Burlison, Mo.	Danielson	Evans, Ind.
Burton, John	Davis	Fary
Burton, Phillip	de la Garza	Fascell
Byron	Delaney	Findley
Caputo	Dellums	Fish
Carney	Derrick	Fisher
Carr	Derwinski	Fithian
Cavanaugh	Devine	Flippo
Cederberg	Dickinson	Florio
Chappell	Dicks	Flowers
Chisholm	Dingell	Flynt
Clausen, Don H.	Dodd	Foley
Clawson, Del	Dornan	Forsythe
Clay	Downey	Fountain
Cleveland	Drinan	Fowler
Cohen	Duncan, Oreg.	Frenzel
Coleman	Duncan, Tenn.	Fuqua
Conable	Early	Gammage
Conte	Edgar	Garcia
Corcoran	Edwards, Ala.	Gaydos
Corman	Edwards, Calif.	Gephardt
Cornell	Edwards, Okla.	Giaimo
Cornwell	Emery	Gibbons
Cotter	English	Gilman
Coughlin	Erlenborn	Ginn
Cunningham	Evans, Colo.	Glickman
D'Amours	Evans, Del.	Gonzalez
Daniel, Dan	Evans, Ga.	Goodling
Daniel, R. W.	Evans, Ind.	Gore
Danielson	Fary	Gradison
Davis	Fascell	Grassley
de la Garza	Findley	Gudger
Delaney	Fish	Guyer
Dellums	Fisher	Hagedorn
Derrick	Fithian	Hall
Derwinski	Flippo	Hamilton
Devine	Florio	Hammer-schmidt
Dickinson	Flowers	Hanley
Dicks	Flynt	Hannaford
Dingell	Foley	Hansen
Dodd	Forsythe	Harkin
Dornan	Fountain	Harris
Downey	Fowler	Harsha
Drinan	Frenzel	Hawkins
Duncan, Oreg.	Fuqua	Heckler
Duncan, Tenn.	Gammage	Hefner
Early	Garcia	Heftel
Edgar	Gaydos	Hightower
Edwards, Ala.	Gephardt	Hillis
Edwards, Calif.	Giaimo	Hollenbeck
Edwards, Okla.	Gibbons	Holt
Emery	Gilman	Horton
English	Ginn	Howard
Erlenborn	Glickman	Hubbard
Evans, Colo.	Gonzalez	Huckaby
Evans, Del.	Goodling	Hyde
Evans, Ga.	Gore	Ichord
Evans, Ind.	Gradison	Ireland
Fary	Grassley	Jacobs
Fascell	Gudger	Jeffords
Findley	Guyer	Jenrette
Fish	Hagedorn	Johnson, Calif.
Fisher	Hall	Jones, N.C.
Fithian	Hamilton	Jones, Okla.
Flippo	Hammer-schmidt	Jones, Tenn.
Florio	Hanley	Jordan
Flowers	Hannaford	Kasten
Flynt	Hansen	Kastenmeier
Foley	Harkin	Kazen
Forsythe	Harris	Kelly
Fountain	Harsha	Kemp
Fowler	Hawkins	Ketchum
Frenzel	Heckler	Keys
Fuqua	Hefner	Kildee
Gammage	Heftel	Kindness
Garcia	Hightower	Kostmayer
Gaydos	Hillis	Krebs
Gephardt	Hollenbeck	LaFalce
Giaimo	Holt	Lagomarsino
Gibbons	Horton	Latta
Gilman	Howard	Le Fante
Ginn	Hubbard	Leach
Glickman	Huckaby	Lederer
Gonzalez	Hyde	Leggett
Goodling	Ichord	Lehman
Gore	Ireland	Lent
Gradison	Jacobs	Levitas
Grassley	Jeffords	Livingston
Gudger	Jenrette	Lloyd, Calif.
Guyer	Johnson, Calif.	Lloyd, Tenn.
Hagedorn	Jones, N.C.	Long, Md.
Hall	Jones, Okla.	Lott
Hamilton	Jones, Tenn.	Lujan
Hammer-schmidt	Jordan	Luken
Hanley	Kasten	Lundine
Hannaford	Kastenmeier	McClory
Hansen	Kazen	McCormack
Harkin	Kelly	McEwen
Harris	Kemp	McFall
Harsha	Ketchum	McHugh
Hawkins	Keys	McKay
Heckler	Kildee	McKinney
Hefner	Kindness	Madigan
Heftel	Kostmayer	Maguire
Hightower	Krebs	Mahon
Hillis	LaFalce	Markey
Hollenbeck	Lagomarsino	Marks
Holt	Latta	Marlenee
Horton	Le Fante	Marriott
Howard	Leach	Mathis
Hubbard	Lederer	Mattox
Huckaby	Leggett	Mazzoli
Hyde	Lehman	Meeds
Ichord	Lent	Meyner
Ireland	Levitas	Michel
Jacobs	Livingston	Mikulski
Jeffords	Lloyd, Calif.	Mikva
Jenrette	Lloyd, Tenn.	Milford
Johnson, Calif.	Long, Md.	Miller, Calif.
Jones, N.C.	Lott	Miller, Ohio
Jones, Okla.	Lujan	Mineta
Jones, Tenn.	Luken	Minish
Jordan	Lundine	Mitchell, Md.
Kasten	McClory	Mitchell, N.Y.
Kastenmeier	McCormack	Moakley
Kazen	McEwen	Moffett
Kelly	McFall	Mollohan
Kemp	McHugh	Montgomery
Ketchum	McKay	Moore
Keys	McKinney	Moorhead, Calif.
Kildee	Madigan	Moorhead, Pa.
Kindness	Maguire	Motti
Kostmayer	Mahon	Murphy, Ill.
Krebs	Markey	Murphy, N.Y.
LaFalce	Marks	Murphy, Pa.
Lagomarsino	Marlenee	Murtha
Latta	Marriott	Myers, Gary
Le Fante	Mathis	Myers, John
Leach	Mattox	Natcher
Lederer	Mazzoli	Neal
Leggett	Meeds	Nedzi
Lehman	Meyner	Nichols
Lent	Michel	Nowak
Levitas	Mikulski	Oakar
Livingston	Mikva	Oberstar
Lloyd, Calif.	Milford	Obey
Lloyd, Tenn.	Miller, Calif.	Ottinger
Long, Md.	Miller, Ohio	Panetta
Lott	Mineta	Patten
Lujan	Minish	Patterson
Luken	Mitchell, Md.	Pattison
Lundine	Mitchell, N.Y.	Pease
McClory	Moakley	Pepper
McCormack	Moffett	Perkins
McEwen	Mollohan	Pettis
McFall	Montgomery	Pickle
McHugh	Moore	Pike
McKay	Moorhead, Calif.	Poage
McKinney	Moorhead, Pa.	Preyer
Madigan	Motti	Price
Maguire	Murphy, Ill.	Pritchard
Mahon	Murphy, N.Y.	Pursell
Markey	Murphy, Pa.	Quayle
Marks	Murtha	Rahall
Marlenee	Myers, Gary	Railsback
Marriott	Myers, John	Rangel
Mathis	Natcher	Regula
Mattox	Neal	Rhodes
Mazzoli	Nedzi	Richmond
Meeds	Nichols	Rinaldo
Meyner	Nowak	Risenhoover
Michel	Oakar	Roberts
Mikulski	Oberstar	Robinson
Mikva	Obey	Roe
Milford	Ottinger	Rogers
Miller, Calif.	Panetta	Roncalio
Miller, Ohio	Patten	Rose
Mineta	Patterson	Rostenkowski
Minish	Pattison	Rousselot
Mitchell, Md.	Pease	Roybal
Mitchell, N.Y.	Pepper	Rudd
Moakley	Perkins	Ruppe
Moffett	Pettis	Russo
Mollohan	Pickle	Ryan
Montgomery	Pike	Sawyer
Moore	Poage	Scheuer
Moorhead, Calif.	Preyer	Schroeder
Moorhead, Pa.	Price	Seiberling
Motti	Pritchard	Sharp
Murphy, Ill.	Pursell	Shipley
Murphy, N.Y.	Quayle	Shuster
Murphy, Pa.	Rahall	Simon
Murtha	Railsback	Skubitz
Myers, Gary	Rangel	Slack
Myers, John	Regula	Smith, Iowa
Natcher	Rhodes	Smith, Nebr.
Neal	Richmond	Snyder
Nedzi	Rinaldo	Solarz
Nichols	Risenhoover	Spellman
Nowak	Roberts	Spence
Oakar	Robinson	St Germain
Oberstar	Roe	Staggers
Obey	Rogers	Stangeland
Ottinger	Roncalio	Stanton
Panetta	Rose	Stark
Patten	Rostenkowski	Steed
Patterson	Rousselot	Steers
Pattison	Roybal	Steiger
Pease	Rudd	Stockman
Pepper	Ruppe	Stokes
Perkins	Russo	Stratton
Pettis	Ryan	Studds
Pickle	Sawyer	Stump
Pike	Scheuer	Symms
Poage	Schroeder	Taylor
Preyer	Seiberling	Thone
Price	Sharp	Traxler
Pritchard	Shipley	Treen
Pursell	Shuster	Trible
Quayle	Simon	Tsongas
Rahall	Skubitz	Udall
Railsback	Slack	Ullman
Rangel	Smith, Iowa	Van Deerlin
Regula	Smith, Nebr.	Vander Jagt
Rhodes	Snyder	Vanik
Richmond	Solarz	Vento
Rinaldo	Spellman	Volkmer
Risenhoover	Spence	Waggonner
Roberts	St Germain	Walgren
Robinson	Staggers	Walker
Roe	Stangeland	Walsh
Rogers	Stanton	Wampler
Roncalio	Stark	Watkins
Rose	Steed	Weaver
Rostenkowski	Steers	Weiss
Rousselot	Steiger	Whalen
Roybal	Stockman	Whitehurst
Rudd	Stokes	Whitley
Ruppe	Stratton	Wilson, Bob
Russo	Studds	Winn
Ryan	Stump	Wirth
Sawyer	Symms	Wolff
Scheuer	Taylor	Wright
Schroeder	Thone	Wydler
Seiberling	Traxler	Wylie
Sharp	Treen	Yates
Shipley	Trible	Young, Alaska
Shuster	Tsongas	Young, Fla.
Simon	Udall	Young, Mo.
Skubitz	Ullman	Zablocki
Slack	Van Deerlin	Zeferetti
Smith, Iowa	Vander Jagt	
Smith, Nebr.	Vanik	
Snyder	Vento	
Solarz	Volkmer	
Spellman	Waggonner	
Spence	Walgren	
St Germain	Walker	
Staggers	Walsh	
Stangeland	Wampler	
Stanton	Watkins	
Stark	Weaver	
Steed	Weiss	
Steers	Whalen	
Steiger	Whitehurst	
Stockman	Whitley	
Stokes	Wilson, Bob	
Stratton	Winn	
Studds	Wirth	
Stump	Wolff	
Symms	Wright	
Taylor	Wydler	
Thone	Wylie	
Traxler	Yates	
Treen	Young, Alaska	
Trible	Young, Fla.	
Tsongas	Young, Mo.	
Udall	Zablocki	
Ullman	Zeferetti	
Van Deerlin		
Vander Jagt		
Vanik		
Vento		
Volkmer		
Waggonner		
Walgren		
Walker		
Walsh		
Wampler		
Watkins		
Weaver		
Weiss		
Whalen		
Whitehurst		
Whitley		
Wilson, Bob		
Winn		
Wirth		
Wolff		
Wright		
Wydler		
Wylie		
Yates		
Young, Alaska		
Young, Fla.		
Young, Mo.		
Zablocki		
Zeferetti		

NAYS—6

Butler	Crane	McDonald
Collins, Tex.	Fenwick	Satterfield

NOT VOTING—67

Ashbrook	Broyhill	Collins, Ill.
AuCoin	Burke, Calif.	Conyers
Baucus	Carter	Dent
Breckinridge	Cochran	Diggs

Eckhardt	McDade	Schulze
Eilberg	Mann	Sebelius
Ertel	Martin	Sikes
Flood	Metcalfe	Sisk
Ford, Mich.	Moss	Skelton
Ford, Tenn.	Myers, Michael	Teague
Fraser	Nix	Thompson
Frey	Nolan	Thornton
Goldwater	O'Brien	Tucker
Green	Pressler	Waxman
Harrington	Quie	White
Holland	Quillen	Whitten
Holtzman	Reuss	Wiggins
Hughes	Rodino	Wilson, C. H.
Jenkins	Rooney	Wilson, Tex.
Johnson, Colo.	Rosenthal	Yatron
Krueger	Runnels	Young, Tex.
Long, La.	Santini	
McCloskey	Sarasin	

The Clerk announced the following pairs:

Mr. Eilberg with Mr. O'Brien.
Mr. Thompson with Mr. Sarasin.
Mr. Baucus with Mr. Green.
Mr. AuCoin with Mr. Cochran of Mississippi.
Mr. Santini with Mr. Quie.
Mr. Jenkins with Mr. Carter.
Mrs. Burke of California with Mr. Tucker.
Mr. Ford of Michigan with Mr. Quillen.
Mr. Flood with Mr. Mann.
Mr. Whitten with Mr. Frey.
Mr. Rodino with Mr. Goldwater.
Mr. Ford of Tennessee with Mr. Sebelius.
Mr. Waxman with Mr. Pressler.
Mr. Breckinridge with Mr. Teague.
Mr. Charles H. Wilson of California with Mr. Rooney.
Mr. Conyers with Mr. Holland.
Mr. Reuss with Mr. Schulze.
Mr. Ertel with Mr. McDade.
Mr. Yatron with Mr. McCloskey.
Mr. Nix with Mr. Runnels.
Mr. Metcalfe with Mr. Ashbrook.
Mr. Long of Louisiana with Mr. Diggs.
Mr. Michael O. Myers with Mr. Dent.
Mr. Nolan with Mr. Broyhill.
Mr. Fraser with Mrs. Collins of Illinois.
Mr. Eckhardt with Mr. Harrington.
Mr. Charles Wilson of Texas with Mr. Martin.
Ms. Holtzman with Mr. Krueger.
Mr. Rosenthal with Mr. Wiggins.
Mr. White with Mr. Skelton.
Mr. Sikes with Mr. Sisk.
Mr. Hughes with Mr. Moss.
Mr. Thornton with Mr. Johnson of Colorado.

Mr. LUNDINE changed his vote from "nay" to "yea."

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. BRADEMAS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

HOLDINGS OF PRIVATE FOUNDATIONS IN PUBLIC UTILITIES

The SPEAKER pro tempore. The unfinished business is the question of suspending the rules and passing the bill, H.R. 4030, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Louisiana (Mr. WAGGONNER) that the House suspend the rules and pass the bill H.R. 4030, as amended.

The question was taken.

Mr. MIKVA. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 218, nays 145, not voting 71, as follows:

[Roll No. 318]

YEAS—218

Abdnor	Frenzel	Murphy, N.Y.
Alexander	Fuqua	Murtha
Allen	Gammage	Myers, John
Anderson, Ill.	Gephardt	Natcher
Andrews, N.C.	Giaimo	Nichols
Andrews, N. Dak.	Ginn	Oakar
Annunzio	Gonzalez	Pepper
Applegate	Goodling	Perkins
Archer	Gradison	Pettis
Armstrong	Grassley	Pickle
Ashley	Gudger	Poage
Badham	Guyer	Preyer
Bafalis	Hagedorn	Price
Barnard	Hall	Pritchard
Bauman	Hammer-schmidt	Quayle
Beard, Tenn.	Hanley	Railsback
Bevill	Hansen	Regula
Biaggi	Harsha	Rhodes
Blouin	Hefner	Risenhoover
Boggs	Hightower	Roberts
Bowen	Hillis	Robinson
Brademas	Hollenbeck	Roe
Breaux	Holt	Rogers
Brinkley	Horton	Rostenkowski
Brooks	Hubbard	Rousselot
Broomfield	Huckaby	Rudd
Brown, Calif.	Hyde	Ruppe
Brown, Mich.	Jeffords	Sawyer
Buchanan	Jones, N.C.	Seiberling
Burgener	Jones, Okla.	Shipley
Burleson, Tex.	Jones, Tenn.	Shuster
Byron	Jordan	Skubitz
Cederberg	Kasten	Slack
Chappell	Kazen	Smith, Iowa
Clausen, Don H.	Kelly	Smith, Nebr.
Clawson, Del	Kemp	Snyder
Clay	Ketchum	Spence
Cohen	Kindness	Staggers
Coleman	LaFalce	Stangeland
Collins, Tex.	Lagomarsino	Stanton
Conable	Latta	Steed
Conte	Leach	Steers
Corcoran	Leggett	Stockman
Cotter	Lent	Stokes
Coughlin	Livingston	Stratton
Crane	Lloyd, Calif.	Stump
Cunningham	Lloyd, Tenn.	Symms
Daniel, R. W.	Long, Md.	Taylor
Davis	Lott	Thone
de la Garza	Lujan	Treen
Derwinski	Luken	Trible
Devine	McClory	Ullman
Dickinson	McCormack	Vander Jagt
Dicks	McDonald	Waggonner
Dornan	McEwen	Walker
Duncan, Oreg.	McFall	Walsh
Duncan, Tenn.	Madigan	Wampler
Edwards, Ala.	Mahon	Watkins
Edwards, Calif.	Marks	Whalen
Edwards, Okla.	Marlenee	White
Emery	Marriott	Whitehurst
English	Mathis	Whitley
Evans, Del.	Meeds	Wiggins
Evans, Ga.	Michel	Wilson, Bob
Fary	Milford	Winn
Findley	Miller, Ohio	Wright
Fish	Mitchell, Md.	Wydler
Flippo	Mitchell, N.Y.	Wylie
Flowers	Mollohan	Young, Alaska
Flynt	Montgomery	Young, Fla.
Foley	Moore	Young, Mo.
Forsythe	Moorhead, Calif.	Zablocki
Fountain	Mottl	

NAYS—145

Addabbo	Evans, Ind.	Murphy, Ill.
Akaka	Fenwick	Myers, Gary
Ambro	Fisher	Neal
Ammerman	Fithian	Nedzi
Anderson, Calif.	Florio	Nowak
Aspin	Fowler	Oberstar
Baldus	Garcia	Obey
Beard, R.I.	Gaydos	Ottinger
Bedell	Gibbons	Panetta
Beilenson	Glickman	Patten
Benjamin	Gore	Patterson
Bennett	Hamilton	Pattison
Bingham	Hannaford	Pease
Blanchard	Harkin	Pike
Boland	Harris	Rahall
Bolling	Hawkins	Rangel
Bonior	Heckler	Richmond
Brodhead	Heftel	Rinaldo
Brown, Ohio	Howard	Roncalio
Burke, Fla.	Ichord	Rose
Burke, Mass.	Ireland	Roybal
Burlison, Mo.	Jacobs	Russo
Burton, John	Jenrette	Ryan
Burton, Phillip	Johnson, Calif.	Satterfield
Butler	Kastenmeier	Scheuer
Caputo	Keys	Schroeder
Carney	Kildee	Sharp
Carr	Kostmayer	Simon
Cavanaugh	Krebs	Solarz
Chisholm	Le Fante	Spellman
Cleveland	Lederer	St Germain
Corman	Lehman	Stark
Cornell	Levitas	Steiger
Cornwell	Lundine	Studds
D'Amours	McHugh	Traxler
Daniel, Dan	McKay	Tsongas
Danielson	McKinney	Udall
Delaney	Maguire	Van Deerlin
Dellums	Markey	Vanik
Derrick	Mattox	Vento
Dingell	Mazzoli	Volkmer
Dodd	Meyner	Walgren
Downey	Mikulski	Weaver
Drinan	Mikva	Weiss
Early	Miller, Calif.	Wirth
Edgar	Mineta	Wolff
Erlenborn	Minish	Yates
Evans, Colo.	Moffett	Zeferetti
	Moorhead, Pa.	

NOT VOTING—71

Ashbrook	Green	Quillen
AuCoin	Harrington	Reuss
Baucus	Holland	Rodino
Bonker	Holtzman	Rooney
Breckinridge	Hughes	Rosenthal
Broyhill	Jenkins	Runnels
Burke, Calif.	Johnson, Colo.	Santini
Carter	Krueger	Sarasin
Cochran	Long, La.	Schulze
Collins, Ill.	McCloskey	Sebelius
Conyers	McDade	Sikes
Dent	Mann	Sisk
Diggs	Martin	Skelton
Eckhardt	Metcalfe	Teague
Eilberg	Moakley	Thompson
Ertel	Moss	Thornton
Fascell	Murphy, Pa.	Tucker
Flood	Myers, Michael	Waxman
Ford, Mich.	Nix	Whitten
Ford, Tenn.	Nolan	Wilson, C. H.
Fraser	O'Brien	Wilson, Tex.
Frey	Pressler	Yatron
Gilman	Pursell	Young, Tex.
Goldwater	Quie	

The Clerk announced the following pairs:

Mr. Thompson with Mr. Sarasin.
Mr. Baucus with Mr. Green.
Mr. Eilberg with Mr. Quie.
Mr. AuCoin with Mr. O'Brien.
Mr. Santini with Mr. Carter.
Mr. Jenkins with Mr. Quillen.
Mrs. Burke of California with Mr. Tucker.
Mr. Ford of Michigan with Mr. Frey.
Mr. Flood with Mr. Goldwater.
Mr. Whitten with Mr. Pressler.
Mr. Rodino with Mr. Sebelius.
Mr. Ford of Tennessee with Mr. Gilman.
Mr. Breckinridge with Mr. Holland.
Mr. Bonker with Mr. Schulze.
Mr. Charles H. Wilson of California with Mr. Cochran of Mississippi.

Mr. Conyers with Mr. Teague.
Mr. Reuss with Mr. Dent.
Mr. Ertel with Mr. Diggs.
Mr. Yatron with Mr. Eckhardt.
Mr. Nix with Mr. Fascell.
Mr. Metcalfe with Mr. Waxman.
Mr. Long of Louisiana with Mr. Harrington.
Mr. Mann with Ms. Holtzman.
Mr. Michael O. Myers with Mr. Hughes.
Mr. Nolan with Mr. Krueger.
Mr. Fraser with Mr. Rosenthal.
Mrs. Collins of Illinois with Mr. Runnels.
Mr. Sikes with Mr. Skelton.
Mr. Sisk with Mr. Moss.
Mr. Moakley with Mr. Murphy of Pennsylvania.
Mr. Thornton with Mr. Martin.
Mr. Charles Wilson of Texas with Mr. McCloskey.
Mr. Rooney with Mr. McDade.
Mr. Broyhill with Mr. Ashbrook.
Mr. Pursell with Mr. Johnson of Colorado.

So (two-thirds not having voted in favor thereof) the motion was rejected.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mr. WHITE. Mr. Speaker, although I was in the Chamber this afternoon at the time of the vote on H.R. 12255, the Older Americans Act of 1965, rollcall No. 317, I was not recorded. Had I been recorded, I would have voted "yea."

ADMINISTRATION DIPLOMACY AND CHINA

The SPEAKER pro tempore (Mr. McFALL). Under a previous order of the House, the gentleman from Illinois (Mr. MICHEL) is recognized for 15 minutes.

Mr. MICHEL. Mr. Speaker, I recently visited the People's Republic of China. For 2 weeks our group visited six cities, several farm factories, schools, and medical facilities. We met and talked with many Chinese. I am still sorting through my notes and memories of that visit, attempting to put my experiences in some sort of order. I did not return from this trip, as some Americans have, as an instant expert on China. But at the same time, I think I gained some insights into the land and its people.

I think it is safe to say that the Chinese place great emphasis on ceremony, on the way in which things are done, whether it is greeting a visitor or sitting down to dinner. This careful attention to what might be called the symbolic meaning of events and ceremonies is not confined to mainland China—it can be found on Taiwan too.

I mention this because I believe the Carter administration has not taken this important fact about the Chinese into consideration and, therefore, our Nation very well may be on its way to making a diplomatic blunder because of it.

On May 20, 1978, Chiang Ching-kuo will be inaugurated as President of the Republic of China. On the same day, Zbigniew Brzezinski, National Security Adviser to President Carter, will be visiting Peking, the Capital of the People's Republic of China.

When the strongest non-Communist nation in the world sends one of its highest ranking security officials to visit Communist China on the same day that a President is being inaugurated in the Republic of China, one does not have to be overly suspicious to wonder exactly what the administration is up to. And if one happens to be Chinese, the symbolic meaning of these events can be all important.

Is this yet another case of insensitivity and ineptness, the kind of thing we have come to expect from an administration that holds the diplomatic skills of Andrew Young in high regard? Or is it a not-too-subtle and deliberate diplomatic move calculated very carefully to send a message to the world about our intentions regarding the future of the Republic of China?

The State Department says Brzezinski's trip is "not a negotiating trip, not a trip for normalization of relations." Perhaps this is true. But whatever the official intention of the trip may be and whatever explanation is being given out by the State Department, the very fact of the visit by Brzezinski will be seen as a major policy move by the administration, whether or not this was intended. National statements of policy can be made without the official language of diplomacy being used. In international relations action not only speaks louder than words, but much more persuasively.

Am I reading too much into this visit? I think not. Let me read to you from a Presidential news conference held on April 2, 1978. The President was asked about the Peking government's recent statement that it would not use force "in the near term" to settle the Taiwan question. This, in full, is the President's answer:

> I would not acknowledge an insurmountable obstacle. In reaching the goals expressed in the Shanghai Communique, which is binding on us and which I fully support, and binding on the People's Republic of China leaders, we recognize the concept that is shared in Taiwan and on the mainland that there is only one China.
>
> We recognize that it is for the best interest of our own nation to have full diplomatic relationships with China, and my hope is that over a period of months—we're not in a big hurry, neither are the People's Republic of China leaders—that we will completely realize the hopes expressed in the Shanghai Communique.

Look at the sequence of events from the point of view of the Chinese, both in Peking and Taiwan. One month ago the President stated he wants "full diplomatic relations with China." But the Red Chinese have made it clear that the only way such relations can come about is for the United States to abandon Taiwan. When the President was asked to comment on Peking's statement that force is ruled out only in the "near term," he remained silent. One month after this very eloquent silence the President sends his top national security adviser to Peking instead of to Taiwan.

The Chinese, on the mainland and on Taiwan, will get the message loud and clear.

But that is precisely the kind of message we must not send. The delicate state of our relations with both nations may be uncomfortable for all concerned—but it is preferable to any alternative. Tilt too much one way or the other and a whole series of events will take place, events over which we will have no control. Give the Red Chinese a "sign," even an unintentional signal, that we are ready to abandon Taiwan and it might embolden them to do things they ordinarily would not do. Our task, difficult as it might be, is to be patient and to think very carefully before we make any kind of diplomatic gesture. But this is exactly what the Carter administration has not done.

Mr. Speaker, I hope that between now and May 20, the Carter administration takes time to think through the meaning of all this. I recognize the importance of the People's Republic, a nation with almost a billion human beings. But I also recognize the importance of our treaty commitments and of our Nation's commitment to human rights. By every standard of measurement yet devised, from that of Freedom House to that of other recognized experts in the field, the Republic of China is far ahead of the Peoples' Republic of China in the area of fundamental human rights. We cannot and should not do or say anything that will lead anyone to believe that normal relations with Peking will be purchased at the price of backing away from our treaty commitment and our concern for human rights.

I urge the President to make a public statement of solidarity and continued mutual friendship with the Republic of China. And I hope that our future relations with both nations will not involve the intensitivity and confused thought that resulted in this latest diplomatic fumble.

PERSONAL EXPLANATION

Mr. FOLEY. Mr. Speaker, I was unavoidably absent from the Chamber during rollcall No. 313. Had I been present, I would have voted "aye."

MIDDLE EAST ARMS SALES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. STUDDS) is recognized for 5 minutes.

● Mr. STUDDS. Mr. Speaker, I am inserting into the RECORD today a statement detailing the reasons for my decision to support the President's proposal to sell advanced fighter aircraft to Israel, Egypt, and Saudi Arabia. I hope that this will be of interest to my colleagues:

SPECIAL REPORT ON MIDDLE EAST ARMS SALES

(INTRODUCTORY NOTE.—As this is being written, I do not yet know whether the complex congressional procedures governing the approval of proposed arms sales will require that I actually cast a vote on the President's proposals for the Middle East. It is possible, for example, that action by the Senate may make unnecessary any action by the House International Relations Committee, on which I serve. Nevertheless—vote or no vote—I believe I owe my constituency a full accounting of my own thinking on this critically imporant and agonizingly complex subject.)

Since coming to Congress, I have had no more difficult decision than the judgment which I must now make concerning the wisdom of President Carter's proposal to sell advanced fighter aircraft to Israel, Egypt, and Saudi Arabia. I have been, and remain, very doubtful about the ability of arms sales to accomplish the objective generally used to justify them—peace. History does not support the logic used in the past, and in my view, too often used in the present, that the relatively indiscriminate sale of arms to all nations even remotely friendly to the United States is anything less than insane. My instincts cry out against any major arms sales to any nation which has substantial interests dissimilar to our own, even if other interests are held in common.

As a result, I approached President Carter's proposed Middle East arms sales package with great skepticism. I submitted a long and detailed list of questions and concerns to the State Department regarding every aspect of these sales, and particularly the proposed transfer of 60 F–15's to Saudi Arabia. I have read a wealth of material prepared by those on every side of this issue, including memos prepared by the American Israel Public Affairs Committee. I have attempted to compare conflicting responses to similar questions, and have tried to satisfy myself as to the strength of the claims made by various sides.

Even now, having made a decision as to my vote, I have reservations. I believe the diplomatic, political and military logic in support of these sales to be compelling, but I would not, without scrutiny, trust the general philosophy behind these particular sales as a precedent for any future arms transactions to any area of the world. I believe that the controversy surrounding these sales provides ample evidence of the importance of a strengthened worldwide effort at arms sales control, and demonstrates clearly the vital importance of achieving a lasting peace settlement in the Middle East.

I would not be supporting these transactions if I felt that they would result in any serious risk to the security of Israel.

On the contrary, I believe that the sales will be of at least some help in facilitating the opportunities for purposeful Middle East negotiations, an opportunity which must be seized if Israeli security is ever to be fully achieved. In addition, I accept, with reservations, the Administration's argument that advanced fighter aircraft sales to Saudi Arabia from France—certain to occur if the F–15 sale is denied—would pose a more serious potential military threat to Israel, than weapons supplied by the United States.

Finally, I have come to believe that the Carter Administration is serious about reducing substantially the worldwide trade in arms. I believe, moreover, that President Carter is perhaps the only leader of a major defense equipment manufacturing country so dedicated, and that for this reason, his efforts deserve recognition and, wherever appropriate, strong support. I have become aware, first-hand, of the kinds of intense political and economic pressures which help to generate arms sales, and I have seen what has appeared at times to be a very courageous effort, on the part of this Administration, to withstand such pressures.

For this reason, I believe that the decision to propose the Middle East aircraft sales was taken only after a careful analysis of the genuine political, military and psychological requirements of the governments and individuals currently dominating the Middle East. Unlike sales which have been proposed in the past, I do not believe that these transactions were dictated by the economic self-interest of domestic arms manufacturers, or by the short-sighted rationalizations of weak-willed State Department officials.

I want to close this introduction by emphasizing once again the extraordinary difficulty of the judgement which I have made. I believe that my decision is the correct one, but I can understand fully why others may disagree.

I ask only that the reasons for my vote—detailed below—be clearly understood, and that those who question my judgement should feel free to share their own thinking with me.

THE IMPACT OF PEACE NEGOTIATIONS

A peace settlement in the Middle East will require unprecedented acts of courage on the part of virtually every government in the region. Israel and Egypt have both taken substantial steps toward a settlement, but the most critical decisions—those which bear directly on national boundaries and the deployment of troops—still lay ahead.

As a general proposition, it is nonsense to argue that selling arms to both sides in a conflict is likely to enhance the prospects for peace. In this situation, however, the sale of F–5 planes to Egypt, and the sale of the more advanced F–15 and F–16 planes to Israel is proposed by the Administration in order to give each nation the confidence required to negotiate seriously. In a letter to me, the State Department argues:

"the U.S. could not ignore security needs we ourselves had determined to be valid and expect to be trusted as an intermediary . . . the governments must make hard decisions to move the (peace) process along. It is our judgment that this is more likely to occur if the basic defensive needs of the three countries are fulfilled by the United States, the one country able to talk to all sides of the conflict."

I believe that the United States should, without question, continue to meet the legitimate military assistance and sales requests of Israel. In addition, I believe that President Sadat of Egypt has a right to expect some measure of U.S. support, in light of his peace initiative in the Middle East and his decision to reject significant future military assistance from the Soviet Union. I think it is fair to say even at this relatively stagnant period in the negotiations, that the prospects for a Middle East peace will remain closely linked to the future political fate of Anwar Sadat. Finally, the Defense Department argues convincingly that the F–5 which is to be sold to Egypt lacks the flying range, the speed, and the maneuverability which would be necessary for it to threaten the very substantial air power of Israel.

Several nations, in addition to Egypt and Israel, have a critical role to play in the search for a Middle East peace. It is clear that any settlement remotely final in nature will require the active participation of the moderate Arab states in the region. These nations, particularly Saudi Arabia, must be both willing and able to devote their enormous political influence and economic power to the peace effort, and they must exercise maximum control over the radical elements within their midst.

President Carter believes that the F–15 sale to Saudi Arabia will supplement that nation's ability and continued willingness to contribute to the peace process. The United States, under Presidents Nixon and Ford, conducted a defense survey of Saudi Arabia and informed the Saudis that in the view of the U.S., they required aircraft similar to the F–15 to meet their defense needs. I do not consider this to be, in itself, a very compelling reason to sell the F–15's, but I do believe it to be of some importance, given the role which mutual trust must inevitably play in the future of the Middle East.

The President believes that we must maintain, and wherever appropriate, bolster our relationships with moderate Arab countries both for our own economic and national security interests, and for the best long term interests of every nation in the Middle East.

Again, in a letter to me, the State Department claims:

"Saudi Arabia's contribution (to peace) is based foremost on its firm comitment to a negotiated settlement of the Arab-Israeli conflict. The Saudi's strongly oppose the outbreak of another war which they believe would put intolerable strains on their highly valued friendship with the U.S. and bring about a return of radical and Soviet influence to the Middle East. Within this framework, the Saudis have been active in seeking an end to civil strife in Lebanon, have maintained financial support for Arab moderates and have supported Arab participation in a Geneva Conference."

Despite my reservations about particular Saudi actions in the past, I am willing to accept this general analysis of their role in the Middle East. Despite our dependence on Saudi oil, and our desire for other reasons to maintain a friendly relationship with this country, we should not hesitate to press the Saudis vigorously should they falter in their commitment to peace, or should they continue to contribute significant funds to the Palestine Liberation Organization.

Once you accept, as I have, that the role of Saudi Arabia in the Middle East is important, it is worth noting that the ability of the U.S. to influence Saudi policy will be enhanced only if the sale of F–15's is approved. This is due both to the general strengthening of U.S.-Saudi ties, and because the United States will retain the option to halt immediately the delivery of these planes, spare parts, and training services if our national interest requires that this be done.

THE DANGER TO ISRAEL

The greatest danger to Israel is the continuing failure to achieve peace.

I do not believe that the sale of the F–15 to Saudi Arabia will prove to be a significant security threat to Israel, a nation with three times as many tanks as France or England, more planes than Italy, and as many as Germany or France, and which is, quite properly, the largest peacetime beneficiary of U.S. military grant aid of any nation in history.

Saudi Arabia is militarily a weak nation, relative to other regional powers. Its army is ⅓ to ¼ the size of its neighbors (excluding Jordan); it has less than ⅛ the number of tanks possessed by Israel; it has an insignificant artillery capability, and only minimal naval capability. Iraq, Iran, Israel, Egypt, and Syria all have Air Forces three to four times as large as that of Saudi Arabia, and all now have advanced fighter aircraft which the Saudis will not have until the F–15 is scheduled to arrive in the years 1982–84.

The mission of the Saudi military is to guard, with very limited manpower, an area

containing immensely valuable mineral resources, and which is the size of the entire United States east of the Mississippi. Their air defense now relies heavily on British Lightnings that were purchased in 1966. These planes are scheduled to be retired because they will not be structurally sound by the time the first F–15's arrive in 1982. The United States has advised the Saudis that they need advanced fighter aircraft in order to have even a partially adequate system of air defense. Clearly, the Saudis will turn to France for such aircraft, if they are not provided by the United States.

Unlike many other nations in the region, Saudi Arabia has historically refrained from offensive military actions. The Saudis did not participate in the 1967 war. During the 1973 conflict, a single Saudi Army brigade was stationed in Syria in a reserve position, and was engaged in one minor conflict with Israeli forces. In addition, the Saudis sent 8 helicopters to Egypt to aid in supplying Arab positions. Israel has made it very clear, and Saudi Arabia is convinced it is true, that any use of the F–15's against Israel will result in a prompt and devastating retaliatory strike by Israeli warplanes. Transfer of the F–15's to another nation would also invite such an attack, while, in addition, stripping the Saudis of their only remotely credible means of defending against such a strike. Either such action, moreover, would lead to an immediate rupture in the relationship between the U.S. and Saudi Arabia. an end to the flow of military supplies to the Saudis, and the complete loss of the U.S. maintenance and logistics help essential at least for the foreseeable future to any significant Saudi military capability.

Offensive Saudi action against Israel would be suicidal and stupid. Neither tendency is characteristic of Saudi Arabia or of its leadership. The Saudis are well able to maintain a respect position within the Arab world, without military heroics, due to their boundless economic wealth. This wealth is tied substantially to their friendly relations with the U.S., and hinges also on the physical safety of their people and their oil. The Administration believes that Saudi Arabia will continue to meet its perceived obligations to the Arab community, but that they will do so without taking significant military action against Israel. This is a critically important assumption, and it is one which I find myself able to accept.

I believe that the actual characteristics of the F–15 going to Saudi Arabia are a good deal less important than the question of whether such planes will ever be used against Israel. Nevertheless, it is worth noting that the Saudi F–15 will be substantially inferior in bombing capability to other available planes, including the French F–1, and the U.S. F–16 (75 of which are to be sold to Israel). The outstanding feature of the F–15 is its ability to intercept and destroy other fighter aircraft. This mission is consistent, therefore, with the defensive purposes for which the Saudis have requested the plane, despite the inherent capability of almost any aircraft to serve an offensive role, if required. Moreover, the Saudis have agreed not to station the aircraft at Tabuq, or any other base in the northern part of the country—the only area from which any part of Israel would lie within combat range of the F–15.

The availability of the French F–1 seems to me to be a crucial consideration, in weighing the net effect of the F–15 sale on Israeli security. The F–1 is not as good an air interceptor as the F–15, but it is a better bomber. Moreover, the purchase of the F–1 would very likely be succeeded by the purchase of the Mirage 2000, an even more sophisticated plane, which is currently being developed, and which will be available at roughly the same time as the F–15 would be delivered to Saudi Arabia.

Unlike the United States, France would not prohibit the Saudis from transferring their aircraft to other countries, nor would they prevent the planes from being used for purposes other than self-defense. If the proposed sales to Egypt and Saudi Arabia are not approved, it is likely that every major Arab neighbor of Israel will eventually own similar French or Russian aircraft. If this occurred, they would be in a position to freely exchange training and spare parts, and would be in a far better position to coordinate and control their armed forces in a united front against Israel. Saudi participation in such an operation with the F–15 is almost inconceivable. Not only would it be legally prohibited under U.S. law, it would be technically impossible due to the special maintenance, pilot training and spare parts required by the F–15.

It is worth noting, also, that no U. S. military or civilian contractor personnel would be allowed to service Saudi military equipment, during a war with Israel. No such restrictions would be placed on French personnel.

THE IMPLICATIONS FOR ARMS CONTROL

The proposed aircraft sales to the Middle East have received a great deal of attention and notice around the world. My initial skepticism about these sales was based on my fear that they would undercut the ability of the United States to persuade other nations that we are serious about arms sales restraint, and that they should join us in practicing such restraint. There is no question in my mind that these sales will, in fact, diminish the credibility of the United States in this area. I consider this to be a very serious drawback, and one that will require even more determined arms control action in the future.

Nevertheless, it is clear that no arms sales policy will succeed if it is not in harmony with our long range national security interests, and if it cannot be applied rationally to varying situations at varying times around the globe. Thus, I feel it would be difficult to argue compellingly that we should cease selling aircraft promised to Israel, when such an action would be likely to shake Israeli faith in our determination to insure forever their existence as a free and independent nation.

Similarly, it would be difficult to justify allowing strictly applied arms control reasoning to prevent a substantive, albeit rather limited, sign of U.S. support for the bold decisions arrived at by President Sadat of Egypt. Finally, any action which would force Saudi Arabia to turn to France for their arms, would more likely endanger, rather than enhance, the cause of arms sales restraint.

On May 18, 1977, President Carter announced a policy of arms sales restraint which I feel is about the best set of guidelines for a rational arms transfer policy that could have been realistically constructed at this time. I attach great importance to this policy, and I intend to do all I can to see that it works.

For a period last year, I was convinced, ironically, that my effort to assist the President in this area would be most strongly opposed by the President, himself. I opposed arm sales to the brutally repressive government of Argentina, and objected strongly to the sale, as an exception to the policy, of seven early warning aircraft (AWACS) to the Shah of Iran. I remain convinced that my opposition to the President was fully justified on both occasions.

Earlier this year, the President announced his intention to reduce the amount of arms sold during FY 1978 by eight percent or $740 million from the year before. This is not a tremendous step forward, but it is a beginning, and it is a beginning taken in the face of intense pressure from many of the largest and most powerful arms manufacturing companies in the world. It has required the ability and the courage to look dozens of powerful and strong-willed yahoos in the face and tell them over and over again that many of their cherished arms sales projects are not in the national interest, and that they will not be approved.

During the past six months, the Administration has made a host of wise judgments, many unpublicized, which bear on arms transfer control. They refrained from selling arms to Somalia, because they feared quite justifiably, that such arms were more likely to be used offensively than for the defensive purposes advertised.

They have instructed U.S. Embassy personnel to:

1. Refrain from encouraging foreign interest in U.S. defense articles and services;

2. Refrain from speculating about possible U.S. reaction to particular arms sales requests;

3. Avoid making formal or informal commitments involving special financial arrangements related to arms sales, without Presidential permission;

4. Transmit all arms requests solely through State, rather than Defense, Department channels;

5. Refrain from arranging meetings for, or providing any special assistance to, U.S. arms manufacturers seeking overseas customers; and

6. Refrain from implying U.S. Government support for the efforts of any particular arms agents overseas.

In addition, I have seen a list of potential or proposed arms transfers to over 70 nations which have been turned down or turned off under the Administration's policy. While many of these transactions were relatively small in nature, or were perhaps unlikely to occur in the first place, many others were very substantial transactions, which I believe would certainly have occurred in the absence of an arms sales policy, and an Administration determined to implement such a policy.

In light of these facts, I believe the President has earned a full hearing when he does decide to approve a major arms transfer proposal. The suggested aircraft sales to the Middle East will fall within the arms sales ceiling set by the President. As a result, other arms sales, to other countries, will be denied or delayed. This is a decision made by the President, reflecting his judgment concerning which potential arms transactions can be justified in the most compelling terms.

In addition, these sales will be made under strict U.S. controls concerning potential transfers of equipment to other nations, and they meet, without question, the other basic components of the President's policy.

CONCLUSION

My decision to support the President's proposed Middle East aircraft sales is the most agonizingly difficult judgment I have had to make since becoming a member of Congress. I have sought information from every available source, and have attempted to decide the case solely on its merits. After prolonged and intense study, I have come to believe that the President is correct when he says that his proposal represents the least

dangerous of a whole series of obviously dangerous options.

I believe that the special relationship which exists between the United States and Israel must, in the future, remain unchanged in nature and scope from previous years. I believe further that these particular arms sales transactions can be justified in terms of our national security interests, and that they will strengthen—rather than lessen—the prospects for a Middle East peace settlement which is absolutely essential for the security of Israel—and of every other nation in the region.

My support for these arms sales should not be misunderstood. I do not believe that these sales should be considered a precedent for any future arms transactions to any area of the world. Instead, I consider the justifications for these sales—compelling as they may be—to be unique to this particular situation and to this particular time, and not readily applicable in any sense to other potential arms transfer proposals.

It is vital that future arms sales be judged on their own merits, just as I believe these have been. I fully intend to remain, as long as I am in a position to judge arms sales proposals, extremely difficult to convince, and reluctant—except in very extraordinary circumstances—to accept the argument that such sales either contribute to our national security, or serve the best interests of mankind.●

SOCIAL SECURITY FINANCING

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. BURKE) is recognized for 5 minutes.

● Mr. BURKE of Massachusetts. Mr. Speaker, once again I want to direct the careful attention of my distinguished colleagues to the issue of social security financing. Last year, during the House and Senate deliberations on social security tax reform, a fine example of economic analysis was prepared by Ms. Barbara J. Kates. Her analysis concerned the potential problems and possible alternatives to the congressional proposals then under consideration. In view of the existing sentiment to rethink the way we finance our social security system. I would like to call the attention of my colleagues to this informative study. Ms. Kates, a staff associate for the National Council for Urban Economic Development, formulated her analysis as a personal draft on social security tax problems and options, and, as such, her opinions do not reflect the official views of CUED.

Like myself, Ms. Kates strongly believes that the regressive social security payroll tax works at cross-purposes with our national efforts to establish a more equitable tax system, reduce unemployment, and stimulate healthy economic growth. The payroll tax, she contends, represents a labor cost to private employers whether it is collected as an "employer" or an "employee" tax. Her focus is on the negative impacts of social security tax increases and her three "economic rationales" for opposing the payroll increases. Ms. Kates illustrates very clearly the economic realities we face should we take such an uncharted course of action. The following discussion is from Ms. Kates' analysis:

NEGATIVE ECONOMIC IMPACTS OF SOCIAL SECURITY TAX INCREASES

There are basically three economic rationales for opposing payroll taxes:

1) *Aggravates Cyclical Instability*—Proposed payroll tax increases come at a time when the national unemployment is still high and when the economy has yet to exhibit signs of a healthy recovery. At this moment in time, new payroll taxes constitute an unnecessary fiscal drag on the economy that seriously threatens a weak economic pick-up. Perhaps just as important, it further exacerbates the delicate problem of "business confidence". There should be sensitivity to the psychological timing as well as the magnitude of additional tax increases at this time. 2) *Creates Structural Impacts*—By definition, labor intensive firms are hit harder by a payroll tax than are more capital intensive businesses. A wage tax increase encourages the substitution of capital for labor, by directly raising the marginal cost of hiring an additional employee (or retaining existing workers). While larger, more profitable firms may be able to absorb this added wage cost, smaller more marginal businesses face the choice of:

a) *Price Increases.* Businesses which enjoy relatively inelastic demand and/or less competitive markets will try to pass on higher wage costs to consumers. However, smaller firms and urban businesses facing stiff suburban competition are less likely to be able to raise prices without suffering a loss in market shares.

b) *Lower Take-Home Pay/Employee Layoffs.* Businesses which cannot raise prices in a more competitive market setting will first attempt to reduce operating costs to compensate for wage tax increases. For many small and/or labor-intensive firms, labor costs are the largest and single most important variable in reducing operating costs. Even for growing firms, wage tax increases will directly increase the unit cost of hiring new employees.

c) *Reduced Profit Margins/Business Failures.* Only as a last alternative will most businesses absorb a profit margin cut. While some firms may be willing to temporarily suffer profit loss, perhaps to increase their market share, the primary long-term business motive is profitability. For small and/or marginal labor intensive firms, business entrepreneurs will face the alternative of profit losses or discontinued operations with consequent employment and fiscal impacts on the economy.

In many cases, social security tax increases would amount to an unintentionally "targeted" payroll tax. Hardest hit would be relatively labor intensive and/or marginal business operations, i.e., many central city business firms, such as retail and service sector establishments, older manufacturing plants and new, small business enterprises. Many of these affected employers tend to be concentrated in central city locations and can thus be expected to produce structural economic and fiscal impacts on urban economies. The proposed social security tax is a classic example of how an undefined federal tax policy can negatively impact central cities and older, declining industrial regions. As has often been pointed out, any comprehensive federal urban development strategy must be more consciously coordinated with federal tax legislation.

3. *Accentuates Wage Tax Inequities.* The fundamental issue here is whether to continue deriving social security revenues exclusively from the payroll tax or to shift part of the burden to general revenues. The proposed social security wage tax increases accentuate the regressive burden of payroll versus general income and corporate taxes. Payroll taxes clearly violate the ability-to-pay criterion for equitable taxation. The tax is levied without provision for the number of dependents, excludes income from capital, and exempts wages over the maximum base.

Underlying the issue is the philosophical rationale of the social security program and its effect on the distribution of income. Some argue that social security is an annual tax-transfer program, which redistributes income from the relatively affluent wage earners to the relatively poor retired. The more common perspective sees social security taxes as compulsory saving for retirement. If social security benefits represent more of a social transfer payment versus insurance fund, it can be argued that there are more equitable tax revenue sources than the wage tax.

As can be seen in Ms. Kates' third rationale opposing increases in the payroll tax, the fundamental issue of whether to continue our dependence on the payroll tax or shift part of the burden to other forms of revenue must be addressed. There are those who will argue against seeking alternative financing methods because of their philosophical differences; namely, the idea that the social security system should be forever self-supporting. The proponents of this argument maintain that the founding fathers of social security intended the system to always be a contributory social insurance program.

For the past several years, each time congressional discussion has taken the logical jump from dissatisfaction with the payroll tax as a means of financing the system to the possibility of general revenue financing, these philosophical fallacies have blurred the focus of my colleagues. These arguments are inaccurate and misleading representations by those who oppose meaningful reform of the social security system. The founding fathers of the original legislation intended from the very inception of social security that general revenues be used to finance the system. The original proposal made by the Committee on Economic Security for a social security program called for general revenue contributions starting about 1965. Thomas H. Eliot, counsel to the committee, has written that the Government contribution was recommended by the committee because "the earnings tax, while necessary to effectuate the contributory principle, is a regressive tax and should be held at a very low rate." The first Social Security Advisory Council which issued its report in 1938, and a number of subsequent advisory councils, have recommended general revenue financing for the social security system.

I would now like to bring to my colleagues attention the conclusion of the Barbara J. Kates analysis on general revenue financing of social security:

Ultimately, general revenues (such as corporate and personal income taxes) are the only type of tax which does not directly affect the business labor/capital mix. Given current political realities, it has so far been

difficult to enact general revenue financing of rising social security expenditures. Ultimately, however, the sheer fiscal and economic arguments—both equity and efficiency—may have to prevail over the long term. General revenue financing simply is the most equitable tax revenue source available for social insurance payments, and is also the most efficient in terms of payroll employment impacts."

Mr. Speaker, further support of general revenue financing of social security has been indicated in recent weeks.

Three respected organizations have conducted polls over the past few weeks, and the answers to their questions about the social security system provide a good indicator about how the American public feels about general revenue financing of all or part of the system.

The National Federation of Independent Business points out, in a letter which I include below, that small businessmen are saddled with a payroll tax burden which makes it difficult to increase the number of people they hire. This point emphasizes what I have been arguing for years: that taxes are going to have to be cut at the employment level.

WBZ–TV in Boston referred, in a recent editorial, to the U.S. News & World Report poll which shows that over half the American people think general revenues should be used to help finance the social security system. I also include that editorial for your perusal.

And the Louis Harris poll demonstrates Americans who favor the infusion of general revenues outnumber those who oppose it by over 1½ to 1. I call your attention to Mr. Harris' revelations in The Boston Globe.

Community planners in Massachusetts have notified me that they also realize that we must make some changes in the way the system is financed, and I call your attention to the letter which I recently received from the United Community Planning Corporation:

GENERAL REVENUE SUPPORT

NATIONAL FEDERATION OF INDEPENDENT BUSINESS,
May 11, 1978.

HON. JAMES A. BURKE,
U.S. House of Representatives,
Washington, D.C.

DEAR JIM: NFIB and its 530,000 member firms support a rollback in social security taxes and the funding of the non-earned entitlement portions of the program from general revenues.

Payroll taxes and in particular, social security taxes, have become a tremendous drag on the job creating capabilities of small, labor-intensive firms. On a recent NFIB survey 53 percent of the respondents indicated that they paid more in payroll taxes than any other tax, including income, property or inventory taxes.

NFIB supports a social security tax reduction as a temporary tax relief measure until the necessary, long-term revamping of the program can be accomplished. A long term solution, both for funding and benefit levels, is absolutely necessary and should be pursued by the Committee early in the 96th Congress.

Sincerely,

JAMES D. "MIKE" MCKEVITT,
Washington Counsel.

WBZ–TV 4/WBZ RADIO 103

BREAKTHROUGH ON SOCIAL SECURITY FINANCING

(Delivered by Sy Yanoff, Vice President and General Manager, WBZ–TV, Bill Cusack, Vice President and General Manager, WBZ–Radio)

There are still a lot of battles to be fought before it becomes a reality. But the first Congressional steps have now been taken toward cutting the Social Security payroll tax with use of general public revenues.

That's an idea we've been pushing for six years. In the beginning talk of changing the financing system used to draw heated fire. People bristled at the suggestion that the Social Security system had some definite welfare features built into it. They ignored the fact that this change to partial government funding was envisioned by a number of the people who originally set up the system back in the 1930's. Now things have changed. A poll by U.S. News and World Report last month showed 55 per cent of the people supporting use of other revenue sources. Only 35 per cent were opposed. Ten per cent still had no opinion.

We think support for the change will grow even more when people realize the economic drag from the present system. The payroll tax, shared equally by companies and workers, is basically a tax on employment. These costs discourage hiring and promote use of labor saving machinery. Both ways jobs are lost.

It remains to be seen just what shape the tax roll-back will take. We still support Congressman James Burke's plan for a one-third government contribution. But we're open to argument and we'll welcome your input.

[From the Boston Globe, May 11, 1978]

PAYROLL TAX RAISE OPPOSED

(By Louis Harris)

NEW YORK.—By 48–30 percent, Americans would like to see Congress cut back the recent increase in the Social Security tax by a third. As they see it, the difference should be made up from the general tax revenues of the federal government.

This finding from a recent Harris Survey of 1508 adults nationwide confirms what many members of Congress have been hearing from back home. Americans feel that they are being squeezed by taxes and want some relief.

Despite their reactions to the Social Security tax rise, people are deeply concerned about the financial health of the Social Security system. By 87–9 percent, they agree that "Social Security provides minimum basic security for older people and it cannot be allowed to go broke."

Basically, Americans also feel that Social Security is the bedrock of any retirement program for older people. A 46-33 percent plurality clearly rejects the suggestion that, "since most people need more money in retirement than Social Security provides, it would be better to go over to a totally private system of pensions and abolish Social Security, except for the very poor and unemployed."

Majorities of the public even approve of Congress for the action it took last December in passing the sharp increase in Social Security taxes:

By 54–31 percent, most Americans feel that "Congress showed real courage in asking that taxes for Social Security be raised sharply to save the system."

By 54–28 percent, they go along with the argument that, "although some people with higher incomes have opposed the new Social Security tax rates, the new tax rates are right, because the added money to save Social Security from going broke should be obtained mainly from those in higher income brackets."

How, then, can the shift toward opposition to the Social Security tax rise be explained?

By 71–14 percent, a sizable majority feels that "it is a prime example of irresponsibility by the federal government that Social Security was not funded properly in the first place." Clearly, the public is disturbed by the revelation that something as basic as the Social Security system could have been badly planned.

Moreover, when people came face to face with the specific size of the new Social Security tax, they were rather shocked. This is expressed by a 45–39 percent opposition to the sharp increase in taxes to finance Social Security.

UNITED COMMUNITY PLANNING CORP.,
Boston, Mass., April 27, 1978.

HON. JAMES A. BURKE,
Cannon Building,
Washington, D.C.

DEAR CONGRESSMAN BURKE: In 1975, the Board of Directors of United Community Planning Corporation (UCPC) voted to support the principle of using general revenue funds to finance a part of the social security system.

This issue is once again before Congress and once again we wish to affirm our support for this principle.

We are aware that there are various proposals before you such as Congressman Burke's original proposal to fund the system with one-third being the employer's contribution, one-third being the employee's contribution and one-third from general revenues, and more recently, proposals to use general revenues to fund the health and disability portions of the program or at least the health portion.

The ultimate decision as to which approach to use is, we feel, for Congress in its wisdom to decide.

We respectfully urge, however, that in the interest of equity for taxpayers and improvement in the overall employment climate, speedy action be taken on this issue.

With many thanks,

Sincerely yours,

GEORGE GOODWIN,
Chairperson, Public Policy Committee.●

NATIONAL INITIATIVE PROCESS FAVORED BY 57 PERCENT OF VOTERS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oklahoma (Mr. JONES) is recognized for 10 minutes.

● Mr. JONES of Oklahoma. Mr. Speaker, according to the recent Gallup poll, the American people strongly support a constitutional amendment which would allow them to propose and enact laws of their own choosing. A 57 to 21 percent majority of a nationwide survey approved the concept of a national initiative process similar to that now in use in 23 States and the District of Columbia.

I introduced the House version of the national initiative legislation on election day, 1977. On that day residents in Pitts-

burgh voted to relax pollution control laws; voters in Ohio rejected election day registration; and citizens in Washington approved a sweeping antipornography bill. More and more, citizens in every part of the country are deciding complex questions of State and local policy through the initiative process.

The right of the people to propose and enact legislation has been exercised responsibly in some States for over 75 years. I strongly believe the time has come to extend this right to the Nation as a whole. A broad majority of the American public, cutting across both party and ideological lines, apparently agrees.

The national initiative would give Americans direct access to the legislative process. Simple as this concept and process may be, the initiative could bring about several important changes in our governmental institutions. First, it would act as a safety valve in those instances when Congress inaccurately interprets the will of the people. If, for example, we had had such a process during the Vietnam War, many of the violent, wrenching aspects of that experience might have been avoided. Proponents and opponents of the war would have had a peaceful but forceful way to demonstrate their feelings and their strength.

Second, initiative campaigns would spark truly national debates—unlike those sometimes fought out in Congress which are dominated by special interests and lobbyists. Regardless of the success or failure of such campaigns, they would provide important educational benefits associated with the increased public awareness of the issues involved.

Finally, the initiative process insures that on certain issues of national importance the American citizen knows that his or her individual voice counts. We are all increasingly aware that Americans feel distant from and out of touch with their Government. The initiative is no panacea for this disturbing trend, but it is an important first step in the direction of increasing public participation in solving problems which affect us all.

As important as these institutional changes would be, many people still have legitimate concerns about the initiative process. Would not the process lead to frivolous or unsound laws? Can the people really be trusted to decide complex social and economic problems? Would not use of the initiative undermine our representative form of Government?

While these questions deserve careful analysis and consideration, I believe that a thorough study of the initiative process will prove these fears are unfounded. First of all, there are limits set on the initiative process. The Constitution could not be amended by initiative. Only Congress would have the power to declare war or call up the militia. And any law passed by the people would be subject to judicial review by the courts.

Second, the history of the initiative process in this country shows it is a sound, workable process. Most initiative proposals do not make it as far as the ballot because it is not easy to get a large number of people interested in unusual or special interest legislation. Amongst those proposals which have reached the ballot, the history shows very decisively that the people can be trusted to act responsibly on complicated legislation proposals.

It is my belief that our representative form of Government will be strengthened, not undermined, by the initiative process. Congress will still produce over 99 percent of the Nation's laws. But initiative campaigns could provide direct feedback to politicians about the people's feelings on issues and should produce a more responsive body of elected officials. For example, the recent property tax initiative in California was directly responsible for the passage of a bill in the State legislature which reformed the property tax system for the first time ever in that State. The initiative is a process which increases communication between Government officials and the people, and as such it will improve the openness and effectiveness of our Democratic system.

A copy of the article written by George Gallup to announce his polling results follows:

[From the Washington Post, May 13, 1978]

NATIONAL INITIATIVE PROCESS FAVORED BY 57 PERCENT OF VOTERS

PRINCETON, N.J.—Voters of the nation like the idea of being able to pass judgment on proposed national legislation.

A constitutional amendment, described by its sponsors as the Voter Initiative Amendment, would require a national vote on any issue if 3 percent of all voters in the previous presidential election sign petitions asking for such a vote. This percentage, applied to the last presidential election, would mean that a national vote could be held on any issue when approximately 2.5 million people signed petitions.

By a 57-to-21 percent majority, the public in a nationwide Gallup Poll survey expresses approval of this plan. A total of 22 percent were undecided. Significantly, voters who have attended college approve of the initiative amendment by a vote of 59 percent with 11 percent undecided.

The initiative, a time-honored device for direct citizen participation in the legislative process, is currently authorized in 23 states. And, according to the Library of Congress, in the past 80 years approximately 1,200 issues have been decided in this manner.

The constitutional amendment that would make the initiative federal policy is sponsored in the Senate by James Abourezk (D-S.D). and Mark Hatfield (R-Ore.), and in the House by James Jones (D-Okla.) and Harold Sawyer (R-Mich.)

Support for the federal initiative is found among all major groups of the population.

Interestingly, nearly identical proportions of Republicans, Democrats, and independents agree the initiative is a good idea—an unusual finding on any question of political significance.

Similarly, about equal majorities in the various geographic regions support such an amendment to the Constitution.●

FACE OF SUSAN B. ANTHONY ON DOLLAR COIN

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Ohio (Ms. OAKAR) is recognized for 5 minutes.

● Ms. OAKAR. Mr. Speaker, I rise to introduce a bill which would if enacted place the face of Susan B. Anthony on the proposed dollar coin. It was largely through her efforts over 56 years ago that the 19th amendment—known as the Susan B. Anthony amendment—giving women the right to vote was made part of the U.S. Constitution.

We have never had the face of a woman who actually lived memorialized on a U.S. coin, and while there are many other women who have made their mark on American history, I believe that Susan B. Anthony, because she brought the right to vote to half the country—as significant an act as any in our country's history, would not only honor that act, but would also recognize the American women's spirit and determination.

H.R. 12728

A bill to amend the Coinage Act of 1965 to change the size, weight, and design of the one-dollar coin, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. This Act may be cited as the "Susan B. Anthony Dollar Coin Act of 1978".

SEC. 2. Section 101(c)(1) of the Coinage Act of 1965, as amended (31 U.S.C. 391(c)(1)), is amended by striking out "1.500" and inserting in lieu thereof "1.043" and by striking out "22.68" and inserting in lieu thereof "8.5."

SEC. 3. (a) The one-dollar coin authorized by section 101(c) of the Coinage Act of 1965, as amended by section 2, shall bear on the obverse side the likeness of Susan B. Anthony.

(b) Subject to subsection (a) and the limitations contained in section 3517 of the Revised Statutes, as amended (31 U.S.C. 324), the Secretary of the Treasury may prescribe such design for the one-dollar coin authorized by section 101(c) of the Coinage Act of 1965, as amended by section 2, as he deems appropriate.

SEC. 4. Section 203 of the Act of December 31, 1970 (31 U.S.C. 324b), is amended by striking out "initially" and by inserting "(d)" after "section 101".

SEC. 5. Until January 1, 1979, the Secretary of the Treasury may continue to mint and issue one-dollar coins authorized under section 101(c)(1) of the Coinage Act of 1965, as such section was in effect immediately prior to the date of enactment of this Act.●

DOMESTIC VIOLENCE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. SCHEUER) is recognized for 5 minutes.

● Mr. SCHEUER. Mr. Speaker, I want to take this opportunity to express my unqualified support of H.R. 12299, the Domestic Violence Assistance Act of 1978, sponsored by three very distinguished colleagues, Representatives LINDY BOGGS, NEWTON STEERS, and GEORGE MILLER of California. National awareness, compassion, and aid are urgently needed to combat this most serious problem, and I believe H.R. 12299 will help accomplish this. I am proud to be a cosponsor.

The House Science and Technology Committee's Subcommittee on Domestic and International Scientific Planning, Analysis and Cooperation, which I chair,

recently conducted a series of oversight hearings on research into domestic violence, in which Representatives BOGGS and STEERS participated with eloquence and effectiveness. Among the major topics explored were the root causes of violence between family members, the legal and criminal justice responses to household violence, alternative prevention and treatment strategies, and Federal agency activities in the area.

Our hearings presented shocking evidence that domestic violence is a pervasive and serious national problem. Millions of family members—from every class, race, and religion—are victimized within the home each year. Many adult rapists, sexual abusers, and child abusers were themselves childhood victims of abuse within the home. Indeed, the effects of domestic violence both on individual victims and society, as a whole, are horrifying.

A long-term Federal commitment is critically needed to reduce the level of family violence in our country. There are no "quick fixes," no easy solutions to the problem. However, I am convinced that H.R. 12299 is a valuable legislative effort which will engage the Federal Government in the challenge of providing needed relief to domestic violence victims, and ultimately, in reducing the level of violence within American homes.●

PERSONAL STATEMENT FROM CONGRESSMAN ABNER J. MIKVA

(Mr. MIKVA asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. MIKVA. Mr. Speaker, on Friday, May 12, I was required to be present in my district. As a result, I was unable to take part in three rollcall votes. Had I been present, I would have voted as follows: On rollcall No. 307, to resolve into a Committee of the Whole, I would have voted "yea;" on rollcall No. 308, an amendment for the AID authorization, I would have voted "yea;" and on rollcall No. 309, a substitute amendment, I would have voted "yea."

CONFERENCE REPORT ON SENATE CONCURRENT RESOLUTION 80

Mr. GIAIMO submitted the following conference report and statement on the concurrent resolution (S. Con. Res. 80) setting forth the congressional budget for the U.S. Government for the fiscal year 1979:

CONFERENCE REPORT (H. REPT. No. 95–1173)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the concurrent resolution (S. Con. Res. 80) setting forth the congressional budget for the United States Government for the fiscal year 1979, having met, after full and free conference have been unable to agree on a conference report because the conference decisions have reduced certain budget figures, including the deficit and the public debt, below the provisions enacted by either House. As set forth in the accompanying Joint Explanatory Statement, the conferees do propose a congressional budget, containing the lower figures, incorporated in a further amendment for the consideration of the two Houses.

ROBERT N. GIAIMO,
ELIZABETH HOLTZMAN,
BUTLER DERRICK,
WILLIAM LEHMAN,
PAUL SIMON,
JOSEPH L. FISHER,
JIM MATTOX,
Managers on the Part of the House.

WARREN G. MAGNUSON,
EDMUND S. MUSKIE,
FRITZ HOLLINGS,
ALAN CRANSTON,
LAWTON CHILES,
JAMES ABOUREZK,
HENRY BELLMON,
ROBERT DOLE,
H. JOHN HEINZ,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the House to the concurrent resolution (S. Con. Res. 80) setting forth the congressional budget for the United States Government for the fiscal year 1979, report that the conferees have been unable to agree. This is a technical disagreement, necessitated by the fact that in some instances the substitute language agreed to by the conferees includes figures which (for purely technical reasons) would fall outside the range between the corresponding House and Senate provisions.

It is the intention of the conferees that the managers on the part of the Senate will offer a motion in the Senate to recede and concur in the House amendment to the Senate-passed resolution with an amendment (in the nature of a substitute) consisting of the language agreed to in conference. Upon the adoption of such amendment in the Senate, the managers of the House will offer a motion in the House to concur therein.

The managers on the part of the House and the Senate submit the following joint statement in explanation of the action agreed upon by the managers:

The substitute language which is to be offered as described above (and which should be considered the language of the concurrent resolution as recommended in the conference report for purposes of section 302(a) of the Congressional Budget Act of 1974)—hereinafter in this statement referred to as the "conference substitute"—is as follows:

That the Congress hereby determines and declares, pursuant to section 301(a) of the Congressional Budget Act of 1974, that for the fiscal year beginning on October 1, 1978—

(1) the recommended level of Federal revenues is $447,900,000,000 and the amount by which the aggregate level of Federal revenues should be decreased is $24,700,000,000.

(2) the appropriate level of total new budget authority is $568,850,000,000.

(3) the appropriate level of total budget outlays is $498,800,000,000.

(4) the amount of the deficit in the budget which is appropriate in the light of economic conditions and all other relevant factors is $50,900,000,000 and

(5) the appropriate level of the public debt is $849,100,000,000 and the amount by which the statutory limit on such debt should accordingly be increased is $97,100,000,000.

SEC. 2. Based on allocations of the appropriate level of total new budget authority and of total budget outlays as set forth in paragraphs (2) and (3) of the first section of this resolution, the Congress hereby determines and declares pursuant to section 301(a)(2) of the Congressional Budget Act of 1974 that, for the fiscal year beginning on October 1, 1978, the appropriate level of new budget authority and the estimated budget outlays for each major functional category are as follows:

(1) National Defense (050):
(A) New budget authority, $128,700,000,000;
(B) Outlays, $115,700,000,000.
(2) International Affairs (150):
(A) New budget authority, $12,800,000,000;
(B) Outlays, $6,900,000,000.
(3) General Science, Space, and Technology (250):
(A) New budget authority, $5,200,000,000;
(B) Outlays $5,000,000,000.
(4) Energy (270):
(A) New budget authority, $10,400,000,000;
(B) Outlays, $9,800,000,000.
(5) Natural Resources and Environment (300):
(A) New budget authority, $13,600,000,000;
(B) Outlays, $12,200,000,000.
(6) Agriculture (350):
(A) New budget authority, $12,300,000,000;
(B) Outlays, $8,300,000,000.
(7) Commerce and Housing Credit (370):
(A) New budget authority, $5,900,000,000;
(B) Outlays, $3,600,000,000.
(8) Transportation (400):
(A) New budget authority, $20,300,000,000;
(B) Outlays, $17,800,000,000.
(9) Community and Regional Development (450):
(A) New budget authority, $11,100,000,000,
(B) Outlays, $9,000,000,000.
(10) Education, Training, Employment, and Social Services (500):
(A) New budget authority, $33,000,000,000;
(B) Outlays, $31,400,000,000.
(11) Health (550):
(A) New budget authority, $52,550,000,000;
(B) Outlays, $49,500,000,000.
(12) Income Security (600):
(A) New budget authority, $193,100,000,000;
(B) Outlays, $160,200,000,000.
(13) Veterans Benefits and Services (700):
(A) New budget authority, $21,300,000,000;
(B) Outlays, $21,000,000,000.
(14) Administration of Justice (750):
(A) New budget authority, $4,300,000,000;
(B) Outlays, $4,200,000,000.
(15) General Government (800):
(A) New budget authority, $4,100,000,000;
(B) Outlays, $4,100,000,000;
(16) General Purpose Fiscal Assistance (850):
(A) New budget authority, $9,700,000,000;
(B) Outlays, $9,600,000,000.
(17) Interest (900):
(A) New budget authority, $47,000,000,000;
(B) Outlays, $47,000,000,000.
(18) Allowances (920):
(A) New budget authority, $800,000,000.
(B) Outlays, $800,000,000.
(19) Undistributed Offsetting Receipts (950):
(A) New budget authority, —$17,300,000,000;
(B) Outlays, —$17,300,000,000.

ECONOMIC ASSUMPTIONS

The fiscal policy contained in the conference substitute is designed to achieve two economic goals: first, to maintain a healthy rate of economic growth in order to move closer to full employment; and, second, to do so in a manner that helps to re-

strain inflationary pressures. Enactment of legislation assumed in the totals, in conjunction with a supportive monetary policy, will provide the balanced expansion necessary to move the Nation towards these goals. The economic assumptions underlying the revenue and spending ceilings contained in the conference report are as follows:

[Calendar years; dollar amounts in billions]

Items	1978	1979
Gross national product:		
Current dollars	$2,098	$2,328
Constant (1972) dollars	1,398	1,459
Incomes:		
Personal income	1,703	1,875
Wages and salaries	1,120	1,234
Corporate profits	187	209
Unemployment rate:		
Calendar year average	6.3	5.9
Fourth quarter	6.2	5.7
Consumer Price Index (percent change; year over year)	5.9	6.0
Interest rate, 3-month Treasury bills (monthly average)	6.6	6.4

The economic assumptions may be changed in the Second Budget Resolution to respond to economic developments, especially regarding inflation and unemployment.

BUDGET AGGREGATES

REVENUES

The Senate resolution provided for Federal revenues of $443.3 billion. The House resolution provided for revenues of $443.023 billion.

The conference substitute provides for Federal revenues of $447.9 billion; and to achieve that level, it provides that revenues should be decreased on a net basis of $24.7 billion. This revenue level assumes: extension through FY 1979 of temporary income tax rate reductions of $8.3 billion; additional tax reductions in FY 1979 of $15.0 billion to become effective not earlier than January 1, 1979; and specific structural tax law changes which would reduce FY 1979 revenues by $1.4 billion. These changes, include a tuition tax credit, a targeted employment tax credit, and could include energy legislation and other miscellaneous provisions.

A larger amount of gross general tax reductions could be enacted in FY 1979, provided the additional reduction were offset by an appropriate amount of tax increases.

The conferees also agree to treat refundable tax credit payments in excess of the recipients' tax liabilities as outlays and budget authority, rather than as revenue reductions.

BUDGET AUTHORITY

The Senate resolution provided for a total new budget authority of $566.1 billion. The House resolution provided for budget authority of $569.508 billion. The conference substitute provides for budget authority of $568.85 billion.

OUTLAYS

The Senate resolution provided for outlays of $498.9 billion. The House amendment provided outlays of $500.885 billion. The conference substitute provides outlays of $498.8 billion.

DEFICIT

The Senate resolution provided for a deficit of $55.6 billion. The House resolution provided for a deficit of $57.862 billion. The conference substitute provides for a deficit of $50.9 billion.

PUBLIC DEBT

The Senate resolution provided for a public debt level of $853.8 billion. The House resolution provided a debt level of $856.062 billion. The conference substitute provides a debt level of $849.1 billion.

FUNCTIONAL CATEGORIES

050: NATIONAL DEFENSE

The Senate resolution provided budget authority of $129.8 billion and outlays of $116.6 billion. The House resolution provided budget authority of $127.439 billion and outlays of $115.679 billion.

The conference substitute provides budget authority of $128.7 billion, and outlays of $115.7 billion. The outlay target reflects downward reestimates in this function. In the Second Concurrent Resolution, further adjustments may be necessary.

150: INTERNATIONAL AFFAIRS

The Senate resolution provided budget authority of $12.8 billion and outlays of $7.2 billion. The House resolution provided budget authority of $10.990 billion and outlays of $6,600 billion.

The conference substitute provides budget authority of $12.8 billion and outlays of $6.9 billion. The conference substitute includes $1.8 billion in budget authority above the House resolution only to provide for the possibility that implementation of the Witteveen Facility of the International Monetary Fund will be delayed until FY 1979 and that the entire amount will be appropriated.

250: GENERAL SCIENCE, SPACE AND TECHNOLOGY

The Senate resolution provided budget authority of $5.2 billion and outlays of $5.0 billion. The House resolution provided budget authority of $5.216 billion and outlays of $5.027 billion.

The conference substitute provides budget authority of $5.2 billion and outlays of $5.0 billion.

270: ENERGY

The Senate resolution provided budget authority of $10.2 billion and outlays of $10.1 billion. The House resolution provided budget authority of $9.494 billion and outlays of $9.252 billion.

The conference substitute provides budget authority of $10.4 billion and outlays of $9.8 billion.

300: NATURAL RESOURCES AND ENVIRONMENT

The Senate resolution provided budget authority of $13.7 billion and outlays of $12.5 billion. The House resolution provided budget authority of $13.464 billion and outlays of $12.013 billion.

The conference substitute provides budget authority of $13.6 billion and outlays of $12.2 billion.

350: AGRICULTURE

The Senate resolution provided budget authority of $12.4 billion and outlays of $7.8 billion. The House resolution provided budget authority of $12.297 billion and outlays of $10.492 billion.

The conference substitute provides budget authority of $12.3 billion and outlays of $8.3 billion. The conference substitute provides for the House level of budget authority for the Agricultural Credit Insurance Fund, and provides outlays to accommodate the Congressional Budget Office's latest current law estimate for CCC price supports, including funding for dairy supports at 80 percent of parity, and additional amounts for new agriculture initiatives.

370: COMMERCE AND HOUSING CREDIT

The Senate resolution provided budget authority of $5.9 billion and outlays of $3.6 billion. The House resolution provided budget authority of $6.000 billion and outlays of $3.700 billion.

The conference substitute provides budget authority of $5.9 billion and outlays of $3.6 billion. The conference substitute provides amounts that would be sufficient to provide for continuation of the GNMA program of targeted tandem mortgage assistance for low-income housing and initial financing and operating requirements for the proposed National Consumer Cooperative Bank.

400: TRANSPORTATION

The Senate resolution provided budget authority of $19.5 billion and outlays of $17.5 billion. The House resolution provided budget authority of $20.561 billion and outlays of $18.114 billion.

The conference substitute provides budget authority of $20.3 billion and outlays of $17.8 billion.

450: COMMUNITY AND REGIONAL DEVELOPMENT

The Senate resolution provided budget authority of $10.4 billion and outlays of $9.0 billion. The House resolution provided budget authority of $15.251 billion and outlays of $10.291 billion.

The conference substitute provides budget authority of $11.1 billion and outlays of $9.0 billion.

500: EDUCATION, TRAINING, EMPLOYMENT AND SOCIAL SERVICES

The Senate resolution provided budget authority of $31.6 billion and outlays of $31.2 billion. The House resolution provided budget authority of $34.090 billion and outlays of $31.429 billion.

The conference substitute provides budget authority of $33.0 billion and outlays of $31.4 billion.

The conference substitute includes $0.3 billion in revenue reductions and $0.7 billion in budget authority for additional middle income student tuition assistance. This represents a 50 percent reduction in total resources included in the House resolution for both the tax expenditure and grant proposal forms of this assistance, since it is not expected that both proposals will be implemented as introduced. Reductions from the House mark in budget authority for employment and training programs do not reflect any policy change in anticipated program levels.

The conferees believe it is essential for the Congress and the Administration to continue to shift the emphasis of CETA program resources to provide employment and training services targeted to the structurally unemployed. This shift should result in significantly increased savings in public assistance costs under function 600.

550: HEALTH

The Senate resolution provided budget authority of $52.7 billion and outlays of $49.5 billion. The House resolution provided budget authority of $52.282 billion and outlays of $49,550 billion.

The conference substitute provides budget authority of $52.55 billion and outlays of $49.5 billion. The conference substitute assumes budget authority of $31.9 billion and outlays of $29.4 billion for the medicare program and budget authority and outlays of $11.7 billion for the medicaid program. The conference substitute assumes budget authority of $8.95 billion and outlays of $8.4 billion for the discretionary programs in the health function.

FUNCTION 600: INCOME SECURITY

The Senate resolution provided budget authority of $192.5 billion and outlays of $159.9 billion. The House resolution provided budget authority of $192.750 billion and outlays of $159.339 billion.

The conference substitute provides budget authority of $193.1 billion and outlays of $160.2 billion. The conference substitute accommodates up to $0.4 billion in funds for fiscal relief to States for public assistance costs. This would not preclude other initiatives related to welfare reform.

700: VETERANS BENEFITS AND SERVICES

The Senate resolution provided budget authority of $21.0 billion and outlays of $20.8 billion. The House resolution provided budget authority of $21.730 billion and outlays of $21.315 billion.

The conference substitute provides budget authority of $21.3 billion and outlays of $21.0 billion. Funds are included in the conference substitute for reform of the veterans' pension program, including provisions applicable to social security cost-of-living increases.

750: ADMINISTRATION OF JUSTICE

The Senate resolution provided budget authority of $4.3 billion and outlays of $4.2 billion. The House resolution provided budget authority of $4.200 billion and outlays of $4.214 billion.

The conference substitute provides budget authority of $4.3 billion and outlays of $4.2 billion.

800: GENERAL GOVERNMENT

The Senate resolution provided budget authority of $4.1 billion and outlays of $4.1 billion. The House resolution provided budget authority of $4.097 billion and outlays of $4.134 billion.

The conference substitute provides budget authority of $4.1 billion and outlays of $4.1 billion.

850: GENERAL PURPOSE FISCAL ASSISTANCE

The Senate resolution provided budget authority of $9.7 billion and outlays of $9.6 billion. The House resolution provided budget authority of $9.098 billion and outlays of $9.237 billion.

The conference substitute provides budget authority of $9.7 billion and outlays of $9.6 billion.

900: INTEREST

The Senate resolution provided budget authority of $46.8 billion and outlays of $46.8 billion. The House resolution provided budget authority of $47.000 billion and outlays of $47.000 billion.

The conference substitute provides budget authority of $47.0 billion and outlays of $47.0 billion.

920: ALLOWANCES

The Senate resolution provided budget authority of $0.7 billion and outlays of $0.7 billion. The House resolution provided budget authority of $1.050 billion and outlays of $1.000 billion.

The conference substitute provides budget authority of $0.8 billion and outlays of $0.8 billion. The managers assume that the President will implement his announced intention to limit the October 1978 comparability pay raise for Federal employees to 5.5 percent. The managers further assume that Federal agencies will be able to absorb 20 percent of pay raise costs through savings in other activities, and urge the President and the Congress to require this absorption.

950: UNDISTRIBUTED OFFSETTING RECEIPTS

The Senate resolution provided budget authority of −$17.2 billion and outlays of −$17.2 billion. The House resolution provided budget authority of −$17.500 billion and outlays of −$17.500 billion.

The conference substitute provides budget authority of −$17.3 billion and outlays of −$17.3 billion.

Budget aggregates and functional categories, fiscal year 1979

[In billions of dollars]

	House passed	Senate passed	Conference agreement
Revenues	443.023	443.3	447.9
Budget authority	569.508	566.1	568.85
Outlays	500.885	498.9	498.8
Deficit	57.862	55.6	50.9
Debt subject to limit	856.062	853.8	849.1
050 National Defense:			
Budget authority	127.439	129.8	128.7
Outlays	115.679	116.6	115.7
150 International Affairs:			
Budget authority	10.990	12.8	12.8
Outlays	6.600	7.2	6.9
250 General Science, Space, and Technology:			
Budget authority	5.216	5.2	5.2
Outlays	5.027	5.0	5.0
270 Energy:			
Budget authority	9.494	10.2	10.4
Outlays	9.252	10.1	9.8
300 Natural Resources and Environment:			
Budget authority	13.464	13.7	13.6
Outlays	12.013	12.5	12.2
350 Agriculture:			
Budget authority	12.297	12.4	12.3
Outlays	10.492	7.8	8.3
370 Commerce and Housing Credit:			
Budget authority	6.000	5.9	5.9
Outlays	3.700	3.6	3.6
400 Transportation:			
Budget authority	20.561	19.5	20.3
Outlays	18.114	17.5	17.8
450 Community and Regional Development:			
Budget authority	15.251	10.4	11.1
Outlays	10.291	9.0	9.0
500 Education, Training, Employment, and Social Services:			
Budget authority	34.090	31.6	33.0
Outlays	31.429	31.2	31.4
550 Health:			
Budget authority	52.282	52.7	52.55
Outlays	49.550	49.5	49.5
600 Income Security:			
Budget authority	192.750	192.5	193.1
Outlays	159.339	159.9	160.2
700 Veterans Benefits and Services:			
Budget authority	21.730	21.0	21.3
Outlays	21.315	20.8	21.0
750 Administration of Justice:			
Budget authority	4.200	4.3	4.3
Outlays	4.214	4.2	4.2
800 General Government:			
Budget authority	4.097	4.1	4.1
Outlays	4.134	4.1	4.1
850 General Purpose Fiscal Assistance:			
Budget authority	9.098	9.7	9.7
Outlays	9.237	9.6	9.6
900 Interest:			
Budget authority	47.000	46.8	47.0
Outlays	47.000	46.8	47.0
920 Allowances:			
Budget authority	1.050	0.7	0.8
Outlays	1.000	0.7	0.8
950 Undistributed Offsetting Receipts:			
Budget authority	−17.500	−17.2	−17.3
Outlays	−17.500	−17.2	−17.3

ALLOCATION OF BUDGET AUTHORITY AND OUTLAYS TO SENATE COMMITTEES

Pursuant to section 302 of the Congressional Budget and Impoundment Control Act of 1974, the conference substitute makes the following estimated allocation of the appropriate levels of total new budget authority and total budget outlays for fiscal year 1979 among the committees of the respective Houses:

Senate Committee allocations pursuant to Sec. 302 of the Congressional Budget Act, fiscal year 1979

[In billions of dollars]

	Direct spending jurisdiction		Entitlements funded in annual appropriation acts	
	Budget authority	Outlays	Budget authority	Outlays
Appropriations Committee	366.5	320.7	—	—
Agriculture, Nutrition, and Forestry Committee	0.7	7.1	9.0	9.1

	Direct spending jurisdiction		Entitlements funded in annual appropriation acts	
	Budget authority	Outlays	Budget authority	Outlays
Armed Services Committee	(1)	(2)	10.3	10.2
Banking, Housing and Urban Affairs Committee	0.5	−1.0	—	—
Commerce, Science, and Transportation Committee	1.3	(3)	0.2	0.2
Energy and Natural Resources Committee	1.3	1.2	(4)	(5)
Environment and Public Works Committee	8.2	1.5	—	—
Finance Committee	213.0	202.2	36.2	36.6
Foreign Relations Committee	12.5	10.7	—	—
Governmental Affairs Committee	26.1	17.8	(3)	(3)
Human Resources Committee	4.1	4.4	3.4	3.3
Judiciary Committee	0.2	0.2	0.1	0.1
Rules and Administration Committee	(4)	(1)	—	—
Veterans Affairs Committee	1.1	0.8	14.0	14.0
Select Committee on Indian Affairs	0.3	0.1	—	—
Select Committee on Small Business	(3)	—	—	—
Not allocated to committees	−66.8	−66.8	—	—
Budget total	568.85	498.8	73.1	73.7

(1) Less than $10 million.
(2) Minus $6 million.
(3) Less than $5 million.
(4) Less than $50 million.
(5) Less than $45 million.

ALLOCATION OF SPENDING RESPONSIBILITY TO HOUSE COMMITTEES PURSUANT TO SECTION 302(a) OF THE CONGRESSIONAL BUDGET ACT

[In thousands of dollars]

	Fiscal year 1979	
House Committee and function:	Budget authority	Outlays
House Agriculture Committee:		
300: Natural Resources and Environment	$232,259	$187,003
350: Agriculture (New entitlement authority)	91,824 (1,400,000)	6,728,539
450: Community and Regional Development	259,724	72,724
850: General Purpose Fiscal Assistance	237,829	237,829
Committee total	821,636	7,226,095
Appropriations Committee:		
050: National Defense	129,279,112	116,268,514
150: International Affairs	12,030,196	7,832,195
250: General Science, Space, and Technology	5,212,288	5,023,770
270: Energy	11,349,276	9,449,276
300: Natural Resources and Environment	15,116,558	13,914,479
350: Agriculture	12,273,283	1,636,568
370: Commerce and Housing Credit	5,517,356	4,621,144
400: Transportation	11,126,654	17,942,184
450: Community and Regional Development	8,940,391	8,638,904
500: Education, Training, Employment, and Social Services	32,252,507	31,367,874
550: Health	35,925,763	36,203,641
600: Income Security	51,921,921	34,075,672
700: Veterans Benefits and Services	20,766,963	20,846,962
750: Administration of Justice	4,300,257	4,205,338
800: General Government	6,682,823	6,722,783
850: General Purpose Fiscal Assistance	8,671,364	8,574,169
900: Interest	0	0
Committee total	371,366,712	327,323,473
House Armed Services Committee		
050: National Defense	−166,908	−157,300
(New entitlement authority)	(172,000)	
400: Transportation	30	30
700: Veterans Benefits and Services	12	12
Committee total	−166,866	−157,258
House Banking, Finance and Urban Affairs Committee:		
050: National Defense	0	990
150: International Affairs	0	0
370: Commerce and Housing Credit	369,733	−1,028,980
450: Community and Regional Development	49,321	104,993
500: Education, Training, Employment, and Social Services	0	10,202
550: Health	0	−653
600: Income Security	39,700	0
700: Veterans Benefits and Services	0	−8,539
800: General Government	3,000	2,920
900: Interest	7,841	7,841
Committee total	469,595	911,226
House District of Columbia Committee		
750: Administration of Justice	8,000	8,000
850: General Purpose Fiscal Assistance	832	832
Committee total	8,832	8,832
House Education and Labor Committee:		
500: Education, Training, Employment, and Social Services	27,177	24,453
(New entitlement authority)	(856,000)	
600: Income Security	4,707	4,728
(New entitlement authority)	(23,000)	
Committee total	31,884	29,181
House Government Operations Committee:		
800: General Government	1,230	1,142
850: General purpose fiscal assistance	6,854,924	6,852,294
Committee total	6,856,154	6,853,436
House Administration Committee:		
250: General Science, Space, and Technology	70	72
500: Education, Training, Employment, and Social Services	5,351	5,666
800: General Government	40,400	1,200
Committee total	45,821	6,938

ALLOCATION OF SPENDING RESPONSIBILITY TO HOUSE COMMITTEES PURSUANT TO SECTION 302(a) OF THE CONGRESSIONAL BUDGET ACT

[In thousands of dollars]

House Committee and function:	Fiscal year 1979 Budget Authority	Outlays
House Interior and Insular Affairs Committee:		
270: Energy	20	20
300: Natural Resources and Environment	94, 130	20, 902
450: Community and Regional Development	256, 331	135, 127
800: General Government	116, 800	116, 207
850: General Purpose Fiscal Assistance	344,874	344, 874
Committee total	812, 155	617, 130
House International Relations Committee:		
150: International Affairs	12, 314, 902	10, 612, 903
370: Commerce, and Housing Credit	4, 800	6, 000
600: Income Security	207, 817	117, 430
Committee total	12, 527, 519	10, 736, 333
House Interstate and Foreign Commerce Committee:		
300: Nature Resources and Enviironment	0	30
370: Commerce and Housing Credit	23, 237	21, 962
400: Transportation	420	420
550: Health	1, 600	1, 882
(New entitlement authority)	(185, 000)	
600: Income security	4, 185, 200	4, 395, 383
850: General purpose fiscal assistance	5, 260	5, 085
Committee total	4, 215, 717	4, 424, 762
House Judiciary Committee:		
300: Natural Resources and Environment	165	380
600: Income Security	7, 135	2, 124
750: Administration of justice	0	—5, 081
800: General government	147, 018	147, 018
Committee total	154, 318	144, 441
House Merchant Marine and Fisheries Committee:		
300: Natural Resources and Environment	139, 053	123,831
370: Commerce and Housing Credit	15, 000	10, 000
400: Transportation	294, 368	—73, 229
850: General Purpose Fiscal Assistance	4,200	4, 200
Committee total:	452, 621	64, 802
House Post Office and Civil Service Committee:		
050: National Defense (New Entitlement authority)	(—166, 000)	
300: Nature Resources and Environment	0	330
370: Commerce and Housing Credit	4,876	4, 876
550: Health	0	—42, 769
600: Income Security	19, 907, 500	11, 694, 789
(New entitlement authority)	(13, 000)	
800: General Government	6, 170, 000	6, 170, 000
(New entitlement authority)	(41, 000)	
920: Allowances (New entitlement authority)	(—47, 000)	
Committee total	26, 082, 376	17, 827, 226
House Public Works and Transportation Committee:		
270: Energy	0	1, 300, 000
300: Natural Resources and Environment	43, 025	43, 000
400: Transportation	8, 945, 189	—2, 744
450: Community and Regional Development	46, 233	45, 822
950: Undistributed Offsetting Receipts	11, 000	11, 000
Committee total	9, 045, 447	1, 397, 078
House Science and Technology Committee:		
250: General Science, Space, and Technology	5, 300	4, 500
270: Energy	2, 480	2, 480
300: Natural Resources and Environment	11, 297	11, 297
800: General Government	0	1
Committee total	19, 077	18, 278
House Small Business Committee:		
450: Community and Regional Development	300	0
Committee total	300	0
House Veterans' Affairs Committee:		
700: Veterans' Benefits and Services	1, 061, 582	690, 122
(New entitlement authority)	(1, 417, 000)	
Committee total	1, 061, 582	690, 122
House Ways and Means Committee:		
500: Education, Training, Employment, and Social Services	723, 160	0
(New entitlement authority)	(250, 000)	
550: Health	31, 900, 000	28, 615, 262
600: Income Security	119, 758, 510	112, 842, 364
(New entitlement authority)	(373, 000)	
800: General Government	4, 025	4, 025
850: General Purpose Fiscal Assistance	458, 000	458, 000
900: Interest	53, 528, 000	53, 528, 000
950: Undistributed Offsetting Receipts	—15, 000	—15, 000
Committee total	206, 356, 695	195, 432, 651
450: Community and Regional Development (New entitlement authority)	(150, 000)	
Unassigned to Committees:		
050: National Defense	—412, 204	—412, 204
150: International Affairs	—11, 545, 098	—11, 545, 098
250: General Science, Space and Technology	—17, 658	—28, 342
270: Energy	—951, 776	—951, 776
300: Natural Resources and Environment	—2, 036, 487	—2, 101, 252
350: Agriculture	—65, 107	—65, 107
370: Commerce and Housing Credit	—35, 002	—35, 002
400: Transportation	—66, 661	—66, 661
450: Community and Regional Development	1, 547, 700	2, 430
500: Education, Training, Employment, and Social Services	—8, 195	—8, 195
550: Health	—15, 277, 363	—15, 277, 863
600: Income Security	—2, 932, 490	—2, 932, 490
700: Veterans Benefits and Services	—258, 557	—258, 557
750: Administration of Justice	—8, 257	—8, 257
800: General Government	—9, 065, 296	—9, 065, 296
850: General Purpose Fiscal Assistance	—6, 877, 283	—6, 877, 283
900: Interest	—6, 535, 841	—6, 535, 841
920: Allowances	800, 000	800, 000
950: Undistributed Offsetting Receipts	—17, 296, 000	—17, 296, 000
Committee total	—71, 311, 575	—72, 932, 294

ROBERT N. GIAIMO,
ELIZABETH HOLTZMAN,
BUTLER DERRICK,
WILLIAM LEHMAN,
PAUL SIMON,

JOSEPH L. FISHER,
JIM MATTOX,
Managers on the Part of the House.

EDMUND S. MUSKIE,
WARREN G. MAGNUSON,
FRITZ HOLLINGS,

ALAN CRANSTON,
LAWTON CHILES,
JAMES ABOUREZK,
HENRY BELLMON,
ROBERT DOLE,
H. JOHN HEINZ,
Managers on the Part of the Senate.

LEAVE OF ABSENCE

By unanimous consent leave of absence was granted as follows to:

Mr. RODINO (at the request of Mr. WRIGHT), for today, on account of illness in the family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. MICHEL, and to include extraneous material today for 15 minutes.

(The following Members (at the request of Mr. KILDEE) to revise and extend their remarks and include extraneous material:)

Mr. ANNUNZIO, for 5 minutes, today.

Mr. GONZALEZ, for 5 minutes, today.

Mr. STUDDS, for 5 minutes, today.

Mr. BURKE of Massachusetts, for 5 minutes, today.

Mr. JONES of Oklahoma, for 10 minutes, today.

Ms. OAKAR, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. MCCORMACK, to insert remarks immediately after passage of H.R. 10838.

Mr. GILMAN, to revise and extend his remarks as part of the debate on H.R. 12255 in the House today.

Mr. BIAGGI, to revise and extend his remarks as part of the debate on H.R. 12255 in the House today.

Mr. PEPPER, to revise and extend his remarks as part of the debate on H.R. 12255 in the House today.

Mr. HAMMERSCHMIDT, during general debate on H.R. 12255, the Older Americans Act of 1965.

(The following Members (at the request of Mr. QUAYLE) and to include extraneous matter:)

Mr. MOORE.

Mr. CUNNINGHAM.

Mr. MCCLORY.

Mr. KEMP in two instances.

Mr. BROWN of Ohio in two instances.

Mr. DORNAN.

Mr. COLLINS of Texas in three instances.

Mr. FRENZEL in three instances.

Mr. SAWYER.

Mr. MARRIOTT.

Mr. MILLER of Ohio in three instances.

Mr. CONTE.

Mr. RUPPE.

Mr. PURSELL.

Mr. GILMAN in two instances.

Mr. STEIGER.

(The following Members (at the request of Mr. KILDEE) and to include extraneous material:)

Mr. RODINO.

Mr. AUCOIN.

Mr. BINGHAM in 10 instances.

Mr. CARNEY in two instances.

Mr. KOSTMAYER.

Mr. ANNUNZIO in six instances.

Mr. ANDERSON of California in three instances.

Mr. GONZALEZ in three instances.

Mr. BROWN of California in 10 instances.

Mr. MAZZOLI.

Mr. HAWKINS.

Mr. JOHN L. BURTON in three instances.

Mr. RYAN.

Mr. UDALL in two instances.

Mr. FASCELL in two instances.

Mr. JENRETTE.

Mr. JONES of Oklahoma.

Mr. EDGAR.

Mr. LAFALCE.

Mr. MCDONALD in five instances.

Mr. TSONGAS.

Mr. DAN DANIEL.

Mr. JACOBS.

Mr. PEPPER.

Mr. WIRTH in two instances.

Mr. VENTO.

Mr. WOLFF.

Mr. FARY in two instances.

Mr. BYRON.

Mr. RANGEL.

ENROLLED JOINT RESOLUTION SIGNED

Mr. THOMPSON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a joint resolution of the House of the following title, which was thereupon signed by the Speaker:

H.J. Res. 873. Joint resolution making an urgent supplemental appropriation for the disaster loan program of the Small Business Administration for the fiscal year ending September 30, 1978, and for other purposes.

BILLS AND JOINT RESOLUTIONS PRESENTED TO THE PRESIDENT

Mr. THOMPSON, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, a bill and joint resolutions of the House of the following title;

H.R. 8331. An act to amend the Securities Investor Protection Act of 1970;

H.J. Res. 859. Joint resolution making supplemental appropriations for the U.S. Railway Association for the fiscal year ending September 30, 1978, and for other purposes; and

H.J. Res. 873. Joint resolution making an urgent supplemental appropriation for the disaster loan program of the Small Business Administration for the fiscal year ending September 30, 1978, and for other purposes.

ADJOURNMENT

Mr. KILDEE. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 21 minutes p.m.) the House adjourned until tomorrow, Tuesday, May 16, 1978, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

4156. A letter from the Assistant Secretary of Commerce for Administration, transmitting notice of proposed changes in existing records systems, pursuant to 5 U.S.C. 552a (o); to the Committee on Government Operations.

4157. A letter from the Executive Officer, ACTION, transmitting notice of proposed changes in an existing records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

4158. A letter from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation to designate certain lands within units of the National Park System as wilderness; to the Committee on Interior and Insular Affairs.

4159. A letter from the Deputy Assistant Secretary of the Interior, transmitting a copy of an application by the Hidalgo County Water Improvement District No. 2 of San Juan, Tex., for a loan under the Small Reclamation Projects Act, pursuant to section 4(c) of the act, as amended; to the Committee on Interior and Insular Affairs.

4160. A letter from the Chairman, Indian Claims Commission, transmitting the Commission's final determination in docket No. 343, the Cayuga Nation of Indians, Peter Buck and Stewart Jamison, members and representatives thereof, the Seneca-Cayuga Tribe of Oklahoma, plaintiffs v. the United States of America, defendant, pursuant to section 21 of the Indian Claims Commission Act; to the Committee on Interior and Insular Affairs.

4161. A letter from the Chairman, U.S. Nuclear Regulatory Commission, transmitting a draft of proposed legislation to amend section 234 of the Atomic Energy Act; to the Committee on Interior and Insular Affairs.

4162. A letter from the Secretary of Health, Education, and Welfare, transmitting a report on liability arising out of immunization programs, pursuant to section 3 of Public Law 94-380; to the Committee on Interstate and Foreign Commerce.

4163. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders entered in the cases of certain aliens found admissible to the United States, pursuant to section 212(a)(28)(I)(ii) of the Immigration and Nationality Act; to the Committee on the Judiciary.

4164. A letter from the Chairman, U.S. Commission on Civil Rights, transmitting a report on improving Hispanic unemployment, pursuant to section 104(b) of Public Law 83-315, as amended; to the Committee on the Judiciary.

4165. A letter from the Chief Scout Executive, Boy Scouts of America, transmitting the 1977 annual report of the organization, pursuant to section 8 of the act of June 15, 1916, as amended; to the Committee on the Judiciary.

4166. A letter from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation to authorize the Secretary of the Interior to establish an urban park and recreation recovery program, and for other purposes; jointly, to the Committees on Banking, Finance and Urban Affairs, and Interior and Insular Affairs.

4167. A letter from the Comptroller General of the United States, transmitting a report on the need to concentrate intensive timber management on high productive lands (CED-78-105, May 11, 1978); jointly, to the Committees on Government Operations, Agriculture, and Interior and Insular Affairs.

4168. A letter from the Acting Comptroller General of the United States, transmitting a report on the New Orleans Naval Hospital (HRD-78-71, May 15, 1978); jointly to the Committees on Government Operations, and Armed Services.

4169. A letter from the Comptroller General of the United States, transmitting a report on the administrative law process (FPCD-78-25, May 15, 1978); jointly, to the

Committees on Government Operations, and the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

[*Pursuant to the order of the House on May 12, 1978, the following reports were filed on May 13, 1978*]

Mr. PERKINS: Committee on Education and Labor. H.R. 12467. A bill to amend the Rehabilitation Act of 1973 to extend certain programs established in such act, to establish a community service employment program for handicapped individuals, to provide for independent living rehabilitation services for the severely handicapped, and for other purposes; with amendment (Rept. 95–1149). Referred to the Committee of the Whole House on the State of the Union.

Mr. PERKINS: Committee on Education and Labor. H.R. 12255. A bill to amend the Older Americans Act of 1965 to provide for improved programs for older persons, and for other purposes; with amendment (Rept. No. 95–1150). Referred to the Committee of the Whole House on the State of the Union.

[*Submitted May 15, 1978*]

Mr. REUSS: Committee on Banking, Finance and Urban Affairs. H.R. 7684. A bill to amend the Flammable Fabrics Act to require the Secretary of Commerce to study the necessity and feasibility of establishing Federal standards relating to fire prevention and control; with amendment (Rept. No. 95–989, Pt. II). Referred to the Committee of the Whole House on the State of the Union.

Mr. MURPHY of New York: Committee on Merchant Marine and Fisheries. H.R. 10661. A bill to amend the Marine Protection, Research, and Sanctuaries Act of 1972 to authorize appropriations to carry out the provisions of such act for fiscal years 1979 and 1980; with amendment (Rept. No. 95–1145, Pt. II). Referred to the Committee of the Whole House on the State of the Union.

Mr. PERKINS: Committee on Education and Labor. H.R. 7577. A bill to amend the Economic Opportunity Act of 1964, and for other purposes; with amendment (Rept. No. 95–1151). Referred to the Committee of the Whole House on the State of the Union.

Mr. PERKINS: Committee on Education and Labor. H.R. 11922. A bill to amend the Domestic Volunteer Service Act of 1973, and for other purposes; with amendment (Rept. No. 95–1152). Referred to the Committee of the Whole House on the State of the Union.

Mr. PERKINS: Committee on Education and Labor. H.R. 12511. A bill to extend for 1 year the child care food program of the National School Lunch Act and the women, infants, and children program of the Child Nutrition Act of 1966; with amendment (Rept. No. 95–1153). Referred to the Committee of the Whole House on the State of the Union.

Mr. BINGHAM: Committee on International Relations. H.R. 12589. A bill to authorize appropriations for fiscal year 1979 under the International Investment Survey Act of 1976, and for other purposes (Rept. No. 95–1154). Referred to the Committee of the Whole House on the State of the Union.

Mr. MURPHY of New York: Committee on Merchant Marine and Fisheries. H.R. 10729. A bill to authorize appropriations for the fiscal year 1979 for certain maritime programs of the Department of Commerce, and for other purposes; with amendment (Rept. No. 95–1155). Referred to the Committee of the Whole House on the State of the Union.

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 11226. A bill to promote a more adequate and responsive national program of water research and development, and for other purposes; with amendment (Rept. No. 95–1156). Referred to the Committee of the Whole House on the State of the Union.

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 11972. A bill to authorize appropriations to the Department of Energy in accordance with section 660 of the Department of Energy Organization Act, and for other purposes; with amendment (Rept. No. 95–1157). Referred to the Committee of the Whole House on the State of the Union.

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 11655. A bill to amend the Water Resources Planning Act (75 Stat. 244, as amended); with amendment (Rept. No. 95–1158). Referred to the Committee of the Whole House on the State of the Union.

Mr. DIGGS: Committee on the District of Columbia. H.R. 12594. A bill to amend the District of Columbia Self-Government and Governmental Reorganization Act to increase the authorization for the annual Federal payment to the District of Columbia from $300 million to $317 million (Rept. No. 95–1159). Referred to the Committee of the Whole House on the State of the Union.

Mr. FASCELL: Committee on International Relations. H.R. 12598. A bill to authorize appropriations for fiscal year 1979 for the Department of State, the International Communication Agency, and the Board for International Broadcasting, to make changes in the laws relating to those agencies, to make changes in the foreign service personnel system, to establish policies and responsibilities with respect to science, technology, and American diplomacy, to establish a Commission on Proposals for a Center for Conflict Resolution, to establish an Institute for International Human Rights, and for other purposes with amendment (Rept. No. 95–1160). Referred to the Committee of the Whole House on the State of the Union.

Mr. REUSS: Committee on Banking, Finance and Urban Affairs. H.R. 12433. A bill to amend and extend certain Federal laws relating to housing, community and neighborhood development and preservation, and related programs, and for other purposes; with amendment (Rept. No. 95–1161). Referred to the Committee of the Whole House on the State of the Union.

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 12163. A bill to authorize appropriations to the Department of Energy in accordance with section 261 of the Atomic Energy Act of 1954, section 305 of the Energy Reorganization Act of 1974, section 16 of the Federal Nonnuclear Energy Research and Development Act of 1974, and section 660 of the Department of Energy Reorganization Act, for energy research and development, and for other purposes; with amendment (Rept. No. 95–1078, Pt. II). Ordered to be printed.

Mr. STAGGERS: Committee on Interstate and Foreign Commerce. H.R. 12355. A bill to authorize appropriations to the Nuclear Regulatory Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and section 305 of the Energy Reorganization Act of 1974, as amended, and for other purposes; with amendment (Rept. No. 95–1089, Pt. II): Referred to the Committee of the Whole House on the State of the Union.

Mr. STAGGERS: Committee on Interstate and Foreign Commerce, H.R. 11286, a bill to amend the National Traffic and Motor Vehicle Safety Act of 1966 and the Motor Vehicle Information and Cost Savings Act to authorize appropriations for fiscal year 1979 and 1980; with amendment (Rept. No. 95–1162). Referred to the Committee of the Whole House on the State of the Union.

Mr. STAGGERS: Committee on Interstate and Foreign Commerce. H.R. 12441. A bill to amend the Toxic Substances Control Act to increase the authorization of appropriations contained in such act. (Rept. No. 95–1163). Referred to the Committee of the Whole House on the State of the Union.

Mr. STAGGERS: Committee on Interstate and Foreign Commerce. H.R. 12442. A bill to amend the Consumer Product Safety Act to extend the authorization of appropriations contained in such act, and for other purposes; with amendment (Rept. No. 95–1164). Referred to the Committee of the Whole House on the State of the Union.

Mr. UDALL: Committee on Interstate and Insular Affairs. H.R. 12536. A bill to provide for increases in appropriations ceilings, development ceilings, land acquisition, and boundary changes in certain Federal park and recreation areas, and for other purposes; with amendment (Rept. No. 95–1165). Referred to the Committee of the Whole House on the State of the Union.

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 11392. A bill to authorize appropriations to the Department of Energy and the Federal Energy Regulatory Commission pursuant to section 660 of the Department of Energy Organization Act, and for other purposes; with amendment (Rept. No. 95–1166, pt. I). Ordered to be printed.

Mr. STAGGERS: Committee on Interstate and Foreign Commerce. H.R. 11622. A bill to amend the Natural Gas Pipeline Safety Act of 1968 to provide for the safe operation of pipelines transporting natural gas, petroleum, petroleum products, and certain other materials, to provide standards with respect to the siting, construction, and operation of liquefied natural gas and liquid petroleum gas facilities, and for other purposes; with amendment (Rept. No. 95–1167). Referred to the Committee of the Whole House on the State of the Union.

Mr. JOHNSON of California: Committee on Public Works and Transportation. H.R. 12342. A bill to amend the act of October 19, 1965, to provide additional authorization for the Library of Congress James Madison Memorial Building; with amendment (Rept. No. 95–1168). Referred to the Committee of the Whole House on the State of the Union.

Mr. JOHNSON of California: Committee on Public Works and Transportation. H.R. 12106. A bill to amend the Independent Safety Board Act of 1974 to authorize additional appropriations; with amendment (Rept. No. 95–1169, pt. I). Ordered to be printed.

Mr. STAGGERS: Committee on Interstate and Foreign Commerce. H.R. 11871. A bill to amend the Hazardous Materials Transportation Act to authorize appropriations for fiscal year 1979; with amendment (Rept. No. 95–1170, pt. I). Ordered to be printed.

Mr. STAGGERS: Committee on Interstate and Foreign Commerce. H.R. 12647. A bill to extend provisions of the Noise Control Act of 1972 for 1 year, and for other purposes. (Rept. No. 95–1171). Referred to the Committee of the Whole House on the State of the Union.

Mr. STAGGERS: Committee on Interstate and Foreign Commerce. H.R. 11870. A bill to amend the act of July 19, 1940, to authorize additional appropriations, and for other purposes; with amendment (Rept. No. 95–1172). Referred to the Committee of the Whole House on the State of the Union.

Mr. GIAIMO: Committee of conference. Conference report on Senate Concurrent Resolution 80 (Rept. No. 95–1173). Ordered to be printed.

Mr. STAGGERS: Committee on Interstate and Foreign Commerce. H.R. 12162. A bill to amend the Interstate Commerce Act to authorize additional appropriations for the

Office of Rail Public Counsel; with amendment (Rept. No. 95–1174). Referred to the Committee of the Whole House on the State of the Union.

Mr. STAGGERS: Committee on Interstate and Foreign Commerce. H.R. 12161. A bill to amend the Regional Rail Reorganization Act of 1973 to authorize additional appropriations to the United States Railway Association for purposes of purchasing securities of the Consolidated Rail Corporation (Rept. No. 95–1175). Referred to the Committee of the Whole House on the State of the Union.

Mr. STAGGERS: Committee on Interstate and Foreign Commerce. H.R. 12577. A bill to amend the Federal Railroad Safety Act of 1970 to authorize additional appropriations, and for other purposes; with amendment (Rept. No. 95–1176). Referred to the Committee of the Whole House on the State of the Union.

Mr. MURPHY of New York: Committee on Merchant Marine and Fisheries. H.R. 12631. A bill to provide for the coordination of federally supported and conducted research efforts regarding the Chesapeake Bay, and for other purposes (Rept. No. 95–1177, Pt. I). Ordered to be printed.

Mr. STAGGERS: Committee on Interstate and Foreign Commerce. H.R. 12605. A bill to amend the Communications Act of 1934 to extend and improve the provisions of such act relating to long-term financing for the Corporation for Public Broadcasting and relating to certain grant programs for public telecommunications, and for other purposes; with amendment (Rept. No. 95–1178). Referred to the Committee of the Whole House on the State of the Union.

Mr. FOLEY: Committee on Agriculture. H.R. 11778. A bill to authorize and direct the Secretary of Agriculture to carry out forest and rangeland renewable resources research, to provide cooperative assistance for such research to States and others, and for other purposes; with amendment (Rept. No. 95-1179). Referred to the Committee of the Whole House on the State of the Union.

Mr. FOLEY: Committee on Agriculture. S. 2370. An act to remove the limitation on the amount authorized to be appropriated under the Volunteers in the National Forests Act of 1972 (Rept. No. 95–1180). Referred to the Committee of the Whole House on the State of the Union.

Mr. FOLEY: Committee on Agriculture. H.R. 10285. A bill to extend the Commodity Exchange Act, as amended, for 4 years with amendment (Rept. No. 95–1181). Referred to the Committee of the Whole House on the State of the Union.

Mr. STAGGERS: Committee on Interstate and Foreign Commerce. H.R. 11493. A bill to amend the Rail Passenger Service Act to extend the authorization of appropriations for an additional fiscal year, to provide for public consideration and implementation of a rail passenger service study, and for other purposes; with amendment (Rept. No. 95–1182). Referred to the Committee of the Whole House on the State of the Union.

Mr. FOLEY: Committee on Agriculture. H.R. 11777. A bill to authorize and direct the Secretary of Agriculture to provide cooperative forestry assistance to States and others, and for other purposes; with amendment (Rept. No. 95–1183). Referred to the Committee of the Whole House on the State of the Union.

Mr. FOLEY: Committee on Agriculture. H.R. 11779. A bill to provide for an expanded and comprehensive extension program for forest and rangeland renewable resources; with amendment (Rept. No. 95–1184). Referred to the Committee of the Whole House on the State of the Union.

SUBSEQUENT ACTION ON A BILL INITIALLY REFERRED UNDER TIME LIMITATIONS

Under clause 5 of rule X, the following action was taken by the Speaker:

The Committee on Interstate and Foreign Commerce consideration of the bill (H.R. 12163) relating to authorizing certain appropriations to the Department of Energy extended for an additional period ending not later than May 19, 1978.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ARMSTRONG:

H.R. 12714. A bill to amend title 37, United States Code, to provide that enlisted members of the uniformed services as well as officers shall be entitled to receive a basic allowance for subsistence in addition to per diem while traveling on temporary duty; to the Committee on Armed Services.

By Mr. CONABLE (for himself, Mr. KEMP, and Mr. STOCKMAN):

H.R. 12715. A bill to repeal the carryover basis provisions added by the Tax Reform Act of 1976; to the Committee on Ways and Means.

By Mr. CONABLE (for himself and Mr. COHEN):

H.R. 12716. A bill to amend chapters 2 and 21 of the Internal Revenue code of 1954 and title II of the Social Security Act to improve the financing of the social security programs by adjusting old-age, survivors, and disability insurance and hospital insurance tax rates, increasing the allocations for disability insurance purposes, repealing the recently enacted statutory increases in the contribution and benefit base, and permitting the two Old-Age, Survivors, and Disability Insurance Trust Funds to borrow from each other when necessary to make benefit payments and continue full operations; to the Committee on Ways and Means.

By Mr. LUJAN:

H.R. 12717. A bill to amend the Internal Revenue Code of 1954 to eliminate the adjusted gross income limitation on the credit for the elderly, to increase the amount of such credit, and for other purposes; to the Committee on Ways and Means.

By Mr. MIKVA (for himself, Mr. BONKER, Mr. COHEN, Mr. MCCORMACK, Mr. MARKEY, Mr. NIX, Mr. NOWAK, Mr. OTTINGER, and Mr. UDALL):

H.R. 12718. A bill to correct inequities in certain franchise practices, to provide franchisors and frachisees with evenhanded protection from unfair practices, to provide consumers with the benefits which accrue from a competitive and open market economy, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. MIKVA (for himself and Mr. HEFTEL):

H.R. 12719. A bill to amend the Social Security Act and the Internal Revenue Code of 1954 to provide that disability insurance benefits and the medicare program shall be financed from general revenues (pursuant to annual authorizations) rather than through the imposition of employment and self-employment taxes as at present, and to adjust the rates of such taxes (for purposes of financing the OASI program) accordingly; to the Committee on Ways and Means.

By Ms. OAKAR:

H.R. 12720. A bill to authorize the Secretary of Housing and Urban Development to conduct a demonstration and evaluation of more effective means of reducing crime and vandalism in public housing projects; to the Committee on Banking, Finance and Urban Affairs.

By Mr. PANETTA (for himself, Mr. AKAKA, Mr. BEDELL, Mr. BLOUIN, Mr. CLAY, Mr. CORNWELL, Mr. DERWINSKI, Mr. DORNAN, Mr. FISHER, Mr. GLICKMAN, Mr. HEFTEL, Mr. HUCKABY, Mr. KEMP, Mr. KETCHUM, Mr. LAGOMARSINO, Mr. LOTT, Mr. MURPHY of Pennsylvania, Mr. OTTINGER, Mr. PATTISON of New York, Mr. QUIE, Mr. RYAN, Mr. SNYDER, Mr. STOCKMAN, and Mr. WHITEHURST):

H.R. 12721. A bill to disregard, for purposes of certain taxes imposed by the Internal Revenue Code of 1954 with respect to employees, certain changes since 1975 in the treatment of individuals as employees; to the Committee on Ways and Means.

By Mr. PATTERSON of California:

H.R. 12722. A bill to provide that the U.S. District Court for the Central District of California shall be held at Santa Ana, Calif., in addition to the place currently provided by law; to the Committee on the Judiciary.

By Mr. PRICE (for himself and Mr. BOB WILSON) (by request):

H.R. 12723. A bill to amend the Aviation Career Incentive Act of 1974 (88 Stat. 177) to make certain technical amendments for purposes of clarification, and for other purposes; to the Committee on Armed Services.

By Mr. STANGELAND (For himself, Mr. HAGEDORN, and Mr. NOLAN):

H.R. 12724. A bill to require the Secretary of the Interior to allow the use of wildlife refuge lands for the passage of pipelines, powerlines, and telephone lines, in all cases in which the proposed route of such a line crosses private lands as well as refuge lands; to the Committee on Merchant Marine and Fisheries.

By Mr. THONE (for himself and Mr. ANDREWS of North Dakota):

H.R. 12725. A bill to amend section 2040 of the Internal Revenue Code of 1954 to provide that a spouse's services shall be taken into account in determining whether that spouse furnished adequate consideration for jointly held property for purposes of qualifying for an exclusion from the Federal estate tax; to the Committee on Ways and Means.

By Ms. HOLTZMAN (for herself, Mr. ADDABBO, Mr. BINGHAM, Mr. BONIOR, Mr. PHILLIP BURTON, Mr. CAPUTO, Mr. CARR, Mr. CONYERS, Mr. FORD of Michigan, Mr. GAYDOS, Mr. MARKEY, Mr. MCCORMACK, Ms. MIKULSKI, Mr. MITCHELL of Maryland, Mr. MURPHY of Pennsylvania, Mr. OTTINGER, Mr. STARK, and Mr. CHARLES H. WILSON of California):

H.R. 12726. A bill to extend countercyclical revenue sharing for 3 years and to revise the unemployment percentage required for authorization of such program; to the Committee on Government Operations.

By Mr. HOWARD (for himself, Mr. WHITEHURST, Mr. DUNCAN of Tennessee, Mr. WON PAT, Mr. RODINO, Mr. AKAKA, Mr. KINDNESS, Mr. BEDELL, Mr. GUYER, Mr. MITCHELL of Maryland, Mr. FLOOD, Mr. LAFALCE, Mr. WOLFF, Mr. VENTO, Mr. ERTEL, Mr. CORCORAN of Illinois, Mr. STOKES, Mr. FARY, Mr. FORSYTHE, Mr. PEPPER, Mr. SOLARZ, Mr. HAMILTON, Mr. HAWKINS, and Mr. LE FANTE):

H.R. 12727. A bill to establish a congressional award program for the purpose of recognizing excellence and leadership among young people; to the Committee on Education and Labor.

By Ms. OAKAR (for herself and Ms. SCHROEDER):

H.R. 12728. A bill to amend the Coinage Act of 1965 to change the size, weight, and design of the 1-dollar coin, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. PEPPER:

H.R. 12729. A bill to amend title XIX of the Social Security Act to permit one or more county governments in a State to provide for additional medical assistance under the State's medicaid plan; to the Committee on Interstate and Foreign Commerce.

By Mr. WALGREN (for himself, Mr. MOTTL, Mr. MURPHY of Pennsylvania, Mr. CORRADA, Mr. KINDNESS, Mr. BEARD of Tennessee, Mr. GUYER, Mr. GAYDOS, Mr. RAHALL, Mr. CARNEY, Mr. QUILLEN, Mr. HARRINGTON, Mr. HEFTEL, Mr. LEDERER, Mr. MOORHEAD of Pennsylvania, Mr. DENT, Mr. ASPIN, Mr. AMMERMAN, Mr. RICHMOND, and Mr. SOLARZ):

H.R. 12730. A bill to amend title 23 of the United States Code relating to the special bridge replacement program, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. CUNNINGHAM (for himself and Mr. BONKER):

H.J. Res. 903. Joint resolution disapproving proposed regulations of the Department of the Treasury requiring centralized governmental registration of firearms; jointly, to the Committees on the Judiciary, and Ways and Means.

By Mr. MURPHY of New York (for himself, Mr. ANNUNZIO, Mr. CONTE, Mr. CORMAN, Mr. DENT, Mr. DERRICK, Mr. EARLY, Mr. ECKHARDT, Mr. FARY, Mr. HANNAFORD, Mr. HOWARD, Mr. JONES of Oklahoma, Mr. KOSTMAYER, Mr. LE FANTE, Mr. MCDADE, Mr. MEEDS, Mr. MOORHEAD of Pennsylvania, Mr. ROBINSON, Mr. RONCALIO, Mr. RYAN, Mr. STARK, Mr. THOMPSON, Mr. VANIK, Mr. CHARLES H. WILSON of California, and Mr. YOUNG of Missouri):

H.J. Res. 904. Joint resolution authorizing and requesting the President of the United States to issue a proclamation designating the 7 calendar days beginning September 17, 1978, as "National Port Week"; to the Committee on Post Office and Civil Service.

By Mr. RANGEL (for himself, Mr. BRODHEAD, Mr. RICHMOND, Mr. HAWKINS, Mr. EDWARDS of California, Mr. COTTER, Mr. SIMON, Mr. RODINO, Mr. CLAY, Mr. CORMAN, Mr. NIX, Mr. CORRADA, Mr. ADDABBO, Mr. PANETTA, Mr. WAXMAN, Mr. WOLFF, Mr. PHILLIP BURTON, Mr. DRINAN, Mr. ROE, Miss JORDAN, Mr. MITCHELL of Maryland, Mr. VAN DEERLIN, Mr. MCHUGH, Mr. BONIOR, Mr. GARCIA, and Mr. VENTO):

H.J. Res. 905. Joint resolution authorizing the appropriation of funds for the acquisition of a monument to Dr. Ralph J. Bunche and its erection in United Nations Plaza Park in New York City; to the Committee on House Administration.

By Mr. RINALDO:

H. Con. Res. 622. Concurrent resolution relating to the proposed increase in first class postal rates; to the Committee on Post Office and Civil Service.

MEMORIALS

Under clause 4 of rule XXII,

402. The SPEAKER presented a memorial of the Legislature of the State of Louisiana, relative to Federal recognition of the Choctaw-Apache Indian and affiliated tribes of northwestern Louisiana; to the Committee on Interior and Insular Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. BRODHEAD introduced a bill (H.R. 12731) for the relief of Michelle A. Mudie, which was referred to the Committee on the Judiciary.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 39

By Mr. DELLUMS:

On page 135 of the substitute, after line 24, insert the following new subsections:

(q) PROHIBITION ON ALTERNATE TOWNSHIP SELECTIONS.—(1) Notwithstanding any other provision of law, any land withdrawn pursuant to section 11(a)(1) of the Alaska Native Claims Settlement Act which is outside the boundaries of any conservation system unit and which is not selected by or conveyed to a Native Corporation shall not be available for selection by the State of Alaska.

(2) The Secretary shall retain in Federal ownership the lands referred to in paragraph (1) in order to provide opportunity for subsistence uses pursuant to title VII of this Act. In managing such lands, the Secretary shall not permit any use, or grant easements for any purpose, unless such use or purpose is compatible with the provision of opportunity for subsistence uses pursuant to title VII of this Act.

(r) EXCHANGE OF INHOLDINGS.—Following the date of approval of this Act, and notwithstanding any other provision of law to the contrary, the right of the State of Alaska to lands in furtherance of its entitlement under section 6 of the Alaska Statehood Act shall be satisfied first by conveyance of unreserved and unappropriated public lands in exchange for lands which the State has selected or received tentative approval or patent to within conservation system units in Alaska, and second, after all such lands have been exchanged, by conveyance of other unreserved and unappropriated public lands in the State which are outside the boundaries of such systems.

Page 219, after line 5, insert the following new subsections:

(q) PROHIBITION ON ALTERNATE TOWNSHIP SELECTIONS.—(1) Notwithstanding any other provision of law, and land withdrawn pursuant to section 11(a)(1) of the Alaska Native Claims Settlement Act which is outside the boundaries of any conservation system unit and which is not selected by or conveyed to a Native Corporation shall not be available for selection by the State of Alaska.

(2) The Secretary shall retain in Federal ownership the lands referred to in paragraph (1) in order to provide opportunity for subsistence uses pursuant to title VII of this Act. In managing such lands, the Secretary shall not permit any use, or grant easements for any purpose, unless such use or purpose is compatible with the provision of opportunity for subsistence uses pursuant to title VII of this Act.

(r) EXCHANGE OF INHOLDINGS.—Following the date of approval of this Act, and notwithstanding any other provision of law to the contrary, the right of the State of Alaska to lands in furtherance of its entitlement under section 6 of the Alaska Statehood Act shall be satisfied first by conveyance or unreserved and unappropriated public lands in exchange for lands which the State has selected or received tentative approval or patent to within conservation system units in Alaska, and second, after all such lands have been exchanged, by conveyance of other unreserved and unappropriated public lands in the State which are outside the boundaries of such systems.

SENATE—*Monday, May 15, 1978*

(Legislative day of Monday, April 24, 1978

The Senate met at 10 a.m., on the expiration of the recess, and was called to order by Hon. ROBERT MORGAN, a Senator from the State of North Carolina.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Eternal God, we thank Thee that Thou hast given us the upward look, the desire to transcend our human weakness, our disharmony, our frailty and to find healing and strength in Thee. Gird us with truth and wisdom as we face the difficult tasks of the coming week. Shed upon our way the light of Thy constant presence that we may be better than we are and act wiser than we are in our own strength. Rule over the deliberations of this body for Thy glory, and the good of this people.

O Lord our God, lift the work of the President, the Vice President and all the leaders of this Nation into the higher order of Thy kingdom. Grant to them and to us a sacred stewardship of the wealth and power Thou hast bestowed upon this land.

We pray in the Redeemer's name. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., May 15, 1978.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable ROBERT MORGAN,

a Senator from the State of North Carolina, to perform the duties of the Chair.

JAMES O. EASTLAND,
President pro tempore.

Mr. MORGAN thereupon assumed the chair as Acting President pro tempore.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

RECOGNITION OF LEADERSHIP

The ACTING PRESIDENT pro tempore. The Senator from West Virginia is recognized.

Mr. ROBERT C. BYRD. Mr. President, I have no desire for my time.

The ACTING PRESIDENT pro tempore. The Senator from Tennessee is recognized.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. BAKER. Mr. President, I yield to the distinguished senior Senator from New York such of my time under the standing order as he may require.

PRIVILEGE OF THE FLOOR—SENATE CONCURRENT RESOLUTION 86

The following Senators requested and, by unanimous consent, the privilege of the floor was granted in behalf of the following staff members:

Mr. JAVITS: Peter Lakeland; Mr. RIBICOFF: Arthur House and Susan Fruing; Mr. GLENN: Pat Chaska and Roy Werner; Mr. SARBANES: Judy Davidson.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I have no further requirement for my time under the standing order, and I yield it back.

SENATE CONCURRENT RESOLUTION 86—SALES OF ARMAMENTS TO EGYPT, ISRAEL, AND SAUDI ARABIA

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from West Virginia (Mr. ROBERT C. BYRD) is recognized to move to consider Senate Concurrent Resolution 86, which will be stated by title.

The legislative clerk read as follows:

A concurrent resolution (S. Con. Res. 86) relating to action by Congress on certain sales of armaments to Egypt, Israel, and Saudi Arabia.

Mr. JAVITS. Mr. President, I suggest the absence of a quorum.

Mr. ROBERT C. BYRD. Mr. President, if the Senator would withhold, I express the hope to the distinguished Senator that we could proceed to the resolution without a rollcall vote—just have a voice vote and then put in the quorum call. Is that satisfactory?

Mr. JAVITS. Perfectly satisfactory. Senator CASE is due to handle this matter. It is for no other reason.

Mr. BAKER. I hope we can have a little time until Senator CASE arrives in the Chamber, and we can clear that with him. I am fairly certain that he would have no objection to proceeding in that way, but I would like him to be here when we do it.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection , it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, under the built-in time agreement I believe the majority and minority leaders, or their designees, have control over the time on the resolution once it is before the Senate. Am I correct?

The ACTING PRESIDENT pro tempore. The Senator is correct.

Mr. ROBERT C. BYRD. And am I also correct, Mr. President, that the motion to proceed is not debatable?

The ACTING PRESIDENT pro tempore. The Senator is correct.

Mr. ROBERT C. BYRD. Mr. President, is the Senate still on the motion to proceed at this point?

The ACTING PRESIDENT pro tempore. The motion has not yet been made or agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to proceed for 2 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR RIBICOFF TODAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at 1:30 p.m. today the distinguished Senator from Connecticut (Mr. RIBICOFF) be recognized to speak in the event the resolution is before the Senate and that he be recognized to speak for 30 minutes, after which the Senate go into closed session. He will make that motion at that time, and I will second it, so we may as well just do it by unanimous consent at this time.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

TIME LIMITATION AGREEMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the closed session not extend beyond 2 hours.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BAKER. Mr. President, will the Senator yield to me?

Mr. ROBERT C. BYRD. I yield.

Mr. BAKER. The statute provides that the majority and minority leaders have control of the time. Since there is a good probability the majority and minority leaders may be on the same side of this issue, I wonder if the distinguished majority leader has any suggestion on how we might parcel out time and control it under those circumstances?

Mr. ROBERT C. BYRD. Mr. President, I suggest that the majority leader and the minority leader each allot half of the time that is allocated to the majority and minority leaders to the opponents and half to the proponents, and for my part I will be glad to allot my time in support of the resolution to Mr. BIDEN and/or Mr. CHURCH and the time in opposition to the resolution to Mr. SPARKMAN, who is the chairman of the committee, and who opposes the resolution.

Mr. BAKER. Mr. President, I thank the majority leader. I think that is a good arrangement. On this side, I will retain half of the time under the statute in opposition to the resolution of disapproval, and I will yield the other half of the time, 2½ hours, to Senator CASE, the senior Republican on the Foreign Relations Committee, or to Senator JAVITS if he prefers to handle it that way.

Mr. JAVITS. Do it the same as they and, and/or JAVITS.

Mr. BAKER. I think the best way, then, is to say I will yield to Senator CASE, or his designee, so we will follow the same procedure.

Mr. ROBERT C. BYRD. Very well.

Mr. President, I wonder if the distinguished Senator from New York will now be willing for the Senate to proceed by voice vote to take up the resolution

Mr. JAVITS. I am willing to proceed to do it by unanimous consent, Mr. President. No vote is necessary.

Mr. ROBERT C. BYRD. Very well.

Mr. BAKER. Mr. President, if the Senator will yield to me, Senator CASE is not yet here. I think on these assurances from the distinguished Senator from New York we should proceed, and I have no objection.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate so proceed.

The ACTING PRESIDENT pro tempore. Without objection, the motion is agreed to.

Mr. ROBERT C. BYRD. I thank all Senators.

Mr. President, I have indicated the Senators to whom I will designate time. Mr. BIDEN is here on my side, and he will have control of half of my time in support of the resolution. Mr. SPARKMAN will be here shortly. Until he arrives I will control the other time.

The ACTING PRESIDENT pro tempore. The Senator from Tennessee (Mr. BAKER).

Mr. BAKER. Mr. President, a parliamentary inquiry.

The ACTING PRESIDENT pro tempore. The Senator will state it.

Mr. BAKER. Are we now on the resolution?

The ACTING PRESIDENT pro tempore. We are, and the time is under control.

Mr. BAKER. I thank the Chair. Mr. President, I yield myself such time as I may require to make an opening statement.

I believe that each of these sales, individually, is in the best interest of the United States. But I have been deeply troubled at the way in which the President has linked them together as a package, and at the implications for

future policy which might be drawn from that linkage. The central factor in American policy in the Middle East has been and must remain the security and survival of Israel. That small country is our only democratic ally in the most dangerous place in the world. When we act in a way that even appears to foreshadow a shift in our commitment to the unique relationship between Israel and the United States, we touch on the deepest emotions of millions of Americans who remember the way in which Israel was reborn only 30 years ago in the aftermath of the insane genocide that destroyed 6 million of Europe's Jews.

Mr. President, that historic fact must and should color every action taken by the world's largest Western democracy in relation to one of the world's smallest. I fully understand that it is a close question, and that there is sharp disagreement among many of us who share deeply held commitments in common. But I believe that the Government of Saudi Arabia is an important moderating influence on the behavior of her friends and allies in the Middle East. I am aware of the rhetoric employed in that part of the world and I deplore it. But I am concerned in this situation about the way governments behave far more than I am with what they say.

That moderation may well be encouraged if Saudi security is bolstered by the fulfillment of these requests. But, even more important, Saudi pride and Saudi moderation will receive a stunning blow if a commitment made publicly by the President of the United States is publicly repudiated by the U.S. Congress. I believe that the prospects for peace in that area would be significantly eroded by such a repudiation, and so I must reluctantly vote for the sale on that ground alone.

But there is an awful paradox at work here. Because the President has chosen to grant the Saudi request for the sale of F–15s, the Government of Israel has been confronted by a change in Israel's security situation. The Carter administration, when it created this package, ignored a fundamental U.S. obligation—to maintain the balance of military power in the Middle East as it is. In connection with the Israeli withdrawal from the Gidi and Mitla passes in the Sinai desert, the United States offered her our most advanced aircraft to compensate for tactical or strategic losses that might be suffered if Israel assented to our request. The Israelis did withdraw. There were no questions at that time of increasing the military strength of Israel's adversaries or potential adversaries in future Middle East war. There was certainly no "package deal" on the horizon. And that, Mr. President, is how we have arrived at this unfortunate juncture.

On Tuesday, May 2, 1978, I visited with President Carter and told him that I regarded a compromise that would preserve our commitments to maintain Israel's defense posture as essential if these sales were to be approved. In the aftermath of that meeting, the administration agreed to increase the complement of F–15's to be sold to Israel from 15, as first proposed by the President, to 35, for a total of 60 F–15's in the Israeli Air Force.

But, Mr. President, that match for the Saudi F–15's hardly preserved the balance of strength to which the United States had pledged itself. Although I believe we must sustain President Carter's promise to Saudi Arabia, and although I believe that we must honor President Sadat's request in light of his historic peace initiative, I am convinced that it is imperative for the United States to assure Israel of its unique relationship to our interests in the Middle East, by granting the 150 F–16's the Israel Government has requested.

On April 24, 1978, the distinguished minority leader of the House of Representatives, the Honorable JOHN J. RHODES, wrote to President Carter as follows:

> Your decision to send letters of intent to sell arms to Israel, Egypt and Saudi Arabia in the context of a "package deal" has given many Members of Congress serious concern. I believe that the "package" approach contravenes the intent of Congress when it passed the 1976 amendments to the Arms Control Act. Those amendments were enacted to bring Congress into the decision-making process as to major arms sales. I therefore suggest that you seriously consider removing these unsanctioned constraints on congressional participation in this decision; and regard each of these sales individually and on the merits, as is the intent of the law. . . . Each of the proposed sales has an individual negotiating history and purpose . . . it is my belief, in fact, that the proposed sale to Israel is totally inadequate to meet her defense needs. That would be the case particularly if Congress were to approve the sale of arms to other countries in the Middle East. I suggest that Israel should be provided with . . . one hundred and fifty F–16s as the Israeli Government requested. Conformity with that request is directly linked to the spirit of the agreement signed between the Government of Israel and the Government of the United States in 1978 with the Israeli withdrew from the strategic passes in the Sinai Desert at the request of the United States.

Mr. President, I have privately expressed myself in similar terms to the President of the United States, that we should go forward now, following this sale of F–15 aircraft to the Israilis, with the further commitment to sell the full number of F–16's to the State of Israel. Now, Mr. President, I renew that view in public.

President Carter can and should allay much of the public concern over these sales by making those adjustments necessary to fulfill the perceived needs of Israel security. For the connection between Israel and the United States goes beyond questions of self-interest on the part of either of the two countries. Our peoples are linked by common values; and by a shared heritage that marks American life with a zest for freedom and individual achievement and aspiration unique in the world's history. The people of Israel and the people of the United States are more than friends and allies; we are members of the same family. We may differ over issues of the moment, but we are firmly committed, each to the other, to our mutual survival in peace and dignity.

So, Mr. President, I will support this proposal. I believe that it should pass. I believe the resolution of disapproval should be defeated, and I will work in that effort. But I also believe that the security of the State of Israel should be fully provided for by honoring their legitimate request for the full number of F–16 aircraft which were first requested and which, I believe, are the subject of a solemn undertaking between our two countries.

Mr. President, I reserve the remainder of my time.

The ACTING PRESIDENT pro tempore. Who yields time?

Mr. BAKER. Mr. President, if I may, since the Senator from New Jersey is here, may I reiterate what I had said previously that since the statute provides that the time on this resolution is under control by the majority and minority leaders, I am prepared to yield half of my time under the statute to the distinguished Senator from New Jersey, which I now do, and the majority leader will yield half of his time in opposition to a Member on his side. So at this time I relinquish control of one-half of the time under the statute to the distinguished Senator from New Jersey.

Mr. CASE. Mr. President, I thank my leader. I think the arrangement is extremely fair and, I think, sensible.

May I ask, I think in effect, the four of us, does the Senator have any idea as to how the time should be allotted?

Mr. BAKER. Mr. President, there is now an arrangement on the sequence of speakers except with respect to a request by the distinguished Senator from Connecticut who wishes to speak at 1:30, and then to convene in executive session, a secret session, of the Senate at 2 p.m. But, other than that, the Senator from New Jersey is free to suggest whatever yielding and recognizing he wishes.

Mr. CASE. Is the Senator from Tennessee handling his 2½ hours himself?

Mr. BAKER. Yes. I may designate someone else in the course of the day, but that is the way it stands now.

Mr. BIDEN. Mr. President, I would like to suggest to the Senator from New Jersey, since I am apparently a designee for the majority leader, that I will be happy to determine the 5 hours of time and look to the senior Senator from New Jersey as to how he would most likely proceed in terms of the opposition. Although theoretically I have 2½ hours of control on this side, it seems to me we should look to the Senator as to the way in which he would like to allocate time. I will be happy to do that.

Mr. CASE. But I say to my dear colleague, Delaware is the first State. Since we are contiguous in any event, I should be greatly surprised if we have any difficulty. The Senator is most generous. Has the Senator spoken in opposition?

Mr. BIDEN. No, I have not. There has been no discussion in opposition. I would

suggest that when the appropriate time comes the Senator from New Jersey can lead off, and then I will have a brief statement, and the Senator from New York has indicated that he has a statement and is prepared to go forward. I would suggest that after we have each made opening statements we might yield to the State of New York as both Senator JAVITS and Senator MOYNIHAN are prepared to proceed.

Mr. CASE. Shall we let the Senators from New York go first?

Mr. BIDEN. That is fine with me.

Mr. CASE. I think that is a good idea, after our leader and the Senator from Alabama have made their opening statements.

Mr. ROBERT C. BYRD. Mr. President, will the chairman yield to me?

Mr. SPARKMAN. I yield.

Mr. ROBERT C. BYRD. I wonder if it would be agreeable that we agree at this point that the time consumed by the closed session be equally divided between the proponents and the opponents.

Mr. CASE. Will the majority leader repeat that for us?

Mr. ROBERT C. BYRD. I had suggested that the time in the closed session be equally divided. Of course, time will be kept otherwise in closed session by the clerk as it is in open session.

Mr. CASE. Is that time for the closed session agreed upon, as to how long it will be?

Mr. ROBERT C. BYRD. It is not to exceed 2 hours and that time comes out of the 10 hours.

Mr. BIDEN. Mr. President, if I could suggest, I would prefer, as we go along, to have the clerk keep that time. I do not think the opponents require much time in closed session for their argument.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that following the closed session Mr. GLENN be recognized to make his statement.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. SPARKMAN. Mr. President, I ask unanimous consent that the following staff members of the Committee on Foreign Relations be authorized the privilege of the floor during the consideration of Senate Concurrent Resolution 86: Norvill Jones, Bill Ashworth, Hans Binnendijk, and Roy Werner.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BIDEN. Mr. President, if the Senator will yield, I make a similar request for Paul Laudicina and Joyce Shub.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. SARBANES. Mr. President, I make the same request for Barry Schochet, Mike Kraft, Ira Nordlicht, Steven Emerson, and Richard Perle.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. DOLE. Mr. President, I make the same request for Bob Dawning of my staff.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. MOYNIHAN. Mr. President, if the Senator will yield further, I ask unanimous consent that Charles Horner be granted the privilege of the floor.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. SPARKMAN. Mr. President, I, along with other members of the Committee on Foreign Relations, have given the question of the sale of aircraft to Egypt, Israel, and Saudi Arabia a great deal of time and study in recent weeks. The committee held five meetings in public and five in executive session on this matter. At the conclusion of the committee's deliberations, members were evenly divided on the question of whether the Senate should object to these sales. Accordingly, a resolution of disapproval for all sales was rejected by a vote of 8 to 8. I have given careful consideration to all points of view about these sales. After doing so, I reached the judgment that the sales should be allowed, as the President has proposed.

I reach this judgment for the following reasons:

The proposed sales will not upset the military balance in the region.

Approval of the sales will demonstrate that the United States is willing to respond to all three nations who have turned to us for equipment to meet legitimate defense needs—Egypt, Israel, and Saudi Arabia.

The sale will bolster and encourage the Arab forces of moderation in the Middle East.

The sale is of crucial importance in maintaining the central role of the United States in efforts to reach a peace agreement.

Rejection of the proposals will drive a wedge between the United States and Saudi Arabia that could lead to disastrous political and economic consequences.

Rejection may undercut the moderate Arab forces in the Middle East and lead to a resurgence of Arab radicalism.

Rejection will set forces to work that may result in undermining irretrievably the long-term security of Israel, a basic concern of the United States.

The wisdom of the timing of this proposal has been questioned. No politician welcomes having to confront a controversial issue, particularly in an election year. But timing to me is not a central issue here. Possibly this factor would be more compelling if we were to consider these sales at a time when there was more evidence that a settlement was about to be achieved. But this is not the case. Peace is not in sight. We must face these proposals now. All nations want their sale approved now. Rejection with thin promises that Congress might consider something later will not be very persuasive to the Arab world. Delay will only postpone a hard decision.

If we are responsive to Egypt's President Sadat now, we will demonstrate the wisdom of his choice to turn from the Soviet Union to the United States. We cannot afford for President Sadat or those who support him to conclude that he made the wrong decision when he turned toward the West. Members should not forget that there are many in the Arab world who would rejoice at a serious setback for President Sadat.

Much has been said of the economic benefits we derive from our important relationship with Saudi Arabia. I do not intend to hold up the specter that parts of the United States will go dark if the United States and Saudi Arabia go in divergent directions. I hope that ways can be found to prevent such a calamity. We must remember, however, that we have benefited and will continue to benefit from the prudent and supportive approach taken by Saudi Arabia to world economic problems, such as its support for the dollar, and by the Saudi willingness to keep the lid on oil prices. Saudi Arabia has legitimate security concerns about radical Arab neighbors. We should respond to those concerns.

In a letter to me on May 9, Secretary of Defense Brown pointed out that the Saudi Arabian Government is willing to give important assurances in regard to the F–15 aircraft that would be sold under the administration's proposal. According to Secretary Brown:

> The Government of Saudi Arabia has assured us that it has no aggressive intentions against any state, that it will use the F–15 aircraft only in furtherance of its legitimate self-defense, and that it will not employ the aircraft offensively. The Saudi Arabian Government has similarly assured us that it will not transer the F–15 aircraft to any third country or permit the nationals of such country to train on the F–15 aircraft, serve as pilots, or otherwise have access to the aircraft without the authorization of the United States.

Mr. President, I ask unanimous consent to have the text of Secretary Brown's letter included in the RECORD following my remarks.

The ACTING PRESIDENT pro tempore. Without objection it is so ordered.

(See exhibit 1.)

Mr. SPARKMAN. The aircraft the administration proposes to sell to Saudi Arabia would be configured so as to limit their ground attack capability. The F–15 will substantially enhance the air defenses of Saudi Arabia and play a major role in defending the oil fields which are so important, not only to the Saudis, but also to the entire non-Communist industrial world. It would be folly for the Saudis to contemplate the use of the F–15 to strike at Israel from their own territory under any circumstances. Israel's retaliation, clearly, would be overwhelming and devastating. There is every evidence that the Saudis realize that fact.

The F–15's and F–16's to be provided to Israel under this proposal are eagerly sought by that nation. I am confident that there would be no question of the wisdom of making this sale were the sales to Egypt and Saudi Arabia not being considered at the same time.

I am reassured that the administration is fully cognizant of America's traditional willingness to be responsive to the defensive needs of Israel. I was

pleased to receive the following information from President Carter on May 9:

To emphasize the deep and continuing character of our commitment to Israel, we will give sympathetic consideration to the request from Israel for additional combat aircraft for delivery in subsequent years. In particular, I am pleased to give a firm assurance at this time that I will transmit to Congress in 1979 a subsequent proposal to make available to Israel twenty F-15s in 1983-84.

Mr. President, I ask unanimous consent that the full text of the President's letter be included in the RECORD following my remarks.

The ACTING PRESIDENT pro tempore. Without objection it is so ordered.

(See exhibit 2.)

Mr. SPARKMAN. Congressional agreement to allow these sales to go forward would not be a lessening of the long-term commitment of the United States to Israel. I have reached my decision to support these sales in the firm conviction that Israel's interests will best be served by making these sales at this time.

If Saudi Arabia and Egypt turn to other suppliers for their planes, the United States will have no control over the use of those aircraft. There is persuasive evidence that Saudi Arabia will buy Mirages from France if Congress blocks the President's proposal. And then what control would the United States have over the course of Saudi Arabia's defense policy? If these sales to Egypt and Saudi Arabia are blocked we are likely to find that we will have lost much of our leverage to move the nations of the Middle East toward peace. Then, we could only stand by helplessly as the peace that we all want so very much slipped away.

In today's world, like it or not, arms are influence. And, if peace is ever to come to the Middle East, we must pursue an honest broker's role with all major parties.

The President's sales proposal will help to accomplish that.

I urge that the resolution be rejected.

EXHIBIT 1

WASHINGTON, D.C.
May 9, 1978.

Hon. JOHN J. SPARKMAN,
Chairman, Committee on Foreign Relations, Washington, D.C.

DEAR MR. CHAIRMAN: During recent conversations with you and other members of your Committee, a number of questions have been raised regarding the characteristics of the F-15 aircraft we propose to sell to Saudi Arabia and reassurances as to the purposes for which Saudi Arabia will use the aircraft. I would like to respond to these questions and attempt to resolve any uncertainties that members may have felt regarding the proposed sale.

I. THE F-15 AIRCRAFT

The F-15 we plan to sell to Saudi Arabia will have the same configurations as the interceptor model approved for the United States Air Force. During the developmental phase of the F-15, initial plans called for giving the aircraft a ground attack capability. However, the availability of other aircraft with superior strike capabilities led the Air Force to alter its plans and to limit the role of the F-15 to that of an air superiority fighter. Consequently, the development of new ground attack systems for the F-15 was discontinued in 1975.

Saudi Arabia chose the F-15 because of its extended patrol capability and superior air defense characteristics (including an advanced, all-weather air-to-air radar system). The F-15 best meets Saudi Arabian requirements for the air defense of a vast territory. In choosing the F-15, Saudi Arabia rejected aircraft with powerful ground attack capabilities such as the F-16.

As Saudi Arabia has selected the F-15 to defend its national territory, it would be folly, as the Chairman designate of the JCS, General David Jones, USAF, observed in testimony, to use the F-15 offensively against neighboring countries. This is particularly so vis-a-vis Israel, whose air strength is, and will be, so much greater. Not only would the F-15 be relatively ineffective in an offensive mode, and the risk of loss of the aircraft high, but its use away from Saudi Arabia would leave vital oil facilities, urban centers and military installations without necessary air defense cover. From the standpoint of military planning, it would make no sense whatsoever for Saudi Arabia to acquire an aircraft with the characteristics of the F-15 with an idea of using it as a ground attack aircraft. I am confident the Saudis have no such intention.

Like the USAF model, the F-15 for Saudi Arabia will be equipped with air defense armament, namely four AIM-9 Sidewinder air-to-air missiles, four AIM-7 Sparrow air-to-air missiles and a 20 mm. gun.

The aircraft can carry three external fuel tanks, but the plane requested by Saudi Arabia will not be equipped with special features that could give it additional range. Specifically, the planes will not have conformal fuel tanks ("fast packs"), i.e., auxiliary fuel tanks that conform to the body of the plane, and Saudi Arabian KC-130 tankers do not have equipment for air refueling of the F-15.

Saudi Arabia has not requested that the plane be outfitted with Multiple Ejection Racks (MER 200) which would allow the plane to carry a substantial bomb load. The U.S. will not furnish such MERs, and testing and certification of a MER system for the F-15 would not be feasible by another country without U.S. authorization. While aircraft could conceivably carry three standard MK-84 bombs, they would each replace an external fuel tank; this would greatly shorten the aircraft's range and increase its vulnerability. Moreover, in contrast to the F-16, the F-15 does not have a radar system designed for bombing.

Saudi Arabia has not requested nor do we intend to sell any other systems or armaments that would increase the range or enhance the ground attack capability of the F-15.

Pursuant to our national security disclosure policy, certain highly sensitive subcomponents of the U.S. Air Force version of the F-15 (e.g., cryptologic equipment and some special electronic capabilities) will not be sold to Saudi Arabia.

In sum, it is clear that the F-15 will help Saudi Arabia deter and defend against those nations that are hostile to its role as a leading moderate Arab state.

II. ASSURANCES

The Government of Saudi Arabia has assured us that it has no aggressive intentions against any state, that it will use the F-15 aircraft only in furtherance of its legitimate self-defense, and that it will not employ the aircraft offensively. The Saudi Arabian Government has similarly assured us that it will not transfer the F-15 aircraft to any third country or permit the nationals of such country to train on the F-15 aircraft, serve as pilots, or otherwise to have access to the aircraft without the authorization of the United States.

We have specifically discussed these restrictions on use and prohibtions on transfer with the Government of Saudi Arabia. They have assured us that they intend scrupulously to comply with these prohibitions and restrictions. The record of Saudi Arabia in this respect is excellent. However, should the assurances be violated, the United States can take appropriate action, including suspension of services and of delivery of spare parts and other military equipment Without such services the usability of the F-15 would degrade rapidly.

It is also important to note that the sales agreement reserves to the United States the right to suspend or cancel deliveries at any time "when the national interest of the United States so requires." Further, under Section 21(c) of the Arms Export Control Act, no U.S. person employed under Foreign Military Sales contracts in Saudi Arabia or any other country would be permitted to perform services in support of combat operations.

Questions have been raised concerning the possible basing of the F-15 aircraft at Tabuk Air Base. I would like to repeat to you the assurance given to me and other United States officials by the Saudi Arabian Government that Saudi Arabia will base the F-15 aircraft, not at Tabuk, but at Dhahran, Taif and possibly at Riyadh or Khamis Mushait. Basing the F-15 at the vulnerable Tabuk base could place in needless jeopardy these vital aircraft which will form the heart of the Saudi Arabian air defense system. In addition, Tabuk is not equipped to serve as an operating base for the F-15s, and could not be so equipped without extensive U.S. assistance which would not be provided. These practical considerations, of which Saudi Arabia is well aware, strengthen the assurances that the F-15s will not be based at Tabuk.

The question has also been raised whether the Government of Saudi Arabia intends to acquire additional combat aircraft from other countries. The Saudi Arabian Government has assured us that it does not intend to add to its inventory any combat aircraft from other countries while it is preparing for and receiving the sixty F-15s. The shortage of trained personnel in Saudi Arabia would severely constrain Saudi Arabia's ability to utilize any additional new aircraft beyond the F-15 during this period.

With respect to the security of the aircraft, the Government of Saudi Arabia has expressed its determination to provide carefully for the physical protection of the aircraft, manuals and other material related to it. Prior to the delivery of the aircraft, we will work with the Government of Saudi Arabia to ensure that adequate safeguards are in place to prevent unauthorized persons from obtaining access to the aircraft or information about it.

The proposal with respect to Saudi Arabia, like all such proposals, stands on its own merits, and I hope the foregoing information will be helpful to you and that you and the members of your Committee will join in support of the Administration's proposals to sell aircraft to Israel, Egypt and Saudi Arabia.

Sincerely,

HAROLD BROWN.

EXHIBIT 2

THE WHITE HOUSE,
Washington, May 9, 1978.

HON. JOHN SPARKMAN,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

To Chairman John Sparkman:

When we submitted the formal Notifications of the Mideast aircraft sales to Congress on April 28, we stressed, as we have so often, that as a nation we have a strong and unshakable commitment to the security of Israel.

The delivery of the aircraft for Israel covered by these Notifications will be completed by the third quarter of 1983. To emphasize the deep and continuing character of our commitment to Israel, we will give sympathetic consideration to the request from Israel for additional combat aircraft for delivery in subsequent years. In particular, I am pleased to give a firm assurance at this time that I will transmit to Congress in 1979 a subsequent proposal to make available to Israel twenty F–15s in 1983–84.

Sincerely,

JIMMY CARTER.

Mr. SPARKMAN. Mr. President, at this point, I ask unanimous consent to read an article that was in the Washington Post this morning, written by George Ball, former Under Secretary of State, known to many of us. It is entitled "The F–15 Sale."

The proposal to sell F15s to Saudi Arabia has been debated on the false premise that Israel's security is the principal issue. Yet, if the Saudis cannot buy F15s—a defensive long-range interceptor—they will unquestionably buy French Mirage F1s, which are a much more effective offensive weapon, thus affecting Israel's security far more seriously.

I skip to the concluding paragraph:

So far, Saudi Arabia has given helpful support to Anwar Sadat's peace initiatives. It has assisted America's interests by exercising a moderating influence on OPEC pricing policies, by continuing to sell oil for dollars, and by expanding its own oil production so as to meet world requirements. But today some influential younger Saudis are pressing their government to cut down production, keep the oil in the ground and sell it later at higher prices. America's rejection of the F15 sale would not only strengthen that faction but also discourage the Saudis from cooperation and further peace efforts.

Mr. President, I did not read all of the article, but I read the beginning and the concluding paragraphs. I ask unanimous consent, however, that the full article be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE F–15 SALE

The proposal to sell F15s to Saudi Arabia has been debated on the false premise that Israel's security is the principal issue. Yet, if the Saudis cannot buy F15s—a defense long-range interceptor—they will unquestionably buy French Mirage F1s, which are a much more effective offensive weapon, thus affecting Israel's security far more seriously.

On this the military evidence is overwhelming, especially since the Saudis can obtain the first Mirages next spring rather than waiting until 1981 for the first F15s. Unlike the F15s, they can buy Mirages complete with bomb-racks, in almost unlimited quantities, and with no restrictions on use or transferability. Since other Arab states have Mirages they could, in a war, utilize them effectively.

Because Saudi Arabia's existing fighter aircraft are obsolete, it has understandable security worries. Occupying a sparsely settled territory as large as the United States east of the Mississippi while possessing one-fourth of the world's oil resources. It is a tempting target for aggression. Thus the Saudis have reason to fear the Soviets' new strong position in Ethiopia, a possible attack from Soviet-dominated South Yemen (from which they have been bombed in the past), and a radicalized Iraq with which they share a long border and an ancient antagonism. With their vast financial resources they have no choice but to procure weapons to protect themselves as any responsible nation must. There is nothing the United States can do to prevent it.

The F15 incident illustrates a point too often overlooked. Although our commitment to Israel's security is categorical and America's and Israel's nation interests are to a large degree congruent, there are areas where they necessarily diverge. Israel is a small, beleagured nation surrounded by a huge Arab population it views as hostile. The United States, on the other hand, is a superpower with world responsibilities; while faithfully assuring Israel's security it must look beyond short-range and narrow regional concerns if it is fully to serve its own broad interests.

So far, Saudi Arabia has given helpful support to Anwar Sadat's peace initiatives. It has assisted America's interests by exercising a moderating influence on OPEC pricing policies, by continuing to sell oil for dollars, and by expanding its own oil production so as to meet world requirements. But today some influential younger Saudis are pressing their government to cut down production, keep the oil in the ground and sell it later at higher prices. America's rejection of the F15 sale would not only strengthen that faction but also discourage the Saudis from cooperation and further peace efforts.

Mr. SPARKMAN. Mr. President, I yield the floor at this time, but reserve the remainder of my time.

The ACTING PRESIDENT pro tempore. The Senator from New Jersey.

Mr. CASE. Mr. President, I yield myself such time as I may use. May I ask whether any time, until now, has been taken by the opposition, or in this case, the proponents of the resolution?

The ACTING PRESIDENT pro tempore. The Senator from Tennessee has used 9 minutes, the Senator from Delaware has used 1 minute. So a total of 10 minutes has been used by the proponents.

Mr. CASE. By the proponents of the resolution?

May I ask further, because that seems a little strange, who used that 9 minutes?

The ACTING PRESIDENT pro tempore. The Senator from Tennessee used 9 of his minutes, but I believe that would be part of the opponents. Only 1 minute——

Mr. CASE. So, only 1 minute has been used so far?

The ACTING PRESIDENT pro tempore. That is correct.

Mr. CASE. Out of the 5 hours.

I thank the Chair. I am glad to have that straightened out.

Mr. President, I think it should be possible, and I believe it will be, to discuss this very important question without a bruising debate. I think we should be able, and I think we will be able, to keep the matter within those limits that will prevent a very difficult situation from being exacerbated by the way in which our discussions are carried on.

Having said that, I want to immediately say that I think this is perhaps the most important question that I personally have been directly involved in since I have been a Member of the Senate.

I think it involves, in a very direct way, the whole matter of the strength of the West in its confrontation with the Soviet Union. It also involves the ability of the West to maintain itself against the constant pressure of the Soviet Union, and its physical ability to do this—as well as its moral ability to handle this situation.

Mr. President, it used to be axiomatic that Israel's strength was an essential element of the strength of the West. There seems to have been serious erosion at high levels in our Government in the strength of that concept. In fact, persons high in Government circles have protested bitterly at the idea that Israel's existence and Israel's strength, her abilities to survive on her own, have any significant value to the West. The person protesting this has said, "No, it isn't Israel's value to the United States that is in question here."

We are committed to Israel. That is a slippery word, Mr. President, "commitment," and what does it mean? Does it mean a promise? Does it mean a matter of words? Does it mean an internal feeling of benevolence?

That is what those in high places in our Government today would have us believe our relationship and attitude toward Israel is and should be. This represents, Mr. President, I think, one of the gravest errors that we could allow ourselves to fall into.

How we regard this matter will affect the whole course of decision on questions of the sort before us today. If our relationship with Israel is merely that of kindliness, of the rich uncle, of the benefactor, of the patron toward the patronized, then we can afford, I think, properly, to equate our relationship with Israel with our relationship with all other countries in that area.

In a general sense, we wish all countries well, all peoples well.

But that, my conscience tells me, my judgment tells me, is the worst possible error we can slip into. And we are not only slipping into it, Mr. President, we are being pushed into it by the very propaganda from abroad and by people in high places in our own Government.

I dwell on this rather vague concept at this point, Mr. President, because I think it is so very basic to our whole attitude, to the course of our policy in regard to the Middle East, that I think it cannot be neglected.

If we just have an obligation to help Israel as far as we can, conveniently, if the existence of Israel is a matter of interest to us sentimentally, or for historical reasons, or other things, we can, with some equinimity, regard the in-

terests of other countries with the same general benevolence. In conflicts between them and Israel, we thus can afford to take the kind of position of neutrality that a kind parent, a kind friend to all the world might take. We can consider our attitudes in regard to those countries and their quarrels—age-old quarrels—with a kind of remote benevolence, and we could treat them all alike.

It looks to me, Mr. President, as if that situation is one we have slipped into almost imperceptibly. Yet I cannot otherwise explain the presentation of these four arms sales offers to us with the statement that we can take them all or let them all go, we cannot choose among them.

I cannot in any other way explain the attitude of people testifying before us saying that if Israel gets into trouble we will go in and help her.

Israel need not worry. But if I were Israel I would worry at such a reduction in the strength of our relationship to it, because everyone knows, Mr. President, that a state's commitment will be honored only so long as it appears to be in a state's interest, and that the beneficiary of such a commitment had better not rely on it if its existence and its survival are at stake. And they are so now.

If we regard this situation in the Middle East as one for our indifferent benevolence—indifferent as among the various nations there—it is perfectly reasonable to say that we will give so much to this country and so much to the other country and that it will all balance off; that we are being fair.

Mr. President, I suggest it is time that we recognized again and kept bright and shining in our eyes this truth: The existence of Israel, its strength to defend itself, is essential to the preservation of the West, to the preservation of NATO, and inevitably, in the end, to the preservation of the United States. More than that, it is essential to the preservation of the moderate Arab regimes.

Can you imagine, if there were no Israel, the kind of fighting that would go on among the various nations and interests and groups within the Middle East?

Can you imagine the fertile field for Communist stirring up of strife that would exist if that happened? Can you imagine the possibility—any possibility—of moderate leaders such as President Sadat surviving long in such a shambles? I cannot. I think no reasonable people can. Can you imagine the moderate Saudis—moderate after their fashion, at least—surviving among the age-old rivalries and passions and quarrels and wars that will revive again in that part of the world?

It is time that we restored to our thinking the concept that a strong Israel is not just a beneficiary of the United States. It is essential to the security of the United States and of all the West.

Mr. President, this should put a different light upon the problem before us. I would like to develop that, and I shall do so later today. I do not want to take too much time from my colleagues in these introductory remarks.

I should like to make only one other broad point, and it is this: Those of us who feel that these offers should be rejected in toto want to make it very clear at the outset that we do not regard that as a final disposition of these questions.

We think the wise thing to do is to put them all on the back burner for the time being, with a complete understanding that the administration can renew all or any of them at any time; but that the present time is the wrong time to push.

I think it is time we stopped regarding these questions—especially this particular question—as of chief significance as a contest between the President of the United States and Congress, or as between the American Jewish community and the Government of the United States, or in any such purely narrow, political sense. However, we can be sure that the headlines tomorrow will be either that the President wins or the President loses. The question is not whether the President wins or the President loses, whether Congress wins or Congress loses. The question is whether democracy in the West—the United States of America—wins or loses in this matter.

So let us try to keep it—at least among ourselves—at a level higher than that, and I know we want to do that.

The President will gain strength or lose it in this matter by the wisdom of his conduct and the clarity of his expression, and so will the Congress of the United States—not by one winning over the other. To the extent that we evidence maturity in our handling of this question, so will our influence in the world increase or decrease, and so will our friends have confidence or lose confidence in us.

This is a very important matter, Mr. President. When you have an asset such as the State of Israel, you do not lightly consider tossing it away. We are concerned, and rightly so, by a strong mercenary force of Cubans moving around the world, dominated, directed, and financed by the Soviet Union. It is terribly difficult for us in the West, as a democracy, to deal with a situation such as this. We have an asset in place that is 10 times more valuable, a hundred time more valuable, than a Cuban mercenary force. That asset is the State of Israel, dedicated to the West.

Will we risk destroying it by gradually eroding our support, and letting it sink lower and lower in its ability to defend itself against all comers—to the point where it loses the self-confidence essential to the maintenance of the existence of any country? That is the question here.

Yet, Mr. President, we do not have to decide this matter. All we have to do is to agree that we will consider it a little more thoroughly, a little more deliberately, than we have done so far. To do that, all we have to do is to postpone these questions by adopting this resolution of disapproval, without prejudice, without determining any of the great questions which I raise now for the purpose of indicating how serious I think the matter is.

I reserve the remainder of my time.

Mr. BIDEN. Mr. President, I yield myself such time as I may require. I do not believe it will be more than 5 minutes. Then I will yield to the Senator from New York.

Mr. President, in light of the fact that I suspect I am going to have numerous opportunities to respond to specific arguments, I am not going to make a formal opening statement, but I would like to highlight a few points.

First of all, I do not believe this is the time nor the forum for us to be conducting this debate. By the forum, I do not mean that the Senate is the inappropriate forum. I mean the forum in which we are asked to view and look at these arms sales questions in the Middle East.

I think the central question here, which everyone will be getting back to from different perspectives, is the question of peace in the Middle East and what accommodates that.

I say at the outset that, unlike some people who may speak today in support of the position I hold, I believe that the administration truly believes that this is the best way to encourage peace, to secure Israel's best interests, and to move in the best interests of the United States. I do not question their intent. I do not question their desire. I do not question their commitment to Israel. I do question their judgment.

The arguments we are going to hear most often today against our resolution will be these:

No. 1, Saudi pride. If, in fact, we do not approve this sale of the 60 F–15's, to Saudi Arabia, their pride will be injured; and as a consequence of their injured pride, they will take courses of action which are inimical to the best interests of Israel and the best interests of the United States of America—in short, against the best interests of peace in the Middle East.

The second argument that I suspect we will hear time and again, as we heard in committee, is that if we do not, the French will. If we do not supply the 60 F–15's to the Israelis, they will go out and buy Mirages from the French; and that will be real trouble, if they do that.

The third argument we will hear is that the rationale for the needs for F–15's on the part of Saudis is simply and only to meet their legitimate defense needs. They do have legitimate defense needs, with which I do not argue.

The fourth argument made, I suspect, will be that the failure to provide the Saudis and Egyptians and the Israelis, all at once, with these planes, the entire package, will diminish the prospects for peace, but that to assure that we do not diminish that prospect, even with the package, we had better up the ante 20 more for Israel. Because the opponents of our resolution recognize that one of the central questions of whether or not there is peace in the Middle East, or the per-

ception of each of the Middle Eastern nations toward our actions, and they acknowledge that now the Israelis perceive that our sale of F–15's to the Saudis is against their interests—in order to assure them that it is not against their interests, what we must do is to give them 20 more F–15's at some time in the future.

Lastly, Mr. President, we will hear that the fact of the matter is that failure to go along with this entire package now will severely jeopardize Saudi Aradia's security interest now.

Our distinguished chairman of the full committee, Senator SPARKMAN, pointed out sort of an interesting contradiction, I think, in that argument, that we need to move forward now, and I do not think he meant to do it. He pointed out that really Israel should not worry very much because these planes are not going to be there until 1983 or 1984 and in the air and flying. If that is the case, and if Saudi Arabia's defense needs are so critical right now, why do we not meet their legitimate defense needs now with other potential help, everything from ground radars to a different mix of airplanes, but do something about it now?

Mr. President, the fact of the matter is that the entire debate on this question really comes down to talking about perceptions, perceptions of relationships among the Mideastern countries and what our involvement will or will not do to change those perceptions and enhance the possibility of peace in the Middle East.

Mr. HART. Mr. President, will the Senator yield for a question?

Mr. BIDEN. I yield.

Mr. HART. Will the Senator give me his judgment as to the effect on the relationship between this country and Saudi Arabia will be if this package is rejected?

Mr. BIDEN. I think if this entire package is rejected and we reject the Israeli portion of the package also, there will be no long-term negative effect with regard to our relationship with Saudi Arabia, but I think we should take a look at what is that relationship we now have with Saudi Arabia. We talk about it as if it were a sacrosanct relationship whereby we had an ally in Saudi Arabia that was actively initiating every possible approach to peace in the Middle East in conjunction with the United States of America, that is being the honest broker in the Middle East and is moving forward to propel that possibility with all deliberate speed.

Although Saudi Arabia is an ally, although Saudi Arabia is important, there is a qualitative distinction in terms of the nature of the relationship between the United States and Saudi Arabia as distinguished from the United States and Israel in terms of how we each, the United States and Saudi Arabia, the United States and Israel, view the United States interests in the Middle East.

So, although it is an important relationship, it is not the same relationship that we have with Israel.

Mr. HART. If the Senator will yield further, I have heard few people in any position of authority make that characterization of the nature of that relationship. What I have heard put forward by serious students of the area is that the future relationship of this country to the Saudis and to the present Saudi leadership is extremely important not only to this country and our interests in that part of the world but also to the possibility of peace and to the survival of the Government of Israel.

Mr. BIDEN. Without debating that point at this point, I only respond by saying similar serious students have pointed out a fact of life that exists in the Middle East and that is that the Saudis can ill afford not to have a positive relationship, long-term, with the United States of America. I do not know where else their long-term interests lie other than with the United States of America. So instead of the United States of America being reactive to what the Saudis view as the essential ingredient toward that relationship, even when we disagree with it and saying, well, it would be better if we did not have to move with 60 planes, but if we do not the Saudis will do the following things, I think is the inappropriate way for us to view that relationship.

I think there is a mutuality of interest between Saudi Arabia and the United States of America; although I think there could be and will be hurt feelings and they will be temporary, I think the long-term possibilities of Saudi Arabia moving to a position that is anti-United States, against U.S. interests, if not very realistic.

Mr. ABOUREZK. Mr. President, will the Senator yield?

Mr. HART. If I may say to the Senator, I am not an advocate of either side in this matter. I have not decided what my vote will be. But I personally do not like the attitude that says that the Saudis have nowhere else to go, and that regardless of how we treat them or how we respond to their requests for not only military assistance but also a variety of other aid, they are going to be our friends anyway. I think that attitude frankly has gotten this country into a lot of trouble around the world in a variety of other contexts. These are proud people. They do not need, frankly, to be pushed around by this country, or to be told what is best for them. I do not think that we should take the attitude that we have to give them all they want, but I think, on the other hand, it would be unfortunate if we took the attitude that they have nowhere else to go regardless of how we treat them, or that the consequences would be the same. I am particularly concerned with the Senator's use of the word "temporary," because that really goes to the heart of the question I originally asked. The Senator concluded. I think, in his remarks, that any unhappiness on the part of that government toward this country would be temporary. I would be interested in the Senator documenting that, particularly in the context of hearings held by the committee on which the Senator serves.

Mr. BIDEN. First of all, there is no way the Senator can document whether there will be a temporary unhappiness or any unhappiness or what the form of that unhappiness will take. Obviously, I cannot any more than if I ask the Senator from Colorado to document what the Israeli reaction would be, what impact that would have on our relationship and to document that in the RECORD.

Mr. ABOUREZK. Mr. President, will the Senator yield?

Mr. BIDEN. The only point that I am trying to make here in response to the Senator's original question is that we should not cavalierly treat the Saudis. That is why the Senator, when drafting this package, this resolution, wanted to do it in the context of all or none because it should not be viewed as a slap in the face to the Saudis, that we do not believe that we have an interest that we share with them, and that we do not think they have legitimate needs. What it should be viewed as is that No. 1, this is not the forum in which that mutuality of interests should be met; No. 2, although they may very well determine that it is in their best interests to have 60 F–15's, that we should not react to them or any other country, Israel included, based upon our judgment of whether or not it is in the best interests not of Saudi Arabia but the United States of America. The best interests of the United States of America are served by peace in the Middle East. Sale at this time, an agreement to have the sale of over $4.5 billion worth of warplanes to that area of the world now, I think, and hope to elaborate as we get into this debate, will have a debilitating effect on the prospects of peace.

Absent peace in the Middle East, the U.S. interests continue to be in jeopardy regardless of our relationship with Saudi Arabia and regardless of our relationship with Israel. We need peace in the Middle East for the U.S. interests. I believe that Saudi Arabia needs peace in the Middle East for its interests and I believe Israel and Egypt also need it, and it is a matter of perception as to how we best accommodate that mutual interest. And I hope during the course of this debate that we will not dwell on who we like more, do we like the Saudis more than the Israelis, do we like the Egyptians less than the Saudis or more, that whole argument. What is most likely to bring about peace in the Middle East, how will it best be accomplished and should the Saudi determination of how peace be best arrived at be accepted without question by us any more than should the Israeli perception as to how peace should be best accomplished in the Middle East be accepted by the United States?

Mr. HART. I will just make one comment, and then I will be finished. In my judgment, and to the degree to which I have looked at this, it seems that what the Saudi Government infers from this vote could be very crucial to the short-range and long-range prospects for peace, so I myself would probably not dismiss that concern quite as easily as the Senator has.

Mr. BIDEN. I do not dismiss it. I would assume the Senator would concede that the Israelis' attitude which they take on what action we take here could easily impact upon the peace process.

Mr. HART. Based upon contacts I have had with my constitutents——

Mr. BIDEN. Do they speak for Israel?

Mr. HART. I think that has already been determined.

Mr. BIDEN. Do they speak for Israel?

Mr. HART. To answer the Senator's observation, I believe it is a foregone conclusion in the minds of people in this country who are concerned about Israel and our relationship to Israel that the package should be defeated. I think the Senator is aware of that. So I do not think there is any concern in anybodys mind on that.

Mr. BIDEN. I will yield to the Senator from New York in just a moment because I do not want to take up too much time in the beginning of this debate until everyone makes his opening statement. But I just want to make one thing clear: as I understood it, the Senator from Colorado indicated that the Saudis, based upon whether we accept or reject this package, could impact upon the prospect of peace; is that correct? Is that what he was saying?

Mr. HART. Yes, that was an observation I made.

Mr. BIDEN. Is not the observation equally as legitimate, assuming for the moment the Israelis viewed what was the consequence of this package going forward, then they would not be willing to move any further in terms of any concession in the Middle East, and would that not equally impact upon the prospect for peace?

Mr. HART. I think it certainly would. But I also said that I think it is very clear to all of us, based upon our contacts with our constituents, that that judgment has already been made, that the defeat of this package would in no way condition Israel's attitudes about the long-range prospects for peace.

What I am asking is——

Mr. BIDEN. I would disagree. What would the Saudis do?

I will yield for a brief question, I hope.

Mr. ABOUREZK. A very brief question. The Senator said he thought if the package were turned down as a package any feelings on the part of the Saudis might be temporary, if they exist at all. Does that accurately state what the Senator said?

Mr. BIDEN. Yes.

Mr. ABOUREZK. Then would the Senator give us an assessment of what those feelings might be if the package were turned down and several months later Israel came back by itself and got the warplanes it requested? Would that make a difference or would it be the same?

Mr. BIDEN. I think it would exacerbate whatever feelings existed at that time.

I will yield to the Senator from Maryland.

Mr. SARBANES. I simply want to say to the very able Senator from Colorado that he has raised some important questions. But what has to be perceived and understood is that to a large extent what is at issue here is the question of the art of governance on the part of the Government of the United States.

Now, members of the Foreign Relations Committee, all of them, I think, are sensitive to some of the considerations that have been brought forth with respect to America's relationship with each of these three countries. The questions that were asked in the committee during the hearings on this matter reflected that sensitivity. Members of the Senate ought to recognize that sensitivity as being important, because it goes to the proposition that support for and passage of the resolution of the Senator from Delaware today does not mean that nothing will be done with respect to these three countries thereafter. In fact, support of that resolution was put forth by its proponents in the committee as being without prejudice to any of the three countries.

Now, there is a question of skill and competence in the art of government. The questions that really have to be asked are: First, why was a package submitted by the President? Why was this matter placed in such a context, a context which raises extremely serious questions concerning the nature of America's historical commitments to Israel and questions about America's specific commitments stemming out of the recent 1975 accords?

Second, why has the administration been unwilling to alter the dimensions of these sales—the numbers—particularly, in terms of moving them downward. A move that might well prompt a responsive attitude on the part of Congress. Third, why are these arms sales being submitted at this time? A time which many see as exactly the wrong time rather than the right time to be moving forward with a major injection of advanced military planes into that area?

A perhaps more basic question that ought to be asked is why the administration is insisting in moving forward in this manner when in the view of many, it was possible for the administration to modify its position and move in such a way that over a reasonable period of time it could respond to the concerns it has put forward, and do it in such a way as to command a general consensus in the Congress and in the country. Why is the administration insisting on pressing forward with an approach that runs counter to some very fundamental principles with respect to our foreign policy? Why are they doing that?

Would it not be better for the peace effort, and for our relationships with all of the countries, if the actions our Government finally takes are actions that command a general consensus?

We have heard how this vote is being portrayed by spokesmen for the administration. They are back to the discredited concept of "Let us win this one. It is a fight between the President and the Congress."

That is not the issue, or at least that ought not to be the issue. The issue ought to be to evolve an American foreign policy that responds to our national interests, that moves toward peace, in the area, and that commands the broadest base of support.

I think such a foreign policy could have been developed in this instance; it could have been done. But the administration has not done it, and has not been willing to do it. They have brought us here to the floor on this matter without responding to those various fundamental considerations I outlined earlier.

The adoption of the Biden resolution will not then simply leave us without any options; it will still be open to the administration to engage in some creative statesmanship. In fact, the situation begs for creative statesmanship, which we have been asking the administration to produce for weeks and months. Earlier this year a majority of the Foreign Relations Committee wrote to the administration and said, "Do not come forward with the sales now given the ongoing efforts for peace. Do not come forward."

They came forward. Then they say to us, "Well, now that we have come forward you must support us." The Administration places us on a downward treadmill, if there can be such a thing, and then says we have to stay there.

We do not have to stay there. The adoption of this resolution is not the end of this matter. There will still be room for some creative statesmanship on this issue.

Mr. HART. Mr. President, will the Senator yield for just one comment?

Mr. BIDEN. Mr. President, how much time does the Senator from Delaware have under his control, how much time remains?

The PRESIDING OFFICER (Mr. McGOVERN). The Senator from Delaware has 128 minutes under his control.

Mr. BIDEN. I thank the Chair for making it difficult for me.

At this point, Mr. President, I do not want to cut off the Senator from Colorado, but I would suggest that possibly time could be yielded to him at the appropriate time for the opponents of this measure, and with the permission——

Mr. HART. I am not one of the opponents. I am trying to get some information. Maybe it is more important for people to make their opening statements than to get information.

Mr. BIDEN. I think that might be.

Mr. President, I believe the Senator from New Jersey had suggested an order of either one of the two Senators from New York proceeding at this point.

Mr. CASE. If that is agreeable, we will go ahead with that arrangement.

Mr. BIDEN. That is fine with me.

Mr. CASE. In that case, Mr. President, I yield such time as he may desire to the Senator from New York (Mr. JAVITS).

Mr. JAVITS. Mr. President, I would appreciate it if I were advised by the Chair when I have consumed 15 minutes.

If the Senator from Colorado will give me his attention, I would like to answer his question. The answer to the question is that planes are not the issue. I can assure Senator HART that every country will get their planes, in time, and that all of the effort to approve the "package" sale is simply subscribing to the unreality of the present argument.

Let me tell you why. It is said that the Saudis have to have these planes now because the Soviets are threatening from the Horn of Africa; second, that a pincers movement is about to take place between Iraq on the north and South Yemen on the south, which are the recipients of enormous amounts of Soviet arms; and third, that because of the disorder in Lebanon and the general stirrings in the Arab world, Arab radicals threaten the regime within Saudi Arabia.

Mr. President, these planes are going to be delivered in 1981. That is 3 years hence; and it is going to take a minimum of 2 to 3 years for pilots and personnel to learn to operate the planes. By the way, there are thousands of Americans in Saudi Arabia now. You do not need any better trip-wire than they.

So the argument that they need them to repel a Soviet threat from the Horn or from the south or from the north is nonsense. If there is a threat to Saudi Arabia, there is only one power that is going to defend it. That will be NATO or the United States, or both, because their fundamental interests are involved. As JOHN GLENN, who is opposite me on this issue, I am sorry to say, has said 60 planes are not going to make or break it. Saudi Arabia is an enormous area, as large as the United States east of the Mississippi. I must say if we are going to expect the Saudis themselves to defend it against the Soviet threat, we had better triple the population of Saudi Arabia, in the first place.

I think the President set out to teach the Israelis a lesson. That is what this is all about. That is shown by the way that he cut their numbers. That seems to be his policy, and he is going to cut them down on both sides.

I believe that, on the pending resolution, that is a great disservice to the United States, and our colleague from New Jersey and our colleague from Delaware have explained why. We are worrying about 30,000 Cubans in Africa, but we have 3 million Israelis in Israel. Are we going to sap their vitality and their morale and cut their legs out from under them? That is what this is all about.

We would have no right to debate this matter if that were not the issue. Senators ask me what the Saudis think. Frankly, we will never know how much is for the record and how much they really think. Prince Saud the other day, for whom I have enormous regard, made some untoward statements about this letter regarding the F-15's—a scrap of paper; we will not worry about that. But what caused the administration to say that he did not really mean that, he meant something else? And former Israeli Foreign Minister Allon this morning said, I presume to the United States, "This is really inimical to Israel."

Everybody has to take a stand. There is an enormous amount of posturing over there; it takes a lot of sophistication to sort it out. With my utmost regard for the Saudis and for Mr. Allon, we have to dig beneath the surface to find out how the Saudis feel.

So far as the Saudis are concerned, why should they be with us? They should be with us because we are the backbone of the world in which they have all their wealth. Their billions are all in dollars, and they do not want to throw them over, because they really think this country is the strongest and most dependable country for their investment and for themselves. Do you think they are going to lean on France for their security for the next 5 years? They are not crazy, believe me.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. SPARKMAN. Mr. President, the Foreign Relations Committee has a meeting at 11:30.

Mr. CASE. Take the microphone.

Mr. SPARKMAN. We have set a meeting of the Foreign Relations Committee for 11:30, if we can get a quorum, and as a matter of fact with those on the floor at the present time and those already down there, we will have a quorum, and it will take us less than 5 minutes to transact the necessary business. It is to vote on a couple of important appropriations, particularly the Foreign Assistance Act. We have completed the hearings and everything is ready, and we can complete that within just a few minutes. It is essential that we get that out today, because this is the deadline.

Mr. CASE. Mr. President, would the Senator suggest we have a quorum call, and charge the time to neither side?

Mr. SPARKMAN. My thought was that, since the other Senator from New York (Mr. MOYNIHAN) is ready to speak, we might yield to him while we are gone.

Mr. JAVITS. Mr. President, I am going to continue for another 5 minutes and, I will then be down and vote in the Foreign Relations Committee.

Just to go on with this for a minute, to take this offer made Tuesday by the President—again with utmost sincerity and good faith, he is going to give Israel 20 more F-15's, just to even things out. That simply bears upon the matter which we are discussing. The President said, in his letter of May 9 which makes this proposal:

> . . . . we will give sympathetic consideration to the request from Israel for additional combat aircraft for delivery in subsequent years. In particular, I am pleased to give a firm assurance at this time that I will transmit to Congress in 1979 a subsequent proposal to make available to Israel twenty F-15s in 1983-84.

Mr. President, that is outside the 5-year cycle, and within the cycle in which both Saudis and Egyptians will fit. That puts it in another cycle in which the Egyptians and everybody else will get planes, and while it is a nice thing to do, and I appreciate the President's gesture, it does not basically and substantively affect the situation we are talking about. One more thing, and I shall be through. My friend from Colorado made a very perceptive comment, that we are not going to know from what the parties say what the situation is going to be tonight and tomorrow morning; we are going to have to judge it today on the basis of the national interest of our country and the continuance of a policy which so far has put the United States and the Middle East on top, over the Soviet Union. That is what the Soviet Union is fulminating about. That was the reason for the Cubans, the reason for the threats, and the reason for that joint communique of the President and Brezhnev respecting Geneva. That was a very great mistake; we took in a partner we did not need and who is bound to compromise us, because it is to their interest to keep the Middle East in panic and disorder, and to say that Israel is no more, or is so weak she does not amount to anything.

That is their business; that is not our business.

So the main argument here is what is the impact of this determination today upon the Middle East policy of the United States? I respectfully submit that if we go with the President, sincere as he is, it will be highly adverse to the best interests which the United States has to the effort to redeem that whole area from its age-old poverty and ignorance and blindness. That is the issue. I hope very much that the Senator, who is a very thoughtful man, and others in the Chamber will vote upon this matter in that light. That is the real issue. I could be right or I could be wrong, but at least let us keep our eye on what is the issue.

Mr. HART. Will the Senator yield?

Mr. JAVITS. I yield.

Mr. HART. I think the Senator from New York, characteristically, has hit the nail on the head. The question still remains that if the vote on this sales proposal is adverse, will the circumstances be different tonight and tomorrow in the Middle East then they are right now?

I think the role of the Saudi Government in those circumstances is extremely important, and I hope that those who favor this resolution can help resolve that question for some of the rest of us.

Mr. JAVITS. That is what I was trying to do. I was trying to do that by discussing the subsequent interests of the parties. I am pointing out that we never know from their statements what position they particularly desire to take today, yesterday, or the day before for the record. So we have to go to the substantive issue. My conclusion is that on the substantive issue, the substantive interest of Saudi Arabia is to be with us. We are the only dependable power for them to protect their real interests. I am glad we are. Let us not be concerned about the fact that somebody is going to have to have his nose out of joint tomorrow. If he has his nose out of joint tomorrow, he can get over it tomorrow night.

Mr. HART. And they want to know

that when they do depend on us, we are there.

Mr. JAVITS. Right, absolutely. And we are, and we will be. In my judgment both sides agree on that.

Mr. CASE. I just want to underscore what the Senator from New York has said in this fashion: We never hesitate to ask Israel to understand the nature of our problems and to yield a bit on its immediate requests. If we are such friends of the Saudis and they of us, why cannot we talk to them as equals and ask them to make concessions on their immediate request for the common interest? That is what we are asking here.

(Mr. HART assumed the chair.)

Mr. BIDEN. Mr. President, I yield to the junior Senator from New York for 20 minutes to speak in support of this resolution.

Mr. MOYNIHAN. I thank the distinguished sponsor of the resolution (Mr. BIDEN) which I rise to support.

I am pleased that the Senator from Colorado (Mr. HART) is presiding and has a responsibility to attend to the speaker at this moment. Although he cannot respond, I will try to speak to the point he has raised because clearly it is the one that most concerns Senators, such as the Senator from Colorado, who have not decided how they will vote, and who, in the most attractive way, are asking questions that in the end they will reach a decision.

The sale of these aircraft to the Arab neighbors of Israel is, in essence, a rationalization of American nervelessness in the area of international economic policy as well as political and military policy.

It is 3 months now since the administration made known its desires to sell, as a "package," jet aircraft to Israel, Egypt, and Saudi Arabia. The three proposals have diverse histories and it was thus peculiar that, from the very beginning, they came to be linked. The sale to Israel in fact originates in the so-called second disengagement agreement of 1975—negotiated by Secretary of State Kissinger—between Israel and Egypt. Israeli assent was gained, in part, by an assurance from the United States to supply adequate numbers of F–16 aircraft.

Meanwhile, the sale to the Egyptians originates in the history of Egyptian dissociation from the Soviet Union. Presumably, the decision springs from a strategic calculation—a desire to replace the Soviets as Egypt's primary source of arms. The sale to the Saudis comes from yet another place, though, in truth, its origins—both historically and diplomatically—remain far more obscure. The F–15 aircraft offered to Saudi Arabia are said to be symbols of the increasing friendship between our two countries.

On February 14, the day these proposals were first made public, I stated my opposition. I do so again today, and will so vote.

Our debate is governed by two things—the insistence by the administration that the three proposals be considered together, and the provisions of the Arms Control Export Act of 1976 which say that a resolution of disapproval, as reported to us by the Foreign Relations Committee, cannot be amended on the floor of the Senate.

Of these two constraints, I would note the one more relevant to us. The law gives the Senate Foreign Relations Committee 10 days to act against any arms sales proposal once it has been formally tendered. A short time, so one would think, to render a judgment of such significance. But it is not 10 days, but rather 3 months, which have intervened.

Hence a first point: In the 3 months that this proposal has been in the public domain, it has become more controversial, not less. The more it was examined, the harder it seemed to make a case for it. The 8-to-8 vote in the Senate Foreign Relations Committee reflects, indeed, a deeper absence of consensus within the country. Even those who endorse the proposal do so—if I may be permitted the observation—more in deference to the President than in support of the President.

Our Foreign Relations Committee is rightly regarded as a Senate institution with rare powers of knowledge and analysis. Such, surely, is its history. Why does it choose not to render a decisive judgment in this matter? Why are there those who find the arguments of the administration so lacking in persuasiveness?

I submit, first of all, that it is neither the sale of airplanes as such, nor the airplanes themselves, which are responsible. There are circumstances under which, I imagine, a proposal of this sort would have been quite well received, or at the least, far less controversial.

What is the matter?

The matter, I am forced to say, is a striking lack of confidence in the quality of the ideas which inform current Near East policies. My own feeling—and I hazard that it is not so different from the feelings of many others—is that the so-called "arms package" comes about from the very incorrectness of things the administration has done in the past, that the seeming clarity of the proposal is in fact the result of confusion, that the advance promised by the proposal is in fact the product of a series of retreats. We are asked, in sum, to do something which will perpetuate, not alleviate, our problems.

For this is not the crowning event of a series of successes. If the administration came to us upon the conclusion of an Israeli-Egyptian agreement; if it came with the news that the position of the West in the Near East has been solidified or, at least, that there now existed a plan to make it so; if it came with a case that our relations with the oil cartel had been altered to our advantage, or that there were some prospect that they might be; and if it came with a plausible claim that these sales might reverse disturbing trends—then we would think differently.

I wish now to address each of these three areas—the peace negotiations, the geopolitical situation, petroleum dependency—for each has its role in the decision before us.

The peace negotiations, first of all.

We have to understand, we simply must understand, that the Sadat-Begin discussions began, because both leaders had been staggered by the Middle East policy of the United States—the policy announced in the joint Soviet-American statements of October 1, 1977. The Sadat initiative—his dramatic visit to Jerusalem—is the rejection of, the denial of, the hopeful escape from the policy of the United States as then declared.

Now, so far as one can tell, the policy of the United States remains what it was last October: A denial of the utility of a separate Israeli-Egyptian agreement; a desire for the inclusion of Syria and the PLO; and, accordingly, an accommodation to Soviet regional pretensions in return for the help of the Soviets in "delivering" its Palestinian and Soviet clients at some future peace conference.

This policy is still being pursued, and the nature of this "arms package" shows it.

Note, first of all, the very idea of a "package."

For the first time, an alarming proposition is put forward: though Israel may need American aircraft, its acquisition of those aircraft depends on whether Arab States acquire American aircraft. What is the argument for this unprecedented all-or-nothing proposition? How does it happen that Israel's security requirements come to be measured in terms of the Congress' willingness to endorse sales to Egypt and to Saudi Arabia? Of a sudden, the security of Israel becomes negotiable, if certain other American-Arab bilateral arrangements are not made. Or, put another way, the security of Israel becomes an item of barter in United States-Arab relations.

Disturbing surely—as is the timing of the sale. For the proposal comes forward at a time when the Israeli-Egyptian negotiations are in difficulty. It comes, inescapably, as a de facto endorsement of the Egyptian position—the Saudi-subsidized Egyptian position. What might have been a proper American response to successful Israeli-Egyptian discussions becomes, instead, an American subsidy for failure; indeed, it is almost a built-in incentive for failure.

For, surely, Saudi Arabia will not conclude from this episode that it ought to use its influence to make Egypt more "flexible." No. The pressure for flexibility will come exclusively from the United States and it will be directed exclusively against Israel—even as the prospects for an Israeli-Egyptian agreement recede.

And, as it recedes, the policy of October 1 will once again be allowed to proceed—the Washington, Moscow, Damascus, PLO policy of October 1, no longer confounded by a detour from Cairo to Jerusalem.

Indeed, it is an awareness of this prospect which informs a letter which Senators JACKSON, NUNN, and I wrote to the President on April 25. In it, we proposed

a delay in the arms sales proposal. We wrote:

Our national effort would be far better directed toward encouraging a peace between Israel and Egypt, to reinforcing the promising elements of the Sadat-Begin dialogue and to bringing those negotiations to a favorable conclusion. Were the proposed arms sales presented to the Congress following a peace between Israel and Egypt, there is no doubt that it would receive favorable consideration in the Congress . . .

Approval by the Congress with a concensus rather than the probable rejection of part of the package after a bitter controversy is clearly in the national interest. A delay would facilitate an intensified negotiation effort.

As it is, the consequences of the administration's choice to press ahead are almost predictable. Israel will, necessarily, put less credence in American assurances, and become more inclined to question the negotiating objectives of the United States.

And, when this happens, the administration will feel fortified that its policy of October 1, 1977, was correct all along—and that the correctness of it will then be plain to the world. The central proposition of that policy will once again become more prominent, the proposition that the Soviets should be—can be—drawn into a constructive role in the Near East.

And here we must turn to the context in which these events unfold—the geopolitical situation. Now the Soviets are well established in Syria and Iraq. Syria and the PLO have between them brought about the destruction of Lebanon—the only democracy, save for Israel, that used to exist in the region—is unremarked upon, is instead accepted as part of the ongoing, unexceptional, routine of life.

And there has been a Communist coup in Afghanistan, with powerful implications for Iran, and Pakistan—themselves traditional objects of Tsarist, then Soviet, imperialism. Soviets and Cubans are much in evidence in the Horn of Africa, and in Mozambique, Angola, and other places.

One learns at the least that the Soviets are powerful and persistent and ambitious, that they are prepared to commit substantial resources to their undertakings, that they are prepared to deal ruthlessly with those who stand in their way—whether they be Muslims in Afghanistan, Maronite Catholics in Lebanon, or Jews in Israel.

And the Soviets are clearly present in the debate over these arms sales. It is not merely those of us who oppose the sale who have placed them there. There is a booklet that has been distributed to Senate offices, paid for by the Saudi Ministry of Foreign Affairs. It says:

Saudi Arabia has increasingly become the target of extremist pressures both on and around the Arabian peninsula.

The pamphlet goes on to list Saudi Arabia's neighbors:

Iraq: "Recipient of major Soviet arms . . ."

Oman: Victim of a "Communist-supplied rebellion . . ."

South Yemen: "Within the last year, 500 to 2,000 Cubans have surfaced at Aden . . ."

Somalia: "Had naval and military ties with the Soviets . . ."

Ethiopia: "Received massive Soviet-Cuban-Eastern European military aid . . ."

Sudan: "Had to fight off several Communist coup attempts . . ."

Egypt: "Received major Soviet military assistance for twenty years . . ."

Libya: "Launching pad for Soviet policy . . ."

The Saudis pay for the printing of these things presumably because they want us to know them. Surely they are concerned. The fate of traditional monarchies in Libya and Iraq is warning enough. Have the Saudis become convinced that the administration has a policy that can help protect them from Soviet hegemonial ambitions? Does the administration in fact have such a policy? If so, what is it?

It must be the sale of these F–15 aircraft to Saudi Arabia—at least in part. And, therefore, one must ask—though it is painful to ask—what are we to take as the more revealing symbol of American policy?

The F–15, or silence in the face of the destruction of Lebanon.

The F–15, or the cautious courtship of the PLO.

The F–15, or studied nonchalance at the prospective disappearance of Afghanistan into the bosom of the Soviet Union.

The F–15, or Secretary Vance's statement in a Time interview that President Carter and Mr. Brezhnev share "similar dreams and aspirations."

Let there be no misunderstanding on this point, for Soviet activity does indeed threaten the royal monarchy of Saudi Arabia as it does the parliamentary democracy of Israel. If the administration wishes to speak with us and to us of the expansion of Soviet power, if it seeks from us the means of resistance, let it so state. Let it not delude us, and itself, and the Saudi Arabians that it has grasped the enormity of the problem and is prepared to deal with it. Let it not tell us that it has a policy, when what it truly has is technology. Ingenious, wondrous, efficiently lethal, technology—the engineering and manufacturing genius that is the F–15. But not a policy.

At least, not a policy that grows out of a recognition of our geopolitical predicament.

And here, I must turn to the third of the three areas I said I would speak of at the outset of these remarks—petroleum dependency. For here too—perhaps most of all—we find the process of illusion at work—as we found in the realm of the Israeli-Egyptian peace talks and in the arena of the Soviet effort to become the dominant political force in the Eastern Hemisphere—Europe, Africa, and Asia.

For to speak of our dependency on oil imports is to notice immediately the remarkable—and in my view, dangerous, change that has taken place in the perception of our own situation.

It is not even 5 years since we were subject to economic attack by the Organization of Petroleum Exporting Countries of which its Arab subgroup was surely the driving force. The industrial democracies, the poorer states—all were the victims of a conspiracy among 13 foreign governments, governments who in the main professed friendship toward us. This in fact is the origin of the "energy crisis." This is the act of aggression which called forth the national energy plan, called—very appropriately called—the moral equivalent of war by President Carter.

Once—it seems long ago, but is not even 5 years ago—the situation was understood, perhaps, as the functional equivalent of war. In November 1973, Secretary Kissinger said that—

The United States would consider countermeasures if the oil embargo is continued indefinitely or unreasonably.

In January of 1975 he said:

We cannot take the position that no matter what the producing countries do we will acquiesce.

Whatever the debate about what to do at that time, there was at least an attitude: First, what had happened was bad for the United States; and, second, what had happened was a proper concern of the foreign policy of the United States.

But by the middle of 1977, it seemed that the nature and the origins of the problem had been moved elsewhere. At the commencement address at Baruch College on June 9, I felt obliged to say:

We tell ourselves the nation faces an energy crisis. But we do not tell ourselves that this problem has come about through a massive defeat in foreign policy, which is to say the successful quadrupling of oil prices by the OPEC oil cartel at the time of the 1973 Mid-East war. A foreign cartel restricts supply: we tell ourselves that a problem of supply is a problem of demand. A foreign cartel raises the price: we tell ourselves that a problem of price is a problem of profligacy.

And our unwillingness to see the matter for what it is has had predictable consequences. Now, I pretend to no special expertise in the substance of the international petroleum business. I would immediately defer to Senator CHURCH, whose Subcommittee on Multinational Corporations has become a repository of information and insight. His own expertise in these questions is well known to this body.

But this much is understandable even to the layman:

In 1973, about 18 percent of our crude oil imports came from Arab sources. At the end of 1977, it was about 45 percent. In 1977, Saudi Arabia alone accounted for about 20 percent of all U.S. crude oil imports, whereas in 1973, it provided about 10 percent of a far smaller total.

It is far from obvious why the United States, as a country, has not pursued a policy of greater diversification in the sources of oil imports. So rapid an increase in our dependency on Arab sources is not a physical necessity. It has been suggested that one reason for the disproportionate increase in Arab source oil has to do with the preferences of the large companies which actually do our importing for us. They are said to have a strong economic preference for marketing Middle East oil in the United States, rather

than in searching out for oil elsewhere in the world that might be shipped here. This reason, or some other. But I believe the fundamental point will stand, namely, that it was not necessary for our dependency on purely Arab sources—as distinct from foreign sources in general—to grow as rapidly as it has.

The result is that we have not only increased our reliance on the most politically and strategically vulnerable sources, but more: We have disguised the nature of that dependency by changing our entire view of the nature of OPEC and its objectives.

In late 1973, we thought that Saudi Arabia's petroleum policy bespoke a fundamental hostility toward the United States. It was a policy thought to damage us, to weaken our allies. It was a policy, incidentally, that was strongly and publicly supported by the Soviet Union—no opponent of disorder and uncertainty in the Western World. And so we wondered about the future of the weaker democracies in Asia and in Europe. We worried about the collapse of the international financial system.

We could not live with this—or so we said.

Five years pass, nothing fundamental changes—except that we now congratulate ourselves on our adaptability. Except that we became more vulnerable. Except that we could not admit how vulnerable we were, so that we did not even have—at the minimum—an oil import policy to apportion the vulnerability.

Except that we stopped talking of this as a foreign policy problem—that is, as something someone else had done to us—and began instead to talk of it as something we had done to ourselves.

And then we went even further, to say that, in retrospect, all that had happened had been good for us, almost a blessing in disguise. Why? How? We know the presentation: OPEC price increases reminded us of the "true" value of a finite resource; OPEC price increases have caused us to seek "alternative," "renewable," "synthetic," "nonpolluting" sources of energy; OPEC has been the catalyst that has caused us to examine the wasteful and destructive aspects of our social life. And more startling still, it was decided that OPEC was good for us abroad, good for our foreign relations. In particular, Saudi Arabia was now "good" for our foreign policy. The Saudi rise to international prominence was a stroke of good fortune. Was not Saudi Arabia now said to be acting in our interests? Using their vast sums to lure the Sudanese or the Somalis away from the Soviets, to moderate the extremist character of the PLO, to prop up the shaky American currency.

In sum, it was now possible for Saudi Arabia to do for us what we could not do for ourselves—provide oil, restrain Communists, mollify terrorists, and so on.

And so it happens that the foreign and domestic well-being of the United States—the world's foremost democracy, which claims also to be the world's most powerful country—is in fact increasingly dependent upon the decision taken by the royal family of Saudi Arabia. And this may explain the more and more frequent claims that the Saudis are more and more friendly to us. It is not true, but our dependency on them makes us almost desperate to believe that it is true.

Five years ago, we could not live with Saudi foreign policy; today, we cannot live without it. Is this not the measure of our position in the world, and what has become of our position in the world, in that period?

These, in sum, are the components of our situation which, when taken together make the arms package so wholly unappealing. In the context of events and policies in which it is offered, it furthers none of our fundamental interests in the Middle East. Indeed, it prevents us from seeing those interests with sufficient clarity.

I began by noting that it was neither the sale as such, nor the aircraft as such, which impelled so many to oppose the project. Certainly, we seek nothing but the best of relations with the Arab peoples who seek better relations with us. For those of us who will vote to disapprove the sales, what we hope to disapprove is the substitution of airplanes for analysis, of ill-considered "packages" for policy.

We hope that we can learn something thereby.

It is useful to recapitulate the relationship of these proposals to the future security of Saudi Arabia. For far from being a true gesture of support to the Saudis—who need our support and whose support we need—the F–15 sale is yet another disguised American retreat of a kind that is taking place around the world.

I mentioned that the Saudi Arabian ministry of Foreign Affairs had financed the publication of a pamphlet called "Questions and Comments on the President's Authorization of F–15 Planes for the Defense of Saudi Arabia." It describes, in very vivid terms, Soviet expansion in the Middle East, expansion on Saudi Arabia's east flank, and on its west flank, and, again and most dramatically in the military-turned-Communist coup in Afghanistan, to the northeast.

For a century and a half the Russians and British fought for dominance in that area and the Russians finally won last weekend.

Thus the Saudis perceive this encirclement. They see Afghanistan, Ethiopia, and Yemen.

In this morning's Washington Post there is quite a lengthy article which I ask unanimous consent to have printed at this point in the RECORD. It discusses Saudi Arabia's cool reaction to U.S. African policy.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SAUDI ARABIA COOL TO U.S.-AFRICA POLICY

(By David B. Ottaway)

RIYADH, SAUDI ARABIA.—America's most important ally in the Red Sea region, and increasingly throughout Africa, is becoming one of the sharpest overseas critics of what it regards as the Carter administration's policy of courting favor with black Africa by refusing to meet head-on the growing Soviet-Cuban challenge.

As the Saudis see it, the Soviet Union has now established its clear intention of intervening wherever possible all over Africa and the surrounding region. This, they make clear in their mild-mannered, soft-spoken way, is a direct threat to the Saudi kingdom that cannot be dealt with merely by verbal protests from Washington.

"It has been shown that this thing grows," said Saudi Foreign Minister Prince Saud Faisal in a recent interview, referring to Soviet and Cuban intervention in various African countries. "When Angola came, it was said to be a unique situation. But it repeated itself in Zaire and in Ethiopia. So it does spread."

The recent coup in Afghanistan, resulting in the establishment of a Communist-dominated government there, has only served to confirm the Saudis' worst fears about Soviet intentions. With thousands of Cuban troops present just across the Red Sea in Ethiopia and a strong Soviet-Cuban presence in South Yemen, there is a growing sense of encirclement here.

All this helps to explain why the Saudis are pressing the Carter administration to adopt a more aggressive posture in Africa, including an increase in military assistance to moderate Arab and black African states, and even hinting at the need for a direct American intervention to counter the expanding Soviet-Cuban military presence. At this point, it appears that Saudi Arabia distributes more aid in black Africa than the United States.

The real issue, according to Prince Saud, is not the Carter administration's policy of nonintervention, but whether the Soviet policy of repeated massive involvement in the internal affairs of African countries, and even intra-African crises, will go on unchallenged.

Saudi Arabia is rich in oil and dollars and the situation "is not a financial problem," remarked Prince Saud, who describes his kingdom as a "small country" of limited defense means. Something more than verbal protest from the United States has become "a necessity," he added.

The Saudis are stepping up their financial assistance to pro-Western African states threatened by the escalating Soviet-Cuban presence in Africa. It is not known by outsiders here exactly how much of the estimated $6.6 billion Saudi Arabia distributed in aid last year was earmarked for African countries.

It is likely, however, that the amount easily surpassed the $350 million given out by the United States, making the Saudis an important asset in American efforts to stem the Soviet-Cuban tide on the continent.

There is a notable irony in the new Saudi activist role in Africa and Saudi complaints about American passivity toward Soviet-Cuban challenge. Only a few years ago, the Nixon-Ford administration was pushing a somewhat lethargic Saudi government to do more to help the West contain the spread of Communist influence on the Arabian Peninsula. Now, it is the Saudis who are pressing the Carter administration on the same point in both Africa and the Red Sea region.

With the United States increasingly dependent on Saudi oil and backing for the besieged dollar, Washington can no longer afford to ignore the pressure from Riyadh. But it has placed the Carter administration in the difficult position of having to reconcile the demands of its new black African allies with those of its most important Arab oil partners.

While these Arab states tend to view Africa mainly as a new Cold War theater and the soft underbelly to their own exposed

lands, much of black Africa is preoccupied now with the problem of containing local forces threatening the national unity of various countries and that of ending white rule in southern Africa. On both accounts, the Soviets and Cubans have suddenly emerged as black Africa's most important allies.

The growing disagreement between Washington and Riyadh over the Carter administration's new Africa policy came to a head last year over the U.S. refusal to provide Somalia with arms after President Mohammed Siad Barre cut most of his ties to the Soviet Union and broke relations with Cuba.

The Saudis had been encouraging the United States to do more to wean Somalia away from the Soviet bloc for years before the Somali-Ethiopian war led to Siad Barre's break with Moscow. They were deeply disappointed when the split came and there was no "positive answer" from Washington, as Prince Saud put it.

But Washington found itself under enormous pressure from its black African allies not to reward Somalia because it was regarded as a flagrant violator of Ethiopia's borders. Pro-Western Kenya, another neighbor fearing Somalia's territorial ambitions, was particularly insistent that the Carter adminstration reject Somalia's request for military assistance.

Meanwhile, the malaise in the special Saudi-American relationship is deepening over the lack of a strong U.S. response to the expanding Soviet-Cuban presence in the Red Sea region. It is exacerbated as the number of Cuban troops increases just across that strategic waterway in Ethiopia's northern war-torn Eritrea Province.

"It is in principle a threat to the independence and security of our region and directly a threat to the independence and security of our country," remarked Prince Saud. "What conceivable basis would they have for intervening in that area?"

For the Saudis, the primary issue at stake in Ethiopia is not the preservation of its territorial integrity against a separatist movement, which is the view most black African nations hold and have impressed on the Carter administration. Rather, it is in the Saudi view the massive intervention of the Soviet Union in the internal affairs of an African country, this time one that could easily serve as a springboard into the Arabian Peninsula.

As a first step, the Saudis clearly want the Carter administration to step up their military assistance to moderate African and Arab countries with Soviet-backed neighbors, such as Kenya, Zaire and Sudan.

"If threatened countries are left alone, then there is not hope," said Prince Saud. "If they are not given arms even when they want to fight, if they are not given the opportunity to do so, then we are really in a hopeless situation."

The Saudis seem to be convinced that the next arena for a major Soviet intervention will be southern Africa. Saudi Arabia has just agreed to open an embassy in the Zambian capital of Lusaka and will probably provide financial assistance to that economically hard-pressed country.

Saudi Arabia is also providing millions of dollars to the special $12 million Arab fund in support of the Rhodesian nationalist Patriotic Front, apparently hoping to offset Soviet and Cuban influence inside the guerrilla alliance. There are also reports in Salisbury that Arab money is going to the new biracial Rhodesian government, although it is not clear which countries are supplying it.

The Saudis are also financing Sudanese and Egyptian arms purchases in the West, the Moroccan and Mauritanian war against the Soviet-backed Polisario liberation movement in the old Spanish Sahara, and various pro-Western African states, like Zaire, that are now in desperate financial straits.

Mr. MOYNIHAN. The point I would like to make to the Senator from Colorado is this: A true response to the concerns which the Saudis manifest would be a coherent policy of resistance to Soviet expansion by us, by NATO. As it is, our policy appears to be leaving the Saudis with 60 F–15's, a bottle of whiskey and a box of jasmine tea, themselves to face the consequences of the actions of the Soviet Union and its surrogates.

If we think it impossible that Cubans should appear in Saudi Arabia, remember that Cubans are in Yemen now, and were in the Golan Heights in 1973.

I once said that the Rand Corp. at the height of its genius could never have conceived a Third World weapon system as effective as the Cuban Army. It is ideologically free to go anywhere and kill anyone and, with increasing frequency, that is what they do.

If I am not mistaken, the Saudis perceive a withdrawal by the United States and the commencement, the onset, of an unstated American assumption, that the Soviet Union has assumed the initiative in world affairs, that the Soviet Union now in fact exhibits the characteristics of the dominant military power.

The Senator from Colorado (Mr. HART) has spoken of the decline of the American Navy relative to the Soviet Navy. What an extraordinary situation for the Soviets to find themselves at least the equal of us in naval power. Does this not help explain the newly assertive behavior of the Soviet Union?

The revelatory event, like a flash of lightning illuminating a landscape at night, was the October 1 joint statement of the United States and the Soviet Union which brought the Russians back into the Middle East.

(Mr. McGOVERN assumed the chair.)

Mr. MOYNIHAN. The first three and a half paragraphs leapt off the page. It was obviously a Soviet draft. And so it was admitted. The State Department says it was not the first draft; the first draft was even worse.

As the Soviets and other Nations look around the world, what they see is a United States in retreat, a United States confronting active Soviet military policy—like that of 1948 in Eastern Europe, 1950 in Korea, in the 1960's and 1970's in Southeast Asia—and like those out through surrogates. But unlike these occasions, the United States seems no longer willing to adopt a policy of resistance, either military or political.

One of the extraordinary things about our behavior in Rhodesia, for example, is the clear fact that we say to ourselves that we must deal with the Rhodesian equivalent of the PLO because, if we do not, the Soviets will send Cubans. It is that nervelessness and retreat that is, in a curious way, I suggest, symbolized by saying, to the Saudis: here are 60 planes, good luck."

If we really wish to sustain the Saudis, we should say: "Do not fear that the United States, will in fact, consent to any more Soviet expansion.

And then for the United States to say to the Soviets: "When you appear on the eastern flank of the Saudi Arabians, and when you appear on the western flank, then you are going to be in trouble with us. We cannot allow it, it is too important geopolitically, and we cannot acquiesce in it. We will link one thing to another and make you wish you had not done it."

Mr. HART. Will the Senator yield for a question?

Mr. MOYNIHAN. Happily.

Mr. HART. If, in fact, the Senate today acts favorably on the resolution of disapproval and votes against the package, in the Senator's judgment, can the Saudi leadership conclude from this that we are not willing to make the kind of commitment to their defense that he believes is important—both to them and to us?

Mr. MOYNIHAN. I ask the Senator from Colorado to accept the seemingly ironic proposition, which is that if the Saudis get these planes from us, they—now, under today's circumstances—ought to fear for our future support in fact. This is the point I developed earlier: Military technology is no substitute for sound policy. Policy should come first.

If I may say, Senators NUNN and JACKSON and I, on April 25, sent the President a long letter. I ask unanimous consent to have it printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

WASHINGTON, D.C.,
April 25, 1978.

The PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: Without getting into the substance of your proposal to sell sophisticated aircraft to Saudi Arabia, Israel and Egypt, we write to address the issue of the timing of the Administration's request to the Congress to authorize a new arms "package."

There is no doubt that the proposal will face an intensive and divisive debate in the Senate where the outcome is uncertain. Indeed, there are strong indications that a majority of the Senate will vote to disapprove at least one of the proposed sales. We share what we believe to be the overwhelming sentiment of the Senate that the package not now be presented for debate and decision.

Our national effort would be far better directed toward encouraging a peace between Israel and Egypt, to reinforcing the promising elements of the Sadat-Begin dialogue and to bringing those negotiations to a favorable conclusion. Were the proposed arms sales presented to the Congress following a peace between Israel and Egypt, there is no doubt that it would receive favorable consideration in the Congress.

Approval by the Congress with a consensus rather than the probable rejection of part of the package after a bitter controversy is clearly in the national interest. A delay would facilitate an intensified negotiation effort.

Once a peace agreement has been reached, the Congressional attitude toward the provision of sophisticated weapons to the parties would be very different from what it is today. In the aftermath of a peace agreement, the atmosphere in which the arms proposals

would be considered would be far more conducive to the outcome you desire.

For all these reasons we believe that a delay of a few months is essential. It would provide additional time and additional incentives for the realization of a peace accord. It would spare the country and our friends in the Middle East a debate certain to be marked by bitterness and contention. We hope that you will give serious consideration to this proposal; and we stand ready, individually, to assist in the efforts to bring about a peace in the Middle East.

Sincerely,

HENRY M. JACKSON,
DANIEL PATRICK MOYNIHAN,
SAM NUNN,
U.S. Senators.

Mr. MOYNIHAN. We simply asked whether we could not try to get some peace between Israel and Egypt before we go forward with these sales. It is the context of this sale that troubles us—not the sale itself. That is our point. And I believe the Saudis can understand it.

At this point, Mr. President, I ask unanimous consent to have printed the Saudi Arabian pamphlet I mentioned earlier.

There being no objection, the pamphlet was ordered to be printed in the RECORD.

Certain portions of the pamphlet are not reproducible in the RECORD:

QUESTIONS AND COMMENTS ON THE PRESIDENT'S AUTHORIZATION OF U.S. SALE OF F–15 PLANES FOR THE DEFENSE OF SAUDI ARABIA

Question: Why is the President authorizing the sale of 60 F–15's to Saudi Arabia?

Answer: It is vital to the United States and the Free World that Saudi Arabia maintain an adequate defense.

Explanation: Saudi Arabia possesses twenty-five percent of the earth's proven oil reserves. The wealth generated by Arabian resources has been used in support of the Free World economy and as a moderating force in Mid-East affairs. It is in the interest of the United States economically and politically to maintain and strengthen its relationship with Saudi Arabia and to demonstrate its concern about the preparedness of Saudi military forces.

Question: Who determined that current Saudi military forces constitute an inadequate defense?

Answer: United States Defense officials.

Explanation: Separate United States military teams examined Saudi Arabia's air defense requirements in the early and mid-1970's. These studies concluded that the existing Saudi force of British-made Lightning planes is obsolescent and should be phased out beginning in 1978. It was their recommendation that Saudi Arabia acquire F–15s or comparable defense equipment in order to safeguard the kingdom's security.

Question: Is the Government of the United States committed to sell F–15s to Saudi Arabia?

Answer: Yes.

Explanation: In 1976, President Ford specifically affirmed the sale of F–15s to Saudi Arabia. President Carter reaffirmed this commitment after an independent study in 1978 and has authorized the sale of 60 F–15s to the kingdom.

Question: Does the sale of F–15s to Saudi Arabia have implications which go beyond providing Saudi Arabia with an adequate defense?

Answer: Yes.

Explanation: More than any other nation in this region, Saudi Arabia has demonstrated its willingness to work in close cooperation with the United States both economically and politically. Failure to honor the commitment of two presidents would bring into question the ability of the American nation to play a constant and dependable role in Mid-East affairs. It would also seriously jeopardize the position of Mid-East nations which have resisted extremist pressure and chosen to maintain a strong identification with pro-Western policies.

Question: Is the security of Saudi Arabia being threatened?

Answer: Yes.

Explanation: Saudi Arabia has increasingly become the target of extremist pressures both on and around the Arabian peninsula. Among the most recent: the 1977–1978 Soviet-Cuban build-up on the Horn of Africa (only a half-hour's flying time from key Saudi population centers) and the Soviet upgrading of South Yemen air and ground forces. This build-up, along with the arrival of Cuban advisors, has already encouraged the South Yemen government to make probing flights over Saudi territory.

Soviet-Cuban forces have shown little restraint in achieving their policies aims through military intervention on the Horn of Africa and are currently expanding their involvement and commitment in the nations which surround the Arabian peninsula.

Question: Why is Saudi Arabia a target of Communist expansionism and political extremists?

Answer: In addition to being the richest and most anti-Communist nation in the region, Saudi Arabia has consistently supported the general aims of United States and Free World foreign and economic policy.

Explanation: Saudi Arabia opposes and has demonstrated its opposition to the spread of communism in this region. It has provided strong support for the Free World economy and the United States dollar. It has been a leading spokesman for restraint of oil prices and has been a proponent of moderation in behalf of a comprehensive Middle East settlement. Each of these specific Saudi policies favors the United States and Free World interests and directly conflicts with the goals of the Soviet Union and its client states in Africa and on the Arabian peninsula.

Question: Are United States arms sales responsible for growing tension in the region?

Answer: No. Although the United States has been a major arms supplier of those nations which cooperate in advancing American interests, United States involvement has not been directed towards increasing regional tensions. The Soviets, however, have provided arms to client states and extremist groups in this volatile part of the world for three decades. This Soviet commitment towards increasing regional tensions has accelerated in the 1970s.

Explanation: Soviet military and economic aid has been used to increase Communist influence throughout the Arabian peninsula. A closer look at the region shows:

Iraq—is closely associated with the Soviet Union politically and a recipient of major Soviet arms. The Iraqis have a four hundred mile common border with Saudi Arabia, a substantially larger population, and a more advanced military establishment than Saudi Arabia. Major new Iraqi oil discoveries have recently been reported. Iraq's reliance on and allegiance to Soviet policy is a key to increased Mid-East tension.

Oman—adjoins Saudi Arabia to the south. With British and Iranian help Oman has, in the last three years, been able to put down a Communist-supplied rebellion in its Dhofar sector, the region adjoining both Saudi Arabia and South Yemen.

The People's Democratic Republic of Yemen (South Yemen)—lies next to the southern flank of Saudi Araba and is currently undergoing a substantial Soviet-Cuban-East European arms build-up. It has a population almost as large as Saudi Arabia, but in a much smaller area. Its port of Aden was long strategically critical to the British, and is now under Soviet influence. Within the last year, 500 to 2,000 Cubans have surfaced at Aden along with Soviet and East European technicians and advisors. It has been reported that the Soviets have recently been granted a naval concession at Aden.

Somalia—on the Horn of Africa, southwest of Saudi Arabia; had naval and military ties with the Soviets in the mid-'70s until it was won away with Saudi aid. Somalia is currently seeking Peking assistance following its defeat this year at the hands of Cuban and Soviet-backed Ethiopian troops.

Ethiopia—just across the Red Sea from Saudi Arabia, a half hour's flight from Saudi cities in the south, received massive Soviet-Cuban-Eastern European military aid in 1977 and 1978. Ethiopia is currently using Soviet-Cuban support to assist itself along the Red Sea opposite Saudi Arabia. There are over 16,000 Cubans and 1,000 Soviet military personnel stationed there.

The Soviet purpose in Ethiopia, according to Henry Kissinger (Washington Post, April 21, 1978), is "to outflank the Middle East, to demonstrate that the U.S. cannot protect its friends, to raise doubts in Saudi Arabia" and Egypt, the Sudan, and Iran.

Sudan—immediately across the Red Sea from Saudi Arabia, the Sudan is closely associated with the Saudis, but had to fight off several serious Communist coup attempts in the mid-'70s, which led to an expulsion of the Soviets in 1977.

Egypt—also across the Red Sea from Saudi Arabia, received major Soviet military assistance for twenty years. Saudi aid to Egypt and Sudan was instrumental in helping those countries move away from the Soviet sphere of influence. Saudi assistance to Egypt in the '70s has been greater than the U.S. Marshall Plan program for all of Western Europe after World War II. (Just beyond the Sudan and Egypt is Libya, which is now a military warehouse and "rejectionist" launching pad for Soviet policy in the area.)

Conclusion: In the last several years, Saudi Arabia has had to face developing Communist pressure to its north, south, and southwest. Because of its pro-Western policies and its great wealth, Saudi Arabia is and will remain the prime target for Soviet expansionism and political extremism in the Mid-East.

The popular notion that the F–15s promised to Saudi Arabia by the United States are to be used to change the current Arab-Israeli military balance is dangerous both to the interests of the Free World and Saudi Arabia, for it overlooks the political realities of the Mid-East scene today and seeks to obscure the very real need of Saudi Arabia to provide its citizens and resources with an adequate defense in this very volatile part of the world.

Question: Wouldn't it be better if the United States declared a moratorium or sharply slowed arms sales in the Middle East, starting with the F–15 sale?

Answer: In the abstract, one could certainly argue yes. But in this real-world setting, Saudi Arabia must protect itself. The growing strategic importance of oil reserves and the increasing importance of Saudi Arabia require the kingdom to upgrade its still modest security arrangements.

Explanation: Compared to other principal countries in this area, Saudi Arabia is significantly underarmed. An objective analysis by security analyst S. Fred Singer was recently published in Foreign Policy magazine (Spring 1978, see "Limits of Arab Oil", page

78). An excerpt: "Paradoxically, while many people perceive and overestimate Arab oil power, the reverse may be true; Saudi Arabia and the United Arab Emirates may not have enough power to maintain their own security or even independence over the long run. Their weakness presents a serious security problem to the West, which depends on Persian Gulf oil, while the Soviet Union is largely self-sufficient... In the south, the Republic of South Yemen provides a center for subversion and infiltration, in the north, Iraq, and to a lesser extent Syria, may do the same."

Question: What is the danger to Israel if the Saudis get the F–15s?

Answer: Saudi Arabia has neither used its air force nor generally been considered a confrontation state in any of the Arab-Israeli conflicts of the last thirty years.

Explanation: Saudi Arabia is a vulnerable country. It has a large land mass to defend with very limited armed forces. The compelling realities of the region dictate against an offensive Saudi military role in a conflict with Israel:

Saudi population centers and oil fields would be vulnerable to attack and destruction by superior Israeli military forces.

Once attacked, Saudi oil fields which are so critical to the kingdom and the Free World economy would be inoperable and the kingdom as it exists today would be severely threatened or destroyed.

An armed conflict with Israel would compromise the ancient Saudi responsibility for the protection and peace of the two most holy cities of Islam—Mecca and Medina.

An armed conflict with Israel would make Saudi Arabia and its conservative pro-Western leadership even more susceptible to attack, infiltration, and subversion by already existing extremist and leftist regimes in the region.

Question: If the United States sells F–15s to Saudi Arabia, could the Saudis turn them over to a third power?

Answer: No.

Explanation: Saudi Arabia has received military equipment from the United States since World War II and has obtained it on the basis of compliance with the U.S. preconditions that there can be no transfer to any third party or offensive use of the material. Those conditions apply to the F–15 sale, and the Saudis have stated that they are prepared to purchase the planes subject to the conditions which they have satisfied for a great many years.

Question: What about news reports that the F–15s would be stationed at the airfield closest to Israel?

Answer: They are not true.

Explanation: As stated by Secretary of State Vance in Congressional testimony March 9, the planes would not be placed at Saudi Arabia's military base at the city of Tabuk guarding the country's northwest approaches and thus the closest to Israel. Military logic dictates that the planes be located well inside the kingdom, where they can protect the principal cities across the east-west center of the country, the oil fields in the eastern province (along the Gulf), and the southern approaches from which the growing Communist pressure comes.

To keep the city of Tabuk and its base in perspective, it should be noted that a military post has existed there guarding the north-west approaches to the Arabian Peninsula since at least the time of the Prophet Mohammad, over 1,300 years ago. A major upgrading was done just before World War II, then to a lesser extent in the 1960s, and again in the '70s. Some of the Saudi Lightning interceptors have been located there; retiring these and placing the F–15s much further south in the center of the country, as Secretary Vance has indicated, would decrease the danger level at Tabuk.

The Israelis began overflying the city of Tabuk and the base almost two years ago, thus repeatedly going well into Saudi territory. These flights have persisted despite American and Saudi objections. Israeli naval maneuvers off the Saudi shore also occurred in late March of 1978. The Israeli complaint that Tabuk is only four minutes flying time from Israeli territory ignores the fact that Israel was fifteen minutes away until Israel expanded into the Sinai.

Strong proof of the Saudis' overall defensive commitment is provided by the fact that the primary military base construction is in an approximate triangle stretching across the east-west central zone of the kingdom (from the oil fields to the east to the principal cities in the western part of the country, to cities well south of the capital and the city of Jeddah on the west coast). Placing the F–15s in that central zone of the country rather than at a frontier air base like Tabuk would make the planes less vulnerable to a suprise attack and the risk of being knocked out on the ground.

Question: Will the United States have any influence on the F–15s after they are delivered?

Answer: Yes.

Explanation: Even without Saudi assurances, their past restraint, and the underlying realities of the country, the F–15s are subject to significant continuing control by the United States. The F–15 requires extensive, sophisticated ground support facilities and systems, substantial specialized pilot training, highly developed replacement parts, and a readily controlable special armaments inventory, all subject to strict American control. It makes neither military nor political sense to assume that the Saudis would give up their principal air defense system, transfer it to another country, risk the sudden retaliation of Israel, or lose their armaments inventory resupply by violating U.S. agreements. The F–15s are tied to the bases where the U.S. will provide ground support facilities and systems and where special security precautions can be taken.

Conclusion: The commitment of the Saudis, their own vulnerability, the nature of the F–15s, the continuing control the U.S. will have over the planes and—most important—the critical importance of the overall Saudi-U.S. relationship to both countries, all militate against misuse or transfer of the planes.

Question: Why the F–15? Why not some other plane?

Answer: Because the F–15 is the most practical defense-interceptor available.

Explanation: U.S. defense officials offered the Saudis a test-flying choice of the F–14, F–15, F–16 and F–17 (now F–18) at the time the detailed, technical military studies were made. The Saudis rejected the other planes as not compatible enough with present equipment, requiring too many additional pilots, lacking availability within the needed time period, and because of other air defense requirements.

Question: Why can't congressional consideration of the sale be delayed?

Answer: The Saudis have already waited almost four years since they were first informed by U.S. officials that the British Lightnings were obsolete and would have to be phased out beginning in 1978.

Explanation: Even if a firm order is placed now for the F–15s, the first deliveries would not be made until early 1982, and full defense capability would not be reached until the mid-1980s. The long lead-time required simply does not allow further delay. The Lightning planes must be retired from service because of metal fatigue and other obsolescence.

Candor requires recognition of the fact that if the American decision is put off until the 1978 Congressional elections or the 1980 Presidential election, it could become even more of a political issue. A special effort must be made to prevent critical security and strategic questions from being obscured by emotional political issues.

Question: Does Saudi Arabia really need sixty F–15s? Wouldn't a smaller number do?

Answer: Not according to U.S. sources.

Explanation: The U.S. military teams which examined the kingdom's military requirements concluded that Saudi Arabia should acquire up to 120 F–15s or comparable defense equipment. Saudi military experts independently made their own study and recomended that 60 F–15s should be purchased. U.S. criteria would have required a larger number.

Question: Do the Saudis have any alternative to accepting the F–15s on such terms and at such times as the U.S. decides?

Answer: The Saudis have a number of alternatives.

Explanation: The Saudis prefer the F–15. In addition, they prefer to satisfy their military equipment requirements in cooperation with their closest Western ally—the United States. If the U.S. will not supply Saudi Arabia with the F–15s, however, the kingdom is obviously not going to abandon its determination to acquire a modern air defense system.

Question: If the United States refuses to sell F–15s, where would the Saudis turn for their defense needs?

Answer: Most probably to France or Britain.

Explanation: Should the United States refuse to honor is commitments to sell F–15s to Saudi Arabia, the kingdom would be forced to turn to France or Britain. The Saudis have already held discussions and done test flights. The Saudis have indicated that if they are to obtain planes other than F–15s, they may have to contribute research and development funds to insure that the alternative plane approaches the sophistication of the F–15. It is possible that with French or British technology, and Saudi funds, either nation could develop an aircraft and manufacturing capacity that could challenge the previously unrivaled American industrial and military position in arms manufacture.

Question: Are there any other negatives to the United States if Saudi Arabia purchases planes from Britain or France?

Answer: Yes.

Explanation: Aircraft purchased by Saudi Arabia from France or Britain would not be subject to United States control.

Question: Are the British or French interested in selling aircraft to Saudi Arabia?

Answer: Yes.

Explanation: The British and especially the French have stepped up their efforts to get the Saudis to purchase advanced aircraft now being developed. A new arms cooperation agreement covering technical assistance and production was signed by France, Egypt, Saudi Arabia, the Gulf states of Qatar, and the United Arab Emirates in Paris on March 14, 1978.

Question: Could the alternatives to the F–15 be used as an offensive weapon?

Answer: Yes.

Explanation: The principal alternatives to the F–15 are as capable of an offensive ground attack as the F–15. The existing Saudi air force has ground attack capacity and can also be used to drop lethal armament in flight. No Saudi aircraft, however, has ever been used in an armed conflict in the Mid-East. No alternative to the F–15, however, either foreign or U.S. is a more suitable interceptor for defensive use.

Question: The defensive value of the F–15 has been documented. Has the plane ever been used for offensive purposes?

Answer: Yes, by Israel in the March, 1978 invasion of Lebanon.

Explanation: During the invasion of Lebanon, Israel used the F–15 as an offensive weapon in violation of security agreements with the United States. This action has drawn criticism even among Israel's own leading military commentators; one, quoted in the Washington Post on March 30th (page 21), wrote, "Reliance on high performance jets including the F–15 made precise targeting impossible and they have lead to overly massive and unneeded artillery and air strikes."

Question: Why not remove some of the more sophisticated technology from the F–15s before selling them to the Saudis?

Answer: That would significantly lessen the defense capacities the Saudis need and the United States has recommended they possess. It would also seriously injure the kingdom's ability to maintain and demonstrate its close friendship and support of the United States. Such an action would underscore America's lack of confidence in Saudi reliability and security since F–15s have already been sold elsewhere in the region with full armament. In all likelihood a proposal to reduce the defensive capacity of the F–15 would encourage Saudi Arabia to seek alternative planes.

Question: Has the American debate of the proposed sale of F–15s to Saudi Arabia had implications beyond Saudi Arabia?

Answer: Yes.

Explanation: What should have been a fairly routine and legitimate United States step in supplying the strategic needs of an ally has now turned into a high-profile international political issue. Both Communist and non-Communist governments are watching to see how steadfast the United States will be in its commitment to an ally who is helping to protect the dollar, moderate oil pricing, work for a comprehensive settlement in the Mid-East, and closely associate itself with the United States on a broad range of shared efforts. Despite the commitments of two United States presidents, the ability of the United States to support its allies is being seriously questioned in the Middle East.

Question: Why is there vehement opposition to the F–15 sale?

Answer: In addition to unrealistic concerns about shifting power balances in the Mid-East, much of the opposition generated to the sale of the jets is being directed at the strong Saudi-U.S. trade, financial, and strategic relationship. Some seem to find it difficult to recognize that United States interests in the Middle East now include not only the unequivocable security of Israel, but also the significant and growing American stake in Saudi Arabia and the area as a whole.

Question: What impact does Saudi oil have on American energy supplies?

Answer: America now receives almost 20% of its oil imports from Saudi Arabia. Nearly one-tenth of all oil being used by Americans is produced in Saudi Arabia. This oil provides the energy for millions of American jobs, heats and cools millions of American homes and apartments, and fuels millions of American vehicles. It has been estimated that by the mid-1980s, over 30% of all United States oil imports, or 15% of all oil used by Americans, will come from Saudi Arabia.

Question: What are the Saudis doing in return for the U.S. purchase of Saudi oil?

Answer: The United States is Saudi Arabia's largest trading partner and has been so since World War II. This year alone, Saudi Arabia is expected to purchase almost $5 billion worth of goods and services from the United States. Orders for future deliveries of American goods and services to Saudi Arabia already exceed $25 billion. These Saudi purchases create hundreds of thousands of United States jobs.

Saudi Arabia's 1975–80 development program calls for the expenditure of $142 billion; the kingdom's 1981–86 program will considerably exceed $200 billion. The purchase of Saudi oil by the United States along with the Saudi commitment to pro-Western policies has allowed the kingdom to play a vital part in the economy of the United States.

Question: How have the Saudis helped to support the United States dollar?

Answer: In many ways.

Explanation: Saudi Arabia, in close consultation with the United States government, has invested many billions of dollars in United States government securities as well as obligations of various U.S. government agencies and major corporations which have sought Saudi funds for their pension and bond programs. In international terms, the Saudis have contributed significantly to helping maintain the dollar and relieve pressure on United States public debt markets, recycle petrodollars, and support the Free World's economic system.

Question: Are the Saudis in any other way supporting the United States dollar during this crisis period?

Answer: Yes.

Explanation: The Saudis have consistently supported the dollar as the basis for determining world oil prices. Should the Saudis elect to base the price of oil on any other currency, the dollar would be dramatically weakened.

Question: Does the growing Saudi-American relationship threaten other United States allies?

Answer: No.

Explanation: As a global power, the United States has many different relationships around the world. The U.S. maintains strong relationships with many different kinds of peoples and governments throughout the world. In recent years the United States has elected to establish new relationships in both Western and Eastern Europe despite the fact that the foreign policy aims of these nations often conflict. The U.S. also has sought to reduce tensions with both the Soviet Union and Red China. Supporting Saudi Arabia does not mean that United States and Israeli relations must change.

Question: Would this type of even-handed approach to foreign policy work in the Mid-East?

Answer: Yes. It is working today.

Explanation: An even-handed approach in recognition of the role that the Saudi government plays in the world economy is long overdue in this strategically volatile part of the world. Maintaining America's commitment to the security and future of Israel should not and does not preclude the United States from also acting on behalf of the security of other nations. Building good relationships with both the Arab nations and Israel is no more a contradiction than United States commitment to the security of both Greece and Turkey. American foreign policy should continue to be directed towards promoting world peace and economic order by maintaining and strengthening relationships with traditional allies such as Western Europe and Japan and new allegiances with Arab nations and the developing world.

Question: Are there any other regional realities which the United States must recognize in its dealing with Saudi Arabia?

Answer: Yes. There are many.

Explanation: In historical terms, there is a growing need to recognize the unmistakable stirring among the Saudis and 130 million other Arab people for a better life and a more dynamic destiny. The United States and the Free World have a profound stake in assuring that this historical dynamism relates constructively to the West and that the Arab world is not turned away to become an economic and strategically isolated vacuum or bridgehead for Soviet and other Communist intentions. Even more important, American values as well as American interests require recognition of the God-given dignity of all people in this part of the world and that they view this region not just in terms of petrodollars, but of people.

Mr. MOYNIHAN. I do not perceive this pamphlet as a misstatement of fact. It is a meticulous listing of what the Soviets are up to in one country after another in that region—Iraq, Oman, South Yeman, Somalia, Ethiopia, Sudan, Egypt, Libya.

I suggest that in the proper context the Saudis can be reassured by a decision not to go forward at this time with this proposal.

Mr. HART. Would the Senator expand upon that, because that is extremely important. It is not only ironic; it is extremely complex logic.

Mr. MOYNIHAN. In the first instance, what do we say about our policy, our intentions, if we do something which clearly injures Israel's in standing in the world's perception of the global situation—Israel, which, as Senator CASE and Senator JAVITS have said so brilliantly, is a true force for the moderate regimes of the Middle East. It is irrevocably pro-Western. There ought to be a day when Israel and Iran and Saudi Arabia and Egypt agree. Yet we do something which weakens Israel but does not in fact strengthen Saudi Arabia. Sixty airplanes will not stop the Soviet Union in this move forward. If they can see that this decision of the Senate to support Senator BIDEN'S resolution was in fact a decision to stop the American retreat before Soviet expansion, to reconstruct our policies and attitudes before proceeding, then I think the Saudis could be heartened and encouraged. If, on the other, we sell airplanes without developing a true sense of the situation, they ought to be discouraged.

Mr. HART. How can they reach that conclusion? That is what I am asking. How, by the adoption of this resolution, can they make that leap of faith?

Mr. MOYNIHAN. What we say on the Senate floor; by what I hope might be, at the end of the day, your standing up and saying that you are persuaded that, far from constituting a reinforcement of the United States support for the Saudis, this airplane agreement would represent a diminution of the position of the United States in the Middle East. By postponing this sale so that we can have proper consideration of what is involved.

I offered the image, not perhaps the happiest, of giving the Saudis 60 planes and a bottle of whisky and wishing them well. That will not work and the Saudis will realize that, by itself, it cannot work. They cannot sustain their independence on their own, not remotely. They can sustain that independence only in the context of a U.S. Government policy that will no longer rationalize additional countries being taken over by the Soviet Union or its surrogates. Not one more.

I can get somewhat angry at the prospect of an increasingly pusillanimous American Government which, every time it confronts the prospect that the Communist, totalitarian forces in the world will use force, its first proposition is that we will not. Therefore, we must concede.

The events in Rhodesia have been astounding in this respect. The administration said it cannot accept the majority government the Rhodesians seem to have worked out, because if it does, the Russians will send the Cubans. What has come of the American Republic?

If we are that fearful of the situation, we should have the honor to stay out of it.

Mr. HART. If the Senator will yield——

Mr. MOYNIHAN. I am happy to yield.

Mr. HART. I apologize for being so persistent, but I am still trying to see how the rejection of this arms package—a rejection of a request made over 2 years ago by the Saudi Government—can be linked with the reversal of American policy in that part of the world, an area that is becoming more and more anti-Communist. I cannot make that jump.

Mr. MOYNIHAN. I ask the Senator to look at many of the persons who now stand up on this floor in support of the resolution of disapproval. We are the Senators from New York, New Jersey, and elsewhere. We are not known for neoisolationism. We are not known for our failure to support the military forces of the United States. We are not known for our assumption that the Soviets' behavior in the world is imitative of ours.

Now the Senator from South Dakota has not joined us in this, and there are reasons for that having mentioned him, however, I must immediately note that I am aware he is presiding and would come roaring to his own defense if he were not. I say to my colleague that is one of the few occasions in my experience—the only one really—in which I have had the advantage over him and I mean to pursue it for at least a few minutes until he is released.

Mr. ABOUREZK. Will the Senator yield?

Mr. MOYNIHAN. I am happy to yield.

Mr. ABOUREZK. I do not know what Senator from South Dakota he is referring to.

Mr. MOYNIHAN. The Senators from South Dakota will serve my purpose.

Mr. ABOUREZK. What I should say in response to what the Senator from New York said is that the Senators from South Dakota are not in the position of sending young men out to die for somebody else's cause, some old men's cause. That has been our position, I think, for a number of years. We would just like that to be on the record.

Mr. MOYNIHAN. What the Senator says is perfectly legitimate. But is not given to us in the world to maintain the boundaries of democracy in a world of Soviet and totalitarian expansion by saying that we will never fight. That perception is, indeed, growing in the world.

And here is the illustrative point.

When the Saudis see that it is those who say, "We will never fight for old men's causes", who are also the ones in favor of giving them the planes and saying, "Fight yourselves," they will learn something from that. But there are those of us who see this as a more complex world, a more tragic world, a far more threatening world.

Does the Senator from Colorado accept that those of us on this side see the world as a threatening one?

Mr. HART. Let me see if I can reconstruct the logic of the Senator from New York. It is that if I were a leader in the Saudi Government, I could conclude that because the sale of weapons to my government is opposed by those who feel strongly about Communist aggression, I could take heart that those same people will set to it that, when the crunch comes, the United States will be there, because I will be defenseless?

Mr. MOYNIHAN. It is the timing of the decision that will be instructive. I would like to ask that the Senator from Colorado remember that we are also saying, "No sales to anybody at this moment" until we can get our policies much more effectively formulated and stated.

Mr. HART. But the Saudi leadership said:

> We've waited long enough, we're going to read United States intentions in this vote.

Mr. MOYNIHAN. The Saudi leadership is not wrong. They have waited long enough—but it is aircraft, truly, which they await? Or do they await something else?

I can well conceive this agreement going forward in a situation where Egypt and Israel were really talking peace or where Soviet expansion in Ethiopia had not taken place. But such is not our situation.

What the Saudis really worry about is what they write in their pamphlet, what they say in the Washington Post. I think that is it.

Of course, I do not know what they really think and it is easy for me to prescribe what they ought to think.

Mr. HART. But do they not have the right to define U.S. intentions with regard to their own terms?

Mr. MOYNIHAN. They do.

Mr. HART. Which is what they are trying to do.

Mr. MOYNIHAN. Yes. Hence, it seems to me, for us to say, "If you could only understand the importance of our relationship with Israel, which is a country which supports things you, the Saudis, also support in the Middle East, then you could see that we cannot seem to be injuring Israel. If we are going to pursue what you want us to pursue, give us some time and understand that those who oppose these planes do so precisely because they do not want to retreat any further."

American retreat has gone far enough. It is quite extraordinary to remember.

Does the Senator not find it extraordinary to read on the front page of the Washington Post that the Saudis say, in effect "What on earth are you people doing in Africa, every time a Russian force appears you run out and you rationalize."

Mr. HART. I think it is also equally extraordinary, as the Senator from Delaware suggested earlier, for us to tell the Saudis, "Don't worry about your own defense; we'll take care of it," given the set of circumstances the Senator from New York has just stated.

Mr. MOYNIHAN. But I ask the Senator from Colorado to consider, they cannot defend 6.5 million people. They cannot defend themselves against the Soviets.

The PRESIDING OFFICER (Mr. BUMPERS) Who yields time?

Mr. BIDEN. Mr. President, the Senator from Wisconsin is on his way to the floor. Rather than use up the time at this point, I would like to suggest the absence of a quorum.

Mr. METZENBAUM. Mr. President, would the Senator from Delaware be willing to yield to the Senator from Ohio 10 minutes at the hour of 1:15?

Mr. BIDEN. The Senator will definitely yield 10 minutes to the Senator from Ohio. I cannot guarantee that I will be in control of the time at 1:15, but assuming I am, I will be happy to yield 10 minutes.

Mr. METZENBAUM. May I, therefore, ask unanimous consent that I may be allocated time at 1:15 for a period of 10 minutes.

Mr. BIDEN. Mr. President, reserving the right object, I think it would be difficult to do that only because there may have been time allocated at 1 o'clock to someone for 20 minutes.

Mr. METZENBAUM. If there has not been.

Mr. BIDEN. I suggest that the managers of this position will endeavor in every way to meet that request, but I would like not to hold up those who might precede the Senator at 1:15 who wish to go forward and then interrupt them at that time.

I promise the Senator from Ohio that we will endeavor to do that at 1:15 and I do not expect we will not be able to, but I would not like to have it in the form of a unanimous-consent request at this point.

Mr. METZENBAUM. I withdraw the unanimous-consent request under those circumstances.

I appreciate the consideration accorded me by the Senator from Delaware.

Mr. BIDEN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. On whose time?

Mr BIDEN. To be equally divided—on neither time, not charged to either side.

Mr. CASE. Mr. President, I ask unanimous consent——

The PRESIDING OFFICER. There is a unanimous-consent request that the quorum call requested not be charged to either side. Is there objection?

Without objection, it is so ordered.

The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Who yields time?

Mr. ROBERT C. BYRD. Mr. President, on behalf of Mr. SPARKMAN, I yield 20 minutes to Mr. MCGOVERN.

The PRESIDING OFFICER. The Senator from South Dakota (Mr. MCGOVERN) is recognized for 20 minutes.

Mr. MCGOVERN. Mr. President, there are some public issues in which the choice between right and wrong, between commonsense and——

Mr. STENNIS. Mr. President, may we have order?

The PRESIDING OFFICER. The Senator may proceed.

Mr. MCGOVERN. Mr. President, there are some public issues in which the choice between right and wrong, between commonsense and nonsense, is so obvious that one has little difficulty making a clear and certain decision.

It is not difficult, for example, to arrive at a definite moral judgment against the practice of racial discrimination or the abuse of children. No morally grounded person can condone the torture of prisoners as practiced in some societies.

The brutal slaughter now being carried out in Uganda and Cambodia should be condemned straight out by all those who respect the elemental virtues of civilization.

Many of us believed that the war in Vietnam presented such a choice between right and wrong, between reason and unreason. We shall continue to feel the repercussions of that tragic misadventure in foreign policy for years to come.

But one unfortunate legacy of the Vietnam era and the debate surrounding it is the tendency to see all foreign policy issues with a simplistic moralism that belies the complex nature of most international questions. There are, in fact, few issues of international dimension that lend themselves to an obvious moral division between right and wrong. Nowhere are the issues more complex and the solutions less conducive to simplistic moral pronouncements than in the Middle East.

In the age of fast-moving television images, it is tempting for those of us in public life—especially with the wounds of Vietnam still raw—to set forth our views in dramatic, moralistic phrases. How good it feels to zing the evil enemy with a righteous thrust to the breast. I plead guilty to doing my full share of that business.

But this technique—successful as it may be in exploiting the media and the public yearning for quick, simple-sounding solutions—is not helpful in the practical compromise of longstanding issues among nations.

Such an issue is now before us—the proposed sale of a certain number of planes to Egypt, Israel, and Saudi Arabia. When I hear colleagues whom I greatly respect asking: "How can throwing $5 billion worth of arms into the Middle East tinderbox contribute to peace?" or "Why should we arm both sides of a potential conflict?" I know that those questions will make telling points on the television screen. I also know that they cannot be refuted in the same brief, appealing style. They cannot be refuted simply and briefly because neither the underlying issues nor the solutions are simple and brief. But while the basic negotiations for these sales began in the Ford administration in 1975 and deliveries in the main will not take place until well into the 1980's, the Congress must make its judgment within a 30-day timespan.

A persuasive argument could be made that now is not an appropriate time for a divisive congressional debate on arms supply to the Middle East. Had I the power to control the timing of events, I would not have submitted these proposed arms sales to the Congress at this critical period when negotiations for a Middle East peace settlement seem to have fallen on hard times.

But there is little to be gained now in wringing hands over whether the President should have postponed a congressional division on this issue. The issue is now before us and the debate has already moved to a high pitch within the Congress, across the Nation and throughout the Middle East.

I have carefully followed and reluctantly joined this debate. I join the debate, not because I see one side of the issue with such clarity that I am eager to speak. But because I have come to the conclusion that difficult and hazardous as it may be to approve these sales, the consequences of disapproval represent even greater difficulties and hazards for the United States, for Israel and for the Middle East as a whole.

What are the potential consequences of the Congress rejecting these sales which the administration has negotiated with Egypt, Israel, and Saudi Arabia?

The first consequence would be a shattering vote of no confidence in our President, our Secretary of State, our Secretary of Defense and our Joint Chiefs of Staff. This, of course, need not be a fatal or even the major consideration in our judgment. But at a time when the President and his associates are being asked by the major Middle East governments to assist them in negotiating a peace settlement, we should carefully weigh the consequences of publicly repudiating the judgment and reliability of our own leaders.

A second consequence of rejecting the negotiated sales would be to undermine the political prestige of the moderate Arab States. We would not consider selling planes to militant, pro-Soviet states such as Iraq or Libya. We have responded to Egyptian and Saudi Arabian requests for such sales partly to manifest our appreciation for their consideration of our national interests. President Sadat risked the approbation of much of the Arab world by his peace initiative last year. He needs to resume that initiative. But if he is to be politically effective, he must demonstrate that having cut his arms supply channel to Moscow, he can now depend on the United States for essential defensive equipment.

Saudi Arabia has not been so helpful in the peace initiatives. The Saudi leaders owe it to their own best interests to seek a just and lasting peace with Israel. They can do better than they have. I would not favor selling them arms if I did not think it would encourage them to do better as a responsible world power. But one must recognize that already they have exercised a restraining influence on the OPEC price of oil—including the price of oil supplied to Israel and the United States. We need their continued good will and cooperation in restraining oil prices, stabilizing international monetary issues, and in moderating radical tendencies throughout the Middle East.

A third consequence of rejecting the arms sales is to weaken the possibilities of a negotiated settlement in the Middle East. President Carter and Secretary Vance, like their predecessors President Ford and Secretary Kissinger, have tried to adopt the evenhanded role of an honest peace broker in the Middle East. Our leaders have not hesitated to underscore the special relationship which Americans, myself included, have always felt and continue to feel toward Israel. At the same time, it is increasingly evident that the greatest contribution we can make to Israel is to encourage the forces of moderation in the Arab world to negotiate a peaceful relationship with Israel. Our success in this dual role of sustaining Israel while increasing our influence with the Arab moderates depends on preserving a more or less evenhanded role. That is why we are asked to consider not only the defense needs of Israel, but the defensive needs of Egypt and Saudi Arabia.

It may be argued that these planes could be used by the states receiving them against each other. That, of course, is always a possibility. But at least in the case of Saudi Arabia, it seems clear that if denied American F–15's, the Saudis will purchase French war planes. This could constitute an even greater danger to Israel, since the United States would then have no restraint over the use of the planes. The American arrangement with Saudi Arabia would require American instructors, American technicians, and American spare parts. It would also bar the transfer of the planes to Israel's confrontation neighbors, or their basing at Tabuk near the Israeli border. None of these restraints would be operative if we spurn the Saudi plane contract and thus invite them to secure their defense needs from France.

Let us be clear on the nature of this resolution that is now pending. It is a proposal to limit arms to Israel, and it is a proposal to limit arms to two of the most moderate of the Arab States, Egypt, and Saudi Arabia. And it is beyond me to comprehend how that helps to assure the security of Israel. What does this resolution accomplish as far as limiting arms to Iraq is concerned? Will it limit arms to Libya? To Syria? To South Yemen or Ethiopia? Obviously, it will not. Those more radical states have other sources of supply, and they get no arms from us. So we have before us a resolution to limit arms to Israel and to the least threatening Arab States, even if the most belligerent countries in the Middle East arm themselves to the teeth. That

does not serve our interests or those of our friends; rather, it defies the interests of both Israel and the United States.

But the central factor, I believe, is not military; it is rather political and psychological. The arms package now proposed will have little, if any, effect on the Arab-Israeli military equation. Israel will remain the preponderant airpower in the Middle East with or without these sales.

But the rejection of these sales after we have so generously supplied sophisticated arms to Israel for so many years would be viewed by the Arabs as giving the lie to the American insistence that we want the friendship, confidence, and cooperation of the moderate Arab States, as well as a continued warm relationship with Israel.

This, to me, is the key factor in my own decision to back the arms package—the urgency of reassuring the key Arab leadership that we have enough confidence in their judgment and integrity that we are willing to trust them to use these aircraft only for legitimate defensive purposes.

There is one final concern that has been in my mind these past few days. I express that concern as an American who greatly admires the courage, the tenacity and the devotion to democracy of the people of Israel. Furthermore, I believe the survival and well-being of Israel is important to our own security and well-being. What concerns me is that well-meaning advocates of Israel may unwittingly undermine Israel's base of support among the American people. I understand the desire of the American Jewish community to compensate in every possible way for the horrible memories of the Holocaust that brutally destroyed 6 million European Jews during Hitler's mad rampage. I understand, too, the special and constant anxiety of American Jews as they contemplate the conflict and terrorism that has surrounded Israel's troubled 30-year struggle to be an independent Jewish State in a hostile Arab world.

But if Israel's most outspoken American advocates press the case for Israel to the point where America loses its capacity to influence the Arab leadership toward the peace table, that may set in motion a backlash both in the Middle East and in the United States that can only harm the Israel cause. If by the rejection of his request for arms, President Sadat is politically weakened; if the Saudi Government loses its interest in cooperating with the United States and Americans see the war clouds gathering even as the threat of another oil embargo emerges, it is questionable how the American public will react. I do not want by my vote on this arms issue to aggravate those political forces that could weaken Israel's position in the eyes of the American public. I plead with my Israel friends not to press the American public and the U.S. Congress too one-sidedly. Do not ask us to spurn Egypt and Saudi Arabia to demonstrate that we treasure our important relationship with the people and government of Israel.

Let us go forward with these arms sales to Egypt, Israel and Saudi Arabia—not in the certainty that it is totally right. Rather, let us do it because it promises to be one practical step to preserve the tenuous hope that a steady, even-handed effort by the United States may yet help to move the various parties toward peace in the Middle East.

Mr. President, I yield the floor.

Mr. STENNIS and Mr. PROXMIRE addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. STENNIS. Mr. President, the Senator from Alabama yielded me 20 minutes at this point. I think we can work out something here. The Senator from Wisconsin wishes recognition.

Mr. BIDEN. Mr. President, I understand the Senator from Wisconsin wishes to be yielded 10 minutes at this point. We asked him to come over from the committee.

Mr. STENNIS. Mr. President, I shall not contest with the Senator from Wisconsin under those circumstances. The Senator from Alabama is not in the Chamber. If he were here at this moment I wish, subject to Mrs. HUMPHREY being ready, to proceed following the Senator from Wisconsin.

The PRESIDING OFFICER. Who yields time?

Mr. PROXMIRE. Mr. President, will the Senator from Delaware yield me 10 minutes?

Mr. BIDEN. I yield 10 minutes to the Senator from Wisconsin.

The PRESIDING OFFICER. The Senator from Wisconsin (Mr. PROXMIRE) is recognized for 10 minutes.

Mr. PROXMIRE. Mr. President, I thank the Senator from Mississippi for his courtesy. I appreciate it.

Mr. President, I ask unanimous consent that Peter Burleigh and Ron Tammen, of my staff, be accorded the privileges of the floor during debate and votes on this resolution.

Mr. President, I speak today in support of the resolution of disapproval for all four proposed sales in the Middle East sponsored by Senator BIDEN. On May 1, I introduced four separate resolutions of disapproval for the sales and I had every intention of calling them to the floor of the Senate. I planned to do that because on an issue of such fundamental importance to the American national interest, every Senator should have the right to be counted. Every Senator would want to be counted, I am sure.

Mr. President, there is some irony in the fact that we will be considering the proposed arms sales as a package, just as the administration originally insisted. While it was clear that the administration could not force the Senate to consider the four proposals as a package, now the Foreign Relations Committee has reported them as a package to the Senate as a whole. This is the case even thought that committee could not itself reach agreement on either a positive or negative position on the resolution.

I understand that the primary motivation for this decision by the committee was its concern that the Senate not become embroiled in a rancorous, country by country, debate on the merits of each sale, the quality of our bilateral relations with the state concerned, and so on. I understand this logic although I believe it would have been just as effective if the Senate had turned down each sale individually. As I have made clear in my earlier speeches on this subject, no sensible person questions the importance, indeed the growing importance, of our relations with Egypt, Israel, and Saudi Arabia. We all recognize the need to further strengthen those relations and I for one hope that it will be possible to do so.

We can do so and at the same time, vote for the Biden resolution. That vote will record our disapproval of all four sales to three important, friendly countries. This debate will help make clear the sense of the Senate that while rejecting these particular sales proposals, we are in no way calling into question our basic interest in strong relations with the three states.

Mr. President, I have opposed these four sales proposals from the minute the administration announced that it intended to make them. It is because of our intense concern for the people and countries of the Middle East as well as our national interests which are increasingly involved with them, that we must reject this package.

At this time, it would be the wrong message to send to the region. Our message should be a message of peace and friendship. The message should be a creative one and one which is aimed at convincing the region's states to return to the negotiating table. The strategy of further arms sales, and this time of very deadly aircraft, is an old and discredited one. It is the message of death and destruction and distrust that has been thoroughly discredited. It has not worked. Four wars later surely we have learned that lesson.

There are four main reasons for disapproving these proposals—each one of them.

First, the package deal threatens the security of Israel.

Second, it threatens the security of Saudi Arabia.

Third, it endangers the American economy and the economic stability of the world—as well as our role as trusted mediator in the regional dispute—because it encourages the idea that we will trade arms for oil.

Fourth, the sale of this immensely destructive aircraft to the Middle East will only serve to increase the sense of insecurity on all sides and thus result in an increasing appetite for more and more advanced weaponry. We set in motion a cycle of escalating demands, which we will not be able to control; more arms will lead to greater sense of threat and insecurity, which in turn will require more arms. It never stops. Particularly in a region where the stakes of the conflict are seen by the participants as such basic issues as racial, religious, and ethnic survival.

Mr. President, if we reject this package proposal now, we send a clear signal to

both the Administration and the Middle East nations that we are not satisfied that negotiated solutions to the regional problem have been exhausted—or even seriously explored. We have not been convinced that an attitude of compromise has characterized the Egypt-Israel negotiations. Those two nations need the active and public support of the other moderate countries in the region.

For our side, I have not been impressed with the administration's record to date in attempting to convince the Soviets and our Western European allies to show some restraint in their arms deals with the region. We have hardly had a credible position in the limited discussions which have gone on already with the Soviets, the French, the British. When, as the President has noted in several contexts, we are the world's leading arms merchant, how can we expect our attempts at preaching restraint to be seriously received?

We cannot until we take some decisions which reflect our national determination to restrain ourselves—and especially in this explosive region of the world. We have the chance today for the Senate to declare itself on the side of negotiations and peace. Let us take it.

Let me explain briefly why the proposed sales threaten the security of both Israel and Saudi Arabia. First, the case of Israel. The sales of 60 F–15s to Saudi Arabia represents a major shift in previous American policy in the region. It will be the first time that we have supplied an Arab nation with the most sophisticated aircraft at our disposal.

I fully understand the Saudi and Administration arguments that the F–15s will not be used against Israel. I appreciate that intention. However, I question whether in the heat and emotion of another Arab-Israeli war, the Saudis would be able—despite their best intentions—to resist the pressure that would be brought to bear to deploy the aircraft to the joint Arab cause. Saudi leaders have said as much—that all they have is in the service of the Arab nation. To expect another position from the Saudis is to be naive as well as to misunderstand the Saudi position in the Arab world.

Israeli planners, on the other hand, would be irresponsible not to take into consideration the presence of the F–15s, wherever they are based. Any prudent Israeli military strategist would want to wipe them out. Thus the aircraft would be inimical to the security of both Israel and Saudi Arabia, for a preemptive attack would bring Saudi Arabia directly into any new outbreak of hostilities.

My third point of contention with the administration is that we have been told, in veiled but nonetheless clear terms, that unless we agree to the supply of these F–15's to Saudi Arabia, we face probable Saudi actions which will undercut the position of the dollar, increase the cost of oil, and weaken our growing and important commercial and economic relations with the kingdom. Mr. President, so far in our relations with the OPEC countries, we have insisted that oil should be produced and priced only through the mechanism of the market forces and the need to preserve international economic stability. Now, for the first time, we say that an arms transfer is essential to keep oil flowing, its price stable, and the dollar sound. We should reject this kind of pressure in no uncertain terms. If we do not, there will be no end to the requests and pressures for further sales, further reassurances of our support and further chaos in the region. It should be pointed out that only U.S. officials have threatened us with the oil-arms linkage. While the Saudis have denied any attempt to hold oil hostage for the F–15's, the unmistakable message from our diplomatic corps has been exactly that. If we do not provide the aircraft the Saudis want, then they will retaliate with the oil weapon. This is precisely the kind of unsubtle blackmail that this country must forever resist.

Mr. President, if we can step back for a moment from this immediate question of the four sales, I think it is important to recognize and define the direction which American policy should be moving. First, we should be putting our entire weight behind the peace negotiations so boldly initiated by President Sadat and Prime Minister Begin. They deserve our active and complete support. Negotiations are the route to peace in the Middle East, not the fueling of a further arms race. Secondly, we should be initiating intensive, high-level, deeply serious negotiations with the French and the British and the Soviets to convince them to show restraint equal to ours when we reject this sale.

The supply of arms to all sides in this dispute is a poor substitute for peace talks. The logic of providing weapons in the hope that more weapons mean greater security is illusive if not completely false. Weapons create tensions. Tensions sometimes erupt into warfare—they certainly have in the Middle East. And then the weapons we supply are used.

Mr. President, I once again thank my good friend from Delaware for yielding, and I thank the Senator from Mississippi for his courtesy.

Mr. ROBERT C. BYRD. Mr. President, does the distinguished Senator from Minnesota wish to speak at this time? If not, I yield 15 minutes to the distinguished Senator from Mississippi (Mr. STENNIS).

Mr. STENNIS. Mr. President, I certainly thank the Senator from West Virginia for yielding his time to me. I will be fairly brief.

I notice here on the copy of my speech, Mr. President, it says "Statement by Senator JOHN C. STENNIS, Chairman, Committee on Armed Services." That was error. I am not trying to speak today as chairman of the Armed Services Committee but I am speaking as a member of this body on my impressions of this problem. It is a problem going back to the time many years ago when the State of Israel was recognized. I have consistently supported that concept, and I do now, of friendliness and protection in military aid and other aid to a people who I think are very brave people.

However, this matter now has gone beyond the so-called small nation. It has bloomed into a situation that can be a menace not only to the immediate people there but a menace to the economy of the nations of the world, most of them, that have a free economy and based partly on the concept of balance of power—that this package undertakes to bring about. I think the President has made a wise and timely move. Instead of resisting it because it is a package, I think that that is one of the strongest features, and one of the best practical features, about the entire matter.

I have, as I said, concluded this based on my own experience here. I am as far removed as anyone could be from wanting to sell planes or wanting to get military hardware into any particular place outside of our Nation, I have formed what conclusions I have on it, as I said, as an individual Senator, based on these experiences that I have seen come and go over the years.

I believe that the only peace these people can have is a peace that they are willing to impose on themselves. We can help and other nations can help, but the real peace they will have and can live with is going to be based largely on what concessions they are willing to make to each other and what their demands are for their own protection and what they may be able, and God help them, to work out along those lines.

I certainly want us to meet them always with an effort to help them as they search for their own safety, the safety of their nation and the well-being of their people.

The Senate takes up today a concurrent resolution which would, if passed, disapprove the so-called Middle East aircraft sales package. There are four separate items in this package including a sale to Israel of 15 F–15 fighter aircraft valued at $430.7 million; a sale to Israel of 75 F–16 fighter aircraft valued at $1.52 billion; a sale to Egypt of 50 F–5 fighter attack aircraft valued at $590 million; and a sale to Saudi Arabia of 60 F–15 fighter aircraft valued at $2.5 billion. President Carter made a wise decision to put the sales to all three of these countries in the same package. It is not only a sound position, but it is almost necessary to proceed in this way.

I believe we must decide on this package based on what is in the hard interests of the United States. After careful thought I have concluded the Senate should reject this resolution of disapproval and thereby permit the President to go forward with his plans on these aircraft sales.

In my judgment, it is essential that the United States maintain and enhance its influence in this important and volatile part of the world. I say this not because I believe the United States has some right to dominate other countries or some duty to be policeman of the world. It cannot be done. I say this because I believe it is in the long run best interests of the United States to have influence and be able to exercise some control, even limited control, over events in the Middle East. A few facts will demon-

strate this hard, long term U.S. interests in the Middle East.

First, we all know the United States has a real and practical need for oil from that part of the world. Some 20 percent of all of our oil today is imported from the Middle East, 8 percent from Saudi Arabia alone. It seems to me to be absolutely vital that the United States maintain its influence in that area or any area of the world where we have become so vitally dependent for our day to day energy supply. That is preeminant, and that fact is undisputed.

Second, the United States and its NATO allies have been the bulwark of the Western World—I mean by that the free world—for the last 30 years. But a quick look at the facts will show our NATO allies are even more dependent on Middle East oil than is the United States. For more, Western Europe imports some 79 percent of all its oil from the Middle East. The United States, as the largest partner in the NATO Alliance, and the figures will prove this, has some responsibility to help keep the Middle East from drifting into war or a political situation that could threaten the very existence of the NATO Alliance itself.

Third, both the United States and many of its NATO allies have supported the idea of maintaining the security of the State of Israel. I do not believe that the long run security of the State of Israel can be separated from U.S. influence and even limited control over the events throughout the Middle East. Anything that diminishes U.S. influence in the Middle East tends to diminish the security of Israel. It must be clearly understood—and I think my position is crystal clear—that I do not favor sending American ground troops to this area of the world to become engaged in fighting the wars of other nations. This fact must always be made firm and clear, and I reiterate it here to show that I am not yelding as to that position.

Fourth, the real alternative to U.S. influence and control in the Middle East is of course the Soviet Union. There is being filed today a report on our military authorization bill. For one year alone, $128.7 billion is proposed in that bill, and a great percentage of it, as we know, goes toward the support of this NATO concept. The United States, NATO and Israel would all be in for serious trouble if we permit the Soviets to exercise political or military influence over the Middle East as a whole. The Russians are trying as they will always try. They and the Cubans are fighting battles in the horn of Africa, day after day and month after month. They have politically and militarily penetrated some of the smaller Middle Eastern countries. The United States and its NATO allies must be on their guard when both are so dependent on the oil resources that come from this volatile part of the world.

I have made clear that that is not the only interest we have, but that is a vital necessity.

In a way, this arms sales package is more important to the United States than it is to the countries that will buy the airplanes. Egypt, Saudi Arabia, and Israel each feel that these aircraft are essential to their security. The U.S. Government agrees that these sales meet legitimate defense requirements. Each of the three countries might well go elsewhere to obtain similar aircraft if this sales package is disapproved by our Government. Each of these three countries is in a position to do so. Let us not forget that they are not hanging on the brink of military disaster if this sales package is disapproved. They are not now at war. Many of these aircraft would not be delivered for 4 or 5 years, and they do have time to look elsewhere. But rejection of this arms sales package could be a turning point to lessen U.S. influence in the Middle East. Rejection of the sales package could leave these countries feeling that the United States had abandoned them, feeling less confident about their own security and feeling they must look elsewhere for help. That could be a severe blow and an unnecessary blow to the vital interests of both the United States and NATO.

So for these reasons, I plan to support the President's proposal to sell these aircraft to Egypt, Israel, and Saudi Arabia. I urge my colleagues in the Senate to reject any attempt to disapprove all or even a part of this package under this concept.

I hope it does not sound harsh, because I do not mean to be harsh, but I point out again that the balance of power concept is never stable. It is always uncertain to a degree. But in our own experience as well as that of other nations, it is about the most effective arrangement that we have now. I pray we will have better arrangements later, but for now this is our choice.

Mr. President, I thank the Senator for yielding time to me.

Mr. HARRY F. BYRD, JR. and Mr. BENTSEN addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. HARRY F. BYRD. JR. Mr. President, the Senator from West Virginia said I might have 12 minutes following the Senator from Mississippi.

Mr. BENTSEN. There must be some mixup. I had understood I was to be recognized. I was told by the Senator from Alabama that I was to follow the Senator from Mississippi.

Mr. HARRY F. BYRD, JR. I will be glad to follow the Senator from Texas.

Mr. BENTSEN. I have been yielded 20 minutes by the Senator from Alabama.

The PRESIDING OFFICER. The Senator from Texas (Mr. BENTSEN) is recogized for 20 minutes.

Mr. BENTSEN. Mr. President, I rise in opposition to the resolution that would disapprove sales of aircraft to Egypt, Israel, and Saudi Arabia.

I, too, have been concerned with the potential for additional violence in the Middle East. I have been concerned about it for 30 years. Like many of my colleagues, I yearn for the day when our main exports to the Middle East will not be arms, but tools for development.

I am proud of my record of support for the security and the sovereign independence of the Jewish State of Israel. I am proud of the fact that this Nation has provided over $10 billion of military and economic aid since 1973, and I am determined to continue aid, to that country.

I was in Israel before it was a country. I have seen what they have done to make the desert bloom, and I am proud of what they have done in building a free and independent nation.

Let me also say that I headed a financial institution that bought some of the very first bonds of Israel. And we did not do it for show; we kept those bonds on through to maturity.

I vividly remember a visit to Israel and I walked in to see Golda Meir, and she said,

Well, Senator, I suppose you are here because you are going to tell me that you want to do something in the best interests of Israel.

I said,

No, Mrs. Meir, I am here because I want to do something in the best interests of the United States, as a United States Senator; but I also believe there are many of those objectives that are mutual objectives, for the mutual interest of the United States and Israel.

She said,

Good. With that kind of candor, we can talk.

That is the kind of candor I want to talk with today.

On that same trip, I went by to see Sadat. I spent an hour and a half with him in a gazebo out in his garden in Cairo, and I gave him a very tough time about the 17,000 Russian advisers he had in his country, about the influence they had on the leadership of Egypt, and the fact that he could not get out from under their domination.

I remember him shaking his finger at me and saying,

Now, Senator, I will tell you this. I am going to get rid of them, and I am going to run them all out of my country.

I did not believe him. I came back and told Kissinger that, and Kissinger did not believe him either. But shortly thereafter he did it, and I have had a great deal of respect for the courage of that man ever since.

It is on this basis that I address the Senate today. I do not believe there is any fundamental contradiction between the best interests of the United States and the best interests of Israel when it comes to the President's offer of fighter aircraft to three Middle East nations.

You will forgive me, Mr. President, if I confess a little bewilderment at the turn this debate has taken. When President Carter announced his intention, Congress willing, to sell advanced fighter aircraft to Israel, Egypt, and Saudi Arabia, he presented us with a package deal, to be accepted or rejected in toto. Some Members of Congress took great umbrage at this tactic, demanding the right to assess each segment of that sale on its merits. So the President stopped calling it a package, but he tacitly reserved the right to treat it as

one. That semantic stroke of genius seemed to allay some of the concerns.

Today we will spend 10 hours debating a package, a package of our own wrapping, a package that cannot be untied, that will either be accepted or rejected in its entirety.

Let me just ask a question: If the President had proposed to sell 75 F–16's and F–15's to Israel, would we be saying give peace a chance and debating the sale for 10 hours? No; of course we would not. There is precious little opposition in this body to selling aircraft to Israel, and certainly none on the part of the Senator from Texas.

Would we be spending 10 hours in debating the sale of 50 F–5's to Egypt?

Probably not. There is a broad and commendable willingness in this body to support President Sadat's peace initiative and to reinforce the ties between Egypt and the United States.

But let us suppose we did not sell those to Egypt. Sadat has to have something to cling to in this situation, since he has thrown out those Russian advisers and turned to the United States. If we turn him down, see who you have who succeeds Sadat. He will make Nasser look like an amateur.

Mr. President, we now have that request for 50 F–5's Egypt, and it hardly constitutes any kind of a compelling threat to the security of Israel. President Sadat has turned to a friend. Are we really prepared to turn down that kind of a modest request? When we cut through all of this smoke and thunder, Mr. President, it is clear we are here for one reason only: because President Carter has offered 60 F–15's to Saudi Arabia, and because the Government of Israel objects to that sale.

Rather than address the real issue, Saudi Arabia, we have chosen instead to adopt some kind of a protective coloration and talk about arms sales in general. We shall debate a slogan, "give peace a chance," rather than the one issue which is really confronting this body.

Mr. President, I want to speak to that issue. I would like to describe why I think it is in the best interests of the United States to sell F–15's to Saudi Arabia and why I believe the Saudis need the planes quite apart from any aggressive intentions on Israel. Then I would like to say why I believe approval of this resolution would be contrary to the long-term interests of Israel and harmful to Israeli-American friendship.

Few would argue, Mr. President, with the assertion that Saudi Arabia has recently joined the ranks of some of the most important nations in the world. Saudi Arabia is important because she controls one-quarter of the world's proven resources of oil.

Yes, it is true Saudi Arabia took part in the 1973 OPEC embargo and it led to a staggering increase in worldwide oil prices. It is true that this cannot be interpreted as an act in the best interests of the United States.

However, Mr. President, it is also true that since 1973 the best interests of Saudi Arabia and the best interests of the United States have been intertwined.

For the past 5 years Saudi Arabia has been a force for moderation within OPEC on the question of oil prices. The Saudis have steadfastly resisted efforts of some of our other friends, like Venezuela and Iran, in trying to ratchet up the oil prices some more. They have not turned away from the dollar as a medium of exchange, which they could have easily done as they saw a deterioration in the dollar.

They are producing 8.5 million barrels of oil per day. They do not need to produce 8.5 million barrels per day. Their budget requirements could easily be taken care of by 5 million barrels per day. And now we are going to talk to them about increasing that production beyond what it is today, when they know it is to their economic self-interest to keep it in the ground where it is appreciating in value instead of taking depreciating American dollars.

The importance of Saudi Arabia is not limited to oil. For the past 5 years they have played a responsible role in international financial circles. They have helped recycle some of those petrodollars.

Mr. President, even the hardest critics of this sale recognize the importance of friendship, of having the best possible relations between Saudi Arabia and the United States. They would probably acknowledge that we need Saudi Arabia as much as Saudi Arabia needs us.

Having established the fact that Saudi Arabia is an important nation, well inclined toward the interests of the United States, a responsible actor on the international stage, now let us consider the central point in this debate: why we should refuse to provide Saudi Arabia with 60 F–15's.

In the final analysis there is only one good reason to refuse to sell the aircraft to Saudi Arabia: that they would jeopardize, to a greater or a lesser degree, the security of Israel. and the security of Israel has been a cardinal point of U.S. foreign policy for over a generation.

Yes, there are some side issues, such as the debate over Tabuk. There are marginal relevancy questions such as the transferability in the case of war; whether or not these F–15's can be flown to another nation and other pilots jump into those cockpits and fly off to battle. There are questions of in-flight refueling, the AIM 9M and Sidewinder, all of those raised and dismissed.

But the relevant issue, Mr. President, is the fear that the Saudis might be tempted to use the world's best fighter against Israel.

If we could provide some guarantee of the ultimate intentions of the Saudis, if we could find a way where, if they flew over the Israel border, the F–15 would suddenly self-destruct in the air, then the issue would be settled. But we cannot guarantee that and we know that.

I cannot guarantee that F–15's will never be used against Israel. I can suggest that it would be the height of stupidity for Saudi Arabia to commit its air defense to unprovoked battle with one of the finest air forces in the world.

I can suggest that the Israelis could almost certainly cope with this remote possibility.

I could suggest that if the Saudis were looking for a fighter-bomber to inflict damage on Israel, they would sure be well advised to buy some other plane other than the F–15 which is primarily an air-to-air fighter, an interceptor.

If we assume, Mr. President, that the Saudis are determined to fight Israel, then we can certainly make a case that the F–15's could be employed against Israel. But if we assume that Saudi Arabia need a modern air defense capability, if we assume that they have a legitimate requirement to be able to defend their airspace, then the F–15 is the plane for that job.

I would suggest, Mr. President, that Saudi Arabia has a legitimate claim for self-defense. I think the King would be remiss in his duties if he were not in the market for the best fighter aircraft available.

Sitting here on the floor of the Senate it is easy for us to dismiss these potential threats to Saudi Arabia from Soviet-armed nations like Iraq, like the People's Republic of Yemen, where we are now advised the Cubans are in force.

We can say the Saudis should not be overly concerned about what is happening in the Horn of Africa. We can assume continued stability in the Gulf. We can suggest that one of the world's richest nations, which commands some of the world's most valuable real estate, is menaced by no one. But you do not believe that, and I do not believe that.

Neither do the Saudis. They feel menaced. They recognize they could be menaced at any time. They want to be able to protect themselves in an extremely volatile world. And they want to be able to buy time—4, 5, 6 days—while other nations can respond to try to assist them in protecting some of the world's most valuable resources.

The only question is, are they going to be doing it with French aircraft, delivered tomorrow, off the assembly line, in abundance, no strings attached. Our F–15's talk about the first deliveries in 3 years, and with strings attached.

Senate adoption of this resolution of disapproval will not eliminate the potential threat to Israel's security posed by a modern Saudi air force. Senate approval of this resolution could, in fact, accentuate that threat and bring it to fruition long before 1984. It could also have adverse consequences for the future of our relationship with Saudi Arabia and, finally, could serve to retard the prospects for peace in the region.

Time and time again, the Saudis have followed through for us to the point where, in the Arab world, they are often called the lackeys of the United States. What do you think is going to happen to them when they turn to us and ask for weapons of defense and we turn them down? How long do you think that influence will last? And where else will they turn? They will find ready vendors amongst the French—people who have told them that if they will work with the Egyptians, put $1 billion into research and production, they will build a Mirage 2,000 and build a real weapons base. Is that going to lead toward peace, influ-

ence by the United States, and trying to bring about a final settlement that assures the strength and the independence of Israel?

Mr. President, every analysis of the subject I have seen suggests that Israel enjoys and will continue to enjoy, even if F–15's for Saudi Arabia are factored into the equation, a measure of strategic superiority over potential adversaries, in a long war or in a short one, which I would be proud to claim for this nation.

We have been instrumental in providing Israel with that security, and I am proud of that fact. Mr. President, I do not believe that 60 F–15's, delivered to Saudi Arabia between 1981 and 1984 will substantially diminish Israel's strategic superiority in the air over her Arab neighbors. To adopt this resolution will do incalculable damage to Saudi-American relations. It will cause Saudi Arabia to lose influence in the Arab world and question the continued benefit of friendship with this country.

I commend President Carter for his courageous and correct decision on this matter of aircraft sales to the Middle East. I agree with him entirely when he points out:

> The long-term interests of Israel are served by the proposed sales to Egypt and Saudi Arabia. It is in Israel's interest to encourage the forces of moderation in the Middle East, and to promote their close relationship with the United States. It would not serve Israel's interest if we were to fail to keep bipartisan commitments made by the prior Administration as well as by mine, to provide aircraft for the defense of Saudi Arabia. It would be against Israel's interest if moderate nations are brushed aside by the United States, opening vast possibilities for the intrusion of hostile influences.

Mr. President, I urge Senate rejection of this resolution of disapproval.

(Mr. NUNN assumed the chair.)

Mr. ROBERT C. BYRD. Mr. President, I yield 12 minutes to the distinguished Senator from Virginia (Mr. HARRY F. BYRD, JR.).

Mr. HARRY F. BYRD, JR. Mr. President, I have withheld judgment as to how I shall vote on President Carter's proposal to sell modern aircraft to Israel, Egypt, and Saudi Arabia. Only this morning did I reach a decision.

First, I am not much inclined toward supplying weapons to both sides of a potential conflict. We have done that in the past with undesirable results, the war between India and Pakistan being but one example.

Would the arms sale to the three Middle East nations enhance or discourage a peaceful settlement of their problems? I doubt that any can say the answer to that with any degree of certainty.

President Carter argues that the sale of aircraft to the two Arab nations will serve to encourage a continuation of the moderating influence of the Arab side of the dispute.

The President, the State Department, and the Defense Department all emphasize that the sale of aircraft to Egypt and Saudi Arabia—coupled with supplying Israel—will not alter significantly the military balance between those nations.

While American Mideast policy has been, at times, meandering, if not a bit contradictory, there have been at least two constants.

One is dedication to Israel's survival and security. This has been demonstrated tangibly by the American taxpayers providing more than $10 billion in economic and military aid since the 1973 Middle East war.

Another increasingly important goal is to improve relations with the Arab world surrounding Israel.

I have reached the conclusion that if aircraft were to be sold to any of the three nations, there are important reasons for supporting the sale to all.

Each is a friend of the United States.

Each, in its own way, is important to a stable Middle East; each has a major role to play in thwarting Russian objectives in North Africa, the Middle East, and the Indian Ocean.

It is unfortunate, I think, that Israel is seeking to make the arms sale package a test of support for Israel.

Israel would get 90 fighter aircraft, costing $2 billion. Israel would be immediately released from one-half of its liability to repay the U.S. Government—and the other one-half would be paid from the credits which Israel receives from the U.S. foreign aid program.

Saudi Arabia and Egypt, on the other hand, will pay cash—and the full amount—for the aircraft which they purchase.

Both Egypt and Saudi Arabia have what I believe to be a clear need for improved defense capabilities. Egypt faces potential threats entirely aside from Israel.

Libya, which has been openly hostile to Egypt, and is dominated by an unpredictable dictator, has been provided highly sophisticated aircraft by Russia. These aircraft are a direct threat to Egypt, as are recent events in the Horn of Africa.

Saudi Arabia is a country with hostile nations on its borders—most notably Iraq and South Yemen—and it contains 25 percent of the world's proven oil reserves. It could be an inviting target for Russia which is constantly extending its influence and military presence throughout Africa and the Middle East, including nearby Ethiopia.

Indeed, President Carter has just confirmed the presence in South Yemen of large numbers of Cuban military personnel.

President Carter, and before him President Ford, agreed to sell the F–15 fighter aircraft to Saudi Arabia. The Saudis consider the fulfillment of such promises a basic test of whether their friendship with the United States and their policy of Mideast moderation is worthwhile.

In addition, it is obvious that if the United States refuses to sell. Saudi Arabia will acquire modern aircraft elsewhere. It has the resources to do so.

It has been argued that the F–15 aircraft conceivably could be used to attack Israel—even though the aircraft is not optimized for the attack mission. But this would leave Saudi territory open to retaliation from a vastly superior Israeli air force.

Further, the F–15 would be subject to a substantial amount of control by the United States because it requires extensive ground support systems, and would be dependent on a continued flow of sophisticated spare parts from the United States.

I admire the Israelis and I am proud of my close association and friendship with the Jewish community of my State of Virginia.

During the past several weeks, I have been asked by many of my Jewish friends as to whether I detect a change in attitude toward Israel on the part of the United States. My answer has been "No."

I have added, however, I feel there has been a change in attitude—one of greater cordiality—toward Egypt and Saudi Arabia.

I want to state frankly that I was much impressed by President Sadat's unprecedented and politically dangerous visit to Jerusalem and his obviously earnest quest for peace.

I had had a lengthy discussion with President Sadat at his home in Egypt 2 years previous. I came away from my visit with him convinced of his sincerity in seeking a permanent peace for the Middle East. His subsequent mission to Jerusalem confirmed my appraisal.

Saudi Arabia, too, has been a moderating influence and has consistently supported U.S. positions on international issues.

I regard both nations as friends of the United States—just as is Israel. I do not regard it as necessary to oppose one friend in order to justify support for another friend.

The Middle East is a powder keg. And not only because of the hostility which exists between Israel on the one hand and some Arab nations on the other.

The greater overall danger to Israel—and to Saudi Arabia and Egypt—is Russia. Were Russia to dominate Saudi Arabia, it would be devastating to the interests of the United States, and to world peace.

I have concluded that it is important that Saudi Arabia, and Egypt, be permitted to purchase the modern aircraft necessary for defense.

I shall vote against the effort to repudiate President Carters' commitment. I shall support the sale of aircraft to the three Middle East nations.

Mr. MATHIAS addressed the Chair.

The PRESIDING OFFICER. The Senator from Maryland.

Who yields time?

Mr. MATHIAS. Mr. President, I believe the leadership indicated they would allow me some time.

The PRESIDING OFFICER. The Senator from Maryland is recognized on the time of the Senator from Tennessee.

TOWARD PEACE

Mr. MATHIAS. Mr. President, it is difficult to suppress the sense of outrage I

feel that the foreign policy of the United States has been allowed to drift so aimlessly that the Senate is presented with an issue guaranteed to embarrass our national interests. The way in which the Mideast plane package has been wrapped makes it impossible to disentangle American policy from the morass of Middle East politics.

The question the administration has framed permits no answer which will not be perceived as either weakening of our commitment to Israel or as a gratuitous humiliation to President Sadat and to Saudi Arabia. The irony is that the Arab world does not expect the former, and the interests of Israel will not be served by the latter course.

To a large extent the planes have become symbols representing the "American Connection" and, as such, have acquired a significance beyond even their military potency and monetary value. On the symbolic level, which is a matter of perception, one thing is clear. There will be many opportunities in the years immediately ahead to prove our continuing commitment to the survival of Israel. On the other hand, an active rejection at this time could be politically fatal to President Sadat and his peace initiative. Equally serious, an active rejection could trigger a redirection of Saudi Arabian policy and interest that could be highly prejudicial to the United States, the Western World, and to Israel itself. In short, while the results of either potential decision are distasteful, one is certainly remediable, the other is probably irremediable.

But, we should not be so preoccupied with perceptions of symbolism embodied in the plane package that we neglect the substantive questions that are also raised.

To those who question how the plane package will affect our commitment to the survival of the State of Israel, I say, not at all. That commitment is unique and unalterable. It was forged in the fierce crucible of the Holocaust. It has been and will remain the lodestar of our Middle East policy. It is our only "special relationship" in the Middle East.

To those who ask whether oil plays a part in this decision about the plane package, I say that it does. We, ourselves, need Middle Eastern oil but we can make do without it. Our allies cannot. Japan imports over 70 percent of its oil from the Persian Gulf area; key European

And to those who hold that these answers are incompatible, I say, you are wrong. The United States' unique relationship with Israel is not and should not be exclusive. The more isolated Israel is and the more isolated we are in our relationship with Israel, the more we endanger the peace process in the Middle East.

The United States has a variety of interests in the Middle East and its environs—in Pakistan, in Iran, and in the moderate Arab States. The stability we seek to promote in these relationships is in our vital interest and in the vital interest of Israel as well. We ignore those relationships only at our mutual peril.

Nor can we afford to ignore the growing threat the Soviet Union poses to the stability of this vital region. The danger signs are everywhere.

Turkey, which straddles the Dardanelles and controls Soviet access to the Mediterranean, has a NATO contingent second in size only to our own. Yet, today, we are barred from our intelligence bases in Turkey and criticism of ties with the West is shrill and insistent throughout that country. It is no coincidence that Turkey has been one of the largest recipients of Soviet economic aid outside the Communist bloc.

Moving across the Mediterranean, we come to Ethiopia where our bonds of friendship have been long and strong. Yet, all that is past and there are now close to 20,000 Cuban troops and roughly 1,000 Soviet advisers in Ethiopia which dominates the Red Sea approach to the Suez Canal. This strategic location made Ethiopia and the Horn of Africa an irresistable target of opportunity for the Soviets, following up on Angola.

Egypt has cut its ties with the Soviet Union, but the Soviet threat in the region is growing nonetheless. Libya is an arsenal of Soviet equipment and South Yemen too is being supplied by the U.S.S.R. There are now substantial contingents of both Soviet and Cuban advisers stationed in South Yemen, and any additional buildup would pose a clear danger to Saudi Arabia and to Oman a tempting target at the entrance to the Persian Gulf.

Moving further east the recent coup in Afghanistan gives cause for concern. It brought to power the Khalq Party and a civil-military government many of whose members are strongly pro-Soviet. Both Pakistan and Iran have expressed serious concern regarding this coup.

And finally, returning to the Arab world, both Iraq and Syria have received substantial Soviet military and economic aid. But, Iraq, with more than 200 of the most sophisticated Soviet combat planes poses a direct threat to the stability of the region. It represents the anti-Western, radical vanguard in the area, and its capacity to do serious damage should not be discounted.

The Soviet noose around the Middle East is tightening. This is no time for us to make mistakes. In this area the interests of Saudi Arabia and Israel coincide. Both are anti-Soviet. Both actively promote our interests, as well as their own, by combating radicalism in the region. Both are good friends to the United States. And both need our support.

For these reasons, I will cast my vote today against the resolution of disapproval of the plane package. I cast it in the conviction that strengthening the moderate forces in the Arab world can only serve the process of peace.

But, should events prove me wrong, it is well to recall that under this agreement no planes will be delivered in Saudi Arabia until 1982. Meanwhile, the United States retains the option to reconsider and refuse delivery. We have exercised such options in the past in the cases of arms shipment to Ethiopia and Libya.

In this case, I do not think we will have to exercise the option. I believe we have ample evidence that Saudi Arabia seeks to enhance the prospects for peace in the Middle East. And I fervently hope that by 1982 the peace process, begun by President Sadat and Premier Begin, will have advanced so far that the questions we have taxed ourselves with in this debate will sound strangely on the ear like vestiges of a bygone day.

Mr. President, I ask unanimous consent that Casimir Yost of my staff, have the privilege of the floor during the remainder of this debate and any rollcall votes that may occur.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRAVEL. Mr. President, will the Senator from West Virginia yield me 10 minutes?

Mr. ROBERT C. BYRD. I yield 10 minutes to the Senator from Alaska.

Mr. GRAVEL. I yield to the Senator from Vermont.

Mr. LEAHY. Mr. President, I ask unanimous consent that Robert Paquin, of my staff, have the privilege of the floor during the debate on this matter and votes in all open sessions.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RIBICOFF. Mr. President, I make the same request for Malcolm Campbell, of my staff.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STONE. Mr. President, I make the same request for Mr. Schochet of my staff.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRAVEL. Mr. President, I rise to speak on this issue with some degree of concern. I will vote against the resolution, and I will do so with some ease with respect to the logic of the issue. With respect to the personal aspects of the issue, I do it with a great deal of personal pain, as much personal pain as I have ever suffered in my tenure in the Senate.

I say it is easy for me to vote this way from the point of view of logic. I have followed the issue very closely. I have read up on it. I feel as comfortable with the information and facts of this issue as on any issue I have ever voted on in the Senate. So it is with some ease that I make a judgment that I think is in the best interests of the United States and the best interests of all the nations in the Middle East.

Where I have difficulty, of course, is in the personal aspect; because I, like many Members of the Senate, up to now have what would be considered a 100-percent voting record for Israel, and I have enjoyed the beneficence of that at the polls and in financial backing.

The way the issue stands now, as I understand it—and I think how other people understand it—is that this is the litmus test. This vote, if it is not done properly, kisses away in the future all kinds of financial support that would inure to a candidate for office. That may well be the case. At least, that is certainly the case that I think exists. That does not bother me all that much, be-

cause there is a certain egotistical pleasure that one can take in exercising a judgment in conscience, and that is what I feel I am doing today.

However, where I am chagrined is that this vote that I cast in all sincerity, because I think that, among other things, it is in the best interests of Israel, will cost me some very important personal friendships. For that, I am unbelievably chagrined, because I will know of no way to recoup those personal friendships. These are Jewish friends of mine whom I have held dear all my life—some of the closest friends I have on this earth, who are lost to me today because of this decision I make in conscience.

I think this will be the watershed year of Jewish influence in this country; because I am sure that what is happening to me is happening to other Members of the Senate who have been loyalists to the Jewish cause in the Middle East. When you deliver an ultimatum once, you cannot deliver it twice or three times. When you are told, "This is it," then you have to live with that situation; and they cannot come back to the well with the same degree of threat, because you have broken away into what now becomes a total independence.

Win or lose on this issue, the Israeli community and the Jewish community of the United States will lose. Win or lose, they will lose. They will lose because a lot of individual credibility has been used up. They will lose because the American people are going to begin to understand and realize that there is a certain unfairness where one nation can beseech us for aid, and we do it profusely and generously; and then when others ask us and beseech us for the same aid, that nation stands up and says, "Don't give it to them."

I think the American people are going to sense that unfairness. If it is OK to help one country, it is just as OK to help another country, if they feel they need that help, and if we judge that helping is meritorious.

I think that if this resolution is approved, there are going to be some economic consequences. I cannot for a moment buy the argument that the Saudis have to love us, or the Egyptians have to love us, any more than I would accept the argument that we do not have to help Israel because we are the only friend they have of any meaningful proportion in the world; that we do not have to help them and they are forced to help us. If that logic does not apply in support of Israel, that logic does not apply in support of the Arab world, whose friendship is of equal value to us.

How did the issue come forward? We see people here standing up and blaming Jimmy Carter. Jimmy Carter is not to blame. When I hear people regale against the package I am dumbfounded. Even a person with half-baked political acumen would have put a political package together in his position. Why not put a package deal together? The Arab deal by itself would have been in great jeopardy. There is no constituency in this country for the Arab community—there literally is none—and there is a very strong and healthy and vibrant and powerful constituency for the Israeli community. So why would not a President who wanted to provide succor to both sides tie them together and say, "If you don't buy one, you're not going to get the other?" The President would not have been acting intelligently if he had not done just that.

The PRESIDING OFFICER. Under the previous order, the hour of 1:30 having arrived, the Senator from Connecticut (Mr. RIBICOFF) is recognized.

Mr. GRAVEL. Mr. President, will the Senator permit me to finish my statement?

Mr. RIBICOFF. Yes. I shall allow the Senator to conclude.

Mr. ROBERT C. BYRD. Mr. President, I yield to the Senator from Connecticut 30 minutes and he may yield whatever time he wishes.

Mr. RIBICOFF. I yield to the Senator so he may conclude.

Mr. GRAVEL. If I could finish my statement, I do not think I shall be long.

Mr. President, let us ask ourselves why we are here and how we got here. The reason why we are here is that a decision was made in Jerusalem by the leadership of the Jewish State that they were going to oppose the sale of these jets to Saudi Arabia and to Egypt. This opposition to the sale has now transcended the technical requirements of the issue. And rightfully so. The issue has now become, Is Israel safe with the sale or not safe with the sale?

I think everyone realizes that the way the package has been put together Israel's security is not jeopardized one bit.

So that is why, as our colleague stated earlier, this whole issue has risen to the level of symbolism.

What is the symbolism in this case? I find it very frightening because I see two heads of government pitted against one another, not over the technical issue of their defense, but pitted against one another in ideological combat. I see the leadership of Israel under Prime Minister Begin feeling very strongly about the territories that they conquered, that they were forced to conquer as a defense mechanism. And I see a change in events with the movement of Mr. Sadat away from confrontation into a negotiating position. In that negotiating position things are not quite so clear for Israel, and things are not quite so clear for the people who support Israel. And in that lack of clarity, I pray God, may lie the opportunity to secure peace in the Middle East. But in that lack of clarity, as we proceed to that goal of peace, we will have a great deal of insecurity both on the part of the Israelis and on the part of the Arabs.

So what is at stake in this symbolic combat? What is at stake is the present leadership of Israel under Mr. Begin, and I submit that if this vote is not affirmative to Israel this will erode his ability to stay in office. On the other side, what will certainly be the result of a pro-Israeli vote in the Senate today will be the diminution of the power of the moderate Arab community.

What will be the consequences of that? A return to the situation that existed prior to last November.

Every time I have been to the Middle East I have come back totally pessimistic, totally despondent and totally convinced that there was no solution save war. It was just a question of waiting until the next war came along. But with the movement of the moderate Arab community represented by Mr. Sadat, for the first time in my 10 years in this responsible position I see a glimmer of hope.

So I am fearful that the actions of the Israeli community to thwart the sale of these jets will threaten the existence of this new moderate Arab element, which creates confusion in the situation but brings so much—so much—hope.

I just hope we recognize that, if that Arab community leaves the scene, we are back again to simplistic black and white, we are back to Senate votes of just supporting Israel through a moral commitment, albeit a commitment which is valid. Well, I do not want to go back to the period of such knee-jerk votes. I think the complexities are an advancement.

Mr. President, it was stated earlier by the senior Senator from New York that the crux of this issue was the impact on U.S. Middle Eastern policy, and I agree. And I think I must admit that not all U.S. policy in the Middle East must be viewed through the eyes of the Israeli community, that we have a broader spectrum of interest than just that one nation. That is not to say that that one nation cannot command in us a high threshold of moral commitment. It does. It does with me, and I will be there again and again for their support. But I think we who are not locked into their position as a warfare state—which they have had to become in order to protect themselves—have a broader responsibility to peace in the Middle East. I think we have a responsibility not only to the security of Israel but to the security of the Saudi Arabians, the Egyptians, and every single human being in the Middle East.

And of greater consequence to the world, I think the United States of America has a responsibility to world economic security. We must think of what would happen as a result of dislocations in the supply of oil, which could take place both from unilateral action or as a result of war. Also we must ponder the possibility of the discontinuation of the use of the dollar as the international medium of exchange, the consequences of which could well be a world depression.

These are our responsibilities and I think important ones.

I hope that this Senate will not approve this resolution. If something is viewed as fair for Israel that same view must compel us in logic to say that it must also be fair for the Arabs.

Mr. President, I shall speak later on the subject. I thank my colleague from Connecticut for withholding his remarks so that I might complete the main thrust of my statement. I thank him for the courtesy.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. RIBICOFF. Mr. President, the sale of these military aircraft to Israel, Egypt, and Saudi Arabia is an emotional issue. But it is also a military, economic, and diplomatic issue which affects the vital security of the United States.

The question we must now decide is what is in our best national interest.

The first issue is whether to sell military aircraft to Israel. Israel has been the bedrock of our policy in the Middle East. Our strength has been mutually reinforcing. American power has been an Israeli asset. Our cultural and political ties are special. We have given Israel decisively favorable weight in the regional power balance. By every analysis I have seen the F–16's and F–15's proposed for Israel will increase its favorable balance of strength for years to come.

Israel's security was a matter of prime concern during the Foreign Relations Committee hearings. Let me quote Secretary of Defense Brown's testimony:

> The salient feature of the military situation in the Middle East is Israel's military superiority. Following the 1973 war, the Government of Israel embarked on an expansion and modernization program for its armed forces. Israel's forces have grown to 150% of their 1973 strength, and are being modernized with new equipment. Israel has the area's strongest military forces. It is the judgment of the Defense Department—a judgment shared by myself, the Joint Chiefs of Staff, and our civilian and military analysts—that Israel could defeat any combination of likely opposing forces even without further modernization, and will continue to be able to do so for quite a few years to come. The proposed aircraft sales will not change this conclusion.
>
> This does not mean we are complacent about Israel's security situation. We recognize that the facts of geography and population allow Israel little margin for error. We should not be sparing in assessing Israel's military requirements. I believe we have not been, nor will be we. The sale of the additional F–15s and the F–16s will continue the program of modernizing Israel's Air Force, by replacing older F–4 and A–4 aircraft. This modernization program will help assure Israel's air supremacy through the 1980s.

Israel's security should be a prime concern of the United States. As Israel celebrates its 30th anniversary the people of this courageous country have much to fill it with pride. It has enabled an in-migration of persecuted and homeless Jews from all over the world to live as free men. It has successfully fought four wars and repelled continual terrorist attacks. It has made the desert bloom into the Biblical land of "milk and honey." Its education, health, and science are among the foremost in the world. In art, music, literature, culture and archeology it is not surpassed. In agriculture and industry Israel shows the entire underdeveloped world how to become a modern nation.

But above all its attributes Israel was born as a democracy, lives as a democracy, and will stay a democracy. It is the only democratic country in the Middle East. In spite of wars, troubles, and adversity, Israel has remained true to democratic principles. Freedom of speech and discussion is a basic tenet of Israel's existence and faith whether in the Knesset, in the press, in the home, on the street, or in the field.

Support for Israel has been a constant part of our foreign policy and it should continue. Israel could not have existed and cannot exist without strong U.S. support. I and most of you here have consistently voted for this assistance. The sales before us for Israel will enhance both its security and its sense of security. A strong and secure Israel is in our national interest. But a strong U.S. militarily, economically, and diplomatically is also in the best interests of the State of Israel.

The second item is the sale of F–5E's to Egypt. The most profound strategic change in the Middle East in recent years has been in Egypt. The Soviet Union was kicked out of Egypt and lost a valuable strategic position. President Sadat has shown uncommon courage. He expelled the Soviets and thereby lost his main source of arms. He went to Jerusalem seeking peace. Golda Meir used to say that when an Arab leader talks directly to Israel there will be peace. President Sadat raised hopes in Israel and in Egypt and in the world that the next 30 years might not bring four more major wars.

I think there is broad agreement that President Sadat is a responsible man who will surely not abuse the modest boost in Egyptian air strength which will result from the proposed sale. Egypt lies between Libya and Ethiopia. Libya is an aggressive neighbor which has fought with Egypt and the Sudan. Ethiopia—which has one of the two sources of the Nile—is in chaos. Both countries have Soviet and Cuban advisers and are now in the Soviet camp. It is therefore clearly in our national interest to support President Sadat, who has been a statesman in a troubled region.

Mr. President, the third issue is Saudi Arabia. We have failed to discuss the importance to us and to the entire free world of this country. Nor have we recognized the Soviet threat in the region. The Soviets have armed aggressive neighbors, have provided advisers, and recently have moved Cuban military technicians into the region. Saudi Arabia has a security problem. We will be more specific on this point in closed session.

Saudi Arabia has emerged as a significant world power. Saudi leaders seek help, friendship, and ties with the United States. This is a new relationship and skepticism is understandable. But rejection and turning our back are not. Saudi Arabia should not be dismissed simply because it is an Arab country. The threat it faces from the Soviets and radical Arab countries is real. This demands innovation and nuance in our foreign policy. It forces us in this country to take a fresh look. To ask hard questions. These new realities will bring harsh and emotional resistance. But Mr. President, we must remind ourselves that we are here to serve our national interest. Our Middle East policy has remained virtually unchanged for 30 years, while the region itself has changed dramatically. The Mideast nations have come to exert a significant influence on world affairs. With its oil and financial resources Saudi Arabia is now a major world power. Ecopolitics has a place side by side with geopolitics in the affairs of nations. And petropolitics has a particularly decisive role.

People try to avoid it, but let us talk about oil. The Saudis have a quarter of the world's oil reserves: they are the largest producers and have the largest reserves in the world. Saudia Arabia produces at the rate of 9 million barrels a day. They would prefer to produce about 5 million barrels a day. And if they do not move up to 12 million in coming years we will face an international oil shortage. Only the Saudis of all OPEC producers have the flexibility to expand or contract production for market stability.

It is hard to love the oil industry or the main source of international energy. We have to have a tough energy policy in the United States—but we do not. And 20 percent of our imports come from Saudi Arabia. The fact is that without a stable, predictable supply of oil from Saudi Arabia and the Persian Gulf the West would face the worst depression of the industrial era.

The United States now imports 50 percent of its oil. Japan, France, and Germany import virtually all their oil. Consider these approximate figures:

Oil imports

[Percent]

	From Persian Gulf	From Saudi Arabia
United States	40	22
Germany	55	25
Japan	70	33
United Kingdom	75	25
France	75	40
Israel	70 (Iran)	

It is true in 1973 Saudi Arabia led the Arab oil boycott and shouldered a major responsibility in raising the world price of oil. But of all OPEC countries the Saudis have taken seriously the effects of their policies on the West, beginning in 1975. In 1975 and 1976 they were the key factor in holding OPEC prices. In 1977 the Saudis kept the OPEC prices from increasing to the level other members had demanded at the December 1976 Doha Conference. And last December at Caracas the Saudis were the main force in causing OPEC to have a price freeze.

We have serious economic problems in this interdependent world. Our imported oil bill last year was about $45 billion and we ran an unprecedented balance-of-payments deficit. Each 5 percent increase in oil price increases the world's oil bill by $6 billion and the U.S. oil bill by $1.5 billion.

We also have an inflation problem. There is no greater ripple effect throughout our economy than that of higher energy costs.

As we enter the 1980's both supplies and prices of oil will be crucial. Conservative estimates are that the world oil market will need at least a 50-percent oil production increase from Saudi Arabia. The extent of increased production and the price at which it is sold will be critical.

FINANCE

The Saudis have accumulated vast financial reserves because they are producing more than they want to. They would rather leave this resource in the ground. Right now Saudi reserves are more than $60 billion and they will be $100 billion by 1980. A third of these assets are here in the United States: $20 billion in Treasury notes and private bank deposits.

Saudi financial policies are directly tied to the value of the dollar. Saudi deposits are a major source of support for the Eurodollar market. Their willingness to accept dollars—which have depreciated drastically this past year—as their reserves has given strength to the dollar. If Saudi Arabia decided to hold other currencies thereby putting all those dollars on the market, where would the dollar be? If they were to decide that the price of oil should be set in special drawing rights or another basket of currencies—our oil bill would go sky high again.

The Saudis have used their wealth constructively. Ten percent of Saudi surpluses have been invested in international organizations such as the World Bank and the IMF. Over the past 4 years about 10 percent of its gross national product has gone to foreign aid. They have helped prop up moderate Arab nations such as Egypt and Jordan. In 1977 alone Saudi Arabia gave about $2 billion to Egypt.

Mr. President, international economic policies have become as important as military policies. This country and Saudi Arabia need to cooperate. They have acted as strong and willing partners of the United States in supporting a healthy world economy. Cooperation with the Saudis for a strong international financial system is in our national interest.

THE PEACE NEGOTIATIONS

Mr. President, a hard and almost irreconcilable fact of life in international relations is that the need for security and the search for peace must continue simultaneously. Although today our optimism for a peace settlement has dimmed somewhat from a few months ago, peace is still possible. These sales were first discussed in the early 1970's. The planes will be delivered in the early 1980's. The period of facing this decision crossed a Presidential election, Congressional elections, and changes of government in the Middle East. This decision is a tough one. But Senators and Presidents are going to have to face it. So let us do it and get on with the peace talks.

Saudi Arabia has pursued peace as well as its own security. They convened the Riyadh conference in October 1976 to deal with the civil war in Lebanon. They have demonstrated support for Sadat by maintaining large financial assistance to Egypt. They have made it clear to the United States and the Arab countries involved that Saudi Arabia will devote large resources to peacetime economic development in the region.

The Saudis are central to the search for peace in the Middle East. They have a moral and economic force in the Islamic Arab world. They can use financial power constructively. They have been close to the United States and are not a confrontation state. They have backed moderate Arab regimes. And they have looked to the United States as a partner. And our country has always been open to sincere offers of cooperation.

There are those who treat the whole Arab world as a monolithic entity. We are told that defensive weapons for Saudi Arabia to defend its oil fields will soon turn into offensive aircraft to destroy Israel. We are asked not to distinguish radical and aggressive nations from a more cautious, Western-oriented, more moderate nation. Arabs have been portrayed as a united and hostile bloc. We have to be more discerning. We have to look at each country and each man and make individual judgments.

Mr. President, Saudi Arabia can help bring peace to the Middle East. Cooperating with such a new friend of course brings risks. We as a nation must accept them, and we do so in our national interest.

ASSURANCES

Mr. President, this third issue demands close examination. We are considering the sale of advanced interceptors to a nation close to Israel. We must be assured that all reasonable steps have been taken to protect Israel from harm because of these sales. I have followed the debate in the Foreign Relations Committee closely. I have been part of discussions between the executive branch and the Senate leadership. Qualifications have been raised. Assurances have been sought. And before the American public two Senators have raised important questions. On April 16 on the television program "Face the Nation" the Senator from Tennessee (Mr. BAKER), the minority leader, raised several issues. On May 7, also on "Face the Nation," the Senator from Idaho (Mr. CHURCH) again placed before the American people the sorts of questions that must be answered. Every basic objection raised in these discussions and these news programs has been met by sound assurances.

Mr. President, let me reiterate some of the basic questions asked and the assurances provided.

Question by Senator CHURCH:

The plane also would be a definite threat to Israel if it were stationed at Tabuk, and therefore, the deployment of the plane, since Saudi Arabia is as large as the United States east of the Mississippi—the deployment of the plane in the central and southern parts of Saudi Arabia would be essential.

Answer by Secretary Brown:

I would like to repeat to you the assurance given to me and other United States officials by the Saudi Arabian Government that Saudi Arabia will base the F–15 aircraft, not at Tabuk, but at Dhahran, Taif and possibly at Riyadh or Khamis Mushait. Basing the F–15 at the vulnerable Tabuk base could place in needless jeopardy these vital aircraft which will form the heart of the Saudi Arabian air defense system. In addition, Tabuk is not equipped to serve as an operating base for the F–15s, and could not be so equipped without extensive U.S. assistance which would not be provided. These practical considerations, of which Saudi Arabia is well aware, strengthen the assurances that the F–15s will not be based at Tabuk.

Question by Senator BAKER:

How are these aircraft to be protected and what sorts of arrangements will be made to see that they don't fall into hostile hands?

Answer by Secretary Brown:

With respect to the security of the aircraft, the Government of Saudi Arabia has expressed its determination to provide carefully for the physical protection of the aircraft manuals and other material related to it. Prior to the delivery of the aircraft, we will work with the Government of Saudi Arabia to ensure that adequate safeguards are in place to prevent unauthorized persons from obtaining access to the aircraft or information about it.

Question by Senator BAKER:

How much and what type of sophisticated equipment will be aboard those F–15's?

Answer by Secretary Brown:

Pursuant to our national security disclosure policy, certain highly sensitive subcomponents of the U.S. Air Force version of the F–15 (e.g., cryptologic equipment and some special electronic capabilities) will not be sold to Saudi Arabia.

Question by Senator CHURCH:

The F–15 is a plane with real offensive capabilities, and therefore, there would have to be definite assurances that only defensive ordnance would be sold to the Saudis.

Answer by Secretary Brown:

The F–15 we plan to sell to Saudi Arabia will have the same configurations as the interceptor model approved for the United States Air Force . . .

As Saudi Arabia has selected the F–15 to defend its national territory, it would be folly, as the Chairman designate of the JCS, General David Jones, USAF, observed in testimony, to use the F–15 offensively against neighboring countries. This is particularly so vis-a-vis Israel, whose air strength is, and will be, so much greater. Not only would the F–15 be relatively ineffective in an offensive mode, and the risk of loss of the aircraft high, but its use away from Saudi Arabia would leave vital oil facilities, urban centers and military installations without necessary air defense cover. From the standpoint of military planning, it would make no sense whatsoever for Saudi Arabia to acquire an aircraft with the characteristics of the F–15 with an idea of using it as a ground attack aircraft. I am confident the Saudis have no such intention.

Like the USAF model, the F–15 for Saudi Arabia will be equipped with air defense armament, namely four AIM–9 Sidewinder air-to-air missiles, four AIM–7 Sparrow air-to-air missiles and a 20 mm gun.

The aircraft can carry three external fuel tanks, but the plane requested by Saudi Arabia will not be equipped with special features that could give it additional range. Specifically, the planes will not have conformal fuel tanks ('fast packs'), i.e., auxiliary fuel tanks that conform to the body of the plane, and Saudi Arabian KC–130 tankers do not have equipment for air refueling of the F–15.

Saudi Arabia has not requested that the plane be outfitted with Multiple Ejection Racks (MER 200) which would allow the

plane to carry a substantial bomb load. The U.S. will not furnish such MERs, and testing and certification of an MER system for the F–15 would not be feasible by another country without U.S. authorization. While aircraft could conceivably carry three standard MK 84 bombs, they would each replace an external fuel tank; this would greatly shorten the aircraft's range and increase its vulnerability. Moreover, in contrast to the F–16, the F–15 does not have a radar system designed for bombing.

Saudi Arabia has not requested nor do we intend to sell any other systems or armaments that would increase the range or enhance the ground attack capability of the F–15.

Question by Senator CHURCH:

... (Are) the Saudis, who have money to burn, willing to assure us that they will not buy 50 F–15's from the United States and then turn around and buy 50 Mirage 2000's from the French?

Answer by Secretary Brown:

The question has also been raised whether the Government of Saudi Arabia intends to acquire additional combat aircraft from other countries. The Saudi Arabian Government has assured us that it does not intend to add to its inventory any combat aircraft from other countries while it is preparing for and receiving the sixty F–15s. The shortage of trained personnel in Saudi Arabia would severely constrain Saudi Arabia's ability to utilize any additional new aircraft beyond the F–15 during this period.

Senator BAKER raised the question of delivery schedules and said:

You can even juggle the numbers of airplanes between Israel and Saudi Arabia.

Senator CHURCH also raised the question of number of aircraft, saying that he "would much prefer a reduction" in planes to Saudi Arabia, but on the other hand the Chiefs of Staff advocated more F–15's and F–16's for Israel. "An accommodation one way or the other, I think, is essential."

Answer by President Carter to Chairman SPARKMAN in a letter dated May 9, 1978:

When we submitted the formal Notifications of the Mideast aircraft sales to Congress on April 28, we stressed, as we have so often, that as a nation we have a strong and unshakable commitment to the security of Israel.

The delivery of the aircraft for Israel covered by these Notifications will be completed by the third quarter of 1983. To emphasize the deep and continuing character of our commitment to Israel, we will give sympathetic consideration to the request from Israel for additional combat aircraft for delivery in subsequent years. In particular, I am pleased to give a firm assurance at this time that I will transmit to Congress in 1979 a subsequent proposal to make available to Israel twenty F–15s in 1983–84.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the distinguished Senator from Conneticut be permitted to complete his prepared statement before the Senate goes into closed session.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. RIBICOFF. Mr. President, these assurances (except for the last one from the President) were given in a letter dated May 9, 1978 from Secretary of Defense Brown to the Chairman of the Committee on Foreign Relations, Senator SPARKMAN. The letter also describes the assurances that the aircraft will be used only in furtherance of legitimate Saudi self-defense, that it will not be transferred to any third country, and that no third country nationals will train on the aircraft without U.S. authorization. I ask unanimous consent that this letter be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

SECRETARY OF DEFENSE,
Washington, D.C., May 9, 1978.

Hon. JOHN J. SPARKMAN,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: During recent conversations with you and other members of your Committee, a number of questions have been raised regarding the characteristics of the F–15 aircraft we propose to sell to Saudi Arabia and reassurances as to the purposes for which Saudi Arabia will use the aircraft. I would like to respond to these questions and attempt to resolve any uncertainties that members may have felt regarding the proposed sale.

I. THE F–15 AIRCRAFT

The F–15 we plan to sell to Saudi Arabia will have the same configurations as the interceptor model approved for the United States Air Force. During the developmental phase of the F–15, initial plans called for giving the aircraft a ground attack capability. However, the availability of other aircraft with superior strike capabilities led the Air Force to alter its plans and to limit the role of the F–15 to that of an air superiority fighter. Consequently, the development of new ground attack systems for the F–15 was discontinued in 1975.

Saudi Arabia chose the F–15 because of its extended patrol capability and superior air defense characteristics (including an advanced, all-weather air-to-air radar system). The F–15 best meets Saudi Arabian requirements for the air defense of a vast territory. In choosing the F–15, Saudi Arabia rejected aircraft with powerful ground attack capabilities such as the F–16.

As Saudi Arabia has selected the F–15 to defend its national territory, it would be folly, as the Chairman designate of the JCS, General David Jones, USAF, observed in testimony, to use the F–15 offensively against neighboring countries. This is particularly so vis-a-vis Israel, whose air strength is, and will be, so much greater. Not only would the F–15 be relatively ineffective in an offensive mode, and the risk of loss of the aircraft high, but its use away from Saudi Arabia would leave vital oil facilities, urban centers and military installations without necessary air defense cover. From the standpoint of military planning, it would make no sense whatsoever for Saudi Arabia to acquire an aircraft with the characteristics of the F–15 with an idea of using it as a ground attack aircraft. I am confident the Saudis have no such intention.

Like the USAF model, the F–15 for Saudi Arabia will be equipped with air defense armament, namely four AIM–9 Sidewinder air-to-air missiles, four AIM–7 Sparrow air-to-air missiles and a 20 mm gun.

The aircraft can carry three external fuel tanks, but the plane requested by Saudi Arabia will not be equipped with special features that could give it additional range. Specifically, the planes will not have conformal fuel tanks ("fast packs"), i.e., auxiliary fuel tanks that conform to the body of the plane, and Saudi Arabian KC–130 tankers do not have equipment for air refueling of the F–15.

Saudi Arabia has not requested that the plane be outfitted with Multiple Ejection racks (MER 200) which would allow the plane to carry a substantial bomb load. The U.S. will not furnish such MERs, and testing and certification of a MER system for the F–15 would not be feasible by anther country without U.S. authorization. While aircraft could conceivably carry three standard MK 84 bombs, they would each replace an external fuel tank; this would greatly shorten the aircraft's range and increase its vulnerability. Moreover, in contrast to the F–16, the F–15 does not have a radar system designed for bombing.

Saudi Arabia has not requested nor do we intend to sell any other systems or armaments that would increase the range or enhance the ground attack capability of the F–15.

Pursuant to our national security disclosure policy, certain highly sensitive subcomponents of the U.S. Air Force version of the F–15 (e.g., cryptologic equipment and some special electronic capabilities) will not be sold to Saudi Arabia.

In sum, it is clear that the F–15 will help Saudi Arabia deter and defend against those nations that are hostile to its role as a leading moderate Arab state.

II. ASSURANCES

The Government of Saudi Arabia has assured us that it has no aggressive intentions against any state, that it will use the F–15 aircraft only in furtherance of its legitimate self-defense, and that it will not employ the aircraft offensively. The Saudi Arabian Government has similarly assured us that it will not transfer the F–15 aircraft to any third country or permit the nationals of such country to train on the F–15 aircraft, serve as pilot, or otherwise to have access to the aircraft without the authorization of the United States.

We have specifically discussed these restrictions on use and prohibitions on transfer with the Government of Saudi Arabia. They have assured us that they intend scrupulously to comply with these prohibitions and restrictions. The record of Saudi Arabia in this respect is excellent. However, should the assurances be violated, the United States can take appropriate action, including suspension of services and of delivery of spare parts and other military equipment. Without such services the usability of the F–15 would degrade rapidly.

It is also important to note that the sales agreement reserves to the United States the right to suspend or cancel deliveries at any time "when the national interest of the United States so requires." Further, under Section 21(c) of the Arms Export Control Act, no U.S. person employed under Foreign Military Sales contracts in Saudi Arabia or any other country would be permitted to perform services in support of combat operations.

Questions have been raised concerning the possible basing of the F–15 aircraft at Tabuk Air Base. I would like to repeat to you the assurance given to me and other United States officials by the Saudi Arabian Government that Saudi Arabia will base the F–15 aircraft, not at Tabuk, but at Dhahran, Taif and possibly at Riyadh or Khamis Mushait. Basing the F–15 at the vulnerable Tabuk base could place in needless jeopardy these vital aircraft which will form the heart of the Saudi Arabian air defense system. In addition, Tabuk is not equipped to serve as an operating base for the F–15s, and could not be so equipped without extensive U.S. assistance which would not be provided. These practical considerations, of which Saudi

Arabia is well aware, strengthen the assurances that the F–15s will not be based at Tabuk.

The question has also been raised whether the Government of Saudi Arabia intends to acquire additional combat aircraft from other countries. The Saudi Arabian Government has assured us that it does not intend to add to its inventory any combat aircraft from other countries while it is preparing for and receiving the sixty F–15s. The shortage of trained personnel in Saudi Arabia would severely constrain Saudi Arabia's ability to utilize any additional new aircraft beyond the F–15 during this period.

With respect to the security of the aircraft, the Government of Saudi Arabia has expressed its determination to provide carefully for the physical protection of the aircraft, manuals and other material related to it. Prior to the delivery of the aircraft, we will work with the Government of Saudi Arabia to ensure that adequate safeguards are in place to prevent unauthorized persons from obtaining access to the aircraft or information about it.

The proposal with respect to Saudi Arabia, like all such proposals, stands on its own merits, and I hope the foregoing information will be helpful to you and that you and the members of your Committee will join in support of the Administration's proposals to sell aircraft to Israel, Egypt and Saudi Arabia.

Sincerely,

HAROLD BROWN.

Mr. RIBICOFF. Those are the objections raised and the solid answers given. After obtaining the concessions, what is left but reluctance to face the issue squarely? Here we have it: defensive interceptors for Saudi Arabia. Not to be used offensively or transferred. Based 800 miles or farther from Israel. Capable of defending Saudi Arabia but lacking offensive capability. To be paid for in cash from an emerging, powerful nation looking to the United States for common purpose and cooperation. To quote our Secretary of Defense from his May 3d testimony:

An attack on Israel by Saudi Arabia would lead to almost certain destruction of the Saudi F–15 force. This would open the country to attack by any of its neighbors. . . . In my judgment, there is no significant military risk to Israel from this sale to Saudi Arabia.

We can meet this issue with a rational response as proposed. Or we can damage this relationship and turn the Saudis to the French F–1 and Mirage 2000 without all these assurances and capable of bombing Israel. Mr. President, is not our national interest clear? Have not President Ford and Secretary Kissinger, President Carter and Secretary Vance faced this problem directly? Should not the U.S. Senate do the same? Who is to decide our foreign policy? Should it not be the President and the Secretary of State and the Congress?

Facing new problems and exchanging yesterday's answer for tomorrow's challenge is difficult. But if we are not honest with ourselves down what dark and uncertain road do we travel? If we are to accept the responsibility of guiding this nation's foreign policy and of assuring our future survival as a great nation we must have the courage, we must have the guts, to face a changing world and the will to serve our best national interests.

CLOSED SESSION

Mr. RIBICOFF. Mr. President, I move to close the doors of the Senate in order to discuss classified information.

The PRESIDING OFFICER. The question is on agreeing to the motion.

The motion was agreed to.

The PRESIDING OFFICER. If there is no further statement, the Senate will go into closed session at this time. The Sergeant at Arms is instructed to clear the galleries, and all unauthorized persons are requested to leave.

At 2 o'clock and 4 minutes p.m., the doors of the Chamber were closed.

(Upon unanimous consent request by Mr. ROBERT C. BYRD on May 19, 1978, the expurgated transcript of the proceedings in closed session was ordered to be printed in the daily RECORD of that date and subsequently to be published at the appropriate place in the permanent RECORD of May 15, 1978. The expurgated transcript of the proceedings in closed session follows:)

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that during the closed session, in addition to the Secretary of the Senate, the Assistant Secretary of the Senate, the Legislative Clerk, the Journal Clerk, the Sergeant at Arms, and the Deputy Sergeant at Arms, all of whom are authorized under rule 36, except that current titles have been used where they have been changed, that the following personnel be authorized to be on the floor:

The Parliamentarian, the Executive Assistant to the Sergeant at Arms, the Secretary to the Minority and his assistant, the Chief Counsel, and one staff member of the Democratic Policy Committee, Messrs. Hart and Purvis; the administrative assistant to the minority leader, the legislative assistant to the minority leader, and the administrative assistant to the Vice President, Messrs. Cannon, Liebengood, and Smith; the floor assistant to the majority leader and the assistant secretary to the majority, the floor assistant to the minority whip, the official reporters of debate, Mr. Walker, Mr. Timberlake, Mr. Perry, Mr. Mohr, Mr. Reynolds, Mrs. Ross, Mrs. Garro, Mr. Smonskey, and Mr. Firshein; the Director of the Office of Classified National Security Information, Mr. Murphy; and two members of the Foreign Relations Committee staff, Mr. Norvill Jones and Mr. Hans Binnendijk.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Official Reporters of Debate be authorized to report verbatim the proceedings of the closed door session; that the notes be transcribed, and that when the session is concluded the original notes, together with all material and papers used in the transcription process of the proceedings, be personally delivered in a sealed envelope by the Chief Reporter to the Secretary of the Senate for storage in the Office of Classified National Security Information, and kept secret along with other minutes and matters of such nature already in the custody of that Office.

I further ask unanimous consent that the transcript of the remarks of each Senator who participates in the debate be made available by the Secretary of the Senate under his direction to said Senators for revision of their said remarks, and when that process is completed the transcript be resealed and stored in the Office of Classified National Security Information for safekeeping and/or further disposition if ordered by the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. INOUYE. Mr. President, I ask unanimous consent that the following staff members of the Senate Select Committee on Intelligence—Mr. William Miller, Mr. Ed Levine, and Ms. Catherine Essoyan—be permitted the privilege of the floor during this session.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

(Mr. HODGES assumed the chair.)

Mr. ROBERT C. BYRD. Mr. President, I yield to the distinguished Senator from Connecticut (Mr. RIBICOFF). Senators will not forget that the public address system is not working.

Mr. RIBICOFF. Mr. President, I requested this closed session to discuss the Soviet threat to the Arabian Peninsula and the Persian Gulf. I believe this threat is of serious consequence to the United States and the Western World. Most of the information I shall use is classified secret.

The Soviets have long been interested in this region and the reason is obvious. The Persian Gulf area has half the world's oil reserves and half of the region's reserves are in Saudi Arabia. Since World War II, the United States has ing control of the area. When the British completed their withdrawal in 1971, something had to happen. Either we had to replace the British, or our friends had to have means to defend themselves. tried to check the Soviet strategy of gain- That is where we are today.

Saudi Arabia fears the Soviets and has every reason to. According to the CIA, the Soviets are not developing new oil reserves enough to offset declining production. Current Soviet oil production is close to the estimated maximum potential of 11 to 12 million barrels a day. By 1985, Soviet production is likely to fall to 8 to 10 million barrels a day, and demand will even be higher. The CIA does not foresee increased production from the Soviet Union until the 1990's, and it would be extremely difficult to extract the oil because of the terrain.

There are two major points here. The first is that running out of oil would cause enormous political and economic difficulties for the Soviet Union. The second is that even greater damage would be realized in the west by the loss of these oil fields. Such a catastrophe would trigger a great depression and would probably be a cause of war.

Last June, 1977, I accompanied Secretary Vance to the OECD meeting in Paris. I was privileged to sit in with him on bilateral talks with a score of foreign ministers. There was a discussion of the relationship between the United States

and each one of their countries. What surprised me was, whether we were talking to the Finns or the Portuguese or the Australians or the Germans or the French or the Italians, every one would end up asking, "How about the Middle East?"

The final talk was between Secretary Vance and the Japanese foreign minister. They discussed the problems between China and the United States and Japan; they talked about South Korea, they talked about Taiwan, they talked about the problems of trade. When it was all through, the Japanese foreign minister turned to Secretary Vance, and he said: "Mr. Secretary, how about the Middle East?"

Secretary Vance then said: "Mr. Foreign Minister, I wonder if you would allow Senator Ribicoff to respond?"

I said to him: "Mr. Foreign Minister, first, I want to tell you that I am of the Jewish faith. My sympathies are completely with the State of Israel. But I am very curious. I have sat in on the bilateral conferences now with the Secretary of State and with a score of foreign ministers. Every one of the foreign ministers has asked exactly the same question you have asked. Why do you ask that question?"

He thought for a minute, and said: "95 percent of our energy is dependent on oil. 70 percent of our oil comes from the Persian Gulf. If the Middle East is not straightened out and something happens to cut off the supply of that oil," he said: "it would lead to grave harm to Japan economically, politically, and socially."

How are the Soviets moving in the region and why are they there? In the final analysis, what is there in Yemen and what is there in Ethiopia? There are no assets in Yemen and Ethiopia. But look at what you have. First, if you control Saudi Arabia, 50 percent of Mideast oil comes down through the narrow Straits of Hormuz. With this, whoever controls this controls 50 percent of the oil of the world.

Here is the pincer that comes right into the Red Sea. Let me analyze this. In red, you have the states under Soviet control, you have the states that have Soviet and Cuban arms and personnel.

Syria is a hard-line radical state. I had a chance to hear the Syrian rhetoric. A few of us went to Syria for just a short period last year. It was amazing. I spent all my conversations, not talking about Israel or the United States. I spent all my time, all my time, defending Sadat. [Class. deleted.]

Gentlemen, all I can say is that the Israelis and this country ought to pray every night for the physical and political survival of President Sadat. Should these peace efforts fail and should Sadat fall, what would replace Sadat would be a radical government. The Soviet Union, that was kicked out of Egypt, will come back into Egypt with Russian arms. That is what the Israelis will be faced with, the Soviet Union back in Egypt with these arms.

The Syrians have an enormous military establishment, with 200,000 men, 500 jet fighters, and 2,800 tanks. There are 2,600 Soviet advisers in Syria, and Syria is a jealous, angry nation, out to get some of the riches. This is what they want. They want the riches that come from oil.

Take Iraq. For 20 years since the Iraqi revolution, radical government in Baghdad has posed a political and military threat to Saudi Arabia and the smaller Gulf States. Iraq still has not given up its claim to Kuwait. It has promoted unrest in the small Gulf States which, in turn, look to the Saudis for protection. Iran cannot be the protector, because it is not an Arab State. Iraq has 185,000 men in its military. I have all the figures right here and you can all come up and look at them. They have 412 jet fighters and over 2,000 tanks. Right now, there are 1,150 Soviet advisers and 150 to 500 Cubans in Iraq.

AFGHANISTAN

Afghanistan has recently had a coup. We don't know much about the new government except that it appears to be more pro-Soviet than the last one. The military has Soviet equipment and there are 300 Soviet advisers.

SOUTH YEMEN

South Yemen has become a serious and active Soviet base of operations. It is small but has a well-trained military. Its army is roughly half the size of Saudi Arabia's—20,000 men. It has over 200 tanks and 83 jet fighters. There are 300 Soviet advisers and from 300 to 350 Cubans. The Soviets have use of the naval facilities in Aden. South Yemeni military forces are fighting alongside Russians and Cubans in the Horn of Africa.

Saudi concern here is real: There have been three military engagements between South Yemen and Saudi forces in border areas since 1969.

ETHIOPIA

The Soviets backed Somalia until they found a better target and switched their emphasis to Ethiopia. Ethiopia is in chaos. It is going through an internal leftist revolution—a bloody one—while at the same time it is fighting against Somalia. By African standards the Ethiopian Army is large—200,000 men, as is its air force, with 97 jet fighters. Most of the categories of military assets in Ethiopia have increased during the past few months. Most disturbing—and central to my concern—is that Ethiopia has 1,200 Soviet advisers and 17,000 Cubans. They are an army. They are guns for hire and they are there where they mean business.

The Russian advisers do not fight, but the Cubans fight and the Cubans are there ready to do harm and to do mischief and come wherever the pressure can be.

LIBYA

Libya is a dangerous country, especially because of a belligerent and I think irrational president. Libya has been the most blatant supporter of international terrorism. It also has 300 jet fighters, 900 Soviet advisers, and 150 Cubans.

I have summarized the force strength or Saudi Arabia's immediate neighbors: Syria, Iraq, South Yemen, and Ethiopia. Compared to Saudi Arabia they are ominous. Saudi concern is understandable.

	Syria, Iraq S. Yemen & Ethiopia	Saudi Arabia
Men	595,000	45,000
Jet fighters	1,092	173
Tanks	5,460	300
Soviet advisers	5,250	350 U.S. Military Advisers
Cuban advisers	17,500	---

Mr. President, the point of all this is that the Soviets know the value of the region they are surrounding. Does anyone think they give a damn about Afghanistan or Yemen or Ethiopia? And they are active. Let me cite an example. The Sultanate of Oman borders both South Yemen and Saudi Arabia. It controls with Iran on the other side the straits of Hormuz—through which half the world's oil exports and 20 percent of our oil consumption pass every day. The straits have a preferred navigation channel of about 3 miles and those of us who have flown over here can recognize how narrow those straits are. The Soviets have supported South Yemen's efforts to foster a rebellion in Oman. Oman has resisted and looks to the Saudis.

The problem is both serious and extensive. It will not be solved by selling 60 F-15's to Saudi Arabia. The United States and Iran and Saudi Arabia will have to pay attention to the gulf and the entire region. The point is that while everyone is drawing attention to the confrontation states at the eastern end of the Mediterranean Sea, we had better watch out for the back door and what the Soviets and Cubans are up to in the Arabian Peninsula and the Persian Gulf.

But what the Soviets want and what the Soviets need is control of that oil.

You can say what you want, whoever controls that oil will control the economic lifeblood of the West. Let the Soviets control that oil, and they are in a good way to surrounding at the present time, and where will the United States be? Where will Western Europe be? Where will Japan be?

So when we say now that we will deny these planes to Saudi Arabia, why?

We have had all types of assurances and these assurances came about through the questions that were raised in those two "Face the Nation" broadcasts by the Senator from Tennessee and Mr. CHURCH.

The Saudis have a contract with the French, conditioned on the Senate turning down this deal. If the Senate turns down the sale of the planes to the Saudis, the Saudis are ready to buy F-1's from France, and they do not have to wait until 1981 to get delivery. Those planes will be delivered by the French to the Saudis this fall.

Furthermore, there will be an advance payment of $1 billion, which is the

money the French aircraft industry needs to develop its Mirage 2000 and its Mirage 4000. Do you think the French are going to care very much what the Saudis will do with the plane? It will be air-to-ground. Our F–15's are not air-to-ground. They are interceptors.

So we are gaining nothing but turning over the influence in this entire area to the French.

I have asked the Defense Intelligence Agency to prepare the map which is displayed here. It is current as of February 1978 and I have given the changes in my remarks. This map shows the approximate military configuration of the region. I invite every Senator to have a look at this map and see for himself what surrounds the world's oil reserves.

This map does not indicate the force readiness, or quality of the equipment, and the Senator from Ohio, Senator GLENN may wish to add comments on that.

While we are in closed session I hope that any questions or information of a classified nature from any Senator can be shared.

Mr. ALLEN. Mr. President, will the Senator from Connecticut yield for 1 minute?

Mr. RIBICOFF. I yield.

Mr. ALLEN. Mr. President, I say to the distinguished Senator from Connecticut, as I have said before on the floor of the Senate, that the distinguished Senator from Connecticut is one of the few men in the U.S. Senate who rates the word "statesman" being applied to him.

No matter how we may vote on this issue, we cannot help but admire the distinguished Senator from Connecticut for the statesmanlike position he has taken on this issue. I know the wrestling with his soul and his conscience that has taken place within him as he has taken this statesmanlike position.

I have stated on the floor before, as the distinguished Senator knows, when we were discussing critical issues before the Senate, that he is a true statesman. Very few Members of the U.S. Senate deserve that accolade. The distinguished Senator from Connecticut does. [Applause.]

Mr. STEVENS. Mr. President, will the Senator yield?

Mr. RIBICOFF. I yield.

Mr. STEVENS. Mr. President, I had the privilege of being with the Senator from Connecticut and others in Saudi Arabia.

One of the things that has bothered me about this is the escalation in the numbers of the aircraft we are talking about. My memory—I am digging out my notes on it now—of our conversation when we were in Saudi Arabia is that they were talking about 40 to 44 planes. Now we are talking about 60, and we are talking about raising the number of planes to 60 for the Israelis.

As a former pilot, the total firepower that is going into that area bothers me.

I join in the comments that have been made about my good friend from Connecticut. I recognize you as a true statesman. Does it bother you that we are constantly escalating the numbers of these very sophisticated aircraft?

I thought one of these F–15's is equivalent to a squadron of Thunderbolts from World War II. I was corrected. One is equivalent to a wing of World War II fighter planes.

The total fire power in this area bothers me.

Mr. RIBICOFF. It does not bother me. I wish all our friends had more.

It is obvious that we are a giant with our hands tied behind our back. We are not doing much of anything, and the Soviets and the Cubans are gradually encroaching upon the positions of strength.

Evidently, the Soviets and their Cuban satellites have a pretty good idea of geopolitics, ecopolitics and petropolitics. They know the way the world has changed, and they understand what to with power.

Apparently, the total I gave you, if you would add them up, is the overwhelming power that we have in this area under domination.

What you have in red is where the Soviet advisers and Cubans are, and the Cuban planes and the Cuban tanks and the Cuban guns that are available to the Soviet Union for their objectives. We have very little to show for it. We have the Israelis; we are trying to get defense in Saudi Arabia; we have nothing in Egypt. We are outmanned and outgunned.

So I am not bothered about whether it is 60. There were some who wanted to cut it down to 40 or 50 for the Saudis. I would like to see the Saudis have more. I would like to see the Israelis have more. I would like to see the Egyptians have more.

I would like to see the people who are our friends get backed up. But we are not doing that, and we are being chased out of the elements of power. There is more power in a barrel of oil than there is in a barrel of a gun. This is one of the great problems facing us as a country.

The Saudis want to be our friends. I would like them to be our friends. We need that oil and so does the entire West need it.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. STEVENS. I thank the Senator.

Mr. BAKER. Mr. President, I understand that under the arrangement we have, I have control of the remainder of the time. However, since the first hour of this closed session has been devoted, in essence, to support of the position which I represent, I yield now to the Senator from New Jersey the remainder of the time, for his control during the remainder of the secret session.

Mr. CASE. I appreciate that.

How much time remains, Mr. President?

The PRESIDING OFFICER. The closed session can continue until 4:04, at a maximum. We began at 2:04, with an hour under the control of the majority leader and an hour under the control of the minority leader.

Mr. JACKSON. Mr. President, will the Senator yield for a question?

Mr. BIDEN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BIDEN. The 2 hours of closed session comes out of the time allotted to the proponents and opponents based on how much of that 2 hours they use, is that correct, out of their total 5 hours?

The PRESIDING OFFICER. Yes, that is correct.

Mr. BIDEN. I thank the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. CASE. Mr. President, I yield myself such time as I may require for the moment, and yield to Senator JACKSON for a question.

Mr. JACKSON. I wonder if I could get an answer to this question. There is a rumor going around that the Saudis have already an order in for aircraft which will be delivered this fall by the French regardless of what happens in the sale.

Mr. RIBICOFF. Senator CHURCH asked that assurance be given. I responded in Secretary Brown's reply that there is no such—they will not have an order. I could get my remarks and give it exactly. They have, if this goes through, a conditional offer if the Senate turns them down, but there has been assurance given in the response to Senator SPARKMAN that I put in the RECORD that during the time frame covered in this sale of 60 airplanes there will be no other planes purchased from anyone else.

Mr. GLENN. Mr. President, could I answer that?

Mr. JACKSON. Whoever has the answer.

Mr. GLENN. In Secretary Brown's letter he said:

> The question has also been raised whether the Government of Saudi Arabia intends to acquire additional combat aircraft from other countries.
>
> The Saudi Arabian Government has assured us that it does not intend to add to its inventory any combat aircraft from other countries while it is preparing for and receiving the sixty F–15s.

Which means 1984:

> The shortage of trained personnel in Saudi Arabia would severely constrain Saudi Arabia's ability to utilize any additional new aircraft beyond the F–15 during this period.

They have assurances up to the end of 1984.

Mr. JACKSON. May I ask a question of the Foreign Relations Committee? Did they have any testimony in the hearings as to how Saudi Arabia plans to defend itself? I think there is a clear and present threat to Saudi Arabia. It is obvious. Did the committee have any testimony as to how they propose to defend themselves in the absence of direct support from the Shah, from the Israelis, or from the Egyptians? I mean it is clear in my mind that F–15's, which are not going to be ready until 1982——

Mr. JAVITS. 1981.

Mr. JACKSON (continuing). Or 1983, have no relationship to the immediate threat, [class. deleted].

[Class. deleted].

[Class. deleted].

So I am just calling attention of my colleagues of the mixed situation here, and the facts are that Saudi Arabia is terribly vulnerable. They are 7 million people in Yemen and there are only 5 million in all of Saudi Arabia. The real

threat to Saudi Arabia. I think, comes from a possible coup. The infrastructure is very, very weak. There is no real system of defense within that country. And I wanted to ask if the Foreign Relations Committee had any testimony.

Mr. CASE. I recall no testimony on that subject.

Mr. JACKSON. Therein lies the problem, and I think in the end what we have to try to achieve in the Middle East with a hopeful settlement between the Egyptians and the Israelis is a mutual defense pact because it is only the indigenous forces in that area that have the military capability that can defend the critical area of the Middle East which is Saudi Arabia. I do not dispute at all the need to defend Saudi Arabia. I think they are in here asking for equipment that has no relevent bearing on the improvement of their ability to defend themselves.

Mr. RIBICOFF. Would the Senator give them nothing? I am not a military expert. The distinguished Senator from Hawaii is here. He is a member of the Intelligence Committee. There are members of the Armed Services Committee here. I am no military expert. The Senator From Ohio may have some of the answers. I am just giving this as I see it with the problems that we have. Does that mean because they have difficulty we do not give them anything? It is time to build them up. The Saudis are scared, and I think they ought to be scared because they have what the whole world wants, that is oil, and that is a mighty powerful package.

Mr. BIDEN addressed the Chair.

Mr. JACKSON. What would happen right now, in the event of a coup or overt aggression, from where it is most apt to come either Iraq, Yemen—I mean the Saudis do not have effective ground forces. They change their chief of staff at regular intervals because they are afraid of internal military power.

Mr. RIBICOFF. I say this: If today Iraq, Yemen, Libya and Syria came in here with what they have now if we did not go in the Russians would take over.

Mr. JACKSON. How do the F–15's relate to that?

Mr. RIBICOFF. As to the F–15's they are giving them interceptors to build it up. Does that mean we should give them nothing?

Mr. JACKSON. No. I think they are in with the wrong package. The F–15's have no possible bearing for years to come. They have no pilots trained. They do not have an air force. What they really need are ground forces. They need a paramilitary force that can deal with those problems. That is my point.

You look at that vast area and you talk about F–15's, and there is no infrastructure in the form of ground forces to do it. I think it will just not achieve the objective.

I agree with the Senator from Connecticut about the threat to Saudi Arabia. There is no question about it. I think there is a real threat, and I do believe that the real problem arises as to how you are going to defend that area.

Mr. CASE. Mr. President, will the Senator yield?

Mr. JACKSON. It is the Senator's time.

Mr. CASE. I think it is the time I had yielded, and I am happy to do it.

Mr. JACKSON. That is right.

Mr. CASE. If more time is desired, I would do it.

But I wish to ask if the point the Senator is making is not that it would be a good idea to send all of these back and then rediscuss the whole package?

Mr. JACKSON. I think they ought to all be postponed for six months because all we are going to do is end up in a situation here where it is going to be far more difficult to negotiate a settlement in my view.

Mr. BIDEN addressed the Chair.

Mr. CASE. The Senator from Delaware, I think, wants to be yielded time.

Mr. GLENN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. GLENN. What time remains on each side on this point so we will know where we stand? I am a little confused as to how much time remains on the side for Senator RIBICOFF.

The PRESIDING OFFICER. The Senator from Tennessee has 129 minutes.

Mr. GLENN. How much time within the 2 hours?

Mr. CASE. There is no rule about that.

The PRESIDING OFFICER. There is no allocation within the 2 hours.

Mr. BIDEN addressed the Chair.

The PRESIDING OFFICER. The Senator from New Jersey has the floor.

Mr. McCLURE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. McCLURE. Did I understand the Chair to say there is no allocation of time within the closed session?

The PRESIDING OFFICER. That is correct.

Mr. SARBANES. Mr. President, I ask unanimous consent——

Mr. McCLURE. Would it be out of the way, Mr. President, to ask unanimous consent that the time within the closed session be equally divided?

Mr. ROBERT C. BYRD addressed the Chair.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, I made that suggestion earlier today and the distinguished Senator from Delaware suggested that the time during the closed session be kept by the clerk as it is being kept in the open session and charged to both sides in the same way.

Mr. BIDEN. Mr. President, if the Senator will yield on that point, the main reason I made that suggestion is I guessed, and I think correctly so, that the opponents of our resolution would want to use more of the time in closed session than we would want to use, and that is the only reason I did not want to be bound by having to use an hour of our total 5 hours in closed session.

So that is the reason why we arrived at that. I am sure if there is anything of great consequence as this debate proceeds in closed session, we could ask unanimous consent to extend the closed session a little while longer if anyone felt he needed to raise a question that could be raised only in closed session.

Mr. President, I would like to yield myself 5 minutes and then yield to the Senator from Florida who has been seeking recognition on my time. I believe the Senator from Idaho also would like to speak. As a matter of fact, I will use less than 5 minutes.

I think the Senator from Connecticut made a very, very eloquent case for Saudi Arabia in the sense that he pointed out, I think very accurately, the jeopardy which Saudi Arabia is in as a consequence of her neighbors.

But I think you could take, you can take, the very facts he cited as some of the most eloquent arguments for going forward with the sales at this time. It seems to me that the Senator stated several things, and I hope I do not misstate what I assume he was saying or what he is saying. First of all, the Senator from Connecticut pointed out that Saudi Arabia's long-term interests in the Middle East lie in her alliance with the Israelis, the Egyptians, and the Iranians, and I doubt whether many people would argue with that, and ultimately her long-term interests lie with the United States of America because her long-term and short-term detriment lies to the north, the Soviet Union.

If that, in fact, is the case, it seems to me that the next step to be considered and the question to be asked is the one raised by the Senator from Washington about what relevance do 60 F–15's have to that security interest now. I think all of us here would have to acknowledge in light of the fact that they are not going to even come onstream until 1983 or 1984, and even if they were coming onstream now, that is not enough for the Saudis to look out for their own interests, so we are back again to how do we ultimately arrive at that alliance of Saudi Arabia, Egypt, Israel, and Iran.

It seems to me the only way we arrive at that is through peace in the Middle East in terms of the Arab-Israeli conflict, because until that point is arrived at the Israelis and the Saudi Arabians will not be able to move jointly against the perceived and real threat to Saudi Arabia.

I think there are few in here who would deny that this package, this sale, of the 60 F–15's to Saudi Arabia at least is exacerbating her relationship with Israel, at least is doing that, and most of us have agreed in open session here that the main thrust of this debate is really not the military force structure as a consequence of this sale but the psychological reaction each nation will have as a consequence of our actions.

The point I am trying to get to, and I probably am taking longer than the 5 minutes I allotted to myself, it seems to me is if this sale would take us further away from a peace settlement in the Middle East, it takes us further away from securing Saudi Arabia's interest. It seems to me further that in terms of Middle East alliances, the single most important military ally to Saudi Arabia is Israel. But if Israel at this point perceives, rightly or wrongly, that as a consequence

of our actions we are either withdrawing the covenant we have had with the Israelis and the special relationship or as a consequence of this action they believe they are in jeopardy or at least more jeopardy than they were before with the combined forces in the Arab world, with Saudi Arabia being put in a position if, in fact, there is another war they will not be able to stand back with these planes in their arsenal and say to the more radical Arab nations, "We cannot get involved, we canot be there," they become a confrontation state.

If either of those two things occurs, that is, that Israel believes that Saudi Arabia is a real short-term threat to her interests or that they believe this heralds the beginning of an era of a change in our relationship with them, it seems to me that moves them further from the peace table, it moves them further from the point of making some necessary concessions I believe they must make, Israel, and I believe, many of us believe, that, and if that is the case, then Saudi Arabia's interests are, in fact, jeopardized more by the sale even though we all should sit here and say: "If only the Israelis knew better, if only the Israelis would not react that way."

Well, I think we cannot react based on what we think should happen. I think we should react based on what we feel will happen. As the distinguished Senator from Colorado asked me earlier today in the open debate, could I predict what the Saudis will do if these sales do not go through, I said I could not do that, but I think we can more accurately predict what the Israelis will do if the sales go through, rightly or wrongly; it seems to me all the evidence indicates the Israelis will harden in their position.

If you want to ask the negative aspect to this, will they become more paranoid instead of less paranoid? Will they become less trusting instead of more trusting? Will they move further away from the table rather than closer to the table? And we answer: "We will solve that, we will send the Israelis 20 more planes."

By sending the Israelis 20 more planes, and we said we were not going to do it, we are tacitly acknowledging that the fear they had in the first instance, which may not be justified, is more justified.

One last thing: It seems one other thing I know is not very palatable to say in open session, and I was criticized for alluding to it this morning by one of my colleagues, and that is they are saying what will Saudi Arabia do if we do not. Let me ask it the other way: What can Saudi Arabia do if we do not? I realize that injures pride, it injures their attitude in terms of their own sovereignty and whether or not they are a powerful nation.

But, practically speaking, folks, what can they do if we do not, assuming that the argument made by the Senator from Connecticut is true, which I think it is, and that is that Saudi Arabia is in jeopardy? They must look West and not East; they must look moderate rather than radical; they must look to the United States rather than the Soviets for their own interests.

Mr. RIBICOFF. Mr. President, may I respond to what would the Saudis do? First, they will buy Mirages for immediate delivery from the French. That is No. 1.

Second, my prediction would be they would cut back their oil production to 5 million barrels a day. No boycott, 5 million barrels a day, from 9 million barrels a day.

Put yourself in the United States, in Western Europe and in Japan with 5 million barrels a day. You know the dollar is not so strong. They have got $20 billion in the United States. So they will buy deutschemarks, and buy Swiss francs, and what happens to the dollar? The underpinning of $20 billion in deposits in the United States is lost to us.

We are talking about power.

The PRESIDING OFFICER. Who yields time on this?

Mr. RIBICOFF. Mr. President, will the Senator yield time?

Mr. ROBERT C. BYRD. Mr. BAKER has the time.

Mr. STEVENS. What time does the Senator want?

Mr. RIBICOFF. Just 3 minutes.

We are talking about power, and the people of this country ought to understand power, and power today is not just planes and guns. Power is finances, money, oil and economic strength.

There are great changes in the world. The United States had so much power, but it does not now, and other nations have it. You can talk all you want to about pride, but prideful people sometimes would rather go down through revenge, and take revenge on those they thought sold them out.

The only friend the Israelis have is the United States, and what a tragedy it would be at this point to come into this confrontation with the United States of America, and that is what it would be.

Mr. JAVITS. Mr. President, will the Senator yield to me?

Mr. BIDEN. I yield to the Senator.

Mr. JAVITS. Three minutes.

Mr. GLENN. Could we have the answers to these questions?

Mr. JAVITS. Remember, I have a real interest in this issue as a U.S. Senator, just like the Senator from Connecticut.

Mr. GLENN. The Senator from Delaware asked a question that has not been responded to yet.

Mr. JAVITS. I will respond to it.

Mr. CASE. This time is coming out of my time, for Senator JAVITS.

Mr. JAVITS. Mr. President, I have no desire to debate this issue with Senator RIBICOFF, none whatever. I hope this will be the limit of my participation in this debate. But when you appeal to the views which Senator RIBICOFF has appealed to, I must speak out.

I know something about this. I have been living with it for 30 years, and I have lived with it as a long-standing member of the Foreign Relations Committee.

I take my text from Senator RIBICOFF. He said one thing that struck me very forcibly, and I copied it down. He said:

> We must have the courage, the guts, to face the changing times.

I say, Mr. President, that government by foreign nations could bring this Nation down, and concern about our domestic ethnic groups is pale by comparison.

What are we arguing about here, pressure by our own ethnic groups or pressure by oil from Saudi Arabia?

What policy are we talking about? Saudi Arabia is, I believe, a critical factor for peace but its policy is ambivalent. It feels it has to support the PLO, to this day, notwithstanding the terror and murder for which the PLO seeks credit and which we just saw in Israel. How do you think the PLO survives? Where do you think the PLO gets the money to buy their arms?

Mr. President, 60 F-15's are not going to make or unmake the security of Saudi Arabia. They will get them.

What will happen today, if we vote this resolution down, is to send a signal to Israel. Israel consists of 3 million courageous people—on occasion, 3 million heroes. They have withstood four wars. Is that not worth something in the struggle against communism? Are they worth less than the alleged 30,000 Cubans in Africa? What are the Israelis going to think when we cut them off at the knees? What is their morale going to amount to? Are they going to run for cover and say, "There is nobody to depend on"? Talking about hate, and talking about sacrifice, what about the Jews at Masada? Were they afraid to throw themselves over the parapet? Their courage is no less today, and is a big asset for us.

Gentlemen, tear the blinds from your eyes. The Saudis will not leave us, because they have no one else they can really depend on. Senator JACKSON put his finger on that. What are they going to do even if they have the 60 F–15's? As JOHN GLENN will tell you, it is just a drop in the bucket in terms of the vastness of Saudi Arabia. They will depend on us.

They have got our dollars, and they are not going to dump them, because the dollar is still the safest currency in the world.

In a military sense, these arms sales are a small issue. Israel will get its planes, Egypt will get its planes, and Saudi Arabia will get its planes. But the President of the United States in effect has told us: "I am adopting a new policy in this country, a new policy after 30 years. I am going to give the Arabs [deleted] they want, and I will give the Israelis some of the things they want—if the Arabs get what they want." There has been a lot of talk of parity. But where is the parity, with 100 million people against 3 million, occupying a tiny speck on the map? They have had four wars, one by surprise on their holiest day, Yom Kippur. Are we going to say and that this is a light matter?

Where are our guts, our sense of justice, our morality that Senator RIBICOFF talked about? Where are we going to direct it; only to those who are swimming in oil, who have oceans of oil, oceans of land, and oceans of assets—and much of it being invested right in this country now? Why are so many of the American business community against this res-

olution, I ask you? Is it because of dollars or because of morality?

Thank you very much.

Several Senators addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. BIDEN. Mr. President, I yield, from the time of the majority, 10 minutes to the Senator from Florida (Mr. STONE).

Mr. STONE. I thank the distinguished Senator from Delaware. Mr. President and Senators, this is a closed session. Therefore, I would like to use at least a part of my time to talk about a briefing of the CIA that was done before the Foreign Relations Committee, in which the Senator from Connecticut participated. I was also there.

Admiral Turner, of the CIA, lined up the order of battle between Israel and those Arab nations that had contributed forces in the last war, and that includes Saudi Arabia.

The order of battle lined up the warplanes. Admiral Turner separated the [warplanes count into two categories,] first-class jets, and less-than-first-class jets and standard warplanes.

The ratio of first-class, high-quality jets confronting Israel was more than 2 to 1. And the ratio on the other jets was more than that. The Saudis contributed token units in the past wars, because they had only token units to offer. [Class. deleted.]

Who here is ready to say that when there is another war in the Middle East against Israel, the Saudis will not contribute their forces? [Class. deleted.] Senator ZORINSKY and others joined me at lunch with his Royal Highness Prince Turki, who is the head of the security operation of Saudi Arabia, at lunch in S. 116 a few weeks ago. I asked Prince Turki this question: I said, "Your Royal Highness, the Crown Prince has said publicly that in another conflict, the forces of Saudi Arabia would be available for use against the common enemy. The common enemy is Israel, is it not, Your Royal Highness? Would these F–15 planes be used?"

He said: "Yes, yes, they would be used. Therefore I submit they would have to be drawn in, and at least some of these F–15's would be used."

That is why Senator ZORINSKY put out a public statement that he was going to oppose these sales, and that is why it was printed in his State that that is the reason he would oppose these sales, because the one commitment you have not heard from the Saudi leadership is: "We will not use these planes against Israel."

As a matter of fact, Secretary Christopher testified that these planes could not only be used to protect the territory of the Kingdom of Saudi Arabia, but the general area of the Saudi protection, which, at the very least, would include the buffer area of Jordan, buffering Saudi Arabia, and the areas of Egypt now occupied by Israel.

Mr. SARBANES. Mr. President, will the Senator yield on that point?

Mr. STONE. Yes.

Mr. SARBANES. Admiral Turner was asked a question about possible involvement by Saudi Arabia in the secret briefing to our committee

Mr. CASE. Speak louder, PAUL.

Mr. STONE. He never speaks louder.

Mr. SARBANES. Let me add that I do think before we finish it is very important for Members to take a look at that chart of weapons available to each country and to start adding up the planes and see what the ratios are.

As Senator JACKSON pointed out, a lot of the concern is psychological in terms of anticipating what is coming; but those anticipations are very important in the strategic context of the question of the potential Saudi involvement.

Admiral Turner was asked whether it would be expected that Saudi Arabia would go into another Arab-Israeli war and this is Admiral Turner's response:

It is always risky to predict national reactions in the future by looking at the past, but in three out of four wars that the Arabs and Israelis have had, the Saudis have tried but have not been very effective in getting to the battlefront. They have actually been scarred with combat once, but they have tried to get there on three occasions. [Classified deleted].

Mr. STONE. I thank the distinguished Senator from Maryland.

That is the case, that is the fact, they would get there.

One thing about this Tabuk, and I made a speech on this floor when this arms package was first raised. Tabuk, I maintain, need not be used as a permanent base, because what prevents the F–15's from being based in the south and using Tabuk, and the other two fields right alongside Jordan, as a refueling stop and for frontline combat work? That is the approach contained in our NATO plan. That is in all the other valid plans of every nation, to have forward bases. That is the way it could be used and probably would be used.

But most important of all to me, Members of the Senate, is not that risk, which I, for one, would be willing to accept at the appropriate time. What is important to me, and what I think is most important to the United States of America, is to get peace in the Middle East. For the first time in 30 years when we have a face-to-face conference, which unfortunately at the moment is deadlocked, between Egypt and Israel, we dump warplanes on the parties as a reward for that deadlock. The Saudis do not really support that Egyptian initiative—it is said they pay money to Egypt, and they do, but all of the evidence we have is that the Saudis are offended with the Sadat initiative. They do not like it, and they want to get Egypt back with Syria for a renewed confrontation. What will happen? I am convinced that if this sale goes through, and I think it is going through, within weeks we will see the end of the Sadat peace initiatives. You will see Sadat back with Assad and you will hear prattle about a comprehensive Geneva approach, which did not work, which is not working, and which will not work. The greatest chance of peace we have had in 30 years, the direct talks between Sadat and Israel, the committee in Jerusalem and the committee in Cairo, will have been killed.

I could be wrong because in the Middle East anything is possible. But I think it is likely. And I think that this policy is wrong. I think we should be supporting acts of moderation, not moderates for what they may have felt like. We should be putting these warplane incentives in front of an action of restoration of the Sadat peace talks and for that we need at least 4 or 5 months. Senator JACKSON says 6 months. I say at least 4, 5, or 6 months. If we did that, and then the Sadat initiative collapsed, then we could look at the order of battle, the risks involved, and entertain arms requests based on the reality of the situation.

Finally, let me say that I applauded Senator RIBICOFF's statement along with the rest of you, but there was one thing that ought to be corrected. The implication that to support this arms package, which flies in the face of congressional intent that arms requests should not be linked country to country—that to support it is pro-American but to oppose it somehow is an ethic policy is unworthy of the applause which I gladly joined in for the statesmanship of the senior Senator from Connecticut, whom I revere.

I have encouraged the National Association of Arab Americans in my office and in public to express themselves. They have a right to express their feelings. That, to me, should not be labeled ethnic politics. People who came from Greece and who have a feeling for Cyprus when they express it should not be labeled with "ethnic politics." We are all Americans together.

The PRESIDING OFFICER (Mr. CHILES). The Senator's 10 minutes have expired.

Mr. GLENN. Will the Senator from Alaska grant me 5 minutes?

Mr. STEVENS. Yes.

Mr. GLENN. I would like to respond to the remarks of the Senator from Delaware and the Senator from Florida. I agree our objectives should be peace in the Mideast. That has to be the No. 1 objective. We are faced with choices today which are lesser of evil type choices, as Senator BAKER stated one day in committee. I agree with him completely.

The question comes down to a pretty basic question after we talk about all the other details of things. That is whether we, in fact, go ahead and approve the arms sale and retain some control, retain absolute control, over their use, and still have some influence in getting people to the peace table, or if we turn this down, promote the sale of the French, which is extensive and which is the main answer to the question of the Senator from Delaware, and lose control, lose the influence we have for getting the people back to the peace table in the Mideast, which still has to be our number one objective.

Let me address this control. We are saying will the Saudis live up to the bargain that they have made; will they live up to their agreements? That is under our control and positively under our control. This is an air-to-air weapons system that we are delivering. It has extremely limited ground attack capabilities. Our

own Air Force stopped even testing it in that mode back in 1975.

When we talk about the limitations that we have on this airplane, where on earth do we think the Sidewinder missiles that go air-to-air, where do we think the Sparrow missiles, come from? They come from here.

These things are nothing but high-speed gliders, single-person transports, if you will. Without the equipment that we send over there, and without the spare parts that we send over there, they are useless aircraft. They are nothing but ornaments on a flight ramp someplace unless we continue to furnish that. So we do retain control over the use of these vehicles.

There can be no question about that.

So we come down to what will the French do, in answer to the Senator from Delaware.

Well, the French have indicated a deal they have been negotiating—and I will have a longer statement after we are out of closed session on this—which basically is this: They are negotiating 60 F–1 fighters with substantial air-ground capabilities, deliveries to start not in 1980–84 but this summer, 1978. They are also negotiating the possibilities of coproducing in Egypt the F–2000 fighter, also with extensive air-ground attack capability, a real attack airplane, with a guarantee of at least a 125-plane production.

The French also have about to fly this fall a brandnew and much advanced airplane comparable or perhaps even better than the F–15, although that is debatable, which would be the next generation aircraft, with first flight this fall. It is my understanding that they have discussed giving the Saudis the option of first buys on this airplane. Sixty F–1's are certainly in no way comparable with the F–15, but the F–2000 is a potent fighter by any modern-day standards, extensive air-to-ground capability, with all these others to follow. This can involve several hundred aircraft.

Quite apart from the numbers the major consideration is that these aircraft will be completely out of our control, with transfer anywhere in the Arab world, based at Tabuk or even new airfields if they want to build them at optimum distance from Israeli targets to fit the aircraft capability, with an air refueling capability for extending range and combat radius, if they so desire, and only minutes away from critical Israeli installations. In short, if this buy from the French is consummated there would be no restrictions to basing these airplanes anywhere in the Arab world, transferring them anywhere, training pilots of any nation, or doing anything they want to do.

We are talking about selling 50 airplanes to cover an area equal to the United States east of the Mississippi, 60 airplanes to cover an area of that magnitude, with us controlling the weapons, with us controlling the spare parts to see that they live up to every bargain they have possibly made, plus controlling the air-to-air missiles that I did some work on 20 years ago that now are far beyond that in capability. But we control this situation.

That is our decision today. Do we take a situation that we have control over with this limited number of airplanes, retain the confidence of the Saudis, hopefully influencing this toward the peace table? Do we throw that down? Do we spurn their cooperation in this area? Do we drive them——

The PRESIDING OFFICER. The Senator's time has expired.

Mr. GLENN. Do we drive them toward the other camp and have the French come in with this kind of a massive buy which literally may mean we have to go back to Israel with hundreds and hundreds of F–15's to limit this in years hence? I am for the stand taken by Senator Ribicoff and join others in applauding his stand. I hope everyone considers these details.

Mr. STEVENS. Mr. President, I yield 15 minutes to the chairman of the Intelligence Committee.

Mr. INOUYE. Mr. President, earlier this year, in my capacity as chairman of the Foreign Operations Subcommittee, I requested the Select Committee on Intelligence to examine the intelligence material available in this country and provide a report on the Arab-Israeli military balance. This request was supported about a week later by my distignuished colleague from New Jersey (Mr. CASE). I wish to say the committee's staff received full cooperation from the intelligence community and had the opportunity to examine and review extensive intelligence material, including the National Intelligence Estimates on the Middle East military balance since 1962.

At the outset, I believe it is important to note certain limitations inherent in the material and information available to the community and to the committee. Although intelligence on the Middle East is among the best available of any part of the world, it is not complete in all areas.

On the whole, information on the Israeli order of battle is more complete and reliable than that on the Arab order of battle. This is due in part to the fact that the United States is Israel's major arms supplier, and is therefore confident of its figures on the quantities of weapons furnished Israel. Even here, however, there are some uncertainties. For example, figures on Soviet tanks that Israel captured from the Arabs are less certain, although the approximate figures are more than adequate.

Information on the numbers of Arab weapons systems is much less precise—often inferred from data collected by technical means. Particularly soft are the estimates of reserves available for mobilization on the Arab side. In general, though, the areas of uncertainty have a relatively small effect on the aggregate figures.

Incidentally, Mr. President, if any Member of the Senate desires, we do have a very sensitive top secret document here which can be made available under Senate Resolution 400. It is here at the present time.

A serious question addressed in this study is the dependence of intelligence community assessments of Israel's military superiority on largely qualitative factors and how this dependence affects the credibility of the judgments. Against the Arabs' quantitative advantage, in terms of numbers of troops, tanks, and aircraft, intelligence community analysts repeatedly stress the importance of qualitative factors such as motivation, morale, leadership, training, education, technical competence, and command and control capabilities. The intelligence community judgment of 1977 is "manpower—quality is perhaps the most significant component of the Arab-Israeli balance."[1] Estimates of these human factors are by their nature "subjective, difficult to quantify, and error-prone."[2]

[Class. deleted.]

Finally, it should be noted that this report is essentially a critical analysis of two types of material: finished intelligence estimates, most of which have gone through a process of inter-agency review and accommodation; and staff interviews with inteligence analysts who have participated in the preparation of those estimates. It should be further noted as a caution that the staff did not have the time or resources to review the massive amounts of available raw intelligence.

THE MIDDLE EAST ARMS BALANCE

Community-wide assessments of the Middle East military balance from 1962 to the present indicate that analysts have consistently concluded that Israel has maintained military superiority over the Arabs. [Class. deleted][3] made reference to the "longstanding superiority of the Israeli defense forces" IDF.[4] In the view of the intelligence community, Israel's margin of military superiority has increased since the October 1973 war.

A review of the principal judgments of the intelligence community's relevant estimates of the last 5 years illustrates the continuity in intelligence community assessments:

[Class. deleted].[6]
[Class. deleted].
[Class. deleted].[7]
[Class. deleted].[8]
[Class. deleted].
[Class. deleted].[9]
[Class. deleted].[10]
[Class. deleted].[11]

The July 1973 estimate was seen in retrospect to have been in error on several crucial points. There was—perhaps inevitably—little attention given to the possibility that new weapons or tactics would be developed which would enable the numerically superior Arab armies to fight on a par with the qualitatively superior Israelis. (Both the implications of use of new Soviet SAM's and antitank missiles and the development of high-pressure hose techniques for breaching Israeli defenses on the Suez Canal were not anticipated by the intelligence community.) Moreover, analysts failed to appreciate the occasional ability of the Arab countries to mount a coordinated surprise attack on Israel. They may also have underestimated the willingness of Arab leaders to undertake a war which they knew would be lost in the narrowest military sense.

Footnotes at end of proceedings.

The intelligence community is now more sensitive to the possibility that Arab leaders will undertake a "losing" war for political objectives and is engaged in a more thorough analysis of such hard evidence as is available on qualitative factors. It should be remembered, however, that the United States has better information on and better rapport with the Israeli military than it has with Arab forces.

In the view of the intelligence community, Israel went back to the drawing boards after the Yom Kippur war and focused seriously on correcting the gaps perceived and errors made in the war. Israel has made considerable progress, particularly in her electronic countermeasures (ECM) to the Arab air defense system, and in her artillery and antitank capability. Israel has also adapted her tactical doctrine in light of the experience of the 1973 war. [Class. deleted].

[Class. deleted].[12]

Since 1973, Israel has acquired weaponry of greater sophistication than the Arabs, and the high proficiency and motivation of her manpower allows Israel to take full advantage of the technologically advanced equipment.[13] Her industrial base gives her the capability to modify and repair her fighter aircraft. In the 1973 war, Israel could repair significant damage in 72 hours. She has improved since then and [class. deleted] is striving for an 18- to 24-hour turnaround repair capability in wartime.

At present Israel is the only nation in the Middle East with F–15's—14 at present with 11 more expected by the end of 1978.

Israel's air force has grown more rapidly than the Arabs' since the 1973 war. An important point [class. deleted] is that this raises the possibility that Israel is reaching a "threshold" of the arms she can absorb, maintain, and deploy effectively. Analysts have noted a decline in the quality of pilots under the strains of increasing recruitment needs.

[Class. deleted].[14]

[Class. deleted].

The Egyptian Air Force has deteriorated because of insufficient Soviet resupply after the October 1973 war and the cutoff of military aid in 1975. [Class. deleted]. The Mig–21's have serious maintenance problems and Egypt is exploring the possibility of contracting with Western firms to do necessary repair work.

[Class. deleted].

Syria has received substantial quantities of military equipment from the Soviet Union since 1973. However, her involvement in Lebanon (which represents a commitment of one-fourth of her troops on a rotating basis), has had a damaging effect on troop training and morale. Partially as a result of this, Syrian military capabilities on the Golan front are at their weakest since 1973, [class. deleted]. [Class. deleted].

On the other hand, there is evidence that the Syrians are trying to correct some of the deficiencies that became visible in the October war.

[Class. deleted].[15]

[Class. deleted].

Since 1973, Iraq has made great strides in troop and weaponry build-up and is expected to figure more significantly in any future Arab-Israeli conflict than it did in 1973 when the force that was sent to Syria performed poorly. [Class. deleted].

This assessment of greater Iraqi involvement in the next Arab-Israeli war is based on the following factors: the requirement for Iraqi forces to deal with the Kurdish problem has largely subsided, relations with Iran have improved, and Iraq is experiencing no major difficulty in absorbing the large quantities of new military equipment.

[Class. deleted].

Libya has also amassed considerable quantities of Soviet and Western European military equipment over the past 2–3 years—[class. deleted]. [Class. deleted] far too much for her 43,000-man armed forces to operate, and more, in fact, than it can adequately maintain despite the fact that the bulk of it is in storage. It could be a ready source of resupply for Egypt and/or Syria in the event of hostilities. It would be possible to preposition the weaponry, but such activity would be likely to be detected by Israel and could trigger an Israeli reaction. The aircraft could be transferred to Egypt in a matter of hours, with supplies being carried by C–130 transports. [Class. deleted]. Such shipments could be subject to possible Israeli interdiction before they reached the front. Unless Soviet amphibious ships were used, troops and equipment could not be shipped simultaneously to Syria and Egypt.[16] Given these formidable logistical constraints and the expected short duration of a war, it is uncertain how much Libya could contribute to a future war.[17]

[Class. deleted].

Jordan's ability to wage war against Israel was effectively eliminated in the 1967 conflict. She sent a token force to the Golan front in 1973, but did not make a significant contribution to the war effort. Although it remains uncertain whether she would in fact participate in a future war, she has been concentrating recently on improving her admittedly limited capability. She has recently reorganized her army from five to four divisions and is [class. deleted] as a "small, capable force." Jordan is the only Arab confrontation state with U.S. fighter aircraft at present—she has about 70 F–5's. Jordan has also recently purchased U.S.-made HAWK air defense missiles.

[Class. deleted].

[Class. deleted].

[Class. deleted].

As noted above, there have been some qualitative improvements in Arab military forces. [Class. deleted].

Another factor which has figured in judgments of Israel's military superiority over the years is the Arabs' historical inability to marshal their collective forces and effectively work together. One notable exception to this was the high degree of military and political coordination demonstrated by Egypt and Syria in the October 1973 war. Since 1973, this coordination has decreased as Egypt and Syria have followed different postwar policies. [Class. deleted].[18 19]

On the other hand, the improvement in political relations between Jordan and Syria has led to closer military cooperation as well. Also, Iraq's logistics buildup (in particular, her new direct rail link with Syria) indicates Iraq is likely to contribute more than it did in 1973 to any collective Arab military efforts. Finally, it must be kept in mind that the inter-Arab political situation is characterized by a high degree of fluidity, and that it is extremely difficult to make any judgments about the degree of unity or disunity the Arab world will experience in the early 1980s.

[Class. deleted].

[Class. deleted].

CONCLUSIONS

[Class. deleted].

[Class. deleted].[20]

[Class. deleted]. These factors are not as hard as quantitative order-of-battle figures, yet many hard sources of information are used in arriving at these judgments. Analysis of such information is by its nature more subjective than that of quantitative data.

MILITARY EFFECTS OF PROPOSED ARMS SALES

The preceding analysis provides a context for the proposed arms sales to Middle Eastern countries first introduced in February 14 and formally presented to Congress April 28. The terms of the proposal are:

	Billion
Egypt, 50 F–5's	$0.6
Saudi Arabia, 60 F–15's	2.5
Israel, 15 F–15's; 75 F–16's	1.9

(See Attachment IV)

A March 7, 1978 intelligence community evaluation of the effect of these sales on the Middle East arms balance stated that in the view of the intelligence community they "would not reduce Israel's military superiority over the Arabs . . . and may even enhance it."[21] Close examination of the assessment and follow-up discussion with the analysts filled in some of the evidence supporting such a judgment.

THE SALE TO EGYPT

The F–5E's considered for sale to Egypt are roughly comparable in terms of capability to the Mig 21 and would not, on grounds of capability alone, threaten Israel's air superiority. In numerical terms, the F–5E's do not reverse the deterioration of the Egyptian Air Force relative to the Israelis. The significance of an Egyptian arms deal with the U.S., in the view of the intelligence community, is less military than political. In the view of the intelligence community, should the F–5E deal not go through, it is unlikely that Sadat would seek an arms deal with the USSR. The intelligence community believes that Egypt's only realistic alternative sources would be France and perhaps the United Kingdom. In addition, the Arab Organization for Industrialization has been examining the possibility of Egyptian-French co-production of fighter aircraft.[22]

Footnotes at end of proceedings.

THE SALES TO ISRAEL AND SAUDI ARABIA

The F–15's proposed for sale to Saudi Arabia and Israel would all apparently be the interceptor model, not outfitted primarily for ground attack. (According to State Department analysts, 15 of the Saudi F–15's are trainer airhraft.) Israel is currently evaluating a McDonnell Douglas bomb rack developed for use in the F–15, but not purchased by the USAF. It increases the bomb-carrying capacity from three 2,000-pound bombs to eighteen 500-pound bombs. Neither the Israelis nor the Saudis are currently authorized to purchase these bomb racks; however, CIA analysts judge that similar bomb racks and necessary modifications to the planes could be produced by the Israelis or procured by either country from other countries such as France.

U.S. military attachés and some analysts at the State Department believe that in the event of hostilities, the Saudis would choose not to use their F–15's but would rely solely on the more far-reaching international political impact of the oil weapon.

The intelligence community assesses the impact of the F–15's on the Middle East military balance in these terms; Saudi F–15's could provide more of a challenge to Israeli air space than other Arab-piloted aircraft. We believe this threat could be countered effectively by the Israelis, however, although at the cost of some diversion of resources from other combat sectors.[23]

Since every plane in the Israeli Air Force can reach Tabuk airbase, just southeast of Eilat, Israel's Red Sea port, it would not [class. deleted] be militarily reasonable to station the F–15's at Tabuk and thus make them an inviting target. Although the F–15's are likely to be based in southern Saudi Arabia, should the Saudis choose to use them in an Arab-Israeli conflict, they could be staged through Tabuk on a mission against Israel. Tabuk airfield would require no major modification to allow such a one-time operation. At long ranges, the Israelis believe the Saudi F–15's would have to be opposed by other F–15's; at shorter ranges, Mirage V's, KFIR's, and F–16's could be used. The exchange ratios that might result from clashes between Israeli and Saudi F–15's would depend on the extent to which the air battles took place over Saudi air space protected by Hawk SAM's. In any case, the relatively automated nature of the F–15 fire control system suggests that the exchange ratios would be much less favorable to Israel than has been the case in past Arab-Israeli air battles.

Intelligence community analysis stress that "practical considerations argue against the efficacy of a transfer of (Saudi) F–15's" to one of the Arab confrontation states, specifically Egypt. They cite the lack of "qualified pilots or a logistics and maintenance staff familiar with the F–15's" [24] in any Arab state. Even in their own country, the Saudis would be dependent for continued operations on U.S. technical assistance and maintenance which, in view of the intelligence community would "presumably" cease in the event of hostilities.[25]

The F–15's allotted to Israel would boost Israel's inventory to 40 F–15's. The recent compromise, giving Israel 20 additional F–15's would make her F–15 inventory equal to that of Saudi Arabia. The ground attack capabilities and long range of the F–16's to be sold to Israel could enhance Israel's ability to cut off Arab expeditionary forces sent, for example, from Iraq, in the case of hostilities. CIA analysts indicate that this would represent an improvement of Israel's military capabilities.

Israel's purchase of four E–2C Hawkeye airborne early warning combat information centers from the United States (scheduled for delivery June through September of this year) will considerably strengthen Israel's early warning capability and will enable it to detect any movement of the Saudi F–15's. This will enable Israel on a routine basis to keep two planes up during the daylight periods when a surprise Arab air attack would be more likely to occur. During crises or hostilities, three planes could be on patrol when the threat appeared particularly great.

Guarding against the possibility that she will not get the F–15's, Saudi Arabia is engaged in negotiations with the French for the purchase of Mirage F–1's. The possible F–1 deal is clearly a contingency plan; according to CIA analysts, both the Saudis and the French understand that it would not be pursued should the F–15's come through. If it turns out that the Saudis do not get the F–15's and do indeed purchase F–1's, these would complement F–1's recently bought (though not yet all received) by Kuwait [class. deleted], Iraq [class. deleted], and Libya [class. deleted]. Although the F–1 is not as sophisticated as the F–15, it is a considerably more advanced aircraft than the F–5E. Existence of F–1's in four Arab nations could facilitate transfers since each country would develop a familiarity with the plane, and have the necessary ground support. The necessary support systems for the F–15 are not completely compatible with the support systems for the F–1.

The intelligence community recognizes that the important question to be addressed is not only who might win a war in the Middle East, but also what casualties will be incurred, what political opportunities the war will create, and what amount of economic disruption it will cause. In the view of CIA analysts, for example, Egypt "recognizes that it is not going to defeat Israel." Its wartime objective, therefore, would be to "exact maximum casualties."

Unfortunately, the intelligence community has as yet produced, to our knowledge, no studies discussing how the proposed sales would alter the expected outcome of a Middle Eastern war when viewed from this perspective. Nor has the intelligence community, to our knowledge, addressed the question of how the sales would alter the incentives for any of the parties to go to war, except to say that the military balance would not be appreciably changed and to suggest that the existence of the F–15's in Saudi Arabia and, in particular, any indications of their deployment to Tabuk airfield, might prompt an Israeli preemptive strike.

Footnotes at end of proceedings.

Mr. BIDEN. Mr. President, I yield such time to the Senator from Idaho as he may require.

Mr. CHURCH. I thank the Senator.

Mr. SARBANES. Mr. President, will the Senator yield for a moment or two?

Mr. CHURCH. I yield to the Senator from Maryland.

Mr. SARBANES. Mr. President, I wanted to follow up the statement made by the distinguished Senator from Hawaii concerning intelligence reports.

I must say that when we received a secret briefing from Admiral Turner in the Foreign Relations Committee, I expected that the briefing, in effect, would reassure me about this problem of military balance. Instead, it heightened my concern.

The fact is that the Arab States have a ratio over Israel of well over 2-to-1 in tanks, in airplanes and of course in men. If you want to break the airplanes down into modern airplanes and old airplanes, they maintain the same ratio in terms of their air forces.

So the concept that Israel can handle this situation has to be put entirely, as I think the Senator from Hawaii has stated in effect, on certain qualitative considerations: better readiness, better training, better preparation to carry forward the battle.

The raw numbers are however important because they do have an effect on what the balance is and on what the perceptions in the area are.

Just on planes alone, Admiral Turner stated to us that the gap was that about [class. deleted] combat aircraft would be committed against an Israel air forces of [class. deleted].

When we went into the composition of the [class. deleted], which involved the front-line states, the confrontation states, plus what our intelligence thought would be committed by the other states, it then turned out that the assumptions as to what would be committed by the other states were quite conservative. Iraq was expected to send [class. deleted] planes, of a force of about [class. deleted]. That was the assumption about the nature of their commitment in an all-out Arab-Israel conflict in the region.

So I think the numbers become quite worrisome. The notion that it can be met by pumping up the number of planes has a problem with it that the Senator from New Jersey (Mr. CASE) brought out in questioning Admiral Turner, when Senator CASE said:

> The point also is that Israel's limit of manpower and its economy place very severe constraints on what Israel's complete capacity is. If you take away a similar fraction of Israel's capability, it means a large chunk of its available manpower. It does not have unlimited resources, even if it had the planes.

Admiral Turner responded:

> I have mentioned that they are stretched today in their air force for quality of people. Their accident rate has gone up.

Of course, the distinguished Senator from Hawaii touched on that point as well.

So I really implore Members, before the closed session ends, to come over and take a look at this chart. Take a look at what is listed as available in terms of the order of battle for Israel and then for the Arab countries.

Recognizing the points that were made about Saudi Arabia, the fact remains that if you arm them to a level to resist Iraq and other Arab States, the total amount of arms going to the Arab States jumps significantly. What happens if they then all join together and direct them against Israel; you will have totally changed the military balance in the area.

I would like to make one final point: Approval of the disapproval resolution, voting for the disapproval resolution, is not an end to this issue. That does not mean that we cannot then go back with the administration and put together a response that meets the legitimate concerns of each of the three countries but avoids some of the pitfalls and mistakes that are inherent in the administration's proposal.

In fact, the most distressing thing about this entire issue is that, had the administration been willing to adjust numbers downward—which, after all, is the most sensible thing to do—we would not be here today, debating this resolution of disapproval. It is my submission that it could have been done in such a way that it would have responded to the needs of these countries; for example, would have met the fear of the French connection with the Saudis. There is nothing magic about the 60 figure. It would have met the Egyptian concern arising from their having broken loose from the Soviet Union. It would have responded to Israel's needs, without creating a sense of despair about their future security position being dependent upon other considerations than their legitimate defense needs.

Had the administration's submission been done differently, I think it could have commanded a general consensus in Congress and acceptance in the country.

If that is the case, why would not the administration take that approach and modify its submission? Why have they insisted that this issue be fought out, as it were, on the question of who is going to win—the President or Congress? That is not the objective. The objective is, Can we arrive at a policy that serves our national interests, that responds legitimately to the needs of these countries, and that commands a broad consensus in this Congress and across this country?

I submit to you that that could have been done. I know how hard the Senator from Idaho and the Senator from New York have worked to try to get the administration to move to a position that would respond to all these needs in a legitimate way. That did not take place, and that is why we are here today.

Voting for the Biden resolution does not mean that the opportunity is lost to come back and address this matter in a constructive and a creative way, really practicing the art of governance. That is what is missing. With a skillful practice of the art of governance by the administration, we would not be here on this issue, and still the United States would have responded to the legitimate issues that were raised.

Mr. HART. Mr. President, will the Senator yield?

Mr. SARBANES. I yield.

Mr. HART. What assurance does the Senator have that tomorrow, two of those parties to the agreement will still be there? That is the question I asked this morning. The Senator from New York (Mr. JAVITS) is very cavalier in saying that Egypt and Saudi Arabia will be back tomorrow and will be willing to discuss. I would like some assurance from the Senator that that, in fact, is the case.

Mr. SARBANES. I could not give the Senator an ironclad assurance, and he knows that when he asks the question.

Mr. HART. No. The Senator has been through the hearings. I have not. I do not know what representations have been made by the administration in this regard. Merely to say, "Everybody is going to get his airplanes; don't worry about it," bogs over the central, crucial issue before the Senate.

Mr. SARBANES. It is my perception that the bottom line on numbers is the administration's bottom line and not a bottom line of the country; that an administration that wished, as I said, to practice some creative statesmanship could have moved this thing in such a way, both in terms of how it was presented to the Congress and the dimensions of what was presented, that it would have met with general acceptance.

One of the objectives should be to have a foreign policy that responds to legitimate interests with the broadest base of support. I subscribe to a lot of concerns that have been outlined by people on the other side of this issue. The objective should be to respond to those legitimate concerns with the broadest consensus that can be obtained, not to try to drive it through with the narrowest of margins.

Mr. CHURCH. Mr. President, first, I commend the Senator from Maryland, who said more in 2 minutes than I have ever heard any Senator say. I agree with his conclusions. I would like to spend what little remaining time there may be——

Mr. McCLURE. Mr. President, will the Senator yield for a question?

Mr. CHURCH. I would like to make the presentation first.

Mr. McCLURE. It is on the question of the Senator's intention. Did I correctly understand him to say that he intended to use the remaining time?

Mr. CHURCH. The remaining time available to the Senator from Delaware.

Mr. McCLURE. As I understand, that is enough to use up the remainder of the closed session.

Mr. CHURCH. There are only 10 minutes.

Mr. McCLURE. Some of us have been waiting patiently for the opportunity to speak.

The PRESIDING OFFICER. Fourteen minutes remain.

Mr. CHURCH. How much time remains to the Senator from Delaware?

Mr. BIDEN. The Senator from Delaware has more than 14 minutes, has he not?

The PRESIDING OFFICER. The Senator from Delaware has 67 minutes remaining.

Mr. SARBANES. Mr. President, in fairness to the Senator from Idaho who is in the well, I think it is correct to say that much more than half of the time of the debate in the closed session has been used by the opponents to the resolution of disapproval.

Mr. GLENN. Mr. President, I point out majority leader tried this morning to get agreement to split this time and that was refused by the Senator from Delaware so this is of their own making.

Mr. BIDEN. I point out that is a red herring, how much time has been used by the opponents.

The PRESIDING OFFICER. The Chair is not recognizing anyone right now. If Senators will wait a minute, the Chair will say how much time has been used by each party.

Sixty-one minutes of the closed session have been used by the opponents of the resolution.

Mr. CHURCH. Mr. President, I shall try to say what I sought before to say in 10 minutes.

Mr. BAKER. Mr. President, if the Senator will yield briefly to me, in that case I ask unanimous consent we now provide for 4 minutes to the distinguished Senator from Idaho in closed session.

The PRESIDING OFFICER. Is there objection?

Mr. McCLURE. Mr. President, reserving the right to object, and, of course, I shall not because I will be grateful for 4 minutes, but after waiting for 2 hours I had hoped I would have a few more minutes than that, and I thought it was the consensus arrived at earlier we might extend the closed session if, as a matter of fact, we had not completed the discussion at the end of 2 hours.

Mr. CHURCH. Mr. President, I ask unanimous consent that the time that has been consumed in discussing the allocation of the remaining time might not be charged against the time that was originally meant to embrace the closed session. That would give us a little additional time.

Mr. BAKER. Mr. President, reserving the right to object, and I shall not object, that is a good unanimous-consent request, and I have a request long outstanding for the Senator from Idaho for 10 minutes in closed session. I wonder if there is any objection, then, to extending the time in closed session so we may honor that request.

The PRESIDING OFFICER. Do the Senators from Idaho jointly request unanimous consent that each be extended 10 minutes in closed session?

Mr. BAKER. Mr. President, I make that unanimous-consent request.

Mr. BAYH. Mr. President, reserving the right to object, may I pose a question to the leadership? Is there anything sacrosanct about the time limit on the time of closed session? It seems to me that any Senator who has something he

wishes to express in closed session should have a chance to do that. When we get through saying what we wish to keep secret we then go public.

Mr. BAKER. What about removing the limit altogether on the secret session?

Mr. ROBERT C. BYRD. I think we should proceed to the limit and then if time is necessary let us get it. We still have 10 minutes under the original order. It is more than that.

Mr. McCLURE. Mr. President, the Senator from Tennessee, as I understood it, asked that the closed session be extended so that my senior colleague from Idaho would have 10 minutes and the junior Senator from Idaho would have 10 minutes. I wonder if we might get that unanimous consent.

The PRESIDING OFFICER. Is there objection?

Mr. BAYH. Mr. President, I reserve the right to object. This is an ongoing debate and any other Member of the Senate, who has not had a chance to say anything in the debate, might feel compelled to rise and say something in secret session.

The PRESIDING OFFICER. The Chair points out that any Senator may move to go into closed session once the Senate is in open session.

Mr. BAYH. That, I may say with all respect to the Chair, is hardly an orderly way of doing things. Since we have one closed session we should lengthen it to the extent for everyone to be heard.

Mr. BAKER. I will renew the request and assure my friend from Indiana that if he has a requirement for additional time I shall join in that request as well.

I ask unanimous consent that both Senators from Idaho have 10 minutes in closed session to make their presentation.

The PRESIDING OFFICER. Is there objection?

Mr. BARTLETT. Mr. President, reserving the right to object, and I shall not object, I point out that some of us are looking forward to time in open session that was predicated on the terminus of the closed session time, so there is an interest in how long this is extended. I have no objection to this request, and I think it is a bilateral one of some importance, but I do think there are time schedules that some of us do have with the time we were looking forward to and for that reason I tend to object to any further extension of time.

The PRESIDING OFFICER. Is there objection to the request?

Without objection, it is so ordered.

Mr. CHURCH addressed the Chair.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. CHURCH. Mr. President, first of all, I shall address myself to the very provocative argument offered by the distinguished Senator from Connecticut which I find——

The PRESIDING OFFICER. Will the Senator refrain a minute? We have to have order here when we do not have the mike.

Mr. CHURCH. The Senator from Connecticut has argued with great persuasion that we must be mindful of the Soviet interest in the Middle East and of those countries encircling Saudi Arabia that are more or less sympathetic with the Soviet Union. He has based his justification for the sale of F–15's to Saudi Arabia upon his assessment of that threat. Fair enough.

I remember a time when the United States gave large quantities of arms to Pakistan because of our assessment of the Soviet threat to that country. Later, we began to sell and grant arms to India because of our assessment of the Communist threat to India. But while we were assessing the Communist threat and supplying large quantities of arms, both to Pakistan and India, those two governments prepared to go to war against one another. In the end, they went to war, using American supplied weapons on both sides. The Pakistanis blamed us for arming the Indians, and the Indians blamed us for arming the Pakistanis. It was the Russians who stepped in as peacemakers at Tashkent.

I have two objections to these offers of sale.

First, the way they were brought to Congress and, second, the timing the way and the when of the sales.

There has been much discussion of the threat to Saudi Arabia. Now I ask Senators:

If Saudi Arabia is so weak and Iraq so strong, why has Iraq refrained from making her move against Saudi Arabia?

I must dismiss Libya, Ethiopia, and Yemen as serious threats. But Iraq is formidable.

Yet, despite the Saudi weakness, Iraq has never moved. Perhaps that has much to do with her assessment of the Iranian response, in the event she were ever to attack Saudi Arabia.

The question we must ask ourselves is which war is the more likely? Is it a war between Iraq and Saudi Arabia? Is it some fancied encirclement including Afghanistan, Libya, Yemen, and Ethiopia that constitutes the threat to the Saudis and the likelihood of war? Or is the war which is most likely to explode again, the one between Israel and her traditional foes?

Well, if the past is any teacher, we must admit that the more likely war is the one that will come upon renewal of the arms race between Israel and her Arab neighbors.

I have listened to the assessment of the CIA which, incidentally, happened to be in error when it failed to anticipate the outbreak of the Yom Kippur war. The assessment tells me only that Israel presently enjoys military preponderance.

But if there is no settlement in the Middle East, and if Israel continues to hold onto the occupied lands, then all those burning coals that have led to the flareup of four wars in the region will continue to smolder, and then what is going to happen? I will tell you. Yes, there will be French planes built in Egypt; yes, there will be a new arms race in the Middle East financed by the Saudis; yes, there will be a new military equation emerging from that arms race; yes, there will be another war.

I, too, would like to see the American position in the Middle East solidified. I wish for something more than a peace settlement between Israel, Syria, Jordan, and Egypt. I would like to see an alliance for mutual defense and economic development put together among the four, an alliance for prosperity and peace in the Middle East, joining together Egypt, Israel, Jordan, and Saudi Arabia, and I would like to see us a part of it. But none of that is going to happen until these parties return to the negotiating table, until we have a settlement between Israel and Egypt.

Until then, the greatest danger is not war that involves an attack on the Saudis; it is the renewal of the war that has so long separated Israel from her neighbors.

Why am I against these sales? Because, in my judgment, they set back the prospects for peace at the negotiating table, the essential peace between Israel and Egypt. Remember, the President's proposal represents a fundamental change in American policy. When Mr. Kissinger negotiated Sinai I and Sinai II, what was said to the Israelis? "Yield territory, yield the canal, yield the oilfields. Move back to the passes, and you can be assured that your security needs in the future will be attended to by the United States of America." And explicitly written into the Sinai II agreement is the statement that we would attend to those needs.

It was unconditional. The President of the United States has suddenly, and without warning, made what was an unconditional commitment to Israel a highly conditional one. He has said, "Unless Congress approves our sale of top-of-the-line interceptors to the Saudis, and, for the first time, modern aircraft to Egypt, unless Congress puts its stamp of approval upon a policy by which the United States begins furnishing arms of the most sophisticated kind to both sides, I shall not go forward on our commitment to Israel."

That is what he said. That is a fundamental shift in the American position.

He sends it up here and he says to us, "If you do not approve every part of it, each proposal, I will withdraw them all."

Should we be surprised that the Israelis are suddenly so deeply troubled? It will be much more difficult for them to yield more occupied territory, now that we have started to arm both sides. And the prospects for peace will suffer. Until you get the Israelis and the Egyptians back together, until you get a settlement of that long-standing dispute, you will have no foundation to build upon in this area of the world, which has so long been called the strategic crossroads, and which is now even more vital because of the oil.

My second objection, with which I will conclude, is the way these sales were presented, tied together in a package. This can be cured only by recognizing that this package remains a package, and rejecting it. This is not the time to be authorizing the injection of $5 billion worth of warplanes into this vola-

tile area of the world. This is a time when our single-minded purpose should be focused upon getting the parties back together at the negotiating table. This is a time when we should be saying, "Give peace a chance." If the process fails, then there will be time enough to consider how many planes we should sell to the countries in the area. But if the process succeeds, it is entirely possible that we will need to sell no more planes at all.

Nothing can be lost by waiting 6 months. No country is singled out or insulted by that action. But the U.S. Senate will have shown the wisdom of giving peace a chance, with an opportunity to come back again, if necessary, to a consideration of what our policy should be in this area if a settlement does not ensue.

It is on this basis that I hope the Senate will vote to approve the resolution of disapproval.

The PRESIDING OFFICER (Mr. MELCHER). The Chair recognizes the junior Senator from Idaho.

Mr. McCLURE. Mr. President, I thank the Chair and I thank my colleagues for not having raised objection when the time for the closed session was asked to be extended, and I will not burden you with some of the general debate which might well wait for the open session, but I think there are two or three things that might better be said in closed session than in open session.

Senator STONE mentioned in his remarks that Admiral Turner had indicated that in prior conflicts the Saudis had tried to reach the battlefront and had failed. I think perhaps a more accurate statement of what the CIA had indicated was not that they tried and failed, but that they failed to get there.

I make that comment because I think there is substantial evidence that the Saudis were very desperately trying to avoid getting on the battlefront in time without appearing that they did not wish to be involved in the fighting so as to cause themselves problems with their fellow Arabs; that the fact that they did not get there is a fact. Their motivation we have to leave to interpretation.

I agree with my colleague from Florida that to go to Geneva to seek a comprehensive agreement would be a disaster, and that the kinds of talks that have been going on in the Middle East bilaterally with the United States providing the intermediary services perhaps carries with it more promise for a successful conclusion than the organized press relations circus that would surround a total comprehensive conference in Geneva.

I agree with my colleague from Idaho that our efforts ought to be directed toward promoting a peaceful solution and a peaceful settlement, to try to get the parties in that area of the world to come to their own conclusion concerning the kind of settlement they can live with rather than failing in that settlement and dying over that failure.

It is not my intention to debate what that settlement ought to be or even to try to indicate who is at fault or who is right. That goes back thousands of years, and we are not going to settle that in a couple of minutes. But we can have differences as to what is the best manner in which to achieve that which we both say we desire to achieve.

I have made four trips to the Middle East, and I recite that only as a way of background because I have had the opportunity to observe first hand, in talking to people in each of these countries, the evolution of their feeling over the last 5 years.

My friend, the Senator from Delaware, asks where else will the Saudis go? Well, first of all, the Saudis can go to France to buy planes that will be delivered much more rapidly, as my friend, the Senator from Ohio, has indicated, and much more adapted to ground combat than the ones we would sell, that would be available to them at a much later date.

They would also provide $1 billion in advance payments for the follow-on fighter to be produced by the French, the 4,000.

It is unlikely, in my judgment, that that plane will ever be produced and marketed unless the Saudis are turned down now on the U.S. sales. And it is almost inevitable that the French will produce and market that plane if we do turn down the sale to the Saudis at this time.

But beyond that, what is the reaction of the Saudis? When I first met the Foreign Minister of Saudi Arabia, he was a deputy minister in another agency. That was 5 years ago.

I talked to him last in Riyadk in January. It was a private meeting, and that is the reason why I wanted to recite to you what he told me at that time in closed session.

He said:

> Unfortunately, the plane sale has become symbolic in our minds. It is a symbol of whether or not the United States will remain a dependable friend of the Saudis.

Senator RIBICOFF has stated very eloquently what some of the consequences would be if we failed to maintain our good relationship with the Saudi Government in terms of energy, in terms of economics, in terms of geopolitics, and in terms of military balances in the Middle East. I can do no more than underscore the absolute seriousness with which the Saudi officials addressed me when I was there in January for the fourth time in their country.

Lest friends of Israel think I am totally on one side on this issue, I have also visited in Israel. I have been to the Golan Heights. I have talked with people in Israel in the various ministries at some length, in their country and here, and I recognize that they, too, feel very strongly, and they have emotional ties to this argument.

I am sorry that we might lose our objectivity as we engage in the emotions of the hour. But let me ask this question of my colleagues: There is no doubt in my mind that if the Soviet Union attacked and attempted to capture the oil fields in Saudi Arabia, World War III would result. But what would be the reaction of the United States if a radical Arab Government were installed in Riyadh by the Soviet Union and with their help and support, that would have the same effect as a Soviet takeover? Would we then declare war?

I suggest to you that we would not, in spite of the fact that if that did happen, the United States would be isolated in the world, because Europe and Japan cannot afford—cannot survive without Arab oil, and the minute that oil is lost to the western industrialized world, the western industrialized world is totally destroyed economically, unless they do whatever is necessary to maintain the access to that oil.

We are at that point in our history where we must decide whether we will take that risk—not which war is most likely to happen, but which one is the greatest threat to the survival of the United States? I think if we will look at it in that perspective, we will not take that chance. We will not run the risk of driving the Saudis over the brink, either by internal coup or by external takeover from more radical countries, into the arms of the Soviets, to the point of destroying the ability of the United States to work in concert with the rest of the free world.

That, to me, is the significance of this vote, and the reason why I have every reason to hope that the Senate will reject the resolution of disapproval.

Mr. President, even though I have a minute or two remaining, I will yield back the remainder of my time.

Mr. BIDEN. Mr. President, I yield 1 minute to the Senator from Washington.

The PRESIDING OFFICER. The Chair must point out that under the unanimous-consent agreement, the closed session is concluded.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the closed session continue for another 5 minutes.

Mr. CHAFEE. Mr. President, I would like to have 3 minutes to ask a question in closed session.

Mr. ROBERT C. BYRD. I ask unanimous consent that the closed session continue for another 10 minutes.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. BIDEN. I yield 2 minutes to the Senator from Washington.

Mr. CASE. Mr. President, will the Senator yield?

Mr. JACKSON. I have only 2 minutes.

Mr. CASE. On my time.

Mr. JACKSON. Yes.

Mr. CASE. I would like to ask, in the interests of orderly procedure, if there is anybody else on our side who wishes to speak against the sale.

Mr. McCLURE. In closed session?

Mr. CASE. In closed session or in open session. I know of only two in addition to Mr. JAVITS and me.

Mr. MOYNIHAN. The Senator from New York would like 30 seconds.

Mr. CASE. Bless your heart. I just want general information about Republicans who want to talk against the sales.

Mr. DOLE. In open session?

Mr. CASE. Either open or closed. We

have two here, and that is all I know of. Is the Senator from Wyoming going to talk against the sales?

Mr. HANSEN. No; I misunderstood.

The PRESIDING OFFICER. The Senator from Washington is recognized for 2 minutes.

Mr. JACKSON. Mr. President, I think I can sum up in 2 minutes about where we are.

It seems to me an overwhelming majority of this body wants to do everything it can to protect the territorial integrity of Saudi Arabia, Egypt, and Israel. There has been discussion also about vulnerability, and so on. I would point out that Saudi Arabia is a prime target. The Russians are not going to move overtly against Saudi Arabia or any of the nations in the Middle East. They are going to operate by proxy. That is point No. 1.

Point No. 2 is, Saudi Arabia meets the fundamental test of vulnerability. What is vulnerability? Vulnerability is a weakness, which is true of Saudi Arabia, a weak infrastructure in a very, very wealthy country, which makes it a prime target.

But, Mr. President, assuming all this to be true, I submit that we are offering the wrong remedy to deal with the security of Saudi Arabia. That is where all the discussion centers.

Mr. President, they do not have the infrastructure to even protect the F–15's if they are assigned there. The real threat to Saudi Arabia will come through a coup, or it will come from a border attack. That is the real issue before this body.

I would hope, and I am prepared to offer a resolution with some of my colleagues, to delay all of this for 6 months. Here we are, agreeing that all three countries are vital to our own security. Here we are, in a situation where we are all uptight about offending the Saudis. That is what this discussion has boiled down to.

Well, it is nonsense. The proof is that what we are offering here is going to make us look ridiculous if there is a coup and a takeover. And that, to me, is a real possibility. If I were to select a country in all of the world that is vulnerable to a takeover, it is Saudi Arabia, with almost half the oil reserves of the entire world.

What we are doing here—and it is clear that we are going to reject the resolution of disapproval—I think is to embark on a course that is only going to make it more difficult to negotiate. The No. 1 objective is to get the Egyptians and Israelis back together again. This is not going to do it, Mr. President, and we are going to find ourselves in a situation where planes are not going to be available until 1981 or 1982, and whether they can fly them by that time, I think, is highly questionable.

I strongly support a military assistance program to Saudi Arabia that will in fact deal with its vital national security interests, and the remedy we have here is nothing more or less than psychological, totally irrelevant to the threat. I hope the Senate will adopt the resolution.

The PRESIDING OFFICER. Who yields time?

Mr. BIDEN. Mr. President, I yield 2 minutes to the Senator from New York.

Mr. MOYNIHAN. I thank the Senator from Delaware. I will not require 2 minutes.

Mr. President, because I do believe it does appear evident that our position will not prevail, I rise to say something which I would not now feel free to say in public.

[Deleted.]

The PRESIDING OFFICER. Who yields time to the Senator from Rhode Island?

Mr. BAKER. I yield 2 minutes to the Senator.

Mr. CHAFEE. Mr. President, I have a question for Mr. CHURCH. Of course, we are all here to find the best way to find peace. I believe we all wish this package deal had not come before us in this manner, but it is here so we have to decide. One of the most attractive proposals which is continually being put forth here is to set the whole thing aside for 6 or 9 months and nothing will change. The Senator from New York said, "If you tell the Saudis they cannot get them on Tuesday, they will be back on Wednesday and everybody will be happy."

Well, now, that really, it seems to me, is the question.

Looking at it from the Saudi point of view and whether they should have these arms as the Senator from Washington suggests, or whether these are wrong arms for them, at least they think they are the right arms and they have asked for them. They did not ask for F–16's; they did not ask for tanks. They asked for F–15's. So if the Saudis are turned down in this deal, why should they have any confidence that the United States will come forward, that this body will say, "Just take it easy. Come back in 9 months or 6 months and everything will be all right."

It seems to me they would feel considerably shaken in their confidence in the United States. I do not think they are going to cut off our oil overnight, but obviously they have to make different defense arrangements to protect themselves. Why does everybody say to put it off for 6 months and everything will be all right?

Mr. CHURCH. I am not at all sure I can satisfy the Senator with my answer. Perhaps it comes down to whether we are going to break Israeli confidence in the United States or Saudi confidence. I cannot guarantee the Senator that, if we turn all these sales down, the Saudis will not buy some F–1's from France. Perhaps they will. But if we do not obtain a settlement in the Middle East, a negotiated settlement, between the principal combatants, then I can assure the Senator that we will be in for 2 or 3 years of a massive arms buildup, and that the Saudis will be financing it, not only for themselves, but for the Egyptians and the Syrians, and perhaps even for the Jordanians as well. That will be the prelude to another war in the Middle East, in my judgment.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. BAKER. Mr. President, I will be glad to yield another minute to the Senator from Rhode Island or we can go into public session and I will give him time there.

The PRESIDING OFFICER. Only 1 minute remains.

Mr. BAKER. I yield that to the Senator from Rhode Island.

Mr. CHAFEE. It seems to me that if we are going to get this settlement that we all want, it will require absolutely that the Saudis have confidence in us and a feeling that we are indeed an honest broker. If we toss them out in this proposal which is before us today—and in which, by the way, I am not sure we are breaking our covenant with the Israelis since they do get their aircraft—if the Saudis do not get theirs, I would think they would be considerably less forthcoming in trying to arrive at an amelioration of the situation there which is absolutely required on their part and Egypt's part if we are going to get an honest, lasting, and peaceful settlement.

The PRESIDING OFFICER. The Senator's 1 minute has expired.

Mr. INOUYE. Mr. President, I ask unanimous consent to proceed for 30 seconds.

The PRESIDING OFFICER. The Chair hears no objection. Without objection, it is so ordered.

Mr. INOUYE. Much has been said about the American commitment to the State of Israel and the Sinai 2 has been cited. I think if we search back in our minds we will recall that at the time of the Sinai 2 agreement there was a dollar package of 800-plus million dollars. Since then, most of us here who voted for assistance for the State of Israel will recall that the military package has exceeded $2 billion. So to suggest that we have not lived up to our commitment we made in Sinai 2 is not correct.

The PRESIDING OFFICER (Mr. MELCHER). Under the previous order, the Senate will now go out of closed session and will resume open session.

FOOTNOTES

[1] [Class. deleted].
[2] [Class. deleted].
[3] [Class. deleted].
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(This concludes the expurgated transcript of the closed session of the Senate on May 15, 1978.)

LEGISLATIVE SESSION

At 4:27 p.m. the doors of the Chamber were opened, and the session of the Senate was resumed.

The PRESIDING OFFICER (Mr. MELCHER). The Senator from Ohio (Mr. GLENN) is recognized. Who yields time to the Senator?

Mr. BAKER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BAKER. How much time remains to me?

The PRESIDING OFFICER. Ninety-nine minutes remain to the Senator from Tennessee.

Mr. BAKER. Mr. President, at this time I would like to say that I have requests to speak from five Senators on this side of the aisle.

The PRESIDING OFFICER. The Senate will be in order.

The PRESIDING OFFICER. Does the Senator from Tennessee yield time to the Senator from Ohio?

Mr. BAKER. Mr. President, I might ask how much time the Senator from Ohio needs? If he has 30 minutes, will that do?

Mr. GLENN. Yes.

Mr. BAKER. Before that, I should like to use just 1 minute of my time.

Before I proceed, Mr. President, will the Chair advise me how much time is, in fact, remaining?

The PRESIDING OFFICER. The Chair was in error previously. The Senator from Tennessee has 89 minutes remaining.

Mr. BAKER. Eighty-nine minutes instead of 99?

The PRESIDING OFFICER. Instead of 99.

Mr. BAKER. Very well, Mr. President; I have a number of Senators who wish to speak, and before I yield first to the Senator from Ohio for 30 minutes, I should like to yield myself 1 minute.

The PRESIDING OFFICER. The Senate will come to order. We cannot proceed until the well is cleared.

The Senator from Tennessee.

Mr. BAKER. Mr. President, I shall take just one moment to say that, in the course of the closed session of the Senate, I believe all of us benefited from the meaningful and significant debate, particularly the presentation of the distinguished Senator from Connecticut (Mr. RIBICOFF). Seldom in my time in the Senate have I seen a man who presented his point of view with such courage, such care, and so effectively.

I pay equal respect to the distinguished Senator from New York and the distinguished Senator from Delaware (Mr. BIDEN) and to others who conducted an orderly and worthwhile debate during the closed session of the Senate. My respect to all of them.

Mr. President, I yield 30 minutes to the distinguished Senator from Ohio.

Mr. THURMOND. Will the distinguished Senator yield so I may get floor privileges for some staff?

Mr. GLENN. Yes, I yield.

Mr. THURMOND. Mr. President, I ask unanimous consent that Hargrave McElroy of my staff may be granted the privilege of the floor during this debate and Edward Kenney of the Senate Armed Services staff during debate and vote.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HOLLINGS. Mr. President, I ask unanimous consent that Michael Copps have the privilege of the floor during consideration of this matter.

Mr. BARTLETT. I make the same request for Tom Gibson of my staff.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GLENN. Mr. President, the issue of arms sales to Israel, Saudi Arabia, and Egypt is a question of the least undesirable choice. No one wants to see new armaments placed in a volatile situation which may increase the chances of a potential future conflict, and yet the alternatives of not going ahead might make the likelihood of war even greater.

Emotions involving these sales run very high, and I am the last person who is going to try to say to a person of Jewish heritage that "I can understand your feelings, but—and so forth." I do not think any person can truly appreciate the feelings of those whose friends and relatives have gone through the Holocaust, who have endured centuries of discrimination, and who, even today, experience slights and prejudices.

The United States has taken, and I pray will continue to take, a leading role in influencing events in the Mideast along the least dangerous course. This makes for some paradoxical choices, such as the current situation wherein the Senate must choose between the lesser of two evils. For example, it seems at first consideration absolutely ridiculous to talk about "arms for peace" in a situation where the emotions run so high and potential for conflict is so great, and yet that is exactly one of your choices. We can approve the sale and send limited arms into a volatile area, with controls that can be readily enforced, and by doing so, give a reasonable chance of encouraging peace efforts. Alternatively, we can disapprove the sale and permit unlimited amounts of arms to be shipped into that area from other countries, thereby relinquishing U.S. control over parts, weapons, and deployment; with the necessary result of diminishing our ability to influence movement toward the peace table.

(Mr. SASSER assumed the chair.)

Mr. GLENN. Mr. President, that objective of movement toward the peace table must remain before us.

Although the choices are not pleasant, it would seem, from all the study I have given this complex subject, to be more dangerous both to the United States and Israel to block this sale than to approve it.

I did not agree with the administration's submission of these arms sales to the Mideast as a package, but that is now not our choice. The proposed sale is comprised of 50 F–5's to Egypt, 60 F–15's to Saudi Arabia to be delivered in a 1981–84 time period, 15 F–15's to be delivered to Israel in addition to the 25 they now have, with the promise of an additional 20 in the 1981–84 time period, plus 75 F–16's.

The part of this package, however, that has received the most attention is the sale of F–15's to Saudi Arabia, and I would like to address that in more detail. Secretary of Defense Harold Brown has written a letter to the chairman of the Foreign Relations Committee (Mr. SPARKMAN) which details:

The type of plane and equipment limitations; assurances given by Saudi Arabia as to their use of the F–15; and how we maintain control of such use of the airplane by Saudi Arabia. That is an important part.

Secretary Brown's letter is so important to understanding the proposal that I shall read from it in its entirety as part of my statement:

THE SECRETARY OF DEFENSE,
Washington, D.C., May 9, 1978.

HON. JOHN J. SPARKMAN,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: During recent conversations with you and other members of your Committee, a number of questions have been raised regarding the characteristics of the F–15 aircraft we propose to sell to Saudi Arabia and reassurances as to the purposes for which Saudi Arabia will use the aircraft. I would like to respond to these questions and attempt to resolve any uncertainties that members have felt regarding the proposed sale.

I. THE F–15 AIRCRAFT

The F–15 we plan to sell to Saudi Arabia will have the same configurations as the interceptor model approved for the United States Air Force. During the developmental phase of the F–15, initial plans called for giving the aircraft a ground attack capability. However, the availability of other aircraft with superior strike capabilities led the Air Force to alter its plans and to limit the role of the F–15 to that of an air superiority fighter. Consequently, the development of new ground attack systems for the F–15 was discontinued in 1975.

Saudi Arabia chose the F–15 because of its extended patrol capability and superior air defense characteristics (including an advanced, all-weather air-to-air radar system). The F–15 best meets Saudi Arabian requirements for the air defense of a vast territory. In choosing the F–15, Saudi Arabia rejected aircraft with powerful ground attack capabilities such as the F–16.

As Saudi Arabia has selected the F–15 to defend its national territory, it would be folly, as the Chairman designate of the JCS, General David Jones, USAF, observed in testimony, to use the F–15 offensively against neighboring countries. This is particularly so vis-a-vis Israel, whose air strength is, and will be, so much greater. Not only would the F–15 be relatively ineffective in an offensive mode, and the risk of loss of the aircraft high, but its use away from Saudi Arabia would leave vital oil facilities, urban centers and military installations without necessary air defense cover. From the standpoint of military planning, it would make no sense whatsoever for Saudi Arabia to acquire an aircraft with the characteristics of the F–15 with an idea of using it as a ground attack aircraft. I am confident the Saudis have no such intention.

Like the USAF model, the F–15 for Saudi Arabia will be equipped with air defense armament; namely, four AIM–9 Sidewinder air-to-air missiles, four AIM–7 Sparrow air-to-air missiles and a 20 mm gun.

The aircraft can carry three external fuel tanks, but the plane requested by Saudi Arabia will not be equipped with special features that could give it additional range. Specifically, the planes will not have conformal fuel tanks ("fast packs"), i.e., auxiliary fuel tanks that conform to the body of the plane, and Saudi Arabian KC–130 tankers do not have equipment for air refueling of the F–15.

Saudi Arabia has not requested that the plane be outfitted with Multiple Ejection Racks (MER 200) which would allow the plane to carry a substantial bomb load. The U.S. will not furnish such MERs, and testing and certification of a MER system for the F–15 would not be feasible by another country without U.S. authorization. While aircraft could conceivably carry three standard MK 84 bombs, they would each replace an external fuel tank; this would greatly shorten the aircraft's range and increase its vulnerability. Moreover, in contrast to the F–16, the F–15 does not have a radar system designed for bombing.

Saudi Arabia has not requested nor do we intend to sell any other systems or armaments that would increase the range or enhance the ground attack capability of the F–15.

Pursuant to our national security disclosure policy, certain highly sensitive subcomponents of the U.S. Air Force version of the F–15 (e.g., cryptologic equipment and some special electronic capabilities) will not be sold to Saudi Arabia.

In sum, it is clear that the F–15 will help Saudi Arabia deter and defend against those nations that are hostile to its role as a leading moderate Arab state.

II. ASSURANCES

The Government of Saudi Arabia has assured us that it has no aggressive intentions against any state, that it will use the F–15 aircraft only in furtherance of its legitimate self-defense, and that it will not employ the aircraft offensively. The Saudi Arabian Government has similarly assured us that it will not transfer the F–15 aircraft to any third country or permit the nationals of such country to train on the F–15 aircraft, serve as pilots, or otherwise to have access to the aircraft without the authorization of the United States.

We have specifically discussed these restrictions on use and prohibitions on transfer with the Government of Saudi Arabia. They have assured us that they intend scrupulously to comply with these prohibitions and restrictions. The record of Saudi Arabia in this respect is excellent. However, should the assurances be violated, the United States can take appropriate action, including suspension of services and of delivery of spare parts and other military equipment. Without such services the usability of the F–15 would degrade rapidly.

Mr. President, I would add that Secretary Brown's letter could also include a potential use of Sidewinder missiles and Arrow missiles which we could furnish, and under the terms of the Secretary's letter we could cut off the supply of those missiles if necessary.

I continue with Secretary Brown's comments:

It is also important to note that the sales agreement reserves to the United States the right to suspend or cancel deliveries at any time "when the national interest of the United States so requires." Further, under Section 21(c) of the Arms Export Control Act, no U.S. person employed under Foreign Military Sales contracts in Saudi Arabia or any other country would be permitted to perform services in support of combat operations.

Questions have been raised concerning the possible basing of the F–15 aircraft at Tabuk Air Base. I would like to repeat to you the assurance given to me and other United States officials by the Saudi Arabian Government that Saudi Arabia will base the F–15 aircraft, not at Tabuk, but at Dhahran, Taif and possibly at Riyadh or Khamis Mushait. Basing the F–15 at the vulnerable Tabuk base could place in needless jeopardy these vital aircraft which will form the heart of the Saudi Arabian air defense system. In addition, Tabuk is not equipped to serve as an operating base for the F–15s, and could not be so equipped without extensive U.S. assistance which would not be provided. These practical considerations, of which Saudi Arabia is well aware, strengthen the assurances that the F–15s will not be based at Tabuk.

The question has also been raised whether the Government of Saudi Arabia intends to acquire additional combat aircraft from other countries. The Saudi Arabian Government has assured us that it does not intend to add to its inventory any combat aircraft from other countries while it is preparing for and receiving the sixty F–15s. The shortage of trained personnel in Saudi Arabia would severely constrain Saudi Arabia's ability to utilize any additional new aircraft beyond the F–15 during this period.

With respect to the security of the aircraft, the Government of Saudi Arabia has expressed its determination to provide carefully for the physical protection of the aircraft, manuals and other material related to it. Prior to the delivery of the aircraft, we will work with the Government of Saudi Arabia to ensure that adequate safeguards are in place to prevent unauthorized persons from obtaining access to the aircraft or information about it.

The proposal with respect to Saudi Arabia, like all such proposals, stands on its own merits, and I hope the foregoing information will be helpful to you and that you and the members of your Committee will join in support of the Administration's proposals to sell aircraft to Israel, Egypt and Saudi Arabia.

Sincerely,

HAROLD BROWN.

Mr. President, it was somewhat difficult during the early stages of consideration of this package to obtain accurate information about Israel's views. There has been conflict among the statements of Prime Minister Begin, Defense Minister Dayan, the press, television, and those made directly to Secretary of State Cyrus Vance. There is other evidence of this uncertainty.

Prime Minister Begin visited the United States in March for discussions with President Carter on a number of issues. I met with President Carter, along with several other Senators, the morning following Prime Minister Begin's departure, and was extremely surprised when President Carter, in summarizing his conversations with Prime Minister Begin, indicated that the subject of the arms sales in the Mideast, and in particular the sale to Saudi Arabia, was never even brought up for discussion. The President indicated his very great surprise at this, as did several members of the Foreign Relations Committee. It was only several weeks later, after considerable discussion had developed in this country, that Israel's concern was evidenced. During Prime Minister Begin's last trip to the United States, he gave many speeches in different parts of the country, and his major concern regarding the F–15 sale to Saudi Arabia seemed to center on the attack capability of the F–15, a subject Secretary Brown covered quite adequately in his letter, from which I quoted.

Let us now turn to the alternative to approval and establish the situation that will exist if the sale to Saudi Arabia is disapproved. The Saudis have cash. There is no doubt about that. They can buy anywhere and have already had negotiations with the French to buy 60 F–1 fighters with a substantial air-ground capability, with deliveries to start not in 1981–84 as would be the case with the U.S. F–15's, but this summer, now—1978. The Saudis are also negotiating with Egypt the possibility of coproducing the French F–2000 fighter in Egypt with a guarantee of at least a 125-plane production. The F–2000 also has a formidable air-ground attack capability. In addition, the French have a new and much advanced F–4000 fighter as a next generation aircraft, with the first flight in the fall of 1978, and it is my understanding they have also discussed giving options to Saudi Arabia for buys of that airplane. The 60 F–1's are certainly in no way comparable with the F–15, but the F–2000 is a very potent fighter by any modern-day standards, with extensive air-ground attack capability, and the F–4000 as a follow-on will be a highly advanced aircraft. This package being discussed can obviously involve several hundred aircraft for Saudi Arabia. But quite apart from numbers, the major consideration is that these aircraft will be completely out of our control, transferable anywhere, based at Tabuk or anywhere else the Saudis might wish to base them. This could result in construction of new airfields in Saudi Arabia very close to Israel, planes with an extensive air-ground attack capability and an air refueling capability for extending range could be based at these new airfields, and this could be only minutes away from critical Israeli installations. In short, if this potential aircraft purchase from the French is consummated, there would be no restrictions to basing these planes anywhere in the Arab world, transferring the aircraft anywhere in the Arab world, and training pilots of any nation. This clearly would not be in the interest of Israel.

There are other considerations. If we spurn the Saudi Arabian request, they will in all probability be far less likely to follow our leadership in bringing all parties to the peace table. At the present time, the Government of Egypt receives from Saudi Arabia a total of approximately $2 billion per year which is vital to the Egyptian economy. While the Saudi Arabian Government's official statements regarding peace initiatives by President Sadat were critical, they have nevertheless not seen fit to withdraw their support of Israel during this critical period.

An additional consideration is to look at this problem from the Saudi Arabian viewpoint, and ask why they need a highly sophisticated weapons system such as the F–15. They obviously have an honest concern when we recognize that some 25 to 50 percent of the world's oil reserves are in Saudi Arabia, but

they are completely dependent on others for defense against a major threat to their country. Prior to the recent flow of enormous wealth into the Mideast, Saudi Arabia could not have afforded major military strength notwithstanding their concerns about the value of their natural resources. That time has now passed. Saudi Arabia possesses enormous wealth, and certainly feels the independence this economic strength gives them. Then want their own defense, and I am sure they also want the prestige that comes with sufficient military strength to determine their own future and not be dependent upon other nations for their defense. It is also a test of the sincerity of U.S. promises made to them since 1975. A test of our friendship—is it real or only talk?

There is an additional factor that has received little attention during much of the debate in committee. This factor has not generally been spoken of in terms of the Israel-Arab conflict in the Mideast, which is the frame of reference usually used in any discussion of this arms sale. Look with me for a moment at the overall geo-political situation in that part of the world as it affects Israel, the Arab world, the United States, and indeed the whole free world. In these days of global energy hunger, I can think of no piece of geography in the whole world more important to the energy problem than control of the Persian Gulf, and that supercritical 1- to 3-kilometer-wide passageway out of the Persian Gulf, the Strait of Hormuz. A tanker goes through that strait every 9 minutes day and night, year round. When a group of my colleagues and I visited that area a year and a half ago and flew over the strait, we were advised that through the strait at that time passed 18 percent of the total U.S. oil—not just imports, but 18 percent of our total—70 percent of Western Europe's oil, and an astounding 85 percent of Japan's oil. In fact, during the last Mideast war, I was reliably informed that 70 percent of the oil bound for Israel through that strait continued in spite of the conflict. Until the United States and the remainder of the free world improves the energy situation, control of that geography will remain of the highest order of importance.

But with regard to this geopolitical situation, let us broaden our viewpoint and look at what has happened in the recent past with regard to Soviet moves in the area. Recently a Soviet-sponsored coup has taken over in Afghanistan. The northern Iranian border, which has long been a trouble spot, reportedly reflects shipments of new Soviet arms. Syria and Iraq have had a $3 to $5 billion infusion of Soviet arms. Lybia has long received Soviet help. The increased Soviet activity in the Horn in Africa, first in Somalia with a submarine base they tried to establish and more recently in Ethiopia, has cause us increased concern. Couple all of that with an increased Soviet presence in the Indian Ocean, and we see a circle of Soviet activity around the Mideast, and in particular around the Persian Gulf, that is anything but reassuring.

We must also analyze this pattern in conjunction with the step-by-step involvement of Soviet surrogates, the Cubans, and their activities in the area. First we had a rumor of Soviet equipment being moved into Angola, followed by Cubans using that equipment. There was a rumor of Soviet equipment being put into Ethiopia in massive amounts, also followed by a Cuban move into the area to use that equipment. Cuban involvement in Africa is estimated now to be somewhere around 40,000 personnel. Just yesterday there was a move into Zaire, the former Belgian Congo, with reports of Cuban involvement. But more importantly to our discussion today are the moves into South Yemen, which borders on Saudi Arabia. Three times since 1969 South Yemen has attacked various Saudi installations or facilities along the border. There have been reports of a promised 50 Soviet Mig 23's to South Yemen, with support equipment already arriving. This is in addition to the 200 tanks already there. Most disturbing now, however, is the estimate that 1,200–1,500 Cuban surrogates have moved into South Yemen in the last few weeks. This follows a pattern of past troublemaking that bodes ill for that area.

I am certainly not here today, Mr. President, to claim that the Soviets are about to start a war in the Middle East. But I am not sufficiently naive to believe that all these moves around the Persian Gulf area are accidental in the geopolitical alinements they create when viewed as a whole. If troubled starts in the Middle East, the Soviets are certainly well-positioned.

Saudi Arabia has been staunch in its opposition to communism. This cannot be said of the leftist extremes in control on the northern Saudi border in Iraq, and on the southern Saudi border in South Yemen.

Let no one misinterpret my remarks. I still see Israel as the bastion of strength in the Middle East with regard to these larger geopolitical considerations. Israel has by far the most potent well-trained and well-equipped fighting force in the Middle East. But I point out these other facts to indicate the legitimacy of a Saudi concern for defense of their own territory. I suppose there could be a scenario where we could see the might of Israel and the Saudi military forces alined together, even though that alinement is certainly not preeminent in our considerations here today.

As to past cooperation with the United States, I think it is fair to say that while we deplore the tremendous increases in oil pricing that have driven our energy costs so high, it is nevertheless important to note that had the Saudis not insisted on maintaining oil production at a level approximately 3 million barrels per day over that which some have recommended, oil prices would be even higher today than they are. Along with that, we must remember that it was the Saudi Arabians who insisted that the dollar remain as the basic currency for oil exchange, and this shored up a weakening dollar in international markets.

The Saudis need a strong West, both to sell to and to buy from, and so their interests are certainly not altruistic. But that same strong West is absolutely vital to Israel. No one would deny that Israel is still many years from self-sufficiency, and she cannot go it alone, without major support coming from the United States—support which has totaled $10 billion since 1973. The U.S. commitment to a strong Israel remains firm. I certainly support the strengthening of Israel to cope successfully with whatever situation arises in the Middle East, and my voting record since coming to the Senate will attest to that fact. But the strength of the West, which is so vital to Israel, is fragile with respect to oil, even though Western strength is enhanced to some degree by the comparative moderation the Saudis have shown. It would not take much of an upward revision in OPEC pricing policies to cause very serious troubles with prices, employment, and other factors at home. And if we have serious trouble, it means that Israel has many times our difficulties because they cannot retrench and cut back as we would be able to do. What would happen to Israel if the United States found itself in a position unable to give the measure of support we have given in the past? Once embarked down that road, the United States could be hurt, the economy of the whole free world could be in difficulty, but it would be devastating to an Israel that could not adapt.

These are not fantasies, Mr. President, these are the realities of global politics, and I would come back to my opening remarks briefly. Our greatest concern in the Middle East must be to encourage whatever action will get all parties to the peace table. Our vote today is crucial in that direction, for our choice is indeed one of the lesser of evils. We can approve these sales, maintaining U.S. controls and preserve a reasonable chance of encouraging peace efforts, or we can witness the spectre of unlimited arms flowing into the Mideast coupled with a loss of any possible direct U.S. control in either quantity or use of aircraft. This would result in a greatly diminished peace potential.

I met with Jewish leaders in Cleveland last Saturday and discussed all these considerations with them in depth. At the end of our discussion, one of the gentleman indicated that he felt these major considerations were of little significance at the moment, for Israel's concern has always been how to survive from day to day. He indicated Israel did not have the luxury of considering some of the global relationships mentioned today which I had also introduced into this discussion on Saturday. I agreed with his analysis of Israel's situation, and compared it to the situation of a man in a foxhole whose attention is obviously riveted on who is sniping at him and not on the more long-range matter of the supply ships coming across the ocean. This is fully understandable. I would submit, however, that with the Sadat initiatives and with the opportunity I hope we now have to get all parties to the conference table, that keeping the moderate voices alive and cooperative are of paramount importance to Israel.

The passionate concerns of this moment may also indicate this is a time when we must exercise the utmost care if we are to hold out the hope of keeping all concerned parties in a cooperative mood.

Mr. President, I repeat again my support for our long-term commitment to and friendship with Israel, and my belief that a vote against the motion of disapproval is in the best interests of the United States and Israel.

Our choice comes down to one of whether we maintain control of the very limited arms sale in the Mideast, or whether we see that situation out of our control, with sales of aircraft being made in unlimited numbers and with no restrictions whatsoever on their use. That is our choice. It is a difficult one at best, but I cannot support the proposal of disapproval as being in the interest of peace, Mr. President.

And I thank my colleagues for their attention.

Mr. JAVITS. Mr. President, on behalf of Senator CASE I yield 10 minutes to Senator DOLE of Kansas.

Has anyone yielded to Senator METZENBAUM?

Mr. METZENBAUM. No one has as of yet, and I appreciate it, but I think the Chair has the next statement from Senator PACKWOOD, and I would very much appreciate if I could have time after him.

Mr. BARTLETT. Mr. President, if the Senator will yield, it is my understanding they are alternating from side-to-side, and I think the Senator from Tennessee has time for me after Senator DOLE.

Mr. JAVITS. Right now it is Senator DOLE's turn.

Mr. BARTLETT. That is correct.

The PRESIDING OFFICER. The Senator from Kansas.

Mr. DOLE. Mr. President, the Senator from Kansas has been here since about 10:15 this morning and has listened to the debate in the closed session.

I certainly commend all those who participated in the debate. It has been instructive. It has been exceptionally objective.

We are faced with a very difficult situation. There is no doubt in my mind that the vote to table the resolution of disapproval will pass rather easily.

But the Senator from Kansas just has not figured this out. I have listened to the distinguished Senator from Ohio and others tell us about the Soviet threat, and it is real and it could happen. We have heard debates and discussion about everyone's hopes for peace in the Mideast. But it is hard for many of us to understand how this package concept at this time is in the furtherance of peace. Maybe there is such a thing as arms for peace. We are going to find out. By spending or sending $5 billion in sophisticated weaponry to the Mideast, maybe that will improve the chances for peace.

The Senator from Kansas never fully understood how you can arm everyone to the teeth and say we are on the road to peace. But if this is the arms-for-peace proposal that President Carter desires, there is no doubt he is going to have it, and then we will find out just what happens insofar as peace negotiations are concerned.

I am not certain, as I have listened to the plight of the Saudis, who are in a very difficult position, what happens between today and the delivery date of the F–15's, which will start the earliest, as I understand it, in 1981 and extend through 1984.

The record indicates that we have a commitment to the Saudis and that we have over the past 3 or 4 years sold them a great deal of military equipment. I hope that we are not under any illusion that this is some new policy.

I was under the impression, during a recent campaign that I was involved in a peripheral way, that President Carter had a plan to reduce arms sales around the world. I heard that statement so many times and many Americans applauded him.

Maybe this is not the time. Maybe now is the time to arm the Mideast for peace. Maybe now is the time to make certain that everyone has all they need. And then some suggest, if that is not enough, we will give Israel 20 more F–15's, or 75 more F–16's, to make certain everyone has an abundance. One wonders sometimes where they find all the pilots in these small countries to fly the fighters that we sell.

It seems to this Senator that we all stand up and explain and exclaim our great commitment to Israel, and I am certain that is generally the case in this body. But I suggest that they are an ally, not a client. They are not a client in the Mideast. They are a strong ally in the Mideast, without any criticism to the Saudis or Egyptians. They are our friends in the Mideast.

There is no doubt in my mind that we are over a barrel. We are over a barrel of oil. That is what it boils down to. The Saudis have the oil. We do not have an energy policy. So now we have to do what we can to make certain that they are not going to close that tap, and I just suggest that I cannot for the life of me understand the timing. It would seem to me that it would serve the ends of peace in the Mideast and the interests of the Saudis, the Egyptians, and the Israelis if we followed the advice of the American people.

In a recent survey 54 percent of the American people opposed the sale; 28 percent approved it.

We went through this recently in the Panama Canal debate, where about 65 to 70 percent of the American people said "Don't give it away." We said, "We will give it away anyway."

Maybe some think the American people do not understand the issue, but I think they do. They understand that when you sell someone sophisticated weapons, whether it is Israelis, Saudis, Egyptian, or anyone else, they might be used for peace; they might be used for war.

A little more than 2 weeks ago, the President formally submitted to Congress his notification of proposed fighter aircraft sales to Israel, Egypt, and Saudi Arabia. At the time, the Senator from Kansas expressed his opinion that the proposals were poorly timed, poorly presented, and that the "package" concept tying all three sales together was unacceptable. Also at that time, I suggested that "our attention and energies should remain focused on achievement of a responsible Middle East settlement as the first priority, and arms sales might best be postponed until that goal has been reached." This Senator remains committed to that point of view, and it appears that more and more of us share that opinion.

Only 9 weeks ago, a nationwide Gallup poll survey indicated overwhelming popular opposition to Middle East arms sales at this time. Fifty-four percent of those surveyed were opposed to providing arms or materials to Israel, compared to 28 percent in favor. By the same token, 68 percent opposed U.S. arms or material to the Arabs, against 15 percent in favor. An even half of our colleagues on the Foreign Relations Committee, who have had the opportunity to study the issue in great depth, voted against the President's sales proposals last Thursday. So I think there is ample evidence of disagreement with the concept of pouring billions of dollars of weapons into the region at present.

From the beginning, President Carter's arms proposal has reflected the misplaced priorities of this administration with respect to conditions in the Middle East. At a time when negotiations between Israel and Egypt have reached an impasse, it seems to this Senator that our Government's primary attention and efforts should be directed first at reviving those negotiations, and at renewing efforts to achieve a comprehensive peace settlement in the Middle East. We should be reiterating our basic policy commitment to the survival of Israel, and to the resolution of territorial and boundary disputes among the nations in the region.

To a large degree, this is a matter of principle. It is a question of whether the United States will back up its commitment to nurture the cause of peace as the first priority in the Middle East. As a matter of principle, that consideration should override secondary issues, such as differences of opinion about Saudi Arabian defense needs, questions about the air-to-ground capabilities of the F–15, or prospects for Arab arms purchases elsewhere.

ARMS SALES SHOULD BE POSTPONED

For this reason, the Senator from Kansas believes that all four arms sales proposals should be rejected at this time, and held in abeyance until a peace settlement is reached between Israel and her neighbors. This is not to say that the proposals are totally unacceptable on their face. Nor does it imply that they should automatically be approved once a peace accord is reached that is not the point.

The objective is to enhance and promote the achievement of a just and lasting peace settlement for all nations in the Middle East. President Carter should not ignore the opportunity to move toward that objective during this period, which I feel is particulary well-suited to our positive initiatives for peace.

The so-called "compromise" seems to many of us to be little more than a desperate last-minute effort to salvage a poorly composed proposal. The offer to sell Israel an additional 20 F–15 fighters to "balance" sales to Saudi Arabia, is a remarkably superficial and overly simplistic solution to a complicated issue. It attempts to evade the real issues involved in the arms proposals.

Try as it might, the administration has not been able to overcome arguments against pouring the world's most sophisticated fighter weapons into such a volatile situation.

Instead of positive reasons for providing these large volumes of weapons at this time, the administration has deluged Congress and the public with negative arguments—dire predictions of developments if arms proposals are rejected. We are told there may be sanctions against our oil supplies. We are told our prestige in the Middle East may decline. We are told the Saudis may turn to France for fighter aircraft. This does not seem to be an effective way to promote a program. We simply should not throw billions of dollars of deadly weapons into an unstable area on the basis of questionable fears about what could happen if we do not do it.

SAUDI SECURITY

With regard to the issue of security for Saudi Arabia and its valuable oil fields, the key question is not whether the United States will agree to provide jet fighters, but whether the United States will stand up to Soviet aggression in Africa and the Middle East. The Saudi foreign minister noted in a recent interview that the major point of his country's concern is whether the Soviet policy of massive intervention in Africa will go unchallenged.

The Senator from Kansas suggests that the United States could have done far more to enhance regional security and to ease Saudi concerns if the administration had shown a little more backbone during recent Soviet and Cuban aggression in Ethiopia. That strategically located country lies just across the Red Sea from Saudi Arabia. In conjunction with the growing Soviet influence in South Yemen and Afghanistan, the Ethiopian conflict has naturally contributed to a growing sense of encirclement by the Saudi Arabian Government.

Therefore, if friction develops between the United States and Saudi Arabia over matters relating to Saudi security, it will more likely be a result of our administration's poor response to expanding Communist threats in Africa, rather than a result of our decision not to provide 60 aircraft at this particular time—aircraft which the Saudi's can easily obtain elsewhere.

WILL OFFER RESOLUTION

Under the provisions of the 1976 International Security Assistance and Arms Export Control Act, which governs the proposed sales, it is not possible to amend or recommit the resolution of disapproval now before us. Thus, we must decide now whether to disapprove the proposals, or else to stand aside and allow the President to go forward with his plans to provide the aircraft.

However, in view of the unstable situation in the Middle East region, and the continuing potential for an outbreak of hostilities, I believe it is imperative that the actual transactions be delayed until a more propitious time. Consequently, if the resolution of disapproval is defeated this afternoon, I shall offer a separate Senate resolution, expressing the sense of this body that the President should postpone the actual issuance of the letters of offer until a comprehensive peace settlement has been reached in the Middle East.

This, at least, would give the Senate an opportunity to go on record as opposed to any immediate delivery of weapons, and would conceivably help promote an early peace accord among these three nations, as well as other governments they may be able to influence.

It has been suggested by the distinguished Senator from Washington, Senator JACKSON, that we could approve the resolution of disapproval, and somehow postpone consideration of this very controversial matter for up to 6 months. That makes some sense, but it seems to this Senator that beyond that it might be better to postpone consideration of this until we have some comprehensive peace settlement in the Mideast.

It would seem to this Senator that the 6-month period might not be quite enough time. It seems that in view of the unstable situation in the Middle East and the continuing potential for an outbreak of hostilities, we should delay consideration of this agreement, package, or whatever, until a more propitious time.

Therefore, I will offer a separate Senate resolution, which I assume will meet the same fate as efforts to oppose the sale, which would express the sense of this body that the President should postpone the actual issuance of the letters of offer until a comprehensive peace settlement has been reached in the Middle East. This at least would give the Senate an opportunity to go on record as opposed to any immediate delivery of weapons and would conceivably help promote an early peace accord among these three nations as well as other governments they may be able to influence.

I say, after having listened to all the debate today in the secret session and in the open session, probably two arguments are made by those who propose or are in favor of the sale.

One is that the Saudi's might buy their planes from the French: We would have no control if they bought it from the French. It is my understanding that the plane they might buy from the French is inferior to start with. It is not the same quality airplane. Second, we are told that we must do this now so the Saudis will be protected, because they are threatened all around.

Still, we are told there is no delivery of this plane until 1981 through 1984.

I have not heard a satisfactory answer to the question of what we will do between now and the time of delivery if this is the real reason for the sale, if it is because we feel so strongly about the Saudis and about protecting their rights and their interests.

I would suggest, as I said earlier, we have, I think, done quite well by the Saudis insofar as weapons are concerned Since 1973 we have provided Saudi Arabia with more than $12.6 billion in military equipment, construction, and services. Right now there are about 3,500 Americans stationed in Saudi Arabia, working on military-related jobs. So it is not that we have not provided some protection, some assurance, for the Saudis. We have, and we are, and we should continue to do so.

But I would suggest it boils down again to the oil equation, the oil factor in the equation. They have the oil; we do not have a program. We are dependent on the Saudis for oil and, oh, yes, we want to protect that from the Soviet threat because of our interest and because of other interests.

But it seems to this Senator that, try as President Carter may, he just has not made a good case in this instance. It would be my hope, even though the chances are dim, that we would disapprove, we would adopt this disapproval resolution.

I ask unanimous consent that a statement of the Emergency Committee for Middle East Peace be made a part of the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF THE EMERGENCY COMMITTEE FOR MIDDLE EAST PEACE

The historic meeting in Jerusalem between President Sadat of Egypt and Prime Minister Begin of Israel was hailed around the world as a great and bold step toward the achievement of a just and lasting peace in the troubled Middle East. But it has been a mere six months since that first meeting and the progress of peace negotiations has been slow and difficult—understandably so, given the long and tragic history of the conflict.

With peace negotiations still in their infancy, we believe that the Administration's proposal to pour billions of dollars worth of advanced aircraft into that volatile area is not only ill-timed but also undermines the prospects for reaching a lasting settlement. We cannot understand what is so compelling about providing these armaments to countries which are trying to forge peace out of thirty years of war.

We respectfully urge the members of the United States Senate to vote against the commitment of this arms package to the Middle East in order to Give Peace A Chance.

Sponsored by: (Organizations listed for identification only):

Dr. Archie Buffkins, Chairman, Executive Board, National Black Think-Tank.

Rt. Rev. John H. Burt, Episcopal Bishop of Ohio.

Mr. David Cohen, President, Common Cause.

Rev. William H. Harter, Sec-Treas. Nat'l Christian Leadership Conference for Israel.

Dr. David Hyatt, President, Nat'l Conference of Christians and Jews.

Mr. Max Kampelman, Mr. Lane Kirkland, Sec-Treas., AFL-CIO.

Ms. Judith Levine-Lichtman, Women's Legal Defense Fund.

Rev. Dr. Franklin H. Littell, Chairman, Graduate Studies in Religion, Temple University.

Mr. Clarence Mitchell, Leadership Conference on Civil Rights.

Mr. Paul O'Dwyer.
Sister Daniel Turner, Executive Director, National Leadership Conference of Women Religious.
Rev. Dr. Arnold T. Olson, Past President, Nat'l Association of Evangelicals.
Mr. Martin Peretz, Publisher, New Republic.
Mr. Joseph Rauh.
Mr. Leon Shull, Executive Director, Americans for Democratic Action.
Rev. John Steinbruck, Pastor, Luther Place Memorial Church, Washington, D.C.
Sister Rose Thering, Department of Education, Seaton Hall University.
Sister Margaret Ellen Traxler, Past President, National Coalition of American Nuns.
Mr. Ben J. Wattenberg, Chairman, Coalition for a Democratic Majority.
Mr. Elie Wiesel.
Adm. Elmo Zumwalt, President, American Medical Buildings Inc.
Mr. Bayard Rustin, President, A. Philip Randolph Institute.
Mr. Jerry Wurf, President, AFSCME.
Theodore Bikel, Concert Artist.
Aryeh Neier, Executive Director, ACLU.
Sister Ann Patrick Ware, National Coalition of American Nuns.
Professor John Kenneth Galbraith.
Dr. James E. Wood, Baptist Joint Committee on Public Affairs.
Father Edward H. Flannery.

Mr. DOLE. The resolution I intend to propose, delaying delivery of the aircraft, would not negate the Senate's action in giving tacit approval of the President's arms sales proposal. It simply expresses the sense of the Senate that the President should hold up on actual delivery of the fighter aircraft, whose terms will be laid out in letters of offer, until some form of comprehensive settlement is achieved in the Middle East. This way the F–15's, the F–16's, and the F–5's provided under the current arms sales package could not be used to exacerbate the present tensions in the region.

The PRESIDING OFFICER (Mr. JOHNSTON). The Senator's 5 minutes have expired.

Mr. DOLE. I thank my distinguished colleague, and I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. BAKER. I yield 10 minutes to the distinguished Senator from Oklahoma.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. BARTLETT. Mr. President, I thank the distinguished Senator from Tennessee.

I wish to commend the distinguished Senator from Connecticut (Mr. RIBICOFF) for his remarks which he made in open session prior to the closed session. I did not hear his speech but I read it, and I certainly compliment him for a very fine explanation of his position. I find that I share his position, and I share it with enthusiasm.

I feel the overriding issue that we have is what our perceived actions will indicate to observers around the world.

For many years we have in this body supported the Israeli Government and have talked about a special relationship that we have with this Nation.

Then more recently we have talked about being evenhanded, between our actions with Israel and actions with various Arab countries. So our policy today is one of maintaining the special relationship with Israel and then also being evenhanded with various Arab nations.

I think it is important that we define our meaning of "evenhandedness," in the practical terms of this sale. Some might even consider it in pragmatic terms. But, nonetheless, what we say in defining "evenhandedness" is going to reflect on our credibility in the minds of Israel, Saudi Arabia, and Egypt as well as observers from the rest of the world. So, our credibility is at stake.

Our credibility was at stake in opposing Communist forces in Angola. The question was raised and answered, after the Tunney amendment was adopted overwhelmingly in this body, that we did not have the will to provide opposition to adventurism by the Soviet-backed activities of the Cubans in the now Communist country of Angola.

So I think it is vital that we look to see whether there are legitimate defense needs that Saudi Arabia and Egypt may have, and thereby know exactly where we stand before the world.

The current tactical forces of Saudi Arabia are very meager in comparison with those of Iraq, for example, which certainly poses a threat to them.

I have here a table from the "National Security Challenges to Saudi Arabia" by Dale R. Tahtinen, published in the last month. I ask unanimous consent that the table be printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 1

MiG 23B fighter, ground attack	90	--
Su–7B fighter-bomber	60	--
MiG–17 fighter-bomber	30	--
Hunter ground attack	20	--
Tu–16 medium bomber	4	--
Il–28 light bomber	10	--
T–52 light strike	20	--
MiG–21 interceptor	115	--
MiG–19 fighter	20	--
Total	369	--
F–5E fighter	70	20
BAC–167 ground attack	30	11
Lightning fighter	37	--
Total	137	31

Mr. BARTLETT. It shows a comparison of 369 aircraft, military aircraft, combat aircraft, for Iraq compared to only 137 for Saudi Arabia, most of which are obsolete compared to the latest Iraqi hardware, supplied by the Soviets.

I think this difference shows a great need that the Saudi Arabians have for increased aircraft, for the 60 F–15's.

It has been stated that the Saudi Arabians could use ground forces to defend themselves in the large country that they have, that is over one-third as large as this Nation. But population numbers only 5 million and, hence, can never hope to muster a ground army able to defend the borders of their nation. They need to have a capability to use military hardware, particularly aircraft that fit into their manpower limitations. The F–15, with its modular composition, fits this need very well.

South Yemen has attacked Saudi Arabia three times in the last decade. They have today some 100 military aircraft, including Mig 21's. Saudi Arabia then, has a hostile Soviet-backed aggressor to the south to complement the Iraqi threat to the north.

The sale of U.S. planes in all cases to Egypt and Saudi Arabia will be under our aegis, with a considerable U.S. military presence stationed in Saudi Arabia. This, to counter the claims that the Saudis will have a free hand to transfer or to utilize the F–15's, contrary to sale agreements.

Certainly the French would be quick to sell the Saudis the F–1 right away, if the sale of the F–15's is not a reality. Then they would, I believe, buy the Mirage 2000, and even the Mirage 4000, to be delivered in the early 1980's as a follow-on weapons system. All this, without any restrictions or guidelines concerning their use.

I do not think we can be blind to the pincer movement, an encirclement, by Soviet-supported Communist nations around Saudi Arabia and around Egypt. This includes the nations of Syria, the recent coup in Afghanistan, Iraq to the north of Saudi Arabia, South Yemen, which is used as a staging area, with a considerable Soviet arms depot for the activities in Ethiopia and, of course, in Ethiopia itself.

The adventurism of the Soviets, with the Cubans as their surrogates, started in Angola, was given a green light by the Tunney amendment, and it continues today to be a threat in Africa and in that part of the world which bears on Saudi Arabia and the pipeline by water, by which travel millions of barrels of oil to the West, to NATO, to Europe, and to this country.

The recent CIA reports indicate that the Soviet Union will change from an exporter of oil to an importer by the mid-1980's, and be importing some 3.5 million barrels a day. They have been supplying their Communist satellites with oil, and those satellites are going to continue to want oil from the Soviet Union.

Obviously, the oil-rich nation of Saudi Arabia is weakly defended, and a most attractive property. Oil may be very important to all nations of the world, but of all the nations, it is particularly important to the United States. I think we must acknowledge that the Saudis have been a moderating influence in holding the OPEC prices down, which affect the purchases of oil in behalf of all the nations of the world buying from the OPEC nations. They are delivering much more oil to us, and have been providing us with all of our increases in imports of oil, and they do not want to do that. It is not in their interest, because they have all the money they want. They could easily continue in their development program by the revenues of only three-fifths of what they now export. They want to retain their oil. Certainly their younger people want to have the larger income that would come by inflated sales in the future, rather than today.

But nonetheless, they have recognized that we have a great need for additional supplies of oil, that our economy

needs it and wants it. Hence they have been helping us, through great sacrifice on their part. They have strengthened the dollar by their actions in retaining the large amount of dollars that they have, some $20 billion worth, rather than dumping them on the market, which they could do at any time if they wished.

So we have a partnership with them. One that works both ways—but certainly I think it works to our greatest benefit. We need to strengthen it and recognize it as being an indication of our credibility as a nation in the Middle East, supporting our friends.

Also, we must recognize that in the littoral states of the Indian Ocean—the United States does not have a military presence of any real significance. We have two destroyers and a support vessel, and these are not supported at any bases among the littoral nations of the Indian Ocean. So the Saudis need to have additional capability, and I believe it our mandate as partner and friend to the Saudis, to provide additional capacity to them.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. BARTLETT. I thank the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. ROBERT C. BYRD. Mr. President, on behalf of Mrs. HUMPHREY, I ask unanimous consent that Maureen Norton be accorded the privilege of the floor during the debate on this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CHAFEE. Mr. President, I ask unanimous consent that Mr. Kip Hawley of my staff, be accorded the privilege of the floor during consideration of the resolution.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, I might tell the Senator from Ohio I have first to yield to the Senator from Connecticut (Mr. WEICKER). He will be followed by Senator PERCY, and then by Senator METZENBAUM.

On behalf of the Senator from New Jersey (Mr. CASE), I yield 15 minutes to the Senator from Connecticut.

Mr. WEICKER. Mr. President, if there is a person in this Chamber who has not agonized over the issue that confronts us today, I cannot imagine who that person might be. In the simplest sense, we must decide whether to accelerate the arms race in a part of the world sorely in need of peace. While we are struggling desperately ourselves to find an arms limitation agreement with the Soviet Union, we are exporting to the Middle East the philosophy which has led to the world's strategic arms buildup, and has brought us all face to face with the prospect of annihilation.

Within the context of the Middle East, the analogy with the strategic arms race is accurate for there is no meaningful distinction between strategic and tactical weapons in a situation where adversaries are contiguous, where distances are short, where hostility is local and where the difference between a strategic weapon and a tactical weapon is a technological quibble. If we could deal with this matter in the simplest sense, it would make our task easier.

I think we would say "no." Food for peace, "yes," technology for peace, "yes," cultural exchange, student exchange, trade all of it for peace, "yes." F–15's to Saudi Arabia for peace, "no."

But the issue is not so simple as that, and there are several issues which have brought us to this painful occasion. For Israel, there is one issue, and it is unique. It is survival. No other nation in the Middle East confronts that issue. Israel does. For 30 years, she has called across the deserts "peace," and the answer has echoed back "war."

We have helped to maintain her military strength to cope with that answer. Three times since the war of independence, the need for that military strength has been demonstrated. Should another occasion arise in which Israel is threatened by arms, we must ask how she would fare against the sophisticated weaponry we now propose to place within the Arab States through Saudi Arabia.

For the Arab world, the issues are multiple and complex. The Arab world, as we know, is not a monolith; it consists of a number of nations, some actively hostile to Israel, and others not so much. Among those nations we call the confrontation states, there is a single unifying feature. It is not the Moslem religion nor a common culture, nor a common experience of oppression at the hands of foreign colonizers nor fraternal affinity; it is, bluntly, hatred of Israel.

If I ask myself, "Does this Arab merchant hate the Jewish farmer from whom he buys his produce," I think the answer is "No." If I ask myself, "Does this Arab mother rejoice to know that an Israeli mother lost her son in battle," I believe the answer is No." And if I ask myself, "Do I truly believe that the Arab and Jew can never live together in "peace," the answer is "no."

Out of what chemistry, then, comes the glue of hatred? As I have said the Arab world is not a monolith. Between the confrontation states, there is competition. conflict, and hostility, and there is competition for leadership in the Arab world. There is conflict over territorial claims.

On this point, consider as one small example the fact that in 1951 when Jordan proclaimed the annexation of the West Bank taken from Israel in 1948, not a single Arab state recognized the annexation. Why? Because none were willing to acknowledge any Jordanian land claim, not even a claim to legitimacy within the boundaries of the territory which the British gave to Hussein's grandfather, Abdullah, when he was thrown out of Saudi Arabia by the grandfather of the present rulers of Saudi Arabia. These are feudal conflicts, and are very much alive today under the thin patina of unity which comes with a common opposition to Israel's existence.

Why, for example, are we told the Saudis need F–15's? Not to war against Israel, but to protect herself against Iraq, another member of the Arab world. Again, these are feudal conflicts, which we now propose to augment with space age weapons.

What sublimates these conflicts? Hatred. Hatred, as a matter of national policy, toward Israel. Upon what grounds has each leader founded his claim to leadership in the Arab world? Upon the extent to which he is willing to act to destroy Israel. Some are more moderate, some more radical, depending on the national circumstances. Some are willing to delay the objective, whether any are willing to forgo it remains to be seen. Anyone who doubts that has simply not been paying attention to the Middle East for the past 30 years.

Opposition to Israel is not, I believe, a matter of personal preference by the Arab people, but a matter of policy established by their leaders, and it has gone on, in one fashion or another, for generations.

When we speak of ending 30 years of hostility, let us remember that what is involved is more than 30 years. It is centuries of hostility to the Jewish people.

And there is wealth as a source of hostility between the Arab nations. Some are rich and some are poor. Those that are rich do precious little to help those which are poor. They are willing, to be sure, to help them purchase arms.

Consider the circumstances of the governments within each of the confrontation states. Each is maintained by force. In Syria, Hassad is a member of the minority Alaiwite sect. The power he has was taken by force and can be taken from him by force. He is a member of the Baath Party of Syria which is at dagger points with the Baath Party of Iraq.

The eternal attempts of subversion by Iraq make his position more precarious. The litmus test of his authority is his opposition to Israel. Those who apply the test seek the destruction of Israel.

What does this tell us about the prospect of peace between Syria and Israel? Under Hassad almost nonexistent. And should it become a remote possibility, the probability of Hassad's being eliminated and replaced by someone more probably antipathetic to Israel is 100 percent.

Hussein of Jordan has been the target of countless assassination attempts. He is a fortunate man. Consider the fate of his foreign minister, Wasfi Tell, shot down on a sidewalk in Cairo where he was attending an Arab conference in 1971. His assassins knelt down and lapped up his blood.

Consider the fate of the Secretary of State of the United Arab Emirate, shot down at the airport in Abu Dhabi last year. But this was an unfortunate mistake. His assassins had intended to murder the Syrian Secretary of State who was being seen off on his return to Damascus.

King Faisal was murdered in his palace 2 years ago. Is there any guarantee that Saudi Arabia will always have a government which will honor the commitments made by this one?

Cavour said you can do anything with bayonets but sit on them. All these leaders sit on bayonets and rule with the help of arms, including President Sadat. President Sadat has offered recognition of Israel and peace, and that is a positive step, surely. But it is not the millen-

nium. The outpouring of hatred and assassination threats from other Arabs which came on the occasion of his overtures to Israel cannot be taken lightly. The only constitutional democracy in the Middle East, Lebanon, has been destroyed by the Palestinians and occupied by the Syrian Army.

So what is at issue in giving F–15's to Saudi Arabia? The act confers a degree of prestige upon the Saudis giving them a leg up in the struggle for leadership in the Arab world. The act has created, as I have no doubt it was intended to create, a confrontation between Israel and the United States, between American Jewry and the U.S. Government, between what I here referred to constantly as the Jewish lobby and the U.S. Congress. This all confers prestige, indeed.

The planes can make Saudi Arabia an estimable military force in one stroke. I cannot see that the utility to Saudi Arabia of F–15's extends much beyond those things if the Saudis wish evidence of our friendship. Why couldn't they ask for teachers, medical technicians, doctors, agricultural expertise? We would give them all that and more. But, no, they must have 60 of the world's most highly rated fighter bombers.

What is the issue for the United States? The issue is our inability to meet our energy crisis like a responsible people. We have permitted ourselves to fall into a position of dependence, for not only our foreign policy but our most cherished moral values are being held hostage. We have allowed another nation to take responsibility for the health of our own economy, for our energy needs, and for our dollar, and they are charging us the most usurious rate for the luxury of refusing to cope with our own problems.

The exact figures reflecting the degree to which Saudi influence now pervades American society are difficult to come by. The Saudis do not want it known. The U.S. Treasury does not want it known. American banks say privacy laws prohibit their releasing such information. But some studies have been done and some estimates are considered reasonably valid.

The conclusion to be deduced from these are unavoidable and should wave like a red danger flag before every American concerned with the independence at home and overseas of this Nation.

In 1972, the year before the oil embargo, the Arab nations had approximately $700 million invested in the United States. Currently they have $55 billion invested in this country, mostly in Government bonds, currency, and stocks, and far and away the largest chunk of that investment is Saudi Arabia. A good deal of the remainder is from Kuwait and the United Arab Emirates, both strongly influenced by the Saudis.

There are those who argue that our dependence upon Saudi Arabia is a specious argument, that there are other sources of oil, that other nations hold more of our national debt. Further, the Saudis would not wish to endanger the safety of their investments here by rash actions. Yet that very contention betrays the truth of situation.

The Saudis possess a powerful tool and it is their choice and only their choice when or if they invoke it, and a dangerous weapon one nation possesses and another does not, whether it be a nuclear bomb, or oil, or money, changes the relationships between those countries.

I have watched with great interest the speed with which this body has considered this arms sale request from President Carter. It has moved through committee and onto the floor and is about to be decided all in fewer than 30 days. It is, therefore, mystifying to me why a national energy policy is still wallowing in the Congress; 5 months just as to the conference aspect of it.

We would not be debating this arms package today were it not for our energy vulnerability. Only one thing is different between these issues. One requires a price to be paid thousands of miles away by people who do not vote for American officeholders, and the other requires the price to be paid right here by people who determine whether you and I will remain in office or Jimmy Carter stays in the White House. It is a difference as blatant as it is ignoble and it does no credit to us that is the situation.

I say to you that if Washington applied half so much time and pressure to the problem of producing a sound energy program as it has applied to the objective of arming Israel's adversaries we would not be here today meeting on this matter. The question of whether to pay blackmail would have never been raised. What we are asked to do here will bring nothing more than a temporary respite for this Nation, but it will create a permanent danger to Israel. Nor will this Saudi demand be the last. Paying blackmail does not sate the appetite of the blackmailer. It sharpens his appetite.

My friends, if we permit the Saudi Government to guide our hand in drawing the mark of shame upon this body, all the bloodshed it will risk and all the tears we may shed over its almost inevitable consequences will not serve to wash that mark away.

We are told if we do not sell these planes to Saudi Arabia, they will get them elsewhere. This has been the rationale we have used over and over to arm so many nations in the world. This and profit have made us an arms merchant to the world. Let us consider for a moment the pressure which these planes would create on Israel. Israel is a tiny country. She has no great land areas to retreat into, when she fights. She must respond rapidly when threatened. Think how sharply reduced the reaction time would be.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. JAVITS. I yield 2 additional minutes to the Senator.

Mr. WEICKER. We are here today like Robert Bruce upon his bed watching a spider try again and again to fix the line from which he might then weave his fatal web. When the Arabs are defeated in war they can come back again and again, each time more seasoned, better prepared, and better equipped. They can do it because Israel does not seek to destroy them but to defend herself and to be left in peace. Is that the wish of the Arab States? You know it is not.

Let us turn back from this dangerous course. Let us see our proper place in the circumstances that confront us. One of the great men in the history of this Nation, of this body, Hubert Humphrey said it all. He said:

> All of history is a constant struggle for emancipation from fears, from tyranny, from ignorance. We are the emancipators. That is what this is all about, even if we don't recognize it.

That is the kind of role we can play in the Middle East. Moral commitments and moral actions are what this country is all about. It is the state of our spirit that determines the state of the Union, and the state of our spirit today seems to be defined in terms of quid pro quo deals in planes, missiles, oils, and so forth.

I like to think, Mr. President, that the unsophisticated but heartfelt commitment of 1948 better represented what America is all about than the wheeling and dealing of 1978 which suggests that the national posture is kneeling, that the backbone is spaghetti, and that the heart is for sale. I yield the floor.

Mr. JAVITS. Mr. President, I thank the Senator for his very illuminating and very eloquent address on what I consider to be the right side of this issue.

The PRESIDING OFFICER. Who yields time?

Mr. METZENBAUM. Mr. President, will the Senator yield to me?

Mr. BIDEN. I yield to the Senator from Ohio 10 minutes on our time.

Mr. METZENBAUM. I thank the Senator from Delaware.

Mr. President, I rise to express in the strongest terms my opposition to the proposal before us today.

I believe that this proposal, which would introduce $4.8 billion worth of America's most lethal weapons of death and destruction into one of the world's most unstable areas, is based on a shortsighted and exceedingly naive reading of our nation's true interests in the Middle East.

I believe that the proposal represents a turning away by this country from our commitment to the security and the survival of Israel, a nation whose very existence is vital to our interests in the Middle East.

I believe that this proposal will hinder, rather than help, the prospects for peace in the Middle East. I fervently hope that I am wrong in that assessment.

The proposed sale sends a message to all parties in the Middle East.

That message is clear.

It is unmistakable.

It says to the Israelis that they can no longer rely on the one great nation which has stood side by side with them for 30 years. It tells the Israelis that they must turn inward, that they must keep their own counsel, that they cannot

afford to accept outside guarantees where their security is concerned.

Israel, we must remember, was promised U.S. assistance in maintaining her air defenses at the time she agreed to the 1975 Sinai disengagement and gave up to Egypt her control of the strategic Sinai mountain passes and the Abu Rudeis oil field. Our government promised at that time to sell Israel 50 F–15's and 250 F–16's. The present package includes only 15 F–15's, in addition to the 25 already approved, and 75 F–16's instead of the promised 250.

This administration has not kept the promises it made to Israel and it has tied aircraft for Israel to weaponry for her potential Arab adversaries. The message to Israel could not be more blunt. It could not be more clear.

The proposal says something to the Arab world as well. It says to the Arabs that we are so anxious for a settlement in the Middle East that we are prepared to compromise Israel's security to achieve it.

It says to the Arabs that we are so hopelessly addicted to overconsumption of oil that they can hold our foreign policy hostage almost at will if only they will promise that the oil will continue to flow.

It says to the Arabs that there is no reason whatever to settle now with Israel because it is obvious that our support for Israel will become softer and softer in direct proportion to our increasing dependence on Arab oil, to the increasing influence in our economy of the petro-dollars it generates, and to our continued inability to enact and implement a tough domestic energy program.

For both sides in the Middle East, the meaning of the package before us is not one of peace. No one can convince the peoples of the world that selling $4.8 billion worth of arms to the Arabs and the Israelis will help move us forward on the road to peace. And the people of this country—in a recent national opinion poll—made it clear by an overwhelming margin that they oppose the sale.

Then why are we doing it? Because oil policies once again dominate American policies. Exclude the Saudi oil price and supply pressure, and ask yourself, "Would we ever be considering this proposed package sale?" The answer is, "Of course not."

Mr. President, I ask unanimous consent that the May 1, 1978, issue of the Harris survey be printed at this point in the RECORD.

There being no objection, the survey was ordered to be printed in the RECORD, as follows:

AMERICANS REJECT PLANE SALES

President Carter's plan for selling $4.8 billion worth of military aircraft to Israel, Egypt and Saudi Arabia meets with a flat 66–26 percent rejection by Americans. The administration's proposal is for a package deal under which all of the countries would receive planes or, if this were rejected, none would receive any.

When the three-country package is unbundled and the public is asked what it thinks of each individual sale, substantial majorities oppose selling the planes to any of the Middle East powers. By 64–28 percent, a majority is against the sale of the planes to Israel. An even higher 71 to 20 percent majority opposes selling the planes to Egypt. And the proposed sale to Saudi Arabia meets a 73–18 percent opposition.

One reason for this opposition is that a 60–31 percent majority of Americans is consistently wary of almost any arms sale abroad. Another reason stems from a deep feeling that U.S. efforts in the Middle East should be concentrated on making peace, not on escalating an arms race in that region.

Based on these results, it will be difficult for U.S. senators and representatives, especially those up for election this November, to try to defend President Carter's aircraft sales package to their constituents. Of course, under the system now in effect, the President does not need Congressional ratification of such an arms sale. But Congress has the right to vote against it within 30 days after the President decides to make such a sale. In effect, it has a veto power over the three-nation package military aircraft deal. If Congress does not act, then the sale can automatically take effect.

The findings of this latest Harris Survey of 1,199 adults nationwide have serious implications for the three countries scheduled to receive the military aircraft. One might have thought that the Israelis would have been pleased to see such solid public opposition to the proposed Carter package deal since it would allow them to maintain their present air superiority in the areas. But the fact that a 64–28 percent majority opposes selling the Israelis the F–15s and F–16s they want must make them feel uneasy about the American willingness to maintain the flow of weaponry to their country. A U.S. commitment of military assistance has been both an implicit and cardinal assumption of military planning for Israel.

For Egypt, the findings of this Harris Survey suggest that although Americans deeply admire President Sadat's efforts to achieve peace in the Middle East, they reject Egyptian moves to increase its military power. The public is clearly worried about the prospect of military aid being used in another war.

Americans have repeatedly shown their understanding of the key role that Saudi Arabian oil plays in supplying U.S. needs. Many also appreciate the anti-inflationary importance of the Saudi decision to freeze oil price increases for 1978. Despite this, the public is not at all willing to make a deal for better treatment on oil in return for building up the Saudi Arabian military capability with the proposed sale of 60 F–15s.

President Carter, now laboring under a 64–33 percent negative rating, the lowest of his administration, will clearly be courting real disfavor with the American people if he presses forward with this military aircraft sale to the Middle East. Americans took his campaign pledge to decrease the sale of military arms abroad seriously and many will feel that his latest proposal leads straight in an opposite direction.

On April 19 and 20, the Harris Survey asked the cross section:

"President Carter wants to go ahead with the sale of military aircraft to Israel, Saudi Arabia and Egypt for $4.8 billion. He wants to sell Israel 15 F–15s and 75 F–16s, the most modern jet planes the United States produces. Egypt would receive 50 F–5Es, which are effective short-range fighter/bombers. Saudi Arabia would receive 60 F–15s, a sophisticated long-range fighter. The President wants to sell all of the planes as one package: either all three countries receive their planes or none receive them. Do you favor or oppose this U.S. sale of military planes to Israel, Egypt and Saudi Arabia?"

U.S. sale of military planes to Israel, Egypt and Saudi Arabia

	Percent
Favor	26
Oppose	66
Not sure	8

"Now let me ask you about the sale of military planes to each individual country. Do you favor or oppose the sale of these military planes to (read list)?"

Sale of military planes to each individual country

[In percent]

	Favor	Oppose	Not sure
Israel	28	64	8
Egypt	20	71	9
Saudi Arabia	18	73	9

Mr. METZENBAUM. This proposed sale does much more than complicate the path to peace in the Middle East. It says to all the nations in the world that our fine talk about reducing our role as the world's leading exporter of the instruments of mass destruction is just that—fine talk. The proposal makes it obvious that we intend to continue to cooperate with the enormous buildup of arms by the oil exporting nations around the Persian Gulf.

This buildup involves the largest overseas military effort by the United States since the end of our misadventure in Indochina, and it may well bring us the same results.

Mr. President, on April 1, 1976, Jimmy Carter, then a candidate for the Presidency, addressed the issue of our country's growing role as purveyor of arms by appointment to the monarchies of the Persian Gulf region.

Mr. Carter said at the time:

I am concerned with the way in which our country, as well as the Soviet Union, Britain and France, has poured arms into certain Arab countries far beyond their legitimate needs for defense. . . . This headlong rush for weapons increases the chances of war. It postpones peace negotiations. . . . It erodes security.

Candidate Carter was right then and his words ring true now.

Yet President Carter is asking us to vote today for the largest single Middle East arms deal in history and one which sets the stage for much larger orders in the future.

In an article that appeared in the May 8, 1978, edition of the Baltimore Sun, Joseph Churba, formerly special adviser to the Air Force Chief of Staff for Intelligence, gave an estimate of the implications of the F–15 deal for further U.S. technology transfer to Saudi Arabia.

Mr. Churba wrote:

Like its predecessor, the Carter administration seeks to obscure the true magnitude of its projected sales to Saudi Arabia.

However, in the absence of official disclosures, it is still possible to discern much from what is left unsaid by the administration. For example, for most effective performance, the F–15 requires the support of sophisticated ground or airborne radar, either the Grumman E–2C Hawkeye or the Boeing E–3A airborne warning aid control

system (AWACS) with such support, the F–15 can "lock on" and be directed to targets at ranges over 100 miles. This significantly enhances its capability to control large areas of air space. Therefore, the sales of F–15's to Saudi Arabia would almost certainly be followed by the sale of advanced radar systems. The alternative to AWACS would be ground systems, requiring thousands of American technicians whose continued control by the U.S. Government would be questionable.

I ask unanimous consent that the full text of Mr. Churba's May 8, 1978, article from the Baltimore Sun be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ARMS TO ARABIA

(By Joseph Churba)

Current efforts by the Carter administration to secure congressional approval for the sale of 60 F–15s to Saudi Arabia is but the latest phase of a long-standing plan for the piecemeal transfer of sophisticated military technology to the Arabs.

The last clash on the issue occurred in September, 1976 when the Ford administration officially notified Congress of its intention to provide the Saudis with $700 million in weapons, military construction and training. The sale, approved only after the initial requests were substantially modified, included 650 Maverick air-to-surface missiles, 850 Sidewinder (AIM 9–J) air-to-air missiles and 1,000 TOW anti-tank missiles. While significantly lower than the number of weapons originally sought, the deal brought the total planned arms sales and military construction for Saudi Arabia to more than $7.5 billion in 1976 alone.

Indeed, since 1950, the United States has sold Saudi Arabia more than $15 billion worth of arms and military construction. All of Saudi Arabia's legitimate defense needs have been met, yet there is no end in sight to the massive transfer of high technology now under way.

Like its predecessor, the Carter administration seeks to obscure the true magnitude of projected sales to Saudi Arabia. However, in the absence of official disclosures, it is still possible to discern much from what is being left unsaid by the administration. For example, for the most effective performance, the F–15 requires the support of sophisticated ground or airborne radar, either the Grumman E–2C Hawkeye or the Boeing E–3A Airborne Warning and Control system (AWACS). With such support, the F–15 can "lock on" and be directed to targets at ranges over 100 miles. This significantly enhances its capability to control large areas of air space. Therefore, the sale of the F–15 to Saudi Arabia would almost certainly be followed by the sale of advanced radar systems. The alternative to AWACS would be ground systems, requiring thousands of Americans technicians whose continued control by the U.S. government would be questionable.

The General Accounting Office (GAO) has joined the U.S. Arms Control and Disarmament Agency and the Pentagon's Office of Policy Analysis and Evaluation in expressing serious reservations about this sale. The GAO worries that shortages of skilled people in the U.S. military could result from the continued expansion of American advisory and training responsibilities in Saudi Arabia as more and more U.S. technicians were assigned to help the Saudis.

One might add that given the fragmentary structure of the Saudi armed forces, the status of American personnel could be of decisive importance in the event of renewed Arab-Israel hostilities, an Arab-Iranian confrontation, or an internal coup. The implicit threat of the United States being drawn into the vortex of domestic and regional squabbles grows with an expanding American presence on the ground.

The dilemma thus confronting policymakers is to choose between the disadvantages inherent in an expanding physical presence in Saudi Arabia and the real threat of compromising the technology of the world's most advanced fighter and airborne radar. A single F–15 Saudi pilot defection either to Iraq or Syria would register a negative effect on NATO's defense. Administration spokesmen have nowhere acknowledged that security in Saudi Arabia is loose and that some of its airport technicians are Syrian, Iraqi and Palestinian aliens who could also be Soviet sympathizers.

The compromise proposal, not to station the F–15 at Tabuq (six minutes flying time from Israel) and to offer a primarily defensive configuration of the weapons on the F–15 is misleading. First, the F–15 has a flight range of 2,800 miles. Even if the planes were based as far away as Riyadh or Dhahran, 900 miles from Jerusalem, they could be flown against targets in Israel without refueling. Secondly, the Saudi, if they so desire, could buy the necessary equipment elsewhere to convert the F–15 for ground-attack missions. Bomb racks are fairly simple in design and easily acquired, as are air-to-air and air-to-surface weapons. There is no effective way to guarantee that the Saudis would not use their F–15s against Israel or transfer them to another country for that purpose. In fact, the Saudis have already trained Egyptian pilots on their American-supplied F–5s, in violation of U.S. law.

As debate on the F–15 intensifies, the administration will most certainly argue that unless the sale goes through, the Saudis will raise oil prices at the next OPEC meeting scheduled in June. The onus for double-digit inflation and unemployment would then be placed on congressional shoulders for "failure" to induce Saudi moderation in oil pricing and production. Yet, if we are not prepared to resist blackmail during the present oil glut, then when? As for the argument that unless the United States sells, the Saudis will buy elsewhere, it is a fact that neither the Soviets, the French nor the British have anything comparable to the F–15. The French F–1 is both less sophisticated and more difficult to fly. And the Saudis are likely to buy F–1s whether or not they get the F–15.

It is disturbing, therefore, to observe this administration manipulating the news, distorting issues of grave consequence and suppressing vital information. It is a further demonstration of the inability of recent presidents to loosen the formidable grip of the Arabist bureaucracy in the State Department and Pentagon.

President Carter's current statements directly contradict his campaign rhetoric: for example, a statement he made April 1, 1976, to the effect that "This headlong rush for weapons (by Saudi Arabia) increases the chance of war. It postpones negotiations. It defers development. It erodes security."

By his actions, the President confirms his true position. His head is buried in the sands of Arabia.

Mr. METZENBAUM. Mr. President, it is sobering to note that this one $4.8 billion arms deal with Egypt, Israel, and Saudi Arabia is in itself three times larger than our military sales to all the world as recently as 1971.

It is shocking to note that, between 1971 and fiscal year 1979, our participation in the world arms trade has grown from $1.5 billion per year to over $13 billion. Our arms exports are double those of the Soviet Union and in spite of claims by the administration to the contrary, there are few signs that we are prepared to abandon our dubious preeminence in this field.

On May 12, the Washington Post published an excellent article on our arms trade by George C. Wilson and Laurence Stern. I ask unanimous consent that the text of this article, entitled "The Heightening Paradox of Carter's Arms Policy," be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE HEIGHTENING PARADOX OF CARTER'S ARMS POLICY

(By George C. Wilson and Laurence Stern)

The words are those of candidate Jimmy Carter in New York City. The date—April Fool's Day, 1976.

"I am concerned with the way in which our country, as well as the Soviet Union, Britain and France, have poured arms into certain Arab countries far beyond their legitimate needs for defense . . . This headlong rush for weapons increases the chance of war. It postpones peace negotiations . . . It erodes security."

Today, ironically, President Carter's proposed $4.8 billion warplane sales package to Egypt, Israel and Saudi Arabia is being viewed as a major test of his administration's clout in a seriously divided Congress.

In the continuing Washington game of "Promises, Promises"—comparing the president's words and deeds—Carter's pronouncements on the subject of U.S. arms sales abroad probably score as the most contradictory utterances on any issue.

After becoming president, Carter—in his March 17, 1977, speech to the United Nations—reiterated his campaign commitments to throttle down the U.S. role in the worldwide arms race.

". . . We will try to reach broader agreements among producer and consumer nations to limit the export of conventional arms, and we, ourselves, will take the initiative on our own because the United States has become one of the major arms supplier of the world."

This year, according to Pentagon projections, U.S. arms sales abroad will reach their highest level in history—$13.2 billion. Next year the total is expected to go up to $13.5 billion, thanks in part to the new Middle East airplane deal.

In defending his decision to go ahead with the new sales of planes to Egypt, Israel and Saudi Arabia, the president has repeatedly cited the commitments forged by prior Republican administrations whose arms sales policies he campaigned against.

The paradox heightened yesterday when State Department spokesman Hodding Carter read the wording of a U.S.-Soviet communique announcing that the two countries have agreed to confer regularly on steps to cut the sale of arms to Third World countries.

As Hodding Carter was reading the statement at noon he was handed a report that the Senate Foreign Relations Committee had failed to block the president's $4.8 billion sale of sophisticated military aircraft to the three Middle East countries.

The United States and the Soviet Union are the world's two biggest arms suppliers and overall military spenders, not surprisingly. Between 1966 and 1975 the United States shipped $34.9 billion in arms abroad and the Soviets $20.2 billion.

U.S.-Soviet talks in Helsinki May 4–8, officials said, have laid the basis for the first systematic talks between the two superpowers on limiting nonnuclear weaponry. Conceding that this subject has aroused more expectation and less results than almost any other in modern diplomacy, Hod-

ding Carter drily noted, "Experience obviously produces its own restraint on expectations."

In defense of the president the basic commitments for expanded sale of military jets were made during the Nixon and Ford administrations. The great leap was made between 1971 and 1976 when U.S. foreign military sales jumped from $1.5 billion to $13.1 billion. Within that period the largest single-year rise came in 1973–1974 when sales—primarily to Middle East customer nations—increased from $4.5 billion to $10.5 billion.

From the standpoint of the present administration in Washington, as with its Republican predecessors, the underlying issues in the current warplane sales controversy are political and diplomatic rather than considerations of strictly military security.

The political and diplomatic chits are oil, petro dollars and Israel's influential constituency of supporters in the United States—all of which the president as well as Congress are trying to juggle. It is a minefield of contradictory interests in which it is impossible to assuage all the contending parties. In 1977 Iran, Saudi Arabia and Israel—in that order—were among the top customers for American arms sold abroad.

In its "white paper" on foreign military sales last year the administration gave recognition to the growing reality of the oil imperative. It cited as one rationale for selling weapons abroad the need "to influence the political orientation of nations which control strategic resources."

The white paper, which reflected the more pragmatic approach of State Department director of political-military affairs Leslie H. Gelb and other advisers, also said that the United States "will continue to utilize arms transfers where necessary to promote our own strategic interest . . ."

Such benefits presumably included bolstering the U.S. balance of payments against the drain of increased oil prices and also lowering the cost of new military aircraft development for the Pentagon. When the United States sells weapons such as the advanced F15 and F16 abroad it charges the foreign customer for part of the research expense. Also, the larger the production run, the lower the cost of each weapon.

The sale of such advanced aircraft as the F15 and F16 is a striking departure from the policies of the mid-1960s when the McNamara Pentagon sought to limit sales to weapons with limited offensive capability such as the F5 "Freedom Fighter"—precursor of the far more sophisticated version the president is proposing to sell to Egypt.

But the F15s and F16s destined for Saudi Arabia and Israel are to the F5 as a cannon is to a pop gun. The same observation could be made about U.S. arms sales policy today.

Mr. METZENBAUM. Mr. President, I believe that when we consider providing advanced weapons to foreign nations—and our arms exports in recent years have increasingly been top-of-the-line systems like the F–14, F–15, and F–16—we must take the discussion beyond the abstract ideas involved in comparative avionics and military strategy.

We must remember that a plane like the F–15 is not designed as a status symbol. It is not just something to fly over a crowd on this or that country's independence day. It is a lethal weapon, a sophisticated instrument of death.

And where the Middle East is concerned, we must look beyond the assurances given by the nations there that the weapons they purchase are intended for purely defensive purposes. We must remember that those countries have fought four bitter, bloody wars in the past 30 years.

In Israel's war of independence in 1948, 21,000 Israelis and 40,000 Arabs were listed as killed, wounded, or missing.

The toll for the 1956 war was 1,300 on the Israeli side and 12,735 for the Arabs.

In 6 days in 1967, Israel suffered 5,515 killed, wounded, and missing and inflicted nearly 18,000 casualties on her adversaries.

During the Yom Kippur War of 1973, losses on both sides grew dramatically. As advanced weaponry, supplied mainly by the two superpowers, was tested on Middle East battlefields, Israel's casualties rose to 12,000 in 1973. The Arabs lost three times that number—36,000 men.

And, we must not forget that, since 1965, 1,100 people have died at the hands of Palestinian terrorists and their allies. The victims include Israeli athletes massacred at the Munich Olympics, Israeli schoolchildren slaughtered at Ma'Alot and more than 30 Israeli civilians gunned down by Palestinian raiders in March of this year. They include Christian pilgrims from Puerto Rico, gunned down by Japanese Red Army terrorists at Lod Airport and the German pilot coldly executed by Palestinians at Mogadishu. All the world has suffered from this plague of terror. It knows no boundaries of nationality or language or religion.

If there is a next round of fighting in the Middle East, and let us pray that there will not be, we can be sure that some or all of the weapons we are being asked to approve today will come into play. If we approve this sale, we must be prepared to accept the moral responsibility for its possible consequences.

Mr. President, the administration has gone to great lengths to assure the Congress, the American people, and the nations in the Middle East that the weapons to be transferred to that region, particularly the F–15's, are to be used for defensive purposes only.

We are told that the F–15 is primarily a defensive weapon and that the models provided to the Saudis will not have offensive capability.

We are told that Saudi Arabia requires these aircraft for self-defense and that we should gladly provide the Saudis with them as a reward for Saudi political and economical moderation.

We are told that Saudi Arabia is not a confrontation state, that its air force constitutes no threat to Israel and that the F–15's will not be based at the large new air force facility that Saudi Arabia has constructed within a few minutes flying time of Israel's population centers.

All of these claims are open to serious doubt—so serious that I believe examination of the claims must cause us to reject each and every one of them.

The President and the Secretary of Defense may, for example, sincerely believe that the F–15 is a defensive weapon. But the U.S. Air Force pilots who fly that plane think otherwise.

On April 13, 1978, the Philadelphia Inquirer published an article by James McCartney of that paper's Washington Bureau, who took the trouble to visit Langley Air Force Base and to talk with the men who know the F–15 best—the USAF officers who stand ready to take it into combat.

Mr. McCartney wrote the following:

Etched on the fuselage of an F–15 fighter plane parked on the tarmac at Langley Air Force Base here is the slogan "The Meanest Man." There is every indication that the description is apt.

The Carter administration is trying to persuade Members of Congress that the F–15 it plans to sell to Saudi Arabia is a "defensive" weapon and thus no direct threat to Israel.

But a close up look at the sleek, silver craft and interviews with the men who fly it for the 27th Tactical Fighter Squadron tell a different story.

They present a graphic picture of the world's finest fighter plane, a plane that can not only "defend" if called on, but also can attack at blinding speed.

"It is blatantly obvious," said Major Steve Demuth, a pilot and Vietnam veteran, "that it can be used for either offensive or defensive purposes.

"It is a political question. It depends on how it is used".

I ask unanimous consent that the full text of Mr. McCartney's article be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

F–15's DEFENSIVE, BUT THAT'S ONLY HALF THE STORY

(By James McCartney)

HAMPTON, VA.—Etched on the fuselage of an F–15 fighter plane parked on the tarmac at Langley Air Force Base here is the slogan, "The Meanest Man."

There is every indication that the description is apt.

The Carter Administration is trying to persuade members of Congress that the F–15 it plans to sell to Saudi Arabia is a "defensive" weapon and thus no direct threat to Israel.

But a close-up look at the sleek, silver craft and interviews with the men who fly it for the 27th Tactical Fighter Squadron tell a different story.

They present a graphic picture of the world's finest fighter plane, a plane that not only can "defend" if called on, but also can attack at blinding speed.

"It is blatantly obvious," said Maj. Steve DeMuth, a pilot and Vietnam veteran, "that it can be used for either offensive or defensive purposes.

"It is a political question. It depends on how it is used."

That is likely to be a key question in what may become one of the major battles of the year in Congress.

The proposal to sell 60 F–15s to the Saudis for $42 million each is the most controversial part of a $4.8 billion administration aircraft "package" for the Mideast. Other elements include 50 far less sophisticated F–5Es for Egypt and 15 F–15s and 75 smaller, but highly sophisticated, F–16s for Israel.

The F–15s for the Saudis, however, have touched the most sensitive nerve. Israel and its friends in Congress have mounted a major campaign against the sale on grounds that it would raise tensions and upset the military balance in the Mideast.

Israeli lobbyists, in a lengthy memorandum for members of Congress, state flatly: "The F–15s would enable Saudi Arabia to strike deeply into Israel."

The Saudi ambassador to Washington has insisted in reply that the F–15s will be used only defensively. The country "Must rely on

sophisticated modern weapons such as the F–15 to defend itself," he has said.

U. S. Secretary of State Cyrus Vance has contended that the sale is necessary to maintain good relations with the oil-rich Saudis and that it would not disrupt the military balance of power. He called the Saudi request "reasonable and in our interest to fulfill."

Since this war of words has opened, few in Congress have stopped long enough to take a close look at the plane itself, at what it can and cannot do.

There are 72 F–15s at Langley, the only combat-ready base in the United States that has the plane. The men here know it well. They fly it every day.

Though the airmen have no desire to be dragged into political arguments, they are familiar with the issues that already have emerged.

What kind of plane is it? What was it designed for and what does it do best?

If the plane is sold for defensive use, how hard would it be to equip it to take the offense?

Does it make any difference where and how the plane is based? If planes were based far from Israel, for example, would that provide some guarantee that they could not be used against the Israelis?

The F–15, built by McDonnell Douglas Corp. of St. Louis, is a pilot's dream. "It drives like a Cadillac," says Capt. Don Waddell.

It was designed to be what the Air Force calls an "air superiority" fighter, which means, as Waddell puts it, "to fight and destroy any other aircraft, to control whatever air space you want to control."

It is fast, able to go 2½ times the speed of sound (approximately 1,800 miles an hour), and powerful, with two giant turbofan engines, each generating 25,000 pounds of thrust. It will fly straight up. It is highly maneuverable, capable of tight turns without losing air speed.

In modern aerial combat it is agility, not speed, that counts most. Therefore, the plane is designed for quick turns and rapid acceleration, because as was demonstrated in Vietnam, much dogfighting takes place at low to medium altitudes and at subsonic speeds.

The basic armament on the F–15 are guns and missiles to destroy other aircraft. The F–15s at Langley, which defend the East Coast of the United States, are equipped with air-to-air weapons.

State Department officials say the F–15s for Saudi Arabia would be for only this purpose: To defend air space over that country.

But in designing the F–15 as an highly maneuverable, powerful, air combat weapon, the Air Force also created a plane with superb capabilities as an attack aircraft, for air-to-ground strafing or bombing missions. The F–15 can carry 15,000 pounds of bombs and bullets for ground attack.

As the official Air Force fact sheet on the plane states it, even though the F–15 was developed "as an uncompromised air superiority fighter, . . . it contains the structural ruggedness, flight characteristics, survivability features, and equipment essential for the attack mission without modification."

Administration officials have suggested to some members of Congress that the United States might refuse to sell the Saudis gear that would enable the plane to go on ground attack missions.

But converting any F–15 for ground attack missions "would not be difficult if they decided they wanted to spend the money," said Col. Neil Eddins, commanding officer of the First Tactical Fighter Wing here. He and others explained that bomb racks are fairly simple in design and easily fabricated, as are other necessities for ground attack.

All the equipment could be bought on the open, commercial market in the United States.

Col. Eddins said that an F–15, if equipped to drop bombs and to strafe, "would be as good" as the F–4 "Phantom" and probably better.

In addition, pilots here doubt that the capabilities of the F–15 could be limited to any notable extent by agreements to base it far from the Israeli border.

A particular issue has been whether F–15s bought by the Saudis might be based at the Tabuk air base, about 125 miles from the southern Israel port city of Elat.

Israeli lobbyists have pointed out that this is only six minutes' flying time from Israel proper for an F–15, and that the Saudis have other air bases 10 and 12 minutes away.

Vance and the Saudis have sought to assure Congress that the Saudis would not want the planes at Tabuk, or other forward bases, for fear they would provide an inviting target for an Israeli pre-emptive strike.

But pilots here do not believe it would matter much if the planes were based as far away as Riyadh, the Saudi capital, which is more than 800 miles from Jerusalem, or in the oil fields at Dharan, about 900 miles away.

The F–15 has a flight range, without refueling, of 2,800 miles, and could be flown to a combat zone in a few hours, at most. The planes and all the necessary support are easily redeployed for combat. Therefore, planes based at Riyadh would be moved to Tabuk and ready for battle within 24 hours.

Mr. METZENBAUM. Mr. President, the American pilot quoted by Mr. McCartney was correct in pointing out that the manner in which the F–15 is used—offensively or defensively—must inevitably be the result of political decisions by those who control the aircraft.

Advocates of this sale maintain that Saudi Arabia is a moderate and responsible power. The Saudis, they say, can be counted upon to stay out of any future Arab-Israeli conflict. The Saudis are said to have agreed not to transfer the aircraft to other Arab States and they are said further to have taken a constructive position with regard to President Sadat's peace initiative.

Mr. President, there is no doubt that the Saudis have taken moderate and constructive positions on many issues, though it should also be noted that these positions are very much in Saudi Arabia's own national interest.

There is no question that the current leaders of Saudi Arabia are anti-Communist and that their views in this area stem from deep religious belief. But it is also true that Communist and radical gains in the Middle East and Africa pose a direct threat to the Saudi monarchy.

The Saudis have also been helpful in holding down OPEC oil prices. But again, we must recall that the Saudis have a massive and vital stake in the stability of our economy and in the economies of the Western European countries and Japan without the West, and the United States in particular, the Saudi regime could not and would not exist. The Saudis know that. Only our Government seems not to.

Mr. President, the Saudi record in the Middle East conflict can hardly be called one of moderation, unless, of course, one wishes to compare it with that of Libya, Iraq, or the PLO.

If Saudi Arabia has been of assistance in furthering the Sadat initiative, that assistance is a very well kept secret. In fact, columnist Joseph Kraft recently wrote that the Saudi have been an impediment to President Sadat in his efforts to reach an understanding with Israel.

According to Mr. Kraft, the Saudis "have opposed the Sadat initiative from the first, King Khalid," Mr. Kraft wrote—

* * * was originally irritated that the Egyptian leader went to the Knesset in Jerusalem at a time when good Moslems were supposed to be wending their way to Mecca. Since then, Riyadh has consistently emphasized Palestinian self-determination. While continuing to subsidize Egypt, the Saudis have also continued subsidies for the most bitter opponents of the Sadat initiative: Syria and the Palestinian Liberation Organization.

"The Saudis," Mr. Kraft continued,

* * * have also used their influence to keep King Hussein of Jordan out of the talks. Now they and Hussein are readying a proposal for a summit meeting of Arab leaders including Sadat and present Hafez Assad of Syria. At that meeting, Sadat would acknowledge that his peace initiatives have been killed by Israeli intransigence and be welcomed back into the Arab fold. That, in effect, would be the end of the peace initiative.

I ask unanimous consent that the full text of Mr. Kraft's column, entitled "The Jet Sales: A Carter Power Play," be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE JET SALE: A CARTER POWER PLAY

Part of the confusion about the proposed sale of planes to Israel, Egypt and Saudi Arabia is tactical. All the parties are masking their position of trading purposes.

But a deeper and far more serious muddle jumbles the deal to the point of craziness. The sales bear no visible relation either to peace in the Middle East or to defense of the area against the Soviet Union.

With respect to peace, what hope remains springs from President Sadat's visit to Jerusalem. In the subsequent negotiations Egypt and Israel came very close to striking a bargain. The Israel offer to return the whole of the Sinai desert to Egyptian sovereignty stumbled only on the matter of Israeli settlements. That is easy to compromise, as many leading Israelis, including foreign minister Moshe Dayan, have said flatly they will not let the settlements stand in the way of peace.

More difficult is the future of the territories west of the Jordan River, which the Israelis call Judea and Samaria. Prime Minister Menachem Begin has offered self-rule to the Arabs in the area and suspended indefinitely any Israeli claim to sovereignty.

But the local residents who want the West Bank to be the base of a Palestinian state demand the right of immediate self-determination. So the Egyptians, though they do not want a Palestinian state unless it is part of Jordan, have felt obliged to press for self-determination.

In fact, the issue cannot be settled now, and the various attempts by the Carter administration to write declarations of principle were condemned to failure. What can be done is to leave the future open.

The Israelis should add to their present offer a proviso that after a certain period of time there would be genuine self-determination. The Egyptians would accept the decision that self-determination be achieved

only after a period of time. That would close the deal, and as a sweetener both countries could be given the arms they now seek.

The Saudis, however, have opposed the Sadat initiative from the first. King Khalid was originally irritated that the Egyptian leader went to the Knesset in Jerusalem at a time when good Moslems were supposed to be wending their way to Mecca. Since then Riyadh has consistently emphasized Palestinian self-determination. While continuing to subsidize Egypt, the Saudis have also continued subsidies for the most bitter opponents of the Sadat initiative: Syria and the Palestinian Liberation Organization.

The Saudis have also used their influence to keep King Hussein of Jordan out of the talks. Now they and Hussein are readying a proposal for a summit meeting of Arab leaders including Sadat and President Hafez Assad of Syria. At that meeting Sadat would acknowledge that his peace initiatives have been killed by Israeli intransigence, and be welcomed back into the Arab fold. That, in effect, would be the end of the peace initiative.

Authorizing a sale of advanced jet planes to the Saudis, in these circumstances, makes no sense at all. It is a reward for being unhelpful—a death shot at the peace initiative Washington should be trying to keep alive.

As to the defense problem, the Soviet Union is arming the Syrians, the Iraqis, the Libyans and the Palestinians in the Middle East. In the horn of Africa, the Russians are beefing up the forces of South Yemen and Ethiopia. These groups all threaten Saudi Arabia and Egypt and they—at least—pose problems for Israel.

So as part of the continuing effort to block Soviet expansion, the plane sales make sense. But they have not been joined in any coherent relation. There is no provision for an American coordinating role, with a base in the area (perhaps in Sinai) and a command that could organize the anticommunist forces for common action.

What all this says to me is that the plane deal is essentially a power play—a vehicle whereby the administration can win one over the Congress and over the so-called Israeli lobby. The deal does nothing to advance the common defense, and it actually works against the prospects for settlement in the Middle East.

So in my view the House and the Senate ought to do what in their guts and hearts they want to do. That is to force the suspension of all the sales until the Sadat initiative has had a chance to run its course.

Mr. METZENBAUM. I do not believe, Mr. President, that the Saudi policies described by Mr. Kraft smack of moderation. Rather, they indicate that Saudi Arabia is and is likely to remain an obstacle to compromise in the Middle East.

Let us not forget, Mr. President, that Saudi Arabia has never acknowledged the right of Israel to exist.

Let us not forget that Saudi forces participated actively in three of the four Arab-Israeli wars.

Let us not forget that Saudi Arabia is and has been a major force of financing for the PLO—$48 million in the past year alone.

Let us not forget that when Palestinian raiders attacked Israeli civilians in March of this year, the initial Saudi reaction was praise for the terrorists. Only later did the Saudis issue a statement asserting their opposition to random violence.

And also let us not forget that when Israel apprehended those terrorists, they found them in possession of U.S.-made weapons with Saudi Army markings.

And let us remember that Saudi Arabia is the leader in enforcing the unconscionable Arab economic boycott of Israel and of Jewish-owned firms and Jewish personnel in third countries.

Furthermore, Mr. President, let us not forget that the Saudi leaders themselves have made repeated statements that contradict the assurances we have received from our own Government about Saudi intentions of deployment and use of the F–15's.

In a letter to Chairman SPARKMAN dated May 9, 1978, Secretary of Defense Brown stated the following, and the quote is familiar to Members of the Senate, because it has been previously read:

> The Government of Saudi Arabia has assured us that it has no aggressive intentions against any state, that it will use the F–15 aircraft only in furtherance of its legitimate self-defense and that it will not employ the aircraft offensively. The Saudi Arabian Government has similarly assured us that it will not transfer the F–15 aircraft to any third country or permit the nationals of such country to train on the F–15 aircraft, serve as pilots, or otherwise to have access to the aircraft without the authorization of the United States.

But there is evidence that Secretary Brown's understanding of the conditions attached to the sales does not match that of Saudi Arabia's leaders.

On April 21, 1978, for example, the French magazine, Paris Match, carried an interview with Saudi Crown Prince Fahd, who stated his country's position as follows:

> Saudi Arabia allocated all its forces and strength to bring about victory of the Arab rights, their honor and all that is sacred in their eyes. . . . This means that the task entrusted to our army is not only to protect the kingdom, but that it could intervene anywhere that our national duty commands. Our army was in Syria; we have units in Jordan. . . . All this shows our readiness. (Prince Fahd, incidentally, will most likely be Saudi Arabia's next ruler.)

Earlier, the Christian Science Monitor quoted Defense Minister Prince Sultan as asserting:

> All we own is at the disposal of the Arab nations and will be used in the battle against the common enemy.

Saudi Defense Minister Prince Sultan told the Arab Week Events of December 3, 1976, that as far as conditions on reexports and transfer without prior agreement, "There were never such conditions and we do not accept such conditions."

And on Friday of last week, May 12, CBS news broadcast an interview by Walter Cronkite with Foreign Minister Saud Faisal in which Foreign Minister Saud stated that Saudi Arabia would only accept a limitation on F–15 deployment "That is of general applicability" and is "not aimed individually at Saudi Arabia for a specific requirement." "As far as I am concerned," he said, "why should Saudi Arabia be the sole country to have a condition imposed upon it that no, you can't put this plane on this base or on that base."

Why indeed. And why, I wonder, does our Government feel that it is necessary to make claims about Saudi intentions that the Saudis themselves have repudiated time and again? And how do we reconcile the White House statement that Prince Saud's comments do not contradict Secretary Brown's letter with the statement itself and with similar remarks by Prince Fahd and Prince Sultan? Who, in other words, speaks for Saudi Arabia? Is it the Saudi leadership? Or is it the Carter administration?

Mr. President, I believe that the arms sales before us today are a serious mistake.

I believe that they could have devastating consequences for our friends in the Middle East, Arab, and Israeli alike.

I believe that they enhance the danger of war in the region, that they make a mockery of our commitment to controling weapons exports and that they threaten to embroil our country in conflicts beyond our control and contrary to the wishes of our people.

I will vote against these dangerous sales, Mr. President, and I hope that a majority of my colleagues will see fit to join me and to do what they know is the right thing. Mr. President, I am firmly convinced that to vote against these arms sales is to vote to give peace a chance in the Middle East.

Mr. HOLLINGS addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. HOLLINGS. Mr. President, under the previous arrangement with the Senator from Tennessee, I have 5 minutes. I yield myself that 5 minutes.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. HOLLINGS. Mr. President, I rise to oppose the resolution of disapproval because I believe that the arms sale to Israel is really in the best interest of Israel, that the sale to Saudi Arabia is in the best interest of Saudi Arabia, and that the sale to Egypt is in the best interest of Egypt.

The one great bone of contention, namely, the sale of F–15's to Saudi Arabia, was considered by this Senator at a time earlier this year when we visited Saudi Arabia with a delegation of some five Senators. We had a chance to be present and to discuss it. It was not part of a package. And we generally agreed at that time that it was in the best interests of the United States. Historically, Saudi air defense requirements were studied by American military experts in 1973, 1974, and 1975. President Ford committed to it in 1976 and in January of this year, just preceding our visit there, the commitment was reaffirmed by President Carter.

So we have a somewhat similar situation to the Panama debate—not 12 years and four American Presidents, but at least 5 years and two American Presidents, of both parties.

I think what we have, in essence, is a very sincere and statesmanlike stand taken by the Senator from Connecticut (Mr. RIBICOFF). I wish we could have all been in the closed session. I commend him for his courage on his stance on this particular point.

Mr. President, I come to this particular position with some misgivings about the concerns of my constituency in the State of South Carolina. As in Panama, I sure did not have a majority here. A majority of friends of Israel who speak at this particular time have some misinformation, in my opinion. But they also have some very valid points. With the limitation of time, there is one distinguished friend of mine, Samuel J. Tenenbaum, whose views I would call to your attention.

Mr. President, I ask unanimous consent to have printed in the RECORD his letter to me on this particular point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

LETTER FROM SAMUEL J. TENENBAUM

One of the reasons for the serious opposition to the Carter arms deal for the Middle East is that it is perceived as a one way deal for Saudi Arabia and that a total shift has happened within the Government of the U.S. concerning Israel. It is as if a tidal wave of fear has struck those of us who happen not only to support Israel but who also have a love for her. Not only are we concerned with this shift of policy from Israel but we are concerned that our own government has lost the proper perception of the Middle East due to the petro dollar and oil or better yet the "Golden Calf." Big bucks seem to be the great hypnotizer of the policy makers of our government.

If you examine the Carter arms deal, one sees many faults in it; not only because of the potential harm to Israel but that we (the U.S.) could have or still can help the peace process with certain demands or qualifications or whatever you would like to call them to the arms package. One may want to use the word linkage between the U.S. Government and its Middle Eastern friends but we seem to be throwing away a grand opportunity by not linking these ideas to the arms package. Let me state a few.

EGYPT

Do we have a firm commitment from President Sadat to begin a true negoiating process without his media histrionics? We should! Not only should we have that commitment but there should be public comment from him (Sadat) reaffirming this commitment and that these new arms will not be used against Israel for he has forsaken war. Also Mr. Sadat should be pressuring privately or publicly King Hussein to join with him in negotiations with Israel. For one of the real reasons the talks broke down in January was that Sadat had gone as far as he could probably go without some one representing the West Bank area. Also the U.S. should put immense pressure on Jordan to join the negotiating process without his usual preconditions of give me everything back first, then we will talk. I think one other thing all these Arab countries around Israel can cease and desist with immediately is the hate and venom that still spews forth in the printed media and electronic media, particularly radio. Also Egypt could go as far as requesting Israel to grant her press an open door policy as he would do for her press. If these things could begin immediately, then a process or processes of peace will begin to develop in the over all societies and peace will be given a chance.

SAUDI ARABIA

This nation is one of the keys if there is to be peace and we, the U.S. must link not only our arms sales but our technology, our food, and others to the peace process. The Saudi Arabians must understand that our relationship is two-way street and that they need peace and stability more than anybody since they have successfully transferred so much of the worlds wealth into the hands of the few. Also since we are told by so many persons that the Saudi Arabians are a moderate force, let them begin to demonstrate this so-called moderation immediately by (1) to cease and desist from financing "terror international" through their P.L.O connection. You know the P.L.O. is for the Soviet Union its Middle Eastern destabilizer as the Cubans are in Africa for the Soviet Union.

The Saudi Arabians, as Egypt did, should openly state Israel's right to exist and then very privately begin to meet with Israel leaders somewhere on our small planet. They should openly or even privately pressure King Hussein to join Egypt in negotiation with Israel without pre-commitments. With Saudi Arabia joining with Egypt, Jordan in a true peace process, then Syria must decide if she will be a rejectionist state in the Middle East or join the civilized club and then peace will have a chance. Saudi Arabia must cease and desist with all its anti-Israel and anti-Jewish propaganda.

If as John West and our State Department are correct about Saudi moderation, then let the Saudi Arabians demonstrate in these tangible areas. We in the West have suffered enough with their continuing financial hijacking.

Senator, if we could get our arab friends on this track, then the arms deal becomes palatable, but as the President sent it to the Senate, it should be disapproved.

Mr. HOLLINGS. Mr. President, Mr. Tenenbaum points out the things that I would have if there is to be a linkage, namely, that there be a greater effort on the part of Mr. Sadat privately or publicly to have King Hussein join in the negotiations and that if we have linkage, then let us link not only arms sales, but technology, food, and other things in the peace process.

These are important matters that should be pursued, and I intend to pursue them with the administration.

It is not a military question. We have a good time here playing war, as Senators always do. We did it for 10 years in Vietnam. As to what balance it would make, stone walls do not a prison make, and 60 F-15's does not make anyone a power. But they do have to have some front line of defense out there.

The question is a matter of faith and trust. It is a matter of credibility and of respect. It involves the symbolism and the reality of the United States as a friend, maintaining its credibility in the Mideast and maintaining its influence in trying to influence the peace process.

I want to take issue with the so-called CIA estimates of Saudi Arabia. The worst case I can possibly take is the statement made by the CIA that one-third of these planes could be used against Israel. Let us admit that, because the Senator from Nebraska (Mr. ZORINSKY) is present and put out a public statement to the effect that is why he cannot support it.

Of course, I do not support these sales to get some weaponry against Israel. But certainly, if we turn this down, rather than have F-15's delivered in 1982, 1983, and 1984 of a defensive nature, and limited to 60 (with 15 of them being trainers, leaving 45 F-15's) then we will have, this year—this year, Mr. President—a delivery of 60 F-1's from the French.

They say it is not the time now. They all want to talk about arms sales, the sudden urge to control arms in the Mideast, and so we have this in the Senate. But the fact is the French have been negotiating for quite some time. Some say now is not the time, but if we delay this now, the Saudi's will immediately take the French upon their contract for these, and give them the billion dollars to gear up. This is Saudi Arabia.

The PRESIDING OFFICER. The Senator's 5 minutes have expired.

Mr. HOLLINGS. I have 2 more minutes from the majority leader. That will be my total time.

The PRESIDING OFFICER. The Senator may proceed.

Mr. HOLLINGS. Then, Mr. President, the Saudis would also gear up for the F-2000's and have attack planes instead of defensive planes. And yet we hear, "Now is not the time."

The fact of the matter is that they would cut back in Saudi Arabia in drilling the oil, some 5 to 9 billion barrels. They would take some $80 billion in American dollars invested in the United States and transfer these to deutsche marks.

But, more than anything else is the argument of a Senator about a coup. I do not know how to better erode the leadership, such as it is in Saudi Arabia, than to tell their military that the United States does not trust them, that they cannot get the United States to go forward on their commitments.

I do not know how better to endanger the monarchy in Saudi Arabia than to turn this down. Nothing could promote a coup any quicker.

I am thoroughly convinced, Mr. President, that the best interest of Israel is that these sales be approved.

The final question is, yes, if the Soviets went in and took over those oil fields, certainly the United States would go in, too, and we would have world war III. But if they were taken by way of coup or covert activity, the question is whether this U.S. Senate and Congress would move, and there would be grave doubts there.

So I think very seriously that we who support this particular sale to Saudi Arabia, Egypt, and Israel are acting in the best interests of the United States of America, No. 1, and Israel's interests, No. 2.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. BIDEN. I yield 5 minutes to the Senator from Rhode Island.

Mr. PELL. I thank the Senator from Delaware.

Mr. President, there are five reasons why we should not approve this sale.

First, it is not the time to send the weapons in, while we are in the very process of peace negotiations. It will not move forward the peace process one whit and could increase the intransigence on each side.

Second, I do not think it is the place to send the weapons. It is a volatile area,

with already a fair amount of sophisticated weapons; and to send the same sort of weapons in there is like seeing a fire and trying to put it out with gasoline. It is not going to increase the ease of making it a more peaceful situation.

Third, it is not the kind of weapons we should be sending in there. They are sophisticated. They are going to increase the arms potential of all the countries that receive them. It will just require that they be balanced by other sophisticated weapons furnished to their neighbors by other powers.

Fourth, we hear about the Saudi assurances that the weapons will not be used for aggressive purposes. Four years ago we saw what happened with Turkish assurances that they would not use their weapons for aggressive purposes. Yet, in spite of the fact that they are still doing so, the administration is of the view that we should ignore that fact that they are using their weapons for aggressive purposes in the occupation of Cyprus, and give them more weapons. The same argument could be used with respect to Saudi Arabia. They will give us assurances that they will not use the weapons, and the time will come when they will use them, and we will forgive them.

Assurances do not mean too much. We have seen a country that is an honorable and a staunch ally, such as Turkey, violate those assurances because they considered it in their national interest to do so. I regret to say that history shows us, as a general rule, that when a nation thinks its interests run counter to a treaty obligation or assurance, a national interest, as interpreted by that country, will prevail, and that will happen in this case.

Fifth, the bottom line here is the security of Israel. What we are concerned with is that that country preserve its independence and its viability.

Thirty years ago, the United States played its role in founding that country. Why did we take a leading role? Because a very few years earlier, we had been part of the general world community that turned its backs on the problems that were going on in Europe, the holocaust that was going on there. We turned back a vessel with more than 900 Jews on it, sent them back to Germany, to be slaughtered.

At the Avion Conference, prior to World War II, the Western nations gathered to decide what could be done about the resettlement of the Jews. Hitler wanted them resettled and removed. The rest of the world was uninterested in their problems. He took his cue from that, and that is why the holocaust came.

We must be sure that that never could occur again. It is for that reason that anything that detracts from her security, to my mind, would be a bad idea.

For these five reasons, I hope that this motion to disapprove is agreed to.

I support the resolution of disapproval of the sale of fighter aircraft to Saudi Arabia, Egypt and Israel. As my colleagues are aware, the vote that was held last Thursday in the Foreign Relations Committee on the substance of this resolution resulted in an 8-to-8 deadlock. The full Senate must now decide this issue without the benefit of a recommendation from the committee.

In my view, these sales should be rejected for two reasons. First of all, now is the worst possible time to be shipping arms to the Middle East. The Israeli-Egyptian peace talks are stalled, and I do not see how increasing the level of arms held by Egypt and Saudi Arabia can possibly further the cause of peace. The time to consider such sales, if at all, should be only after some real progress has been made in achieving peace. On January 24, I and six other Senators wrote to President Carter urging him, at a minimum, to delay the sale to Saudi Arabia until the outcome of the Israeli-Egyptian talks was clearer. I continue to believe that that is the correct course of action and that it should apply to the sale to Egypt as well.

Second, I am deeply concerned about the size of the proposed sale of super-sophisticated F–15 aircraft to Saudi Arabia. The sale of 60 of these aircraft goes well beyond the need to replace the 37 aging British Lightning aircraft now in the Saudi inventory. Even the U.S. Air Force survey team that in 1974 recommended the sale of advanced aircraft to Saudi Arabia only recommended providing 40. While I appreciate the President's gesture in offering to increase the number of F–15's provided to Israel, a better approach would have been to decrease the number of aircraft provided to Saudi Arabia rather than increasing the total number of sales.

Furthermore, the restrictions to be imposed on the use, basing, and equipment to be provided in connection with the sale to Saudi Arabia do not impress me. In particular, the Saudi assurances that the F–15's would be used only for defensive purposes are insufficient. Turkey violated a similar pledge in invading Cyprus in 1974, and Saudi Arabia could do the same. In this connection, I was struck by the fact that many of the administration spokesmen who testified before the Foreign Relations Committee in support of the sale to Saudi Arabia were the same ones who also testified that the arms embargo against Turkey should be lifted because it was ineffective in persuading Turkey to stop its illegal use of U.S.-supplied arms in the continued occupation of northern Cyprus. With that kind of precedent established, why should the Saudis be afraid of violating a similar promise to use U.S.-supplied weapons for defense only?

Finally, I would like to comment on the Foreign Relations Committee's decision to include all of the proposed aircraft sales, including those to Israel, in a single resolution of disapproval for consideration by the full Senate. It was the unanimous view of the committee that the Senate should act on these proposed sales in the same manner that they were submitted by the administration; that is, as a package. These proposed sales should have been submitted separately, to be considered individually on their own merits; but unfortunately the President chose to do otherwise.

Although Secretary of State Vance made a gesture in the direction of separating the sales in his letter of April 28 to Senator CHURCH, the administration in effect still preserved the package approach by saying that the President reserves "judgment on the ultimate action to be taken until he has had an opportunity to review the action taken by the Congress on each of the separate certifications." Although Israel, as the only Middle Eastern nation whose very existence is threatened, can certainly justify its need for additional aircraft. I reluctantly concluded that in the face of the reality that the President was maintaining his package approach to these sales that it would be best for the Senate to meet the challenge in the form that it was presented to us.

Israel and its many supporters in this body as well as in the country at large should not, therefore, interpret a rejection of the entire package as a sign that Israel's defense needs are not fully appreciated. In fact, it is my impression that Israel is prepared to forego its share of the package if that is necessary to prevent an increase in the Arab military threat.

In conclusion, I urge my colleagues to give peace a chance by supporting the resolution of disapproval reported by the Foreign Relations Committee. Only by such action, will a clear message be sent out that we believe more negotiations, not more arms, are the key to peace.

Mr. Percy addressed the Chair.

The PRESIDING OFFICER. The Senator from Illinois is recognized for not to exceed 5 minutes.

Mr. PERCY. Mr. President, I have served with Senator JAVITS and Senator RIBICOFF in the Senate for many years. Very seldom have we seen them differ on important issues, but on this vital issue they have evaluated it differently and have come to different conclusions.

I returned from Chicago today. Some of the leading members of the Jewish community in the State of Illinois have seen this issue differently, though the great majority are on one side of it. We have, therefore, an issue in which Americans of good will, earnestly wishing to serve first the interests of their own country but also the interests of our friends and allies abroad have evaluated the same set of facts and have come to different conclusions. They do so with an earnestness of purpose that I admire and respect.

I am supporting the proposed sales of military aircraft to Israel, Egypt, and Saudi Arabia as being in the best interest of both the United States and Israel, though I respect the feelings of those who disagree with me. My decision is based on testimony on all sides of the issue before the Senate Foreign Relations Committee, on discussions with the President, the Secretary of State, the Secretary of Defense, the Acting Chairman of the Joint Chiefs of Staff, and the Director of Central Intelligence, with representatives of the three countries and delegations from the Jewish communities of Illinois.

I know that my decision is unpopular in the Jewish community where the overwhelming majority is opposed to the

sale of planes to Saudi Arabia. Frankly, despite my decision, I understand why those who have the strongest emotional attachment to the State of Israel would be concerned about the provision of combat aircraft to a neighboring Arab State. They do not want Saudi Arabia to have the capability of inflicting casualties on Israel.

Neither do I. That is why I have urged from the beginning that there should be no bomb racks on the F–15's and that the planes should not be stationed at Tabuk, the only Saudi military airfield close to Israel. The administration and the Government of Saudi Arabia have now in recent days agreed to these conditions. Moreover, the Saudis have said clearly that they only intend to use the planes for defense of their country.

On the question of transshipment, the Saudis have made a commitment to the U.S. Government that they will not send the planes to any other country.

Saudi Arabia has not been a confrontation state and has participated in the Arab-Israeli wars only to a minimal extent. Having shown this restraint in the past, and being a supporter today of the Sadat-Begin peace process, Saudi Arabia has demonstrated that she will not make a rash judgment which could lead to her destruction. Were Saudi Arabia to threaten Israel, all know that Israel could inflict unacceptable losses on Saudi Arabia.

In view of this and the hostility toward Saudi Arabia from neighboring radical, Soviet-backed Arab States, there is credibility in the Saudi insistence that they need these modern planes for defense of their oil fields.

Actually I think the F–15's in Saudi Arabia will pose more of a problem for Saudi Arabia than for Israel. I have advised the Saudi Government that, in time of war, I think Israel would be tempted to take out the F–15's immediately, lest they be used against Israel. If they were so used, their survivability in combat with Israeli planes or flying over Israel's sophisticated air defenses would be very poor. The response I received was that Saudi Arabia does not think of the planes in the context of the Arab-Israeli dispute, that Saudi Arabia needs the planes to protect their oil fields which are far removed from Israel.

I think the demonstration we have had earlier today of a very severe and real threat to Saudi Arabia makes it crystal clear that Saudi Arabia has a legitimate need to provide for its defense.

Before coming to a decision, I had considered the possibility of opposing all the sales at this time when the Israeli-Egyptian negotiations may be resumed. After all, it defies logic to sell armaments to both sides when they are engaged in a peace process. However, those who argue that the plane sales should be postponed until there is progress toward peace also defy logic by saying in effect that we should reward the making of peace by sending weapons of war.

Ultimately, the knowledge that Saudi Arabia could obtain F–1 fighters from France almost immediately—followed by the highly sophisticated Mirage 2000's and 4000's later—was more compelling to me. If the Saudis were going to get their planes anyway, how could we fairly deny the planes proposed for Israel and Egypt? Yet the administration has said it would not send the planes to Israel and Egypt if Congress denies them to Saudi Arabia.

Moreover, it is true that it is better for Israel and the United States if the Saudis receive their planes from us, rather than the French. This way we have control over the details of the planes' configuration, their auxiliary equipment, the provision of spare parts, and a commitment against transfer of the aircraft to confrontation states. If the sale were to go to France, the French—who do not have our national commitment for Israel's security—could be expected to provide their planes without any restrictions whatsoever. The French, unlike us, have no regulations against transfer of planes to another country. Furthermore, the French would sell more planes, if the Saudis wanted them, than the United States is prepared to sell. And the French are not expected to specify that the planes should not be based at Tabuk, only minutes from Israel.

Another factor is the importance of keeping Saudi Arabia as a Western ally which acts with a moderation and understanding that has prompted President Carter to say "No other government has been more helpful to me than Saudi Arabia." The Saudis have supported the Sadat-Begin peace initiative, have tried to restrain other OPEC countries from further major increases in oil prices and have given Egypt the financial support which enabled President Sadat to withdraw from the Soviet embrace. The Saudi influence helped to keep Syria from interfering with the Israeli incursion into Lebanon. The Saudis chose long ago to be friends of the United States.

For all these reasons, and because no Saudi military threat to Israel is conceivable in view of the Saudis' small population and inadequate technological and industrial base, I am voting for the arms sales.

With regard to Egypt, the case has been well stated by President Carter in a letter addressed to each Senator dated May 12, 1978, a portion of which I quote:

> The choice is stark and fundamental. Shall we support and give confidence to those in the Middle East who work for moderation and peace? Or shall we turn them aside, shattering their confidence in us and serving the cause of radicalism?
>
> It is my considered judgment that the aircraft sales to Egypt are essential to enable President Sadat to continue his efforts for peace. At great personal and political risk, President Sadat has taken an initiative which has created the best prospects for peace in the Middle East in three decades. With similar risks, he has turned away from a relationship with the Soviet Union and placed his trust in the United States.
>
> To reject the proposed aircraft sale to Egypt would be a breach of that trust. Such a rejection would be a devastating blow to President Sadat, to the military forces of Egypt, to the people of Egypt, and to the forces of moderation in the Middle East.

Mr. PERCY. Mr. President, none of us can foresee the future or read the minds of those whose actions will determine the future. Therefore, we cannot claim infallibility in our judgments. However, we have a duty to take the facts available to us and to reach decisions. I approached the problem of the plane sales with an open mind and no predisposition except to decide on the basis of maintaining American influence in the Middle East and doing what I considered would be best on balance for the United States, Israel, and the peace process.

These will continue to be my criteria in judging Middle East issues.

Mr. CASE. Mr. President, I yield 15 minutes to Senator PACKWOOD.

Mr. PACKWOOD. Mr. President, we have heard a good deal in the debate today about ethnic politics, about the loyalties of people, and whether they are to this country or to some other country. We have heard them sometimes if not in a harsh tone at least in a negative tone.

Yet, I do not recall anyone in this Chamber or in this country saying that when the people in this country whose ancestry was from Eastern Europe opposed the Helsinki accords, which ratified for all time the de facto World War II Eastern European boundary positions—I did not find anyone in this Chamber or anybody else saying that those people of East European ancestry were a Polish lobby or a Czechoslovakian lobby or a Bulgarian lobby. They were Americans who had a legitimate interest in the country of their ancestry.

I have not heard anyone in this country accusing the Americans of Greek ancestry in this country of being disloyal Americans because they are upset with the Turkish invasion of Cyprus.

Nor has anyone accused the blacks in this country of disloyalty because of their natural affinity for the cause of human liberties in Africa. Nor did anyone criticize those of Hungarian extraction in this country who were quite upset about the return of the Crown of St. Stephen to Hungary.

All of those groups are loyal Americans who put America first, but they have understandable interest in the homeland of their forefathers.

It is with sorrow and disgust, therefore, that I hear the State Department time and again refer to the Jewish lobby or the Israel lobby in a tone suggestive of a group which puts the interests of another country ahead of the United States. There is nothing disloyal about a love of one's roots.

This is a State Department, I might add, that is still run with the philosophy that has not changed in half a century. This is a State Department that never murmured a word of discontent when Iraq was created from part of the old Turkish Empire that Britain and France took over after World War I. Nor did the State Department worry about whether the Jews in Baghdad wanted the State of Iraq created. Nor did this State Department worry about the repression of the rights of Jews in Iraq. Nor did the State Department complain when Syria was created or Jordan was created or Lebanon was created specifically as a quasi-Christian country because of a strong Christian enclave around Beirut.

This is the same State Department that never said a word about encourag-

ing the United States to take refugees in 1937 and onward when Fascists around this world were repressing the Jews, never a murmur.

Never a murmur from this State Department, not until 1947, when the United Nations created the State of Israel, did we hear a murmur of discontent from the State Department. They opposed the creation of the State of Israel.

The papers that have been revealed in the last 6 months indicate that Secretary of State Marshall felt strongly about it, so strongly that he toyed with the idea of resigning as Secretary of State over the issue of the creation of the State of Israel. It was only the courage and tenacity of Harry Truman who stood by Israel that allowed that state to be created with our blessing.

Now it is 30 years later and the State Department is again winning. They have somehow hornswoggled this President into swallowing their line.

No one should be surprised, it is not a new position for them. It probably will not be a new position for them 20 or 30 years from now, and I tell this Senate 20 or 30 years from now Israel will still exist, but with no help from the State Department.

Last month I was in Israel, and I had the unique opportunity to go into southern Lebanon while the Israeli forces still had control of the territory of the Litani River.

For all of the prime ministers you can meet, ministers of defense, ministers of justice, there is nothing quite as good as looking at the territory so that you understand what you are talking about.

I remember being on a hillside not a mile and a half from the Khardali bridge an hour after the Swedish truck had run over a land mine and one Swede had been killed and another injured. I went farther down the Litani and was looking over the Qaaquayet bridge which the Iranians hold, again with a pair of binoculars, not a mile and a half from the bridge. I was struck by the similarity between a story in the Washington Post today and some notes from my diary which I try to keep daily. Let me read first from my diary:

> We went to look over the second bridge on the Litani, the Qaaquayet bridge. The Iranians were supposed to be guarding this bridge. As I looked at it through the binoculars, there was a PLO bunker on the other side. The escort officer pointed it out to me. You could see that there were PLO in it because every now and then you could see the glint of sunlight off of the metal which you would assume to be a rifle or machine gun. That was on the north end of the bridge. On the south end where the Iranians were supposed to be patrolling it, I could see no Iranians. A road came off the bridge and then curved 90 degrees to the right and about 300 yards down the road was an Iranian outpost. For the life of me I don't see how the Iranians could see anybody if they were crossing the bridge.

In the Washington Post this morning there is a story called "Doubts Grow on U.N. Role in Lebanon," and referring to the Iranian troops I quote:

> Iranian U.N. troops are "pretty good," a military source said, but he added that the unit guarding a key crossing point over the Litani River into the heart of south Lebanon, has been "fairly ineffective. The Palestinians go trudging across the bridge and they just wave at them."

I was also struck by a comment in the Post today as follows:

> Other U.N. elements also have some difficulty. Some units don't speak English, Arab, or French. So they have a communication problem. Others have complained about a lack of clear instructions in military planning.

On the same day that I looked over the bridges, after I had returned into northern Israel, I met with a Norwegian major who was in charge of the unit that was going to take the place of the Swedes at the first bridge. I asked him what his orders were, could he shoot back if shot at. The French were guarding a bridge close to Tyre. They said they only had the right to shoot in self-defense. The Norwegian major said, and again I am quoting from my diary:

> They could shoot in self-defense and carry out their "terms of reference."

By that I assume he meant his orders. But he said he had not seen his terms of reference yet.

> So an Israeli lieutenant said, "What will you do if PLO starts to cross the bridge and they are armed?"

And the Norwegian said:

> Well, you've got to understand we don't know these people like you do. How do we know what a PLO is? We don't even speak their language.

That is the situation Israel faces every day. By the action that we are apparently going to take tonight we are going to make their security and their safety one bit weaker. The State Department will have succeeded again.

It is unusual. This is a State Department that very wisely, I thought, crowed with elation when President Kennedy managed to force the Russians to turn their ships around and take their missiles out of Cuba so Cuba could not shell the United States. We said that for our peace of mind and our security we cannot tolerate missiles in an island 90 miles away. But when Israel tries to go into southern Lebanon to destroy missile sites shelling from a mile-and-a-half away, killing Israel's citizens, this State Department says, "No, Israel, you cannot do that. You do not have the same right of self-defense that we claim for ourselves, and we will make the situation that much more difficult by giving 60 F–15's to Saudi Arabia."

Mr. President, Saudi Arabia does not need the F–15's. In and of themselves they do not need them for their self-defense. Whatever problems they may have in terms of internal security, whatever problems they may have with dissidents, whatever problems they may have with revolution are not going to be solved with F–15's. Thy may need Piper Cubs and halftracks and machine guns and walkie-talkies, and the ability to search house-to-house, but they are not going to do that with an F–15.

The State Department says over and over there is going to be economic consequences if we do not sell the F–15's to Saudi Arabia. They might cut off our oil or raise the price. It has only gone up six times. They might raise it again. If that is what our friends do to us, raising the price of oil six times, thank God our enemies do not control all the oil. But there will be economic consequences.

Do you know what that reminds me of? When one reads the book "A Man Called Intrepid," William Stevenson who was in charge of all intelligence gathering for the British, was working in very close cooperation with Franklin Roosevelt and several people in our War Department, behind the backs of our State Department in 1939 and 1940 because the State Department could not be trusted. They had an ambassador in Great Britain who was pro-German.

We had Germany sweeping all across Europe. Only Britain was left. Do you know what the argument was given by those who did not want us to go to England's aid? There would be economic consequences.

Mr. President, what about the moral consequences?

The Founders of the country said that he who would trade liberty for security will lose both.

Now, we are going to trade integrity for energy. We will again lost both.

There has been a great celebration in this country and in Israel and in other areas around the world because this is the 30th anniversary of the creation of the State of Israel. The slogan of its creation was "Never again." Never again would a people be left without a homeland, someplace to flee when they are repressed by their indigenous governments.

We have, however, forgotten another anniversary. This year is the 40th anniversary of Munich. I would have thought from Munich we would have learned "never again." Never again will we appease someone who says, "All I want is the Sudetenland. All I want are F–15's." Next year when our integrity is gone we will have nothing left to trade. The demands are not going to stop with these planes or with this country. If we approve the sale of these planes tonight it is not just a sad day for Israel; it is a sorry day for America because we will have forgotten the lesson of Munich and instead we will now have to learn the lesson of Riyadh.

Mr. STEVENSON addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. STEVENSON. Mr. President, I have 5 minutes. I yield myself 5 minutes.

Mr. CASE. Mr. President, I suggest that the two Senators decide which 5 minutes go first.

Mr. HANSEN. I yield to my good friend from Illinois.

The PRESIDING OFFICER. The Senator from Illinois is recognized for 5 minutes.

Mr. STEVENSON. I thank my friend from Wyoming.

Mr. President, our founders reposed responsibility for the conduct of foreign policy in the President. They recognized that the day-to-day protection of U.S.

interests in the world required constant attention, a discernible purpose and a deft hand for nuance and foreign sensibilities, as well as a capacity for secrecy.

The arguments for congressional circumspection are stronger today than in the beginning because events move with a greater rapidity, and we sometimes act before the passions and distempers subside. Issues are more complex and less intelligible to 535 individuals who make up a Congress surfeited by domestic problems and political pressures. The stakes are larger in a nuclear world. But the seamy events which pass under the rubric of Watergate have diminished the public's confidence in the Government and left the Congress more tempted than before to do the popular thing. Vietnam brought on the temptation to hold the President within bounds. And so the Senate is today, as it did not over the long course of history, acting to disapprove arms sales country-by-country, blocking arms for Turkey in indignation over their abuse, while Members applaud the sale of arms to Israel, ignoring its invasion of Lebanon. In days ahead we will debate efforts to politicize the international monetary system in the name of human rights and cut off credits for the Union of South Africa, while extending them to the People's Republic of China.

I am not sanguine about the congressional conduct of foreign affairs.

Traumatized by Vietnam, the Congress cut off funds for the victims of Soviet-Cuban aggression in Angola, inviting an ancient Russian imperialism elsewhere. Ethiopia followed predictably, only to be met by more U.S. irresolution. South Yemen is already a Russian beachhead opposite Ethiopia on the eastern side of the strategic Red Sea. The historic Russian interest in warm water ports, and a presence in the Middle East and Indian Ocean, frustrated by internal weakness and external resistance, may be realized in our time. Afghanistan has moved within the Russian pale. Pakistan is shaky, India ambivalent. The dynamics of Iranian politics are not easy to divine, but that country is subject to destabilizing influences from hostile sources in Iraq, as well as Russia.

The President's indecision over the neutron bomb, the clash between reality and rhetoric over arms sales and human rights, the inability to defend the dollar, to adopt an energy policy or otherwise offer the world political and economic leadership is making a reality of that apparition the unlamented Mr. Nixon most feared, a pitiful, helpless giant.

Congress has reacted, not to history, but to the aberrations of history with such "reforms" as this which afford opportunities for congressional disapproval, country-by-country, of sales of arms, instead of procedures which establish broad criteria to be followed by the President in the conduct of foreign policy. Foreign policy is a fit subject for debate, and this would not be such an unhappy situation, if the Congress was fit for the debate.

This debate proceeds from the curious notion that F–15's in the hands of Israelis are defensive while in the hands of Saudis they are offensive. It is colored by fears rooted in centuries of tragedy and isolation. It is not easy to debate this issue rationally, bending minds to fact and reality and to the Nation's interest. Those centuries will not be superseded by a millenium of peace in the Middle East and a free, secure, prosperous Israel overnight no matter what we do, but they could be prolonged by what takes place in this cockpit of emotion and expediency, as well as wisdom and courage.

It is said these arms sales will alter the military balances in the Middle East. According to the best sources at our disposal, that is not true. The Israelis have enhanced their military superiority since 1973. And according to these sources it is possible the proposed sales will enhance it further. Every plane in the highly competent Israeli Air Force can reach Tabuk, so it is not likely the Saudis will station the F–15's there. Transfers are next to impossible since the trained pilots and support systems are not available elsewhere. Indeed, 15 of the F–15's destined for Saudi Arabia are for training, and the support systems will require an American presence which would not be available in the event of hostilities with Israel. The Israelis are not similarly handicapped and could acquire bomb racks which would turn the F–15's into more formidable weapons. It already has 25 F–15's.

The more serious complaint is that the peace process will be upset by the introduction of these arms on both sides.

Mr. President, there is no peace process in the Middle East to upset. The Sadat initiative was flawed from the beginning, though few acknowledged as much. If it had a premediated purpose, it was to win the public relations contest to which this issue has been reduced. Now both sides posture before cameras to influence the American public, having concluded that is the way to influence the American Government. What peace process can a decision to sell arms to Egypt and Saudi Arabia interrupt? It is more likely that the sales will make a peace process possible. What process would be possible if the United States spurns the most powerful and moderate Arab forces in the Middle East—both still seeking friendship with the West and resistance to Russian adventurism? Any process which did follow a U.S. decision to cut off the Egyptians and the Saudis would lack the influential participation by the United States. The radical/rejectionist elements in the Middle East would be vindicated, their authority enhanced. Others less attentive to the requirements of regional stability and Israel's security would move in to become the suppliers of arms. And what little the arms for Saudi Arabia and Egypt lost in quality would be more than compensated by their enhanced quantity from other sources and their ready integration with the forces of other Arabs.

Is the conduct of the new Government of Israel, including its pretext for an invasion of Lebanon, its calls for "liberation" of greater Israel and its settlement policy in the West Bank, to be rewarded as the Arab moderates are repudiated? Our commitment to the survival of Israel is unequivocal. But that does not mean Mr. Begin, right or wrong. Israelis themselves are protesting that the government of Mr. Begin seeks territory, not peace. Are we to be more acquiescent than the Israelis themselves?

A decision by the Senate to disapprove the sales would send a message to the world. The President has been rendered powerless, it would be said; the President is without the confidence of the Congress; the Congress subordinates national interest to political expediency. That would be the message. The United States would be seen as incapable of resisting Russian imperialism anywhere. This event would be piled upon the mounting evidence of national impotence and irresolve. It would be said in the world that it is necessary now to accommodate the interests of the world's one great power—the Soviet Union.

Tangled in the tragedy of such a decision for America is the irony for Israel. The survival of Israel cannot be reconciled with the appeasement of Russia in the Middle East. Israel's oil comes in the main from Iran. That source should be made secure. And that will not happen, except by stability in the Middle East, including U.S. guarantees of Israeli sovereignty and regional counterweights to deter and, if necessary, prevent more subversion and agression. It has been suggested that Israel with all its might, by far the strongest Middle East power, could serve such a strategic purpose—the defense of the Middle East. Such fantasy is the product of a fear and isolation which blinds intelligent people to the most obvious reality. Israel is the adversary of the Arab Middle East; it is not and cannot be, its defender.

The emotions stirred by the prospect of arming Israel's enemies are understandable. The President's position is not the easy one, and we in the Congress are always tempted to take the easy way out. It would have been best long ago to cut off arms to all sides, but that was not easy either. Instead we poured the arms into Israel, deferred peace negotiations, let the elapse of time without movement toward peace heighten the influence of the most radical elements in the Middle East. Now the region is critical to the stability of the world and the survival of the West. And we dare not take the easy way out again.

We should support the President. It is past time we began to reestablish American authority in the world, and it is past time the process of peace began. These sales would undermine the rejectionists of peace. They could win some respect for the United States from those who seek economic and political stability through moderation and are prepared to accept the right of all, Israelis and Palestinians included, to exist in peace and with a right to determine their own peaceful destinies.

The United States has no commitment to sell Israel all the arms it wants and none to others in the Middle East, as has been suggested. There was no such commitment in the Sinai agreements. Fearing such misunderstanding, some of us were at pains during the Senate debate

over the Sinai agreements to make the obvious more so. There were no such promises—and even if there were, they would not be binding on the United States.

Our commitment is to the national interest—and it would not be served by repudiation of the President and friendly, moderate forces in the Middle East.

National interest is best served by a show of some resolve in the face of Arab rejectionism and Russian imperialism. History would not deal kindly with an America that repudiated its friends and its own interests for what is perceived to be indecision and expediency.

The PRESIDING OFFICER. The Senator from Wyoming is recognized. He would be next in order. He had given way to the Senator from Illinois.

Mr. HANSEN. Mr. President, I would like first to yield to the Senator from North Carolina.

The PRESIDING OFFICER. The Senator from Wyoming has 5 minutes.

Mr. HELMS. Mr. President, the sale of the F–15 fighter aircraft to Saudi Arabia is related to a very real question about the role of the United States in world affairs.

Therefore, the sale should not be viewed solely in light of a possible conflict between Israel and its neighbors, Saudi Arabia among them. The defense needs of Saudi Arabia should be considered in the light of the fact that Saudi Arabia is a prime target for Soviet military and economic planners. Oil from Saudi Arabia and its neighbors is the lifeblood of Europe's economy. Additionally, Saudi and Middle Eastern oil inreasingly supplies America's growing energy needs.

Saudi Arabian willingness to peg oil prices to the dollar, and Saudi's reinvestment of U.S. oil dollars back into the American economy, have helped stem the tide against the dollar on world money markets. The direct consequences of our domestic fiscal and economic mistakes, in effect, have been softened in no small part by Saudi Arabian economic friendship.

Saudi oil resources are valuable—indeed vital—to the industrialized West. Because of this, Saudi Arabia is a prime target for the Soviet Union and its surrogates. As such, Saudi defense needs are great.

Where do the threats to Saudi Arabia come from?

One need only look at recent Soviet-backed activities in the area to find the answer.

Ethiopia, a former ally of the United States, is now well inside the Soviet camp. Soviet bases there—air, naval, and troop—pose an immediate threat to Saudi Arabia.

The so-called People's Democratic Republic of Yemen, a radical Arab State used as a training ground for terrorists, is ready and willing to supply guerrilla troops for use in a so-called "war of national liberation" in Saudi Arabia or any other oil-producing Arab State.

Iraq and Syria continue to be supplied by the Soviet Union with modern weaponry, including aircraft.

Finally, there is great concern with what appears to be a Soviet policy of encirclement of oil-producing Arab States. I refer here to recent Soviet-sponsored activities along the shores of the Indian Ocean.

Soviet sponsorship of the new Marxist regime in Ethiopia is well known to all Americans by now. Additional Soviet activities in the Horn of Africa have raised grave concerns in the minds of responsible Western leaders, not only in the United States, but in Europe too.

The rapidity with which the pro-Soviet communist faction in Afghanistan overthrew the neutralist government there caught the West by surprise.

The signal that the coup in Afghanistan sends to nations along the Indian Ocean littoral is not a good one. Nor does the U.S. nonresponse engender confidence in the minds of our allies in the area.

Who is next, nations are asking? Pakistan? India? Iran? Saudi Arabia?

While such concern may seem farfetched to Americans thousands of miles removed from the scene, we can be sure that these fears are legitimate and of real concern to leaders of the nations involved.

Has the United States given up? Will the United States stand by its allies and its commitments in the area? Will we aid Pakistan? Are we willing to send in troops or a naval force to defend our allies against the Soviet-backed onslaught?

These are real concerns for the people on the scene. Who can say with full confidence that there are not leaders in the area, including our friends in Saudi Arabia, who now are wondering whether or not they might be allied with the wrong nation?

For the Saudis, these questions are real ones. Why, Saudis are asking, continue to support the U.S. dollar or make Saudi oil available to the West when the U.S. Congress seems about to refuse Saudi Arabia vital weaponry it feels strongly it needs to provide for its national defense?

They ask, is Israel's defense the only legitimate defense need in the Middle East?

Anyway, is war between Israel and Saudi Arabia really that imminent—or even probable?

A STRONG COMMITMENT TO ISRAEL AND OUR ARAB ALLIES

Let me be clear about my personal commitment to the defense of our allies in the Middle East, Mr. President. Israel is one of those allies, and our Nation's commitment to Israel's defense and national sovereignty is a continuing obligation that must be met, as is our commitment to Egypt, Jordan, Saudi Arabia and other friends in the area.

WHO DETERMINES THE DEFENSE NEEDS OF AN ALLY?

Therefore, our decision on the F–15 must be made in terms of the defense needs of each of our allies—needs as our allies perceive them in light of the particular threats to their national security; and, of course, as we judge those threats to exist.

No one nation in the area should determine the defense needs of another.

Therefore, Saudi defense needs and how the United States helps meet those needs should not be determined by Israel any more than the Saudis should determine Israel's defense requirements and how the United States should meet those requirements.

We must do all that we properly can as a nation to help meet the legitimate defense needs and requirements of all of our allies in the Middle East. Our commitments there are strong; our ties are deep and longstanding.

Because of the nature of our arms sales, when the United States supplies any nation with its weaponry, it also must—of necessity—supply spare parts necessary to maintain fragile and sophisticated U.S. weaponry; and technicians, to train local personnel in the use of our weaponry and often to operate vital logistical back-up for the weaponry supplied.

Therefore, the U.S. Government, and the Congress, exercise a substantial amount of control over the use of the weaponry we supply.

If a nation become too belligerent, the United States can cut off its logistical support and supplies, and soon render that nation's U.S.-supplied weaponry ineffective.

Therefore, the use of weapons supplied by the United States can be restricted. For example, we can suggest that the Saudis base the F–15 in the south of their country, near their greatest threats, and away from Israel.

This is to the advantage of the Saudi Arabians in any event. Why? Because Israel has made it very clear that if a war is imminent and the Saudis possess the F–15 aircraft, the Israelis will knock out the Saudi F–15 force in a preemptive strike at the outset of any war.

WAR IS NOT THE ANSWER

The outlook of the Israelis and the Saudis has changed, respectively, since the 1973 war.

War between these two nations—who now have a real stake in preventing war—is much less likely now than it was just 5 years ago.

Nor is the United States likely to allow a situation to develop leading to war between two allies as important as Israel and Saudi Arabia. This is especially true when we control much of the weaponry that both sides to a potential conflict rely upon.

WHAT MIGHT THE SAUDIS DO IF WE REFUSE THE F–15 SALES?

Denying the Saudis the F–15, as promised by two Presidents, can lead to serious complications. What happens if the Saudis are denied the F–15? There are several possible alternatives open to the Saudis, none of them lending to a peaceful settlement of the Middle East's many problems.

Denying this sale, I submit, can be very destabilizing in the Middle East.

Why?

The Saudis have determined that an advanced fighter aircraft comparable to the F–15 is vital to their national defense and survival.

They have the dollars, billions of them, to purchase such aircraft, for cash.

There are aircraft in the world that are comparable to the F–15. The French Mirage is one such aircraft that readily comes to mind, of course.

Additionally, if such comparable aircraft do not now exist, they can be developed. I submit that the French—always proud and independent of U.S. control—would like nothing better than to sell the Saudis their Mirage jet aircraft. This aircraft, I might add, is not only a defensive fighter aircraft, as is the F–15, but it also is an offensive weapon, both a fighter aircraft and a bomber.

I further submit that the French would be very pleased indeed to have a large infusion of Saudi billions to develop a new fighter-bomber that is in every way better than the F–15. For the French, the research and development spinoffs would be great. A new aircraft of this type would upgrade significantly the French defenses. The billions of dollars that sales of these aircraft would generate for the French economy would be most welcomed, indeed.

To the French, there are, then, nothing but advantages from such a deal with the Saudis. Because the economy of France is smaller than that of the United States; and because France is much more heavily dependent on Saudi petroleum than is the United States, the stabilizing influence that France could exercise over potential Saudi adventurism in the Middle East is greatly reduced.

The leverage the Saudis could have over the French would preclude action by the French to exert a pacifying influence on the Saudis in the face of radical Arab demands for a holy war against Israel.

The French simply do not share the same interests as the United States in the region.

Therefore, forcing the Saudis to go elsewhere to purchase weapons—in this instance, the F–15—which they clearly intend to obtain, is potentially very destabilizing for peace in the Middle East. Immediately, Israel is the loser. Ultimately, the United States and its European allies are the losers. Valuable constraints that the United States could exert on the Saudis not to go to war against Israel would be lost.

A WORST CASE SCENARIO

Saudi purchases of advanced weaponry from the French is potentially destabilizing enough. But there is a worst scenario.

What if the Saudis decided that trends in world power relationships do not bode well for them as long as they are an ally of the United States?

After all, they might conclude, what kind of ally is the United States if it will not even help Saudi Arabia defend itself, a much weaker commitment than that which the United States has made to Israel?

Could not Saudi strategists conclude that it might be more in the national interest of Saudi Arabia to make its peace with the Soviet Union, and move under the protection of the Soviet defense umbrella?

As remote as we might wish this possibility to be, such an occurance cannot be ruled out. If the Saudis were to move into the Soviet camp, the West may as well write off the Middle East. And its oil.

For Europe, such an occurence would mean that it is only a matter of time before Europe, too, moves into the Soviet economic orbit.

LET'S HELP ALL OF OUR ALLIES

Mr. President, I wish that there were no need for any weapons to be supplied to any nation in the Middle East: not to Saudi Arabia; not to Egypt; not to Israel.

Unfortunately, we do not live in a world which allows the granting of this most desirable wish.

Israel needs our advanced aircraft for its defense against Soviet-backed radical Arab activity. Egypt needs our F–5E aircraft for its defense and security, especially with regard to radical neighbors like Libya to the West, and Soviet-backed regimes to the South. And, Saudi Arabia needs our F–15's.

The U.S. commitment to Israel's defense, security and national independence is such that Israel need never again fear for its security and safety. Billions of U.S. dollars in direct aid and credits, and the strong sentiment of the Congress attest to that commitment.

Yet, the same kind of commitment does not flow to our allies, Saudi Arabia and Egypt. For one, their constituency in the United States is not as great as that of Israel.

Therefore, they must take more unilateral action—without the special commitment of the United States that Israel enjoys—to provide for their own defense against a number of potential enemies. They have sought our help in providing for their national defense, since we are their allies.

As we find it in our national interest to continue to supply advanced U.S. weaponry to Israel to aid in Israel's national defense; so, too, we hold it in our national interest to provide Egypt and Saudi Arabia the aircraft that they need to provide for their national defense.

Our resolve to protect Israel continues. So should our commitment to help Egypt and Saudi Arabia defend themselves.

Mr. HANSEN. Mr. President, I ask unanimous consent that I may yield to the Senator from Oklahoma without losing my right to the floor for the remainder of my time.

The PRESIDING OFFICER. Without objection.

Mr. BELLMON. Mr. President, the proposed sale of aircraft to Israel, Egypt, and Saudi Arabia is a matter about which I claim no special expertise. However, as long ago as June 2, 1970, I spoke on the Senate floor urging a more even-handed U.S. policy toward efforts to establish a just and lasting peace in the Middle East. It appeared to me at that time, and succeeding events have reinforced the impression, that peace in the Middle East could not come through force of arms. Rather, a negotiated settlement must be worked out which will assure the survival and economic health of Israel and at the same time provide reassurance against further military conquests to Israel's Arab neighbors.

In a floor speech on June 2, 1970, I took the position that "the illusion that superior Israeli military power will overwhelm the Arab nations" is dangerous. Mr. President, as I further stated in the CONGRESSIONAL RECORD, page 17798, June 2, 1970:

Experience should show that this policy will not succeed. This was evidenced by the November 1956 Israeli war. Nothing was settled by that war. The Government of Israel felt that because of the interference of the United States and the Soviet Union, Israel was denied the fruits of victory. More important, Israel seemed to think that its military superiority has not been clearly demonstrated, since the Arabs seemed convinced that the Arab defeat was caused by the intervention of British and French forces.

Again, in June of 1967, war was believed to have settled the issue once and for all. In the aftermath of the Israeli's 6–day victory there was euphoria generated by the belief that the Arabs had finally been convinced of the futility of armed confrontation with Israel, and that the Arabs would thereafter submit to the fate which had befallen them. However, we have seen that neither of these wars brought the desired settlement that Israel sought, they did not bring peace to the area, and ironically, the vanquished powers seemed even more determined to strike a belligerent pose and regain what they believe to be their just rights.

Mr. President, I submit that these assumptions by Israel are ill founded—that no war, regardless of the damage it may cause to the Arabs, will bring about tranquility and peace, that greater destruction wrought on Arab States will be fruitless. In the light of past history, the present policy of the Government of Israel is wholly unrealistic and it could in the long run cause great harm to the very fabric of the State of Israel. A country which was formed on the noblest ideals of Judeo-Christian tradition cannot forever withstand the daily stress and demands required in a perpetual armed camp environment. Indeed, there are many friends of Israel who are fearful that the constant need to demonstrate military prowess will render the nation into a modern Sparta, a nation devoid of a soul.

The Arabs have also entertained certain illusions. Regardless of the merits of the arguments of the Arabs concerning the establishment of the State of Israel, the Arabs must realize that Israel has a right to exist and no responsible country in the world would be prepared to relinquish its moral obligation to maintain the indepedence and existence of Israel.

In any analysis of the Middle East situation, a certain burden for the lack of resolution in this matter must rest with the world powers. The actions of the Soviet Union in this area have often been baffling and at times have shown a total lack of concern in using their influence to bring about a just and lasting settlement. At times it also appears that the Government of the United States either through its preoccupation with other areas of the world or with unnecessary sensitivity toward domestic political issues, has missed opportunities to exercise its full powers and failed to maximize its efforts to bring about peace following the June 1967 war. Furthermore, our pronounced support of the November 1967 resolution has often not

been pursued with sufficient resolve and diligence.

In the interest of peace, the leaders of the belligerent countries must act to dispel long held illusions and arrive at a settlement of the conflict.

Mr. President, this is the first time since I have been a Member of the Senate that the United States is taking an even-handed position so far as arms sales to the Middle East is concerned. In my judgment, this action, which does not jeopardize the security of Israel, will help create a more favorable climate for negotiations and assist in the achievement of a lasting peace settlement. So long as the United States has been perceived to be primarily concerned with the security and survival of Israel, our credibility as an honest broker is impaired. The approval of this sale should make it plain that, while the U.S. interest in peace in the Middle East is in no way diminished, we are willing to be helpful to our friends on both sides of the question.

Mr. President, to those who are troubled that the sale may touch off an arms race in the Middle East, let me only say that it is my feeling that it will have exactly the reverse effect. There has long been an arms race in the Middle East but the contestants have not been competing on an equal footing. Therefore, neither side has been as receptive to a peaceful settlement as the world interests would mandate. This sale should give the Arabs the confidence they need to negotiate on equal terms toward a peace settlement and should encourage the Israelis to place less reliance on the strength of arms.

Therefore, Mr. President, I support this sale as a move in the direction of a lasting peace.

Mr. HANSEN. Mr. President, I rise in opposition to Senate Concurrent Resolution 86, a resolution of disapproval of proposed aircraft sales to Israel, Egypt and Saudi Arabia.

After listening to the debates on the floor today, it seems quite apparent to me that the key issue of the resolution concerns the proposed sale of 60 F–15 aircraft to Saudi Arabia.

No one questions the proposed aircraft sales to Israel, which are needed for that country's defensive needs and to maintain its political integrity. Few question the proposed aircraft sales to Egypt, particularly in view of the fact that the Egyptian Air Force has heretofore been mainly equipped with Soviet-supplied aircraft and weapons systems which are becoming obsolete and short of replacement parts. As further assurance, it has been noted that the capabilities of the F–5 aircraft are limited, of short range, and designed primarily for defensive operations.

The main controversy centers on the proposed sale of 60 F–15's to Saudi Arabia chiefly on the grounds that there is a possibility that this highly sophisticated aircraft may be employed someday in the future against Israel. But we may ask, are these fears justified?

Concerning the prior Arab-Israel wars, I think it should be noted that Saudi Arabia has not participated significantly in any of these wars against Israel. In fact, the Saudi's small military force would not be a serious military factor.

From its own defensive needs, the Saudis must provide and improve their own present air defense by the early 1980's in view of the fact that their present Lightning interceptors are being phased out.

I read carefully the May 9 letter of Secretary of Defense Brown addressed to the chairman of the Foreign Relations Committee, Senator SPARKMAN, concerning the proposed military uses to be put by Saudi Arabia of the F–15 aircraft. In his letter, Secretary Brown discusses defense needs and outlines a number of restrictions the United States is placing on the aircraft's range, weapons systems, and deployment. The basis for this proposed sale, as Secretary of State Vance confirmed is that "the Saudi Government has a legitimate requirement to modernize its very limited air defense."

Secretary Vance went on to state that:

Saudi Arabia is of immense importance in promoting a course of moderation in the Middle East—and more broadly in world affairs as in petroleum and financial policy.

I share that view.

In the petroleum field, I should like to note a few facts concerning our dependence on Saudi Arabia as a major oil exporter.

At the time of the 1973–74 Arab oil embargo, the United States was importing about 6.5 million barrels per day of crude oil and refined products. About 1.5 million barrels per day were of Arab origin.

Last year the import rate was 8.5 million barrels per day and the Arab countries, principally Saudi Arabia, are now furnishing 3 million barrels per day.

Saudi Arabia alone is supplying us almost as much oil as all of the Arab countries in 1973–74.

Finally, we all know that Saudi Arabia has been an effective moderating influence in the OPEC price negotiations.

In the financial field, Saudi Arabia has been a substantial contributor and strong supporter of the World Bank, the IMF, and various foreign aid programs. The extent of these activities and the scope of the Saudi's contributions to other countries, particularly black Africa, is not generally known.

Today our colleague from Connecticut (Mr. RIBICOFF) spoke most knowledgeably of the worldwide contributions made by the Saudis to petroleum production, to international banking institutions, to the Eurodollar, and in foreign aid, and of the Saudis initiatives taken to promote peace in the Middle East.

As we are debating the merits of the proposed F–15 aircraft to Saudi Arabia, I read with interest an interview published in this morning's Washington Post of Prince Saud of Saudi Arabia which took place in Riyadh, Saudi Arabia.

In this interview, Prince Saud points out a number of activities and interests that Saudi Arabia is actively participating in to overcome Soviet and Cuban intervention in various African countries. Prince Saud states his concerns over the initial Soviet intervention in Angola that has expanded to Zaire, Ethiopia, and the recent coup in Afghanistan. Prince Saud then goes on to describe how the Saudis are increasing their financial assistance to pro-Western states now coming under the Soviet-Cuban challenge. While there are no published final figures, it has been estimated that Saudi Arabia distributed $6.6 billion in aid last year for certain selected African countries.

I will also hasten to say that Prince Saud is reported as quite critical of the lack of strong leadership and efforts by the United States to meet the Soviet and Cuban challenge in Africa. On this point, in my view, his criticism is well taken.

I believe that a strong case has been made for the sale of 60 F–15's to our reliable ally and firm friends, the Saudis. I would hope that the aircraft sales to all three countries, Israel, Egypt, and Saudia Arabia may proceed accordingly under the President's program.

As Senator RIBICOFF pointed out so persuasively earlier today the sale of these military aircraft to Israel, Egypt, and Saudi Arabia is an emotional issue. But it is also a military, economic, and diplomatic issue which affects the vital security of the United States.

The question we must now decide, Senator RIBICOFF continues, is what is in our best national interest.

On that basis I shall vote to reject the resolution of disapproval.

The PRESIDING OFFICER (Mr. GLENN). The Senator's 5 minutes have expired. Who yields time?

Mr. BIDEN. Mr. President, I yield 10 minutes or less to the Senator from Nebraska (Mr. ZORINSKY).

Mr. ZORINSKY. I thank the Senator from Delaware.

Mr. President, the timing of the announcement of proposed jet aircraft sales to Israel, Egypt, and Saudi Arabia could scarcely be worse. In the midst of a fragile truce and delicate discussions to achieve peace in the Middle East, the administration has thrust a divisive and destabilizing weapons controversy. At the same time the administration is urging Israel to accept American proposals as "perhaps the only possibility" for advancing peace, it is also trying to persuade Israel and a dubious Congress to accept changes in the military balance of power in the Middle East.

Accusations that the administration is abandoning our Nation's 30-year commitment to Israel border on recklessness. Equally dangerous are assertions that the proposed shift of U.S. arms policy in the Middle East will not threaten the security of Israel. Though I do not believe the President intends by the proposed arms sales to weaken the security of Israel, I fear this will be the consequence.

Never before has the United States tied the supply of arms to Israel to the supply of arms to its adversaries. And,

contrary to the assurances of the administration that the aircraft will be used for defensive purposes, Prince Turki Al-Faisal stated that the planes could be used to support other nations friendly to Saudi Arabia. The Prince who is the national security chief for Saudi Arabia, made this statement here in the Capitol at a luncheon attended by 20 Senators, including myself.

The situation in the Middle East is fraught with dangers. Those dangers will not be lessened by the sale of advanced aircraft to Saudi Arabia, a nation which does not recognize the right of the State of Israel to exist. If the proposals were only for arms to Egypt and Israel, I would still question the timing, but I would be supportive. The Saudi sale injects destabilization and threatens Israel just as we are trying to give both sides the confidence with which to achieve a lasting peace.

Negotiations for a peace settlement appear at a stalemate with intense pressure on both sides to return to the bargaining table. In such a delicate climate what can be the motive in creating an arms sale controversy? Is the administration attempting to force Israel to make further concessions for peace out of fear that its Arab neighbors, armed with advanced United States aircraft, will be in a stronger bargaining position in the early 1980's? If such is the aim of the administration, it is misguided.

The proposed aircraft sales to Israel were promised for past concessions, past moderation. To demand now a double measure of concessions is cruelly unfair. The demand is also counter-productive. An arms sales controversy is likely to guarantee not peace, but hostility and polarization. Even if peace were achieved in such a climate of fear and mistrust, its chances of survival would be slim.

The proposed aircraft sales to Saudi Arabia are touted as a reward for moderation. Though I recognize the importance of Saudi support of Egypt and of recent restraint in oil pricing, I believe both these points need further scrutiny. We are shortsighted if we see Saudi support for Egypt as hard evidence of moderation. The Saudis supported Egypt when it was less moderate, and the Saudis have their own interest in maintaining a stable Egyptian Government. More to the point, the Saudis also support Syria and the Palestine Liberation Organization which have not been moderating forces in the Middle East.

In the oil market the Saudis recently have helped to hold down prices and maintain production, but only after quadrupling prices and finding that moderation in oil pricing was in its own best interest.

If oil is our motive, then the proposed arms sales are a throw-back to the Kissinger style diplomacy of promising everyone everything, and of valuing expediency over principle. Apparently, the former Secretary of State now opposes the timing of the sales, while continuing to support the package he helped to create. As a Democrat frequently reminded of my Republican background, I can sympathize with the administration, but I also recall the promises of a principled foreign policy that helped to bring the present administration to office. The United States has long worked to advance its interest in a Middle East peace through a commitment to support Israel. Our interests and our commitment are not changed by the reality of Saudi oil.

All this is not to say that Saudi moderation lacks value or that Saudi Arabia should be expected to act against its own best interests. It is to say that moderate Saudi policies are likely to continue regardless of our action on the proposed arms sales. And even if we were threatened with an abrupt halt in Saudi moderation, it would mean little sense to reward moderation in pursuit of peace with the means to unravel peace.

We have heard, and will continue to hear, much about the technical capabilities of the F–15 aircraft proposed for sale. Distinctions between offensive and defensive uses blur into meaninglessness when we consider the possibility of Saudi F–15's creating a diversion or Israeli aircraft launching a preemptive strike against Saudi Arabia. There are many questions for which we have no answers, nor will we have answers until the aircraft are actually deployed.

At present we do know that Israel is the only nation in the Middle East to have the technologically superior F–15 aircraft. Consequently, an agreement to provide these planes to Saudi Arabia threatens the security of Israel.

We also know that negotiations for peace are at a crucial stage. Israel is under pressure to trade strategic land areas for recognition of the right to exist and for assurances of peace. It requires great courage to exchange the tangible for the intangible. This is particularly true in the case of Israel which is overwhelmingly outnumbered in manpower and entirely dependent on an arms lifeline from the United States.

In the long term Israelis, Arabs, and Americans share the common goal of peace. Israel, our historic ally, is more likely to negotiate peace—and that peace is more likely to be durable—if Israel continues from a position of strength. I strongly urge that, for the present, we adopt the resolution disapproving the arms sales to Israel, Egypt, and Saudi Arabia.

I yield back the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. STEVENS. Mr. President, I yield 5 minutes to the Senator from Missouri.

Mr. EAGLETON. I thank my colleague.

Mr. President, I have agonized over the decision which is thrust upon us today more than any other I can recall since coming to the Senate. For me, the easy vote and the politically smart vote would be to reject the administration's package in favor of sales only to Israel. There is no political constituency for going any other way.

And yet, I have come to the reluctant conclusion that the interests of this country and of the Middle East are best served by proceeding with the sales as proposed.

I believe that Saudi Arabia has legitimate defense needs and that our own security is served by assisting that country. It would be a catastrophe if the huge Saudi oil reserves, estimated at one-quarter of the known free world reserves, were to fall under the control of a hostile power. Better that we provide a means for the Saudis to defend that vital resource themselves than face the possibility of some day being forced to commit our own military forces. That is the hard choice we face.

The other plain fact which influences my vote today is that if we do not provide the Saudis with the advanced aircraft they want and need, other nations will. If that should occur, we would forfeit the substantial control over the deployment and use of the planes which U.S. technical support would give us. The F–15 cannot be operated as an effective force without the elaborate maintenance and support base the United States alone is in a position to provide. In addition, we have assurances from the Saudis that they will not base their aircraft near the borders of Israel and, in the event of a new Middle East conflict, will not transfer the planes to another Arab State.

If we are truly concerned about the transfer of aircraft by Saudi Arabia, we must be wary of forcing the Saudis to turn to the French for purchase of the Mirage F–1 fighter. The Mirage already is in the weapons inventories of Iraq, Libya, and Kuwait, and it is on order for Syria. Thus, the Mirage would be far more transferrable than the F–15. Should a war break out, and should the Saudis also be armed with F–1's, the Saudis no doubt would come under pressure to pool their planes with the other Arab States, or at the very least to provide ground support for the other nations' F–1 squadrons. The development of such a "French Connection" among the Arab States clearly is not in the best interests of Israel, or of bringing peace to the Middle East.

Mr. President, if I believed for a moment that this sale would jeopardize the security of Israel, I would reject it out of hand. Any commitment we may have made to the Saudis must come second to our more pressing commitment to the preservation of Israel's security. I am persuaded that these sales, far from endangering Israel, will enhance the security of that country and in the long run will improve the chances of peace in the Middle East.

The PRESIDING OFFICER. Who yields time?

Mr. BIDEN. Mr. President, I yield 5 minutes to the Senator from Florida.

Mr. STONE. Mr. President, in terms of winning and losing, the administration will lose this vote today. In terms of winning and losing peace, the administration will lose this vote today.

I am convinced that in the next few weeks, less than several months, this

arms package will kill the Sadat peace initiative.

At least one Senator has described the Middle East peace process today as nonexistent. In effect, at least one Senator has said:

What do we have to lose? Nothing is going on.

Mr. President, what we have to lose is the Sadat peace initiative which, for the first time in 30 years, has brought Egypt and Israel to the conference table; has created a political committee sitting in Jerusalem and a military committee sitting in Cairo which, in a few short days of negotiation, came very close to success. Since the deadlock has continued, through mediation efforts of the United States, visits here by both sides, the chance for the revival of the Sadat peace initiative still exists.

An editorial in this morning's Baltimore Sun says it quite well when it urges the Congress to reject this ill-conceived aircraft package, and asserting that these arms should be negotiated on their own merits rather than as part of a cynical all-or-nothing Carter ploy that tempts Congress with aircraft previously promised Israel.

Mr. President, I ask that the full text of the editorial be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ARMS PACKAGE SHOWDOWN

The dangers implicit in President Carter's arms diplomacy in the Middle East have come to pass. With a showdown vote scheduled in the Senate today on the $4.8 billion aircraft package for Israel, Egypt and Saudi Arabia, there is little the victory-hungry administration has accomplished other than bring a tawdry triumph within reach. And at what cost.

Congress stands divided, unhappily so, over an issue it feels should never have been forced upon it at this time and in this form.

The Jewish community in America for the first time feels itself estranged from the White House, a development that evokes shudders.

Israel, a nation obsessed with security for good reason, believes its vital U.S. relationship has been compromised by the American hunger for Arab oil.

Saudi Arabia and Egypt find their prestige and their policy options tied to the success or failure of a Carter initiative now blown out of all proportion.

Those who believed Mr. Carter's campaign laments against the United States as chief arms merchant to the world consider themselves traduced.

As for Egyptian-Israeli peace efforts, they have been effectively stalled since the U.S. arms package was dumped on the bargaining table.

If this is Mr. Carter's idea of good governance, then he would be well advised to write himself a new set of standards. He has sought not consensus but confrontation, not national unity but division, not healthy development of U.S.-Saudi or U.S.-Egyptian ties on their own but in competition with Israel.

To be sure, the President has orchestrated this issue far better than others that have come his way. The nation's foreign policy establishment, bristling with bipartisanship, has wheeled smartly into line. Aircraft manufacturers and oil moguls are naturally for the $4.8 billion bonanza (after all, it cuts unit costs and reduces the trade imbalance caused by oil imports). The doublespeak of arms merchantry—peace through strength; the deterrence of mutual destruction; restraint via spare parts—has been given a new workout. And now, with the vote approaching, President Carter and Saudi King Khalid have found a Cuban-Soviet menace growing in South Yemen.

Not for one minute does this newspaper discount Moscow's relentless quest for power in the Middle East and the need for confident, secure ties between Washington and Riyadh. Indeed, we feel the United States should *remain* Saudi Arabia's chief arms supplier. But these arms should be negotiated on their own merit rather than as part of a cynical all-or-nothing Carter ploy that tempts Congress with aircraft previously promised Israel. Egypt, too, is deserving of U.S. support in response to President Anwar el Sadat's courageous peace journey to Jerusalem. But the aircraft for Egypt, like the aircraft for Israel, should not be a pawn in peace negotiations between the adroit Mr. Sadat and prickly Prime Minister Menachem Begin. Rather, they should be part of the diplomatic process only after tangible steps away from war have been made.

The Sun, therefore, urges Congress to reject Mr. Carter's ill-conceived aircraft package. But whether the President wins or losses this test, we hope he will reassess each sale to each country in consultation with Congress. The legislative branch is determined to have its say in foreign policy; a President with a SALT II pact in prospect should act accordingly.

Mr. STONE. The assurances provided the Congress and the country by the Secretary of Defense leave something to be desired. May I just point out one thing? In the May 8 draft of the Secretary Brown letter appears this sentence, referring to the multiple ejection bomb racks. The sentence read:

The U.S. will not furnish such MER's, and the Saudis have indicated they have no intention of procuring elsewhere.

In the May 9 version of that same letter, that phrase of the Saudis' intention not to procure MER's elsewhere is omitted, and it is not in this assurance that we have.

Mr. President, who on this floor can assure this country that with the leadership of Islam, which the Saudis enjoy, with their position in spiritual leadership and in many ways financial and temporal leadership of the Arab world—who can assure this country that the Saudis will stay out of the next war if one develops against Israel? And, on the contrary, their leadership has said many times, and recently, that what they have militarily would be at the disposal of their Arab brothers against the common enemy. For common enemy, read Israel.

As to the consequence of the French connection, how can the administration have it both ways? Either the Saudis have no aggressive intention against Israel and, therefore, it is safe to provide them with F–15's, or they have aggressive intentions against Israel and for that reason it is unsafe to allow them to procure French weapons. It cannot be done: Either they have no aggressive intention or they have. If they do not, there is no risk in their acquiring French planes. But if they have, there is every risk in providing them with the top of the line F–15's.

Mr. President, I conclude as I commenced. The administration will win this vote today but if and when the Sadat initiatives are killed in the near future the administration will lose this vote today.

The PRESIDING OFFICER. The Senator's time has expired. Who yields time?

Mr. STEVENS. Mr. President, I yield 6 minutes to the Senator from Missouri.

The PRESIDING OFFICER. The Senator from Missouri has 6 minutes.

Mr. DANFORTH. Mr. President, with great reluctance and genuine sadness, I shall vote to support the administration's package of arms sales for the Middle East. It is my opinion that rejection of the sales would constitute a major rebuff to President Sadat of Egypt and to the moderate leadership of Saudi Arabia. The consequence of such a rebuff would be contrary to the interests of this country. It would strike directly at the interests of moderation in the Middle East and, therefore, pose very serious threats to the security of Israel.

I have long taken the position that this country should resist arms sales to actual or potential enemies of the state of Israel. However, it is now clear to me that new sophisticated fighter aircraft will be sold to Egypt and Saudi Arabia either by the United States or by some other countries. Therefore, it is my view that the remaining question concerns whether or not the sales are made with reasonable controls attached.

My vote on this issue, which necessarily must be either yes or no, does not constitute an endorsement of President Carter's inconsistent and ill-conceived policies in the Middle East or of the manipulative manner in which this package sale has been engineered. The take-it-or-leave-it basis on which President Carter has presented this issue to Congress has confronted me with the most difficult decision I have had to make since I have been a Senator. I strongly resent the manner in which the administration has handled this sale. I oppose the package concept of the sale which has tied the security of Israel to the military requirements of Arab countries. The idea of a package arms sale is contrary to the special relationship which has long existed and must continue between Israel and the United States.

The President's timing in sending this package to the Congress could not have been worse. The President has succeeded in diverting attention from peace negotiations in the Middle East by interjecting the question of arms into those deliberations at this time.

The President's package provides 50 percent more F-15's to Saudi Arabia than was recommended by the Defense Department analysis and provides substantially fewer F-15's and F-16's to Israel than recommended by the Joint Chiefs of Staff. Therefore, President Carter has abandoned the best military

advice available in this country in favor of designing his own arms package. I am very concerned that the numerical shift by the administration may be seen as a symbol of a change in America's long-standing commitment to Israel.

If the possibility of altering the package were available to me, I would not hesitate to do just that. At this point, however, I am left with what, to me, is an intolerable dilemma: Will sales be made in a way which will be viewed as a rebuff by the United States to moderate Arab countries or, in the alternative, will sales be made in a way which, hopefully, will further the relationships between the United States and moderate Arab countries?

Last week, former Secretary of State Henry Kissinger told the Senate Foreign Relations Committee that he favored an increase in the number of F-16's to be sold to Israel for the purpose of creating a better balance. From a discussion I had with one Israeli official, I believe that such an increase for Israel would be highly welcomed by that country. I have discussed this possibility with President Carter, who did not rule it out. I would support such a proposal if presented to Congress.

Finally, I am deeply troubled by this additional example of the President's failure to exert a steady hand in the Middle East. He mistakenly continues to seek an all-or-nothing solution to ancient, complex problems. He has improperly called for a Palestinian homeland. He has attempted to reinvolve the Soviets in the peace talks. He has characterized far-reaching Israeli peace proposals as "intransigent." My vote today in no way constitutes support for this policy. Instead, it is a very reluctant vote for the lesser of two evils, which, I hope, will not be viewed as a change in my longstanding and deeply held support for the survival of Israel.

Mr. SARBANES. Will the Senator yield if he has time available?

Mr. ALLEN and Mr. RIEGLE addressed the Chair.

Mr. SARBANES. Will the Senator yield?

Mr. DANFORTH. I yield.

Mr. SARBANES. I commend the Senator for a very thoughtful statement. I do not come out where he comes out, but I think the fact of the matter is that what the administration has done shows a complete lack of the art of government. They have presented an intolerable situation. They need not have done it. We have to take the package or not take anything. The President could have presented a different proposal which would have commanded a general consensus in this body and he refused to do it. He knew the situation.

The PRESIDING OFFICER. The Senator's 6-minutes have expired.

Who yields time?

Mr. STEVENS. Mr. President, I yield to the Senator from Minnesota (Mrs. HUMPHREY).

The PRESIDING OFFICER. The Senator from Minnesota is recognized for not to exceed 10 minutes.

Mrs. HUMPHREY. Mr. President, today we have before us a resolution to disapprove the President's proposal to sell arms to Israel, Egypt, and Saudi Arabia. As a lifelong friend and supporter of Israel, my decision to support the administration's proposal has been the most difficult one that I have had to make as a Senator.

The factors relating to this decision are complex; the implications of deciding either way are profound. However, I firmly believe that my decision is the right one for the United States, for Israel, and for all those whose first priority is to create the conditions for peace in the Middle East.

My love for Israel and her people cannot be questioned. Hubert and I have established our unequivocal position as friends of Israel by our unfailing support of that country for over 30 years. We have had the pleasure of visiting Israel many times and learning of its problems and determination to solve them. Our affection for the Jewish community in this country is unsurpassed.

We have consistently and successfully worked to insure that a major portion of our military aid be allocated to guarantee her security. My support for Israel is absolute. And I believe that my vote on the President's arms sale proposal is completely consistent with that unshakable commitment.

As a Senator, I am in a unique position. I am completing Hubert's tenure in the Senate and I will not again be a candidate for public office. Thus, there can be no question that my decision has been made solely on the basis of the merits of this proposal and as objectively as is humanly possible.

It is my responsibility, as a Senator, to vote according to my conscience and after a thorough analysis of all the facts bearing on my decision. This was Hubert's way, and it is mine.

During the past few weeks, I have sat through hours of invaluable meetings and hearings on this proposal. I have engaged in long discussions of the complexities of this proposal with friends, with experts, with concerned citizens, and with my own staff. I have read classified and unclassified documents and reports.

Throughout, I have attempted to hear and evaluate the views on all sides. I have weighed the competing arguments conscientiously, carefully, and critically. In the course of this review, I have consistently asked, "What is in the best interest of the United States, the best interest of Israel and the best interest of peace in the Middle East?"

At this point, the question is not whether we support Israel. We do, and that commitment is unshakable. The real question is what must we do to maintain the security of Israel and, at the same time, enhance the prospects for successful Middle East peace talks?

To answer this question, the following points were, in my mind, the most persuasive. And, given that we have no option other than voting for or against the resolution, they are, to me, the most compelling arguments in favor of the sale.

Israel's security is directly linked with the success of future peace talks. Under what circumstances will these talks lead to long-term peace and a comprehensive settlement for the entire area?

We must retain the confidence of the Arab nations and of Israel if we are to be successful in our role as a mediator in the conflict. To do so, we must consistently manifest our concern for the legitimate needs, aspirations, and interests of both Israel and the Arab nations.

If history teaches us anything, it is that a mediator who abandons the interests of one side in any dispute only generates suspicion, divisiveness, and hostility. The mediator becomes a partisan and unable to serve his intended role.

It is in our interest, in Israel's interest, and in the interest of long-term peace that we be perceived as trustworthy and evenhanded by both sides. Only a settlement arrived at by such a process will prevent future hostilities and wars of retaliation.

Rejecting the proposed arms sales would, in my view, undermine confidence in our relationship with the nations of the Middle East. It would indicate a lack of sincerity in finding a just and equitable peace for all the people whose security is threatened. It would reinforce the voices of belligerency who every day question our objectivity in this vital area of the world.

In conclusion, I do not know how Hubert would have voted on the proposal that is before the Senate. No one does. And no one wishes he were here to make this decision more than I do. But I knew Hubert and his thinking better than anyone. I believe that he would have gathered the facts, as I have, analyzed them, as I have, sought out the counsel and advice of those most intimately involved with the issues, as I have, and ultimately decided that the President's arms sale proposal is in the best interest of the United States, Israel, and all those who seek a just and lasting peace in the Middle East.

I thank the Chair.

Mr. STEVENS. Mr. President, I yield 1 minute to the Senator from Michigan (Mr. GRIFFIN).

The PRESIDING OFFICER. The Senator from Michigan is recognized for 1 minute.

Mr. STEVENS. Mr. President, he is not here. In his absence let me yield 5 minutes to the Senator from South Carolina.

The PRESIDING OFFICER (Mr. MATSUNAGA). The Senator from South Carolina is recognized for 5 minutes.

Mr. THURMOND. Mr. President, the question before the Senate is clear—what is best for our country in the matter of arms sales to the Mideast? The answer is not so simple.

In the beginning, I opposed the "original" package sale of F–15's, F–16's,

and F–5's by the United States to Israel, Egypt, and Saudi Arabia. I felt that that particular proposal would be destabilizing to peace efforts in the Middle East.

I felt the Presidents proposal was badly timed and its linkage with our prior commitment to Israel was inconsistent. However much I might disagree with the timing and the coupling, we must face the issue not as we might prefer it, but as we now find it to be.

The question before us represents a compromise between the Senate and the President. Twenty additional F–15 planes have now been offered Israel; conditions have been placed on the F–15's to Saudi Arabia; and the King of Saudi Arabia in a letter to President Carter day before yesterday, May 13, 1978, has assured our President that "the planes are being acquired for defense."

COMMITMENT TO ISRAEL

My commitment to the security of Israel is firm. I have always stood forthrightly for Israel, whether it be military or economic aid. Further, I understand the very deep apprehension expressed by many of my constituents on this issue, and I have weighed their concerns most carefully.

The revelations in today's secret session of the Senate and my own study of the issues have led me to the conclusion that a defeat of the President's proposal would create a dangerous power vacuum in the Middle East where Soviet influence is making dramatic gains. Further, repudiation of the sales would also impair the ability of the United States to obtain an effective peace agreement. Such an agreement would hinge largely on the maintenance of our good relations with Egypt and Saudi Arabia, as well as Israel.

UNITED STATES INFLUENCE VALUABLE

The question is not whether the Arabs will have modern aircraft, but rather from which country they will purchase them. If they buy these planes from the United States, the operation and maintenance of these complex aircraft would be tied to U.S. support. This support would involve lengthy training contracts as well as the supply of spare parts and other technical aid. It would give the United States greater influence over the use of the planes and the events that take place in that part of the world.

The Saudis have demonstrated their willingness to work with the United States, both politically and economically. United States friendship with the Saudis may be able to accomplish more for the survival of Israel than the sale of 60 aircraft would threaten that survival.

The economic power of the Arab States will continue to grow, strengthening their ability to enhance their own military forces. In such circumstances, U.S. friendship and involvement with certain Arab States could be vital in preventing war and achieving peace.

With Egypt as the most flexible of the Arab belligerents and the Saudis as the financial backer for various Arab States, U.S. influence with both should be greatly enhanced and beneficial to Israel. All those who favor violence and disruption in the Middle East would welcome a rupture in United States-Arab relations, which would likely follow the rejection of these sales.

SOURCE OF PROBLEMS

In meeting this issue, I hope the Congress will not overlook one reason the Saudis feel the need of modern weapons. This country has hardly lifted a finger as one African State after another has fallen under Communist influence through force of arms aided by Cuban and Soviet personnel. Our own foreign policy failures have contributed to the Saudi's feelings of being threatened. President Carter must exercise some leadership or see U.S. interests in these areas disintegrate further.

COMPROMISE PROPOSAL

The inherent dangers of the "original" proposal have been reduced by the basing and modification agreements accepted by the Saudis. Further, the additional sales to Israel should help ease the legitimate concerns of that nation.

On balance, I believe these sales will give to the United States greater leverage in its efforts to bring about peace and stability in the Middle East and better protect Israel.

Mr. STEVENS. Mr. President, I ask unanimous consent that Tom Carter of Senator HAYAKAWA's staff be granted privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CASE. Mr. President, I yield 5 minutes to Senator RIEGLE.

The PRESIDING OFFICER. The Senator from Michigan is recognized for 5 minutes.

Mr. RIEGLE. I thank the Senator from New Jersey.

Mr. President, I think it is clear that this administration is new to foreign policy and, unfortunately, too often it shows.

In my own judgment, they made a serious error on this issue. It is not the first mistake, I might say, concerning the Middle East.

I think the unfortunate joint communique with the Soviet Union some months ago was just as dramatic a mistake. But the consequences there were far less severe than I think there are now.

I think what has happened is that the administration has painted itself into a corner with this arms package and now it has attempted, and I think probably successfully, to paint the Congress into the same corner and we are, once again, hearing the same shopworn arguments that the new President's prestige is on the line and we will weaken the administration if we vote against the package.

I happen to believe myself that we will be hurting American interests unless we do vote against this package.

My overriding interest in the Middle East today is reaching a secure and lasting peace settlement. I must say that I fail to see how $5 billion of additional arms introduced in the Middle East enhances chances for peace.

I respect the Sadat peace initiative. I am interested and sympathetic to the strategic defense needs of both Egypt and Saudi Arabia—now and in the future.

But let no one fail to understand the 60 F–15's to Saudi Arabia marks a profound change in U.S. policy in the Middle East.

Coming now, that request, coupled with the scaled down request for Israeli weapons, carries a profound message that no country in the Middle East will misunderstand, and no one here ought to misunderstand, because that step tips the equation away from Israel and toward Arab oil in oil dollars.

I think we ought not to kid ourselves. I think, outside this Chamber, much of the rush to embrace Saudi Arabia is by people who have dollar signs in their eyes. Hundreds of millions, indeed billions of dollars, are to be made by those who are the new and passionate friends of Saudi Arabia. And while much of it is couched in a fear about a cutoff of oil, I suspect it is just as much about fear of a cutoff of Arab oil dollars flowing into the income statements of many of the private interests in the United States.

I have heard a few of them who complained about the possibility that this package might be turned aside and have that effect.

If peace efforts are to succeed in the Middle East at this time, it will take a greater sense of confidence on the part of the confrontation states.

If Israel is to take the risks for peace in the West Bank that are required, she must feel more secure about her ability to defend herself than she presently does.

Does this arms package give Israel the incentive to take the risks for peace? Clearly, the answer is, "no."

We have only one wise course of action left to us, and that is to put this package aside for a period of time and turn our full efforts to a renewed investment of our full national effort in the search for Middle East peace.

Frankly, we are spread out over a 10-acre lot in our foreign policy, and it is no wonder the peace initiative is not moving faster than it is.

We should suspend any further sales in the Middle East for at least a few months, in order to give peace a chance.

If the Saudis are alarmed about Russian and Cuban initiatives in Africa—I know that I am—then perhaps U.S. policy in that area should be changed. That would be a more appropriate response to that problem than this arms package. I believe this arms package is a war package, not a peace package. It moves us toward war and away from peace.

Therefore, I must vote against any more arms for the Middle East at this moment, and I strongly support the motion of disapproval.

The PRESIDING OFFICER. Who yields time?

Mr. BIDEN. Mr. President, I yield 7 minutes to the Senator from Alabama.

Mr. ALLEN. I thank the distinguished Senator from Delaware for yielding time to me.

Mr. ALLEN. Mr. President, I have decided to vote in favor of Senate Concurrent Resolution 86 and against the proposed Mideast aircraft package. I have not reached this decision lightly, and I have studied carefully each argument advanced by the administration to support the proposed sales. But, Mr. President, I have not found the arguments in favor of the proposed sale to be persuasive nor have I found them to outweigh the many other factors which dictate rejection of the delivery of these 200 advanced fighter aircraft into the Mideast tinderbox.

Now, Mr. President, since section 36(b) of the Arms Export Control Act requires a separate transmittal for each sale in excess of $50 million, the Mideast aircraft arms sales package was transmitted to the Senate Committee on Foreign Relations in four separate parts. The first component proposes the purchase of 50 F–5 aircraft (42 F–5E and 8 F–5F) by Egypt. The second component proposes the purchase of 15 F–15C's by Israel. The third component proposes the purchase of 75 F–16A's and F–16B's by Israel. The fourth component proposes the sale of 60 F–15's (45 F–15A's and 15 TF–F–15A trainers) by Saudi Arabia. The transmittal of the four components on the same day, and the administration has not retreated from its basic position that the proposed sales are submitted to the Congress as a package deal. Similarly, opponents of the arms sale to Saudi Arabia have decided also to treat the submission as a package deal by proposing to disapprove the entire package. So, Mr. President, like it or not, we are talking about a package deal for the introduction of 200 new fighters into the Mideast at a time of great military and political instability in a part of the world long known for its potential for violent conflict.

Although this proposed package deal appears on its face to be defective, to understand completely why the proposed arms sale is not justified, a realistic examination of the existing force structure in the Mideast is essential. The primary factor in that analysis is the strength of the existing air forces in Egypt, Saudi Arabia, and Israel. Only against an understanding of the existing air defense capabilities of these three countries can Congress realistically assess the proposed new sales.

Of the three countries, Egypt has the greatest need for air defense capability improvement. At present, the Egyptian Air Force consists of Soviet-supplied Mig fighters of obsolescent quality. Additionally, the elimination of Soviet technical support has further eroded the capabilities of the Egyptian Air Force. The proposed sale of 42 F–5E fighters and 8 F–5F fighter-trainers to Egypt is wholly justified by the defense requirements of Egypt and by the recent pro-Western policies adopted by the Egyptian Government. The aircraft provided to Egypt will not materially threaten Israel but would provide Egypt with a credible defense against Libyan or Ethiopian air attack. Regrettably, the sale to Egypt is made part of an arms package which is otherwise unacceptable.

In my judgment, the proposed sale of 15 F–15C's and 75 F–16A's to Israel is, standing alone, wholly unjustified. Israel already possesses vast air superiority in the Mideast with an air force comparable to our own, equipped with A–4 attack aircraft, F–4 fighters, Mirage–III, and Mirage–V fighters, and the indigenous KRIF C–2 fighter. Additionally, Israel already has received 9 F–15 fighters and is scheduled already to receive a total of 25 F–15 fighters not including the new proposed sale of 15 extra F–15C's. The fighters already delivered or scheduled to go to Israel consist of 4 F–15 test and evaluation aircraft (from our very earliest developmental production of the F–15—these have already been delivered), 2 TF–15A trainers, and 19 F–15A basic production aircraft. The Israeli Air Force is, and will be well into the 1990's, fully capable of repelling any conceivable threat from any air force of a neighboring state. The F–4 fighter, the backbone of the Israeli fighter force, is capable of countering the MIG 25 so that the need for the F–15 is predicated on the unproven theory that the Soviet Union will (like the United States in the case of the F–15) be willing to provide to the Iraqis or possibly the Syrians its most advanced fighter aircraft. The Russians will not be this stupid, although apparently we are. Note in this connection that the 15 extra F–15C's proposed to be sold to Israel (part 2 of the package) will be a sale of the ultimate advanced version of the fighter configured with add-on components of our very best and most secret technology. For example, the Israeli F–15C's will be equipped with the interrogater identification friend or foe system and with laser-guided precision munitions. Also the Israeli fighters will be equipped with the advanced multiple ejection rack system which will inter alia improve the nuclear delivery capability of the F–15C.

The proposed sale of 75 F–16 aircraft to Israel (part 3 of the package) is also objectionable but not as completely unjustified as the proposed sale of the additional 15 extra F–15C's. The F–16 is an advanced, single seat, light weight, all weather, multi-purpose fighter, but its range is limited and it is primarily a short-turnaround fighter designed to defeat easily the MIG 23, MIG 25, and other advanced Soviet fighters. The sale of 75 F–16A's and the F–16B's to Israel in itself guarantees defensive air superiority to the Israeli Air Force into the late 1990's or early 21st century. The sale of 75 F–16's should more than adequately meet Israeli requirements without the need for the unwise add-on sale of 15 F–15C's.

But, Mr. President, of all the proposed components of the administration's arms sale package, the most completely unjustified and irrational is the proposed sale of 60 F–15's to Saudi Arabia. Saudi Arabia is already receiving from the United States 110 F–5E's specially upgraded with the Maverick television-guided, air-to-ground missile and the latest version of the Sidewinder air-to-air missile. These aircraft are a more than adequate replacement for the British Lightning fighter still in some Saudi Air Force squardons. In my judgment, the sale of 60 F–15's to Saudi Arabia from a military standpoint is ridiculous. The Saudis should be sold additional F–5E's or perhaps a modest number of F–16's. There is no conceivable military threat to Saudi Arabia warranting equipping this repressive medieval sheikdom with the world's most advanced high-technology fighter aircraft.

So, Mr. President, the existing air defense needs of Saudi Arabia and Israel are well met by already programed aircraft sales. The air defense needs of Egypt require upgrading, but such action should occur without linkage to other arms sales which are unjustified from the perspective of the national interests of the United States.

Now, Mr. President, against this understanding of the military balance in the Middle East, there are three primary reasons which I have found compelling in reaching a decision to vote against the administration aircraft arms package: First, the sale of extremely advanced technology fighters to the countries involved is per se unwise and degrades the role of the United States as a strategic military power by permitting other nations to share, from inception, in our very best and most advanced military technology; second, the timing of the proposed sale could not be worse from the perspective of current peace negotiations; and third, the practice of submitting package arms sales to Congress should be opposed as a matter of policy, so that the executive branch does not again attempt to link sales to one country with sales to another country.

At a time when the military capability of the United States is rapidly declining—and I believe it is—the sale of our very best warplane to primitive, backward countries such as Iran and Saudi Arabia is an indication of our growing moral and military weakness. The sale of the F–15 to Iran was ill advised. The new proposed sale of the F–15 to Saudi Arabia ought to be resisted if for no other reason than to prevent the United States from becoming another France or Sweden in its willingness to sell to the highest bidder. I daresay that less than 2 years ago, the idea of selling our very most advanced fighter aircraft to Saudi Arabia, a country which only now is emerging from the Dark Ages and many of whose people essentially despise the United States, would have been considered ludicrous. Indeed, Mr. President, contrary to administration assertions, the sale of the F–15 to Saudi Arabia is in fact an aberration of very recent origin. Until only a few months ago, the admin-

istration, both under President Ford and President Carter, urged the Saudis to buy increased numbers of F–5E's or perhaps F–16's. The proposed sale of the F–15 did not become a serious subject for negotiation with the Saudis until early 1978 and appears to have been justified primarily on the basis of Soviet/Cuban activity in Ethiopia, Soviet activity in the Peoples Democratic Republic of Yemen, Soviet activity in Iraq, and and the price of oil. The new theory advanced early this year was that the F–15 was needed to defend against these perceived Communist threats and that delivery of the warplane would enhance our relations with Saudi Arabia. Frankly, the latter point was the factor given the greatest emphasis.

First, by no stretch of the imagination could Ethiopia, Iraq, or Yemen mount any attack against Saudi Arabia which could not be easily countered by the Saudis with American support. Additionally, the air forces of these countries are not equipped with advanced Soviet fighters and are not likely to receive advanced Soviet fighters because the Soviet Union has the ability to understand the advantages of retaining in its own exclusive control its most advanced weapons systems. The postulated threat to Saudi Arabia does not hold water in the real world. The only real threat to Saudi Arabia would come direct from the Soviet Union itself in the event of a strategic global war, in which case Saudi Arabia would be merely a pawn in the play of global conflict. Saudi Arabia's prime purpose in obtaining the F–15's is not to counter the supposed new Communist threat in the region, but is rather to attempt to redress the balance of power in the Mideast vis-a-vis Israel.

The administration, incredibly, insists that the 60 F–15's proposed for Saudi Arabia could not be used to advantage against Israel in the event of a new Mideast war. I find this assertion so patently false as to warrant little comment beyond noting that even the mere potential for the introduction of the 60 Saudi F–15's into a new Mideast war would itself require the diversion of substantial Israeli air power, regardless of whether the Saudi F–15's ultimately actually engaged in combat. As few as two of three F–15's from Saudi Arabia could be used to strike successfully critical Israeli targets, such as Eilat's oil refinery facilities or the nuclear reactor at Dimona. Additionally, the fact that the F–15 is principally an air superiority fighter and not specially equipped for air-to-ground attack is totally without significance in considering the military balance between the Arab States and Israel. In a new Mideast war, if Saudi Arabia engaged, its 60 F–15's would be used as cover for attacking Egyptian, Syrian, Iraqi, and Jordanian aircraft. In short, the Saudi F–15's would seek to achieve local air superiority to allow other Arab aircraft to strike ground targets in Israel. In that effort the F–15 equipped with four long-range Sparrow air-to-air missiles and four Sidewinder missiles would be greatly superior to the Israeli F–16 equipped with Sidewinders only and could shoot down the F–16 (by using the Sparrow missile) at ranges in excess of those at which the Israelis could engage. The only way the Israelis could encounter the F–15 would be with its own F–15's. The prospect of two opposing forces of U.S.-built F–15's firing at each other the U.S.-built Sparrow missile is perhaps the best evidence of the folly of this entire package.

Assuming this sale should go through at any time, then this is the worst possible time. Peace negotiations have stalled as much as a result of Arab unwillingness to compromise as because of the media-covered Israeli failure to compromise. Thus, while the Israelis have essentially offered to return the Sinai to Egypt and to return the West Bank to Jordan, the Arabs have refused on grounds that a separate Palestinian State must be established on the West Bank. In the Mideastern tinderbox, negotiations have reached a delicate stage demanding extreme caution. In this environment, these new proposed arms sales, which the administration asserts are designed to enhance the prospect of peace, demonstrate logic reminiscent of that shown during the Vietnam war: "It was necessary to destroy the city in order to save it."

Under no circumstances does arming Third World countries produce peace. The possession of arms, in itself, motivates conflict. Time and again in the 20th century, two-bit Third World countries have built up military forces with external support, promptly engaged in a local war wherein their military strength was dissipated, and thereafter entered into peace negotiations when their ability to conduct continued modern warfare no longer existed. The best way to achieve peace in the Mideast is to deny the most advanced and modern weaponry to the potential adversaries.

In that connection, Mr. President, the argument that purchases will be made elsewhere is not in the least persuasive in the context of the sale of the F–15 fighter. No existing fighter aircraft is comparable to the F–15. Therefore, there is no other available source of supply. The Saudis will not buy the Mirage F–1 fighter because the Saudis must maintain arms ties with the United States for overriding internal and external political considerations. If the sale of the F–15's to the Saudis is rejected, the Saudis will buy additional numbers of the more appropriate F–5E or perhaps the F–16. The same reasoning holds for the proposed additional sale of 15 F–15C's to Israel.

Finally, in order to maintain creditable restraints on the periodic excesses of the executive branch, it is critical to reject this package arms deal. Failure to reject the submission of this major arms sale in its package form will inevitably encourage the executive branch to link up other major arms transactions so that the power of the Congress to reject such transactions will become even more without real effect than at present. In other words, this or some future administration could, for example, be encouraged to link up an arms deal for Red China with life-sustaining arms arrangements for South Korea or Taiwan. Thus, Mr. President, the politically indefensible could be accomplished by forcing the Congress to make an election between the continued existence of some valued ally and the acceptance of a totally reprehensible part of a packaged transaction. The pending arms package is a new departure from all past practice, and, even if not warranted by the demerit of the actual transactions proposed, ought to be rejected for policy reasons.

To summarize, Mr. President, as a matter of policy the Congress must not permit the submission of arms proposals in linked packages if the disapproval mechanisms of the Arms Export Control Act are to have any true viability. But of chief importance, Mr. President, I cannot support the administration proposal for these aircraft sales because this proposal would add fuel to a region where the hot ashes of war still smouler and would degrade our country's own strategic role in that critical part of the world.

Mr. CASE. Mr. President, I yield 6 minutes to the Senator from Washington (Mr. JACKSON).

Mr. JACKSON. Mr. President, there is only one issue before the Senate and that is whether, on this day in May 5, 1978, the Congress ought to give its approval to an administration proposal to sell $5 billion of sophisticated armaments to Israel, Egypt, and Saudi Arabia. The question is not whether we should sell arms to the Middle East. It is not whether we ought to assist Israel or Egypt or Saudi Arabia. It is not whether the security problems of any or all of these countries will be solved or mitigated by the proposed sale. The issue is whether this is the right time to approve this sale—whether these are the right circumstances—and whether approval of this sale will enhance or diminish the prospects for a negotiated settlement between Israel and Egypt, whether it will advance or retard the cause of peace in the Middle East.

Mr. President, I believe that approval of this sale will complicate the search for peace. I intend to vote for the resolution disapproving the administration's request.

Without meeting the real security needs of Saudi Arabia, which are largely internal, the transfer of F–15's to that country will have a profound and destabilizing effect on the delicate military balance between Israel and her neighbors. The simple fact is that the F–15, unlike the other aircraft available for use against Israel, can be flown with high performance by even a mediocre pilot. Thus possession of the F–15 in the hands of the Saudis will erode the basis upon which Israel has thus far maintained a military balance in the region—the man-for-man superiority of its highly trained air force.

Action that could significantly alter the military balance at a moment when every effort should be made to encourage and nurture the halting steps toward

a peace settlement that began with the Sadat-Begin talks is, in my judgment, profoundly mistaken. Approval of this sale will encourage inflexibility in these languishing negotiations at precisely the moment when what is needed is a new receptivity to accommodation. The flow of arms today will mean an increased likelihood that blood will flow tomorrow.

Saudi Arabia's real defense needs cannot be met through acquisition of the F–15, because the threat to Saudi Arabia—and it is real—does not take the form of air strikes from without. Far more likely is a coup against the present leadership, perhaps stirred up in connection with internal conflict encouraged from outside. Given its potential internal vulnerability and its vast wealth, it is only prudent to assume that Saudi Arabia is high on the target list for any group or faction able to muster enough local force to assume control of the present government. Libya and Afghanistan are far more persuasive—and more disconcerting—models of the future threat to Saudi Arabia than scenarios in which Soviet or Iraqui bombers launch massive attacks against the Saudi homeland.

It has been argued that, if the United States does not now, today, agree to sell the F–15 to Saudi Arabia, the Saudis will turn to the French. In my judgment the Saudis will contract for the purchase of French aircraft in any case, whether we approve or disapprove the present proposal. No Senator should comfort himself with the illusion that the F–15 is a substitute for French aircraft over which, it is argued, we would have less control. So long as the Government of Saudi Arabia, encouraged by the United States, identifies the threat to itself as a conventional military one we can expect the Saudis to build up their conventional arsenal with sophisticated weapons obtained from a number of suppliers. As they do so the likelihood of Saudi participation in a war against Israel will increase—and with it the very instability and insecurity that we fear most. The acquisition of the F–15 now by Saudi Arabia is, for these reasons, dangerous to Israel and dangerous to Saudi Arabia itself.

Mr. President, the assurances conveyed to the Senate from Secretary of Defense Brown are wholly inadequate. This proposed sale is not safeguarded in critical respects. It is not adequately safeguarded with respect to basing—since the F–15 can be staged through forward bases even if they are permanently stationed elsewhere. It is not adequately safeguarded with respect to an enhanced ground attack mission—the technology necessary to greatly enhance the air-to-ground capability of the F–15 is widely available. It is not adequately safeguarded with respect to third country transfers in the event of hostilities. There is, in all of this, lack of deliberation, a lack of care, a lack of serious concern to see that the proposed sale will not eventuate in results that we neither intend or desire.

Much has been said about the package nature of the current proposal. And on this issue I am deeply troubled. In the course of the negotiation of the Sinai II agreement this country made certain commitments to supply Israel with weapons necessary to redress the military balance which was affected by Israel's withdrawal from the strategic Sinai passes. These commitments were an essential part of the bargain; and they reflected a solemn pledge from the Government of the United States to the Government of Israel.

In making the fulfillment of those pledges contingent upon congressional approval of arms for Saudi Arabia and Egypt, the administration has broken a solemn American commitment; and this it has done at the very moment when it seeks to encourage Israel to take additional risks in negotiation with its adversaries. What is involved is a question of honor; and on that ground alone, Mr. President, the Senate should reject the arms package now before us.

The PRESIDING OFFICER. The time of the Senator has expired.

Who yields time?

Mr. BIDEN. Mr. President, I yield 3 minutes of my time to the Senator from Maryland.

The PRESIDING OFFICER. The Senator from Maryland is recognized for 3 minutes.

Mr. SARBANES. Mr. President, as the Senate draws toward the end of the debate, I think it is important to realize that what the administration has done departs in three very essential ways from fundamental American policy.

First of all, it packages the U.S. commitment to Israel's security with military provisions for other nations. We have not done that in the past.

We have had from the very founding of the State of Israel a general commitment to its security, and in the current context we have a specific commitment arising out of the 1975 Sinai accords. A commitment that included Congress which, as part of its approval of the 1975 agreement, had as backup material on the public record the undertakings which the U.S. administration had made to meet the security needs of Israel. That commitment is now being packaged with other requirements, something never contemplated at the time of the 1975 assurances.

Second, we give lethal weapons to Egypt for the first time and third, we give the very top of the line in terms of our military technology to an Arab country, another radical departure in terms of our policy.

Now the administration has created this problem, and having placed us in this position they argue that the Senate has no choice but to adopt the administration's position because the repercussions of rejecting it would be too severe. In other words, they now seek to foreclose our judgment with respect to the proposal they have made. We are confronted with a procedure where we cannot modify the proposal; we can only accept it or reject it. If we could modify it, I have no doubt that we could modify it in such a way that it would command general support here and still meet the concerns which have been raised with respect to the American relationship to each of these three countries. That could be done.

Why did the administration not seize the opportunity to do exactly that? Why did they reject the suggestion that we be given an additional 30 days, reject that suggestion out of hand, in an effort to work out such an accommodation which would command general consensus and general support both in this body and in the country. The administration has been unwilling to do the constructive sort of statesmanship that could take a situation which is fraught in its implications for fundamental American commitments and deal with that matter in such a way that the United States would remain true to these commitments, responsive to the present situation and command the support of Congress and of the American people.

The PRESIDING OFFICER. The Senator's 3 minutes have expired.

Who yields time?

Mr. CASE addressed the chair.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. CASE. Mr. President, I yield 10 minutes to the Senator from New York (Mr. JAVITS).

The PRESIDING OFFICER. The Senator from New York is recognized for 10 minutes.

Mr. JAVITS. Mr. President, I thank my colleague for yielding, and before Senator JACKSON leaves the Chamber, I tell him that the speech he made just a minute ago was one of the finest analyses I have ever heard. It was absolutely brilliant.

Mr. METZENBAUM. Mr. President, will the Senator from New York be good enough to use his microphone?

Mr. JAVITS. I am so sorry.

I said the speech that Senator JACKSON made a few minutes ago was one of the finest he has delivered and one of the finest I have heard in this Chamber.

Mr. JACKSON. I thank my good friend from New York for his kindnesses. He has been an astute leader on this issue.

Mr. JAVITS. His analysis was very astute and very correct. I shall not go over the same ground, but I have a few other things I wish to call to the Senate's attention.

One of the things that struck me in this debate was the constant reiteration, by those who are going to vote against the resolution of disapproval, of the assertion that the U.S. commitment to Israel is unshakable, and notwithstanding the "no" that they are going to cast somehow or other the Israelis are to understand that.

The Israelis and the Americans who feel as I do, are likely to read the signal that is going to go out from this Chamber today quite differently. Intelligent people in the imperiled and exposed position that the Israelis are in are going

to look again to their own safety and their own security. They are going to take measures on the assumption that no is no and it cannot be interpreted into yes by the fact that our commitment to Israel is stated to be unshakable. The vote today may raise doubts now for the first time in 30 years respecting our commitment given the overtones and context of this debate.

This sale is not central to the security of Saudi Arabia. The first deliveries are not made until 1981.

Mr. JACKSON. Mr. President, will the Senator yield?

Mr. JAVITS. Of course.

Mr. JACKSON. I think my good friend from New York has zeroed in on the precise problem we face. What does the administration propose to do between now and 1981, 1982, 1983 for the security of Saudi Arabia? There Mr. President, is the heart of the problem. The Saudi need is for a military infrastructure to deal with the threat from within.

I would point out the threat in Yemen, Mr. President, in Yemen itself, there are 1.7 million Yemenites. How many people are there in Saudi Arabia?

Mr. JAVITS. 5.5 million.

Mr. JACKSON. 5.5 million.

The administration is wrong in arguing that sending these highly sophisticated planes is going to provide for Saudi Arabian security. There are only two countries in that area that could defend Saudi Arabia in the event of a takeover: the State of Israel and Iran.

Mr. JAVITS. Now, Mr. President, that is exactly the point. Mr. President, I am deeply concerned that many here are being taken in by a very spurious argument, which is that these planes are essential to the defense of Saudi Arabia. That is what it comes down to when you look through what we are doing and what we are accomplishing. We are accomplishing nothing except to scare the living daylights out of Israel. That is all we are accomplishing.

In view of the fact that you want Israel to give—that is the whole purpose of this exercise, that Begin is too inflexible. Well, my friends, are you going to make him less flexible by the fact that you are scaring all his people to death by a demonstration that the United States is breaking with past policy and is now going to link the weapons it gives the Israelis to the weapons which it gives to the Arabs. Is that going to be the way we are going to save Saudi Arabia or save our Middle Eastern position?

It is unbelievable to me—Senator RIEGLE put his finger on it—that you are going to get peace by putting an additional 5 billion dollars' worth of lethal weapons into the Middle East. If that is how you are going to get peace, it is an unheard of proposition. Yet that seems to be current in this debate.

Mr. CHURCH. Mr. President, will the Senator yield for a question?

Mr. JAVITS. Yes.

Mr. CHURCH. I saw in the newspapers this morning that the Israeli chief-of-staff made a public statement to the effect that Israeli security called for continued retention of the Golan Heights and the West Bank.

I ask the Senator if this might not be regarded as the first dividend of the administration's policy of forcing the sales on us at this time and packaging them together?

Mr. JAVITS. There is no question about it, and you are going to get more and more of that.

Suppose you are an Israeli. General Jones himself, when we questioned him in the committee, said the Israeli military planners must assume in their planning that in any battle the F–15's, may be in it. They just cannot assume otherwise.

It may be that this is going to be voted against us tonight, it may be. But, Mr. President, we will be alive tomorrow, too, and our colleagues had better take very strict account of the policy which they are making because it is a major break and must appear to be that to the Israelis and to everybody else, including Sadat, and I will come to him in a minute. It is a major break with our policy in the past.

Now, Sadat, many people think, well, he has really tried for peace, notwithstanding the fact that while I give him every credit for his going to Jerusalem, he has been absolutely inflexible and has made conditions precedent even to negotiations.

Since then—and he is the one, not the Israelis, who pulled his ambassadors out of the negotiations when he did not like what was going on, if it did not suit his preconditions—but, be that as it may, Mr. President, how is Sadat going to read this? He is going to read this as a message to him to get back together again with the oppositionist Arab States. That is where the money is, that is where the United States thinks the moxie is, and the strength is, so he had better get back in there. He is going to get his money and his planes from the United States anyhow. We make no precondition.

Lastly, Mr. President, does the Senate have to act on this matter in this way? Resoundingly, no. We have a military assistance bill coming on the floor within a week or two, and we could use that bill to create and design any sales package we wanted to. I myself have said that if you want to settle this thing without having blood on the Senate floor, take the recommendations of the Department of Defense, which were 40 F–15's for the Saudis and 40 F–15's for the Israelis, and 125 F–6's for the Israelis. But the administration, the minute the majority leader told them he had the votes, would not hear of it. They were not worried about blood on the floor of the Senate. Lots of the people here are, but they were not. Once that curtain went down that was it. That was the end of any discussion.

There is one last point, and then I shall quit. And that is the rebuff theory. The rebuff theory is a theory which says that the Saudis will be rebuffed, and then they will turn to the French and they will get planes from the French.

Well, in the first place, as has been said here time and again they get——

The PRESIDING OFFICER. The Senator's 10 minutes have expired.

Mr. CASE. I yield 2 minutes.

The PRESIDING OFFICER. The Senator from New York is recognized for an additional 2 minutes.

Mr. JAVITS. Only 2 minutes. I want to leave time for others. We have had our respects already paid to the French deal in the fact that the administration says it has the assurance, that Saudi Arabia will not buy French planes, unless we refuse but then they will. Mr. President, the Saudis are not interested in French planes. They are interested in the U.S. security guarantee. That is what they are essentially bargaining for; and they have a tripwire of thousands of U.S. employees in Saudi Arabia.

They are not going to be rebuffed, Mr. President, and throw the United States over.

Do you think, Mr. President, or does anybody in this Chamber think, that the Saudis are going to exchange dollars for francs? Do you think they are going to exchange a French guarantee of their security for that of the United States? They are much more sophisticated and much more intelligent than that.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. BIDEN. I yield myself 10 minutes.

The PRESIDING OFFICER. The Senator from Delaware is recognized for 10 minutes.

Mr. BIDEN. Mr. President, I think the comments that have been made the last half-hour on this floor have finally focused on what I believe to be the central issues of this debate. We were in closed session for 2 hours this afternoon, and discussed in detail many aspects of these issues that have been more generally raised here in the last half-hour of debate. But, Mr. President, I think a few things should be set straight.

First, if this resolution is to be adopted—if we have the votes—it does not mean that Saudi Arabia has been denied, Egypt has been denied, nor Israel has been denied. What it does mean is that we have delayed judgment on that question. It should not be construed as denying a future possibility of selling weapons, sophisticated or otherwise, to Saudi Arabia.

I should also like to point out that we have discussed all day whether or not disapproving the sale would be a slap in the face to the Saudis, whether their pride could sustain it. The sale was spoken of as a litmus test as to whether or not the United States was committed to Saudian security interests, and so on.

For the record, since 1973 we have provided Saudi Arabia with more than $12.6 billion in military equipment, construction, and services, and currently there are more than 3,500 American personnel who are stationed in Saudi Arabia working in military related jobs.

I respectfully suggest, Mr. President, that my colleagues should look at the total picture. If we disapprove the entire Middle East package, I do not understand how that is tantamount to our saying that we do not recognize the security interests of Saudi Arabia. How can it be said that we do not recognize their friendship or we do not recognize their importance, in the light of the fact that for more than 40 years, and particularly since 1973, we have made a significant financial commitment to Saudi Arabia. We have made a significant commitment in terms of personnel and a significant commitment in terms of technology for military as well as civilian use. In brief, to disapprove the entire arms package to the Middle East is not singling out Saudi Arabia for an arms sale rebuff.

Second, the most cogent argument made today, an argument in opposition to our resolution of disapproval, has been the fact—I wish we had the maps back that we had this afternoon in the closed session—that Saudi Arabia's interests are imperiled at the moment because of the hostile conditions on the horn of Africa, in Yemen, in Iraq, and to the north, in the Soviet Union. The peril was described to us as a great pincer movement threatening Saudi Arabia. And it went on and on. Several of our colleagues made very cogent arguments that the security interests of Saudi Arabia are in jeopardy and will continue to be in jeopardy, if the United States does not do something about it.

I do not disagree with that. But I do not see how 60 F-15's being delivered to Saudi Arabia, at the earliest in 1981—it will probably be 1983 before they can fly the planes in their defense—is adequate for her defense needs. This has been pointed out very cogently this afternoon by the distinguished junior Senator from Washington.

It was also pointed out time and again here today that Saudi Arabia has a mutuality of interests with Israel, Egypt, Iran, and Syria.

Assuming that to be true, which I think it is, how are we going to assure that these mutual interests emerge unless there is peace between Saudi Arabia and Israel, Egypt and Israel—in short, peace in the Middle East?

Yet we are told by the administration that if we do not go forward with these sales to Saudi Arabia, Egypt, and Israel now, we are going to diminish the peace prospects. I, for one, fully agree with the senior Senator from New York who pointed out very clearly, what the reaction in Israel would likely and justifiably be as a consequence of this action.

When I have argued against the sales to the Middle East, some of my colleagues have countered with, "Oh, the Israelis are paranoid." Well, without debating the issue of paranoia, the fact of the matter is that the Israelis fear for their security, they fear for their life in real terms—now. Today not tomorrow. Not in 10 years or 20. But now. And, Mr. President, if in fact as a consequence of this sale the Israelis feel that their relationship with the United States has been significantly altered, I see them being driven even further into a corner adding fuel to the charges of their critics.

As my distinguished colleague Senator CHURCH pointed out a few minutes ago, I think we are already beginning to see the results of the lack of wisdom of packaging the arms sales if one can judge by the remarks made today by the Israeli officials.

Mr. MOYNIHAN. Mr. President, will the Senator yield for a question?

Mr. BIDEN. Certainly.

Mr. MOYNIHAN. I appreciate the Senator's giving me a moment to ask him a question, which I think is obviously one he will answer in a way I will agree with.

We have the much advertised paranoia of the Israelis, a term which should never be addressed to an ally and a friend that has experienced a threat and danger of attacks as they have.

With respect to this particular proposal, is it not the case—and as the Senator knows, as I mentioned when I spoke earlier today, I was U.S. permanent representative to the United Nations in the fall of 1975, at the time our second agreement was reached. In a most solemn commitment, we asked the Israelis to move out of strategically powerful positions they had in the Sinai, in return for which we said we would provide them with 25 F–15 aircraft.

We made that agreement with respect to the adversaries all around them, which at that time clearly included the Saudi Arabians. Is it paranoid for them now to ask, "How could a far greater number of planes to the Saudis be connected to a solemn agreement with Israel?" Is that a question of paranoia, or a question of asking the U.S. Government to keep solemn agreements solemly arrived at and publicly made before the whole world?

Mr. BIDEN. In the interests of time, my answer is clearly "no." I believe Israel's fears for her security are justifiable.

Mr. ABOUREZK. Mr. President, will the Senator yield for a comment?

Mr. BIDEN, Mr. President a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BIDEN. How much time do I have remaining?

The PRESIDING OFFICER. The Senator has 2 minutes of his 10, and 3 additional minutes left.

Mr. BIDEN. A total of 5 minutes remaining?

The PRESIDING OFFICER. A total of 5 minutes remaining.

Mr. BIDEN. I will yield for 30 seconds for a brief question.

Mr. ABOUREZK. I missed something here. The Senator from New York is against this sale. Included in this sale are 25 plus 20, 45 F–15's to Israel, which he says we gave a commitment to deliver back during the Sinai 2 agreement.

If he is worried about the commitment to Israel, why is he voting to deny the sale of airplanes to Israel? I do not understand.

Mr. BIDEN. If I may I would like to ask the Senator from New York to answer that question in the cloakroom after the debate is over. Since the question is not addressed to me, and my time is limited, I prefer to use the remainder of my time now, and trust that the Senator from New York will respond later.

One more point with regard to Israel's concern: The justification for the sale to the Saudis is to meet their legitimate security interests. We are assured that the F–15 will only be used defensively and will in no way threaten the security of Israel. Yet the administration, in order to sweeten the pot, comes along and says, "If you all go along with this idea, what we are going to do is promise to sell another 20 F–15's at a future date to the Israelis."

It seems to me that by saying that they acknowledge that the Israelis have a legitimate concern. The Administrator recognizes that the net effect of these sales will be to further jeopardize Israel's security interests. If this is not so, why are they offering another 20 F–15's at $15 million a crack? I assume it is based upon their recognition of the Saudi sale as increasing the threat to Israel.

The PRESIDING OFFICER. The Senator's 10 minutes have expired.

Mr. BIDEN. I yield myself the remaining 3 minutes that I have.

The PRESIDING OFFICER. The Senator is recognized.

Mr. BIDEN. First, delaying this sale does not deny the security requirements of Saudi Arabia. Quite to the contrary, the sale of 60 F–15's can in no way guarantee the security requirements of Saudi Arabia. That can only come as a consequence of peace. But the sale to the Saudis does have the effect of driving the Israelis further from a negotiated settlement.

Second, this is not the time for a Mideast arms sale. We are still engaged in a peace process. The Sadat peace initiative is still alive and hopefully negotiations will soon be resumed.

Third, this is not the proper solution in any case, even if it were the time. To put a package of arms worth billions of dollars into an area which does not meet any individual nation in that area's ultimate security requirements is just the beginning of even greater misjudgments. Or is this package just a start? Since 60 F–15's do not really meet Saudi Arabia actual defense needs adequately, is the administration really saying to us, "We are going to be back here for 60 or 120 or 180 more."

Last, the central issue here is not the number, nor the amount. The question, and the only question here, is peace. There will only be security for Saudi Arabia and Egypt and Israel when there is peace in the Middle East. For those of my colleagues who truly believe that this

arms sale package will bring us closer to the peace table, then they must vote their conscience and vote for it. But I would like them to reexamine whether or not they truly believe that a sale of weapons is likely to persuade the parties to return to the peace table and continue their efforts for a negotiated settlement. I suggest it would not.

I thank the Senate for its indulgence.

The PRESIDING OFFICER. All time of the Senator from Delaware has expired.

The Senator from New Jersey.

Mr. CASE. I yield 1 minute to the Senator from Delaware so I may ask him a question.

I think the most important statement that the Senator from Delaware has made tonight, and he has made many, is the fact that the only security that can come to any country in that part of the world is through the achievement of peace, and that the peace negotiations should be our first concern.

I agree further that these sales will not advance the negotiations for peace. Should we not make it clear to the Saudis and to the rest of the Arab nations that the time has come for them to move up to the point where Israel is? They should be ready for negotiations on the basis of the conditions set forth by the President of the United States. These conditions include, of course, the recognition of Israel's right to survive, right to be a nation. That recognition has not been given.

The PRESIDING OFFICER. The Senator's 1 minute has expired.

Mr. CASE. I yield 1 more minute so the Senator can respond.

The PRESIDING OFFICER. The Senator from Delaware is recognized.

Mr. BIDEN. There has been a lot of discussion about the moderating influence of the Saudis. They have been considerably more moderate than other Arab States. But keep in mind that they have yet to recognize the State of Israel. And I am not aware of the Saudi moderating influence on the current peace process.

If the administration came to us and offered us substantive evidence that the sale to any or all the countries would encourage the peace process, then the sale would make some sense. But I know of no relationship between the arms sale and the peace process. Nor of a relationship between the arms sale to Saudi Arabia and that country's recognition of the State of Israel.

Mr. CASE. I yield myself 1 minute, Mr. President.

The PRESIDING OFFICER. The Senator from New Jersey is recognized for 1 minute.

Mr. CASE. I had intended to take this minute a little later but I believe I had better take it now.

We seem to read nothing in the papers and hear nothing on radio and television except that Israel is being pushed to be less intransigent, it is being pushed to yield. To yield what, Mr. President? To yield on matters which Israel regards essential to her security. This represents, it seems to me, an upsidedown view of the right way to deal with this problem in the Middle East.

It is time that we bring out, and I think this debate may have helped to bring out, two things: One, that we are not doing Israel a favor by letting her exist. She, in effect, is doing us a favor by existing. Indeed, we need Israel's existence far more than Israel needs patronage.

Second, that the time has come for us to move directly to bring the Arab world, the moderate Arabs, if you will, to a recognition that Israel is important to them, and that if they want peace and security they can find it only by recognizing Israel. And then the parties can move together. Without that on the Arab part, talk about negotiations and all the rest is vain.

I yield 3 minutes to the Senator from Texas.

The PRESIDING OFFICER. The Senator from Texas is recognized for 3 minutes.

Mr. TOWER. Mr. President, it is certainly in the national interest of the United States that we should protect the political and territorial integrity of Israel. Beyond that, it is indeed a moral imperative.

That matter rests more on geopolitical considerations sometimes than it does on the question of military posture. I find that many of our friends here today who are arguing against the arms sale are people who have continued to vote to keep us reduced to a status of dependency on the Middle East for our energy resources by refusing to free up the price of oil and gas in this country so that more will be produced. That is very fundamental in this whole debate.

Somehow it is all right to pay the Middle Eastern countries $14 a barrel of oil but not all right to pay our own domestic producers.

Believe me, according to a recent study, we are facing up to a shortfall in capital to develop our own resources in this country.

There is yet another question. Many of those who oppose this arms sale had once wanted to impose an arms embargo on Turkey, which has a vital geopolitical situation, which monitors the movements of the Soviet fleet, which is a vital anchor of NATO in the Eastern Mediterranean and the defection of which would pose a great hazard to the peace and security of Israel.

So the preservation of the territory and political integrity of Israel goes far beyond the mere business of military posture, and I only hope that my colleagues will reflect on that when we deal with some of these other issues.

The PRESIDING OFFICER. Who yields time?

Mr. CASE. Mr. President, I yield 5 minutes to the Senator from Alabama, the chairman of our committee.

The PRESIDING OFFICER. The Senator from Alabama is recognized for 5 minutes.

Mr. SPARKMAN. I thank my good friend and coworker. I have very little to say. I did make a brief statement when we started this debate this morning. However, there are some things that I think we ought to be reminded of.

First of all, I want to compliment every Senator who has spoken today. I think they have been wonderful statements by all.

I recall when this started, so far as we were concerned. Secretary Vance proposed a program, which I thought was a well-balanced program, among the three nations that we are primarily concerned with. About that time I called President Carter personally and talked with him. I suggested that he withdraw his proposal and give us time for negotiation. I felt very strongly that we could negotiate our differences. But he told me that he could not do it. Therefore, we went to work on this whole program, all angles of it.

I yield to no man in his desire for peaceful solution, and may I say, for a lasting peace in the Mideast.

I think we all believe in that and want to work to that end.

We have had long meetings in the Committee on Foreign Relations regarding this. We have listened to the testimony given by all sides. We have voted on it. As a result of that vote, it is before us today.

I want to say one thing while I think of it: Some mention was made earlier in the afternoon about the testimony of Admiral Turner, Director of Central Intelligence. Admiral Turner testified before us in closed session, and I am not going to relate any of his testimony. I will say that, when he finished his testimony, I said to him, "Admiral, have you conveyed to the President of the United States the same things you have conveyed to us?"

He said, "Yes, I have."

So we cannot say that the President was working on something that he had no information on. All of that was transferred to him. He still stayed by his proposal.

I do not like to see these tremendous arms sales. I hope the time will come when we will not be the great arms market for the nations of the world. I think it can be achieved. But we are not there yet. I think the program, as it has been proposed, the one that is being debated here today and is almost at its end so far as the debate is concerned, is the best that can be achieved at the present time. Therefore, I am supporting it and supporting it in good conscience, because I think it is right. I think it is the proper course to take at this time. I propose to support the President in his program.

I yield back my time.

Mr. ABOUREZK addressed the Chair.

The PRESIDING OFFICER. The time of the Senator has expired.

Who yields time?

Mr. CASE. Mr. President, I yield 1 minute to the Senator from Ohio (Mr. GLENN).

Mr. GLENN. I thank the Senator from New Jersey. I shall be very brief.

Mr. President, although some have interpreted the reporting of this resolution as a device permitting the Senate to work its will, let me restate the obvious. The Committee on Foreign Relations was deadlocked, 8 to 8; the resolution of disapproval failed.

I take as my theme the same proposition I argued in committee sessions: Approval of these sales is essential to U.S. economic security, benefits Israeli security in the long term, and is more likely to insure peace.

There is no utopia, no perpetual peace which can be attained in international politics. There is no escape from difficult choices. Although I wish these sales could have been delayed, the choice is not ours. Each nation has insisted upon going ahead. Some today have debated timing. It is a false issue. The die is cast. Our task is to search among the competing alternatives and select the course that maximizes U.S. interests and the prospects of peace.

The subject of our debate is the Middle East, its past agony and its future hope. What we do here will signal far more than approval or disapproval of mere aircraft sales. It will, to some extent, determine our economic condition; it will either constrain or encourage Soviet-Cuban imperialism; it will either encourage Arab moderates, thereby promoting Israeli security, or lead to round five in Arab-Israeli wars. The Arab-Israeli military balance is not the issue. Those who insist upon such a one-dimensional model ignore the geopolitical significance of the Middle East sitting astride three continents—Africa, Asia, and Europe—and containing the world's greatest concentration of oil.

OIL AND ECONOMICS

It is oil, of course, that is the world's most important commodity. From the Arab/Persian Gulf through the narrow Strait of Hormuz flows 18 percent of U.S. oil, 70 percent of Western European oil, and 85 percent of Japanese oil. There is no more strategic piece of geography in the world. Thus, it is not surprising that the Soviet-Cuban team is fighting throughout the Horn of Africa, waiting to exploit developments further in central and southern Africa, expanding Soviet naval presence in the Indian Ocean, fermenting coups in Afghanistan, supplying radical Arab regimes in Libya, Syria, and Iraq and now active in South Yemen.

Oil, black gold, is the prize. If we reject these sales, the incentive for Saudi Arabia to continue production well in excess of its own fiscal needs is significantly reduced. In time, production curtailments are likely. Further, the Saudi support of the dollar may be lessened, investment withdrawn and fiscal cooperation curtailed. Such developments in the next decade would severely hamper our economy.

Because of oil, the Soviet Union is carefully building a circle of influence through semicovert actions and proxy war. The specter of Soviet imperialism stalks the region. Saudi Arabia borders two Soviet-assisted enemies—Iraq with a far larger air force and South Yemen, where some 200 tanks and 50 Mig–23 aircraft are in the process of being deployed. Just across the Red Sea is Ethiopia, another Soviet-aided potential enemy. Given the Saudi oil wealth, obsolescent British Lightning Aircraft of a 1950 era, and modern air threats, I for one believe the Saudis want the world's finest air interceptor for very good reasons. Moreover, their defensive intent is made clear by their agreement to forgo many air-to-ground capabilities. Hence, for our own economic security, these sales should be approved.

ISRAELI SECURITY

My second argument is that these sales benefit Israeli security. Let us not mince words. For many Senators the security of Israel is the paramount issue. The integrity and security of Israel is central to our foreign policy. To this small nation saddled with the legacy of four wars and more populous and hostile neighbors, the threat of war is all too menacing.

I yield to none in my support of Israeli security. But, there are differing interpretations of what is in Israeli security interests. We must remember that Arab politics is extraordinarily diverse; revolutionary and radical regimes in Iraq, Libya, South Yemen; conservative and moderate governments in Egypt, Jordan, and Saudi Arabia. Further, Arab animosity toward Israel has never been sufficent to fully coordinate military actions against Israel or, after wars, to agree upon a common diplomatic position toward Israel. If we reject sales to moderate Arab States, we unleash those very forces that are most likely to threaten Israel. Radical regimes in Saudi Arabia, Jordan, and Egypt would be far more dangerous to Israel than the incumbent governments.

Some suggest further that less advanced French aircraft are less of a threat to Israel than the F–15 Eagle in Saudi hands. This is simplistic. If we sell the F–15, we have U.S. technicians on the ground, we control not only the flow of spare parts but also the supply of air-to-air weapons to be utilized, and we know what is going on. However, if we disapprove these sales, the Saudis will turn to the French where we exert no limitations on numbers, armaments, third-country transfer and training, or awareness of Saudi intentions. Let there be no delusions. The Saudis are rich enough to acquire aircraft at their choosing. No matter what we decide, they will get modern aircraft. From my military experience, I can assure you, Mr. President, a French connection in unlimited quantities and with its potential for Arab standardization is significantly more dangerous to Israeli security than 60 F–15 aircraft with U.S. involvement.

The essential fact in the military equation is Israeli superiority. Stocks of war materials in Israel are such that she can even avoid dependence on the United States for the first 3 weeks of any war—and none has gone that long since 1948. Sixty Saudi F–15's, with very minimal air-to-ground capabilities are but a marginal threat against the only effective air defense system in the Middle East and 560 first-line Israeli combat aircraft. Nor would cost-effectiveness dictate that F–15's, at $16 million apiece, be used in air-to-ground combat missions. The U.S. Air Force has not qualified these aircraft on air-to-ground modes and there is even less sense in Saudi Arabia doing so. Moreover, the President has stated his intention to provide 20 additional F–15's to Israel in 1979. And, of course, as intelligence reports reveal, the operational readiness rates for Arab aviation assets are far below corresponding Israeli figures. Yet, it is this rate, not numbers of aircraft, that determine combat capabilities against Israel.

Each state wants these aircraft. Israel desires the further modernization inherent in the proposed sale of 90 aircraft. Although 50 F–5E's to Egypt will not drastically affect the military balance, Egypt needs them to show further gains from the turnaway from Soviet supplies. Saudi Arabia is growing increasingly conscious of air threats from Iraq and South Yemen and wants a symbol of U.S. evenhandedness in the Middle East. The reasons for these requests from each country thus are defensive and political.

PEACE: EVERYONE'S OBJECTIVE

My third yet paradoxical point is that these sales can help revive the momentum to peace which is grinding to a halt. As former Israeli Ambassador Abba Eban noted in 1969,[1] "history works not in logic or precision but in irony." Strategy is a mix of complex international relationships and weapons technology. A weapon is morally neutral, only intent is offensive or defensive. By reaffirming our special relationships with each of the three nations, by meeting legitimate needs of each state at a time of their choosing, we build a confidence in the United States as an honest broker of peace. We also aid moderate Arab leadership. Real progress toward peace demands a two-sided relationship between the United States and the Arabs.

Some of my Jewish friends argue this will make Arabs intransigent. I disagree. Egypt, overpopulated, poor and the principal combatant against Israel in the past, is better led by President Sadat than by some obscure Army colonel. Israeli security is better entrusted to the first Arab leader eager to reduce the crippling burden of military budgets, brave enough to journey to Jerusalem. Saudi Arabia, underpopulated, rich, with the weakest military force, remains quite vulnerable to a concentrated Israeli combined air and ground attack. Thus, she has neither motive nor capability to threaten Israel. If the Middle East is to avoid the cruel dilemma of no war, no

[1] Jerusalem Post, June 6, 1969.

peace, mutual confidence must be built. These sales, paradoxical as it may seem, are a further step toward peace. The conduct of diplomacy is always a delicate adjustment, a mutual exploration of intentions and capabilities geared to finding an equilibrium which, if not fully satisfying, is tolerable to all.

There are, to be sure, references to a spiraling arms race endangering peace. This blanket assertion ignores two realities: First, for 30 years we have been supplying arms to Israel; second, Arab oil wealth means they will get weapons. Against these realities must be weighed another important fact—there is no proof that a causal relationship exists between armaments and war. Armaments reflect political tensions, but arms do not create these tensions. Saudi Arabia and Egypt are not determined to resort to violence. The military balance is not altered; suspicions are not aroused by these sales. More significantly, it must be remembered that arms sales in the Middle East are intertwined with arms races and political ferment in Africa and Arab fears of these developments. If we examine history since World War II, it can be argued that armaments have helped to stabilize situations. Until recently, Europe was the largest importer of arms, yet—perhaps for that reason—it became more stable and moved from military confrontation to détente. Thus, it is by nō means certain that the potential for violence is increased by the transfer of these arms—especially when the alternatives—a potential Soviet return into Egypt if Sadat fails and falls, a deterioration in Saudi-American bilateral relations, and no control over French armament deliveries which ultimately greatly increase the threat to Israel—are unacceptable. It is for these compelling reasons that I urge my colleagues to reject this resolution.

Mr. President, we have gone quite a long way today in this discussion. It has covered many areas. I ask my colleagues to consider that when it comes down to the vote this evening, our choice is very simple. It is not the many extraneous items that have been brought in today. It really is this: Do we approve the arms sales and retain what U.S. controls we have over the use of those sales and the influence it can carry toward the peace table again?

Or do we disapprove the sale and take a desperate gamble on losing what influence we have and open the specter of the unlimited and uncontrolled sale of arms in the Mideast, over which we have no control whatsoever?

Mr. President, I urge my colleagues to vote against this motion of disapproval.

Mr. CASE. Mr. President, I yield 2 minutes to the Senator from Massachusetts (Mr. BROOKE).

Mr. BROOKE. Mr. President, I thank my distinguished colleague.

Mr. President, the interests of the United States are inevitably intertwined with those of many countries in the Middle East. However, our most deep and abiding commitment in that part of the world is to the security of Israel as a Jewish homeland. It has been U.S. policy over the three decades since the establishment of the State of Israel to assist in her efforts to maintain the military capability necessary to insure her survival amidst her ofttimes antagonistic Arab neighbors. That policy should not and must not change. And it must form the basis from which we judge other U.S. actions in the area impacting upon security questions.

We also recognize that it is in our interest to cultivate effective and cordial relations with the moderate Arab States. For that reason we are providing a great deal of economic assistance to Egypt and Jordan. For that reason also we have a close relationship with Saudi Arabia. I believe each Member of the Senate deeply appreciates when our acts of friendship are reciprocated by the Arab States. There are many interests we hold in common with them that form a solid foundation for continued amity.

It is also apparent that the United States cannot be indifferent to the security challenges faced by the Arab moderates from Arab extremists and the latter's chief supporter—the Soviet Union. I share with the Saudis a deep concern over the events of the past year in the Horn of Africa. Soviet-Cuban military activities in Ethiopia and elsewhere do pose a challenge to Saudi Arabia and other Arab moderates as does the pro-Soviet orientation of Iraq. Egypt also feels pressure from the radical Libyan regime of Colonel Quadaffi.

While we must be sensitive to the security challenges faced by all our "friends" in the Middle East, we cannot avoid the reality that, lacking an effective binding accommodation between Israel and the Arab moderates, the United States cannot make its arms transfer decisions to the Middle East solely on the basis of the very real Soviet-Arab extremist threat. It must, like it or not, take into consideration the effect of transfers of sophisticated military equipment on the Israeli-Arab military equation.

It is my considered judgment that, at this point in time, a very crucial period in the search for the desired Israeli-Arab accommodation, the administration's proposal to provide F–15's to Saudi Arabia represents an unwise qualitative escalation of arms capabilities in the Middle East. Such an escalation would have little impact on the efforts to counter the growing Soviet threat to the Arab moderates, but it would have an impact on the Israeli-Arab issue.

At a minimum, it would lessen the margin of military security for Israel and would force Tel Aviv to plan for another air front in a possible future war with the Arabs. This would mean, in turn, that there would exist even greater "preemption" incentives for Israel under crisis conditions. This is neither in the interests of Israel, the United States nor the Arab moderates. Regardless of well meant intentions, the F–15 sale at this time would introduce a further destabilizing element into the Middle East. Therefore, I intend to vote in favor of the resolution of disapproval.

I am well aware of the importance that we must attach to good relations with the Arab moderates. I will continue to seek such relations. Yet, to agree to an arms transfer that does not hold out sufficient promise of contributing to the search for an Israel-Arab accommodation in a meaningful way while at the same time it contains the possibility of altering the Mideast military equation in a negative way, does not seem to me to be a wise choice.

The difficult choice the administration's proposal has placed before us has convinced me that now is the time for some serious attention to the larger strategic dimensions of the Middle East situation. Too often our understandable desire for a lasting peace in that area of the world has blinded us to the reality that our major adversary in the world—the Soviet Union—does not have a similar interest. It has sought to maximize its influence in the area by encouraging tension and seeking to undermine the moderate elements in the Middle East.

It is time for the United States, Israel, and the Arab moderates to concentrate on the real threat to their interests, namely the effort of Moscow to gain control over the area.

Israel is not the enemy of the Arab moderates. President Sadat acknowledged that by his trip to Jerusalem. And I believe that the Saudis also recognize that such is the case. It is the Kremlin and its extremist clients in the Middle East that would overthrow the Arab moderates; jeopardize the future of Israel; and place a stranglehold over Mideast energy resources so vital to the free world.

It is clearly in the interest of the United States to assist Israel and the Arab moderates in a concerted effort to thwart Soviet and Arab-extremist designs. But, we will not be able to do so by "quick fixes" such as the President's proposal we will vote on today.

What is needed is a Middle East security arrangement that involves a de facto partnership between Israel and the Arab moderates in meeting the Soviet-extremist threats. While such a statement may sound fanciful under present conditions, I believe that a binding Israeli-Arab accommodation that makes such a partnership possible is the necessary precondition to greatly expanded U.S. involvement in military security efforts in the Middle East such as those contemplated by the administration's proposal. Without such a partnership, arms transfers such as those before us, would be illusory regarding the realistic security goals we should be seeking vis-a-vis the Middle East.

Mr. President, I just cannot, for the life of me, understand why this particular

proposal is before us at this time. In 1976 we all listened to candidate Jimmy Carter say—and many people believed—that the United States should decrease its export of weapons of destruction to the rest of the world. He stated he was tired of seeing this country as the major exporter of arms. Now, as President, he is proposing to us that we put $5 billion worth of arms into the Middle East and apparently expects such an action to help achieve peace. That, more than anything, disturbs me. I would be fascinated to know what happened to change his mind in such a fundamental way.

We all want peace. It is true that Saudi Arabia has been a great friend of the United States. It is true that President Sadat's visit to Jerusalem was a magnificent gesture toward peace. If I believed that this $5 billion would help achieve peace, or if any of us believed that this $5 billion sale would help achieve peace, I think we would have 100 votes in the U.S. Senate in favor of the arms proposal. But it is inconceivable to me that, at this juncture in time, we are going to escalate the scope of our arms transfers to include F–15 sales to Saudi Arabia. No compelling arguments have been offered to justify such a course of action.

The PRESIDING OFFICER. The Senator's 2 minutes have expired.

Mr. CASE. Mr. President, I yield 1 minute to the Senator from Maryland (Mr. SARBANES).

Mr. SARBANES. Mr. President, in view of the question that was put by the Senator from Ohio, I simply want to say these words:

> I am particularly concerned by our Nation's role as the world's leading arms salesman. Sometimes, we try to justify this unsavory business on the cynical ground that by rationing out the means of violence, we can somehow control the world's violence. The fact is that we cannot have it both ways. Can we be both the world's leading champion of peace and the world's leading supplier of the weapons of war?

Mr. President, those are not my words. Those are the words of Jimmy Carter in a major speech before the Foreign Policy Association in New York City.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. CASE. Mr. President, I yield the remaining time to the majority leader.

The PRESIDING OFFICER. The Senator from West Virginia, the distinguished majority leader, is recognized for 22 minutes.

Mr. ROBERT C. BYRD. Mr. President, after examining the proposed sales separately and collectively, I have concluded that they are consistent with our national interests and with our efforts to help bring about peace in the Middle East.

The willingness of the administration to heed the calls from the Senate to provide certain assurances about the sales has been an important factor in gaining support for the proposals. Of particular importance have been the assurances concerning future F–15 sales to Israel.

Many of the concerns and questions raised within Congress have been resolved and I believe this is indicative of an important congressional role in shaping the final terms of the sales.

It is in our interest to maintain a strong relationship with all three of the nations involved. Approval of the sales will constitute recognition of our increasingly strong and mutually important relationship with Saudi Arabia and Egypt—as well as our long-standing commitment to Israel.

ISRAEL

Clearly, Israel is at the heart of U.S. policy in the Middle East. The State of Israel has just marked its 30th anniversary as a proud and independent nation, and throughout this time the United States has stood firmly beside her. It is a unique relationship and one about which the American people feel very strongly.

Israel remains the largest recipient of U.S. foreign assistance. Just since the 1973 war we have provided more than $10 billion in economic and military aid to Israel, about two-thirds of which has been in the form of direct grants or concessional loans.

This sale of F–15 and F–16 aircraft is further evidence of our commitment to Israel, as are the assurances about future F–15 sales.

By selling aircraft to Saudi Arabia and Egypt in addition to Israel, we will not be upsetting the balance of air power in the Middle East. Israel now has and will retain a substantial margin of military superiority, particularly air superiority. If I thought these sales were contrary to Israel's security interests, I certainly would not support them.

In evaluating these proposed sales, it is also essential to take into account the potential consequences of not making the sales to the other nations—not just the consequences for long-term Israel security, but the overall economic, diplomatic, and military impact.

Let me turn, therefore, to the proposed sales to Egypt and Saudi Arabia and indicate why I believe them to be consistent not only with our best interests, but with those of Israel and of the prospects for peace in the Middle East.

EGYPT

The sale of 50 F–5E Tiger aircraft to Egypt will take our relations with Egypt across a new threshold and is reflective of the increasing ties between our two countries.

These ties have been significantly bolstered by Egypt's moderate and conservative role in the Middle East peace effort, under the leadership of President Anwar Sadat.

Egypt needs the planes in order to maintain a viable air defense capability. That capability has steadily deteriorated since the cessation of Soviet arms and spare parts deliveries in 1975. The F–5's would not introduce significant new qualitative capabilities into the area and, because the F–5 is a relatively short-range interceptor which can carry only limited payloads, it does not represent a serious offensive threat—particularly when contrasted to Israel's military strength.

Egypt has legitimate security concerns which are not directly related to Israel. Tension with Libya continues to run high and President Sadat is deeply concerned about the Soviet-armed Libyans, as well as Communist-supported threats in other African nations. The Egyptians are especially concerned about any potential threat to the headwaters of the Nile, on which the Egyptian economy is so dependent.

Egypt is at the geographical center of the Arab world and is the largest Arab country as well as one of the largest on the African continent. I believe it is clearly in our interest to maintain a good relationship with and enjoy the confidence of the Egyptians. This could be critical in enabling President Sadat to continue as a major influence for peace in the Middle East.

SAUDI ARABIA

A number of important factors weigh heavily in favor of the sale of the 60 F–15 "Eagle" fighter aircraft to Saudi Arabia.

The sale is looked upon by the Saudis as not only vital to their national security, but as symbolic of a continuing close relationship with the United States. Saudi Arabia and the United States have a mutuality of interests and the Saudis have repeatedly demonstrated their friendship for this country.

When oil was discovered in Saudi Arabia in 1933, all the developing countries were champing at the bit for rights to develop the resources. The Saudis turned to the United States. And they did so because they knew that ours was not an imperialistic Nation, because they knew that American oil exploration would not mean American economic exploitation. With 25 percent of the world's proven oil reserves, Saudi Arabia last year was the major exporter of oil to the United States. And this year, Saudi Arabia, whose largest trading partner since the Second World War has been America, is expected to buy about $5 billion worth of goods and services from the United States—up from $2.8 billion in 1976.

With a total area equivalent to the section of the United States east of the Mississippi River, widely disbursed concentrations of population and resources, and extremely limited manpower, the importance of the Saudi air defenses becomes obvious.

Saudi Arabia has genuine concerns about possible threats from its Soviet-supplied neighbors—Iraq and the Peoples Democratic Republic of Yemen. And Ethiopia, just across the Red Sea, has become a Soviet arsenal and a Cuban staging ground.

Even with the F–15, Saudi Arabia would continue to have the smallest inventory of combat aircraft in the area.

with the exception of Jordan and the Peoples Democratic Republic of Yemen. Iraq, Iran, Israel, Syria, and Egypt all have air forces three to four times as large as that of Saudi Arabia, and all now have advanced fighter aircraft, which the Saudis would not have operational in their country until 1982–83.

The sale of the F–15's to Saudi Arabia would provide an appropriate counter to external threats. The Saudis are seeking increased defensive capability, and that is what the F–15's offer.

Israel's military capabilities far exceed those of Saudi Arabia. Use of the F–15's against Israel, which seems highly unlikely in any case, would not only pit the Saudis against the highly sophisticated Israeli air defense network, but would leave the Saudi home territory vulnerable. And, as administration officials have repeatedly emphasized—and as the Saudis have made clear—the F–15's is intended for a defensive role.

In addition to the fact that the F–15 is basically designed as a defensive aircraft, equipped for air-to-air engagements rather than air-to-ground missions, there are several other factors which make it apparent that the Saudi F–15's are for defensive purposes and are not a threat to Israel.

We would not equip the planes with the special supplemental bomb racks. The bomb racks are included with the F–15 is intended for a defensive role.
be delivered to Israel.

The Saudis have assured us that the F–15's would not be stationed at Tabuk Air Base. There has been concern that some of the planes might be based at this facility, which is only 125 miles from Israel. In any case, as Saudis point out Tabuk, which is actually an expanded civil airport, is not really sufficient to support the stationing of F–15 aircraft. Instead, Saudi Arabia apparently plans to locate the planes at Tayif, southeast of Jiddah and near the holy cities; at Dhahran on the Arabian Gulf; and at Khamis Mushayt, near the Red Sea.

The base at Khamis Mushayt would seem to be especially strategic, since planes based there could be used to defend Bab Al Mandab, the door to the Red Sea from the Indian Ocean and the major oil supply line to Israel. Bab Al Mandab was closed by Egypt in 1973, but the United States was able to convince Egypt to reopen it. I doubt whether our powers of persuasion would be as effective if the Communists, or a Soviet-backed nation closed that passage.

Another Israeli concern has been that in the event of renewed conflict, the F–15's might be transferred to Arab "confrontation" states. However, Saudi Arabia is fully aware of its obligations not to transfer U.S. equipment supplied under the foreign military sales program without U.S. permission. Indeed, this is a condition of any U.S. letter of offer to sell major defense equipment.

Because of U.S. dependence on Saudi Arabia for 20 percent of our oil imports—1.7 million barrels a day—and because of the heavy trade between our two nations.

there has been some talk that this proposed arms sale was motivated by the threat of economic blackmail. To believe that is to believe that the Saudis do not need the United States.

That is simply not the case. As in most lasting relationships between nations, ours with Saudi Arabia was founded on friendship and has matured because of inter-dependency. Saudi Arabia may value our friendship, but they need our technology. And they will continue to need it for the foreseeable future. Whether it is drilling for oil or building cities on what is now just barren desert, the Saudis have turned to the United States—not just because they trust us as a people, but also because they know that our technology is the best in the world.

I do not believe that, if this proposed arms sale were rejected, Saudi Arabia could afford to sever ties with America, or try to "punish" us economically. Thus, in supporting the proposal, I do not feel that we are acting with a cocked pistol at our temples, or with the threat of economic blackmail in the backs of our minds.

CONSEQUENCES OF REJECTION

As I said earlier, we must also consider the consequences of not making the proposed sales. One of the most important questions in evaluating this proposal is what would happen if the sale to Saudi Arabia is rejected. In this case, the result is starkly apparent.

There can be little doubt that the Saudis would quickly turn elsewhere, almost certainly to France and its Mirage aircraft. The F–1 Mirage has much greater offensive capability than the F–15. And, instead of obtaining 60 F–15's over a 4- to 5-year period from the United States, the Saudis could get an equal number of the French F–1 Mirage fighter-bombers almost immediately, with prospects for buying more. The French would like to coproduce the new Mirage F–2000 with the Egyptians and Saudis—using Saudi money—and the Saudis would acquire up to 125 planes. Unlike planes purchased from the United States, those bought from France might be freely transferred among Arab States. If the Saudis are using F–15's, then the United States will maintain a degree of technical control and influence. By refusing the sale, we would quite possibly forfeit that influence, probably to Israel's detriment.

As Gen. David Jones, Air Force Chief of Staff and Chairman-Designate of the Joint Chiefs, recently stated, Israel would probably face a far greater threat if the Saudis made a purchase from the French than could possibly be the case if the F–15 sale is made.

The sales to Egypt and Saudi Arabia are not contrary to Israel's interests, and, for the reasons I have cited, are consistent with U.S. interests and with efforts to achieve peace in the Middle East. Failure to approve the sales to Saudi Arabia and Egypt at this stage would seriously damage our credibility with these two key nations and undermine our ability to serve as a mediator in the Middle East.

Our relationship with Egypt and Saudi Arabia, as well as Israel, is based on much more than our role as a supplier of arms. However, it is in our common interests for each of these nations to have a strong national defense.

As I have indicated in the past, major arms sales should be an instrument of U.S. foreign policy only under exceptional circumstances. I continue to believe that efforts must be made to bring down the total of arms sales and I strongly hope that this can be done. I am pleased that we have recently reached agreement with the Soviet Union to hold talks on limiting arms sales and I hope that such talks will lead to positive and concrete steps to curb the world arms trade. But it must be a mutual action involving all the major arms suppliers. What we are able to do in this regard will, of course, inevitably be influenced by what other supplier nations are doing.

And although we should continue our efforts to bring about a reduction in arms sales, we must consider the sales currently before us based on the situation which now prevails.

Mr. President, there are those who view the arms sales issue before us as a tug-of-war between Israeli and Arab interests.

The dividing line here is not between Israel and Saudi Arabia, but between the radical and moderate influences in this troubled region. This gulf is deep and wide.

There is a certain reality that must be faced here—a reality as stark and apparent as any threat has ever been to our own national interests. The road to peace is not measured in feet but in miles, and we must have the vision to see the longer distance.

For it is easy to forget that Iraq, Ethiopia, South Yemen, Cuba, and, of course, the Soviet Union are volatile and adverse components in the complex puzzle of Middle East peace and stability.

If these sales are disapproved, we will have provided comfort to the enemies of moderation. We will have served up—on the proverbial plate—a victory to radicals in the region and to the clients of the Soviet Union.

No, I do not look at this issue as a struggle between Israeli and Arab interests. I see it as a battle for the best interest of the United States, Israel, and the moderate Arab States.

Mr. President, I urge the Senate to vote no on the disapproval resolution. I had earlier intended to move to table or to move to indefinitely postpone, but I have decided not to do that. Therefore, I shall expect a vote to occur up or down on the disapproval resolution.

Let me take just a moment to compliment all sides on this debate. Those who have supported the resolution of disapproval and those who have opposed the resolution of disapproval, I think, are all to be complimented.

I believe that, as far as my own position is concerned, it was very adequately stated already by those who view the

matter as I do, and particularly by Mr. RIBICOFF and Senator MURIEL HUMPHREY.

I also want to compliment the distinguished chairman of the Foreign Relations Committee, Mr. SPARKMAN, as well as the fine work of the floor managers in support of the resolution, Mr. BIDEN, Mr. CASE, and Mr. JAVITS. Finally, I want to compliment the distinguished minority leader, Mr. BAKER, for his bipartisan leadership in this very important area of our foreign affairs.

Mr. President, a vote "aye" is a vote against the proposed arms sales to Israel, Egypt, and Saudi Arabia. A vote "no" will support the sales to those three countries.

I urge the Senate to vote "no."

Mr. President, I yield back the remainder of my time.

Before yielding back the time, I yield briefly to the Senator from South Dakota.

Mr. ABOUREZK. Mr. President, I just want to say to our leader that I had a beautiful speech prepared to deliver on this issue, but it could not compare to all of the oratory I have heard today. So I ask unanimous consent that it be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The VICE PRESIDENT assumed the chair.)

Mr. CHURCH. Mr. President, will the majority leader yield?

Mr. ROBERT C. BYRD. Mr. President, I yield to the distinguished Senator from Idaho.

Mr. CHURCH. It had been agreed that the Senator from New Jersey would give me some time to summarize my position for the public record. Quite inadvertently, he thought he had given me that time and had not. The time has now expired. Since I unburdened myself in the secret session and my remarks did not touch upon any sensitive issue, I wonder if this omission could be corrected by my securing unanimous consent from the Senate that my argument made in secret session become part of the public record as well? That will suffice for my public testimony on this question.

I ask unanimous consent to that end.

The VICE PRESIDENT. Without objection, it is so ordered.

(The statement follows:)

Mr. CHURCH. Mr. President, first of all, I shall address myself to the very provocative argument offered by the distinguished Senator from Connecticut which I find—the Senator from Connecticut has argued with great persuasion that we must be mindful of the Soviet interest in the Middle East and of those countries encircling Saudi Arabia that are more or less sympathetic with the Soviet Union. He has based his justification for the sale of F–15's to Saudi Arabia upon his assessment of that threat. Fair enough.

I remember a time when the United States gave large quantities of arms to Pakistan because of our assessment of the Soviet threat to that country. Later, we began to sell and grant arms to India because of our assessment of the Communist threat to India. But while we were assessing the Communist threat and supplying large quantities of arms, both to Pakistan and India, those two governments prepared to go to war against one another. In the end, they went to war, using American supplied weapons on both sides. The Pakistanis blamed us for arming the Indians, and the Indians blamed us for arming the Pakistanis. It was the Russians who stepped in as peacemakers at Tashkent.

I have two objections to these offers of sale.

First, the way they were brought to Congress and, second, the timing—the way and the when of the sales.

There has been much discussion of the threats to Saudi Arabia. Now I ask Senators:

If Saudi Arabia is so weak and Iraq so strong, why has Iraq refrained from making her move against Saudi Arabia?

I must dismiss Libya, Ethiopia, and Yemen as serious threats. But Iraq is formidable.

Yet, despite the Saudi weakness, Iraq has never moved. Perhaps that has much to do with her assessment of the Iranian response, in the event she were ever to attack Saudi Arabia.

The question we must ask ourselves is which war is the more likely? Is it a war between Iraq and Saudi Arabia? Is it some fancied encirclement including Afghanistan, Libya, Yemen, and Ethiopia that constitutes the threat to the Saudis and the likelihood of war? Or is the war which is most likely to explode again, the one between Israel and her traditional foes?

Well, if the past is any teacher, we must admit that the more likely war is the one that will come upon a renewal of the arms race between Israel and her Arab neighbors.

I have listened to the assessment of the CIA which, incidentally, happened to be in error when it failed to anticipate the outbreak of the Yom Kippur war. The assessment tells me only that Israel presently enjoys military preponderance.

But if there is no settlement in the Middle East, and if Israel continues to hold onto the occupied lands, then all those burning coals that have led to the flare-up of four wars in the region will continue to smolder, and then what is going to happen? I will tell you. Yes, there will be French planes built in Egypt; yes, there will be a new arms race in the Middle East financed by the Saudis; yes, there will be a new military equation emerging from that arms race; yes, there will be another war.

I, too, would like to see the American position in the Middle East solidified. I wish for something more than a peace settlement between Israel, Syria, Jordan, and Egypt. I would like to see an alliance for mutual defense and economic development put together among the four, an alliance for prosperity and peace in the Middle East, joining together Egypt, Israel, Jordan, and Saudi Arabia, and I would like to see us a part of it. But none of that is going to happen until these parties return to the negotiating table, until we have a settlement between Israel and Egypt.

Until then, the greatest danger is not war that involves an attack on the Saudis; it is the renewal of the war that has so long separated Israel from her neighbors.

Why am I against these sales? Because, in my judgment, they set back the prospects for peace at the negotiating table, the essential peace between Israel and Egypt. Remember, the President's proposal represents a fundamental change in American policy. When Mr. Kissinger negotiated Sinai I and Sinai II, what was said to the Israelis? "Yield territory, yield the canal, yield the oil fields. Move back to the passes, and you can be assured that your security needs in the future will be attended to by the United States of America." And explicitly written into the Sinai II agreement is the statement that we would attend to those needs.

It was unconditional. The President of the United States has suddenly, and without warning, made what was an unconditional commitment to Israel a highly conditional one. He has said, "Unless Congress approves our sale of top-of-the-line interceptors to the Saudis," and, for the first time, modern aircraft to Egypt, "unless Congress puts its stamp of approval upon a policy by which the United States begins furnishing arms of the most sophisticated kind to both sides, I shall not go forward on our commitment to Israel."

That is what he said. That is a fundamental shift in the American position.

He sends it up here and he says to us, "If you do not approve every part of it, each proposal, I will withdraw them all."

Should we be surprised that the Israelis are suddenly so deeply troubled? It will be much more difficult for them to yield more occupied territory, now that we have started to arm both sides. And the prospects for peace will suffer. Until you get the Israelis and the Egyptians back together, until you get a settlement of that long-standing dispute, you will have no foundation to build upon in this area of the world, which has so long been called the strategic crossroads, and which is now even more vital because of the oil.

My second objection, with which I will conclude, is the way these sales were presented, tied together in a package. This can be cured only by recognizing that this package remains a package, and rejecting it. This is not the time to be authorizing the injection of $5 billion worth of warplanes into this volatile area of the world. This is a time when our single-minded purpose should be focused upon getting the parties back together at the negotiating table. This is a time when we should be saying, "Give peace a chance". If the process fails, then

there will be time enough to consider how many planes we should sell to the countries in the area. But if the process succeeds, it is entirely possible that we will need to sell no more planes at all.

Nothing can be lost by waiting 6 months. No country is singled out or insulted by that action. But the U.S. Senate will have shown the wisdom of giving peace a chance, with an opportunity to come back again, if necessary, to a consideration of what our policy should be in this area if a settlement does not ensue.

It is on this basis that I hope the Senate will vote to approve the resolution of disapproval.

● Mr. CULVER. Mr. President, the choice the Senate faces today on these proposed arms sales is a very difficult one with strong and powerful arguments for either viewpoint. The outcome of the vote, at this hour, remains in doubt. The complex issues involved are far broader than the immediate question of approving or disapproving these sales, for they include our national policy on arms sales and our peace policy in the Mideast.

The central point that must guide us here is the national interest of the United States. After carefully weighing the arguments pro and con, I have come to the decision that approval of these sales at this time will preserve favorable U.S. relations with the Saudis and the Egyptians without prejudicing the prospects for a fair and durable peace.

Rejection, however, would endanger our relationships with the Arabs which might therefore hamper our efforts to serve as honest broker in the peace negotiations.

In addition to being favorable to our own national interest, this action, if it is to be taken, must be consistent with our long-standing commitment to the survival and security of Israel. I believe it is. The greatest threat to Israel is not from the Saudis or the Egyptians, but from the continuing failure to achieve a just peace. The aircraft provided by these sales, when ultimately delivered several years hence, will not appreciably change the balance of military power in the Mideast. Moreover, the question is not whether the Saudis will obtain sophisticated warplanes, but whether they will obtain them from us. Other advanced aircraft can be purchased from the French without the restrictions and safeguards provided in this proposed sale.

Another major consideration is that these sales do not set a precedent for future escalation of arms sales in the Mideast. This action must be accompanied by a commitment to an effort for general restraint in arms sales by the arms-producing nations throughout the world, and I believe President Carter has been clear in making such restraint a principal and welcome component of U.S. foreign policy. While I will cast my vote for these particular sales, in these unique circumstances, my dedication to the general proposition of limiting foreign military sales remains undiminished. I am convinced that Saudi Arabia has genuine and understandable concern about threats to its own security.

The potentially adverse military consequences of this sale, as Israel sees it, would not come until 1981. Moreover, some of these consequences have been mitigated, in response to concerns expressed in Congress, by the President's announced willingness to sell additional planes to Israel and by the Secretary of Defense's assurances regarding the defensive configuration of the planes for Saudi Arabia. In short, while the diplomatic consequences of rejection would be immediately harmful to United States-Arab relations, the military impact of approval, even if as significant as some predict, would not be felt for a period of years. In the meantime, the situation could be changed completely by a breakthrough for peace.

As a final safeguard, approval of these sales need not be viewed as irrevocable, but subject to review in the context of future developments inthe Mideast. The Executive Branch already has the right, written into every foreign military sales contract, to cancel any sale prior to delivery "under unusual and compelling circumstances when the best interests of the United States require it."

I believe that the Congress has the right to invoke that contractual provision by appropriate legislation. Accordingly, we can and should exercise the right to review the military balance prior to delivery of these planes. In this way, we can be sure that the peace process has not been jeopardized by these sales and would still be served by the final transfer of the aircraft.

Mr. President, whatever the outcome of this debate may be, it should be recognized that the Senate is united on two main objectives—the security of Israel and the achievement of just and lasting peace in the Mideast. With the clear understanding that no precedent for open-end arms sales in the future is being established, I am convinced, for my part, that these two objectives will best be served by approval of this proposal.●

● Mr. ROTH. Mr. President, I believe the Senate should reject the proposed sale of sophisticated aircraft to the Middle East. These are the wrong sales at the wrong time. In making these sales, the United States would be fueling an ongoing arms race and jeopardizing prospects for peace.

For years, I have urged successive administrations to seek multilateral restraints on the supply of sophisticated weapons to volatile regions of the world. In my judgment, we should only make such sales when there is a compelling American national interest in the sale. I have listened carefully to the arguments today both for and against the Middle East sales, and I believe no compelling case has been made. Indeed, the stronger argument is that these sales should not be consummated while the outcome of the recent peace initiatives remains so uncertain.

In my judgment, the administration has made two serious mistakes in handling these sales. They are clearly premature, coming at a time when the peace prospects look less hopeful than a few months ago. I believe the President should have made it very clear that favorable congressional consideration would depend very heavily on progress and flexibility in the peace negotiations and, particularly, some sign that the Saudi Government supported the initiatives of Mr. Begin and Mr. Sadat.

Second, the administration showed poor judgment in insisting on linking the sales to the three countries. Of course, our sale of arms to any country in the Middle East must be evaluated in the context of the overall balance of power and the psychological and symbolic ramifications of the sale throughout the region. But by insisting for so long on a formal linkage of these sales, the administration made it very difficult for the Congress to examine them on their own merits. Instead, they have incorrectly become interpreted as a symbolic test of American friendship and support for the three countries involved, and any action we take will be regarded as a victory for one side and a defeat for the other.

This has presented the Senate with an unnecessary damned-if-you-do, damned-if-you don't situation. If the sales are approved, they will be regarded in Israel as a lessening of American support, and this will make it much more difficult politically for Israel to pursue the peace initiatives. If the sales are disapproved, then as a result of the administration's linkage, this action may be unfortunately misinterpreted in Saudi Arabia and Egypt as signifying a weakening of American interest in developing constructive relations with these two countries.

In this situation, it is essential to reaffirm the importance the people of the United States attach to their relations with all three countries involved and our deep hope that a satisfactory and lasting peace can be worked out.

Our relations with Israel are so deep and fundamental, it is a sad commentary on the present conduct of our foreign policy that they should require reaffirmation. Israel is the only country in the Middle East that shares our basic democratic values. The people of the United States are proud of the role we played in the creation of the modern State of Israel 30 years ago, and we firmly believe that a peace settlement must be based around recognition of Israel's right to security and peaceful pursuit of prosperity.

In the case of Saudi Arabia, it is clearly in the interests of the United States to maintain close ties with an anti-Communist Saudi Arabia. This country now supplies 10 percent of our oil, and we should seek to help it meet its legitimate security needs, so long as these do not conflict with our other interests in the region. Recent Soviet activities in the Horn of Africa, in the southern part of the Arabian peninsula, and in Iraq and Afghanistan have been profoundly upsetting to the government of Saudi

Arabia, and the United States should help Saudi Arabia help strengthen itself against the kinds of threats these activities pose.

Finally, we also have an important interest in the continuation of a moderate, anti-Communist Government in Egypt, as represented by Mr. Sadat.

Mr. President, I strongly believe the United States needs to develop firm ties with moderate, anti-communist governments such as Egypt and Saudi Arabia, while maintaining its traditionally close relationship with Israel. In my judgment, the administration's arms sales package will move us away from, rather than toward, these objectives.●

● Mr. BAYH. Mr. President, the issue before us today requires one of the most difficult decisions I have been called upon to make in my 16 years in the U.S. Senate. The difficulty has resulted from the sincerity and plausibility of those representing both sides of the arms sales question before us. President Carter, Vice President Mondale, and other administration officials have sincerely expressed their opinions that acceptance of the package is vital for the continued pursuit of peace in the Middle East.

We have heard eloquent discussions of the importance of maintaining a balanced posture if we are to have the maximum effect in helping the parties negotiate a successful peace agreement. We have been reminded of the importance of maintaining influence with the moderate Arab States in the Middle East in their confrontations with the radical Arabs and Soviet subversion. Special emphasis has been placed on the importance of our relationship with Saudi Arabia and the role the Saudis have played and will continue to play relative to oil and the economic well-being of the industrialized world.

However, I am forced to conclude that lasting peace in the Middle East is the one most important goal to be considered in assessing the merits of the arms package and, in my judgment, the likelihood of peace is lessened, not strengthened, by supporting the particular arms package before us.

In the past, when the United States has provided arms to traditional adversaries, the cause of peace has not been served. The scarred remnants of Indian and Pakistani tanks—all made in the United States—are sorry evidence of this kind of even handed approach. Yet supporting this package would be to refuse to learn from history. It provides little real comfort to be advised that commitments to limit the use of Saudi planes have been forthcoming. Although these commitments may have been given with the greatest of sincerity today, it is unrealistic to expect Saudi officials to resist the pressure which will exist years hence when, in a confrontation with Israel, the true test of Saudi-Arab loyalty is the commitment of their F–15's. Surely there must be a way for the United States to provide sufficient support for the present Saudi Government against those forces which threaten her in the Persian Gulf area without providing the most sophisticated weapons of war which can reasonably be envisioned as a subsequent threat to Israel.

An even more compelling reason for my opposition to the package is my fear that the package will have a negative impact on the Israelis willingness to make the concessions necessary for a peace settlement in the Middle East. To achieve peace, all of the parties in the area will have to make concessions. This is the substance of negotiation. For Israel to be persuaded to make the maximum necessary concessions, she must be completely confident, have absolute faith, in the commitment of the United States to provide the necessary military support if Israel is ever again attacked by hostile forces. The package before the Senate ties support to Israel, support promised in exchange for Israeli pullback from the Sinai, to the provision of sophisticated weapons of war to Israel's potential adversaries. It is my judgment that this proposal and its ratification by the Senate will seriously damage Israeli confidence in the future United States commitment. Without this faith, the Israelis will be less likely to withdraw from the necessary kilometers and to abandon the necessary settlements which will be required if a final settlement is to be reached. For this reason I intend to cast my vote in support of the resolution of disapproval.●

● Mr. MUSKIE. Mr. President, that most volatile and vital part of the world, the Middle East, once again claims our attention. Our challenge is to strike a balance between our bilateral interests with key countries and our overriding interest to activate and advance a Middle East peace process whose purpose is to achieve a just and lasting settlement among the traditional contestants. The sales of American jet aircraft to Israel, Egypt, and Saudi Arabia are reasonable and responsible only if they fit into the framework of those interests.

The essence of present-day U.S. policy in the Middle East is to advance the prospects of peace. This objective is shared by Israel and by Egypt and other Arabs of good will. History, however, has bitterly taught us that there is no clear and obvious road which will take us to the day when Jews and Muslims can coexist without the daily threat of military conflict or terrorist attack.

The sophisticated nature and enormous capability of the weapons systems being debated today underline the need for each side to give if each side is to gain the goal that has eluded the region for so long a time.

The obstacles to peace in the Middle East seem insurmountable—more often than not. From one perspective, additional arms, of the kind we are debating, may add to those obstacles, rather than reduce them.

That risk should not be ignored.

On the other hand, these sales may, ironically, advance the peace process and add to regional stability.

We cannot be certain which of these risks will materialize if these sales go forward:

They do not guarantee that the negotiations between Israel and Egypt will move off dead center, but they give the new bilateral relationship between Israel and Egypt a longer period of time to gestate and work itself out.

They do not guarantee that the multitude of anti-Sadat Arabs will stop berating the Egyptian president for his efforts to come to terms directly with the Israelis, but the F–5E's demonstrate that the United States recognizes his historic mission and believes that his approach toward settling differences with Israel can achieve some concrete results.

It is clear that disapproval of the sales will send a negative signal to the Arab world and perhaps to Israel as well. Moderation and realism a la Sadat in dealing with Prime Minister Begin and his cabinet members will be challenged. The Saudi pro-American course of action will be subject to ridicule in the Persian Gulf area. Close United States-Saudi relations will be at serious risk.

Mr. President, the U.S. relationship with Israel is based on deep and longstanding moral and strategic/political interests. American cooperation with Israel has been, and as far as I can foresee, will be extremely close and mutually beneficial. Our two countries must strive together to achieve the reality of recognition by Israel's neighbors of its enduring existence as an essential part of the region, as well as advance a settlement with Egypt, Jordan, Lebanon, and eventually Syria in every possible way.

This is of critical importance. The continuing Arab/Israeli conflict has proved to be impervious to long-term stabilization by means of war. A new war, no matter the outcome, will not improve the chances of a political settlement.

The question for the United States, then, is how to improve Israel's security in the decade ahead.

Four factors must be weighed as we consider these sales:

First is the quality of Israel's armed forces. Israel considers control of the air to be its key to survival. The sale of F–15s and F–16s will provide sophisticated replacements in the 1980s for its aging fleet of A–4s and F–4s. Israeli pilots are among the best in the world. In their hands, the F–15 will be an extremely effective air superiority fighter. The F–16, with its superior ground-attack capabilities, will be able to provide effective combat support for Israel's armored forces. The F–16 is capable of delivering the full range of precision-guided munitions, The numbers involved—75 F–16s and F–15s—with an additional 20 F–15s at a later date—will meet Israeli requests for deliveries through 1983.

Second is the nature of the threat which Israel faces. Egypt represents the greatest potential military threat to Israel's security. It is extremely important that Egypt not turn back to the Soviet Union as its main military supplier. Sadat has courageously broken with the

Soviets both politically and militarily, and is turning to Europe and, to a lesser degree, the United States, for Egypt's military needs.

Sadat depends on the support of the armed forces, and evidence of American willingness to help Egypt defend itself is of great importance in resisting pressures to return to the Soviet fold. In 1970, some 15,000 Soviet advisers were in Egypt and Soviet pilots flew combat sorties against Israeli aircraft during the war of attrition. It is not in Israel's interest or ours to allow such a situation to develop in the future. Third is the U.S. commitment to Israel's security. Israel requires economic and military assistance from us. In fiscal year 1979, it appears that Congress will provide $1 billion in foreign military sales and $785 million in security supporting assistance. On the basis of decisions already made, Israel will receive into the 1980's an uninterrupted supply of advanced American weaponry. The Carter administration has pledged not to use the supply of military equipment as a form of pressure on Israel. I know that this is very much the intent of Congress as well.

Fourth is the achievement of a peace settlement. Such an accomplishment with Egypt, and, hopefully, with Jordan and Syria, would greatly enhance Israel's security. For peace to be reached, Sadat's overture must not be allowed to fail. Sadat has many enemies in the Arab world, and it is clear that the Soviets would be delighted to see him replaced.

Saudi support is essential to Sadat's ability to stick to a course of direct negotiations. Egypt's long-term future requires a peace settlement, as well as close ties with both the United States and Saudi Arabia. To enlist Saudi Arabia in the peace effort, it is in the U.S. interest to be responsive to Saudi inter-Arab security requests, particularly in the case of the F–15's, where a prior commitment exists.

Mr. President, I know from my discussions in recent weeks with Israeli leaders that military planners in Tel Aviv are wary about the F–15's to be sold to Saudi Arabia. However, these risks must be weighed against the situation that would prevail if the F–15's were not provided.

Saudi Arabia will acquire a modern air defense capability. The French Mirage F–1 is the likely alternative. It is less effective as an interceptor, but it has greater ground-attack capability. It will also be in the inventories of several other Arab States—Iraq, Syria, Libya, Morocco—all of whom could provide pilots or technicans to make use of Saudi F–1's.

By contrast, no other Arab pilots will be able to fly the F–15. It cannot be transferred easily to any other country. U.S. technicians will be involved in its maintenance, and U.S. officials will be able to monitor carefully its basing and any possible misuse. Indeed, we in Congress may want to write this requirement into legislation.

Equally important, Mr. President, if the Saudis are rebuffed at this time, many voices in the Arab world will question the value of cooperation with the United States. Sadat will become more vulnerable. The Soviets could easily exploit the situation. The best chance for a peace settlement in 30 years could well be lost.

In that event, Israel's security will be jeopardized and the probability of another round of conflict will increase. The fact that Israel could prevail militarily in any future confrontation is no reason for complacency.

Mr. President, it is in the U.S. interest to pursue and cultivate a prudent and close relationship with the Middle East's most important Arab countries, Egypt and Saudi Arabia. The United States has crucial interests in these nations as it does in Israel.

Good sense tells us that the pursuit of these interests now and in the years ahead requires good relations with the Israelis and Arabs simultaneously and the accommodation of their principal respective concerns as well as our own.

We want foremost to avoid the serious consequences of confrontation and the tragedies of war.

We want Arab recognition of, and normal economic and commercial intercourse with, Israel.

We want to be sure that Saudi Arabia has the capacity to defend its borders from increasing Soviet pressures—not only the influence of the Russians in Iraq and Syria—not only the existence of Cuban soldiers in South Yemen—but also the pressure which the Soviets are exerting on the Horn of Africa. Saudi Arabia has reason to be concerned and we have reason to share her concern.

We want to prevent the reassertion of Soviet influence in Egypt's peace efforts. We want President Sadat to succeed in his peace efforts. We want to encourage the Egyptian Government to focus on its country's ailing economy and on the unmet needs of its creative, but fast-growing, population.

We want to insure the uninterrupted flow of Arabian oil to ourselves, Japan, and our NATO allies.

We want to secure Saudi Arabia's cooperation in restraining the rise of oil prices.

We want our private citizens to participate in the Egyptian and Saudi modernization planning and project implementation.

We want to strengthen American financial interests in exporting civilian goods and services to oil-rich Arab countries.

We want, in turn, not to weaken Arab financial interests in America.

Since 1973, the Saudi Kingdom has pursued an increasingly important regional and international role. This obviously stems from its central position regarding oil. It also reflects a more assertive use of its economic power.

Saudi Arabia contains the largest known reserves of oil in the world. This presently amounts to at least one-quarter of the world's known oil reserves. Further exploration will almost certainly reveal additional reserves.

The Saudis' ability to expand production rapidly provides them the ability to prevent a price rise by artificial manipulation of supply shortages. This threat has kept OPEC members from following a completely cartel-like policy of extracting the highest possible price on the lowest volume of production.

On oil prices, the Saudis have helped to hold the line on prices since 1974. At the last OPEC meeting in December, the Saudis supported a price freeze throughout 1978. This has meant a decline in the real price of oil in the past 2 years.

The Saudis have used their financial and political resources in support of moderate regimes in the Middle East and Africa.

Egypt. Saudi financial support may be as much as $2 billion annually. The Saudis now finance most of Egypt's military purchases in the West. They have quietly thrown their diplomatic weight behind Sadat's initiative. Sadat's willingness and ability to break with the Soviets was in large part due to the Saudis.

Syria. The Saudis, although troubled by some of Syria's actions, have worked hard to keep Syria from total dependency on the Soviets.

Somalia. As much as anyone else, the Saudis persuaded Siad Barre to expel the Soviets from Berbera. They provide significant economic assistance.

Jordan. A large portion of Jordan's defense spending is covered by Saudi Arabia, including the cost of the F–5E's that we have sold to Jordan.

South Yemen. The Saudis have been trying to turn the regime in South Yemen away from the Soviets, thus far with only limited success. The South Yemenis have, however, virtually ended their support for the rebellion in Oman.

North Yemen. This chronically poor but populous country is virtually a client of Saudi Arabia.

Sudan. The second largest, potentially agriculturally rich Arab country, is of great strategic concern to the Saudis and to Egypt. The Saudis have participated in funding economic/development activity.

A number of other African countries—Niger, Chad, Zaire—have profited from Saudi largesse, as have international lending institutions, The Saudis devote a much larger proportion of their GNP—approximately 10 percent—to foreign assistance than we do. Since 1974, the Saudis have committed through bilateral and multilateral channels well in excess of $10.0 billion in economic assistance. As we find it increasingly difficult to raise capital for foreign assistance, the possibility of wedding Saudi capital to U.S. technology may provide the best hope of development for many of the poor countries.

It should be pointed out here that, as President Sadat has often avowed, the successes the United States has encountered in advancing American interests in the Arab countries have rested decisively on our especially close and abiding relationship with Israel. It is imperative, therefore, to preserve that relationship and to strengthen our ties with those in the Arab world who continue to seek the good will of the United States.

Achieving this objective can be realized only in the context of an effort to achieve a settlement of the Arab-Israeli conflict.

The proposed jet sales are intended to cultivate this delicate but potentially fer-

tile garden. But because they are also high-risk tools, when Congress approves their transfer into Israeli, Egyptian, and Saudi hands, there must be diligent follow through to care for and to seek tangible progress in the peace process.

The Sinai accord in 1975 demonstrated the need for American deligence and American instruments of diplomacy, only after the United States induced Egypt to take another step forward, and then induced Israel to close the remaining gap, by providing it with the added security and other assets it sought in exchange for the Sinai passes and the oilfields, did the process succeed. That is our goal again.

In summary, Mr. President, I shall vote for these sales. I know there are inherent risks involved, but I expect the United States, Israel, Egypt, and Saudi Arabia to gain more than they lose by them. These are the objectives:

First, that the United States increase its diplomatic influence and leverage in the region.

Second, a resumption of face-to-face negotiating efforts by Israel and Egypt in the near future.

Third, the United States-Israeli bilateral relationship to be as special and strong in the future as it has over the last 30 years.

Fourth, the U.S. relationship with Saudi Arabia also to remain close and strong.

Fifth, that the Soviet Union will not be involved in the peace process. Moscow has demonstrated it has no positive role or willingness to play. The Russians consistently refuse to risk their necks on behalf of reconciliation and rapprochement.

Sixth, that tangible support of Sadat will begin paying off within Egypt, between Egypt and Israel, and within the Arab world. Hopefully, with our support, the Egyptian approach will be viewed as more productive than the Syrian approach.

And seventh, that the whole Middle East will receive the strong political signal that the United States is deeply involved and will remain that way with those forces who share our objectives and who actively support countries which share our objectives. In turn, the United States is prepared to consider and meet their respective needs.●

● Mr. HART. Mr. President, I am voting against the proposed arms sales package because I do not feel it clearly advances the interests of the United States in the Middle East.

First, and most importantly, I believe any foreign policy action we take in that area must advance, rather than retard, the chances for peace between Israel and the Arab states. No persuasive case has been made by the proponents of the arms sale that, under present circumstances, chances of war in the area are reduced by selling advanced aircraft simultaneously to the opposing sides. The transfer of high technology U.S. weapons to multiple states in the region represents such a major shift of U.S. policy in the Middle East that the burden of proof on how this change advances the prospects of peace must be on those who advocate it. They have not convinced me that these sales will restimulate the movement toward negotiations, rather than freezing what I hope is a momentary stalemate.

Second, the issue, as framed by the administration, has confused two separate, but urgent, policy questions. One is the guarantee of the security of Israel through the consistent and continuous commitment by the United States to provide advanced military equipment. In the case under consideration, the commitment of advanced fighter planes for Israel was made by the Ford administration as part of the so-called Sinai agreement in 1975. I must note that I opposed the Ford administration proposal at that time, principally on the grounds that the United States undertook a number of secret commitments in that agreement to various parties that could lead to the kind of controversy in which we are presently involved.

The other policy issue, possibly of even more crucial long-range implication to United States' interests, is that of the security of non-Communist interests in the entire region. Communist activities, led, financed, and promulgated by the Soviet Union—with considerable direct assistance from Cuban military forces—have become consequential enough to engender real concern, particularly by those in the area who are strongly adverse to Communist ideology. Saudi Arabia and Egypt share this aversion, as does Israel.

Thus, tragically, the proposal before us confuses these two imperative foreign policy problems. Consequently, each has suffered at the expense of the other and to the detriment of long-term U.S. security interests on both fronts. Unhappily, voting for the "package" promises merely to exacerbate this terrible confusion and to prevent resolution of either serious problem.

Confusion between these two policy problems also runs the risk of sending signals on U.S. policy that will be misread by the U.S.S.R. Cuba and each Middle Eastern and African nation.

One signal that I earnestly hope will not be misread is my vote in favor of disapproving these sales. It does not mean we should turn our backs on the security needs of Egypt and Saudi Arabia. I am convinced both Egypt and Saudi Arabia have raised strong arguments in favor of our military support for each of them.

Had each sale proposal been presented separately, and had peace negotiations not been at such a crucial point, I could have given each proposed aircraft sale strong support. It is in the United States' best interest to establish solid relationships with both Saudi Arabia and Egypt. If the pending proposal fails, the Senate would be unwise to consider subsequently a unilateral proposal to provide arms to any single participant in the "package." Instead, I hope that the administration will submit individual proposals which can be considered, each on its own merits, separately but concurrently. This would permit those who share the administration's Middle East concerns to support their laudable efforts to expand our mutually advantageous friendships with Egypt and Saudi Arabia, as well as maintaining our unshakeable commitment to Israel.●

● Mr. SCHMITT. Mr. President, the issue of the presently proposed arms sales to Israel, Egypt, and Saudi Arabia is one of the most important, most difficult, and most poorly timed foreign policy issues this Congress has or will be asked to consider. All three nations are strategically and psychologically critical to the United States and the free world. While each sale of aircraft can be justified, it is difficult for many to understand how these sales, at this time, will advance the delicate search for peace that is taking place.

The timing of this proposal is very poor and raises serious and troublesome questions regarding the administration's understanding of the situation as it presently exists in the Middle East. While the Congress had little or no influence in the decision to go ahead with these sales at this time, we are being forced to take a stand which has major long-term implications for U.S. foreign policy and peace in the Middle East. I fear these implications have not been as carefully considered by the administration as one might have hoped and expected.

Now with regard to the situation in Saudi Arabia, there is no doubt that the Saudis have major national security concerns. With a hostile Iraq to the north and a similarly hostile South Yemen to the south, the Saudis must focus attention on their security requirements for the coming years. The ominous and increasing Soviet and Cuban presence in Ethiopia and South Yemen increases this need.

Saudi Arabia probably possesses about 25 percent of the world's proven oil reserves. With these, the Saudis currently are responsible for 14 percent of the world oil output. This factor is most important to the United States, Western Europe, and Japan as 95 percent of Saudi oil export is shipped to these three areas of the world. Thus, the continued supply of oil is absolutely vital to the economic, military, and political security of the free world. In addition to our country, our NATO allies, Japan, and Israel have a vital interest in the ability of the Saudis to protect themselves.

It must be understood that the continued economic and military strength of the United States is a prerequisite to Israeli security. Should the oil flow from Saudi Arabia to the United States be cut or otherwise impaired, the result would gravely damage the United States and, as a result, it could be catastrophic for Israel.

The United States will depend on oil supplies from Saudi Arabia for the foreseeable future. Unfortunately, the President and the Congress have done nothing, nor could the Carter energy proposals do anything about decreasing our dependence on Middle Eastern oil, specifically Saudi Arabian oil. Only vastly increased incentives for domestic oil and gas production and clear encouragement of the development and use of alternative energy sources could have rapidly changed this dependence to future independence. Thus, we now must insure

that the Saudis can protect our source of energy supply until we finally wake up to the problem. The folly of such dependence on a small, underdeveloped and militarily weak nation for our national security seems to have been lost on the administration and the majority in the Congress.

Further, the administration has found itself philosophically incapable of countering the growing Soviet threat to Saudi Arabia and its oil posed by the recent and continuing aggression in the Horn of Africa. When needed, we may not be in a position to intervene to protect the Saudis, so we must insure that they can protect themselves as we must insure that these Israelis can protect themselves. At the same time, we should give the strongest commitment possible to intervene against any Soviet-sponsored aggression in the Middle East.

The fact is that the Saudis will in any case purchase advanced aircraft. They will in all probability assist Egypt in the purchase of the new aircraft it feels it needs. If this sales agreement is stopped by the Congress, then the Saudis will shop someplace else, probably in France. The F–15's which are contained in this agreement are under defacto restrictions as to their use. The important aspect is that these restrictions can be enforced. With the United States as the only source of replacement parts, and even more importantly, the only source of expertise in the training of pilots and mechanics and the maintenance of the planes, the United States can exercise some influence over the use or nonuse of the planes.

Should the Saudis purchase planes for themselves and Egypt from any other country, the United States would lose virtually all influence in their use. In addition, other countries do not normally restrict the use or transfer of their military sales. Furthermore, should we turn our back on the Saudis, we could cause them to reassess their longstanding and close relationship with the United States. Such a revision could have tragic implications for free people everywhere.

There can be no doubt that the best interests of Israel are served by continued U.S. influence in Saudi Arabia, Egypt and throughout the Middle East. The Saudis in the past have been a moderating force in that part of the world. Continued good United States-Saudi relations will help guarantee that the future will not bring a change in Saudi policy toward the free world.

At the present time and in the foreseeable future, Israel will continue to have the best air defense of any nation in that part of the world and probably of any nation in the world. The sale of F–15's to Saudi Arabia in no major way threatens that security.

The situation in Egypt is somewhat different. The F–5 aircraft involved are not as sophisticated as in the Israeli and Saudi cases. Egypt has been increasingly threatened by Soviet-sponsored forces in other Arab countries and by internal political pressures. While Egypt does also have legitimate security needs and a need for more aircraft, I do believe that a better time could have been found for this sale. The interests of peace may not be served by increasing the weapons available to potential adversaries during this fragile period.

The situation with Israel is somewhat similar to Egypt in that Israel is also involved in these delicate negotiations. In both the Egyptian and Israeli situations, I am not so opposed to the sales as to their timing. Both sales could have been used to serve as a further incentive to progress in the talks taking place.

The resolution before us today, however, offers only a vote on the total arms sales package. On balance and reluctantly, I shall vote in favor of the sale and against the resolution of disapproval.

The long-term solution to the issues between the various parties of the Middle East will come only as these issues become unimportant relative to the cooperative economic development of the entire area. The economic potential of the region is staggering; hopefully, it soon will become the focus of discussions between the nations and peoples who have the most to gain from its realization. The United States could perform no greater service than to encourage and sponsor such discussions.●

● Mr. CLARK. Mr. President, I voted in committee for the resolution of disapproval of these four arms sales to the Middle East, and I intend to do so again here on the floor of the Senate.

I do so in full recognition of the legitimate defense needs of our friends in Saudi Arabia.

I do so very much aware of the contribution to peace made by Egypt's President Anwar Sadat.

And I do so profoundly aware of the moral commitment of this Nation to the security and integrity of Israel.

Mr. President, I intend to vote against this massive sale of arms into this most volatile area because I do not see that it serves the true interest of any of the parties—of Israel, of Saudi Arabia, of Egypt, nor of the United States.

Israel in these days is celebrating its 30th birthday. It is a fact that throughout its short existence Israel has had to fight, or be prepared to fight, for its national survival. Various attempts at negotiating peace have been made in the past—the Rhodes talks, the "Rogers" plan, Henry Kissingers' shuttles. But never before, it seems to me, have the prospects for peace been so promising.

In this respect, Egyptian President Sadat deserves the moral appreciation of the world for his heroic gesture in going to Jerusalem for the face-to-face talks the Israeli government has for so long felt to be vital.

Israeli Prime Minister Begin also deserves our profoundest respect for the efforts he has made, under extremely difficult emotional and political conditions, to respond to Mr. Sadat's initiative.

The rulers of Saudi Arabia also have a claim on our appreciation for the efforts they have made in the area, for their willingness to help Egypt through its extremely difficult economic travails.

But, Mr. President, given this new situation, given the unprecedented willingness on the part of all the parties to at least try to work out a negotiated settlement, I have argued ever since President Carter announced his intention to make these sales that the time is inauspicious. I want to emphasize this: the timing is simply inappropriate.

Let us look at what is being proposed. A sale of 75 F–16's, the most modern fighter of its kind in the world, to Israel. A sale of 15 F–15's, probably the world's most sophisticated airplane of any kind, to Israel. A sale of F–15's—60 of them—to Saudi Arabia. And a sale of 50 F5E's to Egypt.

This is a package totaling almost $5 billion. This is without question an introduction into region of the most advanced military weapons in the world.

Some of these weapons are going to have to be delivered at some point. Each of the three nations, all friends of the United States, has legitimate defense needs. Each government feels a responsibility and the necessity to meet these needs. Ultimately, they will all acquire additional weapons, if not from the United States, then from other sources.

But my question to the administration, and to the parties concerned is why now? Can we not wait a bit? Can we not go slow in pouring weapons into the area until we have a better fix on where these peace negotiations are going? For that matter, can we not withhold these sales for now expressly with the objective of encouraging the parties to work their differences out peacefully?

Let me comment particularly on one aspect of the current political tug of war, and that is the President's willingness to assure Israel an additional 20 F–15's in order to put a "balance" into the deal. To this I would say: This is the wrong direction. Adding another 20 of the world's most deadly airplanes, passing on an additional $1 billion worth of war material, is not, it seems to me, the way to go about bringing peace to the Middle East.

President Carter, in both his campaign and his early administration, put special emphasis on the need to restrain American arms sales abroad. As President, Mr. Carter said in April 1976, in Boston:

> I do not believe arms sales buy lasting friends. I am concerned with the way in which our country, as well as the Soviet Union, Britain and France, have poured arms into certain Arab countries far beyond their legitimate needs for defense—5 or 6 times more than Israel receives.
>
> This headlong rush for weapons increases the chance for war. It postpones peace negotiations. It defers development. It erodes security. That is why it would not be wise at this time to supply strike weapons to Egypt, despite that nation's recent signs of friendship for the United States. With its vast population and deep poverty, Egypt needs housing and jobs and health care far more than offensive weapons such as tanks and planes and missiles.

I could not agree more.

Last May his administration produced a special policy statement which committed the administration to restraint in such sales abroad. I joined in praising this initiative because we have for too

long been the major arms merchant in the world, and I for one do not believe this is an appropriate role for us.

Mr. President, the extent to which these proposed sales undermine President Carter's own arms transfer policy was emphasized in a report by the Foreign Relations Committee staff, which concluded that the sales would "be seen by other arms suppliers as the final indication that the United States is not serious about implementing arms restraint." I think that comment is fully justified.

I know that it is argued that it is naive to assume that we can impede the flow of arms into this area. I am fully aware that other governments are knocking on the Saudi doors, prepared to deliver lethal weapons without any restrictions as to configuration, deployment, or their use in any potential regional war. To this I would only urge our friends to show restraint, to understand why we in America, who could so easily simply pour more weapons into the area, would choose the more difficult route, and would decide that, at least for the time being, enough is enough.

This proposed arms sale package is contrary to all the logic of the situation. It is the wrong time to sell weapons. We should be working for peace. These are the wrong weapons, we should be restraining the introduction of high technology into the area, and above all it is the wrong signal to the parties, there are other ways of supporting the peace initiative in the Middle East than delivering vast arsenals of devastating weapons.

For all these reasons, I hope that our friends—Israel, Saudi Arabia, Egypt—will understand why I have chosen to oppose all these sales at this time. May they understand my motivation, and, if it prevails, the motivation of this Senate. May they realize that it is simply my best judgment, having heard testimony and all the arguments, that the struggle for peace in the Middle East is not best served by the export of these weapons.

May they understand our motivation, and instead of irritation and frustration, look again at the possibilities of achieving a peaceful settlement, trying to bring peace to the Middle East by providing every side with increasing amounts of arms can only serve, in the last analysis, to create more suspicion and hostility.●

● Mr. HASKELL. Mr. President, on February 10 of this year, more than 2 months before Congress was officially notified of the administration's proposed package arms sale, I wrote Secretary of State Cyrus Vance questioning the decision to sell sophisticated F–15 aircraft to Saudi Arabia. In that letter, I expressed my reservations about the choice of aircraft and the timing of the proposed sale. I also noted that delicate negotiations, aimed at achieving a just and lasting peace in the Middle East, were then in progress. I concluded by observing that the timing of this sale could endanger those negotiations.

Three months later, this continues to be the case. Though debate on the proposed sales has sometimes turned on technical points involving the availability of bombracks and the location of forward air bases, the Senate must ultimately make its decision based on whether these sales enhance or diminish the chances for peace in the region. After reviewing all the arguments, I remain convinced that the introduction of additional sophisticated weaponry into the Middle East at this time poses a threat to the prospects for a settlement. Thus, I will vote to disapprove these sales.

Much of the discussion of these sales has centered on the need of Saudi Arabia to acquire modern defensive weapons. Similarly, Egypt's defensive requirements have been examined and the necessity of an expression of support for President Sadat's peace initiative has been asserted. I understand that the Middle East does not exist in a vacuum, and though the Arab-Israeli conflict has dominated the political relations of that area for a generation, all the nations of the region face threats from other sources. The prospect of another Arab-Israeli conflict is, however, manifestly the gravest and most immediate danger to all the countries in the Mideast. Efforts to foster negotiations must take precedence over all other concerns.

Moreover, I would argue that many of the other challenges these arms sales are intended to meet will be alleviated by the successful conclusion of peace negotiations. Halting the spread of advanced weaponry to additional areas of the Middle East seems a prudent step at this time.

It is important to keep in mind the impact of the proposed sales will have on the fundamental immediate and long-range interests and objectives of American Middle East policy. For the immediate future, the prevention of another Arab-Israeli conflict is imperative. The prospects for a negotiated settlement in the Middle East remain better today than ever before, but no one expects the process to be easy. Thirty years of conflict and mutual suspicion cannot be resolved by a few meetings or by negotiations between only two of the several hostile parties. I am gratified, however, that the major emphasis in the Senate debate is on how proposed sales will affect peace talks rather than the military balance in the next war. But I am still convinced that approval of these sales poses a threat to the peace process.

The arms sales must also be examined in terms of their impact on our long-range objectives in the Middle East. Several important continuing United States interests must be served. First, America's support for the survival of a free and strong Israel must be unequivocal. Though Israel has never requested direct American assistance—despite four major wars and the continuing challenges of smaller assaults—America's commitment to Israel's welfare and our willingness to supply Israel with the arms necessary for self-defense have remained constant. This commonality of interest and mutual trust has established a special relationship. For moral, practical, and historic reasons this relationship must continue to exist exclusively between Israel and the United States.

Certainly America has important joint concerns with a number of other countries, but with Israel we share an ethical and religious heritage and a commitment to democracy unique among nations. Furthermore, I beiieve that maintenance of this special relationship is essential to achieving peace in the Middle East. If Israel feels it must stand alone, then military might and retention of all currently administered territory would necessarily characterize future Israel policy. With undiminished confidence in the generous and sympathetic support of America, however, Israel can entertain new approaches to negotiations. America must not impose a solution, but by reaffirming our commitment to Israel we improve rather than harm the chances of a settlement.

Second, support for Israel does not preclude cooperation with Arab nations, especially Saudi Arabia and Egypt. Clearly, we have mutual economic and political concerns. I sense, too, a common understanding of the immense benefits which peace would bring to the entire Middle East. We also share with all the nations of the Middle East a moral commitment to end the suffering of the Palestinian people. A successful resolution of the refugee problem, in conjunction with a settlement mutually agreeable to all parties, would be a major contribution toward assuring the prosperity and peace to which all the residents of the Middle East are entitled. I am persuaded that America's relations with Saudi Arabia, Egypt, and other Arab nations will not be harmed by disapproving arms sales at this time.

The Middle East has acquired increasing economic and strategic significance. The United States as the world's leading power has many, occasionally competing, interests in the region. It is clear, however, that all of America's interests and every nation of the region wil benefit from a negotiated settlement of the Arab-Israeli conflict. The offer to sell sophisticated aircraft to three Middle Eastern nations has provoked extensive debate here and in the Middle East. Questions about shifting American allegiances and an altered military balance in the Middle East have dominated discussion. Though the administration has steadfastly maintained that the arms sales represent no change in U.S. policy and will not provide the Arab nations with a tactical advantage, raising such issues during the most encouraging peace initiatives in a generation is counter-productive. Only a decision to disapprove the arms sales will lay these distracting question to rest.

I have been to the Middle East and seen American weapons facing each other across borders which have too often been invaded. Now is not the time to add to the size and destructiveness of the Middle East arsenal. The vital interests of America and every Mideast na-

tion will be best served by the United States turning all its efforts toward achieving a just and lasting resolution of the Arab-Israeli conflict. I cast my vote convinced that opposition to the arms sale will contribute to that goal.●

● Mr. ABOUREZK. Mr. President, I sincerely hope my colleagues will not lose sight of what this debate is actually all about, since it really has very little to do with the sale of warplanes. It is a debate of much larger scope, and it deals, I believe, with the future prospects of peace vs. continued war in the Middle East.

No one in the Congress, or in the press, is naive enough to believe that the sale of warplanes, or the refusal to sell them, is the central issue here today. It should be obvious to everyone by now that if this package were to be disapproved, Saudi Arabia and Egypt would simply go to France, or to England to make their purchases. Since Israel gets the airplanes virtually free of charge from the United States, it will return in a few months and reorder the warplanes it wants. And it will get them, just as it has, ever since we started shipping warplanes to Israel. In fact, the Government of Israel is playing something of a cynical, Machiavellian game with respect to this sale. While Begin and Dayan are now publicly saying they will not refuse their warplanes, the Israeli Embassy here in Washington and the lobby are directing their usual campaign of intimidation toward Senators who would like to support President Carter in his request.

Do you actually believe anyone is fooled by the arguments raised by the Israeli lobby, that Saudi Arabia might attack Israel if we sell them F–15's? You can say what you want about Saudi Arabia, but one thing you cannot say is that they are suicidal. In fact, all of the arguments raised by the Israeli lobby and its supporters here in the Senate have faded into oblivion, simply because they are without basis in fact. It would be impossible, for example, to transfer the F–15's to another country because of the complex training involved.

After these arguments failed, the lobby administered what I considered to be its ultimate argument—that if we sell F–15's to Saudi Arabia, Israel would be forced to attack. So, in order to save Saudi Arabia from such an attack by Israel, we should deny it the warplanes. While all countries must agree, in order to obtain U.S. weapons, that they cannot be used aggressively, the additional conditions of how the planes were to be equipped, and where they could be based are designed by the Israeli lobby solely for the attempted humiliation of a sovereign country.

We have all heard, to the point of nausea, that Tabuk Air Base in Saudi Arabia is only 28 minutes away from Tel Aviv. Now, unless I am mistaken, it would take the same amount of time for an Israeli F–15 to fly from Tel Aviv to Tabuk Air Base. Have we forgotten that Israel was created out of Arab lands? That no Arab country sits on Israeli lands? Have we forgotten which country is aggressive, and which is nonaggressive?

More significant than the groundless military arguments raised is the total lack of objection the Israelis have raised to the Egyptian sale. Is it not strange that Egypt, which has fought four wars against Israel, is totally ignored by the Israeli lobby in this particular sale? And is it not strange that the Israelis would focus on Saudi Arabia, a country which has not been in military confrontation with Israel, and does not have the military capacity ever to be? It is strange only if one does not try to look into the future. The policy planners for Israel have, for years, seen it in their interest to disrupt relationships between the United States and the Arab world. It is not in their interest to have a close relationship develop, especially between the United States and Saudi Arabia, whose oil reserves give it a great deal of clout throughout the Arab world.

This airplane sale has been described as the beginning of the end to the special relationship which has previously existed between Israel and the United States. One analysis I have read describes Israel's reaction as something like the shock realized by an only child when someone else is brought into the family. But I believe the implications go beyond even that. It matters little to Israel if Egypt is turned down, since Egypt has no leverage over the United States. But if Saudi Arabia is turned down, Israel's desire for Saudi economic retaliation against the United States will hopefully be realized.

Whether Saudi Arabia might decide to demand payment for their oil in deutsch marks, instead of dollars; whether Saudi Arabia might remain silent the next time Iran tries to increase oil prices within OPEC; or, whether another oil embargo might be possible; any of these forms of retaliation would work in the interests of Israel. The fact that they also might be against the interests of the United States seems to escape those who support Israel's objectives. But, of course, we have, for years, allowed Israel to run our Middle East foreign policy, to our own national detriment. This is the lobby's need to threaten each President, in turn, with being overridden by Congress.

One must ask why Israel is so totally opposed to the United States expanding its diplomatic relationships in the Middle East? The answer is direct and straightforward. The bottom line of Israel's policy is expansionism, its intention to keep the occupied territories it has taken by force from its neighbors. Until now, we in the United States have supported that policy of expansionism with money, weapons, and political help. Should the United States suddenly discover that a different set of interests exists in the Middle East which need to be promoted for valid reasons of national interest, our support for continued Israeli expansionism might be watered down, and it is just possible that our double standard vis-a-vis our Middle East foreign policy might come to an end.

How much longer can we, as a nation, close our eyes to the massive violations of human rights committed by Israel—to its land acquisition policies in the occupied West Bank, to its indiscriminate slaughter of civilians in Lebanon—to its alliance and support for and sale of arms to racist South Africa?

The conditions talked about in this particular arms sale are laughable, especially when they are dictated by Israel and its lobby here in Washington. In spite of our agreement that Israel would use cluster bombs we have furnished for use only in the event of all-out war, and then only against military targets, Israel has dropped some 27,000 such cluster bombs, primarily on civilian targets—in Lebanese villages and Palestinian refugee camps. During the 5-year campaign of terror bombing by Israel in southern Lebanon between 1970 and 1975, not one question was raised in the American press. In fact, except for an article in New Times magazine, not one word was printed in the American press about the inhuman slaughter of innocent civilians in Lebanon over that period. When someone finally disclosed how many civilians Israel had killed during their invasion of Lebanon, partly with the barbaric use of cluster bombs, Israel's leaders pled a "mistake" and now will be furnished more of the bombs by us after a new agreement is signed.

The double standard does not end there. In spite of mild protests by our Government against the continued settlement of occupied territories, we continue to send money and arms to Israel—money and arms which enable Israel to continue its illegal policy of expansion into occupied territories. If the terms "expansion" and "illegal settlements" sound cold and clinical here in Washington, D.C., let me try to demonstrate in human terms the potential for disruption inherent in such a policy.

The original expansion of Israel took place in 1948, when a policy of terrorism and military action resulted in Israel establishing itself as a so-called independent nation in the Middle East. It did so on land belonging to the Palestinians, of which three-quarter of a million were driven out to create the exclusive Jewish state. Those Palestinian refugees were placed into camps, where a full generation of bitter, young people have been born and have grown up, resentful of the right of Jews born in Europe and South Africa to live in Palestine, while they are prohibited from returning to their homeland. Many of the Palestinians have become double refugees since 1967, when Israel occupied the West Bank. Israel is now in the process of either deporting or imprisoning Palestinian intellectuals in the West Bank, so as to destroy any capacity for political leadership amongst them.

These actions have been joined, hand in glove, with a deliberate propaganda campaign to dehumanize Arabs in this country, a dehumanization process which makes everything else possible for Israel in the Middle East. After all, if the Arabs were not thought of as sub-humans, how else could Israel escape, with only slight criticism, the invasion of a defenseless country and the slaughter of thousands of civilians? How could it be possible for

Israel to violate the very Geneva conventions it sponsored in 1949 concerning settlements, if the Palestinians were not made to appear as inconsequential? Isn't it easier to trample on the human rights of Palestinians and Lebanese if they are all lumped together under the umbrella term "Arab terrorists?"

I am amazed at the complicity of the press in this effort by Israel's supporters to dehumanize Arabs in the eyes of the American public. Last year for example when the Washington Post headlined $10 million in secret CIA payments to Jordan, at the same time it deliberately suppressed and covered up between $70 and $80 million in secret CIA payments to Israel. How many times have we watched on television the sad funerals of Israeli civilians killed in Fedayeen raids in Israel? But, at the same time, have we ever been shown the sadness of the deaths of thousands of Arab families in Lebanon of those who died at the hands of Israel's military? If we were to believe the emphasis placed on the two different events by the American media, we would soon believe that the life of an Israeli is worth far more than the life of an Arab. Is not this racism of the worst kind?

Let me put all of you here to the test of whether or not we are allowing a blanket of racist dehumanization to be laid over Arabs and Arab-Americans, in our effort to discredit one side of this conflict. I would simply ask you to substitute the word "Jew" each time the word "Arab" is used in a derogatory manner.

For example, here is a newspaper headline that appeared not long ago: "A Group of Jews Buy Bank in Detroit."

Or, what about, "A Jew Lost Millions at the Las Vegas Gambling Tables." Or one that you read in the Washington Post not long ago, "Jews are Buying All the Expensive Property in London."

Do you remember when our sensibilities were shocked when General Brown used the racist canard that "Jews own all the Banks, and the media?"

Then why are we not shocked when the same kind of racism is directed toward Arabs? Is it because this campaign of anti-Arab racism is directed by the Israeli lobby and their friends in the media? Or is it fashionable to be a racist only toward those people disapproved of by Israel?

The bottom line of this campaign is to prevent a political condition from coming into existence that would require Israel to give up the territories it has taken by force, and to allow the Palestinians a state of their own—a state of the kind they were deprived of when Israel drove them out of Palestine in 1948.

Israel can be intransigent about a genuine peace settlement where it might have to return territories—it can refuse to make the accommodations necessary, primarily because it maintains its overwhelming military power at the expense of both the United States, and of our interests in the Middle East.

Is it not much easier for Israel to refuse to talk with the PLO if we are led to believe that all 3 million Palestinians are terrorists? I have heard, more than a few times, the argument that Israel could not stand a Palestinian state next to it, because it would be a base for terrorists. That in itself is an incredibly racist statement, but one made possible by the lumping together of all Arabs as terrorists, no matter what their individual makeup might be. This is the kind of political objective that is sought to be achieved by the campaign to discredit Arabs and Arab-Americans.

People tend to forget that terrorism in the Middle East was invented by Jewish terrorist groups—notably the Stern Gang and the Irgun, which was under Menachem Begin's leadership. I think it is ironic indeed that, from 1948 to 1967, when the Palestinians sat peacefully, hoping that Israel would obey the U.N. resolutions and let them return to their homeland, they were totally ignored, and, in fact, altogether forgotten by the world. It was only after the PLO organized its military arm that the world community decided the Palestinians had a point, except that Israel now uses that as an excuse not to allow a state for the Palestinians. It is a Catch-22 situation—first they were denied a state because they were peaceful, and now they are denied one because they are exercising a military option.

The ultimate irony is to hear Menachem Begin say he refuses to talk to the PLO because they are murderers and terrorists.

And as long as we are speaking of double standards, I think it is highly interesting that a number of Senators have suddenly discovered the virtue of arms control in the Middle East—now that the President is offering to sell planes to the Arab world. Where were all these "Doves" during the years we armed Israel to the teeth—to allow it to bomb Lebanese civilians with cluster bombs, phosphorus, and napalm? Where were they when we voted arms to Israel to allow it to move settlers into the occupied territories?

I would be happy to join with the opponents of this arms sales package in a "No" vote—if—I could get a commitment from each one of them to vote against future requests by all three countries for arms. But that would be too much to hope for, since the strategy of the Israeli lobby is eminently clear—defeat this package, then return later for warplanes for Israel alone.

And for those who are genuinely concerned about arms shipments to the Middle East, I can offer only one solution—a general peace settlement based on the return of the occupied territories by Israel and the establishment of a Palestinian state.

In the interim, it is futile to talk about negotiating a mutual arms reduction between all the parties in the Middle East, primarily because we refuse to communicate with most of those countries involved in the conflict in ony way or another. Iraq, Libya, and, in particular, the Palestinian Liberation Organization. Our refusal to recognize and talk with the PLO is another result of how Israel has dictated our Middle East foreign policy.

The real questions to be decided here today in actuality dwarf the question of the sale of warplanes. They deal with whether or not we are able to conduct our foreign policy without interference into our decisionmaking processes by a foreign government—by Israel and its lobby within the United States. They deal with whether we will be able to influence a just peace settlement, or whether we will continue to act as a "helpless giant," paralyzed by an ethnic lobby concerned more with the interests of Israel than with the interests of the United States.

In the final analysis, it is a question of whether we are capable of protecting our own national interest with respect to the formulation of a constructive Middle East policy that will be just and fair with all nations in that region.

The Israeli lobby has pretty much romped free in the Congress for a long time now, using the threat of political and financial reprisal against Members of Congress who do not fall into line. I suspect that the President's position will be supported by the Senate today, but even if it is close, the outcome will be sort of a declaration of independence on the part of the Congress. The country will be as proud of that, as it was 200 years ago at the time of the first declaration of Independence.●

● Mr. KENNEDY. Mr. President, there are few issues more difficult and complex than the one we face on this floor today: The adıninistration's proposed sale of advanced aircraft to Israel, Egypt, and Saudi Arabia.

I have listened carefully to the debate. I, and I know all of my colleagues, have considered the issues thoroughly. I believe that all of us are agreed that our objectives are the same: the furtherance of the U.S. national interest, the assurance of Israeli security, and rapid progress toward a just and durable peace in the Middle East.

Moreover, these objectives can and must continue to be consistent with each other. The United States has a fundamental interest in the security of Israel and in the Middle East peace process. We also have an interest in maintaining constructive relations with moderate governments of the Arab world, working with them to advance the peace process and to contribute to a stable and healthy world economy.

Our differences arise over how best to achieve these objectives. Those arguing for the aircraft sales emphasize their contribution to the defense requirements of each of the recipients, their role in assuring continuing political relationships without which the peace process will suffer, the prior arms supply undertaking, of Presidents Ford and Carter, the likelihood of French supply of potentially more threatening aircraft in the absence of U.S. supply, and the combination of political consequences and technical constraints designed to prevent offensive uses of the Saudi aircraft.

I believe that most Americans understand the strength of these points, whether or not they agree with them. But despite all the arguments that I have heard and considered, I cannot support

the arms transfers proposed here today. I will vote for the resolution of disapproval, because it is my judgment that:

There is too high a risk that the supply of these arms will retard rather than advance the critical process of building a just and durable peace;

The United States has a basic interest in restraining rather than contributing to arms races, not least in the Middle East and Persian Gulf, a region in which I have always opposed ever-increasing supplies of more and more sophisticated weapons;

Each of the countries involved has an overriding interest in a close, cooperative relationship with us, and after all is said and done none of the governments should desire to disrupt those fundamental ties; and

We can and should put increasing pressure on France, the Soviet Union and other arms suppliers to match our restraint with their own. But if they refuse to do so, it is still no act of friendship for us to provide our friends with more weapons to kill each other.

This said, I recognize that neither course of action we can take today is free of risks for the United States, Israel, and the Middle East as a whole. The decision is an extremely close and difficult one for those who desire peace, and who analyze objectively the current circumstances in the Middle East.

Whatever the outcome, it behooves all of us to review the longer-term policies of the United States to insure that they are indeed designed to effectively advance the peace process in the Middle East and to effectively restrain the international transfer of conventional arms.

Our policies should be guided by an unremitting search for peace, not by the supply of arms which could be used in a future Middle East war.

They should be guided by the enhancement of political and economic ties, not by ever-increasing arms commitments.

They should be guided by restraint in global transfers of conventional arms, not by increasing races to supply more arms to areas of conflict or instability. Tragically, the United States continues to be the leading arms merchant of the world, despite the commendable multilateral initiatives of the Carter administration.

Whether or not the Congress disapproves these particular sales at this particular time, I urge the administration to intensify its efforts for a diplomatic settlement in the Middle East. The best efforts of Israel and the Arab States—including Egypt, Jordan, Saudi Arabia and others—will be needed to bridge the differences which remain on both sides. The United States must continue to play a vital role in helping to bridge these differences, and the governments of the region can and should be induced to take the necessary steps for a just and durable peace.●

● Mr. HAYAKAWA. Mr. President, I rise in opposition to the resolution of disapproval of the three separate plane sales to the countries of Israel, Egypt, and Saudi Arabia. My decision was based not only on assuring the continued security of the nation of Israel should the sales go through—if stems from a wider perspective on the present global situation in which the streets of the United States and its allies are protected.

It is important that we not make arguments for and against the proposed sales just in the context of Middle East peace. We are all hoping for a just and permanent peace in that area as soon as we can get it. If one places these sales against the backdrop of American foreign policy on the global scene, however, there are some fundamental appraisals which we have to make outside the realm of the Middle East conflict.

For some time now, I have been concerned with Soviet global strategy. Recently, we have seen glimpses of it in the ongoing SALT negotiations, continued support of Cuban troops in Africa, and obstinancy at the Belgrade conference, just to quote a few examples. I have many reservations about the agreement this country may end up with at the conclusion of the SALT talks. For our purposes here, however, I would like to discuss recent Soviet escapades in and around the Middle East.

Recently we have seen a glaring example of Soviet adventurism in the Horn of Africa and although the conflict has abated somewhat, we cannot assume that the Soviets have decided to behave. The Soviet pattern of behavior has not gone unnoticed by the Saudis. Just this morning the Washington Post published part of an interview with Saudi Foreign Minister Prince Saud Faisal. "It has been shown that this thing grows," he said, referring to Soviet and Cuban intervention in various African countries. "When Angola came, it was said to be a unique situation. But it repeated itself in Zaire and in Ethiopia. So it does spread." As for Cuban troops in Ethiopia: "It is in principle a threat to the independence and security of our region and directly a threat to the independence and security of our country * * *. What conceivable basis would they have for intervening in that area?" So it is clear that Saudis regard the Horn as a springboard into the Arab Peninsula.

The article also indicated that the Saudis regard southern Africa as the Soviets next target in the continent. I find myself in agreement with this theory. I believe that the lack of support for the internal settlement in Rhodesia will contribute to this process. The Saudis want the United States to step up military assistance to countries like Sudan, Kenya, and Zaire which have Soviet-backed neighbors. They have agreed to open an embassy in the capital of Zambia. Some sort of financial assistance to that country will no doubt follow.

If I were sitting on 25 percent of the world's proven oil reserves and saw the kinds of inroads the Soviet Union had made around me, I believe that I would have good cause for alarm. Apart from the threat in Africa, the Saudis face to the north a well-supplied Soviet-backed Iraq and Syria. The fact that Syria receives a lot of advice from Moscow is well known; Iraq has more than triple the armed forces of the Saudis and an aggressive Ba'athist ideology hostile to the very existence of "reactionary" Arab regimes. This situation has existed since 1963 without any flareups so far; but nevertheless it does create tension in the area.

To the south, it is clear that the Soviets have considerable influence in bordering South Yemen. President Carter has condemned the excessive presence of Cuban military forces there. Even more recently, the establishment of what is apparently a Communist-dominated government in Afganistan can only contribute to Saudi Arabian distrust of Moscow's intentions. The sense of encirclement obviously troubles the Saudis—as well it might.

The request for aircraft from the United States has not been the Saudis' only response to these growing threats. They are engaged in a thorough and systematic program to develop—from the ground up—a complete military infrastructure, including airfields, naval port facilities, radar communications systems, and maintenance and repair facilities—directed against whom? Surely not Israel, so much as against unfriendly nations acting under Soviet inspiration and guidance.

I wish to make it clear that I do not believe that these precautions being taken by the Saudis will prevent the Soviets from an incursion into that country. Such a strike, if it occurred, would no doubt take place in the middle of the night before any Saudi aircraft could take off. My main point is that we should not allow such a strategic raw material exporting country to become vulnerable to Soviet adventurism. The F–15s give Saudi Arabia, for the first time, the ability to destroy aircraft far from its own borders. This range is also necessary to protect its oil installations and cities, which are widely dispersed.

In addition, the first of the American planes on order will not arrive in Saudi Arabia until sometime in 1981 and will not be immediately operational. If we are not pleased with Saudi policies at that point, we can halt the deal. It is the present Saudi leadership we are dealing with. Their orientation is crucial to our long-term energy-planning. They have used their influence in OPEC to hold down drastic rises in oil prices. More importantly, Saudi Arabia's decision not to abandon the dollar despite its recent decline has protected the United States against sharp inflation in the costs of imported oil.

It is true that the Saudis have criticized some of Mr. Sadat's peacemaking moves. However, they have consistently supported an ailing Egyptian economy and this has no doubt kept Mr. Sadat in power. I see this type of support as contrary to the interests of the Soviet Union. The Egyptians have expelled the Soviets from their country. An alliance between the Soviet Union and Saudi Arabia is pretty much out of the question.

The problem the United States faces here is how to give a show of support to two moderate Arab regimes while maintaining Israel's interests. If we drive Sau-

di Arabia and Egypt into the arms of the Soviets, will not Israel be the loser?

I want to assure the safety and prosperity of Israel. Such a goal is very close to my heart. But the achievement of this goal requires that our other allies, such as Egypt and Saudi Arabia, must also feel secure against external attack. How can we secure this security for Israel, Egypt and Saudi Arabia? Long run security and peace require that we think of the problems not of one nation at a time, but all them together.●

Mr. BAKER. Mr. President, is there 1 minute remaining?

Mr. ROBERT C. BYRD. I understand the Senator from Tennessee is going to yield his time back. I am prepared to yield my time back. I urge the Senate to vote no on the question which will now be put, it being up or down.

Mr. BAKER. Mr. President, I yield back the remainder of my time.

The VICE PRESIDENT. All time having been yielded back, the question is on agreeing to the resolution.

Mr. JAVITS. Mr. President, I ask for the yeas and nays.

The VICE PRESIDENT. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The VICE PRESIDENT. The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Kentucky (Mr. HUDDLESTON) is necessarily absent.

Mr. STEVENS. I announce that the Senator from Nevada (Mr. LAXALT) is absent to attend the funeral of a relative.

The result was announced—yeas 44, nays 54, as follows:

[Rollcall Vote No. 161 Leg.]

YEAS—44

Allen	Ford	Nelson
Anderson	Hart	Nunn
Bayh	Haskell	Packwood
Biden	Hatfield,	Pell
Brooke	Mark O.	Proxmire
Burdick	Hathaway	Riegle
Case	Heinz	Roth
Chiles	Jackson	Sarbanes
Church	Javits	Sasser
Clark	Kennedy	Schweiker
Cranston	Matsunaga	Stone
DeConcini	McIntyre	Talmadge
Dole	Melcher	Weicker
Domenici	Metzenbaum	Williams
Durkin	Moynihan	Zorinsky

NAYS—54

Abourezk	Gravel	McGovern
Baker	Griffin	Morgan
Bartlett	Hansen	Muskie
Bellmon	Hatch	Pearson
Bentsen	Hatfield,	Percy
Bumpers	Paul G.	Randolph
Byrd,	Hayakawa	Ribicoff
Harry F., Jr.	Helms	Schmitt
Byrd, Robert C.	Hodges	Scott
Cannon	Hollings	Sparkman
Chafee	Humphrey	Stafford
Culver	Inouye	Stennis
Curtis	Johnston	Stevens
Danforth	Leahy	Stevenson
Eagleton	Long	Thurmond
Eastland	Lugar	Tower
Garn	Magnuson	Wallop
Glenn	Mathias	Young
Goldwater	McClure	

NOT VOTING—2

Huddleston	Laxalt

So the resolution of disapproval (S. Con. Res. 86) was rejected.

(Later the following occurred:)

Mr. BAYH. Mr. President, I ask unanimous consent that my vote on the last issue be cast "aye" instead of "nay."

I misunderstood the order in which we were voting.

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object, but only for the purpose of the record, I say to the Senator that the changing of his vote would not alter the outcome.

Mr. BAYH. I understand that.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

(The above rollcall vote reflects the foregoing order.)

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution was rejected.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AUTHORIZATION TO FILE LATE REPORT

Mr. BENTSEN. Mr. President, I ask unanimous consent that the Committee on Environment and Public Works have until midnight to file the remainder of the report on the Federal Aid Highway Act of 1978.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, the Senate will now proceed to take up the conference report on the budget resolution, under the leadership of Mr. MUSKIE and Mr. BELLMON.

I ask the distinguished Senator whether or not he expects a rollcall vote.

Mr. MUSKIE. Mr. President, we have inquired of all interested parties—I think we have—and there is no desire for a rollcall vote. So far as we are concerned, there is no need for a rollcall vote, unless some Senator now present wishes it.

Mr. ROBERT C. BYRD. Mr. President, if I may be heard by all Senators——

The PRESIDING OFFICER (Mr. MATSUNAGA). The Senate will come to order. The Senate will be in order.

Mr. ROBERT C. BYRD. Mr. President, unless a Senator now indicates that he intends to ask for the yeas and nays on the adoption of the conference report on the budget resolution, I take it that there will be no rollcall votes, and the matter will be decided by voice vote, and Senators may govern themselves accordingly.

Mr. MUSKIE. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

Mr. MUSKIE. I suggest that this report is of surpassing interest, and for those who would like to linger for the purpose of hearing it, we would be delighted to have an audience.

Mr. ROBERT C. BYRD. Of course. I thank all Senators.

Mr. MUSKIE. Mr. President, is the conference report at the desk?

The PRESIDING OFFICER. The conference report is not yet before the Senate.

Mr. MUSKIE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MUSKIE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORIZATION TO TRANSMIT ADDITIONAL VIEWS ON S. 2441 TO PRINTER

Mr. WILLIAMS. Mr. President, I ask unanimous consent that the additional views on S. 2441, the Federal Public Transportation Act of 1978, be sent to the printer not later than the close of business on May 16, 1978.

The PRESIDING OFFICER. Without objection, it is so ordered.

FIRST CONGRESSIONAL BUDGET RESOLUTION, 1979

Mr. MUSKIE. Mr. President, I submit a report of the committee of conference on Senate Concurrent Resolution 80 and ask for its immediate consideration.

The PRESIDING OFFICER. The report will be stated.

The legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the concurrent resolution (S. Con. Res. 80) setting forth the congressional budget for the United States Government for the fiscal year 1979, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report is printed in the House proceedings of the RECORD of May 15, 1978.)

Mr. MUSKIE. Mr. President, I ask unanimous consent that the following members of the staff of the Committee on the Budget be allowed to remain on the floor during consideration of and votes on Senate Concurrent Resolution 80: John McEvoy, Karen Williams, Sid Brown, Van Ooms, George Merrill, Dan Twomey, Tom Dine, Ira Tannenbaum, Jacques Cook, Elizabeth Tankersley, Bob Sneed, Barbara Levering, Charles Flickner, Terry Finn, John Giles, Rodger Schlickeisen, Don Campbell, Tony Carnevale, Rob Fersh, Gail Picker, Anne Lockwood, and Brenda Tremper.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MAGNUSON. Mr. President, will the Senator yield for a half-minute?

Mr. MUSKIE. I yield to the distinguished chairman of the Appropriations Committee, Senator MAGNUSON.

The PRESIDING OFFICER. The Senator from Washington.

Mr. MAGNUSON. Mr. President, I compliment the conferees on arriving at

what I think is quite a reasonable figure on outlays, and it will really reduce the so-called estimates of the budget deficit quite a bit. I know the Senator from Maine might agree with me that we in the Appropriations Committee may reduce it even more.

Mr. MUSKIE. I appreciate that.

Mr. MAGNUSON. But I compliment the Senator on giving us some leeway, some flexibility to look at these programs for needs of the American people in the way we can, but I know the Senator from Maine hopes that we will even cut it a little further.

Mr. MUSKIE. I would not want to deprive my good friend from Washington of that pleasure and prerogative.

Mr. MAGNUSON. I thank the Senator.

Mr. MUSKIE. I thank my good friend for that statement.

We concluded this conference report this afternoon, just hours before the May 15 deadline for final congressional action on the budget resolution.

I wish I could report that both Houses can complete action on this conference report before the midnight deadline. Regrettably, an unforseeable week-long delay encountered by the House in its debate of the resolution also delayed our conference for a week.

So now we are up against the deadline for final action. But I hope we can adopt this conference report in the Senate tonight, so that final action will be possible in the House early tomorrow.

THE CONFERENCE AGREEMENT

Mr. President, in order to help Senators understand the conference report, a full copy of that report and the statement of managers accompanying it has been placed on every Senator's desk.

In addition, a document summarizing the conference report and statement of managers has also been placed on every desk.

As Senators can see from those documents, the $50.9 billion deficit contained in this conference agreement is significantly lower than the deficit contained in either the House or Senate version of the budget resolution.

A the same time, with a few nonsubstantive exceptions, the spending totals contained in the conference report are at least as great as the amounts contained in the Senate-passed resolution.

I do not make that statement about spending totals with any great pride. The Senate regularly passes more frugal budget resolutions than those adopted by the House. And, generally, we must increase our totals to some extent to achieve conference agreement with the House.

I do cite this fact as an assurance to Senators who may be concerned that the conference agreement might crowd out spending plans countenanced by the Senate-passed version of the resolution. It does not. Frankly, however, many of our Senate conferees, including myself, regret the fact that to reach agreement with the House, we had to increase the Senate-passed budget levels in many cases.

I am very pleased to report that the deficit contained in this resolution is lower than that considered by either House.

It is also $10 billion lower than the deficit contained in the President's budget, and $6 billion lower than the projected deficit for 1978.

We have achieved this lower deficit principally by agreeing to tax cuts lower than those originally contemplated by either House.

The Senate budget resolution contemplated a tax cut of $25 billion on a 12-month basis and $19.4 billion on the 9-month basis. Those were the estimates upon which the budget resolution was based. The House had proposed a tax cut of $18.2 billion on an annual basis.

The conference agreement, regarding revenues, arrived at after consultation with the President and his economic advisers and the leadership of the House and Senate, reduces the size of the tax cut to a total cut of $19.4 billion on an annual basis. It also assumes an effective date for any tax cut not earlier than January 1, 1979, so that the tax cut will be in effect only for 9 months of the fiscal year. Thus, the total $19.4 billion tax reduction in the Senate-passed resolution is reduced to $15 billion in the conference agreement.

We had at least three reasons for reducing the tax cut.

First, the economy now appears to be more robust than economists predicted only a few months ago. Accepting a deficit of a magnitude which a few months ago appeared necessary for continued economic recovery, now appears more likely to raise inflationary expectations, force up interest rates and weaken the dollar. So we scaled it back.

Second, joblessness has declined more rapidly than expected when the tax cut was first proposed. It now appears we do not need as much tax-cut job stimulus as appeared necessary last winter. So we scaled it back.

Third, and very important, we want to send a signal to the American people, American business, and the world community that we are serious about controlling inflation in this country. We are not going to lose sight of the unemployment problem or deny jobs to those who want and need them. But we are not going to overstimulate the economy and we are going to hold the line on spending and the deficit whenever and wherever we can.

Inflation control means budgetary control.

Furthermore, Mr. President, by setting a 5.5-percent limit on Federal employee pay raises, this conference agreement sends another strong signal to the American people that the Congress is serious about curbing inflation.

Mr. President, the conference agreement significantly increased the Senate-passed budget levels in such budget categories as agriculture, transportation, energy, veterans, higher education, and jobs programs. The defense category, although reduced somewhat from the Senate-passed level, represents an actual increase of $2 billion over the President's budget, taking into account slippage in the Trident submarine program unforeseen when that budget was submitted and the anti-inflationary pay cap proposed in this budget.

The conference agreement, as I have already noted, also makes cuts in several other areas of the budget. Except for the defense category, which remains well over the President's budget request, these reductions are all technical estimating differences, which do not affect program levels.

Let me now turn to some of the other major points of difference between the conference agreement and the budget resolution which passed the Senate 2 weeks ago.

NATIONAL DEFENSE AND INTERNATIONAL AFFAIRS

The conference agreement for national defense provides for budget authority of $128.7 billion and outlays of $115.7 billion.

The proposed target for budget authority is $0.3 billion over the President's defense budget of $128.4 billion. However, when an adjustment of $1.7 billion is made to the President's request for the congressional assumptions regarding deferment of the Trident submarine, a 5.5-percent "pay cap" and 20-percent absorption of the October 1978 pay raise, the conference level is $2.0 billion higher than the President's request.

The proposed target for outlays is $2.1 billion below the President's request. This amount does not actually reduce the President's proposed spending level because the conferees assumed the CBO outlay reestimate associated with a lower rate in DOD obligations than previously anticipated.

The Senate conferees' major concern is that the United States maintain real growth in defense spending, particularly in those investment areas that are intended to enhance the strength of the NATO alliance. The proposed conference targets allow for a defense budget which can provide for substantial improvements in U.S. force capabilities as a means for meeting the NATO pledge of each member nation to aim for 3 percent real growth in defense spending for the next several years. The Senate conferees believe that this is necessary to counterbalance Soviet and Warsaw Pact attempts to strengthen their defense forces.

The conference agreement for international affairs is only slightly changed from the Senate-passed levels for this function. Budget authority remains at $12.8 billion. The conferees having agreed to language designating $1.8 billion of this amount for a possible fiscal year 1979 appropriation for the IMF Witteveen Facility. Outlays have been reduced by $0.3 billion, to $6.9 billion, mostly as a result of technical adjustments.

PHYSICAL RESOURCES

For energy, the conferees agreed to $10.4 billion in budget authority and $9.8 billion in outlays. These amounts reflect an increase in budget authority of $0.2 billion above the Senate-passed targets but a decrease in outlays of $0.3 billion.

In budget authority these amounts can accommodate the President's full fund-

ing request for the strategic petroleum reserves as well as congressional initiatives in energy supply-related programs. In addition, the amounts will cover many of the energy conservation spending programs authorized in the National Energy Act now in conference, including several energy programs the House placed in other functions.

The decrease in outlays reflects acceptance of the House's lower estimate for outlays from the strategic petroleum reserves. These targets reflect the view of both Budget Committees that energy remains a critically important national priority.

For natural resources and environment, the conferees agreed upon budget authority of $13.3 billion and outlays of $12.2 billion. The conference targets represent decreases of $0.1 billion in budget authority and $0.3 billion in outlays below the Senate-passed figures. These targets still would allow for continuation of ongoing water resources programs as well as new project starts, and provide increases for conservation and renewable resources programs. Increases for recreational resources programs and the research and regulatory programs of the Environmental Protection Agency also are provided, although a more realistic estimate of outlays is now included.

In recognition of the special problems in the agriculture sector, the conferees agreed upon budget authority of $12.3 billion and outlays of $8.3 billion for these purposes. These targets are $0.1 billion in budget authority below and $0.5 billion in outlays above the Senate-passed levels. Budget authority was reduced to reflect CBO's reestimate of funds needed for the agriculture credit insurance fund. With respect to outlays, the conference agreement provides $0.5 billion more than the Senate-passed level to allow some flexibility in funding agriculture initiatives. The agreement funds CBO's latest current law estimate for CCC price support activities; allows for CBO's estimate for H.R. 6782, the Emergency Agriculture Act of 1978, as passed by Congress; and provides $0.8 billion for new farm programs or reestimates.

For commerce and housing credit activities, the conferees accepted the Senate targets of $5.9 billion in budget authority and $3.6 billion in outlays. The targets should accommodate the projected operations of Federal mortgage assistance programs, including GNMA's targeted tandem program. They assume continued appropriations to the Postal Service in keeping with existing law, and anticipate that small business assistance in fiscal year 1979 will place greater emphasis on loan guarantees than in the past. Providing that other spending initiatives do not completely utilize the first budget resolution, these targets could be accommodated.

In transportation, the conferees agreed upon budget authority of $20.3 billion and outlays of $17.8 billion. These targets represent increases of $0.8 billion in budget authority and $0.3 billion in outlays above the Senate-passed figures, and were reluctantly agreed to by the Senate conferees in order to accommodate at least a portion of the transportation funding increases being proposed, primarily by the House Public Works Committee. The conference recommendation is adequate to cover the priority requirements for funding increases to highway, railroad, mass transit, and air transportation programs. At the same time, it is inadequate to accommodate the extravagant funding increases being proposed in the House.

In the community and regional development area, the conferees agreed upon $11.1 billion in budget authority and $9 billion in outlays. These targets represent increases above the Senate-passed figures of $0.7 billion in budget authority.

The conference agreement would accommodate substantially expanded economic development programs and full funding of these elements of the President's urban initiative that are likely to be enacted for fiscal year 1979.

HUMAN RESOURCES

In the human resources area, the conference agreement on the budget resolution provides for $299.95 billion in budget authority and $261.1 billion in outlays. These amounts are $2.15 billion in budget authority and $0.7 billion in outlays above the Senate resolution.

The conference agreement makes room for additional Federal efforts in several high priority programs serving the Nation's human needs.

The resolution agreed to in conference maintains the Senate's assumption of substantial funding increases for education programs; the veterans' pension program and other veterans' benefits; programs aimed at improving health care services, planning, and research; and social services grants.

Mr. President, the conference agreement will provide for up to $1.0 billion in additional middle-income student tuition assistance. The resolution would allow for a revenue loss of up to $0.3 billion to accommodate a tuition tax credit and up to $0.7 billion for student aid to middle-income college students.

The conference agreement maintains the Senate assumption that employment and training programs ought to be continued at current policy levels, but that half the available resources for such programs will be redirected from the temporarily unemployed to the structurally unemployed, who now comprise the largest portion of the unemployed population. The conference agreement assumes that the targeting of these programs will produce savings in public assistance programs in function 600.

The conference agreement reflects the continuing concern of both the House and the Senate over the rapid inflation in health care costs and supports efforts to restrain these costs including the hospital industry's voluntary efforts. At the same time, the conference agreement allows for some expansion of the medicaid program as well as increases in other health service programs. The conference agreement does not assume reduction in the level of funding for research and health education programs to the extent proposed by the President.

The conference agreement also assumes enactment of significant reforms in the Veterans' pension program. The conferees expect that, while short-term costs will be incurred as a result of this reform, it will ultimately lead to substantial savings.

The conference agreement also assumes enactment of welfare reform initiatives effective in fiscal year 1979, with an expanded earned income credit and fiscal relief to states as major possibilities.

The conference agreement also accommodates various other new initiatives, including elementary/secondary education funding, expanded nutrition program funding, and additional funding for social services.

REVENUES

Turning to revenues, the conference agreement provides for fiscal year 1979 revenues of $447.9 billion. This is $4.6 billion more than had been provided under both the House and the Senate resolutions of $443.3 billion. As I have noted previously, the increased revenue floor results from a deliberate fiscal policy decision taken by the conference, in conjunction with the administration, to moderate the size of a fiscal year 1979 tax reduction in response to changes in economic circumstances over the past several months.

The revenue target would accommodate a general tax reduction of $15 billion effective not earlier than January 1, 1979, as well as structural tax law changes which would reduce fiscal year 1979 revenues by $1.4 billion. These changes include a tuition tax credit, a targeted employment tax credit and other miscellaneous provisions.

The revenue target also reflects acceptance by the conferees of the Senate position that refundable tax credit payments in excess of the recipients' tax liabilities should be treated as outlays and budget authority, rather than as revenue reductions.

FISCAL POLICY AND THE DEFICIT

The coexistence of unemployment and inflation means that a moderate economic expansion must be continued. The current expansion must be extended over a much longer period than the 34 months averaged by other peace-time recoveries since World War II. At the previous average, the present recovery would end this year, leaving the economy stranded with substantial unemployment and continuing inflation.

The economic environment has changed dramatically in the 5 months since the preparation of the President's budget and tax proposals at the end of 1977. Inflation has increased and unemployment has fallen more than expected. Monetary policy has become more restrictive, and interest rates have risen, in response to higher inflation and the weakness of the dollar.

In light of all these circumstances, a moderate and prudent fiscal policy is appropriate for fiscal year 1979. The budget resolutions passed by both the Senate and the House reduced fiscal stimulus and the budget deficit below those contained in the President's budget proposals. The recent perform-

ance of the economy subsequently indicated that an even smaller budget deficit for fiscal year 1979 might be desirable.

The chairmen of the budget committees therefore met with the President to examine the economic outlook and fiscal policy. The President concurred in the view that a reduction in the budget deficit for fiscal year 1979 below those proposed in the budget resolutions of the House and the Senate would be appropriate at this time.

The report of the conference committee therefore accommodates general tax reductions for fiscal year 1979 effective January 1, 1979 and an aggregate tax cut of $24.7 billion including the extension of $8.3 billion of previous tax cuts.

In combination with the spending recommendations of the Conference Committee, this would result in a budget deficit for fiscal year 1979 of $50.9 billion. This reduced deficit will signal Congress' determinations to maintain fiscal discipline, reduce inflationary pressures, ease the pressures on capital markets, and maintain the integrity of the American dollar as a reserve asset.

As in the past 3 years, the projected Federal deficit is associated with economic activity, incomes and employment below the full capacity of our economy. This reduced level of activity shrinks Government revenues while it raises costs of unemployment compensation and other income support programs. Unacceptably large budget deficits can be eliminated only by a strong economy. The fiscal policy in the conference report will move the economy further towards full employment and budgetary balance.

INFLATION

According to a recent Harris poll reported in this morning's Washington Post, Americans are more worried about the rise in the cost of living than they have been since January, 1975. The inflation rate remains unacceptably high, and recent increases in the wholesale price index and consumer price index are a cause for particular alarm.

To achieve a decline in inflation, however, it will be necessary to follow moderate but supportive fiscal and monetary policies. We cannot stop inflation with Draconian policies which throw millions of Americans out of work, any more than we can cure unemployment with higher inflation. Progress towards full employment and lower inflation can be achieved only through consistent policies which avoid the boom-and-bust cycle of too much stimulus followed by excessive restraint.

In addition to reducing the budget deficit, the recommendations of the conference discourage specific actions which increase prices and the inflation rate in particular sectors. The conference agreement recognizes, for example, an urgent need to curb the rapid inflation in medical care costs. It recommends lower outlays in the health function to reflect enactment of legislation to reduce such cost inflation. The conference substitute also recognizes the need for a Federal pay cap.

The committee endorses the "targeted" public service jobs concept which emphasizes employment and training for the structurally unemployed—unskilled workers, young people, and welfare recipients. This policy will improve the longer-run trade-off between inflation and unemployment.

JOBS

Over 6 million Americans remain out of work in spite of the drop in the unemployment rate to 6 percent in April. Indeed, the fact that a 6-percent unemployment rate is now regarded as an achievement, rather than as a challenge, indicates the severity of the recent recession. We cannot rest on the last year's employment gains. We must continue and strengthen our commitment to steady economic growth and to reducing structural unemployment.

The conference agreement provides for steady job gains in 1979. Employment should increase by over 2 million jobs from the end of 1978 to the end of 1979.

COORDINATION OF FISCAL AND MONETARY POLICY

Mr. President, coordination of fiscal and monetary policies has now become critically important. As the Congress maintains fiscal discipline and moves to a less expansive fiscal policy, it is vital that monetary policy be accommodative enough to encourage the private investment required for increases in productivity and growth. A proper balance between fiscal and monetary policy is essential to achieving a strong economy with lower budget deficits.

The prudent fiscal policy recommended by the conference committee should have a beneficial effect on the economy. The Chairman of the Federal Reserve has emphasized that Federal Reserve monetary policy will be responsive to fiscal discipline by the Congress and the size of the budget deficit. This fiscal policy will provide additional latitude for the relaxation of monetary policy and for a better balance between fiscal and monetary policy. We are confident that Chairman Miller and the Federal Reserve will provide a monetary policy which accommodates this congressional fiscal policy and provides for continued economic growth, progress against inflation, and further gains in employment.

We must also recognize that price increases may result from supply shortages, as recently occurred in food and energy. The last several years have taught us that fiscal and monetary restraint cannot prevent price increases of this type, even at unacceptably high levels of unemployment.

Mr. President, we can reduce inflation only through deescalation of wage and price increases and careful attention to the effects of public policies on costs and prices. However, in fighting inflation, we must not mistake inflation caused by severe weather, or by unavoidable increases in energy prices, with inflation caused by excess demand. Our fight against inflation should not cause us to adopt overly restrictive fiscal and monetary policies that threaten another recession.

PARLIAMENTARY SITUATION

Mr. President, as has frequently occurred in previous years, this conference report is being submitted by the managers on the part of the two Houses in technical disagreement.

As in the usual case, the disagreement is not over substance. It is a parliamentary technicality. This result has occurred because the parliamentarians of the two Houses have ruled that, even on technical matters, a conference report on a budget resolution must in all its particulars remain within the range established by the action of the two Houses. Thus, where numbers are even slightly below or above the range, the conference must report in disagreement. This is what has occurred here.

The conference agreement contains revised figures for fiscal year 1979 that are in some cases ouside the range of the House and the Senate provisions. It is the intention of the conferees of both Houses to urge adoption of the substitute budget resolution described in the statement of managers accompanying this conference report in disagreement.

So when the Senate votes today, we will first be voting to confirm the conference report in disagreement. A second vote will then occur to adopt to the original House amendment to the Senate budget resolution, with an amendment which is spelled out in the statement of managers accompanying the conference report. Other than this two-step procedure, this consideration of the conference report can proceed as if it had been reported in agreement.

CONCLUSION

I urge all Senators to support this conference report today, and throughout the summer as we consider the spending and tax legislation which must be made to fit within it. In my view, this is the best prescription for strengthening the public's confidence in the ability of the Government to cope with and to resolve our financial problems.

Finally, Mr. President, again I want to express my sincere appreciation to the ranking minority member (Mr. BELLMON) and to the other Senate conferees for their splendid efforts, cooperation, and loyal support in the conference and in bringing this report to the floor for consideration today. I wish to express again my thanks to Chairman GIAIMO and his conferees for their cooperation in reaching this agreement.

And I want to acknowledge and express our committee's gratitude for the high level of consideration and support the majority leader (Mr. BYRD) continues to give the entire budget process.

Finally, I want to commend the staff of the Budget Committee for their superb and indefatigable performance over the months leading up to this report, and in particular for their efforts in making it possible for us to bring this conference report to the Senate at 8:30 this evening, with all of the complicated paperwork completed for our consideration, even though the conference was not concluded until 4 o'clock this afternoon. We have come to expect such efforts from

them but we are nonetheless deeply grateful, and want to make sure that we indicate our appreciation on the record on occasions such as this.

Mr. President, I am happy to yield now to my good friend the Senator from Oklahoma (Mr. BELLMON), with my special thanks for his efforts.

The PRESIDING OFFICER. The Senator from Oklahoma is recognized.

Mr. BELLMON. I thank our distinguished chairman.

Mr. President, 2½ weeks ago, the Senate overwhelmingly approved a budget for fiscal year 1979 that balanced our many conflicting concerns, providing adequate spending for our major programs and policies, while accommodating our macroeconomic objectives. Reconciling our many and diverse priorities with those of the House proved to be a difficult and arduous task. I support the conference agreement on the fiscal year 1979 budget resolution and note that outlays and the deficit are below the respective amounts in both the Senate and House resolutions.

As should be expected, however, several changes have been made in that budget, some of which I find troubling. First, while the Senate resolution placed a high priority on aiding the improvement of our national defense forces, the House was not so disposed. It may prove necessary to raise these Defense totals in the second resolution later this year.

Second, the conferees increased the revenue floor by $4.6 billion over the figure in the Senate resolution. The conference revenue number does not totally restrict the flexibility of tax programs however. A variety of tax packages presently under consideration could be altered or added to fit within this revenue floor.

Mr. President, we on the Senate side of the budget process have continuously resisted the temptation to produce a line-item budget. Rather, we have worked hard to keep the budget resolutions and the accompanying reports free of details so as to preserve maximum flexibility for the authorizing and appropriations committees. This conference agreement is consistent with that approach. When we mentioned a specific assumption, we do so without prejudice to other alternative decisions the Congress may choose to make.

For example, in function 600 (Income Security) the report indicates that initiatives related to welfare reform can be accommodated within the functional target. Although no mention is made in the conference report of the possible expansion of the earned income credit, the Finance Committee will be free to present a bill expanding the credit, so long as it stays within the overall revenue floor and the spending allocations made available under this Resolution.

Though I agree with the need to reduce the budget deficit, I regret that this reduction could not have been partially accomplished through further cuts in spending. The Senate conferees offered numerous motions to reduce spending below the House levels. Should anyone believe that reductions of this magnitude were not feasible, I would note that many spending functions have enjoyed considerable real increases in recent years. Mr. President, I ask unanimous consent that a table documenting this growth pattern be printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

PERCENTAGE INCREASES IN BUDGET AUTHORITY AND OUTLAYS

(FY 1975 actual to FY 1979 Senate-passed level)

Function:	*Budget authority*	*Outlays*
050 National defense	50	36
150 International affairs	77	4
250 General science, space, and technology	30	25
270 Energy	176	359
300 Natural resources and environment	7	71
350 Agriculture	110	359
370 Commerce and housing credit	−52	−36
400 Transportation	−4	68
450 Community and regional development	126	143
500 Education, training, employment, and social services	95	96
550 Health	76	79
600 Income security	21	47
700 Veterans benefits and services	26	25
750 Administration of justice	43	45
800 General government	32	32
850 General purpose fiscal assistance	35	33
900 Interest	51	51
920 Allowances	(a)	(a)
950 Undistributed offsetting receipts	22	22
Total budget	37	53

[a] Actual amounts are spread among other budget functions.

Mr. BELLMON. Mr. President, though there are disappointments, my support for the conference report is based upon my belief that these targets are not wholly inappropriate and generally reflect proper national priorities.

For example, a major effort has been made by the conferees to address the persistent problem of inflation. By arriving at a deficit of $50.9 billion, which is $4.7 billion below the deficit in the Senate resolution and a full $7.2 billion below the President's request, we are taking strong action to allow the economy to sustain its momentum without putting additional upward pressure on prices. Furthermore, to demonstrate that the Federal Government must take the lead in this battle, we have assumed a 5.5 percent pay cap for Federal, civilian, and military employees and have suggested redirecting many of our jobs programs toward the structurally unemployed.

This resolution also reflects our desire to limit the overall growth of the Federal Government by containing spending. The outlay level agreed to in conference is $0.1 billion below the Senate target, is $2.6 billion below the House's and $0.6 billion below the President's.

Mr. President, while the deliberations on the budget resolution have reflected a spirit of cooperation by Members of both the House and Senate, acceptance of these targets represents only the first step in our effort to bring Federal spending and revenue policy under control. The task we now confront, and it will be a difficult one, is to abide within these constraints. If Congress is to effectively assert a responsible fiscal role, and I believe it will, this cooperation must continue, in fact as well as in spirit.

Mr. President, Members of the Senate who are not privileged to serve on the Budget Committee cannot know of the enormous debt of gratitude this body and the country owes to Chairman MUSKIE. It is only through his leadership, dedication, his negotiating skill, his thorough understanding both of the budget process and the need for sound fiscal policy that progress has been possible. Truly, ED MUSKIE is the right man in the right place at the right time. I can only hope other Members of the Senate can grasp the same sense of urgency that the senior Senator from Maine has shown toward getting effective control over Federal spending and to give the budget process the same support given by our chairman; 1978 is a crucial year in the budget process. I congratulate Chairman MUSKIE and the able and dedicated staff of our Senate Budget Committee for their effectiveness and urge the full Senate to abide by the functional totals in this report.

Mr. President, I believe we all respect the fact that inflation has come to be an increasing threat, and the main thrust of this budget is to respond to that threat by holding down the deficit and by taking action that we feel will help to contain inflation without throwing the economy into a tailspin.

I ask unanimous consent, Mr. President, that a table showing the changes that this resolution makes in the first resolution that passed the Senate be printed at this point in my statement.

There being no objection, the table was ordered to be printed in the RECORD, as follow:

Changes in Conference result from original Senate level

	BA	*O*
050 Defense	−1.1	−0.9
150 International affairs	—	−0.3
250 General Science & Space	—	—
270 Energy	+0.2	−0.3
300 Natural Resources	−0.1	−0.3
350 Agriculture	−0.1	+0.5
370 Commerce & Housing	—	—
400 Transportation	+0.8	+0.3
450 Community & Regional Level	+0.7	—
500 Education, Training	+1.4	+0.2
550 Health	−0.15	—
600 Income Security	+0.6	+0.3
700 Veterans Benefits	+0.3	+0.2
750 Justice	—	—
800 General Government	—	—
850 General Purpose Fiscal Assistant	—	—
900 Interest	+0.2	+0.2
920 Allowances	+0.1	+0.1
950 Undistributed Offsetting Receipts	−0.1	−0.1
Total change from Senate	+2.74	−0.1

Mr. BELLMON. Mr. President, I ask further unanimous consent that a statement by the senior Senator from New Mexico (Mr. DOMENICI) be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

STATEMENT BY SENATOR DOMENICI

As much as I regret to do so, I find that I must oppose this Conference Report on the First Concurrent Resolution for Fiscal Year 1979. I take my position as a member of the Senate Budget Committee and as a conferee on this budget resolution very seriously and, consequently, I feel I owe my colleagues and the American public an explanation of my opposition.

During the entire time I have been involved in the new congressional budget process, I have tried to accommodate diverse interests for the good of the process. As many of my colleagues, I earnestly want the budget process to succeed, to grow and become the controlling force in budgeting for our national government. This desire has prompted me on several past occasions to agree to budget resolutions I found questionable in some details and in general effect.

I still have that same strong desire to see the budget process prosper and become that vital force for meaningful budget restraint and effective fiscal policy direction this country needs and deserves. Unfortunately, even as far as we have proceeded toward that goal, this resolution throws us considerably off track because it mandates the adoption of fiscal policies and spending decisions which I feel are not in the best interests of the Nation.

I say this not just because I disagree with some of the fiscal policies implicit in this resolution and certain specific spending levels, but because this budget resolution represents a sudden unexplained reversal of revenue decisions previously announced with great fanfare and resulting high expectation on the part of the general public. That expectation was for a general tax cut on the order of $25 billion annually, a tax cut long overdue for hard working Americans who have seen their spendable incomes eaten away by inflation and elevation to higher tax brackets. Now they will wake up tomorrow morning and find that the Congress, by means of the First Concurrent Resolution on the Budget, has demolished that expectation.

It seems to me that this resolution could have been adjusted in other places enough to have allowed the $19.4 billion dollar tax cut the Senate provided room for in S. Con. Res. 80. To be sure, this resolution has some attractive features compared to either the House or Senate versions. For example, the most attractive feature is that it estimates the FY 79 deficit at $50.9 billion compared to the Senate's $55.6 billion and the House's $57.0 billion. Before we make too much of that, however, we should be aware that this comparatively low deficit has been achieved largely at the expense of the larger tax cut contained in the Senate version.

While a smaller deficit is a highly desirable goal and one we ought always to seek, it should not become so dominant that other important considerations are ignored or rejected. To this point, many will claim that a recent change in economic conditions—the leveling off of unemployment and the continuing spiral of inflation—justify a smaller tax reduction. That argument is grounded on the premise that a general tax cut as large as $25 billion on an annual basis would be too inflationary. This may be a reasonable and defensible economic thesis and I recognize that tax cuts do carry inflationary consequences, but in my mind, those possible consequences are more than offset by the documented need for a large general tax cut and by the economic benefits which would result.

So, in spite of the reduction in the estimated deficit, I feel we are making a mistake and that we are failing in our duty to the American taxpayer by limiting substantially the tax cut that could be enacted by FY 79, not to mention the implication of this action for future year revenues.

To be more specific, let me close by itemizing my other objections to this approach.

1. This resolution can be correctly described as effectively raising the taxes paid by individual Americans by $4.4 billion in FY 79.

2. This action took the pressure off spending limitations both now and in later years because it guarantees higher revenues to pay for larger spending programs.

3. It provides for real growth in all functional areas of the budget, some well beyond justification, while refusing to allow taxpayers the full tax reduction they are entitled to and have been led to expect.

Just a word now about the spending side as a further indication of my dissatisfaction with this resolution. In the National Defense Function, 050, the Conference settled on $128.7 billion in Budget Authority and $115.7 billion in Outlays. This is $1.2 billion less in BA and $0.9 billion less in Outlays than the amounts the Senate approved in S. Con. Res. 80. It should be emphasized that the Senate strongly supported those numbers and I feel that we did not adequately fulfill our duty as Senate Conferees by reducing our commitment to a strong National Defense.

There are those, apparently a majority of my fellow conferees, who feel that the military can always make do sufficiently with a couple of hundred million less. Perhaps they are right. There are those, again apparently a majority of my fellow conferees, who feel that we can play off the lower deficit figure against a smaller tax cut, justifying the latter in the name of fighting inflation, and no one will be the wiser. These are notions I cannot support, as much as I would like to, and, accordingly I must vote against this resolution.

The PRESIDING OFFICER. The Senator from Maine.

Mr. MUSKIE. Mr. President, I would like to express my personal appreciation to the distinguished Senator from Oklahoma for the undeserved comments with respect to my performance. I wish I had thought of them. I would have directed them to his performance and his support of the budget process.

I did not know Senator BELLMON well before he came to the Budget Committee where he joined me some 3 or 4 years ago. Having worked with him for these years, I must say I now regard him as one of the preeminent Senators in this body in terms of intellect, balance of judgment, and just plain courage. I am proud to serve with him and will always remember our association in this process with great affection. I shall never forget the strength and support he has given me in difficult times in conferences as well as in the Budget Committee itself.

Mr. BELLMON. Mr. President, I thank my distinguished chairman for those kind and undeserved comments.

Mr. MUSKIE. Mr. President, I ask unanimous consent that a statement of the managers of the conference report be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

(Statement of managers is printed in the House proceedings of May 15, 1978.)

Mr. MUSKIE. Mr. President, I also ask to have printed in the RECORD a table showing the conference agreement broken into the mission categories which the Senate Budget Committee used in the process of developing the budget resolution.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Amounts in Conference Agreement on S. Con. Res. 80, First Budget Resolution for FY 1979, by Function and Mission

[In billions of dollars]

	Budget authority	outlays
Function 050—National defense:		
Mission 1 Strategic warfare forces	13.9	13.3
Mission 2 Tactical warfare forces	79.5	69.7
Mission 3 Defensewide forces and support	22.3	20.0
Mission 4 Other national defense programs	13.0	12.7
Function 050 Total	128.7	115.7
Function 150—International affairs:		
Mission 1 Foreign economic assistance and financial programs	9.1	4.9
Mission 2 Foreign military assistance and sales	2.3	0.5
Mission 3 Other international affairs programs	1.5	1.5
Function 150 total	12.8	6.9
Function 250—General science, space, and technology:		
Mission 1 Science	1.4	1.3
Mission 2 Civilian space program	3.8	3.8
Function 250 total	5.2	5.0
Function 270—Energy:		
Mission 1 Energy supply	4.0	4.8
Mission 2 Energy conservation	1.2	1.0
Mission 3 Emergency energy preparedness	4.3	3.2
Mission 4 Other energy programs	0.9	0.8
Function 270 total	10.4	9.8

Amounts in Conference Agreement on S. Con. Res. 80, First Budget Resolution for FY 1979, by Function and Mission—Continued

[In billions of dollars]

	Budget authority	outlays
Function 300—Natural resources and environment:		
Mission 1 Water resources	3.6	3.6
Mission 2 Conservation and land management	2.3	1.9
Mission 3 Recreational resources	1.9	1.9
Mission 4 Pollution control and abatement	5.7	5.2
Mission 5 Other natural resources and environment programs	0.1	(*)
Function 300 total	13.6	12.2
Function 350—Agriculture:		
Mission 1 Farm income stabilization	10.9	6.9
Mission 2 Agricultural research and services	1.4	1.4
Function 350 total	12.3	8.3
Function 370—Commerce and housing credit:		
Mission 1 Mortgage credit and thrift insurance	2.4	0.3
Mission 2 Postal service	1.8	1.8
Mission 3 Other commerce and housing credit programs	1.7	1.4
Function 370 total	5.9	3.6
Function 400—Transportation:		
Mission 1 Highways	8.4	7.4
Mission 2 Railroads	2.4	2.4
Mission 3 Mass transit	3.6	2.6
Mission 4 Air transportation	3.8	3.4
Mission 5 Water and other transportation	2.1	2.0
Function 400 total	20.3	17.8
Function 450—Community and regional development:		
Mission 1 Community development	5.5	4.1
Mission 2 Area and regional development	4.4	3.9
Mission 3 Disaster relief and insurance	1.2	1.0
Function 450 total	11.1	9.0
Function 500—Education, training, employment, and social services:		
Mission 1 Elementary, secondary, and vocational education	7.7	6.5
Mission 2 Higher education	5.2	4.3
Mission 3 Research and general education aids	1.4	1.3
Mission 4 Training and employment	12.2	12.9
Mission 5 Other labor services	0.5	0.5
Mission 6 Social services	6.1	6.0
Function 500 total	33.0	31.4
Function 550—Health:		
Mission 1 Health care services	47.7	44.9
Mission 2 Health research	3.1	3.0
Mission 3 Education and training of the health care work force	0.8	0.8
Mission 4 Consumer and occupational health and safety	0.9	0.9
Function 550 total	52.5	49.5
Function 600—Income security:		
Mission 1 General retirement and disability insurance	107.1	109.2
Mission 2 Federal employee retirement and disability	20.3	12.0
Mission 3 Unemployment compensation	16.5	11.1
Mission 4 Public assistance	19.4	19.3
Mission 5 Nutrition programs	3.7	3.7
Mission 6 Housing assistance	25.6	4.4
Mission 7 Other income security programs	0.5	0.5
Function 600 total	193.1	160.2
Function 700—Veterans benefits and services:		
Mission 1 Income security for veterans	11.7	11.4
Mission 2 Veterans education, training, and rehabilitation	2.8	2.9
Mission 3 Hospital and medical care for veterans	6.0	6.0
Mission 4 Other veterans benefits and services	0.6	0.6
Function 700 total	21.3	21.0
Function 750—Administration of justice:		
Mission 1 Federal law enforcement activities	2.1	2.1
Mission 2 Criminal justice assistance	0.7	0.7
Mission 3 Other administration of justice programs	1.5	1.4
Function 750 total	4.3	4.2
Function 800—General government:		
Mission 1 Legislative functions	0.9	0.9
Mission 2 Other general government programs	3.2	3.2
Function 800 total	4.1	4.1
Function 850—General purpose fiscal assistance:		
Mission 1 General revenue sharing	6.9	6.9
Mission 2 Other general purpose fiscal assistance programs	2.8	2.7
Function 850 total	9.7	9.6
Function 900—Interest:		
Mission 1 Interest on the public debt	53.2	53.2
Mission 2 Other interest	−6.2	−6.2
Function 900 total	47.0	47.0
Function 920—Allowances:		
Mission 1 Civilian agency pay raises	0.8	0.8
Function 920 total	0.8	0.8
Function 950—Undistributed offsetting receipts:		
Mission 1 Rents and royalties on the Outer Continental Shelf ("OCS receipts")	−2.8	−2.8
Mission 2 Employer share, employee retirement	−5.4	−5.4
Mission 3 Interest received by trust funds	−9.2	−9.2
Function 950 total	−17.3	−17.3
Budget total	568.85	498.8

* Less than $50,000,000.

Mr. BELLMON. Will the Senator yield for a unanimous-consent request?

Mr. MUSKIE. Yes.

Mr. BELLMON. Mr. President, I ask unanimous consent that R. S. Boyd, Charles McQuillen, Bob Fulton, Bill Stringer, Carol Cox, Becky Davies, Gary Kuzina, Paul Carttar, and Barry Kinsey have the privileges of the floor during the consideration on this resolution.

The PRESIDING OFFICER. Without objection, it is so ordered.

Is the Senator from Virginia seeking recognition?

Mr. HARRY F. BYRD, JR. Yes, Mr. President.

The PRESIDING OFFICER. The Senator from Virginia is recognized.

Mr. HARRY F. BYRD, JR. Mr. President, I applaud the Senator from Maine and the Senator from Oklahoma for their work on this matter. I know how conscientious and dedicated they are. I dislike to express a contrary view to those expressed by my two distinguished colleagues. I feel, though, that I should at least present a minority point of view.

Obviously, there is no political sex appeal in Government finance, and I do not know of any more dramatic evidence of

that than the fact that we are considering tonight a budget resolution dealing with $500 billion of American tax funds and there are three Senators on the floor of the Senate: The Senator from Maine, the Senator from Oklahoma, the Senator from Virginia, and the distinguished Presiding Officer, the Senator from Hawaii. There are three on the floor and the captive in the chair.

Mr. President, I think the Congress and the Senate take too lightly the financial affairs of our Government.

May I ask a question of the distinguished manager of the resolution?

Mr. MUSKIE. By all means.

Mr. HARRY F. BYRD, JR. What is the Federal funds deficit?

Mr. MUSKIE. I do not have a breakout of just the Federal funds. The figure I presented earlier was Federal funds and trust funds. I will try to get that information for the Senator as soon as possible.

Mr. HARRY F. BYRD, JR. I thank the Senator. As the Senator well knows, the Federal funds budget is the general operating cost of the Government. The unified budget takes into consideration the surplus in the trust fund. I think the most significant figure to use in regard to deficits is what is the deficit in the Federal funds in the general operations of Government, the general expenditures of Government as compared to the general revenues of Government.

I think there is some significance to the fact that we do not even have that figure available at the moment.

Now let us get to the other figure. There has been great praise tonight that this budget resolution provides for a deficit of only $50 billion.

Well, I do not join in that praise. I do not join in that praise for one moment. It is a $50 billion deficit and we are praising it, saying how great it is that we only have a deficit of $50 billion.

Mr. MUSKIE. Will the Senator yield?

Mr. HARRY F. BYRD, JR. I yield.

Mr. MUSKIE. I do not believe the distinguished Senator from Oklahoma or the Senator from Maine referred to a $50.9 billion deficit in that context at all. I have constantly worked, as has the Senator from Oklahoma, to bring the deficit lower by proposed cuts in committee and in conference.

We take no satisfaction whatsoever from a deficit of this magnitude. I shall take no satisfaction until we have arrived at a balanced budget.

I do not object, of course, to the Senator's unhappiness with a $50.9 billion budget. I share it. I just do not want my position misunderstood. I take no satisfaction whatever from it. But it is better than the $80 billion deficit I feared would be the consequence when I got the recommendations of the Senate Committee on Finance and the Senate Committee on Appropriations; better than the $61 billion deficit that the President proposed and that I feared we might have to accept during the markup in the Senate Budget Committee; better than the $55.6 billion deficit that was the result after Senate consideration of the budget resolution.

I should like it to be below 50, below 40, below 30, below 20, at balance. I take no satisfaction from it.

I want the RECORD clearly to reflect that. If the Senator wants to express his indignation about any deficit, he can be my guest. I share that concern with him.

Mr. HARRY F. BYRD, JR. Thank you, sir. I am delighted to hear that. I appreciate the comments of the chairman of the Budget Committee. I am glad to hear him state that he feels that what we should have is a balanced budget. I am glad to know that he feels that way, because most of the Senators do not feel that way.

This $50.9 billion deficit that the Budget Committee has brought into the Senate is the third largest deficit in the history of the Nation. That is just the unified budget deficit. We have not even been able to get the Federal funds deficit yet.

Mr. MUSKIE. On that score, if the Senator will yield, I think we did give the Senator that figure during consideration of the Senate budget resolution.

Mr. HARRY F. BYRD, JR. I am asking the Senator for it now. What is the figure?

Mr. MUSKIE. I do not have that figure with me now, but if the Senator will subtract $4.6 billion from the Senate-passed level, he will have today's figure.

Mr. HARRY F. BYRD, JR. I thank the Senator from Maine, but we are dealing with a new budget resolution tonight.

Mr. MUSKIE. I understand, but I am not a walking encyclopedia of every number in this budget. I believe the Senator had the number when the deficit in the resolution was $55.6 billion. The deficit is now $50.9 billion. All he has to do is take the difference, and subtract it from the earlier Federal funds deficit, and he will have it.

Mr. HARRY F. BYRD, JR. Well, I want to say to the Senator from Maine—I do not want to say it to the Senator from Maine; I shall just say it to the Senate:

The Senate is being asked tonight to consider a budget resolution authorizing the expenditure of $500 billion of American tax funds. Those who are handling the budget resolution are able to tell the Senate what the unified budget deficit is, $50.9 billion. But up to this point, those who are handling the budget resolution are not able to tell the Senate what the Federal funds deficit is. That is the key to this whole thing. That is the key to the cost of Government.

Mr. MUSKIE. Mr. President, will the Senator yield?

Mr. HARRY F. BYRD, JR. Yes.

Mr. MUSKIE. If the Senator's memory met the standard he applies to mine, he would have the number.

Mr. HARRY F. BYRD, JR. I am not applying a standard to anybody's memory. I am talking about the resolution tonight, the new figures being brought before the Senate tonight.

Mr. MUSKIE. I told the Senator that if he will take the earlier number and will subtract from it this $4.6 billion, he will have the figure.

Mr. HARRY F. BYRD, JR. I am going to——

Mr. MUSKIE. I do not mind substantive disagreements, I say to the Senator, but nitpicking is something I do not understand.

Mr. HARRY F. BYRD, JR. Nitpicking?

Mr. MUSKIE. Yes. You ask for a figure now, but you do not remember the earlier figure.

Mr. HARRY F. BYRD, JR. Senator MUSKIE, I shall give you the figure and you tell me whether the figure is wrong. The figure, the Federal funds deficit—I will make it a statement, and if I am wrong, you can correct me.

Mr. MUSKIE. Yes.

Mr. HARRY F. BYRD, JR. The Federal funds deficit was $73.9 billion. If that figure has been changed, I should be glad if the Senator from Maine would tell me how that has been changed.

Mr. MUSKIE. Of course it has been changed, because revenues have been increased by $4.6 billion.

Mr. HARRY F. BYRD, JR., Well, then, is the Senator from Virginia to understand that the Federal funds deficit will be $69.3 billion?

Mr. MUSKIE. If the $73.9 billion figure is accurate. I assume the Senator is quoting accurately. If that is the case, then that is the arithmetic.

Mr. HARRY F. BYRD, JR. I should think that, with all the dozens of people around here, we ought to be able to find out what the exact figure is.

Mr. MUSKIE. Well, even if I had an army of people here, I would not necessarily be able to pick out any single figure in the Federal budget in a matter of seconds.

Mr. HARRY F. BYRD, JR. The figure that I am speaking of, I say to the Senator from Maine——

Mr. MUSKIE. I am getting that figure for you.

Mr. HARRY F. BYRD, JR. If you will just let me finish: The figure I am speaking of is the second most significant figure in the entire budget; namely, what is the deficit of the Federal funds. The deficit of the Federal funds, up to this time—I do not know what it is now, but up to this new budget resolution, it was $73.9 billion. That was the highest deficit of Federal funds that this country has ever experienced. All I am asking is, before we have to vote on this resolution, how is that changed?

Mr. MUSKIE. Well, I have given, based upon your recollection of what it was 2 weeks ago, its value on the basis of the major change that has taken place.

We will get your number, but we cannot get it instantly.

Mr. HARRY F. BYRD, JR. Thank you, sir.

Mr. MUSKIE. It takes a little time. When you begin to belabor me because I do not instantly produce one number out of a complex Federal budget, then I am tempted to believe——

Mr. HARRY F. BYRD, JR. I do not consider that it is belaboring anyone when you ask for a matter-of-fact piece of factual information.

I shall not pursue the point.

Regardless of what the figure is, and if I am off the Senator from Maine will correct me, the budget resolution tonight provides for the highest Federal funds deficit in the history of our Nation—the highest Federal funds deficit in the history of this Nation—and we are talking about getting inflation under control. We are talking about getting inflation under control with this budget resolution.

Nothing could be further from the case.

I know how hard the chairman and the ranking minority member worked on this budget and I dislike to take disagreement with them. But I have a strong feeling about this Government finance and I feel we are headed for trouble. This country is headed for trouble because of the Congress and because of the executive branch, too.

I took encouragement, however, and I want to commend the Senator, when the Senator from Maine said, and if I quote him wrong I know he will correct me, but in his remarks he said this: "Inflation control means budget control."

I want to repeat that. If I took it down accurately, the remarks of the chairman of the Budget Committee (Mr. MUSKIE) were: "Inflation control means budget control." That is the point I have been trying to make around here for years and years and years. We are not going to get inflation under control until we get the cost of Government under control.

This budget resolution does not get the cost of Government under control.

As the Senator from Maine pointed out, as the Senator from Oklahoma pointed out, the only reason that it is a lower deficit is not because there is a reduction in spending. The only reason it is a lower deficit is that less money is being given back to the people in the form of a tax reduction. The spending is just the same. This budget deficit being brought in by this resolution, compared to the other resolution, this deficit figure is lower not because of less spending, but because of less tax reduction.

Mr. President, this country is headed for deep trouble. It is heading for deep trouble because of the excessive and just totally unrealistic, in my judgment, spending by the Federal Government.

I think the people of this Nation have seen that for quite a while. I believe that Congress is beginning to see it.

I take great encouragement, I will repeat it again, in what the Senator from Maine said just a little while ago in his opening remarks: "Inflation control means budget control."

Now, the distinguished Vice President spoke in Virginia last Friday evening. He spoke at Hot Springs to the Advisory Council on Business, or something like that, and the headline in the Richmond Times Dispatch the next morning was along this line:

Mondale seeks spending restraint.

Well, I thought to myself, is this my long-time colleague and long-time friend, FRITZ MONDALE? I think it probably is, but in the nearly 13 years I served with him, it is the first time I have heard him call for budget control, for spending restraint, and to me that is a very encouraging sign.

I point that out tonight to commend our Vice President and to associate myself with him in calling for spending restraint.

So I think between the comment made Friday evening by the Vice President and the comment made tonight by the senior Senator from Maine (Mr. MUSKIE), that they are two very encouraging statements, that inflation control means budget control.

But despite the fact that they are encouraging, that does not at all persuade me to vote in favor of this budget resolution.

This budget resolution says this, and I will quote several parts of it:

The appropriate level of new budget authority is $568,850,000,000.

I do not regard that an appropriate level. I regard it as much too high. The resolution says:

The appropriate level of total budget outlays is $498,800,000,000.

I do not regard that as appropriate. I regard that as much too high.

Then it says:

The amount of the deficit in the budget which is appropriate is $50.9 billion.

I do not regard that as appropriate. I regard that as totally inappropriate. I am not going to vote for anything that says that is an appropriate deficit.

Then it says:

The appropriate level of the public debt is $849,100,000,000.

I do not agree that that is appropriate.

Then it says:

The amount by which the statutory debt limit on such debt should accordingly be increased is $97,100,000,000.

This budget resolution will increase the public debt between now and September 30, 1979, by $97,100,000,000.

Yes, Mr. President, the public debt will be increased in that short period of time by more than $97 billion and this is presented to the Senate as being an appropriate budget resolution. In my judgment, it is a totally inappropriate budget resolution.

Mr. President, as one who rather consistently has been in the minority when it comes to Federal spending, Federal deficits, I am not at all surprised that I am in the minority this evening. I dislike it. I dislike having to take exception to the proposals recommended by two outstanding Members of the Senate. Rightly or wrongly, I believe that it is so vitally important that Federal spending be got under control that I feel it is necessary to say these few words.

The American people are going to suffer, in my judgment, very severely through the inflation which this budget resolution will help stimulate. We cannot continue to spend as if there is no tomorrow. We cannot continue to pile up ever higher deficits without somebody, some way, paying the price.

We hear a lot about reducing taxes. My impression is that the average citizen realizes that you cannot very well logically reduce taxes unless you are able to control spending.

The current resolution provides for a tremendous increase in the cost of Government. That increase must be paid for. It can be paid for through direct taxation, or it can be paid for by the hidden and cruel tax of inflation. That is the way we have been paying the debts around this place for a long time now.

We have not been willing to finance the Government on a sound basis. We are saying, "We'll just create the deficits; we will let somebody worry about the deficits later, and we will let it be paid for through inflation," because that is the way it has been paid for.

I say again that Government spending must be paid for. Whether we in Congress realize it or not, it must be paid for. It must be paid for either through direct taxation or through the hidden and cruel tax of inflation.

When the vote comes, I shall vote against this resolution, because I do not feel it to be in the best interests of the people of our country.

Mr. MUSKIE. Mr. President, I will take a few minutes to make sure that the record of this discussion contains at least minimal information with respect to the so-called Federal funds deficit.

I ask unanimous consent to have printed in the RECORD the table on page 261 of the Federal budget.

There being no objection, the table was ordered to be printed in the RECORD as follows:

BUDGET SURPLUS OR DEFICIT (—) BY FUND GROUP[1]

[In billions of dollars]

Description	1977 actual	1978 estimate	1979 estimate
Federal funds:			
Transactions with the public[2]	−25.2	−43.3	−44.1
Transactions with trust funds	−29.3	−28.8	−30.4
Total	−54.5	−72.1	−74.5
Trust funds:			
Transactions with the public[2]	−19.8	−18.5	−16.5
Transactions with Federal funds	29.3	28.8	30.4
Total	9.5	10.3	13.9
Budget total:			
Federal funds	−54.5	−72.1	−74.5
Trust funds	9.5	10.3	13.9
Total	−45.0	−61.8	−60.6

[1] For purposes of this analysis, payments from Federal funds to the general revenue sharing trust fund are treated as transactions with the public instead of transactions with a trust fund; and the corresponding payments from the general revenue sharing trust fund to the public are accordingly omitted. This is because the general revenue sharing trust fund has no independent source of funding, and serves only as a channel through which a Federal funds payment is made to the public.

[2] Includes some incidental transactions with off-budget Federal entities.

Mr. MUSKIE. Mr. President, from this table comes the following information bearing upon the question of the distinguished Senator from Virginia.

The Federal funds deficit in that table is $74.5 billion. That is the figure that seems roughly to coincide with the figure the Senator from Virginia used in the course of the debate in the Senate on the budget resolution.

The trust fund surplus in that table for 1979—it is an estimate—is $13.9 bil-

lion, for a total deficit of $60.6 billion, which was the President's deficit.

At the time we considered the Senate Budget Committee's first resolution, the deficit in that resolution was $55.6 billion, or $5 billion less than the President's deficit. The effect of this on the Federal funds deficit at that time was to reduce it to $69.5 billion. There is one caveat to that figure: It depends upon the trust fund surplus, and that $13.9 billion may well have been affected and probably was affected, by other actions taken in connection with the budget resolution. We would have to examine separate accounts, throughout the budget, in order to determine the exact value of the trust fund surplus of the budget which the conference agreed to this afternoon.

So at the time the first resolution was agreed to by the Senate—bearing in mind the possibility that the trust fund surplus may have changed, and assuming it did not—the Federal funds deficit was $69.5 billion. We have reduced the deficit to $50.9 billion. We have reduced it by $4.7 billion. We therefore would take the Federal funds surplus down to $64.8 billion instead of $74 billion, which is the figure that the Senator from Virginia was using.

When we have been able to evaluate fully the impact of the conference report on the trust fund surplus then, and only then, can we give a current estimate of the Federal funds deficit.

Incidentally, it is not my impression that the Federal funds deficit, separate from trust fund revenues and outlays, is as good a measure of economic impact as unified budget deficit, which takes into account all revenues and spending by the Government. The more comprehensive measure is superior.

If one is interested in the economic impact, I believe that the $50.9 billion which this conference report represents provides the essential information.

Mr. President, I take it that now the first parliamentary step is to move that the conference report be agreed to—and it is the conference report in disagreement, I might say.

The PRESIDING OFFICER. The question is on the adoption of the conference report.

Mr. HARRY F. BYRD, JR. Mr. President, I do not want to pursue the issue with the able Senator from Maine as to the Federal funds deficit. I will say this:

It has only been in the last few years that the unified deficit has been a figure utilized around the halls of Congress. If one will go back a few years, it was always a Federal funds deficit. The change began to come about—it was not accomplished then, but it began to come about—during the administration of President Johnson. The Federal funds deficit became so high—it looks low now, but it was high then—that the Johnson administration recommended and urged that Congress go to the unified basis.

When one goes to the unified basis, when you take into consideration the trust funds, then you have taken into consideration funds not from general taxation.

The social security tax is paid by the employer and the employee. Except to a very minor degree, there are no Federal general revenues involved in that.

So I think there is a great distinction between Federal funds and the trust funds. The trust funds can be used only for specific purposes. They are in trust. They are in trust for the most part to pay the social security recipients.

The Federal funds, the Federal revenues, or the general revenues, are used for the general operation of Government and that determines the extent and the cost of the general operation of all of the Government activities of the Nation leaving out the trust funds which, as I say again, can be used only for a specific purpose and are in trust for that one purpose. So the significant figure dealing with the Government deficit is how much is the Government in the red insofar as the general operations of Government are concerned. And that figure is far greater than is the unified deficit. But let us assume now we do not want to worry about the general fund deficit. The unified deficit still is over $50 billion in this resolution that the Senate is being asked to approve this evening.

I have some tables which in a moment—I do not now—I will ask to print in the RECORD, and with the exception of fiscal 1976 and with the exception of fiscal 1978, the current year, the deficit for the upcoming year will be the largest deficit that our Nation has had on a unified basis. When you get to the Federal funds basis, it will be the highest deficit that we have had. So, I am not sure that we are making a great deal of progress in putting the Government's financial house in order, but as I say, I am encouraged by the fact that has been asserted on the floor today that inflation control means budget control, and I commend again the Senator from Maine for that assertion, and associate myself with his comments in that regard.

Mr. President, I ask unanimous consent to print in the RECORD three tables that I have prepared.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

Deficits in Federal funds and interest on the national debt for fiscal year 1959–79, inclusive

[Billions of dollars]

(Prepared by U.S. Senator HARRY F. BYRD, JR., of Virginia)

Year:	Receipts	Outlays	Surplus (+) or deficit	Debt interest
1959	65.8	77.0	−11.2	7.8
1960	75.7	74.9	+ 0.8	9.5
1961	75.2	79.3	− 4.1	9.3
1962	79.7	86.6	− 6.9	9.5
1963	83.6	90.1	− 6.5	10.3
1964	87.2	95.8	− 8.6	11.0
1965	90.9	94.8	− 3.9	11.8
1966	101.4	106.5	− 5.1	12.6
1967	111.8	126.8	−15.0	14.2
1968	114.7	143.1	−28.4	15.6
1969	143.3	148.8	− 5.5	17.6
1970	143.2	156.3	−13.1	20.0
1971	133.8	163.7	−29.9	21.6
1972	148.8	178.1	−29.3	22.5
1973	161.4	187.0	−25.6	24.8
1974	181.2	199.9	−18.7	30.0
1975	187.5	240.0	−52.5	33.5
1976	200.3	269.1	−68.8	37.7
Transition quarter	54.0	65.0	−11.0	8.3
1977	240.4	294.9	−54.5	42.6
1978*	267.9	332.7	−64.8	48.4

*Estimated figures.

SOURCE.—Office of Management and Budget.

Unified budget receipts, outlays and surplus or deficit for fiscal years 1958–1979, inclusive

[Billions of dollars]

(Prepared by U.S. Senator HARRY F. BYRD, JR., of Virginia)

Fiscal year:	Receipts	Outlays	Surplus (+) or deficit (−)
1958	79.6	82.6	−3.0
1959	79.2	92.1	−12.9
1960	92.5	92.2	+0.3
1961	94.4	97.8	−3.4
1962	99.7	106.8	−7.1
1963	106.6	111.3	−4.7
1964	112.7	118.6	−5.9
1965	116.8	118.4	−1.6
1966	130.8	134.6	−3.8
1967	149.5	158.2	−8.7
1968	153.7	178.8	−25.1
1969	187.8	184.6	+3.2
1970	193.8	196.6	−2.8
1971	188.4	211.4	−23.0
1972	208.6	231.9	−23.3
1973	232.2	247.1	−14.8
1974	264.9	269.6	−4.7
1975	281.0	326.1	−45.1
1976	299.2	365.6	−66.4
Trans. Qtr	81.8	94.8	−13.0
1977	356.9	401.9	−45.0
1978*	400.5	453.5	−53.0

*Estimated figures, March 1978.

SOURCE.—Office of Management and Budget.

The national debt in the twentieth century: Totals at the end of fiscal years 1900–79

(Rounded to the nearest billion dollars)

1900	1
1901	1
1902	1
1903	1
1904	1
1905	1
1906	1
1907	1
1908	1
1909	1
1910	1
1911	1
1912	1
1913	1
1914	1
1915	1
1916	1
1917	3
1918	12
1919	25
1920	24
1921	24
1922	23
1923	22
1924	21
1925	21
1926	20
1927	19
1928	18
1929	17
1930	16
1931	17
1932	20
1933	23
1934	27
1935	29
1936	34
1937	36
1938	37
1939	40
1940	43
1941	49
1942	72
1943	137
1944	201
1945	259
1946	269
1947	256
1948	251
1949	252
1950	256
1951	254
1952	258
1953	265
1954	271
1955	274
1956	273
1957	272
1958	280
1959	288
1960	291
1961	293
1962	303
1963	311
1964	317
1965	323
1966	329
1967	341
1968	370
1969	367
1970	383
1971	410
1972	437
1973	468
1974	486
1975	544
1976	632
1976	646
1977	709
1978*	778
1979*	866

* Estimated figures.

Source. Office of Management and Budget (March 1978).

● Mr. ROTH. Mr. President, I oppose the first budget resolution setting spending and revenue targets for fiscal year 1979.

The American taxpayer is lashed to the center of this target and is about to be the victim of a direct hit.

Let us be clear what we have done here today. We are reducing the size of the deficit at the expense of a tax cut. Why should Americans sacrifice for Federal excesses in runaway spending?

The root cause of inflation is Federal spending. Let us attack that, instead of the hard-pressed taxpayer.

This Congress is going on record as showing its concern for inflation by delaying and reducing the size of the tax cuts in order to reduce the budget deficit. But raising taxes to reduce the budget deficit will not reduce inflation. It will drain resources out of the economy just as budget deficits do.

We shot down nine amendments to reduce Federal spending—this body rejected all of them—including one aimed solely at the elimination of documented waste in HEW. That amendment alone would have accommodated the tax cuts we are now voting to deny our citizens.

The President has called upon the country to adopt serious anti-inflationary measures, to make sacrifices, to hold down spending for the good of the country. This resolution is hardly the message we, as responsible legislators, should be sending home to both labor and management.

This is a blueprint for bigger Government and a continuation of the spend, spend, spend—tax, tax, tax philosophy.

The right kind of tax cut—a tax rate reduction—would not be inflationary. Substantital tax rate reductions will increase the incentive to work, save, and produce, expanding the production of goods and services in the economy and resulting in lower prices and more jobs.

Michael Evans, president of Chase Econometrics Associates, has written that—

Income tax cuts, particularly those for corporations, raise investment and productivity growth, and hence lower inflation.

Evans also believes a reduction in income tax rates would produce more, not less, Federal revenues. He wrote that—

A reduction in income tax rates increases the size of the private sector of the U.S. economy, thus reversing the erosion of the tax base which has occurred almost continuously over the postwar period. Federal government revenues, after declining initially, will begin to rise much more rapidly as the private sector expands. For example, an extra 1 percent growth in real GNP during the past twelve years would have generated an additional $47 billion in Federal tax receipts in 1977 and $16 billion less in expenditures, thus resulting in a slight surplus of further tax reduction. In the long run the Federal budget deficit will be larger with an oppressive tax system than it will be with lower tax rates and rapid growth.

We have robbed Peter, taxed Paul, and now we are going to systematically mug 216 million Americans.

It's time to blow the whistle.

Mr. President, I submit for the RECORD an article entitled "The Dangers of Budget Bloat," which was published in the May 15, 1978, issue of Time Magazine.

THE DANGERS OF BUDGET BLOAT

Even conservatives now accept that moderate deficit spending is often necessary to lift the economy out of a recession. Fair enough, but as the U.S. enters the fourth year of recovery, deficit spending is reaching tidal wave proportions. The deficit called for in Jimmy Carter's budget for fiscal 1979 is $60.6 billion, and it promises to keep the flood of red ink cresting at least through 1980 and probably much longer.

The dizzy growth of the deficit must be reversed because it condemns the U.S. to unending inflation, sapping not only the nation's economic vitality but even the strength of its political institutions. When the Government spends beyond its means, the Federal Reserve Board confronts a cruel choice. If it prints more money to accommodate the Government's heavy borrowing, it feeds inflation. If the board refuses to print the money, it risks creating a recession, because the Government sops up so much credit that little is left for private borrowers.

Congress is only making the deficit problem worse. As next week's deadline approaches for House approval of the so-called target budget, which will determine the basic size of fiscal 1979 spending, many of the 435 Congressmen are rushing to push various pet projects into the overloaded document. Expenditures for agriculture, education, community development, and veterans' benefits all have been increased by at least $1 billion more than Carter proposed. Complains House Budget Committee Chairman Robert Giaimo of Connecticut: "We've got to stop all these bright little ideas from being passed. You add them up and multiply by 435 and you've got trouble."

In recent weeks Congress has grown uneasy about the size of the deficit, but instead of acting to limit spending, a movement is gaining ground to reduce or delay the $25 billion tax cut that Carter plans for October. Doing that might crimp the growth of the economy. It would be far better to reduce spending and use part of the savings to cut taxes.

The problem is that Congress has historically viewed the very idea of budget cutting as rather like repealing Christmas. Special-interest groups instantly howl, and Congress listens. The groups are as large as the 34 million Social Security beneficiaries and as small as the 1,700 beekeepers who this year will draw $2.9 million in federal indemnities because their bees may have been harmed by Government spraying of pesticide.

Beyond that, many of Washington's ever multiplying programs provide funding commitments that grow automatically with the population or the inflation rate. In the past ten years, the share of the budget consumed by these programs has increased from less than 30% to nearly 45%. Because of all these factors, perhaps as much as 90% of the entire budget is treated as politically untouchable by Congress.

All this makes a mockery of Carter's vow to discipline the budget process by requiring each department to justify every dollar in its annual spending request. That approach, known as "zero-based budgeting," is saving little or no money and is simply creating a lot more paper work.

The President has abandoned his campaign pledge to balance the budget by 1981, and the Office of Management and Budget admits that a 1981 deficit of "around $10 billion" is more likely. If present spending trends continue, the Administration will not come anywhere near the target. In fact, computer projections by Data Resources, Inc., show that if the Administration gets just a few

bad breaks—a continued substantial upward thrust in food prices, sporadic big increases in the cost of imported oil—the deficit could explode to $220 billion in 1987.

The first step to prevent such a disaster is for Carter to block spending from going any higher, he can do this by adhering to his pledge to veto bills that would push the budget above his suggested $500.2 billion. In addition, although most of the 1979 budget is fixed in stone, some cuts can be made. Wisconsin's William Proxmire, chairman of the Senate Banking Committee, ambitiously calls for a total reduction of as much as 7%; Jack Carlson, chief economist of the U.S. Chamber of Commerce, urges a 2% across-the-board reduction, amounting to $10 billion. At the least, Carter has to start pressing Congress to accept even sharper reductions in the rate of spending growth in fiscal 1980 and later years. The only way to do that is for some "uncontrollable" spending to be controlled, some "mandated" programs to be unmandated. Among the fastest growing:

FEDERAL PENSIONS

Spending for civil service and military pensions has surged from less than $3 billion in 1955 to $20 billion annually. A $15,000-a-year Government worker can retire at 55, after 30 years of service, and draw $703 a month, with cost of living increases. After 20 years, a member of the military can retire with an inflation-proofed pension equal to 50% of his salary; then, as a veteran, he gets preference for a civil service job. If he had joined the armed forces at age 17, he could leave at 37, go to work as a federal civilian employee, retire at 67 and draw Social Security, military and civil service pensions all at once.

GRANTS TO STATES

Federal grants-in-aid to state and local governments have just about doubled from $43 billion in 1973 to Carter's recommended $85 billion in fiscal 1979. But 44 of the nation's states are awash in budget surpluses that total $10 billion. So why did Congress this year appropriate $250 million just to help them fill potholes in their streets? A portion of the money that Washington will give to state and local governments in 1978 is supposed to be spent for recession-fighting public works projects; the funds keep pouring in, even though the recession is over and unemployment droped last month to a 3½-year low of 6%.

EDUCATION

Since 1972, aid to education has more than tripled, to $3.2 billion. Typical of the excess is the interest-subsidized student loan program, which began in the mid-1960s to help needy children go to college. Students now qualify if their families earn up to $25,000, and defaults have soared. Next year's default write-offs and interest charges will cost the Government $670 million. Yet Congress is considering spending perhaps as much as $3 billion a year more to allow any student, no matter how wealthy, to qualify for a loan.

Additional waste is contained in the panoply of programs for elementary and secondary schools. So-called impact-aid funding started during the Korean War to help educate children from G.I. families, has been unnecessarily broadened to cover children of all federal workers, at a cost of $712 million annually. A bill now in the House would lift this to $1.3 billion by 1980. Not many Congressmen will oppose it: 411 of them come from districts that will benefit.

SOCIAL SECURITY

Now the largest single program in the budget, Social Security has grown from $17.5 billion in 1965 to as much as $133 billion next fiscal year. Congress saved the whole program from eventual bankruptcy only by passing a Social Security tax increase of $227 billion over the next ten years by far the largest peacetime revenue-raising measure in the nation's history. Collapse threatened because Social Security payments have been automatically increased to offset inflation, a scheme that does more to spread the plague than cure it. Nobody wants to reduce current benefits, but their future growth can be contained. The rising cost of health care has also burdened the program. Beginning in 1966, low-cost medical care for the elderly has been provided by Social Security through the Medicare program, but without sufficient funds to do the job.

DEFENSE

Though the nation has been at peace for the past five years, military spending has grown by 58%. Money is wasted by maintaining dozens of unnecessary defense bases, many of which were set up during World War II when 12 million men and women were in the services, *v.* 2 million now. Reports TIME Washington Correspondent Simmons Fentress: "There is no compelling strategic or economic reason not to shut down such large military training bases as Fort Dix, N.J., or Fort Jackson, S.C. But there are political reasons. For six years the Pentagon has been trying to close the training facilities at Fort Dix, and for six years the effort has been fought off by the New Jersey congressional delegation." Last month Defense Secretary Harold Brown joined the battle all over again, announcing a plan to phase out the Fort Dix facilities and eliminate or consolidate 84 other bases. The saving would be $337 million a year, but at a cost of 23,200 jobs, and Congressmen in the affected districts are up in arms.

Cutting the budget down to affordable size would not mean unraveling every spending program, but would require a sober reappraisal of what Government can and should accomplish. The basic question is whether even the world's wealthiest nation has the resources to heap one program on top of another with little thought to the consequences. Some of the goals are admirable, but the run-away spending is producing a stumbling nanny-state that tries to help powerful special interests but in fact hurts the whole nation by ravaging it with inflation.●

Mr. ROBERT C. BYRD. Mr. President, I compliment the distinguished Senator from Maine and the distinguished Senator from Oklahoma on a job well done. It is a thankless task, really. There are no headlines back home, no votes back home, but innumerable hours of labor, sweat, worry, tension, and the Senate is in their debt.

If there is one thing that has made this Budget Reform Act work it has been the steel discipline, the determination, the skill and effectiveness of Senator MUSKIE and Senator BELLMON and those members of the Budget Committee who spend hours and days and weeks poring over books, papers, arguing, and preparing for the floor debate, and I personally express my gratitude, my respect, and my high regard for them and again I believe that I speak the sentiments of the Senate. It is a tough, tough job but I will say to these two men they are tough, tough men, and I admire them.

Mr. MUSKIE. I thank the majority leader and I also do not want to neglect to thank the distinguished Senator from Virginia. He has even a lonelier job than we have. If I lose patience with him at times, it is because I share his frustration but from a different perspective—frustration with the difficulty of bringing our financial house in order. And I hope he understands that.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. MUSKIE. I yield.

Mr. ROBERT C. BYRD. I have something to say about the distinguished Senator from Virginia, Mr. HARRY F. BYRD, JR. He is one tremendous man. His father was a man who was a student of economics of our Government and HARRY FLOOD BYRD, JR., has certainly followed in his footsteps, and I express deep admiration for him and for his dedication and devotion.

So to all these men I salute. But again I say, as I said before and as I will have reason to say again, I am tremendously grateful to the men on this Budget Committee for the herculean task that they confront and confront well, studiously, effectively, and with such dedication.

Mr. BELLMON. Mr. President, if the Senator will yield, I also express my gratitude and appreciation to the distinguished majority leader. The work on the Budget Committee is difficult but it is certainly a highly educational process. So we on the committee gain a great deal from our experiences but we appreciate very much the support that the majority leader gave the budget process. Without him it could not come as far as it has. I hope he will help us further when we come down to the votes later on where some Members will be trying to add spending that will breach the budget resolutions.

I also say, Mr. President, I hope the distinguished Senator from Virginia realizes that the chairman of the Budget Committee and myself are in concert with him. We are trying to hold the spending down as far as we can, but we are not the whole committee, and we are not certainly the whole conference. We had hours, days of debate, sometimes almost battle with the House of Representatives over these figures and if the Senator from Maine or I could have had our way, we would have been several billion dollars under where we are, but this represents the best arrangement we could work out with the House of Representatives. While we are sorry that the deficit is as large as it is, it could have been much larger, had it not been for the leadership of Senator MUSKIE and those on the Senate side who supported him. So we are in accord with the objectives the Senator from Virginia has but we cannot get there as rapidly as we would like to.

Mr. MUSKIE. The frustrating thing, if I may say to the Senator, is in the course of the conference with the House of Representatives. As I listened to their rhetoric and their pleas to lift the spending ceilings I was made to feel like Scrooge. Then I come to the floor of the Senate and the distinguished Senator from Virginia makes me feel like Santa Claus, and I am not entirely sure what my role is. But I will try to carry both costumes with me to wear on an appropriate occasion.

But we must not forget this final vote we need to have, Mr. President, so I move that the Senate concur in the House amendment to Senate Concurrent Resolution 80 with an amendment which is at the desk.

The PRESIDING OFFICER. The conference report must be acted upon. The question now occurs on the adoption of the conference report.

(Putting the question)

The conference report was agreed to.

UP AMENDMENT NO. 1314

Mr. MUSKIE. Mr. President, I move that the Senate concur in the House amendment to Senate Concurrent Resolution 80, with an amendment which is at the desk.

The amendment is as follows:

It is the intention of the conferees that the managers on the part of the Senate will offer a motion in the Senate to recede and concur in the House amendment to the Senate-passed resolution with an amendment (in the nature of a substitute) consisting of the language agreed to in conference. Upon the adoption of such amendment in the Senate, the managers of the House will offer a motion in the House to concur therein.

The managers on the part of the House and the Senate submit the following joint statement in explanation of the action agreed upon by the managers:

The substitute language which is to be offered as described above (and which should be considered the language of the concurrent resolution as recommended in the conference report for purposes of section 302(a) of the Congressional Budget Act of 1974)—hereinafter in this statement referred to as the "conference substitute"—is as follows:

That the Congress hereby determines and declares, pursuant to section 301(a) of the Congressional Budget Act of 1974, that for the fiscal year beginning on October 1, 1978—

(1) the recommended level of Federal revenues is $447,900,000,000 and the amount by which the aggregate level of Federal revenues should be decreased is $24,700,000,000.

(2) the appropriate level of total new budget authority is $568,850,000,000.

(3) the appropriate level of total budget outlays is $498,800,000,000.

(4) the amount of the deficit in the budget which is appropriate in the light of economic conditions and all other relevant factors is $50,900,000,000 and

(5) the appropriate level of the public debt is $849,100,000,000 and the amount by which the statutory limit on such debt should accordingly be increased is $97,100,000,000.

SEC. 2. Based on allocations of the appropriate level of total new budget authority and of total budget outlays as set forth in paragraphs (2) and (3) of the first section of this resolution, the Congress hereby determines and declares pursuant to section 301(a)(2) of the Congressional Budget Act of 1974 that, for the fiscal year beginning on October 1, 1978, the appropriate level of new budget authority and the estimated budget outlays for each major functional category are as follows:

(1) National Defense (050):

(A) New budget authority, $128,700,000,000;

(B) Outlays $115,700,000,000.

(2) International Affairs (150):

(A) New budget authority, $12,800,000,000;

(B) Outlays, $6,900,000,000.

(3) General Science, Space, and Technology (250):

(A) New budget authority, $5,200,000,000;

(B) Outlays, $5,000,000,000.

(4) Energy (270):

(A) New budget authority, $10,400,000,000;

(B) Outlays, $9,800,000,000.

(5) Natural Resources and Environment (300):

(A) New budget authority, $13,600,000,000;

(B) Outlays, $12,200,000,000.

(6) Agriculture (350):

(A) New budget authority, $12,300,000,000;

(B) Outlays, $8,300,000,000.

(7) Commerce and Housing Credit (370):

(A) New budget authority, $5,900,000,000;

(B) Outlays, $3,600,000,000.

(8) Transportation (400):

(A) New budget authority, $20,300,000,000;

(B) Outlays, $17,800,000,000.

(9) Community and Regional Development (450):

(A) New budget authority, $11,100,000,000;

(B) Outlays, $9,000,000,000.

(10) Education, Training, Employment, and Social Services (500):

(A) New budget authority, $33,000,000,000;

(B) Outlays, $31,400,000,000.

(11) Health (550):

(A) New budget authority, $52,550,000,000;

(B) Outlays, $49,500,000,000.

(12) Income Security (600):

(A) New budget authority, $193,100,000,000;

(B) Outlays, $160,200,000,000.

(13) Veterans Benefits and Services (700):

(A) New budget authority, $21,300,000,000;

(B) Outlays, $21,000,000,000.

(14) Administration of Justice (750):

(A) New budget authority, $4,300,000,000;

(B) Outlays, $4,200,000,000.

(15) General Government (800):

(A) New budget authority, $4,100,000,000;

(B) Outlays, $4,100,000,000.

(16) General Purpose Fiscal Assistance (850):

(A) New budget authority, $9,700,000,000;

(B) Outlays, $9,600,000,000.

(17) Interest (900):

(A) New budget authority $47,000,000,0000;

(B) Outlays, $47,000,000,000;

(18) Allowances (920):

(A) New budget authority $800,000,000;

(B) Outlays, $800,000,000.

(19) Undistributed Offsetting Receipts (950):

(A) New budget authority, —$17,300,000,000;

(B) Outlays, —$17,300,000,000.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Maine.

The motion was agreed to.

Mr. MUSKIE. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HARRY F. BYRD, JR. Mr. President, will the Senator yield for just a moment? I would like the record to show that the Senator from Virginia voted in the negative.

The PRESIDING OFFICER. The record will so show.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT DURING THE RECESS

Under authority of the order of Thursday, May 11, 1978, the Secretary of the Senate on May 12, 1978, received messages from the President of the United States submitting sundry nominations, which were referred to the Committee on the Judiciary.

(The nominations received on May 12, 1978, are printed at the end of the Senate proceedings.)

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Marks, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

PROPOSED RESCISSION OF BUDGET AUTHORITY—MESSAGE FROM THE PRESIDENT—PM 176

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with accompanying papers, which were referred to the Committee on Appropriations, the Committee on the Budget, the Committee on Agriculture, Nutrition, and Forestry, the Committee on Commerce, Science, and Transportation, the Committee on Environment and Public Works, the Committee on Energy and Natural Resources, and the Committee on Foreign Relations, pursuant to the order of January 30, 1975:

To the Congress of the United States:

In accordance with the Impoundment Control Act of 1974, I herewith report one proposal to rescind $30.0 million in budget authority previously provided by the Congress. In addition, I am reporting four new deferrals of budget authority totalling $55.1 million and two revisions to previously transmitted deferrals increasing the amount deferred by $0.7 million in budget authority.

The rescission proposal affects the Department of Agriculture's drought and flood assistance program. The new deferrals and revisions to existing deferrals involve programs in the Departments of Commerce, Energy, and the Interior, the Corps of Engineers, and the International Communication Agency.

The details of the rescission proposal and the deferrals are contained in the attached reports.

JIMMY CARTER.

THE WHITE HOUSE, *May 12, 1978.*

MESSAGES FROM THE HOUSE DURING THE RECESS

ENROLLED BILL AND JOINT RESOLUTION SIGNED

Under authority of the order of Thursday, May 11, 1978, the Secretary of the Senate on May 12, 1978, received a message from the House of Representatives which announced that the Speaker has signed the following enrolled bill and joint resolution:

H.R. 8331. An Act to amend the Securities Investor Protection Act of 1970; and

H.J. Res. 859. A joint resolution making supplemental appropriations for the United States Railway Association for the fiscal year ending September 30, 1978, and for other purposes.

The enrolled bill and joint resolution were subsequently signed today by the Acting President pro tempore (Mr. MORGAN).

MESSAGES FROM THE HOUSE

At 11:14 a.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the House disagrees to the amendments of the Senate to the bill (H.R. 11504) to amend the Consolidated Farm and Rural Development Act, provide an economic emergency loan program to farmers and ranchers in the United States, and extend the Emergency Livestock Credit Act; agrees to the conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. FOLEY, Mr. JONES of Tennessee, Mr. POAGE, Mr. DE LA GARZA, Mr. RICHMOND, Mr. BALDUS, Mr. BEDELL, Mr. ENGLISH, Mr. PANETTA, Mr. HARKIN, Mr. FITHIAN, Mr. GLICKMAN, Mr. BROWN of California, Mr. WAMPLER, Mr. MADIGAN, Mr. JEFFORDS, Mr. KELLY, Mr. COLEMAN, and Mr. MARLENEE were appointed as managers of the conference on the part of the House.

The message also announced that the House agree to the amendments of the Senate to the resolution (H.J. Res. 873) making an urgent supplemental appropriation for the disaster loan program of the Small Business Administration for the fiscal year ending September 30, 1978.

At 12:32 p.m., a message from the House of Representatives delivered by Mr. Berry, announced that the House has agreed to the following concurrent resolution, in which it requests the concurrence of the Senate:

H. Con. Res. 617. A concurrent resolution denouncing the assassination of Aldo Moro.

HOUSE JOINT RESOLUTION SIGNED

The message also announced that the Speaker has signed the following enrolled joint resolution:

H.J. Res. 873. A joint resolution making an urgent supplemental appropriation for the disaster loan program of the Small Business Administration for the fiscal year ending September 30, 1978, and for other purposes.

At 5:52 p.m., a message from the House of Representatives delivered by Mr. Hackney, one of its reading clerks, announced that the House has passed the following bill, without amendment:

S. 1568. A bill to name the lake located behind Lower Monumental Lock and Dam, Washington, "Lake Herbert G. West."

HOUSE CONCURRENT RESOLUTION REFERRED

The following House concurrent resolution was read by title and referred as indicated:

H. Con. Res. 617. A concurrent resolution denouncing the assassination of Aldo Moro; to the Committee on Foreign Relations.

ORDER TO HOLD H.R. 12255 AT THE DESK

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at such time as H.R. 12255, the Older Americans Act Amendments of 1978, is received, that it be held at the desk pending further disposition.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER TO DISCHARGE A COMMITTEE

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Environment and Public Works be discharged from further consideration of S. 2541, and that the bill as reported from the Committee on Commerce, Science, and Transportation be placed on the calendar.

The PRESIDING OFFICER. Without objection, it so ordered,

COMMUNICATIONS

The Presiding Officer laid before the Senate the following communications, together with accompanying reports, documents and papers, which were referred as indicated:

EC–3575. A communication from the Secretary of the Senate, submitting, pursuant to law, a statement of receipts and expenditures of the Senate, showing in detail the items of expenses under proper appropriations, the aggregate thereof, and exhibiting the exact condition of all public moneys received, paid out, and remaining in his possession from October 1, 1977, through March 31, 1978; which was ordered printed as a Senate document.

EC–3576. A communication from the Director, Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, a cumulative report on rescissions and deferrals for May 1978; to the Committee on Foreign Relations, the Committee on Armed Services, the Committee on the Judiciary, the Committee on Governmental Affairs, the Committee on Agriculture, Nutrition, and Forestry, the Committee on Commerce, Science, and Transportation, the Committee on Energy and Natural Resources, the Committee on Environment and Public Works, the Committee on Human Resources, and the Committee on Finance, jointly, pursuant to the order of January 30, 1975.

EC–3577. A communication from the Deputy Secretary of Defense, reporting, pursuant to law, the annual compensation of any officer or employee of a Federal Contract Research Center (FCRC) in excess of $45,000 from federal funds; to the Committee on Armed Services.

EC–3578. A communication from the Associate Director, Legislative Liaison, Department of the Air Force, transmitting, pursuant to law, a report on the progress of the Reserve Officers' Training Corps Flight Training Program for the calendar year 1977; to the Committee on Armed Services.

EC–3579. A communication from the General Counsel of the Department of Defense, transmitting a draft of proposed legislation to amend title 10, United States Code, to authorize waiver of application of certain laws in connection with the acquisition of property or services from friendly foreign governments and international organizations to facilitate cooperation relating to defense equipment, and for other purposes; to the Committee on Armed Services.

EC–3580. A communication from the Director, Defense Security Assistance Agency, reporting, pursuant to law, concerning the Department of the Air Force's proposed Letter of Offer to Korea for Defense Articles estimated to cost in excess of $25 million; to the Committee on Armed Services.

EC–3581. A communication from the Director, Defense Security Assistance Agency, reporting, pursuant to law, concerning the Department of the Air Force's proposed Letter of Offer to the Republic of China for Defense Articles estimated to cost in excess of $25 million; to the Committee on Armed Services.

EC–3582. A communication from the Director, Defense Security Assistance Agency, reporting, pursuant to law, concerning the Department of the Air Force's proposed Letter of Offer to Iran for Defense Articles estimated to cost in excess of $25 million; to the Committee on Armed Services.

EC–3583. A communication from the Director, Defense Security Assistance Agency, reporting, pursuant to law, concerning the Department of the Air Force's proposed Letter of Offer to Iran for Defense articles estimated to cost in excess of $25 million; to the Committee on Armed Services.

EC–3584. A communication from the Director, Defense Security Assistance Agency, reporting, pursuant to law, concerning the Department of the Air Force's proposed Letter of Offer to Spain for Defense Articles estimated to cost in excess of $25 million; to the Committee on Armed Services.

EC–3585. A communication from the Secretary of the Treasury, transmitting, pursuant to law, the Sixth Annual Report and Final Report of the Emergency Loan Guarantee Board, covering the period October 1, 1976, through January 31, 1978; to the Committee on Banking, Housing, and Urban Affairs.

EC–3586. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Amtrak's Subsidy Needs Cannot be Reduced Without Reducing Services," May 11, 1978; to the Committee on Commerce, Science, and Transportation.

EC–3587. A communication from the President, United States Railway Association, transmitting, pursuant to law, a report concerning expenditures and uses of funds, status of projects and a projection of activities proposed for the next quarter; to the Committee on Commerce, Science, and Transportation.

REPORTS OF COMMITTEES DURING THE RECESS

Under the authority of the order of Thursday, May 11, 1978, the following reports of committees were filed on May 12, 1978, during the recess:

By Mr. SPARKMAN, from the Committee on Foreign Relations, with amendments:

H.R. 11877. An act to authorize appropriations for fiscal year 1979 for the Peace Corps and to make certain changes in the Peace Corps Act (Rept. No. 95–807).

By Mr. ABOUREZK, from the Committee on Energy and Natural Resources, with an amendment:

S. 975. A bill to improve the administration of the National Park System (Rept. No. 95–808).

S. 2566. A bill to amend the Pennsylvania Avenue Development Corporation Act of 1972 to authorize appropriations and borrowings from the U.S. Treasury for further implementation of the development plan for Pennsylvania Avenue between the Capitol and the White House, and for other purposes (Rept. No. 95–809).

By Mr. BUMPERS, from the Committee on Energy and Natural Resources, with an amendment:

S. 2820. A bill to authorize the Secretary of the Interior to construct, restore, operate, and maintain new or modified features at existing Federal reclamation dams for safety of dams purposes (Rept. No. 95–810).

By Mr. ABOUREZK, from the Committee on Energy and Natural Resources, with an amendment and an amendment to the title:

S. 2876. A bill to provide for increase in appropriations ceilings, for development ceilings, land acquisition for boundary changes in certain units of the National Park System, and for other purposes (Rept. No. 95–811).

H.R. 8336. An act to enhance the outdoor recreation opportunities for the people of the United States by expanding the National Park System, by providing access to and within areas of the National Park System, and for other purposes (Rept. No. 95–812).

By Mr. ABOUREZK, from the Committee on Energy and Natural Resources, with amendments:

H.R. 11662. An act to provide for the establishment of the Towell National Historical Park in the Commonwealth of Massachusetts, and for other purposes (together with minority and additional views) (Rept. No. 95–813).

By Mr. CANNON, from the Committee on Commerce, Science, and Transportation, with an amendment:

S. 1896. A bill to amend the Hazardous Materials Transportation Act to authorize appropriations for fiscal year 1979 (Rept. No. 95–814).

By Mr. CANNON, from the Committee on Commerce, Science, and Transportation, with an amendment and an amendment to the title:

H.R. 10732. An act to authorize appropriations to carry out the Fishery Conservation and Management Act of 1976 during fiscal years 1979, 1980, and 1981 (Rept. No. 95–815).

By Mr. CANNON, from the Committee on Commerce, Science, and Transportation, with an amendment and an amendment to the title:

H.R. 10878. An act to extend until October 1, 1981, the voluntary insurance program provided by sec. 7 of the Fishermen's Protective Act of 1978, and for other purposes (Rept. No. 95–816).

H.R. 11465. An act to authorize appropriations for the U.S. Coast Guard for fiscal year 1979, and for other purposes (Rept. No. 95–817).

By Mr. CANNON, from the Committee on Commerce, Science, and Transportation, with an amendment and an amendment to the title:

H.R. 11657. An act to authorize appropriations to carry out the Central, Western, and South Pacific Fisheries Development Act until the close of fiscal year 1983, and for other purposes (Rept. No. 95–818).

By Mr. SPARKMAN, from the Committee on Foreign Relations, without amendment:

S. Res. 450. An original resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of H.R. 11877. Referred to the Committee on the Budget.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. HATHAWAY, from the Committee on Human Resources, with amendments:

S. 2915. A bill to amend the Alcohol and Drug Abuse Education Act to extend the authorization of appropriations for carrying out the provisions of such Act, and for other purposes (Rept. No. 95–819).

S. 2916. A bill to amend the Drug Abuse Office and Treatment Act of 1972 to extend the programs of assistance under that Act for drug abuse prevention, education, treatment, and rehabilitation, and for other purposes (Rept. No. 95–820).

By Mr. HATHAWAY, from the Committee on Human Resources, without amendment, without recommendation:

H.R. 10569. An act to amend the Alcohol and Drug Abuse Education Act to extend the authorizations and appropriations for carrying out the provisions of such Act, and for other purposes (Rept. No. 95–821).

By Mr. CRANSTON, from the Committee on Human Resources, with an amendment and an amendment to the title:

S. 2522. A bill to amend title X of the Public Health Service Act to extend appropriations authorizations for five fiscal years (Rept. No. 95–822).

By Mr. CRANSTON, from the Committee on Human Resources, with an amendment:

S. 2617. A bill to authorize appropriations for programs under the Domestic Volunteer Service Act of 1973, to amend such Act to facilitate the improvement of programs carried out thereunder, and for other purposes (Rept. No. 95–823).

S. 2759. A bill to provide for Federal support and stimulation of State, local, and community activities to prevent domestic violence and assist the victims of domestic violence, for coordination of Federal programs and activities pertaining to domestic violence, and for other purposes (Rept. No. 95–824).

By Mr. CRANSTON, from the Committee on Veterans' Affairs, with an amendment and an amendment to the title:

H.R. 5029. An act to amend title 38 of the United States Code in order to authorize contracts with the Republic of the Philippines for the provision of hospital care and medical services to Commonwealth Army veterans and new Philippine Scouts for service-connected disabilities; to authorize the continued maintenance of a Veterans' Administration office in the Republic of the Philippines; and for other purposes (Rept. No. 95–825).

By Mr. STENNIS, from the Committee on Armed Services, with an amendment:

S. 2571. A bill to authorize appropriations during the fiscal year 1979, for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the Selected Research of each Reserve component of the Armed Forces and of civilian personnel of the Department of Defense, to authorize the military training student loads, and to authorize appropriations for civil defense, and for other purposes (Rept. No. 95–826).

By Mr. NELSON, from the Select Committee on Small Business, with an amendment:

H.R. 11445. An act to amend the Small Business Act and the Small Business Investment Act of 1958 (Rept. No. 95–827).

H.R. 11713. An act to create a solar energy and energy conservation loan program within the Small Business Administration, and for other purposes (Rept. No. 95–828).

By Mr. BURDICK, from the Committee on Environment and Public Works, with an amendment:

S. 1816. A bill to amend the Public Works and Economic Development Act of 1965 to authorize a program of research, development, and demonstration of guayule rubber production and manufacture as an economic development opportunity for the southwestern States (Rept. No. 95–829).

By Mr. RANDOLPH, from the Committee on Environment and Public Works, with an amendment:

S. 2444. A bill to amend the Act of August 8, 1972 (Public Law 92–367) relating to a national program of inspection of dams (Rept. No. 95–830).

S. 2973. A bill authorizing appropriations to the Secretary of the Interior for services necessary to the nonperforming arts functions of the John F. Kennedy Center for the Performing Arts, and for other purposes (Rept. No. 95–831).

By Mr. RANDOLPH, from the Committee on Environment and Public Works, without amendment:

S. 3072. An original bill to amend the Marine Protection, Research, and Sanctuaries Act to auorize appropriations for Title I and II for fiscal years 1979 and 1980 (Rept. No. 95–832).

By Mr. BENTSEN, from the Committee on Environment and Public Works, without amendment:

S. 3073. An original bill to amend title 23, United States Code, to authorize Federal-aid highway programs through fiscal year 1980, and for other purposes (Rept. No. 95–833).

By Mr. GRAVEL, from the Committee on Environment and Public Works, with amendments:

S. 2437. A bill to amend the Act of August 8, 1972 (Public Law 92–367) to provide Federal assistance to the States for the development and implementation of effective dam safety programs, in order to protect human life and property (Rept. No. 95–834).

S. 2701. A bill to amend the Water Resources Planning Act (79 Stat. 244, as amended) (Rept. No. 95–835).

S. 2704. A bill to promote a more adequate and responsive national program of water research and development, and for other purposes (Rept. No. 95–836).

By Mr. KENNEDY, from the Committee on Human Resources, with an amendment:

S. 2534. A bill to revise and extend the provisions of title XIII of the Public Health Service Act relating to health maintenance organizations (Rept. No. 95–837).

S. 2450. A bill to extend the assistance programs for community mental health centers and for biomedical research, and for other purposes (Rept. No. 95–838).

S. 2466. A bill to amend the Public Health Service Act to establish the National Institutes of Health Care Research; to extend and revise the assistance programs for health services research and health statistics; to establish the National Center for the Evaluation of Medical Technology, and for other purposes (Rept. No. 95–839).

By Mr. SPARKMAN, from the Committee on Foreign Relations, without amendment:

S. 3074. An original bill to amend the Foreign Assistance Act of 1961 to authorize development assistance programs for fiscal year 1979, and for other purposes (Rept. No. 95–840).

S. 3075. An original bill to amend the Foreign Assistance Act of 1961 and the Arms Export Control Act, and for other purposes (Rept. No. 95–841).

S. 3076. An original bill to authorize appropriations for the fiscal year 1979 for the Department of State, the International Communication Agency, and the Board for International Broadcasting, and for other purposes (Rept. No. 95–842).

By Mr. SPARKMAN, from the Committee on Foreign Relations, with amendments and an amendment to the title:

H.R. 11832. An act to authorize appropriations for fiscal year 1979 under the Arms Control and Disarmament Act (Rept. No. 95–843).

By Mr. STEVENSON, from the Committee on Banking, Housing, and Urban Affairs, without amendment:

S. 3077. An original bill to amend and extend the Export-Import Bank Act of 1945, and for other purposes (together with additional views) (Rept. No. 95–844).

By Mr. KENNEDY, from the Committee on Human Resources, with an amendment:

S. 2410. A bill to amend titles XV and XVI of the Public Health Service Act to revise and extend the atuhorities and requirements under those titles for health planning and health resources development (together with additional views) (Rept. No. 95–845).

By Mr. NELSON, from the Select Committee on Small Business, without amendment:

S. Res. 451. An original resolution waiving the provisions of section 402(a) of the Congressional Budget Act of 1974 with respect to H.R. 11445. Referred to the Committee on the Budget.

By Mr. HART, from the Committee on Armed Services, with an amendment and an amendment to the title:

H.R. 4895. An act to amend the Strategic and Critical Materials Stock Piling Act, and for other purposes (Rept. No. 95–846).

By Mr. HART, from the Committee on Armed Services, without amendment:

S. 3079. An original bill to authorize certain construction at military installations, and for other purposes (Rept. No. 95–847).

By Mr. HART, from the Committee on Environment and Public Works, with an amendment and an amendment to the title:

S. 2584. A bill to authorize appropriations to the Nuclear Regulatory Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and section 305 of the Energy Reorganization Act of 1974, as amended, and for other purposes (Rept. No. 95–848).

(The remarks of Mr. HART when he filed the above report appear elsewhere in today's proceedings.)

By Mr. ALLEN, from the Committee on Agriculture, Nutrition, and Forestry, without amendment, but with an amendment to the title:

S. 3045. A bill to amend the Farm Credit Act of 1971 (85 Stat. 583) to extend the term for production credit association loans to producers or harvesters of aquatic products (Rept. No. 95–849).

By Mr. LEAHY, from the Committee on Agriculture, Nutrition, and Forestry, with an amendment:

S. 2391. A bill to extend the Commodity Exchange Act, and for other purposes (Rept. No. 95–850).

By Mr. KENNEDY, from the Committee on Human Resources, with an amendment:

S. 2549. A bill to authorize appropriations for the activities of the National Science Foundation, and for other purposes (together with minority views) (Rept. No. 95–851).

By Mr. KENNEDY, from the Committee on Human Resources, with amendments:

S. 2579. A bill to amend the Public Health Service Act to establish the President's Commission for the Protection of Human Subjects of Biomedical and Behavioral Research, and for other purposes (Rept. No. 95–852).

By Mr. KENNEDY, from the Committee on Human Resources, without amendment, without recommendation:

H.R. 11400. An act to authorize the appropriations of specified dollar amounts for each of the National Science Foundation's major program areas (and certain subprograms), and to provide requirements relating to periods of availability and transfers of the authorized funds (Rept. No. 95–853).

By Mr. McGOVERN, from the Committee on Agriculture Nutrition, and Forestry, with an amendment and an amendment to the title:

S. 2833. A bill to amend, improve, and clarify the Farmer-to-Consumer Direct Marketing Act of 1976 (Rept. No. 95–854).

By Mr. EAGLETON, from the Committee on Human Resources, with an amendment:

S. 2850. A bill to amend the Older Americans Act to provide for improved programs for the elderly, and for other purposes (Rept. No. 95–855).

By Mr. PELL, from the Committee on Human Resources, with an amendment:

S. 1753. A bill to extend the Elementary and Secondary Education Act of 1965, and for other purposes (together with additional views) (Rept. No. 95–856).

By Mr. WILLIAMS, from the Committee on Banking, Housing, and Urban Affairs, with an amendment:

S. 2441. A bill entitled the "Federal Public Transportation Act of 1978" (together with additional views) (Rept. No. 95–857).

By Mr. HOLLINGS, from the Committee on Commerce, Science, and Transporation, with amendments:

S. 2883. A bill to amend the Communications Act of 1934 to extend and improve the provisions of such Act relating to long-term financing for the Corporation for Public Broadcasting and relating to certain grant programs for public telecommunications, and for other purposes (Rept. No. 95–858).

By Mr. KENNEDY, from the Committee on Human Resources, with amendments:

S. 2416. A bill to amend title VIII of the Public Health Service Act to extend for two fiscal years the program of assistance for nurse training (Rept. No. 95–859).

By Mr. KENNEDY, from the Committee on Human Resources, with an amendment and an amendment to the title:

S. 2474. A bill to amend the Public Health Service Act to extend through the fiscal year ending September 30, 1983, the assistance program for community health centers; migrant health services; to extend through the fiscal year ending September 30, 1981; hemophilia; home health services; to extend through the fiscal year ending September 30, 1979, the assistance programs for comprehensive public health services hypertension programs; disease control programs; veneral disease programs; genetic diseases programs; and lead-based paint programs, and for other purposes (Rept. No. 95–860).

By Mr. CANNON, from the Committee on Commerce, Science, and Transportation, with an amendment and an amendment to the title:

S. 2604. A bill to amend the National Traffic and Motor Vehicle Safety Act of 1966 and the Motor Vehicle Information and Cost Savings Act to authorize appropriations for fiscal years 1979 and 1980 (Rept. No. 95–861).

By Mr. CANNON, from the Committee on Commerce, Science, and Transportation, with an amendment:

H.R. 10823. An act to amend the National Advisory Committee on Oceans and Atmosphere Act of 1977 to authorize appropriations to carry out the provisions of such Act for fiscal year 1979, and for other purposes (Rept. No. 95–862).

S. 2928. A bill to amend the International Investment Survey Act of 1976, and for other purposes (Rept. No. 95–863).

By Mr. SASSER, from the Committee on Governmental Affairs, with an amendment:

S. 990. A bill to amend title 5, United States Code, to provide special allowances to certain physicians employed by the United States in order to enhance the recruitment and retention of such physicians (Rept. No. 95–864).

By Mr. CANNON, from the Committee on Commerce, Science, and Transportation, without amendment:

S. 3081. An original bill to amend the Federal Railroad Safety Act of 1970 to provide the Secretary of Transportation a longer period within which to assess civil penalties for certain violations, to extend authorizations of appropriations for fiscal year 1979 and 1980 for the rail safety program, and for other purposes (Rept. No. 95–865).

By Mr. MUSKIE, from the committee of conference, submitted a report of the disagreeing votes of the two Houses on the amendment of the House to the concurrent resolution (S. Con. Res. 80) setting forth the congressional budget for the United States Government for the fiscal year 1979 (Rept. No. 95–866).

By Mr. SASSER, from the Committee on Governmental Affairs, with an amendment:

H.R. 3161. An act to amend title 5, United States Code, to improve the basic workweek of firefighting personnel of executive agencies, and for other purposes (Rept. No. 95–867).

H.R. 11003. An act to clarify the authority for employment of personnel in the White House Office and the Executive Residence at the White House, to clarify the authority for employment of personnel by the President to meet unanticipated needs, and for other purposes (Rept. No. 95–868).

By Mr. EAGLETON, from the Committee on Governmental Affairs, with an amendment:

S. 2316. A bill to establish an actuarially sound basis for financing retirement benefits for policemen, firemen, teachers, and judges of the District of Columbia and to make certain changes in such benefits (Rept. No. 95–869).

By Mr. SPARKMAN, from the Committee on Foreign Relations, without amendment:

S. Res. 453. An original resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 2075. Referred to the Committee on the Budget.

By Mr. CANNON, from the Committee on Commerce, Science, and Transportation, with amendments:

S. 2541. A bill to amend chapter 4 of title 23 of the United States Code to authorize appropriations for certain highway safety programs, and for other purposes (Rept. No. 95–870). (Committee on Environment and Public Works discharged by unanimous consent.)

By Mr. PROXMIRE, from the Committee on Banking, Housing, and Urban Affairs, without amendment:

S. 3084. An original bill to amend and extend certain Federal laws relating to housing, community, and neighborhood development and preservation, and related programs, and for other purposes (Rept. No. 95–871).

By Mr. CULVER, from the Committee on Environment and Public Works, with amendments and an amendment to the title:

S. 1140. A bill to encourage and assist the States to develop improved programs for the conservation of nongame species of native fish and wildlife, and for other purposes (Rept. No. 95–872).

By Mr. CULVER, from the Committee on Environment and Public Works, with amendments:

S. 2987. A bill to extend the authority for carrying out conservation and rehabilitation programs on military reservations and certain public lands (Rept. No. 95–873).

S. 2899. A bill to amend the Endangered Species Act of 1973 to establish an Endangered Species Interagency Committee to review certain actions to determine whether exemptions from certain requirements of that act should be granted for such actions (Rept. No. 95–874).

By Mr. CULVER, from the Committee on Environment and Public Works, without amendment:

S. 3083. An original bill to extend the authorizations for the Noise Control Act of 1972, to expand the quiet communities program, and for other purposes (Rept. No. 95–875).

By Mr. CULVER, from the Committee on Environment and Public Works, with an amendment:

H.R. 10884. An act to authorize appropriations to the Council on Environmental Quality for fiscal years 1979, 1980, and 1981 (Rept. No. 95–876).

By Mr. CULVER, from the Committee on Environment and Public Works, with amendments:

H.R. 11302. An act to authorize appropriations for environmental research, development, and demonstrations for the fiscal year 1979, and for other purposes (Rept. No. 95–877).

By Mr. CLARK, from the Committee on Agriculture, Nutrition, and Forestry, with an amendment:

S. 2912. A bill to strengthen the economy of the United States through improved loan rates and target prices for producers of wheat, feed grains, and upland cotton (Rept. No. 95–878).

By Mr. LEAHY, from the Committee on Agriculture, Nutrition, and Forestry, with an amendment and an amendment to the title:

S. 3033. A bill to authorize and direct the Secretary of Agriculture to provide cooperative forestry assistance to States and others, and for other purposes (Rept. No. 95–879).

S. 3034. A bill to authorize and direct the Secretary of Agriculture to carry out forest and rangeland renewable resources research, to provide cooperative assistance for such research to States and others, and for other purposes (Rept. No. 95–880).

By Mr. LEAHY, from the Committee on Agriculture, Nutrition, and Forestry, with an amendment:

S. 3035. A bill to provide for an expanded and comprehensive extension program for forest and rangeland renewable resources (Rept. No. 95–881).

By Mr. TALMADGE, from the Committee on Agriculture, Nutrition, and Forestry, without amendment:

S. 2946. A bill to authorize the Secretary of Agriculture to relinquish exclusive legislative jurisdiction over lands or interests under his control (Rept. No. 95–882).

S. 2951. A bill to authorize the Secretary of Agriculture to accept and administer on behalf of the United States gifts or devices of real and personal property for the benefit of the Department of Agriculture or any of its programs (Rept. No. 95–883).

By Mr. McGOVERN, from the Committee on Agriculture, Nutrition, and Forestry, without amendment:

S. 3085. An original bill to extend and amend the special supplemental food program and the child care food program, and for other purposes (Rept. No. 95–884).

By Mr. CANNON, from the Committee on Commerce, Science, and Transportation, with an amendment:

S. 2788. A bill to amend section 216 of the Regional Rail Reorganization Act of 1973 to authorize the purchase of an additional $600,000,000 of the series A preferred stock of the Corporation, and for other purposes (Rept. No. 95–885).

S. 2767. A bill to amend section 204 of the Marine Protection, Research, and Sanctuaries Act of 1972 to extend the authorization for appropriations for fiscal years 1979 and 1980 (Rept. No. 95–886).

By Mr. CANNON, from the Committee on Commerce, Science, and Transportation and the Committee on Human Resources, jointly, with an amendment:

H.R. 10822. An act to improve the operations of the national sea grant program, to authorize appropriations to carry out such program for fiscal years 1979 and 1980, and for other purposes (Rept. No. 95–887).

By Mr. CANNON, from the Committee on Commerce, Science, and Transportation, with amendment:

H.R. 10730. An act to authorize appropriations to carry out the Marine Mammal Protection Act of 1972 during fiscal years 1979, 1980, and 1981 (Rept. No. 95–888).

By Mr. CANNON, from the Committee on Commerce, Science, and Transportation, with amendments:

S. 2796. A bill to amend the Consumer Product Safety Act to extend the authorization of appropriations, and for other purposes (Rept. No. 95–889).

By Mr. RANDOLPH, from the Committee on Human Resources, with an amendment and an amendment to the title:

S. 2600. A bill to amend the Rehabilitation Act of 1973 to extend certain programs established in such Act, to establish a comprehensive services program for the severely handicapped, and for other purposes (Rept. No. 95–890).

By Mr. NELSON, from the Committee on Human Resources, with an amendment:

S. 2570. A bill to amend the Comprehensive Employment and Training Act of 1973 to provide improved employment and training services, to extend the authorization, and for other purposes (Rept. No. 95–891).

S. 2090. A bill to extend for three additional years the authorization of titles I, II, III, IV, V, VI, VII, VIII, and IX of the Economic Opportunity Act of 1964, and for other purposes (Rept. No. 95–892).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. ABOUREZK (for himself and Mr. McGOVERN):

S. 3069. A bill to provide that members of the Sisseton-Wahpeton Sioux Tribe may request the Secretary of the Interior to acquire certain lands, and to provide that the Tribe shall have a preference right to purchase certain lands held in trust by the United States for tribal members; to the Select Committee on Indian Affairs.

By Mr. ABOUREZK:

S. 3070. A bill for the relief of Valentin Mendoza; to the Committee on the Judiciary.

By Mr. CURTIS:

S. 3071. A bill to amend title 39 of the United States Code to provide that the United States Postal Service shall not impose any fee in connection with providing change of address services for senders of matter to blind and other handicapped persons; to the Committee on Governmental Affairs.

By Mr. RANDOLPH (from the Committee on Environment and Public Works):

S. 3072. A bill to amend the Marine Protection, Research, and Sanctuaries Act to authorize appropriations for Titles I and II for Fiscal Years 1979 and 1980; original bill reported and placed on the calendar.

By Mr. BENTSEN (From the Committee on Environment and Public Works):

S. 3073. A bill to amend title 23, United States Code, to authorize Federal-aid highway programs through fiscal year 1980, and for other purposes; original bill reported and placed on the calendar.

By Mr. SPARKMAN (from the Committee on Foreign Relations):

S. 3074. A bill to amend the Foreign Assistance Act of 1961 to authorize development assistance programs for fiscal year 1979, and for other purposes; original bill reported and placed on the calendar.

S. 3075. A bill to amend the Foreign Assistance Act of 1961 and the Arms Export Control Act, and for other purposes; original bill reported and placed on the calendar.

S. 3076. A bill to authorize appropriations for the fiscal year 1979 for the Department of State, the International Communications Agency, and the Board for International Broadcasting, and for other purposes; original bill reported and placed on the calendar.

By Mr. STEVENSON (from the Committee on Banking, Housing, and Urban Affairs):

S. 3077. A bill to amend and extend the Export-Import Bank Act of 1945, and for other purposes; original bill reported and placed on the calendar.

By Mr. JACKSON (by request):

S. 3078. A bill to authorize the Secretary of Energy to enter into cooperative arrangements to contain and to reduce potential radiation exposure from residual radioactive materials, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. HART (from the Committee on Armed Services):

S. 3079. A bill to authorize certain construction at military installations, and for other purposes; original bill reported and placed on the calendar.

By Mr. ALLEN:

S. 3080. A bill to amend the Internal Revenue Code of 1954 to exclude certain service performed on fishing boats from coverage for purposes of unemployment compensation; to the Committee on Finance.

By Mr. CANNON (from the Committee on Commerce, Science, and Transportation):

S. 3081. A bill to amend the Federal Railroad Safety Act of 1970 to provide the Secretary of Transportation a longer period within which to assess civil penalties for certain violations, to extend authorizations of appropriations for fiscal year 1979 and 1980 for the rail safety program, and for other purposes; original bill reported and placed on the calendar.

By Mr. CANNON (for himself, Mr. MAGNUSON, Mr. PEARSON, and Mr. STEVENS) (by request):

S. 3082. A bill to amend the North Pacific Fisheries Act of 1954; to the Committee on Commerce, Science, and Transportation.

By Mr. CULVER (from the Committee on Environment and Public Works):

S. 3083. A bill to extend the authorizations for the Noise Control Act of 1972, to expand the quiet communities program, and for other purposes; original bill reported and placed on the calendar.

By Mr. PROXMIRE (from the Committee on Banking, Housing, and Urban Affairs):

S. 3084. A bill to amend and extend certain Federal laws relating to housing, community, and neighborhood development and preservation, and related programs, and for other purposes; original bill reported and placed on the calendar.

By Mr. McGOVERN (from the Committee on Agriculture, Nutrition, and Forestry):

S. 3085. A bill to extend and amend the special supplemental food program and the child care food program, and for other purposes; original bill reported and placed on the calendar.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. ABOUREZK (for himself and Mr. McGOVERN):

S. 3069. A bill to provide that members of the Sisseton-Wahpeton Sioux

Tribe may request the Secretary of the Interior to acquire certain lands, and to provide that the tribe shall have a preference right to purchase certain lands held in trust by the United States for tribal members; to the Select Committee on Indian Affairs.

THE SISSETON-WAHPETON SIOUX TRIBE

● Mr. ABOUREZK. Mr. President, I am introducing legislation to amend the act of October 26, 1974, Public Law 93–491, 88 Stat. 1468, which provides for the Sisseton-Wahpeton Sioux Tribe of the Lake Traverse Reservation to consolidate its landholdings in North Dakota and South Dakota. The amendments would authorize the Secretary of the Interior to acquire certain lands for individual members of the Sisseton-Wahpeton Tribe as well as for the tribe itself; and it authorizes the tribe to exercise a first right of purchase with respect to lands held in trust by the United States for tribal members when the lands are offered for sale at public sale or auction.

The amendments to section (1) would allow individual members of the Sisseton-Wahpeton Sioux Tribe the same authority as the tribe to acquire land for homesites, businesses or to buy out other heirs. This would permit consolidation and reacquisition of Indian land for individual members as well as for the tribe. And, by reducing the fractionated ownership of allotted land, it would allow the land to be developed and used more efficiently. This land consolidation would rely on voluntary sales and purchases. The lands acquired under these amendments would be held in trust by the U.S. Government for the Indians.

The section 2(b) amendment would provide the tribe with a first right of purchase when individual trust land is for sale at public sale or auction. This proposed amendment will help prevent Indian land from passing out of Indian ownership as well as providing the tribe with another mechanism for acquiring the land base needed for self-sufficiency.

This legislation was proposed by the Sisseton-Wahpeton Sioux Tribal chairman, Jerry Flute, and it has the support of the Governor of South Dakota.

Mr. President, I ask unanimous consent that the text of the bill, S. 3069 be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3069

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the first section of the Act of October 26, 1974, Public Law 93–491, 88 Stat. 1468, is amended—

(1) by inserting "or upon the request of any member of the tribe" after "South Dakota" the first place it appears;

(2) by inserting "for the tribe or member thereof" after "gift, or exchange";

(3) by inserting "or member thereof" after "available to the tribe"; and

(4) by inserting "or for the individual member for whom the land is acquired" before the period at the end thereof.

(b) Section 2 of the Act of October 26, 1974, Public Law 93–491, 88 Stat. 1468, is amended by redesignating subsection (b) as subsection (c) and adding after subsection (a) the following new subsection:

"(b)(1) Notwithstanding any other provision of law, the Sisseton-Wahpeton Sioux Tribe of the Lake Traverse Reservation, acting through its governing body or its designated agent, shall have a preference right to purchase any land held by the United States in trust for any member or members of the Sisseton-Wahpeton Sioux Tribe offered at public sale or auction. The Tribe shall have thirty (30) days from the date bidding is closed to match the high bid and the terms of the notice of sale."

(d) The amendments made by this Act shall become effective on the date of the enactment of this Act.

By Mr. JACKSON (by request):

S. 3078. A bill to authorize the Secretary of Energy to enter into cooperative arrangements to contain and to reduce potential radiation exposure from residual radioactive materials, and for other purposes; to the Committee on Energy and Natural Resources.

RESIDUAL RADIOACTIVE MATERIALS ACT OF 1978

● Mr. JACKSON. Mr. President, by request, I send to the desk for appropriate reference a bill to authorize the Secretary of Energy to enter into cooperative arrangements to contain and to reduce potential radiation exposure from residual radioactive materials, and for other purposes.

Mr. President, this draft legislation was submitted and recommended by the Department of Energy, and I ask unanimous consent that the executive communication accompanying the proposal from the Secretary of Energy be printed in the RECORD at this point in my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF ENERGY,
Washington, D.C., April 27, 1978.

Hon. WALTER F. MONDALE,
President of the U.S. Senate, Washington, D.C.

DEAR MR. PRESIDENT: I am transmitting herewith a proposed bill to authorize the Secretary of Energy (Secretary) to enter into cooperative arrangements with States to clean up residual radioactive materials in and around inactive uranium mill tailings sites.

This legislation would provide financial assistance to the States of Arizona, Colorado, Idaho, New Mexico, Oregon, Texas, Utah, Wyoming, Pennsylvania and any other States as determined by the Secretary to aid in the stabilization or disposal of such radioactive residues.

These residues resulted from the operation of private plants under procurement contracts with the Federal Government for processing uranium ore for the Manhattan Engineering District and the Atomic Energy Commission ("AEC") from the mid-1940's to 1970. The costs for stabilization or disposal of the radioactive residues or tailings were either not included in the procurement contracts, or were not accomplished to meet current standards for unrestricted use of the sites. Neither the AEC nor its regulatory successor, the Nuclear Regulatory Commission ("NRC") exercised regulatory jurisdiction over these radioactive residues. Licenses which were obtained have been allowed to expire.

As agency regulations and procurement contracts did not require more stringent measures to stabilize or dispose of such residues, neither the Federal Government nor the States have clear legal responsibility for cleaning up the sites. The owners are either unwilling or financially unable to clean up the sites, and the Federal Government does not have the contractual or regulatory authority to require them to do so. However, the radioactive residues at these sites pose a possible threat to the public through exposure to low levels of radioactivity. For this reason, a joint effort should be undertaken by the Federal Government and the involved States to protect the public health.

The proposed legislation provides for a cooperative Federal/State program in which the Federal Government would pay 75 percent of the direct cost of remedial action, and the States would pay 25 percent. Where the sites are located on Indian lands, the legislation provides for Federal payment of 100 percent of the costs and also for the management of the cleanup program.

The proposed legislation excludes the following classes of sites:

1. Mills licensed by either the NRC or "agreement States", under Section 274 of the Atomic Energy Act. Under NRC's interpretation of the National Environmental Policy Act, NRC has the responsibility under the Atomic Energy Act of 1954, as amended, to assure that all mills licensed by it to process uranium ore properly clean up and stabilize mill tailings after closure. With respect to mills licensed by "agreement States", control over cleanup and stabilization of mill tailings belongs to the licensing State. This would exclude all mills currently in operation, as well as the inactive Edgemont, South Dakota mill site which is still licensed.

2. Sites owned by the Federal Government. There are two such sites: Monticello, Utah, owned by DOE, and Edgemont, South Dakota, owned by the Tennessee Valley Authority. Since they are federally owned, the States cannot be expected to participate financially in their stabilization.

3. Sites of mills which never had a Government contract. This covers the Ray Point, Texas site owned by Exxon Corporation.

The cost of remedial actions at the inactive uranium mill sites has been estimated to range from $80 to $125 million. This variation is due to the remedial alternatives available for the Secretary's determination: Stabilization of the uranium mill tailings on-site, or the more costly removal of the tailings to a more suitable location for long-term stabilization or other disposition.

The Department of Energy currently is surveying a number of additional sites which may require remedial action. When these surveys are completed later this year, we will submit additional proposed legislation if necessary to authorize the appropriate remedial actions.

A $3.50 million budget authority and $3.0 budget outlay has been included in the current fiscal year 1979 DOE budget for activities related to this proposal but not requiring new substantive legislation. A request for an additional $3.0 million budget authority and $2.0 million budget outlay to implement the program in fiscal year 1979 is being submitted separately.

Requirements of the National Environmental Policy Act will be adhered to throughout this program. The Environmental Protection Agency will be responsible for prescribing standards and criteria to assure the adequate protection of the public health and safety and the environment in connection with the remedial actions. The NRC will be responsible for implementing and ensuring compliance with these standards and criteria.

The Office of Management and Budget has advised that enactment of this proposed legislation would be in accord with the program of the President.

Sincerely,

JAMES R. SCHLESINGER,
Secretary.●

By Mr. ALLEN:

S. 3080. A bill to amend the Internal Revenue Code of 1954 to exclude certain service performed on fishing boats from

coverage for purposes of unemployment compensation; to the Committee on Finance.

AMENDMENT TO UNEMPLOYMENT COMPENSATION LAW

Mr. ALLEN. Mr. President, I am introducing legislation today which I believe will correct an inequity which presently exists in the Internal Revenue Code with reference to the shrimping industry.

Under the Tax Reform Act of 1976, criteria were established under which certain crewmen would not be considered employees of the owner or operator of the boat. In effect, the Internal Revenue Service has declared shrimp boat crews to be self-employed provided that, first, the crewman does not receive any cash remuneration; second, the crewman receives a share of the boat's catch of fish or a share of the proceeds from the sale of the catch; third, the amount of the crewman's share depends on the amount of the boat's catch; and fourth, the operating crew of the boat is normally made up of fewer than 10 individuals. These criteria were made applicable for purposes of withholding Federal tax and Federal Insurance Contributions Act tax; and consequently exempts the employer—in this case the boatowner or operator.

The inconsistency to which I referred lies in the IRS Code regarding the Federal Unemployment Tax Act. This tax is applicable to employers only. Yet, under this act fisherman employers are exempt from the payment of Federal contributions for unemployment purposes only if the services performed are related to catching halibut or salmon for commercial purposes or the services are performed on a vessel of more than 10 net tons. Shrimp boat owners and operators find themselves paying unemployment taxes on those who under another law are classified as self-employed. Though these are different taxes, there is no reason for inconsistency in exemptions. If a person is considered self-employed under the criteria of the one, there is no reason why an employer should be required to pay unemployment tax on that self-employed individual. Exclusion from coverage under FICA should be extended to mean an exclusion from coverage under FUTA. Either a man is self-employed or he is not. It is inconsistent to declare a man self-employed under one act and claim that same man is an employee under another act.

This legislation would simply amend section 3306(c) of the Internal Revenue Code of 1954 (relating to the definition of employment under the Federal Unemployment Tax Act) by using the same criteria to determine self-employment of the crewman for unemployment tax purposes as used to determine self-employment of the crewman under the Tax Reform Act of 1976; namely:

First. The crewman does not receive any cash remuneration;

Second. The crewman receives a share of the boats' catch of fish or a share of the proceeds from the sale of the catch;

Third. The amount of the crewman's share depends on the amount of the boats' catch; and

Fourth. The operating crew of the boat is normally made up of fewer than 10 individuals.

Mr. President, this legislation would consequently exclude these boatowners and operators from the excessive burden of paying unemployment tax on those crewmen defined as being self-employed under the Tax Reform Act of 1976, and bring some consistency in the enforcement of and compliance with these two laws. Employers need some relief from excessive Government intervention and regulations. Enactment of my proposal would be tax reform in its purest sense. Tax consistency would be a welcome reform and a welcome relief.

By Mr. CANNON (for himself, Mr. MAGNUSON, Mr. PEARSON, and Mr. STEVENS) (by request):

S. 3082. A bill to amend the North Pacific Fisheries Act of 1954; to the Committee on Commerce, Science, and Transportation.

● Mr. CANNON. Mr. President, the bill I am introducing today, by request of the State Department, is the implementing legislation for the newly negotiated protocol amending the International Convention for the High Seas Fisheries of the North Pacific Ocean.

I ask unanimous consent that the bill and the letter of transmittal be printed at this point in the RECORD.

There being no objection, the bill and letter were ordered to be printed in the RECORD, as follows:

S. 3082

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Pacific Fisheries Act of 1954, P.L. 83-579, as amended by Public Law 92-471 (16 U.S.C. 1021, et seq.) is amended as follows:

1. Section 2(a) is amended to read:

" 'Convention' means the International Convention for the High Seas Fisheries of the North Pacific Ocean with a protocol and annex relating thereto signed at Tokyo May 9, 1952, as amended by the Protocol Amending the International Convention for the High Seas Fisheries of the North Pacific Ocean signed at Toyko April 25, 1978."

2. Section 2(e) is amended to read:

" 'Fishery conservation zone of the United States' means the fishery conservation zone established by Section 101 of the Fishery Conservation and Management Act of 1976 (16 U.S.C. §§ 1801 et seq.)."

3. A new section 2 (f) is added as follows:

" 'Fishing vessel' means any vessel engaged in catching fish or processing or transporting fish loaded in the Convention area, or any vessel outfitted for such activities, or any vessel in normal support of another vessel as described above."

4. A new section 2(g) is added as follows:

" 'Permit' means a permit issued by the Secretary of State in cooperation with the Secretary of Commerce under Section 13 of this Act."

5. Section 6 is amended to read:

"APPROVAL OF COMMISSION RECOMMENDATIONS—The Secretary of State, with the concurrence of the Secretary of Commerce, is authorized to accept or reject, on behalf of the United States, recommendations made by the ommission in accordance with Article III, section 1 of the Convention."

6. Section 7 is amended to read:

"The Secretary of Commerce is authorized and directed to administer and enforce all the provisions of the Convention, this chapter, and regulations issued pursuant thereto, except to the extent otherwise provided for in this Act. In carrying out such functions he is authorized and directed, in consultation with the Secretary of the department in which the Coast Guard is operating, to adopt such regulations as may be necessary to carry out the purposes and objectives of the Convention and this Act, and, with the concurrence of the Secretary of State, he may cooperate with the duly authorized officials of the government of any party to the Convention. He shall adopt such regulations on consultation with the United States Section and they shall apply only to stocks of fish in the Convention area north of the parallel of north latitude of 48 degrees and 30 minutes. No such regulations shall apply in the Convention area south of the 49th parallel of north latitude with respect to sockeye salmon (Oncorhynchus nerka) or pink salmon (Oncorhynchus gorbuscha).

7. Section 9 is amended to read:

(a) "IN GENERAL.—The provisions of this Act shall be enforced by the Secretary of Commerce and the Secretary of the department in which the Coast Guard is operating. Such Secretaries may, by agreement, on a reimbursable basis or otherwise, utilize the personnel, services, equipment (including aircraft and vessels), and facilities of any other Federal agency, including all elements of the Department of Defense, and of any State agency, in the performance of such duties.

(b) ENFORCEMENT WITHIN THE FISHERY CONSERVATION ZONE OF THE UNITED STATES.—

(1) Any officer who is authorized (by the Secretary of Commerce, the Secretary of the department in which the Coast Guard is operating, or the head of any Federal or State agency which has entered into an agreement with either such Secretary under subsection (a)) to enforce the provisions of the Convention and this Act may within the fishery conservation zone of the United States—

a. with or without a warrant or other process—

(i) arrest any person, if he has reasonable cause to believe that such person has committed an act prohibited by section 10;

(ii) board, and search or inspect, any fishing vessel which is subject to the provisions of the Convention and this Act;

(iii) seize any fishing vessel (together with its fishing gear, furniture, appurtenances, stores, and cargo) used or employed in, or with respect to which it reasonably appears that such vessel was used or employed in, the violation of any provision of the Convention or this Act;

(iv) seize any fish (wherever found) taken or retained in violation of any provision of the Convention or this Act; and

(v) seize any other evidence related to any violation of any provision of the Convention or this Act;

b. execute any warrant or other process issued by any court of competent jurisdiction; and

c. exercise any other lawful authority.

(2) JURISDICTION OF COURTS.—The district courts of the United States shall have exclusive jurisdiction over any case or controversy arising under the provisions of this Act. Any such court may, at any time—

a. enter restraining orders or prohibitions;

b. issue warrants, process in rem, or other process;

c. prescribe and accept satisfactory bonds or other security; and

d. take such other actions as are in the interest of justice.

(3) FOR PURPOSES OF THIS SECTION.—

a. The term "provisions of this Act" in-

cludes any regulation adopted or permit issued pursuant to this Act, and

b. The term "violation of any provision of this Act" includes (1) the commission of any act prohibited by section 10, and (2) the violation of any regulation or permit, referred to in paragraph (A).

(c) Enforcement in the Convention Area Outside the Fishery Conservation Zone of the United States and Similar Zones of Canada and Japan.

(1) POWERS OF AUTHORIZED OFFICERS.—Any officer who is authorized (by the Secretary of Commerce, the Secretary of the department in which the Coast Guard is operating, or the head of any Federal or State agency which has entered into an agreement with such Secretaries under subsection a)) to enforce the provisions of the Convention and this Act may in the convention area outside the fishery conservation zone of the United States and similar zones of Canada and Japan.

a. Board any vessel of Canada or Japan fishing for anadromous species and without warrant or process, inspect equipment, logs, documents, catch and other articles and question the persons on board for the purpose of carrying out the provisions of the Convention and this Act.

b. When any such person or fishing vessel is actually engaged in operations in violation of the provisions of the Convention or this Act, or there is reasonable ground to believe was obviously so engaged prior to boarding of such vessel by any authorized official, detain such person or vessel and further investigate the circumstances if necessary. Such person or vessel shall be further detained and shall be delivered as promptly as practicable to the authorized officials of the nation to which such person or vessel belongs in accordance with the provisions of the Convention.

(2) Any officer authorized to enforce the provisions of the Convention and this Act (as provided for in this section) may be directed to attend as witnesses and to produce such available records and files or duly certified copies thereof as may be necessary to the prosecution in Canada or Japan of any violation of the provisions of the Convention or any Canadian or Japanese law for the enforcement thereof when requested by the appropriate authorities of Canada or Japan respectively."

8. Section 10 is amended to read:

"It is unlawful—

(1) for any person—

(a) to violate any provision of the Convention or this Act or any regulation adopted or permit issued pursuant to the Convention or this Act, provided that enforcement shall be carried out in accordance with section 9(b);

(b) to refuse to permit any officer authorized to enforce the provisions of the Convention and this Act (as provided for in section 9) to board a fishing vessel subject to such person's control for purposes of conducting any search or inspection in connection with the enforcement of the Convention or this Act or regulation or permit referred to in subparagraph (a);

(c) to forcibly assault, resist, oppose, impede, intimidate, or interfere with any such authorized officer in the conduct of any search or inspection described in subparagraph (b);

(d) to resist a lawful arrest or detention for any act prohibited by this section;

(e) to ship, transport, offer for sale, sell, purchase, import, export, or have custody, control, or possession of, any fish taken or retained in violation of the Convention or this Act or any regulation or permit referred to in subparagraph (a); or

(f) to interfere with, delay, or prevent, by any means, the apprehension, arrest or detention of another person, knowing that such other person has committed any act prohibited by this section."

9. Section 11 is amended to read:

"(a) CIVIL PENALTIES.

(1) ASSESSMENT OF PENALTY.—Any person who is found by the Secretary of Commerce, after notice and an opportunity for a hearing in accordance with section 554 of title 5, United States Code, to have committed an act prohibited by section 10 shall be liable to the United States for a civil penalty. The amount of the civil penalty shall not exceed $25,000 for each violation. Each day of a continuing violation shall constitute a separate offense. The amount of such civil penalty shall be assessed by the Secretary of Commerce, or his designee, by written notice. In determining the amount of such penalty, the Secretary of Commerce shall take into account the nature, circumstances, extent, and gravity of the prohibited acts committed and, with respect to the violation, the degree of culpability, any history of prior offenses, ability to pay, and such other matters as justice may require.

(2) REVIEW OF CIVIL PENALTY.—Any person against whom a civil penalty is assessed under subsection (1) may obtain review thereof in the appropriate court of the United States by filing a notice of appeal in such court within 30 days from the date of such order and by simultaneously sending a copy of such notice by certified mail to the Secretary of Commerce. The Secretary of Commerce shall promptly file in such court a certified copy of the record upon which such violation was found or such penalty imposed, as provided in section 2112 of title 28, United States Code. The findings and order of the Secretary of Commerce shall be set aside by such court if they are not found to be supported by substantial evidence, as provided in section 706(2) of title 5, United States Code.

(3) ACTION UPON FAILURE TO PAY ASSESSMENT.—If any person fails to pay an assessment of a civil penalty after it has become a final and unappealable order, or after the appropriate court has entered final judgment in favor of the Secretary of Commerce, the Secretary of Commerce shall refer the matter to the Attorney General of the United States, who shall recover the amount assessed in any appropriate district court of the United States. In such action, the validity and appropriateness of the final order imposing the civil penalty shall not be subject to review.

(4) COMPROMISE OR OTHER ACTION BY SECRETARY OF COMMERCE.—The Secretary of Commerce may compromise, modify, or remit, with or without conditions, any civil penalty which is subject to imposition or which has been imposed under this section.

(b) CRIMINAL OFFENSES.—

(1) OFFENSES.—A person is guilty of an offense if he commits any act prohibited by section 10(1) (b), (c), (d), or (f).

(2) PUNISHMENT.—Any offense described in subsection (b)(1) is punishable by a fine of not more than $50,000, or imprisonment for not more than 6 months, or both; except that if in the commission of any such offense the person uses a dangerous weapon, engages in conduct that causes bodily injury to any officer authorized to enforce the provisions of this Act, or places any such officer in fear of imminent bodily injury, the offense is punishable by a fine of not more than $100,000, or imprisonment for not more than 10 years, or both.

(3) JURISDICTION.—There is Federal jurisdiction over any offense described in this section.

(c) CIVIL FORFEITURES.—

(1) IN GENERAL.—Any fishing vessel (including its fishing gear, furniture, appurtenances, stores, and cargo) used, and any fish taken or retained, in any manner, in connection with or as a result of the commission of any act prohibited by section 10 shall be subject to forfeiture to the United States. All or part of such vessel may, and all such fish shall, be forfeited to the United States pursuant to a civil proceeding under this section.

(2) JURISDICTION OF COURTS.—Any district court of the United States which has jurisdiction under section 9(b)(3) shall have jurisdiction, upon application by the Attorney General on behalf of the United States, to order any forfeiture authorized under subsection (1) and any action provided for under subsection (4).

(3) JUDGMENT.—If a judgment is entered for the United States in a civil forfeiture proceeding under this section, the Attorney General may seize any property or other interest declared forfeited to the United States, which has not previously been seized pursuant to this Act or for which security has not previously been obtained under subsection (d). The provisions of the customs laws relating to—

a. the disposition of forfeited property,

b. the proceeds from the sale of forfeited property,

c. the remission or mitigation of forfeitures, and

d. the compromise of claims, shall apply to any forfeiture ordered, and to any case in which forfeiture is alleged to be authorized, under this section, unless such provisions are inconsistent with the purposes, policy, and provisions of this Act. The duties and powers imposed upon the Commissioner of Customs or other persons under such provisions shall, with respect to this Act, be performed by officers or other persons designated for such purpose by the Secretary of Commerce.

(4) PROCEDURE.—a. Any officer authorized to serve any process in rem which is issued by a court having jurisdiction under section 9(b)(3) shall—

(i) stay the execution of such process; or

(ii) discharge any fish seized pursuant to such process;

upon the receipt of a satisfactory bond or other security from any person claiming such property. Such bond or other security shall be conditioned upon such person (i) delivering such property to the appropriate court upon order thereof, without any impairment of its value, or (ii) paying the monetary value of such property pursuant to an order of such court. Judgment shall be recoverable on such bond or other security against both the principal and any sureties in the event that any condition thereof is breached, as determined by such court.

b. Any fish seized pursuant to this Act may be sold, subject to the approval and direction of the appropriate court, for not less than the fair market value thereof. The proceeds of any such sale shall be deposited with such court pending the disposition of the matter involved.

(5) REBUTTABLE PRESUMPTION.—For purposes of this section, it shall be a rebuttable presumption that all fish found on board a fishing vessel which is seized in connection with an act prohibited by section 10 were taken or retained in violation of the Convention and this Act.

10. Section 12 is deleted.

11. Section 13 is redesignated as Section 12 and subsection (b) is amended to read:

"Such funds as shall be made available to the Secretary of Commerce for research and related activities shall be expended to carry out the program of the Commission in accordance with the recommendations of the United States Section and to carry out other research and observer programs established pursuant to the Convention."

A new subsection (c) is added as follows:

(c) There are authorized to be appropriated to the Secretary of Commerce, for purposes of carrying out the provisions of Section 14, such sums not to exceed $1,000,000 for fiscal year 1979 and such sums as may be necessary for fiscal year 1980.

12. A new section 13 is added as follows:

"SECTION 13. PERMITS.—

(a) Every Canadian or Japanese fishing vessel which is authorized to fish in the fishery conservation zone of the U.S. pursuant to the Convention shall have on board a registration permit issued pursuant to subsection (b).

(b) The Secretary of State, in cooperation with the Secretary of Commerce, shall issue annually a registration permit for each Canadian or Japanese fishing vessel which is authorized to fish within the fishery conservation zone of the United States pursuant to the Convention. Each such permit shall set forth the terms and conditions contained in the Convention that apply with respect to such operations, and shall include the additional requirements that the owner or operator of the fishing vessel for which the permit is issued shall comply with any regulations issued under section 14(b)(2) of this Act and shall prominently display such permit in the wheelhouse of such vessel and show it, upon request, to any officer authorized to enforce the provisions of the Convention or this Act (as provided for in section 6 of this Act). The Secretary of State, after consultation with the Secretary of Commerce and the Secretary of the department in which the Coast Guard is operating, shall prescribe the form and manner in which applications for registration permits may be made, and the forms of such permits. The Secretary of State may establish, require the payment of, and collect fees for registration permits; except that the level of such fees shall not exceed the administrative costs incurred by him in issuing such permits.

(c) Notwithstanding any other provision of law, Canadian and Japanese fishing vessels authorized to fish outside the fishery conservation zone of the United States pursuant to the Convention for anadromous species shall not be required to obtain any permit relating to such species.

13. A new section 14 is added as follows:

SECTION 14. MARINE MAMMALS.—

(a) POLICY.—The objects and purposes of the Convention shall be interpreted to include not only the protection of North American salmon, but also the establishment and implementation of measures directed toward the determination of the effect of the Japanese salmon fishery on marine mammal populations and the reduction or elimination of the incidental taking of marine mammals.

(b) RESEARCH AND REDUCTION OF INCIDENTAL TAKING.—The Secretary of Commerce is authorized and directed to take those actions he determines to be necessary and appropriate to assure that the provisions of the Convention relating to marine mammal research and the reduction or elimination of the incidental taking of marine mammals are fully implemented including, but not limited to: (1) placement of duly authorized agents on board Japanese fishing vessels for the purpose of making scientific observations and studies relating to the incidental taking of marine mammals pursuant to the terms of the Convention; and (2) in conformity with the provisions of the Convention, adoption of regulations governing the incidental taking of marine mammals by Japanese fishing vessels within the fishery conservation zone of the United States, including provisions for the collection of biological material and data on all marine mammals incidentally taken within the fishery conservation zone of the United States and the use of such gear and fishing techniques to reduce or eliminate such incidental taking as are determined to be feasible, based upon the results of the research program conducted pursuant to the Convention and this Act.

(c) INTERNATIONAL.—In order to insure the full implementation of the objects and purposes of this Convention, the Secretary of State shall request from the Government of Japan a full report each year of the activities undertaken by the Government of Japan relating to marine mammal research and the reduction or elimination of the incidental taking of marine mammals under the Convention and consider the negotiation of additional measures to fulfill these objects and purposes.

(d) The Secretary of Commerce, in consultation with the Secretary of State, shall submit to the Congress on May 1, 1979, and May 1, 1980, and thereafter as requested by Congress, a report detailing the steps taken to implement the Convention, the results of all research and statistical reporting and analysis carried out pursuant to the Convention and a description of all enforcement activities and their disposition. The report shall include estimates of the magnitude of incidental taking of Dall's porpoise (Phocoenoides dalli) by Japanese fishing vessels, estimates, as possible, of the abundance, distribution, recruitment rates, status, trends, and impacts of incidental taking upon the optimum sustainable populations of Dall's porpoises, and any proposals for adoption of fishing gear or techniques designed to reduce or eliminate such incidental taking. If available information is inadequate to provide the basis for such estimates or proposals, the report shall include an indication of what research efforts are needed to provide the requisite information. A copy of the report requested from the Government of Japan pursuant to subsection (c) shall be appended to the report of the Secretary of Commerce.

(e) During the research period ending June 9, 1981, permit requirements of United States law relating to the incidental taking of marine mammals in the fishery conservation zone shall be imposed in accordance with paragraph 1(c) of the Annex to the Convention *provided*, however, that if the Secretary of Commerce finds:

(1) as a result of the research program conducted pursuant to the Convention and this Act, that the populations of Dall's porpoise or any other marine mammals affected by such incidental taking are below their optimum sustainable population and are not trending upward toward such level or are trending downward or are in danger of depletion; or

(2) that the contemplated research efforts cannot be successfully implemented or that necessary and desirable potential reductions or elimination of incidental taking of marine mammals, although feasible, are not being realized,

the Secretary of Commerce shall, through the Secretary of State, immediately initiate negotiations with the Government of Japan to modify the Convention or recommend such other action as is necessary to limit or eliminate the incidental taking of marine mammals to the extent feasible and, in any event, to the extent required to assure that such populations attain and remain at their optimum sustainable population levels.

14. A new section 16 is added as follows:

SEC. 16. AUTHORIZATION TO ADMINISTER ACT ON A PROVISIONAL BASIS.—The Executive Branch is authorized to administer the Act consistent with the terms of the Convention on a provisional basis pending the exchange by all the Contracting Parties of instruments of ratification or approval of the Protocol in accordance with Article II thereof.

DEPARTMENT OF STATE,
Washington, D.C., May 9, 1978.

Hon. WALTER F. MONDALE,
President, U.S. Senate.

DEAR MR. PRESIDENT: The Department of State, in consultation with the Department of Commerce, the Department of Transportation (the Coast Guard), and the Marine Mammal Commission, has concluded that legislation is needed to implement the Protocol Amending the International Convention for the High Seas Fisheries of the North Pacific Ocean, signed by representatives of the Governments of the United States, Canada and Japan at Tokyo, April 25, 1978.

We have prepared draft legislation which we transmit herewith and request that it be enacted into law. The draft legislation is in the form of amendments to the North Pacific Fisheries Act of 1954 (16 U.S.C. §§ 1021, et. seq.), the implementing legislation for the existing international Convention for the High Seas Fisheries of the North Pacific Ocean.

The Protocol provides for the extensive amendment of the existing International Convention for the High Seas Fisheries of the North Pacific Ocean signed on May 9, 1952. Under the Protocol salmon of North American origin will receive substantially greater protection than is afforded under the existing Convention.

The legislation will conform United States domestic law with the rights and obligations of the United States under the Protocol. The legislation will, for instance, provide the appropriate Executive departments with enforcement authority consistent with the terms of the Convention, including authority to board vessels of Japan fishing for salmon beyond the U.S. fishery conservation zone to investigate compliance with the Convention.

The Protocol will enter into force when the three contracting governments exchange instruments of ratification or approval. Completion of ratification or approval processes in all three countries may require considerable time. Because of the greater protection for salmon of United States origin provided by the Protocol, it is in the United States interest for Japan to abide by the terms of the Protocol prior to its formal entry into force. To expect such cooperation from Japan, the United States must be in a position to reciprocate. Accordingly, the legislation will authorize the appropriate Executive departments to act consistently with the terms of the Protocol pending its entry into force.

Under the Protocol, the season for Japanese salmon fishing in the United States fishery conservation zone will begin on June 9. It is critical that the necessary enforcement and permit provisions be in place by that time. For this reason and because of the benefits to United States fishery interests provided by the Protocol, we respectfully request consideration of this legislation at the earliest possible date.

The Office of Management and Budget has advised that there is no objection to the presentation of this legislation to the Congress and that its enactment would be consistent with the Administration's objectives.

Sincerely,

DOUGLAS J. BENNET, Jr.,
Assistant Secretary for Congressional Relations.●

ADDITIONAL COSPONSORS

S. 224

At the request of Mr. INOUYE, the Senator from South Dakota (Mr. MCGOVERN), the Senator from Ohio (Mr. METZENBAUM), the Senator from Idaho (Mr. MCCLURE), and the Senator from Utah (Mr. HATCH) were added as cosponsors of S. 224, a bill to amend title 5, United States Code, to allow credit for civil service retirement purposes for time spent by Japanese-Americans in World War II internment camps.

S. 551

At the request of Mrs. HUMPHREY, the Senator from Montana (Mr. PAUL G. HATFIELD) was added as a cosponsor of S. 551, the Victims of Crime Act.

S. 1140

At the request of Mr. HART, the Senator from Rhode Island (Mr. PELL) was added as a cosponsor of S. 1140, the Federal Aid in Non-Game Fish and Wildlife Conservation Act.

S. 2192

At the request of Mrs. HUMPHREY, her name was added as a cosponsor of S. 2192, a bill to provide grants to community agencies to use vacant and unused schools for community-based service programs.

S. 2378

At the request of Mr. INOUYE, the Senator from Minnesota (Mrs. HUMPHREY), and the Senator from South Dakota (Mr. MCGOVERN) were added as cosponsors of S. 2378, a bill to increase the amount of funds available for Native American employment and training programs.

S. 2437

At the request of Mr. MCCLURE, the Senator from Minnesota (Mr. ANDERSON), the Senator from Wyoming (Mr. HANSEN), the Senator from California (Mr. HAYAKAWA), the Senator from South Dakota (Mr. MCGOVERN), the Senator from Michigan (Mr. RIEGLE), the Senator from New Mexico (Mr. SCHMITT), and the Senator from Alaska (Mr. STEVENS) were added as cosponsors of S. 2437, a bill to amend the act of August 8, 1972 (Public Law 92-367) to provide Federal assistance to the States for the development and implementation of effective dam safety programs.

S. 2534

At the request of Mr. SCHWEIKER, the Senator from California (Mr. CRANSTON) was added as a cosponsor of S. 2534, the Health Maintenance Organization Act Amendments of 1978.

S. 2617

At the request of Mr. CRANSTON, the Senator from New York (Mr. JAVITS) was added as cosponsor of S. 2617, the Domestic Volunteer Service Act Amendments of 1978.

S. 2724

At the request of Mr. INOUYE, the Senator from Massachusetts (Mr. BROOKE) was added as a cosponsor of S. 2724, a bill to require reciprocal access to the courts of a foreign sovereign government by U.S. residents and the U.S. Government to sue for injuries resulting from anticompetitive and restrictive trade practices, and for other purposes.

S. 2744

At the request of Mr. SCHWEIKER, the Senator from Vermont (Mr. LEAHY) was added as a cosponsor of S. 2744, the Rural Health Services Act of 1978.

S. 2747

At the request of Mr. HASKELL, the Senator from New York (Mr. MOYNIHAN) was added as a cosponsor of S. 2747, a bill to provide for a study of methods by which individuals could be aided in filing their Federal income tax returns, as amended.

S. 2825

At the request of Mr. BARTLETT, the Senator from Texas (Mr. TOWER), and the Senator from New York (Mr. JAVITS) were added as cosponsors of S. 2825, a bill to amend the Internal Revenue Code with respect to certain charitable contributions.

S. 2833

At the request of Mr. ABOUREZK, the Senator from Vermont (Mr. LEAHY) was added as a cosponsor of S. 2833, the Farmer to Consumer Direct Marketing Act of 1978.

S. 2850

At the request of Mr. EAGLETON, the Senator from Maine (Mr. HATHAWAY), the Senator from New York (Mr. JAVITS), the Senator from Rhode Island (Mr. CHAFEE), the Senator from Vermont (Mr. STAFFORD), and the Senator from California (Mr. CRANSTON) were added as cosponsors of S. 2850, a bill to amend the Older Americans Act to provide for improved programs for the elderly, and for other purposes.

S. 2862

At the request of Mr. HASKELL, the Senator from Ohio (Mr. METZENBAUM) was added as a cosponsor of S. 2862, the Regulatory Control Act.

S. 2867

At the request of Mr. GOLDWATER, the Senator from Alabama (Mr. ALLEN) was added as a cosponsor of S. 2867, a bill to remove residency requirements and acreage limitations applicable to land subject to reclamation law.

S. 2928

At the request of Mr. INOUYE, the Senator from Indiana (Mr. BAYH) was added as a cosponsor of S. 2928, a bill to amend the International Investment Survey Act of 1976, and for other purposes.

S. 2929

At the request of Mr. HELMS, the Senator from Texas (Mr. TOWER) was added as a cosponsor of S. 2929, the Taxpayers' Bill of Rights.

S. 2972

At the request of Mr. RANDOLPH, the Senator from Louisiana (Mr. JOHNSTON) was added as a cosponsor of S. 2972, the Opportunities Industrialization Centers and Community-Based Organizations Services Improvement Act.

S. 3033

At the request of Mr. LEAHY, the Senator from Indiana (Mr. LUGAR) was added as a cosponsor of S. 3033, the Cooperative Forestry Assistance Act.

S. 3034

At the request of Mr. LEAHY, the Senator from Indiana (Mr. LUGAR) was added as a cosponsor of S. 3034, the Forest and Rangeland Renewable Resources Research Act.

S. 3035

At the request of Mr. LEAHY, the Senator from Indiana (Mr. LUGAR) was added as a cosponsor of S. 3035, the Renewable Resources Extension Act.

S. 3057

At the request of Mr. RIBICOFF, the Senator from Rhode Island (Mr. CHAFEE), and the Senator from Massachusetts (Mr. KENNEDY) were added as cosponsors of S. 3057, a bill to amend the Internal Revenue Code of 1954 to provide relief to residential and certain institutional users of refined petroleum products in the event of a Presidential adjustment of imports of petroleum.

S. RES. 447

At the request of Mr. PEARSON, the Senator from North Dakota (Mr. YOUNG), and the Senator from Minnesota (Mrs. HUMPHREY) were added as cosponsors of S. Res. 447, relating to the importance of increasing agricultural exports from the United States.

S. CON. RES. 79

At the request of Mr. MCCLURE, the Senator from Missouri (Mr. EAGLETON), the Senator from Colorado (Mr. HASKELL), the Senator from Iowa (Mr. CLARK), and the Senator from South Carolina (Mr. HOLLINGS) were added as cosponsors of S. Con. Res. 79, disapproving proposed regulations of the Department of the Treasury requiring centralized registration of firearms and other matters.

AMENDMENT NO. 1847

At the request of Mr. HART, the Senator from Hawaii (Mr. MATSUNAGA), and the Senator from New Hampshire (Mr. DURKIN) were added as cosponsors of amendment No. 1847, intended to be proposed to S. 2646, the Development Assistance Authorizations.

AMENDMENT NO. 1936

At the request of Mr. CRANSTON, the Senator from Florida (Mr. STONE) was added as a cosponsor to amendment No. 1936 intended to be proposed to S. 2539, to provide a hold-harmless mechanism for the Veterans' Cost-of-Instruction program.

SENATE RESOLUTION 450—ORIGINAL RESOLUTION REPORTED DURING THE RECESS WAIVING CONGRESSIONAL BUDGET ACT

Under authority of the order of Thursday, May 11, 1978, Mr. SPARKMAN, on May 12, 1978, from the Committee on Foreign Relations reported the following original resolutions, which was referred to the Committee on the Budget:

S. RES. 450

Resolved, that pursuant to Section 402(c) of the Congressional Budget Act of 1974, the provisions of Section 402(a) of such Act are waived with respect to the consideration of H.R. 11877 an act to authorize appropriations for fiscal year 1979 for the Peace Corps and to make certain changes in the Peace Corps Act. Such waiver is necessary to allow the authorization of $3,713,000 in additional funds for fiscal year 1978 for Peace Corps programs. The amount previously authorized for the Peace Corps, $83.9 million for FY 1978 is not adequate to cover the $2 million in increased costs due to inflation and unanticipated support requirements, for statutory salary increases or the costs of rebuilding the Peace Corps program. The Administration has requested an additional $3,644,000 to pay for program improvements, primarily in the area of training, and $69,000 for statutory salary increases.

Compliance with Section 402(a) of The Congressional Budget Act of 1974 was not possible by the May 15, 1977 deadline, because there had been inadequate time for the new Administration to formulate its own proposals for the Peace Corps. Improved training and programming were subsequent-

ly identified as primary needs but implementation of planned improvements will cost more than the $82.9 million in program funds authorized for FY 1978. Peace Corps did not include a calculation for overseas inflation in its FY 1978 budget request and has consequently confronted difficulties paying for inflationary cost increases.

The effect of defeating consideration of the supplemental authorization will be to delay most program improvements for a full year since the majority of Peace Corps training is conducted in the summer. It will also put a strain upon ongoing operations in the field. There is little or no surplus in other accounts to finance improved training because inflation, together with efforts to rebuild the program have strained all accounts.

The desired authorization will not delay the appropriations process and will not need to be accommodated in a supplemental appropriation.

This authorization is sufficiently small that it will not significantly affect the congressional budget. However, its impact on Peace Corps efforts to improve its program, as advocated by a number of Senators, will be considerable.

SENATE RESOLUTION 451—ORIGINAL RESOLUTION REPORTED WAIVING CONGRESSIONAL BUDGET ACT

Mr. NELSON, from the Select Committee on Small Business, reported the following original resolution, which was referred to the Committee on the Budget:

S. RES. 451

Resolved, That the provisions of section 402(a) of the Congressional Budget Act of 1974 are waived with respect to H.R. 11445, an act to amend the Small Business Act and the Small Business Investment Act of 1958.

SENATE RESOLUTION 452—SUBMISSION OF A RESOLUTION AUTHORIZING PRINTING

Mr. RIBICOFF submitted the following resolution, which was referred to the Committee on Rules and Administration:

S. RES. 452

Resolved, That the committee print of the Committee on Governmental Affairs entitled "Interlocking Directorates Among Major U.S. Corporations" be printed as a Senate document, and that there be printed five hundred additional copies of such document for the use of that committee.

SENATE RESOLUTION 453—ORIGINAL RESOLUTION REPORTED WAIVING CONGRESSIONAL BUDGET ACT

Mr. SPARKMAN, from the Committee on Foreign Relations, reported the following original resolution, which was referred to the Committee on the Budget:

S. RES. 453

Resolved, that pursuant to Section 402(c) of the Congressional Budget Act of 1974, the provisions of Section 402(a) of such Act are waived with respect to the consideration of S. 3075 a bill to amend the Foreign Assistance Act of 1961 and the Arms Export Control Act and for other purposes. Such waiver is necessary to allow the authorization of $5,000,000 in additional budget authority for fiscal year 1978 for foreign military sales credits. The amount previously authorized for this purpose, $677,000,000 has proven inadequate for the task of providing sufficient foreign military sales credits to Lebanon. The Administration has requested an additional $5,000,000 in budget authority in order to provide $50,000,000 worth of foreign military sales credits to help rebuild the Lebanese Army.

Compliance with Section 402(a) of the Congressional Budget Act of 1974 was not possible by the May 15, 1977 deadline, because the political and military situation in Lebanon has worsened since that date.

The effect of defeating consideration of the supplemental authorization will be to reduce the effectiveness of the Lebanese army with possible negative consequences for peace in southern Lebanon and the Middle East region.

The desired authorization will not delay the appropriations process and will need to be accommodated in a supplemental appropriation.

This authorization is sufficiently small that it will not significantly affect the congressional budget. However, a modest and timely foreign military sales program would provide additional stability in southern Lebanon as Israeli forces withdraw from the area.

SENATE RESOLUTION 454—SUBMISSION OF A RESOLUTION WITH RESPECT TO PROPOSED SALES OF AIRCRAFT TO THE MIDDLE EAST

Mr. DOLE submitted the following resolution, which was referred to the Committee on Foreign Relations:

S. RES. 454

Whereas, peace negotiations between Israel and Egypt, which were initiated in January of 1978, have been suspended;

Whereas, disagreements over territorial boundaries, settlements, and provisions for refugees in the Middle East region continue;

Whereas, the potential for an outbreak of hostilities in the Middle East remains a viable threat;

Now, therefore be it,

Resolved, That it is the sense of the Senate that the President should delay the issuance of any letter of offer to Israel, Egypt, or Saudi Arabia for the proposed sale of aircraft described in transmittal notices submitted to the Congress on April 28, 1978 (numbered 78–32, 78–33, 78–34, and 78–35), notwithstanding the failure of the Congress to object to such proposed sale pursuant to section 36(b) of the Arms Export Control Act, until after a comprehensive agreement has been reached establishing peace in the Middle East.

SEC. 2. The Secretary of the Senate shall transmit a copy of this resolution to the President.

● Mr. DOLE. Mr. President, I am submitting today a Senate resolution urging the President to delay delivery of fighter aircraft to Israel, Egypt, and Saudi Arabia, until a more peaceful climate exists in the Middle East region. The resolution does not negate the Senate's action yesterday in giving tacit approval to the President's arms sales proposals for these three countries. The resolution in no way attempts to block the sales or to detract from the President's authority in this regard.

Instead, my resolution would simply express the "the sense of the Senate" that the President should hold up on the actual delivery of the fighter aircraft—whose terms will be laid out in the letters of offer—until some form of a comprehensive settlement is achieved in the Middle East. In this way, the F–15's, F–16's, and F–5's provided under the current arms sales package could not be used to exacerbate the present tensions in the region. Instead, the sales could actually help expedite achievement of a comprehensive settlement if delivery is contingent upon it.

I have been advised by the Defense Security Assistance Agency, at the Department of Defense, that projected delivery dates for the aircraft will be contained within the President's letters of offer, which are to be extended to Israel, Egypt, and Saudi Arabia once congressional approval is secured.

Consequently, once the President issues the letters of offer, the United States may be committed to the delivery dates outlined in the proposals submitted to Congress.

Those dates are, for the RECORD, as follows:

Fifty F–5's to Egypt, beginning during the third quarter of CY 1978, followed by deliveries through CY 1981.

Seventy-five F–16's to Israel, to be delivered during FY 1983.

Fifteen F–15's to Israel, scheduled to be delivered in FY 1981 and FY 1982.

Sixty F–15's to Saudi Arabia, with deliveries beginning in 1981 and extending through 1984.

Therefore, Mr. President, I propose that the Senate call upon the President to delay the issuance of the letters of offer to these three countries until a "comprehensive agreement" on peace has been reached in the Middle East.

COMPREHENSIVE PEACE SETTLEMENT

The precondition of a "comprehensive agreement" on peace is intentionally ambiguous, to give the President some flexibility in determining what would constitute a "comprehensive settlement." It is not this Senator's desire to delineate specific settlement terms or to specify which parties must necessarily participate in such an agreement. But it would seem, at the very least, that a "comprehensive Middle East peace agreement" should involve the three nations in question: Israel, Egypt, and Saudi Arabia.

Ideally, the peace settlement would include other nations in the area as well: Jordan, Syria, and Lebanon. In fact, there is ample reason to suspect that the Saudi's could help lead these other nations to the peace table, and that is exactly what one might hope this resolution would help accomplish. It is reasonable to believe that both Egypt and Saudi Arabia would lend their best efforts to bringing all Arab nations into a comprehensive peace agreement if aircraft sales to those countries were contingent upon it.

But, almost any concept of a Middle East "peace settlement" would reflect an improved climate over what exists now. My intention is not to postpone the transactions indefinitely, but to carry them out in a more stable and tranquil period when peace will not be jeopardized by the influence of large weapons.

If the Senate goes on record at this time in support of postponing deliveries until a peace settlement is reached, two objectives can be realized: We will prevent the use of any of these aircraft to undermine the fragile conditions for peace which now exist in the Middle East; and we will exert some leverage toward bringing all affected parties back to the bargaining table for peace negotia-

tions. The resolution would not be binding upon the President, but a strong show of support by this body would, I believe convince the President that he should delay the transactions that will commit us to specific delivery dates.●

AMENDMENTS SUBMITTED FOR PRINTING

CIVIL SERVICE REFORM ACT OF 1978—S. 2640

AMENDMENT NO. 2084

(Ordered to be printed and referred to the Committee on Governmental Affairs.)

Mr. RIBICOFF (for himself, Mr. PERCY, Mr. SASSER, and Mr. JAVITS) submitted an amendment intended to be proposed by them, jointly, to the bill (S. 2640), to reform the civil service laws.

● Mr. RIBICOFF. Mr. President, along with the Senator from Illinois (Mr. PERCY), the Senator from New York (Mr. JAVITS), and the Senator from Tennessee (Mr. SASSER), I am introducing an amendment to S. 2640, the Civil Service Reform Act of 1978. This amendment was transmitted to the Committee on Governmental Affairs by OMB Director James T. McIntyre, Jr., and Alan Campbell, Chairman of the Civil Service Commission. It would propose to set forth in statute the principles which have guided labor-management relations in the Federal sector since 1962. I ask unanimous consent that the letter of transmittal appear in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

WASHINGTON, D.C.,
May 10, 1978.

Hon. ABRAHAM A. RIBICOFF,
Chairman, Committee on Governmental Affairs, U.S. Senate, Dirksen Senate Office Building, Washington, D.C.

DEAR MR. CHAIRMAN: On March 2, 1978, the President submitted the bill to reform the civil service laws titled the Civil Service Reform Act of 1978. As originally submitted, the bill contained no provision on the labor-management relations program.

The President believes the time has come to give Federal labor-management relations the stature and stability of law by inclusion in the civil service reform bill. Accordingly, we are transmitting herewith our proposed amendment to incorporate "Labor-Management Relations" as Title VII in the Civil Service Reform Act of 1978. Sections 701–705 of the civil service reform bill would thereby be renumbered 801–805 as Title VIII "Miscellaneous."

The new Title VII would place the basic, well-tested provisions, policies and approaches of Executive Order 11491, as amended, into law and provide that the independent Federal Labor Relations Authority and its General Counsel set up by the Reorganization Plan, administer the program. It would also align reserved management rights with current practice, authorize negotiation of an expanded coverage for grievance arbitration, provide specific remedial authority and subpoena power, and spell out in greater detail the obligation to bargain in good faith. Inclusion of the Executive order program, with these revisions, in civil service reform legislation will complement our other proposals in accomplishing the overall objectives of civil service reform.

We look forward to working with you and the Committee in moving this legislation quickly.

Sincerely,

ALAN K. CAMPBELL,
Chairman, Civil Service Commission.
JAMES T. MCINTYRE, JR.,
Director, Office of Management and Budget.●

● Mr. PERCY. Mr. President, 2 months ago, I joined with my colleagues, Senators RIBICOFF, SASSER, and JAVITS in cosponsoring the administration's Civil Service Reform Act in the Senate. I took this step to express my support for the objectives of civil service reform, and to aid in the most expeditious consideration of the vital issues contained in that proposal.

At that time, however, those civil service proposals remained in an incomplete form, lacking suggestions to provide reform of the labor relations aspects of Federal personnel management.

We have now received from the administration its proposals in the Federal labor-relations field. Public sector labor relations at the Federal level remain a particularly novel area of law, and these proposals will receive the same objective scrutiny that other committee members and I have accorded the balance of the civil service reform package. However, in the same spirit of cooperation and expedition with which we first sponsored S. 2640 2 months ago, I am also cosponsoring this amendment to facilitate committee consideration of the entire reform package.●

LABOR LAW REFORM ACT OF 1978—S. 2467

AMENDMENT NO. 2085

(Ordered to be printed and to lie on the table.)

Mr. INOUYE submitted an amendment intended to be proposed by him to the bill (S. 2467) to amend the National Labor Relations Act to strengthen the remedies and expedite the procedures under such Act.

● Mr. INOUYE. Mr. President, today I am submitting an amendment to S. 2467, a bill to amend the National Labor Relations Act, which would assure that essential maritime transportation is provided, especially to our "noncontiguous States" in the Pacific Basin.

Since World War II, more than 4 years' time has been lost through transportation strikes affecting Hawaii, and of the eight strikes involved, only one was centered in Hawaii. In July of 1975, after extensive hearings and debate, the Senate passed by a vote of 58 to 39 necessary legislative relief. Unfortunately, the U.S. House of Representatives did not act favorably upon this measure. Accordingly I have now decided to again bring a similar measure to the Senate floor as it is untenable for the residents of island "communities" such as Hawaii to continue to have to live under the constant threat of maritime strikes that are out of their control. It should be clear that any prolonged interruption of maritime transportation upon which the residents of those States are almost totally dependent for food, energy supplies, and other necessities, threatens the economic well-being, job security, health, and safety of these persons. Indeed, such a condition is an undue burden on commerce. By this act the Congress will authorize and direct the Secretary of Commerce to assure that this essential transportation is provided.

I ask unanimous consent that the text of this amendment be printed in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 2085

On page 22, strike section 14 and insert in lieu thereof the following:

SEC. 14. To regulate certain interstate commerce and to assure that essential maritime transportation is provided, and for other purposes.

That this act may be cited as the "Essential Maritime Transportation Act of 1977."

(A) DECLARATION OF POLICY.—The Congress finds and declares that the economic well-being of noncontiguous States, and the job security, health, and safety of the residents of those States, are almost totally dependent upon the transportation by water to such States of food, energy supplies, and other necessities from the contiguous States. Any prolonged interruption of this essential maritime transportation threatens this well-being, job security, health, and safety and constitutes an undue burden on commerce. It is the purpose of the Congress in this Act to authorize and direct the Secretary of Commerce to assure that essential maritime transportation is provided in the event of any such interruptions.

(B) DEFINITIONS.—As used in this act:

(1) The term "chief executive officer" means the Governor or, with respect to the Trust Territory of the Pacific Islands, the High Commissioner.

(2) The term "contiguous States" means the 48 States of the United States which are physically connected to one another.

(3) The term "essential maritime transportation" means any transportation by water between any port or place in a noncontiguous State and other port or place in the United States, of food, energy supplies, consumer goods, or equipment and material necessary for employment.

(4) The term "interruption" means any cessation or other suspension in the provision of essential maritime transportation, whether caused by any natural disaster, war, national emergency, explosion or other property destruction, labor-management disagreement, or other natural or manmade occurrence.

(5) The term "noncontiguous State" means Alaska, Hawaii, Guam, American Samoa, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands.

(6) The term "Secretary" means the Secretary of Commerce or his designee, including the Administrator of the Maritime Administration.

(C) NECESSARY MARITIME TRANSPORTATION CONTINUATION.—Notwithstanding any other provision of law, the Secretary shall, in the event of a prolonged interruption in the provision of essential maritime transportation and upon the request of the chief executive officer of an affected noncontiguous State, take any action authorized in this section, whichever is most appropriate, and shall take such other steps as are necessary, to provide for essential maritime transportation. The Secretary may, in case of any interruption of more than 5 days in duration—

(1) activate and direct any vessel of the national defense reserve fleet to provide, or to assist in providing, essential maritime transportation;

(2) request any other officer, or any department, agency, or instrumentality, of the Federal Government to make available on a nonreimbursable basis any personnel, service, or facility which the Secretary deems necessary, for use in providing essential maritime transportation;

(3) commence, on an emergency basis, a civil action in any appropriate court of the United States for an order that may terminate, or assist in terminating, such interruption; or

(4) take any other lawful action which he deems appropriate as a means of terminating such interruption or otherwise providing for essential maritime transportation.

The courts of the United States shall, notwithstanding any other provision of law, have jurisdiction to issue an order requested by the Secretary in an action under this section upon a finding by the court that (A) such order is necessary to assure the provision of essential maritime transportation; and (B) no practicable alternative to such order, which is likely to result in the prompt provision of such transportation, is available. All other Federal departments, agencies, and instrumentalities shall, in consultation with and with the assistance of the Secretary, utilize their authorities under other provisions of law in furtherance of the purpose of this Act, including but not limited to, complying with requests made under paragraph (2).

SEC. 15. Except as otherwise specifically provided in this Act, the amendments made by this act shall take effect sixty days after the date of enactment of this act.●

AMENDMENTS NOS. 2086 THROUGH 2090

(Ordered to be printed and to lie on the table.)

Mr. HELMS submitted five amendments intended to be proposed by him to the bill (S. 2467), supra.

AMENDMENT NO. 2091

(Ordered to be printed and to lie on the table.)

Mr. HEINZ submitted an amendment intended to be proposed by him to the bill (S. 2467), supra.

AMENDMENTS NOS. 2092 THROUGH 2106

(Ordered to be printed and to lie on the table.)

Mr. THURMOND submitted 15 amendments intended to be proposed by him to the bill (S. 2467), supra.

NATIONAL CAR CARE MONTH—S.J. RES. 126

AMENDMENT NO. 2107

(Ordered to be printed and referred to the Committee on the Judiciary.)

Mr. CURTIS submitted an amendment intended to be proposed by him to Senate Joint Resolution 126, to authorize the President to proclaim the month of May 1978 as "National Car Care Month."

NOTICES OF HEARINGS

COMMITTEE ON ENERGY AND NATURAL RESOURCES

● Mr. JACKSON. Mr. President, I would like to announce for the information of the Senate and the public, the scheduling of an informational hearing before the Senate Energy and Natural Resources Committee.

The hearing is scheduled for May 22, 1978, beginning at 2:30 p.m. in room 3110, Dirksen Senate Office Building. Testimony is invited regarding this informational hearing on the proposed Guam Constitution, which was transmitted to the Congress by the President in accordance with the provisions of section 5 of the act of October 21, 1976 (Public Law 94–584).

For further information regarding the hearing you may wish to contact Mr. James Beirne, of the committee staff on extension 4–2564. Those wishing to submit a written statement for the hearing record should write Mr. James Beirne, Senate Energy and Natural Resources Committee, 3106 Dirksen Senate Office Building, Washington, D.C. 20510.●

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

● Mr. TALMADGE. Mr. President, I wish to announce that the Senate Committee on Agriculture, Nutrition, and Forestry will consider the nomination of David G. Gartner to be a Commissioner of the Commodity Futures Trading Commission on Wednesday, May 17 at 10 a.m. Anyone wishing to testify should contact Denise Love, hearing clerk, at 224–2035.●

CUSTOMS COURT ACT OF 1978

● Mr. DECONCINI. Mr. President, I wish to announce that open hearings will be held by the Subcommittee on Improvements in Judicial Machinery of the Committee on the Judiciary on S. 2857, a bill to clarify and revise various provisions of title 28 of the United States Code relating to the judiciary and judicial procedure regarding judicial review of international trade matters, and for other purposes.

The hearings will be held on June 23 and 27, 1978, commencing at 9 a.m. in room 4232, Dirksen Senate Office Building.

Persons who wish to testify or submit a statement for inclusion in the RECORD should communicate, as soon as possible, with the subcommittee, 6306 Dirksen Senate Office Building, Washington, D.C. 20510.●

DEPARTMENT OF EDUCATION HEARINGS

● Mr. RIBICOFF. Mr. President, the Committee on Governmental Affairs will continue its consideration of S. 991, a bill to establish a separate, Cabinet-level Department of Education in the Federal Government, on Wednesday, May 17, 1978, at 10 a.m. in room 3302 of the Dirksen Building.

The Honorable James T. McIntyre, Director of the Office of Management and Budget, will appear before the committee to present the details of the administration's views on the legislation.●

SUBCOMMITTEE ON ADMINISTRATION PRACTICE AND PROCEDURE

● Mr. ABOUREZK. Mr. President, I wish to announce that the Subcommittee on Administrative Practice and Procedure of the Committee on the Judiciary, will have a meeting to continue markup of pending legislation. The meeting will be on May 17, 1978, at 10 a.m., 155 Russell Building.●

COMMITTEE ON GOVERNMENTAL AFFAIRS

● Mr. RIBICOFF. Mr. President, the Committee on Governmental Affairs will hold a business meeting on Thursday, May 18, and Wednesday, May 24, to consider and markup S. 2640, the Civil Service Reform Act of 1978.●

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

Mr. PROXMIRE. Mr. President, the Committee on Banking, Housing, and Urban Affairs will hold hearings on May 22 and 23, 1978 on our current inflation situation and new anti-inflationary proposals, such as TIP—taxed-based incomes policies. The hearings will be in room 5302 of the Dirksen Senate Office Building.

Inflation is a very serious problem. All the public opinion polls taken recently indicate the great concern that our citizens have with inflation. I have called for these hearings because it has become quite clear that traditional means of stopping inflation, through tight monetary and fiscal policies, have devastating effects on the economy that are unacceptable. If we sit back and shy away from a truly difficult situation, I am afraid that the situation will only get worse, not better. The Congress, the administration, business and labor all have an obligation not to let that happen. If traditional methods will not work, new methods must be found. The solutions are bound to be unpopular and difficult to devise, but they must be sought.

On Monday, May 22, 1978, the committee shall have hearings in both the morning and the afternoon. At 10 a.m. the committee shall hear the testimony of four witnesses: The Honorable Henry C. Wallich, Member, Board of Governors of the Federal Reserve System; Dr. Arthur Okun, Brookings Institution; the Honorable David Lilly, former Member, Board of Governors of the Federal Reserve System; and Mr. Emil M. Sunley, Deputy Assistant Secretary for Tax Analysis, Department of the Treasury.

On Monday afternoon beginning at 3 p.m. the committee shall hear the testimony of Ambassador Robert Strauss who the President has appointed as his top anti-inflation spokesman and adviser.

The committee shall meet again on Tuesday morning to receive testimony from four witnesses: Dr. Barry Bosworth, Director, Council on Wage and Price Stability; Prof. Albert Rees, Princeton University, Economics Department; Prof. Sidney Weintraub, University of Pennsylvania, Economics Department; and Prof. Laurence S. Seidman, University of Pennsylvania, Economics Department.

Anyone interested in obtaining additional information about the committee's hearings should contact Steven M. Roberts, chief economist for the committee, at 224–0893.

CORRECTION OF NOTICE OF A HEARING

Mr. PROXMIRE. Mr. President, I would like to amend a statement I made on May 10 concerning a hearing to be held by the Committee on Banking, Housing, and Urban Affairs.

The committee will hold a 2-day hearing, on the afternoon of Thursday, May 25, at 3 p.m., and on Friday morning, May 26, at 10 a.m., on the interstate land sales program under the administrative jurisdiction of the Department of Housing and Urban Development.

The hearing is being held for the purpose of reviewing the program and also

for the consideration of legislative proposals.

The hearing will be held in room 5302, Dirksen Senate Office Building.

Statements for inclusion in the hearing record are welcome.

ADDITIONAL STATEMENTS

ASSISTING VICTIMS OF CRIME

● Mrs. HUMPHREY. Mr. President, I am pleased that Senator PAUL HATFIELD from Montana has joined in sponsoring S. 551, the Victims of Crime Act. I submit for the RECORD an important statement by Senator HATFIELD on this legislation.

The statement follows:

STATEMENT OF SENATOR PAUL HATFIELD IN SUPPORT OF S. 551, THE "VICTIMS OF CRIME ACT OF 1978"

Today I am privileged to join twenty of my colleagues sponsoring S. 551, the "Victims of Crime Act of 1978," which would restore some sense of perspective to our criminal justice system by compensating victims of violent crimes in Federal jurisdictions and assist States in funding comparable victim compensation programs.

The distinguished former senior Senator and Majority Leader from my home State of Montana, Mike Mansfield, was long an advocate of the principle of Federal assistance to States in the area of victim compensation and sponsored many bills to give it effect. On April 10, 1975, he stood in this Chamber and said:

There is a striking similarity in rationale and origin, for example, between the idea of compensating victims of crime, assuring them a reasonably safe society in which to live.

The bill now before the Committee on the Judiciary is one of the richest bequests in the great legacy left to us by the late senior Senator from Minnesota, Hubert H. Humphrey. In typically eloquent fashion, he provided to us in clear and unassailable terms the reason why this bill must pass:

The number of violent crimes has increased an astounding 259 percent since 1960. Since 1970, the number of violent crimes has increased by nearly 40 percent. These are crimes in which innocent victims are assaulted, maimed, or murdered. Many of the victims are the poor or the elderly—people who can least afford to be hospitalized or out of work. They make very few demands and very little noise. Yet, the injuries they sustain can be economically devastating . . .

[T]he Federal Government spends almost $8,000 annually for food, clothing, medical services, psychiatric care, vocational training and general administrative costs for the rehabilitation of violent offenders. Yet we make little effort to provide for the victims of their criminal acts.

The objective of this legislation, quite simply, is to put justice back in "criminal justice." As a practicing trial lawyer, district judge and, most recently, chief justice of the Montana Supreme Court, no one is more aware than I of the horrible social costs of violent crime. Ninety percent of the time, if not more often, we worry about the strain it places upon public resources and general welfare programs and think of new ways to tinker with "the system" to improve its ability to process and warehouse offenders. Overlooked and neglected is the person who suffers the most, in every sense of the word—the victim. His or her miseries begin when the fates conspire to make him or her a statistic. Besides the immediate trauma of personal confrontation or attack and imminent economic loss, personal injury is normally part of the equation. Adequate psychiatric, emotional and medical attention is beyond the ability of most jurisdictions to give because of the total dedication of scarce resources to catching the perpetrator and beyond the reach of the average victim for the same reason. Loss of wages and burdensome out-of-pocket expenses to meet court dates, which change and compound due to overloaded dockets, are the norm for victims with the stamina to be good citizens and try to spare others the unrequited indignity of the crime they suffered. Once in court, they are confused and mislead by plea-bargaining, trial tactics and other legal maneuvering. Bargained pleas, reduced, concurrent and suspended sentences and the possibility of early parole make the prospect of punishment more of a hope than reality. Through the process, the victim is barely remembered, and then only to serve the convenience of its managers. Once the offender has been "processed," the victim is totally forgotten—physically, psychologically and economically scarred, as much if not more so by his or her search for justice as by the crime itself.

S. 551 is the long-needed first step toward righting this gross imbalance. The bill would authorize the Attorney General to make annual grants to States having crime victims' compensation programs which meet minimum criteria to cover 25 percent of the non-administrative costs incurred by any State in compensating a victim of a qualifying criminal act or omission which is criminally punishable under a State statute, and 100 percent of the non-administrative costs incurred by a qualified State in compensating a victim of a criminal act or omission subject to exclusive criminal jurisdiction. Each State determines the crimes which will qualify under its compensation program and Federal funding could be limited to the 25 percent category in most cases. State participation in the program is totally voluntary—a State is not required to establish a victims' compensation program nor must it apply for a grant if it already has such a program in operation. A State seeking funds under the bill would have to establish a program which meets a number of minimum standards set forth in the bill.

This bill is no Federal giveaway. To be eligible for any part of the $40 million authorized for fiscal 1979, $50 million for fiscal 1980 or $60 million for fiscal 1981, an applying State would have to—

(1) adopt a program which offers compensation for personal injury to an individual who suffers the injury as a result of a qualifying crime and which also offers death benefits to surviving dependents of a crime victim whose death is the direct result of the crime;

(2) adopt a program which offers the right of a hearing to aggrieved claimants, with the right to appeal, either administratively or judicially, the initial decision;

(3) adopt a program which includes, as a condition for compensation, that claimants cooperate with law enforcement authorities;

(4) adopt a program which places no limitation based upon the financial means of any claimant;

(5) have in effect a requirement that the appropriate law enforcement agencies inform victims of the compensation program and the procedures for applying for compensation;

(6) have in effect a State law or rule subrogating to the State any right of action which the claimant has against the perpetrator;

(7) agree that it will not require any claimant to participate in any benefit in the nature of public assistance, unless the participation preceded the crime;

(8) provide for denial or reduction of the claim if the victim or claimant contributed to the injury or death resulting from the crime; and

(9) enact a State law or rule independently requiring the perpetrator of any qualifying crime to make restitution to any victim or surviving dependent of a victim.

Finally, besides the mandatory exclusion of States' administrative costs in making compensatory awards, there are several other noteworthy limitations placed upon the use of Federal funds by the bill. Any amount awarded by the State for pain and suffering or for property loss not related to medical services will be excluded from the Federal grant, and the excess of any amount of a single award over $50,000 will be excluded. Funds compensating a victim for personal injury or death paid from any other source for the same occurrence are also excluded, as are amounts of compensation for medical expenses paid through health insurance. Compensation for loss of earnings or support under $100 or based on less than five working days would be excluded from grant entitlement computations as would similar claims paid by a State at a rate greater than $200 per week. Crimes not reported within 72 hours of occurrence or claims not filed within 1 year after the crime took place could not be compensated with Federal funds.

Every Senator who is concerned about restoring the public's faith in the criminal justice system at both the national and local levels should support this legislation. I have heard it said that this kind of support to victims gives legislative expression to a cynical belief that there is nothing that can be done about crime but pay off the victims when they fall prey to it. I take the opposite view. I believe legislation like this is a positive demonstration to every citizen that he merits at least as much attention as does the criminal when it comes time to invest tax dollars in the protection of society. I urge each and every one of my colleagues to cast a vote for the average citizen and support S. 551, the "Victims of Crime Act of 1978." ●

RISKS FOR PEACE

● Mr. GOLDWATER. Mr. President, some newsmen and pundits have begun hailing recent questionable military moves by President Carter as a willingness "to take risks for peace." This has been applied to such actions as those to postpone plans to produce the neutron bomb, cancel the B–1 bomber, and drastically reduce requested funds for bringing our naval strength up to par.

Mr. President, I do not like the idea of a man with limited military experience taking risks with the security of this Nation and the welfare of the free world regardless of how motivated his reasons. In fact, I agree with a recent article by Mr. Michael Novak in the Washington Star which describes the President's actions as a new form of "Soviet Roulette." I ask that this be printed in the RECORD.

The article follows:

WHAT PRICE CARTER'S RISKS FOR PEACE?

President Carter and other good religious men around him appear to be making a religious wager with the security of all of us, a new form of "Soviet Roulette." James Reston has long been a conduit for authoritative statements from the White

House; here is his description of Carter's position on the neutron bomb: "For him, the ever-expanding development of weapons is not only a military and political but a moral question. He is more willing than his colleagues in the Defense Department to take risks for peace, . . ." When Mr. Carter takes "risks for peace," he places all of us in jeopardy. Should he impose his "morality" in this matter on the rest of us? His "morality" on such matters is not reassuring.

Suppose for a moment that Carter misunderstands his enemy. Leonid Brezhnev is not a Christian gentleman. No doubt, he is a nice man, pleasant to his children, a delight to nephews and nieces, an old man who enjoys family holidays. But he also happens to believe that Christianity is devastatingly wrong about human nature. The Soviet state not only has a Manifest Destiny to rule the world, Brezhnev believes, but a moral obligation to do so. His concept of paradise is a world wide Socialist state, whose Five-Year-Plans are made in Moscow.

Mr. Carter should ask Comrade Brezhnev why he has positioned 25,000 tanks along the European front. These are new tanks, heavily armored tanks. They are not, after all, defensive weapons. European nations threaten no attack on anyone.

Mr. Carter, Mr. Vance, and Mr. Warnke, this nation's chief negotiators with the Soviets, seem to imagine that if we "take risks for peace," the Soviets will also disarm, a little. They have given up the B–1 bomber; delayed the neutron bomb; sunk a huge portion of the plans for our own future navy; and rest content with bomber systems built in the 1950's, and with missiles 10 or 20 years deep in rust, dirty grease, and inactivity.

Defense now takes 23 percent of our budget (most of that for salaries and pensions) while welfare consumes 46 percent. We are paying people unemployment benefits, while our military makes do with creaky equipment a generation old. We are doing this while the Soviets grow stronger and bolder day by day.

Suppose that the Soviets are pursuing the opposite course from Carter's. Suppose that they are "taking risks for war." Suppose that cold-eyed generals in the Soviet Union believe that democracies are cowardly at heart. Suppose they see a connection between their growing strength and our growing weakness. Suppose they, too, have a wager: that we are afraid to compete with them. That as they grow bolder, we will grow more timid.

If cold-eyed Soviet strategists are observing the actions of Jimmy Carter, Cyrus Vance, and Paul Warnke, rather than their words, what do they see? Strength? Or weakness?

The actual rhythm of events seems to go like this: The Soviets advance, the U.S. retreats. Carter, Vance, and Warnke must seem to them too nice, the easiest numbers they have ever faced.

Suppose, as well, that the Soviets have good intelligence about the two advisers Mr. Carter trusts most, Hamilton Jordan and Jody Powell. Both these young men, the Soviets know, belong to the Vietnam generation. Neither one saw service in Vietnam. Both are anxious to keep their anti-war credentials straight among their friends. Both have as their primary concern the popularity of the central figure in their lives, Jimmy Carter. Neither has a constitutional obligation to anybody else.

Jody Powell and Hamilton Jordan opposed the building of the neutron bomb, according to published reports, and they prevailed.

Overriding the advice of senior aides expert in such matters, President Carter has decided to "take risks for peace," based upon the wisdom of Jody Powell and Hamilton Jordan. I don't mind Mr. Carter taking risks for himself. I do not trust his grasp of the security of the rest of us.●

REV. HENRY GRANT

● Mr. HOLLINGS. Mr. President, we hear a lot these days about the "New South", and it is often described in terms of a miracle transformation.

But it was no miracle. The "New South" is simply the "Old South" advanced and enriched by the efforts of committed, hard-working people, and every manifestation of progress we enjoy today—in improved relations between people, in economic vitality, in better education and good government—is the result of individual effort.

I can think of no better example of the individual commitment I speak of than that of the Reverend Henry Grant of Charleston, S.C., an old and dear friend who has become something of an institution in the black and white communities of my hometown. The Reverend Grant was recently the subject of a lengthy story in the News and Courier. He personifies much of the spirit of the thousands of Southerners, white and black, who have built our "New South" and who continue to work for its improvement, and I ask that the article be printed in the RECORD for the information of my colleagues.

The article follows:

THE REV. HENRY GRANT

(By Isabella Leland)

When the Rev. Henry Grant came to Charleston 16 years ago he was an outsider not only to the white community, but to the black community as well.

This was in the early days of civil rights legislation, and involvement had not yet become acceptable.

A native of North Augusta, he held a bachelor's degree from Johnson C. Smith University in Charlotte and a Master's Degree from State University of Iowa, both in political science. Equipped with these, he began work in what was then considered the most congested slum area of Charleston, the East Side. It was described as a "forgotten neighborhood"; "a place with no vision," and there seemed little likelihood that one man could effect a change. By 1964 Charleston's police chief Kelly was citing a drop in the crime rate in the area, and today freshly painted houses, improved health, a community medical clinic, tennis courts and a crime rate decreased by 32 percent are some signs of the changes.

Grant credits Mrs. Thomas N. Carruthers, widow of the late Episcopal bishop of South Carolina, for the initial idea. Her husband died before he could implement it, but under the Rt. Rev. Gray Temple her suggestion was presented to the South Carolina Episcopal Diocesan Convention. It was to broaden the Episcopal Church's ministry to involve the economy, health and well-being of citizens in addition to their spiritual life.

Grant had been serving as chaplain at Voorhees College in Denmark and it was he to whom Bishop Temple offered the challenging position. He was to survey Charleston and decide for himself the area that most needed this type of ministry. So Grant walked streets and knocked on doors and, he says, "got a feel for the community." He found, however, that there were several individual communities: East Side, West Side, and downtown, and it was the East Side that needed him most.

Previously residents in the parish of St. John's Episcopal Church at 18 Hanover St. had been white, but six or seven years before Grant's arrival they had moved across the Ashley River to Oakland. The Hanover Street churchyard was overgrown—the neighborhood now entirely black.

Grant became priest-in-charge of St. John's Mission Center and of St. Stephen's Church on Anson Street. The bishop suggested the latter be closed after Christmas, for its congregation consisted of only six families and a total of approximately 11 persons.

After Grant came to know his parishioners, however, he told the bishop, "These people have not for many years had a chance to love or be loved," and succeeded in getting a three month extension. Today St. Stephen's numbers about 161 baptised members, some 112 confirmed, and four years ago came into communion with the Diocese as a self-supporting mission, and there was no mention again of the three month trial period.

In the meantime Grant was unobtrusively working on the East Side with his headquarters at the large barnlike St. John's church building. It was the center of a 12 block area of 1,800 low-income families, with 3,300 children. There were no playgrounds, no leadership or organized activities and little hope for the future among its residents.

Before the Center's formal opening in June of 1962, Father Grant, as he was now known community-wide, had organized five social clubs of 82 members, three for boys and two for girls; patrolman Reuben Nelson, Olympic Trials Winner in wrestling and weight lifting, was supervising recreation in his off-duty hours and holding physical fitness classes. Kindergartens were established so older children could attend school instead of remaining home to baby-sit.

Head Start, day care, sewing, art, singing, remedial studies, hygiene and adult education were a few of the doors the Center opened to its neighborhood. Volunteers from fashionable St. Michael's and St. Philip's took the first neighborhood Scout troops on field trips, exposing most of them for the first time to a new world beyond their ghetto.

In 1970 Operation Summer Fun was initiated for girls and Operation Compenso at Pawleys Island offered a summer remedial program for boys and girls with instructors from prestigious North Eastern colleges vying for positions on its staff.

The present staff is predominately black, and Mr. Grant says there has never been a big issue of race at the Center. His ambition is that a boy from the East Side will go through the program at the Center, and return to become its director. Nothing makes him happier than to watch youngsters who once couldn't see over the ping-pong table, return to help at Compenso, or girls return to hold their wedding receptions at the Center, and second-generation children taking part in the activities.

Through the Episcopal Church Mr. Grant established good relations with the white community, and the positive results of his quiet work behind the scenes began to attract the attention of local leaders, concerned by the growing racial tensions of the 60s.

Approached for his reaction to the for-

mation of a race relations committee, he advocated one representing the broad spectrum of local feeling—from John Birchers to the ultra-liberal of both races. His idea was to plan the direction of the community not only for the immediate "long hot summer" white leaders were envisioning in 1968, but for the future.

It was three months after the racial violence at South Carolina State College in Orangeburg that he was elected chairman of a thirty man committee, and his voice soon began to be heard.

An editorial in the News and Courier termed him "a bridge of communication between the races," and stated he "commands attention on both sides of whatever racial gap exists." This was only the first of several editorials, all affirming his work and citing him as an "example of social action of a high order."

He taught the people in the area of the Center to organize and make their weight felt politically, encouraging voter registration when that was a dirty word.

Mr. Grant told the Charleston Rotary Club that race relations is a two way street; that people of both black and white communities must change and learn new responses to each other if law and order were to be achieved; and declared the answer to Charleston's poverty problems was not money, but people-to-people communication. He reminded local businessmen that the worker performs better if his home life is in good order, and pushed for better housing, diet and health care, as well as economic support, to provide a labor force that would attract major industries whose Federal contracts required hiring a certain percentage of blacks.

He was the Charleston Trident Chamber of Commerce's first black member. He has been chairman of the Charleston Office of Economic Opportunity for almost 10 years; serves on the Charleston County Board of Health, the United Way Planning Board; is a trustee of Voorhees College and is on the Christian Action Award of the South Carolina Christian Action Council, and the Sertoma Club's "Service to Mankind Award." In 1971 he received an honorary doctorate of divinity degree from the Episcopal General Theological Seminary in New York City—the leading seminary of the Episcopal Church, and an honor that has been accorded no other minister in South Carolina.

In the eyes of his bishop, Mr. Temple, Mr. Grant is "a remarkable man," and the outstanding clergyman of any denomination in the state of South Carolina.

Asked how he feels about race relations in Charleston today, Father Grant says that while Charleston's progress has been slower than that of Atlanta or Jacksonville, at the same time it has been firmer.

He sees more interest in education as a means to economic security, and says blacks no longer have to leave the Charleston area to find work. He thinks if what Charleston has built up in race relations can be constantly shored up, and if good quality housing, education and health are sustained, everything else will take care of itself. He warns, however, that while good relations exist between the races now, this requires eternal vigilance, and believes there is too much relaxing of efforts. He would like to see more of the genuine exchange of ideas today which occurred in time of crisis.●

NATIONAL WILL

● Mr. GOLDWATER. Mr. President, throughout history it has been shown conclusively that when powerful nations lose their will they move to the brink of extinction. This happened, of course, to the Roman Empire and it happened to Western Europe in the late 1930's. Now, we find the United States beginning to lose its will to exercise its responsibility for the peace of the world. We are following a policy of weakness and withdrawal; of appeasement and placation in areas where we should be demonstrating a will and a determination to oppose aggression.

Mr. President, recently, Prof. Thomas Sowell of the University of California Los Angeles, wrote an article appearing in the May 6 edition of the Star entitled "When a Nation's Will Dies" which I ask be printed in the RECORD.

The article follows:

WHEN A NATION'S WILL DIES

(By Thomas Sowell)

The barbarian armies that finally over-ran the Roman Empire were smaller than other barbarian armies that had been turned back and cut to pieces by the Roman legions in earlier centuries. The Barbarians weren't stronger. Rome was weaker—and it was self-weakened. Each Roman legion was smaller than before, less heavily armed and armored, and less disciplined. The Roman aristocracy no longer provided officers for the legions. Emperors no longer led them in battle. Roman youths increasingly evaded military service. Rome's enemies could destroy it only after it lost the will to resist.

America's will to resist has also been visibly declining. We have abandoned the defense of American vessels seized on the high seas—both fishing boats and U.S. Navy craft. We have let our once superior military power deteriorate to what we now hope is "parity," as more and more of the military share of the federal budget has been diverted to welfare spending. Rome did that too—it makes politicians popular in the short run. Finally, we have advertised to the world our declining will to resist by turning over the Panama Canal under threat of violence.

A flood of political rhetoric about our "generous" or even "courageous" act cannot conceal the brutal fact of surrender to threats—a fact made plain by Panamanian dictator Torrijos, who went on television immediately after the treaty vote to announce that he would have begun sabotaging the canal within 24 hours if the Senate had not given it to him. We cannot grandly soar above all this on grounds that "of course" the United States could defeat Panama militarily if we wanted to. The question is not our ability; the question is our will. Lack of will defeated Rome, and it nearly destroyed the Western democracies when Hitler began his rampage through Europe in the 1930's.

Numerous probes of the will to resist preceded the onslaught on Rome and the Nazi blitzkrieg. Some of these probes were by small powers seeking small concessions, but what was ultimately crucial were the soft spots discovered by these probes. If we think that the Soviets were looking the other way while we paid ransom to South American countries who seized American fishing boats, while Idi Amin made Carter back down and eat crow, or while we crawled to get the Pueblo crewmen back, we are just kidding ourselves. Perhaps even more revealing was the denunciation and derision that greeted President Ford's attempt to reverse this trend by using troops to rescue the crew of the Mayaguez. Our sophisticates howled down this square man and his square decision, in terms reminiscent of the Western sophisticates of the 1930's who asked, "Why die for Danzig?"

The Senate has said, in effect, that we are not about to send American boys off to die over the Panama Canal. Perhaps that is just as well, if we really don't have the determination to back them up and see it through. It may even be courageous and patriotic for a Senator to put his political life on the line by opposing public opinion, if the public itself will not be willing to pay the price of its desire to keep the canal. But if that is where we are, we need to be told that loud and clear, like a danger signal in the night. Instead, all sorts of efforts are made to conceal it, with verbal sleight-of-hand about our generosity or anti-colonialism or other such drivel. If our leaders' diagnosis of the public's will is wrong, we need to correct it at the next election. And if the diagnosis is right, we need to realize that far more formidable adversaries than Torrijos are likely to know it, and that the ultimate cost may be far higher than the Panama Canal.

A post-Vietnam unwillingness to get involved militarily overseas is understandable, as a short run swing of the pendulum. A similar sense of the futility of war overwhelmed a whole generation disillusioned by the carnage of World War I. Young men in the 1930's openly took the "Oxford pledge" never to fight for their country. But once they saw the bombs falling on their homes, this generation vindicated themselves in the skies over Britain and on the beaches at Normandy. But a terrible price was paid by the whole world in the meantime—and it was almost too late. The timetable of a nuclear war may not permit second thoughts.

Once we have traded away enough military technology for social programs, giving the Soviets a decisive advantage, it may no longer be possible to decide that we have gone too far and turn back. If the Soviets ever get the same overwhelming military advantage over the United States that America once had over them, they can unilaterally forbid our development of the needed technology be declaring that to be an act of war. Just as they had to back down in the Cuban missile crisis, we would have to back down or face annihilation.

Mutual nuclear overkill can be oversold as a deterrent to international blackmail. Does a policeman have "overkill" whenever he faces five criminals single-handedly, just because he has six bullets in his revolver? It is problematical whether he can fire them at all, much less fire all of them with deadly accuracy. Nuclear delivery and defense systems, and their ever-changing technology, make the question much more complicated than whether our arsenal could theoretically kill every Russian five times over. Maybe the Maginot Line could have killed every Nazi soldier if World War II had been fought differently, but such numerical calculations would have been small consolidation to a defeated France.

Even where mutual overkill is maintained—and the neutron bomb decision (or vacillation) makes that questionable—there is mutual deterrence only as long as both sides have the will to resist, not when one side is repeatedly advertising its willingness to capitulate.●

WILLIAM P. LEAR

● Mr. STEVENSON. Mr. President, William P. Lear, one of the Nation's fore-

most innovators in aeronautical technology, passed away Sunday, May 14, at age 75. As the holder of more than 150 patents, a most worthy achievement for a self-taught American, Bill Lear has clearly made significant contributions to the advancement of aeronautical and communications technology. He has also demonstrated a unique entrepreneurship in converting his ideas to reality and thereby fulfilling identified needs.

It was my privilege last October to receive a detailed briefing on his latest development, the Learfan, a new business aircraft utilizing advanced material and propulsion concepts designed to meet the fuel efficiency standards required in aircraft of the future. Initiating this development at age 75 was characteristic of this man—always involved, always thinking and always striving to apply the benefits of advancing technology. I believe his ability, his enthusiasm, and his successes set a fine example for other Americans to follow.

Mr. President, I ask that the obituary of Mr. Lear appearing in the May 15, 1978 edition of the Washington Post be printed in the RECORD.

The obituary follows:

DESIGNER WILLIAM P. LEAR DIES

(By J. Y. Smith)

William P. Lear designed and developed the Lear Jet, perhaps the most successful executive airplane in the world. He also invented the automatic pilot for jets.

For people who drive rather than fly, Bill Lear invented the car radio. Years later, he invented the eight-track stereo for cars. He held more than 150 patents.

In the late 1960s, he put $17 million of his own money into the development of a steam-powered automobile, because he said, "I wanted to develop something that would prove that I wasn't just lucky."

Prove it to whom?

"To the world," he said.

The car never went anywhere. But when he died of leukemia in a Reno, Nev., hospital yesterday at the age of 75, Lear was on the verge of producing a new executive plane, the Learfan, which is covered with molded plastic held together with glue.

Lear claimed that his new plane was the safest aircraft ever designed. It is powered by two gas turbine engines that turn a single four-bladed propeller in the rear. He said it would also prove to be one of the most economical planes ever to fly—a cruising speed of 400 m.p.h. at a rate of 12 miles to the gallon, or only 25 per cent of the fuel consumption of the Lear jet.

"I'm not a tinkerer," Lear said recently. "In fact, I'm not very good with tools. My outstanding ability is to recognize a market and to fill it."

This ability made Lear a millionaire many times over.

He began with almost nothing. William Powell Lear was born in Hannibal, Mo. His father was a carpenter and Lear once said that "my father worked his . . . off to earn a decent living. I never saw anyone work so hard. He hauled oil riggins, never had proper equipment to do the job."

When Lear was 6, his parents separated and his mother took him to Chicago. He finished his formal schooling with the eighth grade. At 14 he became a mechanic and at 16 he joined the Navy and studied radio.

"I remember working out a blueprint for my future when I was 12 years old," Lear told an interviewer for The Saturday Evening Post in 1956. "I resolved first to make enough money so I'd never be stopped from finishing anything; second, that to accumulate money in a hurry—and I was in a hurry—I'd have to invent something that people wanted; and third, that if I ever was going to stand on my own feet, I'd have to leave home."

After his World War I naval service, Lear learned to fly and worked as a radio engineer. One of his first inventions was a nonbattery home radio receiver, but it was not until 1924 that he had his first major success. He invented a radio that would fit into an automobile.

"That was so people wouldn't have to rush home and listen to 'Amos 'n' Andy,'" he said last month.

Unable to get financial backing to produce it himself, he sold the device to Motorola.

In the next several years he founded a number of companies of his own and several of them failed. He also married three times and was divorced three times. In 1934, he designed a radio frequency amplifier that could be used in any radio set. The Radio Corporation of America bought it from him for a substantial sum and Lear used the money to found Lear Avia Corp. in Dayton, Ohio.

By 1939, more than half of the private planes in the United States were using radio equipment and direction finders made by Lear Avia. In that year, Lear founded Lear Inc. During World War II, the company did about $100 million in Government business.

In the post-war years, Lear invented an automatic pilot that could be used in jet aircraft. Between 1950 and 1962, sales of Lear Inc. doubled to $90 million. It was in these years that Lear decided to go into the executive jet aircraft business. When the directors of his company refused to authorize the huge sums necessary to develop and produce what became the Lear Jet, Lear sold out his interest and started again on his own.

He set up Lear Jet Inc. in Wichita, Kans. The first Lear Jet was sold in 1963. The plane carried eight passengers at 560 m.p.h. and cost about $650,000 fully equipped—about $400,000 less than its competitors.

In the mid-1960s, Lear invented the eight-track stereo for automobiles. The stereo was popular, but one of Lear's subsidiaries was losing so much money that he was forced to sell Lear Jet Corp. to the Gates Rubber Co. in 1967. The price for the aviation and electronics operations was $28 million.

Within a year, Lear was in Reno, where he bought for $1.3 million the 3,000 acres that had been Stead Air Force Base. His next project was the steam-powered car, the failure of which left him with no more than "blueprints and memories," he said.

He claimed last month that his new plane, the Learfan, was "an iconoclastic airplane, far more advanced than my jet."

Lear was outgoing and outspoken. He described himself as an arch-conservative. He contributed to Richard M. Nixon's election campaigns in 1968 and 1972. But in 1976 he supported Gov. Jerry Brown of California, a liberal Democrat.

In 1956, he piloted his own plane to Moscow, where he was entertained by Soviet trade officials.

Lear's honors include the Horatio Alger Award for 1954, the Collier Trophy in 1950, the Great Silver Medal of the City of Paris, the Swedish Thulin Medal, and an honorary degree from the University of Michigan.

In 1942, Lear married a fourth time. His wife was Moya Marie Olsen, the daughter of the late comedian Ole "Hellzapoppin" Olsen. They had four children, John, Shanda, David and Valentina. Lear also had a son, William P. Jr., and a daughter, Patricia, by his third marriage, and another daughter, Mary, by his second marriage.●

KOREAN TROOP WITHDRAWAL

● Mr. BARTLETT. Mr. President, one of my great pleasures, as a member of the Senate Armed Services Committee, has been to work closely with my good friend from Georgia, Senator SAM NUNN.

Senator NUNN and I have tried to take a nonpartisan approach in our efforts to enhance our Nation's defense effort. We went to Europe together to study the problems faced by our NATO alliance, and we have gone to the Pacific together to study the state of our military forces in the Far East. We may not always agree on the details we emphasize, but the facts we find drive us to similar policy conclusions. Such is the case with respect to the President's decision to withdraw troops from Korea.

Senator NUNN and I have examined that decision carefully. We have found the President's justification lacking. For that reason, we were both pleased that the President has decided to pause and reconsider the total withdrawal.

I have no doubt that much of the credit for the President's recent delay in implementing the withdrawal belongs to Senator NUNN. His analysis of the situation and his straightforward presentation of the facts to the President, who came from his own political party, has been instrumental in delaying the implementation of what I believe to have been a bad policy decision.

Mr. President, I would like to commend to all of my colleagues a superb statement by Senator SAM NUNN, of Georgia, on the Korean troop withdrawal. In a speech on April 24, 1978, before the Aviation Space Writers Association, Senator NUNN detailed the costs and dangers associated with a hasty withdrawal of American forces from Korea. In particular, I would like to steer my colleagues' attention to Senator NUNN's discussion of Soviet perception of the Korean withdrawal in the light of the SALT talks and unilateral actions taken by the President concerning the neutron warhead, the MX, and naval shipbuilding.

Mr. President, I ask that the full text of Senator NUNN's statement be printed in the RECORD following my remarks.

The statement follows:

KOREAN WITHDRAWAL

As you know, last Friday President Carter announced his decision to defer the scheduled withdrawal of U.S. combat troops from Korea, except for one battalion. I am pleased with the President's decision.

As I have previously stated, both publicly and privately to the top Carter Administration officials, I have long been concerned with the various rationales offered by the supporters of the Korean withdrawal plan. I have also been concerned over the timing.

Even the advocates of a complete withdrawal of all American ground combat units certainly must concede that the President has acted with prudence by delaying any major removal of forces during a time when Congressional interest in things Korean has been centered on Tongsun Park and his alleged relationship to Congress.

An integral part of the Administration's withdrawal plan is Congressional approval of the transfer military and of foreign military sales credits for Korea. This legislation was submitted last October. However, we should be candid: the atmosphere in Congress is not now conducive to an objective analysis of the Administration's plan for Korean withdrawal based on the long-term national security interests of the United States.

I am concerned not just about the timing of the proposed withdrawal. I am also concerned about the actual plan itself. The subject of withdrawal was discussed at length last June on the floor of the Senate. Last June, of course, the Senate had no detailed plan from the Administration, and I then emphasized that when a plan was presented, my Subcommittee on Manpower and Personnel would consider it in our review of the requested military end strengths for FY 1979. The plan has been submitted by the Administration and our review is now in process.

I do not believe that the Carter Administration has yet presented convincing evidence to support the major benefits which have been attributed to withdrawing U.S. ground combat troops from Korea.

The idea of pulling U.S. ground troops out of Korea is not new, and long antedates the Carter Administration. In the early 1970s the idea was seriously considered within the Nixon Administration, and although ultimately rejected, U.S. ground forces in Korea were nevertheless reduced by one full Army division.

Prior to President Carter assuming office, I listened carefully to those who advocated a U.S. withdrawal from Korea. The principle reasons given for the withdrawal of ground forces were twofold—to save money and to reduce the risk of automatic U.S. involvement in a Korean conflict. I believe the Administration's plan should be examined with these two original objectives in mind.

First, will the proposed withdrawal plan save money? No. In fact, the plan will require substantial increases both in the defense budget and in foreign assistance. The Administration has been very candid about some of these costs. The decision not to eliminate the 2nd Division from the force structure upcn its return from Korea will necessitate the expenditure of some $400–$800 million in relocation costs. Moreover, the 2nd Division is scheduled to leave behind in Korea all of its equipment, whose cost after depreciation is estimated at $800 million. An additional $1 billion will be required to realize the Administration's intention to re-equip the 2nd Division as a mechanized infantry division. The Administration has also requested appropriations of $275 million in foreign military sales credits this year, and has stated that it intends to do so in future years as well. There is a further appropriations request for training of Korean forces.

In short, far from sparing the taxpayer, the Administration's Korean troop withdrawal plan is certain to require an increase of at least $2 billion in the defense and foreign assistance budgets.

Second, will the proposed withdrawal plan eliminate the prospect of automatic U.S. involvement in a future Korean conflict? There is no assurance that it will. Even after the proposed withdrawal is completed in 1982, some 6,000 U.S. Army and 8,000 other U.S. military personnel will remain in Korea. The continued presence of 14,000 U.S. troops—including tactical combat aviation units—virtually guarantees immediate and substantial U.S. casualties in the event of another conflict on the Korean peninsula, with all of the attendant political pressures to escalate U.S. involvement.

In summary, the Administration's plan accomplishes neither of the principal goals set forth by those who have long advocated withdrawal. This is clear from the record, and I believe knowledgeable members of the Administration would agree. Other reasons must be forthcoming from the Administration if Congress and the American people are to be persuaded that this is a step in our long-term national security interests.

In my view, the questions which we should focus on during the delay in withdrawal stemming from the President's recent announcement are the following:

Will the proposed withdrawal plan preserve deterrence in Korea?

What reaction do we anticipate from North Korea?

Will the proposed withdrawal plan substantially increase incentives for South Korea to develop an independent nuclear deterrent?

What effect will the proposed withdrawal have on our long-term military and economic partnership with Japan?

What effect will the proposed withdrawal have on U.S.-Chinese relations and on U.S.-Soviet relations?

What effect will the proposed withdrawal have on Soviet-Chinese relations?

Finally, do we have a long-term post-Vietnam Pacific policy, and how does the proposed withdrawal plan further that policy, assuming that such a policy exists?

I have talked to many knowledgeable Americans who are well versed in national security and foreign policy. I have also talked to many Asians and experts on Asia. They are frankly puzzled by our Nation's Pacific policy. Several have posed a question which is difficult to answer: What is the logic behind a plan which withdraws U.S. ground forces from the one area in Asia which is directly threatened on land by a country which is not only hostile to the United States but which has also demonstrated a propensity toward bloody military adventures?

I believe that a determination of appropriate American policy or definition of our national security interests on any question—be it the Korean withdrawal or SALT II—requires not only a thorough analysis of the specific issues at hand, but also the context of those issues in the broader climate of world events. As much as some continue to criticize former Secretary of State Henry Kissinger's "policy of linkage," in my view they will soon discover that linkage is inevitable—if not as a deliberate policy, then at least as an unavoidable reality. It is simply not possible to weigh a policy in one area of the world without taking into consideration that policy's potential consequences for developments and trends elsewhere.

Nor can policy be made in disregard of the attitude of the American people and the Congress. This is true of our Korean decisions. It is also true of SALT II and the chances of its ratification in the Senate.

Korea is not an island unto itself. What we do in individual foreign policy and military decisions cannot be divorced from trends in the world. First and foremost among these trends is the expanding military power of the Soviet Union, which has been accompanied by a new willingness to exploit that power beyond the traditional confines of Russian security interests. A few weeks ago, President Carter stated in Wake Forest that "there has been an ominous inclination on the part of the Soviet Union to use its military power to intervene in local conflict with advisors, with equipment and with full logistical support and encouragement for mercenaries from other communist countries, as we can observe today in Africa."

I am not a long-time veteran of the Washington scene. I was present, however, during the first acts of the Vietnam debacle, and I was present when the curtain fell on our Vietnam involvement. That was three years ago. Yet, the psychological damage of that war lingers on in the American political bloodstream, and in my view, it has impeded a calm, firm, and consistent defense of American security interests abroad. Fear of another Vietnam has led many to equate any involvement with intervention.

I was also present late one evening on the floor of the Senate when the Senate voted to cut off all aid to the pro-Western functions in Angola, thus giving the green light to the Soviet-Cuban imperial interventionist policy in Africa and the Third World.

Upon assuming office, President Carter inherited a hesitant foreign policy consumed by fear of another Vietnam and unsure of the nature of the new Soviet challenge to U.S. security interests which had emerged while we were bogged down in Indochina. Many subsequent decisions in defense and foreign affairs—although sincere—betrayed a continuing confusion over means and ends. I refer specifically to:

The cancellation of the B–1 Bomber program outside the context of SALT II;

The decision to delay indefinitely a production decision on the "neutron bomb" with expressed hope of reciprocal Soviet concessions;

The submission of a sharply reduced budget for Naval shipbuilding;

The decision to slowdown the MX program; and,

The substantial U.S. retreat from its March 1977 SALT proposals.

These decisions have taken place during a time when the Soviet Union has steadily expended its strategic power and its land, air, and naval forces. They have been taken at a time when the Soviet Union has demonstrated an increasing willingness to exploit their expanding military power.

Admittedly, each of these decisions by the Carter Administration are subject to legitimate debate, with strong arguments to be made on both sides.

However, taken together the decisions suggest a trend in foreign policy which may well be interpreted by the Soviet Union as one lacking in firmness and consistency. The danger is obvious: that the Soviets will conclude that this Administration is vulnerable to adventurous and potentially perilous Soviet challenge.

I believe this would be a mistaken perception on the part of the Soviets. I am confident the Carter Administration will respond vigorously to the new Soviet challenge—today, tomorrow, and in the future. The point is, however, that the world will be a lot safer if there are no miscalculations, if there are no erroneous perceptions, if there are no Soviet-U.S. confrontations.

Nothing worse could befall our country than a war stemming from a combination of Soviet misjudgment of American resolve to resist a challenge, and a heavy-handed American response to a Soviet challenge dictated by a sudden awareness that the time had come to stand firm.

In closing, I would suggest that the Vietnam war is over. We must think anew. We must act anew. The challenge before us is to develop a peaceful world. To preserve, protect, and nourish this goal, our leadership must be firm, calm and consistent. In my view, the President's decision to delay the withdrawal of U.S. ground troops from Korea will hopefully be the first step in a restora-

tion of the firmness, calmness, and consistency our foreign policy must have if we are ever to emerge psychologically from the post-Vietnam era.●

PROPOSED ARMS SALES

● Mr. SPARKMAN. Mr. President, section 36(b) of the Arms Export Control Act requires that Congress receive advance notification of proposed arms sales under that act in excess of $25 million or, in the case of major defense equipment as defined in the act, those in excess of $7 million. Upon such notification, the Congress has 30 calendar days during which the sale may be prohibited by means of a concurrent resolution. The provision stipulates that, in the Senate, the notification of proposed sale shall be sent to the chairman of the Foreign Relations Committee.

In keeping with my intention to see that such information is immediately available to the full Senate, I ask to have printed in the RECORD at this point the 10 notifications I have just received.

The notifications follow:

In reply refer to: I–13127/77 ct.

WASHINGTON, D.C.,
May 11, 1978.

Hon. JOHN SPARKMAN,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith, Transmittal No. 78–38, concerning the Department of the Air Force's proposed Letter of Offer to Spain for major defense equipment, as defined in the International Traffic in Arms Regulations (ITAR), estimated to cost $5.2 million and support costs of $5.8 million for a total estimated cost of $11 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

ERNEST GRAVES,
Lieutenant General, USA, Director Defense Security Assistance Agency.

[Transmittal No. 78–38]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective Purchaser: Spain.
(ii) Total Estimated Value:

	Millions
Major Defense Equipment*	$5.2
Other	5.8
Total	11.0

*As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulations (ITAR).

(iii) Description of Articles or Services Offered: Four (4) RF–4C aircraft and support equipment.
(iv) Military Department: Air Force.
(v) Sales Commission, Fee, etc. Paid, Offered or Agreed to be Paid: None.
(vi) Date Report Delivered to Congress: May 11, 1978.

WASHINGTON, D.C., *May 11, 1978.*

In reply refer to: I–298/78ct.

Hon. JOHN J. SPARKMAN,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith, Transmittal No. 78–39, concerning the Department of the Navy's proposed Letter of Offer to Spain for major defense equipment, as defined in the International Traffic in Arms Regulations (ITAR), estimated to cost $23.2 million and support costs of $5.8 million for a total estimated cost of $29 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

ERNEST GRAVES,
Lieutenant General, USA, Director, Defense Security Assistance Agency.

[Transmittal No. 78–39]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective Purchaser: Spain.
(ii) Total Estimated Value:

	Millions
Major Defense Equipment*	$23.2
Other	5.8
Total	29.0

*As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulations (ITAR).

(iii) Description of Articles or Services Offered: Forty (40) HARPOON missiles—surface ship launched and support.
(iv) Military Department: Navy.
(v) Sales Commission, Fee, etc. Paid, Offered or Agreed to be Paid:
(a) The McDonnell Douglas Astronautics Company—East P.O. Box 516, St. Louis, MO. 63166.
(b) Compania Aeronautical Espanola, S.A. Antonia Maura, Madrid, Spain.
(c) One-percent of the sale price.
(d) 40 Harpoon missiles.
(e) The information contained in paragraph (v) consists of proprietary data within the meaning of 18 U.S.C. 1905, and, accordingly, may not be disclosed except pursuant to the provisions of the code.
(vi) Date Report Delivered to Congress: May 11, 1978.

WASHINGTON, D.C.,
May 11, 1978.

In reply refer to: I–13480/77ct.

Hon. JOHN J. SPARKMAN,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. SPARKMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith, Transmittal No. 78–41, concerning the Department of the Army's proposed Letter of Offer to Korea for major defense equipment, as defined in the International Traffic in Arms Regulations (ITAR), estimated to cost $8 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

ERNEST GRAVES,
Lieutenant General, USA; Director, Defense Security Assistance Agency.

[Transmittal No. 78–41]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective Purchaser: Korea.
(ii) Total Estimated Value:

	Million
Major Defense Equipment*	$8.0
Other	0.0
Total	8.0

*As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulations (ITAR).

(iii) Description of Articles or Services Offered: One thousand one hundred (1,100) TOW guided missiles (BGM–71A–1).
(iv) Military Department: Army.
(v) Sales Commission, Fee, etc. Paid, Offered or Agreed to be Paid: None.
(vi) Date Report Delivered to Congress: May 11, 1978.

WASHINGTON, D.C.,
May 11, 1978.

In reply refer to: I–13429/77ct.

Hon. JOHN J. SPARKMAN,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the exporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith, Transmittal No. 78–42, concerning the Department of the Air Force's proposed Letter of Offer to Korea, for other than major defense equipment, as defined in the International Traffic in Arms Regulations (ITAR), estimated to cost $29.0 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

ERNEST GRAVES,
Lieutenant General, USA; Director, Defense Security Assistance Agency.

[Transmittal No. 78–42]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective Purchaser: Korea.
(ii) Total Estimated Value:

	Millions
Major Defense Equipment*	$0.0
Other	29.0
Total	29.0

*As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulation (ITAR).

(iii) Description of Articles or Services Offered: Cooperative logistics supply support arrangement, stock level case FMSO I for follow-on spares and supplies for support of U.S. origin (F–4s, F–5s, A–37s, T–33s, T–37s, and C–123 aircraft.)
(iv) Military Department: Air Force.
(v) Sales Commission, Fee, etc. Paid, Offered or Agreed to be Paid: None.
(vi) Date Report Delivered to Congress: May 11, 1978.

WASHINGTON, D.C.,
May 11, 1978.

In reply refer to: I–13430/77 ct.

Hon. JOHN J. SPARKMAN,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith, Transmittal No. 78–43, concerning the Department of the Air Force's proposed Letter of Offer to Korea for other than major defense equipment, as defined in the International Traffic in Arms Regulations (ITAR), estimated to cost $30 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

ERNEST GRAVES,
Lieutenant General, USA, Defense Security Assistance Agency.

[Transmittal No. 78–43]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective Purchaser: Korea.
(ii) Total Estimated Value:

	Million
Major Defense Equipment*	$0.0
Other	30.0
Total	30.0

*As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulations (ITAR).

(iii) Description of Articles or Services Offered: Cooperative logistics supply support arrangement, stock level case FMSO II for follow-on spares and supplies for support of U.S. origin (F–4s, F–5s, A–37s, T–33s, T–37s, and C–123 aircraft.)

(iv) Military Department: Air Force.

(v) Sales Commission, Fee, etc. Paid, Offered or Agreed to be Paid: None.

(vi) Date Report Delivered to Congress: May 11, 1978.

WASHINGTON, *D.C., May 11, 1978.*

In reply refer to: I–13428/77ct.

Hon. JOHN J. SPARKMAN,

Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith, Transmittal No. 78–44, concerning the Department of the Air Force's proposed Letter of Offer to the Republic of China for other than major defense equipment, as defined in the International Traffic in Arms Regulations (ITAR), estimated to cost $35 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

ERNEST GRAVES,

Lieutenant General, USA, Director, Defense Security Assistance Agency.

[Transmittal No. 78–44]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(B) OF THE THE ARMS EXPORT CONTROL ACT

(i) Prospective Purchaser: Republic of China.

(ii) Total Estimated Value:

	Million
Major Defense Equipment*	$0.0
Other	35.0
Total	35.0

* As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulations (ITAR).

(iii) Description of Articles or Service Offered: Cooperative logistics supply support, FMSO II for follow-on spares and supplies for support of aircraft of US origin. (F–86, F–100, F–104, F–5, T–33, C–119, C–47, and C–54 aircraft).

(iv) Military Department: Air Force.

(v) Sales Commission, Fee, etc. Paid, Offered or Agreed to be Paid: None.

(vi) Date Report Delivered to Congress: May 11, 1978.

WASHINGTON, D.C., *May 11, 1978.*

In reply refer to: I–14227/77ct.

Hon. JOHN J. SPARKMAN,

Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith, Transmittal No. 78–45, concerning the Department of the Army's proposed Letter of Offer to Spain for major defense equipment, as defined in the International Traffic in Arms Regulations (ITAR), estimated to cost $9.2 million and support costs of $4.4 million for a total estimated cost of $13.6 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

ERNEST GRAVES,

Lieutenant General, USA, Director, Defense Security Assistance Agency.

[Transmittal No. 78–45]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective Purchaser: Spain.

(ii) Total Estimated Value:

	Million
Major Defense Equipment*	$9.2
Other	4.4
Total	13.6

*As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulations (ITAR).

(iii) Description of Articles or Services Offered: One hundred two (102) armored personnel carriers model M113A1, eighteen (18) mortar carrier model M125A1 and four (4) command post carriers model M577A1.

(iv) Military Department: Army.

(v) Sales Commission, Fee, etc. Paid, Offered or Agreed to be Paid: None.

(vi) Date Report Delivered to Congress: May 11, 1978.

WASHINGTON, D.C., *May 11, 1978.*

In reply refer to: I–13468/77ct.

Hon. JOHN J. SPARKMAN,

Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith, Transmittal No. 78–46, concerning the Department of the Air Force's proposed Letter of Offer to Iran for other than major defense equipment, as defined in the International Traffic in Arms Regulations (ITAR), estimated to cost $125.0 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

ERNEST GRAVES,

Lieutenant General, USA, Director, Defense Security Assistance Agency.

[Transmittal No. 78–46]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective Purchaser: Iran.

(ii) Total Estimated Value:

	Million
Major Defense Equipment*	$0.0
Other	125.0
Total	125.0

*As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulations (ITAR).

(iii) Description of Articles or Services Offered: Cooperative logistics supply support arrangement (FSMO II) requisition case for support of Iranian aircraft of U.S. origin.

(iv) Military Department: Air Force.

(v) Sales Commission, Fee, etc. Paid, Offered or Agreed to be Paid: None.

(vi) Date Report Delivered to Congress: May 11, 1978.

WASHINGTON, D.C., *May 11, 1978.*

In reply refer to: I–13418/77ct.

Hon. JOHN J. SPARKMAN,

Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith, Transmittal No. 78–47, concerning the Department of the Army's proposed Letter of Offer to Iran for other than major defense equipment, as defined in the International Traffic in Arms Regulations (ITAR), estimated to cost $33 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

ERNEST GRAVES,

Lieutenant General, U.S.A., Director, Defense Security Assistance Agency.

[Transmittal No. 78–47]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective Purchaser: Iran.

(ii) Total Estimated Value:

	Million
Major Defense Equipment*	$0.0
Other	33.0
Total	33.0

* As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulations (ITAR).

(iii) Description of Articles or Services Offered: Follow-on technical assistance, consisting of forty one (41) contractor personnel, for the establishment, development and implementation of an Improved HAWK air defense peculiar maintenance capability in Iran and the training of 12 Iranian AF personnel in the US

(iv) Military Department: Army.

(v) Sales Commission, Fee, etc. Paid, Offered or Agreed to be Paid: None.

(vi) Date Report Delivered to Congress May 11, 1978.

WASHINGTON, D.C., *May 11, 1978.*

In reply refer to: I–13481/77ct.

Hon. JOHN J. SPARKMAN,

Chairman, Committee on Foreign Relations, U.S. Senate,

Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith, Transmittal No. 78–49, concerning the Department of the Air Force's proposed Letter of Offer to Iran, for other than major defense equipment, as defined in the International Traffic in Arms Regulations (ITAR), estimated to cost $56.0 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

ERNEST GRAVES,

Lieutenant General, USA, Director Defense Security Assistance Agency.

[Transmittal No. 78–49]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective Purchaser: Iran.

(ii) Total estimated value:

	Million
Major Defense Equipment*	$0
Other	56.0
Total	56.0

*As included in the U.S. Munitions List, a part of the International Traffic on Arms Regulations (ITAR).

(iii) Description of Articles or Services Offered: A modification program to retrofit 172 Iranian aircraft with airborne countermeasures ALR 69 radar warning receivers.

(iv) Military Department: Air Force.

(v) Sales Commission, Fee, etc. Paid, Offered or Agreed to be Paid: None.

(vi) Date Report Delivered to Congress: May 11, 1978.●

SOUTH AFRICAN ACTION

● Mr. GOLDWATER. Mr. President, of late we have been hearing anguished cries of protest from the Carter administration and the United Nations over the preemptive action taken by the South African Government against terrorist guerrillas who operate under the banner of the South West Africa People's Organization. To hear the administration and the U.N. talk, this was a brutal, uncalled for action taken by a repressive South African regime. But, as so often happens, there are two sides to the story and I believe a careful examination of all the facts will show conclusively that the action taken by South Africa was both carefully considered and absolutely necessary under the circumstances in that region.

Mr. President, so that the Senate can have all the facts in this situation, I am presenting for the RECORD a communication which the South African Government sent to the governments of five Western Security Council members explaining that Government's side of the story. I ask that this be printed in the RECORD.

The communication follows:

COMMUNICATION

1. Recently, and particularly following South Africa's acceptance of the Western proposals for an internationally recognized solution in South West Africa, the intensity of acts of violence and the frequency of border violations by terrorists had increased dangerously as will be seen from the attached document listing such incidents since January 1978. This escalation took place in spite of South Africa's efforts to secure a peaceful solution and the South African Government was confronted by urgent appeals from the leaders of South West Africa for protection. They are further profoundly dismayed and shocked by Mr. Nujoma's concluding statement to the special session of the General Assembly on 3 May 1978 that "SWAPO . . . will persevere and intensify the armed liberation struggle. . . ." South Africa could no longer continue to ignore these pleas.

The action then taken had limited objectives and was carried out with limited forces including black and white South West Africans. It was mainly directed at the two most important SWAPO headquarters used for operations against South West Africa.

2. As expected the SWAPO base headquarters, Cassinga situated 15 KMS north of the mining town Techanutete formerly called Cassinga was an extensive SWAPO military installation, it contained formidable defense works such as trenches, bunkers and underground shelters. It was established beyond doubt that this base constituted SWAPO's main operational centre, responsible for overall planning, logistics, communications and strategy.

Vast quantities of weapons and ammunition were found and destroyed and considerable documentation was found and removed.

The SWAPO personnel included women, in uniform, fully armed and actually fighting in the trenches. The dead included some of these. The personnel not killed were rounded up and disarmed. As they could not be evacuated, they were released when the South African group left. There were also a number of camp followers, including women, who apparently lived in the confines of the base. Some of them might have become casualties. A number of the children who were hijacked across the border on 28 April were found and, at their request, these were going to be taken back. Unfortunately, just as the final evacuation was in progress, an armed attack from the direction of Techmutete occurred. Mortar, cannon and small arms fire was directed at the camp by this force. In these circumstances it was not possible to evacuate the children.

The second base Chetequera was the centre for the hit-and-run operations against western Owambo. Here too a well prepared Communist-type military base with trenches and inter-connecting tunnels and large quantities of arms and ammunition were found. On the way back further SWAPO elements were mopped up.

The documentary and other evidence, found at these SWAPO terrorist bases, is being analysed and further particulars about SWAPO involvement in acts of terrorism already committed and the planning for its future campaign of intimidation, including political murders etc., will be made available.

By way of example the following extract from one of the documents, illustrates SWAPO's real intentions:

"SWAPO will win, Namibia will be free. Issued by Greenwell Matongoh, Chief Political Commissar and Dimo Hamaabo, Commander of the Armed Forces, 14 February 1978, Moscow.

Notes taken during the address of MCC and youth leader, Cde Ndali Kamati, at the parade, Cassinga, R.P.A.

Comrade Kamati slogan-ed, then expressed his gratitude for having stayed in Cassinga for 7 days.

1. He continued by remarking that the coming of many comrades abroad, is testimony to the great momentum with which the revolutionary trend is sweeping over Namibia. The celebration of 26 August, Namibia Day, right inside, testifies that the armed liberation struggle is also lived in by the non-armed comrades inside the country.

2. The Gang of Five—South African talks in New York.

Commander Ndali said SWAPO has also been invited to the talks. He then said that the occupation of Namibia is actually led by the Gang of Five, U.S.A., Canada, United Kingdom, France and Germany. These are the same people who initiated the talks, these are the same people exploiting our mineral resources. These are supposedly now forcing South Africa to quit Namibia. Their move, however, follows realisation that SWAPO would have to win. They would not like to see what happened in Angola being repeated in Namibia, as this could be detrimental to their economic interests in Namibia. They hope to get South Africa out peacefully and win the favour of SWAPO and to continue their exploitation of our resources.

In short, no genuine attempt can be made by imperialists to free Namibia . . .

. . . it is clear that no real independence can be gained plain sailingly. Countries like Malawi, Zambia, Zaire have only false independence symbolised by flags. Their economies are ran by their former colonizers. We must abide to our decision to fight even for 10 to 20 years if need be. Who is not determined should go and join the turnhalle. . . ."

3. An urgent appeal is made to the international community to insist that SWAPO immediately cease further acts of violence against the territory and the people of South West Africa. SWAPO cannot follow a dual strategy i.e. to appear to be negotiating and at the same time delaying their reply and continuing brutal acts of violence and terror against the people whom they claim to represent.

4. In these circumstances it is urged that finality on the implementation of the western proposals be reached as soon as possible. The sooner this is done the sooner the international community will be in a position to keep itself fully informed on what is happening in the territory and for to speeding up of the process leading to free democratic elections and to independence by the end of the year.

5. The following background documents are enclosed:

(A) Statement by the South African minister of defense concerning the limited preemptive action taken by South Africa in regard to SWAPO terrorist camps.

(B) Summary of incidents since January 1978.

(C) Statement issued by the South African Minister of Foreign Affairs on May 5, 1978.

ANNEXURE A

STATEMENT BY THE SOUTH AFRICAN MINISTER OF DEFENCE CONCERNING THE LIMITED PREEMPTIVE ACTION TAKEN BY SOUTH AFRICA AGAINST SWAPO TERRORIST CAMPS

As a result of the ominous buildup of SWAPO forces in southern Angola and the extensive campaign of intimidation of the local inhabitants and the murder of political leaders in south west Africa, as well as the large number of border violations during the past few weeks, a limited military operation against SWAPO forces has been carried out over the border.

The limited operation was embarked on after large numbers of heavily armed SWAPO terrorists recently crossed the border, attacked our forces in Owambo and fled back to safety in Angola.

The Ruacana power station was also fired on and the buildings extensively damaged.

After the attack, the latest since SWAPO intensified its hostilities, we were forced to resort to follow-up actions.

I trust that the limited operation will leave those who wish to threaten us under no illusions.

We have already leaned over backwards to seek the solution along other lines and will continue to do so in the interests of peace in this subcontinent.

But the South African Government can no longer allow, with selfrespect, emergency calls from peaceful leaders to remain unanswered.

We have a moral duty towards the people of South West Africa and cannot sit silently and with folded hands and see how peaceful citizens and leaders of this remote area are murdered, assaulted, kidnapped and threatened and intimidated by other methods of terrorism.

I have in the past repeatedly expressed the hope that military bases will not be made available to terrorists in southern Angola but this apparently has fallen on deaf ears.

On April 22 a bus was hijacked on the road between Oshakati and Ruacana. The bus with about 70 to 80 people on board was taken to Angola.

On April 24 South African forces made contact with 20 terrorists approximately 10 km south of the Angolan-South West African border. After a fire fight the enemy withdrew northwards over the border.

On April 24 a vehicle of South African forces was ambushed by SWAPO terrorists approximately six kilometers south of the Angola-South West African border. Security forces returned fire following which the terrorists withdrew to the safety of Angolan territory. A South African soldier was killed in this incident.

On April 28 an SADF patrol was attacked from a Cuca shop approximately 25 km east of Ruacana.

On April 29 shots were fired at the border post at Ruacana. Fire was not returned.

On April 29 and 30 landmines of Communist origin were set to explode at the new homes built for the members of the Owambo cabinet and the legislative assembly building at Ongwediva.

On April 30 an SADF patrol was attacked by approximately 10 SWAPO terrorists 45 km east of Enana. One SADF member killed.

On May 1 heavy fire was brought down on an SADF patrol approximately 43 km southeast of Enana. A follow-up operation was

mounted and the enemy fled over the Angolan border.

On May 2 the water pipe-line running between Ondangua and Oshikango was sabotaged. This pipe-line is essential for the livelihood of the local inhabitants.

On May 3 heavy fire was directed at the guard post and buildings at Ruacana including structures of the water scheme. Several buildings were damaged. Fire was not returned.

Latest intelligence reveals that SWAPO has recently established three new bases in southern Angola close to the SWA border. This confirms the pattern of consolidation which is a prerequisite for increased terrorist activity against South West Africa.

Over the period 1 to 3 May several landmines had to be lifted in the border area.

ANNEXURE B

SUMMARY OF INCIDENTS SINCE JANUARY 1978

On January 5 this year the body of an Owambo man was found after he had been shot by a gang of terrorists. The body was found on a fence and a number of AK 47 cartridge cases were later discovered near the body.

On January 8 a private car with 10 civilian passengers detonated a Russian landmine. Four of the passengers were killed outright and six were seriously injured. This and other mine incidents forced the Chief Minister of Owambo, Pastor Ndjoba, at the time to call for stronger action against the terrorists.

On February 7 the Owambo Minister of Health, Mr. Shiagaya, was assassinated with a Russian-made pistol after a political meeting in Owambo.

On February 21 a group of terrorists abducted 119 children and their teacher from the St. Mary's Mission School in Owambo. Three children later escaped and could tell how they were forced over the border and taken to terrorist training camps. Once again Pastor Ndjoba called for firmer action by the security forces.

On March 3 sub-headman Nangola Kanyala was killed by a group of terrorists. His body was mutilated and his wife and children abducted.

On March 25 another sub-headman, working for the South African police, was shot by terrorists using a Russian-made pistol.

On March 27 two terrorists assassinated the leader of the Herero people, Mr. Clemens Kapuuo. The attack took place at his home in Katutura just a short while after he and his tribal council decided on asking the Administrator-General for better protection of the political leaders of south west Africa. Before his death Mr. Kapuuo was a strong supporter of the total destruction of terrorist bases across the Angolan border.

On April 18 two Owambo children were killed by a Russian handgrenade set by terrorists for a patrol of the security forces.

On 21 April an attempt was made on the life of Owambo's Minister of Justice, Mr. Tara Imbili, when a terrorist tried to plant a mine on the road leading to his house.

ANNEXURE C

STATEMENT ISSUED BY THE SOUTH AFRICAN MINISTER OF FOREIGN AFFAIRS ON 5 MAY 1978

In all our negotiations the Western Powers laid great stress on the essential need for the halting of violence. As a matter of fact, the crux of the Western proposals is that the continuous violence and intimidation must be ended in order to give the people of South West Africa the opportunity to exercise their right of self-determination untrammelled and freely.

South Africa remains willing and ready to implement the Western proposals for a settlement of the South West African issue but we also keep insisting that the terrorists should end their acts of violence. It must be emphasized that SWAPO not only continued its programme of terror after South Africa had accepted the proposals but that it had also during the past few days extended and intensified its acts of violence over a wide front.

SWAPO's answer to our acceptance of the proposals for a peaceful settlement has been to commit more violence.

For that matter SWAPO openly boasts that it will continue and extend its onslaughts.

I once again appeal to the Western powers to urgently pilot their proposals through the Security Council.

The leaders of South West Africa are not prepared to wait much longer.

The people of the territory are entitled at this stage to enter and to finalise the process which must lead to independence.

In the meantime South Africa cannot forsake its duty to give the people of the territory the necessary protection. Without that they will be entirely defenceless and become the prey of merciless suppression through physical violence.●

PERSONAL FINANCIAL DISCLOSURE

● Mr. DECONCINI. Mr. President, pursuant to a long-standing commitment and belief that all public officials should make full financial disclosure, I am submitting for the RECORD this date a financial report dated December 31, 1977 of DENNIS and Susan DECONCINI. Having supported the new Senate Code of Conduct and believing in strict financial disclosures, I urge all colleagues to comply immediately with such disclosure. It is my hope that the public will have confidence in its public officials when there is an overwhelming effort to all Members of Congress to make such disclosures without reservation.

It is important in our American way of life for public officials to reach out to the American constituency with total candidness such as exhibited by the new Code of Conduct and the exemplary efforts of many Members of Congress with their willingness to make financial disclosure a way of life.

Mr. President, I urge the executive branch to impose upon itself, as well as the judicial branch of Government, a requirement to make similar financial disclosure. No one should be afraid of the American people, who we all profess to represent.

I ask that this statement and the accompanying financial report be printed in the RECORD.

The material follows:

SENATOR DENNIS DECONCINI AND MRS. DENNIS (SUSAN) DECONCINI, FIANCIAL REPORT, DECEMBER 31, 1977

SCHORR, LEONARD & FELKER, P.C.,
Tucson, Ariz.

Hon. DENNIS DECONCINI,
U.S. Senate,
Washington, D.C.

DEAR SENATOR DECONCINI: Pursuant to your instructions, we have prepared a Balance Sheet with accompanying Schedules for the year ending December 31, 1977. The Balance Sheet includes both the separate and community property of you and your wife.

The Balance Sheet and its Schedules were prepared without audit, but were prepared from information we believe reliable, including information supplied by you and information available to our firm by reason of representing you, members of your family, and in the matters involving state and federal taxation, including the preparation of state and federal income tax returns. We conducted such other inquiries that we deemed necessary to determine the assets in which you have an interest and the extent of your interests therein.

The reported basis of each asset is that basis which would be used in calculating gain or loss for federal income tax purposes.

Based on the foregoing, it is our opinion that the Balance Sheet and Schedules accurately disclose all property, including, but not limited to, real property, partnerships, corporations, trusts, or other entities in which you have a financial interest and the extent of your financial interest therein. This acknowledges that our firm does not have a financial interest in any of the assets.

Sincerely,

SIDNEY LEX FELKER.

SENATOR DENNIS DECONCINI AND MRS. DENNIS (SUSAN) DECONCINI, BALANCE SHEET, DECEMBER 31, 1977

ASSETS

Current assets:	
Cash in banks	$102,062
Account receivable, Committee for DeConcini for Senate (note 2)	72,026
Loans receivable, unsecured	20,600
Total current assets	194,688
Income properties—schedule I:	
Buildings	269,685
Less accumulated depreciation	78,938
Total	190,747
Land	103,226
Total rental properties	293,973
Other investments:	
Stocks and bonds, schedule II	44,186
Undeveloped land	72,557
Real estate mortgages and contracts receivable	18,756
Real estate partnerships, schedule III	192,675
W. M. Investments, an investment club	4,205
Roadrunner T. V., a partnership	4,569
Cash surrender value, life insurance	60,979
Residence, Arizona	68,920
Residence, Virginia	159,065
Personal property	30,831
Assets owned by Susan DeConcini, schedule IV	448,432
Total other investments	1,105,175
Total assets	1,593,836

LIABILITIES AND NET WORTH

Current liabilities:	
Note payable, secured by savings account	27,000
Current portion of long-term debt	26,907
Deposits payable	300
Total current liabilities	54,207
Long-term debt:	
Mortgage notes, secured by rental property, schedule I	190,387
Mortgage notes, secured by residences	129,224
Mortgage notes, secured by land	9,040
Notes payable, unsecured	140,837
Mortgage notes secured by real estate owned by Susan DeConcini	39,117
Total	508,605
Less current portion above	26,907
Total long-term debt	481,698
Net worth	1,057,931
Total liabilities and net worth	1,593,836

SCHEDULE I

SENATOR DENNIS DeCONCINI—SCHEDULE OF INCOME PROPERTIES, DEC. 31, 1977

	Land	Improvements	Accumulated depreciation	Net book value	Mortgages	Mortgagee
Standard Station, Country Club Manor, Pima County, Ariz.	$16,322	$22,019	$22,019	$16,322	None	
Tijuana Taco, National City Annex, Pima County, Ariz.	3,000	27,000	13,259	16,741	$15,352	I. DeConcini trust.
Circle K and Ages Laundry, National City Annex, Pima County, Ariz.	1,000	35,070	24,705	11,365	None	
Salem St. parking lot, Mission Beach, Calif.	27,500			27,500	15,924	Beth V. Paynter.
Sunset Cliff, business rental, Ocean Beach, Calif.	26,830	85,170	11,924	100,076	62,727	Home Federal Savings (1st),
					24,469	Marie Krause (2d).
Crystal Dr., residential, Pacific Beach, Calif.	28,574	100,426	7,031	121,969	58,252	American Savings (1st),
					13,663	James Dunlap (2d).
Total	103,226	269,685	78,938	293,973	190,387	

SCHEDULE II

Senator Dennis DeConcini, Schedule of Stocks and Bonds, December 31, 1977

Number of shares and name:	Cost
40 ARCO	$2,432
200 Brunswick Corp.	3,025
2 Southwestern Research Corp.	20
20 E-Systems	420
119 Fidelity Trend	2,500
40 Homestake Mining Co.	1,400
10 IBM	2,692
100 Inter-Island Resorts, Ltd.	516
100 Liberty Corp.	1,772
300 National Airlines	3,750
100 U.S. Filter	1,459
1 State of Israel Bond	1,000
24 Monterey Water Co.	5,400
100 Communication Systems	1,738
800 Valley National Bank	16,062
Total	44,186

SCHEDULE III

SENATOR DENNIS DECONCINI, SCHEDULE OF REAL ESTATE PARTNERSHIP INTERESTS, DEC. 31, 1977

	Total	3-D properties	2-D properties	4-D properties	Deconcini, Hurley	2-D Larriva	3-D Niles	4-D Gallo	Demby properties
ASSETS									
Real estate (at cost or tax basis):									
Depreciable assets:									
Buildings	$611,047	$331,878			$95,551		$33,052		$150,566
Other improvements	64,690	1,515							63,175
Furnishings	12,351	3,273			5,679				3,399
Total	688,088	336,666			101,230		33,052		217,140
Less accumulated depreciation	209,608	153,604			20,481		14,767		20,756
Net depreciable assets	478,480	183,062			80,749		18,285		196,384
Land	775,844	155,820	$55,264	$295,447	48,835	$41,548	8,739	$70,191	100,000
Total real estate	1,254,324	338,882	55,264	295,447	129,584	41,548	27,024	70,191	296,384
Other Assets:									
Shopping Center, Inc., stock	400,000			400,000					
Mortgage notes receivable	234,507		149,091	36,328		28,380		20,708	
Accounts receivable	20,986	6,856		14,105				25	
Prepaid expense	3,510	1,343							2,167
Cash	27,739	1,877	1,428	2,970	5,037	1,206	3,920	9,313	1,988
Total other assets	686,742	10,076	150,519	453,403	5,037	29,586	3,920	30,046	4,155
Total assets	1,941,066	348,958	205,783	748,850	134,621	71,134	30,944	100,237	300,539
LIABILITIES AND CAPITAL									
Long-term debt:									
Mortgage notes due financial institutions	462,882	182,632	28,789	4,875			21,786		224,800
Notes due individuals	546,862	69,372		432,490	45,000				
Total long-term debt	1,009,744	252,004	28,789	437,365	45,000		21,786		224,800
Other liabilities	216,107		[1] 184,203	20,759	453	[2] 10,555			137
Partners' capital:									
Dennis DeConcini	192,675	36,679	(3,604)	71,949	44,584	15,145	1,766	16,706	9,450
Other partners	522,540	60,275	(3,605)	218,777	44,584	45,434	7,392	83,531	66,152
Total partners' capital	715,215	96,954	(7,209)	290,726	89,168	60,579	9,158	100,237	75,602
Total liabilities and capital	1,941,066	348,958	205,783	748,850	134,621	71,134	30,944	100,237	300,539

[1] Condemnation award, deferred gain.

[2] Installment sale, deferred gain.

SCHEDULE IV

Susan DeConcini, statement of financial condition, December 31, 1977

ASSETS

Current assets:		
Cash in banks		$90,700
Securities		57,590
Total current assets		148,290
Real estate investments:		
Buildings and investments, California rentals	78,897	
Less accumulated depreciation	36,768	
Total		42,129
Buildings and improvements, Arizona rentals	66,000	
Less accumulated depreciation	13,523	
Total		52,477
Land, California rentals		39,355
Land, Arizona rentals		110,786
One-half interest in 12 acres, Maricopa County, Arizona		5,220
One-half interest in 5 acres, Maricopa County, Arizona		2,175
One-half interest in 120 acres, Maricopa Garden Farms		48,000
Total real estate investments		300,142
Total assets		448,432

LIABILITIES AND NET WORTH

Liabilities:	
Mortgages payable, California rentals	39,117
Net worth:	
Susan DeConcini	409,315
Total liabilities and net worth	448,432

Dennis DeConcini: Notes to Balance Sheet and Schedules for year ending December 31, 1977:

Note 1. Assets are reported at that basis which would be used in computing gain or loss for Federal income taxes. No attempt has been made to determine the fair market value of the assets.

Note 2. The receivable of $72,026 from the Committee for DeConcini for Senate represents loans made by Dennis DeConcini to the Committee. It is impossible as of this date to determine whether the balance or a portion thereof will be paid.●

SALT TALKS

● Mr. GOLDWATER. Mr. President, we have been reading a lot of reports and speculation these days about the current SALT II treaty negotiations. From all

I can tell at the present time. I have to agree with those who see a strategic disaster looming in the policies of the Carter administration. One thing is crystal clear and that is that we are not negotiating from a position of strength. Another point is that we are approaching this thing from a premise that is entirely different from the one being followed by the Russians. It seems we want a treaty to minimize the risk of nuclear war while the Soviets want a treaty to minimize the risks of our winning a nuclear war.

Mr. President, an excellent article concerning some phases of the SALT negotiations was written recently by Mr. John P. Roche and appeared in the Washington Star under the title "Some Unsavorinesses of SALT." I ask that this article be printed in the RECORD.

The article follows:

SOME UNSAVORINESSES OF SALT

(By John P. Roche)

The average citizen reading about our Strategic Arms Limitations Treaty (SALT) negotiations with the Soviets must wonder if he has been accidentally shipped through time to an early Christian council arguing the nature of the Godhead. The arguments are extraordinarily intricate and the debate quasi-theological, with each side assuming—fully in the tradition of the Christian Fathers—the other is out to pull a fast one.

However, there are some basic considerations that provide perspective on the issues. The first and most important is the difference in premises between Washington and Moscow. We want a treaty to minimize the risk of nuclear war; the Soviets want a treaty to minimize the risk of our winning a nuclear war.

They can be the most forthcoming negotiators in history when, as in 1972, they agreed to cut back ballistic missile defense systems—where we had at least a five-year technological headstart. They will, I'm sure, be glad to freeze development of hunter-killer satellites: theirs are operational; ours on the drawing board.

When they spot a major area of U.S. strategic vulnerability, they move firmly to capitalize on it.

Consider the dispute over the character of their new Backfire bomber. If it is deemed "strategic," then each plane must be considered a nuclear delivery vehicle charged against the ceiling of 2,400 accepted by the U.S. and U.S.S.R. at Vladivostok in November 1974. Thus if the 85 Backfires currently operational are "strategic," the Soviets should deactivate 85 missiles.

The Backfire is an elegant plane with a range of about 5,000 miles and a speed maximum two and half times the speed of sound (Mach 2.5). It is equipped with air-to-surface missiles which have a range of 450–500 miles at Mach 3 and could carry nuclear warheads. Backfire has allegedly been equipped with cones for aerial refueling.

But is it "strategic"? Moscow says "No!" Why? Because they don't plan to employ it in a strategic mode. Gosh, thanks a lot. Besides, they add, it couldn't make it to the United States and back without refueling. They don't point out it could without refueling, make it from a Soviet base to our east coast and, with no layover, to Cuba.

But American negotiators are extremely reluctant to push the Backfire issue. I suspect their rationale is right out of "Alice in Wonderland."

To put it starkly, we have no air defense system. While the U.S.S.R. has deployed over 2,500 interceptors and well over 10,000 surface-to-air missiles (including the new SA-10 which hits Mach 5), we have practically eliminated the SAMs which once sat around cities and have some aging F–106s as our "flying coast guard." A while ago when some Soviet snoops were overflying Atlantic naval maneuvers, the Air Defense Command had to draw on Phantom F–4 fighter-bombers to engage in counter-surveillance.

In short, once we admit that the Soviet Union, like ourselves, has a strategic air command, our nakedness becomes inexcusable. The president of the United States could, I suppose, distribute the World War II training manual on what to do when your unit is strafed by a Japanese Zero: (from memory) "Take cover and fire well ahead of the aircraft. One well-aimed bullet has brought down a plane!" There would be a brawl in Congress over whether the risk really exists or has been invented by mad cold warriors and over who is to blame.

All in all, a messy prospect. Let's take a dive and consider the Backfire just a "heavy medium bomber." This seems to be the logic accepted by the president in current SALT talks.

I have limited my discussion to Backfire because it symbolizes so much of the asymmetrical "bargaining" that has been going on in the SALT talks. A decision that Backfire is not strategic gives the Soviets three discrete victories: first, they don't have to decommission 85 existing missiles (plus two a year—the estimated Backfire production). Second, they know and we know the Backfire is a strategic weapon, a freebee above the Vladivostok limit. Third, except for radar to provide warning of its arrival, we have no air defense system against the plane and predictably nothing will be done to remedy this gap in our defenses.

Politicians share with doctors the ability to bury their mistakes and there is a vast vested interest in covering up this strategic miscalculation. Backfire is therefore defined as a heavy medium bomber not to be employed in a strategic capacity. If you don't believe Cy Vance and Paul Warnke, ask Andrei Gromyko. He hasn't told a serious lie since 1972 when he promised Chairman Kissinger the Soviets would never encourage an Arab attack on Israel.●

DR. W. A. BISSON HEALTH CLINIC

● Mr. SASSER. Mr. President, for more than 30 years, Dr. Wheelock Alexander Bisson has provided faithful service to the people of Memphis and Shelby County.

To demonstrate the widespread appreciation for Dr. Bisson's untiring efforts, the Shelby County Quarterly Court passed a resolution to name a health clinic after him. The W. A. Bisson Health Clinic will be an impressive monument to Dr. Bisson's outstanding service to his community.

Dr. Bisson's dedication to providing quality health care for all, regardless of financial resources, provides an inspiring example of an unselfish and dedicated medical practitioner. For years, Dr. Bisson has worked without pay in the Memphis and Shelby County Health Department's Well Child Clinic for low income families.

Dr. Bisson has already earned many honors for his service. In 1966, he was elected second vice president of the National Medical Association. In 1967, he was given the Practitioner of the Year award by the National Medical Association, and was named Tennessee Doctor of the Year by the Volunteer State Medical Association.

to retire this year. But the W. A. Bisson

At 80 years of age, Dr. Bisson plans Health Clinic will carry on his good work after he retires and his legacy of unselfish dedication will be remembered for generations.

I ask that the resolution of the Shelby County Quarterly Court honoring Dr. Bisson and his biography be printed in the RECORD.

The resolution and biography follow:

RESOLUTION HONORING DR. W. A. BISSON BY NAMING THE WELLINGTON STREET CLINIC FOR HIM

Whereas, Dr. W. A. Bisson has unselfishly served the citizens of Memphis and Shelby County for over thirty years; and

Whereas, Dr. Bisson has donated his services without pay in the Memphis and Shelby County Health Department's Well Child Clinic for low income families; and

Whereas, Dr. Bisson has been the recipient of numerous awards for his dedicated and untiring service to the citizens of Memphis and Shelby County; and

Whereas, The citizens of the Orange Mound community have submitted a petition with over fifteen hundred names requesting that the Wellington Street Health Clinic be renamed for Dr. Bisson, said petition and request being the citizens' manner of showing and expressing their sincere appreciation for Dr. Bisson;

Now, therefore, be it resolved and ordered by the quarterly County Court of Shelby County, Tennessee, That the renaming of the Mitchell Road Health Clinic to the Dr. W. A. Bisson Health Clinic is hereby adopted and approved.

Be it further resolved and ordered, That said name change is an expression of gratitude and honor by the Shelby County Government to Dr. W. A. Bisson.

Be it further resolved and ordered, That the County Mayor and other County officials are hereby authorized to execute any and all documents necessary to effectuate the above name change.

W. A. BISSON, M.D.

Physician: Born in Key West, Florida 1898, son of George Henry Bisson and Sarah Jane Bisson:

B.S. Florida A. & M. University 1922, graduate work at Harvard University, Cambridge, Mass. M.D. Meharry Medical College, Nashville, Tennessee 1929. Married Maude Lee Voorhies on June 2, 1930. Interned at Royal Circle Hospital Memphis, Tennessee 1931–1933, General Practice Memphis since 1933. Clinician Memphis Health Department from 1933 to 1970. He was named Tennessee Doctor of Year by Vol., State Medical Association 1962 and 1963. In 1963 the Vol., State Medical Journal was dedicated to Dr. Bisson.

In 1964 he was given a meritorious achievement award by Florida A. & M. University. On October 28, 1965 Dr. Bisson was honored by the City of Memphis for 35 years of unselfish service. Mayor William Ingram presented him a special citation and Golden Key to the City. The late Dr. Noble Guthrie, Director of Memphis Health Department presented him a plaque and former Tennessee Governor the late Honorable Frank Clement presented him a letter of commendation.

In 1966 he was elected 2nd Vice-President of the National Medical Association. In 1967 he was given the practitioner of the year award by the National Medical Association and also re-elected 2nd Vice-President of that Association at the 72nd Annual Convention at the Chase Park Plaza Hotel in St. Louis, Mo., August 10, 1967. Dr. Bisson is a former State President of The Volunteer State Medical Association. He is also a former State President of the Tennessee Elks. He is a 33 Degree Mason. He is a Member of King Frederick Concistory No. 38. He is a Noble of the Mystic Shrine. He is a member of the Omega Psi Phi Fraternity and an active member of Emmanuel Episcopal Church.

Dr. Bisson holds membership in the American Thoracic Society, The Tenn. Academy of Science, The American Association for the Advancement of Science, The National Public Health Association, The National Medical Association, The Bluff City Medical Society, The Volunteer State Medical Association, The American Medical Association, The Memphis and Shelby County Medical Society, The Tennessee State Medical Association, The National Public Health Association. He also holds membership in the National Rehabilitation Association, The Y.M.C.A., The Boy Scouts of America. He is a paid up life member of the N.A.A.C.P.

Dr. Bisson is Secretary of the Bluff City Medical Society. A position he has held for forty years. He is chairman of the Trustee Board of the Volunteer State Medical Association and also Treasurer of the Association. He is also chairman of the Tuberculosis Committee and the Legislative Committee of that Association. Dr. Bisson is a member of the National Sickle Cell Anemia Committee of the Pediatric Section of the National Medical Association. He is also a member of the Cynthia Milk Fund Committee which is the oldest newspaper charity organization in the city of Memphis. This organization supplies free milk to all the needy infants and children in the city of Memphis and Shelby County, Tennessee.

Dr. Bison is listed in Personalities of the South and Southwest. He is listed in Who's Who in America. He is listed in Tennessee Lives, The Volunteer State Historical Record. He is listed in the Dictionary of International Biography. He is also listed in Community Leaders of America. Dr. Bisson is a Fellow of the International Biographical Association. He is also listed in 2,000 men of Achievement. Dr. Bisson is a member of the International Platform Association, The Intercontinental Biographical Association. He is listed in the National Register of Prominent Americans and International Notables.●

HUMAN RIGHTS AND U.S. FOREIGN POLICY

● Mr. CURTIS. Mr. President, recently a great deal of publicity has been focused on the United States' relationship with South American countries. President Carter has declared "a new cooperative relationship with all of Latin America." This new cooperative relationship with Latin America has resulted in the President negotiating two treaties that will turn over control of the Panama Canal, a canal that is vital to this Nation's interests, to the Republic of Panama. Much attention has been focused on this new relationship between the United States and Panama. Far less attention has been focused on the United States' relationship with another Latin American country, Nicaragua. The American public should become aware of the Carter administration's new relationship with Nicaragua. Because despite Nicaragua's long relationship with the United States and the current government of President Somoza's championing of American interests, the Carter administration has chosen Nicaragua as a "test case" for its human rights initiatives.

The State Department has reported that it will request no military sales credits for Nicaragua for fiscal year 1979 and it will reduce its budget for military training from $600,000 in 1978 to $150,000 for 1979. This radical move against a traditional ally of the United States is apparently due to the Carter administration's desire to punish countries that do not live up to the Anglo-American legal system's definition of human rights.

Apparently the Carter administration has forgotten or deems unimportant the fact that the United States and Nicaragua have had a close association since the mid-19th century and that Nicaragua has twice served as a staging base for American operations against communism in Latin America. In World War II it provided the United States with valuable raw materials for our war effort and during the Korean and Vietnam wars it provided the United States with troop support. Today, at a time when many Latin American countries are seizing and nationalizing American businesses, Nicaragua has welcomed U.S. businesses to their country. While other Latin American countries have become alined with Havana or Moscow, Nicaragua has been a staunch ally to the United States. Nicaragua and the government of President Somoza have played a stabilizing role in Latin America.

This traditional ally of the United States is now being punished for its alleged human rights violations by the Carter administration decision to reduce U.S. arms sales to Nicaragua. These alleged violations are measured by the Anglo-American legal system's idea of what constitutes human rights and often do not take into consideration the differences in political and judicial systems found in other countries. The result is that many countries feel the United States is intruding into their sovereignty and involving itself in their internal affairs. Many countries, such as Brazil and Argentina, renounced agreements with the United States following criticism of their human rights policies. Nicaragua has been one of the most responsive countries to U.S. pressure to conform to our definition of human rights and increase the individual's rights in Nicaragua.

It has recently made great strides forward in human rights. The 3-year state of siege which was instituted following guerrilla assaults in 1974, was lifted the summer of 1977. The charges of serious rights violations by the Nicaragua National Guard have decreased lately and in recent testimony before the House International Relations Subcommittee, Deputy Assistant Secretary of State Sally Shelton testified that Nicaragua's human rights record had improved markedly and that the Nicaraguan National Guard had behaved in a restrained manner since the rioting and strikes which followed the death of publisher and opposition leader Pedro Joaquin Chamorro. The result of the loosening of rights and adherence to the Anglo-American definition of human rights has been a growing unrest in Nicaragua and a renewal of terrorist attacks by the Sandinist National Liberation Front, a "liberation" group heavily bankrolled by Fidel Castro.

This attachment of human rights violation evaluations to military credit sales programs has led not only to cancellation of agreements with the United States by countries who feel the United States is intruding into their internal affairs but it has also forced former allies into exploring military agreements with European and Soviet suppliers. The Soviet military deliveries to Latin America have risen sharply in the last 5 years. In 1972 military arms deliveries to Latin America from the Soviets were negligible, but in 1974 they had risen to $25 million worth and in 1976 they rose to $80 million worth.

The danger in the Carter administration's human rights initiative is that a double standard is emerging. The United States in its quest for human rights has intruded upon the sovereignty of nations and their internal affairs. This has had the result of damaging relations with our allies but having no real effect within nations like Russia, Mainland China, Vietnam, and Cuba, whose political opposition and press is controlled and who are not dependent on American aid plans. The United States in its efforts to reopen diplomatic relations with Cuba and deride "inordinate fears of communism" has welcomed countries with far worse records of human rights violations.

The United States and Cuba have opened up interest sections in Washington, D.C., and Havana as a prelude to reopening diplomatic relations with Cuba, despite reports from Amnesty International that there are 20,000 political prisoners in Cuban jails, men and women of the revolution, rotting there for 16, 18, and 20 years for the crime of criticizing Castro. Ugandan pilots continue to be trained in the United States, despite the long list of human rights violations by Uganda's Idi Amin that prompted President Carter to remark that "Uganda's actions has disgusted the entire civilized world." Yet it is reducing aid to Nicaragua, a longtime friend to the United States and a strategic ally in Latin America.

The Carter administration's human rights initiative may have a noble purpose but by linking human rights violations with U.S. aid and military credit sales programs, it has had a detrimental effect on U.S. foreign policy. This policy of using U.S. aid and military sales credits to enforce human rights initiatives should be reevaluated. Reevaluated to insure that alleged human rights violations are based on fact, not rumor. Reevaluated to insure that the definition of human rights takes into consideration the different social, political, and legal systems of each country. Reevaluated to take into account whether or not the individual countries are making efforts to correct past human rights violations and extend the rights of individuals within the country, reevaluted to insure that a double standard of ignoring human rights violations in some countries while strictly enforcing the human rights initiative in others does not occur.

If the Carter administration continues to enforce its human rights initiatives in this manner, then U.S. foreign policy is in grave danger.●

UNIQUE CANCER SERVICES IN MINNESOTA

● Mrs. HUMPHREY. Mr. President, our country has a restless and enterprising citizenry. Our citizens also exhibit a sense of compassion and the willingness to extend a helping hand to other people. By combining these two features some unique and innovative aproaches to service have evolved.

I want to bring to the attention of the Senate a program that is underway at North Memorial Medical Center in Minneapolis, Minn. Under the major program of cancer services at the hospital, they have instituted two support programs to help the individual and the family cope with the devastating effects of cancer.

I believe that my colleagues will find this program of social service of interest as we consider legislation along these lines. We must remember that these types of beginnings need nurturing so that in time they may come to fruition for all our people.

Mr. President, I ask that a brief description of this innovative aproach to a very serious human problem be printed in the RECORD.

UNIQUE CANCER SERVICES IN MINNESOTA

Cancer Services, at North Memorial Medical Center in Minneapolis, is single minded in its purpose to help persons who have cancer, and their families, to live with this disease. This program is based on the belief that cancer is a chronic, treatable disease. It has been found that by helping people learn to cope, they regain control over their lives and are strengthened by this ability.

An essential factor in these services is the continuity of care as patients and families move from an in-hospital care setting back to their home and community. However, a wide range of activities is offered within Cancer Services. To facilitate the various programs, health care professionals are employed.

Providing a cancer support group is an important part of the program of the Cancer Services. Cancer tends to isolate individuals in their thought processes and in their true feelings from either family or friends, greatly increasing emotional stress.

Through the "Share and Care" group, people are able to share these feelings with others who have similar problems. For one hour each week, group members, along with an oncology nurse, a social worker, a nurse educator, and a chaplain, meet to learn together so that patients can adapt to living with their cancer.

Participants determine the format of each meeting, the topics discussed, and the questions asked. The concern and support of the group goes beyond these meetings.

The group members also serve as advocates to newly diagnosed cancer patients. They support each other when there is a recurrence or a change in treatment.

Some serve on advisory boards for cancer programs and as volunteers for the American Cancer Society. Together, these people are learning to live with, not in spite of, their chronic disease. When one of them dies, they have learned to recognize that death is also a part of life.

The opportunity to study about cancer and its related problems was the basis of a second program offered by Cancer Services at the Center. "I Can Cope" is a structured twelve hour educational course for persons with cancer and their families. The Minnesota Division of the American Cancer Society partially funded the original research for this program, when it was first developed and implemented in April, 1977 by two Minnesota nurses, Judi Johnson and Nat Norby. It now is offered at the Center every three months. The first goal of the course was to help cancer patients help themselves by learning to live with their chronic disease.

The sessions are based on information from cancer patients. The course contains information requested by people with cancer interests. Additional facts and viewpoints were gathered from up-to-date professional literature as well as from other existing disease programs such as asthma, diabetes and heart disease.

The purpose of the course is to:

Help patients and their families learn to cope with the disease of cancer;

Help them interrupt the focus on internal anxieties and re-focus on external life continuing processes;

Learn what the disease is and the different methods of treatment;

Learn how to handle stress;

Learn how family members can help one another; and

Learn about resources that can help.

Formal evaluation data from the pilot study provides experimental evidence that the use of a structural educational program does help people to adapt to living with their cancer. Study results showed that people who have taken the course increased their knowledge about cancer, increased their sense of purpose in life, and their level of anxiety decreased. Results of in-depth interviews showed that the course gave participants a greater appreciation of life and a more positive attitude toward living.

In April, 1978, these two innovative programs were presented by Ms. Norby and Johnson at the Annual Meetings of the American Society of Clinical Oncology, The American Association for Cancer Research, and the Oncology Nursing Society. The Minnesota Division of the American Cancer Society has contracted to have the content and material of the "I Can Cope" course packaged as a training manual. This will enable other health care professionals to adapt this material to their use.

On the national level the Office of Cancer Communication of the National Cancer Institute has been working on effective and positive programs to help cancer patients and their families during this stressful time. A state of the art paper, Coping With Cancer, A Sourcebook for the Health Professional, will soon be finished.

Out of the dire needs of others, Cancer Services has developed into an eminently thoughtful and caring program at North Memorial Medical Center. The current support programs, "Share and Care" and "I Can Cope," have been invaluable in helping to meet the individuals' stress through learning to live and die with cancer.●

GABRIEL LEWIS

● Mr. HOLLINGS. Mr. President, many people made important contributions to the ratification of the Panama Canal Treaties. Many of these contributions have been recognized; for others, praise has gone unsung. But no one played more vital a part than Panama's outstanding Ambassador to the United States, Gabriel Lewis. The length of Ambassador Lewis' tenure in Washington has been short. He arrived only a year ago, and already he is departing. But without his tireless energy, his innovative diplomacy, and his friendly demeanor, the job of ratifying the canal treaties would have been immeasurably more difficult—perhaps impossible.

The story was told very well in last Sunday's edition of the Washington Post by Haynes Johnson. I think it is an account that should be widely circulated and read, and for that reason I ask that the article, from the May 7 Washington Post, be printed in today's edition of the RECORD.

Ambassador Lewis arrives home in Panama to the grateful appreciation of his people. For them he has helped turn a dream of 75 years into a reality. He leaves the United States with the appreciation of everyone who has been involved in the long and arduous ratification process. He takes his leave from our Capitol City sooner than anyone anticipated. But he got the job done while he was here, and now he moves on. He has been the right man in the right place at the right time for the past year, and I count myself fortunate in having had the opportunity of knowing and working with this extraordinary man and Ambassador. Everyone in Panama, everyone in the United States, is in his debt for a job well done.

The article follows:

ROOKIE DIPLOMAT WINS ONE IN THE BIG LEAGUES, THEN RETIRES

(By Haynes Johnson)

Exactly one year ago Gabriel Lewis arrived in Washington, brimming with energy and an understandable sense of trepidation. He was an unknown, taking on a tough and delicate mission in a field in which he was unfamiliar. Now he's heading home, mission accomplished, and carrying with him the affection of a wide range of Washington types who operate in this hard and cynical city.

He's a success story in what seems a day of failures. More important, he's a reminder that the old saw about good guys finishing last isn't always true.

The manner of his departure is as striking as his arrival. In a city where longevity counts more than originality and official status often rates higher than personal competence, Gabriel Lewis offers a refreshing exception. He's leaving just when his own personal prestige and status have risen, and the prospect of a comfortable Washington tenure beckons.

None of that seemed at all certain just a year ago. Then Lewis stood at the bottom of the State Department's protocol list, or "Order of Precedence" as the ranking of diplomats is stuffily called. His assignment was unenviable: to carry the case of Panama into the charged atmosphere of domestic American politics.

He had been in Washington less than two weeks when the call came to present his credentials as Panama's new ambassador to Jimmy Carter in the White House. Lewis, a man of unbounding exuberance, was elated. He would have an immediate chance to give his views on passage of a new Panama Canal treaty. His hopes were shortlived. The State Department told him there wouldn't be time to discuss substantive issues with the president; the meeting was a formality—a polite hello, a quick goodbye.

Carter had been in Europe when the White House visit was scheduled. But as soon as he came back, the president took a direct hand. He told the State Department he wanted the meeting with Lewis to be more than ceremonial; it should be a chance for a serious discussion of the canal treaty issues. Lewis was so instructed.

The ambassador was nervous when he entered the Oval Office.

"I apologized to him," he remembers. "I said, 'Mr. President, I'm not a diplomat. Forgive me if I make a breach of etiquette. I don't know much about protocol. I'm a

businessman, and I don't have a background in this type of work.' "

Carter replied: "Look, don't worry about that. I'm a farmer. I don't know anything about protocol, either."

The president made a further statement as he received the credentials: he meant business about the canal issue. "He was "willing to put all of his prestige on the line over the canal. That's what he told me," Lewis recalls.

From that moment, Gabriel Lewis' life became a whirlwind of activity as he participated in one of the more unusual diplomatic missions of our times.

Looking back now, Lewis seems to find it hard to absorb. He shuttled between Panama and Washington some 30 times. From personal obscurity and beginning as a novice at diplomacy he quickly found himself consulting intimately and frequently with the mighty—in the Pentagon, in the State Department, in the White House.

For nearly eight months until the denouement his stocky, jaunty figure became so familar that White House guards greeted him with "Hi'ya, Gabriel" as he made his executive office rounds. He was averaging four White House visits a week in those months—surely more diplomatic appointments than any other ambassador of the Carter presidency, and what must rank as among the more frequent high-level diplomatic contacts in our history.

As the treaty fight grew more complex—and endangered—Lewis' dealings became increasingly intricate. The early perception that all the problems would be resolved with the actual signing of the treaties in Washington, amid the glare of the TV cameras, quickly dissipated. Ratification was going to be more difficult than even he anticipated.

There was the private White House coordination to be considered; there was the sensitivity of the Senate, and the necessary massaging of egos; there was the political opposition to be countered.

Lewis, with the assistance of the White House, worked at organizing Senate tours in Panama Group after group went until 55 senators in all had made the trip, each one personally led by Lewis.

"We wanted them to see that another country cannot have another country inside its borders," he explains. "We wanted to show them—look, if you're a fair people, I'm sure you wouldn't like this type of arrangement. It's emotional. It's like not wanting your neighbor to be all day in your kitchen."

The real crisis came, of course, at the end when the Senate adopted language by the freshman legislator from Arizona, Dennis DeConcini, that raised all the old fears in Latin America about Yankee intervention and gunboat diplomacy.

The situation became so sticky that Lewis found himself in the midst of a melodrama—secret flights in rented jets under assumed names to an abandoned U.S. military base in Florida; clandestine gatherings on strategy, with the adoption of codes to be used in communicating progress on the treaty battle; pre-arranged public announcements to hide goings and comings and throw a pursuing press off the real story.

And the climax of all this secret scurrying came in Frank Church's Senate office, with Majority Leader Robert Byrd kneeling on the floor and bending over a low desk to draft language that would break the impasse and be acceptable both to Panama and the U.S. Senate. There were five drafts until the final one was worked out on Sunday, April 16.

"Byrd told me that if we accepted that language he was willing to fight for it even if he had to go down with it," Lewis remembers.

The language was coded and dispatched to Panama. Back came the reply from Panama's leader, Gen. Omar Torrijos: "La Mula Tumo a Genaro—the donkey threw the horse." Agreement, acceptance, followed by another message to Byrd: "You're the captain. Take the ship to port and you can be sure I'll have the pier in the right place."

Gabriel Lewis is now packing his bags, winding up his affairs and getting ready to leave. He's resigning as ambassador, and going back to his paper and box manufacturing business. He's an emotional person, and he views what happened in those terms. He speaks with an old-fashioned fervor:

"This has been the year in which I've met the most interesting people in my life. I have found that the American people are really people that believe in fair play, in not doing to others what they don't like being done to themselves. And the proof of that is the approval of the canal treaties.

"I dreamed about this the whole time, because I could visualize my country going to pieces if this was not done. I love my country very much, and now it's time to go back to another part of my life. After everything that's happened this year, the job as ambassador would be very dull. So I have to look for action somewhere else."

He takes away his memories, and the good will of many. That's better than can be said about many other departures from Washington. And he carries with him one treasured memento. It's a photograph, taken the final day in the White House, with the inscription "To Gabriel from his friend Jimmy Carter." Underneath the president wrote a postscript: "We both won."

And so they did.●

JUDGE WILLIAM O. BEACH

● Mr. SASSER. Mr. President, I am delighted to bring to the attention of my colleagues the election of Judge William O. Beach of Montgomery County, Tennessee, as president of the National Association of Regional Councils. The NARC plays a major role in the development and implementation of domestic policy throughout the country.

Adding to this honor and distinction is the fact that he is also serving as president of the National Association of Counties. To my knowledge, this is the first instance of a person serving in these two positions at the same time.

As a fellow Tennessean, I am proud that my friend Bill Beach has reached this high level of achievement. As a legislator, I am encouraged that Congress will be able to draw on the resourcefulness and the insight of this man in his capacity of national leadership.

An honor graduate of Vanderbilt Law School, William O. Beach held city and county judicial offices before being elected Montgomery County judge in 1961. He served as president of the Tennessee County Judges Association in 1965 and of the Tennessee Mental Health Association. He was a member of the Tennessee Judicial Conference and American Judicature Society from 1961 to 1974, and of the Tennessee Law Enforcement Planning Commission from 1970 to 1971. Currently, Judge Beach is a member of the board of the Tennessee County Services Association and is in his third 4-year term as vice chairman of the State board of tax equalization.

His expertise, knowledge and experience at the regional level comes from his service as President of the Mid-Cumberland Council of Governments and and Mid-Cumberland Development District from 1969 to 1970, his membership in the Mid-Cumberland Regional Health Planning Conference from 1967 to 1971, his current membership on the board of directors and as finance chairman of the Middle Tennessee Health Systems Agency.

Nationally, Judge Beach has served as chairman of the National Citizen Advisory Board on Youth Opportunity and as a member of the Advisory Commission on Intergovernmental Relations. Prior to his recent election, Judge Beach served as second vice president of the National Association of Regional Councils.

Judge Beach is energetic, he is imaginative, and he is determined to have a positive impact on the way this Government works. With his dual national roles as President of the National Association of Counties and President of the National Association of Regional Councils, Judge William O. Beach has the opportunity to bring his wisdom and his energy to bear on the problems that confront us as a nation. We would all do well, Mr. President, to listen carefully to his advice.●

LEGAL SERVICES FOR THE ELDERLY NOW UNDER CONSIDERATION BY CONGRESS

● Mrs. HUMPHREY. Mr. President, legal services for seniors are a local priority in nearly every region of Minnesota. Several areas now have senior citizens legal projects but only a fraction of the older persons in the State can presently be served. Several successful projects which have been funded under title III of the Older Americans Act are reaching the end of the 3-year funding cycle. The future of legal services for seniors, especially in the rural areas, depends in large part on the passage of legislation such as Senator KENNEDY's bill S. 2394.

I am a cosponsor of S. 2394 and S. 2969, Senator CHURCH's Older Americans Act Amendments of 1978, which incorporates the Kennedy proposal as a separate legal services section under title III. Under these measures, appropriations of $75 million would be authorized over 3 years for legal services.

I believe that the Older Americans Act should be made more responsive to the needs of the elderly. The establishment of a well funded legal services program for seniors would greatly enhance the Older Americans Act.

S. 2394 is designed to make more readily available legal services—to middle income aged—and fees to fund services when a legal problem occurs. Unfortunately, the middle income aged frequently have too much income to qualify for existing legal services programs but not enough income to pay attorney fees. This legislation will complement existing legal service corporation programs serving the elderly poor.

The Minnesota Board on Aging has an-

nounced its strong endorsement for such a legal services program. The elderly not only face the same legal problems as other citizens. They also experience legal problems that are unique to their age group—for example, age discrimination in employment, protection with respect to nursing home care, involuntary commitment, and enforcement of pension rights.

The Kennedy/Church proposals, which I fully support, would authorize grants to State agencies on aging to support a staff person within the agency to oversee and coordinate the delivery of legal services to the elderly and provide legal advice and technical assistance on a wide range of issues. Authorizations would be in the amount of $20 million for fiscal year 1979, $25 million for fiscal year 1980 and $30 million for fiscal year 1981.

All too often, when seniors reach retirement age and start to rely upon Federal programs—such as supplemental security income, social security, medicare, railroad retirement, and other Government pension and retirement programs—legal problems surface. The elderly are often confused by the numerous regulations, guidelines, and application requirements. It is a sad fact that some needy seniors forefit their rights because they are unable to obtain legal assistance. The provision of legal recourse and guidance for the elderly is our responsibility.

Although there already are several successful legal service projects which have been funded under title III, only a fraction of older persons can presently be served. I encourage my colleagues to support these measures. Legal services projects have a great potential for helping seniors to help themselves and improve access to a multitude of other services.●

FULL VOTING REPRESENTATION IN CONGRESS FOR THE DISTRICT OF COLUMBIA — CASUALTY FIGURES FOR THE VIETNAM WAR

● Mr. KENNEDY. Mr. President, House Joint Resolution 554, now on the Senate Calendar, would amend the Constitution to enable citizens of the District of Columbia to elect Members of the Senate and the House of Representatives.

One of the most important arguments in favor of House Joint Resolution 554 is contained in the statistics of the Department of Defense on casualties in the Vietnam War. The figures indicate that 237 citizens of the District lost their lives in Vietnam. That casualty level is higher than the levels for 10 States—Alaska, Delaware, Idaho, Nevada, New Hampshire, North Dakota, Rhode Island, South Dakota, Vermont, and Wyoming.

The people of those 10 States, and of every other State, were represented in the House and Senate throughout the period of the Vietnam War. These people had a voice in the decisions of Congress on the war, decisions that affected the lives of so many thousands of their citizens who were asked and compelled to serve their country in that war. But the 700,000 citizens of the District of Columbia had no such representation and no such voice.

Mr. President, we cannot remedy that injustice for the past. But we can do so for the future. At a time when Congress exerts such a profound and growing influence over so many different aspects of American life, the people of the District of Columbia have a right to be heard in our deliberations. House Joint Resolution 554 would give them the voice they deserve.

Mr. President, I ask that a table showing the State-by-State casualty figures for the Vietnam War be printed in the RECORD.

The table follows:

CASUALTIES INCURRED BY U.S. MILITARY PERSONNEL IN THE VIETNAM WAR (JAN. 1, 1961, THROUGH SEPT. 30, 1977)

State	Hostile deaths	Nonhostile deaths	Total
Alabama	973	214	1,187
Alaska	38	17	55
Arizona	495	109	604
Arkansas	475	105	580
California	4,502	970	5,472
Colorado	489	120	609
Connecticut	492	98	590
Delaware	103	17	120
District of Columbia	183	54	237
Florida	1,546	359	1,905
Georgia	1,266	284	1,550
Hawaii	223	51	274
Idaho	159	51	210
Illinois	2,361	522	2,883
Indiana	1,257	256	1,513
Iowa	685	135	820
Kansas	499	115	614
Kentucky	850	189	1,039
Louisiana	701	171	872
Maine	263	69	332
Maryland	822	174	996
Massachusetts	1,067	236	1,303
Michigan	2,201	402	2,603
Minnesota	878	175	1,053
Mississippi	502	128	630
Missouri	1,111	273	1,384
Montana	197	63	260
Nebraska	304	82	386
Nevada	122	22	144
New Hampshire	176	42	218
New Jersey	1,192	246	1,438
New Mexico	318	74	392
New York	3,333	710	4,043
North Carolina	1,288	292	1,580
North Dakota	157	37	194
Ohio	2,486	543	3,028
Oklahoma	817	158	975
Oregon	560	132	692
Pennsylvania	2 492	581	3,073
Rhode Island	167	33	200
South Carolina	725	158	883
South Dakota	141	46	187
Tennessee	1,058	219	1,277
Texas	2,710	622	3,332
Utah	285	68	353
Vermont	79	21	100
Virginia	997	276	1,273
Washington	823	196	1,019
West Virginia	582	133	715
Wisconsin	937	196	1,133
Wyoming	96	21	117
Total	46,182	10,265	56,447

●

MINNEAPOLIS PEDESTRIAN SAFETY PROGRAM FOR SENIORS

● Mrs. HUMPHREY. Mr. President, the Minneapolis Police Department, Senior Citizen Centers of Greater Minneapolis, Inc., and other civic minded local organizations have taken the initiative to sponsor a "Step Rightly" program aimed at making seniors more aware of the "rights and wrongs" of pedestrian activity.

The majority of the pedestrians killed on Minneapolis streets are senior citizens and, what is worse, the number of senior traffic victims has increased dramatically in recent years.

Statistics from the Minneapolis Police Department show that most senior citizen accident victims are struck at intersections by cars making left turns. One police officer explained that—

Older people tend to watch their feet and the ground when crossing streets, instead of the traffic.

He added that several accidents have occurred when people stepped off buses and attempted to cross in front of a bus or behind it rather than moving to the sidewalk and crossing after the bus had departed.

These facts have prompted the creation of a hard-hitting educational program designed to reduce the toll among senior citizens. I wish to commend the various community organizations in the Minneapolis area for initiating the "Step Rightly" program and urge other cities to develop pedestrian safety programs for the elderly in their communities.●

TRIBUTE TO TOM ANDERSON: A GREAT SPORTSWRITER

● Mr. SASSER. Mr. President, recently sports fans throughout Tennessee mourned the passing of one of the great sportswriters of our time, Tom Anderson of the Knoxville Journal.

Tom was a great wordsmith and a keen student of human nature. He had the uncanny ability to see the human side of sports and the good humor to point up the amusing side, not only in sports but in other dimensions of life.

It has been said that Tom Anderson could have made more money in other places because of his writing skills and his wit. But he chose to remain in Knoxville with the people and the paper he loved.

Tom brought smiles and chuckles to thousands of Tennesseans everyday—and it is sad indeed to mourn the passing of this fine man. I want to extend to his wife and the other members of his family this expression of sympathy in their loss and bereavement.

I would like to place in the RECORD an editorial from the Knoxville Journal commenting on his passing. The editorial follows:

TOM ANDERSON

Perhaps no newspaper writer in the history of Knoxville journalism ever entertained his readers over a longer period of time than Tom Anderson, who died this past Sunday at the age of 75.

Tom's career spanned 40 years, from 1938 until shortly before his death. Two generations of Knoxville Journal readers looked forward each morning to his column, Up Close, expecting the best in wit and writing style, and he never disappointed them.

Tom was more than just a sportswriter. Although sports was the main theme of his articles, he often branched into other areas of the contemporary scene. He was a humor-

ist, a commentator, a critic, and, above all, a gifted writer of enormous natural talent.

He despised hypocrisy, and he enjoyed pricking the bubbles of inflated egos. But at heart he was a very gentle and shy man, and his barbs never sank deeply enough to hurt anyone. The Journal and its readers will miss him.●

HOW UNITED STATES CAN BOOST EXPORT TRADE, STRENGTHEN DOLLAR

● Mr. STEVENSON. Mr. President, I call to the attention of my colleagues an article by Senator BROOKE which appeared in the Boston Globe on May 1. Senator BROOKE calls for a national export policy to help reduce our mounting trade deficit and suggests a number of measures the Federal Government can take to increase U.S. trade competitiveness.

The Subcommittee on International Finance has been holding hearings on export policy for several months. Additional hearings are scheduled for May 16 and 17, on high technology exports and research and development and on foreign barriers to U.S. exports. The hearings have attracted interest, and I am hopeful that the recommendations which will result from the subcommittee's study will attract strong support.

Mr. President, I ask that the article by Senator BROOKE be printed in the RECORD.

The article follows:

HOW U.S. CAN BOOST EXPORT TRADE, STRENGTHEN DOLLAR

(By EDWARD W. BROOKE)

The United States continues to run an enormous trade deficit, $9.5 billion for the first three months of this year, and the value of the dollar in the international exchange markets has yet to stabilize, despite massive intervention by both the Federal Reserve System and European central banks.

Though there are several long-term steps that can be taken to redress the trade imbalance, including energy conservation and the development of alternative energy sources, one obvious and immediate step is to promote US exports vigorously.

Despite the fact that the United States is still the world's biggest exporter, our share of total world exports has declined significantly from 28.6 percent in 1960 to 19.9 percent in 1977. Furthermore, US exports grew only 4.6 percent last year, the lowest growth rate since 1971, while the exports of our major competitors grew up to five times as fast.

The decline in United States export performance can be attributed largely to the aggressive export policies of our trading competitors and to the lack of any real national export policy in this country.

Export credit assistance offered by other nations goes far beyond what the United States offers. Such assistance includes mixed credits (combining Export credit and foreign aid), inflation and exchange-rate fluctuation, insurance, foreign content and local cost financing and large credit lines that are available for extended periods.

It is obvious that we need to reassess our thinking on exports and recognize that export growth must be an integral part of any plan to deal with the trade deficit.

A well-defined national export policy, stating objectives and establishing priorities, should be the first step.

Further, we should:

(1) Reauthorize the Export-Import Bank and increase its commitment authority. We should also encourage the bank to offer competitive rates and terms to those offered by similar export credit agencies abroad whenever necessary to avoid the loss of an export due to a financing decision.

(2) increase our export promotion efforts, by restructuring and coordinating the present programs of Commerce, State, and Eximbank and by educating small- and medium-sized businesses and regional banks in the art of exporting, identifying potential export markets for US products and services, providing complete foreign country economic and market data and utilizing US embassy personnel overseas.

(3) Continue to negotiate for trade liberalization and the elimination of predatory export credit practices in international forums such as the Multilateral Trade Negotiations and the OECD, as well as in bilateral negotiations. A strong US export posture will increase the likelihood of reaching a new international consensus on export promotion and credit practices.

(4) Not phase out the Domestic International Sales Corporation (DISC) program. DISC stimulates US exports by providing a tax incentive for US companies to expand their export operations and by partially offsetting the substantial tax advantages provided our foreign trading competitors by their governments.

(5) Examine our antitrust laws to determine whether they unnecessarily limit the ability of our exporters to compete. We should reappraise the Web-Pomerenc Act, which was enacted in 1918 to promote exports but which has been used only sparingly. We should consider changes in the act to encourage its utilization.

(6) Increase government support of research and development in high technology areas. Our comparative trade advantage historically has been in R & D intensive products. R & D expenditures (as percent of GNP), though, have declined steadily in the US for the past 10 years compared with increases of 40 percent and 74 percent, respectively, in Germany and Japan during the same period.

We cannot continue to run a huge trade deficit or allow the dollar to remain unstable for any length of time. To do so could result in higher inflation, loss of jobs, greater protectionist pressures and a slowdown of economic growth worldwide. These dangers can be avoided if we move expeditiously to implement an export-oriented trade policy. And by making clear our intention to redress our trade imbalance, we can send a signal to the foreign-exchange markets that the dollar will continue to be a sound medium of exchange for international transactions.●

WORLD CITIZENS ASSEMBLY SUPPORTS THE U.N. SPECIAL SESSION ON DISARMAMENT

● Mr. CRANSTON. Mr. President, the United Nations General Assembly will hold a special session devoted to disarmament this May and June—only the 9th special session held in the 33-year history of the United Nations. My deep hope is that this session will focus attention of all nations on the great challenges facing our common goal of a peaceful world.

Much of our own national energy has been focused on the SALT talks, a bilateral forum for discussing only strategic nuclear weapons. This focus is understandable given the immense destructive potential of these weapons.

At the same time, however, all nations are involved to some degree in a continuing arms buildup—of the most sophisticated conventional to the most bizzare and highly technical weapons.

While we strive to reach a good SALT II agreement with the Soviet Union which would, for the first time, mandate the destruction of existing nuclear weapons, both countries are developing weapons which could destroy the very satellites by which we verify existing arms control agreements.

We have initiated bilateral negotiations to stop these antisatellite weapons, but past experience shows that reaching agreement will be a long hard process.

But, I am optimistic that peoples throughout the world will continue to commit themselves to reversing the arms race. The fact that this U.N. special session on disarmament will be held is evidence of the commitment by many.

The World Citizens Assembly, a group of distinguished supporters of the special sessions, has its secretariat in my State of California.

At the second World Citizens Assembly meeting in Paris last July, the 600 delegates, representing 25 countries, unanimously adopted a resolution which it has presented to the Secretary General of the United Nations.

Mr. President, I ask that the World Citizens Assembly's resolution and list of distinguished sponsors of the resolution be printed in the RECORD in recognition of the great efforts made by this group on behalf of world peace.

The resolution and sponsors follow:

WORLD CITIZENS ASSEMBLY RESOLUTION TO END THE ARMS RACE

"The future of mankind depends on the capacity of the present generation to realize this interdependence (the link between disarmament, development, and security) and take urgent action at the international level to achieve the necessary progress in disarmament."—Kurt Waldheim, Secretary General, United Nations

Whereas, the priority task facing the world community is to stop the arms race; to achieve drastic reductions in military expenditures, together with programs converting the arms industry into peaceful production; and

Whereas, it is essentially through ending the arms race that a new world economic order can be funded which will provide a more equitable distribution of the world's wealth and resources, and assure an improved quality of life for the people of the earth; and

Whereas, negotiations between the major powers, including the SALT agreements, have failed to slow the arms race, and the world arms trade continues to escalate; and

Whereas, concrete steps toward controlled disarmament can lead to a strengthened United Nations with the authority to settle disputes between nations through the framework of world law; and

Whereas, the central purpose of the United Nations Charter is to end the scourge of war, the corollary is to implement this principle by all peaceful means;

Therefore, be it resolved that the World Citizens Assembly, meeting with 600 delegates from 25 countries in Paris, July, 1977, appeals to all peoples, all governments, and all NGOs to support the United Nations General Assembly on Disarmament in 1978; to arouse public opinion through persuasion and direct action, in order to insure that this most crucial Assembly attains positive results;

Further, be it resolved that the World Citizens Assembly, seeking a significant input at the Special Assembly on Disarmament, appeals to the Secretary General and the organizers of the Special Session to permit the full participation of peoples' organizations as well as governments in this historic opportunity to save humanity.

The following list of individuals and organizations have endorsed the World Citizens Assembly Resolution to end the arms race:

NOBEL LAUREATES

Dr. Hannes Alfven, 1970 (Physics), Swedish.

Dr. Christian Anfinsen, 1972 (Chemistry), American.

Dr. Kenneth Arrow, 1972 (Economic Science), American.

Lord Philip Noel-Baker, 1959 (Peace), British.

Sir Frank Burnet, 1960 (Medicine or Physiology), Australian.

Mairead Corrigan, 1976 (Peace), Irish.

Dr. Andre Cournand, 1956 (Medicine or Physiology), American.

Dr. Christian de Duve, 1974 (Medicine or Physiology), Belgian.

Dr. Paul Glory, 1974 (Chemistry), American.

Dr. Ilya M. Frank, 1958 (Physics), Russian.

Dr. Ragnar Granit, 1967 (Medicine or Physiology), Swedish.

Dr. Albert Szent-Gyorgyi, 1937 (Medicine or Physiology), Hungarian-American.

Dr. Odd Hassel, 1969 (Chemistry), Norwegian.

Dr. Alfred Hershey, 1969 (Medicine or Physiology), American.

Dr. Gerhard Herzberg, 1971 (Chemistry), Canadian.

Dr. Dorothy Crowfoot Hodgkin, 1964 (Chemistry) British.

Dr. Francois Jacob, 1965 (Medicine or Physiology) French.

Dr. Brian Josephson, 1973 (Physics), British.

Dr. Alfred Kastler, 1966 (Physics), French.

Dr. Wassily Leontief, 1973 (Economic Science), American.

Dr. Konrad Lorenz, 1973 (Medicine or Physiology), Austrian.

Dr. Salvador Luria, 1969 (Medicine or Physiology), American.

Dr. Andre Lwoff, 1965 (Medicine or Physiology), French.

Sean MacBride, 1974 (Peace), Irish.

Dr. Rudolf Mossbauer, 1961 (Physics), German.

Dr. Robert Mulliken, 1966 (Chemistry), American.

Gunnar Myrdal, 1974 (Economic Science), Swedish.

Dr. Severo Ochoa, 1959 (Medicine or Physiology), American.

Dr. George Palade, 1974 (Medicine or Physiology), American.

Dr. Linus Pauling, 1954 (Chemistry), 1962 (Peace), American.

Dr. Max Perutz, 1962 (Chemistry), British.

Dr. James Rainwater, 1975 (Physics), American.

Dr. T. Reichstein, 1950 (Medicine or Physiology), Swiss.

Dr. Hugo Theorell, 1955 (Medicine or Physiology), Swedish.

Dr. Jan Tinbergen, 1969 (Economic Science), Dutch.

Dr. Nikolaas Tinbergen, 1973 (Medicine or Physiology), Dutch.

Dr. Charles Townes, 1964 (Physics), American.

Dr. Harold C. Urey, 1934 (Chemistry), American.

Dr. George Wald, 1967 (Medicine or Phyiology) American.

Dr. James Watson, 1962 (Medicine or Physiology), American.

Patrick White, 1973 (Literature), Australian.

Betty Williams, 1976 (Peace), Irish.

International Peace Bureau, 1910 (Peace).

Simeon O. Adebo, former Under Secretary-General, United Nations; former Ambassador of Nigeria to the United Nations.

Frank Allaun, Member of Parliament (England); Chairman, Labour Action for Peace.

R.K.R. Alston, President of the United Nations Association of Australia.*

A. T. Ariyaratne, President, Lanka Jatika Sarvodaya Shramadana Sangamaya, Sri Lanka.

Dr. Frank Barnaby, Director, Stockholm International Peace Research Institute.

Dimitri Bitsios, former Permanent Representative of Greece to the United Nations.

Rev. Eugene Blake, former Secretary General, World Council of Churches.

H. E. Mr. Frank Boaten, Ambassador of Ghana to the United Nations.

Arthur Booth, Chairman, International Peace Bureau, Switzerland.

Marjorie Boehm, President, U.S. Section, Women's International League for Peace and Freedom.

Harry Bridges, President Emeritus, International Longshoremen's and Warehousemen's Union.

Center of Economic and Social Studies of the Third World, Mexico.

Ruth Gage-Colby, U.N. Representative, Another Mother for Peace.

Dr. Jerome Davis, author, peaceworker, recipient of the Gandhi Peace Prize.

Ernest DeMaio, U.N. Representative, World Federation of Trade Unions.*

Samuel Day Jr., Editor, Bulletin of the Atomic Scientists.

Ahmad Subardjo Djoyoadisurjo, former Minister of Foreign Affairs, Indonesia; President, Indonesian Institute of International Affairs.

Dr. Luther Evans, former Director-General, UNESCO.

Archbishop Angelo Fernandes, President, World Conference on Religion and Peace; Archbishop of Delhi.

Howard Frazier, Executive Director, Promoting Enduring Peace, USA.

Dr. Carlton B. Goodlett, President, National Newspaper Publishers Association, Black Press of America.

Canon Raymond Goor, Lenin International Peace Prize.

Rev. Gerard Grant, President of the Executive Council, World Association of World Federalists.*

Dr. Lucile Green, President of the Executive Committee, World Citizens Assembly.

George Hakim, former Chairman of the United Nations Commission on Human Rights, Lebanon.

Brigadier General Hugh Hester, U.S. Army (retired).

Dr. Yasumi Hirose, Chairman of Japan Religious Leaders Committee for World Federation.

Dr. Kazuteru Hitaka, Executive Director, United World Federalists of Japan.

Walter Hoffmann, Chairman, Campaign for U.N. Reform.

The Honorable Hubert Humphrey, U.S. Senator, former U.S. Vice-President.

India Federation of United Nations Associations.

Elena Gil Izquierdo, President, Movement for Peace and Sovereignty of the People, Cuba.

P. A. Curtis Joseph, Nigerian Peace Council

James Avery Joyce, author, consultant at the United Nations

Revas King, President, SERVAS International

Bhupendra Kishore, Asian Secretariat, Service Civil International, India

Shinichi Kato, Director, World Citizens Center, Hiroshima

Funmilayo Ransome Kuti, President, Women's International League for Peace and Freedom, Nigeria

Dr. Harry Lerner, Executive Director, The Coalition for International Cooperation and Peace, USA

Victor Lloyd, Director, SANE, USA

Ciaran McKeown, Chairman, Community of Peace People, Northern Ireland

Dr. Margaret Mead, Anthropologist

Rev. Toshio Miyake, Vice-President, World Conference on Religion and Peace

Kathleen Tacchi-Morris, President, Women for Disarmament, England

Dr. Robert Muller, Director of Coordination, Special Agencies, United Nations

Eeva-Liisa Myllymaki, President, Finnish Peace Research Association

C. V. Narasimhan, Under-Secretary-General for Inter-Agency Affairs and Coordination, United Nations

Pastor Martin Niemoller, former President, World Council of Churches, Lenin International Peace Prize

B. P. Nigam, Advocate, Delhi High Court

Savitri Nigam, former Member of Parliament; Special Advisor to the 26th Session of the United Nations, India

Sheila Oakes, General Secretary, National Peace Council, England

Alan Paton, author, politician, human rights leader, South Africa

Aurelio Peccei, Founder, Club of Rome

Franco Perna, Director, International Secretariat, Service Civil International, Luxembourg

Dr. John Robbins, President, World Federalists of Canada

H.E. Mr. Zenon Rossides, Ambassador of Cyprus to the United Nations

Elliman A.S.P. Sarr, Secretary General, International Organization of Good Templars, Gambia

Dr. Harold Snyder, former Executive Director, American Friends Service Committee

Soviet Peace Committee, USSR

Detha Tai, Secretary, United Nations Association of Jamaica

Dr. Cahit Talas, Chairman of the Turkish United Nations Association

Yoshiharu Tamaoki, Director, Japan-Asia Association

Rene Wadlow, Editor, Transnational Perspectives, Switzerland

Norman Walbek, Executive Director, Consortium on Peace Research, Education, and Development, USA.

*Organization listed for identification purpose only.●

THE RIGHT TO KNOW, THE RIGHT TO ACT

● Mr. PELL. Mr. President, the flood of unauthorized words released in the Warsaw Pact states as a result of the 1975 Helsinki Accord is a seminal development which Americans and others have been slow to appreciate and comprehend. Freedom of expression is such a commonplace of our democracy that we may tend to undervalue the power of the word.

In societies where the state monopolizes the marketplace of ideas, neither the authorities nor those who hold other views make that mistake. For both the issue is clear: Free expression and the unhampered flow of information erode the

power of any one group to impose its rule and its dogma on the mass.

Much of that uncensored post-Helsinki outpouring from Eastern Europe and the Soviet Union has reached us in abridged and disjointed form. Primarily through Western press accounts and occasionally in the testimony of exiles, we have heard the voices of dissent more as a Babel than a concerted chorus. Nevertheless, taken together, these voices represent a powerful new factor in the Communist world—a force which over time can lead to fundamental change.

Under its mandate to monitor implementation of the Helsinki Accord, the Commission on Security and Cooperation in Europe has been systematically following the currents of protest in Bulgaria, Czechoslovakia, East Germany, Hungary, Poland Romania and the U.S.S.R. This week the Commission has published the first English-language compilation of the documents of Helsinki-related dissent from those countries.

The volume, titled "The Right to Know, the Right to Act," brings together an extraordinary sampling of authors and subject matters. The writers include coal miners and hotel porters in Romania, a pop singer in Czechoslovakia and an actress in Poland, Orthodox priests, a former metal worker and political prisoners in the Soviet Union. They report on harassments as seemingly petty as disconnected telephones and as obviously terrifying as forcible psychiatric confinement. They plead for the rights of dispossessed ethnic minorities to return to their land and of divided families to be reunited. They document censorship of subjects ranging from religious expression to economic information.

Together, in this volume they present the two unifying, democratic themes of dissent in the Communist world: Respect for the rule of law and for the right to exchange information and ideas openly. In principle VII of the Helsinki Accord, the 35 signatory states pledged to respect the "right of the individual to know and act upon his rights and duties" in the field of human rights. The volume just published by the CSCE Commission demonstrates how individuals in Eastern Europe and the Soviet Union, basing their actions on respect for domestic and international law, have undertaken to make that pledge a reality. It shows the coherence of dissent and the courage of dissenters. I recommend it to my colleagues for their thoughtful study.●

CONTINUING TRAGEDY OF CAMBODIA

● Mr. KENNEDY. Mr. President, although developments in Cambodia remain closed to the view, and certainly to the comprehension, of the international community, what news that does emerge continues to tell of a massive human tragedy.

As I noted several months ago, and in a Refugee Subcommittee report last year, refugees remain a key source of first-hand information on events in Cambodia. Their stories tell of a grim and systematic program of repression, cruelty and bloodshed on a scale hard to describe, much less comprehend.

Occasionally, other sources of information confirm the general accounts of the refugees—the most recent example being a group of Yugoslav journalists permitted to tour Cambodia. Their guarded findings upon leaving Phnom Penh are related in a recent dispatch from Henry Kamm of the New York Times.

Mr. President, the continuing tragedy in Cambodia must remain a source of deep concern to the international community, and we must, in concert with others, redouble efforts to respond to this massive violation of human rights. And we must do more to support international humanitarian efforts, under the auspices of the U.N. High Commissioner for Refugees, the International Committee of the Red Cross, and others, to meet the needs of thousands of Cambodian refugees in Thailand and elsewhere.

I ask unanimous consent that two recent reports from the field—an article in the New York Times by Henry Kamm and a report in the Christian Science Monitor—be printed at this point in the RECORD:

[From the New York Times, May 13, 1978]

CAMBODIAN REFUGEES DEPICT GROWING FEAR AND HUNGER

(By Henry Kamm)

BANGKOK, THAILAND, May 12.—A number of recent refugees from Cambodia report that their country, in its fourth year under Communist rule, is suffering continuing bloodletting, even among factions of the ruling party, and starvation, nationwide forced labor and regimentation.

In view of Cambodia's almost total isolation from the outside world, refugees are the most significant source of information.

In March, for the first time since the Communist victory in April 1975, a group of European journalists—Communists from Yugoslavia—were taken on a guided tour of the country.

ONLY IMPLICIT CONDEMNATION

One of them reported that they were appalled by much of what they saw, although, restricted by the conventions of Communist fraternalism, they said so only implicitly in their dispatches. Significantly, the Yugoslav reported, one television journalist who was preparing a documentary on the visit told Cambodian officials that filming of the vast use of child labor in rigorous agricultural tasks would make a bad impression on the outside world. The Cambodians, however, urged him to film it.

What is shown in the Yugoslav television film—soon to be seen in the United States—and what scores of refugees reaching Thailand in recent months have related bear each other out.

The refugees were interviewed in the police station in Trat, in southeastern Thailand, where nine who fled last month are being confined in a small cage; in a nearby refugee camp in Khlong Yai; in a large refugee camp in Surin, in northeastern Thailand, and in a disused prison in the nearby province capital of Buriram, where most Cambodians who have crossed since Nov. 15 are being held as illegal entrants.

The Yugoslavs and the refugees related the now familiar description of a nation in which cities and towns stand empty while the people, divided into labor brigades, till the soil and build a countrywide system of small-scale irrigation earthworks with rudimentary tools and under primitive conditions.

The Yugoslavs, complying with implicit restrictions on Communist journalists working in other Communist countries, raised no questions about persistent reports of death on a great scale through political purges that recall in their wide sweep Stalinist methods, about overwork and undernutrition, or about the almost total absence of medical care or medicine.

Another subject not publicly raised by the Yugoslavs involved the reports of profound differences in living conditions between the sub-Spartan standards and the vast majority of Cambodians and the privileges of the select minority of government officials and soldiers.

These subjects dominated the refugees' accounts. The hardships of their lives needed little underscoring. Most of the recent arrivals were emaciated, their hands worn and their feet—unshod since their last pre-"liberation" sandals wore out-calloused, scarred and soiled seemingly beyond cleaning. They still wore the poor clothes that they wore in Cambodia, tattered pre-1975 shirts and pants or almost equally ragged black uniforms of Communist issue.

Their bearing and comportment recall concentration camp survivors in the Europe of 1945. They seem dazed and cowed by all who have not shared their experience. They find concentrating on any subject difficult, complain frequently of headaches, physical weakness and an inability to sleep soundly and consider their future a blank that they have not yet the strength to consider seriously.

They are, in the vast majority, men of hardy peasant stock—illiterate, their knowledge of the world beyond the confines of their native districts minute. Most have left their wives and children behind, because undertaking an escape through the rugged and heavily mined border country burdened with children appeared doomed to failure. As it is, most of the refugees told tales of how members of their groups died on the way; how many whole groups of escapees fell victim to military patrols, mines, starvation and exposure cannot be known.

PERIL OF THE EDUCATED

Of more than 5,000 refugees confined in the places visited—only a few hundred of them crossed this year—fewer than 10 were found who spoke basic French. None spoke fluently. Under the previous regimes French had been the language of most schooling beyond the first few elementary years, and everyone with a high-school education spoke it more or less fluently.

The absence of French-speaking people and the generally peasant character of recent refugees lent credence to reports that the Communist regime was methodically killing the educated classes and that the great majority of the millions of people driven from cities and towns after the Communist conquest had withstood the rigors of the new life even less well than the rural people.

Apart from the continued killing of the educated, of officials down to the most minor of previous governments, and of former soldiers in the pre-1975 government, army and their families, the refugees reported that growing numbers of local Communist officials had been killed in what appeared to be an ongoing wave of violent purges.

LOCAL KNOWLEDGE ONLY

The only clue to the nature of the purges, as well as corroboration that they are taking place, comes from official Government pronouncements that Vietnam, with which Cambodia is in a state of limited war, has tried to bring down the Government of Prime Minister Pol Pot through internal subversion.

None of the refugees questioned know anything about purges above the level of their rural districts. In fact, none had ever learned the names of officials above that rank, except for President Khieu Samphan. They came from four of the provinces bordering on Thailand none had ever known the name of a province chief.

But all questioned were specific on the names of their village and district chiefs and the sequence of succession among them. Most reported that the new leaders had announced to the people at the frequent evening meetings that their predecessors had been killed as "enemies."

Sen Smean and Lem Loeung, who escaped at the end of January from the village of Kok Moun Om in the district of Ampil in Battambang Province, related that Nan, the district chief, had said at a Lunar New Year meeting in February 1977 that his predecessor, Tem, had been killed because those who came to power in 1975 were still under the influence of the regimes of Prince Norodom Sihanouk and his successor, Lon Nol.

A CONSTANT PURGE

The two refugees said that Nan himself had been replaced at the end of the year by Van. They said that Van had announced at a meeting that his predecessor had been killed as an "enemy" within 15 days of his removal from office.

The refugees added that the changes of district chiefs were always accompanied by the disappearance of village chiefs and frequently of the small teams of soldiers who supervise the villagers' work.

Similar precise accounts were given by refugees from the provinces of Siem Reap, Oudon Meanchey and Koh Kong. Analysts who gather refugee accounts on a regular basis consider them indicative of a constant process of purging. They speculate that if purges were so widespread in the areas most remote from Vietnamese influence, they were likely to be more frequent and extensive nearer to the war zones, where the suspicion of subversion was closer.

Refugees from Siem Reap Province reported in separate interviews that the month of April last year had been marked by wide-scale purges of local officials and Communist soldiers which, for the first time since the victory of two years before, had led to open opposition.

MET WITH GREAT RETALIATION

The incidents apparently were largely limited to clashes and killings among the soldiers. But a number of accounts of incidents have become known in which the public participated in attempts to give vent to their resentments.

Tach Keo Dara, a 20-year-old former high school student from Phnom Penh, said that he had been in a crowd that had taken advantage of strife among the leaders in three villages in the Chikreng district of Siem Reap Province to kill eight soldiers. The youth, now imprisoned in Buriram, said that he personally had not participated in the killings, which he said were carried out with knives.

The riots had occurred, he said, from April 11 to 17, and were followed by large-scale retaliatory killings. Refugees from the same province reported that these outbreaks of opposition had subsided as suddenly as they had sprung up and that the regime's hold over the province had never been threatened.

The refugees reported that hatred of the Communist soldiers and officials was general and based on the privileged position they held. Accounts of continually diminishing food rations—thin rice gruel rather than boiled rice, which is Cambodia's staple, few vegetables, little salt, no fish or meat—contrasted with the better diet enjoyed by those who professed that the new Cambodia had created equality among all its citizens.

By all accounts the soldiers who supervise the work day, which begins when bells are rung to awake the villagers at about 4 a.m. and often ends as late as 10 p.m., live separately from the people, cook for themselves and eat their meals in seclusion. They eat chicken and pork, many refugees said.

People do not dare to watch near their kitchen, said Ok Eum, a 44-year-old former army sergeant. He explained that to have knowledge of the soldiers' privileges was dangerous in a country where power over the people was in the soldiers' hands and death appeared to be the only punishment.

RECEIVE REGULAR CLOTHING RATIONS

Choun Sakhon, a soldier who defected last month, said that soldiers received clothing regularly and wore sandals made of used tires while civilians went barefoot. Many soldiers had the use of motorcycles in a country where people walk except on rare occasions when the very old or very young were transported in oxcarts to obligatory rallies at district towns.

Refugees from various regions gave similar accounts of the apparent freedom of a soldier to choose any woman to be his wife without the women's consent. Referring to the Communist soldiers' privileges in this regard, Mr. Ok Eum related:

When a Khmer Rouge loves a girl, there is a village meeting. He asks her to marry him. She does not dare say no. Then they are considered married.

Civilians need the permission of their village chiefs to marry, except when the marriages are arranged by the authorities without either partner's consent. San Daravong, who is 26 years old, said that he and Kim Kolab, 24, were married although they hardly knew each other. But they said in Buriram prison that they loved each other now.

Marriage ceremonies always take place en masse, the refugees reported, and only once a year.

HUNGER AND DEATH

While accounts of many aspects of the new way of life have to be drawn out of the refugees through questioning, two subjects come spontaneously from them—reports of mass deaths in their villages and constant hunger.

Malaria, cholera, diarrhea, tuberculosis and enfeeblement from pervasive malnutrition took a catastrophic toll in the district of Banteai Srei, the site of one of the most splendid temples of the Angkor complex, where Mona, a male former medical student from Phnom Penh, had been banished after being driven out of the capital with the rest of its people.

The former student said that children, particularly infants, suffered the most cruelly from illnesses and died in frightening numbers. He said that infant mortality was particularly high because mothers, as a result of malnutrition, had little milk and no substitutes were available. His medical observations bore and accounts provided by all other refugees.

Detailed narratives of mass killings of enemies give rise to an impression that the regime has lost what inhibitions it may have had in its early stages and is conducting mass slayings without regard to the presence of witnesses. A number of refugees reported that officials were more and more openly speaking of a need to kill great numbers of Cambodians.

Mr. Sen Smean said that Nan, the late district chief, had announced at a meeting early last year that of the 15,000 people of the district, 10,000 would have to be killed as enemies and that 6,000 of them had already perished.

"We must burn the old grass and the new will grow," Nan said, according to Mr. Sen Smean.

SLAYING OF WIVES AND CHILDREN

Analysts have speculated on the number of Cambodians who have died during and after the war and occasional contradictory pronouncements by the present Government have added fuel to the efforts, but no solid information has become available. However, refugee accounts since 1975 leave no doubt that the toll has been heavy and the birth rate exceedingly low. In 1970, the population of the country exceeded seven million.

The principal targets for extermination, according to all accounts, continue to be former government employees, soldiers and those in Cambodia called intellectuals, those with higher education.

A devastating new element that emerges from the refugees' accounts of the last year is that the regime now appears to be methodically killing wives and children, many long after the husbands were killed.

Mr. San Daravong said that toward the end of last year he had witnessed the killing of 108 wives and children of former soldiers outside the village of Chba Leu, situated about 10 miles east of the town of Siem Reap, in the midst of the Angkor temple complex.

DESCRIBES SOLDIERS' RETALIATION

He said that the victims had been led to a dike, their arms tied to their sides, and pounded to death with big sticks in groups of 10 by a small group of soldiers. Some of the small children, he said, had been thrown into the air and impaled on bayonets; others were held by their feet and swung to the ground until dead.

He learned the exact number, he said, because villagers had been called to bury the dead.

Kang Vann Dy said that he had decided to try to escape in February from the village of Roluos in Siem Reap Province because, after having killed former officers and sergeants, the Communist soldiers had come to the part of the village where he lived with a number of other former soldiers and had taken them and their families away.

Mr. Kang Vann Dy hid. Later in the day, he found their bodies in a well. Asked whether he knew the names of the victims, he slowly called the roll, straining to remember.

"Cheam," he said. Kok. Min. Phath. There were others, but I don't know the names. Asked how many bodies he had counted, he painfully added up those of the wives and of the children he knew and said, "at least 19."

To stay alive himself he hid in the forest at the edge of the Great Lake of the Tonle Sap for two months, living from fish and from stolen food before making his way across the border.

Mr. Ok Eum said that he came from the district of Siem Reap Province where former President Lon Nol was born. He said that to celebrate the second anniversary of their victory in April 1977, the Communists had killed the entire population of the former leader's village. The former soldier said that the district chief, Sun, who was later killed himself, announced that the villagers had been slain because all were relatives of Lon Nol. Throughout the district, Mr. Ok Eum said, about 350 families had been killed on that occasion, their family names recorded by authorities and displayed at the anniversary rally.

"If the Communists continue, there will be no more Cambodians in the land of Cambodia," Mr. Ok Eum said in a flat voice of despair.

FLIGHT FROM FEAR

Since the Communist takeovers of Cambodia and Vietnam three years ago last month, thousands have fled the new regimes in those countries. Many of these

people find their way to refugee camps in Thailand, where they become favorite sources of information about conditions in their homelands, even as they await hoped-for resettlement somewhere else.

Their testimony often is colored by the limits of their personal experiences, by the biases growing out of bitter memories, and by the fact that they would not have left if they had been able to adjust to a new way of life under Communist rule.

Still, their contrasting accounts offer significant insights into the methods of operation of the current governments in Phnom Penh and Hanoi.

What follow are the stories of a representative selection of these refugees—three Cambodians and three Vietnamese.

As many as 300,000 Cambodians have been executed by the Khmer Rouge government, according to Amnesty International, the London-based human-rights organization. Refugees say these executions almost always are without trial. An even larger number of people have died from malnutrition and illness since the April 17, 1975, fall of the Lon Nol regime, according to a U.S. Government specialist on Cambodia.

Since last September, most of the Cambodian refugees reaching Thailand have been poor farmers, students, soldiers, and low-ranking former government officials. (The more prosperous—those who were not caught and executed by the Khmer Rouge—generally escaped much earlier and already have been processed out of the Thai camps.) The following refugees were interviewed at Camp Surin, about 200 miles northwest of Bangkok and 40 miles from the Cambodian border.

MAO SOEUNG: HIS VILLAGE WAS VANISHING

Mao Soeung is a dark-complexioned farmer who says he fled the village of Russeysanh in western Cambodia in mid-March.

Of the 360 people in his village, he said about 45 disappeared and apparently were killed by the Khmer Rouge, including village leaders and anti-Communist soldiers. "Many, many were killed, so I thought I would be killed, too," he explained, adding that his father was once "a simple soldier" in the anti-Communist army of former Cambodian President Lon Nol.

Mao Soeung said he personally witnessed six executions, by beating and knifing, including those of three small children. "They let us see the killings to make us afraid," he explained.

He said he thought he, too, was marked for killing because he wanted to take a vacation and because he associated with the older people in his village.

But the Khmer Rouge never directly took over his village: "Their squads slipped in at night to kill." Yet every villager had to supply his personal history to the Khmer Rouge, and this, he said, is how they decided whom to kill.

Near Russeysanh was a new settlement of some 1,000 people forced out of the major cities. "I had no time to visit there," Mao Soeung said, "but I heard many died at the hands of the Khmer Rouge."

He said he escaped his village with about 25 other persons, walking and running for four days and nights without food. Of them, 11 made it to safety and 14 are missing, he continued. His wife and small child had to remain behind because they were not up to the arduous journey.

"I don't know if they are still alive, but I hear other families were killed if any of their members tried to escape," Mao Soeung said.

Why did the Khmer Rouge not try to kill him early on? "At first they wanted to speak sweet words to our village," he said in explanation.

By 1977, some of the Khmer Rouge were killing other Khmer Rouge, he claimed. But he disagreed with the theory that the executed Khmer Rouge were sympathizers of the arch-rival Vietnamese. Rather, he said, those who were executed had bungled their jobs.

DARA KIM: THE EDUCATED WERE TARGETS

Dara Kim is a serious-looking former law student who fled Cambodia in July, 1977.

"One afternoon my neighbors told me a group of Khmer Rouge were looking for me," he said. "I knew they would kill me, so I decided I must run." For six days he hid in bushes, walking by night from a western Cambodian village near Battambang to the border with Thailand. He recalled: "They killed the former soldiers, teachers, and students. For a year and a half I hid in a village and concealed my identity. But then they found out."

Life was hard in his village. It meant working in the fields and in a nearby forest from 6 in the morning to 6 in the evening, with two meals a day. Most residents of Battambang were moved out to the villages. Children under six were cared for by a village woman, but all others joined their parents in the fields.

"For almost two years I went along. There could be no music, no happiness, no comforts of life." Dara Kim said. "If you played music, you were killed. I wanted liberty, some free time, and I had to escape. But I worry about my parents. After my escape, perhaps they were killed."

Dara Kim said he heard many tales of killings and executions, including the shooting, beating, and knifing of prisoners kept in a nearby Buddhist monastery that had been converted into a prison for thieves and other detainees.

Dara Kim considers himself a witness to one killing. Three Khmer Rouge went to the house of a neighbor, a mathematics professor named Lee. "I saw them go in and then I heard the gunshot," he recalled.

"The Khmer Rouge are 'small knowledge' people," he declared. "They come from the country side, not from the city, and, often they can't speak or write well.

"The killing will be repeated. One day people will rise up, and all those who associated with the Khmer Rouge will be killed."

Dara Kim said he would like to go to the United States, "but I have no sponsor. I have two brothers there, but they don't know where I am."

BOU THUON: TWO YEARS OF HIDING FIRST

As sturdy Bou Thuon farms the vegetable patch around the hut where he lives, he hardly looks like a man who was once an officer in Lon Nols' anti-Communist army. He fled Cambodia last August.

For two years he concealed his identity in the western Cambodian city of Battambang, but then, he said, Khmer Rouge officials came with a list of names of former Army officers: "They asked all of us who had been officers to step to one side of the room. I did so because I knew they had photographs. I fled the next day because a friend told me I would soon be killed."

Bou Thuon had thought of fleeing for two years, but hesitated because he did not know how to reach the Thai border. Then he met a Khmer Rouge soldier who faced certain death for violating a rule against conducting a love affair. Together they made their way to the border.

Some 2,000 teachers, former soldiers, farmers, and former government officials were moved from the capital, Phnom Penh, to a rural area about 60 miles from Battambang, Bou Thuon said. They were put to work from 6 o'clock to 11 in the morning and from 1 o'clock to 5:30 in the afternoon. In the evening all worked digging irrigation ditches.

Bou Thuon said he witnessed the execution of "about six" former Lon Noi soldiers without trial. "He [the word most Cambodian refugees use to describe the Khmer Rouge] told the families of the men they should come out to the fields to gather in oxen," the former officer related. "But when the men reached the fields I saw them beaten to death by the Khmer Rouge."

Those were the only eyewitness executions Bou Thuon recalled. But he spoke of going into fields to hoe and coming upon the remains of many other people. "Friends told me of seeing the family of a former soldier taken and beaten to death," he said.

Like Mao Soeung, he told of hearing widespread reports of "new Khmer Rouge" killing "old Khmer Rouge" (i.e., those who had joined prior to 1970).

Bou Thuon said he had not heard whether the "old Khmer Rouge" were Vietnamese-trained, although some refugees have testified that there was a purge to try to get rid of Vietnamese-trained Communists who infiltrated into western Cambodia in the 1900s.

Only a handful of executions are reported from Vietnam, but at least 200,000 people—including high-ranking former soldiers and government officials—are said to have been confined to 'reeducation' camps for the past three years. Sometimes conditions in the camps are harsh.

In the meantime, other former military officers, small-business men, onetime employees of American wartime agencies, and coastal fishermen have fled what used to be South Vietnam. Many escape by boat, have relatives who already are overseas, and hope these contacts will help speed their processing through refugee camps.

An estimated 1,500 'boat people' are now in Thailand, including the following, who were interviewed at Camp Lam Sing.

NGUYEN MUOI: 'CONVERT' UNTIL THE RIGHT TIME

Nguyen Muoi is a former South Vietnamese Army officer and painter who spent seven months and five days in a reeducation camp —before being released because "inside I felt one way, but on the outside I acted another."

But "good behavior" at the reeducation camp made him no more ready to accept the Communist system.

"I planned for one year before buying a small boat that brought us out—5 men, 6 women, and 9 children. Once we bought the boat from a fisherman it took four months of preparation. We traveled the 300 kilometers [about 180 miles] from Saigon [now Ho Chi Minh city] to Ca Cau City after buying permits for 50 piasters for each family.

"I left because I was concerned about the future of my four boys," said Nguyen Muoi. "I am afraid university education will be reserved for the people who actively contributed to the revolution.

"Reeducation camp consisted of lessons about communism with about 300 people in one class," he said. Each class then broke down into small discussion groups of about 10 persons each. It went on for eight hours a day, with each person required to offer self-criticism. Every two days there was a recapitulation of the lesson.

"After four months we started building houses and planting rice. We worked from 7 to 11 in the morning and 12 to 4 in the afternoon. In the evenings we had political discussions," said Nguyen Muoi. "It made me angry. I had to say I was guilty of helping the Americans. But I did not feel guilty."

The men at the reducation camp planted potatoes and corn, Nguyen Muoi recalled.

"I don't know why, but I gained two pounds," he said.

Only a small number of people have been released from reeducation camp, Nguyen Muoi claimed—a conclusion that is shared

by independent analysts of Vietnamese affairs.

"Officers over the rank of major were sent to the north, near the Vietnamese-Chinese border, where they had to work very hard. Some of these prisoners have been worked virtually to death," notes one outside observer. This observer maintains, as others do, that a number of high-ranking military officers were forced to take part in highly risky bomb-clearing operations.

THAI HUNG: PHOTOGRAPHER SANS FREEDOM

Thai Hung is a thin, intense photographer of Chinese descent. He had a good job in Vietnam with a private firm but said the new Communist government would not let him keep it.

One reason he decided to leave was fear that the government would send him to one of the "new economic zones," areas designed to help meet the national rice shortage, absorb the unemployed of Saigon, and populate the land near the disputed border with Cambodia.

"I talked to people who had been there, and they told me it's like jail," Thai Hung recalled. "There is nothing you can do. There are no facilities to grow vegetables, all you can do is go to the forest, cut trees, and catch some fish for the market."

Since the Vietnamese-Cambodian war started, the authorities have tried hard to move people to the new economic zones, he said.

So Thai Hung bought a fisherman's small boat and reequipped it with a six-hp. diesel engine. Then he set sail, along with his wife, two children, a nephew, and a friend.

"It was very easy to escape," he claimed because security near the sea was loose. "I went fishing on my boat frequently," he added "so they would not be suspicious when I finally left."

Thai Hung said he would have left Vietnam even if he did not face life in a new economic zone.

"It is very hard to live," he indicated. "Controls are tight. There is little opportunity to do business, and it's hard to buy goods, except in the black market."

NGUYEN HUU, FISHERMAN: SAVIOR TO 63

Nguyen Huu is a rough-hewn, taciturn fisherman. As a Roman Catholic and an anti-Communist, he fled North Vietnam for the south in 1954.

Now he has fled again, this time on the fishing boat he used to earn his living. He had special reason to leave, he said, because of his religion and because he served in a local anti-Communist militia.

"Two years ago they started to use our church for a reeducation camp," he recalled.

The Catholics asked for their church back, and 10 days later it was returned. But religious holidays were limited, a security guard was assigned to the church, and some musical instruments, a speaker, and an amplifier were removed by the new government.

In his town on the island of Phu Quoc (300 miles southwest of Saigon) Nguyen Huu also faced the prospect of "collectivization" of his fishing business.

"They were going to divide us into groups, to control us," he said. "So I decided to escape before they could do it. Each group was to have a security man."

According to Mr. Huu, each group also would have had six boats, and 50 percent of the fishing catch would have gone to the government. The rest was to be sold at low prices.

Altogether, 63 persons joined Nguyen Huu for the escape aboard his boat, including five fishermen, five university students, at least one former employee of the U.S. Government, and a variety of other friends and their dependent. All contributed money.

Most of them left Saigon by bus and transferred to a small boat to take them to Phu Quoc. Security was described as loose, and no identification cards were required.

Nguyen Ngoc Hoa, a former office employee of the Americans, and her nine-year-old daughter, Nguyen Phuong Chi, were among those who joined Nguyen Huu on his boat. They hid in a forest while waiting to board the boat.

Their escape was prompted by fear of job and education discrimination, Mrs. Nguyen said. And, she added simply, "I did not just want to hear songs about Ho Chi Minh." ●

NUCLEAR REGULATORY COMMISSION AUTHORIZATIONS, 1979 (REPT. NO. 95848)

● Mr. HART. Mr. President, I am pleased to file today S. 2584, a bill to authorize appropriations for the Nuclear Regulatory Commission for fiscal year 1979, as amended by the Senate Committee on Environment and Public Works. The bill authorized $336,395,000 which is $5,725,000 above the administration request, and also calls for the reallocation of $8,140,000 within NRC's programs to fund certain activites in which the committee has special interest. The fiscal year 1979 authorization level is $41,807,000 higher than the estimated expenditures in fiscal year 1978.

I ask to have a summary of the bill printed in the RECORD.

The summary follows:

SUMMARY OF NUCLEAR REGULATION COMMISSION—FISCAL YEAR 1979 AUTHORIZATION

Nuclear Reactor Regulation (Section 1(a)(1))—The bill includes an authorization of $46,880,000 which is $870,000 above the budget request. Of the total, $1,070,000 (including 9 staff-years) is for alternate fuel cycle activities above and beyond the fiscal year 1978 level, and $740,000 (including 8 staff-years) above the fiscal year 1979 budgeted level of $1,340,000 is for the additional advanced reactor activities discussed below. To cover them fully, an additional $940,000 is to be reallocated within the program.

Standards Development (Section 1(a)(2))—The bill includes an authorization of $14,945,000 which is $465,000 above the budget request. Of the total, $500,000 above the fiscal year 1979 budgeted level of $150,000 is for the additional low-level radiation effects activities discussed below. To cover that fully, an additional $35,000 is to be reallocated within the program.

Inspection and Enforcement (Section 1(a)(3))—The bill includes an authorization of $38,760,000, as requested by the Administration, an increase of $3,000,000 over Fiscal Year 1978. These funds will be used for Agency activities to assure thorough field inspection and investigation, that nuclear reactors, fuel cycle facilities and materials are used in a safe manner and in full compliance with NRC licenses, rules and regulations. The primary cause of the funding increase over Fiscal Year 1978 is the implementation of a new resident inspector program, which will locate NRC inspectors full-time at selected nuclear sites, as a means of enabling increased oversight of licensee performance.

Nuclear Materials Safety and Safeguards (Section 1(a)(4))—The bill includes an authorization of $27,240,000 which is $1,140,000 above the budget request. Of the total, $1,300,000 (including 10 staff-years) above the FY 79 budgeted level of $6,827,000 is for the additional Nuclear Waste activities, and $540,000 (including 8 person-years) above and beyond the FY 78 level is for the additional Alternate Fuel Cycle activities discussed below. To cover them fully, an additional $1,200,000 is to be reallocated within the program. These funds will cover the Agency's efforts in licensing and regulating all commercial nuclear materials and facilities, except reactors, including safeguarding of materials from sabotage, theft or diversion. New initiatives for FY 79 are in the areas of nuclear waste including aid to states faced with reviewing proposed waste facilities, and alternate fuel cycle activities.

Nuclear Regulatory Research (Section 1(a)(5))—The bill includes an authorization of $166,640,000 which is $3,170,000 above the budget request. Of the total, $2,500,000 is for the improved safety systems research activities, $3,150,000 (including 5-staff years) above the fiscal year 1979 budgeted level of $1,298,000 is for the additional nuclear waste research activities, $330,000 (including 1-staff year) above and beyond the fiscal year 1978 level is for the additional alternate fuel cycle activities; and $3,000,000 above the fiscal year 1979 budgeted level of $15,833,000 is for additional advanced reactor research activities discussed below. To cover them fully an additional $5,810,000 is to be reallocated within the program.

Program Technical Support (Section 1(a)(6))—The bill includes an authorization of $13,480,000 which is $80,000 above the budget request. Of the total, $160,000 (including 2 staff-years) above and beyond the fiscal year 1978 level is for the Office of International Programs' additional alternate fuel cycle activities discussed below. To cover them fully an additional $80,000 is to be reallocated within the program.

Program Direction and Administration (Section 1(a)(7))—The bill includes an authorization of $27,950,000—equal to the budget request. Of the total, $75,000 (including 1 staff-year) above the fiscal year 1979 budgeted level of $150,000 is for the equal employment opportunity activities discussed below. To cover them fully, $75,000 is to be reallocated within program direction and administration.

Two-Year Authorization—The Committee dropped the 2-year authorization from the Administration bill and included authorizations only for fiscal year 1979.

Reprograming Authority (Section 1(b))—The bill continues present practice of allowing reprograming between major program offices, up to 15 percent of the sending or receiving office budget and up to a $10 million aggregate limit. Thirty day notice must be given to the authorizing committees of Congress.

Reprograming within major programs is permitted, and will be required to carry out the increased effort in specific activities required by the bill. Reprograming, or lack thereof, is not to be used to detract from those specific activities.

Nuclear Waste Disposal (Section 1(a)(4), (5))—The bill provides a significant (55 percent) increase in the resources for the waste management pogram. The bill adds $4.45 million, including 15 people, to increase NRC's efforts to help solve the critical problems of waste disposal and management as soon as possible.

Advanced Reactor Research and Licensing (Section 1(a)(1) and (5))—The Committee recommends an increase of $3 million in the authorization for the Commission's advanced reactor safety research program to be used for two purposes: (1) safety research work on advanced reactor types which are not in NRC's current program and which have the potential for near-term and mid-term commercial availability in the United States and (2) additional safety research work on specific advanced reactor types, in the event NRC receives firm indications that a lead plant design will be submitted for NRC review in fiscal year 1979. The Committee also recommends an increase of $740,000, includ-

ing funding for eight additional positions, in the authorization for the advanced reactor program in the Office of Nuclear Reactor Regulation. This increased authorization would allow for preapplication review work on a lead plant design for an advanced reactor in the event NRC receives firm indications that a lead plant design will be submitted for NRC review in fiscal year 1979.

Executive Director (Section 2(a))—The bill requires the Directors of Program Offices, if they communicate directly with the Commission, to keep the Executive Director for Operations fully and currently informed of the content of such communications.

Equal Employment Opportunity (Section 1(A) (7) and (2) (b))—The bill requires the Executive Director for Operations to report at the Commission review the problems, progress, and status of the NRC's equal employment opportunity efforts.

The bill also authorizes $225,000 for equal employment opportunity activities.

Low-Level Radiation (Section 1(a) (2) and Section 3)—The bill requires that the NRC and EPA develop, with joint lead responsibilities, a preliminary planning study which will result in the design of a comprehensive Federal epidemiological study of the effects of low-level ionizing radiation. The planning study will be carried out in consultation with appropriate Federal and State agencies, and scientific organization. This study will culminate in a report to Congress by April 1, 1979. NRC and EPA are further required to submit to Congress, within 30 days of enactment of the legislation, a memorandum of understanding delineating the respective responsiblities and funds allocated for each agency in this effort.

Atomic Safety and Licensing Board (Section 4)—The bill requires the NRC to undertake a comprehensive review of the Agency's procedures for selection and training of Atomic Safety and Licensing Board (ASLB) members. The study, which will include but not be limited to an examination of selection criteria, including qualifications, the selection procedures and the training programs for Board members, shall be presented to Congress by January 1, 1979.

Based on the findings of the study, the Comission is directed to revise the selection and training process, where appropriate.

Alternate Fuel Cycles (Sections 1 and 5)—The bill establishes an internal NRC Fuel Cycle Evaluation Task Force, reporting to the Executive Director for Operations. NRC must report to Congress semi-annually on the progress of domestic and international fuel cycle evaluations, including the health, safety and safeguards implications of the leading nuclear fuel cycle technologies. An additional $2.1 million, above the fiscal year 1978 level of activity of $0.2 million is allocated for this purpose. Approximately 20 staff-years, above the fiscal year 1978 level of activity of 5 staff-years, will also be required.

Aid to Impacted States in Nuclear Waste Licensing (Section 6)—The bill includes an authorization of $500,000, to remain available until expended, for the purpose of providing grants to any State in which a long-term storage or disposal facility for certain specified radioactive wastes is proposed. Such individual grants, in amounts up to $500,000 and in accordance with regulations promulgated by NRC, would be provided to facilitate independent review by the State of a proposal to develop a waste disposal facility within its borders.

Employee Protection (Section 7)—The bill includes a provision to protect employees of NRC licensees, applicants, or subcontractors thereof from discrimination as a result of "whistleblowing" activities.

Contractors and Consultants (Section 8)—The bill requires the NRC to report to Congress on January 1, 1979, and annually thereafter on its use of contractors, consultants and the National Laboratories. The report shall be comprehensive, including information on bidding procedure, nature of the work, duration of the contract, progress of work, relation to previous contracts, and the amounts both authorized and spent, for each contract.●

EXPULSION OF ROBERT REID FROM CZECHOSLOVAKIA

● Mr. BIDEN. Mr. President, I would like to protest the recent expulsion of the Associated Press correspondent Robert Reid from Czechoslovakia. Mr. Reid's only "crime" was to visit a leader of the courageous Charter 77 movement in legitimate pursuit of his professional activity. Mr. Reid's expulsion, for which he was never given a reason by the Czech Government, is in direct violation of the Helsinki accord.

The Helsinki accord contains very specific and unusually lengthy provisions on the "Improvement of Working Conditions for Journalists" (Basket Three, Section 2(c)). Among those provisions is a specific clause stating that "the participating states reaffirm that the legitimate pursuit of their professional activity will neither render journalists liable to expulsion nor otherwise penalize them."

Czechoslovakia has generally had a poor track record in implementing Basket Three of the final act. The expulsion of Robert Reid is the latest in a series of violations and is to be deplored by all those who in good faith signed and supported the Helsinki accords.●

WILMA MILLER

● Mr. LUGAR. Mr. President, on May 9, 1978, Wilma Miller of Wabash, Ind., passed away after a brief illness here in Washington.

Wilma came to work in the Senate with former Senator Homer E. Capehart of Indiana, when he was elected in 1945. She had previously been his personal secretary at the Capehart Manufacturing Co. in Indianapolis, where she was employed following her graduation from Manchester College at North Manchester, Ind. She served with Senator Capehart until he left the Senate in 1962. Upon Senator Capehart's leaving the Senate, the late Senator John McClellan of Arkansas asked Wilma to join the staff of his Subcommittee on Patents and Copyrights, from which position she retired just last June.

Many Hoosiers who visited Washington over the years came to know Wilma, whose energy and vivacity made her a popular personality in the Senate. She will be missed by her many friends and colleagues. On their behalf, Mrs. Lugar and I, together with former Senator and Mrs. Capehart, offer our deepest sympathies to members of her family.●

THE PLIGHT OF MIDDLE-INCOME FAMILIES

● Mr. MOYNIHAN. Mr. President, are middle-income families facing difficulty in paying the costs of college for their children? One would think the answer self-evident. I doubt that there is a single Member of the U.S. Senate who has not had the point clearly established by large numbers of hard-pressed constituents. For those of us with college age youngsters of our own, it is if anything an even clearer and more immediate concern.

Still, the analysts have been having a field day trying to refute the proposition that it is difficult to pay for college, harder in any case than it once was.

This is surely an interesting line of inquiry. Alas, it is not one that readily yields definitive answers, for college attendance patterns have changed, aspirations are in flux, and reliable, comparable data are hard to come by.

Yet it is possible to avoid some of the more obvious analytical pitfalls. One would expect more from the Congressional Budget Office, for example, than a simple comparison of pretax median family incomes and average "student charges" compiled by adding tuition, room and board rates. It is true that such a comparison supports—though just barely—the conclusion reached in a recent CBO paper that "there is no evidence to indicate that the financial burden of sending children to college has been increasing." But how can anyone in conscience attempt to examine the economic condition of American families over the last decade without at least considering changes in their tax burden?

It is a relatively simple matter to come up with an estimate of the aggregate burden of Federal, State, and local taxes. The Congressional Research Service has produced such an estimate. To no one's surprise, its turns out that whereas the median before tax income of families with 18- to 24-year-old dependents rose 78.8 percent between 1967 and 1976, the corresponding after tax income increased just 66.8 percent.

The next question is what measure of college going costs to use for comparison. At least with respect to the tuition tax credit debate, the appropriate gage is obviously tuition rates, for the tax credit envisioned in the Senate and House bills would not be available for room, board, or miscellany. It would help with only the central and most fundamental cost associated with college attendance: the tuition (and fees) levied by the college or university itself.

According to the National Center for Education Statistics, tuition and fees in public institutions rose by an average of 94 percent from 1967 to 1976. The corresponding figure in private colleges and universities is 93 percent.

I believe it is more than reasonable—it is logical—to match the 66.8 percent increase in after tax family incomes with the 93 or 94 percent rise in college tuitions over the past 10 years and to conclude that for the average family it has become harder, palpably harder, to provide a college education for one's children.

Admittedly, these percentages are dry and thus difficult to associate with the experiences of real people. For that reason, I would like to introduce into the

RECORD at the conclusion of these observations a remarkable letter that recently came to my attention. It is a copy of one that a constituent of mine sent to the Director of Financial Aid at a major private university that has admitted his son. According to the College Scholarship Service analysis of that family's economic situation, my constituent is expected to "contribute" $8,000 annually to the young man's education.

The letter explains the total unreality of that estimate by setting forth the family's own budget in considerable detail and explaining some of the pressures on it. As will be obvious, this is hardly an impoverished family. Its gross income places it well into the top 10 percent of all American families. Still, it is demonstrably unreasonable to expect that family to pay even the $5,110 that the College Scholarship Service estimates to be the average cost of attendance at a 4-year private college next year, let alone the significantly higher costs associated with attendance at a selective private university such as the young man hopes to attend.

I have deleted the names. Otherwise, this eloquent letter is unaltered.

To be sure, a tax credit in the amount of $500 per year will not suffice to solve the problems faced by families such as this one. But it is a step in the right direction. In that connection, it should be noted that the administration's so-called alternative to tax credits would confine Federal grant aid to families earning less than $25,000, and would thus provide no help to my constituent and the millions like him. I would also note my personal conviction that it is wrong to depict grant and tuition tax credits as "alternatives." Both are needed, and no overlap will ensue, as tuitions paid by anyone other than the taxpayer would not be eligible for the credit.

Finally, it should be pointed out that if the administration were sincere in its desire to extend the basic grants program to students from families earning between $15,000 and $25,000, it could do so with a stroke of the pen. No legislation is required. All that would be needed is a few changes in the "family contributions schedule" of the basic educational opportunity grants program.

That schedule is the responsibility of the Commissioner of Education, and can be revised without legislation. What the Congress can do—and in my view should do—is to revise the Internal Revenue Code to make tax credits available to millions of young Americans for whom college is otherwise unattainable, including those who may receive student aid but whose aid is inadequate to meet the soaring cost of higher education.

The letter referred to above follows:

NEW YORK, N. Y.,
April 22, 1978.

DIRECTOR OF FINANCIAL AID
(DELETED) *University*

DEAR MISS (Deleted): Yesterday I received the Financial Aid Form Acknowledgement for 1978–79 from the College Scholarship Service of the College Board in Princeton, N. J. I read it with surprise, shock and disbelief. Let me explain to you why.

Some time ago I did work out a last year's budget summary of the fixed and unavoidable cost of living for our six-member family. A copy of it is herewith enclosed.

As you may know, we in New York City are subjected to Federal, State, City income, sales and other taxes. Together with FICA they added up to $16,950.

The rent and other expenses for our five-room apartment in the city (accommodating six persons of our family) come to $5,216 per year. As an employee of (deleted) the City of New York I am encouraged to live within the city limits.

Medical and dental expenses came to $2,259. These can be considered moderate in view of the advanced age (above 70) of two members of our family.

Income and life ($15,000) insurance premiums came to $765, church and charitable contribution a modest $446, compulsory union and other dues $495, mandatory pension contribution $823.

We have a car of which I am the only driver and must nevertheless pay, in New York City, an insurance premium of $479. The car is eight years old so, last year, it required a new transmission etc. for a total of $1,082. Transportation by subway to and from work necessitates an additional minimum of $270 per year.

Repayment for the home improvement loan came to $2,317; for a piano (my wife studied the instrument and my children are learning too) the loan repayment was $1,147. Expenses on our summer home (which we were lucky to buy eleven years ago for $5,000 and worked to improve it ever after) were $1,774. Adding all these and other unavoidable expenses brought the expense budget to $40,269.

When one subtracts this amount from the total 1977 income of $48,172.35, one is left with $7,903.35. We have tried to keep our food budget down to $120 a week. (The number of meals is equal to the product of 7 days×3 meals a day×6 persons in the household=126, i.e. we kept the cost at less than one dollar per meal.) This requires for the 52 weeks an expense for food of $6,240. Subtracting this from the above $7,903 leaves $1,664 for all other possible expense—clothing, entertainment, replacement of worn articles, stationery, family gifts, mail charges, everything: a yearly sum of $277 per person or about 75 cents per day.

Of course, the ladies and gentlemen of the College Scholarship Service may remark that the (deleted) family could have done without the car or the summer home. They should note, however, that we have not had a vacation trip for the last fifteen years nor have we gone out to movies, concerts or restaurants more than once a year for as long as we can remember. We do not own a color television set; no one in our household smokes nor do we enjoy liquor. Without the weekends at our country retreat we would not have what to look forward. The Scholarship Service people may also view the private high school expenses as expendable. Without that educational opportunity, however, our son would probably not have earned admission to your excellent institution.

This in short is the factual story of the financial status of the (deleted) family—a family which journalists and statisticians call upper middle income. We are certainly not completely atypical. Consequently, how the College Scholarship Service could have determined that our total family contribution can exceed $8,000 is beyond my comprehension. Their personnel must be either extremely ignorant or callously careless.

I would very much like to see my son have the opportunity to continue his education at the University. He worked hard and earned his credentials. To this end I estimated that our family would be able with additional belt-tightening to contribute a sum of about $3,000. However, if the CSS unrealistic estimate is left to stand, it would become totally impossible for us to underwrite the required expenses.

I apologize for the length of this letter, but I felt that anything more abbreviated would not do justice to the problem. I trust that you will be kind enough to look into the difficulty; I hope that the Financial Aid Office will somehow make it possible for our son to attend your college.

Sincerely,

(NAME DELETED).

Summary of the fixed and unavoidable expenditures for the year 1977

1. Taxes:	
Federal	$9,730
State, city, sales, etc	6,254
FICA	966
Total	16,950
2. Apartment:	
Rent	$4,460
Electricity and gas	396
Telephone	320
Building personnel	40
Total	5,216
3. Medical expenses:	
Doctors, dentists	$1,999
Medicines	260
Total	2,259
4. Insurance:	
Income	$178
Life	587
Property	155
Total	920
5. Mandatory pension contribution	$823
6. Family car:	
Insurance	$479
Gasoline	520
Repairs, tires, etc	1,082
License fees	48
Total	2,129
7. Transportation to work	270
8. Summer home:	
Electricity (with water heater)	264
Gas (with auxiliary heating)	520
Repairs and improvements	950
Total	1,654
9. Loan repayments:	
Bank loan	2,317
Ret. system loan	1,148
Total	3,465
10. Interest expense	1,242
11. Church and charitable contributions	446
12. Union and other dues	495
13. School tuition (son and daughter)	4,400
Grand total	40,269

Analysis of disposable income

Gross income	$48,175.35
Fixed and unavoidable expenses	40,269.00
Disposable income	7,803.35
Weekly food budget at $0.95 per meal per person, 3 meals per day	$120.00
Total for the year	6,240.00

Disposable income available for clothing, replacement of worn articles, stationery, mail, family gifts, entertainment, city and other travel, books, toiletry, and everything else, for 6 persons ---------- 1,644.00

That is $274 per person per year or about 75 cents per person per day.●

HOW RELEVANT IS SALT TO OUR SECURITY?

● Mr. HATCH. Mr. President, while we debate the merits of the administration's proposal to sell planes to those nations in the Middle East, an issue of importance to our country's security and well-being looms ever present on the horizon. We have recently concluded the debate on the Panama Canal treaties and a person cannot help but wonder why the administration sprung those treaties on the Senate when it did. Why did the administration present them when it did? Many political experts are of the opinion that the Carter administration is attempting to deflect the attention and energy of the Senate from the SALT issues and the increasing military buildup of the Soviet Union. This line of logic gains more credibility when one considers the continued rapid fire submitting of foreign policy issues to the Senate by the administration. Already in this month we will have considered the Middle East plane sale, the lifting of the arms embargo against Turkey, and on the calendar is the United States-United Kingdom Tax Treaty. This pattern has led me to believe that the administration does intend to distract the Senate from keeping a close eye on the negotiations being conducted in Geneva.

As the basic structure of a possible SALT II agreement came into the open, some Senators charged that other Senators leaked the substance of the impending agreement so that they might openly attack it. Apparently, some Members of the Senate still believe that the administration should conduct foreign policy in secret and submit the results to the Senate for its rubberstamp approval. Some Senators continue to view the Soviets through wistful hopes and daydreams. In 1965 Secretary of Defense McNamara reassured the Nation that: "The Soviets have decided that they have lost the quantitative race and they are not seeking to engage us in that contest. There is no indication that the Soviets are seeking to develop a strategic nuclear force as large as our own." How much longer will some of the Members of the Senate continue to hide their heads in the sand when it comes to the Soviet confrontation. Congressman JOHN BRECKINRIDGE visited the Soviet Union and while there had the opportunity to meet for nearly 4 hours with the First Deputy Minister of Defense, N. V. Ogarkov, Marshal of the Soviet Union. Ogarkov underscored the significance of America's decline as a world power in the following way:

The United States has always been in a position where it could not be threatened by foreign powers. That is no longer true. Today the Soviet Union has military superiority over the United States and henceforth the United States will be threatened. You had better get used to it.

Mr. President, how many times can we be so totally misled and still survive as an independent and viable nation? I believe that we have listened to the people who have repeatedly misled us for longer than we can afford. I don't believe that we can afford to listen to these people one more time.

I support those Senators who maintain that the SALT discussions never should have been a secret process in the first place. Such secrecy only excludes the Congress and the American people from making their concerns and their opinions known to the President. In this connection, I might say that the record of secret negotiations and treaties with the Communists in recent years—witness the debacle of the secretly negotiated Paris accords, which provided a Nobel Peace Prize to its chief American architect and a loss of freedom to the South Vietnamese people—indicates that we do better sharing our secrets with ourselves than with our enemies and potential enemies.

At another level of argument, we note seemingly erudite exchanges and charges over the military implications of this looming SALT treaty. The modern jargon having to do with such entities as throw-weights, warhead yields, missile accuracy, silo survivability, launcher aggregates, strategic equivalence, sufficiency, stability—all this pervades the rhetoric, causing many people to gasp in puzzlement and disbelief, and highly sophisticated experts, such as former Defense Department policy analyst Robert Leider to suggest that nuclear "word-limitation," rather than "arms limitation," talks receive first priority.

Whatever the value of this controversy may be, there is one dominant aspect of it which should be realized, namely, essentially all of it stems from a reaction to the disclosed agreements between the administration and the Soviet Union. For its peculiar multitude of reasons, the Senate is taking sides in either supporting the potential treaty terms of finding fault with them. Supporters of the treaty find it to well-serve U.S. security interests, and those who object find it inimical to our interests.

However, as far as I have observed, short of throwing around the military-technical verbiage of arms control and claiming that U.S. concessions have been either acceptably safe-sided or unacceptably one-sided, there seems to have been a great paucity of convincing evidence that the treaty will be helpful or harmful. What the Senate must do is to grapple with the problem of whether the treaty, in whatever form it finally takes, will be meaningful in enhancing U.S. security.

Frankly, I have become increasingly concerned over the apparent one-sidedness of U.S. SALT concessions. There is little doubt that we have backed away from most major positions taken earlier in the negotiations. On these grounds alone, I would be inclined to vote against a treaty which incorporated these concessions; for to do otherwise would be condoning a weak and dangerous negotiating practice. However, even if we held firm and consummated an agreement along the lines of the Vladivostok accords, proposed by President Carter last spring, I still would have grave reservations.

I would have reservations because the agreement sidesteps the major real world issue—how both sides, ourselves and the Soviet rulers—view the possibility and meaning of nuclear war.

This real world issue embraces far more factors than each side agreeing to numbers of missiles and bombers in arms control treaties. It embraces the very distinct possibility—supported by some very unpleasant, cold, hard facts—that the Soviet Union is determined to put the United States in a position where its nuclear weapons are not capable of checking the Soviet drive for dominance in the world. And, paradoxically enough, one of the most critical Soviet means of reaching this objective is via the arms control process with the United States.

When the SALT I agreements were signed in 1972, the support in the United States, including the Senate, was overwhelming. Looking backward to that episode, perhaps it should not have been that way. There should have been more skepticism and suspicion about dealing with the Russians, whose arms control record prior to SALT I was not illustrious. Maybe we should have paid more attention to the deepseated and long-held state doctrine of the U.S.S.R. and, in this light, tried to figure out what they were up to in SALT besides mouthing the sweetness of détente.

There was considerable evidence at that time to show that basic Soviet state doctrine—and not the political propaganda of détente was indeed the driving factor behind Soviet actions. Instead, as Americans are prone to do, we euphorically chose to pick the hopeful side of détente, instead of the grim side of declared Soviet objectives.

In explaining the advantages of SALT I to the American people, Henry Kissinger pointed out that had we not accepted these agreements the momentum of the Soviet ballistic missile buildup—in contrast to the U.S. stagnation—would have provided them, in a very few years, with a much larger margin in their favor than the 3 to 2 advantage we conceded to them. Of course, it was never made clear—other than by assuming that the Soviets, in the spirit of détente and arms control, simply were being charitable to us—why the U.S.S.R. chose not to reach for an even larger missile disparity in their favor, unless they never had any such intention to do this.

Taking stock of what has happened since 1972, it is obvious why the Soviets elected not to further expand their strategic ballistic missile force. There was far more to be gained by putting a lid on ours and, at the same time, causing the United States to scrap its anti-missile program which could have provided substantial defense to our land-based missiles.

Having placed a limit on the potential amount of missile firepower the United States could deliver against the U.S.S.R.,

the Soviets could then go about taking the required steps—both offensively and defensively—to insure that a U.S. retaliatory blow would be insufficient to reduce the Soviet [redacted] to the status of an unviable soci[redacted] is precisely what they have been doing; and if we had bothered, in 1972, to take seriously the avowed state doctrine of the Soviet Union it would have been very clear why they would do this.

Long before SALT became a serious potentiality, the Soviets had accepted the distinct possibility of nuclear war with the West and had set out to take the necessary steps to fight and win such a war—at a price acceptable to them. Listen to the statements which have been guiding the course of action of the Soviet state:

". . . it would be extremely dangerous if the opinion became firmly established in public circles that everything is now completely in order and that the threat of war has become illusory;" President Brezhnev.

"Closely connected with the views on the character of a world war is the question of its consequences. In the West, for instance, it is claimed that humanity, world civilization would perish in the event of such a war, that everything living on earth would be annihilated. Marxist-Leninists resolutely reject these attempts. They have always considered and still consider war, all the more so a thermonuclear war, as the greatest calamity for the people. But Communists harbor no sentiments of hopelessness or pessimism;" Admiral Shelyag.

"The imperialist ideologists are trying to lull the vigilance of the world's people by having resource to propaganda devices to the effect that there will be no victors in a future nuclear war. Their false affirmations contradict the objective laws of history . . . Victory in war, if the imperialists succeed in starting it, will be on the side of world socialism . . ." Marshal Krylov.

"While the Armed Forces take as their objective to prevent the use of destructive means against the rear of the country by the destruction of the attack weapons or the interception of the weapons on their way to the target, Civil Defense, by carrying out protective measures and the thorough preparation of the population, seeks to achieve the maximum weakening of the destructive effects of modern weapons."

"Under present conditions . . . the preparation of this country's rear for defense against means of mass destruction has become, without a doubt, one of the decisive strategic factors assuring the ability of the state to function in wartime, and in the final analysis, the attainment of victory." General Altunin.

What the Soviets openly have been telling us is that: First, nuclear war can happen; second, if it did happen, it would not necessarily be the end of everything, and they, the Soviets, would win; and third, through a combination of active and passive defense, the ability to win would be decisively enhanced. It is worrisome enough that the Russians would so vehemently admit to the possibility of thermonuclear war and claim their ability to win it, but it is terrifying to contemplate that they are actually planning for this possibility—for we neither admit to, or plan for, this contingency. To us even fighting, let alone winning, is meaningless.

I might say that this observation is fully supported by the Joint Chiefs of Staff who have declared: "Soviet strategic policy and force development continue to be based on this military doctrine, which calls for the capabilities to fight, survive, and win a nuclear war. American strategy is premised on the principle of war avoidance while that of the Soviet Union is premised on war winning."

The U.S. attitude toward thermonuclear war, an attitude which has been fundamentally responsible for shaping our SALT philosophy, has been forcefully expressed by our prime architect in SALT, Henry Kissinger:

". . . The existence of nuclear weapons creates conditions that are unprecedented in history, in that a war under current circumstances could lead to the destruction of all civilized life as we know it. . . ."

"Although we [the U.S. and the USSR] compete, the conflict will not admit of resolution by victory in the classical sense. We are compelled to coexist. . . ."

And so we see this drastic difference in attitudes between ourselves and the Russians. However, the difference is far more than ideological, for unlike the Russians, we have no military plans and capabilities for actually fighting a war. The military balance is swinging overwhelmingly in favor of the Soviet Union.

Since SALT I was signed, the Soviets have moved on all fronts in developing, producing, and deploying major new weapon systems. They have added new classes of land- and sea-based strategic nuclear ballistic missiles including two land-mobile strategic missiles, the SS–16 and SS–20, and have introduced a new supersonic bomber—the Backfire. They have improved substantially their already massive air defense system and apparently, as former Secretary of Defense Melvin Laird has revealed, completed research and development in flagrant violation of the SALT I Treaty on an antiballistic-missile (ABM) system which readily could be deployed around the Soviet Union. Finally, they have greatly accelerated their civil defense program, along with means to disperse and harden critical economic assets.

On our side, and in stark contrast to the Soviet efforts, to a first approximation during the last 5 years, we have sat on our hands. Not one new strategic ballistic missile system has entered the inventory. We have no firm commitment to produce and deploy a mobile ballistic missile, and even were such a commitment actually to be made, it would not be until the late 1980's until such a system was in place. We have canceled our B–1 supersonic bomber, giving the Russians an absolute monopoly in this area. The final dismantling of our air defenses has taken place, and even the minimum ABM capability which SALT I permitted us to have has been put in mothballs. By comparison with the Soviets, our ABM research and development goes on at a minuscule level. Finally, our economic survival and civil defense programs continue to be nonentities.

Despite these huge, and growing, disparities between ourselves and the Russians, we are told by the administration that there is no cause for undue concern. Even though it is admitted, to quote the Secretary of Defense, that "We cannot rely on our present ICBM's to survive an attack in any large numbers past the early to mid-1980's," at the same time we are reassured that during this critical period those strategic forces which might survive a Soviet attack would be sufficient to wreak unacceptable damage against the Russian economy and population. Perhaps so, but I do not find the arguments very reassuring and would observe that the supporting studies behind these arguments have yet to be provided to the Congress and the American people for their assessment and reassurance.

As to the possibility that the Soviets might deploy an ABM system under the guise of an air defense system, which is not barred by SALT, we are told by the Secretary of Defense that this would be an exercise in futility, that such a system would not be effective against a U.S. missile attack. How do we know this? By whose standards is the effectiveness of a Russian ABM to be determined—ours or theirs?

Obviously, we are making the incredible mistake of thinking that the Soviets think exactly as we do. Yet, at the same time that we tell ourselves that Soviet ABM's are ineffective we also tell ourselves that the discovery of an actual buildup of such weapons would necessitate "our taking actions to build up our forces in a massive way," which is another way of telling ourselves that perhaps the Russian ABM's are effective, or at least that we cannot afford to take the chance that they might be. Logic and consistency is deplorably lacking in our position.

I, for one, would agree with the contradictory part of this twisted logic. If the Russians are sinking all that money and effort into their ABM program, prudence and a basic concern for our security would dictate that we build up our offense to match a possible Soviet AMB deployment, and our defense to counter a Soviet first strike. Considering the massive Soviet ABM effort, an effort which a Library of Congress report calls unswerving in purpose, and the fact, as stated by Soviet General Altunin, that such defense is a doctrinal objective for the Soviet Union, it would seem irresponsible for us to do anything else.

As for the effectiveness of the Soviet economic and population defense program, the Defense Department reassures us that even though the program is indeed expanding, like their ABM's this too, is an exercise in futility. The program will not work, we are told, because the United States can modify its offensive forces to make sure it will not work. Moreover, the Soviet plan for evacuating their population will fail for lack of realistic practice. The Secretary states: "I think that the idea of evacuating people from big cities into the country, without practice—and there hasn't been practice in the Soviet Union—means that the plan would fail in the event." Note that it will not work because we say it will not work, not because the Russians think it will not work.

Regarding the protection that the Soviets are providing their economy through dispersal and hardening of key elements, how does the Defense Department know that this is actually counterproductive for the Soviets? Surely the Soviets must understand the mechanics of missile force modification and determine for themselves the efficacy of such measures. Moreover, I would seriously question whether the office of the Secretary of Defense is even able to make responsible calculations on such Soviet measures. One should realize that this is an intelligence area which has gone badly neglected until very recently. I highly doubt whether we know the full extent of the current measures which have been taken, and there certainly is no way of our projecting what future Soviet capabilities in this area may be. I do not find this very reassuring, especially if our required force modifications are to be unrealistically restricted, primarily by Soviet design, in a new SALT Treaty.

With respect to the claim that the Soviet population evacuation program is infeasible due to lack of realistic practice, I would point out that a comprehensive study of emergency evacuation of populaces has been conducted recently by the Stanford Research Institute. The conclusion reached was that practice does not necessarily make for perfect in this area, in fact, it might even make for negative results. To quote the major conclusion of the SRI study:

> There is, as it were, no compelling reason to believe that public drills would enhance the population's capacity to cope with disasters more effectively or improve planning and there is fair evidence that the results might well be counterproductive.

Is the Secretary, on such a crucial matter, giving a subjective opinion or are his remarks based on detailed investigations such as SRI's?

A year before the outbreak of World War II, and 2 years before continental Europe fell to Hitler's armies, Neville Chamberlain saw hope for détente with the Nazis and an effective arms control process as well—all this, while recognizing the realities of German expansion and military buildup. In this vein, the Prime Minister of Great Britain spoke:

> I am a realist—nevertheless. . . . I do see fresh opportunities of approaching this subject of disarmament opening up before us, and I believe that they are at least as hopeful today as they have been at any previous time. It is to such tasks—the winning back of confidence, the gradual removal of hostility between nations until they feel that they can safely discard their weapons, one by one, that I would wish to devote what energy and time may be left to me.

As we all know, it was Winston Churchill who had most persistently fought Chamberlain's attitude and pleaded with his countrymen to build up their armed forces. And, of course, when the bubble burst, it was Chamberlain who left in disgrace and Churchill who was called upon to direct England through the war, which it came perilously close to losing.

All this is familiar history, and in Britain's case a failure to learn previous lessons of history almost cost its freedom. However, one should keep in mind that all this happended before the nuclear age. It was in the nature of conventional warfare that nations might have time and space to overcome the initial adversities arising from having neglected the realities around them. Almost miraculously Britain was able to do this, with assistance from the United States. And we should not forget that it also was time and space which enabled the United States to overcome the disaster of Pearl Harbor and the Japanese onslaught in the Pacific.

Shortly before he died, Churchill warned the West that nuclear weapons had changed the classical pattern of the past. There could be no repetition of what had happened before:

> Sometimes in the past we have committed the folly of throwing away our arms. Under the mercy of Providence, and at great cost and sacrifice, we have been able to recreate them when the need arose.
>
> But if we abandon our nuclear deterrent, there will be no second chance. To abandon it now would be to abandon it forever.

Not too slowly, and certainly surely, I fear, we have been ignoring Churchill's warning and emasculating our nuclear deterrent. For some of the reasons I have brought out here, our Government seems to have been prone to rationalize this process, as did the British Government during the mid and late 1930's. We are pinning our hopes on an arms control process whose record so far for enhancing our security is dubious at best, and, I must sadly note, we are basing our security on SALT treaties in the making, rather than on actual military capability to deter the Soviet across-the-board preparations for nuclear war.

It has become fashionable these days to observe that the Senate is on the verge of a great debate over our strategic posture. However, despite these sage observations, the only debate which seems to be materializing is over the acceptability of a new SALT agreement, not over the adequacy of our strategic defense posture vis-a-vis that of the Soviet Union. As I indicated at the beginning, the Senate is reacting far more to an arms control process which seems to ignore reality, rather than to reality itself.

Before the Senate can pass proper judgment on SALT and a Comprehensive Test Ban Treaty, which could be thrust upon an unprepared Senate, this debate has to take place.●

THE LAW OF THE SEA

● Mr. BIDEN. Mr. President, there are some vitally crucial issues in the world that can fortunately be written about with a light touch. In a recent issue of the Economist the seventh annual U.N. Conference on the Law of the Sea is described as progressing in Geneva at great cost, and with even greater solemnity. The author, while chiding the 158 well intentioned delegations for taking 10 days and $2 million to produce a chairman, wonders whether the Creator will "pull the plug" on the sea before a comprehensive treaty can be produced to save it.

Mr. President, I ask that the attached article from the Economist be printed in the RECORD.

THE SE[redacted]S

There are limits ev[redacted]ne providence. Before the Creator [redacted]oose on this planet a creature which he [redacted]id (for reasons of his own) programmed to be messy, wasteful and destructive, he wisely covered two thirds of the globe's whole surface with salt water. This worked quite well until a few years ago. The dry third of the world might be ravaged by men's wars, fouled by their leavings, eroded, defaced and plundered by their flocks, their crops, their industrial cities and their mines; but the watery two thirds remained clean, quietly absorbed all the muck that men tipped into it, and provided them with ever-renewed supplies of fish, pure rain and oxygen.

The Creator's finest creation, man, has changed all that. Between 1950 and 1970 the world's annual fish catch was quadrupled; areas which had been known as rich fishing grounds since memory began have been virtually vacuum-cleaned in a few years. Modern man pours so much sewage, effluent, poisonous chemicals and other waste down the rivers or straight into the sea that the old oceanic cleansing processes can no longer cope. Man-made pollution is accumulating even in mid-ocean, and enclosed seas such as the Mediterranean are on the way to becoming latter-day Dead Seas. Here and there rivers catch fire—something that did not happen even in Sodom and Gomorrah. Man has burrowed into the seabed so extensively that a quarter of his oil and gas already comes from under the water. In the crowded sea lanes (merchant shipping tonnage, too, quadrupled between 1950 and 1970) huge tankers with tiny crews carry huge cargoes of oil and from time to time bestow them on the beaches which the patient sea used to keep sparkling clean.

Warnings about the marine crisis became so plentiful by the early 1970s that the world's governments were forced to take the minimal action of calling a conference. The current United Nations Conference on the Law of the Sea (Unclos) was called in 1973. Its seventh session began in Geneva two weeks ago. The 158 delegations have agreed (repeatedly) that their task is urgent. They have agreed on many other things too. Unfortunately the most important thing so far agreed is that none of the things already agreed can be finally agreed until everything has been agreed. It's all or nothing; and, so far, nothing.

IT'S MINE, IT'S MINE

Meanwhile the sea has been up for grabs. Unclos was originally launched against a background of pious slogans about "the common heritage of mankind". During its long sessions and long recesses, nearly a third of all the oceans has been arbitrarily appropriated by about 60 coastal states, in the form of "exclusive economic zones". Seabed claims, in places, go still farther; they could be tripled by the now fashionable choice of the continental margin, instead of the shelf, as a limit. A conference that began with much talk about the urgent need for cooperative, constructive international action looks like ending (if it ever ends) with the retrospective legitimising of an unparalleled series of annexations.

Reassembling on March 28th after a restful but otherwise unproductive nine-month break, the Unclos delegates devoted their first 10 days (at a cost of over £100,000 per day) to wrangling about the chairmanship. They may thus have made Mr. Amerasinghe of Sri Lanka the world's first Two Million Dollar Charman, but they have made them-

selves look cheap. Nobody now expects that this, their seventh session, is going to produce the comprehensive treaty which has eluded them at the previous six. The distress signal, Save Our Seas, is still being ignored. How long, oh Lord, how long? There may be limits even to divine patience, and the Creator could hardly be blamed if, in despair at man's new inroads into His watery creation, He reached down and pulled the plug on him.●

WHERE IS THE SECRETARY OF ENERGY?

● Mr. HANSEN. Mr. President, this morning the Energy and Natural Resources Committee, on which I am the ranking Republican, held a hearing on the Department of Energy budget. The hearing was held at my request because I have been unable to obtain straight answers to a series of questions regarding the Department's budget. At this point, I ask that my letter of May 10 to Chairman JACKSON be printed in the RECORD.

The letter follows:

UNITED STATES SENATE,
COMMITTEE ON ENERGY AND
NATURAL RESOURCES,
Washington, D.C., May 10, 1978.

Hon. HENRY M. JACKSON,
Chairman, Committee on Energy and Natural Resources, U.S. Senate, Washington, D.C.

DEAR SCOOP: As you probably know, I have been exchanging correspondence with Secretary Schlesinger for the past six days dealing with a series of recent, controversial issues in the Department of Energy budget. Copies of the various letters to and from the Secretary have been sent to you.

As the correspondence indicates, I unfortunately have been unable thus far to get any reasonable answers regarding the President's announced $100 million reprogramming for solar energy, and particularly the source of these funds from other programs, or any straight answers regarding the status of the so-called Phase II energy supply initiatives, about which Secretary Schlesinger testified on March 1, and Deputy Secretary O'Leary reported to Senator Bartlett and me on April 22. In fact, I received a letter yesterday from Mr. O'Leary which attempted to deny the President's widely reported disapproval of Phase II last week. I felt strongly that the attempted denial was an exercise in semantics, and I sent another request for the information yesterday.

Also, we are having difficulty in getting reasonable answers on the strategic petroleum reserve budget, the uranium enrichment revenues, and the uranium enrichment project at Portsmouth. These various uncertainties in the DoE budget before us could total between $500 million and $1 billion, and they have already been the subject of considerable interest already in the markups. I also am aware of the overall budgetary concerns which have been expressed by many Members in the markup, particularly regarding the SPR program.

Consequently, on behalf of the Minority Members of the Committee, I formally repeat the request I made in markup today that Secretary Schlesinger be called to testify, regarding these issues in the DoE budget at one final hearing before we complete action on the authorization bill. Hopefully, we could obtain responsive answers at the hearing on these important budget issues. I personally will be available to help with such a hearing at any time, morning, afternoon or evening. Thank you for your consideration.

Sincerely,

CLIFFORD P. HANSEN,
Ranking Minority Member.

Mr. HANSEN. Before I comment further on the hearing this morning, I would like to make some brief remarks about the reason for this hearing. Last Wednesday, I formally requested, on behalf of the minority, that the chairman schedule another hearing on the energy budget with Secretary Schlesinger before we completed action later today on the budget. I requested the hearing because we have been unable to get straight and responsive answers to a series of critical questions, involving literally billions of dollars in this budget. One issue alone, the strategic petroleum reserve, could involve a difference of up to $2 billion in next year's budget.

These multibillion-dollar questions have arisen in the past 2 weeks as a result of administration actions during our consideration of this budget. The specific issues include the following items:

Item 1. The "phase II" energy supply initiatives. On March 1, Secretary Schlesinger testified here in presenting the budget that he recognized the need for addititonal supply initiatives in this budget, and that he would propose them by May 1. Phase II has been discussed a great deal since then, and we now know it could involve up to $500 million in the pending budget and, in fact, Deputy Secretary O'Leary briefed several of us about it on April 25. Also, Senator CHURCH and Senator HATFIELD formally requested, for the committee, that the department provide details on the phase II status to support markup. During the week of May 1, it was widely reported that the President disapproved phase II on his western trip, despite Dr. Schlesinger's personal plea. We have received no responsive answer on the reported disapproval, other than an exercise in semantics, nothing evasively that the President has not finally disapproved phase II. Of course, it is no secret that the committee is under intense pressure to fund some of these phase II projects, such as the $150 million, S.R.C. two, coal conversion plant, which I understand we may consider later today. Also, just last Friday, the Department finalized a new regulation to give all liquid synthetic fuels a special entitlements treatment, with a benefit equivalent to $2 per barrel, and which we had understood was part of phase II. If, in fact, the entitlements action Friday is part of phase II, that will require some further inquiries to sort out the situation, and its impact on this budget, as well as hundreds of millions in indirect funding.

Item 2. $100 million solar "reprograming." During the President's trip to the West, on May 3, he announced a $100 million reprograming in this budget for solar energy projects. We have been unable to get any answer on the details of the new solar projects, or equally as important, what programs and projects in this budget are to be cut to fund the solar ones. We did not even get an answer after suggesting that the absence of this information would render the President's announcement as purely political.

Item 3. $675 million direct funds and $1.5 billion in loan guarantees for energy impact assistance to States. On the same western trip, the President announced this new energy impact assistance program. The Department has been responsive in providing information on this new program. Since the program could duplicate several similar programs already in law or now under consideration, such as synfuels, coal, and geothermal development impact assistance, which are in this budget, and since the new program is placed in the Department of Commerce, not the Energy Department, there remain significant policy issues for this budget.

Item 4. $115 million reduction in funding for the centrifuge enrichment facility. In testimony in late April in the House and in a May 1 letter to the committee, the Department amended its request for the Portsmouth centrifuge facility from $220 to $105 million, and proposed a major change in its plan, with a shift to a phased commitment to additional enrichment capacity. Again, the Department has been responsive, but this change involves very significant policy and budget issues related to our whole management of the Federal uranium enrichment program, involving literally billions of dollars.

Item 5. Use of $800 million in uranium enrichment revenues. The Department informed Senator MCCLURE on April 28 that it was not controlling the $800 million in uranium enrichment revenues in the current fiscal year as the Congress intended and the law provides, and apparently would not do so under existing law next year. Senator MCCLURE referred the matter to the Comptroller General on May 5 for a GAO investigation. In the meantime, we have been unable to get any answer from the Department on how those funds are being used and accounted for this year, and how they are intended to be used next year, when they will total almost $1 billion.

I sent Secretary Schlesinger a letter on May 5 asking for details on all of the mentioned items. An answer last Monday was not responsive at all on phase 2, solar reprograming, and the enrichment revenues, and raised additional questions on the other items. I sent a second letter on Tuesday reasking the original questions and following up on the Monday answers. I also sent the letter to the chairman Wednesday asking for this hearing on these specific issues, and also on the strategic petroleum reserve, which has just developed as another major budget issue.

Item 6. Strategic petroleum reserve issue. During the last 2 weeks the committee has focused increasingly on the Department's request for $4.2 billion for the strategic petroleum reserve. The issue surfaced in the consideration of the latest amendment to the reserve plan, which this committee and the Senate disapproved last month. Because of questions during the markups in the Church subcommittee, and later in full committee, the staff was directed to review thoroughly the budget request of $4.2 billion. A May 1 letter from Deputy Secretary O'Leary stated that the full

amount was needed, but new details in a May 9 letter from Assistant Secretary McIsaacs indicated that as much as $1.5 to $2 billion could be cut from the request.

The staff will be providing details to the committee on this new information and analysis, but suffice it to say that this is a very significant budget matter and a truly strategic policy matter for the United States. Because of my very serious concern about this matter, I had our staff notify the Department last Friday, and again on Saturday, about our review of the McIsaacs letter, so that they could be prepared to discuss it fully this morning, and would not be caught unprepared. This committee simply must know what the facts are in making a decision later today on the budget for the strategic reserve. Mr. Chairman, I believe that all of the issues I have mentioned, with their immediate and direct impact on the Department's budget, and the literally billions of dollars in direct funding, as well as hundreds of millions, if not billions, in indirect funding, are indicative of the fully responsible and very serious and as yet unanswered questions about this budget that I have raised.

This committee deserves factual and responsive answers from the Department before we finally approve the Department's budget. Now, I am quite disturbed that some have suggested that my questions and my request for this hearing are purely political in nature. I would hope that this discussion also demonstrates clearly the responsible, and not purely political nature, of my request in fact, tht latest letter from the Department last Friday night indicated their expectation to be able to deal finally with these unanswered questions today. I certainly hope so.

Finally, Mr. President, before I turn to the testimony and questions, I would like to make one further observation. I asked that Secretary Schlesinger appear at the hearing to give us straight answers on these several, critical budget issues. I am told he refuses to testify. My response is simple and straightforward—where is the Secretary of Energy? I repeat, where is the Secretary of Energy?

Mr. President, at his confirmation hearing on August 3, 1977, Secretary Schlesinger was asked by the Chairman:

> Will you be available to appear before this committee and other congressional committees to represent departmental positions and respond to issues of concern to the Congress?

Dr. Schlesinger answered, "absolutely." Repeat "absolutely." Again where is the Secretary of Energy, when the issue of concern to this committee is literally billions of dollars and major policy and program issues in this budget? Does he have no interest in two billion dollars for the strategic petroleum reserve? A billion dollars of enrichment revenues? A billion dollars in energy research and development funding?

The Department of Energy Organization Act requires the Secretary to keep us "fully and currently informed" on the budget, policies and programs in the Department. Again. Where is the Secretary to provide answers to those very questions about the new Department's first budget? Deputy Secretary O'Leary in his May 1 letter defended full funding for the strategic petroleum reserve, and we now find from the McIsaacs letter that there may be a factual difference. Also, Deputy Secretary O'Leary signed the letters to me last week claiming that the President did not turn down Secretary Schlesinger on phase II and refusing to provide any details on the status of phase II, the solar reprograming, and the use of enrichment revenues. Again, where is the Secretary of Energy to provide answers on the President's decisions, and the other budget issues in dispute? Secretary Schlesinger is scheduled to appear tomorrow before the Senate Interior Appropriations Subcommittee to present the Department's budget. Where is the Secretary of Energy today to defend that budget before this committee, which must authorize those appropriations in the face of these billions of dollars in unanswered questions? Must I initiate formal subpoena action to get the Secretary here? In fact, despite the fact that he knows of my request, neither the Secretary nor the Department has offered any excuse for his refusal to testify this morning. I honestly cannot remember any time in my service in the Senate when a Secretary of a Department would refuse to testify on such critical issues in his budget and programs.

The Secretary's refusal to testify necessarily raises speculation about the reasons for his refusal. Is he embarrassed that the presidentially announced solar reprograming, in fact, was purely political, and there actually is no source of these funds? Is he embarrassed that the Department of Commerce has been given responsibility for Energy Impact Assistance to the States, despite his own statutory authorities? Is he embarrassed because the President, in fact, did disapprove the bulk of the phase II program or direct him to take it out of other programs? Is he embarrassed that commitments on certain projects like S.R.C. 1 and 2 cannot be kept? Is he embarrassed that the Portsmouth facility effectively is being deferred, with major policy and budget ramifications? Is he embarrassed that the Department now is unable to defend fully the one-third of its $12 billion budget for the strategic petroleum reserve? Again, where is the Secretary of Energy to deal with these issues?

His refusal also necessarily raises other speculations regarding the energy conference. He has been all over Capitol Hill in recent months, negotiating, cajoling, pleading, and promising. We hear daily about new deals associated with the natural gas compromise, such as the Northeast entitlements deal. And, we are aware of actions underway now in the Department and FERC, or planned which otherwise appear to be intended to garner support for the gas compromise. Perhaps, the Secretary feels he has to avoid close questioning by the committee on these reported actions, and the many apparent contradictions they involve. Perhaps, the Secretary is afraid his answers to such questions could unravel the gas compromise. For instance, the relation of new subsidies and guarantees for coal gas and unconventional gas to the great production gains supposedly produced by the gas compromise.

Again, where is the Secretary of Energy, and why does he allow his refusal to testify to feed these speculations?

Mr. President, it is a sad day when the Secretary of Energy refuses to testify and intentionally avoids this committee. As I stated before, such a refusal on such major issues is unprecedented in my service in the Senate. This is the second time in 4 weeks when I must say that I am sadly disappointed in the actions of the top leaders of this new Department. Of course, I refer to our review of the unfortunate conduct of FERC Chairman Charles Curtis in the natural gas conference and in other meetings, and his self-assumed role as a policymaker, as well as an independent regulator. Now, 4 weeks later, we have the Secretary refusing to testify, possibly because of fears related to the conference or his effectiveness.

I sincerely hope that these two serious and unprecedented situations are not indicative of an incurable cancer in the management of this critical new Department. I hope the Secretary and Chairman Curtis can get their situations and the Department back on an even keel, before the Department loses all credibility with this committee, the Congress, and ultimately the American people and the rest of the world.

Mr. President, let me report the results of the hearing this morning for the benefit of the Senate, by noting at the outset that, one, the Secretary of Energy did not appear; and two, none of the witnesses, including Deputy Secretary O'Leary or Assistant Secretaries McIsaacs or Thorne, knew where he was, or if they did, they failed to reveal that knowledge. So my fundamental inquiry as stated repeatedly above remains unanswered—where is the Secretary of Energy? What responsibility, if any, is he willing to take for his budget of the program areas that were the subject of this hearing?

Surprisingly, Mr. President, the witnesses who were present did not answer any questions from the letters of May 5 and May 9. Additionally, the witnesses did not present any formal statement as had been agreed by the respective staffs, but merely presented themselves for the committee's questions, even though I had already asked 10 pages of virtually unanswered questions. I believe, quite reasonably, we expected that the department witnesses would have prepared a formal statement documenting for the committee affirmative answers to each of the pending questions. In effect, the department did not deliver on the promises contained in deputy secretary O'Leary's May 12 letter that:

> We expect to be able to discuss the details of the additional $100 million FY 1979 budget amendment for solar and renewable energy research with you and the committee during the hearing on Monday, May 15,

Nor—

> We will discuss with you on Monday the administration's position on the energy sup-

ply programs and projects mentioned in your questions.

What the witnesses did do, after several expressions of surprise from the committee that there was no statement or documents, was to hand the committee a two-page list of additions and subtractions of funds from the president's budget request. I ask that the two pages be printed at this point in the RECORD.

SUMMARY OF SUPPLY INITIATIVES

[Dollars in millions]

	Increases in budget authority
FY 1979 DOE Budget Amendment:	
Oil shale tax credit	N/A
Regulations to provide oil shale and other synthetic liquids entitlements treatment	N/A
Unconventional natural gas	$10
High Btu coal gas loan guarantees	20
Photovoltaic research	30
Wind machine demontrations	20
Gas and liquid fuels from biomass	10
Low-head hydro power program	20
Appropriate technology grants	5
Dispersed energy systems demonstration	5
Passive solar heating and cooling	5
Leveraging Federal purchases of solar	N/A
Solar training and education	5
Subtotal	130
Energy Impact Assistance	150
FY 1978 Reprogramming for synthetic liquid and solid plants	35
Total	315
Light water reactor technology	—10
Waste management facilities	—51
Advanced technology and assessments projects	—5
National uranium resource evaluation	—10
Vanpooling	—9
Clean boiler fuel demonstration (Coalcon)	—45
Total	—130

Mr. HANSEN. I am sure all Senators will be interested in the listing of the dollars indicated. Certainly, the committee found it to be particularly interesting. But I am just as sure every Senator would be even more interested in the full explanation of each of the listed items, which we did not receive at the hearing. Deputy Secretary O'Leary spoke from what he characterized as "crib sheets" and at one point, upon our request, he even gave us one of the "crib sheets" for a program under discussion, the synthetic coal liquids program. I request that the "crib sheet" be printed in the RECORD at this point for the information of all interested Senators.

SYNTHETIC LIQUID AND SOLID COMMERCIAL DEMONSTRATION

PROBLEM

Domestic coal potentially can provide a large supply of liquid and clean solid fuels, which will be needed in the late 1980's and the 1990's. Synthetic liquid and solid technology has not been demonstrated on a commercial scale in the U.S. In South Africa, however, advanced versions of processes used in Germany during World War II now produce synthetic gasoline from coal, but at high costs.

New processes to produce lower-cost synthetic products are under development in the U.S. The most advanced include solvent refined coal (SRC–I, a solid and SRC–II, a liquid), H–Coal and Donor Solvent. Each process differs in the way coal is treated, the products produced, and the status of the pilot plants.

Coal liquids from commercial-scale versions of these new processes are estimated to cost from $20 to $35 per barrel (SRC–I solid products would cost slightly less but would be of lower value). Since these costs substantially exceed current world oil prices, government assistance is required at this juncture to advance synthetic coal liquid and solid processes to the point of commercial readiness.

PROPOSAL

We propose the following steps to develop, as rapidly as technically feasible, a capability to produce alternative synthetic liquids and solids from coal:

Process design studies will be initiated for four or five bonafide coal liquid and coal solid demonstration plants. The studies will cost approximately $6 to $8 million each and will be started in FY 1978 and completed in mid FY 1979.

At this point, the SRC processes are at a more advanced stage of development than other processes currently under development in the United States. If the process studies and parallel negotiations on cost sharing are successful on the SRC processes, DOE would proceed to detailed design for two plants using the funds currently in the President's FY 1979 budget ($23 million) and in FY 1980 would move into the procurement and construction phases on one or two plants. If the above conditions are not met by either one or both of the SRC technologies, DOE would be in a position to finance one or more of the other proposals in FY 1980. This approach will assure expeditious development of synthetic coal technology within the levels provided in the FY 1979 budget.

DISCUSSION

This program is designed to demonstrate the economic and technical viability of synthetic liquids and solids from coal. If the program meets its schedule goals, the first demonstration modules would be on line by 1983 and commercial-scale plants could be on line by 1987. The preliminary process design studies will assess whether proceeding to detailed design and construction make technical and economic sense. A decision to proceed will not be made until the process design studies are completed.

Electric and gas utilities are discussing the possibility of purchasing a portion of the output from the SRC I and SRC II plants during the early years of their operation.

Demonstrating the ability to produce synthetic fuels from coal provides major benefits. In the event that world oil prices rise moderately to levels at which synthetic fuels are competitive, production could be initiated rapidly, many years sooner than without such a program. This would reduce oil imports through direct displacement and it would exert a downward pressure on world oil prices by reducing the demand for OPEC exports. The coal solids technology also provides a promising cost effective means for meeting environmental standards.

Mr. HANSEN. Deputy Secretary O'Leary did promise to provide a full budget amendment discussion of each of the listed items and deletions. Many of the members of the committee inquired about individual items on the list. Others were specifically interested in the Department's discussion, primarily presented by Assistant Secretary McIsaacs, author of the May 9 letter, regarding the justification for full funding of the $4.2 billion in the President's request for the strategic petroleum reserves. It is clear that many of the members shared with me a sense of serious concerns regarding the exact status of the strategic petroleum reserve program and a responsible funding level for next year's budget. I must say candidly that every new encounter with the strategic petroleum reserves program increases the misgivings and confidence of this Senator and I sense many other Senators on the committee. It is clear that we must exercise extremely close oversight and authorization control of this program to avoid major difficulties in the future. Accordingly, it may be most prudent to reduce the fiscal year 1979 funding by as much as $2 billion.

Many Senators were astounded to find that the administration was proposing a $51 million cut in the nuclear waste program, at a time when the continued viability of the nuclear option is directly and inextricably linked to the confidence of the Congress and the American people in the Department's ability to ultimately demonstrate a viable waste disposal approach. In fact, Senator MCCLURE pointedly inquired if the $51 million cut in the waste disposal program, as well as another $20 million in nuclear research cuts are intended to be the "signal" from the President in support of the LWR nuclear program, particularly the "signal" which has been offered as part of the accommodations in the various, proposed compromises terminating the Clinch River Breeder Reactor project.

Mr. President, these are just some of my reflections on the substance of the hearing this morning. Obviously, there were many others, including concerns about the Portsmouth, Ohio centrifuge enrichment facility, the SRC–1 coal conversion project, the May 12 announced use of the entitlements program for synthetic liquid fuels, among others. Many of the Senators present joined me during the hearing in reiterating my original question, "Where is the Secretary of Energy?" To this moment, we have had no formal or informal response to that inquiry. As the previously mentioned issues and unanswered questions should readily demonstrate, the Secretary should have testified in the hearing this morning. On behalf of many members of the committee, I reported to the full committee in the business meeting after the hearing about the unsatisfactory results of the testimony from the Deputy Secretary and the two assistant secretaries of Energy, and the many remaining unanswered questions and open issues which bear directly on the Department's budget and policies.

One of our fellow Senators stated his belief that the President should direct Secretary Schlesinger to appear before the committee and failing that appearance, should demand his resignation. It also was stated that it was now clear that Secretary Schlesinger was stonewalling the Senate Energy Committee. That obviously is very strong and powerful language from a fellow Senator who is a member of the President's own party, and is indicative of the mood in the Energy Committee this morning.

Mr. President, I would hope that Secretary Schlesinger will get our "signal"

and make himself available to testify on his budget and his policies. His continued failure to do so can only cause the Secretary and his Department to lose completely any remaining credibility with the Energy Committee, the Congress, and ultimately the American people and the rest of the world. Wherever the Secretary may have been this morning, or may be now, I urge him to respond to my repeated inquiry, Where is the Secretary of Energy?

Thank you, Mr. President.●

ORDER FOR RECESS UNTIL 11:30 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes it business today it stand in recess until the hour of 11:30 tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTOMATIC TRANSFERS

Mr. PROXMIRE. Mr. President, the Federal Reserve and the FDIC recently authorized "automatic transfers" from savings accounts to checking accounts for commercial banks. This new service may be offered by commercial banks beginning in November 1978 and should prove to be very useful and offer substantial cost savings to consumers. Instead of having to pay $5 to $10 whenever a check is bounced because the customer's account is temporarily without sufficient funds, that customer will be able to give preauthorized instructions to his or her bank to transfer funds from his or her savings account to cover the amount of the overdraft. The cost of this service is likely to be small compared to the charges now levied. In addition, the payments system will be more efficient because of the automatic transfers. Many of the checks that are now returned for insufficient funds will not have to be reprocessed by the payments mechanism; they will be covered within the bank from funds in a savings account. Clearly, there are substantial public benefits in the automatic transfer service that has just been authorized.

In today's New York Times, Prof. Albert Hart of Columbia University writes in a letter to the editor that the automatic transfer service "undermines the effectiveness of the system of reserve requirements through which the Federal Reserve has been able to keep the commercial banks from indulging in unlimited money-creation through credit expansion." The reason that Professor Hart gives is the lower level of reserve requirements against saving deposits than applies against demand deposits.

Professor Hart is correct, of course, that the reserve requirement is lower, and therefore, the multiplier relationship between reserves and money growth, which every money and banking textbook teaches so forcefully, will have a greater potential for expansion. The Federal Reserve must be mindful of this potential as it monitors deposit growth; that is its job and the Congress must expect that much of the Federal Reserve.

The Federal Reserve must monitor deposit flows connected with the new automatic transfer service with utmost care. The Board has told the Congress frequently that innovations in financial services have altered the traditional relationship between the monetary aggregates and economic activity. The rapid growth of velocity in 1975 and 1976 has often been given as evidence of the changing relationship.

The important point to be taken from Professor Hart's letter is that if the Federal Reserve is to use control of the monetary aggregates as a guide to its ultimate objectives with regard to the growth of real GNP, the reduction of unemployment, and the stabilization of prices, it must carefully define the monetary aggregates to reflect "money" in our economy. The prohibition against interest payment on demand deposits has resulted in the creation of numerous money substitutes in recent years. NOW accounts are just as much money as checking accounts, yet they are not included in the definition of M–1. The same is true of savings deposits that can be transferred to a customer's checking account by a simple telephone call and overnight repurchase agreements between banks and their customers. When the new automatic transfer service becomes available on a wide basis we will have yet another new money substitute, but one with widespread consumer appeal that must be recognized.

In other words, Mr. President, if the Federal Reserve is to continue to use the monetary aggregates in formulating its monetary policy plans and objectives, the time has come for the monetary aggregates to be redefined in a careful and practical way to reflect current media of exchange usage in our economy. Redefinition of the money stock measures would also serve to clarify the multiplier relationship that Professor Hart indicated was so important to money stock control. The Federal Reserve has been studying the money stock definitional problems for several years, and it should be in a position to move ahead and make the needed changes without further delay.

Mr. President, I ask unanimous consent that Professor Hart's letter to the New York Times be inserted at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

MONETARY POLICY: THE INFLATION FIGHTER

To the Editor: The vote of the Federal Reserve Board to authorize "automatic transfers" from savings accounts into checking accounts is another long step toward destroying the usefulness of monetary policy for opposing inflation. Anybody who has a savings account (and this kind of account is no longer limited to individuals but begins to be generally available for business firms) will find it best to deposit every paycheck or other item of receipts in his savings account, not bothering to replenish his checking account. Whenever a check is drawn, absence of funds to cover it in the checking account will be made good by automatic transfer. This system is fully equivalent (except for some bookkeeping fuss at the bank) to merging the customer's checking and savings accounts and letting the merged account both yield interest and serve as cover for debts.

While there has been objection to automatic transfer on the ground that it might give undue competitive advantage to commercial banks as against savings institutions, the true public-policy objection has been overlooked. What is really wrong about this measure is that it undermines the effectiveness of the system of reserve requirements through which the Federal Reserve has been able to keep the commercial banks from indulging in unlimited money-creation through credit expansion. For major banks, reserve requirements against checking ("demand") deposits have recently been 16¼ percent while requirements on the various categories of time deposits have ranged from 1 to 5 percent. By encouraging customers to hold their funds in "savings" accounts (with a 3 percent reserve requirement), major banks can release from reserve funds into earning assets 13 percent of the amount of the deposits.

The basic instrument of monetary policy has been to use open-market operations to vary the banks' holding of "unborrowed reserves" relative to the amount of reserves required. Under the automatic-transfer system, the amount of reserves required will cease to be directly related to the money supply, since the mass of savings deposits will include both funds held for transactions purposes and funds held for long-term purposes. While reserve requirements against time deposits are not eliminated by the change to automatic transfer, these requirements are not only low but are too amorphous a structure to serve as fulcrum for monetary policy. Besides, extension of checking-with-automatic-transfer to savings institutions is already forshadowed by the Federal Reserve's statement, and may leave the reserve-requirement system entirely without any grip on the monetary situation.

In taking this action, the Federal Reserve Board has bypassed Congressional consideration of bills to authorize it. In view of the fact that the Federal Reserve has for some years now being following a path which tends toward complete abdication of power over the effective supply of money, it becomes urgent for Congress to assert itself, legislate for the restoration of control in the monetary field, and frame for the Federal Reserve an unmistakable directive to defend the public interest against stimulating inflation by unlimited creation of "invisible greenbacks" by credit expansion at the banks and other credit institutions.

ALBERT G. HART.

AUTHORIZATION FOR COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS TO HAVE UNTIL MIDNIGHT, MAY 16 TO FILE REMAINDER OF REPORT ON S. 3084

Mr. PROXMIRE. Mr. President, I am reporting from the Committee on Banking, Housing, and Urban Affairs a committee bill entitled the "Housing and Community Development Amendments of 1978." I ask unanimous consent that the committee have until midnight, Tuesday, May 16, to file the balance of the report, with additional views thereon.

The PRESIDING OFFICER (Mr. HARRY F. BYRD., JR.). Without objection, it is so ordered.

SEVERE BLACK TEENAGE UNEMPLOYMENT—WHAT THE EXPERTS SAY

Mr. PROXMIRE. Mr. President, when the unemployment figures for April were

announced on May 5, 1978, there was general rejoicing. The unemployment rate was down to 6 percent, the lowest level in 3½ years.

Total employment grew by more than half a million and it was up by four and a half million persons in the household survey over a year ago.

The proportion of the working age population which was employed was at an all-time high; namely, 58.4 percent.

This was good news indeed. While unemployment is still too high, it is decreasing at a faster rate than expected and employment and the proportion of those at work is rising steadily.

THE BAD NEWS

But there was bad news as well on the unemployment scene. Unemployment among blacks was 11.8 percent, almost double that of the 6 percent general level and down only slightly from the 12.3 percent of April 1 year ago.

But of greatest concern was the black teenage unemployment level. In April 1978 it was a whopping 35.3 percent. A year ago it was 35.8 percent. Because of the relatively small sample, it can be said that the two figures are essentially identical.

In other words, during a year of colossal gains on the employment front and while there was a major drop in unemployment generally, black teenagers were essentially unaffected by the improvement. They were left out.

LETTER TO EXPERTS

Because of this general situation, last January I sent letters to about 18 experts in this field. I told them about my concern for black unemployment. I asked them two questions.

First. What is the explanation for the rise in teenage black unemployment and its general high level at a time when unemployment declined among other groups?

Second. What proposals would you suggest to attack this problem?

I sent the letter to the Secretaries of Labor and Commerce, to the staff directors of both the Joint Economic Committee and the Congressional Budget Office, to seven former members or chairmen of the Council of Economic Advisers, to a former member of the Federal Reserve Board, and to a variety of academic and foundation economists who are experts on this subject.

I ask unanimous consent that a copy of the letter I sent to Secretary of Labor F. Ray Marshall, which is identical to the letters I sent to the others, be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

JANUARY 16, 1978.

Hon. F. RAY MARSHALL,
Office of the Secretary, Department of Labor, Washington, D.C.

DEAR MR. SECRETARY: As Chairman of the Senate Banking Committee and as a member of both the Senate Appropriations Committee and the Congressional Joint Economic Committee, I am deeply concerned about unemployment, especially unemployment among blacks and black teenagers.

Almost every month since April, 1971, I have chaired the JEC hearings when the monthly unemployment figures are released. This past year (December to December) the number of employed persons has risen dramatically, by over 4 million. The unemployment rate has dropped from 7.8 to 6.4 percent. Some 1.2 million fewer people are unemployed.

Nevertheless, unemployment among blacks remains at a very high figure—12.5 percent, and unemployment among black teenagers actually went up from 34.8 to 37.3 percent. While this latter figure suffers from a large margin of statistical error, both its extremely high level and its direction continue to be alarming.

As you are one who has great expertise in the areas of both economics and unemployment, I am writing to ask two questions.

First, what explanation or explanations are there for the rise in teenage black unemployment and its general high level at a time when both employment rose and unemployment declined among other groups? Why didn't black teenage employment gain at least proportionately with gains among others?

Second, what proposals would you suggest to attack this problem? Do you agree that it seems unlikely to be helped even if there is a further dramatic decrease in unemployment? If so, what needs to be done specifically to help solve this problem?

I would appreciate it very much if you could address yourself to this issue, for it appears to me to be one of the most discouraging and intractable of all those we face.

With best wishes.

Sincerely,

WILLIAM PROXMIRE,
U.S. Senator.

Mr. PROXMIRE. I have now received replies from 14 of those I wrote to. In addition I have a letter from the Commissioner of Labor Statistics, the Honorable Julius Shiskin, on this same subject, dated last September.

I have replies from Secretary Marshall, Secretary Kreps, Mrs. Alice Rivlin, the head of the Congressional Budget Office, Mr. John Stark, the Staff Director of the Joint Economic Committee, Messrs. Alan Greenspan, Herb Stein, Paul McCracken, Arthur Okun, and Otto Eckstein all of whom served either as Chairman or members of the Council of Economic Advisers, Robert Gordon who served as chairman of the Gordon Commission some years ago on the subject of the unemployment statistics, Andrew Brimmer who was formerly a member of the Federal Reserve Board and who has very intelligent insights into this problem, Ralph K. Davidson of the Rockefeller Foundation, who included a study by Lester Thurow with comments by Drs. Bernard Anderson of the Wharton School, John Dunlop of Harvard, Beatrice Rubens of Columbia, and James Tobin of Yale, and a letter from Thomas F. Johnson of the American Enterprise Institute.

In addition, Professor McCracken urged that I write to Prof. Thomas Sowell of the Hoover Institute, who is also a professor at UCLA, and I have heard from him.

Furthermore, Professor Gordon enclosed a study by Margaret S. Gordon entitled "Youth Unemployment In The United States and Other Western Countries" which she did for the University of California and the Carnegie Council on Higher Education. I am not including it because of its length but it is available in my office.

In some other cases fairly voluminous materials or studies were included with the reply. I do not plan to include all 7 of them in the RECORD either but they are available in my office or from the person who replied in case a member of the public wishes to see them.

Mr. President, I ask unanimous consent that the replies I received from these outstanding experts on the subject of black teenage unemployment be printed at this point in the RECORD.

There being no objection, the replies were ordered to be printed in the RECORD, as follows:

U.S. DEPARTMENT OF LABOR,
Washington, D.C., April 18, 1978.

Hon. WILLIAM PROXMIRE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR PROXMIRE: Thank you for your letter concerning the problems of continuing high unemployment rates for black teenagers. Please accept our apologies for the delay in replying. I will try to be as illuminating as possible about what we know and what we plan to do about this problem.

The black teenage unemployment rate has shown little improvement since the first quarter of 1975 when the recession reached its trough. During the same period, the unemployment rate for other groups within the economy has fallen substantially. Focusing, however, only on the rate of employment masks the true story. During 1975 and 1976, black teenage employment grew very little. Reported unemployment among black teenagers failed to worsen only because there was almost no growth in the black teenage civilian labor force. This was despite civilian population growth of about 5.5 percent over the 2 years. Thus, the real seriousness of the black teenage unemployment problem remained partly "hidden." We believe that there was little job growth among black teenagers because of the sectoral and geographic unevenness of the recovery, which bypassed central cities where most black teenagers reside. The lack of job opportunities encouraged black teens to withdraw from the labor force.

During 1977, however, black teenage employment turned around. During the year ending December 1977, black teenage employment grew by 53,000 persons, an increase of 8.7 percent. This was about twice as great as the employment increase in the overall economy which was around 4.7 percent. The unemployment rate for black teenagers did not fall during 1977 because of an extraordinary increase in the black teenage civilian labor force which occurred during the year. After showing almost no growth between 1975 and 1976, the black teenage civilian labor force increased almost 12½ percent between December 1976 and December 1977. We realize, of course, that the black teenage employment problem remains serious. We believe, however, that recent events imply that the situation is improving, at least to the extent that the true magnitude of the problem is becoming more visible.

I might note that the problem is greater than black teenagers; black young adult males follow the same pattern. Like teenagers, their employment levels in the fourth quarter of 1977 were lower than they had attained in the previous cycle peak 4 years previous. Only a small fraction of the losses can be explained by their attachment to declining industries; most are due to a fall in the shares of jobs they hold across almost all industries and occupations. I might add that they share this general problem with white male youth; overall, there has been a substitution of older for younger workers in that youth have failed to maintain their shares of employment growth since 1973. The

problem has been felt much more acutely by blacks and other minorities, however. Part of the problem may be a perceived (or actual) decline in the relative qualifications of the black jobseekers. Job loss among black males 16–24 has been particularly acute among dropouts, with some losses among graduates as well, while students have increased their employment over the period October 1973-October 1977. Part of the problem is also the lack of job growth in central cities over the last 4 years, where many black youth reside.

Regarding solutions, I do think that there is likely to be some improvement given a further decline in unemployment. This is because the groups with the most severe structural problems often lag behind in the initial stages of a recovery. After labor supplies of more qualified workers are absorbed into employment, recovery proceeds for the structurally unemployed. We may have seen a reflection of that during this last year. Nevertheless, I think it is clear that nothing in our postwar experience would lead us to believe that economic recovery by itself will bring the black teenage unemployment rate down to acceptable levels.

I cannot say that we have the perfect policy to deal with this problem. Our job creation programs have reduced the unemployment rates of teenagers somewhat, and we know that long-term gains are accruing to graduates of training programs under title I of the Comprehensive Employment and Training Act and Job Corps, but their magnitude is not sufficient to deal with the whole problem. We are hoping that we will gain insights into the problem and develop some additional effective approaches through the new programs being implemented under the Youth Employment and Demonstration Projects Act (YEDPA) of 1977. We are building into these programs a strong research and evaluation component to ensure that we learn what we can from novel approaches, particularly those addressed to the matter of transition from school to work. As of this writing, these programs are getting underway; a year from now, close to 200,000 youth should be in these projects. We anticipate a favorable impact on the unemployment rate as well as long-term benefits from the aggregate of YEDPA programs. We will be exploring new initiatives toward the private sector in a $400 million effort in 1979 and anticipate that youth will be important beneficiaries.

I am glad to receive your expression of concern about this problem. I think you can see that we are trying to deal with it as well as we can, given the state of our knowledge and the extent of our resources. We have a long way to go, but I think we are moving in the right direction.

Sincerely,

RAY MARSHALL,
Secretary of Labor.

U.S. DEPARTMENT OF LABOR,
Washington, D.C., September 27, 1977.

Hon. WILLIAM PROXMIRE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR PROXMIRE: I am writing in response to your letter of September 9, regarding your inquiry at the last JEC hearing as to the reason for the sharp rise of black unemployment in August. Enclosed is a copy of a brief analysis of recent developments in unemployment of blacks and youth, which my staff prepared as part of Secretary Marshall's recent report to the President (Enclosure I).

As I have pointed out many times at the JEC hearings, underlying economic trends are often obscured by erratic movements in month-to-month changes. This is particularly true of our series based on small samples, such as black unemployment. Thus, our data are simply not adequate to pinpoint the precise cause of the July-August surge in black unemployment. While there is no question that a worsening in the black-white jobless rate ratio has taken place over the past few months, the extremely sharp rise in the black jobless rate in August is suspect. We are uncertain as to whether the increase reflects an accurate measurement of black unemployment or rather is a statistical aberration that will reverse itself when the September figures become available. For this reason, our analysis focused on developments which have occured in recent months and on longer term structural imbalances which are evident among black and white workers.

You may recall a statement I made at the JEC hearings in May which alluded to an imbalance in the recovery from the high levels of unemployment in 1975 among various worker groups. This "two-tier" pattern, which is even more pronounced now, is particularly evident in an examination of recent unemployment changes among black and white workers. As can be seen in Enclosure II, differences are particularly marked for black adult women and teenagers. The adult black male rate tracked the overall rate fairly closely until last April but has gone awry during the past few months. The figures for this group were so far off the track last month that it would be well to wait another month or two for confirmation of the current trend.

I am also enclosing the chart which I promised at the hearing to send to you, which shows real earnings by demographic groups (Enclosure III).

Sincerely yours,

JULIUS SHISKIN,
Commissioner.

ANALYSIS OF RECENT DEVELOPMENTS IN BLACK AND YOUTH UNEMPLOYMENT

The employment situation among black Americans in general, and black youth in particular, is serious. Although the just released August jobless rate for blacks of 14.5 percent was especially bad, this should be viewed in the context of developments over the past several months, in which all of the improving labor market developments occurred among white workers. The situation for blacks first stood still and then deteriorated to the point where their unemployment rate in August equaled its postwar high reached in September 1975. Whites, by contrast, with an overall rate of 6.1 percent in August, were more than 2 percentage points below their 1975 record high. Thus, the black rate has soared to 2.4 times the white rate; this ratio had been less than 2 to 1 during most of the 1970's.

Black workers represent some 1.7 million, or 24 percent, of the 6.9 million unsuccessful job seekers in the Nation. You might recall that blacks represent only 12 percent of our working age population, which underlines still more the disproportionality of their job market bind.

In addition to blacks, youth are affected more severely than other worker groups by the inability to find jobs. Although it remained virtually unchanged at 17.5 percent in August, the jobless rate for teenagers is down only slightly from the 18.2 to 20.8 percent marks recorded during 1975 and 1976.

For black teenagers, the combination of youth and minority race membership has been a double burden. Their jobless rate hovers around 40 percent, the highest found among worker groups.

BLACK WORKERS

In August, jobless rates rose for both black men—to 11.7 percent—and black women—to 12.2 percent. The rate for black teenagers "remained" at just over 40 percent. By marked contrast, there was little change in the ever so much lower unemployment rates among white men (4.5 percent), women (6.3 percent), or teenagers (14.7 percent). Since April, the jobless rate for white workers has declined modestly from 6.3 to 6.1 percent. During the same period, the rate for blacks rose from 12.3 to 14.5 percent. As a result of these developments, the ratio of black-to-white jobless rates has risen to 2.4 to 1 in August, an unusually high level. The relationship generally held at 2 to 1 or more during the 1950's and 60's, while for most of the 1970's, the ratio has been slightly less than 2 to 1.

Factors responsible for this recent worsening in the disparity between black and white unemployment are difficult to identify. One factor is suggested, however, by recent months' labor market developments. During the same period that the black-to-white unemployment rate differential has been widening, there has been a surge in the participation of black workers in the labor force. Since April, the black participation rate has risen from 59.2 to 60.3 percent, while that for whites edged up from 62.4 to 62.6 percent. Thus, there was a 3-percent increase in the number of black workers entering the labor force during the four-month period, compared with a less than 1-percent increase among their white counterparts—resulting in a narrowing in the gap in participation. This development suggests that a large number of blacks who had not been participating in the labor force were encouraged over job prospects by the solid labor market improvement which occurred in late 1976 and early 1977. This rise in job expectations apparently brought more workers into the job market than could be accommodated with jobs. Thus, while the number of employed blacks was about unchanged between April and August, the number of unemployed black workers rose by 300,000.

Aside from this recent worsening in the black-white unemployment situation, it is well to bear in mind that blacks as well as other minority races historically have constituted a disproportionate share of the unemployed. Thus, as noted earlier, in August 1977, although blacks comprised only 12 percent of the working age population, they made up 24 percent of the unemployed.

Following are three factors, other than discrimination, which contribute to this differential: (1) The concentration of black workers in central cities and their disproportionate representation in the Nation's poverty areas; (2) Their gap in levels of educational attainment; and (3) The over-representation of blacks in low-paying, less-skilled jobs. These points are amplified below.

Unemployed blacks tend to be concentrated in small geographic areas to a greater extent than whites, and, to the extent that there are fewer jobs available in these areas, this situation exacerbates the problem. About 60 percent of the Nation's unemployed blacks live in the central cities, most of them within the low income areas of these cities. Thus, in the second quarter of 1977, there were about 845,000 unemployed blacks living in the central cities. Among whites there is much greater dispersion—about 40 percent of the unemployed whites live in suburban areas and another 30 percent live outside of metropolitan areas. Not only is black unemployment concentrated in central cities in general, it is located in some specific cities, mainly in the northwest and midwest. In 1976, one-fifth of the Nation's unemployed blacks—or 315,000 persons—lived in nine major central cities—Baltimore, Chicago, Cleveland, Detroit, Milwaukee, New York, Philadelphia, St. Louis, and Washington, D.C.

With respect to educational attainment, the proportion of black workers who have completed four years of high school or more remains lower than for whites. In 1976, the proportion of blacks with at least a high school education was 60 percent, compared to 74 percent of white workers. Unfortunately, the available statistics do not shed any light on the relative quality of the schooling attained by black and white work-

ers, but we suspect that blacks fare poorly in this regard.

A third factor relating to the differential is that, despite a significant amount of occupational upgrading which has occurred among black workers in the late sixties and the seventies, black workers still lag far behind in the proportion holding higher-paying, high-status jobs, and are overrepresented in lower-paying, less-skilled jobs, which are more often characterized by high turnover and incidence of unemployment. In 1976, for example, the proportion of black men employed in the relatively stable white-collar occupations was 21 percent, less than half the proportion of white workers. At the lower end of the skills spectrum, 32 percent of employed black men (more than twice the white proportion) were working as laborers or as service workers, occupations subject to higher than average jobless rates.

YOUTH

The Nation's youth face severe difficulties in finding good jobs. Because of their age, they tend to have little experience and few marketable skills. Perhaps the best statistical indicator of their problem is the fact that teenagers account for about one-tenth of the Nation's labor force but almost one-quarter of the unemployed. Teenagers tend to have the most difficulty finding jobs within the central cities; employment opportunities are more favorable in nonmetropolitan areas. The very high jobless rate for black youth is thus partially explained by their concentration in the central cities; about 60 percent of all unemployed black teenagers—a total of some 225,000—live in the central cities.

Both school attendance and lack of school attendance contribute to the labor force problems of young people. Those in school often have constraints on the hours they can work, which may prevent them from obtaining jobs; while this point may not represent a national policy problem, it does help explain the high incidence of youth joblessness. Of those young people who are not in school, many left before completing high school and thus do not have the credentials or the skills which employers often require. During the 1970's, the unemployment rate of young dropouts has been about 10 percentage points higher than that of recent high school graduates.

In the summertime, of course, most young people are available for full-time work. However, for those intending to return to school, the job must be temporary, and for all, it must only require the skills and experience they possess. Each summer, the economy tries to cope with the influx of young people entering the labor force, which this year totaled 3.8 million. Jobs are provided by the government, through CETA and other programs, through the job placement efforts of such private concerns as the National Alliance of Businessmen, and by those areas of the private sector which have traditionally sought young people in the summer, including construction, recreation, and replacement for vacationing personnel. While a record number of young people found jobs this summer, it appears that a disproportionate share of the jobs were filled by white youth, and thus the unemployment rate for blacks 16 to 21 years of age reached its highest summertime (July) rate—2.8 times that for young whites.

[Enclosures available in Senator PROXMIRE's office.]

THE SECRETARY OF COMMERCE,
Washington, D.C., February 9, 1978.

Hon. WILLIAM PROXMIRE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR PROXMIRE: Thank you for your letter of January 16, in which you request my views on the reasons for the high and apparently rising level of teenage black unemployment, and my suggestions for dealing with the problem.

An examination of the available data suggests that the higher level of unemployment rates for black teenagers compared with their white counterparts can be attributed in part to considerably higher rates of population growth. In the past 5 years, the civilian teenage (16–19) population of blacks and other minorities has increased by about 14 percent, compared with less than 5 percent for whites. In conjunction with the largely segregated housing patterns of the population, and the fact that teenagers generally do not commute far out of their own areas in taking jobs, population factors have contributed to the substantially higher teenage unemployment rate for blacks than for whites.

Higher population growth is only one side of the explanation, however. The other is the failure of job opportunities for black teenagers to keep pace with those for whites. From the first quarter of 1974 to the second quarter of 1975, teenage employment fell 16 percent for black males and 8 percent for white males. Since then, employment has risen by 14 percent for white males, but only 9 percent for blacks. The recession had only a slight effect on employment of teenage females, but measured against pre-recession peaks in the first quarter of 1974, employment of white females has risen 6 percent, while that of black females has changed little.

Labor force participation rates for teenagers indicate some discouragement during the recession for whites as well as blacks, and females as well as males, but it was evidently greatest for black males. For these, the participation rate fell from 49 percent in the first quarter of 1974 to only 41 percent in the last two quarters of 1975. No real rebound appeared until last year, when the rate rose from 41 percent in the first two quarters to 46 percent in the last two. For white males, the participation rate declined from 63 percent to 61 percent in the recession, but has since risen to 65 percent.

Among teenage females, participation rates were almost unaffected by the recession. However, when the figures for black females are compared with those for white females, they suggest a chronic state of discouragement for blacks. In the last 5 years, quarterly participation rates for black females have fluctuated somewhat irregularly between 31 and 36 percent, showing no distinct long-term trend either up or down. The rates for white females, on the other hand, have shown an almost steady upward trend, from about 48 percent in 1972 to about 55 percent currently.

The continuing high level of unemployment rates for black teenagers this year seems to be attributable in part to a reversal of the discouragement factor—in other words, to hidden unemployment coming out into the open. During 1977, black participation rates for both males and females rose sharply. It is not unreasonable to suppose that the promise of more public service jobs induced many discouraged black teenagers to renew their job search. From this standpoint, it could be argued that the continuing high unemployment rates in 1977 are not a sign that the problem is necessarily getting worse, but that the prospect of improvement has caused it to appear worse.

As for your second question, solving the problem of black teenage unemployment clearly is a difficult challenge. A number of seemingly promising approaches have been tried without notable success. I have no magic solutions but I can offer the following thoughts.

First, while it is true that black teenage unemployment is not very responsive to general economic policy measures, it will avail us little to educate, train, and counsel black youths for jobs if the jobs are not out there. Specific, structural programs, if they are to be effective, must go hand in hand with general measures to stimulate the economy and increase the demand for workers. Measures to facilitate and encourage economic regeneration in older central cities should be especially helpful.

Second, the jobs for which we are training black youths are mostly situated in private business. It is obviously good sense, therefore, to try to enlist the help of businesses in the training process to the greatest possible extent. The President's budget, as you know, makes provision for a new private-sector jobs initiative.

Third, we must work harder to coordinate our educational facilities with actual, available jobs, first, to give meaning and significance to education as a stepping stone to earning a livelihood; and second, through work-study programs to provide financial support to young people who might otherwise drop out of school.

Fourth, we must provide extra counseling services of various kinds to help young blacks make the transition to the larger world surrounding the ghetto. These young people have been called the underprivileged, the disadvantaged, and the hard-to-employ; a far more apposite term would be the underprepared. For white youths, it is enough to offer vocational raining and provide jobs, but many black inner-city youths need coaching as well as job training. This kind of help is already being offered in a small way in a few places, but it needs to be provided on a much larger scale.

Finally, a program of research and experimentation is required. We need to review our past programs to see where they fell short or went wrong, to study the experience of other countries in dealing with similar problems, and to try out a variety of new programs on a pilot-plant basis to see which ones work and which do not. Fortunately, we are already moving in this direction; I am particularly heartened by the Youth Employment and Demonstrations Projects Act of 1977, which now provides for just this kind of experimenting on a small scale.

I am optimistic for the future. If we have not yet found the answers, we at last seem to be moving in the direction in which answers are to be found. It will take time, but there are no quick and easy solutions.

Sincerely,

JUANITA M. KREPS.

CONGRESSIONAL BUDGET OFFICE,
Washington, D.C., February 8, 1978.

Hon. WILLIAM PROXMIRE,
Chairman, Committee on Banking, Housing, and Urban Affairs, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Thank you for your letter of January 16, concerning the causes of the rise in teenage black unemployment and proposals for attacking this problem.

The problem has both long-term and short-term causes. The unemployment rate for black teenagers has been on an upward trend for more than two decades. During that period it has rarely declined except during periods of strong demand for labor generally, and even then it remained very high. In addition, there has been a trend toward substantially lower labor force participation rates for black compared to white teenagers so that unemployment figures give an incomplete picture.

It is difficult to weigh the relative importance of different factors behind this deterioration. Racial discrimination, inadequate skills and education, location in economically depressed areas, diminishing numbers of manual jobs, the dead-end nature of many jobs, and intensified competition in the labor market are some of the long-term causes; and the business cycle is a principal short-term cause.

Racial discrimination.—Direct discrimination in the job market, though difficult to measure, has probably not become worse and may have become less intense over the last 10 to 15 years. Nevertheless, discrimination may hamper black youths in adjusting to changes in the job market. Further, discrimination has played a role in the evolution of other causes of disadvantage, such as those associated with education, location, lack of job contacts, etc.

Inadequate skills.—There is a gap in education and job preparation between white and black youths. The quantitative gap in terms of the number of years of schooling achieved has been diminishing over time. On the other hand, the gap in on-the-job experience seems to have widened.

Location.—Locational factors are important since a large proportion of black teenagers are located in run down sections of central cities. The shift in retail and service jobs to the suburbs seems especially significant, since those sectors employ disproportionate numbers of teenagers.

Dead-end jobs.—The jobs available to many black teenagers are at the bottom of the job scale; and, in many such jobs, neither the employer nor the employee have incentives to develop long term relationships, with high turnover and high frictional unemployment resulting even when unemployment is low nationally.

Intense competition.—The labor supply of teenagers and adult women has expanded rapidly; and the numbers of black teenagers have increased considerably faster than white teenagers. The large increase in supply has put downward pressure on wages for teenagers; but the minimum wage has limited this type of adjustment.

Business cycle.—The business cycle is an important short-term factor affecting black teenage unemployment in recent years. Teenage employment—especially black teenage employment—is cyclical in the sense that the share of teenage employment in total employment increases during business expansions and falls during recessions. In the last recession, employment declines were sharper for black teenagers than for other demographic groups. Further, the recovery in employment to previous peak levels came much more slowly for black teenagers than other groups. Eventually, black teenagers did begin to share in the employment advance. From December 1976 to December 1977, employment increased 7.8 percent for black teenagers, but 9.0 percent for white teenagers. There has been some cyclical recovery in the labor force participation rate for black teenagers. This has made the recent growth in the civilian labor force of black teenagers unusually rapid—12.6 percent from December 1976 to December 1977—and was one of the factors that kept the unemployment rate for the group from declining during the last year along with the unemployment rates of other groups.

Policy alternatives.—Both employment and unemployment of black teenagers are much affected by the state of the economy. Thus, monetary and fiscal policies used to affect the macroeconomy also impact on the labor market for black teenagers. Three caveats are to be noted. First, the long-term upward trend in the unemployment of black teenagers obscures the effect of the business cycle. Second, there is some evidence to suggest that some tightening in the labor market is necessary before economic expansion has much effect on the black teenage unemployment rate. Third, the unemployment rate for black teenagers would still be very high—although probably not as high as it is now—if the overall unemployment rate were reduced to, say, 5 percent which was the average for the period 1960 to 1974.

The last 15 years of experience with so-called "structural" programs, designed to assist the disadvantaged in the labor market; indicates that these programs work best when overall unemployment rates are low so that there are jobs available at the end of the training pipeline. The basic structural approaches have included remedial education, both institutional and on-the-job training and direct public job creation. Experience has been mixed; and competent evaluators hold widely differing views about whether or which types of programs work. Perhaps more has been learned about what does not work than what does work. On-the-job training programs seem to work better than "institutional" classroom programs, perhaps in part because participants already have jobs. Numerous observers have been critical of jobs programs for disadvantaged youths for being hastily thrown together—a problem that last minute budgeting at the federal level has sometimes exacerbated in the past—and for involving little or no skill development.

Other structural approaches with perhaps a greater involvement of the private sector have been suggested, including targeted wage subsidies or exemption from payroll taxes. In addition, the fact that many black teenagers live where the local economies are depressed suggests that assisting youths might be tied in with broader policies and programs designed to assist in urban economic development.

The Congressional Budget Office has undertaken several studies in the areas of youth employment problems and black-white differences in employment experience. I enclose three of these papers—two on youth employment and the other on black-white unemployment differences.

In addition, we are continuing to do work in this area; and I will see to it that your office gets a copy of any forthcoming CBO papers on these topics.

I hope these comments will be helpful. Please let me know if I can be of further assistance.

Sincerely,

ALICE M. RIVLIN,
Director.

[Available in Senator PROXMIRE's office.]

JOINT ECONOMIC COMMITTEE,
Washington, D.C., March 9, 1978.

Hon. WILLIAM PROXMIRE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR: This is in the nature of a brief progress report on the subject of unemployment among blacks. It is obviously a crucial problem as indicated in the forthcoming JEC Annual Report.

I want you to know I explicitly brought it up with our Special Study Group on Economic Change which is looking into longer-range economic problems that will command the attention of the Congress. I will continue to follow this with great interest. Also, I will see that you are apprised of developments as they occur.

Meanwhile, I have thought for some time that we need to develop a special exception to the minimum wage in the case of teenager and young adult blacks. It would be productive to provide low paying jobs for these groups while at the same time giving on-the-job training. Additional training credits could also be earned as an incident of such work, much as military service entitled GIs to educational benefits when they left military service under the GI Bill of Rights. This idea would serve three important purposes:

(1) It would provide some much needed income to these youngsters;

(2) It would give them useful training; and finally

(3) It would mitigate labor union complaints about violating the minimum wage because these trainees would be realizing two kinds of compensation—wages and future training benefits.

As soon as the Annual Report is finished I will pursue this notion.

Sincerely,

JOHN R. STARK,
Executive Director.

TOWNSEND-GREENSPAN & COMPANY, INC.,
New York, N.Y., January 27, 1978.

Hon. WILLIAM PROXMIRE,
U.S. Senate, Committee on Banking, Housing and Urban Affairs, Washington, D.C.

DEAR BILL: I have been giving some thought in recent days to the questions you raised in your thoughtful letter of January 16th. There are specific statistical answers to the questions as to why black teenage unemployment has worsened relative to white. But they don't answer the more fundamental question as to why so profound a change has occurred in our labor market for black teenagers generally during the past thirty years. Certainly the data of the early post World War II period indicate that there is nothing inherent in our system to create the phenomenon of unemployment rates amongst blacks running two or three times the rate for white teenagers. In 1948, for example, teenage unemployment for male whites and nonwhites was roughly the same. Even in the recession year 1949 the spread was not particularly large between black and white male teenage unemployment rates.

I have not as yet heard a sufficiently satisfactory explanation of what has happened to cause the degree of deterioration in the last thirty years but, a worsening of the conditions of transition from school to work is surely part of the problem. It is certainly difficult to argue that discrimination is worse today than it was thirty years ago. Moreover, the proliferation of federal programs directed at solving the black teenage unemployment problem have, if one believes the statistics, made things worse, rather than better.

I have been thinking of certain approaches to try to come up with a better diagnosis of the nature of the problem (and therefore the form a solution must take). Should I come up with any useful insights I will, of course, communicate them to you. In the interim, you may already know that Martin Feldstein has set up a project in the National Bureau of Economic Research to confront the whole problem of teenage unemployment.

Best regards.

Cordially,

ALAN GREENSPAN.

HERBERT STEIN,
Washington, D.C., February 5, 1978.

Senator WILLIAM PROXMIRE,
Committee on Banking, Housing, and Urban Affairs, Washington, D.C.

DEAR BILL: This is in reply to your letter of January 16 about unemployment among blacks and black teenagers. I am glad that you are raising the important questions about the causes of high unemployment rates in this sector of the population and about the remedies.

Let me say candidly at the outset that I am not confident that I have any important part of the answers to these questions. I think the first step to wisdom in this field is the negative one of recognizing as you do, that general expansion of the economy is not solving the problem. The second step is to recognize that we will have spent $44 billion on Federal training and employment programs between 1969 and 1978 without any visible improvement. We have spent tens of millions in evaluating these programs without discovering any significant success. I refer you to page 240 of the Special Analyses volume of the Fiscal 1979 Budget for a demonstration of the slimness of the claims that can be made for the benefits from these programs.

I am not against these programs. However, I think they are only half a policy. We have been busily offering the hard-to-employ, and

the potentially hard-to-employ, education, training and work-experience. But we have not been motivating the participants in these programs to study, to work, to accept discipline and generally to take advantage of these programs. The result has not been to upgrade the participants as workers but to degrade education, training and work. In fact, the programs may have demoralized some of the participants by leading them to think that finding and keeping employment is not their responsibility at all, but is entirely the responsibility of the government.

I think the most important thing we need is something the Federal government cannot do much to provide. We need some leadership that will teach the affected groups that they have a responsibility to themselves to take advantage of the opportunities offered—to study in school, to use the training programs they are offered, to learn to work and to be prepared to accept private employment of the kind for which they are qualified. This teaching has to be done by people in whom the affected groups have confidence. In the case of the black community it has to be done by the leaders of that community.

Sincerely yours,

HERB STEIN.

THE UNIVERSITY OF MICHIGAN,
Ann Arbor, Mich., February 3, 1978.

Hon. WILLIAM PROXMIRE.
Chairman, Committee on Banking, Housing, and Urban Affairs U.S. Senate, Washington, D.C.

DEAR BILL: Thanks immensely for your letter of January 16 regarding the urgent problem of Black unemployment. While I am not a close-range expert on labor force economics, I am impressed with the extent of agreement among economists about the contribution of Government itself to teen-age unemployment. For example, the Congress and the President last year almost certainly made this problem worse by the substantial escalation of the minimum wage. I would strongly urge you to request the views, if you have not already done so, of Thomas Sowell, Hoover Institution. Tom is an exceptionally able and clear-headed economist also a Black, and he has some definitive views on this matter.

Regards,

PAUL W. MCCRACKEN.

FEBRUARY 20, 1978.

Mr. THOMAS SOWELL,
Hoover Institution,
c/o Stanford University,
Palo Alto, Calif.

DEAR MR. SOWELL: Paul McCracken has told me of your work in studying the problem of black unemployment and the perplexing failure of black unemployment to improve in the past year anything like the way white unemployment improved.

In view of the enactment of a whole series of anti-discrimination laws in the 60's and in view of the substantial improvement in the education of young blacks, it is very difficult to understand why teenage unemployment, particularly, has been so persistently high and why, given the substantial increase in the black population, participation in the work force by blacks has not increased in the same proportion as white participation has increased.

Any views at all you may have on this subject would be very welcome indeed.

Sincerely,

WILLIAM PROXMIRE, U.S.S.

UNIVERSITY OF CALIFORNIA,
LOS ANGELES,
Los Angeles, Calif., March 13, 1978.

Senator WILLIAM PROXMIRE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR PROXMIRE: Your letter of February 20th has just been forwarded to me from the Hoover Institution.

The extremely high unemployment rates among black teenagers and young adults appear quite puzzling at first, in view of the anti-discrimination laws that you mentioned—and still more puzzling when looking back through time and seeing that those unemployment rates were nowhere near as high—nor significantly different from their white contemporaries—back in the late 1940's and early 1950's. However, this additional puzzle also provides a clue as to what is and is not a major influence on the current situation.

"Racism" has been an all too easy explanation, but surely no one would say that there was less racism in the 1940's and 1950's than today. The same point is reinforced when looking at the steep decline in unemployment rates among young blacks between their late teens and late twenties. They have not ceased being black, but they have somehow ceased being unemployable. You mentioned the difference in labor force participation rates between the black and white populations as a whole. Historically, that too is a relatively recent phenomenon. Every Census from 1890 through 1930 showed blacks with a higher labor force participation rate than whites. In recent years it is just the reverse, and the gap is widening. Again, it is hard to believe that there was less racism in the earlier period.

What has been true of the post-1930 era in general, and the post-1950 era in particular is (1) a growing elimination of low-skill, low-wage jobs, and (2) the creation of more alternatives such as unemployment benefits, welfare, etc. The rise of various forms of wage-fixing, through unions and government—but especially the Fair Labor Standards Act—has simply priced inexperienced black youngsters out of the market. The timing of the effects is about as conclusive as social data ever get. Although the minimum wage law was passed in 1938, its level and coverage remained virtually unchanged in money terms through a decade marked by inflation that effectively repealed the law as an economic reality. Beginning in the 1950's, the minimum wage was repeatedly raised and—perhaps equally or more important—its coverage broadened so that there was "no place to hide" for the low-skill worker whose labor could not command the wage the government made a prerequisite for his employment. Numerous studies by independent academic economists, using different techniques, have documented that this has had an especially devastating effect on black teenagers.

Some people argue that the answer to black youth unemployment is either a general "full employment" policy or specific job-creation programs targeted for that group. Neither seems promising to me. Black teenage unemployment has never been as low, during even the fullest employment years of the past quarter-century of rising minimum wages, as it was in the recession year of 1949. Full employment has simply never compensated for pricing these young people out of the market. Job-creation programs on top of full employment have not done it either.

The steep decline in unemployment rates among black youths between their late teens and mid-to-late twenties suggests an enormous value to early job experience, even in so-called "dead end" jobs. This seems far less likely to be due to "skills," as ordinarily conceived, than to acquiring the necessary work habits—the discipline of a schedule, the ability to work with others, and the general shedding of immaturity. As one who was once part of those black teenage unemployment statistics—thank God, in the 1940's when it wasn't so bad—I know how painful the adjustment can be for both the young worker and for the employer. In retrospect, it is easy enough to see that it would never have paid an employer to hire me at a "reasonable" wage for an experienced adult. What worries me about job-creation is that the jobs created will be watered down in their on-the-job requirements, and therefore unduly prolong the transition to maturity. Working for a "program" that has to hire you (legally or politically) may be counterproductive preparation for working for a private employer who doesn't. Much of the special problem of the black youngster is due precisely to his having been passed through schools without any real standards. To extend that same principle into the first stage of the job market may simply postpone his adjustment to the adult world of work.

Thank you for offering me the opportunity to express my views on this subject.

Sincerely,

THOMAS SOWELL,
Professor of Economics.

THE BROOKINGS INSTITUTION,
Washington, D.C., January 19, 1977.

Hon. WILLIAM PROXMIRE,
New Senate Office Building,
Washington, D.C.

DEAR BILL: I wish I had more wisdom (as well as more time) to offer on the puzzling and terribly important problem of black unemployment cited in your letter of January 16. Unfortunately, I can give you only a very inadequate reply; I am trying to atone by at least making the reply prompt. Here are a few thoughts that may serve to identify some clues.

First, there is a typical cyclical pattern whereby black unemployment rates rise less than proportionately in recession years and then fall less than proportionately in early years of recovery. As one example, the year of the entire postwar period with the lowest ratio of black to white unemployment rates was 1975 at 1.78; and that, of course, was the most severe unemployment year for both blacks and whites.

I think I understand why that pattern emerges. The largest layoffs and job losses during a recession occur in high-paying jobs in durable-goods manufacturing and construction where blacks are still underrepresented in the work force. Then when the economy makes a partial recovery from recession, some of the jobless whites who are normally factory workers take service-type jobs that might normally go to blacks. So black unemployment does not fall readily. Thus previous business cycles have offered evidence that blacks are last hired (although it does not confirm the general view that they are first fired).

This time, however, the pattern is more pronounced and more dismal than in the past. In recent months, the black-white unemployment ratio has been running around 2.2, which is unusually high. One relevant fact must be the especially high birth rates among blacks that prevailed during the baby boom; these raised the black working-age population by 36 percent in the past decade, compared with an 18 percent growth among whites. A second probable factor is that the increase of participation of white women and white teenagers in the labor force tends to squeeze out blacks. This is especially the case if employers prefer to hire whites.

Another suspect is the concentration of blacks in urban areas. But I understand that people who have tried to track that clue down can attribute only a tiny part of excess black unemployment to urban concentration. Finally, and this has to be pure conjecture, I suspect strongly that the employment of illegal aliens has tended to displace less skilled American workers and especially black teenagers.

According to past evidence, the completion of recovery has a more than proportional favorable effect in lowering black unemployment. For example, between 1963 and 1965, when the overall unemployment rate fell from 5.7 to 4.5 percent, that among blacks

fell from 10.8 to 8.1. Similarly while the black rate (unlike the white rate) actually rose a little in 1972, it fell by 1.1 percentage points in 1973. In my view this is another consideration underlining the general need for containing and reducing inflation by methods other than maintaining a weak labor market. Prosperity is an indispensable ingredient in the solution of the black unemployment problem.

But there must be other ingredients. Those ought to include a serious effort to stop continuing racial job discrimination and to curb the employment of illegal aliens. Beyond that, I really don't know how to judge the relative efficacy of various pinpointed programs—government jobs, training, and private employment incentives. I would encourage exploration of wage subsidies aimed at workers who have had a hard time in the labor market. In particular, the "voucher plan" proposed by Guy Orcutt of Yale deserves much more attention than it has received.

Again, I wish I had better answers!

Sincerely,

ARTHUR M. OKUN.

DATA RESOURCES, INC.,
Lexington, Mass., February 20, 1978.

Senator WILLIAM PROXMIRE,
U.S. Senate, Committee on Banking, Housing, and Urban Affairs, Washington, D.C.

DEAR BILL: In reply to your letter looking for possible explanations of the continued very high unemployment rate among black teenagers, DRI has done a little econometric work to see if the current very high rate represents some new deterioration or is just a persistence of an always bad condition.

We developed a very simple equation which "explains" the black teenage unemployment rate in terms of the national unemployment rate and the fraction of the population over age 16 which is in the teenage (16–19) years. The simple equation does not explain the entire historical record by any means, but it has considerable explanatory power as the attached chart and table show.

The results show that black teenage unemployment is abnormally high since the beginning of 1977. During the fourth quarter, actual black teenage unemployment was 38.3 percent; if the historical relationship had held, it would have improved to 33.3 percent. In January, which is only one month for the current quarter, the national unemployment rate fell further, but black teenage unemployment edged higher to 38.7 percent. Thus, last observed, the situation was deteriorating.

Four quarters of such deviation are not sufficient evidence to conclude that there is a new, profound structural change. As the chart and the table show, there have been such periods of deviation in the past, such as in 1956, 1959, 1963–64 and 1974. The explanation for these errors may lie as much in measurement as in the statistical explanation. The monthly household survey from which these data are drawn consisted of 47,000 people until this past month. Only about one percent of the labor force is black teenagers, so only a few hundred of them are in the sample. The difficulty of surveys for a group such as this is that one must expect that there be a considerable sampling error. Nonetheless, the record is running up a warning flag that the situation is getting worse.

In a general way, there is not much mystery to this phenomenon. Inexperienced workers are always at a disadvantage. Under the U.S. job system, the normal unemployment rate for young workers is always high because of the frequency of voluntary job changing. The rate for blacks is high partly because of location in the inner cities while new jobs develop on the peripheries of metropolitan areas. Once high unemployment becomes part of the way of life of a group, for whatever reason, attitudes toward job holding change, normal individual growth of skills is lost, and there is a great tendency for the situation to perpetuate itself.

There are no simple solutions. Nationwide progress on unemployment is an absolute must if any other solution is to stand a chance. Progress in the macro economy can bring the black teenage unemployment rate down from 38 to the 25–30 percent range. But from that point on, it will take a more effective integration of this group into the mainstream of the American economy, through improved education, job training, equal opportunity, mass transit to jobs, and other measures. Public service employment also has some potential, although the recent experience with this program suggests that it is becoming increasingly a routine source of financing for local government activities, and is not targeted on the youth unemployment group. I have not had the opportunity to analyze the new youth unemployment proposals to assess how much can be expected from them.

Sincerely yours,

OTTO ECKSTEIN.

BLACK UNEMPLOYMENT RATE, 1970–77

Year and quarter	Actual rate	Explained rate[1]	Error	Percent error
1970:				
I	25.5	27.0	1.5	5.8
II	27.5	28.6	1.1	4.1
III	30.4	29.9	−.5	−1.6
IV	32.1	31.8	−.3	−.9
1971:				
I	31.4	32.0	.5	1.7
II	32.5	32.1	−.4	−1.2
III	31.6	32.5	.9	2.9
IV	31.5	32.4	.9	2.9
1972:				
I	36.7	32.0	−4.7	−12.9
II	31.4	31.7	.2	.7
III	31.4	31.6	.2	.5
IV	35.4	30.9	−4.4	−12.5
1973:				
I	29.7	29.9	.2	.7
II	30.7	29.8	−.8	−2.7
III	31.8	29.8	−2.0	−6.3
IV	28.7	29.7	1.0	3.4
1974:				
I	30.2	30.3	.1	.4
II	31.1	30.6	−.5	−1.6
III	33.5	31.9	−1.6	−4.8
IV	36.4	34.6	−1.8	−5.0
1975:				
I	38.8	38.4	−.5	−1.2
II	36.7	40.0	3.3	8.9
III	36.1	39.5	3.4	9.4
IV	35.9	39.0	3.2	8.8
1976:				
I	35.6	37.1	1.5	4.3
II	39.1	36.4	−2.6	−6.8
III	37.2	36.9	−.3	−.7
IV	36.6	36.9	.3	.9
1977:				
I	37.5	36.0	−1.5	−4.1
II	38.1	34.9	−3.2	−8.4
III	39.2	34.2	−5.0	−12.7
IV	38.3	33.3	−5.0	−13.0

[1] Unemployment rate calculated from relationship described in text.

Note: Details may not add to totals due to rounding.

UNIVERSITY OF CALIFORNIA, BERKELEY,
Berkeley, Calif., February 8, 1978.

Senator WILLIAM PROXMIRE,
Chairman, Committee on Banking, Housing, and Urban Affairs, U.S. Senate, Washington, D.C.

DEAR SENATOR PROXMIRE: This is in reply to your challenging letter of January 16 regarding the tragically high unemployment rates for black teenagers. The questions you ask—why and what can we do about it—have no simple answers. All I can do is offer some comments based on my own research and that of others and also on my reflections about the problem.

First, I am sending you under separate cover a manuscript copy of my new monograph, "Disaggregating the Goal of Full Employment," which will be published by the National Commission for Manpower Policy in March. In this monograph I review the changes that have occurred in the level and pattern of unemployment rates when the labor force is classified by age, sex, color, and in other ways. The problem of black teenagers is a two-fold problem: They are teenagers, and they are black. (See pp. 11 ff. of my monograph on teenagers and young adults; pp. 21 ff. on unemployment rates for nonwhite teenagers and young adults; and pp. 29 ff. on unemployment in poverty areas.) I also call your attention to the last paragraph on p. 31 regarding the importance of the social and economic environment in which most urban blacks live. You may also be interested in the first and last chapters of the monograph, in which I call for less emphasis on a single figure for the goal of full employment and much more emphasis on specific targets for blacks, youth, and other groups with relatively high unemployment rates.

I should next like to call your attention to the work on youth unemployment currently being done by my wife, Dr. Margaret S. Gordon, who is Associate Director of the Carnegie Council for Policy Studies in Higher Education. (Clark Kerr is the Director). The Carnegie Council plans to issue a policy statement on youth unemployment, which is currently being drafted by Mrs. Gordon. She has given me her permission to enclose with this letter some tentative "Policy Options" which she has drafted for consideration by the Carnegie Council. No public use of this should be made without her permission. She is also now editing a large collection of papers on youth employment in most of the industrial countries in Western Europe and in Japan, Mexico, and South Asia. She hopes to have the volume ready for press in about two months and says that she could then send you a copy of the manuscript if you wish. The address of the Carnegie Council is 2150 Shattuck Avenue, Berkeley 94704.

I am also enclosing a copy of a paper on youth unemployment that she prepared for a recent conference and which she plans to develop further for the volume that she is editing.

I assume that you and your staff are familiar with the new policy statement just released by CED on what to do about unemployment among the disadvantaged, including youth. I think it is an excellent report, and, if you have not already done so, you should seek the help of Frank Schiff, Vice President and Research Director of CED, who prepared the report. See also the excellent set of case studies that CED published at the same time. I call your attention particularly to the report on "Chicago United" and "Chicago Alliance of Business Manpower Services."

Permit me now to sketch out my own views on the two questions that you raise.

First as to why. The rise in black youth unemployment rates is a product of several factors. First, there is the increase in teenage unemployment rates generally that began in the early 1960's. That situation is almost certain to improve in the next 10–15 years as the fraction of the labor force made up of teenagers declines. But, as you mention in your letter, the black-white ratio for teenagers has steadily worsened, and there is no assurance that it will improve significantly in the future. I offer the following hypotheses (and I emphasize this word) for this phenomenon.

1. The reluctance of employers to employ teenagers in ladder jobs is compounded in the case of blacks; and even in some types of jobs in the "secondary" labor market employers are reluctant to employ young blacks, even when they will hire white teenagers.

2. The migration of blacks to central cities in the North, Midwest, and Pacific Coast has led to their concentration in so-called pov-

erty areas, where unemployment ratios are particularly high. Here I call your attention to the comment on page 31 of my monograph that "not only people but environments have children." Low incomes and high unemployment keep many more blacks than whites in poverty areas, and continued residence in poverty areas tends to perpetuate low incomes and high unemployment, for both youth and adults.

While the migration to northern cities has abated in recent years, today's black teenagers are the children of parents who fled from the South in the 1950's and 1960's.

3. With civil rights legislation and improved schooling, aspirations of black youth have risen. Not as many of them are willing to accept menial jobs as was once the case. I do not want to make too much of this point, particularly when I read news stories of black teenagers lining up early in the morning when they hear a report of some jobs being available.

4. Related to higher aspirations and concentration in the slum areas of central cities is the increased availability of other sources of income—hustling, crime, etc.

These suggested causes are certainly not the entire story, but I think they are important elements in the total picture.

Now as to what can be done about the problem. I subscribe to virtually all of the tentative proposals suggested by Mrs. Gordon in the enclosed outline for the Carnegie Council. In addition, I should emphasize the following suggestions.

1. When the President submits to Congress his bill for helping the cities, the final legislation should include specific provisions, adequately funded, for using inner city youth to renovate slum housing.

2. Congress should consider establishing and adequately funding a Youth Employment Service on the British model—with greatly increased counseling in the schools and with responsibility for placing school-leavers (both drop-outs and graduates) in jobs. Counseling in American high schools is inadequately staffed and heavily oriented toward those going on to college.

3. As the CED report suggests, more attention should be paid to the possibilities of placing youth in small business firms.

4. I think that perhaps the most urgent need is to develop on a much more extensive basis than now exists a comprehensive and well developed system of work-study programs in the high schools. This is now being tried on a more extensive basis than before, but still on a very limited basis and without full support from local business communities. Here is an area in which, incidentally, the resources of small business firms can be tapped—but it will require planning, education, and hard work.

5. In this connection I strongly support the proposals put forward by Willard Wirtz and the National Manpower Institute for an experimental program of Community Education—Work Councils. This program is now being tried out on an experimental basis in a sample of communities with federal and other aid. The program should be fully supported and the results carefully evaluated.

6. The new Youth Employment and Demonstration and Projects Act of 1977 holds some promise, and I was encouraged to read a few days ago that President Carter promises to submit to Congress an enlarged budget to continue the main provisions of the act beyond September, 1978. I urge you, however, to consider whether the Act needs to be modified to put fewer constraints on employers in applying for funds.

7. We shall continue to need a substantial program of Public Service Employment jobs for teenagers who cannot otherwise find jobs. Such PSE jobs should provide a substantial element of training—not merely for specific jobs but also remedial education and work discipline.

8. I favor, as do many if not most economists, a lower minimum wage for youth. Since this is not politically feasible, I suggest that both teenagers and their employers be relieved of Social Security taxes.

I could go on, but I think I have said enough, at least as a starter. You will find a number of other proposals in Mrs. Gordon's suggestions for consideration by the Carnegie Council.

Please feel free to call on either or both of us if you or your staff think that we can be of further help.

Sincerely yours,

R. A. GORDON,
Professor Emeritus.

[Enclosure]

BRIMMER & CO., INC.,
Washington, D.C., January 27, 1978.

Hon. WILLIAM PROXMIRE,
Chairman, Committee on Banking, Housing, and Urban Affairs, U.S. Senate, Washington, D.C.

DEAR SENATOR PROXMIRE: In his absence, Dr. Brimmer has asked me to send you a copy of his remarks before the White House Conference on Balanced National Growth and Economic Development. This paper which is titled "Economic Growth and Structural Unemployment" touches on many of the concerns expressed in your letter of January 16th.

Sincerely,

MARIE MURRAY,
Assistant Vice President.

[Doctor Brimmer's remarks are available in Senator Proxmire's office.]

THE ROCKEFELLER FOUNDATION,
New York, N.Y., February 16, 1978.

Senator WILLIAM PROXMIRE,
Chairman, Committee on Banking, Housing, and Urban Affairs, U.S. Senate, Washington, D.C.

DEAR SENATOR PROXMIRE: A year ago our Trustees asked staff in the Foundation to prepare for them a paper outlining the dimensions of the problem of minority youth unemployment. We asked Professor Lester Thurow of MIT to write such a paper for us. Following that, we held a meeting at the Foundation to discuss the paper and some of its implications. That paper and an edited version of the meeting was contained in the enclosed working paper on "Youth Unemployment." Professor Aaron Gordon told me of your interest in the problem and suggested I send a copy of the working paper to you.

Sincerely yours,

RALPH K. DAVIDSON,
Deputy Director.

[Professor Thurow's study available in Senator PROXMIRE's office.]

AMERICAN ENTERPRISE INSTITUTE,
Washington, D.C., January 27, 1978.

Hon. WILLIAM PROXMIRE,
U.S. Senate,
Dirksen Senate Office Building,
Washington, D.C.

DEAR SENATOR PROXMIRE: Thank you for your letter of January 16 concerning the black teenage unemployment problem. This is a particularly intractable problem where substantial increases in total employment and decreases in the overall unemployment rate in the economy do not seem to extend to unemployed black teenagers.

The economy has been performing exceedingly well in providing new jobs over the last several years—over four million last year alone. The employment-to-population ratio is at a new high of 58 percent and, as Commissioner Julius Shiskin pointed out during his appearance before your committee on January 11, if this ratio is computed using the age group 18 to 64 years of age, it is over 67 percent. This means that more than two-thirds of the nation's popuation of 18 to 64 years of age is at work. This is indeed an impressive performance. I might add that the December data indicate not only a fall in the overall unemployment rate but that the fall in the rate extends to all groups, including teenagers and blacks.

But, as you indicate in your letter, unemployment among teenagers remains high and the rate for black teenagers actually rose in 1977. The teenage unemployment rate will always be higher than for older demographic groups in the population—heads of households, etc.—simply because of the nature of the teenage demographic group and its more loose attachment to the labor force. This does not mean, of course, that efforts should not be made to reduce the teenage unemployment rate.

When one examines the labor force data, particularly the figures on duration (over 73 percent of the unemployed have been in this category for 14 weeks or less), it is apparent that most entrants are moving into employment fairly quickly. Further, in a civilian labor force of almost 100 million (of which 93 million are employed), it is necessary to keep the teenage unemployment problem in perspective. While the percentages are higher than for older groups, the number of teenage unemployed is about 1.4 million, of which 395,000 are blacks.

These data clearly indicate one thing—the teenage, and particularly the black teenage, unemployment problem does not lend itself to solution through macro-economic monetary and fiscal policy measures. Further stimulation of the economy will have little, if any, effect upon the problem. Also, as the President pointed out, the private sector has to create meaningful jobs; the government cannot do it. Therefore, job programs of the federal government, such as the CETA program, are of limited usefulness.

But measures designed to remove or reduce the barriers to employment of young and for the most part inexperienced workers should, in time, have some effect on the teenage unemployment rate. One such measure could be a teenage differential in minimum wages for an apprenticeship period. Each time the minimum wage has been raised, it has had an adverse effect on teenage employment. Therefore, some adjustment mechanism would help mitigate this effect. Other measures that reduce the cost and provide incentives to employers to hire and train young workers should be beneficial. Efforts in this direction, over time, offer our best chances in dealing with this problem, but there are no quick or easy solutions.

Sincerely yours,

THOMAS F. JOHNSON,
Director of Economic Policy Studies.

CANCER RESEARCH MILLIONS, THE CONGRESSIONAL DILEMMA

Mr. PROXMIRE. Mr. President, in my more than 20 years in this body I have been subjected to all kinds of lobbying entreaties to support or oppose legislation.

But in the past few days I have been subjected to a new and more potentially effective lobbying pressure than before.

On Sunday May 7 a full page ad ap-

peared in the largest daily newspaper in my State—the Milwaukee Journal. The ad featured one of the most compelling and attractive figures in this country, Ann Landers, in an appeal to increase the spending for one of the most irresistible and worthy causes this body votes on, that is cancer research. The ad asks this Senator's Wisconsin constituents to tell him to vote to increase the budget by $158 million more than the President has requested for cancer research.

What makes this ad unique is that it is aimed at a single member of Congress, specifically at this Senator. This Senator is singled out because he is a member of the Senate Appropriations Subcommittee for Health, Education and Welfare.

The cost of that one ad to influence one Senator to vote for one part of the appropriation bill, in just one of the Appropriation Committee's subcommittee, is over $6,000.

The ad was paid for by a national organization headquartered in New York City.

If each of the 12 members of the subcommittee receive similar treatment, and only a single ad is run in one newspaper in each of the States, the total cost might be about $70,000.

Mr. President this is a pretty nifty gambit and here is why: Once the subcommittee puts the additional sum into the budget, it would be a very long shot indeed to take it out. No one who ever expects to run again for reelection wants to be in the position of being charged by an opponent with voting to reduce the funds to fight cancer.

And that, Mr. President, is exactly why we have a situation in which we have almost drowned the National Cancer Institute in Federal dollars.

We have labored under the misapprehension that if we come on with enough hundreds of millions of dollars we can quickly prevent and cure cancer.

Mr. President, that is unfortunately not the case, as most responsible experts at the National Cancer Institute will tell you confidentially, and as experts in the other National Institutes of Health will tell you even more emphatically.

President Carter, like his predecessors in the presidency, has not held down his request for money for the National Cancer Institute because he does not hope and pray that we can find a way to stop cancer. Like all of us he wants to do so with all his heart. But he recognizes that this takes time and patience as well as money.

Mr. President, in the last 10 years we have increased funds for cancer research from $178 million in 1969 to $878 million, for 1979, that is by a whopping $700 million or by more than 390 percent. That will be what we will appropriate for the coming year if we simply pass the President's budget request for 1979 without increasing it.

The House would go to about $900 million. The Ann Landers ad would take it to $1,036 billion.

As the ad says, we have indeed made spectacular progress in combating cancer in the past 10 years, thanks to research by the National Cancer Institute.

Yes, indeed, we should maintain this high level of expenditure, and as time goes on increase it. But after a colossal explosion in spending for this purpose it does seem that this is as the administration maintains, a reasonable time to consolidate operations and proceed more efficiently.

Mr. President, I ask unanimous consent that a copy of the advertisement to which I have referred be printed in the RECORD at the conclusion of my remarks.

There being no objection, the ad was ordered to be printed in the RECORD, as follows:

"IF YOU WANT TO BE PART OF AN EFFORT THAT MIGHT SAVE MILLIONS OF LIVES—MAYBE YOUR OWN—PLEASE STAY WITH ME."—ANN LANDERS

Dear Readers: For those of you who look to my column for laughs, sorry, I have nothing for you today. My message is a somber one, but it also offers you an opportunity to do something about the most feared disease known to man.

If prayers are heard in heaven, the prayer heard most often is this one: "Please, dear God, don't let it be cancer." Every person who is reading this column has lost a loved one to that terrifying disease—mother, father, husband, wife, sister, brother, child or close friend.

One out of every four Americans will get cancer at some time during his life. One out of every six will die from it, unless new treatments and cures are found. Scary, isn't it? Especially when you look at it this way: If you have a dinner party and invite five couples, two people at your party (including you and your spouse) may be a cancer fatality.

These are depressing figures, but the picture isn't all black. Here are some encouraging signs:

We now know that there are over 100 different types of cancer. We also know that 8 types of cancer, considered virtually hopeless ten years ago, have shown more than a 50% survival rate for five years or longer. Such spectacular progress is proof that medical research does pay off.

The more we hunt, the more we will find. Hunting costs money, but we must not let that stop us.

Medical research unlocked the secrets of diphtheria, TB, smallpox and polio. Medical research will eventually find cures for all cancers.

People complain about high taxes and government spending—and well they might. The cost of living is out of sight. Everything has a bigger price tag than last year. Moreover, things will probably get worse before they get better.

The Federal Budget for 1979 is $502 billion—yes, I said Billions. That's a B. Is it unreasonable to ask Congress to spend an additional $158 million on basic research, cancer centers, education of physicians in cancer treatment and prevention, and the development and use of new and improved drugs for clinical research? These additional funds will bring the total amount spent to fight cancer through the National Cancer Institute to One Billion Thirty-Six Million Dollars this year, but human life can't be measured in dollars and cents.

The Subcommittee on Appropriations for Health, Education, and Welfare will very soon decide on whether or not our Government will spend the additional funds. Here is where you come in.

In your district, the key man is your Senator, William Proxmire. His address is Senate Office Building, Washington, D.C. 20515.

Write to your Congressman or clip this column and write across it "Vote for more money to conquer cancer" and sign your name. This one simple act will take no more than five minutes of your time. It will cost 13 cents for the stamp.

Can you think of anything more important to do today than join hands with your fellow Americans and launch a greater all-out attack on the most horrible disease known to mankind? I can't.

Get going and God bless.

STUDY SHOWS NEED FOR GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, I would like to direct the Senate's attention to a survey conducted at the Hillside division of the Long Island Jewish Hillside Medical Center in New York. There, psychiatrists studied 30 individuals between the ages of 18 and 35, whose parents lived through the Nazi concentration camps of World War II. These psychiatrists found that the nightmares the parents lived through had profound psychological consequences for their children.

Specifically, the study found that the children are unconsciously reenacting their parent's concentration camp experiences. Based on the descriptions of their parent's persecution, these patients experienced confused feelings of identity and a strong sense of alienation. Many had problems coping with emotional situations. Of the 30, only 3 had married; two of them had already divorced.

I am reporting this study to emphasize the insidious effects of genocide. Fatality statistics just don't convey the human misery and suffering of those who live through genocidal campaigns. This study shows that these survivors experienced a psychological trauma which affected even the lives of their offspring some 35 years later. The horrors of genocide ultimately touch all members of a persecuted race.

This study conclusively demonstrates the need for the Senate's ratification of the Genocide Treaty. Thirty years ago, the United States was instrumental in drafting this treaty. Shockingly, the Senate has failed to ratify this treaty in that time. These individuals highlighted in this study are further evidence that we can no longer ignore the tragedy of genocide. We must ratify the Genocide Treaty.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from West Virgina.

ORDER FOR RECOGNITION OF SENATOR LEAHY AND SENATOR ROBERT C. BYRD TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that tomorrow

after the prayer, the Senator from Vermont (Mr. LEAHY) be recognized for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I will revise that request. I ask unanimous consent that after the two leaders or their designees have been recognized under the standing order tomorrow, Mr. LEAHY be recognized for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I ask unanimous consent that at the conclusion of Mr. LEAHY's remarks I be recognized under the order previously entered some days ago for the purpose of calling up either the House or the Senate so-called labor reform bill.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

AUTHORITY FOR COMMITTEES TO FILE BILLS AND REPORTS CONTAINING NEW BUDGET AUTHORITY UNTIL MIDNIGHT TONIGHT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that all Senate committees have until midnight tonight to file bills and reports containing new budget authority, which must be filed by midnight to comply with the Budget Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR JOINT REFERRAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that S. 3003, a bill to amend the Rural Electrification Act of 1936, which was previously referred to the Committee on Agriculture, Nutrition, and Forestry, be jointly referred to that committee and the Committee on Commerce, Science, and Transportation.

The PRESIDING OFFICER. Without objection, it is so ordered.

STANDARD REFERENCE DATA ACT AUTHORIZATIONS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order No. 717, H.R. 11232.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (H.R. 11232) to authorize appropriations to carry out the Standard Reference Data Act.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Commerce, Science, and Transportation with an amendment to strike all after the enacting clause and insert the following:

That there are authorized to be appropriated to the Department of Commerce not to exceed $4,000,000 for the fiscal year ending September 30, 1979, not to exceed $5,000,000 for the fiscal year ending September 30, 1980, and not to exceed $6,000,000 for the fiscal year ending September 30, 1981, to carry out the purposes of the Standard Reference Data Act (15 U.S.C. 290–290f).

SEC. 2. The Act entitled "An Act to establish the National Bureau of Standards", approved March 3, 1901 (15 U.S.C. 270 et seq.) is amended as follows:

(a) Section 12(a) of such Act (15 U.S.C. 278b(a)) is amended by striking out ", and additional amounts as from time to time may be required for the purposes of said fund are hereby authorized to be appropriated".

(b) Section 18 of such Act (15 U.S.C. 278h) is amended by (1) designating the existing paragraph as "(a)"; and (2) adding immediately thereafter the following:

"(b) There are authorized to be appropriated to carry out the provisions of this Act (including the Working Capital Fund referred to in section 12(a)), except section 16, such sums as may be necessary for each of the fiscal years 1979, 1980, and 1981.".

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read:

An act to authorize appropriations to carry out the Standard Reference Data Act, and to authorize appropriations for the National Bureau of Standards.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95–786), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE AND BRIEF DESCRIPTION

The purpose of the bill is to authorize appropriations to the Department of Commerce to carry out the provisions of the Standard Reference Data Act (Public Law 90–396) and amend the Organic Act for the National Bureau of Standards (Public Law 56–177) to provide authorizations of appropriations through fiscal year 1981. The bill provides authorizations of appropriations of $4 million, $5 million, and $6 million for fiscal years 1979, 1980, and 1981, respectively, for the Standard Reference Data Act, and such sums as may be necessary for fiscal years 1979, 1980, and 1981 for the National Bureau of Standards.

BACKGROUND AND NEEDS

STANDARD REFERENCE DATA ACT

The Standard Reference Data Act (Public Law 90–396) (15 U.S.C. 290–290f) was enacted in 1968 and reauthorized in 1972 and 1975. The act establishes a standard reference data system within the Department of Commerce to be administered by the National Bureau of Standards. Under the authority of the act, the Bureau provides reference data on the chemical and physical properties of materials for use by Government, industry, universities, and the public. Through the compilation and dissemination of standard reference data for use by the public and private sector, the Bureau program helps increase the productivity of research and development activities.

Reliable scientific and technical information is vital to any research and development effort. In providing for standard reference data on the physical and chemical properties of materials, the Bureau collects compiles, and critically evaluates published scientific articles and then disseminates standard reference data for use by scientists and engineers. The Bureau estimates that there are approximately 300,000 articles published annually in the scientific literature which contain new measurement data on physical and chemical properties.

For scientists and engineers involved in research, it is important to have both reliable and accessible data. Bureau specialists review the scientific literature for relevant articles on the physical and chemical properties of materials, evaluate the accuracy and consistency of the data, and then provide that information for use by scientists and engineers in the field. The Bureau program saves scientists and engineers throughout the Government, industry, and universities a great deal of time. Moreover, the data produced by the Bureau is viewed by the technical community as reliable.

The Bureau conducts its work through 22 different data centers. Fourteen of these centers are part of the Bureau with the remaining eight located in various parts of the country. The main mechanism the Bureau employs the disseminate information is the Journal of Physical and Chemical Reference Data. The journal is published through a cooperative program with the American Institute of Physics and the American Physical Society. In addition, the Bureau provides selected articles and publications on specific subjects.

The Bureau program has been funded at approximately $3 million with an additional $2 million received in pass-through funds for "other agency" work. On occasion the Bureau conducts a review of chemical and physical properties data for particular industries for which the Bureau is reimbursed. For example, various firms involved in the production and use of ethylene recently banded together and requested that the Bureau compile standard reference data on the properties of ethylene. A 5-year, $490,000 program was established with the industry and the Bureau each contributing about half of the cost.

The standard reference data program is quite small, particularly when viewed in relationship to the level of research and development funded by Government and industry. With the vast amount of research conducted in the United States and worldwide, it is important that some standardization of research data be conducted. A National Academy of Sciences evaluation panel which annually reviews the status and effectiveness of the Standard Reference Data program, recommended in 1977 that the Bureau program be increased to a level of $15 million. In hearings before the committee, a $10 million level was recommended. These recommendations, if implemented, would provide for a three to five times larger program. The Bureau indicates that there is a need to expand the current program and initiate new activities in the following areas which they consider to be high priority:

Thermal data for organic, chemical and power industries;

Physical reference data for medicine and biology;

Stability of alloys and ceramic materials;

Fractured properties of structural materials;

Chemical modeling data for water pollution.

While the committee is unable to judge at this time the merits of these proposed areas of future activity, it concurs with the recommendations of various panels and individuals that the Bureau program should be expanded, and that this growth might be on the order of 25 percent annually. The committee therefore recommends an authorization level of $4 million, $5 million and $6 million for fiscal years 1979, 1980 and 1981, respectively, for the Standard Reference Data program. This authorization will permit continued support of ongoing efforts and the initiation of certain new activities to meet identified national needs. The committee expects the Bureau to be able to continue its effective work in compiling and evaluating research results and articles in the literature while keeping to a minimum the research the Bureau actually conducts.

An issue was raised dealing with the appropriate period for reauthorization of the Standard Reference Data Act. While, until now, the National Bureau of Standards has operated on the basis of a continuing authorization, the Standard Reference Data Act has been reauthorized for periods of 3 years. The committee believes it is important to make the authorization period of the Standard Reference Act consistent with the authorization period of the Bureau. A 3-year authorization period through fiscal year 1981 is provided under the bill, and as discussed below, the bill would amend the National Bureau of Standards Organic Act to provide for an authorization of the Bureau through fiscal year 1981.

REAUTHORIZATION OF THE NATIONAL BUREAU OF STANDARDS

The National Bureau of Standards was created by statute in 1901. The NBS Organic Act (Public Law 56–177), as amended in 1950, is the basis for the oldest national laboratory, and possibly the Nation's only true national laboratory. Unlike other national laboratories, the Bureau is nonsector specific, and is not directly assignable to any single Government functional area, such as health, energy, transportation, or environment. Its capabilities are applicable to a wide range of problems and are available for use by any other Federal agency.

The main mission of the Bureau is to develop national standards of measurements for use in scientific investigations, engineering, manufacturing and commerce. Over the years, the Bureau has had a reputation as an outstanding scientific and technical organization and a valuable national resource. During the past several years, however, a number of concerns have been expressed on the state of health of the Bureau. The committee is sensitive to these expressions of concern which have come from a number of sources: the Bureau, the Department of Commerce, the Office of Management and Budget, industry, State and local officials, the National Academy of Sciences and Engineering, professional societies, the scientific and technical community, generally, and articles appearing in various publications.

The committee initiated a review of Bureau activities in 1977. Two days of oversight hearings were held on February 15 and April 6, 1978. These hearings mark the first general oversight hearings conducted by a Senate committee in the 20th century. The House of Representatives conducted oversight hearings of the Bureau in 1959 and 1971. While there has been very little congressional oversight of the Bureau, it apparently is held in high regard by Congress since more than 10 statutes have been enacted over the past 15 years which assign additional responsibilities to the Bureau. The committee is interested in correcting this neglect of congressional oversight.

Problems at the Bureau have been attributed to a variety of factors: inadequate congressional oversight, inadequate financial resources, insufficient personnel, aging equipment, increased attention to short-term missions at the expense of long-term research, and general neglect by the Department of Commerce. During the past year, the administration has taken steps to correct certain of these problems. The fiscal year 1979 budget request for the Bureau proposes a significant increase. A competency fund is proposed to restore basic scientific expertise of the Bureau. A reorganization of the Bureau, the first since 1964, went into effect April 9, 1978, and with the new organizational structure, a planning office is proposed.

Many of the steps proposed by the administration are necessary to improve the scientific and technical capabilities of the Bureau. In addition, the committee believes that it is important to exercise careful oversight of the Bureau activities. In this regard, the committee has asked assistance from the General Accounting Office and the Office of Technology Assessment. The committee also believes that requiring periodic reauthorization of an agency and its programs generally results in a more effective agency operation that is more responsive to the agency's mission. At present the Bureau operates on a continuing authorization and its activities are reviewed only periodically by the Appropriations Committee.

The committee desires a strong and effective National Bureau of Standards. To help accomplish this, the committee believes that the Bureau should be placed on a periodic reauthorization basis. This recommendation is a result of careful review of the oversight hearings, various reports, statements and suggestions from both inside and outside the Government. While certain agencies, such as the National Science Foundation and the National Aeronautics and Space Administration have annual authorizations, the committee does not believe that an annual authorization is necessary or appropriate for the Bureau at this time. The bill would establish a 3-year authorization period for the Bureau which would permit the committee to continue its oversight activities and to review current efforts to strengthen the Bureau.

The bill provides an authorization of appropriations of such sums as may be necessary for fiscal year 1979, 1980, and 1981.

PROHIBITION OF RATE DISCRIMINATION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of calendar order No. 723, S. 2249.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (S. 2249) to prohibit discrimination in rates charged by the Southwestern Power Administration and to require due process in the confirmation of such rates by the Federal Energy Regulatory Commission.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Energy and Natural Resources with an amendment on page 2, beginning with line 6, strike through and including line 11, so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. Power and energy marketed by the Southwestern Power Administration pursuant to section 825s of title 16, United States Code (1970), shall be sold at uniform systemwide rates, without discrimination between customers to whom the Southwestern Power Administration delivers such power and energy by means of transmission lines or facilities constructed with appropriated funds, and customers to whom the Southwestern Power Administration delivers such power and energy by means of transmission lines or facilities, the use of which is acquired by lease, wheeling, or other contractual arrangements. Agreed points of delivery shall not be changed unilaterally.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The PRESIDING OFFICER (Mr. HARRY F. BYRD, Jr.). Without objection a motion to reconsider the vote is tabled.

Mr. ROBERT C. BYRD. The Senator from Virginia is right on the ball.

Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95–792), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE

The purpose of S. 2249 is to remove a transmission service charge imposed on a group of six Missouri generation and transmission cooperatives, known as Associated Electric Cooperative by the Southwestern Power Administration.

BACKGROUND

Congress enacted the Flood Control Act of 1944 (16 U.S.C. 825s) to authorize the marketing of hydroelectric power from Federal projects. One of the Federal marketing agencies governed by the act is the Southwestern Power Administration (SPA), which sells and transmits hydropower to customers in Arkansas, Kansas, Louisiana, Missouri, Oklahoma, and Texas.

In passing the act, Congress rejected the concept that power should be delivered to customers at the dam sites, and instead authorized the use of transmission lines to carry power to customers load centers. The act authorized two methods for obtaining transmission facilities: (1) Transmission lines could be constructed by the Government from funds appropriated by Congress, or (2) the Government could "acquire" the lines of other utilities "by purchase or other agreement," including rental or wheeling (transmission) agreements. Early on, Congress made a series of policy decisions declining to appropriate funds for construction of federally owned transmission lines if wheeling or rental arrangements were attainable.

Congress also established a policy of "postage stamp" rates, that is, that rural customers of Federal power projects, situated at a distance from government powerplants, should pay no more for electricity than those located closer to the points of generation. Rates were to be uniform, with no discrimination between customers receiving power over government-owned lines or over

lines acquired by SPA by lease or wheeling agreements.

Appropriations were accordingly sought to construct transmission lines from the dams to the municipalities and to the load centers of the rural electric cooperatives in the SPA service area. Those efforts succeeded in some States, but Congress refused to appropriate funds to build the "backbone" transmission lines in Missouri. Instead, in 1949, Congress and the administration developed an alternate plan for the construction of transmission lines in Missouri, centered on the authority under section 5 of the Flood Control Act to "acquire, by purchase or agreement" the necessary transmission facilities. The plan was as follows:

(1) The Rural Electrification Administration (REA) would lend to certain generation and transmission (G. & T.) cooperatives the money required to build a "backbone" 161-kV transmission system in Missouri, as well as 69-kV lines connected these 161-kV lines with the load centers of the G. & T.'s.

(2) SPA would lease these facilities from the cooperatives, and SPA would operate them, paying the cooperatives rentals so calculated as to service the REA debt, and reimburse costs of operation, maintenance, and replacements.

(3) SPA would sell power from Bull Shoals and Table Rock Dams to the cooperatives at their load centers, delivering such power over this federally financed system, at the SPA systemwide rates (postage stamp), just as though the lines had been constructed with appropriated funds.

A "Continuing Fund" was established by Congress to fund the rental agreements. This continuing fund was codified as 16 U.S.C. § 825s–1.

It is clear, from this legislative history of what has come to be known as the continuing fund statute, that Congress made a decision in favor of using the device of rentals of transmission lines, in lieu of appropriations for construction of such lines, as a method for getting power to the rural cooperatives at the same price as though the lines had been built with appropriated funds.

SPA's authority to enter into these agreements was attacked by certain utility companies, but was sustained, in *Kansas City Power & Light Co.* v *McKay*, 115 F. Supp 402 (D.D.C. 1953), judgment vacated for lack of plaintiff's standing to sue, 96 U.S. App. D.C. 273, 225 F.2d 924 (D.C. Cir. 1955). During the pendency of the foregoing litigation, however, appropriations to the continuing fund were suspended.

After the *McKay* decision in the court of appeals, Congress resumed appropriations to the continuing fund for fiscal year 1956, and ordered that the lease contracts be reactivated, noting that it approved them, but instructing the Secretary as to the terms of certain amendments desired by the congressional committees. The House Committee on Appropriations, in its report to accompany H.R. 6766, the Public Works Appropriation bill for fiscal year 1956 (H.R. Rep. No. 747, 84th Cong., 1st sess.), pp. 5–6, said:

"This action makes it possible to *reactivate valid and legal contracts* which certain G and T (Generating and Transmission) cooperatives have with SPA. These contracts at their inception were examined by the Congress and funds were available to carry them out thru the Continuing Fund for fiscal years 1950 thru 1953.

"The contracts in question have been tested in the courts.

"In reactivating the contracts with the G. and T. cooperatives, the Department of the Interior is instructed to delete any provisions providing for the option to purchase G. and T. transmission lines or other facilities by the Southwestern Power Administration. The contracts are also to provide: (1) that the G. and T. cooperatives will operate and maintain their own transmission systems under lease to the SPA; (2) that the SPA and the G. and T. cooperatives will settle accounts for power purchased and sold on the basis of net-balances as is done under existing contracts to which SPA and private utilities are parties; and (3) *that power and energy will be delivered to the load centers of all G. and T. contracting systems at the basic SPA rate.*" (Emphasis added.)

The conference report on that same appropriation bill contained comparable language. (H.R. Rep. No. 1085, 84th Cong., 1st sess.) It was adopted by the votes of both houses.

Three points of controlling significant are in the foregoing account of the reports of the House committee and the conferees on the 1956 bill: (1) Congress determined that the contractual payments were "valid and legal"; (2) Congress determined that power should be delivered to the load centers of the cooperatives over lines rented by SPA; and (3) Congress determined that power should be priced at the basic SPA rate, applicable everywhere on the transmission system owned by or available to SPA.

The contracts made pursuant to these directives uniformly contained stipulations that the SPA payments would continue until the cooperatives REA debt was fully repaid. The reason for such stipulations was stated by Chairman Cannon of the House Appropriations Committee in testimony in 1955 before a subcommittee of the House Committee on Government Operations:

"* * * They [the cooperatives] would not have taken on such a financial burden but for the fact that they had a solemn and binding contract with the Government extending over a period of 40 years, under which they would receive sufficient income to amortize the loan from the Government and pay back every dollar with interest." (Hearings on Effect of Administration Acts and Policies of Department of Interior and Rural Electrification Administration on Rural Electric Cooperatives, Public Bodies, and Municipal Electrics, Hearing Before a Subcomm. of the House Comm. on Gov't Operations, 84th Cong., 1st sess. at 5 (1955).)

In 1961, the Secretary of the Interior expanded these Missouri power supply arrangements, to the Government's great advantage, as he reported to Congress.

He proposed to the cooperatives that the Missouri cooperatives, statewide, federate as Associated Electric Cooperatives, and enter into a contract with him which would enable SPA to sell all of its power as "peaking" power, accompanied by limited quantities of energy, instead of "firm" power as previously. To accomplish this, it was necessary that the Government hydrogeneration be integrated into that of thermal-powered systems having five or six times the generating capacity of the Government's hydroplants. Associated's lines would be employed to do this. The Secretary would contract to sell peaking power to three large investor-owned companies—(the Missouri companies)—to be delivered over associated's lines. In addition, associated would borrow money from REA to extend its lines to enable interconnection between SPA and the Government's Missouri basin system, some 300 miles away from SPA. Associated would wheelpower to six municipalities. It would furnish power from other sources to make good all transmission losses. Associated would furnish "standby" power, in case of failure of government generating facilities. SPA would continue to sell power to the cooperatives, delivered, at the basic SPA rate as before, but this would be the basic SPA rate for peaking power, not firm power.

SPA promised to pay Associated $2,647,000 annually for its transmission services, in the form of credits against payments for power and energy at the basic SPA rate for peaking power. This amount included, as theretofore, the annual debt service to REA—enlarged to build the interconnections stipulated by SPA—and operating costs, and it provided reimbursement to Associated for the power and energy it furnished to replace transmission losses. The contract would obligate the Secretary specifically to continue to pay (credit) this amount annually until the REA debt is fully paid (1997). Because of the wheeling arrangements and advantages of integration gained through SPA's contracts with Associated, Congress would not, and did not, have to appropriate funds for the construction of new Government-owned lines for Missouri.

The cooperatives accepted the proposal, and Congress repeatedly appropriated money from the continuing fund to carry it out.

ORDER FOR SANITIZING THE RECORD OF TODAY'S CLOSED SESSION, AND FOR RELEASE OF THE SANITIZED VERSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the staffs of the Foreign Relations and Intelligence Committees be authorized to sanitize the completed marks in S–406 of the Capitol under the supervision of the Secretary of the Senate or his designee; and that when this has been completed and approved by the chairmen and ranking minority members of those committees, the sanitized version of today's remarks be released to the news media no later than 96 hours after the completion of business today.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 11:30 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in recess until 11:30 a.m. tomorrow.

The motion was agreed to; and at 10:02 p.m. the Senate recessed until tomorrow, Tuesday, May 16, 1978, at 11:30 a.m.

NOMINATIONS

Executive nominations received by the Senate May 12, 1978, under authority of the order of the Senate of May 11, 1978:

DEPARTMENT OF JUSTICE

Peter F. Vaira, Jr., of Illinois, to be U.S. attorney for the eastern district of Pennsylvania for the term of 4 years, vice David W. Marston.

Philip B. Heymann, of Massachusetts, to be an Assistant Attorney General, vice Benjamin R. Civiletti, elevated.

Executive nominations received by the Senate May 15, 1978:

NATIONAL COUNCIL ON EDUCATIONAL RESEARCH

The following-named persons to be members of the National Council on Educational Research for the terms indicated:

For a term expiring September 30, 1979:

Carl H. Pforzheimer, Jr., of New York, vice Ralph M. Besse, term expired.

Wilson C. Riles, of California, vice Ruth Hurd Minor, term expired.

For a term expiring September 30, 1980:

Alonzo A. Crim, of Georgia, vice Larry A. Karlson, term expired.

Betsy Levin, of North Carolina, vice Carl H. Pforzheimer, Jr., term expired.

Catharine C. Stimpson, of Washington, vice Wilson C. Riles, term expired.

IN THE ARMY

The following-named officers for promotion in the Reserve of the Army of the United States, under the provisions of title 10, U.S.C., section 3370 and 3383:

ARMY PROMOTION LIST

To be colonel

Berry, Robert W., xxx-xx-xxxx.
Bevan, Earl D., xxx-xx-xxxx.
Butera, Charles W., xxx-xx-xxxx.
Crow, Samuel, xxx-xx-xxxx.
Dearing, James H., xxx-xx-xxxx.
Donaldson, Walter A., xxx-xx-xxxx.
Draghetti, Peter M., xxx-xx-xxxx.
Edgington, Walter, xxx-xx-xxxx.
Fauntleroy, Hermanze, xxx-xx-xxxx.
Gambino, Robert W., xxx-xx-xxxx.
Graham, John F., xxx-xx-xxxx.
Harris, Lee G., Jr., xxx-xx-xxxx.
Hilliard, James C., xxx-xx-xxxx.
Johnson, Lamarr L., xxx-xx-xxxx.
Kassner, Herbert A., xxx-xx-xxxx.
Kennealy, James E., xxx-xx-xxxx.
King, Mark R., xxx-xx-xxxx.
Latshaw, Richard K., xxx-xx-xxxx.
McArthur, Charlton, xxx-xx-xxxx.
Moffett, Ralph, xxx-xx-xxxx.
Morehead, Robert N., xxx-xx-xxxx.
Ottley, John K., xxx-xx-xxxx.
Owens, Richard H., xxx-xx-xxxx.
Packard, Richard D., xxx-xx-xxxx.
Sabo, Peter J., xxx-xx-xxxx.
Schmidt, Homer C., xxx-xx-xxxx.
Shannon, Clayton E., xxx-xx-xxxx.
Smith, Cromwell G., xxx-xx-xxxx.
Smith, James J., Jr., xxx-xx-xxxx.
Sneed, Ronald E., xxx-xx-xxxx.
Spreen, Francis F., xxx-xx-xxxx.
Timbes, Raphael A., xxx-xx-xxxx.
Whitton, Elliott A., xxx-xx-xxxx.
Willis, Alvie J., xxx-xx-xxxx.

CHAPLAIN

To be colonel

Jensen, Merle B., xxx-xx-xxxx.

ARMY NURSE CORPS

To be colonel

Olson, Beverly L., xxx-xx-xxxx.
Schuler, Dolores A., xxx-xx-xxxx.

MEDICAL CORPS

To be colonel

Carter, James H., xxx-xx-xxxx.
Gordon, Stephen M., xxx-xx-xxxx.
Messany, Franklin L., xxx-xx-xxxx.
Stabler, Carey V., xxx-xx-xxxx.
Stoebner, John M., xxx-xx-xxxx.
Walden, Robert E., xxx-xx-xxxx.

MEDICAL SERVICE CORPS

To be colonel

Klemme, Roland V., xxx-xx-xxxx.

The following-named officers for promotion in the Reserve of the Army of the United States, under the provisions of title 10, U.S.C., sections 3367 and 3383:

ARMY PROMOTION LIST

To be lieutenant colonel

Aldrich, Jerry L., xxx-xx-xxxx.
Artman, Robert H., xxx-xx-xxxx.
Ballard, Albert L., xxx-xx-xxxx.
Berman, Alan, xxx-xx-xxxx.
Best, Cecil B., xxx-xx-xxxx.
Bielawa, Frederick, xxx-xx-xxxx.
Biggs, William A., xxx-xx-xxxx.
Bishop, Carl B., xxx-xx-xxxx.
Bissell, Robert, xxx-xx-xxxx.
Brown, Gerald M., xxx-xx-xxxx.
Cammuso, Francis, xxx-xx-xxxx.
Coughlin, Paul K., xxx-xx-xxxx.
Cox, John R., xxx-xx-xxxx.
Cummings, George F., xxx-xx-xxxx.
Depasque, Robert E., xxx-xx-xxxx.
Doherty, Dennis E., xxx-xx-xxxx.
Duvall, Henry P., xxx-xx-xxxx.
Eckler, Richard M., xxx-xx-xxxx.
Finchum, George A., xxx-xx-xxxx.
Gallucci, John V., xxx-xx-xxxx.
Gatt, Larry A., xxx-xx-xxxx.
Ginsburg, Edward F., xxx-xx-xxxx.
Gober, Lee G. xxx-xx-xxxx.
Gradwohl, Richard A., xxx-xx-xxxx.
Granados, Anthony F., xxx-xx-xxxx.
Haas, Willis J., Jr., xxx-xx-xxxx.
Hasenei, Gordon J., xxx-xx-xxxx.
Henry, Donald F., xxx-xx-xxxx.
Herlihy, Robert D., xxx-xx-xxxx.
Hornburg, Kenneth L., xxx-xx-xxxx.
Hullinger, Don R., xxx-xx-xxxx.
Jerominek, Ronald F., xxx-xx-xxxx.
Johnson, Andrew M., xxx-xx-xxxx.
Johnson, Russell G., xxx-xx-xxxx.
Jones, Allen C., xxx-xx-xxxx.
Kearny, James A., xxx-xx-xxxx.
Keith, William F., xxx-xx-xxxx.
Kelly, John F., xxx-xx-xxxx.
Ketterer, Marvin K., xxx-xx-xxxx.
Kikukawa, Herbert H., xxx-xx-xxxx.
Lanphere, James A., xxx-xx-xxxx.
Lendermon, William, xxx-xx-xxxx.
Lewis, John I., xxx-xx-xxxx.
Lister, Paul R., xxx-xx-xxxx.
Lochner, Robert C., xxx-xx-xxxx.
MacFarland, Francis G., xxx-xx-xxxx.
Mack, George E., xxx-xx-xxxx.
Martin, William R., xxx-xx-xxxx.
Maul, David L., xxx-xx-xxxx.
McKee, Burton R., xxx-xx-xxxx.
Miller, Christian J., xxx-xx-xxxx.
Moor, Ralph C., Jr., xxx-xx-xxxx.
Negri, George, xxx-xx-xxxx.
Page, Louis V., xxx-xx-xxxx.
Patton, Donald G., xxx-xx-xxxx.
Phillips, Billy G., xxx-xx-xxxx.
Phillips, John J., xxx-xx-xxxx.
Phillips, Richard J., xxx-xx-xxxx.
Piatek, Paul A., xxx-xx-xxxx.
Popelka, Thomas J., xxx-xx-xxxx.
Potts, Richard K., xxx-xx-xxxx.
Ranch, Lewis C., xxx-xx-xxxx.
Rider, Hugh L., xxx-xx-xxxx.
Romanko, David M., xxx-xx-xxxx.
Ross, Dale J., xxx-xx-xxxx.
Ross, Richard L., xxx-xx-xxxx.
Schmidt, Gerald L., xxx-xx-xxxx.
Segel, Frank, xxx-xx-xxxx.
Simek, John E., xxx-xx-xxxx.
Spahlinger, Karl A., xxx-xx-xxxx.
Stephens, Lionel L., xxx-xx-xxxx.
Stoddard, Dwight L., II, xxx-xx-xxxx.
Strickland, Bobby G., xxx-xx-xxxx.
Sullivan, Charles B., xxx-xx-xxxx.
Sutter, Thomas J., xxx-xx-xxxx.
Tankel, Leslie F., xxx-xx-xxxx.
Thill, Edward P., xxx-xx-xxxx.
Thomas, Charles R., xxx-xx-xxxx.
Thompson, James B., III, xxx-xx-xxxx.
Tiffany, Ronald R., xxx-xx-xxxx.
Van Nort, Gerald T., xxx-xx-xxxx.
Vokins, Leroy D., xxx-xx-xxxx.
Wilkinson, Cicero, Jr., xxx-xx-xxxx.
Yoshimura, Richard M., xxx-xx-xxxx.

CHAPLAIN

To be lieutenant colonel

Hembrock, Richard G., xxx-xx-xxxx.
Humphrey, Donald, xxx-xx-xxxx.
Kesler, James W., xxx-xx-xxxx.
Quigley, Fred W., xxx-xx-xxxx.

ARMY NURSE CORPS

To be lieutenant colonel

Abel, James E., xxx-xx-xxxx.
Barker, Mary K., xxx-xx-xxxx.

DENTAL CORPS

To be lieutenant colonel

Fritz, Andrew J., xxx-xx-xxxx.

MEDICAL CORPS

To be lieutenant colonel

Bissanda, Nabil K., xxx-xx-xxxx.
Coil, James A., Jr., xxx-xx-xxxx.
Douthit, Thomas E., xxx-xx-xxxx.

MEDICAL SERVICE CORPS

To be lieutenant colonel

Burkett, Samuel L., xxx-xx-xxxx.
Carpenter, Frank C., xxx-xx-xxxx.
Foreman, Rodney M., xxx-xx-xxxx.
James, Rogers B., xxx-xx-xxxx.
Judd, Ken K., xxx-xx-xxxx.
Kelley, Pierre JJ., xxx-xx-xxxx.
Loetell, Joseph W., Jr., xxx-xx-xxxx.
Menker, George T., xxx-xx-xxxx.
Neumann, Dale H., xxx-xx-xxxx.
Williams, Louis A., xxx-xx-xxxx.
Willner, Gerald J., xxx-xx-xxxx.

The following-named officers for appointment in the Reserve of the Army of the United States, under the provisions of title 10, U.S.C., sections 591, 593, and 594:

MEDICAL CORPS

To be colonel

Ebaugh, Franklin G., Jr., xxx-xx-xxxx.

DENTAL CORPS

To be lieutenant colonel

Berkley, Roger M. G., xxx-xx-xxxx.
Brown, Norman G., xxx-xx-xxxx.
Colgan, Robert E., xxx-xx-xxxx.
Drucker, Harold, xxx-xx-xxxx.
Gordon, Stanley E., xxx-xx-xxxx.
Hanley, Joseph B., Jr., xxx-xx-xxxx.
Levy, Harry R., xxx-xx-xxxx.
Pirk, Frederick W., xxx-xx-xxxx.
Riggs, Robert C., xxx-xx-xxxx.
Scullin, John P., xxx-xx-xxxx.

MEDICAL CORPS

To be lieutenant colonel

Bolick, Larry E., xxx-xx-xxxx.
Burmeister, Roy W., xxx-xx-xxxx.
Collier, Robert W., Jr., xxx-xx-xxxx.
Cucinell, Elymore A., xxx-xx-xxxx.
Douglas, George C., xxx-xx-xxxx.
Dwyer, John E., xxx-xx-xxxx.
Engeler, James E., Jr., xxx-xx-xxxx.
Ferguson, James S., xxx-xx-xxxx.
Freeland, Alan E., xxx-xx-xxxx.
Giery, Richard A., xxx-xx-xxxx.
Glenchur, Harry, xxx-xx-xxxx.
Hudson, Royal C., Jr., xxx-xx-xxxx.
Johnson, James L., xxx-xx-xxxx.
Johnson, Lewis A., xxx-xx-xxxx.
Kuczerea, Wladimir, xxx-xx-xxxx.
Lawrence, Frank M., xxx-xx-xxxx.
Luton, Samuel S., xxx-xx-xxxx.
McMillen, John A., Jr., xxx-xx-xxxx.
Mills, Herbert R., xxx-xx-xxxx.
Milson, Bertram I., xxx-xx-xxxx.
Nadeau, Conrad J., xxx-xx-xxxx.
Ramos-Gomez, Jacobo, xxx-xx-xxxx.
Rothmeyer, David C., xxx-xx-xxxx.
Russo, Pietro, xxx-xx-xxxx.
Sanford, John L., xxx-xx-xxxx.
Shelden, Russell D., xxx-xx-xxxx.
Sheldon, Robert D., xxx-xx-xxxx.
Steele, Russell W., xxx-xx-xxxx.
Trivette, Parks D., xxx-xx-xxxx.
Wachtel, Andrew S., xxx-xx-xxxx.

ARMY MEDICAL SPECIALIST CORPS

To be lieutenant colonel

Kannegeiter, Ruthan B., [redacted].

The following-named officers for appointment in the Army of the United States, under the provisions of title 10, U.S.C., section 3494:

MEDICAL CORPS

To be lieutenant colonel

Brigham, John, [redacted].
Carlson, Homer J., [redacted].
Courteau, Robert D., [redacted].
Coussirat, Adolfo C., [redacted].
Davis, Parma C., Jr., [redacted].
DeRuyter, Hana, [redacted].
Duarta, Cristobal G., [redacted].
Franklin, Lawrence C., [redacted].
Hannon, William H., [redacted].
Heiselt, Lawrence R., [redacted].
Hentz, Edwin C., [redacted].
Holt, Charlene P., [redacted].
Humbert, Paul, [redacted].
Jahanger, Mohammed S., [redacted].
Keepman, Jay P., [redacted].
Lagaldo, Anthony J., [redacted].
Luce, James, [redacted].
Lutz, Ronald L., [redacted].
McManus, William F., [redacted].
Nelson, Ralph A., [redacted].
Reynolds, James S., [redacted].
Rosen, Howard M., [redacted].
Stecher, William A., [redacted].
Sube, Janice, [redacted].
Swift, Dean C., [redacted].

The following-named Army National Guard officers for appointment in the Reserve of the Army of the United States, under provisions of title 10, U.S.C., section 3385:

ARMY PROMOTION LIST

To be colonel

Baird, Douglas A., [redacted].
Blackburn, Charles F., [redacted].
Bogle, Robert L., [redacted].
Brice, Forrest W., [redacted].
Cobb, Leroy M., [redacted].
Coster, Clarence M., [redacted].
Emerson, Donald L., [redacted].
Hallmark, Estle H., [redacted].
Hayes, Roger L., [redacted].
Ing, Melvin G., [redacted].
Kiefer, Lawrence R., [redacted].
Meixner, Allan R., [redacted].
Nielsen, Charles R., [redacted].
Reynolds, Thomas W., [redacted].
Sbarboro, Gerald L., [redacted].
Smith, Eugene P., [redacted].
Thompson, Harold M., [redacted].
Williams, Teddy E., [redacted].
Wulgaert, Edward H., [redacted].

MEDICAL CORPS

To be colonel

Bell, Eldon E., [redacted].

ARMY PROMOTION LIST

To be lieutenant colonel

Bentzen. Donald H., [redacted].
Blandford, John L., [redacted].
Bonnano, Frank C., [redacted].
Camacho, Salvador L., [redacted].
Cox, John H., [redacted].
D'Araujo, John R., [redacted].
Dase, Ralph L., [redacted].
Fish, Jerry D., [redacted].
Gerhardt, Edward H., [redacted].
Gray, Franklin M., [redacted].
Hopkins, Alben N., [redacted].
Krebs, John W., [redacted].
Laurino, Thomas P., [redacted].
Megorden, Philip C., [redacted].
Moen, Rex, [redacted].
Moore, Albert F., [redacted].
Moore, Paul A., [redacted].
Moyer, Russell E., [redacted].
Nakatus, Myles M., [redacted].
Newton, Walter H., [redacted].
Polson, James D., Jr., [redacted].
Robitaille, Fabian J., [redacted].
Rodgers, Charles A., [redacted].
Rueger, James F., [redacted].
Shaughnessy, Michael E., [redacted].
Sheridan, Max P., [redacted].
Spruiell, John T., [redacted].
Westergard, Raymond L., [redacted].

DENTAL CORPS

To be lieutenant colonel

Hodges, Morris C., [redacted].

MEDICAL CORPS

To be lieutenant colonel

Breitenstein, Bryce D., [redacted].
Fairfax, Walter A., Jr., [redacted].
Hudgins, James J., [redacted].
Mara, Francis J., [redacted].
O'Loughlin, John M., [redacted].
Wood, Thomas C., [redacted].

IN THE NAVY

The following-named chief warrant officer, W–2 of the U.S. Navy for temporary promotion to the grade of chief warrant officer, W–3, pursuant to title 10, United States Code, section 5787c, subject to qualification therefor as provided by law:

Aitken, Robert P.
Allen, Merrile J., Jr.
Anderson, Milburn M.
Andrews, Emerson L.
Arsenault, Raymond T.
Arthur, Joseph H.
Ball, William A.
Ballew, Neil G.
Barrow, Maxie R.
Bartleman, James P.
Beach, Frank A.
Beauregard, Roger P.
Beck, Richard L.
Bennett, Donald S.
Birr, Donald K.
Bodkin, David M.
Bonilla, Samuel R.
Booker, Charles M.
Boothe, John P.
Bowen, James C., III
Boyce, Richard A.
Breunig, John V.
Briggs, Terry G.
Brinley, Laird E.
Buckley, Thomas F.
Butler, Louis E.
Candanoza, Jose R.
Caponis, John A.
Carson, Bill
Carter, Lorenza
Chambers, James D.
Christman, Peter T., Jr.
Clark, Richard O.
Cleghorn, John T.
Clements, Jerry E.
Colon, Pedro A.
Comer, Louis J.
Conley, Amos B., Jr.
Contino, Philip A.
Crawford, Frank L., Jr.
Crossman, David C.
Crouch, Thomas H.
Crowhorn, James R.
Cruz, Adelbert, Jr.
Cullison, Richard C.
Darling, Peter L.
Davidson, Robert H.
Dean, Theodore P.
Dew, Harold W.
Dickerson, Robert C.
Dill, Richard L.
Doolittle, Richard F.
Doss, Larry W.
Doyle, William T.
Dunlap, Robert B
Eastman, Guy W.
Ellsworth, Richard H.
Feeser, Elmer L.
Fernandez, Wilfredo O
Folkenroth, Jan P.
Franzen, Gerald J.
Geary, John R.
Goldin, Milton, Jr.
Goldsberry, Richard E.
Goodlet, Sammie
Gore, William L.
Graves, Robert L.
Grissom, James M.
Grosz, Gary D.
Hale, Lorne B.
Handy, Christopher C.
Hardy, Michael C.
Harritt, John D.
Helm, Freddie L.
Hernandez, Steve J.
Hickson, Dewey W.
Hill, Lamar K.
Houck, Norman L., Jr.
Houston, Grady
Hudgen, Earther L.
Hunt, John H., Jr.
Ivie, Perry G.
Johnson, Johnny R.
Johnson, Sidney E.
Jones, Ronald D.
Kanning, Diederick E.
Kelley, Steven J.
Kelsey, Diane M.
Kennedy, James V.
Kenney, William P.
Kidd, Ronald J.
Kreis, Jack A.
Krieg, Donald W.
Kruse, Lance Merit
Kunkle, Gallard L.
Law, Donald G.
Lewis, William H.
Lightfoot, Bernard, Sr.
Lynch, John F.
Maples, Gene D.
Mara, George
Martin, John K.
Maughmer, Earl K.
McGrath, Michael S.
McKillips, Lester T.
McKinney, Frank A., II
McKnight, Rhodus
McMillan, Charles L.
Merideth, Allen T.
Merrell, Richard L.
Monroe, Gregory E.
Moore, Robert C.
Morgan, Franklin H.
Morin, Robert W.
Morris, Charles J.
Moultrie, Freddie, Jr.
Mueller, John H.
Nace, Niles E., Jr.
Newton, Howard W.
Norton, James L.
Ogden, Charles T.
Oleary, John T.
Pauls, Thomas E.
Paulson, Robert A.
Pavidis, Peter E.
Perry, Harry M.
Pettaway, Henry E.
Philbrook, Keith A.
Poppe, Gilbert C.
Putnam, Bruce C., Jr.
Reeves, Richard D.
Reiter, Michael L.
Rhodes, Francis S.
Richardson, Randall M.
Ritchie, Donald D.
Roby, David A.
Rodriguez, Jose P.
Rogers, William E.
Romine, Duane L.
Rossi, Michael A.
Rundall, Stanley R.
Sanders, Stanley G.
Sawyer, Robert H.
Scarbrough, Travis E.
Schamp, Richard M.
Shutters, William D. II.
Sisemore, Marion R.
Skiba, Edward J.
Skinner, Tommie W.
Skrapits, Anthony A.
Slade, George W.
Smith, Carl H.
Smith, Donald J.
Smith, James H.
Snock, Maximillion R.
Spangler, Ercell D.
Spiller, Jerry W.
Syrovatka, Vladimir
Szakas, John F.
Taylor, Jerry A.
Taylor, Walter T.
Temple, James M., Jr.
Timmons, Ronald
Waltrip, Melvin D.
Waterfield, James L.
Webb, Alvin C.
Welch, Claire H.
Whiting, Daniel E.
Wild, Lawrence A.
Williams, Samuel S.
Witkowski, John A.
Woods, Benjamin F., Jr.
Woodward, Curtis B.
Woolsey, Ronald T.
Yatsko, George P.
Young, David E.
Young, John W.
Young, William R.
Youngblood, Adrian C.

The following-named chief warrant officer, W–3 of the U.S. Navy for temporary promotion to the grade of chief warrant officer, W–4, pursuant to title 10, United States Code, section 5787c, subject to qualification therefor as provided by law:

Abbruzzese, William C.
Adams, Orland I.
Albertin, James M., Jr.
Allen, Charles E.
Allen, Duke D.
Amber, Lawrence W.
Anderson, Charles L.
Anderson, Edward W.
Anderson, Jeffrey L.
Arnold, Charles D.
Arnold, David W.
Asbury, Virgil W.
Ashdown, Allen S.
Attebury, Ervel E.
Azzole, Peter J.
Baker, Raleigh D., Jr.
Baldwin, Robert E.
Bargelski, Michael J.
Barker, Loyd N.
Bates, William A., Jr.
Bean, Wilfred J.
Beck, Donald D.
Bellflower, Robert J.
Berkheimer, Thomas E.
Betancourt, Alberto L.
Bigelow, Johnathon M.
Bledsoe, John R.
Boatright, Thomas E.
Boehl, Richard W.
Boggs, Donald G.
Bookwalter, James M.
Boon, Gene R.
Booz, Charles G., Jr.
Borner, Wesley F.
Borno, Louis M., Jr.
Botwright, Richard E.
Boyden, John P.
Braddy, James R.
Bragg, Noel W.
Brandon, George A.
Branson, Jack R.
Braswell, MacArthur D.
Breslin, Joseph J., III
Brice, Gerald T.
Brittain, William G., Jr.
Brooks, James A.
Brooks, Richard D.
Brown, Leroy A.
Brown, Tommy A.
Buckhold, Fred, Jr.
Bumgarner, Elmo L.
Burns, John F.
Burris, William A.
Burrows, Gerald E.
Buzzell, Ralph C.
Cameron, Robert E.
Campbell, David M., II
Carpenter, Russell R.
Carr, David P.
Carter, Lee D.
Casey, Paul J.
Cavanaugh, Thomas W., Jr.
Cheatham, Grady K.
Chelgren, Karl W.
Chesla, Frank J.
Christensen, Bo G.
Clark, James H.
Clark, William P., Jr.
Coleman, Richard L.
Combs, Russell W.
Concepcion, Apolinario T.
Conner, Roger A.
Conners, Edwin J., Jr.
Connors, Daniel
Cooper, Charles W.
Cope, Nathan J., Jr.
Cox, William T.
Cozzolino, Andrew
Curtis, Harold R.
Curtis, Ronald W.
Dalton, Merrill A.
Daly, James
Davis, Joseph C.
Davis, Levi
Davis, William H.
Delaney, Darrell D.
Devlin, Donald F.
Dickinson, Bruce R.
Dickson, Lee A.
Dixon, James W.
Dixon, Loren K.
Doan, Carl E.
Dodson, Doyle W.
Dooling, Franklin J.
Dote, Michael K.
Dowty, Bobby L.

Doyle, David M.
Driscoll, Michael B.
Duncan, Danny R.
Ekdahl, Matthew M.
Elzner, Jack E.
Englebracht, Frank J.
English, James T.
Evans, James M.
Fairchild, David R.
Faltisek, Dale W.
Faulk, Robert L.
Field, Philip H.
Fisher, Roy F.
Flores, Pablo J.
Foley, James R., Jr.
Forsmark, William T.
Fuller, William J.
Gailes, Thomas J.
Gee, James T.
Genin, Louis P.
Golden, Larry F.
Golden, Richard F. D.
Gorday, Vivian W., Jr.
Gordon Harry J., III
Gordon, Harold L.
Graham, Thomas H.
Grant, John D.
Griemsmann, Robert R.
Grutta, Frank T.
Gullixson, Dean R.
Hall, Allen E.
Hall, Richard T.
Harris, Gerald W.
Harrison. Paul W.
Harvey, Fred S., Jr.
Hawk, Billy W.
Haynes, Arthur D.
Haywood, Louis F.
Henderson, Harold D.
Henry, Eldon P., Jr.
Hieber, Raymond A.
Highlander, Lucian P., Jr.
Hitchcock, James O.
Holloway, Wilmer W.
Howard, John A.
Hunt, Roy L.
Hunter, Thomas D.
Hussey, George O.
Hyster, David R.
Ingram, John E., Jr.
Innella, Michael J.
Jacks, Curtis D.
Jackson, Bernard T.
Jackson, Charles R.
Jackson, Daniel F.
Jackson, Robert D.
Jacobs, Harold L.
Jennings, Gary H.
Johnson, Troy R.
Johnson, William S.
Jones, Arthur H.
Jones, Buck P.
Jones, Preston L.
Jones, Thomas E.
Joyce, Richard C.
Joye, Jerry H.
Judisch, Carl W.
Julian, Thurman J.
Keawe, John K.
Kennedy, John P.
Kern, Phillip E.
Kerns, Harold E., Jr.
Kirby, Wayne E.
Kirkland, Ronald E.
Klinehoffer, Larry B.
Knapp, Frank C., Jr.
Koch, Harry G.
Koder, Thomas J.
Koehler, Gerald D.
Kowalski, James A.
Kraft, Michael J.
Kruger, Frederick L., II
Lacambra, Joseph L.
Laib, Duwaine L.
Lambert, Carlton D.
Lane, Robert T., Jr.
Lanzner, Richard C.
Lavigne, David E.
Lawrence, Thomas M.
Leach, Clifford, Jr.
Leach, John W.
Leal, Pedro G.
Leblanc, George E.
Lemcool, Richard J.
Lemere, Dean J.
Lindholm, Glenn R.
Locke, Edward S.
Logan, Howard L.
Long, Gary A.
Lukens, Frank A.
Mack, Judson C.
Manley, John J., Jr.
Manogue, Edward M.
Marinacci, Charles R.
Marshall, Robert G.
Matula, Melvin G.
May, Robert A.
McCollum, James W.
McElhinney, William J.
McGlothen, James B.
McKenzie, Thomas H.
McKinney, George R.
McNabb, Donald G.
Meadows, John R.
Merritt, Ronald J.
Metcalf, Robert W.
Metzger, Ronald E.
Miller, Harry F., Jr.
Millwood, William
Minnis, Jessie C., Jr.
Mixson, Frank L.
Mooney, Jerry D.
Morris, Louis E.
Morris, Thomas W.
Mosher, Robert D.
Moss, Curtis
Mowery, Kenneth L.
Muir, John C.
Mullinax, Robert G.
Murphy, Patrick J.
Mutch, John R.
Nagy, Francis
Nance, Roger A.
Neal, Robert A.
Neeley, Carl E.
Norman, Carl G.
Orr, Wayne K.
O'Sullivan, John
Otto, Willmer J.
Page, Mitchael B.
Parker, Kenyon B.
Parker, Robert L.
Parsons, Walter P.
Paulis, Foster W., Jr.
Pearce, Johnny L.
Pennington, Tyrone P.
Petersen, John S.
Petty, Marion A.
Pfuhl, John F.
Piepenhagen, Ulrich G.
Pim, Bruce B.
Pittman, Adrain R.
Power, Jerry R.
Pratt, George T.
Puckett, Roy D.
Randall, Bobby L.
Randolph, George H.
Reilly, Miles L.
Reitz, Richard D.
Remer, James W.
Rhodes, John A.
Richards, Jack, Jr.
Richards, Walter D.
Riggs, Marvin J.
Roach, Frank E., Jr.
Roberts, Donald R.
Robertson, Thomas A.
Rodeffer, Ronnie L.
Rogers, Russell E.
Rose, Paul J.
Rosenberg, Leo C.
Ross, Steven S.
Rotruck, Robert R.
Rouse, James W., Jr.
Rowe, James F.
Rowell, William H.
Royster, David M.
Rundgren, Conrad L.
Rutledge, Samuel C., III
Salavejus, James L.
Salka, Michael S.
Schmidt, William A.
Schmitt, Geral W.
Schneider, Charles V.
Seymour, Lyle M.
Shank, John
Shermer, Thomas G.
Shoaf, Charles W.
Sides, John E.
Simpson, Halley L.
Sinclair, Robert G.
Sirmans, Lance D.
Slayton, Gerald C.
Smallwood, James V.
Smith, Henry B.
Smith, Jeffrie H.
Smith, Jerry C.
Smith, Randall C.
Smith, Thomas P.
Snyder, Howard R.
Solomon, Robert
Sorensen, Ralph M.
Stahl, David M.
Stanbridge, Robert E.
Stearns, Wesley E.
Stomboli, James R.
Stricklen, James O.
Sullivan, Mickey D.
Szydlowski, Chester P.
Tharp, Burton P.
Thompson, Danny K.
Thrift, Henry S., Jr.
Tindell, Joseph T.
Trammell, David G.
Truitt, Benjamin
Turner, George E., Jr.
Varvel, Michael P.
Vasta, Alfio J.
Veatch, Otis M.
Vonfuchs, Stephen H.
Walker, John M.
Walloch, Adam S.
Walters, Chester H.
Weeder, Courtland C.
Werbiskis, James J.
White, Allen E.
White, Frank C.
Wicks, Richard H.
Wiley, John E.
Willard, Jimmy W.
Wilson, John E.
Wilson, Larry L.
Wolfe, Albert G.
Wolford, Earl L.
Wood, Donald E.
Woodring, Kenneth D.
Woods, Ronald W.
Woodward, William C.
York, Gerald W.
Young, Billy D.
Young, David H., Jr.
Yount, Richard F.
Zimmerman, Ralph K.

IN THE MARINE CORPS

The following-named male officers of the Marine Corps for temporary appointment to the grade of lieutenant colonel under the provisions of title 10, U.S. Code, section 5769:

Ronald E. Ablowich
James S. Adams
Robert A. Adams
Alfred J. Allega
William S. Ainsley, III
Peter F. Angle
John C. Arick
Lowell E. Austin, Jr.
John C. Baggette
Thomas V. Barrett
William C. Bartels
Thomas Y. Barton, Jr.
Delbert M. Bassett
Dennis C. Beyma
Roy D. Black
Harold W. Blot
Walter G. Boeck
Ronald R. Borowicz
Gary R. Braun
George D. Brennan, II
William T. Bridgham, Jr.
Gene A. Brown
John R. Burns, Jr.
John M. Butler, Jr.
Ronald F. Calta
Thomas E. Campbell
William R. Campbell, Jr.
John W. Cargile
Kenneth C. Carlon
John D. Carr
John J. Carroll
Gene E. Castagnetti
James H. Champion
George R. Christmas
Donald E. Christy
Michael L. Cluff
Richard L. Cody
Roland W. Coleman
Anthony C. Conlon
Terence P. Connell
Charles R. Connor
Richard W. Crain
Dennis W. Craney
Herbert L. Currie
Dennis E. Damon
Charles E. Daniel
Charles E. Davis
Andrew D. Debona
Richard A. Delaney
Raymond E. Dennison
Billy H. Dobbs
Francis H. Douglas
Noel E. Douglas
Thomas V. Draude
Raymond R. Dunlevy
Clifford R. Dunning
Bob E. Edwards
Roy T. Edwards
Norman E. Ehlert
Gene B. Erwin
Richard A. Flaherty
James J. Foley, Jr.
James F. Foster
Robert J. Gadwill
Willard F. Galbraith, Jr.
Dennis O. Gallagher
Ronald C. Garten
Edmond D. Gaucher, Jr.
Jon R. Gibson
Brendan M. Greeley, Jr.
Robert R. Green
James W. Gresham
Sidney B. Grimes
Nicholas H. Grosz, Jr.
Jean A. Gruhler, Jr.
Francis X. Hamilton, Jr.
Glen L. Hampton
David Hancock
Frederick F. Harshbarger
James A. Hart
William R. Hart
Leonard C. Hayes
Richard D. Hearney
Frederick H. Hemphill, Jr.
James C. Henderson
John B. Hendricks
William A. Hesser
Solomon P. Hill
Jefferson D. Howell, Jr.
Ray E. Huebner
Abram J. Hunter, Jr.
Douglas B. James
Jack C. James
Robert G. Jessee
Harry N. Johnson
Ken H. Johnson
Kenneth W. Johnson
Poindexter M. Johnson
Kenneth D. Jordan
August J. Kalimanos
Gerald J. Keller
James L. Kerney
George A. Kiesel
Roger E. Kilb
Blaine D. King
Francis J. Kirchner
Joseph F. Kline
Thomas L. Kosciw
James Lau
Robert P. Learnard
John Lecornu
Gregory W. Lee
Edward O. Leroy
Frederick E. Lewis
Bertram L. Linkonis
James E. Livingston
Calvin A. Lloyd, II
Mark E. Loveless
Darrell M. Lowe
Albert F. Lucas, Jr.
Howard L. Luttrell
James P. Mangan
Anthony E. Manning
Paul S. Marcani
William E. Marcantel
Richard E. Maresco
Elliott R. Markell, Jr.
David E. Marks
Norman Marshall
Robert J. Mastrion
Gregory A. McAdams
Charles E. McDanal
Lawrence J. McDonald
Dayle O. McGaha
Michael J. McGowan
Thomas K. McKeown
John J. McNamara
Richard G. McPherson
Thomas H. Metzger
John L. Mikkelson
David F. Miller
Donald G. Miller
Jerry L. Miller
Neil F. Mitchell
Robert W. Mitchell, Jr.
Joe D. Moody
Alfred H. Moore
Allen R. Moore
Jerry L. Morgan
John J. Mullen, Jr.
James M. Myatt
Jimmie C. Nelson
James L. Neyman
Gerald J. Oberndorfer
Fred E. Ogline
Paul F. Okeefe
Francis D. Pacello
Fred J. Palumbo
Robert L. Pappas
Gary W. Parker
Harold J. Phelan
John C. Pilley
Stanley G. Pratt
Donald L. Price
Robert A. Queen
William M. Rakow, Jr.
John P. Ray
Lawrence E. Reed
Michael E. Rich
Albert R. Rideout, III
Charles S. Rigby, III
Edward F. Riley
Michael B. Riley
Maurice A. Roesch, III
Joseph G. Roman
Joseph M. Romero A.
Dale C. Ross
Richard B. Rothwell
Peter J. Rowe
Henry J. Sage
William Sahno
Michael F. Scanlon
Theodore J. Scotes
Denver D. Scott
Robert E. Setser
Carl A. Shaver
John J. Sheehan
Robert J. Sheehan
James A. Shepherd
Jerry C. Shirley
Donald K. Shockey, Jr.
Roy W. Sims
Walter H. Skierkowski
Albert C. Slater, Jr.
Charles R. Smith, Jr.
William R. Smith
James A. Spaith
James D. Sparks
Burton P. Sperry, III
John W. Spivey
Victor M. Szalankiewicz
Kenneth T. Taylor
Robert A. Tiebout
Philip H. Torrey, III
Samuel D. Turner, Jr.
Joseph E. Underwood
Charles W. Vanhorne
Hugh M. Vann, III
Jay R. Vargas
Amilcar Vazquez
Clyde L. Vermilyea
Bill D. Waddell
William L. Waters
Lewis C. Watt
Dwight D. Weber
Malcolm W. Wehrung
Julian A. Weingarten
William H. White
George A. Whitfield
John A. Williams
John A. Williams
Thomas Williams, Jr.
Robert J. Wilson
Donald T. Winter
Charles J. Wolk, Jr.
Regan R. Wright
Peter B. Wyrick
Harvey L. Zimmerle
Ralph A. Zimmerman

The following-named male officers of the Marine Corps Reserve for temporary appointment to the grade of lieutenant colonel under the provisions of title 10, U.S. Code, section 5769:

Terry W. Cannon
Bobby L. Coleman
Frank J. Kennedy

The following-named women officers of the Marine Corps for permanent appointment to the grade of lieutenant colonel under the provisions of title 10, U.S. Code, section 5771:

Judybeth D. Barnett
Lynn Mertes
Sara J. Pritchett

The following-named (Naval Reserve Officer Training Corps) graduate for permanent appointment to the grade of second lieutenant in the Marine Corps, pursuant to title 10, U.S. Code, section 2107, subject to the qualifications therefor as provided by law:

Steven H. Mattos

EXTENSIONS OF REMARKS

MICHIGAN'S FIFTH DISTRICT QUESTIONNAIRE RESULTS

HON. HAROLD S. SAWYER
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES

Monday, May 15, 1978

● Mr. SAWYER. Mr. Speaker, one of the greatest features of a participatory democracy is the interest of the citizenry to petition their legislators and make their views known on important issues facing our Nation. For the second year I have asked my constituents in the 5th District of Michigan for their views on several issues facing the Congress.

The response this year of over 19,000 persons gives me great encouragement and demonstrates the growing interest over Government intervention in the lives of individual citizens. Since it is the people's vote I am casting as a U.S. Congressman, this grassroots opinion is extremely valuable.

One overriding theme expressed in this year's questionnaire results is the concern and frustration over the growth and intrusion of the Federal Government in our everyday lives. This is especially true in the establishment of new Federal agencies. In response to the question: Do you favor creation of a separate Federal Department of Education, 76 percent replied no. Only 24 percent of the more than 19,000 persons responding wanted a new Government agency added to the already overgrown Federal bureaucracy.

While the President has not been successful in getting his year-old energy plan passed through Congress, it appears that 5th District residents are not waiting for the Federal Government before beginning steps toward energy conservation. In a series of questions to measure efforts that have been taken to reduce energy consumption, the results show overwhelming action to save energy and reduce utility and gas bills. A decisive 92 percent have lowered home thermostat settings to cut heating bills and 77 percent have begun installing home energy saving devices such as insulation, storm windows and heat pumps. Fifth District residents are also saving energy in other ways. Some 87 percent expressed support for the 55 mph. speed limit. Mass transit and carpools are being used by 21 percent, a sizable number considering the number of individual employers and rural makeup of the district.

Mr. Speaker, I hope my colleagues in the House and Senate take note of these trends. As Congress continues to wrestle with the energy problem, the people have already taken action. I have also informed President Carter and his Cabinet Secretaries of these results to put them on notice of the people's response to our energy problem.

Concerning international affairs and national defense, my constituents showed strong feelings for limiting U.S. overseas arms sales. With President Carter's controversial military sales now pending before Congress, I hope we take notice of the people's desire to cut back excessive arms deals. By a similarly strong margin, constituents opposed assignment of women to combat units in the Armed Forces.

On other issues, opinion is about evenly split on the merits of the government's program to help stamp out smoking and also only a slight majority favor ending Saturday mail delivery. Most people support the idea of allowing the American public to propose national laws and enact them by popular vote and near unanimous support was expressed for requiring able-bodied persons to work for public assistance benefits.

Mr. Speaker, I have taken note of similar results reported by my colleagues and I am proud the response of more than 19,000 persons which I received is one of the highest reported. This speaks highly of the interest and concern which my constituents have for our National government. I wish to thank each and every person for their contribution to me as their Federal legislator. At a time when public trust in government and elected officials is at an all time low, I welcome this expression of public support for our American system.

The complete results of my second annual questionnaire follows:

FINAL RESULTS, CONGRESSMAN HAL SAWYER'S CONSTITUENT QUESTIONNAIRE, FIFTH DISTRICT, MICHIGAN

[In percent]

1. Do you favor the assignment of women to combat units in the armed forces? Yes 34. No 66.

2. Do you favor creation of a separate federal Department of Education? Yes 34. No 76.

3. Should the time limit for the states to ratify the Equal Rights Amendment be extended beyond the March 1979 deadline? Yes 22. No 78.

4. Should the United States limit overseas arms sales? Yes 79. No 21.

5. Should able-bodied persons be required to work for public assistance benefits? Yes 97. No. 3.

6. Should the federal government continue to lend money to New York City? Yes 19. No 81.

7. Would you favor elimination of Saturday mail delivery to cut costs in the Postal Service? Yes 55. No 45.

8. Should individuals receive a tax credit for tuition costs at colleges and non-public schools? Yes 64. No 36.

9. Michigan and 22 other states permit voters to enact state laws. Would you favor allowing the American people to propose national laws and enact them by popular vote? Yes 65. No 35.

10. Should the veteran preference regulation for hiring in civil service be eliminated? Yes 45. No 55.

11. Do you approve of the government's program to help stamp out smoking? Yes 56. No 44.

12. Have you taken any special efforts to reduce your personal consumption of energy?

a. Lowered thermostat settings? Yes 92. No 8.

b. Installed home energy saving devices? (insulation, storm windows, etc.) Yes 77. No 23.

c. Use mass transit or joined carpool? Yes 21. No 79.

d. Observe 55 mph speed limit? Yes 87. No 13.●

PER DIEM—A FAIR SHAKE NEEDED FOR ENLISTED PERSONNEL

HON. WILLIAM L. ARMSTRONG
OF COLORADO
IN THE HOUSE OF REPRESENTATIVES

Monday, May 15, 1978

● Mr. ARMSTRONG. Mr. Speaker, today I am introducing legislation which would rectify a practice that has gone on for years—with the consent of Congress. The purpose of this bill is to make the payment of per diem allowances basically the same for officers and enlisted personnel.

As you may know, per diem is normally paid when members of the armed services are transferred away from their home duty stations on a temporary basis—whether for special duty, training, or other forms of temporary duty (TDY). But there is a basic unfairness in the way in which the regulations are written.

When an officer goes on temporary duty, he continues to receive his basic allowance for subsistence (BAS). All officers receive BAS on a monthly basis. Enlisted personnel, however, do not automatically receive BAS. Usually BAS is paid to enlisted personnel when they do not have access to a Government mess and live off base. In practice, the vast majority of enlisted personnel receiving the basic allowance for subsistence are married.

But while an officer on temporary duty receives both per diem and BAS, enlisted personnel are prohibited from receiving both BAS and per diem. In practice, this means that the regulations penalize the families of enlisted personnel who are assigned temporary duty.

In one case brought to my attention, enlisted personnel from Colorado Springs were being paid $10 a day less than their officer counterparts—even though both groups were on the same temporary duty.

My first inquiry to the Department of the Army, which is charged with administering the joint travel regulations, those rules governing the payment of per diem, resulted in a response which told me that everyone got the same basic per diem. Even after a followup, the Army could not explain why the actual dollar difference existed in the cases I brought to their attention.

Finally, the Secretary of the Air Force managed to put the question into perspective and pinpoint the problem. And

it turns out that the Air Force has been aware of this problem for several years. As a matter of fact, the Air Force has been trying to get the per diem rules changed since 1974.

But the rest of the armed services could not agree on how the system should be changed, and a result, the Secretary of Defense referred the questions involved to the Quadrennial Review on Military Compensation, which was scheduled to begin in January of 1975. The QRMC general findings were referred to the President's Commission on Military Compensation. And the President's Commission on Military Compensation issued its final report last month.

After all of this debate, not one word about the per diem question appears in the final report of the President's commission. And we are now exactly where the Air Force found itself 4 years ago—with discrimination against married enlisted personnel and no recommendations to change the situation.

Since the House Armed Services Committee will be debating these issues over the weeks and months ahead, I am introducing this legislation to call the matter to their attention. The bill is basically simple. It will allow enlisted personnel receiving a basic allowance for subsistence (BAS) to continue receiving BAS when they are in a TDY status and getting per diem. This would place officers and enlisted personnel on the same basis.

At a time when the volunteer armed service needs every possible incentive to retain trained and experienced enlisted personnel, I feel this legislation would prove helpful in showing our concern for the problems faced by married and career personnel.

The principal beneficiaries would be those noncommissioned officers that form the backbone of a strong and effective armed forces.

So I would like to commend this legislation to your attention.●

NEW YORK CONSERVATION DEPARTMENT HEAD SUPPORTS SUBSISTENCE PROVISIONS OF H.R. 39

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 15, 1978

● Mr. UDALL. Mr. Speaker, one of the most important provisions of H.R. 39, the "Alaska National Interest Lands Conservation Act of 1978" deals with the question of continued utilization of fish and wildlife resources on the public lands for "subsistence" use purposes. Continuation of subsistence patterns of use is important not only to the maintenance of the Alaska lifestyle, but is essential to the survival of many rural Alaskan Native peoples.

While subsistence as a use of the public lands in Alaska was an important subject during congressional consideration of the Alaska Native Claims Settlement Act of 1971, such use is complex and often is resource competitive, depending on the area of the State and fish and wildlife resources involved. Thus, while the Senate bill in 1971 contained certain provisions pertaining to subsistence, the House bill did not and the Native Claims Act contains no provisions protecting subsistence use by rural Alaskans. H.R. 39 corrects this deficiency and contains (title VII) a subsistence program which applies to the public lands only and one which the Interior Department, the State of Alaska and Alaskan Native peoples all supported during Interior Committee deliberations on the bill.

Mr. Speaker, following is a letter from Mr. Peter A. A. Berle, commissioner, Department of Environmental Conservation, State of New York in support of title VII of H.R. 39 which I wish to share with all my colleagues.

STATE OF NEW YORK,
DEPARTMENT OF
ENVIRONMENTAL CONSERVATION,
Albany, N.Y., May 2, 1978.

Re: Sections 704 and 705, Title VII (Subsistence), Alaska National Interest Lands Conservation Act (H.R. 39).

Hon. MORRIS K. UDALL,
Chairman, House Interior and Insular Affairs Committee, Washington, D.C.

DEAR MR. UDALL: Commissioner Ronald O. Skoog of Alaska's Department of Fish and Game recently contacted me and asked my support in opposing the provisions of H.R. 39 dealing with subsistence uses of the resources of public lands in Alaska. Commissioner Skoog's concern is that national interests and jurisdiction may intrude into State authority. He has asked for my support on the grounds that the Federal-State relationship in H.R. 39 is "precedent-setting and eventually will involve almost every State in the Union."

Commissioner Skoog's point of view is understandable and I do not envy him the task of discharging his duties in this extremely complex matter. At the same time I share the view of the Administration and of millions of Americans that the national interest and responsibility toward both the public lands and the native people of Alaska transcend local authority. Furthermore, Sections 704 and 705 of the legislation appear to me to provide a balanced process for Federal and State cooperation in matters relating to the management of fish and wildlife resources. This represents an obvious departure from the traditional relationship of the Federal and State government, but the situation in Alaska is clearly unique both in terms of the magnitude and the high quality of the resources involved.

Sincerely,

PETER A. A. BERLE.●

TENFOLD FEDERAL INCREASE

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 15, 1978

● Mr. COLLINS of Texas. Mr. Speaker, Government spending is growing at too rapid a rate. Tax Foundation, Inc., made a study showing expenditures in Government as they have grown since 1950. The middle class is getting squeezed hard and wants less Government.

Here is the Tax Foundation, Inc., statement:

Nothing is certain but death and taxes, goes the old saw. And a constant rise in government spending, you might add after looking at some recent Tax Foundation computations.

Since 1950, expenditures—Federal, state and local—have increased more than tenfold, from $70.3 billion to $757.2 billion, according to the nonprofit research organization.

The rise has been roughly parallel, with Federal outlays climbing from $44.8 billion in 1950 to $478.9 billion estimated for 1978, while state and local spending rose from $278.3 billion during the same time span.

Today's record expenditures place a total burden on each household of $9,960, contrasted with $1,615 at the century's midpoint. (1950).

For certain, that's a big jump.

(The table below gives details for selected years from 1950 to 1978.)

FEDERAL, STATE, AND LOCAL GOVERNMENT EXPENDITURES[1]

SELECTED YEARS, 1950–78

Fiscal year	Amount (billions) All governments	Federal	State and local	Total per household
1978[2]	$757.2	$478.9	$278.3	$9,960
1977[2]	675.2	424.4	250.8	9,107
1976	626.1	389.9	236.2	8,592
1975	557.4	340.5	216.9	7,833
1970	333.0	208.2	124.8	5,252
1965	205.7	130.1	75.6	3,581
1960	151.3	97.3	54.0	2,865
1950	70.3	44.8	25.5	1,615

[1] Grants-in-aid are counted as expenditures of the 1st disbursing unit.
[2] Estimated.

Source: Tax Foundation computations based on basic data from Bureau of the Census.●

OUR GREAT PORT SYSTEM, A VITAL LINK IN THE ECONOMY

HON. JOHN M. MURPHY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 15, 1978

● Mr. MURPHY of New York. Mr. Speaker, with the addition of the following 24 Members listed below, "National Port Week," House Joint Resolution 773, has 145 of the required 218 cosponsors necessary for the Committee on Post Office and Civil Service to report the resolution to the House floor.

The resolution authorizes the President to issue a national proclamation declaring the week beginning September 17, 1978 as "National Port Week." Each of our ports has a profound impact on the development of the economy as a whole. In addition to the jobs the ports provide for the communities surrounding them, they offer additional employment in a variety of industries related to or dependent upon port activities. Our waterborne imports and exports today comprise over 98 percent of our foreign trade; therefore, it is not surprising that our ports create the jobs and generate the business so vital to our economy today.

I wish to thank our present list of cosponsors for their invaluable support and ask that my other colleagues join with

us in expressing to the Nation's ports our gratitude by setting aside the week of September 17 as "National Port Week."

The new list of cosponsors for this resolution is as follows: Mr. ANNUNZIO, Mr. CONTE, Mr. CORMAN, Mr. DENT, Mr. DERRICK, Mr. EARLY, Mr. ECKHARDT, Mr. FARY, Mr. HANNAFORD, Mr. HOWARD, Mr. JONES of Oklahoma, Mr. KOSTMAYER, Mr. LE FANTE, Mr. MCDADE, Mr. MEEDS, Mr. MOORHEAD of Pennsylvania, Mr. ROBINSON, Mr. RONCALIO, Mr. RYAN, Mr. STARK, Mr. THOMPSON, Mr. VANIK, Mr. CHARLES H. WILSON of California, and Mr. YOUNG of Missouri.●

CHICAGO RAWHIDE MANUFACTURING CO. CELEBRATES 100TH BIRTHDAY

HON. ROBERT McCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 15, 1978

● Mr. McCLORY. Mr. Speaker, on Saturday, May 20, 1978, I will be attending a Centennial Celebration of the Chicago Rawhide Manufacturing Co. (currently known as CR Industries) at the Medinah Country Club, Medinah, Ill.

This marks the 100th birthday of a company which, in the course of its history, has progressed from manufacturing buggy whips to the development and production of rocket booster seals.

Mr. Speaker, CR, which has its principal offices on State Street in Elgin in my 13th Congressional District, was founded in 1878 with the purpose of "manufacturing the best leather belting and buggy whips available." The company was acquired in 1888 by William Emery, whose family held the office of president of the company for the next 76 years.

In 1928, CR received a patent for the first wheel seal which was to become their major product by the middle thirties'. During this period, the basic material was upgraded from the original leather to precision grade synthetic rubber.

CR seals became a vital part of aircraft, ships, and motorized vehicles used during the Second World War. As I indicated earlier, the company progressed from the buggy whip stage to the Space Age when it supplied special seals for our space program.

Mr. Speaker, one of my long time friends from Lake Bluff was Stuart Ullmann, who served with Chicago Rawhide Manufacturing Co. for over 40 years—culminating his business career as President of CR Industries in 1964. During the time of his service, as well as during the subsequent period when Phelps Wilder served as president, the company expanded the scope of its operations—developing new products and new processes to serve the Nation's automotive, industrial, and heavy duty truck markets.

Mr. Speaker, today, CR Industries is the world's leading manufacturing company of oil seals with extensive domestic and foreign markets. Under the direction of the company's current president, Russell A. Gwillim, the company now has more than 2,500 employees serving in seven plants throughout the United States still producing "the finest products available" as the company looks forward to the next 100 years.

Mr. Speaker, it is the success of CR Industries that makes their birthday an event of national interest, and it is with pride that I call this to the attention of my colleagues and ask them to join with me in extending birthday greetings to President Russell A. Gwillim, the officers, employees, shareholders, and customers of the Chicago Rawhide Manufacturing Co.●

CETA PROGRAM

HON. JOHN L. BURTON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 15, 1978

● Mr. JOHN L. BURTON. Mr. Speaker, as this Chamber will soon consider legislation to reauthorize the CETA program, I wish to bring to the Members' attention an account of a tremendously successful program which was initiated through CETA funding. This worthwhile program will continue to operate after its CETA moneys run out—an indication that these funds can indeed provide assistance to needy people without becoming a continuing Federal grant program:

CETA-FUNDED MARKETING FOR 700 SENIOR CITIZENS, TERMED A LASTING SUCCESS

A CETA-funded project that provides wholesale-cost fresh fruits and vegetables to 700 low-income senior citizens in Marin County, California will have little difficulty in continuing after its one-year Labor Department funding runs out, according to its director.

Edward Ryken, director of the Marin Senior Coordinating Council and its demonstration "mini-markets" project, says there is "no way this program is going to terminate" when its $15,725 grant expires in November. Indeed, the program, which now serves more than 100 percent of its originally projected customers at seven mini-market distribution sites throughout the county, is going to expand to serve seven more locations over the next two months.

This confident response suggests that Ryken is correct in feeling that CETA funding does not have to be an indispensable crutch for CFN programs. It can serve as a useful springboard that can be later replaced, provided programs thus started meet their target population's real needs and also build up a reliable volunteer staff the first year. Ryken believes the Marin County government, which has displayed interest in the program's successes, is a potential source of future funding.

A possible alternative, Ryken said, would be to charge project customers a 10 percent-over-wholesale fee, "but that is not the way I would like to see us go."

The Marin project is staffed by one full-time buyer-supervisor who also does the fiscal reporting, and two part-time employees, a driver and a clerk. However, "all double in brass" when necessary, according to Ryken. Volunteers play a significant role in manning each site and disseminating necessary information. (Flyers are distributed to customers two weeks in advance, for example, when a holiday forces a regular market time to be rescheduled at any of the seven sites.)

The buyer, considered a crucial position that requires considerable produce experience in any direct marketing project, is a thirtyish transplanted New Yorker with a little background in produce but none in buying. Ryken says the key requirement is a personality that can deal with vendors in the same "aggressive-assertive manner" that they display toward customers. However, the Marin Council had considerable previous "experience in the purchase, grading, sorting and distribution of perishable foods . . . an extremely important factor in predicting program success," according to Labor Department evaluators.

On only one day have buying calculations been so far off that produce ran out before the end of the day's selling. Easing any over-buying problem is the Marin Council's large congregate dinner program—125 elderly fed a night. Any day's surplus of produce is simply inserted into that night's dinner menu. The Council also has refrigerated storage space available at its senior center, "The Whistlestop."

The seven present sites, or "Whistlestop Junctions," are about 15 miles apart and are serviced on three days of the week, with multiple stops on each day spaced over an extra-long work day. Volunteers manning the sites at market time, as well as the information network, make this three-day schedule feasible. They will play an even broader role at the seven new sites, according to Ryken, who says their reliable help is making the expansion possible.

There is a choice of twenty fresh items, including staples like potatoes and onions, at each mini-market 52 weeks a year. Among the fresh fruits offered, the heaviest demand is for citrus, such as grapefruit, Ryken reports.

The wholesaling program may have to cut back on the number of sites it serves after November, but Ryken is firmly convinced it can now survive with an all-volunteer work force and whatever is necessary to supply service costs. He is actively seeking funds from private and public sources and intends to approach a local insurance company named on the Clearinghouse for Corporate Responsibility "Donor List" (photo copies of which are provided by CFNP Report on request) . . . .

A photocopy of a synopsis of the Martin project, containing its project description to the Labor Department, as well as the latter's comments on the application or "Implementation Hints", may be obtained by writing CFNP Report for "Mini-markets Boilerplate". (Similar photo copy "boilerplate" for a CETA-funded food stamp outreach program may be obtained from the same source; see CFNP Report Nos. 3, 6.)

Ryken can be reached at: The Whistlestop, 930 Tamalpais Avenue, San Rafael, California 94901; telephone (415) 456-9062.●

PERSONAL EXPLANATION

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Monday, May 15, 1978

● Mr. MAZZOLI. Mr. Speaker, May 10, 1978, I was necessarily absent from the House.

Had I been present, I would have voted "aye" on rollcall No. 296, an amendment to reduce the fiscal year 1979 budget by $56 million to accommodate deleting food-for-peace funds for South Korea.

I would have voted "no" on rollcall No. 297, an amendment to set revenues for fiscal year 1979 at $462.7 billion.

I would have voted "no" on rollcall No. 298, an amendment to set budget authority at $521.4 billion, outlays at $464.6 billion, revenues at $464.6 billion, and the resulting deficit at $0 for fiscal year 1979.

I would have voted "aye" on rollcall No. 299, a vote on an amendment to reduce the budget by $3.15 billion to accommodate a reduction in funds for the Department of Health, Education, and Welfare.

And, I would have voted "aye" on rollcall No. 300, final passage of House Concurrent Resolution 559, budget for the U.S. Government for fiscal year 1979.●

NONPROFIT SPIRIT AND THE TAX SYSTEM

HON. DAN MARRIOTT

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Monday, May 15, 1978

● Mr. MARRIOTT. Mr. Speaker, a recent article in the Washington Post, Saturday, May 13, by John W. Gardner, is an excellent piece of thinking on an important subject—the importance of private initiative to social improvements.

America has a unique tradition of local and personal contributions to the whole spectrum of human needs from art to mental health. This habit has brought out the best in our national character and has allowed innovation and experiments on a small scale which have yielded great results.

The pseudo-intellectual thinking of "Government can do everything" types has come up with the dubious notion that everything that you and I have is the gift of a gracious Federal Government which has kindly allowed us to keep it for them. Proponents of this thinking casually talk about closing the loopholes of billions of dollars of personal-discretion spending, which they think they could spend more wisely. Given the incredible waste and inflation-promoting penchant of the Federal Government, one ought to take a second look at the argument. Mr. Gardner has made an excellent argument against it, and I commend it to you all:

NONPROFIT SPIRIT AND THE TAX SYSTEM

(By John W. Gardner)

Americans have always believed in pluralism—the idea that a free nation should allow all kinds of people to take the initiative in all kinds of activities within the law. Within that tradition, unpopular ideas can be expressed; an utterly unknown person can come up with an important innovation; business ventures can arise and flourish—or fail; religious groups can pursue their deepest convictions; and so on.

Nowhere has that pluralistic tradition flourished more richly than in the nonprofit sector, the segment of our society that is neither business nor government. The tradition has produced libraries, museums, great universities, the United Way, the Little Leagues of America, symphony orchestras—you name it—that constitute an immensely important part of American life. The movement and vitality and creativity are constant.

But all of these nonprofit sector activities depend on another powerful American tradition—the tradition of private giving for public purposes. The ingredient of private giving supplies the element of freedom.

The tax deductibility of philanthropic gifts is a long-established policy designed to further an authentically American idea—that it is a positively good and important thing in American life for a great many people, quite independently, in their capacity as private citizens, to contribute to charitable, religious, scientific and educational activities of their choice. Among other things, it keeps alive in individual citizens the sense of personal caring and concern so essential if a mass society is to retain the element of humaneness.

But there is a new school of thought that takes the view that a tax deductible dollar given by Mrs. Jones to a school for blind children in her neighborhood is a dollar that—but for the deductibility—would have found its way into the federal treasury and is, therefore, to be regarded as governmental money.

As the doctrine has developed, some of those who wish to simplify our excessively complex tax structure have begun to say "Get all of those 'special treatment' items out of the tax code altogether. If any organizations merit preferential treatment, let them receive it not through the tax code but through outright congressional subsidy." And the tax simplifiers are joined by the government-knows-best types who say "Anyway, what right does Mrs. Jones have to decide that that "government" dollar should go to a school for blind children?" Eliminate the tax deductibility, they say, and take Mrs. Jones' dollar into the federal treasury. Isn't Congress and the bureaucracy wiser than Mrs. Jones? There's no likelihood that they have seen (or ever will see) the school for the blind she contributed to, so their judgment will not be distorted by human feeling—or first-hand knowledge.

It's the kind of doctrine that makes your head ache. Here we always thought it was a really great thing that the American people are so resourceful in launching private-sector activities designed to serve community purposes, and that they give—of their own volition—to those activities and participate personally. When all such activity serving public purposes is safely under congressional control, what outlet will be left for all the personal caring and concern that is now the driving force for voluntary activities? Does anyone believe that a manual of regulations from Washington will unlock that miraculous energy?

This is not to speak contemptuously of the federal government. In our complex, swiftly changing society, a vigorous, competent government is necessary, and we must support it and make it work. Government officials generally haven't the slightest desire to weaken the institutions supported by private generosity. Yet five increases in the standard deduction in the last eight years decreased the number of taxpayers itemizing deductions drastically: almost 50 percent itemized in 1970; less than 25 percent itemize today. The voluntary sector has lost about $5 billion in contributions because of those increases in the use of the standard deduction. It is estimated that, if the Carter administration's tax-reform proposals pass, only 16 percent of taxpayers will itemize their deductions.

To reverse this trend, the tax code should be amended to allow all taxpayers to take a deduction for their charitable gifts whether they itemize or not. In a bi-partisan effort Reps. Joseph L. Fisher (D-Va.) and Barber B. Conable (R-N.Y.) intend to offer just such an amendment to President Carter's tax proposals. It deserves support. The area of our national life encompassed by the deduction for religious, scientific, educational and charitable organizations lies at the very heart of our intellectual and spiritual strivings as a people. Traditionally, government leaders have agreed that here, if anywhere, government should keep its distance and the maximum degree of independence should be preserved; here, if anywhere, those elements of the human mind and spirit that wither under bureaucratization should have a place to stand free.

And this positive policy has worked. The abuses have been trivial compared to the great and lasting benefits.

It isn't easy to defend the area covered by private giving because it's made up of so many unrelated, unofficial, unclassifiable activities. But that's one of the very qualities that makes it beautiful. It's an arena in which freedom survives and flourishes. Let's keep it that away.●

ARTS ENDOWMENT

HON. PETER H. KOSTMAYER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 15, 1978

● Mr. KOSTMAYER. Mr. Speaker, the remarks of the internationally renowned American baritone, Sherrill Milnes, before the Appropriations House Subcommittee on the Interior Department and Related Agencies offer persuasive testimony in support of full funding for the arts endowment for fiscal 1979. Mr. Milnes speaks of the arts endowment support of opera across the United States as having established an operatic farm system. As one representing Bucks County, a district well known for both its farms and its artists, I applaud both Mr. Milnes' statement and the work of the arts endowment, because Government's support is helping create those conditions of growth for the arts in America that it did earlier in making possible America's great growth in agriculture. It is only recently that America's young artists have been recognized as one of our Nation's great national and natural resources. If that resource is to truly become available to our society, if the arts are to flourish as they can in America, it will be because Government has joined the private sector as a full partner in support of the arts.

Testimony follows:

TESTIMONY OF SHERRILL MILNES

My name is Sherrill Milnes. I am a baritone with the Metropolitan Opera. It is a great privilege to have this opportunity to testify before you on behalf of the 1979 budget request of 150 million dollars for the National Endowment for the Arts.

I was born and raised on a farm in Downers Grove, Illinois, where I received my first musical training in the choirs of the Congregational Church where my mother was Min-

ister of Music for 34 years. After receiving two music degrees from Iowa's Drake University and doing post-graduate work at Northwestern University, I was chosen to be an apprentice singer with the Santa Fe Opera, and began my professional experience as a singer in the hills of New Mexico. I then joined the Goldovsky Grand Opera Theatre, singing for five years some 15 different roles in more than 200 communities as geographically diverse as Altoona, Pennsylvania; Fergus Falls, Minnesota; and Monroe, Louisiana, often performing before audiences many of whom were seeing professional opera for the first time. During this period my voice matured, and I began singing with our regional opera companies. Then, in the mid and late sixties, I made my debut with the Chicago Lyric Opera, the San Francisco Opera, the New York City Opera, and the Metropolitan. Today I sing and record with all the leading opera houses in the world.

Two very strong influences on my career have been our network of professional opera companies which gave me the opportunity to train and perform, and the inspiration that came from great American artists who sang with these companies such as Leonard Warren, Norman Treigle, and Robert Merrill.

So I thank you, because National Endowment support for these organizations made my career in America possible. And, I thank you, too, for what the Endowment has been able to do for my younger colleagues. In the past, most young artists have been forced to go to Europe for their career development and employment, in some cases never to return again professionally. The Endowment has been of vital help in changing this. To say it simply, your support has in effect brought America's "Farm System" for opera back from Europe to the United States.

As Chairman of the Board of Affiliate Artists, I also want to express my appreciation for the variety of programs that are employing our artists as artists, an employment that gives them time to grow and develop in what is a very fertile soil for the arts—the communities of America themselves. Through Affiliate Artists, for example, about 215 young performers over the past decade have had some 385 residencies in 47 states with as varied a group of sponsoring institutions as a naval air station in Maine, an arts center in Colorado, and the Los Angeles Philharmonic in California—residencies supported not only by the Endowment, but foundations, colleges, churches, businesses, state and local governments. In fact, our newest residency sponsor is the Ohio Farm Bureau.

As I look back at my eighteen years of performing, I am struck by the rapid growth of professional opera activity, largely stimulated by National Endowment for the Arts support. Opera companies who used to perform only a few weeks a year are now offering more performances of more operas in longer seasons. In addition, they are touring in their regions and providing a variety of special programs to serve new audiences and our schools.

Many people are necessary to create and perform opera. It combines all of the art forms in one: music, dance, drama and the visual arts. Making opera of the highest quality accessible to a greater number of Americans is a goal that we all share. The National Endowment for the Arts is helping us achieve this goal not only through grants to professional opera companies serving every state in the nation, but also through support of the television programming which brings opera into homes of millions of Americans. It was with genuine excitement that I recently performed the role of Tonio in *I Pagliacci* in a live national telecast from the Metropolitan Opera House. I am told that an estimated five million people shared the evening. In fact, more than 40,000 viewers have already requested the issue of *Opera News* offered during a brief intermission announcement to any viewer interested in more information about opera and the Met. We are indeed very grateful to the National Endowment for its support of the Met's PBS television series.

As a result of all of these activities—performances of our major and regional opera companies, our young artists programs, our radio broadcasts and national telecasts—we are more and more performing before sold-out houses. There is a constant growing demand for opera performances, indeed all the performing arts, and we need your help so that we can serve all our public better and nuture the wealth of talent in America today.

I therefore strongly urge full funding for Fiscal 1979.●

"TRANSIT TECHNOLOGY"

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 15, 1978

● Mr. FRENZEL. Mr. Speaker, this morning's Washington Post carried an interesting article by Neal Peirce discussing "The Promise (and Pitfalls) of Transit Technology." Having just attended a conference on the topic of advanced transit and urban revitalization sponsored by the Advanced Transit Association, he concludes that only through actual deployment can we prove or disprove the utility of new transit technologies.

Our understanding of the challenge facing public transit is well understood. The public transit options currently available to cities carry only 5 percent of urban trips, require multibillion-dollar capital and operating subsidies and provide little potential for solving our congestion, pollution, and energy problems.

With this kind of track record as a backdrop, a sustained, adequately funded transit R. & D. program begins to look like an essential investment in the future of our cities.

As with any R. & D. program we can expect some disappointments and false starts, particularly when it has to operate in a highly charged political environment. But the cost of a solid R. & D. program is miniscule alongside the billions in Federal, State, and local funds being spent on conventional transit that most of the traveling public refuses to ride.

There are potential pitfalls involved in whatever approach we take to urban transportation. Maintaining the status quo is the least inviting option of all. As Mr. Peirce points out, if we ever hope to revitalize our urban areas, "cities need to experiment." The Federal Government should take the lead in assisting this process of experimentation.

The article by Neal R. Peirce follows:

THE PROMISE (AND PITFALLS) OF TRANSIT TECHNOLOGY

INDIANAPOLIS.—A series of rude jolts awaited America's transportation technology buffs at an April meeting here of the Advanced Transit Association (ATRA).

To their conference on such forms of advanced transit as "downtown people movers" the technologists invited a diverse group of developers, city planners, politicians and neighborhood spokesmen. But they quickly learned that widening the dialogue beyond the converted in the choir can produce disquieting, discordant notes.

Repeatedly, the transit equipment developers were reminded that many of the glamorous, innovative systems they've installed in cities in recent years have been plagued by technical bugs, excruciating delays, and "cost overruns that leave you gasping."

They also were warned that producing technically workable systems and selling them to mayors and downtown business establishments isn't enough. From now on, they heard, neighborhood and citizen activist groups will also have to be convinced that projects will benefit not just downtown, but also the neighborhoods and the elderly, the young and the poor people of the cities.

But despite the host of difficulties facing advanced transit, ATRA's board chairman, Michael A. Powills, believes it would be a tragedy if the cities and the federal Urban Mass Transportation Administration (UMTA) were to give up on developing and installing demonstration models of promising new transit technologies. There are solid reasons to think Powills is right.

First, advanced technology, if judiciously applied, can provide significant labor savings—a prime goal for urban transit systems wracked by mounting labor costs.

Second, well-designed systems could reduce inner-city traffic congestion, making the cities more attractive places in which to shop and work.

Third, the United States, whose world economic position has long rested on high technology and innovation, can ill afford, in a highly competitive international economy, to neglect this area.

Fourth, if—as many experts now predict—severe shortages develop in the world supply of oil by the 1985–95 period, the United States will have reason to regret not having developed every potential method to reduce its dependence on gasoline.

But if advanced transit technology is so promising, why has it run into so many difficulties? One reason is that the aerospace/defense firms, which rushed into the field in the late 1960's as their space- and weapons-systems orders declined, euphorically promised early results while forgetting that neither cities nor UMTA could tolerate the open-ended spending practices of defense and space contracts. Second, they were under political pressure, from both Washington and cities, to get systems on line quickly. In their haste, they cut corners: San Francisco's BART was designed so far ahead of "the state of the art" that cars and systems controls malfunctioned; construction began on the "people mover" at Morgantown, W. Va., before design was complete, so that costs escalated from $13 million to $64 million. People began to conclude that new transit technologies are expensive, unreliable, unworkable.

The irony, says George Pastor of UMTA,

was that it "wasn't technology that failed, but rather the method of its introduction, the unrealistic promises, and the general impatience which attempted to deploy complex, sophisticated systems from laboratory research through full operational product development on our city streets in two to three years." Yet, notes Pastor, the emergence and success of computers took 10 to 15 years and cost hundreds of millions of dollars. To develop a new line of autos, Detroit requires five years and a $100-million outlay.

Since 1975, UMTA has refocused its advanced transit assistance to support up to 11 "downtown people movers." These are central-city circulation systems, one to three miles long, with 20- to 100-passenger tracked vehicles riding on or suspended from thin elevated guideways. They'll be based on what UMTA calls "proven, existing technologies."

Boosters say people movers can be the wave of the future: reliable, energy-efficient, perfect tie-ins to other transit modes, and attracters of downtown activity. Detractors warn they'll be visual polluters, security hazards (because no operator rides in the vehicles), ghastly expensive and insufficient in track length to attract heavy ridership. The fact is no one knows how successful they will—or won't—be until they're tried.

It may be, in fact, that UMTA is being too timid—that it should consider funding an areawide people mover that goes beyond the simple loop or straightline shuttle systems now being planned, to permit many branch lines and off-track stations so that express cars can move rapidly by.

With a broader vision, UMTA also would consider supporting a rapid-transit system that could move freight as well as passengers. That would reduce the immense subsidies required by all-passenger systems, which are lightly used except for rush hours.

People movers are likely to encounter strong citizen opposition if they're designed to benefit downtown alone or seem likely to divert funds that would otherwise go into neighborhood development. But there's room for compromise, William Manning of the National Center for Urban Ethnic Affairs told the Indianapolis conference. He suggested working to revitalize downtowns and neighborhoods simultaneously, or providing neighborhoods with high-grade jitney, taxi or minibus service that connects to downtown people movers.

Advanced transit systems can easily run afoul of the growing popular mistrust of big, technological fixes. In each instance, they'll have to prove that they can be practical and needed.

But even devotees of the late E. F. Schumacher's "small is beautiful" philosophy, one ATRA conference speaker suggested, shouldn't spurn high-technology solutions "provided human and ecological interests are served and protected." To keep their vitality and remain competitive, cities need to experiment. At least for some, pioneering transit technologies may be one answer.●

ARTHUR A. RODONDI

HON. LEO J. RYAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 15, 1978

● Mr. RYAN. Mr. Speaker, on June 5, 1978, a very dedicated public servant, Arthur A. Rodondi, of South San Francisco, will retire from service.

Art Rodondi has been an employee of the city of South San Francisco for a period of 26 years beginning with the police department in 1940. He served 11 years as police clerk and in June of 1952 was appointed to city clerk, the position from which he will retire.

In addition to his outstanding record with South San Francisco, Art has been active in many State organizations including service at different times in the positions of secretary-treasurer, first and second vice president, and president of the finance department of the League of California Cities. He has also served as chairman of the City Clerk's Institute during which time he assisted in authoring of a city clerk's handbook.

Arthur Rodondi's professional affiliations include the International Institute of Municipal Clerks, the City Clerks' Association of California, the Northern California City Clerk's Association, and the South San Francisco Municipal Employee's Association.

It is difficult to believe that anyone so active could still find time to have chaired the American National Red Cross fundraising drive, the United Crusade fundraising drive, serve as an officer and member of the South San Francisco Rod and Gun Club, the South San Francisco Boy's Club, and many other community organizations.

Most important of all, Art and I spent 7 years, from 1956 to 1962, in a common effort, governing the city of South San Francisco. I saw him regularly as a member of the city council during that time. I came to have a great respect for his work and a warm friendship for him as a person. While I see him much less often now, I still remember those years we served the public together. I wish him well in his retirement.●

A "REVOLUTION" IN POLL TAKING

HON. JOHN L. BURTON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 15, 1978

● Mr. JOHN L. BURTON. Mr. Speaker, maximizing communication between citizens and their representatives in Government is always a chalienge. Publisher Geoffrey W. Dohrmann has launched a new publication, the National Opinion Poll magazine, which approaches that challenge in an innovative way.

The magazine allows subscribers to read up on current issues and controversies, to see how Federal lawmakers vote on various pieces of legislation in Congress, and to make their own opinions known by voting in the magazine's poll on key issues. The results of the poll are then reported in the subsequent issue of the magazine.

The concept of the National Opinion Poll magazine is to increase citizen participation in Government and to make that Government more aware of constituents' views.

This national publication, which has its headquarters in San Rafael, Calif., was recently the topic of a Washington Star business and finance feature. I would like to draw the attention of my colleagues to this article:

A "REVOLUTION" IN POLL-TAKING?

(By Thomas Love)

Geoffrey W. Dohrmann has an idea which he thinks will revolutionize the art of poll taking, increase citizen participation in politics and make the government more responsive to its citizens.

The trouble with polls now, he reasons, is that too many people—including public officials—don't pay any attention to them because they have never been polled, and question whether the surveys really represent anyone's thinking.

On the other hand, some unpolled persons who believe polls have a tremendous influence on policymakers don't take part in politics because they think choices are cut-and-dried as a result of the surveys.

Dohrmann and his family say they are trying to respond to these attitudes with their new polling service.

Their magazine, National Opinion Poll (which goes to subscribers for $3 a month), asks its readers a series of questions in each issue; the results will be given to government officials and other national leaders to help mold their opinions, Dohrmann says.

Not only will a subscriber be heard, he said, but will be given all the information necessary to make an "informed" judgment. Each issue of the magazine carries pro and con articles on four subjects on which readers are polled.

Readers are invited to select which issues should be the subject of future polls.

The magazine also carries a report on how federal lawmakers vote on various important issues.

According to Dohrmann, there will be no attempt to get any balance in the polled sample. "We are not trying to achieve a balance," he said. "If we did that, we would have to exclude people. If we limited (who could subscribe,) we would have to exclude everyone else."

And that would be against the concept of the operation, he explained, which is to allow anyone who wishes to be heard to be part of the poll.

But will anyone pay attention to an admittedly non-scientifically selected group of people who want to make their influence count? Dohrmann thinks so.

So far he has only 2,000 subscribers, most of whom live in California near San Rafael. "That's where my family and I live," he explained. "It was natural that we started soliciting subscribers there."

It was easier, and cheaper, he said, to solicit nearby persons by telephone. Now a telephone campaign is being mounted elsewhere.

By the end of the year he expects some 10,000 subscribers scattered over the nation. Then, he feels, politicians and others will pay attention to his polls.

But his limited clientele now is a problem, he concedes. For instance, he said, one recent poll came out slanted because there were few southerners included.

Is there any way to keep some general political organization or specific pressure group from swelling the rolls with its mem-

bers and giving poll results which have little relationship to the nation's views as a whole?

For instance, Dohrmann was asked, couldn't a group for or against such controversial issues as arms sales to the Middle East, the Equal Rights Amendment or abortion swell the rolls of the magazine to convince policymakers that their view was overwhelming in the nation?

Dohrmann doesn't see this as a problem.

For one thing, he said, a group would have to know in advance which issues were going to be polled. For another, he continued, once the subscription list lengthens, the number of people who would have to join to skew the result of a poll would be so large that it would not be worthwhile.

In addition, he said, there is one built-in protection against such shenanigans. The poll results are broken down by category, so one group clearly out of line with others would be obvious, he explained.

The categories include sex, marital status, political choice, income range, education, region of residence, registered or non-registered voter, religion, race and occupation.

Although the percentage of each category voting for or against the issue in question is reported, the percentage of the total represented by the category is not reported. However, Dohrmann said, if it were desirable, the method of reporting could be changed.

The first poll, which represented the views of 1,200 people, showed the following results:

Panama Canal treaty ratification: 41 percent yes, 56 percent no; Outlaw affrmative action programs: 68 percent yes, 26 percent no; Federal aid for crime victims: 45 percent yes, 52 percent no; Taxpayer financed abortions: 40 percent yes, 57 percent no.●

CETA ANTIABUSE AMENDMENTS

HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 15, 1978

● Mr. HAWKINS. Mr. Speaker, the CETA system has recently come under heavy attack for allegations of fraud and abuse in federally funded employment and training programs. I believe that these charges represent scattered instances of fraud and mismanagement, but as the Secretary of Labor recently declared, "every dollar that is wasted in the CETA program is a dollar taken out of the pockets of the jobless." The Department of Labor has recently taken steps to assure closer monitoring and investigation of allegations of misuse of CETA funds.

The Committee on Education and Labor has also addressed this issue in the reauthorization of the Comprehensive Employment and Training Act, H.R. 12452. The committee bill, which will come before the full House within the next few weeks, has provided statutory authority for a special Office of Audits, Inspection and Compliance in the Office of the Secretary of Labor. The committee bill also provides sanctions and remedies against prime sponsors and subcontractors who misuse program funds. By focusing attention on these provisions we are sending a message to every CETA prime sponsor and subgrantee that improper actions will not be tolerated, and that corrective actions will be taken when needed.

A description of the provisions of H.R. 12452 concerning enforcement, compliance, audits, and investigations of CETA program abuses follows:

EXPLANATION OF COMMITTEE BILL PROVISIONS (H.R. 12452) CONCERNING ENFORCEMENT, COMPLIANCE, AUDITS, AND INVESTIGATIONS OF CETA PROGRAM ABUSES

OFFICE OF AUDITS, INSPECTION AND COMPLIANCE

The committee bill amends CETA to establish and Office of Audits, Inspection and Compliance in the Office of the Secretary of Labor. This amendment was adapted from legislation establishing Inspector General offices in several agencies, which recently passed the House and was drafted in cooperation with the staff of the Government Operations Committee. This independent and objective unit would conduct and supervise audits and investigations relating to CETA programs, provide leadership, coordination, and recommend policies to promote economy and efficiency in program administration and prevent and detect fraud and abuse. A Director and a Deputy Director would be appointed by the Secretary. The Director shall conduct investigations either based on complaints and grievances or self initiated. The Director shall have access to all records, reports, audits, reviews, documents, papers, recommendations or other materials which relate to the CETA program. The Director shall report to the Secretary on a semiannual basis or immediately in the case of serious or flagrant violations or deficiencies. These reports shall describe abuses found and recommendations for corrective action. The Secretary shall transmit these reports along with the Secretary's comments to the appropriate Congressional Committees. These reports will be transmitted to the Congress without change. The Committee amendment provides for a transfer of functions if and when an Inspector General Office is established in the Department of Labor.

OTHER ANTI-ABUSE AMENDMENTS IN THE COMMITTEE BILL

Working in cooperation with the Department of Labor, the Committee included other amendments to increase the Secretary's authority to act on abuses beyond those already proposed in the Administration's bill. These amendments, incorporated in the Committee's bill are:

Section 106

A new subsection is added to establish the Secretary's right to take legal action directly against a subgrantee or subcontractor to recover misspent funds or to otherwise protect the integrity of the program where the prime sponsor has not taken appropriate action, and the Secretary's right to require that misspent funds be repaid from non-CETA sources. Under existing law it is unclear as to whether the Secretary can bypass prime sponsors to investigate subgrantees.

A provision of the bill proposed by the Administration which would protect participants and employees from being unlawfully denied benefits, is expanded to clearly prohibit discrimination against a person because that person files a complaint, testifies, or otherwise assists in an investigation.

A new subsection is added making clear the Secretary's authority to withhold funds from a potential recipient in order to recover funds misspent in any previous year (current law limits recovery only to funds misspent in the current or previous year).

Another new subsection is added making clear that the recipient which receives funds directly from the Department remains responsible and liable for program abuses by its subgrantees and subcontractors despite the fact that other provisions allow the Secretary to move directly against subgrantees and subcontractors.

Section 123

The provision which gives the Secretary broad regulatory authority to prevent program abuses, is expanded to include a more extensive list of the type of program abuses which that provision is aimed to prevent.

A new provision is added emphasizing the liability and responsibility of the prime sponsors for actions of the recipient. This is to make clear that although the Secretary has authority to pursue a recipient for violations where the prime sponsor does not take appropriate action, the prime sponsor is primarily responsible and liable.

Section 134 (Records, Audits, and Reports) is redrafted to broaden the Secretary's authority to order that specific records be made, kept and preserved and allows the Secretary access to them at such time and in such form as the Secretary requires. In addition, the Secretary is given wide investigative authority, including authority to subpoena witnesses and documents necessary to conduct a thorough investigation. These amendments, which are patterned on 15 U.S.C. 49 (applying to the F. T. C.), will allow the Secretary access to conduct an extensive and thorough investigation without being hindered by denial of access to records or the destruction of records.

Section 135 is amended to add a new criminal provision to 18 U.S.C. prescribing violations for anyone who impedes an investigation by the Secretary under this Act.

A new Section 136 is added requiring that all employees who handle money be bonded, with the Secretary allowed by regulation to specify the amount of the bond and other conditions.●

CAMBODIAN BLOODBATH

HON. ROBERT K. DORNAN

OF CALIFORNIA

Monday, May 15, 1978

IN THE HOUSE OF REPRESENTATIVES

● Mr. DORNAN. Mr. Speaker, the bloody work of Murder Incorporated in Cambodia has been best documented in the book, "Murder of a Gentle Land," by John Barron and Anthony Paul. In stunning revelations, the authors have been able to piece together the awful truth. They have managed to detail the immense human cost of communism in Cambodia.

Mr. Speaker, many in Congress strongly opposed cutting off military aid to Southeast Asia. Many of us predicted that if we allowed the Communists to take power, they would unleash a totalitarian terror of immense proportions, rivaling the Jacobin terror of the French Revolution, the Cromwellian terror in Ireland, the worst excesses of Hitler, Stalin, and Mao Tse Tung. We predicted a great bloodbath.

Mr. Speaker, I know that I speak for many of my colleagues when I say that I

wish we had been wrong. I wish that our assessment of the Communist tyrants in Asia had been woefully erroneous. Instead our worst expectations and fears have been realized in Holocaust II. I highly commend Mr. Barron's book. Also, the best summary of the events in Cambodia that I have seen published in a shortened form is an essay by Mr. John Lofton, Jr., in the May 1978 edition of the journal Battle Line. I ask my distinguished colleagues to please, please, please read Mr. Lofton's heartrending account of this national tragedy.

CAMBODIA IN RETROSPECT: LIBERALS, DOVES EGREGIOUSLY WRONG; U.S. AID CUTOFF LED TO NAZI-STYLE GENOCIDE

(By John D. Lofton, Jr.)

"A single death is a tragedy, a million deaths is a statistic."—Joseph Stalin

WASHINGTON.—It has been a little over three years now since Cambodia was lost to the Communists.

In February of 1975, when he was fighting hard for $222 million in military aid to allow the Cambodian people to defend themselves against the Communist onslaught, President Ford sent a message to Congress which read, in part:

"The Cambodian people are totally dependent on us for their only means of resistance to aggression. The Communist forces now attacking have a constant, massive outside source of supply from the North as has been demonstrated by their ability to sustain the current heavy offensive.

"If additional military assistance is withheld or delayed, the Government forces will be forced, within weeks, to surrender to the insurgents. . . .

"It has been a basic policy of this Government to give material support to friends and allies who are willing and able to carry the burden of their own self-defense. Cambodia is such an ally.

"This is a moral question that must be faced squarely. Are we to deliberately abandon a small country in the midst of its life and death struggle? Is the United States, which so far has consistently stood by its friends through the most difficult of times, now to condemn, in effect, a small Asian nation totally dependent upon us?"

The answer from the liberals and the doves to President Ford's questions was a resounding: yes!

Sen. George McGovern said the Cambodian people would be "better off" to work out political arrangements "in their own way." New York Times columnist Tom Wicker wrote that there was "not much moral choice" between the Cambodian government and the Khmer Rouge Communists. Senate Majority Leader Mike Mansfield declared that the stopping of American aid was in the "best interests" of the Cambodians. The New York Times editoralized that additional aid would "only extend Cambodia's misery," therefore the "honorable course" for America would be to halt any such assistance and allow the Cambodians to "devise their own political future."

On March 12, the House Democratic Caucus dealt Mr. Ford's Cambodian aid request what the Congressional Quarterly called a "death blow" by voting 189–49 against any additional military assistance for either Cambodia or South Vietnam. On March 13, the House Foreign Affairs Committee voted 18–13 to adjourn without taking final action on the President's request. And in the Senate, on March 15, the Democratic Caucus voted 38–5 against more military aid to Cambodia and 34–6 against any extra military aid in Fiscal 1975.

In spite of this action, the Senate Foreign Relations Committee on March 17 approved a bill (S. 663) authorizing an additional $155.4 million for Cambodia in fiscal 1975 for military aid, food and humanitarian aid. But the committee added a provision which prohibited aid to Cambodia after June 30, a restriction that the White House refused to accept. The legislation never came to a Senate vote.

So, since the doves prevailed and the Communists took over Cambodia, it is appropriate to ask: Are things better for the Cambodian people? Did the agony, which the liberals said was prolonged by American aid, cease when our aid ceased? Hardly.

Swedish newsman Herman Lindquist, one of the last evacuees from Phnom Penh, reported that the jubilant welcome given the victorious Communists by the two million residents of that city "turned to terror and forced evacuation." He wrote in April of 1975:

"Guerrilla soldiers went into apartment houses, threatening occupants with their guns. But nobody explained where people were to go. When residents hesitated, there were shots and deaths. I saw a young woman fanning her wounded husband. He had been shot in the throat and then forcibly ejected from a hospital."

Sydney Schanberg of The New York Times, also one of the last journalists to leave Phnom Penh, reported an "astronishing spectable," which some Western observers say approached genocide, where perhaps as many as three or four million people, most on foot, were forced out of the cities of Cambodia and sent on "a mammoth and grueling exodus" into areas deep in the countryside where, the Communists say, they will have to become peasants and till the soil. Noting that no one was excluded—even the very old, the very young, the sick and the wounded were forced onto the roads—some clearly not strong enough to survive, Schanberg reported:

"Hospitals jammed with wounded were emptied, right down to the last patient. They went—limping, crawling, on crutches, carried on relatives' backs, wheeled on their hospitals beds. . . . A once-throbbing city became an echo chamber of silent streets lined with abandoned cars and gaping, empty shops. Streetlights burned eerily for a population that was no longer there."

To his credit, Schanberg admitted that those people were mistaken who felt that when the Communists took over and the war ended, at least the suffering would be over. "All of us were wrong," he wrote. "That view of the future of Cambodia—as a possible flexible place even under Communism, where changes would not be extreme and ordinary folk would be left alone—turned out to be a myth."

And so it was.

The most detailed and thoroughly documented account of the horrors of the Communist takeover of Cambodia are contained in the book, Murder of a Gentle Land (Reader's Digest Press, 200 Park Ave., New York, N.Y. 10017, $9.95), authored by John Barron and Anthony Paul with the help of Ursula Naccache and Cathryn Clark. The Barron-Paul book is based on interviews over a 13-month period with more than 300 Cambodian refugees living in camps along the Thailand-Cambodia border.

The refugees, who were eyewitnesses to the Communist atrocities committed in Cambodia, were from different parts of that country and represented all segments of Cambodian society: the educated; the untutored; the poor; the well-to-do; the peasants; students; and university professors.

In an interview in Human Events last year (May 21), when asked how many Cambodians the Communists have killed, Barron replied:

"No one can know precisely. I very much doubt that the Communists themselves know. Certainly hundreds of thousands have perished. Based on all data available to us, and consultations with a number of governments, Tony Paul and I concluded at the end of our research last year that between April 17, 1975, and Dec. 31, 1976, at least 1.2 million died as a direct consequence of Communist actions. Personally, I thought this total was too low and so did some relief workers in constant touch with refugees escaping to Thailand. But we were trying to understate the case. After interviewing many more refugees who had escaped this year, Tony last month wrote me that he also now is convinced that our original computations were too low."

When asked how many Cambodians the Communists force-marched into the countryside, Barron said:

"One must bear in mind the data on the population of Cambodia are imprecise and no one is really in a position to say in a scholarly way that can be documented just what the population of the country was; so we're working with the most authoritative estimates and a consensus of them.

"That consensus is, and the Communists themselves have used the same figures, although I suspect they've just picked them up from Western sources, that there were approximately seven million residents of Cambodia at the end of the war. Of these seven million, approximately three million are thought to have been in Phnom Penh.

"Now the normal population of Phnom Penh was much less, but as the people fled the countryside to escape the fighting, to escape Communist rule, and to seek food that was available through American aid in the cities, the population increased enormously, particularly in the last week. So we think there were about three million people in Phnom Penh; we believe there were approximately a half-a-million in the other cities, which were evacuated, and then we think there were probably another half-million people in larger villages in territories controlled by the government at the end of the war, and these villages also were emptied of people in time.

"So there were, according to the best calculations we can make, approximately 3.5 million people banished from the cities, plus another half-million from the villages. So you have four million people we are speaking of."

Incredible as it may seem, there are some who have actually pooh-poohed the charges of Communist genocide in Cambodia. Two such individuals are George Hildebrand and Gareth Porter, co-authors of a book titled "Cambodia and Starvation," published by Monthly Review Press, which is, not surprisingly, a Marxist publishing house. During the 1960s and '70s, both Hildebrand and Porter worked for the Indochina Resource Center which fought long and hard to make Indochina safe for Communism.

In a letter-to-the-editor in the Washington Post on April 24, 1976, Hildebrand scoffed at atrocity stories coming out of Cambodia labeling them as "suspect," as stories "placed in circulation with the aim of discouraging trained Cambodians from assisting in reconstruction of their devastated country."

In a review of the Hildebrand-Porter book, in the New York Review of Books on April 6

of this year, British journalist, William Shawcross writes:

"They emphasize the difficulties that the victors faced in April 1975—the enormous social problems created by the floods of war refugees, by spreading disease, and in particular by the vast misery of the swollen population of Phnom Penh. The authors do not like the term apologia, but their book is an extremely sympathetic, indeed approving, account of the precise ways in which the Khmer Rouge dealt with those problems. Their apparent faith in Khmer Rouge assertions and statistics is surprising in two men who have spent so long analyzing the lies that governments tell. They dismiss the widely held idea that the victors emptied Phnom Penh either to control its population more easily or to eradicate the hated capital of their enemy. Rather they conclude that the evacuation was prompted by a concern for the most basic and urgent needs of the population. Whereas there was no way of feeding the people in the cities, they argue, there was food in the countryside.

"That there was a food crisis in Phnom Penh seems certain. Long Boret, the last premier in the Lon Nol government, stated that there was only an eight-day rice supply left when the Americans evacuated on April 12 and USAID figures on the rice supply bear this out. Starvation was spreading. The authors are unable to show, however, that the immediate, forced expulsion of some 2.5 million people from Phnom Penh was necessary or in any sense benign or that adequate food was generally supplied to those who survived the march and arrived in the fields."*

Despite the pathetic musings of apologists for the Cambodian Communists like Hildebrand and Porter, there is mounting evidence that is both compelling and persuasive that Cambodia is being run, as one Bangkok-based diplomat has put it, "by the same methods as Nazi or Soviet concentration camps."

The following are just a few of the reports that have come out of Cambodia during the past two years:

In April of 1976, Time magazine reported:

"There is now little doubt that the Cambodian government is one of the most brutal, backward and xenophobic regimes in the world. Cambodians themselves refer to the Khmer Rouge simply as 'the Organization.' Refugees who have managed to flee to Thailand—often after days and weeks of walking through thick forests and jungles along the border—describe the revolution as a chilling form of mindless terror. In sharp contrast to Laos and Vietnam, where party cadres have subtly tried to win popular support for social change, there are no revolutionary songs, slogans, poetry, party newspapers or 're-education' centers to explain the purpose and ideology of the revolution. Instead, refugees told Time correspondents William McWhirter and David Aikman there has been a grim, silent round of purges, mass evacuations, forced labor and willful assassinations that have swept up the innocent along with the guilty. . . .

"Cambodia's new rulers have systematically killed former civil servants and soldiers in the Lon Nol army. In a typical incident in the provincial capital of Battambong last year, hundreds of former officers were assembled in a school building on the pretext that they were to greet Prince Sihanouk. There, they were bound hand and foot, loaded onto trucks, and machine-gunned on the outskirts of the city. In recent months the program has been extended to include anyone with an education, such as schoolteachers and students. Whole families—and sometimes entire villages—have been massacred.

"To escape the bloodbath, at least 20,000 Cambodians have fled across the border into Thailand. They tell tales of people being clubbed to death 'to save ammunition.' Others have been bound together and buried alive by bulldozers, or suffocated by having plastic bags tied over their heads. Says one former military policeman who escaped to Thailand: 'If some worker made a mistake or criticized a project, he was taken away and we never saw him again. They were sometimes flogged to death, other times shot at night. The bodies were left unburied.' Perhaps the most terrifying aspect of the Khmer Rouge regime is that, as one refugee describes it, 'we never knew their intentions. They didn't know how to read or write. All they had learned was revolutionary philosophy. Between Cambodians we once thought we could talk and understand each other well. It was just a dream. . . .'

"A Cambodian specialist was more blunt: 'There have always been retributions, but I can only call this genocide.' Adds a refugee: 'In Cambodia today, death is preferable to life.'

In an article in the May, 1976, issue of Atlas magazine, reprinted from the liberal Paris daily Le Monde, the paper's Southeast Asia correspondent, Francois Ponchaud, writes:

"According to several refugees large numbers of intellectuals have been executed since last July. Recent evidence received via Vietnam and Thailand confirms the existence of 'villages of intellectuals' where teachers and schoolmasters with degrees are assigned to harsh manual labor, for the Khmer Rouge do not like intellectuals.' In January, 12 schoolteachers and college students arrived in Thailand. They had been part of a group of 20 condemned to death who were being led to their place of execution. They succeeded in undoing their bonds and escaped; the other eight were killed. Around the same time 35 refugees from Battambong reported the disappearance of several mechanics and drivers of the old regime who had trained the young Khmer Rouge recruits. Once the pupils are trained the teachers are no longer needed. . . .

"Many young Buddhist priests have left the priesthood. Of 200 in the Domrey-Sar pagoda in September, only a few dozen remained in December; in January the Khmer Rouge forced this remnant to leave the priesthood.

"Moral pressure is exerted upon the priests by slogans. 'Those wearing the saffron-colored robe are lazy people.' They are 'parasites who eat the rice of the people.' They are part of the 'special class' like prostitutes. 'No profit in keeping them alive, no less in making them disappear.' The pagodas, which were the cultural and social center of the villages, are being used to store rice, and the grounds of the temples have become pig farms. Many refugees are scandalized by the fact that soldiers desecrate statues of Buddha by hanging their clothes on them. Many of these statues have been smashed; 'they are bricks without value' which 'monopolize the places destined for the people's work.' The Buddhist religion, it would seem, is condemned.

"The same appears to be the fate of the Moslem religion, practiced by approximately 150,000 Chams and Moslem Khmers. There are reports of the destruction of religious books, Moslems being forced to raise pigs, and to abandon their customary mode of dress. These persecutions caused a local uprising in the region of Krauchmar last October that was brutally and bloodily put down."

In June of 1976, Christian Muller, writing in the Swiss Review of World Affairs, reported:

"In contrast to Vietnam, where there has been no bloodbath to physically eliminate an entire segment of the population, there is a depressing chain of indications that Cambodia has systematically attempted to liquidate almost the entire officer corps of the former Republican Army and a large part of the administrative body of the Lon Nol regime, officials and their wives.

"The technique employed has been executions ordered by courts martial. To all appearances the attempted liquidation has been largely successful."

In the August 15, 1976, London Sunday Telegraph, Michael Field wrote:

"Doctrinaire Marxists are aghast, unable to comprehend that this extraordinary revolution is not only sacrificing the 'expendable' bourgeoisie, but even recalcitrant members of the poorer peasantry. A sadistic joy of killing appears to have possessed the rough illiterates who emerged from forest and mountain to destroy what little urban civilization their country contained.

"Who are the men encouraging or permitting this savage and grotesque crime against their own people and whose revolutionary creed is poured out daily in speech and song over Radio Phnom Penh, confirming, in its fanaticism, the worst excesses reported by the victims?"

A February 17, 1977, United Press International story, datelined Bangkok, reads:

"Cambodia has admitted it massacred 30 villagers, mostly women and children, in Thai-Cambodia border villages last month, but dismissed the incident as an internal affair.

"The stunning admission yesterday confirmed reports by fleeing refugees and Thai observers that a large-scale slaughter has been under way in Cambodia since the Communist takeover in April 1975.

"The admission came in a nine-page diplomatic note dated Feb. 7. It replied to a Thai protest over the slayings 10 days before in three tiny villages near the Cambodian frontier 185 miles east of Bangkok. . . .

"In the Jan. 28 massacre, more than a half dozen children had their throats slit and women were shot at close quarters by Khmer Rouge soldiers.

"Cambodia rejected the Thai protest, claiming the villages were within Cambodian territory. It demanded an apology from Bangkok for the deaths of several Khmer Rouge troops during the one-sided fight.

"The government of Democratic Kampuchea (Cambodia's official name) was arranging its internal affairs in these three villages, the note said."

In his syndicated column in the Washington Post on July 21, 1977, Jack Anderson wrote:

"The uproar over human rights has ignored the world's most brutal dictatorship. Adolph Hitler at his worst was not as op-

* Nearly a year later, Porter seemed to have modified his views somewhat telling a Congressional committee in May of 1977 that the charge of mass killing in Cambodia "is based on a kernel of truth: there were undoubtedly large numbers of killings in the newly liberated (sic, or perhaps sick would be more appropriate) areas immediately after the war by soldiers of the victorious army, motivated by vengeance, and diseases, such as cholera and malaria have taken a heavy toll." Shawcross says that Porter now agrees that the new regime in Cambodia is very harsh, but he dismisses claims that a general policy of execution and terror was put into effect.

pressive as the Communist rulers of tiny Cambodia.

"In a nation of 7 million people, an estimated 1 million have already died from mistreatment and executions. But the entire populace has been enslaved in a fashion that violates every international standard of human conduct. Only the Communists have any rights in Cambodia."

Writing in the Philadelphia Inquirer on September 11, 1977, Manchester Guardian reporter, Martin Woollacott, confesses:

"As the Khmer Rouge drew closer to Phnom Penh in the spring of 1975, the U.S. Embassy began to leak stories of their horrifying atrocities: There were stories of Buddhist priests beaten to death with hammers, stories of children laid out in rows with their throats cut.

"Journalists, including myself, did not believe them, or, at least we did not believe that such incidents were typical. We thought that the embassy, desperate to influence American public and congressional opinion and to secure funds for the continuation of the war, was trying to use us to that end.

"The stories came from the hard-liners in the embassy, and most journalists preferred to listen to the embassy 'liberals,' who wanted the war to stop and who, seeing an eventual Khmer Rouge victory as inevitable, urged that immediate surrender was the best way to save lives.

"Cambodia's Prince Sihanouk had said there would be no bloodbath, and the people of Phnom Penh, with only a few exceptions, believed that reconciliation rather than vengeance would be the purpose of a victorious Khmer Rouge.

"As we know now, there was a bloodbath. The embassy liberals, many Cambodians on the government side, and the journalists were wrong.

"Now the journalists are gone, having failed to see what the new Cambodia would be. And the new Cambodia, as far as we know, exceeds in its systematic brutality the worst visions of the hard-liners at the embassy."

A UPI story in the Chicago Tribune, dated September 12, 1977, and datelined Honolulu, reports former Cambodian President Lon Nol as saying that more than 2.5 million persons have died violently in his country since the Communists took over. Nol asks:

"But why are they killing, or causing the deaths, of their own people—not hundreds, not thousands, not hundreds of thousands, but several millions? What are their goals? What goal can be worth the misery, the suffering, the killings, the Communists are inflicting on their own people today?"

UPI reporter Paul Wedel recently toured Cambodian refugee camps in Thailand. He reported the following, which appeared in the Baltimore News-American on March 19, 1978:

"Refugees at the Pong Man Rawn camp recalled how they had welcomed the Khmer Rouge.

" 'We were so happy to see the war over and the corrupt Lon Nol government gone,' one said. 'The happiness didn't last a week.'

"The first group of 50 Communist soldiers walked into Pailin, about 130 miles northwest of Phnom Penh, on April 18, one day after the fall of the Lon Nol government.

"On the 19th, the Khmer Rouge called local officials together. The first order was to collect all weapons and register all soldiers of the Lon Nol army. Then the Communist victors slashed prices which had been inflated, they said, by war and greedy capitalists. Pork prices were cut from about $3 to 2 cents per 2.2 pounds. A 226-pound sack of rice was cut from $30 to 30 cents.

"When merchants protested they couldn't make a profit, the Khmer Rouge commander told them it didn't matter. Cambodia was now socialist. There didn't need to be profits.

"On the 20th, word had spread. People came from all over the province to buy. Fights broke out over the fast-disappearing supplies. The Khmer Rouge solved one dispute by shooting the man they judged to be the culprit and leaving the body in the market place.

"On the 23rd the Khmer Rouge closed the market.

"On the 24th all town officials were put in trucks and taken away.

"On the 25th all Indian nationals were carted off.

"On the 26th all 'newcomers' to Pailin were taken away.

"On April 27 the Khmer Rouge ordered everyone to leave their homes but not to take anything with them because they'd only be away two or three days.

"The people were driven into the ricefields and forests. 'We slept on the bare earth with nothing to cover us in the early morning damp and cold,' said one refugee.

"Panic set in. Many slipped away in the night and fled toward the Thai border. The Khmer Rouge fired their automatic weapons but could not stop the exodus.

"Ten days after the people welcomed the Khmer Rouge, the town was deserted. The population was in forced labor camps, in Thai refugee camps or dead.

"On March 29, 1978, the Baltimore Sun carried an Assoicated Press story, datelined Belgrade, Yugoslavia, which read, in part:

"Cambodia is training boys and girls as young as 12 to replace the industrial working class that was swept away after the Communist takeover three years ago, a Belgrade newspaper reported yesterday.

"The daily Politika said some of the children were so small they had to stand on stools to reach the controls of the machines they operated.

"It also said many Cambodian factories remained closed, apparently because the Communist rulers did not trust the managers who ran them under the old regime.

"Politika's report came from Dragoslav Rancic, a correspondent who visited Cambodia with other Yugoslav journalists on a tour that ended last week. They were the first foreign reporters allowed into the Southeast Asian nation since the Khmer Rouge defeated the U.S.-backed government of Lon Nol in April, 1975, capping a long guerrilla war."

BLOODBATH A REALITY

"The human costs of transforming Cambodia from a former colonial society into a model for radical collectivism, has been enormous.

"Executions are commonplace. But death from malnutrition and disease is far more frequent. Some conservative estimates of the number of people who have died in the past year range up into the hundreds of thousands.

"In Cambodia, at least, predictions of a bloodbath after the Communist takeover can be reliably reported to have come true.

"In the words of one refugee, in Cambodia today, it is better to be dead than alive."—Peter Collins, reporting on the CBS Evening News, April 18, 1976.

"BAD INFORMATION" CAUSES CAMBODIA'S "BAD IMAGE"

"And how is your country after the liberation?", inquired a delegate from Burundi. "Better, much better," bubbled Ieng Sary. "The bad image, it comes from bad information."—Ieng Sary, deputy prime minister of Communist Cambodia, at a U.N. cocktail party, quoted in the Washington Post, Oct. 22, 1977.

COMMUNISTS ARE "PATRIOTS"

"The only difference between yesterday's Sihanouk and today's Sihanouk is that today's Sihanouk no longer mistakes traitors for patriots and patriots for traitors. I am now 100 percent with the Khmer Rouge, and I will fight side by side with them until they defeat the Americans and rule over a Communist Cambodia. I have no other way of rescuing my country and not losing face."—Prince Sihanouk, quoted in an interview in the New York Times Magazine, August 12, 1973.

PUNDIT KRAFT ASKED: DOES RED RULE IN CAMBODIA REALLY MATTER

(The following is excerpted from Joseph Kraft's syndicated column which appeared in the Baltimore Sun on August 8, 1973. It was headlined "Better To Have Reds in Cambodia Than Liars in Washington":)

"The melting of government authority in Cambodia presents in stark terms a question that should have been pressed years ago: Does it really matter whether Cambodia goes Communist?

"Not very much is the short answer. Certainly not enough to justify the administration's murderous bombing policy with its inevitable erosion of public faith in the integrity of the American government.

"By itself Cambodia is unimportant. The country is almost entirely undeveloped, and its six million people, the most peaceable in Southeast Asia, threaten nobody. By all accounts the present regime of President Lon Nol is unloved and incompetent.

"Even if a Communist regime did take over, which is by no means certain, it would be divided in character. A part of the current insurgeny is loyal to the North Vietnamese Communists in Hanoi. Another part is indigenous to Cambodia, and seems to have ties with the former ruler—Prince Sihanouk, whi is backed by China. The Russians also have some assets in the country. . . ."

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"Worst of all, Mr. Nixon and his men have based their policy on deception, not to say lying, at home. They misled the Congress and the country about the bombing of 1969 and 1970. They flatly lied in claiming that before the incursion of 1970 this country had faithfully respected Cambodian neutrality.

"This consistent deception now works in dramatic ways to erode public confidence in the integrity of the American government. Because of constant lying in the past, the Nixon administration now has no public support, no legitimacy, for the use of force in Vietnam. It has only diminishing support for the use of force anywhere.

"So the question is what the country wants most. Does it value a friendly government in Phnom Penh more than an honest government in Washington? My own sense is that the most important single present need is for an honest government in Washington.

"If that means letting go in Cambodia and the rest of Southeast Asia, the price is small. And it is to the good if, in the bargain, we acknowledge that the President is neither infallible nor omnipotent."

A YOUNG MAN WITH NO LEGS SCREAMED "PLEASE KILL ME!"

(The following is an excerpt from "Murder of a Gentle Land," by John Barron and Anthony Paul. It describes what happened the day the Cambodian capital fell to the Communists:)

Soon the killing began. An 18-year-old high school student, Sar Sam, saw it start.

"At 8:45 that morning, a Khmer Rouge killed Mr. Kim, our neighbor. Mr. Kim was about 42. He joined the army in 1971 as a private second class, and he had only one leg."

About that same time, 10 to 20 civil servants and soldiers walked out of a government building. Waiting Communist troops, without warning or explanation, cut them down with machine-gun fire. Later, in front of the Ministry of Information, Communist soldiers surrounded a man who, by some word or gesture, had given offense, and kicked and stabbed him. The crowd watched as he slowly died.

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At about 9 a.m., in his private clinic across the street from the military hospital, Dr. Vann Hay was attending a colonel wounded in the last hours of the bombardment. "I was still in the operating room when I was told that Khmer Rouge soldiers were at the door of the clinic, asking that everybody leave immediately. I went to talk to them. There were maybe 20, all very young, and they repeated their order.

"These people here are sick," I told them. "They cannot get up and leave."

"No exceptions," said the Khmer Rouge. "The town has to be cleared. Everybody get out."

Shooting in the air, broadcasting through loudspeakers, banging on doors, sometimes shouting harshly, sometimes speaking with saccharin courtesy, troops in the name of Angka Loeu ("Organization on High") now repeated the same stunning order all over Phnom Penh, a city of three million. Every man, woman and child, regardless of occupation, age or physical condition, must get out of the city.

To those who asked why, Communist soldiers offered differing explanations: "The Americans are going to bomb." "It's an order from Angka." But the reply which events proved most valid was given to a group of foreign Catholic priests by an Angka commissar: "From now on, if people want to eat, they should go out and work in the rice paddies. Cities are evil. There are money and trade in cities, and both have corrupting influence. That is why we shall do away with cities."

With a terible efficiency, the Communists concentrated initially upon expelling the sick and wounded from hospitals jammed with fresh casualties. Troops stormed into the Preah Ket Melea Hospital, Phnom Penh's largest and oldest, and shouted to patients, physicians and nurses alike, "Out! Everybody get out!" They made no distinction between bedridden and ambulatory patients, between the convalescing and the dying.

Hundreds of men, women and children in pajamas limped, hobbled, struggled out into the streets, where the midday sun had raised the temperature to well over 100 degrees. Relatives or friends pushed the beds of patients too enfeebled to walk, some holding aloft infusion bottles dripping plasma into the bodies of loved ones. One man carried his son, whose legs had just been amputated. The bandages on both stumps were red with blood, and the son, who appeared to be about 22, was screaming, "You can't take me like this! Kill me! Please kill me!"

Such processions were seen by countless thousands. One trained observer who watched them from the French embassy compound was Jon Swain, a young British journalist. Recording the scenes in his diary, he wrote that the Communists were "tipping out patients like garbage into the streets. Bandaged men and women hobble by the embassy. Wives pushed wounded soldier husbands on hospital beds on wheels. In five years of war, this is the greatest caravan of human misery I have seen. The Khmer Rouge must know that few of the city's 20,000 wounded will survive. One can only conclude that they have no humanitarian instincts."

CANNIBALISM, CRUELTY, AND CARNAGE

"I will now tell you a story that I lived myself. A teacher ate the flesh of her own sister. She was later caught, she was beaten from morning to night until she died, in the rain, in front of the whole village as an example, and her child was crying beside her, and the mother died in the evening. She was beaten to death with sticks by the Khmer Rouge soldiers.

"In the hospital that was near the village there were several rooms, a great many sick people. When you are sick, you didn't work and so your ration would be cut in half. So the state of famine was made even acute at the hospitals. In each room of the hospital, there would be deaths every day. In fact, in one of the rooms the patients hid the body of a young man, a dead young man. Some people ate the body of this young man, ate his flesh. However, three or four days later, the Khmer Rouge found out. All the people in the room about 40, even those who didn't eat the meat, were all taken to a special camp, with other people accused of thievery, and given one tin of dry rice for 40 people each day. Three months later, only three survived.

"A lot of families were completely uprooted. During this period of time, I lost 12, who died in front of my very eyes. My father of 60 years, so worn out that he couldn't work any longer—his ration was cut in half. Starving and completely worn out, he died in his sleep one day. My mother, who had diarrhea, was hospitalized. My sister, who wanted to look after my mother, pretended to be sick herself so that she could go and help her mother. But it was my sister who died first, by contagious disease, after three days of fever."—Eyewitness account by Cambodian refugee Pin Yathay, at a press conference held under the auspices of the American Security Council in Washington, D.C., Jan. 20, 1978. Mr. Yathay was one of his country's top civil engineers and a leading member of the government. He escaped to Thailand from Cambodia in June of 1977, the sole survivor of a group of 18 who attempted to flee.

FREE ENTERPRISE COLLEGE COURSES A GOOD IDEA

HON. W. HENSON MOORE

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 15, 1978

● Mr. MOORE. Mr. Speaker, an article by Ronald Alsop in the Wall Street Journal of May 10, 1978, reports a new wave of academic interest in the free enterprise system on college campuses across the land. Diverse economic theories and history have long dominated many college economics classrooms. I welcome the refreshing interest now expressed in giving equal time to the greatest economic system the world has ever known. I am actively working for such a course at the three universities in my District.

As one of two States to now require high school students to take a free enterprise economics course, Louisiana will become a leader in providing her young people with a working knowledge of how our economic system operates to the benefit of each citizen. The greatest danger to the free enterprise system is ignorance. A court in free enterprise economics at high school and college levels should do much to educate our people and help save the system. I urge other States to adopt similar programs.

In keeping with these academic expressions of interest in the free enterprise system, I can now report 233 of my colleagues in the House have cosponsored my resolution to designate July 1, 1978 as National Free Enterprise Day. As this number surpasses the necessary requirement of the House Post Office and Civil Service Committee for special day declarations, I trust House approval of my resolution will be rapid. An identical resolution has already won Senate approval. The article by Ronald Alsop appears below:

[From the Wall Street Journal, May 10, 1978]

CAPITALISM 101; PROGRAMS TO TEACH FREE ENTERPRISE SPROUT ON COLLEGE CAMPUS

FIRMS FUND PROFESSORSHIPS AND BUSINESSMEN LECTURE IN NEW ACADEMIC CLIMATE

A Question of Objectivity

(By Ronald Alsop)

KENT, OHIO.—Jack Higgins, a retired ad-agency president, never dreamed back in 1970 that he would someday teach at Kent State University. He had read about the violent antiwar protests here that year, and, as an executive at Griswold-Eshleman Co. in Cleveland, he knew he symbolized to many students the establishment and what was ailing America.

"It really wouldn't have been too healthy for a businessman here in 1970," says Keith Furman, a Kent State sophomore, whose sister and brother-in-law were students the year of the clash that left four students dead.

Today Mr. Higgins is filling classrooms at Kent State for his Introduction to Business course. As the Goodyear Professor of Free Enterprise, he's trying to give the corporate community equal time on college campuses. "We need to break down the walls of Jericho and correct the many negative misconceptions about business," says Mr. Higgins, who labels himself a "business missionary."

Missionary work in the name of private enterprise has taken hold on many campuses. In settings where Angela Davis and Jerry Rubin once stirred antiestablishment ire, businessmen now tread without fear of picket signs or a pie in the face.

RANGE OF PROGRAMS

To reverse what they see as "economic illiteracy" and an antibusiness bias, corporations are investing in a variety of academic projects, including professorships of free enterprise, executive-in-residence programs, faculty-business forums, contests for students, special internships and company-designed courses.

"Frankly, we were surprised to find so much college-business interaction," says a spokesman for the Council for Financial Aid to Education Inc. That nonprofit organization recently made an informal study that turned up about 100 programs linking campus and corporation.

And these aren't nickel-and-dime ventures. Goodyear Tire & Rubber Co., for instance, donated $250,000 each to Kent State and the University of Akron for their chairs of free enterprise, and Standard Oil Co. (Ohio) expects to spend about $200,000 this year for economic education. Although the big push is at the college level, corporations

also are investing substantial sums to teach private enterprise to employes and to elementary and secondary-school students.

The main reason for all the free enterprise fuss on campus is the business world's realization that the "kids" at all-American U. today are the customers, employes and influential teachers and Senators of tomorrow. So there's more at stake than just a better informed, more congenial public.

GREENSPAN'S VIEW

"What we see in Washington today is what was the vogue at the universities during the Vietnam-war period," says economist Alan Greenspan. "And what is being taught in the universities today will be the generally accepted concept 10 years from now." He contends that national economic policy is determined by this consensus bubbling up from the universities, not by which political party happens to be in power. Many businessmen accept Mr. Greenspan's premise, and through college programs they're trying to create a more favorable national climate for business.

"Since universities teach youngsters about the communist, socialist and fascist systems, I felt a real need for someone to teach about American free enterprise," says William H. Davis, who donated his Marion, Ohio, shopping center to Ohio State University to endow a free-enterprise professorship.

"Antibusiness people have had a virtual monopoly for 30 years on campus. Being for free enterprise was a no-no," says Robert T. Davis, president of National Leadership Methods. That educational consulting firm in Austin, Texas, has developed regional private-enterprise contests in which some 200 colleges compete annually for about $30,000 in grants from such sponsors as Dow Chemical Co., Eaton Corp. and Ralston Purina Co. Students devise projects to promote free enterprise in their local communities, and the ones judged most creative and effective win prizes. Entries have included a television quiz show called "Free Enterprise Bowl" and a film about the entrepreneur who invented the Weed Eater machine.

ACADEMICS WANT MORE CONTACT

Many businessmen say they're encouraged by the friendly climate on campus these days. A recent Louis Harris poll concluded that "the welcome mat is out" for the businessman on campus. In his survey of 750 academicians at 150 colleges, Mr. Harris found 77% favoring more contact with the corporate world and no one wanting less.

Georgia State University in Atlanta established the first private-enterprise chair in the U.S. in 1963. Since then, 20 more have been funded by individuals, corporations and foundations, and another 20 are in the planning or discussion stage, says John Ward, director of free-enterprise activities at Loyola University of Chicago.

Also popular are executive-in-residence programs in which businessmen lecture to liberal-arts classes as well as in business schools. Steel and life-insurance executives, for instance, regularly do brief campus stints, mingling with students in classes and dorms and at the favorite pubs.

Most executives drop in for just two or three weeks, but some stay a whole academic year. These long-term visitors tend to be retirees, since the typical harried businessman can hardly afford to take a nine-month sabbatical.

Although the primary focus of corporate programs is the student, some are aimed at teachers. Standard Oil Co. (Ohio) managers meet periodically with college instructors to ponder such questions as, "How does a democracy reach a consensus on the complex issue of energy?" and "Does business have a social responsibility?"

And in another approach, Hammermill Paper Co. of Erie, Pa., helped design a private-enterprise economics course for high-school teachers studying at Gannon College in Erie and at Springfield (Mass.) College. It includes a tour of local Hammermill plants, lectures by company executives and a theory section taught by a resident professor. By aiming the course at teachers, "we feel we'll have a ripple effect on their students," says Richard Brown, vice president, technology, at Hammermill.

CREDENTIALS QUESTIONED

Despite their better reception on campus, businessmen sometimes find schools question their teaching credentials. "Most of the time executives are too anecdotal in their teaching," says Seymour Schwartz, assistant dean of the business college at the University of Texas. "A professor tells you how to take a theory and apply it to various situations."

There's also the sticky issue of academic freedom and objectivity. Without exception, businessmen say they're just trying to give free enterprise a fair shake in the classroom. But skeptics figure that executives-turned-educators owe their success to capitalism, so that a probusiness bias inevitably permeates their courses.

Hoping to avoid credibility hassles, many schools with chairs of free enterprise often seek scholars rather than executives to fill them. "Executives-in-residence usually have to battle misconceptions about proselytizing . . . and we hope to avoid that here," says Kermit Cudd, director of the business school of the University of Tennessee at Chattanooga. That school is looking for "a respected scholar" to occupy its new private-enterprise chair, established with a $1 million endowment from a deceased local lawyer.

HITTING A NERVE

"The few chairs that are outright propagandistic embarrass me," says Craig Aronoff, associate to the chair of private enterprise at Georgia State. "We maintain academic objectivity here. We don't say government is a nasty creature and that big business is faultless."

It's impossible to measure the effectiveness of free enterprise programs, but Mr. Higgins apparently has hit a nerve with students in his Kent State introduction-to-business class. Freshman Richard Davis says it made capitalism look so rewarding that he plans to invest in the stock market to get "a piece of the action." Senior Michael Capezuto used to think big corporations ran everything and socked away big profits, "but now I realize the importance of small businesses and have a more realistic idea of profits," he says. (Mr. Higgens says some students thought companies earned as much as 70% on sales, instead of the usual 4% to 5%.)

Mr. Higgins has brought in lots of guest lecturers, including U.S. Steel and International Harvester executives, and they seem to be a big drawing card. The class offers "a chance to meet important business people," one Kent State student notes. "And you can use all the contacts you can get when it comes time to land a job."●

A TRIBUTE TO THE LATE RICHARD J. DALEY ON THE OCCASION OF THE 76TH ANNIVERSARY OF HIS BIRTH

HON. JOHN G. FARY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 15, 1978

● Mr. FARY. Mr. Speaker, I would like to take this opportunity to bring to the attention of my fellow colleagues that today marks the 76th anniversary of the birth of the late Richard J. Daley, a man who devoted his every effort for the betterment of his beloved city of Chicago.

It is difficult to put into words a tribute to Richard Daley's leadership and talents when so much of what he accomplished surrounds Chicago and remains a more fitting tribute. We have in our great city a loop as prosperous as ever, with blueprints extending into the 21st century; one of the best public transportation systems in the country; the best illuminated and cleanest streets of any major metropolitan area; progressive programs for the elderly; youth foundation educational scholarships; and much more. All of this is due, in no small part, to the efforts and dreams of Richard Daley.

Here was a man who loved his city so intensely that he devoted 21 years of his life to bring about the changes he thought would benefit Chicago. It was this devotion that set him apart from other mayors and enabled him to govern more effectively and give Chicago the leadership it craved. In fact, his efforts on Chicago's behalf were officially recognized by his mayoral colleagues around the Nation when he was voted America's outstanding mayor by the 1976 Annual Conference of Mayors.

But it was the people of Chicago who were most appreciative of Mayor Daley's tireless efforts, electing him six times as their mayor. It was this 21-year tenure that made his name and his city synonomous terms.

During his tenure as mayor, Richard Daley established himself as an authority on municipal and State Government finance, a feat that I can attest to, as I had an opportunity to observe his expertise firsthand during my 20-year career as an Illinois State legislator. The mere fact that he was able to keep Chicago from deficit spending during his terms as mayor is further proof of his financial prowess.

Richard Daley has been called the last of the big city bosses, and perhaps that was true, but there was a tendency in the media and around the Nation to exaggerate his power. And contrary to what some have said or wrote, Richard Daley was receptive to constructive criticism, though intolerant of unwarranted negativism or obstinance motivated by purely partisan politics. He respected the loyal opposition when opposition was founded on sincerity.

While Mayor Daley could be termed an ambitious man, his was not a case of blind ambition. No doubt, he could have successfully advanced into national politics but such was not his wish, since he viewed being mayor as the position he could best serve the people of Chicago.

Mr. Speaker, being a member of the Illinois State legislature for 20 years, I came to know Richard Daley, the politician, very well. But I also know Richard Daley, the private citizen equally as well. He was a humble person, who walked modestly among his fellow citizens. He was a loving and devoted husband and

father, and a loyal son of the church. He came up through the ranks the hard way, by his own strenuous efforts, but he never forgot or neglected men, women, and children less fortunate than he. In his characteristic way, he translated this compassion into concrete and successful measures which eased their plight.

Richard Daley is no longer with us, but his memories and accomplishments will always remain. History will record his rightful place, but on the occasion of this day, I am proud to say: There was a man!●

ALASKA LANDS AND INTERNATIONAL WILDLIFE

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 15, 1978

● Mr. WOLFF. Mr. Speaker, the wilderness and wildlife of Alaska have international significance. A great opportunity to protect these international values is before us in H.R. 39, the Alaska National Interest Lands Conservation Act. This bill should be strengthened to restore the wildlife habitat protection that was deleted through unfortunate compromises in committee.

Alaska contains some of the world's greatest summer nesting habitat for migratory birds. It is among the least-damaged wildlife habitat in the world. Many of the ducks, geese, and swans that are seen in the lower 48 States every fall and winter come from Alaska, and the same is true of those seen in Asia and the Pacific.

Other species of migratory birds nest in Alaska and migrate to such distant lands as Japan, New Zealand, Argentina, and Antarctica. The arctic tern, for instance, breeds in Alaska and migrates some 10,000 miles to the antarctic waters off Chile, Argentina, and South Africa. The golden plover breeds in northern Alaska and winters in the South Pacific region, including Hawaii, south China, and Australia. Summer habitat essential to these migratory birds is included in H.R. 39.

International populations of whales, seals, and porpoises also depend on Alaska, spending part of their life cycle in coastal waters adjacent to some of the proposed national wildlife refuges and parks in H.R. 39. Sea-run fish, including several species of salmon, come from Alaska's rivers and move out to distant parts of the North Pacific, providing a food source for several Pacific nations. Many of the rivers on which these fish runs depend will receive protection under H.R. 39.

The international Porcupine caribou herd returns each summer to its calving area in the Arctic National Wildlife Range, and migrates south and east into Canada for the winter. The government of Canada is planning measures to protect this herd's Canadian habitat. H.R. 39 protects much of its Alaska habitat.

Also of international importance is the Alaskan population of polar bears. The United States is a signatory, with Canada, Denmark, Norway, and the U.S.S.R., to the agreement on the Conservation of Polar Bears, ratified by the United States in September 1976. The agreement commits the five nations to protection of the polar bear and its habitat. H.R. 39 carries out that commitment by protecting the polar bear's denning habitat in the coastal part of the Arctic National Wildlife Range.

A great international park is in store for the spectacular Wrangell-St. Elias Mountains, which span the international boundary in south-central Alaska. Canada already has the Kluane National Park on its side of the border. H.R. 39 establishes the Wrangell-St. Elias National Park and Preserve on our side of the border.

Canada is also considering plans to protect the Canadian portion of the upper Yukon valley, just across the border from the Yukon-Charley National Preserve established by H.R. 39.

Our Nation will never again have the chance to protect the internationally important wildlife lands of Alaska. We can always open these areas to exploitation later on, if exploitation should become more important than the wildlife it would replace. But we can never restore what nature took centuries to create. I urge my colleagues to join in strengthening H.R. 39, so it will give the national interest lands the permanent protection they both deserve and need.●

CONGRESS HAS RESPONSIBILITY TO DESIGNATE WILDERNESS ON ALASKAN PUBLIC LANDS NOW

HON. GOODLOE E. BYRON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, May 15, 1978

● Mr. BYRON. Mr. Speaker, in the next few weeks the debate over the Alaska National Interest Lands Conservation Act will present us with the century's most significant test of our land conservation policy.

A key part of H.R. 39 as reported by the Committee on Interior and Insular Affairs is title VI, which calls for designating lands within units of the National Park, National Wildlife Refuge, and National Forest Systems in Alaska as part of our National Wilderness Preservation System.

Wilderness designation is a crucial step for preserving wildlife habitat, watershed, scenic and recreational values, and the subsistence lifestyle of rural Alaskans. It is crucial because wilderness designation is accomplished only by act of Congress, thus assuring these untrammeled primeval lands the full security of statutory protection.

Despite the importance of the wilderness title of H.R. 39, a misunderstanding about this measure is being perpetuated. This misunderstanding results from misinformed claims that title VI would "violate" procedures in the Wilderness Act of 1964. Some people are suggesting that the 1964 law that established the National Wilderness Preservation System requires a specific study process for all areas that are designated as wilderness—a process involving agency and executive branch review and a Presidential recommendation for wilderness.

In fact, under the Wilderness Act such a study process was required only for certain categories of areas in existence on the date of enactment of the act. The 1964 law did not create a mandatory study process that must be applied to all wilderness candidates. Approximately three-fourths of the acreage and more than half of the areas now in the Wilderness System have not gone through the so-called wilderness study process, but have resulted from our direct initiatives here in the Congress. (Most recently, the Congress enacted and the President approved Public Law 95-237, the Endangered American Wilderness Act of 1978, comprised almost entirely of key wildlands protected by our initiative here in the Congress and not subject to a so-called "wilderness study." That landmark bill was passed by this House by a vote of 380 to 18.

What the Wilderness Act did require is that decisions about wilderness be based on good information and broad public participation. Those are the criteria Congress assesses as each wilderness proposal is considered.

Our distinguished colleague from Wyoming, Mr. RONCALIO, chairman of the Subcommittee on Indian Affairs and Public Lands, points out in the Interior Committee report on H.R. 39 that each of the areas proposed for wilderness designation in the bill "has had more detailed study, of every aspect of the question, than was ever given to any of the so-called 'wilderness study' areas covered by the Wilderness Act."

As he points out the wilderness characteristics of all the additions proposed in H.R. 39 were studied extensively through the environmental impact statement process.

Furthermore, at the same time the U.S. Geological Survey and the U.S. Bureau of Mines were studying the potential for hard rock mining and oil and gas leasing in these areas. That data was provided to the committee in special briefings, area by area.

The Interior Committee itself carefully reviewed all these studies on the basis of more extensive and thorough field reviews by the committee and a more exhaustive process of public hearings across Alaska and across the "Lower 48" than has been conducted on any conservation measure in our history. The committee reduced the wilderness acreage in the original H.R. 39 by half, carefully refining each boundary to exclude

the vast majority of places with potential for mining or leasing.

Fully 95.5 percent of the lands in Alaska which our expert agencies (the U.S. Geological Survey and the Bureau of Mines) classify as having "favorable" potential for oil and gas values lie outside the boundaries of the areas H.R. 39 proposes to preserve. In view of the enormous values of the land surface as wilderness, as wildlife habitat for the Western Hemisphere's most spectacular wildlife and waterfowl pageant, and as sheer scenery, the bill has been compromised to reach a fair and reasonable balance with oil, gas, and mineral potential. Some members of the committee believe they went too far in making these compromises.

The committee also took special pains to recognize and allow for the special problems inherent in designating Alaskan wilderness by permitting traditional uses of motorboats and snowmobiles, aircraft, limited commercial services, and public cabins.

On the basis of that record, there is no credible reason for not acting now to designate as wilderness the selected areas now named in H.R. 39. After all, these are public lands belonging to all U.S. citizens—not just development interests. Mr. Speaker, I would like to take this opportunity to express my sincere appreciation to Chairman RONCALIO, who has devoted a great deal of time and energy over the years to wilderness legislation in his capacity as chairman of the Subcommittee on Indian Affairs and Public Lands. With his unmatched experience in handling wilderness proposals, I feel that Mr. RONCALIO's views on H.R. 39 deserve careful consideration. I include his remarks on this subject from the Interior Committee report on H.R. 39 in the RECORD at this point.

SUPPLEMENTAL VIEWS—CONGRESSIONAL INITIATIVE WILDERNESS NOT NEW

As H.R. 39 has been discussed, one line of argument has often been repeated concerning the question of wilderness designation. This is a matter which needs to be better understood, for the line of argument to which I refer is simply in error.

As reported, H.R. 39 includes designation of portions of the lands within many of the conservation system units as wilderness. In each case, the Committee has carefully reviewed the resource information available on these lands and the testimony from many hundreds of witnesses. In each case we have determined that we have enough sound information, and that there has been ample public participation in reviewing the issue, to permit us to reach a well-informed and well balanced final wilderness decision.

Despite the care we have taken in reaching these refined wilderness decisions as included in the reported bill, it is being suggested by some that to designate this wilderness in this bill would somehow "violate" the procedures required by the 1964 Wilderness Act. Those who make this suggestion argue that the Wilderness Act requires a "wilderness study" for each area before the Congress may consider and act upon its actual designation.

That argument is simply wrong.

There is no such wilderness study requirement in the Wilderness Act.

What the Wilderness Act of 1964 required was that certain specific lands identified in that Act were to be studied in order to reach recommendations which would be sent to the Congress. Those study requirements are found in subsections 3(b) and 3(c) of the Act, and apply only to specific National Forest primitive areas, National Park System lands, and National Wildlife Refuge System lands. Furthermore, these study provisions are expressly limited to such areas that were in existence on the date of enactment of that Act (September 3, 1964). The studies which the Act required were to be completed within a specific ten-year review period.

That period for wilderness studies required by the Wilderness Act expired on September 3, 1974—nearly four full years ago.

There is no wilderness study required of general applicability in the Wilderness Act, and certainly none which has any application to most of the lands which are proposed for wilderness status in H.R. 39, as reported.

What the Wilderness Act *did* specify about future additions of wilderness lands other than those mandated for studies during the now-elapsed ten-year wilderness study period was simply this: In subsection 2(a) the Wilderness Act states:

". . . and no Federal lands shall be designated as wilderness areas' except as provided for in this Act or by a subsequent Act."

In the same vein, subsection 3(c) states that:

"A recommendation of the President for designation as wilderness shall become effective only if so provided by an Act of Congress."

As Chairman of the Subcommittee on Indian Affairs and Public Lands, which handles much of the wilderness designation legislation, I am concerned by the misunderstanding which leads some to suggest that we may not designate wilderness without going through a specific "wilderness study" routine. In this Committee (which has sole jurisdiction over the designation of wilderness areas) we have worked with great care to reach sound, reasoned and well balanced wilderness decisions. Many of the areas we have proposed—and the House has passed and the President has signed into law—have originated from Presidential recommendations which came to us through the Wilderness Act study process. But in many other cases, we have proposed—and the House has passed and the President has signed into law—wilderness proposals which did not result from such studies. They were originated in other ways simply because the lands involved were not a part of the Wilderness Act study requirement. Most of these important wilderness additions were initiated here in the Congress itself:

In 1974 we passed and the President signed the so-called "Eastern Wilderness Areas Act" (Public Law 93–622). None of the areas included had been subject to a "wilderness study" of the sort which some would argue these D–2 wilderness lands must have.

In 1976 we passed and the President signed the Omnibus Wilderness Act (Public Law 94–557). Some of these areas, too, were initiated in the Congress, without the formal "wilderness study."

In 1978 we passed and the President signed the historic "Endangered American Wilderness Act of 1978" (Public Law 95–237), making the largest single addition to the National Wilderness Preservation System since the Wilderness Act itself. Only one of the areas included had had a formal "wilderness study," and in that case we flatly rejected the results and made our own decision to designate the area in question.

Those who argue that each proposed wilderness area in H.R. 39 must undergo some special, formal, dictated wilderness study procedure are arguing for form over substance.

The question is not whether the area has gone through a particular study process, has a particular kind of label on its front cover, and has been subject to some drawn-out series of routine, red-tape procedures. Rather, the question we ask in this Committee as we reach each wilderness decision is simply: do we have enough sound resource information to make good judgments about resource tradeoffs, impacts, and values, and has the public had ample opportunity to participate in reaching the decision?

For the area we propose in H.R. 39 as wilderness, the answer is "yes". Each of these proposed wilderness areas has had more detailed study, of every aspect of the question, than was ever given to any of the so-called "wilderness study" areas covered by the Wilderness Act. There has been, through the whole five-year study process set out by the Alaska Native Claims Settlement Act, through environmental impact statement procedures on each area, and through our Congressional field reviews and the most extensive field hearings this Committee has ever conducted, more public review and participation than in any of the areas which were covered by a wilderness study under the Wilderness Act.●

SUMMARY OF SMALL BUSINESS COMMITTEE'S REPORT ON PRODUCT LIABILITY INSURANCE

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 15, 1978

● Mr. LaFALCE. Mr. Speaker, I have recently circulated among our members a "Dear Colleague" letter soliciting cosponsorship for the Omnibus Product Liability Product Insurance Act which I recently introduced. This proposal incorporates the legislative recommendations made in the Committee on Small Business' report on Product Liability Insurance, which resulted from an extensive investigation of the problems in that area by the Subcommittee on Capital, Investment and Business Opportunities which I am pleased to chair. As a result of the considerable interest in both the proposed legislation and this report, and since the text of the complete report is almost 80 pages, I believe it would be helpful to set forth the report's highlights herein.

The highlights follow:

A. How the Product Liability Problem Manifests Itself.

The report recounts testimony presented to the Subcommittee by Congressional witnesses and from the business sector, which invariably complained of substantial, and even exorbitant product liability premium charges. Some witnesses complained of the lack of availability of product liability insurance; while unavailability is certainly present, the real problem appeared to be unaffordability.

The cost of product liability insurance was often stated to be about 1 percent of sales: This statistic is misleading, since most businesses, especially small businesses, operate on a profit of merely 2 percent to 5 percent of sales. Thus, in such cases, the true cost represents about 20 percent to 50 percent of profits.

Many of the Congressmen and business representatives indicated that they believed that the premiums being charged for product liability insurance were unfair and arbitrary; however, rather than focusing in on the "unfairness" or "arbitrariness" of the premiums, most of these witnesses advocated tort law changes which would curtail the rights of injured persons to sue. This appeared illogical to the Subcommittee since the proposed "solutions" bore no "nexus" to the alleged problem of unfair and arbitrary premiums. Hence, a substantial portion of time was devoted to investigating the insurance aspects of the problem to ascertain the fairness of product liability premiums.

B. The Insurance Industry.

In its consideration of the product liability insurance industry, the Subcommittee was faced with the problem of trying to understand the technical vocabulary used in the insurance industry, where appearances are often deceiving.

For example, the term "losses" is frequently used. This term is generally thought to mean claims that have actually been paid; however, that term not only includes losses actually paid, but includes reserves set aside for claims that have been reported to the insurer but not yet paid ("case reserves"), as well as the reserves for claims thought to have occurred but which have not yet been reported ("IBNR").

In any event, the Subcommittee learned that while there is a manual of actuarially determined product liability rates, these account for less than 10% of all product liability premiums. The remaining 90% of all product liability premiums are not based on published rates, and to a large but undetermined extent, are judgment rated. This means that the actual premium is determined by the "subjective judgment" of the individual underwriter.

The Insurance Services Office is the nation's leading product liability rate-making organization. While it has made revisions to its information-gathering techniques to refine the data it collects for product liability rate-making purposes, it has indicated that these revisions will not eliminate a substantial portion of all present judgment rating.

Moreover, the Insurance Services Office publishes guide rates for judgment rated classifications. These guide rates were alleged to represent average rates for these classifications. However, in one study of several of the largest insurers, it was disclosed that the premiums charged for product liability insurance were based upon rates in excess of the guide rates. In any event, it is impossible to determine the extent to which individual insurers adhere to the manual rates or the guide rates.

Furthermore, it appears that insurers are "panic pricing" product liability insurance. This conclusion was made by several witnesses and may be supported by other Subcommittee findings: These included (1) an erroneous perception by insurers as to an increased frequency in the number of product liability claims—when none has been shown, a perception exacerbated by erroneous national advertising; (2) an unwillingness to write product liability insurance as a result of a decrease in the underwriting capacity of many insurers; and (3) the fact that during the medical malpractice insurance "crisis" an IRS representative indicated that medical malpractice reserves were overreserved by 30 percent to 45 percent.

Moreover, the record keeping of product liability insurers is abhorrent: They keep no separate date for product liability insurance. Representatives of the Hartford Insurance Company stated before the Subcommittee that "the paucity of information" that they were able to report was "an embarrassment".

This lack of intelligible data is exacerbated by otherwise irresponsible conduct within the insurance industry. For example, several insurers, as well as a public relations organization within the insurance industry, engaged in deceptive advertising. They stated that the number of product liability claims annually was one million, a figure which was subsequently revealed to be overstated by 700 percent to 800 percent. Further, several insurers used the so-called "lawn mower case" in their advertising, a "horror story" which was subsequently revealed to be unsubstantiable. It is especially disheartening that these advertisements help mold the "judgment" of insurance company underwriters.

Moreover, even the Insurance Services Office has engaged in practices which are misleading. They had undertaken a survey of claims that were actually closed within an 8½ month period ending March 15, 1977. The Subcommittee's analysis of their figures indicates that the average actual payment for all bodily injury claims was $3,592, and that the actual average payment for all incidents was $6,692. Nevertheless ISO circulated to the media, legislatures, and others, "trended" figures stating that average payments are $13,911 and $26,004 respectively.

All the foregoing is taking place within a system of state regulation, a system which has as its primary focus safeguarding the insurer's solvency. It has appeared to the Subcommittee that the ability of the state regulators to act upon unfair product liability rates and premiums is severely restricted. Moreover, the information collected by state regulators is deficient as they do not require the separate reporting of product liability data. Further, in those lines in which product liability experience is contained, the Subcommittee has found data which is ostensibly outrageous. For example, for 1976, 71.4 percent of all of Crum and Forster's losses for line 17 (the line which contains the bulk of their product liability information), consists of IBNR—losses of which it is not yet aware.

Further, the Subcommittee learned that investment income—income earned on the reserves is not taken into account in the ratemaking or pricing of product liability insurance.

C. The Tort Litigation System.

The Subcommittee findings with respect to the insurance industry did not imply that the tort litigation is entirely satisfactory. The major problem in that area is the lack of uniformity in product liability law from jurisdiction to jurisdiction. Product liability rates are based on the national experience: A product manufactured in one state can cause injury and subject its manufacturer to liability in any of the other jurisdictions.

At present, among the states there exists wide disparity and uncertainty in the standard of care (1) owed by a manufacturer or seller to a product user and (2) required by a product user.

In evaluating suggestions for changes in the tort law, several interesting statistics emerged, for example, in a recent 8½ month period, less than 4 percent of all claims that were closed went to verdict, with the insurer winning approximately 75 percent of these. Moreover, while 2 percent of all injured persons received 57.2 percent of all claims payments made for bodily injuries, 1 percent of these became paraplegic, quadriplegic, or experienced brain damage, 2.6 percent required amputations, and 0.3 percent developed cancer. Further, 6.6 percent of all injured persons either died or experienced permanent total disability.

It also emerged from the Subcommittee's studies that manufacturer's of capital goods—goods used in the work place—are especially vulnerable to product liability claims. Of all claims 10.6 percent involved employees injured in the course of employment, while this same group represented 42 percent of the total payments made for bodily injury. However, as these are work place injury claims that are compensated through state worker's compensation systems, generally the employer cannot be sued. One survey indicates that in the judgment of the claims examiners, 57 percent of these involved possible employer negligence. Thus, the manufacturers are forced to bear substantial losses while employers who may have contributed to the injury suffer no penalty, with their worker's compensation insurers able to recoup worker's benefits paid.

E. Recommendations.

The report recommends the creation of a Federal Insurance Commission as an independent agency to acquire expertise for the Federal Government with respect to insurance generally. Moreover, the report proposes to grant it the power to fully regulate all aspects of the insurance industry. However, it shall defer to continued state regulation, and shall act only in those instances where state regulation is deemed deficient.

With respect to tort changes, the report counsels that Federal standards should be formulated for state adoption, but shall become mandatory with respect to any nonadopting state after two years. These changes include the creation of a single product liability cause of action for bodily injury claims which shall distinguish among those instances in which the product fails to meet the manufacturer's own specifications (i.e., a defect in construction) and other instances in which the product may be unsafe, or for which the manufacturer may have had a duty to warn.

It advocates the introduction of comparative fault provisions to apportion responsibility among those responsible; the clarification of evidentiary rules including the relevancy of the state of the art at the time of manufacture, as well as the authority of courts to appoint expert witnesses. Further, the report recommends the implementation of a statute of limitations for product liability actions running from three years after the date of the injury, provided that after the product has been in use for ten years, the burden of proof shall be exclusively upon the plaintiff, without the assistance of any presumption.

With respect to work place injuries, the report recommends abolishing worker's compensation liens and/or rights of subrogation; however, the employee's recovery from any product liability action shall be reduced by the amount of worker's compensation benefits that the plaintiff has previously received.

The foregoing proposals will impact the problem only over the long run. However, to provide immediate relief, the report recommends providing a tax deduction for cash amounts contributed to a trust, the purpose of which is to pay product liability claims and expenses. The deduction shall be limited to an amount which pursuant to IRS regulations takes into account the costs

and/or quotes for product liability insurance, the coverage customarily maintained, and the claims experience of both the taxpayer and others in his industry. Moreover, the trust shall have a responsible fiduciary as trustee, and shall by its terms preclude use for other than payment of product liability claims and expenses. Trust funds shall be irrevocably committed to pay product liability claims and expenses. However, upon the cessation of taxpayer's business and satisfaction of all known product liability claims, amounts may be repaid to the trust contributor and shall be includable at such time.●

ALASKA LANDS LEGISLATION AND MINERAL DEVELOPMENT

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 15, 1978

● Mr. UDALL. Mr. Speaker, one of the major arguments opponents of the Alaska National Interest Lands Conservation Act (H.R. 39) use against the legislation is that H.R. 39 will "lock up" vast amounts of mineral resources from economic development.

In reality, nothing could be further from the truth. As it now stands H.R. 39 has been carefully modified and compromised to exclude, as far as practicable, areas of known mineralization from proposed conservation systems. Indeed, a recent industry-sponsored study by Stanford Research Institute entitled, "Impact of Withdrawal of Alaskan Federal Lands" proves this point. Purported by the authors to show the negative economic impacts the withdrawals proposed in H.R. 39 could have, the study picked seven test sites where mineral potential is present and discussed the economic feasibility of each.

It is interesting to note that the study addresses itself to the original H.R. 39, not the amended version as reported by the Interior Committee. Of the seven test sites selected for the study, fully six of them are outside the boundaries of proposed conservation system units. Nothing in H.R. 39 will preclude the orderly development of the resources present in those six sites. The rights of valid patent holders in the seventh test site are also fully protected, and all needful access to and from the claims are expressly guaranteed in the legislation.

The facts speak for themselves. As Matthew D. Berman, assistant professor at the LBJ School of Public Affairs, University of Texas, concludes in his analysis of the study, printed in the May 5 Anchorage Daily News, and reprinted here:

These facts (of Alaska mining potential) provide no evidence that proposed d-2 legislation is a major factor limiting Alaskan mineral development.

The article follows:

d–2 AND MINERAL DEVELOPMENT

(By Mathew D. Berman)

Opponents of strong national interest land withdrawal (d–2) legislation have frequently charged that the national parks, wild and scenic rivers and wilderness proposals would "lock up" enormous mineral wealth from economic development. In a major effort to substantiate this claim, a group of corporations with mining interests in Alaska recently paid $110,000 to SRI International Inc., a prestigious California-based consulting firm, to study the impact of federal land withdrawals on the economic and employment potential of Alaska's mining industry.

The SRI study, which was released in Anchorage on April 14 and subsequently presented to Senate Interior Committee members, and staff, provides a valuable insight into the economic aspects of the d–2 issue, as well as into the powerful lobby aligned against the H.R. 39 bill.

The personal bias of the authors of the SRI study against d–2 withdrawals was evident not only from the opening remarks at the public presentation of their findings but from the language of the written report, as well. One must presume, however, that the authors have accurately represented the facts of Alaskan mining potential, and these facts provide no evidence that proposed d–2 legislation is a major factor limiting Alaskan mineral development.

The study shows that the major factor inhibiting the growth of the state's mining industry is not uncertainty about land status, but rather the absence of a prerequisite infrastructure for development—transportation systems, housing, municipal services—and the enormous cost of providing these services in remote areas of the state.

The SRI consultants chose to focus their analysis on seven promising nonenergy mining claims. Three of these claims are located in potential national forest wilderness areas in Southeast Alaska. Another is a Doyon-owned asbestos deposit near Eagle, and the final three claims are large copper-lead-zinc deposits located in the southwestern Brooks Range. Of the $974 million estimated annual smelter value of the minerals which would be produced from the seven proposed mines, 82 percent would be derived from the three Brooks Range claims.

Of the other four mines totaling 18 percent of the production value, it is interesting to note that only one of the four was estimated to return more than 11 percent on the capital that would need to be invested in the venture. Given the risk inherent in all operations, a projected return of 15 percent is usually needed for commercial feasibility. It is quite unlikely, then, that the three mines, including the U.S. Borax molybdenum prospect near Ketchikan, would be developed at the present time, regardless of the d–2 issue. One might add that none of these unprofitable mines is affected by the current version of H.R. 39. Thus for these mines, it is economics, not d–2 legislation, which is inhibiting the development of a mining industry in Alaska.

Outside the Brooks Range, the one selected mining prospect which the SRI estimated to be commercially feasible is the small Greens Creek ore deposit located just inside the proposed Admiralty Island Wilderness. If it were developed, the mine would produce only 2 per cent of the total value projected for the seven mines. It would create around 100 jobs in the Juneau area for ten years—hardly enough to to be noticed at present, nor enough to make a dent in the economic catastrophe which would follow were the capital to be moved out of Juneau. One hardly needs to say that the value of Admiralty Island timber and fisheries, as well as wilderness recreation value, dwarfs that of the proposed Greens Creek mine.

What, then, is the status of the three Brooks Range mines, which together represent 82 per cent of the value of the proposed mineral production in the SRI study? The authors of the study made it clear that their calculations of commercial feasibility for these mines included the assumption that the Alaska Railroad would be extended from Nenana to the mines by 1982. Construction of the railroad at public expense is absolutely necessary for the development of these mines.

Now one does not need to be an expert on railroads to realize that the 1982 timetable for completion of such a rail line is absurd. Moreover, the capital cost of the rail project would probably be in the billion-dollar range, so even if the mines could provide enough freight volume to pay the operating cost of the railroad, they could never hope to justify its enormous construction cost.

What is the role of pending d–2 legislation in impeding the development of the Brooks Range mineral resources? None of these proposed mines is included within a proposed d–2 conservation unit. According to the SRI study, the problem is that the transportation corridor for the hypothetical rail extension might have to detour slightly to avoid passing through the proposed Gates of the Arctic National Park.

The SRI minerals study reports that development of the seven potential mines would have no appreciable impact on the supply of strategic materials in the United States, although there would be a positive influence on our international balance of trade. The study concludes that 11,000 jobs might be created in Alaska. It also claims that 20,000 to 40,000 jobs would be created in the United States as a whole. This claim, however, is in error, since the general level or economic activity, which determines the total number of jobs in the country, is not influenced by the addition of mining, capacity in Alaska, or anywhere else.●

BUSING—PART I

Hon. John E. "Jack" Cunningham

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Monday, May 15, 1978

Mr. CUNNINGHAM. Mr. Speaker, shortly the city of Seattle will experience the effect of massive student transfers by reason of their race. Recently, the May 8, 1978, issue of U.S. News & World Report featured an extensive study of a number of cities, the extent of busing of children for racial balance, and resulting educational quality. Because of the length of this article, I am submitting it in two parts of the RECORD and I recommend it to my colleagues for their examination:

TWENTY-FOUR YEARS OF INTEGRATION: HAS BUSING REALLY WORKED?

For more than two decades, laws have been passed, school boards sued, hundreds of thousands of pupils bused, many millions of dollars spent—all in an effort to wipe out racial segregation in public schools. And yet—

Black pupils today are still racially isolated in most big cities. Schools that have been "desegregated" are turning back toward all-black enrollment.

When the Supreme Court outlawed racially separate schools in 1954, the dream was of black children and white children studying together in racially integrated schools. That

dream has not come true in the big cities. And spreading widely—among blacks as well as whites—are growing doubts that methods tried so far will ever make that dream come true.

No one seems to have found the answer to the problem of racial separation—in neighborhoods or in schools.

These are the findings of a survey by members of the staff of this magazine who covered key cities in all regions of the country. In each city, staff reporters asked: How many black youngsters attended all-black or nearly all-black schools before desegregation efforts began? What is the situation now?

In other words, what has been accomplished by all the furor, the busing and the spending?

Views on the educational results of integration efforts are mixed. But one trend is unmistakably clear: So many white families have been fleeing the cities that white pupils are now heavily outnumbered in the schools of most big cities.

So few whites are left in some cities that, no matter how pupils may be bused around to schools outside their neighborhoods, most schools are bound to be predominantly black, some all black.

In Washington, D.C., more than 96 percent of all public-school pupils are black or members of some other minority group. In Atlanta, the minorities are now 89 percent, in San Antonio 85 percent and in Detroit 82 percent of the total school enrollment.

Federal judges and officials of the Department of Health, Education, and Welfare find themselves frustrated in trying to achieve what they call a desirable "racial balance" in such cities.

Busing, though commonly blamed for the flight of whites, turns out to be only one of several factors. Whites have been moving from cities to suburbs for many years, even from cities where there has been no racial busing.

Where busing has been tried, however, it has seldom proved the answer to racial isolation in schools. In some cities, it appears to have made the problem worse.

CITY-SUBURBAN BUSING

One experiment that has worked—in terms of improving racial balance—is that of busing city blacks into the schools of white suburbs and busing suburban whites into black city neighborhoods. Court rulings have limited that approach. But a book soon to be published by the Brookings Institution says that is the only approach that will work "in the long run" for big cities.

Demographic changes "are making lasting integration impossible within these cities' boundaries," says Gary Orfield, author of the Brookings book. So, he concludes, "the suburban boundary line must be crossed."

Following are reports of how desegregation programs have worked, or have failed to work, in 13 key cities.

DETROIT: "BUSING A FLOP"

When U.S. Judge Stephen Roth rules in 1971 that Detroit's schools were illegally segregated, he said he doubted that the problem could be solved without busing children between the city and its suburbs.

Apparently he was right. After two years of busing only within the city, Detroit schools are still segregated. And statistics show that the entire city school system is continuing to move toward a student population that is almost entirely black.

There are more all-black schools in Detroit now than there were before desegregation. In 1970, there were 30 schools with no white pupils and 11 with no blacks. In 1977, there were 33 all-black schools and one all-white. About 65 percent of Detroit's black students attended schools that were at least 90 percent black.

"Busing in Detroit has been counterproductive and a flop," says Gerald J. O'Neill, a white member of the Board of Education. "How," he asks, "can you desegregate the schools when only a small number of white students are left in the system?"

Since 1970, Detroit city schools have lost 64,552 white pupils. Now, with only 36,165 white remaining and blacks numbering 185,874, the total school enrollment is 82 percent black, compared with 60 percent in 1970.

As a result, the racial mix in most schools hasn't changed much since the prebusing days. About 75 percent of the black pupils attended schools that were 90 percent or more black in 1970, compared with last year's 65 percent.

That slight change has come at a high cost—an estimated 19.3 million dollars a year in state and U.S. funds.

Also, the split between the races is greater than it was before busing, says Claud Young, national vice president of the Southern Christian Leadership Conferences. "There is total black and white segregation in schools," Young explains. "Blacks and whites stay on opposite ends of the cafeterias and playgrounds. There's no fellowship."

Nevertheless, there are those who feel the busing program has not been a failure. Says Lawrence Washington, president of the Detroit chapter of the National Association for the Advancement of Colored People (NAACP): "Busing has opened up things in the city. And the road to cross-district busing starts with a successful plan in Detroit."

The NAACP intends to continue pushing for cross-district busing between the city's predominantly black schools and the predominantly white suburbs. Such busing was ordered by Judge Roth in 1971, but the Supreme Court ruled that the suburbs could not be included unless they were proved to have practiced illegal segregation. That's why the busing has been limited to the city.

But, says Joe T. Darden, professor of urban studies at Michigan State University: "Detroit cannot achieve integration in its schools unless there is busing between the city and suburbs. It's the only remedy."

RICHMOND: CITY-ONLY BUSING FAILS

The experience of Richmond, Va., has been similar to that of Detroit. A federal judge in 1972 ruled that busing only within Richmond's city limits was not working, and ordered the busing of pupils between the city and two adjoining counties. But higher courts nullified that order. And city-only busing still isn't working.

Today, Richmond's public-school enrollment is 82 percent black. This means that nearly all black children attend schools that are almost all black.

When desegregation of Richmond schools first began, in 1960, the student body was 55 percent white. What happened to cause the big racial change was the city whites shifted to private schools or to county schools where there are few black pupils.

Now, school officials are putting new emphasis on upgrading city schools to lure back some of the whites who fled the city system.

INDIANAPOLIS: STILL HUNTING FOR AN ANSWER

After 10 years of litigation and five years of busing, there are still 20 all-black schools in Indianapolis, and increased busing is seen as inevitable.

Indianapolis is another of those cities ordered by a U.S. district court to use two-way busing between city and suburbs. But the Supreme Court struck down that order and—as in Detroit and Richmond—busing confined to the city itself has not produced the results that were sought.

All-white schools, which numbered 53 before busing began, have been eliminated. But about 20 all-black schools remain. The elimination of all-black schools is complicated by a decline in white enrollment. Four schools that once were racially mixed have become all black.

The integration program costs about 1 million dollars a year, mostly for the busing of 13,000 pupils, after an initial start-up cost of more than 3 million dollars.

LOUISVILLE: WHERE CITY-SUBURBAN BUSING WORKS

City-suburban busing is getting a test in Louisville, Ky., and surrounding Jefferson County—and it appears to be working.

Before busing began, city schools were 54 percent black and county school were 95 percent white. Many schools were predominantly of one race.

Now, after three years of busing city blacks to county schools and whites from the county to city schools, black enrollment ranges between 12 and 40 percent in schools throughout the area. Blacks make up only 23 percent of the area's total enrollment.

White flight is not much of a problem. The reason: To escape busing, families have to move clear out of the county or send the children to private schools. About 15,000 pupils are bused at a cost of about 3.5 million dollars yearly.

The busing is not without its problems. Opposition lingers. though it is no longer violent. There has been an increase in racial incidents and students suspension in schools. "You still see segregation in our cafeterias and at school social events," says Robert Wynkoop, who is in charge of the busing program. "But," he adds, "black and white students are learning to get along."

Educators report the the quality of education has improved, with blacks' grades better and whites' grades changing little, if at all.

Says School Superintendent Ernest Grayson: "We've not only met the requirements of the court order, we've managed to achieve a degree of improvement in black-white understanding."

AuCOIN URGES STRONG H.R. 39

HON. LES AuCOIN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Monday, May 15, 1978

● Mr. AuCOIN. Mr. Speaker, the Alaska National Interest Lands Conservation Act, H.R. 39, will be debated on the floor of the House on Wednesday. Because of the Oregon primary election May 23, I will not be able to participate in the floor debate, but I want to strongly urge your support for this legislation which represents the most important conservation bill of the decade.

The bill has undergone extensive consideration in both the Interior and Merchant Marine and Fisheries Committee. Hearings held in Alaska and across the "lower 48" last summer

showed overwhelming public support for the measure.

During markup, boundaries were carefully drawn to exclude those areas of high mineral and energy values. In fact, the U.S. Geological Survey conservatively estimates that 70 percent of the lands with significant potential for hard rock mineral exploitation lay outside H.R. 39's boundaries, and fully 95 percent of the lands with favorable or high potential for oil and gas are outside the boundaries.

Geologists familiar with statistical analysis conclude that only 4 to 5 percent of Americas' mineral resources would be included. Furthermore, the significance of this percentage is lessened because mining costs are 1.5 to 2.75 times the mining costs in other States. A recent book published by the Brookings Institution concludes that it is doubtful whether owners of a large number of mines ever will be able to overcome the cost problems of operating in Alaska. It is no accident that Alaska has had no significant mining industry in 40 years.

Regardless of whether extractable resource values do exist in H.R. 39 lands, the ecological, scenic and wildlife values are so tremendous that they should be the very last lands exploited. I do support a continuing assessment of the oil and gas potential of wildlife refuge lands not designated as wilderness, so that if future needs dictate, national decisions can be made as to the best use of those lands.

After much deliberation, the Merchant Marine and Fisheries Committee, of which I am a member, supported wilderness designation of the entire Arctic Wildlife Range because of the critical nature of the habitat there for the international Porcupine caribou herd.

With my strong support, it also established the Copper River Delta Wildlife Refuge—the sole nesting place for the world's population of dusky Canada geese, which winter in Oregon's Willamette Valley. The Copper River Delta also is the nesting place for half the world's population of trumpeter swan. These provisions are of paramount importance and deserve your support.

Joint management by the Federal Government and the State of Alaska of all Federal lands is inappropriate and would set a dangerous precedent. The State already has been authorized to select 104 million acres from the unreserved public domain in Alaska. This is the most generous land grant to a State in U.S. history and is more than adequate to meet the State's future needs. Any such amendment should be rejected.

The issue before us is one of overwhelming significance. The outcome will determine how much we, as a Nation, have matured and learned from past mistakes. Another opportunity to preserve entire ecosystems, vast expenses of wild land and the wildlife that roam them never again will present itself. We have a responsibility to ourselves, to future generations, and to the land and wildlife to pass a strong H.R. 39.●

A REPORT AND AMENDMENT TO THE NATIONAL FOOD AND FEED GRAIN RESERVE

HON. CLARENCE J. BROWN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, May 15, 1978

● Mr. BROWN of Ohio. Mr. Speaker, the following is a report prepared by the Champaign-Logan Committee of the Seventh Ohio Congressional Youth Advisory Council on the proposed national food and feed grain reserve. Members on the committee: Mike Jenkins, chairman; Joyce Dillon, secretary; Craig Engle, student adviser; C. T. Baker, Tom Bollinger, Julie Bushong, Steven Cartwright, Jim Detrick, Kay Edwards, Mark Garber, John Henry, Stan Lawince, Julie Richard, Kindra Rutan, Bill Snyder, John Sowers, Julie Spahler, and Sue Wambly.

The report follows:

REPORT

I. GRAIN RESERVE

The purpose of a grain reserve is to provide adequate supplies of food in cases of emergency, due to cropfalls and food shortages. The health, well-being, and lives of people throughout the world are endangered by the absence of consistent and coordinated efforts among the governments of those people to establish and maintain food reserves. This being a guard against food emergency situations and severe crop shortfalls.

The grain reserve proposed by House of Representatives 9045 is one in which we will see a nationally held and internationally coordinated food reserves to be used for noncommercial humanitarian food relief needs and for such other purposes as may be agreed upon. Millions of people all over the world are the victims of malnutrition and disease. For these millions in developing countries a grain reserve plan, such as the one proposed could provide such effective aid as to save many of these people.

Such food stock may be utilized for the purpose of providing buffer stocks in the event of a major crop failure and would dampen the fluctuations that have marked grain prices for the past 4 years. They will serve as a hedge against inflationary effects of poor crops in the future. The formation of these strategic reserves and the proposed creation of an international emergency food reserve demonstrates past U.S. commitment and not only this but a conceivable way to create humanitarian relief to countries with severe cropfalls.

II. HOUSE BILL 9045

House Bill 9045 was introduced to provide a sufficient grain reserve for use in emergencies, both national and international. Commitments have been made by the U.S. representatives at the 1974 World Food Conference pertaining to United States participation in a nationally sponsored food reserve that would be coordinated with similar programs of other countries.

Passage of this bill will insure the health and well-being of people throughout the world by insuring a coordinated and consistent food reserve, for use in times of crop shortfalls and disasters.

The overall purpose of H.R. 9045 is to:

Establish and maintain a system of nationally held and internationally coordinated food reserve.

The synchronization of the American reserve will be delegated to the President of the United States or to his designated representatives.

It will also be the responsibility of the President to maintain that this reserve will not be used for commercial or bargaining purposes, and to make sure that foodstuffs will not be taken from the public-held reserves for use in this reserve.

The Secretary of Agriculture will be invested with the power to determine stock minimums, and to assure that these minimums are maintained. He will also make sure that the United States fulfills its commitments in the proposed reserve.

As of the passage of this bill, the Secretary of Agriculture will raise a reserve of no less than 2 million tons (American). After negotiation and settlement with other participating nations the Secretary will have the authority to raise the reserve to a capacity up to 6 million tons.

Before any of the reserve is used, the state of our own nation must be stable and well-fed: We must look to our own needs before we try to satisfy the needs of another country.

There are two purposes for which the reserve may be used. They are:

First. The food stocks may be used for humanitarian relief when a country has suffered a major disaster. It may be used as a bargaining tool, or implied as having commercial value.

Second. This food may be used to provide succor to countries who have suffered severe crop failures.

In both cases the President will have the power to say which country warrants aid. It is to be understood, though, that the President is not compelled to offer this aid to any country. It is his perogative.

After any withdrawal of foodstuffs from the reserves, the Secretary of Agriculture will see to the readjustment with all due promptness. It is the job of the Secretary to delegate how the reserve will be refilled with respect to the conditions of the international market, national market, and to the conditions of the national agricultural state—harvests, et cetera. It is also the Secretary's responsibility to see that the reserve is refilled with no less than what was removed, and no more than what will breach the ceiling of 6 million tons.

The buying of the grains and foodstuffs will be handled through the Department of Agriculture, and the Commodity Credit Corporation, as compensation on agricultural loan defaults.

Finally, it will be the duty of the Secretary of Agriculture to see to the periodic rotation of reserve foodstuffs to prevent spoilage. But any amount removed must be replaced by an amount equal to or greater than that removed.

The bill concludes, in section 6, with an appropriation of funds adequate enough to carry out the provisions of the proposed "International Emergency Food Preserve Act."

Thus the major points of the bill are:

First. A food reserve will be set up, to provide for the health, well-being, and lives of people throughout the world, in times of disaster and crop shortages.

Second. It will be used specifically for non-commercial, humanitarian relief.

Third. The President of the United States will have negotiative powers over the food reserve.

Fourth. The Secretary of Agriculture will have maintenance powers over the food reserve.

Fifth. Food stocks will be acquired by the Commodity Credit Corporation and the U.S. Department of Agriculture.

Sixth. The reserve will stand between 2 million tons and 6 million tons of foodstuffs.

Seventh. Whenever the reserve is drawn upon, that quantity will promptly be replaced by a quantity equal to or greater than itself.

III. LOAN AMENDMENT

The establishment of a nationally held and internationally coordinated grain reserve to hedge against starvation as devastating crop shortfalls would be futile without the development of a nationally coordinated grain reserve to protect the food supply of the United States and the supply of buyers of United States grain. Such a reserve would carry excess supply into the following crop year so that severe shortages would not materialize during poor crop years. However, because of the negative effect a reserve would have on the market, measures must be taken to prevent the further depression of farm prices. Also, because of the effect a reserve could have on the market when it is released it must be in the hands of the public to prevent the manipulation of the free market by the Government.

A nationally coordinated grain reserve would also stabilize food prices and under this program stabilize the erratic farm prices we have experienced since 1973. Since 1973 some commodities have varied as much as $8 per bushel which not only resulted in permanent food price increases but also in erratic fluctuation of farm income.

The price support loan program outlined in this amendment would allow the farmer to put his grain in storage, offer for collateral, and receive a loan to maintain his cash flow while waiting for a satisfactory price to sell his grain.

Thus the purpose of this amendment is to stabilize food supplies in the United States while maintaining a small margin of profit for the farmer.

AN AMENDMENT TO H.R. 9045

SEC. 6. (a) The Secretary shall also provide a publicly-held and nationally coordinated food and feed grain reserve program. The said reserve program shall be initiated through existing price support programs with loan rates set as follows: Corn—$2.50 per bushel, soybeans—$5.25 per bushel, barley—$1.50 per bushel, oats—$1.15 per bushel, and wheat—$2.35 per bushel. In addition, a 25¢ per bushel storage charge will be awarded annually. These rates are to be reviewed and adjusted annually by the Secretary.

(b) Upon the price of a commodity under loan agreement reaching 125 percent of the loan rate on the open market the loan may be terminated by the loanee. When price of a commodity exceeds 140 percent of the loan rate on the open market all loans on that commodity will be called by the Secretary.

(c) All loans shall mature on the last day of the 9th month of the following crop year with amount of loan plus 6 percent interest due. At the time of maturity the loanee shall have the option to default on loan and surrender grain to the Commodity Credit Corporation, pay amount due, or renew the loan for another year. Any loan may not be renewed more than twice.●

THE HALL OF IVORY

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 15, 1978

● Mr. HARRINGTON. Mr. Speaker, when it has been in our perceived interest, the U.S. Government has not refrained from bestowing political legitimacy upon repressive regimes while paying lipservice to the principles of human rights. Be it a lobster dinner at the White House for Latin American dictators, or a rose garden reception for Persian potentates, the instances of official compromise are numerous and have come to be expected.

However, despite the events of the recent past, from campus research and development for the Vietnam war to university investment policies in South Africa, many continue to expect that the ethical implications of action will be given more serious consideration by members of the academic community. Unfortunately this often is not the case. At least not at a time when universities are running significant budget deficits. I bring the article reprinted below from the New York Times of April 3 to the attention of my colleagues and the general public with the hope that the implications and significance of the acceptance by U.S. universities of funds from foreign dictators be reconsidered against the high ethical and scholastic standards which we expect from our universities.

The article follows:

THE HALLS OF IVORY

(By David M. Sloan)

WASHINGTON.—What do the regimes of Ferdinand Marcos, Muammar el-Qaddafi, and the Shah of Iran have in common?

In addition to symbolizing authoritarian role and systematic human-rights violations, each of the governments has recently donated substantial endowment funds to American universities.

While Americans have long contributed to education abroad through foreign-assistance programs, the funding of United States higher education by third-world regimes is certainly a new phenomenon. An influx of foreign students to American universities has traditionally characterized the link between the United States educational system and developing countries. More recently, however, this relationship has in certain instances assumed a character that is clearly more political than educational. In essence, several controversial foreign governments are seeking to buy international legitimacy through gifts to United States universities.

One of the latest public-relations initiatives of this kind involves a $1.5 million grant from the family of Ferdinand C. Marcos to Tufts University's Fletcher School of Law & Diplomacy.

Since declaring martial law in 1972, Mr. Marcos has attempted to deflect criticism of his regime and is understandably concerned about American perception of his rule: United States underwriting of his government now reaches $125 million yearly. Besides endowing a chair in his own name, Mr. Marcos recently hired a New York public-relations firm to polish his image.

The Tufts president, Jean Mayer, says his acceptance of the Marcos chair is entirely appropriate because Tufts will totally control the endowment's use. Mr. Mayer asserts that Mr. Marcos, when viewed with other world leaders, is not all that bad and that Mr. Marcos must be viewed as a "perversion" of long-standing American involvement in the Philippines.

Compared to Mr. Mayer, Dean Peter Krogh of Georgetown's School of Foreign Service has had an easy time justifying his welcoming of $750,000 from the Libyan Government. Although student and faculty protest followed the Marcos grant, there has been little reaction to the Libyan endowment—save a lonely outcry by the humorist Art Buchwald.

In response to a Krogh statement that "one cannot freeze out a country because their ideology differs from ours," Mr. Buchwald cited Libya's unabashed support of international terrorists and suggested that Mr. Krogh pursue an "Idi Amin Chair, in Genocide, the Premier Vorster South African Chair of Apartheid, and a Brezhnev Studies Program in Human Rights."

Not surprisingly, Georgetown and Libya bill the contribution differently—as an attempt to improve understanding between the American Arab peoples. Unanswered is the question whether this cross-cultural communication will explain Mr. Qaddafi's continuing aid and comfort to groups bent on Israel's annihilation.

Never to be outdone, the Shah has also actively sought to buy immunity from international criticism. Princeton, the University of Southern California and, most recently, the Humphrey Institute of Public Affairs at the University of Minnesota have seen fit to accept money from a country where 70 percent of the native population is illiterate. For its Humphrey tribute, Iran is sending $250,000—a gift that, commented one former Capitol Hill staffer, would have "genuinely embarrassed" the late Senator.

It is clear that the attempts of Mr. Marcos, Mr. Quaddafi and the Shah to cleanse their images have not been wholly successful. But this holds little consolation. The issue remains that American universities are embracing suspect money with open arms and clear consciences. University administrators, eager to supplant dwindling foundation and Federal financing, have judged potential contributions by their size, regardless of source.

Are our universities in such desperate straits? It seems equally clear that the recipients of these questionable monies are not in fact those schools most financially pressed. Because a gift is offered, a university need not accept it. Even so-called beggars can be choosers.

Mr. Mayer says he's "drawn the line" and refused gift offers. He turned down a South Korean advance ("because they're in the business of buying Americans") and says he wouldn't have taken Libyan money. But, to use his own criterion, is South Korea any less an American product gone bad than the Philippines? Is Mr. Qaddafi really any "worse" than Mr. Marcos?

Defending acceptance of the Marcos gift, the chairman of the Tufts trustees, Allan D. Cahon, has declared that "Tufts has 'bought' nothing except an opportunity." This raises an important point for all schools faced with like situations: What exactly does "opportunity" signify for the donor? The foreign end of the *quid pro quo* is crucial here. For some, "opportunity" promises stronger ties between foreign nations and the United States. For others, however, such opportunities serve as convenient vehicles for some of the world's most reprehensible dictators to attempt to legitimize their rules.●

SENATE COMMITTEE MEETINGS

Title IV of the Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of all meetings when scheduled, and any cancellations or changes in meetings as they occur.

As an interim procedure until the computerization of this information becomes operational the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committees scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Tuesday, May 16, 1978, may be found in Daily Digest of today's RECORD.

MEETINGS SCHEDULED

MAY 17

8:00 a.m.
Appropriations
District of Columbia Subcommittee
To continue hearings on budget estimates for FY 79 for the District of Columbia Government.
1114 Dirksen Building

9:00 a.m.
Governmental Affairs
Civil Service and General Services Subcommittee
To hold hearings on H.R. 4319, regarding government life and health insurance benefits; H.R. 4320, regarding annuity payments for judges and justices; H.R. 8342, dealing with local withholding taxes for federal employees; H.R. 8771, regarding compliance with court decree in divorce proceedings of a federal employee under civil service retirement system; and H.R. 9471 and S. 224, regarding civil service retirement credit for time spent in W.W. II internment camps.
3302 Dirksen Building

9:30 a.m.
*Banking, Housing, and Urban Affairs
Financial Institutions Subcommittee
To resume hearings on S. 2096 and S. 1460, Right to Financial Privacy Act, and S. 2293, to modernize the banking laws with regard to the geographic placement of electronic fund transfer systems.
6202 Dirksen Building

Human Resources
Health and Scientific Research Subcommittee
To resume hearings on S. 2755, the Drug Regulation Reform Act.
4332 Dirksen Building

Judiciary
To hold hearings on the nominations of Adrian G. Duplantier, to be U.S. district judge for the eastern district of Louisiana, and Gilbert G. Pompa, of Texas, to be Director, Community Relations Service.
2228 Dirksen Building

10:00 a.m.
Agriculture, Nutrition, and Forestry
To hold an open business meeting.
322 Russell Building

Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for FY 79 for the Department of Energy.
1224 Dirksen Building

Banking, Housing, and Urban Affairs
International Finance Subcommittee
To hold hearings in connection with restrictions employed by foreign countries to hold down imports of U.S. goods.
5302 Dirksen Building

Commerce, Science, and Transportation
Merchant Marine and Tourism Subcommittee
To hold hearings on S. 2873, proposed Ocean Shipping Act.
235 Russell Building

Energy and Natural Resources
Public Lands and Resources Subcommittee
To hold hearings on S. 3046 and S. 707, the proposed Coal Pipeline Act.
3110 Dirksen Building

Governmental Affairs
To continue hearings on S. 991, to create a separate Cabinet-level Department of Education.
3302 Dirksen Building

Judiciary
Administrative Practice and Procedure Subcommittee
To resume consideration of proposed legislation dealing with public participation in Federal agency proceedings.
155 Russell Building

Select on Intelligence
Closed meeting, to further consider report on Angola.
S-407, Capitol

Joint Economic
Economic Growth and Stabilization Subcommittee
To hold hearings on urban crime policy.
6226 Dirksen Building

10:30 a.m.
Judiciary
To continue hearings on S. 2252, the Alien Adjustment and Employment Act.
2228 Dirksen Building

Rules and Administration
To consider proposed authorization of additional funding to complete construction of Madison Memorial—Library of Congress building, and other committee business.
301 Russell Building

1:00 p.m.
Appropriations
Interior Subcommittee
To continue hearings on budget estimates for FY 79 for the Department of Energy.
1224 Dirksen Building

2:00 p.m.
Special on Aging
To hold an open business meeting.
S-126, Capitol

Conferees
On H.R. 7843, to provide for the appointment of additional Federal circuit and district judges.
EF-100, Capitol

MAY 18

8:00 a.m.
Appropriations
District of Columbia Subcommittee
To continue hearings on budget estimates for FY 79 for the District of Columbia Government.
1114 Dirksen Building

9:30 a.m.
Finance Committee
Health Subcommittee
To hold hearings on a report of the Committee on Governmental Affairs prepared by its Permanent Subcommittee on Investigations concerning alleged illegal and criminal activity of certain health maintenance organizations and other health care organizations.
2221 Dirksen Building

Judiciary
Criminal Laws and Procedures Subcommittee
To resume hearings on S. 2013, to require the additional labeling of explosive materials for the purpose of identification and detection.
1318 Dirksen Building

10:00 a.m.
Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for FY 79 for the Department of Energy.
1224 Dirksen Building

Banking, Housing, and Urban Affairs
Securities Subcommittee
To hold hearings on S. 2715, authorizing funds through FY 1981 for the Securities and Exchange Commission.
5302 Dirksen Building

Commerce, Science, and Transportation
Merchant Marine and Tourism Subcommittee
To continue hearings on S. 2873, proposed Ocean Shipping Act.
235 Russell Building

Environment and Public Works
Nuclear Regulation Subcommittee
To hold hearings on S. 2775, the proposed Nuclear Siting and Licensing Act.
4200 Dirksen Building

Foreign Relations
Arms Control, Oceans, and International Environment Subcommittee
To resume hearings on S. Res. 49, favoring international agreement to a treaty requiring the propagation of an international environmental impact statement for any major project expected to have significant adverse effect on the physical environment.
4221 Dirksen Building

Select on Intelligence
To resume hearings on S. 2525, to improve the intelligence system of the U.S. by establishing a statutory basis for U.S. intelligence activities.
5110 Dirksen Building

10:30 a.m.
Governmental Affairs
To mark up S. 2640, proposing reform of the Civil Service laws.
3302 Dirksen Building

Judiciary
To continue hearings on S. 2252, the Alien Adjustment and Employment Act.
2228 Dirksen Building

2:00 p.m.
Appropriations
Interior Subcommittee
To continue hearings on budget estimates for FY 79 for the Department of Energy.
1224 Dirksen Building

Select on Ethics
To hold an open, followed by a closed, business meeting.
Room to be announced

MAY 22

9:00 a.m.
Agriculture, Nutrition, and Forestry.
Agricultural Production, Marketing, and Stabilization of Prices Subcommittee
To hold hearings on S. 2626, the Consumer and Agriculture Protection Act.
324 Russell Building

Select Small Business
Monopoly and Anticompetitive Activities Subcommittee
To resume hearings on the Federal Government patent policy.
318 Russell Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold oversight hearings on anti-inflationary proposals.
5302 Dirksen Building

Judiciary
Antitrust and Monopoly Subcommittee
To resume oversight hearings on ICC's price regulation in the motor common carrier industry.
2228 Dirksen Building

10:30 a.m.
Commerce, Science, and Transportation
To hold hearings on the nomination of George S. Benton, of Maryland, to be Associate Administrator of the National Oceanic and Atmospheric Administration.
235 Russell Building

2:00 p.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on budget estimates for FY 79 for the District of Columbia Government.
1114 Dirksen Building

3:00 p.m.
Banking, Housing, and Urban Affairs
To continue oversight hearings on anti-inflationary proposals.
5302 Dirksen Building

MAY 23

8:00 a.m.
Appropriations
District of Columbia Subcommittee
To continue hearings on budget estimates for FY 79 for the District of Columbia Government.
1114 Dirksen Building

9:00 a.m.
Agriculture, Nutrition, and Forestry
Agricultural Production, Marketing, and Stabilization of Prices Subcommittee
To continue hearings on S. 2626, the Consumer and Agriculture Protection Act.
324 Russell Building

Select Small Business
Monopoly and Anticompetitive Activities Subcommittee
To continue hearings on the Federal Government patent policy.
6226 Dirksen Building

9:30 a.m.
Human Resources
Health and Scientific Research Subcommittee
To hold hearings on milk substitutes manufactured and distributed for infant formula use in underdeveloped countries.
4232 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To continue oversight hearings on anti-inflationary proposals.
5302 Dirksen Building

Energy and Natural Resources
To resume hearings on S. 499, 1500, 1546, 1787, and 2465, to designate or add certain lands in Alaska to the National Park, National Wildlife Refuge, National Wild and Scenic Rivers, and National Wilderness Preservation Systems.
3110 Dirksen Building

3:00 p.m.
Conferees
On S. 9, to establish a policy for the management of oil and natural gas in the Outer Continental Shelf.
EF-100, Capitol

MAY 24

8:00 a.m.
Appropriations
District of Columbia Subcommittee
To continue hearings on budget estimates for FY 79 for the District of Columbia Government.
1114 Dirksen Building

9:00 a.m.
Agriculture, Nutrition, and Forestry
Agricultural Production, Marketing, and Stabilization of Prices Subcommittee
To continue hearings on S. 2626, the Consumer and Agriculture Protection Act.
324 Russell Building

9:30 a.m.
Commerce, Science, and Transportation
Aviation Subcommittee
To hold hearings on S. 747, S. 3064, H.R. 8729, and H.R. 11986, proposed Aircraft and Airport Noise Reduction Act.
235 Russell Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold hearings on S. 2892, proposed New York City Loan Guarantee Act.
5302 Dirksen Building

Energy and Natural Resources
To continue hearings on S. 499, 1500, 1546, 1787, and 2465, to designate or add certain lands in Alaska to the National Park, National Wildlife Refuge, National Wild and Scenic Rivers, and National Wilderness Preservation Systems.
3110 Dirksen Building

Foreign Relations
To hold hearings on H.R. 7819, S. 477, S. 478, S. 1256, and S. 1257, bills concerning diplomatic immunity.
4221 Dirksen Building

MAY 25

9:30 a.m.
Commerce, Science, and Transportation
Aviation Subcommittee
To continue hearings on S. 747, H.R. 8729, and H.R. 11986, proposed Aircraft and Airport Noise Reduction Act.
235 Russell Building

Environment and Public Works
To hold hearings on S. 2995, proposed Union Station Improvement Act.
4200 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold oversight hearings on the condition of the banking system.
5302 Dirksen Building

Energy and Natural Resources
Public Lands and Resources Subcommittee
To resume hearings on S. 3046 and S. 707, the proposed Coal Pipeline Act.
3110 Dirksen Building

2:00 p.m.
Conferees
On S. 9, to establish a policy for the management of oil and natural gas in the Outer Continental Shelf.
Until 5:00 p.m. EF-100, Capitol

3:00 p.m.
Banking, Housing, and Urban Affairs
To hold hearings on S. 2716, the Interstate Land Sales Full Disclosure Act Amendments.
5302 Dirksen Building

MAY 26

10:00 a.m.
Banking, Housing, and Urban Affairs
To continue hearings on S. 2716, the Interstate Land Sales Full Disclosure Act Amendments.
5302 Dirksen Building

MAY 31

2:00 p.m.
Conferees
On S. 9, to establish a policy for the management of oil and natural gas in the Outer Continental Shelf.
Until 5:00 p.m. EF-100, Capitol

JUNE 1

Conferees
On S. 9, to establish a policy for the management of oil and natural gas in the Outer Continental Shelf.
Until 5:00 p.m. EF-100, Capitol

JUNE 5

10:00 a.m.
Banking, Housing, and Urban Affairs
To resume hearings on S. 72, to restrict the activities in which registered bank holding companies may engage, and to control the acquisition of banks by holding companies and other banks.
5302 Dirksen Building

JUNE 6

10:00 a.m.
Banking, Housing, and Urban Affairs
To continue hearings on S. 72, to restrict the activities in which registered bank holding companies may engage, and to control the acquisition of banks by holding companies and other banks.
5302 Dirksen Building

JUNE 7

9:30 a.m.
Judiciary
Juvenile Delinquency Subcommittee
To hold hearings jointly with the Human Resources Subcommittee on Alcoholism and Drug Abuse on S. 2778, and other proposals, to tighten contols on and increase penalties for the manufacture and distribution of the drug PCP (angel dust).
4232 Dirksen Building

10:00 a.m.
Commerce, Science, and Transportation
Communications Subcommittee
To hold hearings on S. 22, to remove statutory and regulatory restrictions on broadcasters, operation under the Communications Act of 1934.
235 Russell Building

JUNE 8

10:00 a.m.
Banking, Housing, and Urban Affairs
To mark up S. 50, the Full Employment and Balanced Growth Act.
5302 Dirksen Building

Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold hearings on S. 2981, to provide for the expansion of the category of rail lines eligible for rehabilitation, deferred maintenance, and various alternative facilities.
235 Russell Building

JUNE 13

9:30 a.m.
Commerce, Science, and Transportation
Aviation Subcommittee
To resume hearings on S. 747, H.R. 8729, and H.R. 11986, proposed Aircraft and Airport Noise Reduction Act.
235 Russell Building

JUNE 14

9:30 a.m.
Commerce, Science, and Transportation
Aviation Subcommittee
To continue hearings on S. 747, H.R. 8729, and H.R. 11986, proposed Aircraft and Airport Noise Reduction Act.
235 Russell Building

JUNE 15

9:30 a.m.
Commerce, Science, and Transportation
Aviation Subcommittee
To continue hearings on S. 747, H.R. 8729, and H.R. 11986, proposed Aircraft and Airport Noise Reduction Act.
235 Russell Building

Veterans' Affairs
Housing, Insurance, and Cemeteries Subcommittee
To hold hearings on S. 1643 and H.R. 4341, to eliminate the requirement for inspections of the mobile home manfacturing process by the VA, and S. 1556, authorizing funds through FY 81 to assist States in establishing and maintaining VA cemeteries.
Room to be announced

JUNE 19

10:00 a.m.
Banking, Housing, and Urban Affairs
Rural Housing Subcommittee
To hold oversight hearings on the impact of solar energy on rural housing.
5302 Dirksen Building

JUNE 20

10:00 a.m.
Banking, Housing, and Urban Affairs
Rural Housing Subcommittee
To continue oversight hearings on the impact of solar energy on rural housing.
5302 Dirksen Building

JUNE 21

10:00 a.m.
Banking, Housing, and Urban Affairs
Financial Institutions Subcommittee
To hold hearings on H.R. 10899, the International Banking Act.
5302 Dirksen Building

JUNE 22

10:00 a.m.
Banking, Housing, and Urban Affairs
Financial Institutions Subcommittee
To continue hearings on H.R. 10899, the International Banking Act.
5302 Dirksen Building